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PROCEEDINGS AND DEBATES OF THE 100th CONGRESS, FIRST SESSION

SENATE—*Wednesday, July 1, 1987*

(Legislative day of Tuesday, June 23, 1987)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable JOHN D. ROCKEFELLER IV, a Senator from the State of West Virginia.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

"One nation, under God, indivisible, with liberty and justice for all."

Eternal God, supreme Lord of history and the nations, we are unspeakably grateful for our incomparable land. Aware of its political realities, we invoke Your presence and blessing in this Chamber today.

Thank You Father for our two-party system with its inevitable competition, especially as elections approach. Thank You for a democracy designed to provide the greatest good for the largest number—while it protects the rights of each. Thank You for the fundamental reality that the rights of every citizen are the responsibility of every public servant and the fact that because these rights sometimes compete, compromise is inevitable. May public servants never forget that we are one Nation and that the U.S. Senate is a "living symbol of that union." Many—yet one—united in a beautiful tapestry of diversity.

Gracious God, move upon hearts and minds of the Senators that a crushing workload, the pressure of highly controversial issues and relentless time will not be allowed to fragment the Senate. Preserve these realities, dear God, that are our sacred trust. For the glory of Your name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 1, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN D. ROCKEFELLER IV, a Senator from the State of West Virginia, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. ROCKEFELLER thereupon assumed the chair as Acting President pro tempore.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the pending business, S. 1420, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1420) to authorize negotiations of reciprocal trade agreements, to strengthen United States trade laws, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Wilson Amendment No. 363, to express the sense of the Congress that Japan should liberalize the trade policies of Japan by lowering high tariffs and removing quotas on competitive agricultural exports of the United States, and to do so in a prompt and timely manner, to avoid any damage to the close relations between Japan and the United States.

ORDER OF PROCEDURE

Mr. BYRD addressed the Chair.

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. BYRD. Mr. President, I ask unanimous consent that the distinguished Republican leader may have 5 minutes, that I may have 5 minutes, and that the time not be charged against the pending amendment, and that both leaders may speak out of order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Mr. President, at such time as I am recognized, I will yield to the Senator from Wisconsin [Mr. PROXMIRE], but after the Republican leader.

Mr. DOLE. I thank the majority leader, and I would indicate that he indicated last evening perhaps we can clear the DOJ authorization bill. We are trying to do that now. Hopefully we can do it by unanimous consent. We might be able to get a time agreement so I will get in touch with the majority leader.

Mr. BYRD. Mr. President, I thank the distinguished Republican leader for that.

JULY 1, 1935: SENATE PARLIAMENTARIAN ESTABLISHED

Mr. DOLE. Mr. President, 52 years ago today, on July 1, 1935, the Senate officially established the post of Parliamentarian. Today the Parliamentarian has become such an integral part of the functioning of this Chamber that it is hard to believe that the Senate went so long without one.

In the 19th century the average session of Congress lasted perhaps 6 months of the year, and the volume of legislation handled was minuscule by current standards. Vice Presidents presided daily in the Senate Chamber and took pride in knowing the Senate rules. In fact, Thomas Jefferson wrote a rules manual while he presided as Vice President. The Senators also had the time to debate the fine points of parliamentary procedures, and tended to be far better versed in the rules and precedents than today's busy legislators. Under these circumstances, the function of Parliamentarian could be carried on sporadically and unofficially by various clerks at the front desk.

While it is surprising that none of these clerks was designated as Parliamentarian before 1935, it is not surprising that the office was created in

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

the middle of the New Deal. This came at a time when the Senate's legislative load had increased dramatically. On July 1, 1935, the Senate promoted its journal clerk, Charles Watkins, to the new combined post of Parliamentarian and journal clerk. Two years later, the titles were divided and Watkins, on July 1, 1937—50 years ago today—became solely the Parliamentarian. He held the position until his retirement in 1964.

Under Charles Watkins, and his successors, Floyd Riddick, Murray Zweben, Robert Dove, and Alan Frumin, Senate Parliamentarians have played an ever expanding and essential role, advising the Presiding Officers, the leadership, committee chairmen, and other Senators, and helping us all to operate within the rules and precedents of this institution.

DEFENSE NEWS CALLS FOR SDI SPENDING HELD AT $3.5 BILLION

Mr. PROXMIRE. Mr. President, when Defense News carries an editorial calling for a reduction in a major weapons program, the Congress should sit up and take notice. Here is a publication committed to a strong military force for our country. Defense News has consistently supported more effective weapons programs. It fully recognizes the necessity of bargaining with the Soviet Union from strength. So why did the Defense News carry an editorial on June 8 headlined: "An Immense SDI Budget Is Unwarranted"?

Defense News makes two main points. First, I quote verbatim from this publication:

> The top defense issue in the United States today is not SDI. It is the budget deficit.

And No. 2: And again I quote:

> There are other defense matters far more important than an additional $2 billion for SDI. The air defenses of land and sea forces should be improved, for example, and the infantry is in dire need of light antitank weapons.

Let us consider these propositions in turn. Why is the budget deficit the top defense issue in our country today? First because the strength of the United States will defend as long as our country exists on the strength of our economy. Why is this country the leader of the free world today? For one simple reason. We have the most productive economy of any country on Earth. We have an economy that can afford to train the most highly skilled scientists in the world. Those scientists can research and develop the world's most powerful weapons. We can afford to maintain and operate the best equipped and trained Army, Navy, and Air Force in the world. The Soviet Union and China both have more people than we have. But our greatly superior economy enables us to provide our soldiers, sailors, and airmen with better training and better equipment.

But our economy is in trouble. And that trouble is our own doing. The continuing deficit—the huge and exploding national debt is beginning to divert more and more of our resources to debt servicing. Just think of it—the most rapidly rising cost of government today is not education, it is not health, it is not any or even all social programs combined. And no, it is not the military buildup. Our biggest cost is interest on the national debt. The Congress has passed and made the law of the land the Gramm-Rudman-Hollings law. That law, for which this Senator voted, mandates a sharp reduction in the deficit. The Congress has realistically concluded that we cannot meet the goals of this law we have so recently enacted without holding down military spending as well as spending on social programs. And we must also raise taxes, for some reason this arithmetic is not as clear and simple as it should be to the administration. But to anyone thinking about this for more than 5 minutes. There isn't any other way we can obey the law we in the Congress enacted except to cut all Federal Government spending—spending for agriculture, spending for education, spending for health, spending for defense, and increasing taxes.

This Senator has been consistently critical of defense spending, but there is no question that we don't live in a Sunday school world. Gorbachev is not Mother Theresa. We do need a strong military force. And that brings us to the second point made by Defense News. With the limited funds we have for the military we cannot afford anything like the $5.8 billion budget that the administration has requested for SDI in 1988. Defense News calls that "unrealistic." Defense News is right. Defense News calls for funding SDI near the present level of $3.5 billion annually. It rightly calls that "sufficient for SDI to pursue its political, technological and defense goals." Defense News contends that it will be years before we know whether or not an effective missile defense system can be devised. They call SDI "not directly related to the present-day defense of the United States or its allies." And it concludes that "crash programs and huge allocations are not justified."

Mr. President, this Senator is convinced that the great weight of scientific judgment in this country is that SDI will never meet the NITZE criteria. It will never be cost effective at the margin. The adversary will always be able to penetrate SDI at a far lower cost than the cost of researching, developing, producing, deploying, maintaining, operating, and modernizing this star wars defense. But I am willing to concede that the great weight of competent scientific judgment may be wrong. So I would not object to the maintenance of "a substantial sum for continuing SDI research"—as Defense News puts it—near the present $3.5 billion level. With the horrendous deficits and national debt we face, we should spend no more than $3.5 billion on SDI in 1988.

Mr. President, I ask unanimous consent that the editorial to which I have referred from the June 8, 1987, issue of Defense News be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AN IMMENSE SDI BUDGET IS UNWARRANTED

No one should be misled by the vigorous debate under way in the U.S. Senate over the goals and funding of the Strategic Defense Initiative (SDI).

The debate is important. It promises to affect the future of the SDI program in the United States, Germany, Great Britain, Israel and, perhaps, Japan. But it was not prompted by any decline in popular support for SDI. The American public's interest is not an issue.

There is no widespread support for this huge weapons program, aside from the public's visceral desire to give the president what he wants to conduct the nation's defense and foreign affairs. It is true that the nerve ends of a few space junkies have been set a-tingle by vivid dreams about galaxies of spy satellites and laser rays that might be placed in space. But SDI will not be a major factor next year in a single election in the United States.

The reservations by some of the Senate's most thoughtful members were sparked by the poor political tactics and voracity of the Defense Department. The request for an SDI budget next year of $5.8 billion—$2.3 billion over the 1987 figure—is unrealistic.

The top defense issue in the United States is not SDI. It is the budget deficit. Cutting it back would buttress the West's economic vitality and its long-term security. The Defense Department will be fortunate to emerge from the congressional deliberations this year without a budget reduction. Realists in Washington knew this in January before the 1988 request was issued. Those who defend the SDI spending plan are begging for the budget ax.

There are other defense matters far more important than an additional $2 billion for SDI. The air defenses of land and sea forces should be improved, for example, and the infantry is in dire need of light antitank weapons.

Funding near the present level of $3.5 billion annually is sufficient for SDI to pursue its political, technological and defense goals. It already has affected Soviet thinking about arms control. The money being sown into the program will bring forth at least a moderate harvest of innovative technologies. It will not be known for years whether an effective defensive system can be placed in space in this century.

SDI is not directly related to the present-day defense of the United States or its allies. Crash programs and huge allocations are not justified. SDI is an experimental effort that deserves public support. Stable funding and conservative management are fundamental to its bright promise.

ORDER OF PROCEDURE

Mr. BYRD. Does any time remain?

The ACTING PRESIDENT pro tempore. Two minutes remain.

Mr. BYRD. I want to thank the distinguished Senator from California, Mr. WILSON, for his courtesy, without any objection, without any remonstrance whatsoever, allowing us to cut into his time, and I also want to thank him for being on the job when he was supposed to be on the job. It is not—perhaps it is a little—unusual for Senators not to be here and ready when they are supposed to go with their amendments, at the time, but it does not happen always.

I am pleased to note that Senator WILSON is ready to go. There is nobody holding up the Senate right now but me. Mr. President, I yield the floor.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with the consideration of S. 1420.

The ACTING PRESIDENT pro tempore. The Senator from California.

AMENDMENT NO. 363

(Purpose: To express the sense of Congress regarding the trade barriers and high tariffs Japan places on competitive agricultural exports from the United States)

Mr. WILSON. Mr. President, I thank the distinguished majority leader for his kind comments.

Mr. President, how much time have I remaining?

The ACTING PRESIDENT pro tempore. The Senator has 14 minutes 50 seconds.

Mr. WILSON. I thank the Chair.

Mr. President, I rise today to offer an amendment that expresses the sense of the Senate that Japan should eliminate its unfair trade barriers that deny access to American agricultural products. I am quite pleased to have the support of a number of Senators on both sides of the aisle: First, my colleague from Arkansas, Senator PRYOR; the Senator from California, Senator CRANSTON; the Senator from Mississippi, Senator COCHRAN; the Senator from Idaho, Senator MCCLURE; the Senator from Florida, Senator CHILES; the Senator from Oklahoma, Senator NICKLES; the Senator from Arizona, Senator MCCAIN; and the Senator from Louisiana, Senator JOHNSTON. They are all joining me in this effort.

Mr. President, we think it imperative that we send a very strong bipartisan message to the Japanese Government that we will no longer go gently into the night.

We frankly think that there is a time when there must be an end to patience, when continued uncomplaining suffering of a sort of denial of access that has characterized Japanese relations with this trading partner are no longer a virtue.

Mr. President, if the United States is going to regain its stature, a deserved stature, particularly for its agricultural produce, protectionist trading policies of Japan must be eliminated. After reviewing a list of tariff and tax schemes proposed by Pacific rim countries, including Japan, it is a wonder that any of our crops have managed to penetrate what some have called the bamboo curtain.

This year, American agricultural exports are expected to amount to only $27 billion. Considering that in 1981 our farmers exported a record-breaking $44 billion in agricultural products to the world, this figure is a painful indicator of U.S. vulnerability.

Of course, the prosperity of our farmers depends to a certain extent on macroeconomic forces. But U.S. agriculture is more often victimized by the blatantly unfair agricultural trade practices of our foreign competitors than by these macroeconomic factors.

As you well know, Mr. President, one of the major culprits in the game of protectionism has been Japan, which currently holds the largest trade deficit with the United States, totaling a record $58.6 billion last year alone. U.S. agricultural producers continue to struggle against numerous obstacles which have been erected in the path of fair access to the Japanese market.

The national protectionist trade policy practiced by Japan is an affront to U.S. exporters attempting to sell their highly regarded, high-quality products in Japan.

One important example of the kind of protectionism practiced by Japan concerns rice.

During the past 20 years, policies implemented by the Government of Japan have barred our exporters from selling American rice in Japan. Japan places quantitative limits on all rice imports and permits only its state trading enterprise, a creation of the Japanese Government called the Japan Food Agency, to buy rice, and they buy exclusively from Japanese producers, or almost exclusively. The Japanese Food Agency currently purchases the majority of its rice from Japanese producers at nearly 10 times the world market price. Ten times.

As a result, Japanese consumers and taxpayers are spending nearly $25 billion to prop up its rice growers, and to insulate them from the realities of the world marketplace.

Mr. President, spokesmen for the Japanese Ministry of Agriculture are quite sensitive on this point of their purchase of rice virtually exclusively from Japanese producers. They have tried to explain to those of us in the United States who do not seem to understand that there is something different about rice, something mystical.

Well, there is something mysterious to me about a trading practice that penalizes Japanese consumers, that requires them to pay 10 times what they would otherwise have to pay going into the Japanese marketplace.

What is going on, Mr. President, very plainly and simply, is that the Japan Food Agency, or to put it in other terms, the Japanese Government, is denying access to the Japanese marketplace of competitive rice and several other commodities. But for the moment we will focus upon that rice. As a result, the mystical experience of which the spokesmen speak is that of the producers. But what is happening is that Japanese producers are enjoying a bonanza. Japanese consumers are suffering an enormous penalty. And American as well as other exporters, be they rice growers from Arkansas or California, are simply denied the kind of access to which they are entitled to ask. They are not demanding any special privilege. They are asserting no guaranteed market share. But they have a product to sell that is competitive, certainly in quality and, from the marketplace, also in price. But they cannot get in.

Mr. President, in 1985, Japan allowed imports of only 20,000 tons of rice and what that represents is less than two-tenths of 1 percent of its domestic consumption—less than two-tenths of 1 percent. The small amount of imports are primarily specialty rices used for liquor production and for rice cakes, for other unique products, but not for the general consumption of a nation that depends upon rice as a very significant part of its diet.

And while world prices have plummeted since 1981, Japanese prices have consistently risen. So by refusing to play fairly, the Government of Japan has extorted even higher prices from its domestic consumers of rice and has inflicted economic injury upon Arkansas rice growers and upon California rice growers, upon United States rice growers generally and upon United States rice millers.

These are people who are ready to export their commodity to Japan, and have stood ready for many years. They estimate that the Japanese import restraints on rice cost United States exporters as much as $1.7 billion per year.

The rice growers in my State, and their colleagues across the South, are efficient producers of rice. They are ready to compete in the Japanese market, if they are given the chance.

Simply stated, our rice farmers are requesting access to the same level playing field in Japan that the Japanese enjoy in the United States in terms of the openness of our markets to their exports of steel, automobiles, home electronics, and other consumer goods.

I am firmly committed to the idea, Mr. President, that changes in Japan's rice import policy will reflect Japan's willingness to be a full partner in the free trading system, the world, the global trading system, that is the reality of today's marketplace.

I believe that opening the Japanese market to United States rice exports would significantly reduce the trade deficit between the United States and Japan, which has reached intolerable proportions and which occupies so much of our time on this floor. However, I am concerned that Japan will not initiate a reduction in its blatantly protectionist rice import policy without action on the part of the United States. In fact, on June 9 of this year Japanese Minister of Agriculture, Mr. Kato, said that he would refuse to discuss opening Japan's rice market to the United States. He said, "There is no official request for such talks by the United States, but even if there were I would refuse to join in."

Now, Mr. President, that goes beyond defending a legitimate Japanese interest. It is, in fact, an exercise in arrogance which, I repeat, is unfair not just to American exporters but to Japanese consumers.

The resolution before us today would call upon Japan to desist from that kind of protectionism, to liberalize its rice policy immediately in the interest of its own consumers as well as American exporters who are entitled to fair market access.

Mr. President, the concern that I have stated with respect to rice exists with regard to other U.S. agricultural exports. The United States citrus industry has been similarly oppressed by the kind of protectionist exclusionary policies in Japan but there has at least been progress there. The citrus industry has had to overcome many, many hurdles to sell even limited amounts of citrus products in the Japanese market. I believe that the citrus industry is representative of the sense of profound frustration that permeates so many United States industries which have unsuccessfully sought what is simply reasonable access to the Japanese market.

Our citrus producers gained modest access, which is to say very limited market access, in Japan for the first time in 1964 when a reluctant Japanese Government allowed limited access to its domestic market to United States lemon growers. This in turn led to some expansion with respect to grapefruit exports in 1971, and then after seemingly limitless meetings United States oranges gained the beginnings of access in 1972. Since that time, notwithstanding this progress, we have not realized anything like the full potential of possible citrus exports to Japan. In fact, if import quotas and duties on oranges and grapefruit were completely eliminated today, United States growers could increase exports to Japan by an additional $80 million.

Mr. President, I ask unanimous consent that a table showing the progress made by the citrus industry, the limited, modest progress, be included in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Japanese import quotas

Fiscal year:	*Metric tons*
1972 [1]	12,000
1973	15,000
1979	45,000
1980	68,000
1981	72,500
1982	77,000
1983	82,000
1984	93,000
1985	104,000
1986	115,000
1987	126,000

[1] Prior to Japan's fiscal year 1972 there was no separate quota for fresh oranges, it was grouped in a category with fresh grapefruit.

Mr. WILSON. Mr. President, what the figures on this chart represent is the limited progress over the past 12 years gained by citrus producers, but it shows that they still face unreasonably high barriers and we are urging Japan to further expand its market to United States exporters by eliminating these discriminatory tariffs.

Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. The Senator has 2 minutes yet remaining.

Mr. WILSON. On a similar note, in 1984, the United States exported $356 million of beef to Japan. This was accomplished despite a number of unfair trade barriers erected to United States-Japan beef trade. A 25-percent tariff, state trading, lack of quarantine facilities, and import quotas all have stymied United States beef exports, resulting in higher beef prices in Japan. For example, a pound of tenderloin from California ranches can cost the Japanese consumer $16 or more.

While in 1988 market access for beef is expected to increase, resulting in an estimated $400 million in additional United States beef sales to Japan, the consistent failure of the Japanese Government to allow fair access to its markets for United States agricultural goods calls this agreement into question.

In addition, Mr. President, the Japanese Government has placed roadblock after roadblock in the path of United States efforts to form a panel under article 23 of the General Agreement on Tariffs and Trade [GATT] to discuss Japan's illegal import quotas with regard to 12 agricultural products. The "GATT 12 products" consist of peanuts, cheese, dried beans, noncitrus-fruit juice, preserved or prepared beef, and fruit purees and pastes. Reluctantly, earlier this year, Japan agreed to form the panel. Our resolution would urge Japan to remove import curbs on these products.

In April, our United States Trade Representative and Secretary of Agriculture met with officials of the Japanese Government in Tokyo to encourage Japan to open their market to competitively priced United States products, particularly rice. They also requested that Japan further open its market to American beef and citrus exports, as well as such other competitively priced products as the GATT 12 products. It is not surprising that our officials met outright opposition to a further expansion of the Japanese market.

The result of this obstructionist trade policy so amply demonstrated by Japan, if continued, will leave the Congress no alternative but to enact tough trade legislation intended to develop fair market access for all United States agricultural products to the Japanese market. We can no longer tolerate the continued failure by the Japanese Government to open its markets and the consequent inquiry caused to American agriculture.

Mr. President, the resolution before us today is an important first step indicating congressional opposition to Japan's unfair trade practices and policies. It sends a clear signal to Japan that we will no longer be Uncle Sap. Instead, we will insist that American agricultural producers be given the same market access that Japanese producers are afforded in this country. We ask no more, we will accept no less. I urge my colleagues to vote for the resolution.

I see my colleague from Arkansas on the floor and I know he has an intense interest on behalf of the rice industry in his State.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas is recognized.

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me.

Mr. President, today I join with my distinguished friend, the Senator from California [Mr. WILSON] in offering this sense-of-the-Senate resolution to the trade bill.

Mr. President, the rice industry is a very unique industry in our country. There are only five rice-producing States. I must say, with some degree of pride, that the State of Arkansas is the No. 1 producer of rice. We have Mississippi, Louisiana, we have Texas and California. We make up basically what we call the rice States. We have seen in the past several years, Mr. President, a very definite and a very conscious desire to exclude American-produced rice from Japanese markets. This case went before the ITC, and all of us know what happened. In that particular case, Ambassador Yeutter and other officials in our country recognized the plight of the American rice farmer in attempting to export American rice to Japan. However, accepting all the facts as facts, Mr. President, we found that the Japanese said flatly, "We will accept no American-produced rice in our country."

Mr. President, very recently, as my colleagues may be aware, our United States Trade Representative, Mr. Yeutter, and the Secretary of Agriculture, met with Government officials in Japan to encourage them to open their market to United States agriculture products—in particular, rice. Prior to their departure, I specifically asked them, along with the other rice-State Senators, to raise the rice-access issue and to emphasize to the Government of Japan the depth of our concerns and the importance of making progress by mid-1987. To their credit, Mr. President, Ambassador Yeutter and Secretary Lyng proposed to Japan's Agriculture Minister, Mr. Kato, that our two countries begin discussion on trade in rice.

They also proposed a modest system of quotas under which small, specific amounts of rice could be imported from the United States in the next several years.

Well, Mr. President, what was the response from Japan? Minister Kato rejected both requests flat out. He said that Japan would never permit the import of foreign rice to their country. I quote:

> There will be no bilevel talks at this stage, and we will stick to our stand.

He finally agreed to let Japanese rice policy be put on the agenda during the coming GATT discussions as long as everyone understands——

The ACTING PRESIDENT pro tempore. If the Senator from Arkansas will yield for a moment, the time in favor of the amendment has expired. The Senator would need unanimous consent to continue.

Mr. PRYOR. Mr. President, I ask unanimous consent to continue for 3 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. PRYOR. He finally agreed to let Japan's rice policy be put on the agenda during the GATT discussions as long as everyone understands that the ban on rice will remain.

Mr. President, for many months I have resisted the "Blame Japan" approach for explaining away our trade deficit. I believe that many of the attacks on the Japanese have been actually unjustified. We should not forget that the Japanese are very, very important and trusted allies of ours. But this is not the way allies are supposed to treat each other.

I am perfectly willing to admit that the Japanese have outstudied, outhustled, outwitted, and outperformed us in many economic areas. It should be made very clear to everyone that by now in many respects the Japanese especially in the situation regarding rice do not play fair. While using every conceivable means, fair or foul, to penetrate foreign markets, the Japanese have devised an ingenious and subtle system of important barriers that block out even highly competitive products from their own market.

Of course, there is nothing ingenious or subtle about a flat prohibition on rice imports. The most that can be said about the Japanese position on rice is that it is clear and honest.

I could understand the Japanese position better if there were a sound economic basis for it. But the Government's policy is having a harmful, and increasingly unpopular, effect on Japanese taxpayers and consumers. Some Japanese have even gone so far as to try to smuggle U.S. rice into the country.

The U.S. rice industry estimates that an open Japanese market could provide as much as $1.7 billion in sales to U.S. producers. To my way of thinking, there is no reason why we should give up on this issue and write off a significant potential market like that.

The unreasonable attitude of the Japanese Government on rice, supercomputers and other goods and services has at last begun to alienate many of us who had resisted the arguments of those calling for stiff sanctions against our ally. We have seen the administration's reaction on semiconductors. Does anyone expect the Congress to do less on other unfair trade practices?

I have proposed legislation that would take direct action against countries which refuse to allow any U.S. rice to enter their markets. That legislation is pending in the Agriculture Committee.

Moreover, Ambassador Yeutter is very sympathetic to the concerns of the U.S. rice producer and is taking a look at possible section 301 action this year.

I hope that today's vote on our resolution will be unanimous. As I have shown, this is not just a rice issue but an issue which could have a significant effect on all U.S. exports to Japan.

Mr. President, I ask unanimous consent to include in the RECORD the Economist article entitled "Action, Please."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Economist, May 2, 1987]

ACTION, PLEASE

In a week that began with the Tokyo stockmarket losing 4% of its value in a day, and is ending with Mr. Yasuhiro Nakasone's anxious visit to Washington, some people have wondered whether the world is heading for a financial disaster or a trade war. Both are avoidable, provided political leaders will actually lead. What that means for the United States is tediously familiar: steady reductions in the budget deficit. For Japan, the issue is more difficult because the medium-term answers are less well-known—and politically much more challenging.

Part of America's (and Western Europe's) unhappiness with Japan's gigantic trade surplus—around $90 billion last year—comes from the success of the Japanese export machine. A bigger part comes from Japan's reluctance to buy foreign goods and services. Its imports last year were only 60% of the value of its exports; for West Germany, the other country with a large surplus, the ratio was nearly 80%. Japan's import anorexia has little to do with the trade barriers that westerners so love to criticise. Its two main causes have been the yen's low exchange rate, now a thing of the past, and the thriftiness-cum-enforced poverty of Japanese consumers. Freeing them to spend more would be the surest way to a lasting trade peace.

SLASH THE PRICES OF RICE AND LAND

The Japanese spend around a third of their disposable incomes on food, more than twice as much as Americans do and half as much again as West Germans. A tonne of Californian rice will cost $180 loaded on a ship in Los Angeles bound for Japan. It will never get there. Across the Pacific the Japanese government forbids anybody to import rice, and is meanwhile paying its inefficient farmers around $2,000 a tonne for the rice they grow on their postage-stamp paddies, and selling it to Japanese consumers for six or eight times the world retail price. Even when imports of food are allowed, the government makes sure there will be no undue competition for expensive rice: American wheat is landed in Japan for $130 a tonne, but then sold to millers for $525.

Japan's policy of protecting its rice farmers at all costs has contributed mightily to a second great nonsense: the astronomical price of land. The 122m Japanese live in a small mountainous country only a third of which is habitable. Almost half the habitable land is devoted to farming, and half of that to growing rice. In Japan last year, an acre of rice paddy cost the equivalent of $30,000; in California, it could have been bought for $1,600.

Such distortions have little to do with Japan's physical crowding. To the effects of the rice subsidy are added property-tax policies that reward holding land as "farmland" even when it is not: capital-gains taxes that discourage sales of land to developers; and zoning regulations—especially a rigid protection of the right to sunshine—which keep Tokyo absurdly low-rise. The result is that a square metre of residential land in metropolitan Tokyo costs an average of $2,400 at today's exchange rates, and business land an average of $26,000; land in downtown Tokyo costs more than nine times as much as land in midtown Manhattan. The average price of a house or flat in a middle-class district of Tokyo is between seven and ten times the annual pre-tax earnings of its owner; in most western cities, the multiple is only four or five, for a home that is at least twice the size. The difference in housing costs is one big reason why Japan's savings rate is much the highest of any OECD country.

The rice policy does not just block imports directly; it diverts money to the high-saving and conservative rural minority, away from the urban majority who would be most ready to experiment and western goods. One Japanese economist guesses that if consumer spending on food were reduced even to West Germany's level, extra spending on other things would equal about 2-3 percent of Japan's GNP—and around one-fifth of that would go on imports. A removal of restrictions on land might have even bigger effects. The high yen will help spur some change; it is already making the Japanese restive about not seeing in their retail prices any of the benefit of the yen's greater purchasing power on world markets. The longer the discrepancies go on, the stronger the pressure will be for a change. But that, in itself, will not be enough.

Ask Mr. Nakasone. Last summer he won one of the biggest election victories in post-1945 Japan; he landed in Washington on Wednesday night a near-lame duck. What intervened was his proposal for a modest value-added tax to help shift Japan from direct to indirect taxes. He has been savaged for this; first by the small shopkeepers who are a mainstay of the ruling party (and who prefer income tax because they avoid paying it), and then by voters in local elections. Anybody seeking to reform the food and land oligarchies will have an even rougher time.

The reason is that politics in Japan is conducted by bargaining among special-interest groups—over none of which any central figure, including the prime minister, has much authority. Mr. Nakasone, with his special commissions to evade the bureaucrats and his direct appeals to the voters, has attacked this system more forthrightly than anyone. An assault on the farming interests, which are a powerful lobby, and on the property and construction interests, which lavishly grease the palm of the biggest faction in the ruling party, will require a big gulp and a lot of courage.

The man best suited to make such an assault is the lame duck visiting his friend Ron this week. Mr. Nakasone has rescued himself from other hopeless positions, so it would be foolish to write him off now. But he has never looked so weak. If he goes, all three of his possible successors look likely to return Japan to the interest-brokering ways that Mr. Nakasone was gradually eroding. Whoever leads Japan later this year, the Japanese cannot close their eyes to the choice they have to make. Twice before, in the Meiji restoration of the nineteenth century and after 1945, they dazzlingly reformed their society when they recognized the realities of the wider world. It is time they did so again. Cheaper food and cheaper land would be the way.

Mr. PRYOR. Mr. President, I yield the floor, and I thank the Chair.

Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time used in the quorum be charged against the opposition to the Wilson-Pryor sense-of-the-Senate resolution.

The ACTING PRESIDENT pro tempore. Without objection. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, are there any further requests for time on this side?

Mr. PRYOR. So far as I know, there are no further requests for those speaking in favor of the amendment.

Mr. BENTSEN. Mr. President, I yield back the remainder of our time.

The ACTING PRESIDENT pro tempore. All time having been yielded back, the question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. GORE], the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. MURKOWSKI] is necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. MURKOWSKI] would vote "yea."

The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 94, nays 0, as follows:

[Rollcall Vote No. 174 Leg.]

YEAS—94

Adams
Armstrong
Baucus
Bentsen
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
McCain
McClure
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Wirth

NAYS—0

NOT VOTING—6

Biden
Dodd
Gore
Matsunaga
Murkowski
Simon

So the amendment (No. 363) was agreed to.

Mr. PACKWOOD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DODD. Mr. President, S. 1420, the Omnibus Trade and Competitiveness Act of 1987, is an extraordinary piece of legislation. I must commend the committee chairmen and my colleagues on both sides of the aisle who have skillfully and expeditiously brought this legislation to the Senate floor.

Comprised of 45 titles from 9 Senate committees, numbering over 1,000 pages and standing a foot tall, it is the most comprehensive review of U.S. trade laws in over 12 years and arguably the first time in our history that we have written such far-reaching legislation designed to enhance our Nation's international competitiveness.

With such an imposing mandate, it is hardly a perfect document. I disagree with some provisions and hope we can seek bipartisan consensus to improve them. Nonetheless, I am proud to have been part of this timely and historic undertaking.

Realism about what trade policy can and cannot do leads us directly to conclusions about how our Government should handle it—and what we in Congress should do to define that role.

We want to redress our massive trade imbalance; we want to bolster our international competitiveness. But the reach of these goals clearly exceeds trade policy's grasp—particularly when the Reagan administration has not been doing what has for the last 50 years been the executive's job in the trade arena. The Reagan administration has failed to cope with the concerns of the American people and industry; and it has done so while racking up trade and budget deficits of historic proportions. It is our role to see to it that future Presidents are less indifferent to the executive's discretionary role to make responsible trade policy.

At the same time, it is my hope that we in Congress have grown in the knowledge that we cannot make the world over with trade legislation any more than we can create world peace by fiat—however great our desire. The Japanese and the Germans and the Koreans are here to stay—just as we are. No State in this Nation has grown more in that knowledge than my home State of Connecticut. And as Connecticut is meeting the challenge of international trade, so must our Nation. We must find the resources and ingenuity to look beyond our own shores—and prosper.

And so, we in Congress have inherited an historic task—to bolster the domestic foundations that have been ignored for the last 7 years but do so while ensuring that we promote free and fair trade without falling prey to punitive formulas for retaliation that only serve to divert us from addressing the real reasons for our current troubles. We must avoid actions that feel good and tough but which, in truth, only squander precious energy better used in addressing what it is we really need to change.

S. 1420 takes giant strides toward meeting the historic challenge we face here in Congress.

The bill grants the President authority through January 3, 1994, to negotiate multilateral and bilateral trade agreements to reduce or eliminate tariffs and nontariff barriers. The bill adds the requirement that all negotiated agreements be submitted to Congress for approval. Most importantly, the bill requires close Presidential consultation with Congress by tying expedited, or "fast track," legislative approval of agreements to the President's submission of U.S. trade policy. This new reverse fast track provision is an important one in the process of sustaining a coordinated and workable U.S. trade policy.

I was pleased to see included in the Banking Committee sections of the trade bill a provision directing the President to initiate negotiations with countries which tie their currencies to the dollar and run current account surpluses with the United States. This provision is designed to ensure that they regularly and promptly adjust their exchange rates.

The Finance Committee has also crafted sound provisions relating to section 3301 of the trade law and has taken a balanced approach toward dealing with unfair trade practices. Section 301 of the 1974 act authorizes the President to address unjustifiable, unreasonable, and discriminatory foreign actions. The finance bill now requires the U.S. Trade Representative [USTR] to investigate possible violations of trade agreements and require the President, with some exceptions, to retaliate against those practices.

I was proud to have been one of seven original cosponsors of a provision in this bill which amends section 301. It defines as an "unreasonable" practice actionable under section 301 the denial of worker's rights through a persistent pattern of conduct that denies workers the right of association, denies workers the right to organize and bargain collectively, permits any form of forced or compulsory labor, fails to provide a minimum age for the employment of children, or fails to provide standards for minimum wages, hours of work, and occupational safety and health of workers. It would require the USTR to investigate allegations that a country has gained an unfair competitive advantage by denying these basic worker rights.

I strongly support the trade competitiveness assistance provisions of the bill which expand eligibility for benefits to include workers in industries indirectly injured by increased imports. The program would provide expanded cash benefits to workers but would make the receipt of those benefits contingent upon worker enrollment in training programs.

The critical issue of export control reform and the need to remove unnecessary burdens from U.S. exporters was addressed in the Banking Committee provisions of the trade bill. Included as part of those provisions was an amendment that I coauthored which seeks to achieve a workable balance between the joint objectives of military security, economic vitality, and technological advancement.

The current export licensing system is thwarting the ingenuity and genius of this country. As reported in the widely praised National Academy of Sciences report, "Balancing the National Interest: U.S. National Security Export Controls and Global Economic Competitiveness, the present system of U.S. national security controls is unpredictable and does not enjoy the confidence of those nations and commercial interests who want to rely on it and whose cooperation is necessary to sustain an effective export control system.

Export controls exist to deny the Soviet Union and Eastern bloc countries access to strategic technology that would further those countries' military capabilities. By overcontrolling goods, we are undermining this principle. By refocusing our control resources on higher levels of technology, technology that is truly critical, we will more efficiently prevent diversion of critical technology to our adversaries while critically promoting our exports.

The amendment included in the Banking Committee trade bill establishes a West/West foreign availability determination, updates the microprocessor decontrol language in section 5(m) and works toward the elimination of unilateral controls. These provisions remove many of the unnecessary impediments to our exporter's ability to compete. The amendment also attempts to resolve some of the interagency disputes which have bogged down the system. It clarifies Commerce's authority for formulating U.S. positions for Cocom list review and decontrol, provides that Commerce has final authority on foreign availability determinations, and establishes a mechanism to resolve control list disputes.

The Banking Committee provisions on export controls addressed the role of the Department of Defense in the export control system. The confusion and incessant in-fighting between agencies is the root cause of the problem in the export control system. The Department of Commerce is the lead agency on export controls. Institutional clarification of this fact and of the appropriate role of defense in the process are the most useful reforms we can make.

As written, the committee bill places strict time limits on the Department of Defense and reiterates that the President is to resolve a dispute within 20 days. The Banking Committee provisions also state that the Commander in Chief no longer has to inform Congress when he disagrees with his Secretary of Defense. The committee agreed that this was an astonishing requirement to impose upon the President and was used primarily as a tool of intimidation, leading to undue influence by the Department of Defense, causing gridlock throughout the export control system. In a decade in which exports have hardly budged, we can hardly afford this gridlock.

The $216 billion in U.S. exports in 1986 were less than the $223 billion scored in 1981 or the $217 billion in 1984. And while the reasons for our Nation's poor showing in the export arena rest in large measure with failings in macroeconomic policy over the last 7 years, there are other reasons.

It is my hope that a measure that I authored and which is included in the trade bill will contribute to the promotion of American exports.

This provision authorizes the Secretary of Commerce to designate eight U.S. missions abroad at which the senior U.S. and foreign commercial service officer would be able to use the title of Minister Counselor. This provision is intended to give those senior Commerce commercial officers charged with meeting the export needs of the U.S. business community the expanded access to foreign government officials that they need to effectively promote U.S. exports.

The international debt problem threatens the safety and soundness of the international financial system, the stability of the international trading system, and the economic development of the debtor countries. The Banking Committee included in the omnibus trade bill a provision directing the Secretary of the Treasury to initiate discussions with industrialized and developing countries to propose the establishment of a multilateral financial intermediary. That independent agency, if established, would buy, at a discount, loans owed by Third World nations, enter into negotiations with the debtor countries to restructure their debt and assist creditor banks in the voluntary disposition of their Third World portfolio.

In a legislative body designed to give uncommon opportunity for its members to express divergent views, it is rare that we see such unanimity of opinion—on one topic, anyway: competitiveness. No one in this body can deny that it is our overriding concern to increase our Nation's international competitiveness.

But, to do so cannot simply mean taking specific trade related steps. The goal of international competitiveness is one that reaches far beyond trade policy's grasp.

Competitiveness must also mean investing now in our future—bolstering our own domestic foundations to improve our systems of education and training and enhancing our commitments to research and development. These are no longer investments that would be nice to do if we could afford them; they are investments that we must make because we cannot afford not to.

I come from a region that has learned this lesson well. New England flourishes because of our investments in education and training and our commitments to research and development. New England is the most knowledge-based and export dependent region in the Nation because of such investments. We have much to gain and much to lose depending on how we in Washington choose to achieve competitiveness.

That choice must include a long-range commitment to bolstering the domestic foundations of this Nation. That choice must include a willingness to pay something for our claim on competitiveness or else it becomes simply a word, devoid of any meaning.

We move toward making that choice with the Labor Committee title of the omnibus trade bill, which contains the International Education for a Competitive America Act of 1987, a bill I introduced in late March of this year. That measure would amend part B of title VI of the Higher Education Act to provide 3-year matching grants for the planning, establishment, and operation of centers for international business education at several major American universities. Each center would integrate and coordinate the university's business/management, foreign language, and international studies curriculums for advanced students in these subject areas. The language of trade is the language of the customer and the economic competitiveness of the United States depends substantially on increasing knowledge of foreign languages and international affairs in the business and educational communities.

The Labor Committee's title also recognizes that the fate of America's competitive future rests with our children. We must be committed to enhancing the language and international education our children receive at an early age, so that when they come of age, they are prepared for a world that will not slow down for them to catch up.

Thus, another provision of the act establishes grants to State educational agencies for model foreign language programs in local elementary and secondary schools. A final provision would establish Presidential awards for teaching excellence in foreign languages—100 awards would be made each year to focus national attention on the critical need for foreign language teachers.

S. 1420 does indeed take giant strides toward enhancing our Nation's international competitiveness. However, it is my hope that we remove from this far-reaching legislation provisions that run counter to its mandate. We must also seek to avoid adding such provisions.

For example, the so-called oil security provision of the Finance Committee title to the trade bill is a well-intended but misguided attempt to protect the domestic oil industry. As stated in a letter written by myself and 28 of my Senate colleagues, the amendment channels our policy efforts in the wrong direction, upsets the traditional division of powers between Congress and the President, and is, we believe, unconstitutional. The provision included would establish a celing on oil imports which could not exceed 50 percent of the domestic consumption. If the President projected that the ceiling would be exceeded within 3 years, he would be required to use any in a broad array of powers to reduce the level of imports below the ceiling level. Those powers could well include the imposition of an oil import fee.

Responsible energy policies are critical to the Nation. The proposed oil security provision is not responsible policy. As long as the United States consumes any oil, we will be affected by oil supply disruptions no matter where they occur. The U.S. price for domestically produced oil is the same as the world price. If supplies are disrupted and the world price of oil jumps, so will the price of domestic oil. Regardless of whether oil is from OPEC, our friends in the Western Hemisphere, or from domestic sources, high oil prices hurt our economy and the economies of our allies and trading partners.

The goal of responsible trade policy is to increase U.S. competitiveness, encourage economic growth, and safeguard the interests of the consumer. We should discourage protectionist measures that are nothing less than bad policy and bad economics. As we deliberate the trade bill here on the Senate floor, it is my hope that we oppose amendments that fall prey to simplistic formulas for retaliation that are punitive and bombastic. The trade bill before us already takes an aggressive stance against unfair trade practices; it expands the criteria for threat of serious injury due to imports; it makes it more difficult for foreign countries to evade dumping laws; and it makes it imperative that the President consult with Congress and use the trade policy tools already at his disposal. Formulaic responses to unfair trade practices threaten to mar this carefully constructed piece of legislation and to return us to protectionist practices—quite apart from any recognition of the interdependent, multilateral trade regime of which we are a central part.

I will also be looking carefully at provisions in this bill which seek to circumscribe Presidential discretion, particularly as they relate to import relief. Doubtless the Reagan record in the area of import relief has been a frustrating one. Spotty at best and indifferent at worst, there is no question that a perpetual state of Presidential inaction in the area of import relief is unacceptable to the American people and to Congress.

However, we must not let the unpredictable and frustrating Reagan record of inaction in this area move us to accept provisions in this bill that are based more on frustration than a sense of what is sound trade policy. Presidential discretion in central to the making of sound trade policy. It is my hope that we will achieve a workable balance between the need to sustain that discretion and the need to secure appropriate executive action.

As I stated earlier, realism about what trade policy can and cannot do leads us directly to conclusions about how our Government should have it—and what we in Congress should do to define that role.

In defining that role we must remember that the best trade legislation in the world will not benefit us unless the Federal budget deficit is brought down. To delink our Federal deficit from the daunting trade deficit is to follow the Reagan administration in its trek down the path of fiscal irresponsibility.

In 1986, the U.S. budget deficit ballooned to a record $221 billion, increasing threefold since 1981 when the Reagan administration took office. Nothing—not fair trade or protectionism or futher devaluation or foreign expansion—will eliminate the trade imbalance unless we drastically reduce our Federal deficit.

If the trade debate is to result in responsible and concrete proposals that increase our international competitiveness, then, we must not engage in flights of fancy that lead us to believe that trade policy exists in a vacuum—somehow apart from the stark reality of our budget deficit. Similarly, we must not engage in flights of fancy that lead us to believe that our budget deficit exists in a vacuum—apart from the reality of our new tax law. The new tax law is anathema to our need to reduce the budget deficit and our consequent need to reduce the trade deficit. With its insistence on simplicity, decreased marginal rates, revenue neutrality, how is it that we propose to pay for our claim on competitiveness quite apart from our stated desire to achieve it?

Edmund Burke, the great 18th century Irish statesman, orator, and writer once said that "public life is a situation of power and energy * * * he trespasses against his duty who sleeps upon his watch * * *."

S. 1420, the Omnibus Trade and Competitive Act of 1987, is the product of hours and weeks and months of bipartisan effort. It is comprised of provisions that will affect the lives of every American. It is held together by the energy of every member of this body.

We threaten every line of this trade legislation as long as we turn a blind eye to contradictory policies that ignore the Federal budget deficit. We trespass against our duty as public officials if, upon our watch, the Federal budget deficit continues to grow.

The history of our Nation is in many ways the history of our Nation's trade.

In my home State of Connecticut, in late December of 1814 and early January of 1815, the New England members of the Federalist Party met as delegates to the secretive Hartford Convention to express their objection to the ruin of New England's shipping trade by the War of 1812. The delegates issued a report proposing amendment to the U.S. Constitution to make it harder for the Government to make war or restrict trade. The Treaty of Ghent, which ended the War of 1812, was signed while the Hartford Convention met. Nevertheless, the opposition to restrictions on trade shown in Hartford led to the decline of the Federalist Party, the expansion of our Nation westward, the entrance of new States to the Union, and opened what historians call the era of good feeling in which the U.S. economy flourished.

As we proceed in considering this far-reaching trade legislation, I hope we bear in mind the lesson of my forbears in Connecticut. They well understood that policies which attempt to thwart trade serve only to thwart a nation's energy and innovation. They were determined to see to it that their young nation be linked by its trade to the world of nations. They understood that their future prosperity depended on it.

Above all, they understood that the world beyond their shores presented not obstacles but opportunities. They had faith that their energy and innovation, matched by the great resources of their Nation, would confer on them the ability to excel in the international marketplace.

UNANIMOUS-CONSENT AGREEMENT—OIL SECURITY

Mr. PACKWOOD. Mr. President, it is the hope of Senator BENTSEN and myself that, if the majority leader wants to, we are going to try to get a unanimous consent on oil security. Here is what I am going to suggest, I say to the leader.

In consultation with Senator BRADLEY, he and I will offer a motion to strike section 502 of the bill, with 3 hours of debate, equally divided, that no other amendments or motions with respect to the language proposed to be stricken are in order, and no other motions, appeals, or points of order are in order, and that at the conclusion of the debate the vote would occur on the motion to strike without any intervening action unless—and I have not checked with him—Senator BENTSEN wants to make a motion to table.

Mr. BENTSEN. Mr. Leader, I have no desire to table. I am pleased to give the Senator an up or down vote on it.

Mr. BRADLEY. Mr. President, may we have order in the Senate?

The ACTING PRESIDENT pro tempore. The Senator from New Jersey is correct. The Senate will be in order.

The Senator from Texas.

Mr. BENTSEN. I am in agreement on that.

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. BYRD. Mr. President, I have conferred with the management on this side. I will not enter any objection to the request. The ranking manager may put his request as stated.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that there be 3 hours of debate equally divided on a motion to strike to be presented by Senator BRADLEY and myself and 20 other cosponsors to strike section 502; That there be no amendments or other motions with respect to language proposed to be stricken and no other motions, appeals, or points of order in order and at the conclusion of the debate vote is to occur on the motion to strike without intervening action.

The ACTING PRESIDENT pro tempore. Is there objection to the request?

Mr. BENTSEN. Not from the opposition on that particular motion. There is no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Mr. President, will the minority manager read that request once more?

Mr. PACKWOOD. There will be a motion offered by Senator BRADLEY and myself to strike section 502. Only that is to be in order. There will be 3 hours of debate equally divided between Senator BENTSEN and myself; there will be no other amendments or other motions with respect to the language proposed to be stricken in order, and no other motions, appeals, or points of order are in order; and at the conclusion of the debate voting is to occur on the motion to strike without intervening action.

Mr. BYRD. Will the Senator change that to read at the conclusion of the time or at the expiration of the time or the yielding back thereof?

Mr. PACKWOOD. At the conclusion of the time or the——

Mr. BYRD. Or the yielding back thereof.

Mr. PACKWOOD. Yes. I so amend my unanimous-consent request.

The ACTING PRESIDENT pro tempore. Is there objection to the consent? If not, it is so ordered.

AMENDMENT NO. 364

(Purpose: To strike section 502 of the bill)

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER (Mr. SANFORD). The Senator from New Jersey.

Mr. BRADLEY. Mr. President, without objection, I send an amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY], for himself, Mr. PACKWOOD, Mr. METZENBAUM, Mr. CHAFEE, Mr. LUGAR, Mr. D'AMATO, Mr. DURENBERGER, Mr. EVANS, Mr. LAUTENBERG, Ms. MIKULSKI, Mr. PELL, Mr. PROXMIRE, Mr. HEINZ, Mr. RUDMAN, Mr. DODD, Mr. KENNEDY, Mr. COHEN, Mr. SPECTER, Mr. MITCHELL, Mr. WEICKER, Mr. STAFFORD, Mr. QUAYLE, Mr. HUMPHREY, Mr. KERRY, Mr. ROTH, Mr. BOSCHWITZ, Mr. LEAHY, and Mr. KASTEN proposes an amendment numbered 364.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRADLEY. Mr. President, I offer this amendment on behalf of Senator PACKWOOD, Senator METZENBAUM, and 25 other Senators.

Mr. President, this is an issue that has had wide attention. Senator METZENBAUM distributed a "Dear Colleague" on this several weeks ago. Senator PACKWOOD and I have sent a "Dear Colleague" letter on it as well.

As I said, it is cosponsored by 28 Senators.

The amendment will strike the provisions on oil policy which were added to the trade bill just prior to the closing of the Finance Committee's deliberations. The Senators that are supporting this effort are Democrats and Republicans, westerners and easterners. In addition, we have grassroots support from farm organizations, labor, industry, consumer groups, environmental organizations. Those who are supporting this effort are the U.S Chamber of Commerce, the National Grange, the Sierra Club, National Association of Manufacturers, Citizens for a Sound Economy, Environmental Action, UAW, the Farm Bureau, Chemical Manufacturers' Association, National Taxpayers Union, and many, many more groups.

Mr. President, why does such a broad array of people and groups agree that the oil and gas provision of this bill is unwise?

Simply put, the provision expands Presidential authority in ways that are inappropriate and unnecessary. Existing trade law gives the President broad emergency powers concerning imports which affect national security. In true emergencies, the powers are appropriate.

This new provision takes these emergency powers and forces their use in situations that may be neither critical nor threatening. This signals, I think, a gross abdication of legislative responsibility, and the sponsors of this amendment do not believe that this is wise.

The provision adopted in the trade bill calls for the President to come up with a policy—in other words—take steps for reducing oil imports if oil imports exceed or are projected to exceed in any part of a 3-year period, 50 percent.

As Deputy Secretary of Energy Martin's testimony to the Energy Committee makes clear, responsible experts and projections, given the right assumptions, could show imports to exceed the 50-percent level by 1990 or 1991.

The trigger, in fact, could already be in effect. Yet it is hard to see the need for immediate and drastic action and the circumvention of Congress.

Mr. President, why is the 50 percent a magic number? Oil imports were 34 percent in 1973, and that was no shelter. Import dependence is but one of many indicators of possible energy vulnerability. Others are clearly: sources and diversity of oil imports, level of global dependence on insecure suppliers, the flexibility and security of oil supply systems, global surplus production capacity, and the level of worldwide emergency oil stocks.

The provision in the bill calls for the President's policy to be based on the authority contained in section 232(b) of the Trade Expansion Act of 1962. Unfortunately, the powers under 232(b) are vague enough to lead to a lot of options.

Under 232(b) the President is authorized "to take such action and for such time as he deems necessary to adjust the imports of such article and its derivatives so that such imports will not threaten to impair the national security." But what does such a broad grant of authority mean? How might it be interpreted?

At a minimum, this means import fees or quotas. But it could also mean the President decreeing changes in tax policy. It could mean changes to allow oil drilling in wilderness areas. It could mean decontrol of natural gas prices. It could mean any of number of things.

At the limits, who knows what it means? This provision has been around for 30 years but has only been used very infrequently and will be modified by this new language in the trade bill.

The provision goes on to state that after the President takes his action decreeing changes in the tax law, decontrolling natural gas, invading wilderness areas for oil drilling, oil import fee, or whatever, if Congress does not act to disapprove or modify the policy by joint resolution within 90 days, his policy becomes law.

Mr. President, it would be a very simple matter for a joint resolution to be tied up indefinitely in committee or be tied up on this floor by filibuster. Even if Congress acted and managed to disapprove the President's policy, the President could veto the resolution. That would mean only one-third of the Senate would have to approve of the action and sustain the President's veto, and the changes would take place.

In other words, if one-third of the Senate chose to support changes in tax law, if one-third of the Senate chose to support decontrol of natural gas prices or the invasion of wilderness areas for oil and gas drilling, these actions could be put into effect.

Mr. President, is this really how we want to resolve issues such as an oil import fee, oil and gas quotas, rationing or gas price decontrol, tax incentives for oil fields development or changes in royalty and leasing requirements off the coast of California, Florida, the east coast, or Alaska?

Mr. President, I would certainly hope not.

Perhaps the proponents of this provision, however, see it as a way of getting a back-door oil import fee. Maybe. But I can point out an alternative scenario, that the result would be quotas and price controls. Domestic production of crude oil peaked in 1970 and it has declined ever since. This is in spite of a quadrupling of oil prices in 1973 and a tripling again in 1979. It is quite possible that a President might not see the virtue of expensive subsidy for domestic producers who are unable to expand production significantly.

So I would simply say: Be forewarned. With this provision we transfer much of this decisionmaking to the President, who may be a Democrat or a Republican, or may or may not be friendly to the industry. So the provision offered with a possible hope of getting an oil import fee could instead result in price controls.

Mr. President, clearly, sending subsidies to domestic producers is not the only way to address the issue of U.S. vulnerability. For example, we need policies to allow for new oil capacity in an emergency. Tax breaks for depletion or whatever just will not do the job. We need a bigger strategic petroleum reserve and effective management planning. We need an economy that has flexibility with respect to fuel use and supply.

I must say it is somewhat ironic that many of the proponents of this provision were instrumental in the recent repeal of the Fuel Use Act. When we repealed the Fuel Use Act, the talk was about glut. Now the debate is over shortage.

Next, Mr. President, we need strong relations with our allies. Both Venezuela and Mexico have abundant opportunities to expand production at low cost. Venezuela has almost 1 million barrels per day of excess capacity. They have proven reserves equal to our own, yet are producing only 20 percent of what we do.

In contrast to the United States with our mature oil fields, that new capacity in Latin America, Venezuela, and Mexico could be brought on stream quickly to supplement the strategic petroleum reserve, prevent market panic and reduce the risk of worldwide recession.

Mr. President, I have heard proponents of this provision describe it as the only response to an emergency, an only alternative to "gunboat diplomacy."

Mr. President, this is simply nonsense. With respect to our involvement in the Middle East, our interests go far beyond defense of our own access to oil. Proponents of this provision are suggesting that adopting it will lead to a reduction in our commitment to our allies and our presence in the area. I cannot believe it.

Mr. President, it is time to dispel once and for all the illusions that we would be all right if we just did not import any oil. Unless the proponents of this provision are advocating a return to price controls and Government-directed supply allocations, the price in the United States for oil is the same as everywhere else in the world. If we did not import a drop of oil from the Persian Gulf, we would still face the full fury of a price spiral in world prices caused by disruption in the Persian Gulf. We are no island and our producers will never sell their product for less than the market price which is the world price. Why should they? To be effective, our energy prices must acknowledge this worldwide interdependence and not deny the facts.

Mr. President, if the Senators are concerned that there is no responsible energy policy now, I say let us see the proposals for an energy policy. Let us see an effort to develop a consensus to pass legislation. Let us not abdicate our role in energy policy to the President and then say, "Well, we have done a lot."

Mr. President, in summary, I will simply make the following points:

This provision gives the President—in fact requires the President—if imports go above 50 percent, to take action to reduce imports below that level. This could mean a tax policy, the invasion of wilderness areas, or decontrol of natural gas prices.

Mr. President, it is such a surprising move that one might want to wonder what was behind it.

Shortly before we acted in the Finance Committee I clipped an article from the Washington Post that I think offers a clue. The article headline says, "Reagan Seeks Oil Industry Tax Relief."

It goes on to state that in March, Secretary of Energy Herrington urged President Reagan to seek a 27.5-percent annual depletion allowance for new wells or those producing oil through enhanced recovery methods, thus restoring a tax break that was phased out for major oil companies more than a decade ago.

The article goes on to say there are other things being considered such as letting independent producers who are allowed to claim a percentage depletion to use it to write off against as much as 100 percent of the well's taxable income rather than 50 percent. Another item discussed is to let independent producers apply percentage depletion to wells purchased from major oil companies.

So, Mr. President, if this procedure stayed in the trade bill, the President could unilaterally decree these changes in tax policy as well as many others.

Mr. President, this is a grant of much bigger authority than current law. It is clearly part of an effort to bolster the industry in a variety of ways. Section 232 does not prevent that. This provision, however, requires action. Tax policy could be one; other actions could be invading wilderness areas or decontrol of natural gas prices, while leaving the Congress with only the ability to disapprove by a joint resolution which could be vetoed. One-third of the Senate could assure special tax benefits to the oil industry or the invasion of wilderness areas or the decontrol of natural gas prices.

A second point, in short, is that there is a difference between who we import oil from. This provision assumes that all imports are the same. Fact is an import from the Persian Gulf is the same as an import from Venezuela or Mexico.

Mr. President, I fundamentally disagree with that. We only get 10 percent of our imports now from the Persian Gulf, not 50 percent. Are we saying that oil from Venezuela or oil from Mexico that is purchased, the money, much of which is returned to the United States in the form of investment or payment on interest and debt, is something we want to discourage? Do we want to make it less likely that Venezuela or Mexico will make their payments on debt?

Mr. President, there is something to be encouraged about a hemispheric energy policy. This amendment would essentially say to our friends in Mexico and Venezuela, "Forget it. Forget it. We consider you and the vulnerability of your supply and our relationship the same way we consider Persian Gulf oil in the middle of a war between Iran and Iraq."

Mr. President, this is a big mistake.

Third, this provision has an assumption underlying it that if we did not import any oil whatsoever we would have no problem.

Let us think that through for a minute. Let us say that we had a $10 increase in the price of oil for whatever reason. We consume about 15 million barrels a day, so every day American consumers would pay $150 million more for their oil. On an annual basis, American consumers would pay over $45 billion more per year for oil because of that $10 price increase. Would any other country in the world be hit as hard by a supply disruption or price increase? No.

Why is that, Mr. President? That is because we are the biggest consumer of oil. Because we consume 15 million barrels per day, a $10 price increase means our consumers pay $45 billion more for oil, whether we imported one barrel of oil or not. We would still have a $45 billion increase in costs, unless, of course, the proponents of this provision are arguing for price controls.

I do not think they are arguing for price controls, but a disruption leads to an enormous cost to our consumers and we have to admit that, whether we import any oil or not.

Mr. President, I would hope that we would support the amendment to strike this provision from the bill for institutional reasons, it is a big grant of authority to the President to do any number of things; for the discriminatory treatment it provides to our secure sources of oil in Mexico, Venezuela, and other friends; and for a fundamental misconception that is embodied in it relative to our energy security.

The **PRESIDING OFFICER**. Who yields time?

Mr. **BENTSEN**. Mr. President, I yield myself 15 minutes.

Mr. President, in listening to that argument of the distinguished Senator from New Jersey when he talked about if we did not import any oil at all, if we did not import any oil at all, that means 6 million barrels a day of additional oil import. You would have a tremendous excess capacity and the pressure would be off insofar as raising the price of oil.

I think that is a fallacious argument, indeed. The interesting thing here is what we are trying to do is plan ahead. One of the normal failures of a democracy is not to do anything until you have a crisis, waiting until the last minute to get a consensus. Jack Kennedy used to say the time to repair the roof is when the Sun is shining. Well, the Sun is shining but over there in Kuwait and the Persian Gulf you see an enormous dark cloud, punctuated by gunfire. I saw the leaders of the Senate and the House going down to meet at the White House to talk about what we ought to do in the Persian Gulf. They ought to take along the Emir of Kuwait. He is the one who is helping jerk the American foreign policy around.

I think this issue is probably the last complicated issue in the trade bill. It is a straightforward response to one of the most urgent, one of the most important problems facing America today, and that is overdependence on foreign oil. It also plays a very important part in our trade policy.

What is happening on our trade deficit? Last year we imported $37 billion worth of oil and petroleum products. But dollars do not tell the full story. When you strip away the rhetoric, when you strip away the statistics, you are left with the fact that oil is the plasma of the American economy. I can think of no other commodity, no other product that plays such an essential role in our economic and our military security.

I heard one of my friends in opposition the other night talking about he was against domestic content, except for ships. He could understand why we had to have ships to protect our national security and why we had to have a number of them built here. The average ship burns 21 barrels of oil an hour, 21 barrels of oil an hour. The average airplane burns over 14 barrels of oil an hour. What good does it do to have those ships, what good does it do to have those airplanes if you do not have the fuel to run them?

Twice during the decade of the seventies we saw dramatic evidence of what happens when we lose control, when we have a major interruption in our access to oil. If we were to confront another OPEC embargo or if the other industrialized nations of the world were denied Middle Eastern oil, gas lines and higher prices would be the least of our problems.

I saw a study of the Congressional Research Service estimating that a 1973 style embargo in this country would cost us over $700 billion in GNP, 2 million jobs, and would double the inflation rate. Why can we not plan ahead? Did we not learn anything from that?

But in late 1985, when Saudi Arabia decided to crank up production, glut the world with cheap oil and prices collapsed, demand increased, and domestic production dropped off dramatically as thousands of marginal and stripper wells were shut down.

I was talking to a Member of the Cabinet. He said, "Oh, why are you so concerned?" He said, "All you have to do is go back out there and turn them on again."

You do not turn them back on again. They are lost.

I heard the comment that we are a mature oil society. Therefore, our production has to do down. Not the case. We have over 100 billion barrels of recoverable reserves that the U.S. Geological Survey says have not yet been discovered but are waiting there is be discovered. We have further advances in tertiary recovery. It is estimated by them that we would have 35 years of additional production at these levels given stability in price.

Our domestic production decreased by almost 800,000 barrels per day last year. Demand increased by 3 percent and this year it is increasing by another 2 percent. In less than 2 years, imports have risen from 27 percent of demand to some months as high as 40 percent. Much of that increase came from the Middle East and the Persian Gulf.

Now, that is the combination of factors—decreased domestic production, increased reliance on Middle East oil—that has enormous implications on our economy and our national security.

Our Government has responded to that in a number of ways. Former Secretary of the Navy John Lehman says that we are spending as much as $40 billion a year to keep the Persian Gulf lanes open. Frankly, I think that is an exaggeration. But if it was half that, it is an enormous amount. We are about to provide the Kuwaits with American flags. We are naming their ships after New Jersey beach resorts. We had 37 Americans who were recently lost in a tragic unprovoked attack in the gulf. So we are spending the money. We are taking the risks. We are devoting our resources and our prestige to the effort for 6.4 million barrels of oil flowing through the Strait of Hormuz, and we question buying some insurance here at home and trying to protect our future.

The basic purpose of the Energy Security Act is to produce a national energy policy that will keep our level of dependence below 50 percent. It requires the President to project each year what our dependence will be for the next 3 years. He would do that in January of each year. If in any one of those 3 years it was projected it was going to exceed 50 percent, then he would have to send that projection to us and we would have a right to reject it or modify it. Then he has 90 days to send us a plan and we have the right to turn it down.

What it really does, it draws a line in the sand. A response to the national security threat recently documented in a comprehensive study in the Department of Energy says to the world that a level of energy dependence greater than 50 percent presents a real danger to America's national security and requires an effective, certain policy response. It is going to happen. It is just a matter of time. The Secretary of the Interior, Secretary Hodel, states it is going to happen to us, that those lines at the gas pump are coming back again. But it provides us with a powerful incentive to do the planning now, to avoid those unacceptable levels of vulnerability and even tougher policy choices in the future.

It does not tie the President's hands, commit him to any particular course of action, and it does keep Congress involved in the process. Mr. President, it is important to know that the President already has the power in section 232 of the Trade Act to adjust oil or any other imports if national security is at stake. I heard the Senator say we would expand the powers of the Presidency. Not correct. We have taken a law that has been on the books for over 25 years and we have just drawn a line in the sand and said, now act when it reaches this point, send us a plan to cut our dependence on foreign oil. And this has been exercised. It has been tested in the past in the courts on several occasions.

I saw in one of the early drafts of a letter sent around here that it was probably unconstitutional. The Supreme Court ruled unanimously that it is constitutional.

There has probably never been a time in our history when the dangers of dependence on oil from the Persian Gulf are more apparent. There is a war in the gulf, ships are being attacked, mines are being layed, the superpowers are bidding for influence, Silkworm missiles are being set up on the Strait of Hormuz, and there is talk of a "preemptive strike" against those missiles. Kuwaiti tankers have suddenly sprouted American flags and the names of New Jersey beach resorts. Congress is clearly concerned about this turn of events.

If Senators are concerned about energy dependence and the Persian Gulf, here is their opportunity to do something about it. Here is their chance to help limit that dependence and make us less vulnerable to events beyond our control. Here is an opportunity to demonstrate that the aircraft carrier in hostile water is not the sum total of American energy policy.

During this debate, you will hear Members of the Senate suggest that there is no analytical basis for the 50-percent threshold. They suggest we should consider where those imports are coming from. Presumably, they think high levels of dependence are acceptable, as long as OPEC is not the source of our oil.

Mr. President, there is nothing magic about the 50-percent figure. In fact, many people have suggested that we should have set the threshold much lower. As far as I am concerned, we are already at unacceptable levels of import dependence. Forty percent is too high. But we set the level at 50 percent to remove any reasonable doubt.

If we imported more than half of our energy requirements from OPEC nations, from the Persian Gulf, I assume we could get almost unanimous agreement that our national security would be in danger.

But let us assume for the moment that we import more than half the energy we consume—but none of it comes from OPEC. It all comes from friendly nations like Canada and Mexico. That is not a realistic possibility, but let us make that assumption just to test the argument that the source of supply is important.

If we took all our energy imports from friendly nations, other industrialized democracies in Europe and Asia would be highly dependent on OPEC—and the gulf. If there were another embargo, or if the Strait of Hormuz were closed for even a short period of time, could anyone seriously suggest that we would escape the economic chaos that would follow?

Oil is a fungible commodity. The price would be bid up overnight. There would be incredible competition for available sources of supply. We would have an obligation to share our supplies with our allies. The fact that our oil did not come from OPEC would not lessen our jeopardy in the case of an embargo.

When you look at the world oil supply picture, it is obvious that as we become more dependent on imports, we fall further into the grip of Persian Gulf suppliers. In 1985, we imported about 300,000 barrels per day from the Perisan Gulf. Today, with imports on the rise, we are importing 1 million barrels a day.

More than 70 percent of the new oil imported into the United States now and in the foreseeable future will come from the Persian Gulf. According to the Congressional Research Service, there is an excellent chance we will be importing 3 million barrels per day from the Persian Gulf in the mid-1990's.

Mr. President, if we fail to pass the Energy Security Act, the clear prospect is for America to become increasingly dependent on imported oil. And those who suggest that the source of that dependence will be other than the Persian Gulf are running from reality.

Opponents of the Energy Security Act have invented a series of reasons to oppose a national energy policy. At first they suggested that the section 232 power was unconstitutional. But when they read the Algonquin decision and discovered that the Supreme Court had ruled unanimously that 232 was constitutional, we heard no more of that argument.

Opponents have also tried to arouse fears that the President could somehow use this legislation to waive environmental regulations offshore in the Arctic National Wildlife Refuge. We have demonstrated conclusively that this is not the case. In the Algonquin case the Supreme Court ruled that actions having only a remote impact on imports may not be lawful under section 232. Anyway, the leadtimes on ANWR and offshore would preclude any production response in the 3-year timeframe in which the President must act.

To those who say Congress should not involve itself in the exercise of Presidential authority to control oil imports under a broad national security statute like section 232, I respond that we have already addressed the issue. In 1980, Congress reviewed section 232 and determined that when the President exercised those powers in connection with oil, but not any other imports, Congress would reserve unto itself the ability to disapprove his action. So we have already concluded that Congress has a special role to play in the oil-related exercise of section 232 power. If Congress is competent to say when the President should not act under section 232, we are also competent to say when he should act.

Finally, opponents of the Energy Security Act claim that Congress is giving the President an unfair advantage in determining energy policy. They point out that a joint resolution disapproving any future President's energy plan could be vetoed and would require a two-thirds vote to be effective.

Mr. President, that is already the case with existing 232 powers. We have not changed a thing. In fact we have given Congress a second bite at the apple: We provide for a 10-day period in which to disapprove the President's projections, and then for a 90-day period to disapprove his recommendations. It should also be noted that the congressional disapproval process under section 232 has a proven track record of success. In 1980, when President Carter attempted to use 232 powers to impose a gasoline conservation fee, Congress objected by joint resolution and the proposal was defeated.

So I do not think Congress is surrendering any power or initiative to the President. If anything, we are strengthening the hand of Congress as we nudge the administration in the direction of national energy policy to prevent unacceptable levels of dependence on imported oil.

Mr. President, it is always tempting to think of reasons not to act, even when action is clearly called for.

I have noticed that opponents of the Energy Security Act often preface their comments with a statement acknowledging the dangers of energy dependence and the need for a national energy policy. But they offer no alternative to renewed dependence.

The Energy Security Act is a measured, moderate response to the coming crisis of increasing American dependence on rising imported energy. It has broad, bipartisan support. It is clearly constitutional. It offers no new powers to the President and does not detract from the role of Congress. It insures that we will have a national energy policy before the threat of dependence becomes the reality of an OPEC hammerlock on American national security.

We can station ships in the Persian Gulf. We can reflag Kuwaiti tankers. We can accept substantial risks and devote enormous resources to our security position in the Persian Gulf. But, Mr. President, unless we act now to limit our dependence on oil from that region, we will hand OPEC a golden opportunity to refinance its mortgage on America's energy security.

I urge my colleagues to join me and my 25 cosponsors in approving the Energy Security Act.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. BRADLEY. Mr. President, how much time does the Senator from Oregon desire? Twenty minutes?

Mr. PACKWOOD. Mr. President, who has control of the time?

The PRESIDING OFFICER. The Senator from Oregon and the Senator from New Jersey are sharing 90 minutes.

Mr. PACKWOOD. I will yield myself 15 minutes.

Mr. President, first I want to clear up something about section 232 in the so-called emergency powers of the President under the Trade Expansion Act of 1962. This was the act that gave the President discretionary powers—I want to emphasize discretionary powers—to impose tariffs or quotas on oil, and there have been no court decisions on many of the other powers that he might try or not try to exercise. But they are discretionary, and he can only do it if after a year's findings that he makes a determination that oil imports are jeopardizing our national security, and I emphasize "his powers are discretionary."

Under the amendment that is now in the bill and originally I think the amendment as Senator BENTSEN had offered, it would have been unconstitutional to delegate to the President the power to impose gasoline taxes. He could have imposed rationing. He could have invaded our wilderness areas as was originally introduced. The Senator from Texas has narrowed his amendment considerably, and I think it probably does now try to delegate to the President the powers that exist under the 1962 act.

Mr. President, no one knows what those powers are. Clearly, they include the powers to impose quotas or tariffs. There is no question about that.

President Carter attempted to impose a gasoline tax under that act. A Federal district court struck that down, saying that was not within his powers. That is about the limit of what has been tested to date.

No one really knows exactly what powers the President has under that act but just because we do not know does not mean we ought to delegate them to him and hope the courts will decide. Whether we are wise or not, you have to come to one or two conclusions in terms of delegation of powers to the President. Either he has extraordinary powers to impose rationing, invade the wilderness areas, allow the oil companies to have oil depletion allowance, or not. In fact, he has an important, great, absolute panoply of those powers, in which case I regard it as either an unconstitutional or unwise delegation of authority, or he does not have those powers. And that really is pretty much limited to imposing quotas or tariffs.

And if that is what he is limited to and it is very clear that that is what the amendment intends to do as a preferred option, then for those who support oil import fees or quotas, they should vote against Senator BRADLEY and myself in our effort to strike and hope that they get oil import quotas.

For those who do not like oil import quotas, who think they are bad for the country, they should support Senator BRADLEY and myself in striking out this provision.

There is an important difference, however, between the President's powers in the 1962 act and the present amendment of Senator BENTSEN.

In 1962 the powers are discretionary and the President may or may not choose to impose tariffs, quotas or whatever other powers he might have.

Under this amendment, the President is mandated to take action if he projects that oil imports will exceed an arbitrary ceiling at any time during the next 3 years.

So, first, he must project forward and guess and, Mr. President, it is a guess, guess what the imports are going to be. Then if they exceed an arbitrary ceiling, he must take action, must, no discretion, and clearly the preferred action is tariffs or quotas.

I think that is bad enough in and of itself because I do not like oil import fees; I do not like oil quotas. We had them in this country until 1973. They were designed specifically to protect the major industries. They wanted quotas and wanted them off in the 1970's. They were running out of domestic oil and they wanted to bring in foreign oil. Then the foreign oil raised the prices when they found they had us in a vise, and now big oil wants the quotas back, and I understand all that.

I understand all the desires of all industries, be it oil, textiles, or timber or anything else, to want to protect themselves. It is a natural understanding. It does not mean it is good for the Nation, but it is a natural understanding.

I want to correct one thing that the Senator from Texas has said about the 50 percent ceiling. This is not in this bill an arbitrary 50 percent ceiling, and the President makes a projection and if imports are above 50 percent, he exercises this power. He gets to set the ceiling where he wants it, and let me quote the provision:

> The President shall establish a national petroleum product import ceiling beyond which imports shall not rise for each of the years for which forecasts are made. The ceiling levels established under paragraph 1 for each forecast year shall not exceed 50 percent.

Shall not exceed 50 percent.

Mr. President, the President of the United States can set that ceiling at 40, 30, or 20 percent. And Congress has no right to review the finding about the ceiling.

We have the right to estimate, to second-guess him on the projections as to imports. We have the right to second-guess him on the plan he puts in effect. But it has to be by a joint resolution in both Houses of Congress passed by them and agreed to by the President.

We have no right in this bill to second guess where he sets the ceiling, and any power hungry President can set that ceiling where he wants to set it and then attempt to impose whatever he chooses to do in the way of an oil policy plan.

This amendment may allow powers and we could not know and there is no one who can say for sure what the powers are. They are either expansive and therefore quite dangerous, or they are relatively narrow which means imports or quotas and will drive us toward imports or quotas to the detriment of this Nation.

There is no question about what will happen. Every time we had an increase in prices domestic prices go up. It has nothing to do with what the cost of oil is in this country. During the 1970's, prior to the increase in 1973-74, the U.S. price and the world price were the same. Then the Arab OPEC countries raised their prices in 1973-74 and domestic prices went right up with them. And the OPEC countries raised their prices in the late 1970's, and our prices went right up with them.

It has nothing to do with what the cost of oil had been here to begin with.

So what we did was impose a windfall profit tax because this was a windfall. If the oil companies had reserves that they paid $5 a barrel for and the world price was suddenly $35 a barrel they sold it for $35. We imposed a windfall profit tax. If this amendment goes in and quotas are imposed we will have to impose a windfall profit tax again—the current one runs out in 1992—because otherwise the major oil companies would receive an extraordinary windfall.

The argument of the Senator from Texas that bothers me the most, however, is the argument that we are so dependent on oil that we have not learned our lesson. And he cites Jack Kennedy that the time to fix the roof is when the sun is shining. With all of that I agree.

Mr. President, what bothers me is the presumption of my good friend from Texas that the only source of energy and maybe the be all and end all of all energy should be oil. This country is an absolute cornucopia of energy—tar sands, oil shale, hydro, nuclear, conservation, superconductivity, and perhaps, most of all, coal.

We have over a 400-year supply of coal in this country.

Mr. President, we are not Japan. Japan is an energy-poor country. They import 90 percent of all of their energy, not just 90 percent of their oil.

It is unfortunate that we did not follow the policy of President Nixon when he suggested moving toward energy independence in a decade and we could have. We could get by if we wanted without the import of any oil at all in this country.

South Africa today, and they have for decades, makes gasoline out of coal. It is an expensive process. But if you want to be free of the blackmail threats of the OPEC countries, that is an alternative that we should not only just be considering but developing.

Oil shale is an expensive process and has some environmental problems, but we know how to extract oil from the rocks in the Midwest that contain the oil. It is not as easy to get as OPEC oil that is 50 or 40 feet below the surface out in the sand, but it is there.

Mr. President, the policy decision this country ought to be making is indeed one concerning energy and, Mr. President, the decision this country ought to be making in my judgment is moving toward less and less imported energy dependence.

We should be developing this cornucopia of resources that we have in this country, and it may take 10 to 15 years. You do not open new coal mines and build the railway lines and build the generating facilities to use coal. You do not build tremendous synthetic fuel plants, oil shale plants, tar, sand plants, dams, because heaven knows nuclear plants take 10, 15, 20 years because of a variety of problems, most of which Government has imposed on them. But we should do this rather than debating should we put import limitations on oil, quotas on oil, raise the price of the oil, allow the domestic oil prices to go up, put a windfall profit tax on the oil companies, and pray an plead and hope that somehow we muddle through, because the Senator from New Jersey is correct that as best we can tell oil is a finite resource in this country.

Senator BENTSEN says 35 years. I hope it is 35 years. Unfortunately, that is not a long time in the history of the world. It is not even really a long time in the history of this Republic.

So, rather than continuing to try to preserve, protect, finance the domestic oil industry, we ought to be moving in the direction of developing the alternative sources of energy that we have. And the amendment of the Senator from Texas moves exactly in the opposite direction. That is why I hope that this Senate will support the motion to strike presented by Senator BRADLEY and myself so that we might move in the direction that this country should truly move in in terms of energy independence.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Will the Senator from Texas yield time to the Senator from New Mexico?

Mr. BENTSEN. Mr. President, I yield 15 minutes to the Senator from New Mexico.

Mr. DOMENICI. I thank my good friend from Texas.

Mr. President, fellow Senators, it is most interesting, the distinguished Senator from Oregon makes the case for this amendment. He says this country has a veritable cornucopia of alternative energy sources. He is right. The fact is we do not use them. The fact is we grow more and more dependent upon oil. The fact is we are here today because some of us know that those who cannot remember the past are condemned to repeat it.

We are going to hear a lot of speculation about what will happen if we enact the energy security provisions of this bill. But we really do not have to speculate. We do not have to speculate at all. We have experienced what happens when the United States becomes overly dependent on foreign oil. We get $2 a gallon gasoline. We get people shooting each other in gas lines in New York City. We get gas rationing. We get double-digit inflation. We get bureaucratic nightmares such as the Energy Regulatory Administration.

In order to understand what we face in the future, all we have to do is look at our past. I was new in the Senate—I had been here 1 year—in 1973. Only 24 of my colleagues were Senators then. The 1973 Arab oil embargo was a learning experience for me and it should have been a learning experience for the entire country. But it was not. Those of us were around, we stood on the floor and I remember over and over people saying, "We should never let this happen again."

We got a refresher course, Mr. President, in 1979, with the second oil disruption during the Iranian revolution. Only 47 of my colleagues were Senators then. The second time around, we learned it was time to take action. What we are talking about here today is whether we are ever going to take action. That is the essence of this amendment; that sooner or later somebody has to take action.

The energy crisis dominated the public opinion polls and the Congressional agenda in the late 1970's. And Congress enacted the Energy Security Act and the National Energy Act of 1979.

We learned, Mr. President, how difficult it is to try to immediately resolve an energy crisis. I was involved for months on end on both pieces of legislation. The conference on the National Energy Act alone was one of the longest and toughest conference negotiations in the history of the U.S. Congress.

The reason we had to rush to pass legislation and that the conference negotiations were so difficult was because the United States as a nation had provided absolutely nothing by way of a game plan for energy security.

In 1979, I can vividly remember saying on the floor of the Senate that the greatest danger of the 1980's would be complacency. And here we are. Unfortunately, we are approaching our energy policy with complacency. We are complacent to let OPEC take actions to destroy our domestic industry; complacent in letting our domestic industry be dismantled by artificially low prices; complacent to watch our import levels return to the dangerously high levels of the 1970's.

I remember Senator Scoop Jackson made the case that it is not only dangerous for us to depend on imports, but it is also dangerous for the United States to take an isolated view when it comes to energy, because our complacent actions not only weaken ourselves but weaken the world.

It is true that we are only 7-percent dependent on the Persian Gulf oil at this time, while Japan, France, Italy, and Germany are much more dependent. However, there is a world market in oil. A disruption in the Persian Gulf will bid up the price of oil all over the world. So it seems to me that we must assume that we are tremendously dependent upon that world market regardless of where it comes from, the Persian Gulf or otherwise.

The 1973 embargo and the 1979 disruption had an enormous cost to our country. From 1973 to 1981, oil prices skyrocketed from $4 a barrel to $35—a ninefold increase. It is estimated that the oil shocks of the 1970's led to a total loss of $1.1 trillion in the GNP, the gross national product, between 1974 and 1983.

The recession, the last major recession we had, cost us about $2.4 trillion in gross national product loss. And the oil dilemma alone cost $1.1 trillion in gross national product loss.

One would think we would learn from our mistakes and prepare for the future. But instead it appears that we are content to let OPEC regain control of our energy security. And make no bones about it, they clearly understand. They are clearly bent on a new path to gather back their share of the world market, which they lost as a result of some of the activities in their part of the world and because of new production that came on at the extremely high prices. They are controlling prices in a fashion so that they can get back their share of the world market. Why? Because they want to maintain the stranglehold of dependence.

My friend from Oregon says we have tar sands, we have coal, we have oil shale. He forgot to mention that we have nuclear energy. And what we are doing without a game plan is moving in exactly the wrong direction on all of those. Tar sands is going nowhere. Oil shale, instead of doing something serious with it, we have gotten into all kinds of battles about the Synthetic Fuel Corporation. We created it, then we threw it out.

And we stand here on the floor and say we have all the energy we need. The problem is, Mr. President, we cannot use it. We cannot use it.

The dependence is on liquid petroleum products and we have no way of changing that dependence. It will be here. Unless we change our ways, we will not be able to use the alternatives that my good friend from Oregon mentioned.

If nothing else, this debate is pointing out, and the arguments of my good friend from Oregon are pointing out, that when the crisis comes, it is too late to develop that vast array of energy resources because we are right back in the muddle and everybody here knows what will happen. I am thankful that the Senator from Texas has found a way to force someone at a point in time to develop an energy policy.

If somebody wants to come down here and say the 50-percent threshold is wrong, make it 55 or make it 60. There are many who say it ought to be 45. There are many who say it ought to be 40. He chose 50 and all he is saying is: Congress, in our system of legislating, will never put an energy plan in place. We are not even sure as a Congress, at least legislatively, that we want to enhance our capability in nuclear energy. We are not even sure that we want to refine that process so that we can have more of it. We are not sure at all that we want to entice and excite the development of tar sands. We are not at all sure in the Congress that we want to move ahead as the South Africans have and turn coal into liquid fuels. In fact, we stutter and stammer around about that, saying it will happen some day.

Yes, Mr. President. Do you know when it will happen? It will happen when the crisis hits and when oil prices skyrocket, and then we will say the marketplace will do it. It may take them 2, 3, 4, 5, or 10 years.

In the meantime, there will be a clamor on the floor of the U.S. Senate and the House of Representatives, and out there in America: Why did we not do something about it?

As I perceive this proposal, at least it says to the President of the United States, who we have to assume is rational and has the American citizens' well-being in mind: When you have reasonable assurance that we will get to the 50-percent level, you do something about it. You produce this plan. You put into place ways and means reducing our oil import dependence.

I understand that the authority given to him by this provision is no broader than he has under current law. The discretionary part of the power allows him, under current law, not to use it. It is not that we have changed the discretionary components of his game plan. In this provision, we say he has to use his authority to reduce oil imports when they exceed 50 percent of our demand.

We say he has to develop the best plan he can and he has to send us this plan before it is implemented. Then we in the Congress have certain prerogatives. I believe we are more apt to produce a rational solution to our dependence if the President is forced to send us a plan. Otherwise, we will sit around and debate it, getting into arguments about import fees or rationing, none of which anyone seems to want, or changing rules and regulations with reference to the production of some of these alternatives. We will not do anything about reducing our dependence, about developing alternatives.

We have stuttered and stammered and complained on reasons why we should not develop an energy policy.

Mr. President, it seems to me that at the bare minimum the Senator from Texas has done a service to the American people to bring the debate back again to front and center, about America's growing dependence and about there being no plan whatsoever except for the strategic petroleum reserve. I have heard so many times that we just ought to keep increasing the reserve and that is the solution to these problems.

Frankly, I hope somebody is finding out whether we can use the oil in the strategic petroleum reserve in a reasonable manner in the American marketplace. I am not even convinced we can do that.

The strategic petroleum reserve has millions of barrels in the ground but, if the past has anything to do with the future, we will probably mess that up before we get it out of there. We probably will not know how to put it into the system. But at least it will be there and, hopefully, you can get that oil out and get the wrinkles out with problems in distributing this oil in 5 or 6 months.

Mr. President, this is a very simple but profound proposition: Do we want to sit around and do nothing when everyone is telling us something ought to be done? Do we want to deny mandating the President to go ahead and prepare and send to the Congress an implementable plan with reference to diminishing our dependence once we get to 50-percent dependency or not?

We have not expanded his authority in this provision. Perhaps we should take a serious look at that and maybe we should expand it, but we have not. His authorities are there now. The problem is that nobody is going to exercise any authority and if we wait around for Congress to pass something, we will be in the middle of the crisis just as sure as we are sitting here and standing here in the U.S. Senate.

If somebody wants to perfect this amendment in some way on the target for dependence, on the authorities, have at it.

But when it comes to whether or not we ought to charge somebody in this great democracy with producing something or not, it seems clear to the Senator from New Mexico that this is the best approach. Frankly, I wish we could rely on the Congress to sit down and do it.

I am just as convinced as anything that I have ever been convinced of as a Senator that the Congress alone will not produce an energy policy. We are going to wait around until the American people and our economy are not only hostage, but on our knees. Then we will have all kinds of emergency actions. We might even begin to lay blame. Why are we not using the tar sands? Why are we not doing anything more about coal? What about liquefaction? Why are we not doing anything to increase our nuclear component for civilian energy use? It will be too late. None of those alternatives come on quickly. None.

Mr. NICKLES. Will the Senator yield for a question?

Mr. DOMENICI. I would be pleased to yield to my friend from Oklahoma.

Mr. NICKLES. I appreciate my friend's comments and would like to associate myself with those comments. But the Senator has been on the Energy Committee—I do not know how much time the Senator has left—the Senator has been on the Energy Committee. He has shown great leadership in the committee.

We have had hearings—and I see the chairman, former chairman of the Energy Committee, Senator McClure—on energy independence and the fact that dependency is rising and rising substantially. During the shortage, which was in the 1970's which the Senator alluded to, and our memories sometimes seem to forget, what percentage were we importing, in the shortages of 1973 or 1978? Does the Senator recall?

Mr. DOMENICI. I think it was somewhere between 26 and 35.

Mr. NICKLES. Was it not 23 percent in 1973 and about 44 percent in 1978, 1979?

Mr. DOMENICI. The Senator is correct.

Mr. NICKLES. The Senator from Texas says 50 percent, but the costs to the economy of those shortages in the 1970's was astronomical. The costs to consumers, the costs of shutdowns, the cost of curtailments were awfully expensive and I appreciate the Senator's comment on what that costs the American consumers. I think too many of us have forgotten. I appreciate the Senator's comments and also the Senator from Texas' amendment.

Mr. DOMENICI. I submit a chart that shows annual dependence on foreign oil, 1973 was 39 percent, the low point was 34 percent in 1985. Now it is going up dramatically. I submit the chart for the Record.

I thank the Senator from Texas for yielding the time.

Mr. President, I ask unanimous consent that the chart be printed in the Record.

There being no objection, the chart was ordered to be printed in the Record, as follows:

PETROLEUM CONSUMPTION AND IMPORTS

[In quadrillion Btu's]

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
U.S. petroleum consumption	34.8	33.5	32.7	35.2	37.1	38.0	37.1	34.2	31.9	30.2	30.1	31.1	30.9	31.9
Total imports	13.5	13.1	13.0	15.7	18.8	17.8	17.9	14.7	12.6	10.8	10.7	11.4	10.6	12.8
Imports as a percent of consumption	39	39	40	45	51	47	48	43	40	36	35	37	34	40

Mr. DOMENICI. Mr. President, this past March, the Department of Energy released a study entitled "Energy Security." That study concluded that an oil import fee was costly and an unwise policy option.

I believe DOE intentionally constructed its import fee analysis so that it could conclude it is an unwise policy option. This has unfairly poisoned an import fee as an option for the Congress which must develop an energy policy for this country.

I released a critique prepared by the Republican staff of the Senate Budget Committee that demonstrates that DOE's analysis of an oil import fee has serious economic flaws and biased assumptions.

The critique concludes: The economic analysis is flawed because it double counts the marcoeconomic costs associated with an oil import fee.

DOE's estimates of the impact on the budget deficit are wrong. The DOE report even contradicts itself on this point, stating that an oil import fee will not reduce the deficit. One page later it states an oil import fee will reduce the deficit by $58.9 billion.

The assumptions are biased against an oil import fee. DOE's assumptions on import levels, discount rates, import fee rates, and the timing and length of a disruption are all biased against an oil import fee.

The macroeconomic estimates used to calculate GNP losses are based on an outdated analysis.

In addition, the staff critique shows that using DOE's own models and assumptions, and simply correcting for DOE's methodological errors, a $5 per barrel import fee will lead to a $23.8 billion net benefit to the U.S. economy.

We do not have an energy policy in this country. Unless we put together some policies and programs to address our growing dependence on oil imports, we will surely experience the gas lines, the price escalations, and the economic dislocations that occurred in the 1970's.

SUMMARY

In its report entitled, "Energy Security" (DOE/S-0057, March 1987), the Department of Energy [DOE] analyzed the impact of an oil import fee on the U.S. economy. Unfortunately, the DOE report contains serious flaws in its economic analysis of oil import fees, flaws that are compounded through the use of biased assumptions.

Based on its inappropriate analysis, DOE concluded that an oil import fee was costly and unwise. The following critique will examine those DOE calculations and assumptions, and will demonstrate that the economic impact of an oil import fee will be positive.

The key error in the DOE study is its combination of the results of the macroeconomic analysis and microeconomic analysis in measuring the costs and benefits of an oil import fee on the U.S. economy. This is an improper application of economic method. It produces double counting and over counting of the costs to the economy. In addition, the macroeconomic model used by DOE was developed based on pre-1976 data when world oil conditions were far different from now, leading to the use in the DOE study of out-of-date assumptions.

A correct cost-benefit analysis would be limited to a microeconomic assessment of the impacts of an oil import fee on the U.S. economy. Such an assessment already includes the macroeconomic impacts of a fee. DOE double counts the macroeconomic costs by mistakenly adding GNP losses to its cost-benefit analysis of an import fee.

Using DOE's own assumptions and estimates in a valid cost-benefit analysis, a $5 per barrel oil import fee would produce a minimum of $23.8 billion in net benefits to the economy. This calculation is based on the sum of three components calculated by DOE which may prove to be undervalued.

First, the DOE study found that over the next 8 years, the oil import fee would cause losses of $2.9 billion as a result of increased prices to consumers and the higher costs of domestic oil production.

Second, the DOE study found economywide benefits totaling $22.5 billion as result of a drop in the preimport-fee price of oil. Since any import fee will push up prices, overall world demand for oil will be depressed somewhat, driving down the world oil price by 51 cents per barrel, according to DOE estimates. Since the proceeds of an import fee itself will be retained wholly within the U.S. economy, the 51-cents-a-barrel reduction translates into a savings to the U.S. economy of $22.5 billion.

Third, DOE estimates the security benefits produce a savings of $4.2 billion. Because the DOE study underestimates oil import levels, uses high discount rates, and assumes a very optimistic date and span for an oil supply disruption, the real security benefits to the economy are more likely to be much higher.

Further, the DOE study states that an oil import fee will not reduce the Federal budget deficit. Its own analysis later shows that an oil import fee will reduce the deficit by a total of $58.9 billion over the 8-year span of the study. Federal Reserve Board, Congressional Budget Office, and a number of private forecasting models support the fact that an oil import fee will reduce the deficit.

Using the quantitative analysis contained in the DOE report, simply corrected for the methodological errors noted, one can with confidence reverse the conclusions in the study on two key policy issues:

An oil import fee would contribute to enhanced economic welfare and Federal deficit reduction. Further, if more realistic assumptions are used, the benefits of an import fee would be far greater.

Mr. BRADLEY. Mr. President, this has been an interesting debate so far, and I am sure it will continue to be. We have just heard from the last several speakers about the nightmares of 1974 and 1979, and whether will we learn from our mistakes? Why did we not do something about it? Well, I would simply say in this amendment, we are not doing anything about this. We are saying: Mr. President, you do something about this. Whatever you want. You do something about this.

Mr. President, if we could look a little more closely at what the nightmares of 1974 and 1979 were, it seems to me there are two kinds of nightmares that the Senators so far in this debate have alluded to.

One of the nightmares was the economic nightmare caused by the dramatic increase in price. A $10 increase in price today would cost American consumers over $45 billion; $150 million a day.

The Senator from Texas says: But it is not just the cost to consumers; it is the cost of inflation to the economy, unemployment and lost growth. That is true. But what causes slower growth and unemployment and higher inflation simultaneously is the increase in the price of oil.

Mr. President, the first nightmare is an economic nightmare, and this amendment does nothing about the economic nightmare. This provision in the bill does nothing about the economic nightmare that would be occasioned from a huge price increase.

Why is that, Mr. President? That is because we have a world market price for oil, as the Senator from New Mexico has stated, as the Senator from Texas has stated, and whether we import one barrel of oil or not, we would have to deal with this economic nightmare of higher prices. In a disruption, the price would go up worldwide. We are the world's biggest consumer. We would therefore pay the biggest increase in new costs.

So, Mr. President, it is an illusion to argue that this provision in this bill would stop us from having to deal with the economic nightmare.

There are other nightmares that Senators have referred to. Those were the gasoline lines, those were the angry people coming to battle in the lines, the inconvenience.

Mr. President, those lines were largely occasioned by price controls and allocations by giant bureaucracies established to shift around oil supplies.

Mr. President, if the proponents of this provision are going to get any economic benefit from it, they will have to argue for a reinstitution of price controls and allocations. That is the only way the United States would end up paying less for oil than the world market price.

Mr. President, the proponents of this provision are hoisted on the horns of a dilemma. They either cannot give any assurance that we can be protected from an increase in the price of oil, or they are directly arguing for price controls and quotas.

Mr. President, the fact of the matter is that this is not 1979. There are some very real difficulties in the structure of the world oil market, in the source of our imports, in the amount of excess capacity in the world, and in the amount of oil in stockpile.

In 1979, 28 percent of our oil came from the Persian Gulf. Today it is 8 percent.

In 1979, we had 10 days of imports in stockpile in the strategic petroleum reserve. Today we have over 100 days of stockpile in the strategic petroleum reserve.

Excess capacity? In 1979, worldwide there were 2.8 billion barrels of excess capacity. Today there are over 10 billion barrels of excess capacity in the world market.

We are operating in a fundamentally different world environment. We have a much bigger cushion in stockpiles and excess capacity. We are not nearly as dependent on an insecure source of foreign oil, the Persian Gulf. We are importing much more from secure sources of foreign oil—Venezuela, Canada, and Mexico, which represent 39 percent of our imports. Thirty-nine percent comes from Venezuela, Mexico, and Canada.

Mr. President, this is a fundamentally different world oil market.

If I could, I would like to deal with the specter of the problems in the Persian Gulf today. We talk about flagging Kuwaiti oil tankers. We talk about the war in the Persian Gulf. We talk about this provision somehow or another addressing that problem. This provision in this bill will not address that problem. There is no way it will address that problem. We still will have the economic nightmare and the only way out of the economic nightmare is a system of price control. If we do that, we will still have the second nightmare of long lines, et cetera.

So, Mr. President, this provision does nothing to protect us against the problems that emanate from the Persian Gulf today. We are less dependent today on the Persian Gulf than we were in 1979. We only have 10 percent of our imports coming from the Persian Gulf. As I said, we get the bulk of our imports from secure suppliers of oil.

The Senator from Texas says, "How can we be so sure that Mexico is a secure supply or Canada is a secure supply?" I will only say if we cannot be sure of that, we have larger foreign policy problems than this provision addresses.

One answer is that we need a hemisphere policy. Fundamental to that is developing and cultivating those relationships with our neighbors, not slapping them in the face with some kind of arbitrary import lid.

So, Mr. President, I would hope that we will look carefully at the arguments about these nightmares. As I stated, the nightmares are economic. They come from price increases and the economic effect of those price increases. This provision does nothing to prevent those adverse economic effects. No, indeed. The sum of at least $45 billion more would have to be paid by American consumers with a $10 increase in the price of oil. The only way out of that would be a return to the price controls and allocations of the late 1970's, which is the other inconvenience and nightmare the proponents of this provision talk about.

Mr. President, I would hope that we would be able to address the true problems here. We do have more oil in the stockpile. We have a lot more oil in the stockpile. I see the Senator from Idaho and the Senator from Louisiana on the floor. Both have been major supporters of efforts to increase the strategic petroleum reserve. I think that is very important. We are better prepared today.

Mr. President, this provision does nothing to protect us against the economic nightmares that everyone has alluded to.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. KERRY). Who yields time?

Mr. BENTSEN. I yield 4 minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 4 minutes.

Mr. WIRTH. Mr. President, I have listened to the proponents of this legislation and I find myself asking, "Therefore, what in the world do they believe we are moving into if we do not take action and take action now as suggested by the Senator from Texas?"

The recent discussions talked about the economic nightmare. In fact, yes, indeed, there is an economic nightmare here. The economic nightmare is whether we are going to pay now or pay later. Are we going to pay now and realistically see prices go up as they are doing all around the world, see prices go up to a realistic level and, in fact, pay ourselves by developing alternatives, developing incentives for conservation, developing solar energy, moving in the whole balanced program described so well by the Senator from New Mexico in his earlier remarks?

Are we going to do that now and pay ourselves, or are we going to wait for the real nightmare which is down the line, which is waiting to pay the OPEC countries, to pay them in dramatically disastrous fashion economically as it was in 1974 or 1979?

That is the nightmare we face, as to where that payment is going to go.

We face today a situation where there is a geographic imperative and that, I think was suggested by the Senator from Texas. The Strait of Hormuz is just as narrow today as in 1979, just as narrow today as in 1974. The nightmare is a geographic imperative nightmare. There is nothing we can do about the strait and the availability there except to take the kind of action suggested by the Senator from Texas.

We ought to learn from our history not to go through the economic nightmare of paying them as we paid that piper so grievously and disastrously in the early 1970's and 1980. Let us pay ourselves and pay ourselves in the fashion suggested by the Senator from Texas.

The balancing program described by the Senator from New Mexico we learned how to do in the 1970's. We went through that experience. We learned about developing exactly the kind of program the President is required to come back to us with, and say, what are you going to do if we get imports up to a certain level?

This is not requiring the implementation of that. The courts said very clearly to President Carter in 1970 when the President tried to step beyond 232 and put certain requirements in, as I remember it, related to gas rationing, no, he could not do it. All the Senator from Texas is doing is saying, "Let us focus again on the severity of the particular problem that, as sure as can be, will come down the line.

Let us not reinvent the wheel. Let us not go through the disastrous situation that we had before. Let us go back to a balanced program, not only of pricing but the pricing that is going to lead to good solar, good conservation, alternative energy programs, the whole package that we learned how about in the 1970's. Let us not allow ourselves once again to go through the real economic nightmare that we had in the 1970's.

I thank the Senator from Texas for yielding me a short period of time, and I look forward to listening to further debate. I certainly hope that we have the sense not to go through the history that we made in the 1970's in that real nightmare fashion but, rather, anticipate a little bit better and do so by supporting the provisions in the legislation written by the Senator from Texas. I yield the floor.

The PRESIDING OFFICER. Who yields time? Who yields time?

Mr. WALLOP. Mr. President, absent somebody from the supporting side of the amendment, will the Senator from Texas yield me a couple minutes?

Mr. BENTSEN. I would be happy to yield to Senator WALLOP——

Mr. WALLOP. Ten minutes.

Mr. BENTSEN. Ten minutes.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 10 minutes.

Mr. WALLOP. Mr. President, as a cosponsor of this amendment, I am dazzled by the scope and dimension of it as described by the Senator from New Jersey. It had not been my intention at least to claim that this amendment solves every problem, foreign and domestic, that faces the United States. It is relatively narrow in its scope and its purpose.

The economic nightmare of which the Senator from New Jersey spoke comes not from a measured increase in price but from a sudden overnight escalation, far more than the $10 of which he was talking, but that ninefold increase that took place over the course of fewer than 18 months.

Now, Mr. President, not speaking facetiously but genuinely, when it comes to energy, in a real government, this is probably not the best solution but in the Government as it is structured in America at this moment in time for energy it is a solution at least.

Now, why do I say that? Well, first of all, to recite alternatives as the Senator from Oregon has done is not to offer alternatives. To recite them is to tell us yes, there are some things out there, but they do not do anything. This amendment does in fact try to do something. This Government is congenitally incapable of dealing with energy policy. First of all, there is never a good time. Second of all, there are too many players in the option. There are 42 committees of Congress, subcommittees of Congress, Cabinet offices, and agencies of Government which have some say in the production of, in the price of, in the distribution of, in the exploration for, and the ability to use oil. And they do not agree in any perspective as to what any solution might be. There is the quirkishness of Congress and there is of course the supply of alternatives.

Let me say there is never a good time. I came to Congress at a time when there were modest prices for oil and reasonable stability. And, prudent people then were suggesting, on the basis of 1973's experience, that we ought to begin developing an energy policy. My own State of Wyoming was beginning to have enormous development of coal and uranium, causing great stress, and energy policy was on the minds of people who were forward-looking. There was however, no effort in Congress of any consequence and no effort by Government of any consequence.

Now, along came 1979 and the only thing that we saw in those days was the avid pursuit of revenge. America's press daily pointed out the escalation in profits of the oil companies. Daily they pointed out the hardships people were suffering. But was Congress or the press ever inward looking as to what actually had created the ability of OPEC to do this to our economy? Absolutely not. It is a conspiracy amongst big oil.

The claim of the Senator from Oregon that this is an amendment which big oil likes is crazy. They do not like it. Their profits and their potential come from the ability of others to control the availability of the price and supply of oil to this economy.

After 1979, in 1982 there was once again a moment of relatively quite high prices, indeed, but relative stability in supplies and, frankly, the energy producing States were not all that interested in energy policy, partly because other energy forms came into play because of the economics of oil. Oil is the gold standard of the Btu business, and absent a certain price level the economics of the alternatives of which the Senator from Oregon and the Senator from New Jersey spoke do not come into play short of a major Government subsidy of some kind. The market forces relate to the price of oil. So these alternatives are not economically in play during those periods of time. So there was no interest then in energy policy.

Then subsequent to that we saw at the end of 1985 the rapid decline in the price of oil, still in the period of enormous supplies and abundance, and we are seeing today yet again a lack of desire and a lack of commitment on the part of Congress, on the part of the President, on the part of the Government generally to come to grips with energy policy. So you have seen it low and stable, high and short supply and unstable, you have seen it high and stable, you have seen it again down low and stable.

During all of these times people have been unable to focus. You cannot even get the Energy Committee or the Finance Committee to put one hat on long enough to come to grips with some of the questions that affect them each. So I would say, Mr. President, that does not work.

Last, there is this thing called the quirkishness of Congress, and we pass moratoria—without having hearings on them in the Energy Committees—on drilling off shore, off of Florida, off of California, in wilderness areas, out of wilderness areas, in proposed wilderness areas, in Alaska, all kinds of places. We just pass them, most often without having any committee consideration of those provisions. They just become political.

So here we are not asking any magic figure of a $10 increase. I do not see anywhere in the amendment that there is a precise economic figure. There is a call to action when a certain peril point is reached. The peril point is arbitrary, I grant the Senator from Texas and everybody else. But if not 50 percent, is it 70 percent? At what moment in time does it get the attention of Government long enough to put aside its turf battles, to put aside its own introspective criteria?

Mr. BRADLEY. Will the Senator yield for a question on that?

Mr. WALLOP. I will be happy to yield.

Mr. BRADLEY. What is the peril? How would the Senator describe the peril?

Mr. WALLOP. I would describe the peril as the overdependence upon sources of energy outside this country which when exercised by those who supply us can create the economic havoc that we once saw.

Mr. BRADLEY. The economic havoc being the price increase?

Mr. WALLOP. Partly the price increase, partly the simple ability to drive the engine of an industrial society.

Mr. BRADLEY. How does this provision prevent a price increase?

Mr. WALLOP. It does not prevent it.

Mr. BRADLEY. I thank the Senator.

Mr. WALLOP. And I do not know anybody who claims it does prevent a price increase, but it does prevent the threat of a sudden, dramatic, uncontrolled, unpredictable price increase. Maybe it does not even prevent that, but it calls on the President to at least consider this. One thing is absolutely certain in the mind of the Senator from Wyoming, that this Congress is not going to sit around and say, "Hmmm," and stroke its long gray beard and say, "We are approaching a peril point." This Congress does not behave so prudently.

Mr. President, I yield back the remainder of the time to the Senator from Texas.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I yield 8 minutes to the Senator from Delaware.

Mr. ROTH. Mr. President, I rise to support the amendment to strike provisions in the trade bill regarding oil imports.

These provisions clearly increase the pressures for imposition of an oil import fee. Such a result, I believe, would be bad economic policy.

The main criterion for judging economic policy is whether or not it enhances economic growth. Economic growth is essential for our rising American standard of living and for improving the lot of the disadvantaged. Measures which harm economic growth harm all Americans in the long run. Antigrowth legislation means a lower standard of living, higher unemployment, and more social problems.

During the 55 months of the current expansion, much economic progress has indeed been made. Economic growth has created 13 million jobs and has driven the employment rate down to 6.3 percent. Unlike previous postwar recoveries, these strong job gains were accompanied by a collapse of inflation.

The chief objective of current economic policy should be to further extend this economic growth. However, in recent months, various proposals have been advanced which would undercut the health of the economy. These include several tax increases. At this time, I should like to focus on one of them—the oil import fee.

The trade bill now before us includes provisions which would lead to an oil import fee. As far as one can see, the fee's main appeal to supporters is that it would greatly increase taxes while protecting domestic oil producers. However, those concerned about the welfare of the average American must reject this provision of the trade bill. It could trigger imposition of an oil import tax, without the usual congressional action, a procedure which raises grave constitutional questions.

Furthermore, this tax will directly reduce the American standard of living by boosting prices of home heating oil, gasoline, petrochemicals, and petroleum byproducts, including consumer goods made of plastics. Consumers will pay more for cars, household appliances, chemicals, and a myriad of other products. And to what purpose? So that domestic oil companies make more money, and so that Congress has more money to spend. This tax would really amount to a welfare payment from the average American to the oil companies. Ironically, many of its supporters claim to be concerned about the welfare of workers and consumers, even as they promote this measure.

Of greatest importance, however, is the fact that the oil import fee would exert very negative effects on economic growth. These tremendous economic costs were recently analyzed in a study I requested from the Congressional Research Service. According to the evidence contained in this study, a $5 per barrel oil import fee would cut the rate of economic growth by about one-third in each of the years following its adoption. Slowed growth would result in the loss of many jobs throughout the country. The study estimates that by 1990, an estimated 1 million jobs could be lost because of the fee. States in and near the northeast part of the country will be among those hardest hit.

Delaware, for example, consumes petroleum for heating oil, gasoline, and of course for manufacturing. In addition, the Delaware Valley refineries are heavily dependent upon imported oil. Consequently, the economy and the citizens of Delaware will be very seriously harmed by an oil import fee.

This kind of proposal shows what happens when policymakers lose sight of the goal of economic growth. While supporters of this fee include those apparently concerned about the middle class, these groups will be among those most seriously affected by a loss of job opportunities. Moreover, billions of their hard-earned dollars would be transferred to the oil companies.

The tax would also contribute to inflationary pressure, with a ripple effect throughout the entire economy. Not only would such a tax negatively affect our economy, but also, I believe it is irresponsible fiscally as well.

Congress needs to look for ways to reduce spending, not raise taxes. Those who support the fee argue that it is needed to reduce the deficit. In the long run, according to evidence in the Congressional Research Service study, the fee may very well suppress economic growth and actually increase the deficit.

However, a more fundamental problem with this tax is that new revenue will not be devoted to deficit reduction, but to more congressional spending.

As another report I released demonstrates, each dollar of new revenue actually stimulates spending, thereby increasing the deficit by 58 cents. In other words, this study shows that for every dollar of additional revenue, spending will increase $1.58.

Mr. President, we cannot tax ourselves into prosperity or into a balanced budget. Adoption of an oil import fee would be a colossal mistake. An oil import fee would undermine economic growth, reduce American living standards, while doing nothing to reduce the budget deficit. For this reason, I urge my colleagues to support the Packwood-Bradley amendment.

Mr. President, I yield back the remainder of my time.

Mr. **JOHNSTON.** Mr. President, will the Senator yield me 5 minutes?

Mr. **BENTSEN.** Mr. President, I yield 5 minutes to the distinguished Senator from Louisiana, the chairman of the Energy Committee, who is so knowledgeable on this particular issue and played a leading role in trying to find a resolution of the problem.

Mr. **JOHNSTON.** I thank my distinguished colleague from Texas.

Mr. President, as I sat in the Chamber this morning, I heard a unanimous consent request granted on this matter for 3 hours. For the life of me, I could not understand why this measure should merit 3 hours of the Senate's time.

Does it grant the President any new powers? No. It grants him not one single additional power that he does not have right now. What it actually does is limit his powers, because, under section 232, the President can take such measures to limit imports immediately. Under this bill, it requires a 90-day delay.

Why, then, does the Senate become so upset about a measure which simply tells the President to take some action? I can tell you that no action is being taken—not by Congress, not by the President, not by anybody. We are fiddling, in effect, while Rome burns.

Last week, a representative of one of our magazines came in for an interview on national energy policy, and she asked the question, "Senator, do we have a national energy policy?"

What is the answer to that question? Every Senator here knows the answer to that question. There is no national energy policy.

Is there a policy on conservation? Well, I guess so. Let the free market work. Do away with the CAFE standards on automobiles. Do not do anything that would really restrict the use and the profligate use of energy. No, we do not have a conservation policy.

Do we have a policy on coal? We proposed a clean coal measure and the administration opposes it.

About the only thing we can do on the use of coal is to talk about acid rain, and that is a problem, but it is not an energy policy. It is not a way to get more energy. It is a way to get less energy.

Do we have a nuclear policy? Well, we cannot decide on what to do on nuclear waste. All we can do is talk about giving local government authorities a veto power over opening up a new nuclear plant. All we can do is put regulation after regulation, some necessary, some related to safety and some not, the net effect of which is to foreclose the nuclear option.

Do we have a synfuels policy? Sure, abolish the Synfuels Corporation. Maybe it was not perfect.

So what do we have, Mr. President? Our policy is either to do nothing or stop what we have.

Oil and gas is the one area that is here and now immediate, essential, that without which we do not have a transportation policy in the country. Without oil and gas, particularly without oil we do not fly, we do not drive, we do not operate a lot of our factories.

Here we are at 36 or 37 percent of imports and it is getting ready to climb, we think, we fear, to 50 percent, and all we are telling the President is you have some powers now, now if we are going to go to 50 percent, use the powers because 50 percent, Mr. President, is a tragedy to this country. It was not nearly 50 percent when we had the gas lines, and the people getting literally cut and stabbed and fights in the gas lines.

Who was it telling me not too long ago that he had to get up at 4 o'clock in the morning to go down and wait in the gas line to get to work on time? He used to have to do it all the time because he could not fill up. He could only get a gallon or two.

How quickly we forget that, Mr. President. Oh, do you not remember we were referring to ourselves as helpless giants, bound down by all these Lilliputians of Arab sheiks who had control over our policy? Do you not remember? I remember sitting right in the room with the Secretary of Energy of the United States, the greatest superpower in the world and have him tell us, well, we are not going to fill SPRO because the Saudi Arabians do not want us to and if they do not want us to, then we cannot do it because they are the ones who are giving us oil.

Our whole foreign policy was held hostage to people in the Middle East.

Here we are, Mr. President, getting ready, I guess, to flag the Kuwaiti tankers in the Persian Gulf, to put American boys in great peril. There is a difference of opinion as to whether we ought to do that, but there is no difference of opinion as to the vital nature of the Middle East and of Persian Gulf oil and of our dependence.

May I have 2 additional minutes?

Mr. **BENTSEN.** I do not have the time.

Mr. **JOHNSTON.** I thank the distinguished Senator from Texas and I hope we will table this motion to strike.

Who yields time?

Mr. **PACKWOOD.** I yield 8 minutes to the Senator from New York.

The **PRESIDING OFFICER.** The Senator from New York is recognized for 8 minutes.

Mr. **D'AMATO.** Mr. President, I rise with many of my colleagues to voice my opposition to the Energy Security Act as added to the trade bill by my distinguished colleague from Texas, Senator **BENTSEN.**

I believe this provision certainly will bring about our developing and implementing policies to prevent crude oil and oil product imports from exceeding a 50-percent ceiling.

I believe this amendment is seriously flawed for several reasons:

The bill could easily result in an oil import fee, which could have devastating effects on our domestic economy. It requires the President to take action to reduce imports, and the most obvious way to do this would be to impose an oil import fee. This could go into effect without congressional approval. In a State like New York, which uses over 300 million barrels of oil per year, even a small oil import fee would have devastating effects to our economy.

Oil import fees are a tremendously inefficient revenue raiser. The Energy Information Administration estimates that oil import fees will generate only 7 cents in net revenue for every $1 in cost to the economy—an efficiency of only 7 percent.

I cannot believe for the life of me that there are those who still like to say let us raise revenue for deficit reduction, or, under the guise of oil independence, that we should use this method. If we want to talk about oil subsidies to the major oil companies here in the country this is the most effective measure by which to bring that about. But if we are talking about reducing our dependency on foreign oil, if we are talking about raising revenue to reduce the deficit, this is the most ineffective, inefficient way, and it will result in a downturn in our economy. It will result in a loss of revenues. It will result in consumers paying billions and billions and billions of dollars over and above what they should be, slowing down this economy, throwing people out of work and every reasonable serious effort to study this area, including this administration, has come up with those results.

The bill is a bill to bail out, to help, the energy producers of this Nation, simply and clearly, and that is what it will do.

I respect and understand those who have concerns about the economic well-being of those oil companies and energy producers.

Slap a $5 fee on a barrel of oil and we will see all of the oil and all of the energy products in this Nation will go up correspondingly. And what will the Treasury raise? It is lucky if it raises 50 percent on the imported oil that comes in. And what will it cost the consumers in New York State alone? It is estimated that the $5 fee would result in a $1.4 billion increase.

A major private economic forecaster, Data Resources, Inc., projects that a $5 oil import fee, in effect for 5 years, would slow the economy and increase Federal expenditures so dramatically that it would actually increase the deficit by about $6 billion.

A $5 per barrel import tariff would shift a net $8 billion out of the economies of the eight largest oil consuming States, which are New York, Florida, New Jersey, Pennsylvania, Ohio, Illinois, Georgia, and California.

Mr. President, I would like to outline just what one of the recent studies on energy security found that a $10 fee, and this again was made by our Energy Department, would reduce the U.S. gross national product by $30 billion to $45 billion a year.

Such a fee would have repercussions throughout the economy. A recent study on energy security found that a $10 per barrel fee on oil imports would:

Reduce the U.S. GNP by $30 billion to $45 billion per year.

Cause inflation to increase by 2 or 3 percentage points.

Cause the loss of 400,000 jobs.

And these costs will hit consumers directly. The Citizen/Labor Energy Coalition estimates that a $10 fee would:

Increase total U.S. petroleum costs by $53 billion per year, raising gasoline costs by $24.5 billion, heating oil by $1.7 billion, and diesel fuel by $4.2 billion.

Add another $408 in costs average to families who heat with oil, due to heating oil costs and increased gasoline prices.

Raise natural gas costs by $27 billion, since prices would rise to meet higher levels, increasing total costs to the average family with natural gas heat by $414.

An oil import fee would be devastating to many domestic industries. Right now, the Congress is considering trade legislation to help our industries become more competitive in world markets. However, an oil import fee would increase not only oil costs, but would force up prices on all energy sources.

For example, Bethlehem Steel Corp. recently testified that a $4-per-barrel tax would increase their plant operation costs by $8 million per year. Further, it would lead to at least a $3 per barrel equivalent increase in natural gas prices. The combined impact would cost them $30 million annually. Tinkering with the price structure of one single energy source, puts into motion a whole complex, linked price structure.

Let us not forget the effect on our farmers. An oil import fee would cause severe damage to the Nation's agriculture and rural economy. On a 300-acre farm, a $10 barrel fee would raise the cost of production for wheat by $690, for corn by $1,080, for rice by $3,000, for soybeans by $660, and for cotton by $2,160.

Such a fee would have an impact on our economy far greater than the Federal revenues raised by the tax.

In addition to my concerns with an oil import fee, I believe the bill is seriously flawed for several other reasons:

The bill is an abdication of Congress' responsibility. It allows, even encourages, the President to propose changes to tax laws regarding oil production, or even a gasoline tax.

The bill is a threat to the environment. It could result in the opening of environmentally sensitive areas to oil and gas exploration without the approval of Congress.

The bill is questionable from a constitutional standpoint. the authority delegated to the President appears limitless. Courts have traditionally required that such delegated powers be clearly limited.

The bill does not allow the President to consider the source of the imports. For example, a dependence on Canadian or Mexican petroleum imports does not carry the same national security risk as dependence on Libyian oil.

The bill does not allow the President to consider the existence of a strategic reserve or other programs designed to reduce vulnerability. Nor does an import percentage ceiling consider the impact which sharp increases in oil prices would have on national security. Experience has shown that price is a critical factor in determining vulnerability.

The bill would fundamentally alter the traditional relationship that exists between Congress and the President in developing energy policy. The President could prevent his policy from even being modified by Congress, so long as he maintained the support of one-third plus one of the Members in either House of Congress.

In summary, Mr. President, I believe this is an ill-conceived proposal which is an abdication of Congress' responsibility, and which could have devastating effects on our Nation's economy. I urge my colleagues to join in striking this provision from the trade bill.

Mr. President, whether it is intended or not, what this so-called energy security proposal does, it gives a bonanza to the major oil companies of this Nation. It strikes a dreadful blow to the American economy of this Nation and with particularity the States in the Northeast that are so heavily dependent upon imported oil.

It goes in the wrong direction. It certainly flies in the face of what we are attempting to accomplish in this trade bill.

For those reasons I would hope that the motion to strike is overwhelmingly supported.

I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, I am not going to add to the debate, but the big oil companies are opposing this.

Mr. President, I will tell you why, most of them are big international oil companies with most of their reserves overseas. That is why they are opposing it.

I would like to put that one to rest.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, I yield 4 minutes to Senator McClure.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 4 minutes.

Mr. McCLURE. I thank the Senator from Texas for yielding.

Mr. President, I rise in support of the provision of the Senator from Texas in the bill and oppose the motion to strike. I do that freely confessing the criticisms of the amendment that have been leveled by some that it is imprecise, that it by itself is not an energy policy, that it does not by itself increase supplies in this country, does not by itself solve all of our energy problems.

But what it is is a call to action and an affirmative statement by the Congress of the United States that finally at some point we have to do something. I support it in that sense.

Yes, I can be critical of some of its individual provisions. I can be critical of the fact that the Congress, in particular the Congress, has failed over the last several years to come to grips with an energy crisis that is predictable as tomorrow morning's Sun rising.

I would I suppose save my colleagues a lot of time if I had just cataloged all the speeches I gave on the floor of the Senate over the last 10 or 12 years with respect to that problem and that sure crisis, the approaches of this country and then let them go back and read it. I certainly do not have time to state it all over again.

But one of the predictions that I made and one of the pleas that I made, which I do want to remind people of today, because it is so current, is that we need to have an energy policy for this country that reduces dependence upon imported oil if for no other reason than to avoid having young Americans die in the Middle East.

I say that because right now this Congress and this country are recoiling from precisely that reality. The attack on the U.S.S. *Stark* was not an unpredictable event. A great many Members of the Congress recoiled from it and said, "Oh, my goodness, why do we have ships in the Persian Gulf?" And every Member of Congress that recoiled that way was either hopelessly naive and hopelessly ignorant of the facts or indefensibly demagogic, because every Member of the Congress of the United States knew or should have known that U.S. ships were in the Persian Gulf and they knew why. And they know why today.

So we have Congress debating over that issue, not about the fundamental issue of how we solve dependence upon imported oil, why that region of the world has grown so important to us, why young Americans are exposing their lives and some having died there with more at risk because of our failure to have an energy policy and because of all of the negative actions that the Congress of the United States has taken with respect to energy policy.

And then we have my good friends who are sponsoring the motion to strike criticizing it because it is not perfect. That is all Congress can do is criticize, and the impotent group of forces on opposite sides, with minorities in favor of everything and majorities in favor of nothing.

I could not help but note the words of the two prime sponsors of this motion to strike, one argues for lower prices, which means increased dependence upon imported oil, and the other is pleading for alternative sources of energy, which means increasing prices of energy in order to finance those alternatives. Even the sponsors of the motion to strike are in disagreement as to why it ought to be stricken and what it is we ought to be doing instead.

That is the indictment of the Congress. That is the reason for my support for the Bentsen provision. That is why we ought to turn down the motion to strike and we ought to take at least one step positively saying that there is a crisis confronting this country and that crisis demands a solution and it demands action, not the inaction that has characterized congressional actions up until this date.

I thank the Senator for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I yield 7 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 7 minutes.

Mr. CHAFEE. Mr. President, I am pleased to join my colleagues in opposition to the energy security provision of this bill.

This provision would give the President advance authority to impose an oil import fee to decrease oil imports when they threaten to rise above 50 percent, is one more attempt to impose oil import fees on the United States. The prosperity of recent years has been largely fueled by the constant declining price of oil and gasoline. An import fee would substantially increase the cost to the American consumers and the American economy as a whole.

Sometimes it is very, very hard to keep a bad idea down. And this bad idea keeps bobbing up no matter how many times we have defeated it on the floor of this Senate.

An oil import fee is simply unfair. In my section of the country in New England, we lead the Nation in energy conservation, but we still depend on oil for 66 percent of our energy needs. That is a fact of life. We do not have natural gas. We do not have hydroelectric power. We are dependent upon oil.

This figure of 66 percent of our energy needs being dependent upon oil is nearly double the national average. So a fee on imported oil would raise the cost, as everybody knows, it would not just raise the cost of imported oil, the design of the whole thing is to raise the cost of all oil, domestic as well. And that means that the result of this would be a savage blow to the section of the country where I come from, to our homeowners and to the businesses alike.

Imported oil makes up less than 40 percent of the oil we consume. But, as I said, the oil import fee would not just raise the price of 40 percent, it would raise the price of 100 percent of the oil consumed in this country. And that means that consumers everywhere would have their costs increased.

I can appreciate the concerns of oil State Senators here today, but there is another side of the coin, and that is the individuals and the businesses who have to pay inflated prices for oil.

What have the lower energy costs meant in the last several years? That has been one of the key ingredients that has fueled the prosperity that our Nation overall has enjoyed. Lower energy costs have meant lower inflation, they have meant an increase in per capita income, and they have meant more jobs for all Americans. So let us not step in and clip off this prosperity now with this unwise provision.

There is a lot of talk about national security, but the fact of it is it is protectionism. It artificially boosts the price of energy for the benefit of a narrow segment of domestic energy producers.

What would be the damage to our economy? Just think of it. Here we are talking about competitiveness. We are trying to compete with Japan, Europe, and the rest of the world. We are trying to be better, trying to keep our costs down, trying to get a greater share of trade in the world. Ironically, this is a trade bill—the bill that this is attached to is a trade bill—which is designed to help make the United States competitive, yet this very measure makes us less competitive.

Let us look at some of the figures. Data Resources, Inc. estimates that a $5 per barrel import fee would lose 1 million jobs over 4 years—1 million U.S. jobs. Specific industries, such as petrochemicals, would be especially hard hit. American farmers would find their costs increasing.

Here we are trying to export our grain, our wheat, our corn, and we would find the cost of production would go up, not down. The National Grange estimates that a $10 per barrel fee would increase the cost on a 300-acre farm by $2,000 to $3,000 a year, depending on which crops were raised, through fertilizer, through the operation of tractors. Bethlehem Steel says that a $4 per barrel fee would actually cost the company $30 million and the steel industry as a whole $230 million, which is hardly a recipe for international competition.

Consumers would bear the heaviest burden of all. Estimates from the Citizen/Labor Energy Coalition show the average family's heating and gasoline cost would rise 27 percent if we had a $10 per barrel fee. The average family would have to pay more than $400 extra annually for energy, every year, just because of this import fee.

The report also estimates that a $10 a barrel fee would have a major economic impact, reducing our gross national product by about $30 to $45 billion per year and cause a one-time inflationary effect—here we are trying to lick inflation: we have been pretty successful—of 2 to 3 percent.

Import fees could be imposed, rationing could be imposed, environmentally sensitive areas could be developed, or production tax incentives could be adopted, all by the President without any congressional approval.

The President's authority to limit imports to protect areas with threats to national security is already governed by section 232 of the Trade Expansion Act. This law is on the books and it has worked well since 1962. But the provision we are dealing with today provides a discretion to the President beyond that. It would be a grave error to give him this authority at this time.

In closing, Mr. President, this provision is a back-door approach to helping one specific segment of the Nation—the depressed domestic oil industry. The protectionists' strategy behind it is clear. It ignores the fact that curbing trade will hurt the consumer, hurt employment, hurt the gross national product, increase inflation and overall be damaging, extensively damaging, to this Nation of ours.

So I urge our colleagues to join the rest of us in supporting the amendment to remove the energy security provision from this bill.

I want to thank the manager of this side and thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE. Would the Senator yield me 15 seconds for a unanimous consent?

Mr. BENTSEN. I would be glad to.

Mr. McCLURE. I ask unanimous consent that a statement by Senator MURKOWSKI on the motion to strike the energy security provisions of the trade bill be printed on the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. MURKOWSKI. Mr. President, I rise today in support of and as a cosponsor of the energy security provision of this trade bill.

As I listen to the debate here, I cannot help but note the remarkable ability of the opponents of this provision to avoid addressing the guts of this issue. And the guts of this issue, Mr. President, is energy security.

This is not an issue of Presidential power versus congressional authority. This provision, pure and simple, is about protecting the economic integrity and domestic security of this country.

There should be no mistake that another energy crisis is right around the corner for the United States. The past year has been disastrous—for our national energy situation in general, and for our domestic petroleum industry in particular.

In 1986, U.S. production of crude oil declined by more than 4 percent. At the same time, domestic consumption rose by more than 3 percent. The combination of these two factors has resulted in a significant increase in U.S. dependence of imported oil. Earlier this year, our level of imports reached nearly 40 percent of domestic consumption. This stands in stark comparison to 27 percent in 1985; and 33 percent in 1973—the year OPEC caused the first oil crisis in this country.

The truly alarming fact in all of this is that nearly 50 percent of the oil we now import comes from OPEC member countries.

And there is every indication that the situation will continue to deteriorate. A recent Congressional Research Service report to Congress predicts that our domestic crude oil production will continue to decline—a minimum of 17 percent by 1995 and 24 percent by the year 2000. This means that we will need to import an additional 1.5 million barrels of oil per day by 1995 and an additional 2 million barrels per day by the year 2000.

Mr. President, these statistics are based on the assumption that domestic consumption will remain constant over that period of time. Given our experience of the past 18 months, I do not believe this is a realistic assumption. Thus, we can expect our dependence on imported oil to rise significantly more than predicted by CRS.

The bottom line of the CRS study—and several other recent studies—is that the United States will be importing well over 50 percent of its crude oil requirements in the very near future.

Several of my colleagues have done a masterful job of outlining what it means for this Nation to be so dependent on imported oil. In particular, I believe that the CRS predictions of the impacts of an oil price shock are most enlightening.

But Mr. President, we do not need to rely on studies and predictions to know what will happen—and I mean will happen, not might happen—when we rely on foreign sources for so much of our crude oil. We have already had two very painful experiences to demonstrate what will happen.

I am afraid that, unfortunately, we have not learned anything from those experiences and we are destined to repeat the mistakes of the past.

The strenuous opposition to this energy security provision is a clear indication to me that we have not learned any lessons from the oil crises of the 1970's. It is an indication that we intend to do business as usual with respect to energy. And what is business as usual, Mr. President? It is waiting until the crisis occurs and then frantically looking for something to do to mitigate the effects of that crisis.

The energy security provision is an attempt to change business as usual. By enacting a ceiling on oil imports, the Members of the Senate will demonstrate that they have learned something from our past experiences—we learned that heavy reliance on Middle Eastern crude oil make this country vulnerable to economic and political chaos.

By requiring the President to submit an annual report projecting oil production, demand, and imports for a 3-year period, we establish a long-term approach to our national energy policy. Rather than react to a crisis situation, we will have projections of future conditions and can take appropriate steps to avoid a crisis.

Mr. President, the energy security provision of this trade bill is legislation that Congress should have enacted long ago. Perhaps, if we had, the United States would not be in the predicament we find ourselves in today. It is not too late to take the affirmative steps necessary to protect our national security.

I commend the distinguished senior Senator from Texas and my other colleagues who have cosponsored this provision and I urge those who have not to lend their support to it.●

The PRESIDING OFFICER. Who yields time? The Senator from Texas.

Mr. BENTSEN. I yield to the junior Senator from Louisiana.

Mr. BREAUX. Mr. President and Members of the Senate, first of all I thank the distinguished chairman for bringing this measure to the Senate floor for consideration. I join with him as a sponsor of this measure along with our distinguished senior Senator from Louisiana who is chairman of the Senate Energy Committee. I cannot imagine that there is this much debate on this issue, if you think about it in reality.

Can you imagine what this body would be doing if we were importing over 50 percent of our food from foreign countries? Could you imagine the outcry if we were importing over 50 percent of the medicine that we use in this country from foreign countries, which are, in many cases, unfriendly to the United States?

Can you imagine what our position would be if we were importing over 50 percent of the airplanes that we use in this country from foreign countries that we cannot depend on?

But we are approaching that figure with regard to something equally important to our national security and that is oil. We are not going to be able to fly those planes unless we have that energy. We are not going to be able to run the railroads and automobiles and keep society moving if we do not have enough energy to run them.

A lot of people think the situation now is nice because OPEC has decided to open the valve and flood the market. Many parts of our country are saying: "Thank you very much. We enjoy it. Let's keep it like that for a couple of years."

But I ask the Members of this body what would happen if OPEC all of a sudden decided to turn the faucet off like they did in 1973, and bring our country to its knees?

Are the people in New Jersey and the people in New York and the people in New England going to be happy about that situation? I would suggest that they would not. I would suggest they would say: Do something about it. We do not want long lines again.

Let us make it very clear. If people in the United States did what OPEC did; if our oil industry did what OPEC does to us every time they meet, our people would be put in the penitentiary because what they are doing is criminal. It is price fixing.

So I would suggest that this legislation does not give the President any additional authority. It has been crafted so that it only says: Use your powers in the Trade Adjustment Act.

The President says we have a problem and then he throws out platitudes for solutions. What the Bentsen legislation provides is that the President shall use the tools that Congress has already given. We are not giving him one single iota of additional authority. We are merely saying if we are about to go down to our knees as we did in 1973, that somebody, somewhere, ought to use the existing authority and take action so that we will never find that situation happening again.

I think the amendment of the gentleman from Texas is perfectly right on the target and I strongly support it and oppose any efforts to strike it out.

The PRESIDING OFFICER (Mr. WIRTH). Who yields time?

Mr. PACKWOOD. I yield 5 minutes to the Senator from Rhode Island.

Mr. PELL. I thank my colleague.

Mr. President, I am pleased to join with my distinguished colleagues, the senior Senator from New Jersey [Mr. BRADLEY], and the junior Senator from Oregon [Mr. PACKWOOD], in this bipartisan effort to strike section 502, the energy security provisions in title V of S. 1420, the omnibus trade legislation.

Last February, I along with 15 of my colleagues in the Senate, submitted Senate Resolution 97 opposing the imposition of import fees on crude oil and petroleum products. That strong bipartisan effort led to the formation of a broad-based coalition of business, industry and consumer groups united in opposition to any oil import fee. Clearly that strong effort in February helped greatly in uniting support in opposition to oil import fees and the energy security provisions under section 502 of S. 1420.

In my opinion, there is no question that section 502 of the trade legislation is a backdoor approach to the imposition of an oil import fee—all of which is aimed primarily at deficit reduction and protection of the domestic petroleum industry, rather than the very real concern over energy vulnerability. I believe it is clearly not in our national interest to suggest that oil imports from our most friendly and secure suppliers of oil—Canada, Mexico, Venezuela and Indonesia—are a threat to our national security.

In this regard, I would call the attention of my collegues to a June 24, 1987, letter which I received from His Excellency Valentin Hernandez, Ambassador of the Republic of Venezuela, on the matter of oil exports.

Ambassador Hernandez comments at length on the security of supply issue, and emphasizes that Venezuela itself has 900,000 barrels per day of excess crude oil production capacity which could be quickly brought on stream as one additional secure source of petroleum supply.

I ask unanimous consent that the letter from Ambassador Valentin Hernandez be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, if indeed energy security is our concern under the provisions of section 502, then our attention should be focused on oil imports from the Persian Gulf area—oil imports which count for approximately 6 percent of all oil consumed in the United States today, not a vulnerable 50 percent as suggested in the trade legislation.

Equally important is the question of energy dependence, our national attention should focus on adequate supplies of oil for the strategic petroleum reserve as well as the sadly neglected area of energy conservation. Indeed, a return to a strong commitment to conservation including weatherization and auto efficiency standards would go a long way in responding to energy vulnerability from the Persian Gulf.

Without question, the energy security provisions, section 502, in title V of the trade legislation should be deleted from S. 1420. In addition to the many questions that can be raised over the issue of energy dependence, section 502 of S. 1420 requires the use of broad authority under section 232 of the Trade Expansion Act by the executive branch with little opportunity for careful congressional or public review of the Presidential recommendations to limit oil imports.

In sum, I am delighted to join my distinguished colleagues in opposition to the energy security provisions of S. 1420. The provisions essentially would protect the oil industry through the imposition of a tax that would impose an unfair and discriminatory burden on consumers, business and industry in the Northeast as well as certain States along the east coast and upper Midwest.

I will continue by strong efforts to address our real concerns over energy vulnerability. But I will continue to oppose measures which would impose an unfair burden on consumers and business in Rhode Island, and other oil consuming States.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EMBAJADA DE VENEZUELA,
Washington, DC, June 24, 1987.

Hon. CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, U.S. Senate, Senate Russell Office Building, Washington, DC.

DEAR MR. CHAIRMAN: This is not the first time this year that I have the honor to address you on an issue in which we share common concerns. As you are undoubtedly aware, the Republic of Venezuela closely monitors congressional debates regarding proposals to tax imported oil. Representatives of my country and our oil industry have held meetings with the Members and staff of the Foreign Relations Committee, as well as that of other congressional committees, on several occasions to discuss our concerns. We believe that an amendment to the Senate Trade Bill which was recently adopted by the Finance Committee could eventually lead to a limitation on oil imports through the imposition of an oil import tax or import quotas. This amendment is generally identified as the "oil import threshold legislation."

As you are aware, Venezuela would be severely affected if the United States were to enact restrictions on oil imports. The United States is Venezuela's most significant export market and currently represents approximately 50 percent of our total oil export earnings. Presently, over 90 percent of Venezuela's export and foreign exchange earnings are derived from our worldwide crude oil and petroleum product sales. Oil accounts for approximately 60 percent of all government revenues and over 25 percent of the nominal gross domestic product.

Furthermore, Venezuela today has the fourth largest foreign debt among Latin American developing countries, surpassed only by Brazil, Mexico and Argentina. Of Venezuela's total foreign debt, approximately $10 billion is owed to United States banks. Venezuela's capacity to continue to develop economically and socially, to purchase merchandise and services from abroad, and to service its foreign debt are directly dependent upon the level of income it derives from petroleum exports.

Market conditions resulting from the oil price collapse of 1986 were obviously detrimental to United States oil producers. The situation was not different in Venezuela as export revenues decreased 44 percent in 1986 to $7.2 billion from $12.9 billion the previous year. In a country as heavily dependent on oil export revenues as Venezuela, the negative impact of such a reduction is indeed significant, and it has already resulted in reduced imports, increased inflation, unemployment and related social pressures, as well as in domestic political uneasiness regarding the management of our external debt situation.

In addition to the perception that the oil import threshold legislation will result in the imposition of an oil import fee, we believe strongly that such legislation fails to consider the variety of factors which comprise energy security. Indeed, the study recently undertaken by President's Reagan's Energy Security Task Force plainly states that the use of oil import levels as the sole indicator of the United States' energy security is an oversimplification. The report concluded that, in assessing United States energy security, a variety of factors must be considered including the source of oil imports, the stocks that have been accumulated in the United States and elsewhere, and the excess production capacity that exists in the world.

In this context, at the risk of being somewhat repetitive, I feel it is necessary for me to reiterate that the combination of our enormous oil resource base in the Western Hemisphere, the proven technical and managerial capacity of the Venezuelan oil industry, the proven historical track record of Venezuela as a stable and secure source of supply to the United States, the Venezuelan decision to invest in down-stream activities in this country, and the historical and political affinity of our two nations committed to individual freedom and democracy in all of the Americas, should be taken into account by the U.S. Government in considering its overall energy policy and, in particular, its energy-security related policies. In addition, today Venezuela alone has 900,000 barrels per day of excess crude oil production capacity which, in case of crisis, could be brought on stream in a matter of weeks, and we also possess similar flexibility in our refining capabilities.

Mr. Chairman, the fact that United States oil production will continue to decline regardless of price level is well-documented. No matter what policies are implemented, the United States will have to rely on imported oil to help meet its total energy requirements. Oil import restrictions deny this fact, and penalize oil exporting nations, especially the United States' geographical neighbors and political allies, such as Venezuela, Canada and Mexico, which together account for nearly 38% of total U.S. petroleum imports. As you know, a substantial portion of Venezuela's petroleum exports are consumed in Rhode Island and other New England States.

During this and past Congresses, you have raised important points with respect to the oil import tax issue. Specifically, you have cited the disproportionate effect of such a tax on the consumers of the Northeastern and Midwestern United States, and on friendly oil producers such as Venezuela. It is our hope that, in assessing its long-term energy security, the United States Congress fully recognizes Venezuela's oil resources, reserves, and technical abilities, as well as the long-term history of bilateral cooperation between our nations, and that no measure be adopted that could jeopardize Venezuela's ability to continue to supply significant quantities of oil to the United States in the future. The Republic of Venezuela appreciates your efforts in this regard, and as an ally and close friend of the United States, we wanted to make known our views to you on this issue of extreme importance and significance to our country.

Sincerely,

VALENTÍN HERNÁNDEZ,
Ambassador.

The PRESIDING OFFICER. Who yields time? The Senator from Texas.

Mr. BENTSEN. I yield 5 minutes to the distinguished Senator from Montana.

Mr. BAUCUS. I thank the Senator from Texas.

Thank you, Mr. President.

Mr. President, this amendment, I think essentially questions the degree to which we as a people, Congress, are going to become more mature. It is clear that we have got an energy problem. It is clear, too, that this country does not have the solution to the energy problem. We have no policy.

We fuss, we feud, we fight, we muddle along, we complain. We do not develop a policy.

In fact, this debate so far today is the best evidence of why we do not have a policy.

New England Senators, on the one hand, say no. They are worried about oil import fees. They are worried about their consumers.

No, they are opposed to this amendment. Most of the Senators who oppose this amendment are from New England States, nonproducing States. Meanwhile, it is true that most of the proponents of keeping oil security in this bill tend to be those Senators from producing States. The Senator from Texas, the Senator from Colorado, the Senator from Louisiana; they are from producing States. So the question is, are we going to develop energy policy? Are we going to get together or are we not?

My own State of Montana produces some oil but not a lot. Most of the people in my State are consumers. We do have a few with producing interests. Some but not all the producing States are States that produce on a proportional basis. So I ask myself am I for the provision of the bill or am I for the proponents who want to strike the provision in the bill?

I suggest that we as a people have to get our act together. We as a country have to get our act together. We live in a very uncertain world with tremendous economic uncertainty, tremendous political uncertainty. Witness only the problems recently in the Persian Gulf.

Basically the question is, are we as a country, are we as a people, going to try or are we going to do nothing? I have heard a series of complaints about this amendment. One is that it mandates certain action. This amendment does not give any more authority than is now given the President under section 232. The President already has the authority. Yes, it is discretionary but he has that authority today. I do not see any reason to complain that some provisions of this direct the President to take certain actions in the event certain conditions take place.

I have heard the complaint: Well, we rely too much on oil. We should have alternative sources of energy. It is true, we should have alternative sources of energy, but the fact is oil is not fungible. You cannot put whiskey or milk or water in your gas tank. You can only put gasoline in your gas tanks. We rely very directly on oil.

We work to develop alternative sources, but I submit that if this amendment is in the law, that it will help encourage this country to move toward the development of alternative sources of energy. Otherwise, it is the status quo, and what is the status quo? The status quo is we keep relying on supplies from OPEC and from other producers. We have got to move ourselves more toward development of a policy and this will help.

I have also heard we are less reliant on Persian Gulf countries now than we once were. That is true. But if you look at the projections, we are getting much more reliant on Persian Gulf countries in the future.

CRS concludes that our reliance for 1995 will be three times, by 1995, what it is today.

Our reliance on Persian Gulf sources will be three times what it is today, and the projections are for greater reliance in the future. Why? Because the Persian Gulf oil is easily pumped out of the ground and the oil from other countries is less easily pumped out of the job.

We have also heard the complaint about the provision that, well, it does not have much to do with price. It is true it does not have much to do with price. What we are getting at is supply, the source, the dependence on other countries. That is what the provision is about.

And this makes us less competitive is another argument because energy prices might go up. Mr. President, an ounce of prevention is worth a pound of cure. If we do not get some control, get our act together, and develop an energy policy in this country, develop more energy supplies in this country, the price we are going to pay down the road will be much more severe than it is today.

The Senator from Louisiana made a good point. He said to put ourselves in the shoes of some other countries, some countries that import most of their food or a lot of their food. What do those countries do? Those countries have developed very aggressive policies for the food coming into their own countries so they are not relying on the United States as they once were because the United States historically has been an unreliable supplier. That has happened.

We have embargoed countries for some political purpose. Who is to say that some other country will not cut off supplies to us for some action we will take in this country.

To sum up, Mr. President, let me say this: This is really a question of trust. Our country has to develop more trust. Here we are with a Democratic-controlled Senate and a Democratic-controlled House. If this provision goes through, we are giving more authority to the President. We have to develop more trust in this country. I say to Senators who are worried about potential problems with this, there are no closed doors, there are opportunities to address that. Let us get on with it. Let us start developing a policy that makes the United States a little more self-sufficient in the production of energy so we can compete more aggressively and be more secure as we face an uncertain future.

Mr. BENTSEN. Mr. President, I yield 7 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized for 7 minutes.

Mr. EVANS. I thank the Chair.

Mr. President, I have sometimes despaired over the last few days that we would ever get around to debating significant amendments to a trade bill. We ran through a litany of foreign affairs issues and danced all around the edges of a trade bill. I am delighted that we are finally now debating one of the more important elements of the trade bill now in front of us.

Mr. President, I would have to say, to paraphrase President Reagan, here we go again.

Several days ago on the floor of the Senate I noted the irony of proceeding to thump our chest and take a tough stance on trade at the same time we were passing a budget resolution which did not even come close to meeting the achievable standards we set for ourselves less than 2 years ago.

Why is that ironic? Because, as we so often do on the floor, we were addressing the symptoms and not the cause of the problem. Clearly the domestic budget deficit is the principal cause of our current acute trade deficit. With the energy security provisions in this bill, I believe we are making exactly the same mistake. With the proposal now in the bill which is sought to be stricken, we are dealing with the symptoms and not the fundamental cause of the fuel problems we now have.

Why do we have a budget deficit which requires us to borrow from others? Very simply, because we simply spend more than we earn.

Why do we have a petroleum deficit which forces us to rely increasingly on more unstable regions of the world for the lifeblood of our economy? Simply because we use more oil than we produce.

Mr. President, if this was the equivalent of the drug problem, we would suggest that the best way to ensure that we ended the problems of heroin addiction would be to secure the supply of heroin for those who are addicted.

Well, that is no answer. I think it is no answer, at least by itself, to suggest that this is the direction we take now through an oil import fee or anything like it.

The Secretary of Energy said in his recent energy security report that our imports will comprise an ever-increasing share of total petroleum use, from 5.2 billion barrels last year, up to 8 billion barrels and 50 percent of our total by 1990 or 1991. We all know, and it has been repetitively stated, that two-thirds of the oil supply of the free world, at least, is under the sands of five Arab countries.

It is clear that if we continue on our present course we will depend more and more on a region that is less and less stable.

Certainly we can all agree, and I will stipulate to my good friend from Texas, that our domestic situation is horrible. The current rig count is down dramatically from where it was a year or 2 ago. High-cost producers and stripper wells are finding they cannot compete at today's world prices. At the same time, we are finding only a limited amount of new oil and are putting some considerable restrictions on where and under what circumstances we search for new oil domestically.

The Senator from Texas is also right when he notes that Middle East producers possess the surge capacity so important in the event of a dislocation in world supply. They will be the ones who profit and we will be the ones who suffer if a major oil disruption occurs.

But having agreed with all of that, I differ with the Senator from Texas when he suggested the kind of trigger mechanism he is proposing here is a correct response. The right response? The right response, Mr. President, has been advocated earlier by the Senator from Oregon and the Senator from New Jersey. It is a responsible energy policy which we are still searching for and have yet to find.

Let us not kid ourselves and bow blindly at the altar of the free market. There is no such thing as a free world energy market.

Oil is a strategic commodity. It is traded worldwide. The swing producers such as Saudi Arabia have surplus capacity which could easily manipulate world oil markets to suit their purposes, not ours.

One day they may wish to discipline one or another of their OPEC colleagues and drive prices down. Another day they may wish to generate more revenue for themselves to operate an economy that requires more and more money. We can be sure of only one thing: their decisions will not be made with the best interests of the United States at heart.

Our response should be a balanced one that does include increased domestic production, but also increase domestic conservation. Time and time again, Mr. President, we simply ignore the conservation or efficiency side of the balance.

We in Congress allowed the administration to bow to the wishes of our major automakers, already protected by voluntary import restraints, and they lowered fuel efficiency standards for passenger automobiles.

The good Senator from Montana said that cars do not run on milk. He is correct. But they run on too much gasoline. If all cars on the road today achieved a 1-mile-per-gallon improvement in fuel economy, that would be precisely the goal of the CAFE standards, the fuel efficiency standards, which the administration eased up on. We would not need any oil from the Middle East. The two are precisely in balance.

I might say again that if we were able to double the current 17.5 mile per gallon fuel efficiency of our fleet, well within current technologies to do so, that would be equivalent of all of the imported oil we are talking about in 1990 or 1991.

Mr. President, there is a vast opportunity in new initiatives which we are only starting to achieve.

They are in everything from appliance efficiency standards to cogeneration, to home efficiency, to model conservation standards, to manufacturing industrial efficiencies, even resolving the waste problems in our nuclear field. All will help to reduce the necessity for oil, especially imported oil, and all of it will happen without decreasing the standards of living or giving up anything or paying more taxes here in the United States.

The Senator from Texas said in his remarks it is time to fix the roof which the sun is shining. I could not agree more. But this time, Mr. President, let us put on a permanent roof, not just another patch.

Mr. President, let us not put ourselves in the position with temporary measures where future historians look back and wonder why we did so little when we had a chance to do so much.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, I yield 5 minutes to the distinguished Senator from Oklahoma, who has been a real leader in the fight for energy independence in our country.

Mr. BOREN. Mr. President, I thank my colleague from Texas, the distinguished chairman.

Mr. President, I thought I had lost my ability to be shocked by actions that might be contemplated by this body, but I must confess that on this occasion I am shocked and astounded that anyone would move to strike from this bill the very responsible provision which we are now debating. How can anyone doubt that increasing the dependency of this country on foreign sources of oil is a threat to our national security? It is self-evident. We are in the process, Mr. President, of dismantling the domestic industry. We have a reduction of our rig count from 4,700 down to approximately 800. We are struggling to reach the 800 level.

We have had an increase just since July 1985 on Saudi Arabia alone, going from 45,000 barrels a day dependence on that source up to 700,000 barrels per day dependence upon that source. Since 1981, we have gone from a dependence of approximately 20 percent on foreign sources of oil to now over 40-percent dependence in just a 5-year period of time. We are well on our way to the 50-percent level. Something must be done about it before it is too late.

Why do we always wait until after the problem has reached crisis proportions before we deal with it? When are we ever going to have the foresight to take responsible action before it is too late, to avoid those huge increases in prices that will devastate the consumers and that will devastate American industry and our ability to compete with the rest of the world at the time that we have huge trade imbalances, to assure that we will have what we need in terms of energy sources in case of some threat to our national security?

I understand it has been said that we are here talking about giving some kind of broad responsibility to the President. That is simply not true. We are simply saying that the President should exercise the authority which he has under section 232(b) to deal with the rapid increase of imports that threatens our national security. The President has had that power for 30 years. We are simply saying, as the Congress of the United States, we want to make sure that the President and the Congress carefully monitor this situation to make sure that our national security is not threatened by overreliance on foreign sources of oil. We are not talking about giving new powers to the President. We are simply assuring that this country will plan ahead for once, that this country will act to protect its national security by making sure that we do not become overly dependent on other countries for the oil which we need, economically and from the point of view of national security if we should face an emergency.

I understand it has also been said that we do not get most of our foreign oil from OPEC. That is true. We get more of it from our neighbors, from Canada, from Mexico, from those in our own hemisphere, and other parts of the world.

But that ignores the fact that the world oil market is interchangeable. We have responsibilities, for example, to other countries, other trading partners, other allies. If the OPEC sources of oil are cutoff, if we were to have a disaster occurring in the Persian Gulf, that reduces the amount of oil that is available worldwide. We have responsibilities to make sure that other countries get their fair share of the oil that remains. And it upsets the whole supply and demand for oil in the world. If oil is cutoff in the Persian Gulf, even if that oil is not intended to come to the United States, it will cause a shortage of oil worldwide that will rapidly escalate the price unless we have had enough foresight to maintain an ability to produce oil here at home.

Let us open our eyes to the danger that clearly confronts us of being too dependent on foreign sources for the production of crucial mineral resources for this country. Let us act before it is too late. Let us follow the responsible path that has been set forth by the Senator from Texas.

The PRESIDING OFFICER. Who yields time?

Mr. DURENBERGER addressed the Chair.

Mr. PACKWOOD. Mr. President, I yield 7 minutes to the Senator from Minnesota, but I have to say we have to hold to this time; we have other speakers coming.

Mr. DURENBERGER. Mr. President, I am shocked at my colleague's shock but I am getting used to it. When those of us from the so-called consuming States rise in shock, it is because someone from a producer State has enacted an energy policy we disagree with, and when those from the producing States rise in shock it means that there is something afoot on the consumer side.

I agree with what I have heard here this morning. This really is not the place to debate energy policy. This country does not have an energy policy. I agree with all of that. And I have been through this with my colleagues, both producers and consumers, particularly in the early days of this administration.

My colleague from Idaho said young Americans are dying in the Middle East, and that proves I think that we do not have a national security policy that integrates energy and trade and these other issues as well.

But we are, Mr. President, here today to debate trade policy, and it is for that reason that I rise in strong support of the amendment offered by my colleagues from New Jersey and Oregon to delete section 502 of the trade bill.

There is no question that we are all aware of the fact and we are all concerned that our Nation is increasingly dependent on foreign sources of oil, but in a trade policy sense I think it should also be noted that we have been diversifying our sources of foreign oil supplies to the point where today we only depend on the Middle East for 7 percent of our imported oil.

Today, the vast bulk of our imported oil comes from Mexico, Canada, Great Britain, and Venezuela.

In an ideal world, we would all prefer that this Nation had enough reserves to be totally self-sufficient in oil. The reality is, however, that oil is a nonrenewable resource and U.S. production peaked more than 15 years ago. It is inevitable that this country will depend on foreign sources of oil until we find a substitute energy source.

What percentage of dependence on foreign oil represents a threat to our Nation's security is a question on which experts are not going to agree But this bill establishes arbitrarily, I would suggest, a standard that our Nation's security is endangered if oil imports rise to 50 percent of U.S. consumption.

Is the percentage of dependence on foreign sources of oil even the right question to ask, when we are considering the Nation's security? I think not. Should we not instead be considering what our total energy needs are? Should we not be considering the level of reserves we have in the strategic petroleum reserve? Should we not be talking about our SPRO withdrawal policy which affects the price of oil and thus its availability? Should we not consider the political stability of, and our relations with our foreign suppliers?

These issues are not relevant under the bill we have under consideration. The only thing the President can consider under this legislation is the raw percentage of oil imports.

We all know that oil is not the only source of energy available in this country. In fact, its not even our primary energy source. We use more coal than oil and we use nearly as much natural gas as we do oil. Both of these resources are in abundance in America. Nuclear and hydropower, geothermal and solar power also fit into this Nation's total energy mix.

Overall, this Nation relies on foreign sources of energy for barely 12 percent of its total energy consumption. Compare this with Japan which relies on imports for 100 percent of its oil and 83 percent of all of its energy needs. In Japan, this certainly is an international trade policy issue.

France and West Germany also rely on imports for 100 percent of their oil and 60 percent and 50 percent of their total energy needs respectively.

Despite the fact that we are far less dependent on foreign countries for our oil and energy needs than our major international competitors, this legislation would force the President to arbitrarily implement a plan restricting foreign oil imports even if our foreign sources of supply were stable and reliable.

And we all know that the easiest way to restrict imports would be to impose an oil import fee.

Mr. President, I believe that imposition of such a fee would endanger our economic security and would do absolutely nothing to enhance our national security. Quite the contrary, an oil import fee would undermine U.S. long-term "energy security."

Recently, the Federal Trade Commission issued a report assessing the impact of an oil import fee on the Nation. One of the conclusions of that report is that "any attempt to increase our energy security by limiting imports will actually reduce our long-run energy security by speeding the depletion of domestic reserves." As one commentator has noted, an oil import fee represents a policy of "Drain America First."

Moreover, an import fee would have a devastating impact on our economy and would make some of our most competitive industries, especially the farming heart of America, far less competitive on world markets. The FTC estimates that a $5 per barrel import fee would cost American consumers between $14 billion and $17 billion per year. Such a fee would also cut petroleum refiners' profits anywhere from $7 billion to $10 billion. And, according to the Congressional Research Service, over 4 years our GNP would be 3.4 percent lower with a $5 fee and inflation would be one-half a percent higher per year.

According to the Department of Energy, a $10 import fee would reduce the GNP by $30 to $45 per year, would raise inflation by 2 to 3 percent, and would cost our country over $200 billion over the next decade.

An oil import fee would have a devastating impact on several of our energy-intensive export industries. The cost of production for the petrochemical, paper and primary metal industries would significantly increase if such a fee were adopted. Foreign competitors could easily undercut these industries both at home or abroad, ultimately exacerbating our foreign trade deficit.

And what about the American farmer who already has to compete with subsidized farmers around the world? As petroleum prices escalated in the 1970's, American farmers' costs of production increased significantly. As the farm economy is now beginning to emerge from the devastating depression of the 1980's, lower energy costs are a critical survival component. Any effort to increase such costs will just push more farmers into bankruptcy.

What is the cost to the American farmer of a $10-a-barrel import fee? On a 300-acre farm, such a fee would raise the cost of production for a soybean farmer by $660, for wheat farmer by $690, for a corn farmer by $1,080, for a rice farmer by $3,000, and for a cotton farmer by $2,160. And that does not even include the increased transportation costs and heating costs incurred by the people of rural America.

Of course, one group would benefit if we adopted an oil import fee—domestic crude oil producers. According to the FTC, their profits would increase by between $12 billion and $13 billion a year.

Mr. President, I cannot in good conscience ask the American farmer, factory worker, and homeowner to turn their hard-earned dollars over to the domestic crude oil producers, all in the name of questionable national security.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. I yield 4 minutes to the distinguished Senator from North Dakota.

Mr. CONRAD. I thank the distinguished chairman of the Finance Committee for this time.

Mr. President, section 502 of S. 1420 presents Congress with an opportunity to act rather than react, plan rather than panic, and lead rather than lament.

The signs of an impending energy crisis are clearly before us, and when the crisis comes, no one should claim that we did not have adequate warning:

Foreign oil imports were up more than 30 percent between February 1986 and February 1987 from 4.5 million barrels per day to 5.9 million barrels per day. Even more significantly, much of that increase came from the Persian Gulf. Imports from that volatile part of the world leaped 300 percent.

The number of active drilling rigs in the United States fell 75 percent from 1981 to the end of 1985 and was down more than 50 percent in 1986 alone. In my State of North Dakota, the number of drilling rigs has gone from a high of 150 in the early 1980s to a dismal 6 in 1987.

U.S. crude oil production plummeted almost 800,000 barrels per day from January to December 1986.

About 40 percent of all firms engaged in contract drilling for oil and gas in 1982 are now out of business.

The recent report to the President on energy security by the Department of Energy summarized the significance of these statistics by concluding that: First, imports are up significantly; second, domestic production is down considerably; and third, these two facts pose serious problems for our national security.

We can heed these signals, enact this amendment and avert a national emergency, or we can ignore these warnings, defeat this amendment and invite a national crisis.

Anyone who says that we are importing the same levels of oil as we did in 1973 "with no ill effects in the nation as a whole," has not witnessed the idle drilling rigs in Williston, ND, the unemployment in Bartlesville, OK, or the bank failures in Houston, TX. The Nation as a whole is only as strong as its parts. More importantly, however, the problems facing our oil and gas industry transcent the borders of States that produce oil and gas. Direct investment in the petroleum industry is a major driving force of our economy. In fact, 20 to 30 percent of all capital investment in the United States is related to petroleum. For example, it takes, on average, as much steel to drill a single onshore well in the United States as it does to make nearly 65 automobiles. This means that the projected drop in U.S. drilling activity in 1987 alone will reduce steel demand by as much as if automobile production had declined over 1.8 million cars. This is more than 20 percent of America's production in 1985.

I also must dispute the claim of some of my colleagues that the strategic petroleum reserve is "the best protection against a supply disruption." The strategic petroleum reserve is a prudent hedge against short-term disruptions, but it is not a realistic remedy for long-term disorder. Experts estimate that if a national mobilization were required, domestic demand for petroleum would be 21 million barrels per day. With U.S. production at only 8.3 million barrels per day and declining precipitously, even the strategic petroleum reserve could not prevent extreme vulnerability to import disruptions.

To those who argue that the 50-percent import ceiling is arbitrary, I submit that the 50-percent ceiling is prudent. I was surprised to read that some of my colleagues believe that "imports could be significantly higher than 50 percent without putting national security in jeopardy," and that "America's vulnerability to oil-supply disruptions does not depend on the volume of oil we import." Does any one seriously believe that America can import 60, 70 or 80 percent of its energy needs, much of it from such long-haul sources as Saudi Arabia, Nigeria, Great Britain, Indonesia and Algeria, and not be concerned about the economic or the military consequences of protecting either the source or the supply route of that petroleum? Furthermore, although many of our allies are more heavily dependent upon oil from the Persian Gulf than we are, the United States is obligated under international agreements to share in any oil shortage among the industrialized nations. Thus, their shortages become our shortages. I submit that such dependency could place dangerous, undue pressures on the U.S. economy and our foreign policy options, particularly our efforts to combat terrorism in the Middle East.

This Nation's oil and gas industry is not a rapid deployment force that we can summon to avert a sudden disruption of oil supplies. Any policies that we adopt now will have only a gradual effect because of the long leadtimes between exploration and production required in the industry. Further, during the recent oil glut many highly skilled workers, petroleum engineers and geologists entered other fields of employment. It will take more than a national emergency to lure them back to the field that jilted them in 1985. It will take a national energy policy that assures long-term stability. The same can be said for banks and the remaining infrastructure of the oil and gas industry. If we do not take thoughtful steps to order our energy future, we may be left with the unattractive alternative of sending a rapid deployment force to the Persian Gulf. Let us not rely on another drop of American blood for another barrel of imported oil. Let us establish a policy that ensures the long-term stability of our domestic oil and gas industry and a policy that enhances our long-term national security.

Seventy-five percent of all the oil produced in the world is owned by nations and not by individuals. Make no mistake about it, oil has been and will be used as an instrument of foreign policy by the nations that control its supply. We witnessed this phenomenon in 1973 when Saudi Arabia disrupted supplies in response to our support of Israel in the Arab/Israeli war. We witnessed it again in 1985 and 1986 when Saudi Arabia decided to flood the market in an apparent attempt to shut down marginal production and obtain a greater market share. While Saudi Arabia was driving the price down and reducing our marginal production, its increased share of the market yielded increased revenues of $1.5 billion per month. In short, they are growing fat while we are growing weak. How many times are we willing to gamble America's economic stability and national security against the fickle whims of foreign governments? How many times must we be led to the edge of the cliff before we understand the consequences of a fall?

I do not dispute the claim that each of the measures available to the President and the Congress under section 502 "would necessarily result in price increases to the consumer." The issue, however, is not whether prices will rise. The issues are how much prices will rise, when prices will rise, who will control the increase, and who will benefit from the increase. If Americans wake up some morning and find that 20 to 30 percent of its energy needs are no longer available, or are available on confiscatory terms—and that our domestic oil and gas industry is unable to fill the void, I assure my colleagues that we will not be debating prices on the floor of the U.S. Senate. In short, we can pay a few cents now or a lot of dollars later. The choice is ours.

Finally, we have heard much debate about section 502 and the issue of congressional delegation of authority. While I appreciate the concern of some of my colleagues, I am unconvinced by their rationale for several reasons. First, section 502 modifies section 232 of the Trade Expansion Act of 1962. Section 232 authorizes the President to "take such action, and for such time, as he deems necessary to adjust imports of any article or its derivatives so that such imports will not threaten to impair the national security," subject to congressional approval in the case of petroleum products. This law has existed for nearly 30 years and has been used by several Presidents. Thus, section 502 does not differ significantly from present law.

Second, the bill does not abdicate legislative authority in violation of the Constitution because it provides for congressional consultation and action at two critical points. The first point is when the President submits his projections of import levels to the Congress and the Congress has 10 continuous session days to approve or disapprove the projections. The second point is when the President submits his energy production and oil security policy to the Congress and the Congress has 90 days to approve or disapprove the policy.

Third, the Supreme Court held in *Federal Energy Administration* v. *Algonquin*, 426 U.S. 548 (1976), that section 232 does not constitute an improper delegation of power because it establishes clear preconditions for Presidential action and specific factors for the President to consider in exercising his authority. The express legislative intent of section 502 is to supplement section 232 and section 502 similarly establishes clear preconditions and factors for the President to consider. Further, it provides the two critical points at which congressional oversight and approval are required.

Mr. President, Americans could arguably understand and excuse the events that led to the energy crisis of 1973. In 1987, however, Americans will not and indeed should not accept the consequences of another crisis. The time to establish a national energy policy is now while America is in control of its options. The legislation before us is prudent, and preferable to the dictates of foreign governments. I urge my colleagues to defeat the motion to strike the energy security section from the bill.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, I yield 2 minutes to the Senator from Nebraska.

Mr. EXON. I thank the Senator from Texas.

Mr. President, I find myself split between two of my closest associates, very thoughtful Members of the Senate—the senior Senator from New Jersey and the senior Senator from Texas.

How am I going to vote? I am going to vote in this instance for what I believe to be the national defense interests of the United States of America and our economic well-being over a long period of time.

Nebraska, as almost everyone knows, is a very limited producer of oil. We have practically no natural gas and no coal. Therefore, Nebraska finds itself in the position of the have-not States so far as traditional energy sources are concerned.

We do have a very significant role to play in the future of energy independence in the United States, with the fact that we can and should be making more energy from ethanol, produced basically from grain. If anything, I think that if we adopt the Bentsen amendment, it will ensure that we do more in the realm of ethanol.

I see nothing whatsoever wrong with what I think is a very liberal amendment offered by the distinguished Senator from Texas, which simply says that we will not intervene unless imports are up to 50 percent or more. They should never even go that high.

So, I simply say that I think it is in the interests of national security to go along with the amendment of the Senator from Texas.

Mr. BENTSEN. Mr. President, to the Senator from New Mexico I am going to have to limit that to 2 minutes.

The **PRESIDING OFFICER.** The Senator from New Mexico is recognized for 2 minutes.

Mr. **BINGAMAN.** Mr. President, I thank the chairman of the Finance Committee and the manager of this bill.

Mr. President, I rise in support of the energy security provision contained in this bill. I congratulate the distinguished chairman of the Finance Committee for ensuring that this important provision is included in the legislation we consider today.

The provision simply calls for a national policy that recognizes that imports of foreign petroleum in excess of 50 percent endanger our energy security. This provision would require the President to act to prevent foreign oil dependence from exceeding 50 percent and grant Congress the authority within 60 days to disapprove of the President's proposed actions.

Mr. President, without a viable energy policy, we clearly risk our future and that of our children. The Nation and our domestic oil and gas industry face an uncertain future—uncertain because of lower prices, oversupply, and increased competition from low-priced imports of crude and petroleum products. Imports now approach 40 percent. These events have forced the industry to cut back its activity—signaling a loss of employment and a weakening of the industry's infrastructure. Capital expenditure programs have dropped by 50 percent since 1981. Drilling activity reached a 46-year low in August. High-cost U.S. producers and stripper wells are being squeezed out of the market by the lower oil prices.

IMPACT IN NEW MEXICO

Consider what has happened in my home State. New Mexico is the fifth largest oil and gas producing State in the Nation in total quantity and has suffered from the decline in oil and gas prices. Revenues generated by the industry showed a 25-percent drop in 1986. The total value of New Mexico's oil and gas activity has fallen 46 percent in the past year. Employment in the industry fell from a high of 13,200 in 1985 to 9,000 in October 1986. The number of drilling rigs is down to an average of 29 compared with 71 last year. And of the 2,500 bankruptcies in the State in 1986, one-fourth occurred in those counties where most of the State's oil and gas is produced. Current statistics do not begin to picture the impact of this decline on the infrastructure of the industry, local communities and businesses that depend on the continued viability of the oil and gas industry.

CORRECTIVE ACTION

How do we correct the decline of this strategic domestic industry? First, we must take immediate and effective action in the Congress, action that this administration has been unwilling to take. The Reagan administration seems blind to the emerging crisis that confronts us. In 6 years, this administration has embraced no comprehensive energy policy other than, as former Secretary of Energy Jim Schlessinger said in his testimony before the Energy Committee earlier this year, "a de facto energy policy which can be called growing energy dependence."

The responsibility for action now rests with the Congress. We must act quickly. The provision in this bill will help us meet that responsibility.

RESPONSE TO CRITICISMS OF THE PROVISION

Some of my colleagues have suggested that the provision delegates unlimited authority to the President. I take issue with that interpretation. The provision does not delegate any authority to the President, nor does it extend any existing power of his. Rather, it directs the President to control imports of oil through the existing authority he has under section 232(b) of the Trade Expansion Act. The constitutionality of this provision was affirmed by the Supreme Court in Federal Energy Administration versus Algonguin SNG, Inc., in 1976.

CONCLUSION

I hope that by approving this provision, we can protect the economic wellbeing and national security of the Nation. My view is that a strong, profitable domestic oil and gas industry is vital to this Nation. The strategic interests of our country are clearly at risk.

I urge my colleagues to support this provision.

I lend my support to the energy security provisions contained in this bill. It is clear to me that there is a national security problem we are trying to deal with here. There is also an economic issue that is of serious consequence to this country. Not only are we becoming more and more dependent on foreign sources of oil, we are seeing a tremendous disruption in the oil-producing States such as my home State of New Mexico. We have lost over 25 percent of the employment in my home State in the oil and gas industry this last year alone. We have seen a dramatic drop in the revenue to our State as a result of the volatile price of oil worldwide.

This is a proposal that the Senator from Texas has put in this bill that simply says that at some stage, and that point being 50 percent dependence on foreign sources, at that point the President must do something. We have seen virtually no action by this administration to concern itself with dependence on foreign sources of oil in the last 6 years and I think this is the very least that we in the Congress should do to legislate and urge some action by the administration.

So I support Senator **BENTSEN**'s proposal with regard to our energy security and I urge my colleagues to do so as well.

The **PRESIDING OFFICER.** Who yields time?

Mr. **SIMPSON.** Mr. President, I wonder if the sponsor, the manager would yield.

Mr. **BENTSEN.** I yield 3 minutes to the distinguished Senator from Wyoming.

The **PRESIDING OFFICER.** The distinguished Senator from Wyoming is recognized for 3 minutes.

Mr. **SIMPSON.** I thank the Senator from Texas.

We have been in this one now for about 2½ hours. It is a spirited dialog that sometimes has regional turns and that is unfortunate I think, because we still do not have any national energy policy in the United States.

When my fine predecessor, a dear friend, Senator Clifford Hansen, was here, I think House and Senate Members once spent 19 months in a conference committee tryhing to figure out how to achieve "energy security". I see the senior and most revered Member of this body, Senator **STENNIS**, remembering that one—19 months and never understanding the oil and gas industry and we are no further ahead now than we were then with regard to an energy policy in the United States. I think this is a very frank and earnest attempt to do something.

I commend Senator **BENTSEN** for the Energy Security Act. We just do not seem, speaking of the word "act," to ever get our act together. We go into regionalism where Northeastern people do not want to lose low-cost heating oil. The Westerners, when things were going good, were perfectly willing to say, "Well, let her rip."

The price at the pump is 85 or 90 cents and nobody is getting alarmed there. It has been a mild winter so no one gets alarmed there.

But the issue is that we are becoming more dependent every single day on a foreign product. It really matters not whether it is from some far-flung area of the Gulf of Hormuz of from our neighbors in Mexico or our own country in Alaska and some of us think that that is "imported oil". I heard that in a debate. I could not believe that one.

So there we are, and we do nothing.

So here is an attempt to say something, maybe give out the message, maybe we can convey that by the support of the position of the Senator from Texas.

The message we do not want to send it just "go ahead and take advantage of us." We have not figured this one out around here. Are we not going to make any move to protect ourselves?

I will not go through all the statistics. Others have done that beautifully.

What we want to remember is the critical part of it for those States who are not involved in oil and gas production and exploration States is that if you continue to do this and see the loss of this industry in the United States then you will come to the point where we will think—I think out here some think—that you only have to press the on/off button and then we will simply start again, and I can tell you that that is not the way it is. Stripper wells cannot be just "turned back on." Oil wells are not pumped and produced by an "on/off valve."

We are losing our ability to produce and we will not be able to turn it around in any kind of "comfortable time period." And that is the way it is.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SIMPSON. Mr. President, will the Senator yield an additional 1 minute?

Mr. BENTSEN. I will yield an additional 1 minute to the distinguished Senator.

Mr. SIMPSON. I thank the Senator from Texas.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. SIMPSON. I again cannot emphasize enough: people say it will not work. This is not what we should do. It is not timely. But it does do something and in this place we sometimes do not do anything.

I think we are joshing ourselves if we think this is a regional issue. That is a course of action that we have not done in that way before.

It does not automatically impose an oil import fee. That is only one of the options. That is what I want to leave with my friends. We can no longer ignore the problem. It is not going to remedy itself.

OPEC is not going to do it for us. We must act. We must do it within our own country with our own means and for our own interests, and we have failed in that task for decades.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I yield 7 minutes to the Senator from Ohio and ask him to hold himself to that time because we are up against the limit.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 7 minutes.

Mr. METZENBAUM. I thank the Senator.

Mr. President, I rise to support the pending amendment to strike and to join a group of Senators who are not regional but are on a national basis. We have had Senators speaking from the Washington, Minnesota, Ohio, other parts of the country.

The energy security provision adopted by the Finance Committee in this Senator's opinion is special interest legislation at its worst.

It seeks to prop up the domestic oil industry at the expense of everyone else, other domestic industries, American consumers, and American farmers.

In my opinion, it is a backdoor way to ram through an oil import fee, a proposal which Congress has twice rejected.

On November 14, 1985, the oil import fee was rejected 78 to 18. On July 31, 1986, it was rejected 82 to 15. And now we find ourselves facing the same issue again and the American consumers and American business would be called upon to pay higher oil prices. We need responsible energy policy. We need to reduce dependence on vulnerable sources of foreign oil and conserve energy.

But this is not the way to do it.

I do not want the American oil industry to be wiped out. I am prepared to be helpful, but not by placing the burden of keeping the oil industry extant and operable on the backs of the American consumer.

The energy security provisions in this bill would require the President to predict on an annual basis the level of oil imports for the next 3 years.

Once the President predicts that this arbitrary ceiling will be exceeded, he will be required to reduce those imports. Congress would have only 90 days to disapprove whatever action the President takes to reduce these imports.

The whole proposition raises some very serious constitutional questions. Congress would be handing over a great deal of power to the President, power that we should share with him but not give to him exclusively. It would give him limitless authority. He could impose an import tax on oil.

He could impose quotas on oil imports.

He could decontrol all natural gas prices.

He could suspend environmental laws and open up public lands to new drilling.

He could suspend our antitrust laws.

The truth is we do not really know all that a President could possibly do under this provision and the worst part is Congress would not have a real chance to share in the policymaking.

Why? What possible reason could there be for Congress to abdicate such authority to the President?

The President already has emergency powers to deal with threats to national security which stem from oil imports.

So why do we need this provision?

Because it is a good way, an excellent way to get an oil import fee through Congress via the backdoor.

In hearings I held on June 2 in the energy regulation and conservation subcommittee, witness after witness warned of dire consequences of oil import fee.

It was an amazing coalition of opposition. It was broad-based. It included consumer opposition. It included the chamber of commerce opposition, the steel companies' opposition, the chemical companies' opposition. The administration itself spoke out against the oil import fee.

As Senator CHAFEE mentioned earlier, Bethlehem Steel said a $4 per barrel fee would cost Bethlehem $30 million in higher energy prices each year and $230 million more for the steel industry as a whole.

The Department of Energy figures show that a $10 fee would reduce GNP by $30 to $45 billion per year; raise inflation by 2 to 3 percentage points and would cost the United States over $200 billion over the next decade.

The chamber of commerce testified that the fee will siphon retained earnings for new business investment and wind up costing hundreds of thousands of existing American jobs. Said the chamber:

> An oil import fee, really a tax, would be discriminatory and regressive, create competitive imbalances, and penalize the U.S.'s allies.

The figures compiled by the National Grange show that on a 300-acre farm a $10-a-barrel import fee would raise the cost of production for wheat by $690, corn by $1,080, rice by $3,000, soybeans by $660, and cotton by $2,160.

An oil import fee would have a tremendous ripple effect over the entire economy. It is wrong. It is wrong. Even if it were right, it would not be the right way to do it. It would hurt the American economy. It would hurt American farmers. It would hurt American consumers. It would hurt American businesses. We do not need an oil import fee directly or indirectly and we sure the devil should not give the President the right to put one into effect.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, how much time is left?

The PRESIDING OFFICER. The Senator from Texas has 5 minutes remaining and the Senators from New Jersey and Oregon have 8½ minutes remaining.

Mr. PACKWOOD. Mr. President, I yield 4 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 4 minutes.

Mr. BRADLEY. Mr. President, the motion to strike this provision of the bill is supported by a wide-ranging coalition—the U.S. Chamber, Citizen/

Labor Energy Coalition, National Association of Manufacturers, Sierra Club, UAW, Petroleum Marketers Association, Chemical Manufacturers Association, wide-ranging support among all sectors and regions of the country.

Mr. President, this provision is a major abdication of responsibility to the President of the United States. With respect to options, Mr. President, such as changes in the tax law, invading wilderness areas for oil and gas drilling, or decontrol natural gas prices, the provision says "Mr. President, be our guest. In fact, we are encouraging you to take some of those actions."

Additionally, Mr. President, this is a poor attempt to deal with the Persian Gulf problem. But putting a lid of 50 percent on all imports is not an answer to a 10-percent dependence on insecure sources of oil in the Persian Gulf. This provision deals with all imports.

This measure endangers our relations with our secure hemispheric suppliers like Mexico, Venezuela, and Canada, from whom we now get not 10 percent, but 39 percent of our oil supplies. And it endangers their ability to service their debt.

And finally, Mr. President, this does nothing to counter the economic nightmare that we experienced in the 1970's when there were oil supply disruptions. If there is an oil supply disruption, the price of oil goes up. Let us say there was one tonight and the price of oil went up $10 a barrel. That would mean that in the next year the American consumer would pay over $45 billion more for oil with all the consequent reduction in growth and rising unemployment and inflation. Mr. President, this amendment does nothing to stop this prospect. It does nothing to deal with the economic nightmare that flows from an oil supply disruption.

Our effort to strike this provision is broadly supported. This provision is an abdication of responsibility to the President. It does not deal with Persian Gulf dependence. It worsens our relations with secure suppliers in our own hemisphere and it does not protect us from an economic nightmare that would come from a disruption.

Mr. President, it deserves to be stricken from the bill.

The **PRESIDING OFFICER**. Who yields time?

If neither side yields time, the time will continue running and the time will be divided equally.

Mr. **ROCKEFELLER**. Mr. President, I rise in support of the amendment from the Senator from New Jersey [Mr. BRADLEY] to strike the energy security provisions from the trade bill.

Mr. President, I regret that I must oppose this provision in the trade bill—because I think the effort on the part of the chairman of the committee is correctly motivated. Energy security is an important public policy concern that has been largely forgotten in this decade. Energy planning and alternatives to deal with the declining volumes of domestic petroleum resources—and increases in oil imports—is an effort that has been all but forgotten by the current administration in the White House.

A decade ago we were thinking about energy, we were thinking about how our transportation marketplace was highly prone to disruption because of events beyond our borders, we were thinking about how we could use our vast domestic reserves of coal to secure our energy future, we were thinking about how to insulate the vast economic machine of the United States from the price spikes we were experiencing in energy prices. In short, we were seeking answers and a solution to our problem—with research into energy alternatives and by efforts to encourage more aggressive and sound use of our domestic reserves.

Mr. President, I believe one of the worst failures of this administration has been to ignore and backtrack on our energy planning. This President has been so committed to the ideology of getting the Government out of every aspect of energy planning that we are back on the course of a heavy dependence on imported energy.

Mr. President, I applaud and commend the chairman in his effort to get us again thinking about energy. I too have been thinking about this subject, and have been working to promote coal and a fuel alternative for transportation—methanol, that can be made from coal, natural gas, and wood.

But while I agree with the need to be thinking about these matters, and pursuing strategies to develop alternatives, I am quite concerned by the strategy the chairman has chosen. I can understand that it is a reaction of frustration to the events of this decade—an administration and a public that has returned to business as usual on energy policy. The economic threat of oil dependence is real, the foreign policy threat is real, and the potential for societal disruption is real.

Mr. President, we need an energy strategy, and it should be one of Congress' own making. To give the President such broad powers and to base an energy strategy solely on the uncertain prescription of what a President might present to the Congress avoids our responsibility. To further add to this a partial abdication of our power to review and decide such a plan is unwise.

When I first reviewed the chairman's amendment in committee, I thought such a provision was a reasonable way to wake up the Congress and the American people to the need for an energy policy. But upon reflection and detailed study, I believe the amendment is just too expansive to be called concrete, and too dependent on the whims of a President to be called a plan.

Mr. President, the Congress must be more involved in whether we choose an oil import fee or an oil quota. For example, the selection of an oil import fee would have a devastating impact on the chemical industry of my State, severely affecting both domestic and foreign sales. If such a decision is made, the Congress must make it consciously, and not as a part of a rushed final review of a plan proposed by the President.

Mr. President, I will vote to strike this amendment from the trade bill, but I do so with some reluctance. The chairman of the committee is right on the mark when he says we must do something about our lack of energy planning. The Congress must do something to assure that our future balance of payments is not thrown overwhelmingly out of kilter because of dependence on oil imports. The Congress must be involved in the encouragement and promotion of fuel alternatives. I pledge to work with him to take future steps in this regard. But this provision of the bill is the wrong first step.

OPPOSING OIL IMPORT FEE IN TRADE BILL

Mr. **KENNEDY**. Mr. President, I oppose the provision in the trade bill which requires the President to keep oil imports below 50 percent of domestic consumption. As a practical matter, an oil import fee would result if this unwise proposal were to become law. The other options are too uncertain in effect and would take too long to have an impact.

Responsible energy policies are critical to our Nation. However, price hikes triggered by an oil import fee would have a number of unusually harmful impacts. It would have an inflationary impact, and an unfair regional impact, and it would encourage inefficient investment in production capacity. Higher import prices would also disadvantage American manufacturers in trade sectors that must compete with foreign firms able to purchase oil at the lower world market price.

New England relies on oil to meet one-third of its power requirements. Petroleum is used for a disproportionately high share of energy needs in the Northeast for commercial, residential and utility applications.

Thus, the inflationary impact of the price hikes triggered by an oil import fee would deal a severe blow to the economy of many States.

Let me offer a few examples of the impact. A $10 a barrel oil import fee would raise oil prices by $6.41 per barrel or 15.3 cents per gallon for fuel oil and 13.8 cents per gallon for gasoline.

This would have a disproportionate and inflationary effect on most States, which provides a windfall for a few States. Studies have shown that 5 States would receive 93 percent of the windfall. Yet, the fee would cost New England $1.7 billion, the mid-Atlantic region, $4.6 billion and the Midwest region $4.7 billion.

In Massachusetts, the effects could be devastating, because we are dependent on foreign oil for 65 percent of our energy needs. A $5-a-barrel import tax would cost the Commonwealth $660 million. It would require the average homeowner to spend an additional $315 a year for energy needs; and it would raise the price of home heating oil by 12 cents a gallon.

The import fee would have an especially harsh effect on low-income residents already suffering under a crushing burden of energy costs. The economic health of our region would also be adversely affected by placing our businesses at a competitive disadvantage with firms located in other regions of the country and around the world.

We must find solutions to our energy needs—but it must be an equitable burden shared by all States, and it must emphasize conservation not consumption, and efficient investment not subsidies.

Mr. DOLE. Mr. President, it seems ironic that at the very time this Nation is preparing to increase our military presence in the Persian Gulf, we should find reluctance to taking a first step toward adopting a national energy plan.

For this is exactly what the Energy Security Act provisions of the trade bill are—a beginning, something to focus our attention on the importance of liquid fuels to our Nation. I don't want to suggest this is the perfect solution, only that it begins the process.

CURRENT SITUATION

Mr. President, in a little over 1 year, imports of crude oil to the United States have increased from 27 to over 40 percent. For perspective, let me remind my colleagues that our alltime high percentage of imports was 46 percent in 1979, a level that allowed just one country—Iran—to wreak havoc on this country by using oil as a weapon. And, at that time, we were importing only 5 percent of our oil needs from Iran—slightly less than we import from the Persian Gulf today.

Our cause for concern about imports is due to the devastation of our own domestic production. Total U.S. production declined by over 800,000 barrels last year as opposed to 1985, and most of this production was from marginal wells—those with the highest cost of production and most sensitive to price.

And most of the marginal production is from stripper wells—those which produce 10 barrels of oil per day or less, but which have accounted for 15 percent of our total production. These seemingly insignificant wells actually hold 4.2 billion barrels of our reserves. Yet we are in danger of losing these reserves.

Last year, 97,000 stripper wells were capped, as opposed to only 18,000 wells in 1985. Unfortunately, many of these wells will never be reentered and produced, since that would be uneconomical at any conceivable price.

A PARTIAL SOLUTION

Mr. President, as I stated, I do not suggest that adopting the energy security proposal contained in the trade bill will solve all of our energy problems. The bill does nothing to help stimulate exploration and production from marginal, frontier and other wildcat areas, and until some stimulation is provided, we will continue to witness a decline in domestic production and an increase in imports.

Rather, this proposal puts oil on the agenda of Congress. We will be forced to create a plan to take action to stop the decline in domestic production, or it will be done for us by an automatic action against oil imports.

Energy security has many similarities to the budget deficit—we can all make speeches about our concern, but when it comes to making the tough decisions, we would rather ignore it.

The plan that I was privileged to cosponsor when it was introduced by the distinguished Senator from Texas, Senator **BENTSEN**, simply puts the monkey on Congress' back—where it belongs.

CONSEQUENCES

Mr. President, the National Petroleum Council has found that in the 3 years which followed the 1973 oil crisis our gross national product was reduced by 2.5 percent due to the shortages of oil. And in the 3 years following the 1979 oil shortage, our GNP was reduced 3.5 percent.

We are playing with big stakes—our economic and national security. We now have a ticking bomb waiting to go off while Congress sits idly by watching our domestic production and reserves dwindle and imports increase to alltime highs.

This proposal does nothing to reduce the authority of Congress, but it does increase our responsibility, a responsibility we were elected to uphold. For those representing oil consum'ng States—and I've visited several in the past few months—let me indicate that blindly allowing another oil crisis to occur will be much more devastating than if we do set a deadline for responsible action. If you are against shortages of heating oil and gasoline, against rapid and uncontrollable price increases, then this plan will help. If you are for providing insurance against the reoccurrence of the tragedies of the past, this reasoned and reasonable beginning to a controlled energy plan for our country should be supported.

Mr. LEAHY. Mr. President, I rise today as a cosponsor of the motion to strike the energy security provisions of the omnibus trade bill.

Mr. President, the energy provisions require the President to implement an energy security plan at any time U.S. consumption of foreign oil exceeds U.S. production. I wish to congratulate the distinguished chairman of the Finance Committee, Senator **BENTSEN**, for this effort to promote American energy independence. Our national security and our economy depend on easy access to oil. No one wants a return to the gas lines we all endured during the Arab oil embargo. Nor can we allow our military to become dependent on unreliable sources of energy. However, the provisions in the bill contain an important flaw.

Mr. President, I rise in opposition to the energy security provisions because they clear the way for the President to impose an oil import fee. And, Congress would be forced to muster a two-thirds vote to stop this new tax—a tax that would hit Vermont and the rest of New England the hardest.

Mr. President, it isn't cheap to heat a home in Vermont in the winter. An oil import fee would add $200 to the winter heating bill of the average Vermont family. Vermonters already spend more on energy than any other household expense. The Government should not add to this burden with yet another tax.

An oil import fee would also increase other costs and generally fuel inflation. Consumer electric bills will rise as will the price of gasoline at the service station. As chairman of the Senate Agriculture Committee, I am concerned that an oil import fee would drive up the price of fertilizer, other farm chemicals and the general cost of farming in this country.

Mr. President, I agree that we need an energy security plan. We must not become dependent again on unreliable foreign supplies of oil. But, I urge the Senate to reject this effort to clear the way for an oil import fee and reject higher costs for consumers and farmers.

Mr. HEINZ. Mr. President, I want to join my colleagues in opposition to the Energy Security Act of 1987, which is section 502 of the committee bill. The act, passed by a narrow margin in the closing hours of the Finance Committee markup, is an attempt to protect the domestic oil industry at the expense of the rest of the country. While there is no argument that the oil industry is a vitally important industry, the effects of this bill are both far reaching and disturbing.

The Energy Security Act tips the traditional balance of power between the President and Congress, making an arguably unconstitutional delegation of power to the Executive, and points our energy policy in the wrong direction.

The provisions in the bill would establish an arbitrary level of oil imports beyond which national security would be deemed to be threatened. Initially, this ceiling would be 50 percent but the President has discretion to lower that level any time in the future. The notion that our national security will be endangered any time imports exceed an arbitrary level is, in itself, troubling, but it is only the beginning.

The legislation goes further. If the President concludes that imports will exceed this limit, he is required to submit an action program to Congress. These proposals will automatically go into effect if Congress does not pass a joint resolution within 90 days rejecting or modifying them. Since the President would likely veto the resolution, Congress could only block his proposed action by a two-thirds vote of both Houses of Congress. It is perfectly clear that passage of this act will dramatically alter the traditional balance of power, as established in the Constitution 200 years ago. It is ironic, that during this summer of the Constitution's bicentennial, we will be considering a proposal that does such violence to that great document.

The Founding Fathers balanced the legislative branch and the executive branch to ensure the enactment of sound policies which benefit the entire country, not merely a specific industry. For as long as this country has had an energy policy, Congress has been the leader. Only Congress is able to consider the sum of various interests in order to arrive at a coherent and sensible energy policy. This bill would effectively place Congress on the sidelines, powerless to interfere with an energy policy developed and implemented by the Executive.

Not only does the Energy Security Act violate the spirit of the Constitution, it may violate the letter of it. The Constitution specifies that all legislation meet with congressional approval. However, in this case, Presidential action could take effect essentially with only one-third of Congress supporting it. For example, the President could modify the Clean Air Act or abolish a Federal agency, and all this with only 34 Senators supporting him. That is hardly congressional approval.

Furthermore, Presidential authority in this bill to propose changes in the tax law may run afoul of the constitutional requirement that all tax legislation originate in the House. Finally, the courts have traditionally required that broad delegations of power be accompanied by clearly defined standards. These standards are nowhere to be found in this proposal. For this reason, as well as others that I have previously mentioned, there is a strong likelihood that this act will be found unconstitutional.

The huge delegation of power to the Executive is not my only difficulty with the bill. Enactment of this proposal will point our energy policy in the wrong direction.

First, the bill requires that the President project imports ahead for 3 years, but many experts doubt that the U.S. Government or private forecasters have the ability to make accurate predictions years into the future. Moreover, an arbitrary level of imports may not even be the proper trigger for Presidential or congressional action. More factors have to be taken into account than total imports as a percentage of domestic consumption. A variety of circumstances such as stock levels and spare productive capacity should be considered. We must also recognize the source of our imports. In 1986, the United States imported 32.8 percent of our oil, but only 7.1 percent came from Arab OPEC countries. This number is down from a high of 16.5 percent in 1979.

As Deputy Secretary of Energy William Martin recently testified, the United States "could be relatively secure with imports above 50 percent of consumption, or conversely, could be severely threatened at import levels below 50 percent."

In addition to the simplistic definition of our national security, the act elevates an oil import fee to the position of a viable option for the President to employ. The use of this tool would have devastating effects on the U.S. economy. It is estimated that a $5 per barrel fee would cost the economy approximately $14 billion. A recent Federal Trade Commission report issued in April 1987, concluded that a $5 fee would cost U.S. consumers $2 for every $1 of revenue raised. Taxing imported oil would place an unfair and discriminatory cost on residents and businesses in the Northeast and Midwest, while providing a windfall for oil producers in the Southwest.

Of course, my views are framed from the perspective of Pennsylvania where residents and factories would be among the oil consumers most severely hurt by a tax on imported oil. An oil import fee raising $10 billion in revenue would saddle Pennsylvania oil consumers with another $1.3 billion or more each year in energy bills.

Let's think about what it means to transfer $1.3 billion from consumers to producers Mr. President. According to the Treasury Department, a $5 per barrel fee would result in increased energy costs of $125 to families with annual incomes of $10,000 or less. In the face of Federal cutbacks in Medicaid, AFDC, and other programs, I think imposing a $125 a year burden in the form of an oil tax is just unconscionable.

Pennsylvania is only one of the States in the Northeast and Midwest region that would be hurt by a tax on imported oil. Oil is the primary energy source for the entire Northeast-Midwest region and the economic lifeblood for most of the region's manufacturing and agricultural activities. States in our region have been hit hard by the increased cost of energy since the first energy crises of the 1970's, with average household energy bill one-third higher than for households in the South and West.

Last year, I pledged to adamantly oppose any effort to pursue the shortsighted, inequitable, and economically irresponsible policy that any oil import fee represents. I will stand by that pledge. The effects of a fee would raise oil prices for all Americans and hamper our ability to compete in world markets—an ironic consequence of a bill intended to bolster U.S. competitiveness.

I urge my colleagues to strike the Energy Security Act from the omnibus trade bill. Although its intent, to make the United States less dependent on imported fuel, is commendable, its methods are suspect. They disrupt the traditional balance of power between Congress and the President, effectively depriving Congress of its mandate to set this Nation's energy policy. There is not doubt that we do need a coherent energy policy but rash and misdirected action is not the answer. It is only through thoughtful cooperation between the Congress and the Executive, not abdication of our legislative responsibility, that real solutions will be discovered and implemented.

(By request of Mr. BYRD, the following statement was ordered to be printed in the RECORD:)

● Mr. GORE. Mr. President, I rise today in support of the Bentsen amendment, which is an expression of a collective sentiment in Congress that the administration does not have a coherent energy policy in this country today.

Without a comprehensive energy policy, the United States faces a renewed dependence on oil imported from the Persian Gulf. This would be a potentially disastrous but avoidable situation.

I have noted concerns among my colleagues that the Bentsen amendment could be a one-way ticket to higher energy taxes, but that is not evident in the structure of the amendment. This amendment gives the President broad discretion to avoid excess dependency on foreign oil.

I have also noted concerns that the amendment grants an unusual degree of authority to the President, but I think it is important to note that the

Bentsen amendment also keeps Congress in the decisionmaking loop.

Mr. President, I urge support of the Bentsen amendment above all because it assures that a future President will act in time to avoid an energy crisis rather than foundering in the midst of an energy crisis.●

Mr. SASSER. Mr. President, I rise in support of the energy security provisions in the trade bill. And I do so for many of the reasons which have been articulated on the floor today.

I echo the sentiments of my colleagues who have expressed grave concern over the utter lack of any national energy policy in the United States. At a time when we see our dependence on foreign oil steadily increasing to alarming levels, we simply cannot afford to sit back and ignore the risk posed by this lack of energy policy. With the Department of Energy projecting that by 1995 our oil imports could increase from the January 1987, level of 6.2 million barrels per day to 8.4 million barrels per day, we cannot afford to ignore the severe consequences of such increased dependency. With the Congressional Research Service projecting that we will have to triple our imports of oil from the Persian Gulf in this same timeframe, we must confront our glaring lack of a coherent national energy policy.

What I find even more troubling, Mr. President, is that this administration not only has no energy policy, but it has systematically dismantled a national energy policy which was beginning to work. In the late 1970's, we as a nation had come to realize the perils of ignoring our dependence on foreign oil. And we had begun to construct a series of programs and policies which addressed this national problem. Where are these programs now? With each passing year, we have moved further and further away from the policies of an energy conscious nation. Instead, we are again moving down the road of what I call "energy ignorance."

Mr. President, I greatly fear that we will pay for this shortcoming. It is true that we only rely on the Persian Gulf for 7 to 8 percent of our oil at the present time. But, as my colleagues have pointed out, reports indicate that our reliance on Persian Gulf oil will steadily increase over the next few years. It seems apparent that we will soon be right back where we were some 10 years ago, relying on the Persian Gulf region for 20 to 30 percent of our oil.

What assurance do we have that this volatile region will stabilize over the next 5 to 10 years? What thought is given to the reliability of what promises to be an increasingly important source of oil? Clearly, the answer is precious little, Mr. President.

Now, it has been stated, Mr. President, that those who support this energy security provision tend to believe that oil is our only source of energy. That is not the case. I am well aware of the advancements we have made in a variety of alternative energy sources. But, I am also aware that oil is and will remain a vital energy source for this Nation. And I am painfully aware that we currently lack any semblance of a national policy to deal with increased dependency on foreign oil.

So, I commend the Senator from Texas. He has tackled a very real problem. I am thankful for his wisdom and foresight in looking down the road and asking, "Where will this increased dependency on foreign oil take us?" He has come up with a constructive solution to what I see as a major shortcoming in our national energy policy. I support his efforts.

Mr. KERRY. Mr. President, in its March 1987 report "Energy Security," the U.S. Department of Energy concluded:

> The challenge for policymakers is to find the proper balance between relying on free and competitive markets, where they can exist, and taking appropriate, cost-effective action to ensure the Nation's economic health and national security.

Clearly this challenge must be met as we develop, debate, and refine a national energy policy which is long overdue.

But I don't think the challenge can and should be made by delegating authority to a President whereby the Congress must react within a specified time period or see the President's policy implemented.

And the challenge cannot and must not be met as a side issue in an omnibus trade bill that deals with an enormous array of issues.

The challenge of forging a national energy policy has to be met through a process in which the Congress evaluates all possible energy security scenarios, considers the probabilities of each, formulates a set of options and explicitly approves a set of energy emergency contingency plans.

Under existing law, section 232 of the Trade Expansion Act of 1974, the President is authorized to take such action, and for such time, as he deems necessary to adjust imports of crude oil or it's derivatives so that such imports will not threaten to impair the national security. Under this authority the President can take actions ranging from an oil import fee, to a gasoline tax or even the use of quotas or domestic rationing. To use this authority the President needs to demonstrate that these actions are necessary to protect our national security.

Instead, the measure we are debating today would substitute an arbitrary standard of the percentage of oil imported for the clear demonstration of a national security need. Energy security experts, even those like Prof. William Hogan at the John F. Kennedy School of Government, who support an oil import fee—have argued against the use of such arbitrary triggers. The problem with such triggers, they explain, is they oversimplify the problem and confuse dependency with vulnerability. Is our national security equally threatened if 50 percent of our oil comes from Venezuela, Mexico, Canada, and the United Kingdom as it would be if 50 percent of our oil comes from the Persian Gulf? Of course not. The fact is that energy security policy requires careful analysis, not simple triggers.

If we are to undertake major policy changes, and require the President to take this route the issues must be debated in accordance with the process I discussed earlier. Mr. President, I don't think we should make such a broad delegation of authority while debating the omnibus trade bill. In fact, it is particularly ironic that we are debating the trade and competitiveness bill, a measure which will make our economy less competitive. The measure we are now debating, by raising the cost of energy will make it far more difficult for our businesses and workers to compete in world markets.

We may ultimately decide that reducing competitiveness by raising energy costs is the price we must pay for national security. But that decision should be made in the context of debate on energy security policy not in the context of a debate on increasing our competitiveness.

Mr. LEVIN. Mr. President, I will vote against the amendment to strike the energy security provision of the trade bill even though that provision itself is not perfect. I am concerned about the lack of an expedited procedure for the consideration of a joint resolution of disapproval of an energy program which the President may propose under this provision. Without such an expedited procedure, any resolution disapproving or modifying an energy program proposed by the President under this provision of the trade bill could be bottled up in committee or stalled on the House or Senate floors. I have expressed this concern to proponents of this provision and have been assured that they would be open to a proposal for an expedited procedure, either as embodied in an amendment on the Senate floor or in conference with the House of Representatives. For example, I have long supported an oil import fee as long as it would phase out as the price of oil increased. I would want to be sure that there would be a meaningful opportunity to modify the President's energy program to allow for such a phase-out.

However, as important as it is to add an expedited procedure to this provision of the trade bill, it is even more important for the Senate to send out a message of warning about our growing dependence on foreign oil. Keeping this provision as part of the trade bill is a part of the effort of sending out that message. In 1977, we relied on imports for 46 percent of our oil supply. Over subsequent years, our dependence decreased, but it is now on the rise again. In the first 3 months of 1987 our reliance on foreign oil increased by about 10 percent over 1986. This provision of the trade bill, which the Bradley-Packwood amendment seeks to strike, is necessary if we are to indicate a determination to take charge of our energy policy and not drift into crisis.

Mr. DECONCINI. Mr. President, over the past several weeks, I have listened to and read about the great debate over the energy security provision included in the committee reported version of the omnibus trade bill. Both sides have made some very persuasive arguments and I have found myself thinking long and hard about our Nation's energy policy, or lack thereof. Since the peak of the last energy crisis in 1977 when imports of foreign oil soared to 47.8 percent of U.S. consumption, the U.S. energy picture has shifted. Americans have grown accustomed to somewhat lower gasoline prices and a glut of oil availability for their fuel supply needs. In 1985, as crude oil prices dropped, the U.S. dependence on foreign imports declined to 28.5 percent of domestic consumption. However, imports are on the rise again, and many fear import projections into the 1990's may reach dangerous levels of 50 percent or beyond.

Our Nation's energy preparedness has also changed. The massive energy programs enacted by the Congress in the late 1970's, have all but been eliminated. The Federal budgets for research and development into alternative energy sources have been dramatically reduced. What we have seen over the past 10 years is a conscious retreat from a position of energy security to a point of energy insecurity. The complacent attitude from the administration with regard to our present energy situation is alarming. We are no more able to cope with a disruption in imported supplies today than we were in 1973. While I would be the first to admit that in our zeal to develop long-term solutions in the 1970's to move this country toward energy independence, we went too far too fast. On the other hand, I firmly believe this Nation must have a strong energy policy to prepare us for any future supply disruptions. Mr. President, we now have no such policy and I am not optimistic about this administration's ability to generate a strong and coherent one. A nation as strong as ours should never let itself become vulnerable to the whims of foreign suppliers, many of whom have not demonstrated consistency with respect to the United States.

The so-called energy security provision contained in the omnibus trade bill would require the President to submit annual reports to the Congress projecting whether or not imports over the succeeding 3 years would reach 50 percent or more. The amendment further provides that if projections for imports, as a percent of U.S. consumption, reach 50 percent, the President would be required to undertake comprehensive studies and report to the Congress on how he intends to reduce those imports. Under existing law, section 232 of the Trade Act of 1964, the President has broad discretionary authority to undertake any actions he deems appropriate if he finds that the level of imported oil may threaten U.S. national security. Imports of foreign oil are now approaching 40 percent of U.S. consumption. Domestic production of crude oil has declined dramatically. The number of drilling rigs decreased from 3,900 in 1981 to 700 in mid-1986. At the same time, domestic consumption has increased because of low oil prices. Despite this alarming trend, the Reagan administration has refused to take action under existing authorities to limit the rise of oil imports. I am concerned that even if imports rise to 50 percent of consumption, which some experts say may occur in the mid-1990's, no action will be taken by the executive branch to protect this country against the dangerous reliance on foreign imports.

Mr. President, I would prefer to see this Congress and this administration undertake specific actions to move this Nation toward energy security. Unfortunately, to date no serious proposals have been forwarded or approved. The actions required of the President under the energy security provision in the trade bill will force the administration to take some type of action to curb imports if they rise to a level of 50 percent.

There has been quite a bit of controversy over what type of actions a President could or would take to limit foreign imports of oil under the energy security provision. I want to inform this body that I do not support the imposition of gasoline rationing nor do I support any efforts to waive environmental laws to allow energy development on our sensitive public lands or in off-shore areas. Very valid arguments have been raised that under the provision, any President, if he so desired, could implement arbitrary policies related to energy development or conservation and the only way Congress could reverse those actions would be to pass a joint resolution by a two-thirds vote in both bodies within 90 days.

I have reviewed the case law relating to section 232 of the Trade Act. The courts have ruled that under existing Presidential authority under section 232, the President is empowered to use controls related to imports, like quotas, an oil import fee, boycotts on imports from certain countries, and fees that would control imports by affecting demand. Conceivably, if a President tried to implement actions that were unwarranted or unrelated, the Congress would possess the authority to reverse that action. A congressional resolution overturning a Presidential action taken by President Carter to impose a gasoline conservation fee was overturned using the 90-day disapproval authority. If a future President attempts to utilize the authority of the section 232 to implement an arbitrary action opposed by the Congress, I am confident we will again utilize our disapproval mechanism to stop that action. Mr. President, my reading of the energy security provision does not give the President any additional authority to take action than that which he already possesses under section 232. The difference with this provision, however, is that we have made a determination for the President that oil import levels of 50 percent constitute a national security risk.

Mr. President, I am convinced the only way we can get this administration to implement a policy which protects our energy security is to approve the energy security provision. If the President of this Nation wants to continue to turn his back on the need for a strong, secure energy policy for this country, the Congress must give him some incentive to act. The energy security provision does just that.

Mr. MOYNIHAN. Mr. President, I rise today in reluctant opposition to the so-called Energy Security Act provision of this bill. I say reluctant because I would in most other circumstances applaud an attempt by the Congress to begin formulation of a national energy policy—something we sorely lack. But this proposal I simply cannot support. It is simply an unwise choice—bad for the country and bad for New York.

New York is a State with no small reliance on oil as source of energy—for transportation, generation of electricity and home heating. Nationally, oil accounts for roughly 38 percent of total energy consumption. For New York, it is over 50 percent. Policy affecting the price and availability of oil is of vital importance to New York, and is not something to be taken lightly. As a responsible representative of my constituents, I cannot support a proposal that would artificially raise the price of oil, serving as a windfall to domestic oil companies at the expense of consumers. A $10 per-barrel fee on oil imports—not unlikely under this proposal—would mean $2.8 billion in added expenditures on energy for New Yorkers.

But such effects will in no way be limited to New York and the more heavily oil-dependent States. The Secretary of Energy estimates that such a $10 import fee could reduce employment by 280,000 jobs, and add 2 to 3 points to the rate of inflation we have worked so hard to reduce to a reasonable level. Is such the effect of a well-chosen policy?

The amendment now in this bill was proposed in the name of energy security, and takes what seems a reasonable course; requiring the President to take action if total imports exceed 50 percent of total domestic consumption. But implicit in this measure is the notion that imported oil is insecure oil, which to my mind is not entirely so. Five of the 10 top importers of oil to the United States are nowhere near the Persian Gulf—and not the sorts of countries we have constantly described as insecure: Venezuela, Canada, Mexico, Indonesia, and Britain. Three of these countries alone—Canada, Mexico, and Venezuela—account for 39 percent of total United States imports.

The international energy situation is no less precarious today than it was during the 1970's, but our patterns of energy supply and utilization have changed substantially since that time. I would hope that others, more appropriate approaches to advancing our energy security could come before the Senate. This one, however, I must oppose.

Mr. DASCHLE. Mr. President, I oppose the amendment being offered by my distinguished colleague from New Jersey [Mr. BRADLEY] to strike section 502 of S. 1420. While I do have certain reservations with some of the potential ramifications of section 502, I believe it represents a reasonable effort to insure a planned, coordinated response to this country's excessive dependance on foreign energy sources.

The objective of this section is simple. The President is directed to use all of his available powers when oil imports are projected to reach critical levels. It establishes a national policy which would ensure that the United States would not become more than 50 percent dependent on foreign petroleum for our energy sources.

Along with his annual budget, the President would be required to submit to Congress the projected amount of U.S. oil production, demand, and imports 3 years into the future.

If the projection showed that imports garnered more than 50 percent of our U.S. demand, within 90 days, the President would be required to submit to Congress a plan which would ensure that foreign demand does not garner more than 50 percent of our market.

In the execution of this plan, the President would not be provided with any powers in excess of those currently authorized to the President by law. He would be able to include in this plan only those authorities currently available to him under section 232 in current law. This section authorizes the President to impose restrictions on imports which threaten to impair national security.

Upon submission of the plan by the President, the Congress would have 90 days to disapprove the plan.

Mr. President, in 1985 the United States imported 27 percent of the oil we consumed. Today we import 40 percent of our oil. Countries in the Persian Gulf are the major suppliers for this massive increase, increasing from 300,000 barrels per day in 1985 to 1 million barrels per day in 1987.

Ironically, later today in this Chamber, we may be debating the very issue of the instability and dangers in the Persian Gulf.

I know there are those who say that a rural State will feel the effect of an oil import fee or gasoline tax, if they were proposed by the President. It is impossible to say that any of these specific actions would be automatic if imports exceeded the 50-percent level.

Second, while there are many segments of our economy which would be adversely affected by a disruption of our oil supply, few would be impacted as severely as those in rural areas. Suburbanites have the option of catching a bus to work. However, if farmers face a precipitous decline in oil supply, they do not have the option of planting their crops with a horse. American agriculture would come to a halt if oil supplies were seriously disrupted.

The issue, however, is imports. Few people understand the problem of imports better than do farmers and ranchers.

South Dakota farmers have watched truckloads of Canadian pork traveling the South Dakota interstates, at a time when the pork prices they received were falling dramatically.

South Dakota farmers have also seen European-grown oats being sold in South Dakota, a State which produces the largest amount of oats in the United States.

Dairy producers are also seeing casein imports increasing dramatically, clearly adversely impacting the dairy industry.

There is another reason why I will oppose this motion to strike the Energy Security Act. That is the importance that ethanol will play in this energy plan.

This provision will force America to focus on domestic solutions to the energy crisis. Fuel ethanol is an integral part of this solution.

Ethanol is a renewable, domestic energy resource. It also has a proven performance record—Americans have driven over 140 billion trouble-free miles on ethanol blended gasoline.

Since 1979 domestic fuel ethanol production has displaced roughly 115 million gallons of imported oil. This country could reduce oil imports by 95.2 million barrels per year, at a savings of $1.9 billion if we blended half of our gasoline stocks with 10 percent ethanol.

Reducing our dependence on imported oil for our transportation sector is critical to achieving national energy security. The transportation sector accounts for 63 percent of total U.S. oil consumption. With the United States 97 percent dependent on oil as a mobility fuel, ethanol provides a quality, domestically produced fuel which can contribute significantly to America's demand for a liquid transportation fuel.

We have the ability to produce significant amounts of ethanol. By the end of this harvest year, there will be nearly 6 billion bushels of surplus corn and 3.5 billion bushels of wheat and other grains in Government hands. It makes perfect sense to transform these surpluses into a needed fuel resource. It could be done in the context of the Energy Security Act.

In addition, incorporating ethanol use in this energy security plan could immediately translate into environmental benefits which could include a reduction in carbon monoxide and ozone levels at a time when over 90 cities are attempting to meet the Clean Air Act standards.

Mr. President, for these reasons, I oppose the amendment to strike this section from S. 1420.

Mr. DODD. Mr. President, I rise to express my strong support for the Bradley amendment which would strike the Energy Security Act provision from the omnibus trade bill.

Mr. President, as you know, in its essence, the Energy Security Act requires the President annually to submit 3-year projections of oil production, demand, and imports. From these projections, the President must determine whether oil imports will exceed 50 percent of consumption for any year during this 3-year period. If so, the President must submit an "energy production and oil security policy" to the Congress within 90 days. This policy is to prevent oil imports from exceeding 50 percent of consumption. The President's policy would take effect 90 days after its submission to Congress unless a law is passed modifying the policy.

The bill authorizes the President to include in his policy, actions available to him under section 232 of the Trade Expansion Act of 1962. Under section 232, the President currently is authorized to respond to national security threats posed by the importation of oil or other goods. The President may consider all relevant factors, and is specifically authorized "to take such action and for such time as he deems necessary under the circumstances to adjust imports, so that they will not threaten to impair national security." However, it is by no means clear what actions are permissible under section 232.

Mr. President, passage of the Energy Security Act is totally unnecessary. The Trade Expansion Act has worked successfully to protect national security. Even if the scope of the powers delegated is the same, the Energy Security Act would significantly alter the mechanics for use of section 232 in ways that would be highly detrimental to both national security and energy policy.

The Energy Security Act, if passed, would dramatically alter the standard used to trigger Presidential action with regard to energy security. The Energy Security Act would require the President to establish a so-called energy production and oil security policy when mere projections of oil imports exceed 50 percent of consumption. This approach is one-dimensional simplistic, and misguided.

The projected 50 percent import level may be an indication of the country's future dependence on oil imports, but it is in no way an accurate indicator of current or future vulnerability to an oil supply disruption.

For example, there were three instances between 1973 and 1980 when oil imports were well below the 50 percent level, yet the country experienced significant oil market disturbances. At the time of the Arab oil embargo of 1973, oil imports were only 35 percent of consumption. Oil imports rose to 46.5 percent in 1977, then declined to 42 percent of consumption during the 1980 Iran/Iraq war. These occurrences show that oil import levels are not an accurate indicator of vulnerability.

On the other hand, oil imports from secure sources such as friendly allies Canada, Mexico, Great Britain, and Venezuela may exceed the 50-percent level, but the country may not be faced with a threat.

In that regard, it is important to note that the United States has diversified its oil import sources. Since 1979, the United States has reduced its dependence upon OPEC and has purchased more oil from Canada, Mexico and the North Sea producers. In fact, we have reduced our dependence on Arab OPEC sources from 36 percent of all oil imports in 1979 to 19 percent in 1986.

Furthermore, the "automatic trigger" legally precludes any consideration of other significant indicators of vulnerability, that is, worldwide spare oil production capacity, government-owned and controlled stocks, the portion of oil imported from insecure sources, the availability of alternative energy sources, and the ability of the domestic petroleum industry to respond.

In contrast, current law allows the President to consider all the factors relevant to vulnerability in his determination of whether oil imports pose any threat to national security. In fact, the President must determine vulnerability based upon findings rendered by a Cabinet level investigation that considers all factors.

Indeed, the objective of section 232 is to protect national security. The President can act only to the extent "he deems necessary to adjust oil imports so that they will not threaten national security." Under section 232, the President's action must be tailored to eliminate the threat of market disruption. Thus, the President can prohibit imports from a particular country, such as Libya or Iran, without placing restrictions on imports from other secure or friendly sources.

The energy security provision requires action to limit imports regardless of the economic, environmental or foreign policy impact of such action. Thus, it could force action that is favored by a small minority, yet detrimental to our national security. The economic well-being of the United States is an important component of national security; however, the Energy Security Act could force action that damages the economy. Moreover, it could require action that injures U.S. allies, which also could be detrimental to national security. In sum, the action required by the Energy Security Act may be more damaging than beneficial to U.S. national security.

On the other hand, current law could never result in a policy that is detrimental to national security. In selecting the mechanism to be used in controlling oil imports, the President is required to consider not only levels of imports but also all other relevant factors, including "the close relation of the economic welfare of the Nation to our national security."

Mr. President, the Trade Expansion Act has been used successfully for almost three decades by Presidents to eliminate national security threats posed by the importation of oil. In 1958, President Eisenhower utilized this power to establish the mandatory oil import program which was designed to reduce the gap between oil supplies and demand. Presidents Kennedy, Johnson, and Nixon also utilized section 232. In 1982, President Reagan embargoed crude oil imports from Libya using his authority under section 232.

Thus, existing trade law gives the President broad emergency powers concerning imports which affect national security, powers that are appropriate in true emergencies. The energy security provision takes these emergency powers and forces their use in situations that may be neither critical nor threatening. This provision represents a gross abdication of legislative responsibility. Energy policy should not be formulated without participation by Congress.

Section 232 of the Trade Expansion Act has protected national security well since 1962. It provides the authority and the discretion needed by the President. It would be a grave error to modify this authority through enactment of the Energy Security Act.

Mr. President, I have additional concerns with the energy security provision relating to trade and related economic considerations. As I read the language of the provision, imposition of import fees or quotas would be the most likely action taken by the President. The possible automatic triggering of an oil import fee or quota would seriously injure our Nation's economy.

Although cloaked in nationalism, an oil import tax is naked protectionism. it would artificially boost the price of energy for the benefit of a narrow segment of domestic energy producers. American consumers would have to pay higher prices, and domestic industry, already locked in fierce international competition, would be seriously disadvantaged because of increased costs.

The recent Department of Energy's report to the President on energy security supports this view, noting that "raising energy prices for U.S. consumers above, the levels paid in other countries would seriously reduce the Nation's economic growth, increase inflation, and reduce U.S. competitiveness in both foreign and domestic markets.

The report also estimated that "a $10-fee would have a major economic impact, reducing U.S. GNP by about $30 to $45 billion per year and causing a one-time inflationary effect of 2 or 3 percentage points." Data Resources, Inc., estimates that a $5 oil import tax would lose 1 million jobs over 4 years.

Moreover, it is my firm belief that national energy policy must not play one region off against another. Oil makes up close to 70 percent of New England's energy mix. The Nation, on the other hand, relies on oil for 37 percent of its energy needs. New Englanders pay 38 percent more for oil-generated electricity than consumers nationally. If an oil import tax were imposed, New England would pay a disproportionately higher cost for its electricity than the Nation.

Consumers who suffered the skyrocketing energy prices during the 1970's as a result of excessive costs of cartel-controlled prices should not be required to support the price of domestic oil and indirectly other fuels for the benefit of those who benefitted during the 1970's.

Mr. President, as we debate the omnibus trade bill, we must keep in mind that an oil import tax is not consistent with the U.S. policy of open and fair trade. A sizable portion of U.S. oil imports comes from neighbors and allies, such as Canada, Mexico, the United Kingdom, and Venezuela. An oil import fee not only would seriously injure their economies but might also raise unwarranted trade frictions and encourage retaliatory action.

For example, we are now engaged in comprehensive negotiations with Canada on a free trade agreement that would remove barriers to trade and investment. A 50-percent oil import ceiling would run counter to the spirit of these negotiations and could undo the oil trade liberalization that already has been implemented. Further, any attempt to exempt one country, such as Canada, from the import ceiling would invite other friendly suppliers to request similar treatment. An arbitrary 50-percent import limitation could thus unnecessarily politicize oil trade and undermine our repeated commitments to our allies to remove barriers to trade and investment in energy.

Mr. President, I share the concerns expressed by my colleagues regarding the problem of U.S. dependence on insecure sources of foreign oil. Moreover, I recognize the need for a strong and thriving domestic energy industry. However, I strongly oppose legislation that would cede energy policy permanently to any future President who could be forced to take action that is harmful to the American economy, to our consumers and our businesses, simply because projected levels of oil imports exceed an arbitrary limit.

Mr. PACKWOOD. How much time did you say I have, Mr. President?

The PRESIDING OFFICER. The Senator from Oregon has 5 minutes and 32 seconds. The Senator from Texas has 5 minutes remaining.

Mr. PACKWOOD. Thank you, Mr. President.

Mr. President, an argument can be made either way in the powers given the President. Basically, we are giving him the powers that he has under the Oil Security Act, the 1962 Trade Act, but we are mandating that he exercise those powers, whereas in that act it is discretionary. You can go one of two ways. Either you can say those powers are absolutely extraordinary, that they are the powers to impose quotas, tariffs, gasoline rationing deregulate natural gas, tax incentives for oil production, including depletion, including stripper wells, gas taxes, you can say that we are giving him the whole panoply of all those powers. In truth, we do not know what we are giving him because, under that 1962 act, all we know is that tariffs and quotas, tariffs being oil import fees, he does have the power to impose, and one Federal district court said that President Carter did not have the power to impose gasoline taxes. Under no circumstances do we know for sure whether he can invade environmental areas and deregulate natural gas and put price controls on petroleum products, because it has never been tried.

I do not think really, the Senator from Texas intends to give him those powers. I do not think this Congress would even consider supporting the amendment of the Senator from Texas which Senator BRADLEY and I are trying to strike if we thought we were giving him all of those powers.

What this is—and the Senator from Ohio said it and others have said it—this is an effort to impose an oil import fee, pure and simple. Strip away everything else, that is what we are expecting the President will do if the amendment of the Senator from Texas stays in this bill. And we have voted on an oil import fee twice in the last 2 years. Most of the Senators in this body, a majority of both the Republicans and the Democrats, are on record in opposition to an oil import fee. Most of them are on record twice in opposition to an oil import fee.

If you want an oil import fee, then you should vote against the amendment of the Senator from New Jersey and myself to strike. If you do not want an oil import fee, you should support us.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. REID). The Senator from Texas.

Mr. BENTSEN. Mr. President, this does not turn on an oil import fee. The President is given wide discretion as to what to do. We have not expanded his authority one iota. What we are saying is, "Get off the dime. Give us an energy policy."

I listened to one of the debaters a moment ago in opposing the position we have in the committee. He said, "We need a responsible energy policy, but not this." And then he put up every straw man he could think of to try to knock down and to try to scare and to try to frighten.

We are the ultimate authority. Whatever the President proposes, we can turn down. We can modify it or we can reject it. It is a shared responsibility.

I heard one of them referring to us being that oil society, that we might as well accept it, forget it, we are going downhill.

It was back in 1920 that you had a Federal Government report that said the United States had reached its peak in oil production. That was 443 million barrels a year. Today, we produce over 3 billion barrels per year.

In 1939, Government officials said American's oil supplies would last only 13 years. Ten years later, a Federal official announced the end of the U.S. supplies almost in sight. That has been the history of it.

But each time we have gone out and found the additional oil and gas in this country. And we can do it if we have some stability in that industry.

The U.S. Geological Survey, and it is a conservative one, states that we have huge amounts of oil and gas yet to be found in this country. They tell us that we have over 125 billion barrels, enough to supply us at the present rates for perhaps 35 years with all the changes that may come about in that period of time, to develop alternative sources of energy, to find new ways to enhance the role of oil.

We are one of the big producers. There is only one producer in the world who produces more than we do and that is the Soviet Union.

When they tell us it does not make any difference whether we cut back on the importation of foreign oil, that just cannot be true. We have got 55 billion barrels of production now. If we did not have to import the 6 billion barrels of oil that we have been importing in this country, you would be up to 61 billion and you would be having excessive capacity and you would not be able to drive the price. Ladies and gentlemen, what this is all about is saying let us get in charge of our own fate around here. Let us not find that our foreign policy is going to be jerked around by the situation in Kuwait. Let us cease our dependence on the Middle East to the extent that we possibly can with our vast, untapped, natural gas reserves, tremendous amount of oil reserves.

There is simply no reason to suggest that we have an inevitable, irresistable drift toward 50-percent dependence on imported oil.

There is no reason to accept preemptive capitulation as a national energy policy in our country. We have offered a reasonable alternative. We have "drawn a line in the sand. We have said: Let us have a positive energy policy for our country that will cut our dependence, that will help protect our national economic security and our national military security."

I urge the rejection of the motion to strike.

Mr. PACKWOOD addressed the Chair.

Mr. BENTSEN. I reserve such time as I have left.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Oregon?

Mr. PACKWOOD. Mr. President, I ask for the yeas and nays on the motion to strike.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

Mr. PACKWOOD. I ask unanimous consent that a statement of Senator

Humphrey in support of the motion to strike be placed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, it is becoming more and more clear that the so-called Energy Security Act should probably be renamed the Domestic Oil Industry Protection Act. The domestic oil industry's friends on Capitol Hill have been trying for years to impose an oil import fee. Time after time, the Senate has rejected such an idea—most recently—last July—by a vote of 82 to 15. The Senate should do likewise today. I urge the Senate to adopt the pending amendment.

Faced with the virtual impossibility of achieving an oil import fee directly, the proponents are now seeking to achieve their goal through the back door. While it is true that the President currently has the authority to impose an oil import fee, the provisions included in the trade bill would virtually ensure that this authority would be exercised. The President would have several options available, yet clearly the easiest way to reduce oil imports is to raise the price—by imposing a fee on all imported oil.

One of the major reasons the President has not exercised his existing authority and the Senate has consistently rejected the concept of an oil import fee is the cost to the economy. At a time when we are trying to improve the competitiveness of American industry, the last thing we should be doing is raising the cost of one of the most important inputs—energy. Some studies have concluded that an oil import fee could result in the loss of as many as 1 million jobs and reduce economic outputs by as much as $45 billion per year. Clearly, Mr. President, an oil import fee flies in the face of our stated goal in debating the present bill.

Mr. President, in addition, any oil import fee would adversely affect those regions of the country that depend on oil—and imported oil in particular. For example, in 1985, oil made up 61.4 percent of New England's mix, as opposed to 42 percent nationwide. In my own State of New Hampshire, 61.3 percent of our total energy consumption comes from petroleum. Of the oil consumed in New England, 60 percent was imported whereas nationwide the percentage was approximately 34 percent. Furthermore, a Northeast-Midwest congressional coalition report shows that a $5 per barrel oil import fee would cost the eight largest net oil consuming States $8 billion while providing the eight largest net oil producing States $6 billion. We're not even shifting resources. There will be a net loss here of $2 billion.

Mr. President, there has never been a justification for burdening one region of the country in order to protect another—be it to achieve deficit reduction or any other objective. More importantly, there has never been a justification for burdening the entire economy in order to relieve one particular industry—in this case the oil industry.

Mr. President, nothing has changed since last July when the Senate overwhelmingly rejected the oil import fee, except that proponents of such a fee have found an indirect means of achieving their goal. The Energy Security Act deserves the same fate today. I urge my colleagues to support the Bradley-Packwood amendment.

Mr. PACKWOOD. How much time do I have left?

The PRESIDING OFFICER. Three minutes.

Mr. PACKWOOD. I yield back the remainder of my time.

Mr. BENTSEN. Mr. President, I yield back such time as I have.

The PRESIDING OFFICER. All time having been yielded back, all time having expired, there being no further debate, the question is on the motion to discharge. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. Biden], the Senator from Tennessee [Mr. Gore] and the Senator from Illinois [Mr. Simon] are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. Gore] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. Murkowski] is necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. Murkowski] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 55, nays 41, as follows:

[Rollcall Vote No. 175 Leg.]

YEAS—55

Adams
Armstrong
Bond
Boschwitz
Bradley
Byrd
Chafee
Cochran
Cohen
Cranston
D'Amato
Dixon
Dodd
Durenberger
Evans
Garn
Glenn
Graham
Gramm
Grassley
Harkin
Hatch
Heinz
Helms
Humphrey
Karnes
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Lugar
Matsunaga
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moynihan
Packwood
Pell
Pressler
Proxmire
Quayle
Rockefeller
Roth
Rudman
Sarbanes
Specter
Stafford
Symms
Trible
Warner
Weicker
Wilson

NAYS—41

Baucus
Bentsen
Bingaman
Boren
Breaux
Bumpers
Burdick
Chiles
Conrad
Danforth
Daschle
DeConcini
Dole
Domenici
Exon
Ford
Fowler
Hatfield
Hecht
Heflin
Hollings
Inouye
Johnston
Kassebaum
Levin
McClure
Melcher
Nickles
Nunn
Pryor
Reid
Riegle
Sanford
Sasser
Shelby
Simpson
Stennis
Stevens
Thurmond
Wallop
Wirth

NOT VOTING—4

Biden
Gore
Murkowski
Simon

So the amendment (No. 364) was agreed to.

Mr. PACKWOOD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BYRD. Mr. President, I wonder if we could get an agreement now on the conference report on the supplemental. Also, I would like to get some understanding as to what amendments are ready to be called up and whether or not we might get time agreements on such amendments.

The PRESIDING OFFICER. The Senate will come to order.

Mr. BENTSEN. Mr. President, we have an amendment by the distinguished Senator from New York on this side. I do not think it will take very much time.

Mr. BYRD. Mr. Moynihan's amendment. What kind of agreement could we get on that amendment?

Mr. PACKWOOD. His amendment is cleared, and Senator Quayle has one that is cleared. I do not know if the majority leader wants to take this first or get the unanimous-consent agreement first.

Mr. BYRD. I would like to get the unanimous-consent agreement first. I would like to lock this in.

How much time would Mr. Moynihan's amendment take?

Mr. MOYNIHAN. 10 minutes.

Mr. PACKWOOD. 5 minutes here.

Mr. BYRD. 10 minutes on the amendment by Mr. Moynihan, to be equally divided.

Mr. QUAYLE. 5 minutes.

Mr. BYRD. 5 minutes on the amendment by Mr. Quayle, to be equally divided.

Mr. QUAYLE. It is an amendment on auto parts which has been cleared on both sides.

Mr. BYRD. Mr. President, I ask unanimous consent that there be 10 minutes on the amendment by Mr. Moynihan, to be equally divided and controlled in the usual form; that no amendment to the amendment be in order.

I make the same request with regard to the amendment by Mr. Quayle, that there be 5 minutes equally divided, and that no amendment thereto be in order.

Mr. BENTSEN. We have looked at Mr. QUAYLE's amendment and we have no objection.

Mr. DOLE. Mr. President, will the majority leader yield?

Mr. BYRD. I yield.

Mr. DOLE. I assume that since these amendments are cleared on both sides, they do not need rollcall votes. Is that correct?

Mr. QUAYLE. I do not need a rollcall vote.

Mr. BINGAMAN. Mr. President, I have two amendments, each of which could be disposed of in 5 minutes, 5 minutes per amendment. I do not believe they will require rollcalls. We have been trying to get all those interested to agree. If someone requests a rollcall, we will have one.

Mr. BYRD. This is good progress, Mr. President.

The next amendment? Does anybody else have an amendment?

Mr. NICKLES. Mr. President, I have an amendment dealing with multilateral banks. I am not sure it has been cleared on both sides. It has been cleared on this side. It has passed the Senate three times, so I do not doubt that it will pass again.

Mr. BENTSEN. It is under the jurisdiction of the Banking Committee.

Mr. BYRD. There is some objection on this side.

Mr. PACKWOOD. I do not know about that amendment yet.

Mr. METZENBAUM. Mr. President, sometime Tuesday or Wednesday—it does not really matter much to the Senator from Ohio—but the amendment we were prepared to go with last night, and understandably those on the other side did not want to go with it last evening—I think it is important that before we leave here this week, we get some understanding as to what time that issue will be brought before the Senate.

The Senator from Ohio is very flexible. I am willing to do it on Tuesday, Wednesday, or Thursday; but I think there are people who are entitled to be given notice of the amendment. It is an important amendment, and they want to be here to vote.

So I ask the majority leader and the minority leader and all others involved to tell me what time they want to agree to, and I will work out a unanimous-consent agreement.

Mr. BYRD. Mr. President, I think the Republican leader has made a good suggestion—that the Senator from Ohio do that before we go out today, if he wishes to do that. He may not wish to do that.

Mr. METZENBAUM. What we have intended to do, and I advised Senator QUAYLE of this, is that we will put into the RECORD the amendment we have agreed to so far. I want to say it will be defined. In each instance, we have given up to the business community some of the things they have been concerned about. It will be more than enough for it to be known and considered by the Senator from Indiana, Senator HATCH, and other Senators. So they will know what the starting point is.

Between now and then, if it means something to certain Senators to join with us, they will be willing to give up and make additional concessions, but we will put something in the RECORD today and the unanimous-consent agreement, I am sure, can cover a situation and protect all parties, and certainly not come up with any big surprises.

Mr. BYRD. I would only suggest to the distinguished Senator from Ohio that if he could discuss the amendment with other principal parties and come to me with a proposal as to the time then we would see if we could lock it in for Tuesday, Wednesday, or whatever the day is. I am fairly confident we are not going to finish this bill today and we are not going to finish Tuesday probably. I suppose we will still be on it Wednesday. I would hope we could finish acting on it by Wednesday.

Mr. DOLE. Mr. President, will the majority leader yield?

Mr. BYRD. I yield.

Mr. DOLE. It is my understanding that the Senator from Ohio might modify his amendment, maybe do that before we leave, and then there will be, as I understand, a motion to strike of the Senator from Indiana. That would be pending and that would probably take considerable debate but at least that would be pending.

Mr. METZENBAUM. The reason that I had difficulty—if they were ready to go last night I would have been ready to go—it is a fact that certain Members of the Senate have come to me, one asking for some special consideration and seeing whether or not we can take care of a particular situation in one of the States.

So I do not want to preclude my ability to make some additional concessions if that would mean that certain Senators would be able to come on board. But I am willing to agree without any reservation we will put nothing in that will make the bill any tougher than it presently is.

Mr. BYRD. Mr. President, I yield to the Senator without losing my right to the floor for a response.

The PRESIDING OFFICER. The majority leader yields to the Senator from Indiana.

Mr. QUAYLE. Mr. President, I would make a response to the Senator from Ohio through the majority leader. This has been the difficult proposition we have had. We call it a moving target. We have had Metzenbaum 1, 2, 3; I do not know, about rewrites, Metzenbaum 8 or 9. I do not know what number we are on. It keeps changing all the time.

As a matter of fact, I was trying to get a copy this morning but we can get a copy of what is officially the modification this morning but that may change by next Tuesday.

The only thing I can say we are not going to go today with a gentleman's understanding because some of the Presidential candidates are going to be out of town.

Mr. DOLE. Not me.

Mr. QUAYLE. Except the distinguished minority leader. That is the reason we are not going today.

At some time we are going to have to force the vote. We are going to have to do this.

But I cannot have this agreement on it if I do not know what that modification is going to be. I suppose there are other ways. I could just go strike what is in there now and if that fails then just leave in the bad langauge. He thinks he has some language a little bit better that could modify it.

We are going to have to get on with this at some time. We have been dealing with the floating target for about a week. I had a gentleman's agreement last night that I not do anything today. This is the last day that I am not going to not do anything.

Mr. METZENBAUM. We will be happy to give the Senator from Indiana a target very shortly. Then would the Senator from Indiana be in a position to agree as to the time certain next week?

Mr. QUAYLE. I do not know what the target is going to be.

Mr. METZENBAUM. It is going to be what the Senator saw.

Mr. QUAYLE. It has not changed anything from what I saw last night?

Mr. METZENBAUM. If anything, it has been brought to the Senator's attention.

Mr. QUAYLE. If it is close to what I saw last night, we could probably enter into some sort of understanding. We have to see this thing. It has been back and forth, pencil marks, everything. Last night during the course of dinner, it changed. We are in a situation——

Mr. METZENBAUM. The Senator picked up two more votes by changing it.

Mr. QUAYLE. I said we would not bring it up today. I probably should not agree to that gentelmen's agreement. I would not do anthing today. After today all bets are off. I am moving ahead one way or another.

Mr. BYRD. Mr. President, I am very much encouraged by the enlivened colloquy here. I believe we are moving rapidly toward culmination of events on this particular amendment. I hope we will get agreement on it before the day is over.

I inquire of the manager what the outlook is with respect to 201. Will that be called up this afternoon?

Mr. PACKWOOD. No, that will not be called up this afternoon.

TIME LIMITATION AGREEMENT—SUPPLEMENTAL APPROPRIATIONS CONFERENCE REPORT

Mr. BYRD. Mr. President, I am going to propound a unanimous-consent request on the conference report.

Now, Mr. President, I believe this has been cleared on this side of the aisle and perhaps on the other side.

Mr. DOLE. Mr. President, will the majority leader yield at this point?

Mr. BYRD. I yield.

Mr. DOLE. As far as I understand, it has been cleared on this side of the aisle. It is just a general hope that it could be taken up fairly quickly. I think at least one or two Members have told me if we are not going to bring it up until 5 or 6 o'clock they would not agree to any agreement. I think that includes the manager on this side.

Mr. BYRD. It is a privileged matter that will be brought up. We would like to get a time agreement on it.

Mr. DOLE. I would certainly want to accommodate the majority leader. Could we have some indication when he might call up the conference report?

Mr. BYRD. It would be my plan to do it at some point. But I do not want to slow down right now the pace that we are seeing on the trade bill. That pace may be slowing down at the moment, but we have two amendments to be disposed of quickly.

Let me proceed with trying to get the request.

Mr. HATFIELD. Mr. President, will the majority leader yield for a second?

Mr. BYRD. Yes.

Mr. HATFIELD. Mr. President, this conference report on the supplemental will include a change on the Senate side. Therefore, it will have to go back to the House of Representatives. The House of Representatives, according to my latest information, expects to adjourn for the Fourth of July recess between 3 and 4 o'clock today.

Mr. BYRD. We have not passed the adjournment resolution yet.

Mr. HATFIELD. That is what the House of Representatives said that they are expecting or hoping to do. Whether they do or do not, I do not know.

I only want to indicate at this time that this appropriation supplemental will not be completed by the Senate solely by our action today. We will have to send it back to the House of Representatives. That may be helpful to the majority leader as he sets forth to try to set the schedule for the remainder of this day, but I just wanted to indicate that important point.

Mr. BYRD. Yes, I fully understand that and the Senate has not agreed to the adjournment resolution by the House yet, may I also say.

Mr. President, I ask unanimous consent that there be a time limitation on the consideration of the conference report on the supplemental appropriations as follows:

Twenty minutes, equally divided, on the conference report; 15 minutes, equally divided, on the motion to concur in amendments of the House to amendments of the Senate, with the exception of Senate Amendments 26, 219, and 387; 4 minutes, equally divided, on a motion by Mr. JOHNSTON to recede from Senate Amendment No. 33; 2 hours, to be equally divided, on an amendment to be offered by Mr. HOLLINGS dealing with the U.S. Embassy in Moscow to the House amendment to the Senate Amendment No. 26, and that no other amendments be in order to that amendment; 10 minutes, equally divided, on a Burdick motion to table the original Senate Amendment No. 219 that deleted the $250,000 cap of the honey loan program, or on a germane amendment to be offered by Mr. BURDICK to the House amendment to the Senate Amendment No. 219, and that no other amendments be in order to Senate Amendment No. 219, as amended; 1 hour, equally divided, on an amendment by Mr. MELCHER dealing with a consumer price index for the elderly to the House amendment to the Senate Amendment No. 387, and that no other amendments be in order to Senate Amendment No. 387, as amended; provided further, that no other amendments be in order; provided further, that there be a time limitation of 20 minutes on any debatable motion, appeal, or point of order submitted to the Senate; and, provided further, that the agreement be in the usual form.

Mr. STEVENS. Will the Senator yield, Mr. President?

Mr. BYRD. Yes, I yield.

Mr. STEVENS. The Senator's "no other amendments be in order" general last statement, does that include no amendments to any amendments other than those specifically set forth?

Mr. BYRD. That would mean that, yes.

Mr. MELCHER. Will the majority leader yield?

Mr. BYRD. Yes, I am glad to yield.

Mr. MELCHER. I thank the majority leader for yielding.

On the hour allotted to my amendment dealing with the Consumer Price Index for Older Americans, I would like to have in that that no points of order under rule XVI could be used against it, germaneness or legislation on appropriations.

Mr. BYRD. The Senator wants to exclude any point of order under rule XVI?

Mr. MELCHER. Yes.

Mr. BYRD. I include that in my request.

Mr. MELCHER. I thank the majority leader.

Mr. EXON. Will the majority leader yield for a question?

Mr. BYRD. Yes.

Mr. EXON. I have been listening with keen interest to the debate. I hope that I do not have to object, because I had cleared previously an objection.

I was particularly interested and struck by the comments that were very timely made by the Senator from Oregon. It would seem to me that we should be able to get an agreement from the House of Representatives that if we are going to work our will—and I have no quarrel with the Senate working its will under the time agreement as outlined by the majority leader—but I would simply point out that if the House holds to their present adjournment schedule as outlined by the Senator from Oregon, that would mean we could not, we, the Congress, could not complete action on this measure today. That means it is going to go over until next week.

I call the Senate's attention once again to the fact that, regardless of all of the other important matters considered in this particular piece of supplemental legislation, the Commodity Credit Corporation money has been long due to the farmers of this country, pursuant to legislation we passed a long time ago. Therefore, I hope that we would do everything possible in realistically facing that situation and see if we could not appeal to the House to stay in until we have finished action on this bill and get it passed sometime today, or at least have the option of doing that.

Mr. BYRD. Mr. President, I say again that the Senate has not passed the adjournment resolution. Under the Constitution, neither body can adjourn for more than 3 days without the consent of the other body. That adjournment resolution I am not going to call up for the time being. I hope that helps some.

Mr. EXON. Does that satisfy the concern of the Senator from Oregon?

Mr. HATFIELD. If I may respond, I am not in that role to call up the adjournment resolution. I was merely reporting that when I made inquiry to the House leadership as to when they were anticipating finishing their business, they said to me that they were going to finish between 3 and 4 o'clock. That is all I am reporting is that information. If we would have this agreement in place now, it would be after 6 o'clock; if we were able to take up this appropriations supplemental immediately, it would be after 6 o'clock if we utilized all these various time factors in this unanimous-consent request. I am going to agree to it.

I am hoping we can take up the bill, get it done very quickly, and not use all that time. I cannot imagine 2 hours of debate on the Moscow Embassy.

Mr. EXON. Let me just say again, if the majority leader will yield, it would seem to me that, which I know the majority leader and the leadership of the conference report are working in good faith, the fact that the House cannot go out until after we agree to an adjournment arrangement here, the fact of the matter is that they could let their troops go home as they are scheduled, I suppose, at the present time, and not be in a position to act on this measure today.

Therefore, I would renew my request that, even if we get this agreement, our leadership request of the House to stay in session with sufficient numbers so that they could act on this measure after we completed work on it today.

I thank the majority leader for yielding.

Mr. STEVENS. Will the distinguished leader yield to me?

Mr. BYRD. Yes.

Mr. STEVENS. It is my understanding that there is severe disagreement between the House and the Senate on the Moscow Embassy. I am informed, and I believe I know the sentiment of the Senate, that we are going to send this to the House with an amendment. I am informed they are going to send it back to us with an amendment.

I wonder if the distinguished leader would agree to insert in his time agreement that, should this conference report return to the Senate, no nongermane amendment would be in order to an amendment in disagreement so that we will not have any other subject come up other than the Moscow Embassy, if that happens?

Mr. BYRD. I would be happy to put that into the request, and I do so include it.

Mr. STEVENS. I thank the leader.

Mr. BYRD. May I say to the distinguished Senator from Nebraska, I will be happy to call the House leadership. As the Senator points out, the House does not have to have a resolution to go out for a day or two or on a pro forma basis. They can do it. I would imagine their Members would be under the same pressures as our Members with respect to the Commodity Credit Corporation. I cannot, of course, speak for the House. I do not know what the attitude of the House would be.

But the Senator is right in his apprehensions that, even though the Senate acts on this, this afternoon, conceivably it would not be wound up until after the break. But we can do our best. I think when we do that, we have fulfilled our responsibilities.

I have put the request. I raise one question. Senators will note that there is in this request only 20 minutes on any point of order. Would any point of order under the Budget Act be available?

Mr. President, I put the request.

Mr. DOLE. Reserving the right to object.

The PRESIDING OFFICER. Is the majority leader relinquishing the floor?

Mr. BYRD. No, I do not relinquish the floor.

Mr. DOLE. I just reserved the right to object.

Mr. BYRD. The Senator has reserved the right to object.

Mr. DOLE. I shall not object. But I just want to ask a question as a matter of information. I understand there are a number of trade amendments that can be dealt with, maybe three or four. Would it be the intention, after disposition of those, to go to the conference report?

Mr. BYRD. I have not decided that yet.

Mr. DOLE. Because there was some—at least a rumor around here—that maybe we would get off on the Persian Gulf resolution and that would take hours and that would stop everything, including the supplemental.

I happen to share the view expressed by the Senator from Nebraska on the Commodity Credit Corporation. In fact, I introduced a bill just last week to get it out of all of these other problems.

Is it fair to ask the majority leader, is it his intention to take the supplemental up today?

Mr. BYRD. Yes.

Mr. DOLE. Still today?

Mr. BYRD. Yes.

Mr. GARN. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, I will not object, but I am concerned. I understand the problems of the majority leader to get this body to move. It is very difficult. It is difficult to get Senators over here to offer amendments.

But I have observed in the 13 summers that I have been here that this is the first time that we have not had a week's recess for the Fourth of July and all of the activities that go with that for public officials. And that is the majority leader's right to set the schedule. I do not quarrel with that and so we have a 2-day recess.

But I would suggest that when there is only essentially a 2-day recess, a Thursday and a Friday off, and the Mondays we have been having, which most of us in the West are grateful for, that schedule has been published since January.

I think most of us who make commitments, those of us who live in the West, if you make a commitment on a Thursday morning, that means you have to get there on Wednesday evening. It seems to me we are not going to finish the trade bill, obviously, today. It will have to go over. I am as anxious as the majority leader to finish that. It is important that we get on with the supplemental.

But it does become rather difficult when you have a 4- or 5- or 6-hour plane reservation and have made commitments to people on the basis of a public schedule. I am just saying I will not object. I do not want to be part of the delay, but I would certainly hope that we might recognize those commitments to have been made—this is only a 2-day recess—so that some of us in the West, particularly, who cannot get home quickly on trains or in a half-hour might be given some consideration and that we might go to the supplemental as quickly as possible as something that needs to be done rather than continuing to delay into the evening until we have all of us miss our airplanes and our commitments.

I do not object.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BYRD. Mr. President, I thank the distinguished Senator. I appreciate his concerns and I do appreciate and understand the problems for those Senators who have long distances to travel.

I thank him, also, for not objecting to the request.

The PRESIDING OFFICER. Is there any objection to the request? If not, it is so ordered.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with the consideration of the bill (S. 1420).

AMENDMENT NO. 365

(Purpose: To include certain later-developed merchandises within the scope of an antidumping or countervailing duty order)

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER (Mr. HARKIN). The Senator from New York.

Mr. MOYNIHAN. Mr. President, without objection, I send an amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes an amendment numbered 365.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 191 of the printed bill, line 3, strike out the end quotation marks and end period.

On page 191, between lines 3 and 4, insert the following:

"(4) LATER-DEVELOPED MERCHANDISE.—

"(A) IN GENERAL.—For purposes of determining whether merchandise developed after an investigation is initiated under this title or section 303 (hereafter in this paragraph referred to as the 'later-developed merchandise') is within the scope of an outstanding antidumping or countervailing duty order issued under this title or section 303 as a result of such investigation, the administering authority shall consider whether—

"(i) the later-developed merchandise has the same general physical characteristics as the merchandise with respect to which the order was originally issued (hereafter in this paragraph referred to as the 'earlier product'),

"(ii) the expectations of the ultimate purchasers of the later-developed merchandise are the same for the earlier product,

"(iii) the ultimate use of the earlier product and the later-developed merchandise are the same,

"(iv) the later-developed merchandise is sold through the same channels of trade as the earlier product, and

"(v) the later-developed merchandise is advertised and displayed in a manner similar to the earlier product.

"(B) EXCLUSION FROM ORDERS.—The administering authority may not exclude a later-developed merchandise from a countervailing or antidumping duty order merely because the merchandise—

"(i) is classified under a tariff classification other than that identified in the petition or the administering authority's prior notices during the proceeding, or

"(ii) permits the purchaser to perform additional functions, unless such additional functions constitute the primary use of the merchandise and the cost of the additional functions constitute more than a significant proportion of the total cost of production of the merchandise.".

Mr. MOYNIHAN. This is a simple but not an unimportant amendment.

Mr. President, might we have——

The PRESIDING OFFICER. The Senate will come to order. The Senator from New York.

Mr. MOYNIHAN. Mr. President, this amendment has to do with strengthening the very considerable measures that already are in S. 490 having to do with the circumvention of our countervailing and antidumping duty provisions.

In drafting S. 490, the Finance Committee title of the "Omnibus Trade and Competitiveness Act of 1987," the committee gave serious attention to the evasion of U.S. trade laws, particularly the antidumping and countervailing duty statutes. In addition, the administration also expressed concern about efforts of foreign producers to circumvent antidumping and countervailing duties, and offered a number of legislative proposals to eliminate such circumvention. These proposals were incorporated into S. 490.

Evasion and circumvention can occur through a number of existing loopholes. Among these loopholes are the establishment of simple processing operations in the United States or third countries, whereby the foreign producer stops exporting the finished product in favor of exporting the parts of the product and having them reassembled outside the reach of the antidumping or countervailing duty order. S. 490 contains provisions that would permit the Department of Commerce to include these products within the scope of an antidumping or countervailing duty order.

Another anticircumvention initiative contained in the Finance Committee bill will prevent foreign producers from making minor alterations to merchandise for the purpose of evading an antidumping or countervailing duty order. The provision creates a presumption that an order covers articles altered in form or appearance in minor respects, whether or not such articles are included in the same tariff classification.

One of the purposes for this provision is to avoid results such as the one reached by the Department of Commerce in an antidumping case involving portable electric typewriters from Japan originally brought by Smith Corona.

This is a particularly egregious instance, Mr. President, and has to do with a New York firm located in Cortland, as it happens, which is the only firm in the United States, the only company that makes portable electric typewriters.

They reconstituted themselves after a long dip and got into a new model, new design, new energies. They found Japanese competitors clearly dumping a competitive product and went to the Commerce Department and asked for antidumping duty measures.

The case was sympathetically heard, and they got a favorable ruling. The next thing they knew, the very same companies had added a small memory or calculator function to the exact same typewriters and they were shipping them in under a different tariff classification. It is just an open, egregious effort to avoid our rules.

What this amendment does is to put into law what the Commerce Department now sees to be a necessary set of procedures for identifying that type of evasive action and preventing it.

Although the existing statutory changes contained in S. 490 are designed to prevent a repetition of the result reached in the portable electric typewriter case, it is important to codify the criteria that the Department of Commerce will use in making future determinations on whether later developed products constitute an effort to circumvent an existing order.

This amendment establishes statutory guidelines to determine whether a later developed product is within the scope of an existing order. To a large extent, these guidelines are consistent with existing Department of Commerce practice, and the administration accepts the need for this codification.

The essential elements of the amendment can be summarized, as follows:

First, establishes that for purposes of determining whether products developed after the initiation of an antidumping or countervailing duty investigation are within the scope of an order entered as a result of the investigation of the existing product, the Department of Commerce shall consider:

Whether the products have the same physical characteristics; whether the ultimate purchasers have the same expectations with regard to the products; whether the products have the same ultimate uses; whether the products are sold in the same channels of trade; and whether the products are advertised and displayed in the same manner.

Second, establishes that a later developed product may not be excluded from an order merely because it is classified under a tariff item not identified in the original antidumping or countervailing duty petition or the later developed product permits the purchaser to perform additional functions, unless the functions constitute the primary use of the product or the cost of the additional functions constitute a significant proportion of the total cost of the product.

These criteria will lend transparency to the Department of Commerce determination process and will assure that anomalous results such as that reached in portable electric typewriters from Japan are not repeated.

I am happy to report the administration supports this measure. I am pleased, indeed, that the distinguished Senator from Oregon is of the same view.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. The Senator from New York used the word "egregious," and that is exactly the term to use to describe this situation. His amendment is 10,000 percent justified.

I would hope it is passed unanimously.

Mr. MOYNIHAN. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. Is there any further debate on this amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 365) was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I would like to call up amendment——

Mr. QUAYLE. Did not we understand after Mr. MOYNIHAN, Senator QUAYLE was going to be recognized for 5 minutes for a consent agreement?

Mr. BINGAMAN. I was not aware of that. If it was, I would be glad to defer.

The PRESIDING OFFICER. It is the understanding of the Chair the unanimous-consent agreement was not formally entered into, however I understand the Senator from New Mexico has yielded to the Senator from Indiana for a unanimous-consent request and the Senator is recognized for that purpose.

AMENDMENT NO. 366

Mr. QUAYLE. I thank the indulgence of the Chair and the Senator from New Mexico.

My amendment will take less than 5 minutes.

Mr. President, I call up amendment 366.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana [Mr. QUAYLE] for himself, Mr. MOYNIHAN, Mr. HEINZ, Mr. LUGAR, Mr. KASTEN, Mr. RIEGLE, and Mr. LEVIN, proposes an amendment numbered 366. At an appropriate place in the bill, insert the following.

Mr. QUAYLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At an appropriate place in the Bill, insert the following:

SECTION 1. SHORT TITLE.

This section may be referred to as the "Fair Trade in Auto Parts Act of 1987."

SEC. 2. DEFINITIONS.

(a) For purposes of this section, the terms "Japanese Markets" shall refer to markets, including the United States and Japan, where automotive parts and accessories, both original equipment and aftermarket, are purchased for use in the manufacture or repair of Japanese-brand automobiles.

SEC. 3. ESTABLISHMENT OF INITIATIVE ON AUTO PARTS SALES TO JAPAN.

(a) IN GENERAL.—The Secretary of Commerce shall establish an initiative to increase the sale of United States-made auto parts and accessories to Japanese markets.

(b) FUNCTIONS.—In carrying out this section, the Secretary shall—

(1) foster increased access for United States-made auto parts and accessories to Japanese companies, including specific consultations on access to Japanese markets,

(2) facilitate the exchange of information between United States auto parts manufacturers and the Japanese automobile industry,

(3) collect data and market information on the Japanese automotive industry regarding needs, trends and procurement practices, including the types, volume and frequency of parts sales to Japanese-brand automobile manufacturers,

(4) establish contacts with Japanese automobile manufacturers in order to facilitate contact between United States auto parts manufacturers and Japanese automobile manufacturers,

(5) report on and attempt to resolve disputes, policies or practices, whether public or private, that result in barriers to increased commerce between United States auto parts manufacturers and Japanese automobile manufacturers,

(6) take actions to initiate periodic consultations with officials of the Government of Japan regarding sales of United States-made auto parts in Japanese markets,

(7) submit annual written reports or otherwise report annually to Congress on the sale of United States-made auto parts in Japanese markets, including the extent to which long-term, commercial relationships exist between United States auto parts manufacturers and Japanese-brand automobile manufacturers.

SEC. 4. ESTABLISHMENT OF SPECIAL ADVISORY COMMITTEE ON AUTO PARTS SALES IN JAPAN.

(a) IN GENERAL.—The Secretary of Commerce shall seek the advice of the United States automotive parts industry in carrying out the intent of this Act.

(b) STRUCTURE OF COMMITTEE.—The Secretary of Commerce shall select and establish a Special Advisory Committee for purposes of carrying out this Act.

(c) FUNCTIONS.—The Special Advisory Committee established in this Act shall—

(1) report to the Secretary of Commerce on barriers to sales of United States-made auto parts and accessories in Japanese markets,

(2) review and consider sales data collected,

(3) advise the Secretary of Commerce during consultation with the Government of Japan on issues concerning sales of United States-made auto parts in Japanese markets,

(4) assist in establishing priorities for the initiative, and otherwise provide assistance and direction to the Secretary of Commerce in carrying out the intent of section 3 above, and

(5) assist the Secretary in reporting, or otherwise report to Congress as requested, on the progress of sales of United States-made auto parts in Japanese markets.

(d) AUTHORITY.—The Secretary shall draw on existing budget authority in carrying out the Act.

SEC. 5. EXPIRATION DATE.

The Authority for this Act shall expire on December 31, 1993.

Mr. QUAYLE. Mr. President, this amendment is intended to help address the serious inequity that now exists between the United States and Japan in auto parts trade. Of the $58.6 billion United States trade deficit with Japan in 1986, $33.3 billion was in automotive-related commerce, including $3.6 billion in auto parts.

This amendment, which embodies the Fair Trade in Auto Parts Act, which I introduced as S. 1280 on May 27, would direct the Secretary of the United States Department of Commerce to establish within that agency an initiative to enhance United States auto-parts manufacturers' access to Japanese markets after the conclusion of year-long United States-Japan negotiations on autoparts trade this August. In addition, the Commerce Secretary would be required to report to Congress annually on sales of United States-made auto parts in Japanese markets.

Furthermore, section four of the amendment would require the Secretary of Commerce to appoint and consult with a special industry advisory committee on autoparts trade with Japan. The panel, which would be comprised of senior management and labor representatives of the American autoparts and accessories industry, would be charged with monitoring autoparts sales data, reporting to the Commerce Secretary on barriers to Japanese markets and counseling him during consultations on autoparts trade issues with the Japanese Government.

United States manufacturers supplied less than 1 percent of the $55 billion worth of original and aftermarket parts used in vehicles assembled and serviced in Japan last year—and not more than 40 percent of the parts used in vehicles assembled at Japanese autoplants here in the United States.

The health of this basic American industry is critical to the health of the Nation's economy. Nationwide, 3,300 autoparts and accessories manufacturers employ over 370,000 workers; in Indiana, the heart of the automotive-component manufacturing industry, there are over 115 parts-makers with a total work force of nearly 32,000 employees.

Since last August, the United States and Japan have been engaged in negotiations—the market oriented, sector-specific [MOSS] talks on transportation equipment—that are focusing on opening Japanese markets in Japan and the United States to American-made original equipment and aftermarket autoparts. But to date, despite the concerted efforts of the American delegation, which is led by Under Secretary of Commerce for International Trade S. Bruce Smart, the MOSS talks have produced only marginal gains. For that reason, and because the year-long negotiatons are scheduled to conclude this August, I believe legislation is needed to press Japanese automakers further to increase their purchases of American-made parts.

I am a staunch advocate of free trade, but I insist on fair trade. My Fair Trade in Auto Parts Act provides for a nonprotectionist but aggressive Federal initiative to help remedy the intolerable situation now faced by American autoparts and accessories manufacturers, who are being denied access to Japanese markets because Japanese automakers are engaging in wholly inappropriate, collusive procurement practices.

By adopting my amendment, the Senate will send an unmistakable message to both Japanese automakers and the Japanese Government that the United States fully intends to extend and expand its efforts to open Japanese markets to American-made parts long after the MOSS talks on autoparts trade conclude this summer.

I have been witness to the positive effect that such attention to this problem can have. On May 27 and 28 of this year, I sponsored, along with the U.S. Department of Commerce and Senator LUGAR, a conference on selling autoparts to the Japanese. This national, 2-day conference was attended by senior executives of 8 top Japanese automakers, including the president of the Toyota Motor Corp., and more than 425 individuals representing over 250 American parts manufacturers from 26 States—including 96 registrants from 56 parts-makers in Indiana alone.

Such efforts are very helpful and absolutely necessary if parts makers are to gain the access they need to Japanese markets. The amendment I offer today would guarantee U.S. parts suppliers a continuing commitment from the U.S. Government on this important matter.

Mr. President, this amendment has been cleared on both sides. It is an amendment that goes to a very important bilateral issue between the United States and Japan dealing with autoparts.

What this amendment does will be a continuation of the talks trying to get some oversight on allowing American autopart companies to be able to have some access to Japan.

We welcome the Japanese companies coming over here. We know right behind the assembly plants will be the autoparts plants, and if we do not get in on the ground floor over there, 5 years down the road you are going to see a very changed economy in those States that are very dependent on autoparts. We are not asking for a leg up. We are asking for equality and we are asking for a fair shake.

I am convinced that beyond any doubt whatsoever that we can compete in quality and we can compete in price. Given those two conditions, the only thing we are asking for is some monitoring, some reporting back to make sure that we are getting a fair access to the Japanese market.

Mr. President, I have no further comments and would yield back my time and ask the adoption of the amendment.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I am happy to say that this amendment is cleared for approval on this side. New York is a cosponsor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Likewise.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 366) was agreed to.

Mr. QUAYLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. Mr. President, I move to lay the motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 367

(Purpose: To express the sense of the Congress with respect to the proposed protection by the United States of reflagged Kuwaiti tankers in the Persian Gulf, and for other purposes)

Mr. MOYNIHAN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for himself, Mr. BYRD, Mr. SASSER, Mr. NUNN, Mr. GLENN, Mr. INOUYE, Mr. EXON, Mr. BIDEN, Mr. LEVIN, Mr. KERRY, and Mr. KENNEDY, proposes an amendment numbered 367.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the agreement be dispensed with.

Mr. BYRD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will read the amendment.

The bill clerk read as follows:

On page 511, between lines 11 and 12, insert the following new section:

SEC. 2010. POLICY TOWARD PROTECTION OF REFLAGGED KUWAITI TANKERS IN THE PERSIAN GULF.

(a) FINDINGS.—The Congress finds that—

(1) the United States has a vital strategic interest in the export of oil from the Persian Gulf region;

(2) the United States has long-term important strategic and geopolitical interests in the Persian Gulf region, including the security and stability of the states in the region, the pursuit of which requires the freedom of navigation in the Persian Gulf and adjacent waters and the prevention of hegemony in the region by either Iran or Iraq;

(3) the continuation of the Iran-Iraq war constitutes a grave threat to these interests;

(4) the expansion of the Iran-Iraq threatens the territorial-integrity and sovereignty of the Persian Gulf states, and, in particular, the pattern of intimidation practiced against noncombatant states, recently focused on Kuwait, has raised serious and legitimate concerns;

(5) the President has proposed the protection, through the use of convoy escorts by United States Navy ships, of Kuwaiti-owned tankers flying the United States flag;

(6) the Congress has examined the rationale for this proposal and the specific manner in which it would be implemented, including a careful review of the report entitled "Report On Security Arrangements In The Persian Gulf", which report was submitted by the Secretary of Defense to the Congress at its request; and

(7) the threat assessment, strategic justification, and security arrangements described in the Secretary of Defense's report to the Congress are inadequate to justify the reflagging or the convoying of merchant vessels in the Persian Gulf by United States naval forces, until, at a minimum, further assessments have been made regarding the threat of terrorist attacks, mine warfare detection and defense, and the need for any required facilities for land-based aircraft.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should seek a settlement of the Iran-Iraq war through all diplomatic means;

(2) the United States should pursue, through the United Nations Security Council and other international diplomatic channels, efforts—

(A) to effect mandatory sanctions including an arms embargo, against any combatant state which fails to cooperate in the establishment of a negotiated cease-fire; and

(B) to promote a cessation by Iran and Iraq on attacks against shipping in the Persian Gulf;

(3) the United States should deploy such naval forces in, or proximate to, the Persian Gulf as may be necessary to protect the right of free transit through the Strait of Hormuz, and should work closely with the Persian Gulf states to reestablish stability, security, and peace in the region;

(4) in implementing the policy described in paragraphs (1) through (3), the President should take such steps as he deems necessary to achieve the cooperation of interested parties, particularly naval powers among the major importers of Persian Gulf oil and the nations of the Gulf Cooperation Council;

(5) the President should seek the convening of a conference of the exporters and importers of Persian Gulf oil to assess means for ensuring the free flow of oil, promoting freedom of navigation, deescalating tensions and hostilities, contributing to the search for a negotiated end to the Iran-Iraq war, and developing a long-term policy which advances the strategic interests of the West and of the states in the region;

(6) the proposed reflagging of Kuwaiti tankers should be placed in abeyance pending the outcome of the initiatives and other measures described in this section; and

(7) the United States should preserve its military flexibility in the Persian Gulf, and should not commit itself rigidly and exclusively to any narrow protection regime, such as convoying, for one country or one specific group of ships, and should explore further cooperative efforts, involving other naval powers and the regional states, to ensure the free transit of oil.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

AMENDMENT NO. 368 TO AMENDMENT NO. 367

(Purpose: To express the sense of the Congress with respect to the proposed protection by the United States of reflagged Kuwaiti tankers in the Persian Gulf, and for other purposes)

Mr. BYRD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 368 to amendment No. 367.

On page 1, line 3 of the amendment, strike all after the word "SEC" and insert in lieu thereof:

2010. POLICY TOWARD PROTECTION OF REFLAGGED KUWAITI TANKERS IN THE PERSIAN GULF.

(a) FINDINGS.—The Congress finds that—

(1) the United States has a vital strategic interest in the export of oil from the Persian Gulf region;

(2) the United States has long-term important strategic and geopolitical interests in the Persian Gulf region, including the security and stability of the states in the region, the pursuit of which requires the freedom of navigation in the Persian Gulf and adjacent waters and the prevention of hegemony in the region by either Iran or Iraq;

(3) the continuation of the Iran-Iraq war constitutes a grave threat to these interests;

(4) the expansion of the Iran-Iraq war threatens the territorial integrity and sovereignty of the Persian Gulf states, and, in particular, the pattern of intimidation practiced against noncombatant states, recently focused on Kuwait, has raised serious and legitimate concerns;

(5) the President has proposed the protection, through the use of convoy escorts by United States Navy ships, of Kuwaiti-owned tankers flying the United States flag;

(6) the Congress has examined the rationale for this proposal and the specific manner in which it would be implemented, including a careful review of the report entitled "Report On Security Arrangements In The Persian Gulf", which report was submitted by the Secretary of Defense to the Congress at its request; and

(7) the threat assessment, strategic justification, and security arrangements described in the Secretary of Defense's report to the Congress are inadequate to justify the reflagging or the convoying of merchant vessels in the Persian Gulf by United States naval forces, until, at a minimum, further assessments have been made regarding the threat of terrorist attacks, mine warfare detection and defense, and the need for any required facilities for land-based aircraft.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should seek a settlement of the Iran-Iraq war through all diplomatic means;

(2) the United States should pursue, through the United Nations Security Council and other international diplomatic channels, efforts—

(A) to effect mandatory sanctions including an arms embargo, against any combatant state which fails to cooperate in the establishment of a negotiated cease-fire; and

(B) to promote a cessation by Iran and Iraq on attacks against shipping in the Persian Gulf;

(3) the United States should deploy such naval forces in, or proximate to, the Persian Gulf as may be necessary to protect the right of free transit through the Strait of Hormuz, and should work closely with the Persian Gulf states to reestablish stability, security, and peace in the region;

(4) in implementing the policy described in paragraphs (1) through (3), the President should take such steps as he deems necessary to achieve the cooperation of interested parties, particularly naval powers among the major importers of Persian Gulf oil and the nations of the Gulf Cooperation Council;

(5) the President should seek the convening of a conference within ninety days of the exporters and importers of Persian Gulf oil to assess means for ensuring the free flow of oil, promoting freedom of navigation, deescalating tensions and hostilities, contributing to the search for a negotiated end to the Iran-Iraq war, and developing a long-term policy which advances the strategic interests of the West and of the states in the region;

(6) the proposed reflagging of Kuwaiti tankers should be placed in abeyance pending the outcome of the initiatives and other measures described in this section; and

(7) the United States should preserve its military flexibility in the Persian Gulf, and should not commit itself rigidly and exclusively to any narrow protection regime, such as convoying, for one country or one specific group of ships, and should explore further cooperative efforts, involving other naval powers and the regional states, to ensure the free transit on oil.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, I will not retain the floor long. I will be glad to yield for an inquiry if the Chair will protect my right to the floor.

The PRESIDING OFFICER. Without objection, the majority leader can yield to the Senator from Hawaii without losing his right to the floor.

Mr. MATSUNAGA. Mr. President, is the distinguished majority leader offering a substitute amendment for the Moynihan amendment?

Mr. BYRD. No. Mine is a perfecting amendment to the Moynihan amendment.

Mr. MATSUNAGA. I thank the Senator.

Mr. BYRD. Mr. President, the Senate has examined in a careful, indeed exhaustive way, the plan put forward by the administration to reflag Kuwaiti tanker vessels, and protect them with a convoy escort system of American warships. Three Senate committees: Armed Services, Foreign Relations, and Intelligence, have reviewed systematically the report provided by the Secretary of Defense, and mandated by this body, on his proposed security system in the gulf. Those committee hearings have been held in both open and closed sessions, reviewing both a classified and an unclassified administration report. In addition, Senator SASSER led a two-part codel, which included Senators WARNER and GLENN, to the gulf for an onscene investigation of the diplomatic and political aspects of the proposed policy. Thoughtful reports have now been developed by all three committees, as well as by both sections of Senator SASSER's investigation.

The consultative process has been a good one, except the consultations were forced by the Senate after the administration committed the Nation to a plan. I believe it is a fair conclusion to draw that the Senate, and the House as well, finds the proposed policy flawed in its most fundamental elements—the political consequences of the reflagging/convoying proposal were not thought through, and the military plan failed to take into account a prudent assessment of the risks inherent in the operation. Simply because Kuwait has proposed this plan, and simply because that country has enticed the Soviets to a limited involvement in protecting Soviet-flag tankers leased by Kuwait, does not mean that this narrow and rigid protection regime must be adopted by the United States. There are other, less visible, less provocative, mechanisms to help ensure the security and stability of Kuwait. There are other more flexible military options to come to the aid of Kuwaiti vessels in distress, options which leave us on the playing field in the gulf but without the necessity to adhere to a game plan which is completely predictable to the Iranians.

There is no obvious merit, Mr. President, in signing up to a kind of bull's eye system up and down the Persian Gulf. It is almost as if we have to prove our macho by putting a chip on our shoulder, parading up and down the waterway challenging the Iranians to knock it off our shoulder. Is that what it takes to restore American credibility in the Middle East after the Iran-Contra arms-for-hostages scandal.

Mr. President, consultation with the executive branch on a policy does not, by definition, always end up with an agreement on the part of the Senate that the policy is wise. It is not a wise policy. The risk assessment provided by the report of the Secretary of Defense was not subject to interagency review and is too sanguine. There is a dramatic dispute within the administration over the risk assessment and that has eroded the level of confidence in the administration's plan in the Senate. We were told there was no need for air cover, particularly in the northern part of the gulf. So, just two nights ago Iranian fast boats attacked a Kuwaiti ship in the northern gulf and forced it to return to port. At first, we were told that the current Middle East force was completely adequate to handle a convoying regime. Then, as a result of congressional inquiry, the size and composition of our Naval Forces dramatically changed. Now a battleship will, it is reported, be taking up station in the Gulf of Oman, just south of the Straits of Hormuz. There are unanswered questions about the details of the Silkworm threat and about the new revolutionary guard Iranian Navy, among other things.

I would draw my colleagues' attention to a report in the New York Times of Monday, to the effect that many knowledgeable senior military officers are troubled over the seemingly open-endedness of the administration's protection plan. According to this report, "few in the military took the original Kuwaiti request seriously." They were surprised when Secretary Weinberger embraced it, and believe it was his reaction, a political reaction, to the damage done our prestige by the activities of the administration in its disastrously misguided policy of secretly selling arms to the Iranians in exchange for hostages. Indeed, the report goes on to say that, according to one admiral, "It would be stretching it to say that the Joint Chiefs were in on the decision, or even asked their opinion on it." These are troubling statements, Mr. President, and they confirm the view that the administration rushed to this solution without really considering the consequences, in an effort to repair the damage to the credibility of this country which resulted from the administration's previous policy. But it appears to be piling a new bad policy on top of other bad policy. The question is—will that restore our credibility in the gulf?

There are many other aspects of the administration's initial plan which have been changed as a result of congressional activity. New rounds of diplomatic activity were initiated by the administration with the gulf states and our European allies with an interest in the gulf. But it is interesting that the result has been relatively negligible, indicating that those nations do not find great urgency in the administration's plan.

Mr. President, my colleagues have spend considerable time and energy in developing a new understanding of many aspects of the situation and the potential situation in the Persian Gulf as a result of this exercise. There has developed, in my opinion, a general consensus that a variety of other initiatives should be tried in lieu of reflagging Kuwaiti tankers, and that more flexibility ought to be exhibited in our military operations in the Persian Gulf. That is the intent of the pending resolution. I hope that it will be clear to the President that the advice offered in this resolution, the fundamental disagreement with the procedure which has been favored by the President, is offered in the spirit of developing of more thoughtful common policy around which a consensus can form. There is no question of our commitment to the Persian Gulf. That is a commitment which is long-lasting.

This country has been there, it is there, and it will remain there. Nobody says we should get out of the Persian Gulf. Nobody is saying that we should surrender our interests there and have the Soviets move in and take over. Nobody is saying that. Nobody is implying that.

But, Mr. President, there is little enthusiasm, and very real concern, over the newly conceived operation under discussion with Kuwait. We have tried, and will continue to try to build bipartisanship in forming consensus on our foreign policies; that is the only way the United States can proceed in a dangerous world. I hope that the President will accept this resolution in that spirit.

Now, several of us went down to the White House on yesterday for a bipartisan meeting of the leadership from both Houses. Mr. President, we expressed our strong support for remaining in the Persian Gulf. We recognize that we have longstanding interests in that region.

We are concerned about the territorial integrity and sovereignty of those nations in the Persian Gulf. We offered the hand of cooperation to the President, hoping that there could be some delay in the reflagging operations and convoying until such time as the U.N. Security Council has had an opportunity to meet, which the President indicated would probably be around mid-July.

The President also indicated that he was going to use his good offices in trying to press upon the U.N. Security Council to meet before mid-July.

We also expressed interest in having an international conference of exporters and importers of oil, to sit down together and see if we could develop some cooperative method for protecting shipping in the gulf, and to find ways in which to bring about a cessation of the Iran-Iraq war.

Nobody at that meeting was partisan in the presentations that were made. We came away feeling that we had fulfilled our responsibility of expressing our reservations and the reservations of the American people, whose boys and girls will have to man those escort vessels and whose lives will be in jeopardy.

We also tried to impress upon the President that it is not our expectation, practically speaking, to stop the reflagging and the convoying at this point. We could not do that in a timely fashion because the plan has already gone far forward. We were told that the implementation of convoying would begin in mid-July, so the plans are so far advanced that it would be practically impossible for us to stop those plans by mid-July.

All we asked was what we are asking in this resolution, that the plans be held in abeyance until these other activities that are being recommended can go forward and we can see what the results are therefrom.

Mr. President, I hope that Senators on both sides of the aisle will join in supporting this resolution. It is my desire and the desire of Democrats that partisanship stop at the water's edge. As was said to the President yesterday, in so many words: "Mr. President, you can begin the policy, but you are going to have to have the leadership that is on both sides of you, the Republican and Democratic leadership in both Houses and the Membership of both Houses, to continue that policy and to carry it on."

I would hope, therefore, that we would stop, look, and listen while we have time to stop, look, and listen, and before we get too deeply involved, perhaps, and very regrettably—and I hope this fear will not be fulfilled—become a participant in the Iran-Iraq war. That is something we have said we want to avoid from the beginning. Some of us are concerned that the policy that the administration has embarked upon, and seems determined to proceed upon is one which will see us slip and slide, as the House Speaker said, into active participation in that war on the side of one of the belligerants.

Mr. President, I thank all Senators for their patience, and I yield the floor.

Mr. DOLE addressed the Chair.

The **PRESIDING OFFICER.** The minority leader.

Mr. DOLE. Mr. President, as the majority leader has indicated, we did have a meeting at the White House yesterday. It was bipartisan. This amendment is not bipartisan, I might add. There is not a single Republican on it.

Following that meeting, I received a note from Mr. Carlucci, the President's National Security adviser. In that note he said:

> Thank you for your inquiry regarding the reflagging of Kuwaiti tankers. Let me state once again, as the President did this morning—

That was yesterday.

> that we will not reflag any Kuwaiti tanker before mid-July, and that there will be further consultations with Congress on this issue after the July Fourth recess.
>
> Best regards.

I read that to sort of lay the groundwork for asking: "Why are we here?" "Why are we discussing this?"

We did have a meeting. We had consultations. We wanted consultations. There is a lot of concern about reflagging. There is a lot of concern about the tactics. Everyone agrees with the policy, but we all want to manage the policies in that part of the world.

I guess we are in for a little early fireworks. The Fourth of July is coming. Why not set aside 2 or 3 hours before the recess, all the Democrats get up and fire their cannons before they go home? Fire them at the President; fire them anywhere. Somebody might be listening.

I am not surprised. In fact, I indicated before we agreed to the unanimous-consent agreement, that rumors were rife that this little ploy was going to happen. I may agree that reflagging is not the best way to go, though I am not the expert that others may be. But we did have a meeting with the

President yesterday. We have had other meetings in Senator BYRD's office, my office, and other offices, with reference to this issue. It was my view that we were in good faith trying to come to some agreement.

I indicated yesterday morning that I thought it was a done deal. Maybe that is not correct. But the point is that nothing is going to happen between now and the time we come back next week. We have been implored here, hour after hour, about the necessity of getting on with the trade bill. We have to find amendments to the trade bill. This is not an amendment to the trade bill. It is an amendment to the trade bill, but not much to do with trade.

There is a supplemental appropriation bill, which I think probably could be acted on some time today—maybe not, because this will not be acted on today. Whether or not we take up the supplemental depends on how long we are going to discuss this amendment.

I think it is clearly understood that there are a lot of people in this country, particularly farmers, who have been waiting about 60 days for the Commodity Credit Corporation proposal to be authorized. Other things are in the supplemental appropriation, and you are holding the CCC money hostage to all the other amendments—some of them with merit and some without merit. Some are the administration's; some are ours. The net result is that we need to act on the supplemental.

If the President were not consulting with us, and if there had not been a display of good faith on the part of the administration, I might have joined with the distinguished majority leader, because there is a lot of frustration about the tactics and implementation of this policy. I have made comments that we know more about tactics than the people in charge.

So we ought to decide the tactics. We ought to put it right in the resolution what our Navy can do, what our Air Force can do, what our Marines can do, what anybody can do. We will determine that right here on the Senate floor.

I am not certain that is very good policy. We ought to have a conference to protect the OPEC countries. We ought to have a conference with all the importers and exporters. We would not want to hurt OPEC. We want to have a little conference for their benefit and a few other things that I think we need to discuss at length in this amendment.

But I think it is a bit unfair when there is not any urgency. Nothing is going to happen until mid-July. The House decided not to act on such an amendment. It was only reported out by the Foreign Relations Committee yesterday or the day before. There has not been any breach of faith by the administration.

But this is an opportunity to shoot off a few firecrackers before we go home and let the American people know that we are out there—not at the water's edge—we are right in the middle of the water.

There is no bipartisanship here. There is nothing about bipartisan foreign policy at all.

This is an effort to embarrass the Reagan administration, pure and simple. And had the President not consulted with us, had the President not met with us, as I said this would be certainly justified. But it would seem to me, that coming as it does the day the recess is to begin, in the middle of a trade bill, foreclosing action on a supplemental appropriations bill which is privileged and which can be called up, in my view indicates there is nothing but partisanship involved here.

If we seek some bipartisan resolution, then we ought to seek a bipartisan resolution. We ought to consult. Mr. Carlucci indicates we will be consulting again after the recess with the President and bipartisan leadership. We ought to be deciding then if the administration has changed its policy. Have they decided to wait on reflagging? Have they decided to wait for the United Nations to take action? I must say I do not alway agree with the administration. I have certain reservations about some of the statements that I have heard in some of the briefings about reflagging or not reflagging or what our other options were.

I have not been there as some of my colleagues have been there. I have not been on the scene.

But again let me indicate that the President intends no action before mid-July. This is July 1.

We are going to be back here next week and we will be meeting again with the President and the President's representatives. If we do not have any resolution then, then perhaps there ought to be some bipartisan resolution. But nobody is going to be deceived by this resolution, this bipartisan resolution proposed by the majority leader, Senators SASSER, NUNN, GLENN, INOUYE, EXON, BIDEN, LEVIN, MOYNIHAN and KERRY. If there is a Republican in that list they have just changed parties.

There is no bipartisanship. And this is a serious matter. We are all up saying, "Oh, we agree with the policy, we are not going to surrender the Persian Gulf, we are not going to vacate it, we want the Iraq and the Iran war to end and we demand that it end right now in this resolution."

I bet they are shaking.

So I would just suggest that if it is the intent of the majority leader to keep us on this amendment, then we will be on the amendment for a long time today.

In an effort to permit people on this side, who were taken by surprise, to collect their papers and their thoughts, I suggest that absence of a quorum.

Mr. BYRD. Mr. President, will the Senator withhold that briefly?

Mr. DOLE. What?

Mr. BYRD. Will the Senator withhold that briefly so I might respond for a few moments?

Mr. DOLE. Then I will return.

Mr. BYRD. Yes.

Mr. DOLE. I reserve my right to the floor after the distinguished majority leader speaks.

Mr. BYRD. Yes.

Mr. President, I thank the distinguished minority leader.

The PRESIDING OFFICER. Without objection, the minority leader reserves the right to the floor.

Mr. BYRD. Mr. President, I will be brief. I thank the distinguished Republican leader for his courtesy.

I do want to comment on a few things that the Republican leader has said.

Mr. President, the Republican leader has referred to this effort as a "ploy" and as an effort to shoot off a few fourth of July skyrockets and fire off a few firecrackers and get some Roman candles fired and all that before the Senate goes out for a break.

This is no ploy, Mr. President.

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, this is no ploy.

This is a serious effort to call attention to what we think is the wrong approach and to call attention to the need for holding the announced plan of the administration in abeyance until other activities can be engaged in, consultations can be had, conferences can be held, Security Council action might be had so that we know in the final analysis what all our options are and so that we will be better prepared to walk together and to work together in a bipartisan policy.

The distinguished Republican leader speaks of the cosponsors of this amendment as having pulled a surprise. I asked the Republican leader today if he would join in this resolution. He was supplied with a copy of the resolution. And I told him that I intended to offer this as an amendment today but I hoped that we could join together in a freestanding resolution, therefore, not have it as an amendment on the trade bill.

I said I would like to do it reasonably early today.

So, the Republican leader knew that I intended to offer this as an amendment. I asked the distinguished Republican leader if he would join as a cosponsor and also if we might be able to offer it as a freestanding resolution. The Republican leader chose not to be a cosponsor of it.

I find no fault with that. But this is not wholly such a surprise action on the part of the majority leader as one might believe, having heard the Republican leader.

Mr. President, the Republican leader spoke also as to how this majority leader has implored hour after hour to get on with the trade bill and, of course, that is true.

But I have not seen any great hurry on the other side of the aisle to move that trade bill. We all know this administration does not want a trade bill. We saw that for 6 years when we Democrats were in the minority, and now that the Democrats are in the majority the administration knows it is going to get a trade bill.

Yes, I have stood on this floor hour after hour and implored my colleagues to offer their amendments and to very little avail in fact. There has been no great rush to accede to my request or heed my importunings.

So, this bill is going over to next week. I established that before I offered this amendment. Nobody wants to call up an amendment on 201. The Senator from Indiana did not want to go forward last night on the plant closings.

There has been no great rush by anybody to listen to the imploring by the majority leader that we get on with the trade bill. The distinguished manager of the bill sought likewise to get on with the bill.

Mr. President, the distinguished Republican leader says this is an effort to embarrass the Reagan administration. Mr. President, the Reagan administration embarrassed itself. The Reagan administration shot itself in the foot and severely damaged the credibility not only of the administration and of this President but also of this Nation. It was not just the administration that was embarrassed. It was the Nation that was embarrassed in the eyes of our collegial nations around the world, our allies.

The effort here is to try to keep this Nation from not only being further embarrassed and its credibility further damaged, but also from getting involved as a participating belligerent in the Iran-Iraqi war. That is what is at stake here. So much for embarrassing the Reagan administration.

Mr. President, I hope the Republicans will support this resolution. This resolution does not charge anybody with breach of faith. The distinguished Republican leader uses the term "breach of faith." I have not made any charge of a breach of faith.

I do not think there is any verbiage in this amendment that makes such a charge. So much for that.

I respect the distinguished Republican leader and I thank him for his courtesy in yielding to me. That is all I have to say at the moment.

Mr. SYMMS. Will the majority leader yield?

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas has the floor.

Mr. DOLE. Mr. President, I am just going to comment briefly.

Again, I do not want to get in a quarrel with the majority leader, because I know he has got more to do than he can get done. The job never ends, but I would not mind having it back. [Laughter.]

In any event, that is not going to happen today any more than this resolution is going to pass.

I want to just make another point or two. I do not know how you can say there has not been an effort—maybe embarrass is not the right word—but to try to have it both ways, to get up and say we agree with the policy, but it is not being done right. You can't just sit on the sideline and say whatever happens, happens: not take any responsibility, not make any hard decisions, and just criticize later. Just say whatever decision is made is wrong and we ought to have a conference. Just say the President is wrong. We do not have any option. We agree with the policy and if something goes wrong, why, then, we did not do it and we are not to blame.

There have been a lot of statements made that we should not undercut the President. If this does not undercut the President, then I have missed something in the time I have been here. Something is missing, if anyone suggests that this is not a direct effort to undercut the President, a partisan effort, to undercut the President.

There are problems with the current text. This is not an evenhanded resolution, to use that term of the day. It bends over backward to suggest that Iran bears no more blame than anyone else for what is going on in the gulf. And that is hogwash. Iran is the problem, at least the biggest part of the problem, and any resolution that makes any sense would say so.

The majority leader is right. He indicated to me he was going to bring up an amendment. He said he would like to have me join as a cosponsor. In fact, he told me that last evening. So I contacted the White House, as I have a responsibility to do as the Republican leader.

We tried to work out a text and did work out a text that would, in fact, say: OK, the policy is all right, but there ought to be more consultations with Congress, because a lot of us have concerns. Not all of the concerns are on one side of the aisle in this particular case. And we submitted that to majority staff, and we understood it was rejected out of hand.

I ask unanimous consent that following my remarks a copy of the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOLE. Notwithstanding the statement of bipartisanship, there is no way we can amend this resolution. The majority leader has filled up the tree so that we cannot even make it bipartisan. There is no way to amend it. That is another indication that probably it was not designed to be bipartisan.

So I guess we just disagree. I am not certain we do disagree as much as it may be perceived, because I have indicated there have been some differences of opinion about the policy. But we are coming back next week. Nothing will happen until mid-July. This is July 1. There is not a good reason we are doing this now that I can tell. It is not going to have any impact on anything.

Mr. SYMMS. Will the Senator yield for a question?

Mr. DOLE. Just for a question. I want to put in a quorum.

Mr. SYMMS. Mr. President, I just wanted to say to the minority leader and the majority leader, if I could have his attention, that Senator NICKLES has been here on the floor for quite a lengthy time—I was wondering if the leader were aware of that—trying to offer an amendment that was pertinent to the trade bill. Would that not be in the best interest of the Senate and the country? If we are to have a resolution on this, and it should be a bipartisan resolution, I would only offer, if the majority leader would be inclined to do so, if he would be interested, he could take down his amendment, work it out with the minority leader, get a bipartisan amendment, and Senator NICKLES and I are ready to proceed with our amendment. It is pertinent to the trade bill.

Mr. DOLE. I think that might be a good suggestion. I have a feeling some may want to speak first, but I would certainly be willing to do that.

I guess the point I would make is that, as I have read before in the Carlucci note that I received yesterday, if we had been stiffed by the administration, then I think this resolution would certainly be, or something like it, appropriate. Maybe I would word it differently. But spanking the administration is not without precedent. Speaking our minds in the Congress is not without precedent. We ought to do it.

But, normally, if it is going to be effective, it ought to be bipartisan, and there ought to be a reason for it, and it ought to be timely. In my view, this is not particularly timely. We are being consulted with.

It would seem to me that there were some very good statements made yesterday at the meeting with the President. The distinguished majority leader made one. The Speaker made one. The distinguished Member from Washington and my good friend Tom Foley made a statement. The distinguished chairman of the Foreign Relations Committee, Senator Pell, made a statement. There were a number of good statements made, that I think may have had an impact on the thinking of the administration officials who were there—the Secretary of State, the chairman of the Joint Chiefs of Staff, the Secretary of Defense, as well as the President, the Vice President, and a number of others.

So I think my only quarrel, in addition to the language itself, is that it is premature. With the House indicating they would not act until after the Fourth of July recess—and we are not bound by what the House does—apparently there is a recognition there that we had some time when we return.

Exhibit 1

Concurrent Resolution

Expressing the sense of the Congress with respect to the protection by the United States of reflagged Kuwaiti tankers in the Persian Gulf, and for other purposes.

Whereas the United States has a vital strategic interest in the export of oil from the Persian Gulf region;

Whereas the United States has long-term important strategic and geopolitical interests in the Persian Gulf region, including the security and stability of the states in the region, the pursuit of which requires the freedom of navigation in the Persian Gulf and adjacent waters and the prevention of hegemony in the region by Iran;

Whereas the continuation of the Iran-Iraq war constitutes a grave threat to these interests;

Whereas the expansion of the Iran-Iraq war threatens the territorial integrity and sovereignty of the Persian Gulf states, and, in particular, the pattern of intimidation practiced against noncombatant states, especially recent attacks by Iran to intimidate Kuwait, has raised serious and legitimate concerns;

Whereas the President has proposed the protection, through the use of convoy escorts by United States Navy ships, of Kuwaiti-owned tankers fully reregistered as U.S. vessels.

Whereas the Congress has examined the rationale for this proposal and the specific manner in which it would be implemented, including a careful review of the report entitled "Report On Security Arrangements in the Persian Gulf", which report was submitted by the Secretary of Defense to the Congress at its request. Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) The Administration should continue to assess the threat of terrorist attacks, mine warfare detection and defense, and the need for any required facilities for land-based aircraft which may arise from the reflagging exercise;

(2) the United States should seek a settlement of the Iran-Iraq war through all diplomatic means;

(3) the United States should pursue, through the United Nations Security Council and other international diplomatic channels, efforts—

(A) to effect mandatory sanctions against any combatant state which fails to cooperate in the establishment of a negotiated cease-fire and withdrawal; and

(B) to promote a moratorium by Iran and Iraq on attacks against nonbelligerent shipping in the Persian Gulf, as part of a comprehensive approach to ending the war;

(4) the United States should deploy such naval forces in, or proximate to, the Persian Gulf as may be necessary to protect the right of free transit through international straits, and should work closely with our allies and friends in Europe, Japan and in the Persian Gulf, to reestablish stability, security, and peace in the region;

(5) in implementing the policy described in clauses (1) through (3), the President should take such steps as he deems necessary to achieve the cooperation of interested parties, particularly naval powers among the major importers of Persian Gulf oil and the nations of the Gulf Cooperation Council;

(6) the President should consult further with Congress before taking additional concrete steps, including implementing the reflagging of Kuwaiti vessels;

(7) the United States should preserve its military flexibility in the Persian Gulf, and should not commit itself exclusively to any protection regime, until exploring further cooperative efforts, involving other naval powers and the regional states, to ensure the free transit of oil.

Sec. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

Mr. DOLE. Mr. President, so that I might permit a couple of people who want to be here to arrive, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERRY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. SYMMS. Objection.

Mr. DOLE. Objection.

The PRESIDING OFFICER. Objection is heard.

The clerk will call the roll.

The legislative clerk resumed the call of the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. SYMMS. Objection.

The PRESIDING OFFICER (Mr. Adams). Objection is heard. The clerk will continue to call the roll.

The legislative clerk resumed the call of the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that the time for debate on the pending amendment be limited to 30 minutes today, to be equally divided between the distinguished Senator from North Carolina [Mr. Helms] and the distinguished Senator from Virginia [Mr. Warner] on one side, and myself and my designee [Mr. Pell] on the other side and that at the conclusion of 30 minutes the conference report on the supplemental appropriations bill be laid before the Senate.

What this would mean, Mr. President, is that the 30 minutes would be for debate and once that 30 minutes has lapsed the Chair would automatically lay before the Senate, under the request, if it is granted, the supplemental appropriations bill conference report.

There is a time limitation on that conference report. I assume that would require a couple of hours, or a little more, perhaps, including rollcall votes.

Mr. Hatfield advises that if all time is used in the agreement it would require about 4 hours or a little more, not counting the time required for rollcall votes.

It would seem to me that the Senate would not be coming back to this amendment today. If there is a disposition following the conference report—and we will have to wait to see what the House will do—to go back on the trade bill, I would certainly be agreeable to that, and to decide the pending amendment at that time. But there may be other amendments that we can proceed with until we hear from the House as to what action will be taken on the conference report.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I am not going to object, but I would like to get the floor for 5 minutes. At this time I am chairing a committee which is in session.

Mr. BYRD. Mr. President, I ask unanimous consent that we may have 20 minutes on this side and yield 5 minutes to Mr. Kennedy of the 20 minutes on this side on another matter. He can take his 5 minutes when he wishes.

The PRESIDING OFFICER. Is there objection?

The Chair hears none. Without objection, it is so ordered.

It is the understanding of the Chair that there is 15 minutes to the majority and 15 minutes to the minority, plus 5 minutes to the Senator from Massachusetts for a matter of his choosing, thereafter the time to be divided equally and controlled by Mr. Helms of North Carolina and Mr. Warner of Virginia for the minority and Mr. Pell of Rhode Island for the majority. That is the Chair's understanding of the unanimous-consent request. Thereafter, there will be laid before the Senate immediately the supplemental appropriations bill, which will then be subject to debate and further proceedings. It is the understanding of the Chair that there has been no time agreement as yet on the supplemental appropriations.

There is a time agreement on the supplemental appropriations but by that the Chair means there was not a fixed hour but there were time agreements and limitations on specific amendments and on the total bill to be debated.

Is there objection? If not, then it is so ordered. The Senator from Massachusetts is recognized for 5 minutes.

Mr. KENNEDY. I thank the Chair and the majority leader.

(The remarks of Mr. KENNEDY are printed later in the RECORD.)

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Rhode Island.

AMENDMENT NO. 368

Mr. PELL. Mr. President, first I would like to congratulate the majority leader on the amendment he has laid down. It is not a question of undercutting our President. We only have one President, I would agree. He is our President. But it reminds me of the phrase of Carl Schurz of some years ago when he said, "our country, right or wrong. When right, to be kept right; when wrong, to be put right." And when we see the country going in the wrong direction, we have an obligation just as heavy and deep as the President's to try to get the ship of state, our ship of state, our country on the right course. Yesterday at the White House, at the so-called leadership meeting, I was struck by the fact that not one congressional Republican spoke, spoke in favor of flagging and every congressional Democrat who spoke against the policy of flagging.

I think the viewpoint of the public at large, the Senate, and certainly of the Foreign Relations Committee was clear yesterday when an amendment sponsored by Senator MURKOWSKI and myself, a bipartisan measure, passed the Foreign Relations Committee by a vote of 11 to 8, and this amendment without any qualifying clauses, sense of the Senate, mandated that for 12 months there would be no flagging of vessels in the Persian Gulf.

Mr. JOHNSTON. Will the Senator yield?

Mr. PELL. Certainly.

Mr. JOHNSTON. I notice on page 3, paragraph 3, the resolution states that "the United States should deploy such naval forces in or proximate to the Persian Gulf as may be necessary to protect the right of free transit through the Strait of Hormuz." The operative words are that we should deploy naval forces to protect free transit. Now, my question is, is that not a greater undertaking, if followed, than that proposed by the administration because the administration says in effect protect the right of free transit only for those limited number of ships which have the American flag, whereas this seems to say deploy the naval forces to protect all ships and all right of passage. Am I reading that correctly?

Mr. PELL. The Senator is right that it would have a greater responsibility. What we are objecting to particularly is the flagging. One peculiarity of the flagging operation is it means that American-owned ships that are flying a flag of convenience from Honduras, Liberia, or Panama do not get protected but Kuwaiti ships flying old Stars and Stripes as the flag of convenience do get protection. My view is all the ships should be protected or not protected, but certainly any priority should go to American-owned ships, not Kuwaiti-owned ships.

Mr. JOHNSTON. The Senator is saying in effect that the policy of the administration does not go far enough and obversely the policy of the administration would be safer than this or this would be more dangerous than that, in that it calls for a greater undertaking. Am I not correct?

Mr. KERRY. Will the distinguished Senator from Rhode Island yield for a minute?

Mr. PELL. Yes, for a minute.

Mr. KERRY. If I can address the question of the Senator from Louisiana, I think the distinction is severalfold. First of all, in this resolution there is no offer that the United States will enter the waters of Kuwait. There is a statement that there would be an enforcement under international law as we are currently enforcing and ought to enforce it of the right of transit in international waters. And in international waters we have an obligation today and ought to have an obligation to jointly protect the freedom of navigation, upholding a longstanding principle for which we have always fought. The distinction, however, is this administration is singling out one nation, reflagging the ships of that nation, requiring us to enter the waters of that country in a way that actually tilts us against one of the participants in the war and therefore draws us into the conflict. And there is a very real distinction.

Mr. PELL. We are on limited time so I would like to finish my statement if I could.

Mr. JOHNSTON. I thank the Senator for yielding.

Mr. PELL. What I am talking about here primarily is the reflagging. Reflagging is needlessly provocative. It is an exaggerated response to an exaggerated threat. Less than 1 percent of the ships going through the gulf have been attacked—less than 1 percent in the period of 6 years. About 40,000 vessels have traversed the gulf, of which 314 have been attacked. And so to my mind the risk exceeds the benefits from it and I would very much hope that the amendment pass.

I now yield to the Senator from Tennessee 5 minutes.

Mr. SASSER. I thank the distinguished chairman of the Foreign Relations Committee.

Mr. President, the amendment we are offering today is a resolution expressing the sense of Congress that the reflagging of the Kuwaiti tankers and granting them the protection of the United States Navy is unwise, is unnecessary, and is unsound, and, at the very least, that it be delayed until there have been additional consultations with our allies and until it is demonstrated that there is no alternative to reflagging.

Shortly after the *Stark* tragedy, I journeyed to the Persian Gulf at the request of the majority leader. While there, I met with four members of the senior leadership of the Government of Kuwait. During my conversations with them, it became very clear that they were seeking to orchestrate the foreign policy of the United States by playing to our weakness. They were successfully manipulating the United States into a more active role in the Iran-Iraq war.

Make no mistake about it: This whole business of reflagging and the whole business of escorting has nothing to do with oil coming out of the Persian Gulf. The oil is coming out of the gulf. There has been only one tanker lost there since 1984. Only $10 million worth of damage has been done to Kuwaiti tankers of the past year, and this is a country in which the leaders' individual net worth exceeds $30 billion.

This should be clear, also, Mr. President: No one is suggesting that the United States' presence in the Persian Gulf should be diminished. Indeed, we do have an obligation to maintain a substantial naval presence there; and I, along with many of my colleagues, would support an increase in United States naval strength in the Persian Gulf. But I submit that this whole scheme of United States flags being flown on Kuwaiti tankers is simply a ploy on the part of the Kuwaitis, carefully crafted, to pull the United States more effectively into the Persian Gulf war. They know that what they must do to draw us into this ploy is to first make an advance to the Soviet Union. This was done. They arranged to lease three Soviet tankers for a period of 1 year.

Thereafter, the administration rose to the bait and, without proper consultation, without a complete intelligence analysis, without a clearly defined, well-thought-out policy, we committed ourselves to protecting oil tankers of the country of Kuwait and agreed to put the American flag on these Kuwaiti ships.

After some reconsideration, it appears that the administration is now digging in its heels. Despite the deep concerns and reservations on both sides of the aisle in this body, the administration is going to start escorting these Kuwaiti tankers in just 2 weeks. That is why the Senate must go on record as opposing this unwise and unnecessary action.

If the administration goes forward with this program of reflagging tankers, any other country with a particular agenda will start playing their Soviet cards in order to manipulate the United States. That is one of the risks the administration takes in going forward and taking the bait that the Kuwaiti leaders have so skillfully laid out. It invites every other country in the world to start doing it, and particularly every Third World leader to think: Well, if the United States can be led around so easily by a tiny country like Kuwait, maybe we should bring in the United States on our own policies.

Mr. President, this is an effort on the part of the Kuwaits to bring us into the Persian Gulf war.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mr. HATFIELD. Mr. President, will the Senator from North Carolina or the Senator from Virginia yield me 5 minutes?

Mr. HELMS. I am delighted to yield 5 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. HATFIELD. Mr. President, I appreciate the opportunity to say a few words, because I, too, have deep concern about our policy in the Persian Gulf.

But Mr. President, there is another issue here and I think we ought to face up to it. The Senate oftentimes goes through a lot of motion, a lot of charade, without really doing anything. This resolution is just such an empty gesture.

It may look like the Senate is demonstrating some great courage, but this resolution actually demands little or nothing. Read the language of the resolution:

It is pure dishwater.

The Senate Foreign Relations Committee has done something meaningful. Yesterday, it passed two resolutions, both with teeth, both with meaning. In fact, it passed a bill I originally introduced—it passed an amendment to invoke the war powers resolution if the reflagging arrangement is implemented.

Mr. President, Congress went through the whole resume of history, of war powers, and Presidential wars more than 10 years ago. After a lot of work and a lot of deliberation, we established a procedure, a very clear procedure, that made Congress as accountable as the White House in matters of war. Mr. President, we created the war powers resolution. Why do we not make war powers the issue?

Instead, we have one of those sense-of-the-Senate resolutions, and it shirks our responsibility. This is hands-off foreign policy.

Mr. President, I have not waited until now to offer some suggestions which could make this resolution meaningful. I tried all day long to work with the sponsors of this amendment to adopt some kind of meaningful language. I could not make any headway, and now we have a perfecting amendment that cuts off any attempt at making this meaningful.

Let no one on either side of the aisle believe that the Senate of the United States is communicating to the world or to the American people or to the White House that we believe this policy should be put on hold. We are not demanding delay; we are running away.

Mr. President, we are washing our hands of this policy with a lot of rhetoric, a lot of words that really are not worth the paper on which they are written.

Let us not kid ourselves. Let us not try to fool ourselves, let alone the public. If we really want to put this administration to the test on this policy, let's do it. If we want a delay, let's legislate a delay. But this charade will lead us only closer to disaster.

Above all else, we ought to demand compliance with the war powers resolution. Let the clocks start ticking. Over 300 ships have been attacked. The Persian Gulf is a war zone for all intents and purposes, and we are in the middle of it. Let us start the war powers clock, if, that is, we have the guts to do it. The truth is that we do not want to take that position. We do not want accountability; we just want to be able to criticize.

I am sorry I cannot support this resolution. I wish I could join in the effort, but to me this is one of those charades we go through to make us feel good without doing anything. All kinds of signals of action are there, but when you read the fine print, the resolution says and does nothing.

Let us go back to the Senate Foreign Relations Committee. Its members have said something. They have said it on two different vehicles. I commend them, and I suggest we follow their lead.

But this is pure laissez-faire. We are washing our hands. Of course we can criticize the President later on if the policy does not work out, but that is all this resolution does.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Rhode Island has 4 minutes and 14 seconds remaining.

Mr. PELL. Mr. President, I promised earlier Senator KERRY 3 minutes and Senator GLENN 1 minute.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 3 minutes.

Mr. KERRY. Thank you, Mr. President.

Mr. President, I have enormous respect for the Senator from Oregon. I have worked with him on a number of issues. But I do disagree with him with respect to his position on this issue.

I am a member of the Senate Foreign Relations Committee as is the Chair. I worked not only to get out something that would be meaningful, that we could act on out of committee but it became clear that there were members of the committee who were not going to allow that to come to the floor.

This is the first time that the U.S. Senate, known as the world's greatest deliberative body, is talking on the floor, engaged in meaningful debate on a subject of utmost importance to the people of this country and indeed to the world. This is the first time and we have a half hour.

Now, I do not think that it is meaningless for the U.S. Senate to consider on the floor before the American people whether or not we are going to choose a policy or permit this administration to continue to go down a road which they clearly have said they intend to that could put us into that position.

Now, I hear countless colleagues frustrated saying what are we going to do, we are in a box, the President has put us in a box, the credibility of this Presidency is on the line, do not pull out the credibility from underneath the President.

That is an invitation to do nothing. If we are stuck waiting for this administration to act, after all that we have seen in their unwillingness to act, we are stuck with this policy.

I believe that it is our responsibility in this Senate to send a message. That is not meaningless in this resolution, if we say the U.S. Senate says hold the reflagging in abeyance. If that is meaningless, then we should not pass anything in the U.S. Senate.

Now, I refuse to believe that this Senate does not have the ability to say to the President of the United States that this is a bad policy and that we ought to look for alternatives before it is too late to look for alternatives.

You do not ask the Senate or the country to ratify bad policy to uphold the credibility of a President who has made bad judgment. That is senseless, and that is precisely what we are being asked to do.

Not one of the reasons that we have been given—freedom of navigation, freedom of flow of oil, the lack of Soviet influence—not one of those stands up to scrutiny. The oil has not been stopped.

Iraq is the country that has commenced the tanker war. Iraq is the country that has had two to one the number of attacks over Iran. And yet here we are responding only to the Iranian attacks and somehow pretending that by flagging the freighters that belong to an ally of Iraq, we are not going to be tilting toward one of the combatants in the region.

I just think that is wrong, Mr. President, and it is clear to me that we need to speak out and there is an important need to do it.

Mr. President, for the past week, considerable time, effort, and study has been devoted to assessing the administration's proposal to reflag 11 Kuwaiti oil tankers.

During this period of time, Congress has attempted to obtain some very critical answers to very serious questions associated with this initiative. The answers have not been forthcoming. And far from easing legitimate congressional concerns that all other possible options be explored thoroughly, the rhetoric and intransigence of the administration has served only to heighten these concerns.

The simple fact of the matter is that we are not pursuing a coherent or intelligent policy in the Persian Gulf.

The simple fact of the matter is that we are paying the price for the incredible blunder this administration made in its covert arms sales to Iran.

The simple fact of the matter is that the administration is on the verge of compounding an earlier blunder with an equally egregious blunder. The difference this time around is that the administration wants the Congress to rubber-stamp this folly.

Mr. President, the simple fact of the matter is that we should not be forced to ratify bad policy to uphold the credibility of bad judgment. That is why we were elected to our positions of trust by our constituents.

In simple terms, the administration's reflagging proposal gives substance to that old adage that "fools rush in where wise men fear to tread."

The most cogent and sobering analysis of the reflagging proposal that I have read is the report submitted to the distinguished majority leader by the distinguished chairman of the Senate Armed Services Committee, SAM NUNN. I would think the chairman's report would be must reading for all in this body who are seriously attempting to evaluate the short- and long-term consequences of the administration's proposal.

We have heard arguments from those who support, without question, the reflagging proposal, that we have responsibilities as a superpower. We are told these responsibilities oftentimes require, if not demand, unilateral action on our part, particularly in the deployment of our military assets.

Yet, there is not anyone in this body who understands the responsibilities and role of a superpower better than Senator NUNN. Nor has there been any Senator, Democrat or Republican, who has contributed more to maintaining our superpower status and military posture in the world than the distinguished chairman of the Armed Services Committee. That is why his analysis is so important, because it is very clear from his views that being a superpower does not require that we also be stupid power.

Mr. President, ever since the Iran-Iraq war erupted in 1980, it has been the policy of the United States to exercise strict neutrality in this conflict. Our policy had been clear and coherent. There should be a negotiated solution to the conflict. There should not be a victor.

As long as Iran enjoyed such an overwhelming advantage in the conduct of the land war, our policymakers realized the ayatollah would not have any incentive to negotiate an end to the war. Supposedly, this was the reason for the administration launching "Operation Staunch" to prevent arms from going to Iran.

Yet, it was this administration which undermined a sound policy when it engaged in its arms for hostage deal with what the President himself had depicted as "the world's leading terrorist nation."

First, we had the tilt toward Iran, with unsettling consequences for our friends in the Persian Gulf. Now we have the tilt toward Iraq. It is small wonder that our allies are so unwilling to risk their credibility by joining us in an endeavor that has no sound policy basis. Which way will we zig tomorrow? Which way will we zag the day after?

Nobody is arguing that we don't have vital interests in the Persian Gulf. We do.

Nobody is arguing that we should abandon the Persian Gulf. We have not and we won't. We should not and we will not.

If we back down from an ill-conceived commitment to reflag Kuwaiti tankers and provide United States Navy escort for these tankers, will the Iranians have succeeded in driving us from the gulf? Hardly, since we already maintain a sizeable military presence both in the gulf and in the region itself. That is a specious argument.

The issue is not whether the United States will continue to exercise a significant military presence in that part of the world. The issue is whether that military presence is utilized intelligently.

The administration has focused on five areas to justify its proposal.

First, they say we need to ensure the free flow of oil to protect the world supply.

Second, we are defending the principle of freedom of navigation.

Third, we need to limit the Soviet presence and influence in the Persian Gulf.

Fourth, we need to demonstrate we will not tolerate Iranian intimidation of Iraq's moderate Arab supporters.

Fifth, we need to reestablish United States credibility in the Arab world after the covert sale of arms to Iran. Those are the reasons they assert for their reflagging.

Yet, reality, as is often the case, paints a much different picture.

First, there has not been any appreciable diminution in the amount of oil coming out of the Persian Gulf. We know that only 1 percent of the tanker traffic in the gulf has been disrupted and 70 percent of this 1 percent has resulted from Iraqi attacks on tankers carrying Iranian oil.

Second, the administration's proposal would have us defending only freedom of navigation for Kuwaiti tankers and not for tankers of the various nations carrying Iranian oil—including those of NATO allies such as Greece and Turkey.

Third, for political, economical and religious reasons, the ability of the Soviets to exercise greater influence in the Persian Gulf is limited. Sale of arms gave them influence.

Fourth, Kuwaiti tankers have been targeted by Iran in retaliation for Iraqi attacks on tankers of any flag carrying Iranian oil.

Fifth, the administration is proposing a policy which is not sustainable to begin with, thereby increasing the likelihood that U.S. credibility will be damaged even further. That is the predictable outcome of any ill-conceived policy.

It is not a coincidence that immediately after the news of administration's clandestine arms sales to Iran broke in November, the Kuwaitis turned to Moscow for protection of their tankers in the Persian Gulf. At least the Soviets had the good sense to provide three Soviet tankers to carry Kuwaiti oil out of the Persian Gulf, rather than enter into a reflagging agreement.

We have been told, that the original Kuwaiti proposal was for five of their tankers to be reflagged under the Soviet flag, and six to be reflagged under the U.S. flag. But apparently that was just too much for this administration to swallow. Not only did we not pursue other options, we jumped right in and said no—we will reflag your 11 tankers under the American flag.

The Kuwaits very skillfully capitalized on the Iranian arms sale blunder to get us into making an equally foolish commitment.

Mr. President, I was struck by an article which appeared in the June 29, 1987, edition of the New York Times detailing how senior U.S. military officers are troubled by the administration's plan.

According to the Times article:

> * * * many admirals and generals in and out of Washington admit misgivings about the Administration's re-flagging policy because they do not know how long it will take nor where it will lead. More than a dozen senior officers spoke of their concerns on the condition they not be identified.

The article noted that the United States had officially taken a neutral position and uphold the principle of freedom of navigation with a small but representative force of warships in the gulf. An admiral said, "This official policy of neutrality was undone by the Iran-Contra affair and now by the reflagging scheme."

The admiral was quoted further as stating:

> By reflagging the Kuwaiti ships the United States has placed itself on the side of Iraq. This may mend fences with the gulf state Arabs, but it is apt to create the very confrontation which for years we sought to avoid in the region.

Everyone, even the administration, expects Iranian retaliation for this policy, whether it will take the form of direct attacks on U.S. naval vessels, or terrorist attacks against American targets.

As the Times article pointed out:

> The danger of escalation as the result of a hostile Iranian act either at sea or ashore also concerns the senior military leadership.
>
> What are the second and third order of effects if Khomeini attacks our forces and we strike back? a general said. The danger of an initial violent confrontation with Iran may have been recognized in the White House, he said, but he wondered how much thought had been given to where a repetitious and every-increasing spiral of violence would lead.

Those are the very concerns that many of us share. We have asked the same question and have not obtained any answers as to where all this could lead us eventually.

We say we support a resolution of the Iran-Iraq war in which there is not a victor. We deplore attacks by any nation on tankers and ships carrying noncontraband cargo in the gulf. Yet, while raising the spector of Iranian attacks on Kuwaiti tankers, we remain silent on Iraqi attacks on neutral shipping carrying Iranian oil.

In 1982, we undertook a misison in Lebanon as part of a neutral, multilateral peacekeeping force to escort PLO fighting forces from Lebanon. We entered Lebanon as a neutral force. However, the mission of these forces changed. We were told by the administration that we were remaining in Lebanon to assist the Gemayel government in its efforts to exercise complete control over great Beirut.

At that point, we ceased being a neutral, peacekeeping force. We became the supporter of one party to an internal conflict. As a consequence, 241 U.S. Marines lost their lives because a President—an administration—had decided to change the mission in Lebanon. Ultimately, the President withdrew from Lebanon, our credibility damaged severely because a determination had been made to side with a government embroiled in a civil war.

This time, there is not any pretense. We have forgone any position of neutrality, in becoming a willing ally of one of Iraq's key supporters in the Persian Gulf war—Kuwait.

The PRESIDING OFFICER. Who yields time?

The Senator from Virginia.

Mr. WARNER. Mr. President, I yield such time as I may require.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I look back on the manner in which the Senate has dealt with this issue and I commend the leadership, both the majority and the minority leader, for the manner in which they in a very bipartisan spirit first designated the Senator from Tennessee, the Senator from Ohio, and myself to go out and do an inspection of this area and talk to the leaders in that area, and on our return at each time the majority leader and the minority leader came and received those reports, studied them, and we did not seek a lot of publicity. We slowly built up a body of fact, a body of opinion to share it with our colleagues.

Likewise, now the American public is beginning to study this very serious situation because the bottom line is the potential loss of life of American service personnel. There are indeed strategic considerations and economic considerations, but the bottom line is that we may be putting people in harm's way for very valid reasons.

Now our President has made a decision. It seems to me that the Senate can be far more effective in working with the President if we do so on a continuing bipartisan approach and not to put our signatures, our votes behind a rather narrowly drawn resolution premature in many ways because, as I say, the public is working in their study program as are many of the Members of this body continuing to study and analyze this.

Further, Mr. President, the distinguished Senator from Ohio and the Senator from Tennessee I think would agree with me that the Gulf States are watching every move. Indeed that whole area of the world is watching every move this Nation makes and, although this resolution is drawn as we say in nonbinding terms, it could well be totally misunderstood once that message passes across the ocean to that part of the world and the headlines would read the Congress challenges the President, the Congress disagrees with the President and the Senate of the United States, which has a special responsibility as a body in the area of foreign policy, would then go on record not in a bipartisan way but in a partisan way and that message could well be misinterpreted.

This is a very fluid situation, with a number of dynamics. Each morning we awaken to find a different set of facts, and I think that this body can have its most constructive role in helping America, in guiding a President if we do not go on record today with this narrowly drawn resolution.

Mr. President, our colleague from Louisiana sought recognition for a minute or two.

Mr. JOHNSTON. Mr. President, I will wait until next week.

Mr. WARNER. Fine.

The PRESIDING OFFICER. The Senator from Ohio has been yielded time by the Senator from Rhode Island, I believe the remainder of the time; is that correct?

Mr. PELL. I would ask whether the minority could give us a couple minutes off their time.

Mr. WARNER. I am not at liberty to do that.

Mr. PELL. Senator Dole indicated he would.

Mr. HELMS. That is fair; 2 minutes on each side additional?

Mr. PELL. No; we are hoping to have 2 minutes from the Senator's side.

Mr. HELMS. No I am sorry about that.

Mr. PELL. I yield 1 minute.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. I am sorry. Around here you can hardly say "Hello" in 1 minute. I will do my best.

I say the Senator from Oregon asked a question. He said this has no meaning. I disagree with that.

I think asking to be held in abeyance this decision the President has made is quite justified and for some of the same reasons the distinguished Senator from Oregon mentioned. We would like to see this in the Senate under the War Powers Act. How can we say it does not apply to the War Powers Act when 37 Americans have already given their lives and I say along with him the War Powers Act should apply here if we are going to keep ships in that area. I agree with keeping ships in that area myself.

The distinguished minority leader said the Democratic side was firing partisan cannons prior to the Fourth of July. I say the cannons have already gone off. What we are trying to do is take some action here that may preclude additional lives being lost in that area.

The question is policy. What is our policy in that area, if any, I would submit. The urgency about going ahead now is that the tactics are going ahead during this Fourth of July break and I do not view this as a partisan issue.

The President has not consulted the Congress on this. Administration officials I talked to personally are against the flagging, but they are carrying out the Reagan policy and the problem with no flagging to mid-July is that the tactics are still going ahead.

The President told leaders yesterday the United States must be determined that there are a number of questions regarding flagging we would like to see answered.

I will save the remainder of my remarks for a time after the break when we do have more time.

The **PRESIDING OFFICER**. The time of the Senator has expired.

The Senator from Virginia has 6 minutes 44 seconds.

The Senator from North Carolina.

Mr. **HELMS**. Mr. President, I thank you very much.

To get the perspective on what we are talking about here, may I ask the Chair to state for the RECORD the pending business?

The **PRESIDING OFFICER**. The pending business is the amendment by the Senator from West Virginia, the majority leader, amendment No. 368. Its purpose is to express the sense of the Congress with respect to——

Mr. **HELMS**. If I may interrupt the Chair, I apologize, but is it not a perfecting amendment to the Moynihan amendment?

The **PRESIDING OFFICER**. The Senator is correct.

Mr. **HELMS**. I thank the Chair.

Mr. President, it is so patently obvious what is going on here this afternoon. One needs a program to tell who the players are and what the player's position is at any given moment. They change every hour, on the hour. But we know the name of the game. It is "Bash Reagan." Hit the President, kick him, come down from behind that tree and shoot the wounded.

Now, as the distinguished Senator from Oregon, Mr. HATFIELD, said a few minutes ago, it is perfectly apparent that this is a charade. Maybe it will catch the headlines tomorrow morning in the Washington Post, and Dan Rather will have it this evening on the evening news, but it is without substance. I say again, the name of this game is "Bash Reagan."

I have here a page from the CONGRESSIONAL RECORD of May 28. It is quite revealing. As the Chair has just stated the underlying amendment was submitted by the distinguished Senator from New York [Mr. MOYNIHAN], and the able majority leader offered a perfecting amendment to that. The latter is now pending.

Mr. President, on May 28, there was a discussion on the Senate floor between the two Senators from New York. Mr. MOYNIHAN, an able Senator and a friend of mine, made this statement, in part. He said:

> Mr. President, if we wish the Persian Gulf to become a Soviet lake, that fact of geopolitics, that irreversible fact of geopolitics, is upon us at this hour.

Senator MOYNIHAN's statement on May 28, was exactly right. It is correct today. But today he has offered an amendment, to which the majority leader offers a perfecting amendment, knowing that it is going nowhere. On this Wednesday afternoon, when the Senate is scheduled to recess for the Independence Day holiday, this "Bash Reagan" charade comes over the horizon. It has come up, and it will be pulled down. Then we will have the supplemental appropriations conference report before us and presumably we will then go home.

So this is purely headline material and TV newscast material and nothing else. It is a "Bash Ronald Reagan" exercise.

One Senator just now spoke of what he called bad policy in the Persian Gulf. Well, I am not totally thrilled about it either, but there is no "good" option available. There are risks, profound risks, no matter what is done or not done. In any event, I have not heard one suggestion from any of the President's critics as to what is good policy. Nobody says anything about that.

We hear all these critiques, but there is only one man under the Constitution who has the responsibility for foreign policy, and that is the President of the United States. The Congress carps and complains, and hamstrings and obstructs in Central America, Africa and elsewhere. Congress does everything to harass the President. It is certainly true in the Persian Gulf.

Now this Senator, had I been devising the policy, I would have stipulated that the Japanese would pay its proportionate share of the cost of protecting the Persian Gulf that provides such a large percentage of oil that Japan gets. The same would be true with Europe.

The Soviet interest in the Persian Gulf is just like Senator MOYNIHAN described it on May 28:

> If we wish the Persian Gulf to become a Soviet lake, that fact of geopolitics, that irreversible fact of geopolitics, is upon us at this hour.

Mr. President, I ask unanimous consent that at the conclusion of my remarks the discussion between Senator D'AMATO and Senator MOYNIHAN on May 28, 1987, be printed in the RECORD.

The **PRESIDING OFFICER**. Is there objection? Without objection, it is so ordered.

Mr. **HELMS**. May I ask how much time I have remaining?

The **PRESIDING OFFICER**. The time remaining is 2 minutes and 1 second.

Mr. **HELMS**. You may ask what is the Soviet interest in the Persian Gulf. Of course, it is to disrupt Western oil supplies. Of course, it is to destroy United States influence among Arab States. Of course, it is to embarrass the United States whenever and wherever possible.

Meanwhile the Iranian interest in the Persian Gulf is to continue the war for as long as it takes to install an Islamic fundamentalist government in Iraq; second, to spread Islamic fundamentalism throughout the Middle East; and third, destroy United States influence in the Persian Gulf and in the Middle East.

Now, this Senator is not going to vote to cut the legs off the President of the United States in his conduct of a difficult phase of foreign policy. I am not going to play politices with it. I would not have if Jimmy Carter were President now, nor will I do it in the case of any President, whatever his political affiliation. There is too much at stake.

The results, if the President of the United States is undercut by Congress, are obvious. First, we will cause the gulf states to question further the value of American commitment and friendship. Second, we will create a void for the Soviets to extend their influence. Third, we will send a signal of weakness on the part of the United States, and such a signal would only encourage Iranian attacks. Finally, Mr. President, the United States will be perceived as cutting and running in the face of Iranian threats.

A simple problem? Of course, it is not. The President is doing the best he can with an enormous responsibility. I will say again, for the purpose of emphasis, that one man has the duty and the authority under the Constitution to conduct foreign policy. He is the President of the United States.

Mr. President, I yield back the balance of my time.

EXHIBIT 1

Mr. MOYNIHAN. Mr. President, I rise in support of the proposal to table this measure, which is certainly well intended and thoughtful. But it seems to me to be very much against the interests of the United States and of the free world as we properly describe it.

Mr. President, if we wish the Persian Gulf to become a Soviet lake, that fact of geopolitics, the irreversible fact of geopolitics, is upon us at this hour. The Soviets have, with astonishing dexterity and deftness, moved in on Kuwait, now head of the Islamic Conference, and offered to protect Kuwait against its non-Arab neighbor, the massive state of Iran. The workers in the oil fields actually are Arab in Iran but the nation, of course, is not. Iran is a Shiite nation whereas Kuwait is predominately a Sunni nation. And now, the Kuwaitis have responded to the Soviets as never before in their history.

The distinguished Foreign Minister of Pakistan was in this Capitol not a week ago and spoke with a number of us on the Committee on Foreign Relations and the Armed Services Committee. He described things about which I think his confidences should be kept, but his purposes should be understood. They are alarmed at the Soviet penetration of the Middle East. They have it as directly affecting their capacity to support the mujahideen in Afghanistan. They see the possibility of being outflanked completely and the United States being effectively excluded from the region.

I need not remind my distinguished friend, the Presiding Officer, that Aden, the British protectorate which defened east of the Suez for a century and more in world politics, has fallen to a pro-Soviet, Soviet-supported, Soviet-maintained regime that, in effect, approaches the Persian Gulf.

I repeat, Mr. President, the distinguished and learned Senator from Louisiana has stated his case very well, but I would like to add the Afghanistan dimension, the Pakistan dimension, the Islamic Conference dimension. And, I repeat, if you would like to see the Persian Gulf become a Soviet lake, here is the place for the United States Congress to commence that process.

I thank the Chair for his courtesy.

The PRESIDING OFFICER. The Senator from New York, Mr. D'Amato, is recognized.

Mr. D'AMATO. Mr. President, I intend to ask unanimous consent that the amendment be withdrawn. But, before I do, I feel compelled to make several observations.

At no time and in no way does this amendment indicate that the United States should abdicate its responsibility or its role in the Persian Gulf. That just simply is not the case. I wonder how it is, when an attack made by the Iraqis on the U.S.S. *Stark*, flying our flag, a naval ship of war, how we can make the quantum leap from that kind of an attack by the Iraqis that if we flag the Kuwaiti ships somehow, miraculously, we are demonstrating our strength and that we are calming the troubled waters down. I do not think we are doing that. I think we are exasperating the situation.

I wonder if we are not saying that this flag becomes—our great flag, the flag that we love, that stands for this Nation, the pride, the sacrifice—now it is somehow the flag of convenience. The flag of convenience. Give it to the Kuwaits so that maybe they will not call on the Russians, the Soviets.

I am not asking that we abandon our commitment to this region. What this amendment did seek and does seek to do was to say that we want those who have an equal stake to share in the responsibility.

Yes, we are the superpower, but I wonder if this is the way to go about it, by placing our great flag on Kuwaiti ships, or, for that matter, who else after this?

Mr. President, I ask unanimous consent that my amendment——

Mr. MOYNIHAN. Would the distinguished Senator yield for one thing before he proceeds?

Mr. D'AMATO. Certainly.

Mr. MOYNIHAN. Mr. President, I would like to advise my able friend from New York that I spoke as I did and meant what I said. I spoke with the thought of what message such an amendment would send, not the substance. The substance is one on which persons of generally common views can have somewhat different positions.

Mr. D'AMATO. Mr. President, I ask unanimous consent that my amendment be withdrawn and I advise that I will offer a resolution at a later time.

Mr. ADAMS. Mr. President, there is nothing in the language of this resolution that I disagree with. But I do disagree with the idea of a nonbinding sense of the Senate resolution and I do disagree with the parliamentary situation we confront which make it unamendable.

The situation in the Persian Gulf is both complex and confused. But there are at least two elements of that situation which are clear: first, despite widespread congressional concern and opposition, this administration intends to move ahead with its proposal to provide protection for reflagged Kuwaiti tankers; and second, this Congress, despite an obligation to make a final and binding judgment on that policy, is—at least at the moment—content to make a rhetorical statement which has minimal meaning and involves minimal political risk.

Mr. President, that is just not enough. It is just not enough.

After we adopt this amendment, we may be able to say that we expressed an opinion and if the President did not listen, well at least our hands are clean. That is, of course, true. But it is also true that we can—and should—do more than express an opinion. We can act—indeed we are obligated to act—in a binding way. If we fail to do so, then our traditions as an institution will have been destroyed, our obligations as a legislative body will not have been discharged, and our role in shaping national policy will have been diminished.

Mr. President, in the 1970's we adopted a law over the objections of a previous President which requires the Congress of the United States to do more than make a rhetorical statement in situations like this. That law requires—requires, Mr. President—that the Congress of the United States specifically approve, within 60 days after initiation, any policy which places our forces in "situations where imminent involvement in hostilities is clearly indicated." Mr. President, if imminent involvement in hostilities is not clearly indicated by the President's policy in the Persian Gulf then we might as well solve the budget deficit by eliminating the Department of Defense because we aren't likely to ever get into a situation involving hostilities.

The President of the United States has, so far at least, declined to furnish the Congress with the report required by law. But the law does not release the Congress from our responsibility simply because the President has failed to discharge his. Under the law, the Congress has 60 days in which to approve the policy and that 60-day period begins "after a report has been submitted or is required to be submitted."

A few weeks ago, Senators HATFIELD and BUMPERS introduced legislation which would have made it clear that if the United States provides protection to reflagged ships, that would create a situation which would require such a report and start the 60-day clock ticking. Yesterday, the Senate Foreign Relations Committee favorably reported that legislation to the full Senate.

I sponsored that legislation in the committee. I did so not because I either support or oppose the President's proposal but because I support uniting our Nation behind whatever policy we finally adopt and because I oppose attempts to minimize the role of Congress in making decisions which effect the future of our Nation and our people.

If the slate was clean, if we were back a few months ago in time, I would not have adopted the President's policy. Just yesterday, Senator NUNN, in his capacity as chairman of the Armed Services Committee, provided the Senate with a report which pointed out the strategic flaws in that policy. Given those flaws, I certainly endorse, at a minimum, efforts to delay the reflagging. But that suggestion was taken to the White House by the bipartisan leadership of the House and the Senate—and the suggestion was not accepted. the nonbinding amendment now before us simply makes another suggestion. I have no problem with that. But if this suggestion is again ignored and if the President does go through with protecting those reflagged vessels, then the time for suggestions has passed and the time for action will have come. And the way to take action is for Congress to start that 60-day clock ticking.

Now Mr. President, I am not attempting to prejudge what decision we might make in that 60 days. While I would not have initiated the policy the President has, if it is a fact of life then we have to deal with that reality and consider the costs of rejecting or accepting the commitment made for the Nation by the President.

Let me make one final point. I have already indicated that if I were the President of the United States I would not have done what he has done. Let me now indicate that if I were the President of the United States, I would have already reported to the Congress that my policy would place

American forces in a situation of imminent hostilities. I would do so because we have learned—all too painfully—that no policy can succeed if the Nation is not united behind it. Congressional approval of an act authorizing the continued use of our forces to protect those reflagged vessels would help create that unity. Congressional rejection of such an authorization would indicate that unity is not possible and withdrawal of our forces—though not risk free—is less costly than the continuation of a policy which is doomed to defeat.

Mr. President, there is nothing wrong with passing this nonbinding sense of the Senate language. But there is something wrong if we delude ourselves into believing that it is a substitute for meaningful action. The Congress can try to dodge a decision, but the President has made one. If he follows through with his policy, then we ought to follow through with our obligation to either approve or reject the deployment of U.S. forces in what amounts to a war zone in the Persian Gulf. I promise my colleagues that I will do everything I can to make sure that the Senate addresses this issue and accepts that responsibility if the President does not accept the repeated calls the Congress has made for a delay in implementing his policy.

Mr. RIEGLE. Will the Senator from North Carolina yield for a question?

Mr. HELMS. I have no more time.

The PRESIDING OFFICER. All time for debate has expired.

SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1987—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the conference report on the supplemental appropriations. The clerk will report.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1827) making supplemental appropriations for the fiscal year ending September 30, 1987, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

(The conference report is printed in the House proceedings of the RECORD of June 27, 1987.)

The PRESIDING OFFICER. Under the previous order, there will be 20 minutes, equally divided, on the conference report.

Who yields time?

Mr. STENNIS. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 5 minutes.

Mr. STENNIS. Mr. President, I submit a report of the committee of conference on H.R. 1827 making supplemental appropriations for the fiscal year ending September 30, 1987, and for other purposes, and ask for its immediate consideration.

The PRESIDING OFFICER. The conference report is pending before the body.

(Mr. DASCHLE assumed the chair.)

Mr. STENNIS. Mr. President, we meet today to present to this Senate the 1987 supplemental conference report on H.R. 1827, which reflects the recommendations of the House and the Senate conferees. This bill, which now provides a total of approximately $9.4 billion in new budget authority and $3.0 billion in outlays for fiscal year 1987, reflects the careful thought and hard work of all the managers of the House and the Senate.

Mr. President, I am not claiming any credit at all for this, but I have been around in the Appropriations Committee a good number of years and I have never seen a more thorough and a finer job of work done on a bill that was somewhat difficult, to some extent. I marvel at the amount of digging and real hard work that was done by the Members, both from the House and the Senate. It is a relatively small matter here, but I am proud of the thoroughness with which they tackled this problem and what they have produced here.

I have the numbers here. The conference report involved the direct participation of 28 Members of the Senate Appropriations Committee, as well as 21 Members on the part of the House.

Before I turn for a brief discussion of the conference report regarding the bill, I wish to highlight the three objectives which H.R. 1827 has now accomplished.

First, this supplemental appropriation bill now reflects a serious imposition of fiscal restraints during a period of budgetary discipline. It is $2.7 billion and is also below the Senate-passed bill by $380 million in budget authority and $21 million in outlays.

Second, H.R. 1827 reflects a serious effort at funding only those programs which are truly urgent or mandatory, so as to require action in a supplemental appropriation.

Finally, this same bill reflects a serious effort by the conferees to fashion a product which will not be vetoed.

I think the President is entitled to credit for a statement that he made last year, which, in effect, on that score, approves the bill. The Members themselves were anxious to meet an agreement that avoided further consideration by both Houses.

I would like to briefly discuss the conference report regarding the fiscal year 1987 supplemental in this bill previously mentioned.

Briefly stated, the conferees are recommending a total of 1987 supplemental appropriations of $9.4 billion, primarily consisting of $748 million for defense programs; $159 million for foreign assistance programs; $6.5 billion for nondefense domestic programs; $409 million for increased pay costs; $1.2 billion for Federal Employee Retirement System contributions; and $355 million for the homeless initiative.

In conclusion, Mr. President, the conferees' specific actions are discussed in detail in the accompanying report. I would like to submit this report for final Senate action, in hopes that it can be passed today.

Mr. President, those are the highlights, the high points, and the condensed reasons given for each of these steps that were taken and, in my humble judgment, the amounts were fully justified and reductions were carefully and systematically made—justified first and made second.

I hope that this entire bill can be approved by the body. The House has already approved this report and I look forward to the time—I wish there was more time available to present it in detail. But it is not necessary. We are not rushing by here without allowing a reasonable amount of time, under these facts and circumstances.

So I present this report on behalf of all the membership that worked on it. We have more than one Member beyond me here who would be glad to answer questions if there is any on whatever broad approach.

I hope our previous chairman here, who did so much, I hope he will address the Chamber on this report. He contributed to it.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I yield myself time. I thank the Senator from Mississippi for moving this very complex and difficult resolution, the supplemental appropriation bill, to this point where we now can resolve the questions and the issues in this bill.

Mr. President, the conference report on H.R. 1827, the fiscal year 1987 supplemental appropriations bill, was printed in the RECORD of Saturday, June 27, has been printed as House Report 100-195, and is available to all Senators.

The conference agreement provides a total of $9,377,119,976 in budget authority. This amount is more than $2.7 billion below the President's request, and more than $382,000,000 below the level of the Senate-passed bill. It is $126 million above the level established by the House after their 21 percent across-the-board cut.

In terms of outlays, the conference agreement has been scored by CBO as yielding $3,018,072,000. This is more than $162,000,000 below the President's request, $429,448,000 below the

House, and $20,537,000 below the Senate level.

While the administration still has some objections to individual provisions of this bill, it has been communicated that the administration will not oppose this measure here on the Senate floor, and that the bill will be signed.

Mr. President, I ask unanimous consent that two summary tables comparing the bill's totals and highlighting its major components be printed in the RECORD.

Mr. President, I believe there are 82 amendments remaining in disagreement that require further action by the Senate. I hope we will move quickly to adopt the conference report so that we may proceed with the disposition of those amendments.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

FISCAL YEAR SUPPLEMENTAL APPROPRIATIONS (H.R. 1827)

[As of June 30, 1987]

Version	Fiscal year 1987—	
	Budget authority	Outlays
President's request	$12,104,054,862	$3,180,102,000
House-passed	9,250,928,500	3,447,520,000
Senate-passed	9,759,478,500	3,038,609,000
Conference agreement	9,377,119,976	3,018,072,000
Conference agreement compared to:		
President's request	(2,726,934,886)	(162,030,000)
House-passed	126,191,476	(429,448,000)
Senate-passed	(382,358,524)	(20,537,000)

Note: Numbers in parenthesis ( ) are negative.

FISCAL YEAR SUPPLEMENTAL APPROPRIATIONS BILLS (H.R. 1827)

[As of June 27, 1987]

	Fiscal year 1987 budget authority			
	President's request	House passed	Senate passed	Conference
Title I: Program	10,887,903,862	9,100,064,290	7,874,296,969	7,449,775,976
Title II: Increased Pay Costs	197,542,000	456, 852,500	408,323,000	408,536,000
Title III: Retirement Contributions	1,018,609,000	1,136,927,000	1,149,358,600	1,163,781,000
Title IV: Homeless Initiative	0	425,000,000	327,500,000	355,000,000
Title V: General Provisions	0	−1,867,915,290	0	0
Total	12,104,054,862	9,250,928,500	9,759,478,569	9,377,119,976
Major Program Supplementals (Title I):				
DOD Military Items:				
Military personnel	441,900,000	490,372,000	0	0
Operations and maintenance	603,000,000	457,500,000	612,000,000	543,500,000
Procurement	553,700,000	313,700,000	0	122,000,000
RDT&E	694,000,000	54,600,000	156,000,000	82,000,000
Chemical agents and munitions destruction	250,000,000	0	0	0
Military construction	250,000,000	0	0	0
Subtotal, DoD-Military	2,792,600,000	1,316,172,000	768,000,000	747,500,000
Foreign Assistance Items:				
ESF: Assistance to Central America	300,000,000	0	(300,000,000)	(300,000,000)
Other Economic Support Fund (ESF)	97,000,000	0	1,000,000	1,000,000
Southern Africa	0	0	50,000,000	50,000,000
Contributions to International Financial Institutions	292,846,486	0	257,813,486	257,813,486
Military assistance	261,000,000	0	0	50,000,000
FMCS: Direct credits and forgiven loans	200,000,000	0	36,000,000	13,000,000
Peace Corps	0	0	7,200,000	7,200,000
Export-Import Bank	−100,000,000	0	−200,000,000	−220,000,000
Subtotal, foreign assistance	1,050,846,486	0	152,013,486	159,013,486
CCC reimbursement for net realized losses	6,653.189,000	6,563,189,000	6,653,189,000	5,553,189,000
CCC emergency loans	0	(155,000,000)	(155,000,000)	(180,000,000)
Administration of foreign affairs: s&e	59,750,000	61,750,000	0	61,750,000
Contributions to international organizations (language)	0	0	0	0
Immigration and Naturalization Service: s&e	147,793,000	147,793,000	147,793,000	137,216,000
MARAD: Federal ship financing fund	73,000,000	73,000,000	0	0
Corps of Engineers: O&M, general (by transfer)	(−66,750,000)	66,750,000	(−66,750,000)	(−66,750,000)
VA compensation and pensions	80,200,000	80,200,000	80,200,000	80,200,000
VA loan guaranty revolving fund	100,000,000	0	100,000,000	100,000,000
HUD: Housing for elderly fund (borrowing auth)	−90,731,000	0	0	0
HUD: Rent supplement (contract authority)	−389,340,000	0	−389,340,000	−389,340,000
HUD: Rental housing	−72,873,000	0	−72,873,000	−72,873,000
FEMA disaster relief	0	0	57,475,000	57,475,000
MASA	0	0	0	300,000,000
Timber purchase election (rescission)	0	0	−30,000,000	−30,000,000
Student financial assistance (by transfer)	(287,000,000)	(287,000,000)	(287,000,000)	(287,000,000)
Family social services	43,000,000	121,644,000	121,644,000	121,644,000
Family social services (by transfer)	(54,727,000)	(43,583,000)	(43,583,000)	(43,583,000)
FAA operations	(50,000,000)	55,200,000	(50,000,000)	(50,000,000)
FAA Airport and airways contract authority	0	0	−150,000, 000	0
IRS funding	80,000,000	80,000,000	80,000,000	80,000,000
USPS: Payment to the postal service fund	79,177,000	79,177,000	0	0
All other program items, net	281,292,376	455,189,290	356,195,483	544,001,490
Subtotal, nondefense domestic	7,044,457,376	7,783,892,290	6,954,283,483	6,543,262,490

Mr. HATFIELD. Mr. President, we are proceeding under a unanimous-consent agreement that is divided into different parts and I am, in a few moments, ready to yield back whatever time I have at my command on the matter relating to the introduction of the conference report in order for us to vote on it and then be ready to take the next step in dealing with the controversial issue. But before I do that I would like to yield whatever time necessary to the Republican leader and then I would yield 2 minutes to the Senator from North Dakota.

Mr. JOHNSTON. Mr. President, will the Senator yield me 1 minute?

Mr. STENNIS. Yes; I yield to the Senator.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I would simply like to explain further that that statement in the report, in the conference report on page 30 to the effect that the conferees agree, as an exception to the terms of section 5 hereof, that this provision does not affect the additional $5 million made available for phase A/B definition studies of a shuttle-derived heavy lift launch vehicle in the 1987 NASA operating plan as approved by the committees on appropriations.

The $5 million to which that refers, Mr. President, was previously appropriated money and that appropriation is an exception to the language in section 5, but that only, that $5 million appropriation is an exception. That the shuttle-derived heavy lift launch studies beyond that would be subject to the terms of section 5. I think that is very clear in the report.

THE HEAVY LIFT VEHICLE

Mr. President, section 5 of the conference report also addresses the very important issue of whether the advanced launch system or heavy lift vehicle will be designed to support early deployment of SID. The short answer is, it will not.

This issue requires some background explanation. On March 19, 1987, my staff and Senator PROXMIRE's staff issued a staff report called, "SDI: Progress and Challenges, Part Two". That report focused on early deployment of SDI and revealed a dramatic shift in the DOD plans for a heavy lift rocket.

In 1986 there were no plans for building a heavy lift rocket inexpensive enough to support SDI deployment until after the turn of the century. The space station was compatible with the space shuttle and the Air Force and intelligence community had no requirement for a heavy lift rocket in the early 1990's. That situation has not changed to this day, I can assure my colleagues of that, because I have personally queried the relevant experts in open and closed hearings. However, with the political push late last year for early deployment of SDI, the DOD radically altered their plans for a heavy lift vehicle. Otherwise, SDI would have no means to lift the SDI system into orbit in the early to mid-1990's.

SDI increased its fiscal year 1988 budget request for space transportation and support more than ten-fold from the current level and put the heavy lift rocket on a hurry-up schedule to make it available for early deployment of SDI in the early to mid-1990's. Part of that effort was the administration's submission of an fiscal year 1987 emergency supplemental budget request of $500 million for SDI, including $250 million requested for low-cost space transportation.

The Senate staff study explained how from the beginning the SDI Organization has said SDI deployment would require an order of magnintude—factor of 10—reduction in launch costs to orbit if such deployment was to be affordable. The problem is, the necessary advanced launch vehicle technologies may be available by the turn of the century, but won't be available in time for early SDI deployment. Therefore, the Air Force was planning to ask contractors in a program research and development announcement [PRDA] to submit proposals to build a heavy lift vehicle with an ultimate goal of a factor of 10 reduction in launch costs for the turn of the century but also with an interim goal of a factor of 3 reduction in launch costs to support early SDI deployment in the early to mid-1990's. Understand that building a new rocket system in 5 years is a difficult and risky assignment. The space shuttle required 10 years. It should be noted that Gen. James Abrahamson, the SDI Director, personally rewrote the PRDA to accommodate SDI.

What especially disturbed me was that the draft PRDA contained in correspondence of April 14, 1987, between Air Force Secretary Aldridge and Dale Myers, Deputy Administrator of NASA, called for the heavy lift vehicle to have a "partial capability to substantially reduce costs by the 1994 timeframe, should a national decision to implement the initial operational capability of a strategic defense deployment be made by 1988 or 1989."

Thus, while SDI was telling Congress this year that there was no reorientation toward a near-term deployment in the fiscal year 1988 budget request, the aerospace contractors were going to be told to design the heavy lift vehicle or advanced launch system [ALS] now to support an SDI deployment decision in 1988 or 1989. I raised this point with General Arbrahamson in a closed hearing of the Energy and Water Appropriations Subcommittee that dealt with SDI. General Abrahamson explained that the draft PRDA should not have made reference to a deployment decision on SDI in 1988 or 1989. He told me that was an error and he would see to it that the PRDA was changed to delete that reference.

Imagine my surprise when the PRDA was issued on April 30, 1987, with the reference to an SDI deployment decision in 1988 or 1989 intact and the aerospace contractors directed to tailor their design for the ALS to include an interim capability for SDI early deployment.

I wrote General Abrahamson on May 11, 1987, asking for an explanation. He responded by letter of May 19, 1987, stating:

> While I believe that I may have worded the PRDA in a more delicate way, given the controversy about SDI . . . as a program manager who understands how to build on today's technology while phasing in tomorrow's technology, as well as searching out a way to insure that the nation receives a partial benefit from initial investments in space transportation while on the path to a long term, high payoff vehicle . . . I make no apologies. The structure of the PRDA and the plan we have to reduce the cost of space transportation for this nation is the right one and should be funded in the FY87 supplemental.

The conference report is carefully written to rectify the error that was included in the PRDA by eliminating the inclusion of an interim design goal for the advanced launch system [ALS].

The House provided none of the funds requested for SDI. The Senate provided $131 million for the heavy lift vehicle but included statutory language to ensure that SDI early deployment would not dictate or influence the design of the ALS. The conference agreement provides $75 million for ALS along with compromise bill language. However, the Senate language achieved three basic points, all three of which are retained in the conference report.

First, DOD and NASA must enter into a joint agreement as how to proceed on the ALS.

Second, any ALS variant must embody advanced technologies and be designed to achieve a factor of 10 reduction in launch costs. The original Senate language said any ALS must reduce the launch cost by a factor of 10. Conceding that the advanced technology might not yield a factor of 10 reduction in practice, the conferees amended the language to say an ALS variant must have a design goal of a factor of 10 reduction in launch costs.

This change conceivably might permit SDI to argue that the ALS they sought for SDI early deployment, as prescribed in the PRDA, meets this statutory requirement because it has an ultimate goal of a tenfold reduction in launch costs, while also having a much less ambitious interim goal for the early 1990's to accommodate SDI early deployment.

Anticipating that argument, the conferees added report language that explicitly repeats the PRDA's requirement for an interim goal and states, "Funds previously appropriated and those made available for the Department of Defense are not provided to achieve this interim goal."

In short, the ALS design will not be sacrificed on the altar of early SDI deployment. We will proceed with the best rocket we can build using the most advanced technologies we can muster. We will not hamstring our engineers with an interim goal necessitating a hurry-up schedule for the sake of early SDI deployment.

The third objective of the Senate language which was retained in the conference report is to say that no funds appropriated for the ALS Program under this act may be used to facilitate any early deployment of SDI.

Finally, reported language was included to say that as a limited exception to the terms of section 5 the $5 million already approved by the Committee on Appropriations for studies on a shuttle-derived heavy lift launch vehicle may be spent for that study. Any other moneys for a shuttle-derived vehicle will be subject to section 5.

The PRESIDING OFFICER. The Senator's time has expired.

Does the Senator from Oregon or the Senator from Mississippi yield time?

Mr. STENNIS. I yield 2 minutes.

Mr. BURDICK. Mr. President, finally, we have the supplemental appropriations bill before us for what, I hope, is the last time. We have been talking about it since the beginning of the 100th Congress. At this point, the year is half over and it is high time that this bill be enacted.

Most importantly, it contains $5.6 billion for the Commodity Credit Corporation. This money is needed so that the CCC can make payments required by law and by contract to farmers and others in the agricultural industry. Those payments have been held up since May 1.

The longer these payments are held up, the worse it is for the farmers involved. The longer we proceed in this fashion, the more farmers who become involved.

For those farmers who are due payments, I have great sympathy. It is clearly not their fault. The Government has promised them payments in return for farming a certain way, and the Government has reneged. One can blame the administration or one can blame Congress, but one cannot blame the farmer.

Therefore, since it is not the farmer's fault and since it is clearly the Government who has messed up here, it is incumbent on the Government to make good. One way to do that at this point is to give the farmers interest on the payments that they had due them. It is only fair, because if they had received the money on time, they could have earned their own interest or they could have paid off their debts on time without accruing interest.

So, it is my strong hope that Secretary Lyng will pay interest on these payments. I understand that he has that authority, even though he does not believe he is required to pay interest. There has been talk of late, about amending the Prompt Payment Act to make sure there is no doubt that the CCC should make interest payments. Frankly, there is no time for that issue right now.

Right now, the Secretary needs to get the payments to the farmers, and he needs to provide interest on the late payments. With the passage of this supplemental appropriations bill, I call on the Secretary to be compassionate toward the American farmers. It is the least we can do.

I would also like to address, briefly, the Rural Electrification Administration issue contained in this bill. The provision states that all REA-guaranteed, FFB borrowers may prepay, at their option, their loans without a prepayment penalty. This is an issue that has been kicked about for quite some time and the administration has done everything possible to thwart the desire of Congress on this matter.

Well, the matter is now clear. Any borrower may prepay if it so chooses. No additional regulations are required or should be issued by the administration. No stipulations or qualifications are contemplated. The language is clear and forthright. I look forward to the Rural Electrification Administration carrying out this provision with no delay.

Mr. President, I thank my colleagues for their patience and I urge speedy action on this bill.

VETERANS' PROGRAMS

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I am very pleased with the outcome of the conference on the fiscal year 1987 Supplemental Appropriations Act with respect to funding for Veterans' Administration programs. In particular, I am very pleased, and would like to comment specifically on the fact that the conference report contains a total of $295 million for VA employee salary and benefit costs—$157 million to defray fiscal year 1987 costs from the January 1987 Federal civilian pay raise and $138 million for the fiscal year 1987 costs of the new Federal Employee Retirement System (FERS)—$30 million for the Veterans' Job Training Act program, and $100 million for the VA Loan Guaranty Revolving Fund, as well as permitting certain VA hospital computer maintenance acquisitions to proceed.

I am particularly pleased that the conferees have retained the full amounts provided in the Senate version of the measure with respect to the increased VA employee salary and benefit costs in the Medical Care and General Operating Expenses accounts. Although the House-passed version contained provisions apparently making appropriations in the same amounts provided by the Senate for these areas, the House version also contained a provision imposing a 21-percent reduction in all of the amounts being appropriated for the discretionary accounts, including these VA accounts. The conferees' decision to drop the across-the-board cuts in these appropriations will make available critically needed funding for veterans medical care and the administration of VA benefits programs.

PERSONNEL COSTS

Mr. President, as a result of the January 1987 Federal civilian pay raise, VA personnel costs for the work force for which funds were appropriated in the fiscal year 1987 continuing resolution (Public Law 99-591) increased by a total of $165 million. In addition, increased fiscal year 1987 VA pay costs under the Federal Employees' Retirement System Act of 1986 (Public Law 99-335) totaled $140.8 million.

Specifically regarding the VA's Medical Care Account, which funds the operations of the VA's nationwide system of health-care facilities, the January pay-raise costs for the personnel who staff those facilities will total $149.4 million in fiscal year 1987. The administration requested supplemental appropriations of only $74.7 million for this purpose, thus proposing to require the VA to absorb the remaining $74.7 million. Fortunately, the conferees, in recognition of the vital importance of the additional appropriations, included the entire amount in the conference report.

The supplemental appropriation for the VA's Medical Care Account is essential to enable the VA to provide the quality health care which veterans have earned through their service to our Nation and for which Congress mandated their eligibility and to maintain the congressionally intended staffing level of 194,140 FTEE. In my floor statement of June 2 upon Senate passage (S. 7432), I outlined some of the dire difficulties that would be entailed were this supplemental not provided.

Both Houses have also wisely rejected the administration's proposal to rescind $75 million in medical care funds already appropriated for fiscal year 1987. This proposal would have caused a decline of 1,400 fewer FTEE this year and 212,000 fewer outpatient visits and 15,463 fewer inpatient episodes of care.

With respect to the VA's general operating expenses account, which provides funding for the operation of the VA's 58 regional offices and of VA central office other than the operations of the Department of Medicine and Surgery, the total additional funding required for the January pay-raise and FERS costs is $20.2 million. Although VA regional offices already are very thinly staffed at present and are encountering severe difficulties in processing veterans' claims for benefits in a timely fashion, and particularly in administering the VA Home Loan Guaranty Program effectively, the administration's proposal contained only $9.2 million for those costs. Thus, the conference agreement very wisely and appropriately includes $1.3 million above the administration's request for this account.

DECENTRALIZED HOSPITAL COMPUTER PROGRAM

The conference agreement retains the Senate provision extending through fiscal year 1988 the availability of $34,178,000—instead of the $44,178,000 as proposed by the House—in the 1987 medical care appropriation for automated data processing equipment and support contracts. Also, the conference agreement deleted language proposed by the Senate rescinding $10 million for ADP equipment and support contracts and restricting the obligation of funds for the procurement of computer hardware to facilities where the capacity of existing systems has been reached and the procurement of additional or replacement equipment is necessary to maintain patient care.

The House-Senate conferees, in agreeing not to rescind the $10 million for medical computer programs, directed that the VA make these funds available for beneficiary travel and noted that 1987 beneficiary travel costs will exceed the $68 million currently available for that purpose by at least $10 million.

Mr. President, in my view, this agreement on ADP acquisitions is far preferable to the approach of rescinding any or all of the $44.2 million in fiscal year 1987 DHCP funding pending further study of the advisability of the VA moving ahead further toward the systemwide application of DHCP. As I pointed out at the time of Senate passage of the bill, I believe that the VA's ability to purchase additional hardware for the DHCP system directly correlates to improved medical care for our veterans.

Mr. President, although this agreement is less desirable than the Senate's provision permitting the $34.2 million to be used to maintain its computer capacity, I believe that ultimately there will be no real alternative but for the VA to proceed with implementation of an improved, enhanced DHCP system.

It is important that we move ahead as quickly as possible to resolve the DHCP issues raised by the various congressional and agency reports on ADP. Therefore, I look forward to the release in mid-September of the report by the Office of Technology Assessment [OTA] on its independent assessment of VA medical computer systems and programs, including consideration of alternative computer system strategies and their implications for the quality and cost of patient care, which the House Committee on Appropriations asked it to undertake. The findings and recommendations of the OTA study will then need to be taken into consideration by the VA in terms of its ADP medical care program plan.

VETERANS' JOB TRAINING ACT

Mr. President, I am pleased that the conference agreement includes a $30 million supplemental fiscal 1987 appropriation for the Veterans' Job Training Act [VJTA] Program. An appropriation for this account is urgently needed because fiscal year 1987 VJTA funds are now virtually depleted.

As the Senate author of the original legislation proposing the establishment of this program, as well as subsequent measures to extend and improve VJTA, I am intensely interested in the support of this effective job-training program. I am thus deeply grateful to the Senator from Arizona [Mr. DeConcini], a fellow Veterans' Affairs Committee member and ardent VJTA supporter, who in his capacity as a member of the Appropriations Committee offered the amendment in that committee to provide an additional $20 million in funding for VJTA.

Mr. President, I spoke at length on the importance of supplemental funding for this, the VJTA Program, when the measure was first before the Senate. The additional $30 million for VJTA for fiscal year 1987 should ensure that the nearly 10,000 more jobless veterans will be provided with the opportunity to participate in job-training programs under VJTA and thereby regain their financial independence. I believe that bringing this goal within the grasp of these veterans represents a truly wise investment of our Nation's resources.

VA HOME LOAN GUARANTY PROGRAM

I would also like to express my appreciation to Senator Proxmire for his leadership in successfully proposing an amendment, which I joined in cosponsoring, and which the Senate adopted and the conferees have retained, to provide the additional $100 million in supplemental appropriations required for the continued operation of the VA's Home Loan Guaranty Program. The administration forwarded a supplemental budget request for this amount on May 5.

HOMELESS VETERANS

Mr. President, various estimates indicate that a third of the approximately 350,000 homeless persons in America—some say half or more—are veterans. As chairman of the Veterans' Affairs Committee, I strongly believe that any special congressional initiative to deal with the tragedy of homelessness should include efforts to help deal specifically with the plight of those homeless persons who have served in our Nation's Armed Forces. Thus, I am delighted that the conference agreement contains in title IV, entitled the "Urgent Relief for the Homeless Supplemental Appropriations Act of 1987," an appropriation of $20 million to the VA's medical care account for the assistance of homeless veterans. Of that total, $15 million would go toward increasing the VA's capacity to furnish eligible veterans, primarily homeless veterans, with domiciliary care, a form of institutional care combining room and board with medical and rehabilitative services aimed at enabling the veteran to return to independent functioning in the community. The other $5 million would go toward the furnishing of contract halfway-house or other community-based psychiatric residential treatment, under section 620C of title 38, United States Code, to homeless veterans who are suffering from chronic mental illness disabilities.

The provision derives from two sources—an amendment proposed by my good friend, Congressman Sonny Montgomery, the chairman of the House Committee on Veterans' Affairs, and agreed to by the House of Representatives on April 23, to allocate to the VA $20 million solely for the expansion of VA domiciliary-care programs, and an amendment which I joined the distinguished ranking minority member of the Budget Committee [Mr. Domenici] in offering, which the Senate adopted on May 28, and which, in part, would have appropriated $20 million, to be divided evenly for the two purposes stated in the conference report. The veterans' portion of our amendment derived from the veterans' portion of an amendment which I and Senator D'Amato and others had offered, unfortunately without success, earlier in the day on May 28 to provide appropriations for certain homeless housing programs carried out by the Department of Housing and Urban Development and for the same purposes as the veterans' portion of the Domenici-Cranston amendment.

Both of the programs which would receive funding under this provision derive from legislation passed by the Senate this year—and in one pertinent respect by the Congress as a whole. In Public Law 100-6, the joint resolution enacted on February 12 making funds available primarily to FEMA's Emergency Food and Shelter Program, Congress enacted a provision offered by Senator Murkowski to authorize the VA to provide halfway-house and other community-based contract treatment to certain homeless and other chronically mentally ill veterans and to appropriate $5 million to the VA for that purpose. On March 31, in section 105 of S. 477, the proposed "Homeless Veterans' Assistance Act of 1987," the Senate passed provisions, which I proposed in the Veterans' Affairs Committee, specifically requiring that the authority enacted in Public Law 100-6 be utilized to conduct a pilot program for homeless veterans who suffer from such disabilities, with expenditures of $5 million in fiscal year 1987 and $10 million in each of fiscal years 1988 and 1989 specified.

In that same bill, the Senate also passed a provision—section 107 of S. 477—aimed at expanding the VA's capacity to provide domiciliary care for homeless eligible veterans. Under that provision, the VA would be required, except to the extent that the Administrator of Veterans' Affairs may determine it to be impractical, to convert underutilized space in VA facilities located in areas with substantial populations of homeless veterans to 500 domiciliary beds for the care of veterans in need of domiciliary care.

Mr. President, I am very pleased that the conference agreement retains the various conditions I authored in the Senate provision to help ensure that the funding for domiciliary care is well-targeted on homeless veterans and that the expenditures for contract care for chronic mental illness are monitored without detriment to other VA health-care management functions.

With respect to the proportions into which the funding is divided, I believe that, in light of the fact that the House-passed measure contained no funding for the contract care for homeless veterans with chronic mental illness disability, the conference agreement on a 75 percent/25 percent split is a fair compromise.

Thus, I am grateful to the conferees for their fine work on this provision.

CONCLUSION

Mr. President, I wish to express my gratitude for the excellent work of the chairman of the Senate Appropriations Subcommittee on HUD-Independent Agencies [Mr. PROXMIRE] and the subcommittee's ranking minority member [Mr. GARN]—and their counterparts on the House Appropriations Committee, the HUD-Independent Agencies Subcommittee chairman [Mr. BOLAND] and ranking minority member [Mr. GREEN]. Our authorizing committee has been working very closely with Senators PROXMIRE and GARN on this supplemental appropriations measure. I am especially grateful for the many courtesies and great cooperation extended to me and the Veterans' Affairs Committee staff by the subcommittee staff, Tom van der Voort, Marion Meyer, David Schnare, and Stephen Kohashi.

Mr. CHILES. Mr. President, the conference report on the supplemental has been completed.

This supplemental conference report will add $2.6 billion to the 1987 deficit. A budget act point-of-order lies against the conference report, just as one did for the Senate-passed bill.

As I have stated in the past, the largest portion of this supplemental is for bills coming due. Things we knew about last year; for pay and retirement contributions which we have to make.

As I have said before, these are bills which must be paid. CCC needs to be funded. The pay raises have already been calculated into the deficit projections. We cannot turn our back on retirement contributions.

I do, however, complement the mangers of the bill. The conference report, while over $1 billion higher than the Senate-passed bill in budget authority, is some $44 million lower in outlays in 1987.

However, I hope that all members understand, the conference report we are acting on today is not only a commitment for additional spending in 1987—it also has the effect of using up the total available outlays in 1988.

The Appropriations Committee is not held harmless for the 1988 outlay implications of this supplemental. We calculate that in 1988, some $600 million in new outlays will result from this supplemental. That's about $200 million higher than in the Senate-passed bill.

Again, let me be clear. These outlays will be drawn from the total amount of outlays assumed for the Appropriations Committee in 1988.

I would like to have the scoring of the conference report entered into the RECORD.

SCORING OF SENATE-REPORTED 1987 SUPPLEMENTAL AGAINST SENATE CURRENT LEVEL

[Dollars in millions]

	Budget authority	Outlays
Senate current level	1,089,437	1,008,322
H.R. 1827 (Senate scoring)	9,765	3,018
Mandatory items in bill already in current level:		
Civilian pay raises	−358	−373
Veterans compensation	−80	—
Special milk	−3	−3
Family social services	−110	—
Coast Guard retired pay	5	—
FEMA disaster relief	−57	−50
CCC offset	−5553	—
Net change to current level	3,609	2,592
Senate current level including H.R. 1827	1,093,046	1,010,914
1987 budget resolution	1,093,350	995,000
Difference	−304	15,914
Senate-passed supplemental	2,554	2,636
House-passed supplemental	3,663	3,072

Mr. JOHNSTON. Mr. President, with the permission of the distinguished senior Senator from North Dakota, the chairman of the Agriculture Appropriations Subcommittee, I would like to engage in a colloquy on the intent of the conferees in the conference agreement's provision of $9,441,000 for equipment for the Pennington Biomedical Research Center at Louisiana State University in Baton Rouge.

As the distinguished Senator knows, this center was made possible through the very generous donations of C.B. "Doc" Pennington who provided $26 million to construct this state-of-the art facility which was completed almost 1 year ago. Under the terms of the donation as I understand them, Louisiana State University now must come up with operating funds to open the center and see that it is fully equipped. Because of dire financial circumstances facing the State of Louisiana, in large part due to continuing low oil and gas prices, LSU has undergone heavy budget cuts totaling over $22 million.

My intent in adding funds for this project in the Senate, and I assume the intent of the conferees with respect to the funds added for this project in the conference agreement, was to provide a grant to LSU to help LSU meet its responsibility as outlined above.

Is this the understanding of the Senator from North Dakota?

Mr. BURDICK. Yes; this is my understanding. The conference agreement states that $9,441,000 is provided for equipment which is "necessary for the operation of the center."

Mr. JOHNSTON. Is it the view of the Senator from North Dakota that these funds can be used for any type of equipment, fixed or movable, including microscopes, telephones, photocopying equipment, desks, chairs and the like?

Mr. BURDICK. Yes; it is my understanding that these funds can be used for any type of equipment, and that of course would include any movable equipment such as that described by the Senator from Louisiana.

Mr. JOHNSTON. Is it the view of the distinguished subcommittee chairman that the funds provided can be used to defer the costs of installing and maintaining the equipment purchased?

Mr. BURDICK. Yes; that is my understanding.

Mr. JOHNSTON. I thank the Senator for this important clarification and would now like to direct the attention of the subcommittee chairman to that part of the conference agreement which states that "The conferees agree that these funds shall be made available to the center only if the University or the State provides assurance that the State or the University will provide the staff and funds and operate the center." I think it is very important that we clarify what "assurance" is required so that the administration of this grant does not become so encumbered that the funds are never made available.

Mr. BURDICK. I would say to my good friend, the Senator from Louisiana, who worked so diligently to see this provision through, that any arrangement sponsored by the State or the university to provide initial operating funds for the center would definitely be sufficient to satisfy the assurance called for in the conference agreement and would result in the prompt release of the $9.441 million provided.

Mr. **JOHNSTON.** I have a letter from the president of LSU in which he states that he is working out an arrangement with the State to provide initial operating funds through financing provided by the Louisiana Public Facilities Authority. Would this letter satisfy the conditions that assurance be provided that the State or the university will staff, fund, and operate the center?

Mr. **BURDICK.** Yes; the letter the Senator describes does satisfy the intent of the conferees. This is not the only way such assurance could be provided, but this letter does satisfy the intent of the conferees.

Mr. **JOHNSTON.** Mr. President, I ask unanimous consent that the text of this letter be inserted in full in the RECORD.

Is it the chairman's understanding that the conference agreement provides that this funding shall be provided by grant to Louisiana State University, and that there shall be no delay by the Department of Agriculture in providing this grant to LSU?

Mr. **BURDICK.** The Senator is entirely correct. It is certainly the intention of the chairman that these funds shall be provided by the Department of Agriculture to Louisiana State University by grant in as expeditious a manner as possible.

Mr. **JOHNSTON.** Finally, Mr. Chairman, am I correct in my understanding that there is nothing in this conference agreement that would preclude a further exploration of the relationship between the Pennington Biomedical Research Center and the Department of Agriculture to seek mutually beneficial areas of research and productive endeavor?

Mr. **BURDICK.** The Senator is correct. I would certainly hope that the research opportunities provided by the construction and equipping of what is said to be one of the finest nutritional research facilities in the country would be considered by the Department of Agriculture as a unique opportunity, and that, now that we have some time, the various parties will get together and consider how they might work together beneficially in the future.

Mr. **JOHNSTON.** I thank the Senator. Let me personally thank him, and the subcommittee's extremely capable staff members, Rocky Kuhn and Debbie Dawson, for their tireless support and cooperation throughout consideration of this provision. The Senator's support has meant a great deal to me, and I want the Senator to know that he has my deep personal thanks and gratitude.

The letter follows:

THE LOUISIANA STATE UNIVERSITY,
Baton Rouge, LA, June 29, 1987.

Hon. J. BENNETT JOHNSTON,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR JOHNSTON: I want to express my appreciation to you for your assistance in obtaining funding for the Pennington Biomedical Research Center. These funds are essential to bringing this Center to its full potential in the shortest possible time.

I am currently working out an arrangement to provide initial operating funds through financing by the Louisiana Public Facilities Authority that will provide funds to initiate staffing and operation of the Center.

I understand that the conference agreement provides that these funds are available only for equipment, and only with the understanding that LSU will staff, fund, and operate the Center. I want to assure you with this letter that LSU will staff, fund, and operate the Center as a nutrition research center in accordance with the provisions of the attached Senate Concurrent Resolution which has recently been adopted by both houses of the Louisiana Legislature.

Sincerely,

ALLEN A. COPPING,
President.

A CONCURRENT RESOLUTION

(To express the support of the Legislature of Louisiana for the funding of the start-up and operating costs for the Pennington Biomedical Research Center)

Whereas, the state of Louisiana presently has, in the Pennington Biomedical Research Center, a preeminent facility for housing advanced biomedical research; and

Whereas, advanced biomedical research is vital to solving many of the medical crises of the people of our state; and

Whereas, research conducted at the Pennington Biomedical Research Center has the potential to be developed into new marketable technologies that can in turn stimulate the economy of the state; and

Whereas, the attendant opportunities for attracting superior graduate students would result in further development of the institutions of higher education in the state; and

Whereas, the reputation of Louisiana as a whole, and Louisiana higher education in particular, would be enhanced as a result of nurturing a world class research facility;

Therefore, be it resolved that the Legislature of Louisiana expresses its support for the funding of the start-up and operating costs for the Pennington Biomedical Research Center.

Be it further resolved that the legislature hereby urges and requests all persons, in both the public and private sector, who have been involved in seeking funding of start-up and operating costs for the center to work together in a continued effort to provide the necessary funding.

THE STAFFORD-AIKEN CENTER AT THE UNIVERSITY OF VERMONT

Mr. **LEAHY.** Mr. President. I note that in the statement of managers for the conference on the supplemental appropriations bill, there was an inadvertent error in the identification of the Microbiology Center at the University of Vermont. This center will honor two great Vermont Senators, the late Senator George Aiken and Senator Bob STAFFORD, who will be retiring from the Senate at the close of this Congress. The $6 million included in this bill will provide for the initial construction of this vital research center, and I wanted to make sure that the record is clear that this center will honor both of these great Vermonters.

Mr. **BURDICK.** Mr. President, the Senator from Vermont is correct. There is an error in the statement of managers. The Senator's amendment, which was adopted by the conference, provided for $6 million for a Stafford-Aiken Center at the University of Vermont. I was happy to support that amendment, and I am pleased that the funding was included in this conference agreement.

EQUITY REQUIRES USDA TO REIMBURSE

Mr. **LEAHY.** Mr. President, fortunately, we are taking final action today on the supplemental appropriations bill that contains desperately needed funds for the Commodity Credit Corporation [CCC]. Unfortunately, however, the fact is that through no fault of their own farmers and their cooperatives have received no payments from the CCC since May 1.

A few days ago, my good friend from Missouri, Mr. DANFORTH, addressed this issue and expressed the belief that the Prompt Payment Act applied to the CCC. I share Senator DANFORTH's position on this issue and would like to take this opportunity to urge Secretary Lyng to act favorably to assure that interest cost incurred for loans that were forced to be made because of lack of funding on the part of the CCC will be reimbursed. The old common law concept of equity and restitution would clearly seem to apply in this case. Through no fault of their own, farmers and their cooperatives across the Nation have been financially injured. I believe USDA has the authority to rectify this injustice and I urge the Department to do so.

SECTION 505, H.R. 1827

Ms. **MIKULSKI.** Will the gentleman yield?

Mr. **HOLLINGS.** I yield to the gentlelady from Maryland, a member of the Appropriations Committee and of the conference committee.

Ms. **MIKULSKI.** I thank the distinguished chairman of the Commerce, State, Justice Appropriations Subcommittee for yielding. I simply want to engage in a short colloquy with him to clarify two points concerning section 505 of H.R. 1827.

After the House adopted section 505 and before this conference concluded, the Department of Transportation Maritime Administration published on June 22, 1987 a rule concerning payback of construction differential subsidy. Did the conferees intend that section 505 apply to that rule?

Mr. **HOLLINGS.** Yes; section 505 does apply to that rule, as is demonstrated by the use of the word "implement" in the section.

Ms. MIKULSKI. I thank the gentleman for confirming what I understood to be the intention of the conferees.

Am I also correct in understanding that the prohibition in section 505 against conducting any adjudicatory or other regulatory proceeding or executing or performing any contract or participating in any judicial action applies only to the three vessels that repaid CDS pursuant to the 1985 payback rule?

Mr. HOLLINGS. The Senator is correct.

THE LEAHY MONTREALER AMENDMENT TO THE SUPPLEMENTAL APPROPRIATIONS BILL

Mr. LEAHY. Mr. President, the Senate is about to vote on the conference report on the urgent supplemental appropriations bill, which includes the amendment, I offered in the Senate on May 21, 1987 to restore Amtrak's Montrealer train service to Vermont.

Mr. President, on April 6, 1987 Amtrak cut off all passenger train service in the State of Vermont due to the deteriorated condition of 107 miles of track in Massachusetts and Vermont. I am grateful that the Senate voted unanimously to accept my amendment to provide $5 million to restore this vital track and get the trains rolling again in Vermont.

Following Senate approval of my amendment, I worked closely with Senator LAUTENBERG, chairman of the Senate Subcommittee on Transportation, Congressman CONTE of Massachusetts, the ranking Republican on the House Appropriations Committee, and Congressman WILLIAM LEHMAN, chairman of the House Subcommittee on Transportation, to see this matter through conference.

On June 11, I wrote to Congressman LEHMAN, the chief House conferee on transportation issues, and asked him to accept tough report language which I had written to ensure that Amtrak would spend the money provided wisely.

Mr. President, I ask unanimous consent that a copy of my letter to Congressman LEHMAN appear in the RECORD.

On June 17, 1987, the Subconference on Transportation accepted my report language, as well as modified statutory language which I proposed, after the House conferees suggested that some of my proposed report language be turned into bill language.

Mr. President, I ask unanimous consent that a copy of the revised statutory and report language which I proposed be printed in the RECORD, as it appears in the conference report itself.

Mr. President, the Leahy amendment will restore passenger rail service in Vermont and will also strengthen Vermont's rail infrastructure. These important provisions were not offered out of any nostalgia for passenger rail transportation. The Leahy amendment will ensure that Vermont's industry can again transport freight over the damaged track.

The tough rules which I proposed and which are part and parcel of this final conference report will ensure that the B&M does not profit from this appropriation.

First, the Leahy amendment would specifically prevent the Boston and Maine Railroad from increasing the value of its property for the purpose of a sale, due to the appropriation.

The amendment also orders Amtrak to take legal steps to ensure that the track is maintained in the future and that it take similar steps against any other railroad which fails to maintain track over which Amtrak trains run.

The Leahy amendment also makes it clear that Congress would prefer the sale of this track to a railroad with a proven record of maintenance and which is in a sound financial situation.

The Leahy amendment directs Amtrak to aggressively enforce its rights under its contract with the Boston and Maine. That contract calls on the B&M to maintain the track in question. An arbitration proceeding is underway to determine whether Amtrak can compel the B&M to perform maintenance services or refund money to the Government. The amendment directs that any funds recovered in these proceedings shall be used to offset the funds appropriated.

Mr. President, there are those who have criticized our efforts from the beginning. They are finally coming around to realize that this amendment will restore passenger rail service in Vermont, will strengthen the States economy, without providing any gain to any individual. I only wish we had their help throughout this important process.

All of Vermont is grateful to Senator LAUTENBERG and his staff members, Jerry Bonham and Pat McCann; Congressman SILVIO CONTE and his assistant Jeff Jacobs; and Congressman WILLIAM LEHMAN and his aide Greg Dahlberg. For every Vermonter, I wish to convey my thanks to everyone involved in helping restore rail transportation in our State.

The material follows:

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

For an additional amount for "Grants to the National Railroad Passenger Corporation", $5,000,000, to be derived from unobligated balances of "Redeemable preference shares" acquired by the Secretary of Transportation under the Railroad Revitalization and Regulatory Reform Act of 1976, to be available only for construction, rehabilitation, renewal, replacement, or other improvements deemed by the National Railroad Passenger Corporation to be needed to enable it to restore railroad passenger service between Springfield, Massachusetts and Montreal, Canada through Vermont: *Provided*, That any agreements entered into by the National Railroad Passenger Corporation for the performance of such improvements shall provide that the owners of any railroad lines so improved not construe the terms of any existing trackage rights agreement or any existing or future operating agreement between the National Railroad Passenger Corporation and the owners of any such railroad lines in a manner that would result in an increase in the rental or other payments made thereunder because of the expenditures made under this appropriation: *Provided further*, That any agreements entered into by the National Railroad Passenger Corporation for the performance of such improvements shall provide that the owners of any railroad lines so improved not seek to include the value of any expenditures made under this appropriation in the transfer price of any of the lines so improved: *Provided further*, That, notwithstanding any other provision of law, the National Railroad Passenger Corporation shall hereafter seek immediate and appropriate legal remedies to enforce its contractual rights whenever track maintenance on any route over which the National Railroad Passenger Corporation operates becomes inadequate or otherwise falls below the contractual standard.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees to grant to the National Railroad Passenger Corporation an additional $5 million to restore Amtrak's *Montrealer* railroad passenger service north of Springfield, Massachusetts. These funds are to be derived from unobligated balances of "Redeemable preference shares" that were previously reserved for projects of the Central Vermont Railroad and the Bangor & Aroostook Railroad. The conferees direct that the remaining $371,000 previously reserved for these railroads be made available for track rehabilitation needs of the Pioneer Valley Railroad.

The bill requires that the $5 million provided to Amtrak be made available only for the construction, rehabilitation, renewal, replacement, and other improvements needed to restore Amtrak service north of Springfield through Vermont to Montreal on reasonable business terms. The present route of the *Montrealer* includes two segments of track—Springfield to East Northfield, Massachusetts, and Brattleboro to Windsor, Vermont—owned by the Boston & Maine Railroad. Over the past several years, the condition of those two segments of track has been permitted to deteriorate to the point where passenger train service cannot safety be operated at speeds sufficient to make the service competitive or marketable.

The conferees understand that Amtrak has recently filed an arbitration action against the Boston & Maine Railroad, seeking to require that this track be maintained to the contractual standard. The conferees believe that Amtrak should have sough to enforce its contractual rights as soon as track maintenance became inadequate on this route, rather than waiting until deteriorating track conditions forced a cessation of railroad passenger service north of Springfield. The conferees direct that any arbitration award received by Amtrak in its proceedings against the Boston & Maine Railroad be used to offset the appropriation in this bill. The bill includes a permanent provision requiring that Amtrak not permit track conditions on other routes to similarly deteriorate without seeking immediate and appropriate legal remedies.

During the time that Amtrak's case against the Boston & Maine Railroad is proceeding, the conferees believe that it is critical for Amtrak to restore service on the *Montrealer* route. The conferees intend that Amtrak use the funds provided in this bill to fashion an effective, long-term approach to the provision of high quality rail passenger service north of Springfield through Vermont. Options that Amtrak should consider include, but are not limited to, rehabilitation of all or part of the existing route, as well as the improvement of alternative routes between Springfield and Windsor.

It is the intention of the conferees that $2.2 million of the funds made available be used for track rehabilitation work between Brattleboro and Windsor, Vermont, and that the remaining funds be used either to rehabilitate the remaining track segment or to improve an alternative route between Springfield and Vermont.

It is anticipated that Amtrak will contract with the owners of the railroad lines proposed to be used for this rail passenger service for the performance of the necessary improvement work. The bill requires that Amtrak condition any such contract on an agreement by the owners of the railroad lines to be improved not to seek reimbursement from Amtrak or other third parties for any expenditures made with the funds provided in this bill. Specifically, the conferees intend that the owners of the railroad lines to be improved not be permitted to construe the terms of any existing trackage rights agreement or any existing or future Amtrak operating agreement in a manner that would result in an increase in the rental or other payments made thereunder by virtue of the expenditures made pursuant to this appropriation.

In addition, the conferees are aware that there is a possibility that the affected railroad lines may be sold or otherwise transferred in the near future. It is the conferees' intention that the Boston & Maine Railroad not receive any windfall benefit by virtue of its failure to adequately maintain these lines, and bill language has therefore been included to preclude the value of any improvements made with this appropriation from being included in any transfer price.

U.S. Senate,
Committee on Appropriations,
Washington, DC, June 11, 1987.

Hon. William Lehman,
Chairman, Subcommittee on Transportation, Committee on Appropriations, U.S. House of Representatives, Washington, DC.

Dear Mr. Chairman: On April 6, 1987, Amtrak suspended all passenger rail service in my State of Vermont. On May 21, 1987, the Senate approved my amendment to restore train service to Vermont, Western Massachusetts and Montreal.

I am writing to request your support for my amendment during the conference on H.R. 1827, the Supplemental Appropriations bill for FY 1987.

I know you have expressed some concerns about any potential precedents the amendment might set. Working with Congressman Conte, I believe we have come up with a solution.

Amtrak suspended its "Montrealer" train service north of Springfield, Massachusetts due to the deteriorated condition of the track between Springfield and Windsor, Vermont. This 107 mile stretch of track is owned by the Boston and Maine Railroad and is in such poor condition that the Montrealer was forced to slow to less than 30 mph on more than 2/3 of this normally brief journey. As a result, more than four hours were added to the Montrealer's journey.

Congressman Silvio Conte and I worked together to fashion the amendment I offered in the Senate. Our amendment would transfer $5 million from the redeemable preference shares account at the Department of Transportation to Amtrack to repair the damage track. All of us are concerned that this money is spent properly.

Over the past few weeks, Congressman Conte and I have worked with Amtrak officials to draft changes in the statutory language and write report language which will further ensure that the taxpayers' money is spent wisely in this effort. Our main concern is restoring passenger rail transportation without providing a windfall to the B&M.

Amtrak and the B&M have a service contract, which Amtrak claims has not been honored. Amtrak has asked a federal abitrator to compel the B&M to maintain the track in question or return Amtrak's payments for upkeep of the track. I support Amtrak's efforts to enforce its agreement with B&M, although I have been assured that this matter may take several years to resolve. All the while, there will be no passenger rail service in Vermont.

Working with Amtrak, we have developed an alternative to indirectly providing funds to the B&M to repair the damaged track. Instead, the Montrealer would be rerouted over Central Vermont Railroad tracks in Massachusetts. Rerouting may require construction of a rail connector in Palmer, Massachusetts. Rerouting the Montrealer over the CV track will allow Amtrak to continue its arbitration with B&M, and also make a new contract for service with a soundly managed railroad. Attached is a draft of the new language which would permit the construction and, generally, provided Amtrak further flexibility in restoring rail service north of Springfield, Mass.

The Central Vermont also enjoys trackage rights over the Northern tier of the damaged track owned by the B&M. Amtrak has suggested that it would prefer to contract with the CV for use of its trackage rights over this track, rather than maintain its current agreement with the B&M. Under this arrangement, Amtrak would be free to enforce its service agreement with B&M, while benefitting from a new agreement with the CV.

The track in Vermont, however, will require $2.2 million in repairs—repairs which must be made by the B&M. In order to prevent even this diminished windfall to the B&M, Congressman Conte and I have developed report language which will require Amtrak to pursue full repayment from B&M for the failure to maintain the track. Any money recovered by Amtrak in the arbitration process would be returned to the redeemable preference share account to offset the appropriation.

This compromise avoids setting a precedent which might influence other Amtrak contracts. The Boston and Maine would lose their contract for the Montrealer's trip from Springfield, Mass. to Windsor, Vermont to a soundly managed competitor with a proven maintence record. In addition, Amtrak would vigorously attempt to enforce its contract.

Every effort is being made also to prevent the B&M from benefitting from any potential increase in the value of its rail property, due to repairs funded in H.R. 1827. One-half of the repairs would be obviated by the rerouting in Massachusetts. And, the State of Vermont and the Central Vermont railroad are making every effort to secure a purchaser for the portion of the track located in my State. We all agree that a railroad must be found to purchase the deteriorated track, which is committed to maintaining the track over the long-term. The availability of these repair funds will certainly make that process easier.

I hope this letter addresses some of your concerns. More than 40,000 people rode the Montrealer in Vermont last year—40,000 individuals in a state of 500,000. Vermonters count on the Montrealer as an alternative to travel via the only two major airlines that serve our State.

Thank you in advance for your assistance.

Sincerely,

Patrick Leahy.

SPECIAL AGRICULTURAL WORKERS

Mr. SIMPSON. I do wish to comment on two items in the "managers language" of the conference report that pertain to the new immigration law.

I am reasonably satisfied with the compromise reached with the House on the DeConcini amendment, which would have delayed the effective date of employer sanctions. The compromise managers language both achieves Senator DeConcini's objectives and addresses my concerns about housing any statutory change to the new law. I would like to thank the bill managers, the Senator from Arizona, and the Immigration Service [INS] for their cooperation.

This conference report also contains managers language on the Special Agricultural Worker [SAW] Program. I do not agree with all provisions of this language, particularly the reference to the former managers language of the immigration bill's conference report.

The Immigration Service has had a long and very public regulatory process going forward on all of these issues, which I believe takes precedence over the legally nonbinding instructions that those of us who were conferees wrote in October of last year.

Nonetheless, INS has responded in a most thoughtful and generous fashion to the agricultural employer and interests of organized labor on this issue. I believe it is reasonable to ensure, for this first harvest season, that a sufficient number of workers be present to provide needed agricultural labor. However, we should not simply "open the doors" completely to potentially fraudulent claims to entry—particularly when the bill was passed purposefully to control such an occurrence.

I believe that INS has been more than reasonable in deferring many of the documentary requirements for SAW applicants in Mexico and allowing them to enter the United States for 90 days in order to complete their applications in this country and perform agricultural labor. A SAW applicant in Mexico now need merely fill out an application form, pay the fee, have an interview, and then he or she may be granted immediate admission into the United States.

We should not loosen this requirement further, and I am confident that this is all that the Federal Government can presently do to address the problem of a potential labor shortage. It is now the responsibility of the growers and organized labor to produce the eligible workers and to assist them in obtaining their legal status.

We passed the SAW Program at the specific request of western agricultural employers and of the organized farmworker community: It is now time for these groups to actually be wholly involved in making it work. They have a heavy obligation here—not the Government.

DRUG TESTING

Mr. DeConcini. Mr. President, I rise in support of the conference compromise that addresses the issue of drug testing of certain Federal employees, and urge my colleagues to support it.

Mr. President, I want to make it very clear to everyone in this Chamber that I support drug testing of certain Federal employees who occupy particularly sensitive positions, such as law enforcement agents; air traffic controllers; public health officers; doctors; workers handling nuclear materials and weapons; and others with critical national security positions. When I began to negotiate with the House on this drug testing provision I made it abundantly clear to Congressman Hoyer; Senator Mikulski; Senator Domenici; and others that I wanted to make sure that our final package would go as far as we possibly could to protect against the "ticking time bomb" waiting to go off; to prevent another Conrail tragedy; to prevent an airline disaster waiting to happen; and to prevent that doctor at the public health service from showing up for work while under the influence of drugs. I also wanted to make sure that the lynchpin of Federal drug testing, that is, tough accurate, fair laboratory standards, be the backbone of any final compromise package. And finally, Mr. President, I insisted that the rights of those who would be the subject of drug testing would be protected throughout the drug testing process.

I am pleased to say that all of these safeguards are built into the conference compromise that is before the Senate.

Mr. President, the negotiations with the House on this drug testing matter were not easy ones. At times, tensions ran high, complicated significantly by an overzealous, misguided, and out-of-control civil division at the Justice Department that broke ranks with the administration negotiating team, time and time again, to try to dismantle and derail the drug testing negotiations. The final conference agreement has not caused the administration to dance in the street. But I believe it is safe to say that virtually all of the drug testing negotiators from the administration now agree that the conference agreement is a good package that will allow drug testing to move ahead in accordance with the President's Executive order issued last year.

Mr. President, I will not tie up the Senate with a long dissertation on the provisions of this drug testing compromise package. I will ask to place in the Record a section-by-section analysis of the compromise package for my colleagues to go over at their convenience.

Mr. President, the drug testing compromise contained in the final conference agreement on the supplemental is just that, a compromise. It may not be everything that this Senator wants, nor does it contain all of the provisions that the administration or the House conferees might have liked. But it meets this Senator's primary objective and that is to allow drug testing to go forward under responsible, accurate, fair, and equitable conditions.

Before I close I want to take just a moment to commend Congressman Steny Hoyer of the House; Senator Barbara Mikulski; and Senator Pete Domenici for their tireless work on crafting this compromise drug testing package. There were times when all of us wanted to throw up our hands and give up. But these three Members of Congress stuck to it; dealt in good faith with the administration and with the public employee groups to keep negotiations on track toward a successful conclusion. The overwhelming vote on the House floor last evening, 343-77, in support of this drug testing compromise is testament to the outstanding work of Congressman Hoyer, Senator Mikulski, Senator Domenici, and the conferees on the supplemental. The lopsided vote last night confirms what has been said today, that is, that this is a drug testing plan that everyone can live with and which will work.

Mr. President, I am pleased to have played some small role in crafting the drug testing plan and I offer it to the Senate for its support as well. I want to also thank some key staff people who help make this possible, Rebecca Davies, Kevin Kelley, Bobby Mills.

The material follows:

SUMMARY OF DRUG TESTING AMENDMENT

Section 503(a)(1) provides that no funds appropriated by this Act or any other Act shall be available for implementing drug testing until:

(A) Secretary of HHS certifies:

(i) each agency has a plan in accordance with the Executive order and the law

(ii) the Department of HHS has published mandatory guidelines that:

(I) establish standards for all laboratory procedures using best available technology,

(II) specifies the drugs to be tested for,

(III) establishes standards for lab certification review and revocation of certification.

(iii) all programs comply Rehabilitation Act and title 5 of the law.

(B) The Secretary of HHS has submitted an analysis which:

(i) specifies the criteria and procedures for designating employees for drug testing,

(ii) the position titles which will be tested,

(iii) the nature, type and frequency of the drug tests.

(C) The Director of OMB submits to the Appropriations Committees agency-by-agency cost estimates for carrying out the drug testing Executive order and the law for a five-year period.

(a)(2) Defines those agencies which are included in this section. They include all Departments, the Office of the President, and the EPA, GSA, NASA, OPM, SBA, USIA, VA.

(a)(3) Establishes the procedure for the Secretary of HHS in issuing the mandatory of guidelines for laboratory procedures. It includes a public comment period of no less than 60 days and requires review and consideration of the comment before publishing them (at which time they become effective.)

(b)(1) Exempts the Department of Transportation, any agency with an agency wide testing program in effect when the Executive Order was issued, or any part of such agency which was testing from the restriction of (a).

(b)(2) Requires these agencies to be brought into compliance:

(A) with the Executive order within 6 months from enactment,

(B) with the mandatory guidelines within 90 days from when they take effect.

(c) Requires any agency that is not covered in (a) or (b) will comply with the requirements of this amendment before beginning their testing programs.

(d) Provides that any employee who requests so in writing will have access to any records relating to their drug test and any records relating to the laboratory certification and review process.

(e) Provides that the results of a drug test may not be released without the written permission of the employee unless it is disclosed to:

(1) the employees medical review official,

(2) the Administrator of the Employee Assistance Program,

(3) any supervisory official with authority to take an adverse action against the employee,

(4) pursuant to a court order when required to defend against a challenge against an adverse personnel action.

(f) Each agency is required to submit to the appropriate committees an annual report relating to their drug testing activities.

(g) Definitions of agency and Employee Assistance Program.

PEACE CORPS

Mr. CRANSTON. Mr. President, as a longtime and ardent supporter of the Peace Corps, I am delighted that the conferees on this fiscal year 1987 supplemental appropriations measure retained the Senate provisions for a supplemental fiscal year 1987 appropriation of $7.2 million for the Peace

Corps and to prohibit the expenditure of funds or relocating the Peace Corp's headquarters to office space outside of the Nation's capital. As a result, this measure will enable the Peace Corps to move toward the goal of a 10,000 volunteer force and to keep its headquarters office in Washington, DC, where it belongs. I spoke personally with several key House conferees to urge them to accept these Senate provisions and am deeply grateful to them and the other conferees on this measure for their support for these provisions.

FUNDING

Mr. President, the additional funding that would be provided in this legislation is crucial to the efforts of the Peace Corps in fiscal year 1987 to maintain its operations and to begin making progress toward achieving the congressionally mandated goal—in section 1102 of Public Law 99-83—of a Peace Corps volunteer strength of 10,000.

Despite the unprecedented growth in the populations in the nations of the developing world, the numbers of Peace Corps volunteers have declined over the past two decades from more than 15,000 volunteers in 1966 to 9,000 in 1970, to just over 5,000 in 1984. Currently, there are only about 5,500 men and women serving in the Peace Corps; yet the Peace Corps has over 2,400 more requests for volunteers from host countries, and nearly 500 more qualified applicants, than the agency's current budget allows it to use.

At congressional request following enactment of Public Law 99-83, the Peace Corps developed a 6-year plan to reach the 10,000 volunteer goal in a phased and realistic way. According to that plan, which was submitted to Congress on March 5, 1986, in fiscal year 1987 the Peace Corps would require an appropriation of $137.2 million. Following receipt of this plan, the Senate passed and Congress enacted legislation in section 1301 of Public Law 99-399 to increase the Peace Corps' fiscal year 1987 authorization of appropriations from $130 to $137.2 million.

On March 16, 1987, the chairman of the Foreign Relations Committee [Mr. Pell], the chairman of that committee's Subcommittee on Western Hemisphere and Peace Corps Affairs [Mr. Dodd], the Senator from Arizona [Mr. DeConcini] and from Vermont [Mr. Leahy], both members of the Appropriations Committee, and the Senator from West Virginia [Mr. Rockefeller], joined with me in a letter to the distinguished chairman of the Foreign Operations Subcommittee of the Appropriations Committee [Mr. Inouye] outlining the need for this additional funding and urging his support for a $7.2 million supplemental fiscal year 1987 appropriations for the Peace Corps. This letter was printed in the Congressional Record for June 2, 1987, on page 14301.

During the current fiscal year, the Peace Corps has been hard hit by a number of unanticipated costs—from fluctuations in the exchange rates of international currencies and unforeseen increases in the agency's fixed costs—which in the absence of this funding would have a severe impact on the agency's ability to place new volunteers. In fact, Mr. President, without this funding, the number of Peace Corps volunteers would drop below 5,000—the lowest level since the Peace Corps was first launched.

I thus wish to express my deep gratitude and appreciation to Senators Inouye and DeConcini, and the other Senate and House conferees for ensuring that the additional $7.2 million was included for the Peace Corps.

In order to keep the Peace Corps moving toward the 10,000 volunteer goal, on March 25, 1987, I introduced S. 842 including provision to authorize a fiscal year 1988 appropriation for the Peace Corps of $146.2 million—the level called for in the 6-year plan. I am delighted that the Foreign Relations Committee included this legislation as well as two other provisions derived from S. 842—to provide the Peace Corps with the express authority to encourage contributions from the private sector in furtherance of Peace Corps activities and to promote the third goal of the Peace Corps, namely the promotion of a better understanding of other peoples on the part of the American people—in title VII of the proposed International Security and Development Cooperation Act of 1987, legislation which the committee favorably reported on May 22 and which is pending on the Senate calendar.

Mr. President, the Peace Corps is our most cost-effective program for fostering world peace and friendship. This additional funding would provide new opportunities for Americans to work toward that worthy goal as Peace Corps volunteers.

PEACE CORPS HEADQUARTERS

Mr. President, I am also delighted that the House accepted the Senate provision prohibiting the General Services Administration [GSA] from using funds in this or any other act to relocate the headquarters of the Peace Corps outside of the Nation's capital. I again extend my thanks to Senator DeConcini, the chairman of the Appropriations Subcommittee on Treasury, Postal Service, and General Government, as well as to the subcommittee's ranking minority member, Senator DeConcini, and to Senator Inouye and the other conferees and to the key staff on both sides for their efforts with regard to this provision.

Due to the expiration later this year of the Peace Corps' current headquarters' lease and the unwillingness of the owner of that building to extend the lease, the agency must find a new location for its central office. Over the objections of the Peace Corps, GSA has taken steps to secure a site in Clarendon, VA, for that purpose.

Mr. President, on June 2, I discussed the issues regarding this matter extensively during the debate on the supplemental appropriations bill at the time of initial Senate passage, and those remarks appear in the Record for that day beginning on page 14304. I will not reiterate that discussion at this point.

I would like to note, however, that I plan to continue actively monitoring this issue and working closely with the members of the Appropriations Subcommittee in order to ensure that a cost-effective, convenient, and appropriate headquarters for the Peace Corps is provided in the Nation's Capital.

CONCERNING THE CCC SUPPLEMENTAL

Mr. KARNES. Mr. President, I rise today as a staunch supporter of the conference report on the supplemental appropriations. The time has come. The hour is here. Let us not delay any further as our farmers are anxiously awaiting checks they should have received weeks ago.

I commend my colleagues on the Appropriations Committee for their efforts to expedite the supplemental conference report. I agree with the distinguished managers of the bill who are obviously doing all they can to keep controversial matters from holding up progress of this legislation toward the President's desk. We have had enough delay on this bill to last for several legislative sessions already.

A number of issues remained as possible roadblocks to passage of the conference report before adjourning for the recess. I am very pleased to see that many of these issues have either been resolved or laid over for a later day on other legislation. I commend the members who, in a spirit of comity and cooperation, chose to put off their amendments so that we might take care on the emergency regarding CCC funding. As a member of the Agriculture Committee, I appreciate the magnanimous behavior of those members who chose to withhold their objections. Under other circumstances, I would have supported some of these efforts. In fact, I voted for a number of the items in technical disagreement when they were first attached to the supplemental. Specifically, I voted for Senator Melcher's amendment requiring a study of the CPI and how it affects the elderly, and I will vote for it again in the future, at the appropriate time—when the Nation's farmers are not starving for needed CCC funds. However, there will always be another bill, another day.

Mr. President, I have spoken on this issue before more than once so I will keep my remarks brief. I will remind my colleagues that we added an amendment to the trade bill yesterday that would release us from returning to the CCC issue the same time next year. It was passed by a commanding vote of 80 to 15, which should send a strong signal of support to the House. As we take home the good news this weekend about passage of the CCC supplemental, we should also take back the message that we have a golden opportunity to put this issue behind us for good. When we return after the recess and send the trade bill to a conference with the house, I urge my colleagues who will be conferees will to hold this provision in the conference so that the CCC account will be made a viable and reliable program after all.

Mr. President, I know that the members of the Appropriations Committee and my colleagues on the Agriculture Committee are anxious to see this conference report move to final passage. Let's proceed to a final vote and finish the bill. I yield the floor.

Mr. BAUCUS. Mr. President, I am pleased that an agreement has finally been reached on the 1987 supplemental appropriations bill.

This has not been an easy task. At times, it seemed as though there might be no agreement at all.

I am very sympathetic to the problems that my colleagues on the Appropriations Committee have faced in their conference with the House.

I commend the managers of this bill for their tireless efforts to resolve the disagreements between the House and Senate that has brought us to this point today.

There are always scores of issues—large and small—on the table in a conference on a supplemental appropriations bill. This year was no exception.

FUNDING FOR THE CCC

Most importantly, this agreement breaks the deadlock that has held our farmers hostage. This agreement clears the way for farmers to receive urgently needed funding from the Commodity Credit Corporation.

Plain and simple, the situation that our farmers have been placed in has been totally unacceptable.

They upheld their end of the CCC bargain by taking some of their land out of production.

But the Government didn't keep up its end.

For 2 months, the due dates for government payments have come and gone and farmers have not been paid.

Farmers went deeply in debt and made tremendous investments in spring planting. Their creditors have grown tired of waiting and the situation has become desperate.

They now badly need the money that the Government owes them.

Our farmers have waited too long already and just can't afford to wait any longer.

I am pleased that, at last, farmers can get on with their work now that the logjams on this bill have been removed.

AGREEMENT ON SUPER COLLIDER SITE SELECTION STANDARDS

Finally, Mr. President, I am pleased that the conferees agreed to retain the Senate's provision related to the superconductor super collider project.

We should not let a project of truly national significance become a bidding war between individual States.

The Senate provision tells the Department of Energy to make sure that a final decision is made on its merits. It says "choose the best site, not the best bribe."

This agreement levels the playing field between the competing States. And it allows an honest decision to be made on where to locate this important new research project.

Once again, I commend the Senator from New Mexico [Mr. Domenici] for his leadership on this issue.

AMENDMENT NO. 33—NYS MARITIME COLLEGE

Mr. D'AMATO. Mr. President, I rise to offer a few comments on an issue of importance to our Nation's ability to maintain its international maritime presence: its merchant marine and the maritime educational facilities that train them.

State maritime academies are located in California, Maine, Massachusetts, the Great Lakes region, New York, and Texas. These schools provide trained personnel needed for maritime trade, as well as skilled officers available in time of emergency to assist our national defense.

I had added an amendment, No. 33, to the Senate version of this supplemental appropriations bill with respect to the State University of New York Maritime College. That amendment was to clarify that $8.5 million appropriated in fiscal year 1984 for the NYS Maritime Academy is to be available for conversion work, rather than acquisition costs, on a replacement training vessel for the school. No acquisition costs are needed because the Federal Government has located a ship in the Ready Reserve—the *Mormactide*—that will be transferred to the school.

The current 35-year-old training ship for the NYS Maritime College, the *Empire State*, contains many obsolete, substandard, and inoperable systems. Over the past 5 years it has required over $12 million in repairs. Its fire fighting system is out of date, and it lacks multiple exits from the engine room. There is no readily available source of replacement parts. Parts must be newly manufactured at exorbitant costs and lengthy production times.

The administration has twice tried to defer spending the $8.5 million appropriated for a replacement ship. However, on March 11, 1986, the Comptroller General held that the second deferral was an illegal reimpoundment and ordered that the funds be made available for obligation. In conference, the House added bill and report language to amendment No. 33 requiring all the State maritime academies that have been provided with a training ship to agree to a Maritime Administration [MarAd] plan on ship sharing. Their agreement to this plan would have been a precondition to obligating the remainder of their unobligated fiscal year 1987 funds, and a precondition to obligating the $8.5 million previously appropriated for New York's training ship.

Although the House amendment at first appeared to be acceptable, it became clear, after examination and discussion with the affected schools, that it would severely impair the safety and quality of sea training provided to cadets. Despite goodfaith efforts in the Senate to remove this harmful language before the conference agreement became final, it was included as part of the conference report subject to approval by the full House and Senate.

Yesterday, Congressman Studds successfully objected to the House amendment as nongermane when the issue reached the floor. Congressman Studds has been a strong supporter of this Nation's maritime interests, and I applaud him for his timely action. I also am pleased to note that Chairman Neal Smith took the opportunity to rectify the situation by deleting the entire provision from the report. Today, the Senate will do the same, Rather than force the State maritime academies to accept an ill-defined, completely unstudied ship sharing plan, we will wipe the slate clean of this language. The previously appropriated funding for the NYS maritime college training ship has already been included in other legislation and will not be affected by this action.

The issue of ship sharing among the State maritime academies is likely to resurface on appropriations legislation again this year. In fact, I have been warned by ship sharing proponents that they will be persistent on this issue. For that reason, I now would like to make a few additional comments. I preface my remarks by stating that this is an issue best handled by the authorizing committee. I know that Chairman Hollings of the Committee on Commerce, and Chairman Breaux of the Subcommittee on Merchant Marine, are addressing this specific issue in legislation that has been ordered reported from their committee. That legislation, S. 800, does not mandate ship sharing among the schools. I certainly respect the judgment of my distinguished colleagues on this issue. They have been strong and consistent supporters of the merchant marine, and the ship sharing issue properly falls under this jurisdiction.

The House amendment had added detailed report language, which is now moot, leaving only two training ships for all of the schools on both the east and west coasts. Training cruises would last 9 weeks each, with only 4 weeks provided between cruises for ship repairs and for cadets to familiarize themselves with the ship and its safety features before going out to sea. This language was provided by the Office of Management and Budget and by MarAd, neither of which has done the comprehensive research needed to establish whether ship sharing can work in the real world, rather than simply on paper on a bureaucrat's desk.

Since proponents of ship sharing have argued that it would save money, I have to ask: Where are the funds to pay for this? Instead of saving money, this plan, as conceived by MarAd and OMB, is full of hidden costs. Besides requiring more staff, it calls for MarAd to pay the cost of ship relocation, voyage repairs, annual maintenance requirements, and transportation costs for Academy training staff, crew and cadets. How will we pay to replace free cadet labor? Under the MarAd-OMB proposal ship painting and other daily maintenance work would have to be paid for at market rates to noncadet workers.

In anticipation of this amendment, MarAd went ahead and obligated remaining fiscal year 1987 funds for monthly student incentive payments and for school grants. However, they left unobligated, and thus held hostage by this amendment, $2 million in ship repair funds for New York, California, and Maine. The House language would have prevented those ships from receiving needed repairs until they agreed to whatever ship-sharing plan MarAd came up with. This amendment was contrived to force the schools in New York, Maine, and California to pressure the schools in Texas and Massachusetts to agree to MarAd's plan, so that their cadets may receive the sea training necessary to qualify for licenses.

Ship sharing is clearly an authorizing committee issue. The Senate Commerce Committee's draft report on S. 800 does not mandate ship sharing, but requires MarAd and the schools to work together to come up with a safe and effective plan. The Appropriations Committee should go no further than the Commerce Committee on this matter. That committee draft report indicates that, "If ship sharing is determined to be consistent with safe operations and training, and also can effectively accomplish its purpose as a training aid, then negotiations should ensue to develop the necessary arrangement for the equitable, efficient, and safe sharing of the vessels."

I have grave misgivings about the efforts made by the administration to promote a ship sharing plan for the State schools without first having performed a complete feasibility study—in cooperation with the State academies—on ship sharing. It is clear to me that new costs are associated with a ship sharing plan, and these costs must be fully examined. In addition, a comparative analysis of the merits and problems of the current system must be prepared. Instead of hard facts and analyses, we have seen mere "back of the envelope" figures and planing. The costs and benefits this proposal are unknown. Ship sharing will affect cadet safety and quality of training: these have been totally disregarded in an effort to push through this half-baked proposal.

Mr. President, I appreciate this time to present my concerns about an issue likely to be revisited by the Senate on subsequent legislation. I urge all my colleagues with an interest in the future of the American merchant marine to be aware of the efforts that may be made to jeopardize the safety and training of cadets.

Thank you, Mr. President.

Mr. **BOSCHWITZ**. Mr. President, I do want to further delay the Senate's action in passing this conference report. I am as anxious as anyone to see the Commodity Credit Corporation funding approved so USDA can resume sending checks to farmers and fulfilling its other obligations. But, I do not want to point out my concern with regard to the provision in the supplemental that enables the Secretary of Agriculture to investigate whether or not farmers want the Federal Government to tell them how much they can produce in order to receive a certain return for their product and to investigate the use of mandatory limits on the production of basic commodities.

This provision is confusing. Indeed it appears meaningless. There is no time limit at all, and it is not at all clear what, if anything, the Secretary would be required to do. Several Members of the House declared that nothing was required. I want to draw my colleague's and USDA's attention to a colloquy between the distinguished chairman of the House Agriculture Committee and the chairman of the House Appropriations Committee. The chairman of the Appropriations Committee stated repeatedly that this provision would enable the Secretary to study whether or not farmers want mandatory limits on production, but he repeatedly refused to say this provision required a referendum. That would have been legislating on an appropriations bill and, therefore, subject to a point of order, and he stated he was being very careful to avoid that. The discussion on the House floor indicates the chairman of the Agriculture Committee came to the floor prepared to make a point of order against this provision if it required the Secretary of Agriculture to act, so as to properly preserve the jurisdiction of the Agriculture Committee over this basic policy decision. The chairman was satisfied that this was enabling legislation allowing the Secretary to study this issue if he wants to.

After carefully reading the committee report, the conference report, and floor debate I must say I agree with the conclusion of the chairman of the House Agriculture Committee that this provision requires nothing, and allows a study at the Secretary's discretion.

It is my opinion that the issue of mandatory production controls has been studied to death already. The Department of Agriculture has carried out a number of referendums in the past, including one as recently as the middle of 1986. USDA is currently completing yet another study and analysis of mandatory production controls. I believe that any more studies of this issue would be a wasteful and that a sound budgetary move would be to save $10 million allowed for in this bill. If the Secretary does pursue an investigation of mandatory production controls, however, then the views of all sectors of the agricultural economy should be sought since a program of this nature will have an impact on all of them.

The **PRESIDING OFFICER**. Who yields time?

Mr. **HATFIELD**. Mr. President, I am ready to yield back the remainder of my time.

Mr. President, I will not yield back. I thought the Senator from Mississippi was ready to yield back his time.

Mr. **STENNIS**. Mr. President, if no one else wishes to speak, there is additional time for the Senator from South Carolina, 1 minute.

Mr. **RIEGLE**. Mr. President, will the Senator yield for a question?

Mr. **STENNIS**. I yield.

Mr. **RIEGLE**. Mr. President, am I correct in understanding that the Kuwaits have indicated to us that our airplanes, our military airplanes, would not be allowed to land in Kuwait after this flagging takes place? Am I correct in understanding that?

Mr. **STENNIS**. That is a matter that will show up on another bill. I am not involved in that.

Mr. **RIEGLE**. I thank the Senator. It is my understanding, unless someone wants to state clearly for the RECORD that it is not the case, that while the Kuwaits want us to put the

American flag on their tankers and, in effect, put Americans at risk, they have also said to us that our military airplanes are not invited to land in their country if need be.

To me, I think that illustrates the hypocrisy of this whole policy. I am very troubled by it.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. STENNIS. Mr. President, I yield back the remainder of my time.

Mr. HATFIELD. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. HATFIELD. Mr. President, on behalf of the chairman and comanager of the bill, I move we adopt the amendments in disagreement en bloc, with the exception of Senate amendments 26, 33, 219, and 387.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

The amendments in disagreement agreed to en bloc are as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Funds appropriated or otherwise made available to the Department of Commerce and the National Oceanic and Atmospheric Administration shall be available for the procurement of launch services for geostationary weather satellites I, J, and K, to be conducted only by the National Aeronautics and Space Administration: Provided, That in the procurement of launch services for the National Oceanic and Atmospheric Administration for the GOES I, J, and K spacecraft, the National Aeronautics and Space Administration may provide, in its contract or contracts for launch services, for the payment for contingent liability of the Government which may accrue in the event the Government should decide to terminate the contract before the expiration of the contract period. Such contract or contracts shall limit the payments the Federal Government is allowed to make under the contracts to amounts provided in advance in appropriations Acts. In January of each year, the Administrator of the National Oceanic and Atmospheric Administration shall report to the House and Senate Committees on Appropriations the projected aggregate contingent liability, through the next fiscal year and in total, of the Government under termination provisions of any launch services contracts authorized in this section: Provided further, That such contract or contracts may not be entered into until the Department of Commerce submits a written certification to the appropriate Committees of the Congress that the fiscal year 1988 budget request for launch vehicles for GOES I, J, and K fully meets such contractual requirements for fiscal year 1988 of $80,000,000 or submits a proposed budget amendment for fiscal year 1988 to the Congress requesting any additional funds required in fiscal year 1988 to meet the obligations of the proposed contractual agreements.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 5 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

Not to exceed $14,100,000 appropriated and available for obligation and expenditure under Section 108(a)(1) of Public Law 99-190, as amended, shall remain available for obligation through September, 30, 1988: Provided, That the Economic Development Administration shall close out the audits concerning grants to New York, New York pursuant to title I of the Local Public Works Capital Development and Investment Act of 1976, not later than August 1, 1987.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 8 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert:

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For an additional amount for "Salaries and expenses, general legal activities", $8,100,000 to remain available until September 30, 1988.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 21 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: GENERAL PROVISIONS—DEPARTMENT OF JUSTICE

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 23 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the first section number named in said amendment, insert: 1

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 38 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $10,000,000 for disaster loan making activities, derived by transfer from the "Disaster Loan Fund": Provided, That hereafter, notwithstanding any law, rule or regulation, moneys in any fund established by the Small Business Act which are not needed for current operations shall remain in such funds and shall be available solely to carry out the provisions and purposes of programs operated from such funds pursuant to law as provided in Appropriations Acts.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 41 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment and insert:

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $8,098,176, of which $598,176 shall be used for purchase of Pakistani Rupees from the special account for the Informational Media Guarantee Program to carry out the provisions of section 1011(d) of the Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1442(d)). The limitation in Public Law 99-591 on the receipts to this appropriation from fees or other payments received from or in connection with English-teaching programs is increased by $650,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 56 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken by said amendment, strike out lines 2-5 on page 13 of the House engrossed bill.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 64 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 2. Section 9015 of the Department of Defense Appropriations Act, 1987, (as included in Public Laws 99-500 and 99-591) is amended by inserting "and not to exceed an additional $490,372,000 of funds otherwise available to the Department of Defense for military functions (except military construction) which would expire on September 30, 1987," directly following "(except military construction)".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 66 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *3*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 67 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 4. Notwithstanding section 2324(e)(1)(H) of title 10, United States Code, and section 9061 of the Department of Defense Appropriations Act, 1987, Public Laws 99-500 and 99-591, the Secretary of Defense may allow under covered contracts reasonable costs incurred to promote American aerospace exports at domestic and international exhibits.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 68 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 5. (a) None of the funds appropriated by this or any other Act for research, development, testing, and evaluation for the National Aeronautics and Space Administration (NASA) or the Department of Defense may be obligated or expended for the Advanced Launch System/Heavy Lift Launch Vehicle, hereinafter referred to as "ALS", or for the design, construction, or modification of test facilities for rocket propulsion systems to be integrated into or be compatible with ALS, until the Committees on Appropriations of the Senate and the House of Representatives have received a plan, submitted jointly by the Secretary of Defense and the Administrator of NASA, and approved by the President, delineating the respective responsibilities of, and apportioning of costs to, NASA and the Department of Defense relative to the ALS program and the Committees on Appropriations of the Senate and the House of Representatives have es-

tablished a date for the release of said funds: Provided, That such plan shall make maximum use of existing unique federal testing facilities for rocket propulsion systems and shall identify the respective responsibilities of the federal entities and facilities to be used for rocket propulsion research, development, and testing: Provided fruther, That notwithstanding the requirements set forth in subsection (a) $12,000,000 previously appropriated for fiscal year 1987 and allocated for concept definition of the ALS shall be available for that purpose.

(b) Of the funds appropriated for "Research, development, test, and evaluation, Defense Agencies" by this Act, $38,000,000 shall be transferred to NASA as a part of the ALS program utilizing facilities and budgetary resources of both NASA and components of the Defense Department: Provided, That funds appropriated by this or any other Act for research, development, test, and evaluation of the ALS system may be obligated and expended only for ALS variants which embody advanced technologies with a design goal of reducing the cost to launch payloads to low Earth orbit by a factor of ten compared with current space boosters costing less than $3,000 (in constant fiscal 1987 dollars) per pound to low Earth orbit: Provided further, That none of the funds appropriated by this Act may be obligated or expended for research, development, test, and evaluation intended to facilitate early deployment of a ballistic missile defense system.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 69 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of "SEC. 8." named in said amendment, insert: *SEC. 6.*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 70 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of "SEC. 9." named in said amendment, insert: *SEC. 7.*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 71 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 8. Within seven days after enactment of this Act, the Secretary of Defense shall submit a report to the Congress, in appropriate classified and unclassified form, regarding the implementation of any agreement between the governments of the United States and Kuwait for United States military protection of Kuwaiti shipping, which includes a plan which fully meets the security needs of our forces, in conjunction with the forces of our friends and allies in the Persian Gulf region, and specifically addresses, at a minimum:

(a) an assessment of the threats to American forces, to Kuwaiti interests and shipping, and otherwise impacting on the interests of the United States and its friends and allies in the Persian Gulf region;

(b) the Rules of Engagement, alert status and readiness conditions under which our military forces will operate under in the Persian Gulf, and when such conditions will be in force; and

(c) cooperative arrangements entered into, being negotiated or contemplated with our European allies with a stake in the Persian Gulf, who have forces deployed or planned for deployment in the Persian Gulf region, and with states littoral to the Persian Gulf for a shared security system, including provision for air cover of those forces.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 73 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of "SEC. 12." named in said amendment, insert: SEC. 9.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 87 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert:

Pursuant to the Federal Advisory Committee Act (Public Law 92-463), the Secretary of the Army is directed to establish an advisory committee for the Dension Dam (Lake Texoma), Red River, Texas and Oklahoma project authorized by the Flood Control Act approved June 28, 1938 (52 Stat. 1219). The purpose of the Committee shall be advisory only and it shall provide information and recommendations to the Corps of Engineers regarding the operations of Lake Texoma for its congressionally authorized purposes. The Committee shall be composed of representatives equally divided among the project purposes and between the states of Texas and Oklahoma.

The Corps of Engineers, taking into consideration recommendations of the Southwestern Power Administration and the Lake Texoma Advisory Committee, shall, to the extent feasible, develop a management plan for the conservation pool in Lake Texoma that:

(1) Attempts to maintain a water surface elevation between 617 and 612 msl, provided however that hydroelectric power will be generated to help satisfy electric loads when the water surface elevation is between 617 and 612 msl;

(2) when the water surface elevation drops to 612 msl or lower, implements a public information program;

(3) when the water surface elevation is between 612 and 607 msl, provides for the Corps to notify the SWPA that hydroelectric power generation should only be made when it is needed for rapid response, short term peaking purposes as determined by the power scheduling entity;

(4) When the water surface elevation is between 607 and 590 msl,

(a) provides for the Corps to notify the SWPA that hydroelectric power generation should only be made to satisfy critical power needs on the power scheduling entity's electrical system as determined by the power scheduling entity, and

(b) provides for the Corps of Engineers to notify municipal and industrial water users that they should implement water conservation measures designed to lessen the impact of municipal and industrial water withdrawals.

Any amendments to the current water control plan specified above shall not supersede or adversely affect any existing permit, lease license contract, public law or flood control operation relating to Denison Dam (Lake Texoma). The management plan shall have no impact upon the provisions of section 838 of the Water Resources Development Act of 1986. The management plan shall be reevaluated on or after September 30, 1989 by the Corps of Engineers, taking into consideration the recommendations of the Southwestern Power Administration and the Lake Texoma Advisory Committee.

The U.S. Army Corps of Engineers, Tulsa District, shall issue a final report on the Oklahoma portion of the comprehensive study of the Red River Basin, Oklahoma, Arkansas, Louisiana and Texas, no later than September 30, 1988.

The management plan specified above should be formally processed to the Committees on Environment and Public Works and Public Works and Transportation in the Senate and House of Represenatives, respectively, if appropriate, for authorization as required prior to any amendments to the current operating plan that could impact health and safety, authorized purposes, or expose the Federal Government to liability. None of the funds in this Act or any other Act relating to water resource development may be used to construct or enter into an agreement to construct additional hydroelectric power generation units at Denison Dam (Lake Texoma) until September 30, 1989.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 92 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert;

For an additional amount for the Department of the Interior, Bureau of Reclamation, "Construction Program", for the cleanup of Kesterson Reservoir and San Luis Drain of the San Luis Unit, Central Valley Project, to remain available until expended, $5,600,000 to be derived by transfer of unobligated balances in the "Loan Program": *Provided,* That no funds may be obligated for this purpose until the issuance of a waste discharge permit by the Central Valley Regional Water Resources Control Board and a determination by the California Department of Health Services on the classification of the waste at Kesterson Reservoir and San Luis Drain.

In addition, Title II of Public Law 99-591 (100 Stat. 3341-200, 201), dated October 30, 1986, "Department of the Interior, Bureau of Reclamation, Construction Program (Including Transfer of Funds)", is amended by striking out "by August 1, 1987,".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 98 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

Of the amounts heretofore appropriated and made available for Energy Supply, Research and Development activities, an additional $1,200,000 shall be for completion of the MOD-5-B Wind Turbine Project.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 99 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

CHAPTER IV

FOREIGN ASSISTANCE AND RELATED PROGRAMS

MULTILATERAL ECONOMIC ASSISTANCE FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For an additional amount for payment to the International Development Association by the Secretary of the Treasury, $207,476,749 for the United States contribution to the seventh replenishment, to remain available until expended.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK

For an additional amount for payment to the African Development Bank by the Secretary of the Treasury, for the paid-in share portion of the United States share of the increase in capital stock, $6,492,127 to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the African Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $17,375,058.

BILATERAL ECONOMIC ASSISTANCE FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

ASSISTANCE FOR CENTRAL AMERICA

(TRANSFER OF FUNDS)

(a) For an additional amount for the "Economic support fund", $300,000,000, for use pursuant to this heading for Central America, to be derived by transfer from the following amounts appropriated in prior appropriations Acts for the Department of Defense; "Aircraft Procurement Army", fiscal year 1985, $10,000,000; "Missile Procurement, Army", fiscal year 1985, $15,000,000; "Weapons and Tracked Combat Vehicles, Army", fiscal year 1985, $20,000,000; "Procurement of Ammunition, Army", fiscal year 1985, $5,000,000; "Other Procurement, Army", fiscal year 1985, $37,000,000; "Aircraft Procurement, Navy", fiscal year 1985, $19,000,000; "Weapons Procurement, Navy", fiscal year 1985, $35,000,000; "Shipbuilding and Conversion, Navy", fiscal year 1983, $45,000,000; "Other Procurement, Navy" fiscal year 1985, $5,000,000; "Procurement, Marine Corps", fiscal year 1985, $8,000,000; "Aircraft Procurement, Air Force", fiscal year 1985, $101,000,000: *Provided*, That of the funds obligated in fiscal year 1987 not more than $87,000,000 shall be expended prior to October 1, 1987.

(b) Funds transferred pursuant to paragraph (a) shall remain available until September 30, 1987: *Provided*, That the President shall make available the $300,000,000 transferred pursuant to paragraph (a) for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to Economic support fund assistance) for the countries of Central America with democratically elected governments as follows:

$54,750,000 shall be made available only for assistance for Guatemala,

$54,750,000 shall be made available only for assistance for Costa Rica,

$59,750,000 shall be made available only for assistance for Honduras,

$129,750,000 shall be made available only for assistance for El Salvador,

$1,000,000 shall be made available only for assistance for Belize.

(c) Of the funds specified for El Salvador in paragraph (b), $75,000,000 shall be made available only for earthquake relief and reconstruction which shall be used in accordance with the authorities contained in section 491 of the Foreign Assistance Act of 1961. Funds made available for the purposes of this paragraph shall be accounted for separately.

(d) Of the funds specified in paragraph (a), less those amounts designated for earthquake assistance by paragraph (c), not less than 40 percent shall be used for assistance in accordance with the policy directions, purposes, and authorities of chapter 1 and chapter 9 of part I of the Foreign Assistance Act of 1961 and the remainder shall be used in a manner which will generate local currencies for use in accordance with those policy directions, purposes, and authorities.

(e) The assistance specified in paragraph (b) shall be in addition to the amounts previously allocated for fiscal year 1987 for these countries pursuant to section 653 of the Foreign Assistance Act of 1961.

(f) The local currencies generated from the funds specified in paragraph (b) for El Salvador shall be used for projects described in section 702(e)(2) of the International Security and Development Cooperation Act of 1985 (and of those local currencies, not less than 50 percent shall be for projects assisting agrarian reform and the agricultural sector and not less than 10 percent shall be used for judicial reform).

(g) Of the aggregate of the funds specified in paragraph (b), $10,000,000 shall be made available only for Child Survival Fund activities in the Central American democracies.

(h) The assistance provided under this heading shall be made available consistent with the policies contained in section 702 of the International Security and Development Cooperation Act of 1985 (relating to El Salvador), section 703 of that Act (relating to Guatemala), and chapter 6 of part I of the Foreign Assistance Act of 1961 (relating to the Central American Democracy, Peace, and Development Initiative).

(i) Funds made available for assistance pursuant to this heading may be obligated only in accordance with the Congressional notification procedures applicable under section 523 of the Foreign Assistance and Related Programs Appropriations Act, 1987, and section 634A fo the Foreign Assistance Act of 1961.

(j) Of the funds specified for Honduras in paragraph (b), $20,000,000 shall be obligated, but shall not be expended, except as provided in the fourth proviso, until the Government of Honduras and an American citizen, whose property and businesses in the vicinity of Trujillo, Honduras were affected by actions of the Government of Honduras with respect to the Regional Military Training Center, reach a settlement concerning compensation: *Provided*, That in order to facilitate such a settlement the Department of State shall select an independent factfinder. The factfinder shall correct and expand, as may be appropriate, the existing factfinder's report. Such report shall be issued by September 30, 1987: *Provided further*, That if the two parties have not reached a full and final settlement of this matter, including a complete waiver of further claims and liabilities against the Governments of Honduras and the United States, by November 30, 1987, then the Department of State shall request that both parties submit the disagreement to binding international arbitration in accordance with the rules of procedure of the Inter-American Commercial Arbitration Commission. The Commission shall select the arbitrators, and may appoint such experts as it finds necessary in order to establish a base of factual and financial information for the case: *Provided further*, That if the Government of Honduras refuses to agree to binding international arbitration, then the $20,000,000 shall be deobligated and immediately returned to the Treasury of the United States: *Provided further*, That if the United States citizen refuses to agree to binding international arbitration and refuses to agree that the award resulting from the arbitration will constitute a full and final settlement of any and all claims, liabilities and demands, including those which may be directed at the United States, its officers, agents and employees, arising directly or indirectly from the establishment of the Regional Military Training Center, then the $20,000,000 shall be made available for expenditure to the Government of Honduras: *Provided further*, That arbitrators shall consider maintenance costs, interest costs, professional fee costs, land, business and asset valuations and all other matters they deem appropriate: *Provided further*, That nothing in this provision shall prevent the two parties prior to a final arbitration award from reaching a binding full and final written agreement outside the arbitration proceedings: *Provided further*, That funds previously appropriated for the Economic support fund shall be used to pay for the reasonable costs of the activities of the factfinder, the international arbitration Commission, the arbitrators, and the experts appointed by the arbitrators.

ASSISTANCE IN SUPPORT OF SOLIDARITY

For an additional amount for the "Economic support fund", $1,000,000, which shall be made available, notwithstanding any other provision of law, only for the support of the independent Polish trade union "Solidarity."

ASSISTANCE FOR SOUTHERN AFRICA

For an additional amount for "Energy and selected development activities, Development Assistance", $50,000,000 to remain available until September 30, 1988: *Provided*, That none of these funds may be available for activities in Mozambique or Angola: *Provided further*, That none of the funds may be available to any country for which the President proposes to disburse funds within the Southern Africa Development Coordination Conference until the President certifies that such country (1) has not advocated the form of terrorism, commonly known as "necklacing," used against South African blacks; (2) has provided assurances that it has taken action against any person who has been found to have practiced necklacing against South African blacks; and (3) is not knowingly allowing terrorists who practice necklacing to operate in its territory: *Provided further*, That such funds shall be made available only as follows:

(a) $37,500,000 shall be made available to assist the member states of the Southern Africa Development Coordination Conference (SADCC) in carrying out the most urgent sector projects supported by SADCC in the following sectors: transportation and communications, energy (including the improved utilization of electrical power sources which already exist in the member states and offer the potential to swiftly reduce the dependence of those states on South Africa for electricity), agricultural research and training, and industrial develop-

ment and trade (including private sector initiatives): *Provided*, That of this amount not less than 60 percent shall be used in the transportation sector: *Provided further*, That none of the funds made available under this paragraph may be made avaialable for the design, rehabilitation, construction, or equipping of any rail or road transportation corridor other than the Northern Corridor, which links southern Africa with Dar es Salaam, Tanzania.

(b) $12,500,000 shall be made available for projects and activities for disadvantaged South Africans in accordance with section 535 of the Foreign Assitance Act of 1961, or for humanitarian assistance for the member states of SADCC. Assistance for the member states of SADCC may include such activities as: transport of emergency food and medical supplies; refugee assistance; and disaster relief and rehabilitation assistance which shall be provided pursuant to the authorities contained in section 491 of the Foreign Assistance Act.

(c) Of the funds made available for the SADCC member countries for humanitarian assistance by paragraph (b), up to $5,000,000 may be made available for the United Nations Children's Fund's emergency appeals for affected countries in southern Africa.

(d) None of the funds appropriated by this Act for southern Africa shall be obligated or expended until the President has submitted to the House Foreign Affairs Committee, the Senate Foreign Relations Committee, and the Committees on appropriations the third quarter Project Accounting Information System Report of all economic assistance funds administered by the Agency for International Development that are allocated for southern Africa and which were authorized by the International Security and Development Cooperation Act of 1985 and Public Law 99-440 and, which pursuant to such authorizations were subsequently appropriated.

Independent Agencies

PEACE CORPS

For an additional amount to carry out the provisions of the Peace Corps Act (75 Stat. 612) (22 U.S.C. 2501, et seq.) $7,200,000, to remain available until September 30, 1988.

Military Assistance

Funds Appropriated to the President

MILITARY ASSISTANCE

For necessary expenses to carry out the provisions of section 503 of the Foreign Assistance Act of 1961, $50,000,000, which shall be used only for the Philippines: *Provided*, That amounts appropriated under this heading shall be available notwithstanding section 10 of Public Law 91-672 and section 15(a) of the State Department Basic Authorities Act of 1956.

FOREIGN MILITARY CREDIT SALES

For an additional amount to carry out the provisions of section 23 of the Arms Export Control Act, $13,000,000 of which $10,000,000 shall be available only for Morocco, and $3,000,000 shall be available only for Kenya.

Export Assistance

EXPORT-IMPORT BANK OF THE UNITED STATES

LIMITATION ON PROGRAM ACTIVITY

Notwithstanding the "limitation on program activity" contained in title IV of the Foreign Assistance and Related Programs Appropriations Act, 1987 in Public Law 99-500 and Public Law 99-591, during the fiscal year 1987 and within the resources and authority available, gross obligations for the principal amount of direct loans shall be reduced from $900,000,000 to $680,000,000 and shall be provided under the terms and conditions in the Foreign Assistance and Related Programs Appropriations Act of 1987 as they apply to the Export-Import Bank.

General Provisions

GUARANTY RESERVE FUND

Section 24(c) of the Arms Export Control Act is amended by striking the second paragraph and inserting the following:

"Funds provided for necessary expenses to carry out the provisions of section 23 of the Arms Export Control Act and of section 503 of the Foreign Assistance Act of 1961, as amended, may be used to pay claims on the Guaranty Reserve Fund to the extent that funds in the Guaranty Reserve Fund are inadequate for that purpose."

REPEAL OF SECTION 215(2)

Section 215(2) of title II of the Military Construction Appropriations Act, 1987 as contained in Public Law 99-500 and Public Law 99-591 is hereby repealed.

INTER-AMERICAN DEVELOPMENT BANK

It is the sense of the Senate that United States economic and foreign policy interests in the western hemisphere would be best served if the Secretary of the Treasury were to adhere to the Administration's proposal to modify the voting procedures within the Inter-American Development Bank to require that decisions be taken by the board by a voting majority of 65 percent of the voting shares.

DAIRY SURPLUS PRODUCTS

Funds provided for new development projects of private entities and cooperatives utilizing surplus dairy products may also be used for development projects that include surplus dairy livestock under the Dairy Termination Program.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 102 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Housing Programs

Payments for the Operation of Low-Income Housing Projects

(INCLUDING RESCISSION)

Of the amounts made available under this head in section 101(g) of Public Laws 99-500 and 99-591 (100 Stat. 1783-242, 3341-242) for payments to public housing agencies and Indian housing authorities, $65,000,000 are rescinded and the balance shall be for payment of operating subsidies under section 9, United States Housing Act of 1937 (42 U.S.C. 1437g): *Provided*, That, notwithstanding section 9(d) of such Act, any amount of such balance not required for such purpose shall be made available only for increased liability insurance costs not reflected in the performance funding system formula (24 C.F.R. Part 990).

For an additional amount for "Payments for the operation of low-income housing projects", $65,000,000, as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), to be available for obligation on September 25, 1987, and to remain available until September 30, 1988: *Provided*, That such amount shall be available only for insurance costs not reflected in the performance funding system formula.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 114 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

ADVANCES TO TRUST FUNDS

Pursuant to Public Law 99-500 and Public Law 99-591, amounts advanced to the Hazardous Substance Response Trust Fund shall remain available until expended.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 115 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Federal Emergency Management Agency

DISASTER RELIEF

For an additional amount for "Disaster relief", $57,475,000, to remain available until expended.

ADMINISTRATIVE PROVISION

The regulation changes to 44 CFR parts 59 and 60 promulgated by the Federal Emergency Management Agency and set forth at 51 Fed. Reg. 30306-30309 (August 25, 1986), which amended the definition, placement, and elevation of mobile homes in an existing mobile home park or mobile home subdivision, as previously defined, shall not be effective from enactment of this Act through September 30, 1988.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 116 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

National Aeronautics and Space Administration

CONSTRUCTION OF FACILITIES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Construction of facilities", $303,000,000, to become available on September 25, 1987, and remain available until September 30, 1989, of which $300,000,000 shall be transferred to "Space flight, control and data communications".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 125 to the aforesaid bill, and concur there in with an amendment as follows:

In lieu of the sum inserted by said amendment, insert: $2,126,000, of which $1,255,000 for hazardous waste site activities in Oroville, Washington, shall remain available until September 30, 1988.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 128 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: *$5,815,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 129 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment, insert: *$18,250,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 133 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

ADMINISTRATIVE PROVISION

Notwithstanding any other provision of law, the pesticide application program described in the West Virginia Department of Natural Resources' permit application to conduct a pesticide (bacillus thuringiensis israelensis [Bti]) spraying program on the New River, West Virginia, to control the river's black fly (Simulium jenningsi) population, received by the Superintendent of New River Gorge National River, West Virginia, on September 9, 1986, is hereby approved as a demonstration project for a period of eight years from the date of enactment of this Act, unless the pesticide Bti is removed from the registered list of pesticides, as determined by the Environmental Protection Agency, at an earlier date. No additional analyses, proposals, or approvals will be required for the State to conduct similar pesticide application programs during the period of the demonstration project provided herein. The State shall notify the National Park Service of its planned annual program at least ninety days in advance of spraying, and shall consider the recommendations provided by the National Park Service, the United States Fish and Wildlife Service, and other parties in the conduct of the pesticide application program. The State shall also enter into an indemnity agreement with the National Park Service which will protect the Service from all tort claims which might arise from the State's spraying program. The State and the National Park Service shall jointly conduct a monitoring program on the effects of the pesticide application, including the impact on natural, cultural and recreational values of the National River.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 136 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT ABANDONED MINE RECLAMATION FUND

Section 405(k) of the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87) is amended by adding at the end thereof, "except for purposes of subsection (c) of this section with respect to the Navajo, Hopi and Crow Indian Tribes".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 137 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

For an additional amount for "Operation of Indian programs", $3,153,000: Provided, That not to exceed $226,000 shall be paid for the settlement of three appeals related to mineral leasing revenues that have been collected and disbursed to Indian allottees.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 148 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *of which $7,005,000 shall remain available until expended, and of which $995,000 shall be transferred to the "Forest Research" appropriation account of the Forest Service, to remain available until expended"*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 151 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment, insert: *$1,000,000, to remain available until expended*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 154 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Timber Roads, Purchaser Election, Forest Service

(RESCISSION)

(INCLUDING DISAPPROVAL OF DEFERRAL)

of the funds previously made available and unobligated in this permanent appropriation account, $30,000,000 is rescinded.

The Congress disapproves deferral D87-37 relating to the Forest Service, "Timber roads, purchaser election, Forest Service", as set forth in the message of January 28, 1987, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 156 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, and in lieu of the sum named in such matter, insert: *$700,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 159 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

GENERAL PROVISION

Notwithstanding the provisions of Public Law 99-663, which established the Columbia River Gorge National Scenic Area, the Pierce National Wildlife Refuge and the Little White Salmon National Fish Hatchery shall continue to be administered, operated and maintained in accordance with the provisions of the National Wildlife Refuge System Administration Act, Fish and Wildlife Coordination Act, and Fish and Wildlife Act of 1956 by the U.S. Fish and Wildlife Service.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 174 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

For an additional amount for Home Delivered Nutrition Services under subpart 2 of part C of title III of the Older Americans Act of 1965, $1,400,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 181 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert:

Chicago Litigation Settlement

TRANSFER OF FUNDS

To enable the United States of America to satisfy in full any and all obligations it may have to provide financial assistance for the Chicago Board's Desegregation Plan under section 15.1 of the Consent Decree entered in the case United States v. Board of Education of the City of Chicago, 80 C 5124, and to resolve all claims of the Chicago Board and all litigation concerning the United States' obligations to the Chicago Board under section 15.1, there is hereby appropriated $83,000,000 to be derived by transfer of remaining unobligated or contingently obligated balances of appropriations for fiscal years 1983 through 1986 for the Department of Education that would have been expended or lapsed but for the escrow provisions established as a result of the litigation between the Chicago Board and the United States: *Provided,* That the Secretary of Education shall make these funds available to the board to be used only for desegregation activities in accordance with the terms and conditions of the Consent Decree: *Provided further,* That these funds shall be made available to the board in five equal annual grants beginning in fiscal year 1988: *Provided further,* That this $83,000,000 reappropriation constitutes full and final satisfaction of any and all past, present and future claims that the Chicago Board may have against the United States arising under or resulting from section 15.1 of the Consent Decree, and releases the United States from any further liability under section 15.1: *Provided further,* that the funds appropriated by this Act shall remain available until expanded.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 189 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$1,300,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 204 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

TORREJON AIR BASE, SPAIN

It is the sense of the Congress that all facility construction costs associated with the relocation of the Tactical Fighter Wing at Torrejon Air Base, Spain, to another location, should be the responsibility of the North Atlantic Treaty Organization.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 208 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *$9,891,000, to remain available until expended*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 211 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: $30,200,000, to remain available until expended: *Provided,* That of available funds under "Agricultural Stabilization and Conservation Service, Rural Clean Water Program", $6,000,000 are rescinded.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 212 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

EXTENSION SERVICE

For an additional amount for "Extension Service, Federal administration and coordination", for special grants for financially stressed and dislocated farmers, $300,000, to remain available until expended.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 218 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment and insert: *, and for other disaster payments required by the Farm Disaster Assistance Act of 1987, $25,000,000; and interest payments to the United States Treasury, $440,000,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 215 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment, insert: ***$5,553,189,000***

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 214 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: ***$553,000***

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 222 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

LOAN REGULATIONS

Hereafter, funds appropriated or available to the Farmers Home Administration under this or any other Act to make or to service farm loans shall be available for continuing assistance to delinquent borrowers on the basis of the policies contained in Farmers Home Administration Announcement Number 1113-1960, dated November 30, 1984.

Hereafter, none of the funds appropriated or made available by this or any other Act, or otherwise made available to the Secretary of Agriculture or the Farmers Home Administration, may be used to implement section 1944.16(c)(1) of title 7, Code of Federal Regulations, as published in 52 Federal Register 11983 (April 14, 1987) or any other regulation that would have the same effect as such regulation.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 223 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

RURAL ELECTRIFICATION ADMINISTRATION

Hereafter, notwithstanding section 306A(d) of the Rural Electrification Act of 1936 (7 U.S.C. 936a(d)), a borrower of a loan made by the Federal Financing Bank and guaranteed under section 306 of such Act (7 U.S.C. 936) may, at the option of the borrower, prepay such loan (or any loan advance thereunder) in accordance with section 306A of such Act.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 224 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

REIMBURSEMENT

Of the funds made available under the heading "CHILD NUTRITION PROGRAMS" of title III of the provisions made effective by section 101(a) of Public Law 99-190 but not requested through an official budget request transmitted to Congress, $167,500,000 shall be available to the Secretary of Agriculture to reimburse State agencies for meals served under child nutrition programs conducted under the National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) in September, 1987.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 226 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert:

For an additional amount for orphan drug grants and contracts, $500,000.

Section 3 of the Saccharin Study and Labeling Act (21 U.S.C. 348 nt.) is amended by striking out "May 1, 1987" and inserting in lieu thereof "May 1, 1992".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 228 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Coast Guard

Operating Expenses

(Transfer of Funds)

For an additional amount for "Operating Expenses", $4,120,000, to be derived by transfer from "United States Customs Service, Operation and Maintenance, Air Interdiction Program": Provided, That this provision shall be effective only upon validation of the transfer by the General Accounting Office.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 230 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: $60,000,000, of which $11,619,000 shall be derived by transfer from "Operation and maintenance, Metropolitan Washington airports", and $5,000,000 shall be derived by transfer from "Construction, Metropolitan Washington airports"

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 247 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Pompano Beach Air Park

None of the funds appropriated for the Federal Aviation Administration under this or any prior Act shall be used (1) to compel the City of Pompano Beach, Florida, to redesignate any land designated as nonaviation use land at the Pompano Beach Air Park as of November 1, 1966, or (2) to take any action to revert the Pompano Beach Air Park.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 256 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Customs Forfeiture Fund

TECHNICAL CORRECTION TO PUBLIC LAW 99-570

Section 1152(b) of Public Law 99-570 is repealed, and shall be treated as though it had never been enacted.

ALLOWANCES FOR CERTAIN GSA PERSONNEL

Notwithstanding sections 5923 and 5924, title 5, United States Code and any applicable regulations, the General Services Administration shall honor allowances initially authorized, resulting in an aggregate amount of $27,000 payable to twenty-one General Services Administration employees for certain cost of living and related expenses during official foreign duty from November 1984 through September 1985.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 285 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *"Energy Information Administration"*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 286 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *"Emergency preparedness"*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 312 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: $3,000,000 shall be expended from the Boat Safety Account, $3,000,000 shall be derived from "Retired pay"

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 317 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Grants to the National Railroad Passenger Corporation

For an additional amount for "Grants to the National Railroad Passenger Corporation", $5,000,000, to be derived from unobligated balances of "Redeemable preference shares" acquired by the Secretary of Transportation under the Railroad Revitalization and Regulatory Reform Act of 1976, to be available only for construction, rehabilitation, renewal, replacement, or other improvements deemed by the National Railroad Passenger Corporation to be needed to enable it to restore railroad passenger service between Springfield, Massachusetts and Montreal, Canada through Vermont: *Provided,* That any agreements entered into by the National Railroad Passenger Corporation for the performance of such improvements shall provide that the owners of any railroad lines so improved not construe the terms of any existing trackage rights agreement or any existing or future operating agreement between the National Railroad Passenger Corporation and the owners of any such railroad lines in a manner that would result in an increase in the rental or other payments made thereunder because of the expenditures made under this appropriation: *Provided further,* That any agreements entered into by the National Railroad Passenger Corporation for the performance of such improvements shall provide that the owners of any railroad lines so improved not seek to include the value of any expenditures made under this appropriation in the transfer price of any of the lines so improved: *Provided further,* That, notwithstanding any other provision of law, the National Railroad Passenger Corporation shall hereafter seek immediate and appropriate legal remedies to enforce its contractual rights whenever track maintenance on any route over which the National Railroad Passenger Corporation operates becomes inadequate or otherwise falls below the contractual standard.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 319 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

RELATED AGENCIES

NATIONAL TRANSPORTATION SAFETY BOARD

(TRANSFER OF FUNDS)

"Salaries and expenses", $165,000, to be derived by transfer from the unobligated balances of "Payments to air carriers";

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 381 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: $46,000,000, of which $5,000,000 shall be derived by transfer from "Retired pay": *Provided,* That, notwithstanding section. 511 of this Act or any other provision of law, such funds shall remain available until expended;

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 410 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

For an additional amount for "Health resources and services", for carrying out the activities authorized by H.R. 558, the Stewart B. McKinney Homeless Assistance Act, as provided for in House Report 100-174, $46,000,000 to remain available through September 30, 1988.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 411 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINSTRATION

ALCOHOL, DRUG ABUSE AND MENTAL HEALTH

For an additional amount for "Alcohol, drug abuse and mental health", for carrying out the activities authorized by H.R. 558, the Stewart B. McKinney Homeless Assistance Act, as provided for in House Report 100-174, $50,700,000 to remain available through September 30, 1988.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 412 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

FAMILY SUPPORT ADMINISTRATION

OFFICE OF COMMUNITY SERVICES

COMMUNITY SERVICES BLOCK GRANT

For an additional amount for "Community services block grant", for carrying out the activities authorized by H.R. 558, the Stewart B. McKinney Homeless Assistance Act, as provided for in House Report 100-174, $36,800,000 to remain available through September 30, 1988.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 413 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

DEPARTMENT OF EDUCATION

SPECIAL PROGRAMS

For an additional amount for "Special programs", for carrying out the activities authorized by H.R. 558, the Stewart B. McKinney Homeless Assistance Act, as provided for in House Report 100-174, $4,600,000 to remain available through September 30, 1988.

VOCATIONAL AND ADULT EDUCATION

For an additional amount for "Vocational and adult education", for carrying out the activities authorized by H.R. 558, the Stewart B. McKinney Homeless Assistance Act, as provided for in House Report 100-174, $6,900,000 to remain available through September 30, 1988.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 415 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

EMERGENCY SHELTER GRANTS PROGRAM

For an additional amount for the emergency shelter grants program carried out by the Department of Housing and Urban Development as authorized in the Homeless Housing Act of 1986 under section 101(g) of Public Law 99-500 and Public Law 99-591, subject to the requirements for such program in the Stewart B. McKinney Homeless Assistance Act (H.R. 558), as provided for in House Report 100-174, $50,000,000, to remain available until expended.

SUPPORTIVE HOUSING DEMONSTRATION PROGRAM

For an additional amount for the transitional housing demonstration program carried out by the Department of Housing and Urban Development as authorized in the Homeless Housing Act of 1986 under section 101(g) of Public Law 99-500 and Public Law 99-591, subject to the requirements of the supportive housing demonstration program in the Stewart B. McKinney Homeless Assistance Act (H.R. 558), as provided for in House Report 100-174, $80,000,000, to remain available until expended.

SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS

For grants for supplemental assistance for facilities to assist the homeless pursuant to the Stewart B. McKinney Homeless Assistance Act (H.R. 558), as provided for in House Report 100-174, $15,000,000, to remain available until expended.

SECTION 8 ASSISTANCE FOR SINGLE ROOM OCCUPANCY DWELLINGS

The budget authority available under section 5(c) of the United States Housing Act of 1937 for assistance under section 8(e)(2) of such Act is increased by $35,000,000, to remain available until expended: *Provided,* That such amount of budget authority is to be used only to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act (H.R. 558), as provided for in House Report 100-174.

FEDERAL EMERGENCY MANAGEMENT AGENCY

EMERGENCY FOOD AND SHELTER PROGRAM

For an additional amount for the "Emergency food and shelter program", as authorized by section 101(g) of Public Law 99-500 and Public Law 99-591, and H.R. 558, the Stewart B. McKinney Homeless Assistance Act, as provided for in House Report 100-174, $10,000,000.

VETERANS' ADMINISTRATION

MEDICAL CARE

For an additional amount for "Medical care", $20,000,000, to remain available through September 30, 1988, of which $15,000,000 shall be available for converting to domiciliary-care beds underutilized space located in facilities (in urban areas in which there are significant numbers of homeless veterans) under the jurisdiction of the Administrator of Veterans' Affairs and for furnishing domiciliary care in such beds to eligible veterans, primarily homeless veterans, who are in need of such care, and of which $5,000,000 shall be available, notwithstanding section 2(c) of Public Law 100-6, for furnishing care under section 620C of title 38, United States Code, to homeless veterans who have a chronic mental illness disability: *Provided,* That not more than $500,000 of the amount available in connection with furnishing care under such section 620C shall be used for the purpose of monitoring the furnishing of such care and, in furtherance of such purpose, to maintain an additional 10 full-time-employee equivalents: *Provided further,* That nothing in this paragraph shall result in the diminution of the conversion of hospital-care beds to nursing-home-care beds by the Veterans' Administration.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 416 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 503. (a)(1) Except as provided in subsection (b) or (c), none of the funds appropriated or made available by this Act, or any other Act, with respect to any fiscal year, shall be available to administer or implement any drug testing pursuant to Executive Order Numbered 12564 (dated September 15, 1986), or any subsequent order, unless and until—

(A) The Secretary of Health and Human Services certifies in writing to the Committees on Appropriations of the House of Representatives and the Senate, and other appropriate committees of the Congress, that—

(i) each agency has developed a plan for achieving a drug-free workplace in accordance with Executive Order Numbered 12564 and applicable provisions of law (including applicable provisions of this section);

(ii) the Department of Health and Human Services, in addition to the scientific and technical guidelines dated February 13, 1987, and any subsequent amendments thereto, has, in accordance with paragraph (3), published mandatory guidelines which—

(I) establish comprehensive standards for all aspects of laboratory drug testing and laboratory procedures to be applied in carrying out Executive Order Numbered 12564, including standards which require the use of the best available technology for ensuring the full reliability and accuracy of drug tests and strict procedures governing the chain of custody of specimens collected for drug testing;

(II) specify the drugs for which Federal employees may be tested; and

(III) establish appropriate standards and procedures for periodic review of laboratories and criteria for certification and revocation of certification of laboratories to perform drug testing in carrying out Executive Order Numbered 12564; and

(iii) all agency drug-testing programs and plans established pursuant to Executive Order Numbered 12564 comply with applicable provisions of law, including applicable provisions of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), title 5 of the United States Code, and the mandatory guidelines under clause (ii);

(B) the Secretary of Health and Human Services has submitted to the Congress, in writing, a detailed, agency-by-agency analysis relating to—

(i) the criteria and procedures to be applied in designating employees or positions for drug testing, including the justification for such criteria and procedures;

(ii) the position titles designated for random drug testing; and

(iii) the nature, frequency, and type of drug testing proposed to be instituted; and

(C) the Director of the Office of Management and Budget has submitted in writing to the Committees on Appropriations of the House of Representatives and the Senate a detailed, agency-by-agency analysis (as of the time of certification under subparagraph (A)) of the anticipated annual costs associated with carrying out Executive Order Numbered 12564 and all other requirements under this section during the 5-year period beginning on the date of the enactment of this Act.

(2) Notwithstanding subsection (g), for purposes of this subsection, the term "agency" means—

(A) the Executive Office of the President;

(B) an Executive department under section 101 of title 5, United States Code;

(C) the Environmental Protection Agency;

(D) the General Services Administration;

(E) the National Aeronautics and Space Administration;

(F) the Office of Personnel Management;

(G) the Small Business Administration;

(H) the United States Information Agency; and

(I) the Veterans' Administration;

except that such term does not include the Department of Transportation or any other entity (or component thereof) covered by subsection (b).

(3) Notwithstanding any provision of chapter 5 of title 5, United States Code, the mandatory guidelines to be published pursuant to subsection (a)(1)(A)(ii) shall be published and made effective exclusively according to the provisions of this paragraph. Notice of the mandatory guidelines proposed by the Secretary of Health and Human Services shall be published in the Federal Register, and interested persons shall be given not less than 60 days to submit written comments on the proposed mandatory guidelines. Following review and consideration of written comments, final mandatory guidelines shall be published in the Federal Register and shall become effective upon publication.

(b)(1) Nothing in subsection (a) shall limit or otherwise affect the availability of funds for drug testing by—

(A) the Department of Transportation;

(B) Department of Energy, for employees specifically involved in the handling of nuclear weapons or not;

(C) any agency with an agency-wide drug-testing program in existence as of September 15, 1986; or

(D) any component of an agency if such component had a drug-testing program in existence as of September 15, 1986.

(2) The Departments of Transportation and Energy and any agency or component thereof with a drug-testing program in existence as of September 15, 1985—

(A) shall be brought into full compliance with Executive Order Numbered 12564 no later than the end of the 6-month period beginning on the date of the enactment of this Act; and

(B) shall take such actions as may be necessary to ensure that their respective drug-testing programs or plans are brought into full compliance with the mandatory guidelines published under subsection (a)(1)(A)(ii) no later than 90 days after such mandatory guidelines take effect, except that any judicial challenge that affects such guidelines should not affect drug-testing programs or plans subject to this paragraph.

(c) In the case of an agency (or component thereof) other than an agency as defined by subsection (a)(2) or an agency (or component thereof) covered by subsection (b), none of the funds appropriated or made available by this Act, or any other Act, with respect to any fiscal year, shall be available to administer or implement any drug testing pursuant to Executive Order Numbered 12564, or any subsequent order, unless and until—

(1) the Secretary of Health and Human Services provides written certification with respect to that agency (or component) in accordance with clauses (i) and (iii) of subsection (a)(1)(A);

(2) the Secretary of Health and Human Services has submitted a written, detailed analysis with respect to that agency (or component) in accordance with subsection (a)(1)(B); and

(3) the Director of the Office of Management and Budget has submitted a written, detailed analysis with respect to that agency (or component) in accordance with subsection (a)(1)(C).

(d) Any Federal employee who is the subject of a drug test under any program or plan shall, upon written request, have access to—

(1) any records relating to such employee's drug test; and

(2) any records relating to the results of any relevant certification, review, or revocation-of-certification proceedings, as referred to in subsection (a)(1)(A)(ii)(III).

(e) The results of a drug test of a Federal employee may not be disclosed without the prior written consent of such employee, unless the disclosure would be—

(1) to the employee's medical review official (as defined in the scientific and technical guidelines referred to in subsection (a)(1)(A)(ii));

(2) to the administrator of any Employee Assistance Program in which the employee is receiving counseling or treatment or is otherwise participating;

(3) to any supervisory or management official within the employee's agency having authority to take the adverse personnel action against such employee; or

(4) pursuant to the order of a court of competent jurisdiction where required by the United States Government to defend against any challenge against any adverse personnel action.

(f) Each agency covered by Executive Order Numbered 12564 shall submit to the Committees on Appropriations of the House of Representatives and the Senate, and other appropriate committees of the Congress, an annual report relating to drug-testing activities conducted by such agency pursuant to such executive order. Each such annual report shall be submitted at the time of the President's budget submission to the Congress under section 1105(a) of title 31, United States Code.

(g) For purposes of this section, the terms "agency" and "Employee Assistance Program" each has the meaning given such term under section 7(b) of Executive Order Numbered 12564, as in effect on September 15, 1986.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 420 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert:

SEC. 506. Notwithstanding any other provision of this Act, appropriations made by title I of this Act for the following account shall be as follows:

IMMIGRATION AND NATURALIZATION SERVICE,
SALARIES AND EXPENSES, $137,216,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 422 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the first section number named in said amendment, insert: *507*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 424 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *508*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 425 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 509. None of the funds made available by this or any other Act may be used for the purpose of restarting the N-Reactor at the Hanford Reservation, Washington during fiscal year 1987. For the purposes of this paragraph the term "restarting" shall mean any activity related to the operation of the N-Reactor that would achieve criticality, generate fission products within the reactor or discharge cooling water from nuclear operations: *Provided further*, That this provision does not require a change in the current fuel status of the reactor.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 426 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *510*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 427 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of "Sec. 509." named in said amendment, insert: *Sec. 511.*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 428 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *512*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 429 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *513*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 430 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *514*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 431 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *515*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 432 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number named in said amendment, insert: *516*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 434 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of "Sec. 516." named in said amendment, insert: Sec. *517.*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 437 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Sec. 519. (a) Subtitle C of title XVII of the Food Security Act of 1985 (7 U.S.C. 5001 et seq.) is amended—

(1) by striking out "National Agricultural Policy Commission Act of 1985" each place it appears in the subtitle heading and section 1721 (7 U.S.C. 5001) and inserting in lieu thereof "National Commission on Agriculture and Rural Development Policy Act of 1985"; and

(2) by striking out "National Commission on Agriculture Policy" each place it appears in sections 1722(1) and 1723(a) (7 U.S.C. 5001(1) and 5002(a)) and inserting in lieu thereof "National Commission on Agriculture and Rural Development Policy".

(b) Notwithstanding section 501(e) of the Farm Credit Amendments Act of 1985 (12 U.S.C. 2001 note), there is authorized and appropriated—

(1) for the National Commission on Agricultural Finance established under such section, $100,000, to remain available until expended; and

(2) for the National Commission on Agriculture and Rural Development established under section 1723 of the Food Security Act of 1985 (7 U.S.C. 5002), $100,000, to remain available until expended.

Resolved, That the House insist upon this disagreement to the amendment of the Senate numbered 33.

EXCEPTED SENATE AMENDMENT NO. 33

The **PRESIDING OFFICER.** According to the unanimous-consent agreement, we are now on the motion to be made by the Senator from Louisiana [Mr. Johnston] to recede from excepted Senate amendment No. 33.

Mr. **JOHNSTON** addressed the Chair.

The **PRESIDING OFFICER.** The Senator from Louisiana.

Mr. **JOHNSTON.** Mr. President, I move that the Senate recede from Senate amendment No. 33.

The **PRESIDING OFFICER.** According to the agreement, there are 4 minutes to be equally divided between both sides. Who yields time?

Mr. **HATFIELD.** I yield back my time.

The **PRESIDING OFFICER.** The Senator from Oregon has yielded back his time.

Mr. **STENNIS.** Mr. President, I yield back our time.

The **PRESIDING OFFICER.** The Senator from Mississippi has yielded back his time. The question is on agreeing to the motion.

The motion was agreed to.

EXCEPTED SENATE AMENDMENT NO. 26

The **PRESIDING OFFICER.** Excepted Senate Amendment No. 26 will be stated.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 26 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

The Secretary of State shall not permit the Soviet Union to occupy the new chancery building at its new embassy complex in Washington, D.C., or any other new facility in the Washington, D.C. metropolitan area, until a new chancery building is ready for occupancy for the United States embassy in Moscow: *Provided,* That none of the funds appropriated in this Act or any prior Act may be obligated for the new office building in Moscow prior to November 1, 1987.

The **PRESIDING OFFICER.** Under the unanimous-consent agreement, the next matter is the amendment to be offered by the Senator from South Carolina dealing with the U.S. Embassy in Moscow.

The Senator from South Carolina.

AMENDMENT NO. 369

Mr. **HOLLINGS.** Mr. President, I move to concur in the House amendment with an amendment. I submit the amendment and ask for its immediate consideration.

The **PRESIDING OFFICER.** The clerk will report.

The bill clerk read as follows:

The Senator from South Carolina [Mr. Hollings] proposes an amendment numbered 369 to excepted Senate amendment No. 26.

Mr. **HOLLINGS.** Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed by said amendment, insert the following:

Notwithstanding any other provision of law, no funds appropriated to the Department of State in this or any other Act may be obligated for the new office building in Moscow, except as necessary to demolish the building: *Provided further,* That subsection (d) of section 154 of Public Law 99-93 is repealed and subsection (a) of such section is amended in the first sentence, to read as follows; "The Secretary of State shall not permit the Soviet Union to occupy the new chancery building at its new embassy complex in Washington, D.C., or any other new facility in the Washington, D.C. metropolitan area, until a new chancery building is ready for occupancy for the United States embassy in Moscow and until the Soviet Union provides prompt and full reimbursement to the United States for damages incurred as a result of the construction of the new United States embassy in Moscow.": *Provided further,* That the Secretary of State is directed to develop and submit to the Speaker of the House of Representatives and the Appropriations and Foreign Relations Committees of the Senate by August 30, 1987, a plan to establish essential parity in the numbers, types and quality of buildings held by the United States in Moscow and the Soviet Union in Washington, D.C.: *Provided further,* That it is the sense of Congress that no additional funds should be appropriated for new embassy construction, except for the completion of projects, other than Moscow, where construction is now underway until such time as the management of overseas embassy construction is organized under an Under Secretary who shall also have responsibility for the Office of Foreign Missions and the Bureau of Diplomatic Security: *Provided further,* That the Secretary of State and Director of Central Intelligence shall within thirty days after enactment of this Act convene a panel of outside experts to review and analyze the plans, contracts and protocols of any construction projects of the Office of Foreign Buildings.

Mr. **HOLLINGS.** Mr. President, this is similar to what we had earlier with respect to the Intelligence Committee acting with a unanimous vote after hearings with respect to the penetration and bugging, you might say, of our new Embassy construction in Moscow, followed by an identical finding by approval of my amendment by the Senate Appropriations Committee and, of course, confirmed by the Senate in its enactment of the supplemental bill.

I am a realist about this. I do not know that we can change the House's mind. I think we can pass this over to the House. It is important that we do pass it back to them to ask them to reconsider.

I will have to agree in the same breath with respect to our farmers in the supplemental situation, that right now the most important issue that we have is our commodity credit payments to our farmers. I am not trying to delay the supplemental by any manner or means, but this is something which has come up unanimously with respect to our Appropriations Committee and our Intelligence Committee.

We have confirmed with subsequent testimony that we heard from former Secretary Schlesinger, a special study he has made, and other findings that we have heard from in the committee.

I say we have confirmed, let us go back to the original record—I am not going into the entire history of the contract and who was involved and everything else—what we do know is that the technicians will tell you that there is no way to make that new construction in Moscow secure without removing the penetration devices. There is no way to remove and be absolutely certain in your mind that they are removed, neutralized, unless you veritably remove the building bit by bit, piece by piece.

So in reality you have made the decision that if you are going to make the building secure, in reality you have then decided to demolish the building.

I think some who have been attuned to this particular problem and followed it closely think that the wording by our Intelligence Committee and Appropriations Committee was done in a pique, whereby there was an attitude that we will show them, we will just tear the building down.

It is not that at all. We know to control our losses and try to minimize our stupidity, because this was rather stupid on our part to let the construction be engaged in by Soviet KGB agents not only in the design but the construction. So we had approached it mentally from that standpoint. Now we have to cut our losses and move on and get a facility.

We listened very closely to the technicians. We listened very closely this morning to Secretary Schlesinger in a closed session. Monday, in open session, in the Budget Committee we also heard former Secretary Schlesinger discuss his particular independent study engaged in with Stone & Webster, contractors, architect-engineers, a group of special consultants to the Department of Defense, and the Secretary's own judgment.

He had reconfirmed the original finding that in order to make it secure, you have to tear it down. To put it in another context, if you assume the Schlesinger plan of just taking the first five floors and cutting it off there and rebuilding the top three floors to make them secure, and thereupon also add an annex, then comes the question: Can you guarantee the security of the first five floors?" Secretary Schlesinger said no, there was no way to guarantee that, except that it would take 5 years to take it apart and even after that period of time Secretary Schlesinger said that you still would not be sure.

So he in his own testimony has verified what technicians had told us prior to the enactment of this particular amendment. That is why the Senator from South Carolina, in a desire to not waste time—we have wasted enough time on this one—felt it was appropriate for our supplemental bill because the decision had been made for us. I want to emphasize—and we will have the printed testimony later on, Secretary Schlesinger's own words—that the important factor here is not cost but security. I agree on that. He agrees on that. I think we all should agree on that. I can tell you now the cost differential at best—and they are very hazardous estimates here and we will say a word about that. There is only a $4 million to $5 million difference and that difference is in favor of demolition and reconstruction. So of the millions already expended and millions to be expended to finish the project are not at issue. We are trying to get a secure facility. And if that is the case, there is no rhyme or reason to leave a five-story building there that is a veritably constructed antenna criss-crossed to beam out everything and anything said just for storage and for transigent Congressmen and Senators and any others who may visit and be housed. That was not the purpose in the first instance of an American Embassy in Moscow.

It just begs the common sense to say now that despite being so thoroughly penetrated that it really would cause the destruction of the building, that in order to make the facility secure, that we will just change our minds now and say, "Oh, the heck with that, we can use it for storage, we can use it for transients, and by the way we are going to build a new annex out here."

That is State Department thinking. I say that advisedly. They have been brought kicking and screaming into reality and they have yet to reach reality. They love studies. You are going to hear about studies. You are going to hear the sophistication theory: do not worry about this anyway; they always know everthing going on; we always know everything going on; and after all do not worry about that.

On that premise let us get rid of the intelligence activities, the Intelligence Committee, the CIA, and everything else like that, particularly in our main adversary's country because why worry about it anyway. It was the attitude with the marines in the Marine Security Guards at the Embassy that got us in trouble and caused some of the greatest breaches that we know of.

I think it should be understood on the matter of costs that Secretary Schlesinger said when I asked him about the facilities of the new Schlesinger plan, it would be $80 million. And we know from the Office of Foreign Buildings of the Department of State that the razing of the building and constructing what we originally intended, namely, a secure eight-story facility, would be $64 million to $70 million. Now, look at that particular comparison. In fact, what you have then is a lesser cost to tear down and reconstruct.

There would be a matter of time in here. Some would argue about that, but that is not necessary at this particular time, unless someone is going to raise that this is going to take a particular period of time. But I live in a city where they renovate homes and buildings. I can tell you the cost of renovation, changed plans and all of these other things. If you take the Schlesinger plan, it will be far, far more expensive. We do not have a breakdown from Secretary Schlesinger.

It is a very surprising thing to me at this particular point with Stone & Webster and all the other advisers, you would think they would say, "Now, wait a minute. Let us find out exactly the cost to raze the building," that is, tear it down, demolish it," since that has been considered and enacted upon by the Intelligence Committee of the Senate, by the Appropriations Committee of the Senate and the U.S. Senate itself." You ask them what that cost is. They do not know. You ask them what the cost is to complete the three floors. They do not know. You ask them what the cost is for the annex and they are unsure.

Now what you really are learning is two things. One is in my judgment—and this is only the judgment of the Senator from South Carolina—Secretary Schlesinger had assumed in the first instance that it was not worth arguing with the Soviets about the building and tearing it down in diplomatic or foreign policy negotiations or otherwise. Since it was assumed that we could not do that we never really considered those particular costs; namely, tearing the entire building down or any other particular procedure other than to do the best with what we had at the time and moment, which is right now. So he never did get any breakdowns. He assumed that in the first instance. Otherwise, with respect to these costs, he figured, I guess, that we would go ahead with them and they could just draw pictures and we would not worry too much about the cost because we had a very delightful plan. And we all have xerox copies of the plan just like when you had an architect build you a home, it just looks so pretty. It has trees and everything else. It really begged the intelligence of the Intelligence Committee, the Budget Committee, and you as Senators on this particular approach because it more or less assumed if the State Department could get a man of credibility like Secretary Schlesinger and a pretty picture for the Senators to see, that they would say, "Oh this is fine, this is what he recommends and that is what we should do."

Absolutely not. We would go into very, very, very thorough debate if there was any inkling of that kind because what you would really do in adopting the Schlesinger plan was yield to the total penetration of a five-story building which could serve as an antenna on the one hand for everything in and around it or could be attacked with other particular devices in the security or intelligence game that would cause us terrible problems.

I cannot see anything to do but call on the Soviets to complete their contract. They say they always live up to their agreements and their contracts. The contract in this particular instance is for an eight-story building without defects. There is a particular provision in this contract that they should be responsible for any defects. If the penetrations and the inclusions and the intelligence devices and listening devices are not defects in their particular construction, be that as it may, we are not surprised—they will all say, "Oh, you have got to be more sophisticated." I am not surprised. I go along with that. It was stupid of us to trust them. But trust them we must and they got caught. They are the ones who penetrated and they are the ones under the contract that should pay the cost.

Now, what you have in the House amendment is a reaffirmation of the language we put in, in Congress in 1985. They said they should not get into Mt. Alto until we had a satisfactory facility in Moscow. There is nothing new about it. If we can put this off until November—no money will be expended until November—inferentially then after November we could go ahead with some State Department plan that should be strongly opposed by all Senators intimate to this particular problem.

What we are asked for in the House plan is a finesse on the one hand, the Schlesinger plan for a penetrated facility on the other hand, and a ho-hum shrugging of the shoulder. Millions of dollars for a five-story building for the Soviets' bugging devices.

They have sophisticated elements in there and the only saving grace at this particular moment is that they probably have already expended more money than we have. But that does not help us in getting a secure facility in Moscow.

I know that my colleague from Florida, Senator CHILES, who has expressed interest over the years in this particular situation, is approaching the floor, and he will want to be heard.

Let me see if anyone wants to talk in opposition or in support.

I yield the floor.

Mr. RUDMAN. Mr. President, I support the amendment of my distinguished colleague from South Carolina, the chairman of the Subcommittee on Commerce, Justice, and State, the Judiciary and related agencies. I do so because I have become convinced that there are virtually no guarantees the new chancery building in Moscow can be made secure from electronic penetration by the Soviet Union.

I have reviewed with great interest the recommendations made by former Defense Secretary James Schlesinger regarding the new office building in Moscow. Many of his suggestions deserve our support, including the proposal that responsibility for carrying out remedial action be vested in one individual, and that we establish a strategy of defense in depth to protect sensitive elements of our Embassy.

However, I am surprised that he was able to conclude that the top three floors of the new Embassy building should be torn down and rebuilt, and that the lower five floors be retained after efforts are made to neutralize Soviet intrusions. The reason I am surprised is that in his prepared statement before the Senate Budget Committee earlier this week, Secretary Schlesinger admitted, "Soviet security services have extensively permeated our new chancery building in Moscow with a full array of intelligence devices for which we do not yet understand either the technology or the underlying strategy." If we do not understand the problem, how can we propose a remedy?

Secretary Schlesinger recommends that the upper three floors be replaced using modular steel construction techniques. Mr. President, it is no secret the new office building is, in effect, a large array antenna assembly. Adding a new steel structure to the top of the building may require the Russians to "retune" this antenna, but it may well remain an antenna nonetheless.

One of Secretary Schlesinger's suggestions is that we construct a secure annex next to the chancery to house the most sensitive operations of the Embassy. A new building is certainly needed; however, retaining the current structure makes no sense, especially if we remain uncertain about the extent of the Soviet penetration.

Several months ago a staff delegation from my office and the Appropriations Committee visited Moscow to review the problems at the new chancery building. They asked our senior security expert at the Embassy whether the new building could ever be assured of being made secure. They were told that in his opinion, this was "impossible."

It seems to me the burden of proof belongs with those who believe the new building can be made secure. The State Department and Secretary Schlesinger admit they do not fully understand the nature of the Soviet electronic surveillance system. Does it make sense to commit $80 million to a proposal that does not provide a reasonable assurance we can have secure operations in Moscow?

It is time to cut our losses, Mr. President. It is time to demolish the Moscow chancery building and replace it with a new, secure facility.

The PRESIDING OFFICER. Who yields time?

Mr. HATFIELD. Mr. President, I am faced with one of those situations which is not very comfortable, and that is that we are locked into a certain timeframe and a certain procedure that in no way casts any question as to the validity of the issue raised by the Senator from South Carolina [Mr. HOLLINGS].

I only want to say that any change we make in this conference report obviously has to go back to the House of Representatives. I am not sure how long the House will be in, but let me just recall for a few seconds some history.

Time and time again in the appropriations process, we have faced one of the same situations where the House has either sent us an appropriations bill or a continuing resolution after a conference has been held, adjourned, and gone home. It is in our lap then. I do not like the procedure. Oftentimes I think it is perhaps orchestrated, or at least it happens frequently enough that I gain that suspicion. We are in this kind of timeframe now.

The Commodity Credit Corporation has been out of money since May 1. I think that any Senator here who has any agricultural interests in his State, and most of us do, will have heard from those farmers and those producers of our foodstuffs about the desperate situation they are in, waiting for this supplemental to pass and be signed into law.

We are not in an area where we can make predictions with any certainty; but, based upon the record of history, I would venture that with the 2-hour time limitation we have on the Hollings amendment, with the amendment that is to be offered by the Senator from North Dakota [Mr. BURDICK], with the amendment to be offered by the Senator from Montana [Mr. MELCHER], in all probability before we can finish this supplemental appropriation conference report, the House will have gone home.

I just think that this is the issue—not the question of the very eloquent argument by the Senator from South Carolina about the Embassy in Moscow, but the issue, really, is going to be whether we are going to delay the Commodity Credit Corporation and the other parts of this supplemental with respect to funds that are desperately needed and long overdue because of the delay in finalizing this supplemental process.

Again, I emphasize that I am not arguing, nor am I debating, the merits of the case on this amendment, as much as I am pleading to the Senate to reject all amendments, anything that will change the conference report, whether it is the Hollings amendment or the Burdick amendment, or the Melcher amendment—and there are no other amendments in order. Any amendment, any change in the conference report, will delay—or we have a good chance of seeing a delay—this whole supplemental until after the recess.

I am convinced that what the House has done on the Hollings amendment, what they have done in conference, and what they have done in the authorization process of the State Department authorization bill that is now in the Senate Foreign Relations Committee, they have addressed this issue. The Senator from South Carolina may not like the language of the House on this question in the House authorization bill now in the Foreign Relations Committee; but I say to the Senator from South Carolina that he has a vehicle; that once that bill is reported out of our Foreign Relations Committee, he can amend that bill, dealing with the issue with which he is now confronting the full Senate. Who knows? I may support him. I do not know.

Again, I am not addressing the merits of the case. I am merely saying that any delay is going to run the risk of losing a week that is badly needed not only by the farmers and the Commodity Credit Corporation but other parts of this bill as well.

I do not like this role. I do not like the situation we are in. But that is the situation we are in, and we have to deal with the reality of where we are.

On that basis, I do oppose the Hollings amendment, as comanager of the bill. I will not speak for my colleague, the Senator from Mississippi. That is for him to do. I am not addressing the merits of the case, I am merely addressing the circumstance—unfortunately, the circumstance we are in—but we must deal with it.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SYMMS. May I have 2 minutes?

Mr. HATFIELD. I yield 3 minutes to the Senator from Idaho.

Mr. SYMMS. I thank the distinguished Senator for yielding.

Mr. President, I understand the dilemma he is in, but I must say that I am very sympathetic and supportive of what the Senator from South Carolina is trying to do.

I introduced a resolution, with the cosponsorship of the majority leader, several weeks ago, that addressed this issue. The measure that I and Senator BYRD introduced is at the Foreign Relations Committee. It simply states that the United States will abrogate the agreements that were made between the Soviet Union and the United States and that we will not allow the Soviets to occupy their building here; that they will have to go to a piece of property that is 90 feet high, no higher than this Capitol building, and have their building; and that they will not have free access to spy on the United States of America.

I hear the dilemma of the distinguished Senator from Oregon and the distinguished chairman of the committee, the Senator from Mississippi, but I do not know what we are supposed to do. You cannot get the U.S. State Department to get off the dime. They do not want to do anything to make the Russians mad, absolutely nothing. Do not make the Russians mad. They might not sign a treaty. That is all I hear from Foggy Bottom. They have these détente-minded people who want to deal with the Russians.

If we want to help the American farmers, we ought to have a farm control treaty, whereby we can with our friends in France, West Germany, Great Britain, Australia, and Canada, people we can trust and do business with, and get a treaty with them; and we will stop subsidizing agriculture and we would not need the CCC and our farmers could compete.

Our farmers could compete. But no, we cannot do that. We want to run over here and have a deal with the Soviet Union whose entire record is lying, cheating, stealing, duplicity. They never keep a treaty. They have not kept a treaty. The Senator from South Carolina knows that.

Now, what they have is an Embassy here that is a headquarters for spying on the Pentagon, the White House, the State Department, this Capitol, our very phone calls.

We cannot get the State Department to act on it. The President has the authority right now to fix this situation. He does not need the amendment of the Senator from South Carolina. He does not need the bill that this Senator and the distinguished majority leader introduced. All he needs to do is act on it.

If we cannot get him to act on it, then the only course of action is to take a course of action that the Senator from South Carolina has taken and that is offering an amendment and speak to the issue and this will finally get to it if you cut the money off.

So I compliment my friend from South Carolina and thank him for offering this.

I hate to go against the position of my good friend from Oregon because I have been trying to get this appropriation bill passed without all the other appropriations, just the CCC, for several weeks.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SYMMS. I thank the Senator and I yield the floor.

Mr. HATFIELD. I thank the Senator from Idaho. I think he has made an accurate statement of the record.

The Senator has been very, very adamant in gettng this bill completed in order to help the farmers of Idaho and the Senator, of course, is now concerned with whether he is more interested in the farmers of Idaho or getting the issues addressed on the Moscow Embassy. That is a tough decision, I know, for the Senator from Idaho.

I yield 5 minutes to the Senator from Rhode Island.

Mr. PELL. I thank my colleague from Oregon.

Mr. President, to put this situation in perspective, I think we ought to look at how we arrived where we did. When the Embassy was originally proposed to be built some years ago the Soviets wanted to be out in Chevy Chase. They were not wanted there. Then they wanted to be in downtown Washington. They were not wanted there. The executive branch persuaded them to take the Mount Alto site.

By the same token, the United States Government was offered a higher site outside of Moscow that was less convenient but had other advantages. Instead, we chose the current site closer to Kremlin.

At that time, the administration exercised faulty judgment.

What do we do now? We really have five alternatives. We can attempt to surgically remove the bugging devices. We can remove and replace the top three floors. We can build a new adjacent building and use the bugged one for unclassified activities. We can demolish the bugged building and construct a new one. We can upgrade the old chancery building. We can combine some of these options, but those are our five essential choices.

We have already received the Schlesinger report. We are waiting for the Laird report. We are also waiting for the report from the President's Foreign Intelligence Advisory Board.

I think we should recognize that this issue is like pregnancy—she either is or she is not—similarly a building is either secure or it is not.

I think I am the only Member in this body who actually served this Government behind the Iron Curtain and was exposed to living conditions there. I know that we always assume that any room we are in that was not built by us is insecure. We did not talk there. We presumed that everything we said was bugged.

Now, there is nothing new about this. I hope we do the same to them. Apparently, they are more competent than we are.

We should not be surprised about what happened in Moscow. It was our own Government's incompetence that permitted it to happen.

The question is now what do we do about it. We can wring our hands and take the needlessly expensive action that this amendment would mandate.

I would suggest we wait a few months; wait until the State Department authorization bill is on the floor, wait until these other reports arrive, and then make our choice of the various alternatives. Our decisions should be based on security as well as cost.

Mr. President, our outrage over Soviet actions against the United States Embassy in Moscow has spawned a number of legislative proposals. Some of these proposals demand an immediate assessment of the security breach at the Moscow Embassy, together with recommendations from the President regarding the best way to protect the security of that Embassy in the future. Other proposals rush to the conclusion, before any intelligence assessment was done, that we cannot salvage any portion of the new Embassy in Moscow.

The Foreign Relations Committee spent many hours fashioning a responsible bipartisan solution to the Moscow Embassy problem. What emerged was a provision sponsored by myself, Senator LUGAR, Senator MURKOWSKI, Senator KERRY, and Senator BOSCHWITZ which prohibits the Soviets from using their Embassy here on Mount Alto until the United States has a secure Embassy facility in Moscow and requires the Secretary of State to provide a complete list of options for the future disposition of the United States Embassy in Moscow.

We have already received the recommendation of the Schlesinger Commission on this question. And the commission has concluded that our best option is to keep part of the existing Embassy structure. And we are still awaiting the findings of the Laird Commission and the President's Foreign Intelligence Assessment Board.

We should not rush headlong to a decision to tear down the Embassy when one distinguished panel has reached the opposite conclusion and we have not yet received the recommendations of the President's other two advisory commissions.

The Senate will have an opportunity to consider this issue in a judicious manner when the Foreign Relations Authorization Act is brought to the floor. Until then we must not prematurely take an irreversible step that is inconsistent with the recommendation of our security experts.

I therefore urge my colleagues to vote to recede to the House position on this issue. The House language allows us to keep our options open so that we can fully consider this question on the basis of all the advisory commission recommendations when we take up the Foreign Relations authorization bill.

I recommend that we do not approve this amendment as needlessly expensive and I think not in the national interest.

The PRESIDING OFFICER. Who yields time?

Who yields time to the Senator from Florida?

Mr. HOLLINGS. I yield time to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. CHILES. Mr. President, we do find ourselves in a dilemma at this hour to find the House where they are in this bill.

I listened to my good friend from Rhode Island. It does not give me a great deal of comfort because we have been trying to get the State Department and the Government to do something about this for a long, long time.

It goes back several years, and if you look back we tried 2 years ago. We passed legislation here requiring the Soviet Union to reimburse the United States for any damages in cost, and at that time we tried to get the State Department looking at this situation.

Last year again we passed legislation requiring the National Bureau of Standards to go look at the building.

In each instance the State Department has faulted the legislation that we were attempting to pass, said it was not necessary, said there was no problems and we are on top of this situation.

Now suddenly we find we have a building there that we spent tremendous sums of money on that we cannot use the building.

The question is, What can we do?

Mr. Schlesinger says that you can knock off two or three stories and saw the building off and they can come in, isolate and use a couple blank stories and put these others in and build an annex.

I do not think we know whether that is going to work or not. We just had his report. We have to have all kinds of time to see whether that is going to work. There is no way in the world to say we are going to go along business as usual.

The State Department can do anything that they want to here. They bungled this. They are bungling the other embassies they are building. We have to see that is stopped.

We are trying to say we are going to stop some of the funds until we have direction for this. They are spending $5 billion in these Embassy construction projects. This one has escalated. It is already three or four times what they said this chancery is going to cost.

We can go back. We are talking about 10 years, longer than 10 years, from the time that we started it. We are still at ground zero. We do not know what is going to work.

We find ourselves at this hour with a bill held hostage because farmers want to get the CCC and it is a dilemma for us to be in, the Senator from South Carolina, who is the prime sponsor of this, and for the rest of us who are sponsoring this to know what to do.

I think we definitely want to know that we are not going to allow this thing to get out from under us. We do have the other bills coming down the pike. I do not know whether we can handle this with a voice vote.

Mr. HOLLINGS. He said, "No."

Mr. CHILES. We cannot.

Then I think we are placed in a further dilemma on what we do on this.

But it is pretty obvious to me that you cannot just sit back and allow the State Department to go their merry way as if there is no problem here—there is no concern—there is nothing that we do not have to do anything about this.

I think we have to determine whether the State Department is qualified to continue to build these Embassies. As we said many times, nobody gets appointed Ambassador or promoted in the State Department by the fact he has something to do with buildings. That is not their mentality. That is not what they are interested in. They certainly have not shown any aptitude for it.

If you look and see what is happening in Cairo, look and see what is happening in Somalia, see what is happening in Yemen, and any other place where we have some construction going, it is a disaster. We are squandering money and not doing it properly, and we have to get on top of that.

So unless we do that soon—I think we are saying we are going to do that—and a number of us, Senator LEAHY, Senator JOHNSTON, and I have sponsored two amendments beginning 2 years ago and then beginning this year, and I think that we are now determined that we are going to see some action taken.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, what time do we have remaining, please?

The PRESIDING OFFICER. The Senator from Oregon has 45 minutes. The Senator from South Carolina has 38 minutes.

Mr. STENNIS. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. STENNIS. Mr. President, since we started discussing this new phase of it, the testimony has been heard and been stated here from Mr. Schlesinger's concerning his trip to Moscow and the report that he made back is encouraging to all of us, as I understand it.

Certainly, it is a signal for a new start. I believe in the practical realities of this situation and ensuring that the bill signed by the President tonight and thus become law.

I just think that if we are going to get that done, we are going to have to act here within the next few minutes. If so, we will still have a chance, as I understand the facts, to get the matter back to the House for possible consideration tonight.

We must try hard to carry this bill to its final conclusion because a promise has been made that everything that possibly can be done will be to put it all in there together and get the papers and get the agreements and get it signed by the President this day and thereby meet our obligations.

I think that the Senators are moving on this problem by just taking it out of the bill where it has already been put in. With all respect to them, I believe it is a backward movement that leaves us further away from consummation and getting this thing agreed to and getting everything else agreed to and moving on its way. So that in itself is worth a whole lot to us.

I am also personally convinced, what I know about it, that this is probably the best way to get a building that meets our requirements constructed in time. So, there are quite a few of the Members who find that they are interested, and know something about it, they can contribute to this problem and help bring about a more satisfactory solution to this problem

I was shocked myself when I first heard about the situation that we are in and how it came about. Certainly, I am fully convinced that something must be done about it. But I believe with the start that has been made now, but the situation now, where actual, constructive, meaningful improvements can be made, that money will become available through this bill and therefore whatever time is needed that will be included, too.

So I hope that we could settle the thing. It is not a matter of losing or winning. There is nothing like that involved. But if we could settle this matter it would be the most satisfactory way to get at it.

I appreciate the contribution that everyone has made, including especially the Senator from South Carolina, who I found a long time ago if you want to get things moving around here, you get him in it. And I admire him for it.

Otherwise, we are going to have to extend this thing. We would have to call for a rollcall vote, for instance. I just believe we can settle it. It is our responsibility and we will get a better settlement this way.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, first, let me say to our distinguished chairman of the Foreign Relations Committee, I could not quite follow what he was talking about being pregnant or not being pregnant. And I will confer with him a little bit further about that because we have not experienced it. I did not know how that was relative to this particular problem, except perhaps in a crude fashion.

Let me just say this about needlessly expensive cost. Let me immediately correct that particular comment by the Senator from Rhode Island. There is no question that the actual razing of the building at this particular point, moving forward with the construction of an entire new module of buildings that we could be responsible for without the penetrations and without the adulterations, that it is far less expensive, both in cost and security.

There are two costs when we discuss being expensive. The No. 1 cost, of course, is the dollar cost. And we can go right to the heart of that particular matter in order to protect the first five floors, saw off and replace the upper three floors on, put in the annex and try to get back to what we originally intended, comes to $80,000,000. Dollarwise, that is submitted by the Schlesinger testimony and State's Foreign Buildings Office right now talking on this particular score. But there is also the security cost, and that is highly expensive.

To presume now with all of their sophistication, because we have served in the Foreign Service, that we are going to have at least five stories for the Soviets, for their ears to occupy, is beyond my comprehension. Because that is veritably what we will have. We ought to know these kinds of things. And that is the way we live and that is the way we assume. So now we have built the building with the Soviets.

I know at the present time with the old building we have got a time-sharing plan. We have had it in the daytime and the Soviets had it at night. They did not pay for that. But let us go back to our original contract here with the Soviets. And it is not any expenses whatsoever, saving time.

Under our contract, we contracted for a secure building without defects. And their having planted the defects and being responsible thereto, as a result we should give them the bill. And if we do not have any character and backbone of steel in this State Department, it is time the national Congress gives them some. It is time we give them some. And that is why it is a matter of the supplemental bill consideration and why we presented it in both the Intelligence Committee and in the Appropriations Committee.

Now, I have talked to the distinguished Senator from Oregon, our ranking member and former chairman, who supported us when we passed this. But, obviously, they feel the constraints of the pressures with our farmers calling for the commodity credit payments. The Senators from Nebraska and North Dakota and others want to support this particular position but they are very, very understandably worried about getting this bill finally out.

The Senator from Misissippi, our chairman, Senator STENNIS, puts it in the most diplomatic and tactful and gentlemanly way. And I appreciate that. We all appreciate his magnificent leadership.

Translated, he says: "Why don't you just put this on the regular bill rather than on this supplemental, because we have got bigger fish to fry here this afternoon."

I rather agree with it. I rather agree, to be a realist. It is like taking castor oil for me, because the common sense is so clear about the penetration, the responsibility and the physical fact that we want a secure building and cannot make it secure unless we raze the building. And we do not need studies because I can give you studies by the various agencies of Government, contractors, and otherwise, that have all said, there is no dispute about that, to make this building secure as it now stands in Moscow, you veritably have to tear it down.

So we are acknowledging a fact of life in our particular amendment and want to move forward. To save what? To save cost. So we have not operated here without study. And we strongly resist these fuzzy notions that continually come from the State Department. They are hard-bitten. You cannot teach them anything. And they are responsible for this nebulous lack of security as already proved by the old facility with the regional security officer and the former Ambassador, whereby a marine who was on guard said:

> Look, I learned at Quantico about security and the fundamental authority and responsiblity of guarding down at Quantico as a Marine. But when I got there, the pace and the decorum and the environment was set and the practice and policy was set by the Regional Security Officer and the Ambassador so that when I complained, they took it as a personal sorehead situation and I was discriminated against as a result thereof.

And he made his statement about the blackmarket, everybody being in it. He made his statement about taking the money and even wanting to build a home down in Greece and everything else. And this is the way it was.

That is what the Congress is screaming about here this afternoon. That is why you have got the State crowd moving all about with these picture book studies like we have to do now in the Pentagon, Senator. They cannot understand the field manual so we publish them in picture book form.

So the idea is that with those unintelligent Congressmen and Senators, if we will give them a pretty picture, since they could not attest to a single cost, and tell them we are going to build a little annex out here, that it will all be a wonderful thing, and they will go back and sleep on something else more important like the Gulf of Persia or Contra aid or whatever else it is.

Under the circumstances, though I resist doing it, I think the better part of common sense, parliamentary, at this particular point, Mr. President, is to withdraw the amendment and move concurrence in the House amendment.

The PRESIDING OFFICER. Is there an objection to the amendment? Hearing none——

Mr. STENNIS. Would the Senator yield just a second? As I understand it, Mr. Chairman; I just want to be sure—and I am grateful for the Senator's consideration there—that this will withdraw your amendment and that will leave it where we would not be required to go back to the House?

Mr. HOLLINGS. Yes. The House amendment, everyone, it is only a few lines that states that the Secretary of State shall not permit the Soviet Union to occupy Mount Alto until we have a satisfactory facility to occupy in Moscow. That has been in the 1985 law. It is nothing new. It also provides that none of the funds in this act or any prior act may be obligated for the new office building in Moscow prior to November 1, meaning of course we can handle it in the regular bill.

Mr. STENNIS. I certainly thank the Senator, and I believe he will make futher contributions along this line before we finish this process.

The PRESIDING OFFICER. Do both sides yield back their time?

Mr. STENNIS. I yield back my time.

The PRESIDING OFFICER. The Senator from Oregon yields back his time and the Senator from Mississippi yields back his time.

Under the announced agreement, the motion to be presented by the Senator from North Dakota is the next order of business.

Mr. HOLLINGS. Will the Senator from Nebraska yield so that I might ask unanimous consent for permission to concur in the House amendment. Mr. President, I think parliamentarily we want to have that concurrence and settle this particular question.

The PRESIDING OFFICER. The Senator is correct.

Mr. HOLLINGS. I ask unanimous consent that we be permitted to move concurrence in the House amendment.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

Mr. EXON. Mr. President, I ask unanimous consent that I may be permitted to continue for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. I want to thank my friend and colleague from South Carolina. I know he feels very strongly about the issue he just addressed so well on the floor by the U.S. Senate and it might well be that this Senator at another time and another place would be able to support my friend from South Carolina. He has been very gracious because I think he understands very well that the Commodity Credit Corporation funding is tremendously important to the farm States and I think that, among other reasons, was a major consideration in his generously agreeing to withdraw his amendment, setting it aside at this time when it can be addressed more appropriately another day and I thank my colleague.

Mr. HOLLINGS. I thank the Senator.

Mr. HATFIELD. I would also like to express my appreciation to the Senator for handling this matter in a very statesmanlike way.

Mr. President, I look forward to the next vehicle upon which the Senator from South Carolina will raise this issue and I really welcome that opportunity; and I welcome that opportunity to see it debated on the merits of the case rather than the procedural situation and the timeframe that we are acting upon now.

Mr. HOLLINGS. I would thank my esteemed colleague.

Mr. HATFIELD. Mr. President, now I understand that we have unanimous consent, I move to concur in this amendment No. 26. That has been disposed of. Amendment No. 33 has been disposed of. We have now remaining only amendments 219 and 387.

Is that correct?

The PRESIDING OFFICER (Ms. MIKULSKI). That is correct.

The motion was agreed to.

Mr. HATFIELD. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

Mr. LEAHY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. I have a parliamentary inquiry. What is the parliamentary situation right now?

The PRESIDING OFFICER. The Chair is required to recognize the Senator from North Dakota to make a motion. If the Senator wishes to seek time, he must seek it from the Senator from North Dakota.

Mr. LEAHY. Will the Senator yield to me for 90 seconds?

The PRESIDING OFFICER. The Senator may also ask unanimous consent to speak out of turn.

Mr. LEAHY. I ask unanimous consent that I be allowed to continue for 2 minutes.

The PRESIDING OFFICER. You are asking for unanimous consent to speak out of order?

Mr. LEAHY. Yes. For 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. I will try to stay within order in the Senate, but out of order of Senators. I understand at this point, Madam President, or subsequent to recognition of the Senator from North Dakota, were I to bring up an amendment, that would be in order?

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. Madam President, I want to compliment the distinguished Senator from South Carolina for his efforts, but also in withdrawing the amendment. I know he feels very, very strongly on this issue and has spoken very strongly, but I compliment him in withdrawing it for two reasons.

First, the central nature of moving that appropriation forward, and I think kind of wearing my hat as chairman of the Senate Agriculture Committee, I know how important it is to get that CCC money out and I compliment and applaud him for that.

Speaking as the former vice chairman of the Senate Intelligence Committee, the Senator knows the scenario where I have virtually shouted warnings to the State Department for a number of years on this problem and we have worked together on that committee on it.

Mr. HOLLINGS. Will the Senator yield?

The distinguished Senator has led us all on this. He brought about elimination of the Soviet nationals in the Embassy and obtained a lesser representation in the Leahy bill. That would really apply here when we discuss it, Senator, in depth and in merit, because there is no reason for an eight- or nine-story plus an annex. That goes in the opposite direction of the Congress, in adopting the Leahy principle with respect to our Embassy commitment there in Moscow. I commend the Senator on his leadership and I appreciate his comments.

Mr. LEAHY. Madam President, there are several alternatives for dealing with the Moscow Embassy security problem. One approach, the Senate language in the supplemental, which the House refuses to accept, provides that funds may be used only to demolish the new chancery building under construction in Moscow. The House points out that the authorizing committees are working on this problem right now, and that blue ribbon panels and study groups in the executive branch are preparing recommendations for the President on the entire Moscow Embassy situation. Congress should allow the President to digest all these reports and present a coherent program to deal with this outrageous failure by the Department of State.

Overall, the provision in the Senate bill is similar to an amendment the distinguished Senator from Florida [Mr. CHILES] and I intended to offer in the Appropriations Committee. However, there is one crucial difference—it does not contain language we had in our version allowing funds to be spent on the option of partial demolition and reconstruction of the new building, as well as total destruction. That option ought to be preserved as well. We incorporated language in our version to allow for the possibility that Dr. Schlesinger would conclude that a practicable solution could be the partial demolition of the building, total reconstruction of several of the top floors, and possibly the addition of a small annex.

Mr. President, as is well known, I am extremely skeptical of the State Department's management of the Moscow Embassy fiasco, from a security, cost control and construction point of view. The State Department's Office of Foreign Buildings has, in effect, allowed the KGB to be a prime contractor for our new Embassy building. It is riddled with bugs, and there is no way sensitive diplomatic functions can be carried out in its present condition.

I yield to no one in efforts to wake up the administration and Congress on this issue. For several years, I have strongly criticized the attitude of those in the State Department charged with the responsibility for this project. In 1985 and again in 1986, Senator CHILES, Senator JOHNSTON and I offered successful amendments on this floor which required the Department of State to insist that the Soviet Government compensate the United States for contract damages we had to pay for construction delays caused by the Soviet authorities. The distinguished Senator from Maine [Mr. COHEN] and I did an amendment in 1985 aimed at slashing the number of Soviet nationals working in the old Chancery Building, and at the same time spying on our diplomats. When I was vice chairman, the Intelligence Committee issued a comprehensive report on espionage and security which focused on the disaster at the Moscow Embassy and the inability of the Department of State to deal with it effectively.

My well-known skepticism about the State Department's attitude toward the espionage threat, its unconcern about skyrocketing costs, and its unwillingness to demand full equality and reciprocity of rights and obligations from the Soviets would ordinarily lead me to agree that we should just tear down the building and start all over again. However, my great confidence in Dr. Schlesinger persuades me Congress should not foreclose consideration of the Schlesinger report recommendations.

Mr. President, on Monday, Dr. Schlesinger appeared before the Senate Budget Committee to outline his plan. Thanks to the courtesy of the distinguished chairman, my good friend from Florida, I participated in those hearings. Dr. Schlesinger, a former Secretary of Defense and former Director of the CIA, assured the Budget Committee that, if his recommendations were implemented, the United States would have an Embassy facility in Moscow which could be secure from Soviet eavesdropping and where confidential diplomatic work could be conducted.

Very briefly, Mr. President, Dr. Schlesinger recommended that the 1972 agreement with the Soviet Union concerning construction of the two chanceries be renegotiated so that any further building on the United States site would be done solely with American materials and solely by American workers. No more work would be done offsite as, incredibly, was the practice prior to the cessation of construction in 1985 when all the bugs were revealed in the structure. No Soviet materials would be used, complete with listening devices courtesy of the KGB.

Dr. Schlesinger also recommended that the top three floors of the building be demolished and totally rebuilt to be fully secure against Soviet bugs. In addition, he recommended that a small annex be built in the forecourt of the present building under construction to house sensitive functions of the Embassy. Deputy Secretary Whitehead, who also testified in those hearings, responded in answer to a question from me that the rough total cost of this new construction of secure facilities would be about $80 million. He said that $43 million remains unobligated from existing appropriations and about that much more would be needed in new funds.

The American taxpayer has already reached into his or her pocket for $196 million for this disaster on the banks of the Moskva River. Some $40 million in new money, according to Deputy Secretary Whitehead, will be needed to have the secure facilities Dr. Schlesinger assured the Budget Committee can be had with the implementation of his proposal.

Again, I compliment the distinguished Senator from South Carolina for withdrawing his amendment from this urgent supplemental. I thank him for his kind remarks and I look forward to working further with him on this issue.

Mr. DECONCINI. Madam President, I ask unanimous consent that I speak out of turn for not to exceed 2 minutes.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Madam President, we are here today to bring down the curtain on the fiscal year 1987 supplemental appropriation. I would like to commend the chairman of the Appropriations Committee and the ranking member for the fine work they both have done, the distinguished Senator JOHN STENNIS for his patience and skill and that of Mr. HATFIELD for his persistence and insistence that we move this along.

The conference calls for $9,377,000,000, which is $382.4 million below the Senate-passed bill, only $126.2 million over the House bill and a staggering $2.7 billion or 22 percent below President Reagan's supplemental budget request.

That last statistic bears repeating at a time when President Reagan is galloping around the country, bashing the Congress for being big spenders and crying about the need for line-item veto and other constitutional authorities.

The Congress has once again shown the American people who the big spenders are, who the real budget buster is, and that is President Reagan.

Once again, like a broken record that seems never to be heard, the Congress has cut the President's budget request and put another notch in the fiscal belt that the President seems unwilling to tighten on his own.

Madam President, the steady hand at the helm of this long and extraordinary supplemental appropriations process has been that of the chairman, Senator STENNIS. Early and often in the cycle he told his troops, the members of the committee, to keep the dollar expenditures down and fund only those items that were an absolute must. He said that in the conference and the conferees have responded. He did it quietly, without fanfare, but with a firmness of purpose that told all of us to do our work.

The same is true with the distinguished ranking member, the Senator from Oregon [Mr. HATFIELD].

Madam President, the supplemental conference report is a product of their skill and their leadership. It is an effort by our chairman, the ranking member, and the members of this committee. This conference report deserves our overwhelming support.

Madam President, I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I ask unanimous consent that I may be permitted to speak for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Madam President, the fiscal year 1987 supplemental appropriations bill now before us comes back for conference at approximately the outlay level in the Senate-passed bill. I am going to support this conference report.

Madam President, the bill provides $9.8 billion in budget authority and $3 billion in outlays to fund Government activities for the remainder of fiscal year 1987. With mandatory and other adjustments taken into account, the bill adds $3.6 billion in budget authority and $2.6 billion in outlays to the current level.

The enactment of this conference report would put congressional action $0.3 billion in budget authority under and $15.9 billion in outlays over the fiscal year 1987 budget resolution ceilings.

There are a number of programs worthy of support in this bill, many of which are "must do" items. The long-delayed aid for farmers through the Commodity Credit Corporation is provided, as is funding for the costs of Federal civilian agency pay raises and the Government's contribution to the new Federal Employees Retirement System [FERS].

I am pleased that the conferees retained my amendment to limit the funding for FERS to that purpose only. The $1.2 billion in the bill for FERS costs represents slightly less than half of the outlay overage in this bill. With existing budget constraints and the preliminary nature of our FERS estimates, I believe this is a responsible approach for this fiscal year.

I would also like to sincerely thank my esteemed colleagues, Senators DeConcini and Mikulski, and Congressman Hoyer for their fine efforts to craft drug testing language that goes far to meet the objections of the administration but also offers needed protection of the rights of Federal workers.

I congratulate the conferees for their inclusion of $355 million to support the homeless initiative, and I ask unanimous consent that a table summarizing the conference outcome be placed in the Record at this point.

I am especially gratified that funding is provided to support my proposal to provide comprehensive services to those homeless who suffer from serious mental illnesses.

Finally, I appreciate the conferees' support for my amendment relating to DOE's site selection process for the superconducting super collider. I firmly believe the siting of this project should be based on the overall suitability of the site and not merely auctioned off to the highest bidding State.

I can assure my colleagues that the Domenici language is not intended to delay the application process. It is not the intention of the conferees that States rework their applications, nor that State initiatives to improve proposed sites be suspended. Language to this effect has been included in the conference report at the request of the House conferees.

The report language also acknowledges that the method of financing this multibillion dollar project has not yet evolved. This should not be construed as questioning the wisdom of proceeding with the SSC project, which will be the largest and most powerful particle accelerator in the world and the centerpiece of research in high energy physics.

The conferees simply recognize that in any major undertaking of this kind, and with existing budgetary constraints, the Nation must work together to make it a reality.

Madam President, the Senate has had a lengthy debate on the budget and policy aspects of this bill, and I believe it should proceed with final disposition of this bill.

Madam President, I ask unanimous consent that a table showing the comparisons between the House bill, the Senate bill and the conference outcome on the homeless initiative be printed at this point in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

SUPPLEMENTAL APPROPRIATIONS FOR THE HOMELESS TITLE IV—H.R. 1827

(In millions of dollars)

Program	House bill	Senate bill	Conference
DHUD grants for facilities to assist the homeless			
Budget authority	$71.5		
Outlays			
DHUD emergency shelter grants			
Budget authority	95.3		$50.0
Outlays	71.5		37.5
DHUD transitional housing demonstrations			
Budget authority	28.6	$80.0	80.0
Outlays	0.6	1.6	1.6
DHUD section 8 emergency housing			
Budget authority		50.0	
Outlays		1.0	
DHUD section 8 moderate rehabilitation			
Budget authority		40.0	35.0
Outlays			
DHUD permanent housing for handicapped homeless persons			
Budget authority	23.8		
Outlays			
FEMA emergency food and shelter program			
Budget authority	47.6		10.0
Outlays	47.6		10.0
HUD supplemental assistance grants			
Budget authority			15.0
Outlays			
HHS grants for outpatient health and mental health services			
Budget authority	71.5	30.0	46.0
Outlays	40.0	16.8	25.8
ADAMHA—Community Support Program demonstrations			
Budget authority	23.8	75.0	50.7
Outlays	19.1	60.0	40.6
Community services block grant [CSBG] activities			
Budget authority	42.9	20.0	36.8
Outlays	42.9	20.0	36.8
VA medical care (domiciliary care)			
Budget authority	20.0	20.0	20.0
Outlays	17.1	5.8	4.4
Department of Education special programs, homeless youth			
Budget authority		2.5	4.6
Outlays			
Vocational adult education			
Budget authority		10.0	6.9
Outlays		1.0	0.7
NOAO offset			
Budget authority			
Outlays		−18.7	
Total Budget authority	[1] 425.0	327.5	355.0
Outlays	238.8	87.5	157.3

[1] The homeless title was exempted from the 21 percent across-the-board cut adopted during floor action.

Note: Totals may not add due to rounding.

Mr. DOMENICI. Madam President, I would first like to thank Senator DeConcini and the occupant of the chair, Senator Mikulski, and Representative Hoyer for the diligent work that they all put in on the issue of drug testing. I think we have reached a very satisfactory conclusion. I believe our Federal workers are adequately protected. Nonetheless, it seems that in due course, with their rights protected, we will move along in a reasonably good and orderly manner with drug testing where needed. I think that was everybody's goal.

Mr. DeCONCINI. Madam President, will the Senator yield on that point?

Mr. DOMENICI. Yes.

Mr. DeCONCINI. I am glad the Senator brought that up. As usual, he remembers everybody. The Senator from New Mexico made a crucial point and the Record ought to show it. We were able to pass a bill that the sponsor in the House was willing to accept and overcome the objections over there yesterday. The Senator now presiding was able to live with that and work with it. I want to thank the Senator from New Mexico for bringing up the issue before we close out the supplemental.

Mr. DOMENICI. I thank my colleague from Arizona for his kind remarks. I think he would also agree that we ought to include in that statement our thanks to our collective staffs. Clearly, this started off as a monumental task. We had to almost start from the beginning and work the whole thing through. The administration spent plenty of time on this issue with a number of their highest officials, both from OMB and Justice. I want to thank them also.

I believe the Senator from Arizona would concur that in the end we had very few disagreements, and we just had to tell them they would have to take it with the few disagreements that remained. I believe they will. There is every indication that the President will sign this bill in total so the drug testing is obviously going to be achieved in a manner that we concluded was appropriate.

I also want to thank the conferees for retaining the provision with reference to the superconducting supercollider. I think it is extremely important that we not send a message out to the sovereign States that this project is going to be put up for bid. With the enactment of this bill, we have decided that financial compensation or remuneration from the States, other than the site donation, will not be taken into consideration in the final siting of the SSC. With the passage of this bill and the reference to this act or any other act, this provision will be permanent law, and DOE must make its decision on the overall suitability of the site.

I think that gives the superconducting supercollider the best possible start and does not interfere with the ultimate goals of the Federal Government for the SSC project. This provision is not intended to delay the application process or render some of our State activities inoperative from the beginning.

Last but not least, I am very pleased that the conference was able to work out some very, very major differences in the homeless area. What we have come up with a package that I think is workable. We have a very substantial new program with very, very good criteria for taking care of various segments of the homeless population in the best possible way without destroying the local initiative, which has been so important to this point.

I am a bit less optimistic about the housing portion, but we did the best we could. We were not able to completely mesh the social services and the housing. We had to have the homeless apply separately. I am just hopeful that our language encouraging HUD and HHS to handle them, together where they can, will work.

Madam President, I thank the Senate for granting me permission to speak.

Mr. HATFIELD. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MELCHER. Madam President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Madam President, I ask unanimous consent that under the unanimous-consent agreement my amendment now be in order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MELCHER. Madam President, I send my amendment to the desk.

EXCEPTED AMENDMENT NO. 387, IN DISAGREEMENT

The PRESIDING OFFICER. First the clerk will report the amendment in disagreement.

The legislative clerk read as follows:

Resolved, that the House recede from its disagreement to the amendment of the Senate numbered 387 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

RELATED AGENCIES

NATIONAL TRANSPORTATION SAFETY BOARD

(TRANSFER OF FUNDS)

"Salaries and expenses", $150,000, to be derived by transfer from unobligated balances of "Payments to air carriers";

The PRESIDING OFFICER. The clerk will state the amendment of the Senator from Montana.

AMENDMENT NO. 370

(Purpose: To require the Secretary of Labor to develop a consumer price index which reflects the impact of inflation on elderly Americans from amounts appropriated to the Department of Labor for fiscal year 1987)

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an amendment numbered 370.

Mr. MELCHER. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment contained in the motion add the following:

From amounts appropriated under the joint resolution entitled: "A Joint Resolution making continuing appropriations for the fiscal year 1987, and for other purposes", approved October 30, 1986 (Public Law 99-500 and Public Law 99-591) and available to the Department of Labor, the Secretary of Labor shall develop data for, and publish, an index of consumer prices which accurately reflects the distribution of expenditures on goods and services, and the inflation rate within these goods and services, which are purchased by individuals who are 62 years of age or older and who have retired from the work force, and the Secretary shall furnish the Congress with the data and index within 180 days after the date of adoption of this Act.

Mr. MELCHER. Madam President and my colleagues, I shall not take very much time on this amendment and shall briefly describe it and tell you why I think it ought to be accepted and why I believe the House will have no problem with it.

This amendment deals with something that is important to older Americans. In January of this year, the cost-of-living adjustment for those on Social Security, for those military retirees, for railroad retirees, and for Federal retirees, amounted to 1.3 percent, just a shade over 1 percent. They were startled. Particularly startled were those on very limited, narrow incomes, for instance, those whose only annuity, only means of livelihood is a Social Security check, or a railroad retirement check, or a military retirement, and indeed, most of the Federal retirees also because for most of them, their retirement checks are not all that large. They thought to themselves, "Well, this does not reflect the rate of inflation that we experienced in 1986."

So, out of that dialog that we had as individual Senators with our own constituents, and out of the discussions we had in the Senate Special Committee on Aging, we developed this simple little amendment.

The amendment simply states that within a certain timeframe, the Bureau of Labor Statistics will report back to Congress to tell us what should be done, or if it would be wise, how it would be done if we did it, to have a special index on the rate of inflation as it affects older Americans. It is that simple.

Why? Why are older Americans telling us this? They want to know. They well know that their medical expenses went up quite a bit. The cost of prescription drugs went up quite a bit in 1986. They did not just say it went up 9 percent. They said it went up considerably. They found that the things they bought, such as public transportation, were higher. They knew that their phone bill was higher. They knew that quite a few things were higher, but they did not relate it to us in percentage. They said the 1-percent cost-of-living adjustment was not reality.

So, in looking at the increase, we found that prescription drugs did go up between 8 and 9 percent; hospital costs went up between 7.5 percent and 8 percent; likewise with physicians' fees. These are the national averages. Indeed, public transportation did go up. A number of things went up that they have to buy, including phones. They were up an average of 8 percent the last 3 years, for local service.

The older Americans were not blowing smoke. They knew the things they had to buy and could not get out of buying went up considerably. The facts are in.

Why, then, was the cost of living adjustment so low? Well, it goes to the point of what the Bureau of Labor Statistics collects in data.

No. 1, the Bureau of Labor Statistics, in this particular index, does not even discuss with older Americans. They do not have anybody in there except urban people who hold a job and are on a payroll, or they are professional people. They do not have people in this age bracket who are retirees. That is No. 1.

No. 2, what is significant in that index, in the Consumer Price Index? Things that older Americans do not buy too much of went down, so that dragged the whole index down. That is the reason for the cost of living adjustment reflecting that particular index. It does not take into account older Americans at all and does not weigh the things older Americans must buy, such as those I just enumerated—health care costs, public transportation, phone bills, and, last but not least, funerals.

When we get a certain age, we look at whether we have enough money for funerals. Funerals went up an estimated 6.5 percent last year.

What the amendment simply does is say let us get a handle on this and tell us. Let us get a handle on this through the Consumer Price Index. Let us see whether we need to have something done that is different from what we are doing in looking at this and telling older Americans what the consumer prices are and how much they are going up. That is all the amendment does.

The amendment we have at the desk is different. It was changed in two places. We had 90 days in which to report back to Congress. Then we changed that to 180.

The other point was, which was brought up by the House conferees, was that the Bureau of Labor Statistics says they really do not know from the amendment what are older Americans. What does Congress mean about that? So we put in the amendment those who are retired, who are over 62 years of age, which is a category that the Bureau of Labor Statistics can well identify, and it makes it easier for them to start gathering the data.

Is it going to cost money? I do not think so. We did not provide extra money. We think this is data that can be pulled together by the Bureau of Labor Statistics.

Did the House raise a big ruckus about this? I am told—and I am going to repeat it—that the House conferees said: "We haven't held hearings on this. Besides, the Bureau of Labor Statistics tells us that they don't know when they can get this done. It is too short a period of time. It will take a lot longer than that."

We held a hearing on it in the Senate Aging Committee just the other day, to get as much testimony as we could. We heard from Dr. Norwood, the Commissioner of the Bureau of Labor Statistics; and we think that now, with these two adjustments, this is something that Dr. Norwood and the professionals at the Bureau of Labor Statistics can work with.

We have been told by liaison representing the BLS, in the last 15 minutes, that they believe that with these two modifications, the amendments would be acceptable to them so far as their working with it is concerned. They are very willing to collect the data we need.

What will Congress do when we get this data? I do not know what we will do, because it would take an action by Congress to change anything in the cost of living adjustment.

I think we owe it to ourselves as Senators and the other body, as representatives of the people of this country, to collect the best data we can. But, more important, I think we owe it to older Americans, the retirees, to pay attention, through the data collection process, as to what the impact is on inflation as costs will go up or costs will go down, but looking directly at the type of costs they face each month.

Why do we owe it to older Americans? We owe it to them in particular because many of these 25 million or 30 million Americans are on very limited income. Somebody on Social Security of $500 or $600 a month has to be careful as to how they spend that money. Those on railroad retirement or military retirees, on very limited, fixed income, have to be extremely careful how they spend their money.

We need to know what their costs are. We need to assure ourselves so we can assure them that we are paying attention, that the cost-of-living adjustment for them is based on something that is factual with them.

The testimony received from retired groups was that indeed it is time to know this, to understand that there is a separate category for their costs.

I believe this amendment will be accepted by the House with these two modifications.

I very fervently urge the Senate to agree to it.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Madam President, will the Senator yield?

Mr. HATFIELD. I am happy to yield 2 minutes.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Madam President, I do not intend to take too much time. I do not think we will need to take too much time on that.

I think the Senator from Montana wants a vote on this and I think he is entitled to that.

Let me say I do not want to argue this case on the merits because I support the Senator from Montana. I supported him when he brought it up here. I think having a study on this is fine.

I argued this case when we went to the hearing. The House refused to take the amendment there. It was trying to say that this was an amendment that we had a vote on on the Senate floor. They were adamant in their refusal to take it.

Where do we place ourselves now? This is good. This is something we ought to do. I would like to see us do it.

My understanding is that the Older Americans Act is coming down the pike right now. We know there is the reauthorization. The Senator from Florida is a cosponsor of that. This can be put into the Older Americans Act. I think I understand they are already prepared to talk about that to take the amendment of the Senator from Montana and put it in. What is going to happen then?

Mr. HATFIELD. Mr. President, will the Senator yield on that?

Mr. CHILES. Yes.

Mr. HATFIELD. On that point, I have been given assurance from the Senator from Mississippi. Senator COCHRAN, who is on that committee, has indicated he will present the Melcher language to the Older Americans Act, which I say will be marked up next week.

Mr. CHILES. Let me say this. If the Senate adopts the amendment of the Senator from Montana, I am not going to vote for it this time. I did vote for it last time, but I am not going to this time because I do not think the House is going to take it. From everything that I can hear, the House says it will not take it.

There is a question of time as to how long you are going to have a quorum on the House side. I have heard from too many Senators here and their concerns that they cannot go home during this recess and talk to their farmers if we do not reestablish some money for CCC. That is not a big problem with the Senator from Florida. Older people are a big problem for the Senator from Florida.

I think I have heard enough concern here to know how much in jeopardy those programs are and so many of our farmers are out there that they have to have this help.

Why does the House do this? The House does a lot of things I do not like. I never liked their process. If they did not think it up, it is not a good idea. If they did not hold hearings on it, it is a double bad idea.

But I have seen them on many items in the appropriations process when they refused to yield.

Then Senator from South Carolina and the Senator from Florida had an amendment on embassies and we felt as strong as we could feel about that amendment, and under any other circumstances we would have insisted on a vote on that, but the farm Senators asked us not to and said if we adopted that amendment, and I think this Senate would have adopted the amendment to stop construction on the Moscow embassies, that could jeopardize the bill, and so we said we will wait until the main bill came along and then we will insist at that time.

I think the question is for the Senate. They are going to have to decide whether they are going to put this in jeopardy. Will the House take it? That is a judgment.

The Senator from Florida just has one view of that and he may be wrong, but my judgment is that either the House will be out and we will have a quorum in which case we will go over or they will refuse and we will either have to strip it off here if we have time, but I do think we do put the CCC in jeopardy on that basis and the fact that we have the Older Americans Act coming along. This is not going to be controversial for us to put it in. It has already passed the Senate 94 to nothing. It will pass the Senate again.

I think we would have a better chance of holding it where it has gone through. We have now held a hearing on this.

Mr. STENNIS. Madam President, will the Senator yield?

Mr. CHILES. I am happy to yield.

Mr. STENNIS. Several mentioned, including the Senator, the idea to see what a vote would do, something like that, and we do not like to resort to this unless it is necessary. But here we are. We worked on this thing now for several months at least in this bill.

Something has to be done.

Mr. CHILES. Yes.

Mr. STENNIS. I know these gentleman here, have been on the subcommittee with him, but we have a special duty here, and I believe the only way I see to get at it any further than we have been already is just to get a vote, and to do that I make the motion that we table the amendment.

Mr. CHILES. Madam President, I assume time would have to be yielded back before we could do that.

Mr. STENNIS. That is right.

Madam President, I yield back such time as I may have remaining.

Mr. CHILES. Madam President, while I recognize the Senator from Montana has every right to a vote, I would hope he would not insist for a vote on this and would allow the bill to go as the Senator from South Carolina has done, as my understanding is that the Senator from South Dakota would do, so we could wrap this up.

As I say, he does have his right to get a vote.

Mr. STENNIS. For the reasons I have already given and as a last resort to get at this thing, I move that we table the amendment.

Mr. HATFIELD. Madam President, the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MELCHER. Madam President, how much time do I have remaining?

Mr. SYMMS. Regular order. The motion to table is not debatable.

The PRESIDING OFFICER. The Senator from Montana has 20 minutes and 23 seconds. The Senator from Oregon has 24 minutes and 52 seconds.

Mr. SYMMS. Regular order.

Mr. HATFIELD. Madam President, point of inquiry. A motion to table has been made and the yeas and nays have been ordered.

The PRESIDING OFFICER. I understand that the motion to table cannot be made until all time has been yielded back.

Mr. LEAHY. Mr. President, I rise reluctantly to support the motion to table Senator MELCHER's amendment concerning a revision in the Consumer Price Index for senior citizens.

Recently I voted for Senator MELCHER's amendment. I support it. I have heard from many older Vermonters about how the Consumer Price Index is not a true measure of their cost of living. This index directly affects the monthly Social Security benefits received by older Vermonter. The inadequacy of this index may be short changing these Vermonters of the benefits to which they are entitled. I think we ought to do something about this and correct this problem.

Mr. President, this is neither the time nor the place to debate this amendment. If this amendment is adopted, the entire supplemental appropriations bill will be held up—possibly indefinitely. Emergency programs will not be funded. And, most importantly, as chairman of the Agriculture Committee, I must point out that passing this amendment will further delay CCC payments to farmers. Congress has held up those payments long enough. It is time to pass the supplemental.

I am pleased that the leadership has agreed to include Senator MELCHER's amendment in legislation later this year. I look forward to supporting the Melcher amendment at that time.

Mr. HATFIELD. Madam President, I am ready to yield back any time that I control to the Senator from Mississippi.

Mr. STENNIS. Madam President, I yield back such time as I have control over.

The PRESIDING OFFICER. The Senator from Mississippi yields back his time.

Mr. STENNIS. Yes.

The PRESIDING OFFICER. And the Senator from Oregon yields back his time.

The Senator from Montana has his remaining time.

Mr. HATFIELD. Madam President, a point of inquiry. I am willing to yield time to anyone who wishes to speak on this subject and I am willing to yield time even to the Senator from Montana if he has run out of time. But I did want to accommodate the Senator from Mississippi in order to let him make his motion and make it possible for him to make his motion to table.

So I yield back whatever time I have under those conditions.

Mr. STENNIS. Madam President, if he wants to use some of the time, that suits me fine. Otherwise, I yield back the time and make the motion to table the amendment.

The PRESIDING OFFICER. The motion to table will be in order when the Senator from Montana has either consumed his time or yields back his time.

The Senator from Montana.

Mr. MELCHER. Madam President, as I understand it, I have 20 minutes remaining, and I shall not use it all. I shall only briefly respond to some of the points that have been made.

First of all, it is suggested that perhaps we put this same amendment on the Older Americans Act, and indeed that is the only way we can do it. That is exactly what we would like to do. But I want to point out that that does not suffice at all. Why? First of all, the Older Americans Act is not as far enough along in the procedure to know when that is actually going to get to the President's desk. There is some timeliness concerned with this amendment. It just sets the Bureau of Labor Statistics to gathering up the data that they need to have and to review in order to make some report back to Congress on what would be advisable to properly reflect what a consumer price index for the older Americans should have in it and how it could be worked out.

That is the reason that I urge the Senate to accept this language now.

The question that the managers of the bill very eloquently point out, will the House accept it? I do not see any reason why there would even be a vote in the House. We have modified the amendment to meet two of the concerns and, as I understand it, the only major concerns that the House conferees had on the language of the amendment. That was simply to extend the time longer than 90 days, something like 180 days, that the Bureau of Labor Statistics had recommended be the time. The other thing was to definitely identify an age group that they already had been tracking. So we have done that in the amendment is before us now and that is retirees over the age of 62.

I think it is obvious that this is not any big earthshaking thing that would disturb the House. I think they would accept it. If they would not accept it, I guess we would go the other route and just ask them to just drop it then.

But the reason we should not let it go any longer is that we need the information. It is very timely to start the process now. Let this bill go, get it down on the President's desk and let the Bureau of Labor Statistics start getting their data together early in July to get a report to us before the year is out on what their recommendations might be.

The Older Americans Act, it is true, will be before this body sometime in the near future. But that near future might be August or September, the first part of October before that bill is finalized. It took about 2 months to finalize this bill and now is the time to have action on it.

I hope that the Senate will accept it. If there is a tabling motion that is going to be made, I guess I will have to ask for the yeas and nays, but I hope to forgo that and accept it. I believe the House will accept it. We have been advised, as I recited earlier, that the liaison person with the BLS believes that the number of days changing this to 180 days makes it possible for them to do it. The quicker they get busy on it, the more likelihood we have of getting the information and their report back in a timely manner in order to be of help to older Americans.

For that reason, I press the matter now rather than letting it go on the Older Americans Act which may not be finalized by Congress for 30 days, 60 days, 90 days, or even 120 days. There is certainty here on this bill. I believe the House will accept it. If they strip it, they refuse it, we can strip it back out. I do not insist on a rollcall vote, but if there is a tabling motion, I will then ask for the yeas and nays.

The PRESIDING OFFICER. Who yields time?

Mr. METZENBAUM. Will the Senator from Montana yield me 1 minute for the purpose of making an announcement?

Mr. MELCHER. Yes, I am delighted to yield.

Mr. METZENBAUM. I thank the Senator.

ORDER OF PROCEDURE—TRADE BILL

Mr. METZENBAUM. Madam President, I am submitting at the desk an amendment which has to do with the trade bill and the matter we have been discussing for the last couple of days. I am submitting it at the desk in order that there may be a printed copy available to those who care to see it. I am announcing that in approximately an hour, or such additional time as those on the other side might want, I will come to the floor with a unanimous-consent request that that amendment be taken up next Wednesday, maybe at 2 o'clock, and voted upon at 6 o'clock, and that that amendment be considered and accepted and that Senator QUAYLE be recognized subsequently for the purpose of making a motion to strike, on which there would be 4 hours of debate.

I make this only as an announcement so that Senator QUAYLE and others who may have interest in the subject may know what the Senator from Ohio contemplates doing. At somewhere around 7 o'clock, I will be on the floor with the unanimous-consent request. If there is some other hour which they prefer I come, I will be happy to do that.

I thank the Senator from Montana.

AMENDMENT NO. 370

The PRESIDING OFFICER. Does the Senator from Montana wish to speak further?

Mr. MELCHER. Madam President, I only want to urge acceptance of the amendment. We have been advised by Chairman HATCHER's staff that the BLS [the Bureau of Labor Statistics] believes they can work this out in 180 days and that they have no problem with it. We have been advised by the liaison at BLS that that is the case. We have not been able to talk to Chairman HATCHER, but I do not believe there is any problem with the House's accepting the amendment now.

Madam President, I yield back the remainder of my time.

Mr. STENNIS. Madam President, I understand the Senator has yielded time back.

The PRESIDING OFFICER. Has the Senator from Montana yielded back the time?

Mr. MELCHER. Madam President, I yield back the remainder of my time.

Mr. STENNIS. I renew my motion, Madam President, and I move to table the amemdment.

Mr. MELCHER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi [Mr. STENNIS] to table the amendment of the Senator from Montana [Mr. MELCHER]. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from California [Mr. CRANSTON], the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. GORE], and the Senator from Illinois [Mr. SIMON] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Alaska [Mr. MURKOWSKI], the Senator from Washington [Mr. EVANS], and the Senator from Utah [Mr. GARN] are necessarily absent.

The PRESIDING OFFICER (Mr. BREAUX). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 50, nays 42, as follows:

[Rollcall Vote No. 176 Leg.]

YEAS—50

Adams
Armstrong
Bentsen
Bond
Boren
Breaux
Chiles
Cochran
Conrad
Danforth
Daschle
Dixon
Dole
Exon
Ford
Fowler
Gramm
Grassley
Harkin
Hatch
Hatfield
Hollings
Johnston
Karnes
Kassebaum
Kasten
Kerry
Lautenberg
Leahy
Lugar
Matsunaga
McClure
McConnell
Nickles
Nunn
Packwood
Quayle
Reid
Roth
Rudman
Sanford
Sarbanes
Simpson
Stafford
Stennis
Stevens
Symms
Wallop
Weicker
Wirth

NAYS—42

Baucus
Bingaman
Boschwitz
Bradley
Bumpers
Burdick
Byrd
Chafee
Cohen
D'Amato
DeConcini
Domenici
Durenberger
Glenn
Graham
Hecht
Heflin
Heinz
Helms
Humphrey
Inouye
Kennedy
Levin
McCain
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Pell
Pressler
Proxmire
Pryor
Riegle
Rockefeller
Sasser
Shelby
Specter
Thurmond
Trible
Warner
Wilson

NOT VOTING—8

Biden
Cranston
Dodd
Evans
Garn
Gore
Murkowski
Simon

So the motion to lay on the table amendment No. 370 was agreed to.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi [Mr. STENNIS].

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. Mr. President, I move that the Senate concur in the amendments of the House to Senate Amendment No. 387.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to.

EXCEPTED AMENDMENT NO. 219

The PRESIDING OFFICER. The clerk will report the remaining amendments in disagreement.

The bill clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 219 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Section 1001(2)(C) of the Food Security Act of 1985 (7 U.S.C. 1308(2)(C)), as amended by Public Law 99-500 and Public Law 99-591, is amended—

(1) by inserting "(i)" after "(C)", and

(2) by adding at the end the following:

"(ii) No certificate redeemable for stocks of a commodity held by the Commodity

Credit Corporation may be redeemed for honey held by the Corporation.".

The PRESIDING OFFICER. The Senate will be in order.

The Chair recognizes the Senator from North Dakota.

Mr. BURDICK. Mr. President, in the interests of the farmers of this country and in the interests of getting the Commodity Credit Corporation money flowing, hoping this bill will be passed tonight, I will not offer my amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 219.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to.

Several Senators addressed the Chair.

Mr. STENNIS. Mr. President, I move to reconsider the vote.

The PRESIDING OFFICER. The Senate will be in order. The Chair is seeking to determine who is seeking recognition.

The Chair recognizes the Senator from Mississippi.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

Mr. HARKIN. Mr. President, there was an inadvertent change that came about in the conference report, and I would like at this time to engage the chairman of the Transportation Subcommittee of the Appropriations Committee, the distinguished Senator from New Jersey, in a colloquy on this issue.

Mr. HARKIN. Mr. President, as the Senator from New Jersey [Mr. LAUTENBERG] knows, the State of Iowa has been engaged in a long-term dispute with the Department of Transportation concerning the Dubuque City Island Bridge. And, I appreciate the attention that the Senator from New Jersey, the chairman of the subcommittee has given to this matter.

After the committee indicated its views in report language—in both the fiscal year 1986 and the 1987 committee reports—and after the language in this bill was reported by the Appropriations Committee, the Secretary did finally, after years of dispute agree that the bridge should receive discretionary bridge funding. However, I believe that we should note the geographical boundary of the project which we have always had in mind. Clearly, the project has a logical boundary: where the bridge comes to ground level.

Mr. LAUTENBERG. Mr. President, I thank the Senator from Iowa. The bounds of this bridge project logically go from the bridge's touchdown point, where the bridge comes to ground level back to the end of the earlier phase of the project. This is the original intent of the Senate and it was raised in conference and was specifically agreed to. I ask unanimous consent to have printed in the RECORD a letter signed by Chairman LEHMAN and myself to the Secretary on this issue so there is no mistake about the congressional intent.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, DC, July 1, 1987.

Hon. ELIZABETH HANFORD DOLE,
Secretary, Department of Transportation, Washington, DC.

DEAR MADAM SECRETARY: We are writing to clarify the conference agreement regarding the Dubuque City Island Bridge. It is the position of the managers that phase 2 of the bridge goes from its touchdown point near 14th Street easterly to the end of phase 1 including the ramps extending easterly from 16th Street to Kerper Boulevard.

This is the original intent of the Senate which was specifically agreed to by the House conferees. We feel that it was necessary to more accurately describe the geographic boundaries of the second phase to allow the expeditious funding of the project.

Sincerely,

WILLIAM LEHMAN,
Chairman, House Appropriations Subcommittee on Transportation and Related Agencies.

FRANK R. LAUTENBERG,
Chairman, Senate Appropriations Subcommittee on Transportation and Related Agencies.

Mr. HATFIELD. Mr. President, we have completed the supplemental through a very tortuous process. I am sure that all Members of the Senate have reasons to be glad that this is finally completed. I thank the Senator from North Dakota especially for his cooperation in bringing this to a final conclusion. But I would like to make one observation.

In the 20-some years I have been in the Senate and on the Appropriations Committee, I do not recall that we have had a supplemental that has been quite as difficult. I think that the fact that we have been able to bring a bill to fruition here with a commitment from the White House completely turned around from the time when they said they would not sign the supplemental, to a time when they have now agreed to sign it, from a long session with the House of Representatives, is a tribute to the Senator from Mississippi, the chairman of the Appropriations Committee.

I say that because the Senator from Mississippi, in a very deliberate and very strategic way, very quietly, and very much with hands on in every aspect of this whole process, has been able to bring together conflicting people, conflicting personalities, conflicting ideas; and he has been able to weld the committee together in a way to not only get the support of this body on the floor but also in the conference. It was a very difficult conference.

We had 13 subcommittee meetings. The Foreign Operations Committee of the House and our subcommittee had to take the responsibility of making sure we did address the problems.

Again, the Senator from Mississippi, very quietly and effectively, was able to confer with the subcommittee chairmen of both the House and the Senate and help resolve those almost insurmountable problems.

Think of the defense bill as one. The House was adamant on the matters relating to arms control, the language the President said he would veto. So here, again, a very profound problem was faced on the language of the House relating to arms control. I, as the ranking member, supported the House position on arms control. Yet, I felt again the constraint to work with my chairman and to make sure that this succeeded.

So I want to take this very brief opportunity to pay a tribute to my chairman, the chairman of the Appropriations Committee, a man who has demonstrated once again that the continuity and the history of the Senate are embodied in an individual who carries with himself not only the history of the Senate but the deep respect of people on boths sides of the aisle. He demonstrated his ingenuity, his creativity, his kindliness, his gentlemanliness, all the things that go to make a great Senator, and I am grateful to be able to serve on this committee with him.

Mr. STENNIS. Mr. President, I thank the Senator, a warm friend. I have learned much from him on the Appropriations Committee. He is a fellow Senator who knows more about the Government than I do.

I want to thank our staff, all of them, beginning with Mr. Sullivan here, on their quality and on their merit. We all know that this is a hard job.

We have almost been overtaken by the volume. I will not dwell on this.

Let me express sentiments here there is no fun in these last two here where to carry out things to the ultimate we just had to make a motion to table to apply to two very fine men.

But I think it was taken in really a great spirit and necessary to be done and in order to carry out our Rules of the Senate.

Senator JOHNSTON and others, too, are on the committee. I wish I had time just to thank them all. Others on the subcommittee have contributed this year tremendously, helpfully. They deserve a lot of credit and I give it to them and I want to pass the word of their work on to the others.

I pay respects to the House, too. I tell you there is a lot of work done there by those men on that Appropriations Committee and the other committees, too, and they deserve a lot of credit.

I will not take further time.

Thanks again.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, just very briefly, I am a strong supporter of this conference report to accompany H.R. 1827, the fiscal year 1987 supplemental appropriations bill.

I thank the distinguished and esteemed chairman of the Appropriations Committee, Senator Stennis, for appointing me to the conference committee—this is my first—and for his help to me in working for the people of Maryland.

I also thank Senator DECONCINI and Senator DOMENICI who worked on a bipartisan basis to resolve the issues related to drug testing.

In addition, I wish to give special thanks to the chairman of the Treasury-Postal Subcommittee, Senator DECONCINI, for his tireless efforts in helping us work out the issue of Federal workers drug testing.

The provision we have adopted as amendment 416 to the conference report goes a long way toward guaranteeing a drug-free Federal workplace, while insuring the constitutional rights of all Federal workers and the accuracy of lab test themselves.

It is a bipartisan product that is the result of exhaustive negotiations between the conferees and the administration. We produced nine different drafts, all of which received comment from the administration, before agreeing on this language.

The conferees met on two separate occasions with six members or deputy-members of the President's Cabinet, including OMB, OPM, and the Departments of Justice, HHS, Transportation, and Defense.

In a nutshell, this compromise will prevent agencies which did not have drug testing plans in existence prior to the President's Executive order, except for the Department of Transportation, from moving forward until five conditions have been met:

First, until the Secretary of HHS has certified that all departments and large agencies have prepared plans which comply with the President's Executive order and current law.

Second, until the Secretary of HHS has published mandatory guidelines that:

Establish strict standards for the labs where drug tests will be evaluated, ensuring they use the best available testing technology and have a strict chain of custody once a sample has been taken;

Specifies the drugs which a Federal employee may be tested for; and

Sets standards for certifying, reviewing, and revoking a lab's certification.

Third, the Secretary of HHS submits an agency-by-agency analysis of "Who and How" will be drug testing.

Fourth, OMB submits an agency-by-agency cost of drug testing over the next 5 years.

Mr. President, the conferees on this issue have negotiated with the administration in good faith on this subject. We did so despite efforts by some within the administration to derail our negotiations through scurilous and often innacurate statements to the press about the status of those negotiations.

The final product does not contain every provision I or my colleague from Maryland, Congressman HOYER, wanted. Nor does it include every nuance which the administration wanted. Perhaps our mutual dissatisfaction about portions of this amendment are the best measure of a reasonable compromise.

Nevertheless, the provision before the Senate will ensure the kind of employee protections and accuracy in testing to guarantee that the administration moves responsibly toward the goal of a drug-free Federal work force.

This provision will not place needless or frivolous procedural delays in the administration's path toward drug testing. That is clear from our willingness to exempt the Department of Transportation and any agency with a testing plan in place before the Executive order from continuing testing.

Finally, in addition to my subcommittee chairman, I want to thank my colleague from New Mexico, the ranking member of the subcommittee, Senator DOMENICI, for his help on this provision. He represents a large number of Federal workers and has proven to be tireless advocate for their concerns.

Mr. President, because of the bipartisan consensus on this provision, I urge my colleagues to adopt it.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alaska.

LEAVE OF ABSENCE

Mr. STEVENS. Mr. President, tomorrow morning at 6 a.m. Alaska time the U.S.S. *Alaska* will make its first call in the State of Alaska.

It is necessary for me to leave at this time to greet it.

I ask unanimous consent I be excused from the rest of the balance of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

Mr. BYRD. Mr. President, the Chair asked to state the business before the Senate.

The PRESIDING OFFICER. The clerk will report the pending business to the Senate.

The assistant legislative clerk read as follows:

> A bill (S. 1420) to authorize negotiations of reciprocal trade agreements, to strengthen the United States trade laws, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The pending amendment is an amendment No. 368.

Mr. BYRD. Mr. President, I wish to inquire as to whether or not we might be able to have amendments to have the amendment dealing with section 201 on the trade bill laid down.

Mr. SYMMS. Mr. President, will the majority leader yield?

Mr. BYRD. I yield.

Mr. SYMMS. I say to the majority leader Senator NICKLES and I are ready to lay our amendment down if the majority leader is looking for an amendment.

Mr. BYRD. I thank the distinguished Senator.

If the Senator will indulge me.

Mr. SYMMS. What I say to the distinguished majority leader we would be ready to start on Tuesday next. It will be something we can go to work on. It will require a rollcall vote.

Mr. BYRD. May I ask the distinguished Senator from Texas [Mr. BENTSEN] and other Senators and maybe we can get a time agreement on the amendment by Mr. SYMMS.

I understand there will be an objection to the time agreement on it.

Mr. DOLE. It might take a while. It is going to be a little controversial.

CLOTURE MOTION

Mr. BYRD. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The clerk will report the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

> We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the Moynihan amendment, No. 367, relating to the Persian Gulf, to S. 1420, a bill to authorize negotiations of reciprocal trade agreements,

to strengthen United States Trade Laws, and for other purposes.

Senators Jim Sasser, John Glenn, Claiborne Pell, Edward M. Kennedy, John F. Kerry, Dale Bumpers, Don Riegle, Robert C. Byrd, Lloyd Bentsen, J. Bennett Johnston, Quentin Burdick, Daniel P. Moynihan, Tim Daschle, Carl Levin, Kent Conrad, Lawton Chiles.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, while the Senate is awaiting the offering of an amendment, I expected to ask unanimous consent to lay this pending amendment aside momentarily, but not just now.

Is the adjournment resolution from the House at the bar of the Senate?

The PRESIDING OFFICER. The Chair will respond the resolution is at the desk.

ADJOURNMENT OF THE TWO HOUSES OVER THE FOURTH OF JULY HOLIDAY

Mr. BYRD. Mr. President, I ask unanimous consent that the Chair lay before the Senate House message on House Concurrent Resolution 154.

The PRESIDING OFFICER. The clerk will report the concurrent resolution.

The legislative clerk read as follows:

A concurrent resolution (House Concurrent Resolution 154):

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Wednesday, July 1, 1987, it stands adjourned until 12 o'clock meridian on Tuesday, July 7, 1987, and that when the Senate recesses on Wednesday, July 1, 1987, or Thursday, July 2, 1987, pursuant to a motion made by the Majority Leader, or his designee, in accordance with this resolution, it stands in recess until 10 o'clock ante meridiem on Tuesday, July 7, 1987.

The PRESIDING OFFICER. The question is on adoption of the concurrent resolution.

The concurrent resolution (H. Con. Res. 154) was agreed to.

MORNING BUSINESS

Mr. BYRD. Mr. President, the distinguished managers of the bill are interested in moving forward on the trade legislation on Tuesday next when we come back. So I hope to have a good amendment laid down that will help move us along. For the time being, until we can make calls to Senators, I ask unanimous consent that there be a period for the transaction of morning business, not to extend beyond 15 minutes and that Senators be permitted to speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

IDAHO'S STATEHOOD CELEBRATION

Mr. SYMMS. Mr. President, this Friday, the State of Idaho will be celebrating its 97th statehood anniversary. As an Idahoan who is privileged to represent the State in this body, I am honored to call my colleagues' attention to Idaho's birthday celebration.

On July 3, 1890, Idaho became the 43d State within the Union. However, Idaho's history dates back 85 years earlier when Lewis and Clark first entered Idaho in 1805. From that date, Idaho's resource based economy grew and our heritage was founded. Today, the State's abundant natural resources are still the mainstay of our economy. Combined, the rich soils and minerals of Idaho produce some of the finest commodities this Nation has to offer.

Because of her unique geography and varied climates, Idaho has produced a people which are equally unique. Along with the traders, miners, farmers, and loggers came numerous individuals who helped settle Idaho and who carved a name for our State in the annals of history. Famous historical names such as Kit Carson, Captain Bonneville, Nathaniel Wyeth, Henry Spalding, Father Pierre Jean de Smet, and Chief Joseph to name a few, have all left their mark and influence in Idaho. In 1855, the first Mormon missionaries arrived and in 1890, the first Basques of northern Spain adopted Idaho as their new home. All of these people have shared their culture with us, and have become a part of what Idaho is today.

Perhaps some of Idaho's greatest folklore, however, has come from the Indians. Cities and places such as Coeur d'Alene, Pocatello, Shoshone, Pend Oreille, and the Targhee National Forest, just to name a few, are named in memory of the Indian influence in Idaho—even the name Idaho itself came from a great Indian legend. Up until the 1960's, official accounts held that the name Idaho came from the Indian "E Dah Hoe" which they believed translated into "Gem of the Mountains" or "the light coming down from the mountains." This legend was created early in the 1860's when Idaho was applying for legal recognition as a U.S. Territory. Those involved in the territory-name controversy couldn't agree on a single name. For a time, there were three proposed names: Idaho, Montana, and Colorado. Then, in 1863 before the U.S. Senate, Senator Harding from Oregon told his colleagues about the "E Dah Hoe" folklore. He told the Senators that in English, Idaho meant "the gem of the mountains," and that it would be, therefore, a fitting name for the Nation's beautiful, mountainous new territory.

For almost 100 years, Idaho school children and others who studied the State's history were taught that the name "Idaho" meant "gem of the mountains" to the State's native inhabitants. Then in the 1960's an Idaho State University professor studying Indian history and culture, informed Idahoans that there was no such meaning and the name Idaho had no Indian derivation at all. The elaborate, romantic etymology of the State's name was simply invented, probably to settle the dispute about an appropriate name for the new territory. For the record, I assure my colleagues that scholarly studies notwithstanding, Idaho always has been and remains the gem of the mountains.

As a birthday wish, I hope Idaho will prosper so that by 1990 when the State celebrates its centennial anniversary it will have a healthy and robust economy. I look forward to participating in that celebration.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maryland.

SOUTH KOREA

Ms. MIKULSKI. Mr. President, it is with great admiration that I rise to pay tribute to the determination of the South Korean people. The voices for democracy have spoken loudly and clearly, and they have been heard. South Korea will have democratic reform and direct Presidential elections!

Like the citizens in South Korea, I look with awe upon the dramatic changes that we have witnessed, particularly the decisions by the new ruling party chairman, Roh Tae Woo, and President Chun Doo Hwan to accept all of the demands made on them for democratic reform. Most importantly, President Chun announced yesterday that South Korea will hold direct elections for the Presidency, the first time since 1971 that this option has existed for South Koreans.

I particularly want to commend Mr. Roh for the courage and independence that he has shown so soon after taking over the ruling party's leadership. It is fair to say that I and many others did not expect him to side with the people. He put South Korea's future above his own and, Mr. President, as we get ready to leave to celebrate our own Declaration of Independence, it is with a great deal of pleasure that I note that South Korea is moving toward a state of democracy and in some ways the people have stated their declaration of independence. Let us hope their Fourth of July is as happy as ours.

The world has been holding its breath for 3 weeks, waiting to see what would happen in South Korea, hoping for the best, but fearing the worst. Now, we have collectively exhaled and begun to breathe again.

Bringing about the agreed upon reforms will require a great deal of negotiation, perseverance, and compromise on all sides. The job is a big one, but I am confident that the same people who have wrought an economic miracle in their nation will also be up to bringing democracy to South Korea.

SOUTH KOREA

Mr. BOND. Mr. President, these days it often seems that most of the news we get regarding our foreign relations is discouraging.

But yesterday we got what is truly a ray of sunlight breaking through the clouds. That ray came from South Korea.

Yesterday, President Chun Doo Hwan endorsed a sweeping set of political and civil rights reforms which encompass most of the demands made by the political opposition.

The list of reforms had been proposed Monday by Mr. Roh Tae Woo, the chairman of the ruling Democratic Justice Party and Chun's handpicked successor. Roh's list of reforms includes releasing political prisoners, moving toward a more open press, ending human rights abuses, reforming election laws, restoring political rights for opposition leader Kim Dae Jung and, most importantly, allowing direct election of the nation's President.

In announcing his acceptance of Mr. Roh's proposals, President Chun took a historic step. Too often we see leaders who are unable or unwilling to accept the desire of their people to live under a system of democracy. Instead of acceding to the people's wishes, they selfishly and shortsidedly try to hang onto power for their own personal gain. More often than not, this results in unrest, violence, and instability which result in military takeovers, revolutions, or foreign domination—certainly not democracy. Fortunately for the people of South Korea, President Chun appears to have broken out of this mold.

Mr. President, in the past four decades, the Korean people have had several stunning successes—economic successes and military successes. Today it appears they are on the verge of a stunning political success. President Chun referred to Korea's past economic success in his speech when he said, "* * * Let us work another miracle by developing Korea into a model of political development deserving to be so recorded in world history; we must not be content with having merely become a model of economic development * * *."

Certainly we cannot assume that all of Korea's problems are over—we must remember that we are only now just beginning a long and complicated process. Following through on promises and hammering out agreements that will be acceptable to all parties will require hard work and give and take on both sides. And, there is no guarantee that these efforts will end in success. But, if President Chun follows through with the historic reforms he set forth yesterday, and if opposition leaders Kim Dae Jung and Kim Yong Sam keep their personal differences aside and work for the good of their country to bring a true democratic system to South Korea, we truly can feel hopeful about the future of South Korea.

But, we in the United States should not assume that we can forget about South Korea and everything will turn out just fine. As a close ally, trading partner and friend of South Korea, we have a duty to be supportive of their efforts to bring an end to the current political crisis and to move toward a permanent and effective system of democracy. The most important step we can take is to assure the South Korean people that we stand by our commitment to defend their borders against Communist aggression. This combined with our pledge to assist but not to dictate the terms of their transition to democracy is the proper action for the United States to take at this time.

Mr. President, I am encouraged by the latest news reports from Seoul. I am encouraged by the strength of Chun Doo Hwan and Roh Tae Woo in moving toward conciliation; and I am encouraged that the street protests, which have raged for the past 3 weeks, seem to have ended since Mr. Roh's announcement; and most of all I am encouraged that the Korean people are moving toward democracy on their own—without outside intervention.

I congratulate President Chun on his foresight in boldly moving to embrace democracy, and I wish him and the rest of the Korean people success in the months ahead as they follow in the path of our forefathers 200 years ago this summer in mapping out a future for democracy in their nation.

I know my colleagues join me in looking forward to the day when we can look to South Korea as a shining example of democracy for the rest of the world to admire.

JOHN S.R. SHAD

Mr. WIRTH. Mr. President, last week, Mr. John S.R. Shad undertook his new assignment as Ambassador to the Netherlands. Mr. Shad takes that assignment after 6 very distinguished years as Chairman of the Securities and Exchange Commission, a longer tenure in that particular assignment than anybody in the history of the SEC.

Prior to taking on the job as Chairman of the SEC, Mr. Shad had a very distinguished career on Wall Street. He came to Washington in 1981 and continued to display in the job as Chairman of the SEC his own deep commitment to enforcement and to shareholder protection. All of this, as we know, culminated in the historic insider trading cases which have recently been brought by the SEC, led by the distinguished counsel there, Gary Lynch.

The final act of Chairman Shad as Chairman of the SEC was really outside that in providing a very large endowment to the Harvard Business School on the subject of business ethics, which will, I am sure, lead to the development not only of the curricula there but for very important precedents for institutions all across the country.

I wanted to make these brief remarks having had the privilege of working with Chairman Shad for a little more than 6 years and to join with so many of my colleagues in wishing him well in his new assignment. I thank him for all of his great commitment here.

Mr. President, I ask unanimous consent to have printed in the RECORD Chairman Shad's own farewell assessment of his 6 years at the SEC, as well as a careful piece by Nathaniel Nash, from the New York Times, outlining the 6 years of the Shad administration at the SEC.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMISSIONERS AND SENIOR STAFF RECEPTION, JUNE 16, 1987, FAREWELL ADDRESS OF JOHN SHAD

Senators D'Amato, Garn and Wirth, Congressmen Dingell and Rinaldo, Chairmen Volcker and Liebeler, Directors Miller and Tuttle, Commissioners Cox, Fleischman and Grundfest, Judges Newman and Sporkin, NYSE Chairman Phelan, NASD President Macklin, Former Commissioners Longstreth, Marinaccio, Sommer and Treadway, Senior SEC Staff, Distinguished SEC Alumni and friends:

I am also especially pleased that my 3 former Executive Assistants who really run the place and all but 2 of my 11 Special Counsels over the years are here today—some from far away places.

There is no way I can adequately express my appreciation—not just for today but for the past six years.

They have been challenging and worthy of the effort—due to the friendship and encouragement, sound counsel and hard work of many here today.

The first few years were pretty rocky.

In fact, yesterday wasn't too great.

At my initial luncheon with John Dingell, there was just the two of us and our food tasters.

Partisan politics aside—in the trenches, I want "Rambo" Dingell on my side.

I was fortunate to be preceded by Harold Williams, who was an exceptional Chairman.

The past six years are a tribute to the past and present Commissioners and the outstanding SEC staff to whom I am going to have an opportunity to express my appreciation tomorrow.

It has been an honor to serve with so many brilliant and dedicated men and women of integrity.

The present Commissioners bring an exceptional balance of broad legal and economic, judgment and experience to bear on the Commission's decisions.

Dr. Charles Cox provides a sound economic overview and pragmatic judgments.

Aulana Peters, very practical litigation experience.

Joe Grundfest, exceptionally innovative legal and economic perspectives.

And Ed Fleischman, an indepth knowledge of the securities laws and practice.

The staff proposes, and the Commission disposes.

As a result of this team effort: investor protections have been significantly increased; corporate paperwork and other expenses reduced by well over a billion dollars per annum, for the benefit of investors; and over $200 million of fees and fines in excess of the Commission's budgets have been contributed to a reduction in the Federal deficits for the benefit of taxpayers.

Through automation, paperwork reduction, improved systems, techniques—and many other staff initiatives—each SEC Division has increased the volume and efficacy of its efforts—more than the record growth of the marketplace.

Improved screening, targeting and staff specialization have also increased the quality of filing reviews, broker-dealer examinations, Self-Regulatory Organization, investment company and adviser inspections, and enforcement actions.

Other noteworthy results include:

The record numbers of insider trading and other cases brought by the Enforcement Division initially under John Fedders, and for the past 2 years, under Gary Lynch.

The Corporation Finance Division's 1982 integration of corporations' registration and reporting requirements and the shelf registration of public offerings under Ed Greene and Lee Spencer.

Integration and shelf registration are two of the most important improvements in the securities laws, since they were enacted in 1933 and '34.

They are saving issuers well over a billion dollars per annum for the benefit of their shareholders, without compromising full disclosures.

The historic 1982 Accord with Switzerland negotiated by then Director of Enforcement, John Fedders, and General Counsel, Ed Greene which removed the haven of the Swiss bank secrecy laws from inside traders and set the stage for the subsequent Canadian, Japanese and UK cooperation agreements, negotiated by Rick Ketchum and Gary Lynch, the present Directors of Market Regulation and Enforcement.

The Insider Trading Sanctions Act, structured by the Office of the General Counsel, proposed by the Commission in 1982, sponsored by Senators and Congressmen here today, passed by Congress and signed by the President in 1984.

The electronic market surveillance systems and transaction audit trails—long championed by the Market Regulation Division—and implemented by the exchanges and the NASD.

And the 1982 SEC/CFTC Accord—enacted in 1984—which resolved the 7-year turf battle between the SEC and CFTC and permitted the authorization of new options and futures, that permit the hedging of stock market and other risks, at a fraction of the prior costs and in multi-million dollar amounts that were not previously possible.

The new options and futures have also increased the breadth and liquidity of the securities markets.

As for the future, in addition to important pending insider trading, takeover and corporate governance legislation and regulations that warrant very careful review—four areas that offer enormous potential benefits and pose major challenges are:

First, the simplification and rationalization of the regulatory structures of the financial service industries.

Regulation by functional activities, instead of by outmoded industry classifications and elimination of regulatory conflicts, overlaps and duplication.

Since 1981, functional regulation concepts have been incorporated in every bill to amend the Glass-Steagall Act, sponsored by both Democrats and Republicans.

Functional regulation will reduce the cost and increase the uniformity, efficacy and fairness of the regulatory structures.

The Office of the General Counsel, under Dan Goelzer, has done an outstanding job of developing and advancing this and related concepts.

Second, the increasing internationalization of the securities markets, which is permitting investors and issuers to shop worldwide—for the most attractive investment opportunities and sources of capital—at any moment in time.

The growing international mobility of capital is contributing to the prospect of greater opportunities, peace and prosperity for mankind.

The challenges are to accelerate: international cooperation on enforcement matters, automation of clearance and settlement systems, effective disclosures, and greater access to each other's markets.

These are ongoing, multi-divisional efforts.

Third, acceleration of the immobilization of securities certificates, through greater use of central depositories and electronic book-entry systems, to save investors hundreds of millions of dollars per annum and avoid future paperwork and other problems.

Market Regs, under Rick Ketchum, is the driving force behind this initiative.

And fourth, the application of telecommunications to the high-speed public dissemination of time-sensitive corporate information, which will increase the efficiency and fairness of the securities markets for the benefit of investors, corporations and the economy.

The creation of the Edgar system has been a multi-divisional effort, under Executive Director George Kundahl.

Corporate Finance, under Linda Quinn, and Investment Management, under Kathie McGrath, are the principal internal beneficiaries and the driving forces behind this important effort.

None of the foregoing is within the singular capacity of the SEC.

Each requires the support of Congress, the Administration and the business and financial communities, but they are clearly worthy of the concerted efforts of all concerned.

My only regret is that I will be a distant observer of the exciting events that are unfolding before this great institution.

Thank you and God bless you.

SHAD'S VIEW OF 6 SEC YEARS

(By Nathaniel C. Nash)

WASHINGTON, June 23.—After a record six years as chairman of the Securities and Exchange Commission, John S. R. Shad left last week to become the United States Ambassador to the Netherlands.

For Mr. Shad, his most likely legacy will be the monumental insider trading cases brought by the agency during his watch, particularly the $100 million settlement with Ivan F. Boesky, the stock speculator.

But Mr. Shad, who made a fortune on Wall Street before becoming a public servant, contends that there is much more to his record. Just before relinquishing his post, Mr. Shad sat in his office and discussed his years at the S.E.C.

Q. What do you consider were your most important programs?

A. I think the 1982 integration of corporations' registration reporting requirements plus shelf registrations are two of the most important improvements in the securities laws since they were enacted in 1933 and 1934.

These procedures are saving companies, for the benefit of their shareholders, well over a billion dollars a year. They have reduced unnecessary paperwork, as well as simplified and improved public disclosure.

Q. Those were early on in your tenure?

A. Yes. We did those in 1982, and in fact 1982 was a real watershed year. That was when we obtained the accord with Switzerland that removed the haven of the Swiss bank secrecy laws from insider traders. And that set the stage for the subsequent Canadian, Japanese and British cooperation agreements on enforcement matters.

It was also the year we got together with the chairmen of all the exchanges and the over-the-counter market to implement the electronic market surveillance systems and transaction audit trails for the quick identification of questionable trading activities.

We also proposed the Insider Trading Sanctions Act in 1982, which enabled us to levy penalties of up to three times the insider trading profits. And it was the year in which the Edgar Project was started for the electronic public dissemination of S.E.C. documents by companies.

Q. You'll always be known as the S.E.C. chairman who came down on insider trading with hobnail boots. Yet, that problem has never really been at the top of your list of priorities.

A. You're right. It was only 11 percent of last year's enforcement cases. This year it will be about 20 percent. But it has had extraordinary publicity. You'd think from most of the stories that it started with the Ivan Boesky case, whereas in fact there were 124 cases before Boesky.

Q. During your six years, what were your greatest frustrations?

A. It's probably the time it takes to get things done in Government. On Wall Street, if we were working on a financing or merger and somebody had a problem, I'd grab the phone and I could resolve a lot of things almost instantly.

But here it's different. I hear about a problem on the Hill, and I pick up the phone and I call a Congressman. He says he doesn't want to talk about it, and that he wants to have a hearing. Well, this becomes a big, you know, brouhaha. Instead of, "Let's get to the nuts and bolts of it and see if we can resolve it now," too often, it's, "Let's have a hearing."

On the other hand, the time here is justified because the rules and regulations, here affect all the securities markets, and so they deserve a very deliberative process. I've mellowed a bit on this one.

Q. You've been criticized for not advocating until recently large increases in the S.E.C.'s budget.

A. The budget has been increased 43 percent. And the first page of the S.E.C.'s 1986 annual report points out that all the activities of the commission have been increased more than the record growth of the marketplace.

Authorized positions have been increased 3 percent during my tenure, but staff years, the actual employment here, is down 4 percent. The reason for the spread is budgetary constraints and because we're not competitive with the private sector.

We could have a lot more authorized positions and still not be able to fill them with qualified people because we're not paying competitive wages. And not only that, we lose people constantly to the private sector.

When I first arrived, I asked the personnel manager what our turnover was of attorneys that had been here for two years. It was 40 percent. It's down to 20 percent now, which is a big improvement. But it's still a very high turnover. A lot of young lawyers, outstanding young lawyers, use this place as a postgraduate school. And that's very expensive.

Q. You've frequently jousted on the Hill with John D. Dingell, the head of the House Energy and Commerce Commitee, which has jurisdiction over securities matters. What is your assessment of him?

A. We had lunch the other day. And it was a very pleasant affair, just the two of us—and our food tasters.

But seriously, in the trenches I'd want Rambo Dingell on my side. He's an old warrior. I have no animosity toward him. He's very tough and successful at what he does.

Q. How about Senator William Proxmire of the Banking Committee?

A. I've had, actually, very little exposure to Prox because he has just become chairman of the Banking Committee. But at one hearing, he kept telling me what I think. And I said, "No, that's not what I think," and I kept repeating it a little louder so he could hear me. And I finally hit the table after he did it about the fourth time and I said, "That's not what I think!"

I laughed and everybody else laughed. But I called him right after that and said I want to come over and see you, and I'd like to have your senior staff there because you're just getting bum briefings.

I think that I suffered on arrival here by the presumption that, because I came from Wall Street and was a Reagan appointee, that I was some sort of a knee-jerk deregulatory.

Q. You did have that reputation.

A. I'm not opposed to regulation. I'm opposed to regulation that's not cost-effective, because the burdens go onto the good guy. The problem is that, once you get tainted, the first impression is the one that lasts. But it's gradually turned around. It's become better and better.

Q. Are you at ease about the degree to which insider trading and other kinds of excesses have been brought in line?

A. On insider trading, the marketplace is incredibly sensitive in responding to these adverse headlines. And what concerns me is that the adverse headlines will be used as excuses for all kinds of other legislation.

I think any legislative responses to insider trading should be considered on their own merits, and that tender offer, merger and acquisition problems should be considered on their merits, and not lumped together. Insider trading is not the driving force behind tender offers. It's a parasitical activity.

Q. But have your efforts to shut down insider trading activity succeeded?

A. We haven't eradicated it, but we've certainly inhibited it, so that the profits that insider trading has been siphoning off are now flowing through to the investing public. So the markets today are even better than they were yesterday—and yesterday they were by far the best markets the world has ever known.

Q. When you look at the ever globalizing financial markets, where does the S.E.C. have to concentrate most at this point?

A. There are enormous benefits from the increasing international mobility of capital for investors and corporations and the world. The challenges are also great and immediate.

Q. Isn't it the ultimate in capital diversification?

A. Yes, for investors—and for corporations, international markets offer alternative sources of capital at any moment in time. There's a real advantage to having, say, 20 alternative sources of raising 100 million bucks. And it can be here or it can be in London or it can be in Hong Kong.

Today there are about 500 companies whose stocks are actively traded in more than one country. I believe that by the early 1990's it'll be over five times that number—through international linkages of markets and brokerage networks.

Q. How do you regulate that kind of market and protect investors?

A. You can only do it when all the securities regulatory bodies of the major countries cooperate actively.

I gave a talk last July in Paris to the International Association of Securities Commissions of 30 member nations. And I proposed a serious effort to form multinational committees to accelerate cooperation on enforcement matters.

But, in addition to enforcement cooperation, you have to improve and automate the international settlement of transactions because what's automated here and in Germany and Canada and England is not necessarily automated in some places. And, in some markets, it can take up to 30 days or longer for a transaction to clear. That can be very risky and expensive.

Another issue is to increase the access to international markets by investors and issuers. Everybody has access to our market. And yet, in Japan and elsewhere, there are various restrictions. There are enormous benefits to them and to the rest of the international community to open up and also to improve the quality of disclosure and enforcement.

One concrete step is to develop some sort of mutual prospectus approach, which we are working on primarily with Britain and Canada.

ENROLLMENT CORRECTION—H.R. 1827

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. BYRD. Mr. President, there is a correcting resolution with reference to the supplemental appropriations bill. The correcting resolution has been sent over from the House, it has been cleared on the other side of the aisle and on this side with the distinguished Republican leader who just indicated he is ready to call this up.

I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 155.

The PRESIDING OFFICER. The clerk will report the resolution.

The legislative clerk read as follows:

House Concurrent Resolution 155 correcting the enrollment of H.R. 1827.

The PRESIDING OFFICER. Is there concurrence to the adoption of the concurrent resolution? The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

Mr. BYRD. I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. STENNIS. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, the motion is laid on the table.

FREEDOM OF RELIGION AND HUMAN RIGHTS IN LITHUANIA

Mr. BYRD. Mr. President, I would like to ask the distinguished Republican leader if Calendar Order 216 has been cleared on his side of the aisle.

Mr. DOLE. Yes, it has been cleared.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order 216.

The PRESIDING OFFICER (Mr. LAUTENBERG). The clerk will report the resolution.

The assistant legislative clerk read as follows:

A resolution (S. Res. 232) concerning the denial of freedom of religion and other human rights in Soviet-occupied Lithuania.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the resolution.

CELEBRATING 600 YEARS OF CHRISTIANITY IN LITHUANIA

Mr. RIEGLE. Mr. President, the Senate's unanimous approval of Senate Resolution 232, calling for religious freedom in Soviet-occupied Lithuania as it celebrates its 600th anniversary of Christianity, makes an important contribution in advancing religious freedom and other human rights in Lithuania and throughout the Soviet Union.

Through instruments such as this resolution, we call the attention of the world to the plight of persecuted Christians in Lithuania, and we renew our solidarity with them in their struggle for religious freedom.

In this anniversary year, Lithuanians must be free to publicly celebrate the important role which Christianity has played in their nation's history and culture. In order to advance that effort, this resolution urges the President, the Secretary of State, and the U.S. delegation to the Vienna C.S.C.E. Review Meeting to continue to speak out forcefully against violations of religious liberty in Lithuania and throughout the Soviet Union, and to solicit the support of our allies in that effort. Finally, the resolution calls upon the Soviet Union to honor its pledge to guarantee religious freedom as a signatory to numerous international agreements.

Mr. President, it is essential that the Congress continue to declare its support for the oppressed in Lithuania and throughout the Soviet Union. Although glasnost may, in time, bring greater religious tolerance in the Soviet-occupied states, life today for believers is characterized by oppression and fear. Congressional hearings have clearly demonstrated that the Soviet Union has violated the terms of the Universal Declaration of Human Rights and the Helsinki Final Act by engaging in an on-going denial of religious liberty and other basic human rights in Soviet-occupied Lithuania.

Religious believers, both young and old, are routinely persecuted. Children are discriminated against by teachers and school administrators who publicly ridicule them, pressure them to renounce their beliefs in front of their peers, and even block their admission to institutions of higher learning.

Adult lay believers in Lithuania suffer job discrimination, and are forced to work on Sundays and religious holidays. They are denied access to religious literature and are subject to interrogation, searches of their dwellings, and arrest for openly professing their faith.

Religious orders in Lithuania are legally proscribed, forcing thousands of nuns to take their vows in secret and to live their religious lives in an atmosphere of fear. Although there is no lack of candidates for the priesthood, admission to the one seminary permitted to exist in Lithuania is kept artificially low by the state. Each year, more priests die than are ordained, and 153 churches are now left without a priest.

Soviet authorities interfere with the appointment of the seminary faculty and the selection of students, so that some of those admitted are police agents, others are unfit for the priesthood, and all are potential blackmail targets. An underground seminary has thus become a necessity.

Priests in Lithuania who conscientiously perform their pastoral duties, such as providing religious instruction to children, organizing religious processions, and ministering to the sick and dying, face relentless persecution, ranging from fines to imprisonment in labor camps, all designed to isolate pastors from their people.

Lithuanian priests who protest the persecution of religious believers and petition the state for redress of their grievances, such as Father Alfonsas Svarinskas and Father Sigitas Tamkevicius, founders of the Catholic Committee for the Defense of Believers' Rights, are arrested and receive lengthy sentences in hard labor camps. The senior Lithuanian Catholic religious leader, Archbishop Julijonas Steponavicius, is serving his 27th year in exile from his Archdiocese of Vilnius for refusing to acquiesce in the state's attempted subjugation of religion.

Soviet authorities have seized numerous churches against the religious community's will and converted them to other uses. The most prominent is the Vilnius Cathedral which has now been turned into an art museum. The Church of St. Casimir in Vilnius is now a museum of atheism, and Our Lady Queen of Peace in Klaipeda, the only church built since the 1940 Soviet occupation, has been transformed into a concert hall.

The Soviet authorities have consistently blocked efforts by Pope John Paul II to visit the faithful in Lithuania, and has taken other steps to limit, obstruct, and diminish Lithuania's celebration of the 600th anniversary of its Christianization. Catholic lay believers were not permitted to travel to Rome to participate in the Papal celebration of Lithuania's Christianization on June 28, 1987. In addition, all travel to Lithuania by foreigners, including Americans of Lithuanian descent, was prohibited during the month of June 1987. Lithuanian clergy have been warned that any anniversary activities not approved in advance by the Soviet Government and not restricted to churches may result in reprisals.

Mr. President, the actions we take on behalf of those struggling to secure their fundamental freedoms do not go unnoticed. Last month, Voice of America and Radio Free Europe/Radio Liberty broadcast news of Senate support for the right of Latvians to publicly pay their respects to the thousands of victims of the 1941 deportations. On June 14, some 5,000 people gathered in Riga, Latvia to participate in that commemoration which, reportedly, was the largest, peaceful, anti-Communist demonstration ever to have occurred in the Soviet Union.

In the same way, the Voice of America and other broadcasts will spread the news of the Senate's unanimous approval of this resolution. The Lithuanian people will know of our action today, and will be strengthened by it.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the resolution.

The resolution (S. Res. 232) was agreed to.

The preamble was agreed to.

The resolution, and the preamble, are as follows:

S. Res. 232

Whereas 1987 marks the six hundredth anniversary of the Christianization of Lithuania, when the Lithuanian nation embraced Roman Catholicism;

Whereas freedom of religion is a fundamental human right which is explicitly guaranteed by Universal Declaration of Human Rights, the International Covenants on Human Rights, and the Final Act of the Conference on Security and Cooperation in Europe;

Whereas the Soviet Union has violated the Universal Declaration of Human Rights, the International Covenants on Human Rights, and the Final Act of the Conference on Security and Cooperation in Europe by engaging in the ongoing denial of religious liberty and other human rights in Soviet-occupied Lithuania and elsewhere;

Whereas Lithuanian children are legally prohibited from attending church without their parents and from participating in church activities, parents are actively discouraged from teaching their faith to their own children at home and banned from teaching religion to other children, priests are forbidden to give religious instruction to any children, and children who are religious believers are discriminated against by teachers and school officials;

Whereas adult lay believers in Lithuania are victimized by job discrimination, their access to religious literature is actively restricted, and they are subject to various forms of harassment such as house searches, interrogations, and arbitrary arrest;

Whereas religious orders are legally prohibited in Lithuania, admission to the one seminary is strictly regulated, and administration of that seminary is subject to Government interference;

Whereas priests in Lithuania who conscientiously perform their pastoral duties are subject to persecution, and those who protest Soviet mistreatment of religious believers and petition the state for redress of their grievances, such as Father Alfonsas Svarinskas and Father Sigitas Tamkevicius, founders of the Catholic Committee for the Defense of Believers' Rights, are subject to imprisonment;

Whereas Soviet authorities have seized numerous churches against the religious community's will and converted them to other uses:

Whereas Soviet authorities restrict the domestic production and importation of religious literature and materials to small quantities, and subject the publishers of religious literature and underground human rights publications such as the "Chronicle of the Catholic Church in Lithuania" to arrest and imprisonment; and

Whereas the Soviet Union has consistently blocked efforts by Pope John Paul II to visit Lithuania and has taken other steps to limit Lithuania's celebration of the six hundredth anniversary of its Christianization: Now, therefore, be it

Resolved, that the Senate deplores Soviet denial of religious liberty and other human rights in Lithuania and elsewhere, and on the occasion of the six hundredth anniversary of Christianity in Lithuania—

(1) sends its greetings to the Lithuanian people as they mark this solemn occasion in the life of their nation;

(2) voices its support for those Lithuanians who are persecuted for attempting to exercise freedom of religion;

(3) urges the President, the Secretary of State, and the United States delegation to the Vienna Review Meeting of the Conference on Security and Cooperation in Europe to continue to speak out forcefully against violations of religious liberty everywhere and specifically in Lithuania during this anniversary year, and to solicit the support of our allies in this effort; and

(4) calls upon the Soviet Union to abide by the Universal Declaration of Human Rights, the International Covenants on Human Rights, and the Final Act of the Conference on Security and Cooperation in Europe, including the provisions on religious liberty.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. MATSUNAGA. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WARREN E. BURGER FEDERAL BUILDING AND COURTHOUSE

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 217, S. 1337, a bill to designate the Federal building and U.S. courthouse at 316 North Robert Street, St. Paul, MN, as the "Warren E. Burger Federal Building and United States Courthouse."

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1337) to designate the Federal building and U.S. courthouse at 316 North Robert Street, St. Paul, MN, as the "Warren E. Burger Federal Building and United States Courthouse."

There being no objection, the Senate proceeded to consider the bill.

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be discharged from further consideration of H.R. 436, a bill to designate the Federal building and U.S. courthouse at 316 North Robert Street, St. Paul, MN, as the "Warren E. Burger Federal Building and United States Courthouse," and that the Senate proceed to the immediate consideration of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 436) to designate the Federal Building and U.S. courthouse at 316 North Robert Street, St. Paul, MN, as the "Warren E. Burger Federal Building and United States Courthouse."

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the bill.

Mr. DURENBERGER. Mr. President, I would like to thank the majority leader for calling up this bill to name the Federal building in St. Paul, MN, the Warren E. Burger Federal Building and United States Courthouse.

Warren Burger, the former Chief Justice of the U.S. Supreme Court, is a native of St. Paul. He was born in the Dayton's Bluff neighborhood and lived in St. Paul for the first 46 years of his life.

By all accounts his childhood in our capital city was modest in circumstance but important in shaping the character and values which have marked the career of this distinguished public servant throughout his life.

He was a popular energetic and scholarly young man during his days in the St. Paul school system, a fourletterman in athletics and editor of the high school newspaper. Upon graduation from Johnson High School in St. Paul he was offered a scholarship to Princeton University which he was forced to decline, so that he could stay in St. Paul and help his large family through the difficult times of the Great Depression. He worked his way through the University of Minnesota and a night law school in St. Paul which is now known as the William Mitchell College of Law.

Warren Burger practiced law in the Twin Cities for 22 years from 1931 to 1953. During that time he was on the faculty of the law school and was very active in the civic affairs of his community.

As a community leader, he came to the attention of Harold Stassen, an extremely popular Governor and after World War II a candidate for the Presidential nomination of the Republican Party. It was as a Stassen lieutenant that Mr. Burger first came to national attention. At the 1952 Republican National Convention and as part of the Minnesota delegation he played a pivotal role in turning the nomination from Taft to Eisenhower. When General Eisenhower was sworn in as President in January 1953 he chose Warren Burger as his assistant attorney general for the Civil Division of the Justice Department.

In 1956 Eisenhower put the future Chief Justice on the U.S. Court of Appeals for the D.C. circuit where he served through 1969. His consistently strong and well-reasoned dissents from the generally liberal tradition of the D.C. court brought him to the top of the list when President Nixon chose a successor to Earl Warren for Chief Justice of the Supreme Court in 1969. His 17-year tenure as the leader of the Burger court made him the longest serving Chief Justice in the 20th century. And it was a stable and moderating period for the court. A period of stability that the Nation desperately needed as so many of the other institutions in our society were subject to the turmoil of the 1970's and 1980's.

Mr. Burger's service as Chief Justice will probably be best remembered for the administrative reforms which he brought to the management of the Federal court system. Most students of the Supreme Court credit Burger with having been the most innovative administrator in this century of the Federal court system. His proposals have resulted in centralizing court information, streamlining its administration, and professionalizing its management.

In June of last year after 24 years of continuous public service in the Federal Government, Mr. Burger retired from the Court so that he might devote his full energy to one more public effort—the bicentennial celebration of the Constitution. He was selected to serve as chairman of the Constitution Bicentennial Commission and has brought to that service all of the energy, scholarship, and celebration of the American Nation and its heritage which has marked his long career.

During the period from the 1950's through the 1980's Minnesota has given many sons and daughters to the public service of this Nation—Hubert Humphrey, Eugene McCarthy, Walter Mondale, and Harold Stassen come to mind immediately. Mr. Burger also had the opportunity to serve on the High Court with his childhood friend, Justice Blackmun.

As a Minnesota Senator I am always proud and it is a source of inspiration to reflect on the public service of these great men. And I am pleased with this Senate action today to honor one of our own who served the Nation with distinction during his years on the Court and is continuing his service by leading us in the celebration of our constitutional heritage.

Mr. BOSCHWITZ. Mr. President, I rise this evening to ask my colleagues to join me in paying tribute to a great American and a great Minnesotan, Warren E. Burger. Born in St. Paul, MN, in 1907, Warren Burger followed a distinguished academic career at both the University of Minnesota and the St. Paul College of law by entering private practice in 1931.

From there he entered public life as an Assistant Attorney General under President Eisenhower. Mr. President, as is well known, Warren Burger went on to become Chief Justice of the U.S. Supreme Court. Today we are considering a bill that would name the Federal building and courthouse in his honor, not simply because Warren Burger was Chief Justice of the highest court in our land, but because of all that he has done for this Nation in any capacity in which he has served.

Most particularly I want to call the attention of my colleagues to Mr. Justice Burger's efforts as Chairman of the Commission for the celebration of our Constitution's bicentennial. Dedicating his life to upholding the laws of this land, and protecting the integrity of the efforts of our Founding Fathers, Warren Burger continues to remind us that the Constitution is important to every American.

Mr. President, it is with great pleasure that I once again call upon my colleagues to support this effort.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, has the motion to reconsider been laid on the table?

The PRESIDING OFFICER. Yes; it has.

Mr. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that Calendar No. 217, S. 1337, a companion bill, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

REFERRAL OF H.R. 921

Mr. BYRD. Mr. President, I ask unanimous consent that H.R. 921, relating to aircraft flying over National Park System units reported today by the Energy Committee be referred to the Committee on Commerce. And I further ask unanimous consent that if the Commerce Committee has not reported H.R. 921 by the close of business July 24 that committee be automatically discharged from further consideration and that the bill be returned to the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

OFFICE OF SENATE SECURITY

Mr. BYRD. Mr. President, I submit a Senate resolution on behalf of myself and Mr. DOLE to establish the Office of Senate Security and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution.

The assistant legislative clerk read as follows:

A resolution (S. Res. 243) to establish the Office of Senate Security.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BYRD. Mr. President, today I submit a resolution to establish the permanent Office of Senate Security. This new office will have broad responsibility for enabling the Senate to meet current security requirements for handling classified information.

We are all well aware of the perils invited by a lax and insufficient security system. The recent breaches in national security at home and abroad have been major, notorious, and far too numerous.

I am vitally interested in seeing that these conditions are corrected and in taking actions to avoid similar transgressions within the legislative branch. We have been fortunate in this regard to date, but several studies have shown that our operations are potentially at risk. We can only hope to counter the serious threat to Senate security by implementing appropriate standards and establishing centralized control of classified information.

In July 1985, the Senate Permanent Subcommittee on Investigations concluded that:

> Congress must also focus on problems dealing with classified information in the legislative branch. For the most part, there are no established standards or procedures * * * We believe an overall review of security procedures in the legislative branch should be conducted * * * with a goal of recommending improvements where needed.

In December 1985, then Majority Leader ROBERT DOLE requested the Senate Rules, Intelligence, and Government Affairs Committees to review existing Senate procedures for the handling of classified information.

The resulting three-committee study producing disturbing findings. The committees stated:

> We have found that Senate procedures dealing with personnel and classified information security are haphazard at best, and that hostile intelligence sources pose a real and sophisticated threat to Senate security.

In June 1985, the Intelligence Committee found that approximately 806 security clearances had been issued to Senate staff by five executive branch agencies. In November 1985, the Senate Sergeant at Arms and the Intelligence Committee conducted a survey that determined that nearly all of the Members' personal offices have personnel with security clearance; approximately three-fourths of these offices receive classified information, and about three-fifths of them store classified national security information. This same survey revealed that there is frequent confusion in Members' personal offices about the levels and sensitivity of classified information received. It is obvious from the survey that in most of the Members' personal offices no uniform procedures exist for the handling of classified information.

In November 1985, the Stillwell Commission reached similar conclusions in its report to the Secretary of Defense to review Defense Department Security Policy and Practices. The Commission recommended that Congress adopt rules for uniform minimum control of classified national security information, and suggested that the Secretary of Defense should volunteer Department of Defense resources and assistance to Congress to achieve this goal.

According to the Senate's three-committee report, the Intelligence Committee has also received extensive information from the FBI and other Federal intelligence agencies regarding Communist intelligence operations directed at Congress. In the past 10 years the FBI uncovered three cases of Soviet attempts to place agents in congressional offices. Moreover, the Bureau has described plans by Communist intelligence officers to establish and exploit friendships with congressional personnel. To counter such threats, the FBI has offered to brief Senators and staff on security matters.

The April 1986 report by the Rules, Intelligence, and Government Affairs Committees called for "immediate action" to improve Senate security and recommended that "comprehensive responsibility for Senate security should be vested in some single appropriate authority." This resolution does just that by establishing the Office of Senate Security as a central and comprehensive unit fully authorized and equipped to meet the present security needs of the Senate. The Office would develop and implement any policies and procedures necessary for the protection of all classified information handled in the Senate.

The new Office of Senate Security would take over and expand upon the existing operations and facilities of the Office of Classified National Security Information [OCNSI] within the Office of the Secretary of the Senate. That entity, OCNSI, was recently renamed the "Interim Office of Senate Security" in the last extension for that operation which expires July 10, 1987. The OCNSI was established in 1977 upon the abolition of the Joint Committee on Atomic Energy. The OCNSI was charged with providing a central repository for safeguarding classified information for which the office was responsible, and providing a secure hearing room where classified information could be presented or discussed.

Since the report by the Committees on Governmental Affairs, Intelligence, and Rules and Administration was issued last year, the joint leadership has been working together to create the Office of Senate Security upon the expiration of the OCNSI. This resolution is the result of those efforts. This resolution authorizes the new office to develop and carry out policies on the following matters:

The handling of classified information addressed to the Senate; the processing of staff security clearances; the maintenance of a central record of Senate personnel with security clearances; recommendations for a reduction in the number of clearances held by staff; briefings and consultations for Senators and staff on security matters, the maintenance of a liaison with all departments and agencies on security matters, and a periodic review of the security practices employed by all Senate offices.

The Office of Senate Security is to be under the policy direction of the majority and minority leaders of the Senate, and shall be under the administrative direction and supervision of the Secretary. Within 3 months after the Director takes office, he must conduct a survey on the number of Senate employees with security clearances and make recommendations for reducing the number of such clearances held. Within 6 months after the Director is appointed, he will develop and distribute to each Senate office a Senate Security Manual. This manual will include the policies and procedures of the new Office and set forth regulations for the handling of classified information in all Senate offices.

The Director will also issue an annual report on the status of security and the handling of classified information in the Senate, and the progress of the Office in meeting the goals of this resolution.

Of course, the Office will continue to provide a secure hearing facility and a central repository for classified information, including the transcripts of closed sessions of the Senate. As of January 1987, CIA certification for Capitol room S-407 as a Secure Classified Information Facility [SCIF] was obtained, and the Office will maintain this facility.

Finally, the Office will take responsibility for the administration of oaths of secrecy under Senate Rule 29.

Mr. President, the joint leadership, the Secretary of the Senate, and their staffs have worked diligently to carefully draft this resolution for the creation of this vitally needed operation. The result is a bipartisan product that will establish an effective and independent entity in the best interest of the Senate and national security. I am grateful to the distinguished Republican leader for his cooperation and assistance in this matter, and I urge the Senate to immediately agree to this resolution.

The **PRESIDING OFFICER**. The question is on agreeing to the resolution.

The resolution (S. Res. 243) was agreed to.

The resolution reads as follows:

Resolved, That (a) there is established, within the Office of the Secretary of the Senate (hereinafter referred to as the "Secretary"), the Office of Senate Security (hereinafter referred to as the "Office"), which shall be headed by a Director of Senate Security (hereinafter referred to as the "Director"). The Office shall be under the policy direction of the Majority and Minority Leaders of the Senate, and shall be under the administrative direction and supervision of the Secretary.

(b)(1) The Director shall be appointed by the Secretary after consultation with the Majority and Minority Leaders. The Secretary shall fix the compensation of the Director. Any appointment under this subsection shall be made solely on the basis of fitness to perform the duties of the position and without regard to political affiliation.

(2) The Director, with the approval of the Secretary, and after consultation with the Chairman and Ranking Member of the Committee on Rules and Administration of the Senate, may establish such policies and procedures as may be necessary to carry out the provisions of this resolution. Commencing one year from the effective date of this resolution, the Director shall submit an annual report to the Majority and Minority Leaders and the Chairman and Ranking Member of the Committee on Rules and Administration on the status of security matters and the handling of classified information in the Senate, and the progress of the Office in achieving the mandates of this resolution.

SEC. 2. (a) The Secretary shall appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this resolution. The Director, with the approval of the Secretary, shall prescribe the duties and responsibilities of such personnel. If a Director is not appointed, the Office shall be headed by an Acting Director. The Secretary shall appoint and fix the compensation of the Acting Director.

(b) The Majority and Minority Leaders of the Senate may each designate a Majority staff assistant and a Minority staff assistant to serve as their liaisons to the Office. Upon such designation, the Secretary shall appoint and fix the compensation of the Majority and Minority liaison assistants.

SEC. 3. (a) The Office is authorized; and shall have the responsibility, to develop, establish, and carry out policies and procedures with respect to such matters as:

(1) the receipt, control, transmission, storage, destruction or other handling of classified information addressed to the United States Senate, the President of the Senate, or Members and employees of the Senate;

(2) the processing of security clearance requests and renewals for officers and employees of the Senate;

(3) establishing and maintaining a current and centralized record of security clearances held by officers and employees of the Senate, and developing recommendations for reducing the number of clearances held by such employees;

(4) consulting and presenting briefings on security matters and the handling of classified information for the benefit of Members and employees of the Senate;

(5) maintaining an active liaison on behalf of the Senate, or any committee thereof, with all departments and agencies of the United States on security matters; and

(6) conducting periodic review of the practices and procedures employed by all offices of the Senate for the handling of classified information.

(b) Within 180 days after the Director takes office, he shall develop, after consultation with the Secretary, a Senate Security Manual, to be printed and distributed to all Senate offices. The Senate Security Manual will prescribe the policies and procedures of the Office, and set forth regulations for all other Senate offices for the handling of classified information.

(c) Within 90 days after taking office, the Director shall conduct a survey to determine the number of officers and employees of the Senate that have security clearances and report the findings of the survey to the Majority and Minority Leaders and Secretary of the Senate together with recommendations regarding the feasibility of reducing the number of employees with such clearances.

(d) The Office shall have authority—

(1) to provide appropriate facilities in the United States Capitol for hearings of committees of the Senate at which restricted data or other classified information is to be presented or discussed;

(2) to establish and operate a central repository in the United States Capitol for the safeguarding of classified information for which the Office is responsible; which shall include the classified records, transcripts, and materials of all closed sessions of the Senate; and

(3) to administer and maintain oaths of secrecy under paragraph (2) of rule XXIX of the Standing Rules of the Senate and to establish such procedures as may be necessary to implement the provisions of such paragraph.

SEC. 4. Funds appropriated for the fiscal year 1987 which would be available to carry out the purposes of the Interim Office of Senate Security but for the termination of such Office shall be available for the Office of Senate Security.

SEC. 5. (a) All records, documents, data, materials, rooms, and facilities in the custody of the Interim Office of Senate Security at the time of its termination on July 10, 1987, are transferred to the Office established by subsection (a) of the first section of this resolution.

(b) This resolution shall take effect on July 11, 1987.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR COMMITTEES TO FILE

Mr. BYRD. Mr. President, I ask unanimous consent that the committees may have between the hours of 10 a.m. and 3 p.m. on Monday, July 6, in which to file executive or legislative calendar business and reports.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

PAYMENT OF SENATE EXPENSES

Mr. BYRD. Mr. President, on behalf of Mr. FORD and Mr. STEVENS, I submit a resolution and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution.

The legislative clerk read as follows:

A resolution (S. Res. 244) to clarify the procedures for the payment of Senate expenses incurred under the authority of House Concurrent Resolution 131 (100th Congress, First Session) and Senate Resolution 352, agreed to April 11, 1986.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 244) was agreed to, as follows:

S. RES. 244

Resolved, That section 7(a) of Senate Resolution 352, agreed to April 11, 1986, as amended by Senate Resolution 166, agreed to March 12, 1987, is amended by inserting after "including" the following: "receptions, meals, and food-related expenses, and".

SEC. 2. For purposes of section 4 of House Concurrent Resolution 131 (100th Congress, First Session), the actual and necessary expenses of the Senate incurred in attending the ceremonial meeting of Congress in Philadelphia, Pennsylvania on July 16, 1987, including receptions, meals, and food-related expenses, shall be paid from the Contingent Fund of the Senate, out of the account of Miscellaneous Items, upon vouchers approved by the President pro tempore or his designee.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. MATSUNAGA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. BYRD. Mr. President, as in executive session, I ask the Republican leader if the following nominations on the Executive Calendar have been cleared on the other side of the aisle:

Beginning with the Judiciary on page 2 of the Executive Calendar, Calendar Order No. 216 and Calendar Order No. 217.

Under Department of Justice, Calendar Order No. 221, Calendar Order No. 223 through 225, on page 3.

Under State Justice Institute, Calendar Order No. 226.

Under Securities and Exchange Commission, Calendar Order No. 228.

Under Export-Import Bank of the United States, Calendar Order No. 230.

All nominations under the Air Force on page 4.

All nominations under the Army, beginning on page 4, continuing through page 5, page 6, and page 7.

Nominations under the Navy, beginning on page 7 and continuing into page 8.

Nominations under Department of State, beginning with Calendar Order No. 241 to Calendar Order No. 244, inclusive.

The nomination on page 9 under United States Information Agency, Calendar Order No. 246.

All nominations placed on the Secretary's desk in the Air Force, Army, Marine Corps, and Navy, appearing on page 10.

Mr. DOLE. Mr. President, if the majority leader will yield, those have been cleared in each instance.

May I make an inquiry with reference to Calendar No. 245 on page 8?

Mr. BYRD. We do have a temporary problem with that nomination. We hope to clear that up after the recess.

Mr. DOLE. The nominations have been cleared on this side.

Mr. BYRD. I thank the distinguished Republican leader.

Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations just enumerated; that they be considered en bloc and confirmed en bloc; that the President be immediately notified of the confirmation of the nominations; that the motion to reconsider be laid on the table; and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

THE JUDICIARY

James T. Turner, of Virginia, to be a judge of the U.S. Claims Court for the term of 15 years.

Robert Holmes Bell, of Michigan, to be U.S. district judge for the western district of Michigan.

DEPARTMENT OF JUSTICE

Richard Bender Abell, of Virginia, to be an Assistant Attorney General.

William S. Price, of Oklahoma, to be U.S. attorney for the western district of Oklahoma for the term of 4 years, reappointment.

Charles H. Turner, of Oregon, to be U.S. attorney for the district of Oregon for the term of 4 years, reappointment.

Daniel B. Wright, of New York, to be U.S. Marshal for the western district of New York for the term of 4 years, reappointment.

STATE JUSTICE INSTITUTE

Ralph J. Erickstad, of North Dakota, to be a member of the Board of Directors of the State Justice Institute for a term expiring September 17, 1989, new position.

SECURITIES AND EXCHANGE COMMISSION

Edward H. Fleischman, of New Jersey, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1992, reappointment.

EXPORT-IMPORT BANK OF THE UNITED STATES

Simon C. Fireman, of Massachusetts, to be a member of the Board of Directors of the Export-Import Bank of the United States for a term expiring January 20, 1991, reappointment.

IN THE AIR FORCE

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

Lt. Gen. Forrest S. McCartney, [redacted]FR, U.S. Air Force.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Robert D. Beckel, [redacted]FR, U.S. Air Force.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Gen. Duane H. Cassidy, [redacted]FR, U.S. Air Force.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. Jack N. Merritt, [redacted], U.S. Army.

The following-named officer for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

To be permanent major general

Brig. Gen. Charles E. Edgar III, [redacted], U.S. Army.

Brig. Gen. John S. Peppers, [redacted], U.S. Army.

Brig. Gen. Bobby F. Brashears, [redacted], U.S. Army.

Brig. Gen. John O. Sewall, [redacted], U.S. Army.

Brig. Gen. Thomas G. Lightner, [redacted], U.S. Army.

Brig. Gen. Charles F. Scanlon, [redacted], U.S. Army.

Brig. Gen. Paul R. Schwartz, [redacted], U.S. Army.

Brig. Gen. Joseph D. Schott, [redacted], U.S. Army.

Brig. Gen. Wayne C. Knudson, [redacted], U.S. Army.

Brig. Gen. Peter J. Offringa, [redacted], U.S. Army.

Brig. Gen. Larry D. Budge, [redacted], U.S. Army.

Brig. Gen. John H. Stanford, [redacted], U.S. Army.

Brig. Gen. Peter J. Boylan, Jr., [redacted], U.S. Army.

Brig. Gen. Eugene B. Leedy, [redacted], U.S. Army.

Brig. Gen. Charles E. Williams, [redacted], U.S. Army.

Brig. Gen. Philip H. Mallory, [redacted], U.S. Army.

Brig. Gen. James W. Ray, [redacted], U.S. Army.

Brig. Gen. George H. Akin, [redacted], U.S. Army.

Brig. Gen. Arnold Schlossberg, Jr. [redacted], U.S. Army.

Brig. Gen. Stanley H. Hyman, [redacted], U.S. Army.

Brig. Gen. Harold T. Fields, Jr., [redacted], U.S. Army.

Brig. Gen. Thomas C. Foley, [redacted], U.S. Army.

Brig. Gen. Thomas H. Harvey, Jr., [redacted], U.S. Army.

Brig. Gen. Marvin D. Brailsford, [redacted], U.S. Army.

Brig. Gen. Robert D. Chelberg, [redacted], U.S. Army.

Brig. Gen. John P. Dreska, [redacted], U.S. Army.

Brig. Gen. Harry G. Karegeannes, [redacted], U.S. Army.

Brig. Gen. William F. Streeter, [redacted], U.S. Army.

Brig. Gen. Charles E. Dominy, [redacted], U.S. Army.

Brig. Gen. Charles A. Hines, [redacted], U.S. Army.

Brig. Gen. John A. Renner, [redacted], U.S. Army.

Brig. Gen. Merle Freitag, [redacted], U.S. Army.

Brig. Gen. Wayne A. Downing, [redacted], U.S. Army.

Brig. Gen. Craig H. Boice, [redacted], U.S. Army.

Brig. Gen. Thomas P. Carney, [redacted], U.S. Army.

Brig. Gen. Thomas G. Rhame, [redacted], U.S. Army.

Brig. Gen. Leon E. Salomon, [redacted], U.S. Army.

Brig. Gen. Horace G. Taylor, [redacted], U.S. Army.

Brig. Gen. Daniel R. Schroeder, [redacted], U.S. Army.

The following-named Army Nurse Corps Competitive Category officer for appointment in U.S. Army to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

To be permanent brigadier general

Col. Clara L. Adams-Ender, [redacted], Army Nurse Corps Competitive Category, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Gen. Joseph T. Palastra, [redacted], U.S. Army.

In the Navy

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. Jonathan T. Howe, [redacted], U.S. Navy.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. Thomas J. Hughes, Jr., [redacted], U.S. Navy.

DEPARTMENT OF STATE

Max M. Kampelman, of the District of Columbia, to be counselor of the Department of State, vice Edward J. Derwinski.

Hume Alexander Horan, of New Jersey, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia.

Willard Ames De Pree, of Maryland, a career member of the Senior Foreign Service class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Bangladesh.

Lester B. Korn, of California, to be the representative of the United States of America on the Economic and Social Council of the United Nations, with the rank of Ambassador.

U.S. INFORMATION AGENCY

Anthony J. Gabriel, of Virginia, to be Inspector General, U.S. Information Agency, new position.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, MARINE CORPS, NAVY

Air Force nomination of David L. Franks, which was received by the Senate and appeared in the Congressional Record of June 16, 1987.

Air Force nominations beginning Richard R. Digney, and ending Chesley G. Williams, which nominations were received by the Senate and appeared in the Congressional Record of June 16, 1987.

Air Force nominations beginning Drue L. Deberry, and ending David L. Franks, which nominations were received by the Senate and appeared in the Congressional Record of June 16, 1987.

Air Force nominations beginning David T. Anderson, and ending Anthony M. Tolle, which nominations were received by the Senate and appeared in the Congressional Record of June 16, 1987.

Air Force nominations beginning Charles M. Baier, Jr., and ending Roberta V. Mills, which nominations were received by the Senate and appeared in the Congressional Record of June 16, 1987.

Air Force nominations beginning Sidney C. Wisdom, and ending Larry P. Kelly, which nominations were received by the Senate and appeared in the Congressional Record of June 18, 1987.

Air Force nominations beginning Maj. Larry L. Allen, [redacted], and ending Maj. Diane M. Koren, [redacted], which nominations were received by the Senate and appeared in the Congressional Record of June 18, 1987.

Army nominations beginning *David C. Ballew, and ending *Jeffrey M. Young, which nominations were received by the Senate and appeared in the Congressional Record of June 16, 1987.

Army nominations beginning *John S. Ahmann, and ending *Mark K. Zygmond, which nominations were received by the Senate and appeared in the Congressional Record of June 16, 1987.

Marine Corps nominations beginning Francis P. Ahearn, Jr., and ending John M. Young, Jr., which nominations were received by the Senate and appeared in the Congressional Record of June 16, 1987.

Marine Corps nominations beginning David R. Aday, and ending Bertrand L. Zeller, which nominations were received by the Senate and appeared in the Congressional Record of June 16, 1987.

Navy nomination of Everette D. Stumbaugh, which was received by the Senate and appeared in the Congressional Record of March 23, 1987.

Navy nominations beginning Philip B. Bailey, and ending Richard Dale Shepard, which nominations were received by the Senate and appeared in the Congressional Record of June 18, 1987.

Navy nominations beginning Dorrit E. Ahbel, and ending Arthur Eugene Wickerham, which nominations were received by the Senate and appeared in the Congressional Record of June 18, 1987.

LEGISLATIVE SESSION

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with the consideration of S. 1420.

Mr. NICKLES. Mr. President, will the majority leader yield?

Mr. BYRD. I yield.

Mr. NICKLES. Is it the majority leader's desire to have an amendment pending on the trade bill? It deals with multilateral banks. We would be prepared to lay down that amendment, if it is the majority leader's request.

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendment by Mr. Moynihan which would carry with it the second-degree amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 426

(Purpose: To oppose assistance by international financial institutions for the production of commodities or minerals in surplus, and for other purposes)

Mr. NICKLES. Mr. President, I have an amendment and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. Nickles] for himself, Mr. Symms, Mr. Grassley, Mr. Karnes, Mr. McClure, Mr. Hatch, and Mr. Helms, proposes an amendment numbered 426.

Mr. NICKLES. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

At the appropriate place, insert the following new sections:

SECTION . SHORT TITLE.

This Act may be cited as the "Foreign Agricultural Investment Reform (FAIR) Act."

SEC. . LIMITATIONS ON INTERNATIONAL FINANCIAL ASSISTANCE.

(a) The Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank and the Fund for Special Operations, the International Monetary Fund, the Asian Development Bank, the Asian Development Fund, the Inter-American Investment Corporation, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or otherwise made available pursuant to any provision of law, for the production or extraction of any commodity or mineral, unless the Secretary—

(1) determines, in consultation with the Secretaries of Agriculture, Energy and Interior as appropriate, that such commodity or mineral, as the case may be, is not in surplus on world markets;

(2) certifies that assistance from sources other than those institutions listed in this section accompanies the proposed assistance by such institutions, and is provided in an amount sufficient to demonstrate the economic viability of such production or extraction of the commodity or mineral;

(3) determines in consultation with the Secretaries of Agriculture, Energy and Interior as appropriate, that the production, marketing, or export of commodities or minerals due in part or in whole to such assistance is not subsidized as described within the Agreement on Interpretation and Application of Articles V, XVI, and XXIII of the General Agreement on Tariffs and Trade and the annex relating thereto, done at Geneva on April 12, 1979; and

(4) submits to the Congress a report detailing the justification for his determinations.

(b) If any international financial institution described in this section approves financial assistance for the production or extraction of any commodity or mineral which would require the opposition of the United States Executive Director to that institution pursuant to this Act, the Secretary or his designees acting as the governor to that institution shall not agree to—

(1) any increase in the capital share of that institution;

(2) any replenishment of funding for that institution; or

(3) the letting of any instrument or note of credit by that institution either in the United States or denominated in the currency of the United States.

until he obtains a written commitment from the management of the institution that no future assistance will be proposed which would require the opposition of the United States Executive Director to that institution pursuant to this Act.

SEC. . REDUCTION OF UNITED STATES CONTRIBUTIONS.

(a) The amount of payments which the United States may make to the paid-in capital of an international financial institution described in section 2 during any capital expansion or replenishment of such institution may not exceed the amount of funds which the United States agreed to pay for paid-in capital under such expansion or replenishment minus an amount which bears the same proportion to the aggregate amount of assistance described in subsection (b) furnished by such institution as the United States share of the expansion or replenishment bears to the toal amount of the expansion or replenishment.

(b)(1) The aggregate amount of assistance referred to in subsection (a) is the amount of assistance furnished by an international financial institution which, pursuant to this Act, would have been opposed by the United States Executive Director to that institution during the period described in paragraph (2).

(2) The period referred to in paragraph (1) is the same number of years as the capital expansion or replenishment period which immediately preceded the first year of the expansion or replenishment period.

(c) Any funds withheld from payment to an internatioanl financial institution pursuant to this section shall be used to reduce the public debt in the manner specified in section 3113 of title 31, United States Code.

SEC. . NOTIFICATION.

The Secretary shall notify the institutions described in section 2 of the provisions of this Act upon it date of enactment.

SEC. . USE OF COMMODITIES IN LIEU OF CASH.

(a) Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 535. SUPPORT FOR COMMODITY IMPORT PROGRAMS.—(a) The President shall provide assistance under this chapter to a country for commodity import programs whenever he determines that the needs of such country and of the United States would be better met through such programs rather than through cash transfers. The President shall evaluate each country proposed to receive assistance under this chapter with respect to the needs described in the preceding sentence.

"(b)(2) Wherever practicable each country receiving a cash transfer under this chapter shall use such transfer to pay for goods produced or grown in the United States, including agricultural commodities, and for services performed by a national of the United States.

"(c) The Comptroller General of the United States shall monitor and audit, to the extent practicable, the expenditures of cash transferred under this chapter in each country receiving such cash.

"(d) For purposes of this section, the term 'national of the United States' means (1) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States, and (2) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons who are nationals of the United States own; directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity. Such term does not include aliens.".

(b) The amendment made by subsection (a) shall take effect on October 2, 1987.

AMENDMENT NO. 427

(Purpose: To oppose assistance by international financial institutions for the production of commodities or minerals in surplus, and for other purposes)

Mr. SYMMS. Mr. President, I send an amendment to the desk, and amendment to the Nickles amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Idaho [Mr. SYMMS], for himself and Mr. NICKLES, Mr. GRASSLEY, Mr. KARNES, Mr. MCCLURE, Mr. HATCH, and Mr. HELMS, proposes an amendment numbered 427 to the Nickles amendment 246.

Mr. SYMMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the word "SECTION". At the appropriate place, insert the following new sections:

SEC. —. SHORT TITLE.

This Act may be cited as the "Foreign Agricultural Investment Reform (FAIR) Act".

SEC. —. LIMITATIONS ON INTERNATIONAL FINANCIAL ASSISTANCE.

(a) The Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank and the Fund for Special Operations, the International Monetary Fund, the Asian Development Bank, the Asian Development Fund, the Inter-American Investment Corporation, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or otherwise made available pursuant to any provision of law, for the production or extraction of any commodity or mineral, unless the Secretary—

(1) determines, in consultation with the Secretaries of Agriculture, Energy and Interior as appropriate, that such commodity or mineral, as the case may be, is not in surplus on world markets;

(2) certifies that assistance from sources other than those institutions listed in this section accompanies the proposed assistance by such institutions, and is provided in an amount sufficient to demonstrate the economic viability of such production or extraction of the commodity or mineral:

(3) determines, in consultation with the Secretaries of Agriculture Energy and Interior as appropriate, that the production, marketing, or export of commodities or minerals due in part or in whole to such assistance is not subsidized as described within the Agreement on Interpretation and Application of Articles V, XVI, and XXIII of the General Agreement on Tariffs and Trade and the annex relating thereto, done at Geneva on April 12, 1979; and

(4) submits to the Congress a report detailing the justification for his determinations.

(b) If any international financial institution described in this section approves financial assistance for the production or extraction of any commodity or mineral which would require the opposition of the United States Executive Director to that institution pursuant to this Act, the Secretary or his designees acting as the governor to that institution shall not agree to—

(1) any increase in the capital share of that institution:

(2) any replenishment of funding for that institution; or

(3) the letting of any instrument or note of credit by that institution either in the United States or denominated in the currency of the United States.

until he obtains a written commitment from the management of the institution that no future assistance will be proposed which would require the opposition of the United States Executive Director to that institution pursuant to this Act.

SEC. —. REDUCTION OF UNITED STATES CONTRIBUTIONS.

(a) The amount of payments which the United States may make to the paid-in capital of an international financial institution described in section 2 during any capital expansion or replenishment of such institution may not exceed the amount of funds which the United States agreed to pay for paid-in capital under such expansion or replenishment minus an amount which bears the same proportion to the aggregate amount of assistance described in subsection (b) furnished by such institution as the United States share of the expansion or replenishment bears to the total amount of the expansion or replenishment.

(b)(1) The aggregate amount of assistance referred to in subsection (a) is the amount of assistance furnished by an international financial institution which, pursuant to this Act, would have been opposed by the United States Executive Director to that institution during the period described in paragraph (2).

(2) The period referred to in paragraph (1) is the same number of years as the capital expansion or replenishment period, which immediately preceded the first year of the expansion or replenishment period.

(c) Any funds withheld from payment to an international financial institution pursuant to this section shall be used to reduce the public debt in the manner specified in section 3113 of title 31, United States Code.

SEC. —. NOTIFICATION.

The Secretary shall notify the institutions described in section 2 of the provisions of this Act upon its date of enactment.

SEC. —. USE OF COMMODITIES IN LIEU OF CASH.

(a) Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 535. SUPPORT FOR COMMODITY IMPORT PROGRAMS.—(a) The President shall provide assistance under this chapter to a country for commodity import programs whenever he determines that the needs of such country and of the United States would be better met through such programs rather than through cash transfers. The President shall evaluate each country proposed to receive assistance under this chapter with respect to the needs described in the preceding sentence.

"(b)(2) Whenever practicable, each country receiving a cash transfer under this chapter shall use such transfer to pay for goods produced or grown in the United States, including agricultural commodities, and for services performed by a national of the United States.

"(c) The Comptroller General of the United States shall monitor and audit, to the extent practicable, the expenditures of cash transferred under this chapter in each country receiving such cash.

"(d) For purposes of this section, the term 'national of the United States' means (1) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States, and (2) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons who are nationals of the United States own, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity. Such term does not include aliens.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1987.

Mr. NICKLES. Mr. President, just so our colleagues and others might know what we are doing, basically the amendment we have is commonly called the FAIR market. It is called the Foreign Agriculture Investment Reform Act amendment. Basically it instructs the negotiators to multilateral banks to withhold funds to go to subsidize our foreign competition whether it be in minerals or whether it be in foreign agricultural products. That is the essence of our amendment.

We do not have a time agreement at this time. I am perfectly willing to enter into a time agreement.

We have Senator SYMMS and we have several other cosponsors. I think several people would like to speak on it. I do not know if anybody wants to speak on it all that long. There may be some opposition to it. We passed the same provision three times in the Senate before. Once with a recorded vote.

I expect we will be debating and discussing this issue Tuesday morning if that is in agreement with the majority leader.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

UNANIMOUS CONSENT REQUEST

Mr. METZENBAUM. Mr. President, I rise to offer a unanimous-consent request in connection with the trade bill plant closing part of that bill.

I ask unanimous consent that at the hour of 2 p.m. on Wednesday, July 8, Senator METZENBAUM be recognized to offer an amendment which will have language providing for changes in the plant closing provisions, including a small employer exemption to be raised from 50 to 100 employees; 120 to 180-day advance notice will be reduced to 90 days. No notice will be required for layoffs unless one-fourth of the work force is affected. No notice will be required for a faltering company trying to stay in business. Season agriculture and part-time records cannot trigger notice requirements. No notice need be required when closing results from strike or walkout. Information for disclosure requirements will be entirely eliminated, and at that point, the amendment will be considered accepted and agreed to, without debate, and that a motion to reconsider be deemed made and tabled.

I also ask unanimous consent that following the adoption of the Metzenbaum amendment, and the motion to reconsider and table, the Senator from Indiana [Mr. QUAYLE] be recognized to offer a motion to strike part B of title 22, and that the motion, and the provisions to be stricken, not be subject to any further amendments, points of order or motions; that there be 4 hours of debate on the Quayle motion to strike, the time on the motion to be equally divided and controlled between the Senator from Indiana [Mr. QUAYLE] and the Senator from Ohio [Mr. METZENBAUM] or their designees, with a vote to occur on or in relation to the motion at 6 p.m. on that day. That once the motion to strike made by the Senator from Indiana [Mr. QUAYLE] has been disposed of, that no further amendments, modification, points of order, or motions that would have the effect of changing language in part B of title 22 would be in order.

Mr. QUAYLE. Mr. President, reserving the right to object.

The **PRESIDING OFFICER.** The Senator from Indiana.

Mr. QUAYLE. Mr. President, reserving the right to object, and I will have to object to this unanimous consent.

First, we still do not know exactly. We have an idea what the amendment will look like as outlined by Senator METZENBAUM, but we still do not have at least in this unanimous-consent agreement what the amendment would be to set a time on Wednesday, 2 p.m. and to vote on it at 6.

I think we could probably get started on it a lot earlier.

As the Senator from Ohio knows, I have accommodated a request to put off any discussion on this on Friday, Saturday, early Tuesday, although late last night we were prepared to go but we were given a very short ultimatum and we agreed not to do anything today. But that has passed. Today will be passing. We will be going out.

I wanted to heed the advice of the distinguished majority leader that sometimes you just have to go, sometimes you just have to do it, and I intend to proceed sometime very soon on Tuesday.

I would have to object to this and tell the Senator what I would be willing to do is enter into a unanimous-consent agreement that I would be allowed to strike what is in the committee-reported amendment. I offer to strike that. As a matter of fact, I agree to a 2-hour time limit beginning on Tuesday, whatever time the Senator from Ohio and the majority leader would say, and we would get that out of the way and then when the Senator finally gets all of his amendments and modifications and substitutes and METZENBAUM 6, 7, 8, or whatever we are going to be, then he can offer his amendment but I think that is the way to go to begin.

I think that is the way to go to begin this debate on plant closing legislation. It is going to be a good debate. It will be a fair debate. But the Senator from Indiana is just exhausted as far as putting off, and this is the last day we will put off, but I will have to respectfully object to this, Mr. President.

The **PRESIDING OFFICER.** Objection is heard.

Mr. QUAYLE. I would ask unanimous consent that on Tuesday at a time designated by the majority leader for the Senator from Ohio that the Senator from Indiana would be recognized to offer a motion to strike part B of title XXII with an up-down vote and no amendments thereto, 2 hours equally divided.

Mr. METZENBAUM. Objection.

The **PRESIDING OFFICER.** Objection is heard.

Mr. BYRD addressed the Chair.

The **PRESIDING OFFICER.** The majority leader.

ROUTINE MORNING BUSINESS

Mr. BYRD. I am awaiting the results of a telephone call. While awaiting the results of the telephone call, Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond 10 minutes, and that I may be permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATORIAL CAMPAIGN FINANCING REFORM

Mr. BYRD. Mr. President, we have debated campaign financing reform legislation for much of the month of June. We have shown repeatedly that a majority of the Senators favors a system of public financing tied to voluntary spending limits.

The bill reported from the Rules Committee was carefully constructed to be fair to all and yet halt the staggering spiral of growing campaign costs, limit the role of moneyed special-interest groups in campaigns in order to retain the public's trust and remove income limits and challenges alike from the money chase.

Unfortunately, a sufficient number of Senators opposed to that legislation has kept the majority from acting on it by refusing to cut off the filibuster. On five occasions, the effort has been made to invoke cloture. Thus far, we have been able to get within 7 votes of cloture, 7 votes of the necessary 60.

The principal objection raised by opponents was to the public financing aspect.

In good faith, Mr. BOREN and other Senators and I then offered a compromise proposal which cut by more than half the cost of the public financing provisions and cut the maximum proportion of total 6-year election cycle costs that a candidate could receive in public funds to less than 25 percent.

We hoped that at least some of those who initially had been opposed would meet us after we had gone more than half way in their direction. But they did not.

In a step that I believe was both ill advised and ill considered, the Republican conference chose at that time to take a harsh stand against any such legislation, thereby moving toward turning a matter which should not be tainted with partisan considerations into a partisan matter.

Mr. President, it is clear to Senator BOREN and myself and others that, despite all of the merits of the committee-reported public financing proposal, and the compromise matching version later introduced as an amendment, the almost monolithic opposition to public financing will assure a long, arduous path for either of those proposals.

Mr. President, we are realists and we can count, and especially we can count to 41, which is all the minority needs to prevent passage of any legislation through this body.

But we are not defeated, Mr. President. Senator BOREN and I and other Senators have constructed a new campaign financing reform proposal in the form of an amendment that contains all of the essential ingredients of campaign financing reform but does not rely on public financing for Senate campaigns. It has the following major features:

It retains aggregate PAC contribution limits computed as they were in S. 2.

It establishes voluntary spending limits and limits on the use of personal wealth.

It contains no public financing for Senate general elections so long as candidates abide by the voluntary spending limits.

It establishes incentives for candidates to abide by those spending limits by making such candidates eligible for preferential postage rates that the candidates who exceed the voluntary spending limits will trigger compensating payments to opponents who have agreed to remain within those limits.

It assures that candidates who are targetted by independent expenditures against them or for their opponents will be able to respond effectively, by increasing the primary spending limits of participating candidates when such expenditures are made during the primary period, and by providing a compensating payment to participating candidates when such expenditures are made during the general election period.

Additionally, the amendment will establish the voluntary spending limits it contains as mandatory spending limits if a constitutional amendment is ratified permitting the establishment of such mandatory limits, and at that time drops the incentive provisions for abiding by the voluntary limits I described previously.

Finally, even the very slight potential cost of this legislation is more than fully offset within it. The amendment ends preferential mailing rates for political parties. In effect, the amendment as it now is drawn will result in no net cost to the Federal budget—and quite possibly a reduction in the Federal budget deficit if all candidates live within the spending limits for their States—at the same time it sets in place vital reforms in our system of campaign financing.

It is time, Mr. President, to find out precisely which Senators support basic campaign financing reform and which Senators do not.

There can be no true campaign financing reform without establishing spending limits which are equitable and establishing a set of incentives to encourage candidates to choose to abide by the limits and establishing effective limits on the amounts of money which can come to candidates via the actions of political action committees.

This amendment contains all these essential features.

Mr. President, those of us who originally sponsored S. 2 and moved it to the Senate floor have attempted time and again to demonstrate that we are trying in every way we know to move meaningful campaign financing reform legislation on a nonpartisan basis. We have reached out to our colleagues on the other side of the aisle again and again. We offered a major compromise amendment cutting the amount of public funds by more than half.

Today we return—with a new amendment with a new structure, one that does not entail public financing—except as an enforcing mechanism—but, instead, relies on the least costly mix of incentives that can be devised to make a system of voluntary spending limits feasible within the confines of the Supreme Court's decision in Buckley versus Valeo.

We urge those Senators, in both parties, who have not yet supported campaign financing reform legislation, to join us in supporting this amendment. We urge those Senators, in both parties, who have been voting to prevent the Senate from considering and acting on this legislation, to vote now to permit that consideration and to permit the Senate to act.

This is a moment of reckoning for the Senate—and especially for those Senators who have opposed campaign financing reform legislation this year up to this point. This is a new opportunity. This is the chance to be for a strong, workable, fair bill that contains the essential ingredients of reform.

I hope we will be joined by many of those Senators within the next day or two.

On this same subject, Mr. President, today's lead editorial in the Washington Post concerns the issue of the obscenely high costs of Senate races and the efforts underway in this Congress to deal with this problem. I would like to read excerpts from that editorial:

U.$. $ENATE

> The system has become obscene. Its defenders argue that the money now in politics is a sign of vigor, a healthy form of participation. Yes, up to a point—but that healthy point is past. The ceaseless quest for money absorbs the entire Congress, not only in election years. The National Journal recently compiled the amounts that senators not due to run until 1988 or 1990 had raised in 1985-86. By the end of last year four of the senators likely to run in 1990 had already raised more than $1 million; one was only $15,000 away; two more had raised more than $700,000. What notion of good government is served by that?
>
> It was easy for Republicans to block the Democratic bill when it contained a large measure of public finance; they could stand on principle. Now the issue is much more

clearly the limits. Hardliners still resist the bill, on grounds that the Republicans, who are better fund-raisers, would be condemning themselves to permanent minority status. But money isn't what will deliver the Senate to the Republicans; nor, in the long haul, can it be healthy for the Republicans to link themselves to this iron lung.

Two Republicans—Robert Stafford and John Chafee—have joined the Democrats in voting to invoke cloture and move a bill. At least half a dozen others have acknowledged the need for restraints.

The latest bill is fair; the Republicans should agree to bargain on it. The alternative will soon be to change the name on the place. It fast becomes the U.$. $enate.

Mr. President, I ask unanimous consent that the entire editorial be included in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

U.S. SENATE

The average Senate reelection campaign now costs $3 million. To amass that much, a senator must raise $10,000 a week 52 weeks a year every year of his term. Let him miss a week for some reason—could it be the press of legislative business?—and he must raise twice that much the next week, three times as much the week after that. If he represents a large state or fears a strong opponent—or wants to scare such an opponent off—he must also raise more than average. And they do.

The system has become obscene. Its defenders argue that the money now in politics is a sign of vigor, a healthy form of participation. Yes, up to a point—but that healthy point is past. The ceaseless quest for money absorbs the entire Congress, not only in election years. The National Journal recently compiled the amounts that senators not due to run until 1988 or 1990 had raised in 1985-86. By the end of last year four of the senators likely to run in *1990* had already raised more than $1 million; one was only $15,000 away; two more had raised more than $700,000. What notion of good government is served by that?

The Democrats seek to restore a sense of proportion to this process. They would impose spending limits. The Supreme Court has said that to satisfy the First Amendment, spending limits must be voluntary; as a practical matter that means they must be in return for federal funds. But Republicans object to public financing of congressional campaigns. The Democrats have therefore moved successively to minimize the role of public funds. Their latest proposal is that a candidate could get such financing only if he agreed to abide by the spending limits for his state and his opponent did not. The public money would be only an insurance policy.

It was easy for Republicans to block the Democratic bill when it contained a large measure of public finance; they could stand on principle. Now the issue is much more clearly the limits. Hardliners still resist the bill, on grounds that the Republicans, who are better fund-raisers, would be condemning themselves to permanent minority status. But money isn't what will deliver the Senate to the Republicans; nor, in the long haul, can it be healthy for the Republicans to link themselves to this iron lung.

Two Republicans—Robert Stafford and John Chafee—have joined the Democrats in voting to invoke cloture and move a bill. At least half a dozen others have acknowledged the need for restraint. "There is no doubt that campaign spending is out of hand," said Sen. Pete Domenici at one point in last month's debate. "I would be very happy to see some kind of overall limitation," said Sen. William Roth. "I believe there is no surer way to a complete breakdown of our electoral process than to ignore burgeoning campaign costs," said Sen. Daniel Evans. "It seems to me there have to be some limits," said Minority Leader Bob Dole.

The latest bill is fair; the Republicans should agree to bargain on it. The alternative will soon be to change the name on the place. It fast becomes the U.$. $enate.

Mr. BYRD. Mr. President, I also ask unanimous consent that an explanation of the Boren-Byrd-Exon et al. amendment appear in the RECORD at this point.

There being no objection, the descriptions were ordered to be printed in the RECORD, as follows:

AMENDMENT TO S. 2 PROVIDING PUBLIC FINANCING ONLY TO CANDIDATES WHOSE OPPONENTS EXCEED SPENDING LIMITS

NOTE: All references to the contents of S. 2 are to S. 2 as reported by the Committee on Rules and Administration.

All provisions noted below are to be effective with respect to the Senatorial elections for which the general elections are to be held in November, 1990, except as specifically noted.

I. Voluntary Spending Limits in exchange for benefits.

I.A. Voluntary state-by-state spending limits contained in S. 2.

I.B. Voluntary limits on use of personal or family wealth contained in S. 2.

II. Benefits for Participants.

All participating general election candidates who satisfy the individual contributions threshold amounts on a state-by-state basis as provided in S. 2, and who complied with the voluntary spending limits in the primary elections, will receive the following benefits:

II.A. Preferential television, radio, and mailing rates:

Only participating candidates will be entitled to the lowest unit rate advertising cost on television and radio. Broadcasters will be prohibited from discriminating against candidates in the amount, class or period of time made available to such candidates on behalf of their campaigns.

Only participating candidates will be entitled to a preferential first class mailing rate of one-quarter the then-standard first class rate (at present rates that would be 5½ cents per piece) and a third-class rate 2 cents-per-piece less than the preferential first class rate (which would be 3½ cents at the current time)—with the amount of a candidate's general election spending limit which he can spend for postage at these preferential rates limited to 5 percent).

II.B. Actions to Compensate Participating Candidates for Opposing Actions Outside State Spending Limits.

1. Compensation for Independent Expenditures.—S. 2 provisions pertaining to features compensating candidates for independent expenditures made against them or for their opponents are retained. (In primary periods, once the independent expenditures of any one organization or person exceed $10,000, the spending limit of the targetted candidate would be increased by the amount of such independent expenditures; for participating candidates in general election periods, such independent expenditures, once they exceed $10,000 per organization or person, would be matched with public dollars.)

2. Compensation when opponent exceeds spending limits.—If a candidate accepts contributions or makes expenditures exceeding the voluntary spending limits for the general election, the opposing participating candidate shall be entitled to receive compensating public funds. When the high-spending candidate accepts contributions or makes expenditures in excess of 100 percent of the state's spending limit, the other candidate, if he is a participating candidate, will receive a grant equal to ⅔ of the amount of the state's spending limit. If the high-spending candidate continues to raise funds or make expenditures, to the point that either exceeds 133⅓ percent of the state's spending limit, the participating opponent will receive a grant equal to ⅓ of the amount of the state's spending limit, and his spending limit is removed. The participating candidate continues to retain the preferential T.V. and radio rates not enjoyed by the nonparticipating candidate. In order to prevent a participating candidate from being surprised by a candidate exceeding the spending limit late in a campaign, any candidate who has not pledged to abide by the spending limit must notify the Federal Elections Commission within 24 hours of raising or spending 75 percent of the state spending limit (at which point the private fund-raising limit is removed for all other candidates in that race) and each time additional fund-raising or spending aggregates an additional 5 percent of the state's spending limit until the funds raised or expended equal or exceed 133⅓ percent of the state's spending limit. In the case of a candidate who spends amounts, from his own or his family's resources, or incurs personal loans, which aggregate $250,000 or more, these same provisions apply, plus the candidate must report to the F.E.C. in $10,000 increments all expenditures of his own or family's resources or personal loans incurred after the initial $250,000 is passed.

III. Other Provisions.

A. Retained from S. 2, with the same effective dates as in S. 2:

1. Candidate and independent expenditures definitions and reporting provisions.

CHANGES FROM S. 2 AS REPORTED FROM COMMITTEE

1. No public financing is provided to a candidate unless his/her opponent exceeds the spending limit in either fund-raising or campaign expenditures. If all candidates live within the established spending limits, no public funds will be granted to candidates for general expenses pertaining to their elections.

2. Two non-cash benefits are provided to candidates who agree to abide by the bill's voluntary spending limits: reduced rates for television and radio time (lowest unit rate), and reduced first and third class postage rates (first class rate ¼ of the then-current rate, and third class rate 2 cents less per item than the lower first class rate). (This translates, currently to a first class rate of 5½ cents per item and a third class rate of 3½ cents per item.) Nonparticipating candidates will be eligible for neither broadcasting nor postage preferential rates.

3. A candidate facing a high-spending opponent will receive compensating funding in two installments—with the objective to spread out the disincentive to spend higher amounts. Such a candidate receives a grant equal to ⅔ of the state's spending limit

when the opponent exceeds 100 percent of the state's spending limit in fund-raising or expenditures, and a second grant equal to ⅓ of the state's spending limit when the opponent exceeds 133⅓ percent of the state's spending limit in fund-raising or expenditures.

4. Nonparticipating candidates must report expenditures or fund-raising in increments of five percent of the state's spending limit once either exceeds 75 percent of the state's spending limit until it exceeds 133⅓ percent. A candidate spending large amounts of his own or his family's resources, or incurring personal loans in large amounts, must report in $10,000 increments all such expenditures or loans once they equal $250,000 in aggregate. (Beyond these special provisions, the original reporting provisions of S. 2 apply.)

5. If the amount in the trust fund obtaining its revenue from the "checkoff" exceeds the amount necessary to fund the projected costs of the Presidential and Senate campaign financing systems, the excess will be returned to the General Fund.

6. Candidates who do not accept the voluntary spending limits must place on all advertising or announcements a disclaimer acknowledging they do not abide by those limits.

7. The provision of law is repealed which extends to political party committees the third class mail rates now available to qualified nonprofit organizations. The anticipated savings from this provision are projected to fully offset the costs of the Senate campaign financing reform provision reflected in this amendment.

8. If and when a Constitutional amendment is ratified permitting the Congress to set spending limits, the provisions of the bill providing benefits to participating candidates and compensating funds to candidates whose opponents exceed the limits will be repealed, and the spending limits contained in S. 2 will become the spending limits to implement the Constitutional amendment.

9. S. 2 limitations on state and local party expenditures for materials for volunteer activities, and new S. 2 restrictions on the types of materials for which such expenditures are permitted, are removed.

Mr. BYRD. Mr. President, I ask unanimous consent that the amendment by Senator BOREN, Mr. BYRD, Mr. EXON, and other Senators be printed, and that it also appear in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under Amendments Submitted.)

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask that the period for morning business be extended in which the Republican leader may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

MAJOR STEP FORWARD IN KOREA

ON THE RIGHT TRACK NOW

Mr. DOLE. Mr. President, the decision by South Korean President Chun to institute major constitutional and political reforms marks a major step forward on the road to preserving stability, and establishing democracy, in South Korea.

We have a special interest in what happens in Korea. Peace on the Korean peninsula is central to peace in East Asia. That's why 40,000 American troops are there. Burgeoning United States-Korean trade has dramatically increased the economic interdependence of our two nations.

And, last but certainly not least, the United States has a special interest in the struggle for democracy wherever it occurs—and doubly so when it unfolds in a country with which we have enjoyed a long, close relationship.

RESPONDING TO THE SIGNAL

President Chun has done the right thing. The Korean people clearly signaled they wanted a major change. He is responding. That alone should put to rest the specious comparisons which have been made to the Philippines.

South Korea is not out of the woods. But it's on the right path.

Mr. President, we are on the right path, too. The administration has pushed hard on President Chun for reform. We must continue that pressure.

THE WHOLE PICTURE

But, as we do that, we must never lose sight of the whole picture in Korea.

It is pretty obvious that South Koreans want change, and they are getting it. But one thing I can say with certainty—there is not a single South Korean who thinks any of the answers can come from the North. There is not a single, thinking South Korean who does not recognize that everything they have achieved, and are in the process of achieving, can be sustained only if North Korea is kept at bay.

1985 VISIT

Mr. President, I still have vivid memories of my own visit to South Korea in 1985. It is a remarkable country—marked by enormous economic vitality and, clearly visible even then, considerable political ferment. Hopefully, the Korean Government is now responding constructively to that ferment, so that it is channeled as a force for positive change, not chaos.

What I remember most of all from that trip, though, is our short helicopter hop up to the DMZ. "Frontier of freedom" is a common metaphor in this Chamber. But in Korea, it is not a metaphor. It is a reality. North Korean jets could strike Seoul in 7 minutes. North Korean troops could be there within hours. "Life and death" is a metaphor, too—but it could also be the reality in Korea, within minutes.

So the stakes are about as high as they can be. The need for stability and an evolution toward democracy is about as acute as it can be. Right now, all parties seem to be responding to that urgency. Let us remain hopeful, and vigilant, and keep our eye clearly on our final goal: a stable, democratic and prosperous, South Korea.

SENATORIAL CAMPAIGN FINANCE REFORM

Mr. DOLE. Mr. President, I listened with interest to the majority leader's comments with reference to campaign finance reform. I think there are some fundamental differences. They may be narrowed. We will obviously study this bill very carefully. We have had briefings in the majority leader's office. We have been given the highlights. I had a brief discussion today with the distinguished Senator from Oklahoma [Mr. BOREN]. We are looking outside to bring in outside experts to give us assistance just as the majority leader has done. There is this I think justifiable concern in one-party States about limiting expenditures which in the view of many, not just Republican partisans but in the view of many would in effect stifle any growth of the Republican Party in those States and any real opportunity for Republicans to be elected to the Senate and the House of Representatives.

That is one major impediment. Second, though I understand it has been changed the public financing feature is still there. Maybe it would only happen, as I listened to the majority leader, if it is triggered. There may be other objections others have, but just listening to my Republican colleagues in the many meetings we have had, I think third is some not only disclosure but some limitation on what is known as soft money, and that covers a range of things that we could probably get into sometime next week.

So I am not certain I can hold out any hope that we can resolve this soon, but I can say very honestly we are continuing to discuss it among ourselves. There may be enough Republicans at some point who will join with a majority on this side. I am not certain of that. I am not recommending that at this point. But I do know there are a number of Senators on this side of the aisle who have a number of ideas. I think some are very good. We hope to have some response to the majority leader sometime next week.

Mr. BYRD. Mr. President, I thank the able Republican leader.

CORRECTION IN ENROLLMENT OF H.R. 558

Mr. BYRD. Mr. President, is there a House message at the desk on House Concurrent Resolution 150?

The PRESIDING OFFICER. There is a message at the desk.

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate that House message.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 150) to correct technical errors in the enrollment of the bill H.R. 558.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE INJURY OF PVT. STACY SCOTT VALENCIA

Mr. HECHT. Mr. President, too often we Americans take the wonderful things we have for granted. Among our most precious resources in this country are the millions of young men and women in uniform who have been willing to risk their lives to keep this Nation free.

People often think of dangers associated with military service only in terms of battle, but every single day there are men and women out there risking their lives for this country in routine military activities.

Everyday servicepeople like Pvt. Stacy Scott Valencia, whose family lives in Laughlin, NV, are continually performing an invaluable service to their country. And there are always dangers involved, no matter what activity they are engaged in.

On June 28, Private Valencia was conducting demolition training exercizes with his company, the 58th Combat Engineers, of the 11th Armored Cavalry Regiment, in Hohenfels, West Germany. A bomb they were training with, a "cratering shape charge" used to render bridges, roads, and airfields unusable, detonated prematurely. The blast left three of Private Valencia's comrades dead on that road in Germany, and 12 of the servicemen injured, including himself.

The American people owe a debt of gratitude to Private Valencia, to the men he served with, and to all the brave men and women in the Armed Forces. Not all of them are always engaged in romantic, exciting, daring endeavors, but it's important to remember that every last one of them is a vital link in the defense chain.

The Valencia family is lucky, Mr. President, although Stacy received facial injuries and some broken bones. The families of three of his compatriots were not as fortunate—their sons made the supreme sacrifice for their country. These men are no less deserving of our recognition, our thanks, and our honored remembrance than soldiers who were killed or injured defending this country in battle.

If the price of liberty is vigilance, then these are the men and women who pay the check. We owe them our thanks.

Thank you, Mr. President.

THE SECOND SEMIANNUAL REPORT OF THE TVA INSPECTOR GENERAL

Mr. SASSER. Mr. President, the Tennessee Valley Authority recently released its second semiannual report of the Tennessee Valley Authority's inspector general. It shows that in the most recent 6-month span the TVA inspector general has completed 17 audits, identified $34 million in questioned contractors' claims, and completed 333 investigations. More than a third of those investigations involved TVA's struggling nuclear power program.

At my suggestion, TVA established its inspector general's office to allow independent reviews of the agency's efficiency and effectiveness. The TVA Board of Directors selected Mr. Norman A. Zigrossi for the position. His illustrious background has provided him with the qualifications for this important task. Mr. Zigrossi came to TVA after a 24-year career with the FBI, which included a year as a headquarters inspector conducting audits of FBI field divisions, 4 years as special agent in charge of the San Diego field office which has 300 employees, and culminated in 2 years as special Agent in Charge of the Washington, DC field office—which with more than 1,000 employees is the second largest field office in the country. He was twice named Outstanding Manager by the Director of the FBI and received the law enforcement award from the association of Federal investigators. He is a member of the President's Council on Integrity and Efficiency and has also been named to the National Intergovernmental Audit Forum.

Mr. Zigrossi's reports since joining TVA, which now cover a full year of operations, show a genuine promise of substantial contributions to TVA, in the coming years. He notes in his last report that a major portion of his office's efforts have been devoted to the nuclear power program. He has completed investigation of 131 employee concerns related to the nuclear program, of which 28 were substantiated, and is still investigating 290 others. His office has begun an audit of the nuclear quality assurance program. Because of TVA's decision to use loaned employees supplied by major companies, the inspector general has indicated he is continually monitoring the application of guidelines to prevent conflicts of interest in that arrangement.

Mr. Zigrossi has referred two cases for prosecution that could involve millions of dollars defrauded from TVA in coal deliveries. More than $1 million in billings from a major manufacturer were also questioned and documented.

The significant point, however, is the promise for success in the long run. The progress Mr. Zigrossi has made so far make me optimistic about improved operations in all of TVA's programs. Although an inspector general cannot replace sound management, an inspector general can be an additional safeguard for the public.

TVA's experience with an inspector general to date convinces me even more that the Nuclear Regulatory Commission would benefit from one. A regulatory function as important as the NRC's simply must have the continuing independent oversight of an inspector general. In addition, the current and future investigations of the NRC's programs and management would be aided by the facts and views that an inspector general could provide.

NORIEGA SUPPORTERS ATTACK U.S. EMBASSY

Mr. HELMS. Mr. President, this past Friday the Senate approved, 84 to 2, bipartisan resolution which I offered along with Senators DURENBERGER, KERRY, and KENNEDY. The resolution expressed the sense of the Senate with regard to democracy and human rights in Panama.

This past Monday, the Government of Panama lifted the 21-day-old suspension of guarantees. On the surface, it appeared that the Government of Panama perhaps had responded positively to the Senate resolution by lifting the state of siege. Actions in Panama yesterday, however, lead me to believe that the state of siege was lifted for another reason.

Mr. President, yesterday at noon in Panama City thousands of protestors joined in a violent attack, organized and sanctioned by the Government of Panama, against the U.S. Embassy, consulate, and USIS offices. I emphasize that this protest was sponsored by the pro-Noriega forces. Government employees were told that if they did not participate, they would not receive their paychecks.

According to my information the Panamanian antiriot police withdrew from the scene of the demonstration one-half hour before the violence began. This was to allow the demonstrators free reign to destroy anything within their reach. The protestors threw rocks at windows and cars inside the Embassy compound, and splashed red paint on the U.S. Embassy building. United States sources have informed me that the damage will reach into the tens of thousands of dollars.

Following their destructive attack on the U.S. Embassy building, the pro-Noriega protestors marched two blocks to the U.S. consulate and the U.S. Information Service Offices and continued to destroy property there—all the while shouting anti-U.S. epithets. In all, about 20 automobiles inside U.S. property were severely damaged.

Mr. President, it is perfectly clear that this was orchestrated by the Panamanian Government. According to the Miami Herald of today, "eight cabinet ministers and other top officials led the anti-American demonstration." Included among the top government officials was the Minister of Government and Justice. Also present was the President of the government party, the Democratic Revolutionary Party.

I commend the Reagan administration for swiftly condemning the actions of the protesters. The United States has now closed down the United States consulate until the Panamanians guarantee that they will once again prevent such orchestrated violence.

Mr. President, the time has arrived for the United States to take even stronger actions. The United States should consider withdrawing our Ambassador to Panama for consultation, and should suspend all assistance to Panama until the Government of Panama compensates the United States for all damages to our property and facilities.

Mr. President, I ask unanimous consent that an article from today's Miami Herald be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Miami Herald, July 1, 1987]

U.S. FACILITIES STONED IN PANAMA

(By Michele Labrut)

PANAMA.—About 2,000 pro-government demonstrators, protesting what they called American intervention in Panamanian affairs, marched to the U.S. Embassy and other American facilities Tuesday, throwing rocks and paint, breaking windows and damaging cars.

Eight cabinet ministers and other top officials led the anti-American demonstration, the latest in a series of actions protesting a resolution passed by the U.S. Senate last week calling for free elections and an end to military control of Panama's government.

The resolution also criticized Gen. Manuel Antonio Noriega, who, as commander of the Defense Force, is Panama's military strongman, and called for an independent investigation of allegations made against him.

Despite heavy iron gates and bars installed at the American Embassy compound on Balboa Avenue last year as part of a complete remodeling of U.S. embassies around the world to avoid terrorist attacks, demonstrators broke embassy windows and damaged most of the 25 cars in the embassy parking lot behind the building.

The demonstrators then continued to the U.S. Consulate two blocks away, again smashing windows, throwing rocks at the offices and shouting anti-U.S. slogans.

About 30 protesters broke windows of the Amador-Washington Library operated by the U.S. Information Service in a building housing the embassy cultural section.

The demonstrations came after the government coalition parties called for a meeting in front of the Foreign Ministry to protest the resolution approved by the U.S. Senate on Friday.

At the rally, several thousand government supporters heard speakers denounce "U.S. intervention in Panamanian affairs" and repudiate participants in recent anti-government protests as "Panamanian traitors who serve U.S. interests."

Mario Parnther, a former student leader and organizer of anti-American demonstrations during the 1970's, said the meeting was called to support the alliance of the military and the people in the "indestructible unity" inherited from former strongman Omar Torrijos. Parnther finished his speech by urging the protesters to march toward the embassy.

A Foreign Ministry source later said, "We condemn this aggression [against the U.S. Embassy], the same way we condemn the aggression that we are suffering from the U.S. Senate.

"The Foreign Ministry disapproves any violence against any embassy of a friendly country," the source added.

The U.S. Embassy issued a communique in which it said it was "the target of violent anti-American demonstrations orchestrated by well-known political elements."

It also said the embassy was "preparing a strong note of diplomatic protest to the government of Panama which is responsible for the protection of diplomatic premises."

On Monday, Panama's legislators had urged the government to declare U.S. Ambassador Arthur Davis *persona non grata*, requiring his withdrawal from the country. But a Foreign Ministry source said the "measure had not been considered" by the executive branch.

Just before the legislators voted, Davis was summoned to a meeting with Foreign Minister Jorge Abadia Arias.

Upon emerging from the meeting, Davis characterized the short consultation "like a meeting between two friends," during which Abadia Arias used "strong words."

The ambassador was given a copy of the minister's letter to Secretary of State George Shultz describing Panamanian indignation at the U.S. Senate resolution.

The Legislative Assembly vote followed outraged comments on the Senate resolution in the local press, at a time when U.S.-Panamanian relations were at one of the lowest points since the anti-American riots in 1964 that left 22 Panamanians dead.

On Saturday, President Eric Arturo Delvalle declared the U.S. resolution an "intervention" and recalled his ambassador to Washington for consultations.

The Defense Force general staff also rejected the Senate position as meddling Panamanian military and internal affairs.

Meanwhile, thousands of other Panamanians staged a counter-demonstration against the government Tuesday. They honked car horns, banged pots and pans and waved white handkerchiefs to demand a military withdrawal from politics and investigations into alleged corruption.

WELCOMING PRESIDENT CHUN'S ANNOUNCEMENT

Mr. ROCKEFELLER. Mr. President, 1 week ago many commentators were suggesting that there was little chance of compromise and peaceful change in South Korea. Yesterday, the Korean people and President Chun Doo Hwan proved them wrong.

In an historic address to the South Korean people, President Chun voiced clear support for the democratic reform agenda first put forward by the opposition party and then embraced by Mr. Roh Te Woo earlier this week. In so doing, he has paved the way for a democratic and peaceful transfer of governmental power early next year.

I know that all of my colleagues welcome this development and congratulate President Chun for moving to defuse the political crisis by putting his country squarely on the path to democratic governance.

Congressman STEPHEN SOLARZ best expressed the profound importance of yesterday's announcement: "It appears that South Korea, which has produced one of the great economic miracles of our time, will produce one of the great political miracles of our time."

The commitment to direct presidential elections, the release of political prisoners, freedom of the press, and other reforms has drastically altered the political landscape in South Korea. The politics of confrontation have given way to compromise and reconciliation. A new sense of optimism and trust has been generated among South Koreans as a result of this week's developments.

Mr. President, a tremendous and unexpected new beginning has been made in South Korea. But there remains much to be done in transforming the promises into political reality. Many years of distrust must be overcome as the government and opposition parties work toward a compromise constitutional reform in the National Assembly beginning next week. But with good faith and a genuine commitment to the spirit of democratic government, I am confident that the South Korean people will succeed. The eyes of the world will be on them.

FIVE VERSIONS OF PLANT CLOSING LEGISLATION

Mr. QUAYLE. Mr. President, yesterday we did not vote on the plant closing amendment, as had been planned. On the basis of information in my possession yesterday afternoon, I was ready to move ahead. However, the content of the Metzenbaum plant closing language has been changing at a rapid pace. I hope the text of the proposal will settle down so we know what we are discussing.

Since its introduction on January 26, 1987, the plant closing language has been altered substantially. In fact, it has gone through no less than five changes. But, Mr. President, the leopard cannot change its spots, and despite these changes, the bill is still a mandatory plant closing and "mass layoff" notice proposal which will hamper American business and restrict our ability to compete in today's international marketplaces.

METZENBAUM I

As introduced by Senators METZENBAUM, KENNEDY, and others, the plant closing language covered employers of 50 or more full-time or full-time equivalent workers.

Employers who either closed a business or who laid off 50 or more workers were required to:

First. Give notice of 90 days for layoff or termination of 50 to 100 employees; 120 days notice for layoff or termination of 101 to 499 employees; and 180 days' notice for layoff or termination of 500 or more employees.

Second. Consult with local governments and workers' representatives in good faith for the purpose of agreeing to alternatives to the proposed closing or layoffs.

Third. If requested by local governments or worker's representatives, supply "relevant information as necessary for the thorough evaluation to order a plant closing or mass layoff."

The information included: (a) the reasons and basis for the decision to order a plant closing or mass layoff; (b) alternatives that were considered and the reasons alternatives were rejected; (c) plans with respect to relocating work of the facility where employment loss is to occur; and (d) plans with respect to the disposition of capital and assets.

Fourth. An exception for "unforeseeable business circumstances" was provided.

Fifth. Penalties were to be assessed against employers who disobeyed. Employers would have to pay to each affected employee back pay, computed on wages and fringe benefits and $500 per day to local governments.

METZENBAUM II

During markup of the plant closing bill, the Labor Committee majority approved a second version of the proposal. This variant of the bill eliminated the provisions requiring employers to consult with workers' representatives and local governments "for the purpose of agreeing to alternatives" to the plant closing or layoff.

First. In its place, the disclosure of information provision was expanded and refined. Employers now would have to supply more specific information regarding the proposed closing, such as:

The most recent financial statements and audit reports available for the past 3 years for the place of employment involved; any studies or evaluations assessing the feasibility or infeasibility of maintaining operations which the employer considered in proposing the plant shutdowns or mass layoffs; a statement of the employer's present plans with respect to relocating the work of the facility where the employment loss is to occur and with respect to the disposition of capital assets of that facility.

Second. Employers who failed to disclose information would be fined $10,000.

Third. If an employer proved to the satisfaction of the court, that his violation was "in good faith" and that he had "reasonable grounds for believeing that—the violation—was not a violation" the court may reduce the employer's liability.

Fourth. Exemptions were included for:

Employees hired for work of a limited duration or a certain project; plant closings or mass layoffs which are the result of a sale of business in which the buyer agrees to hire "substantially all" of the employees with no more than a 2-week break; and plant closings and mass layoffs which are the result of a relocation of the business, within a "reasonable" commuting distance, and the employer offers to hire "substantially all" of the affected employees.

Fifth. Civil action against workers' representatives and local governments was permitted for disclosure of the employer's information, but only for recovery of actual financial loss suffered as a consequence of the violation.

METZENBAUM III

Plant closing language is now proposed to be added to the Omnibus Trade bill. This third version of plant closing legislation as called for made several key changes, to wit:

First. Straight 90-day notification for all covered employers, rather than the graduated 90/120/180-day notice provision.

Second. The definition of plant closing and "mass layoff" was bifurcated. Under Metzenbaum III, plant closings are permanent or temporary shutdowns the place of employment, facilities, operating units, or functions involving 50 or more workers over a 30-day period. Part-time or seasonal employees are excluded.

Third. "Mass layoffs" involve an "employment loss" of at least 50 employees and one-third of the employer's workforce over a 30-day period—part-time and seasonal workers excluded.

Fourth. Notification periods are permitted to be reduced if the employer is "actively seeking capital or business" which, if gained would have prevented layoffs and which the employer "reasonably and in good faith" believed would have precluded new capital investment.

Fifth. Information disclosure was slightly modified to exclude feasibility studies when he is staying in the same line of business in the same geographic market in U.S. facilities.

Sixth. Strikes and lockouts are not considered "plant closings" for the purpose of the bill.

Seventh. Penalties payable to the employees for wages and benefits shall be for a maximum of one-half the number of days the employee was not employed, less actual payments made to the employee by the employer.

METZENBAUM IV

About 5 o'clock yesterday evening, we heard that there was to be a fourth version of the plant closing bill. Here are the changes it made:

First. Changed the definition of "employer" to one who employs 100, or more full time, or full-time equivalent workers.

Second. Preempted State plant closing laws.

Third. Eliminated the temporary or permanent shutdown of a function within a place of employment from the definition of plant closing.

Fourth. Civil actions against workers' representatives and local governments was deleted.

METZENBAUM V

Along about 7 o'clock yesterday evening, we received a fifth version of the plant closing bill.

This one completely deleted the duty to disclose information and the penalties for failure to disclose.

Mr. President, I get the impression that this proposal is like a chameleon: It is changing its color to blend in with the surroundings. The leopard cannot change its spots, as I stated earlier, and Metzenbaum V is still a federally mandated regulation of when and how private sector employers may lay off employees.

I feel it is important for Senators and staff to see the bill that we will be discussing. Mr. President, we have to know what version of this thing is before us, and whether it is going to be changed, again. If it going to be changed again, I think we all ought to sit tight until a final version is before us.

A LETTER FROM BARBARA MATIA, OF SCOTTSDALE, AZ

Mr. DECONCINI. Mr. President, I ask unanimous consent that a letter I received from Barbara Matia of Scottsdale, AZ, which is self-explanatory, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Mr. Chairman, Senators and Staff:

I am Barbara Matia of Scottsdale, Arizona.

The only thing worse than having rheumatoid arthritis yourself is learning that your daughter has rheumatoid arthritis as well. My daughter's story and mine parallel one another, only I did not learn of Dr. Brown's treatment program, which is based upon the infectious theory of rheumatoid arthritis, until my adult life and until after I was bedridden with arthritis. My arthritis began as a very young child with my first flare beginning in my jaws. I had all the symptoms which Dr. Brown believes are a part of rheumatoid arthritis—pain, weakness, fatigue, anemia, lack of memory, inability to concentrate, irritability and depression. My mental acuity was affected.

I truly lived a half life, yet no doctor was able to diagnose my disease. It was not until my daughter's birth that I was diagnosed as having severe rheumatoid arthritis.

Two years ago I took my daughter to the pediatrician because she had not been feeling well for some time. The doctors thought my daughter might have mononucleosis, valley fever or arthritis, but nothing showed up on her blood test, even after several tests. However, her symptoms persisted and she developed nodules on her wrist. To my pediatrician's credit, he was more than willing to send her blood work to Dr. Brown at the Arthritis Institute in Arlington, Virginia. Dr. Brown called me several days later to tell me that Bethany had active rheumatoid arthritis. If it were not for my having the disease and understanding all of the symptoms, Bethany's arthritis might not be diagnosed today. She was in the hospital at this time last year for her first treatment with intravenous antibiotics, followed by oral antibiotics at home.

All of her symptoms have improved. She is alert and feeling much better rather than just coping with life.

Bethany's and my story are not unique. I cannot begin to tell you how many patients are sent to the Arthritis Institute who could not be diagnosed by their physician or rheumatologist.

There are two significant questions that can no longer be left unanswered because the answers to these questions could bring hope to the 37,000,000 arthritics in our country.

First, what is Dr. Brown doing to detect rheumatoid arthritis that permits him to diagnose it earlier than the diagnoses achieved through the standard blood tests for rheumatoid arthritis? One test he uses that is not used elsewhere is a mycoplasma antibody test. A positive mycoplasma antibody test indicates that appreciable levels of mycoplasma are present. Under Dr. Brown's theory of the disease, appreciable levels of mycoplasma would suggest that rheumatoid arthritis is developing. The fact that these early diagnoses are later confirmed by the more widely used tests for rheumatoid arthritis would in itself suggest a connection between mycoplasma and rheumatoid arthritis. But whether or not this is the case, the test has proven to be a reliable early indicator of rheumatoid arthritis.

The second question that can no longer be left unanswered is why, if the antibiotic treatment program is so significant that it allows the arthritic sustained control and even a reversal of the disease, is the treatment program not spreading across our country like hotcakes? It is because the source of the infection has not been confirmed. And there are very definite reasons why this has not happened.

First, while Dr. Brown isolated the mycoplasma organism in 1937 and has done so intermittently since then, the isolation of the organism on a regular basis is difficult. It is also hard to grow in culture or to demonstrate on a regular basis outside of the body. Therefore, it will take years of further research to fully understand the workings of the infectious agent.

Second, the discovery of cortisone blocked the infectious theory for decades. Everyone thought the cure was at hand. Years of research went into purifying cortisone to try to eliminate its terrible side effects. It has since been discovered that cortisone blocks the body's immune system reaction but does nothing to stop the progress of the disease. But all those years were lost.

Third, while interest in the infectious theory returned in the late 1960's, that interest was snuffed out as a result of the Boston Study of tetracycline as a treatment for rheumatoid arthritis. Although it is acknowledged today that the study was improperly formulated, the study showed no effect from the tetracycline and the medical community has been reluctant to revisit the infectious theory ever since.

Finally, because of lack of funding for research into the infectious theory for the reasons set forth above, Dr. Brown pursued the treatment program for the disease based upon his belief that the cause was an infectious agent.

Therefore, while Dr. Brown has an important lead that an infectious agent is the cause, most rheumatologists refuse to try the antibiotic treatment program where the infectious agent is not confirmed even though they will give cortisone and other "accepted" remedies before any cause is confirmed.

Dr. Brown's fifty years of research and clinical experience make him the most knowledgeable doctor in the country today with respect to the infectious theory of rheumatoid arthritis. Dr. Lawrence Shulman, Director of the new Arthritis Institute of the National Institutes of Health, has said "Dr. Brown has made his mark with the antibiotic treatment program." While that statement represents significant progress, there has still been no action to make the antibiotic treatment program available to the nation's arthritics.

In 1983, when I first testified before this subcommittee, I quoted to you from a 1972 statement of the then head of the NIADDK that "heartening progress was being made in determining the cause of rheumatoid arthritis." Four more years have gone by and from the standpoint of the rheumatoid arthritic, nothing new has been offered them except methatrexate which can have results worse than the disease. Four times this subcommittee has asked the NIADDK to take positive steps to explore the antibiotic treatment program of the Arthritis Institute. Twice during that period the NIADDK turned down a grant application to fund a clinical trial of that program.

After the experience I have had with my daughter, I am convinced now more than ever that the arthritic does not have to live a half life and that a treatment program to return the other half of life to the arthritic is currently available. This subcommitee can make the difference!

Thank you very much.

Mr. Chairman, Members of Congress and Staff:

I am Bethany Matia and I am 12 years of age.

What is arthritis? Who gets arthritis? How do you know when you have arthritis? Is there a cure for arthritis?

Since my mother was in bed sick with arthritis when I was learning to talk, one of my early questions was will I get arthritis when I grow up?

The question was answered for me last year when I was diagnosed as having active rheumatoid arthritis. I have been hospitalized twice during the year.

When my mother took me out for ice cream and told me I had arthritis, I didn't believe her. The symptoms are hard to understand. No one wants to be different. I always thought I had a headache, the flu and that I was just tired. I slept most days after school and I was not able to handle my school work in fifth grade. I have been treated with nothing but antibiotics this year. My symptoms have all improved and so have blood tests as well as my school grades.

My disease would not be diagnosed if it weren't for my mother and for Dr. Brown. I hope that my visit today will interest you in the infectious theory for arthritis, so that we can help all the children that are in the early stage of arthritis and don't even know they have the disease.

Thank you very much.

NOMINATION OF ROBERT BORK

Mr. KENNEDY. Mr. President, I oppose the nomination of Robert Bork to the Supreme Court, and I urge the Senate to reject it.

In the Watergate scandal of 1973, two distinguished Republicans—Attorney General Elliot Richardson and Deputy Attorney General William Ruckelshaus—put integrity and the Constitution ahead of loyalty to a corrupt President. They refused to do Richard Nixon's dirty work, and they refused to obey his order to fire Special Prosecutor Archibald Cox. The deed devolved on Solicitor General Robert Bork, who executed the unconscionable assignment that has become one of the darkest chapters for the rule of law in American history.

That act—later ruled illegal by a Federal court—is sufficient, by itself, to disqualify Mr. Bork from this new position to which he has been nominated. The man who fired Archibald Cox does not deserve to sit on the Supreme Court of the United States.

Mr. Bork should also be rejected by the Senate because he stands for an extremist view of the Constitution and the role of the Supreme Court that would have placed him outside the mainstream of American constitutional jurisprudence in the 1960's, let alone the 1980's. He opposed the Public Accommodations Civil Rights Act of 1964. He opposed the one-man one-vote decision of the Supreme Court the same year. He has said that the first amendment applies only to political speech, not literature or works of art or scientific expression.

Under the twin pressures of academic rejection and the prospect of Senate rejection, Mr. Bork subsequently retracted the most neanderthal of these views on civil rights and the first amendment. But his mindset is no less ominous today.

Robert Bork's America is a land in which women would be forced into back-alley abortions, blacks would sit at segregated lunch counters, rogue police could break down citizens' doors in midnight raids, schoolchildren could not be taught about evolution, writers and artists would be censored at the whim of government, and the doors of the Federal courts would be shut on the fingers of millions of citizens for whom the judiciary is often the only protector of the individual rights that are the heart of our democracy.

America is a better and freer Nation than Robert Bork thinks. Yet, in the current delicate balance of the Supreme Court, his rigid ideology will tip the scales of justice against the kind of country America is and ought to be.

The damage that President Reagan will do through this nomination, if it is not rejected by the Senate, could live on far beyond the end of his Presidential term. President Reagan is still our President. But he should not be able to reach out from the muck of Irangate, reach into the muck of Watergate, and impose his reactionary vision of the Constitution on the Supreme Court and on the next generation of Americans. No justice would be better than this injustice.

Mr. President, I ask unanimous consent that a statement by Benjamin L. Hooks and Ralph G. Neas of the Leadership Conference on Civil Rights opposing the nomination may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF BENJAMIN L. HOOKS, CHAIRPERSON, AND RALPH G. NEAS, EXECUTIVE DIRECTOR, LEADERSHIP CONFERENCE ON CIVIL RIGHTS

There is no question that a very substantial majority of the civil rights community will strongly oppose the nomination of Robert Bork to be Associate Justice of the United States Supreme Court.

The confirmation of Robert Bork, an ultra-conservative, would dramatically alter the balance of the Supreme Court, putting in jeopardy the civil rights achievements of the past three decades. Well established law could overnight be substantially eroded or overturned.

This is the most historic moment of the Reagan presidency. Senators will never cast a more important and far-reaching vote. Indeed, this decision will profoundly influence the law of the land well into the 21st century.

NOMINATION OF ROBERT H. BORK TO THE SUPREME COURT

Mr. DOLE. Mr. President, I heartily support the nomination of Robert H. Bork to the Supreme Court.

It is apparent, already, that Judge Bork's nomination will come under intense scrutiny—as well it should. For a Supreme Court Justice fills a critical, pivotal role in the balance of power between the three branches of Government. And the men and women who serve on the Court must meet the highest standards of judicial competence and integrity. I don't know of anyone who doubts Judge Bork's qualifications.

There are some who will try to turn the confirmation of Robert Bork into a political debate—an ideological debate. But that is not what the Senator's role is. We have a constitutional responsibility to advise and consent, but that should be based on judicial qualifications, not on whether or not a prospective justice tilts the Court one way or the other, philosophically.

Bork, is a former Yale Law School professor, and is widely acknowledged as one of this Nation's foremost legal scholars. Plus, having served 4 years as Solicitor General and 5 years on the Federal court of appeals, he has hands-on experience in the day-to-day workings of the Court.

Mr. President, I hope we will all think carefully before we make a decision about this nomination—it is a very, very significant one. And we should make our judgments on the right grounds—the litmus test should be the correct one—whether this nominee is qualified and could be qualified and serve on the Supreme Court of the United States, and I believe that he is highly qualified, eminently qualified with impeccable credentials.

THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

Mr. WARNER. Mr. President, on May 16, 1987, the Uniformed Services University of the Health Sciences graduated its seventh class since the founding of the school. This class consisted of 155 uniquely trained uniformed medical officers of the Armed Forces, and marked the continued growth of the university as a national resource for quality health care and medical readiness of our armed services.

I wanted to apprise my colleagues of this milestone, as well as the progress being made by the university. In addition, this commencement was an especially meaningful one in light of the fact that President Reagan was the commencement speaker. I would ask unanimous consent that the President's commencement address be included in the RECORD.

For those who are not directly familiar with the outstanding work of the university, the school offers a 4-year medical education program including a full curriculum unique to military medicine encompassing preventive medicine, operational and emergency medicine, and military medical field studies. The university's current enrollment includes 635 medical students and 100 graduate students. In addition to offering the M.D. degree, the university also offers doctoral degrees in the basic sciences and masters degrees in tropical medicine and hygiene and public health.

With the graduation of the class of 1987, the university will have more than 900 alumni serving in active duty assignments throughout the world. Graduates of the university have a 7-year obligation after they have completed their residency training. Currently alumni are serving in staff positions; as general medical officers in locations such as Korea, Turkey, and the Philippines; flight surgeons with the 101st Airborne Division, aboard the U.S.S. *Blue Ridge*, flagship of the 7th Fleet, and in other assignments crucial to readiness. The university's graduates represent a corps of career medical officers trained specifically in military medicine.

The university hopes to make a further contribution to readiness by acting as lead agency with the military services in developing a militarily unique curriculum for implementation of graduate medical education—residency—programs at the request of the Assistant Secretary of Defense for Health Affairs.

It is clear that the promise of this institution, which Congress recognized when it was created, has been fully achieved. The programs of the university in medical, graduate, and continuing education, as well as basic science and clinical research activities underway at the university, combine to produce trained medical personnel who are prepared and eager to serve the Nation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY THE PRESIDENT AT COMMENCEMENT CEREMONY FOR THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES, THE KENNEDY CENTER CONCERT HALL

THE PRESIDENT. Thank you all very much. And Secretary Weinberger, Chairman Olch, Dean Sanford, members of the graduating class, ladies and gentlemen: I must tell you before I start how relieved I was when Dean Sanford told me that I was going to walk on after the procession. I thought that I was going to come in with the Dean and, with his reputation, I'd been afraid that the good news was that we might perch on the backstage rafters and rappel in—and the bad news—that we'd jump from 10,000 feet.

But it's a pleasure to be here to welcome you, the graduates of this, the West Point, and Annapolis, and Colorado Springs for physicians, into your new profession as military and public health service doctors.

You know, I hope you won't mind if I pause for a minute, but that reminds me of something. At my age, everything reminds you of something. People will be calling you "doctor." And there are all kinds of doctors. I'm even one kind of doctor. Last week, down at Tuskegee University, at the commencement there, I was awarded an honorary degree. I am a Doctor of Law now. And I told them at that time, that they had compounded a sense of guilt I had nursed for some 55 years because I always was suspicious that the first degree I got when I graduated from college was honorary.

You know, I was devoted to some other activities such as football, and swimming, and campus dramatics. And I've often wondered since, if I'd spent more time and worked harder as a student how far I might have gone.

But, seriously, there's no doubt about what you, with your hard work, have accomplished. The British poet, Robert Louis Stevenson, once said, "There are men and classes of men that stand out; the soldier and the sailor, not unfrequently, and the physician almost as a rule."

Well, today, you become both—soldier, sailor, or airman and physician. Today, you enter one of the oldest and most honored ranks in the service of America's freedom. Today, you take up the flag once carried by men like Army Major Walter Reed, Rear Admiral Edward Stitt, Air Force Major General Harry Armstrong, and Public Health Service Surgeon Joseph Goldberger.

Yes, ever since the Continental Congress established the Army and Navy Medical Services in 1775, patriots like these men and women, and like you, have carried their powers of healing onto the battlefields and to swamps and deserts, mountains and plains, all around the world. Their accomplishments reach into almost every area of medicine.

For almost a century, for example, America's uniformed services have been the world's leader in the battle against tropical diseases. They entered the fight in the jungles of Panama, after Walter Reed and his team took less than a year to determine the cause of yellow fever. Today, after decades of progress, your faculty of USUHS is helping military medicine to continue leading the charge—it is testing new vaccines for malaria as well as for adult dysentery, a major tropical killer.

In field after field, America's doctors in uniform have pushed forward the battle lines of medical treatment, even while under fire. Military physicians developed the use of massive blood transfusions in treating shock and trauma. They pioneered burn research and treatment. They found how man could live at higher and higher altitudes and finally in outer space itself. And again, of course, your faculty continues the tradition—leading in such areas as research on vascular surgery and reconstruction, the development of treatments for lacerated eyes, and in developing computer graphic tools for medical teaching and research.

When I hear about the can-do spirit of America's doctors in uniform, it reminds me of a story about a group of Marines. I hope those of you in the other services will forgive me for telling this, but the get-it-done spirit applies to all of America's physicians in uniform.

These Marines had been sent to the Army Airborne School for training. And came the day for the first jump, the training officer told them that they would come in at 1,500 feet, they would jump from the plane, hit the ground, and move south. The Marines seemed a little disturbed by this and they went into a huddle. Then one of them as a spokesman for the group, went to the officer and asked, couldn't the plane come in at 500 feet instead of 1,500? And the officer explained that, if they took the plane in too low, it wouldn't give them time for the parachutes to open. And he said, "Oh, you mean we're wearing parachutes?"

America's physicians in uniform have always been leaders and, in the 10 years since its first class, USUHS itself has found a place as a leader in American medicine—a leader in teaching as well as in research. As students, you went through one of the most rigorous programs in the country. You took 640 hours of training in military medicine, on top of your standard curriculum. You prepared yourselves to treat patients anywhere in the world, under any circumstance, because yours is the only medical school in America that trains physicians to be ready for duty on the bottom of the ocean or on the surface of the moon, and anyplace in between. Recently, the noted Houston surgeon, Dr. Ken Mattox, echoed the medical community's growing esteem when he said, in picking interns and residents, "Give me a USUHS student any day."

Yes, today USUHS is the kind of school that Congressman F. Edward Herbert had in mind during his 25-year crusade to establish a military university for medicine.

It's helping our military become—in medicine as in so many areas—the best it's ever been.

You know, among the most gratifying parts of my job is visiting our Army, Navy, and Air Force bases around the world. Time and again, I've been told that our young recruits are the best we've ever had—the best educated, the most dedicated, and I've seen it for myself. For a long time, some people said that the weak economy was the reason. But then we began on what is now 54 months of economic expansion, along the way creating over 13 million six hundred thousand jobs and still counting. Today a greater proportion of Americans is at work than ever before in our history, and yet we're continuing to get the best recruits.

A new burst of quality—that's what I've heard about USUHS applicants, too. USUHS has also—always selected outstanding classes—from that first class of 32 over a decade ago, to this year's entering class of 163. But I understand that the quality of the total pool of applicants from which the classes are chosen shot up six years ago—just as the quality of all those who wanted to enter the military did. And again and again, when you ask why, the answer has come back more or less the same. It has something to do with patriotism, service. It's again a proud thing to wear the uniforms of the United States. It's again a noble thing to serve in the cause of freedom and the defense of liberty around the world.

There are some who say we've been in a period of "me, me, me" the last six years. Well, I say they should go to any American military base in the world, or they should come here today. They should meet you, America's young patriots. You're the best we've ever had. You carry on a more-than-200-year-old tradition of service. And you carry it as proudly today as it has ever been carried.

And that goes for your faculty as well. USUHS has more than 1,500 faculty members—most of them affiliated with other schools or institutions, but who donate their time to USUHS, donate it because that's a way to serve our country.

A quarter century ago, Douglas MacArthur gave his farewell address to the "long gray line"—the cadets of West Point. He stood in the vast hall of the academy, below the balcony they call the poop deck, and spoke about the soul, not just of the Army, but of all the services that you now enter. "The long gray line," he said, "has never failed us. Were you to do so, a million ghosts in olive drab, in brown khaki, in blue and gray, would rise from their white crosses thundering those magic words: duty, honor, country."

Duty, honor, country—the motto of West Point. And, like the men and women of West Point and all of our military institutions, our physicians in uniform have never failed us. They've been ready when called—ready for hardship and sacrifice, for adventure and exploration, ready to extend the hand of compassion and healing care. Ready, if called to give the last full measure of their devotion and you now join that company. You now enter the service of your country in one of the world's most honored professions—that of physicians.

And so, as your Commander-in-Chief, I say to you today, on behalf of a grateful country, good luck, congratulations, Godspeed.

Thank you and God bless you.

PLAN TO PROTECT KUWAITI TANKERS

Mr. KENNEDY. Mr. President, the Senate would be derelict in its responsibilities if it did not speak out to delay the administration's premature and ill-considered plan to offer American flags and naval protection to Kuwaiti tankers.

Once again, the administration has leaped before it looked on a sensitive issue in the Middle East, in reckless disregard of the consequences for our military forces and for our foreign policy in the region. The tragedy of the terrorist attack on the Marine Corps barracks in Beirut should have taught us that the bravery of our service men and women is no substitute for a flawed and faulty foreign policy. But the administration seems intent on repeating its mistakes, rather than learning from them.

U.S. flags on Kuwaiti tankers only compound the folly of the administration's Iran-Contra policy. Protecting Kuwaiti tankers and tilting toward Iraq does not neutralize the blunder of selling weapons to Iran.

America's interests in the Persian Gulf are clear. More than two-thirds of the free world's oil reserves are located there. If access to this oil is denied, oil prices will soar, inflation will climb, and western economies will be in even more jeopardy than they are today.

The principal threat to our interests in the gulf is equally clear: the Iran-Iraq war. This war is a danger in two ways. The attacks by both sides on shipping in the gulf could impede the flow of oil. A clear military victory by Iran could lead to a radicalization of the whole region and a new threat to Western access to oil.

Neither of these threats, however, is imminent. The tanker war has not resulted in a reduction, let alone a blockage, in the flow from the gulf. And, the land war between Iran and Iraq remains a stalemate.

Nevertheless, both the tanker war and the wider war between Iran and Iraq remain significant long-term threats to our interests. The issue is whether providing U.S. flags and escorts for Kuwaiti tankers will dampen the flames of the gulf war or fan them higher.

The CIA, in an analysis that the administration has ignored, has concluded that the escort plan carries a significant risk of escalating the war. Iran is likely to challenge the United States either through direct attacks on our ships in the gulf or, more likely, through terrorist incidents. In either case, there is the risk of significant American casualties.

A direct United States-Iranian confrontation would set back our interests in the gulf in several ways. First, it would raise obstacles to our diplomatic efforts in the U.N. and elsewhere to end the Iran-Iraq war. It is these efforts, not U.S. convoying of Kuwaiti tankers, that is most likely to end the war.

Second, an escalating confrontation with Iran would ensure long-term hostility between the United States and the most powerful state in the gulf. It could also reignite the waning enthusiasm of the Iranian people for their 7-year war with Iraq.

Finally, the administration constantly cites the danger of Soviet gains in the gulf if we fail to accept the Kuwaiti request to protect these tankers. But it is not in the long-term interests of Kuwait or the other Arab states in the gulf for Moscow to establish a prominient and permanent presence. The real danger of an increased Soviet role in the gulf arises from the fact that a direct United States-Iranian conflict may cause Teheran to overcome its traditional fear of Moscow and seek Soviet assistance.

In short, the administration's plan to escort Kuwaiti tankers is far more likely to undermine, than to protect, our vital interests in the gulf. I urge Congress to do all that it can to halt this policy before it starts.

THE HOLLIDAY CLAN'S STEWARDSHIP OF GALIVANTS FERRY POST OFFICE

Mr. HOLLINGS. Mr. President, in the course of American history, if there is one institution that has defined rural American it is the country post office. In villages and small towns across America, the local post office is far more than a place to pick up the daily mail. It is the central meeting place, the place where neighbors gather to talk and do business. Not surprisingly, the local postmaster is often a figure of special respect and esteem.

This great American tradition is exemplified, Mr. President, by the century of service rendered to the U.S. Post Office by the Holliday family of Galivants Ferry, SC. In the years following the Civil War, Joseph W. Holliday was selected as the first postmaster of Galivants Ferry. Legend has it that he was singled out for the honor because he was the only local resident who could read and write. He served until his death in 1904, and was succeeded as postmaster by his wife, Nettie Grissette Holliday. She, in turn, was succeeded by George J. Holliday, who served as postmaster until his death in 1941. In the 1920's, the Holliday family operated three country stores—Galivants Ferry, Aynor, and Jordanville—and each store doubled as a post office.

From 1941 until his death in 1981, Joseph W. Holliday served as postmaster. He was succeeded by John M.J. Holliday—better known as president of the Pee Dee Farms Co. On June 1 of this year, John M.J. Holliday tendered his resignation as Galivants Ferry postmaster. Thus ended a remarkable century of continuous stewardship by the Holliday family.

Mr. President, this is a most unusual record of service to community and country. On behalf of the people of South Carolina, I extend congratulations and gratitude to the entire Holliday family.

ARTHUR BURNS: IN MEMORIAM

Mr. HOLLINGS. Mr. President, I rise to salute and bid farewell to my friend Arthur Frank Burns. For three decades, he was a force to be reckoned with in this town—a man whose opinion was not only welcomed, but actively sought out, for with Arthur Burns you got not only sound advice, you got credibility.

In recent years, professional economists have given smoke and mirrors a bad name. With Arthur Burns, the only smoke was from his ubiquitous pipe. His advice was shrewd, unvarnished, and on-the-money. He was, when necessary, a blunt instrument in this citadel of safespeak. And that was refreshing.

Arthur Burns will be best remembered as a great leader of the Federal Reserve Board, a dogged defender of its political independence. For 9 years, he presided atop the sluice gates of the Nation's money supply. The skittish politicians—eyes on the next election—clamored for easy money. Arthur Burns—eyes on inflation—frequently said no. Like all great Fed chairmen, he saw it as his duty to take away the punch bowl before the parties got out of hand.

It was easy to caricature Arthur Burns as "Dr. Pain," the starchy professor all too ready to slam on the brakes and throw the economy through the windshield. But, in retrospect, he was smarter and wiser than the rest of us. If it is the politician's skill to fit the least possible ideas into the most possible words, Arthur Burns was the opposite: He was the slowest talker and faster thinker in Washington. In a city famous for its intellectual fireflies, Arthur was a 100-watt bulb that was on all the time.

Up here on Capitol Hill, Arthur Burns was accorded the deference and reverence usually reserved for Presidents. More recently, in Germany as our Ambassador from 1981 through 1985, his outspoken ways and wisdom won him great respect there as well. It is a measure of the man that this curmudgeonly old-school Republican, tutor of Ike Eisenhower in the 1950's, closed his career in the 1980's as a confidant and adviser to Helmut Schmidt, the Social Democrat.

I can assure you, Mr. President, we will miss this man. Arthur Burns served the United States—his adopted country—with consummate skill and integrity. He was a great public servant and a grand man.

HYMAN BOOKBINDER: A TRIBUTE

Mr. HOLLINGS. Mr. President, on July 6, Mr. David Harris will take up the duties of Washington representative of the American Jewish Committee. He follows a very tough act, indeed, one of the classiest acts in Washington for two decades running. Of course, I am speaking of the extraordinary Hyman Bookbinder—a superb advocate of Jewish concerns, a man who has been truly catholic in his humanitarian interests and advocacies.

Indeed, Hyman has always defined Jewishness and Judaism as a commitment to justice for all people, to peace for all people, to freedom for all people. He insists that this commitment to universal justice does not shortchange Jewish interests, but in fact protects those interests.

It is typical of the breadth of causes embraced by Hyman Bookbinder that he once had to excuse himself early from a 12:30 White House luncheon in order to join a 2 p.m. Haitian protest outside the White House gates. In recent years, he has devoted his considerable energies to, among other organizations, the President's Commission on the Status of Women, the Eleanor Roosevelt Memorial Foundation, the President's Task Force on Poverty, the President's Commission on the Holocaust, and the Pax World Peace Fund—all this in addition to his full-time job with the Jewish National Committee.

Of course, Hyman Bookbinder is best known in Washington as a passionate, dedicated fighter for Jewish interests. He takes enormous pride in the effectiveness of the American Jewish Committee, and in the hard-earned respect accorded AJC by political friend and foe alike. I will always remember Bookie's poignant rumination on what an organization like AJC might have accomplished in the Hitler era. Let me quote from one of his speeches:

> If in the late thirties and early forties we had developed the lobbying effectiveness and the coalitional bonds that we have today—the ability to muster 70 or 80 Senators, 300 or 400 Congressmen, to express their collective anguish and their collective demands when Israel is threatened or when Soviet Jewry needs special support—if we had had that kind of community capability, for example, to press Roosevelt and his White House associates to spare a single plane to bomb the railroad tracks to Auschwitz—or to open our doors to more refugees—yes, it is painful to ask, how many of those 6 million might have been spared?

Senator Howard Metzenbaum has referred to Hyman Bookbinder as the "101st Senator." That appellation, it seems to me, honors the Senate as much as it does Hyman Bookbinder.

Mr. President, I am pleased to report that Bookie's retirement from the American Jewish Committee is more accurately described as "semi-retirement." He will continue to work part time with AJC as special representative. And this, we all hope, will mean our continuing association—professional and personal—with Hyman Bookbinder. He has earned our deep respect, and we wish him the very best in his new endeavors.

IRMO HIGH SCHOOL WINS TOP HONORS IN NATIONAL SCIENCE OLYMPICS

Mr. HOLLINGS. Mr. President, it is a great pleasure, on behalf of the entire U.S. Senate, to congratulate the science team of Irmo High School in Columbia, SC, for its performance in the 1987 National Science Olympiad. The Irmo Science Team placed first in the competition, which encompassed 23 events ranging from genetics to chemistry to physics to marine biology.

Special congratulations are due to the team's science-teacher coach, Ms. Glenda George, as well as to the three Irmo students who placed first in their events: Ivanie Yeo, Ken Peters, and Allan Chong. But, truly, this was a superb overall team effort. The other 12 teammates—seniors Rodney Clark, Misty Felix, Christopher Gulledge, LanSing Hsieh, Mike Keller, Ellen Reddick, and Amy Stough; juniors Lu Carter, Paige Dickson, Steve Sansonetti, and Ravi Veeraswamy; and sophomore Amy Matthews—all did an outstanding job.

Mr. President, this victory was the culmination of countless hours of study and preparation and practice. I doubt that any athletic team prepares any harder or more intensely for competitions that does the science team. Indeed, the proof is in the pudding: the Irmo team has gone undefeated in statewide competitions for the past 3 years now.

Mr. President, all of us in South Carolina are enormously proud of Irmo High School's many achievements. I look forward to reporting to you this time next year on the school's successful defense of its championship in the 1988 Science Olympiad.

RETIREMENT OF RAYMOND E. HOOPER

Mr. HOLLINGS. Mr. President, at the end of this month, the Senate will bid farewell to Raymond E. Hooper, who is retiring as chief of the Senate staff of the Veterans' Administration's Congressional Liaison Service. Ray has been an energetic and dedicated veterans advocate for 17 years—5 years with the other body and the last 12 years with the Senate.

Ray is known and respected in all 100 Senate offices. Any veterans caseworker will readily testify to his mastery of veterans issues and his commitment to the welfare of veterans. Ray has never hesitated to go the extra mile in response to a request from my staff—something I appreciate very much.

Ray Hooper is a model civil servant, a model public servant. I'm sure I speak for the entire Senate in wishing him a long and happy retirement. We will miss him.

HENRY WENDT ON TRADE DEFICIT

Mr. HEINZ. Mr. President, I recently received a copy of a speech delivered by Henry Wendt, the chairman and chief executive officer of SmithKline Beckman Corp., at the International Monetary Conference on June 16, 1987. While not everyone will agree with all of Mr. Wendt's proposals to restructure our national ecomomy, he does offer an insightful explanation of the present U.S. trade deficit. I urge all my colleagues to study his comments, which are especially timely as we debate the merits of trade legislation.

Mr. Wendt concludes that an exclusive focus on trade policy to correct the U.S. trade imbalance is to miss the essential point. He argues that insufficient savings and over consumption are behind the huge current account deficits. He also discusses something about which I have spoken on many occasions—reliance on the incredible skrinking dollar to solve our balance and competitiveness problems will just not work. He recognizes the seriousness of our trade position and the real need to do something about it.

I ask unanimous consent that the text of his speech be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks by Henry Wendt, Chairman and Chief Executive Officer, SmithKline Beckman Corp., International Monetary Conference

Thank you, Mrs. Hardy [Mrs. Chandra Hardy, Senior Economist, The World Bank, moderator of panel].

My topic is world trade, and specifically the U.S. trade deficit, which as everyone here knows has become the subject to seemingly tireless discussion.

The deficit has explored nearly five-fold over the last four years—from $36 billion in 1982 to $170 billion last year. In the category of high technology goods alone the U.S. last year recorded its first deficit since that category was invented in the 1960s.

On the financial side, the United States has moved from a net exporter of capital as recently as 1981 to the largest net importer of capital the world has ever known. Our current rate of national borrowing, about $140 billion per year, has transformed us into the "black hole" of world savings.

Yet the fundamentals underlying our trade deficit are much simpler than we often like to think. American runs a trade deficit because it purchases and consumes, more than it produces. By systematically suppressing its national rate of savings, the United States during the 1980s has transformed itself into a structural-deficit economy. Which means that at no stage of the business cycle can we generate the amount of savings necessary for minimal investment at home.

During 1986, in fact, fully half of our entire investment in housing and in business plant and equipment would not have occurred without dollars saved and invested here by other nationals.

Much of the debate over trade policy, especially as it resounds in Washington, neglects an elementary fact about our balance of payments. Dollars that flow abroad when we purchase imports tend to flow back, either to purchase our goods and services or to purchase our IOUs. During the 1980s, Americans decided that our biggest export should be IOUs. In 1986 we sold foreigners a total of $147 billion worth of marketable financial and real assets, everything from stocks, T-bills, and corporate bonds to bank balances, businesses and land. The resulting sale of assets in the United States is the flip side of our trade deficit.

Thus an exclusive focus on trade policy to correct the U.S. trade imbalance is to miss the essential point. Not only because protectionism hurts the consumer and invites foreign retaliation, but also because it cannot quell the American thirst for the savings of other countries. The trade deficit is a symptom of an economy driven by excessive consumption.

Some have suggested that external savings have been forced into U.S. credit markets by a deliberate policy of slow growth and high savings in other national economies. The data do not support that claim. Since 1979, real GNP growth among the other Big Six industrial nations and the United States has been nearly identical. In the United States, growth has been primarily due to more workers; abroad, it has been primarily due to more productivity per worker.

From the 1970s to the 1980s, moreover, net savings rates in the Big Six have remained essentially unchanged at about 10.6 percent of GNP. But in the United States they have fallen from an average of 8.1 percent of GNP in the 1970s to an average of 4.0 percent of GNP in the 1980s.

It would be nice to think that other nationals are sending us their savings because they regard us as a hotbed of economic growth. But the fact is that both U.S. productivity growth rates and U.S. investment rates (even after borrowing) currently lag behind those of every other industrial nation.

Insufficient savings and over-consumption are the fundamental dynamics behind America's huge current-account deficits. Why do Americans have such a poor savings performance?

Federal budget deficits are a big part of the explanation. In 1986, for example, the U.S. Treasury's sale of $230 billion worth of federal bonds effectively absorbed over 70 percent of the savings generated by every other sector of the economy. Had the U.S. federal budget been balanced, we could have achieved a higher rate of domestic investment (though still not on par with the 1970s) without any external borrowing.

Yet federal budgets aren't the sole explanation. Private-sector savings rates have also fallen since the 1970s. Indeed, the U.S. personal savings rate in 1986 has fallen to the lowest level in 40 years.

Then there is the role played by continuing stagnation in productivity. When growth in product per worker is disappointingly slow—as it has been in the Eighties—the deferral of consumption in favor of savings becomes painful.

During the 1980s, real U.S. consumption per worker has risen by $3,100, a yearly rate that is nearly as steep as in the 1960s. But only $950 of this extra yearly consumption has been paid for by growth in real product for each U.S. worker.

The other $2,150 has come from cuts in domestic investment and from a deepening river of debt. Our underlying growth rate in product per worker is a mere 20 percent of what it was in the 1960s and only 60 percent of what it was in the 1970s.

What does this phenomenon suggest for the future? What is our destination?

On the one hand, it seems unlikely that the rest of the world will want to remain investors in the United States once our indebtedness rises to nearly 25 percent of GNP, or about $1 trillion at today's prices. In terms of debt-service to export ratio, after all, that would put America at about the same level as many of the lesser developed country debtors.

It is therefore manifestly impossible for the United States to go on much longer borrowing principal at or near its current pace of about 3.4 percent of GNP per year. Such a course would lead to an absurd $3 trillion in debt by the end of the century. External investors would close down the pipeline long before we got there.

On the other hand, it is practically inevitable that U.S. external debt will reach the $1 trillion mark by the early 1990s no matter how vigorously we act to stem the inflow. There are practical limits to the speed at which the United States can generate exports and curtail consumption.

We must redirect and restructure our economy. The most important conclusion, however, is that this is an American problem—red, white and blue—not the result of a malicious act by our trading partners. The solution, therefore, must be "made in the U.S.A."

An increase in exports will help. Aided by a weaker dollar, exports are rising but they cannot close the gap. We have lost to improved agricultural productivity many of the markets for our farm products and our manufacturing exports would have to grow at more than 10 percent per annum for a full decade to balance the books.

A 10 percent real growth rate in manufacturing exports would be better than the rate we achieve during the 1970s, a golden age for world commerce, when U.S. exports expanded at their highest real rate in the twentieth century.

The Reagan administration insists that higher rates of domestic economic growth abroad—particularly in what are viewed as the stagnant-demand economies of West Germany and Japan—will solve America's problem. I cannot agree.

Hardly anyone expects that the sustainable growth rate in other national domestic economies can possibly be raised by more than 2 percent. In the best of all possible worlds, therefore, the United States might get a 2 percent yearly increase in exports—far short of the 10 percent yearly increase that is needed.

What about the effect of the weaker dollar?

Current forecasts by the IMF and OECD suggest that even further declines in the dollar are unlikely to push the U.S. current account deficit much below $100 billion over the next few years.

We must then ask: To what extent will fiscal and monetary policies in the rest of the world accept an even weaker dollar? And nearly all economists have been humbled by their overstatement of the extent to which world trade balances would adjust to changes in exchange rates.

We should keep in mind that the dollar has dropped in value primarily against the Deutschmark and the Yen but not much against the currencies of many of our very important trading partners. The decline has been extremely unequal.

Also, we must keep in mind the recent warning of Chairman Volcker: "History is littered," he said, "with examples of countries that acted as if currency depreciation alone could substitute for other actions to restore balance and competitiveness."

Clearly, we are approaching a horizon. In business, the dollar has now reached the point where further declines place everything for sale in this country at fire-sale prices.

In finance, we have also entered a danger zone, where further dollar declines are likely to be accompanied not, as in the past, by lower interest rates, but by higher interest rates. This presents the Fed with a no-win choice between protecting the dollar by tightening credit or risking hyperinflation as the dollar continues to fall. It will also present U.S. creditors with losses in bond-market values and will greatly distress the banking system. If credit isn't tightened, the preconditions for a dollar-dump panic and hyperinflation may move into place.

Of course, we all agree on the following steps:

We must improve our savings rate.

We must reduce the federal budget by reducing federal spending.

We must continue our work to open markets to our products.

We must defend our intellectual property rights both at home and abroad by supporting the next GATT round and the work that has been done already through GATT to guarantee the protection of intellectual property rights. Intellectual property rights are the trump card in the U.S. economic hand, and we must play that card during the current GATT negotiations.

We must coordinate macroeconomic policy.

We must find ways to stabilize exchange rates.

But as I suggested earlier in this talk, the hole in which we find ourselves is so deep that even in the most optimistic of scenarios we may not be able to climb out of it without more drastic action—action to redirect and restructure our national economy.

So finally and with the greatest reluctance—and recognizing that we must strike at the core of the problem—excess consumption—we are required to consider domestic tax policy. A national sales tax with exemptions for export and for a period of time a surcharge on imports are necessary to reorient our economy away from its present exaggerated consumption-driven structure.

These painful steps are necessary to redirect the U.S. economy toward improved productivity and capital formation, just as the Japanese must, as the Maekawa Commission reports, reorient their economy away from an excessive export-driven structure. A national sales tax *and* an import surcharge will help the people of the United States make that necessary adjustment.

An import surcharge is contemplated under GATT, although there is some controversy about conditions permitting its use. It has these advantages to the U.S.A.:

A. The revenue goes to government and helps to reduce the federal budget deficit. Along with the revenue raised by a national sales tax, these funds will reverse the tide now running toward a $1 trillion national debt.

B. It will help reorient the general economy away from excessive consumption.

C. It will help stabilize the financial markets and lower interest rates.

D. It is nondiscriminatory both with respect to country of origin and economic sector in contrast to the present policy, which seems to be almost randomly selective with respect to symbolic targets. One month it's cedar shingles from Canada with the next month it's $300 million of microchips from Japan. Neither of these little tempests will change the course of events one iota.

All people of good faith regard an import surcharge as a draconian measure to be considered only in a court of last resort. But, ladies and gentlemen, we *are* in a court of last resort. We have run out of time and options. We must reorient our economy in a way that will correct the problem—our problem. A surcharge on imports, coupled with a national sales tax, although a drastic solution, will put us back on the road toward a strong economy properly balancing consumption and production.

Thank you, Mrs. Hardy.

STEEL POLICIES OF OTHER NATIONS

Mr. HEINZ. Mr. President, I want to recognize the thoughtful comments recently presented by Walter F. Williams, the chairman and chief executive officer of Bethlehem Steel Corp., at the annual general meeting of the American Iron & Steel Institute on May 20, 1987. While not everyone will agree with all of Mr. Williams' conclusions, his speech, entitled "Steel Policies of Other Nations," makes very insightful points and I urge my colleagues to review it carefully.

Mr. Williams discusses the problem of overcapacity in the steel industry and the inability of steel producing nations to adjust to new realities. Instead, these countries are more concerned with retaining jobs and excess capacity than with downsizing and restructuring their steel industry. He points out that the United States is way ahead of other developed countries in cutting capacity and facing the hard facts about the size of the industry, but at the same time, the U.S. market has suffered the greatest harm.

I ask unanimous consent that the text of the speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

STEEL POLICIES OF OTHER NATIONS

(Presentation by W.F. Williams, AISI Press Briefing)

I am sure that all of you here are aware that one of the greatest problems facing steel producers throughout the world is chronic global overcapacity. No matter where you look, there is just too much supply chasing after today's steel demand. The effects of such a mismatch are apparent in that the financial results of the world's steel producers are totally unsatisfactory. In that regard, don't be deceived by the improved financial results of domestic steel producers in early 1987—the structural problems of the industry still persist and must be corrected before a lasting recovery can get underway.

The problem of overcapacity is not new. Steel production in the developed countries of the world peaked back in 1974. In the 13 years since then, we have seen a lot of changes:

The slowing of capital spending worldwide,

The downsizing of automobiles,

The more efficient use of improved steels,

And, working in the other direction, the rapid growth of steel capacity in third world countries.

All these events have steadfastly pointed to the fact that future production needs, at least in developed countries, were likely to be substantially less than during the 1974 peak.

You would think that 13 years would be sufficient time for steel producing nations to adjust to new realities. But, that has not been the case! In light of clear evidence of declining steel production requirements, how has the normal equilibrium of supply and demand gotten so far out of balance? And, furthermore, what policies have made the problem worse?

For the answer, you don't have to look much beyond the headlines of the past year.

In France, the government again converted its previous loans to Sacilor and Usinor into equity—this time the conversion was worth $7.5 billion. That's a pretty good deal! This means that the government of France wiped out the loans, and thereby eliminated the steel companies' interest payments and strengthened their balance sheets. I might add—this benefit is to two companies that lost over $500 million in 1986.

In Brazil the government actions were double barreled. First, Siderbras transferred $12 billion of steel company debt to the government. This huge assistance went to an industry that only produced 30 percent of the tonnage of the U.S. industry last year. On a comparable basis—if we got the same help—the U.S. industry's figure would be about $40 billion. Second, in the same year, a new strategic plan was unveiled to double Brazil's steel production by the year 2000.

As far as broad government intervention is concerned, the European Community is "Exhibit A."

Even the West Germans are complaining about subsidies—pointing out that steel producers in France, Italy, and Belgium lost $2.2 billion in 1986—and yet subsidization continues beyond the end of the 1985 deadline! A case in point is a proposed $1.5 billion loan to Italy's national steel company.

In total, an estimated $38 billion in some type of subsidy has been granted to European Community producers between 1980 and the end of 1985.

Those examples are indicative of the financial decisions being made by foreign governments to support steel operations which are exporting significant quantities of steel to our markets while maintaining employment at home.

In addition, beyond government ownership and subsidies, the European Community has employed a wide range of techniques to shelter its steel market in recent years, such as:

Production quotas

Price controls

Import agreements with price, volume and other regulatory features, and

Investment controls.

The end result is a relatively high-cost steel-producing region that is still dependent on exporting to the rest of the world. Their exports in 1985 were essentially the same as they were eleven years earlier in the boom year of 1974! The extent of downsizing by the European Community over the years only reflects their own reduced home demand!

For the European Community, the tens of billions of dollars of subsidies—a figure well in excess of $40 billion to date—have, to a great extent, been misspent! The Europeans are not low-cost world-steel suppliers, nor, do we believe, they ever will be. Their steel producers have been too insulated from world events by the maze of controls within which they have been operating. Too much has been spent on maintaining steel jobs and excess capacity—not enough on hard-headed downsizing and restructuring.

If we look at the situation in Japan, we see many of the same problems. Japan only now appears to be taking some significant steps in steel restructuring, but that's about a dozen years too late. Japan found itself with a far outsized steel industry years ago and has tried to maintain it ever since. Between 1974 and 1985 (the latest year for which we have data), Japan's steel exports declined only a marginal two percent. And that doesn't include the steel in all the autos, trucks and machinery the Japanese are now pumping into the rest of the world.

Japan's steel imports are still less than 10 percent of their exports. And, as to autos, I see from the Wall Street Journal that not even one of Korea's highly-touted new cars, the Hyundai, was imported into Japan last year (that was down from "1" in 1985). So much for open markets in Japan!

The restructuring of Japan's steel industry is likely to be painful and expensive—and it is likely to continue for many years, but it can't come too soon for the relief of all other steel-producing nations in the Free World.

Because of time limitations, I won't go into detail on the vast sums that have been poorly invested in third-world steel capacity over the last thirteen years. In country after country with debt problems, large investments in unprofitable steel mills—operations which now must be run for exports to earn foreign exchange—are part of the problem. Based on expansion plans that have recently been announced by countries like Brazil and Mexico, we haven't seen the end of the problem.

That brings us to the United States where steel production has been reduced 45 percent since 1974 (compared to 28 percent in the European Community and 16 percent in Japan) while imports have soared and exports have collapsed. The United States is way ahead of other developed countries in cutting capacity and facing the hard facts about the proper size of its steel industry. On the other hand, the U.S. market has suffered the greatest harm by the surge of import penetration.

The overcapacity problems of other steel-producing nations have already badly damaged the American steel industry. Future adjustments must be distributed more equitably. As a nation, we must insist that our trading partners downsize appropriately and until that has been accomplished, the President's Steel Program must be enforced and extended!

One final note. The domestic downsizing undertaken by the domestic industry has incurred enormous liabilities, a subject which is being thoroughly studied by President Reagan's EPC Steel Task Force. We commend the President, Secretary Baker, and Under Secretary Smart, for this study, and we very much need and deserve government support in the industry's restructuring problems during this transition period.

GENERAL P.X. KELLEY, RETIRING COMMANDANT OF THE MARINE CORPS

Mr. GLENN. Mr. President, today marks the changing of the watch at the helm of the Marine Corps as a new Commandant is sworn in. It is only fitting on this occasion that we recognize the exceptional officer who has led the corps these past 4 years—the 28th Commandant of the Marine Corps, Gen. Paul X. Kelley.

That the Marine Corps has had some difficult times over these 4 years is undeniable. But throughout the extraordinary challenges that he has faced, P.X. Kelley has displayed firm leadership and resolve, a leadership characterized by his willingness and ability to confront these problems head on and to push toward a successful resolution.

Early in his tour as Commandant, General Kelley established as one of his primary objectives the need to ensure a heightened combat effectiveness of the individual marine, and through him a heightened combat effectiveness of the corps as a whole. This translated to a need not only for improved training and more modern equipment, but also an improved quality of life for the men and women of the corps and their families. By any assessment, General Kelley has succeeded admirably in meeting this objective, an accomplishment that will be of lasting benefit to the corps.

I would be remiss if I did not also specifically recognize the major influence General Kelley has had in outfitting the corps with modern weaponry. The very positive effect of the many hardware procurement programs that he initiated will be felt not only into the 1990's, but, indeed, well into the 21st century. This new weaponry and equipment will give marines substantially improved firepower and mobility, both critical factors on the battlefield.

Overall, General Kelley's well-conceived and admirably executed program of modernization of the corps has resulted in the most combat ready Marine Corps in our Nation's peacetime history. And, after all, combat capability—the ability to take on an enemy and win—is the only true measure of the worth of a fighting organization. General Kelley's legacy to the country will be a Marine Corps fully capable of doing exactly that—fighting and winning on the modern battlefield.

So P.X., as you relinquish command of your beloved corps today, may I speak for all of your many admirers and offer you a hearty Bravo Zulu—well done. May you and Barbara have fair winds and a following sea in your well-deserved retirement.

Mr. President, at this point I ask unanimous consent to have printed in the Record the official Marine Corps biography of General Kelley.

There being no objection, the biography was ordered to be printed in the Record, as follows:

General Paul X. Kelley, USMC

General Paul X. Kelley is the Commandant of the Marine Corps, Headquarters Marine Corps, Washington, D.C.

General Kelley was born on November 11, 1928, in Boston, Mass. He graduated from Villanova University with a B.S. degree in Economics and was commissioned a Marine second lieutenant in June 1950.

In March 1951, after completing instruction at The Basic School, Quantico, VA., he served consecutively as a platoon leader, assistant battalion operations officer and assistant division training officer with the 2d Marine Division, Camp Lejeune, N.C. He was transferred to the USS SALEM, Flagship of the 6th Fleet, during September 1952, serving as the Executive Officer and then the Commanding Officer of the Marine Detachment for a period of 20 months. He was promoted to captain on Dec. 16, 1953.

He was ordered to Camp Pendleton, Calif., in July 1954, where he served as a battalion executive officer with the 1st Infantry Training Regiment. Transferred to Japan in February 1955, he served as the Division Training Officer, 3d Marine Division. From August 1955 to June 1956, he served as the Aide-de-Camp to the Deputy Commanding General, and then as Assistant Force Training Officer Fleet Marine Force, Pacific, in Hawaii.

Returning to the U.S. in July 1956, General Kelley became the Special Assistant to the Director of Personnel at Headquarters Marine Corps, Wahington, D.C., until December 1957. Following his assignment in Washington, he completed the Airborne Pathfinder School at Ft. Benning, GA. In February 1958, he was assigned to the newly activated 2d Force Reconnaissance Company, Force Troops, Fleet Marine Force, Atlantic, Camp Lejeune, where he served as the Executive Officer and then Commanding Officer.

From September 1960 to May 1961, he was the U.S. Marine Corps Exchange Officer with the British Royal Marines. During this tour he attended the Commando Course in England, served as Assistant Operations Officer with 45 Commando in Aden, and as Commander "C" Troop, 42 Commando in Singapore, Malaya and Borneo. On March 1, 1961, he was promoted to major.

He was assigned to Marine Corps Schools, Quantico, in July 1961, and served there as a tactics phase chief at The Basic School; and then Reconnaissance and Surveillance Officer at the Marine Corps Landing Force Development Center.

In June 1964, he assumed duties as Commanding Officer, Marine Barracks, Newport, R.I. He remained at that post until August 1965, when he was transferred to Vietnam and reported to the 3d Marine Amphibious Force, FMF, Pacific, as the Combat Intelligence Officer. Following this assignment, he served as the Commanding Officer, 2d Battalion, 4th Marine Regiment in Vietnam. He was promoted to lieutenant colonel on January 20, 1966. During this tour as battalion commander, he earned the Silver Star Medal, the Legion of Merit with Combat "V" and two awards of the Bronze Star Medal with Combat "V".

From Vietnam, he proceeded to the U.S. Army Infantry School at Ft. Benning, where he served from August 1966 to July 1968, as the Senior Marine Corps Representative of the Commandant of the Marine Corps. He then attended the Air War College, Maxwell Air Force Base, Ala., graduating as a "Distinguished Graduate" in May 1969. For his excellence in politico-military strategy while a student at the Air War College, the Board of Trustees of the National Geographic Society elected him a life member.

He returned to Headquarters Marine Corps in June 1969, as the Military Assistant to the Assistant Commandant. He was promoted to colonel on April 1, 1970, and in June 1970 was reassigned to Vietnam where he commanded the 1st Marine Regiment, 1st Marine Division. General Kelley redeployed the regiment, the last Marine ground combat unit to leave Vietnam, to Camp Pendleton, Calif., in May 1971. During his second tour in Vietnam, he was awarded a second Legion of Merit with Combat "V".

Reassigned to the Washington area in July 1971, General Kelley served as the Chief, Southeast Asia Branch, Plans and Policy Directorate, Organization of the Joint Chiefs of Staff, where he remained until November 1973, when he was assigned as the Executive Assistant to the Director, Joint Staff. Upon completion of this tour he was awarded a third Legion of Merit.

Following his promotion to brigadier general on August 6, 1974, he was assigned as the Commanding General, 4th Marine Division.

In June 1975, General Kelley was ordered to the Marine Corps Development and Education Command, at Quantico, where he assumed the duties as Director, Development Center. He then assumed duties as Director, Education Center and was advanced to the grade of major general on June 29, 1976.

In May 1978, General Kelley was ordered to Headquarters Marine Corps, where he became Deputy Chief of Staff for Requirements and Programs.

On February 4, 1980, General Kelley was promoted to lieutenant general and appointed by the President as the first Commander of the Rapid Deployment Joint Task Force, (renamed the United States Central Command (USCENTCOM) in January 1983), a four service force with headquarters at MacDill AFB, Tampa, Florida.

General Kelley was promoted to the rank of general and assumed duties as Assistant Commandant of the Marine Corps and Chief of Staff on July 1, 1981. He assumed his present office as Commandant of the Marine Corps on July 1, 1983.

General Kelley's personal decorations and awards include: the Distinguished Service Medal; the Silver Star Medal; Legion of Merit with Combat "V" and-two gold stars in lieu of second and third awards; the Bronze Star Medal with Combat "V" and a gold star in lieu of a second award; the Joint Service Commendation Medal; Navy Commendation Medal; and the Army Commendation Medal. He is a Marine Corps Parachutist and U.S. Army Master Parachutist.

General Kelley has been awarded honorary doctoral degrees from Villanova University, Norwich University, Webster University, Jacksonville University, and the United States Sports Academy.

General Kelley and his wife, the former Barbara Adams of Fall River, Mass., have a daughter, Mrs. John Cimko.

THE NEED FOR ECONOMIC INDEPENDENCE

Mr. BYRD. Mr. President, on Friday, July 3, the President is scheduled to deliver an address that the White House says will call for an economic bill of rights. Reportedly among those rights will be a balanced budget amendment to the Constitution and more power for the President in the form of a line-item veto.

But what the American people really need is not a speech in front of the Jefferson Memorial filled with shopworn ideas and wrapped in patriotic bunting. What this country needs is a declaration of independence—independence from the Reagan deficits, independence from the Reagan debt.

We all know what the problem is. It is an unbroken string of triple digit deficits since 1981. It is $1.3 trillion in additional public debt. And it is spending the equivalent of 37 cents out of every income tax dollar paid by working men and women just to service that mountain of debt.

We also know what the solution is. It is a budget that makes the tough choices of reducing spending and increasing revenues. It is a budget that prepares for America's future. It is a budget that keeps us the bulwark of democracy in the free world.

Unfortunately, the President has a different view. He speaks of the progress of the past 6 years as if the deficits do not exist. As if someone else were in the Oval Office since January 1981.

Ignoring the problem will not make it go away. We cannot stick our heads in the sand and expect the deficits to be gone when we pull it out. Part of the responsibility of leadership is facing problems squarely, leveling with the American people, and working together on the solutions. The Congress has demonstrated its leadership on the budget issue. Unfortunately, the President, so far, has abdicated his.

Mr. President, those of us who have an opportunity to view the National Archives Building on the way to work in the mornings are reminded by a saying carved into its granite walls that "The Past is Prologue." That is especially true of our budget situation. Unless we change our fiscal course, the deficits will continue, the debt will mount, and the debt service costs will squeeze more and more worthwhile programs out of the budget.

Earlier this year, the President said he would not sit down with Congress until we produced a budget. Mr. President, we have done that. As each Member knows, that was not easy. It had to be done without the cooperation of Members on the other side of the aisle. That is certainly their right. But it has not made the job any easier.

Now that we have a Democratic budget, I hope that the President will follow through on his commitment and sit down with us. Unless we have the cooperation of the President in reducing the deficit, triple digit deficts will continue and there is little hope of getting on the glide path to a balanced budget until January 1989.

The debate over the budget and the deficit is really a debate about the future. What kind of Nation will we leave to our children? Some may have us prepare for the future by ignoring it. But we cannot ignore the need to improve education, health, and job training programs that will lead to a more productive work force, or ignore the need for more support of scientific research to help restore our competitiveness in international markets.

With Independence Day soon upon us, we should take time to reflect on the legacy of our Founding Fathers and what we must do today, and tomorrow, and the day after, to maintain it. We all share a responsibility to present to our children a better nation than we inherited from our parents.

I hope that the President's speech Friday will recognize that we do not have an economic right—indeed any right—to saddle future generations with a mountain of debt. Yet, that is what has happened the past 6 years. If the President is serious about his economic bill of rights, he should sit down with the Congress and work with us on the real solution to our deficit crisis.

SENATOR FORD WINS A DIPLOMA FROM THE "UNIVERSITY OF HARD KNOCKS"

Mr. BYRD. Mr. President, throughout its history, West Virginia has boasted a fair share of colorful and creative intellects.

One of the most distinguished of those current is Mr. James Comstock of Richwood, WV, the county seat of rugged, timber-rich, and beautiful Nicholas County.

Jim Comstock lays just claim to a number of ongoing, sometimes witty enterprises, not the least of which is his well-known newspaper, the West Virginia Hillbilly. The Hillbilly is an amalgam of sometimes irreverent humor, compelling folk history, West Virginiana, and often incisive commentary. Above all, Jim Comstock's Hillbilly is never boring.

Jim Comstock has for several years been identified with another endeavor, one that has involved some of our own Senate colleagues.

That is the "University of Hard Knocks."

Annually for 30 years, good old "UHK" has awarded degrees to men and women from all walks, all of whom have achieved some measure of success and notability, usually without benefit of any other academic recognition.

The brainchild of Jim Comstock, "The University of Hard Knocks, Incorporated," awards its honors on the campus of Alderson-Broaddus College in Philippi, WV.

To date, between 600 and 700 Americans have been granted UHK degrees, including Senator Barry Goldwater and Senator JESSE HELMS. UHK graduates do not wear caps and gowns during the award ceremonies, but they do receive diplomas, each sealed with Band-Aids and graciously delivered by Senator Jennings Randolph.

Incidentally, dear old UHK's colors are black and blue, a combination originally suggested to Mr. Comstock by Senator Randolph.

Among the "University of Hard Knocks" distinguished 1987 graduates was our own Senator WENDELL FORD. On June 15, Senator FORD was also honored as this year's UHK's commencement speaker.

Senator FORD delivered an address full of practical wisdom and Kentucky insight.

I ask that Senator FORD's commencement remarks to the alumni and graduates of the "University of Hard Knocks" be included in the RECORD.

REMARKS BY SENATOR FORD, UNIVERSITY OF HARD KNOCKS, PHILIPPI, WEST VIRGINIA, JUNE 13, 1987

It is a great honor for me to finally receive a degree from this school I've been attending for as long as I can remember—the University of Hard Knocks. And it makes me even happier to be named president of this distinguished class. I accepted your invitation as soon as I found out that I could become president of something without worrying about campaign finances.

As I reflect on this honor, my mind drifts back to Yellow Creek in Daviess County, KY, where my education began and where I had an excellent opportunity to learn by trial and error. I never completed my formal education at a regular university, although I always wanted to. And I guess that has something to do with why I'm here today with this distinguished group of Americans who have learned a lot of things the hard way on the long road to success—and to this belated graduation ceremony. It really does take a long time, a lot of hard work and sometimes a lot of pain and sacrifice to earn a degree from this university.

That general idea holds true, I think, whether we are talking about individuals, institutions or places. And I am thinking now about Kentucky and how it has struggled for hope and progress and how I came to offer myself as one of its stewards.

If the University of Hard Knocks gave degrees to states, I would be the first to nominate Kentucky. We haven't always had quite the level of business and industry and education that some other States have had. But we have caring people of spirit, determination and character, and we keep making progress.

I have no doubt that our hosts with Alderson-Broaddus College and also with the University of Hard Knocks, which I am told will put our names in the West Virginia Hillbilly, have similar feelings about West Virginia.

I understand their feelings because we live in adjoining States that have a certain kinship. And I'm sure that West Virginians will know exactly what I mean when I say that my inspiration has always been Kentucky. They will know that my love of Kentucky goes back to Yellow Creek, which runs through Thruston, which isn't far from Owensboro, which isn't much more than 100 miles from Louisville, which I'm sure everyone has heard of.

As a boy, I sometimes went around the countryside with my grandfather, who was a farm manager for a local bank. Farmers were losing their land in the depression, and I learned a lot about quiet suffering and hope and pride from them. Many of them did get their farms back when the depression was over. And that taught us the value of perseverance—a lesson that we might put to good use in the current farm recession.

Yellow Creek also is where I got my first lessons in politics. I learned about the aggravation of public life as I watched constituents come to my father, who was a State senator, with complaints and requests of every kind. Some would even come to him with confusing government forms they had to fill out. But I eventually learned that it wasn't really aggravation. It was an essential part of the business of leadership because it had to do with knowing and understanding and caring about people.

Still I didn't decide to go into politics until I had spent some time attending the University of Kentucky, serving in the Army, farming, and working in my family's small business—an insurance agency. The best thing I did was to marry my wife, Jean, and start our family in Daviess County, which we will always call home. And probably the next best thing was becoming an active member of the Jaycees, a group that greatly increased my appreciation of the value of leadership and community spirit.

There were a lot of things that our community didn't have in those days. But we learned to go out and get them. I remember getting up at four in the morning to squeeze in some time disking the greens and building the fairways of a golf course we were building as a Jaycess project. If we needed a community building, we got together to put one up. If we needed a fire truck or a sewer system, we found out how to float a bond issue.

It wasn't long before I had the opportunity to help organize Jaycee chapters in many other parts of Kentucky. A person engaged in that activity almost had to learn something about the concerns and aspirations of his State. And it was that experience, as much as any other, that led me into politics and helped guide my approach to the problems of farmers, coal miners, small businessmen, and other Kentuckians.

I would like to think that this background has served me well. I have won elections as an underdog from Yellow Creek and as a frontrunner. I was highly honored when they put a historical marker in front of my boyhood home at Yellow Creek. But I did notice that the property hadn't appreciated all that much when someone auctioned it off early this year for $15,000.

Be that as it may, I know that there is much to be said for the University of Hard Knocks. Your rollcall of graduates over the years has been truly impressive. The entrepreneurial spirit, independence, and toughmindedness of self-made industrialists, businessmen, government leaders, and others are ingrained in our national heritage.

Still I have regretted the fact that I never found the time to finish college. I sincerely believe that education is the key to our Nation's future. In the next generation, as many as half of today's jobs could be replaced by new ones. Our ability to govern ourselves and survive in a high-technology world clearly depends on the applied intelligence of an informed citizenry.

We really need the best of both worlds—the strength and wisdom of self-made leaders like those in this audience and the academic knowledge and skill of our most highly educated citizens. Bringing these elements together might require an improved educational system, with a revival of our deepest human values, and other difficult changes. But I am convinced of two things—that we can reach our national goals and that there is no place better than right here to make a fresh start on that journey.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on the Judiciary.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 5:25 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 176. A act to provide for the uniform disclosure of the rate of interest which are payable on savings accounts, and for other purposes;

H.R. 1504. An act to provide for improvements in veterans' employment and education programs; and

H.R. 2327. An act to amend title 38, United States Code, to ensure eligibility of certain individuals for beneficiary travel benefits when traveling to Veterans' Administration medical facilities.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 125. Concurrent resolution authorizing the printing of the revised edition of the pamphlet entitled "The Constitution of the United States of America";

H. Con. Res. 141. Concurrent resolution regarding the promotion of democracy and security in the Republic of Korea; and

H. Con. Res. 154. Concurrent resolution providing for an adjournment of the House from July 1 to July 7, 1987, and a recess of the Senate from July 1 or 2, to July 7, 1987.

ENROLLED JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker has signed the following enrolled joint resolutions:

S.J. Res. 15. Joint resolution designating the month of November 1987 as "National Alzheimer's Disease Month"; and

S.J. Res. 51. Joint resolution to designate the period commencing on July 27, 1987, and ending on August 2, 1987, as "National Czech American Heritage Week".

The enrolled joint resolutions were subsequently signed by the President pro tempore [Mr. STENNIS].

At 6:50 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has agreed to the following concurrent resolution:

H. Con. Res. 155. Concurrent resolution correcting the enrollment of H.R. 1827.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

At 7:50 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill and joint resolution:

H.R. 2480. An act to extend temporarily the governing international fishery agreement between the United States and the Republic of Korea, and for other purposes; and

S.J. Res. 75. Joint resolution to designate the week of August 2, 1987, through August 8, 1987, as "National Podiatric Medicine Week".

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 176. An act to provide for the uniform disclosure of the rates of interest which are payable on savings accounts, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 1504. An act to provide for improvements in veterans' employment and education programs; to the Committee on Veterans' Affairs.

H.R. 2327. An act to amend title 38, United States Code, to ensure eligibility of certain individuals for beneficiary travel benefits when traveling to Veterans' Administration medical facilities; to the Committee on Veterans' Affairs.

The following concurrent resolutions were read, and referred as indicated:

H. Con. Res. 125. A concurrent resolution authorizing the printing of the revised edition of the pamphlet entitled "The Constitution of the United States of America"; to the Committee on Rules and Administration.

H. Con. Res. 141. A concurrent resolution regarding the promotion of democracy and security in the Republic of Korea; to the Committee on Foreign Relations.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The PRESIDENT pro tempore [Mr. STENNIS] reported that on today he had signed the following enrolled bills and joint resolutions previously signed by the Speaker of the House of Representatives:

H.R. 626. An act to provide for the conveyance of certain public lands in Cherokee, De Kalb, and Etowah Counties, Alabama, and for other purposes;

H.R. 2166. An act to amend the Small Business Act and the Small Business Investment Act of 1958;

S.J. Res. 117. Joint resolution designating July 2, 1987, as "National Literacy Day"; and

H.J. Res. 181. Joint resolution commemorating the bicentennial of the Northwest Ordinance of 1787.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 1, 1987, he had presented to the President the following enrolled joint resolution:

S.J. Res. 117. Joint resolution designating July 2, 1987, as "National Literacy Day".

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with an amendment and an amendment to the title:

S. 828: A bill to provide authorization of appropriations for activities of the National Telecommunications and Information Administration (Rept. No. 100-93).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1198: A bill to authorize a certificate of documentation for the vessel F/V Creole (Rept. No. 100-94).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 1047: A bill to modify section 301 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, and for other purposes (Rept. No. 100-95).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

H.R. 317: A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Merced River in California as a component of the National Wild and Scenic Rivers System (Rept. No. 100-96).

H.R. 921: A bill to require the Secretary of the Interior to conduct a study to determine the appropriate minimum altitude for aircraft flying over National Park System units (Rept. No. 100-97).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1459: A bill to authorize appropriations for the Coast Guard for fiscal years 1988 and 1989, and for other purposes (Rept. No. 100-98).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 1184: A bill to amend the Airport and Airway Improvement Act of 1982 to improve the safety and efficiency of air travel, and for other purposes (Rept. No. 100-99).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, without amendment:

S. Res. 242: An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1184.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

Carolyn L. Vash, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989;

Theresa Lennon Gardner, of the District of Columbia, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989;

Harry J. Sutcliffe, of New York, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989;

Sandra Swift Parrino, of New York, to be a member of the National Council on the Handicapped for a term expiring September 30, 1989;

Alvis Kent, Waldrep, Jr., of Texas, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989;

Leslie Lenkowsky, of New York, to be a member of the National Council on the Handicapped for the remainder of a term expiring September 17, 1987, and for a term expiring September 17, 1990;

Joni Tada, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1988;

Beryl Dorsett, of New York, to be Assistant Secretary for Elementary and Secondary Education, Department of Education;

Jean Vaughan Smith, of California, to be a member of the National Council on the Humanities for the remainder of the term expiring January 26, 1990; and

Legree S. Daniels, of Pennsylvania, to be Assistant Secretary for Civil Rights, Department of Education.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GLENN

S. 1458. A bill to clarify and restate the Comptroller General's authority to audit the financial transactions and evaluate the programs and activities of the Central Intelligence Agency, and for other purposes; to the Select Committee on Intelligence.

By Mr. HOLLINGS:

S. 1459. A bill to authorize appropriations for the Coast Guard for fiscal years 1988 and 1989, and for other purposes; from the Committee on Commerce, Science, and Transportation; placed on the calendar.

By Mr. WARNER (for himself and Mr. Trible):

S. 1460. A bill to designate certain national forest areas in the State of Virginia as wilderness areas, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HECHT:

S. 1461. A bill to convey certain lands to the YMCA of Las Vegas, Nevada; to the Committee on Energy and Natural Resources.

By Mr. HEFLIN:

S. 1462. A bill to designate the Courthouse and Post Office Building at 83 Meeting Street in Charleston, South Carolina, as the "Ernest Frederick Hollings Charleston Judicial Building"; to the Committee on Environment and Public Works.

By Mr. TRIBLE (for himself, Mr. Dole and Mr. Cohen):

S. 1463. A bill to eliminate security assistance and arms export preferences for New Zealand, and for other purposes; to the Committee on Foreign Relations.

By Mr. CRANSTON (for himself, Mr. Murkowski, Mr. Matsunaga, Mr. DeConcini, Mr. Rockefeller, Mr. Graham, Mr. Stafford, Mr. Moynihan, Mr. Chiles, Mr. Bingaman, Mr. Heflin, Mr. Dodd, Mr. Daschle, Mr. Sanford, Mr. Cohen, Mr. Evans and Mr. Grassley):

S. 1464. A bill to amend title 38, United States Code, to provide eligibility to certain individuals for beneficiary travel payments in connection with travel to and from Veterans' Administration facilities; to the Committee on Veterans' Affairs.

By Mr. BREAUX:

S. 1465. A bill to provide for the transportation of solid waste in United States-flag vessels, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HEINZ:

S. 1466. A bill to amend the Internal Revenue Code of 1986 to treat as 5-year property for depreciation purposes facilities which use anthracite culm fuel; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HOLLINGS:

S. Res. 242. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1184; from the Committee on Commerce, Science, and Transportation; to the Committee on the Budget.

By Mr. BYRD (for himself and Mr. Dole):

S. Res. 243. A resolution to establish the Office of Senate Security; considered and agreed to.

By Mr. BYRD (for Mr. Ford (for himself and Mr. Stevens)):

S. Res. 244. A resolution to clarify the procedures for the payment of Senate expenses incurred under the authority of House Concurrent Resolution 131 (100th Congress, 1st Session) and Senate Resolution 352, agreed to April 11, 1986; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GLENN:

S. 1458. A bill to clarify and restate the Comptroller General's authority to audit the financial transactions and evaluate the programs and activities of the Central Intelligence Agency, and for other purposes; to the Select Committee on Intelligence.

GENERAL ACCOUNTING OFFICE—CENTRAL INTELLIGENCE AGENCY AUDIT ACT

Mr. GLENN. Mr. President, I rise to introduce legislation that would allow the United States General Accounting Office [GAO] to audit the books and records of the Central Intelligence Agency [CIA]. The bill strikes an appropriate balance between the need for some accountability, particularly independent oversight of CIA financial activity, and the confidential and secure operation of the CIA. CIA is currently the only agency in this government which contests GAO's authority to audit its activities. This bill carefully limits the manner by which GAO would obtain access to CIA personnel and records, and will limit dissemination of the audit results to the

Senate and House Intelligence Committees.

THE NEED FOR INDEPENDENT AUDITS BY GAO

Before discussing the specific provisions of the bill, it may be helpful to discuss why it is essential to have both a strong intelligence capability and independent audits of our intelligence activities. I believe this country needs a strong, independent but accountable Central Intelligence Agency, operated by honorable men and women. Congress and the American people have supported the CIA with our treasure, and even more important, with sweeping powers and authority to complete the CIA's mission. These honorable men and women will not have their missions compromised by a statute requiring a prudent, circumspect and professional review of their activities. Indeed, the CIA maintains its own internal watchdog, the Inspector General's Office, which is currently headed by a distinguished and independent intelligence officer, to ensure that the agency remains true to its mission, obeys the law, and accounts appropriately for its funds.

The Iran-Contra mess is proof, however, that we cannot be content with internal reviews, alone. It is simply a fact that self-audit is justifiably subject to suspicion and distrust. To expedite such independent reviews Congress established the GAO.

A principal duty of GAO is to make independent audits of agency operations and programs and to report to the Congress on the manner in which Federal departments and agencies carry out their responsibilities. In establishing GAO, Congress recognized that the Office would require access to the records of the Federal agencies. This need would not be fulfilled if GAO's access to records, information, and documents pertaining to the subject matter of audit or review is limited. This legislation is intended to strengthen the GAO's ability to discharge its functions as an investigation and auditing arm of Congress. Congress relies on GAO to see that funds are used for their intended purposes; that agency resources are managed efficiently and economically; and that programs are achieving the objectives set forth by law. In 1979 and 1980 I led the successful effort to extend GAO audit coverage to unvouchered accounts in the executive branch, other than the CIA. Today's proposed legislation should be seen as the logical extension of that effort. I also recognize that legislative authority is not a complete panacea. For example, a more active audit of National Security Council [NSC] expenditures might have revealed the extraordinary activities of Mr. North and company, and spared this country the stupidities and perhaps felonies, now being exposed each day at the Iran-Contra hearings.

It is good public policy to have an independent audit of the expenditure and use of all public funds. Such reviews are an instrumentality for engendering public trust by those outside government, and act as a deterrent against abuse by those on the inside. Exceptions to the requirement for independent audits must be based not only upon exceptional factual circumstances, but require that there be a broad acceptance, public trust, and understanding of the rationale behind any such exceptions. I do not see the need for, the public support for, and trust of a complete exemption for the CIA.

There is a strong public acceptance of the necessity to have a powerful U.S. intelligence gathering and analytical capabilities, given the potentially hostile environment in many parts of the world, and the realities of the nuclear age. I share that acceptance. There is far less public acceptance or understanding of other intelligence activities, particularly covert operations, that may not always comport with the image of the United States as a defender of international law and of democratic principles democratically arrived at. The most successful covert activities are those that—by definition, and without acknowledgment—have been proposed, approved, planned, undertaken, completed, and closed, in support of established public policy, and without exposure in either the target country or domestically in the United States. Despite such successes, there has been sharp, and sometimes bitter, controversy over CIA—and now NSC—activities that have begun covertly, but have become exposed to public scrutiny, particularly where the covert operation is inconsistent with the public policy espoused by our Government. Nor are covert programs alone excepted from GAO review. No CIA activities are subject to independent audit review.

The lack of outside audits for any CIA activities is also in marked contrast with procedures throughout this Government. Every other agency and department is already subject to the audits of the GAO—including intelligence gathering by the National Security Agency [NSA], and the nonpublic development efforts at the Department of Defense programs requiring handling of highly classified national security information. The CIA is institutionally alone, and I believe honestly mistaken, in its belief that GAO is not legally authorized to audit their agency. In order to clearly resolve that dispute I am introducing this legislation. In the long run, I believe carefully controlled GAO audits of CIA will lower the probability of future abuses of power, boost the credibility of CIA management, increase the essential public support the Agency's mission deserves, assist the Congress in conducting meaningful oversight, and in no way compromise the CIA mission.

SECRECY NEEDS MUST EVENTUALLY YIELD TO CONGRESSIONAL OVERSIGHT IN A FREE SOCIETY

I recognize the legitimate concerns for tight security concerning CIA activities. There are many mechanisms within the CIA and all intelligence agencies to protect sensitive activities from unauthorized disclosure and security compromise. Information such as true names, financial data and locales, for example, may be segregated so that only those who have a direct "need-to-know" can have access to it. There is a discipline within professional intelligence organizations that calls for personnel to avoid ferreting out information that does not apply specifically to their own assigned activities and responsibilities. It is an accepted truism that the risk of security compromise expands with the number of people who have access to information on an activity. Intelligence officers must be concerned with maintaining the viability of activities that we will assume are authorized to be undertaken, perhaps covertly, recognizing that sometimes even the smallest slip can be fatal, or lead to enemy countermeasures. There are risks of compromise even with the most scrupulous attention to protective details and the application of professional intelligence techniques. As a result, there ordinarily is no internal incentive, whatsoever, for intelligence personnel to support granting access to outsiders even from their own government. Such access only complicates matters, and any independent outside audit will inescapably add some risk of compromise to the activities audited.

There is a perception on the part of many intelligence officials that the Congress "leaks like a sieve"—including the select committees on intelligence, to which special access and arrangements have been granted. I believe this perception is incorrect, but there is little question that this concern is shared by many intelligence officials on this subject, albeit in private.

Of course we have decided to require that secrecy needs give way to some amount of Congressional oversight by the Select Committees. This compact between the intelligence community and these committees has been, on balance, evolving in the desired direction. The Intelligence Committees have provided policy guidance, and the intelligence community has, with some notable exceptions, advised the committees in a timely manner of impending activities. But the Intelligence Committees do not have the personnel to establish audit trails, a lack that was demonstrated in the early congressional review of the Iran-Contra mess, when Congress borrowed GAO personnel to establish the money trail.

Since February, I have been discussing with colleagues the need to have independent audits at the CIA. I recognize and applaud the Senate Select Committee on Intelligence's decision to begin remedying the lack of independent audits at the CIA by hiring several auditors as committee staff. This action underscored for me the need to have the GAO available for such audits, with access to all GAO's resources, rather than merely depend on a talented, but very limited number of Senate staffers, to assist Congress in performing its oversight chores.

BALANCING SECRECY AND INDEPENDENT REVIEW IN THIS LEGISLATION

The crucial public policy issue is centered on whether a perceived gain in public trust and successful congressional oversight outweighs any increased risk of disclosure. Once we accept the need for conducting some measure of independent, and not inhouse, review of CIA expenditures, the key policy concern is whether GAO's reviews can be conducted in a manner consistent with the safety and security of the CIA's operations. I believe all the available evidence shows it can be done.

By existing law and specific language in this bill, GAO's review power is carefully limited in at least six major ways to prevent damage to CIA operations. First, all GAO auditors must obtain appropriate security clearances from CIA before they are granted access to CIA information. Second, CIA records are to be kept at secure locations controlled by CIA. Third, any GAO documents created as a result of the audit will receive the same "derivative" security classification to the original document. Fourth, GAO personnel will be subject to criminal prosecution for breaches of security. Fifth, the congressional request for a GAO audit must come from the chairman or ranking minority member of the Select Committee on Intelligence of the Senate or the Permanent Select Committee on Intelligence of the House of Representatives. This will necessarily pose a significant limitation on the reminder of Congress, and emphasizes the central role of the Intelligence Committees in their area of oversight. If the GAO self-initiates an audit or review, the resulting report will only be shared with those committees and the Director of the CIA. Sixth, the President will have the power to exempt any individual CIA officer or employee from GAO access. These controls on the proposed GAO audit and dissemination process constitute an appropriate balancing of the need to protect CIA security and the need to ensure adequate oversight.

I urge my colleagues in the Senate to support this legislation, and I ask unanimous consent that an analysis of the bill be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANALYSIS OF S. 1458

I. BACKGROUND

Concerns about the accountability of government intelligence programs and activities carried on outside public scrutiny are not new. The Iran-Contra affair and other recent events underscore the need to review the balance between financial and program accountability and program flexibility and secrecy.

This bill addresses a single aspect of this issue—General Accounting Office [GAO] access to, and audit of, the financial transactions and programs and activities of the Central Intelligence Agency [CIA or Agency]. In the past, GAO has successfully audited secret military weapons projects that require special access and are known to a relatively small number of people. GAO has also reviewed highly classified weapons programs and tactical and strategic command, control, communications, and intelligence programs.

GAO, however, has been unsuccessful in gaining similar audit access to the CIA. The CIA has taken the position that GAO's involvement in reviewing its financial transactions and activities is unnecessary in light of the oversight roles of the congressional select committees on intelligence matters.

The purpose of this bill is to clarify GAO's authority to audit the CIA. The bill's approach is a balanced one, calculated to enhance Congress' oversight of these important and sensitive activities by clarifying the Comptroller General's audit and access authority, while at the same time providing the necessary protection of sensitive CIA activities from any unauthorized disclosure.

The bill contains safeguards to ensure that particularly sensitive activities are not jeopardized. Only suitably cleared GAO personnel will be allowed to participate in audits and evaluations. The results of GAO's audits or evaluations may be provided only to the House and Senate Intelligence Committees and the CIA Director. Finally, the bill leaves unimpaired the criminal sanctions applicable to the intentional disclosure of information identifying cover agents by individuals authorized access to such information (50 U.S.C. § 421).

II. SECTION BY SECTION ANALYSIS

Section one of the bill would add a new section (3523a) to title 31, United States Code, which clarifies GAO's authority to audit the financial transactions and to evaluate the programs and activities of the CIA. Subsection (a)(1) provides that GAO shall audit the financial transactions and evaluate the programs and activities of the CIA either on the initiative of the Comptroller General or when requested by the chairman or ranking minority member of the Select Committee on Intelligence of the Senate or the Permanent Select Committees on Intelligence of the House of Representatives.

The results of such audits may be disclosed only to the specified committees and the CIA Director. Since the method GAO uses to communicate, the results of its audits varies, the section is drafted to restrict the dissemination of GAO's findings, whether through testimony, oral briefings, or written reports, to only the named committees and the CIA. The last sentence of subsection (b) makes clear, however, that neither the provisions of subsection 716(e), title 31, nor the on-site retention provisions of (d)(2) of this section, limit or restrict GAO's disclosure of source documents or information to the specified committees of the Congress.

Subsection (c) provides that notwithstanding any other provision of law GAO may inspect and copy any relevant books, records, documents, property or any other information, regardless of the medium used to record the information, necessary to the performance of the audit. GAO's access extends to any books, records, documents or property which belong to, or is in the possession of control of, the Agency regardless of who was the original owner of such information or property. The "[n]otwithstanding any other provision of law" clause is included to remove any potential restrictions on GAO access to CIA information that may be inferred from the various provisions of the Central Intelligence Act of 1949 (See for example, section 6 (50 U.S.C. § 403g)) in addition to other legislation concerning the CIA.)

Nevertheless, subsection (c) limits the Comptroller General's normal authority to interview officers and employees of an agency or department to obtain information necessary to the performance of the audit. Thus, where the President finds in writing that access to certain officers and employees, would not be in the national interest, the Comptroller General shall have no access to such officers or employees. The President's determination is, however, nondelegable, and he or she must provide the specified committees and the Comptroller General with an explanation of the decision.

The Comptroller General may enforce the access rights provided under this subsection pursuant to the provisions of section 716(b)-(d), title 31, United States Code.

Subsection (d) contains several safeguards to protect the confidentiality of Agency materials and information. Paragraph (1) directs the Comptroller General, after consulting with the specified committees of Congress, to establish procedures to protect classified and other sensitive information. Paragraph (2) requires the Comptroller General to retain on site his workpapers and records in suitable facilities provided by the Agency. The only exceptions are the rate occasions when Congress or its committees may need certain information from GAO's workpapers or where temporary removal off-site is needed, for example, for internal review processes. The Committee, however, expects off-site removals to be limited in numbers and strictly controlled and accounted for under the procedures established by the Comptroller General pursuant to paragraph (1) directs the Comptroller General, after consulting with the specified committees of Congress, to establish procedures to protect classified and other sensitive information. Paragraph (2) requires the Comptroller General to retain on site his workpapers and records in suitable facilities provided by the Agency. The only exceptions are the rare occasions when Congress or its committees may need certain information from GAO's workpapers or where temporary removal off-site is needed, for example, for internal review processes. The committee, however, expects off-sites removal to be limited in numbers and strictly controlled and accounted for under the procedures established by the Comptroller General pursuant to paragraph (1) of this subsection. In this regard, GAO employees must maintain the same level of confidentiality for the records of any agency as the agency itself and are also subject to the same statutory penalties for unauthorized disclosure or use of an agency record as the agency's employees. (See 31 U.S.C. § 715(e).)

Paragraph (3) provides that GAO employees are subject to CIA security reviews and procedures. Such procedures should be similar to those applied by the CIA to employees of other establishments of the Government. The Director is urged to expedite GAO employees security clearances.

Section (e) is a savings provision added to make clear that the authority contained in this section is in addition to other authority of the Comptroller General to audit and investigate. This subsection emphasizes that section 3523a is not to be construed to limit the authority of the Comptroller General to audit or investigate any other agency or department, including any agencies involved in foreign or domestic intelligence or counter-intelligence activities.

Section 3 of the bill amends section 3524 of title 31 United States Code, to conform section 3524 to GAO's audit of the unvouchered accounts of the CIA under section 3523a. Thus, paragraph (1) adds an introductory clause to section 3524(a) to provide that audits of the financial transactions of the CIA, including those accounted for only on the certificate of the Director, CIA, such as expenditures made under the authority of section 8(b) of the Central Intelligence Agency Act of 1949, 50 U.S.C. 403(b), are subject to the provisions of section 3523a of title 31, United States Code. Similarly paragaphs (2), (3) and (4) make conforming amendments to sections 3524(d)(2) and 3524(e) to reflect this change.

Subsection (b) adds a similar conforming amendment to section 8(b) of the Control Intelligence Act of 1949 to make absolutely clear GAO's authority to audit unvouchered accounts under new section 3523a. Subsection (c) conforms GAO's authority to enforce its access to CIA records to changes made by 31 U.S.C 3523a and 3524.

By Mr. WARNER (for himself and Mr. TRIBLE):

S. 1460. A bill to designate certain national forest areas in the State of Virginia as wilderness areas, and for other purposes; to the Committee on Argiculture, Nutrition, and Forestry.

VIRGINIA WILDERNESS ACT

Mr. WARNER. Mr. President, I am joined today by my colleague, Senator TRIBLE, in introducing the Virginia Wilderness Act of 1987.

This legislation is the product of an effort Senator TRIBLE and I initiated in 1984. That year the Congress passed Virginia's first wilderness bill designating 11 areas comprising nearly 56,000 acres of land in the Jefferson and George Washington National Forests as wilderness.

This bill proposes for wilderness designation four areas previously under study that merit the full protection that a wilderness classification provides. These areas are Barbours Creek in the Jefferson and George Washington National Forests in Craig and Alleghany counties; Shawvers Run in the Jefferson National Forest in Criag County; Rough Mountain in the George Washington National Forest in Alleghany and Bath counties; and Rich Hole in the George Washington National Forest in Rockbridge and Alleghany counties.

The designation of these study areas as wilderness carries on our lasting resolve to preserve these unique pristine areas for our children and grandchildren to enjoy.

The areas consist of steep rugged terrain that is forested with southern hardwoods and an understory of mountain laurel, rhododendron, and ferns. It also contains approximately 5 miles of native trout streams as well as good populations of bear and turkey.

The Virginia Wilderness Act of 1987 enhances our recognition of the delicate balance between our citizens' desire to preserve Virginia's natural beauty and the need for the region to promote economic growth.

With the valued advice of the counties of Craig, Alleghany, Bath, and Rockbridge, the Westvaco Corp. and the citizens organizations of the Virginia Wilderness Committee, the Appalachian Forest Management Group, and the Mount Rogers Christmas Tree Association, I believe we have crafted a bill that will be widely received by the Senate.

These lands offer outstanding recreation opportunities and will remain open for hiking, camping, hunting, and fishing. All of these areas are federally owned as part of the National Forest System, so no private property will be condemned, and no cost will be incurred by the Federal Government.

As with the original wilderness legislation, this bill recognizes the benefits of the multiple-use of our natural resources. Those areas most appropriate for road construction, mining, timber production, petroleum exploration, and intensive recreational uses will all remain within the management of the Forest Service.

The expansion of the wilderness system in Virginia was, in part, initiated by the response of the Westvaco Corp. to more than 2 years of air quality monitoring by the company of the wilderness study areas near Westvaco's Covington paper mill.

I appreciate the concerns of Westvaco and the thousands of persons who make their livelihood from the papermill that an upgrading of the air quality standards to class I could jeopardize their operations.

Because of Westvaco's dedication to this issue and their commitment of financial resources for scientific study and environmental air quality modeling, they have advised me that wilderness designation of these areas would not adversely affect their growth plans.

I also reaffirm my pledge to Westvaco, its employees and the Commonwealth of Virginia that I will not seek or support the redesignation of these or former wilderness areas as class I areas.

This bill also contains a minor technical correction for Lewis Fork Wilderness Area with the addition of a small area of 72 acres. I am advised by the Forest Service that Congress intended these areas to be part of the original proposal but maps incorrectly excluded this area. Because the area is known for its Christmas Tree harvest, I have contacted and received the support of the Mount Rogers Christmas Tree Association.

Mr. President, it has been my pleasure to have been involved with legislation to recognize and preserve these unique areas through the establishment of a Virginia wilderness system. Today we are expanding the protection provided by a wilderness designation to four more deserving areas.

Mr. TRIBLE. Mr. President, I am pleased to introduce today, with my colleague from Virginia, Senator John Warner, the Virginia wilderness bill of 1987.

Today's action actually has its roots in the original Virginia wilderness bill, which was enacted in 1984. That legislation placed roughly 56,000 acres into the National Wilderness Preservation System. It also designated four areas, comprising some 25,000 acres, as wilderness study area. The study designation protected those areas from development and preserved their pristine qualities, while the Forest Service continued to study them for inclusion into the National Wilderness System.

That brings us to today.

This legislation completes the 1984 action by designating as wilderness the four areas that have been under study. Our bill designates as wilderness 9,300 acres, to be known as the Rough Mountain Wilderness Area, 6,450 acres to be known as the Rich Hole Wilderness Area, 5,700 acres to be known as the Barbours Creek Wilderness Area, and 3,570 acres to be known as the Shawvers Run Wilderness Area. The bill also includes 72 acres that were intended for inclusion in the 1984. All of this land will be incorporated into the National Forest System.

We owe it to future generations to preserve wilderness areas. The 1984 legislation struck a balance between the protection of areas of great natural beauty and economic development. It helped to preserve Virginia's unspoiled areas, but still permitted economic growth and industrial expansion in the Shenandoah Valley and southwest Virginia. I am very happy that we are able to build on our earlier accomplishments today.

Mr. President, I applaud the efforts of my distinguished colleague, Senator Warner, for his hard work on this legislation. I urge my colleagues to support this legislation.

By Mr. TRIBLE (for himself, Mr. Dole, and Mr. Cohen):

S. 1463. A bill to eliminate security assistance and arms export preferences for New Zealand, and for other purposes; to the Committee on Foreign Relations.

NEW ZEALAND MILITARY PREFERENCE ELIMINATION ACT

Mr. TRIBLE. Mr. President, on June 4, 1987, the New Zealand Parliament enacted into law the 2-year-old policy of its Prime Minister banning U.S. Navy ships from entering New Zealand ports. This decision calls into question the future security relationship of the United States and New Zealand. New Zealand has severed its strategic bond with the United States, and this action deserves a forceful response. For that reason, I am introducing legislation to eliminate the military preferences now accorded New Zealand, and I am pleased that Senators Dole and Cohen have joined me as cosponsors.

Since February 1985, New Zealand has refused to permit United States Navy ships to enter its ports because they might carry nuclear weapons. New Zealand has demanded that the United States identify which of its ships carries nuclear weapons, and will permit entry to ships carrying only conventional arms.

Mr. President, the United States has a unitary Navy. We do not have a nuclear Navy and a nonnuclear one. To protect the security of the United States and its allies, and to protect naval personnel at sea, the United States must keep secret which of its naval vessels carry nuclear weapons. Thus, the New Zealand policy has effectively banned United States Navy ships from New Zealand ports since February 1985.

Since that date, the administration has exercised considerable patience in responding to New Zealand's breach of its security obligations under the Anzus Treaty. The Anzus Treaty arrangement has been an important element in the defense of the Southern Pacific. There, as elsewhere, the United States naval fleet constitutes an important deterrent to hostile action by the Soviet Union and other countries that might threaten United States and allied security interests and block vital sea lanes.

In the hope that New Zealand might abandon its policy and resume its security obligations, the United States chose to leave the treaty regime and mutual military support arrangements intact. By August 1986, however, New Zealand's intransigence became clear, and the United States suspended its security obligations to New Zealand.

In February 1987, the United States informed New Zealand that it would not renew or renegotiate the expiring United States-New Zealand memorandum of understanding which provided for mutual military support arrangements.

On June 4, the New Zealand Parliament enacted the Nuclear Free Zone, Disarmament, and Arms Control Act. That act makes all New Zealand territory, waters, and airspace a nuclear free zone; prohibits the entry of nuclear-powered ships; and prohibits the entry of foreign military aircraft and ships unless the Prime Minister is satisfied that they will not be carrying any nuclear explosive device.

Prime Minister David Lange of New Zealand has explained New Zealand's stance as follows:

> New Zealand cannot be defended by nuclear weapons and does not wish to be defended by nuclear weapons. We have disengaged ourselves from any nuclear weapons strategy for the defense of New Zealand. * * * People in New Zealand must be satisfied that the ships and aircraft of other countries which visit New Zealand are not armed with nuclear weapons or not engaged in the transport of nuclear weapons.

Mr. President, New Zealand cannot expect to enjoy the benefits of close defense alliance with the United States without accepting the burdens that accompany it. New Zealand has made a concerted decision to shift its security relationship with the United States from one of close alliance to one of mere friendship. If New Zealand no longer wants the United States Navy, then New Zealand no longer deserves the special status it is accorded under United States law.

The time has come to adjust U.S. law to reflect the existing reality of the new relationship.

Accordingly, I am introducing the New Zealand Military Preference Elimination Act. The bill eliminates New Zealand from the list of allies—NATO countries, Japan, Australia, New Zealand—entitled to preferential treatment under various provisions of the Foreign Assistance Act of 1961 and the Arms Export Control Act. The bill would shift New Zealand's status under those statues from that of an allied country to that of a friendly country, reflecting the new security relationship to the United States that New Zealand has chosen for itself.

I am pleased that Senators Dole and Cohen have joined me in cosponsoring this measure, and I urge my colleagues to join us. I also ask unanimous consent that a copy of this bill and a section-by-section explanation be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1463

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "New Zealand Military Preference Elimination Act".

Sec. 2. Assignment of United States Military Personnel to Manage Defense Cooperation Measures.—Section 515(a)(6) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321i(a)(6)) is amended by striking "Japan, Australia, and New Zealand" and inserting in lieu thereof "Japan and Australia".

Sec. 3. Preferential Treatment in Arms Transfer Congressional Review Process.—Section 3(d)(2)(B) of the Arms Export Control Act (22 U.S.C. 2753(d)(2)(B)) is amended by striking "Japan, Australia, or New Zealand" and inserting in lieu thereof "Japan or Australia".

Sec. 4. Preferential Treatment in Charging Certain Arms Sales Costs.—Section 21(e)(2) of the Arms Export Control Act (22 U.S.C. 2761(e)(2)) is amended by striking "Japan, Australia, or New Zealand" and inserting in lieu thereof "Japan or Australia".

Sec. 5. Eligibility for Preferential Standardization and Military Training Agreements.—Section 21(g) of the Arms Export Control Act (22 U.S.C. 2761(g)) is amended by striking "Japan, Australia, and New Zealand" and inserting in lieu thereof "Japan and Australia".

Sec. 6. Preferential Treatment in Arms Export Congressional Review Process.—Section 36 of the Arms Control Act (22 U.S.C. 2776) is amended—

(1) in subsection (b)(1), by striking "Japan, Australia, or New Zealand" and inserting in lieu thereof "Japan or Australia";

(2) in subsection (b)(2), by striking "Japan, Australia, or New Zealand" and inserting in lieu thereof "Japan or Australia"; and

(3) in subsection (c)(2), by striking "Japan, Australia, or New Zealand" and inserting in lieu thereof "Japan or Australia".

Sec. 7. Preferential Treatment in Arms Lease Congressional Review Process.—Section 63(a)(2) of the Arms Export Control Act (22 U.S.C. 2796b) is amended by striking "Japan, Australia, or New Zealand" and inserting in lieu thereof "Japan or Australia".

Section-by-Section Explanation

A number of statutory provisions governing U.S. security assistance and arms transfers to foreign countries give preferential treatment to certain countries which are parties to mutual defense treaties with the United States. Those provisions currently give preference to North Atlantic Treaty Organization (NATO) member countries, Japan, Australia, and New Zealand. The "New Zealand Military Preference Elimination Act" strikes New Zealand from the list of countries given preferred treatment.

Under the bill, New Zealand would no longer enjoy the special status accorded primary U.S. defense allies with respect to security assistance and arms exports. New Zealand would enjoy only the same status as other non-Communist countries.

Section 1 of the bill entitles the bill the "New Zealand Military Preference Elimination Act."

Section 2 of the bill amends Section 515(a)(6) of the Foreign Assisatnce Act of 1961 (22 U.S.C. 2321i(a)(6)). Section 515(a)(6) authorizes the President, in carrying out his responsibility for management of international security assistance programs, to assign U.S. military personnel to foreign countries to promote rationalization, standardization, interoperability, and other defense cooperation measures among NATO members and with the Armed Forces of Japan, Australia, and New Zealand. Section 2 eliminates promotion of defense cooperation measures with the Armed Forces of New Zealand as a basis for assignment of U.S. military personnel under Section 515(a)(6). Section 2 does not affect authority for assignment of U.S. personnel to any foreign country, including New Zealand, under any provision of law other than Section 515(a)(6) of the Foreign Assistance Act.

Section 3 of the bill amends Section 3(d)(2)(B) of the Arms Export Control Act (22 U.S.C. 2753(d)(2)(B)). Section 3(d) of the Arms Export Control Act prohibits the President (except in an emergency) from giving his consent to a foreign country's retransfer to another country of arms above a specified value received from the U.S. under the Foreign Assistance Act or the Arms Export Control Act, until 30 days after the President has notified the Congress of the proposed transfer, except that if the recipient of the arms is NATO or a NATO member country, Japan, Australia, or New Zealand, the President may give his consent 15 days after he has notified Congress. Section 3 of the bill eliminates New Zealand as a favored arms recipient with respect to whom the President must wait only 15 days after congressional notification before granting consent. After enactment of Section 3 of the bill, the President would be required to wait 30 days after congressional notification before giving his consent to a retransfer to New Zealand.

Section 4 of the bill amends Section 21(e)(2) of the Arms Export Control Act (22 U.S.C. 2761(e)(2)). Section 21(e) of the Arms Export Control Act provides that letters of offer for the sale of defense articles or services under Sections 21 and 22 of the Arms Export Control Act shall include appropriate charges for certain administrative services; use of plant and production equipment; nonrecurring costs; and recovery of ordinary inventory losses. Section 21(e)(2) of the Act authorizes the President to reduce or waive the charges for use of plant and production equipment and for nonrecurring costs for particular sales if the sales would significantly advance U.S. interests in NATO standardization; standardization with the armed forces of Japan, Australia, or New Zealand in furtherance of mutual defense treaties; or foreign procurement in the U.S. under coproduction arrangements. Section 4 of the bill eliminates advancement of U.S. interests in standardization with the armed forces of New Zealand as a basis for reduction or waiver of charges for use of plant and production equipment and for nonrecurring costs with respect to an arms sale.

Section 5 of the bill amends Section 21(g) of the Arms Export Control Act (22 U.S.C. 2761(g)). Section 21(g) authorizes the President to enter into standardization agreements with NATO countries, Japan, Australia, and New Zealand for the cooperative furnishing of training on a bilateral or multilateral basis under reciprocal financing principles. Section 5 of the bill eliminates New Zealand as a country eligible for such cooperative training agreements.

Section 6 of the bill amends Sections 36(b) and (c) of the Arms Export Control Act (22 U.S.C. 2776). Section 36(b) provides that a letter of offer of certain defense articles or defense services above a certain value shall not issue (except in an emergency) until 30 days after the President has notified the Congress of the proposed letter of offer, except that if the recipient is NATO or a NATO member country, Japan, Australia or New Zealand, the letter of offer may issue 15 days after the President has notified the Congress. Section 6 of the bill eliminates New Zealand as a favored arms recipient with respect to whom issuance of a letter of offer can occur 15 days after congressional notification. After enactment of Section 6 of the bill issuance of such a letter of offer to New Zealand could not occur until 30 days after congressional notification. Section 6 of the bill, also would remove New Zealand from the list of recipient allied countries with respect to whom the internal congressional procedures of one House specified by statute provide for a preferential motion to discharge a committee of a joint resolution blocking such a letter of offer.

Section 6 of the bill also amends Section 36(c) of the Arms Export Control Act, which requires notice to Congress 30 days prior to issuance of a license to export from the United States certain defense articles or defense services above a certain value, except for licenses for export to NATO or a NATO member country, Japan, Australian, or New Zealand. After enactment of Section 6 of the bill, a license for such export to New Zealand could not issue until 30 days after congressional notification.

Section 7 of the bill amends Section 63(a)(2) of the Arms Export Control Act (22 U.S.C. 2796(a)(2)). Section 63 of the Arms Export Control Act provides that the President shall notify the Congress 30 days prior to entering into or renewing an agreement with a foreign country to lease or lend certain defense articles above a specified value under the Arms Export Control Act or the Foreign Assistance Act of 1961 for a period of one year or longer. Section 63(a)(2) provides that Section 63, requiring congressional notification prior to such agreements to lease or lend, does not apply with respect to leases or loans to NATO or NATO member countries, Japan, Australia, or New Zealand. Section 7 of the bill eliminates New Zealand from the favored category of countries with respect to whom notification to Congress prior to such agreements is not required.

By Mr. Cranston (for himself, Mr. Murkowski, Mr. Matsunaga, Mr. DeConcini, Mr. Rockefeller, Mr. Graham, Mr. Stafford, Mr. Moynihan, Mr. Chiles, Mr. Bingaman, Mr. Heflin, Mr. Dodd, Mr. Daschle, Mr. Sanford, Mr. Cohen, and Mr. Evans):

S. 1464. A bill to amend title 38, United States Code, to provide eligibility to certain individual for beneficiary travel payments in connection with travel to and from Veterans' Administration facilities; to the Committee on Veterans Affairs.

VETERANS' BENEFICIARY TRAVEL REIMBURSEMENT RESTORATION ACT

Mr. CRANSTON. Mr. President, as the chairman of the Committee on Veterans' Affairs, I am introducing today S. 1464, the Veterans' Beneficiary Travel Reimbursement Restoration Act of 1987. Joining me on this bipartisan measure are the ranking minority member of the Veterans' Affairs Committee, Mr. Murkowski, my colleagues from the Veterans' Affairs Committee, Senators Matsunaga, DeConcini, Rockefeller, Graham, and Stafford, as well as Senators Moynihan, Heflin, Bingaman, Dodd, Daschle, Sanford, Chiles, Cohen, and Evans. The basic purpose of this bill is to provide for the payment of beneficiary travel reimbursements—payments made to certain veterans to defray the expenses of their travel to VA health-care facilities—to service-connected veterans, to low-income veterans, and to veterans who because of their rural or remote locations need assistance to overcome the high costs of travel which hamper their ability to obtain medical care for which they are entitled or eligible.

Mr. President, over the past 2 months there has been much discussion about the VA's revised beneficiary travel regulations which became effective on April 13, 1987. These regulations were promulgated to effectuate cuts made by the administration in the VA's fiscal year 1987 budget. Initially, in January 1986, the administration requested only $10 million for fiscal year 1987 for a program which was then being projected by the VA to cost $125 million. These projections have been recently revised and decreased to $110 million. Once fiscal year 1987 began and it became clear that such a funding level was not workable, the administration proposed that an additional $58 million be made available for beneficiary travel by realigning, within the VA's medical care account, funds that had been appropriated for capital investments, to beneficiary travel. Thus, the total amount currently planned to be spent for this purpose in fiscal year 1987 is now $68 million. The program cutback of nearly half from the pre-April 13, 1987, scope of the program brought about by the new regulations does not adequately take into consideration the diverse needs of those of our Nation's veterans who rely on the VA for their health care.

While not amending the general eligibility criteria—service-connected veterans, non-service-connected veterans in receipt of VA pension benefits, persons whose annual incomes are less than or equal to the maximum annual base pension rates, and claimants who are unable to defray the cost of transportation continue to be eligible for beneficiary travel reimbursement—the new regulations which became effective on April 13, 1987, except in a few instances I will describe, permit only partial payment for the travel of those veterans traveling from beyond a 100-mile radius to the nearest appropriate VA medical care facility. If the travel occurs outside of the 100-mile one-way radius a veteran is reimbursed at the rate of 11 cents per mile; no payment is made for travel of less than 100 miles one way. In effect, veterans are generally being asked to pay an $11 one-way deductible, $22 round trip if they travel from beyond the 100-mile radius. If the travel occurs within the 100-mile radius, the VA will provide no reimbursement regardless of the cost of the travel or the number of times the veteran must make the trip to receive the needed care.

Prior to April 13, 1987, medically indicated emergency transportation was paid only if the veteran was unable to defray the cost. The new regulations would authorize payment for this form of transportation if, in the opinion of the physician, delay in immediate transportation would have been hazardous to the patient's health or life. Also, with the implementation of the new regulations, eligible beneficiaries will be paid in full for travel associated with compensation and pension examinations and special mode transportation when medically indicated.

There is a great need to reduce the towering Federal deficit, and it is certainly incumbent upon us to exercise prudence and restraint as we consider legislation related to Federal programs of benefits and services. At the same time, I continue to have an unswerving commitment—and I am confident that the U.S. Congress shares that commitment—to the maintenance of a strong, separate, and vital VA health-care program for those who answered their Nation's call in its hours of need. In addition, I share the concern of many who believe that some veterans may effectively be denied access to health care as a result of their being unable to afford transportation to a VA facility. That was a major focus of our committee's extensive oversight hearing in Hawaii on April 14, and Senator MATSUNAGA, who chaired that hearing at my request, has expressed great interest in rectifying the inequitable effect of the new regulations in his State. Other committee members share similar concerns.

Thus, our committee's ranking minority member, FRANK MURKOWSKI, and I have worked together in a bipartisan effort to design legislation which would provide for a travel reimbursement policy taking into account the needs of all of our veterans but still reflecting sound fiscal policy.

The legislation we are introducing today would provide that, if the VA provides any beneficiary travel reimbursement under section 111 of title 38 United States Code, it must provide such reimbursement to all those categories of veterans eligible under the pre-April 13 regulations, with certain changed conditions I will describe in a moment. Those veterans eligible prior to April 13 were: Veterans traveling in connection with vocational rehabilitation, veterans being examined to determine eligibility for compensation and pension; veterans having service-connected disabilities; veterans receiving pensions under section 521 of title 38; veterans whose annual incomes, determined in accordance with section 503 of title 38, do not exceed the maximum annual rate of pension—the approved pension standard—payable for pension under section 521 of title 38; veterans declared by the Administrator as otherwise unable to defray the expenses of necessary travel; and veterans requiring special mode or emergency transportation.

SUMMARY OF PROVISIONS

Mr. President, this legislation would amend section 111 of title 38, under which the VA has the authority to provide beneficiary travel reimbursement, to require that if the VA provides any beneficiary travel reimbursement under that section, then it must be provided in the case of travel by an eligible beneficiary as follows:

First, veterans requiring special-mode or emergency transportation and those traveling for the purpose of receiving examinations required to determine eligibility for compensation or pension would become eligible for beneficiary travel reimbursement.

Second, a $7.50 round trip—$3.75 one-way trip—deductible would be required except for special mode and emergency transportation and travel for compensation and pension examinations. This deductible may be increased by the Administrator so as to keep pace with inflation in transportation costs.

Third, in the case of veterans preapproved as needing to make trips for health care more frequently than at least six one-way trips per month, deductibles would not exceed $22.50 per month.

Fourth, the chief medical director would be required to make annual allocations to all health-care stations sufficient to fund their beneficiary travel reimbursements as set forth in the basic program. However, two waiver authorities would be provided under which individual stations could be authorized to pay beneficiary travel at a reduced level—including making no payments at all—and instead to expend the funds for direct health-care of veterans. These two authorities would be as follows:

(a) For any station that could demonstrate to the CMD that, prior to the April 13 regulations, less than full beneficiary travel payments were being made, the CMD would be required to authorize that station to continue to make payments at the prior level or at a greater level as proposed by the station director, less than the newly prescribed level;

(b) For any station that wished to make payments at a lower level than the newly prescribed level, the station head could make application to the CMD for authority to make payments at less than the prescribed level and, if the CMD determined that such a reduction would be in the best interests of furnishing health care and services at that station, the CMD would be authorized to permit payments to be made at the requested level or a higher level.

Any funds that a station would have available as a result of either waiver could be used for other authorized direct-health-care purposes.

Fifth, the legislation would direct the Administrator of Veterans' Affairs to take all appropriate steps to provide for a transportation program, in conjunction with veteran service organizations and the VA Voluntary Service [VAVS], and in cooperation and consultation with the Secretary of Transportation, under which veterans would be transported to and from health-care facilities within each VA facility's catchment area. This legislation would not make any changes in the way in which the VA provides for interfacility transfers of patients—a separate process which is utilized when a physician determines a transfer is necessary to provide appropriate in-patient care for a veteran patient.

EMERGENCY AND SPECIAL-MODE TRANSPORTATION AND TRAVEL ASSOCIATED WITH COMPENSATION AND PENSION EXAMS

Taking into consideration the needs of particular veterans, travel associated with medical emergencies, medically indicated specialized modes of transportation, and travel for compensation and pension examinations would be reimbursed if the VA provides any beneficiary travel reimbursement under section 111 of title 38.

Unfortunately there are times when a veteran's health becomes such that immediate transportation to a VA medical facility is necessary. During this time of crisis the veteran, or his or her family, should not be burdened with the concern of how they might pay for emergency transportation. Our bill would help to alleviate fears associated with severe illness by authorizing the VA to pay for transportation in connection with a medical emergency of such a nature that the delay would be hazardous to the veterans' life or health.

Our legislation would also provide for the payment of beneficiary travel reimbursement in those instances where a special mode of travel such as wheelchair van or ambulance, authorized in advance by the Administrator, is necessary to assure the veteran has access to health care. These and other specialized modes of transportation are common for many disabled individuals and without special conveyances some veterans would be unable, because of their unique needs, to travel. While necessary for travel, these special modes are also very expensive and frequently beyond the means of the average veteran.

When applying for compensation or pension benefits, a veteran must report for a physical examination to determine eligibility. In consideration of this requirement and the financial hardships it may impose, our bill would authorize payment of beneficiary travel to those veterans traveling for the purpose of obtaining this physical.

BENEFICIARY TRAVEL PAYMENTS

Mr. President, to help defray the cost of this program, we are proposing a modest deductible of $7.50 per round trip, $3.25 one way, which may be periodically increased by the Administrator to help meet the costs of inflation. Because this policy will be applied to all eligible veterans, no one group of veterans will be unfairly penalized, as occurs under the present regulations in the case of veterans living within a 100-mile radius of the VA facility where they are furnished care, and who are generally ineligible for reimbursement under these regulations.

This proposal also takes into consideration those beneficiaries who under the new regulations are unable, by virtue of geographic inaccessibility, to obtain medical care for which they are entitled or eligible. Under the current regulations a veteran in Hawaii, Alaska, or the Virgin Islands may travel less than a 200-mile round trip to a VA facility but, because of their remote or rural location, have no choice but to utilize expensive air transportation to reach his or her destination. Transportation costs absorbed by these veterans as a result of our legislation would be limited to an affordable $7.50 per round trip or $22.50 per month for a preapproved frequent beneficiary traveler. The VA would reimburse for these costs if the veteran is eligible for beneficiary travel reimbursement.

According to preliminary estimates by the VA, a $7.50 deductible provision would cost $32.5 million more than the new regulations, which would bring the total cost of the beneficiary travel program to $87.5 million for fiscal year 1988.

CONSIDERATION FOR THE FREQUENT TRAVELER

Recognizing that some veterans who are receiving care from the VA must return frequently to a VA facility for health care, we are proposing that where veterans have been determined in advance to be required to make more than six one-way trips in the next calendar month to receive health care, the maximum deductible they would pay for travel to the facility in the following calendar month would be $22.50, regardless of the number of trips made. This $22.50 figure—as well as the $7.50 per round trip figure—could be periodically increased by the Administrator to help meet inflation. This provision would protect veterans receiving frequent treatment for such illnesses as chronic renal failure and PTSD from being denied access to urgently needed health care by virtue of their being unable to pay for their substantial transportation costs. Under current regulations, these veterans must themselves bear these high frequent-traveler expenses.

At the same time, the requirement for advance approval is designed to avoid the potentially very costly administrative burden of tracking the number of trips made monthly by each potentially eligible veteran.

Based upon preliminary figures furnished by the VA, this provision would cost an additional $1.3 million, bringing the total increased cost of the bill to $33.3 million above the new regulations, for a total cost of $88.8 million—at least $21.2 million less than the old regulations would have cost. Although it is tempting to restore the program to previous spending levels, we do not believe that to be sound policy. Funds spent on beneficiary travel come directly from the VA medical care appropriation where a priority must be attached to the furnishing of direct health-care services. In fact, as is further discussed in the following section of my statement, our legislation would provide for that priority to be taken into account before the funds are spent on beneficiary travel.

PROVISION FOR ALLOCATION OF FUNDS AND WAIVERS OF PAYMENTS

Recognizing that within the VA health-care system there are 172 hospitals and 226 outpatient centers located in different regions of our vast country and that each has diverse and unique characteristics, our bill would provide VA station heads with the flexibility to administer the beneficiary travel program as they, in consultation with local representatives of veterans service organizations can show would be the most beneficial to the health care of veterans. Some stations have told us that veterans in their areas are able to reach the VA without undue hardship. Others, as I will mention later, are actively working to form voluntary networks, transporting veterans as the need arises to meet their scheduled appointments. Therefore, in some areas of the country, it may not be necessary to implement the provisions of this legislation to the fullest extent in order to ensure that veterans receive the care they are due.

Our bill would require the VA Administrator to make annual allocations to all health-care stations sufficient to fund the beneficiary travel reimbursement provisions of the bill. Further, the legislation would provide for two waiver authorities under which individual VA station heads could be authorized to pay beneficiary travel at reduced levels: First, in those instances where a station head can demonstrate to the CMD that, on April 12, 1987, the facility was making beneficiary travel reimbursements at levels less than those authorized by this legislation, the CMD would be required to allow payments to be made at those prior or higher requested levels, and, second, in other cases in which the head of a facility proposes to make payments at a level less than that prescribed in this bill, if the CMD determines that making payments at this level would be in the best interests of furnishing health care and service to eligible veterans at the facility, the CMD may waive the requirements for paying beneficiary travel as prescribed in the legislation and authorize payments to be made at the level proposed by the station head. In each case, any funds not utilized for beneficiary travel payments could be channeled into other authorized direct-health-care purposes.

TRANSPORTATION NETWORKS

Mr. President, our legislation would direct the Administrator to build transportation networks in conjunction with the veterans service organizations and the VAVS, as well as explore the creation of special agreements in cooperation and consultation with the Secretary of Transportation—for example, under section 16(b) of the Mass Transportation Act of 1964, which authorizes grants to assist in providing mass transportation services to meet the special needs of elderly and handicapped persons—under which veterans would be transported to and from VA facilities within each VA facility catchment area.

Veterans service organizations and the VAVS can be very instrumental in establishing volunteer transportation services for veterans needing this type of assistance. Many of these organizations see this type of program as a natural extension of the services they already provide. In fact, the Disabled American Veterans [DAV] has already begun to place "hospital service coordinators" in VA acute-care facilities to assist in the development and implementation of such networks and has allocated $2 million in grant funds to provide for these programs if the funds are not available locally. As of June 22, 1987, DAV grants totaling $495,168 have been approved and $270,193 are pending. As of the same date, 26 States have active programs while 15 States have action pending; 61 service coordinators have been placed in VA hospitals. The coordinators, working with VA personnel in outpatient clinics and the admissions office of the hospital, prepare lists of veterans needing assistance with travel to and from their appointments. The coordinator then arranges the transportation with their volunteer van network at no charge to the veterans. According to DAV officials, while their service is very effective in meeting the needs of many veterans, their activities cannot expand quickly enough and the organization would welcome assistance and cooperation from other service organizations.

Under this provision in the bill, local public transit operations might also be encouraged to assist veterans needing transportation services to VA facilities. Many of these companies already do so for senior citizens or handicapped persons, and the VA may be able to negotiate special rates for certain veterans at a lower cost than they might otherwise have to pay. We are confident that the VA service organizations, and the VAVS and experts in the field could develop innovative proposals to help veterans in traveling to obtain VA health care over the relatively short distances for which reimbursement would not be provided under our bill.

Mr. President, although we must continue our efforts to reduce the increasing public debt, we must not lose sight of our promise to care for our veterans. We must strike a balance between deficit reduction actions and providing accessible health care to those who served our country in its time of need. I believe this legislation would strike that balance—it would spread a cost-sharing obligation over a broad base without unduly penalizing any one group, it would recognize that some veterans must make frequent visits to medical facilities and would provide appropriate relief to that group, it would provide descretionary authority to station heads and the CMD to reduce beneficiary travel spending if they, in consultation with service organizations locally, felt it necessary to maintain other priority services, it would respond to the fact that unique geographical barriers—such as in Hawaii or Alaska—place hardships upon certain veterans, and it would provide legislative direction to the VA to foster the development of voluntary transportation networks designed to provide assistance to veterans traveling short distances for which they would not be reimbursed.

We plan to consider this legislation during our committee markup later this month. I urge all my colleagues to support this measure.

Mr. President, I ask unanimous consent that the text of the bill and a statement by my colleague from Alaska Mr. MURKOWSKI, be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1464

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE: REFERENCE TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the "Veterans' Beneficiary Travel Reimbursement Restoration Act of 1987".

(b) REFERENCES TO TITLE 38.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. VETERANS' ADMINISTRATION BENEFICIARY TRAVEL PROGRAM.

Section 111 is amended—

(1) by redesignating subsections (b), (c), (d), and (e) as subsections (c), (d), (e), and (f);

(2) by inserting after subsection (a) the following new subsection (b):

"(b)(1) Except as provided in subsection (g) of this section and notwithstanding any other provision of law, if, in any fiscal year, the Administrator exercises the authority under this section to make any payments, the Administrator, in such fiscal year, shall make the payments prescribed in this section, subject to any applicable deduction under paragraph (2) of this subsection, to or for the following persons:

"(A) A person receiving benefits under this title for or in connection with a service-connected disability.

"(B) A veteran receiving pension under section 521 of this title.

"(C)(i) A veteran whose annual income, determined in accordance with section 503 of this title, does not exceed the maximum annual rate of pension which would be payable to such veteran if such veteran were eligible for pension under section 521 of this title, or (ii) a veteran who is determined, under regulations prescribed by the Administrator, to be unable to defray the expenses of the travel for which payment under this section is claimed.

"(D) A veteran whose travel to a Veterans' Administration facility was incident to a scheduled compensation and pension examination.

"(E) A veteran whose travel to a Veterans' Administration facility was required to be performed by a special mode of travel and such travel (i) was authorized by the Administrator before such travel was commenced, or (ii) was in connection with a medical emergency of such a nature that the delay incident to obtaining authorization under subclause (i) of this subparagraph would have been hazardous to the person's life or health.

"(2)(A) Except as provided in subparagraphs (B) or (C) of this paragraph, the Administrator, in making a payment under this section to or for a person described in subparagraphs (A), (B), or (C) of paragraph (1) of this subsection, shall deduct from the amount otherwise payable an amount equal to $3.75 for each trip to or from a Veterans' Administration facility.

"(B) In the case of a person who is determined by the Administrator to be a person who is required to make six or more one-way trips to or from a Veterans' Administration facility for needed care or services under chapter 17 of this title during the following calendar month or months, the amount deducted by the Administrator pursuant to subparagraph (A) of this paragraph (A) of this paragraph from payments for trips made to or from such facility during any of such months shall not, except as provided in subparagraph (C) of this paragraph, exceed $22.50 with respect to travel made during such month.

"(C) Whenever the Administrator increases or decreases the rates of allowances or reimbursement to be paid under this section, the Administrator shall, effective on the date on which such increase or decrease takes effect, adjust proportionately the dollar amounts specified in subparagraphs (A) and (B) of this paragraph.";

(3) in subsection (f) (as redesignated by clause (1))—

(A) in paragraph (2)—

(i) by striking out clause (A); and

(ii) by redesignating clause (B) and (C) as clauses (A) and (B); and

(B) in paragraph (4)—

(i) by inserting "or adjusting amounts" after "rates" the first place it appears; and

(ii) by inserting "and amounts" after "rates" the third place it appears; and

(4) by adding at the end the following new subsections:

"(g)(1) With respect to any fiscal year in which the Administrator exercises the authority under this section to make payments, the Administrator shall prior to October 1 of such year make an allocation to each Veterans' Administration medical facility sufficient to enable the head of such facility to make payments during such year to persons entitled to such payments under subsection (b) of this section.

"(2)(A) In any fiscal year in which funds are allocated pursuant to paragraph (1) of this subsection, the head of each such facility, unless granted a waiver pursuant to subparagraph (B) of this paragraph and regulations which the Administrator shall prescribe thereunder, shall utilize such funds, except as provided in subparagraph (C) of this paragraph, solely for the purpose of making payments under this section.

"(B)(i) In any case in which the head of such a facility demonstrates to the Chief Medical Director that, on April 12, 1987, such facility was making payments under this section at levels less than the levels then authorized under this section, the Chief Medical Director shall waive the provisions of subsection (b) of this section and authorize payments to be made at any such prior level of payment or at any higher level, proposed by such facility head, less than the amounts prescribed in such subsection.

"(ii) In any other case in which the head of such a facility proposes to make payments under this section at a level less than the amount prescribed in subsection (b) of this section, if the Chief Medical Director determines that making payments at such lesser level would be in the best interests of furnishing care and services to eligible veterans at such facility, the Chief Medical Director may waive the provisions of subsection (b) of this section and authorize payments to be made at the level proposed by such facility head or at any higher level less than the amounts prescribed in such subsection.

"(C) Any funds which are allocated to a facility pursuant to paragraph (1) of this section for the purpose of payments under this section but which are not expended for such purpose shall be available to the head of such facility for support of other authorized direct-health-care purposes.

"(h)(1) The Administrator, in consultation and coordination with the Secretary of Transportation and appropriate representatives of veterans' service organizations, shall take all appropriate steps to facilitate the establishment and maintenance of a program under which such organization or individuals who are volunteering their services to the Veterans' Administration would take responsibility for the transportation, without reimbursement from the Veterans' Administration, to Veterans' Administration facilities of veterans, primarily those residing in areas which are geographically accessible to such facilities, who seek services or benefits from the Veterans' Administration under chapter 17 or other provisions of this title.

"(2) Not later than 6 months after the date of the enactment of this subsection, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the implementation of this section.".

● **Mr. MURKOWSKI.** Mr. President, I rise to join with my friend from California, the distinguished chairman of the Committee on Veterans' Affairs, and many of my colleagues, in introducing the proposed Veterans' Beneficiary Travel Reimbursement Restoration Act of 1987. I am most pleased to join with Senator CRANSTON on this important initiative which will serve to provide eligibility for certain veterans for beneficiary travel.

During the past several years, I, along with other members of the committee, expressed some concerns about the increasing cost of a veterans' program known as beneficiary travel. Under this program, the VA reimbursed certain eligible veterans for the cost of their travel to and from VA facilities. By fiscal year 1986, the cost of the program had reached about $106 million. In fact, the actual cost was even higher because this figure excludes the staff needed at each facility to operate the program. Because there is no separate line-item appropriation for beneficiary travel, the funding for it comes from a general VA medical care appropriation. Thus, concerns were raised that the VA was, according to some studies, not able to provide medical treatment to some veterans and perhaps that limited funding might be better spent on medical care staff to perform direct patient care instead of beneficiary travel.

As a result of these concerns and the need to make difficult spending decisions with regard to the VA's medical care budget, the President's fiscal year 1987 budget request included only $10 million for this program. The VA then began the process of modifying its regulations to reflect this significant funding change to the beneficiary travel program.

Final regulations became effective on April 13, 1987. The VA's policy, as articulated in its regulations, was to provide free travel for those veterans who: First, required special modes of travel such as ambulance; second, required a compensation or pension medical exam; third, required emergency transportation; and, fourth, traveled over 200 miles round trip, with a deductible. The VA estimated the cost of the program—as modified by the regulations—would be about $55 million.

Since regulations became effective in April, I have been closely monitoring their impact on our Nation's veterans. I have listened to their concerns and worked with Senator CRANSTON to explore options which would reduce the hardship placed on some of our veteran population. In doing so, I have attempted to keep several key points in mind:

First, that the program should be easy to administer.

Second, that costs should be kept in control.

Third, that some flexibility in the implementation of the program was needed. That is, a medical center should have the ability to make decisions regarding the importance of beneficiary travel in relation to other priorities.

Fourth, that assistance to the frequent user of the VA system was essential; those, for example, who require cancer or dialysis treatment on a regular basis.

Fifth, that flexibility should be provided in areas where unique geographical conditions and/or the lack of a VA medical center make travel costly and access to the VA difficult. This is especially true in areas such as Alaska and Hawaii as well as other rural areas like Maine. For example, in Alaska—which is one-fifth the size of the United States and has about the same number of roads as Massachusetts—travel by air is often the only mode of transportation available. Obviously this is quite expensive. I am pleased that the VA has recognized this problem and is taking appropriate actions to address it.

And, sixth, that reliance on veterans service organizations and volunteer services to meet the transportation needs of our veterans are important.

I am most pleased that the thoughtful approach we have worked out takes into account my concerns and, I believe, the concerns of my colleagues. Specifically, our bill would provide travel reimbursement after paying a deductible of $7.50 (round trip) for each trip for veterans first, with service-connected disabilities, second, in receipt of pension or pension level, and third, unable to defray the cost of their travel, to be determined by VA regulations. Veterans who require special modes, emergency travel or compensation and pension exams would not be subject to a deductible. Additionally, there would be a cap of $22.50 per month for veterans who are frequent users of the VA system. This provision is designed to ensure that the veteran does not have unreasonable travel costs.

Because we are legislating at a time of prioritization and cutbacks in Government spending in order to reduce a staggering Federal deficit, the VA no longer has the luxury of fully funding every important program. VA medical centers are faced with extremely difficult spending choices. Medical center directors simply make choices as to whether to fund a program like beneficiary travel or to spend those limited resources on other programs. This is the harsh reality. Thus, in order to take these factors into account, the bill would provide a waiver authority whereby medical centers could be authorized to pay beneficiary travel at reduced levels or not at all—if determined to be in the best interest of the facility. The funds could be used for other health care services at the discretion of the medical center director. The medical center director should consult and advise veterans' representatives with regard to this issue. This is vital if support for changing priorities is to be achieved.

Finally and most importantly, our bill would require the VA to coordinate with the Secretary of Transportation and veterans' service organizations to facilitate the voluntary transportation of veterans. I applaud the Disabled American Veterans [DAV] for already taking the initiative in this area. The outstanding efforts of the DAV have helped many veterans receive the health-care services which they need. I am confident that other veterans' service organizations will assist in this program just as they have done so many times in the past. In this regard, the VA system is a model for other Federal health-care systems.

According to the VA, the cost of the program under our bill would be about $33 million over the current program cost for a fiscal year 1988 total program cost of about $88 million.

I again thank my colleagues for their interest in this veterans' program, and I urge them to join with Senator CRANSTON and me in supporting this legislation.●

● Mr. MOYNIHAN. Mr. President, I rise today in support of the legislation offered by Senator CRANSTON, chairman of the Committee on Veterans' Affairs.

On April 13, 1987, Veterans' Administration regulations went into effect to restrict reimbursement for veterans' beneficiary travel to and from VA facilities. In States like New York where veterans make up more than 10 percent of the population this is no small issue. On April 21, the first legislative day following this change, I introduced legislation to rescind the regulation to ensure our veterans would once again receive full reimbursement for medical care travel as they deserve.

Since that time the Committee on Veterans' Affairs has looked closely at this issue. Under the leadership of Chairman CRANSTON, they have crafted a solution to respond to veteran needs while taking into consideration the necessity of tightening the budget. Although my hopes were to fully restore travel benefits, Senator CRANSTON has found a compromise to both control spending and provide for our veterans.

I am pleased to join Senator CRANSTON as a cosponsor of his bill.●

By Mr. BREAUX:

S. 1465. A bill to provide for the transportation of solid waste in U.S.-flag vessels, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SOLID WASTE OCEAN TRANSPORTATION ACT

Mr. BREAUX. Mr. President, the disposal of solid waste is a problem that besets our society. EPA estimates that the United States produces about 450,000 tons of solid waste daily. New York City alone produces almost 20,000 tons every day. Most of this garbage, refuse, and other forms of nonhazardous waste is currently placed in landfills. Available landfill space in the United States is rapidly diminishing. A recent study by Combustion Engineering, Inc., projects that one-quarter of the Nation's major cities will run out of landfill space by 1992. Mount Trashmores are reaching inexorably skyward throughout the United States.

While the disposal of solid waste creates a problem of enormous proportions, it does at the same time offer opportunities. Solid waste can be converted into energy. Many communities are now exploring resource recovery plants. It is, however, unlikely that sufficient plants can be constructed in the United States to satisfy the need. One approach to this problem that is now being considered is the shipment of solid waste to foreign sites where it can be used as fuel to create steam or electricity. Such energy can be used to operate desalinization plants, new industries, and for the benefit of the local populations.

This is a development that offers many opportunities not only for the foreign nations involved but also for the U.S. merchant marine. It is a new area where the American merchant marine would be involved at the outset—not left at the starting gate only to have the field preempted by foreign-flag operators.

I am introducing today a bill entitled the "Solid Waste Ocean Transportation Act of 1987," which would restrict the waterborne transportation of solid waste produced in the United States to U.S.-flag ships. The purposes of this legislation are several: First, it is in our national interest to assure the reliability of the orderly removal and transportation of solid waste. Second, the U.S. merchant marine should have a role in this emerging shipping market for national defense as well as economic reasons.

It is crucial to the technological and political feasibility of waste export plans that the ocean shipments be made on a timely, regular, and reliable basis. The plans do not typically provide for interim storage of waste at either the originating or destination points. Mounting piles of garbage at U.S. inland points or port facilities would not only defeat the primary purpose of waste export plans but would pose unacceptable health hazards. Similarly, resource recovery plants in the receiving country will require regular deliveries of the waste in order to remain operative.

The risk of disruptions in ocean shipments would be minimized through the use of U.S.-flag ships. Foreign-flag ships are subject to possible interference and control by the flag country, and their crews are generally less reliable than U.S. crews. Moreover, U.S.-flag ships provide a greater assurance of compliance with the environmental and safety requirements associated with the carriage of waste.

An additional benefit of this legislation would be the provision of much needed employment for U.S. seafaring personnel and U.S-flag ships. This is an emerging market, and it is important that the U.S. merchant marine become involved from the beginning.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1465

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Solid Waste Ocean Transportation Act of 1987".

SEC. 2. TRANSPORTATION REQUIREMENTS.

When solid waste (as defined in section 1004(27) of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6903(27))), or the residue from its combustion is transported by water between the United States and a foreign country, that waste must be transported by vessels documented under chapter 121 of title 46, United States Code.

SEC. 3. PENALTIES.

(a) Any person violating this Act is liable to the United States Government for a civil penalty of not more than $5,000 for each day during which the violation occurs.

(b) Any vessel operated in violation of this Act shall be forfeited to the United States.

By Mr. HEINZ:

S. 1466. A bill to amend the Internal Revenue Code of 1986 to treat as 5-year property for depreciation purposes facilities which use anthracite culm fuel; to the Committee on Finance.

ANTHRACITE CULM

Mr. HEINZ. Mr. President, I am introducing today a bill to place anthracite culm waste in the same category as comparable alternative energy sources assigned 5-year depreciation in new section 168(e)(3)(B)(vi) of the Tax Reform Act of 1986. It is my belief that this amendment will correct an oversight in the drafting of that section last year.

It is altogether consistent with public policy that alternative energy projects such as those using geothermal, wind, solar, ocean thermal and biomass resources should retain certain incentives, even in today's budget environment, and these incentives have been retained in the Tax Reform Act. In my opinion, it was an oversight not to include in this category anthracite culm waste. My amendment will correct this oversight.

For those Senators who are not from Pennsylvania I should explain that anthracite culm is a waste product from the coal mining process. When raw material is extracted from an anthracite mine, it is taken to a processing plant where unwanted refuse is separated from the anthracite coal. This refuse, consisting of rock and small amounts of coal, is called anthracite culm. Being without value, it has accumulated in over 800 huge banks, generally rising about 20 stories high and extending for a half-mile. The U.S.

Bureau of Mines has estimated that the culm banks in Pennsylvania contain over 910 million cubic yards of material and cover a total area of 19 square miles. The removal of this eyesore and environmental threat has been a high prority for the State of Pennsylvania for many years, but only with the development of highly efficient, clean-burning technology, and in particular fluidized-bed combustion, has this become possible.

We need to keep in mind that this happy combination of cheap fuel and environmenal improvement stands on a fragile economic base. Eight small power production facilities now have contracts to supply power to one of Pennsylvania's public utilities, and three are under construction. All qualified under the Tax Code as it existed prior to the Tax Reform Act. One other small power facility also qualified under the old tax law. But unless this technical correction is enacted, there may be no more, for it is the favorable treatment under the Tax Code which makes this solution to the culm problem possible.

At the same time, it is becoming clear that the public utilities within economic distance on the culm piles, about 50 miles or so, are not going to be buying much more small powerplant output than they have contracted for in the next 5 years. I am told that only two or three more anthracite culm projects are likely to come on line in the 5-year period for which revenue loss is being calculated on the Tax Reform Act. On the basis of three additional plants the revenue loss has been estimated to be $16.8 million.

Mr. President, at long last we have seen a start on the removal of Pennsylvania's anthracite culm piles, the product of more than a hundred years of supplying fuel to the Nation. It is vital that this long-delayed effort be allowed to continue. My amendment is the key to its continuation.

I request unanimous consent that a copy of the bill be included in the RCORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1466

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 5-YEAR PROPERTY TO INCLUDE PROPERTY USING ANTHRACITE CULM FUEL.

(a) IN GENERAL.—Subclause (I) of section 168(e)(3)(B)(vi) of the Internal Revenue Code 1986 (defining 5-year property) is amended by inserting ", or which uses an anthracite culm fuel (as defined pursuant to section 3(17)(C) of the Federal Power Act (16 U.S.C. 796(17)(C)), as in effect on September 1, 1986)" after "section 48(1)".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the amendments made by section 201 of the Tax Reform Act of 1986.

SENATE ORIGINAL RESOLUTION 242—WAIVING SECTION 303(a) OF THE CONGRESSIONAL BUDGET ACT OF 1974 WITH RESPECT TO THE CONSIDERATION OF S. 1184

Mr. HOLLINGS (from the Committee on Commerce, Science, and Transportation) reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 242

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 1184 at the levels of budget authority and outlays reported by the Committee on Commerce, Science, and Transportation. Such waiver is necessary because S. 1184 provides new budget authority for a fiscal year for which the concurrent resolution on the budget has not been agreed to, in accordance with section 301 of such Act.

SENATE RESOLUTION 243—TO ESTABLISH THE OFFICE OF SENATE SECURITY

Mr. BYRD (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 243

Resolved, That (a) there is established, within the Office of the Secretary of the Senate (hereinafter referred to as the "Secretary"), the Office of Senate Security (hereinafter referred to as the "Office"), which shall be headed by a Director of Senate Security (hereinafter referred to as the "Director"). The Office shall be under the policy direction of the Majority and Minority Leaders of the Senate, and shall be under the administrative direction and supervision of the Secretary.

(b)(1) The Director shall be appointed by the Secretary after consultation with the Majority and Minority Leaders. The Secretary shall fix the compensation of the Director. Any appointment under this subsection shall be made solely on the basis of fitness to perform the duties of the position and without regard to political affiliation.

(2) The Director, with the approval of the Secretary, and after consultation with the Chairman and Ranking Member of the Committee on Rules and Administration of the Senate, may establish such policies and procedures as may be necessary to carry out the provisions of this resolution. Commencing one year from the effective date of this resolution, the Director shall submit an annual report to the Majority and Minority Leaders and the Chairman and Ranking Member of the Committee on Rules and Administration on the status of security matters and the handling of classified information in the Senate, and the progress of the Office in achieving the mandates of this resolution.

SEC. 2. (a) The Secretary shall appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this resolution. The Director, with the approval of the Secretary, shall prescribe the duties and responsibilities of such personnel. If a Director is not appointed, the Office shall be headed by an Acting Director. The Secretary shall appoint and fix the compensation of the Acting Director.

(b) The Majority and Minority Leaders of the Senate may each designate a Majority staff assistant and a Minority staff assistant to serve as their liaisons to the Office. Upon such designation, the Secretary shall appoint and fix the compensation of the Majority and Minority liaison assistants.

SEC. 3. (a) The Office is authorized, and shall have the responsibility, to develop, establish, and carry out policies and procedures with respect to such matters as:

(1) the receipt, control, transmission, storage, destruction or other handling of classified information addressed to the United States Senate, the President of the Senate, or Members and employees of the Senate;

(2) the processing of security clearance requests and renewals for officers and employees of the Senate;

(3) establishing and maintaining a current and centralized record of security clearances held by officers and employees of the Senate, and developing recommendations for reducing the number of clearances held by such employees;

(4) consulting and presenting briefings on security matters and the handling of classified information for the benefit of Members and employees of the Senate;

(5) maintaining an active liaison on behalf of the Senate, or any committee thereof, with all departments and agencies of the United States on security matters; and

(6) conducting periodic review of the practices and procedures employed by all offices of the Senate for the handling of classified information.

(b) Within 180 days after the Director takes office, he shall develop, after consultation with the Secretary, a Senate Security Manual, to be printed and distributed to all Senate offices. The Senate Security Manual will prescribe the policies and procedures of the Office, and set forth regulations for all other Senate offices for the handling of classified information.

(c) Within 90 days after taking office, the Director shall conduct a survey to determine the number of officers and employees of the Senate that have security clearances and report the findings of the survey to the Majority and Minority Leaders and Secretary of the Senate together with recommendations regarding the feasibility of reducing the number of employees with such clearances.

(d) The Office shall have authority—

(1) to provide appropriate facilities in the United States Capitol for hearings of committees of the Senate at which restricted data or other classified information is to be presented or discussed;

(2) to establish and operate a central repository in the United States Capitol for the safeguarding of classified information for which the Office is responsible; which shall include the classified records, transcripts, and materials of all closed sessions of the Senate; and

(3) to administer and maintain oaths of secrecy under paragraph (2) of rule XXIX of the Standing Rules of the Senate and to establish such procedures as may be necessary to implement the provisions of such paragraph.

SEC. 4. Funds appropriated for the fiscal year 1987 which would be available to carry out the purposes of the Interim Office of Senate Security but for the termination of such Office shall be available for the Office of Senate Security.

SEC. 5. (a) All records, documents, data, materials, rooms, and facilities in the custody of the Interim Office of Senate Security at the time of its termination on July 10, 1987, are transferred to the Office established by subsection (a) of the first section of this resolution.

(b) This resolution shall take effect on July 11, 1987.

SENATE RESOLUTION 244—TO CLARIFY THE PROCEDURES FOR THE PAYMENT OF SENATE EXPENSES INCURRED UNDER THE AUTHORITY OF HOUSE CONCURRENT RESOLUTION 131 (100TH CONGRESS, FIRST SESSION) AND SENATE RESOLUTION 352, AGREED TO APRIL 11, 1986

Mr. BYRD (for Mr. Ford) submitted the following resolution; which was considered and agreed to:

S. Res. 244

Resolved, That section 7(a) of Senate Resolution 352, agreed to April 11, 1986, as amended by Senate Resolution 166, agreed to March 12, 1987, is amended by inserting after "including" the following: "receptions, meals, and food-related expenses, and".

Sec. 2. For purposes of section 4 of House Concurrent Resolution 131 (100th Congress, First Session), the actual and necessary expenses of the Senate incurred in attending the ceremonial meeting of Congress in Philadelphia, Pennsylvania on July 16, 1987, including receptions, meals, and food-related expenses, shall be paid from the Contingent Fund of the Senate, out of the account of Miscellaneous Items, upon vouchers approved by the President pro tempore or his designee.

ADDITIONAL COSPONSORS

S. 51

At the request of Mr. Hatch, the name of the Senator from Colorado [Mr. Armstrong] was added as a cosponsor of S. 51, a bill to prohibit smoking in public conveyances.

S. 84

At the request of Mr. Johnston, the name of the Senator from Maryland [Ms. Mikulski] was added as a cosponsor of S. 84, a bill to amend the Land and Water Conservation Fund Act of 1965.

S. 143

At the request of Mr. Inouye, the name of the Senator from Virginia [Mr. Warner] was added as a cosponsor of S. 143, a bill to establish a temporary program under which parenteral diacetylmorphine will be made available through qualified pharmacies for the relief of intractable pain due to cancer.

S. 303

At the request of Mr. Bradley, the names of the Senator from Iowa [Mr. Harkin], the Senator from Tennessee [Mr. Sasser], and the Senator from Michigan [Mr. Riegle] were added as cosponsors of S. 303, a bill to establish a Federal program to strengthen and improve the capability of State and local educational agencies and private nonprofit schools to identify gifted and talented children and youth and to provide those children and youth with appropriate educational opportunities, and for other purposes.

S. 407

At the request of Mr. Garn, the names of the Senator from Virginia [Mr. Trible], and the Senator from Vermont [Mr. Stafford] were added as cosponsors of S. 407, a bill to grant a Federal charter to the *Challenger* Center, and for other purposes.

S. 430

At the request of Mr. Metzenbaum, the names of the Senator from Nebraska [Mr. Exon], the Senator from Massachusetts [Mr. Kennedy], the Senator from Maryland [Ms. Mikulski], and the Senator from Ohio [Mr. Glenn] were added as cosponsors of S. 430, a bill to amend the Sherman Act regarding retail competition.

S. 604

At the request of Mr. Pryor, the name of the Senator from Virginia [Mr. Trible] was added as a cosponsor of S. 604, a bill to promote and protect taxpayer rights, and for other purposes.

S. 698

At the request of Mr. Thurmond, the name of the Senator from North Carolina [Mr. Helms] was added as a cosponsor of S. 698, a bill to amend title 17, United States Code, to prohibit the conveyance of the right to perform publicly syndicated television programs without conveying the right to perform accompanying music.

S. 887

At the request of Mr. Matsunaga, the name of the Senator from Florida [Mr. Chiles] was added as a cosponsor of S. 887, a bill to extend the authorization of appropriations for and to strengthen the provisions of the Older Americans Act of 1965, and for other purposes.

S. 912

At the request of Mr. Exon, the names of the Senator from Indiana [Mr. Lugar], and the Senator from Virginia [Mr. Tribble] were added as cosponsors of S. 912, a bill to amend the Rural Electrification Act of 1936 to permit the prepayment of Federal financing bank loans made to rural electrification and telephone systems, and for other purposes.

S. 1076

At the request of Mr. Bradley, the names of the Senator from Colorado [Mr. Wirth], and the Senator from Mississippi [Mr. Cochran] were added as cosponsors of S. 1076, a bill to amend title XVIII of the Social Security Act to improve the availability of home health services under the Medicare Program, and for other purposes.

S. 1109

At the request of Mr. Harkin, the name of the Senator from Nebraska [Mr. Exon] was added as a cosponsor of S. 1109, a bill to amend the Federal Food, Drug, and Cosmetic Act to require certain labeling of foods which contain tropical fats.

S. 1114

At the request of Mr. Heflin, the name of the Senator from Maine [Mr. Mitchell] was added as a cosponsor of S. 1114, a bill to impose a temporary duty on laser discs.

S. 1188

At the request of Mr. Symms, the names of the Senator from Rhode Island [Mr. Pell], and the Senator from Utah [Mr. Garn] were added as cosponsors of S. 1188, a bill to amend the Internal Revenue Code of 1986 to allow certain associations of football coaches to have a qualified pension plan which includes cash or deferred arrangement.

S. 1189

At the request of Mr. Melcher, the name of the Senator from Missouri [Mr. Bond] was added as a cosponsor of S. 1189, a bill to amend the Older Americans Act of 1965 to authorize grants to States for demonstration projects that provide to older individuals services in return for certain volunteer services provided to other individuals.

S. 1239

At the request of Mr. Daschle, the name of the Senator from Oklahoma [Mr. Boren] was added as a cosponsor of S. 1239, a bill to amend the Internal Revenue Code of 1986 with respect to the treatment of certain short-term loans.

S. 1288

At the request of Mr. Garn, the names of the Senator from California [Mr. Cranston], the Senator from Arizona [Mr. McCain], and the Senator from Colorado [Mr. Wirth] were added as cosponsors of S. 1288, a bill to designate July 20 of each year as "Space Exploration Day".

S. 1333

At the request of Mr. McConnell, the names of the Senator from Utah [Mr. Hatch], and the Senator from Nevada [Mr. Reid] were added as cosponsors of S. 1333, a bill to allow the 65 miles per hour speed limit on highways that meet interstate standards and are not currently on the National System of Interstate and Defense Highways.

S. 1337

At the request of Mr. Durenberger, the name of the Senator from Minnesota [Mr. Boschwitz] was added as a cosponsor of S. 1337, a bill to designate the Federal Building and United States Courthouse at 316 North Robert Street, Saint Paul, Minnesota, as the "Warren E. Burger Federal Building and United States Courthouse".

S. 1366

At the request of Mr. Kennedy, the name of the Senator from Washington [Mr. Evans] was added as a cosponsor of S. 1366, a bill to revise and extend the programs of assistance under title X of the Public Health Service Act.

S. 1370

At the request of Mr. Bumpers, the names of the Senator from Illinois [Mr. Dixon], and the Senator from Hawaii [Mr. Inouye] were added as cosponsors of S. 1370, a bill to provide special rules for health insurance costs of self-employed individuals.

S. 1401

At the request of Mr. DeConcini, the names of the Senator from Alabama [Mr. Shelby], the Senator from Montana [Mr. Melcher], and the Senator from Michigan [Mr. Levin] were added as cosponsors of S. 1401, a bill to restore, on an interim basis, certain recently amended procedures for determining the maximum attorney's fees which may be charged for services performed before the Secretary of Health and Human Services under the Social Security Act and to require a report by the Secretary of Health and Human Services regarding possible improvements in such procedures.

S. 1402

At the request of Mr. Kennedy, the names of the Senator from Maryland [Ms. Mikulski], the Senator from Mississippi [Mr. Cochran], and the Senator from Tennessee [Mr. Gore] were added as cosponsors of S. 1402, a bill to amend title VIII of the Public Health Service Act to establish programs to reduce the shortage of professional nurses.

S. 1417

At the request of Mr. Harkin, the names of the Senator from South Carolina [Mr. Thurmond], the Senator from Washington [Mr. Adams], the Senator from Kansas [Mr. Dole], the Senator from Massachusetts [Mr. Kerry], the Senator from Utah [Mr. Hatch], the Senator from Maryland [Ms. Mikulski], the Senator from Rhode Island [Mr. Pell], and the Senator from Hawaii [Mr. Matsunaga] were added as cosponsors of S. 1417, a bill to revise and extend the Developmental Disabilities Assistance and Bill of Rights Act.

S. 1419

At the request of Mr. Durenberger, the name of the Senator from California [Mr. Cranston] was added as a cosponsor of S. 1419, a bill to prevent ground water contamination by pesticides.

S. 1425

At the request of Mr. Stafford, the name of the Senator from New York [Mr. Moynihan] was added as a cosponsor of S. 1425, a bill to authorize construction of a public building for the Environmental Protection Agency.

S. 1440

At the request of Mr. Evans, the name of the Senator from Missouri [Mr. Bond] was added as a cosponsor of S. 1440, a bill to provide consistency in the treatment of quality control review procedures and standards in the Aid to Families With Dependent Children, Medicaid, and Food Stamp Programs; to impose a temporary moratorium for the collection of penalties under such programs, and for other purposes.

S. 1441

At the request of Mr. Kennedy, the names of the Senator from Maryland [Ms. Mikulski], and the Senator from Mississippi [Mr. Cochran], were added as cosponsors of S. 1441, a bill to reduce the incidence of infant mortality.

SENATE JOINT RESOLUTION 59

At the request of Mr. Thurmond, the name of the Senator from Massachusetts [Mr. Kennedy] was added as a cosponsor of Senate Joint Resolution 59, a joint resolution to designate the month of May 1987 as "National Foster Care Month".

SENATE JOINT RESOLUTION 125

At the request of Mr. Roth, the names of the Senator from Wyoming [Mr. Simpson], the Senator from Utah [Mr. Hatch], and the Senator from Alabama [Mr. Heflin] were added as cosponsors of Senate Joint Resolution 125, a joint resolution to designate the period commencing on May 9, 1988, and ending on May 15, 1988, as "National Stuttering Awareness Week."

SENATE CONCURRENT RESOLUTION 43

At the request of Mr. Stevens, the name of the Senator from Louisiana [Mr. Johnston] was added as a cosponsor of Senate Concurrent Resolution 43, a concurrent resolution to encourage State and local governments and local educational agencies to provide quality daily physical education programs for all children from kindergarten through grade 12.

SENATE CONCURRENT RESOLUTION 46

At the request of Mr. Kennedy, the name of the Senator from Massachusetts [Mr. Kerry] was added as a cosponsor of Senate Concurrent Resolution 46, a concurrent resolution expressing the sense of the Congress concerning representative government, political parties, and freedom of expression on Taiwan.

SENATE RESOLUTION 218

At the request of Mr. Quayle, the names of the Senator from Nevada [Mr. Hecht], the Senator from Idaho [Mr. Symms], the Senator from North Carolina [Mr. Helms], the Senator from Oklahoma [Mr. Boren], the Senator from Wisconsin [Mr. Kasten], the Senator from Texas [Mr. Bentsen], the Senator from Illinois [Mr. Dixon], the Senator from Utah [Mr. Hatch], the Senator from New Hampshire [Mr. Humphrey], the Senator from Arkansas [Mr. Pryor], the Senator from Iowa [Mr. Grassley], the Senator from Indiana [Mr. Lugar], the Senator from Alaska [Mr. Murkowski], the Senator from Mississippi [Mr. Cochran], the Senator from Louisiana [Mr. Johnston], the Senator from Kentucky [Mr. McConnell], and the Senator from Virginia [Mr. Warner] were added as cosponors of Senate Resolution 218, a resolution to express the sense of the Senate that each Senate committee that reports legislation that requires employers to provide new employee benefits secure an objective analysis of the impact of the legislation on employment and international competitiveness and include an analysis of the impact in the report of the committee on the legislation.

SENATE RESOLUTION 232

At the request of Mr. Riegle, the names of the Senator from Illinois [Mr. Dixon], the Senator from Minnesota [Mr. Durenberger], the Senator from North Dakota [Mr. Burdick], the Senator from Arizona [Mr. DeConcini], the Senator from Massachusetts [Mr. Kerry], the Senator from New Jersey [Mr. Lautenberg], the Senator from New York [Mr. Moynihan], and the Senator from Arkansas [Mr. Pryor] were added as cosponsors of Senate Resolution 232, a resolution concerning the denial of freedom of religion and other human rights in Soviet-occupied Lithuania.

AMENDMENTS SUBMITTED

OMNIBUS TRADE ACT

BRADLEY (AND OTHERS) AMENDMENT NO. 364

Mr. BRADLEY (for himself, Mr. Packwood, Mr. Metzenbaum, Mr. Chafee, Mr. Lugar, Mr. D'Amato, Mr. Durenberger, Mr. Evans, Mr. Lautenberg, Ms. Mikulski, Mr. Pell, Mr. Proxmire, Mr. Heinz, Mr. Rudman, Mr. Dodd, Mr. Kennedy, Mr. Cohen, Mr. Specter, Mr. Mitchell, Mr. Weicker, Mr. Stafford, Mr. Quayle, Mr. Humphrey, Mr. Kerry, Mr. Roth, Mr. Boschwitz, Mr. Leahy, and Mr. Kasten proposed an amendment to the bill (S. 1420) to authorize negotiations of reciprocal trade agreements, to strengthen U.S. trade laws, and for other purposes; as follows:

Strike out section 502 of the bill.

MOYNIHAN AMENDMENT NO. 365

Mr. MOYNIHAN proposed an amendment to the bill (S. 1420) supra; as follows:

On page 191 of the printed bill, line 3, strike out the end quotation marks and end period.

On page 191, between lines 3 and 4, insert the following:

"(4) Later-developed merchandise.—

"(A) In general.—For purposes of determining whether merchandise developed after an investigation is initiated under this title or section 303 (hereafter in this paragraph referred to as the 'later-developed merchandise') is within the scope of an outstanding antidumping or countervailing duty order issued under this title or section 303 as a result of such investigation, the administering authority shall consider whether—

"(i) the later-developed merchandise has the same general physical characteristics as the merchandise with respect to which the order was originally issued (hereafter in this paragraph referred to as the 'earlier product'),

"(ii) the expectations of the ultimate purchasers of the later-developed merchandise are the same as for the earlier product,

"(iii) the ultimate use of the earlier product and the later-developed merchandise are the same,

"(iv) the later-developed merchandise is sold through the same channels of trade as the earlier product, and

"(v) the later-developed merchandise is advertised and displayed in a manner similar to the earlier product.

"(B) Exclusion from orders.—The administering authority may not exclude a later-developed merchandise from a countervailing or antidumping duty order merely because the merchandise—

"(i) is classified under a tariff classification other than that identified in the petition or the administering authority's prior notices during the proceeding, or

"(ii) permits the purchaser to perform additional functions, unless such additional functions constitute the primary use of the merchandise and the cost of the additional functions constitute more than a significant proportion of the total cost of production of the merchandise.".

QUAYLE (AND OTHERS) AMENDMENT NO. 366

Mr. QUAYLE (for himself, Mr. Moynihan, Mr. Heinz, Mr. Lugar, Mr. Kasten, Mr. Riegle, and Mr. Levin) proposed an amendment to the bill (S. 1420) supra; as follows:

At an appropriate place in the bill, insert the following:

SECTION 1. SHORT TITLE.

This section may be referred to as the "Fair Trade in Auto Parts Act of 1987."

SECTION 2. DEFINITIONS.

(a) For purposes of this section, the term "Japanese Markets" shall refer to markets, including the United States and Japan, where automotive parts and accessories, both original equipment and aftermarket, are purchased for use in the manufacture or repair of Japanese-brand automobiles.

SECTION 3. ESTABLISHMENT OF INITIATIVE ON AUTO PARTS SALES TO JAPAN.

(a) In General.—The Secretary of Commerce shall establish an initiative to increase the sale of United States-made auto-parts and accessories to Japanese markets.

(b) Functions.—In carrying out this section, the Secretary shall—

(1) foster increased access for United States-made auto parts and accessories to Japanese companies, including specific consultations on access to Japanese markets,

(2) facilitate the exchange of information between United States auto parts manufacturers and the Japanese automobile industry,

(3) collect data and market information on the Japanese automotive industry regarding needs, trends and procurement practices, including the types, volume and frequency of parts sales to Japanese-brand automobile manufacturers,

(4) establish contacts with Japanese automobile manufacturers in order to facilitate contact between United States auto parts manufacturers and Japanese automobile manufacturers,

(5) report on and attempt to resolve disputes, policies or practices, whether public or private, that result in barriers to increased commerce between United States auto parts manufacturers and Japanese automobile manufacturers,

(6) take actions to initiate periodic consultations with officials of the Government of Japan regarding sales of United States-made auto parts in Japanese markets;

(7) submit annual written reports or otherwise report annually to Congress on the sale of United States-made auto parts in Japanese markets, including the extent to which long-term, commercial relationships exist between United States auto parts manufacturers and Japanese-brand automobile manufacturers.

SEC. 4. ESTABLISHMENT OF SPECIAL ADVISORY COMMITTEE ON AUTO PARTS SALES IN JAPAN.

(a) In General.—The Secretary of Commerce shall seek the advice of the United States automotive parts industry in carrying out the intent of this Act.

(b) Structure of Committee.—The Secretary of Commerce shall select and establish a Special Advisory Committee for purposes of carrying out this Act.

(c) Functions.—The Special Advisory Committee established in this Act shall—

(1) report to the Secretary of Commerce on barriers to sales of United States-made auto parts and accessories in Japanese markets,

(2) review and consider sales data collected,

(3) advise the Secretary of Commerce during consultation with the Government of Japan on issues concerning sales of United States-made auto parts in Japanese markets,

(4) assist in establishing priorities for the initiative, and otherwise provide assistance and direction to the Secretary of Commerce in carrying out the intent of section 3 above, and

(5) assist the Secretary in reporting, or otherwise report to Congress as requested, on the progress of sales of United States-made auto parts in Japanese markets.

(d) Authority.—The Secretary shall draw on existing budget authority in carrying out the Act.

SEC. 5. EXPIRATION DATE.

The Authority for this Act shall expire on December 31, 1993.

MOYNIHAN (AND OTHERS) AMENDMENT NO. 367

Mr. MOYNIHAN (for himself, Mr. Byrd, Mr. Sasser, Mr. Nunn, Mr. Glenn, Mr. Inouye, Mr. Exon, Mr. Biden, Mr. Levin, Mr. Kerry, and Mr. Kennedy) proposed an amendment to the bill (S. 1420) supra; as follows:

On Page 511, between lines 11 and 12, insert the following new section:

SEC. 2010. POLICY TOWARD PROTECTION OF REFLAGGED KUWAITI TANKERS IN THE PERSIAN GULF.

(a) Findings.—The Congress finds that—

(1) The United States has a vital strategic interest in the export of oil from the Persian Gulf region.

(2) the United States has long-term important strategic and geopolitical interests in the Persian Gulf region, including the security and stability of the states in the region, the pursuit of which requires the freedom of navigation in the Persian Gulf and adjacent waters and the prevention of hegemony in the region by either Iran or Iraq;

(3) the continuation of the Iran-Iraq war constitutes a grave threat to these interests;

(4) the expansion of the Iran-Iraq war threatens the territorial-integrity and sovereignty of the Persian Gulf states, and, in particular, the pattern of intimidation practiced against noncombatant states, recently focused on Kuwait, has raised serious and legitimate concerns;

(5) the President has proposed the protection, through the use of convoy escorts by United States Navy ships, of Kuwaiti-owned tankers flying the United States flag;

(6) the Congress has examined the rationale for this proposal and the specific manner in which it would be implemented, including a careful review of the report entitled "Report on Security Arrangements In the Persian Gulf", which report was submitted by the Secretary of Defense to the Congress at its request; and

(7) the threat assessment, strategic justification, and security arrangements described in the Secretary of Defense's report to the Congress are inadequate to justify the reflagging or the convoying of merchant vessels in the Persian Gulf by United States naval forces, until, at a minimum, further assessments have been made regarding the threat of terrorist attacks, mine warfare detection and defense, and the need for any required facilities for land-based aircraft.

(b) Policy.—It is the sense of the Congress that—

(1) the United States should seek a settlement of the Iran-Iraq war through all diplomatic means;

(2) the United States should pursue, through the United Nations Security Council and other international diplomatic channels, efforts—

(A) to effect mandatory sanctions, including an arms embargo, against any combatant state which fails to cooperate in the establishment of a negotiated cease-fire; and

(B) to promote a cessation by Iran and Iraq on attacks against shipping in the Persian Gulf;

(3) the United States should deploy such naval forces in, or proximate to, the Persian Gulf as may be necessary to protect the right of free transit through the Strait of Hormuz, and should work closely with the Persian Gulf states to reestablish stability, security, and peace in the region;

(4) in implementing the policy described in paragraphs (1) through (3), the President should take such steps as he deems necessary to achieve the cooperation of interested parties, particularly naval powers among the major importers of Persian Gulf oil and the nations of the Gulf Cooperation Council;

(5) the President should seek the convening of a conference of the exporters and importers of Persian Gulf oil to assess means for ensuring the free flow of oil, promoting

freedom of navigation, deescalating tensions and hostilities contributing to the search for a negotiated end to the Iran-Iraq war, and developing a long-term policy which advances the strategic interests of the West and of the states in the region;

(6) the proposed reflagging of Kuwaiti tankers should be placed in abeyance pending the outcome of the initiatives and other measures described in this section; and

(7) the United States should preserve its military flexibility in the Persian Gulf, and should not commit itself rigidly and exclusively to any narrow protection regime, such as convoying, for one country or one specific group of ships, and should explore further cooperative efforts, involving other naval powers and the regional states, to ensure the free transit of oil.

BYRD AMENDMENT NO. 368

Mr. BYRD proposed an amendment to amendment No. 367 proposed by Mr. MOYNIHAN (and others) to the bill (S. 1420) supra; as follows:

On page 1, line 3 of the amendment, strike all after the word "SEC." and insert in lieu thereof:

2010. POLICY TOWARD PROTECTION OF REFLAGGED KUWAITI TANKERS IN THE PERSIAN GULF.

(a) FINDINGS.—The Congress finds that—

(1) the United States has a vital strategic interest in the export of oil from the Persian Gulf region;

(2) the United States has long-term important strategic and geopolitical interests in the Persian Gulf region, including the security and stability of the states in the region, the pursuit of which requires the freedom of navigation in the Persian Gulf and adjacent waters and the prevention of hegemony in the region by either Iran or Iraq;

(3) the continuation of the Iran-Iraq war constitutes a grave threat to these interests;

(4) the expansion of the Iran-Iraq war threatens the territorial integrity and sovereignty of the Persian Gulf states, and, in particular, the pattern of limitation practiced against noncombatant states, recently focused on Kuwait, has raised serious and legitimate concerns;

(5) the President has proposed the protection, through the use of convoy escorts by United States Navy ships, of Kuwaiti-owned tankers flying the United States flag;

(6) the Congress has examined the rationale for this proposal and the specific manner in which it would be implemented, including a careful review of the report entitled "Report On Security Arrangements In The Persian Gulf", which report was submitted by the Secretary of Defense to the Congress at its request; and

(7) the threat assessment, strategic justification, and security arrangements described in the Secretary of Defense's report to the Congress are inadequate to justify the reflagging or the convoying of merchant vessels in the Persian Gulf by United States naval forces, until, at a minimum, further assessments have been made regarding the threat of terrorist attacks, mine warfare detection and defense, and the need for any required facilities for land-based aircraft.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should seek a settlement of the Iran-Iraq through all diplomatic means;

(2) the United States should pursue, through the United Nations Security Council and other international diplomatic channels, efforts—

(A) to effect mandatory sanctions including an arms embargo, against any combatant state which fails to cooperate in the establishment of a negotiated cease-fire; and

(B) to promote cessation by Iran and Iraq on attacks against shipping in the Persian Gulf;

(3) the United States should deploy such naval forces in, or proximate to, the Persian Gulf as may be necessary to protect the right of free transit through the Strait of Hormuz, and should work closely with the Persian Gulf states to reestablish stability, security, and peace in the region;

(4) in implementing the policy described in paragraphs (1) through (3), the President should take such steps as he deems necessary to achieve the cooperation of interested parties, particularly naval powers among the major importers of Persian Gulf oil and the nations of the Gulf Cooperation Council;

(5) the President should seek the convening of a conference within the ninety days of the exporters and importers of Persian Gulf oil to assess means for ensuring the free flow of oil, promoting freedom of navigation, deescalating tensions and hostilities, contributing to the search for a negotiated end to the Iran-Iraq war, and developing a long-term policy which advances the strategic interests of the West and of the states in the region;

(6) the proposed reflagging of Kuwaiti tankers should be placed in abeyance pending the outcome of the initiatives and other measures described in this section; and

(7) the United States should preserve its military flexibility in the Persian Gulf, and should not commit itself rigidly and exclusively to any narrow protection regime, such as convoying, for one country or one specific group of ships, and should explore further cooperative efforts, involving other naval powers and the regional states, to ensure the free transit of oil.

SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1987

HOLLINGS AMENDMENT NO. 369

Mr. HOLLINGS proposed an amendment to the amendment of the House to the amendment of the Senate numbered 26 to the bill (H.R. 1827) making supplemental appropriations for the fiscal year ending September 30, 1987, and for other purposes; as follows:

In lieu of the matter proposed by said amendment, insert the following:

Notwithstanding any other provision of law, no funds appropriated to the Department of State in this or any other Act may be obligated for the new office building in Moscow, except as necessary to demolish the building: *Provided further*, That subsection (d) of section 154 of Public Law 99-93 is repealed and subsection (a) of such section is amended in the first sentence, to read as follows; "The Secretary of State shall not permit the Soviet Union to occupy the new chancery building at its new embassy complex in Washington, D.C., or any other new facility in the Washington, D.C. metropolitan area, until a few chancery building is ready for occupancy for the United States embassy in Moscow and until the Soviet Union provides prompt and full reimbursement to the United States for damages incurred as a result of the construction of the new United States embassy in Moscow.": *Provided further*, That the Secretary of State is directed to develop and submit to the Speaker of the House of Representatives and the Appropriations and Foreign Relations Committees of the Senate by August 30, 1987, a plan to establish essential parity in the numbers, types and quality of buildings held by the United States in Moscow and the Soviet Union in Washington, D.C.: *Provided further*, That it is the sense of Congress that no additional funds should be appropriated for new embassy construction, except for the completion of projects, other than Moscow, where construction is now underway until such time as the management of overseas embassy construction is organized under an Under Secretary who shall also have responsibility for the Office of Foreign Missions and the Bureau of Diplomatic Security: *Provided further*, That the Secretary of State and Director of Central Intelligence shall within thirty days after enactment of this Act convene a panel of outside experts to review and analyze the plans, contracts and protocols of any construction projects of the Office of Foreign Buildings.

MELCHER AMENDMENT NO. 370

Mr. MELCHER proposed an amendment to the amendment of the House to the amendment of the Senate numbered 387 to the bill (H.R. 1827) supra; as follows:

At the end of the amendment contained in the motion add the following:

From amounts appropriated under the joint resolution entitled "A Joint Resolution making continuing appropriations for the fiscal year 1987, and for other purposes" approved October 30, 1986 (Public Law 99-500 and Public Law 99-591) and available to the Department of Labor, the Secretary of Labor shall develop data for, and publish, an index of consumer prices which accurately reflects the distribution of expenditures on goods and services, and the inflation rate within these goods and services, which are purchased by individuals who are 62 years of age or older and who have retired from the work force, and the Secretary shall furnish the Congress with the data and index within 180 days after the date of adoption of this Act.

OMNIBUS TRADE BILL

METZENBAUM AMENDMENT NO. 371

(Ordered to lie on the table.)

Mr. METZENBAUM submitted an amendment intended to be proposed by him to the bill (S. 1420) supra; as follows:

On page 609, beginning with line 8, strike out all through line 26 on page 617, and insert in lieu thereof the following:

"PART B—ADVANCE NOTIFICATION OF PLANT CLOSINGS AND MASS LAYOFFS

"DEFINITIONS

"SEC. 331. As used in this part—

"(1) the term 'employer' means any business enterprise that employs—

"(A) 100 or more full-time employees; or

"(B) 100 or more employees who in the aggregate work at least 4,000 hours per week (exclusive of hours of overtime);

"(2) the term 'plant closing' means the permanent or temporary shutdown of a place of employment, or facilities or operating units within a place of employment, if the shutdown results in an employment loss at the place of employment during any 30-day period for 50 or more employees excluding any part-time or seasonal employees;

"(3) the term 'mass layoff' means a reduction in force which—

"(A) is not the result of a plant closing;

"(B) results in an employment loss at the place of employment during any 30-day period for 33 percent of the employer's employees at the place of employment (excluding any part-time or seasonal employees); and

"(C) results in an employment loss of at least 50 employees (excluding any part-time or seasonal employees);

"(4) the term 'representative' means an exclusive representative of employees within the meaning of section 9(a) or 8(f) of the National Labor Relations Act (29 U.S.C. 159(a), 158(f)) or section 2 of the Railway Labor Act (45 U.S.C. 152);

"(5) the term 'affected employees' means employees who may reasonably be expected to experience an employment loss as a consequence of a proposed plant closing or mass layoff by their employer;

"(6) the term 'employment loss' means (A) an employment termination, other than a discharge for cause, voluntary departure, or retirement, (B) a layoff of indefinite duration, (C) a layoff of definite duration exceeding 6 months, or (D) a reduction in hours of work of more than 50 percent during any 6-month period;

"(7) the term 'unit of local government' means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers;

"(8) the term 'part-time employee' means an employee who is hired to work an average of less than 15 hours per week; and

"(9) the term 'seasonal employee' means an employee who is hired for a period not to exceed 3 months per year to do work that is seasonal in nature.

"NOTICE REQUIRED BEFORE PLANT CLOSINGS AND MASS LAYOFFS

"SEC. 332. (a) NOTICE TO EMPLOYEES, STATE DISLOCATED WORKER UNITS, AND LOCAL GOVERNMENTS.—An employer shall not order a plant closing or mass layoff until the end of a 90-day period after the employer serves written notice of a proposal to issue such an order—

"(1) to each representative of the affected employees as of the time of the notice or, if there is no such representative at that time, to each affected employee; and

"(2) to the State dislocated worker unit (established under part A) and the chief elected official of the unit of local government within which such closing or layoff is to occur.

"(b) REDUCTION OF NOTIFICATION PERIOD.—(1) An employer may order the shutdown of a place of employment before the conclusion of the 90-day period if as of the time that notice would have been required the employer was actively seeking capital or business which, if obtained, would have enabled the employer to avoid or postpone indefinitely the shutdown and the employer reasonably and in good faith believed that giving the notice required would have precluded the employer from obtaining the needed capital or business.

"(2) An employer may order a plant closing or mass layoff before the conclusion of the 90-day period if the closing or mass layoff is caused by business circumstances that were not reasonably foreseeable as of the time that notice would have been required.

"(3) An employer relying on this subsection shall give as much notice as is practicable and at that time shall give a brief statement of the basis for reducing the notification period.

"(c) EXTENSION OF LAYOFF PERIOD.—A layoff of definite duration of 6 months or less which extends beyond 6 months shall be treated as a layoff of indefinite duration unless—

"(1) the extension is caused by business circumstances (including unforeseeable changes in price or cost) not reasonably foreseeable at the time of the initial layoff; and

"(2) notice is given at the time it becomes reasonably foreseeable that the extension will be required.

"ADMINISTRATION AND ENFORCEMENT OF REQUIREMENTS

"SEC. 333. (a) CIVIL ACTIONS AGAINST EMPLOYERS.—(1) Any employer who orders a plant closing or mass layoff in violation of section 332 of this Act shall be liable to each aggrieved employee who suffers an employment loss as a result of such closing or layoff for—

"(A) back pay for each day of violation up to a maximum of one-half the number of days the employee was employed by the employer, at a rate of compensation not less than the higher of—

"(i) the average regular rate received by such employee during the last 3 years of the employee's employment, or

"(ii) the final regular rate received by such employee, and

"(B) the cost of related fringe benefits, including the cost of medical expenses incurred during the employment loss which would have been covered under medical benefits if the employment loss had not occurred,

less any earnings or related fringe benefits received by such employee from the violating employer for the period of the violation.

"(2) Any employer who violates the provisions of section 332 with respect to a unit of local government shall be subject to a civil penalty equal to $500 for each day of such violation.

"(3) The unit of local government which the employer must notify in accordance with section 332 is the unit of local government having jurisdiction over the area in which the employer is located and if there is more than one such unit, the unit of local government to which the employer pays the highest taxes for the year preceding the year for which the determination is made.

"(4) If an employer who has violated this part proves to the satisfaction of the court that the act or omission which violated this part was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of this part the court may, in its discretion, reduce the amount of the liability or penalty provided for in this section.

"(5) A person seeking to enforce such liability, including a representative of employees or a unit of local government aggrieved under paragraph (1) or (2) may sue either for such person or for other persons similarly situated, or both, in any district court of the United States for any district in which the violation is alleged to have occurred, or in which the employer transacts business.

"(6) In any such suit, the court may, in addition to any judgment awarded the plaintiff or plaintiffs, allow a reasonable attorneys' fee to be paid by the defendant, together with the costs of the action.

"(7) For purposes of this subsection, the term, 'aggrieved employee' means an employee who has worked for the employer ordering the plant closing or mass layoff and who did not receive timely notice either directly or through his representative as required by section 332.

"(b) EXCLUSIVITY OF REMEDIES.—The remedies provided for in this section shall be the exclusive remedies for any violation of this part.

"(c) DETERMINATIONS WITH RESPECT TO EMPLOYMENT LOSS.—For purposes of this section, in determining whether a plant closing or mass layoff has occurred or will occur, employment losses for 2 or more groups at a single site, each of which is less than 50 employees but which in the aggregate equal or exceed 50 employees, occurring within any 90-day period shall be considered to be a plant closing or mass layoff unless the employer demonstrates that the employment losses are the result of separate and distinct actions and causes and are not an attempt by the employer to evade the requirements of this Act.

"EXEMPTION

"SEC. 334. This part shall not apply to a plant closing or mass layoff if—

"(1) the closing or layoff is the result of the sale of part or all of an employer's business and the purchaser agrees in writing, as part of the purchase agreement, to hire substantially all of the affected employees with no more than a 6-month break in employment;

"(2) the closing or layoff is the result of the relocation of part or all of an employer's business within a reasonable commuting distance and the employer offers to transfer substantially all of the affected employees with no more than a 6-month break in employment;

"(3) the closing is of a temporary facility or the mass layoff is as the result of the completion of a particular project and the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project; or

"(4) the closing or layoff constitutes a lockout or a strike.

"PROCEDURES IN ADDITION TO OTHER RIGHTS OF EMPLOYEES

"SEC. 335. The rights and remedies provided to employees by this part are in addition to, and not in lieu of, any other contractual or Federal statutory rights and remedies of the employees, and are not intended to alter or affect such rights and remedies.

"PROCEDURES ENCOURAGED WHERE NOT REQUIRED

"SEC. 336. It is the sense of Congress that an employer who is not required to comply with the notice requirements of section 332 should, to the extent possible, provide notice to its employees about a proposal to close a plant or permanently reduce its workforce.

"EFFECTIVE DATE

"SEC. 337. This part shall take effect on the date which is 6 months after the date of enactment of this Act.

"EFFECT ON OTHER LAWS

"SEC. 338. The giving of notice pursuant to this part, if done in good faith compliance with this part, shall not constitute a violation of the National Labor Relations Act or the Railway Labor Act.

DANFORTH AMENDMENT NOS. 372 THROUGH 374

(Ordered to lie on the table.)

Mr. DANFORTH submitted three amendments intended to be proposed by him to the bill (S. 1420) supra; as follows:

AMENDMENT No. 372

On page 228 of the printed bill, line 24, strike out "335, and 336" and insert in lieu thereof "and 335".

On page 229, after line 24, insert the following:

(g) FICTITIOUS MARKETS.—The amendment made by section 336 shall only apply with respect to—

(1) investigations initiated after the date of enactment of this Act,

(2) reviews initiated under section 736(c) or 751 of the Tariff Act of 1930 after the date of enactment of this Act, and

(3) reviews initiated under such sections—

(A) which are pending on the date of enactment of this Act, and

(B) in which a request for revocation is pending on the date of enactment of this Act.

AMENDMENT No. 373

On page 218 of the printed bill, line 9, insert "actual and potential negative effects on" after "(IV)".

On page 218, beginning on line 10, strike out "the technology necessary to" and insert in lieu thereof "and".

On page 219, line 5, insert "actual and potential negative effects on" after "(X)".

On page 219, beginning on line 6, strike out "the technology necessary to" and insert in lieu thereof "and".

AMENDMENT No. 374

Strike out section 903 of the bill and insert the following:

SEC. 903. TELECOMMUNICATIONS PRODUCT DEFINED.

For purposes of this subtitle, the term "telecommunications product" means—

(1) any power supplies provided for under item 682.60 of the Tariff Schedules of the United States,

(2) any paging devices provided for under item 685.70 of such Schedules,

(3) any microwave tubes provided for under item 687.66 of such Schedules, and

(4) any article classified under any of the following item numbers of such Schedules:

684.57
684.58
684.59
684.65
684.66
684.67
684.80
685.10
685.12
685.16
685.24
685.25
685.28
685.30
685.32
685.39
685.48
688.17
688.41
707.90

● Mr. DANFORTH. Mr. President, today I am introducing three technical amendments to S. 1420, the Omnibus Trade and Competitiveness Act of 1987.

The first amendment would clarify the effective date of section 336 of the bill, which deals with fictitious market prices. The second amendment would clarify the language of section 330, which addresses the threat of material injury in antidumping and countervailing duty cases. Finally, the third amendment clarifies section 903 of the act—concerning telecommunications trade—to ensure that certain telecommunications components inadvertently left out of the bill are indeed in the section relating to product coverage.

Mr. President, I believe these amendments are noncontroversial and would hope that they could be added to the omnibus trade bill.●

OMNIBUS TRADE ACT

HATCH AMENDMENT NOS. 375 THROUGH 421

(Ordered to lie on the table.)

Mr. HATCH submitted forty-seven amendments intended to be proposed by him to the bill (S. 1420) supra; as follows:

AMENDMENT No. 375

At the appropriate place, insert the following new title:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "High Risk Occupational Disease Notification and Prevention Act of 1987".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purpose.
Sec. 3. Definitions.
Sec. 4. Risk Assessment Board.
Sec. 5. Employee notification and counseling.
Sec. 6. Means of employee notification.
Sec. 7. Occupational and environmental health centers.
Sec. 8. Research, training, and education.
Sec. 9. Employee medical monitoring; discrimination against employees; confidentiality.
Sec. 10. Enforcement authority.
Sec. 11. Reports to Congress.
Sec. 12. Subjects of Federal agency studies.
Sec. 13. Regulations.
Sec. 14. Authorization of appropriations.
Sec. 15. Effective date.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) during the past two decades, considerable scientific progress has been made in—

(A) the identification of hazardous substances, agents, and processes;

(B) the identification of medical problems associated with exposure to such substances, agents, and processes; and

(C) the diagnosis and treatment of diseases related to such exposure;

(2) progress also has been made in controlling the exposure of individuals to such substances, agents, and processes;

(3) despite the progress described in paragraphs (1) and (2), there are significant gaps in efforts to promote the health and safety of individuals exposed to such substances, agents, and processes;

(4) potentially harmful substances, physical agents, and processes are in wide industrial and commercial use in the United States;

(5) a significant number of workers suffer disability or death or both wholly or partially as a result of being exposed to occupational health hazards;

(6) diseases caused by exposure to occupational health hazards constitute a substantial burden on interstate commerce and have an adverse effect on the public welfare;

(7) workers have a basic and fundamental right to know that they have been exposed to an occupational health hazard and are at risk of contracting an occupational disease;

(8) there is a period of time between exposure and the onset of disease when it often is possible to intervene medically in the biological process of disease either to prevent or, by early detection, successfully treat many disease conditions;

(9) social and family services that reinforce health-promoting behavior can reduce the risk of contracting an occupational disease;

(10) by means of established epidemiological, clinical, and toxicological studies, it is possible to define and identify specific worker populations at risk of contacting occupational diseases;

(11) there is no established national program for identifying, notifying, counseling, and medically monitoring worker populations at risk of occupational diseases;

(12) there is a lack of adequately trained professionals, as well as appropriately staffed and equipped health facilities to recognize and diagnose occupational diseases;

(13) there is a need for increased research to identify and monitor worker populations at risk of occupational diseases; and

(14) through prevention and early detection of occupational disease the staggering costs of medical treatment and care in the United States can be substantially reduced.

(b) PURPOSE.—It is the purpose of this Act—

(1) to establish a Federal program to notify individual employees within populations at risk of occupationally induced disease that they are at risk because of exposure to an occupational health hazard, and to counsel them appropriately;

(2) to authorize and direct the certification of health facilities that have a primary purpose of educating, training, and advising physicians and other professionals in local communities throughout the United States to recognize, diagnose, and treat occupational disease;

(3) to expand Federal research and education efforts to improve means of identifying and monitoring worker populations at risk of occupational disease; and

(4) to establish a set of protections prohibiting discrimination against employees on the basis of identification and notification of occupational disease risk.

SEC. 3. DEFINITIONS.

For the purpose of this Act;

(1) BOARD.—The term "Board" means the Risk Assessment Board established under this Act.

(2) COMMERCE.—The term "commerce" means trade, traffic, commerce, transportation, or communication among the several States, or between a State and any place outside thereof, or within the District of Columbia, or a possession of the United States (other than the Trust Territory of the Pacific Islands), or between points in the same State but through a point outside thereof.

(3) EMPLOYEE.—The term "employee" means—

(A) an employee of an employer who is employed in a business of the employer that affects commerce; or

(B) a former employee who—

(i) was formerly employed by an employer in a business of the employer that at the time of employment affected commerce; and

(ii) as to whom any Federal agency maintains records pertaining to work history, or the employer maintains personnel records, medical records, or exposure records.

(4) EMPLOYER.—The term "employer" means a person engaged in a business affecting commerce who has employees, including the United States or any State or political subdivision of a State.

(5) HAZARD COMMUNICATION STANDARD.—The term "hazard communication standard" means the standard contained in section 1910.1200 of title 29 of the Code of Federal Regulations in effect on January 1, 1987.

(6) INSTITUTE.—The term "institute" means the National Institute for Occupational Safety and Health.

(7) MEDICAL MONITORING.—The term "medical monitoring" means periodic examinations or laboratory tests to diagnose or aid in the diagnosis of a disease that has been the subject of a notice.

(8) OCCUPATIONAL HEALTH HAZARD.—The term "occupational health hazard" means a chemical, a physical, or a biological agent, generated by or integral to the work process and found in the workplace, or an industrial or commercial process found in the workplace, for which there is statistically significant evidence (based on clinical or epidemiologic study conducted in accordance with established scientific principles) that chronic health effects have occurred in persons exposed to such agent or process. The term includes chemicals that are carcinogens, toxic or highly toxic agents, reproductive toxins, irritants, corrosives, sensitizers, hepatotoxins, nephrotoxins, neurotoxins, agents that act on the hematopoietic system, and agents that damage the lungs, skin, eyes, or mucous membranes.

(9) PERSON.—The term "person" means one or more individuals, partnerships, associations, corporations, business trusts, legal representatives, or any organized group of persons.

(10) POPULATION AT RISK OF DISEASE.—The term "population at risk of disease" means a class or category of employees—

(A) exposed to an occupational health hazard under working conditions (such as concentrations of exposure, or durations of exposure, or both) comparable to the clinical or epidemiologic data referred to in paragraph (8); and

(B) identified and designated as a population at risk of disease by the Board pursuant to section 4(c).

(11) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

SEC. 4. RISK ASSESSMENT BOARD.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established within the Department of Health and Human Services, the Risk Assessment Board.

(2) MEMBERSHIP.—The Board shall consist of 7 members. Each member shall be appointed by the Secretary from a list of 3 nominees provided by the National Academy of Sciences. In making appointments under this paragraph, the Secretary may request additional lists. Four members of the Board shall be career or commissioned Public Health Service employees. Three members of the Board shall be appointed from among individuals who are not career or commissioned Public Health Service employees. The Board shall include two physicians specializing in occupational medicine, an epidemiologist, a toxicologist, an industrial hygienist, an occupational health nurse, and an occupational biostatistician.

(3) TERM OF OFFICE.—

(A) PUBLIC HEALTH SERVICE MEMBERS.—The terms of members appointed under the fourth sentence of paragraph (2) of this subsection shall be 5 years, except that of the members first appointed—

(i) 1 member shall be appointed for 2 years,

(ii) 1 member shall be appointed for 3 years,

(iii) 1 member shall be appointed for 4 years, and

(iv) 1 member shall be appointed for 5 years,

(B) OTHER MEMBERS.—The terms of members appointed under the fifth sentence of paragraph (2) of this subsection shall be 5 years, except that of the members first appointed—

(i) 1 member shall be appointed for 1 year,

(ii) 1 member shall be appointed for 3 years, and

(iii) 1 member shall be appointed for 5 years.

(4) CHAIRMAN.—The Secretary shall designate 1 member to serve as Chairman of the Board.

(5) VACANCIES.—Any member appointed to fill a vacancy in the Board that occurs prior to the expiration of a term shall be appointed to serve for the remainder of that term.

(6) REPORTING.—The Board shall report to the Secretary through the Director of the Institute.

(7) STAFF.—The Secretary shall provide full-time staff personnel necessary to carry out the functions of the Board.

(8) COMPENSATION.—Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"Members, Risk Assessment Board, Department of Health and Human Services (7).".

(b) INDEPENDENCE OF BOARD.—In the exercise of its functions, powers, and duties, the Board shall be independent of the Secretary and the other offices and officers of the Department unless otherwise specifically provided in this Act.

(c) FUNCTIONS OF BOARD.—

(1) IN GENERAL.—

(A) DUTIES.—The Board shall—

(i) review pertinent medical and other scientific studies and reports concerning the incidence of disease associated with exposure to occupational health hazards;

(ii) identify and designate from this review, and from field assessments where appropriate, those populations at risk of disease that should receive notification pursuant to this Act, including the size, nature, and composition of the populations to be notified;

(iii) develop an appropriate form and method of notification that will be used by the Secretary, or agents of the Secretary described under section 6, to notify the designated populations at risk of disease; and

(iv) determine the appropriate type (if any) of medical monitoring or beneficial health counseling, or both, for the disease associated with the risk, which shall be described in the notification under section 5(b)(4).

(B) PANEL OF EXPERTS.—The Board may appoint an expert or a panel of experts on the particular disease that is the subject of the notice and the report of such expert or panel on the Board's recommendation shall be included in the hearing record.

(C) INFORMATION REQUESTS.—The Board, consistent with section 552a of title 5, United States Code (relating to privacy), may request information from any Federal agency or other government or private organization for the purpose of obtaining studies and reports conducted or initiated with respect to actual or potential occupational health hazards. The information shall be furnished consistent with provisions for Federal access set forth under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) and the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 801 et seq.), and regulations promulgated pursuant to such Acts.

(2) IDENTIFICATION OF POPULATIONS AT RISK OF DISEASE.—In identifying populations at risk of disease, the Board shall consider the following factors based on the best available scientific evidence—

(A) the extent of clinical and epidemiologic evidence that specific substances, agents, or processes may be a causal factor in the etiology of chronic illnesses or long-latency diseases among employees exposed to such substances, agents, or processes in specific working conditions (such as concentration of exposure, or durations of exposure, or both);

(B) the extent of supporting evidence from clinical, epidemiologic, or toxicologic studies that specific substances, agents, or processes may be a causal factor in the etiology of chronic illnesses or long-latency diseases among persons exposed to such substances, agents, or processes;

(C) the employees involved in particular industrial classifications and job categories who are or have been exposed to such substances, agents, or processes under working conditions (such as concentrations, or durations, or both) that may be a causal factor in the etiology of the illnesses or diseases;

(D) the extent of the increased risk of illness or disease created by occupational health hazards alone or in combination with such factors as smoking and diet; and

(E) other medical, health, and epidemiological factors, including consistency of association, specificity of association, strength of association, dose-response relationships, biological plausibility, temporal relationships, statistical significance, and the health consequences of notifying or failing to notify a population at risk.

(3) DESIGNATION OF IDENTIFIED POPULATIONS FOR NOTIFICATION.—

(A) DESIGNATION.—In designating populations at risk of disease for notification, the Board shall consider the extent to which particular populations may derive health benefits from receipt of notification. The Board shall undertake as its first priority to designate populations likely to benefit from medical monitoring or health counseling.

(B) FACTORS.—In making the designation required by this paragraph, the Board may consider—

(i) exposures for which there exists a permanent standard promulgated under section 6(b)(5) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655(b)(5));

(ii) the extent of medical monitoring already available to employee populations covered by the permanent standards; and

(iii) the need to notify former employees as well as current employees.

(C) NOTIFICATION.—The Board, in making determinations and the Institute in giving or coordinating notification, shall notify as many employees at risk of disease as the appropriations and the best available scientific evidence permit. The Secretary shall include a detailed explanation of the reasons for the notification determinations in the report submitted pursuant to section 11(b) of this Act.

(4) Determination.—If the Board determines that a class or category of employees is a population at risk of disease to be notified pursuant to this Act, the Board shall—

(A) make such a determination pursuant to subsection (c); and

(B) within 10 days of making such a determination, transmit to the Secretary the classes or categories of employees to be notified under section 5.

(c) Procedures.—

(1) Notice of proposed determination.—For each population designated for notification, the Board shall issue a notice of proposed determination.

(2) Contents of notice.—The notice required by paragraph (1) shall—

(A) be published in the Federal Register,

(B) set forth which classes or categories of employees are being considered for inclusion as an employee population to be notified, and a concise statement of the basis for their inclusion and the contents of the proposed notice as specified in section 5(b) (other than paragraphs (6)(C) and (F) of such subsection);

(C) provide for the public to submit written views on the proposed determination within 60 days of the notice; and

(D) provide for a hearing within 45 days of the notice at which the public may express views on the proposed determination of the Board.

(3) Final determination.—The Board shall issue a final determination within 60 days after the hearing based on the record developed pursuant to paragraph (2). The final determination shall be deemed to be a final agency action.

(4) Extension.—The Board may, in exceptional circumstances and for good cause shown, extend the time between the issuance of the notice described in paragraph (2), and the issuance of a final determination under paragraph (3), except that the extension may not exceed 150 days for the total period of time beginning with the issuance of the notice.

(5) Action.—Any aggrieved person may bring a civil action for mandamus in the appropriate United States district court if the final agency action is not completed within 105 days or 150 days, as the case may be.

(d) Board Agenda.—Within 6 months after the Board is appointed and every 6 months thereafter, the Board shall publish in the Federal Register an agenda listing the chemical, physical, or biological agents and industrial or commercial processes which are under review by the Board or which the Board anticipates may, within the ensuing 6 months, be reviewed by the Board to decide whether to issue a notice of proposed determination. For each item on the agenda, the Board shall, if available, identify (A) the population to be evaluated with respect to the agent or process and (B) the name and telephone number of a knowledgeable agency official. The Board may at any time publish a supplement to an agenda adding agents or processes which the Board anticipates will be subject to review prior to the next regularly scheduled publication of an agenda.

SEC. 5. EMPLOYEE NOTIFICATION AND COUNSELING.

(a) Notification of Population at Risk.—On a determination by the Board that a given class or category of employee is a population at risk of disease to be notified pursuant to this Act, the Secretary shall make every reasonable effort to ensure that each individual within such population is notified of the risk. The Secretary, through the Institute, shall direct the notification required by this section.

(b) Contents of Notification.—The notification shall include:

(1) Hazard.—An identification of the occupational health hazard, including the name, composition, and properties of known chemical agents.

(2) Diseases.—The disease or diseases associated with exposure to the occupational health hazard, and the fact that such association pertains to classes or categories of employees.

(3) Extent of the risk.—The extent of the risk of such disease or diseases for the population at risk compared to the population at large.

(4) Latency periods.—Any known latency periods from the time of exposure to time of the clinical manifestation of a disease.

(5) Possible contributing factors.—Any known information concerning the extent of increased risk of illness or disease associated with exposure to the occupational health hazard in combination with exposure to non-occupational factors.

(6) Counseling.—Counseling information appropriate to the nature of the risk, including but not limited to—

(A) the advisability of initiating a personal medical monitoring program;

(B) the most appropriate type or types of medical monitoring or beneficial health counseling or both for the disease associated with the risk;

(C) the name and address of the nearest occupational and environmental health center certified under this Act;

(D) the protections for notified employees, as established under section 9;

(E) employer responsibilities with respect to medical monitoring for notified employees, as established under section 9; and

(F) the telephone number of the hot line established under subsection (c).

(c) Telephone Information.—The Institute shall establish a toll-free long distance telephone "hot line" for employees notified under this section or their personal physicians, for the purpose of providing additional medical and scientific information concerning the nature of the risk and its associated disease.

(d) Dissemination of Information.—The Institute, after consultation with the Board, shall prepare and distribute other medical and health promotion material and information on any risk subject to notification under this section and its associated disease as the Institute and the Board consider appropriate.

(e) Access to Information.—In carrying out the notification responsibilities under this section, the Secretary, consistent with section 552a of title 5, United States Code, (relating to privacy) may request information from—

(1) any Federal agency, or State or political subdivision of a State, solely for the purpose of obtaining names, addresses and work histories of employees subject to notification under this section;

(2) any employer insofar as Federal access already is provided for under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) and the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 801 et seq.), and regulations promulgated pursuant to such Acts; and

(3) any employer insofar as such information is maintained by such employer under a State or Federal law concerning occupational safety and health matters.

(f) Liability.—The United States or any agency or employee thereof (including any employer or government acting pursuant to section 6) shall not be subjected to suit or judicial or nonjudicial proceedings of any kind that seek monetary damages with respect to or arising out of any act or omission performed pursuant to this Act, including the failure to perform any act or omission pursuant to this Act. This subsection shall not apply to—

(1) an employee of the United States for any act or omission that is a knowing and deliberate violation of a provision of the Act to the extent that Federal law otherwise authorizes suit against that individual for monetary damages; and

(2) an employer or government acting pursuant to section 6, for any act or omission that is a knowing or reckless violation of a provision of the Act.

(g) Judicial Review.—

(1) Petition.—Any person adversely affected or aggrieved by a determination of the Board under this Act is entitled to judicial review of the determination in the United States Court of Appeals wherein such person resides or has his principal place of business or in the United States Court of Appeals for the District of Columbia circuit on a petition filed in such court. A person may be adversely affected or aggrieved by one or more of the following Board determinations:

(A) The determination that an agent or process is or is not an occupational health hazard.

(B) The determination of the class or category of employees that is a population at risk of disease.

(C) The determination as to what constitutes appropriate medical monitoring or beneficial counseling for the designated population at risk.

Any petition filed pursuant to this section shall be filed within 30 days after such determination by the Board. On the filing of a petition, the Secretary shall certify the hearing record.

(2) Review.—The court shall review the determination of the Board based on the hearing record.

(3) Judicial action.—The court shall set aside the determination of the Board if the determination is found to be—

(A) arbitrary, capricious, or an abuse of discretion;

(B) contrary to constitutional right, power, privilege, or immunity;

(C) in excess of statutory jurisdiction, authority, or limitations;

(D) without observance of procedure required by law; or

(E) unsupported by substantial evidence on the record.

(4) Stay.—The commencement of proceedings under this subsection shall not operate as a stay of the requirement on the Secretary to notify employees unless the court specifically orders a stay based on a determination by the court that the complaining party is highly likely to succeed on the merits.

SEC. 6. MEANS OF EMPLOYEE NOTIFICATION.

(a) Responsibility of Secretary.—Except as otherwise provided in this section, the Secretary shall be responsible for notifying employees at risk of disease, as determined by the Board.

(b) Cooperation With Private Employers and State and Local Governments.—

(1) In general.—In carrying out notification responsibilities under subsection (a),

the Secretary is encouraged to cooperate to the extent practicable with private employers and State and local governments.

(2) CERTIFICATION OF PRIVATE EMPLOYERS OR STATE OR LOCAL GOVERNMENTS.—

(A) IN GENERAL.—Upon request, the Secretary may certify a private employer or a State or local government to conduct notification of its current or former employees, or both, who are members of populations determined to be at risk. Such certification shall require inclusion in the notification of the information described in section 5(b) and shall be in accordance with regulations issued by the Secretary.

(B) ADMINISTRATION.—No private employer or State or local government certified under this paragraph may receive payment for the cost of such notification from the United States, or have a right of access to Federal records for the purposes of carrying out the notification.

(C) FORM OF NOTIFICATION.—The form of notification adopted by a private employer or State or local government shall conform, to the maximum extent practicable, to a model notification form issued by the Board under section 4(c).

(c) EMPLOYEES NOT CURRENTLY EXPOSED.—

(1) IN GENERAL.—In the case of former employees and employees for whom no exposure to the occupational health hazard occurred in the course of employment with their current employer as of the time the notice was issued, the notification shall be transmitted to each employee in the designated population at risk of disease who was exposed to the occupational health hazard within 30 years prior to the date of notification.

(2) INDIVIDUAL NOTIFICATION.—Notification shall be on an individual basis, except that if individual notification is not reasonably possible, the notifying entity shall make use of public service announcements and other means of notification appropriate to reach the population at risk.

(d) EMPLOYEES CURRENTLY EXPOSED.—

(1) IN GENERAL.—In the case of employees for whom any exposure to the occupational health hazard occurred in the course of current employment, notification shall be transmitted to individual employees and posted prominently at the worksite in places easily accessible to and frequented by the employees in the population at risk.

(2) EMPLOYERS SUBJECT TO HAZARD COMMUNICATION STANDARD.—If the employer is subject to the hazard communication standard with respect to the occupational health hazard in question, notification shall include, in addition to the information described in section 5(b), a concise summary of the information contained in any material safety data sheet prepared on the occupational health hazard pursuant to the hazard communication standard. The concise summary shall be written in a manner calculated to be understood by the average employee.

SEC. 7. OCCUPATIONAL AND ENVIRONMENTAL HEALTH CENTERS.

(a) SELECTION FROM AMONG EXISTING FACILITIES.—

(1) ESTABLISHMENT AND CERTIFICATION.—Within 90 days after the effective date of this Act, the Secretary shall establish and certify 10 health centers. The Secretary shall select the 10 health centers from among the educational resource centers of the National Institute for Occupational Safety and Health and similar facilities of the National Institute for Environmental Health Sciences, the National Cancer Institute, and other private or governmental organizations designated by the Secretary. At a later date, the Secretary may establish and certify additional health centers from among the health care facilities described in this paragraph.

(2) BASIS FOR SELECTION.—In carrying out paragraph (1), the Secretary shall base selection on ability and experience in the recognition, diagnosis, and treatment of occupationally related diseases, capacity to offer training to physicians and other professionals, and geographical proximity for designated populations.

(b) FUNCTIONS OF CENTERS.—The centers shall—

(1) provide education, training, and technical assistance to personal physicians and other professionals who serve employees notified under section 5; and

(2) be capable, in the event that adequate facilities are not otherwise reasonably available, of providing diagnosis, treatment, medical monitoring, and family services for employees notified under section 5.

SEC. 8. RESEARCH, TRAINING, AND EDUCATION.

(a) IN GENERAL.—

(1) IMPROVED METHODS OF MONITORING AND IDENTIFICATION.—The Institute shall conduct or provide for research, training, and education aimed at improving the means of identifying employees exposed to occupational health hazards and improving medical assistance to such employees. The research, training, and education shall include but not be limited to—

(A) studying the etiology, and development of occupationally related diseases, and the development of disabilities resulting from such diseases;

(B) developing means of medical monitoring of employees exposed to occupational health hazards;

(C) examining the types of medical treatment of workers exposed to occupational health hazards, and means of medical intervention to prevent the deterioration of the health and functional capacity of employees disabled by occupational diseases;

(D) studying and developing medical treatment and allied health services to be made available to employees exposed to occupational health hazards; and

(E) sponsoring epidemiological, clinical, and laboratory research to identify and define additional employee populations at risk of disease.

(2) AUTHORITY TO EMPLOY EXPERTS AND CONSULTANTS.—In carrying out activities under this section, the Institute is authorized to engage the services of experts and consultants, as the Institute considers necessary.

(b) EDUCATION.—Part F of title VII of the Public Health Service Act is amended by inserting after section 788 the following new section:

"GRANTS AND CONTRACTS FOR TRAINING AND CURRICULUM DEVELOPMENT IN OCCUPATIONAL MEDICINE

"SEC. 788A. (a)(1) The Secretary may make grants to, and enter into contracts with schools of medicine and schools of nursing in which occupational medicine or occupational health programs exist on the date of enactment of this section to assist such programs in meeting the costs of providing projects to—

"(A) provide continuing education for faculty in departments of internal medicine and family medicine or in schools of nursing in order to enable such faculty to provide instruction in the diagnosis and treatment of occupational diseases;

"(B) develop, publish, and disseminate curricula and training materials concerning occupational medicine or health for use in undergraduate medical or nursing training; or

"(C) establish, for residents in graduate medical education programs in internal medicine, family medicine, and other specialties with a primary care focus, or in graduate nursing programs in schools of nursing, training programs in occupational medicine or health consisting of clinical training, for periods of between 1 and 4 months, in settings such as medical facilities, union offices, and industrial worksites.

"(2) In making grants and entering into contracts under this subsection, the Secretary shall give preference to applicants which demonstrate—

"(A) the ability to recruit a significant number of participants to participate in the project to be carried out under the grant or contract (in the case of a project described in subparagraph (A) or (C) of paragraph (1); and

"(B) expertise and experience in the provision of continuing education in occupational medicine or health (in the case of a project described in subparagraph (A) of such paragraph) or the provision of residency training in occupational medicine or health (in the case of a project described in subparagraph (C) of such paragraph).

"(b)(1) The Secretary may make grants to, and enter into contracts with, schools of medicine and schools of nursing in which, on the date of enactment of this section, there do not exist training programs in occupational medicine or health. The purpose of grants and contracts under this subsection is to provide support for projects to provide training in occupational medicine or health for faculty who are certified in internal medicine or family medicine by the appropriate national medical specialty board or faculty who have similar qualifications in professional nursing.

"(2) Each project for which a grant or contract is made under this subsection shall—

"(A) be based in a graduate medical education program in internal medicine or family medicine or in graduate programs in a school of nursing;

"(B) have an arrangement with an accredited training program in occupational medicine or health for the provision of training in occupational medicine or health to the faculty selected by the recipient of the grant or contract under this subsection; and

"(C) have a plan for the use of the faculty receiving training with a grant or contract under this section to provide education and training in occupational medicine or health to other individuals.

"(c) The Secretary shall, during the period October 1, 1987, through September 30, 1990, make grants and contracts to not less than 10 schools of medicine or schools of nursing under subsections (a) and (b).

"(d) Amounts described in section 14(b)(2) of the High Risk Occupational Disease Notification and Prevention Act of 1987 shall be available to carry out this section.

"(e) For the purpose of this section—

"(1) the term 'graduate medical education program' has the same meaning as in section 788(e)(4)(A); and

"(2) the term 'school of nursing' has the same meaning as in section 853(2).".

SEC. 9. EMPLOYEE MEDICAL MONITORING; DISCRIMINATION AGAINST EMPLOYEES; CONFIDENTIALITY.

(a) Employee Medical Monitoring.—For any employee who is a member of a population that is determined by the Board to be at risk of disease, the medical monitoring recommended by the Board as a result of exposure to the occupational health hazard shall be provided or made available by the current employer at no additional cost to the employee if any part of such exposure occurred in the course of the employee's employment by that employer. If the benefits are made available through an existing employer health plan, the employee may be required to meet deductibles or copayments generally required under the existing employer health plan. Any such current employer shall be required to provide monitoring only for employees who—

(1) are notified individually under section 5; or

(2) the employer knows or has reason to know are members of the population at risk as determined by the Board.

(b) Discrimination Prohibited.—No employer or other person shall discharge or in any manner discriminate against any employee, or applicant for employment, on the basis that the employee or applicant is or has been a member of a population that has been determined by the Board to be at risk of disease. The subsection shall not apply if the position which the applicant seeks requires exposure to the occupational health hazard which is the subject of the notice. If it is medically determined pursuant to subsection (c) that an employee should be removed to a less hazardous or nonexposed job, an employer may effect such a removal without violating this subsection so long as the employee maintains the earnings, seniority, and other employment rights and benefits, as though the employee had not been removed from the former job.

(c) Benefit Reduction Prohibited.—

(1) General.—If, based on a determination by the Board under this Act, the employee's physician medically determines that an employee should be removed to a less hazardous or nonexposed job, and if within 10 working days of the employer's receipt of this initial determination the employer's medical representative has not requested independent reconsideration thereof, the employee shall be removed to a less hazardous or nonexposed job and shall maintain earnings, seniority, and other employment rights and benefits as though the employee had not been removed from the former job. In providing such alternative job assignment, the employer shall not be required to violate the terms of any applicable collective bargaining agreement, and shall not be required to displace, layoff, or terminate any other employee.

(2) Independent reconsideration.—If the employer's medical representative requests independent reconsideration of the initial determination under paragraph (1), the employee's physician and the employer's medical representative shall, within 14 working days of the initial determination, submit the matter to another mutually acceptable physician for a final medical determination, which shall be made within 21 working days of the initial determination unless otherwise agreed by the parties. If the two medical representatives have been unable to agree upon another physician within 14 working days, the Secretary or the Secretary's local designee for such purpose shall immediately, at the request of the employee or the employee's physician, appoint a qualified independent physician who shall make a final medical determination within the 21 working day period specified above unless otherwise agreed by the parties. The employer shall bear all costs related to the procedure set forth in this paragraph.

(3) Limitations.—An employer shall be required to provide medical removal protection only for employees who—

(1) are notified individually under section 5, or

(2) the employer knows or has reason to know are members of the population at risk as determined by the Board.

An employer shall be required to provide such protection only if any part of the employee's exposure to the occupational health hazard occurred in the course of the employee's employment by that employer. The medical removal protection described in this subsection shall be provided for as long as a less hazardous or nonexposed job is available. Where such job is not available, the medical removal protection shall be provided for a period not to exceed 12 months. The employer may condition the provision of medical removal protection upon the employee's participation in followup medical surveillance for the occupational health effects in question based on the procedure set forth in this subsection. The employer's obligation to provide medical removal protection shall be reduced to the extent that the employee receives compensation for earnings lost during the period of removal, or receives income from employment with another employer made possible by virtue of the employee's removal.

(d) Confidentiality.—The records of the identity, diagnosis, prognosis, or treatment of any individual employee which are maintained in connection with the performance of any function authorized by this Act shall be confidential and may not be disclosed unless—

(1) authorized by another provision of this Act and necessary to carry out such provision; or

(2) upon the written consent of such employee or the representative of the employee.

SEC. 10. ENFORCEMENT AUTHORITY.

(a) Recordkeeping.—The Secretary shall require recordkeeping by the Institute or by employers acting pursuant to section 6 necessary to monitor the numbers, types and results of notification under this Act.

(b) Actions by the Secretary.—

(1) Injunctive relief.—Whenever the Secretary determines that an employer has engaged, is engaged, or is about to engage in an act or practice constituting a violation of this Act or any rule or regulation promulgated under this Act, other than a violation of section 9, the Secretary may bring an action in the appropriate United States district court to enjoin such acts or practices. On a proper showing, an injunction or permanent or temporary restraining order shall be granted without bond.

(2) Civil penalty.—The Secretary may bring an action in the appropriate United States District Court against an employer acting pursuant to section 6 for any act or omission that is a knowing or reckless violation of a provision of this Act or any rule or regulation promulgated under this Act. Any employer who violates this Act (or a rule or regulation promulgated under this Act) as set forth in the preceding sentence shall be assessed a civil penalty of not more than $10,000 for each violation.

(c) Review of Employee Complaints.—

(1) In general.—

(A) Application for review.—Any employee who is aggrieved by a violation of section 9 may, within 6 months after such violation occurs, apply to the Secretary of Labor for a review of such alleged violation.

(B) Investigation.—On receipt of such application, the Secretary of Labor shall cause such investigation to be made as the Secretary of Labor considers appropriate.

(C) Action.—If, after such investigation, the Secretary of Labor determines that a reasonable cause exists to believe that a violation has occurred, the Secretary of Labor shall bring an action in any appropriate United States district court. In any such action, the United States district courts shall have jurisdiction for cause shown to restrain violations of section 9, and to order all appropriate relief under subsection (d) or (e). In any action brought by the Secretary of Labor pursuant to this subsection, an employer shall be given a reasonable opportunity to prove by a preponderance of the evidence that an individual who received notification pursuant to section 5 is not a member of a population at risk, provided that determinations by the Board which have not been set aside under section 6(g) may not be challenged in any such action.

(D) Defense.—It shall be a defense to any action brought to enforce rights under section 9(a) that—

(i) an employee who received individual notification failed to assert his rights under section 9(a) within 1 year after receiving such notification, except for good cause shown; or

(ii) an employee who did not receive individual notification but had reason to know that he was a member of a population at risk who is entitled to rights under section 9(a) neglected or omitted to assert these rights based on the lapse of at least 1 year, and circumstances are sufficient to cause prejudice to the adverse party.

(2) Determination by secretary.—Within 90 days of the receipt of the application filed under this subsection, the Secretary of Labor shall notify the complainant of the determination of the Secretary of Labor under paragraph (1). If the Secretary of Labor finds that there was not reasonable cause to believe that a violation occurred, the Secretary shall issue an order denying the application and informing the applicant of the rights of the applicant under paragraph (3).

(3) Appeal.—

(A) Denial of application.—Any person adversely affected or aggrieved by a determination of the Secretary of Labor under paragraph (2) is entitled to judicial review of the determination in the appropriate United States District Court on a petition filed in such court within 30 days after such determination by the Secretary of Labor. The court may set aside the determination by the Secretary of Labor under paragraph (2) only if the determination is found to be—

(i) arbitrary, capricious, or an abuse of discretion;

(ii) contrary to constitutional right, power, privilege, or immunity;

(iii) in excess of statutory jurisdiction, authority, or limitations;

(iv) without observance of procedure required by law; or

(v) unsupported by substantial evidence on the record.

If the court sets aside the determination of the Secretary of Labor under paragraph (2), the employee may bring an action of the type authorized by subsection (d)(1)(C).

(B) MEMBER OF THE POPULATION AT RISK RULE.—In any action brought by an aggrieved person under subparagraph (A), the aggrieved person shall be given a reasonable opportunity to prove, by a preponderance of the evidence, that an individual who did not receive notification is a member of a population at risk, except that determinations by the Board which have not been set aside under section 6(g) may not be challenged in any such action.

(C) FAILURE TO ACT WITHIN 90 DAYS.—If the Secretary of Labor has not acted within 90 days pursuant to paragraph (2), an applicant may bring a civil action for mandamus in the appropriate United States District Court.

(d) REINSTATEMENT AND OTHER RELIEF.—Any employee who is injured in violation of section 9 shall be restored to his or her employment and shall be compensated for—

(1) any lost wages (including fringe benefits and seniority);

(2) costs associated with medical monitoring that are incurred up to the time when the discrimination is fully remedied; and

(3) costs associated with bringing the allegation of violation.

(e) CIVIL PENALTIES.—Any person that violates section 9 shall be liable for a civil penalty of not more than $10,000 for each violation.

(f) EXCLUSIVITY OF REMEDY.—Except as otherwise expressly provided in this Act, remedies provided in this Act shall be exclusive remedies with respect to any acts or omissions taken pursuant to or alleged to be in violation of this Act.

(g) EFFECT ON OTHER LAWS.—

(1) GENERAL RULE; PROHIBITION ON THE USE OF BOARD DETERMINATIONS UNDER THIS ACT.—Whenever there is—

(A) a finding or determination by the Board that an employee or an employee population is or is not a member of or is or is not a population at risk of disease as determined under this Act;

(B) evidence that an employee or employee population is or is not to receive (or has or has not received) notification under this Act; or

(C) evidence that medical evaluation or monitoring is or is not to be initiated (or has or has not been initiated) under this Act,

the finding, determination, or evidence may not serve as a legal basis for or be introduced as evidence in connection with any claim for compensation, loss, or damage brought under State or Federal law, other than a claim brought pursuant to sections 5(f), 5(g), 10(b), or 10(c) of this Act.

"(2) CONSTRUCTION RULE.—Nothing in this Act shall preclude the admission into evidence of—

"(A) the results of any medical evaluation or monitoring;

"(B) any medical and other scientific studies and reports concerning the incidence of disease associated with exposure to occupational health hazards; or

"(C) any data related to exposure to occupational health hazards for individual employees,

in connection with any claim for compensation, loss or damage brought under State or Federal law. Notification pursuant to this Act shall not be relevant in determining whether such a claim is timely under any applicable statute of limitations.

SEC. 11. REPORTS TO CONGRESS.

(a) HAZARD COMMUNICATION STANDARD REPORT.—The Secretary of Labor shall report to Congress annually, not later than January 15 of each year, regarding implementation and enforcement of the hazard communication standard. The report shall include detailed information on—

(1) MONITORING AND ENFORCEMENT.—Monitoring and enforcement; significant areas of noncompliance; and penalties assessed and steps taken to correct the noncompliance.

(2) ENFORCEMENT.—Efforts to evaluate the hazard communication standard.

(3) EMPLOYER ASSISTANCE.—Efforts to assist employers to comply with the hazard communication standard.

(4) EMPLOYEE EDUCATION.—Efforts to educate employees to their rights under the hazard communication standard.

(5) FEDERAL COURT DECISIONS.—Efforts to comply with Federal court decisions requiring or encouraging an expanded scope for the hazard communication standard.

(b) OCCUPATIONAL DISEASE NOTIFICATION REPORT.—The Secretary shall report to Congress annually, not later than January 15 of each year, regarding implementation and enforcement of notification under this Act. The report shall include detailed information on—

(1) NOTIFICATIONS.—Numbers, types and results of notifications carried out pursuant to sections 5 and 6 of this Act.

(2) RESEARCH.—Research efforts carried out pursuant to section 8 of this Act.

(3) TRAINING AND EDUCATION.—Training and education efforts for employees, personal physicians, and other professionals carried out pursuant to sections 7 and 8 of this Act.

(4) ENFORCEMENT.—Enforcement efforts carried out pursuant to section 10 of this Act.

(5) ASSISTANCE.—Efforts to assist employers under this Act.

SEC. 12. SUBJECTS OF FEDERAL AGENCY STUDIES.

(a) NOTIFICATION REQUIRED.—Each Federal agency that conducts epidemiologic studies on occupational disease initiated after the effective date of this act shall establish procedures for notifying the subjects of such studies of the findings of such study. If the findings are that the subjects are at risk of disease, the notification shall include the information specified in section 5(b), except that required by subparagraphs (D), (E), and (F) of paragraph (6) of such subsection. No notice under this section shall impose any liabilities or create any rights under section 9.

(b) METHOD OF NOTICE.—All occupational epidemiologic studies conducted by a Federal agency initiated after the effective date of this Act shall include in the study design specific methods for notifying living subjects or their immediate family members that they are part of a population at risk of disease.

SEC. 13. REGULATIONS.

The Secretary shall prescribe such regulations as may be necessary to carry out this Act.

SEC. 14. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated $25,000,000 for each of the fiscal years 1988, 1989, and 1990 to carry out this Act and section 788A of the Public Health Service Act.

(b) SET-ASIDE.—(1) Of the total amount appropriated under subsection (a) for a fiscal year, at least $4,000,000 shall be available to carry out section 8 of this Act and section 788A of the Public Health Service Act.

(2) Of the total amount available under paragraph (1) for a fiscal year, at least $1,000,000 shall be available to carry out section 788A of the Public Health Service Act.

SEC. 15. EFFECTIVE DATE.

Except as may be otherwise provided in this Act, this Act shall become effective January 1, 1988, or 6 months after the date of enactment of this Act, whichever occurs first. The Board shall be appointed within 60 days after the effective date. The Secretary shall issue regulations necessary to administer the Act within 120 days after the effective date.

AMENDMENT NO. 376

At the end of the bill, insert the following new section:

SEC. . Section 8 of the National Labor Relations Act (29 U.S.C. § 158) is amended by adding the following new subsection:

"(h) Any person who shall cause, aid or abet a labor organization to commit any unfair labor practice under subsection (b) of this section through threats of force or violence shall be subject to a fine of not more than $10,000 (ten thousand dollars) and imprisonment for not more than 10 years, or both."

AMENDMENT NO. 377

At the appropriate place, insert the following new title

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Minimum Health Benefits for All Workers Act of 1987".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—AMENDMENTS TO PUBLIC HEALTH SERVICE ACT

Sec. 101. Minimum health benefits for employees and their families.

TITLE II—AMENDMENTS TO FAIR LABOR STANDARDS ACT OF 1938 AND EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Sec. 201. Minimum health benefits for employees and their families.

Sec. 202. Preemption under Employee Retirement Income Security Act of 1974.

TITLE III—REQUIREMENTS FOR HEALTH BENEFIT PLANS FOR EMPLOYEES AND THEIR FAMILIES

Part A—Requirement and Definitions

Sec. 301. Employer requirement to enroll employees in health benefit plans.

Sec. 302. Coverage of family members.

Sec. 303. Definitions.

Part B—Requirements for Health Benefit Plans

Sec. 311. General requirements; permitting actuarially equivalent plans.

Sec. 312. Requirements relating to covered items and services.

Sec. 313. Requirements relating to timing of coverage and prohibition of preexisting condition limitations.

Sec. 314. Requirements relating to premiums, deductibles, copayments, coinsurance, and limit on out-of-pocket expenses.

Part C—Certification of Regional Insurers

Sec. 321. Designation of health insurance regions.

Sec. 322. Periodic certification of regional insurers.
Sec. 323. Requirements of regional insurers.
Sec. 324. Miscellaneous provisions.

Part D—Regulations and Enforcement

Sec. 331. Regulations.
Sec. 332. Enforcement.

TITLE IV—EFFECTIVE DATE

Sec. 401. Effective date.
Sec. 402. Policy respecting additional benefits.

TITLE I—AMENDMENTS TO PUBLIC HEALTH SERVICE ACT

SEC. 101. MINIMUM HEALTH BENEFITS FOR EMPLOYEES AND THEIR FAMILIES.

(a) Requirement.—The Public Health Service Act is amended by redesignating title XXIII as title XXIV and by inserting after title XXII the following:

"TITLE XXIII—MINIMUM HEALTH BENEFITS FOR EMPLOYEES AND THEIR FAMILIES

"HEALTH BENEFITS

"Sec. 2301. (a) Each employer shall, in accordance with title III of the Minimum Health Benefits for All Workers Act of 1987, enroll each of its employees and their families in a health benefit plan.

"(b)(1) An employer which is a State or political subdivision of a State or an agency or instrumentality of a State or political subdivision and which does not enroll each of its employees and their families in a health benefit plan as required by subsection (a) shall not be eligible to receive a grant, contract, loan, or loan guarantee under this Act.

"(2) Any employer which does not enroll each of its employees and their families in a health benefit plan as required by subsection (a) shall be subject to section 332 of the Minimum Health Benefits for All Workers Act of 1987.

"(c) The terms used in this section have the meanings prescribed for them by section 303 of the Minimum Health Benefits for All Workers Act of 1987.".

(b) Conforming Amendments.—

(1) Sections 2301 through 2316 of the Public Health Service Act are redesignated as sections 2401 through 2416, respectively.

(2)(A) Sections 217(c), 465(f), and 497 of the Public Health Service Act (42 U.S.C. 218(c), 286(f), 289f) are each amended by striking out "2301" and inserting in lieu thereof "2401".

(B) Section 305(h) of such Act (42 U.S.C. 242c(h)) is amended by striking out "2313" each place it occurs and inserting in lieu thereof "2413".

TITLE II—AMENDMENTS TO FAIR LABOR STANDARDS ACT OF 1938 AND EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

SEC. 201. MINIMUM HEALTH BENEFITS FOR EMPLOYEES AND THEIR FAMILIES.

(a) Health Benefits.—The Fair Labor Standards Act of 1938 is amended by adding at the end the following:

"TITLE II—MINIMUM HEALTH BENEFITS FOR EMPLOYEES AND THEIR FAMILIES

"HEALTH BENEFITS

"Sec. 201. Each employer shall, in accordance with title III of the Minimum Health Benefits for All Workers Act of 1987, enroll each of its employees and their families in a health benefit plan.

"(b) Any employer which does not enroll each of its employees and their families in a health benefit plan as required by subsection (a) shall be subject to section 332 of the Minimum Health Benefits for All Workers Act of 1987.

"(c) The terms used in this section have the meanings prescribed for them by section 303 of the Minimum Health Benefits for All Workers Act of 1987.".

(b) Conforming Amendments.—

(1) The Fair Labor Standards Act of 1938 is amended by striking out the first section and inserting in lieu thereof the following:

"SHORT TITLE

"Section 1. This Act may be cited as the 'Fair Labor Standards Act of 1938'.

"TITLE I—WAGES AND HOURS".

(2) The Fair Labor Standards Act of 1938 is amended by striking out "this Act" each place it occurs and inserting in lieu thereof "this title".

SEC. 202. PREEMPTION UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

(a) In General.—Section 514(b)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144(b)(2)) is amended—

(1) in subparagraph (A), by striking "subparagraph (B)" and inserting "subparagraphs (B) and (C)", and

(2) by adding at the end the following:

"(C) Nothing in subparagraph (A) shall be construed to exempt from subsection (a) any provision of the law of any State to the extent that such provision regulates, or otherwise provides any requirement relating to, contracts or policies of insurance issued to or under a health benefit plan under title III of the Minimum Health Benefits for All Workers Act of 1987.".

(b) Conforming Amendment.—Paragraph (1) of section 3 of such Act (29 U.S.C. 1002(1)) is amended by adding at the end the following new sentence: "Such terms include a health benefit plan under title III of the Minimum Health Benefits for All Workers Act of 1987.".

TITLE III—REQUIREMENTS FOR HEALTH BENEFIT PLANS FOR EMPLOYEES AND THEIR FAMILIES

Part A—Requirement and Definitions

SEC. 301. EMPLOYER REQUIREMENT TO ENROLL EMPLOYEES IN HEALTH BENEFIT PLANS.

(a) In General.—The provisions of this title apply to employers required to enroll employees in health benefit plans under section 2301(a) of the Public Health Service Act or under section 201(a) of the Fair Labor Standards Act of 1938.

(b) Types of Plans Permitted.—

(1) In general.—Except as required under paragraph (2), a employer may meet the requirement of this title through any health benefit plan.

(2) Provision of health benefit plans through regional insurers.—

(A) Employers required to use regional insurers.—

(i) Employers without a health benefit plan.—Except as permitted under subparagraph (B)(ii), each employer, which does not have in effect a health benefit plan on the day before the effective date (as defined in paragraph (3)(A)), must meet the requirement of this title through any health benefit plan of a regional insurer under section 323(a).

(ii) Small employers changing plans.—Each small employer which—

(I) does have in effect a health benefit plan on the day before the effective date, but

(II) changes the insurer through which the plan is offered or changes the plan from a self-insured plan to a plan of an insurer,

must then meet the requirement of this title through any health benefit plan of a regional insurer under section 323(a).

(B) Continued use of regional insurers required.—

(i) In general.—If an employer meets the requirement of this title through any health benefit plan of a regional insurer under section 323(a), except as permitted under subparagraph (ii), the employer must continue to meet such requirement through such a plan.

(ii) Exception for certain large employers.—A large employer (other than an employer which was a large employer on the day before the effective date) which meets the requirement of this title through any health benefit plan of a regional insurer under section 323(a) may elect to meet the requirement of this title other than through a health benefit plan of a regional insurer under section 323(a). If such an election is made and so long as the employer remains a large employer, the employer no longer has the right under part C to meet the requirement of this title through any health benefit plan of a regional insurer.

(3) Definitions.—In this paragraph (2):

(A) The term "effective date" means January 1 of the second year that begins after the date of the enactment of this Act.

(B) The term "large employer" means an employer that is not a small employer.

(C) The term "small employer" means, with respect to a calendar year, an employer which employs an average number of employees of less than 25. The provisions of section 607(4) of the Employee Retirement Income Security Act of 1974 shall apply in the determination under this subsection of whether an employer is a large or small employer.

SEC. 302. COVERAGE OF FAMILY MEMBERS.

(a) Requirement.—Except as permitted under subsection (b)—

(1) enrollment of an employee in a health benefit plan under this title includes enrollment of the employee's family in the plan, and

(2) enrollment of the employee or the employee's family in a health benefits plan may not be waived by the employee.

(b) Exceptions to Avoid Duplicate Family Coverage.—

(1) Spouse or parent employed.—An employee, at the employee's option, may waive enrollment in a health benefit plan under this title for the spouse or a child of the employee but only for such period as the employee demonstrates that such spouse or child, respectively, is actually covered under a health benefit plan because the spouse or the child's other parent, respectively, is also an employee.

(2) Child employed.—A child who is employed may waive enrollment in a health benefit plan provided by the child's employer during any period in which the child is covered under a health benefit plan under this title due to the employment of the child's parent.

(c) Nondiscrimination.—An employer may not fail or refuse to hire, or may not discharge or otherwise discriminate against, any individual because the individual has a spouse or child and such employer is required under this title to enroll the spouse or child in a health benefit plan.

SEC. 303. DEFINITIONS.

In this title:

(1) The term "child" means an individual who is—

(A) under 18 years of age, or

(B) under 23 years of age and a full-time student.

(2) The term "employee" means, with respect to an employer, an individual who performs 17½ hours of service per week for that employer.

(3) The term "employer" means, with respect to a calendar quarter—

(A) an employer which is required to pay those it employs the minimum wage prescribed by section 6 of the Fair Labor Standards Act of 1938 (or would be required to pay such wage but for section 13(a) of such Act); and

(B) any State or political subdivision thereof, or any agency or instrumentality thereof.

(4) The terms "family" and "family member" mean, with respect to an employee, the spouse and children of the employee.

(5) The term "health benefit plan" means a group health plan (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974) which (except for purposes of sections 322(c)(3) and 401(b)) meets the requirements of section 311.

(6) The term "health insurance region" means such a region designated under section 321.

(7) The term "insurer" means an entity qualified under the law of a State to offer insurance or provide health benefits in that State.

(8) The term "nongovernmental employer" refers to an employer not described in paragraph (3)(B).

(9) The term "regional insurer" refers to an insurer certified as a regional insurer under section 322.

(10) The term "Secretary" means the Secretary of Health and Human Services.

(11) The term "State" includes the District of Columbia and, except for purposes of paragraph (7), also includes Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, and American Samoa.

Part B—Requirements for Health Benefit Plans

SEC. 311. GENERAL REQUIREMENTS; PERMITTING ACTUARIALLY EQUIVALENT PLANS.

(a) General Requirements.—Subject to subsection (b), in order for a health benefit plan to meet the requirements of this part, the plan must—

(1) provide benefits for items and services in accordance with section 312;

(2) provide coverage of employees and family enrolled in the plan in accordance with section 313; and

(3) provide for premiums, deductibles, copayments, and coinsurance only in accordance with section 314.

(b) Actuarially Equivalent Plans Permitted.—

(1) In general.—A health benefit plan also meets the requirements of this part notwithstanding that it—

(A) does not meet the requirement under section 312(a) that the plan provide benefits for the types of care described in paragraphs (1) through (3) of such section, or

(B) does not meet one or more requirements of section 314 (relating to premiums, deductibles, copayments, coinsurance, and limit on out-of-pocket expenses),

if the actuarial benefits under the plan (as defined in paragraph (2)) are not less than the actuarial benefits which would have applied if the plan met the requirements described in subsection (a). Nothing in this paragraph shall be construed as not requiring each plan to meet the requirements of sections 312(a)(4) and 313.

(2) Actuarial benefits.—For purposes of paragraph (1), a plan's "actuarial benefits" are the amount by which the total of the amounts payable as benefits under the plan exceed the amount of the premiums, deductibles, copayments, and coinsurance payable by the employee under the plan, as determined on an actuarial basis per enrollee for a plan year.

SEC. 312. REQUIREMENTS RELATING TO COVERED ITEMS AND SERVICES.

(a) In General.—Except as provided in subsection (b), a health benefit plan must include payment for—

(1) inpatient and outpatient hospital care (other than inpatient or outpatient mental health care);

(2) inpatient and outpatient physician services (other than mental health services);

(3) diagnostic and screening tests; and

(4) prenatal care and well-baby care.

(b) Exception.—Subsection (a) shall not be construed as requiring a plan to include payment for—

(1) items and services which are not medically necessary;

(2) routine physical examinations or preventive care; or

(3) experimental services and procedures.

(c) Specification of prenatal care and well-baby care.—The Secretary shall by regulation prescribe, and annually revise, a schedule specifying the amount, duration, and scope of prenatal care and well-baby care required under subsection (a)(4). Subsection (b) shall not apply to such care provided in accordance with such schedule.

SEC. 313. REQUIREMENTS RELATING TO TIMING OF COVERAGE AND PROHIBITION OF PREEXISTING CONDITION LIMITATIONS.

(a) Date of Initial Coverage.—In the case of an employee (and family members) enrolled under a health benefit plan provided by an employer, the coverage under the plan must begin not later than the latest of the following:

(1) 30 days after the day on which the employee first performs an hour of service as an employee of that employer.

(2) The first day on which the employer is required to meet the requirements of this title.

(3) In the case of a health benefit plan which—

(A) has been provided by the employer since May 19, 1985, and

(B) is provided by an employer which provides interim coverage under subsection (b),

the earlier of (i) 6 months after the day on which the employee first performs an hour of service as an employee of that employer, or (ii) the date for initiation of coverage under the plan (as in effect on May 19, 1987).

(b) Interim Coverage Requirement.—Subsection (a)(3) shall only apply to an employer if the employer enrolls each employee, during the period the employee would otherwise be covered under a health benefit plan but for subsection (a)(3), in an interim plan that would meet the requirements of section 311 except that—

(1) the interim plan requires a premium that on a monthly basis exceeds the premium otherwise permitted under section 314(b), so long as the premium on a monthly basis does not exceed the monthly actuarial rate defined in section 314(b)(1)(B); or

(2) the interim plan requires deductibles and coinsurance that exceed the amounts otherwise permitted under section 314(b) and subparagraphs (A) and (B) of section 314(c)(1), so long as the interim plan meets the requirement of section 314(c)(1)(C) (relating to limitation on out-of-pocket expenses).

(c) Prohibition of Pre-existing Condition Provisions.—A health benefit plan may not exclude or otherwise limit any individual from coverage under the plan on the basis that the individual has (or at any time has had) any disease, disorder, or condition.

SEC. 314. REQUIREMENTS RELATING TO PREMIUMS, DEDUCTIBLES, COPAYMENTS, COINSURANCE, AND LIMIT ON OUT-OF-POCKET EXPENSES.

(a) Enrollee Cost-Sharing Permitted.—A health benefit plan may require an enrollee to pay for premiums, deductibles, and coinsurance amounts for coverage under the plan, but only if the premiums, deductibles, copayments, and coinsurance do not exceed the limitations imposed under this section.

(b) Limitation on Premiums.—

(1) Monthly premium limited to 20 percent of actuarial rate.—

(A) In general.—A health benefit plan may not require an employee to pay a premium—

(i) for coverage for a period of longer than one month, or

(ii) the amount of which on a monthly basis exceeds 20 percent of the monthly actuarial rate defined under subparagraph (B).

(B) Monthly actuarial rate defined.—For purposes of this title, the term "monthly actuarial rate" means, with respect to a health benefit plan in a plan year, the average monthly per enrollee amount which the employer providing the plan estimates, for enrollees under the plan during the year, would be necessary to pay for the total benefits required under the plan (including administrative costs for the provision of such benefits and an appropriate amount for a contingency margin) during the year.

(C) Application on basis of family status.—For purposes of this paragraph, a health benefits plan may provide for the premium to be applied, and the monthly actuarial rate—

(i) to be computed separately for employees without a family and for employees with a family, and

(ii) with respect to employees with a family, to be computed separately (I) for employees who have a spouse and any children, (II) for employees who have a spouse but no children, and (III) for employees who do not have a spouse but have children.

(2) No premium for low income employees.—

(A) In general.—A health benefit plan may not require a premium for an employee whose hourly wage rate is less than the hourly wage rate specified in subparagraph (B).

(B) Hourly rate.—The hourly wage rate specified in this subparagraph for premiums paid in a plan year beginning in—

(i) 1988, is $4.19, or

(ii) a subsequent year, is the hourly wage rate specified in this subparagraph for the previous calendar year increased by the percentage increase in the consumer price index for all urban consumers (U.S. city average, as published by the Bureau of Labor Statistics) for the 12-month period ending on September 30 of the preceding calendar year.

If the rate computed under clause (ii) is not a multiple of 1 cent it shall be rounded to the next highest multiple of 1 cent.

(3) Payment of premiums.—An employee enrolled under a health benefit plan is liable for payment of premiums required under that plan in accordance with this subsection.

(c) Limitation on Deductibles.—

(1) In general.—Except as permitted under paragraph (2), a health benefit plan may not provide, for benefits provided in any plan year, for a deductible amount—

(A) which exceeds—

(i) $250, with respect to benefits payable for items and services furnished to any employee with no family member enrolled under the plan, or

(ii) $500, with respect to benefits payable for items and services furnished to any employee with a family member enrolled under the plan and to the employee's family; or

(B) for prenatal care or well-baby care described in section 312(a)(4).

(2) Wage-related deductible.—A health benefit plan may provide for any other deductible amount instead of the limitations under—

(A) clause (i) of paragraph (1)(A), so long as the amount does not exceed (on an annualized basis) 1 percent of the total wages paid to the employee in the plan year, or

(B) clause (ii) of paragraph (1)(A), so long as the amount does not exceed (on an annualized basis) 2 percent of the total wages paid to the employee in the plan year.

(d) Limitation on Copayments and Coinsurance.—

(1) In general.—Subject to paragraphs (2) and (3), a health benefit plan may not—

(A) require payment of any copayment or coinsurance for an item or service in an amount that exceeds 20 percent of the cost of the item or service;

(B) require payment of any copayment or coinsurance for prenatal care or well-baby care described in section 312(a)(4); or

(C) require payment of any copayment or coinsurance for items and services required under section 312 furnished in a plan year for an employee after the employee has incurred out-of-pocket expenses under the plan that are equal to the out-of-pocket limit (as defined in paragraph (4)(B)).

(2) Exception for preferred providers.—If a health benefit plan establishes reasonable classifications of participating and nonparticipating providers of items and services, the plan may require payments in excess of the amount permitted under paragraph (1) in the case of items and services furnished by nonparticipating providers.

(3) Exception for improper utilization.—A health benefit plan may provide for copayment or coinsurance in excess of the amount permitted under paragraph (1) for any item or service which an individual obtains without complying with any reasonable procedures established by the plan to ensure the efficient and appropriate utilization of covered services.

(4) Limit on out-of-pocket expenses.—

(A) Out-of-pocket expenses defined.—In this section, the term "out-of-pocket expenses" means, with respect to an employee in a plan year, amounts payable under the plan as deductibles and coinsurance with respect to items and services provided under the plan and furnished in the plan year on behalf of the employee and family covered under the plan.

(B) Out-of-pocket limit defined.—In this section, except as provided in subparagraph (C), the term "out-of-pocket limit" means for a plan year beginning in—

(i) the first calendar year that begins more than 1 year after the date of the enactment of this Act, $3,000, or

(ii) for a subsequent calendar year, the out-of-pocket limit specified in this subparagraph for the previous calendar year increased by the percentage increase in the consumer price index for all urban consumers (U.S. city average, as published by the Bureau of Labor Statistics) for the 12-month period ending on September 30 of the preceding calendar year.

If the out-of-pocket limit computed under clause (ii) is not a multiple of $10, it should be rounded to the next highest multiple of $10.

(C) Alternative out-of-pocket limit.—A health benefit plan may provide for an out-of-pocket limit other than that defined in subparagraph (B) if, for a plan year with respect to an employee and the employee's family, the limit does not exceed (on an annualized basis) 10 percent of the total wages paid to the employee in the plan year.

Part C—Certification of Regional Insurers

SEC. 321. DESIGNATION OF HEALTH INSURANCE REGIONS.

The Secretary shall designate by regulation 6, 7, or 8 health insurance regions for purposes of this part.

SEC. 322. PERIODIC CERTIFICATION OF REGIONAL INSURERS.

(a) Competitive Procedures.—The Secretary shall establish competitive procedures for the periodic certification of 2, 3, 4, or 5 regional insurers for each health insurance region for a defined period.

(b) Applications.—No insurer may be certified as a regional insurer unless it submits to the Secretary an application for such certification in such form and at such time as the Secretary prescribes. Each such application shall include—

(1) specific descriptions of each of the health benefit plans the insurer proposes to offer under section 323(a) as a regional insurer; and

(2) such information needed for the Secretary to consider the items described in subsection (c).

(c) Considerations.—In reviewing applications for certification as regional insurers, the Secretary shall consider, with respect to each applicant—

(1) the price of health benefit plans proposed to be offered by the applicant,

(2) the quality and types of services to be provided under the plans,

(3) the experience of the applicant in providing and managing health benefit plans, and

(4) the financial stability of the applicant.

(d) Certification.—Not later than one year after the date of the enactment of this Act, the Secretary shall first certify regional insurers for each health insurance region. The Secretary shall publish in the Federal Register a list of the regional insurers certified under this section. To the extent possible, the Secretary shall certify 5 regional insurers for each region.

(e) Evaluation and Decertification.—The Secretary shall periodically evaluate the performance of regional insurers under this part. Where the Secretary finds that a regional insurer is not substantially meeting the requirements of this part, the Secretary, after notice and opportunity for a hearing, may terminate the certification of the insurer. In such a case, the Secretary may provide for certification of another regional insurer for the health insurance region affected.

SEC. 323. REQUIREMENTS OF REGIONAL INSURERS.

(a) Plans Must Offer.—Each regional insurer shall offer, to employers located in its health insurance region—

(1) 2 indemnity plans described in subsection (b)(1)—

(A) one of which provides only the minimum benefits required of a health benefit plan, and

(B) the other which provides benefits typical of the benefits offered under comprehensive health benefit plans offered in the region; and

(2) 2 managed-care plans described in subsection (b)(2)—

(A) one of which provides only the minimum benefits required of a health benefit plan, and

(B) the other which provides benefits typical of the benefits offered under comprehensive health benefit plans offered in the region.

In the case of plans described in paragraph (1)(A) or (2)(A), a regional insurer may provide optional, additional benefits for an additional premium.

(b) Plans Described.—

(1) Indemnity plan.—An indemnity plan described in this subparagraph is a health benefit plan—

(A) which makes payment with respect to items and services furnished by any provider licensed in the State to provide the items and services if—

(i) the provider is a type of provider covered under the plan;

(ii) the provider is not excluded from receiving payment under the plan on the basis of fraud, abuse, or incompetence (as determined under the rules and procedures of the plan); and

(iii) the plan does not differentiate in payment to providers under the plan based on a contractual arrangement (or lack thereof) between the plan and the provider; and

(B) under which an individual incurs an obligation or makes payment for covered item or service and the plan reimburses the individual or the provider of such services for the amounts payable for such item or service under the plan.

(2) Managed-care plan.—A managed-care plan described in this subparagraph is a health benefit plan under which items or services must generally be furnished either—

(A) by providers having a contractual relationship with the plan, or

(B) providers included on a list specified by the plan which consists of a group of providers in a State which is more restricted than all licensed providers in the State.

(c) Community-Rated Premiums.—Subject to section 324(b)(2), each regional insurer shall fix premiums for the plans required under subsection (a) under a community rating system for all employers. An insurer may not set or adjust such premiums based on the age or gender of employees (or their families) or on other factors relating to the projected or actual use of health services under the plan.

SEC. 324. MISCELLANEOUS PROVISIONS.

(a) Subcontracts.—Each regional insurer may enter into subcontracts with other entities in carrying out this part.

(b) Arrangements With Small Businesses.—

(1) In general.—The Secretary shall encourage regional insurers to enter into appropriate arrangements with entities representing groups of small businesses (such as small business service bureaus and cham-

bers of commerce) for the provision of administrative services with respect to small businesses enrolled in plans offered by the insurers.

(2) PREMIUM REDUCTION.—Each such insurer shall reduce the premiums otherwise charged for such plans to such small businesses by an amount which reflects the value of such administrative services.

(c) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance and enrollment forms to employers required under section 301(b)(2) to provide health benefit plans of regional insurers. In carrying out this subsection, the Secretary shall, to the maximum extent feasible, enter into contracts (to the extent and in such amounts as may be provided in advance in appropriation Acts) with small business service bureaus, chambers of commerce, and other entities with experience in providing health insurance services to small businesses.

Part D—Regulations and Enforcement

SEC. 331. REGULATIONS.

Within 6 months after the date of the enactment of this Act, the Secretary shall publish a notice of proposed rule making to carry out this title. Within one year after such date, the Secretary shall promulgate final rules to carry out this title. Such notice and final rules shall be made in accordance with section 553 of title 5, United States Code.

SEC. 332. ENFORCEMENT.

(a) CIVIL MONEY PENALTY AGAINST PRIVATE EMPLOYERS.—

(1) 10 PERCENT OF TOTAL WAGES.—Any nongovernmental employer which does not comply with section 302(c) or the requirements of section 2301(a) of the Public Health Service Act or section 201(a) of the Fair Labor Standards Act of 1938 in any calendar year is subject to a civil penalty of not more than 10 percent of the total amount of the employer's expenditures for wages for employees in that year.

(2) ASSESSMENT PROCEDURE.—A civil money penalty under this subsection shall be assessed by the Secretary and collected in a civil action brought by the United States in a United States district court. The Secretary shall not assess such a penalty on an employer until the employer has been given notice and an opportunity to present its views on such charge.

(3) AMOUNT OF PENALTY.—In determining the amount of the penalty, or the amount agreed upon in compromise, the Secretary shall consider the gravity of the noncompliance and the demonstrated good faith of the employer charged in attempting to achieve rapid compliance after notification of noncompliance by the Secretary.

(4) JUDICIAL REVIEW.—In any civil action brought to review the assessment of such a penalty or to collect such a penalty, the court shall, at the request of any party to such action, hold a trial de novo on the assessment of the penalty, unless in a prior action such a trial de novo was held on the assessment.

(b) LIABILITY TO INDIVIDUALS FOR DAMAGES.—Any nongovernmental employer that knowingly does not comply with section 302(c) or the requirements of section 2301(a) of the Public Health Service Act or section 201(a) of the Fair Labor Standards Act of 1938 shall be liable for damages (including health care costs incurred) to the employee or the employee's family resulting from such failure to comply.

(c) STATE INELIGIBILITY FOR PUBLIC HEALTH SERVICE ACT FUNDS.—For a provision making States and political subdivisions thereof ineligible for funds under the Public Health Service Act if they fail to enroll employees under health benefit plans, see section 2301(b)(1) of such Act.

(d) INJUNCTIVE RELIEF.—

(1) IN GENERAL.—Subject to paragraph (3), any individual injured or adversely affected or aggrieved by a violation of the requirements of section 302(c), section 2301(a) of the Public Health Service Act, or section 201(a) of the Fair Labor Standards Act of 1938 may bring an action in an appropriate district court of the United States to enjoin such a violation or to compel compliance with such requirement.

(2) COSTS AND FEES.—In any judicial proceeding under this subsection, the court, in its discretion, may allow the party bringing the action a reasonable attorney's fee as part of costs if the party substantially prevails.

(3) NOTICE.—At least 15 days before the date a party brings an action under this subsection, the party shall give notice by registered mail to the Secretary and the Attorney General. Such notice shall state the nature of the alleged violation and the court in which the action will be brought.

TITLE IV—EFFECTIVE DATE

SEC. 401. EFFECTIVE DATE.

(a) GENERAL RULE.—This Act, and the amendments made by this Act, shall take effect on January 1 of the second year that begins after the date of the enactment of this Act.

(b) SPECIAL TRANSITION.—In the case of an employer which, on the date of the enactment of this Act, has in effect a health benefit plan, this Act, and the amendments made by this Act, shall not apply until the first day of the second plan year that begins after the date of the enactment of this Act.

SEC. 402. POLICY RESPECTING ADDITIONAL BENEFITS.

(a) IN GENERAL.—After the date of the enactment of this Act, no employer will be required under title III to provide any health benefit in addition to the benefits required to be provided under section 312(a) (as in effect on the date of the enactment of this Act) unless—

(1) such additional health benefit is for a service which State medicaid plans (under title XIX of the Social Security Act) are required to cover for individuals receiving cash assistance under part A of title IV of such Act; and

(2) before the enactment of such requirement, the benefits and costs of requiring the provision of such additional health benefit have been analyzed and considered by the Congress.

(b) CONSIDERATIONS.—(1) In carrying out subsection (a)(2) with respect to the consideration of a proposed additional health benefit, the Congress shall request a report from the Office of Technology Assessment, the Institute of Medicine of the National Academy of Sciences, or a public or nonprofit entity with expertise relating to health benefits. Any such report shall—

(A) analyze and summarize such proposed additional health benefit; and

(B) contain an estimate of the economic and health impacts of such proposed additional health benefit.

(2) Any such report shall be prepared in consultation with interested members of the public and with individuals and entities having expertise with respect to such proposed additional health benefit.

AMENDMENT No. 378

At the appropriate place insert the following new title:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Minimum Wage Restoration Act of 1987".

SEC. 2. RESTORATION OF MINIMUM WAGE.

(a) INCREASE.—Subsection (a)(1) of section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $3.35 an hour during the period ending December 31, 1987, not less than $3.85 an hour during the year beginning January 1, 1988, not less than $4.25 an hour during the year beginning January 1, 1989, not less than $4.65 an hour during the year beginning January 1, 1990, and after December 31, 1990, not less than the minimum wage rate determined in accordance with section (b);".

(b) INDEX.—Subsection (b) of such section is amended to read as follows:

"(b) Effective January 1, 1991, and January 1 of each succeeding year, the minimum wage rate in effect under subsection (a)(1) shall be revised so that the rate is equal to 50 percent of the average private, nonsupervisory, nonagricultural hourly wage as determined by the Bureau of Labor Statistics of the Department of Labor for the previous November, rounded to the nearest multiple of 5 cents.".

AMENDMENT No. 379

At the appropriate place, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Parental and Medical Leave Act of 1987".

(b) TABLE OF CONTENTS.—

TITLE I—GENERAL REQUIREMENTS FOR PARENTAL AND TEMPORARY MEDICAL LEAVE

Sec. 101. Findings and purposes.
Sec. 102. Definitions.
Sec. 103. Parental leave requirement.
Sec. 104. Temporary medical leave requirement.
Sec. 105. Certification.
Sec. 106. Employment and benefits protection.
Sec. 107. Prohibited acts.
Sec. 108. Administrative enforcement.
Sec. 109. Enforcement by civil action.
Sec. 110. Investigative authority.
Sec. 111. Relief.
Sec. 112. Notice.

TITLE II—PARENTAL LEAVE AND TEMPORARY MEDICAL LEAVE FOR CIVIL SERVICE EMPLOYEES

Sec. 201. Parental and temporary medical leave.

TITLE III—ADVISORY PANEL ON PAID PARENTAL AND MEDICAL LEAVE

Sec. 301. Establishment.
Sec. 302. Duties.
Sec. 303. Membership.
Sec. 304. Compensation.
Sec. 305. Powers.
Sec. 306. Termination.

TITLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Effect on other laws.
Sec. 402. Effect on existing employment benefits.
Sec. 403. Regulations.
Sec. 404. Effective dates.

TITLE I—GENERAL REQUIREMENTS FOR PARENTAL AND MEDICAL LEAVE

SEC. 101. FINDINGS AND PURPOSES.

(a) Findings.—Congress finds that—

(1) the number of two-parent households in which both parents work and the number of single-parent households in which the single parent works are increasing significantly;

(2) it is important for the development of children and the family unit that fathers and mothers be able to participate in early childrearing and the care of children who have serious health conditions;

(3) the lack of employment policies to accommodate working parents forces many individuals to choose between job security and parenting; and

(4) there is inadequate job security for employees who have serious health conditions that prevent the employees from working for temporary periods.

(b) Purposes.—It is the purpose of this Act—

(1) to balance the demands of the workplace with the needs of families;

(2) to promote the economic security and stability of families; and

(3) to entitle employees to take reasonable leave for medical reasons, for the birth or adoption of a child, and for the care of a child who has a serious health condition, without the risk of termination or retaliation by employers.

SEC. 102. DEFINITIONS.

As used in this title:

(1) Commerce.—The terms "commerce" and "industry or activity affecting commerce" mean any activity, business, or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce, including "commerce" and any activity or industry "affecting commerce" within the meaning of the Labor Management Relations Act, 1947 (29 U.S.C 141 et seq.).

(2) Employ.—The term "employ" has the same meaning given the term in section 3(g) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(g)).

(3) Employee.—The term "employee" has the meaning given the term in section 3(e) of the Fair Labor Standards Act of 1938, except that—

(A) the term does not include any Federal officer or employee covered under subchapter III of chapter 63 of title 5, United States Code; and

(B) the term includes permanent part-time employees.

(4) Employer.—The term "employer"—

(A) means any person who employs 15 or more employees and is engaged in commerce or in any industry or activity affecting commerce;

(B) includes—

(i) any person who acts directly or indirectly in the interest of an employer to one or more employees; and

(ii) any successor in interest of such an employer; and

(C) includes any public agency, as defined in section 3(x) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(x)), except that employees of any such agency shall be considered employees engaged in commerce.

(5) Employment Benefits.—The term "employment benefits" means all benefits provided or made available to employees by an employer, including group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether the benefits are provided by a policy or practice of an employer or by an employee benefit plan as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(1)).

(6) Person.—The term "person" has the same meaning given the term in section 3(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(a)).

(7) Reduced Leave Schedule.—The term "reduced leave schedule" means leave scheduled for fewer than the usual number of hours of an employee per workweek or hours per workday.

(8) Secretary.—The term "Secretary" means the Secretary of Labor.

(9) Serious Health Condition.—The term "serious health condition" means an illness, injury, impairment, or physical or mental condition that involves—

(A) inpatient care in a hospital, hospice, or residential medical care facility; or

(B) continuing treatment or continuing supervision by a health care provider.

(10) Son or Daughter.—The term "son or daughter" means a biological, adopted, or foster child, stepchild, legal ward, or child of a de facto parent, who is under 18 years of age.

(11) State.—The term "State" has the same meaning given the term in section 3(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(c)).

SEC. 103. PARENTAL LEAVE REQUIREMENT.

(a) In General.—(1) An employee shall be entitled to 18 workweeks of parental leave during any 24-month period—

(A) as the result of the birth of a son or daughter of the employee;

(B) as the result of the placement, for adoption or foster care, of a son or daughter with the employee; or

(C) in order to care for the employee's son or daughter who has a serious health condition.

(2) The leave may be taken on a reduced leave schedule. Under the schedule—

(A) the total period during which the 18 workweeks may be taken may not exceed 36 consecutive workweeks; and

(B) the leave shall be scheduled so as not to disrupt unduly the operations of the employer.

(3) In the case of a child who has a serious health condition, the leave may be taken intermittently when medically necessary.

(b) Unpaid Leave Permitted.—Except as provided in subsection (c), leave granted under subsection (a) may consist of unpaid leave.

(c) Relationship to Paid Leave.—(1) If an employer provides paid parental leave for fewer than 18 weeks, the additional weeks of leave added to attain the 18-week total may be unpaid.

(2) An employee may elect to substitute any accrued paid vacation leave, personal leave, or other appropriate paid leave for any part of the 18-week period.

SEC. 104. TEMPORARY MEDICAL LEAVE REQUIREMENT.

(a) In General.—(1) Any employee who, as the result of a serious health condition, becomes unable to perform the functions of the position of the employee, shall be entitled to temporary medical leave. The entitlement shall continue for as long as the employee is unable to perform the functions, except that the leave shall not exceed 26 workweeks during any 12-month period.

(2) The leave may be taken intermittently when medically necessary.

(b) Unpaid Leave Permitted.—Except as provided in subsection (c), leave granted under subsection (a) may consist of unpaid leave.

(c) Relationship to Paid Leave.—(1) If an employer provides paid temporary medical leave or paid sick leave for fewer than 26 weeks, the additional weeks of leave added to attain the 26-week total may be unpaid.

(2) An employee may elect to substitute accrued paid vacation leave, sick leave, or other appropriate paid leave for any part of the 26-week period.

SEC. 105. CERTIFICATION.

(a) In General.—An employer may require that a claim for parental leave under section 103(a)(1)(C), or temporary medical leave under section 104, be supported by certification issued by—

(1) the duly licensed health care provider of the son, daughter, or employee, whichever is appropriate; or

(2) any other health care provider determined by the Secretary to be capable of providing adequate certification.

(b) Sufficient Certification.—The certification shall be considered sufficient if it states—

(1) the date on which the serious health condition commenced;

(2) the probable duration of the condition; and

(3) the medical facts within the knowledge of the provider regarding the condition.

SEC. 106. EMPLOYMENT AND BENEFITS PROTECTION.

(a) Restoration to Position.—(1) Any employee who exercises any right provided under section 103 or 104 shall be entitled, on return from the leave—

(A) to be restored by the employer to the position held by the employee when the leave commenced; or

(B) to be restored to a position with equivalent status, benefits, pay, and other terms and conditions of employment.

(2) The taking of leave under this title shall not result in the loss of any benefit accrued before the date on which the leave commenced.

(3) Except as provided in subsection (b), nothing in this section shall be considered to entitle any restored employee to—

(A) the accrual of any seniority or benefits during any period of leave; or

(B) any right or benefit other than any right or benefit to which the employee would have been entitled had the employee not taken the leave.

(b) Maintenance of Health Benefits.—During any period of leave taken under section 103 or 104, health benefits of an employee shall be maintained for the duration of the leave at the level at which the benefits would have been maintained if the employee had continued in employment continuously from the date the employee commenced the leave until the date the employee is restored under subsection (a).

SEC. 107. PROHIBITED ACTS.

(a) Interference With Rights.—(1) It shall be unlawful for any employer to interfere with, restrain, or deny the exercise of or the attempt to exercise, any right provided under this title.

(2) It shall be unlawful for any employer to discharge or in any other manner discriminate against any individual for opposing any practice made unlawful by this title.

(b) Interference With Proceedings or Inquiries.—It shall be unlawful for any person to discharge or in any other manner discriminate against any individual because the individual—

(1) has filed any charge, or has instituted or caused to be instituted any proceeding, under or related to this title;

(2) has given or is about to give any information in connection with any inquiry or proceeding relating to any right provided under this title; or

(3) has testified or is about to testify in any inquiry or proceeding relating to any right provided under this title.

SEC. 108. ADMINISTRATIVE ENFORCEMENT.

(a) In General.—The Secretary shall issue such rules and regulations as are necessary to carry out this section, including rules and regulations concerning service of complaints, notice of hearings, answers and amendments to complaints, and copies of orders and records of proceedings.

(b) Charges.—(1) Any person (or person, including a class or organization, on behalf of any person) alleging an act that violates this title may file a charge respecting the violation with the Secretary. Charges shall be in such form and contain such information as the Secretary shall require by regulation.

(2) The Secretary shall serve a notice of the charge on the person charged with the violation not more than 10 days after the Secretary receives the charge.

(3) A charge may not be filed more than 1 year after the last event constituting the alleged violation.

(c) Investigation; Complaint.—(1) Within the 60-day period after the Secretary receives any charge, the Secretary shall investigate the charge and issue a complaint based on the charge or dismiss the charge.

(2) If the Secretary determines that there is a reasonable basis for the charge, the Secretary shall issue a complaint based on the charge and promptly notify the charging party and the respondent as to the issuance.

(3) If the Secretary determines that there is no reasonable basis for the charge, the Secretary shall dismiss the charge and promptly notify the charging party and the respondent as to the dismissal.

(4) The charging party and the respondent may enter into a settlement agreement concerning the violation alleged in the charge. To be effective such an agreement must be determined by the Secretary to be consistent with this title.

(5) On the issuance of a complaint, the Secretary and the respondent may enter into a settlement agreement concerning a violation alleged in the complaint, except that any such settlement may not be entered into over the objection of the charging party.

(6) If, within the 60-day period referred to in paragraph (1), the Secretary—

(A) has not issued a complaint under paragraph (2);

(B) has dismissed the charge under paragraph (3); or

(C) has not approved or entered into a settlement agreement under paragraph (4) or (5),

the charging party may bring a civil action under section 109.

(7) The Secretary may issue and serve a complaint alleging a violation of this title on the basis of information and evidence gathered as a result of an investigation initiated by the Secretary pursuant to section 110.

(8) On issuance of a complaint, the Secretary shall have the power to petition the United States district court for the district in which the violation is alleged to have occurred, or in which the respondent resides or transacts business, for appropriate temporary relief or a restraining order. On the filing of any such petition, the court shall cause notice of the petition to be served on the respondent. The court shall have jurisdiction to grant to the Secretary such temporary relief or restraining order as the court considers just and proper.

(d) Rights of Parties.—(1) In any case in which a complaint is issued under subsection (b), the Secretary shall, not less than 5 days and not more than 30 days after the complaint is issued, cause to be served on the respondent a copy of the complaint.

(2) Any person filing a charge alleging a violation of this title may elect to be a full party to any complaint filed by the Secretary alleging the violation. The election must be made before the commencement of a hearing.

(e) Conduct of Hearing.—(1) The Secretary shall prosecute any complaint issued under subsection (b).

(2) An administrative law judge shall conduct a hearing on the record with respect to a complaint issued under this title. The hearing shall be conducted in accordance with sections 554, 555, and 556 of title 5, United States Code, and shall be commenced within 60 days after the issuance of the complaint.

(f) Findings and Conclusions.—(1) After a hearing is conducted under this section, the administrative law judge shall promptly make findings of fact and conclusions of law, and, if appropriate, issue an order for relief as provided in section 111.

(2) The administrative law judge shall inform the parties, in writing, of the reason for any delay in making the findings and conclusions if the findings and conclusions are not made within 60 days after the conclusion of the hearing.

(g) Finality of Decision; Review.—(1) The decision and order of the administrative law judge shall become the final decision and order of the Secretary unless, on appeal by an aggrieved party taken not more than 30 days after the action, the Secretary modifies or vacates the decision, in which case the decision of the Secretary shall be the final decision.

(2) Not later than 60 days after the entry of the final order, any person aggrieved by the final order may obtain a review of the order in the United States court of appeals for the circuit in which the violation is alleged to have occurred or in which the employer resides or transacts business.

(3) On the filing of the record with the court, the jurisdiction of the court shall be exclusive and its judgment shall be final, except that the same shall be subject to review by the Supreme Court of the United States on writ of certiorari or certification as provided in section 1254 of title 28, United States Code.

(h) Court Enforcement of Administrative Orders.—(1) If a respondent does not appeal an order of an administrative law judge under subsection (g)(2), the Secretary may petition the United States district court for the district in which the violation is alleged to have occurred, or in which the respondent resides or transacts business, for the enforcement of the order of the administrative law judge, by filing in the court a written petition praying that the order be enforced.

(2) On the filing of the petition, the court shall have jurisdiction to make and enter a decree enforcing the order of the administrative law judge. In the proceeding, the order of the administrative law judge shall not be subject to review.

(3) If, on appeal of an order under subsection (g)(2), the United States court of appeals does not reverse or modify the order, the court shall have the jurisdiction to make and enter a decree enforcing the order of the administrative law judge.

SEC. 109. ENFORCEMENT BY CIVIL ACTION.

(a) Right To Bring Civil Action.—(1) Subject to the limitations in this section, an employee or the Secretary may bring a civil action against any employer to enforce this title in any appropriate court of the United States or in any State court of competent jurisdiction.

(2) A civil action may be commenced under this subsection without regard to whether a charge has been filed under section 108(b).

(3) No civil action may be commenced under paragraph (1) if the Secretary—

(A) has approved a settlement agreement under section 108(c)(4), in which case no civil action may be filed under this subsection if the action is based on a violation alleged in the charge and resolved by the agreement; or

(B) has issued a complaint under section 108(c)(2) or 108(c)(7), in which case no civil action may be filed under this subsection if the action is based on a violation alleged in the complaint.

(4) Notwithstanding paragraph (3)(A), a civil action may be commenced to enforce the terms of any such settlement agreement.

(5)(A) Except as provided in subparagraph (B), no civil action may be commenced more than 1 year after the date on which the alleged violation occurred.

(B) In any case in which—

(i) a timely charge is filed under section 108(b); and

(ii) the failure of the Secretary to issue a complaint or enter into a settlement agreement based on the charge (as provided under section 108(c)(6)) occurs more than 11 months after the date on which any alleged violation occurred,

the employee may commence a civil action not more than 30 days after the date on which the employee is notified of the failure.

(6) The Secretary may not bring a civil action against any agency of the United States.

(b) Venue.—An action brought under subsection (a) in a district court of the United States may be brought—

(1) in any appropriate judicial district under section 1391 of title 28, United States Code; or

(2) in the judicial district in the State in which—

(A) the employment records relevant to the violation are maintained and administered; or

(B) the aggrieved person worked or would have worked but for the alleged violation.

(c) Notification of the Secretary; Right To Intervene.—A copy of the complaint in any action brought by an employee under subsection (a) shall be served on the Secretary by certified mail. The Secretary shall have the right to intervene in a civil action brought by an employee under subsection (a).

(d) Attorneys for the Secretary.—In any civil action brought under subsection (a), attorneys appointed by the Secretary may appear for and represent the Secretary, except that the Attorney General and the Solicitor General shall conduct any litigation in the Supreme Court.

SEC. 110. INVESTIGATIVE AUTHORITY.

(a) In General.—To ensure compliance with this title, or any regulation or order issued under this title, subject to subsection (c), the Secretary shall have the investigative authority provided under section 11(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 211(a)).

(b) Obligation To Keep and Preserve Records.—An employer shall keep and preserve records in accordance with section 11(c) of such Act.

(c) Required Submissions Generally Limited to an Annual Basis.—The Secretary may not under this section require any employer or any plan, fund, or program to submit to the Secretary any books or records more than once in any 12-month period, unless the Secretary has reasonable cause to believe there may exist a violation of this title or any regulation or order issued pursuant to this title, or is investigating a charge brought pursuant to section 108.

(d) Subpoena Powers, Etc.—For purposes of any investigation conducted under this section, the Secretary shall have the subpoena authority provided under section 9 of the Fair Labor Standards Act of 1938 (29 U.S.C. 209).

(e) Dissemination of Information.—The Secretary may make available to any person substantially affected by any matter that is the subject of an investigation under this section, and to any department or agency of the United States, information concerning any matter that may be the subject of the investigation.

SEC. 111. RELIEF.

(a) Injunctive Relief.—(1) On finding a violation under section 108 by a person, an administrative law judge shall issue an order requiring the person to cease and desist from any act or practice that violates this title.

(2) In any civil action brought under section 109, a court may grant as relief any permanent or temporary injunction, temporary restraining order, or other equitable relief as the court considers appropriate.

(b) Monetary Damages.—Any employer that violates this title shall be liable to the injured party in an amount equal to—

(1) any wages, salary, employment benefits, or other compensation denied or lost to the employee by reason of the violation, plus interest on the total monetary damages calculated at the prevailing rate; and

(2) an additional amount equal to the greater of—

(A) the amount determined under paragraph (1), as liquidated damages; or

(B) general or consequential damages.

(c) Attorneys' Fees.—A prevailing party (other than the United States) may be awarded a reasonable attorneys' fee as part of the costs, in addition to any relief awarded. The United States shall be liable for costs in the same manner as a private person.

(d) Limitation.—Damages awarded under subsection (b) may not accrue from a date more than 2 years before the date on which a charge is filed under section 108(b) or a civil action is brought under section 109.

SEC. 112. NOTICE.

(a) In General.—Each employer shall post and keep posted, in conspicuous places on the premises of the employer where notices to employees and applicants for employment are customarily posted, a notice, approved by the Secretary, setting forth excerpts from, or summaries of, the pertinent provisions of this title and information pertaining to the filing of a charge.

(b) Penalty.—Any employer who willfully violates this section shall be fined not more than $100 for each separate offense.

TITLE II—PARENTAL LEAVE AND TEMPORARY MEDICAL LEAVE FOR CIVIL SERVICE EMPLOYEES

SEC. 201. PARENTAL AND TEMPORARY MEDICAL LEAVE.

(a) In General.—(1) Chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER III—PARENTAL AND TEMPORARY MEDICAL LEAVE

"§ 6331. Definitions

"For purposes of this subchapter:

"(1) 'employee' means—

"(A) an employee as defined by section 6301(2) of this title (excluding an individual employed by the government of the District of Columbia); and

"(B) an individual under clause (v) or (ix) of such section;

whose employment is other than on a temporary or intermittent basis;

"(2) 'serious health condition' means an illness, injury, impairment, or physical or mental condition that involves—

"(A) inpatient care in a hospital, hospice, or residential medical care facility; or

"(B) continuing treatment, or continuing supervision, by a health care provider; and

"(3) 'child' means a biological, adopted, or foster child, stepchild, legal ward, or child of a de facto parent, who is under 18 years of age.

"§ 6332. Parental leave

"(a) Leave under this section shall be granted on the request of an employee if the leave is requested—

"(1) as the result of the birth of a child of the employee;

"(2) as the result of the placement for adoption or foster care of a child with the employee; or

"(3) in order to care for employee's child who has a serious health condition.

"(b) Leave under this section—

"(1) shall be leave without pay;

"(2) may not, in the aggregate, exceed the equivalent of 18 administrative workweeks of the employee during any 24-month period; and

"(3) shall be in addition to any annual leave, sick leave, temporary medical leave, or other leave or compensatory time off otherwise available to the employee.

"(c) An employee may elect to use leave under this section—

"(1) immediately before or after (or otherwise in coordination with) any period of annual leave, or compensatory time off, otherwise available to the employee;

"(2) under a method involving a reduced workday, a reduced workweek, or other alternative work schedule;

"(3) on either a continuing or intermittent basis; or

"(4) any combination thereof.

"§ 6333. Temporary medical leave

"(a) An employee who, because of a serious health condition, becomes unable to perform the functions of the position of the employee shall, on request of the employee, be entitled to leave under this section.

"(b) Leave under this section—

"(1) shall be leave without pay;

"(2) shall be available for the duration of the serious health condition of the employee involved, but may not, in the aggregate, exceed the equivalent of 26 administrative workweeks of the employee during any 12-month period; and

"(3) shall be in addition to any annual leave, sick leave, parental leave, or other leave or compensatory time off otherwise available to the employee.

"(c) An employee may elect to use leave under this section—

"(1) immediately before or after (or otherwise in coordination with) any period of annual leave, sick leave, or compensatory time off otherwise available to the employee;

"(2) under a method involving a reduced workday, a reduced workweek, or other alternative work schedule;

"(3) on either a continuing or intermittent basis; or

"(4) any combination thereof.

"§ 6334. Job protection

"An employee who uses leave under section 6332 or 6333 of this title shall be entitled to be restored to the position held by the employee immediately before the commencement of the leave.

"§ 6335. Prohibition of coercion

"(a) An employee may not directly or indirectly intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce, any other employee for the purpose of interfering with the exercise of the rights of the employee under this subchapter.

"(b) For the purpose of this section, 'intimidate, threaten, or coerce' includes promising to confer or conferring any benefit (such as appointment, promotion, or compensation), or taking or threatening to take any reprisal (such as deprivation of appointment, promotion, or compensation).

"§ 6336. Health insurance

"An employee enrolled in a health benefits plan under chapter 89 of this title who is placed in a leave status under section 6332 or 6333 of this title may elect to continue the health benefits enrollment of the employee while in leave status and arrange to pay into the Employees Health Benefits Fund (described in section 8909 of this title), through the employing agency of the employee, the appropriate employee contributions.

"§ 6337. Regulations

"The Office of Personnel Management shall prescribe regulations necessary for the administration of this subchapter. The regulations prescribed under this subchapter shall be consistent with the regulations prescribed by the Secretary of Labor under title I of the Parental and Medical Leave Act of 1987.".

(2) The table of contents for chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following:

"SUBCHAPTER III—PARENTAL AND TEMPORARY MEDICAL LEAVE

"6331. Definitions.

"6332. Parental leave.

"6333. Temporary medical leave.

"6334. Job protection.

"6335. Prohibition of coercion.

"6336. Health insurance.

"6337. Regulations.".

(b) Employees Paid From Nonappropriated Funds.—Section 2105(c)(1) of title 5, United States Code, is amended by striking out "53" and inserting in lieu thereof "53, subchapter III of chapter 63,".

TITLE III—ADVISORY PANEL ON PAID PARENTAL AND MEDICAL LEAVE

SEC. 301. ESTABLISHMENT.

(a) ESTABLISHMENT.—There is established an Advisory Panel to be known as the Advisory Panel on Paid Parental and Medical Leave (hereinafter in this title referred to as the "Panel").

SEC. 302. DUTIES.

The Panel shall—

(1) compile and review, to the extent practicable, all studies of existing and proposed methods designed to provide workers with full or partial salary replacement or other income protection during periods of temporary medical leave, parental leave, and leave for care of dependents;

(2) conduct, where it deems appropriate, research activities;

(3) within 2 years after the date on which the Panel first meets, submit a report to Congress, including legislative recommendations concerning implementation of a system of salary replacement for temporary medical leave and parental leave.

SEC. 303. MEMBERSHIP.

(a) COMPOSITION.—The Panel shall be composed of 15 members appointed not more than 60 days after the date of the enactment of this Act as follows:

(1) Three Senators shall be appointed by the majority leader of the Senate, in consultation with the minority leader of the Senate.

(2) Three members of the House of Representatives shall be appointed by the Speaker of the House of Representatives, in consultation with the minority leader of the House of Representatives.

(3) The Secretary of Health and Human Services.

(4) The Secretary of Labor.

(5) Seven members shall be appointed jointly by the majority leader of the Senate and the Speaker of the House of Representatives. The members shall be appointed by virtue of demonstrated expertise in relevant family and temporary disability issues.

(b) VACANCIES.—Any vacancy on the Panel shall be filled in the same manner in which the original appointment was made.

(c) CHAIRPERSON AND VICE CHAIRPERSON.—The Panel shall elect a chairperson and a vice-chairperson from among the members of the Panel.

(d) QUORUM.—Eight members of the Panel shall constitute a quorum for all purposes, except that a lesser number may constitute a quorum for the purpose of holding hearings.

SEC. 304. COMPENSATION.

(a) PAY.—Members of the Panel shall serve without compensation.

(b) TRAVEL EXPENSES.—Members of the Panel shall be allowed reasonable travel expenses, including a per diem allowance, in accordance with section 5703 of title 5, United States Code, while performing duties of the Panel.

SEC. 305. POWERS.

(a) MEETINGS.—The Panel shall first meet not more than 30 days after the date by which all members are appointed. The Panel shall meet thereafter on the call of the chairperson or a majority of the members.

(b) HEARINGS AND SESSIONS.—The Panel may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Panel considers appropriate. The Panel may administer oaths or affirmations to witnesses appearing before the Panel.

(c) ACCESS TO INFORMATION.—The Panel may secure directly from any Federal agency information necessary to enable the Panel to carry out this Act. On the request of the chairperson or vice chairperson of the Panel, the head of the agency shall furnish the information to the Panel.

(d) DIRECTOR.—The Panel may appoint an Executive Director from the personnel of any Federal agency to assist the Panel in carrying out the duties of the Panel.

(e) USE OF SERVICES AND FACILITIES.—On the request of the Panel, the head of any Federal agency may make available to the Panel any of the facilities and services of the agency.

(f) PERSONNEL FROM OTHER AGENCIES.—On the request of the Panel, the head of any Federal agency may detail any of the personnel of the agency to assist the Panel in carrying out the duties of the Panel.

SEC. 306. TERMINATION.

The Panel shall terminate 30 days after the date of the submission of the final report of the Panel to Congress.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. EFFECT ON OTHER LAWS.

(a) FEDERAL LAWS.—Nothing in this Act shall be construed to modify or affect any Federal law prohibiting discrimination on the basis of race, religion, color, national origin, sex, age, or handicapped status.

(b) STATE AND LOCAL LAWS.—Nothing in this Act shall be construed to supersede any provision of any State and local law that provides greater employee parental or medical leave rights than the rights established under this Act.

SEC. 402. EFFECT ON EXISTING EMPLOYMENT BENEFITS.

(a) MORE PROTECTIVE.—Nothing in this Act shall be construed to diminish the obligation of an employer to comply with any collective-bargaining agreement or any employment benefit program or plan that provides greater parental and medical leave rights to employees than the rights provided under this Act.

(b) LESS PROTECTIVE.—The rights provided to employees under this Act may not be diminished by any collective-bargaining agreement or any employment benefit program or plan.

SEC. 403. REGULATIONS.

The Secretary shall prescribe such regulations as are necessary to carry out title I.

SEC. 404. EFFECTIVE DATES.

(a) IN GENERAL.—Titles I, II, and IV, and the amendments made by title II, shall become effective 6 months after the date of enactment of this Act.

(b) ADVISORY PANEL.—Title III shall become effective on the date of enactment of this Act.

AMENDMENT No. 380

At the appropriate place insert the following new title:

At the end of the pending business add the following new section:

SEC. . Paragraph (2) of subsection (b) of section 1951 of title 18, United States Code, is amended to read as follows:

"2(a) the term extortion means the obtaining of property of another:

"(1) by threatening or placing another person in fear that any person will be subjected to bodily injury or kidnaping or that any property will be damaged; or

"(2) under color of official right.

"(b) PROOF.—In a prosecution under subsection (a)(1) in which the threat or fear is based upon conduct by an agent or member of a labor organization consisting of an act of bodily injury to a person or damage to property, the pendency, at the time of such conduct, of a labor dispute, as defined in 29 U.S.C. 152(9), the outcome of which could result in the obtaining of employment benefits by the actor, does not constitute prima facie evidence that property was obtained 'by' such conduct."

AMENDMENT No. 381

At the appropriate space, insert the following new title:

Since, in times of budgetary stringency, it is difficult to enact legislation providing new employee benefits at an additional cost to the taxpayer;

Since there is an attractive theory that employee benefits can be provided at no cost to the taxpayer by requiring that the benefits be provided by employers; and

Since requiring employers to provide new employee benefits imposes substantial costs on employers (especially small businesses), the economy (in terms of international competitiveness), and employees (in terms of lost jobs); Now, therefore, be it

It is the sense of the Senate that each Senate committee that reports legislation requiring employers to provide new employee benefits—

(1) secure an objective analysis of the impact of the legislation on employers (especially small businesses), the economy (in terms of international competitiveness), and employees (in terms of lost jobs), before the committee reports the legislation; and

(2) include an analysis of the impact in the report of the committee on the legislation.

AMENDMENT No. 382

At the appropriate place insert the following new title:

Section 2(5) of the National Labor Relations Act (29 U.S.C. Section 152(5)) is amended by adding the following new sentence to the end thereof: "For the purposes of this Act the term "labor organization" shall include all affiliates of a labor organizations and the actions of any such affiliate shall be deemed binding on any parent or other affiliates."

AMENDMENT No. 383

At the end of the bill, insert the following new section:

SEC. . Section 10(c) of the National Labor Relations Act (29 U.S.C. § 160(c)) is amended by inserting after the first proviso the following new proviso: "*Provided further,* That no order of the Board shall issue requiring any employer to bargain with any labor organization unless such labor organization has been certified as the exclusive representative of his employees following a secret ballot election conducted pursuant to Section 9 of this Act (29 U.S.C. § 159)."

AMENDMENT No. 384

At the end of the bill, insert the following new section:

SEC. . Section 10(c) of the National Labor Relations Act (29 U.S.C. § 160(c)) is amended—

(1) by inserting after the colon following the phrase "as will effectuate the policies of this subchapter" the following new proviso: "*Provided,* That the Board shall not find that an employer has committed an unfair labor practice by discharging or otherwise disciplining an employee, or by granting or

denying a benefit to an employee unless it affirmatively appears from the record as a whole that such discharge or other discipline would not have occurred, or such benefit would not have been denied or granted but for that employee's activity protected by Section 157 or Section 158 of this title:"; and

(2) by inserting the word "further" after the word *"Provided,"*.

Amendment No. 385

At the end of the bill, insert the following new section:

Sec. . Section 10(c) of the National Labor Relations Act (29 U.S.C. § 160(c)) is amended by inserting after the phrase, "responsible for the discrimination suffered by him:" the following new proviso:

"Provided further, That the Board may order the restitution of money damages arising out of and caused by a strike or other means of coercion or force which the Board shall determine to be an unfair labor practice under Section 8(b) of this Act (29 U.S.C. § 158(b)), but nothing in this proviso shall be interpreted to preclude an injured party from pursuing any other remedy available by law, in equity, or otherwise."

Amendment No. 386

At the end of the bill, insert the following new section:

Sec. . Section 9(c)(1) of the National Labor Relations Act (29 U.S.C. 159(c)(1)) is amended by adding at the end thereof the following new sentence: "Under no circumstances shall the Board find that a question of representation does not exist or fail conduct or delay an election by secret ballot due to the filing of a charge or the issuance of a complaint pursuant to Section 10 of this Act (29 U.S.C. 160b)."

Amendment No. 387

At the end of the bill, insert the following new section:

Sec. . Section 10(c)(1) of the National labor Relations Act (29 U.S.C. 159(c)(1)) is amended by inserting after the phrase, "responsible for the discrimination suffered by him:", the following new proviso:

"Provided further, That the Board may order the restitution of money damages to individuals or entities which the Board shall determine were the victims of violent acts during an otherwise lawful strike, but notheing in this proviso shall be interpreted to preclude an injured party from pursuing any other remedy available at law, in equity, or otherwise,"

Amendment No. 388

At the end of the bill, insert the following new section:

"Sec. . Section 9(b) of the National Labor Relations Act (29 U.S.C. 164(b)) is amended by adding at the end thereof the following new sentence: 'Any such prohibitions by any state or territory shall apply to any property of the United States located within such state or territory.'"

Amendment No. 389

At the appropriate place, add the following:

Section 101(a) of the Labor-Management Reporting and Disclosure Act of 1959 (29 U.S.C. 411(a)) is amended by adding at the end thereof the following new paragraphs:

"(6) Union security.—A labor organization that represents an employee who is subject to a provision in a collective bargaining agreement that would requires membership in the labor organization as a condition of the continued employment of the employee, shall, at least once during the term of the collective bargaining agreement, notify in writing the employee that—

"(A) the provision exists;

"(B) the employee may satisfy the requirement by paying to the labor organization the employee's pro rata share of the expenditure on items that are directly related to the negotiation of wages, hours, and working conditions pertaining to the collective bargaining agreement to which the employee is subject; and

"(C) formal membership in the labor organization is not required.

"(7) Resignation rights.—At least once during the term of a collective bargaining agreement, a labor organization shall notify in writing each of its members that—

"(A) a member may resign membership in the labor organization at any time, including during a strike or other work stoppage; and

"(B) no disciplinary action shall be taken against the individual.

"(8) Notices.—Any provision of a collective bargaining agreement that requires membership in a labor organization as a condition of employment shall contain in the notices required by paragraphs (6) and (7). The notices shall be at least as conspicuous as the provision that requires membership in the labor organization.

"(9) Use of union dues.—A labor organization shall on an annual basis notify in writing each of its members (and other employees subject to a collective bargaining agreement requiring membership as described in paragraph (6)) the dollar amounts of expenditures of items that are directly related to the negotiation of wages, hours, and working conditions of the collective bargaining agreements to which the members (and employees) are subject, as well as the dollar amount of such expenditures on such items that are not directly related to the foregoing. The accounting shall fairly and clearly set forth the expenditures, and shall be in sufficient detail that members of the labor organization are able to determine the nature of expenditures. The Secretary of Labor shall issue appropriate regulations to insure that employees are fully and adequately informed of expenditures in accordance with this paragraph.

"(10) Amount of union dues.—

"(A) In general.—If requested in writing by a member (or other employee subject to a collective bargaining agreement requiring membership as described in paragraph (6)), a labor organization shall thereafter charge the person no more than an amount that equals the pro rata share of the member of funds that are expended on items directly related to the negotiation of wages, hours, and working conditions of the collective bargaining agreement to which the person is subject.

"(B) Appeals.—

"(i) In general.—If the person disputes the dollar amount determined by the labor organization under subparagraph (A), the person shall have the right to appeal the determination, consistent with procedures set forth in bylaws of the labor organization that are fair, prompt, equitable and nonpartisan.

"(ii) Information.—The person shall have the right to obtain all information that pertains to the determination of the labor organization of its non-collective bargaining expenditures, including ledgers, written material, invoices, bills of sale, receipts, accounts, records of disbursements, contracts, leases, and all other forms of financial data.

"(iii) Arbitration.—If the parties cannot resolve a dispute within 90 days after an appeal filed under clause (i), the matter shall be submitted to binding arbitration with the costs of the arbitration to be borne by the labor organization. The decision of the arbitrator shall determine the amount of the obligation of the employee.

"(C) Burden of proof.—In any proceeding conducted under this paragraph, the labor organization shall bear the burden of proof of establishing the pro rata share of a member of those funds that are spent on items directly related to the negotiation of wages, hours, and working conditions of the collective bargaining agreements pertaining to its members.

"(D) Costs and attorney's fees.—If it is determined that the amount of the pro rata share of the employee of expenditures is less than the amount claimed by the labor union, the employee shall also recover the costs of the employee and a reasonable attorney's fee.

"(E) Enforcement.—A district court of the United States shall have jurisdiction to review the decision of an arbitrator made under this paragraph. The court shall enforce the decision if the decision is supported by substantial evidence on the whole record. An action to enforce the decision must be instituted not later than 180 days after the decision is rendered. If a decision is made against a labor organization, the employee shall be awarded the costs of the action, together with a reasonable attorney's fee.

"(11) Misconduct of employees.—A labor organization shall have the right to discipline, fine, suspend, assess, and expel a member of the organization in accordance with this paragraph for misconduct. To exercise the right provided under this paragraph, a labor organization must have previously provided to its members on an annual basis a list of the types of conduct that may lead to the discipline, fine, suspension, assessment, or expulsion.".

"(b) Collective bargaining agreements.—Section 8(a)(3) of the National Labor Relations Act (29 U.S.C. 158(a)(3)) is amended by inserting before the semicolon at the end thereof the following: ": *Provided further,* That any agreement described in the first proviso shall be null and void if a labor organization signatory to the agreement violates any of paragraphs (6) through (11) of section 101(a)".

Amendment No. 390

At the appropriate place insert the following new title:

Sec. . Section 201(b) of the Labor-Management Reporting and Disclosure Act of 1959 (29 U.S.C. 431(b)) is amended—

(1) by striking out "and" and the end of clause (5);

(2) by redesignating clause (6) as clause (7); and

(3) by inserting after clause (5) the following new clause:

"(6) the portion of expenditures necessarily or reasonably incurred for the purpose of performing the duties of an exclusive representative of employees in dealing with an employer on labor-management issues, and the portion of expenditures not so incurred; and".

AMENDMENT No. 391

SEC. . TRUSTEESHIPS.

Section 302 of the Labor-Management Reporting and Disclosure Act of 1959 (29 U.S.C. 462) is amended—

(1) by striking out "Trusteeships" and inserting in lieu thereof "(a) Except as provided in subsection (b), trusteeships"; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) Except as provided in paragraph (2), a trusteeship may not be established by a labor organization over a subordinate body if the effect of the trusteeship would be to interfere with the negotiation of a collective bargaining agreement or to negate a provision of a collective bargaining agreement concluded between an employer and the subordinate body.

"(2) Paragraph (1) shall not apply if a subordinate body is engaged in activity which a court of law has determined to be in violation of Federal or State law or if the negotiation of such collective bargaining agreement or any provision therein would be in violation of Federal or State law.".

AMENDMENT No. 392

At the appropriate place insert the following:

SEC. . ELECTION OF OFFICERS OF NATIONAL AND INTERNATIONAL LABOR ORGANIZATIONS.

Section 401(a) of the Labor-Management Reporting and Disclosure Act of 1959 (29 U.S.C. 481(a)) is amended by inserting before the period at the end thereof the following: "conducted during the 2-year period preceding the election among the members in good standing".

AMENDMENT No. 393

At the appropriate place insert the following new title:

Title III of the Labor-Management Relations Act, 1947 (29 U.S.C. 185 et seq.) is amended by adding at the end thereof the following new section:

SECRET BALLOT ELECTIONS FOR STRIKES

"SEC. 305. (a) It shall be unlawful for a labor organization or its agents to engage in a strike that has not been ratified or approved in a secret ballot election by a majority of employees in the appropriate unit who voted in such election.

"(b) Any employee injured as the result of a violation of subsection (a) may petition a district court of the United States having jurisdiction of the parties to enjoin the violation. If the court determines that there had been violation of subsection 9(a), it shall award monetary damages and other appropriate relief to the employees affected by such action including reasonable attorney's fees and costs to the party bringing such action.

AMENDMENT No. 394

At the appropriate place insert the following new title:

That this Act may be cited as the "Youth Employment Opportunity Wage Act of 1985".

STATEMENT OF FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) one of the Nation's most serious and longstanding problems is providing adequate employment opportunities for our young people;

(2) many youth are unemployed because they lack the job skills to earn the minimum wage which has the effect of pricing unskilled youth out of the job market;

(3) a youth employment opportunity wage could make it possible for employers to expand job opportunities for young people during a period of special need—when young people are looking for summer jobs; and

(4) such a program has never been adequately tested and that there should be a demonstration period for a youth employment opportunity wage in order to allay any doubts as to the ameliorative impact of the youth wage.

(b) It is therefore the purpose of this Act to provide a period during which a youth employment opportunity wage can be paid by employers, and evaluated for its effectiveness in creating employment opportunities and helping young people develop job skills.

AMENDMENT TO THE FAIR LABOR STANDARDS ACT OF 1938

SEC. 3. Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end thereof the following new subsection:

"(g)(1) Notwithstanding any provision of this Act (except for the first sentence of section 18(a)), during the period from May 1 through September 30 of each year, an employer may employ any person who is under 20 years of age at a wage not less than $2.50 per hour or 75 per centum of the otherwise applicable wage rates established pursuant to this section, section 8 or subsection (e) of section 5, whichever is less. No special certificate shall be required under section 14 for an employee who is employed in accordance with this subsection. All references in any other law to the Federal minimum wage under section 6(a)(1) of this Act shall be interpreted as referring to the wage established by this subsection with respect to the employment covered by this subsection.

"(2) This subsection shall not affect requirements for compliance with applicable child labor laws or recordkeeping requirements. This subsection shall only be applicable to hours worked by eligible employees in compliance with applicable child labor laws.

"(3) This subsection shall not, with respect to any year, be applicable to any youth who has been employed by the employer at any time during the 90-day period prior to May 1 of such year.

"(4) No employer shall discharge, transfer or demote any employee of such employer who is ineligible for the wage established by this subsection, on account of such ineligibility, for the purpose of employing a person eligible for such wage, and any such discharge, transfer or demotion shall be deemed a violation of section 15(a)(3).".

AMENDMENT TO THE JOB TRAINING PARTNERSHIP ACT

SEC. 4. Section 142(a) of the Job Training Partnership Act (29 U.S.C. 1552) is amended by adding after paragraph (3) of the following new paragraph:

"(4) Notwithstanding paragraphs (2) and (3) of this subsection, individuals who would be paid wages during the period from May 1 through September 30 of any calendar year who have not attained 20 years of age before May 1 of the year shall be paid at not less than the higher of (A) the minimum wage provided under section 6(g) of the Fair Labor Standards Act of 1938, or (B) the minimum wage under the applicable State or local minimum wage law."

MONITORING PROVISION

SEC. 5. The Secretary of Labor shall monitor the implementation of this Act and shall prepare and submit to the Congress a report concerning the employment effects of the youth employment opportunity wage, and such other information and recommendations as the Secretary of Labor determines to be appropriate.

TERMINATION

SEC. 6. The amendments made by this Act shall not apply with respect to hours worked after September 30, 1987.

AMENDMENT No. 395

At the appropriate place insert the following new title:

That section 11(d) of the Fair Labor Standards Act of 1938 is amended—

(1) by striking out the word "The" and inserting in lieu thereof "(1) Subject to the provisions of paragraph (2), the"; and

(2) by adding at the end of thereof the following new paragraph:

"(2) Nothing in paragraph (1) of this subsection shall be construed to prohibit an individual from engaging in industrial homework (including sewing, knitting, jewelry or craftmaking) or performing any service in or about the individual's place of residence as an employee of any employer covered by the provisions of this Act if the employer pays the minimum wage rate prescribed by this Act and complies with the maximum hours provision of this Act.".

AMENDMENT No. 396

At the appropriate place, insert the following:

SEC. . Section 301(a) of the Labor Management Relations Act (29 U.S.C. section 185(a)) is amended—

"(1) by striking out the period at the end thereof and inserting in lieu thereof a colon; and

"(2) by adding the following new proviso: *"Provided,* That no collective bargaining contract shall be enforceable against any employer or labor organization that has not expressly agreed to be bound thereby."

AMENDMENT No. 397

At the appropriate place insert the following new title:

At the end of the bill, insert the following new section:

SEC. . Section 14 of the National Labor Relations Act (29 U.S.C. § 164 is amended by adding the following new subsection (d):

"(d) Picketing on private property

Nothing herein shall be construed as authorizing picketing whether or not for a lawful purpose upon the property of another person without that person's consent." "

AMENDMENT No. 398

At the end of the bill, insert the following new section:

SEC. . Section 10(c) of the National Labor Relations Act (29 U.S.C. § 160(c)) is amended—

(1) by inserting after the phrase "as will effectuate the policies of this subchapter." the following new proviso:

"Provided, That no finding of an unfair labor practice shall be made unless it is determined that an employer's act was intended to interfere with, restrain or coerce employees in the exercise of rights guaranteed under Section 7 of this Act, and that such, in fact, was reasonably calculated to achieve such result, and did, in fact, interfere with, restrain or coerce identified employees in the exercise of such rights.

(2) by striking the comma after the word *"Provided"* and inserting in lieu therefore the word "further".

Amendment No. 399

At the end of the bill, insert the following new section:

SEC. . Section 301(b) (29 U.S.C. § 185(b)) of the Labor Management Relations Act is amended by adding the following new sentence at the end thereof:

"Any member of a labor organization shall be deemed to be an agent of said labor organizations, and such member's actions shall be binding on said labor organization without regard to whether said action was authorized or subsequently ratified.".

Amendment No. 400

At the end of the bill, insert the following new section:

"SEC. . Section 302(c) of the Labor Management Relations Act (29 U.S.C. 186(c)) is amended—

(a) by striking out the semicolon in clause (4) and inserting in lieu thereof a colon; and by inserting the following new proviso at the end thereof:

"Provided, however, That nothing contained herein shall be construed as permitting such deductions in any state or territory in which such deductions are prohibited by State or Territorial law."."

Amendment No. 401

At the end of the bill, insert the following new section:

SEC. . Section 8(a)(5) of the National Labor Relations Act (29 U.S.C. § 158(a)(5)) is amended—

(1) by striking out the period at the end thereof and inserting in lieu thereof a colon; and

(2) by adding the following new proviso at the end thereof:

"Provided, That after a strike in which substantial numbers of permanent replacement employees have been hired, it shall not be presumed by the Board that said replacement employees support the incumbent labor organization in the same proportion as did the employees in the bargaining unit as a whole on the day immediately preceding the commencement of the strike."."

Amendment No. 402

At the end of the bill add the following new section:

"SEC. . Any person who is employed in the Office of Organized Crime and Racketeering (or its successor), Office of the Inspector General, Department of Labor, who conducts investigations of alleged or suspected felony criminal violations of statutes including but not limited to the Labor-Management Reporting and Disclosure Act of 1959, and the Employee Retirement Income Security Act of 1947, as administered by the Secretary of Labor or any agency of the Department of Labor and who is designated by the Inspector General of the Department of Labor may—

"(1) make an arrest without a warrant for any such felony criminal violation if such violation is committed in his presence or if such employee has probable cause to believe such violation is being or has been committed by the person to be arrested, in the presence of such employee;

"(2) execute a warrant for an arrest, for the search of premises, or the seizure of evidence if such warrant is issued under authority of the United States upon probable cause to believe that such violation has been committed; and

"(3) carry a firearm;

in accordance with rules issued by the Secretary of Labor, which such employee is engaged in the performance of official duties under the authority provided in section 6 or described in section 9, of the Inspector General Act of 1978."

Amendment No. 403

At the end of the bill, insert the following new section:

SEC. . Section 8(a)(5) of the National Labor Relations Act (29 U.S.C. § 158(a)(5)) is amended—

(1) by striking out the period at the end thereof and inserting in lieu thereof a colon; and

(2) by adding the following new proviso at the end thereof:

"Provided, That any obligation arising under this subsection to furnish information shall not apply to information related directly or indirectly to an employer's production, trade secrets or other information of a confidential or sensitive nature."

Amendment No. 404

At the end of the bill, insert the following new section;

SEC. . Section 303(b) of the National Labor Relations Act (29 U.S.C. § 187(b)) is amended—

(1) by striking out the period at the end thereof and by inserting in lieu thereof a comma; and

(2) by adding the following new clause: "including any attorneys' fees incurred during any underlying National Labor Relations Board proceedings and an action under this section."

Amendment No. 405

At the end of the bill, insert the following new section;

SEC. Section 501 of the Labor-Management Reporting and Disclosure Act (29 U.S.C. § 501) is amended—

(1) by redesignating subsection (c) as subsection (d); and by adding the following new subsection (c):

"(c) CIVIL ACTIONS BY THE U.S. DEPARTMENT OF LABOR.—When any officer, agent, shop steward or representative of any labor organization is alleged to have violated the duties declared in subsection (a) of this section, or where the Secretary of Labor is of the belief that such duties have been violated, the Secretary of Labor shall investigate the alleged violations and, where appropriate, institute a civil action in any district court of the United States to enforce the duties and requirements of subsection (a): *Provided,* That this subsection shall not act as a limitation on the rights of any member of a labor organization provided under subsection (b)."

Amendment No. 406

At the end of the bill, insert the following new section:

SEC. . Section 2(2) of the National Labor Relations Act (29 U.S.C. § 152.(2)) is amended—

(1) by striking out the period at the end thereof and inserting in lieu thereof a comma; and

(2) by adding the following clause at the end thereof: "or any eleemosynary institution whose purpose is primarily noncommercial."

Amendment No. 407

At the end of the bill, insert the following new section:

SEC. . Section 530 of the Labor-Management Reporting and Disclosure Act (29 U.S.C. § 530) is amended—

(1) by striking out "for the purpose of interferring with or preventing the exercise of" in the first sentence of the section;

(2) by striking out "$1000" and "one year" in the second sentence of the section;

(3) by adding after the words "shall be fined not more than" in the second sentence the following: "$10,000"; and

(4) by adding after the words "or imprisoned for not more than" in the second sentence the following "five years."

Amendment No. 408

At the end of the bill, insert the following new section:

"Section 8(d) of the National Labor Relations Act (29 U.S.C. § 158(d)) is amended—

(1) by inserting after the colon following the first occurrence of the word "concession" the following new proviso: *"Provided,* That it shall be an unfair labor practice for a labor organization or any of its members to engage in any activity not specifically protected by this title in support of a collective bargaining demand;" and

(2) by striking out the word *"Provided"* and inserting in lieu thereof *"Provided further"*."

Amendment No. 409

At the end of the bill, insert the following new section:

SEC. . Section 439 of the Labor-Management Reporting and Disclosure Act (29 U.S.C. § 439) is amended—

(1) by striking out "one year" in subsection (1), and by adding in lieu thereof "five years";

(2) by striking out "one year" in subsection (b), and by adding in lieu thereof "five years";

(3) by striking out "one year" in subsection (c), and by adding in lieu thereof "five years."

Amendment No. 410

At the end of the bill, insert the following new section:

"SEC. . Section 302(c) of the Labor Management Relations Act (29 U.S.C. § 186(c)) is amended by striking out the words "a period of more than one year, or beyond the termination date of the applicable collective agreement, whichever occurs sooner;" in clause (4) and inserting in lieu thereof the following: "any period;"."

Amendment No. 411

At the end of the bill, insert the following new section:

"SEC. . Section 8(g) of the National Labor Relations Act (29 U.S.C. § 158(g)) is amended—

(1) by striking out "at any health care institution" from the title of said subsection;

(2) by striking out "at any health care institution" from said subsection;

(3) by striking out the word "institution" where it appears before the phrase "in writing" and inserting in lieu thereof "employer"; and

(4) inserting after the phrase "initial agreement" the following: "with a health care institution"."

AMENDMENT No. 412

At the appropriate place insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Employee Polygraph Protection Act".

SEC. 2. PROHIBITIONS ON LIE DETECTOR USE.

It shall be unlawful for any employer engaged in commerce or in the production of goods for commerce—

(1) directly or indirectly, to require, request, suggest, or cause any employee or prospective employee to take or submit to any lie detector test;

(2) to use, accept, refer to, or inquire concerning the results of any lie detector test of any employee or prospective employee;

(3) to discharge, dismiss, discipline in any manner, or deny employment or promotion to, or threaten to take any such action against—

(A) any employee or prospective employee who refuses, declines, or fails to take or submit to any lie detector test; or

(B) any employee or prospective employee on the basis of the results of any lie detector test; or

(4) to discharge or in any manner discriminate against an employee or prospective employee because—

(A) such employee or prospective employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act;

(B) such employee or prospective employee has testified or is about to testify in any such proceeding; or

(C) of the exercise by such employee, on behalf of himself or others, of any right afforded by this Act.

SEC. 3. NOTICE OF PROTECTION.

The Secretary of Labor shall prepare, have printed, and distribute a notice that employers are prohibited by this Act from using a lie detector test on any employee or prospective employee. Upon receipt by the employer, such notice shall be posted at all times in conspicuous places upon the premises of every employer engaged in commerce or in the production of goods for commerce.

SEC. 4. AUTHORITY OF THE SECRETARY OF LABOR.

(a) IN GENERAL.—The Secretary of Labor shall—

(1) issue such rules and regulations as may be necessary or appropriate for carrying out this Act;

(2) cooperate with regional State, local, and other agencies, and cooperate with and furnish technical assistance to employers, labor organizations, and employment agencies to aid in effectuating the purposes of this Act; and

(3) make investigations and inspections and require the keeping of records necessary or appropriate for the administration of this Act.

(b) SUBPENA AUTHORITY.—For the purpose of any hearing or investigation under this Act, the Secretary shall have the authority contained in sections 9 and 10 of the Federal Trade Commission Act (15 U.S.C. 49, 50).

SEC. 5. ENFORCEMENT PROVISIONS.

(a) CIVIL PENALTIES.—(1) Subject to paragraph (2), whoever violates this Act may be assessed a civil penalty of not more than $10,000.

(2) In determining the amount of any penalty under paragraph (1), the Secretary shall take into account the previous record of the person in terms of compliance with this Act and the gravity of the violation.

(3) Any civil penalty assessed under this subsection shall be collected in the same manner as is required by subsection (b) through (e) of section 503 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1853) with respecat to civil penalties assessed under subsection (a) of such section.

(b) INJUNCTION ACTIONS BY THE SECRETARY.—The Secretary may bring an action to restrain violations of this Act. The district courts of the United States shall have jurisdiction, for cause shown, to issue temporary or permanent restraining orders and injunctions to require compliance with this Act.

(c) PRIVATE CIVIL ACTIONS.—(1) An employer who violates the provisions of this Act shall be liable to the employee or prospective employee affected by such violation. An employer who violate the provisions of this Act shall be liable for such legal or equitable refief as may be appropriate, including (without limitation) employment, reinstatement, promotion, the payment of wages lost, and an additional amount as consequential damages.

(2) An action to recover the liability prescribed in paragraph (1) may be maintained against the employer in any Federal or State court of competent jurisdiction by any one or more employees for or in behalf of himself or themselves and other employees similarly situated.

(3) The court shall award to a prevailing plaintiff in any action under this subsection the reasonable costs of such action, including attorneys' fees.

SEC. 6 NO APPLICATION TO GOVERNMENTAL EMPLOYERS.

The provisions of this Act shall not apply with respect to the United States Government, a State or local government, or any political subdivision of a State or local government.

SEC. 7. DEFINITIONS.

As used in this Act—

(1) the term "lie detector test" includes any examination involving the use of any polygraph, deceptograph, voice stress analyzer, psychological stress evaluator, or any other similar device (whether mechanical, electrical, or chemical) which is used, or the results of which are used, for the purpose of detecting deception or verifying the truth of statements;

(2) the term "employer" includes any person acting directly or indirectly in the interest of an employer in relation to an employee or prospective employee; and

(3) the term "commerce" has the meaning provided by section 3(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(b)).

SEC 8. EFFECTIVE DATE.

This act shall take effect 6 months after the date of its enactment.

AMENDMENT No. 413

At the end of the bill, insert the following new section:

"SEC. . Section 9(a) of the National Labor Relations Act (29 U.S.C. 159(a)) is amended—

(1) by adding a "(1)" at the beginning of the paragraph; and

(2) adding the following new section to Section 9:

"(2) It shall be the duty of such exclusive representative to represent fairly all persons for which it serves as the exclusive representative bargaining agreement: Provided, thaty in making determinations regarding whether the exclusive representative has fulfilled its duty of fair representation, the Board shall consider all relevant circumstances, including:

(A) whether all covered employees had a voice in selecting the exclusive collective bargaining representative;

(B) whether all covered employees had a voice in negotiating the collective bargaining agreement;

(C) whether and to what extent, any group of employees that were not included within the bargaining unit when the collective bargaining unit was negotiated has interests with respect to job assignments, job referrals, handling of grievances, or any other terms of conditions of employment; and,

(D) whether any employees who were not represented by the exclusive collective bargaining representative during the negotiation of the collective bargaining agreement have been given less favorable treatment by such representative with respect to job assignments, job referrals, handling of grievances, or any other terms or conditions of employment.

An Office of Fair Representation shall be established within the Office of General Counsel whose purpose shall be to assist the General Counsel in the investigation of charges made by employees alleging violations of the duty of fair representation under this subsection.

AMENDMENT No. 414

At the end of the bill, insert the following new section:

SEC. . Section 2(11) of the National Labor Relations Act (29 U.S.C. § 152(11) is amended—

(1) by deleting the comma following the phrase "or effectively to recommend such action" and inserting in lieu thereof a period; and

(2) by deleting the phrase "if in connection with the foregoing the exercise of such authority is not a merely routine or clerical nature, but requires the use of independent judgment."

AMENDMENT No. 415

At the end of the bill, insert the following new section:

SEC. . Section 10(c) of the National Labor Relations Act (29 U.S.C. § 160(c)) is amended by inserting after the sixth sentence the following new sentence:

"No order of the Board shall issue if the party alleged to have committed an unfair labor practice has ceased engaging in the alleged conduct and has remedied the impact of said conduct as to any affected employees."

AMENDMENT No. 416

At the end of the bill, insert the following new section:

SEC. . Section 501(b) of the Labor Management Reporting and Disclosure Act (29 U.S.C. § 501(b)) is amended by striking out the phrase "The trial judge may allot a reasonable part of the recovery in any action under this subsection to pay the" and inserting in lieu thereof the following new clause: "In addition to the recovery in any action under this subsection, if any, the trial judge shall award as damages from the labor organization any".

AMENDMENT No. 417

At the end of the bill, insert the following new section:

SEC. . Section 101(a) of the Labor-Management Reporting and Disclosure Act of 1959 (29 U.S.C. 411(a) is amended by adding at the end thereof the following new paragraph:

"(6) Employment referral.—In the case of a labor organization that refers applicants to an employer for employment with such employer, such organization may not make such referrals in a manner that is inconsistent with the constitution and bylaws of such organization.".

Amendment No. 418

At the end of the bill, add the following new section:

"Sec. . Section 8(d) of the National Labor Relations Act (29 U.S.C. section 158(D)) is amended—

(1) by inserting after the phrase "but such obligation does not compel either party to agree to a proposal or require the making of a concession:" the following new proviso:

"*Provided*, That nothing in this subsection shall require an employer to negotiate with a representative of a labor organization who has been convicted of violating the criminal laws of the United States, or any state, district or territory, or who has committed an act of violence against the employers, against any of its employees or agents, or against its property:"

(2) by inserting *"further"* after *"Provided"* preceding the phrase "That where there is in effect a collective-bargaining contract . . ."."

Amendment No. 419

At the end of the bill, add the following new section:

"Sec. . Section 14 of the National Labor Relations Act (29 U.S.C. section 164) is amended by adding at the end thereof the following new subsection:

"(d) Nothing herein shall be construed to permit the Board to conclude that an employee, while in possession of a firearm or other deadly weapon, is engaged in activity protected under this Act, unless such person is a guard under section 9(b)(3) of the Act."

Amendment No. 420

At the end of the bill, insert the following new section:

"Sec. . Section 8(a)(1) of the National Labor Relations Act (29 U.S.C. section 158(a)(1)) is amended—

"(1) by striking out the semicolon at the end thereof and inserting in lieu thereof a colon; and

"(2) by inserting the following new proviso at the end thereof:

"Provided, however, That an employer who disciplines any employee in a good faith belief that said employee has engaged in activity not protected by Section 7 of this Act (29 U.S.C section 157) shall not be deemed to have committed an unfair labor practice."

Amendment No. 421

At the end of the bill, add the following:

(a) Section 8(a)(3) of the National Labor Relations Act (29 U.S.C. section 158(a)(3)) is amended—

"(1) by striking out the semicolon at the end therof and inserting in lieu thereof a colon: and

"(2) by adding the following new proviso at the end thereof:

"Provided further, That nothing in this subsection shall permit any employer who has contracts with an agency of the United States of America for the furnishing of supplies or services, or for the use of real or personal property, including lease arrangements, to require membership in or financial support to any labor organization as a condition of employment."

"(b) Section 8(f) of the National Labor Relations Act (29 U.S.C. section 158(f)) is amended—

"(1) by striking out the period at the end thereof and inserting in lieu thereof a colon; and

"(2) by adding the following new proviso at the end thereof;

"Provided further, That nothing in this subsection shall permit any employer engaged in the construction industry who has contracts with an agency of the United States of America to require membership in or financial support to any labor organization as a condition of employment."

IMPLEMENTATION OF RECOMMENDATIONS OF TASK FORCE ON ECONOMIC ADJUSTMENT AND WORKER DISLOCATION

HATCH AMENDMENT NOS. 422 THROUGH 424

(Ordered to lie on the table.)

Mr. HATCH submitted three amendments intended to be proposed by him to the bill (S. 538) to implement the recommendations of the Secretary of Labor's Task Force on Economic Adjustment and Worker Dislocation, and for other purposes; as follows:

Amendment No. 422

On page 98, between lines 7 and 8, insert the following:

"(b) Special Rule.—(1) The notice requirement imposed by section 332 shall not apply to any employer who, during the year prior to the date on which notice would otherwise be required under this section, has notified the employees of the employer, in writing, as described in paragraph (2).

"(2) The notification described in paragraph (1) shall state—

"(A) the specific economic relief proposed by the employer that is required in order to avoid a closing or layoff;

"(B) no proposal for affording the employer the economic relief described in subparagraph (A) has been proposed by the employees of the employer or the representative of the employees; and

"(C) the requested economic relief has not been implemented.".

Amendment No. 423

On page 92, between lines 23 and 24, insert the following new subsection:

"(d) Strikes Prohibited.—A representative or representatives (if any) of the affected employees may not engage in a strike (as defined in section 501(2) of the Labor Mangegement Relations Act, 1947 (29 U.S.C. 142(2))) against the employer during the period beginning on the date of service of a notice under subsection (a) and ending on the expiration of the period specified in subsection (b).

Amendment No. 424

On page 94, between lines 2 and 3, insert the following new subsection:

"(c) No Duty to Bargain Over Decisions to Close Plants or Businesses.—Notwithstanding any other provision of law, no employer shall be required to bargain with an employee representative with respect to a decision to close all or part of a plant or business, even though the employer may be obligated to bargain with the representative with respect to the effect of the closing on employees.

On page 94, line 7, insert ", and each employee representative who violates section 202(d)," before "shall".

OMNIBUS TRADE ACT

MATSUNAGA AMENDMENT NO. 425

(Ordered to lie on the table.)

Mr. MATSUNAGA submitted an amendment intended to be proposed by him to the bill (S. 1420) supra; as follows:

Amendment No. 425

At the end of title I of the bill, add the following:

SEC. . NEGOTIATIONS ON SUBSIDIES.

(a) In General.—Whenever, under the authority granted by this title, the President determines that subsidy practices or policies of a foreign country have, or are likely to have, a significant adverse impact on United States industries, but such practice or policies are not actionable under chapter I of title III of the Trade Act of 1974, the President shall take action to initiate bilateral negotiations with such foreign country on an expedited basis to achieve the elimination of such practices or policies.

(b) Report.—By no later than January 3, 1991, the President shall submit to Congress a report on actions taken in bilateral negotiations conducted under this section.

(c) Relation to GATT.—The negotiations described in subsection (a) are intended to supplement negotiations conducted under the General Agreement on Tariffs and Trade that are aimed at achieving multilateral agreement on subsidies.

NICKLES (AND OTHERS) AMENDMENT NO. 426

Mr. NICKLES (for himself, Mr. Symms, Mr. Grassley, Mr. Karnes, Mr. McClure, Mr. Hatch, and Mr. Helms) proposed an amendment to the bill (S. 1420) supra; as follows:

Amendment No. 426

At the appropriate place, insert the following new sections:

SECTION . SHORT TITLE.

This Act may be cited as the "Foreign Agricultural Investment Reform (FAIR) Act".

SEC. . LIMITATIONS ON INTERNATIONAL FINANCIAL ASSISTANCE.

(a) The Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank and the Fund for Special Operations, the International Monetary Fund, the Asian Development Bank, the Asian Development Funds, the Inter-American Investment Corporation, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or otherwise made available pursuant to any provision of law, for the production or extraction of any commodity or mineral, unless the Secretary—

(1) determines, in consultation with the Secretaries of Agriculture, Energy and Interior as appropriate, that such commodity or mineral, as the case may be, is not in surplus on world markets;

(2) certifies that assistance from sources other than those institutions listed in this section accompanies the proposed assistance by such institutions, and is provided in an amount sufficient to demonstrate the economic viability of such production or extraction of the commodity or mineral:

(3) determines, in consultation with the Secretaries of Agriculture, Energy and Interior as appropriate, that the production, marketing, or export of commodities or minerals due in part or in whole to such assistance is not subsidized as described within the Agreement on Interpretation and Application of Articles V, XVI, and XXIII of the General Agreement on Tariffs and Trade and the annex relating thereto, done at Geneva on April 12, 1979; and

(4) submits to the Congress a report detailing the justification for his determinations.

(b) If any international financial institution described in this section approves financial assistance for the production or extraction of any commodity or mineral which would require the opposition of the United States Executive Director to that institution pursuant to this Act, the Secretary or his designees acting as the governor to that institution shall not agree to—

(1) any increase in the capital share of that institution;

(2) any replenishment of funding for that institution; or

(3) the letting of any instrument or note of credit by that institution either in the United States or denominated in the currency of the United States.

until he obtains a written commitment from the management of the institution that no future assistance will be proposed which would require the opposition of the United States Executive Director to that institution pursuant to this Act.

SEC. . REDUCTION OF UNITED STATES CONTRIBUTIONS.

(a) The amount of payments which the United States may make to the paid-in capital of an international financial institution described in section 2 during any capital expansion or replenishment of such institution may not exceed the amount of funds which the United States agreed to pay for paid-in capital under such expansion or replenishment minus an amount which bears the same proportion to the aggregate amount of assistance described in subsection (b) furnished by such institution as the United States share of the expansion or replenishment bears to the total amount of the expansion or replenishment.

(b)(1) The aggregate amount of assistance referred to in subsection (a) is the amount of assistance furnished by an international financial institution which, pursuant to this Act, would have been opposed by the United States Executive Director to that institution during the period described in paragraph (2).

(2) The period referred to in paragraph (1) is the same number of years as the capital expansion or replenishment period, which immediately preceded the first year of the expansion or replenishment period.

(c) Any funds withheld from payment to an international financial institution pursuant to this section shall be used to reduce the public debt in the manner specified in section 3113 of title 31, United States Code.

SEC. . NOTIFICATION.

The Secretary shall notify the institutions described in section 2 of the provisions of this Act upon its date of enactment.

SEC. . USE OF COMMODITIES IN LIEU OF CASH.

(a) Chapter 4 of the part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 535. SUPPORT FOR COMMODITY IMPORT PROGRAMS.—(a) The President shall provide assistance under this chapter to a country for commodity import programs whenever he determines that the needs of such country and of the United States would be better met through such programs rather than through cash transfers. The President shall evaluate each country proposed to receive assistance under this chapter with respect to the needs described in the preceding sentence.

"(b)(2) Wherever practicable, each country receiving a cash transfer under this chapter shall use such transfer to pay for goods produced or grown in the United States, including agricultural commodities, and for services performed by a national of the United States.

"(c) The Comptroller General of the United States shall monitor and audit, to the extent practicable, the expenditures of cash transferred under this chapter in each country receiving such cash.

"(d) For purposes of this section, the term 'national of the United States' means (1) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States, and (2) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons who are nationals of the United States own: directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity. Such term does not include aliens.".

(b) The amendment made by subsection (a) shall take effect on October 2, 1987.

SYMMS (AND OTHERS) AMENDMENT NO. 427

Mr. SYMMS (for himself, Mr. NICKLES, Mr. GRASSLEY, Mr. KARNES, Mr. MCCLURE, Mr. HATCH, and Mr. HELMS) proposed an amendment to amendment No. 426 proposed by Mr. NICKLES (and others) to the bill (S. 1420) supra; as follows:

AMENDMENT NO. 427

Strike all after the word "section."

At the appropriate place, insert the following:

SHORT TITLE

This Act may be cited as the "Foreign Agricultural Investment Reform (FAIR) Act".

SEC. . LIMITATIONS OF INTERNATIONAL FINANCIAL ASSISTANCE.

(a) The Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank and the Fund for Special Operations, the International Monetary Fund, the Asian Development Bank, the Asian Development Fund, the Inter-American Investment Corporation, the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or otherwise made available pursuant to any provision of law, for the production or extraction of any commodity or mineral, unless the Secretary—

(1) determines, in consultation with the Secretaries of Agriculture, Energy and Interior as appropriate, that such commodity or mineralk, as the case may be, is not in surplus on world markets;

(2) certifies that assistance from sources other than those institutions listed in this section accompanies the proposed assistance by such institutions, and is provided in an amount sufficient to demonstrate the economic viability of such production or extraction of the commodity or mineral:

(3) determines, in consultation with the Secretaries of Agriculture, Energy and Interior as appropriate, that the production, marketing, or export of commodities or minerals due in part or in whole to such assistance is not subsidized as described within the Agreement on Interpretation and Application of Articles V, XVI, and XXIII of the General Agreement on Tariffs and Trade and the annex relating thereto, done at Geneva on April 12, 1979; and

(4) submits to the Congress a report detailing the justification for his determinations.

(b) If any international financial institution described in this section approves financial assistance for the production or extraction of any commodity or mineral which would require the opposition of the United States Executive Director to that institution pursuant to this Act, the Secretary or his designees acting as the governor to that institution shall not agree to—

(1) any increase in the capital share of that institution:

(2) any replenishment of funding for that institution; or

(3) the letting of any instrument or note of credit by that institution either in the United States or denominated in the currency of the United States.

until he obtains a written commitment from the management of the institution that no future assistance will be proposed which would require the opposition of the United States Executive Director to that institution pursuant to this Act.

SEC. . REDUCTION OF UNITED STATES CONTRIBUTIONS.

(a) The amount of payments which the United States may make to the paid-in capital of an international financial institution described in section 2 during any capital expansion or replenishment of such institution may not exceed the amount of funds which the United States agreed to pay for paid-in capital under such expansion or replenishment minus an amount which bears the same proportion to the aggregate amount of assistance described in subsection (b) furnished by such institution as the United States share of the expansion or replenishment bears to the total amount of the expansion or replenishment.

(b)(1) The aggregate amount of assistance referred to in subsection (a) is the amount of assistance furnished by an international financial institution which, pursuant to this Act, would have been imposed by the United States Executive Director to that institution during the period described in paragraph (2).

(2) The period referred to in paragraph (1) is the same number of years as the capital expansion or replenishment period, which immediately preceded the first year of the expansion or replenishment period.

(c) Any funds withheld from payment to an international financial institution pursuant to this section shall be used to reduce the public debt in the manner specified in section 3113 of title 31, United States Code.

SEC. . NOTIFICATION.

The secretary shall notify the institutions described in section 2 of the provisions of this Act upon its date of enactment.

SEC. . USE OF COMMODITIES IN LIEU OF CASH.

(a) Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 535. SUPPORT FOR COMMODITY IMPORT PROGRAMS.—(a) The President shall provide assistance under this chapter to a country for commodity import programs whenever he determines that the needs of such country and of the United States would be better met through such programs rather than through cash transfers. The President shall evaluate each country proposed to receive assistance under this chapter with respect to the needs described in the preceding sentence.

"(b)(2) Wherever practicable, each country receiving a cash transfer under this chapter shall use such transfer to pay for goods produced or grown in the United States, including agricultural commodities, and for services performed by a national of the United States.

"(c) The Comptroller General of the United States shall monitor and audit, to the extent practicable, the expenditures of cash transferred under this chapter in each country receiving such cash.

"(d) For purposes of this section, the term 'national of the United States' means (1) a natural person who is a citizen of the United States or who owed permanent allegiance to the United States, and (2) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons who are nationals of the United States own; directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity. Such term does not include aliens.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1987.

PRICE-ANDERSON ACT AMENDMENTS

SASSER (AND OTHERS) AMENDMENT NO. 428

(Ordered to lie on the table.)

Mr. SASSER (for himself, Mr. ADAMS, Mr. MITCHELL, Mr. COHEN, Mr. GORE, Mr. REID, Mr. SANFORD, Mr. BENTSEN, Mr. ROCKEFELLER, Mr. BIDEN, Mr. PROXMIRE, Mr. HATFIELD, Mr. KASTEN, and Mr. PACKWOOD) submitted an amendment intended to be proposed by them to the bill (S. 748) to amend the Atomic Energy Act of 1954, as amended, to establish a comprehensive, equitable, reliable, and efficient mechanism for full compensation of the public in the event of an accident resulting from activities undertaken under contract with the Department of Energy; as follows:

AMENDMENT NO. 428

At the end of the bill, add the following:

TITLE —NUCLEAR WASTE POLICY REVIEW

Subtitle A, Nuclear Waste Review Commission

SEC. 01. SUSPENSION OF CERTAIN DEPARTMENT OF ENERGY HIGH LEVEL NUCLEAR WASTE ACTIVITIES.

(a) Notwithstanding any other provision of law, no funds authorized by this Act, the Nuclear Waste Policy Act, or any other Act, may be used to continue or complete any site-specific activities of the Department of Energy (hereafter referred to as the "Department"), in the United States or Canada, directly or indirectly related to the siting, development, regulation, or environmental review of any Federal spent fuel or high-level nuclear waste disposal, interim spent fuel storage, or management facility until the Commission created pursuant to section 02 of this subtitle has issued its final report and Congress has authorized resumption of such activities.

(b) For the purposes of this title, site-specific activities include, but are not limited to: land acquisition; land withdrawal; site characterization; area recommendation or characterization; selection or investigation of sites for a repository or monitored retrievable storage facility (hereafter in this title referred to known as "MRS"); preparation of documents required to comply with the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101 et seq.) or the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); or research activities of the Department, in the United States or Canada, related to specific disposal or management sites including, but not limited to, underground research facilities.

(c)(1) Nothing in this section shall result in the curtailment or restriction of any funding or obligation by the Department to provide funding or technical assistance to States or Indian Tribes preliminarily or formally identified by the Department as a potential site for a first or second repository or MRS, transportation corridor or any affected State or Indian Tribe. The Department shall provide financial and technical assistance to all such States and Indian Tribes in reasonable conformance with their requests for such assistance for all aspects of the Department's high-level waste program as if such suspension were not in effect.

(2) For the purposes of this section, the term "affected State or Indian Tribe" means States or Indian Tribes that are potentially affected as defined in the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101 et. seq), or possess treaty rights to sites or areas which have proposed for waste facilities, or are contiguous to any major river, waterway or underground aquifer that is within or adjacent to any proposed repository or MRS site, or are contiguous to proposed transportation corridors.

SEC. 02. NUCLEAR WASTE REVIEW COMMISSION.

(a) There shall be established a Commission to be known as the Nuclear Waste Review Commission (hereafter referred to as the "Commission"). The existence of the Commission shall expire four months after it completes and transmits to the Congress the final report required pursuant to this section.

(b)(1) The Commission shall be composed of thirteen members appointed in the following manner:

(A) four members shall be appointed by the Majority Leader of the Senate and shall include:

(i) one individual recommended by the governors of the states being considered by the Department for the first repository,

(ii) one individual, recommended by state agencies with authority to regulate electric utility rates,

(B) four members shall be appointed by the Speaker of the House of Representatives and shall include:

(i) one individual recommended by the governors of the states being considered by the Department for the second repository,

(ii) one individual recommended by nationally recognized environmental public interest organizations with expertise in radioactive waste,

(C) five members shall be appointed by the President of the United States and shall include:

(i) one individual recommended by the state under consideration by the Department to host a MRS facility,

(ii) one individual recommended by potentially affected Indian Tribes,

(iii) one individual recommended by electric utilities which hold licenses issued under section 103 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2133),

(2) Of the appointment of members not otherwise specified by this section, the Majority Leader of the Senate, the Speaker of the House of Representatives, and the President shall each appoint one individual knowledgeable in geology, hydrogeology, or related earth science and one individual knowledgeable in public health, radiation health physics or related life science respectively.

(3) All appointments shall be made within forty-five days after the date of enactment of this section, any vacancy on the Commission shall be filled in the same manner in which the original appointment was made, and no more than seven members of the Commission shall be of the same political party.

(4) No individual may serve as a member of the Commission who is, or has been within the last five years, employed either directly or indirectly as a contractor or consultant to the Department, nor shall any member have any significant financial interest or relationship in any firm, company, corporation or other business entity engaged in activities regulated by the Nuclear Regulatory Commission or a contractor to the Department within the two years preceding such member's appointment. For the purposes of this section, individuals employed directly by, or as contractors to, State or Indian Tribes pursuant to technical or financial assistance grants from the Department shall not be deemed to be contractors of the Department.

(5) Members of the Commission shall receive a per diem compensation for each day on official business of the Commission and shall be compensated for their necessary travel and expenses while so engaged. Members shall also be paid at the rate of level IV of the Executive Schedule under section 5315 of Title 5 of the United States Code.

(6) The Chairman and Vice Chairman of the Commission shall be elected by a simple majority vote of the members of the Commission. The Chairman shall be the chief executive officer of the Commission and shall, subject to such policies and procedures as the Commission may establish, exercise the functions of the Commission with respect to:

(A) appointment and supervision of personnel employed by the Commission, provided that each member may appoint and supervise one administrative and one technical assistant and that such assistant shall be deemed employees of the Commission for all other purposes,

(B) organization of any administrative units established by the Commission; and,

(C) use and expenditure of funds.

(7) The Chairman may delegate any of the functions under this paragraph to any other member or to any appropriate employee or officer of the Commission, provided that the Vice Chairman shall act as Chairman in the event of the absence or incapacity of the Chairman or in the case of a vacancy in the office of the Chairman.

(8) Any member of the Commission may be removed by the President solely for neglect of duty or malfeasance in office.

(9) The Commission shall hire such staff and make such expenditures for consultants and services as are necessary.

(c) The functions of the Commission shall be to review and to make recommendations to the Congress concerning the implementation of the Federal Government's nuclear waste disposal program, and applicable statutes, regulations, and procedures, including, but not limited to, the following:

(1) to investigate cooperation and conflicts between the Federal Government and the governments of the respective States and Indian Tribes involved in the Nation's nuclear waste disposal and management program and make recommendations for resolving such disputes, including, but not limited to, the review of existing Federal guidelines for consultation and cooperation between Federal agencies and the respective States and Indian Tribes, mitigation of program impacts and assistance grants to, and definitions of, affected States, Indian Tribes, and units of affected local government.

(2) to review and recommend changes to the national site selection program for disposal, management, and storage sites and the current status of available scientific and technical information available concerning disposal, storage and management technologies and individual sites relevant to the selection of such sites.

(3) to review and recommend changes to the stautory deadlines and the decision-making processes and methodologies used by the Department with regard to the selection of candidate sites for the first and second repository programs and MRS, and the decisions themselves, including the siting guidelines, ranking methods and preparation of environmental assessments to determine conformance with statutory intent, regulation requirements, scientific and technical protocols and practices;

(4) to review the timing of promulgation and adequacy of Federal regulations pertaining to the siting, environmental, public health and safety, and socioeconomic impacts of spent fuel and high-level and transuranic waste storage, transportation, and disposal, as promulgated by the Department, the Nuclear Regulatory Commission, the Environmental Protection Agency, and the Department of Transportation;

(5) to review the national program for spent fuel and high-level waste management, storage, transportation and disposal, and make recommendations on the need for, cost effectiveness of, and timing of storage, management and disposal facilities, choice of technology for such facilities and alternative approaches and schedules for deployment of such facilities, including, but not limited to;

(A) pre-emplacement management and treatment technologies and technologies to minimize the volume of spent fuel and high-level waste generated, including, but not limited to extended burn-up of nuclear fuel,

(B) alternative spent fuel storage technologies, such as on-site rod consolidation, on-site storage, and multi-purpose storage and transportation casks, and

(C) alternative disposal technologies such as subseabed disposal.

(6) to recommend to the Congress weighted numerical criteria for use in the selection of sites for geologic disposal and monitored retrievable storage, respectively. Such criteria shall take into account the factors identified in Sec. 112(a) of the Nuclear Waste Policy and such other consideration as the Commission deems appropriate.

(7) to recommend alternative means for managing, and assuring independent technical review, of the Federal Government's program for siting and development of spent fuel and high-level waste management, storage and disposal facilities.

(8) to review the adequacy and management of funds collected, or required to be collected, for the Nuclear Waste Fund created pursuant to the Nuclear Waste Policy Act of 1982 for both commercial and defense spent fuel and high-level waste.

(d)(1) Any Federal agency currently or previously concerned with the disposal, storage, management, or regulation of spent nuclear fuel or high-level waste shall cooperate fully with any investigation of the Commission including the production of any information related to its decision-making process.

(2) The Commission shall have access to, and may systematically analyze, information from the Department of Energy, Nuclear Regulatory Commission, or Environmental Protection Agency or predecessor agency to determine whether there exists any historical pattern of bias in favor or certain sites, geologic media, or policies or noncompliance with applicable statutes.

(3) Notwithstanding any provision of law, all contractors employed by the Department shall cooperate fully with the Commission in any such investigations and provide ready access to all information necessary to complete the duties of the Commission pursuant to this Title.

(4)(A) The Commission may, for the purpose of carrying out the provisions of this Title, hold such hearings and sit and act at such times and places, and require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such evidence as the Commission may deem necessary, provided, however, that the Commission shall hold public hearings in each State directly affected by the Federal nuclear waste program to obtain the views of citizens and their public officials on the conduct of such program.

(B) Subpoenas may be issued by the Commission under the signature of the Chairman or any other member of the Commission designated by him and shall be served by any person designated by the Chairman or his designee. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission if so designated by the Chairman.

(C) Any person who willfully neglects or refuses to qualify as a witness, or to testify, or to produce any evidence in obedience to any subpoena duly issued under the authority of this section shall be fined not more than $2000, or imprisoned for not more than six months, or both. Upon certification by the Chairman of the Commission of the facts concerning any willful disobedience by any person to the United States Attorney of any judicial district in which the person resides or is found, the United States Attorney may proceed by information for the prosecution of the person for the offense.

(e) The Commission shall issue a final report to the Congress within 18 months of the date of the enactment of this Act, after opportunity for comment by Federal, State, Tribal and local government agencies and the public. Such report shall describe the Commission's activity, shall address comments received by the Commission and shall contain the recommendations of specific measures to enhance and improve the Nation's program for management and disposal of spent nuclear fuel and high-level waste.

(f) Information received by the Commission may be made available to the public upon identifiable request at reasonable cost. Nothing in this section shall be deemed to require the release of any information described by subsection (b) of section 552 of Title 5 of the United States Code, or which is otherwise protected by law from disclosure to the public.

SEC. 03. RIGHT TO JUDICIAL REVIEW.

Nothing in this title alters affects the right of judicial review or prejudices any such review ongoing at the time of enactment of this title of any actions by any Federal agency made prior to the effective date of this title.

SEC. 04. AUTHORIZATION OF FUNDS.

There is hereby authorized to be appropriated for each of the fiscal years 1988, 1989, and 1990, the sum of $10,000,000 for the expenses of the Commission from the Nuclear Waste Fund established pursuant to Sec. 302 of the Nuclear Waste Policy Act of 1982.

Subtitle B—Interim Storage Plans and Financing

SEC. 11. INTERIM STORAGE PLANS.

(a) Not later than 180 days after the enactment of this Act, the Nuclear Regulatory Commission shall promulgate regulations requiring that each licensee that generates or stores spent nuclear fuel develop and implement a contingency storage plan to provide for the safe storage of spent nuclear fuel in the event that disposal of such fuel is not available in 1998 as provided in the Nuclear Waste Policy Act of 1982.

(b) Such storage plan regulations shall require that each such licensee provide, as appropriate, for the receipt, storage, licensing, control, and monitoring of spent fuel generated or stored by the licensee for a period consistent with the findings made by the Nuclear Regulatory Commission in the "Waste Confidence Proceeding" as approved by the Commission on August 22, 1984 (49 Fed. Reg. 34658).

(c) The Nuclear Regulatory Commission shall determine the necessity and adequacy of each plan to protect the public health and safety and the environment and to adequately provide safe storage after January 1998, provided, however, that nothing in this section shall be construed to affect requirements of the Nuclear Regulatory Commission concerning the granting, suspension, revocation, or amendment of any license or construction permit issued pursuant to the Atomic Energy Act of 1954, as amended.

SEC. 12. FINANCIAL ASSISTANCE FOR SPENT FUEL STORAGE.

(a) Upon a finding by the Nuclear Regulatory Commission that a plan submitted by a licensee is necessary and adequate to provide safe storage as provided in section 11 of this subtitle, such licensee is eligible to receive a credit against contributions already made or required to be made to the Nuclear Waste Fund established pursuant to section 302 of the Nuclear Waste Policy Act of 1982 for reimbursement of the cost of development and implementation of such plan. After confirmation by the Secretary of Energy of the findings of the Nuclear Regulatory Commission required pursuant to this subtitle, the Secretary shall issue credits to the licensee in an amount equal to the cost of developing and implementing such plan. Such credits shall be distributed on an annual basis for amounts equal to the costs incurred in that or previous years.

(b) Not later than 180 days after enactment, the Secretary in consultation with the Nuclear Regulatory Commission, shall promulgate regulations for processing applications for spent fuel storage credits pursuant to this section and shall establish procedures to verify the applicants compliance with plans and appropriateness of costs incurred by the applicants.

(a) There shall be established a Commission to be known as the Nuclear Waste Review Commission (hereafter referred to as the "Commission"). The existence of the Commission shall expire four months after it completes and transmits to the Congress the final report required pursuant to this section.

(b)(1) The Commission shall be composed of thirteen members appointed in the following manner:

(A) four members shall be appointed by the Majority Leader of the Senate and shall include:

(i) one individual recommended by the governors of the states being considered by the Department for the first repository,

(ii) one individual, recommended by state agencies with authority to regulate electric utility rates,

(B) four members shall be appointed by the Speaker of the House of Representatives and shall include:

(i) one individual recommended by the governors of the states being considered by the Department for the second repository,

• • •

● Mr. SASSER. Mr. President, today I rise along with several of my colleagues to present an amendment to S. 748, the Department of Energy Contractor Price-Anderson Reauthorization.

This amendment is designed to stop the Department of Energy from implementing its own very selective interpretation of the Nuclear Waste Policy Act.

This amendment is cosponsored by Senators representing every region of the country, united by a common belief that the Department of Energy has persistently violated both the letter and spirit of the Nuclear Waste Policy Act in its clumsy attempts at implementation.

The 1982 act was a very carefully calibrated piece of legislation. It attempted to hold the concerns of various regions and various interests in a finely tuned balance. Five years later that finely balanced instrument is in ruins.

Many of us suspect that the Department of Energy has politicized this legislation, and has thereby destroyed its credibility.

Whether it's politics or simple incompetence, the fact remains that the Department of Energy should not be allowed to move ahead with policy initiatives that are in direct conflict with the 1982 act.

I believe that it is essential that we pause and examine the failed disposal program and try to get the process back on track. To this end, the amendment we are introducing today establishes an independent review commission that will have 18 months within which to study the failed process and make recommendations on how to correct it.

The amendment suspends funding for the program until the review commission issues its findings.

Research into storage alternatives and waste minimization is encouraged and credits are provided to reimburse utilities for onsite storage costs.

There is no need to rush blindly along this path that the Department of Energy has misguidedly set us on. We simply cannot afford to have less than a reasoned, well-balanced Nation nuclear waste disposal policy.

We believe that this amendment is the best way to achieve such a policy.●

● Mr. ADAMS. Mr. President, I am pleased to cosponsor legislation being introduced today to provide for a review of the U.S. Department of Energy's high-level nuclear waste program. This legislation is in the form of an amendment to S. 748, a bill renewing the application of the Price-Anderson nuclear accident liability law for the Department's nuclear weapons and nuclear waste contractors.

The purpose of this amendment is very simple. The Department's high-level nuclear waste program has gone from bad to worse in the 4½ years since the Congress enacted the Nuclear Waste Policy Act of 1982. This landmark legislation was intended to provide a blueprint for developing a permanent solution to the problem of disposing of millions of gallons of high-level wastes generated from the Federal Government's nuclear weapons production complex and tens of thousands of tons of spent nuclear fuel from the Nation's commercial nuclear reactors.

Mr. President, the Department simply hasn't been following that blueprint. Instead, the high-level waste program has become even more politicized, even more litigious with some 30 lawsuits having been filed, and even less credible than the program which predated the act.

Our amendment would suspend the Department's site-specific efforts to locate sites for both first and second repositories and for a monitored retrievable storage facility. It would require an 18-month study by an independent review commission made up of representatives from affected States and Indian tribes, the utility industry, State utility regulatory commissions, environmental organizations, and no less than six scientists. The review commission would report back to the Congress on its findings and recommendations and the Congress would then decide what changes should be made in the program and the Nuclear Waste Policy Act.

The amendment would also recognize that under anyone's scenario there will not be a repository available in 1998 as originally proposed in the Nuclear Waste Policy Act. Consequently, we require utilities with nuclear powerplants to prepare spent fuel management plans to store that spent fuel beyond 1998. Since utilities and their ratepayers are paying for a program they are not getting, that is, a repository in 1998, funding to pay for the storage utilities need to provide is authorized to come from the Nuclear Waste Fund.

This assignment of responsibility for spent fuel storage until a permanent disposal capability exists is a continuation of the existing policy established in the 1982 act and is consistent with the findings of the Nuclear Regulatory Commission in the waste confidence proceeding that spent fuel can be stored safely at nuclear powerplant sites. Nothing in our amendment would alter the safety or licensing requirements that a utility would have to meet in providing for spent fuel storage and the spent fuel management plan which the amendment requires would itself have to be approved by the Nuclear Regulatory Commission.

Mr. President, there will be some who argue that this proposal to temporarily halt the site selection aspects of the Federal high-level waste program will kill the program and at best interject unnecessary delays. I want to assure my colleagues that this amendment is not intended to kill the high-level waste program, but to resuscitate it. Right now, the Department of Energy is engaging in a high-stakes political and technological gamble that the sites it has chosen are good enough to get over the political, regulatory, and judicial hurdles.

Those of us who represent States which are under consideration by the Department and have seen the lack of quality and depth of its analysis and site selection process firsthand believe that there is no basis for confidence. The Department, for example, issued stop-work orders to its technical contractors at both the Nevada and Hanford, WA sites just weeks prior to its final selection of those sites because of quality assurance problems with the way key site selection data was being gathered and analyzed.

It is instructive that the Department's primary defense of going ahead with characterization of repository sites is the only way to address the enormous gaps in information needed to determine if these sites are suitable. Here again, the Department has been misleading the Congress and the public. Washington State and Nevada have both been arguing with the Department for years that we need to collect more data about the sites. Finally, this spring, the Department has conceded that it is essential that more hydrologic tests be conducted from surface wells before a large diameter characterization shaft is drilled; a position taken by both the State and the Nuclear Regulatory Commission staff more than 3 years ago. The State of Nevada has had to go to court to get technical assistance funds to conduct independent geologic survey work on the site in its borders.

Mr. President, the hiatus we are proposing will not stop the program. We are not changing existing law. Generic scientific work on geologic disposal will continue. Technical work on storage casks and technologies will continue. Transportation planning and technology development will continue.

What will not continue is the Department of Energy's myopic, confrontational approach to siting complex, first-of-a-kind high-level waste facilities in States where the Department of Energy's credibility has long since vanished and where serious technical objections have been dismissed by the Department as simply efforts to keep the repository out of our backyards.

Mr. President, we have 63 million gallons of high-level waste in Washington State. We already have the waste in our backyard. We want results. We want a credible, scientific program that will result in sound, permanent solution. This amendment is the first step toward getting our Nation back on the road toward that solution.●

● Mr. HATFIELD. Mr. President, There is little doubt that our country's nuclear waste program is is in a state of chaos. Under the direction of the Department of Energy [DOE], our search for a suitable repository for our spent high-level nuclear full has been politicized and manipulated to such an extent that it lacks any degree of integrity or public confidence. Although I have been reluctant to endorse any measure which would stop the site selection process completely, I finally have reached the conclusion that legislative action is our only remaining alternative to remedy this sorry situation.

The amendment we are introducing today, the Nuclear Waste Policy Review, would impose an 18-month moratorium on all site-specific activities by DOE at the three proposed first round repository sites and the monitored retrievable storage site. During that period, a 13-member independent review commission would be established and would evaluate DOE's handling of the nuclear waste program and make recommendations to Congress based on its findings. The amendment also provides a mechanism whereby the electric utilities would be required to develop contingency plans for the storage of spent nuclear fuel as an alternative to not having access to a permanent repository by 1998, as originally envisioned in the Nuclear Waste Policy Act of 1982.

During the past year, we have seen a developing consensus among Members of Congress that DOE should not be allowed to conduct "business as usual" in its efforts to select the first commercial nuclear waste site. Time and again, the site selection process has been called into question. By providing for an alternate plan for interim storage of the waste, and temporarily halting the process, we are betting that cooler heads will prevail on this issue, and that the program can regain the initial support it once enjoyed.

I still have every confidence that the legislation we crafted 5 years ago, the Nuclear Waste Policy Act of 1982, provides an adequate mechanism for carrying out our nuclear waste program. However, the events over the last 13 months leads me to believe that we need to stop and examine the actions which have been executed by DOE, the organization to which we entrusted the implementation of the act. It is my hope that the legislation we are introducing today will provide solutions to the problems that have developed, and will succeed in putting this program back on track.●

SENATORIAL ELECTION CAMPAIGN ACT

BOREN (AND OTHERS) AMENDMENT NO. 429

(Ordered to lie on the table and be printed.)

Mr. BYRD, for Mr. BOREN (for himself, Mr. EXON, and Mr. KERRY) submitted an amendment intended to be proposed by them to the bill (S. 2) to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general elections, to limit contributions by multicandidate political committees, and for other purposes; as follows:

Beginning with line 5 on page 32, strike out all through line 10 on page 88, and insert in lieu thereof the following:

That this Act may be cited as the "Senatorial Election Campaign Act of 1987".

SEC. 2. The Federal Election Campaign Act of 1971 is amended by adding at the end the following new title:

"TITLE V—SPENDING LIMITS AND BENEFITS FOR SENATE ELECTION CAMPAIGNS

"DEFINITIONS

"SEC. 501. For purposes of this title—

"(1) unless otherwise provided in this title the definitions set forth in section 301 of this Act, except the provisions of section 301(9)(B)(vi), apply to this title;

"(2) the term 'authorized committee' means, with respect to any candidate for election to the office of United States Senator, any political committee which is authorized in writing by such candidate to accept contributions or make expenditures on behalf of such candidate to further the election of such candidate;

"(3) the term 'candidate' means an individual who is seeking nomination for election, or election to the office of United States Senator and such individual shall be deemed to seek nomination for election, or election, if such individual meets the requirements of subparagraph (A) or (B) of section 301(2);

"(4) the term 'election cycle' means—

"(A) in the case of a candidate or the authorized committee of a candidate, the term beginning on the day after the date of the last previous general election for such office or seat which such candidate seeks and ending on the date of the next election; or

"(B) for all other persons, the term beginning on the first day following the date of the last general election and ending on the date of the next election;

"(5) the term 'eligible candidate' means a candidate who is eligible under section 502 to receive benefits under this title;

"(6) the term 'general election' means any election which will directly result in the election of a person to the office of United States Senator, but does not include an open primary election;

"(7) the term 'general election period' means the period beginning on the day after the date of the primary or runoff election, whichever is later, and ending on the date of such general election or the date on which the candidate withdraws from the campaign or otherwise ceases actively to seek election, whichever occurs first;

"(8) the term 'immediate family' means a candidate's spouse, and any child, stepchild, parent, grandparent, brother, half-brother, sister or half-sister of the candidate, and the spouse of any such person, and any child, stepchild, parent, grandparent, brother, half-brother, sister or half-sister of the candidate's spouse and the spouse of any such person.

"(9) the term 'major party' has the meaning given such term in section 9002(6) of the Internal Revenue Code of 1986, the Presidential Election Campaign Fund Act, provided that a candidate in a general election held by a State to elect a Senator subsequent to an open primary in which all the candidates for the office participated and which resulted in the candidate and at least one other candidate qualifying for the ballot in the general election, shall be treated as a candidate of a major party for purposes of this title;

"(10) the term 'primary election' means any election which may result in the selection of a candidate for the ballot of the general election;

"(11) the term 'primary election period' means the period beginning on the day following the date of the last Senate election for the same Senate office and ending on the date of the first primary election for such office following such last Senate election for such office, or the date on which the candidate withdraws from the election or otherwise ceases actively to seek election, whichever occurs first;

"(12) the term 'runoff election' means the election held after a primary election, and prescribed by applicable State law as the means for deciding which candidate(s) should be certified as nominee(s) for the Federal office sought;

"(13) the term 'runoff election period' means the period beginning on the day following the date of the last primary election for such office and ending on the date of the runoff election for such office;

"(14) the term 'Senate Fund' means the Senate Election Campaign Fund maintained pursuant to section 506 by the Secretary of the Treasury in the Presidential Campaign Fund established by section 9006(a) of the Internal Revenue Code of 1986; and

"(15) the term 'voting age population' means the resident population, 18 years of age or older, as certified pursuant to section 315(e).

"ELIGIBILITY TO RECEIVE BENEFITS

"SEC. 502. (a) To be eligible to receive benefits under this title, in addition to the requirements of subsection (d), a candidate shall, within 7 days after qualifying for the general election ballot under the law of the State involved or, if such candidate is a candidate in a State which has a primary election to qualify for such ballot after September 1, within 7 days after the date such candidate wins in such primary, whichever occurs first—

"(1) certify to the Commission under penalty of perjury that during the period beginning on January 1 of the calendar year preceding the year of the general election involved, or in the case of a special election for the office of United States Senator, during the period beginning on the day on which the vacancy occurs in that office, and ending on the day of such certification, such candidate and the authorized committees of such candidate have received contributions in an amount at least equal to 10 cents multiplied by the voting age population of such State or $150,000, whichever is greater, up to an amount that does not exceed $650,000;

"(2) certify to the Commission under penalty of perjury that all contributions received for purposes of paragraph (1) have come from individuals and that no contribution from such individual, when added to all contributions to or for the benefit of such candidate from such individual, was taken into account to the extent such amount exceeds $250;

"(3) certify to the Commission under penalty of perjury that such candidate and the authorized committees of such candidate have not expended for the primary election, more than the amount equal to 67 percent of the general election spending limit applicable to such candidate pursuant to section 503(b), or more than $2,750,000, whichever amount is less;

"(4) certify to the Commission under penalty of perjury that such candidate and the authorized committees of such candidate have not expended for any runoff election, more than an amount equal to 20 percent of the general election spending limit applicable to such candidate pursuant to section 503(b);

"(5) certify to the Commission under penalty of perjury that 75 per centum of the aggregate amount of contributions received for purposes of paragraph (1) have come from individuals residing in such candidate's State;

"(6) certify to the Commission under penalty of perjury that at least one other candidate has qualified for the same general election ballot under the law of the State involved;

"(7) agree in writing that such candidate and the authorized committees of such candidate—

"(A) have not made and will not make expenditures which exceed the limitations established in section 503, except as otherwise provided in this title;

"(B) will not accept any contributions in violation of section 315;

"(C) will not accept any contribution for the general election involved except to the extent that such contribution is necessary to defray expenditures for such election that in the aggregate do not exceed the amount of the limitation on expenditures established in section 503(b), unless otherwise provided in this Act;

"(D) will deposit all payments received under this section in an account insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation from which funds may be withdrawn by check or similar means of payment to third parties;

"(E) will furnish campaign records, evidence of contributions and other appropriate information to the Commission; and

"(F) will cooperate in the case of any audit and examination by the Commission under section 507; and

"(8) notify the Commission of their intention to make use of the benefits provided for in section 504.

"(b) For the purposes of subsection (a)(1) and paragraph (2)(B) of section 504(a), in determining the amount of contributions received by a candidate and the candidate's authorized committees—

"(1) no contribution other than a gift of money made by a written instrument which identifies the person making the contribution shall be taken into account;

"(2) no contribution made through an intermediary or conduit referred to in section 315(a)(8) shall be taken into account;

"(3) no contribution received from any person other than an individual shall be taken into account, and no contribution received from an individual shall be taken into account to the extent such contribution exceeds $250 when added to the total amount of all other contributions made by such individual to or for the benefit of such candidate beginning on the applicable date specified in paragraph (4) of this subsection; and

"(4) no contribution received prior to January 1 of the calendar year preceding the year in which the general election involved or received after the date on which the general election involved is held shall be taken into account, and in the case of a special election, no contribution received prior to the date on which the vacancy occurs in that office or received after the date on which the general election involved is held shall be taken into account.

"(c) The threshold amounts in subsection (a)(1) shall be increased at the beginning of each calendar year based on the increase in the price index as determined under section 315(c), except that for purposes of determining such increase, the term 'base period', as used in such section shall mean the calendar year of the first election after the date of enactment of the Senatorial Election Campaign Act of 1987.

"(d) In addition to the requirements of subsection (a), to be eligible to receive benefits under this title a candidate shall, on the day such candidate files as a candidate for the primary election, file with the Commission a declaration whether or not—

"(1) such candidate and the authorized committees of such candidate intend to make expenditures, for the primary election, more than an amount equal to 67 percent of the general election spending limit applicable to such candidate pursuant to section 503(b), or more than $2,750,000, whichever amount is less;

"(2) such candidate and the authorized committees of such candidate intend to make expenditures, for any runoff election, more than an amount equal to 20 percent of the general election spending limit applicable to such candidate pursuant to section 503(b); and

"(3) such candidate and the authorized committees of such candidate intend to make expenditures, for the general election, more than an amount equal to the general election spending limit applicable to such candidate pursuant to section 503(b).

"LIMITATIONS ON EXPENDITURES

"SEC. 503. (a) No candidate who is entitled to a benefit in a general election under this title shall make expenditures from the personal funds of such candidate, or the funds of any member of the immediate family of such candidate, or incur personal loans in connection with such candidate's campaign for the Senate, aggregating in excess of $20,000, during the election cycle.

"(b)(1) Except as otherwise provided in this Act, no candidate who is entitled to a benefit for use in a general election under this title shall make expenditures for such general election which in the aggregate exceed $400,000, plus—

"(A) in States having a voting age population of 4 million or less, 30 cents multiplied by the voting age population; or

"(B) in States having a voting age population over 4 million, 30 cents multiplied by 4 million, plus 25 cents multiplied by the voting age population over 4 million;

except that the amount of the limitation under this subsection, in the case of any candidate, shall not be less than $950,000, nor more than $5,500,000.

"(2) Notwithstanding the provisions of paragraph (1), in any State with no more than one transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, no candidate in such State who receives a benefit for use in a general election under this title shall make expenditures for such general election which in the aggregate exceed the higher of—

"(A) $950,000; or

"(B) $400,000 plus 45 cents multiplied by the voting age population of 4 million or less, plus 40 cents multiplied by the voting age population over 4 million, up to an amount not exceeding $5,500,000.

"(c) The limitations on expenditures in subsections (b), (d), and (e) shall be subject to the provisions of subsections (b) and (c) of section 504.

"(d) No candidate who is otherwise eligible to receive benefits for a general election under this title may receive any such benefits if such candidate spends for the primary election, more than the amount equal to 67 percent of the limitation on expenditures for the general election as determined under subsection (b), or more than $2,750,000, whichever amount is less.

"(e) No candidate who is otherwise eligible to receive benefits for a general election under this title may receive any such benefits if such candidate spends for a runoff election, if any, more than an amount which in the aggregate exceeds 20 percent of the maximum amount of the limitation applicable to such candidate as determined under subsection (b).

"(f)(1) For purposes of this section, the amounts set forth in subsections (b), (d), and (e) of this section shall be increased at the beginning of each calendar year based on the increase in the price index as determined under section 315(c), except that for purposes of determining such increase, the term 'base period', as used in section 315(c), means the calendar year of the first election after the date of enactment of the Senatorial Election Campaign Act of 1987.

"(2) The limitation set forth in subsection (b) shall not apply to expenditures by a candidate or a candidate's authorized committees from a compliance fund established to defray the costs of legal and accounting services provided solely to insure compliance with this Act; provided however that—

"(A) such fund contains only contributions (including contributions received in excess of any amount necessary to defray qualified campaign expenditures pursuant to section 313) received in accordance with the limitations, prohibitions, and reporting requirements of this Act;

"(B) the aggregate total amount of contributions to, and expenditures from, such fund do not exceed 10 percent of the limitation on expenditures for the general election as determined under subsection (b); and

"(C) no transfers may be made from such fund to any other accounts of the candidate's authorized committees, except that the fund may receive transfers from such other accounts at any time.

In the event that, subsequent to any general election, a candidate determines that the costs of necessary and continuing legal and accounting services require contributions to and expenditures from the fund in excess of the limitations of this paragraph, the candidate may petition the Commission for a waiver of such limitations up to any additional amounts as the Commission may authorize in connection with such waiver. Any waiver, or denial of a waiver, by the Commission under this paragraph shall be subject to judicial review under section 508. Any money remaining in such fund when the candidate decides to terminate or dissolve such fund, shall be—

"(i) contributed to the United States Treasury to reduce the budget deficit, or

"(ii) transferred to a fund of a subsequent campaign of that candidate.

"(g) If, during the primary and runoff period portion of the two-year election cycle preceding the candidate's general election, independent expenditures by any person or persons aggregating an amount in excess of $10,000 are made, or are obligated to be made, in opposition to a candidate or for the opponent of such candidate, the limitations provided in subsections (d) and (e), as they apply to such candidate, shall be increased for that primary or runoff election in an amount equal to the amount of such expenditures made during the period covered by such election.

"ENTITLEMENT OF ELIGIBLE CANDIDATES TO BENEFITS

"SEC. 504. (a) Except as otherwise provided in section 506(c)—

"(1) all eligible candidates shall be entitled to—

"(A) the broadcast media rates provided under section 315(b)(3) of the Communications Act of 1934;

"(B) mailing rates provided in section 3629 of title 39 of the United States Code; and

"(C) payments under section 506 equal to the aggregate total amount of independent expenditures made or obligated to be made, in the general election involved, by any person in opposition to, or on behalf of an opponent of such eligible candidate, as such expenditures are reported by such person or determined by the Commission under subsection (f) of section 304;

"(2) if any candidate in the same general election not eligible to receive funds under this title either raises aggregate contributions or makes or obligates to make aggregate expenditures for such election which exceed the amount of the limitation determined under section 503(b) for such election—

"(A) an eligible candidate who is a major party candidate shall be entitled to receive a payment under section 506 in an amount equal to—

"(i) two-thirds of the amount of the limitation determined under section 503(b) with regard to such candidate when a candidate in the same election not eligible to receive funds under this title either raises aggregate contributions or makes or obligates to make aggregate expenditures for such election which exceed 100 percent of such limitation determined under section 503(b); and

"(ii) one-third of the amount of the limitation determined under section 503(b) with regard to such candidate when a candidate in the same election not eligible to receive funds under this title either raises aggregate contributions or makes or obligates to make aggregate expenditures for such election which exceed 133⅓ percent of such limitation determined under section 503(b); or

"(B) an eligible candidate who is not a major party candidate shall be entitled to matching payments under section 506, equal to the amount of each contribution received by such eligible candidate and the candidate's authorized committees, provided that in determining the amount of each such contribution—

"(i) the provisions of section 502(b) shall apply; and

"(ii) contributions required to be raised under section 502(a)(1) shall not be eligible to be matched; and

the total amount of payments to which a candidate is entitled under this subparagraph shall not exceed 50 percent of the amount of the limitation determined under section 503(b) applicable to such candidate.

"(b) A candidate who receives payments under paragraph (1)(C) or (2) of subsection (a) may spend such funds to defray expenditures in the general election without regard to the provisions of section 503(b).

"(c)(1) A candidate who receives benefits under this section may make expenditures for the general election without regard to the provisions of subparagraph (A) of section 502(a)(7) or subsection (a) or (b) of section 503 if and when any candidate in the same general election not eligible to receive payments under this section either raises aggregate contributions or makes or obligates to make aggregate expenditures for such election which exceed the amount of 133⅓ percent of the expenditure limit applicable to such candidate under section 503(b) for such election.

"(2) A candidate who receives benefits under this section may receive contributions for the general election without regard to the provisions of subparagraph (C) of section 502(a)(7) if any major party candidate in the same general election is not eligible to receive benefits under this section, or if and when any other candidate in the same general election who is not eligible to receive benefits under this section raises aggregate contributions or makes or obligates to make aggregate expenditures for such election which exceed 75 percent of the amount of the expenditure limit applicable to such candidate under section 503(b) for such election.

"(d) Benefits received by a candidate under this section shall be used to defray expenditures incurred with respect to the general election period for such candidate. Such benefits shall not be used (1) to make any payments, directly or indirectly, to such candidate or to any member of the immediate family of such candidate, (2) to make any expenditure other than expenditures to further the general election of such candidate, (3) to make any expenditures which constitute a violation of any law of the United States or of the State in which the expenditure is made, or (4) to repay any loan to any person except to the extent the proceeds of such loan were used to further the general election of such candidate.

"CERTIFICATION BY COMMISSION

"SEC. 505. (a) No later than 48 hours after an eligible candidate files a request with the Commission to receive benefits under section 506 the Commission shall certify such eligibility to the Secretary of the Treasury for payment in full of the amount to which such candidate is entitled, unless the provisions of section 506(c) apply. The request referred to in the preceding sentence shall contain—

"(1) such information and be made in accordance with such procedures, as the Commission may provide by regulation; and

"(2) a verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirements of this title.

"(b) Certifications by the Commission under subsection (a) and all determinations made by the Commission under this title, shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 507 and judicial review under section 508.

"ESTABLISHMENT OF FUND; PAYMENTS TO ELIGIBLE CANDIDATES

"SEC. 506. (a)(1) The Secretary shall maintain in the Presidential Election Campaign Fund (hereafter referred to as the 'Fund') established by section 9006(a) of the Internal Revenue Code of 1986, in addition to any other accounts maintained under such section, a separate account to be known as the 'Senate Fund'. The Secretary shall deposit into the Senate Fund, for use by candidates eligible to receive payments under this title, the amounts available after the Secretary determines that the amounts in the Fund, plus the amounts of revenue the Secretary projects will accrue to the Fund during the remainder of the period ending on December 31 of the year of the next Presidential election, equal 110 percent of the amount the Secretary projects will be necessary for payments under subtitle H of the Internal Revenue Code of 1986 during such remainder of such period. The monies designated for the Senate Fund shall remain available without fiscal year limitation.

"(2) On May 15 of each year following the year during which a regularly scheduled biennial Senate election has occurred, the Secretary shall determine the total amount in the Senate Fund, and evaluate if such amount, plus the amount of revenue it projects will accrue to the Senate Fund (based on the computation made by the Secretary with respect to the Fund, as provided in paragraph (1)) during the period beginning on such date and ending on December 31 of the year of the next regularly scheduled biennial election, exceeds 110 percent of the total estimated expenditures of the Senate Fund during such period. If the Secretary determines that an excess amount exists, the Secretary shall transfer such excess to the general fund of the Treasury of the United States.

"(b) Upon receipt of a certification from the Commission under section 505, the Secretary shall promptly pay to the candidate involved in the certification, out of the Senate Fund, the amount certified by the Commission.

"(c)(1) If at the time of a certification by the Commission under section 505 for payment to an eligible candidate, the Secretary determines that the monies in the Senate Fund are not, or may not be, sufficient to satisfy the full entitlement of all such eligible candidates, the Secretary shall withhold from such payment such amount as he determines to be necessary to assure that an eligible candidate will receive a pro rata share of such candidate's full entitlement. Amounts so withheld shall be paid when the Secretary determines that there are sufficient monies in the Senate Fund to pay such amounts, or portions thereof, to all eligible candidates from whom amounts have been withheld, but, if there are not sufficient monies in the Senate Fund to satisfy the full entitlement of an eligible candidate, the amounts so withheld shall be paid in such manner that each eligible candidate receives his or her pro rata share of his or her full entitlement. The Secretary shall notify the Commission and each eligible candidate by registered mail of the reduction in the amount to which that candidate is entitled under section 505.

"(2) If the provisions of this subsection result in a reduction in the amount to which an eligible candidate is entitled under section 505 and payments have been made under this section in excess of the amount to which such candidate is entitled, such candidate is liable for repayment to the Fund of the excess under procedures the Commission shall prescribe by regulation.

"EXAMINATION AND AUDITS; REPAYMENTS

"SEC. 507. (a)(1) After each general election, the Commission shall conduct an examination and audit of the campaign accounts of 10 per centum of the eligible candidates of each major party and 10 per centum of all other eligible candidates, as designated by the Commission through the use of an appropriate statistical method of random selection to determine, among other things, whether such candidates have complied with the expenditure limits and other conditions of eligibility and requirements of this title.

"(2) After each special election, the Commission shall conduct an examination and audit of the campaign accounts of each eligible candidate in such election to determine whether such candidates have complied with the expenditure limits and other conditions of eligibility and requirements under this title.

"(3) The Commission may conduct an examination and audit of the campaign accounts of any eligible candidate in a general election if the Commission, by an affirmative vote of four members, determines that there exists reason to believe that such candidate has violated any provision of this title.

"(b) If the Commission determines that any portion of the payments made to a candidate under this title was in excess of the aggregate payments to which such candidate was entitled, the Commission shall so notify such candidate, and such candidate shall pay to the Secretary an amount equal to the excess.

"(c) If the Commission determines that any amount of any benefit made to a candidate under this title was not used as provided for in this title, the Commission shall so notify such candidate and such candidate shall pay to the Secretary an amount equal to 200 per centum of the amount of such benefit.

"(d) If the Commission determines that any candidate who has received benefits under this title has made expenditures which in the aggregate exceed by 5 per centum or less the limitation set forth in section 503(b), the Commission shall so notify such candidate and such candidate shall pay to the Secretary an amount equal to the amount of the excess expenditure.

"(e) If the Commission determines that any candidate who has received benefits under this title has made expenditures which in the aggregate exceed by more than 5 per centum the limitation set forth in section 503(b), the Commission shall so notify such candidate and such candidate shall pay the Secretary an amount equal to three times the amount of the excess expenditure.

"(f) Any amount received by an eligible candidate under this title may be retained for a period not exceeding sixty days after the date of the general election for the liquidation of all obligations to pay general election campaign expenses incurred during this general election period. At the end of such sixty-day period any unexpended funds received under this title shall be promptly repaid to the Secretary.

"(g) No notification shall be made by the Commission under this section with respect to an election more than three years after the date of such election.

"(h) All payments received under this section shall be deposited in the Senate Fund.

"CRIMINAL PENALTIES

"SEC. 507A. (a) No candidate shall knowingly or willfully accept benefits under this title in excess of the aggregate benefits to which such candidate is entitled or knowingly or willfully use such benefits for any purpose not provided for in this title or knowingly or willfully make expenditures from his personal funds, or the personal funds of his immediate family, in excess of the limitation provided in this title.

"(b) Any person who violates the provisions of subsection (a) shall be fined not more than $25,000, or imprisoned not more than 5 years, or both. Any officer or member of any political committee who knowingly consents to any expenditure in violation of the provisions of subsection (a) shall be fined not more than $25,000, or imprisoned not more than 5 years, or both.

"(c)(1) It is unlawful for any person who receives any benefit under this title, or to whom any portion of any such benefit is transferred, knowingly and willfully to use, or authorize the use of, such benefit or such portion except as provided in section 504(d).

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

"(d)(1) It is unlawful for any person knowingly and willfully—

"(A) to furnish any false, fictitious, or fraudulent evidence, books, or information (including any certification, verification, notice, or report), to the Commission under this title, or to include in any evidence, books, or information so furnished any misrepresentation of a material fact, or to falsify or conceal any evidence, books, or information relevant to a certification by the Commission or an examination and audit by the Commission under this title, or

"(B) to fail to furnish to the Commission any records, books, or information requested by it for purposes of this title.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

"(e)(1) It is unlawful for any person knowingly and willfully to give or accept any kickback or any illegal payment in connection with any benefits received by any candidate, or the authorized committees of such candidate, who receives benefits under this title.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

"(3) In addition to the penalty provided by paragraph (2), any person who accepts any kickback or illegal benefit in connection with any benefits received by any candidate pursuant to the provisions of this title, or received by the authorized committees of such candidate, shall pay to the Secretary for deposit in the Fund, an amount equal to 125 percent of the kickback or benefit received.

"JUDICIAL REVIEW

"SEC. 508. (a) Any agency action by the Commission made under the provisions of this title shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within thirty days after the agency action by the Commission for which review is sought. It shall be the duty of the Court of Appeals, ahead of all matters not filed under this title, to advance on the docket and expeditiously take action on all petitions filed pursuant to this title.

"(b) The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action, as defined in section 551(13) of title 5, United States Code, by the Commission.

"PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS

"SEC. 509. (a) The Commission is authorized to appear in and defend against any action instituted under this section and under section 508 either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) The Commission is authorized through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined under section 507 to be payable to the Secretary.

"(c) The Commission is authorized, through attorneys and counsel described in subsection (a), to petition the courts of the United States for such injunctive relief as is appropriate in order to implement any provision of this title.

"(d) The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears, pursuant to the authority provided in this section.

"REPORTS TO CONGRESS; REGULATIONS

"SEC. 510. (a) The Commission shall, as soon as practicable after each election, submit a full report to the Senate setting forth—

"(1) the expenditures (shown in such detail as the Commission determines appropriate) made by each eligible candidate and the authorized committees of such candidate;

"(2) the amounts certified by the Commission under section 505 for payment to each eligible candidate;

"(3) the amount of repayments, if any, required under section 507, and the reasons for each payment required; and

"(4) the balance in the Presidential Election Campaign Fund, and the balance in the Senate Fund and any other account maintained in the Fund.

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) The Commission is authorized to prescribe such rules and regulations in accordance with the provisions of subsection (c), to conduct such examinations and investigations, and to require the keeping and submission of such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this title.

"(c) Thirty days before prescribing any rules or regulation under subsection (b), the Commission shall transmit to the Senate a statement setting forth the proposed rule or regulation and containing a detailed explanation and justification of such rule or regulation.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 511. There are authorized to be appropriated to the Commission for the purpose of carrying out functions under this title, such sums as may be necessary.".

SENATE FUND

SEC. 3. Section 6096(a) of the Internal Revenue Code of 1986 is amended—

(1) by striking out "$1" each place it appears in that subsection and inserting in lieu thereof "$2"; and

(2) by striking out "$2" each place it appears in that subsection and inserting in lieu thereof "$4".

BROADCAST RATES

SEC. 4. Section 315(b)(1) of the Communications Act of 1934 (47 U.S.C. 315(b)(1)) is amended by striking the semicolon and inserting in lieu thereof the following: ": *Provided,* That in the case of candidates for United States Senator in a general election, as such term is defined in section 501(6) of the Federal Election Campaign Act of 1971, this provision shall apply only if such candidate has been certified by the Federal Election Commission as eligible to receive benefits under title V of such Act and such candidate is identified or identifiable during 50 percent of the time of any broadcast of a political announcement or advertisement by such candidate;".

REPORTING REQUIREMENTS

SEC. 5. (a) Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end thereof the following new subsections:

"(d)(1) Not later than the day after the date on which a candidate for the United States Senate qualifies for the ballot for a general election, as such term is defined in section 501(6), or, if such candidate is a candidate in a State which has a primary election to qualify for such ballot after September 1, within 7 days after the date such candidate wins in such primary, whichever occurs first, each such candidate in such election shall file with the Commission a declaration of whether or not such candidate intends to make expenditures in excess of the amount of the limitation on expenditures for such election, as determined under section 503(b).

"(2) Any declaration filed pursuant to paragraph (1) may be amended or changed at any time within 7 days after the filing of such declaration. Such amended declaration may not be amended or changed further.

"(e)(1) Any candidate for the United States Senate who qualifies for the ballot for a general election, as such term is defined in section 501(6)—

"(A) who is not eligible to receive benefits under section 502, and

"(B) who either raises aggregate contributions or makes or obligates to make aggregate expenditures for such election which exceed 75 percent of the amount of the limitation determined under section 503(b) for such Senate election,

shall file a report with the Commission within 24 hours after such contributions have been raised or such expenditures have been made or obligated to be made, or within 24 hours after the date of qualification for the general election ballot, whichever is later, setting forth the candidate's total contributions and total expenditures for such election, and thereafter shall file additional reports with the Commission within 24 hours after each time additional contributions are raised or expenditures are made, or are obligated to be made which aggregate an additional 5 percent of such limit. Such reports shall continue to be filed pursuant to the provisions of this section until such candidate has raised aggregate contributions or made or has obligated to make aggregate expenditures equal to 133⅓ percent of the limit provided for such State pursuant to section 503(b).

"(2) The Commission, within 24 hours after each such report has been filed, shall notify each candidate in the election involved who is eligible to receive benefits pursuant to the provisions of this title under section 504, about such report, and after an opposing candidate has raised aggregate contributions or made or has obligated to make aggregate expenditures in excess of the limit provided for such State pursuant to section 503(b), the Commission shall certify, pursuant to the provisions of subsection (i), such eligibility to the Secretary of the Treasury for payment of any amount to which such eligible candidate is entitled.

"(3) Notwithstanding the reporting requirement established in this subsection, the Commission may make its own determination that a candidate in a general election, as such term is defined in section 501(6), who is not eligible to receive benefits under section 504, has raised aggregate contributions or made or has obligated to make aggregate expenditures for such election which exceed the amount of the limitation determined under section 503(b) for such election. The Commission, within 24 hours after making such determination, shall notify each candidate in the general election involved who is eligible to receive benefits under section 504 about such determination, and shall certify, pursuant to the provisions of subsection (i), such eligibility to the Secretary of the Treasury for payment of any amount to which such candidate is entitled.

"(f)(1) All independent expenditures, if any, (including those described in subsection (b)(6)(B)(iii)) made by any person after the date of the last Federal election with regard to a general election, as such term is defined in section 501(6), and all obligations to make such expenditures incurred by any person during such period, if any, shall be reported by such person to the Commission as provided in paragraph (2), if such expenditure or obligation is described in such paragraph.

"(2) Independent expenditures by any person as referred to in paragraph (1) shall be reported within 24 hours after the aggregate amount of such expenditures incurred or obligated first exceeds $10,000. Thereafter, independent expenditures referred to in such paragraph, made by the same person in the same election, shall be reported within 24 hours after each time the aggregate amount of such expenditures incurred or obligated, not yet reported under this subparagraph, exceeds $5,000.

"(3) Each report under this subsection shall be filed with the Commission and the Secretary of State for the State of the election involved and shall contain (A) the information required by subsection (b)(6)(B)(iii) of this section, and (B) a statement filed under penalty of perjury by the person making the independent expenditures, or by the person incurring the obligation to make such expenditures, as the case may be, that identifies the candidate whom the independent expenditures are actually intended to help elect or defeat. The Commission shall, within 24 hours after such report is made, notify each candidate in the election involved who is eligible to receive benefits pursuant to section 504(a)(1)(C) of this Act, about each such report, and shall certify such eligibility to the Secretary of the Treasury for payment in full of any amount to which such candidate is entitled.

"(4)(A) Notwithstanding the reporting requirements established in this subsection, the Commission may make its own determination that a person has made independent expenditures, or has incurred an obligation to make such expenditures, as the case may be, with regard to a general election, as defined in section 501(6), that in the aggregate total more than the applicable amount specified in paragraph (2).

"(B) The Commission shall, within 24 hours after such determination is made, notify each candidate in the election involved who is eligible to receive benefits under section 504(a)(1)(C) about each determination under subparagraph (A), and shall certify, pursuant to the provisions of subsection (i), such eligibility to the Secretary of the Treasury for payment in full of any amount to which such candidate is entitled.

"(g)(1) When two or more persons make an expenditure or expenditures in coordination, consultation, or concert (as described in paragraph (2) or otherwise) for the purpose of promoting the election or defeat of a clearly identified candidate, each such person shall report to the Commission, under subsection (f), the amount of such expenditure or expenditures made by such person in coordination, consultation, or concert with such other person or persons when the total amount of all expenditures made by such persons in coordination, consultation, or concert with each other exceeds the applicable amount provided in such subsection.

"(2) An expenditure by one person shall constitute an expenditure in coordination, consultation, or concert with another person where—

"(A) there is any arrangement, coordination, or direction with respect to the expenditure between such persons making the expenditures, including any officer, director, employee or agent of such person;

"(B) in the same two-year election cycle, one of the persons making the expenditures (including any officer, director, employee or agent of such person) is or has been, with respect to such expenditures—

"(i) authorized by such other person to raise or expend funds on behalf of such other person; or

"(ii) receiving any form of compensation or reimbursement from such other person or an agent of such other person;

"(C) one of the persons making expenditures (including any officer, director, employee or agent of such person) has communicated with, advised, or counseled such other person in connection with such expenditure; or

"(D) one of the persons making expenditures and such other person making expenditures each retain the professional services of the same individual or person in connection with such expenditures.

"(h)(1) Every political committee, as defined in section 301(4), active in non-Federal elections and maintaining separate accounts for this purpose shall file with the Commission reports of funds received into and disbursements made from such accounts for activities which may influence an election to any Federal office. For purposes of this section, activities which may influence an election to any Federal office include, but are not limited to—

"(A) voter registration and get-out-the-vote drives directed to the general public in connection with any election in which Federal candidates appear on the ballot;

"(B) general public political advertising which includes references, however incidental, to clearly identified Federal as well as non-Federal candidates for public office; or which does not clearly identify Federal candidates but urges support for or opposition to all the candidates of a political party or other candidates in a classification or context which includes Federal candidates; and

"(C) any other activities which require an allocation of costs between a political committee's Federal and non-Federal accounts reflecting the impact on Federal elections in accordance with regulations prescribed or Advisory Opinions rendered by the Commission.

"(2) Reports required to be filed by this subsection shall be filed for the same time-periods required for political committees under section 304(a), and shall include:

"(A) a separate statement, for each of the activities in connection with which a report is required under paragraph (1), of the aggregate total of disbursements from the non-Federal accounts; and

"(B) supporting schedules, providing an identification of each donor together with the amount and date of each donation with regard to those receipts of the non-Federal account which comprise disbursements reported under subparagraph (A), provided, however, that such schedules are required only for donations from any one source aggregating in excess of $200 in any calendar year.

"(3) Reports required to be filed by this subsection need not include donations made to or on behalf of non-Federal candidates or political organizations in accordance with the financing and reporting requirements of State laws, or other disbursements from the non-Federal accounts in support of exclusively non-Federal election activities, provided that such donations or disbursements are governed solely by such State laws and not subject to paragraph (1) of this subsection.

"(i) The certification required by this section shall be made by the Commission on the basis of reports filed with such Commission in accordance with the provisions of this Act, or on the basis of such Commission's own investigation or determination, notwithstanding the provisions of section 505(a).

"(j) Within 15 days after a candidate for the Senate qualifies for the primary ballot under applicable State law, such candidate shall file with the Commission, a declaration stating whether or not such candidate intends to expend from his personal funds, and the funds of his immediate family, and incur personal loans, in connection with his campaign for such office, in the aggregate of $250,000 or more, for the election cycle.

"(k)(1) Any candidate for the United States Senate who expends from his personal funds and the funds of his immediate family, and incurs personal loans, in connection with his campaign for such office, in the aggregate of $250,000 or more, for the election cycle, shall file a report with the Commission within 24 hours after such expenditures have been made or loans incurred. Thereafter the expenditures referred to in this paragraph shall be reported within 24 hours after each time the aggregate of such expenditures or loans exceeds $10,000.

"(2) The Commission within 24 hours after a report has been filed under paragraph (1) shall notify each candidate in the election involved who is eligible to receive payments pursuant to the provisions of this title under section 504 about each such report.

"(3) Notwithstanding the reporting requirements in this subsection, the Commission may make its own determination that a candidate for the United States Senate has made expenditures from the personal funds of such candidate or the funds of any member of the immediate family of such candidate or incurred personal loans in connection with his campaign aggregating in excess of $250,000, or thereafter in increments of $10,000 during the election cycle. The Commission within 24 hours after making such determination shall notify each candidate in the general election involved who is eligible to receive benefits under section 504 about each such determination.".

(b) Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)) is amended by—

(1) inserting "except for purposes of reporting and disclosing, pursuant to section 304, such amounts in excess of $200," at the beginning of subparagraphs (v), (viii), (x), and (xii); and

(2) inserting at the end thereof the following:

"(C) The exclusions provided in subparagraphs (v), (viii), (x), and (xii) of paragraph (B) shall not be exclusions from the definition of contributions for purposes of reporting contributions as required by section 304, and all such contributions shall be reported.".

(c) Section 301(4) of the Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following:

"For purposes of this section, the receipt of contributions or the making of, or obligating to make expenditures shall be determined by the Commission on the basis of facts and circumstances, in whatever combination, demonstrating a purpose of influencing any election for Federal office, including, but not limited to, the representations made by any person soliciting funds about their intended uses; the identification by name of individuals who are candidates for Federal office, as defined in paragraph (2) of this section, or of any political party, in general public political advertising; and the proximity to any primary, run-off, or general election of general public political advertising designed or reasonably calculated to influence voter choice in that election.".

(d) Section 301(9)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(B)) is amended by—

(1) inserting "except for purposes of reporting and disclosing, pursuant to section 304, such amounts in excess of $200," at the beginning of subparagraphs (iv), (vi), (viii), and (ix); and

(2) inserting at the end thereof the following:

"(C) The exclusions provided in subparagraphs (iv), (vi), (viii), and (ix) of paragraph (B) shall not be exclusions from the definition of expenditures for purposes of reporting expenditures as required by this Act, and all such expenditures shall be reported.".

(e) Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by adding at the end thereof the following:

"(20) The term 'election cycle' means—

"(A) in the case of a candidate or the authorized committees of a candidate, the term beginning on the day after the date of the last previous general election for such office or seat which such candidate seeks and ending on the date of the next election; or

"(B) for all other persons, the term beginning on the first day following the date of the last general election and ending on the date of the next election.".

(f) Section 304(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(2)) is amended by striking out "for the reporting period and calendar year," and inserting in lieu thereof "for the reporting period and calendar year in the case of committees other than authorized committees of a candidate, and for the reporting period and election cycle in the case of authorized committees of candidates,".

(g)(1) Section 304(b)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(4)) is amended by striking out "for the reporting period and calendar year," and inserting in lieu thereof "for the reporting period and calendar year in the case of committees other than authorized committees of a candidate, and for the reporting period and election cycle in the case of authorized committees of candidates,".

(2) Section 304(b)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(3)) is amended—

(A) in subparagraph (A), by inserting after "calendar year," the following: "in the case of committees other than authorized committees or in excess of $200 within the election cycle in the case of authorized committees,";

(B) in subparagraph (F), by inserting after "calendar year," the following: "in the case of committees other than authorized committees or in excess of $200 within the election cycle in the case of authorized committees,"; and

(C) in subparagraph (G), by inserting after "calendar year," the following: "in the case of committees other than authorized committees or in excess of $200 within the election cycle in the case of authorized committees,".

(3) Section 304(b)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by inserting after "calendar year," the following: "in the case of committees other than authorized committees or in excess of $200 within the election cycle in the case of authorized committees,".

(4) Section 304(b)(6)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(6)(A)) is amended by striking out "calendar year" and inserting in lieu thereof "election cycle".

(h) Section 301(13) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(13)) is amended by striking out "mailing address" and inserting in lieu thereof "permanent residence address".

(i) Section 304(b)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by adding before the semicolon at the end thereof the following: ", except that if a person to whom an expenditure is made is merely providing personal or consulting services and is in turn making expenditures to other persons who provide goods or services to the candidate or his authorized committees, the name and address of such other person, together with the date, amount and purpose of such expenditure shall also be disclosed".

LIMITS ON CONTRIBUTIONS BY MULTICANDIDATE POLITICAL COMMITTEES AND SEPARATE SEGREGATED FUNDS

SEC. 6. (a) Section 315(a)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(2)) is amended by—

(1) striking out "or" at the end of subparagraph (B);

(2) striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon; and

(3) adding at the end the following new subparagraphs:

"(D) to any candidate for the office of Member of, or Delegate or Resident Commissioner to, the House of Representatives and the authorized political committees of such candidate with respect to—

"(i) a general or special election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress (including any primary election, convention, or caucus relating to such general or special election) which exceed $100,000 ($125,000 if at least two candidates qualify for the ballot in the general or special election involved and at least two candidates qualify for the ballot in a primary election relating to such general or special election), when added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such candidate and his authorized political committees with respect to such general or special election (including any primary election, convention, or caucus relating to such general or special election); or

"(ii) a runoff election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress which exceed $25,000 when added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such candidate and his authorized political committees with respect to such runoff election;

"(E) to any candidate for the office of Senator and the authorized political committees of such candidate with respect to—

"(i) a general or special election for such office (including any primary election, convention, or caucus relating to such general or special election) which, when added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such candidate and his authorized political committees with respect to such general or special election (including any primary election, convention, or caucus relating to such general or special election) exceeds an amount equal to 30 percent of the amount provided in section 315(i); or

"(ii) a runoff election for the office of United States Senator which exceeds, when added to the total of contributions previously made by multicandidate political committees and separate segregated funds, other than multicandidate committees of a political party, to such candidate and his authorized political committees with respect to such runoff election, an amount equal to 30 percent of the limitation on expenditures provided in section 315(j), for runoff elections; or

"(F) to any State committee of a political party, including any subordinate committee of a State committee, which, when added to the total of contributions previously made by multi-candidate political committees and separate segregated funds, other than multi-candidate committees of a political party, to such State committee exceeds an amount equal to—

"(i) 2 cents multiplied by the voting age population of the State of such State committee, or

"(ii) $25,000,

whichever is greater. The limitation of this subparagraph shall apply separately with respect to each two-year Federal election cycle, covering a period from the day following the date of the last Federal general election held in that State through the date of the next regularly scheduled Federal general election.".

(b)(1) Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end thereof the following:

"(i) For purposes of subsection (a)(2)(E)(i), such limitation shall be an amount equal to 67 percent of the aggregate of $400,000, plus—

"(1) in States having a voting age population of 4 million or less, 30 cents multiplied by the voting age population; or

"(2) in States having a voting age population over 4 million, 30 cents multiplied by 4 million plus 25 cents multiplied by the voting age population over 4 million;

except that such amount shall not be less than $950,000, nor more than $5,500,000.

"(j) For purposes of subsection (a)(2)(E)(ii), such limitation shall be an amount equal to 20 percent of the aggregate of $400,000, plus—

"(1) in States having a voting age population of 4 million or less, 30 cents multiplied by the voting age population; or

"(2) in States having a voting age population over 4 million, 30 cents multiplied by 4 million plus 25 cents multiplied by the voting age population over 4 million;

except that such amount shall not be less than $950,000, nor more than $5,500,000.".

(2) Section 315(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(c)) is amended by—

(A) striking out "subsection (b) and subsection (d)" in paragraph (1) and inserting in lieu thereof "subsections (b), (d), (i), and (j)"; and

(B) inserting "for subsections (b) and (d) and the term 'base period' means the calendar year of the first election after the date of enactment of the Senatorial Election Campaign Act of 1987, for subsections (i) and (j)" before the period at the end of paragraph (2)(B).

(c) Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended—

(1) in paragraph (1), by striking out "(2) and (3)" and inserting in lieu thereof "(2), (3), (4), and (5)";

(2) by adding at the end thereof the following:

"(4) No congressional campaign committee may accept, during any two-year election cycle, contributions from multicandidate political committees and separate segregated funds which, in the aggregate, exceed 30 percent of the total expenditures which may be made during such election cycle by that campaign committee on behalf of candidates for Senator, Representative, Delegate, or Resident Commissioner pursuant to the provisions of paragraph (3).

"(5) No national committee of a political party may accept contributions from multicandidate political committees and separate segregated funds, during any two-year election cycle, which, in the aggregate, equal an amount in excess of an amount equal to 2 cents multiplied by the voting age population of the United States.

"(6) The limitations contained in paragraphs (2) and (3) shall apply to any expenditure through general public political advertising, whenever made, which clearly identifies by name an individual who is, or is seeking nomination to be, a candidate in the general election for Federal office of President, Senator or Representative; provided that this paragraph shall not apply to direct mail communications designed primarily for fundraising purposes which make only incidental reference to any one or more Federal candidates.".

INTERMEDIARY OR CONDUIT

SEC. 7. (a) Section 315(a)(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(8)) is amended to read as follows:

"(8) For purposes of this subsection—

"(A) contributions made by a person, either directly or indirectly, to or on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate, shall be treated as contributions from such person to such candidate;

"(B) contributions made by a person either directly or indirectly, to or on behalf of a particular candidate, through an intermediary or conduit, including all contributions delivered or arranged to be delivered by such intermediary or conduit, shall also be treated as contributions from the intermediary or conduit, if—

"(i) the contributions made through the intermediary or conduit are in the form of a check or other negotiable instrument made payable to the conduit or intermediary rather than the intended recipient; or

"(ii) the conduit or intermediary is a political committee, other than an authorized committee of a candidate, within the meaning of section 301(4), or an officer, employee or other agent of such a political committee, or an officer, employee or other agent of a connected organization, within the meaning of section 301(7), acting in its behalf; and

"(C) the limitations imposed by this paragraph shall not apply to—

"(i) bona fide joint fundraising efforts conducted solely for the purpose of sponsorship of a fundraising reception, dinner, or other event in accordance with rules and regulations prescribed by the Commission by (I) two or more candidates, (II) two or more national, State, or local committees of a political party within the meaning of section 301(4) acting on their own behalf, or (III) a special committee formed by (a) two or more candidates or (b) one or more candidates and one or more national, State, or local committees of a political party acting on their own behalf;

"(ii) fundraising efforts for the benefit of a candidate which are conducted by another candidate within the meaning of section 301(2).

In all cases where contributions are made by a person either directly or indirectly to or on behalf of a particular candidate through an intermediary or conduit, the intermediary or conduit shall report the original source and the intended recipient of such contribution to the Commission and to the intended recipient.".

INDEPENDENT EXPENDITURES

SEC. 8. (a) Section 301(17) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 (17)) is amended by adding at the end thereof the following: "An expenditure shall constitute an expenditure in coordination, consultation, or concert with a candidate and shall not constitute an 'independent expenditure' where—

"(A) there is any arrangement, coordination, or direction with respect to the expenditure between the candidate or the candidate's agent and the person (including any officer, director, employee or agent of such person) making the expenditure;

"(B) in the same election cycle, the person making the expenditure (including any officer, director, employee or agent of such person) is or has been—

"(i) authorized to raise or expend funds on behalf of the candidate or the candidate's authorized committees,

"(ii) serving as an officer of the candidate's authorized committees, or

"(iii) receiving any form of compensation or reimbursement from the candidate, the candidate's authorized committees, or the candidate's agent;

"(C) the person making the expenditure (including any officer, director, employee or agent of such person) has communicated with, advised, or counseled the candidate or the candidate's agents at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election to Federal office, in the same election cycle, including any advice relating to the candidate's decision to seek Federal office;

"(D) the person making the expenditure retains the professional services of any individual or other person also providing those services to the candidate in connection with the candidate's pursuit of nomination for election, or election to Federal office, in the same election cycle, including any services relating to the candidate's decision to seek Federal office;

"(E) the person making the expenditure (including any officer, director, employee or agent of such person) has communicated or consulted at any time during the same election cycle about the candidate's plans, projects, or needs relating to the candidate's pursuit of election to Federal office, with: (i) any officer, director, employee or agent of a party committee that has made or intends to make expenditures or contributions, pursuant to subsections (a), (d), or (h) of section 315 in connection with the candidate's campaign; or (ii) any person whose professional services have been retained by a political party committee that has made or intends to make expenditures or contributions pursuant to subsections (a), (d), or (h) of section 315 in connection with the candidate's campaign; or

"(F) the expenditure is based on information provided to the person making the expenditure directly or indirectly by the candidate or the candidate's agents about the candidate's plans, projects, or needs, provided that the candidate or the candidate's agent is aware that the other person has made or is planning to make expenditures expressly advocating the candidate's election.".

INDEPENDENT EXPENDITURE BROADCAST DISCLOSURE

SEC. 9. Section 318(a)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d(a)(3)) is amended by deleting the period at the end thereof and inserting in lieu thereof the following: ", except that whenever any person makes an independent expenditure through (A) a broadcast communication on any television station, the broadcast communication shall include a statement clearly readable to the viewer that appears continuously during the entire length of such communication setting forth the name of such person and in the case of a political committee, the name of any connected or affiliated organization, or (B) a newspaper, magazine, outdoor advertising facility, direct mailing or other type of general public political advertising, the communication shall include, in addition to the other information required by this subsection, the following sentence: 'The cost of presenting this communication is not subject to any campaign contribution limits.', and a statement setting forth the name of the person who paid for the communication and, in the case of a political committee, the name of any connected or affiliated organization and the name of the president or treasurer of such organization.".

PERSONAL LOANS

SEC. 10. Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)), as amended by section 7 of this Act, is further amended by adding at the end thereof the following paragraph:

"(9) For purposes of the limitations imposed by this section, no contributions may be received by a candidate or the candidate's authorized committees for the purpose of repaying any loan by the candidate to the candidate or to the candidate's authorized committees.".

REFERRAL TO THE DEPARTMENT OF JUSTICE

SEC. 11. Section 309(a)(5)(C) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)(C)) is amended by striking out "may refer" and inserting in lieu thereof "shall refer".

EXTENSION OF CREDIT

SEC. 12. Section 301(8)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(A)) is amended by—

(1) striking out "or" at the end of clause (i);

(2) striking out the period at the end of clause (ii) and inserting in lieu thereof "; or"; and

(3) adding at the end thereof the following:

"(iii) with respect to a candidate for the office of United States Senator and his authorized political committees, any extension of credit for goods or services relating to advertising on broadcasting stations, in newspapers or magazines, by direct mail (including direct mail fund solicitations) or other similar types of general public political advertising, if such extension of credit is—

"(I) in an amount of more than $1,000; and

"(II) for a period of more than 60 days after the date on which such goods or services are furnished, which date in the case of advertising by direct mail (including a direct mail solicitation) shall be the date of the mailing.".

PREFERENTIAL RATES FOR MAIL

SEC. 13. (a) Subchapter II of chapter 36 of title 39, United States Code, is amended by adding at the end the following:

"§ 3629. Reduced rates for certain Senate candidates

"The rates of postage for matter mailed with respect to a campaign by an eligible candidate (as defined in section 501 of the Federal Election Campaign Act of 1971) shall be—

"(1) in the case of first-class mail matter, one-fourth of the rate currently in effect; and

"(2) in the case of third-class mail matter, 2 cents per piece less than mail matter mailed pursuant to paragraph (1),

provided that the total paid by such candidate for all mail matter at the rates provided by paragraphs (1) and (2) shall not exceed 5 percent of the amount which is applicable to such candidate pursuant to section 503(b) of the Federal Election Campaign Act of 1971.".

(b) The table of sections for chapter 36 of title 39, United States Code, is amended by inserting after the item relating to section 3628 the following new item:

"3629. Reduced rates for certain Senate candidates.".

BROADCASTING ACCESS PROVISIONS

SEC. 14. (a) Section 312(a) of the Communications Act of 1934 (47 U.S.C. 312(a)) is amended by—

(1) striking out "or" at the end of paragraph (6);

(2) striking out the period at the end of paragraph (7) and inserting in lieu thereof "; or"; and

(3) adding at the end thereof the following:

"(8) for willful or repeated discrimination against such a candidate in the amount, class or period of time made available to such candidate on behalf of his candidacy.".

(b) Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended by adding at the end the following:

"(e) In providing access to use of a broadcasting station with respect to a campaign, a licensee shall give priority to legally qualified candidates for public office in connection with their campaigns.".

DISCLOSURE

SEC. 15. Section 318(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) is amended by—

(1) striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(2) adding at the end thereof the following:

"(4) if paid for or authorized by a general election candidate for the Senate, or the authorized committee of such candidate who has not agreed to abide by the expenditure limits in section 503, such advertisement or announcement shall contain the following sentence: 'This candidate has not agreed to abide by the spending limits for this Senate election campaign set forth in the Federal Election Campaign Act.'.".

POLITICAL COMMITTEE POSTAL RATES

SEC. 16. Subsection (e) of section 3626 of title 39, United States Code, is hereby repealed.

CONSTITUTIONAL AMENDMENT

SEC. 17. (a) The amendments made by section 2 of this Act shall cease to be effective, as provided in subsection (b), if an amendment to the Constitution of the United States permitting the Congress to establish spending limits for Congressional election campaigns is ratified as part of the Constitution.

(b) The amendments made by section 2 of this Act shall be repealed and cease to be effective for any Federal election held after such Constitutional amendment is ratified as part of the Constitution, or 22 months after such ratification, whichever is later.

(c) Upon repeal of such section 2, the Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following:

"SEC. 324. (a) No candidate in a general election for the United States Senate shall make expenditures from the personal funds of such candidate, or the funds of any member of the immediate family of such candidate, or incur personal loans in connection with such candidate's campaign for the Senate, aggregating in excess of $20,000, during the election cycle.

"(b)(1) Except as otherwise provided in this Act, no candidate in a general election for the United States Senate shall make expenditures for such general election which in the aggregate exceed $400,000, plus—

"(A) in States having a voting age population of 4 million or less, 30 cents multiplied by the voting age population; or

"(B) in States having a voting age population over 4 million, 30 cents multiplied by 4 million plus 25 cents multiplied by the voting age population over 4 million;

except that the amount of the limitation under this subsection, in the case of any candidate, shall not be less than $950,000, nor more than $5,500,000.

"(2) Notwithstanding the provisions of paragraph (1), in any State with no more than one transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, no candidate in such State who receives a benefit for use in a general election under this title shall make expenditures for such general election which in the aggregate exceed the higher of—

"(A) $950,000; or

"(B) $400,000 plus 45 cents multiplied by the voting age population up to a population of 4 million, plus 40 cents multiplied by the voting age population over 4 million, up to an amount not exceeding $5,500,000.

"(c) No candidate in a general election for the United States Senate shall make expenditures for the primary election, which in the aggregate exceed an amount equal to 67 percent of the limitation on expenditures for the general election determined under subsection (b), or more than $2,750,000, whichever amount is less.

"(d) No candidate in a general election for the United States Senate shall make expenditures for a runoff election, if any, in an amount which in the aggregate exceeds 20 percent of the maximum amount of the limitation applicable to such candidate as determined under subsection (b).

"(e) For purposes of this section, the amounts set forth in subsections (b), (c), and (d) of this section shall be increased at the beginning of each calendar year based on the increase in the price index as determined under section 315(c), except that for purposes of determining such increase the term 'base period', as used in section 315(c), means the calendar year of the first election after the date of enactment of the Senatorial Election Campaign Act of 1987.

"SEC. 325. (a) In the absence of a constitutional statutory limitation on the amount of independent expenditures that may be made in a Senate election, notwithstanding the provisions of section 17(b) of the Senatorial Election Campaign Act of 1987, the provisions of section 2 of such Act which provide conditions for the eligibility for matching payments to be made to a candidate in the case of independent expenditures made by any person in opposition to, or on behalf of the opponent of, such an eligible candidate, and which provide for matching payments to be made to such eligible candidates, shall remain in effect.

"(b)(1) The Secretary shall maintain in the Presidential Election Campaign Fund (hereafter referred to as the 'Fund') established by section 9006(a) of the Internal Revenue Code of 1986, in addition to any other accounts maintained under such section, a separate account to be known as the 'Senate Fund'. The Secretary shall deposit into the Senate Fund, for use by candidates eligible to receive payments under this title, the amounts available after the Secretary determines that the amounts in the Fund, plus the amounts of revenue the Secretary projects will accrue to the Fund during the remainder of the period ending on December 31 of the year of the next Presidential election, equal to 110 percent of the amount the Secretary projects will be necessary for payments under subtitle H of the Internal Revenue Code of 1986 during such remainder of such period. The monies designated for the Senate Fund shall remain available without fiscal year limitation.

"(2) On May 15 of each year following the year during which a regularly scheduled biennial Senate election has occurred, the Secretary shall determine the total amount in the Senate Fund, and evaluate if such amount, plus the amount of revenue it projects will accrue to the Senate Fund (based on the computation made by the Secretary with respect to the Fund, as provided in paragraph (1)) during the period beginning on such date and ending on December 31 of the year of the next regularly scheduled biennial election, exceeds 110 percent of the total estimated expenditures of the Senate Fund during such period. If the Secretary determines that an excess amount exists, the Secretary shall transfer such excess to the general fund of the Treasury of the United States.".

SEVERABILITY

SEC. 18. If any provision of this Act or any amendment made by this Act, or the application of any such provision to any person or circumstance is held invalid, the validity of any other such provision and the application of such provision to other persons and circumstances shall not be affected thereby.

EFFECTIVE DATE

SEC. 19. (a) Except as provided in subsection (b), this Act and the amendments made by this Act shall become effective for any election held in 1990 or thereafter.

(b) The amendments made by section 3, section 7, section 8, and section 9 shall become effective on the date of enactment of this Act.

NOTICE OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Energy and Natural Resources Committee.

The hearing will take place July 22, 1987, at 2 p.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

This hearing is a continuation of the committee's oversight deliberations concerning oil and gas leasing in the coastal plain of the Arctic National Wildlife Refuge, AK.

A representative of the oil and gas industry and a representative of the conservation community have been invited to address several specific issues raises at hearings last month. These issues include the availability of sufficient water and gravel resources for energy exploration, development and production; air and water quality concerns associated with such activities; the environmental record at Prudhoe Bay; impacts of oil and gas activities on wildlife resources—especially caribou, and so forth.

Those wishing further information about the hearing should contact Tom Williams of the Energy and Natural Resources Committee Staff, U.S. Senate, room SD-364, Dirksen Senate Office Building, Washington, DC 20510 (202) 224-7145.

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. METZENBAUM. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled on S. 1382, a bill to amend the National Energy Conservation Policy Act to improve the Federal Energy Management Program and for other purposes.

This hearing will take place on July 30, 1987, at 10 a.m. in room SD-366 in the Senate Dirksen Office Building in Washington, DC.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, Subcommittee on Energy Regulation and Conservation, U.S. Senate, Washington, DC 20510.

For further information, please contact Allen Stayman at (202) 224-7865.

SUBCOMMITTEE ON MINERAL RESOURCES DEVELOPMENT AND PRODUCTION

Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public that an oversight hearing has been scheduled before the Subcommittee on Mineral Resources Development and Production of the Committee on Energy and Natural Resources on Friday, July 10, 1987, at 10 a.m. in room 366 of the Dirksen Senate Office Building. The purpose of the oversight hearing is to discuss the proposal by the Department of the Interior to retroactively modify Notice to Lessees-5 (NTL-5), relating the determination of the value of natural gas production from Federal and Indian onshore leases for royalty purposes.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, room 364, Dirksen Senate Office Building, Washington, DC 20510.

For further information, please contact Patricia Beneke at (202) 224-2383.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. BREAUX. Mr. President, I wish to announce that the Committee on Environment and Public Works will meet in SD-406, Dirksen Senate Office Building, on Thursday, July 9, 1987, at 10:30 a.m., to receive testimony on the nomination of Mr. Kenneth C. Rogers to be a member of the Nuclear Regulatory Commission for the term of 5 years expiring June 30, 1992.

Individuals and representatives of organizations who wish to testify or submit a statement for the hearing record are requested to contact Mr. Dan Berkovitz, Assistant Counsel of the Environment and Public Works Committee, at (202) 224-4039.

For further information regarding this hearing, please contact Mr. Berkovitz.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, July 1, 1987, to conduct an executive session.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate Wednesday, July 1, 1987, to conduct oversight hearings on the declining affordability of homeownership and the special problems of first-time homebuyers.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, July 1, 1987, to hold a hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Wednesday, July 1, 1987, to hold markup on H.R. 348, the Postmasters and Postal Supervisors Appeals Rights bill; H.R. 1403, the John E. Grotbert Post Office Building; and S. 1293, the Independent Counsel Reauthorization Act of 1987.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, July 1, 1987, in closed session to consider S. 1243, the Intelligence Authorization Act for fiscal years 1988 and 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution of the Committee on the Judiciary be authorized to meet during the session of the Senate on July 1, 1987, to hold a hearing on S. 558, the Fair Housing Amendment Act of 1987.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE MEMPHIS AIR TRAFFIC CENTER

● Mr. SASSER. Mr. President, anyone who has dissatisfactions with our National Airway System needs to fly to Memphis, TN.

The Memphis International Airport is the eighth busiest airport in the Nation. The Federal Aviation Administration operates there 1 of its 22 national air route traffic centers, controlling 167,000 square miles of airspace and all the traffic of the Memphis Airport until it is turned over to the control tower within a 30 to 40 mile range.

The Memphis air traffic center ranks sixth busiest in the Nation, handling some 1.7 million operations last year. The Memphis control tower indicates nevertheless that there have been relatively few air traffic delays, and the Federal Department of Transportation did not list Memphis among those airports scheduled for an investigation of flight delays.

With a record such as this, it is hardly surprising that the FAA has selected the Memphis center as the best of its 22 centers.

The competition for this selection is based on records of operating errors, morale and productivity. Memphis has taken top honors. This is an achievement I want to crow about. Maybe the rest of the system can learn something from the Memphis center. Until then, let me just invite everyone to schedule his next trip through Memphis, TN, and enjoy the best of the system.

Mr. President, I ask that an article which appeared in the June 5 edition of the Memphis Commercial Appeal on the Memphis air traffic center be included in the RECORD.

The article follows:

[From the Memphis (TN) Commercial Appeal, June 5, 1987]

MEMPHIS NO. 1: AIR ROUTE TRAFFIC IS UNDER CONTROL

The FAA air route traffic center in Memphis was recognized yesterday as the best of 22 such facilities in the nation for 1986.

Selection of the Federal Aviation Administration center was based on competition in such areas as operating errors, morale and productivity.

The center on Democrat Road controls 167,000 square miles of airspace it handles aircraft up to 40 miles from Memphis International Airport as well as planes passing over the city.

Manager James A. Kosicki said the center handled 1.7 million aircraft operations last year, making it the sixth busiest center in the nation.

Aircraft using Memphis International deal with the center outside the 30-40 mile range. When they near the airport they are turned over to the control tower.

FAA statistics, based on the number of aircraft tracked on radar and controlled by the tower show Memphis is the nation's eighth busiest airport.

The US Department of Transportation is investigating the cause of numerous air traffic delays at many of the nation's busiest airports. Memphis International, however, is not among those being examined.

Roddy Coker, the Memphis control tower chief, said the airport has relatively few air traffic delays. The two main reasons Coker said are the physical layout of the airport and the flow of aircraft provided by the traffic center.

BUSIEST AIRPORTS BY INSTRUMENT TRAFFIC

Increases in the number of aircraft handled by Federal Aviation Administration radar and control facilities have caused major delays in some cities. Memphis International Airport is the nation's eighth busiest airport based on total instrument traffic, but has not experienced major problems with delays. The total number of aircraft tracked on radar and controlled by the tower represents instrument traffic. Following are the busiest airports ranked by instrument traffic.

1. Chicago O'Hare;
2. Atlanta;
3. Newark;
4. Los Angeles;
5. Dallas-Ft. Worth;
6. New York-JFK;
7. Denver; and
8. Memphis.●

GEORGE W. WEST RECEIVES CIVILIAN OF THE YEAR AWARD

(By request of Mr. DOLE, the following statement was ordered to be printed in the RECORD:)

● Mr. MURKOWSKI. Mr. President, I rise to pay tribute to an Alaskan who received, yesterday, the Civilian of the Year Award by the Secretary of Defense for his contribution to productivity enhancement. Mr. George W. West, foreman of the machine shop at Elmendorf Air Force Base, developed a concept which will save the taxpayers of this great country countless millions of dollars in repair costs for the F-15 aircraft. In recent years, we have heard much of defense expenditures and of the waste, fraud, and abuse inherent in the system. What we do not hear much about, however, is the dedication, skill, and commitment to excellence of the many civilian employees who render invaluable contributions to our national security. George West is one such individual. I am proud to tell his story.

When the 21st Tactical Fighter Wings fleet of F-15's began experiencing failures with the inlet ramp side load scissors, failures that were beyond field level repair, Mr. West had an idea. He envisioned a tool that could be manufactured locally that would allow for repair of the mount bolt hole attach points, rather than the replacement of the entire stringer assembly by Warner Robbins Air Logistic Center. Replacement of the entire assembly could mean delays of up to 4 months and significantly higher repair costs. Mr. West prescribed a repair using a tooling fixture of his own design which eliminated the need to replace the side load scissor, yet restore all the critical tolerances to standards exceeding those of the original design. The use of this new fixture resulted in a repair time of approximately 12 man-hours locally, instead of the 384 required by Warner Robbins Air Logistic Center, and a total cost of approximately $265 rather than the $20,000 to $25,000 required by a depot repair team.

Mr. West's concept was heralded by the Department of the Air Force. On November 20, 1986, the Department of the Air Force authorized the use of George West's concept to all F-15 organizations in the U.S. Air Force.

George West's contributions to the maintenance of F-15 aircraft and the support of the flying program for the 21st Tactical Fighter Wing are unparalleled. To date, he has supported the repair of 10 F-15 aircraft at Elmendorf Air Force Base for a savings of $189,354, and 1 aircraft at McChord Air Force Base, utilizing his tooling fixture. Potential savings of approximately $14 million in defense dollars can be realized now that his procedure is authorized by all F-15 organizations. Additionally, he has been lauded by his command for being singularly responsible for many of the distinctive accomplishments of the 21st Tactical Fighter Wing. His initiative and resourcefulness impacted the entire Air Force F-15 fleet, and reflects great credit upon himself and the U.S. Air Force.

Mr. President, George West is an example of what is right about our Department of Defense. I am proud that he is a fellow Alaskan, and on behalf of the citizens of our State, I congratulate him and his family on the presentation to him of this outstanding award.●

THE CHILD CARE CRISIS: A NEWSWEEKLY'S VIEW

● Mr. CRANSTON. Mr. President, for more than 60 years, an appearance on the cover of Time magazine has meant that the subject featured has genuinely "arrived." As a barometer of who, and what, is hot, Time seldom misses the mark. It called our attention to the coming out of the Baby Boom generation in the 1960's, the emergence of the women's movement in the 1970's, and the omnipresence of the computer in the 1980's.

Two weeks ago, Time turned the spotlight on what it calls "the most wrenching personal problem facing millions of American families." If Time is right, then the time has finally come for the child care crisis to take its rightful place at the top of our national agenda.

As one who has stood in this Chamber many times over the last 18 years to support legislation designed to alleviate the problems caused by the dearth of affordable, quality child care, I applaud the writers and editors at Time. By focusing our national attention on this dilemma they perform a valuable service.

Their thorough research into the problem yielded many facts that may come as a surprise to the reading public, but which have been uttered here in the Senate many times. Despite that, they bear repeating now:

Less than one in five American families resembles the "typical family" of 20 years ago—that is, a working father and a stay-at-home mother.

Better than 6 out of 10 mothers with children under 14 are in the labor force today.

Seven out of 10 mothers who work do so to make ends meet.

Last year, 9 million preschoolers were in some kind of child care arrangement.

Experts predict that by 1997 the number of children under six who need child care will grow by more than 50 percent.

The average cost of full-time care is approximately $3,000 a year for one child—or one-third of the poverty level income for a family of three.

High quality supervision—when it can be found—costs more than $100 a week.

Of the Nation's 6 million employers, only 3,000 provide some sort of child care assistance—mostly in the form of advice or referrals.

Only 150 employers provide on-site or near-site centers.

Child care workers rank in the lowest 10 percent of U.S. wage earners, which contributes to an average turnover rate of 36 percent a year.

In addition to its look into the way things are, Time commissioned a poll to find out what people think. And, having held 11 community forums throughout my State last year devoted exclusively to the subject of child care, it came as no surprise to me that over half of their respondents felt the Government should do more to provide child care.

I share the public's view in this matter. And because I believe that all my colleagues can benefit from reading "The Child Care Dilemma," I ask that the entire text of the article be included in the RECORD.

[From Time Magazine, June 22, 1987]

THE CHILD-CARE DILEMMA—MILLIONS OF U.S. FAMILIES FACE A WRENCHING QUESTION: WHO'S MINDING THE KIDS?

(By Claudia Wallis)

The smell of wet paint wafts through the house on a treelined street on Chicago's North Side. Marena McPherson, 37, chose a peach tint for the nursery: a gender-neutral color. But the paint had a will of its own and dried a blushing shade of pink. Ah well, no time to worry about that. With the baby due in less than a month, there are too many other concerns. Like choosing a name, furnishing the baby's room, reading up on infant care and attending childbirth classes. Above all, McPherson must tackle the overriding problem that now confronts most expectant American mothers: Who will care for this precious baby when she returns to work?

An attorney who helps run a Chicago social-service agency, McPherson has accumulated two months of paid sick leave and vacation time. She plans to spend an additional four months working part time, but then she must return to her usual full schedule. So for several months she has been exhaustively researching the local child-care scene. The choices, she has learned, are disappointingly few. Only two day-care centers in Chicago accept infants; both are expensive, and neither appeals. "With 20 or 30 babies, it's probably all they can do to get each child's needs met," says McPherson. She would prefer having a baby-sitter come to her home. "That way there's sense of security and family." But she worries about the cost and reliability: "People will quit, go away for the summer, get sick." In an ideal world, she says, she would choose someone who reflects her own values and does not spend the day watching soaps. "I suspect I will have to settle for things not being perfect."

That anxiety has become a standard rite of passage for American parents. Beaver's family, with Ward Cleaver off to work in his suit and June in her apron in the kitchen, is a vanishing breed. Less than a fifth of American families now fit that model, down from a third 15 years ago. Today more than 60 percent of mothers with children under 14 are in the labor force. Even more striking: about half of American women are making the same painful decision as McPherson and returning to work before their child's first birthday. Most do so because they have to: seven out of ten working mothers say they need their salaries to make ends meet.

With both Mom and Dad away at the office or store or factory, the child-care crunch has become the most wrenching personal problem facing millions of American families. In 1986, 9 million preschoolers spent their days in the hands of someone other than their mother. Millions of older children participate in programs providing after-school supervision. As American women continue to pour into the work force, the trend will accelerate. "We are in the midst of an explosion," says Elinor Guggenheimer, president of the Manhattan-based Child Care Action Campaign. In ten years, she predicts, the number of children under six who will need daytime supervision will grow more than 50 percent. Says Jay Belsky, a professor of human development at Pennsylvania State University: "We are as much a society dependent on female labor, and thus in need of a child-care system, as we are a society dependent on the automobile, and thus in need of roads."

At the moment, though, the American child-care system—to the extent that there is one—is riddled with potholes. Throughout the country, working parents are faced with a triple quandary: day care is hard to find, difficult to afford and often of distressingly poor quality. Waiting lists at good facilities are so long that parents apply for a spot months before their children are born. Or even earlier. The Empire State center in Farmingdale, N.Y., received an application from a woman attorney a week after she became engaged to marry. Apparently she hoped to time her pregnancy for an anticipated opening. The Jeanne Simon center in Burlington, Vt., has a folder of applications labeled "preconception."

Finding an acceptable day-care arrangement is just the beginning of the struggle. Parents must then maneuver to maintain it. Michele Theriot of Santa Monica, Calif., a 37-year-old theatrical producer, has been scrambling ever since her daughter Zoe was born 2½ years ago. In that short period she has employed a Danish au pair, who quit after eight months; a French girl, who stayed 2½ months; and an Iranian, who lasted a week. "If you get a good person, it's great," says Theriot, "but they have a tendency to move on" Last September, Theriot decided to switch Zoe into a "family-care" arrangement, in which she spends seven hours a day in the home of another mother. Theriot toured a dozen such facilities before selecting one. "I can't even tell you what I found out there," she bristles. In one home the "kids were all lined up in front of the TV like a bunch of zombies.' At another she was appalled by the filth. "I sat my girl down on the cleanest spot I could find and started interviewing the care giver. And you know what she did?" asks the incredulous mother. "She began throwing empty yogurt cups at my child's head. As though that was playful!"

Theriot is none too sure that the center she finally chose is much better. Zoe's diapers aren't always changed instructions about giving medicine are sometimes ignored, and worse, "she's started having nightmares." Enroute to day care on a recent day, Zoe cried out, "No school! No school!" and became distraught. It is time, Theriot concludes, to start the child-care search again.

Fretting about the effects of day care on children has become a national preoccupation. What troubles lie ahead for a generation reared by strangers? What kind of adults will they become? "It is scaring everybody that a whole generation of children is being raised in a way that has never happened before," says Edward Zigler, professor of psychology at Yale and an authority on child care. At least one major survey of current research, by Penn State's Belsky, suggests that extensive day care in the first year of life raises the risk of emotional problems, a conclusion that has mortified already guilty working parents. With high-quality supervision costing upwards of $100 a week, many families are placing their children in the hands of untrained, overworked personnel. "In some places, that means one woman taking care of nine babies," says Zigler. "Nobody doing that can give them the stimulation they need. We encounter some real horror stories out there, with babies being tied into cribs."

The U.S. is the only Western industrialized nation that does not guarantee a working mother the right to a leave of absence after she has a child. Although the Supreme Court ruled last January that states may require businesses to provide maternity leaves with job security, only 40 percent of working women receive such protection through their companies. Even for these, the leaves are generally brief and unpaid. This forces many women to return to work sooner than they would like and creates a huge demand for infant care, the most expensive and difficult child-care service to supply. The premature separation takes a personal toll as well, observes Harvard Pediatrician T. Berry Brazelton, heir apparent to Benjamin Spock as the country's preeminent guru on child rearing. "Many parents return to the workplace grieving."

New York City Police Office Janis Curtin resumed her assignment in south Queens just eight weeks after the birth of Peter. The screaming sirens and shrill threats of street thugs were just background noise to a relentless refrain in her head: "Who can I trust to care for my child?" She tried everything, from leaving Peter at the homes of other mothers to handing him over to her police-officer husband at the station-house door when they worked alternating shifts. With their schedules in constant flux, there were snags every step of the way. Curtin was more fortunate than most workers: police-department policy allows a year of unpaid "hardship" leave for child care. She decided to invoke that provision.

The absence of national policies to help working mothers reflects traditional American attitudes: old-fashioned motherhood has stood right up there with the flag and apple pie in the pantheon of American ideals. To some people day-care centers, particularly government-sponsored ones, threaten family values; they seem a step on the slippery slope toward an Orwellian socialist nightmare. But such abstract concerns have largely receded as the very concrete need for child care is confronted by people from all walks of life.

Child care is fast emerging as a political issue. At least three Democratic presidential candidates have been emphasizing the need for better facilities and calling for federal action. Former Arizona Governor Bruce Babbitt has proposed that the U.S. Government establish a voucher system to help low-income parents pay for day care. Delaware Senator Joseph Biden favors federal child-care subsidies for the working poor and tax incentives to encourage businesses to provide day care. If elected, he vows, he will set up a center for White House employees as an example to other employers. Massachusetts Governor Michael Dukakis, who has established the country's most comprehensive state-supported day-care system, would like to see the Federal Government fund similar programs throughout the U.S.

Last week the issue surfaced on Capitol Hill. In the House, Republican Nancy Johnson of Connecticut and Democrat Cardiss Collins of Illinois introduced legislation to establish a national clearinghouse for information on child-care services. A Senate subcommittee began hearings focused on the shortage of good-quality, affordable day care. Says Chairman Christopher Dodd of Connecticut: "It's about time we did something on this critical problem."

Without much federal help, the poorest mothers are caught in a vise. Working is the only way out of poverty, but it means putting children into day care, which is unaffordable. "The typical cost of full-time care is about $3,000 a year for one child, or one-third of the poverty-level income for a family of three," says Helen Blank of the Children's Defense Fund in Washington. As a result, many poor mothers leave their young children alone for long periods or entrust them to siblings only slightly older. Others simply give up on working.

Rosalind Dove, 29, of Los Angeles, is giving it her best shot. A single mother of four, she worked for five years as a custodian in a public high school, bringing home $1,000 in a good month. "I was paying $400 a month for child care," she recalls. "We didn't buy anything." When that failed, she began bringing her children to work with her, hiding them in an empty home-economics classroom while she mopped floors and hauled huge barrels of trash for eight hours a day. "I'd sneak them in after the teacher left and check on them every 30 minutes or so." She finally quit last February and slipped onto the welfare rolls. She applied for state child-care assistance, only to learn there were 3,000 others on the waiting list. Frustrated, she returned to work this month. "Don't ask me how I'm going to manage," she says.

Child care has always been an issue for the working poor. Traditionally, they have relied on neighbors or extended family and, in the worst of times, have left their children to wander in the streets or tied to the bedpost. In the mid-19th century the number of wastrels in the streets was so alarming that charity-minded society ladies established day nurseries in cities around the country. A few were sponsored by employers. Gradually, local regulatory boards began to discourage infant care, restrict nursery hours and place emphasis on a kindergarten or Montessori-style instructional approach. The nurseries became nursery schools, no longer suited to the needs of working mothers. During World War II, when women were mobilized to join wartime industry, day nurseries returned, with federal and local government sponsorship. Most of the centers vanished in the postwar years, and the Donna Reed era of the idealized nuclear family began.

Two historic forces brought an end to that era, sweeping women out of the home and into the workplace and creating a new demand for child care. First came the feminist movement of the '60s, which encouraged housewives to seek fulfillment in a career. Then economic recessions and inflation struck in the 1970s. Between 1973 and 1983, the median income for young families fell by more than 16%. Suddenly the middle-class dream of a house, a car and three square meals for the kids carried a dual-income price tag. "What was once a problem only of poor families has now become a part of daily life and a basic concern of typical American families," says Sheila B. Kamerman, a professor of social policy and planning at Columbia University and co-author of *Child Care: Facing the Hard Choices.*

Some women are angry that the feminist movement failed to foresee the conflict that would arise between work and family life. "Safe, licensed child care should have been as prominent a feminist rallying cry as safe, legal abortions," observes Joan Walsh, a legislative consultant and essayist in Sacramento.

In the early 1970s, there was a flurry of congressional activity to provide child-care funds for the working poor and regulate standards. But under pressure from conservative groups, Richard Nixon vetoed a comprehensive child-development program in 1971, refusing, he said, to put the Government's "vast, moral authority" on the side of "communal" approaches to child rearing. The Reagan Administration has further reduced the federal role in child care. In inflation-adjusted dollars, funding for direct day-care subsidies for low- and middle-income families has dropped by 28%.

California, Minnesota, Massachusetts, New York and Connecticut are among the few states that have devoted considerable resources to improving child-care programs. Most states have done virtually nothing. Thirty-three have lowered their standards and reduced enforcement for licensed day-care centers. As of last year, 23 states were providing fewer children with day care than in 1981.

Nor have American businesses stepped in to fill the void. "They acknowledge that child care is an important need, but they don't see it as their problem," says Kamerman. Of the nation's 6 million employers, only about 3,000 provide some sort of child-care assistance. That is up from about 100 in 1978, but most merely provide advice or referrals. Only about 150 employers provide on-site or near-site day-care centers. "Today's corporate personnel policies remain stuck in a 1950s time warp," charges David Blankenhorn, director of the Manhattan-based Institute for American Values. "They are rooted in the quaint assumption that employees have 'someone at home' to attend to family matters."

There are basically three kinds of day care in the U.S. For children under five, the most common arrangement is "family" or "home-based" care, in which toddlers are minded in the homes of other mothers. According to a Census Bureau report called *Who's Minding the Kids,* 37% of preschool children of working mothers spend their days in such facilities. An additional 23% are in organized day-care centers or preschools. The third type of arrangement, which prevails for older children and for 31% of those under five, is supervision in the child's own home by a nanny, sitter, relative or friend.

Home-based groups are popular primarily because they are affordable, sometimes costing as little as $40 a week. The quality depends on the dedication of the individual mothers, many of whom are busy not only with their paid charges but with their own children as well. Darlene Daniels, 31, a single mother of three in Chicago, has been through four such sitters in six months. Two proved too expensive and careless for Daniels, who was earning $7 an hour as a janitor, another robbed her. "For most people, it's not their own kids, and they're just looking at the dollar sign," she complains.

Only eight states have training requirements for home-based centers. Regulations governing the ratio of attendants to tots vary widely. In Maryland there must be one adult for every two children under age two. But in Georgia each adult is allowed to care for up to ten children under age two and, in Idaho, twelve.

A private nanny or au pair usually assures a child more individual attention. Professional couples, who must work long hours or travel, often find that such live-in arrangements are the only practical solution, though the cost can exceed $300 a week. However, most live-in sitters in the U.S., unlike the licensed nannies of Britain, have no formal training. Many speak English poorly, and agencies frequently do a cursory job of screening them. A Dallas mother who asked an attorney friend to run a check on her newly hired nanny was told the woman was wanted for writing bad checks. "People need a license to cut your hair but not to care for your child," observes Elaine Claar Campbell, a Chicago investment banker. She and her lawyer-husband Ray, armed with five pages of questions, spent three months interviewing more than 50 people before settling on Clara Hawkes, 47, an artist from Santa Fe whose own daughter is a National Merit Scholar. "You don't want to gamble with your child," says Ray.

Au pairs, usually European girls between 18 and 25, are less expensive, receiving an average of $100 a week plus room and board. Most stay only a year, and few have legal working papers. The immigration law that took effect this month will make the employers of such workers liable for fines up to $10,000, though the Immigration and Naturalization Service does not plan an aggressive crackdown on domestic help.

Concerns about legality have led more families to hire American au pairs—frequently teenage girls from the Midwest and often Mormons. "We Mormons come from big families, so we have experience with kids," explains Karen Howell, 19, a Californian who is spending a year with a Washington, D.C., family. "We don't drink, and we know the meaning of hard work." Two agencies—the Experiment in International Living and the American Institute for Foreign Study—have Government permission to bring in 3,100 European au pairs a year on cultural-exchange visas. Although the programs are more expensive than traditional au pair arrangements, host families are assured that their helpers are legal.

The professional day-care center is the fastest-growing option for working parents. There are an estimated 60,000 around the country, about half nonprofit and half operated as businesses. Costs vary widely, from $40 a week to as much as $120. In the best centers, children are cared for by dedicated professionals. At the nonprofit Empire State center in Farmingdale, N.Y., teachers make up lesson plans even for infants. Empire, which receives partial funding from New York State, keeps parents closely informed of their child's development. "If a child takes a first step, develops in the least, that parent is called," Says Director Ana Fontana.

Not all day-care centers are so conscientious. Day-care staffers rank in the lowest 10% of U.S. wage earners, a fact that contributes to an average turnover rate of 36% a year. Says Caroline Zinsser of the Center for Public Advocacy Research in Manhattan: "It says something about our society's values that we pay animal caretakers more than people who care for our children." Gilda Ongkeko is delighted with the quality of the Hill an' Dale Family Learning Center in Santa Monica, Calif., attended by Jason, 4. In her job as owner of a preschool-supply company, she has come to appreciate how unusual it is. "I've been to over 1,000 child-care centers," she says, "and I'd say that 90% of them should be shutdown. It's pathetic."

Experts worry that a two-tier system is emerging, with quality care available to the affluent, and everyone else settling for less. "We are at about the same place with child care as we were when we started universal education," says Zigler of Yale. "Then some kids were getting Latin and Greek and being prepared for Harvard, Yale and Princeton. Other kids were lucky if they could learn to write their own name."

In 1827 Massachusetts led the way to universal education by becoming the first state to require towns with 500 or more families to build high schools. Now it is showing the way to universal child care. Aided by a booming economy, the state has worked out a program with employers, school boards, unions and nonprofit groups to encourage the expansion and improvement of child-care facilities. Small companies and groups can receive low-interest loans from the state to build day-care facilities. Funds are earmarked for creating centers in public housing projects. School systems can get financial aid for after-school programs. A statewide referral network serves both individual parents and corporations looking for child care.

Emilia Davis, 38, of Boston's working-class Roslindale section, is the beneficiary of another of the state's far-reaching programs. After years of dependence on welfare to support herself and her five children, Davis, who is separated from her husband, is now going to college with the ultimate hope of finding a job. The state's E.T. (employment and training) program provides her with vouchers for day cre in the public housing complex where she lives. "Child care is an absolute precondition if one is serious about trying to help people lift themselves out of poverty." insists Governor Dukakis. Though the state will spend an estimated $27 million on day care under the E.T. program this year—and a total of $101 million on all child-care related services—it claims to have saved $121 million in welfare costs last year alone. Next month the state will begin a pilot program that will pay 20% to 40% of child-care costs for 150 working-class families.

San Francisco has adopted another innovative approach. It requires developers of major new commercial office and hotel space to include an on-site child-care center or pay $1 per sq. ft. of space to the city's child-care fund. The state of California is spending $319 million this year on child-care subsidies for 100,000 children. It also funds a network of 72 resource and referral agencies.

Because such state programs are the exception, a number of political leaders and lobbying groups are calling for federal intervention. This summer a coalition of 64 groups—including the National Education Association, the American Federation of Teachers and the Child Welfare League of America—will propose a comprehensive national child-care bill, which will probably call for increased support to help low- and moderate-income families pay for child care. Legislation has already been introduced in both Houses of Congress to create a national parental-leave policy.

In an era of towering federal deficits, much of the future initiative will have to come from the private sector. By the year 2000, women will make up half the work force. Says Labor Secretary Bill Brock: "We still act as though workers have no families. Labor and management haven't faced that adequately, or at all."

A few companies are in the forefront. Merck & Co., a large pharmaceutical concern based in Rahway, N.J., invested $100,000 seven years ago to establish a day-care center in a church less than two miles from its headquarters. Parents pay $550 a month for infants and $385 for toddlers. Many spend lunch hours with their children. "I can be there in four minutes," says Steven Klimczak, a Merck corporate-finance executive whose three-year-old daughter attends the center. "It's very reliable, and that's important in terms of getting your job done."

Elsewhere in the country, companies have banded together to share the costs of providing day-care services to employees. A space in Rich's department store in downdown Atlanta serves the children of not only its own employees but also of workers at the Federal Reserve Bank of Atlanta, the First National Bank of Atlanta, Georgia-Pacific and the Atlanta *Journal* and *Constitution* newspapers.

Businesses that have made the investment in child care says it pays off handsomely by reducing turnover and absenteeism. A large survey has shown that parents lose on average eight days a year from work because of child-care problems and nearly 40% consider quitting. Studies at Merck suggest that the company also saves on sick leave due to stress-related illness. "We have got an awful lot of comments from managers about lessened stress and less unexpected leave time," says Spokesman Art Strohmer. At Stride Rite Corp., a 16-year-old, on-site day-care center in Boston and a newer one at the Cambridge headquarters have engendered unusual company loyalty and low turnover. "People want to work here, and child care seems to be a catalyst," says Stride Rite Chairman Arnold Hiatt. "To me it is as natural as having a clean-air policy or a medical benefit."

The generation of workers graduating from college today may find themselves in a better position. They belong to the "baby-bust" generation, and their small numbers, says Harvard Economist David Bloom, will force employers to be creative in searching for labor. Child-care arrangements, he says, will be the "fringe benefits of the 1990s." The economics of the situation, if nothing else, will provide a change in the attitude of business, just as the politics of the situation is changing the attitude of government. In order to attract the necessary women—and men—employers are going to have to help them find ways to cope more easily with their duties as parents.●

SENATE OBSERVER GROUP ON ARMS CONTROL

● Mr. SPECTER. Mr. President, our distinguished Ambassador Edward L. Rowny, special adviser on arms control to President Reagan and Secretary of State Shultz, issued a statement on June 23, 1987, concerning the Senate Observer Group on Arms Control which is worthy of note.

I ask that Ambassador Rowny's statement be included in the CONGRESSIONAL RECORD in full.

The statement follows:

STATEMENT OF AMBASSADOR ROWNY

Ambassador Edward L. Rowny, special advisor on arms control to President Reagan and Secretary of State Shultz, praised a delegation of visiting U.S. Senators for urging the Soviet to move promptly to reduce strategic offensive arms by 50 percent and to eliminate longer-range intermediate-range nuclear warheads completely from Asia as well as Europe.

"The observer delegation led by Senator Pell made it unmistakable to the Soviets that the Administration and bipartisan leadership in Congress are of one mind on the most crucial issues in arms control," Rowny said.

"First, the senators made it clear that the most important arms control problem facing the U.S. and the Soviet Union is strategic weapons. General Secretary Gorbachev recently called strategic arms 'the root problem' of arms control. Since 1982, President Reagan has been calling for deep reductions in the central systems the superpowers target at one another. Six weeks ago, the U.S. tabled a draft START treaty. If the Soviets will act promptly to table a draft of their own, we could complete a treaty this year on the major arms control problem.

"Second, the senators took a firm position on improving the verifiability of an intermediate-range arms agreement. President Reagan has agreed, as an interim measure, to allow 100 longer-range INF warheads on each side. It was made plain to the Soviets that the Senate observers and the Administration are solidly in agreement that the two sides should move as rapidly as possible to the ultimate goal of true global zero LRINF. Reaching this goal would strengthen verification and make ratification of an INF treaty more likely."

The Senate Arms Control Observer Group delegtion, which departed Geneva today, included Sens. Claiborne Pell, (D-RI), chairman of the foreign relations committee; Daniel Patrick Moynihan (D-NY); J. Bennett Johnston (D-LA); and Arlen Specter (R-PA).

Ambassador Rowny was to depart Geneva for Brussels late Tuesday.●

RICE IMPORTS

● Mr. JOHNSTON. Mr. President, notwithstanding the able efforts of Secretary Lyng and Ambassador Yeutter, the Japanese Government appears to be unwilling to discuss rice imports on a bilateral basis, let alone actually permit importation of even a modest amount of rice during the next few years as a sign of good faith. Although the Japanese Government may not appreciate the depth of our concerns, we in Congress are growing increasingly impatient with its adamant refusal to address this issue in a meaningful way.

According to the Rice Millers' Association, this market could be worth up to $1.7 billion to the U.S. rice industry. Since implementation of the Rice Marketing Loan Program mandated by the Food Security Act of 1985, the industry's export picture has dramatically improved. U.S. rice is now competitive in world markets. But without access to those markets, our price and quality advantages will remain irrelevant. Clearly, the industry's efforts to obtain market access throughout the world depends in great measure on the success of our Government in opening up the Japanese market.

I was an original cosponsor of S. 500, a bill designed to encourage other governments to open up their markets to competitively priced U.S. rice. I am also a cosponsor of the Wilson-Pryor amendment to the trade bill and I want to express my concern over the Japanese Government's failure to open its market to our competitively priced agricultural products. If the administration is unable to obtain meaningful concessions soon, we are going to have to do something more concrete than merely encourage the Government of Japan to adopt a reasonable import policy. If the administration needs new market opening tools, we will provide them. I hope my colleagues will support that effort.●

YOUR GOOD NEIGHBOR—THE OKLAHOMA REC'S

● Mr. BOREN. Mr. President, the Oklahoma Association of Electric Cooperatives conducts a statewide essay contest for young people served by its cooperatives. The winners are given an expense-paid trip to Washington. From the area winners, one statewide winner is selected. This year's top winner was Miss Deanna Kalcich of Sperry, OK. Her winning essay follows:

"YOUR GOOD NEIGHBOR—THE OKLAHOMA REC's"

What is a "good neighbor"? A good neighbor can be described in a number of different ways, such as reliable, dependable, responsible, helpful and cooperative. In this essay, I will form an acronym from the phrase "good neighbor" with each letter representing a different quality or service that the Oklahoma Rural Electric Cooperatives possess or provide. Using this approach, I will show that the Oklahoma RECs are truly the epitome of "good neighbors".

"G" represents a "guarantee" for the future, something the Oklahoma RECs are sure to provide. With the organization's affairs being conducted by its members and any profits made being disbursed to its' consumer-members, it is easy to see that the cooperatives' interests lie directly where they should—in its people.

"O" represents "ownership" of the cooperative, which lies fully with the members themselves. These consumers elect representatives to conduct the affairs of the coop. In addition, any revenues raised return to these part-owners.

The next "O" stands for "open membership", an invitation that the Oklahoma RECs extend to anyone within the cooperative service area who desires electric service. No one may be excluded due to race, sex, religion, etc.

"D" represents the "democratically" controlled voting process. This procedure entitles each member of the cooperative to one vote in the affairs of the cooperative.

"N" stands for "non-profit"—outstanding quality the Oklahoma rural electric cooperatives are proud to display. Any net earnings are paid in capital credits to members when financially possible.

"E" depicts "electricity"—what the RECs are all about. This vital service is now supplied to over 320,000 meters in the 77 counties of the state of Oklahoma by 26 electric distribution cooperatives and 2 generation and transmission cooperatives.

"I" stands for the "identification of children", yet another of the services the Oklahoma RECs provide their surrounding communities. This process allows many parents peace of mind concerning their most precious asset, their children.

"G" stands for "growth" of the economy, which rural electric cooperatives help to stimulate. Since RECs pay no income taxes, any gross receipts taxes are distributed to the local school districts. In addition, rural electric cooperatives also pay social security, unemployment, gasoline taxes, license and franchise fees and a variety of miscellaneous taxes to the local economy.

"H" represents "home energy audits", which the RECs provide free of charge. This service examines a home's energy consumption to determine ways in which the cost of energy bills may be lowered.

The "B" typifies the "bond" that Oklahoma RECs provide by uniting the citizens of their communities. Examples of this are the Crime Watch Program, the Job Watch Program, security lights, and some co-ops even provide a community room. This facility is supplied to their members free of charge.

"O" symbolizes "Oklahoma". . . a subject that ALL rural electric cooperatives are truly concerned about. This is evidenced by the fact that the RECs are non-profit, nondiscriminatory and controlled democratically.

Finally, there is the "R", which stands for "rebates"—cash rebates that many consumers receive when they install energy efficient equipment in their homes or businesses. In such economically trying times as these, when both incomes and budgets are limited, such a reimbursement is truly a blessing for these communities.

What is a good neighbor? The description is merely opinion. However, of the many ways in which a good neighbor can be recounted, Oklahoma's RECs are certain to be included in all. In closing, I feel that I have not only shown the concern of the RECs in our future, but have also signified the outstanding attributes of this magnanimous organization.●

SENATOR WIRTH'S COMMENCEMENT ADDRESS TO THE SIDWELL FRIENDS SCHOOL

● Mr. ADAMS. Mr. President, my friend and colleague, Senator WIRTH, was recently fortunate enough to have been invited to give the commencement address to his daughter's graduating class at the Sidwell Friends School. It was the kind of situation all parents dream of: He could talk and his daughter would be forced to listen. I suspect, however that his daughter—and all the members of the audience—would have listened even if they had not been required to.

They listened because Senator WIRTH had some interesting and important things to say. While his remarks were directed at an important audience, I believe that they also deserve a wider audience. Accordingly, I ask that Senator WIRTH's remarks, as well as the remarks of Mr. Grant Thompson, the chairman of the board of trustees at Sidwell Friends School, appear in the RECORD.

The material follows:

INTRODUCTION OF SENATOR TIMOTHY E. WIRTH, THE SIDWELL FRIENDS SCHOOL GRADUATION, GRANT P. THOMPSON, CHAIRMAN, BOARD OF TRUSTEES

Paul Starr, in his book about the evolution of American medicine, begins with one of the memorable lines in contemporary writing on sociology—indeed, I dare say, the only memorable line any sociologist has ever uttered! Starr remarks that, "The dream of reason did not take power into account."

It is commonplace in Washington, D.C. that power—the brutal art of getting your way—is all too frequently the common coin of political life. Deals made and trades arranged, the frail dream of reason sits huddled in her corner like a Dickensian matchgirl, referred to in passing, but ignored in practice.

It is therefore always somewhat surprising when a politician comes to Washington equipped by intellect and drive to honor the dream of reason and manages to turn her into a voice of power. Our speaker today, Senator Timothy Wirth from Colorado, is such a politician.

His background is unusual. Born out of a family of long-time Westerners, his mother left a widow when he was three years old, his drive and intellect led him to Phillips Exeter Academy (a small independent school that aspires to play in the Sidwell Friends Big League some day), as a scholarship student to Harvard College for his B.A. and M.A., and finally on a Ford Foundation fellowship to Standford University for his Ph.D.

As a newly-minted White House Fellow, he served as a special assistant to the Secretary of HEW, John Gardner, last year's commencement speaker at Sidwell Friends School. Moving from that Fellowship, he was awarded a Distinguished Service Award for his service as Deputy Assistant Secretary for Education from 1969 through 1970.

Elected to Colorado's Second Congressional District—an area that covers the northwest and northernmost suburbs of Denver, including Boulder, an affluent, intellectual surburb and Northglenn, a mainly blue-collar town, his rise to power—fueled by his drive, his vision for what public service might be, and his desire to apply the gifts of intellect to the problems of society—led *The Almanac of American Politics* to state that, "Among the stars of the large Democratic freshman class of 1974, Wirth is arguably one of the most powerful and important members of the House today. . . . He attracts notice because he does not always take stereotyped positions."

An insider because of his knowledge of the levers of powers, he brings a distinctiveness to politics because of his probing questions, his interest in issues, and his dedication to people and their welfare.

After 12 years in the House, Tom Wirth was elected to the Senate in 1986.

Around this School, he is, of course, known as the father of Kelsey. It has always been a subject of some amazement to those of us who know the rigors of a modern American Senator's life that he has been able to maintain a 92 percent average voting attendance record during his 13-plus years in Congress; yet, so far as the Sidwell Friends School attendance record shows, he has maintained an equally stellar attendance record at Kelsey's many triumphs on the athletic field.

Benjamin Barbor, in his new book *Strong Democracy*, remarks that, "We suffer, in the face of our era's manifold crises, not from too much but from too little democracy." It is easy, I suppose, to look around us at hearings, at newspaper stories, at TV programs and to ascribe this failing to a cynicism borne of a surfeit of the exercise of power, unalloyed with the dream of reason. Senator Tim Wirth is a happy exception to this cynical rule.

It is, therefore, my distinct pleasure to introduce to you this morning, from the halls of power, the champion of the dream of reason, Timothy E. Wirth, United States Senator from Colorado and Sidwell Friends parent.

THE DUTIES OF A PILGRIM GENERATION

(Remarks of Senator Timothy E. Wirth, Commencement Exercises, Sidwell Friends School)

Members of the Class of '87, congratulations—Parents, Grandparents, brothers and sisters, teachers, friends—all of us members of this wonderful Sidwell community!

I am honored to be your speaker today. Thank you for asking me.

Commencement speakers represent a secular priesthood in America. Our ritual duty is to make up for all the deficiencies of a dozen years of structured education, and to do it in just a few minutes.

We are just keepers of the light. We are the ones who are supposed to switch the light on and, in one blinding flash, to illuminate you, your past and your future.

It's as if I had to focus all of your time at Sidwell in one well lit scene.

An impossible task, but think about it this way. Imagine your education as a senior lounge—dark, privileged, isolated from the world outside. Suddenly the door opens and the light is snapped on.

Everything becomes bright—clear—fully revealed!

The enlightenment that commencement speakers dispense is not quite so drastic or so memorable as Tom's. Indeed, when you look back on this graduation day, you will probably have a clearer recollection of the mating call of the cicadas than of my remarks.

The occasion, however, calls for me to speak and for you to listen. With luck, we will all finish at the same time.

Let's recognize that along with the reality of this important day goes a measure of make-believe.

You graduates are supposed to pretend that you are happy to say goodbye to your friends and to your school.

Your dedicated, demanding teachers are supposed to pretend to be satisfied with their accomplishments and yours.

And we parents are supposed to pretend a firm confidence in your maturity.

The truth, of course, is that no parent can believe that you are really grown-up.

We are delighted that the days of carpools are over and that you drive yourselves. But now we worry when you are out late and wonder where you have been and with whom.

And we always will.

Just be thankful that we have matured to some extent. Conforming to today's fashions, we no longer nag you to tie your shoelaces . . . just to fasten your seat-belts.

This year you put on a wonderful production of Guys and Dolls, and you said "Call it sad, call it funny". That's the way we parents feel—call it sad, call it funny, the fact is that you are ready to leave and we are not ready to let you go.

The reason for our trepidation is that we'd like to better know the future of the world that awaits you.

Proud as we are of you, your training, your ability, your common sense and decency, we can't pretend anything like the same confidence in the world that is heading toward you.

It is a world full of the noise of war and the silent danger of disease. It sets great wealth alongside desperate poverty in a state of cruel and threatening unrest. It holds up the bright wonder of nature against the dark history of man's abuse of his environment.

It is a world of promise and of despair, of science and of madness. And sooner than you think, it will be your world.

Part of it—our country—was being shaped 200 Junes ago in the fierce heat of Philadelphia by the men we now call our Founding Fathers. How remarkable they were in their relevance to the late 20th century.

While many of them were superbly educated for their time—fluent in Latin and Greek, comfortable with classical philosophy and its enlightenment revival—they could know nothing of the theories of Darwin, Freud, Einstein, Crick and Watson that are the intellectual matrix of your lives.

They could shoe a horse and shoot a flintlock rifle—practical skills most of you lack—but they would have been as helpless behind the wheel of a car as at the keyboard of a computer.

Yet their challenge is our challenge.

When they gathered in Philadelphia they were divided and confused about the merits of their enterprise, as uncertain of the outcome to expect as of the direction to take.

One delegate wrote home from Philadelphia: "A very large field presents to our view, without a single straight or eligible road that has been trodden by the feet of nations."

Their expedition into the unknown still goes forward toward "A more perfect Union."

For 200 years, we Americans have explored and experimented, rejoiced and despaired, as we've worked together to make realities of their ideals.

The testing never ends, and new answers are always needed. Some of them will come from you. Alexis de Toqueville observed, "Among Democratic nations each new generation is a new people."

So my first advice to you is to preserve the newness of your character as long as you can. Stay fresh.

I am not suggesting that you pursue perpetual adolescence in all its rich variety. A world where clothes are picked up and stereos turned down has much to recommend it.

There will even be other occasions after today when it will prove worthwhile to wear a necktie, and you'll want to put on something other than Levis and sneakers.

What I urge you to prolong is not an outward form but an inner spirit. For instance, when someone asks you today what you intend to be, hunt for an adjective before you answer with a noun.

You are being trained to think of yourselves in terms of future professions, as scientists, lawyers, writers, teachers, entrepreneurs. You will bring excellence to your callings.

But for as long as you can, try to set yourselves even more demanding goals: to be courageous, idealistic, inquisitive, involved, useful.

Measure your future by the risks you take, not the security you gain, but the commitments you make to causes larger than yourselves.

Even when you are far from home, perhaps as volunteers abroad, or when you can cheer yourselves for your achievements as parents or as teachers, or when the world applauds your gifts and your genius, I hope you will still be able to define your aspirations in terms of the responsibilities you seek, not the rewards you have gained.

What I hope most of all—and this is the second piece of advice, in case anybody is taking notes—is that you will keep the courage to pursue your convictions, the boldness to invent great goals and to go after them.

Precisely because of the dangers, the challenges, or our time, you dare not play it safe.

A century ago Justice Holmes said: "As life is action and passion it is required of a man that he should share the passion and action of his time at peril of being judged not to have lived."

That requirement, unlike the Justice, makes no implied distinction as to gender. And it applies as strongly to men and women today as at any time since the first American revolution. Share the passion of your time.

The agenda that faced the Republic's young leaders in Philadelphia is not so different from the one you confront today.

Like all American generations since Yorktown, yours is charged not with making a revolution, but with making it work.

We are still trying to "establish justice" and to "secure the blessings of liberty." We are still working to translate the promise of equality into the reality of opportunity.

And for all the successes and accomplishments of the past, for all the privileges and comforts of the present, the passion of your inheritance is strife and striving, not ease and indifference. We parents sit down with you, and together we look out on the world—on war, on tyranny, on poisoned air and water, on despairing, restless billions of people your own age. You certainly can't conclude that the globe is in good shape.

You cannot even say that your own future is assured.

But what you can ask is "what can I do about it?" And what you can say is "I can make a difference."

What I hope you'll say is what Robert Kennedy said to a group of students in Capetown, South Africa exactly 21 years ago today:

"It is a revolutionary world we live in," he told them, "and in Latin America, in Asia, in Europe and in the United States, it is young people who must take the lead. . . .

"Few will have the greatness to bend history itself, but each of us can work to change a small portion of events, and in the total of all those acts will be written the history of this generation . . .

"It is from numberless diverse acts of courage and belief that human history is shaped."

A generation later courageous people, young and old, are still fighting to bend history in South Africa, to put in practice there the beliefs that inspired our own revolution. No matter how far away or how slow-moving their struggle may seem, they are shaping not only their own future but yours as well.

You dare not ignore them or their cause. They, and people like them all around the world, from Moscow to Manila, from Santiago to Seoul, are fighting to vindicate the vision of human dignity that was at risk two centuries ago in Philadelphia.

It is in jeopardy today wherever starvation, disease, ignorance, bigotry and oppression deny freedom and frustrate hope. You can choose to enter that combat, in many ways. But you cannot safely stand on the sidelines, even when here at home, America's internal debates today may seem less worthy of your passion.

As recent leaders have exalted self and self-satisfaction, our civic life has been trivialized. Self-serving conduct and self-righteous deceit have understandably made many young people avert their eyes and their thoughts from our politics.

Adlai Stevenson said in bitter jest, "your public servants serve you right." If you, who are among the best of our citizens, scorn what should be a citizen's highest calling, America's promise will languish.

It must be constantly renewed.

Your generation is already in line to assume a share of responsibility for the nation's great but unfinished business.

Your self-interest requires that you help define the public interest.

Abstinence may prevent AIDS, but only involvement will treat it or find its cure.

You should say no to drugs, but yes to the fight against the culture of poverty in which so much crime and addiction breed.

You must be the ones to insist on and to take affirmative action against pollution, against the insanity of the arms race, for equal rights for women and for wider opportunity for all.

You must help find ways out of old problems, new energy to push aside today's barriers and embrace tomorrow's responsibilities.

Now, as you do so, as you pick up the cudgels of citizenship, and start to work on our country's future, you will find that in at least one way, democracy is unfair; those, like you, who have been given much, bear an even greater obligation to pay benefits back to the community. You bear a disproportionate responsibility for making democracy work.

But that's our world, the real world, your world, in all its confusion and complexity and challenge.

You'll rise to it and make it a better place.

You go out today, to new success.

You travel from us carrying all the love, the pride, the back-up support that we can give to you, our country's newest pilgrim generation.

In your diversity, generosity, humanity and skill, we rejoice that our future is in such good hands. Now go to it—congratulations and God speed.●

JUDGE MARSDEN'S RETIREMENT AS CHIEF JUDGE

● **Mr. DURENBERGER.** Mr. President, I rise today to honor a fine judge from Minnesota, David Marsden, on the occasion of his retirement as chief judge of the Ramsey County District Court Bench.

Judge Marsden was born and raised in Hendrum, MN. He served in the Army during World War II and was 1 of 25 men in a unit of 75 who survived the Battle of the Bulge.

Judge Marsden was first appointed in 1960 to the Ramsey County Bench. For the past 2 years he presided as chief judge of the district. During that time, the district underwent a major reorganization, consolidating the municipal, and district courts.

Fortunately, Judge Marsden will continue on as an active district court judge. I would like to take this opportunity to congratulate him on his service to the Ramsey County District Court as chief judge.

Mr. President I ask that the text of an article from the Minneapolis Star and Tribune entitled "Marsden Led Court Through Turbulent Years," a copy of which is attached to my statement, be printed in the RECORD.

The article follows:

[From the Minneapolis Star and Tribune, Apr. 14, 1987]

MARSDEN LED COURT THROUGH TURBULENT YEARS—RETIRING RAMSEY COUNTY CHIEF JUDGE KNOWN FOR WIT, QUICK DECISIONS

(By Dan Oberdoridge)

Ramsey County Chief Judge David Marsden, who recently presided over the Lois Jurgens murder trial and issued a controversial ruling permitting the Playboy Lounge in St. Paul to remain open, is an old-school jurist known for his wit, quick decisions and ever-present bow ties.

While some judges agonize over their cases. Marsden says his are "not like wine. My notes don't get better with age. They just get harder to read."

Marsden, 63, will step down next month as chief judge of Ramsey County after presiding over the county's court system during two of its most turbulent years. He will be replaced as chief by Judge Jerome Plunkett but will continue as a district judge, a position he has held since 1965. Marsden said he has tried to follow the advice he got from the late Hennepin County District Judge, Judge Donald Barbeau after being appointed to the municipal court bench in 1960. Marsden said he asked Barbeau "for any advice you can give me. I need all the advice I can get."

He said Barbeau told him: Remember that it is not your courtroom, and the people appearing before you often are frightened. Remember not to be a Hamlet; decide cases promptly. And remember to "pray to God you are right 51 percent of the time."

"The only thing Barbeau didn't say is you need a sense of humor and some humility," Marsden said. "I fear that some judges, when they put on the robe, forget that when they go to the john . . . they are just like everybody else."

Peter Poposich, chief judge of the Minnesota Court of Appeals, describes Marsden, a former law partner, as "an erudite sort of judge. He likes to explore things philosophically. He is a tremendous conversationalist, whether it is law or politics or the birches over at the College of St. Thomas."

Marsden was born in the Red River Valley in Hendrum, Minn., one of five boys and a girl. His father died of illness when Marsden was 9 years old. Marsden's mother supported the family through the Great Depression as the postmaster at Hendrum. She taught the children the value of education, and all but one graduated from college.

Despite poor eyesight, Marsden was allowed to join the Army in World War II. He was one of 25 men in his unit of 75 who survived the Battle of the Bulge, Germany's final offensive. He and other members of his unit walked through a village at 5:55 a.m., five minutes before German soldiers began firing from their positions surrounding the town. For the next three days the unit retreated to safety, crossing streams and fields.

Marsden was first appointed to the bench in 1960 by DFL Gov. Orville Freeman. At the time he was chairman of the Fourth District DFL organization.

Marsden is a longtime member of the Minnesota Sentencing Guidelines Commission. For 10 years he served on the board of trustees at Macalester College in St. Paul, his alma mater, where he and his wife, Mary, met. They have four grown children.

An activist chief judge, Marsden led his colleagues through major reorganization. The Ramsey County judges agreed to unify their district and municipal court benches and pursued a controversial plan to abolish the county's suburban courts, an effort that was only partly successful.

Marsden also took a leading role when controversy swirled around fellow Judge Alberto Miera. He publicly criticized Miera for allegedly contacting two witnesses during the recent civil trial in which a jury found that Miera had made sexual advances toward a court reporter.

Marsden said he is happy to be leaving the post of chief judge. The pressures often were tremendous, he said. Last fall he checked himself in for chemical dependency treatment after family members told him he was becoming withdrawn and drinking too much.

Marsden said the Jurgens trial was especially difficult. Not only were there a number of unique legal issues because the homicide was 22 years old, but the judge also tangled with aggressive news media seeking access to legal arguments by the opposing lawyers in chambers.

After sentencing Lois Jurgens to up to 25 years in prison for the murder of her adopted son, Marsden wrote letters to Robert Jurgens' hometown newspapers in the Crookston area, applauding his courage in taking the stand to testify against his mother. He also wrote to the White Bear Lake newspaper praising the police officers who had reinvestigated Dennis Jurgens' death. Marsden said he has never written to a letters-to-the-editor column before.

In the Playboy Lounge case, he ruled that because the alleged front for prostitution allows minors to see nude dancing free, it does not violate zoning laws and the nudity cannot be stopped. He hinted in his decision that the city should try other arguments to close the lounge, but said that, judging by the arguments he heard, he could not close the W. 7th St. business.

Marsden's trademark is his bow ties. He said he converted to them while in law school at the University of Michigan in 1948, inspired by one of his heroes, Gov. G. Mennen (Soapy) Williams, a populist who was the Floyd B. Olson of Michigan. "I own one (long tie)," Marsden said, "I was going to wear it April Fools' Day, but it had a spot."

INFORMAL POLL HAS KEMP LEADING AMONG IR COMMITTEE MEMBERS

(By Betty Wilson)

Rep. Jack Kemp, R-N.Y., is the presidential favorite of a majority of the Independent-Republican state central committee members surveyed by the Kemp campaign.

Of 170 IR central committee members contacted by telephone last week—about half of the 344-member committee—85 said they would prefer Kemp to be the Republican presidential nominee.

Sen. Robert Dole of Kansas was second with 21. Vice President George Bush was the choice of seven: Howard Baker, the president's chief of staff, was preferred by four and former Gov. Pierre du Pont of Delaware, one. The other 35 respondents had no opinion. The poll was not done scientifically; organizers tried twice to contact all 344 members just before the central committee's meeting Saturday.

State central committee members are not necessarily the same people who will be delegates to the district and State conventions. These conventions will pick Minnesota's 31 delegates to the national Republican convention, which nominates a presidential candidate.

But there is some overlapping of committee members and delegates, and those on the committee are activists who reflect the sentiments of many in the party, said Ed Rollins, Kemp's national campaign chairman. "I think it shows Jack Kemp has very strong grass-roots support in Minnesota," Rollins said. State central committee members are the people who organize and work for candidates, he said.

Former State IR Chairman Leon Oistad predicted Sunday on KTCA-TV's "Minnesota Issues" that the contest in the state on the IR side will boil down to Kemp and Bush. Oistad supports Bush. Rollins said he does not see Robertson as a threat. The TV preacher will hold a rally at Met Center at 7:30 p.m. Thursday.

Kemp will announce a committee in Minnesota in the next 30 days and open a campaign office in the state in the next 60 to 90 days, Rollins said.●

THE RENEWAL OF UKRAINIAN INDEPENDENCE

● Mr. LEVIN. Mr. President, yesterday marked the 46th anniversary of the most recent renewal of Ukrainian independence. I say "most recent" because Ukraine, an ancient country with a rich history dating back to at least the ninth century, has enjoyed several periods of independence. These independent periods while varying in length have, tragically, always been followed by far longer periods of subjugation to foreign powers.

But throughout the years of foreign domination, the Ukrainian people have retained their national ambitions, culture, and language. And they have repeatedly renewed their status as an independent nation, even in the face of incredible odds.

In June 1941, the German Army launched a massive invasion of the Soviet Union. Ukraine was one of the first areas entered by the Nazi forces, and they quickly met unexpected resistance, not from the Soviet troops but from a Ukrainian underground army. The Organization of Ukrainian Nationalists [OUN] and its leader, Stepan Bandera, took the Germans by surprise by seizing the radio station in Lviv, the West Ukrainian capital and declaring the restoration of the Ukrainian Free State. A Provisional Ukrainian Government with Yaroslav Stetsko as Prime Minister was established.

This proclamation of independence was aimed as much at the retreating Soviet Army as it was at the invading Nazi troops. It was a courageous assertion of nationhood at a time when the Ukrainian people were caught between two enormous totalitarian empires.

In 1942, OUN created the Ukrainian Insurgent Army, under General Shukhevych as its commander in chief. The OUN resistance movement and the Provisional Government under Prime Minister Yaroslav Stetsko continued to function until 1951, fighting in turn against the Nazi and Soviet armies, sometimes simultaneously.

The resilience of the Ukrainian people in the face of repression is an inspiration to those who value the principles of self-determination and human rights. And it is worth remembering, even as we commemorate the resistance movement of 45 years ago, that today there are still dozens of Ukrainian political prisoners. In this era of "glasnost" we ought not forget those Ukrainians confined to Soviet labor camps, prisons, mental institutions, and exile, suffering from harassment, terrible conditions, and lack of medical care. Their crimes consist of nothing more than their deep love for the Ukrainian nation, and their persistent struggle for religious freedom and other fundamental human rights.

In honor of this anniversary of the most recent renewal of the independence of a great nation, we should pay special tribute to those Ukrainian who are continuing the age old struggle for freedom. And on behalf of the Ukrainian people and others deprived of their basic human rights, we should renew our pledge to seek Soviet compliance with international human rights agreements.●

HIGH YIELD BONDS ARE GOOD FOR AMERICA

● Mr. HECHT. Mr. President, today I would like to discuss an issue which is receiving widespread attention these days; high yield bonds.

Almost all of that attention has been focused on restricting the use of high yield bonds in corporate takeovers, or limiting the investment of high yield bonds by savings and loans, banks and thrifts. Well, Mr. President, I have to say to my colleagues that I believe it would be a mistake to restrict the use of these bonds, and, maybe we should begin to look at how we can expand the high yield bond market.

Mr. President, I don't think there is a Member of this body that would not support and encourage the creation and expansion of jobs in their respective States. Well, the companies that are responsible for the major portion of job creation in this country are not the Fortune 500 "investment grade" companies. No, Mr. President, it is the small and midsize companies that have fueled the economic growth of this country.

Today, very few of these companies would qualify for an "investment grade" rating. Of the over 23,000 U.S. companies with sales in excess of $25 million, fewer than 800 would currently qualify for "investment grade" ratings. In my own State of Nevada, there are 104 companies with sales of more than $25 million. And if these 104 companies, only 3 have "investment grade" ratings. The 101 companies that issue high yield bonds in Nevada employ 95,000 people worldwide and generate annual revenues of over $7.6 billion.

I think after examining the facts, Mr. President, it becomes obvious that high yield bonds are not the evil demons that we have been led to believe they are. High yield bonds have not caused widespread default throughout the savings and loan industry. High yield bonds have not caused the "over leveraging" of corporate America. And, most importantly, they do not pose a threat to the safety and soundness of our country's financial system. What high yield bonds do is to help to provide jobs for America; they provide an important source of investment capital for growing companies, and they have increased the number and diversity of investors that help to boost the U.S. economy.

High yield bonds are essential to the future growth of America, and I urge my colleagues to look beyond the headlines and the rhetoric as we continue to discuss this important issue.●

THE RUSSELL CORP. RECEIVES SAFETY AND HEALTH AWARD

● Mr. HEFLIN. Mr. President, the U.S. Department of Labor's Occupational Safety and Health Administration [OSHA] recognized five sites of the Russell Corp. during a special ceremony on June 17 in Alexander City, AL, for outstanding performance in and commitment to job safety and health.

John A. Pendergrass, Assistant Secretary of Labor for OSHA, presented the "Star" certificate and flag to Russell Corp. officials. The Star designation is for firms which qualify for the top category under OSHA's Voluntary Protection Programs [VPP]. To qualify for Star, a worksite must have injury and lost workday case rates at or below the national average for their industry as well as exemplary safety and health program which, in most instances, go well beyond OSHA requirements.

The Russell Corp. is a manufacturer and marketer of clothing textiles, specializing in athletics and leisure wear. They employ over 8,000 workers in Alabama and they are the first company in the State and the first textile company in the country to receive Star recognition. Over 1,000 workers are employed at the five sites that were recognized.

Assistant Secretary Pendergrass said:

> Labor and management of Russell Corp. are to be congratulated for being the first in the textile industry to qualify for this VPP participation. Our on-site evaluation team noted the sincere commitment to safety and health at all levels of management and the strong support for the ceremony by its employees.

The five sites honored are involved in yarn production and dying as well as the cutting, sewing, and packaging of garments for distribution.

The five Russell sites join 43 other workers worksites across the United States which have met the rigorous requirements for the Star award. To place this accomplishment in perspective, there are over 6 million worksites nationwide. However, only 48 sites have ever qualified for this award. Five of those sites are at Russell.

The concept of the Voluntary Protection Program [VPP] is based on the realization that workplace compliance with OSHA standards alone will never completely accomplish the goals of the Occupational Safety and Health Act.

Good workplace safety and health programs which go well beyond OSHA standards can provide more immediate protection through a system of rules which can be set and enforced quickly, rewards for positive action, and safety and health improvements in ways simply not available to OSHA.

The VPP is intended to supplement OSHA's enforcement effort by identifying employers committed to protecting workers through internal systems so that limited enforcement resources can be directed to workplaces where the most serious hazards exist to encourage voluntary improvement and expansion of internal worker protection systems.

Mr. President, I congratulate the management and workers of the Russell Corp. They have set a fine example of what can be accomplished when government and industry work hand in hand rather than as adversaries.●

EUROPEAN FATS TAX WITHDRAWN

● Mr. DANFORTH. Mr. President, first reports from the summit of the European heads of state indicate that the European Community will not declare economic war on our soybean farmers by imposing the levy on fats and oils.

I certainly hope the initial reports from Brussels are well-founded, Mr. President. I hope the heads of state have decided to shelve the levy, which is designed to raise over $2 billion almost exclusively at the expense of American farmers.

Let me review briefly the purpose and effect of the tax. The purpose of the tax, simply put, is the force American farmers and European consumers to finance the costly failure of Europe's protectionist farm policies. The vehicle would be a 330-ECU-per-ton tax on the consumption of all vegetable and marine fats and oils within the Community. The revenues would be used to finance expanded production in Europe's fats and oils sector. This levy would effectively raise the price of finished soybean oil by 90 percent, with a devastating impact on U.S. farmers. The consumers pushed away from products based on American soybeans would purchase European-produced vegetable oil, which cannot compete on their own.

The proposed tax on fats and oils is absolutely unacceptable to the United States, and its imposition would have to be met with swift and severe retaliation. This is precisely the message which the Senate sent on March 26 when it overwhelmingly approved the Danforth-Heflin resolution warning the EC against the tax. I am happy to note the administration has publicly echoed this same message.

The Senate's opposition to the tax was subsequently reaffirmed when Senator Heflin and I were joined by 49 of our colleagues in sending a letter to the External Affairs Minister of the Community. In that letter, we emphasized that the levy would seriously injure our relations with the EC, would undermine the prospects for a new trade round, and would not be tolerated by the Congress.

As is common in such matters, there is variance among the initial accounts of the exact actions taken by the heads of state on this volatile issue. But there is agreement on a central point: The heads of government were not willing to pull the trigger on the fats and oils tax at this time. Nevertheless, some concern remains that the proposal may be raised from the ranks of the dead or near-dead at some unknown point in the future. Certainly, we must keep our guard up.

In this connection, I want to reiterate the following message to our European trading partners:

You are handling dynamite when you look to the fats and oils tax to finance Europe's farm programs, because the United States will not stand for it. Pursuit of this proposed tax can only result in serious damage to our commercial relations, and we will not tolerate it. If Europe wishes to pursue its existing agricultural policies, that is certainly Europe's decision. But American farmers will not be forced to pay the bill. I repeat: American farmers will not pay the bill. If Europe wishes to maintain its farm policies, let the governments of the European Community stand before their taxpayers and present an honest accounting of the costs. If, on the other hand, Europe wishes to undertake serious reform of its common agricultural policy, I say, "Full speed ahead."●

SAVINGS BANK LIFE INSURANCE

● Mr. MOYNIHAN. Mr. President, I rise today to support the right of my State of New York, along with its neighbors Connecticut and Massachusetts, to continue to allow their State-chartered savings banks to issue savings bank life insurance [SBLI]. SBLI is a low-cost, high-quality product little known in most of the country, but very popular in these three States, with over 1.5 million policyholders and over $18 billion of policies in force. Indeed, in New York alone we have over 800,000 policyholders.

The late Justice Louis Brandeis invented SBLI in 1907 to provide low- and middle-income individuals with an opportunity to purchase inexpensive life insurance. Brandeis realized that savings banks, already established throughout his native State of Massachusetts, were effective outlets for serving these consumers. New York joined Massachusetts in 1938 in allowing its citizens to purchase life insurance through savings banks, followed by Connecticut in 1941. Of New York's 87 savings banks, 86 offer SBLI.

Consumer publications have consistently recognized SBLI as among the best life insurance buys available in the three States in which it is offered. On June 14, 1987 the New York Times in an editorial pointed out that "thousands of New Yorkers know the life insurance sold by savings banks is an excellent buy." Mr. President, I will ask that this editorial be inserted in the Record.

The long history and consumer orientation of SBLI would seemingly ensure the continued availability of the product. In New York, the State legislature has continually supported SBLI and increased coverage amounts over the years. However, Federal bank regulators have recently placed SBLI in jeopardy.

Many savings banks that sell SBLI are now raising capital by converting from mutual to stock form. This requires them to use the holding company format, which brings these State-chartered institutions under the aegis of the Federal Reserve, which must approve all bank holding company applications.

Until recently, the Federal Reserve has not attempted to regulate the activities of State-chartered banks which are subsidiaries of bank holding companies. In a departure from past practice, the Federal Reserve has now conditioned approval of bank holding company applications of savings banks upon the bank's agreement to stop offering SBLI within a specified period of time.

Such conditionality flies in the face of our "dual banking system" which leaves to the States the fashioning of the powers of State-chartered banks. It also ignores the long history—almost half a century in the case of New York—of savings banks offering a high-quality, low-cost consumer service without any loss or threat of loss to the banks.

In this case, the Federal Reserve's refusal to defer to those States which have determined that State-chartered institutions should be permitted to offer SBLI makes absolutely no sense. Consequently, I, along with Senator D'Amato, 20 members of the New York delegation to the House, and the Massachusetts and Connecticut delegations have all written to Chairman Volcker urging the Federal Reserve to reconsider its current practice of requiring State-chartered savings banks to discontinue offering SBLI.

I also note that S. 790, the Competitiveness Equality Banking Act of 1987, which passed the Senate on May 14, 1987, contained, in section 101(d), a provision directing the Federal Reserve to permit savings banks which are subsidiaries of bank holding companies to continue offering SBLI. I do thank the Banking Committee chairman, Senator PROXMIRE, for including this provision in the managers' amendment when the bill was first considered on the Senate floor, and I urge my colleagues who are conferees on this matter to insist that this provision, which would allow over 800,000 policyholders in New York continued access to SBLI, be included in the final conference report presented to both bodies.

I ask that the June 14, 1987, New York Times editorial be printed in the RECORD.

The editorial follows.

[From the New York Times, June 14, 1987]

PUBLIC OR SPECIAL INTERESTS ON INSURANCE?

Thousands of New Yorkers know the life insurance sold by savings banks is an excellent buy. Fewer know that the chance to purchase certain kinds of savings bank life insurance is now under attack by the insurance agents' lobby. Voters ought to let legislators know they are watching.

Two years ago the agents lost a battle to limit the amount of insurance the banks could sell to depositors. Now they are pressing the Legislature to limit policyholders' right to convert their "term" policies, which have no accumulating cash value, into conventional "whole" life insurance, which do.

Savings banks were given authority to sell life insurance in the 1930's, when the only policies available to lower-income New Yorkers were incredibly overpriced. But the insurance lobby swiftly regrouped, and has been able to prevent the savings banks from competing for affluent customers. Until last year, the maximum S.B.L.I. policy was limited to $50,000—far less insurance than most middle-income families need.

But in a successful effort to expand their own rights to market group policies, the agents inadvertently provided S.B.L.I. a lovely loophole. Anyone who lives or works in the state may now join the "group" known as savings bank depositors and thereby become eligible for up to $250,000 worth of S.B.L.I.'s group term insurance. Consumer Reports rates S.B.L.I. among the cheapest insurance available, which probably explains why some 400 "group" policies are purchased each week.

There's one catch, however. Group insurance is term or pure life insurance, with no savings component. The agents want Albany to keep S.B.L.I. customers from converting their big policies into "whole" life insurance. Under a bill approved by the Senate's insurance committee, conversions would be limited to $50,000.

Since relatively few S.B.L.I. policyholders are likely to use the conversion privilege, the damage would be modest. But the symbol here is important. The sole purpose of the proposed restriction is to protect insurance agents at the expense of consumers. Passage would reinforce the impression that the Legislature cares more about special interests than about the public.●

ANTINECKLACING CONDITIONS ON AID TO SOUTHERN AFRICA

● Mr. PRESSLER. Mr. President, I would like to express some concerns regarding the Supplemental Appropriations Conference Committee's changes in my antinecklacing amendment.

As our colleagues will recall, we voted overwhelmingly, by a vote of 77 to 15, for my amendment to prohibit assistance through the Southern Africa Development Coordination Conference [SADCC] to any country that refuses to renounce necklacing or is not making a concerted effort to prevent its territory from being used to support the crime of necklacing and state terrorism against black South Africans.

The conference report language is contained in chapter IV. It would prohibit United States assistance through SADCC to any country that has advocated necklacing, or cannot give assurances that it has taken action against any person who has been found to have practiced necklacing, or knowingly allows its territory to be used by terrorists who practice necklacing against black South Africans.

Mr. President, I hope everyone will recognize that this is a weaker prohibition on assistance to countries that endorse, support or encourage the crime of necklacing than the prohibition provided in my original amendment. I am pleased to see that the conferees saw fit to retain strong antinecklacing language, but I wish they had not weakened it by removing the applicability of the prohibition to terrorist organizations that may operate from the territory of South Africa's neighbors. The conferees' deletion of my amendment's reference to state terrorism is also a glaring change. The perpetration of crimes of violence against South African blacks by other blacks goes far beyond the gruesome crime of necklacing. It is clear that some of the SADCC countries provide a haven and sanctuary for terrorist organizations that victimize black South Africans. This should stop.

Still, the Senate vote on my original language, and the language agreed to by the conferees, puts our own State Department on notice that Congress will not stand idly by if the Department fails to pursue strict adherence to the antinecklacing provisions of this legislation. We will be watching closely to see how the State Department carries out the Presidential certification requirement. We also will be monitoring the statements and actions of the SADCC governments. We will be looking closely for any violation of the provisions of this restriction on funds for SADCC countries—in terms of both the letter and the spirit of the antinecklacing provisions. Any attempt to loosely interpret these provisions, or any insincere or false assurances given to our Government by authorities of the SADCC countries will be exposed in due course.

All Americans hope that necklacing and other forms of terrorism are not committed any more in South Africa, or, for that matter, in any other nation. The Congress of the United States can take pride in its insistence upon a high standard of respect of human rights as a condition for U.S. assistance to the SADCC nations.●

THE PROMISE OF CHANGE IN SOUTH KOREA

● Mr. CRANSTON. Mr. President, something strange and wonderful appears to be happening around the world. People are demanding democracy, and the vast power of dictators and their military machines are giving in to the peoples' demands. Peacefully.

First in the Philippines, and now seemingly in South Korea, we are witnesses to the triumph of freedom over repression, of human dignity over human degradation. These transformations are all the more remarkable in that they have taken place without guns, and without bloody revolutions, but rather through the force of human courage and the strength of the people's yearning for freedom. The people of the Republic of Korea have once again inspired us to hope that democracy will prevail when the people reveal their vast strength and the great power of their dreams of liberty.

Not too long ago it would have been impossible to imagine a dictator willingly stepping aside to permit serious reforms. It would have been difficult to see a Nazi, or a Fascist, or a Stalinist agreeing to opposition demands. Even behind the Iron Curtain today, we see a loosening of the chains in Poland and glasnost in the Soviet Union. Just a few weeks ago, it would have been hard to believe that change could take place so rapidly in South Korea.

President Chun Doo Hwan's speech today, in which he said he accepted vital democratic reforms including direct presidential elections, has given new hope to all friends of a strong, democratic, free Korea. President Chun's statement shows wisdom and personal strength in a willingness to transcend party politics and to begin transforming Korea into a modern, democratic nation.

Roh Tae Woo also has shown foresight and leadership in initiating these reform proposals within the ruling Democratic Justice Party. His willingness to risk his position within the party by calling for change and compromise is laudable. And the South Korean military is to be especially commended for showing restraint during this time of great civil unrest.

While their struggle is not over yet, the Korean people have already achieved a remarkable victory. President Chun's announcement comes as a sign of promise and hope for Kim Dae Jung and Kim Young Sam, who have suffered greatly under repeated jail arrests, house arrests, and other difficulties. They have never ceased their struggle to bring democratic progress to their homeland. This is a wonderful moment for the thousands upon thousands of students, intellectuals, businessmen, and other citizens who took to the streets to protest dictatorship and to fight for democracy.

President Chun's promise of reform is a great, dramatic step forward. This may truly be a historic moment in South Korea's history, and for all nations that look toward South Korea as a model of economic prosperity and growth. Let us fervently hope that South Korea will soon see a political miracle to match its great strides in economic development, and let us anticipate strengthening the United States-Korean partnership through our common principles of democracy, freedom, and justice.●

REGARDING MIKE PLANT, WINNER OF THE BOC CUP

● **Mr. CHAFEE.** Mr. President, I wish to commend Mike Plant of Jamestown, RI, winner of the BOC Challenge, Around Alone. His victory in this around-the-world, single-handed sailing race is an inspiration to us all, and he deserves our heartiest congratulations.

Twenty-nine sailors began this arduous task on August 30 of last year, and almost half found it impossible to complete. It is both a physically and mentally draining event. Unfortunately, one of the challengers lost his life in the race. But Mike's fierce courage and ability allowed him to continue on to finish first in his class, days ahead of his competitors.

Mike's efforts are even more admirable when we consider the circumstances surrounding his victory. Unlike many of the other sailors, he lacked full financial sponsorship. But rather than give up his dream of entering the race, he proceeded to build his own sailboat and to work part time to raise the necessary funds. In the end, he overcame the odds and defeated sailors with far greater resources. I believe that his victory offers encouragement to us all, to strive to attain our fullest potential, regardless of any obstacles that we may face.

In keeping with our seafaring tradition, my home State is proud to be able to call Mike Plant a Rhode Islander. But Mike should be congratulated by all people of all States, since it is individuals like Mike who inspire our Nation to initiate new ideas, set new goals, and face the challenges they present.●

JUDGE STEPHEN MAXWELL'S RETIREMENT

● **Mr. DURENBERGER.** Mr. President, I rise today to honor Judge Stephen Maxwell on the occasion of his retirement as a district court judge of the Ramsey County District Court.

Before I came to the U.S. Senate, I had the honor of serving as chief of staff to then Gov. Harold LeVander. It was during Governor LeVander's term in office, in 1967, that Judge Maxwell was appointed to first the Ramsey County Municipal Court bench and 1 year later to the Ramsey County District Court bench.

For 20 years Judge Maxwell has been an institution in the Ramsey County Courthouse. His sharp wit, tough questioning and external toughness concealed a compassionate and thoughtful jurist who was highly respected by his peers and by members of the bar. Judge Maxwell will be missed by all those who knew him and I would like to take this opportunity to wish him well in his retirement.

Mr. President I ask that the text of an article from the St. Paul Pioneer Press entitled "Judge Maxwell Retiring After 19 Years," a copy of which is attached to my statement, be included in the RECORD.

The article follows:

JUDGE MAXWELL RETIRING AFTER 19 YEARS

Stephen Maxwell compiled a long list of firsts in his 34-year legal career, but he didn't start out with the intention of being a trailblazer.

In fact, he said, being the first blacks to hold some key jobs in St. Paul and Minnesota was to a great extent a matter of luck.

"I happened to be the first one standing in line," Maxwell said. "It's like standing in front of one of many doors, and they open your door first."

Maxwell, 66, the son of a St. Paul barber, will retire June 30 after 19 years as a Ramsey Count district judge. For a year before that, he served as a St. Paul municipal judge.

Maxwell was the first black district judge in Minnesota and the second black to serve as a municipal judge in the state. He also was the first black to be St. Paul corporation counsel, the city's chief attorney, and the first to serve as an assistant Ramsey County attorney.

Minimizing his accomplishments is typical of Maxwell, according to a longtime colleague, District Judge David Marsden. "As a minority, he has never in my judgment used that status to gain any special advantage," Marsden said.

During an interview last week, Maxwell looked back on a career that included prosecuting some of St. Paul's most notorious criminals, almost defeating one of Ramsey County's most unbeatable politicians, deciding major court cases and serving a long list of community organizations.

Maxwell relishes regaling visitors to his chambers with tales of some of the more well-known criminals he prosecuted as assistant Ramsey County attorney.

He also admitted enjoying his reputation for being outspoken and sometimes gruff in the courtroom.

"I'm not known as a sweet, lovable guy," Maxwell said. He said he gets irritated when lawyers don't come quickly to the point or don't perform up to what he considers the acceptable standard.

But associates said Maxwell's reputation as a curmudgeon is undeserved because he often is needling people with the expectation—and even the desire—that they will reply in the same vein.

ASKS SHARP QUESTIONS

"He has a sharp wit, and occasionally his wit is misunderstood," Marsden said.

District Judge Harold Schultz said Maxwell likes to ask sharp questions and to reduce legal jargon into language more easily understood by jurors and others not in the legal profession.

"If you can get by his gruffness, he basically is a pretty soft-hearted guy," said William Falvey, Ramsey County's chief public defender. "I've known him for so many years. The guy kind of grows on you."

"We became very close during the Thompson trial," said Randall, who described Maxwell as a candid person with a "great sense of humor." With 18-hour days seven days a week during the trial Maxwell "never blinked, never was late and never indicated any concern about overwork," Randall said.

Maxwell also assisted Randall in prosecuting Rocky Lupino and John Azzone, convicted in 1960 of kidnapping in connection with the 1953 slaying of Tony DeVito. The state contended that the two men and Alex DeGoode killed DeVito because he confessed to a burglary and implicated them. Murder charges were not brought because the body was never found.

Maxwell recalled that DeGoode, who testified for the prosecution, told prosecutors many stories about his life as a criminal. Once DeGoode and an accomplice couldn't get a safe to blow up, Maxwell said, so they took it with them and it exploded while they were driving over railroad tracks. The pieces pockmarked the face of DeGoode's accomplice for life.

Maxwell also recalled DeGoode's testimony that DeVito's slayers buried the body and spread 5 pounds of red pepper over the dirt to discourage animals from digging up the body.

The key to solving the Thompson case was the discovery of distinctive pieces of the grips from a pistol at the murder scene, Maxwell said. They were identified as coming from a gun stolen in a Minneapolis burglary.

Because of his reputation as tough in sentencing. Maxwell said defense attorneys "don't beat a path to my door."

But Falvey said he views Maxwell as a moderate in sentencing, not as lenient as some judges "but not the tough guy a lot of people make him out to be. . . . Steve Maxwell is a fair guy who wasn't beyond giving people a chance when they deserved it."

As a prosecutor, Maxwell said he sometimes "would wonder about whether the jury system worked" when a jury acquitted someone he felt was guilty. After becoming a judge, he said, "I changed my view on that and decided the jury system was just the cat's pajamas. The jury system works. I'm really happy with it."

Maxwell said he enjoys talking to jurors after trials and answering their questions. He said he likes to tell them, "It's your court, your administration of justice. It doesn't belong to the judge."

When Maxwell worked for former Ramsey County Attorney William Randall, he assisted Randall in the prosecution of T. Eugene Thompson, who was convicted of arranging the 1963 murder for hire of his wife, Carol. Later, Maxwell directed the prosecution of Norman Mastrian, who was convicted of being the middleman who hired the killer.

Randall said last week that Maxwell was a valued member of his staff, someone he trusted to prosecute Mastrian during a trial in Duluth without having to look over his shoulder.

When the three suspects were arrested, each said he had turned down Mastrian's offer to carry out the murder-for-hire. One said he gave Mastrian the name of Dick W.C. Anderson, who later confessed to the killing, Maxwell recalled.

A St. Paul native, Maxwell graduated from Central High School and attended the University of Minnesota before transferring to Morehouse College in Atlanta, where he received an accounting degree in 1942.

His father died when Maxwell was 9, and his mother supported her two boys with jobs as a social worker and teacher. Maxwell's brother William, now retired, was a railroad section worker.

Maxwell served in the Coast Guard in New York during World War II and then returned to St. Paul, where he worked as an accountant for various government agencies. He graduated from the St. Paul College of Law (now William Mitchell) in 1953 and began a private practice in St. Paul.

While in private practice, Maxwell said he won the first verdict of more than a token amount for blacks in a Twin Cities-area discrimination case. The decision awarded $400 each to two blacks who had been refused service at a Dakota County bar.

During that period, Maxwell was legal counsel for the St. Paul NAACP, and he has served other black organizations. He said he considered himself "a participant, not an activist" in the civil rights movement.

1966 ELECTION WAS CLOSE

Maxwell was an assistant county attorney from 1959 to 1964, when he was named St. Paul corporation counsel (now called city attorney) by Mayor George Vavoulis.

After leaving that post because the DFL recaptured the mayor's office, Maxwell ran for U.S. House of Representatives from the 4th District in 1966 as a Republican. It proved to be the closest race ever for Rep. Joseph Karth. Maxwell lost by 11,004 votes out of 170,938 cast.

Asked about his Republican ties in view of polls that show most blacks favor Democrats, Maxwell said the GOP fits his philosophy of limitations on government and more fiscal responsibility. He said he considers himself a liberal to middle-of-the road Republican.

"I suppose the cliche now is, 'You can't solve a problem by throwing money at it,'" Maxwell said. "That was back in the days when they just threw money at everything, and it didn't solve anything."

After his run for Congress, Maxwell returned briefly to the county attorney's office until he was appointed a St. Paul municipal court judge in 1967 by Republican Gov. Harold LeVander. A year later, LeVander elevated Maxwell to the Ramsey County District Court bench.

Maxwell and his wife, Betty, a Duluth native, were married in 1943. When they celebrated their 25th wedding anniversary, Maxwell concocted a ruse to surprise his wife with an unusual memento—a message on three large billboards.

When a newspaper photographer called about taking a photo of one of the billboards, Maxwell told his wife the police had just phoned, and they had to leave home to bail one of their sons out of jail. He pretended there was something wrong with the car and stopped it near Dale Street and University Avenue. When Betty Maxwell got out of the car, she spotted the billboard message, "Happy 25th anniversary, Betty. Love, Steve."

The Maxwells have known more than their share of personal tragedy, with both of their children dying in accidents. Rodney Maxwell, 26, drowned while swimming in 1977. Last year, the couple's other son, Stephen, 41, died in an auto accident.

"The impact is almost immeasurable," said Ramsey County District Judge Hyam Segell, a long-time friend of Maxwell. "The death of the second son had even greater impact because that's all the children they had."

"It was so tragic," said Marsden. "He went into seclusion. Then he seemed to recover. But I wonder if you ever fully recover." Marsden said Maxwell talks less about himself than most people do and never complains.

Maxwell said he was "raised on death," starting with the deaths of his grandmother when he was about 6 and his father when he was 9.

"You don't have any choice," he said. "There's nothing you can do. Weeping, wailing and gnashing of teeth won't bring anyone back."

"Everybody's going to do it but me," he said with a typical touch of dark humor. "I'm too damn mean."●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the Congressional Record notices of Senate employees who participate in programs, the principle objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35, for Jim Morhard, a member of the staff of Senator Robert W. Kasten, Jr., to participate in a program in the Federal Republic of Germany, sponsored by the Hans Seidel Foundation, from July 1 to 8, 1987.

The committee has determined that participation by Mr. Morhard in the program in the Federal Republic of Germany, at the expense of the Hans Seidel Foundation, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Nicholas J. Glaskas, a member of the staff of the Committee on Appropriations, to participate in a program in the Federal Republic of Germany, sponsored by the Hans Seidel Foundation, from July 1 to 8, 1987.

The committee has determined that participation by Mr. Glakas, in the program in the Federal Republic of Germany, at the expense of the Hans Seidel Foundation, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Richard W. Day, a member of the staff of the Subcommittee on Immigration and Refugee Affairs, to participate in a program in Australia, sponsored by the Special Visits Program of the Australian Government, from June 27 to July 17, 1987.

The committee has determined that participation by Mr. Day in the program in Australia, at the expense of the Special Visits Program of the Australian Government, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Collen Getz, a member of the staff of the Committee on Armed Services, to participate in a program in the Federal Republic of Germany, sponsored by the Hans Seidel Foundation, from July 1 to 8, 1987.

The committee has determined that participation by Ms. Getz, in the program in Federal Republic of Germany, at the expense of the Hans Seidel Foundation, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Gordon Riggle, a member of the staff of the Committee on Armed Services, to participate in a program in the Federal Republic of Germany, sponsored by the Hanns Seidel Foundation, from July 1 to 8, 1987.

The committee has determined that participation by Mr. Riggle, in the program in Federal Republic of Germany, at the expense of the Hanns Seidel Foundation, is in the interest of the Senate and the United States.●

200TH ANNIVERSARY OF THE CONSTITUTION

● Mr. ARMSTRONG. Mr. President, this year we celebrate the 200th anniversary of the writing of the Constitution of the United States. As the Nation pays its respect to the Constitution and to those who wrote it, we should not lose sight of its underlying purpose and the reason it was written. The Constitution, while a secular document was intended to secure rights which are the gift of God.

Mr. President, I commend to my colleagues and other readers of the Congressional Record "One Nation Under God," a pamphlet written on this subject by Forest D. Montgomery. This pamphlet traces the historical and religious origins of the Declaration of Independence, the Articles of Confederation and the Constitution. Mr. Montgomery worked 25 years for the Department of Treasury, and is an expert on constitutional law. A graduate of the Georgetown University Law Center, Mr. Montgomery is now counsel to the National Association of Evangelicals. I ask that "One Nation

Under God" be reprinted at this point in the RECORD.

ONE NATION UNDER GOD

(By Forest D. Montgomery)

> "The American Constitution is the most wonderful work ever struck off at a given time by the brain and purpose of man."—William Gladstone, British Prime Minister, 1878

INTRODUCTION

The year of our Lord 1987 marks the beginning of our nation's third century under the oldest national constitution in the world. Half the nations in the world have constitutions written since 1970; only 14 predate World War II. France, for example, has had five republics since 1789, when our Constitution went into effect. We have been blessed with a political stability that is the envy of the world. Our Constitution has survived many trails, the most severe being the Civil War.

In 1983, Congress established a commission to promote and coordinate activities commemorating the bicentennial of the Constitution. The historic significance of the bicentennial is reflected in these congressional findings:

(1) the bicentennial of the Constitutional Convention's adoption of the Constitution occurs on September 17, 1987;

(2) the Constitution enunciates the limitations on government, the inalienable rights, and the timeless principles of individual liberty and responsibility, and equality before law, for the people of the United States of America;

(3) this document has set an enduring example of representative democracy for the world; and

(4) the maintenance of the common principles that animate our Republic depends upon a knowledge and understanding of their roots and origins.

The bicentennial of the Constitution will mean little if it is confined to chauvinism and ceremony. As the Framers responded to the needs of their generation, so we must respond to ours.

"History plainly reveals that this nation was founded on biblical principles. Yet, the paranoia over religion that grips the land threatens to bar that history from our public schools."

One need, in this day of the secularizing of America, is to understand not just the mechanics of the Constitution, but its profound underlying principles.

History plainly reveals that this nation was founded on biblical principles. Yet, the paranoia over religion that grips the land threatens to bar that history from our public schools. As a result, our young people, who profess belief in the God of history, are not familiar with their rich religious heritage. As recent studies have demonstrated, public school textbooks conceal the religious heritage of our country.

This is tragic, considering the public debate on what is meant by separation of church and state. Many Americans do not understand that the attempt of those who would ban all religion from American public life has no basis in history. Moreover, the public does not seem to grasp the effect on America's future if our public institutions bar all reference to God.

A majority of the Supreme Court has ventured so far from the intent of our Founding Fathers that it struck down an Alabama statute permitting a moment of *silent* prayer in public schools. That decision would have stunned the Framers of the First Amendment.

God has shed his grace on this country through these two centuries under the Constitution. However, the secularization of American public life, together with the idea that religion is irrelevant to the "real world," is an affront to God that could cause us to forfeit his blessings.

Our early history clearly evidences belief in God, the Author of History.

Our early history clearly evidences belief in God, the Author of History. Our foundational documents, the Declaration of Independence and the Constitution, are weighted with Judeo-Christian values.

One cannot understand the Constitution without understanding its purpose and the reason it was written. The Constitution, while a secular document, was intended to secure rights which are the gift of God. It is no accident that religious liberty, our most precious, God-given right is protected by the First Amendment. History speaks for itself. In the words of the Declaration of Independence, "let facts be submitted to a candid world."

It is no accident that religious liberty, our most precious, God-given right, is protected by the First Amendment.

The crucial importance of preserving "the common principles that animate our Republic" was emphasized by President Grover Cleveland, a minister's son, on the occasion of the Constitution's centennial. "If the American people are true to their sacred trust, another centennial day will come, and millions yet unborne will inquire concerning our stewardship and the safety of their Constitution. God grant they may find it unimpaired; and as we rejoice today in the patriotism and devotion of those who lived 100 years ago, so may those who follow us rejoice in our fidelity and love for constitutional liberty."

We do rejoice in the fidelity of those who expressed their love for constitutional liberty a hundred years ago. Will those who follow us find that we were true to our sacred trust? Only if we engrave on our hearts the words enshrined in the Jefferson Memorial: "God Who gave us life gave us liberty. Can the liberties of a nation be secure when we have removed a conviction that these liberties are the gift of God? Indeed I tremble for my country when I reflect that God is just, that His justice cannot sleep forever."

The challenge to the church is to heed Jefferson's warning. The Constitution has secured our liberty for 200 years, but it is not the Constitution which grants us the liberties we enjoy. Those liberties, as Jefferson said, are the gift of God; they will only be preserved if this nation acknowledges the sovereignty of God. "Blessed is the nation whose God is the Lord." If "We the People" are to maintain the ideals of our founding documents, America must remain what Congress recognized it to be in 1954—One Nation Under God.

In order to appreciate the wisdom of the Founding Fathers, and the result of their labors in that hot Philadelphia summer of 1787, we need to understand the historical origins of the Declaration of Independence, the Articles of Confederation and the Constitution.

I. THE DECLARATION OF INDEPENDENCE

Every July 4, Americans joyfully celebrate their nation's birthday. On that date in 1776, members of the Second Continental Congress signed an eloquent statement setting forth the reasons that compelled the 13 British colonies to declare their independance from Great Britain. There was much celebration at the long-awaited news. The spirit of independence had been building for a decade. Many were asking with the "Father of the Revolution," Samuel Adams, "Is not America already independent? Why not then declare it?" Nowhere was the popular sentiment more forcefully expressed than in Patrick Henry's stirring speech on March 20, 1775, before the Virginia Convention, assembled in Richmond in the old church of Saint John:

"There is no longer room for hope. If we wish to be free, we must fight! I repeat it sir, we must fight! An appeal to arms and to the God of Hosts is all that is left us! They tell me that we are weak; but shall we gather strength by irresolution? We are not weak. Three millions of people, armed in the holy cause of liberty, and in such a country, are invincible by any force which our enemy can send against us. We shall not fight alone. A just God presides over the destinies of nations . . . There is no retreat, but in submission and slavery . . . Is life so dear, or peace so sweet, as to be purchased at the price of chains and slavery? Forbid it, Almighty God! I know not what course others may take; but as for me, give me liberty, or give me death."

Patriots did shed their blood to secure the freedoms we take for granted. On the Tomb of the Unknown Soldier of the American Revolution, located in the courtyard of the Old Presbyterian Meeting House in Alexandria, Virginia, is the following inscription:

"Here lies a soldier of the Revolution whose identity is known but to God. His was an idealism that recognized a Supreme Being, that planted religious liberty on our shores, that overthrew despotism, that established a peoples' government, that wrote a Constitution, setting metes and bounds of delegated authority, that fixed a standard of value upon men above gold and lifted high the torch of civil liberty along the pathway of mankind. In ourselves, his soul exists as part of ours, his memory's mansion."

Two days before Christmas in 1776, Thomas Paine paid tribute to patriots ready to lay down their lives for freedom: "These are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of his country; but he that stands it now, deserves the love and thanks of man and woman."

The profound constitutional significance of the Declaration of Independence lies in its ideal of a fundamental God-given law above and outside the formal structures of government.

They have our sincere thanks. The Declaration of Independnce that emboldened them is the most important political document ever produced in this country, if not the world. It is far more than the "birth certificate" of this nation. It embodies America's constitutional ideals, and is an inspiration to those the world over who would be free. Its ringing affirmation of human rights is venerated by the oppressed today, as it was when it astonished the world.

The profound constitutional significance of the Declaration of Independence lies in its ideal of a fundamental God-given law above and outside the formal structures of government. The motivating principles of the Declaration reflect the influence of Christian thought on Jefferson's philosophy. The Declaration expressed the purpose of government, which was to secure the human rights of the people; the Constitution created the governmental framework to achieve that purpose. Abraham Lincoln well understood the cause and effect relationship between the Declaration of Independence and the Constitution. In his words:

"All this is not the result of an accident. It has a philosophical cause. Without the Constitution and the Union, we could not have attained the result; but even these are not the primary cause of our great prosperity. There is something back of these, entwining itself more closely about the human heart. That something is the principle of "Liberty to all"—the principle that clears the path for all—gives hope to all—and, by consequence, enterprise and industry to all.

"The expression of that principle, in our Declaration of Independence, was most happy and fortunate."

The Declaration of Independence, if it had merely announced our separation from Great Britain, would have been a matter of relatively little importance in world history. But the Declaration was accomplished by a magnificent preamble that revolutionized the principles and practice of government. Other revolutions had taken place, but they signaled only a change in rule by men. The Declaration effected a change in principles. Here are the timeless words that established a government of law, not a government of men:

"We hold these Truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just Powers from the consent of the governed. That whenever any Form of Government becomes destructive to these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles, and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness."

Over the course of centuries, dating back at least to the Magna Carta in 1215, king and Parliament recognized that the English people possessed certain fundamental rights under law, such as trial by jury. The Petition of Right in 1628 asserted the supremacy of law over the personal wishes of the king. The English Bill of Rights in 1689 listed certain rights that were the "true, ancient, and indubitable rights and liberties of the people."

In recognizing that these fundamental rights were the gift of God, not granted by men, the Declaration revolutionized the philosophy of government.

The genius of the Declaration of Independence lies in its radical expansion of the concept of natural rights. It boldly postulated as self-evident the truth that "all men are created equal," and as a necessary consequence of this inherent equality, all legitimate government must be derived from the "consent of the governed." The people were sovereign, not some king born to rule by "devine right." And the Declaration eloquently proclaimed to the world that all men possessed God-given rights that were "unalienable"; government could not legitimately deprive them of these rights.

In recognizing that these fundamental rights were the gift of God, not granted by men, the Declaration revolutionized the philosophy of government. Because they were endowed by their Creator with certain inalienable rights, including the right of self-government, the colonists say themselves as morally justified in defending those rights by the force of arms. As Patrick Henry thundered, and the Declaration echoed, the people could confidently rely "on the Protection of Divine Providence" in fighting for a just cause.

In the book, *Religion in American Public Life,* Brookings Institution Fellow A. James Reichley draws on the Declaration of Independence in stating that "human rights are rooted in the moral worth with which a loving Creator has endowed each human soul, and social authority is legitimized by making it answerable to transcendent moral law." Reichley correctly concludes that the stability and strength of American democracy depends on religious underpinnings.

II. THE ARTICLES OF CONFEDERATION

Following the Declaration of Independence, and the establishment of the United States of America as a separate nation, the Second Continental Congress realized the pressing need for some formal plan of union. Richard Henry Lee of Virginia had first proposed a confederation in the Congress on June 7, 1776. Within a month, John Dickinson of Delaware prepared a first draft, but disagreements and war problems delayed adopting the Articles of Confederation until November 15, 1777.

Twelve states soon ratified the Articles, but Maryland objected to the western land claims of Massachusetts, Connecticut, New York, Virginia, North and South Carolina and Georgia. After these states consented to give up their western land claims to the United States, Maryland ratified the Articles on March 1, 1781, and they became effective on that date. The Articles of Confederation reflected the distrust that the colonists had for a powerful national government. The first substantive provision (Article 2) provided: "Each state retains its sovereignty, freedom, and independence, and every power, jurisdiction, and right, which is not by this confederation expressly delegated to the United States, in Congress assembled." (Note the limiting word "expressly.")

The Articles delegated a few specific powers to the national government: the power to conduct the war, to make treaties and conduct foreign relations, establish an army and navy, to coin money, to establish postal service, and to appoint tribunals to settle disputes between the states. However, the Congress of the Confederation had no power to levy taxes, a fatal mistake. Moreover, in retaining all powers not *expressly* delegated to the national government, the states retained authority over commerce with other states and, in part, with other nations. By requiring that nine of the 13 states—each with one vote in Congress—agree to treaties, and to legislation concerning raising, appropriating or coining money, creating and maintaining armies, and declaring war, the Articles further impeded effective action. There was no independent executive nor judicial branch, and the Congress of the Confederation had virtually no power to enforce its will, even within its limited scope of powers. Amendments to the Articles could occur only by unanimous consent of the states. The Articles of Confederation contained the seeds of its own destruction.

Despite the flaws of the Articles of Confederation, the Congress of the Confederation achieved one remarkable success, the Ordinance of 1787. It established equitable and republican principles for the governance of the western territories, and provided for the admission of new states into the Union on an equal footing with the 13 original states. In prescribing the conditions for the admission of new states, the Northwest Ordinance prohibited slavery and included a sentence asserting that "religion, morality and knowledge, being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged."

This limited success, however, was far from enough to ensure survival of the Articles of Confederation in the face of so many inherent weaknesses. Dislocations in foreign trade, which the Confederation was unable to improve, led to a depression in the 1780s. State governments were confronted with civil unrest caused by the depression and radical demands by the people for relief. Commercial disputes between the states led first to the Mount Vernon Conference between Maryland and Virginia in 1785 and then to a convention in Annapolis, Maryland in 1786. Only delegates from New York, New Jersey, Pennsylvania, Delaware and Virginia attended the Annapolis Convention. While not even Maryland attended, the result was constructive. The delegates recognized that the "embarrassments" which characterized the state of the country's national affairs, foreign and domestic, necessitated a convention of all the states.

Alexander Hamilton drafted a resolution calling for another convention the following year in Philadelphia to correct "such defects as may be discovered to exist" in the Articles of Confederation. The resolution also stated that the May 1787 convention would address all issues necessary "to render the constitution of the federal government adequate to the exigencies of the Union."

Shays' Rebellion in the summer of 1786, though finally subdued by Massachusetts by the end of February 1787, contributed to the general feeling of unrest and made the state governments aware that their best interests lay in forming "a more perfect Union."

The Congress of the Confederation agreed that reform of the national government was necessary and cautiously endorsed the Annapolis plan "for the sole and express purpose of revising the Articles of Confederation." However, the delegates to the Constitutional Convention drafted an entirely new Constitution. The Congress of the Confederation transacted its last official business on October 10, 1788.

III. THE CONSTITUTION

Some Americans today assume the Constitution was written for 3 million people living in a rural environment along the Atlantic seaboard. They are wrong. The Constitution was designed not for the moment, but for the ages. It was framed not for 3 million people, but for 230 million Americans living in a highly complex, urban society. As James Madison said in a letter in the 1820s: "We have framed a constitution that will probably be around when there are 196 million people."

The Constitution was designed not for the moment, but for the ages.

The Founding Fathers were men of vision. They foresaw a continental Union, an increasing population with larger cities than any of them knew, and a growing economy as the frontier moved westward. They were creating the future, not reflecting the past. The durability of the Constitution attests to the extraordinary vision and capabilities of its Framers.

The Constitution is remarkably short. It is a framework of government, not a bill of particulars. Its principles have been equal to dramatic changes in the makeup of our society, the industrial revolution, the present era of high technology and America's role as leader of the free world. A procedure for amending it was included, but the basic document is so sound that relatively few changes have been made. (There have been only 16 amendments since the ratification of the Bill of Rights in 1791-one every 12 years.)

The Constitutional Convention opened on May 25, 1787, with a quorum of delegates from seven states. Eventually delegates attended from all the states, except Rhode Island. Of the 55 who attended, half were lawyers and 29 had attended college. The respected public figures included George Washington, who presided by unanimous vote of the delegates, James Madison, Benjamin Franklin, George Mason, Gouverneur Morris, James Wilson, Roger Sherman and Elbridge Gerry.

The delegates decided that their express instruction to confine themselves to amending the Articles of Confederation had to be ignored. Thus the attempt of Congress and some states to limit the power and agenda of the Convention proved futile. Moreover, the Convention ignored the amendment procedure of the Articles of Confederation, which required the approval of every state, by devising a procedure calling for ratification by the people.

The Virginia General Assembly had issued the invitation to the Convention. James Madison, the "Father of the Constitution," came thoroughly prepared. (He also persuaded George Washington to come, a strategic move to enhance respect for the Convention.) During 1786 and early 1787, Madison combined the history of ancient republics and confederacies, as well as the states' constitutions. Madison, as well as the other Founding Fathers, had read the Spirit of Laws by Montesquieu. They knew Locke. Indeed, they knew all of the great authors of both political theory and historical fact. Madison drafted a number of "resolves," some little more than suggestions, for the consideration of his fellow delegates. On the fifth day of the meeting, Edmund Randolph of Virginia introduced Madison's handiwork, 15 resolutions known as the "Virginia Plan" of Union which promptly became the vehicle for discussion. Madison drew heavily on many sources, including the Massachusetts Constitution of 1780, in suggesting a basic framework of government similar to that we enjoy today.

Madison and the other Framers were not political romantics, wedded to the notion of pure "majority rule."

Madison made no attempt to salvage what he called the "imbecilic" Articles of Confederation. Instead, his proposal described a completely new governmental structure calculated to redeem the promise of the American Revolution. It included a bicameral (two-chamber) legislature representing the states proportionately according to population, with a lower house elected by the people and an upper house chosen by the lower body from nominees proposed by the state legislatures; an executive chosen by the legislature; a judiciary branch; and a council made up of the executive and members of the judicial branch which could veto enactments of the national legislature. While changes in this plan were made later, the basic concept of the separation of powers among legislative, and executive and judicial branches survived.

Madison and the other Framers were not political romantics, wedded to the notion of pure "majority rule." Rather, they were political realists interested in dividing government power, separating it so that each branch of government would act as a check on the others. The Framers agreed that the people were sovereign, as the Declaration of Independence established, but were determined to prevent tyranny by the majority, and to control government by checks and balances built into its structure.

The biggest single issue—one that threatened to destroy the Convention—was the matter of representation in the proposed national legislature. The small states saw that under the Virginia Plan, the states with large populations would dominate them politically. They wanted equal representation, which they had enjoyed under the Articles of Confederation. The stalemate over equal versus proportionate representation by states in Congress was finally resolved after weeks of debate by the so-called "Great Compromise." The Convention finally determined on July 16 that each state would be equally represented in the Senate. A few days earlier the Convention had agreed that representation in the House would be proportional to a state's population which was to be determined by adding to the number of free persons (white or black) "three-fifths of all other persons." By that was meant slaves, although the word, slave, was never used in the Constitution.

Although the Declaration of Independence declared that "all men are created equal," that God-given right was denied the slaves. James Madison's brilliant contribution to American political theory left intact the central paradox in American history—the persistence of slavery and racial segregation in a society which ostensibly aspired to the lofty ideals of the Declaration and representative democracy.

In allowing slavery to continue until at least 1808, the Constitution fell far short of the Declaration's affirmation of human rights. But, politics is the art of the possible, and this glaring defect in American idealism was thought by the Founders to have been dictated by political necessity. The exigencies of the political situation limited those opposed to slavery to create a Constitution which, while it tolerated slavery, put slavery on what Lincoln termed "the road to ultimate extinction."

Slavery obviously could not be reconciled with the Declaration's historic proclamation that liberty was a gift of God which could not legitimately be taken away, nor the statement that legitimate government rule rests on the consent of the governed.

By September, the Convention had survived other major and minor crises without disbanding and had produced a Constitution with 23 articles—fought over, voted upon, and many times rewritten. A preamble began, "We the undersigned delegates. . . ." The Convention chose a committee to "revise the style of and arrange the articles." The five selected were William Samuel Johnson, Alexander Hamilton, Gouverneur Morris, James Madison and Rufus King. All advocated a strong national government. Gouverneur Morris took the 23 articles and condensed them into seven, producing a Constitution that could be carried in a pocket. The Committee of Style deleted altogether Articles XXII and XXIII concerning ratification by state legislatures (which would never have succeeded) and cleverly provided for ratification by the people through state conventions, with ratification by nine state conventions to be sufficient for the Constitution to take effect. The Preamble captured the essence of the Convention's hard work:

"We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquillity, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America."

A discussion of the difficulties in the ratification process by the states is not possible here. Suffice it to say, there was a real struggle in Massachusetts, Virginia, and especially New York. The main criticism was the absence of a Bill of Rights. The people were far from satisfied with the pro-ratification arguments in The Federalist and elsewhere that the new Constitution created a government of limited delegated powers, and thus had been granted no power that could be used to abridge their rights. They demanded something more concrete to secure those God-given rights of which the Declaration of Independence so eloquently spoke. James Madison assured them that the first Congress would pass a Bill of Rights and submit it to the states for ratification. That promise was fulfilled when the first 10 amendments were passed by Congress in September 1789; ratification was completed on December 15, 1791.

George Washington was elected president unanimously by the electoral college. On April 30, 1789, he took the oath of office on the balcony of Federal Hall in New York City. Thousands of people had waited for hours to witness the historic occasion. Turning toward Judge Robert R. Livingston, Washington placed his left hand on an opened Bible lying on a table beside him, raised his right hand and repeated the presidential oath of office as prescribed in the Constitution: "I do solemnly swear that I will faithfully execute the office of President of the United States, and will to the best of my Ability, preserve, protect and defend the Constitution of the United States." Then, after pausing briefly, Washington electrified the hushed crowd by adding his own words: "I swear, so help me God." A murmur spread throught the crowd and the inaugural party. This was not part of the oath of office, although the precedent set by Washington has been followed by every president since. Then Washington bent over and kissed the Bible. Another murmur. Judge Livingston turned to the thousands below and cried out: "Long live George Washington, President of the United States!" The people cheered, church bells rang, and cannons fired.

No one among the Founding Fathers was more respected, more revered, than George Washington. He was truly the "American Cincinnatus." The country and the people came before his beloved Mount Vernon. George Washington, first in war, first in peace, first in the hearts of his countrymen, humbly acknowledged that the office of President was greater than the man filling it. He spoke for the earliest American citizens in his first inaugural address:

"Such being the impressions under which I have, in obedience to the public summons, repaired to the present station, it would be peculiarly improper to omit in this first official act my fervent supplications to that Almightly Being who rules over the universe, who presides in the councils of nations, and whose providential aids can supply every human defect, that His benediction may consecrate to the liberties and happiness of the people of the United States, a Government instituted by themselves for these essential purposes, and may enable every instrument employed in its administration to execute with success the function allotted to his charge. In tendering this homage to the Great Author of every public and private good, I assure myself that it expresses your sentiments not less than my own, nor those of my fellow citizens at large less than either. No people can be bound to acknowledge and adore the Invisible Hand which conducts the affairs of men more than those of the United States. Every step by which they have advanced to the character of an independent nation seems to have been distinguished by some token of providential agency; and in the important revolution just accomplished in the system of their united government, the tranquil deliberations and voluntary consent of so many distinct communities from which the event has resulted cannot be compared with the means by which most governments have been established without some return of pious gratitude along with an humble anticipation of the future blessings which the past seems to presage. These reflections, arising out of the present crisis, have forced themselves too strong on my mind to be suppressed. You will join with me, I trust, in thinking that there are none under the influence of which the proceedings of a new and free government can more auspiciously commence."

Evangelical Christians in the United States owe an extraordinary debt of gratitude to God and to the men who wrote and adopted the Constitution.

Washington went on to add this caution: "We ought to be no less persuaded that the propitious smiles of heaven can never be expected on a nation that disregards the eternal rules of order and right which heaven itself has ordained."

Evangelical Christians in the United States owe an extraordinary debt of gratitude to God and to the men who wrote and adopted the Constitution. This great document allowed 13 former colonies to cease languishing as a collection of small, squabbling, independent states and to become unified as one nation.

Our country has grown and prospered beyond even the dreams of the Founding Fathers. "We the People" have been able to enjoy our God-given inalienable rights because the Constitution has preserved these rights.

By guaranteeing religious freedom for all and building on principles based on biblical teaching, the Constitution has provided an environment in which evangelical churches could thrive. Because of a significant growth in membership, an increase of influence in public life, and the provision of adequate financial resources, American evangelicals have been in the vanguard of world evangelization and missionary outreach.

As long as we maintain the spirit and intent of our Constitution's Framers and follow their principles, George Washington's expectation of the "smiles of heaven" should continue as reality.

Our challenge, then, as we commemorate the Bicentennial of the United States Constitution, is to live, work and pray for a third century as One Nation Under God.

THE CAPITOL

Every session of the House and the Senate begins with prayer. Each house has its own chaplain.

The Eighty-third Congress set aside a small room in the Capitol, just off the rotunda, for the private prayer and meditation of members of Congress. The room is always open when Congress is in session, but it is not open to the public. The room's focal point is a stained glass window showing George Washington kneeling in prayer. Behind him is etched these words from Psalm 16:1: "Preserve me, O God, for in Thee do I put my trust."

Inside the rotunda is a picture of the Pilgrims about to embark from Holland on the sister ship of the *Mayflower,* the *Speedwell.* The ship's revered chaplain, Brewster, who later joined the *Mayflower,* has open on his lap the Bible. Very clear are the words, "the New Testament according to our Lord and Savior, Jesus Christ." On the sail is the motto of the Pilgrims, "In God We Trust, God With Us."

SENATE PRAYER

Thursday, July 17, 1986

"We the People of the United States . . . do ordain and establish this Constitution of the United States of America."

God of our fathers, these words are so familiar that we hear them with a yawn. Help us to realize how revolutionary—how radical they must have sounded at a time when governments were sovereign and people were subjects. As we approach the bicentennial of the Constitution, awaken the people to the unprecedented political system which is our legacy and renew them in their understanding and commitment. Help them to comprehend that in this sytem the people are sovereign and the Government receives its "just powers" from their "consent." Help the people to recognize that the system breaks down when they abdicate their sovereignty. Forgive the false thinking of the people as "us" and the Government as "them." Gracious God, may November 4 and the time between now and then see the renewal of the people in taking their sovereignty as seriously as the Senate does. In the Name of Him Who is Lord of History. Amen.

RICHARD C. HALVERSON,
Chaplain, U.S. Senate.●

PANAMA

● Mr. DURENBERGER. Mr. President, I rise today to again comment on the situation in Panama. Last week, this body passed a resolution condemning the actions of the Noriega government by an overwhelming vote of 84 to 2. I was the lead sponsor of that resolution and was joined by over 50 of my colleagues in cosponsorship. I argued that this body needed to take a strong stand on support for democracy in all the Americas, and that Panama could not be exempt from the democratic tide sweeping through our hemisphere.

Since we passed Senate Resolution 239, Panama's dictator has reacted harshly. This should not surprise those of us who understand just what kind of a person Noriega is. Panama recalled its Ambassador to the United States the day after the resolution passed. The suspension of constitutional guarantees was lifted but only, it seems, to allow a government incited crowd to attack our Embassy in Panama City. A large number of Panamanians—led by eight cabinet ministers—stormed our Embassy, destroyed property, and generally rampaged through the streets yesterday. Though the Panamanian security forces have proven themselves to be very diligent in the pursuit of any political dissenters, they made no arrests in the shameful attack on our Embassy.

Mr. President, there are certain diplomatic customs that are observed by modern nations, even by those with reprehensible forms of government. But yesterday's attack in Panama goes far beyond the bounds of civilized behavior—especially in light of the fact that mendacious behavior was not only tolerated but encouraged by the Government of Panama. I have even received reports that government workers were told that they would not receive their paychecks unless they attended the protests.

This much is clear Mr. President: the violence in Panama will continue until there is a government in place that represents the will of the people, and has the legitimacy that is only found in truly democratic structures. I am told that the situation in Panama is tense tonight. I am informed that threats against prominent opposition leaders have increased. I am particularly concerned about the welfare of Aurelio Barria, the head of the chamber of commerce, who has played such an important role in the democratic opposition in Panama.

Mr. President, I will continue to monitor the crisis in Panama, as will many of my colleagues. The actions of General Noriega have only reinforced the nearly unanimous sentiment of this body that the current situation in Panama must change. I ask that two articles describing the situation in Panama since we passed Senate Resolution 239 be inserted in the RECORD.

The articles follow:

[From the Minneapolis Star and Tribune, July 1, 1987]

DEMONSTRATORS STONE EMBASSY IN PANAMA, CITE U.S. INTERVENTION

PANAMA CITY, PANAMA.—Thousands of supporters of Panama's military-controlled government demonstrated Tuesday against alleged U.S. intervention in Panamanian affairs, and some threw stones at U.S. Embassy buildings.

At the same time, thousands of Panamanians staged a counterdemonstration against the government of President Eric Arturo Delvalle. They honked car horns, banged pots and pans and waved white handkerchiefs to demand a military withdrawal from politics and investigations into alleged corruption.

Witnesses said at least 10 vehicles parked in the U.S. Embassy compound were damaged by stones thrown during the progovernment demonstration.

Police made no report of injuries or arrests in either demonstration.

Eight Cabinet ministers and other top officials led the anti-U.S. demonstration, the latest in a series of actions protesting a nonbinding resolution passed by the U.S. Senate last week calling for free elections and an end to military meddling in Panama's politics.

The resolution also criticized Gen. Manuel Antonio Noriega, commander of the Defense Force, and called for an independent investigation of allegations made against him.

A recently retired colonel claimed that Noriega was linked to election fraud in 1984, the 1985 killing of a political opponent and the death of Gen. Omar Torrijos in a 1981 plane crash. Torrijos at the time was Panama's military ruler.

The National Legislature, in a vote early yesterday, lifted the 19-day state of emergency that restricted civil rights.

Delvalle imposed the state of emergency after two days of rioting by opposition groups demanding that Noriega resign and that democracy be restored.

But earlier at the same session, the legislators by a 39–0 vote with all 22 opposition members absent, attacked the U.S. Senate resolution as "interventionist aggression" and demanded the expulsion of U.S. Ambassador Arthur Davis.

In the anti-U.S. rally, an estimated 30,000 demonstrators gathered at midmorning in the Plaza Porras outside the Foreign Ministry building and then divided into separate groups that marched to the U.S. Embassy compound, the U.S. Consulate and the U.S. Information Agency.

PDC COMMENTS ON U.S. SENATE RESOLUTION SUPPORT

PANAMA CITY, June 29.—The opposition Christian Democratic Party [PDC] said today that U.S. Senate "identifies" with "the Panamanian people in their stuggle for democracy" and in their demands that the Defense Forces not meddle in civilian affairs.

In a communique released by its political committee, Panama's PDC asserts that "democracy and nationalism go hand in hand" and that the U.S. Senate resolution supports rather than intervenes in the Panamaniam people's democratic aspirations.

According to the PDC, the Senate backs the aspiration of the majority of Panamanians, who want an investigation of General Manuel Antonio Noriega, commander in chief of the Army [as received], to take place. Noriega has been accused of corruption and murder. The Panamanian people also want him to be separated from his post for the duration of his trial.

The PDC said: "The people's democractic self-determination is what justifies the nationalist demand for nonintervention."

The PDC mentions eight "pieces of evidence" to show that Noriega, to remain in power, has promoted "interventionism" by the U.S. Army and banks and has sought the support of Cuban and Nicaraguan Presidents, Fidel Castro and Daniel Ortega.

According to the PDC, in September 1985 when Noriega "removed" President Nicolas Ardito Barletta from office, Noriega sent a memorandum to then Southern Command Chief General John Galvin, who is now the NATO supreme commander.

According to the PDC, both President Castro and President Ortega have come out in defense of Gen. Noriega at various times.

The communique issued by the PDC states that the U.S. Senate resolution is an expression of solidarity with the views of the patriotic junta, which is composed of five opposition political parties, the civilianization crusade (which called for civilian disobedience early in June), and the Panamanian Episcopal Conference.

On Friday, the U.S. Senate approved, with 82 votes for and 2 votes against, a resolution recommending "democratic elections" in Panama and requesting that the soldiers accused of corruption and abuse of power not meddle in civilian affairs.

The U.S. Senate also requested an investigation concerning accusations made against Army officers of corruption and murder, and even requested that until the completion of that investigation, the officers accused should suspend their duties, including Gen. Manuel Antonio Noriega, Army commander in chief.

The Senate resolution has elicited the rejection of the Panamanian Government, the Defense Forces, and the Panamanian Legislative Assembly, which described the resolution as "intervention" in Panamanian internal affairs.●

ORDER OF PROCEDURE TUESDAY, JULY 7

Mr. BYRD. Mr. President, while awaiting the arrival of a Senator, the Senate will convene at 10 o'clock on Tuesday next, July 7. I ask unanimous consent that after the two leaders are recognized under the standing order, there be a period for morning business not to extend beyond 10:30 a.m., that Senators be permitted to speak therein for not to exceed 5 minutes each; that at the hour of 10:30 a.m. the Senate resume consideration of the trade legislation, at which time the pending question will be on the amendment offered by Messrs. SYMMS and NICKLES.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. There is no time agreement on that amendment. I understand that there may be a rollcall vote on the amendment.

Once that amendment has been disposed of, the Senate will then resume consideration of the amendment by Mr. MOYNIHAN in the first degree, amended by the amendment by Mr. BYRD in the second degree. Quite likely, that amendment will be laid aside by unanimous consent so that other amendments to the trade bill can be called up.

There is no doubt in my mind, Mr. President, but that there will be rollcall votes on Tuesday. I think we are down to the point where most of the amendments that remain to be called up will be the major amendments. There are a few amendments that are less than major, perhaps, except that in the eyes of the beholder, they may be major amendments as well.

ORDER FOR RECESS BETWEEN 12 NOON AND 2 P.M. ON TUESDAY NEXT

Mr. President, I ask unanimous consent that the Senate stand in recess between the hours of 12 noon on Tuesday next and 2 p.m., to accommodate the party conference luncheons.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I expect that the Senate will be in session into the evenings next week. The trade bill should be passed by Wednesday or Thursday. Thursday, I think. So let us hope that it is passed by Thursday or before.

Rollcall votes can be expected daily. The Senate will be coming in early each day.

If the Republican leader has no objection, I would like to get consent now, so that Senators will be on notice, as to the hours the Senate will be convening.

ORDER FOR RECESS FROM TUESDAY, JULY 7, 1987, UNTIL 8:30 A.M. ON WEDNESDAY, JULY 8

Mr. President, I ask unanimous consent that when the Senate completes its business on Tuesday next, it stand in recess—and we can always change this by unanimous consent—until the hour of 8:30 a.m. Wednesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM WEDNESDAY, JULY 8, 1987, UNTIL 8:30 A.M. ON THURSDAY, JULY 9

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Wednesday next, it stand in recess until the hour of 8:30 a.m. on Thursday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM THURSDAY, JULY 9, 1987, UNTIL 8:30 A.M. ON FRIDAY, JULY 10

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Thursday next, it stand in recess until the hour of 8:30 a.m. on Friday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M., TUESDAY, JULY 7, 1987

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate stand in recess, in accordance with House Concurrent Resolution 154, until the hour of 10 a.m. on Tuesday, July 7, 1987.

There being no objection, the Senate recessed at 7:53 p.m., in accordance with the provisions of House Concurrent Resolution 154, until Tuesday, July 7, 1987, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 1, 1987:

THE JUDICIARY

Clarence A. Beam, of Nebraska, to be U.S. circuit judge for the eighth circuit, vice Donald R. Ross, retired.

Jerome Turner, of Tennessee, to be U.S. district judge for the western district of Tennessee, vice Robert M. McRae, Jr., retired.

T. S. Ellis III, of Virginia, to be U.S. district judge for the eastern district of Virginia, vice Robert R. Merhige, Jr., retired.

William L. Standish, of Pennsylvania, to be U.S. district judge for the western district of Pennsylvania, vice Barron P. McCune, retired.

George C. Smith, of Ohio, to be U.S. district judge for the southern district of Ohio, vice Joseph P. Kinneary, retired.

Charles R. Wolle, of Iowa, to be U.S. district judge for the southern district of Iowa, vice William C. Stuart, retired.

R. Kenton Musgrave, of California, to be a judge of the U.S. Court of International Trade vice Morgan Ford, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 1, 1987:

SECURITIES AND EXCHANGE COMMISSION

Edward H. Fleischman, of New Jersey, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1992.

EXPORT-IMPORT BANK OF THE UNITED STATES

Simon C. Fireman, of Massachusetts, to be a member of the Board of Directors of the Export-Import Bank of the United States for a term expiring January 20, 1991.

DEPARTMENT OF STATE

Max M. Kampelman, of the District of Columbia, to be counselor of the Department of State.

Hume Alexander Horan, of New Jersey, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia.

Williard Ames De Pree, of Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Bangladesh.

Lester B. Korn, of California, to be the Representative of the United States of America on the Economic and Social Council of the United Nations, with the rank of Ambassador.

U.S. INFORMATION AGENCY

Anthony J. Gabriel, of Virginia, to be inspector general, U.S. Information Agency.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

James T. Turner, of Virginia, to be a judge of the U.S. Claims Court for the term of 15 years.

Robert Holmes Bell, of Michigan, to be U.S. district judge for the western district of Michigan.

DEPARTMENT OF JUSTICE

Richard Bender Abell, of Virginia, to be an Assistant Attorney General.

William S. Price, of Oklahoma, to be U.S. attorney for the western district of Oklahoma for the term of 4 years.

Charles H. Turner, of Oregon, to be U.S. attorney for the district of Oregon for the term of 4 years.

Daniel B. Wright, of New York, to be U.S. Marshal for the western district of New York for the term of 4 years.

STATE JUSTICE INSTITUTE

Ralph J. Erickstad, of North Dakota, to be a member of the Board of Directors of the State Justice Institute for a term expiring September 17, 1989.

IN THE AIR FORCE

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

Lt. Gen. Forrest S. McCartney, [redacted]FR, U.S. Air Force.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Robert D. Beckel, [redacted]FR, U.S. Air Force.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Gen. Duane H. Cassidy, [redacted]FR, U.S. Air Force.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. Jack N. Merritt, [redacted], U.S. Army.

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

To be permanent major general

Brig. Gen. Charles E. Edgar III, [redacted], U.S. Army.

Brig. Gen. John S. Peppers, [redacted], U.S. Army.

Brig. Gen. Bobby F. Brashears, [redacted], U.S. Army.

Brig. Gen. John O. Sewall, [redacted], U.S. Army.

Brig. Gen. Thomas G. Lightner, [redacted], U.S. Army.

Brig. Gen. Charles F. Scanlon, [redacted], U.S. Army.

Brig. Gen. Paul R. Schwartz, [redacted], U.S. Army.

Brig. Gen. Joseph D. Schott, [redacted], U.S. Army.

Brig. Gen. Wayne C. Knudson, [redacted], U.S. Army.

Brig. Gen. Peter J. Offringa, [redacted], U.S. Army.

Brig. Gen. Larry D. Budge, [redacted], U.S. Army.

Brig. Gen. John H. Stanford, [redacted], U.S. Army.

Brig. Gen. Peter J. Boylan, Jr., [redacted], U.S. Army.

Brig. Gen. Eugene B. Leedy, [redacted], U.S. Army.

Brig. Gen. Charles E. Williams, [redacted], U.S. Army.

Brig. Gen. Philip H. Mallory, [redacted], U.S. Army.

Brig. Gen. James W. Ray [redacted], U.S. Army.

Brig. Gen. George H. Akin, [redacted], U.S. Army.

Brig. Gen. Arnold Schlossberg, Jr., [redacted] U.S. Army.

Brig. Gen. Stanley H. Hyman, [redacted] U.S. Army.

Brig. Gen. Harold T. Fields, Jr., [redacted] U.S. Army.

Brig. Gen. Thomas C. Foley, [redacted], U.S. Army.

Brig. Gen. Thomas H. Harvey, Jr., [redacted] U.S. Army.

Brig. Gen. Marvin D. Brailsford, [redacted] U.S. Army.

Brig. Gen. Robert D. Chelberg, [redacted] U.S. Army.

Brig. Gen. John P. Dreska [redacted], U.S. Army.

Brig. Gen. Harry G. Karegeannes, [redacted] U.S. Army.

Brig. Gen. William F. Streeter, [redacted] U.S. Army.

Brig. Gen. Charles E. Dominy, [redacted] U.S. Army.

Brig. Gen. Charles A. Hines, [redacted], U.S. Army.

Brig. Gen. John A. Renner [redacted], U.S. Army.

Brig. Gen. Merle Freitag [redacted], U.S. Army.

Brig. Gen. Wayne A. Downing, [redacted] U.S. Army.

Brig. Gen. Craig H. Boice [redacted], U.S. Army.

Brig. Gen. Thomas P. Carney, [redacted] U.S. Army.

Brig. Gen. Thomas G. Rhame, [redacted] U.S. Army.

Brig. Gen. Leon E. Salomon, [redacted], U.S. Army.

Brig. Gen. Horace G. Taylor, [redacted], U.S. Army.

Brig. Gen. Daniel R. Schroeder, [redacted] U.S. Army.

The following-named Army Nurse Corps Competitive Category officer for appointment in the U.S. Army to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

To be permanent brigadier general

Col. Clara L. Adams-Ender, [redacted], Army Nurse Corps Competitive Category, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Gen. Joseph T. Palestra, [redacted], U.S. Army.

IN THE NAVY

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. Jonathan T. Howe, [redacted]/1110, U.S. Navy.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

To be vice admiral

Vice Adm. Thomas J. Hughes, Jr., [redacted]/1210, U.S. Navy.

In the Air Force

Air Force nomination of David L. Franks, which was received by the Senate and appeared in the Congressional Record of June 16, 1987.

Air Force nominations beginning Richard R. Digney, and ending Chesley G. Williams, which nominations were received by the Senate and appeared in the Congressional Record of June 16, 1987.

Air Force nominations beginning Drue L. Deberry, and ending David L. Franks, which nominations were received by the Senate and appeared in the Congressional Record of June 16, 1987.

Air Force nominations beginning David T. Anderson, and ending Anthony M. Tolle, which nominations were received by the Senate and appeared in the Congressional Record of June 16, 1987.

Air Force nominations beginning Charles M. Baier, Jr., and ending Roberta V. Mills, which nominations were received by the Senate and appeared in the Congressional Record of June 16, 1987.

Air Force nominations beginning Sidney C. Wisdom, and ending Larry P. Kelly, which nominations were received by the Senate and appeared in the Congressional Record of June 18, 1987.

Air Force nominations beginning Maj. Larry L. Allen, [redacted] and ending Maj. Diane M. Koren, [redacted] which nominations were received by the Senate and appeared in the Congressional Record of June 18, 1987.

In the Army

Army nominations beginning *David C. Ballew, and ending *Jeffrey M. Young, which nominations were received by the Senate and appeared in the Congressional Record of June 16, 1987.

Army nominations beginning *John S. Ahmann, and ending *Mark K Zygmond, which nominations were received by the Senate and appeared in the Congressional Record of June 16, 1987.

In the Marine Corps

Marine Corps nominations beginning Francis P. Ahearn, Jr., and ending John M. Young, Jr., which nominations were received by the Senate and appeared in the Congressional Record of June 16, 1987.

Marine Corps nominations beginning David R. Aday, and ending Bertrand L. Zeller, which nominations were received by the Senate and appeared in the Congressional Record of June 16, 1987.

In the Navy

Navy nomination of Everette D. Stumbaugh, which was received by the Senate and appeared in the Congressional Record of March 23, 1987.

Navy nominations beginning Philip B. Bailey, and ending Richard Dale Shepard, which nominations which were received by the Senate and appeared in the Congressional Record of June 18, 1987.

Navy nominations beginning Dorrit E. Ahbel, and ending Arthur Eugene Wickerham, which nominations were received by the Senate and appeared in the Congressional Record of June 18, 1987.

HOUSE OF REPRESENTATIVES—*Wednesday, July 1, 1987*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

As we look to the celebration of the birth of our Nation, O God, we are thankful for the blessings we have enjoyed as a people. We are grateful for the liberties which mark our heritage and the freedoms we celebrate. We pray that we will be renewed in each generation with the values and purposes which promote justice in our land and which honor the rich heritage of those before us. In Your name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2480. An act to extend temporarily the governing international fishery agreement between the United States and the Republic of Korea, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1447. An act to designate Morgan and Lawrence Counties in Alabama as a single metropolitan statistical area.

ADJOURNMENT OF THE HOUSE FROM WEDNESDAY, JULY 1, 1987, TO TUESDAY, JULY 7, 1987, AND ADJOURNMENT OF THE SENATE ON WEDNESDAY, JULY 1, 1987, OR ON THURSDAY, JULY 2, 1987, TO TUESDAY, JULY 7, 1987

Mr. FOLEY. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 154) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 154

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Wednesday, July 1, 1987, it stand adjourned until 12 o'clock meridian on Tuesday, July 7, 1987, and that when the Senate recesses on Wednesday, July 1, 1987, or Thursday, July 2, 1987, pursuant to a motion made by the majority leader, or his designee, in accordance with this resolution, it stand in recess until 10 o'clock ante meridiem on Tuesday, July 7, 1987.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

HOUR OF MEETING ON WEDNESDAY, JULY 8, 1987

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday, July 7, 1987, it adjourn to meet at 11 a.m. on Wednesday, July 8, 1987.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

OUR WHEAT FARMERS SHOULD KNOW WHAT NEXT YEAR'S PROGRAM IS GOING TO BE

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, the Secretary of Agriculture is breaking the law. The administration is breaking the law. The 1988 wheat program was supposed to be announced by June 1, according to the 1985 farm bill provisions which we in this Congress passed and which President Reagan signed into law.

It is now July 1, 30 days later; no announcement of the wheat program, no notice to farmers as to what the set-aside will be, what the loan rates will be, what cross-compliance will be and a whole other litany of provisions that the wheat farmers of this country need to know to survive, to deal with next year's crops.

Why, Mr. Secretary, why, Mr. President, are you not complying with the law? Why are you not doing what Congress told you to do? Why are you not letting the wheat farmers of this country know what next year's program is going to be?

I say to the Secretary, as chairman of the Subcommittee on Wheat, Soybeans and Feed Grains that if no announcement is forthcoming through the July 4 recess that we will take such necessary legislative and oversight steps as will prod the department to do what the law requires them to do.

So let us know what that program is going to be.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, JULY 8, 1987

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday, July 8, 1987, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS, AND TO APPOINT COMMISSIONS, BOARDS, AND COMMITTEES NOTWITHSTANDING ADJOURNMENT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Tuesday, July 7, 1987, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

ENERGY AND NATIONAL SECURITY

(Mr. INHOFE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. INHOFE. Mr. Speaker, I rise today to bring my colleagues' attention to a provision in S. 1420, the Senate trade bill, regarding oil imports. This bill is currently being considered by the Senate and includes a provision to give the President power to keep imported oil from exceeding 50 percent of domestic consumption. Under section 502 of the bill the President would be required to make recommendations to Congress to reduce dependence on crude oil imports, when they comprise 50 percent or more of domestic consumption.

I support this provision and believe it is critical that Congress take action to reduce our dependence on foreign oil. The oil price collapse in 1986 has jeopardized domestic oil production operations which, in turn, threatens U.S. energy security by increasing our dependence on oil supplied by OPEC. Clearly this position poses grave danger to U.S. economic security and must not be allowed to continue.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

91-059 O-89-7 (Pt. 14)

Rising imports and lower production is a simple equation for economic trouble. In 1986 our oil imports increased over 1 million barrels per day to 6.1 million barrels. In recent weeks we have imported 40 percent of our oil. This represents a higher percentage than during the 1973 Arab oil embargo. OPEC controls over 75 percent of the world's oil reserves and 98 percent of the surplus oil production capacity. It is clear that we must take action now to prevent another embargo from crippling our economy. I urge my colleagues in the Senate to support this important provision.

On a related matter, I would encourage my colleagues to support repeal of the windfall profit tax [WPT]. The WPT was enacted in 1980 to capture profits of the oil industry that resulted from the decontrol of domestic oil. The tax was established at a time when world oil prices were higher than the controlled price.

The tax is estimated to cost the oil industry over $100 million annually. In fact, Phillips Petroleum which is based in my State, reports that it cost them over $1.5 million annually in administrative cost and six full-time employees. These costs are staggering both to the oil industry and to the Government considering that at present prices, the WPT contributes nothing to Federal tax receipts.

Imagine, if you will, that you are a major oil producer and current market conditions have oil selling for $18 barrel. The threshold price for the WPT on old oil is $19 per barrel. Imagine further, that the future price of oil increases above the $20 range. This means that a 70-percent tax would apply to all revenues by major oil companies above the threshold price. A 50-percent tax would apply to revenues above the threshold for independent oil producers. As you can see the WPT is a serious disincentive to all domestic oil producers and should be repealed.

The Department of Energy's recent report on energy security stated that if the price of oil would average between the high and low scenarios they studied, the WPT would raise less than $50 million from 1987 to 1991, the remaining years before phasedown of the tax begins. It is fiscally irresponsible to retain a tax that might raise $50 million over 5 years when it has an associated cost of $500 million over the same period.

The WPT has failed miserably. It was originally estimated that the WPT would raise $227 billion in Federal revenues—yet, it has only raised $78 billion since its inception. This tax is severely hindering domestic oil production at a time when there are no longer any "unearned profits" from decontrol of oil prices.

The WPT is contrary to the national interest and should be repealed immediately. It discourages investment in domestic petroleum production at a time when dependence on foreign imports is rising rapidly. It constitutes an additional tax burden on an already heavily taxed industry. It continues to impose heavy compliance and administrative burdens on both taxpayers and Government, without producing revenues at present. And, more important, is that there are simply no "unearned windfall profits" from decontrol to be taxed.

VIRGINIA WILDERNESS ACT OF 1987

(Mr. OLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OLIN. Mr. Speaker, today I am introducing, with Congressman RICK BOUCHER and six of our Virginia colleagues, the Virginia Wilderness Act of 1987.

This bill completes action begun 3 years ago when we sponsored legislation that designated 56,000 acres in the Jefferson and George Washington National Forests as wilderness. The bill we offer today adds another 25,000 acres which were held for further study in the original bill. This new action also stands as an example of the community spirit of one of our fine neighbors, Westvaco, which dropped its earlier opposition when it determined that nearby wilderness will not adversely affect its plans for future expansion.

I won't describe each of the areas, other than to tell you that some are cherished for their beauty, others are special because of their ruggedness. But all of them deserve the protection of wilderness designation. They deserve the affection of the people who have hiked there, camped there, hunted there, or just admired their beauty. And the generations yet to come deserve our foresight in making sure that wild areas unscarred by man's inventions are available for their recreation and their reverie.

NATIONAL DRUG POLICY BOARD IS A FAILURE

(Mr. ENGLISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ENGLISH. Mr. Speaker, the Government Operations Committee has just released a report that takes a long hard look at how the Reagan administration is running the war on drugs. The committee found that the Drug Policy Board has failed to provide the leadership needed to combat the flood of illegal drugs across our borders.

The Board is chaired by the Attorney General and includes 16 Cabinet officials. Its responsibilities were mandated by Congress. But the committee found that the Drug Policy Board isn't doing its job.

The committee found that the Drug Policy Board has failed to resolve interagency disputes in an efficient and timely manner.

The Drug Policy Board has failed to carry out its budget responsibilities.

The Drug Policy Board has had little success in effectively developing and implementing national policy.

In sum, the National Drug Policy Board has not assumed the leadership role so desperately needed if we are to win this war.

What's needed, Mr. Speaker, is a board that is not reluctant to take on the tougher issues facing Federal anti-drug abuse efforts. The committee recommends that the Drug Policy Board be more aggressive in the war on drugs. The Board should adopt a management style more appropriate to the task at hand.

The Board must vigorously pursue its budget responsibilities, and perform a comprehensive review of resource allocation to determine where the Federal Government can get the best return for its money. If the Board proves unable to take a more active role, Congress might want to take some action of its own.

The report is titled "The National Drug Policy Board: A Failure in the War on Drugs" (Rept. No. 100-184). I highly recommend this document to any Member who is interested in learning the details of our Nation's growing drug problem.

VETERANS' ADMINISTRATION SHOULD FOLLOW THE LAW: OBSERVE DAVIS-BACON PROVISIONS

(Mr. JONTZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONTZ. Mr. Speaker, last Friday the Wage Appeals Board announced its decision concerning the prevailing wage dispute at the Veterans' Administration outpatient clinic at Crown Point, IN. This dispute arose when the VA decided that the Davis-Bacon Act did not apply to the construction of this clinic building.

Although this facility will be completely constructed according to the VA's specifications and although this structure would not be constructed without the VA's promise to lease the facility for a minimum of 15 years, the Veterans' Administration claimed that their contract with the developer is a simple contract for lease and, therefore, does not fall within the scope of Davis-Bacon.

The Wage and Hour Administrator has twice ruled that the Crown Point clinic is covered by Davis-Bacon, and last Friday the Wage Appeals Board upheld her decision stating:

> Any reasonable person * * * must conclude that the VA is entering into a contract for more than a lease. It is plain to the majority that the VA is entering into a "contract for construction" as well as a lease.

I hope that this controversy is behind us. The Veterans' Administration has pursued its claims to a final adjudication. I believe it is now incumbent upon the VA to follow the law, to inform their contractor that the prevailing wage must be paid on the Crown Point clinic project, and to make sure that appropriate back wages are paid to those who have worked on this project.

TURKISH TROOP BUILDUP ON CYPRUS

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, on Sunday, June 14, a group of peaceful women attempted to return to their homes by crossing the so-called green line that has divided the Republic of Cyprus into a Greek-Cypriot southern side and a Turkish-Cypriot northern one since the Turkish invasion of the independent republic in 1974.

Their attempt was, of course, unsuccessful, but they did serve to show the world, once more, who the real aggressor in the current Cypriot stalemate is.

The unfortunate facts, Mr. Speaker, are that not only does Turkey refuse to abide by calls of the United Nations to comply with international law and behavior and remove itself from the island, but it has recently begun a military buildup there that is nothing short of alarming.

In fact, reliable sources indicate that there are currently 34,000 to 35,000 Turkish troops on Cyprus, in addition to over 60,000 mainland settlers, while the number of heavy tanks has increased by 50 percent—to over 300. To make matters worse, Mr. Speaker, these Turkish occupation troops are being armed through American military assistance in violation of American law while the Turkish foreign ministry calls these facts "ridiculous and untrue."

Mr. Speaker, let us not tolerate this situation any longer. Let us work for a just and lasting solution that will include the right of all Cypriots to move freely within the country and to live wherever they choose.

□ 1015

A MORATORIUM ON EXPANDED POWERS FOR BANKS

(Mr. RAVENEL asked and was given permission to address the House for 1 minute.)

Mr. RAVENEL. Mr. Speaker, recently I asked this body to support a Senate amendment to H.R. 27 (S. 790) known as title II which provides for a moratorium on expanded powers for banks—I support title II to give Congress an opportunity to thoroughly study the matter and decide how banking laws should be changed.

It is important, I believe, to point out that while title II stops banks from engaging in additional products and services, it places no restrictions on other industries in their development of new products and services that compete with loans and deposits.

I believe that laws should be fair and that any moratorium on expansion of products and services for banks should also apply to the entry of other industry into fields closely related to banking.

In other words, Mr. Speaker, what is sauce for the goose should be sauce for the gander.

THE FRANKLIN D. ROOSEVELT ECONOMIC BILL OF RIGHTS

(Mr. HAWKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAWKINS. Mr. Speaker, today, Representative CHARLES HAYES of Illinois and I are introducing a true economic bill of rights, developed after months of congressional hearings, creating a legal foundation for principles first put forward by President Franklin D. Roosevelt in his 1944 State of the Union Message. The right to useful paid employment, a decent home, a good education, protection from the economic fears of old age, and adequate medical care.

During this administration's watch, the budget deficits have been the biggest in history and unemployment reached its highest levels since the 1930's. The jobs that have been created to replace those lost pay barely above the minimum wage.

I urge the President to build upon the Roosevelt bill of rights and not return to the Hoover philosophy that triggered the Great Depression. He has the golden opportunity to work with Congress on an economic program of investing in people to create new jobs for the unemployed and better jobs for those already working.

THE PRESIDENT'S PROPOSED REFLAGGING OF KUWAITI SHIPS

(Mrs. BOXER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOXER. Mr. Speaker, I find it distressing that President Reagan rejected a congressional plea to slow down the reflagging of Kuwaiti ships with American flags. Keeping the Persian Gulf open is a goal that many countries share, and many countries should participate in that effort.

America gets just 6 percent of its oil through the gulf while many of our allies get a majority of their oil through that region. Yet our President is rushing our young people into a danger zone unnecessarily without even exploring a U.N. security force or an allied force.

Mr. President, in the name of reason, I ask you to reconsider. The risks are high. Your stated goals are neutrality between Iran and Iraq and peace for the region. Those goals are laudable, but they are not being furthered by reflagging the Kuwaiti ships in a go-it-alone effort.

A PROPOSED COMMISSION ON AIDS

(Mr. ROWLAND of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROWLAND of Georgia. Mr. Speaker, today I am introducing legislation to establish a commission on acquired immunodeficiency syndrome. Another commission? You bet. Let me tell the Members why I am doing this. Because the debate on AIDS is taking place in an atmosphere of partisan politics and philosophical differences.

Mr. Speaker, this is far too important for us to be debating this issue in that particular way. This is an issue that should be addressed by the scientific and medical community. This is a disease of human beings and not of particular groups of people. There is no one in this country who is immune at this point, to our knowledge, to acquired immunodeficiency syndrome.

We have seen a rapid increase in the incidence of this disease, and there is no reason to expect that everyone who is infected with the virus at this point will not eventually come down with AIDS. We have no reason to expect that that will not happen.

Mr. Speaker, it is so important that we establish a commission that is heavily based on the scientific community to advise this Congress and this administration about what we need to do concerning this dreadful disease.

LEGISLATION TO RETURN DEATH PENALTY TO FEDERAL STATUTES

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, today I am reintroducing legislation that would return the death penalty to the Federal statutes.

What is little known by Members of Congress is that the Congress never repealed the death penalty that was already on the books several years ago before the Supreme Court of the United States struck down the death penalty across the Nation as being discriminatory.

Since then the language has been developed which has been constitutionally approved by the Supreme Court which can implement a properly disposed capital punishment statute. This particular bill that I am introducing is one which, for the last two sessions, has not received a full accommodation by the Members of Congress, but I want to try it again.

It is a deterrent, and it can work in our system of justice. It will include the possibility of the death penalty for treason, espionage, terroristic acts, all those heinous acts of murder which are so devastating to our society, and included therein will be something where there has been unanimity in the Congress; and that is, the death penalty for a drug dealer who would kill in the furtherance of his criminal enterprise.

INCREASES IN LOCAL PHONE SERVICE

(Mr. WYDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYDEN. Mr. Speaker, effective today there is going to be bad news for millions of Americans of modest means who depend on local telephone service as a life line to communicate to doctors, families, and others they rely on.

Under a regressive scheme devised by the Federal Communications Commission, over the next 2 years, there will be an increase of $18 per year on residential phone bills—in the form of telephone access charges—even though there has been no improvement in service, no increase in costs to the industry, and absolutely no proof that this rate hike is needed.

I think it is ironic that these extra charges should be heaped on American consumers, at the same time that the local phone companies are expressing an interest in moving into new lines of business.

I happen to think the local phone companies should be able to get into these new fields; but if Congress becomes involved in lifting these restrictions, there ought to be a price; that is, protection from further increases in access charges for our telephone consumers.

THE AMERICAN PEOPLE WANT A BALANCED BUDGET

(Mr. LIGHTFOOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIGHTFOOT. Mr. Speaker, since the 1870's Members of this body have expressed interest in efforts to limit Federal spending, yet in the 18th and 19th centuries, budget deficits were rare except in times of war or severe economic distress. This is because most people agreed the budget should be balanced in peacetime.

Well, today, most people still agree that the budget should be balanced—most people except the majority leadership of this body. Although approximately half of the Members of this body have cosponsored legislation mandating a balanced budget, we are denied the opportunity to vote on such a measure.

In my recent districtwide questionnaire, nearly three-fourths of those who responded favored a constitutional amendment to balance the budget—why are their wishes ignored? Even a majority of States in this Nation have approved applications for a constitutional convention for an amendment to balance the budget. Why does this body not reflect the wishes of the people?

I have joined a number of my colleagues in cosponsoring legislation to propose a balanced budget amendment to the Constitution, and I will continue pressing to have this legislation considered in the full House of Representatives. I hope that those of you who have not done so already will join us in this necessary effort.

AIRPORT SECURITY

(Mr. DeFAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DeFAZIO. Mr. Speaker, we are playing Russian roulette with our airline passengers. The Government Accounting Office has just released the first comprehensive survey of our airport security system, and it failed.

Some airports were able to detect only 33 percent of the weapons, despite the fact that the tests are a farce.

The FAA inspectors are not allowed to disassemble the weapons they are attempting to smuggle there. They are not allowed to conceal them in luggage, but only allowed to carry a maximum of two articles of clothing, along with the fully assembled weapon; and yet in some airports, only one-third of the time were those things detected in our screening devices.

Today I will introduce legislation to force the FAA to study and report on improved security measures to the Congress.

We must act before a terrible terrorist tragedy strikes our traveling public.

IMPROVING SCHEDULING OF LEGISLATIVE BUSINESS

(Mr. RIDGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RIDGE. Mr. Speaker, I recognize the difficulties surrounding scheduling of events in this Chamber, and I applaud any and all efforts to eliminate the week-to-week uncertainty that surrounds those scheduling problems.

However, as one of the group of Members whose family does not reside in the District, or near the District, but back home in northwestern Pennsylvania, I would like to encourage whoever is responsible for scheduling around here to do more, and to do a lot better.

The Members on the Democratic side of the aisle control the Chamber, the committees, the other body, and you control the agenda, and you certainly ought to be doing a lot better job of controlling the schedule.

As a Member, I may not have a right to better scheduling; but I think as a matter of courtesy that I do. I think my family may not have the right; but as a matter of courtesy, they do.

I do believe my constituents have a right to better scheduling. These last-minute additions or deletions to scheduling on a weekly or biweekly basis should be avoided at all cost, and I encourage the leadership to do so.

AMERICANS LIVING OVERSEAS ENHANCE OUR NATION'S COMPETITIVENESS

(Mr. DARDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DARDEN. Mr. Speaker, thousands of American citizens are currently living and working in other countries and have subjected themselves to the hardships that often accompany the transition to a foreign culture. Many of us have special friends or relatives who are temporarily or permanently experiencing life in a strange land.

These American citizens have relocated their families and their lives in other nations in efforts to expand the reach of U.S. industry and trade. They are our unofficial ambassadors.

With the current challenge of international trade competition, our Government should encourage such expansion by American business interests. However, our current policies discourage families from living abroad.

Americans abroad are confronted not only with the difficulties of adapting to a different culture and raising their families far from home, but they are also afforded no special representation in Congress while being taxed on their foreign income.

I strongly endorse the actions of our colleague, the gentleman from Arkansas [Mr. ALEXANDER] who has introduced legislation that will increase our Nation's competitiveness by reducing the hardships encountered by Americans living abroad.

HELP LIMIT THE USE OF RUNAWAY CR'S

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, last week my colleagues, Mr. DREIER, Mr. PENNY, and Mr. PEASE and I introduced legislation to limit the use of that most abused budget mechanism of all, the continuing resolution.

This bipartisan effort will return CR's to their original function as temporary, emergency funding measures until regular appropriations are passed. Last year we passed a continuing resolution hundreds of pages in length that was crammed with legislative language, and contained all $586 billion of discretionary spending in one bill.

Our resolution would limit the use of CR's to 90 days, to encourage permanent appropriations. It would also subject CR's to points of order, including all legislative language. Finally, it would limit the level of CR funding to the lower of the House or Senate passed bill. If neither House had passed a bill, funding in the CR would be frozen at last year's level.

Mr. Speaker, we cannot even begin to talk about budget reform unless we tighten up the CR loophole. I urge my colleagues to cosponsor this important piece of bipartisan legislation so that we can end the misuse of the CR.

□ 1030

LEGISLATION TO BRING RELIEF FROM HIGH UTILITY RATES

(Mr. BRUCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRUCE. Mr. Speaker, later today Representative GEJDENSON and I will be introducing legislation which will help bring needed and prompt relief to millions of consumers who are suffering from excessively high utility rates.

This legislation is entitled "The Regulatory Fairness Act of 1987." We are pleased to be joined by original cosponsors from both sides of the aisle and every section of the country as well as the endorsement of the American Public Power Association, the Consumer Federation of America, Environmental Action, and the National Rural Electric Co-Op Association.

Our bill amends the Federal Power Act so that the system for bringing utility rates down, is similar to the system for bringing utility rates up.

Under the current law, if a utility seeks a rate increase from the Federal Energy Regulatory Commission, that increase may go into effect 61 days after the date it was filled. If a consumer believes that the rate is to high, they may petition the FERC for a decrease, and if the Commission decides the rate was unreasonable, consumers get refunds with interest. Our bill does not change this system for increasing utility rate increases.

However, over the past several years interest rates have fallen, fuel costs have fallen, and corporate tax rates have fallen, which means that consumers should be receiving utility rate decreases.

Unfortunately it takes well over 2 years for the Commission to process a petition for a decrease in rates, and after that relief is only granted to the consumer prospectively—not retroactively. That means that consumers are not given any compensation for paying as much as 3 years of utility rates which the Government has determined are too high.

Our bill changes that by establishing the refund effective date as 60 days following the filing of the petition for the decrease, which is similar to the system for granting increases.

Our bill does not change the way a rate is determined to be reasonable or unreasonable, but it does assure that consumers who deserve utility rate decreases receive their full, just, and prompt rate relief. I urge my colleagues to join us as cosponsors of the Regulatory Fairness Act.

ORIGINAL COSPONSORS TO THE REGULATORY FAIRNESS ACT AS OF JUNE 30, 1987

Mr. Bruce, Mr. Gejdenson, Mr. Markey, Mrs. Collins, Mr. Sikorski, Mr. Bates, Mr. Cooper, Mr. Nielson, Mr. Morrison of Connecticut, Mr. Ackerman, and Mr. Solarz.

DEATH PENALTY FOR SPIES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, an article in yesterday's Washington Times reported that the Soviet Union is building new submarines, thanks to the Walker spy ring. The article says that if the Soviets can now stealth their own submarines and learn the telltale signals of our submarines, that will absolutely win control of the underseas world. Can you believe that?

Mr. Speaker, America has been ripped off, and ripped off good by the spy Walker. He has taken a 15-year technological advance of our submarines and sold it to the Soviets.

Here is what is happening. We are going to put him in prison, he and his ring. We are going to spend about $100,000 a year to house and feed and make sure nobody hurts him. Meanwhile, he has endangered the lives of American citizens. I think it is time that Congress puts its foot down.

Mr. Speaker, I am asking all of you to cosponsor the measure that I have introduced, H.R. 2132, that would extend the death penalty to any American citizen convicted of espionage or treason against our country. I think it is long overdue. I am asking for your support.

ANYONE CAN RUN FOR PRESIDENT, EXCEPT THE FOLLOWING

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, for 200 years in America the Presidential debates have been stag. Unfortunately, tonight they are going to be stag again.

I announced that I was out trying to run for President also, but they have not seen fit to let me in the debates. I did everything but offer to wear antlers and a little black nose. Nevertheless, they decided they are going to be stag, so I am going to be in Iowa and New Hampshire. I regret this and I hope someday we can overcome our 200 years of history and really live up to the promise that we said was true for America, that in America anyone can grow up to be President.

I never knew there was a footnote that said, "except people in the following categories."

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION ACT, 1988

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 215 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 215

Resolved, That during the consideration of the bill (H.R. 2763) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1988, and for other purposes, all points of order against the following provisions in the bill for failure to comply with the provisions of clause 2 of rules XXI are hereby waived: beginning on page 2, line 18 through page 4, line 3; beginning on page 5, line 12 through page 7, line 2; beginning on page 8, lines 1 through 13; beginning on page 10, line 10 through page 15, line 10; beginning on page 15, line 20 through page 22, line 17; beginning on page 30, line 10 through page 37, line 13; beginning on page 41, line 1 through the word "General:" on page 41, line 13; beginning on page 46, lines 7 through 25; beginning on page 47, line 22 through page 48, line 9; beginning on page 50, line 5 through page 51, line 21; beginning on page 52, lines 9 through 23; beginning on page 53, lines 6 through 24; beginning on page 55, lines 18 through 23; beginning on page 56, line 6 through page 58, line 17, and beginning on page 60, line 16 through page 61, line 10. In any case where this resolution waives points of order against only a portion of a paragraph, a point of order against any other provision in such paragraph may be made only against such provision and not against the entire paragraph.

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Missouri [Mr. TAYLOR], and pending that, I yield myself such time as I may consume.

Mr. Speaker, because appropriation bills are privileged under the rules of the House this rule merely provides waivers of points of order against H.R. 2763, the Departments of Commerce, Justice, State, the Judiciary and Related Agencies Appropriation Act for Fiscal Year 1988. As is customary with appropriation bills, the debate time will be determined by a unanimous-consent request made by the manager of the bill before the bill is considered.

The rule waives clause 2 of rule XXI against specified provisions of H.R. 2763. Clause 2 of rule XXI prohibits unauthorized appropriations and legislative provisions in a general appropriation bill. This waiver is necessary because the authorizations for some of the programs funded by this bill have not yet been enacted and because some of the provisions in the bill are legislative in nature.

The specific provisions of H.R. 2763 which are protected from the points of order under clause 2 of rule XXI are detailed by page and line number in the rule we are considering.

In addition, the rule provides that when a portion of a paragraph in the bill is protected from a point of order, a point of order against any other provision in the paragraph would, if sustained, knock out only the part of the paragraph that is not protected by the waiver. House rules and precedents provide that the whole paragraph is stricken from a bill if a clause 2 rule XXI point of order is made and sustained against any provision in a paragraph. Since this rule in one case grants a waiver for a portion of a paragraph this special provision was necessary.

Mr. Speaker, H.R. 2763 appropriates $14.2 billion in new budget authority for fiscal year 1988 for the Departments of Commerce, Justice, and State, the Judiciary and 21 related agencies. This provides funding for the FBI, the Drug Enforcement Administration, the entire Federal court system, and such independent agencies as the Federal Trade Commission and the Federal Communications Commission.

This resolution is a straightforward rule providing for full and open consideration of this important legislation.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 215 is a rule waiving points of order against various provisions of H.R. 2763, the fiscal 1988 approriations bill for the Departments of Commerce, Justice and State.

The rule waives points of order against some 69 percent of the appropriations paragraphs of the bill. This is not at all an unusual situation, given the variety of programs covered by H.R. 2763. The bill itself appropriates $14.164 billion in new budget authority for three Cabinet-level departments, for the Federal judiciary, and for 21 related agencies.

Most of the accounts in the bill have not been authorized by law, and thus require waivers of clause 2 of rule XXI. Without these waivers, the specified provisions are subject to points of order.

Mr. Speaker, clause 2 of rule XXI prohibits appropriations for any expenditure not previously authorized by law and also prohibits legislation in an appropriations bill.

The waivers recommended by the Committee on Rules are necessary because the specific provisions, identified by page and line number in the rule, have either not been authorized by law or do constitute legislation.

I shall not detail each provision for which we have waived clause 2 of rule XXI, but I will insert in the RECORD at this point a copy of a letter from the distinguished chairman of the Committee on Appropriations, the gentleman from Mississippi [Mr. WHITTEN] outlining and explaining the need for these waivers.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON APPROPRIATIONS,
Washington, DC, June 25, 1987.

HON. CLAUDE PEPPER,
Chairman, Committee on Rules, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Yesterday, the Committee on Appropriations reported the Departments of Commerce, Justice, and State, the Judiciary and Related Agencies Appropriations Bill for fiscal year 1988, H.R. 2763. The bill is consistent with the conference report on the Budget resolution which the House agreed to on June 23, 1987 and the Senate agreed to on June 24, 1987. The bill includes a number of programs for which authorizing legislation has not yet been enacted.

In view of the timetable established by the Congressional Budget Act of 1974, as amended, and in the interest of orderly legislative procedure, we respectfully request a hearing before your Committee to seek a rule waiving points of order under Clause 2 of Rule XXI in the following areas:

TITLE I—DEPARTMENT OF COMMERCE

A number of items in title I for the Department of Commerce require authorization. The items and the status of authorization follow:

Economic and Statistical Analysis	H.R. 2160	Passed House on June 4.
Economic Development Administration.		No bill at this time.
Minority Business Development Agency.		No bill at this time.
National Oceanic and Atmospheric Administration:		
Operations, Research, and Facilities		
Sea Grant		No bill at this time.
Endangered Species		No bill at this time.
National Ocean Pollution Planning Act.		No bill at this time.
Ocean Dumping		No bill at this time.
National Climate Program.		No bill at this time.
Aviation Weather Services.		No bill at this time.
Promote and Develop Fisheries Products.		No bill at this time.
National Bureau of Standards	H.R. 2160	Passed House June 4.
National Telecommunications and Information Administration: Salaries and Expenses.		No bill at this time.

TITLE II—DEPARTMENT OF JUSTICE

Authorization is needed for all of the appropriation items for the Department of Justice except the United States Trustees System Fund, the Assets Forfeiture Fund and several of the items under the Office of Justice Programs. The items under Office of Justice Programs which are not authorized are $5,000,000 for reimbursement of the States for the cost of incarcerating Mariel Cubans and $12,000,000 for Regional Information Sharing Systems. The Department of Justice Authorization Act, Fiscal year 1988, H.R. 1400, was reported June 8, 1987. The Senate bill, S. 938, was reported June 16, 1987. The Department of Justice has not had an authorization since fiscal year 1980.

TITLE III—DEPARTMENT OF STATE

Authorization is needed for all of the appropriation items for the Department of State. The Department of State Authorization Act for fiscal years 1988 and 1989, H.R. 1777, passed the House on June 23, 1987. The Senate bill, S. 1394, was reported on June 18, 1987.

TITLE IV—THE JUDICIARY

The only item in title IV which requires authorization is "Court Security" under the heading, Courts of Appeals, District Courts, and Other Judicial Services. There is no bill in either the House or the Senate on this item at this time.

TITLE V—RELATED AGENCIES

The items in title V which require authorization and their status follow:

Department of Transportation Maritime Administration.	H.R. 953	Passed House June 2, 1987. No Senate bill at this time.
Federal Maritime Commission	H.R. 953	Passed House June 2, 1987. No Senate bill at this time.
Arms Control and Disarmament Agency.		No bill at this time.
Board for International Broadcasting.	H.R. 1777 S. 1394	Passed House June 23, 1987. Senate bill reported June 18, 1987.
Federal Communications Commission.		No bill at this time.
Federal Trade Commission	S. 677	No House bill at this time. Senate bill passed April 8.
International Trade Commission.	S. 829	No House bill at this time. Senate bill passed March 30, 1987.

Legal Services Corporation		No bill at this time.
Office of the U.S. Trade Representative.	S. 829	No House bill at this time. Senate bill passed March 30, 1987.
Securities and Exchange Commission.		No bill at this time.
Small Business Administration: Pollution Control Equipment Contract Guarantees Revolving Fund.	H.R. 2166	Passed House May 27, 1987. No Senate bill at this time.
U.S. Information Agency	H.R. 1717 S. 1394	Passed House June 23, 1987. Senate bill reported June 18, 1987.

It is noted that a number of appropriating paragraphs for the items listed above contain language which otherwise may not be technically in accordance with Clause 2 of Rule XXI. References to this subject are contained in the report accompanying the bill. In many instances such language has been carried in appropriations bills for years. In order to help maintain the structure and intent of these appropriations, it is respectfully suggested that the Clause 2 waivers include entire paragraphs.

While this list of items appear lengthy and the schedule for consideration of authorization items is uncertain, we believe that it is appropriate to proceed with this appropriations bill as soon as possible in order to meet established deadlines. Your cooperation in considering our request for a rule will be greatly appreciated.

Sincerely,

JAMIE WHITTEN,
Chairman.

Mr. Speaker, both the chairman and ranking Republican member of the Commerce, Justice, and State Appropriations Subcommittee appeared before the Rules Committee to request the waivers provided in this rule.

Mr. Speaker, with two exceptions, the Rules Committee honored the request of the gentleman from Iowa [Mr. SMITH] and the gentleman from Kentucky [Mr. ROGERS]. I think they should be commended for bringing this bill forward.

The bill is $539.9 million below the administration's budget request, and yet it maintains long standing congressional budget priorities in the area of economic development.

Mr. Speaker, the administration has notified the Committee on Rules that it opposes H.R. 6763 in its present form. I shall not detail the specific objections raised by the Office of Management and Budget, but I will insert in the RECORD at this point extraneous material, which is the statement we received from the administration.

STATEMENT OF ADMINISTRATION POLICY

H.R. 2763, COMMERCE, JUSTICE, AND STATE APPROPRIATIONS BILL, 1988

(Sponsor: Whitten, Mississippi, Smith, Iowa)

If the bill were presented to the President in its current form, the President's senior advisers would have to recommend that he veto it. The Committee scores its action as being $542 million below the Administration's request for discretionary programs. These reductions were achieved in large part by drastic cuts in funding for the Department of State and U.S. Information Agency (USIA). For other than the international programs (function 150) included in the bill, the Committee bill is actually $634 million greater than the President's request.

The Administration strongly opposes the reduction to State Department and USIA funding. Adequate funding for the State Department's operations is essential if the Administration is to carry out an effective foreign affairs program. The reduction of $172 million in the salaries and expenses account would force the Department to cut back drastically its ongoing operations—including its presence overseas. In addition, the cut of $449 million in the embassy construction program would delay severely the completion of the President's initiative to enhance the security of our people and facilities abroad. Finally, the denial of funding for Voice of America's radio modernization program and the Board for International Broadcasting's facility refurbishment efforts will prevent these high-priority programs from continuing on schedule.

The Administration objects to the Committee's failure to provide funding for the Commission on Civil Rights. The Administration opposes termination of the Commission because the Commission's studies and hearings provide a vital and unique function in ensuring that civil rights are protected.

The Administration objects to the inclusion of a general provision precluding the Department of Transportation from proceeding with a rulemaking in the repayment of construction differential subsidies (CDS) and participating in any judicial proceeding concerning the CDS issue.

The other most seriously objectionable provisions are:

$306 million for the Legal Services Corporation, which the Administration has proposed to terminate;

$202 million for Office of Justice Programs, including $127 million for programs that have already accomplished their objectives and are now the responsibility of State and local governments and $75 million for anti-drug abuse grants that are not needed because of sufficient seed money provided in 1987;

$180 million for the Economic Development Administration's planning and public works grants and $150 million for EDA's loan guarantee authority, which the Administration proposed to terminate. No new net job creation by this program has been demonstrated;

$138 million for NOAA, increasing funding for unnecessary and low-priority programs; and

$144 million above the President's request for SBA. The mark increases funding for Small Business Development Centers, continues direct business lending, and rejects proposals for user fees and consolidation of minority business development programs from the Department of Commerce into SBA.

The enclosure details additional funding and language provisions that are objectionable to the Administration.

The Administration urges the House to address these concerns and pass a bill that provides an acceptable balance between international and domestic programs, one that the President's senior advisers could recommend that he sign.

COMMERCE, JUSTICE, STATE APPROPRIATIONS BILL, 1988, OBJECTIONABLE PROVISIONS

I. Funding levels

Department of State

Salaries and Expenses: The Committee provides $172 million less than the President's request of $1,860 million for the State Department's Salaries and expenses appropriation. Not only would this reduction eliminate important overseas information-gathering activities, including improvements to the Department's communications and information systems, it would force State to cut back its ongoing operations—including its presence abroad. In addition, the Committee's action fails to provide for high-priority enhancements, including countermeasures programs, for the diplomatic security program.

Embassy Construction Program: The Committee provides $449 million less than the President's request ($762 million) for regular and diplomatic security construction. The bill reported by the Committee eliminates funding for the eight high-threat embassy construction projects that make up the diplomatic security portion of the 1988 request, thereby severely delaying completion of the President's initiative to strengthen U.S. embassy security overseas.

Contributions to International Organizations: The Administration urges the restoration of the $88 million cut in the President's request ($470 million) for U.S. assessed contributions to the United Nations and other international agencies. This reduction would cause the U.S. to violate its treaty obligations and would greatly reduce our ability to affect budget reform in the UN system.

Asia Foundation: The Committee provides $8 million more than the $5.7 million requested for the Asia Foundation. The Administration believes such a generous increase is unwarranted, particularly at a time when the core functions of the Department of State are being reduced drastically.

International Conferences: The Administration recommends restoration of the $1.4 million cut in the President's $6 million request to cover the costs of U.S. delegations to international conferences—including interparliamentary unions. These funds are necessary to ensure that the United States is represented at important international meetings.

Payment to American Institute in Taiwan (AIT): Restoration of the $621,000 reduction is required to maintain the operations of AIT to conduct commercial, cultural, and other relations with the people of Taiwan. The Institute does not have the flexibility to absorb a reduction of this size.

United States Information Agency

United States Information Agency: The Committee's recommended $621 million is a $21 million reduction from the President's request of $642 million. In addition to curtailing expansion of the successful WORLDNET television system, this cut will impinge on USIA's ability to continue a dynamic public diplomacy program by which much of the world's opinion of the United States is favorably influenced.

Voice of America: The Committee provides no funding in FY 1988 for VOA's radio modernization program. The President requested $90 million for this purpose. Without this funding, VOA will not be able to continue its high-priority modernization program as scheduled.

Education and Cultural Exchange Program: The Committee reduces the Administration's request of $152.5 million by $5.5 million. The requested increase over the enacted level was to enhance exchange programs and domestic support services that are vital to successful International Visitor exchanges.

National Endowment for Democracy: The Administration urges Congress to restore the $9 million cut from its $25 million request for the National Endowment for Democracy.

Board for International Broadcasting

The level provided by the Committee would severely curtail progress on refurbishing RFE/RL's transmitting facility in Portugal during a period of intensified Soviet jamming of Radio Liberty and Radio Free Europe broadcasts.

Commission on Civil Rights

The Appropriations bill provides no funding for the Commission on Civil Rights (CCR). If the Commission is terminated, the country would lose a unique, centralized information resource for the study and documentation of civil rights practices. The Administration fully endorses the principles and activities of the Commission and would provide sufficient funding, $9.8 million, to allow the Commission to carry out its mission.

Legal Services Corporation

The Committee appropriates $305.5 million for the Legal Services Corporation (LSC). The Administration proposed no new LSC funding, and continues to object to funding when private attorneys and other Federal programs can provide civilian legal aid.

Department of Justice

Office of Justice Programs: The Administration opposes the increase of $202 million, including funds for Juvenile Justice, State and Local Assistance, Mariel Cubans, and Regional Information Sharing Systems. These programs have accomplished their original objectives and are now the responsibility of State and local governments. No funds should be provided in 1988 for the anti-drug abuse grants because the FY 1987 appropriation of $225 million provides sufficient seed money for the program.

Federal Bureau of Investigations: The Administration opposes the $80 million underfunding of the Federal Bureau of Investigation (FBI). At this funding level, the FBI will be unable to maintain current level (1987) activity in 1988. All planned enhancements in the high priority areas of foreign counterintelligence, white collar crime, organized crime, and drug investigations would have to be cancelled. In addition, the Bureau will be unable to fill nearly 700 new positions (including approximately 300 agent positions) planned for 1987 and 1988.

General Legal Activities and U.S. Attorneys: The Administration opposes the underfunding of the General Legal Activities and U.S. Attorney programs. The Committee's mark is $87 million below the President's request. These resources are needed to provide additional attorneys to fight crime, defend the United States in court, and recover monies owed the Government.

United States Marshals Service: The Administration opposes the $15 million underfunding for the Marshals service. We urge the House to restore these funds to sustain the essential law enforcement and judiciary support that the Marshals provide.

General Administration: The Committee mark is $17 million below the Administration request. The mark does not provide sufficient resources to annualize funding provided in the 1987 supplemental for several Administration priorities including the implementation of the Immigration Reform and Control Act, the U.S. Trustee expansion, and Private Counsel for debt collection initiative. If provides none of the 1988 program increases needed for such important items as a uniform office automation system and the relocation of the Washington D.C. Data Center.

Bureau of Prisons: The Administration objects to the $15 million decrease to the salaries and expenses account. It restricts the Administration's ability to operate Community Treatment Centers, a less expensive alternative to the traditional prison, and to fund other support activities necessary to ensure a well-run prison system.

Asset Forfeiture Fund: The Administration opposes deferring equitable sharing payments for State and local drug enforcement until FY 1989 because it serves as a disincentive for State and local law enforcement to participate as actively in drug investigations and prosecutions.

Department of Commerce

Economic Development Administration: The Administration opposes the $180 million for EDA planning, technical assistance, economic adjustment, and public works grants and the $150 million in loan guarantee authority. The Administration continues to believe the EDA programs should be terminated because no new net job creation has been demonstrated.

National Oceanic and Atmospheric Administration (NOAA): The Administration objects to the addition of $138 million to the President's request for NOAA. This increase would fund a number of unnecessary and low-priority programs, such as coastal zone management and sea grants.

The Administration also objects to the exclusion of the receipts from the proposed Federal marine fishing fees, the proceeds of which were to offset partially the cost of fishery management programs.

Public Telecommunications Facilities Program: The Administration strongly objects to the continued funding of $20 million for the Public Telecommunication Facilities, Planning and Construction (PTFP). More than 95 percent of the public is already capable of receiving public telecommunications programming. Because the program has achieved its purpose—to make public broadcasting available to the American public—it should be ended immediately.

Trade Adjustment Assistance: The Administration objects to inclusion of $16 million for the technical assistance grants portion of the Trade Adjustment (TAA) Program. We object to the increase in funding because the program simply does not work. Less than 4 percent of firms certified as adversely affected by import competition will experience sales or employment improvement that could be attributed to TAA.

United States Travel and Tourism Administration: The Administration agrees with the Committee that if the United States Travel and Tourism Administration (USTTA) cannot be funded through a user fee it should not be funded through a direct appropriation. We urge the House to adopt the Subcommittee's recommendation to fund the USTTA through a $1 ticket charge instead of adopting the full Committee action of providing no funding.

Maritime Administration

Operations and Training: The Administration objects to the Committee's continued funding for assistance to the State maritime schools. Given the oversupply of merchant marine officer, it is unwarranted for the Committee to add $2.2 million to the Operations and Training account and reprogram $5.5 million of funding that the Administration requested for higher-priority items in order to continue assistance to the State schools.

Small Business Administration (including Minority Business Development Agency)

The Committee rejects Administration proposals to provide assistance to small business on a more cost-effective basis. The bill rejects user fee and other reform proposals for management and technical assistance programs and credit programs; it increases funding for Small Business Development Centers to 27 percent above the expected 1987 program level, a program for which the Administration has proposed to phase out Federal funding; it continues direct lending, which the Administration had proposed to reduce substantially; and it rejects the proposal to consolidate minority business development programs from the Department of Commerce into SBA. Overall, the bill provides $144 million more than the requested funding level for small and minority business programs. The Committee transfers $92 million from the SBA Disaster Loan Fund to the Salaries and Expenses account, $2 million more than requested in the President's budget.

Arms Control Disarmament Agency

The bill reduces funding for ACDA by $5.2 million from the President's request. This would eliminate funding for an important nuclear non-proliferation program, Reduced Enrichment in Research and Test Reactors (RERTR).

State Justice Institute

The Administration opposes the inclusion of $13 million for the State Justice Institute. The purpose of this program would benefit State court systems primarily. Therefore, funding by State government is more appropriate.

Equal Employment Opportunity Commission

The Committee provides $6.3 million less than requested, including a cut of $2.1 million for grants to State and local governments. The reduction will result in increased backlogs in the EEOC, delaying resolutions of civil rights complaints.

II. Language provisions

Maritime Administration

Ship Construction: The Administration objects to the inclusion of a general provision precluding the Department of Transportation (DOT) from proceeding with a rulemaking on the repayment of Construction Differential Subsidies (CDS) and participating in any judicial proceeding concerning the CDS issue, including an appeal of the Court decision that precipitated the rulemaking. Since the CDS repayment rule was published in the June 22nd *Federal Register,* the enactment of the language precluding DOT from proceeding with a rulemaking would have no effect. In addition, we believe that the language restricting the Department's ability to participate in any judicial proceeding involving CDS repayment rulemakings is unconstitutional.

Federal Ship Financing Fund: The Administration objects to the omission of appropriations language prohibiting new commitments under the Title XI ship construction loan guarantee program. Given the continued high level of defaults under this program and the oversupply of vessels throughout virtually every segment of the maritime industry, new commitments cannot be justified.

Legal Services Corporation

The bill restricts the use of funds, providing that funds may be used only in accordance with: (1) the FY 1987 Continuing Resolution; or (2) the FY 1988 reauthorization as passed by the House; or (3) the FY 1988 reauthorization as enacted into law. If LSC is funded, the Administration objects to placing unknown requirements (LSC has not yet been reauthorized) on the use of these funds, and objects to continuing existing restrictions that inhibit the effective use of funds.

Department of Commerce

U.S. Missions: The Administration objects to the language directing the Secretary of State to confer the diplomatic rank of Minister-Couselor on certain commercial officer positions at U.S. missions abroad. Such language would undercut the statutory authority of the Secretary of State and U.S. Chiefs of Mission to manage overseas posts.

Economic Development: The Administration objects to setting personnel levels in law since it usurps administrative discretion. The Administration also objects to prohibiting loan asset sales that would preclude significant revenue.

Section 607 restricts procurement from foreign entities and would cause unnecessary tension between the U.S. and friendly foreign governments by applying U.S. antiboycott law to foreign firms.

SUMMARY FACT SHEET—COMMERCE/JUSTICE/STATE APPROPRIATIONS BILL, 1988

[Budget authority, in millions of dollars]

Item	1987 enacted	1988 President's request	House committee action	House difference from—	
				Enacted	Request
Committee estimate, bill total	13,471	14,707	14,165	693	−542
Less: Mandatory spending	−285	−212	−213	−54	19
Committee estimate, discretionary appropriations	13,186	14,495	13,934	748	−561
Plus: Scorekeeping differences	−428	−262	57	485	319
OMB estimate, discretionary appropriations	12,758	14,234	13,991	1,232	−243
Discretionary total, excl. 150	(9,286)	(9,817)	(10,451)	(1,165)	(634)
International Affairs	(3,472)	(4,417)	(3,540)	(68)	(−877)

Administration position: The Office of Management and Budget could not recommend signature of the bill in its present form. Funding for international programs has been reduced by $877,000,000 from the President's request. Funding for discretionary activities is more than $634,000,000 greater than the President's request.

MAJOR CHANGES—COMMERCE/JUSTICE/STATE APPROPRIATIONS BILL, 1988—DISCRETIONARY SPENDING ONLY

[Budget authority, in millions of dollars]

Major changes	1987 enacted[1]	1988 President's request	House committee action	Difference from—	
				Enacted	Request
Commerce:					
Bureau of Census	263	478	460	197	−18
Economic Development Administration	205	0	206	1	206
NOAA	1,130	1,103	1,242	112	138
All other	568	569	603	35	34
Total, Commerce	2,166	2,151	2,511	344	360
Justice:					
Legal Activities	914	1,259	1,104	190	−155
FBI	1,262	1,484	1,403	141	−81
DEA	480	522	521	42	−1
INS	593	839	815	222	−24
Federal Prison System	855	982	966	111	−16
All other	492	198	383	−109	185
Total, Justice	4,596	5,284	5,193	597	−91
State:					
Administration of foreign affairs	1,994	2,651	2,028	34	−623
International organizations	420	506	416	−4	−90
All other	45	45	50	6	6
Total, State	2,458	3,202	2,495	36	−707
Judiciary	1,082	1,358	1,277	195	−82
Small Business Administration	574	379	522	−22	143
Legal Services Corporation	306	0	306	0	306
USIA	809	942	816	7	−126
BIB	140	204	165	25	−39
All other	627	714	707	80	−7
Total, discretionary programs	12,758	14,234	13,991	1,232	−243

[1] Excludes supplemental.

Note.—Detail may not add to total due to rounding.

Commerce/Justice/State appropriations bill, 1988—Identification of scorekeeping differences

[Budget authority, in millions of dollars]

	House committee action
Congressional estimate, bill total (source: CSBA, H. Rept. 100-182)	14,165
Less mandatory programs:	
Judiciary, salaries of judges	−89
Justice, fees and expenses of witnesses	−56
State, payment to the Foreign Service retirement and disability fund	−86
Congressional estimate, discretionary programs	13,934
Scorekeeping differences:	
National Oceanographic and Atmospheric Administration (NOAA): This adjustment scores the transfer ($51,800,000 of permanent, indefinite budget authority to offset current budget authority requirements in the ORF account. Also scores $5,600,000 remaining in the promote and develop account for unrequested grants (subtotal)	57
OMB estimate, discretionary appropriations	13,991

Note.—Detail may not add to total due to rounding.

BRIDGE TABLE: HOUSE COMMITTEE ESTIMATES TO OMB ESTIMATES—COMMERCE/JUSTICE/STATE APPROPRIATIONS BILL, 1988

[Budget authority, in millions of dollars]

	1987 enacted	1988 President's request	House committee action
Committee estimate	13,471	14,707	14,165
Less: Entitlements/mandatory	−285	−212	−231
Committee estimate, discretionary	13,186	14,495	13,934
NOAA (permanent, indefinite budget authority	57	57	57
SBA (transfer from disaster loan fund to BLIF)	92		
Legal Services Corporation		−306	
James Madison Memorial Fellowship	−23		
State Justice Institute		−13	
House supplemental appropriations bill	−530		
All other	−24		
OMB estimate, discretionary appropriations	12,758	14,234	13,991

Note.—Detail may not add to total due to rounding.

Mr. Speaker, I want to mention that the rule does not preclude Members from offering amendments for specific accounts, or from offering any germane limitation amendments.

I urge adoption of House Resolution 215 so that the House can proceed to consider the bill.

Mr. TAYLOR. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I urge adoption of this resolution.

GENERAL LEAVE

Mr. DERRICK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 215, the resolution now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. SMITH of Iowa. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2763) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1988, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Kentucky [Mr. ROGERS] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa [Mr. SMITH].

The motion was agreed to.

□ 1045

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2763, with Mr. Brown of California in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Iowa [Mr. Smith] will be recognized for 30 minutes and the gentleman from Kentucky [Mr. Rogers] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Iowa [Mr. Smith].

Mr. SMITH of Iowa. Mr. Chairman, this bill that we bring to you today will not satisfy very many people. A lot of programs in the bill had to be substantially reduced in order to stay within our tentative allocation under the budget resolution that was passed, but we managed to do so. The bill is under the tentative 302 allocation for new discretionary budget authority granted to the subcommittee for this bill by a total of $700,000. The bill is under by a total of only $947,000 on outlays from the tentative 302 allocation. In a bill of this size, that means that for all practical purposes we have used, right up to the limit, what we are permitted to use, and yet we were not able to include in the bill a number of things that were requested.

Specifically, we have received a letter from the administration objecting to a number of things that were not included that they wanted included. It reduces the State Department's salaries and expenses by $172 million below what they requested. The administration further objected to not including in the bill the $449 million for embassy construction that they had requested. The administration objected to an $88 million reduction in international organization contributions below what the requested levels, $21 million for the USIA, and $90 million for the Voice of America construction program. The administration wanted an additional $9 million for the National Endowment for Democracy, another $80 million for FBI, and several other things.

However, the administration left out of their budget request as they usually do, some other programs that have been well established here in Congress as being congressional priorities, such as Economic Development Administration, Legal Services Corporation, and the Juvenile Justice Program. They were left out.

By the time we shifted everything that we needed to shift in this bill to stay within our tentative 302 allocation, we had to leave some things out that were requested by the administration.

I think that on balance we have done the best that we can do. I will also say that 69 percent of this bill is for programs that have not yet been authorized for 1988. Unfortunately, that is the circumstance that we have faced almost every year for many years. We would be a lot better off, I think, if the authorizing committees would get their authorizations out.

These authorizations were not due now, they were due before last October, when the administration started making up their budgets that they sent up in January. Because those authorizations had not been passed at that time, the administration was permitted to make up a budget based on their idea of what an authorization ought to be, rather than having to adhere to congressional guidelines set out in a program that had been passed and signed by the President. This gave the administration a lot of latitude in submitting their budget that they otherwise would not have had.

This handicaps the Committee on Appropriations, because we sit there not knowing for sure what the majority on the floor want in the way of a program and the restrictions that they would desire in that program. We have a hearing based upon the administration's idea of what the program ought to be or ought not to be, and we have to hear it on that basis. Then we come out here with a bill now with these programs not yet authorized, so in effect this bill today is both an appropriation and an authorization for those programs. It is not the way this ought to work, but it is about all we can do under the circumstances.

We have brought forth a bill that is the best we can do under the circumstances, but we are not bragging about the bill. All that I can say is, it is the best that we can do. It is under our tentative 302 allocation with regard to discretionary authority by $700,000, and it is under discretionary outlays by a total of $947,000. I ask the majority in the House to approve this bill.

Mr. Chairman, I reserve the balance of my time.

Mr. ROGERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of this bill as well, being the ranking minority member of the subcommittee, and first let me offer a word of thanks to our chairman, the gentleman from Iowa [Mr. Smith], and the other members of the subcommittee. These are trite words, but indeed there have been long, long hours of debate and work and hearings, and finally the careful crafting and pinching of pennies in order to come up with this appropriations bill.

As the chairman has said, none of us are happy with it. It is woefully inadequate in many respects. If I had my personal choice in putting together the particular parts of the bill, I would do it somewhat differently, but of course we have a committee that has individuals who have different viewpoints.

Let me point out at the outset that the bill appropriates a total of $14.2 billion for these three agencies—Commerce, State, Justice—and also the Federal judiciary and the 21 related agencies. That is $542.9 million less than the President requested in his budget request, but it is $693 million more than the 1987 appropriation, including the supplemental.

Let me point this out as well: In budget authority we are $601 million below the supposed 302(b) allocation. In terms of outlays we are slightly under the 302(b) supposed allocation. It is an increase, as I have said, over the 1987 appropriation by $693 million, but it is $542.9 million less than the President requested.

Some of the highlights of the bill are as follows: In the Department of Commerce this bill is 17.3 percent over the 1987 appropriation. It is 18.9 percent over the President's request. But turn to the Department of Justice. We are 6.5 percent over 1987, but we are 1.4 percent under the President's request. That is one agency where I think we need to spend some time discussing these issues, particularly today as we get to these amendments that perhaps will come along talking about cutting even more. We are talking about in that instance cutting from a funding for the FBI, for example, which already is inadequate and under the President's request.

The same is true for the DEA and the Immigration and Naturalization Service, and the USIA and the others. For the Department of State we are 3.4 percent under the current services, the 1987 appropriation, and we are 21½ percent under the President's request for the State Department. For the judiciary we are about 9 percent over this year's appropriation, but we are 5½ percent under what the President would like us to have. In the related agencies we are both under last year's spending by almost 1 percent, and 3 percent under what the President would have us spend.

Overall for this bill we are 5.1 percent over the 1987 appropriation, but we are 3.7 percent under what the President would like us to spend.

The big cuts, I would point out again, and the big inadequacies I would like to share with the folks on my side of the aisle especially, the big inadequacies in the bill, there is not enough money in there now for the FBI, the DEA, the INS, the USIA, and then for those Members who feel that the State Department does good work, it is woefully underfunded in the bill as it is.

□ 1055

Overall we tried our best to balance the needs of the Members who came to us with their requests. We tried to balance the needs of the agencies, above all of course, in the functions of the Government, bearing in mind that we are trying to implement a new omnibus crime bill in the Justice Department, for example, and also fund the new Immigration Reform Program that is now ongoing in the INS. We are trying to house more prisoners every day and we are way over capacity in the Federal prisons.

Yet that agency is underfunded in this bill.

The problem we faced was not enough allocation of spending from the Committee on the Budget to do what we really have to do.

So I think the bill on balance is good considering the difficulties that we have had in trying to come up with a bill to satisfy the needs of the Nation and the Members of this body.

Mr. Chairman, I urge its approval.

Mr. Chairman, I yield 8 minutes to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I want to preface my remarks by acknowledging my regard and my respect for the members of the Committee on Appropriations. I know they work long and hard and they do, in fact, take their jobs seriously.

It seems as though in this whole question of the fiscal management of the American Government that the buck seems to stop at the door of the Committee on Appropriations perhaps more than a fair share of the time. I do want to recognize that, not only myself but the other participants in the bipartisan group that will be offering amendments to this and other appropriation bills, and we offer those in full regard for your work and in full respect for you and the seriousness with which you take your work.

Mr. Chairman, at this time I would like to outline some concerns I have with H.R. 2736 and to inform the House about some amendments which will be offered to the bill. Before I go into the specifics about the bill, let me set the stage:

For fiscal year 1987, we can anticipate spending $13.287 billion for programs in the Commerce, Justice, State appropriations bill. This includes amounts appropriated in the continuing resolution last year and also funds contained in the 1987 supplemental appropriation.

The committee scores fiscal year 1987 spending at a different level than does the Congressional Budget Office. They say they are only increasing spending by $693 million above last year's level when in fact they are increasing it by $877 million.

I do not think the committee intended to misstate the 1987 enacted level, but they do differ from the Congressional Budget Office. I think it is important that we trust the judgment of CBO, Congress' official scorekeeping organization, on this matter. If anyone has any questions regarding last year's funding level or the size of the increase.

If anyone has any question regarding last year's funding level on the size of the increase, I have a memorandum from the CBO's chief scorekeeper which should clear up the question and I have made that available to both the subcommittee chairman and the ranking minority member.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the chairman of the subcommittee, the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. I thank the gentleman for yielding.

Mr. Chairman, let me point out that the memorandum from the CBO which the gentleman was good enough to give us a moment ago ignores something that is terribly important. That is, that in last year's bill we enacted $183 million in fees for INS and the Federal courts. Therefore, in last year's scorekeeping they gave us credit for that amount of money. We do not get any credit this year for the fact that the fees are levied. The fees are still in effect, but they go to the general fund of the Treasury. The comparable number this year is really $183 million less than the figure that the gentleman is using.

Mr. ARMEY. I thank the gentleman for his clarification. We studied on that for some time and then did take the question to the official scorekeeper in charge and if in fact they have recorded or reported to us inaccurately we will take that up with them. I think probably in a larger sense, because it was clear to me from the outset that I had no question in my mind that the gentleman would intentionally misrepresent the numbers or anybody on the Appropriations Committee.

Mr. SMITH of Iowa. Not only that, but it is the accurate number, the one we are using. The budget authority number for this year to compare with last year's shows an increase of $693,313,000. The number that CBO gave the gentleman included an adjustment of $183 million last year, that is not available this year. It is CBO's scorekeeping that we have to go by, and in their scorekeeping they gave us credit for something last year because we enacted the fee in our bill. We do not get that credit this year.

Mr. ARMEY. And I agree with the gentleman. That is exactly the position that we took. We had to take their scorekeeping.

But again I think one of the problems we have and it goes throughout the whole process is: How in the world do we ever keep score of these things and do that accurately?

Let me mention the 302(b) allocation. The committee argues that they are under the 302 allocation levels. This is a problem area for me since to my understanding the budget committee has not yet released the 302(a) allocations. This leaves the committee in somewhat of a bind and the rest of us also.

Mr. Chairman, there will be several amendments offered to reduce funding in this bill. I understand that we will have the opportunity to discuss savings in several areas including the Economic Development Administration, the Legal Services Corporation, contributions to international organizations, the Small Business Administration and in other areas as well.

I think the House should seriously consider each and every program specific amendment which will be offered. This is the best way to bring this bill into line with two competing priorities: The need to address new problems and the need for fiscal restraint.

Mr. Chairman, I must advise my colleagues that in the event that we fail to pass the line item-specific amendments that will be offered, we will, as we agreed upon in our bipartisan group, offer an across-the-board cut which in this case amounts to about 3.1 percent, that would cut in half the increase in fiscal year 1988 spending appropriated in this bill over the fiscal year 1987 spending level.

This was done in line with a formula that we worked out in order to try to bring appropriations in line with the real spending levels relative to the budget.

Mr. Chairman, let me ask about one other thing. We know that there will be a pay raise that will go into effect on January 1, 1988, for Federal employees. If I could I would ask the Chairman's attention for a question: Mr. Chairman, does this appropriations bill include funds for that pay raise that will go into effect on January 1?

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. I thank the gentleman for yielding.

No, that is not included, nor is it included in the administration's request. We are $543 million below their request but their request does not include any amount for a pay increase in fiscal year 1988, if there is one.

Mr ARMEY. The question I have since we anticipate that being the case, would it not have been more appropriate to have put that in the bill rather than having left it out to bring it back in the form, I suppose, of a supplemental?

Mr. SMITH of Iowa. Well, in one way it is, but we do not know what it is. On the other hand, I want to point out that this bill contains money for the new Federal retirement system which has never been funded in this bill before. The new system shifts the funding of the Government's share of the Federal retirement system to the various departments. Previously this item was not in this bill. That amount would more than offset the amount of the pay increase the gentleman is talking about.

Mr. ARMEY. I appreciate the explanation. Let me go back then.

I guess one of the points I would like to raise on behalf of myself and others is: The problem we always have in trying to find information and accurate information that we can consider to be reliable, we basically spend the taxpayers' money with appropriations bills, supplemental appropriation bills, continuing resolutions. Supplemental appropriations bills always are characterized as urgent and yet many times we feel there are many things that could have been anticipated.

Mr. SMITH of Iowa. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I rise in strong support of this bill.

The bill is more than $539 million below the budget requests submitted to the committee. The amounts recommended in the bill are within those assumed in the conference report on the budget resolution.

Our bill recommends funding for a wide diversity of programs. There are economic development and international trade programs to help Americans who want to work. There are programs to protect the rights of consumers, businesses, and industries.

Included in the bill are funds to support law enforcement, immigration and naturalization, illegal drug control, and judicial operations to protect the rights and interests of Americans in fair and equal justice under the law.

This bill also contains the funding for the Nation's primary diplomatic programs.

As I have in past years, I want to take a few moments to briefly discuss two programs which would be funded under this bill that are of special importance to Arkansas and other American workers and to Arkansans and other Americans who want to work but cannot find jobs. Year after year both of these programs have been targeted for cancellation in President Reagan's budget. And, year after year, the Congress has recognized the value of the programs and continued funding for them.

In this bill we have recommended $180.4 million for the economic development assistance programs administered by the Economic Development Administration. This is less than was provided for the current year. It is 72.5 percent less that the amount originally appropriated for 1981.

In the struggle to reduce the deficit, clearly, the supporters of EDA programs have done more than their share.

Traditionally, EDA's economic development assistance programs have been among the most economic, efficient, and effective in assisting local communities achieve their goals of providing more, long-term, private sector job opportunities. A prime reason for this is the fact that the projects in which EDA invests seed money are those that local communities have identified as most helpful in meeting their economic development needs.

EDA programs began as the Federal part of a partnership involving State and local governments and community organizations. For more than two and a half decades they have continued in that role.

Objective study after objective study has concluded that EDA's economic development assistance programs are moneymakers for the Government. Arkansans and Americans who labor in jobs which came into being through EDA seed money investments repay, through their taxes, the full EDA investment every 1½ years after they go to work.

Studies have also shown that EDA investments leverage private sector investments in job opportunity generation projects at a ratio of almost 2 to 1.

I know of no other Federal program that can match the EDA economic development assistance programs in terms of repaying their full cost over and over again.

Since it began, EDA has approved almost 1,000 investments in Arkansas for a total of $220,030,335. Of these projects, 249 involving $50,918,509 were located in First Congressional District. In Arkansas, more than 78,000 new jobs have been created as a result of these investments and the private sector investments they have leveraged.

EDA programs work and they pay their way.

The second program that I want to specifically mention is the trade adjustment assistance program of the International Trade Administration in the Department of Commerce. This program helps keeps Arkansans and Americans working. It is a very small program with a very large return.

Through this program, trade adjustment assistance centers across the Nation use existing technical expertise to help businesses and industries modernize, reorganize, modify their operations to compete successfully with the flood of imports that threaten their continued existence.

Factory after factory, business after business that has received aid from these centers have been successful in keeping their doors open. Equally important, they have been successful in keeping their workers on the job. In a number of instances the businesses and industries have managed to expand their operations to provide jobs for other Arkansans and Americans.

Programs that help put people to work in private sector jobs are programs this Congress can be proud of funding. These two programs are Federal spending we can point to with pride.

I support this bill. Our committee has worked hard to fashion a reasonable, economical bill. In the best interests of our Nation, I urge this House to support its passage.

Mr. ROGERS. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. Mr. Chairman, I thank the gentleman for yielding.

I would like to direct a question, if I may, to the gentleman from Iowa [Mr. SMITH], the distinguished chairman; and that is to find out if in this appropriation for Commerce, State, Justice, and Judiciary and related agencies, is there contained the scheduled pay raises that are going to go into effect in January of next year?

Mr. SMITH of Iowa. Mr. Chairman, if the gentleman will yield, we are $543 million below the administration's request, and that request did not include anything for any Federal pay increase for fiscal year 1988.

Mr. CRANE. What would the increased dollar amount be?

Mr. SMITH of Iowa. We have no way to know until the President sets that. The President sets that in January.

Mr. CRANE. There is no estimated ballpark figure even?

Mr. SMITH of Iowa. No; we do not have one. It has varied substantially from time to time.

Mr. CRANE. Would that then be handled through a supplemental?

Mr. SMITH of Iowa. That would be handled through a supplemental.

I do want to point out, however, that this bill for the first time includes the cost of the Federal Government's share of the retirement program. That has never been in a bill before, and that amount would certainly more than offset, I think, this salary adjustment that is coming in January.

This bill does include, comparable to other bills, an amount that I think would be at least that much, if not more.

Mr. CRANE. If the gentleman would respond further, can the gentleman indicate when that supplemental would have to clear, October?

Mr. SMITH of Iowa. It generally comes up in February. The administration sends one up in February. We just passed it yesterday, so enactment usually comes later in the year. By that time we also have some other adjustments including estimated income to the Federal Government.

Mr. CRANE. How would they handle the pay raises that are effective in January?

Mr. SMITH of Iowa. It would be in the supplemental.

Mr. ROGERS. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. KOLBE], a member of the subcommittee.

Mr. KOLBE. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of H.R. 2763 which is the fiscal year 1988 Commerce, State, Justice, and Judiciary appropriations bill.

My support for this is not based on the premise that the bill is perfect. In fact, there are some things I would like to see changed. Instead, what I am supporting is a fairly good compromise, given the competing interests and the considerable fiscal restraints that we face in the subcommittee on the Committee on Appropriations.

As the gentleman from Iowa [Mr. SMITH], the chairman, has pointed out in full committee and here on the floor, this is a bill that treats everyone equally, and everyone will be equally displeased with the results of this bill.

Notwithstanding this, I want to thank the gentleman from Iowa [Mr. SMITH], the chairman, for the outstanding job the gentleman has done on this bill, and for the gentleman's open and equitable process he has given to the minority members.

Like everyone who examines a bill in detail, I am not crazy about everything it contains or does not contain, for that matter. There are a number of things in here that are included that I would like to see included that are not, and there are a lot of things that ought to have been kept perhaps out of the bill.

Taken as a whole, and given the tough 302(b) allocations that we face, this is a balanced bill. Let me touch on a couple of the details of it. Several of the agencies and programs the administration has sought to terminate received funding, including the Economic Development Administration, the trade adjustment assistance programs, the Legal Services Corporation, and the Public Telecommunications Facilities Grant Program, and so on.

I could survive without these programs and would probably support amendments to reduce or eliminate some of these programs. It has been evident for a number of years that a majority of our Members could not live without these programs, so it comes as no surprise to see that they are funded again in this legislation.

More importantly, we should note that the State Department is not funded at current service levels in the salaries and administration area, and only a handful of new construction projects are funded.

Overall, the State Department appropriations are 3.4 percent less than 1987, and 21 percent less than the administration requested.

These are not levels that many of us were very happy about, but there were very few alternatives, and I think we need to be very frank in understanding that we are not cutting at the fat but into the very meat and the muscle of our foreign service operations, our foreign policy operations.

There are some other areas, including the Voice of America and the Board for International Broadcasting, which includes Radio Free Europe and Radio Liberty, that have been denied funds for much needed modernization of facilities, facilities that in many cases date back to the 1950's.

There are some more positive notes. We were able to provide the full level of funding that was requested by the Justice Department and substantial increases over the 1987 levels. We were able to fully fund the Drug Enforcement Administration and the U.S. Parole Commission and nearly fund the administration's request for the Immigration and Naturalization Service and the Federal Prison System.

We were able to provide nearly two-thirds of the 14-percent increase that the judicial branch sought. We managed to provide funding for the vast majority of related agencies at last year's levels or at slightly higher levels.

Overall, Mr. Chairman, I think this is a bill that should be supported, and I do support it.

Mr. GILMAN. Mr. Chairman, in connection with title III of H.R. 2763 and the report of the Committee on Appropriations setting forth the amount recommended for each of the international organizations, I would like to note the debate that took place on June 16 when the authorization of these contributions to the international organization was taken up by the House. In a discussion between myself and the distinguished chairman of the subcommittee of the House Committee on Foreign Affairs, Mr. MICA, it was recognized that the formula used for freezing funding at the level of the fiscal year 1987 continuing resolution had the unintended and unfortunate effect of penalizing the Food and Agriculture Organization [FAO] for having accumulated extraordinary savings in the previous year which were returned to the United States and used to offset the amount appropriated.

These savings, amounting to approximately $9 million, were generated primarily as a result of the appreciation of the dollar during the FAO's preceding accounting period. The procedure to accelerate the application of such savings to reduce appropriations resulted from congressional direction to the Department of State contained in pages 52 and 53 of Report 99-150 dated October 4, 1985. In view of the fall of the dollar's value, no savings are anticipated in fiscal year 1988. Mr. Chairman, by overlooking the fact that the unusual savings accomplished by the Food and Agriculture Organization had been used as an offset to the amount appropriated in fiscal year 1987, a simple freeze has the effect of penalizing FAO for its savings.

Mr. Chairman, as I have said, the inequity that this has created for an organization engaged in the fight against hunger was recognized at the time the authorization was debated on the floor. I recognize that this is not the time to increase the appropriation, but I want to draw your attention, and that of my colleagues, to this legislative history so that the other body will be aware of the deficiency and FAO can be accorded equitable treatment with the other major specialized agencies before final congressional passage of the act.

Mr. HALL of Ohio. Mr. Chairman, the fiscal 1988 funding level in this bill for the Food and Agriculture Organization of the United Nations inadvertently penalizes this organization for having saved money.

The FAO appropriations for fiscal 1987 were reduced because FAO had realized savings of about $9 million as a result of exchange rate appreciation. In view of the fall of the value of the dollar, no such savings are expected in fiscal 1988.

This bill would appropriate about $25.4 million for FAO in fiscal 1988, which represents an overall freeze at the fiscal 1987 level. However, since the fiscal 1987 level reflected the savings of $9 million—which will not be repeated in fiscal 1988 because of the exchange rate situation—keeping the fiscal 1988 funding at the fiscal 1987 level actually amounts to a cut in the FAO contribution of $9 million.

I believe it is important that this information is on the record before my colleagues. The FAO is one of the major international organizations in the global fight against hunger. Certainly, all international organizations must anticipate the possibility of cutbacks, but any cuts that are made should be made equitably.

This excellent organization should not be inadvertently penalized for having saved money in a previous year. I would hope that this matter can be addressed before the fiscal 1988 appropriations are enacted into law.

Mr. ROSTENKOWSKI. Mr. Chairman, I have just returned from a trip to Poland where, among other things, I was looking into what more the United States can do to foster good relations between our countries now that the economic sanctions have been lifted.

One advance which is spoken of warmly both by Poles and by Americans is the recent initialing of a new agreement on science and technology exchanges. Signatures are expected this fall and, from all I hear, the agreement will be as beneficial to the United States as it will be to Poland. The costs are to be shared equally as well—all-in-all an excellent result of some good negotiations.

To implement these agreements, funding will have to be authorized and appropriated, of course. Due to the recent date of my trip and acquaintance with this issue, I was unable to bring this matter before the relevant House committees in a proper and timely manner for inclusion in fiscal year 1988 legislation. Therefore, it is my hope that Members of the other body will take this matter up when they consider the relevant fiscal year 1988 authorizing and appropriations bills.

For fiscal year 1988, $1 million in startup funds, would be sufficient. I hope that authorization of this relatively modest sum, if adopted by the Senate when it considers the fiscal year 1988 foreign relations bill, would be accepted by Chairman FASCELL and his colleagues in conference. Likewise, I hope that the Senate would follow through and appropriate $1 million for implementation of this program and that Chairman NEAL SMITH and his conferees would recede to the Senate on this in conference.

This money would be used to cover the travel and conference expenses of the many exploratory meetings needed to renew our S&T contacts with Poland. Because certain aspects of the agreement are actually very close to implementation, some of the money could also be used for scientific equipment.

For example, a joint program on environmental problems is ready to go, and purchases of monitoring and analyzing devices could be made very early in fiscal year 1988. Given Poland's environmental crisis, which I just experienced firsthand, I believe there should be no unnecessary delay in putting that part of the new agreement to work.

Mr. FLORIO. Mr. Chairman, I rise in support of the bill.

With our passage today of this important bill, we are putting the House on record in support of Sematech, a joint, government-industry effort to develop new, competitive techniques for manufacturing semiconductors.

Semiconductors are the foundation of so many facets of the giant information industry in which the United States must be competitive if we are to continue to be a major economic power in the future—computers, telecommunications, robotics, consumer electronics, and defense weapons systems. For this reason, the decline in the competitiveness of the U.S. semiconductor industry has been described by U.S. defense officials as "a critical national problem that at some time in the future may be looked upon as a turning point in the history of our Nation."

This decline threatens not only our ability to maintain a strong national defense, but also our ability to manufacture competitive electronics and other products. We cannot, therefore, afford to ignore this problem any longer.

The problem we face is primarily of manufacturing technology—not the technological competitiveness of the semiconductor products we make. The lack of competitiveness in manufacturing is largely responsible for the decline in the U.S. share of the world market for DRAM's [dynamics random access memory chips].

In 1975, U.S. semiconductor producers accounted for 90 percent of this market; today the United States claims only 10 percent of this market. In 1975, Japan had only 10 percent of the DRAM market; today Japan has almost 80 percent of it.

The fear is that the collapse of U.S. DRAM production will cause U.S. producers to fall further behind in manufacturing technology and innovation. The decline in U.S. DRAM sales has also hurt sales of U.S. semiconductor equipment and material suppliers who now face new challenges from Japanese equipment and material suppliers.

Sematech is designed to develop a stronger, more supportive relationship between U.S. semiconductor manufacturers and the U.S. equipment and materials industry. It will develop and test manufacturing, not product technology, and will transfer that technology quickly and efficiently to the private sector.

The legislation we are passing today authorizes $1.5 million to the Commerce Department to help fund Sematech. It also requires the Secretary of Commerce to report back early next year with an identification of the additional funds needed for Sematech in fiscal year 1988.

I think our action today reflects Congress' concern of the seriousness of the problem facing the United States and our commitment to be competitive in information and electronics trade. I wholeheartedly support this effort and look forward to working with my colleague to make sure that in the future, the United States has the manufacturing capability to meet our defense and economic needs.

Mr. FASCELL. Mr. Chairman, I intend to support this bill but I want to call to the attention of my colleagues my deep concern over the inadequate level of support which this bill provides for a vital component of U.S. foreign policy—international organizations. The bill as well as the authorization level which the House approved last week, is sadly lacking in funds necessary to meet our international obligations; more importantly, it fails to provide the funds needed to serve our own national interests.

This bill continues a policy of funding restraints which threatens to wreak havoc with U.S. interests. By failing to provide our fair share of funding for international organizations we are severely damaging our ability to get from the U.N. and its specialized agencies—not what someone else wants and needs—but what we want and need. We must work with the world community on issues of vital interest to us. We simply cannot go it alone.

The damage which will result from the low funding levels in the bill is compounded by the timing of the cuts and caps imposed in this measure. President Reagan is going to the U.N., a U.N. whose reforms he has applauded, to ask that body for its help in ending the Iran-Iraq war. In passing this bill we are sending a different signal which undercuts the President's initiative.

For more than 40 years a central purpose of U.S. policy has been to construct a global network of global agencies and programs to deal with issues and problems that can be best addressed on a multinational cooperative basis.

Frequently I hear echoed in this Chamber comments such as "why should we help those abroad, when we don't have money for this or that program in my district." Let's be realistic: we cannot retreat from our responsibility as the leader of the free world. Indeed, many of the problems that affect our districts can only be dealt with on a global basis. Surely your constituents are concerned about AIDS. They are worried about terrorism. They want the food and products they buy to meet standards of health and safety. You cannot think that you can protect your district or our country from problems like ozone depletion without the help of other countries.

We need the cooperation of others to protect the values we cherish and to achieve the goals spoken of so eloquently in our Constitution. The global interdependence of our economy, even the health of our citizenry, demands that we work with other nations.

If through our insensitivity to world realities we gut the United Nations and its specialized agencies we will have in a very real sense shot ourselves in the foot. We cannot fight AIDS, malaria, or other dread diseases on our own; we need the World Health Organization and the Pan American Health Organization. We cannot fight terrorism without a strong International Civil Aviation Organization and International Maritime Organization. And how are we to effectively impede the spread of nuclear weapons without the International Atomic Energy Agency?

This bill is a full $150 million below what we are required to pay and should pay to the United Nations and its very important specialized agencies as a part of our international legal obligations. We joined these organizations; we agreed to pay our fair share and now we are balking. Even worse than the cut is a further restriction in this bill. It tells the administration that even though we are appropriating $382 million you can spend only $242 million. That means we are going to short change the agencies we, not just someone else, needs by $290 million. On top of that we deferred money last year and now we are going to defer payment of another $65 million from last year to the agencies we have misled into believing we would pay if they carried out the reforms we sought. Is the word of the United States to count for nothing?

Is the U.N. perfect? Of course not. We all know that. That's why we all supported the Kassebaum-Solomon amendment which has worked. Of course serious shortcomings remain. But we need to get from here to there; and there just is no other way to do it than to use the United Nations and its agencies.

We have our priorities turned topsy turvy. Not only have global events made these agencies more important to us now than ever before; the agencies we have been critical of in recent years on management grounds have done what we have requested. If you want to undercut U.S. diplomacy and make it harder and more costly to address dozens of U.S. problems, then we should go ahead with a policy of continued deep cuts. I believe the time has come to stop punishing ourselves and return to a policy of honoring our international financial obligations.

Let me say just a few words on the implications of what our underfunding of U.N. agencies is doing. And when you hear these facts don't just think "too bad" for someone you never heard of in a distant country. These are effects that will be felt by your constituents, perhaps by your own family.

Health.—Last week the Director General of the World Health Organization came to visit us. He had some startling news: that the United States had paid WHO only $7 million of the $126 million we were supposed to have paid in the last 2 years. This enormous shortfall is forcing cuts in: drug prevention, nutrition, malaria control, and in efforts to combat virtually every other disease. In recent years Congress has greatly increased funding for the protection of children worldwide—(1) million children in Africa have malaria. Does that make sense? Does it make sense to cripple WHO at a time when AIDS threatens the greatest global health catastrophe of modern times? If anyone in this Chamber thinks it will be cheaper to combat AIDS and other threats to our health here rather than to seek to contain them before they get here they must have been on another planet the last 20 years. We similarly have shortchanged the Pan American Health Organization. PAHO looks after health in our own backyard, the Western Hemisphere. This year we still owe two-thirds of our payment. In this bill the net effect of cuts and caps would be to defer at least another third of the money we should pay PAHO in fiscal year 1988. Does that make sense?

Aviation.—Modern air transportation has shrunk our globe. But safe, dependable aviation requires organization and cooperation—a lot of cooperation among countries of differing cultures, languages, ideologies, and levels of development. To a very real degree the global air transport system operates as well as it does because of international organizations like the International Civil Aviation Organization [ICAO] and the International Telecommunications Union [ITU]. ICAO is in the forefront of efforts to improve airline safety and to combat terrorism. ITU rules not only assure the reliability of essential aviation communications. This legislation will result in shortfalls which will further complicate the tasks of these important organizations.

Food.—This year we paid less than half our assessed contribution to the Food and Agricultural Organization. We are $87 million short already in FAO. The cap in this bill means another shortfall on the top of that. Our credibility and effectiveness in the organization is at a low point and no wonder. If the United States had to do what FAO does in only one area—data collection—it would cost us a fortune. Data collection impacts directly on how USDA establishes our own domestic commodity policies. USDA is reportedly cutting back on its own research and planned to rely on FAO but will the information be there? Not if the policies we are following continue.

Labor.—Competitiveness is a buzzword we all hear when the state of the American economy is discussed. One of the reasons the United States can't compete is because of the cheap wages and lack of concern for worker health and safety in many countries. Wouldn't it be a good idea if there was a global organization which could help us at the same time it helped improve the working conditions of millions around the globe? Well there is. It's called the International Labor Organization which we rejoined in 1979 because it had reformed itself as we requested. The ILO does a lot of good work, quietly and effectively, but performance apparently is not the test. In a blind drive to cut our deficit and in the mistaken notion that the ILO and all these other organizations help others and not ourselves we are going to hamper its work.

I could go on but will not. We founded the U.N. We founded most of the other international organizations. We did this for noble purposes but also for selfish ones. Just as our forefathers could not see the future they did see the necessity to shape a Constitution with which to face undreamed of issues. It was not perfect. We fought a Civil War over one of its provisions. The network of international organizations which has sprung up over the last half century is far, far from perfect. It is, however, a set of instruments we dare not be without as the problems of men and women everywhere become ever more closely intertwined. We are at the point of endangering the existence of institutions which a generation of statesmen from Roosevelt, Willkie, and Vandenberg to the present day have struggled to build, at no small cost, for our use.

This Nation cannot afford to be the world's No. 1 soft touch; neither should we aspire to be the top bully—and the simple fact remains that a great deal of good can be accomplished by means other than continually flexing our military muscle. And I might add, for a lot less money.

Mr. LIVINGSTON. Mr. Chairman, in the report of the committee, $1,500,000 is earmarked for a pilot demonstration project of a multipurpose land information system or "cadastre" in Jefferson and Orleans Parishes in Louisiana. This is a continuation and expansion of a program first funded by the committee in the fiscal year 1986 bill. I support this project and express my deep appreciation to Mr. Smith of Iowa, the subcommittee chairman, Mr. Rogers of Kentucky, the ranking minority member, and all the members of the subcommittee for their efforts on behalf of this project.

A multipurpose cadastre is a computerized land records system that includes graphic portrayals of the spatial relationships of the land and its features. These portrayals include both digital and traditional maps.

The National Oceanic and Atmospheric Administration [NOAA], through its Office of Charting and Geodetic Services is a leading Federal agency in this technology. NOAA has entered into a cost-sharing agreement with the parishes funded by the fiscal year 1986 bill—Jefferson and Calcasieu.

The funding in the bill before us today is a second installment of the project.

Using funds provided in the fiscal year 1986 appropriation and local funds, Jefferson Parish has made substantial progress on its pilot project. An agreement with NOAA has been negotiated and a local private professional firm was retained to provide project management and surveying and mapping services. This firm has in turn included local and national subcontractors for aerial photography and its required targeting or control. NOAA has established initial documentation and Global Positioning Satellite [GPS] surveys are complete. Plans and specifications have been written by the contractor and approved by NOAA. An inventory of individual parcels is now in progress. With funds that currently remain this fiscal year, base maps from aerial photography will be prepared. The funding in this bill will be used to enhance the continuation of the project in both Jefferson Orleans Parish.

Unfortunately, the committee was unable to earmark funding to continue the Calcasieu Parish project as well. I am hopeful, however, that as the bill moves through the legislative process, this will be remedied.

It is equally important that the program continue in Calcasieu Parish, which includes the cities of Sulphur and Lake Charles. Calcasieu, located in southwestern Louisiana, offers a different geographic and economic challenge that, when combined with the experience in the Orleans and Jefferson Parish project will provide NOAA and the Nation with model MPC programs from contrasting perspectives and characteristics.

The current decline in the petrochemical industry has led this parish—with an unemployment rate among the highest in the Nation—once primarily dependent on that one source of revenue and employment, to embark upon an aggressive economic development program. The project will be part of the community's infrastructure that serves as a key element of tax base expansion, business development and jobs creation.

Using funds provided in the fiscal year 1986 appropriation, as well as local sources, Calcasieu has focused its initial MPC efforts in the city of Sulphur. To date, great progress has been made on the project. Like Jefferson Parish, Calcasieu (Sulphur) has negotiated an agreement with NOAA and a local firm has been retained for project management and professional surveying and mapping services. NOAA has established initial monuments and plans and specifications have been written by the contractor and approved by NOAA. An inventory of individual parcels is now in progress. With funding that remains available in the current fiscal year, base maps from the aerial photography, parcel maps, a plat book and a digital data base computer map will be prepared for the city. Additional funding will help continue the project in Sulphur and include activities in Lake Charles.

Mr. STARK. Mr. Chairman, I rise today with a simple amendment of great importance to my constituents in the Ninth District of California.

The Bureau of Prisons has proposed building an additional facility at the Pleasanton Federal Correctional Institution [FCI] in my district to serve as a holding center for people on trial in the bay area. The new facility would hold between 100 and 200 people, depending on how full they pack it, and would be located on the grounds of Pleasanton FCI.

I know that just about everybody is in favor of more space in our prisons and at the same time wants no prisons in their area. I think, though, that the residents of the Ninth District have some very special concerns in this matter and it is for this reason that I am offering an amendment to provide for a 1-year moratorium on building the additional facility so that all parties involved may have a chance to work out some of the outstanding points of discussion.

First, there are already two prisons very close to each other in the Livermore Valley and if the Immigration and Naturalization Service [INS] follows through with its plans to build an illegal alien detention center there, there will be three. I would argue that this fourth facility might be too much of a good thing. The people of the Livermore Valley are proud of many things in their area; I think they would rather not be most famous for being the incarceration capital of America.

All these prisoners in the area bring some real dangers to the residents. There have been several breakouts from Pleasanton in the past few years, including one involving two murderers and a kidnaper and another involving the famous "lovebird inmates" who absconded in a hijacked helicopter. The Ninth District is happy to do its share for the criminal justice system but I think there ought to be some more thought to spreading the burden.

Second, the Pleasanton FCI and its landlord, the Camp Parks Army Base, are currently in extreme violation of the capacity limits in their sewage contracts. Repeated efforts by the local services district to resolve this problem have been fruitless and the situation is now placing a great strain on the local waste water and sewage treatment facilities. The Livermore Valley is a rapidly growing residential area and the residents do not deserve to be deprived of basic services because of the voracious appetites for water treatment of Pleasanton and Camp Parks.

The third issue is what I refer to as a zoning problem. When Pleasanton FCI was first built, the Livermore Valley was relatively sparsely populated. The jail was going to be a very low-key affair for a few hundred relatively harmless inmates. Club Fed was its nickname. Now, Pleasanton has over 600 inmates and at times has had over 700. Many of them are quite hardened, dangerous criminals. Ninth District residents would like to have a clearer idea of just how many and what types of prisoners would be coming to the new facility before they accept it.

Mr. Chairman, I want to be helpful and accommodating because I understand the pressures and constraints that confront the Bureau of Prisons. At the same time, though, I think that the local officials and residents have a right to a fair hearing before this new facility is built. All they ask is for an opportunity to work out with the Bureau of Prisons the three issues of greatest concern to them: The clustering of prisons and resulting risk of dangerous breakouts, the strain on local services, and the number and security level of prisoners. All I ask is that the House give them that opportunity by supporting this amendment to grant a 1-year moratorium on the construction of this additional facility. Given that time, I'm sure that we can work out something that will satisfy the concerns of all sides, and I pledge to help in that process.

Mr. FAZIO. Mr. Chairman, I rise in strong support of the bill, and I would like to thank the gentleman from Iowa, the chairman of the subcommittee, Mr. SMITH, for his strong support of Sematech, a consortium of U.S. semiconductor companies which have developed a 6-year, joint private industry and government plan to restore the international competitiveness of the U.S. semiconductor and electronics industries.

The bill before us today includes $1.5 million, to be matched on a dollar-for-dollar basis by private industry, for Sematech from the Department of Commerce. The semiconductor industry is currently expected to generate up to $125 million from its own companies to finance half the annual operating cost of Sematech which has a primary objective of developing future generation semiconductor processes, materials, tools and test equipment, and transferring that technology and information throughout the U.S. domestic industry. Thus, the $1.5 million in the bill represents a downpayment on what is anticipated to eventually be a $125 million annual Federal contribution to the project.

Further, the bill before us today directs the Department of Commerce to participate with other Federal agencies in coordinating and financing the Federal contributions to Sematech. Specifically, the bill directs the Department of Commerce to assume a leadership role in the Federal effort in order to ensure that the technology developed by Sematech is rapidly and efficiently transferred throughout the industry. The rapid diffusion of new technology industrywide has been instrumental to the success of the Japanese firms and is expected to be equally critical to the success of Sematech.

The bill directs the Department of Commerce to join other Federal agencies in establishing an interagency task force or coordinating committee to develop a plan to coordinate Federal involvement with and future contributions to Sematech and advise Congress and the President with respect to such issues.

After considering the recommendations of the interagency task force, the Secretary of Commerce is directed to report back to the Committee no later than January 5, 1988, regarding:

First, the degree to which there are unmet fiscal year 1988 Federal funding requirements for Sematech;

Second, a plan for apportioning the annual Federal contribution to Sematech among the participating Federal agencies, including the Department of Commerce; and,

Third, recommendations for continuing Federal participation in Sematech.

The decline in competitiveness of the U.S. semiconductor industry is of great concern to us all, Mr. Chairman. For years, the United States was the world leader in the design and manufacture of semiconductors, but that lead has been eroded due in large part to unfair trade practices and concerted investments in manufacturing by Japanese industry and government. In 1986, for the first time, Japanese semiconductor firms captured a plurality of the world market, 46 percent compared to 44 percent for United States firms. Among select products, that lead has grown even wider. In advanced semiconductor memories, America's market share has collapsed from nearly 100 percent in 1975 to only 5 percent last year.

In addition, a viable U.S. semiconductor industry is essential to a healthy U.S. economy and to the leadership of the U.S. computer, telecommunications, robotics, defense and electronics industries. In electronics alone, the United States has swung from a positive trade balance in 1980 to a $13 billion deficit in 1986. Our account with Japan is now negative in all 13 categories of international electronics trade.

The Federal Government must join industry in this effort because semiconductors are the building blocks of modern society, and we cannot afford to lose our ability to competitively manufacture them without doing harm to the prospects for long-term economic growth.

Semiconductors are "technology drivers." Advances in semiconductor technology have in turn led to extraordinary advances in computers, telecommunications, robotics, and consumer electronics over the last 15 years. Leadership in semiconductor technology is very likely to determine which nations will enjoy economic leadership in the next century. Sematech is designed to ensure that a fully competitive U.S. semiconductor industry will continue to exist through the 1990's and beyond.

Again, I thank Chairman SMITH for his support of this effort and urge adoption of the bill.

Mr. FISH. Mr. Chairman, I welcome this opportunity for floor consideration of H.R. 2763, the fiscal year 1988 appropriation bill for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies. The Department of Justice appropriation is of particular interest to me because of my service on the Committee on the Judiciary, the authorizing committee.

The Department of Justice must receive adequate funding because the safety and security of the American people depends on a sustained national capacity to enforce our laws. If we hope to discourage drug trafficking, we must support the Drug Enforcement Administration. If we seek to apprehend and prosecute criminals, we cannot neglect the FBI and our U.S. attorneys. If we view control of our borders as a national priority, we must provide the Immigration and Naturalization Service with essential personnel. The activities of the Department are priority functions of our National Government.

The Department of Justice faces many challenges as it implements major legislation enacted by the 99th Congress. The Immigration Reform and Control Act, the product of years of joint effort by the administration and Members of both bodies, provides the legislative framework for an immigration policy that is firm, fair, and humane. Enhanced enforcement, employer sanctions, and legalization all must work well if the promise of this legislation is to be fulfilled. The Antidrug Abuse Act of 1986 addresses one of the major threats to the health and safety of the American people. We must make continued progress in attempting to eradicate the blight of illicit drugs. Recently enacted legislation establishing a nationwide U.S. Trustees Program can lead to improved supervision of bankruptcy administration, greater efforts to discourage abuses of the bankruptcy process, and a higher percentage of successful business reorganizations. The U.S. Trustees Program is designed to be self-funding from increases in bankruptcy filing fees and a new quarterly fee in reorganization cases. This bill appropriately provides funding in fiscal year 1988 to meet program expenses during the startup period. The Department of Justice must have the resources in fiscal year 1988 to assert control over our borders, discourage criminal activity, and improve the administration of justice—to name some of the challenges falling within the Department's jurisdiction.

This legislation does not include funds for a number of the enhancements included in the administration's budget submission—and also does not include various Judiciary Committee recommended program additions. Although I believe that some additional funds for the Department of Justice—over and above levels in H.R. 2763—are justified, I recognize that the Appropriations Committee faces a difficult task in attempting to establish priorities for Federal expenditures. I commend the Appropriations Committee for its efforts and recognize that both of our committees share a common interest in helping the Department meet pressing national problems.

Mr. SWINDALL. Mr. Chairman, in considering H.R. 2763, the State Department appropriations bill, the House will likely agree to substantial cuts in the administration's request for "International Organizations and Conferences," the section providing funds for the United States assessed contribution to the United Nations. The administration had requested $470 million for fiscal 1988, but the Appropriations Committee agreed to just $240 million for that period—almost a 50-percent cut. I believe it is important to understand why Congress has been so reluctant to fulfill the administration's budget request in this regard.

For some time now, Congress has expressed its concern with the slow pace of reform within the United Nations. For 6 years, the Reagan administration asked the General Assembly to implement serious reform of its organization. But for 6 years, the U.N. did nothing. Fed up with the lack of progress, Congress last year enacted the Kassebaum/Solomon amendment. This measure cut the United States assessed contribution to the U.N. from 25 to 20 percent and made future financial support conditional on the adoption of a weighted voting system and other genuine reforms. I applaud these steps and draw attention to the need for further action with regard to the U.S. financial obligations to this body.

In passing H.R. 1777, the Foreign Affairs authorization bill for fiscal year 1988, the House of Representatives last month took several important actions. These carry great significance and I commend my colleagues on the Foreign Affairs Committee for drafting this tremendously effective piece of legislation. Three important provisions within the bill affect the U.N. reform effort: the committee's modification of the Kassebaum-Solomon amendment; Congresswoman SNOWE's amendment to Kassebaum-Solomon; and my own amendment concerning the U.N. hiring freeze.

In the committee's bill report, Congressman SOLOMON highlights the important modifications of the Kassebaum-Solomon amendment, most notably the point that the majority of United States funding of the U.N. now depends upon a Presidential certification that the U.N. is implementing reforms which the General Assembly adopted in principle in its 41st session. This is significant because, while the General Assembly has adopted these reforms in principle, it has yet to actually begin implementing them—despite agreeing to do so over 6 months ago.

In addition, Congresswoman SNOWE deserves high praise and recognition for further amending Kassebaum/Solomon so that the President must also certify that the U.N. is meeting the Group of 18's recommendation that the U.N. equitably apply the 15-percent reduction in Secretariat staff and that no more than 50 percent of U.N. Secretariat employees may be "seconded"—a bureaucratic ploy whereby the Soviet Union maintains control over its nationals working at the U.N.

Why is Congress so skeptical of the United Nations' commitment to change? Because while some initial progress has been achieved, many traditional, outrageous practices continue. One example is the Secretary-General's recent expressed willingness to exempt the Soviet Union and Soviet-bloc member-nations from the U.N.'s employee hiring freeze. Instead, the Soviet Union and its allies will be allowed to rotate 104 new employees into the Secretariat over the next 18 months. This action comes at a time when the U.N. clearly cannot afford 104 more employees. Moreover, because many of these new employees would likely be spies, the exemptions threaten U.S. security interests. As many members know, the Senate Select Committee on Intelligence has pointed out that, "approximately one-fourth of the Soviets in the U.N. Secretariat are intelligence officers and many more are coopted by the KGB or GRU. All Soviets in the Secretariat must respond to KGB requests for assistance."

When my colleague in the Senate, Wisconsin's BOB KASTEN, learned of the Secretary-General's action, he was so astounded that he decided to press the Senate Appropriations Committee for zero American funds for the U.N. until the freeze exemptions are lifted. Senator KASTEN and I both know that the Soviets' abuse of secondment and their placing of spies in the U.N. are blatant violations of articles 100 and 101 of the U.N. Charter, which call for the establishment of an international civil service whose members are neutral and maintain allegiance only to the United Nations.

For this reason, I offered an amendment to H.R. 1777 that addresses these concerns in three ways. First, my amendment condemns the Soviet Union for not adhering to the principles of the U.N. Charter. Second, it asks the President to take all necessary steps to ensure compliance with the U.N. hiring freeze, including withholding United States contributions to the U.N. and denying entry visas to Soviet and Soviet-bloc applicants coming to the United States to replace Soviet and Soviet-bloc nationals currently serving in the U.N. Secretariat. Third, and most important, it requires the Secretary of State to annually report to the Congress on the status of secondment by the Soviet Union and Soviet-bloc member-nations within the U.N., and the actions taken by the United States to enforce the provisions of the U.N. Charter which govern the behavior and activities of U.N. employees. The passage of my amendment puts Congress on record as being categorically opposed to the Secretary-General's exemptions to the hiring freeze and demands important information from the administration on this subject.

Despite my praise for H.R. 1777, I must express my grave reservations with the Department of State's position regarding the United States' reputed financial obligations to the U.N. In the Department's words, "all members of the United Nations have an obligation to pay their full assessed contribution to the United Nations under article 17 of the U.N. Charter." Interestingly enough, however, this statement comes at a time when only 21 of the 159 U.N. member-nations have fully met their financial obligations for 1986. In addition, four of the five members of the Security Council have withheld portions of their assessed contributions for last year as well.

With these points in mind, I wrote to Secretary Shultz last March and asked him, "Given the fact that many U.N. member states have consistently refused to meet their putative obligations under article 17(2) of the Charter, can the United States any longer feel an absolute obligation to meet such commitments? Is it the position of the Department of State that widespread contrary state practice cannot change the nature of a multilateral obligation? Is reciprocity—a cardinal principle of international law—meaningless in a multilateral context?"

Unfortunately, in the Department's reply to me—which, incidentally, came 3 months after I wrote the Secretary—no answer is given to these questions. As such, I must assume that the State Department does, in fact, regard reciprocity as meaningless when it comes to U.N. member-nations meeting their financial obligations. The Department thus seems prepared to repudiate this bedrock legal principle, which has its most famous origin in the Vienna Convention of the Law of Treaties. This 1969 treaty defines circumstances whereby "material breach" of a treaty obligation may be invoked by a nation to justify its own decision not to fulfill some obligation.

Because a number of member states withheld their contributions to the U.N. over a period of years have, they "materially breached" their obligation to the organization. This material breach gives the United States the reciprocal right to withhold funds if, in the words of former U.N. Ambassador and Supreme Court Justice Arthur Goldberg, "strong and compelling reasons exist for doing so." The State Department, however, seems totally oblivious to this consideration.

I raise all these matters because the Congress needs to understand what the American taxpayer's money actually pays for at the U.N. For while the U.N. General Assembly has agreed in principle with the reforms recommended by the Group of 18, it has not even begun to substantively implement these important changes. Indeed, the Secretary-General and the General Assembly have an exceedingly great reluctance to implement the G-18 reforms. Unless and until the U.N. puts its house in order, Congress must strongly reconsider the logic and legality of providing funds to this organization.

My letter to Secretary Shultz, the State Department's reply to me, and a Heritage Foundation Backgrounder dealing with the legal aspects of financial obligations to the U.N. appear below:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 5, 1987.

Hon. GEORGE P. SHULTZ,
Department of State,
Washington, DC.

DEAR SECRETARY SHULTZ: I understand from my colleagues that serve on the Committee on Foreign Affairs that during a recent breakfast meeting with the Committee, you stated that the United States is legally obligated to pay in full our 1987 assessed contribution to the United Nations, and to repay funds withheld from our 1986 contribution.

As the primary sponsor of an amendment signed in to law last year which mandated the withholding of funds that would have otherwise been paid to the U.N. Department of Public Information, I am gravely concerned by your apparent adoption of this position.

It is my understanding that since the promulgation of the Goldberg Reservation in 1965, the United States has reserved the right to withhold funds from the United Nations when "strong and compelling reasons exist for doing so." As stated by Ambassador Goldberg:

"if any member can insist on making an exception to the principle of collective financial responsibility with respect to certain activities of the organization, the United States reserves the same option to make exceptions to the principles of collective financial responsibility if, in our view, strong and compelling reasons exist for doing so. There can be no double standard among the members of the organization."

("United States Participation in the United Nations," *Report by the President to Congress, 1965*, p. 108.)

Give the fact that many U.S. member states have consistently refused to meet their putative obligations under Article 17(2) of the Charter, can the United States any longer feel an absolute obligation to meet such commitments? Is it the position of the Department of State that widespread contrary state practice cannot change the nature of a multilateral obligation? Is reciprocity—a cardinal principle of international law—meaningless in a multilateral context? Is the United States really obliged to provide financial support to activities which benefit the Palestine Liberation Organization and to subsidize Soviet espionage against the country?

These questions would seem particularly relevant since only 21 of the 159 U.N. member states have fully met their financial obligations for 1986, and since the Administration is requesting modification of the Kassebaum-Solomon Amendment, the principal legislative instrument mandating withholdings.

I look forward to receiving a clarification of the Administration's position on this important issue at your earliest convenience.

With best regards, I am,

Sincerely,

PATRICK L. SWINDALL,
Member of Congress.

U.S. DEPARTMENT OF STATE,
Washington, DC, June 5, 1987.

Hon. PATRICK L. SWINDALL,
House of Representatives.

DEAR MR. SWINDALL: Thank you for your letter to the Secretary expressing concerns about his recent comments to the Committee on Foreign Affairs regarding our financial obligations to the United Nations. I regret the delay in this response.

The Department of State always has taken the position that all Members of the United Nations have an obligation to pay their full assessed contribution to the United Nations under Article 17 of the U.N. Charter. In restating our long-established position on this matter generally, the Secretary was not purporting to provide our technical legal response to the questions that have been raised. In his comments, Secretary Shultz was simply expressing the Department's view that it would be a mistake for Congress not to make good on our assessments at a time when full funding of them is needed to consolidate the reforms we have recently achieved in U.N. budgetary decision-making.

The Department has sought to emphasize that withholdings from the U.N. budget must be seen in context, both legal and political. The United States has in recent years withheld a portion of its assessed contribution because both the Congress and the Administration have found budgetary decisions of the U.N. General Assembly to be unreasonable. These decisions have been particularly troublesome where the United States, which is assessed one-quarter of the U.N. budget, has had the same say as countries that pay only one two-thousand five hundredth as much as we do. As a political matter, there clearly are limits to the obligation—limits beyond which the United Nations has pressed us in the recent past.

In this respect, rest assured that Secretary Shultz in his comments did not mean to suggest that the United States is legally obligated to fund the PLO, SWAPO, Soviet espionage, or any other activity fundamentally incompatible with the Charter of the United Nations—the promotion of international peace and stability. The Department of State has never challenged the policy instituted by Congress several years ago, that the United States should not contribute funds for activities that are inconsistent with the basic principles and purposes of the U.N. Charter. Indeed, the Executive Branch itself took the lead in arguing that the United States should withhold funds for the Law of the Sea Preparatory Commission, on the grounds that Law of the Sea negotiations were conducted under a regime separate from that of the United Nations and did not contribute to any of the essential activities of the Organization.

Fortunately, the new system of consensus-based budgeting adopted by the 41st General Assembly allows for a reasonable balance between the size of U.S. financial contributions to the United Nations and the extent of U.S. influence over budgetary decision-making. To help assure implementation of this new budgetary decision-making process, we are proposing that the Congress fully fund our current (FY 1988) contributions. In deference to the budget climate, however, we are not asking the Congress for prior year arrearages at this time.

You also inquired about the applicability of the Goldberg Reservation to current U.S. withholdings to the U.N. In our view, because of the recent adoption of a new system of consensus-based budgeting, the question of the applicability of the Goldberg Reservation to the withholdings mandated by the Kassebaum/Solomon Amendment is largely academic. The Department would further add that the status and effect of the Goldberg Reservation under international law never has been determined.

On behalf of Secretary Shultz, I would like to thank you again for taking the time to make known your concerns about an important issue. Ambassador Alan L. Keyes, Assistant Secretary for International Organization Affairs, would be pleased to meet with you to discuss the issue in greater detail at a time convenient to you and your staff.

With best wishes,

Sincerely,

J. EDWARD FOX,
Assistant Secretary,
Legislative and Intergovernmental Affairs.

[From the Heritage Foundation Backgrounder, Sept. 26, 1986]

THE LEGAL CASE FOR CUTTING U.S. FUNDING FOR THE UNITED NATIONS

(By Thomas E.L. Dewey)

INTRODUCTION

The United States at last has found a way to get the United Nations' attention: Congress is threatening to cut as much as $148 million from the U.S. contribution to that organization. The reason for the congressional hardline is the U.N.'s well-documented record of irresponsibility. The congressional message is clear: Unless the U.N. reforms substantially, it can expect only decreasing levels of U.S. support.

The problems plaguing the U.N. have not emerged suddenly. A quarter century ago, Benjamin Cohen, a distinguished legal scholar and delegate to the 1944 Dumbarton Oaks Conference, which laid the groundwork for the United Nations, warned:

"Small and relatively weak states may influence the action of the more powerful states, but they cannot use their voting strength in the General Assembly to dictate. The irresponsible exercise of voting power by the small and relatively weak states may threaten the future of the United Nations quite as much as the irresponsible exercise of the veto or the irresponsible withholding of contributions by the Great Powers." [1]

Indeed, it has been the more than 100 "small and relatively weak states," represented by the so-called Nonaligned Movement, which over the past fifteen years have used their overwhelming numerical majority in the General Assembly to exercise near-total control over the U.N.'s agenda, deliberations, and resolutions. They have made the U.N. the willing servant of a radical Third World ideology, which is obliquely pro-Soviet in its political views, emphatically redistributionist in its economic views, and profoundly hostile to the liberal democratic values of the U.N. founders.

Perhaps the most revealing example of the U.N. majority's "irresponsible exercise of voting power" is in budgetary matters. The nonaligned nations, many of whom pay only 0.01 percent of the U.N. budget, use their voting strength to approve ever expanding U.N. budgets and ever more programs, committees, and conferences, which generally accomplish very little and thus seriously damage the U.N.'s reputation.

The United States is the U.N.'s biggest financial backer. Of the approximately $4 billion spent by the U.N. bodies, the U.S. provides about $1.1 billion—some 25 percent. Washington continually protests U.N. budgetary growth. Yet U.S. concerns, shared by other major donors, have been largely ignored.

In response to U.N. profligacy, the U.S. Congress has enacted a series of laws reducing U.S. contributions to the U.N. This action predictably is being criticized by those who are determined to maintain the status quo at the U.N. They accuse the U.S., for example, of precipitating a "financial crisis" at U.N., even though other nations, chiefly the Soviet Union, have withheld larger sums from the U.N. and U.N. officials admit that there is ample scope for saving money and rationalizing U.N. activities. Reflexive U.N. backers, such as Elliott Richardson, Chairman of the United Nations Association of the U.S., also complain that Congress has no right unilaterally to reduce U.S. contributions to the U.N. and that so doing would "throw our legal commitments to the winds."[2]

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[1] Benjamin Cohen, "The United Nations: Constitutional Developments, Growth and Possibilities" (Cambridge, Massachusetts: Harvard University Press, 1961), p. 94.

Such criticisms stand on shaky legal grounds. There is serious doubt whether the U.S., as a signatory of the U.N. Charter, is obliged to contribute whatever amount is "assessed" by the General Assembly—particularly as these assessments have been ignored by other countries in the past, which constitutes what jurists call a "material breach" of the Charter that changes the nature of the U.S. obligations. It is also unclear whether a strictly legal perspective is fully compelling, given the highly political process of financing the U.N. and that many U.N. activities are financed by voluntary contributions. These considerations have been ignored by those condemning the actions of the U.S. Congress.

In the legal and historical context of U.S. membership in the U.N., the U.S. has a right to reduce its enormous financial contribution to the organization. In mandating such a reduction, not only is Congress making legally allowed policy, it is making sound policy.

U.S. WITHHOLDINGS

Every two years, the U.N. and its specialized agencies adopt budgets, which are largely financed by levying fixed assessments on all U.N. members: The budget of the U.N. in New York is roughly $1.68 billion for 1986-1987, of which the United States is assessed 25 percent, or $420 million. The budgets of U.N. agencies operating elsewhere total about $7 billion over two years, of which the U.S. also contributes in the aggregate of 25 percent. The assessed contributions supplemented by large voluntary contributions from the U.S. to U.N. economic development and humanitarian affairs programs, such as UNICEF and the United Nations Development Program.

Recently enacted U.S. laws affecting U.S. withholding from the assessed contribution are those that (1) withhold money to protest specific U.N. activities; (2) withhold money as part of a U.S. federal deficit reduction effort; and (3) mandate across-the-board withholdings unless the U.N. changes its budget process and shows greater fiscal responsibility.

The first type of withholding involves reductions based on the principle that certain U.N. activities are what legal scholars call ultra vires, or outside the authority, of proper U.N. actions. Example: the U.S. for years has reduced its assessed contribution by the amount the U.N. spends in support of the Palestine Liberation Organization.

The second type is intended to help the federal government comply with the deficit ceilings set by the Gramm-Rudman-Hollings legislation. Such cuts are only indirectly aimed at the U.N. and have been applied selectively; some U.N. agencies have been reduced more than others.

The third type is the most significant, involving not only large reductions in U.S. contributions, but also making resumption of that full payment contingent on concrete changes in U.N. practice. The Kassebaum-Solomon Amendment of 1985, introduced by Kansas Republican Senator Nancy Kassebaum and New York Republican Congressman Gerald Solomon, states that "No payment may be made for an assessed contribution to the United Nations or its specialized agencies in excess of 20 percent of the total annual budget of the United Nations or its specialized agencies (respectively) for the United States Fiscal Year 1987 and following years" unless the U.N. grants voting rights "proportionate to the contribution of each member state to the budget of the United Nations and its specialized agencies" on "matters of budgetary consequence."[3] Stated simply, this means that, if the U.S. pays 25 percent of the U.N. budget, it should have proportionate say (perhaps as much as 25 percent) on budgetary matters. Currently, every U.N. member casts one vote, except the Soviet Union which casts three.

The U.N. has not implemented the proportionate voting required by the Kassebaum-Solomon Amendment. Until it does so, Congress will withhold $79 million from its assessed contribution.

The legislative record of the Amendment makes it clear that its intent is "to foster greater financial responsibility in preparation of the budgets of the United Nations and its specialized agencies"[4]—not to reduce the share paid by the U.S. And although the Amendment calls for voting rights "proportionate to the contribution of each member state to the budget of the United Nations,"[5] Members of Congress and Reagan Administration officials have indicated that measures short of the adoption of a rigid system of weighted voting could satisfy the intent. Explained Deputy Assistant Attorney General Allan Gerson: "The Kassebaum Amendment, if you read it carefully, calls for weighted voting on budgetary matters. That leaves a lot to be negotiated."[6] It seems, for example, that Congress could be satisfied by a change in the rules of procedure of the U.N. Fifth Committee, which deals with the budget, so that the Committee would operate by consensus.

Such steps would not necessarily conflict with Article 18 of the U.N. Charter, which establishes the principle of one-nation, one-vote in the General Assembly. Nor would the change require a Charter Amendment, vitiate the principle of "the sovereign equality of states" on which the U.N. Charter is based, or deprive any member state of its voice on budgetary issues.

U.S. WITHHOLDINGS AND U.S. CONSTITUTIONAL DOCTRINE

Article VI of the U.S. Constitution states that ". . . all Treaties made . . . under the Authority of the United States, shall be the supreme Law of the Land." This phrase, known as the Supremacy Clause, makes international treaty obligations binding under domestic law. Since the U.N. Charter is considered a treaty and was ratified by the Senate, it is the law of the land. Violation of the terms of the Charter, in this case Article 17(2), which states that "The expenses of the Organization shall be borne by the Members as apportioned by the General Assembly," could be considered a violation not only of international law, but also of domestic law.

Such an interpretation, however, would be incorrect. It is well-established U.S. constitutional doctrine, flowing originally from common law principles, that obligations incurred through international instruments can be affected by subsequent domestic law. This was reaffirmed in principle in the 1957 case of *Reid v. Covert* and in 1973 in *Diggs v. Shultz.*

In *Reid v. Covert,* Justice Hugo Black, writing for the Court, reiterated in the strongest terms that, since international treaties are coequal with Acts of Congress, subsequent Acts of Congress may modify or even abrogate preexisting international obligations. Wrote Black:

"The Court has also repeatedly taken the position that an Act of Congress, which must comply with the Constitution, is in full parity with a treaty, and that when a statute which is subsequent in time is inconsistent with a treaty, the statute to the extent of conflict renders the treaty null."[7]

Since the legislation effecting the withholdings is subsequent in time to the U.S. accession to the U.N. Charter, that legislation, of course, has legal precedence over the supposedly conflicting Article of the Charter.

U.S. courts also have recognized that congressional sovereignty over U.S. international obligations extends to the U.N. In the case of *Diggs v. Shultz,* a number of prominent citizens sued then Secretary of the Treasury George Shultz to force Treasury to abide by a U.N. Security Council resolution embargoing all trade with Southern Rhodesia, despite the fact that Congress had passed legislation that effectively mandated the President to buy strategic minerals from that country. Ruling on the case, Judge Carl McGowan of the U.S. Court of Appeals, District of Columbia Circuit, strongly upheld the right of Congress to abrogate any aspect of the treaty obligation resulting from U.S. participation in the U.N. Wrote McGowan:

"Under our constitutional scheme, Congress can denounce treaties if it sees fit to do so, and there is nothing the other branches of government can do about it."[8]

The meaning of the various court rulings: Congressionally mandated cuts in the U.S. contribution to the U.N. are entirely constitutional under domestic law.

THE UNITED NATIONS BUDGET AND INTERNATIONAL LAW

Member states have battled since the U.N.'s founding over the proper method of financing the organization. Despite this 41 years of discussion and dispute, it has not been established convincingly that any nation has an absolute obligation under international law to pay an assessed contribution to the United Nations. Article 17(2) of the United Nations Charter states that "The expenses of the Organization shall be borne by the Members as apportioned by the General Assembly." While the record makes it clear that the Article was intended as a statement of binding obligation,[9] the

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[2] E.L. Richardson, ". . . and Skirting the Law," Op-Ed, The Washington Post, May 20, 1986.

[3] Section 143, Public Law 99-93 (99 Stat 424).

[4] Ibid.

[5] Ibid.

[6] Statement of Allan Gerson, Deputy Assistant Attorney General, at the public hearing, "Financial Crisis of the United Nations: International Law and United States Withholding of Payments from International Organizations," June 12, 1986.

[7] *Reid v. Covert,* 354 U.S. 1, L ed. 2d 1146, 77 S Ct. 1222, (1957).

[8] *Diggs v. Shultz,* 470 F. 2d 461 (D.C. CIr. 1972), cert. denied, 411 U.S. 931 (1973), p. 466. McGowan also reaffirmed the principle that a subsequent statute only renders the treaty null "to the extent of conflict"; U.S. violation of a Security Council resolution, therefore, does not necessitate U.S. withdrawal from the U.N.

[9] See, for example, 8 U.N.C.I.O. 487, (1945).

U.N.'s experience during its first fifteen years made it more clear that the "obligation to pay" assessed contributions was, in fact, almost entirely theoretical. By 1962, writes Brookings Institution scholar J.G. Stoessinger,

"* * * over one-third of the member states of the United Nations regularly defaulted in part or in full on their assessments. . . . most of the Latin American countries, regarded each Assembly resolution solely as a recommendation, not as a legal obligation. They posed the problem of legal principle." [10]

Other states, namely the Soviet bloc and Arab countries, have objected to paying for virtually any U.N. activity in the area of peace and security, claiming that those "responsible" for conflicts should cover the cost. Stoessinger continues, explaining ". . . and the Soviet bloc and the Arab countries, by stressing that 'the aggressors must pay,' raised the problem of legal obligation under the charter in its starkest form." [11]

In 1962, a World Court decision effectively held that virtually any expense authorized by the General Assembly was automatically legally binding. Yet World Court opinions are not widely accepted as equivalent to international law. Indeed, after the opinion was rendered, countries continued—and continued—to withhold contributions to the U.N. The Soviet bloc and France, for instance, simply refused to abide by the Court's decision as it affected assessments to pay for two U.N. peacekeeping operations. At one point, in fact, 66 states were in arrears on their contributions to these operations, arrearages that were only partially defrayed by voluntary contributions from the U.S. and a few other states.

Though Article 19 of the U.N. Charter withdraws from a nation its right to vote in the General Assembly if it is seriously in arrears, the General Assembly has often refused to apply this sanction and did not apply it to the Soviet Union or France, even after the World Court decision. They remain "delinquent."

The practice of withholding assessments has not been confined to the Soviet bloc and France. Former heads of the Nonaligned Movement, Cuba and India, as well as the current head, Zimbabwe, have withheld parts of their U.N. contributions; other major nonaligned states that have withheld money include Algeria and Syria. China, too, has withheld funds without being subjected to sanctions. In fact, as of March, twenty member states were in arrears on their U.N. payments because of withholding. The reality is that withholding assessed U.N. contributions is a longstanding and near universal practice since the founding of the U.N.

This is relevant because international law, as distinct from domestic law, recognizes the concept of "state practice"—that the behavior of states party to a treaty can affect subsequent interpretation of the treaty. The repeated violation of a domestic statute, for example, does not change its character. In international law, however, where the contracting parties are often states not subject to a supranational authority, the manner by which states interpret obligations can and frequently does modify the original terms of agreement. Writes legal scholar Louis Henkin:

"The society of nations has no effective law-making body or process. General law depends on consensus: * * * old law cannot survive if enough states, or a few powerful and influential ones, reject it." [12]

Clearly, "state practice" has shown that there is not even the minimum degree of consensus about financing the U.N. required to create a clear legal obligation. Politically motivated withholdings of contributions are and will continue to be commonplace in a near universal organization. Although this fact may not justify total derogation of a state's financial responsibilities, it confirms that the legal obligation to pay is not absolute and mandatory under all circumstances.

Similarly, the fact that the General Assembly in 1964 failed to impose Article 19's sanctions on France and the Soviet Union strengthens this interpretation. This "lack of sanctions," especially in the unusual case where such sanctions are explicitly authorized and enforceable, supports the view that the General Assembly itself has validated the right of nations to withhold contributions.

It was precisely this lack of sanctions that led the U.S. to promulgate what is known as the "Goldberg Reservation." [13] In a 1965 speech at the U.N., Ambassador Arthur Goldberg announced, with the approval of Congress, that the U.S. reserves the right to withhold contributions selectively, since other nations have been doing so without suffering sanctions. Said Goldberg to the U.N.:

"* * * if any member can insist on making an exception to the principle of collective financial responsibility with respect to certain activities of the organization, the United States reserves the same option to make exceptions to the principles of collective financial responsibility if, in our view, strong and compelling reasons exist for doing so. There can be no double standard among the members of the organization." [14]

Even the Vienna Convention on the Law of Treaties, the 1969 Treaty establishing the nature and boundaries of treaty obligations, defines circumstances whereby "material breach" of a treaty obligation may be invoked by a nation to justify its own decision not to fulfill some obligation. Thus when a number of member states over a number of years withheld their contributions to the U.N., they "materially breached" their obligation to the organization. Under general legal practice, this is a fundamental breach, which "radically changes the position of every party." [15] The meaning: As stated in the Goldberg Reservation, the breach by other states gives the U.S. the reciprocal right to withhold if "strong and compelling reasons exist for doing so."

The changed nature of the financial obligation to the U.N. has been recognized by legal scholars as well. Jorge Castaneda, a Mexican diplomat and legal scholar, summarizing the 1962 World Court decision, states that "one can justly ask whether the Assembly still supports, in fact, the thesis of mandatory apportionment of expenses originating in recommendations." [16] Thomas Franck, a professor at New York University and former U.N. official, has likewise argued that:

"Although the International Court in 1962 opined that there was a legal obligation to pay, the norm fell into desuetude once the Assembly refused to discipline the defaulting Soviets. . . . It may fairly be concluded that the theoretical 'obligation to pay' died on the floor of the Assembly in 1965." [17]

Although Franck views some specific U.S. withholdings as unjustifiable, he clearly recognizes that the nature of a multilateral obligation may be changed through contrary state practice.

VOTING POWER AND FINANCIAL RESPONSIBILITY

The Kassebaum-Solomon Amendment and similar congressional acts, which effect the largest part of U.S. funding reductions, are intended to eliminate a basic structural disjunction within the Organization. By calling for some form of weighted voting on budgetary matters, they attempt to alter the peculiar situation at the U.N., by which nations that pay the bills lack the votes to set budget levels, while those that have the votes to set the levels do not pay the bills.

Currently, the contributions of just fifteen of the U.N.'s 159 members—the U.S., the USSR, Japan, and the twelve European Community nations—account for close to 80 percent of the U.N. budget. By contrast, 80 countries, a majority in the General Assembly, together contribute less than 1 percent of the budget. The "small and relatively weak states," therefore, have no incentive to economize and thus authorize virtually any expenditure they deem suitable.

The fact that such a situation could develop, with damaging consequences for the U.N., was recognized by the earliest U.N. scholars. Perhaps the most eloquent elaboration of this appears in the very 1962 World Court decision that is so frequently cited as evidence that all nations are obliged automatically to pay all U.N. assessments.

In a separate concurring opinion, Judge Sir Gerald Fitzmaurice of Great Britain explained that, since so many essential U.N. activities are funded voluntarily and since there is no conceptual division between activities financed "voluntarily" and those financed by assessments, the reality envisaged under Article 17(2)—fair sharing of all expenses—is vitiated.

More important, perhaps, Fitzmaurice argued that a U.N. expense is not necessarily legitimate simply because the General Assembly authorizes it. If this were the case, he reasoned, a potentially dangerous situation could arise:

"* * * for if the Assembly had the power automatically to validate any expenditure * * * this would mean that, merely by deciding to spend money the Assembly could, in practice, do almost anything, even something wholly outside its functions, or maybe those of the Organization as a whole." [18]

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[10] J.G. Stoessinger, "Financing the United Nations System" (Washington, D.C.: The Brookings Institution, 1964), p. 110.

[11] Ibid.

[12] L.J. Henkin, "Is it Law or Politics" in C.W. Kegley, Jr. and E.R. Wittkopf, eds., "The Global Agenda: Issues and Perspectives" (New York: Random House, 1984), p. 181.

[13] For discussion of the legal basis of the Reservation, see the statement of Allan Genson, op. cit.

[14] "United States Participation in the United Nations," Report by the President [Lyndon B. Johnson] to Congress 1965, p. 108.

[15] Articles 60(2) and 60(3), Vienna Convention on the Law of Treaties.

[16] J.G. Castaneda, "Legal Effects of United Nations Resolutions" (New York and London: Columbia University Press, 1969), p. 48.

[17] T. M. Franck, "National Against Nation: What Happened to the U.N. Dream and What the U.S. Can Do About It" (New York: Oxford University Press, 1985), p. 289.

[18] "Certain Expenses of the United Nations (Article 71, Paragraph 2 of the Charter)," Advisory Opinion, I.C.J. Reports, 1962, p. 201.

He added, in a point very relevant to Congress mandating a reduction in U.S. donations to the U.N., that:

"* * * it would follow that, in theory at least, the Assembly could vote enormous expenditures, and thereby place a heavy financial burden even on dissenting States, and as a matter of obligation even in the case of non-essential activities."[19]

Fitzmaurice's analysis of this issue and his qualms about interpreting all assessments as "legitimate" and legally binding were prescient. From 1972 to 1982, the U.N. regular "assessed" budget increased by over 700 percent from roughly $220 million to $1.5 billion; the smaller states mandating these increases also tacked on over $172 million in budget "add-ons" between 1983 and 1986 alone—including the notorious $73 million for a U.N. "conference center" in Ethiopia, approved last year as the nation was reeling from a devastating famine.

The U.S. consistently opposed such unrestricted budgetary growth. In 1974, to take one example, the U.S. "vigorously opposed"[20] a series of large-scale salary increases for U.N. officials to no effect; by 1981, the U.S. representative in the Fifth Committee was protesting "improper expenses" in the U.N. budget and stating that "We will . . . neither condone nor excuse waste, excess, and disregard for the mounting financial burdens imposed upon the taxpayers of the world by self-serving public institutions."[21]

This harsh analysis of the U.N. budget process is shared by other member states. Since 1979, those contributors accounting for close to 80 percent of the U.N. budget have either abstained or voted against it, while in 1985 both the U.S. and the USSR voted against the budget resolution.

The Kassebaum-Solomon Amendment is an appropriate means of requiring the U.N. to make a serious effort to put its affairs in order and staunch its profligacy. In the context of the U.N.'s decade-long budgetary spree, U.S. withholdings are not only legitimate but necessary steps if the U.N. is going, in the words of the London Economist, "to avert the real threat to its existence—obesity."

CONCLUSION

The 41st regular session of the United Nations General Assembly convened last week. At this session, the U.S. can expect to be accused of violating international law because it is withholding some of its contributions; the U.S. may even hear that it is attempting to sabotage the U.N. It makes no difference that, even with all the cuts in contributions proposed by Congress, the U.S. still would be giving hundreds of millions of dollars to the U.N.

At the U.N., the U.S. delegation should rebut these charges forcefully. The U.S. should point to the long history of U.N. members withholding their contributions and to the fact that the entire potential U.N. deficit would disappear if the Soviet Union fully paid its arrearages.

There is more than adequate precedent to make the case that there is no absolute legal obligation to pay U.N. assessments. The U.S. can base its argument on solid principle; it need not plead that it is withholding funds because of congressional concern about the U.S. budget deficit. Nor should the U.S. invoke its domestic law as a defense of the withholdings.

The U.S. delegation should insist repeatedly that the U.N. withholding and fiscal problems never would have arisen if the U.N. had paid attention to legitimate U.S. complaints about the runaway U.N. budgets. As such, the U.S. should push for the speedy execution of fundamental U.N. structural reforms—the only real solution to the U.N.'s financial crisis.

For over four decades, the U.S. has given its moral, political, and financial support to the U.N. with virtually no questions asked. During each past crisis, it was the U.S. and its Western allies that contributed the effort and, often, the money to enable the U.N. to survive, just as it is these countries that have created and sustained most of the U.N.'s voluntary programs. The question to be answered at the 41st General Assembly is whether the nations of the Nonaligned Movement have similar respect and affection for the organization they now control. If they do, they will take the steps to reform the organization in a way that will allow the U.S. to resume its full contributions to the U.N.

Mr. SMITH of Iowa. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I just want to close on this side by saying that I really appreciate the job that the staff has done on this and the cooperation we have had with the minority. This is truly a subcommittee bill. We worked together, and as was indicated by the gentleman from Arizona [Mr. KOLBE], not anybody is fully pleased with the bill, but it is the best we could do under the circumstances.

Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. ROGERS. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1988, and for other purposes, namely:

TITLE I—DEPARTMENT OF COMMERCE

General Administration

SALARIES AND EXPENSES

For expenses necessary for the general administration of the Department of Commerce, including not to exceed $2,000 for official entertainment, $40,500,000.

Bureau of the Census

SALARIES AND EXPENSES

For expenses necessary for collecting, compiling, analyzing, preparing, and publishing statistics, provided for by law, $100,000,000.

PERIODIC CENSUSES AND PROGRAMS

For expenses necessary to collect and publish statistics for periodic censuses and programs provided for by law, $360,000,000.

Economic and Statistical Analysis

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, of economic and statistical analysis programs, $33,400,000.

Economic Development Administration

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

For economic development assistance as provided by the Public Works and Economic Development Act of 1965, as amended, and Public Law 91-304, and such laws that were in effect immediately before September 30, 1982, $180,400,000 and in addition $261,000 to be derived by transfer from "Financial and Technical Assistance": *Provided,* That during fiscal year 1988 total commitments to guarantee loans shall not exceed $150,000,000 of contingent liability for loan principal: *Provided further,* That none of the funds appropriated or otherwise made available under this heading may be used directly or indirectly for attorneys' or consultants' fees in connection with securing grants and contracts made by the Economic Development Administration.

AMENDMENT OFFERED BY MR. STENHOLM

Mr. STENHOLM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STENHOLM: Page 3, line 3, strike "$180,400,000 and in addition".

Mr. STENHOLM. Mr. Chairman, the amendment that I offer this morning is very clear in what it does and what it does not do. I propose to delete $180.4 million in fiscal year 1988 funding for virtually all Economic Development Administration direct assistance programs, including public works grants of $122.4 million, planning assistance of $24 million, technical assistance of $7 million, research and evaluation of $1 million, and economic adjustment grants of $26 million, including revolving loan fund projects.

This amendment leaves untouched the $25.8 million for salaries and expenses, $150 million for loan guarantee authority, and $261,000 in transfers to the research and evaluation program.

That is what my amendment does. Let me reverse for just a moment now and once again pay tribute to the chairman of the subcommittee of the Appropriations Committee, the gentleman from Iowa [Mr. SMITH], for the job he and his committee have done in bringing an appropriation bill to the floor that is within the budget conference that was passed by the House. Let us not get into the debate of what the total appropriation bill does or does not do as far as the budget is concerned.

My problem and the problem that others who will offer amendments today once again is this: We are attempting to cut the rate of increase in spending, as proposed in this function of our budget, by one-half. I want to say this again because it seems that those of us who have been participating in this project of trying to cut spending, are not making it clear that we are only proposing to cut one-half of the increase that, in the wisdom of the House of Representatives, by the conference report on the budget that we passed (215 to 201) we said we should spend this year. I do not know why it has been so difficult for us to get this over to Members as well as others.

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[19] Ibid., p. 214.

[20] "United States Participation in the United Nations," Report of the President [Gerald Ford] to Congress, 1974, p. 415.

[21] "United States Participation in the United Nations," Report of the President [Ronald Reagan] to Congress, 1981, p. 342.

What my amendment does is it gets part of that increase cut. Let me state the reason why we do this. I want to spend a little time on that again, because we seem to be having great difficulty getting people to understand why it is necessary to cut actual spending by the Congress. We are the ones who spend the money. If we cannot find ways to cut, it does not get cut.

I find this very interesting as I have analyzed some of the votes: First off, I think it is very interesting to consider the results of poll after poll, including the last one in Texas where my State is having some terrific budget problems. They have a constitutional amendment that forces them to live within their means, and they are having difficulty. I wish we had the same. But in a recent Texas poll, given the real meat-ax cuts that they, my colleagues in the Texas Legislature, are going to have to come up with, 51 percent of the Texas people said, cut spending, 30 percent said, cut and tax; and only 10 percent said, tax.

On the budget that was just passed, all of my Republican colleagues voted, no tax. Was it 100 percent? No, there were three. Three Republicans voted for it, so we can assume they are saying they would support a tax. Thirty-four of my Democratic colleagues voted no on that budget and said, do not tax, or at least that was part of the reasoning and the logic. Interestingly, on the first amendment that came up when we had an opportunity to cut 1.7 percent from each of our personal projects that benefit our districts, when we came on this floor and asked Members to vote for a 1.7-percent across-the-board spending cut, 58 of my Republican colleagues, at least 55 of whom had voted for no tax, voted to spend that extra 1.7 percent that we do not have.

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I find that interesting. On my side of the aisle, 28 of my colleagues who said no tax, refused to vote for the amendment that said to cut 1.7 percent.

Now, we come back a little bit later with another amendment to another bill and the margin dropped a little.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. STENHOLM was allowed to proceed for 5 additional minutes.)

Mr. STENHOLM. When we came back, Mr. Chairman, a little while later on another amendment, the margin narrowed a little and we only lost by eight votes this time and this time on the Republican side of the aisle 20 Members, still who do not want a tax, refused to make the cuts, and on my side of the aisle 21 of my colleagues who said, "Do not tax, but it's OK to borrow," refused to vote to cut.

The budget that we talk about today, the budget that many of us are saying let us make an honest $36 billion reduction in the deficit—an honest reduction, no smoke and mirrors—in order to accomplish this, we have to pass some cuts in the appropriation bills. There is no other way to get there unless we make some cuts.

That gets me back into the amendment that I offer today. In the case of the EDA, I think this is one program we ought to cut out 100 percent. That is my personal opinion.

You look at the track record. You look at audit after audit. You look at every individual aspect of the EDA, it would be very interesting for me to hear how we can justify a continuation of this program. The track record is not good.

OIG, you name it, individuals have looked at it time and time again. Even Reader's Digest about 2 years ago came up with some very interesting statistics.

What is it about the EDA that makes it unworkable, or at least it does not work as well for those who have supported it in the past?

I am sure in my voting record in the past 8 years there has been a time or two I voted for it. What is there about it that makes it not work as well as we would like to see it work?

Any time you give the people something for nothing, it makes it very difficult for that program to work. When you have grants, when you provide $21 million to encourage people to come to us to get money in order to study whether or not to have projects that they want, and then in turn they come back to us and say, "Fund it," if you ask for $21 million to study whether or not the Federal Government should give you some money, I predict there are going to be a lot of folks out there who are going to be interested in that $21 million and who are going to be prepared to come to the Congress and say, "Give us some of that $21 million so we can spend it on a project, on a research and development project, so we can prove in fact that economic development created by this project within our community and our district is going to be a good one." That is a safe presumption.

The EDA is duplicative. Funding or assistance for similar or the same purposes can be obtained from HUD, USDA, FMHA, SBA, HHS, DOT, DOL, EPA, the Army Corps of Engineers, the National Science Foundation, and the Appalachian Region Commission; the same projects, the same money in all aspects.

The committee virtually acknowledges this by calling for better funding of some projects with the HHS. For example, it is not uncommon for applicants to go from EDA to FMHA, to SBA, until they obtain the funding to pay for the project that we in turn gave them the money to study so that they could prove in fact that they needed it.

The EDA does not, and basically cannot, achieve its legislative purpose. The purpose is to generate jobs, protect existing jobs and stimulate economic growth in economically distressed areas. Today 80 percent of the United States qualifies for this distressed area funding, and I suggest that 80 percent of the United States is not distressed today; but yet the political nature of this program has guaranteed all of us for our constituency to basically come to this Congress and say, "Fund it." Of course, there is not enough money to fund everybody and that is part of the problem, too.

My amendment today, though, does not cut it out, which CHARLIE STENHOLM would like to see done, and I believe that is what we should eventually do, but that is not always the best way to bring an argument to the floor of the House. We cannot cut anything. We cannot cut 1.7 percent from our own individual projects.

I suggest that we should in fact pass this amendment. We leave the guaranteed loans and the guaranteed loan part of this. If any part of it is good, this one may be, because any time you force an individual community to come up with part of their own money, banking money, then you have a better program and a better approach. That is why the merits of this argument today are, let us cut out what we propose to cut out, but let us maintain the guaranteed loan program as it is and continue to try to see whether or not it may have some merit.

Maybe I am wrong. I do not think so. I ask for your support for my amendment this morning.

Mr. ALEXANDER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, since the EDA began about 20 years ago, more than $1 billion in investments have been made by the Economic Development Administration in partnership with local communities throughout the Nation for the purpose of buying land that would be used for industrial parks on which are constructed utilities and buildings that provide jobs to American citizens. Out of that billion plus dollars in investment, the taxpayers have been repaid time and again.

I do not have the specific data for the entire Nation, but I do have the data for my own State of Arkansas. The EDA has approved almost a thousand investments in the State of Arkansas, for a total investment of $220,030,335. Of these projects, 249, involving $50,918,509 have been located in the First Congressional District of Arkansas. From that investment and projects, more than 78,000 new jobs have been created resulting from those investments and matching with private sector investments that have been leveraged in order to provide jobs for the people of our district.

These data shows, notwithstanding the argument of the gentleman from Texas, that for every dollar invested by the Economic Development Administration, that after 1½ years from the investment, that dollar is repaid from taxes generated from jobs that are created by that investment.

Now, I expect that the experience that all of us have with the EDA varies from State to State and from district to district. I cannot speak for Texas. I cannot speak for the district which the gentleman from Texas represents, but I can speak for my district.

I know of no case where the EDA investments that made and attracted jobs to my districts have failed, none whatever.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Texas.

Mr. STENHOLM. Well, Mr. Chairman, I accept the facts on the gentleman's State of Arkansas. It would be interesting to know what the gentleman's comment would be on OIG report on 90 EDA business loans worth $82.5 million that revealed 43 percent of the recipients had actually eliminated jobs. Now, this is a study done by the OIG.

Mr. ALEXANDER. Well, I do not have that report before me. I would like to read it in order to digest and analyze it in order to be prepared to comment upon it.

I would respond to the gentleman in this way. I do know that during the present administration that it has actively tried to cancel this program for reasons which are not understood by me or the majority of the Members of this body and had named administrators to head the Economic Development Administration for the purpose of dismantling the administration. Some of them have brought hostile attitudes toward the administration of their own agency. It could be that the OIG report is a product of this hostility.

Now, the record speaks for itself. I am sure that after 20 years of experience, there have been some mistakes made in judgment. We all make mistakes. I am sure that over the years there have been some political favors that have been exercised by various administrators and various administrations; but notwithstanding those possible mistakes and possible favors, the overall record of the EDA is one of accomplishment, of achievement, of making money for the American people, of creating jobs, revenues from which through taxes have more than paid back the investments that are made. It is an excellent program.

Let me cite one specific example in my own district.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

(By unanimous consent, Mr. ALEXANDER was allowed to proceed for 5 additional minutes.)

Mr. ALEXANDER. Mr. Chairman, in my own district there is a town named Trumann in Arkansas. Trumann was the home of the Singer Sewing Machine Co. for many years. For various reasons, Singer closed its doors and moved away somewhere else. It may have moved to Italy or to some offshore location, leaving Trumann with a high percentage of unemployment, because this was the principal employer in this community.

Trumann went to work. Its leaders refused to allow the town to die. They came to me as their Congressman and to Governor Clinton and asked for help. One of the ways that we helped them was to support an application for an EDA loan and grant of about $400,000, I forget the exact amount, that was used to buy a piece of land on which was built a factory that attracted an industry named Parker Hannafin. Parker Hannafin is now there employing some 400 people and the revenues from the taxes generated from this new factory have more than repaid the investment that was made there by the Economic Development Administration. It is a record that stands scrutiny. I invite the gentleman to come out and look at it for himself, or anyone else who wishes to.

Mr. Chairman, I would be pleased to yield to the gentleman on this or any other point.

Mr. STENHOLM. Well, again, Mr. Chairman, I accept without hesitation the success stories that have occurred within the realms of the EDA.

My point is those I believe would have been success stories no matter whether we have an EDA or we did not.

Mr. ALEXANDER. Well, on that point, I would respond that without the EDA, we would not have the money. We could not have bought the land to build the building to attract the industry. We are a capital poor State. We are not like Texas. We do not have a lot of money. We have to depend upon the Government for loans that people use to help themselves, and this is one of those examples.

I will agree with the gentleman from Texas that there is a deficit problem. It has not been created by the EDA. It has been created by the policies of this administration.

Sure, Congress must vote for these laws that spend money with, of course, the recommendation in many instances, most instances, of the administration's policies. It is not done alone by Congress. It is not in concert with the administration.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Texas.

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Mr. STENHOLM. Well, that is true. If you look at the facts and what has occurred, you can make good points and point out specific instances, as I can, within the State of Texas, in which an EDA loan or grant has been beneficial. But the overwhelming preponderance of evidence shows that it has not been so successful that it justifies the total program, when you consider that as of today, of $659 million in direct loans currently outstanding, 48 percent of them are delinquent.

Mr. ALEXANDER. There are no funds for direct loans under this bill that is pending before the House today, and I would expect that if you go back over 20 years of history there are some poor loans that have been made over time. I know of none in my State, in my district, and I would take issue with the gentleman that this program does not justify its continuation.

It is a good program, as I have said over and over again. We can show where the investments that have been made have been more than repaid by taxes generated from jobs that have been created.

Mr. STENHOLM. On page 11 of the conference report, at the bottom, it says, "Economic adjustment grants, revolving loan fund projects." It is my understanding that $13 million is in fact direct loans.

Mr. ALEXANDER. These are not direct loans that the gentleman makes reference to from EDA, these are loans to governments that set up a revolving fund that in effect makes loans to various communities. It is a grant to governments.

Mr. STENHOLM. I would rather have a grant any day than a loan.

Mr. ALEXANDER. There are no dierct loans in this case, and in this particular case, frankly, I do not particularly like that provision of the law, either. I would much rather the States not be involved in making EDA grants.

I would rather the districts do it. But previous administrations, with the support of this Congress, have made that provision, and it is a small part of the overall program.

In addition, and in conclusion I would recap the history of EDA.

Half a century ago the Congress and the President recognized that it is in the best interest of the Nation that jobless Americans be able to find work. They helped the Federal Government to become a partner in job generation.

More than 25 years ago another President and Congress took note of the fact that while some areas of the Nation had the resources to and were generating jobs for their people, other regions had people willing and wanting to work but lacked some of the essential ingredients that makes economic development happen.

There was a rising tide of private sector jobs generation. But, it was not lifting all the boats. Although State and local governments in places like Arkansas, Mississippi, West Virginia, and many other States were investing what resources they had in the struggle to develop their economies harsh, chronic economic distress and joblessness persisted.

Congress and the President acted to strengthen the Federal role in the economic development partnership. They created the Economic Development Administration and the economic development assistance programs it administers.

During the first 15 years of its programs 1.4 million jobs were created through the investment of $4.5 billion in EDA "seed" money and the $9 billion non-Federal dollars the EDA funds helped leverage. Workers in those EDA stimulated jobs paid more than $6.5 billion, annually, in Federal, State, and local taxes.

EDA investments are moneymakers for Arkansans and Americans wanting and willing to work, for local communities, for States and for the Federal Treasury. The old adage about needing money to make money was being proven over and over again.

In Arkansas, since 1965, the 1,000 projects—249 in the First District—assisted by EDA investments have generated more than 78,000 jobs. The annual taxes paid by workers whose jobs came into being through EDA investments repay those investments every year and a half.

As in other States where EDA has made investments, we have made some progress in Arkansas. Today our State and local communities invest the available resources in private sector economic development. But, just as in the pre-EDA days; our local resources are not enough.

In the First District of Arkansas, which I represent, county after county after county is experiencing high unemployment. We need now, as we needed in 1965, a Federal partner with seed money to help power the economic development engine.

Arkansans are good workers. They want to work. They want jobs not handouts. We have clean water. We have clean air. We have good land. We have the determination. What we don't have is enough long-green bucks to finance the economic development we need.

EDA is the right kind of investor. When it was created in 1965 as a partner in the future of Arkansas and America the mandate was that its investments would be in projects local leaders picked as most responsive to local needs and conditions. That is still its mandate. This is a true grassroots program.

When EDA comes into their projects, the local people make those projects work. They know private sector jobs are at the end of the trail and they want them for themselves and their neighbors.

Local projects earning EDA seed money investments have been spread throughout the First District. Those projects have been diverse—airports; river ports; industrial park creation, improvement, and expansion; warehouses and factory buildings; hospitals, health centers, and nursing homes; business district renovations; community service centers, vocational-technical schools, and skill training centers; fire stations and municipal buildings; utility, water, and waste treatment system improvements.

In communities, towns, and cities, in almost every county in the First District, because EDA was there in time of need, Arkansans are employed in businesses, industries, and public facilities.

Big or small or in-between. The roll of places in the First District where Arkansans have jobs because of EDA goes on and on.

Ash Flat. Augusta. Batesville. Blytheville. Brinkley. Cave City. Clarendon. Clinton. Corning. Cotton Plant. Earle. Forrest City. Heber Springs. Helena. Hughes. Imboden. Jonesboro. Manila. Marianna. Melbourne. Mountain View. Newport. Parkin. Piggott. Pocahontas. Rector. Stuttgart. Trumann. Walnut Ridge. West Helena. Wheatley. Wynne.

And, on and on, goes the list of places across the First District that have benefited because EDA invested in them, in Arkansas and in America. Progress has been made. More is needed.

Unemployment, in addition to causing economic hardship, is a terrible burden upon the human spirit. While the President tells the Nation things are getting better, jobs are being generated, the people in the First District see—month after month—the unemployment rates hanging up there in the double digits. Time after time, when they go job hunting the answer they get is "Sorry, we have no vacancies."

EDA has helped in the past. It can help in the future. From 1981 through this year, EDA has taken more than its share of deficit cutting licks. Its funding is down nearly 73 percent. When the President and his supporters are making their budgets, they ought to bring their concerns home and help Arkansans and Americans get jobs instead of cutting them so they can fatten up foreign aid programs and hire foreigners to fight undeclared wars.

Mr. ROGERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. Let me take off my ranking member hat and put on my Member hat from my district on this amendment. Like the gentleman from Arkansas, many parts of my district are depressed and distressed economically, and over the years there is one agency that many of those distressed communities have been able to turn to for some seed money to attract private capital in order to attempt to lift ourselves up by our own bootstraps with a little help.

EDA has been just such an agency. For those parts of the country, the communities that are in depressed areas, and distressed rural regions especially, there have been no other places to go. They do not qualify for urban development action grant, for example. The projects do not qualify in many cases for an FHA loan or grant, or any of the other types of programs. But the Economic Development Administration has been able to provide some seed money in order to allow those communities to attract industry, to attract jobs, to attract more tourism business, small business, into the area in order to survive economically.

My area is just such a place, and I do not know what we would have been able to do, frankly, without these dollars occasionally that you would be able to get from the EDA which could be used then to leverage much, much more private funds into many of those projects.

Just for example, last week in a very, very rural part of my district was dedicated a new 4-H leadership training center. A million dollars of its funding came from the EDA. Much more money came from the private sector, from contributions, from a statewide fundraising effort to build a 4-H leadership training center for the entire State of Kentucky. It is a retreat in a very rural setting for young leaders from around the State to come for leadership training.

I can think of nothing more important to the development of our State, indeed the Nation, than the training of those young 4-H leaders that now have a place to retreat and learn what it is to do to be a leader. That would not have happened without their ability to get some seed money from the EDA. I can tell you forthwith that the private money would not have had a place to come had it not been for the initial commitment from the Economic Development Administration.

Those kinds of stories can be repeated across this country, especially in the distressed areas, and especially in the rural distressed areas, where there is hardly anything else that you can turn to for help in order to get the critical mass going in order to get a project off the ground.

In the last 15 years the EDA has spent $4.7 billion, but with that they have leveraged $9 billion in private dollars and other sources of funds for the creation of 1.4 million jobs in distressed areas, where business and industry sometimes hesitate to locate. It gives us an ability to compete with the rest of the country.

If we let the Federal Government proceed with a laissez-faire attitude toward economic development, many parts of the country will be left behind, and EDA is the chance for those parts of the country to be able to stay up with the faster competition. That is why the EDA is necessary.

We are not increasing the funding from last year. This is as I understand it essentially the same funding from last year. EDA over the years, I would point out to the gentleman from Texas, has taken a severe cut—a 30-percent cut since 1981. So despite its importance, EDA has already sustained very serious funding cutbacks over the years. While I emphasize this, the program itself has always been strongly supported by this body.

EDA targets its funds to needy areas, despite what the Members may hear regarding the percentage of areas technically eligible for EDA assistance. The Committee on Public Works and Transportation has reported authorizing legislation which ensures that certified distressed communities receive the sorely needed seed money that is the EDA's mission.

So while we are attempting to control deficit spending and cut back on spending, I would urge this body not to forget those distressed parts of the Nation that cannot sustain any more economic cutbacks, and to cut the EDA would do just that.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. ROGERS] has expired.

(On request of Mr. ALEXANDER and by unanimous consent, Mr. ROGERS was allowed to proceed for 1 additional minute.)

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I am happy to yield to the gentleman from Arkansas.

Mr. ALEXANDER. I thank the gentleman for yielding, and I thank the gentleman for his contribution. He made some references to cuts that have been made. I am looking here at some data, and sometimes you get to looking at two or three sets of numbers, and my data indicate that since 1981 the Economic Development Administration has been cut 72.5 percent. That is a little more than what the gentleman made reference to a minute ago. I would like to point that out, that these data show that EDA has taken its share of the cuts.

I think that it is important for all agencies to take their share of the cuts, and I would argue that 72½ percent is an adequate share of the cuts.

Mr. ROGERS. I will stand corrected on the numbers.

Mr. CARR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I merely want to rise and congratulate my good friend from Texas on the way and the manner in which he has offered this amendment. Our Appropriations Committee has spent a lot of time defending against these across-the-board, 2-percent, 1-percent kinds of cuts, and in doing so we have argued that if you do not believe that we have adjusted the priorities correctly, we ask you to come to our committee and give us some advice on the floor about how you would do a better job.

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I just wanted to say that the gentleman from Texas [Mr. STENHOLM] has done his homework. He has put a lot of thought and considerable energy into this amendment, and it is the kind of amendment we should be applauding, although for many of us we cannot support this particular amendment. He has carried himself in the highest manner and tradition of this particular House.

We all know, I think, at least I know, that EDA and that the use of its funds has not been uniformly good. It has produced some good results, particularly in those distressed areas that we all care about, but in other areas it has overbuilt industrial parks, and we have vacant industrial parks sitting around because so many communities have gone out and created this opportunity. There are more industrial parks than there are industries seeking to locate there.

I think maybe in the future our committee and our subcommittee can do a better job with this. I cannot support the amendment, I will tell the gentleman from Texas, but I do applaud the manner in which he has come to the floor with his amendment.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. CARR. I am glad to yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I appreciate the gentleman's comments to me and also appreciate the gentleman setting the record straight regarding an earlier statement on the industrial parks. In fact, we do have over 1,500 industrial parks today funded by EDA, of which half of them are not being utilized, and that is part of our point.

Also, if the gentleman will continue to yield, I would like to say in regard to some additional comments, we propose to continue the guaranteed lending program. I happen to personally believe that that one might have a chance to work, and in the spirit in which we offer this amendment today, we propose to allow it to work. That I think refutes some of the earlier comments as far as we are completely cutting out everything. We are not.

What we are suggesting is that for these programs to be built, in this case the gentleman refers to industrial parks, I happen to believe that if the individual local communities are forced to put up the money that we will get more of our money's worth and that we will not have some of the situations which we had with grants that have been used in the past, and that is what we would propose to look at today.

Mr. CARR. As usual, the gentleman is very thoughtful and deserves our respect and our very serious consideration. Reluctantly, I will have to oppose the gentleman's amendment, but he has our respect.

Mr. ARMEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I would like to reiterate a couple of points the gentleman from Texas [Mr. STENHOLM] made.

First of all, if my colleagues will remember, we set a target to cut in half the increase in funding from fiscal year 1987 to fiscal year 1988 that is embodied in this bill. In that regard, if I could address the chairman of the subcommittee for a moment, the gentleman from Iowa [Mr. SMITH]. After our earlier dialog I did go back to the Congressional Budget Office, I did raise the points with them the gentleman raised with me, and their response was that if they scored the resolution today they would stand by their numbers. But if they did an end of the year score when in fact some of the fees that the gentleman referred to were in, they would have numbers that were more in conformity with those the gentleman stipulated. So on that basis, recognizing that the gentleman and the committee have an apparent commitment to carry through with the plan as presented, I have made an adjustment in the across-the-board cut to reflect the gentleman's numbers, and I appreciate his help in terms of guiding me to finding the correct numbers.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I appreciate the gentleman's concern. I am not going to agree to an across-the-board cut, but at least we understand that we are talking about the same thing.

Mr. ARMEY. We will then be able to base it on the same numbers.

Mr. SMITH of Iowa. Yes.

Mr. ARMEY. I thank the gentleman.

Let me mention, as the gentleman from Texas [Mr. STENHOLM] has pointed out, we have gone into this bill, we have looked at priorities, and we regard and respect the committee. But many of us have different views of the matter. We would prefer not to do an across-the-board cut. We would rather pass line item specific cuts that would achieve our budgetary objectives.

We hold the across-the-board cut as a hole card in the event that we fail to pass the specific cuts. The gentleman from Texas has begun the process with an amendment which I believe has enormous justification. The fact is the reputation enjoyed by EDA across this Nation is not good. The failures of EDA are legend. Horror stories can be found across the Nation, and I do not want to recite a litany here. We all hear them, we read them on our editorial pages, we read them in our news stories. EDA has an enormously bad track record.

I dare say that this program more than any other is viewed by the Nation at large as the very personification of porkbarrel and power politics.

It is my considered opinion that if we are unable to sustain a vote to reduce expenditures through EDA, we wil be making a statement to the public at large that this Congress which is on record as being favorably disposed to controlling the deficit, to trying to do that by reducing expenditures wherever possible and avoiding taxes, cannot take a first step in that direction by cutting the most notorious porkbarrel program we have in this country, the most notorious wasteful program. I do not want to refute the fact there have been and there are good EDA projects. But on balance, this program exhibits more waste and failure than any program I can think of.

Mr. Chairman, I yield back the balance of my time.

Mr. KOLBE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment and want to begin by associating myself with the remarks made by the gentleman from Michigan [Mr. CARR] and the gentleman from Texas [Mr. ARMEY] in saying that this is the way that this body ought to consider cuts. We ought to be considering them in specific areas, we ought to be establishing priorities.

Earlier during the general debate I spoke in support of this legislation, but I qualified it to say that it is not everything I want, and there are some areas where I could and would support cuts, because I think the bottom line is what we need to be looking at as to where we are going to come out on spending this year. Where can we make the savings that I think we have to make?

Later today we are probably going to see an amendment for an across-the-board cut that the gentleman from Texas [Mr. ARMEY] referred to of 3.1 percent. That works out on this bill to about $437 million.

I cannot support that across-the-board cut because it cuts into some programs that I think have already been cut to the bone, programs that are literally cutting at the core of what I think the Federal Government's responsibility should be. I talk about our responsibility to carry out a foreign policy for this country, and what we have done in terms of cutting into the operations, the salaries account for the State Department significantly below where those have been in past years. We are not doing anything with the security problems at our embassies. We are cutting into the very core of being able to carry out a foreign policy in this country.

We have an immigration bill that we passed last year, and we have a responsibility to enforce that immigration bill and to make sure that there are sufficient law enforcement officers, immigration officers, to carry that out.

We passed omnibus drug legislation and we have a responsibility to carry through on that and provide for the law enforcement the American people believe that the Government at all levels has a responsibility to do.

So I cannot support that kind of a cut. But we can move then and make up that 3.1-percent cut if we could find some priorities in other areas where we can cut, and there is going to be some suggestion today. This is one of them, and another one that is going to be suggested later on is the Legal Services Corporation. Those two items alone equal about 3.4 percent. We will end up with more money than we would with a 3.1-percent cut across the board. In fact, we could end up leaving $48 million in Legal Services or the Economic Development Authority for perhaps what we found to be the most critical kinds of programs that should be carried on and still achieve the kind of cut that we would need in order to achieve the cuts that I think the 3.1-percent amendment is going to try to achieve.

Yes, I have projects in my district that are included in the Economic Development Authority, and I have communities and counties and development authorities that come to me and say keep that funding; it is important for us. And I have some very poverty stricken parts of my district.

But I still think, given the overall spending requirements of this body, and establishing the priorities and finding out what has worked best and what has not, I think this is a program where we can say, let us begin by phasing out some of these programs. We simply cannot continue as we have been doing year in and year out with these programs. We have got to find some areas where we can say this is not a fundamental responsibility of the Federal Government.

So I think this amendment deserves to be supported and I do support it.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

My colleagues, in the early stages of this Government we had each State looking after itself under the Articles of Confederation. It meant the richest States got richer and the poorer States got poorer.

Two hundred years ago we banded together under the Constitution to look after each other. In about 1934 we began to put the Federal Government helping with local problems. Since 1934, with the advent of housing, highways, and all of the other things including EDA, we have increased our wealth by 41 times.

I would like to say to my friends, and they are my friends and some of the ablest Members, their idea of cutting whatever we bring out here gets the headlines, but what they are cutting out are those things that can be used across the county to somewhat equalize the opportunities of people throughout the United States. And not a dime that they have cut goes to reducing the debt or the deficit. It goes to increased foreign aid and increasing the carryover to military funds.

I say to my colleagues it is a real mistake to eliminate these funds because the savings would go to military and foreign aid which must have the support of the American people, and I think this is a very shortsighted amendment offered here. I am sure if my colleagues will check the RECORD on the bill that we handled yesterday and took all day on, with 437 amendments, the one thing that was added was $159 million for foreign aid.

So what would be cut here is cutting out of your country so that you can increase what you are doing in the same way in foreign countries.

Mr. CLINGER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think we can all be very sympathetic with the goals of the gentleman who is offering the amendment. I think we all have a sense of frustration at our seeming inability to really address the very serious problem of the deficit in this country.

But I would suggest that in attempting to do away with the Economic Development Administration we would really be making a very grievious mistake. In the first place, eliminating it altogether would have precious little to do with really reducing the deficit. We all know that the problem there is with our entitlement programs. It is not with a very, very small program like EDA for which total funding is only $180 million.

But I think more importantly we have to recognize what this agency has done over the years. True, I speak with a certain amount of bias as I served as chief counsel for this agency and therefore I have a fond sport in my heart for it. But perhaps I am as well qualified to speak about the things which this agency has been able to do over the years as anybody in the body. It has done good things.

The gentleman from Texas alluded to the agency as one of the worst porkbarrels, and most wasteful agencies in the history of the Government, and I have to say, ladies and gentleman, that is just flat out wrong. This agency has been a very, very cost-conscious and cost-effective agency over the years.

I would suggest if my colleagues really believe this is a wasteful agency they talk to the people in Bradford, PA, in my district, where they were faced with the loss of the entire industrial base of their community because they had a attack of giardiasis and could not come up with the money to put in a water filtration plant, and without EDA they would have lost their entire industrial base. There is case after case after case where EDA has been the saving grace.

We Republicans take pride and should take pride in the fact that under this administration we have generated 13 million new private sector jobs.

□ 1205

And that is a really admirable accomplishment. But in fact a significant number of those jobs—nearly 1 million—were created through the help of the Economic Development Administration.

Our former Director of the Office of Management and Budget, David Stockman, used to say, "A rising tide will lift all boats." And in large measure that may be true. But, ladies and gentlemen, there are communities, sections, areas of this country where that is not true, where without some minimal assistance from the Federal Government you are going to have a chronic continued period of distress, of unemployment and that is where EDA can make a difference.

It is a very small agency in terms of resources but the dollars which go into these communities are vital. They are critical and without them distressed communities tend to wither and die.

I point out to the Chamber that many of the criticisms that you have heard today are past history, because they related to a program that does not exist anymore. That was called the Local Public Works Program.

I would be the first to agree that in many ways that was a boondoggle, pork barrel program because it provided over $4 billion for what were called local public works. It was 100-percent Federal money and there is no question there were abuses of that program, but that program terminated in 1981. By the same token, there have been criticisms here of the loan program that EDA has administered and I would be the first to agree that there have been bad loans. I would also point out that many of those loans being so criticized here today were under a program that has no relation with the basic EDA legislation, but were loans that EDA administered under the Trade Adjustment Assistance Act. The loans which they got under that program were absolute basket cases, that everybody recognized were basket cases and were going to be bad loans, and ultimately uncollectible.

But under the traditional programs which EDA has historically administered over the last 20 years, it is a thoughtful careful program that creates private sector jobs. To me that is what we Republicans should be all about. We criticize our colleagues on this side for supporting public sector jobs; we call them leaf-raking jobs.

EDA is a program that is attempting to generate in a very small way and in very selected distressed areas, private sector employment. That to me, Mr. Chairman, is what we Republicans should be promoting. This is one of the few programs in Government where we have an opportunity to do that.

So, Mr. Chairman, I would hope that this amendment would be rejected.

Last week in the Public Works and Transportation Committee we reported out by unanimous voice vote a bill to reform and reauthorize the EDA for the next 3 years. It is almost identical to legislation which has passed this body overwhelmingly in each of the last three Congresses.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. CLINGER] has expired.

(By unanimous consent, Mr. CLINGER was allowed to proceed for 3 additional minutes.)

Mr. CLINGER. In the last three Congresses when this bill, this reauthorizing legislation has come up, efforts to defeat it have been defeated overwhelmingly.

What this reauthorization will do will be to address some of the valid criticisms that can be made of the EDA. It targets the funds to the most distresses areas of the country.

EDA has been criticized because 80 percent of the country now qualifies. This would target it only to those most distressed areas—only about 40 percent of the country would qualify—and it would require significant contributions on the part of the localities to be helped, 50 percent of the funds would have to come from local funds.

So, Mr. Chairman, I would urge you, given the fact that we have now enacted significant reforms in the program, recognizing the very real record of accomplishment, not pork barrel, not wasteful, but true, genuine accomplishment in distressed areas of this country that EDA has had, I would urge you to reject this amendment.

Mr. OBERSTAR. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Texas has indeed followed a consistent pattern of seeking reductions in Federal outlays and I respect the stand he has taken; he has been consistent in that respect and he pursues this amendment out of genuine sincerity.

Just as sincerely and just as determinedly, I oppose that effort in respect to EDA. Unlike the previous speakers who have alleged that EDA is pork barrel, that this is an unpopular program, one of the few places in America where EDA is unpopular is with the current resident of 1600 Pennsylvania Avenue.

This program is popular all over the United States wherever you have economic distress, wherever you have people out of work, wherever there has been serious decline in local economies, because EDA has indeed created jobs, given economic opportunity, given people a new lease on life, given them new respect for themselves.

That is not to say that EDA has been without fault. The gentleman from Pennsylvania [Mr. CLINGER] has said there have been problems with this program and he, as ranking Republican member and I, as chairman of the Economic Development Subcommittee for 4 years pursued the inequities in the EDA program. We drafted, on a bipartisan basis, a bill which has three times passed this House and deals with these shortcomings and problems in the EDA program.

The factsheet which the gentleman from Texas has been passing out says that 80 percent of the U.S. geographical area, accounting for 80 percent of the population, meet criteria for receiving assistance. But 80 percent of the country is not receiving EDA assistance; the program is not being administered in that way. Less than 40 percent of the geography and population are receiving, are now eligible—and less than that number is actually receiving any EDA assistance. And in the legislation soon to be considered on this House floor, we have further targeted that funding to only those areas of highest economic distress, those neediest areas of the country.

Grandfathering, you are right, that should not have been done. It is one of those cases where Congress so loved the program that it loved it to death by saying, "Nevermore shall an eligible area be de-designated." That is wrong; it should not have been done. We take care of that in the legislation. But EDA is taking care of it right now in the way they administer the program. They are not providing funds to those areas, formerly economically distressed areas which do not deserve assistance. Those areas are not receiving assistance in the way the program is currently being administered.

The gentleman from Kentucky used the figures that we have developed in the course of our hearings showing there have been jobs created, that people are working. An additional fact I would add is that every year the 1½ million jobs created by EDA investments return $6.5 billion in taxes to Federal, State, and local governments. Every year this program pays for itself in the taxes it generates. It pays for the whole 20 years of investment that we have made in EDA. This program is one that pays its way. It works in the most distressed areas of the country.

As the chairman of the Appropriations Committee said so eloquently, it has added to our national wealth, it has increased the capacity of this country to grow, to create jobs for people.

Let me just give you one testimonial, maybe two if we have time, from a witness before our subcommittee, Mr. John Sheehan, president of Reading Industries in Reading, PA.:

> The company (Reading Industries) would not now exist if EDA had not supported it in two instances. First, EDA guaranteed 71 percent of a $4.5 million term loan which has since been paid down to a current $2.6 million. Secondly, EDA subsequently lent the company $3.4 million in 1979, when a catastrophic series of equipment failures would have precluded the company's continuation with out EDA help. Over the years * * * the company has paid about $45 million in wages. And the federal and state governments since then have not paid the unemployment payments and benefits that would have been required for our employees had the company been liquidated.
>
> Over the years since the EDA loan and loan guarantee have been in place, then, our company has provided $45 million to the Reading, Pennsylvania community in direct wages and perhaps another $150-$250 million in supporting wages. Furthermore, on any day one can look at our plant parking lots and see $4 to $5 million in American automobiles our employees have purchased in recent years.
>
> I conclude, then, that the EDA funds were spent wisely and well. Interest and principal payments are current and 700 men and women are at work in our plants. [EDA] funds have caused perhaps 50 times their total value to be generated in wages in Reading, and precluded other millions of dollars in welfare payments.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. OBERSTAR] has expired.

(By unanimous consent Mr. OBERSTAR was allowed to proceed for 2 additional minutes.)

Mr. OBERSTAR. That statement was not made by a wooly headed fuzzy thinking liberal; that was made by a conservative Republican appointed by Richard Nixon to the Federal Reserve Board. He supports EDA.

And Billy Howard of Howard Industries, Laurel, MS, says: "I can assure you that the banks do not like to loan to new corporations; they do not like and prefer not to make equipment loans, period. And if the Federal Government or someone doesn't provide that seed money or that spark for entrepreneurs to get a business started, then there are going to be many new businesses that will not be started," speaking for one of the Nation's more distressed areas.

We have in EDA a program that is grassroots oriented, whose programs initiate from the people who are affected by economic decline and economic distress, by people who chart their own course for the future. This is not the Federal Government coming in and imposing a program, imposing a solution upon them; it is something they have decided, to which they have given their resources, in which they have identified their needs, charted their vision of the future: what they want to do, how they want to preserve the industries that they have and how they want to create new jobs and expand economic opportunities in their communities. EDA is a helping hand. The EDA grant program is a matching grant program, it requires local funds to match the Federal funds. It is not a handout. The loan program has to be repaid. There are some loans which have failed. Why? Because they were made in some of the worst economic conditions of this country, in those areas of the country which have suffered the worst economic decline. You cannot expect them to be pulled up by their bootstraps in 2 or 3 years when they faced decades or generations of decline.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. OBERSTAR] has again expired.

(On request of Mr. WHITTEN and by unanimous consent Mr. OBERSTAR was allowed to proceed for 2 additional minutes.)

Mr. WHITTEN. Mr. Chairman, will the gentleman yield to me?

Mr. OBERSTAR. I would be happy to yield to the chairman of the Committee on Appropriations, the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I wish to compliment my friend in the well. I do not know of anyone who does more to look after our own country than he does. And he offered a fine presentation on the floor.

I would like to recall that several years ago I was asked to handle the jobs program. I started out with those applications that we had for substantial things, for creative jobs we had something to show for when it was over. I am afraid that many, many of our people talk about jobs, when what we need are productive jobs.

EDA is one of those places where you have something to show for it when you are through. That cannot be said about all Government spending.

Again, I wish to commend the gentleman. He is an outstanding Member of the Congress and on the right side.

Mr. OBERSTAR. I thank the chairman for those kind remarks.

In conclusion, this is a case of an agency which "gave at the office." Six years ago the EDA budget was $690 million; for this fiscal year it is $180 million. If we had cut other programs as much, proportionately, all of them, we would not have the deficit we have today.

Mr. RAHALL. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from West Virginia.

Mr. RAHALL. I thank the gentleman for yielding.

Mr. Chairman, I rise in strong support for H.R. 2763 and against the Stenholm amendment. Contained in this appropriations measure is $206.2 million in funding for a program of vital importance to my home State of West Virginia, the Economic Development Administration. I am pleased that the importance of EDA to this Nation's most needy communities is recognized by Members of the House, especially in view of the fact that the Reagan administration has consistently sought to eliminate the program.

The No. 1 goal of the EDA is the creation of jobs, which in part explains its significance to my home State in view of the fact that West Virginia continues to struggle with one of the highest rates of unemployment in this Nation. Throughout its history, the EDA has provided a much needed extra boost for chronically depressed and historically deprived communities. EDA pinpoints areas in great need and assists them with projects that will spur the economic growth that in turn increase jobs and enlarges tax bases.

Of special importance to communities such as those in southern West Virginia is EDA's focus on small business incubators. I am actively exploring the use of the business incubator in my congressional district with local leaders and business people; currently pending before the EDA is an application by the city of Huntington for assistance with such an incubator. An incubator provides for the collective use of clerical and accounting personnel, office machinery and warehouse space by fledgling businesses with little capital. By lowering the overhead costs for such businesses, this type of program ensures that many small businesses succeed in these economically difficult times.

Another invaluable program administered by the EDA provides for the creation of industrial parks. The innovative concept of sharing resources is similar to the business incubator concept. Small industries share water, sewer and electrical facilities, thereby reducing costs and increasing their chances of long-term success. This program has been extremely successful in Mercer County in my congressional district and we in the State continue to push the option for other needy areas.

EDA is exactly the kind of program we in the Congress should be strongly supporting. By providing startup funds and technical expertise, EDA programs provide the impetus to stimulate the formation of small businesses and industries which are vital to the economic growth and stability of depressed and distressed communities throughout the country.

Mr. OBERSTAR. I thank the gentleman for his kind remarks.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Texas.

Mr. STENHOLM. I thank the gentleman for yielding.

Mr. Chairman, I believe I heard the gentleman misspeak regarding his inference that the moneys that I am talking about cutting from this are, in fact, loans that are repaid. Is it not a fact that $122.4 million of my amendment are direct public works grants that go to these individual entities that are not paid back under any circumstance?

Mr. OBERSTAR. The gentleman's amendment would affect grants, as I understand it, yes. I do not know what effect it would have on the guaranteed loan program of EDA, but the grants are essential for the development of industrial parks.

Mr. WISE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I appreciate the chance to speak briefly in opposition to the amendment. Sometimes we come to the floor to try to make deficit cuts which must be made and in so doing we fail to see the impact of those cuts. In fact, the Economic Development Administration is a perfect example; a roughly $250 million operation, which is a pump primer and which produces much more revenues.

The case has been made that 80 percent of the country might be in the affected area by the EDA. The reality is that less than 40 percent is presently covered. Indeed, the population presently covered by EDA programs, grants, loans, and so on amounts to about 29 percent.

So I do not think that that really holds up. The point has also been made in the past there has been poor operating procedure in the EDA. Indeed that is true under both administrations.

However, it should be pointed out also that in 1981 and 1982 and a little bit in 1983, the Administrator of EDA had a mandate to dismantle the agency. He had quite an administrative process. Every application had to come to his desk, not to the regional offices but to his desk. It is sort of like assigning Attila the Hun to the peace academy.

So what we had was a deliberate attempt to destroy an agency from within which the Congress wanted to preserve. Then the administration wisely moved that person on, brought in a successor who was determined, even though she disagreed personnally with EDA, to comply with the law and she made it function and it has functioned well since then.

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I can only point to West Virginia which is certainly a good example of where EDA works, in several instances like the Jackson County industrial park which exists because of EDA, and there are two businesses there, or the new small business incubator, the first of its kind in West Virginia. There have also been a number of small businesses already operating; in fact, they have been so successful that the private sector is getting ready to put new small businesses in, and is already talking about the next incubator.

What happens when you lose a thousand jobs in the city of South Charleston alone, the FMC and the Volkswagen plant closings?

EDA has supplied a $40,000 plant closing grant. That is not the only contribution.

There is significant local contribution in money and in personnel and time.

My own staff sits on the planning committee of the city of South Charleston, the Economic Development Authority, the various businesses that concern the State of West Virginia, other affected municipalities, and the labor unions; each has made a contribution.

It was EDA that permitted this whole thing to be brought together, and so once again EDA does make a difference. It is a pump-priming mechanism. Cut the $180 million. What have you done?

I calculate, given the deficit this year, you probably cut one-tenth of 1 percent of the Federal deficit. That is not the budget, but the deficit, one-tenth of 1 percent; and you have cut out opportunity for thousands, and you have cut out a program that is demonstrating success, one of the few true income-generating programs that this country has, and one that gives communities and businesses a chance.

I just urge strict rejection, outright rejection of this amendment.

Mr. BOEHLERT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, what we are really talking about here now during this debate, and I am in strong opposition to the amendment of the gentleman from Texas, what we are really talking about is a four-letter word that we can all utter in polite company. That four-letter word is jobs.

Here is a Federal agency which has as its exclusive mission the preservation of existing job opportunities and the creation of new job opportunities.

Too many Members in this Chamber, and too many across America today are saying that because the unemployment rate has been inching down steadily, that we solved the problem of unemployment in America. That is not so.

Today in this land of prosperity, we have more than 8 million Americans unemployed. They want to work. They want to be able to hold up their heads high in dignity, and provide for their families and pay their own way. They need jobs.

Here is an agency that helps preserve jobs and create new jobs. If you think about it a moment, the most serious domestic problem we face is not the deficit, and that is of crisis proportions. I want to be a partner in reducing that deficit.

The most serious problem we face in America today is the problem of unemployment.

If you think about it, and we all know from personal experiences, families where there are serious problems of substance abuse, child abuse, and alcohol abuse—abuses of all kinds—in most instances, in that family there is either unemployment or underemployment.

We have to make an investment of our Federal resources in programs that are designed to help create new jobs for our people. When the Members talk about the horror stories, of course, there are horror stories. There have been some failures in this program as well as there are failures in any program.

I would suggest, and I am a strong supporter of national defense; but when it was revealed to this country that the Navy paid $500 for a claw hammer, or another branch of the service paid $600 for a toilet seat, did we come to the well of this Chamber and say, let us eliminate the Department of Defense? Of course, we did not.

We said, let us manage it better, and we have given that same direction to the Economic Development Administration.

Year after year we have challenged them and said, "You have to do a better job." They are.

We are not giving handouts anymore, not 100 percent grants; but we are saying to the communities, the most distressed communities in this Nation, that we want to give them a helping hand, but first they have to help themselves.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. BOEHLERT. Mr. Chairman, I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I thank the gentleman for yielding.

I commend the gentleman on his statement, and I would ask the gentleman to take another look at my amendment, and also to take a good hard look at EDA, because the argument the gentleman makes on jobs is a very factual one, but it is interesting to me that during this period of time when we have had the increase in the number of jobs which the gentleman referred to, we have actually cut EDA from $675 million a year in 1981 to the proposal today of $206 million for 1988 so I believe the gentleman's argument does not sustain the gentleman's opposition to my amendment.

Mr. BOEHLERT. Mr. Chairman, reclaiming my time, the gentleman from Texas makes a very good point. The gentleman supports my argument, because the point is, EDA is doing a better job with less resources.

I happen to serve on the authorizing committee, and I happen to have been in that gallery right up there in August 1965, as a young staff member, when I watched the House of Representatives launch this program in 1965. From 1965 to this very moment as we stand here, millions of jobs across the country have either been preserved or created to give our people an opportunity to earn their way; and when they earn their way, and this is good, solid Republican philosophy, when they earn their way, they begin to pay taxes instead of drawing from the Federal Treasury.

That is very healthy, and I strongly support that.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. BOEHLERT. Mr. Chairman, I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding.

How many employees in the gentleman's district would the gentleman say earn $20,000 a month?

Mr. BOEHLERT. Not enough.

Mr. WALKER. Probably very few.

Across this Nation very few earn $20,000 per month.

Mr. BOEHLERT. I would agree with that.

Mr. WALKER. Under this program when we used the Emergency Jobs Appropriation Act that poured $100 millon into 12 EDA projects for the unemployed to create the jobs the gentleman talked about, those jobs cost us $20,000 per person per month.

The CHAIRMAN. The time of the gentleman from New York [Mr. BOEHLERT] has expired.

(By unanimous consent, Mr. BOEHLERT was allowed to proceed for 1 additional minute.)

Mr. BOEHLERT. Mr. Chairman, I would like to point out to the gentleman from Pennsylvania [Mr. WALKER], whom I have the greatest respect for, that the program the gentleman is talking about was an emergency program developed by bipartisan support in this Chamber to deal with a crisis situation.

They did not do it very well, I agree; but it was not the standard, traditional Economic Development Administration program.

It was an emergency response to a crisis, and it did not do it very well. This body, first by the Economic Development Subcommittee and then by the full Committee on Public Works and Transportation, and subsequently time after time by bipartisan votes in this Chamber, has made the necessary improvements to make this program a workable, viable program that addresses the critical need in America, the need for jobs in America. The need is for jobs to solve that urgent and most pressing problem, the problem of unemployment in America. Deficits do not mean a thing to anybody if they are out of work and cannot feed their families. Deficits do not mean a thing to a family if they cannot send their children to college and achieve the American dream.

The CHAIRMAN. The time of the gentleman from New York [Mr. BOEHLERT] has expired.

(On request of Mr. WALKER, and by unanimous consent, Mr. BOEHLERT was allowed to proceed for 1 additional minute.)

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. BOEHLERT. I am glad to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding.

The gentleman makes an excellent point and one that we do not want to depreciate. On the other hand, we also know that the projects that have been developed under the Economic Development Administration have too often been precisely opposite from what the gentleman is describing, that what we have built is swimming pools, jogging paths, golf courses, marina facilities, the kinds of things that are not job-enhancing or job-creating, but in fact go to largely help upper income people in the country, and they really then become a subsidy at the expense of the American people.

Mr. BOEHLERT. Mr. Chairman, if I may reclaim my time, I would like to give an example of an EDA grant that built a swimming pool for the Sheraton Inn and Convention Center in downtown Utica, in my district.

Utica, NY, is a declining community, or it was a declining community until people had some faith in that community. But they went to private lending sources and could not get the financing necessary to create and build a hotel in the downtown area.

The CHAIRMAN. The time of the gentleman from New York [Mr. BOEHLERT] has again expired.

(By unanimous consent, Mr. BOEHLERT was allowed to proceed for 1 additional minute.)

Mr. BOEHLERT. Mr. Chairman, people were already willing to write the obituary for downtown Utica, NY. They said, "Don't invest in it. It can't go."

With a combination of programs under the Economic Development Administration, the Urban Development Action Grant Program, and the New York State Job Development Authority, and with a private infusion of dollars, a hotel and convention center was created in downtown Utica that is now a commercial success. That hotel is now paying taxes to the community of Utica and now employs 150 people in downtown Utica, NY The whole downtown district is revitalized because of that partnership between the private sector and the public sector.

Mr. Chairman, I suggest that is the type of partnership we should try to advance.

Mr. TRAFICANT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have to commend my colleague, the gentleman from Texas [Mr. STENHOLM], because he is consistent, and although I disagree with him on this amendment, I believe his efforts are purging this side of the aisle in a way that ultimately will help our Nation.

I also have to agree that there have been abuses in the Economic Development Administration. In fact, there was one chronicled in the Washington Times recently when a very powerful politician went to speak at a commencement ceremony at Hanover, NH. After the ceremony was over, he was applauded for his great efforts in cutting the deficits in America, for his leadership in cutting the budget and being the "Trojan horse" that protects us. What they did not report, though, is what was later chronicled in a small paper up there, that he had gotten $15 million in EDA money for a city that had a 3-percent unemployment rate.

Mr. Chairman, there are problems with the Economic Development Administration. We should not throw it out, but we should fix it. There are some significant changes coming out of the EDA legislation that will even make it more opportune for communities to grow with the help of the private sector.

Yesterday I spoke out on a supplemental that called for $300 million more for foreign aid. That $300 million in supplemental foreign aid is supported by the President. He said he would not sign that bill unless it had that in it. The Office of Management and Budget said they wanted that $300 million in the supplemental as well.

Now, the President wants foreign aid, he wants an additional appropriation of $300 million, but the President wants to throw out EDA for fiscal year 1988 for $210 million. Come on, let us get serious. There is an old self-fulfilling prophecy. If the OMB does not want it, they will make sure it looks tough to keep it around.

I want to associate myself with the remarks of the gentleman from Minnesota [Mr. OBERSTAR], the gentleman from New York [Mr. BOEHLERT], the gentleman from Pennsylvania [Mr. CLINGER], and the gentleman from Kentucky [Mr. ROGERS]. I believe they are on target. That is not to the demise and detriment of the gentleman from Texas [Mr. STENHOLM]. I think he is doing what he has to do, and I agree with him that there has got to be some changes, but we should fix it, not throw it out.

Finally, there has been some talk about loans and grants. Some cities should be getting more grants. We should have a domestic aid program in this country to send some of the tax revenue generated from the people in all of our districts back to those districts. We cut out general revenue sharing. There are people who want to throw out urban development action grants. What is next? Maybe we should just open up the Treasury and tell Japan and Europe and every fledgling nation in the world to come on over and take it. After all, is that not what the American people work for?

I think the American people work for a reasonable amount of their tax dollars to be returned, and I think it is an incumbent responsibility on legislators in this House to protect that. I think this is a symbolic fight. This $210 million certainly is not the greatest amount we will be debating. But we did not throw the defense bill out, like the gentleman from New York [Mr. BOEHLERT] said, because of $6,000 coffeepots or $700 toilet seats. That is not the right thing to do; we should fix it. I agreed with him, and I agree often with the gentleman from New York.

I think now that we should fix EDA. We should monitor it more carefully. We should make it more progressive, we should put more money in EDA, and we should put more money back into economically depressed communities.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I thank the gentleman for yielding.

Just as previous speakers in defense of this program have done, the gentleman has done an admirable job of defending the program for the very factual reasons the gentleman brought out. I quarrel not with that, and I appreciate the gentleman's acknowledging the fact that in this case I have picked out one program in which I believe we can make a substantial saving from the overall budget that affects this particular subcommittee.

If the majority of the House do not agree with this, then my point is that we will have to find someplace else to cut, and for the RECORD I want to say that defense is not off limits.

Earlier this morning I sat in a special task force on the Agriculture Committee in which we have to cut $1.2 billion from the agricultural function. A lot of people will say, "Well, that's not a lot of money there," but the way these cuts will affect agriculture, it will be much more detrimental than the possible detrimental effects of the amendment I offer today. But these are judgments, and that is why this kind of debate is, I think, very helpful.

Again let me say that I appreciate the gentleman's yielding, and the point I would make is that in this particular subcommittee of the Appropriations Committee they are suggesting that we increase spending by $747 million over what we spent last year.

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If we do not want to cut in this area, then I hope the gentleman will help us find someplace else to cut.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(At the request of Mr. STENHOLM, and by unanimous consent, Mr. TRAFICANT was allowed to proceed for 1 additional minute.)

Mr. TRAFICANT. Mr. Chairman, I appreciate the comments of the gentleman from Texas. He has not come in here with a chain saw, like many people have, and it plays good back home. He has made an honest assessment of where he thinks some cuts may be made. I do disagree at this point.

The only thing I can say is that I know this program created 130 jobs in my district. My district is probably hurt more than anybody else's in the country. We are not doing enough for my district.

We should cut defense. Now, let us get off it. There is $300 billion in this defense boondoggle. If no one offers a Defense appropriation amendment, I am going to bring it and I am going to bring a chain saw to that sucker. I am going to tell you that, because I am tired of my community and communities like mine, continuing to be hurt.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I want to make perfectly clear that the group of us who are bringing these cuts in all these appropriations have every intention of bringing the same type of an amendment to the defense budget.

Mr. TRAFICANT. Well, I think mine might be even bigger.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Chairman, I would like to commend the gentleman for his statement.

I would like to put things in perspective. We are talking about $180 million dedicated to a jobs program.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

(At the request of Mr. BOEHLERT, and by unanimous consent, Mr. TRAFICANT was allowed to proceed for 1 additional minute.)

Mr. BOEHLERT. Mr. Chairman, will the gentleman continue to yield?

Mr. TRAFICANT. I yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Chairman, we are talking about $180 million for a jobs program for America. That is less than the revenue generated from a one penny excise tax on cigarettes. One penny excise tax on a package of cigarettes generates for the U.S. Treasury $212 million a year, and we are talking about less than that total revenue for a jobs program for all America.

Mr. TRAFICANT. Mr. Chairman, I would like to commend the gentleman from New York. I think his statistics are right to the point. They are exemplary and everybody should be listening and maybe even reading the RECORD after this as we continue to try to knock out the EDA.

Mr. CARPER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, just a few minutes ago in a discussion I had with one of my colleagues. He was complaining that here we go again with across-the-board cuts over a spectrum of programs in order to gain headlines, I think the gentleman said, back home about deficit reduction.

Let me just make perfectly clear the point that the gentleman from Texas [Mr. STENHOLM] has been trying to make for the last hour. Our intent today is to avoid across-the-board cuts throughout this entire bill. Our intent today is to try to select from all the programs that are in this bill a handful of programs that may be reduced, and in this case reduced rather dramatically, in order to cut by one-half the overall growth in spending in this bill.

We have done the same thing in three other appropriation bills prior to today. We will continue to do so with each subsequent appropriation bill that comes to the floor in the weeks ahead.

I say to my friend, the gentleman from Ohio, that pledge includes the defense appropriations bill, as well.

The EDA has made possible a number of projects in my own State that are needed and that are beneficial. The EDA has also provided funds for programs in my State that are neither needy nor beneficial. The examples cited by the gentleman from Texas [Mr. STENHOLM] earlier of swimming pools, golf courses, and jogging paths are true. I have seen some of those myself with my own eyes in Delaware. I could add to that list. I will not do so here today.

Let me just say, there are three questions that I think we should consider with regard to this amendment. One, is the EDA duplicative? Does it duplicate funding that is available in other programs? It sure does. When I worked for the development office in the State of Delaware a number of years ago, when projects would come to our attention we would literally shop those proposed projects through a whole host of eligible Federal funds. We would look at the EDA for possible funding. We would look at UDAG. We would look at CDBG. We would look at the Farm Home Administration, SBA, the entire alphabet soup of Federal programs.

EDA does duplicate program funding available elsewhere, not only in those I've just listed, but the Appalachian Regional Commission, as well.

The second question is the EDA funding well-targeted for economically depressed areas? No, it has not been. We have heard comments and statements from our colleagues here today that in the future it will be better targeted. I hope so. If this amendment is defeated, I sure hope those assertions of better targeting are true.

The third question, is the EDA funding wasteful? Out and out, is it wasteful? No, it is not. As I said earlier, there are some beneficial things that have been done with this program over the years, but we have some tough questions to face. It has been asserted that spending more on EDA will significantly reduce deficits by raising revenues. If all the programs that we say provide a greater return to the Federal Treasury than they actually cost the taxpayers, we should vote a lot more money for the EDA to reduce the deficit. We should vote a lot more money for the Appalachian Regional Commission and others to reduce the deficit. I do not buy that argument. I just do not think that is the way it happens.

The hard truth is that there are two ways to reduce budget deficits. One of those is to cut spending. The other way is to raise revenues.

What we have said with the budget resolution that has passed this House is that it is going to be a combination of both, half on the revenue side, half on the spending side.

Making this reduction, voting for this amendment, enables us to keep that promise, to make true that the cuts on the deficit are one-half on the spending side, one-half on the revenue side.

Mr. Chairman, I urge adoption of the Stenholm amendment.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me begin by talking to the committee a little bit and trying to give a little bit of the sense of our frustration about this bill, as other bills.

I think the gentleman from Texas is bringing an amendment here that is designed to try to find a way to cut some specific programs without having to go to across the board and doing it therefore by line item.

What we hear continuously from the committee is that the fact that the bill that you bring to us is absolutely the best product that could possibly be brought and there is not $1 of savings that can be achieved beyond what is already in this bill. I have no question whether or not that is really the case. So if I could get the attention of the chairman of the subcommittee, and also if I could, the ranking Republican, the vice chairman of the subcommitte, the gentleman from Kentucky [Mr. ROGERS], I just want to examine this business that we have to deal with as Members on the floor.

Would either gentleman really contend that there is not $1 of savings that we can find in this whole bill?

Mr. SMITH of Iowa. Well, Mr. Chairman, if the gentleman will yield, no, there is always something that you can cut. You can cut the amount of money that you spend for seed corn. That does not necessarily mean that you are going to gain by it.

Mr. WALKER. Well, let me just suggest to the gentleman, I mean, for instance, I go to the first page of the bill, there is $2,000 in there for official entertainment for the Department of Commerce. They could probably get along with $1,999, could they not?

Mr. SMITH of Iowa. Well, that is a limitation on the amount.

Mr. WALKER. Well, I understand, but the fact is if you cut back the figure of $40 million there by $1 and cut down that limitation to $1,999, they could probably get along on that, could they not?

Mr. SMITH of Iowa. Nobody claims they could not.

Mr. WALKER. But when we come to the floor with amendments to cut, what we are told is, usually bipartisanly on the floor, that we cannot cut.

Let me look toward another thing. We could probably cut $1,000 out of the study back here to determine the feasibility of a seafood consumer research center on the west coast, could we not? I mean, they could probably get along on $14,000, rather than $15,000, could they not?

Mr. SMITH of Iowa. Well, I do not know if they could or not. Sometimes with those studies, you either have enough or you do not do them. I do not know if they could or not.

Mr. WALKER. But my guess is that if we were really serious about the deficit, we might be able to find $1,000; I mean, that is what I came up with here.

Mr. SMITH of Iowa. I think we are serious about the deficit; we have cut the administration's request by $543.

This bill has some things in it that are unusual, for example, $193 million increase for the Census Bureau. That is cyclical. You know, you cannot appropriate the same amount every year for 10 years.

We are at the point where we must get ready for the 1990 census which is required by the Constitution. We have to build up to take the required census.

Mr. WALKER. Well, I appreciate what the gentleman is saying.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from Kentucky.

Mr. ROGERS. Well, Mr. Chairman, the difficulty that some of us have with across-the-board cuts——

Mr. WALKER. But we are not talking about across-the-board cuts at the moment. We are talking about line items.

Mr. ROGERS. Well, on line items you will get some support; but various members of the committee have different personal perspectives on spending, but the corporate bill, the overall bill, is something that has been crafted by compromise and by crafting and the give and take in the subcommittee and the full committee work.

Mr. WALKER. We understand that, but the point is that there are a lot of people on the floor who really fundamentally feel that we might be able to do better.

I mean, I go back to the State Department portion and I find out part of the money is for purchase of vehicles. We might be able to save $10,000 by the purchase of one less vehicle in a particular year and thereby to save a little bit of money, or I go now to the EDA. I find in there that we have $25,800,000 for salaries. I am just wondering, could we not find 800,000 dollars' worth of savings there, particularly since I see that we are mandating the EDA to have not fewer than 375 people?

Now, the gentleman from Texas does not speak to that particular portion in his amendment, but I would say that it might be possible they could get along with 350 employees, particularly at a reduced rate, rather than 375 and thereby we might save some money.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(At the request of Mr. SMITH of Iowa, and by unanimous consent, Mr. WALKER was allowed to proceed for 1 additional minute.)

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Let me point out, Mr. Chairman, that the EDA has been held to the same dollar level for 5 years. Now, that is a program cut each and every year. That is less than a freeze, they have already been taking a cut every year.

The CHAIRMAN. The time of the gentlemen from Pennsylvania has again expired.

(By unanimous consent, Mr. WALKER was allowed to proceed for 2 additional minutes.)

Mr. WALKER. The point I am simply trying to make to the committee, Mr. Chairman, is that it becomes somewhat difficult for those of us on the floor to agree with the idea that the compromises made in the committee keep the Committee of the Whole from even exercising its right to cut anywhere at any time. Every time we stand up we get a bipartisan agreement that we cannot cut there.

The gentleman from Texas has offered an amendment in an area that the committee itself has determined as one of its lower priorities, because it has cut there, and yet we then hear on the floor that even this one cannot be cut.

I would suggest that there are places that can be cut in this bill and if in fact there are lower priority items, the committee maybe has an obligation to tell us what they are, so that we can offer the amendments in those areas.

It would be very, very helpful to us to know what it is, where we can cut, rather than simply having to live with the compromises that have been achieved, sometimes we think to the detriment of the overall budget situation in the country.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am very happy to yield to the gentleman from Iowa.

Mr. TAUKE. Well, Mr. Chairman, another problem that the gentleman could articulate is that we always hear that the program that is being looked at is a high priority. Probably almost every program that is in place is of high priority or it never would have been put in place in the first place; but many of us believe there is a higher priority for the good of the whole Nation and the survival of all these programs, and that is the higher priority of cutting spending overall and reducing the deficit.

So because I believe that is the higher priority, I am going to take the opportunity to support the amendment that is being offered and urge my colleagues to do so.

Mr. WALKER. Mr. Chairman, I thank the gentleman.

I agree, that at least this is a way of going about it where we are cutting real programs that can be identified without doing it across the board. The across-the-board process is only done because we cannot get at the line items, because we are opposed on virtually every one of them.

□ 1250

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALKER] has expired.

(On request of Mr. ROGERS and by unanimous consent, Mr. WALKER was allowed to proceed for 1 additional minute.)

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, let me commend the gentleman for offering a specific amendment—not this gentleman—but for supporting a specific amendment. I personally am opposed to this amendment, because I think that this program is good in my district, and frankly for distressed areas around the country.

I much prefer that we deal with proposed cuts with a specific amendment reaching at a specific spending provision, rather than an across-the-board cut, which cuts things across the board like the FBI, DEA, USIA, and things that we all I think believe in indiscriminately, so let me commend the gentleman for tacking these spending bills with a specific spending proposal.

Mr. WALKER. Let me say to the gentleman that the reason that you get the across-the-board amendments is because of our frustration that virtually every one of the line-item cuts that is brought up is opposed almost unanimously by the committee. That really causes a major frustration.

Mr. SMITH of Iowa. If the gentleman will yield, it is because we have done such a good job of cutting out all those individual items that ought to be cut.

Mr. WALKER. That is what I point out to the gentleman. Yes; you have done a good job, but yet you have to admit that when you go through and start looking, there are some places where at least a few dollars could be saved, and we are not even saving those few.

Mr. GRAY of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me first say that I have great respect for the author of this amendment, but I believe that he is 100-percent wrong on this issue.

Mr. Chairman, are we wreckers or are we builders?

I watched them tear a building down,
A gang of men in a busy town.
With a ho-heave-ho and a lusty yell,
They swung a beam and a sidewall fell.
I asked the foreman, "Are these men as skilled
As the men you'd hire if you had to build?"
Why he just laughed and said, "No, indeed,
Just common labor is all you need."
So I thought to myself as I turned and walked away,
"Which of these roles have I tried to play?
Have I been a builder who works with care,
Measuring life by the rule and square,
Making my deeds to a well-made plan
And patiently doing the best I can?
Or have I been a wrecker who walks the town
Content with the job of tearing down?"

Mr. Chairman, I stood in this well 22 years ago and helped pass the first EDA Act in 1965. We were funding this new program. We had some mistakes with it, as has been pointed out by previous speakers. When Mr. Reagan took office in 1981 we were funding this program at $800 million a year. Today it is $200 million. It has already been cut by 75 percent.

Let me tell you something, Mr. Chairman, inaction in a local community and not giving that community tools with which to work for itself is just as destructive as taking that sledgehammer that I alluded to in my poem. Many communities cannot get an SBA loan. It has been pointed out here by previous speakers that this is duplicative, that there are a lot of agencies making these loans. Let me tell you in the 22d District of Illinois there is no such thing as a direct SBA loan. SBA has bank-guaranteed loans. You have to go into the bank. If you could get the money from the bank in the first place, you would not need the EDA, you would not need the SBA, you would not need Farmers Home, or anybody else.

These are small communities that factories or coal mines have left, and the town is just sitting there rocking with unemployment. They do not have enough statutory lending authority in these local banks. So forget about SBA helping these local communities unless it is a bank-participation loan, and even though it is only a 10-percent risk, the bank will not participate in most cases.

Mr. Chairman, let me in my short time also address the question of golf courses and swimming pools that have been funded by EDA. Let me say to you, Mr. Chairman, that the tourism and recreation industry in this country is the third largest industry in America, employing over 5.2 million people and generating over $300 billion a year in revenues. I say to you that working in a hotel or working at a golf course is just as important as working in a factory that has smoke coming out of the smokestack as far as generating jobs, as far as paying your taxes, and being a good citizen and off the unemployed rolls.

So I say bravo, move on with more golf courses, if that is going to provide jobs. If they have an industry that they can work people in, I say that EDA ought to be funding every single entity that comes in with an application if it meets the stringent criteria. When we do that, we will be building America. This ought to be $800 million, not $200 million. The proponents of this amendment ought to be increasing, not decreasing. I will go along with cutting some foreign aid. When I talked about helping write this in 1965, we were giving a couple billion dollars to foreign governments; now it is up to over $13 billion this year, and the supplemental that I voted for yesterday had another $300 million, more than we are spending in America on this program.

There are places to cut and I will vote to do that, but it is not all American jobs in all American communities. Let us vote down this amendment. Thank you.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. Without objection, the gentleman from Texas [Mr. STENHOLM] is recognized for 5 minutes.

There was no objection.

Mr. STENHOLM. Mr. Speaker, once again as we have listened to the debate on this amendment we have many Members acknowledging that it is better to cut individual line items than have across-the-board cuts. I totally agree with that. Therefore, we have made a specific proposal with which some of us agree and others of us disagree.

My reasoning again—and I will not repeat everything—is to encourage Members as they come to vote to look at what my amendment does and what it does not do. As so often occurs in the debate, insinuations are made about what it does and what it does not do. What we do is propose to save $180.4 million in grants, planning assistance, technical assistance, et cetera, money that we do not have.

I think that the committee has made the best argument for my amendment by the fact that since 1981 they have reduced spending in this function from $675 million to $206 million. I think that that indicates, as they have researched, and we quarrel not with the committee, as they have researched they have determined that this is a low priority, and therefore that is why I chose this amendment to offer myself today.

It is interesting as we talk about deficits that we have to cut everywhere except the amendment that is before us. I would point out again to the entire membership of this House that we intend to bring amendments of this nature to every 1 of 13 appropriation bills. We have to take them in order as they are presented to us, but I will challenge anyone to find at the end of the debate on all 13 appropriations where we have not been consistent.

My final point: As I stand here today by the effort that I am trying to be a part of, I am acknowledging that I am prepared to vote for $1,031 trillion in total spending to meet the needs of the U.S. citizenry. What I am, though, acknowledging is that if we do not make some additional cuts equal to $7 billion, we are not going to meet the deficit-reduction package that I believe and I believe a substantial number of Members—not yet a majority, but we are approaching it—believe that we must achieve in the total budgetary area of the United States of America.

If we are going to meet those restraints, we have to cut somewhere. The chairman of the committee made the statement a moment ago that every time we make a cut like this, we do not cut the deficit. With all due respect to the chairman, when you make real cuts like the one we are proposing, you do reduce the deficit.

That is the bottom line of what we are attempting to do today. I suggest that if we cannot cut here, then you are going to get some other opportunities to cut, and if we are going to continue to vote as we have been voting, we are not going to cut one dime. Oh, let us not forget the $2.3 million that we cut from the Architect. That is one real cut that we have made.

We do not quarrel with the Appropriations Committee, we quarrel with 435 Members of the House. I am one four-hundred-thirty-fifths share of the problem. I am quarreling with me. If we cannot do some of these individual cuts and we cannot do across-the-board cuts, where can we cut?

Mr. SAVAGE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do have some questions regarding the arguments made by the sponsor of this amendment and those who support it. While the gentleman points out that he intends to propose some cuts in all 13 of the appropriations, here he is not merely proposing a cut, he is proposing the entire elimination of all direct assistance of the Economic Development Administration, and that is not what he proposes to do with regard to the other appropriations.

The $180 million that he intends to strike eliminates all the effectiveness of that agency.

Now as others have charged and also admitted in this debate, sure, there have been mistakes in the EDA program, but there also have been mistakes even more publicized in our defense program, yet no one proposes eliminating the defense program.

□ 1300

The errors, incidentally, have not been errors in what this body has appropriated, but errors in the executive decisions of this administration, the executive side, not the legislative side.

There are two questions that should be debated here, but not the mistakes. The main question that should be debated here is is there need, and I submit that while there has been some economic improvement, there has been a reduction of the unemployment rate which may justify the reductions in the EDA Program over the years, yet there are pockets of high unemployment, there are areas and there are segments of the population, such as the black portion of the population, where unemployment is twice the national average. There are industries that are very hard hit and must have some EDA or economic assistance if they are to survive.

When we are asked where should we then cut, there are many places to cut. The gentleman is talking about cutting the deficits by cutting one-fiftieth of 1 percent of the trillion dollar budget that we talk about. Is that really serious cutting of the deficit?

Let me go further. This cut, the entire EDA Direct Assistance Program, amounts to only one-fifteenth of 1 percent of the defense budget. This year this body has authorized and appropriated $3.5 billion for foreign aid. We strain over $180 million aimed to help ease the unemployment and to revitalize the economies of depressed cities. We strain over helping ourselves with $180 million at home, but give away in foreign aid $250 million to Pakistan alone.

It seems to me that aid needs to start at home. We must be as concerned about the plight and the unemployment of Americans as we are of those abroad.

I will tell my colleagues not only does EDA, when it participates with private industry and local government funding, not only does it help to revitalize those economies by providing more long term and permanent employment, but where you have such unemployment, where you have a depressed industry, such as the steel industry, the local tax base itself begins to atrophy, and those workers' skills who are unemployed begin to weaken, and the services and the facilities provided by these cities are arrested.

Indeed, if you deny Federal treatment of these ills, economic rigor mortis will set in in some of our hard hit cities, some of our depressed industries, and certainly with regard to large segments of our population who have for the last 8 years suffered unemployment at twice and three times the national rate.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. SAVAGE] has expired.

(On request of Mr. SMITH of Iowa and by unanimous consent, Mr. SAVAGE was allowed to proceed for 1 additional minute.)

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. SAVAGE. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I want to commend the gentleman from Illinois, the chairman of the subcommittee that handles the EDA in the Public Works and Transportation Committee.

As I understand, we were able to get out of that committee by a unanimous vote a $250 million authorization for this same program.

Mr. SAVAGE. Actually, Mr. Chairman, it is $276 million, which is authorizing far more than you are now appropriating. Also may I add that House Resolution 2686, which is now ready for action on this floor, further and better targets the program than the use of the meager funds of the Economic Development Administration, and if some of those who have raised questions about targeting were to read this bill, they would see that we too who support the need for EDA recognize also however the need for better targeting and better supervision of its projects.

Mr. SMITH of Iowa. The $276 million includes $26 million for administrative expenses, and that is the reason that I said $250 million. But the point is we really need more money in this program. However, the committee felt we had to hold to last year's dollar level, which is a program decrease in this bill. It is not that we disagree with the gentleman, but if there is anywhere along the line where we could get more money, I would like to get more money.

Mr. SAVAGE. In fact, as the chairman is pointing out, in effect we are already cutting this year's appropriation and last year's appropriation by not recognizing that costs have increased.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. STENHOLM].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. STENHOLM. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 146, noes 269, not voting 18, as follows:

[Roll No. 238]

AYES—146

Andrews
Armey
Badham
Baker
Ballenger
Bartlett
Barton
Bateman
Bates
Bennett
Bereuter
Bilirakis
Bliley
Boucher
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Callahan
Carper
Chandler
Chapman
Cheney
Coble
Combest
Coughlin
Craig
Crane
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
DeLay
Derrick
DeWine
Dickinson
DioGuardi
Donnelly
Dorgan (ND)
Dornan (CA)
Dreier
Dyson
Edwards (OK)
Fawell
Fields
Fish
Frenzel
Gallegly
Gibbons
Gingrich
Goodling
Gradison
Grandy
Gregg
Gunderson
Hall (TX)
Hansen
Hastert
Hefley
Herger
Hiler
Holloway
Hopkins
Houghton
Hubbard
Hunter
Hyde
Inhofe
Ireland
Jacobs
Kasich
Kemp
Kolbe
Konnyu
Kyl
Lagomarsino
Latta
Lewis (CA)
Lewis (FL)
Lightfoot
Lott
Lowery (CA)
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Marlenee
Martin (IL)
McCandless
McCollum
McMillan (NC)
Meyers
Michel
Moorhead
Neal
Nelson
Nielson
Olin
Oxley
Packard
Penny
Petri
Pickett
Porter
Rangel
Ray
Rhodes
Roberts
Robinson
Roth
Rowland (CT)
Schaefer
Schroeder
Schulze
Sensenbrenner
Sharp
Shumway
Skelton
Slattery
Slaughter (VA)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Solomon
Stenholm
Stump
Sundquist
Sweeney
Swindall
Tauke
Thomas (CA)
Upton
Valentine
Vucanovich
Walker
Weber
Weldon
Wolf
Wylie
Young (FL)

NOES—269

Ackerman
Akaka
Alexander
Anderson
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Beilenson
Bentley
Berman
Bevill
Biaggi
Bilbray
Boehlert
Boggs
Bonior (MI)
Bonker
Borski
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Byron
Campbell
Cardin
Carr
Chappell
Clarke
Clay
Clinger
Coats
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Cooper
Courter
Coyne
Crockett
Davis (MI)
de la Garza
DeFazio
Dellums
Dixon
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flake
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gilman
Glickman
Gonzalez
Gordon
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hamilton
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hochbrueckner
Horton
Howard
Hoyer
Huckaby
Hughes
Hutto
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Lowry (WA)
Lujan
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McEwen
McGrath
McHugh
McMillen (MD)
Mfume
Mica
Miller (CA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Nichols
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Owens (UT)
Panetta
Patterson
Pease
Pelosi
Pepper
Perkins
Pickle
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Ravenel
Regula
Ridge
Rinaldo
Ritter
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roukema
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Scheuer
Schneider
Schuette
Schumer
Shaw
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith, Robert (OR)
Snowe
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolpe
Wortley
Wyden
Yates
Yatron
Young (AK)

NOT VOTING—18

Archer
Boland
Boner (TN)
Bosco
Bustamante
Dicks
Dingell
Foley
Gephardt
Hammerschmidt
Lantos
Leach (IA)
Livingston
Miller (OH)
Miller (WA)
Parris
Pashayan
Richardson

□ 1315

The Clerk announced the following pair:

On this vote:

Mr. Miller of Washington for, with Mr. Dingell against.

Messrs. GEJDENSON, COATS, WISE, HENRY, and MARKEY changed their votes from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SALARIES AND EXPENSES

For necessary expenses of administering the economic development assistance programs as provided for by law, $25,800,000: *Provided*, That the full time permanent positions for the Economic Development Administration shall not be fewer than 375 and that the number of Deputy Assistant Secretary positions shall not be greater than four: *Provided,* That these funds may be used to monitor projects approved pursuant to title I of the Public Works Employment Act of 1976, as amended, title II of the Trade Act of 1974, as amended, and the Community Emergency Drought Relief Act of 1977. Notwithstanding any other provision of this Act or any other law, funds appropriated in this paragraph shall be used to fill and maintain forty-nine permanent positions designated as Economic Development Representatives out of the total number of permanent positions funded in the Salaries and Expenses account of the Economic Development Administration for fiscal year 1988.

Mr. GREEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this occasion to express my appreciation to the distinguished chairman of the Appropriations Subcommittee and its distinguished ranking minority member for including in their report language urging the United Nations to provide wider access to the U.N. War Crimes Commission files.

Those files were closed by the U.N. Secretary General in 1949. I emphasize they were not closed by the 17 governments who handed over the war crimes files.

I should further like to point out that support for opening the files is beginning to spread. Whereas at one point Australia was the only one of the 17 commission governments to support opening the files, the United States as well as Yugoslavia, the Netherlands, Greece, and Denmark all now support access to the files by those governments and persons defined in the report language.

I want to thank the distinguished chairman again and I hope that our Government and the Congress will continue to apply pressure to the Secretary General of the United Nations so that we may have access to those files.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

INTERNATIONAL TRADE ADMINISTRATION

OPERATIONS AND ADMINISTRATION

For necessary expenses for international trade activities of the Department of Commerce, including trade promotional activities abroad without regard to the provisions of law set forth in 44 U.S.C. 3702 and 3703; full medical coverage for dependent members of immediate families of employees stationed overseas; employment of Americans and aliens by contract for services abroad; rental of space abroad for periods not exceeding ten years, and expenses of alteration, repair, or improvement; purchase of construction of temporary demountable exhibition structures for use abroad; payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries; not to exceed $253,000 for official representation expenses abroad; awards of compensation to informers under the Export Administration Act of 1979, and as authorized by 22 U.S.C. 401(b); purchase of passenger motor vehicles for official use abroad and motor vehicles for law enforcement use with special requirement vehicles eligible for purchase without regard to any price limitation otherwise established by law; $216,500,000 to remain available until expended: *Provided,* That the provisions of the first sentence of section 105(f) and all of section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455(f) and 2458(c)) shall apply in carrying out these activities. Notwithstanding any other provision of law, upon the request of the Secretary of Commerce, the Secretary of State shall accord the diplomatic title of Minister-Counselor to the senior Commercial Officer assigned to any United States mission abroad: *Provided further,* That the number of Commercial Service officers accorded such diplomatic title at any time shall not exceed eight.

MINORITY BUSINESS DEVELOPMENT AGENCY

MINORITY BUSINESS DEVELOPMENT

For necessary expenses of the Department of Commerce in fostering, promoting, and developing minority business enterprise, including expenses of grants, contracts, and other agreements with public or private organization, $43,400,000, of which $28,548,000 shall remain availabe until expended: *Provided,* That not to exceed $14,852,000 shall be available for program management for fiscal year 1988: *Provided further,* That none of the funds appropriated in this paragraph or in this title for the Department of Commerce shall be available to reimburse the fund established by 15 U.S.C. 1521 on account of the performance of a program, project, or activity, nor shall such fund be available for the performance of a program, project, or activity, which had not been performed as a central service pursuant to 15 U.S.C. 1521 before July 1, 1982, unless the Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such action in accordance with the Committees' reprogramming procedures.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of activities authorized by law for the National Oceanic and Atmospheric Administration, including acquisition, maintenance, operation, and hire of aircraft; 399 commissioned officers on the active list; construction of facilities, including initial equipment; alteration, modernization, and relocation of facilities; and acquisition of land for facilities; $1,152,120,000 to remain available until expended; and in addition, $29,000,000 shall be derived from the Airport and Airways Trust Fund; and in addition, $51,800,000 shall be derived by transfer from the Fund entitled "Promote and Develop Fishery Products and Research Pertaining to American Fisheries"; and in addition, $15,900,000 shall be derived by transfer from the Coastal Energy Impact Fund: *Provided,* That grants to States pursuant to section 306 and section 306(a) of the Coastal Zone Management Act, as amended, shall not exceed $2,000,000 and shall not be less than $450,000.

AMENDMENT OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FASCELL: On page 6, line 16 of the bill strike "$1,152,120,000" and insert "$1,152,520,000" and on page 7, line 2, delete the period and add: ": *Provided further,* That $400,000 of the funds made available under this paragraph shall be used for a semi-tropical research facility located at Key Largo, Florida.".

Mr. FASCELL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. Chairman, I am pleased to note that the committee has once again expressed its interest in NOAA's Undersea Research Program. This is an important program that serves the national interests of the United States. by providing research, education and experience regarding all phases of the underseas. The committees action will assure continuation of the St. Croix facility which will open this year.

This amendment will provide a little more money to complement NOAA's program and the St. Croix facility. For very little money, NOAA can have another cooperative center at Key Largo, FL, similar to those already in existence.

There are many advantages for this concept which can be maintained for a minimal annual cost:

First, Key Largo is adjacent to the NOAA marine sanctuary.

Second, support facilities for the underwater classroom already exist and are available by contract, including—air-conditioned labs, wet labs, classroom/lecture facility, biology lab equipped, air-conditioned dorms, large machine shop and workshop equipped, full communications, boats, library, et cetera.

Third, opportunity to study the only living reef in the continental United States which is an excellent study area.

Fourth, Key Largo is highly accessible to scientists and support personnel. Anyone can drive to Key Largo.

Fifth, service can be provided which will be cost effective for the United States.

Sixth, personnel headed for St. Croix who require refresher courses or orientation can do so easily at a Key Largo facility.

Because it is in support of a vital U.S. program which the committee has recognized, I urge my colleagues to support this modest addition for a Key Largo program in Monroe County, FL.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I will be happy to yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I thank the gentleman for yielding.

Mr. Chairman, this is within the confines of our tentative 302(b) allocation and I do not have any objection to the amendment.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. I thank the gentleman for yielding.

Mr. Chairman, we have no objection to the amendment.

Mr. FASCELL. Mr. Chairman, I thank the gentleman and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. FASCELL].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FISHERMEN'S CONTINGENCY FUND

For carrying out the provisions of title IV of Public Law 95-372, not to exceed $750,000, to be derived from receipts collected pursuant to that Act, to remain available until expended.

FOREIGN FISHING OBSERVER FUND

For expenses necessary to carry out the provisions of the Atlantic Tunas Convention Act of 1975, as amended (Public Law 96-339), the Magnuson Fishery Conservation and Management Act of 1976, as amended (Public Law 94-265), and the American Fisheries Promotion Act (Public Law 96-561), there are appropriated from the fees imposed under the foreign fishery observer program authorized by these Acts, not to exceed $2,500,000, to remain available until expended.

PATENT AND TRADEMARK OFFICE

SALARIES AND EXPENSES

For necessary expenses of the Patent and Trademark Office, including defense of suits instituted against the Commissioner of Patents and Trademarks, $130,700,000 and, in addition, such fees as shall be collected pursuant to 15 U.S.C. 1113 and 35 U.S.C. 41 and 376, to remain available until expended.

NATIONAL BUREAU OF STANDARDS

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

For necessary expenses of the National Bureau of Standards, $139,500,000, to remain available until expended, of which not to exceed $3,420,000 may be transferred to the "Working Capital Fund".

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses, as provided for by law, of the National Telecommunications and Information Administration, $14,500,000, of which $700,000 shall remain available until expended.

PUBLIC TELECOMMUNICATIONS FACILITIES, PLANNING AND CONSTRUCTION

For grants authorized by section 392 of the Communications Act of 1934, as amended, $20,500,000 to remain available until expended: *Provided,* That not to exceed $1,200,000 shall be available for program management as authorized by section 391 of the Communications Act of 1934, as amended: *Provided further,* That notwithstanding the provisions of section 391 of the Communications Act of 1934, as amended, the prior year unobligated balances may be made available for grants for projects for which applications have been submitted and approved during any fiscal year.

GENERAL PROVISIONS—DEPARTMENT OF COMMERCE

SEC. 101. During the current fiscal year, applicable appropriations and funds available to the Department of Commerce shall be available for the activities specified in the Act of October 26, 1949 (15 U.S.C. 1514), to the extent and in the manner prescribed by said Act, and, notwithstanding 31 U.S.C. 3324, may be used for advance payments not otherwise authorized only upon the certification of officials designated by the Secretary that such payments are in the public interest.

SEC. 102. During the current fiscal year, appropriations to the Department of Commerce which are available for salaries and expenses shall be available for hire of passenger motor vehicles; services as authorized by 5 U.S.C. 3109; and uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902).

SEC. 103. No funds in this title shall be used to sell to private interests, except with the consent of the borrower, or contract with private interests to sell or administer, any loans made under the Public Works and Economic Development Act of 1965 or any loans made under section 254 of the Trade Act of 1974.

SEC. 104. During the current fiscal year, the National Bureau of Standards is authorized to accept contributions of funds, to remain available until expended, from any public or private source to construct a facility for cold neutron research on materials, notwithstanding the limitations contained in 15 U.S.C. 278d.

This title may be cited as the "Department of Commerce Appropriation Act, 1988".

TITLE II—DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For expenses necessary for the administration of the Department of Justice, $90,400,000.

UNITED STATES PAROLE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the United States Parole Commission, as authorized by law, $12,250,000.

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For expenses necessary for the legal activities of the Department of Justice, not otherwise provided for, including not to exceed $20,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate; and rent of private or Government-owned space in the District of Columbia; $284,400,000, of which not to exceed $6,000,000 for litigation support contracts shall remain available under September 30, 1989: *Provided,* That of the funds available in this appropriation, $5,000,000 shall be available for office automation systems for the legal divisions covered by this appropriation, and for the United States Attorneys, the Anti-trust Division, and offices funded through Salaries and expenses, General Administration, to remain available until expended: *Provided further,* That of the funds appropriated to the Department of Justice in this Act, not to exceed $1,000,000, may be transferred to this appropriation to pay expenses related to the activities of any Independent Counsel appointed pursuant to 28 U.S.C. 591, et seq., upon notification by the Attorney General to the Committees on Appropriations of the House of Representatives and the Senate and approval under said Committees' policies concerning the reprogramming of funds: *Provided further,* That amounts obligated under the heading, Salaries and expenses, Antitrust Division, shall be merged under this appropriation: *Provided further,* That the Chief, U.S. National Central Bureau, INTERPOL, may establish and collect fees to process name checks and background records for noncriminal employment, licensing, and humanitarian purposes and, notwithstanding the provisions of 31 U.S.C. 3302, credit not more than $150,000 of such fees to this appropriation to be used for salaries and other expenses incurred in providing these services.

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

For necessary expenses of the Offices of the United States Attorneys, $391,700,000.

UNITED STATES TRUSTEES SYSTEM FUND

For the necessary expenses of the United States Trustees Program, $50,600,000, for activities authorized by Sec. 115 of the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (Public Law 99-554): *Provided,* That deposits to the Fund are available in such amounts as may be necessary to pay refunds due depositors.

SALARIES AND EXPENSES, FOREIGN CLAIMS SETTLEMENT COMMISSION

For expenses necessary to carry out the activities of the Foreign Claims Settlement Commission, including services as authorized by 5 U.S.C. 3109; allowances and benefits similar to those allowed under the Foreign Service Act of 1980 as determined by the Commission; expenses of packing, shipping, and storing personal effects of personnel assigned abroad; rental or lease, for such periods as may be necessary, of office space and living quarters of personnel assigned abroad; maintenance, improvement, and repair of properties rented or leased abroad, and furnishing fuel, water, and utilities for such properties; insurance on official motor vehicles abroad; advances of funds abroad; advances or reimbursements to other Government agencies for use of their facilities and services in carrying out the functions of the Commission; hire of motor vehicles for field use only; and employment of aliens; $500,000.

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

For necessary expenses of the United States Marshals Service; including acquisition, lease, maintenance, and operation of vehicles and aircraft; $182,800,000: *Provided,* That notwithstanding the provisions of title 31 U.S.C. 3302, the Director of the United States Marshals Service may collect fees and expenses for the service of civil process, including: complaints, summonses, subpoenas and similar process; and seizures, levies, and sales associated with judicial orders of execution; and credit not to exceed $1,000,000 of such fees to this appropriation to be used for salaries and other expenses incurred in providing these services.

SUPPORT OF UNITED STATES PRISONERS

For support of United States prisoners in non-Federal institutions, $74,800,000, which shall remain available until expended; of which not to exceed $5,000,000 shall be available under the Cooperative Agreement Program for the purpose of renovating, constructing, and equipping State and local correctional facilities; *Provided,* That amounts made available for constructing any local correctional facility shall not exceed the cost of constructing space for the average Federal prisoner population to be housed in the facility, or in other facilities in the same correctional system, as projected by the Attorney General: *Provided further,* That following agreement on or completion of any

Federally assisted correctional facility construction, the availability of the space acquired from Federal prisoners with these Federal funds shall be assured and the per diem rate charged for housing Federal prisoners in the assured space shall not exceed operating costs for the period of time specified in the cooperative agreement.

FEES AND EXPENSES OF WITNESSES

For expenses, mileage, compensation, and per diems of witnesses and for per diems in lieu of subsistence, as authorized by law, including advances; $56,000,000, to remain available until expended, of which not to exceed $1,350,000 may be made available for planning, construction, renovation, maintenance, remodeling, and repair of buildings and the purchase of equipment incident thereto for protected witness safesites.

SALARIES AND EXPENSES, COMMUNITY RELATIONS SERVICE

For necessary expenses of the Community Relations Service, established by title X of the Civil Rights Act of 1964, $29,100,000, of which $21,740,000 shall remain available until expended to make payments in advance for grants, contracts and reimbursable agreements and other expenses necessary under section 501(c) of the Refugee Education Assistance Act of 1980 (Public Law 96-422; 94 Stat. 1809) for the processing, care, maintenance, security, transportation and reception and placement in the United States of Cuban and Haitian entrants: *Provided*, That notwithstanding section 501(e)(2)(B) of the Refugee Education Assistance Act of 1980 (Public Law 96-422; 94 Stat. 1810), funds may be expended for assistance with respect to Cuban and Haitian entrants as authorized under section 501(c) of such Act.

ASSETS FORFEITURE FUND

For expenses authorized by 28 U.S.C. 524, as amended by the Comprehensive Forfeiture Act of 1984 and the Anti-Drug Abuse Act of 1986, such sums as may be necessary to be derived from the Department of Justice Assets Forfeiture Fund: *Provided*, That payments made to reimburse State or local agencies pursuant to section 524(c)(1)(A) of title 28, United States Code may not be made prior to October 1, 1988.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For expenses necessary for detection, investigation, and prosecution of crimes against the United States; including purchase for police-type use of not to exceed 1,697 passenger motor vehicles of which 1,650 will be for replacement only, without regard to the general purchase price limitation for the current fiscal year, and hire of passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; and not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; $1,403,100,000, of which not to exceed $10,000,000 for automated data processing and telecommunications and $1,000,000 for undercover operations shall remain available until September 30, 1989; of which $3,000,000 for research related to investigative activities shall remain available until expended; and of which not to exceed $500,000 is authorized to be made available for making payments or advances for expenses arising out of contractual or reimbursable agreements with State and local law enforcement agencies while engaged in cooperative activities related to terrorism: *Provided*, That the Director of the Federal Bureau of Investigation may establish and collect fees to process fingerprint identification records for non-criminal employment and licensing purposes, and notwithstanding the provisions of 31 U.S.C. 3302, credit not more than $17,500,000 of such fees to this appropriation to be used for salaries and other expenses incurred in providing these services: *Provided further*, That not to exceed $45,000 shall be available for official reception and representation expenses: *Provided further*, That $8,000,000 for the expansion and renovation of the New York field office shall remain available until expended.

DRUG ENFORCEMENT ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Drug Enforcement Administration, including not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; purchase of not to exceed 525 passenger motor vehicles of which 489 are for replacement only for police-type use without regard to the general purchase price limitation for the current fiscal year; and acquisition, lease, maintenance, and operation of aircraft; $521,400,000, of which not to exceed $1,200,000 for research shall remain available until expended; not to exceed $1,700,000 for purchase of evidence and payments for information, not to exceed $4,000,000 for contracting for ADP and telecommunications equipment, and not to exceed $2,000,000 for technical equipment shall remain available until September 30, 1989.

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

For expenses, not otherwise provided for, necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, including not to exceed $50,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and accounted for solely on his certificate; purchase for police-type use (not to exceed 1,670, of which 490 shall be for replacement only) and hire of passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; and research related to immigration enforcement; $769,300,000, of which not to exceed $400,000 for research shall remain available until expended: *Provided*, That none of the funds available to the Immigration and Naturalization Service shall be available for administrative expenses to pay any employee overtime pay in an amount in excess of $25,000 except in such instances when the Commissioner makes a determination that this restriction is impossible to implement: *Provided further*, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year.

In addition, $46,000,000 shall be available for expenses, not otherwise provided for, necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration.

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES

For expenses necessary for the administration, operation, and maintenance of Federal penal and correctional institutions, including purchase (not to exceed 142 of which 106 are for replacement only) and hire of law enforcement and passenger motor vehicles; $745,700,000: *Provided*, That there may be transferred to the Health Resources and Services Administration such amounts as may be necessary, in the discretion of the Attorney General, for direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions: *Provided further*, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year.

NATIONAL INSTITUTE OF CORRECTIONS

For carrying out the provisions of sections 4351-4353 of title 18, United States Code, which established a National Institute of Corrections, $10,000,000, to remain available until expended.

Mr. SMITH of Iowa [during the reading]. Mr. Chairman, I ask unanimous consent that the bill be considered as read through line 15, page 19, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN. Are there any points of order against this section of the bill?

Are there any amendments to this section of the bill?

Mr. MOLINARI. Mr. Chairman, I move to strike the last word and do so for the purpose of entering into a colloquy with the gentleman from Iowa [Mr. SMITH].

Mr. Chairman, this legislation provides that $8 million for the expansion and renovation of the New York field office of the FBI shall remain available until expended. It is my understanding that this is not for any repair or alteration work which would require authorization subject to the Public Buildings Act of 1959, but is included as a means for the FBI to acquire necessary and needed equipment for the New York office.

Mr. SMITH of Iowa. That is correct.

Mr. MOLINARI. I thank the gentleman for clarifying that point.

□ 1330

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

BUILDINGS AND FACILITIES

For planning, acquisition of sites and construction of new facilities; purchase and acquisition of facilities and remodeling and equipping of such facilities for penal and correctional use, including all necessary expenses incident thereto, by contract or force account; and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, $210,300,000 to remain available until expended: *Provided*, That labor of United States prisoners may be used for work performed under this appropriation.

FEDERAL PRISON INDUSTRIES, INCORPORATED

The Federal Prison Industries, Incorporated, is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available, and in accord with the law, and to make such contracts and commitments, without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase of (not to exceed five for replacement only) and hire of passenger motor vehicles.

LIMITATION ON ADMINISTRATIVE AND VOCATIONAL EXPENSES, FEDERAL PRISON INDUSTRIES, INCORPORATED

Not to exceed $2,347,000 of the funds of the corporation shall be available for its administrative expenses, and not to exceed $7,571,000 for the expenses of vocational training of prisoners, both amounts to be available for services as authorized by 5 U.S.C. 3109, and to be computed on an accrual basis to be determined in accordance with the corporation's prescribed accounting system in effect on July 1, 1946, and such amounts shall be exclusive of depreciation, payment of claims, and expenditures which the said accounting system requires to be capitalized or charged to cost of commodities acquired or produced, including selling and shipping expenses, and expenses in connection with acquisition, construction, operation, maintenance, improvement, protection, or disposition of facilities and other property belonging to the corporation or in which it has an interest.

Office of Justice Programs

JUSTICE ASSISTANCE

For grants, contracts, cooperative agreements, and other assistance authorized by the Justice Assistance Act of 1984, Runaway Youth and Missing Children Act Amendments of 1984, and the Missing Children Assistance Act including salaries and expenses in connection therewith, $129,708,000, and for grants as authorized by the State and Local Law Enforcement Assistance Act of 1986 (Public Law 99-570, 100 Stat. 3207-42 to 3207-48), including salaries and expenses in connection therewith, $75,000,000 to remain available until expended, and for grants, contracts, cooperative agreements, and other assistance authorized by title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, including salaries and expenses in connection therewith, $70,692,000 to remain available until expended, of which not less than $50,000,000 shall be allotted under Subpart I of Part B of the Act. In addition, $5,000,000 for the purpose of making grants to States for their expenses by reason of Mariel Cubans having to be incarcerated in State facilities for terms requiring incarceration for the full period October 1, 1987 through September 30, 1988, following their conviction of a felony committed after having been paroled into the United States by the Attorney General: *Provided*, That within thirty days of enactment of this Act the Attorney General shall announce in the Federal Register that this appropriation will be made available to the States whose Governors certify by February 1, 1988, a listing of names of such Mariel Cubans incarcerated in their respective facilities: *Provided further*, That the Attorney General, not later than April 1, 1988, will complete his review of the certified listings of such incarcerated Mariel Cubans, and make grants to the States on the basis that the certified number of such incarcerated persons in a State bears to the total certified number of such incarcerated persons: *Provided further*, That the amount of reimbursements per prisoner per annum shall not exceed $12,000.

General Provisions—Department of Justice

Sec. 201. A total of not to exceed $75,000 from funds appropriated to the Department of Justice in this title shall be available for official reception and representation expenses in accordance with distributions, procedures, and regulations established by the Attorney General.

Sec. 202. Notwithstanding any other provision of law, materials produced by convict labor may be used in the construction of any highways or portion of highways located on Federal-aid systems, as described in section 103 of title 23, United States Code.

Sec. 203. Appropriations for "Salaries and expenses, General Administration", "Salaries and expenses, United States Marshals Service", "Salaries and expenses, Federal Bureau of Investigation", "Salaries and expenses, Drug Enforcement Administration", "Salaries and expenses, Immigration and Naturalization Service", and "Salaries and expenses, Federal Prison System", shall be available for uniforms and allowances therefor as authorized by law (5 U.S.C. 5901-5902).

Sec. 204. (a) Subject to subsection (b) of this section, authorities contained in Public Law 96-132, "The Department of Justice Appropriation Authorization Act, Fiscal Year 1980", shall remain in effect until the termination date of this Act or until the effective date of a Department of Justice Appropriation Authorization Act, whichever is earlier.

(b)(1) With respect to any undercover investigative operation of the Federal Bureau of Investigation or the Drug Enforcement Administration which is necessary for the detection and prosecution of crimes against the United States or for the collection of foreign intelligence or counterintelligence—

(A) sums authorized to be appropriated for the Federal Bureau of Investigation and for the Drug Enforcement Administration, for fiscal year 1988, may be used for purchasing property, buildings, and other facilities, and for leasing space, within the United States, the District of Columbia, and the territories and possessions of the United States, without regard to section 1341 of title 31 of the United States Code, section 3732(a) of the Revised Statutes (41 U.S.C. 11(a)), section 305 of the Act of June 30, 1949 (63 Stat. 396; 41 U.S.C. 255), the third undesignated paragraph under the heading "Miscellaneous" of the Act of March 3, 1877 (19 Stat. 370; 40 U.S.C. 34), section 3324 of title 31 of the United States Code, section 3741 of the Revised Statutes (41 U.S.C. 22), and subsections (a) and (c) of section 304 of the Federal Property and Administrative Service Act of 1949 (63 Stat. 395; 41 U.S.C. 254 (a) and (c)),

(B) sums authorized to be appropriated for the Federal Bureau of Investigation and for the Drug Enforcement Administration, for fiscal year 1988, may be used to establish or to acquire proprietary corporations or business entities as part of an undercover investigative operation, and to operate such corporations or business entities on a commercial basis, without regard to section 9102 of title 31 of the United States Code,

(C) sums authorized to be appropriated for the Federal Bureau of Investigation and for the Drug Enforcement Administration, for fiscal year 1988, and the proceeds from such undercover operation, may be deposited in banks or other financial institutions, without regard to section 648 of title 18 of the United States Code and section 3302 of title 31 of the United States Code, and

(D) proceeds from such undercover operation may be used to offset necessary and reasonable expenses incurred in such operation, without regard to section 3302 of title 31 of the United States Code,

only, in operations designed to detect and prosecute crimes against the United States, upon the written certification of the Director of the Federal Bureau of Investigation (or if designated by the Director, a member of the Undercover Operations Review Committee established by the Attorney General in the Attorney General's Guidelines on Federal Bureau of Investigation Undercover Operations, as in effect on July 1, 1983) of the Administrator of the Drug Enforcement Administration, as the case may be, and the Attorney General (or, with respect to Federal Bureau of Investigation undercover operations, if designated by the Attorney General, a member of such Review Committee), that any action authorized by subparagraph (A), (B), (C), or (D) is necessary for the conduct of such undercover operation. If the undercover operation is designed to collect foreign intelligence or counterintelligence, the certification that any action authorized by subparagraph (A), (B), (C), or (D) is necessary for the conduct of such undercover operation shall be by the Director of the Federal Bureau of Investigation (or, if designated by the Director, the Assistant Director, Intelligence Division) and the Attorney General (or, if designated by the Attorney General, the Counsel for Intelligence Policy). Such certification shall continue in effect for the duration of such undercover operation, without regard to fiscal years.

(2) As soon as the proceeds from an undercover investigative operation with respect to which an action is authorized and carried out under subparagraphs (C) and (D) of subsection (a) are no longer necessary for the conduct of such operation, such proceeds or the balance of such proceeds remaining at the time shall be deposited in the Treasury of the United States as miscellaneous receipts.

(3) If a corporation or business entity established or acquired as part of an undercover operation under subparagraph (B) of paragraph (1) with a net value of over $50,000 is to be liquidated, sold, or otherwise disposed of, the Federal Bureau of Investigation or the Drug Enforcement Administration, as much in advance as the Director or the Administrator, or the designee of the Director or the Administrator, determines is practicable, shall report the circumstances to the Attorney General and the Comptroller General. The proceeds of the liquidation sale, or other disposition, after obligations are met, shall be deposited in the Treasury of the United States as miscellaneous receipts.

(4)(A) The Federal Bureau of Investigation or the Drug Enforcement Administration, as the case may be, shall conduct a detailed financial audit of each undercover investigative operation which is closed in fiscal year 1988—

(i) submit the results of such audit in writing to the Attorney General, and

(ii) not later than 180 days after such undercover operation is closed, submit a report to the Congress concerning such audit.

(B) The Federal Bureau of Investigation and the Drug Enforcement Administration shall each also submit a report annually to the Congress specifying as to their respective undercover investigative operations—

(i) the number, by programs, of undercover investigative operations pending as of the end of the one-year period for which such report is submitted,

(ii) the number, by programs, of undercover investigative operations commenced in the one-year period preceding the period for which such report is submitted, and

(iii) the number, by programs, of undercover investigative operations closed in the one-year period preceding the period for which such report is submitted and, with respect to each such closed undercover operations, the results obtained. With respect to each such closed undercover operation which involves any of the sensitive circumstances specified in the Attorney General's Guidelines on Federal Bureau of Investigation Undercover Operations, such report shall contain a detailed description of the operation and related matters, including information pertaining to—

(I) the results,

(II) any civil claims, and

(III) identification of such sensitive circumstances involved, that arose at any time during the course of such undercover operation.

(5) For purposes of paragraph (4)—

(A) the term "closed" refers to the earliest point in time at which—

(i) all criminal proceedings (other than appeals) are conducted, or

(ii) covert activities are concluded, whichever, occurs later,

(B) the term "employees" means employees, as defined in section 2105 of title 5 of the United States Code, of the Federal Bureau of Investigation, and

(C) the terms "undercover investigative operations" and "undercover operation" means any undercover investigative operation of the Federal Bureau of Investigation or the Drug Enforcement Administration (other than a foreign counterintelligence undercover investigative operation)—

(i) in which—

(I) the gross receipts (excluding interest earned) exceed $50,000, or

(II) expenditures (other than expenditures for salaries of employees) exceed $150,000, and

(ii) which is exempt from section 3302 or 9102 of title 31 of the United States Code,

except that clauses (i) and (ii) shall not apply with respect to the report required under subparagraph (B) of such paragraph.

SEC. 205. None of the funds appropriated or made available by this Act shall be used prior to October 1, 1988, to issue or implement any final rule in the rule-making proceeding commenced August 8, 1986 (51 Fed. Reg. 28576-28589).

SEC. 206. None of the funds appropriated by this title shall be available to pay for an abortion, except where the life of the mother would be endangered if the fetus were carried to term or in the case of rape: *Provided*, That should this prohibition be declared unconstitutional by a court of competent jurisdiction, this section shall be null and void.

This title may be cited as the "Department of Justice Appropriation Act, 1988".

TITLE III—DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

SALARIES AND EXPENSES

For necessary expenses of the Department of State and the Foreign Service, not otherwise provided for, including obligations of the United States abroad pursuant to treaties, international agreements, and binational contracts (including obligations assumed in Germany on or after June 5, 1945), expenses authorized by section 9 of the Act of August 31, 1964, as amended (31 U.S.C. 3721), and section 2 of the State Department Basic Authorities Act of 1956, as amended (22 U.S.C. 2669); telecommunications; expenses necessary to provide maximum physical security in Government-owned and leased properties and vehicles abroad; permanent representation to certain international organizations in which the United States participates pursuant to treaties, conventions, or specific Acts of Congress; acquisition by exchange or purchase of vehicles as authorized by law, except that special requirement vehicles may be purchased without regard to any price limitation otherwise established by law; $1,688,600,000: *Provided*, That none of these funds shall be available for the Office of Public Diplomacy for Latin America and the Caribbean.

REPRESENTATION ALLOWANCES

For representation allowances as authorized by section 905 of the Foreign Service Act of 1980, as amended (22 U.S.C. 4085), and for representation by United States missions to the United Nations and the Organization of American States, $4,000,000.

PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

For expenses, not otherwise provided, to enable the Secretary of State to provide for extraordinary protective services in accordance with the provisions of section 214 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4314), and to provide for the protection of foreign missions in accordance with the provisions of 3 U.S.C. 208, $9,000,000.

ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD

For necessary expenses for carrying out the Foreign Service Buildings Act of 1926, as amended (22 U.S.C. 292-300), $313,100,000, to remain available until expended: *Provided*, That the funds appropriated in this paragraph shall be available subject to the approval of the House and Senate Committees on Appropriations under said Committees' policies concerning the reprogramming of funds contained in House Report 100: *Provided further*, That none of the funds appropriated in this paragraph shall be available for acquisition of furniture and furnishings and generators for other departments and agencies.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

For expenses necessary to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service pursuant to the requirement of 31 U.S.C. 3526(e), $4,000,000, to remain available until expended.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

For necessary expenses to carry out the Taiwan Relations Act, Public Law 96-8 (93 Stat. 14), $9,379,000.

Mr. SMITH of Iowa (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read through line 15, page 32, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN. Are there any points of order against the section which has been referred to?

Are there any amendments to the section which has been referred to?

Mr. MOLINARI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to engage in a colloquy with the gentleman from Iowa [Mr. SMITH], the chairman of the subcommittee.

Mr. Chairman, section 204 of H.R. 2763 provides that with respect to any undercover investigative operation of the FBI or the DEA which is necessary for the detection and prosecution of crimes against the United States or for the collection of foreign intelligence or counterintelligence, funds authorized to be appropriated in fiscal year 1988 may be used for purchasing property, buildings, and other facilities, and for leasing space, within the United States, District of Columbia, and territories and possessions of the United States.

Is the intent of section 204 to allow such funds to be used for the acquisition of a facility for the Washington field office for the FBI within the District of Columbia for which $10 million was provided for the relocation of such facility in Public Law 98-166?

Mr. SMITH of Iowa. Mr. Chairman, if the gentleman will yield, no; this language was added for another purpose, and it is not intended that these funds would be used for the relocation or establishment of the FBI's Washington field office.

Mr. MOLINARI. Mr. Chairman, I thank the gentleman for clarifying the point.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the Foreign Service Retirement and Disability Fund, as authorized by law, $86,000,000.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties, conventions, or specific Acts of Congress, $382,000,000, to remain available until expended, of which $142,000,000 shall become available for expenditure on October 1, 1988: *Provided*, That none of the funds appropriated in this paragraph shall be available for a United States contribution to an international organization for the United States share of interest costs made known to the United States Government by such organization for loans incurred on or after October 1, 1984, through external borrowings.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For payments, not otherwise provided for, by the United States for expenses of the United Nations peacekeeping forces $29,400,000.

INTERNATIONAL CONFERENCES AND CONTINGENCIES

For necessary expenses authorized by section 5 of the State Department Basic Authorities Act of 1956, contributions for the United States share of general expenses of international organizations and representation to such organizations, and personal services without regard to civil service and classification laws, $4,600,000, to remain available until expended, of which not to exceed $200,000 may be expended for representation as authorized by law.

International Commissions

For necessary expenses, not otherwise provided for, to meet obligations of the United States arising under treaties, conventions, or specific Acts of Congress, as follows:

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

For necessary expenses for the United States Section of the United States and Mexico International Boundary and Water Commission, and to comply with laws applicable to the United States Section; and leasing of private property to remove therefrom sand, gravel, stone, and other materials, without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5); as follows:

SALARIES AND EXPENSES

For salaries and expenses, not otherwise provided for, including preliminary surveys, operation and maintenance of the interceptor system to be constructed to intercept sewage flows from Tijuana and from selected canyon areas as currently planned, and the operation and maintenance upon completion of the proposed Environmental Protection Agency and Corps of Engineers pipeline and plant project to capture Tijuana sewage flows in the event of a major breakdown in Mexico's conveyance system, $10,700,000: *Provided*, That expenditures for the Rio Grande bank protection project shall be subject to the provisions and conditions contained in the appropriation for said project as provided by the Act approved April 25, 1945 (59 Stat. 89): *Provided further*, That the Anzalduas diversion dam shall not be operated for irrigation or water supply purposes in the United States unless suitable arrangements have been made with the prospective water users for repayment to the Government of such portions of the cost of said dam as shall have been allocated to such purposes by the Secretary of State: *Provided further*, That not to exceed $500,000 of the amount appropriated in this paragraph shall be available to reimburse the city of San Diego, in the State of California, for expenses incurred in treating domestic sewage received from the city of Tijuana, in the State of Baja California, Mexico.

CONSTRUCTION

(INCLUDING TRANSFER OF FUNDS)

For detailed plan preparation and construction of authorized projects, including the Rio Grande Rectification Improvement project, to remain available until expended, $3,300,000: *Provided*, That activities for the New River project may be financed from these funds or from carryover balances under the heading, "International Boundary and Water Commission, United States and Mexico, Construction".

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

For necessary expenses, not otherwise provided for, including not to exceed $6,000 for representation, $3,700,000; for the International Joint Commission, including salaries and expenses of the Commissioners on the part of the United States who shall serve at the pleasure of the President; salaries of employees appointed by the Commissioners on the part of the United States with the approval solely of the Secretary of State; travel expenses and compensation of witnesses; and the International Boundary Commission, for necessary expenses, not otherwise provided for, including expenses required by awards to the Alaskan Boundary Tribunal and existing treaties between the United States and Canada or Great Britain.

INTERNATIONAL FISHERIES COMMISSIONS

For necessary expenses for international fisheries commissions, not otherwise provided for, $10,800,000: *Provided*, That the United States share of such expenses may be advanced to the respective commissions.

Other

UNITED STATES BILATERAL SCIENCE AND TECHNOLOGY AGREEMENTS

For expenses, not otherwise provided for, to enable the United States to participate in programs of scientific and technological cooperation with Yugoslavia, $1,900,000, to remain available until expended.

PAYMENT TO THE ASIA FOUNDATION

For a grant to the Asia Foundation, $13,700,000, to remain available until expended.

SOVIET-EAST EUROPEAN RESEARCH AND TRAINING

For expenses not otherwise provided to enable the Secretary of State to reimburse private firms and American institutions of higher education for research contracts and graduate training for development and maintenance of knowledge about the Soviet Union and Eastern European countries, $4,600,000.

FISHERMEN'S GUARANTY FUND

For expenses necessary to carry out the provisions of section 7 of the Fishermen's Protective Act of 1967, as amended, $1,800,000 to be derived from the receipts collected pursuant to that Act, to remain available until expended.

General Provisions—Department of State

Sec. 301. Funds appropriated under this title shall be available, except as otherwise provided, for allowances and differentials as authorized by subchapters 59 of 5 U.S.C.; for services as authorized by 5 U.S.C. 3109; and hire of passenger or freight transportation.

This title may be cited as the "Department of State Appropriation Act, 1988".

TITLE IV—THE JUDICIARY

Supreme Court of the United States

SALARIES AND EXPENSES

For expenses necessary for the operation of the Supreme Court, as required by law, excluding care of the building and grounds, including purchase, or hire, driving, maintenance and operation of an automobile for the Chief Justice and not to exceed $10,000 for the purpose of transporting Associate Justices, hire of passenger motor vehicles; not to exceed $10,000 for official reception and representation expenses; and for miscellaneous expenses, to be expended as the Chief Justice may approve; $15,900,000.

CARE OF THE BUILDING AND GROUNDS

For such expenditures as may be necessary to enable the Architect of the Capitol to carry out the duties imposed upon him by the Act approved May 7, 1934 (40 U.S.C. 13a-13b), including improvements, maintenance, repairs, equipment, supplies, materials, and appurtenances; special clothing for workmen; and personal and other services (including temporary labor without regard to the Classification and Retirement Acts, as amended), and for snow removal by hire of men and equipment or under contract, and for security installations both without compliance with section 3709 of the Revised Statutes, as amended (41 U.S.C. 5); $2,200,000, of which $75,000 shall remain available until expended.

United States Court of Appeals for the Federal Circuit

SALARIES AND EXPENSES

For salaries of the chief judge, judges, and other officers and employees, and for all necessary expenses of the court, $7,500,000.

United States Court of International Trade

SALARIES AND EXPENSES

For salaries of the chief judge and eight judges; salaries of the officers and employees of the court; services as authorized by 5 U.S.C. 3109; and necessary expenses of the court, including exchange of books and traveling expenses, as may be approved by the court; $8,100,000: *Provided*, That travel expenses of judges of the Court of International Trade shall be paid upon written certificate of the judge.

Courts of Appeals, District Courts, and Other Judicial Services

SALARIES AND EXPENSES

For the salaries of circuit and district judges (including judges of the territorial courts of the United States), justices and judges retired from office or from regular active service, judges of the Claims Court, bankruptcy judges, magistrates, and all other officers and employees of the Federal Judiciary not otherwise specifically provided for, and all necessary expenses of the courts, including the purchase of firearms and ammunition, $1,105,260,000: *Provided*, That, of the total amount appropriated, $500,000 is to remain available until expended for acquisition of books, periodicals, and newspapers, and all other legal reference materials, including subscriptions: *Provided further*, That the number of staff attorneys to be appointed in each of the courts of appeals shall not exceed the ratio of one attorney for each authorized judgeship, exclusive of the seven attorneys assigned preargument conference duties.

DEFENDER SERVICES

For the operation of Federal Public Defender and Community Defender organizations, the compensation and reimbursement of expenses of attorneys appointed to represent persons under the Criminal Justice Act of 1964, as amended, the compensation (in accordance with Criminal Justice Act maximums) and reimbursement of expenses of attorneys appointed to assist the court in criminal cases where the defendant has waived representation by counsel, and the compensation of attorneys appointed to represent jurors in civil actions for the protection of their employment, as authorized by law; $90,400,000 to remain available until expended.

FEES OF JURORS AND COMMISSIONERS

For fees and expenses and refreshments of jurors; compensation of jury commissioners; and compensation of commissioners appointed in condemnation cases pursuant to Rule 71A(h) of the Federal Rules of Civil Procedure; $50,400,000, to remain available until expended: *Provided*, That the compensation of land commissioners shall not exceed the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code.

COURT SECURITY

For necessary expenses, not otherwise provided for, incident to the procurement, installation, and maintenance of security equipment and protective services for the United States Courts in courtrooms and adjacent areas, including building ingress-egress control, inspection of packages, directed security patrols, and other similar activities; $42,600,000, to be expended directly or transferred to the United States Marshals Service which shall be responsible for administering elements of the Judicial Security Program consistent with standards or guidelines agreed to by the Director of the Administrative Office of the United States Courts and the Attorney General: *Provided*, That—

(a) subsections (a) and (b) of section 1332 of title 28, United States Code, are amended by striking out "$10,000" and inserting in lieu thereof "$25,000";

(b) section 1332(a) of title 28, United States Code, is amended by striking out paragraph (1) and by redesignating paragraphs (2) through (4), and all references thereto, as paragraphs (1) through (3), respectively;

(c)(1) the section heading for section 1332 of title 28, United States Code, is amended by striking out "Diversity of citizenship" and inserting in lieu thereof "Alienage";

(2) the item relating to section 1332 in the table of sections for chapter 85 of title 28, United States Code, is amended by striking out "Diversity of citizenship" and inserting in lieu thereof "Alienage";

(d)(1)(A) section 1332(c) of title 28, United States Code, is amended by striking out "section 1441" and inserting in lieu thereof" section 1335";

(B) section 1332(d) of title 28, United States Code, is amended by inserting immediately after "section" the following: "and section 1335 of this title";

(2)(A) section 1335(a)(1) of title 28, United States Code, is amended by striking out ", of diverse citizenship as defined in section 1332 of this title," and inserting in lieu thereof "of diverse citizenship";

(B) section 1335 of title 28, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) For purposes of this section, the term 'claimants of diverse citizenship' means claimants who are—

"(1) citizens of different States;

"(2) citizens of a State and citizens or subjects of a foreign state;

"(3) citizens of different States and in which citizens or subjects of a foreign state are additional parties; or

"(4) a foreign state, as defined in section 1603(a) of this title, and citizens of a State or of different States.";

(3) section 1342(1) of title 28, United States Code, is amended by striking out "diversity of citizenship" and inserting in lieu thereof "alienage";

(4)(A) section 1391(a) of title 28, United States Code, is amended by striking out "wherein jurisdiction is founded only on diversity of citizenship";

(B) section 1391 of title 28, United States Code, is amended by striking out subsection (b) and redesignating subsections (c) through (f) as subsections (b) through (e), respectively;

(5) section 1441 of title 28, United States Code, is amended by striking out subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c), respectively;

(e) the amendments made by this Act shall apply to any civil action commenced on or after the date of enactment of this Act.

POINT OF ORDER

Mr. GLICKMAN. Mr. Chairman, I make a point of order against this portion of the bill.

The CHAIRMAN. The gentleman will state his point of order.

Mr. GLICKMAN. Mr. Chairman, I make a point of order that the language beginning with the word, "provided" on page 41, line 13, through page 43, line 20, is in violation of clause 2(b) of Rule XXI of the House Rules.

Clause 2(b) of rule XXI states specifically that "no provision changing existing law shall be reported in any general appropriation bill * * *." This is known as the prohibition against legislation in an appropriation bill. It is clear that the language in question is legislative language, since it makes a substantial change in the relationship between parties in litigation by abolishing diversity of citizenship as a basis for jurisdiction in our Federal courts.

This provision is a substantive change in the law which changes 200 years of American jurisprudence, as it relates to how an American citizen is to get into Federal courts to sue.

For that reason, I believe it is legislation on an appropriations bill; and I would ask the Chair to sustain my point of order.

The CHAIRMAN. Does the gentleman from Iowa [Mr. SMITH] desire to be heard on the point of order?

Mr. SMITH of Iowa. No, I do not, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Kentucky [Mr. ROGERS] desire to be heard on the point of order?

Mr. ROGERS. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Kentucky is recognized.

Mr. ROGERS. Mr. Chairman, we are probably in the position of having to concede the point of order.

I would like, however, to say this: We are desperate in this bill for money for the judiciary. The caseload continues to grow and continues to grow.

We were attempting to try to find some money in savings by doing away with diversity of citizens jurisdiction for the Federal courts. It is a perfect way to do it. The House in fact passed such legislation twice, I think, during 1979 and 1980, and it failed to pass the other body.

I would hope that the members of the Judiciary Committee in this body would take cognizance of the need to save moneys and would pass out legislation again to the floor, allowing this body to act its will on a very important and what we think is a very efficient way to save funds and to satisfy the need for further judges down the pike.

Mr. KASTENMEIER. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KASTENMEIER].

Mr. KASTENMEIER. Mr. Chairman, at the risk of proceeding without responding directly to the point of order, the fact is that if the point of order succeeds, as I believe it will, it will mean we are $10 million short in the courts area. There was a crisis last year, and there is likely to be a crisis again this year about jury trials and all the rest.

I will tell the gentleman that in the Judiciary Committee and in the subcommittee I chair which deals with the subject of diversity, we will attempt to report something out which will go as authorization in the direction intended by this section, but I would also caution the Appropriations Committee that if that fails to succeed, we will have a crisis in shortage of money for the courts to which we will have to respond.

The CHAIRMAN (Mr. BROWN of California). For the reasons stated by the gentleman from Kansas [Mr. GLICKMAN], the Chair sustains the point of order and rules that this is legislation on an appropriations bill. The proviso will be stricken.

The Clerk will read.

The Clerk read as follows:

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

SALARIES AND EXPENSES

For necessary expenses of the Administrative Office of the United States Courts, including travel, advertising, hire of a passenger motor vehicle, and rent in the District of Columbia and elsewhere, $32,500,000, of which an amount not to exceed $5,000 is authorized for official reception and representation expenses.

FEDERAL JUDICIAL CENTER

SALARIES AND EXPENSES

For necessary expenses of the Federal Judicial Center, as authorized by Public Law 90-219, $11,000,000.

UNITED STATES SENTENCING COMMISSION

SALARIES AND EXPENSES

For the salaries and expenses necessary to carry out the provisions of chapter 58 of title 28, United States Code, $5,350,000.

GENERAL PROVISIONS—THE JUDICIARY

SEC. 401. Appropriations and authorizations made in this title which are available for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.

SEC. 402. Appropriations made in this title shall be available for salaries and expenses of the Temporary Emergency Court of Appeals authorized by Public Law 92-210 and the Special Court established under the Regional Rail Reorganization Act of 1973, Public Law 93-236.

SEC. 403. The position of Trustee Coordinator in the Bankruptcy Courts of the United States shall not be limited to persons with formal legal training.

SEC. 404. Notwithstanding any other provision of law, the Administrative Office of the United States Courts, or any other agency or instrumentality of the United States, is prohibited from restricting solely to staff of the Clerks of the United States Bankruptcy Courts the issuance of notices to creditors and other interested parties. The Administrative Office shall permit and encourage the preparation and mailing of such notices to be performed by or at the expense of the debtors, trustees or such other interested parties as the Court may direct and approve. The Director of the Administrative Office of the United States Courts shall make appropriate provisions for the use of and accounting for any postage required pursuant to such directives. The provisions of this paragraph shall terminate on October 1, 1988.

SEC. 405. Such fees as shall be collected for the preparation and mailing of notices in bankruptcy cases as prescribed by the Judicial Conference of the United States pursuant to 28 U.S.C. 1930(b) shall be deposited to the "Courts of Appeals, District Courts, and Other Judicial Services, Salaries and Expenses" appropriation to be used for salaries and other expenses incurred in providing these services.

SEC. 406. Pursuant to section 140 Public Law 97-92, during fiscal year 1988, justices and judges of the United States shall receive the same percentage increase in salary accorded to employees paid under the General Schedule (pursuant to 5 U.S.C. 5305).

This title may be cited as "The Judiciary Appropriation Act, 1988".

TITLE V—RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

OPERATING-DIFFERENTIAL SUBSIDIES (LIQUIDATION OF CONTRACT AUTHORITY)

For the payment of obligations incurred for operating-differential subsidies as authorized by the Merchant Marine Act, 1936, as amended, $250,300,000, to remain available until expended.

OCEAN FREIGHT DIFFERENTIAL

Such sums as may be necessary for fiscal year 1988 and thereafter are hereby appropriated to liquidate debt and pay interest due to the Secretary of the Treasury, as required by section 901d, Merchant Marine Act, 1936.

OPERATIONS AND TRAINING

For necessary expenses of operations and training activities authorized by law, $69,000,000, to remain available until expended: *Provided*, That reimbursements may be made to this appropriation from receipts to the "Federal Ship Financing Fund" for administrative expenses in support of that program.

ADMINISTRATIVE PROVISIONS—MARITIME ADMINISTRATION

Notwithstanding any other provision of this Act, the Maritime Administration is authorized to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving Government property under control of the Maritime Administration and payments received by the Maritime Administration for utilities, services, and repairs so furnished or made shall be credited to the appropriation charged with the cost thereof: *Provided*, That rental payments under any such lease, contract, or occupancy on account of items other than such utilities, services or repairs shall be covered into the Treasury as miscellaneous receipts.

No obligations shall be incurred during the current fiscal year from the construction fund established by the Merchant Marine Act, 1936, or otherwise, in excess of the appropriations and limitations contained in this Act, or in any prior appropriation Act and all receipts which otherwise would be deposited to the credit of said fund shall be covered into the Treasury as miscellaneous receipts.

ARMS CONTROL AND DISARMAMENT AGENCY

ARMS CONTROL AND DISARMAMENT ACTIVITIES

For necessary expenses, not otherwise provided for, for arms control and disarmament activities, including not to exceed $48,000 for official reception and representation expenses, authorized by the Act of September 26, 1961, as amended (22 U.S.C. 2551 et seq.), $27,500,000.

AMENDMENT OFFERED BY MR. ROGERS

Mr. ROGERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS: Page 48, line 3, strike "$27,500,000" and insert in lieu thereof "$28,800,000".

Mr. ROGERS. Mr. Chairman, I offer this amendment on behalf of the gentleman from Michigan [Mr. BROOMFIELD].

This amendment increases the appropriation for the Arms Control and Disarmament Agency by $1.3 million for arms control verification research.

These funds are specifically for external research to assist ACDA's Bureau of Verification and Intelligence in assessing possible new systems, devices, and capabilities for the verification of arms control.

The verification research would focus on verifying Soviet compliance in the following critical areas: INF weapons; strategic nuclear weapons, including mobile missiles; on-site inspection of missile production; nuclear testing; and chemical weapons.

Mr. Chairman, at this point I wish to yield to the gentleman from Michigan [Mr. BROOMFIELD], who will complete our remarks in support of this amendment.

Mr. BROOMFIELD. Mr. Chairman, on Monday, the House suspended the rules and passed H.R. 2689, the ACDA authorization bill, by voice vote. That bill specifically authorized $1.3 million for verification research by the national laboratories.

My amendment adjusts the appropriation bill to reflect that House action on the authorization bill.

Mr. Chairman, adding this $1.3 million to the ACDA 1988 appropriation still leaves it below the fiscal year 1987 freeze level.

□ 1345

The United States must have the ability, in my judgment, in my judgment and that of everybody else, to verify Soviet compliance with arms control agreements and effective research programs are essential to improvements in verification. The modest $1.3 million will fund verification research projects which are linked directly to our current arms control negotiations in Geneva.

My amendment provides funds for that essential verification research, and I urge my colleagues to support the amendment.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I am very happy to yield to my chairman, the gentleman from Iowa.

Mr. SMITH of Iowa. Well, Mr. Chairman, I would like to accommodate the gentleman, if there is any possible way. I know the gentleman has good reasons for presenting such an amendment, but I have to point out that this would put us over our tentative 302 allocation on both budget authority and outlays.

Under the circumstances, I would hope the gentleman would withdraw his amendment, having made his point. Maybe somewhere along the line we can help with what the gentleman wants, but I do not see how we can do it today.

Mr. BROOMFIELD. Mr. Chairman, is the gentleman raising a point of order against this amendment?

Mr. SMITH of Iowa. Well, I did not raise a point of order. I am just saying I have to oppose it because I do not want to be over the tentative 302(b) allocation. That is the point.

Mr. BROOMFIELD. I am informed there is no 302(b) allocation.

Mr. SMITH of Iowa. Well, we do have a tentative 302(b) allocation. If we did not have, believe me, there would be a lot of things in this bill that are not in it. I just point that out, because on a vote I would have to ask the Members to vote against it, even though I am not really opposed to it.

Mr. BROOMFIELD. Mr. Chairman, I really hesitate to do this, and especially to Chairman SMITH and Chairman ROGERS, but $1.3 million is not very much money. In last year's active program, there is only $100,000 and here we are approaching, hopefully, some new agreements with the Soviet Union in arms control and verification is one of the most important aspects of those agreements.

I would like to at least see what the House feels about this, Mr. Chairman, as far as a vote. It is so modest, that I hope we can make some adjustment someplace.

Mr. SMITH of Iowa. Well, Mr. Chairman, the point I am trying to make to the gentleman is that we are not only voting on the merits of the amendment, we are also voting on whether or not we want to exceed our tentative 302(b) allocation and I do not think the gentleman wants that mixed in with a vote on the merits of the amendment.

Mr. BROOMFIELD. Well, I can appreciate that, too, but I would like to have a test vote on this, if I may.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment for the reasons just stated.

I am not addressing the merits of the amendment. As a matter of fact, I can think of several places in this bill where meritorious arguments can be made for slightly more money; but the fact is that we have tried at very great expense, in some cases, to stay within our 302(b) allocation, both on budget authority and outlays, even though under the House rules we are not required to stay within outlay limitations. We did so in this bill. So I have to ask the Members to vote down this amendment.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. Yes; I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, I wonder if I could suggest possibly if the gentleman would take this up in conference and try to get this $1.3 million.

Mr. SMITH of Iowa. If the gentleman can get it in the Senate bill, I have no objection. Like I say, I am not addressing the merits of the amendment and I am sure the gentleman would not present it if he did not have good reasons, but we just cannot do it under the circumstances.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Florida.

Mr. FASCELL. Well, Mr. Chairman, I want to join the distinguished gentleman from Michigan and say that the amount of money that he is talking about was earmarked within the authorization level, so it is perfectly in order. It does not increase anything, but I can understand the problem the Appropriations Committee has in terms of its funding, but since it is earmarked within the amount of money, and I am not familiar with the amendment, I did not hear it, so I do not know whether it does it, but I just wonder whether or not that might make any difference.

Mr. SMITH of Iowa. No; it adds $1.3 million to the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. ROGERS].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

BOARD FOR INTERNATIONAL BROADCASTING

GRANTS AND EXPENSES

For expenses of the Board for International Broadcasting, including grants to RFE/RL, Inc., $165,000,000, of which not to exceed $52,000 may be made available for official reception and representation expenses.

CHRISTOPHER COLUMBUS QUINCENTENARY JUBILEE COMMISSION

SALARIES AND EXPENSES

For the necessary expenses of the Christopher Columbus Quincentenary Jubilee Commission, $220,000, to remain available until November 15, 1992.

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

SALARIES AND EXPENSES

For necessary expenses of the Commission on the Bicentennial of the United States Constitution authorized by Public Law 98-101 (97 Stat. 719-723), $14,750,000 to remain available until expended, of which $5,000,000 is for carrying out the provisions of Public Law 99-194, including $2,850,000 for implementation of the National Bicentennial Competition on the Constitution and the Bill of Rights and $2,150,000 for educational programs about the Constitution and the Bill of Rights below the university level as authorized by such Act.

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

SALARIES AND EXPENSES

For necessary expenses of the Commission on Security and Cooperation in Europe, as authorized by Public Law 94-304, $740,000, to remain available until expended: *Provided*, That not to exceed $6,000 of such amount shall be available for official reception and representation expenses.

AMENDMENT OFFERED BY MRS. JOHNSON OF CONNECTICUT

Mrs. JOHNSON of Connecticut. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

Mrs. JOHNSON of Connecticut. Mr. Chairman, there are other amendments attached to this amendment. Therefore, I ask unanimous consent to consider these amendments en bloc.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Connecticut.

Mr. SMITH of Iowa. Mr. Chairman, I have to object. That would require going back in the bill, as I understand it, and I must object at this point.

The CHAIRMAN. Objection is heard.

Does the gentlewoman wish to offer one amendment at this point?

Mrs. JOHNSON of Connecticut. Mr. Chairman, I offer an amendment at page 49, line 4, on the Commission on Security and Cooperation in Europe.

The CHAIRMAN. The Clerk will report that amendment.

The Clerk read as follows:

Amendment offered by Mrs. JOHNSON of Connecticut: Page 49, line 9, strike "$740,000," and insert "$731,000,".

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise in support of this amendment and regret that I was unable to get permission to consider my amendments in block because together they would have helped us move toward reducing the rate of increased spending growth in this bill in an orderly and responsible manner, in order to pair legitimate cuts with the revenue increases that we know will be necessary to achieve that $36 billion in deficit reduction that is so important to this Nation.

Those amendments that were part of this package would have reduced the rate of growth in spending in the Asian Foundation from 56 to 28 percent.

It would have reduced the rate of growth in the State/Justice Institute, from a whopping 79 to 40 percent.

It would have reduced the Census Bureau by a mere 10 percent, rather than allowing that bureau a remarkable 72-percent increase.

It would have reduced the Commission on International Migration, which will receive a 450-percent increase, by a mere 10 percent.

Mr. SMITH of Iowa. Mr. Chairman, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I will save the gentlewoman's time. I am not going to object to a $9,000 reduction in that account. I would like to see the gentlewoman get a victory today, so here is her chance.

Mrs. JOHNSON of Connecticut. Well, I appreciate the chairman accepting my amendment, but I do want to point out that it needs to be part of a larger consideration that I hope in conference committee the gentleman will take up, and I appreciate the acceptance of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Connecticut [Mrs. JOHNSON].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

COMMISSION FOR THE STUDY OF INTERNATIONAL MIGRATION AND COOPERATIVE ECONOMIC DEVELOPMENT

SALARIES AND EXPENSES

For necessary expenses of the Commission for the Study of International Migration and Cooperative Economic Development as authorized by title VI of Public Law 99-603, $870,000, to remain available until expended.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Equal Employment Opportunity Commission as authorized by title VII of the Civil Rights Act of 1964, as amended (29 U.S.C. 206(d) and 621-634), including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed $22,100,000 for payments to State and local enforcement agencies for services to the Commission pursuant to title VII of the Civil Rights Act, as amended, and sections 6 and 14 of the Age Discrimination in Employment Act; $187,200,000.

Federal Communications Commission

SALARIES AND EXPENSES

For necessary expenses of the Federal Communications Commission, as authorized by law, including uniforms and allowances therefor, as authorized by law (5 U.S.C. 5901-02); not to exceed $300,000 for land and structures; not to exceed $300,000 for improvement and care of grounds and repair to buildings; not to exceed $4,000 for official reception and representation expenses: purchase (not to exceed ten) and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. 3109; $105,600,000, of which not to exceed $300,000 of the foregoing amount shall remain available until September 30, 1989, for research and policy studies.

Federal Maritime Commission

SALARIES AND EXPENSES

For necessary expenses of the Federal Maritime Commission, including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; and uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-02; $14,250,000: *Provided*, That not to exceed $1,500 shall be available for official reception and representation expenses.

Federal Trade Commission

SALARIES AND EXPENSES

For necessary expenses of the Federal Trade Commission, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; and not to exceed $2,000 for official reception and representation expenses; the sum of $69,000,000: *Provided*, That the funds appropriated in this paragraph are subject to the limitations and provision of sections 10(a) and 10(c) (notwithstanding section 10(e)), 11(b), 18, and 20 of the Federal Trade Commission Improvements Act of 1980 (Public Law 96-252; 94 Stat. 374).

International Trade Commission

SALARIES AND EXPENSES

For necessary expenses of the International Trade Commission, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed $2,500 for official reception and representation expenses, $35,400,000.

Japan-United States Friendship Commission

JAPAN-UNITED STATES FRIENDSHIP TRUST FUND

For expenses of the Japan-United States Friendship Commission as authorized by Public Law 94-118, as amended, from the interest earned on the Japan-United States Friendship Trust Fund, $1,200,000, to remain available until expended: and an amount of Japanese currency not to exceed the equivalent of $1,700,000. based on exchange rates at the time of payment of such amounts, to remain available until expended: *Provided*, That not to exceed a total of $3,500 of such amounts shall be available for official reception and representation expenses.

Legal Services Corporation

PAYMENT TO THE LEGAL SERVICES CORPORATION

For payment to the Legal Services Corporation to carry out the purposes of the Legal Services Corporation Act of 1974, as amended, $305,500,000: *Provided*, That none of the funds appropriated in this paragraph shall be expended for any purpose prohibited or limited by or contrary to any of the provisions of—

(1) Public Law 99-500 and Public Law 99-591 unless paragraph (2) or (3) applies;

(2) authorizing legislation for fiscal year 1988 for the Legal Services Corporation as passed by the House of Representatives unless paragraph (3) applies; or

(3) authorizing legislation for fiscal year 1988 for the Legal Services Corporation as enacted into law.

AMENDMENT OFFERED BY MR. SHUMWAY

Mr. SHUMWAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Shumway: Page 52, strike lines 9 through 23.

Mr. SHUMWAY. Mr. Chairman, I rise to offer an amendment to delete this section of the bill and specifically the $305.5 million which has been earmarked in the bill for the Legal Services Corporation.

With an accumulated Federal debt of well over $2 trillion, I believe that we have a solemn obligation to subject every program which is sponsored or subsidized by the Federal Government to the very strictest kind of scrutiny.

Mr. Chairman, since 1979, the House has not had an opportunity to debate the merits of the Legal Services Corporation. This year we are once again being asked to provide millions of dollars to an organization which has been frought with allegations of improper activities, without having an opportunity to review the success or failure of the program or to address the need for clear policy direction, guidelines and greater accountability.

The results need to be defined. They need to be reviewed by Congress, rather than the piecemeal efforts that we have tried to do in years past by means of appropriations bills.

It seems to me, therefore, Mr. Chairman, that the real objection I have to this portion of the appropriation bill before us is that indeed it puts the cart before the horse. We are spending money, appropriating money, before we have the authorization to do so.

The Legal Services Corporation has circumvented every attempt to regulate its activities. We have adopted limitations here in the House which have not been effective in preventing the Corporation and its recipients from assuming the role of federally financed advocates for political and social change. In my view, it is not within the proper role of the Federal Government to finance lobbyists who seek to further their personal, social or political agenda.

In an oft quoted statement by Thomas Jefferson, he said: "To compel a man to furnish contributions of money for the propagation of opinions with which he disbelieves, is sinful and tyrannical."

I have no quarrel with the stated goal of the Legal Services Corporation, that of providing equal access to the courts for all individuals, regardless of their economic status. That is a worthy goal that all of us I am sure would share; but the Legal Services Corporation has proven to be a costly and ineffective system in its attempt to achieve that worthly goal. Since the beginning of 1983, one of the Legal Services grantees, the National Science Social Science and Law Center right here in Washington, has received more than $1 million in Federal grants to help support field programs. During this time, the researchers at the center have received an average of less than 17 requests from LSC lawyers each year. The requests for legal information were primarily answered by telephone at an average taxpayer cost, it has been reported, of $3,176 per request.

The dean of the George Mason University Graduate School, Charles K. Rowley, estimated in a sworn affidavit that the center's report during the last 2½ years "could have been produced by one graduate student with only minimal supervision" at a total cost of less than $30,000. If such abuse of funds were discovered in the Department of Defense, the national headlines and news stories would be shouted from the housetops.

Mr. Chairman, we have an obligation to the taxpayers of this country to fully review and carefully justify the appropriation of Government funds. To fulfill that obligation, which is a solemn one, we must have an opportunity to debate and to vote on the authorization of these funds for the Legal Services Corporation. Until that time, I am offering this amendment to move to strike all appropriations from this particular part of the bill.

Mr. ROGERS. Mr. Chairman, I rise in support of the amendment.

Rather than go through the listing of what I believe are abuses of the program, I would rather talk about whether or not there is a need for these funds for Legal Services, especially in the context of changes that are going on in the legal profession around the country. Many significant changes have occurred since the Congress authorized and appropriated funds for the Legal Services Corporation at the first instance.

Following the Supreme Court decision in Base versus State Bar of Arizona, opening up the right of attorneys to advertise, we have seen radical changes in the profession. In a study by a committee at the American Bar Association, they found that low priced legal service firms now serve over 12 million clients.

□ 1400

In addition, the ABA Journal noted last year that "in 1976 about 20 nonprofit Government dispute resolution programs were operating—today there are about 330."

We are continuing to see the growing availability of community-based organizations, consumer advocacy groups, and Government ombudsmen offices to resolve problems of low-income individuals, and of course, pro bono work by private attorneys continues to offer important alternatives to this agency.

It can be argued that the committee has already frozen Legal Services funding at the 1987 level, but given the expanded availability of low-priced alternatives for legal services for the poor, the continued reports of grantee activities which are not directly related to representing poor individuals and the difficult budget situation that we are in, I urge support for this amendment as a perfect place for us to cut back on the spending that has been discussed at great length during the discussion of these appropriations bills.

I urge the adoption of this amendment, Mr. Chairman.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. This is an amendment to eliminate the Legal Services Corporation. You know, this is the year of the bicentennial of the Constitution; 200 years. Those great people met back there in Philadelphia 200 years ago this month, and at the end of their deliberations they wrote a Constitution. They began their Constitution by saying, "We, the people * * * in order to form a more perfect Union, establish justice * * * ". The first thing that they wanted to do was to establish justice in this new country of ours. After that there were other things like promoting the general welfare and providing for the common defense, but No. 1 was to establish justice. They knew what they were doing. That was the highest priority.

They provide for the common defense in Russia, but they do not have justice. It is justice that is the most important thing to have. You provide for the common defense in order to protect justice.

What we are talking about, is having justice in this country. We have a country of laws. When somebody has an automobile accident or they have an argument, they do not call somebody in a white suit to settle it. Having someone in a white suit settle it would be more efficient; of course that would be more efficient. But that is not justice. We want justice which we took hundreds and hundreds of years to secure.

To have justice, you have to provide for people to have access to justice. We have some people in this country who do not have access to justice. They cannot abide by the laws and exercise their rights under the laws unless they have somebody to represent them in court, and that is what we are talking about in this bill.

That is the reason that we need the Legal Services Corporation. We tried other approaches under the Poverty Program, for example, pro bono. No less than the chairman of the American Bar Association told us that we are way too low with $305 million for the Legal Services Corporation. He said, "You need an absolute minimum of $390 million," and that is after we have done everything that we can with regard to volunteer services, with regard to IOLTA accounts and with regard to everything else that we are doing in this country.

If you are going to have justice for the people and access to justice, the amount in this bill is the very minimum amount. We have been at this amount now for 3 years. As a matter of fact, in 1981 it was $321 million. Now it is only $305 million. In some areas there will only be three people in a local program. How are you going to cut back from three? You have to go back to two.

We have done as much as can be done to hold this program down. In fact, we do not have enough money in it. If I had my way, we would put more money in it today, but we just do not have the money today. We ought to have more money in this program instead of less.

You cannot go out and wave the flag at the Fourth of July and in this bicentennial year of the Constitution and talk about justice and the great things that we have in this country without supporting a Legal Services Program. That is the reason that I say that this amendment should be defeated.

Mr. MORRISON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Connecticut.

Mr. MORRISON of Connecticut. I thank the gentleman for yielding.

Mr. Chairman, I want to thank the gentleman for his statement and commend him for his statement, and commend him for the vigilance with which he and his committee, the majority of his subcommittee and the full committee have fought for the maintenance of this fundamental element of the principle of equal justice under the law.

The gentleman is absolutely correct. As a member of the authorizing subcommittee, when we passed our authorizing legislation out of the subcommittee this year, we authorized $325 million, and we understood that not to be sufficient to really meet the need. So a $305 million appropriation is certainly the least that is needed, maintaining the current nominal-dollar amount.

We heard testimony from the President of the Legal Services Corporation appointed by a Board which was fully appointed by this President of the United States, and they had a dispute on that Board as to whether or not to ask for $305 or $325 million, but there was not one vote on President Reagan's board to cut our the program. So I think that the gentleman is taking us in exactly the right direction. I commend him for his leadership.

Mr. KASTENMEIER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. The case has been stated very well by the chairman of the subcommittee, the gentleman from Iowa [Mr. SMITH], and by my colleague on the subcommittee that deals with legal services in the Committee on the Judiciary.

This has not been a partisan bill. As the gentleman from Connecticut [Mr. MORRISON] indicated, all 11 members of the Board, including the Chairman of the Board that gives direction to this program, are Mr. Reagan's appointees. I might add that during the last 6 years the Senate, guided by Republican leadership, have given approval to this program, and the only problem with the program is that we have had, at least at the Committee on Appropriations level, to maintain it only at $305 million. Our subcommittee supported a level of $325 million in accordance with the wishes of at least 5 of the 11 members of the Reagan-appointed Board.

As the President who advocated this program, Mr. Nixon, suggested, if we want disputes in this country to be carried out, to be reconciled by violence and in the streets, then we should oppose such a program. But if we do believe in access to justice in this country, for heaven's sakes, let us have an instrumentality, Legal Services Corporation, provide that access to justice.

Mr. Chairman, the amendment ought to be defeated.

Mr. BOULTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment being offered by my colleague from California and in support of the related amendment being offered by my good friend, the gentleman from Texas. The litany of abuses promulgated by the Legal Services Corporation were brought home to this Member during the last session of Congress as I became aware of egregious violations of LSC regulations by its affiliate, the Texas Rural Legal Aid. TRLA has been found in violation of several Federal regulations. These violations include engaging and encouraging public demonstrations, boycotts and strikes; using Federal funds to form and organize unions; and failing to cooperate with Federal investigators.

Although I wish that the TRLA case were an isolated incident, I have found that LSC affiliates across this Nation are engaging in similar illegal activities. Despite prohibitions in the 1974 legislation establishing the Legal Service Corporation, restrictions on class action suits, political activities and demonstrations have been blatantly ignored. Serving the legal needs of America's poor has served as a smokescreen for the real LSC goal of sweeping, leftwing social reform. Federal funds have been used repeatedly to launch numerous political attacks on such issues as homosexual rights, bilingual education, rent strikes, and prison reform—to name only a few.

The GAO has confirmed that the LSC gets around congressional funding restrictions by setting up cloned offshoot organizations that accept Government funds while the parent group uses public funds and escapes Government regulations. The Senate Labor and Human Resources Committee has charged that the LSC has advocated civil disobedience, intimidation, and muckraking "as a means to embarrass opponents of community action groups".

Rest assured that the poor will not be shortchanged if the LSC, as presently constituted, is abolished. The poor should indeed have access to legal services, but there are any number of preferable alternatives to the LSC that are less costly, more effective and without the potential for abuse. Judicare, vouchers, and tax deductions to encourage private attorneys to accept charitable cases would all serve as viable substitutes to the LSC.

I introduced a bill last session to abolish the Legal Services Corporation. I still agree with the President on the question of abolishing the LSC and I strongly support the gentleman from California's amendment to delete the total fiscal year 1988 appropriation for LSC. I urge my colleagues to wise up about the true tactics of the LSC and vote for the gentleman's amendment.

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Mr. MORRISON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. BOULTER. I yield to the gentleman from Connecticut.

Mr. MORRISON of Connecticut. Mr. Chairman, the gentleman filed a bill in the last Congress he said abolishing the Legal Services Corporation. Did that include a program of vouchers and Judicare and the like that the gentleman just discussed?

Mr. BOULTER. It includes the present constitution of Legal Services Corporation.

Mr. MORRISON of Connecticut. In other words, it was a straight bill to abolish the Legal Services Corporation?

Mr. BOULTER. This is not a bill to abolish, as I understand. But I introduced one last session.

Mr. MORRISON of Connecticut. Will the gentleman yield further?

Mr. BOULTER. Sure, I yield to the gentleman from Connecticut.

Mr. MORRISON of Connecticut. I cannot seem to get the gentleman's answer. He just made a statement to the House that he did not like the Legal Services Corporation as currently funded, and we could take care of the needs of the poor by using vouchers and other forms of funding. Yet when the gentleman set out to file legislation he did not bother to include these replacements that he said would be better, and I think the House should be skeptical about the gentleman's objectives when we look at his legislation which does not, in fact, seek to meet the needs of the poor at all.

Mr. BOULTER. The real issue I am attempting to address, of course, is the abuses employed by the Legal Services Corporation.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. BOULTER. I am happy to yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, by way of secondarily responding to our colleague, the gentleman from Connecticut [Mr. MORRISON], in regard to his comments, I certainly would not question the gentleman's motives myself. But, frankly, when there is a program in place, already ongoing that is spending money, to include, unless you have some assurance that you are going to eliminate that program, another solution is not exactly the way the minority is able to get things done around here.

I know the gentleman did not mean to impugn his motives, but I am sure the gentleman from Texas was sincere in his comments and requests.

Mr. MORRISON of Connecticut. If the gentleman will yield, I certainly did not mean by my statement to in any way impugn the gentleman's motives, but to suggest that he is only solving half of the problem but addressing in his argument the other side which is not dealt with in this amendment or his legislation.

Mr. BOULTER. I accept the gentleman's explanation; no more than I would claim that he was in favor of all of the abuses of the Legal Services Corporation.

Mr. CARDIN. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I think it is very clear that this amendment really is an attack on poor people's access to our legal system. Any amendment that would eliminate any Federal involvement or reduce below our current level a $305 million program for Legal Services Corporation is making a direct attack at poor people's access to our legal system.

Mr. Chairman, I serve on the Judiciary Committee, and I recently was named to chair a commission in Maryland looking at legal services for poor people. Let me assure my colleagues, some of my observations in the work we have done so far in the State of Maryland is that we have suffered in our State because of the reduced Federal involvement in providing resources to help poor people with their legal needs. We have tried to fill that void through the private sector and through our State.

It has been mentioned in debate here today that there are other avenues available to poor people to get legal services. In our State we have adopted an IOLTA program for interest accounts for lawyers, putting that into a fund to be used by the Legal Services Corporation in Maryland to help poor people. We have raised $1 million through that source. We have had $600,000 contributed by the private sector in direct contributions. We have increased significantly the number of lawyers participating in pro bono work to help poor people. We also in our State of Maryland put more funds rather than less into providing services for poor people.

But despite all of those efforts by our State government, by our private sector, we have found a gap, the gap of services for our poor people widening rather than being narrowed. A recent survey in our State showed that as far as indigent people are concerned, only 15 percent of their needs are being met by Legal Services.

Another disturbing trend that has occurred in recent years is that we seem to be earmarking more and more of the money that goes to Legal Services for specific types of representation. That provides an even greater gap in the general need for people to get legal services.

We have a more complex society, Mr. Chairman. There is greater need rather than less need, and I think it would be tragic if the Federal Government now decided to eliminate its help or to reduce its $305 million.

We have a partnership. There should be a partnership, a partnership between the Federal Government, the State government and the private sector. Mr. Chairman, we cannot have a partnership if one partner is not going to put up any funds or is going to continue to reduce its commitment to the poor.

I urge the House to reject the amendment.

Mr. COMBEST. Mr. Chairman, I move to strike the requisite number of words and I rise to speak on behalf of the amendment.

Mr. Chairman, I will only take a moment. As the House knows, I have an amendment waiting. I do not want to presume the disposition of the amendment of the gentleman from California, but thinking that the House in its wisdom would pass the amendment of the gentleman from California, I wanted to have the opportunity to indicate my support for it, and would hope that the body would pass overwhelmingly the amendment.

If in fact it does not, I have an amendment waiting.

Mr. BIAGGI. Mr. Chairman, I rise to register my strong opposition to the pending Shumway amendment which would propose to delete the entire appropriations for fiscal year 1988 for the Legal Services Corporation. This has become almost an annual ritual in the Congress, to try and wipe out a program which has been fundamentally misunderstood for too many years and, therefore, its survival from year to year becomes a challenge.

As an original member of the House Select Committee on Aging, I am especially cognizant of the important role that the Legal Services Corporation plays on behalf of advocating for the low-income elderly. The LSC programs work in conjunction with the Legal Assistance Programs funded under the Older Americans Act which this House just reauthorized for 4 additional years by a vote of 379 to 8. Let us review some of what these funds are used for. One of their most fundamental purposes is to help those elderly living at or below the poverty line become aware of their rights to Federal programs under law. Consider this in the context of the real world. A determination of eligibility for a program may mean the very survival of an older individual. Legal assistance provided in local offices by legal aid attorneys is funded in part with LSC funds. These are not individuals trying to create new litigation against the Government. Rather they are individuals who are entitled to services under law, but need to be advised of their eligibility.

We must remember that today there are more than 4.6 million persons aged 60 and over living below the poverty line. According to a white paper prepared by the American Association of Retired Persons the American Bar Association legal commission on problems of the elderly and the National Senior Citizens law center, there are an average of 1.2 legal problems per household per year. This can include the aforementioned eligibility issue or a consumer problem. The Legal Services Corporation combined with the Older Americans Act are often the first line of help for a number of these elderly—but certainly not enough. To eliminate funding will only exacerbate the problem for many of these households.

More than a decade ago, I was proud to author an amendment which made the LSC give priority attention to the legal problems of the elderly and disabled of our Nation. At that time it was estimated that there were at least 6 million elderly in need of services. I am certain that number has not declined for either the elderly or disabled.

It is said, and with good reason, that our legal system is not responsive to the poor. The Legal Services Corporation over the years has attempted to dispel that myth by helping those in economic need to negotiate the legal system. This is certainly not the time to pull back on that commitment as this amendment would suggest. Let us instead continue to make the resources of the Legal Services Corporation and other programs under the Federal Government available to help meet the legal assistance needs of our low-income citizens.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. SHUMWAY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SHUMWAY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 127, noes 282, not voting 24, as follows:

[Roll No. 239]

AYES—127

Armey
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bilirakis
Bliley
Boulter
Broomfield
Brown (CO)
Bunning
Burton
Callahan
Campbell
Cheney
Coble
Combest
Craig
Crane
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
DeLay
Derrick
Dickinson
DioGuardi
Dornan (CA)
Dreier
Edwards (OK)
Emerson
Fawell
Fields
Frenzel
Gallegly
Gingrich
Grant
Gregg
Hall (TX)
Hansen
Hastert
Hefley
Herger
Hiler
Holloway
Hopkins
Hutto
Inhofe
Ireland
Kasich
Kemp
Kolbe
Konnyu
Kyl
Lagomarsino
Latta
Leath (TX)
Lewis (CA)
Lewis (FL)
Lightfoot
Lott
Lowery (CA)
Lukens, Donald
Lungren
Mack
Marlenee
Martin (NY)
McCandless
McEwen
McGrath
Michel
Molinari
Montgomery
Moorhead
Myers
Nichols
Nielson
Oxley
Packard
Petri
Pickle
Quillen
Rhodes
Ritter
Roberts
Rogers
Roth
Rowland (CT)
Schaefer
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Skeen
Skelton
Slaughter (VA)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Stangeland
Stenholm
Stump
Sundquist
Sweeney
Swindall
Taylor
Thomas (CA)
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Weber
Whittaker
Wolf
Wortley
Young (AK)
Young (FL)

NOES—282

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilbray
Boehlert
Boggs
Bonior (MI)
Bonker
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Buechner
Byron
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Clarke
Clay
Clinger
Coats
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Crockett
Davis (MI)
de la Garza
DeFazio
Dellums
DeWine
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hochbrueckner
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hyde
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kolter
Kostmayer
LaFalce
Lancaster
Leach (IA)
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Lowry (WA)
Lujan
Luken, Thomas
MacKay
Madigan
Manton
Markey
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Mineta
Moakley
Mollohan
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Panetta
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Pickett
Porter
Price (IL)
Price (NC)
Pursell
Rahall
Rangel
Ravenel
Regula
Richardson
Ridge
Rinaldo
Robinson
Rodino
Roemer
Rose
Rostenkowski
Roukema
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Scheuer
Schneider
Schroeder
Schuette
Schumer
Sharp
Sikorski
Sisisky
Skaggs
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Snowe
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Wylie
Yates
Yatron

NOT VOTING—24

Archer
Boland
Boner (TN)
Borski
Bosco
Bustamante
Dicks
Dingell
Dixon
Gephardt
Hammerschmidt
Horton
Kleczka
Lantos
Leland
Livingston
Miller (OH)
Miller (WA)
Parris
Pashayan
Ray
Roe
Stokes
Tauke

□ 1425

The Clerk announced the following pair:

On this vote:

Mr. Tauke for, with Mr. Dingell against.

Mr. RANGEL and Mr. SAXTON changed their votes from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Miss SCHNEIDER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to refer back to section 3 in reference to international organizations.

I would like to share with my colleagues the fact that the World Health Organization is the leading international agency addressing the AIDS crisis throughout the world. In the appropriations bill before us today, there are several factors that we should keep in mind as we move ahead on this legislation—and other measures related to international efforts to curb this dread disease.

The World Health Organization is the responsible international agency for the exchange of information on all the different aspects of the AIDS crisis. WHO is responsible for preparing and distributing educational materials, for establishing international programs for the containment of the disease, and for providing information on safe blood transfers internationally. WHO experts are also responsible for promoting research on vaccines and coordinating collaborative clinical research efforts.

Mr. Chairman, the House Science and Technology Committee will be conducting hearings to examine very closely the international role of the United States in making sure that we are appropriately interacting on an international front insofar as the AIDS crisis is concerned. To shortchange now the only international agency coordinating these efforts seems shortsighted indeed.

I would like to point out that last year the World Health Organization assessed the U.S. Government $61.7 million, due on January 1, 1987.

□ 1440

The fiscal year 1987 appropriations bill unfortunately only allocated $46 million. Moreover, the State Department froze $36 million of that $46 million until October 1, 1987.

In 1987, the World Health Organization assessed the United States $63.9 million for calendar year 1987, but this year, regrettably, the 1988 appropriations bill before us today appropriates only $46.1 million. This means that at this moment, the U.S. Government is $100 million in arrears to the World Health Organization.

Our bill freezes 37 percent of the contributions to all international organizations until October 1988; and I very concerned in particular about its impact on the World Health Organization, WHO's AIDS Program was mounted as a special effort and is budgeted separately from the rest of the World Health Organization.

The United States provides the funding from AID to cover the WHO AIDS Program. But for this effort to be successful, the WHO needs to be financially secure, so it can run the bureaucracy involved in the AIDS Program from year to year without interruption.

The World Health Organization also needs to continue some of its other successful health-related programs in less-developed countries to maintain credibility.

I would like to emphasize the importance of credibility on the part of the United States as a part of our foreign aid and diplomatic program.

The President at the recent Venice Economic Summit took a leadership stance, urging all other nations to support the World Health Organization AIDS Program. In addition to that, the National Academy of Sciences recently published a report on AIDS, and recommended that the United States be a full participant in international efforts against the AIDS virus.

Needless to say, now that the United States is $100 million in arrears, this is not only an enormous embarrassment, but the United States is the only industrialized country to default in our payments to the World Health Organization. I believe that this inaction on our part sends the wrong message.

This occurs at a time when the United States has the most serious problem with AIDS. The U.S. action, I believe, will influence other nations to follow our example and reduce their own contributions.

Mr. Chairman, I ask that as we move this appropriations bill forward, the other body and also the State Department look very closely at the leadership our country provides on the international front in solving our world's health problems, and especially tackling the challenge of the AIDS virus.

AMENDMENT OFFERED BY MR. COMBEST

Mr. COMBEST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COMBEST: Page 52, line 13, strike out "$305,500,000" and insert in lieu thereof "$280,000,000".

Mr. COMBEST. Mr. Chairman, this amendment reduces the appropriation for the Legal Services Corporation [LSC] from $305.5 to $280 million.

I would have preferred to offer an amendment that would have brought some accountability into this program, but the new rules of the House make such an effort very difficult. It is important to note, however, that there has not been an authorization bill for legal services for several years, Federal laws are being violated, and nothing much has happened to correct the situation.

As you know, Mr. Chairman, the law governing the Legal Services Corporation includes specific guidelines and prohibitions. There are obviously things that the Congress did not want federally funded grantees to do with taxpayer dollars. The question we face today is what happens if grantees violate the law anyway?

The Legal Services Corporation has proven unable or unwilling to bring grantees into compliance with the law, and I believe that it is up to us to force some action.

For those colleagues who may not be familiar with some of the recent problems with LSC, I offer the following examples:

In 1985, the GAO found that two out of the three grantees investigated knowingly understated their total fund balances and set up "mirror corporations" to evade Federal regulations and restrictions. Their leftover money and many of their activities could thus be hidden from any type of oversight.

In October 1986, LSC's own investigators confirmed repeated violations of seven Federal laws and regulations by a major grantee. These were not isolated incidents, but a pattern of operations. Because the grantee would not allow LSC investigators access to their records, probable violations of eight additional sections could not be conclusively proven.

Yet, in spite of these findings, nothing has happened. The grantees continue to operate in a business-as-usual capacity—funded with taxpayer dollars.

To those who are concerned that this reduction will severely impair the legal assistance received by the poor, I remind them that:

First, this is only an 8-percent cut—surely modest in this time of fiscal restraint.

Second, private funding for legal services has increased from $47.8 million in fiscal year 1982 to $106 million in 1985—a healthy increase by any standard.

Third, increased appropriations in the past have not resulted in more lawyers being hired or in more cases being handled. Only the salaries of existing personnel go up.

In fact, when funds have been reduced, the only time from 1981 to 1982 that funding has been reduced, the caseload was not reduced proportionally, in fact not at all.

Conversely, when the increase has come to LSC, the caseload has not increased, so poor people are not being denied the opportunity to have representation simply by the reduction in funding.

In proposing to fund LSC at the same level as last year, the committee indicates an acceptance with what is going on, and I think that message is the wrong one to send. It is time for Congress to send a clear signal that we will not stand for violations of Federal law. We must be tough on the misuse of taxpayer dollars wherever they occur.

We would never stand for this kind of abuse in any other taxpayer funded program, nor should we here. Simply, the issue is—do we want to give LSC and its grantees a special status apart from other Government programs where they don't have to account for the money they spend, where they don't have to comply with the law.

I suggest not. I suggest that we should make it clear to the Legal Services Corporation that they had better clean house. I ask my colleagues to support the amendment.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. Mr. Chairman, I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I thank the gentleman for yielding.

Is the net effect of the gentleman's amendment that the cut would be somewhere around 8 percent?

Mr. COMBEST. That is correct, 8-percent cut.

Mr. ROGERS. Twenty-five and one-half million dollars cut from the appropriated level of $305.5 million?

Mr. COMBEST. Correct.

Mr. ROGERS. Is it also the gentleman's understanding that within the Legal Services Corporation there have been studies and other suggestions that if the Legal Services Corporation used paralegals, that you could save at least that much money and possibly even more, just by that one method?

Mr. COMBEST. The gentleman is correct. In fact, alternative legal assistance for the poor, as I indicated, is increasingly available, and an alternative dispute resolution costs less than 20 percent of an average LSC case.

Mr. ROGERS. I think the gentleman's amendment is a good one, and it is a modest cut; but it is a cut, and it is a place for us to trim back some spending, and a place that we can do it without hurting the services that are being rendered to the Nation's poor.

The CHAIRMAN. The time of the gentleman from Texas [Mr. COMBEST] has expired.

(On request of Mr. ROGERS, and by unanimous consent, Mr. COMBEST was allowed to proceed for 2 additional minutes.)

Mr. COMBEST. Mr. Chairman, the main point that I think needs to be made is that we need to send a signal on this. I realize that there were some significant efforts to cut totally Legal Services funding, and in fact in the last session of Congress I tried to eliminate it as well. I think we are sending a very bad signal indeed from this body when in fact there are known violations that the Legal Services Corporation attorneys themselves have uncovered among their grantees.

If we just continue to say, "Business as usual, go right ahead; we are not going to concern ourselves," nothing will be done. I do not like to try to make these changes in the appropriation process, but as the vice chairman of this subcommittee knows, there has not been an authorization bill. We have no other alternative, and I think it is sending a very bad signal indeed.

Whenever there comes condemnation of the Defense Department or others, I support that. As the gentleman knows, I am a strong supporter of defense, but I will also say that I am one of the strongest supporters of a reform process that prevents the type of abuse in the Defense Department that occurs, and I do not think we should allow that in the Legal Services Corporation as well.

Mr. Chairman, I appreciate the gentleman's support.

Mr. ROGERS. Mr. Chairman, if the gentleman will yield, I urge support of this amendment. It is a reasonable approach. It is only an 8-percent cut, and it is a chance for us to save some money without really hurting the people we are serving.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in 1981 Legal Services had $321 million. In the last 3 years they have had $305 million. They have already been cut. They have the same types of increases in costs that every other agency has which is people-oriented. They are largely an agency that hires people to help people.

A year ago there was a survey made that said that 38 percent of their time was spent helping people get benefits they were entitled to, mostly Social Security recipients. If you go to the Social Security Administration, they do not help you qualify for social Security; they tell you what the law is, and it is up to you to qualify. Many people, when they reach that age, with their facilities, cannot get out and get the information. We need these people to help people in a country that abides by laws rather than edict. We need these people to help people get what they have coming to them under the law.

Mr. SWINDALL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Georgia.

Mr. SWINDALL. Mr. Chairman, I would just like to ask one question as we debate this particular topic, and that is, why is it necessary for the Federal Government to assume this responsibility? Has every Member of Congress, for example, gone back to their districts and tried a local initiative where they asked the literally thousands of lawyers that exist in this country to do these types of things pro bono?

Mr. SMITH of Iowa. Mr. Chairman, we made a survey of a few years ago of what the Members of Congress do in their districts. There were five Members of Congress that helped people qualify for Social Security. The others will take a reference and send it to the Legal Services Corporation or to somebody else and ask them to help these individuals. The Members do not do it.

Mr. SWINDALL. Mr. Chairman, if the gentleman will yield further, that really points up the problem with this legislation. It indicates that we are willing to spend $300-some-odd million of the American people's money, but we are not willing to personally take the initiative and go back to our own districts and try to solve the problem the old-fashioned way.

Mr. SMITH of Iowa. Well, we should not punish the poor people that need the help because we are not doing what you say we should. No matter what we do, if we eliminate this program or we reduce it, we hurt the people who need the help.

Mr. SWINDALL. Mr. Chairman, if the gentleman will yield further, I suggest that to do this simply gives further initiative and reward, if you will, for not doing the job.

Mr. SMITH of Iowa. Well, it goes both ways, but without this program they are not going to have access to justice, and without this program we are not going to establish justice for a lot of people in the United States.

Mr. Chairman, I ask for a vote against the amendment.

Mr. DREIER of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in very strong support of this amendment.

Mr. Chairman, we are talking about a reasonably modest cut, and I have just been reminded that in our State of California the Legal Services Program spent and estimated $100,000 of taxpayers' money to lobby against what we had in California known as proposition 9, which was a tax-cutting initiative. I believe that is very clear evidence that taxpayer dollars have continually been used for political purposes, as in this case.

Mr. Chairman, I urge support of the amendment offered by the gentleman from Texas [Mr. COMBEST].

Mr. MORRISON of Connecticut. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know that most Members would like to vote, and I will try to be brief. It seems to me that what is being said in support of this amendment does not really make any sense.

The House just talked about whether or not to continue to fund the Legal Services Corporation and overwhelmingly voted that we want to continue that funding, and now we have an amendment that essentially cripples that program so it cannot function.

Why do I say, "cripple"? Because this program has already been strained by being held to $305 million for 4 successive years. Do the Members know what $305 million is in 1981 dollars? It is $200 million, the same amount that this Congress appropriated for Legal Services in 1978. If we go back and compare it to 1978, with inflation since then, we are back almost to the beginning in the first year of the Legal Services Corporation when this Congress appropriated $125 million.

This program has already been starved. Now somebody wants to cripple it further?

The poor people who are being represented out there need this help. The gentleman from Maryland [Mr. CARDIN] in the last debate put it very well. If people are legitimately interested in a public-private partnership so that people are actually represented, we have to have the public participation, and if we cut the heart out of that, we also cut the heart out of the pro bono aspects.

I was a director of the Legal Services program for 5 years before being elected to this body. The gentleman said that people do not go back and try to get pro bono assistance. I spent a lot of my time as a member of the executive committee of the local bar association working on getting pro bono assistance. Do the Members know what those lawyers said? They said, "We need your program to do the referrals, to do the screening, to do the identification of the cases, to do the eligibility, and then we will take those cases."

If we cut the funding for the Legal Services program, we are just going to cripple the very thing they are talking about.

Finally, we are hearing a lot of isolated cases—and that is what they are, isolated cases—of complaints.

□ 1455

There is in this legislation and in the Legal Services Corporation Act a clear procedure for discipline and defunding. The Board of the Legal Services Corporation, appointed by Ronald Reagan, and the President appointed by that Board, are fully empowered to enforce the law as passed by this Congress. It is not a justification for cutting the budget. In fact, if you cut the budget, you will also be cutting the capacity of the Legal Services Corporation to enforce the laws passed by this Congress.

Mr. Chairman, I ask my colleagues to reject this crippling amendment so that we can get on with other business.

Mr. SWINDALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment.

Quite frankly and candidly, it is not the amendment that I would like to see. The amendment I would like to see is total elimination of this program, but inasmuch as we are unable to get this Congress to eliminate the program, at least let us reduce it.

The reason we ought to eliminate the program entirely is, first of all, as I suggested, it rewards this Congress in essence for not going back to their own districts and seeking some type of creative initiative other than spending the taxpayers' money.

We keep talking about the needs of the indigent. I would suggest that there have to be needs at some time considered with respect to the taxpayers.

Last night we spent $1 billion of their money over the next 2 years. No one knows how we are going to pay for it. Today we are getting ready to spend another $300 million on the Legal Services Corporation.

The truth of the matter is, most of this money, if it is not spent for lobbying, will be spent for bricks and mortar and overhead expense.

Why do we not recognize, and I think the latest figures show that today every American, there are something like one attorney for every six Americans, there are more than enough attorneys around, believe me.

What we ought to do is to find a creative approach to offering services to the indigent, rather than administrative overhead being paid for the Legal Services Corporation.

Here is one suggestion I would like to offer to my colleagues. If you will simply go back to your own districts, and all of us have roughly 500,000 constituents in our district, I guarantee that a sizable number of those are lawyers, and find just 52 attorneys that will donate 1 week of their time, 1 week pro bono, you will find that you now have a pool that allows you to refer each week anyone who calls into your office to an attorney and that attorney will only get 1 week's worth of cases. That attorney will then follow those cases through to finality, but the point is that we can then offer 435 separate Legal Services Corportions at no cost to the taxpayers. The administrative overhead would have already been paid by the attorneys that are in private practice.

The most important thing is that we would demonstrate by example that we really do care.

I would suggest that it is real easy to spend $300 million of the taxpayers' money, but it is not so easy to stop and think of a creative way to approach this problem.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. SWINDALL. I am happy to yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, the gentleman is making a very good point.

Let me once again reiterate this figure, that from the 1982 fiscal year to the 1985 fiscal year, Legal Services from private funding has increased from $47 million to $106 million. They pointed out the fact that the American Bar Association supports the idea. Let them pay for it. The American taxpayers pay for it. If the bar association is so concerned, then let them provide some additional funds.

The gentleman said it would render useless the program. In 1982, mirror corporations established so that grantees could stash grant fund balances and carryovers, amounted to $40 million. In 1985, it amounted to $14 million.

In Texas, the establishment of an alternative corporation enabled the grantee to retain unspent grant funds in excess of levels permitted by LSC.

In Connecticut the former grant recipient used private funds to engage in prohibited activities.

Grantees have significant carryover cash balances in each year.

It is not going to render the program useless. All it does is give us the opportunity to deal with the problem and to send a signal that we are not going to stand for this.

Mr. SWINDALL. Reclaiming my time, Mr. Chairman, and I will be happy to yield further, but first I would just like to say that I do not claim to have all the answers. I have, however, just started exactly the program that I just described and I am going to bring it back next year and tell you how it worked. Perhaps if we do not eliminate the Legal Services Corporation by then, we will be able to look at a model that has actually worked. I believe that is true, and I think it will work.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. SWINDALL. Yes, I am happy to yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, with regard to carryovers, it would be irresponsible for them to take a case and not have the money to complete that case. That would be irresponsible budgeting if they did not have carryovers, and they are allowed to have 10 percent for that purpose. If this program were to stop October 1, what would LSC do, tell somebody who is halfway through the case—to abandon it? Of course not. They are not really carryovers. That is legitimate budgeting.

Mr. SWINDALL. Reclaiming my time, Mr. Chairman, first of all, the gentleman ignores the fact that there is such a thing as a pauper's affidavit. All the administrative costs of filing documentation in the court is already taken care of. We are basically already paying for that. Any other administrative costs, quite frankly, I am not aware of what they are. We are talking here about good old-fashioned elbow grease. That is what folks go to law school to learn is how to practice law and not how to administrate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. COMBEST].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. COMBEST. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 198, noes 212, not voting 23, as follows:

[Roll No. 240]

AYES—198

Andrews
Armey
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Byron
Callahan
Campbell
Chandler
Chapman
Chappell
Cheney
Clinger
Coats
Coble
Coleman (MO)
Combest
Conte
Coughlin
Craig
Crane
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeLay
Derrick
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Duncan
Dyson
Edwards (OK)
Emerson
Fawell
Fields
Frenzel
Gallegly
Gallo
Gekas
Gingrich
Goodling
Gradison
Grandy
Grant
Gregg
Gunderson
Hall (TX)
Hansen
Hastert
Hatcher
Hefley
Henry
Herger
Hiler
Holloway
Hopkins
Horton
Houghton
Hubbard
Huckaby
Hunter
Hutto
Hyde
Inhofe
Ireland
Jenkins
Johnson (CT)
Jones (TN)
Kanjorski
Kasich
Kemp
Kolbe
Konnyu
Kyl
Lagomarsino
Lancaster
Latta
Leath (TX)
Lent
Lewis (FL)
Lightfoot
Lott
Lowery (CA)
Lujan
Lukens, Donald
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCollum
McDade
McEwen
McGrath
McMillan (NC)
Meyers
Mica
Michel
Molinari
Montgomery
Moorhead
Morrison (WA)
Murphy
Myers
Nichols
Nielson
Olin
Oxley
Packard
Patterson
Petri
Pickle
Porter
Pursell
Quillen
Ravenel
Ray
Regula
Rhodes
Ritter
Roberts
Robinson
Roemer
Rogers
Roth
Roukema
Rowland (CT)
Rowland (GA)
Saiki
Saxton
Schaefer
Schneider
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Skeen
Skelton
Slattery
Slaughter (VA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Spratt
Stallings
Stangeland
Stenholm
Stump
Sundquist
Sweeney
Swindall
Tallon
Taylor
Thomas (CA)
Thomas (GA)
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Weber
Whittaker
Wilson
Wolf
Wortley
Wylie
Young (AK)
Young (FL)

NOES—212

Ackerman
Akaka
Alexander
Anderson
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bates
Beilenson
Bennett
Berman
Bevill
Biaggi
Bilbray
Boehlert
Boggs
Bonker
Borski
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Cardin
Carper
Carr
Clarke
Clay
Coelho
Coleman (TX)
Collins
Conyers
Cooper
Courter
Coyne
Crockett
DeFazio
Dellums
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Frank
Frost
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hamilton
Harris
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hochbrueckner
Howard
Hoyer
Hughes
Jacobs
Jeffords
Johnson (SD)
Jones (NC)
Jontz
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Lowry (WA)
Luken, Thomas
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McHugh
McMillen (MD)
Mfume
Miller (CA)
Mineta
Moakley
Mollohan
Moody
Morella
Morrison (CT)
Mrazek
Murtha
Nagle
Natcher
Neal
Nelson
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Owens (UT)
Panetta
Pease
Pelosi
Penny
Pepper
Perkins
Pickett
Price (IL)
Price (NC)
Rahall
Rangel
Richardson
Ridge
Rinaldo
Rodino
Rose
Rostenkowski
Roybal
Russo
Sabo
Savage
Sawyer
Scheuer
Schroeder
Schumer
Sharp
Sikorski
Sisisky
Skaggs
Slaughter (NY)
Smith (FL)
Smith (IA)
Solarz
Staggers
Stark
Stokes
Stratton
Studds
Swift
Synar
Tauzin
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wise
Wolpe
Wyden
Yates
Yatron

NOT VOTING—23

Archer
Boland
Boner (TN)
Bonior (MI)
Bosco
Bustamante
Dicks
Dingell
Dixon
Ford (MI)
Ford (TN)
Gephardt
Hammerschmidt
Lantos
Lewis (CA)
Livingston
Miller (OH)
Miller (WA)
Parris
Pashayan
Roe
St Germain
Tauke

□ 1510

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

MARINE MAMMAL COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Marine Mammal Commission as authorized by title II of Pubic Law 92-522, as amended, $900,000.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

SALARIES AND EXPENSES

For necessary expenses of the Office of the United States Trade Representative, including the hire of passenger motor vehicles and the employment of experts and consultants as authorized by 5 U.S.C. 3109, $16,590,000 of which $1,000,000 shall remain available until expended: *Provided,* That not to exceed $69,000 shall be available for official reception and representation expenses.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Securities and Exchange Commission, including services as authorized by 5 U.S.C. 3109, and not to exceed $3,000 for official reception and representation expenses, $145,000,000 of which not to exceed $10,000 may be used toward funding a permanent secretariat for the International Association of Securities Commissioners.

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses, not otherwise provided for, of the Small Business Administration, including hire of passenger motor vehicles and not to exceed $2,500 for official reception and representation expenses, $183,800,000; and for grants for Small Business Development Centers as authorized by section 21(a) of the Small Business Act, as amended, $42,000,000: *Provided,* That not more than $350,000 of this amount shall be made available to pay the expenses of the National Small Business Development Center Advisory Board and to reimburse centers for participating in evaluations as provided in section 20(a) of such act, and to maintain a clearinghouse as provided in section 21(g)(2) of such Act. In addition, $92,000,000 for disaster loan-making activities, including loan servicing, shall be transferred to this appropriation from the "Disaster Loan Fund".

□ 1520

AMENDMENT OFFERED BY MR. HILER

Mr. HILER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HILER: Page 54, line 10, strike "$42,000,000" and insert "$35,000,000".

Mr. HILER. Mr. Chairman, this amendment is a relatively simple amendment and does not need a lot of time for discussion.

What my amendment would do would be to freeze the funding level for small business development corporations at the 1987 level. In the bill we provide for a $7 increase from $35 million to $42 million for SBDC's. My amendment would freeze it at the $35 million level.

SBDC's are typically university based operations that provide free comprehensive management and technical assistance to small businesses. The Federal Government can provide up to 50 percent of SBDC's operational costs through grants, with the remaining money coming from the private sector and universities.

Currently there are SBDC's in 42 States, the District of Columbia, Puerto Rico, and the Virgin Islands.

There are several points I would like to make as to why I think the amount could be frozen. The first point is that the services provided by SBDC's are available in abundance through private consultation, colleges, universities, and business schools. I think the program is another example of a service provided quite adequately by the market, and yet it is duplicated by the Federal Government, and it is not extensively utilized by the constituency it is meant to serve.

Management assistance provided through the SBDC Program often operates in direct competition with private business counselors, many of whom are small businesses. Thus, the SBDC Program involves use of taxpayer dollars to provide services that small firms do not want many times and is in competition with the private sector.

Over the next several months I know there are going to be hearings in the Committee on Ways and Means and in the Small Business Committee concerning nonprofit competition with the private sector. This is an area where that competition takes place.

I am not offering an amendment that would zero out SBDC's. But I am offering an amendment that would say rather than increase funding for SBDC's in an area where nonprofits are competing with private sector profitmaking organizations, many times which are small businesses, let us freeze the funding, let us take a look in this area, let us examine whether or not a service is being provided and whether it needs to be a service provided at the Government level.

Both the National Federation of Independent Business, the Nation's largest group of small businesses, and the U.S. Chamber of Commerce support this amendment, I might add.

In 1983 there was a survey conducted by the SBA to look at the SBDC Program and try to evaluate whether or not it is a successful enterprise. I would like to point out several key aspects of that survey.

No. 1, in terms of improving the profitability of those businesses who went to the SBDC's for advice and consultation, SBDC's were perceived as not very effective by the clients.

Mr. DREIER of California. Mr. Chairman, will the gentleman yield?

Mr. HILER. I am happy to yield to the gentleman from California.

Mr. DREIER of California. Mr. Chairman, I think that is a very interesting revelation. This was a survey conducted by the Small Business Administration back in 1983, and we know that SBDC's are designed to encourage formation of new small businesses. So what is the result of that initial point the gentleman made?

Mr. HILER. When it came to whether or not the SBDC was effective in helping to improve profitability, the SBDC's were perceived as not being very effective by the clients.

Mr. DREIER of California. It sounds like they are not achieving their goal then?

Mr. HILER. Certainly I would think that would be the case.

The second point and important area I might point out to the gentleman from California, in response to a question: How useful and appropriate are the services provided to you by non-SBDC's, six of the eight industry groups that were surveyed provided client rating above the comparable question posed for SBDC usefulness, so in fact when the business went to an SBDC and to a private consulting group, the businesses found that six times out of eight they were getting better information from the non-SBDC source than the SBDC source.

Finally, the SBDC's were not viewed as being very effective in coordinating services with external sources of assistance.

Mr. Chairman, I point these things out, and it may sound as if, gosh, one could make a good case for eliminating the funding. I am not doing that. I am saying let us freeze the funding, let us keep it at the same level, and let us examine the program before we increase the funding by nearly 20 percent.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. HILER. I am happy to yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I am a little bit concerned about veterans' loans that the gentleman's amendment would affect, and I do not really know the difference.

Mr. HILER. Before the gentleman goes any further, this amendment has nothing to do with direct loans for veterans. It is for small business development companies. It absolutely, positively has nothing to do with veterans.

Mr. SOLOMON. How does the gentleman's amendment differ from the Dreier amendment?

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HILER] has expired.

(By unanimous consent, Mr. HILER was allowed to proceed for 1 additional minute.)

Mr. HILER. The amendment of the gentleman from California [Mr. DREIER] that he will offer next, that goes to direct loans and has nothing to do with my amendment.

Mr. SOLOMON. So the gentleman's amendment has nothing to do with veterans' loans?

Mr. HILER. My amendment has to do with small business.

Mr. SOLOMON. I thank the gentleman for his explanation.

Mr. HILER. Mr. Chairman, I urge the House to support my amendment and I yield back the balance of my time.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is one the best programs that the SBA has ever had. We are changing the direction of the SBA. We are trying to help with management assistance rather than with loans and grants. We started this program several years ago.

The SBA has never been for it. I am not surprised they are opposed to it. They never were for it.

What we have been doing is cutting down on the number of people in their management assistance division that is supposed to be helping people, and we are saying instead, go to a small business development center located at a university. Each State must put up 50 percent of the money for each center under the authorization for this program. This is a cooperative program. In some States, because there is a cap on the amount the Federal Government can put up, the State legislatures have appropriated 4 or 5 times as much as SBA puts into the program. The legislatures have been meeting over the past several years, and each one decides when to come in and at what level to appropriate the money. There is a certain amount of money there for them, if they want to match it.

The $7 million is needed for next year to meet the amount of money that the State legislatures have decided that they will put in as matching funds. That is all this is.

This is one of the most effective programs that we have ever had. What we do is say to the States, set up these small business development centers, and in many cases local Chambers of Commerce are cooperating and help the small businessman that cannot afford that multithousand dollar management assistance advice.

I am not surprised the the U.S. Chamber of Commerce is opposed to this. The kind of people that belong to the U.S. Chamber pay $100,000 or $200,000 or whatever they want to for this kind of assistance.

But we are saying here that the small businessman needs a little assistance; give him a little help, let the university people get a little experience and help the small businessman. Give him a little survey of his business, analyze his books, see what he needs to do to change from an unprofitable business to a profitable business. Give him a market survey, if needed, to tell him whether or not he ought to get out of his business. That is what this is about, and this is a very good program. It would be a bad mistake to cut this $7 million out of this program.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I thank the gentleman for yielding and I rise to support the gentleman. I think he is absolutely correct.

I would report on one successful case in the case of the University of Texas in San Antonio where this program has worked very successfully, and particularly in helping the minority sections, both the ethnic as well as the racial minorities in our area. I thank the gentleman for his efforts in behalf of this program and I join him in solid support.

Mr. SMITH of Iowa. The gentleman from Texas reminds me about examples. I will give one more example.

A lady had a pizza parlor in Atlanta. She was losing money and about to go broke. She heard about this program, she testified, and she went and asked about the program. They came out, they analyzed her books, and they found out that the product she was selling the most of she was selling at a loss and she did not know it. But with the business school helping her, she was able to reprice her products. She now has two pizza parlors and they are both making money and employing people.

Mr. DREIER of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of the amendment offered by my friend, the gentleman from Indiana [Mr. Hiler]. I think it is important that we underscore the fact that both the National Federation of Independent Business and the U.S. Chamber of Commerce are very, very supportive of this amendment.

Let me say the gentleman from Iowa [Mr. Smith] talked about how we are going to be hurting small business opportunities. Frankly, I do not believe for a second that the National Federation of Independent Business would be supportive of this amendment if we were doing that. We all know that they have well in excess of one-half of a million members, and most everyone in this House has certainly felt the impact of the NFIB in their districts.

I would like to just read a rather brief letter, if I might, Mr. Chairman. It states:

> The National Federation of Independent Business (NFIB) supports efforts to phase out federal funding of Small Business Development Centers. We therefore support your amendment to freeze SBDC funding at last year's fiscal level.
>
> NFIB's President and CEO John Sloan testified before the House Small Business Committee on March 5, 1987, arguing that "gradual reduction in federal subsidies for SBDC's makes tremendous economic sense, especially with our current deficit challenge." Those SBDC's which have developed a close bond to the local business community and have state support will continue to flourish.
>
> Members of Congress are asked to make difficult choices to reduce spending. Increasing the level of funding for the SBDC program above last year's appropriation represents a move in the wrong direction.
>
> NFIB members strongly oppose federally funded university-based SBDCs. When polled, 87 percent opposed SBDC's being created to provide management and technical assistance to firms.
>
> Your amendment will save the taxpayers a minimum of 7 million dollars. It will also demonstrate that Congress has the commitment to reduce the federal deficit.

Mr. Chairman, let me also say for those people who are supportive of the SBDC's, in California we have a very great example of the success of small business development centers without Federal funding. In fact, the California program was formerly funded by the SBA through the State Department of Commerce, but because SBA would not let the program be flexible to meet the special needs of business people in California, the State of California decided to go it alone, and they are very much better off today without the Federal funding and the constraints imposed with it.

Mr. HILER. Mr. Chairman, will the gentleman yield?

Mr. DREIER of California. I am happy to yield to the gentleman from Indiana.

Mr. HILER. Mr. Chairman, I would like to point out once again, as the gentleman did in the letter from the National Federation of Independent Business, my amendment will not eliminate funding for SBDC's, although I think a good case could be made for that. What my amendment would do is to freeze the funding at the same level as last year.

Mr. DREIER of California. So what the gentleman is doing then is offering a very balanced approach and not taking any kind of extreme position on this issue?

Mr. HILER. It is not a right wing, ideological meat axe approach, the gentleman is exactly correct.

Mr. DREIER of California. I congratulate the gentleman.

Mr. HILER. It is a freeze amendment and would merely keep the funding at the same level as last year.

□ 1535

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. Hiler].

The question was taken; and on a division [demanded by Mr. Hiler] there were—ayes 13, noes 25.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

REVOLVING FUNDS

The Small Business Administration is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to its revolving funds, and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for the "Disaster Loan Fund", the "Business Loan and Investment Fund", the "Lease Guarantees Revolving Fund", the "Pollution Control Equipment Contract Guarantees Revolving Fund" and the "Surety Bond Guarantees Revolving Fund".

BUSINESS LOAN AND INVESTMENT FUND

For additional capital for the "Business Loan and Investment Fund", $139,000,000, to remain available without fiscal year limitations; and for additional capital for new direct loan obligations to be incurred by the "Business Loan and Investment Fund", $97,000,000, to remain available without fiscal year limitation.

AMENDMENT OFFERED BY MR. DREIER OF CALIFORNIA

Mr. DREIER of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Dreier of California:
>
> Page 55, line 8, strike "$139,000,000," and insert "$140,000,000,".
>
> Page 55, line 11, strike "$97,000,000," and insert "$39,000,000,".

Mr. DREIER of California (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DREIER of California. Mr. Chairman, this amendment would simply convert $58 million in SBA direct loans to guaranteed loans. This amendment does not affect any other SBA Program. The amendment will not reduce access to credit for these groups. It will, however, do something very important which we are focusing on as we look at appropriations bills and that is saving U.S. taxpayers $58 million a year.

But this is not the only reason why I offer this amendment. First, by shifting emphasis from direct lending to loan guarantees, we will be leveraging private sector sources of funding and providing more assistance to these groups in a more efficient manner, and with reduced Government outlays. Direct lending by the Government is certainly an inefficient use of tax dollars; every $1 of direct loan moneys correlates to $7 in guaranteed loan activity at the same budget outlay cost.

Second, the default rate for SBA direct loans is the highest of all SBA-financed programs and is far too expensive given limited budget resources. Even with recent improvements in the program, over 31 percent of the direct loan portfolio is not in current payment status. Default rates have gone as high as 61 percent in 1979 and 1980. This is unacceptable for any credit program.

Third, the administration costs of the SBA's direct loan program are three times higher than for the guaranteed loan program. Loan losses are about 50 percent higher. This is too high to justify continuation of the program.

Let me state clearly that the amendment is very sensitive to the special needs of handicapped, minority and veteran entrepreneurs seeking funds for their enterprises. It will have an insignificant impact on their ability to obtain access to capital. Provisions are made in this amendment to insure that these groups will be able to obtain capital through the loan guarantee program, which already provides an overwhelming percentage of total lending to these groups.

In 1986, for example, 10 percent of all SBA loan dollars went to minority borrowers; 96 percent of that total was delivered through the guaranteed program. Veterans received 22 percent of all SBA loan dollars, and 96 percent of those dollars also came in the form of guaranteed loans.

I know a number of my friends have asked questions concerning the veterans' impact and I would like to underscore that. Veterans have received 22 percent of all SBA loans and 96 percent of those dollars also came in the form of guaranteed loans.

Overall, only 672 direct loans were made to the Nation's small business population. That compares with 20,000 loans made overall.

What I am proposing is that the Guaranteed Loan Program take up the remaining slack. The fact that the vast majority of the individuals in these three groups already utilize guaranteed loans, rather than direct loans, clearly indicates they have access to a network of private lenders in the United States and a credit distribution system unmatched in the world.

Unlike in the past, banks are willing to make guaranteed loans to these groups. Many of them have been in the business long enough to feel comfortable with the Guarantee Loan Program. They realize that there is no risk in making such loans. Also, the number of guaranteed lenders has increased, thereby making more capital available.

Let me point out once again, Mr. Chairman, that like the last amendment we have the very strong support of the National Federation of Independent Business and I urge support of this amendment.

Mr. SOLOMON. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

Mr. Chairman, I hesitate to rise in opposition to any amendment offered by my good friend, DAVID DREIER from California, because we generally think alike and vote alike since he has been a Member of this Congress.

But this bill does include veteran loans. Of the $57 million that we are talking about here, I think almost half of it is for veteran loans. I have to point out that this is an appropriation bill, it is not an authorization bill; this program was authorized 2 years ago for a 3-year period and therefore the authorization bill will not be before this body until next year.

Therefore, the Veterans' Administration has not given us their opinion of the bill and I am speaking as the ranking Republican on the Committee on Veterans' Affairs. I have discussed with my chairman of the Committee on Veterans' Affairs and he also has some concerns about it.

I worry about this measure being transferred from direct loans over to guaranteed loans for the simple reason we have been very fortunate in this country for a number of years now where we have interest rates that are not 21½ percent as they were back in 1980. God forbid if interest rates go back up to that level, no bank in this country is going to want to do business on any kind of a guaranteed loan basis at reduced interest rates. It means that, especially one group of veterans, the Vietnam veterans who still have a problem in our society in this country, are going to have a severe problem.

We passed a bill yesterday, just yesterday extending the Veterans Job Training Program simply because Vietnam veterans still are the highest unemployed of all veterans in this Nation. And I am really concerned that this does affect them. With all due respect to the sponsor of the amendment, I wish he would hold it off until next year, give our committee, the Veterans' Affairs Committee a chance to look at it, to work with his Committee on Small Business Administration and perhaps we might even cosponsor his amendment next year when the authorizing bill is coming before this body. But I do not think we ought to be cutting it out right in the middle of this program.

Mr. DREIER of California. Mr. Chairman, would the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Califronia [Mr. DREIER].

Mr. DREIER of California. I thank the gentleman for yielding.

Mr. Chairman, I think it is important for us to underscore the fact that there were a grand total of 300 loans in the veterans area and since that time we have seen an even greater interest in the banking community to expand into the Guaranteed Loan Program. I will tell the gentleman that have assurances from those within the financial services industry that they are interested in taking up the slack and moving it to the area of picking up these veterans' loans.

But again that is just a very small part of this.

Once again, of all the veterans' loans provided, 96 percent of the veterans rely on the guaranteed program today.

Mr. SOLOMON. I appreciate the gentleman's remarks. Mr. Chairman, I know he is sincere about it. I do not have any assurances from the lending institutions. I can only go by what happened back in 1980 when it was very difficult to get guaranteed loans through the lending institutions in America when the prime interest rate in this country was 21½ percent and small businessmen, with established credit, were having trouble borrowing money at 23 and 24 percent. I do not want to see us go through that again.

Mr. DREIER of California. Let me say to the gentleman that I think, I know if we had a Congress that casts votes as he casts votes, we will never see interest rates get back to that level.

Mr. SOLOMON. I thank the gentleman for his remarks.

I would have to oppose the amendment and would hope everyone else would this year and let us look at it again next year.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I agree with what the gentleman from New York said. What this really does is to knock out $58 million for direct loans. There is $15 million in here for the handicapped for direct loans, $24 million for economic opportunity loans and $19 million for veterans. That totals $58 million.

Now, there is $3,154 million dollars of authority for guarantees. It is such a minute amount of money for direct loans compared to the guarantees. But why would you need any at all for direct loans? They say everything can be guarantees. The fact of the matter is it has been found time and time again that a handicapped person goes into a bank, usually for a small loan, and the bank does not want to bother with them. You can understand why. It takes the same amount of time to make a $1 million loan as it does to make a $30,000 loan.

Sometimes they need a direct loan and maybe they will add a guarantee on top of it or they will get started and then get a guarantee on top of it. You have to have a small amount of direct loan money available for those people that the banks do not want to make a loan to. I emphasize, the banks do not want to make loans to them; they are not eligible for a direct loan if a bank will make a loan to them.

These are people who just cannot get started any other way. There is a minimum amount of money for the handicapped, for women and others in the equal opportunity loan category and Vietnam veterans.

I ask you to defeat this amendment.

Mr. DREIER of California. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. I thank the gentleman for yielding on that point.

I appreciate the fine work of the gentleman on this bill.

Mr. Chairman, I think it is important to underscore that 10 years ago, the gentleman is exactly right, the situation did exist where banks did not want to provide those guaranteed loans. But within the past decade we have seen a tremendous interest in expanding into the area of guaranteed loans on the part of these institutions.

Mr. SMITH of Iowa. Well, if any bank wants to provide loans, it immediately renders ineligible everybody in his banking area. So you do not have a problem. These people have to be in an area where they cannot get a bank to make a loan or they are not eligible.

Mr. LaFALCE. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, let me make clear what it is we are attempting to do here. The amendment would eliminate direct loans for a small category of individuals; the handicapped and disabled, Vietnam-era veterans, and minorities.

Those are the only groups that today cannot get direct loans. Before it was much larger.

Under the Reagan administration, we emasculated most of the programs of the SBA. We eliminated all other direct loans but we have been able to retain a very, very small amount of direct loans for those three classes, the handicapped, the disabled, the Vietnam-era veterans, and minorities.

Now, can they get those loans by walking in the door? No they cannot. If they possible can get a loan in the private sector then they are ineligible for a direct loan. If they can get a guaranteed loan through the SBA, then they also are ineligible for a direct loan. So when the gentleman from California says they can get private loans or the gentleman from California says they can get guaranteed loans, then they would not be eligible for direct loans. The only ones who are eligible for direct loans are those who are excluded by definition from the categories which he discussed.

Now, who is getting these loans? We are talking about 1,500 borrowers basically over the past 2 years. The average handicapped individual borrowed $100,000. You know, it is very difficult, impossble for those individuals who got these loans, these handicapped, to go to a bank and say, "Give me $100,000." This is why they got those loans because they could not get a private sector loan, they could not get a guaranteed loan. The same is basically true with respect to minorities only it is lower for minorities. With minorities the average loan they received was $47,000.

With respect to the average disabled veteran, $62,000.

Now the gentleman says the Guaranteed Loan Program can take care of everybody who is really in need. The fact of the matter is the Guaranteed Loan Program is not a very good program for these classes of individuals.

Let us take one of them, for example, let us take the Handicapped Guaranteed Loan Program over the past 3 years. In 1984, Congress approved $5 million in guaranteed loans to the handicapped, only $400,000 was actually obligated of the $5 million. In 1984, we approved the program level of $5 million; only $800,000 was obligated. In 1986, another $5 million was approved by the Congress and SBA obligated only 20 percent of that $1 million, because they cannot utilize the guaranteed loans. They are too expensive for them. They need the direct loans.

□ 1550

Mr. DREIER of California. Mr. Chairman, will the gentleman yield?

Mr. LaFALCE. Mr. Chairman, I yield to the gentleman from California.

Mr. DREIER of California. Mr. Chairman, I thank the gentleman for yielding.

I serve on the Committee on Banking, Finance and Urban Affairs, as well as the Committee on Small Business. The Committee on Banking, Finance and Urban Affairs spent the last several days in conference, and I appreciate the gentleman's interest in my amendment to come over and express the gentleman's thoughts about it.

First, a point I would like to respond to, when the gentleman talks about providing real assistance to minorities, there is no doubt in my mind whatsoever that we have a better ability to provide assistance to minorities through the private sector rather than through bureaucrats at the SBA who are administering this.

As the gentleman talked about the importance of trying to assist minorities, I should like to mention an article in the Globe Democrat in St. Louis, which talks about how minorities have been detrimentally impacted by the SBA Direct Loan Program.

This article was written in 1981, and the lead says:

> I can't tell you how it would have helped my life so much if they had never given the damn money to me. All it did was ruin my life.

Mr. LaFALCE. Mr. Chairman, reclaiming my time, so the gentleman can come up with a quote from one individual who took a loan and got hurt by it.

We can come up with tens of thousands of other individuals who received loans who are able to make successful business operations out of those loans.

The gentleman argues in one specific instance to a general conclusion that we must abolish the program. There is something specious about the gentleman's argument and the gentleman's way of thinking.

Mr. DREIER of California. Mr. Chairman, if the gentleman will yield further, when we have a 31.7-percent area in default, it seems to me rather difficult that the U.S. taxpayer should be the place of last resort when someone is constantly in default.

Mr. LaFALCE. The gentleman is right. These loans of absolute last resort.

Mr. HILER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, 672 loans were made last year in this category, 672.

When the gentleman said, "Who are these people, we can take 10 minutes and probably name them all. That is the kind of program this is.

If we had 672 of anything else, specific people getting money appropriated by this institution, there would be efforts out here to say that this is special interest legislation.

This is a program that is extraordinarily limited in scope, and I would say limited in success.

As the gentleman from California pointed out, 31 percent default rate. If you could bring those 672 people into this Chamber and sit them down, you could say to them, "Look to the left, and look to the right, and one of you is going to default."

Do we do those people any favor by giving them the money and putting them into business? I would say no, and that is not to say that some of those 672 would not be successful; but why are we having the Federal Government oriented toward those 672 individuals?

We have a $3.1 billion guarantee program. The guarantee program is working relatively well.

The direct loan program is not working. Over the course of the last 7 or 8 years, we have dramatically dropped the direct loan program by nearly 50 percent.

Given an opportunity in this House to set priorities, when it came to budgets and appropriation bills, this House has said the direct loan program should be cut by over 50 percent.

What the gentleman from California is saying, let us go the last step and eliminate it, the last 50 percent, because the program does not work. It has a high default rate, and a guarantee program can work well.

Mr. DREIER of California. Mr. Chairman, will the gentleman yield?

Mr. HILER. Mr. Chairman, I yield to the gentleman from California.

Mr. DREIER of California. Mr. Chairman, I thank the gentleman for yielding.

It is very important for us to underscore on this side that what we are trying to do is assist the minority community, assist the minority community, because time and time again, people have told me in places other than just this quote that I read, what we are doing is, we are piling debt for individuals on top of poverty which they are already saddled with.

Mr. HILER. Mr. Chairman, reclaiming my time, there are nearly 15 million small businesses in this country. There will be probably somewhere in the neighborhood of 500,000 new business starts this year. This program will catch 672 people.

The gentleman talked about minority loans. Ninety-six percent of the loans generated to minorities under the small business program come through the guarantee program, and only 4 percent through the direct loan program.

We are putting into business many people who, while their heart may be willing, the fact is that we should not be putting them into business. We do them no favors.

Mr. Chairman, I would argue that the program is not effective, that it does not touch the mainstream of American small business today.

Let us save $58 million and eliminate this program.

Mr. CONYERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. This is the most extraordinary debate I have heard about minority enterprise certainly in this year.

To hear the gentlemen on this side propose that they will help minority businessmen by striking the one provision in the law that we have when all else has failed, and then complain that there are only 600 of them, when there are thousands out there trying to get the benefit of these programs forces me to come into the well to hope that the logic of all of the Members will prevail, and this amendment will be soundly rejected.

The thing that we must understand about minority enterprise is that capitalization is the biggest problem. They cannot get the loans at the banks, gentlemen.

We cannot make the loans. They are not available to them.

If there are other government programs for which they qualify, they would not be able to take advantage of this program that you propose to strike, and so I am caught astounded, gasping for breath, to hear the gentlemen say as friends of minority enterprise, they will help them by relieving them of this very tiny program.

The fact of the matter is that one of the most redeeming virtues of the capitalist system is that there is a small window for people who are qualified in business to begin to answer. They can enter through many of these programs that have been carefully put together.

In this program, it is absolutely essential that we have the disabled and the veterans, and the minorities to be able to use this small window of opportunity.

I plead with the Members to join the gentleman from New York [Mr. LaFalce], the chairman of the Committee on Small Business, and the gentleman from Massachusetts [Mr. Mavroules], the subcommittee chairman of this matter, to reject this amendment, and I urge its defeat in the strongest terms.

Mr. MAVROULES. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. Mavroules], the chairman of the Subcommittee on Procurement, Innovation, and Minority Enterprise Development.

Mr. MAVROULES. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, when we talk about this kind of initiative, we have to look at the long picture. Unfortunately, some of the Members of Congress take a narrow view of a program. A few hours ago we talked about the EDA program, and we talked about other grants that are given to communities and to people.

But when we look at the structure of the loans or whatever initiative is undertaken by the Federal Government, the long-term record is that we do not lose one dime, not one nickel, because the payback on any initiative undertaken by our Government more than offsets any payment given by the Government. That is in every single program we have.

Mr. Chairman, I just wanted to make that point very clear, and I thank the gentleman for yielding.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. Dreier].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DREIER of California. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 108, noes 297, not voting 28, as follows:

[Roll No. 241]

AYES—108

Armey
Badham
Ballenger
Bartlett
Barton
Bateman
Bentley
Bilirakis
Bliley
Boehlert
Boulter
Broomfield
Brown (CO)
Bunning
Burton
Callahan
Carper
Chandler
Cheney
Coats
Coble
Combest
Courter
Craig
Crane
Dannemeyer
Davis (IL)
DeLay
DeWine
DioGuardi
Dornan (CA)
Dreier
Edwards (OK)
Fawell
Fields
Frenzel
Gallegly
Gingrich
Gunderson
Hall (TX)
Hansen
Hefley
Henry
Herger
Hiler
Holloway
Hopkins
Houghton
Huckaby
Hunter
Inhofe
Johnson (CT)
Kasich
Kemp
Kolbe
Konnyu
Kyl
Lagomarsino
Leach (IA)
Lent
Lightfoot
Lott
Lowery (CA)
Lukens, Donald
Lungren
Mack
MacKay
Martin (IL)
McCandless
McCollum
McGrath
McMillan (NC)
Michel
Moorhead
Morrison (WA)
Nielson
Oxley
Packard
Penny
Petri
Porter
Pursell
Rhodes
Ridge
Ritter
Rogers
Schaefer
Sensenbrenner
Shaw
Shumway
Slaughter (VA)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Spratt
Stallings
Stenholm
Stump
Sundquist
Sweeney
Swindall
Thomas (CA)
Upton
Vander Jagt
Vucanovich
Walker
Weber
Wolf

NOES—297

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Baker
Bates
Beilenson
Bennett
Bereuter
Berman
Bevill
Biaggi
Bilbray
Boggs
Borski
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Buechner
Byron
Campbell
Cardin
Carr
Chapman
Chappell
Clarke
Clay
Clinger
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coughlin
Coyne
Crockett
Daniel
Darden
Daub
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dickinson
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Emerson
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Glickman
Gonzalez

Goodling
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Hamilton
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hochbrueckner
Horton
Howard
Hoyer
Hubbard
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Latta
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (FL)
Lewis (GA)
Lipinski
Lloyd
Lowry (WA)
Lujan
Luken, Thomas
Madigan
Manton
Markey
Marlenee
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McEwen
McHugh
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Owens (NY)
Owens (UT)
Panetta
Patterson
Pease
Pelosi
Pepper
Perkins
Pickett
Pickle
Price (IL)
Price (NC)
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Richardson
Rinaldo
Roberts
Robinson
Rodino
Roemer
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sharp
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
St Germain
Staggers
Stangeland
Stark
Stokes
Stratton
Studds
Swift
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NOT VOTING—28

Archer
Barnard
Boland
Boner (TN)
Bonior (MI)
Bonker
Bosco
Bustamante
Dicks
Dingell
Dixon
Edwards (CA)
Gephardt
Hall (OH)
Hammerschmidt
Lantos
Lewis (CA)
Livingston
Miller (OH)
Miller (WA)
Ortiz
Parris
Pashayan
Roe
Roybal
Synar
Tauke
Waxman

□ 1605

Messrs. GORDON, TAYLOR, HASTERT, and RAHALL changed their votes from "aye" to "no."

Mr. MORRISON of Washington changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SURETY BOND GUARANTEES REVOLVING FUND

For additional capital for the "Surety Bond Guarantees Revolving Fund", authorized by the Small Business Investment Act, as amended, $9,497,000, to remain available without fiscal year limitation.

POLLUTION CONTROL EQUIPMENT CONTRACT GUARANTEE REVOLVING FUND

For additional capital for the "Pollution control equipment contract guarantee revolving fund" authorized by the Small Business Investment Act, as amended, $14,240,000, to remain available without fiscal year limitation.

STATE JUSTICE INSTITUTE

SALARIES AND EXPENSES

For necessary expenses of the State Justice Institute, as authorized by Public Law 98-620, $12,900,000 to remain available until expended.

UNITED STATES INFORMATION AGENCY

SALARIES AND EXPENSES

For expenses, not otherwise provided for, necessary to enable the United States Information Agency, as authorized by Reorganization Plan No. 2 of 1977, the Mutual Educational and Cultural Exchange Act of 1961, as amended (22 U.S.C. 2451 et seq.), and the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1431 et seq.), to carry out international communication, educational and cultural activities, including employment, without regard to civil service and classification laws, of persons on a temporary basis (not to exceed $270,000, of which $250,000 is to facilitate United States participation in international expositions abroad); expenses authorized by the Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.), living quarters as authorized by 5 U.S.C. 5912, and allowances as authorized by 5 U.S.C. 5921-5928 and 22 U.S.C. 287e-1; and entertainment, including official receptions, within the United States, not to exceed $20,000; $620,700,000, none of which shall be restricted from use for the purposes appropriated herein: *Provided,* That not to exceed $1,000,000 may be used for representation abroad: *Provided further,* That not to exceed $14,557,000 of the amounts allocated by the United States Information Agency to carry out section 102(a)(3) of the Mutual Educational and Cultural Exchange Act, as amended (22 U.S.C. 2452(a)(3)), shall remain available until expended: *Provided further,* That receipts not to exceed $1,150,000 may be credited to this appropriation from fees or other payments received from or in connection with English-teaching programs as authorized by section 810 of the United States Information and Educational Exchange Act of 1948, as amended.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

For expenses of Fulbright, International Visitor, Humphrey Fellowship and Congress-Bundestag Exchange Programs, as authorized by Reorganization Plan No. 2 of 1977 and the Mutual Educational and Cultural Exchange Act, as amended (22 U.S.C. 2451 et seq.), $139,770,000. For the Private Sector Exchange Programs, $7,230,000.

RADIO BROADCASTING TO CUBA

For an additional amount, necessary to enable the United States Information Agency to carry out the Radio Broadcasting to Cuba Act (providing for the Radio Marti program or Cuba Service of the Voice of America), including the purchase, rent, construction, and improvement of facilities for radio transmission and reception and purchase and installation of necessary equipment for radio transmission and reception, $12,652,000, to remain available until expended.

EAST-WEST CENTER

To enable the Director of the United States Information Agency to provide for carrying out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960, by grant to any appropriate recipient in the State of Hawaii, $20,000,000: *Provided,* That none of the funds appropriated herein shall be used to pay any salary, or to enter into any contract providing for the payment thereof, in excess of the highest rate authorized in the General Schedule of the Classification Act of 1949, as amended.

NATIONAL ENDOWMENT FOR DEMOCRACY

For grants made by the United States Information Agency to the National Endowment for Democracy as authorized by the National Endowment for Democracy Act, $16,000,000.

ADMINISTRATIVE PROVISION-UNITED STATES INFORMATION AGENCY

The United States Information Agency and the Voice of America shall pursue all relevant information relating to the availability of transmitters and antennas, spare parts and other technical equipment to determine whether such items can be procured at reasonable prices and in a timely manner under all foreseeable circumstances. The agency and the Voice of America shall purchase American-manufactured equipment and materials to the fullest extent reasonably possible under the law in carrying out the facilities modernization program.

□ 1620

POINT OF ORDER

Mr. MICA. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. MICA. Mr. Chairman, I make the point of order that the provision beginning on line 18 of page 58, and ending on line 3 of page 59, violates rule XXI of the House Rules.

The language in question would impose new duties on the Director of the U.S. Information Agency which go beyond duties imposed upon the Director in existing law.

For the record, I would point out to my colleagues that the subject matter in this provision was addressed earlier by the House on June 18 when the House considered H.R. 1777, the Foreign Relations Authorization Act, fiscal years 1988 and 1989.

Therefore, in view of the fact that the language in question constitutes a legislative provision in an appropriations bill in violation of rule XXI I must insist on my point of order.

The CHAIRMAN (Mr. BROWN of California). Does the gentleman from Iowa [Mr. SMITH] desire to be heard on the point of order?

Does any other Member care to be heard on the point of order?

If not, the Chair is prepared to rule.

For the reasons stated by the gentleman from Florida [Mr. MICA] the language constitutes legislation on an appropriation bill in violation of rule XXI. The Chair sustains the point of order, and the paragraph will be stricken.

The Clerk will read.

The Clerk read as follows:

TITLE VI—GENERAL PROVISIONS

SEC. 601. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 602. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 603. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 604. In any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Act and the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

SEC. 605. None of the funds appropriated in titles II and V of this Act may be used for any activity to alter the per se prohibition on resale price maintenance in effect under Federal antitrust laws: *Provided,* That nothing in this provision shall prohibit any employee of a department or agency for which funds are provided in titles II and V of this Act from presenting testimony on this matter before appropriate committees of the House and Senate.

SEC. 606. None of the funds appropriated by this Act to the Legal Services Corporation may be used by the Corporation or any recipient to participate in any litigation with respect to abortion.

SEC. 607. No funds appropriated under this Act may be used to procure any item or service from a foreign entity which engages, directly or indirectly, in activities which, if it were a United States person, would violate section 8 of the Export Administration Act of 1979 (50 U.S.C. Appendix, section 2401 et seq.)

SEC. 608. None of the funds appropriated or made available by this or any other Act or otherwise appropriated or made available to the Secretary of Transportation or the Maritime Administrator for purposes of administering the Merchant Marine Act, 1936, as amended (46 U.S.C. 1101 et seq.) shall be used by the United States Department of Transportation or the United States Maritime Administration to propose, promulgate, or implement any rule or regulation, or, with regard to vessels which repaid subsidy pursuant to the rule promulgated by the Secretary May 3, 1985, and vacated by order of the United States Court of Appeals for the D.C. Circuit January 16, 1987, conduct any adjudicatory or other regulatory proceeding, execute or perform any contract, or participate in any judicial action, with respect to the repayment of construction differential subsidy for the permanent release of vessels from the restrictions in section 506 of the Merchant Marine Act, 1936, as amended: *Provided,* That such funds may be used to the extent such expenditure relates to a rule which conforms to statutory standards hereafter enacted by Congress.

AMENDMENT OFFERED BY MR. DONALD E. LUKENS

Mr. DONALD E. LUKENS. Mr. Chairman, I offer an amendment.

Mr. FRENZEL. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Minnesota [Mr. FRENZEL] reserves a point of order against the amendment.

The Clerk read as follows:

Amendment offered by Mr. DONALD E. LUKENS: on page 61, after line 10 add the following new section:

"SEC. 609. The Departments of Commerce, Justice and State, acting jointly, shall assure that no products or services of the Toshiba Corporation of Japan or its subsidiaries or affiliates, or Kongsberg Vapenfabrik of Norway or its subsidiaries or affiliates, shall be permitted to be imported into the United States or its territories, provided that nothing in this section shall affect contracts executed prior to July 1, 1987."

Mr. DONALD E. LUKENS. Mr. Chairman, I know that everyone is aware of the recent situation regarding out national security interests being violated by two companies, one in Japan and one in Norway.

This amendment is simple in its impact and sweeping in its scope. It simply says that the three Departments—Commerce, Justice, and State—acting jointly, shall assure that no products or services of the two companies in question shall be permitted to be imported into the United States or its territories with the exception of those contracts already negotiated as of today, July 1, 1987.

I think that the situation is serious enough. The Senate took action last night on language very similar to this, a 2-year restriction, the same kind of action. It is a very modest gesture to show I think the irate conscience and indignation that this country feels, if not downright anger, about the conscienceless and purposeless greedy acts of these two companies in working together, whether intentionally or otherwise, to destroy the national security of the United States and possibly cost American lives.

Mr. Chairman, I ask support for this amendment.

The CHAIRMAN. Does the gentleman from Minnesota [Mr. FRENZEL] insist upon his point of order?

Mr. FRENZEL. Mr. Chairman, I continue to reserve my point of order.

Mrs. BENTLEY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think that it is time that this Government take very strong action against those companies which have violated the security of the United States of America, and this morning we called for a general boycott of all Toshiba products and of all dealings by our U.S. Government with Kongsberg.

I think that this is another step in the right direction. We must make foreign companies who do business with us recognize the fact that they cannot undermine the security of the United States of America.

POINT OF ORDER

Mr. FRENZEL. Mr. Chairman, I make a point of order against the Lukens amendment on the basis that it violates rule XXI, clause 2(d), which is the prohibition against legislating on an appropriation bill.

Mr. Chairman, this is an important matter. It is clearly a violation. No one underestimates its importance. However, to adopt it by a nongermane amendment, or rather an illegal amendment, is not a good way to deal with the subject.

My understanding is that the appropriate subcommittee is going to hold hearings on bills of this nature when we return from the coming recess, and so I hope that we will be able to work it out in the normal course of events. In the meantime, to preserve the order of the House, I press my point of order.

The CHAIRMAN. Does the gentleman from Ohio [Mr. DONALD E. LUKENS] desire to be heard on the point of order?

Mr. DONALD E. LUKENS. Mr. Chairman, I understand the gentleman's point, and I appreciate from where he is coming. I would hope that his position would be as pure as his logic. However, the problem is that this bill already contains several items, several amendments, that have the same problem, and yet they are contained in the bill.

This is an item of immediate interest to the national concern and to our national security. I would hope that the Chair would see fit to rule against the point of order.

The CHAIRMAN (Mr. BROWN of California). Does any other Member desire to be heard on the point of order?

If not, the Chair is prepared to rule. For the reasons stated by the gentleman from Minnesota [Mr. FRENZEL] the amendment of the gentleman from Ohio [Mr. DONALD E. LUKENS] does constitute legislation on an appropriation bill in violation of rule XXI, paragraph 2(c), and the point of order is sustained.

Are there other amendments at this point?

AMENDMENT OFFERED BY MR. CRANE

Mr. CRANE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRANE: Page 61, after line 10, insert the following:

SEC. 609. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act which is not required to be appropriated or otherwise made available by law shall be reduced by 4.89 percent.

Mr. CRANE. Mr. Chairman, I would like to mention some concerns that I have about H.R. 2763. For fiscal year 1987, we can anticipate spending some $13.287 billion for programs in Commerce, Justice, State, and Judiciary and related agencies. This includes amounts appropriated in the continuing resolution last year and also funds contained in the 1987 supplemental appropriation.

The committee says that spending will increase by $693 million above last year's level. I sat and listened to the exchanges that were carried on on the floor when my esteemed colleague, the gentleman from Texas [Mr. STENHOLM], introduced his earlier amendment to cut the funding for the Economic Development Administration.

□ 1630

The question was raised at the time by people who disagreed with that amendment that they nevertheless recognized that the gentleman was sincere, had engaged in serious study to make targeted reductions in this appropriation bill, and that that is the appropriate way to go. To be sure it is, but the problem that developed during the colloquies that ensued is that there are various Members here who can point to projects, as they did in challenging the Stenholm amendment, point to projects in their own districts where there are shining examples of the way the concerns originally were intended to work. Those prove for the most part to be exceptions to the rule. But it makes it very difficult I think, if not impossible, for anyone to make a targeted reduction.

The committees certainly have studied these appropriations and come up with their own arrangement of priorities and their own judgments, and thus the only alternative I think we have, if we are going to attempt to effect economies, is to make those economies across the board. Therefore, Mr. Chairman, I am offering an amendment to freeze the appropriations for the Departments of Commerce, Justice, State, and the Judiciary at the fiscal year 1987 levels. This will save the taxpayers $675 million by eliminating the committee's funding increase of 4.89 percent for all discretionary programs.

This is a reasonable amendment which does not seriously harm any program. It merely reduces the rate of increase for these agencies.

Thus, this amendment is one step in the right direction of getting our spending under control and eventually balancing the budget.

The adverse effects of a deficit on our economy are well documented, but we have not made sufficient progress toward reaching the Gramm-Rudman target for fiscal year 1988 of $108 billion. The CBO, using the OMB's rosy economic assumptions, estimates that the deficit will reach $133 billion in fiscal year 1988. This is $25.8 billion over the Gramm-Rudman target.

Some economists, however, have projected that the deficit could go over $170 billion in fiscal year 1988.

According to Citizens for a Sound Economy, the fairest and the simplest way to lower the deficit is a budget freeze. If Congress just did not increase spending, the budget would come quickly into balance. In 1988, for example, if we froze at 1987 levels; namely, the expenditure level of $1.15 trillion, we could achieve a reduction that would actually put us below the Gramm-Rudman target by approximately $3 billion. Holding the budget constant in 1989 and 1990 would result in a budget surplus in just 3 years at current levels of projected tax increases, and I put some stress on this point because we are contemplating in this body, tax increases for 1988, 1989 and 1990 of approximately $67 billion, and still admitting that with those tax increases we are not going to come within better than $25 billion of the Gramm-Rudman target for fiscal year 1988.

My amendment fits into this strategy and does not take a great toll on any program contained in this bill. High priority agencies which promote law and order, help combat our drug problem, stop illegal immigration and serve to remedy our trade deficit will all continue to receive increases in funding despite my amendment. For instance, the Drug Enforcement Administration will get a 2-percent increase, the FBI will get a 2-percent increase, the Securities and Exchange Commission will receive a 16-percent increase, the Immigration and Naturalization Service will receive a 6.3-percent increase, the Census Bureau will receive a 66-percent increase. Thus, my amendment will not only help us reduce the deficit, but it will also maintain vital programs at appropriate levels of funding, and according to the priority arrangements in and emphasis on increases for next year that were determined by the committee.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. CRANE] has expired.

(By unanimous consent, Mr. CRANE was allowed to proceed for 2 additional minutes.)

Mr. CRANE. In conclusion, my amendment will preserve the committee's sense of priority with respect to the functions of this bill. I am only asking that all agencies in this bill shoulder a small burden to help us cut spending and eventually balance the budget. As the ranking minority member on the Trade Subcommittee of the Ways and Means Committee, I will also see agencies related to my congressional duties such as the International Trade Commission incur a cut in funding. But we all need to make sacrifices if we are ever going to achieve our goal of a balanced budget. Please do the right thing and support this amendment and thereby show the American people that we are willing to get spending under control.

Mr. ROGERS. Mr. Chairman, I wonder if I might, in the interest of time, realizing the late hour, ask if we might be able to come to some agreement on limiting the time on this amendment and all amendments thereto so that we can have some assurance of the time schedules. I wonder, if we granted each side 15 minutes, if that would be agreeable to the parties involved?

Mr. SMITH of Iowa. If the gentleman would first give me say 10 minutes to offset what was just said, and then 15 minutes on each side, that would be agreeable.

Mr. CRANE. Mr. Chairman, I think we can reach a better agreement than that. I do not think, aside from the rebuttal of the distinguished chairman, that I am aware of any Members on our side that have made requests for time. So if I could reserve an additional 3 minutes, and then yield 10 minutes to the distinguished chairman, the gentleman from Iowa [Mr. SMITH], I think we could have an agreement. That would be 10 minutes on each side, if that is agreeable with the chairman.

Mr. SMITH of Iowa. That is agreeable to me.

Mr. ROGERS. I ask unanimous consent, Mr. Chairman, that the debate be limited to 10 minutes on each side.

Mr. CRANE. And, Mr. Chairman, I have already used 7 minutes and will reserve 3 minutes on our side, which I am not persuaded we will use.

The CHAIRMAN. That is 10 minutes for this amendment and all amendments thereto.

Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SMITH of Iowa. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I will try to cover in my remarks essentially what would need to be covered in the next amendment also.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, it might expedite matters if I might be allowed to offer my amendment to the amendment first, and then the gentleman can debate both of them at the same time.

Mr. SMITH of Iowa. Mr. Chairman, I ask unanimous consent that my time be reserved while the gentleman from

Texas [Mr. Stenholm] offers his amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AMENDMENT OFFERED BY MR. STENHOLM TO THE AMENDMENT OFFERED BY MR. CRANE

Mr. STENHOLM. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. Stenholm to the amendment offered by Mr. Crane: Before the period at the end thereof insert "; except that this section shall not apply to amounts appropriated or otherwise made available for the Drug Enforcement Administration, the Federal Bureau of Investigation and Immigration and Naturalization".

The CHAIRMAN. Under the unanimous consent agreement, the time now reverts to the gentleman from Iowa [Mr. Smith], who has 10 minutes.

Mr. SMITH of Iowa. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to point out that except for 10 items in this bill, this bill is already overall below the freeze level. There are 10 items in here that received substantial increases. If one excludes those 10 items, then the rest of the bill is overall below the freeze level.

Let us examine these items. One of them is the Census Bureau. It has a 72-percent increase of $193 million. The census is a cyclical program. The Constitution of the United States says we have a census every 10 years, and we have to have the money this year. They cannot do it halfway. The Census Bureau has to have the money this year and probably a little bit more next year before they can do the 1990 Census. That is about a third of the total increase we have in the bill.

$105.6 million is the FBI, and that only is to maintain current services, in spite of the fact that they were given some increased responsibilities in bills we passed here last fall.

$38.9 million is the DEA. That is a 7-percent increase because we passed a 1986 drug bill. That is the reason. People who voted for that drug bill should vote to fund another $39.6 million this year. If we do not fund it this year, then my colleagues are really voting against what they voted for last year.

I know the gentleman from Texas is going to say we are going to excluse the FBI and DEA.

The INS has an increase of $89.8 million. We voted for a new bill last fall and the administration asked for more money than that. This is the amount of money that is needed to do this job.

There are two new prisons requested. We have more prisoners, and we need these new prisons.

When you consider these programs, here is an increase of $515 million. That is more than the amount of money that would be cut by the amendment that is to be proposed by the gentleman from Texas, Mr. Armey. I do not think anybody quarrels with the need for that money in this bill.

International trade has a $24.9 million increase, which includes $15.8 million for Trade Adjustment Assistance.

If we cannot get this money, then we are not going to be able to do the things my colleagues all said they wanted to do last year. That is how simple it is.

The SEC has a huge increase, 26 percent. It sounds big, it is not; $30.5 million.

Let me tell my colleagues what has happened.

The reason for that $30.5 million is that the SEC is finally going to begin the implementation of the elective filing system [EDGAR] and to allocate more resources to enforcing the security laws. They are going to have to have the staff it takes to enforce the laws and they are going to have to have the equipment to service all these filings.

So you cannot hold somebody to a freeze level. That does not reduce the deficit. As a matter of fact, you reduce the deficit by giving them an increase of $30.5 million so that they can collect the extra $58 million.

There is an increase for the exchange rate losses at the State Department. They cannot do anything about that. That is a difference in the exchange rates, and that is the reason that exports are up, because we have a lower value for the dollar.

The Justice Department General Administration salaries and expenses increase by $13.8 million. They need that to administer the new responsibilities given to them, and just to keep them at current services.

So those increases all together are $694.4 million. That is more than the total increase in the bill. We have already reduced it $543 million below the President's budget, and actually when we exclude those items, all the other agencies combined are at a lower level than they were last year. They are at less than a freeze level.

What is going to happen is when we come back in conference we are going to cut these items you are exempting. What we are doing today, if we vote for these amendments, will be to vote to cut the FBI, to offset what we did last fall for the DEA, to reduce the INS, to reduce prisons. There is no way you can build the prisons for less. You cannot build half a prison. You will be voting to reduce international trade efforts that they are making to try to increase exports and to monitor these illegal imports or the restrictions that we want to put on them. You will be voting to reduce these things that are in this bill that you just voted for last year.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I join my chairman in opposing the across-the-board cut. I am in favor of the Stenholm amendment because it exempts the FBI, DEA, and INS, and that is a step in the right direction because those agencies are underfunded as they are, even before any cuts.

But, even with the amendment, as the chairman pointed out, in addition to the ones he has mentioned, we have been pinching pennies in this subcommittee, and many of the vital programs are already underfunded in the bill.

□ 1645

In addition to those, the USIA, at a time when glasnost is sweeping across the world here we would be cutting back on our own USIA Information Program around the world. We are having to close facilities, reducing our positions around the world, reducing the staffing at the Voice of America, affecting reporters, correspondents, and the like.

The Board for International Broadcasting would be cut additionally by the amendment.

A 51-percent cut in the modernization program, which is drastically needed now that there is increased Soviet jamming of Radio Liberty and Radio Free Europe.

The courts, at a time when bankruptcy filings alone are climbing 25 percent a year and civil filings up 10 to 12 percent a year, we simply cannot take any more cuts in the court system. We would be riffing people in the court system.

There are a number of other places where we could not afford further cuts. U.S. attorneys, U.S. marshals, Federal Prison System, all of these would still be cut even with both of these amendments passing.

So, Mr. Chairman, I reluctantly state that I am opposed to the Crane amendment because we need to save money. However, we have cut and we have cut and we have pinched pennies until I am afraid we are going to be cutting the programs that this side would not want cut by these amendments.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I will yield 1 minute to the gentleman from Florida.

Mr. MICA. I thank the gentleman for yielding.

Mr. Chairman, I want to say that I rise in support of the chairman in opposition to this cut. You know, just a week or so ago we brought the State

Department authorization bill to this floor. We cut that bill over $1 billion, a $4 billion bill, $1 billion less than the State Department requested. The first bill that the administration opposed in this Congress that I am aware of because it did not have enough money. We are talking about Voice of America, Radio Free Europe, new transmitters, diplomatic and embassy security. The Russians would love to see us fold our tents and go home. We did a good job in committee. We did a good job on the floor of this House. And now to just cut without taking into consideration the work we have just done would truly be unreasonable.

Mr. SMITH of Iowa. Mr. Chairman, I reserve the balance of my time and I urge defeat of the amendment.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Illinois [Mr. Crane] is recognized for 3 minutes.

Mr. CRANE. Mr. Chairman, I yield to my colleague, the gentleman from Louisiana [Mr. Huckaby].

Mr. HUCKABY. Mr. Chairman, I rise in support of the Crane amendment and I thank the gentleman for yielding.

Let us face it, every program here in this country has its consituency within its own body. The Crane amendment is simply saying in the aggregate we are going to freeze this appropriation level. Then the Stenholm amendment makes an exception for DEA and FBI. If we are going to do what our constituents, the American taxpayers—demand we do, to reduce Federal spending, we are going to have to at least vote for a freeze, because certainly, Congressman Stenholm's earlier effort this afternoon when he singled out one separate agency to virtually eliminate, is not going to fly in this body. So we are going to have to deal with across-the-board cuts or at least freezes in the aggregate.

So I would urge my colleagues to support this amendment.

Mr. CRANE. Mr. Chairman, reclaiming my time, I listened to the eloquent arguments of the distinguished chairman and certainly found them persuasive with regard to the FBI, DEA, and Immigration and Naturalization Service. And for that reason I do not have any problem with the amendment to my amendment offered by my colleague from Texas [Mr. Stenholm]. However, I would say in response to the suggestion that some of these other entities may be modestly underfunded, we are going to have a supplemental as the chairman indicated earlier to deal with the payroll increases. So we will have another opportunity to look to see if maybe some of these proposals are draconian enough that they would warrant increasing some funding in a supplemental. So with that alternative, Mr. Chairman, I would argue that my amendment is totally in order, that it is required as the only way we can make these kinds of reductions because when we get to specifics we get into this kind of an imbroglio.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. CRANE. I yield to the gentleman from Texas [Mr. Stenholm].

Mr. STENHOLM. I thank the gentleman for yielding.

Mr. Chairman, the gentleman has stated what my amendment does; it exempts the three areas in which we agree with the chairman and the concerns. The final point, as Mr. Huckaby of Louisiana just made the point, we have turned down the Stenholm amendment, the Dreier amendment, the Combest amendment, the Shumway amendment, the Swindall amendment, every effort we have made to cut where we take a rifle instead of a shotgun the House has voted "no."

Today you give us but no choice to do what Mr. Crane is suggesting in his amendment. I think it now makes eminent good sense to try to reduce this some $600 million of money that we do not have, that we will have to borrow otherwise, and say to everybody, "Do a better job with less money." I commend the gentleman on his amendment.

Mr. CRANE. I thank the gentleman.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. CRANE. I yield to the gentleman from New Jersey.

Mr. HUGHES. I appreciate the gentleman yielding. I truly appreciate the gentleman from Texas excepting the INS, the DEA, and the FBI.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. Crane] has expired.

Mr. SMITH of Iowa. Mr. Chairman, how much time remains on my side?

The CHAIRMAN. The gentleman from Iowa [Mr. Smith] has 1 minute remaining.

Mr. SMITH of Iowa. Mr. Chairman, I do not think it is worthwhile to oppose or support the gentleman from Texas' amendment, because either way it is going to be a bad deal if it is adopted. So I am not going to oppose it; let it be adopted.

I want to point out you cannot do what the gentleman from Illinois said about the supplemental. When we make these appropriations beginning October 1, their salaries and expense levels are set, they are to spend that one-twelfth of the year's salary and expenses per month. So these levels will be set. You are going to reduce these agencies that I talked about from the beginning of the fiscal year and the supplemental probably will not be passed until next July. The same argument you are making on some other bills do not apply to this bill because this bill contains those things that last fall this Congress voted to increase—drug enforcement and other things.

So we will have to have more money in this bill. That is the reason this committee was given its tentative 302(b) allocation.

Mr. HUGHES. Mr. Chairman, I ask unanimous consent to address the House for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HUGHES. Mr. Chairman, I want to thank the gentleman because he has exempted DEA, FBI, and INS.

The problem is we have a malapportionment presently in the criminal justice system. You cannot provide more DEA agents, more FBI agents, and more caseload without also increasing our commitment to U.S. attorneys and the prison space. We are now cutting loose people from prisons because we do not have the space to house them. Right now the Drug Enforcement Administration is seizing more in assets than their entire budget.

The problem is we have a flotilla in Florida right now; we cannot process the cases fast enough. I was just in Florida not many months ago taking testimony on some of the problems in the process. The criminal justice process has to be addressed all along the line, you just cannot increase resources in the law enforcement community, FBI, DEA, and INS and not at the same time provide the resources to handle the cases. That is what part of the problem is. It does not address our need for U.S. attorneys, it does not address the need for additional U.S. marshals. It does not address the need for more prison space.

Mr. Chairman, that is why I would oppose the amendment.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. Stenholm] to the amendment offered by the gentleman from Illinois [Mr. Crane].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. Crane], as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CRANE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 192, noes 206, not voting 35, as follows:

[Roll No. 242]

AYES—192

Andrews
Armey
Baker
Ballenger
Bartlett
Barton

Bateman
Bates
Bennett
Bentley
Bilbray
Bilirakis
Bliley
Boehlert
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Byron
Callahan
Campbell
Chandler
Chapman
Cheney
Clinger
Coats
Coble
Coleman (MO)
Combest
Cooper
Courter
Craig
Crane
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
DeLay
Derrick
DeWine
Dickinson
DioGuardi
Dorgan (ND)
Dornan (CA)
Dreier
Duncan
Dyson
Eckart
Edwards (OK)
Emerson
English
Erdreich
Fawell
Fields
Flippo
Frenzel
Gallegly
Gallo
Gekas
Gingrich
Goodling
Gradison
Grandy
Gregg
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harris
Hastert
Henry
Herger
Hiler
Holloway
Hopkins
Hubbard
Huckaby
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jenkins
Johnson (CT)
Kasich
Kolbe
Konnyu
Kyl
Lagomarsino
Lancaster
Latta
Leath (TX)
Lewis (FL)
Lightfoot
Lloyd
Lott
Lowery (CA)
Lujan
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCollum
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Molinari
Montgomery
Neal
Nelson
Nichols
Nielson
Olin
Owens (UT)
Oxley
Packard
Patterson
Penny
Petri
Porter
Price (NC)
Quillen
Ravenel
Ray
Rhodes
Ridge
Ritter
Roberts
Robinson
Roemer
Roth
Roukema
Rowland (CT)
Russo
Saiki
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Sisisky
Skelton
Slattery
Slaughter (VA)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Spratt
Stallings
Stangeland
Stenholm
Stump
Sundquist
Sweeney
Swindall
Tallon
Tauzin
Taylor
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Weber
Weldon
Whittaker
Wolf
Wortley
Wylie
Young (FL)

NOES—206

Ackerman
Akaka
Alexander
Anderson
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Beilenson
Bereuter
Berman
Bevill
Biaggi
Boggs
Bonker
Borski
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Cardin
Carper
Carr
Chappell
Clarke
Clay
Coelho
Coleman (TX)
Collins
Conte
Conyers
Coughlin
Coyne
Crockett
de la Garza
DeFazio
Dellums
Donnelly
Dowdy
Downey
Durbin
Dwyer
Dymally
Early
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Florio
Foglietta
Foley
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hochbrueckner
Horton
Houghton
Howard
Hoyer
Hughes
Jeffords
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Leach (IA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lowry (WA)
Luken, Thomas
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McHugh
McMillen (MD)
Mfume
Mica
Miller (CA)
Mineta
Moakley
Mollohan
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Nowak
Oakar
Oberstar
Obey
Owens (NY)
Panetta
Pease
Pelosi
Pepper
Perkins
Pickett
Pickle
Price (IL)
Pursell
Rahall
Rangel
Regula
Richardson
Rinaldo
Rodino
Rogers
Rose
Rowland (GA)
Roybal
Sabo
Savage
Sawyer
Scheuer
Schumer
Sikorski
Skaggs
Skeen
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Solarz
St Germain
Staggers
Stark
Stokes
Stratton
Studds
Swift
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Udall
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron
Young (AK)

NOT VOTING—35

Archer
Badham
Barnard
Boland
Boner (TN)
Bonior (MI)
Bosco
Burton
Bustamante
Dicks
Dingell
Dixon
Edwards (CA)
Ford (MI)
Gephardt
Hammerschmidt
Hefley
Kemp
Lantos
Lehman (CA)
Lewis (CA)
Lipinski
Livingston
Miller (OH)
Miller (WA)
Moorhead
Ortiz
Parris
Pashayan
Roe
Rostenkowski
Synar
Tauke
Thomas (CA)
Traxler

□ 1700

The Clerk announced the following pairs:

On this vote:

Mr. Hefley for, with Mr. Dingell against.

Mr. Miller of Washington for, with Mr. Boland against.

Mr. Thomas of California for, with Mr. Edwards of California against.

Mr. THOMAS A. LUKEN and Mr. GLICKMAN changed their votes from "aye" to "no."

Mr. HENRY and Mr. ECKART changed their votes for "no" to "aye."

So the amendment, as amended, was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. ARMEY

Mr. ARMEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ARMEY: Page 61, after line 10, insert the following:

SEC. 609. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act which is not required to be appropriated or otherwise made available by law shall be reduced by 2.4 percent.

Mr. ARMEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 1715

Mr. ARMEY. Mr. Chairman, we just narrowly defeated an amendment that would have reduced spending in this appropriation bill by $693 million, in our quest to reduce the increase in expenditures in this Appropriation bill from fiscal year 1987 expenditures by one-half.

I offer on behalf of myself and the gentleman from Minnesota [Mr. PENNY] and other members of our group who are interested in reducing expenditures a 2.45-percent reduction in expenditures throughout the bill. That will result in a reduction in total expenditures in the appropriation bill of $346,656,500. It is a modest reduction in expenditures. It reduces the total increase by half. There will still be an equivalent increase in expenditures in the area of jurisdiction.

Mr. Chairman, several of us have tried specific line item amendments and they have failed. It is only with reluctance that we ask for an across-the-board cut, but also within that reluctance is our insistence that we must do everything possible to reduce expenditures on every possible occasion.

Mr. Chairman, with those remarks, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. STENHOLM TO THE AMENDMENT OFFERED BY MR. ARMEY

Mr. STENHOLM. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. STENHOLM to the amendment offered by Mr. ARMEY: Before the period at the end thereof insert "; except that this section shall not apply to amounts appropriated or otherwise made available for the Drug Enforcement Administration, the Federal Bureau of Investigation and Immigration and Naturalization".

Mr. STENHOLM. Mr. Chairman, this is the same amendment that was offered to the Crane amendment just a moment ago. Since there was some confusion among the Members as to what we were doing, this exempts Drug Enforcement, the Federal Bureau of Investigation and Immigration and Naturalization from the 2.45-percent cut.

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I am happy to yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, I thank my distinguished colleague for yielding.

I deeply regret that my amendment, as amended by my distinguished colleague from Texas, did not pass; however, it was close.

I would only suggest to my colleagues that what is now under consideration is very modest and yet very reasonable. I would urge all my colleagues if they accept the amendment of the gentleman from Texas again to the amendment by my distinguished colleague on our side, the gentleman from Texas, I would hope our colleagues would support it.

Mr. PENNY. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I am happy to yield to my colleague, the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, this amendment is the least we ought to do. The previous amendment, which was narrowly defeated, would have frozen spending in this bill at the fiscal year 1987 levels. That would have been about a $600 million reduction in this bill's appropriation.

The amendment that was offered by the gentleman from Texas [Mr. STENHOLM] and accepted would have exempted the INS, the DEA, and the FBI from the impact of that across-the-board freeze. Again, that amendment could have saved us $600 million.

What this amendment will do is save us about $300 million. That means that we still allow for around 300 million dollars' worth of growth in the programs covered in this legislation.

We also have the proposal of the gentleman from Texas [Mr. STENHOLM] before us. If you exempt those three agencies, the INS, the DEA, and the FBI, you still save in the neighborhood of $280 million. So you are still talking about an amendment that will cut the rate of growth in this budget approximately in half, while protecting those priority items which the chairman of this subcommittee has argued are essential to increase due to legislative action in the previous Congress.

Again, we believe adopting this amendment is the least we ought to do to control the rate of growth in spending in this year's budget.

Mr. Chairman, our concern is that if we do not at least slow the rate of growth in these bills as they come along one at a time, we are going to have to come back here at some point later in the year and make deep cuts in each and every item, or we are going to be faced with a sequestration order that will make far deeper cuts in every item.

The very least we ought to do is slow the rate of growth. The amendment offered by the gentleman from Texas [Mr. ARMEY] would cut that rate of growth in half. It will save us in this bill close to $300 million. That is not small potatoes. We ought to adopt the amendment and then go home for the Fourth of July break.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. STENHOLM was allowed to proceed for 1 additional minute).

Mr. CARPER. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Delaware.

Mr. CARPER. Mr. Chairman, I thank the gentleman for yielding.

On the last amendment, offered by the gentleman from Illinois, I reluctantly voted no. I certainly plan to vote yes on this amendment. The reason why, just to reiterate, we want $7 billion in real deficit savings. We can achieve that by cutting by half the growth in each appropriation bill.

This amendment cuts by half the growth in this appropriation bill and it protects the three areas that the gentleman from Texas [Mr. STENHOLM] has mentioned. It protects those three areas.

If you do not want to vote for a $19.3 billion tax bill, if you do want to have $36 billion of real deficit reduction, for God's sake vote yes on this amendment.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to reiterate, because some Members were not here, the growth in this bill is in 10 items. But for those 10 line items, we are below a freeze already in this bill.

When you vote yes on this amendment today, you are voting to make it more difficult to take an accurate census in 1990. We have got to gear up for it this year. Even though the Constitution says you have got to have a census every 10 years, we have got to start this year.

You are voting against prisons. There is $97.5 million in here for prisons. There is no exemption for prisons. If you are going to have more prisoners, and we are going to have more prisoners, what are you going to do with them, turn them loose? That is what you are voting for if you vote aye for this amendment. Well, how are you going to enforce the drug bill if you are going to do that?

Then the International Trade Administration. Everybody thought, it would be great to add resources to enforce the semiconductor and the machine tool agreements. They must be enforced. ITA needs this additional money for these items, or else they cannot enforce the agreements.

Then there are export license checks and trade adjustment assistance. Many Members got down here in the well, including people who voted aye on the last amendment, and said, "Oh, we're for this." If you vote aye on this amendment, you are voting against those things. If we do not fund the $30,500,000 increase for the SEC this year, they cannot implement the electronic filing system [EDGAR] and adequately enforce the securities laws.

These are the kinds of things that are the only increases in this bill. So if you vote "aye" on this amendment, what you are saying is you are going to cut these out in conference. That is what we may well have to do. If we do not do that, we have to reduce everybody else below a freeze level, not allowing anything for increases caused by current service increases.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. Yes, I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I just want to make sure everybody understands that if this amendment passes, we will be cutting back more than the percentage named in here because of the exemptions on such things as EDA, which some of us feel we need desperately.

Mr. SMITH of Iowa. No question about it.

Mr. VOLKMER. We would also be cutting back on trade adjustment assistance for these people who are trying to get training, who are out of jobs because of imports.

Mr. SMITH of Iowa. There is no way that we can handle that kind of a cut without cutting trade adjustment assistance, because it was not in the President's budget and we will have to cut that out.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(At the request of Mr. STENHOLM, and by unanimous consent, Mr. SMITH of Iowa was allowed to proceed for 2 additional minutes.)

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I beg to correct the gentleman in the well. The gentleman has misinterpreted entirely the amendment that is before us, as evidenced by the gentleman's own staff.

What we propose to do in this amendment is cut each of the gentleman's numbers, the numbers in the committee bill, by 2.4 percent straight across the board.

Yes, that is EDA.

Yes, that is prisons.

Yes, that is everywhere else, but it is only 2.4 percent.

We also propose to exempt Drug Enforcement, the FBI and the Immigration and Naturalization Service from that 2.4-percent cut. That is what we do. None of the rest of this that the gentleman represents to the House is in fact in the amendment that we offer.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, if I could state it a little differently, if the amendment offered by the gentleman from Texas [Mr. STENHOLM] to my amendment passes, and my amendment passes, then the DEA, the INS, and the FBI will have the appropriation at the levels that are currently in the bill. They will be unchanged.

□ 1730

Mr. SMITH of Iowa. DEA had some money added to the supplemental. That was only for about 2 months' time. We have got to annualize that. That takes 12 months of appropriations. If you do not have this increase, they cannot keep those people on that we told them to hire.

Mr. ARMEY. Again, they would be not touched by this amendment.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, may I say to my colleagues here, yesterday we dealt with the supplemental appropriation bill, and the 437 amendments added by the Senate. We got a letter from the President of the United States, asking us to support the additional money added by the Senate for foreign aid. I am telling you that all these percentage cuts—and I am talking about efforts of my friends—whatever we brought in here, there would be amendments to cut it further.

Our Committee on Appropriations works very, very hard. Over the last 6 years in appropriations we have been $14 billion below the President. The bill before us is $500 million less than the President himself recommended. I repeat what I said earlier today: We are not applying what we cut here to the deficit or to the debt. It is being used to increase the amount of money available for foreign aid and to increase the amount of carryover for military spending.

I hope that the Members will just keep this in mind. This approach to a committee that is proud of its record, we want to hold back on it as much as other Members, but when we have an average of 5,000 witnesses a year, when we have that many and worked as hard as we have, and kept below the President.

Now let me tell you something. Our defense appropriations, our foreign aid, and all the things that we have are dependent upon the support of the American people. I say again, we do not have any gold or silver behind our money, we have only our own country. So I beg that in view of the work that we have done, let us stop this thing of proposing cuts to whatever we do, despite the good job that this and other subcommittees and our full committee have done. Let us go along with the committee because if we do not do that, sooner or later we are going to have a policy where they will put something in there so you can take it out, and that is very unsound, but it has happened everyplace that we start this.

I repeat again, on yesterday, the only personal request on 437 Senate amendments we received from the President was to add $126 million for foreign aid.

Mr. ROGERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. I shall not take the 5 minutes, but I think that we should point out, particularly to those on my side of the aisle, I reluctantly oppose this amendment, because I philosophically agree with the need that is in the amendment.

However, I must point out that even with the Stenholm amendment, at a time when the Soviet Union is spreading glasnost around the world, what are we doing in this amendment? This will force the closing of 5 of our USIA facilities around the world, and reduce up to 200 people from the USIA, including those at Voice of America, including people at the Board for International Broadcasting—that is Radio Liberty, Radio Free Europe—at a time when the Soviets are increasing their jamming of those facilities. This means a 51-percent cut, along with the low funding in the bill, for those programs.

In addition to that, we passed the drug bill, we passed the omnibus crime bill, we passed the immigration bill, all of which require increasing workload by our U.S. attorneys, by the U.S. marshals, by our court system, by the Federal prison system, and all associated agencies.

Those agencies are underfunded already in the bill. This will compound the problem immeasureably, and I reluctantly say that I oppose the cuts, but I do not know how we can deal with these agencies even in the bill as it is, much less the cuts that are proposed in this amendment.

Mr. Chairman, I reluctantly oppose the amendment.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have here following the Crane amendment, which was a freeze amendment and a very strong one, the kind of deficit-reduction amendment that I would call a love tap. It barely touches the appropriation that is before this House. You have slightly more than a 2-percent cut in only selected items that the committee has presented to us.

The amendment preserves the priorities that the committee itself took. If the committee has some escalated reductions of 51 percent or 10 percent in this or that, it is using mathematics that have already eluded me, because the amendment of my friend from Texas calls for what, a 2.4-percent cut across the board except for the three agencies that are excepted.

Now, if there is some other problem in these accounts, that problem originates with the subcommittee itself. The amendment has not been devised to denigrate the work of the subcommittee. We respect it; it is wonderful. It has done a superb job of defending its product up until this point.

However, Mr. Chairman, if we are unwilling to make this tiniest little step to reduce Federal spending, we will continue to be the laughingstock of the country, and we will be exposed as people who do not care about our deficit.

I urge a positive vote on the Armey amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. STENHOLM] to the amendment offered by the gentleman from Texas [Mr. ARMEY].

The amendment to the amendment was agreed to.

AMENDMENT OFFERED BY MR. RINALDO TO THE AMENDMENT OFFERED BY MR. ARMEY, AS AMENDED

Mr. RINALDO. Mr. Chairman, I offer an amendment to the amendment, as amended.

The Clerk read as follows:

Amendment offered by Mr. RINALDO to the amendment offered by Mr. ARMEY, as amended: Insert before the period at the end of the matter proposed to be inserted by the amendment of the gentleman from Texas the following: ", except that such reduction shall not apply to any amounts appropriated or otherwise made available to the Securities and Exchange Commission".

Mr. RINALDO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RINALDO. Mr. Chairman, this is an amendment to the amendment offered by the gentleman from Texas [Mr. ARMEY], as amended. It would simply exempt the Securities and Exchange Commission from the across-the-board cuts contemplated in the gentleman's amendment. His amendment would cut spending for the SEC at a time when it is critical that we increase that agency's budget.

The SEC has brought more insider-trading cases in the last 5 years under the chairmanship of John Shad than it has brought in its previous 53-year history put together. More cases are under investigation, and it is a simple fact that the Enforcement Division within the SEC needs the resources that are in this bill to prosecute those cases.

□ 1740

As the ranking member of the Subcommittee on Telecommunications and Finance, I can assure my colleagues that this area is and should be a top priority for enforcement actions. There is no question that insider trading damages confidence in our capital markets.

Right now our markets are getting tremendous competition from overseas, from London, and Tokyo, and we have to do all we can to see that they remain honest, efficient and free from scandal.

So, as I said, my amendment simply exempts the Securities and Exchange Commission from this provision, from the 2.45-percent cut.

I believe this is the intelligent, thoughtful approach. In my view it is the right approach, and I know that many of my colleagues have been concerned.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, first I want to commend the gentleman for offering this amendment. I intend to support the Armey amendment, but I think it would be improved with the amendment offered by the gentleman from New Jersey.

A lot of folks in this room may not be aware of the fact that the Securities and Exchange Commission presently returns to the Federal Treasury almost double what its annual budget is. Ivan Boesky alone is making a payment to the Securities and Exchange Commission of over $100 million. So I think this is money well spent.

This is a law enforcement agency. The DEA has been exempted, the FBI has been exempted, and by the same token the Securities and Exchange Commission ought to be exempted.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I am pleased to yield to the gentleman from Massachusetts, the chairman of the subcommittee.

Mr. MARKEY. Mr. Chairman, I too rise in support of the amendment and the efforts of the gentleman from New Jersey. The Securities and Exchange Commission is one agency at this time that really should be given a waiver from this particular amendment's effect. They are right now in a situation where they have had a quadrupling of their work over the last 5 years. They are breaking the largest number of enforcement cases in the 50-year history of the Securities and Exchange Commission, and I think it would be really sending a wrong signal to Wall Street and to all of those out there that really are wondering whether or not there is going to be continuing interest in the enforcement program which has been seen over the past year.

I hope the amendment of the gentleman from New Jersey is accepted.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I thank the gentleman for yielding and am very happy to accept the amendment on a voice vote so that we can get on with our business.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, one of the reasons this bill is over last year is because the Securities and Exchange Commission, for example, has a substantial increase to implement the new electronic filing system, EDGAR, and additional funds to hire 181 additional staff to enhance enforcement of the securities laws. That is how crazy it is to only look at last year's dollar levels and say you are reducing the budget.

That is the reason my colleagues cannot just look at last year's level and say they are going to freeze that level. There has to be a stop to this thing of exempting everybody around here.

Sure, the Securities and Exchange Commission needs it, but others do also.

I could have a whole long list here of things that ought to be exempt. We have exempted three agencies from a part of the reduction, but they will still be reduced. But I say it is time to stop this thing and let us not have any more exemptions.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, just for the record, in the committee bill they provide for $145 million for the SEC. That is a 27-percent increase over the previous year.

The proposed 2.45-percent cut of the gentleman from Texas will cut $3.55 million from that cut. I suggest that does not do the dastardly deeds to the whole entire Securities and Exchange Commission that the other gentlemen have argued about. if we take that off, and accept it as the gentleman from Texas has willingly done, we put the $3.55 million back in and we get exactly what the committee in its wisdom suggested we do. If we reject the gentleman's amendment, we cut 2.45 percent from the Securities and Exchange Commission, but we still give the Securities and Exchange Commission 23 percent more money to do the job we have asked them to do. I suggest that is adequate funds and we should not accept the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. RINALDO] to the amendment offered by the gentleman from Texas [Mr. ARMEY], as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. RINALDO. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

Mr. RINALDO. Mr. Chairman, I request a recorded vote on the basis that a quorum is not present.

The CHAIRMAN. The Chair will inform the gentleman that a recorded vote has already been denied.

So the amendment to the amendment, as amended, was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. ARMEY], as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ARMEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 228, noes 166, not voting 39, as follows:

[Roll No. 243]

AYES—228

Andrews
Anthony
Applegate
Armey
Ballenger
Bartlett
Barton
Bateman
Bates
Bennett
Bentley
Bereuter
Bilbray
Bilirakis
Bliley
Boehlert
Boulter
Brennan
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Byron
Callahan
Campbell
Carper
Chandler
Chapman
Clarke
Clinger
Coats
Coble
Coleman (MO)
Combest
Cooper
Courter
Craig
Crane
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
DeFazio
DeLay
Derrick
DeWine
Dickinson
DioGuardi
Donnelly
Dorgan (ND)
Dornan (CA)
Dreier
Duncan
Dyson
Eckart
Edwards (OK)
Emerson
English
Erdreich
Fawell
Feighan
Fields
Flippo
Frenzel
Frost
Gallegly
Gallo
Gekas
Gingrich
Glickman
Goodling
Gordon
Gradison
Grandy
Gregg
Gunderson
Hall (TX)
Hamilton
Hansen
Harris
Hastert
Hatcher
Henry
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Houghton
Hubbard
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Johnson (CT)
Johnson (SD)
Jones (TN)
Jontz
Kaptur
Kasich
Kemp
Kennelly
Kolbe
Konnyu
Kyl
Lagomarsino
Lancaster
Latta
Leach (IA)
Leath (TX)
Lent
Lightfoot
Lloyd
Lott
Lowery (CA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCloskey
McCollum
McCurdy
McEwen
McGrath
McMillan (NC)
McMillen (MD)
Meyers
Michel
Molinari
Montgomery
Morrison (WA)
Neal
Nelson
Nichols
Nielson
Olin
Owens (UT)
Oxley
Packard
Patterson
Penny
Petri
Pickle
Porter
Price (NC)
Pursell
Quillen
Ravenel
Ray
Rhodes
Richardson
Ridge
Ritter
Roberts

Robinson
Roemer
Rose
Roth
Rowland (CT)
Rowland (GA)
Russo
Saiki
Sawyer
Saxton
Schaefer
Schneider
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Spratt
Stallings
Stangeland
Stenholm
Stratton
Stump
Sundquist
Sweeney
Swindall
Tallon
Tauzin
Taylor
Thomas (GA)
Upton
Valentine
Vander Jagt
Vucanovich
Walgren
Walker
Weber
Weldon
Whittaker
Wolf
Wortley
Wylie
Young (AK)
Young (FL)

NOES—166

Ackerman
Akaka
Alexander
Anderson
Annunzio
Aspin
Atkins
AuCoin
Beilenson
Berman
Bevill
Biaggi
Boggs
Bonker
Borski
Boucher
Boxer
Brooks
Brown (CA)
Bruce
Bryant
Cardin
Carr
Chappell
Clay
Coelho
Coleman (TX)
Collins
Conte
Conyers
Coughlin
Coyne
Crockett
de la Garza
Dellums
Dowdy
Downey
Durbin
Dwyer
Dymally
Early
Espy
Evans
Fascell
Fazio
Fish
Flake
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Gonzalez
Gray (IL)
Gray (PA)
Green
Guarini
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Horton
Howard
Hoyer
Hughes
Jones (NC)
Kanjorski
Kastenmeier
Kennedy
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lowry (WA)
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McDade
McHugh
Mfume
Mica
Miller (CA)
Mineta
Moakley
Mollohan
Moody
Morella
Morrison (CT)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Nowak
Oakar
Oberstar
Obey
Owens (NY)
Panetta
Pease
Pelosi
Pepper
Perkins
Pickett
Price (IL)
Rahall
Rangel
Regula
Rinaldo
Rodino
Rogers
Rostenkowski
Roybal
Sabo
Savage
Scheuer
Schroeder
Schumer
Sikorski
Skeen
Smith (FL)
Smith (IA)
Smith (NJ)
Solarz
St Germain
Staggers
Stark
Stokes
Studds
Swift
Torres
Torricelli
Towns
Traficant
Udall
Vento
Visclosky
Volkmer
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron

NOT VOTING—39

Archer
Badham
Baker
Barnard
Boland
Boner (TN)
Bonior (MI)
Bosco
Bustamante
Cheney
Dicks
Dingell
Dixon
Edwards (CA)
Gephardt
Grant
Hall (OH)
Hammerschmidt
Hefley
Huckaby
Jenkins
Lantos
Lehman (CA)
Lewis (CA)
Lewis (FL)
Lipinski
Livingston
Miller (OH)
Miller (WA)
Moorhead
Ortiz
Parris
Pashayan
Roe
Roukema
Synar
Tauke
Thomas (CA)
Traxler

□ 1755

The Clerk announced the following pairs:

On this vote:

Mr. Lewis of Florida for, with Mr. Dingell against.

Mr. Miller of Washington for, with Mr. Boland against.

Mr. Thomas of California for, with Mr. Edwards of California against.

Messrs. CLARKE, BILBRAY, and SAWYER changed their votes from "no" to "aye."

Mr. SIKORSKI changed his vote from "aye" to "no."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

Mr. DONALD E. LUKENS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I appreciate the fact that everyone is under a time bind. I wish to inform the body that I had originally intended to offer an amendment which I think is very important to national awareness and the security of this body regarding the Toshiba/Kongsberg Corp. involvement in selling American secret technology to the Soviets. But being well aware of the political pressure and particularly the time element tonight, I simply wish to serve notice that I will not fight the motion to rise but will instead announce my intention to attach this amendment wherever possible to all appropriate appropriations bills in the future.

Mr. DORNAN of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I also, in the spirit of getaway Wednesday here will defer on two amendments that I spent about the last 2 hours going through Jefferson's Manual on rules of the House to fight the germaneness problem. But now I see I would have to fight a motion to rise and I think we are all exhausted and ready to get out of here. I would like to say this about my two amendments: They were on testing of Federal prisoners for AIDS and the testing of those people who are not American citizens who desire to come to this country.

If I had been on the floor when we moved swiftly through titles II, III, and IV in about 4 minutes here earlier today, I think I would have been able to get these two amendments passed.

I wanted in the record at this point to say that I will address this point next year or find other vehicles. The current statistics on AIDS as of Monday are 37,867 total and almost 22,000 deaths. I think we have to find the right legislative vehicle to authorize the testing of all prisoners who have already forfeited some of their civil rights through hurting their fellow citizens and for those people who are not citizens.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

This Act may be cited as the "Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1988".

Mr. SMITH of Iowa. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose and the Speaker pro tempore [Mr. COELHO], having assumed the chair, Mr. BROWN of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2763) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1988, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ROGERS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 292, noes 102, not voting 39, as follows:

[Roll No. 244]

AYES—292

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
Bateman
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilbray
Bilirakis
Boehlert
Boggs
Bonker
Borski
Boucher
Boxer
Brennan
Brooks
Broomfield

Brown (CA)
Bruce
Bryant
Byron
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Clarke
Clay
Clinger
Coats
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Cooper
Coughlin
Courter
Coyne
Crockett
Daniel
Darden
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
DioGuardi
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Emerson
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hochbrueckner
Horton
Houghton
Howard
Hoyer
Hubbard
Hughes
Hutto
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lancaster
Leach (IA)
Leath (TX)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lloyd
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
MacKay
Manton
Markey
Marlenee
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Mfume
Mica
Miller (CA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Owens (NY)
Owens (UT)
Panetta
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Richardson
Ridge
Rinaldo
Rodino
Roemer
Rogers
Rose
Rostenkowski
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Scheuer
Schneider
Schulze
Schumer
Sharp
Shaw
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Snowe
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swift
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
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Daub
Davis (IL)
DeLay
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Dickinson
Donnelly
Dorgan (ND)
Dornan (CA)
Dreier
Edwards (OK)
English
Erdreich
Fawell
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Hefley
Huckaby
Lantos
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Lewis (CA)
Lewis (FL)
Lipinski
Livingston
Martin (NY)
Miller (OH)
Miller (WA)
Moorhead
Ortiz
Parris
Pashayan
Roe
Roukema
Stratton
Synar
Tauke
Thomas (CA)
Traxler

□ 1825

The Clerk announced the following pairs:

On this vote:

Mr. Barnard for, with Mr. Hefley against.

Mr. Miller of Washington for, with Mr. Lewis of Florida against.

Mrs. Roukema for, with Mr. Thomas of California against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2763, the bill just passed, and that I be permitted to include tabulations, charts, and other extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

DIRECTING THE CLERK TO MAKE CORRECTIONS IN ENROLLMENT OF H.R. 1827, SUPPLEMENTAL APPROPRIATIONS, 1987

Mr. WHITTEN. Mr. Speaker, I offer a concurrent resolution, H. Con. Res. 155, and ask unanimous consent for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 155

Resolved by the House of Representatives (the Senate concurring), That, in the enrollment of the bill (H.R. 1827), making supplemental appropriations for the fiscal year ending September 30, 1987, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

In chapter IV, title I, after the paragraph entitled, "Contribution to the International Development Association", insert the following:

CONTRIBUTION TO THE INTERNATIONAL FINANCE CORPORATION

For an additional amount for payment to the International Finance Corporation by the Secretary of the Treasury, $7,205,610 for the United States share of the increase in subscriptions to capital stock, to remain available until expended.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For an additional amount for payment to the African Development Fund by the Secretary of the Treasury, $36,639,000 for the United States contribution to the fourth replenishment of the African Development Fund, to remain available until expended.

Mr. WHITTEN. Mr. Speaker, this resolution corrects the enrollment of H.R. 1827, making supplemental appropriations for the fiscal year ending September 30, 1987.

The statement of the managers (page 40 of House Report 100-195) had the correct amendment. Because of an error, the motion did not include two appropriating paragraphs in the Foreign Aid chapter personally requested by the President.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION AS REPUBLICAN FLOOR ASSISTANT AND APPOINTMENT AS REPUBLICAN FLOOR ASSISTANT

The SPEAKER pro tempore laid before the House the following resignation as Republican floor assistant:

REPUBLICAN CONFERENCE,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 9, 1987.

Hon. JIM WRIGHT,
Speaker of the House of Representatives, the Capitol, Washington, DC.

DEAR MR. SPEAKER: I am writing to resign my position as Republican Floor Assistant #6. That position will be occupied by the incoming Executive Director of the Republican Policy Committee, Robert Okun.

Thank you for your assistance in this matter.

Sincerely,

DAVE GRIBBIN,
Executive Director.

Mr. MICHEL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution, H. Res. 218.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 218

Resolved, That pursuant to the Legislative Pay Act of 1929, as amended, the sixth of the minority employees authorized therein shall be B. Robert Okun, effective July 1, 1987, to fill an existing vacancy until otherwise ordered by the House, to receive gross compensation pursuant to the provisions of House Resolution 119, Ninety-Fifth Congress, as enacted into permanent law by section 115 of Public Law 95-94.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT AS MEMBER TO NATIONAL COMMISSION TO PREVENT INFANT MORTALITY

Mr. MICHEL. Mr. Speaker, pursuant to section 203 of Public Law 99-660, I have today appointed to the National Commission to Prevent Infant Mortality the gentleman from Iowa [Mr. TAUKE].

PERMISSION FOR COMMITTEE ON RULES TO HAVE UNTIL MIDNIGHT, TUESDAY, JULY 7, 1987, TO FILE PRIVILEGED REPORT ON H.R. 2342, COAST GUARD AUTHORIZATION, 1988

Mr. PEPPER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight Tuesday, July 7, 1987, to file a privileged report providing for the consideration of H.R. 2342, the Coast Guard authorization for fiscal year 1988. This request has been approved by the minority leader, the gentleman from Illinois [Mr. MICHEL].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

MAKING IN ORDER ON WEDNESDAY, JULY 8, 1987, CALL OF THE PRIVATE CALENDAR

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that on Wednesday, July 8, 1987, it shall be in order to consider business under clause 6, rule XXIV, the Private Calendar rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING THE SPEAKER TO DECLARE RECESSES AT ANY TIME TODAY

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that it be in order for the Speaker to declare recesses at any time today, subject to the call of the Chair.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

LEGISLATIVE SCHEDULE

(Mr. FOLEY asked and was given permission to address the House for 1 minute.)

Mr. FOLEY. Mr. Speaker, I would like to repeat for the benefit of the Members the schedule for the next week.

We, of course, intend as soon as we are sent notice of the Senate action on the adjournment resolution to adjourn for the Easter recess.

We will be returning on July 7, Tuesday, for a session that will be pro forma. We do not expect any business or votes on that day, other than the filing of reports.

Mr. WALKER. Mr. Speaker, will the gentleman from Florida yield?

Mr. FOLEY. The gentleman from Washington will be happy to yield.

Mr. WALKER. The Chair referred to the gentleman from Florida. The reason I made the statement was the gentleman just had us going out on the Easter recess here a couple minutes ago.

Mr. FOLEY. Did I say Easter?

Mr. WALKER. The gentleman referred to the Easter recess. I thought we might want to get clear just who the gentleman is and what it is we are leaving to do?

Mr. FOLEY. I think it has been a long day, but I would like to correct the RECORD for the Chair and say that this gentleman from Washington was reporting on the schedule for that period following the Fourth of July.

Mr. WALKER. Mr. Speaker, I thank the gentleman.

Mr. FOLEY. It was probably my recollection of the more extended Easter recess that came to mind.

Mr. Speaker, to continue the schedule, Tuesday, the 7th of July will be the day we will return from the Fourth of July recess, and I am glad my friend, the gentleman from Pennsylvania, is careful on these matters.

We intend to have a pro forma session, except for the filing of reports, including a rule that will be taken up on Wednesday and the consideration of the Coast Guard authorization bill for 1988 under that rule. We will complete action on the Coast Guard authorization on Wednesday, the 8th, and on Thursday, the 9th, we intend to consider the authorization for the National Aeronautics and Space Administration for 1988.

Any other program will be announced later.

I repeat what I said on previous occasions, that we will not be in session on Friday, the 10th, but we will be considering appropriation bills on the 13th, Monday; the 14th, Tuesday; and the 15th, Wednesday, the following week.

Mr. MICHEL. Mr. Speaker, will the distinguished gentleman yield?

Mr. FOLEY. I am happy to yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, I gather from the gentleman's announcement with respect to the NASA authorization that that is a change from what we originally had perceived to be the schedule for that day, is that not correct?

Mr. FOLEY. We originally had thought the possibility exists of the catastrophic health care bill, but that bill is not ready for the next week, so we are going to proceed in the following week with the appropriation schedule. The catastrophic health care bill will be rescheduled later in the month of July.

Mr. MICHEL. Mr. Speaker, I thank the gentleman for his response.

COMPREHENSIVE "ECONOMIC BILL OF RIGHTS"

(Mr. HAYES of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks)

Mr. HAYES of Illinois. Mr. Speaker, I rise today with my distinguished colleague, the Honorable AUGUSTUS HAWKINS, to introduce legislation which will establish a comprehensive "Economic Bill of Rights". Patterned after the original "Economic Bill of Rights" set forth in 1944 by President Franklin Roosevelt, this bill will reaffirm the Federal Government's commitment to insure that all Americans have an equal opportunity for decent jobs, a good education and quality health care.

One of the principles that makes this country great is its responsibility and obligation to provide a decent quality of life for its citizens. In the 1940's, President Roosevelt signed laws such as the "Employment Act of 1946" and in 1978, Congressman GUS HAWKINS, along with the late Senator Hubert Humphrey expanded upon these concepts in the Full Employment and Balanced Growth Act. Today, the U.S. House of Representatives has the opportunity to reassert these commitments by supporting and passing this legislation.

After 6½ years of neglect of this country's unemployed and working class citizens, President Reagan will finally propose his own economic bill of rights which is expected to be released tomorrow. We know the damage his administration's policies have already caused; the highest unemployment since the Great Depression and the largest budget deficits in the history of our country.

I think it is fitting that at a time when we are commemorating the bicentennial of the Constitution that we reaffirm our commitment to the American people, by expanding economic opportunities instead of reducing them.

H.R. 2870

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited at the "Economic Bill of Rights Act".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. The economic bill of rights.
Sec. 3. To secure these rights.
Sec. 4. Responsibilities of the Executive Branch.
Sec. 5. Congressional action.
Sec. 6. Commission on Economic Rights.

SEC. 2. THE ECONOMIC BILL OF RIGHTS.

The Congress hereby recognizes, in accordance with the economic bill of rights set forth by President Franklin D. Roosevelt in the State of the Union message of January 11, 1944, that among the economic rights of Americans, regardless of race or creed, are the following:

(1) the right to useful paid employment;

(2) the right to earn enough to provide an adequate living;

(3) the right of every farmer to raise and sell agricultural products at a return which will provide a decent family living;

(4) the right of every business, large and small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad;

(5) the right of every family to a decent home;

(6) the right to adequate medical care and the opportunity to achieve and enjoy good health;

(7) the right to adequate protection from the economic fears of old age, sickness, accident, and unemployment; and

(8) the right to a good education.

SEC. 3. TO SECURE THESE RIGHTS.

(a) SPECIFIC MEASURES.—In implementing the commitment to the economic bill of rights, it is morally imperative to take concrete steps toward assuring—

(1) the right to useful paid employment, through such measures as—

(A) the Quality of Life Action Act (H.R. 1398),

(B) the Community Renewal Employment Act (H.R. 40),

(C) the Guaranteed Job Opportunity Act (H.R. 2197),

(D) the Economic dislocation and Worker Adjustment Assistance Act (H.R. 1122),

(E) the Youth Incentive Employment Act (H.R. 16), and

(F) the American Conservation Corps Act (H.R. 18);

(2) the right to earn enough to provide an adequate living, through such measures as—

(A) the Minimum Wage Restoration Act of 1987 (H.R. 1834),

(B) the Quality of Life Action Act (H.R. 1398),

(C) the Fair Work Opportunities Act of 1987 (H.R. 30),

(D) the Economic Self-Sufficiency Act (H.R. 2245), and

(E) the Family Opportunities for Child Care Act of 1987 (H.R. 2405);

(3) the right of every farmer to raise and sell agricultural products at a return which will provide a decent family living, through such measures as the Family Farm Act of 1987 (H.R. 1425);

(4) the right of every business, large or small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad, through such measures as the Trade and International Economic Policy Reform Act (H.R. 3);

(5) the right of every family to a decent home, through such measures as—

(A) the Housing and Community Development Act of 1987 (H.R. 4), and

(B) the Urgent Relief for the Homeless Act (H.R. 558);

(6) the right to adequate medical care and the opportunity to achieve and enjoy good health, through such measures as—

(A) the Minimum Health Benefits for All Workers Act of 1987 (H.R. 2508),

(B) the Family and Medical Leave Act (H.R. 925), and

(C) the High Risk Occupational Disease Notification and Prevention Act (H.R. 162);

(7) the right to adequate protection from the economic fears of old age, sickness, accident, and unemployment, through such measures as—

(A) the Older American Amendments of 1987 (H.R. 1451), and

(B) the Medicare and Medicaid Catastrophic Amendments Transitional Care Act (H.R. 1930); and

(8) the right to a good education, through such measures as—

(A) the School Improvement Act of 1987 (H.R. 5), and

(B) the Civil Rights Restoration Act of 1987 (H.R. 1214).

(b) NOT EXCLUSIVE MEASURES.—Legislative measures appropriated toward assuring the economic bill of rights may include, but are not limited to, the bills specifically cited in subsection (a) of this section.

(c) CITATIONS.—The citations in subsection (a) of this section to legislative measures by short title and bill number refer to bills as proposed or passed in the House of Representatives during the 100th Congress.

SEC. 4. RESPONSIBILITIES OF THE EXECUTIVE BRANCH.

(a) THE PRESIDENT.—In the President's first annual budget and economic report after the enactment of this Act and every year thereafter, the President shall transmit to the Congress a staged program to—

(1) help establish and maintain conditions under which the rights recognized in section 2 may be secured and executive agencies of the Federal Government may fully carry out their responsibilities under section 4(b);

(2) promote action by the many private sectors of society and maintain conditions under which the rights recognized in section 2 may be exercised; and

(3) implement the Federal Government's economic and social obligations under the Employment Act of 1946, the Full Economic and Balanced Growth Act of 1978 (with special emphasis on the President's responsibilities with regard to the quantitative goals for the reduction of unemployment), the Charter of the United Nations, and the Charter of the Organization of American States.

(b) EXECUTIVE AGENCIES.—All Federal departments, agencies, and commissions, including the Board of Governors of the Federal Reserve System, shall plan and carry out their policies, programs, projects and budgets in a manner designed to help establish and maintain conditions under which all adult Americans may secure the rights recognized in section 2.

(c) FAITHFUL EXECUTION OF THE LAWS.—Article II of the Constitution of the United States provides that the President shall take care that the laws be faithfully executed. These laws include the Employment Act of 1946 and the Full Employment and Balanced Growth Act of 1978, under which the President has special responsibilities.

SEC. 5. CONGRESSIONAL ACTION.

In addition to its responsibilities under the Employment Act of 1946, the Joint Economic Committee shall each year monitor actions taken or proposed to be taken under this Act and report its conclusions thereon to the Congress and the American people, with special attention to the extent to which the President and other executive agencies have faithfully executed or may have failed faithfully to execute the provisions of this law.

SEC. 6. COMMISSION ON ECONOMIC RIGHTS.

(a) ESTABLISHMENT.—Within 3 months after the enactment of this Act, there shall be established a Commission on Economic Rights to be composed of 18 members, 6 to be appointed by the President, 6 by the Speaker of the House of Representatives, and 6 by the President pro tempore of the Senate. The members of the Commission shall select 2 of their members as Chairperson and Vice Chairperson. The Chairperson shall appoint the Commission's staff and staff director.

(b) MEMBERSHIP.—The members of the Commission shall include an equal number of women and men, and provide a fair representation of the income and wealth levels of the population and its racial and cultural diversity.

(c) RESPONSIBILITIES.—The Commission shall—

(1) promote, throughout the Nation, education and public discussion (including roundtable and other forums) on the economic rights set forth in section 2 and on the most effective and efficient method of implementing them without delay;

(2) make or have made in-depth studies on the extent to which, since the statement of such rights in the 1944 State of the Union message, new conditions and emerging problems require extensions of or amendments to such rights; and

(3) make such studies widely available to those engaging in public discussion and analysis.

(d) STUDIES.—The studies required by subsection (c) shall include, but need not be limited to—

(1) the rights of women, young people, senior citizens, racial and national minorities, and the disabled; and

(2) the rights of all people to (A) a healthy and pollution-free environment, that includes appropriate infrastructures of roads, bridges, sewerage systems, libraries, parks, and other recreational and cultural facilities, (B) protections against inflation, high interest rates, consumer fraud, fire,

crime, threats to personal security, and government action that intrude upon civil liberties or deny personal privacy, (C) take part in decision-making on the basis of adequate information, and (D) obtain prompt and reliable information on toxic chemicals and other threats to health in the work-place or the community.

(e) REPORT.—Within 2 years after the enactment of this Act, the Commission shall transmit to the President and the Congress a report which shall include, but need not be limited to—

(1) its findings concerning any legislative, administrative, budgetary, judicial, and other problems involved in assuring the rights set forth in section 2;

(2) its views concerning the responsibilities and duties implied by such rights;

(3) its recommendations concerning possible extensions of or amendments to the Economic Bill of Rights, together with a balanced analysis of the strengths and weaknesses of alternative formulations;

(4) its recommendations concerning economic bills of rights for adoption by State and local governments; and

(5) its recommendations concerning action by the President and the Senate on the International Covenant on Economic, Social, and Cultural Rights, already ratified by the majority of members of the United Nations and now pending before the Senate of the United States.

(f) MEMBERS' VIEWS.—Such report shall include not only majority recommendations but also any minority, additional, or supplemental views of its various members.

(g) BUDGET REQUEST.—Within 3 months following the enactment of this Act, after consultation with the Speaker of the House and the President pro tempore of the Senate, the President shall submit whatever budget requests may be necessary to enable the Commission to carry out its work.

GENERAL LEAVE

Mr. HOYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Arizona [Mr. UDALL].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

[Mr. ANNUNZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

INTRODUCTION OF BILL TO RESTORE ABILITY OF POSTSECONDARY SCHOOLS TO MAKE FEDERALLY GUARANTEED LOANS TO STUDENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. PENNY] is recognized for 5 minutes.

Mr. PENNY. Mr. Speaker, today I am introducing a bill which will restore the ability of postsecondary schools to make federally guaranteed loans to their students.

Many Members will recall that a similar provision was included in the reauthorization of the Higher Education Act last year. Some members raised concerns which centered around the possibilities that schools would become satellite lenders of large financial institutions. Under the provisions of this bill, schools who make loans to their students will be required to hold those loans until the beginning of the repayment period of the loan. This requirement to hold loans will insure that schools do not routinely make loans and immediately sell them to other lenders in the secondary loan market.

In many areas of the country where there are few local lenders, and at a time of fewer grants and greater dependency on loans, this bill could insure access to higher education for many young people. This measure is budget neutral, of no cost to the American taxpayer, but it is of great value to students, parents, educational institutions, and ultimately of lasting value to the economic and educational health of the country.

Mr. Speaker, I submit the text of this bill to be printed following these remarks.

H.R. 2879

A bill to amend the Higher Education Act of 1965 to permit institutions of higher education to make loans to their students, if such institutions continue to hold such loans until the beginning of the repayment period of the loan, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 435(d)(2) of the Higher Education Act of 1965 is amended—

(1) by inserting "and" at the end of subparagraph (B); and

(2) by striking out everything after subparagraph (B) and inserting the following:

"(C) shall not, as a regular practice, sell or assign the loans made under this part to any other eligible lender except after the beginning of the repayment period of the loans.".

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

[Mr. STARK addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. FLORIO] is recognized for 5 minutes.

[Mr. FLORIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky [Mr. MAZZOLI] is recognized for 5 minutes.

[Mr. MAZZOLI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

UNITED STATES-JAPANESE MARITIME COOPERATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. JONES] is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, it has come to my attention that the first of the four car carriers built for use under the United States flag entered service in Japan last week. The ship, known as the *Marine Reliance,* has 12 decks and is capable of carrying 4,000 automobiles. It will transport an estimated 40,000 vehicles to the United States in 10 sailings, or about 6 percent of Nissan's trade to this country. The *Marine Reliance* is owned by an American company and will be operated by the Nissan Motor Car Carrier Co.

This arrangement with Japan will provide over a score of jobs, just on one ship, as well as making a vital addition to our Nation's strategically important commercial shipping fleet. This is a truly outstanding example of the cooperation that can exist between two great trading partners. In addition, three similar ships will be on line soon, and they will be employed by the Toyota Motor Corp. and the Honda Motor Co.

All of this is tremendous news for the U.S merchant marine and the fortunate companies involved. But it is only the first step in what must be, in order for the situation to be fully resolved, equal access to the transportation market for automobiles destined from Japan to the United States.

In a recent note from the Embassy of Japan to the Department of State, Japan expressed its concern over H.R. 1364, the Equitable Automobile Transportation Act, which many of my colleagues cosponsored. That bill requires an equal number of Japanese and Korean automobiles to be transported on United States-flag ships as on Japanese or Korean ships, as the case may be. A similar bill in the 99th Congress was the catalyst for the awarding of the four contracts which are now coming to fruition.

I honestly wish that a weapon such as H.R. 1364 was not necessary to force our trading partners to treat our carriers as fairly as we treat theirs. But it is, and I intend to press ahead with this and other measures until we have achieved comparability in access to transportation markets for American carriers. I would like to quote from the April 1987 issue of the Japanese Maritime Research Institute's report, "Trends of the World Shipping and Shipbuilding in 1986 and Prospects for the Same in 1987":

> (Japan) must restore freight rates and ship construction prices to reasonable levels by *properly controlling the volume of supply for both shipping* and shipbuilding * * *." (emphasis added).

When a nation, especially one as economically powerful as Japan, controls the supply of a service in order to support prices, it can only mean one thing: entrants to the trade are limited, competition is curtailed, and carriers other than those of Japan may be excluded altogether. Such an approach does not lend itself to the promotion of free trade in transportation services.

Finally, Mr. Speaker, I would like to call upon the Japanese to demonstrate that H.R. 1364 is unnecessary. Show us that these are not token contracts to appease the Congress. Allow American carriers to bid openly for contracts to transport Japanese automobiles to the United States. I remain confident that the actions we take in Congress, together with bilateral negotiations, will help bring about the type of cooperation and healthy competition that all great trading nations should espouse. And that can only benefit all parties.

HOUSE JOINT RESOLUTION 309, CIVIC ACHIEVEMENT AWARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. FRENZEL] is recognized for 5 minutes.

Mr. FRENZEL. Mr. Speaker, when H.R. 2714, the legislative appropriation, was before the House, Members had the opportunity to make points of order against certain unauthorized items. It was a credit to the subcommittee's work that none were made.

One of the unauthorized items was the Speakers Civic Achievement Award, a program conceived, and to be executed, by the Close-Up Foundation, an organization with an unsurpassed reputation for civic education in Washington, throughout the country, and through C-SPAN television.

It is with pleasure that I announce to the House that the Library and Memorials Subcommittee of the House Administration Committee, under the able chairmanship of the distinguished Congresswoman from Ohio Mrs. Oakar, has passed the authorizing resolution, H.J. Res. 309, for the Civic Achievement Award Program. Ms. Oakar hopes to bring the bill to the floor this month.

The Oakar subcommittee amended the resolution to respond to suggestions from the Library of Congress, and from individual Members. It changed the name of the award, the method of appointment of the advisory committee, and provided closer audit scrutiny of the program. In my judgement, the subcommittee was partially sensitive to suggestions of the minority in the amendment process.

I believe the result will be that the House will reaffirm its decision on H.R. 2714 when House Joint Resolution 309 is considered.

BOYCOTT TOSHIBA PRODUCTS

The SPEAKER pro tempore (Mr. HAYES of Illinois). Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, earlier today a group of my colleagues joined with me in a press conference on the grassy triangle out here in front of the Capitol calling for a boycott of the Toshiba products in the United States, calling upon all Americans to stop buying these products, to stop leasing them, to have nothing to do with any of the so-called consumer products or any other products that the Toshiba machine company and/or any of their subsidiaries or associate companies of Japan produces and sells in this country to the tune of 13 billion dollars' worth a year.

Mr. Speaker, treachery by any other name is still treachery. But, if it had another name, it would be Toshiba or Kongsberg.

Toshiba's treachery bears witness to Lenin's famous words that capitalist countries would sell the rope to hang themselves.

Toshiba and Kongsberg have earned the Golden Rope Award: For a mere $17 million profit, these companies sold supersecret naval technology and have altered the strategic balance between the superpowers. To restore the balance will cost $30 billion—that's with a "b" as in betrayal.

First, it was submarine, and then, aircraft carrier technology sold to the Soviets.

For their treachery, Toshiba and Kongsberg deserve Lenin's prescribed fate for capitalists: They deserve to be hanged. As that is impossible, they should at least be prevented from profitting ever again from those they so willingly betrayed.

We have introduced legislation to bar Toshiba from ever doing business in the United States.

But this is not enough. It is time we in this country looked at the attitudes that allowed the Toshiba scandal to happen in the first place.

Too often I hear: It's cheaper over there; or, it's better made over there; or, Americans can't make quality goods.

Take a real good look around you. This is a fabulous country; and, unless I am mistaken, it was built by Americans—not the Japanese.

But, as long as we think—if it's American, it's inferior—similar situations will occur. Already there are reports of another high technology transfer of American secrets from another Japanese company to North Korea.

When will we learn? If it's not here—in this country, it can't be guarded.

As long as we allow Tinkerbell or other pixies of self-doubt to whisk away our secrets so our quote unquote allies can build our defenses, we can be assured our security will end up in Never Never Land.

Treachery by another name is Toshiba, but it is up to us to make sure this never happens again. And, the best way to insure that is to keep our secrets here in the United States where we can monitor them.

Mr. RITTER. Mr. Speaker, will the gentlewoman yield?

Mrs. BENTLEY. I yield to the gentleman from Pennsylvania.

Mr. RITTER. I thank the gentlewoman for yielding.

Mr. Speaker, if the gentlewoman has completed her remarks, I would like to enter into a discussion of a resolution that was introduced today, House Joint Resolution 327. If she has not completed her remarks, I would prefer that perhaps she would complete her remarks, and then we could launch into the discussion of House Joint Resolution 327.

Mrs. BENTLEY. I think that we have said enough to adequately lay the groundwork. I would like to hear the gentleman's resolution at this point.

Mr. RITTER. I thank the gentlewoman from Maryland for yielding.

Mr. Speaker, I want to commend the gentlewoman for her leadership in this area, and I too was present today when the Golden Rope was presented to Toshiba, and she mentioned the cost to the American taxpayer of this high technology for machining propellers of submarines, making them far quieter. The cost to the American taxpayers will amount to some $30 billion. I think that that is part of a larger situation that we find ourselves in where the United States for so many decades has provided the underpinnings of free world defense, and on top of the essential subsidies received by the Japanese Government and the Japanese people, they are now saddling us with an additional $30 billion in costs.

Mrs. BENTLEY. Do we have any idea, is there any estimate on the cost of our defense of the Far East? How much do we spend? How much does it cost our budget, our Defense Department?

Mr. RITTER. There is no definitive breakdown, but I should like to add, and I think House Joint Resolution 327 addresses the fact, that it is not just a question of the Far East, although that is certainly important enough—one-third of all the Soviet military forces are deployed in the Far East—it is a question of all of the globe and the shipping lanes and the trading routes and the open economies that have hard currencies and are expanding and growing and serve as resources for the Japanese nation.

Mr. Speaker, today I, along with Mr. ECKART, a Democrat from Ohio, Mr. HUNTER, a Republican from California, Mr. TORRICELLI, a Democrat from New Jersey, Mrs. BENTLEY, my colleague here, a Republican from Maryland, Mr. VISCLOSKY, a Democrat from Indiana, Mr. MCMILLAN, a Republican from North Carolina, Mr. DARDEN, a Democrat from Georgia, and Mr. TALLON, a Democrat from South Carolina, introduced the Japan defense burden-sharing joint resolution, House Joint Resolution 327.

Mr. Speaker, this resolution directs the President to negotiate an agreement with Japan whereby the Japanese Government would either increase their defense spending or reimburse the United States for our defense expenditures on their behalf on a level that reflects their responsibility as a global superpower.

This resolution is identical to an amendment—Neal as amended by Hunter as amended by Ritter—to the State Department authorization bill, passed 2 weeks ago. Awareness of the need for our allies to share in the burden of defending the free world is growing, and I hope that this legislation can serve as a focal point for this debate, in the Halls of Congress, in the Japanese Diet, and across the United States and Japan.

An examination of the statistics reveals that the United States is bearing a disproportionate share of the free world's defense burden. While in 1986, the United States spent 6.9 percent of its gross national product on defense, Japan spent 1 percent of its gross national product on defense. To put these figures into perspective, during the same year, the Soviet Union spent 14 percent of its gross national product and our European allies spent an average 3.5 percent of their gross national product on defense.

Even our European allies are outspending the Japanese by some 350 percent on defense.

Mrs. BENTLEY. That is a remarkable difference.

Mr. RITTER. While these numbers give us an idea of just how much is being spent, they do not convey what these expenditures accomplish.

Recent developments in the Persian Gulf have reminded us that U.S. defense expenditures are protecting strategic international sea lanes without which many of the free world's economies would come to a grinding halt.

What would be Japan's alternatives if the Persian Gulf were closed? Japan imports 100 percent of its oil, and 60 percent of that oil passes through the Persian Gulf.

□ 1850

I should add, that we import 37 percent of our oil and that only 6 percent of it comes from the Persian Gulf.

If global freedom of the seas and passage through key waterways did not exist, if free, open markets did not exist, how would Japan, with the second largest world economy, with an inflation rate of 1 percent and unemployment rate of 2.8 percent in 1986 get their products to their markets?

Mrs. BENTLEY. If the gentleman will yield for a moment, do we have any idea or has there been a figure on the cost of our security for our naval forces being in the Persian Gulf protecting those oil tankers that are going to and from there?

Mr. RITTER. I have seen various estimates, and the figures I have seen vary quite a bit. Some estimate that if you include the NATO defense capabilities it ranges in the $60 to $80 billion area.

Mrs. BENTLEY. That is all NATO?

Mr. RITTER. Not all NATO, but in part devoted potentially to that part of the world.

Mrs. BENTLEY. I believe that about half of that, or $40 billion is the figure I have seen by former Secretary of the Navy, John Lehmann, which is used as what it costs us, about $40 billion right now to keep the Persian Gulf sea lanes open.

Mr. RITTER. The gentlewoman I think points out a very important statistic.

Keeping the Panama Canal, Suez Canal, Indian Ocean, and other strategic shipping lanes open is just as much in Japan's interest as it is in the United States interest, perhaps more. Japan has been a primary beneficiary of safe passage through international waterways, expanding global economies and trade.

Without freedom, without democracy, without capitalism, global economic vitality is diminished and markets for industrialized nations are diminished. If we compare the productive capacity of the free market economies to that of the "socialist" nonmarket economies, it becomes clear what the United States protective umbrella has afforded the Japanese.

So, with the United States spending far more than Japan to protect world shipping lanes and to ensure that markets remain free and open, why seek to change this equation now?

The answer is America's civilian industrial vitality.

While we invest billions of precious dollars in defense industries, Japan takes equivalent funds and invests them in products earmarked for export. While we produce F-16's, B-1's, and aircraft carriers to protect freedom and Western civilization, the Japanese produce VCR's, compact discs, and the next best widget for the world economy.

Mrs. BENTLEY. If the gentleman will yield again, as the gentleman pointed out, the fact is that we are buying what they are producing, and what they are producing and we are buying from them are their VCR's, their radios, and their widgets. All the dollars that we are sending to Japan for those items have created a tremendous imbalance of trade with Japan, I might point out, $52 billion last year, and all of these dollars are coming back to haunt us, they are coming back and buying off the assets of this country.

I just think it is a very ironic situation, very paradoxical situation we find ourselves in today.

Mr. RITTER. It is, in many ways, and I thank the gentlewoman for her comments.

I personally have to respect the Japanese capability for creating high technology products for consumer markets worldwide. I would just like to see a little more responsibility evinced by the Japanese in terms of protecting and ensuring that those world markets continue.

As the Japanese invest billions in their export-oriented economy and the United States spends billions on defense, Japanese manufacturing is given a tremendous boost while United States domestic and consumer manufacturing is squeezed in our economy. Japanese industries have "patient," available, and inexpensive capital that is far more available in their economy due, in part, to low defense expenditures.

If the Japanese had spent 3 percent of their gross national product on defense during the last 5 years which is what House Joint Resolution 327 calls on them to do—which is the European average—rather than 1 percent, they would have devoted some $139 billion from their economy to meeting global defense responsibilities.

Our budget deficit would disappear and United States interest rates would be much lower, if we spent the proportion of GNP on defense that Japan does. It is clear that the U.S. taxpayer cannot be expected to indefinitely shoulder this disproportionate defense burden. The cost to civilian American industry and jobs is too great.

House Joint Resolution 327 calls upon the Japanese to either increase their defense expenditures to 3 percent of gross national product, thereby shouldering a greater share of the global defense burden, or in the event they do not, in the event they feel that is politically untenable, to pay to the United States a fee that amounts to the difference between 3 percent of gross national product and the approximately 1 percent or whatever the amount is that the Japanese end up spending on defense.

Mrs. BENTLEY. If the gentleman will yield for a minute, the gentleman is saying pay a fee, the gentleman is saying then bear part of the cost of keeping our defense in the Far East for your protection?

Mr. RITTER. The gentlewoman is correct, for defense in the Far East, but as I mentioned before we are talking about the global economic situation whereby the leading exportation and the leading importation in the world is by Japan who has an open Panama Canal, open sea lanes in the Indian Ocean, Middle Eastern shipping lanes open, free economies and capitalist economies with hard currencies which mean something, and it is beyond just the protection, although it is certainly important in the Far East.

Mrs. BENTLEY. And we are providing these lanes and this freedom.

Mr. RITTER. And it is the United States which has almost single-handedly, it has been the American taxpayer who has almost been alone in the world in providing for this global freedom and global defense.

Close to one-third of the Soviet Union's military forces are deployed in Asia, and this deployment continues to be improved both quantitatively and qualitatively. With Soviet aggression in Afghanistan, Soviet inroads in Central America, Soviet proxy wars in Africa, the explosive Iran-Iraq war in the Persian Gulf, continued uncertainty in the Middle East, a Soviet-backed Vietnamese war in Cambodia, to name a few hot spots, it is clear that the free world must rally together to defend our freedom, the independence of our friends and allies, and our global markets.

We call on Japan, a good friend of the United States, to accept our call to bear a fair share of the world's defense burden. The cost of protecting freedom and the free markets should be borne evenly and proportionally by those who benefit from them.

This resolution gives Japan an option. If the Japanese Government feels that it cannot exceed their politically established 1 percent of gross national product, we offer them a mechanism to meet their responsibilities. They can pay the United States for the protective service we provide them. Perhaps that sounds unrealistic; perhaps it sounds less than genteel or diplomatic. But, Mr. Speaker, the defense spending imbalance between our two nations stands at the very heart of potential long-term problems between our two countries. We must elevate the debate; bring it into the public arena in our two countries; and settle it in an equitable fashion.

There has been concern that the Japanese constitution prohibits defense spending above 1 percent of gross national product. This is not true; this is a politically established limit. As a matter of fact, the Japanese Government spent 1.004 percent of their gross national product on defense last year.

I must add, that I am extremely concerned over the recent export violations by Toshiba Machine Co., Inc., of Japan. While the United States is spending billions on national security, a security that, as I've discussed, accrues great benefit to the Japanese, Toshiba sold sophisticated propeller manufacturing equipment, expressly prohibited by law, to the Soviet Union. This sale, and unbelievably its accompanying service contract, approved by the Japanese Ministry of International Trade and Industry MITI, served as a veritable stab in the back of all Americans. Our Nation, which has stood as the rebuilder and protector of a nation which at one time struck out in a violent act of hostility against our Nation 46 years ago, views this sale of ship and submarine quieting technology, which occurred twice, with particular disdain.

I am pleased to see the substantive steps taken by the Japanese to get to the heart of the Toshiba problem and ask that they take the message of this resolution as seriously. A rapid and resolute response to this bill, to the negotiations that I trust will ensue, would mean the Japanese have aligned themselves with strengthening democracy and security.

Mr. Speaker, there are costs as well as benefits of being a global economic superpower. It is time Japan recognized and shared more of the costs. It is simply not fair to the American people that we devote so much of our resources to being the protector of law and order in the world while Japan is free to devote their resources to being the world's producers and salesmen.

Mr. Speaker. I include for the RECORD, the text of Joint Resolution 327 and a copy of a recent article by Richard Perle, President Reagan's former Assistant Secretary of Defense for International Security Policy, regarding the Toshiba Machine incident.

H.J. RES. 327

Joint resolution requiring the President or his designee to enter into negotiations with Japan for the purpose of having Japan bear a greater share of the free world's defense burden by either increasing its annual defense expenditures to at least 3 percent of Japan's gross national product or by obtaining payment by Japan to the United States of the difference between 3 percent of Japan's gross national product and what Japan actually spends on defense.

Whereas without freedom, democracy and capitalism, global economic vitality is diminished and individual markets diminish as well, which is demonstrated by the far higher average GNP per capital for western market economies versus eastern "socialist" non market economies.

Whereas without the military strength and the political resolve of the United States to protect and augment freedom, democracy and capitalism throughout the world, the global markets upon which exporting nations depend would not be available;

Whereas the recent developments in the Persian Gulf bring to light once again the dependence of our allies on the United States for the protection of strategic international sea lanes so vital to the industrialized democracies;

Whereas 37 percent of the oil consumed by the United States, 100 percent of the oil consumed by Japan, 100 percent of the oil consumed by West Germany, 94 percent of the oil consumed by France and 100 percent of the oil consumed by Italy is imported;

Whereas 4 percent of the oil consumed by the United States and 60 percent of the oil consumed by Japan passes through the Gulf of Hormuz;

Whereas there have been disturbing revelations that the Japanese company Toshiba Machine has on two occasions sold strategic technological equipment to the Soviet Union which gives the Soviets the ability to reduce the noise level of their submarines by a factor of twenty, significantly undermining the security of the United States and the rest of the free world;

Whereas at a time when the necessary financial commitment to national security is particularly burdensome to the American economy given its increasing national debt, the trade deficit, relatively high interest rates, and the erosion of United States manufacturing jobs, this sale, with the approval of the Japanese Ministry of International Trade and Industry (MITI), is looked on with particular disdain;

Whereas in 1985 the United States spent 7 percent of its GNP on defense, the Soviet Union spent 14 percent of its GNP on defense, our European allies spent an average 3.5 percent of their GNP on defense, and Japan spent 1% of its GNP on defense;

Whereas if the Japanese spent 3 percent of their GNP on defense, rather than 1%, they would have spent an additional $39 billion on defense in 1986, money which would not be used to promote their civilian export industries, and which over the last 5 years would have amounted to a staggering $139 billion;

Whereas Japan has the second largest economy in the world with a GNP of $1.963 trillion in 1986, and had an inflation rate of 1 percent and an unemployment rate of 2.8 percent during the same period;

Whereas the United States overall trade deficit in 1986 was $166.3 billion and $50 billion in the first three months of 1987, and our trade deficit with Japan alone was $58.6 billion in 1986;

Whereas, with Soviet aggression in Afghanistan, Soviet inroads in Central America, Soviet proxy wars in Africa, the explosive Iran-Iraq war in the Persian Gulf, continued uncertainty in the Middle East, a Soviet-backed Vietnamese war in Cambodia, and one third of the Soviet Union's entire military force deployed in Asia, it is clear that the free world must rally together to defend freedom and global markets; and

Whereas, the cost of protecting open markets in the free world should be born evenly and proportionally by those who benefit from them: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That within 180 days after the date of enactment of this Act, the President shall seek to enter into negotiations with the Government of Japan for the purpose of increasing the amount spent in any year by the Government of Japan for defense to at least 3 percent of the Gross National Product of Japan for that year, or of obtaining payment by Japan to the United States of the amount by which such percentage amount exceeds the amount spent by Japan for defense in such year.

[From the Defense News, June 22, 1987]

AMERICA'S FRIENDS: DOING WHAT ITS ENEMIES COULD NOT DO FOR THEMSELVES

(By Richard Perle)

WASHINGTON.—At the Baltic Shipyard in Leningrad, a secret, highly specialized machine shop works around the clock producing superquiet, 140-ton submarine propellers. When installed, they will permit Soviet submarines to glide silently under the world's oceans threatening U.S. and allied fleets and shipping on a scale that Adm. Doenitz's U-boats never approached.

The sophisticated equipment and unique computer software that is enabling the Soviets to replace their low-tech noisy propellers with high-tech quiet ones, and thus escape detection by U.S. acoustic listening devices, was supplied by companies in countries allied to the United States. So our friends have done for our enemies what our enemies were unable to do for themselves: Launch a powerful torpedo at the effectiveness of America's multibillion-dollar antisubmarine defenses.

Toshiba and C. Itoh, two of Japan's largest concerns, and Kongsberg Vaapenfrabrik, a state-run company in Norway, were not unwitting victims of a clever KGB scheme. They were the perpetrators, and we and our allies are the victims. Motivated by greed and operating by stealth, these businesses conspired to circumvent an international understanding that bars the export of sensitive technologies to the Soviets and their Warsaw Pact allies. Their profits were a few million dollars. The cost to the United States—if a way can be found to repair the damage—will be billions. That's right, billions.

Unhappily, this was no isolated incident. Before this there were space-based mirrors for laser warfare from a company in California; elements of a military air traffic control system from Sweden; and advanced electronics from Tektronix in Oregon bought by a dummy firm in Germany for delivery to Moscow; computers sent round the world, always a step ahead of Western authorities, before winding up in the services of the Soviet military-industrial complex.

What makes the Toshiba-Kongsberg case remarkable is the scale of the damage it has done, and the wholly inadequate response of the Japanese and Norwegian governments. The Japanese authorities, for example, barred Toshiba's machine-tool company from doing business with the Warsaw Pact for one year. For the rest of the huge corporation it will be business as usual. C. Itoh, the giant trading company, got only a three-month suspension. It all reminds me of the notices that appear on your (Toshiba?) television when the transmission goes wrong: "We are sorry for any temporary inconvenience caused by technical problems; our program will resume shortly." The Norwegians have done even less, conveniently blaming a single Kongsberg employee (who happens to be British).

Thus far the U.S. administration has done little to elicit a serious response from Norway or Japan. It should, of course, insist that they share the costs of improving our underwater detection systems to restore some of the capability we have lost. But internal suggestions along these lines were watered down in the White House and the administration's chronic failure to negotiate successfully with the Japanese is likely to be demonstrated yet again.

So members of Congress like Duncan Hunter, R-Calif., and Charlie Wilson, D-Texas, who support a strong national defense and know how much more costly Toshiba and Kongsberg have made it, have proposed punitive legislation that would shut both companies out of the American market. They will have to move quickly or Kongsberg may actually be rewarded with a large and profitable Navy contract and Toshiba with one from the Air Force.

If given a choice between American technology and the technology of other countries, the Soviets almost always choose ours. But as the Kremlin has been discovering recently, U.S. export controls are increasingly effective. So the KGB has been turning to companies (mostly storefronts and postal addresses) in Europe, Japan and elsewhere to buy embargoed technology that has been licensed by the U.S. government for sale to apparently legitimate businesses abroad. It is to interdict these diversions that we require licenses for all sales abroad of sensitive technology.

We have known for some time about the extensive use of Western technology in the development and manufacture of Soviet military systems. Early in the Reagan administration, the CIA had acquired an extraordinary cache of documents from an agent operating inside the Soviet Union. Then at the Pentagon, I was among a small number of officials given access to material that documented more than 5,000 Soviet military programs that utilized technology and equipment obtained illegally from the United States and its allies.

This knowledge led to a number of steps to protect sensitive technology and persuade our allies to do the same. But now six years of hard work are threatened by commercial greed, an indifferent Congress and an administration all too ready to acquiesce to pressures it once resisted with courage and determination.

Congressman Don Bonker, D-Wash., who chairs the House Foreign Affairs subcommittee on trade, knows how much damage that Soviets have done to our security by misappropriating Western technology. Yet far from demanding greater vigilance from our own and allied governments, he has pushed through the House a package of measures that might properly be termed "the Soviet Military Technology Relief Act."

Part of the trade bill, HR3, it would repeal the secretary of defense's authority to review most sensitive exports, abandoning a measure (enacted by my friend and employer Sen. Henry "Scoop" Jackson in the 1970s) that has been instrumental in protecting Western technology. It would end licensing requirements and thus permit the uncontrolled (and undocumented) export of militarily sensitive technology to countries (like Japan and Norway) that have done little or nothing to stop diversions to the Soviets and their allies. And it would, on the theory that the list of forbidden exports is too long, arbitrarily release 40 percent of the items now controlled without regard to the security consequences of such an indiscriminate policy.

Having voted consistently to slash U.S. defenses, Bonker and his House allies would now imperil us further by facilitating Soviet acquisition of our technology.

While similar legislation in the Senate doesn't go quite as far, the bill put together by the Senate Banking Committee and shaped largely by Sen. John Heinz, R-Pa., shares many of the worst features of HR3. One can only hope that the Senate Armed Services Committee under Chairman Sam Nunn, D-Ga., will take time to review the bill that has emerged from the Banking Committee and recommend changes aimed at protecting national security. War, after all, is too important to be left to the bankers.

Since 1981, the Reagan administration has been pressing its allies to follow our lead in restricting the flow of technology to the Soviets. Thus passage of the House, or even the Senate, bill as it now stands would do irreparable damage to our credibility abroad.

Six years of cajoling, pleading, bargaining and negotiating will be made to appear a capricious, ephemeral impulse rather than the serious policy initiative the president intended. What Congress simply doesn't understand is that no president can defend our interests, in this or any other matter, if his policies can be snapped around like a rubber band.

The march so evident in Congress, and in such executive agencies as the Department of Commerce, to weaken export controls is lumbering forward behind the banner of "competitiveness," this year's slogan masquerading as a policy. The fellows who want to keep Japanese computers out of the United States are allied with those who want to get them into the Soviet Union. A self-serving industry lobby now argues that while it is harmful to national defense to import semiconductors from Taiwan, it is perfectly all right to ship them to Moscow.

The "competitiveness" argument has it that in order for American industry to remain competitive, we must equal the laxness with which our allies administer their export controls by diminishing the effectiveness of ours, thus sinking to the lowest common denominator. This is the central point of a shallow and tendentious study recently released by the National Academy of Sciences, on which opponents of export controls have relied heavily in their irresponsible campaign to weaken them.

It seems not to have occurred to those who hold this view that is might be wiser to bring others up to our standard rather than haul us down to theirs. How many more Toshibas will it take before the allure of irresponsibilitly ceases to attract the National Association of Manufacturers and the Business Roundtable?

The business community complains with some validity that export controls entail bureaucratic red tape—a complaint that Commerce Secretary Malcolm Baldrige, whose department dispenses red tape by the mile, echoes happily at industry lunches and in congressional testimony. Now, if Mac would put the time, effort and resources into running the licensing function of the Commerce Department with even minimal competence, we could get rid of the red tape without shipping our technology to the Red Army. That is what Defense Secretary Caspar Weinberger and Deputy Undersecretary Stephen Bryen have done at the Pentagon, where they have treated technology control with the seriousness it merits and built an organization that can protect both trade and national security.

The greatest single service that government could provide to American exporters would be an efficient, consistent and effective system for processing license requests, expeditiously coupled with a vigorous campaign to get our allies to play by, and enforce, the same rules. Replacing the Bonker and Heinz measures with congressional support for administering export controls efficiently would be a good place to begin. And legislation to bar Toshiba and Kongsberg from doing business in the United States would work wonders in getting our allies to enforce the rules they claim to respect.

Much of what animates the White House these days has to do with issues of consistency and credibility, values vital to our leadership of the Western alliance. The president who has taken the lead in arguing for effective export controls will appear pale and depleted if he fails to take charge of the Kongsberg-Toshiba affair. And abandoning policies aimed at protecting our technology will diminish both consistency and credibility—and our security as well.

Ronald Reagan's signature on a bill that vitiates the effectiveness of export controls for national security purposes would abdicate executive authority and sound policy when we need them most.

Mrs. BENTLEY. I thank the gentleman from Pennsylvania for discussing the resolution that would call upon the Japanese to pay their share of the cost as our problems with defense are beginning to mount, and of course it would also help our budget deficit very much.

Mr. TORRICELLI. Mr. Speaker, will the gentlewoman yield?

Mrs. BENTLEY. I am happy to yield to the gentleman from New Jersey.

Mr. TORRICELLI. Mr. Speaker, I thank the gentlewoman for yielding and I rise to commend her for the leadership she has exhibited here today on this issue, as well as the gentleman from Pennsylvania [Mr. RITTER] who once again in a very thoughtful way has brought our attention to a real and pressing national problem. I am pleased to join with him in offering this resolution today.

With the continued indulgence of the gentlewoman from Maryland, I would like to address the merits of that resolution as I see them and as the gentleman from Pennsylvania [Mr. RITTER] has placed them before us.

Mr. Speaker, when the industrial democracies gathered in Venice only a few weeks ago, the rights and privileges of being among that family of nations were clear: High standards of living, new technologies, a better and more secure life for their peoples.

What is less clear from that day in Venice and indeed increasingly as the years have passed are the obligations, the obligations of being in the family of leading industrial democracies. For 40 years have passed since the last war and America, having spent her wealth by the billions, having shed her blood of thousands of her sons and daughters, today is not only showing leadership, but increasingly taking a disproportionate share of responsibility in the world. Indeed, when this alliance was formed with Japan and with our NATO Allies, it was not our intention then nor our announced purpose that we would exhibit all leadership, take all responsibility, but rather to play a role, a significant role, but not the only role.

Today the story is quite different. American bases around the world are under attack, not from a foreign enemy, but from the people of our allies, bases placed in countries not only for our interests, indeed perhaps in the first analysis and to a greater extent for their purposes. Yet we are asked to pay more and criticized for it, although we are showing the very leadership that they and we need.

Among these problems Japan may be the best example, for as the gentlewoman from Maryland has shown today, here is a case where sophisticated technology was sold to the Soviets that violate not just our security, because indeed we are less dependent on the sea lanes than Japan or Europe, they have violated their own security, forgetting again perhaps in the greatest example that the defense of the Western World is not an American interest, it is everybody's interest.

□ 1905

As my colleague, Mr. RITTER, has said, again, perhaps like a giant truck company crossing the highways of America, ignoring the tolls and the bridges, Japan has obtained what is at least relatively and I think fairly can be concluded, a free ride in the game of national security, contributing today less than 1 percent, this year having attained only 1 percent of her GNP in defense expenditures, contributing less than one-third of Europe, less than one-sixth of the United States' contribution for national security.

So I join with Mr. RITTER today in asking that just as certainly as Japan has joined the family of the leading industrial nations, having achieved great wealth, now having a secure and leading remarkable democracy, she recognize that being a leader in the family of democratic nations means more than giving rights to her people, but sharing in the defense of democracy around the world.

This, I suggest, as Mr. RITTER is issuing it today, is an invitation to a new generation of Japanese:

"Take your leadership, take your responsibility. It is not for America alone anymore."

Leadership in the defense of freedom can always be found in this Chamber, in this city, and in this Nation. Now the question is not our ability to lead but the willingness of others to follow.

I believe that each of my colleagues have made a real contribution in the spirit of friendship, of asking the Japanese, among our other friends, to take that leadership role today.

I thank the gentlewoman for yielding the time and I commend the gentleman, my colleague from Pennsylvania [Mr. RITTER].

Mrs. BENTLEY. I thank the gentleman from New Jersey for joining in this discussion today and for contributing some very excellent remarks.

I yield to the gentleman from Pennsylvania.

Mr. RITTER. Mr. Speaker, I rise to commend my colleague from New Jersey who is an extremely thoughtful Member of the House and of the Committee on Foreign Affairs and who has spent a great deal of time seeking to understand this very difficult issue.

I think he hits the nail on the head when he talks about addressing a new generation of Japanese. I think in the spirit of friendship in which this resolution is offered, I too would like to address that new generation of Japanese. The world has changed since the end of World War II and since the 1950's. The world has shrunk, the globe has become far smaller. The economies of all the nations, especially the prosperous nations, have become more and more interdependent.

There is no fortress America, there certainly is no fortress Japan. And the benefits accrued to the Japanese people and to the Japanese nation from a free world, from a prosperous world, from a market-oriented world and they are so great as to perhaps begin to influence Japanese thinking on their role in the world as a global economic superpower.

I am sure that such changes will not come overnight. I understand some of the political ramifications inside Japan that such a resolution will incur. But there is no doubt in my mind that the time has come for the Japanese people as well as the American people to debate this issue fully and openly.

The American people in the interdependent world, in this global economy, can no longer afford to be the sole protector of freedom and free passage. It is time, the time is now for a major new Japanese role.

I thank the gentlewoman for yielding.

Mrs. BENTLEY. I thank my colleague from Pennsylvania for his very excellent remarks and for taking the lead today in presenting this resolution which hopefully will serve two purposes; one, let Japan take some of the lead in the free world today in its responsibility, and also it will help our budget deficit which is very important to us too.

Mr. Speaker, I yield back the balance of my time.

FURTHER MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 154. Concurrent resolution providing for an adjournment of the House from July 1 to July 7, 1987, and a recess of the Senate from July 1 or 2, to July 7, 1987.

UPDATE ON THE SITUATION IN THE PERSIAN GULF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 60 minutes.

Mr. WISE. Mr. Speaker, I take the well of the House today, and I know the late hour and apologize for the inconvenience to the staff which has been here a long time not only today but during the week, and also to my colleagues.

I ask your indulgence for a couple of minutes while I speak about the Persian Gulf, because I think that the situation that the United States is getting itself into in the Persian Gulf is such that it must be constantly addressed.

I took the well of the House in a special order last week to discuss this. I would like to come at it from a little different angle this time.

I have here a map of the area that we are talking about and I will just put the states and geographical facts on the record before I begin.

This part here is Iraq, this is the Persian Gulf region, and Iraq is here confronting Iran here; Saudi Arabia is here; the United Arab Emirates States are here.

Here is the well-known Strait of Hormuz commanded by Iran here and through which all the oil must pass.

The Gulf of Oman is here. This is where eventually the U.S.S. *Constellation* and the aircraft carrier U.S.S. *Missouri* will be operating from. Here are the Straits of Hormuz, 35 miles across at one point, roughly 50 to 60 miles here and this is the choke point through which Iran can command shipping going through here.

So that is the geographical situation. I think what is important to look at is in any foreign policy, actually in any objective that the United States sets out to accomplish are several criteria you have to measure your policy objectives by.

I will list these criteria and then briefly discuss each one. I have five that I have listed. First of all does the policy accomplish a definite foreign policy objective? Are we going to accomplish anything by setting out—the President has proposed reflagging 11 Kuwaiti tankers and giving them U.S. naval protection. In other words, is there going to be a definite foreign policy objective accomplished by this? Do we know what it is?

No. 2, is the action necessary for the national security?

No. 3, is there a realistic military function that can be performed and can we adequately protect the forces that we will ask to assume a risk?

No. 4 and very important, we have learned, of course, in Vietnam, Lebanon, and other engagements: Does a foreign policy have popular support? Not simply among the Congress but most importantly, amongst the public.

No. 5, are there viable alternatives to the military risks that you are undertaking?

First of all, is there a definite foreign policy objective? Everyone here I assume supports the objective of keeping the Soviet Union out of the Persian Gulf, and certainly not permitting them to enlarge and expand their influence anymore than they already have. That I assume is a definite foreign policy objective. Of course, the U.S. objectives are a little bit confused in the Persian Gulf. Our allies have to be a little bit excused if they sometimes wonder exactly what they are because during the course of our involvement in the Persian Gulf, we have said we oppose Iran and then ended up selling arms to Iran and in some cases providing intelligence. However, ther is some indication that the intelligence may have been faulty which means we may have been tilting toward Iraq.

We are presently, by supporting Kuwait and reflagging tankers, supporting an ally of Iraq which is Kuwait. That could then be perceived as a definite tilt to Iraq. In other words, we have been on both sides of the gulf on this one.

Second, are we going to be keeping the Soviet Union from expanding its influence? We are responding because Kuwait went to the Soviet Union and asked them to help escort their tankers. The Soviet Union agreed to lease three tankers. We have agreed to reflag and escort 11 Kuwaiti tankers.

Soviet influence, will it be kept from expanding? Let us look at the possible scenarios, assuming that at some point one of these tankers is attacked by Iran, that is an attack on the American flag and I assume that the United States will respond. That will then bring us into direct conflict with Iran.

The one thing that the Soviet Union has strived for at least the last century is to gain access to Iran, through Iran to the Persian Gulf. Happily they have not been able to do so. There is great enmity, traditional enmity between the Soviet Union and Iran. But will we drive Iran into the arms of the Soviet Union by this policy? I think a very likely possibility.

So in answer to the first question: Does it accomplish a definite foreign policy objective? Let us state the objective and at best we have to conclude it is questionable whether that objective will be reached. Second, is the action necessary for the national security?

Approximately 6 to 7 percent of all oil coming into the United States comes from the Persian Gulf. Roughly 60 percent of Japan's needs come from the Persian Gulf. With respect to Western Europe it varies between 10 percent for some countries up to 30 percent. Clearly other nations have a greater stake in the oil coming from the Persian Gulf than the United States does.

Another point, I will take a special order to talk about the need for energy independence and how we have let down there, but that is for another day, because that is not the situation that we have presently.

So other nations clearly have their national security and energy security depends much more upon the Persian Gulf.

Now, about 12 percent of the oil coming through the Strait of Hormuz is Kuwaiti produced. However, 70 percent of that oil that comes from Kuwait comes by foreign flag tankers. So we are dealing with roughly 30 percent of the oil that Kuwait produces, and given the number of tankers that the United States will be reflagging and escorting, we are talking about 4 percent of the oil coming out of the gulf that will be protected by the U.S. Navy.

That leaves of course the balance of oil that Kuwait supplies as well as Saudi Arabia, the United Arab Emirates and others, will be theoretically unprotected. Of course, we saw what happened over the weekend when three tankers were attacked, a Norwegian one, a Swedish one, and a Kuwaiti tanker.

So much of the oil that we say we are trying to protect and open up free access or at least guarantee free access is not going to be protected by this.

So I question is the action necessary for the national security?

Third criteria, is there a realistic military function and can we protect our forces. I think this happens to be the most serious one. We are asking American soldiers and sailors to put themselves in an exposed position. I hope we learned something from Lebanon that we should never ask our forces to put themselves in exposed positions where we cannot adequately protect them. Nor should we ask them simply to sit in a shooting gallery in the hopes that everyone will be deterred by their presence.

We have learned it does not work that way, particularly in the Middle East.

The U.S.S. *Constellation* will not enter the Persian Gulf but will have to maintain its air cover from outside in the Gulf of Oman. Even the U.S.S. *Missouri*—and that should be a special order in itself as to whether or not battleships are effective in today's wars—the U.S.S. *Missouri* which is steaming toward the area likewise most likley will not pass through the Straits of Hormuz but will sit in the Gulf and Oman and surrounding waters.

So are we adequately able to protect? I think what concerns Americans most, concerns this Member of Congress, the fact that those whom we sent to protect and those whose oil we are protecting will not permit our planes to base there to provide guaranteed adequate protection. Obviously, response time is much quicker to protect Kuwaiti tankers reflagged under the U.S. flag if the plan is taking off from Kuwait or Saudi Arabia than if it is having to come from the U.S.S. *Constellation* somewhere out here.

I acknowledge that Saudi Arabia is permitting AWAC now, its U.S.-supplied AWACS to patrol not only that area of the gulf but also the southern area and will work in consonance with the United States.

Once again, our planes will not be able to land in this area to protect the oil of the very countries that sought that protection.

☐ 1920

I will have trouble explaining if a U.S. ship is attacked, and there are casualties. I will have trouble explaining to my constituency why it is that those servicemen could not receive the maximum protection possible; that is, particularly with air cover.

Fourth, does this policy have popular support? I would suggest that Americans and the Congress have split all over the board on this. On both sides of the aisle, we have genuine concern expressed by Members as to the wisdom of this policy, some publicly, some privately.

A recent poll taken a few days ago shows the country is split right down the middle 50/50, as to whether reflagging should go forward.

Are there viable alternatives, because if there are, we should not be asking for purposes of saving face, or for whatever other purposes American military personnel to be so exposed.

Also, to risk accomplishing or to risk having seen happen exactly what we set out to avoid which is the Soviet Union gaining more influence in the Persian Gulf.

Viable alternatives include involving the United Nations, convening the U.N. Security Council, announcing a cessation of reflagging for perhaps a period of 60 to 90 days, while exploring all possible peace efforts, perhaps convening a meeting of all our allies, Western European, Japanese, and Arab, to look and see what kind of overall security could be provided in the Persian Gulf for the flow of oil, to perhaps as the gentleman from Florida [Mr. BENNETT] has suggested in a resolution the gentleman has introduced, that the United States delay reflagging, unless the Soviet Union reflags, and so at least there is an equal burden being shared there, perhaps to require that as a good faith gesture, that these nations provide the landing rights at least in emergency situations that are so necessary to protect their own military personnel.

I am not a military person, but I have watched with concern as the Secretary of State and the Secretary of Defense have stated that we are sending the most modern ships with the best defensive systems to safeguard this oil.

I heard that same rationale that we have a good defense given with the Maginot Line in World War II, given in Lebanon that we protect them. We do not talk about offense but defense, and in almost every case I have seen eventually a defense is simply that; and often it gives way to one who has an offensive end to accomplish.

I am concerned about simply asking our personnel to be involved in a defensive gesture. Secretary Shultz warns, we shall not be driven out of the Persian Gulf.

This is the same rehetoric I heard in Lebanon, and, of course, shortly after the marine bombing in which 241 marines died, and others were killed by snipers in Beirut, the United States withdrew offshore.

I assume we were driven out at that point, but my concern is, I do not think we are going to be driven out of the Persian Gulf when we already have clearly nine naval vessels there, and we are going to be having the U.S.S. *Constellation* and the U.S.S. *Missouri* standing outside the Persian Gulf to provide a military punch that cannot be equalled by any of the other allies, including the Soviet Union whose naval forces in the Persian Gulf are far less.

If you look at a map of the Soviet Union, you see there is no way that they can quickly get naval vessels, naval personnel to that area. They have indicated that they will not be expanding their forces there, so with that kind of U.S. flotilla in the Persian Gulf, we make quite a message.

Former Secretary of State Kissinger in an article published recently in the op-ed page of the Washington Post entitled "Wandering in the Gulf" makes many of the same points, and I quote from Secretary Kissinger saying that the military role, the United States must not repeat in a new theater of operations the mistake of doing enough to get involved, but not enough to prevail.

He goes on to conclude that what the United States must not do is to engage in belligerent acts without knowing what it seeks to achieve. I am getting a little bit of the feeling that we are wandering in the gulf, and we have a policy advancing day by day; but we do not have any of the five criteria met that I outline.

One, does it accomplish a definite foreign policy objective? Is the action necessary for the national security?

Is there a realistic military function, and can we protect our forces?

Does it have popular support, and are there viable alternatives?

What is the significance of taking a special order? The significance is that this House will adjourn with the conclusion of this special order for the July 4 recess until sometime in mid-July, when the House will have returned, and sometime in mid-July the reflagging will be complete, a fait accompli.

The second step, what happens when one of those ships is attacked?

No one has answered that question, and it is important that the public and the Congress continue to demand answers to that and continue to demand that the five criteria that I have outlined be answered before we embark on such a course.

Mr. TORRICELLI. Mr. Speaker, will the gentleman yield?

Mr. WISE. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. TORRICELLI], a member of the Committee on Foreign Affairs.

Mr. TORRICELLI. Mr. Speaker, I thank the gentleman for yielding.

I commend the gentleman for giving this opportunity to me to speak tonight, and for the Members of this House to hear once again some of the critical arguments with regard to the reflagging in the Persian Gulf.

Several months ago without notice, indeed without any reason to suspect that a significant policy change was about to occur, the administration announced that it would reflag some of the Kuwaiti fleet of oil tankers exporting oil to the Persian Gulf.

The administration at the time noted quite correctly that there was a Western dependence on Persian Gulf oil, and that it was important to defend the integrity of the international shipping lanes.

They were correct, but the policy in its radical departure from American policy in the region for so many years deserves some serious analysis.

We find ourselves really potentially at a historic turning point in American policy in the region.

The gentleman from West Virginia has addressed a number of these points. I would like to address a few others.

First, the question deserves to be analyzed not in terms just of whether it is right or it is wrong, but is it relevant. I would submit it is not.

We are now 7 years into the Persian Gulf war, the most bloody, the most dangerous, potentially perhaps the most catastrophic conflict since the close of the Second World War.

For 7 years two nations have fought a deadly contest costing 1 million lives. The conflict now brings the Iranian forces to within 50 miles of the oil fields of Iraq located here only a few miles west of the city of Basra. Those oil fields are the third largest in OPEC.

When the winter offensive begins again next January, if the Iranians succeed, indeed as they almost succeeded last December and January, they will not only approach the oil fields of Iraq but will be within artillery range of the oil fields of Kuwait, within a day's drive of the oil fields of Saudi Arabia.

The consequences are these: fully two-thirds of the oil reserves of all the non-Communist world will be within a day's drive of the front line of Khomeini's troops.

This war has waged for 7 years. Now the administration has a policy. That policy is to protect the flow of oil through the gulf. The administration should be commended for having a policy, but the question I ask is this: is it a relevant policy?

The vast majority of the oil of the Persian Gulf is not flowing by tanker. Indeed, as the gentleman from West Virginia pointed out, only 15 percent of the oil coming through the Persian Gulf is Kuwaiti. Of the 200 attacks on oil tankers in the Persian Gulf in the last 7 years, 10 have been Kuwaiti, 2 in the last year, and this of a total of 50 tankers that pass through the Persian Gulf every day.

In other words, as the gentleman has noted, there are 50 tankers every day, 2 in a year have been Kuwaiti, and even all of this oil represents only a minority of the oil reserves of the Western World which are by and large leaving the gulf area, not through tankers but through oil pipelines and trucks.

So if the administration's policy in the first analysis was to defend the oil reserves of the Western World, its policy simply is not relevant. It is not addressing the problem of the oil reserves.

Second, if its policy is designed to defend our allies in the region, our allies in the region are not being attacked through forces in the Persian Gulf but, rather, through a massive land war, having consumed a million lives, that places Kuwait and Saudi Arabia and indeed at some point Jordan, Israel, and Egypt itself in jeopardy.

So I shall answer the question with which I began. It is not just whether the policy is right or wrong. Is it relevant? Clearly, the answer is "No."

Third, it is a question that perhaps we as Americans should not have to answer. The question is, does the administration militarily really understand the obligations it is undertaking? It is a question that is not often asked in this House because we have a right to believe and assume that our national administration is consulting with military leaders and understands the weapons it is employing and the security considerations involved. But, frankly, after Reykjavik and after the loss of lives in Lebanon, that is an assumption that we cannot afford to make, so tonight let us ask a second question: Can the administration defend the ships it is deploying in the Persian Gulf? The answer is "No."

The gentleman from West Virginia has correctly noted that American aircraft carriers will remain in the Gulf of Oman as an important symbol of American strength. Unfortunately, it is only that, a symbol of American strength, because the ships that will be reflagged—and, more importantly, the American naval ships, with hundreds of American lives—will be sailing through the Strait of Hormuz, all the way to Kuwait, some 750 miles away from the Strait of Hormuz, and more significantly, they will be hours away from the protection of American naval air power. Any American fighter plane called upon to protect American ships will have to refuel twice before reaching the upper limits of the Persian Gulf.

The short answer to the question is this: American naval forces will not, just as in the case of the *Stark*, have the benefit of American air power. No American President since the First World War has ever sent American naval forces into harm's way without the benefit of air cover. Indeed, the ships that will be deployed were designed under the proper assumption that air cover would always be provided because of American technical superiority, but not in this case.

Fourth, the question comes that the policy is not relevant to the oil dependencies. If we cannot in fact defend the ships, what of our ability to retaliate? When pressed, the administration suggests that it is not American naval forces that will be defending these ships or our own naval vessels; ultimately they are defended by the threat of retaliation, the credibility of American armed might.

What then is the answer? The ability to retaliate. Well, again, as the gentleman from West Virginia has noted, America's principal naval forces, our carriers, because of the logistical problems in the area, must remain in the Gulf of Oman, not only 750 miles from Kuwait but 300 or 400 miles away from the naval bases from which Iran might attack our ships, and 700, 800, or even 1,000 miles away from the airfields from which Iran might launch an air attack against our ships.

So what of this threat of retaliation? The administration contends that we should not be concerned that there is no air cover. They say, "Don't be concerned if there are only a few naval ships. They won't attack us because we will retaliate."

Really? And with what? From a single aircraft carrier a thousand miles away?

Certainly the administration could provide bombers over an air or naval base in Iran, but without fighter cover, without any ability to protect the planes, because those fighter planes will be fully two refuelings away from the air bases.

Perhaps this raises the most dangerous question of all, because once again the administration has taken a strong military position and drawn a line in the sand, daring a hostile power to cross it without understanding the power of its own military assets and without the ability to respond.

□ 1735

Nothing, I would suggest to my colleagues, could be more dangerous than to threaten the Iranians, suggest that they would not respond because it would be irrational, knowing all the time that we are dealing with an irrational power and all the time knowing that we do not at this time, at that place, have the forces with which to respond. That I would suggest is inviting a dangerous situation far beyond what we now find in the Persian Gulf.

Finally, let me ask this. If we do have American interests in the region, if our forces cannot be protected, if there is no ability to retaliate, what is it the administration should do?

Let me suggest this. There is nothing innately wrong with the notion of protecting naval ships coming through the Persian Gulf. Indeed, America has always stood for the freedom of the seas. It was our first conflict after our own revolution, believing in the freedom of nations to cross the seas; but if that policy is right, even if I suggested in the first notion, not particularly relevant because the greater need is to stop the land war, but if it is important, let me suggest this as an alternative to the administration. If it is important to defend these ships, it is important enough to do it right. If you want to help the Kuwaits or Saudis, if they want the benefit of American naval protection, then, Mr. President, do this. If they want the benefit, then they also have to have the inconvenience of a naval air cover, because there is an answer here. The American naval ships that will cross through the straits, through the Persian Gulf to Kuwait, will at all times be within no more than a couple hundred miles of American naval cover that could be provided in Qatar or Bahrain or Saudi Arabia or Kuwait itself.

The point is simply this. We have no right to send American sailors into harm's way, knowing once again they could lose their lives to help nations that will not tolerate the inconvenience of our own planes being there to protect out ships that are protecting their oil.

Mr. President, place the question to them. If you want our help, you will suffer our presence.

Finally, having asked all these questions, let me just suggest to the President, if we are to face a conflict, as indeed, I believe we will, if it has all the dangers that I have outlined, as I believe it possesses, Mr. President, let me ask this. Let us do it together as a nation. The law is adequate. The war powers resolution suggests that if our forces are placed in imminent danger of hostilities, this Congress will be consulted, a resolution of support will be required within 60 days.

Who could seriously contend that in this policy engaging America, at least tangentially in a war that has cost a million lives, protecting people and ships in the gulf where there have already been 200 attacks, only weeks after 37 American lives have been lost, against a nation which has forsworn our policy and threatened attack, indeed now having attacked two Soviet ships, who can suggest under these circumstances there is not, to quote the law, an imminent danger of hostilities? Clearly, there are.

Mr. President, I may not agree with your policy. Indeed, I think it is dangerous and foolhardly, and as I suggested in the first analysis, irrelevant; but if against the advice of this Congress in both Houses, opinion makers across this land, you are intent on proceeding anyway, when you do so, do not do so alone, because among the many lessons we have learned as a country is that a foreign policy without support, wars that do not find support among the American people this Congress, have a greater danger yet.

Come to this Congress. If you believe in your policy, defend it, advance it, find the votes for it in the best traditions of our country, invoke the War Powers Act.

Mr. Speaker, I thank the gentleman from West Virginia for giving me this opportunity to speak, and more than that, for giving our colleagues this chance to think once again about this very important, and I believe dangerous turn in American foreign policy.

Mr. WISE. Mr. Speaker, I thank the gentleman from New Jersey for putting together an excellent and valuable analysis.

I think the thing that concerns me in summing up is that we, the United States, are wandering into an area that we do not understand with forces we cannot protect, for objectives that are not clear. I do not think that is fair on any count to ask the American people that. No one is urging a retreat from the Persian Gulf for the United States, just the opposite. What we are urging is that when we are there, let us be there smart. Let us have a policy and let us look at it pragmatically and militarily.

As I say, the United States has an obligation and a role to fulfill in the Persian Gulf. The United States has clear foreign policy objectives, including countering the growing influence of the Soviet Union; but the United States must go about it in such a way that it does not make the situation worse.

So I also call upon the President to delay the reflagging. There are many justifications, at least to delay until our allies, our Arab allies, announce that they are willing to grant us the very protection that we need for our own forces, landing rights in their areas.

Simply look at the map and see the difference in distance between the Strait of Hormuz and the Gulf of Oman and Kuwait where an attack is likely to come. It is 700 flying miles versus 150 to 200 flying miles. Where is the better response time?

So I think that is one ground. If the President wants to save face, then perhaps he should convene a meeting or a conference of all the Arab States, those concerned with access to the Strait of Hormuz, to announce that we will work in tandem with our allies, that we recognize it will take time to put together a strategy, to go to the United Nations and demand that the Security Council involve itself. That is what it is there for, the Security Council to involve itself before this situation worsens; not for the United States to retreat from the Persian Gulf, but to be there in strength, to be there pragmatically and to be there with clear, definite, finite objectives, that we can recognize and the American people can rally behind.

I hope the American people will communicate their concerns to the President and to the Congress, as the Members of Congress must continue to present their concerns.

The fact of life here is that there is not time before the Fourth of July recess to enact any kind of legislation. Indeed, there is not going to be legislation enacted, it is my guess, because of the sometimes slowness of the legislative process and passing a measure in the House and going to the Senate, working it out in conference. United States flags will be flying above 11 Kuwaiti tankers long before legislation is accomplished.

So it is going to be public opinion, congressional opinion and public opinion, that causes the President to delay.

I urge everyone to make that known to the White House and to their elected Representatives.

So as I say, the United States has a presence and a definite role and obligation in the Persian Gulf. Let us just make sure that when we are there we understand our objectives, that we have clearly stated them, that we understand who it is we are confronting and why.

Finally, and I think most significantly, we can guarantee to our military forces that they will receive the maximum protection for the danger that they are being asked to assume.

Mr. Speaker, I appreciate the indulgence of the staff that is here, and assuming that I may be the last speaker here, I would like to wish everyone a happy Fourth of July.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DANNEMEYER] is recognized for 60 minutes.

[Mr. DANNEMEYER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon [Mr. WYDEN] is recognized for 60 minutes.

[Mr. WYDEN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. RITTER] is recognized for 60 minutes.

[Mr. RITTER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

NUCLEAR WASTE POLICY COMMISSION ACT OF 1987

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. UDALL] is recognized for 10 minutes.

Mr. UDALL. Mr. Speaker, it is with regret that I rise today once again to ask the House to turn its attention to the terrible problem of nuclear waste. I thought we had solved the problem 5 years ago when, after years of bipartisan effort, we enacted the Nuclear Waste Policy Act. That act established the fairest and soundest process to find a site for the Nation's nuclear waste we could hope to devise. Today, less than 5 years later, after billions of dollars of the ratepayers money have been collected and hundreds of millions of dollars spent, the program is in ruins and our goal of siting a repository seems further away than ever.

So it is with great reluctance I take up the laboring oar on this issue again. But we can not ignore this problem; it will not go away. If we close down all of the nuclear powerplants in the country this afternoon and dismantle all of our nuclear weapons tomorrow we would still have an enormous nuclear waste problem. From Washington State to South Carolina there are close to 100 million gallons of highly radioactive and corrosive liquid wastes stored in metal tanks—some of which have sprung leaks over the last 40 years, contaminating groundwater supplies. Another 15,000 metric tons of waste is stored in the form of spent nuclear fuel in over 100 commercial powerplants scattered across the country—some near major population centers.

So we must not kid ourselves. We do our constituents no service by blocking the siting of a permanent geologic repository. Almost all of us already have a de facto nuclear waste dump closer to home than we care to think.

Nuclear waste can be disposed of safely, but the site must be chosen carefully and on the basis of the geology of the site. So, in the Nuclear Waste Policy Act, we set up a process for finding the safest and most sensible sites for these repositories. We tried to keep politics out of the decision. We were going to have the decision made on the basis of technical criteria. We bent over backward to make the process fair. We gave the States and affected Indian tribes a voice in the selection process; we gave the money to hire experts; we even gave them a veto over the final decision. We provided for two repositories so no one State or region would have to bear the burden for the entire country.

The Department of Energy had an unpopular and thankless task in selecting the sites, to be sure, but it had only to follow faithfully the process we laid down. The fact is, Mr. Speaker, DOE blew it. At the first sign of public opposition they cast aside the entire second repository program to help a few office seekers. They have handled the screening effort so badly that the public and many of us in Congress have lost all faith in the integrity of the process.

The program is now in limbo. The act is still on the books but the program has neither the funding, congressional support, or public confidence to get the job done. Meanwhile, the problem continues to grow. The volume of spent fuel stacking up in our reactors will more than double by 1995 and triple by the year 2000.

Mr. Speaker, the time has come to get on with the job. I am therefore introducing the Nuclear Waste Policy Commission Act of 1987 on behalf of myself and over 40 of our colleagues. The bill establishes a commission to review what went wrong with the siting process under the existing law and to make recommendations to the Congress on how to put things right. Just as the Nuclear Waste Policy Act of 1982 did not select any repository sites but only established the process by which they were to be selected, so the bill I am introducing today does not fix the siting process but instead creates a mechanism to show us how that process should be fixed.

The plain fact is we need the wise counsel of such a commission, Mr. Speaker, I have thought long and hard about this problem and this proposal comes as close to attracting a consensus as any thing I have seen on this issue. It was drafted by a broad coalition of Republicans and Democrats from East and West, first-round, second-round, and MRS States. This is not a "not-in-my-backyard" bill. It exempts no particular State; and it doesn't favor one region over another.

Creating an advisory commission will not solve our waste problem, of course. At a minimum, we will still need to implement the Commission's recommendation or find a solution of our own. But this bill is a start. I have some reservations about a couple of provisions in the bill that I think could be refined but I am pleased to introduce the bill today and look forward to working with my colleagues in committee.

Moreover, I am planning to introduce additional legislation that will take a different tack toward solving the waste problem. It seems to me that a large part of our trouble with this issue stems from the public perception of nuclear waste repositories as a source of endless misfortune. We need to turn this perception around. We need to assure the public of the safety of any repository, and to make hosting a repository attractive through jobs, Federal grants, road improvements, land transfers—whatever the host State may reasonably request. I suggest appointing a special negotiator who would be charged with finding a State willing to host a repository on reasonable terms—provided the site meets all safety and environmental qualifications.

I am drafting legislation along those lines which I hope to introduce in the near future. I hope to be able to devise a two-track approach consisting of both the Commission idea and the negotiator concept.

For too long the nuclear waste problem was defied all efforts to address it. I am determined to find a solution. The Nuclear Waste Policy Commission Act of 1987 makes a responsible start.

SECTION-BY-SECTION ANALYSIS OF THE NUCLEAR WASTE POLICY COMMISSION ACT OF 1987

Section 1 entitles the act the "Nuclear Waste Policy Commission Act of 1987".

Section 2 sets forth certain Congressional findings and the purposes of the Act. The Congress finds that (1) the public has lost confidence in the Federal radioactive waste program, which has led to an impending crisis in the ability of the Federal government to safely and permanently isolate radioactive waste; (2) this is the result of the apparent inability of the Department of Energy (DOE) to implement the program in a scientifically sound and politically nonbiased fashion in cooperation with the States and Indian tribes; and (3) restoring public confidence in the scientific integrity of the Federal government's decision is essential to the ultimate success of the waste program.

The purposes of the Act are (1) to establish an independent commission to review the policies underlying the nation's radioactive waste program, and the implementation of those policies by the DOE; (2) to temporarily suspend site-specific activities in order to restore public confidence in the ability and commitment of the Federal government to properly implement the program; and (3) to provide the Congress with an opportunity to review the report submitted by the commission, and take such action as may be necessary in order to restore public confidence and scientific integrity to the program.

Section 3 provides that no funds may be expended for any site-specific activities under the Nuclear Waste Policy Act of 1982 (NWPA) until after the commission established under section 4(a) submits to Congress the report required under section 7, and the Congress authorizes by law the resumption of such activities. Site specific activities mean any activity required under the NWPA relating to land acquisition, site characterization, preparation of environmental assessments or site characterization plans, the nomination or recommendation of sites for site characterization, or the recommendation of a site for a monitored retrievable storage (MRS) facility. Site specific activities do not include generic or basic research.

Section 4 establishes the Nuclear Waste Policy Commission (the "Commission") and provides for the appointment of its members.

Subsection (a) establishes the Commission within the legislative branch, as an arm of, and responsible to, the Congress.

Subsection (b)(1) provides that the Commission shall consist of 3 members who shall be appointed by, and shall be removable by, the Speaker of the House of Representatives and the President pro tempore of the Senate, acting jointly.

Subsection (b)(2) directs the Speaker and the President pro tempore to designate one of the members of the Commission as its chairman.

Subsection (b)(3) requires that members of the Commission be appointed within 30 days after enactment of the Act and that they be exceptionally well qualified to evaluate and assess the nuclear waste program based upon their training, experience, and attainments. To the extent possible, members should have professional experience in or with State government, Indian tribes, electric utilities, State regulatory agencies, or public interest organizations.

Subsection (b)(4) is intended to ensure that the Commission will be bipartisan by permitting no more than 2 members to be chosen from the same political party.

Subsection (b)(5) provides that the Speaker and President pro tempore shall fill any vacancy in the Commission in the same manner as the original appointment.

Subsection (c) provides that members of the Commission shall receive compensation at a per diem rate of pay that is the same as that established by the NWPA for the Director of the current Office of Civilian Radioactive Waste Management, and that they shall also be entitled to travel expenses.

Section 5 provides that the function of the Commission is to examine the nation's high-level radioactive waste and spent nuclear fuel disposal program and to recommend to the Congress legislation or other actions the Commission deems necessary to successfully and safely dispose of such waste and spent fuel. Section 5 identifies 12 specific issues which the Commission is to examine and on which it is to make recommendations:

(1) the adequacy of site selection guidelines under section 112(a) of the NWPA;

(2) the adequacy of environmental assessments prepared under section 112(b)(1)(E) of the NWPA;

(3) the DOE's site recommendations and the site ranking methodology upon which such recommendations are based;

(4) the schedule for the siting, construction, and operation of repositories established by the NWPA;

(5) the emphasis on deep geologic disposal compared with alternative disposal technologies and the adequacy of DOE's program to examine such alternative technologies;

(6) DOE's efforts to consult and cooperate with states and affected Indian tribes under section 117 of the NWPA;

(7) whether implementation of the NWPA should continue to be vested in DOE or should be transferred to another agency or entity;

(8) the adequacy of DOE's MRS proposal and the need for such a facility;

(9) the advisability of providing additional economic compensation and incentives to any state or local government selected to host a repository or MRS facility;

(10) the adequacy of at-reactor storage;

(11) the need for a second permanent repository; and

(12) the possible effectiveness of an independent, permanent technical peer review organization to advise and assist DOE or such other agency that may be charged with implementing Federal nuclear waste policy.

Section 6 sets forth various administrative powers and procedures applicable to the Commission.

Subsection (a) requires the Commission to open its meetings to the public on accordance with the Government in the Sunshine Act.

Subsection (b) authorizes the Commission to hold duly noticed hearings, to administer oaths or affirmations to witnesses, to issue and enforce subpoenas to compel the attendance of witnesses and production of evidence, and to provide witnesses with use immunity for their testimony.

Subsection (c) authorizes the chairman to hire staff, employ consultants, and enter into contracts for the purpose of carrying out the Commission's functions and duties.

Subsection (d) authorizes other Federal agencies, upon the request of the Commission, to detail, on a reimbursable basis, personnel for the purpose of assisting the Commission to carry out its functions and duties.

Subsection (e) provides for prompt action by the Attorney General on all requests for security clearances for members of the Commission or Commission's staff.

Subsection (f) authorizes the Administrator of General Services to provide, on a reimbursable basis, administrative support services, and authorizes the Commission to use the United States mail in the same manner as other Federal departments and agencies.

Subsection (g) authorizes the Commission to establish advisory committees and task forces, and provides certain requirements for the membership of such entities.

Subsection (h) requires that other federal agencies cooperate with the Commission, and authorizes the Commission to directly obtain information from such agencies.

Section 7 requires that not later than 18 months after enactment of this section, the Commission shall prepare and transmit to the Congress a comprehensive report on its findings and conclusions resulting from the review conducted under subsection (b). The report is required to include any recommendations of the commission regarding changes in implementation of NWPA, changes in the policies of NWPA, and the future role of DOE in the implementation of NWPA.

Section 8 authorizes such appropriations as are necessary for fiscal years 1988, 1989, and 1990 from the Nuclear Waste Fund established in section 302 of the NWPA.

Mr. MARKEY. Mr. Speaker, as former chairman of the Subcommittee on Energy Conservation and Power, I oversaw the Department of Energy's high-level radioactive waste program for the past 2 years. That is why I am a strong supporter of legislation introduced today to establish a Nuclear Waste Policy Commission to review DOE's handling of the waste program—I know the program intimately and I know it is in very deep trouble.

My subcommittee conducted an exhaustive investigation and held numerous hearings on this program. The results were astounding and thoroughly convinced me and my colleagues from both sides of the aisle that the program was in shambles.

A brief review of the highlights of the program reads like a script for the Keystone Cops. Unfortunately, the DOE makes Ollie North and his gang look like smooth operators.

At our first hearing we discovered that DOE had destroyed documents supporting their site selection methodology for the first repository. DOE agreed to go back to the drawing board, develop new methodologies and start keeping key documents.

At our third hearing we released waste volume figures which showed a dramatic drop in waste projections due to the cancellation of nuclear plants. The DOE said no matter, we still need two repositories. One month later, on May 28, 1986, DOE changed its mind. Suddenly, we didn't need a second repository. And why, because waste volumes had dropped. Some of us in Congress were deeply suspicious. Republicans in key States were facing stiff reelection opposition stemming from the waste issue. I asked for all documents concerning the decision to postpone the second round and to select the first repository sites.

Unbelievably, and once again, the DOE responded that they had destroyed key site selection documents. And as it turned out that response was unbelievable—the subcommittee found the "destroyed" documents in DOE's own files. Even more disturbing, the subcommittee obtained documents which clearly showed that the decision to postpone the second repository was politically motivated.

Then in October, the administration was claiming through the words of Secretary Hodel that the second repository was "dead, gone, finished." And DOE assured Chairman UDALL that they had a legal memo supporting their authority to postpone the program. As it turned out, no memo existed. Months later, the DOE reversed its position and testified before Congress that they had no authority to stop the second round program.

And as for choosing the first round sites in Washington, Nevada, and Texas, a review of that site selection process found that DOE systematically deleted unfavorable information from their scientific analysis which did not support their final decision. In other words, DOE cooked the books when they chose the three final sites. DOE ended up picking the one site which would result in the most fatalities and the greatest health effects.

In summary, it seems that DOE is more adept at executing gymnastic flip-flops and unnatural contortions than choosing a nuclear waste site to last for 10,000 years. It's time Congress stripped away the politics from this program, and restored public confidence in a fair and scientifically sound selection process. DOE has repeatedly misled Congress and the American public. The only way to restore that trust is for an independent commission to review the program and make recommendations to put this program back on track.

Mr. BRYANT. Mr. Speaker, the Federal High Level Nuclear Waste Disposal Program is on the verge of technical, legal, and political collapse as a result of mismanagement and misguided emphases of the U.S. Department of Energy.

As a Texan, I am particularly shocked and concerned by the political games played in the selection of a possible disposal site near Hereford in the Texas Panhandle—a tentative selection that jeopardizes the principal source of water for some of the most fertile farmland not just in Texas, but in 10 States.

But my concern is not just a parochial "not in my backyard." It is rather that the implementation of the much considered and carefully crafted Nuclear Waste Policy Act of 1982 has been fatally flawed.

The original law was enacted in an attempt to correct the problems which had plagued and stymied Federal waste disposal efforts.

Four years later, the repository program is approaching collapse because of Energy Department mismanagement and undue emphasis on a fast-track solution to the problem, which have resulted in:

Political considerations taking precedence over scientific considerations in waste facility siting—such as the apparent indifference to the sensitive nature of a site adjacent to the Ogallala Aquifer in the Texas Panhandle.

The selection of first and second possible repository sites which appear technically unfit for the purpose.

Improper and inadequate consultation and cooperation—mandated by the Nuclear Waste Policy Act—with affected States and Indian tribes.

A proposal for an unauthorized monitored retrievable storage facility to make up for expected delays in the repository schedule—delays made inevitable by mismanagement of the program.

Missed deadlines, increased cost estimates, and failure to consider new storage and disposal technology.

More than 40 separate lawsuits challenging the process.

Congress delegated to the Department of Energy responsibility for administration of the Nuclear Waste Disposal Program. Now it is time for Congress to take appropriate steps—the legislation we are introducing today—to restore credibility to the program and better insure the safety and responsibility of future high level nuclear waste management efforts.

Our legislation will halt DOE's flawed repository programs and establish an independent commission—free of the political influence that has been apparent thus far—to review the DOE's waste disposal programs and make recommendations about how to proceed.

During the 18-month review, there would be a moratorium on siting activities and no funding of land acquisition, site characterization, or area characterization in first or second repository site States.

We are dealing with decisions with which we will have no choice but to live for thousands of years. We had better be sure we are doing it right.

Mr. SWIFT. Mr. Speaker, I am pleased today to join the gentleman from Arizona [Mr. UDALL] and many other colleagues in introducing the Nuclear Waste Policy Commission Act of 1987.

In 1982, the Congress passed the Nuclear Waste Policy Act [NWPA]. Like most legislation, that act was not perfect, but it did provide a basis for selecting two geologic repositories according to scientific rather than political factors. Had the act been implemented properly, we could today be looking forward to the development of a safe system for the permanent isolation of highly radioactive waste.

Unfortunately, the Act has not been implemented properly. The Department of Energy [DOE], which is the Agency charged with implementation of NWPA, has so poorly conducted itself that there is not a shred of credibility left to the program. DOE has ignored its own scientific evidence, as when it decided to recommend the Hanford, WA site for characterization even though Hanford ranked last by DOE's own studies. It has ignored the States and Indian tribes, forcing them to litigate every difference of opinion instead of working cooperatively with them. It has ignored the law and flouted Congress, as demonstrated by its on-again/off-again approach to the selection of a second repository.

In short, DOE has destroyed the fragile consensus that existed with regard to the Nation's High-Level Radioactive Waste Program. As stated in section 2 of the bill we are introducing today: "The public has lost confidence in the Federal Radioactive Waste Program, which was led to an impending crisis in the ability of the Federal Government to safely and permanently isolate radioactive waste."

DOE has had many opportunities to restore public confidence in its program. Instead of doing so, it continues to instill doubts and cynicism. It is therefore necessary for Congress to intervene.

Some people might ask us why is it necessary to appoint a commission? Why don't we just tell DOE what to do differently, and allow the program to go forward? The reason is that DOE has so thoroughly failed to implement the program properly, the flaws are so pervasive and the needed changes so farreaching, that a simple fix is not possible. The problems with DOE's implementation of the Act are not just technical. They are fundamental policy problems, arising out of DOE's lack of regard for Congressional intent or the public will.

Earlier, I had hoped that we would be able to adopt legislation in this Congress that would fix the program. Last April, I introduced a bill that would have established an independent agency to implement NWPA, and would have started the search for a repository over again. Others have introduced proposals as well. However, the biggest obstacle to most of these proposals is that DOE's actions have so badly destroyed the national consensus on nuclear waste, by pitting region against region, that we must first go back and rebuild that consensus before we can proceed any further.

The Commission established in this bill is responsible for building the foundation for that renewed consensus. Within 18 months, it is required to return to Congress with its work completed. Congress will then need to take action, having the Commission's report and expertise to assist it.

Mr. Speaker, the Nuclear Waste Policy Commission Act of 1987 has unprecedented support. We have sponsors from all regions of the country—from the Pacific Northwest, New England, the Southeast, Midwest, Southwest, Upper Midwest, and Mountain States. Furthermore, we are a bipartisan group. I am quite sure that no piece of legislation in the area of nuclear waste has ever seen such consensus.

Finally, Mr. Speaker, I would like to commend the gentleman from Arizona [Mr. UDALL], who is chairman of the Interior Committee, for his leadership on this issue and this bill. The gentleman worked tirelessly to develop a national policy for the safe and permanent disposal of highly radioactive waste, an effort which culminated in the adoption of the Nuclear Waste Policy Act of 1982. I know that it has been very difficult for Chairman UDALL to watch as DOE has taken us so many steps backward from the point where we were at in 1982. It is a demonstration of his commitment to a fair process, with scientific integrity, that he is now leading the effort to rebuild what DOE has destroyed.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SMITH of Texas) to revise and extend their remarks and include extraneous material:)

Mr. DANNEMEYER, for 60 minutes, on July 15.

Mr. DANNEMEYER, for 60 minutes, on July 16.

Mr. MOLINARI, for 60 minutes, on July 8.

Mr. BILIRAKIS, for 60 minutes, on July 21.

Mr. MOLINARI, for 60 minutes, on July 9.

Mr. RITTER, for 60 minutes, today.

Mr. BENTLEY, for 60 minutes, on July 8.

Mr. CRAIG, for 60 minutes, on July 8.

Mr. CRAIG, for 60 minutes, on July 22.

(The following Members (at the request of Mr. HOYER) to revise and extend their remarks and include extraneous material:)

Mr. STARK, for 5 minutes, today.

Mr. PENNY, for 5 minutes, today.

Mr. FLORIO, for 5 minutes, today.

Mr. MAZZOLI, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, today.

Mr. UDALL, for 10 minutes, today.

Mr. OWENS of Utah, for 60 minutes, on July 8.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SMITH of Texas) and to include extraneous matter:)

Mr. BILIRAKIS.
Mr. GINGRICH.
Mr. YOUNG of Alaska.
Mr. RHODES.
Mr. GUNDERSON.
Mr. DUNCAN in two instances.
Mr. HOUGHTON.
Mr. STANGELAND.
Mr. CLINGER.
Mr. MICHEL in two instances.
Mr. GEKAS.
Mr. LAGOMARSINO.
Mr. PORTER.
Mr. BROOMFIELD in two instances.
Mrs. MARTIN of Illinois.
Mr. HYDE.
Mr. ARMEY.
Mr. RHODES.
Mr. LIGHTFOOT.
Mr. FIELDS.
Mr. SMITH of New Jersey.
Mr. LOWERY of California.

(The following Members (at the request of Mr. HOYER) and to include extraneous matter:)

Mr. FLORIO in two instances.
Mr. LEWIS of Georgia.
Mr. STARK.
Mr. MAVROULES.
Mr. SOLARZ.
Mr. STUDDS in two instances.
Mr. MONTGOMERY.
Mr. KENNEDY.
Mr. HOYER.
Mr. BOUCHER.
Mr. LANTOS.
Mr. TALLON.
Mr. BONIOR of Michigan.
Mr. BENNETT.
Mr. FLAKE.
Mr. DYSON.
Mr. JACOBS.
Mr. BRYANT.
Mr. HUBBARD.
Mr. MARKEY.
Mr. CLARKE.
Mr. GARCIA.
Mr. KOSTMAYER.
Ms. KAPTUR.
Mr. CARDIN.
Mr. STOKES in three instances.
Mr. DWYER of New Jersey.
Mr. PRICE of Illinois.
Mr. DYMALLY in two instances.
Mrs. SCHROEDER.
Mr. LEVINE of California in two instances.
Mr. RICHARDSON.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1447. An act to designate Morgan and Lawrence Counties in Alabama as a single metropolitan statistical area; to the Committee on Post Office and Civil Service.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2480. An act to extend temporarily the governing international fishery agreement between the United States and the Republic of Korea, and for other purposes.

SENATE ENROLLED JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled joint resolutions of the Senate of the following titles:

S.J. Res. 15. Joint resolution designating the month of November 1987 as "National Alzheimer's Disease Month";

S.J. Res. 51. Joint resolution to designate the period commencing on July 27, 1987, and ending on August 2, 1987, as "National Czech American Heritage Week"; and

S.J. Res. 75. Joint resolution to designate the week of August 2, 1987, through August 8, 1987, as "National Podiatric Medicine Week."

ADJOURNMENT

Mr. WISE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore (Mr. Hayes of Illinois). Pursuant to the provisions of House Concurrent Resolution 154 of the 100th Congress, the House stands adjourned until 12 noon, Tuesday, July 7, 1987.

Thereupon (at 7 o'clock and 45 minutes p.m.), pursuant to House Concurrent Resolution 154, the House adjourned until Tuesday, July 7, 1987, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1690. A letter from the Secretary of Education, transmitting a copy of Final Regulations for Desegregation of Public Education, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1691. A letter from the Secretary of Education, transmitting a copy of Final Regulations—Special Educational Programs for Students Whose Families Are Engaged in Migrant and Seasonal Farmwork—High School Equivalency Program [HEP] and College Assistance Migrant Program [CAMP], pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1692. A letter from the Assistant Secretary of State, Legislative and Intergovernmental Affairs, transmitting a report of political contributions by Robert G. Rich, Jr., of Florida, Ambassador Extraordinary and Plenipotentiary-designate to the Belize, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1693. A letter from the National Council on Radiation Protection and Measurements, transmitting the 1986 annual report of independent auditors who have audited the records of the National Council on Radiation Protection and Measurements, a federally chartered corporation, pursuant to Public Law 88-376, section 14(b) (78 Stat. 323); to the Committee on the Judiciary.

1694. A letter from the Clerk of the House of Representatives transmitting the annual compilation of personal financial disclosure statements and amendments thereto filed with the Clerk of the House of Representatives, pursuant to 2 U.S.C. 703(d)(1) (H. Doc. No. 100-88); to the Committee on Standards of Official Conduct and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2470. A bill to amend title XVIII of the Social Security Act to provide protection against catastrophic medical expenses under the Medicare Program, and for other purposes; with amendments (Rept. No. 100-105, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. A report on the "Citizen's Guide on Using the Freedom of Information Act and the Privacy Act of 1974 to Request Government Records" (Rept. 100-199). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. A report on the "OMB's Guidelines for Sales of Existing Loans as Currently Written will not Produce the Best Results for the Government" (Rept. 100-200). Referred to the Committee of the Whole House on the State of the Union.

Mr. GRAY of Pennsylvania: Committee on the Budget. Report on 302(a) allocations pursuant to section 13 of House Concurrent Resolution 93—concurrent resolution on the budget—fiscal year 1988 (Rept. 100-201). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRUCE (for himself, Mr. Gejdenson, Mr. Markey, Mr. Moorhead, Mr. Madigan, Mrs. Collins, Mr. Sikorski Mr. Bates, Mr. Cooper, Mr. Eckart, Mr. Nielson of Utah, Mr. Leland, Mr. Waxman, Mr. Morrison of Connecticut, Mr. Ackerman, Mr. Solarz, and Miss Schneider):

H.R. 2858. A bill to provide for refunds pursuant to rate decreases under the Federal Power Act, to the Committee on Energy and Commerce.

By Mr. BENNETT (for himself, Mr. Howard, Mr. Lantos, Mr. Wilson, Mr. Pepper, Mr. Ackerman, Mr. Owens of New York, Mr. Donnelly, Mr. Conyers, Ms. Kaptur, Mr. Rose, Mr. Berman, Mr. Rahall, Mr. Dornan of California, Mr. Towns, Mr. Manton, Mr. Martinez, Mr. Jacobs, Mr. Mrazek, Mr. Hayes of Illinois, and Mr. Dellums):

H.R. 2859. A bill to prohibit certain practices in the raising of calves for veal, and for other purposes; to the Committee on Agriculture.

By Mr. CHANDLER (for himself, Mr. Flippo, Mr. Duncan, Mr. Archer, Mr. Donnelly, Mr. Gradison, Mr. Daub, Mr. Gregg, and Mr. Brown of Colorado):

H.R. 2860. A bill to amend the Internal Revenue Code of 1986 to provide a uniform Federal tax treatment for employer-provided health care benefits for retired employees; to the Committee on Ways and Means.

By Mr. CLINGER (for himself, Mr. Lagomarsino, and Mrs. Bentley):

H.R. 2861. A bill to promote the interests of consumers and to ensure that the free flow of products in interstate commerce is not impeded by product liability law, and for other purposes jointly, to the Committees on the Judiciary and Energy and Commerce.

By Mr. DeFAZIO (for himself and Mr. Tallon):

H.R. 2862. A bill to direct the Administrator of the Federal Aviation Administration to study methods of screening airline passengers and baggage for explosives, incendiary devices, and concealed weapons: to the Committee on Public Works and Transportation.

By Mr. DUNCAN:

H.R. 2863. A bill to amend the Employee Retirement Income Security Act of 1974 to improve the priority in bankruptcy proceedings for unsecured claims of the Pension Benefit Guaranty Corporation to recover employer liability on termination of or withdrawal from certain pension plans; jointly, to the Committees on Education and Labor and the Judiciary.

H.R. 2864. A bill to reduce costs and make improvements in the Medicare Program, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 2865. A bill to amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to provide that the Pension Benefit Guaranty Corporation may require security as a condition of certain pension plan funding waivers, and for other purposes; jointly, to the Committees on Ways and Means and Education and Labor.

By Mr. DWYER of New Jersey (for himself, Mr. Howard, Mr. Florio, Mr. Waxman, Mr. Rodino, Mr. Rinaldo, Mr. Gallo, Mr. Beilenson, Mr. Conyers, Mr. Early, Mr. Ackerman, Mr. Markey, Mr. Roe, Mr. Stokes, Mr. Martinez, Mrs. Collins, Mr. Dellums, Mr. Cooper, and Mr. Sikorski):

H.R. 2866. A bill to amend the Federal Hazardous Substances Act to require the labeling of chronically hazardous art materials and for other purposes; to the Committee on Energy and Commerce.

By Mr. GEKAS:

H.R. 2867. A bill to amend title 18, United States Code, with respect to capital punishment, and for other purposes; to the Committee on the Judiciary.

By Mr. GRAY of Pennsylvania:

H.R. 2868. A bill relating to the treatment of certain health and welfare benefit funds for purposes of employment taxes; to the Committee on Ways and Means.

By Mr. GUNDERSON (for himself and Mr. Roberts):

H.R. 2869. A bill to amend section 3 of the Federal Insecticide, Fungicide, and Rodenticide Act to coordinate and synchronize pesticide data requirements; to the Committee on Agriculture.

By Mr. HAYES of Illinois (for himself and Mr. Hawkins):

H.R. 2870. A bill to help protect and improve the quality of life for all the people of the United States by setting forth an economic bill of rights and by mandating presidential and legislative action on an overall program to help establish and maintain conditions under which a more vigorous and responsible capitalism will enable all Americans freely to exercise such rights; jointly, to the Committees on Government Operations, Education and Labor, Banking, Finance and Urban Affairs, Ways and Means, and Rules.

By Mr. JACOBS:

H.R. 2871. A bill to extend benefits under section 8191 of title 5, United States Code, to law enforcement officers and firemen not employed by the United States who are killed or totally disabled in the line of duty; to the Committee on the Judiciary.

By Mr. JACOBS (for himself, Mr. McCloskey, and Mr. Sharp):

H.R. 2872. A bill to require that all amounts saved as a result of Federal Government contracting pursuant to Office of Management and Budget Circular A-76 be returned to the Treasury, that manpower savings resulting from such contracting be made permanent, and that employees of an executive agency be consulted before contracting determinations by the head of that executive agency are made pursuant to that circular; jointly, to the Committees on Government Operations and Post Office and Civil Service.

By Mr. KASICH (for himself, Mr. Daniel, Mr. Hutto, Mr. Nichols, Mr. Davis of Illinois, Mr. Hansen, and Mr. Rowland of Connecticut):

H.R. 2873. A bill to prohibit the Secretary of Defense or Secretary of a military department to enter into any overseas contract that allows for the payment of severance pay greater than the typical rate of severance pay in the United States or that requires the Government to reimburse a contractor for overseas banking services for bad debt expenses; to the Committee on Armed Services.

By Mr. LIGHTFOOT:

H.R. 2874. A bill regarding permitted public uses within the DeSoto National Wildlife Refuge, IA; to the Committee on Merchant Marine and Fisheries.

By Mr. LIGHTFOOT (for himself, Mr. Armey, and Mr. Fawell):

H.R. 2875. A bill to provide for the shipment of a percentage of exported agriculturally related products on vessels of United States registry and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. McEWEN:

H.R. 2876. A bill to amend title 38, United States Code, to authorize the appointment of an additional Assistant Chief Medical Director position in the Department of Medicine and Surgery of the Veterans' Administration to be designated as Medical Inspector General; to the Committee on Veterans' Affairs.

By Mrs. MORELLA (for herself, Mrs. Byron, and Mr. Fauntroy):

H.R. 2877. A bill to redesignate a certain portion of the George Washintgon Memorial Parkway as the "Clara Barton Parkway"; to the Committee on Interior and Insular Affairs.

By Mr. OLIN (for himself, Mr. Boucher, Mr. Parris, Mr. Sisisky, Mr. Pickett, Mr. Slaughter of Virginia, Mr. Bateman, Mr. Wolf, and Mr. Bliley):

H.R. 2878. A bill to designate certain national forest system lands in the States of Virginia and West Virginia as wilderness areas; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. PENNY (for himself, Ms. Kaptur, Mr. Eckart, and Mr. Moody):

H.R. 2879. A bill to amend the Higher Education Act of 1965 to permit institutions of higher education to make loans to their students, if such institutions continue to hold such loans until the beginning of the repayment period of the loan, and for other purposes; to the Committee on Education and Labor.

By Mr. PORTER for himself, Mr. Leath of Texas, Mrs. Martin of Illinois, Mr. Levine of California, Mr. Weber, Mr. Smith of Florida, Mr. DioGuardi, Mr. Gray of Pennsylvania, Miss Schneider, Mr. Fazio, Mr. Stark, Mr. Pease, Mr. Howard, Mr. Mrazek, Mr. Edwards of California, Mr. Udall, Mr. Derrick, Mr. Kastenmeier, Mr. Volkmer, Mr. Henry, Mr. Garcia, Mr. Owens of New York, Mr. Guarini, Mr. Fawell, Mr. Feighan, Mr. Green, Mr. Skeen, Mr. Frank, Mr. Hayes of Illinois, Mr. Towns, Mr. Valentine, Mr. Atkins, Mr. Berman, Mr. Roe, Mr. Evans, Mr. Gejdenson, Mr. Gray of Illinois, Mr. Scheuer, Mr. Bustamante, Mr. Martinez, Mr. Kolbe, Mr. Sawyer, and Mr. Sunia):

H.R. 2880. A bill to promote the nonproliferation of chemical, biological, and toxin weapons; to the Committee on Foreign Affairs.

By Mr. ROWLAND of Georgia (for himself, Mr. Montgomery, Mr. Solomon, Mr. Hammerschmidt, Mr. Edwards of California, Mr. Applegate, Mr. Coelho, Mr. Stump, Mr. Dowdy of Mississippi, Mr. Fazio, Mr. Evans, Mr. Lewis of California, Ms. Kaptur, Mrs. Boxer, Mr. Smith of New Jersey, Mr. Staggers, Mr. Burton of Indiana, Mr. Bryant, Mr. Bilirakis, Mr. Gray of Illinois, Mr. McEwen, Mr. Leath of Texas, Mr. Kanjorski, Mr. Hefner, Mr. Robinson, Mr. Jenkins, Mr. Stenholm, Mr. Harris, Mrs. Patterson, Mr. Johnson of South Dakota and Mr. Jontz):

H.R. 2881. A bill to establish a National Commission on Acquired Immune Deficiency Syndrome; jointly, to the Committees on Energy and Commerce and Veterans' Affairs.

By Mrs. SCHROEDER:

H.R. 2882. A bill to amend title 5, United States Code, to increase the productivity of the Government by promoting excellence in Government management and by reducing improper political pressures on career civil servants; to the Committee on Post Office and Civil Service.

By Mr. SMITH of New Hampshire (for himself, Mr. Rose, Mrs. Schroeder, Mr. Lantos, Mr. Horton, Mr. Yatron, and Mr. Fish):

H.R. 2883. A bill to provide for the transfer of certain monkeys to the animal sanctuary known as Primarily Primates, Inc.; to the Committee on Energy and Commerce.

By Mr. STAGGERS (for himself, Mr. Parris, and Mrs. Morella):

H.R. 2884. A bill to assure uniformity in the exercise of regulatory jurisdiction pertaining to the transportation of natural gas and to clarify that the local transportation of natural gas by a distribution company is a matter within State jurisdiction and subject to regulation by State commissions, and for other purposes; to the Committee on Energy and Commerce.

By Mr. STANGELAND (for himself and Mr. Weber):

H.R. 2885. A bill to require the Secretary of Energy to carry out activities relating to nuclear waste repositories and the monitored retrievable storage facility in accordance with the mission plan as modified by the proposed amendment to the mission plan dated January 1987, and for other purposes; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. STARK (for himself, Mr. Levin of Michigan, Mr. Coyne, and Mr. Downey of New York):

H.R. 2886. A bill to amend title XVIII of the Social Security Act to increase from $250 to $1000 the maximum payment allowed for outpatient mental health services under part B of the Medicare Program; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. SUNDQUIST:

H.R. 2887. A bill to amend the Urban Mass Transportation Act of 1964 to prohibit implementation of the provisions of certain regulations thereunder which discriminate against mentally handicapped individuals and which place a limit on required expenditures to eliminate discrimination against handicapped persons and to provide a private right of action for violations of certain handicapped antidiscrimination regulations and laws; to the Committee on Public Works and Transportation.

By Mr. UDALL (for himself, Mr. Swift, Ms. Snowe, Mr. Clarke, Mr. Sikorski, Mr. Cooper, Mrs. Vucanovich, Mr. Neal, Mr. Bryant, Mr. Markey, Mr. DeFazio, Mr. Hall of Texas, Mr. Gregg, Mr. Wyden, Mr. Owens of Utah, Mr. AuCoin, Mr. Bilbray, Mr. Boner of Tennessee, Mr. Bonker, Mr. Boucher, Mr. Boulter, Mr. Brennan, Mr. Chandler, Mr. Coleman of Texas, Mr. Combest, Mr. Daniel, Mr. Dicks, Mr. Foley, Mr. Kastenmeier, Mr. Lowry of Washington, Mr. Miller of Washington, Mr. Eckart, Mr. Hefner, Mr. Leland, Mr. Morrison of Washington, Mr. Olin, Mr. Penny, Mr. Petri, Mr. Sabo, Mr. Sensenbrenner, Mr. Smith of New Hampshire, Mr. Robert F. Smith, Mr. Stallings, Mr. Sundquist, Mr. Vento, Mr. Weber, Mr. Denny Smith, Mr. Campbell, Mr. Lancaster, Mr. Price of North Carolina, Mr. Craig, Mr. Barton of Texas, and Mr. Fields)

H.R. 2888. A bill to suspend certain activities of the Department of Energy under the Nuclear Waste Act of 1982, to establish a Nuclear Waste Policy Commission, and for other purposes; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. RITTER (for himself, Mr. Eckart, Mr. Hunter, Mr. Torricelli, Mrs. Bentley, Mr. Visclosky, Mr. McMillan of North Carolina, Mr. Darden, and Mr. Tallon):

H.J. Res. 327. Joint resolution requiring the President or his designee to enter into negotiations with Japan for the purpose of having Japan bear a greater share of the free world's defense burden by either increasing its annual defense expenditures to at least 3 percent of its gross national product or by obtaining payment by Japan to the United States of the difference between 3 percent of Japan's annual gross national product and what Japan actually spends on defense; to the Committee on Foreign Affairs.

By Mrs. BYRON:

H.J. Res. 328. Joint resolution to recognize the National Fallen Firefighters' Memorial on the campus of the National Fire Academy in Emmitsburg MD, as the official national memorial to career and volunteer firefighters who die in the line of duty; to the Committee on House Administration.

By Mr. DYMALLY:

H.J. Res. 329. Joint resolution designating the week beginning November 15, 1987, as "African American Education Week"; to the Committee on Post Office and Civil Service.

By Mr. SOLARZ:

H.J. Res. 330. Joint resolution designating October 2, 1988, as a national day of recognition for Mohandas K. Gandhi; to the Committee on Post Office and Civil Service.

By Mr. FOLEY:

H. Con. Res. 154. Concurrent resolution providing for an adjournment of the House from July 1 to July 7, 1987, and a recess of the Senate from July 1 or 2, 1987 to July 7, 1987; considered and agreed to.

By Mr. WHITTEN:

H. Con. Res. 155. Concurrent resolution correcting the enrollment of H.R. 1827.

By Mr. MICHEL:

H. Res. 218. Resolution relating to the appointment of a minority employee, considered and agreed to.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. GRAY of Pennsylvania introduced a bill (H.R. 2889) for the relief of Frances Silver; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 33: Mr. Barton of Texas.

H.R. 38: Mr. Mrazek, Mr. de Lugo, Mr. Frank, Mr. Fuster, Mr. Hayes of Illinois, Mr. Dymally, Mr. Ford of Michigan, Mr. Owens of Utah, Mr. Scheuer, Mr. Lewis of Georgia, Mr. Gray of Illinois, Mr. Savage, Mr. Bustamante, Mr. Fazio, Mr. Espy, Mr. Borski, Mr. Oberstar, Mr. Solarz, Mr. Rangel, Mr. Eckart, Mr. Mavroules, Mr. Gilman, Mr. Stokes, Mr. Torricelli, Mr. Atkins, Mr. Brooks, Mr. Mfume, Mr. Rodino, Mr. Wolpe, and Mr. DeFazio.

H.R. 74: Mr. Richardson.

H.R. 120: Mr. Schuette.

H.R. 134: Mr. Roe.

H.R. 303: Mr. Schaefer, Mr. Shumway, Mr. Erdreich, Mr. Ireland, Mr. Gejdenson, Mr. Hefner, Mr. Bosco, Mr. Bilbray, Mr. Badham, Mr. Ortiz, and Mr. Boucher.

H.R. 344: Mr. Stump.

H.R. 347: Ms. Pelosi.

H.R. 442: Mr. Konnyu, Mr. Campbell, and Mr. Flake.

H.R. 537: Mr. Edwards of California.

H.R. 567: Mr. Owens of Utah, Mr. Mineta, Mr. Brennan, Mr. Weldon, Mr. Smith of Texas, and Mr. Lowery of California.

H.R. 696: Mr. DioGuardi.

H.R. 697: Mr. Dellums, Mr. Kolter, and Mr. Edwards of Oklahoma.

H.R. 698: Mr. Dellums, Mr. Kolter, and Mr. Edwards of Oklahoma.

H.R. 701: Mr. Lagomarsino.

H.R. 722: Mr. Jeffords.

H.R. 778: Ms. Oakar.

H.R. 779: Mr. Miller of Washington.

H.R. 933: Mr. Bosco, Mr. Dellums, Mr. Williams, Mr. Feighan, Mr. Sawyer, Mr. Kennedy, Mr. Barnard, and Mr. Smith of New Hampshire.

H.R. 975: Mr. Russo, Mr. Vento, Mr. Schumer, Mr. Weiss, Mr. Guarini, Mr. Wolpe, Mr. Visclosky, Mr. Atkins, Mr. Carper, Mr. Biaggi, and Mr. Matsui.

H.R. 1069: Mr. Lowery of California.

H.R. 1087: Mr. Edwards of Oklahoma, Mr. Upton, and Mr. Davis of Michigan.

H.R. 1105: Mr. Bates, Ms. Kaptur, Mr. Owens of Utah, Mr. Hayes of Illinois, Mr. Fuster, and Mr. Bateman.

H.R. 1186: Mr. Evans, Mr. Levine of California, and Mr. Wise.

H.R. 1200: Mr. Gilman.

H.R. 1242: Mr. Buechner.

H.R. 1294: Mr. Swift.

H.R. 1378: Mr. Wolf.

H.R. 1465: Mr. Bereuter.

H.R. 1506: Mr. Bonior of Michigan.

H.R. 1546: Mr. Donald E. Lukens.

H.R. 1568: Mr. Weber.

H.R. 1572: Mr. Eckart.

H.R. 1597: Mr. Gray of Illinois, Mr. Lagomarsino, Mr. Wortley, Mr. Scheuer, Ms. Kaptur, Mr. Bateman, Mr. Fazio, and Mr. Bustamante.

H.R. 1663: Mrs. Lloyd, Mr. Levin of Michigan, Mr. Kildee, Mr. Roberts, Mr. McGrath, Mrs. Meyers, of Kansas, Mr. Espy, Mr. Fish, Mr. Rangel, Mr. de Lugo, Mr. Owens of Utah, Mr. Bliley, Mr. Aspin, Mr. Stallings, Mr. Gilman, Mr. Eckart, Mr. Flake, Mr. Smith of New Jersey, Mr. Lewis of Florida, Mr. Rinaldo, Mr. Davis of Michigan, Mr. Russo, Mr. Barnard, Mr. Hyde, Mr. Martinez, Mr. Hayes of Illinois, Mr. Young of Alaska, Mr. Stangeland, Mr. McDade, Mr. Mica, Mr. Biaggi, Mr. Dellums, Mr. Wolpe, and Mr. Buechner.

H.R. 1664: Mr. McGrath.

H.R. 1729: Mr. Murphy, Mr. Hammerschmidt, Mr. Vander Jagt, Mr. Madigan, Mr. Lewis of California, and Mr. Tauke.

H.R. 1731: Mr. Buechner.

H.R. 1770: Mr. Dymally.

H.R. 1782: Mr. Borski, Mr. Smith of New Hampshire, and Mr. Leland.

H.R. 1811: Mr. Edwards of Oklahoma.

H.R. 1834: Ms. Pelosi, Mr. Mfume, Mr. Stokes, Mr. Manton, and Mr. Weiss.

H.R. 1873: Mr. Lancaster, Mr. Leath of Texas, Mr. Price of Illinois, and Mr. Grant.

H.R. 1874: Mr. Lancaster, Mr. Leath of Texas, Mr. Price of Illinois, and Mr. Grant.

H.R. 1891: Mr. Ravenel, Mr. Olin, Ms. Slaughter of New York, Mr. Ford of Tennessee, Mr. Ortiz, and Mr. Huckaby.

H.R. 1926: Mr. Henry, Mr. Biaggi, and Mr. Ford of Michigan.

H.R. 1959: Mr. Edwards of Oklahoma.

H.R. 2052: Mr. Johnson of South Dakota.

H.R. 2056: Mr. Dixon, Mrs. Roukema, and Mr. Feighan.

H.R. 2059: Mr. Martinez.

H.R. 2138: Mr. Towns.

H.R. 2216: Ms. Pelosi, Mr. Torres, Mr. Garcia, and Mr. Dixon.

H.R. 2228: Mr. Petri, Mr. Bereuter, Mr. Stallings, Mr. Tauke, Mr. English, and Mr. Clinger.

H.R. 2229: Mr. Hughes, Mrs. Byron, Mr. Grant, Mr. Clinger, Mr. Vento, Mr. Clay, Mr. Walgren, Mr. Garcia, Mr. St Germain, Mr. Hall of Texas, Mr. Lowry of Washington, Mr. Hammerschmidt, and Mr. Kildee.

H.R. 2232: Mrs. Martin of Illinois, and Mr. Slaughter of Virginia.

H.R. 2260: Mr. Wolpe, Mr. Andrews, Mr. Badham, Mr. Garcia, Mr. Brown of California, Mr. McGrath, and Mr. Wolf.

H.R. 2285: Mr. Edwards of Oklahoma.

H.R. 2323: Mr. Roberts, Mr. Matsui and Mr. Johnson of South Dakota.

H.R. 2337: Mr. Flake, Mr. Solomon, Mr. Schumer, Mr. Nowak, Mr. Weiss, Mr. Molinari, and Mr. Kemp.

H.R. 2482: Mr. Martinez, Mr. Price of Illinois, Mr. Espy, Mr. Brown of California, Mr. Erdreich, Mr. Frost, Mr. Garcia, and Mr. Buechner.

H.R. 2491: Mr. Kostmayer, Mr. Bilirakis, Mr. Lewis of Georgia, Mr. Henry, Mr. Rose, Mr. Sunia, Mrs. Collins, Mr. Frank, and Mr. Applegate.

H.R. 2510: Ms. Kaptur, Mr. Mavroules, Mr. Scheuer, and Mr. Martinez.

H.R. 2538: Mr. Bonior of Michigan and Mr. Panetta.

H.R. 2565: Mr. Martinez and Mr. Frost.

H.R. 2569: Mr. Barnard, Mr. Bilbray, Mr. Craig, Mr. Darden, Mr. Dreier of California, Mr. Dornan of California, Mr. Lewis of Georgia, Mr. Marlenee, Mr. Martinez, Mr. Stokes, and Mr. Wortley.

H.R. 2579: Mr. Martinez and Mr. Lewis of Georgia.

H.R. 2603: Mr. McDade, Mr. Penny, Mr. Robinson, Mr. Stenholm, Mr. Lancaster, Mr. Roberts, Mr. Jeffords, Ms. Slaughter of New York, and Mr. Marlenee.

H.R. 2609: Mrs. Bentley, Mr. Kleczka, Mrs. Vucanovich, and Mr. Dwyer of New Jersey.

H.R. 2622: Mrs. Kennelly, Mr. Ackerman, Mr. Moakley, Mr. Morrison of Connecticut, Ms. Pelosi, Mr. Fazio, Mr. Hawkins, Mr. Berman, and Mr. Weiss.

H.R. 2641: Mr. Grant and Mr. Buechner.

H.R. 2642: Mr. Mrazek, Mr. Martinez, and Mr. Garcia.

H.R. 2655: Mr. Biaggi, Mr. Towns, Mr. Bevill, Mr. Rodino, Mr. Mineta, Mr. Volkmer, Mr. Kolter, and Mr. Garcia.

H.R. 2657: Mr. Blaz.

H.R. 2667: Mr. McEwen, Mr. Hutto, Mr. Chapman, and Mr. Murphy.

H.R. 2670: Mr. Perkins, Mr. Penny, Mr. Mrazek, Mr. Hayes of Illinois, Mr. Tauke, Mr. Lagomarsino, and Mr. Lightfoot.

H.R. 2676: Mr. Kolter, Mr. Boehlert, Mr. Dwyer of New Jersey, and Mr. Vento.

H.R. 2708: Mr. Daub, Mr. Bereuter, Mr. Tauke, and Mr. Frenzel

H.R. 2726: Mr. Harris, and Mr. Erdreich.

H.R. 2727: Mr. Martinez, Mr. Dellums, Mr. Solarz, and Mr. Hayes of Illinois.

H.R. 2743: Mr. Hochbrueckner, Mr. Lewis of Georgia, Mr. Traficant, and Mr. Gray of Pennsylvania.

H.R. 2750: Mr. Solarz, Ms. Pelosi, Mr. Lewis of Georgia, Ms. Kaptur, Mrs. Boxer, Mr. Clay, Mr. Florio, Mr. Morrison of Connecticut, and Mr. Gray of Pennsylvania.

H.R. 2811: Mr. Panetta.

H.J. Res. 50: Mr. Ackerman, Mr. Nielson of Utah, Mr. Sawyer, Mr. Anthony, Mr. Cardin, and Mr. McEwen.

H.J. Res. 112: Mr. Gejdenson.

H.J. Res. 195: Mrs. Morella, Mr. Feighan, Mr. Bliley, Mr. Wortley, Mr. Bartlett, Mr. Frenzel, Mr. Howard, Mr. Spence, Mr.

Richardson, Mr. Aspin, Mr. Olin, Mr. Cardin, Mr. Goodling, Mr. Wilson, Ms. Snowe, Mr. de Lugo, Mr. Green, Mr. Miller of Ohio, Mrs. Collins, Mr. Moorhead, Mr. Tauke, Mr. Sawyer, Mr. Mineta, Mr. Manton, Mr. Volkmer, Mr. Mazzoli, Mr. Hubbard, Mr. Carper, Mr. Daniel, Mr. Coleman of Missouri, Mr. Stangeland, Mr. Hansen, Mr. Davis of Michigan, Mr. Ackerman, Mr. Thomas of Georgia, Mr. Stark, Mr. Hopkins, Mr. Weber, Mr. Sharp, Mr. Wolpe, Mr. Nichols, Mr. Latta, Mr. Buechner, Mr. Ford of Michigan, Mr. Clay, Mr. Hammerschmidt, Mr. Bustamante, Mr. Guarini, Mr. Oberstar, Mr. Brennan, Mr. English, Mr. Crockett, Mr. Skaggs, Mr. Erdreich, Mr. Garcia, Mr. Evans, Mr. Sikorski, Mr. Jeffords, Mr. McHugh, Mr. Matsui, Mr. Kolter, Mr. Biaggi, Mr. Courter, Mr. Wise, Mr. Lowery of California, Mr. Borski, Mr. Coughlin, Mr. Dowdy of Mississippi, Mr. Jones of North Carolina, Mr. McEwen, Mr. Wheat, Mr. Nielson of Utah, Mr. Valentine, Mr. Bilbray, Mr. Rose, and Mrs. Vucanovich.

H.J. Res. 196: Mr. Lott and Mr. Martinez.

H.J. Res. 206: Mrs. Kennelly, Ms. Oakar, Mr. Dymally, and Mr. Bennett.

H.J. Res. 255: Mr. Anderson.

H.J. Res. 272: Mr. Morrison of Connecticut, Mr. Wortley, Mrs. Lloyd, Mr. McDade, Mr. Lowry of Washington, and Mr. Hayes of Illinois.

H.J. Res. 274: Mr. Applegate, Mr. Biaggi, Mr. Bilirakis, Mr. Boland, Mr. Courter, Mr. Craig, Mr. Dannemeyer, Mr. Dorgan of North Dakota, Mr. Duncan, Mr. Emerson, Mr. Fuster, Mr. Gray of Pennsylvania, Mr. Harris, Mr. Johnson of South Dakota, Mr. Kennedy, Mr. Kostmayer, Mr. Latta, Mr. Lehman of California, Mr. Lewis of California, Mr. Lewis of Georgia, Mr. Mfume, Mr. Miller of Ohio, Mr. Miller of Washington, Mr. Montgomery, Mr. Murphy, Mr. Neal, Mr. Ravenel, Mr. Savage, Mr. Schumer, Mr. Skelton, Mr. Smith of New Hampshire, Mr. Swindall, Mr. Tauke, Mr. Thomas of Georgia, Mr. Vander Jagt, Mr. Weldon, and Mr. Valentine.

H.J. Res. 291: Mr. Brown of California and Mr. Buechner.

H.J. Res. 299: Mr. Coughlin, Mr. Hunter , Mr. Thomas of Georgia, Mr. Savage, Mr. de Lugo, Mr. Schumer, Mr. Smith of Florida, Mr. Owens of New York, Mr. Horton, Mr. Yatron, Mr. Anderson, Mr. Levin of Michigan, Mr. Lagomarsino, Mr. Fish, Mr. Scheuer, Mr. Roe, Mr. Wolf, Mr. Fazio, Mr. Bevill, Mr. McGrath, Mr. Rodino, Mr. Biaggi, Mr. Mrazek, Mr. Erdreich, Mrs. Boxer, Mr. Sabo, Mr. Borski, Mr. Livingston, Mr. McDade, Mr. Coelho, Mr. Dwyer of New Jersey, Mr. McMillen of Maryland, Mr. Daub, Mr. Dornan of California, Mr. Bateman, Mr. Frenzel, Mr. Saxton, Mr. Kennedy, Mr. Lowery of California, Mr. DeFazio, Mr. Wyden, Mr. Lungren, Mr. Bliley, Mr. Lott, Mr. Garcia, Mr. Fuster, Mr. Towns, Mr. Bustamante, Mrs. Collins, Mr. MacKay, Mr. Traxler, Mr. Moakley, Mr. Traficant, Mr. Dixon, Mr. Kanjorski, Mr. Kolter, Mr. Hefner, Mr. Perkins, Mr. Carper, Mr. Fields, Mrs. Bentley, Mr. Ford of Tennessee, Mr. Daniel, Mr. Gray of Pennsylvania, Mr. Tallon, Mr. Neal, Mr. Gekas, Mr. Blaz, Mr. Henry, Mr. Courter , Mr. Gallo, Mr. DioGuardi, Mr. Denny Smith, Mr. Martin of New York, Mr. Lewis of California, Mr. Smith of New Jersey, Mr. Wilson, Mr. Lent, Mr. Shaw, Mr. Frost, Mrs. Lloyd, Mr. McCloskey, Mr. Akaka, Mr. Lipinski, Mr. Young of Alaska, Mr. Solarz, Mr. Morrison of Connecticut, Mr. Robinson, Mr. Wortley, Mr. Kostmayer, Mr. Skelton, Mr. Staggers, Mr. Sunia, Mr. Chappell, Mr. Mineta, Mr. Carr, Mr. Martinez, Mr. Conte, Mr. Udall, Mr. Clay, Mr. Hall of Texas, Mr. Rowland of Georgia, Mr. de la Garza, Mr. Dyson, Mr. Mfume, Mr. Montgomery, Mr. Buechner, Mr. Gordon, Mr. Grant, Mr. Gray of Illinois, Mr. Volkmer, Mr. Vento, Mr. Espy, Mr. Chapman, Mr. Bonior of Michigan, and Mr. Jenkins.

H.J. Res. 302: Mr. Martinez, Mr. Coyne, and Mr. Sawyer.

H.J. Res. 311: Mr. Weiss, Mr. Martinez, Mr. Boehlert, and Mr. Dymally.

H.J. Res. 313: Mr. Feighan, and Mr. Dwyer of New Jersey.

H.J. Res. 314: Mr. Durbin, Mr. Towns, Mr. Scheuer, Mr. Wortley, Mr. Bereuter, Mr. Dorgan of North Dakota, Mr. Levine of California, Ms. Kaptur, Mr. Atkins, Mr. Rodino, Mr. Wilson, Mr. Eckart, Mr. Levin of Michigan, Mr. Kildee, Mr. Conte, Mr. Gilman, Mr. Cardin, Mr. Glickman, Mr. Martinez, Mr. Berman, Mr. Hoyer, Mr. Dornan of California, and Mr. Hughes.

H. Con. Res. 8: Mr. Stump.

H. Con. Res. 68: Mr. Badham, Mr. Boner of Tennessee, Mr. Broomfield, Mr. Brown of California, Mr. Clarke, Mr. Coble, Mrs. Collins, Mr. Coughlin, Mr. Crane, Mr. Daniel, Mr. Daub, Mr. Davis of Illinois, Mr. Dorgan of North Dakota, Mr. Dowdy of Mississippi, Mr. Downey of New York, Mr. Dreier of California, Mr. Durbin, Mr. Dymally, Mr. Emerson, Mr. Flippo, Mr. Frenzel, Mr. Gallegly, Mr. Guarini, Mr. Hutto, Mr. Jeffords, Mrs. Johnson of Connecticut, Mr. Kemp, Mr. Konnyu, Mr. Lehman of Florida, Mr. Lewis of Georgia, Mr. McCloskey, Mr. McDade, Mr. Manton, Mr. Markey, Mr. Martin of New York, Mr. Mfume, Mr. Moakley, Mr. Molinari, Mr. Montgomery, Mr. Murphy, Mr. Nelson of Florida, Mr. Pepper, Mr. Rose, Mr. Roth, Mr. Schaefer, Mr. Schumer, Mr. Sharp, Mr. Skaggs, Mr. Skeen, Mr. Denny Smith, Mr. Sundquist, Mr. Tauke, Mr. Udall, Mr. Valentine, Mr. Volkmer, Mr. Weiss, and Mr. Young of Florida.

H. Con. Res. 83: Mr. McHugh, Mr. Saxton, Mr. Hutto, and Mr. Derrick.

H. Con. Res. 114: Miss Schneider, Mr. Brown of California, Mr. Buechner, and Mr. Davis of Illinois.

H. Con. Res. 126: Mr. Dornan of California, Mr. Roe, and Mr. Bustamante.

H. Con. Res. 128: Mr. Sundquist, Mr. Lancaster, Mr. Eckart, Mr. Berman, and Mr. Applegate.

H. Con. Res. 138: Mr. Owens of Utah, Mr. Lantos, Mr. Clarke, and Mr. Eckart.

H. Con. Res. 143: Mrs. Boxer, Ms. Pelosi, Mr. Martinez, Mr. Torres, Mr. Bustamante, Mr. Coleman of Texas, Mr. Ackerman, Mr. Owens of New York, Mr. Hochbrueckner, Mr. Robinson, Mr. Matsui, and Mr. Crockett.

H. Res. 169: Mr. Barton of Texas.

H. Res. 176: Mr. Johnson of South Dakota.

H. Res. 199: Mr. Akaka, Mr. AuCoin, Mrs. Bentley, Mr. Boulter, Mr. Burton of Indiana, Mr. Coughlin, Mr. Dorgan of North Dakota, Mr. Hastert, Mr. McCurdy, Mr. McDade, Mr. Martinez, Mr. Mavroules, Mr. Molinari, Ms. Pelosi, Mr. Richardson, Mr. Ritter, Miss Schneider, Mr. Schumer, Mr. Solarz, Mr. Stokes, Mr. Tallon, and Mr. Wolpe.

EXTENSIONS OF REMARKS

INTRODUCTION OF THE RETIREE HEALTH PROTECTION ACT OF 1987

HON. ROD CHANDLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. CHANDLER. Mr. Speaker, I rise today to introduce the Retiree Health Protection Act of 1987, H.R. 2860. The co-author of this legislation is my distinguished colleague from Alabama, Representative RONNIE FLIPPO. I appreciate his guidance in developing this significant and timely measure.

I also am gratified that Mr. FLIPPO and I are joined in sponsoring the bill with our fellow Ways and Means Committee members, Messrs. DUNCAN, ARCHER, DONNELLY, GRADISON, DAUB, GREGG, and BROWN.

H.R. 2860 provides incentives for employers to create voluntary retiree health plans [VRHP's] for the purpose of prefunding retiree health and long-term coverage. VRHP's would be tax exempt for employers while providing protections for retiree health benefits.

WHY VRHP'S NOW

This Chamber should view skeptically any proposal to add new tax exemptions to the Internal Revenue Code. In the wake of the 1986 tax reform legislation—the effort by President Reagan and the Congress to simplify the tax system—why adopt new tax-favored activities for employers through VRHP's? With a catastrophic budget deficit challenging in Congress—as we continue to mortgage the futures of our children—why further contribute to the deficit by reducing Federal revenues to promote VRHP's?

My answer to these questions is, quite simply, the Retiree Health Protection Act of 1987 is necessary legislation. Despite serious concerns about tax policy and the deficit, it is time for VRHP's.

To ignore VRHP's is to ignore the issues raised by the liability of this Nation's employers for retiree health benefits. This liability has far-reaching economic and social implications which demand the immediate attention of the Congress.

What are the critical factors which point to the need for action?

First, in 1986 the LTV Corp. filed for chapter 11. The firm moved to cancel health coverage for its 78,000 retirees. An apparent motivation for the corporation to reorganize through bankruptcy was to cut operating costs—particularly health benefit costs.

LTV retirees had no protection. The company had no prefunded account to cover retiree health coverage. It had provided health benefits on a pay-as-you-go basis. And, the company lacked sufficient cash flow to maintain its obligations.

Unlike pensions which have legal protections for retirees, the retirees of LTV were left holding the bag for their health coverage.

The LTV Corp. retirees sought and received relief from the Congress. The Congress required that the company maintain retiree health coverage, at least temporarily.

It is not appropriate for the Congress to assume such a role every time a firm gets into trouble.

VRHP's would not help LTV or its retirees. But, VRHP's could forestall comparable problems for other retirees and their former employers. VRHP's would enable employers to prefund for future obligations, thereby preserving those funds for the use of the retirees.

Second, recent research indicates that over 90 percent of the Nation's largest firms are obligated to provide health coverage for retirees. A significant portion of smaller companies have comparable obligations; 25 million American workers look forward to health coverage at retirement, and over 6 million Americans are now covered by postretirement health benefits.

These are significant figures.

Corporate liability for these benefits is almost totally unfunded. Estimates of the liability of firms for these benefits range from $125 billion to $2 trillion. Any list of fortune 500 companies likely would show liabilities in the hundreds of millions of dollars. The economic implications of this liability are clear as the American population continues to age.

Additionally, the courts generally have acted to affirm corporate responsibilities for retiree health benefits. The courts have given employers little latitude to refine or reduce promised benefits to retirees.

To emphasize further the financial extent of the issue, the Financial Accounting Standards Board [FASB] changed its reporting instructions for retiree health coverage liability in 1984. Firms now are required to recognize current costs of postretirement benefits in a footnote to their annual reports.

FASB currently is considering the more far-reaching action of elevating obligations for retiree health benefits to a full-blown liability on corporate financial statements. This modification in FASB rules could alter the face of the American business scene. The Board is not considering this modification lightly, but it appears they realize that the corporate obligation for health coverage of retirees can be ignored no longer.

The Federal Government should recognize the implications of this liability—and the FASB's likely response—for our Nation's economy and our retired citizens. National policy should promote corporate responsibility. VRHP's would help stabilize this potentially volatile situation.

There may be a cost to VRHP's. But, to avoid this cost would exacerbate the concerns of employers, employees, and the economy as a whole.

Finally, VRHP's could have another profound effect. VRHP's could provide the engine to get this Nation's evolving long-term care insurance market going.

Until now, health insurers have been reluctant to develop long-term care coverage because it has had to be sold on a retail basis—individual by individual.

Employer participation has been missing in the long-term care area. So, employer groups have not been open to insurers for long-term care coverage.

The prefunding vehicle provided by VRHP's may give employers the incentive to offer long-term care benefits, just as the tax exclusion for health benefits adopted in the Tax Act of 1954 became the driving motivation for employees to persuade their employers to offer health coverage.

There is no question that the risk of long-term care costs is a spector which greatly concerns the elderly. Many older Americans do not realize that Medicare does not protect them against the cost of expended nursing home or home health care. A survey by the American Association of Retired Persons indicates that a significant percentage of elderly Americans believe Medicare covers long-term care as well as the costs of physician and hospital services.

It became apparent to me in considering the Medicare catastrophic coverage proposal in the Ways and Means Committee that national policies to encourage private long-term care coverage are essential. However, the resources for such coverage are not available in the context of Medicare. The question then becomes how we can promote coverage which will reduce the risk of draining family resources or force the elderly to improverish themselves simply to afford a nursing home bed.

For families who work all their lives there has to be a better way. Insurance protection for long-term care makes sense. The Federal employees health benefit plan is adopting such coverage. The private sector should follow suit—and VRHP's may make that possible.

WHAT IS A VRHP AND HOW WILL IT WORK?

Under the bill, employers would have the option to create VRHP's in order to prefund retiree health and long-term care benefits. Contributions to VRHP's would be tax deductible and only employers would be allowed to contribute to the account. The interest accumulated in each account would not be subject to Federal taxation. Employers would contribute the amount necessary to fund the participants' future benefits, but annual contributions could not exceed the lower of $1,500 or 25 percent of the employee's income. However, the limit would increase annually to compensate for the growth in health care costs.

The VRHP accounts would have no cash value for employee participants. The accounts

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

would, however, provide assurance at retirement that a plan would be available to fund health care coverage. Employees would be vested at 100 percent after 5 years of employment within a firm or on a 3- to 7-year transitional schedule.

Once vested, the employee could take his or her VRHP account to new employers who also fund VRHP's. At retirement the employee would receive coverage from the employer who currently maintains the employee's VRHP. Full-time employees would not be allowed to have two VRHP's simultaneously.

Employers would make a specified contribution to the VRHP for each employee. The level of the contribution would be based on an actuarial estimate of the assets needed to provide coverage for the average employee throughout retirement.

At retirement the VRHP would fund health coverage for retirees. If firms have promised coverage for health care which goes beyond the capacity of the VRHP, it is between the employers and employees to determine the extent of the obligation. The intent of this bill is to provide a starting point for these agreements, and to provide the assurance to employees that funds will be available for coverage at retirement.

The ground rules for VRHP's clearly protect employees against discrimination. The contributions and benefits may not be designed to favor highly compensated employees and the firm must benefit at least 70 percent of non-highly compensated employees. If an employer acts to terminate an ongoing plan, fails to make promised contributions, or reduces contributions arbitrarily, all employees with VRHP's would be vested immediately. Additionally, employers will have to meet strict requirements with regard to the investment of, and fiduciary responsibility for, VRHP funds.

At retirement, vested employees would be allowed to include their spouses under VRHP coverage. The employer would have the option to fund retiree health coverage by transfering a portion of the accumulated VRHP account annually to: First, a separate account in the firm to provide coverage for retirees, or second, an insurance company which would provide the designated coverage.

The employer also could choose to transfer all of the funds available to an insurance company. The insurance company, by accepting the annuity funds, then would bear the risk for the retiree's coverage. Employers also could reimburse retirees directly for the cost of health and long-term care insurance which they have purchased on an individual basis.

At the death of a retiree, the VRHP could be used to continue the coverage of a spouse. Otherwise, funds contributed on an employee's behalf would revert to the VRHP.

The bill sets the age at which VRPH's can be activated at 65. Sixty-five is the age at which many Americans retire and is the age at which Social Security participants become eligible for Medicare. As the life expectancy of Americans increases, it is likely that most of us may even retire beyond the age of 65. The bill also allows the VRHP to be used when a qualified employee becomes disabled.

VRHP'S AND VEBA'S

Responsible leaders in the business community would prefer to prefund retiree health benefits for their employees. The insurance industry also is interested in prefunding as a means to increase employee interest in financing group long-term care coverage for employees and retirees. Both employers and insurers have argued for the reinstatement of the tax status of voluntary employee benefit associations [VEBA's] as a means to accomplish these goals.

Prior to modifications of the tax rules effecting VEBA's in the Deficit Reduction Act of 1984 [DEFRA], these accounts could be used to prefund welfare benefits with the interest for the contribution to the account tax deductible along with interest accumulation allowed tax free. VEBA's were restricted in DEFRA because the vehicle was seen as a tax dodge for individual businessmen who used the account for personal or corporate advantage rather than to prefund retiree welfare benefits. More importantly, the code provided no ground rules for VEBA's which assured employees that the funds would be applied appropriately against the employers' future costs of benefit claims.

VRPH's will respond to the Congress' concerns over the misuse and lack of clarity of the VEBA guidelines. H.R. 2860 is crafted carefully to prevent the abuses and pitfalls observed with the VEBA's.

IN CONCLUSION

Mr. Speaker, VRHP's will not solve all the problems related to retiree health benefits or the unfunded liability for such benefits favored by corporate America. Clearly, however, VRHP's are part of the solution. It is a step forward to provide needed incentives for corporations to act responsibly to prefund health benefits while protecting the promise employers have made to employees of health coverage at retirement.

Mr. Speaker, I am submitting a summary of the Retiree Health Protection Act of 1987 to be printed in the RECORD following this statement.

SECTION-BY-SECTION ANALYSIS OF THE RETIREE HEALTH PROTECTION ACT OF 1987

SEC. 2: TREATMENT OF EMPLOYER-PROVIDED HEALTH CARE BENEFITS FOR RETIRED EMPLOYEES

Employers with qualified plans may make deductible contributions to Voluntary Retiree Health Plans (VRHPs) on the behalf of their employees. The annual deductible amount per participant cannot exceed the lesser of the following: $1,500, 25 percent of the participant's compensation, or the amount necessary to fund the participant's target account balance, except for employees age 50 and over.

BENEFITS EXCLUDED FROM GROSS INCOME

Contributions to VRHPs, and earnings on VRHP funds, will not be counted toward an employee's gross income.

Only One Account at a Time.—Only one VRHPs may be maintained for each participant at any time, except if a person currently is employed by more than one employer. Employees with more than one VRHP (i.e., by reason of change in employment) who do not move to consolidate VRHP funds within a reasonable amount of time, shall have the assets in their accounts treated as distributed in cash and included in their gross income at the close of the plan year.

If a VRHP is not a qualified trust, the assets shall be treated as distributed in cash to the beneficiaries, and included in the employee's gross income. Portions of the account which are pledged or assigned (i.e., as collateral) also shall be treated as distributed and included in the employee's gross income. (In cases where VRHP assets are included in gross income, other than by virtue of a pledge or assignment of account funds, only that portion of the account in which the employee is vested will be included in the employee's gross income.)

If the VRHP was determined to be non-qualified solely because the employer did not comply with the non-discrimination rules, non-highly compensated employees would not have to include the benefits in their gross income.

PLAN QUALIFICATION REQUIREMENTS

VRHPs must meet pension plan rules for employee benefits, including requiring plans to be in writing, to be legally enforceable for employees, to be provided for the exclusive benefit of employees, to be maintained with the intention of providing the benefit indefinitely, and to provide reasonable notifications to employees.

Reimbursable Expenses.—The plan may provide *only* retiree health and long-term care benefits to former employees after the former employee reaches age 65 or is disabled, as defined by the Social Security law. The benefits may be provided in the following ways: employers may purchase commercial insurance, self-insured employers may set aside funds from the accounts from which they can finance retiree coverage, or retirees (or their spouses) may be reimbursed for insurance which they purchase.

Insurance purchase with VRHP funds must be guaranteed renewable, the cost of contract renewals may not vary by reason of the medical condition of covered individuals, and the annual cost of coverage for each covered individual must be the same.

Upon the death of a retiree, the retiree's spouse is entitled to the health and long-term care benefits which can be purchased with the funds in the account. The ex-spouse of a retiree also may be entitled to coverage purchased with the retiree's VRHP funds, if so determined by a qualified domestic relations order.

Reimbursement of expenses shall be made only for insurance covering medical care, and not for uncovered expenses, even if a deceased employee's VRHP contains unused funds.

Allowed Contributions.—No employee contributions to the VRHP would be allowed. Only non-elective employer contributions and transfers of VRHP funds from former employers will be allowed. The contributions and benefits provided under the plan may not discriminate in favor of highly-compensated employees. The amount paid by the employer must be equal to the amount which is determined actuarially to be necessary to fund the target account balance for each participant, subject to the limits on employer contributions.

The "target account balance" is the amount specified in the plan as the target value of the assets in an employee's VRHP when the employee reaches retirement age (age 65).

Employee's Participation Status.—Plans may require emloyees to be at least 21 years of age and to have completed more than one year of service to receive a plan. Employers may not exclude employees from participation in VRHPs on the basis of attainment of a certain age. Pension rules regarding years of service, breaks in service, and minimum coverge shall apply. Employees must work at least 500 hours per year (about one-quarter time) in order to receive a VRHP.

Employer Contributions.—Qualified contributions may not exceed the lesser of the following: $1,500, 25 percent of the participant's compensation, or the amount necessary to fund the participant's account balance. The dollar contribution limits for non-highly compensated employees age 50 and beyond may be higher than those for younger employees, as follows: $1,750 for employees ages 50-55, $2,000 for employees ages 55-60, and $2,250 for employees age 60 and over. These limits, as well as those for younger employees, shall be indexed annually by the increase in the medical component of the CPI.

Investment gains and losses must be taken into account annually in determining the level of employer contributions necessary to fund the target account balance. The interest rate used to determine the level funding amount must be reasonable, must be specified in the plan in a way that prohibits employer discretion, and must be the same for all participants. Every employee must receive the same target, regardless of other coverage which employees might purchase.

Minimum Vesting Standards.—Employers may choose 5-year, 100 percent vesting or 3-to-7 year vesting schedules, as in the pension law. Upon total or partial plan termination, or upon employer failure to make required contributions, or reduction in contributions, all employees shall vest immediately.

Distribution of VRHP Funds.—The plan must distribute no more than 150 percent and no less than 100 percent of the pro rata amount [which equals the amount in an employee's account divided by the life expectancy of such employee], unless a lesser amount is specified by the employee.

Retirees may not receive any amount in cash from the account or exercise control over the assets of their accounts.

Plan Transfers.—Plans must transfer VRHP funds if so requested by an employee. Plans also must accept transfers of VRHP funds from a former employer.

Limitations on Investments of VRHP Funds.—Employers are limited in their ability to invest VRHP funds in employer real property or in employer securities. Plans must meet pension law requirements with regard to fiduciary responsibility.

Preemption and Special Rules.—With the exception of banking and securities laws, state criminal laws, or qualified domestic relations orders, this bill shall supercede all state laws relating to any health plan for former employees and their spouses.

VRHPs can be maintained by self-employed individuals, as under the pension law.

Taxes on Qualified VRHP.—A tax equal to 100 percent shall be assessed against reversions to employers and to disqualified benefits provided during a plan year. "Disqualified benefits" are any distributions which are not post-retirement medical benefits, and any post-retirement medical benefit which is not paid for out of the employee's own account.

SECTION 3: REPEAL OF EXISTING RULES

Repeals 401(h) entirely and prohibits 419A(c) reserves for post-retirement medical insurance benefits.

INTRODUCTION OF THE RETIREE HEALTH PROTECTION ACT OF 1987

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. FLIPPO. Mr. Speaker, I join today in introducing the Retiree Health Protection Act of 1987, with my distinguished colleague from the State of Washington, Representative ROD CHANDLER. It is my pleasure to cosponsor this bill with Mr. CHANDLER and other members from the Ways and Means Committee.

Representative CHANDLER has taken a leading role in addressing this issue. I appreciate the opportunity he has provided me to join him in crafting this important legislation.

The Retiree Health Protection Act of 1987 will promote prefunding for retiree health and long-term care benefits by employers. This legislation will provide needed assurances to employees that these funds will be properly managed and disbursed. The bill will assist employers in meeting their obligations for the promise of retiree health coverage for America's workers.

This is an issue for the 100th Congress. This Nation faces a crisis in the not too distant future. As the population ages, more and more Americans will retire and qualify for welfare benefits, from the former employers. And to provide these health benefits, employers face unprecedented financial liabilities for which few are prepared.

Already, we have witnessed the first signs of the storm to come. The LTV Corp.'s attempt to abandon its retiree health benefit obligations compelled Congress to take action protecting that corporation's former employees. And the courts have ruled consistently against firms seeking to reduce or walk away from the health benefits promised retired workers.

Corporate liability for retiree health benefits has been estimated in the hundreds of billions of dollars. Yet, companies have proceeded on a pay-as-you-go basis to finance retiree health. The threat of economic dislocation grows daily with the aging of the U.S. work force and the constant growth of health care costs.

This dangerous situation continues because workers and employers now have few incentives to set aside funds for health and long-term care. Today, no plan exists which is adequate to provide retirees needed health benefit security.

It is time for national health policy to provide corporations a vehicle to prefund these benefits. Employers of all sizes should be encouraged to fund postretirement health coverage. The voluntary retiree health plans [VRHP's] proposed in this legislation will serve this purpose.

VRHP's will not resolve all the issues raised by corporate liability for retiree health benefits. VRHP's will provide needed incentives, as tax-exempt vehicles, for corporations to prefund and accumulate resources to cover the future costs of retiree health benefits. The ground rules for VRHP's will assure both employees and retirees protections for their coverage. The vesting and participation rules set out in this bill are fair and necessary.

Mr. Speaker, I am confident this Congress will give this bill the careful consideration it deserves. This is an important measure and I look forward to working with my cosponsors and other colleagues on the Ways and Means Committee in perfecting the legislation in the upcoming months.

HUMANE VEAL BILL

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. BENNETT. Mr. Speaker, I, along with Mr. HOWARD, Mr. LANTOS, Mr. WILSON, Mr. PEPPER, Mr. ACKERMAN, Mr. OWENS of New York, Mr. DONNELLY, Mr. CONYERS, Ms. KAPTUR, Mr. ROSE, Mr. BERMAN, Mr. RAHALL, Mr. DORNAN of California, Mr. TOWNS, Mr. MANTON, Mr. MARTINEZ, Mr. JACOBS, Mr. MRAZEK, Mr. HAYES of Illinois, and Mr. DELLUMS, am today introducing legislation entitled the "Veal Calf Protection Act," which would address a critical problem that exists on crated veal farms throughout the country.

I became interested in this issue after having watched a TV show that outlined the horrors of how these creatures are treated. They are housed in incredibly small stalls or crates, without the ability to groom themselves, turn around, or astoundingly, even lie down. When they are able to lie down they are often forced to wallow in their own excretion, which is stimulated by a diet of liquid milk replacer and antibiotics. The tremendous stress of confinement and the lack of sufficient iron and digestible fiber requires antibiotics to keep the calves alive, which, some medical practitioners say, can be hazardous to people who eat veal.

My proposal is budget neutral so it doesn't increase the Federal deficit. Simply put, Mr. Speaker, it mandates a minimum Federal standard for the care of veal calves that are raised for human consumption.

I hope my colleagues will join me for early passage of this important and compassionate legislation.

THE STRANGE CASE OF IRANIAN MODERATES

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. MICHEL. Mr. Speaker, amidst all the sound, fury and television news coverage of the Iran-Contra situation, it is difficult to keep track of even one issue, let alone the whole complicated situation.

That is why I find a recent article in the New York Times to be of interest. If there is one thing everybody knows about the sale of arms to Iran, it is that there never was really any reason to believe there was a dissident Iranian element with whom the United States could deal.

But, as in so many cases of what everybody knows, everybody may well not be correct. So, at least is the point of the Times story which suggests that there is more to the question than we have been led to believe by critics of the administration.

Whether or not there is or was a genuine moderate Iranian faction remains to be seen. But this Times story offers at least a glimpse of the complexity of the story and I think our colleagues deserve to read it.

At this point I wish to insert in the RECORD, "Iran 'Moderates': Genuine or Fraud?" by Stephen Engelberg.

[From the New York Times, June 28, 1987]

IRAN MODERATES: GENUINE OR FRAUD?

(By Stephen Engelberg)

WASHINGTON.—The Reagan Administration's dealing with so-called Iranian moderates involved a series of secret contacts with a dissident group of right-wing Iranian officials and religious figures who said they wanted Western help to seize power, according to American and Israeli officials.

To this day, present and former American officials say they are uncertain whether the request for aid came from real dissidents or was merely part of a complex deception.

But the officials and one member of the Iran-contra committees said the contacts were an imporant factor in the Administration's decision to approve arms shipments to Iran and try to probe for openings in that country.

Israeli officials, who arranged and attended some of the meetings with Iranians, also saw them as a possible means to make an alliance with what they, too, believed was a moderate faction in Iran. Some specialists on the Middle East say, however, that they believe there are no moderates in Iran, at least in the Western sense.

FOCUS OF DEALINGS CHANGED

Regardless, after some initial meetings with these Iranian figures in 1985, the Reagan Administration shifted the focus of its dealings with Iran to a trade of weapons for the Americans being held hostages in Lebanon.

All of this adds a confusing element to questions about the real motive in selling arms to Iran. A member of the Iran-contra committees said this matter would be dealt with at length in coming testimony.

The officials said the right-wing Iranians met with Israeli officials and a National Security Council consultant, Michael Ledeen, in 1985 at several overseas locations. The Iranians said they wanted to change the policies of their Government by undermining or displacing political factions hostile to Western interests.

At one point, they asked for communications equipment to send coded messages to allies in the West as well as small arms for their own protection.

No code machines or small arms were sent, but the overtures from the dissident Iranians were reported to Robert C. McFarlane, then national security adviser. He included the information in his detailed briefing of President Reagan in August 1985 that helped persuade Mr. Reagan to proceed with the arms sales, according to a former Government official.

CONTACTS INFLUENCED REAGAN

Published reports this month, most recently in last week's issue of U.S. News & World Report, have described various shadowy dealings between Iranian officials, the United States and Israel. Present and former officials provided new details this week and said these contacts were important in persuading President Reagan to approve the first arms shipments to Iran.

Representative Jim Courter, Republican of New Jersey, who is on the House Iran-contra committee, said the committee has uncovered evidence that the Administration had indeed talked with Iranians who said they wanted to change their Government.

"The initiative was twofold," he said. "It clearly wasn't just for the hostages and it wasn't just to establish a relationship with emerging Iranians."

Mr. Courter said the identities of the Iranians talking to the United States would be kept secret during coming hearing testimony, although the issue would be discussed in general terms.

The first contacts with Iran were arranged in mid-1985 by Manucher Ghorbanifar, an expatriate Iranian businessman. Mr. Ghorbanifar said he spoke for the leading factions in Iran, including the Prime Minister, the Shiite religious leaders and the Speaker of Parliament. All these figures wanted better relations with the West, he told American and Israeli officials.

DEAL TO CEASE TERRORISM

After talks in Israeli with Mr. Ledeen, Mr. Ghorbanifar struck a deal: Iran would stop supporting terrorism against Americans and work to free the hostages, and the United States would ship arms to Teheran.

At the same time, Mr. Ghorbanifar was apparently working separately to advance the cause of his so-called moderate political allies inside Iran by arranging separate, private meetings with Israeli and American officials that may not have been officially authorized by the Iranian Government.

In an interview, Mr. Ghorbanifar denied doing this. He said accounts of these meetings were being circulated by Western officials who wanted to create dissent among Iranian officials.

Israeli officials said one of the Iranians who met these Westerners was Ayatollah Hassan Koroubi, who Western intelligence agents believed was interested in a more moderate government in Teheran, even though he is an intimate of Ayatollah Ruhollah Khomeini, the Iranian leader.

White House and C.I.A memorandums made public by the committees and Tower Commission include several hints that Mr. Ghorbanifar had offered to make contact with dissatisfied elements in Iran. In May 1986, five months after he was removed from the Iran dealings, Mr. Ledeen told a senior National Security Council official that the Iranian channels were "stirring up dissidence in Iran."

As recorded in document, he was quoted as having said: "Mike says his contact, Gorbanifar, [sic] has access and influence with a dissident ayatollah . . . as well as disloyal elements spread throughout the military and bazaars. There is great potential here, Mike feels, for a U.S. covet program to undermine the regime."

U.S. MANUFACTURERS THREATENED IN AIRBUS CASE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. FLORIO. Mr. Speaker, on June 23 the Subcommittee on Commerce, Consumer Protection and Competitiveness held a hearing on competition between Airbus and U.S. commercial aircraft manufacturers. Testimony at the hearing made it clear not only that Airbus is receiving unfair financial subsidies from its European government backers, but that United States manufacturers have been threatened with loss of sales, if they are too critical of the subsidies Airbus receives.

I along with Congressman HOWARD NIELSON have written our trade officials asking that they investigate the claims of the U.S. manufacturers and determine whether such pressure violates U.S. law or international trade rules.

Mr. Speaker, at this time I would like to insert in the RECORD an article on this matter that appeared in the June 27, 1987 edition of the Washington Post:

COERCION CHARGED IN AIRBUS CASE

(By Stuart Auerbach)

America's two leading commercial aircraft makers charge they were threatened with loss of future sales if they pursued complaints of unfair trade by Airbus Industries, a European government-financed consortium that is building competing planes.

The charges of coercion, given in congressional testimony Tuesday, sparked a request yesterday by Reps. James J. Florio (D-NJ.) and Howard C. Nielson (R-Utah) for a government investigation to determine if the threats cost U.S. sales and violate international trade rules.

The Senate Thursday night approved an amendment to its massive trade bill aimed at the government subsidies to the Airbus consortium. The provision was sponsored by Sens. Brock Adams (D-Wash.) and John C. Danforth (R-Mo.), where Boeing Co. and McDonnell Douglas Corp. are headquartered.

McDonnell Douglas urged a go-slow position in February when the Reagan administration was considering the possibility of trade sanctions against Airbus for its heavy government subsidies and its use of official government pressure to sell planes. The McDonnell Douglas stance angered U.S. trade officials and congressmen who had been pressing for action at the company's request.

Reports circulated at the time that McDonnell Douglas acted under pressure from European customers, including national airlines controlled by the same governments that are part of the Airbus consortium: France, Britain, West Germany and Spain.

James E. Worsham, a vice president of McDonnell Douglas, confirmed the pressure under questioning by Florio at the House Commerce subcommittee hearing Tuesday.

"There have been some comments," he said, "that it would be difficult for some of the international airlines to select McDonnell Douglas' product with us having a very, very high profile at that immediate time."

O.M. (Rusty) Roetman, a Boeing vice president, acknowledged that his company also felt pressure from customers not to push unfair trade cases against Airbus. Florio asked if the threats included either the "denial of future contracts . . . or cancellation of existing contracts.

"There has been pressure from certain of our customers, who have asked us not to take too high a profile, to let this thing run its course," Roetman replied. "We don't believe it is in our best interests to [take a low profile] over an extended period of time."

Nonetheless, he added that further involvement by Boeing in an unfair trade complaint against Airbus could make it, "in some markets, very difficult to continue to sell at the volume we have been selling."

Ranking administration trade officials said the dispute with Western European nations over their heavy government funding is growing into "an enormous controversy" that "is going to be very nasty."

The officials said it involves huge sums of money, one of the few American industries that remains an export leader, and the Europeans' determination to become a factor in the commercial aircraft business, no matter what it costs their governments.

"In the next few weeks, the government will have to decide how much of a hassle this will be," the official said. He added that the Cabinet-level economic Planning Council will be meeting on the issue soon.

Administration trade officials and the domestic aircraft industry complain that the governments of Britain, France, West Germany and Spain have supported Airbus with $8 billion in subsidies for almost 20 years and the consortium has never made a profit.

"As an economic rule, subsidized production and competition unfairly [puts at a disadvantage] companies attempting to compete on purely commercial terms and creates uneconomic excess capacity at great expense to taxpayers," Deputy U.S. Trade Representative Michael B. Smith told the Florio subcommittee.

"It is in trade terms just as protectionist and distorting as other, more classic protectionist measures."

Administration sources said they have information that the governments supporting Airbus have directly intervened with foreign airlines, often using landing rights or aid as bait to get international airlines to buy their planes instead of Boeing or McDonnell Douglas products.

A MAN OF COURAGE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. SOLARZ. Mr. Speaker, many years ago, as a member of the New York State Assembly, I had the honor of serving with a man of integrity and vision, a man who cast one vote which made history in New York State and in the United States. The man was State Assemblyman George Michaels; the vote was the deciding vote to legalize abortion.

In April of 1970, for the second time in that legislative session, the New York Legislature considered the question of whether or not to legalize abortion. Most people expected that the Legislature would simply reaffirm their earlier vote against legalization.

In my 20 years in politics, that day stands out as the most dramatic event I ever witnessed. Twice before George Michaels had voted against the legalization of abortion, a vote necessitated by his traditional Republican, conservative district, where the great majority of voters were opposed to the legalization of abortion.

It is never an easy decision to change one's vote, and it is more difficult when the issue is as emotionally charged as is the debate over abortion. George Michaels faced these difficulties and more. He knew that a change in his vote on this issue would mean his certain defeat, an end to his 10-year career in the New York Assembly.

I will never forget the moment when George Michaels stood up to vote, noting as he did so that this would probably be his last important vote. George Michaels changed his vote on abortion knowing that it would end his political career; and while there would be some who would thank him, there would be many who would scorn his action.

George Michaels' vote was the deciding vote that day, and the New York Legislature became the first State legislative body in the United States to legalize abortion.

I don't know how many of us in similar circumstances would make the same noble choice as did George Michaels. It is a difficult decision to knowingly cast the vote which will end your chosen career. In Congress there are times when we all have to compromise; but there are also issues on which one must stand firm, issues on which you must vote with your conscience even if it means disagreeing with those who are traditionally your friends and your supporters.

I hope that in the same situation I would have the courage and the strength of character to vote as did George Michaels on that momentous day in April of 1970 when he set the stage for women in New York, and later women throughout the country, to have freedom of choice over their own bodies.

George Michaels has said that he was influenced in his decision by his son, who had worked in a Midwestern ghetto and had witnessed first hand the trauma of illegal abortion. His son, Rabbi James Michaels of the Whitestone Hebrew Center in Queens, forced him to confront what so many of us would prefer to forget. It you outlaw abortion, you do not end abortion—you simply ensure that there will be dangerous illegal abortions performed at great expense and risk to the woman. Those who would make abortion illegal would guarantee that more women will lose their lives to these back-room butchers who were so prevalent before Roe versus Wade.

George Michaels cast the vote which sent the message that the New York State Assembly wanted to put an end to women dying from illegal back-room abortions, to put an end to a society where wealthy women could afford to purchase what we denied to their less well off sisters.

To those who would reverse the progress we have made since the Supreme Court's historic decision in Roe versus Wade I would urge that you examine your conscience as George Michaels did his. Do not allow the voices of a vocal minority—for they are indeed a minority—to make a decision which will affect the lives of our mothers, our sisters, our wives and our daughters. A decision which rightly rests with the woman herself, and a decision which none of these women make lightly.

I hope that my colleagues in the House will consider George Michaels when the time comes to make decisions which may not be easy, and when the choices may not be popular. When you vote with your conscience, you are always right, and you will not regret your action.

ARMENIAN MARTYRS' DAY

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. KENNEDY. Mr. Speaker, on June 19, 1987, the European Parliament called on the members of the European Economic Community to dedicate a day to the memory of crimes against humanity perpetrated in the 20th century, specifically against Armenians and Jews. The measure condemned the adamant stance of every Turkish Government toward the Armenian question, saying it had "in no way helped to reduce the tension." The resolution was forwarded to the Turkish, Iranian, the Soviet Governments and to the U.N. Secretary General.

I think it is clear, in light of the European Parliament's decision, that the United States must now, within the 100th Congress, at last create a special day recognizing the millions of victims of the Armenian genocide. Let it not be said that the United States of America, the freest nation on Earth and the greatest democracy, would not move forward on this human rights question. Our allies have paved the way for us, now the U.S. Congress must follow. The war crimes of Germany, the atrocities of Japan, have been acknowledged by those countries, and those countries are among our staunchest allies. The Turkish Government, by continuing to reject the historical facts of the genocide of 1915, deprives the Armenian people of their right to their own history.

RAISING REVENUES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. BIAGGI. Mr. Speaker, under the budget resolution, the Ways and Means Committee has until July 28 to produce legislation to raise $19.3 billion in new revenues for fiscal year 1988.

I hope that serious consideration will be given to the painless approach for raising revenues.

The first method would be to establish a one-time—6-month national tax amnesty. Presently the United States has a tax gap in excess of $90 billion. This is money owed to the Treasury by individual and corporate taxpayers.

A national tax amnesty could recoup up to 20 percent or $18 billion right away—while also producing permanent new taxpayers.

The other proposal relates to lotteries. I support a national lottery but we cannot pass a bill in this short a time.

However as an alternative I call for a new form of revenue sharing between the States and the Federal Government.

I propose a new Federal tax on State lotteries to reduce the deficit. Presently only individual winners pay Federal tax—not the lottery itself.

For fiscal year 1986, early indications show that gross lottery receipts have passed the $11 billion mark in the 27 States and the District of Columbia.

At the very least, Congress should impose a new tax on so-called "multistate" lotteries which exist and are growing rapidly.

In New England where such a lottery exists, the three States have shown tremendous growth in revenues—Maine, 155 percent, Vermont, 140 percent, and New Hampshire, 124 percent.

Deficit reduction is in everyone's best interest. As the saying goes, you can pay me now—or pay me later. If we do not raise new revenues, we will have to impose severe across-the-board cuts in programs of major importance to States. Yet if they are willing to share their revenues from lotteries, these cuts could be averted. Let us be both exhaustive and creative in our search for new revenues.

SUPPORT AFRICAN AMERICAN EDUCATION WEEK

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. DYMALLY. Mr. Speaker, it is my pleasure today to introduce a bill to set aside the week of November 15, 1987, as "African American Education Week." I ask my colleagues to give this measure their strong support so that passage may be assured well before that date. In this way official sanction may be given to the many activities preparatory to the commemorative week.

Why should there be such a week set aside to focus our attention on African American education? The answer goes to the heart of why we have commemorative legislation at all. Such a week serves as a nodal point. It is a device for shedding light on an event, a person, or an issue. The sanctioning of a special time allows for formal presentation of ideas, discussion of problems, and solutions. Out of such commemorative times can come a renewed resolve to make progress.

I am seeking official commemoration of "African American Education Week" both to celebrate what has been accomplished and to renew the effort to educate African Americans. In the past 20 years we have seen the number of African American high school graduates approach the proportions seen in the white population. We saw a gradual rise in the number of African Americans attending college. But we have also seen decline. The number of African Americans in college peaked some years ago and has been slipping since. Demographic changes do not explain the decline. There must be a renewed commitment to the education of African Americans. Black graduations from high school seem to have plateaued. Nevertheless, in some schools up to 80 percent of African Americans do not complete high school. That is not good enough, not by a long shot. There must be a renewed commitment to the education of African Americans. "African American Education Week" can become an organizing force in the community and in Government. It can become a time for this Nation to renew its resolve to see that all African Americans attain literacy, graduate from high school, and it can become a time for the Nation to renew its commitment to the right of every able American to pursue a higher education.

TRIBUTE TO DON STEERE

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. LEVINE of California. Mr. Speaker, I rise today to recognize the achievements of Don Steere, who will be retiring from his position as athletic director at Santa Monica High School. In his 27 years at Santa Monica High School, Don has fostered an environment in which his students could develop not only into strong athletes, but responsible individuals as well. During his tenure Santa Monica High School has developed such outstanding sports stars as Rick Monday, Dennis Thurman, and Dennis Smith.

Don Steere's contributions to Santa Monica High School, its students, and the surrounding community have earned him the lasting respect of the parents and his colleagues. At a time when many in high school and college athletics seem to have lost their perspective on the role sports plays in our schools and the lives of our young people, Don Steere has helped lead the way in developing the kind of student/athletes of which Santa Monica High can be proud.

I ask my colleagues to join with me in honoring Don Steere as he prepares to end his career of service to the students at Santa Monica High School and ask unanimous consent to include in the CONGRESSIONAL RECORD an article from the Los Angeles Times which elaborates on his accomplishments:

SMH SPORTS BOSS LEAVES; HE'S DONE IT ALL

(By Adam Martin)

In the not distant future, Don Steere, athletic director at Santa Monica High since 1966, might be running a sport fishing resort in Baja with son Doug.

An avid golfer, Steere may also involve himself in a desert golf resort. Either way, he'll continue to work. But from now until 1993, Steere will spend only 25 days a year at the school he has worked at for 27 years.

Steere, 58, retired this week after accomplishing "about everything I can do. Things are coming around for the third and fourth time, so I figure it's time for me to do something different."

As part of the school's early retirement plan, Steere will be under independent contract until 1993 and plans to assist vice principal Dick Turner in developing a new procedure for determining student-athlete eligibility.

He also will assist wrestling and assistant football coach Norm Lacy, who succeeds Steere as athletic director.

Steere says he isn't really retiring. "I'm leaving," he said with a laugh, "but I'm not going anywhere."

Steere will most likely spend much of his time gripping an iron and wearing spikes.

"Don will be happy most anywhere," said wife, Patty, "as long as he can play golf."

Steere considers himself an "enthusiastic golfer."

"Physically I don't feel any different now than I did years ago,"; he said. "I don't consider myself an elderly gentleman.

"I run and play two-on-two basketball, so physically I'm not ready for the wheelchair. This kind of job makes it so that you can stay in shape, and I'm athletic-minded."

In 27 years at Santa Monica High, Steere cared as much about athletics as about students who participated. By most accounts, he provided students with just enough room to make their own choices and just enough direction to make those choices productive.

Dennis Smith, a seven-year strong safety with the Denver Broncos, made many of the right decisions courtesy of Steere. Smith graduated from Santa Monica in 1977 and attributes much of his success to Steere's encouraging attitude.

"He saw something in me that I never saw in myself," Smith said. "He saw my long-range goals as unlimited. I was so quiet and hard to communicate with in school, but I always seemed to be able to communicate with him, even without saying a lot."

Smith, whom Steere called "the best physical athlete I've ever seen [at Santa Monica High]," faced many of the dilemmas teenagers encounter and chose the right path. He is not one to forget the people who helped him make the choice.

"At that age," he said, "kids have so much time to do the wrong thing, like stealing or drinking and drugs. [Steere] helped me understand about not taking the wrong road."

Rick Monday, who played with the Dodgers and Chicago Cubs after graduating from Santa Monica in 1963, feels Steere's dedication was critical.

"I was just so damn lucky because I had people like Don Steere who cared about people and not just about their jobs,' said Monday, a sports announcer at Fox Channel 11. "It wasn't just a job, it was a life experience with him. He knew how to affect a kid, and he sure touched me."

Steere hopes he touched every student, particularly the athletes. The school district sends a diverse group of students to the high school, many of whom see their future in sports. Steere realizes only a few will make the cut, but says the overall experience is most important.

"We've had some tremendous kids who graduated from here who were athletes and never did another athletic thing,' he said, "and they still profited tremendously from their experiences here.

"A kid can get a lot from a team, especially kids who need something in their life."

Students who lack direction combine with those from more structured backgrounds at Santa Monica High to produce what Steere believes is a microcosm of the real world. And, he says, the mix of student contributes to the success of the athletic program.

"When you get [a diverse student-body] together, " he said, "you have everything that's required from a psychological point of view to have a winning combination."

Tradition at Santa Monica also plays a role in the school's success.

When Steere arrived in 1960 to teach physical education and help coach football, he encountered the legacy of Jim Sutherland, Santa Monica's most decorated football coach. From 1941 to 1952 Sutherland compiled a 79-13-3 record, winning eight

Bay League titles and three CIF championships. He was known for his pass-oriented offense that at the time made waves in prep football.

Steere hopes he kept Sutherland's winning tradition alive and feels the school's century-old tradition greatly influences today's students.

"There's a kind of heritage that goes with certain places," he said "and I think this school has an athletic heritage that means a lot."

Keeping the heritage active has not been easy. In the 1970s Steere was forced to take on additional responsibilities as athletic director when Proposition 13 and a California Supreme Court decision reduced the money available for Santa Monica sports. The school still maintained existing programs and actually introduced new sports, but responsibility for financial support shifted to private individuals. Steere was forced to solicit contributions.

He is thankful "there were people interested in our programs who volunteered to help." However, the responsibility of raising money made his job less enjoyable.

"I don't enjoy asking for money," he said. "It's something that I've never done very well. It was great when all we had to do was run our program and we knew if we needed something it was there.

"Fortunately, we've still been able to run our programs because of the great people in the community, a consistent group of people who keep coming up with ways to fill the coffer."

Vice Principal Turner feels Steere has been crucial in garnering private support.

"Don was a liaison with the community, beneficial in maintaining support. He's perpetuated the deep feelings for the school within the community."

Steere's fund-raising responsibilities may have contributed to his decision about early retirement. Financial hassles followed him since the mid-1970s, detracting from the fun.

"I don't think it's as much fun for him as it used to be," said Steere's daughter, Dina, an interior design assistant in San Luis Obispo.

"As far as I could see," added Steere's wife, Patty, "he was getting tired of raising funds. He was very good at it, but it gets to be a grind."

Steere will probably forget the job's low points and remember what made his years at Santa Monica special—people.

His affinity for students influenced many of the coaches he worked with and, in turn, Steere grew to appreciate his colleagues.

"I'll never forget one thing that he told us," said Jerry Weinstein, a baseball coach at Santa Monica from 1969-1971 and currently an assistant coach with the U.S. Pan American baseball team. "He said it was always better to go too far with a kid than not far enough.

"He taught us that you can't get too authoritarian with a kid, that you must give them every opportunity to succeed and that you must have contact with the kids to give them direction."

Weinstein, whose club captured the league championship in his first year at Santa Monica, remembers Steere as a father figure who stopped at nothing to provide his coaches with anything they needed including hard labor.

"One time we were building a dugout, which is still standing, and Don was out there with a hammer and nails like everybody else," he said.

Steere believed the athletic director should remain in the background.

The only really important job, he says, was responsibility for the welfare of the athletes, "and I think you can do that by trying to help the coach if he needs something done, whether its damp mopping a floor or raising funds or explaining something.

"I tried to create the environment for the coach as best I could so that it's as easy as possible for him to succeed."

Chances are Steere's style will be sorely missed among the coaches. His ability to put things in perspective, decompress pressure-filled situations and not take things too seriously made many a coach's job easier.

Tebb Kusserow, head football coach since 1972, attributes much of his success to Steere's quiet presence. Steere encouraged Kusserow in 1971 to take a job in the physical education department at Santa Monica.

Kusserow sees Steere's ability to make decisions calmly as his most important contribution to the school.

"When conflicts came up, he always made the right decisions, no matter whom it involved," said Kusserow, who led the Vikings to a CIF championship in 1981. "It's really a miracle to see what we've done with all the financial battles, and Don's a big part of that. He's almost the conductor of an orchestra."

The harmony Steere created kept everything in tune. If he was needed in the locker room, he was there, "taping an ankle and doing whatever he can for his coach," said Cliff Hunter, Vikings basketball coach since 1980.

"In any tense situation, he was always very cool. He'd make a joke or use humor to ease the situation. He will be missed by everyone and for sure by me."

Despite the temporary void Steere creates by leaving, his early retirement will allow him to fill an empty space in his children's lives. Steere was somewhat of a father figure with students, and the time he devoted to them can now be spent with his four children, who graduated from Santa Monica years ago.

Steere and son Doug formed a construction company last year and leased 17 acres of beachfront property on the Sea of Cortez in Baja. They subdivided and plan to sell several lots in addition to opening a 30-room hotel for sport fishermen, divers, wind surfers and sun worshipers. They also intend to do a little marlin fishing.

But even if they don't reel in anything big, Doug Steere will be happy just having his father around.

"It'll be nice to finally get a dad," he said, "because it seems like he's been a dad to everyone else."

A NEW STATE DEPARTMENT COMMITMENT TO DO MORE FOR U.S. BUSINESSMEN

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. BROOMFIELD. Mr. Speaker, I want to share with my colleagues recent State Department guidance concerning assistance to American businessmen both here in the United States and overseas. I commend the Secretary of State for his commitment to aiding the private sector, and hope that the Department of State and its posts overseas will follow both the letter and the spirit of this recent guidance.

We all realize that America's strength is due to a large degree to the activities of our private sector. U.S. businessmen both here and beyond our shores make America's economic viability possible.

While the Department of State has always had an important role to play in providing assistance to U.S. business in helping to promote the export of U.S. goods, services and commodities, this new policy statement gives a higher priority to the need to help strengthen America's private sector. While Japanese Embassies have functioned for years as promoters of Japanese products and programs, our Embassies have all too often relegated this important support function to the back burner.

We as a deficit nation can no longer afford to ignore the important role which U.S. businessmen play both here and in the international marketplace. We as a nation cannot afford to be pushed out of the international market. Now is the time for the Department to aggressively promote U.S. business interests both in the United States and around the world.

As a Government official with a strong background in the private sector, I am certain that Secretary Shultz means what he says in this recent guidance. We cannot ignore the fact that the strength of our Nation in world affairs rests upon the foundation of a strong and vibrant economy.

I commend the following "policy statement on assistant to U.S. business" to my colleagues in the Congress.

THE SECRETARY OF STATE,
Washington, DC, May 12, 1987.

Memorandum: For all Assistant Secretaries and Bureau Directors.

Subject: Policy Statement on Assistance to U.S. Business.

Last November I communicated with you about assistance to U.S. firms with export or investment interests abroad. I continue to be pleased by your overall performance and that of your staffs in this regard. Nevertheless I am persuaded that issuance of a formal policy statement will help to solidify understanding of our responsibilities in this area and the rationale for their existence. Please see to it that the following statement of policy is brought to the attention of *all* members of your Bureau.

THE DEPARTMENT OF STATE AND AMERICAN BUSINESS

The strength of the United States in world affairs, including the achievement of our political and security aims, rests directly upon the foundation of a healthy economy. Particularly important in this regard is our nation's vitality and competitiveness in the international marketplace.

Foreign economic and commercial policy is an integral and important element of overall foreign policy. The success abroad of American producers of goods, services and agricultural commodities—through its direct impact upon our international payments, gross national product and employment level—affects both our national well-being and our ability to conduct foreign relations. Assistance to U.S. business must be recognized as a major duty of all bureaus of the Department, and all elements of U.S. diplomatic missions abroad. Congress and the President embodied this recognition in section 207(c) of the Foreign Service Act, which assigns to Chiefs of Mission, as "a principal duty", the promotion of U.S. exports in their host countries.

All employees of the Department of State at home, and all members of U.S. diplomatic missions abroad, have a clear responsibility to support American business activities that contribute to our national well-being and advance the public interest. To this end, they have a continuing obligation to:

(1) Ascertain the views of the American business sector on foreign policy issues that affect their interests, in order to ensure that these views are fully considered in the development of policy.

(2) Seek to assure that the ground rules for the conduct of international business are fair and nondiscriminatory.

(3) Be responsive when U.S. firms seek assistance. Provide them with information and professional advice and analysis, as well as assistance in making and developing contacts abroad.

(4) Vigorously encourage and promote the export of U.S. goods, services and agricultural commodities, and represent the interests of U.S. business to foreign governments where appropriate.

(5) Assist U.S. business to achieve amicable settlement of investment disputes with foreign governments and, in cases of expropriation or similar action, to obtain prompt, adequate, and effective compensation.

At each post abroad, the Ambassador or the Principal Officer should take the lead, and become personally involved in promoting U.S. interests in business matters. Ambassadors must, moreover, ensure that all members of their integrated missions discharge this mandate within their respective areas of competence.

Finally, each officer must carry out this policy in accordance with all pertinent statutes, regulations, and guidelines and must avoid any appearance of impropriety, conflict of interest, or favoritism among U.S. firms.

GEORGE P. SHULTZ.

PENSION PLAN PROTECTION ACT OF 1987

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. DUNCAN. Mr. Speaker, I am today introducing the "Pension Plan Protection Act of 1987." The bill will significantly improve the Pension Benefit Guaranty Corporation's status as a secured creditor in Federal bankruptcy cases.

Last year the Congress enacted several provisions intended to improve the PBGC's financial condition. One of these provisions allowed the PBGC to become a secured creditor in a limited number of cases. For example, if an employer requested a funding waiver from the IRS of at least $2 million, the IRS could, as a condition for granting the waiver, obtain a security interest from the employer. The PBGC would record the security interest. Currently, a security interest cannot be obtained from an employer that maintains a pension plan whose assets fall below a specified percentage of its liabilities.

Earlier this Congress, the Oversight Subcommittee of the Committee on Ways and Means held hearings on several pension proposals. At these hearings the PBGC's Executive Director stated that despite last year's reforms, the PGBC's financial condition was continuing to decline. The major cause of this decline was the bankruptcy of a few large companies. The pension plans of these companies had large amounts of unfunded liabilities that had to be assumed by the PBGC. The Executive Director also testified that the PBGC had a deficit of about $4 billion and in the current year will pay out more in benefits than income it receives. This situation is not encouraging. Nor is the fact that in Federal bankruptcy cases the PBGC is able to recover about 10 percent of the amounts due it from companies involved in these cases.

At the oversight hearings it was noted that the two groups of pension plans most likely to need the PBGC's financial assistance were those whose assets fell below a specified percentage of its liabilities and those that had large funding waivers.

Among the PBGC reforms recommended at the Oversight Subcommittee hearings were those that would improve the PBGC's status in Federal bankruptcy cases. Reforms of this type were suggested by the PBGC and the General Accounting Office. The bill I am introducing today is such a reform. It will significantly expand the situations in which the PBGC will be treated as a secured creditor in Federal bankruptcy cases. Secured creditor status is very important because it provides the PBGC with a specific asset or assets from which it may satisfy its claims against an employer that has filed under the Federal bankruptcy laws.

The bill allows a security interest to be obtained from the two groups of employers most likely to require the PBGC's financial assistance—employers whose pension plan assets fall below a specified percentage of the plan's liabilities and employers that have received funding waivers from the IRS. More specifically the bill provides that the PBGC may obtain a security interest from an employer that maintains a pension plan whose assets do not equal at least 70 percent of its termination liabilities. The bill also makes significant amendments to the existing provisions of law that allow a security interest to be obtained from an employer that has received a funding waiver from the IRS. First, the bill reduces the $2 million de minimis figure to $250,000. Thus, a security interest cannot be obtained from an employer unless the amount of waived contributions is, in general, at least $250,000. In addition, the bill provides that in the case of funding waivers issued to an employer for amounts between $250,000 and $1 million, the IRS will continue to consult with the PBGC to determine if a security interest should be obtained. Finally, the bill provides that in the case of an employer who has received funding waivers for amounts in excess of $1 million, the PBGC can, without consulting the IRS or Department of Labor, determine if a security interest should be obtained. Currently, the PBGC cannot obtain a security interest on its own. Thus, the bill also expands the PBGC's role in determining if a security interest should initially be obtained.

The practical effects of the bill should be that the PBGC will be able to obtain a security interest earlier and to recover a significantly greater amount of the debts owed it in both bankruptcy and nonbankruptcy related cases. This in turn will help the PBGC to resolve its current financial problems over a briefer period of time. Most importantly, however, the bill provides pension plan participants and beneficiaries with the additional assurance that their plan benefits are being adequately protected.

In summary, the bill expands the PBGC's role in Federal bankruptcy cases in a way that is consistent with its statutory responsibilities of insuring private pension plan benefits.

RHEUMATOID ARTHRITIS AND THE POTENTIAL FOR A CURE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. PORTER. Mr. Speaker, Barbara Matia and her daughter Bethany both suffer from rheumatoid arthritis; both have been helped by antibiotic therapy. Their testimony before the House Appropriations Subcommittee on Labor, Health and Human Services, and Education on this subject should be read by all Members of this body as should the testimony of E. Douglass Reddan, trustee of the Arthritis Institute of the National Hospital.

[The testimonies follow:]

Mr. Chairman, Members of Congress and Staff: I am Bethany Matia and I am 12 years of age.

What is arthritis? Who gets arthritis? How do you know when you have arthritis? Is there a cure for arthritis?

Since my mother was in bed sick with arthritis when I was learning to talk, one of my early questions was will I get arthritis when I grew up?

The question was answered for me last year when I was diagnosed as having active rheumatoid arthritis. I have been hospitalized twice during the year.

When my mother took me out for ice cream and told me I had arthritis—I didn't believe her. The symptoms are hard to understand. No one wants to be different. I always thought I had a headache, the flu and that I was just tired. I slept most days after school and I was not able to handle my school work in fifth grade. I have been treated with nothing but antibiotics this year. My symptoms have all improved and so have blood tests as well as my school grades.

My disease would not be diagnosed if it weren't for my mother and for Dr. Brown. I hope that my visit today will interest you in the infectious theory for arthritis, so that we can help all the children that are in the early stage of arthritis and don't even know they have the disease.

Thank you very much.

Mr. Chairman, Members of Congress and Staff: I am Barbara Matia of Scottsdale, Arizona.

The only thing worse than having rheumatoid arthritis yourself is learning that your daughter has rheumatoid arthritis as well. My daughter's story and mine parallel one another, only I did not learn of Dr. Brown's treatment program, which is based upon the infectious theory of rheumatoid arthritis, until my adult life and until after I was bedridden with arthritis. My arthritis began as a very young child with my first flare beginning in my jaws. I had all the symptoms which Dr. Brown believes are a part of rheumatoid arthritis—pain, weakness, fatigue, anemia, lack of memory, inability to concentrate, irritability and depression. My mental acuity was affected.

I truly lived a half life, yet no doctor was able to diagnose my disease. It was not until my daughter's birth that I was diagnosed as having severe rheumatoid arthritis.

Two years ago I took my daughter to the pediatrician because she had not been feeling well for some time. The doctors thought my daughter might have mononucleosis, valley fever or arthritis, but nothing showed up on her blood test, even after several tests. However, her symptoms persisted and she developed nodules on her wrist. To my pediatrician's credit, he was more than willing to send her blood work to Dr. Brown at the Arthritis Institute in Arlington, Virginia. Dr. Brown called me several days later to tell me that Bethany had active rheumatoid arthritis. If it were not for my having the disease and understanding all of the symptoms, Bethany's arthritis might not be diagnosed today. She was in the hospital at this time last year for her first treatment with intravenous antibiotics, followed by oral antibiotics at home.

All of her symptoms have improved. She is alert and feeling much better rather than just coping with life.

Bethany's and my story are not unique. I cannot begin to tell you how many patients are sent to the Arthritis Institute who could not be diagnosed by their physician or rheumatologist.

There are two significant questions that can no longer be left unanswered because the answers to these questions could bring hope to the 37,000,000 arthritis in our country.

First, what is Dr. Brown doing to detect rheumatoid arthritis that permits him to diagnose it earlier than the diagnoses achieved through the standard blood tests for rheumatoid arthritis? One test he uses that is not used elsewhere is a mycoplasma antibody test. A positive mycoplasma antibody test indicates that appreciable levels of mycoplasma are present. Under Dr. Brown's theory of the disease, appreciable levels of mycoplasma would suggest that rheumatoid arthritis is developing. The fact that these early diagnoses are later confirmed by the more widely used tests for rheumatoid arthritis would in itself suggest a connection between mycoplasma and rheumatoid arthritis. But whether or not this is the case, the test has proven to be a reliable early indicator of rheumatoid arthritis.

The second question that can no longer be left unanswered is why, if the antibiotic treatment program is so significant that it allows the arthritic sustained control and even a reversal of the disease, is the treatment program not spreading across our country like hotcakes? It is because the source of the infection has not been confirmed. And there are very definite reasons why this has not happened.

First, while Dr. Brown isolated the mycoplasma organism in 1937 and has done so intermittently since then, the isolation of the organism on a regular basis is difficult. It is also hard to grow in culture or to demonstrate on a regular basis outside of the body. Therefore, it will take years of further research to fully understand the workings of the infectious agent.

Second, the discovery of cortisone blocked the infectious theory for decades. Everyone thought the cure was at hand. Years of research went into purifying cortisone to try to eliminate its terrible side effects. It has since been discovered that cortisone blocks the body's immune system reaction but does nothing to stop the progress of the disease. But all those years were lost.

Third, while interest in the infectious theory returned in the late 1960's, that interest was snuffed out as a result of the Boston Study of tetracycline as a treatment for rheumatoid arthritis. Although it is acknowledged today that the study was improperly formulated, the study showed no effect from the tetracycline and the medical community has been reluctant to revisit the infectious theory every since.

Finally, because of lack of funding for research into the infectious theory for the reasons set forth above, Dr. Brown pursued the treatment program for the disease based upon his belief that the cause was an infectious agent.

Therefore, while Dr. Brown has an important lead that an infectious agent is the cause, most rheumatologists refuse to try the antibiotic treatment program where the infectious agent is not confirmed even though they will give cortisone and other "accepted" remedies before any cause is confirmed.

Dr. Brown's fifty years of research and clinical experience make him the most knowledgeable doctor in the country today with respect to the infectious theory of rheumatoid arthritis. Dr. Lawerence Shulman, Director of the new Arthritis Institute of the National Institutes of Health, has said "Dr. Brown has made his mark with the antibiotic treatment program." While that statement represents significant progress, there has still been no action to make the antibiotic treatment program available to the nation's arthritics.

In 1983, when I first testified before this subcommittee, I quoted to you from a 1972 statement of the then head of the NIADDK that "heartening progress was being made in determining the cause of rheumatoid arthritis." Four more years have now gone by and from the standpoint of the rheumatoid arthritic, nothing new has been offered them except methatrexate which can have results worse than the disease. Four times this subcommittee has asked the NIADDK to take positive steps to explore the antibiotic treatment program of the Arthritis Institute. Twice during that period the NIADDK turned down a grant application to fund a clinical trial of that program.

After the experience I have had with my daughter, I am convinced now more than ever that the arthritic does not have to live a half life and that a treatment program to return the other half of life to the arthritic is currently available. This subcommittee can make the difference!

Thank you very much.

STATEMENT OF E. DOUGLAS REDDAN, TRUSTEE OF ARTHRITIS INSTITUTE OF THE NATIONAL HOSPITAL, ARLINGTON, VA

Mr. Chairman, for several years now you have suggested that NIH give serious consideration to the antibiotic therapy for rheumatoid arthritis of which Dr. Brown and his colleagues at The Arthritis Institute are the principal proponents. You have recommended support of a clinical trial to determine its efficacy as a non-toxic control for this most crippling disease.

No such support has come forth.

I will be brief in offering the following comments.

All presently approves therapies for rheumatoid arthrities are as hard, if not harder, on the patient as the disease itself—the world's worst and most painful crippler. The most commonly used drug, gold salts, is listed as the most lethal of all prescription drugs. The newest drug to appear on the scene and recently mentioned by NIH as having great efficacy is methotrexate, another killer.

One half billion dollars of federal research funds have been spent on arthritis. Nothing has come out of this vast expenditure, except extremely toxic, life threatening therapies.

Dr. Brown's non-toxic antibiotic therapy has been successfully used on thousands of rheumatoid patients—a good number holding top positions in the federal government. Still it is not approved and nothing is being done by NIH to determine if it should be.

This obvious dichotomy came about because of a bad call by NIH in 1971 in support of a Boston study which purportedly disproved Dr. Brown's infectious etiology theory for rheumatoid arthritis. This bad call was not reversed until 2 years ago, during which period no federal funds were available to Dr. Brown. In effect he became a pariah because he persisted in pursuing the infectious theory approach both in his research and in his treatment of patients despite the NIH's position. Not a pariah to his patients however.

Last year Dr. Shulman, Director of NIAMS, thanked Dr. Brown for his persistence in arousing new interest in the infectious theory. None the less no support has come forth and all his work since 1971 has been underwritten solely by patient contributions—some three million dollars' worth.

The recent rejections of his clinical trial and research grant applications by peer review committees confirm to me however that his status is still that of a pariah to his profession for taking a position contrary to the accepted thought.

Reasons were given of course, for the rejections. Reasons can always be found. I saw no evidence among those reasons, however, of any awareness of the criticalness of the patient's problems. Or how terribly poorly all past research millions have been spent however well they passed the peer review committees. I came away from reading the rejection slips with the distinct feeling that research for research's sake had won and the patients had lost. I seriously doubt that that was what the National Institutes of Health were estalbished for by Congress.

By way of an epilogue I recently came across a quotation by Voltaire which I would like to share with you: "It is dangerous to be right in matters on which the established authorities are wrong."

Thank you Mr. Chairman for allowing me this opportunity to express my personal thoughts on a matter of great importance to me, my family and millions of helpless arthritics who look to you as their source of help.

THE REGULATORY FAIRNESS ACT

HON. TERRY L. BRUCE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. BRUCE. Mr. Speaker, today I join my colleagues to introduce the Regulatory Fairness Act of 1987. This bill, which amends the Federal Power Act, is intended to protect electric consumers all across the country from unfairly high electric rates, and to ensure that they receive timely, full relief from rates that are unjust and unreasonable.

Electric rates, like the prices of other services and goods, go up and down in response to a number of factors that affect the utility industry: interest rates, construction costs, wages, fuel costs and tax rates. When costs for the utilities go up, they are entitled to a speedy rate increase to reflect that fact. And when costs go down, as they have been for the last couple of years, the consumers are entitled to a rate decrease.

The law does not give consumers speedy relief. This legislation would.

The Federal Regulatory Commission is the agency that determines just and reasonable rates for wholesale electricity, and it also has the responsibility to adjust those rates up or down to respond to changes in the cost of doing business. Since FERC is charged with making sure that rates are fair for both the companies and the consumers, you would think they would have the power to make timely rate adjustments in both directions: up and down, rate increase and decreases. Unfortunately it isn't true: there isn't a level playing field and the party that gets hurt is the electric consumer.

Here's the problem: Under the Federal Power Act, if a wholesale supplier files for a rate increase under section 205 of the act, the company sees almost instant relief. FERC must let the new rate to go into effect after a suspension period of from 1 day to 5 months.

On the other hand, if a wholesale customer seeks a rate decrease under section 206 of the act, the new act can go into effect only prospectively, after the entire FERC regulatory examination is completed and FERC has made a final determination. That process can take years.

Today, there are several factors that indicate that wholesale electric rates may be too high. Interest rates are down, utility construction programs are down, fuel costs are down, and the corporate tax rate for utilities has been reduced from from 48 to 36 percent. Yet, because the relief available to wholesale customers is so limited, and because section 206 proceedings are so time consuming and so costly, wholesale customers have little incentive to pursue rate decreases.

Under current law, a purchasing utility that chooses to file a section 206 complaint could spend time, money and effort to put on its case * * * win a rate decrease 2 or even 3 years later, only to have the seller go into FERC the very next day to file for a rate increase, alleging that economic conditions had changed considerably over the period of the regulatory process. That new rate increase could go into effect immediately—effectively nullifying the decrease.

Today we are introducing legislation to remedy the inequity that exists under the Federal Power Act. We want to make sure that consumers of utilities that buy wholesale power are given the same procedural rights and the same opportunity for relief that shareholders of wholesale suppliers enjoy. Our bill makes a one paragraph addition to section 206 of the Federal Power Act. That paragraph directs FERC to set a refund effective date for section 206 rate decrease complaints. If, after completing its investigation and proceedings, FERC decides that a wholesale electric rate is too high, the decrease can go into effect from the time the purchasing utility sought relief: the refund effective date. Nothing in this legislation changes FERC's authority to determine the just and reasonable rate. Nothing in this bill gives consumers any more than they are entitled to. The purpose of our bill is merely to ensure that consumers get full, fair, timely relief from electric prices that are too high.

Mr. Speaker, there are more than 900 local, publicly owned electric systems and more than 500 rural electric cooperatives that purchase all or part of their electric power from investor-owned electric utilities whose rates are regulated by the FERC. In addition, a number of investor-owned utilities are wholesale customers of generating utilities whose rates fall under FERC jurisdiction. This bill will provide important, equitable relief for the millions of consumers served by all utilities—public, private, and cooperative—that depend on wholesale power purchases to serve their loads. Utilities are protected when costs go up —consumers should be protected when costs go down.

REGULATORY FAIRNESS ACT

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. MARKEY. Mr. Speaker, I am pleased to join my colleagues Mr. BRUCE and Mr. GEJDENSON today in introducing legislation which will correct a very costly wrong inflicted upon millions of electric consumers all over the country.

The Federal Energy Regulatory Commission is empowered to determine rates for wholesale electricity and to adjust those rates in response to changes in underlying costs. While FERC approved increases in wholesale rates take effect almost instantaneously, decreases go into effect only after a long drawn out process of examination and review by FERC which can take years. In the race for rate changes, the producers get to run on the inside track while the consumers aren't even allowed off the starting block.

The Regulatory Fairness Act of 1987 which we are introducing today amends section 206 of the Federal Power Act to ensure equal treatment for consumers and producers. If a rate decrease is sought by electric consumers and is granted, the decrease would become effective from the date which purchasers began the process. Refunds would be effective from that date. This change in existing regulations doesn't provide any special treatment for consumers, it simply puts producers and consumers on the same track for consideration of rate changes.

STATE-SUPPLIED COLLIDER FUNDS SHOULD BE A FACTOR

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. FIELDS. Mr. Speaker, the Senate recently passed an amendment to the supplemental appropriations bill which prohibits the Department of Energy from considering financial incentives by States when deciding where to locate the proposed superconducting super collider. More recently, the House followed suit—allowing the so-called Domenici amendment to remain in the supplemental appropriations bill.

Mr. Speaker, these developments disturb me.

The Federal Government should be encouraging financial aid from the States in this project, not discouraging State financial aid. State aid in funding construction of the super collider would greatly reduce the cost of the project to the Federal Government—and in these budget conscious times, such aid would help reduce the Federal budget deficit as well. The willingness of a State to assist in meeting the construction costs of this massive project demonstrates that the State is serious about serving as home to the super collider, and so such aid ought to be considered when it comes time for the Department of Energy to choose a site for the super collider.

The issue here is not one of small States versus large States. The issue is how to get the best possible deal for America's taxpayers.

The best way to get the best possible deal for America's taxpayers is to locate the super collider in Texas. In addition to Texas' offer to provide up to $1 billion in financial incentives if the super collider is located in our State, Texas' two proposed SSC sites boast an impressive list of technical advantages in the super collider sweepstakes.

The two Texas proposals boast a variety of geological and technical advantages which include low construction costs; favorable geological formations with minimal seismic activity or hydrological impact; minimal environmental or social impact; and adequate water and power capabilities to sustain the super collider. In addition, the two proposals boast an impressive list of socioeconomic advantages, including the availability of superior transportation facilities; minimal displacement of residents and businesses; the close proximity of outstanding school systems and institutions of higher education; the presence of top-quality medical facilities and cultural centers; and low land-acquisition costs.

Regardless of which State receives the bid to host the super collider, the Government has a responsibility to build it at the lowest cost possible to the Federal Government.

I believe that aid provided by the States should be factored into the total equation when deciding where the super collider should be located. I regret that Congress now is on record as disagreeing with me.

PERSONAL EXPLANATION

HON. JAMES McCLURE CLARKE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. CLARKE. Mr. Speaker, on Friday, June 26 and Monday, June 29, 1987, I was necessarily absent for several votes. I would like to make clear my position on those measures considered by the House.

On the Parris amendment to H.R. 2713, the fiscal year 1988 District of Columbia Appropriations Act, rollcall No. 220, I would have voted "nay."

On the Dornan amendment to H.R. 2713, the fiscal year 1988 District of Columbia Appropriations Act, rollcall No. 221, I would have voted "yea."

On the Parris amendment to H.R. 2713, the fiscal year 1988 District of Columbia Appropriations Act, rollcall No. 222, I would have voted "nay."

On final passage of H.R. 2713, the fiscal year 1988 District of Columbia appropriations Act, rollcall No. 223, I would have voted "yea."

On the DioGuardi amendment to H.R. 2714, the fiscal year 1988 Legislative Appropriations Act, rollcall No. 224, I would have voted "nay."

On the Lewis amendment to H.R. 2714, the fiscal year 1988 Legislative Appropriations Act, rollcall No. 225, I would have voted "nay."

On the Walker amendment to H.R. 2714, the fiscal year 1988 Legislative Appropriations Act, rollcall No. 226, I would have voted "nay."

On the Carper amendment to H.R. 2714, the fiscal year 1988 Legislative Appropriations Act, rollcall No. 227, I would have voted "nay."

On the Swindall amendment to H.R. 2714, the fiscal year 1988 Legislative Appropriations Act, rollcall No. 228, I would have voted "nay."

On final passage of H.R. 2714, the fiscal year 1988 Legislative Appropriations Act, rollcall No. 229, I would have voted "yea."

THIS IS YOUR ONCE IN A LIFETIME CHANCE TO VOTE AGAINST AN UNNEEDED WAR

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. BENNETT. Mr. Speaker, I am seeking cosponsors for my amendment on not reflagging Kuwaiti ships. It amends the Coast Guard bill and is set out hereunder.

There is nothing that reflagging lets us do that we cannot do without reflagging. But reflagging does allow an enemy country or even a terrorist to give us the sad choice of going to war or suffering humiliation because of not responding to the sinking of such a ship. "Remember the *Maine*" and how its blowing up by some Cubans put us to war against Spain?

The Constitution provides that only Congress can put us in a war; yet unwise Presidential actions can effectively put us in war contrary to the principles of the Constitution and against the desires of Congress and of the people of our country.

The President raises the threat of Soviet reflagging and this amendment allows him freedom under those circumstances. This amendment is necessary to prevent our country from backing into a war against the national welfare and our constituents' desires. Note the retroactive reflagging section. Please help in this reaffirmation of our oath to sustain the Constitution which gave Congress sole responsibility to put our Nation to war.

Mr. Speaker, I have been in Congress almost 40 years. As a former infantry soldier of World War II, I had hoped never to vote for going into war. Yet, I voted for the Korean and the Vietnam wars because I thought there was reason for both. There is no reason for the United States to become a belligerent in the Persian Gulf. We can protect the sea lanes there without reflagging; while reflagging takes us well along the road to war. My amendment reads as follows:

AMENDMENT TO H.R. 2342, AS REPORTED OFFERED BY MR. BENNETT OF FLORIDA

Page 22, after line 11, add the following new section:

SEC. 26. REDOCUMENTATION OF PERSIAN GULF VESSELS

(a) PROHIBITION.—The Secretary of the department in which the Coast Guard is operating shall not issue a certificate of documentation under chapter 121 of title 46, United States Code, for a vessel which is beneficially owned by a country bordering on the Persian Gulf or by a national of any such country.

(b) CANCELLATION OF CERTAIN REDOCUMENTATION.—The Secretary of the department in which the Coast Guard is operating shall, 20 days after the date of the enactment of this Act, cancel any certificate of documentation issued after June 1, 1987, but before the date of the enactment of this Act under chapter 121 of title 46, United States Code, for a vessel which was, on June 1, 1987, owned by the government or nationals of a country bordering on the Persian Gulf.

(c) EXCEPTION.—This section shall cease to apply if the Soviet Union enters into an agreement with any country bordering on the Persian Gulf to allow the vessels of that country to operate under the Soviet flag.

GLASNOST: HOW FAR?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. MICHEL. Mr. Speaker, the idea of glasnost or openness has become the most important idea in the Soviet Union since the thaw which came about under Khrushchev when the early works of Alexander Solzhenitsyn were published in the Soviet Union.

But how far is Mr. Gorbachev willing to go with this idea? We are told he is being fought by entrenched Communist bureaucrats. This is probably true. But Mr. Gorbachev faces a problem that has nothing to do with bureaucrats. If glasnost means anything, it has to mean that the rulers of the Soviet Union have to allow open publication of views that criticize the Government and the party. The claim of the Communist Party to be the vanguard party for all the people and therefore to be beyond criticism of its official policies—as announced by the Central Committee—is at the very heart of the Communist system. If Mr. Gorbachev questions that claim, glasnost will become a reality; if he does not, we have simply another one of those Russian "Potemkin villages" that have long deceived the West.

At this point, I wish to insert in the RECORD, "Dissident Journal Tests Gorbachev on 'Glasnost' ", by Bill Keller, in the New York Times, Sunday, June 28, 1987.

[From the New York Times, June 28, 1987]

DISSIDENT JOURNAL TESTS GORBACHEV ON "GLASNOST"

(By Bill Keller)

MOSCOW, June 27.—A group of dissidents and freed political prisoners has published the first issue of a new, unofficial journal of news and opinion and has asked the Soviet Government for permission to distribute copies in the Soviet Union and abroad.

The magazine, called Glasnost, in honor of Mikhail S. Gorbachev's proclaimed policy of freer expression, is apparently the first privately controlled periodical to be published openly in the Soviet Union.

The 56-page inaugural issue, reproduced using typewriters and carbon paper for lack of a printing plant, is being withheld from distribution until early July to give Soviet officials a chance to react.

Sergei Grigoryants, a literary critic released from prison in February after serving four years for his work on a clandestine human-rights journal, is the editor. He said 50 to 100 copies of the first issue would be distributed next month, whether or not the group received the requested permission.

"We hope to do it with permission," he said. "But we will do it anyway."

INSPIRED BY GORBACHEV

What sets the publication apart from "samizdat," or "self-published," newsletters that have long been part of the dissident underground is that the organizers, inspired by Mr. Gorbachev's call for greater openness, have set out to do everything out in the open.

Mr. Grigoryants has notified the Communist Party Central Committee in writing of each step, including a planned news conference to inaugurate the magazine. On June 19, he sent officials copies of the first issue.

It includes a reprint of an article by Andrei D. Sakharov, who Mr. Grigoryants said had agreed to appear at the news conference. Dr Sakharov's article is an appeal for revisions in the Soviet Criminal Code and for release of political and religious prisoners.

The issue of Glasnost also includes an article describing the growth of unofficial political discussion clubs in Moscow, reports on the Ukrainian Catholic Church and the underground human-rights organization Moscow Trust Group, and an annotated list of prisoners serving in Chistopol Prison, where Mr. Grigoryants was imprisoned until February.

Mr. Grigoryants said he and his collaboraters hoped to publish the magazine 36 times a year and would concentrate on problems that the official press overlooks, including human rights, emigration, prison conditions and religious affairs. Political and cultural reports will also be included.

He said the organizers of the magazine had been offered financial support from both Soviet and foreign investors who wanted to reprint the magazine in Europe and the United States.

Mr. Grigoryants says he sees the undertaking as a test of liberalization under Mr. Gorbachev.

In a recent letter to the Central Committee, Mr. Grigoryants proposed to organize his magazine under a new law permitting individuals to start small-scale businesses. The law does not envision publishing ventures, but it does not rule them out, either.

GROUP ALSO PLANS PRESS CLUB

In addition to the magazine, Mr. Grigoryants said the and several friends planned to begin what he called a press club for free discussion of current events with public officials. In July, he said, the group will invite Soviet officials to discuss cases of would-be émigrés who have been denied permission to leave the country because they once had access to secret information.

Mr. Grigoryants acknowledges that without official authorization to hire printers and to buy paper, it will be extremely difficult to expand Glasnost beyond a limited circulation. He does not seem optimistic about getting active Government support but said, "We do hope that at least we can proceed without persecution."

DEPARTMENT OF JUSTICE DELAYS WHILE ATV DEATHS AND INJURIES MOUNT

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. FLORIO. Mr. Speaker, last December, in response to the growing number of deaths and injuries from all-terrain vehicles [ATV's] the Consumer Product Safety Commission [CPSC] voted to ask the Justice Department to initiate enforcement action against the manufacturers of ATV's. The CPSC formally requested the Department to take action in early February. It is now more than 4 months later, and nothing has been done. Yet, based on CPSC estimates, there have been over 80 deaths and 28,000 injuries related to ATV's since then.

The following article from the Legal Times reveals that it may take up to 8 months for the Department to act. In the meantime, the deaths and injuries continue:

BIG WHEELS LINE UP FOR ALL-TERRAIN SHOWDOWN

(By Pamela Brogan)

Last December, the Consumer Product Safety Commission, alarmed by the deaths and injuries associated with some all-terrain vehicles, took a rare and bold action. In a closed meeting, the commission decided by a 2-1 vote that all three-wheeled ATVs and adult-size vehicles purchased for children less than 16 years old were "imminent hazards" under the law.

The commissioners also voted to ask the Justice Department to represent it in a civil action against the industry to initiate a voluntary recall of such vehicles. CPSC Chairman Terrence Scanlon cast the lone dissenting vote.

The commission's action was extraordinary because it had been 10 years since the CPSC took an industry to court over a hazardous product. In 1977, the CPSC took on the aluminum wire industry, but the commission lost its case in 1982 on jurisdictional grounds.

But the ATV industry, which manufactures three and four-wheeled vehicles used for farming and recreation, seemed a prime target for government action. According to the CPSC, at least 20 deaths and 7,000 injuries per month are associated with ATV's. The agency also says that in 1985 alone, 85,900 ATV-related injuries were treated in hospital emergency rooms.

Adding fuel to the ATV controversy, CBS News' popular television program. "60 Minutes," spotlighted the many head and spinal injuries suffered by ATV riders whose vehicles unexpectedly tipped over.

Yet almost six months from the day the commission moved to take action against ATV manufacturers, neither the CPSC nor the Justice Department has sought any enforcement action. In fact, the Justice Department has yet to decide whether it will even agree to pursue the CPSC's case in court.

"The bottom line is that nothing has been done," fumes Rep. James Florio (D-N.J.), chairman of the Subcommittee on Commerce, Consumer Protection, and Competitiveness. "The political types at the Justice Department are doing what they want to do, which is nothing," asserts Florio.

ATV manufacturers, mindful of potentially whopping liability claims, are doing plenty to ensure that they get their viewpoint across at the Justice Department.

In early February, just days after the commission's vote was leaked in the *Product Safety Letter,* a Washington-based trade publication, Honda North America hired the D.C. powerhouse firm Wilmer, Cutler & Pickering. Name partner Lloyd Cutler was tapped by the U.S. subsidiary of the Japanese company, which commands 70 percent of the U.S. ATV market, to represent the industry before the Justice Department to try to negotiate an out-of-court settlement, according to firm sources.

"It was a very significant move for Honda to retain Cutler," says Toni Harrington, manager of government and public relations for Honda North America in D.C.

Even lawyers who represent plaintiffs injured by ATVs acknowledge that the industry showed savvy by hiring Cutler.

"He knows how to get in doors and what buttons to push," says Sidney Gilreath of Nashville's Gilreath & Associates. Two years ago, Gilreath formed the ATV Litigation Group, a coalition of 110 plaintiffs' lawyers who represent clients injured by ATVs.

Honda's regular outside counsel in D.C. Schmeltzer, Aptaker & Sheppard, helped bring Wilmer, Cutler onto Honda's legal team. Anticipating that the Justice Department would take his client to court. Schmeltzer, Aptaker partner Michael Brown, a former CPSC general counsel, says he recommended to Honda that executives hire Cutler.

"To the extent that this case goes to trial, we had to have some help." says Brown.

Cutler, former White House counsel under President Jimmy Carter, is widely regarded for his lobbying on behalf of the auto and pharmaceutical industries as a consummate litigator/dealmaker. He is working on the ATV case with Wilmer, Cutler partner Howard Willens, a former depty assistant attorney general in the Justice Department's Criminal Division.

Other ATV manufacturers, worried that an enforcement action was in the works, have also lined up D.C. counsel. U.S. Suzuki Motor Corp. retained Harry Cladouhos, a partner in the D.C. office of San Francisco's Pettit & Martin. Kawasaki Motors Corp. hired Mark Gerchick of the D.C. office of Los Angeles' Paul, Hastings, Janoksky & Walker. And William Barringer of the D.C. office of New York's Wilkie, Farr & Gallagher was retained to spearhead Yamaha Motor Corp. U.S.A.'s defense.

CUTLER ARRANGES KEY MEETING

In the lead role for the ATV industry, Cutler and Willens went into action quickly. Cutler arranged for a meeting at the Justice Department on May 20 that included industry counsel, including himself, CPSC General Counsel James Lacey, two CPSC staff attorneys, and Leonard Goldstein, an attorney in the agency's Litigation Division. Justice Department lawyers present were Deputy Assistant Attorney General Robert Cynkar of the Civil Division, and David Anderson and Stephen Hart, who both work for Cynkar.

According to one source, Cutler was paraded into the meeting to deliver a simple message: ATVs don't pose an imminent hazard. "He was clearly the chief spokesman for industry and everyone knew who he was, a super-lawyer like that." says the source.

Cutler declines to comment on the meeting or on his work for the industry.

The real purpose of the meeting, though, was to open the door to settlement.

"We'd like to work out a settlement that would serve all interests." says Willens. "In that spirit, we would like to negotiate with Justice."

During the meeting, according to one source in attendance, Cynkar told Cutler he disagreed with the industry's arguments, but would discuss the possibility of settlement negotiations with the CPSC.

"All the major players were there to see if there was any common ground before we go to war," observes one industry lawyer.

Since the meeting, there has been little action on the ATV front. According to serval sources, Justice has told the CPSC it will launch a case against the industry, but that the department may take up to eight months to file the suit because of its complexity. Justice Department spokesman Patrick Korten declines comment.

The prospect of such a delay outrages ATV opponents. Theodore Jacobson, counsel to the House Commerce, Consumer, and Monetary Affairs Subcommittee, which held the first congressional hearings on ATVs in 1985, charges the Justice Department is "trying the entire case on paper."

According to Jacobson, Rep. Douglas Barnard Jr. (D-Ga.) is prepared to introduce a bill to require the CPSC to initiate a case on its own if the Justice Department does not take quick action. Honda's lawyers—Wilmer, Cutler and Schmeltzer, Aptaker—have registered as lobbyists to oppose such legislation.

Within the CPSC itself, there are complaints about delay, even charges that Chairman Scanlon, who opposes an enforcement action against the ATV industry, has tried to sabotage the case.

Earlier this month, Commissioner Anne Graham, in a memo to Scanlon released during recent congressional hearings, said she was "appalled" by Scanlon's attempts to "undermine and frustrate the decision of a majority of the commission on the ATV enforcement matter." She took issue with his decision to remove two experienced attorneys from the case, charging that their removal will "adversely impact our case."

The two CPSC attorneys, Philip Bechtel and Susan Birenbaum, had been instrumental in developing the CPSC enforcement action and had been present at the May meeting with Cutler and other industry officials at the Justice Department.

Bechtel, who is now a lawyer with the Federal Energy Regulatory Commission, says his departure from the CPSC was planned and had nothing to do with his removal from the case. He adds, however, that he offered to stay at the agency until the case was wrapped up.

"It was clear that they didn't want me to work on ATVs, so I took the job at FERC," he says. Birenbaum could not be reached for comment.

Scanlon denies that he removed the lawyers to weaken his agency's case, calling such charges "ludicrous." Scanlon also maintains that the two lawyers were replaced with "more experienced" agency attorneys, although he admits they are not expert in ATV matters.

But Scanlon derides the notion that CPSC lawyers must be familiar with ATVs to litigate effectively the agency's case. "Does Lloyd Cutler have any experience with ATVs?" he asks.

At a congressional hearing last month, however, Rep. Florio had Scanlon on the hot seat. Florio charged that Scanlon attempted to put into the public record a confidential and restricted legal memorandum from the CPSC Office of General Counsel during the hearing.

The document, written in 1985, suggests that the CPSC was required to compare the risks of ATVs with those of such other vehicles as snowmobiles and motorcycles before determining that ATVs are hazardous.

In a letter to the agency, Florio argued that it was "highly questionable whether such comparative data would be relevant," adding that CPSC General Counsel Lacey testified that there is no statutory requirements for comparative data.

Florio charges that if the document had been released as Scanlon planned, it could have undermined the commission's entire enforcement action by giving the industry more ammunition. But the memo was never released, becase Florio refused to make it part of the public hearing record.

Scanlon says he offered to enter the memo into the hearing record on a restricted basis "to clarify the record."

HUNDREDS OF PLAINTIFFS

Meanwhile, plaintiffs' lawyers charge that the foot-dragging and bureaucratic wrangling in Washington plays into the hands of industry and hurts consumers. Gilreath, head of the ATV plaintiffs' lawyers group, believes that the industry's legal strategy is to "keep the government's nose out of the problem for as long as they can."

Gilreath maintains that if the Justice Department takes the industry to court, a ruling that ATVs are an imminent hazard could prove devastating to manufacturers, who are trying to fend of hundreds of suits. Also, an imminent-hazard finding could trigger a costly recall.

Gilreath estimates that Honda has about 300 ATV-related personal injury complaints pending against it involving damage claims averaging $1 million per case.

"The message that the industry wants you to believe is that people who get hurt on these things are idiots," says Gilreath, who is now negotiating with Honda in 10 personal injury cases.

"They say the vehicles are being misused or that people are drinking," Gilreath says. "Sure, in some cases that's true, but others are not misusing them. What happens is that the vehicle unexpectedly bounces and turns over unexpectedly, oftentimes causing spinal and head injuries."

Douglas Somers of Los Angeles Somers, Hall, Verrastro & Kern, who represents Honda in product liability cases, says it is "reasonable" to estimate that more than 300 personal liability cases are pending against Honda. He maintains, however, that Gilreath's estimate of $300 million in potential claims "sounds a bit high."

Whatever the true amount of potential claims, Honda and the other manufactuers have a tremendous amount riding on what happens in Washington.

That is why Willens and Cutler are trying to buy time to reach a settlement.

"There's no doubt about it," admits Willens, "a judicial ruling declaring ATVs imminent hazards would have an impact on pending product liability cases."

LILIANE SHALOM: BEACON OF HOPE, CRUSADER FOR PEACE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. SOLARZ. Mr. Speaker, it is my great pleasure to pay tribute today to the work of Liliane Shalom, a truly extraordinary individual whose dedicated efforts to expand the dialog between the the Arab and Jewish communities are unsurpassed. Indeed, her work was recently given well deserved recognition by King Kassan II of Morocco, who awarded her the rank of Commander of Ouissam Alaouite, which is the order of the royal dynasty of Morocco.

I met Liliane through her husband, Steve, who has been my dearest friend for many years and whose own achievements in Middle Eastern affairs have been nothing short of miraculous. Steve's tireless and compassionate efforts on behalf of Syrian Jewry—perhaps the most imperiled community in the world—have inspired and guided my work in that area for over a decade. Ten years ago, I had the honor of working with Steve to help bring 12 young Syrian Jewish women to the United States so they could fulfill the sanctity of marriage. Without Steve's extraordinary diplomatic skills, his patience, and his persistence, the Syrian brides would never have been delivered from the darkness of oppression to the joys of freedom and love.

In the time I've known Liliane, I have had the deep privilege of witnessing firsthand her steadfast diligence in promoting peace and mutual understanding between Arabs and Jews—two communities whose history, sadly, has been one marked by bitterness and division rather than by brotherhood and cooperation.

It is through the visionary efforts of someone like Liliane, however, that hope for an eventual peace in the troubled Middle East can be sustained. By serving as an ambassador of goodwill between these two communities, Liliane helps to bridge the gulf which needs to be crossed in order to arrive at the day when the Arab States and the Jewish State will be able to live side by side in the absence of bloodshed and ill will.

While many another might give in to despair, Liliane's strength and courage enable her to persist in her tireless efforts and to serve as a beacon of hope to all those who share her desire to bring these two communities closer together.

In order to express my personal appreciation to Liliane for her efforts and to inform all of my colleagues of her work, I would like to include an article about the tribute given to her by King Hassan and which appeared in the Washington Jewish Week.

This article also, I might mention, serves to remind us of the special relationship which the United States and Morocco share. Morocco has been one of most reliable and longstanding friends the United States has had since its very birth as a nation. Indeed, our two countries will soon be celebrating the 200th anniversary of the Treaty of Peace and Friendship, which is, significantly, the longest unbroken treaty in the history of our country. Given the volatile nature of this region, this fact is of no small import.

The achievement of peace requires leaders with vision and courage to transcend the tactical obstacles of the moment, in order to seize the strategic objective of reconciliation. It requires leaders who recognize that within the context of confrontation nothing is possible, but within the context of conciliation everything is possible.

King Hassan surely embodies these qualities.

He has long been recognized as a world leader who is sincerely dedicated to achieving peace and to developing improved relations between the Arab and Jewish peoples. Last July, for example, he displayed the type of leadership that has made him an inspiration to all those who seek peace by meeting with then-Israeli Prime Minister Shimon Peres.

As a result of many of his efforts, the experience of the Jewish people in Morocco, which has not only survived but has prospered in an Arab country, is proof that normal relations between Jews and Arabs are possible.

Just as the Government of Morocco clearly has a role to play in the search for a peaceful solution to the Arab-Israeli conflict, so too does the Moroccan Jewish community have a unique potential to enhance the relationship between these two peoples.

As a leader of the Sephardic Jewish community in the United states, Liliane Shalom exemplifies that potential.

SEPHARDIC WOMAN RECEIVES MOROCCAN AWARD

King Hassan II of Morocco last Sunday awarded the rank of Commander of the Ouissam Alaouite—the order of the royal dynasty of Morocco—to a leader of the Sephardic Jewish community in the United States.

Moroccan Ambassador M'hamed Bargach presented the award at the luncheon in his home to Liliane Shalom of New York, a native of Casablanca who immigrated to the United States at the age of 20.

In presenting the five-pointed gold-and-ceramic star emblematic of the award, Ambassador Bargach told Mrs. Shalom: "You have been faithful to your Moroccan heritage, you have demonstrated your love and loyalty to your native land and you have supported the efforts of His Majesty, King Hassan II, to promote the cause of peace in the Middle East."

In reply, Shalom recalled how the present King's father—Mohammed V—had refused the demand to turn over his Jewish subjects to German occupation forces in Morocco after the fall of France during World War II.

"I owe my life to the Alaouite dynasty," she said, "as do 300,000 of my co-religionists whose lives were spared because of the King's courage. Instead of being a victim, I was blessed with three cultures—Jewish, Arab and French."

Shalom, 47, is active in United Jewish Appeal and other Jewish community activities. She is a former president of the American Sephardic Federation and currently serves as U.S. vice president of the *Rassemblement Mondial du Judaisme Marocain* (World Assembly of Moroccan Jews), founded in 1985 "to serve as a bridge between the Arab and Jewish peoples, to bring closer the day when the Arab states and the Jewish state will live in peace."

REGARDING SAVINGS BANK LIFE INSURANCE

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. KENNEDY. Mr. Speaker, among our aims in this Congress is to recognize and help to preserve undertakings which history and experience have proven to be tried and true. A perfect example of such a development is a product offered by savings banks in Massachusetts, New York, and Connecticut, known as Savings Bank Life Insurance [SBLI]. It was Massachusetts Attorney Louis Brandeis, later an Associate Justice of the U.S. Supreme Court, who developed SBLI to fill the need for low-cost life insurance for working families. Recognizing that this product could be marketed through a network of savings banks already existing in Massachusetts, Brandeis succeeded in getting legislation passed that would allow people to purchase life insurance through these banks. New York followed suit in 1938, and Connecticut did so in 1941.

SBLI offers consumers a number of advantages. First, it is a low-cost product. SBLI is consistently rated by consumer publications as being among the lowest-cost life insurance products available. The consumer savings with SBLI are enhanced by the low sales costs resulting from offering the product over the savings banks' counters. Second, Massachusetts SBLI pays among the highest dividends in the country and begins these payments after only the first anniversary of the policy. Third, cash and loan values of SBLI begin on all level-premium, permanent policies after 1 year. Fourth, SBLI offers just about every coverage available from commercial companies. There can be no question that the 1.5 million current policyholders in Massachusetts, Connecticut and New York, with approximately $18 billion of policies in force are well served by this consumer product.

Recently, however, the continuation of using savings banks as outlets for SBLI has been threatened by questionable Federal bank regulations. Many savings banks are now raising capital by converting from mutual to stock form using the holding company format. When savings banks reorganize as holding companies, they must register with the Federal Reserve.

Until recently, the Federal Reserve has not attempted to regulate the activities of State-chartered banks which are subsidiaries of bank holding companies. In fact, it has always been thought that under the so-called dual banking system Congress intended to leave the definition of the powers of State-chartered banks to the chartering States. However, in recent months, at the urging of some in the insurance industry, the Federal Reserve has conditioned approval of bank holding company applications upon the divestment by the banks of their SBLI activities. Caught in the middle of a stock conversion, the affected savings banks have had little choice but to submit to this condition.

This past week, I joined Representative BARNEY FRANK of Massachusetts, Representatives JOHN LAFALCE and GEORGE WORTLEY of New York, Representative NANCY JOHNSON of Connecticut and others of my colleagues in the Massachusetts, New York, and Connecticut delegations in a letter to the Federal Reserve urging it to reconsider its recent policy. Senator MOYNIHAN has today made a floor statement in the Senate in which he voiced his support for SBLI and introduced a copy of the letter into the record.

I also note that contained in the Senate version of the Federal Savings and Loan Insurance Corporation Recapitalization Act of 1987, H.R. 27, is a provision which with minor technical corrections would preserve the offering of SBLI by savings banks which are subsidiaries of bank holding companies. I urge my colleagues who are conferees on H.R. 27 to accept this provision in conference.

If the Federal Reserve continues to impose its termination requirements, the number of outlets for SBLI can be expected to decline substantially. This result can only work to the detriment of consumers since the savings banks offer SBLI as a consumer service and do not rely on it as a significant source of profit.

Savings bank life insurance is a tried-and-true product that has been sold responsibly for decades. Justice Brandeis would be pleased with the results of his invention. However, many potential consumers will be disserved, if this genuinely beneficial consumer product is forced out of the marketplace. I urge my colleagues on the House and Senate conference committee on H.R. 27 and the Federal Reserve Board to keep savings bank life insurance available to consumers at all savings banks.

MONTE SLATER HONORED

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. DYMALLY. Mr. Speaker, it is with great pleasure that I take this opportunity to pay tribute to Mr. Monte Slater, a constituent of the 31st district, who was recently honored by the Cerritos College Foundation and the Bellflower City Council for outstanding civic contributions made to the Bellflower community.

Mr. Monte Slater, suffered a stroke in 1976 forcing him on long-term disability. A most unique individual he turned his disability into an ability to bring personal enrichment, friendship, and support services to those less fortunate than himself.

Since 1981, Mr. Slater has participated in the city of Bellflower's Meals-On-Wheels Program serving nutritious meals to homebound residents. For 1 complete year he provided transportation for a cancer patient to receive medical treatments, encompassing a 70-mile round trip four times a week. In addition, he has contributed countless hours to shut-ins assisting them with financial matters, household responsibilities and delivering needed medications.

He received a letter of commendation for dedicated service to the others above and beyond the call of duty from the president of the Southern California Edison Co., where he was employed for 25 years.

Because of his unceasing dedication to the citizens of Bellflower, Mayor Mike Brassard joined with the Cerritos College Foundation to honor Mr. Slater during a recent Bellflower City Council meeting.

THE RETIREMENT OF SAM BERMAN

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. LEVINE of California. Mr. Speaker, I rise today to pay tribute to a man of distinguished reputation and never-ending energy when helping others. On July 9, the board of directors of Vista Del Mar, Reiss-Davis, Julian Ann Singer, and Home-Safe will be honoring Sam Berman on the occasion of his retirement as executive director.

Samuel P. Berman has dedicated a lifetime of singular devotion to the emotional health and well-being of children and families in Los Angeles. His contributions have played a leading role in the field of child welfare and mental health.

Samuel Berman's leadership capacity has benefited professional and community programs, including the Child Welfare League of America, serving as director of the league's institutional training project and then as assistant executive director; project director for a manpower development program funded by the U.S. Office of Education and the Department of Labor; past president of the American

Association for Children's Residential Centers; vice president of the International Association of Workers for Maladjusted Children; member of the editorial board of the Children Care Quarterly and Residential Group Care and Treatment; board member of the Child Welfare League of America; chairman of the standards and program committee of the Child Welfare League of America; board member of the California Association of Services for Children; member of the advisory council for the California "Little Hoover" Commission on Services to Children; president of the Jewish Federation Council's Council of Agency Executives; and member of the United Way Committee of Corporate Executives.

Sam Berman, by reason of his perseverance and example, has accomplished the affiliation of Reiss-Davis Child Study Center, Home-Safe Child Care Inc., and Julia Ann Singer Center with Vista Del Mar; the introduction and development at Vista Del Mar of a pre-vocational program, art and movement therapy programs, day treatment/day school program, home-based services within the community, boys' and girls' group homes, an honor cottage and a five-day cottage, and enhancement of the after-care services to children; led the way to upgrading the field of social work, including adoptions, foster care, and residential treatment; the volunteer department has grown in size and accomplishment due to his support; and he has been a lecturer and the author of numerous published articles on child welfare. Sam Berman was awarded the prestigious 1981 Koshland Award for Outstanding Administrator of a Social Service Agency in all of California.

The people of Los Angeles are indeed fortunate to have a citizen of the stature of Samuel P. Berman, who not only is willing to give extensively of himself to the community but who also possesses sufficient confidence, drive, and determination to make a success of his efforts.

I ask that my colleagues in the U.S. House of Representatives join me in congratulating Sam upon his retirement and commend him for his efforts at Vista Del Mar Child Care Services.

GOOD WORK BY FAO

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. BROOMFIELD. Mr. Speaker, I would like to commend the Food and Agriculture Organization [FAO] of the United Nations for its fine work in helping to ease the pressing problems of famine and hunger in the world.

The FAO concentrates its efforts in a variety of areas including control of plant and animal disease, the promotion of international food safety standards to protect consumers and increase agricultural trade, and the establishment of a global data base to assist in the development and planning of the world food supply. These activities are often of direct benefit to U.S. national interests.

In order to bring many of the fine efforts of this organization to the attention of my colleagues in the House of Representatives, I ask that the following summary of FAO programs be placed in the RECORD following my remarks:

FAO ACTIVITIES OF DIRECT BENEFIT TO THE UNITED STATES

The American food industry strongly supports the FAO/WHO food standards program, Codex Alimentarius, as an indispensable aid to its international activities. The existence of these international standards facilities international trade and investment amounting to billions of dollars annually.

At the request of the U.S. Secretary of Agriculture, FAO is organizing a program to eradicate the Mediterranean fruitfly in Central America and thus reduce the threat of infestations in the United States. This now awaits funding by member donors.

The National Agricultural Chemical Association fully supports FAO's new International Code on the Use and Distribution of Pesticides and indeed helped to draft its provisions. It is a vehicle that holds manufacturers in all parts of the world to the same high standards to which American manufacturers already adhere.

The U.S. pulp and paper industry has actively worked with FAO for many years and recently helped to finance FAO's new long-range study on supply and demand for paper products. The industry regards this as an important tool in its forward planning and management.

FAO's global data base for food and agriculture, covering all aspects of agriculture, fishing and forestry, is used by the U.S. government and private industry as an essential tool for long-range planning.

American fertilizer producers play an active part in FAO's Fertilizer Industry Advisory Committee, designed to increase LDC fertilizer consumption. This is where the industry looks for market growth.

FAO's World Fibre Apparel Consumption Survey, which had been eliminated at one time for economy reasons, was re-introduced at the direct request of the U.S. government and the private fibre industry. It had become an invaluable instrument in the industry's management and planning.

FAO, PAHO and the U.S. National Academy of Science are jointly organizing a program to improve food safety in the Western Hemisphere, with a special emphasis on food moving in international trade.

FAO's fellowship program has financed advanced training for over 3,000 foreign agriculturalists in the United States. This year alone, there are over 350 FAO fellows studying at American universities. This not only benefits the fellows themselves, but by exposing them to American institutions and values makes life-long friends for the United States and enriches the academic life of the campuses that receive them. It is one of the largest fellowship programs in the United States of its kind, second only in size to AID's fellowship training program which is financed directly by the government. FAO's program is financed through grants from international institutions such as the World Bank and UNDP and by foreign countries themselves, not directly by the United States.

The FAO/IAEA division on atomic energy in agriculture is working with FDA on the use of food irradiation as a food preservative.

FAO is assisting LDCs to draft ocean fishing legislation in light of the new law of the sea, helping to standardize international practices for distant water fishing fleets. Since FAO is the only global forum for the discussion of fisheries issues; the United States, as a major maritime state, has a vital interest in its work.

As the only global forum for the discussion of international forestry issues, FAO is of vital interest to the United States in this area, especially at a time when global forestry resources are being threatened.

The U.S. relies on FAO's Committee on Surplus Disposal to monitor export promotion programs that could affect commercial markets in the third world.

JANUARY 28, 1987.

TENNESSEE AUTUMNS

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. DUNCAN. Mr. Speaker, my constituent, Mr. Charles L. Carr, authored "Tennessee Autumns" which aptly conveys my feelings about my home State.

TENNESSEE AUTUMNS

Old as time, Tennessee autumn days are much like a wild, budding, rose . . . . just standing there waiting for the sunrise and someone to behold the magical unfurling of its majestic wonders.

The glory of Tennessee autumn days, serene with a divine quietness, must bring to the summer-tired soul a deep sense of tranquility and certainty.

The poets have too often spoken of autumn as a time of sadness, calling it the melancholy season. But this is wrong. To the knowledgeable soul autumn cannot be the symbol of death, but rather a prophecy of life.

There is such a final peace about the autumn season. The still beauty of the world seems to be satisfied and is whispering to mankind—see how contented I am in the face of winter, my heart is at peace. I have gathered my harvest, I am ready for rest. All my worry is put by because all of the wild and flurried expectations of the spring have been realized and now I can sleep for a time to waken with the coming of a new spring that will again open to the beautiful peace of autumn.

Spring's beauties are paraded splendors of youth with a hint of brash forwardness about them.

Summer's splendor is proud and plump publicity—a time of material self-satisfaction.

But autumn is the time of calm, orderly, diligent, and mellowed comfort that crowns the completion of great dreams. It is the spirit of assurance, rebuking all of the vain worries of the world, fully reminding mankind that nature is most beautiful when her heart has grown quiet and meditative.

Our Great Smokys become majestic with their flora ablaze in a flaming array of hot red and brown backfit with a wide assortment of soft yellow as if to say "we put on our best as the year grows older".

Autumn is the symbol of lifes happiest mood when the heart has ceased its flurries and fevers and turns toward the sunset with a tranquility that shuts out the haste of youth. It takes hold of immortal meanings and learns that the best is yet to be.

Springtime glows with the spirit of God at work with the wakening of the world.

From every quiet valley and the slopes of majestic mountains a voice whispers to us—all is well. Nature is always listening and if we will take time to listen we can hear the whispers of the great peace as it touches the fringes of sunsets and the highest peaks of mountains.

Best wishes to Congressman Duncan.

THE CURRENTS OF OUR CULTURE FUEL THE LIABILITY EXPLOSION

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. PORTER. Mr. Speaker, Corinne Cooper, a professor of law at the University of Missouri-Kansas City, recently contributed her thoughts on the liability explosion in a piece written for the Wall Street Journal. As Professor Cooper points out, the increasingly ingrained urge to seek a judicial solution to every mishap is connected to the failure of our society to lend sympathetic support to those who suffer unfortunate outcomes.

[The article follows:]

NOT EVERY TRIP IS A TORT

(By Corinne Cooper)

I used to blame lawyers for the excesses I observed in the use of lawsuits to resolve social problem. I still do, to an extent. But if lawyers began this mad race to the courthouse, the lawsuit is now officially public property. Although I'm a lawyer and a law professor, I discovered all of this not through legal research, nor by observation of law reform movements, nor even from my involvement in alternative dispute resolution. I learned this by falling down in the Miami Airport last year.

I was running for a plane, with a bag in each hand, when the lace of one of my high-top sneakers became untied. With the left foot, I stepped on the lace of the right shoe. The right foot, being thus restricted, failed to respond when my leg moved forward. My body, impelled by the speed of my stride and the forward thrust of my bags, did not react to the inability of my right foot to maintain my upright stance. In other words, I fell down.

I landed hard on my right knee, and while the skin over my kneecap was rearranged by the concrete and there was some blood, I can't say I've been permanently disabled. What startled me most was not the fall, nor the resulting pain, but the reaction of bystanders. Once they had ascertained that I didn't need medical assistance, their next thought was that I should sue.

"I saw it," one solicitous lady said to me. "I'll give you my name and address. I'm a witness!" The security guard was summoned and would not let me on the plane until I filed an accident report. They brought me a wheelchair. They even held the plane for me. The profound response of all around me was unmistakable. A lawsuit had been born.

No one had noticed that I'd tripped on my shoelace, and when I told them, they reacted as if I had said something incredibly stupid. Fault didn't matter one whit to those who understood, without the benefit of law-school educations, that a deep pocket loomed large on the horizon.

When I returned to school, limping, and explained what had occurred, my students joined the chorus of those urging me to go to court. "Sue the shoe manufacturer!" Sue the worker who poured the concrete!" they suggested, with visions of strict liability dancing in their brains. They live in a world of exploding pop bottles and faulty flywheels, so they can be forgiven. But the people in the Miami Airport aren't law students, and yet they were similarly preoccupied with the potential for recovery. They had read of wrongs righted for a few million and change. The dollars danced in their brains, too.

I am not unaware of the good that lawsuits have accomplished. But some suits are clearly ridiculous. Children shouldn't sue when there's no prize in the Crackerjacks—as one little girl did. There are some things that the law simply cannot fix—or should not be asked to fix. We have come so far from personal responsibility that the court becomes our mother, to whom we turn to in response to every injury, no matter how innocent others are in our misfortune, no matter how much our own actions explain the result.

Many lawsuits result from the sense of anomie that we suffer at the hands of an uncaring world. I firmly believe that we could reduce the number of suits by the simple expedient of creating a "public sympathizer." Everyone who has suffered an injustice could visit the public sympathizer, who would commiserate and say: "You've been hurt. You've been wronged. I will post your name on the courthouse door as one who has suffered."

I teach my law students to listen and to counsel. I teach them to care about their clients. I teach them rules of law and hope to instill in them a sense of purpose that is grander than the bottom line. I teach them that lawsuits have costs far beyond the legal fees that rack up on both sides. But I don't know how to teach them that our complex and competitive society requires of them and of the legal system, much more than can ever be delivered.

Lawyers are doomed to failure when we attempt, whatever our motives, to right every personal wrong. It is this failing that leads, I believe, to criticism of lawyers.

I came away from the Miami Airport with two injuries. The one to my knee has healed. But I wonder when the injury I suffered—and which our society suffers as a result of the deterioration of the concept of personal responsibility—will ever be healed. I don't believe that I can fix this injury, and I don't believe the courts can solve it either. Perhaps my primary obligation as a lawyer is to understand it, and to expend my best efforts not to make it any worse.

WHAT ARE WE DOING THERE?

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. TALLON. Mr. Speaker, the fatal attack on the U.S.S. *Stark*, and the administration's subsequent announcement of its plan to protect Kuwaiti oil tankers with naval support, has raised a number of questions in the minds of Americans. The most obvious is simply, what are we doing there?

According to the administration, we are there to protect oil shipments through the Persian Gulf to the West. Certainly, the United States has national and strategic interests in maintaining access to the gulf region. But, the interests of our allies in the region are even greater.

The United States now imports only about 3 percent of its oil from the Persian Gulf while Japan gets 60 percent and Europe 35 percent. Yet, American warships continue to patrol the gulf alone, without assistance from allied nations.

Our national security should be measured in terms of economic as well as military strength. With the dollar falling, a trade deficit of $170 billion, and a budget deficit of $107 billion for 1988, our economic security is fragile at best. In an effort to provide an umbrella of military and economic security to other friendly nations, we are jeopardizing our own security.

Look at the cycle: United States warships protect the tankers leaving the Persian Gulf. The tankers steam to Japan where the oil is offloaded and piped to an automobile factory. That factory uses the oil to produce low-priced cars which are then driven on cargo ships. U.S. warships stand guard while these ships steam over the sealanes linking Japan with the American west coast. The United States then imports these cars by the thousands to the detriment of our own domestic auto industry.

While spending almost half of our defense budget on our allies, we have assumed almost the entire burden of defending Western interests in the Middle East and southwest Asia. Most of our allies spend considerably less than 4 percent of their GNP on defense, yet the United States is spending approximately 6.7 percent. Japan represents the most severe instance, spending just 1 percent of its very healthy GNP on defense. Ironically, we seem to provide greatest protection to those allied nations with whom we have the greatest trade deficit.

And, as the U.S.S. *Stark* tragedy demonstrates, not only are we paying in financial terms but we have also paid the ultimate price of human lives. Enough is enough. The burden simply must be shared. That is why I am joining Representative DON RITTER in introducing the Japan defense burden sharing resolution, which addresses our inequitable burden of financial support for Japan.

This resolution directs the President to negotiate an agreement with Japan whereby the Japanese Government would either increase their defense spending or reimburse the United States for our defense expenditures on their behalf, on a level that reflects their responsibility as a global economic superpower.

The Japanese leadership's response to our recent appeals for assistance in keeping the Persian Gulf open was that it is politically infeasible. This resolution gives Japan an option. If the Japanese Government feels that it cannot exceed their politically established 1 percent of the gross national product, we offer them a mechanism to meet their responsibilities. They can pay the United States for the protective service we provide them. It's just that simple and just that necessary.

I do not see how we can expect American taxpayers to continue to spend large amounts of U.S. tax revenues for the defense of the alliance if the allied nations themselves are not willing to join in the effort. It only makes sense that the United States should not be alone in defending Western interests in the Persian Gulf. This legislation will be a clear signal to our allies that we are serious about achieving a better balance of defense expenditures.

Currently, Japan and other allied nations are making a strong effort to extend their commercial and political contacts in the Arab States of the gulf while we provide the necessary military protection. They are doing so in the hope that, whatever the coming shifts in the region's political and religious tides, they will be in a position to continue their presence. Thus, they speak softly and the United States carries the big stick.

This situation has to change. The United States must demand a minimum general support for the importance of keeping the straits open and protecting the vitality of gulf shipping. This resolution is a good place to start.

THE SURGEON GENERAL'S REPORT

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. STUDDS. Mr. Speaker, since I sent 268,000 copies of the Surgeon General's Report on AIDS to each household in the 10th Congressional District of Massachusetts last month, my office has received a substantial response from southeastern Massachusetts and across the country. Following is a very thoughtful editorial on our mailing, and on the importance of AIDS education, which appeared recently in the Wareham Courier.

[From the Wareham Courier, June 24, 1987]

AIDS EDUCATION IS CRUCIAL

While President Reagan hesitated on whether to make the surgeon general's report on AIDS widely available, Rep. Gerry Studds took matters in his own hands.

Studds mailed a copy of the report to every household in the 10th Congressional District.

By doing so, he has rendered the people of his district a real service. The report is a frank, well written document that contains information everyone needs to know.

So far, Wareham has been more fortunate than many other communities. With a relatively small homosexual population, few intravenous drug users and a locally controlled blood supply, the impact of AIDS has yet to hit home.

The experts tell us, however, that our good fortune won't last—that eventually people from all walks of life and from all kinds of communities will be affected.

Therefore, it is imperative that people have the best information possible to make the best decisions possible.

This is especially true for young people who are entering the age of sexual awareness. Parents and teachers must insure that they are properly and fully informed.

"Education about AIDS should start in early elementary school and at home so that children can grow up knowing the behavior to avoid to protect themselves from exposure to the AIDS virus," the surgeon general stated in his report.

"Those of us who are parents, educators and community leaders, indeed all adults, cannot disregard this responsibility to educate our young. The need is critical and the price of neglect is high. The lives of our young people depend on our fulfilling our responsibility," he concluded.

We cannot afford to ignore the surgeon general's warning.

THE CHALLENGE OF AMERICAN CITIZENSHIP

HON. JOHN J. RHODES III

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. RHODES. Mr. Speaker, as our Nation prepares to celebrate its birth on July Fourth, I believe it is an appropriate time to draw the attention of my colleagues and all citizens to "The Challenge of American Citizenship." This challenge has been expressed most eloquently by Mr. Glenn Wayne Knauer, of Higley, AZ. This speech, which Glenn has written, won the Veterans of Foreign Wars, Voice of Democracy scriptwriting contest for the State of Arizona.

Too often we take for granted the gifts of democracy which our Founding Fathers gave us and our veterans have defended. The gift of freedom which a democracy gives its citizens also requires responsibilities of its citizens, for there can be no freedom without responsibilities.

Mr. Speaker, I am pleased to share this eloquent expression of the responsibilities and challenges we face as citizens of the worlds greatest democracy. I submit it for the record as we pause to celebrate our freedom and contemplate our responsibilities.

THE CHALLENGE OF AMERICAN CITIZENSHIP

As citizens of this great land, we have a responsibility to maintain this nations's tradition of equality and justice. Since the birth of democracy in ancient Athens, citizens have been challenged with maintaining a free nation. Strangely enough, the responsibilities of democratic peoples to their governments have changed little in over 2,000 years. A major duty of citizens has always been the defense of their land and all those sister lands governed by the purest of ideals, democracy. Another civic responsibility is that of voicing the truth, thereby bringing any injustices to the attention of the people. Lastly, there is the love of quality, the idea that was brought to this land by our forefathers. Our forefathers knew what it was to be oppressed. They fled from tyranny in search of freedom and found it in this noble land, America. But however grand our past may have been, we must look ahead to the future and, by meeting the challenge of American citizenship, make sure that freedom does not one day perish from this glorious nation.

Ours is a nation of beauteous contrast. The majestic mountains, which witnessed our birth, rise just as this United States rises above the rest of the world, a citadel of freedom, a beacon of justice aglow with the light of truth. The peaceful plains are a cornucopia overflowing with food. This is where the simple, God-fearing people came to build a new life. The forests stand like our armed forces, which are ready to give their lives for the liberty of the nation. I tell you, this is a nation worth defending. Our precious freedom is so dear to the people of our nation that they should be glad to give of their lives that it might survive. As Woodrow Wilson once said, "It is a fearful thing to lead this great people into war . . . civilization itself . . . in the balance. The right is more precious than peace, we shall fight for what we have always carried nearest our hearts—for democracy." President Wilson tells us that in accepting the challenge we should love what is right, democracy, even more than peace. Fellow Americans, we must be prepared to surrender our lives in favor of our nation and to honor always those that have.

Another challenge so imperative to maintaining our fair government is the voicing of truth. Our obligation is given to us in the form of two rights, freedom of speech and freedom of press. However, I put it to you that they are not rights but civic duties. In a democratic nation, the one thing that should never be suppressed is truth. We citizens must carry truth as a torch to expose injustice, thereby fortifying this nation's strength and power by enriching that on which our nation is based, its people.

Finally, we must have a pride that surpasses any feelings of greed. We must have a love of quality, for the handiwork of a nation is its purest testimony of greatness. As citizens we have an obligation to our forefathers and our posterity to make all things with pride, so that the words "Made in America" might be revered throughout the world.

Fellow Countrymen, is this not a grand nation? Is it not worth a little of our time to make our nation strong? Yes! Then rise up, Americans, like the mountains of our noble land. Stand firm in the glow of truth and banish oppression caused by ignorance. Defend this nation as an eagle perched in high cliffs defends its young. Like the plains of our heartland, produce with pride, care, and a love of quality. Stand up, Americans, just as the Athenians stood to protect those blessings given them by their fathers. Stand proud with an undying love for our country. Accept the challenge of American citizenship according to what you have to give, and give all that you have.

SUPPLEMENTAL APPROPRIATIONS

HON. LARRY COMBEST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. COMBEST. Mr. Speaker, the supplemental appropriations bill which the House passed yesterday contains a provision prohibiting the Department of Energy from taking into account financial incentives offered by States when DOE decides upon a location for the superconducting super collider. In these times of budget cutting and fiscal conservatism, it is unwise to ignore the millions of dollars that States are willing to save the Federal Government by picking up part of the cost of building the SSC.

In developing its site criteria, DOE decided that the cost of building the SSC was not going to be a major factor in determining its location. Now, Congress has forbid DOE to take into consideration financial incentives offered by the States to reduce the cost of this facility to the Federal Government. I find this lack of interest in the cost of building the SSC alarming.

Texas is offering two sites to the Department of Energy; both have strong technical merits and both offer locations which can be developed at a very low cost to the Federal Government. Texas offers the SSC locations with level, stable land that have few manmade obstacles, very few hydrology problems, and construction of the SSC on either of these sites would minimally impact the surrounding environment. But most importantly, Texas offers this country a relatively inexpensive superconducting super collider.

Congress may ultimately base its decision on whether or not to fund the SSC on the total cost to the Federal Government. Yet, site criteria used by the Department of Energy and Senator DOMENICI's amendment to the supplemental prevent the consideration of cost as a major factor. I urge my colleagues to consider the potential savings that would be available to this country by considering the cost of constructing the SSC as a major factor in determining its location and reverse this fiscally unwise policy.

A CONGRESSIONAL SALUTE TO PAUL MILLER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. ANDERSON. Mr. Speaker, I rise today to bring to my colleagues' attention the long and distinguished career of an outstanding labor leader in my area, Paul Miller. Paul will be the guest of honor at a retirement dinner on July 9 in Universal City, sponsored by the Los Angeles County District Council of Carpenters.

Following graduation from Milford (IL) High School and service in World War II for which he received two Bronze Stars and the Philippine Liberation Ribbon, Paul Miller came to California in 1953. He first established himself as a labor leader in 1956, when he was elected president of Carpenters Local Union No. 1400. He was subsequently elected business representative of Local No. 1400 in 1961, and by 1968 had been appointed business representative of the Los Angeles County District Council of Carpenters. Paul quickly rose to high-ranking positions with the Carpenters' District Council; administrative assistant to the Executive Committee in 1973 and secretary-treasurer in the same year, a position he still holds.

Paul's expertise was soon sought by statewide labor groups. He ably served as vice president of the California State Federation of Labor; vice president of the Southern California State Building and Construction Trades Council; executive board member of the California State Council of Carpenters and Los Angeles Building Trades Council; trustee for Carpenters Pension, Health and Welfare, and Vacation Trust Funds of Southern California; Democratic delegate to the California State Committee; served on the Solar Committee for former Gov. Edmund J. Brown, Jr., and has been honored by countless philanthropic and labor groups such as the City of Hope, the A. Philip Randolph Institute, and the Catholic Labor Federation.

Mr. Speaker, though Paul Miller has finally decided to retire from the Los Angeles County District Council of Carpenters he will remain as active as he has always been in the organized labor community. He currently holds the positions of vice president of the Los Angeles County Federation of Labor; vice president of the California Federation of Labor; secretary-treasurer of the Southern California Conference of Carpenters, and serves on the executive board of the California State Building and Construction Trades Council. In addition, he continues to lend his time and energy as trustee and cochairman of the Carpenters Pension, Health and Welfare, Vacation, and Joint Apprenticeship and Training Committee Trusts for Southern California.

It gives me great pleasure to recognize and pay tribute to Paul Miller on the occasion of his retirement from a long career of service to his peers in the labor community in California. My wife, Lee, and I would like to extend our gratitude to Paul for his civic spirit and contributions to our community, and wish him, his wife, Virginia, their daughter, Jodi, and their granddaughter, Becky, all the best in their future endeavors.

"PBGC BANKRUPTCY PRIORITY IMPROVEMENT ACT OF 1987"

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. DUNCAN. Mr. Speaker, I am today introducing the PBGC Bankruptcy Priority Improvement Act of 1987. This legislation will protect retirees' pension benefits by improving the Pension Benefit Guaranty Corporation's preferred status in Federal bankruptcy cases. As my colleagues are aware, the PBGC is currently experiencing financial problems, and this bill corrects what is considered by many to be a major cause of the PBGC's problems. For the most part, these difficulties threaten the future of our constituents' retirement benefits, and are caused by several large pension plan terminations by companies that have filed under the Federal bankruptcy laws.

Under these laws, the PBGC is considered to be a general creditor that is seventh in line when it comes to collecting the amounts owed it by a company in bankruptcy. As a practical matter, this means the PBGC's changes of recovering the funds it paid out to cover the pensions of companies filing for bankruptcy, are very slim. In most cases the PBGC recovers about 7 to 15 percent of the amounts paid out to these companies.

The bill I am introducing today would allow the PBGC to recover significantly greater amounts in bankruptcy cases than it currently does. This in turn would: First, allow the PBGC to correct its current financial problems quicker and second, reduce the future negative impact of bankruptcy-related pension plan terminations on the PBGC's financial status. By making the PBGC financially sounder in the future, the legislation assures pension plan beneficiaries, our constituents, that their benefits are adequately protected and will be available when they retire.

The PBGC's current financial problems are summarized in the following editorial that appeared in the New York Times on June 1, 1987.

GET SERIOUS ABOUT PROTECTING PENSIONS

When a company goes bankrupt and leaves a pension fund without sufficient assets to cover benefit payments, the Government's Pension Benefit Guaranty Corporation picks up the tab. What happens when this insurance fund runs out of cash?

Claims against the fund now exceed projected premium income by more than $4 billion, and the deficit is sure to rise in the next few years. Congress is morally bound to keep the benefits flowing. The big question is whether it will try for enduring reforms or settle for a temporary fix.

When the pension insurance agency was created in 1975, the annual premium levied against each of the 110,000 pension plans covered was just $1 per worker. That wasn't realistic: liabilities exceeded income in the first year. The premium has since been raised to $8.50, but cumulative liabilities are still growing faster than income. The fund has managed to remain self-financing only on a cash basis. Each year's premiums cover payments immediately due, but they do not suffice to build reserves to cover obligations in place for future decades.

The obvious remedy, another modest across-the-board increase in the premium, won't provide more than short-term relief for a fund already burdened by unfunded long-term obligations of $136 per worker. And it increases firms' incentives to liquidate healthy, fully funded pension plans and escape all future premium obligations.

That's why the Reagan Administration wants Congress to link premiums to risk. Premiums for the 90 percent of pension plans that are fully funded would remain at $8.50 per worker. Underfunded plans, which create a potential liability for the insurance fund, would pay up to $100 a year per employee. To protect the system against inflation, both the standard $8.50 premium and the risk surcharges would be indexed to average wage increases.

The new variable rate system would more than double the insurance fund's income next year, without affecting the insurance costs of responsible employers. As important, it would induce companies with underfunded plans to close the gap.

Risk-based premiums would not change the behavior of companies on the brink of bankruptcy or reduce the cost to the pension agency once a company goes over the brink. But another proposal backed by Kathleen Utgoff, the pension agency's director, could make a big difference.

Under current law, pension funds are "unsecured creditors" in bankruptcies, and thus receive money only after bondholders are paid. Typically, the pension agency recoups about 10 cents on every dollar of unfunded pension liabilities. If Congress made the pension agency a secured creditor, the payout would be considerably greater. Secured creditor status for the agency would also reduce the incentive for other creditors to force troubled corporations into liquidation.

Congress, under heavy pressure to shore up the pension agency, may be tempted simply to raise the premium enough to meet the fund's monthly cash obligations a bit longer. But every year without serious re-

> forms means more defections by healthy pension funds and more unfunded liabilities to be borne by well-run pension plans that remain. Current and future retirees deserve better.

SOUTH AFRICA NEEDS POLICE AND JUDICIAL REFORM

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1987

Mr. FORD of Tennessee. Mr. Speaker, I rise today to bring to light the appalling way the Government of South Africa abuses their own judicial system.

The South African Government is one of the rare western governments to use the death penalty. And as far as I know, the only western government to use to death penalty for crimes other than murder.

I am opposed to the use of the death penalty here in the United States because of the discriminatory way it's applied. However, we do not even come close to the way the South African Government implements their death penalty.

In 1984, the latest year I have figures for, 115 South Africans were hanged by the Government. Of these 88 were Africans, 24 colored, 1 Asian and 2 whites. But these figures alone do not tell the entire story.

In South Africa the death sentence is not only mandatory for murder, it can be imposed for treason, rape, kidnapping, child-stealing, robbery and house breaking with aggravating circumstances, as well as for some crimes under the Internal Security Act.

Mr. Speaker, the problem is not that the South African Government uses the death penalty, the problem is the way it is unevenly applied. It is clear that when a black commits a crime in South Africa he is likely to receive a more severe penalty than if a white had committed the same crime. David Bruck states in an article called "On Death Row in Pretoria Central" published in the July 13 and 20, 1987 edition of the New Republic:

> "Government figures show that a black defendant was nearly 19 times more likely to hang if convicted of murdering a white than if his victim were black. Whites who murdered whites were roughly as likely to hang as blacks who murdered blacks, but not a single white was hanged for murdering a black."

The same standard applies to rape cases. Since 1911 more than 150 blacks have been executed for rape, with the vast majority of cases being the rape of a white woman. However, not a single white has ever been sentenced to death, yet alone executed, for the rape of a black woman.

Not only are sentencing disparities a problem, but the quality of the defense affects the cases. I, again, quote from Mr. Bruck's New Republic article:

> In Johannesburg . . . I asked John Dugard, a professor of law at the University of Witwatersrand and South Africa's foremost human rights scholar, about the South African 'pro deo' (appointed counsel) system in death penalty cases. Capital trials, Dugard told me, serve as training grounds for fledgling lawyers. He'd been through that rite of passage himself: before he'd learned his way around the courtroom, he said, he's already lost five court-assigned clients in a row to the gallows. 'They start you off on capital cases,' he recalled, 'and once you've learned what you're doing, you're ready to handle divorces' for clients who can pay.

Mr. Speaker, for anyone who believes that life is sacred these words are terrifying. For anyone who believes in justice these words are intolerable.

And yet, Mr. Speaker, the South African police use death in another manner to terrify an already oppressed populace. In 1986 83 people died in police custody in South Africa. In 43 cases where the police have finalized their investigations they claimed that 27 died of natural causes, 12 committed suicide, 3 died of shooting wounds when they tried to escape, and 1 was stabbed by fellow prisoners. The other 40 cases are still under investigation.

Mr. Speaker, let me tell you about only a couple of the people who died of "natural causes" while in police custody. Johannes "Witbooi" Spogter was 13 on the night he was arrested under the Criminal Procedure Act for public violence. The police said the boy—remember, he was only 13—was found dead during a "routine cell visit." A pathologist who attended the post mortem on behalf of the family later told journalists that Johannes died of head injuries. The state's chief pathologist told a hearing that Johannes had had a fractured skull and brain damage. One of the head injuries was caused by an object without sharp sides being wielded with considerable force. An intestine had been ruptured by Johannes' either falling on his stomach or being kicked with considerable force.

Another case was summarized by the Lawyers Committee for Human Rights in Deaths in Custody. Lucky Kutumela was arrested with four other members of Azapo, a black opposition group, on the evening of April 4, 1986 during the period between the two States of Emergency when things were relatively calm in South Africa.

> According to one of those arrested with him, Lucky was the first to be taken away by the police and brutally assaulted. The sounds of blows and Lucky's screams were clearly audible. A number of the other detainees were also severely assaulted, and four of them, including Lucky, were then left in a cell overnight.
>
> Despite Lucky's critical condition, he was denied medical treatment and died during the night. An independent doctor who was present at the post-mortem found injuries on the body consistent with the account of Lucky's fellow detainees and has determined the cause of death to be a brain hemorrhage. No official explanation of the death has been given and no date has yet been established for the inquest.

I highly recommend that everyone read "Deaths in Custody." In this publication the Lawyers Committee covers the events of Lucky's death in more detail as well as the death of 6 others in police custody. All of these deaths occurred between the periods of State of Emergency when events were calmest.

Now, Mr. Speaker, I would like to read from the Johannesburg Weekly mail of October 17, 1986.

> A witbank student, Thomas Mahlangu, who has been on the run since the State of Emergency was declared, was shot outside his house last week.
>
> According to his cousin, five white policemen arrived at Mahlangu's home in Ackerville last Thursday morning at about 9 am.
>
> He said they asked, several times, 'Who is Thomas?' and each time Thomas identified himself.
>
> Then, he said, they ordered Mahlangu to step outside and forced his cousin to stay indoors.
>
> The cousin heard someone tell Thomas to turn around and there was a single shot.
>
> An SA Police liaison officer in Pretoria confirmed the shooting, but said Mahlangu, who was a suspect in two murder cases, was shot as he tried to escape from the police.
>
> A neighbour who was watching from across the street reports she saw Thomas turn and face the house with his hands in the air as though he were going to be searched.
>
> Then she said she saw one of the policemen shoot him in the back. There was no sign of a struggle beforehand, and she said Thomas was clearly not attempting to run . . .
>
> The family said Thomas returned home because he was tired of hiding and because he was confident he had done nothing wrong.
>
> He was expecting the police to come and was prepared to go with them.
>
> "Why couldn't they just detain him? Why did they have to kill him?" a relative asked.
>
> The Bureau for Information said the incident was not unrest—related.

Mr. Speaker, I am appalled at the way the South African Government abuses the trust of its people by abusing the criminal justice system within South Africa. This is not justice. This is vigilantism conducted by the ruling forces against those too weak to oppose them. Clearly, progress will not be made on establishing equal rights for all South Africans until the criminal justice system is reformed to include equal protection for everyone who lives within the boarders of South Africa. Mr. Speaker, I hope these abuses can be corrected without bloodshed, and I hope that can be corrected soon. But they must be corrected. Until that happens there can be little hope for improvement for the majority in South Africa nor hope for those of us watching events there very closely.

AN INFLUENTIAL VOICE SPEAKS OUT AGAINST PHYSICIAN DRUG SALES

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. WYDEN. Mr. Speaker, Dr. Arnold Kelman, editor of the New England Journal of Medicine, is one of the most respected and influential voices in American medicine today.

Recently, he expressed his support for legislation, H.R. 2168, that would significantly restrict the growing practice of doctors selling prescription drugs to their patients at a profit. He eloquently argues that the physician is the patient's advocate, and by permitting doctors to sell drugs to their patients for a profit, the doctor's position as the patient's representative is seriously compromised.

I hope my colleagues will carefully consider the thoughtful, patient-oriented analysis of H.R. 2168 that has been done by Dr. Kelman, and support the legislation.

[The letter follows:]

THE NEW ENGLAND JOURNAL OF MEDICINE,
Boston, MA, June 26, 1987.

Hon. RON WYDEN,
House of Representatives, Longworth Building, Washington, DC.

DEAR MR. WYDEN: I write this letter to indicate my strong personal support for H.R. 2168, the bill which you and others have recently introduced to limit the dispensing of certain drugs by licensed medical practitioners.

In doing so I want to make very clear that the views I express are my own and should not be attributed either to the New England Journal of Medicine or to the Massachusetts Medical Society, which owns and publishes the Journal.

I favor your bill because it supports the basic ethical code of the medical profession and helps to counter forces that lately have been commercializing the practice of medicine. Any arrangement that encourages doctors to become vendors of the drugs they prescribe creates conflicts of interest that tend to weaken the traditional role of the doctor as the patient's agent and trustee.

The dispensing of drugs by physicians has been advocated by those who believe the practice of medicine should be regarded as a business like any other. They say, without any supporting evidence, that commerical competition in the sale of prescription drugs between doctors and pharmacists will benefit consumers by increasing their choices and lowering prices. But that is based on a fundamental misunderstanding of the ethical practice of medicine up until now. Physicians are supposed to place their patients' medical welfare above their own economic interest, and that ethical precept, so vital to the quality and trustworthiness of medical services, is not compatible with the marketplace view of medical care. Medical care, in fact, is not a typical market. Patients, despite what the FTC may think, are not "consumers" in the usual economic sense, nor are physicians ordinary "suppliers". Unlike consumers shopping for goods, patients purchasing prescription drugs rely almost entirely on the advice of their physicians, who, unlike ordinary suppliers, decide whether the patient really needs treatment with a prescription drug and, if so, which one. Therefore when physicans dispense prescription drugs at a profit they are attempting to play two basically incompatible roles, that of fiduciary or purchasing agent for the patient, and vendor of the products they advise the patients to purchase.

Critics of this view respond that such conflicts have always been a part of the traditional fee-for-service practice of medicine because doctors have often prescribed services which they themselves have provided and for which they billed the patient. Such critics say that medical professional ethics have generally protected patients' interests from abuse in the past and can be expected to do so in the future, even though physicians sell prescription drugs and engage in other similar business activities. However, this argument fails to consider recent economic and demographic changes in our health care system which threaten for the first time the economic independence of physicians and pressure them to seek new sources of revenue. Physicians are no longer in short supply and new practioners find it increasingly difficult to attract sufficient fee-for-service paying patients. The old conflicts of interest are not being as effectively mitigated by ethical considerations as they once were and new conflicts serve only to exacerbate the problem without any counterbalancing benefit for patients.

The greater the economic pressure on doctors and the more they are encouraged to engage in commercial competition, the less trustworthy and prudent their professional decisions will be from the public's point of view. After all, markets serve consumers' interests only when consumers are able to make their own purchasing decisions and can judge the value and quality of what they buy.

Physicians dispensing has also been advocated as a convenience for patients who are unable or unwilling to obtain prescription drugs at a pharmacy. However, HR 2168, as I understand it, would not prevent physicians from dispensing drugs. The bill merely says that such dispensing must be done at cost—which, for all practical purposes, would mean the cost to the physician of obtaining the drugs. The dispensing process itself generates virtually no additional costs, since the physician need only write the prescription, instruct the patient in its use (which he would do in any case) and give the patient the container of pills which he would have previously obtained from the wholesaler. Physicians who feel their patients need or want such service are thus entirely free to provide it without the necessity of marking up the price. If, in fact, this service is worthwhile for the patient, doctors will want to use it anyway, since they have nothing to lose and the pre-packaging drug industry will flourish. On the other hand, if the mark-up is the only incentive for physicians to dispense drugs and HR 2168 were to become law, the practice will disappear—as it should.

The AMA has recently expressed its concern about the ethical implications of physician dispensing but it thinks that any regulation should be left to the states. However, it seems clear that the present FTC would consider any such state initiatives as restraint of trade, as it would any attempt by the profession itself to limit the legal business activities of physicians. Thus, if Congress believes that the public is best served by physicians who have no economic interests in the products they prescribe it will have to take some legislative action.

Although I believe H.R. 2168 is an important step in the right direction, physician dispensing is simply one relatively small part of a growing problem that should be of great concern to the public. Do we want our doctors to be primarily professionals or businessmen? More legislative attention needs to be devoted to this question.

Sincerely yours,
ARNOLD S. RELMAN, M.D.

HONORING MARION PINES

BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. CARDIN. Mr. Speaker, I would like to pay tribute to one of Baltimore City's truly outstanding public servants. Marion Pines, who is the administrator of the city's Neighborhood Progress Administration, has just been named the National Alliance of Business' 1987 Distinguished Performance winner as the Job Training Professional of the year for her participation with the Job Training Partnership Act. Certainly, this award is well deserved.

For more than 20 years, Marion Pines has dedicated herself to seeing the development of effective programs to help provide upward mobility opportunities to the disadvantaged and unemployed.

Marion has won national acclaim for her job training programs and model public/private partnerships such as the Harbor City Learning Center and Blue Chip-In—a private sector summer jobs program. And, despite frequent changes in policy and fluctuations in funding, Marion has successfully kept Baltimore in the forefront of job training.

It is, indeed, nice to know that in a time of flux, there remains at least one constant in the effort to help those who are often unable to help themselves. Certainly, Marion Pines has proven to be that person time and again and Baltimore has reaped the benefits of that association.

SERGIO MOLINA ON DEMOCRACY IN CHILE

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. KOSTMAYER. Mr. Speaker, the National Endowment for Democracy held a conference on May 18-19 in Washington on "The Challenge of Democracy." I was pleased to be able to attend and participate in portions of the conference, which was an impressive gathering of committed and courageous democrats from around the world.

The Endowment has a variety of programs to assist countries struggling toward a democractic transition, and NED's programs recognize the diversity of transitional situations. One country where the Endowment has been actively working is Chile, where urgently needed support is being given to a broad group of political and social forces working for a peaceful transition to democracy.

One outstanding Democrat who participated in the Endowment's conference was Sergio Molina. Mr. Molina is the coordinator of the National Accord in Chile, a group of parties pushing for Chilean democracy. Mr. Molina, an economist by profession, served as minister of finance under the Frei Presidency. In the 1950's and early 1960's he was budget director in the Ibanez and Alessandri governments.

Mr. Speaker, I would like to commend Mr. Molina and the National Endowment for Democracy for the vital work they are carrying out. I would also ask to have reprinted Mr. Molina's remarks on the obstacles and possible solutions to a democratic transition in Chile.

TRANSITION TO DEMOCRACY IN CHILE: OBSTACLES AND POSSIBLE SOLUTIONS

After a few remarks on democracy in Latin America in general, my presentation develops around three basic concerns over my own country: Chile.

(1) What are the factors that obstruct the road to democracy?

(2) What are the steps that must be taken in the near future in order to remove these obstacels? and

(3) as a conclusion, what must we do now to be able to take those steps before 1989?

The events of the current decade are clearly showing that democratic change in Latin America is possible without fatally drifting either towards unstableness or towards the stability of a dictatorship, first to the left and then to the right, as in the sixties. As this new reality advances it puts an end to old fears that—although not entirely unjustified in certain cases—democratic stability was hopeless for societies not yet economically developed. The entire international community is interested in Latin America's democratic process, owing to the significance of the countries of the region both for their natural wealth and economic potential, as for demographic or geopolitical factors.

Chile is one of the last obstacles in this democratic process. The performance of the authoritarian regime up to this date is contrary to the traditions and the will of the majority of the Chilean people. Furthermore, everything points to the fact that if the authoritarian system continues in the future, it will lead to an increasing state of violence, thus favoring those who support extremist policies. This is one of the reasons why an early re-establishment of democracy in Chile is absolutely imperative. In order to prevent an escalation of violence, the democratic change must occur not later than 1989, which is the date envisaged by the Chilean Constitution to resolve the presidential succession issue.

Democratic change can only be achieved by peaceful means, that is through dialogue and the concurrence of the democratic forces and the military government. This agreement, however, cannot consist of a mere acceptance of the constitutional rules by the political parties. Their unrestricted enforcement does not represent a transition to the stable democracy that Chile demands. This conclusion leads to the first concern I wish to convey to you.

1. What are the constitutional barriers for democratic change? In my opinion they are mainly the following:

(a) The procedure to determine who will be the next President is not democratic, because the name of the candidate will be proposed by the armed forces, and he will have no contender. This candidate has to be either approved or rejected by the people. The procedure is a plebiscite, not an election. There is a consensus among jurists of democratic countries to disregard the plebiscite as a valid means to appoint the head of the executive branch.

(b) In addition, according to the present Constitution, after 1989 the armed forces will have a much stronger role than other branches of Government. Therefore, one cannot expect democracy from such a state of affairs.

(c) As if this were not enough, the Constitution sets forth * * * significant in the past, will only be made up of a total of 35 seats. Nine of these will be occupied by appointed members, representing over one third of the 26 elected senators. Those first nine members will be appointed, either directly or indirectly, by the President of the Republic. Thus, if the President wishes to obtain a majority vote, he will only have to secure the votes of his nine nominees plus those of another nine elected members, even if the opposition has won 17 seats. This again is absolutely anti-democratic.

(d) But this is not my last concern. In fact, under the present constitution a significant portion of Chileans are deprived—due to their political opinions—of their citizenship and, consequently, of their political rights.

(e) Finally, the anti-democratic nature of certain provisions of the constitution are crowned by a rule that consecrates the virtual impossibility of amending the charter after 1989 without the will of the Executive. Hence, the anti-democratic aspects of the Constitution are real and of a permanent nature.

This overall diagnosis leads me to put forth one more question.

2. What steps can be taken in the near future in order to remove the aforementioned obstacles? I believe they can be summarized in five major points.

(a) Before 1989 the Government, pursuant to its authority, must open a process to amend the Constitution in the above rulings. The procedures set-forth in the Constitution itself are suitable enough for this purpose.

(b) Political parties that justify and have used violence as a valid means to induce changes must abandon them, particularly the Communist Party.

(c) The current restrictions to the people's right to gather, to associate, to inform, particularly through television, must be modified immediately. The opposition must have access to all T.V. channels, so it can equitably convey its point of view to voters throughout the nation.

(d) The election process must be transparent and clean in all its stages, that is to say, registration, voting, computation, control, and disclosure of results.

(e) Finally, in order to achieve the above, there must be a political alternative for the Chilean democratic forces, constituting themselves in a valid interlocutor, representing a majority, and, accordingly, capable of exerting a positive influence on the reforms that are required.

3. My last apprehension refers to present circumstances and, therefore, appears as a conclusion. What can we do right now to be able to take the necessary steps before 1989, so this date will actually represent the transition to full democracy in Chile? I believe this action can be summed up in five points.

(a) General Pinochet, reportedly, intends to remain in power from 1989 to 1997. Valid arguments against this pretense could be presented if, on the one hand, it can be shown in advance that he will be defeated in the plesbiscite, and, on the other, if the armed forces have a full knowledge of the person, the alliance, and the platform that would succeed the military regime, either in 1990 when the year before there had been a plebiscite and the answer was NO, or in 1989 if the Constitution has been amended replacing the plebiscite by a competitive election. These are the results that the current campaign for free elections is seeking. If the outcome of a successful campaign is the replacement of the plebiscite by the election, the candidate of the democratic coalition (democratic right, center, and democratic left) would certainly be a majority candidate and democracy would be reestablished. If the campaign is successful because it secures the support of the majority, and in the event the plebiscite is maintained, the majority will vote NO, allowing the democratic forces to win the competitive elections envisaged by the current constitution for 1990.

(b) All this, however, may not occur if before the plebiscite there is no coalition, no platform, and no candidate for an election that could take place in 1990. The uncertainty of the consequences of a majority NO tend to make people vote YES. General Pinochet could, thus, win the plebiscite. But, even if he loses, the defeat of the armed forces in the plebiscite and the lack of a clear political alternative to his regime would undoubtedly give rise to a widespread sense of uncertainty.

(c) Consequently, the success of the campaign for free elections and the definition of the platform, the coalition and the candidate of the democratic forces, is absolutely essential to achieve democracy and to ensure its stability.

(d) The coalition required for the above purposes is not a center-right or center-left coalition. Both are sources of polarization and instability. What the country needs is a coalition—first for the support of the presidential campaign and then for a stable government. This implies a widening towards the democratic right and towards the democratic left.

(e) Lastly, the duty of democratic parties is to clearly show Chilean public opinion what their alternative for the present Government is. This cannot wait beyond 1987. If it is not done, and the issue of the candidate is not resolved in 1987, it will be very difficult to avoid the plebiscite and to face it under favorable conditions for the re-establishment of democracy, and more so for building a longlasting stable democracy.

DEFENSE CONSTRUCTION EMPLOYMENT OPPORTUNITIES ACT OF 1987

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. PRICE of Illinois. Mr. Speaker, all Members of Congress welcome the opportunity to assist their constituents. That is why I am a cosponsor of H.R. 1873, the Defense Construction Employment Opportunities Act of 1987 and H.R. 1874, the Federal Construction Employment Opportunities Act of 1987.

These bills will ensure that a percentage of defense and Federal construction contracts are awarded to businesses within 175 miles of the construction site.

Mr. Speaker, it just doesn't seem fair that right next door to an unemployed construction worker is a Federal project under construction. H.R. 1873 and H.R. 1874 will guarantee that constituents in the construction business will have a fair shake in winning that Federal or defense construction contract.

I understand that many will view these measures as an assault on recent defense spending cuts. Mr. Speaker, we often adopt programs that ensure that Federal tax dollars are fairly distributed. An example is the small business minority set-aside program. It is time to provide a set-aside to ensure that the construction industry nearest a construction site does not suffer while outsiders perform the work. The 25-percent set-aside is certainly not the lion's share. It is merely a guarantee that a small percentage of Federal construction dollars benefit those who live and work nearest the construction site.

Mr. Speaker, I support these important pieces of legislation, and I urge my colleagues to do so.

CORRECTIONS TO CONFERENCE REPORT

HON. WILLIAM H. GRAY, III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. GRAY of Pennsylvania. Mr. Speaker, I would like to bring to the attention of all Members the attached errata sheet identifying errors which appear in the conference report and the joint statement of managers on House Concurrent Resolution 93, the concurrent resolution on the budget for fiscal year 1988 as printed in House Report 100-175.

ERRATA

On page 11, section (21)(A), line 15 (Fiscal Year 1990), change "$37,150,000,000" to "-$37,150,000,000".

On page 11, section (21)(A), line 16 (Fiscal Year 1990), change "$37,150,000,000" to "-$37,150,000,000".

On page 11, section (21)(B), line 2 (Fiscal Year 1988), change "$14,650,000,000" to "-$14,650,000,000".

On page 11, section (21)(B), line 3 (Fiscal Year 1988), change "$14,650,000,000" to "-$14,650,000,000".

On page 11, section (21)(B), line 8 (Fiscal Year 1989), change "$18,150,000,000" to "-$18,150,000,000".

On page 11, section (21)(B), line 9 (Fiscal Year 1989), change "$18,150,000,000" to "-$18,150,000,000".

On page 11, section (21)(B), line 14 (Fiscal Year 1990), change "$32,350,000,000" to "-$32,350,000,000".

On page 11, section (21)(B), line 15 (Fiscal Year 1990), change "$32,350,000,000" to "-$32,350,000,000".

On page 29, Function 700, line 7 (House-passed LG), change "30[.40" to "30.40".

On page 30, chart on Reconciliation in Conference Agreement by House Committee, line 5 (Contributions: CON), change "-0.788 -0.788" to "0.788 0.788".

On page 31, line 5 of continued chart (Contributions: REA prepayment: CON), change "-0.788 -0.788" to "0.788 0.788".

On page 31, line 25 of continued chart (Energy and Commerce: Unspecified reconciliation: BA), change "-0.000" to "0.000".

On page 31, line 26 of continued chart (Energy and Commerce: Unspecified reconciliation: O), change "-0.000" to "0.000".

On page 32, line 12 of continued chart (Total, Post Office and Civil Service: BA), change "-5,105" to "-5.105".

On page 32, line 31 (Veterans Affairs: Increase real property cash sales: BA), change "-0.000" to "0.000".

On page 32, line 34 of continued chart (Total, Veterans Affairs: BA), change "-0.000" to "0.000".

On page 33, chart on Reconciliation in Conference Agreement by Senate Committee, line 25 (Commerce: Unspecified reconciliation: BA), change "-0.000" to "0.000".

On page 33, line 26 of continued chart (Commerce: Unspecified reconciliation: O), change "-0.000" to "0.000".

On page 34, line 24 of continued chart (Veterans Affairs: Increase real property cash sales: BA), change "-0.000" to "0.000".

On page 34, line 27 of continued chart (Total, Veterans Affairs: BA), change "-0.000" to "0.000".

On page 34, line 28 of continued chart (Total, Veterans Affairs: O), change "0.030" to "-0.030".

On page 35, paragraph 4, line 8, change "Committee" to "Committees".

On page 37, paragraph 1, line 4, change "loan" to "loans".

On page 38, paragraph 1, line 3, change "othewise" to "otherwise".

On page 38, Section on Sense of Senate on Income Tax Rates, line 2, change "underlaying" to "underlying".

On page 39, paragraph 1, line 4, change "32" to "3".

On page 39, paragraph 4, line 1, change "bne" to "be".

On page 39, after paragraph 5, insert the heading "FUNCTION 500".

On page 40, paragraph 3, line 2, change "code" to "cope".

On page 40, paragraph 3, line 3, change "cost" to "costs".

In addition to the printing errors noted above, the conference report agreed to state "$788,000,000" where it should state "-$788,000,000" in the reconciliation instructions to the Agriculture Committees on page 12, paragraph (b), line 10; on page 12, paragraph (b), line 12; on page 14, paragraph (k), line 10; and on page 14, paragraph (k); line 11.

IRANIAN PERSECUTION OF BAHA'IS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. HYDE. Mr. Speaker, I am glad to join with my colleagues in focusing new attention on the vicious crimes committed by the Government of Iran against the Baha'is, a religious minority group which seeks nothing more than the freedom to observe its faith in peace.

I participated in the hearings held by the House Subcommittee on Human Rights in 1982, when spokesmen for the American Baha'is community described the tragic persecution launched against the Baha'is by the Islamic revolutionary regime.

Those of us who took part in that hearing learned of the imprisonment, torture, and killings of men, women and even teenage girls—on account of their religious beliefs—by the current regime in Iran. Since 1979, more than 200 Baha'is have been killed.

The Iranian Government claimed that those Baha'is were political conspirators, agents of the CIA or tools of the Zionist movement—but, significantly, they offered virtually every one of those individuals their freedom, if only they would give up the Bahai faith.

Now, we hear that fewer Baha'is are being executed in formal proceedings conducted by the Government. But the State Department has reported several instances during the past year in which Baha'is have been killed by mobs who were stirred up by fanatical Islamic clergymen.

I am pleased that the administration and the Congress have spoken out forcefully in the past on this issue. We must continue to get to the world that the Iranian Government's persecution of the Baha'is is barbaric and intolerable.

TURMOIL IN PANAMA

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. MICA. Mr. Speaker, I wanted to take this opportunity to express my continued concern over recent events in Panama. In the last 3 weeks, Panama has suffered ongoing social and political turmoil sparked by the suspension of their constitution and the imposition of a state of emergency.

Action taken in committee in both the House and Senate has served to focus attention on these events, some would say detrimentally, others would say beneficially.

I feel strongly, however, that an important first step was taken earlier this week when the Panamanian Government decided to lift the 21-day state of emergency and reinstitute the constitution. This action hopefully will open the door to the pursuit of greater political freedoms in Panamanian society as well as usher in the a period of increased stability there.

I trust that now we can proceed with a respectful dialog in order to put United States-Panamanian relations back on the right track in a way that will be mutually beneficial to both countries.

SEVENTEEN YEARS OF REFUSALS FOR THE MENDELEYEV FAMILY

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. SMITH of New Jersey. Mr. Speaker, my colleagues should be aware of a family living in the Soviet Union who have the dubious distinction of being one of the most longlasting refusenik cases. Oscar and Shelley Mendeleyev first applied for exit visas in 1970, the same year their twin sons, Grigory and Valery, were born. It has been 17 years since that first refusal.

Oscar Mendeleyev is a geophysicist and an electronic engineer who has had his inventions published openly not only in the Soviet Union but also in the West. For example, one invention determines automatically the conductivity of soil by using microwaves. As a direct result of their application for exit visas, Oscar Mendeleyev was fired from his professional posts and has been unable to find meaningful work in his scientific field since 1970. The Mendeleyev family has been supported by the hard work of Shelley who is a pediatrician.

The Soviet visa office has claimed that the refusals for permission to leave the country have been in response to Mr. Mendeleyev's access to state secrets. The truth of the matter, though, Mr. Speaker, is that he has not been employed in any job which could provide that access since 1969. It has been at least 18 years since he could have had information classified as "secret" available to him. Secretary Gorbachev himself has stated—as published in 1985 in the French Communist newspaper L'Humanite—that security classification is generally limited to 5 years and the upper limit is 10 years. State security can no longer be used as an excuse in the Mendeleyev case.

Mr. Speaker, in addition to enduring an agonizing 17 years with hopes of permission to emigrate to Israel or the United States, this refusenik case is particularly critical and timely because of the threat of the draft which will raise its ugly head in only 13 months. Grigory and Valery will be 18 on their birthday in August 1988, and, thus, likely to be the drafted into the Army. Once drafted into the military, the terms for service are least 3 years in length during which time emigration is prohibited. In some cases, military service—regardless of the duty—has been used as an excuse by the Government to refuse applications in the future.

I plead with the Soviet Union to grant the desire of this family who has been disappointed for almost two decades and allow them to emigrate. Also, Mr. Speaker, I ask my colleagues to raise the plight of the Mendeleyevs at every appropriate opportunity. The Soviet Union has an obligation to its people to abide by the guarantees outlined in the Helsinki accords to which they are signatory and grant this family their humble, persistent, and longstanding request—to live in the land of their heritage, in Israel.

INDEPENDENCE DAY TRIBUTE

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. RAY. Mr. Speaker, this weekend we are celebrating the most important American holiday, American Independence Day. July 4, 1776 is the day that our forefathers declared freedom from the tyranny of the crown of England. Since then Americans have been fortunate enough to live in a unique society. There are not many other places in the world that enjoy the freedoms and rights that every American citizen is entitled to. We have gone to great lengths and defend these rights.

We are also celebrating the 200th birthday of the U.S. Constitution which guarantees these rights. We must not forget the people who laid down their lives in the last 211 years so that we can attend the church of our choice, freely select our leaders, and hold public meetings. We often take these and other freedoms for granted. America has a long history of making great sacrifices for freedom inside and outside our borders.

Mr. Speaker, over the years the United States has been called on all across the world to help keep peace and maintain stability in areas of conflict. There have been two recent tragedies that have involved two young servicemen from my congressional district who were killed while serving their country. Petty Officer 3d Class Charles T. "Chuck" Moller of the U.S. Navy from Columbus, was one of the 37 men killed on the U.S.S. *Stark* by two Iraqi missiles as they patrolled the waters of the Persian Gulf. Chuck Moller was a brave young man who left a proud family behind.

Private First Class Joseph Warren Price of the Georgia National Guard from Warner Robins died in a plane crash south of Miami while on a mission to spot drug traffickers. Warren's mother was quoted in a local paper after the tragedy saying, "He would have been proud, he would have been proud that he had given something." Both of these men were dedicated to serving their country.

Every time there is a tragedy involving a U.S. serviceman in the line of duty, all Americans are affected but no one is touched by it as much as the immediate family. The courage that was displayed by the Moller and the Price families during these heartbreaking ordeals was something that all Americans should be proud of. These two men and their families have paid a higher price for freedom than most of us will ever have to pay and for their sacrifice we should be thankful.

On July 4, the most important holiday that Americans celebrate, we should remember Chuck Moller, Warren Price and others like them that are out there defending our country and sometimes making the ultimate sacrifice so that we can go on enjoying this wonderful, free and open society.

CHRONIC HAZARD LABELING OF ART AND CRAFT MATERIALS

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. DWYER of New Jersey. Mr. Speaker, today I am introducing legislation to require manufacturers of art and craft materials to place comprehensive labels on their products to warn consumers of chronic hazards.

The Federal Hazardous Substances Act requires the labeling of consumer products which pose acute hazards. Acute hazards are those which cause immediate adverse effects such as burns, eye damage, or poisoning. Under OSHA, on the other hand, chronic hazards in the workplace are regulated. But because consumers use art products primarily in their homes or in classrooms, they are not protected by OSHA chronic hazard regulations.

My bill would require the Consumer Product Safety Commission to promulgate a regulation similar to a voluntary labeling program currently observed by a majority of the art supply manufacturing industry. Under this voluntary standard, labels must contain the signal word "Warning," a list of chronically hazardous components, a statement of potential hazards, a statement regarding safe use of the product, and a statement identifying a source for additional health information.

Most importantly, my legislation would also require the Consumer Product Safety Commission to develop a list of products posing acute or chronic hazards for distribution to schools and other institutions serving children.

Six States have already enacted art supply labeling laws of their own. The enactment of diverse State laws and regulations raises the likelihood that conflicts may result. A Federal labeling law would benefit consumers and industry alike by providing uniform labeling standards. I urge my colleagues to support this long overdue legislation.

RESULTS OF 1987 QUESTIONNAIRE

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. HUBBARD. Mr. Speaker, early each year I distribute a questionnaire to my constituents requesting their opinions about issues of importance to western Kentucky and the Nation.

To date, over 33,200 western Kentuckians have completed and returned their responses to my 1987 questionnaire. The responses were tabulated by my Washington and district staff and by 194 college students at Murray State University and the University of Kentucky Community Colleges at Henderson, Hopkinsville, Madisonville, and Paducah.

I want to take this opportunity to share with my colleagues the results of my 1987 questionnaire which follows:

1. Do you believe that the provisions of the 1986 Tax Reform Act passed by Congress will be beneficial to you? Yes—7,058. No—25,414

2. Do you favor increasing the 55 m.p.h. speed limit to 65 m.p.h. on major interstate highways? Yes—23,478. No—8,596

3. Do you support the federal government's continuing the tobacco price support program? Yes—14,731. No—17,539

4. Are you in favor of federal legislation which would place stronger restrictions on the use of western Kentucky high sulfur coal which some claim causes acid rain? Yes—10,537. No—21,233

5. Which one policy do you support the U.S. taking with regard to Nicaragua?

(a) Provide funds to the Contras, who are seeking to overthrow the present Communist government—7,754

(b) Participate in the Contadora peace talks with nations bordering Nicaragua and seek a peaceful solution—20,304

(c) Provide U.S. combat troops to overthrow the present Communist government—4,111

6. How much time should the U.S. Congress spend this year investigating the Iran/Contras arms sales controversy?

(a) A lot—8,505

(b) Some—8,743

(c) Very little—14,879

7. How do you rate the overall job performance of President Reagan thus far as he begins his final two years in the White House?

(a) Good—11,354

(b) Fair—9,153

(c) Poor—11,806

8. Many American farmers continue to face troubled economic times. Which federal government policy should Congress adopt?

(a) Continue the present system of farm prices and income support—4,172

(b) Move to a total market orientation with supply and demand determining prices even if more farmers must give up farming—10,267

(c) Support a program of agriculture production controls designed to stabilize or increase prices farmers receive—17,794

9. Do you support the $3 billion increase in foreign aid requested by President Reagan in his proposed fiscal year 1988 federal budget? Yes—2,808. No—29,398

10. Several proposals are likely to be considered by the 100th Congress affecting the present minimum wage of $3.35 an hour. Which do you favor?

(a) $4.60 an hour minimum wage—8,463

(b) $4.00 an hour minimum wage—8,621

(c) $3.70 an hour minimum wage—4,974

(d) No increase in the minimum wage—8,502

(e) Decrease the current minimum wage—1,866

11. Which method do you support to adequately fund health care for our nation's elderly.

(a) Increase the payroll tax for the Medicare deduction—5,213

(b) Funding from the federal tax revenues—21,270

(c) Require more contributions by the elderly for their own health care—6,191

12. Should the President of the United States be required to notify the leadership of the Congress before he carries out a major foreign policy action (such as invading Grenada, bombing Libya or selling arms to Iran)? Yes—22,370. No—9,824

13. With growing concern about air travel safety in the United States, there continues to be debate in the Congress about rehiring the air traffic controllers who were fired in 1981 by President Reagan. Should those air traffic controllers be rehired? Yes—17,539. No—14,119

14. As you know, multi-millions of federal dollars go each fiscal year from Washington, D.C., to the state administration in Frankfort for distribution to the seven congessional districts of Kentucky. How do you rate the overall job performance of Governor Martha Layne Collins and her administration as she begins her final year as governor of Kentucky?

(a) Good—3,187

(b) Fair—12,081

(c) Poor—17,034

15. In his State of the Union message on January 27, President Reagan said: "What the Congress finally needs to do is pass a constitutional amendment that mandates a balanced budget and forces government to live within its means." Do you agree? Yes—27,353. No—5,213

16. To reach the $108 billion deficit level established under the Gramm-Rudman-Hollings law, approximately $65 billion will need to be cut from the fiscal year 1988 federal budget. In which areas would you favor budget cuts to reach the $65 billion Congress needs to cut? (The figure next to each item is the approximate budget level in the fiscal 1987 budget)

(a) Defense ($300 billion)—19,054

(b) Foreign aid ($18 billion)—27,836

(c) Agriculture ($27 billion)—9,604

(d) NASA/General Science ($12 billion)—12,248

(e) Energy/TVA (power)/Fill the Strategic Petroleum Reserve/Rural Electrification Administration ($3 billion)—6,987

(f) Natural Resources/Forest Service/Environmental Protection Agency/Corps of Engineers/Fish & Wildlife Service/Bureau of Reclamation ($13 billion)—9,364

(g) Commerce & Housing Credit/Small Business Administration/Postal Service Subsidies/FHA/FmHA ($8 billion)—11,295

(h) Transportation/Coast Guard/Amtrak/Highway Programs/Mass Transit-Aviation Programs and Safety ($27 billion)—11,310

(i) Community & Regional Development/Economic Development Administration/Urban Development Action Grants/Appalachian Regional Commission/TVA (Non-Power) ($6 billion)—12,075

(j) Education (Elementary, Secondary & Higher)/Training (Job Corps) and Employment programs (Job Training Partnership Act) ($40 billion)—6,848

(k) Health Care/Medicaid/Meat and Poultry Inspection/Health Grants (Preventive health, Maternal and Child Health, Alchohol, Drug Abuse, Mental Health) ($40 billion)—5,708

(l) Veterans Benefits & Services (Medical Care, Compensation, Housing and Burial Benefits) ($27 billion)—4,631

REDUCING THE COST OF AGRICULTURAL AND HOME/GARDEN PESTICIDES TO THE FARMER AND CONSUMER THROUGH THE COORDINATION OF PESTICIDE DATA REQUIREMENTS

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. GUNDERSON. Mr. Speaker, consumers who use home and garden pesticides, including household disinfectants, share a common problem with farmers who use agricultural insecticides and herbicides, that is, the rising cost of these important products.

We cannot directly control the cost of pesticide manufacturing, but we can help the farmer and consumer by reducing the increased pricing associated with the cost of unnecessary and redundant testing. That is why I am introducing today, along with my colleague Mr. ROBERTS from Kansas, the vice chairman of the Department Operations, Research, and Foreign Agriculture Subcommittee of the Agriculture Committee, the Pesticide Data Coordination and Synchronization Act of 1987.

The bill provides that if the testing can be coordinated, it should be, by requiring the Federal and State agencies to confer. Neither the State nor the Federal position is designated to prevail over the other. If there is any preemption at all it is that of good science over bad science because scientific validity is the only basis in the amendment for resolving coordination disputes.

Under this bill, States are not precluded from establishing data requirements or standards because EPA has done so. In fact, the amendment has effect only when both State and Federal governments have exercised their discretion and the result is a data requirement which, because of some variation, requires duplicative testing.

To illustrate the need for this legislation, it is important to note that one State already has a law in effect establishing a program for filling health and safety data gaps on pesticides registered within its borders. At least two States probably will pass similar laws this year with more States likely to follow in rapid succession.

The example of one State has shown that in implementing these State laws by defining what constitutes a data gap, by establishing a list of required studies, and by creating a timetable for filling these gaps, the States will disregard the efforts of EPA to establish reregistration timetables and data call-ins to fill some of these very same gaps. In essence, in attempting to establish their own expedited reregistration programs to fill data gaps, the States actually will establish agendas and timetables which will duplicate and even conflict with the Federal requirements.

I recognize the need to fill data gaps at both the State and Federal levels. However, it is critical that data requirements among the States and EPA be coordinated and synchronized so that only one set of data needs to be generated within the same timeframe.

Unnecessary repetitive and redundant testing not only consumes valuable time and resources, but also delays the closing of data gaps. Valuable time and resources which could be used to develop new data are wasted in refocusing on gaps that have already been or are in the process of being filled.

Many low-volume, low-profit specialty products, including antimicrobial products, may be discontinued because neither the registrant, the formulator, nor the State will pay for the additional tests required on active ingredients. Many nonagricultural, minor use products also could disappear. Unrealistic timetables for implementing and generating these needed studies could cause some of these products to be dropped from the market.

The Pesticide Data Coordination and Synchronization Act of 1987 will help to provide less expensive agricultural and home/garden pesticides for farmers and consumers and will aid in insuring that low volume, low profit specialty products, including antimicrobial products, as well as agricultural and nonagricultural minor use pesticides will be available wherever needed.

Mr. Speaker, I am introducing the Pesticide Data Coordination and Sychronization Act of 1987 as an amendment to the Federal Insecticide Fungicide and Rodenticide Act, and urge my colleagues to give full consideration to this important proposal.

HUMAN RIGHTS ATROCITIES AGAINST SOUTH AFRICAN CHILDREN

HON. JOHN LEWIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1987

Mr. LEWIS of Georgia. Mr. Speaker, I rise today to address an issue which concerns me very deeply. Through the media, we have all heard, or read, of the human rights atrocities committed against the Black people of South Africa. But last week, I sat on a panel where youth from South Africa testified about the crimes and human rights violations that were committed against them. Their brave testimonies saddened, shocked, and appalled me. I sat there, watching and listening as two youngsters described how they were carted off to jail, and later physically and mentally abused. I heard a mother, in anguish describe how she visited her son, and was so shocked at his physical state, that she could find no words to soothe his fears.

We can no longer afford to sit on our hands while children are being brutilized and attacked. I am here today, Mr. Speaker, to register my shock and anger against a system which fails to recognize the great value of children. They are a prized possession that we need to cultivate and not destroy.

To my colleagues, I urge you to support Congressman BILL GRAY's resolution, House Resolution 214, which calls for the immediate release of all South African children detained under the state of emergency. Without children, we have no hope. Our future rest upon the growth and well-being of the younger generation.

THE PLIGHT OF SOUTH AFRICAN CHILDREN

HON. FLOYD H. FLAKE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 30, 1987

Mr. FLAKE. Mr. Speaker, I am pleased for this opportunity to address the House today on a matter of extreme urgency and concern as it relates to the children who are victims of apartheid in South Africa. Amnesty International has determined that since 1985 more than 10,000 persons have been detained by the South African Government, solely for political reasons. There have been no charges filed against them, nor have trials been held. The government has declared that they are "prisoners of conscience". Of the more than 10,000 persons being held, over 2,000 of them are under the age of 16 according to the Amnesty International report.

There is evidence of continued harassment of children by the South African Government as illustrated by the statistics which indicate that more than 10,000 children have been snatched from their homes, their classrooms and off the streets under the government's state of emergency declaration. These activities have been exacerbated under the government's second state of emergency, which is now in effect. There can be no justification for any government using its massive power and resources to destroy the hopes and aspirations of its people, whose only crime is, "a yearning to be free".

Every free, democratic nation in the world must speak forcefully against the oppressive regime in South Africa and its misuse of power, particularly as it brutalizes, mistreats, abuses, and kills children. Many of the children who are detained by the government are denied contact with parents, access to legal representation and continue to be mercilessly brutalized by South African security forces. There are reported incidences where medical treatment has been withheld from victims of police violence for such extended periods of time that the victims died while in police custody. Of course, the police assume no responsibility for these deaths, and as a general rule whitewash them by claiming that the victims have been charged with crimes—most notably "public violence". By the South African definition, "public violence" could merely be an individual or group who passively resists the South African apartheid laws. The government response to these passive acts is deplorable.

Since the future of any society lies in the development and growth of its children, it is obvious that the government's position is one of demoralization, and destruction of black children in the hope of controlling their burning desire to be free. Children are being used as pawns by the oppressive minority ruling class in their quest to retain power over South Africa's majority population. Brainwashing techniques that are used by the South Africans include sending black youths to "detention centers" where they are interrogated by security police and then "reoriented" for a return to society. The reorientation is designed to find youths who will become informants for the government and report back on the activities of other youths. It also seeks, as a part of its objective, to weed out the more talented youths who have leadership skills and retain them for longer periods of time. By using terror tactics, the government attempts to break the spirit and determination of these youths.

As the American Government has traditionally taken a posture of voicing its rejection of human rights violations throughout the world, it must now let its voice be heard by the oppressive South African Government. Sanctions against South Africa have been a major step in the right direction; however, they are not enough. I am calling on my colleagues in this One Hundredth Session of Congress, (1) to demand a lifting of the emergency regulations which allow unlawful and unjust detention of persons without charges being filed against them, (2) to demand that the South African Government immediately cease and desist committing horrible atrocities against children, and (3) to demand that bans prohibiting media coverage be lifted so that the world can monitor the oppressive activities of the South African Government.

Children should not be denied the right to be children and we, as Members of Congress, must provide the mechanism by which their rights are protected.

THE DEATH OF IVAN GAMBLE

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. YOUNG of Alaska. Mr. Speaker, Alaskans were saddened this week by the tragic death of Ivan Gamble, one of the State's most promising cultural and business leaders. Ivan died tragically in a highway accident in Juneau on Sunday, June 21, 1987, and I join the other members of Alaska's congressional delegation and the entire State in grieving the loss of this fine young man and his future contributions to Alaska.

At the time of his death, Ivan Gamble was the president of Kootznoowoo, Inc., the Angoon Native village corporation, and vice president and past president of the Angoon Alaskan Native Brotherhood camp. He was a member of the board of directors of the Alaska Federation of Natives and the AFN 1991 Village Steering Committee. Ivan was also active in the Tlingit-Haida Central Council, and participated most recently as a member of Alaska Governor Steve Cowper's transition team. He was also a significant contributor to the Sealaska Corp., the regional Native corporation for Southeast Alaska.

But all of this is aside from what is most important to say about Ivan Gamble. He was an irreplaceable leader of the city of Angoon, of the Native village corporation of Kootznoowoo, Inc., of the entire southeastern region of Alaska, and of the State of Alaska itself. He was a much respected and widely admired individual who enjoyed the great trust and affection of those with whom he worked.

For nearly a decade, Ivan has been a pivotal leader in the community of Angoon on Alaska's Admiralty Island. His leadership and human skills were regarded by all who knew him as integral to the character, success and stature of this small community.

Much of the reason, no doubt, was Ivan's basic humanity and his roots in this community. He leaves behind a large family, scattered throughout Alaska. Most particularly, I want to extend my condolences and respects to Ivan's wife, Jeanne, and his fine 10-year-old son, JR (Ivan, Jr.). Ivan was a devoted family man who provided the sort of spiritual guidance and leadership by example which contributed to his stature as a leader. Finally, almost as a compliment to his civic, cultural and business accomplishments, Ivan was a superb athlete. He excelled in basketball, and from his schoolboy days to the present, he led his teams, including those of the city of Angoon, to victories and championships throughout the region and the State.

As always, words are never adequate to capture our sentiments when we are deprived of a young man or woman in their prime. Alaska, remains a small State, one where we know one another and can call everyone who makes some sort of contribution to the life of the State a friend. In that sense, I want my colleagues in the U.S. Congress to know of our loss, and to join me in mourning the loss of one of our Alaska friends and leaders.

The loss of Ivan Gamble was mourned in Juneau at a memorial service on Tuesday, June 23, at the Anchorage Native Brotherhood Hall. In that service, Ivan's friends and neighbors spoke of him words more eloquent than any I can speak here today. I would like to share with my colleagues the essence of that service as it was reported by the Tundra Times, Alaska's principal newspaper reporting to the rural areas of the State.

[From the Tundra Times]

(By Peter M. Metcalfe and Bill Munday)

The Juneau ANB Hall was filled to capacity Tuesday evening as more than 400 mourners, friends and family of Ivan Gamble, assembled to pay their respects to the departed Native leader. Gamble, 37, was killed early Sunday morning in a fiery two car collision on Juneau's Egan Expressway.

Byron Mallot, president of Sealaska Corporation, speaking as a friend of Ivan Gamble, said, "Ivan was unquestionably a man destined for greatness. The deep grief we all feel is because we ask ourselves 'What might have been?' "

Rev. Jerry Bennett, his voice shaking with emotion, told the mourners that Gamble would be greatly missed by everyone who knew him. "If Ivan had anything to say to us," Bennett said, "it would be a word of encouragement."

As other speakers would also allude to, Bennett said Gamble's attitude towards basketball, a game he loved, came through the other aspects of his life. "He was always encouraging people. When our Juneau Old Timers team would come to Angoon, Ivan made us feel welcome. His team could have really run us down, but Ivan would see to it that we looked competitive."

Daniel Johnson, Sr., read a eulogy on behalf of the Alaska Native Brotherhood. Johnson recalled the many organizations that Gamble participated in, usually in a leadership position. For the last seven years Gamble was presideant of the village corporation of Angoon, Kootznoowoo, Inc., a position he assumed when the corporation was in dire financial straits. Today it is one of the most profitable and best managed village corporations in Alaska. Gamble was a long-time officer of ANB Camp #7, an ANB Grand Camp officer, served on the board of directors of the Alaska Federation of Natives, was a founding member the AFN Village Steering Committee, and served on the Executive Committee of the Central Council of Tlingit and Haida Indian Tribes of Alaska. In addition, Gamble served on the Personnel Task Force of Governor Cowper's transition team.

Johnson then read a series of telegrams from Alaska's congressional delegation and from several individuals who had worked with Gamble on many issues. A telegram from Durwood Zaelke, a close friend of Gamble's and the staff attorney for the Sierra Club Legal Defense Fund, noted that "Ivan's death will change each and every one of us . . . we must become better men and women to fill the unfathomable void left by Ivan, or all we have left is the tragedy . . . he was a great leader."

Johnson concluded his remarks by saying he felt that Gamble knew he had only a short time left. "At the rate Ivan was going he must have known he had just a short time left and so he tried to cram a lot in in a short time. Let us strive to keep the fight going."

Bob Loescher, representing the Juneau Tlingit-Haida Council, said Gamble represented a new generation of Native leaders. "His was of the highest caliber of leadership. He was a fair man with a strong sense of right, who was respected wherever he went. We worked together on many issues—housing, subsistence, Admiralty Island. His work continues and he will not be forgotten. Many thousands of people will benefit from what he has done far into the future."

Speaking on behalf of the Tlingit Haida Central Council, Ed Thomas identified Gamble's role in the context of a basketball player. "Ivan always knew exactly who he was playing for, and made a special effort to know who the key players were on each side of every issue," Thomas said. "He spoke with conviction and used diplomacy to achieve his objectives, but he was not above using very direct means to arrive at those objectives if diplomacy failed."

Kootznoowoo chairman Peter Jack, Sr. said, "I knew Ivan all his life, since he was a little boy. When I first heard about the accident, for the first few minutes, it was unacceptable. I believe his life revolved around his love for his family, community and his concern for the future. I marveled at the energy he put into the projects he took on."

Jack recalled a airplane flight he had taken with Gamble last December. "We were flying back from Juneau to Angoon, just before Christmas. We got into a real bad storm. He looked at me, and said jokingly, 'Not yet Peter, we've got to get back, there is a lot more to do.' The loss of Ivan will effect everyone in Angoon, he will be an inspiration for all of us."

Cyril George, a Kootznoowoo director, said that "Ivan was a young man who rolled up his sleeves and went to work, not just for little Angoon, but also for other communities in Alaska."

This sentiment was echoed by several other speakers. Morris Thomson, co-chairman of the AFN, commented on Gamble's efforts on the statewide scene. "I've had the pleasure to work with him on major issues, and saw him resolve problems that he alone could resolve. My lasting memory of Ivan is from the last AFN Convention. We had some very tough regional problems that had developed, and when that happens we break up into caucuses. I looked across the hall and there was Ivan, standing on a table top, looking down on his people from Southeast, directing them, and building a consensus. He was always willing to bring people together."

Patrick "Paddy" Paul, Ivan's maternal uncle, spoke for the family. In Tlingit tradition, the father hands out love, while the uncle provides discipline and training. "These last few days I've been looking around for a brother to take the burden off my shoulders. Tonight I see a lot of brothers and sisters so I don't feel I stand alone. I don't understand why God didn't take me before him. So I say a little prayer to myself. 'God, grant me the serenity to accept those things I cannot change, the courage to change what I can, and the wisdom to know the difference."

H.R. 2801, LEGISLATION TO AMEND THE FEDERAL UNEMPLOYMENT TAX ACT

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. YATRON. Mr. Speaker, last week Mr. RIDGE and I introduced H.R. 2801, legislation to amend the Federal Unemployment Tax Act to provide limitations on the credit loss penalty applicable to employers in States with outstanding loan balances from the Federal Unemployment Account [FUA]. This important measure will assist employers in States which previously borrowed funds from the FUA. At the same time, it will ensure that these obligations are repaid in full.

In the mid-seventies, a number of State unemployment systems were faced with severe fiscal imbalances and were subsequently forced to borrow from the FUA. Many of the States were then unable to repay the Federal advances by the originally established deadline and became subject to the federally imposed FUTA credit loss penalty. The penalty constitutes a reduction in the Federal credit available to employers for unemployment taxes paid to the State. The State's debt is repaid through the automatic accumulation of this penalty at a yearly rate of 0.3 percent.

Because this penalty accrues each year, many employers are forced to pay excessive penalties. This is especially troublesome in States which have restored the financial integrity of their unemployment systems. For instance, in Pennsylvania, in 1987, employers will be paying a penalty of $303 million on a debt of $591 million—an average of $84 penalty per employee. In 1988, the last year of Pennsylvania's debt, a total debt of, $203 million will be accompanied by penalties of $388 million—an average of $105 penalty per employee. Similar problems may be faced by employers in other States with borrowings from the FUA. These States include: Illinois, West Virginia, Ohio, Texas, North Dakota, Michigan, and Louisiana. However, the problem is not limited to these States; employers in any State with debts to the FUA could face additional taxes. These penalties place a great and unexpected hardship on employers in the affected States.

Our legislation would address this problem by placing a 0.1 percent cap on the accrual of Federal penalties in 1987 and a 0.3 percent cap for 1988. Our bill would also reduce the penalty in the last year of debt to ensure that employer's penalties do not exceed the amount owed. These provisions will be limited to States that have restored the fiscal integrity of their unemployment systems. Most importantly, no debt will be forgiven and the full amount borrowed will be repaid.

Mr. Speaker, this is a reasonable and fair proposal for addressing a problem that adversely affects employers throughout our Nation. I submit the text of the bill for the RECORD.

H.R. 2801

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ADDITIONAL LIMITATION ON THE REDUCTION ON THE CREDIT APPLICABLE TO EMPLOYERS IN CERTAIN STATES WHICH HAVE OUTSTANDING LOAN BALANCES.

(a) In General.—Section 3302 of the Federal Unemployment Tax Act is amended by adding at the end thereof the following new subsection:

"(h) Limitation on Credit Reduction for Employers in Certain States.—

"(1) In general.—In the case of a State that meets the requirements of paragraph (2) with respect to taxable year 1987 or paragraph (3) with respect to taxable year 1988, the reduction under subsection (c)(2) in credits otherwise applicable to taxpayers subject to the unemployment compensation law of the State for the taxable year shall be reduced by 0.1 percent in the case of taxable year 1987 and 0.3 percent in case of taxable year 1988.

"(2) Requirements for partial limitation on reduction.—The requirements of this paragraph are met by any State with respect to taxable year 1987 if—

"(A) as of January 1 of each of the preceding 3 taxable years the State had a balance of outstanding advances made to its unemployment account under title XII of the Social Security Act, and

"(B) for the cumulative period of the preceding 3 taxable years the amount of employer contributions to the unemployment account of the State exceeded the amount paid out of the account as unemployment benefits.

"(3) Requirements for full limitation on reduction.—The requirements of this paragraph are met by any State with respect to taxable year 1988 if—

"(A) the State met the requirements of paragraph (2) for taxable year 1987,

"(B) for the period of taxable year 1987 the amount of employer contributions to the unemployment account of the State exceeded the amount paid out of the account as unemployment benefits, and

"(C) the Secretary of Labor determines (on or before November 10 of such taxable year) that the State satisfies the requirements of subparagraphs (A), (B), and (D) of subsection (f)(2).

"(4) Credit reductions for subsequent years.—If the credit reduction under subsection (c)(2) is limited by reason of paragraph (1) of this subsection for taxable year 1987 or 1988, for purposes of applying subsection (c)(2) to a subsequent taxable year (in which paragraph (1) does not apply), the taxable year for which the credit reduction is limited (and January 1 thereof) shall not be taken into account.

SEC. 2. SPECIAL RULE FOR LIMIT ON TOTAL CREDITS IN CERTAIN STATES WITH OUTSTANDING LOAN BALANCES.

(a) In General.—Section 3302(c) of the Federal Unemployment Tax Act is amended by adding at the end thereof the following new paragraph:

"(4)(A) Notwithstanding paragraph (2), if the Secretary of Labor determines on or before November 10 of a taxable year that the reduction in credits otherwise applicable to taxpayers of a State under paragraph (2) would result in the payment of additional taxes by taxpayers in the State in an amount that exceeds the balance (as of such date) of the outstanding advances made to the unemployment account of a State under title XII of the Social Security Act, the amount of reduction in total credits for taxpayers in such State for such taxable year shall be determined in accordance with subparagraph (B).

"(B) The total credits (after applying subsections (a), (b), and (c)(1)) otherwise allowable under this section with respect to employers in a State to which subparagraph (A) applies for a taxable year shall be reduced by an amount that bears the same ratio to 100 as the balance (as of November 10 of such taxable year) of outstanding advances made to the unemployment account of the State bears to the total amount of wages (as defined in section 3306(b)) paid by employers during such taxable year which are attributable to such State.".

(b) Application.—The amendment made by this section shall apply with respect to any taxable year beginning on or after January 1, 1987.

THE BRADFORD PLAN

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. MAVROULES. Mr. Speaker, I rise today to bring to the attention of my colleagues one of the numerous examples of worthy and prestigious educational institutions in the New England area—Bradford College. However, the thing that makes this college particularly noteworthy is the unlikely source of its strength and leadership.

Arthur E. Levine's years as a radical student at Brandeis University in the 1960's would seem to argue strongly against his becoming part of the educational system. Few would have imagined that he would attempt to revive a small, troubled, liberal arts college in Haverhill, MA. However, at the age of 38, Levine has gained renown as the man who has saved Bradford College.

By the time Levine assumed the presidency of Bradford College in 1982, he had acquired a long list of impressive credentials. After receiving his BA in biology from Brandeis in 1970, Levine spent a gruelling year as a contract substitute teacher in the Boston public school system. During this time he and a Brandeis classmate wrote a book based on their studies of educational policies at colleges and universities around the country.

Levine proceeded to obtain a dual Ph.D. in education and sociology from State University of New York at Buffalo in 1977. While completing his dissertation in 1975, Levine began the first of 7 years with the Council on Policy Studies in Higher Education, and the Carnegie Foundation for the Advancement of Teaching. As a senior fellow from 1977–82, he visited more than 100 colleges and universities as either a consultant or researcher.

By 1982, at the age of 33, Levine had published six books dealing with higher education. At this point he felt a need to put his theories into practice. As he says:

> I wanted to prove three things: that the liberal arts are vital and vibrant, that the liberal arts graduate can get a job, and that a small college can thrive. I wanted to build a model.

It was this desire that led Levine to be 1 of 250 candidates seeking the presidency of a small, troubled liberal arts college in Massachusetts. Bradford was founded in 1803 as a secondary school. By the late 19th century it had become a women's seminary. By 1932 it had been transformed into a full-fledged junior college for women. In the early 1970's Bradford began to admit male students and offer a 4-year bachelor program. But, according to current vice president and Academic Dean Janice Green, the school had lost its sense of direction. Money and morale were running low, and by 1982, Bradford was in desperate need of a new leader.

Levine was chosen as that leader because he presented to the search committee the blueprint for what would become known as the Bradford plan for a practical education. For Levine, the plan was to help prepare students for the working world without being "vocational" and without sacrificing a strong emphasis on the liberal arts. As Levine himself says: "I wanted to show we could do education instead of training."

The Bradford plan was developed by Levine in conjunction with the school's faculty, and with the assistance of curriculum specialists he had met during his years with Carnegie. Instituted on a mandatory basis in 1984, the plan consists of seven elements. The curriculum requires nine courses of "general education," two semesters of extensive expository writing, and a semester of study in the language and logic of mathematics. The first year at Bradford ends with the Freshman Inquiry Program in which the student evaluates his or her own experience and charts a tentative course for further education.

Juniors and seniors must complete a comprehensive, interdisciplinary major—many choose the Bradford option of a liberal arts minor oriented toward specific career preparation. In addition, juniors may opt for an elective year internship in offices ranging from Bradford administration to Washington, DC. This intership is supplemented by a seminar called the "Nature of Work," with readings in history, fiction, and social theory. Finally, to graduate, every senior must complete a senior project—a thesis, performance, or other body of professional caliber work. Although each of these elements can be found at other schools, Levine maintains that they find their best integration at Bradford.

Because of the urgency of the situation, the Bradford plan found quick approval, according to Green. The situation today, thanks to Levine, is far from urgent, particularly in financial matters. Funding for Bradford grew from $400 a year in 1982–83, to $428,900 in 1985–86 with investments from such foundations as Ford and Exxon.

This year the Pew Foundation, known for its large grants to universities for science and engineering, gave Bradford $200,000 to improve its math and science departments. Alumni, who in the 1970's returned to the campus to find disrepair and disappointment, have once again begun to donate. Indeed, the $5 million fund drive begun in late 1984—Bradford's first since the 1970's—concluded in February of this year approximately 6 months ahead of schedule and $500,000 over goal.

Levine's model is being closely watched as a possible solution to the problems now plaguing many small liberal arts colleges. Bradford attracts students as much with its low student-faculty ratio—48 faculty for 425 students—as with the Bradford plan itself. One of the standard guides for college admissions has recently upgraded the difficulty of admission into Bradford from "less competitive" to "moderately difficult." And in the class of 1989, 22 percent of the students came to Bradford from the top one-fifth of their class.

It is obvious that Bradford College is a school on the rise, but it is too soon to determine what affects the Bradford plan has had on the lives of individual students. Levine stands firm in his support of the plan and in his determination to endow the students with knowledge that will carry them for the rest of their lives:

> I'd like every student to graduate with three things that a lot of colleges don't have. One is a sense of hope. This generation doesn't have a lot of that. I'd like them to have a sense of responsibility. In a me-oriented world, that's real important. And in that collage of variables is a sense of efficacy—that what they do matters.

THE VIRGINIA WILDERNESS ACT OF 1987

HON. RICK BOUCHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. BOUCHER. Mr. Speaker, I am pleased to join with Congressman JIM OLIN today in introducing the Virginia Wilderness Act of 1987. My Virginia colleagues Mr. PARRIS, Mr. SISISKY, Mr. PICKETT, Mr. SLAUGHTER, Mr. BATEMAN, Mr. WOLF, and Mr. BLILEY are cosponsors of the legislation, and Senators WARNER and TRIBLE are introducing companion legislation in the other body.

This legislation designates approximately 25,000 acres in Virginia and one tract of 2,500 acres in West Virginia as part of the National Wilderness System. This acreage includes the designation of four wilderness study areas in the Jefferson and George Washington National Forests as wilderness, a technical correction made to an existing wilderness area, and the addition of 2,500 acres in West Virginia to an existing wilderness area in Virginia.

Due to concerns raised by the Westvaco Corp. about the possible effect of wilderness designation on Clean Air Act requirements for its paper mill in Allegheny County, VA, the areas of Rich Hole, Rough Mountain, Shawvers Run, and Barbours Creek were designated as wilderness study areas in the Virginia Wilderness Act of 1984. Having now determined that it will not be adversely affected, Westvaco has withdrawn its opposition to the wilderness designation of these areas.

The legislation makes a technical correction to the Lewis Fork Wilderness Area. Mistakenly, 72 acres were accidentally omitted from the official map for this area following passage of the Virginia Wilderness Act of 1984. This mistake is corrected by the addition of the 72 acres in this legislation.

Wilderness designation of the two areas in Virginia's Ninth Congressional District, Shawvers Run and Barbours Creek, is strongly supported by the Craig County Board of Supervisors. The Forest Service supported the addition of the 2,500 acres in West Virginia to the adjoining Mountain Lake Wilderness Area in Virginia during consideration of the 1984 act, and I am pleased that the acreage is now being included.

These areas afford numerous opportunities for primitive recreation with their native trout streams, black bear and wild turkey habitat, mature hardwood forests with large areas of mountain laurel, giant hemlocks, and virgin stands of timber.

As wilderness, the pristine beauty and diverse natural resources of these areas will be preserved for the enjoyment of present and future generations. The region will benefit economically from wilderness designation due to increased tourism resulting from hunters, sportsmen, hikers, and naturalists visiting these areas.

Virginia's proud tradition of treasuring its historical and natural landmarks is further enhanced by the protection of these resources, and I hope that my colleagues will join with me in supporting the Virginia Wilderness Act of 1987.

WHEN THE HOMELESS ARE ILL

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. GARCIA. Mr. Speaker, we are all concerned about the homeless and are attempting to provide shelter and other services for them. However, I feel we are not providing enough. What are we doing to help those people who suffer from mental illness? We can provide shelter and food, but unless we address their mental illness problems we are not going to be successful in getting these people off the streets, and we are certainly not going to end their pain and suffering.

I include the following editorial from the July 1 edition of the Washington Post and highly recommend it to my colleagues:

> WHEN THE HOMELESS ARE ILL
>
> A walk through downtown Washington will invariably take you past one or more haggard and homeless people who are obviously mentally ill. Some 1,500 to 2,000 of these men and women now live on the city's streets and in its homeless shelters. The advocates who fought vigorously for the freedom of former patients blame mental health systems that have been distressingly slow in developing community-based mental health care. State and local governments blame advocates for forcing deinstitutionalization faster than comprehensive outpatient care can be set up.
>
> Both sides are partially responsible for the 100,000 former mental patients across the country who are homeless and without regular care. In this city and elsewhere, the people who know this best are the shelter providers. They watch the victories by civil libertarians, knowing that more former mental patients will turn up at their doors. They listen to local governments' claims of improved community-based care, knowing that the mentally ill people whom they harbor still face crisis. Even when community-based care is available, the former patient now has the right to refuse it. Perhaps it's time to try a different approach.
>
> The American Psychiatric Association has called for permitting "brief" periods of involuntary confinement and treatment, but only when a former mental patient is (1) out of control and irrational, (2) incompetent to make medical decisions and (3) obviously suffering. That could help prevent the tragic situation in which a former patient's health slowly deteriorates while he is living on the streets.
>
> Lawyers could still represent the interests of a homeless person who was back—briefly—in a hospital. But meanwhile the mental health system would be providing the care and medication needed to enable that person to be released again and to live with some degree of independence. Shelter providers could be better incorporated into the care system. Is this feasible? A walk through the streets and the shelters shows that the legal "victories" haven't stopped the suffering of the chronically mentally ill. There has to be room for a new approach.

PROJECT RECOVERY SEEKS MISSING U.S. SERVICEMEN

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. HOUGHTON. Mr. Speaker, a group of Vietnam veterans from Allegany County, in the southern tier of New York State, are opening their hearts in the great American tradition of never giving up concern for their fellow man.

They have come up with an idea which deserves recognition. It is known as Project Recovery.

Project Recovery is a proposal by a few men to return to Vietnam in order to build roads, bridges, and hospitals destroyed during the Vietnam war.

In exchange, the only thing they ask is the promise that the Government of Vietnam do two things: First, free any live Americans found there. Second, to return the final remains of Americans who are missing in action.

Talks between the veterans organization and a representative of the Vietnamese Government are currently taking place. No one knows what may be found, but I truly hope an agreement can soon be reached, and in the spirit in which our men intend it. Project Recovery has the chance to put to rest the fears felt by many American families.

THE UNITED STATES AND THE ARIAS PEACE PLAN

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. LOWERY of California. Mr. Speaker, during the past week there has been some speculation in the press that the United States is trying to undermine the Central American peace plan proposed by President Arias of

Costa Rica. These reports ignore the real problem confronting the Arias plan and all efforts to achieve peace in Central America. The real obstacle to a negotiated peace is the Sandinista government.

As a true Marxist-Leninist dictatorship, the Sandinistas pay lip service to the cause of peace, but they will not end their attempts to dominate their citizens and their neighbors unless they have no alternative. Unfortunately, the Arias plan in its current form gives the Sandinistas too many ways to avoid establishing a truly democratic society and ending their threat to their neighbors.

For the Arias plan to have a real impact, the Sandinistas must agree to negotiate with the Contras, just as President Duarte has talked with the rebels in El Salvador. If the Sandinistas agree to talk with the resistance, then a cease-fire has real meaning. The Arias plan currently only calls for an end to support for the resistance in Nicaragua, thus it would eliminate the only pressure on the Sandinistas to reform their government.

Mr. Speaker, no Communist government has ever voluntarily shared power. If the goal of the Arias Plan is to allow the Sandinistas to show their true totalitarian colors, it will succeed in its present form. If its goal is to bring peace to Central America, then it must be changed to force the Sandinistas to negotiate a real peace agreement.

INTRODUCTION OF THE MISSION PLAN AMENDMENTS

HON. ARLAN STANGELAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. STANGELAND. Mr. Speaker, today, Congressman VIN WEBER and I are introducing the legislative vehicle to enable the Department of Energy to continue administering the Nuclear Waste Policy Act.

The Mission Plan Amendments provides three important initiatives for nuclear waste storage. Based on programmatic judgments, deadlines for development of the first nuclear waste repository would be extended 5 years—to the year 2003. The Mission Plan calls for a monitored retrievable storage [MRS] facility which would serve as a temporary storage facility of nuclear waste. And, the preliminary search for a second repository would continue to be delayed until late into the next decade.

In May 1986, the Department of Energy indefinitely postponed the search for a second repository. In the year since that decision was issued, circumstances remain basically unchanged. There is no more need for a second repository today than there was a year ago. Departmental projections on the amount of wastes to be generated over the next several decades have been reestimated and the volume is significantly lower. In 1982, when the Nuclear Waste Policy Act was enacted, DOE projected 140,000 metric tons of waste would be produced by the year 2020. DOE now projects, that, given the absence of any new nuclear powerplant orders, the generated waste volume may be as low as approximately 74,000 metric tons.

The second repository is technically unnecessary. It would be an unneeded exorbitant expenditure of several billion dollars of ratepayers' money. As the Department stated last May, "spending hundreds of millions of dollars now on siting would be premature and unsound fiscal management."

We believe the enactment of this legislation will address the needs of the nuclear power industry. This plan extends deadlines without risk, effectively creating time for our scientific community to develop safer and more practical means of nuclear waste disposal.

We urge our colleagues to join in supporting this responsive initiative.

TRIBUTE TO RUBY GERTRUDE BROOKS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. HOYER. Mr. Speaker, on this day, I wish to pay tribute to a remarkable person, Mrs. Ruby Gertrude Brooks. Her life-long commitment to serving her community will be long remembered.

Born on October 22, 1914, in New York City, Ruby displayed her many talents at an early age. Throughout her life, Ruby combined these talents to be a successful mother, dancer/choreographer, practical nurse, and councilwoman of the thriving community of Seat Pleasant, MD.

Her dancing career started at the Grace Jeils School of Dance. In the mid-thirties and early forties, she went on to make numerous appearances at the Apollo Theater, the Cotton Club, and other well-known clubs and theaters in New York.

Early in life, Ruby also showed an outstanding interest in caring for the sick. This interest led her to become a member of the first black class of the American Red Cross classes in practical nursing. On many occasions, she volunteered as a practical nurse at Harlem Hospital.

While traveling with her husband, Nathaniel G. Brooks, who served in the Air Force, Ruby took on many public service tasks. She served as a Girl Scout coordinator, a member of the Seat Pleasant Recreation Council, a school crossing guard, and a family services housing coordinator.

Such kind-hearted actions led Ruby to be elected as the first black woman to the Seat Pleasant Town Council. She held this office from 1964 to 1972. Those who remember her term on the town council recall her hard work, caring attitude, and dedication to the town of Seat Pleasant and to her constituents.

I was saddened to learn of Ruby's death on June 5, 1987 at the Malcolm Grow Medical Center on Andrews Air Force Base. Her survivors include her husband, Nathaniel G. Brooks, her daughters, Mrs. Jewell G. Brooks-Jones; Mrs. Gertrude V. Jones; and Mrs. Jacqueline V. DeShields, and many other relatives and friends. She will be dearly missed by all of us.

CHINESE VIOLATION OF HUMAN RIGHTS IN TIBET

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. LANTOS. Mr. Speaker, recently, this House unanimously adopted legislation criticizing the People's Republic of China for gross violation of the human rights of the people of Tibet. Just a few days ago, the New China News Agency criticized that action of the House and published a report quoting former U.S. President Jimmy Carter about the favorable human rights conditions in Tibet.

According to the Chinese press, Mr. Carter said that the Congress will change its views after he returns to Washington and reports on his two-day visit to Tibet. The Chinese press quoted the former president as saying that religious freedom was flourishing in Tibet.

After the publication of that report, however, Mr. Carter apparently had second thoughts. At a news conference in Beijing yesterday, he said that there was still a long way to go before Tibetans could enjoy full religious freedom. Furthermore, he noted that his impressions of Tibet were based on a short 2-day visit and his Chinese guide was with him and translated for him during the entire time.

Mr. Speaker, I am delighted that Mr. Carter has corrected himself. This House recently—and correctly—reported that Tibet has been subject to serious human rights violations by the Chinese Government. More than 1 million Tibetans have died as a result of famine and political turmoil in the last 40 years. Thousands of monasteries have been destroyed. Tibet has been subject to a large-scale influx of ethnic Han Chinese people, who are innundating the native Tibetan people and their culture. The Tibetan spiritual leader, the Dalai Lama, has been forced to flee from his country, and he now lives in exile. Chinese leaders have said that he may return to China and live in Beijing, but he may not return to Lhasa.

Mr. Speaker, it is essential that we continue to call the attention of the American people and the attention of people everywhere to these gross abuses of the human rights of the Tibetan people.

RESPECT AND ADMIRATION FOR BARNEY QUILTER

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Ms. KAPTUR. Mr. Speaker, for more than 25 years, Speaker Pro Tempore of the Ohio House of Representatives, Barney Quilter has epitomized the finest in public service. He cares about people and people care about him. His rapport with his constituents is inspiring to witness. I know of no other public official who commands more respect and admiration from constituents and fellow legislators than Barney Quilter. For me, he has been a friend, a role model, and an adviser.

Recently, The Toledo Blade's Sunday magazine did its cover story on Barney Quilter. As a fellow Toledoan, it gives me a special feeling of pride to enter the article in the CONGRESSIONAL RECORD for present and future generations of legislators to appreciate.

BARNEY QUILTER: QUIET POWER IN THE OHIO HOUSE

By Joe Hallett

Barney Quilter was eating a Hungarian hot dog at the bar at Tony Packo's when Carty Finkbeiner walked in. Immediately heads turned and there was muffled conversation across tables. Carty Finkbeiner was the target of instant recognition, discussion, and conjecture.

Carty glided through the restaurant, smiling and waving, as the lunch crowd chirped about the city councilman's chances of defeating Mayor Donna Owens in November. Seeing Barney, Carty stopped for a moment, just long enough to absorb the warmth of the Quilter smile and to lecture Barney about what the people of Toledo want. Honesty and responsiveness, that's what Toledoans want from the mayor's office, Carty was saying.

Barney agreed, wished the councilman well, and returned to his hot dog. The whole scene begged for a comparison that Barney Quilter would never make, indeed that he probably didn't even recognize.

Here was Barney Quilter, speaker pro tempore of the Ohio House of Representatives, the man who could become the next speaker of the Ohio House, sitting at Tony Packo's, and only a handful of patrons seemed to notice him. Here was the man who, by virtue of his closeness to the current speaker, Vernal Riffe, Jr., already is the second-most-powerful member of the House, eating lunch in the middle of his district without a single constituent interrupting him.

And here was a city councilman whose presence was noted at every table, lecturing Barney Quilter, Toledo's unacclaimed political powerhouse, about what the people in the city Barney has represented for 20 years want.

The irony of the situation could have been recognized with a single condescending comment from Mr. Quilter, but that's not his style. His nature is to make friends and, to that extent, it is difficult to find anyone who dislikes him. Barney Quilter, a man who seems to have no enemies, is a political anomaly.

But how can anyone serve in the Ohio House for 20 years without making enemies? How can anyone be part of the House Democratic leadership team for 16 years, including 12 as speaker pro tempore, second in command, without making enemies? How can anyone be one of Ohio's most effective politicians without picking up foes along the way?

Surely there are people who will tell you, off the record, that Barney Quilter is no intellectual giant, that at times he dresses like a dip, that he'll never win an American Legion public speaking contest, and that his dream of becoming the next speaker of the Ohio House is unattainable.

But finding someone who dislikes Barney Quilter is not easy.

Joe Wlodarz, a 75-year-old East Toledo activist and friend of Barney for almost 60 years, says as much. "If Barney ever had an enemy, they buried him long ago. He could run for anything and win. That guy just sacrifices every minute he's got for his people."

Harry Kessler and Mike Damas, former Toledo majors, agree: "It's hard to find anybody else held in such high esteem by so many people," says Mr. Kessler.

"He has enough friends to elect him governor, and he'd be a damned good one," contends Mr. Damas. "I don't have any brothers, but if I could pick one or two or three men as my brother, Barney would be one of them," says House Speaker Riffe.

"For what he has gone through and the way he has faced things, Barney's in a class by himself," he adds. "I always look at Barney and see that Irish smile. That alone is enough to inspire you."

The smile. That's it. That's why people like Barney Quilter. The smile has taken him from obscurity in East Toledo to statewide prominence. The reason is that Barney doesn't end with the smile, he starts with it. Behind the crinkly eyes and thin-lipped flash of teeth is a compassionate man whose own difficult life has taught him that life can be hard for others. So the smile is empathetic, designed to assure people that even when life is bad it can be made good, and that he understand they have problems and will do what he can for them. Meanwhile, the smile says, let's be happy, because life's too short to be miserable.

Barney dosn't talk much about his own problems. He doesn't look back with sourness on a past that robbed him of a change to make a name as a professional boxer. He didn't ask for pity recently when his older sister suffered a paralyzing stroke. Barney simply accepted the fact that, since her husband had died, he must care for her. "I'm the only one she has to turn to." And he kept smiling.

Mary, though, is the true measure of Barney's character. In his Toledo life and in his Columbus life, Mary is always with him. His mind, and heart never leave his wife of 43 years, who has been stricken with Alzheimer's disease since 1978.

But let us consider events of the past that molded Barney Quilter.

Barney was born and raised and has lived all of his 67 years in East Toledo.

Driving around his east side district on a windy day in March his 1981 New Yorker showing no signs of retiring despite 176,366 Toledo-to-Columbus-to-Toledo miles, Barney pointed out the landmarks of his youth.

There, at 513 Oak St., is where the family bar, the Green Oak Tavern, used to be. When his dad, James died of cancer at age 47 in 1939, Barney, two brothers, and two sisters were needed to help their mother run the place. It was a time when Marie Quilter, affectionately called Nell by the lunch crowd, was still struggling to get family on its feet after the stock market crash 10 years earlier.

Barney will never forget the day in 1929 when, at age 9, he sat on the porch of their modest house at 640 Leonard St. waiting for his father to come home. Across Flatiron Park, now called Prentiss Park, he could see the homes of his childhood playmates—Howard Cook, who grew up to be a state senator and who died in December, 1983; Kenneth Deshetler, who became a judge and director of the state insurance department, and Duane Sawyer, who became a Marine Corps general.

Barney watched his father walk across the park, returning from the now-defunct Bell & Beckwith brokerage firm, where he went on weekdays to track the activities of this considerable stock portfolio.

"My dad patted me on the head, didn't say a word, and went in the house. At dinner that night, everything was quiet. Later, when I was old enough to understand, I found out that when my dad left the house that morning we were financially comfortable. When he came back, we were in poverty. The banks had closed, the stock market had crashed, and he lost everything."

Pulling the New Yorker to a stop near the intersection of Woodville Road and Prentice Avenue, 50 yards from his current home, Barney recalled another fateful day, Dec. 15, 1961. He was hanging Christmas decorations on the house when Mary came running with news that someone had been hit by a car at the intersection. Ascertaining that their children were in the house, Barney sprinted toward the corner.

"My mother had an orange coat. As I ran down to the corner, I could see an orange coat. It hit me that it could possibly be her, and I kept saying to myself, 'God don't let it be her.' It was her. I was the first person there. I laid her head in my lap. People brought blankets. I took her to the hospital in the ambulance. We got there, and she died."

Cruising on, the New Yorker passed Good Shepherd Parish at Clark and Nevada streets, where three generations of Irish Catholic Quilters were baptized, schooled, married, and buried. The Quilter ties to Good Shepherd remain as strong as when Barney's grandmother, Briget Haley, a widow with four daughters, took in extra laundry to raise money to buy a stained-glass window for the church.

And then there was the old gym on East Broadway, where Barney used to train for fights. It was while he was fighting for the DeSales College boxing team that James Bernard Quilter picked up the nickname "Barney" as he mimicked welterweight champion Barney Ross. Young Quilter had more than 60 fights, losing fewer than a handful.

His dream of turning professional was sidetracked by World War II, when he went to Europe to fight the Nazis. It was dashed permanently by the death of his father.

"His death changed my entire life. I just couldn't think about doing anything else but coming back and helping with the tavern. That's where I was needed."

After pulling off the gloves, he kept up with boxing by coaching the Glass Workers Union's boxing team in the late 1940s and 1950s, producing several standout fighters and Golden Gloves champions.

Barney was only peripherally interested in politics in those days. He first got involved in the Democratic Party as a precinct committeeman, and later formed a Democratic club on the east side. But he had no thoughts of ever being a candidate. Television was beginning to sour the tavern business; people were staying home at night instead of gathering at the bar. With two children at home, it was time for a job change. The once-bustling Green Oak, which at one time employed 11, was eventually sold and Barney took a factory job.

In 1958, Joe Ferguson, the newly elected state auditor, called on Barney to take over his patronage sales-tax stamp operation. For four years Barney traveled the state, closing state agencies operated by Republicans and settng up loyal Democrats in the tax-stamp-issuing business.

He entered his first political race in 1961, and, along with newcomer Harry Kessler and then-Mayor Mike Damas, was defeated for Toledo City Council.

When Auditor Ferguson lost the election in 1962, Barney was offered a job in public relations at the new Toledo Health and Retirees Center, formed by the United Auto Workers. He continues there today on a part-time basis, keeping office hours Mondays and Fridays.

Former Mayor Damas, a loyal unionist, was administrator of the retirees center and took note of the natural affinity Barney had for people. One day, Frank King, president of the Ohio Senate, came through on a courtesy call and became so impressed after chatting with Barney that he promptly urged Chuck Ballard, then UAW regional director and president of the retirees center, to persuade the young man to run for the new House seat from Lucas County created by reapportionment. With recommendations from Mayor Damas and Senator King, Mr. Ballard approached Barney.

"I told him I didn't know if I could win, but if I did, I wanted him to know that I would serve one term and one term only," Barney recalls. "I told him he better have somebody else in the wings. That was 20 years ago."

Since that first race in 1966, Barney has stayed closely tied to labor and never has been challenged in a Democratic primary. He has won at least 70 percent of the vote against his Republican opponents. His district today encompasses East Toledo, much of the downtown area, and portions of South Toledo near the Maumee River.

He has risen to become the second-most-powerful member of the House, and only a political neophyte would not recognize that the source of Barney Quilter's power is Vern Riffe.

To understand why Barney Quilter can get things done for Toledo, one must first know about Vern Riffe and how he got to be perhaps the most powerful person in Ohio government. Vern Riffe went to Columbus from New Boston, an Ohio river hamlet, in 1959, a bowtie-and-country-bumpkin manner belying a shrewdness for politics unmatched in Ohio today.

He, like the rest of the minority Democrats in the House, was just marking time when the Crofters scandal of 1971 caused a great upheaval for majority Republicans at the polls the next year, and ushered in what has become a 15-year dominance of the House by Democrats.

Quickly embraced by his colleagues as a man who could be respected and trusted, Barney was elected majority floor leader, third in command behind the new speaker, A.G. Lancione, and the new speaker pro tempore, Mr. Riffe. Then came the coup d'etat of 1974.

Sitting in the Clock Cafe in Columbus one night, Barney and his Toledo colleague, former Rep. Art Wilkowski, lamented the decision by the aging speaker, Mr. Lancione, to renege on his promise to serve only one term. House Democrats, they complained, seemed to be directionless under Mr. Lancione and he should not block younger blood from taking over.

Mutiny was hatched as Quilter and Wilkowski charted a new Democratic leadership team on a bar napkin.

Gathering a coalition behind Mr. Riffe, Representatives Quilter and Wilkowski led the bid to topple Speaker Lancione. Through his support of Mr. Riffe, Barney had collected a blue-chip IOU, and was elected speaker pro tem. Mr. Riffe has gained near autocratic control over House Democrats, rewarding those who are loyal to him with committee assignments and generous financial support from his rich campaign warchest, and punishing those who oppose him.

It is safe to say that no legislation passes the House without Speaker Riffe's blessing.

Without question, Barney is Vern Riffe's most loyal supporter in the House. "I stay with him even if I don't agree with him," Barney admits. "I feel that I have to, because as leadership we have to speak with one voice for the Democrats. That doesn't mean I'm afraid to disagree. In private, I tell Vern what I think, I raise the red flags. But when he makes a decision, I'm with him all the way."

The speaker counts on that loyalty and capitalizes on the respect Barney has earned from Republicans and Democrats in both the House and Senate. "It's just a pleasure having someone like Barney as your right arm," says Mr. Riffe. "If I've got something I want to get across to the members. Barney is my ambassador, because they respect and like him, and they know that Barney believes in commitments. He keeps his and he expects others to keep theirs."

Barney's strength is his ability to compromise and as a result, he almost always is named by the speaker to House-Senate conference committees assigned to work out differences in key legislation. "If you need to send somebody in to work out a problem, to compromise, to negotiate something, they don't come any better than Barney," says Mr. Riffe. "I've used him so many times on conference committee, because he knows how to get things done, and the reason for that is because he's got the respect of all the members."

While Barney Quilter's ability is appreciated by House and Senate members, he is not generally considered a heavyweight in the statewide arena, and, for years, was largely unappreciated at home. The Statehouse press corps pays little attention to him, partly because, unlike many legislators, he does not trumpet his accomplishments.

"He's not a headline seeker," says Barney's legislative aide, Joe Olecki. "I don't think Barney ever sought the attention. I think it's consolation enough for him that he's done a good job for his area and had an influence on a lot of peoples' lives."

Bob Miller, who has covered the Statehouse 23 years for the Associated Press, agrees: "He's so low-profile I don't know if I can recall him taking the lead on anything major statewide. But Barney takes care of his district.

"You also have to remember that Barney's working in the shadow of Vern Riffe, somebody who has unprecedented power. It would be difficult for anybody to stand out next to Riffe."

Those who operate within and around the Statehouse are cognizant of Barney Quilter's influence on state government. "It's kind of nice to call someone in a department here and say you're from Barney Quitter's office and then just watch how quickly things get done," says Mr. Olecki.

"I think it's very important to have Barney on your side," says James Spencer, a lobbyist for University Hospitals of Cleveland. "He has an ability to maintain a sense of perspective that sometimes gets lost in this business. He's a very caring, very right kind of guy with a tremendous reservoir of common sense . . . You could be around this building for five years and not understand how important he is to it. There's no fanfare, no whistles, no bells, but Barney has made a difference."

There are tangible signs of the difference Barney Quilter has made for the Toledo area. He has doggedly pursued the development of his pet project in Lucas County, Maumee Bay State Park, and this year used his influence with Governor Celeste, Speaker Riffe, and Senate President Paul Gillmor to assure funding in the state budget to start construction on a first-class lodge and golf course at the Lake Erie park.

In 1973, Toledo's master conciliator used his backroom bargaining prowess to get $27.5 million for new construction at the Medical College of Ohio from a tight state budget that permitted no other campus construction around the state.

Even Harry Kessler, the former Toledo mayor and Barney's longtime friend, was surprised by Barney's power in Columbus in 1985. A controversial law change was desperately needed to provide the final piece of financing for Toledo's new downtown convention center. Mr. Kessler, chairman of the convention center bureau, turned to Mr. Quilter, who enlisted Senator Gillmor's support to push through the legislation.

"I never realized the scope of Barney's influence in Columbus until then," Mr. Kessler says. "I don't think the average person in Toledo has any idea how important he is down there."

Gary Failor, general manager of the Toledo-Lucas County Port Authority, saw "very tangible" evidence of Barney's clout when $8 million was needed to fund $14 million of improvements to Front Street, a key riverfront route for Toledo shipping.

"We knew there wasn't enough time available to horse around trying to get the money from the federal government, so we went to Barney," says Mr. Failor. Using his friendship with Rep. Fred Deering (D., Monroeville), influential chairman of the House subcommittee which oversees highway funds, and Peter Ujvagi, the Toledo city councilman who is one of Governor Celeste's chief liaisons in Toledo, Barney was able to convince the Governor to earmark $8 million for Front Street.

Back home, Barney keeps in touch with his constituents from his office at the Health and Retirees Center. "When people have trouble, they go there and see Barney," says Mr. Wlodarz, the east side activist. "What he has done for them has saved so much in lawyers fees it isn't even funny."

Some constituents also know that twice a week, they can find Barney at the 21st Century Health Spa in the Great Eastern Shopping Center. "The steam room is a good place to hear opinions. Some guys will come in there and read me out about things that are happening in Columbus. When you walk out of there, you have a good idea what middle America and Toledo are saying about almost any issue."

Although he has not sought acclaim for what he has done for his district, there is a hint of bitterness when he talks about the recognition that finally has come his way. For years, retired Sen. Marigene Valiquette, senior member of the Toledo legislative delegation, got all the ink back home, while Vern Riffe got it in Columbus.

"When Vern is down in his district, he's revered as a god," says Barney. "Up here (in Toledo), I think I'm looked at as something less than a city councilman."

Ironically, for all his accomplishments, it was a speech Barney made on the House floor about his wife, Mary, that landed his name in newspapers and on newscasts across Ohio. Last June, Barney rose to speak about a bill he proposed to help Alzheimer's victims. Afterward, he said he had no intention of mentioning Mary; he didn't want to reveal her condition to all of Ohio.

Mary was his—his wife, his companion, his love, his world, and his problem—and he would forever protect what they once had together, and what they still meant to each other. But it just came out. He tried to control the quivering voice, he tried to hide the tears, but it was not use. All that Barney felt for Mary poured out onto the floor of the House.

It was deadly silent. Speaker Riffe turned his back to conceal his own tears.

And Barney, with uncommon eloquence, told Ohio about the life he and Mary relished before Alzheimer's, the disease that took her mind but left her body. Barney Quilter laid open his soul and let Ohio know that beneath that ever-present smile is a man who aches for the return of the woman he loves.

Barney Quilter wants to be the next speaker of the Ohio House. Vern Riffe says he'll probably run for governor in 1990, and he wants Barney to follow him as speaker. "If I'm sitting down there (in the governor's office), I need somebody here I can trust," says Mr. Riffe. "If it's legislation or whatever, I know that what Barney would tell me about it is the way it's going to . . . if Barney were to announce that he wanted to be speaker if I happen to go for governor, I doubt very much whether there would be any opposition, becasue he's just got that respect of the members."

But the day Speaker Riffe announces his candidacy for governor is the day many believe he will cease to be a factor in the House. Political egos, long sequestered under the Riffe regime, will be unchained, and the process of selecting his successor could turn into a bloodbath for the Democratic caucus.

"Anybody who thinks he can have anything handed to him on a silver platter around here is badly mistaken," says one longtime observer of the Statehouse. "I don't think Vern Riffe can hand the speakership to Barney."

He, like others, believes Barney would make a good speaker, but may not be tough enough for the fight. "He lacks the killer instinct to take out everybody who's in his way."

A well-connected lobbyist agrees: "I don't think the fire in Barney's belly burns hot enough. Everybody in this building has an ego, but Barney is not one of those who constantly needs to feed his."

Others question whether Barney has the political base to win the speakership. "Usually the guys from Cleveland have an awful lot to say about who becomes speaker because of their sheer numbers," says Mr. Miller, the Associated Press reporter. "Of course, they don't always agree with each other."

If a battle for the speakership develops, many at the Statehouse agree, Barney could emerge as the concensus compromise candidate, especially if he would agree to serve just one term while younger Democrats jockey for position. In 1990, Barney will be 70. "I think people would feel comfortable turning to him, because they know he would be a sensible and good leader, and because he's loved by almost everybody here," says a Democratic House member from southeastern Ohio.

Barney concedes that he would be the likely compromise candidate "to let cooler heads prevail and keep a lid on things," and says he would stay no more than four years in the speakers' office. But if becoming the next speaker boils down to a fight, he's ready for it.

"I'd be in there with both feet. I think I'd probably be the most formidable candidate simply because I've served next to the speaker for so long that I know how the office works and how things get done. I don't think there's anybody opposed to me, but I wouldn't say I have it wrapped up. I would hope the majority of Democrats would support me."

Barney Quilter, speaker of the House. Toledo would have to notice that!

BLESSING DENIED

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. JACOBS. Mr. Speaker, our beloved country has enjoyed many generous blessings, but one blessing denied to us has been the presidency of MORRIS K. UDALL of Arizona.

A TRIBUTE TO MR. JOHN N. VERMEULEN

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. DYSON. Mr. Speaker, I rise today to salute a man for his lasting contributions to the education of students in and out of Maryland's First Congressional District. I speak of Mr. John N. Vermeulen, who is retiring today after serving as an educator for 33 distinguished years—15 of which were spent as principal of Indian Head Elementary School in Indian Head, MD.

I strongly believe that our Nation's unmatched level of prosperity and intellectual advancement has been made possible by the superb education provided our citizens by America's public school teachers and administrators. Indeed, a source of America's greatness can be found in those who dedicate their lives to enriching the minds of our Nation's youth—whether they be black or white, rich or poor, male or female. Mr. Speaker, John Vermeulen is one of these dedicated individuals.

John Vermeulen's career as an instructor began in 1954, where he taught in Indonesia until 1960. Originally from Holland, John Vermeulen left his teaching post in Indonesia and immigrated to the United States in 1960. That same year he began teaching American children in Minnesota and, by 1965, John Vermeulen was an American citizen. From 1965 until 1970, he moved and taught schoolchildren in Idaho. His travels took him back to Minnesota to teach until 1972 when accepted the post as principal of Indian Head Elementary School and moved to the Charles County town of Indian Head in Maryland's First Congressional District.

As principal of Indian Head Elementary School, he has earned the respect and admiration of parents, students, and colleagues alike. His community has looked to him as a leader in Veteran's Day activities and as an active participant in the Charles County Humane Society. Moreover, he has become the embodiment of the able, learned, and patient administrator and, as such, has become a model for many other educators in his community. While John Vermeulen will be sorely missed, I believe I am speaking for all when I say that the lessons, impressions, and marks he has left for his successors will last far into the future.

So, Mr. Speaker, I would therefore like to once again extend my appreciation and heartfelt congratulations to John Vermeulen, who stands as a source of great pride to his family, friends and all in Maryland's First Congressional District.

CALL FOR CAUTION AS WE CONSIDER ANWR'S ROLE IN OUR NATIONAL ENERGY POLICY

HON. PETER A. DeFAZIO

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. DEFAZIO. Mr. Speaker, I rise to commend to my colleagues a letter I recently received from the Hon. Jay S. Hammond, former Governor of Alaska. In his letter, Governor Hammond addresses some of the major concerns raised by the administration's headlong rush to open the Arctic National Wildlife Refuge to oil development.

Governor Hammond's letter is an elequent call for caution as we consider the ANWR's role in our national energy policy.

PORT ALSWORTH, AK,
June 15, 1987.

Hon. PETER DEFAZIO,
House of Representatives, Longworth House Office Building, Washington, DC.

DEAR REPRESENTATIVE DEFAZIO: The 100th Congress presents you with a most difficult task, deciding whether to move legislation to open the Alaska National Wildlife Refuge (ANWR) to oil and gas development. Back in 1980 when the Alaska National Interest Lands Conservation Act (ANILCA) was passed, this question proved so thorny that the Congress postponed it for another day.

Much has changed since 1980. Runaway inflation is under control, gas prices are lower than anyone ever dreamed could be possible and our dependence on foreign oil is rapidly growing. Up at Prudhoe Bay we now have almost 20 years of experience and observation of the effects of energy development in the arctic.

You are being asked to choose between two national priorities of great value—the integrity of our last great wild stretch of arctic wild lands and the powerful needs of an energy hungry society. I don't envy your task.

As you may know, I questioned the opening of ANWR when ANILCA was passed. I would continue to question opening up ANWR to energy development unless there were a very compelling national need to do so. The question that must be answered very thoroughly is: does that need exist?

I am sure that your committee is examining this question with scrupulous care. I would urge you to resist the heavy political pressures that I know you must be feeling to move speedily to resolve this question.

Too much is at stake. I am troubled by a number of things:

a. This Administration's energy policy has heavily emphasized short-term extraction of this precious non-renewable resource with little thought to the long-term consequences. If—and it's a big if—there is a major field under ANWR, should we extract it now, or should we hold it as a reserve for a future time when oil will be much scarcer and world prices much higher?

b. This Administration's energy policy has not only looked to the short term for energy development. It has strongly discouraged policies and eliminated funding for the very programs that would guarantee us greater energy independence in the future—slashing the conservation and renewables budget, vetoing the appliance efficiency standards, weakening the fuel economy standards.

c. We do not as yet have very good information on all the environmental impacts of the Prudhoe Bay development. Indications are that the environmental damage may be significant but that no government entity has been willing to spend the money to find out. We need to get this information so that should the day arise when we want to open ANWR, we understand the consequences and can move to mitigate them as effectively as possible. I question whether the committee now has sufficient information on the Prudhoe Bay situation to develop adequate protective measures for ANWR at this time.

I will not regale you with the many important values of the arctic refuge. I am sure that you and your committee have been fully informed on the unique and awe inspiring qualities of the region. If the day is here that we must set those values aside forever, I would hope that it is done in the context of an energy future that is moving toward energy self-sufficiency by pursuing every energy conservation option and developing the full potential for renewable energy sources.

It would seem to me irresponsible for the Congress to move forward to open this magnificent region to development unless such a move will indeed contribute to our energy self-sufficiency. Given the present energy policies, it would appear that to open ANWR now would risk irreparable damage to a unique resource for another short-term, quick fix of oil—a sugar pill to help us postpone the inevitable day when we plan responsibly for a truly energy efficient future.

These are the really critical issues that must be addressed in your deliberations. They involve looking at the country's long-term needs in a way that we politicians rarely do. In this case, however, there is so much at stake that we must be absolutely certain that we are contributing to a responsible energy policy if we decide to sacrifice the integrity of this great wilderness area.

Sincerely,

JAY S. HAMMOND,
Former Governor of Alaska.

A DIFFERENT VIEW

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. GINGRICH. Mr. Speaker, Big Labor and the Democratic majority are attempting to strangle our Nation's business community with a series of job killing bills. House passage of the closed shop bill for the building construction industry reveals their strong-arm approach to creating a European style of socialism. The following article reveals the Democrats' agenda which will create a new strain of the European disease.

[From the Wall Street Journal, June 30, 1987]

THE DEMOCRATS' EUROPEAN DISEASE

By the time the Senate's monstrous 1,000-page trade bill slouches to the floor for a vote, it will be carrying more than 100 amendments. Among them is a plant-closing bill sponsored by Ohio's Democratic Senator Howard Metzenbaum. Slated for a vote today or tomorrow, it would create new requirements for closing a plant in the U.S. (The Senators aren't too fastidious about whether their amendments have much of anything to do with trade.) The plant-closing amendment is among a half-dozen Big Labor measures sponsored by Democrats this year. Taken together, the bills add up to a Democratic effort to infect the country with an epidemic known as the European disease.

The European disease, which has enervated Europe's economies for years, was the result of good intentions gone haywire. The European model of employment called for strict government control of the labor market in the interests of "the social good." Practically every aspect of labor-management relations has been regulated to some degree—from wages and benefits to plant operations. The result: 15 years of relatively flat job creation. Since 1970, the economies of Britain and West Germany actually have shown a net decrease in the total number of jobs; France and Italy posted only modest increases.

Unemployment among members of the European Community remains stubbornly high, with rates ranging from 9% in West Germany to almost 12% in Britain. As the accompanying chart illustrates, the U.S. economy has been a veritable job-creation machine compared with the EC. Since 1970, the U.S. economy has produced more than 30 million net new jobs, for an increase of nearly 40%. Since the 1981 recession (which resulted in 11 million displaced workers), the U.S. economy has created some 20 million new jobs, for a net gain over this period of nine million new jobs.

Against this backdrop, the Democrats are now ready to march U.S. labor law backward into someone else's failed past.

The plant-closing bill requires employers to give three months' advance notice of closings. A "double-breasting" bill places new strictures on construction companies operating both union and nonunion shops; the bill would effectively unionize many non-union operations and permit multisite picketing. A minimum-wage bill raises the minimum hourly scale by nearly 30%. An occupational-disease bill requires notifying employees of job-related disease risks as broadly defined by the government; employers absorb the cost of testing. Another bill expands the scope of Davis-Bacon prevailing wage laws on federal projects. A parental-leave bill, part of an emerging "mandated benefits" strategy, would require employers to provide up to nine months a year in leave to parents.

Most of these bills are rewrites of measures rejected by Congress in past sessions. The only thing that has changed is that Democrats now control the Congress. Howard Samuel, an AFL-CIO executive, said recently, "We control the committees and the agenda on the floor."

The irony in all this is that Senator Metzenbaum and his like-minded colleagues are embracing a European-like labor policy at the very time Europeans are trying to move away from it. Last month the economic policy committee of the Organization for Economic Cooperation and Development issued a report asserting that broad reforms of Europe's labor policy are needed if the EC is to spur job creation and healthier economic growth. The report advocated "dynamic economies in which markets and competition [play] a wider and less constrained role." And improved "functioning of labor markets is essential to reduce joblessness and strengthen economic performance."

So the imminent vote on the Metzenbaum plant-closings bill offers an odd spectacle. While the OECD seeks to undo the damage of 15 years of policy that has raised labor costs, decreased productivity, stifled job creation and hindered competitiveness, the Democrats are intent on imposing the same disease on the American economy. Come to think of it, the Metzenbaum plant-closing measure looks right at home in the congressional trade bill.

A TRIBUTE TO A SPECIAL FRIEND: MARILYN MAZELL

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. LEVIN of Michigan. Mr. Speaker, it is a privilege for me to rise and offer tribute to my constituent, Marilyn Mazell. Her recent retirement from the Oak Park School Board brought an end to her outstanding tenure of 16 years. Marilyn served the board in many capacities including four terms as president. She has always demonstrated a strong personal commitment to the quality of public education and to the welfare of the children and youth of our community.

Marilyn Mazell has given countless hours of her time and talents as a volunteer in the city of Oak Park and in Oakland County. From service to the community to political action, Marilyn has always been there, willing to do her part and helping to make the difference.

I am honored to know Marilyn and privileged to have her continuing support and assistance. I join the residents of the Oak Park School District in congratulating her and thanking her for her years of devoted service. I will always treasure our friendship.

DESOTO BEND: A MATTER OF FAIRNESS

HON. JIM LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. LIGHTFOOT. Mr. Speaker, last year I introduced legislation, H.R. 4150, to provide for the Federal Government to keep its promise to the users of DeSoto Bend National Wildlife Refuge in Iowa and Nebraska. I am disappointed that the committees with jurisdiction over this bill did not act upon it last year, but it is not too late to correct this injustice. In fact, I continue to receive a substantial amount of correspondence from my constituents in support of reversing the Interior Department's action and over 100 people recently added a local meeting to voice their support as well. Therefore, today I am introducing a bill identical to H.R. 4150 from last year.

In short, this legislation would reverse action taken by the Department of the Interior in 1985 to terminate many of the public uses of DeSoto Bend. The Interior Department's action to terminate these activities—primarily water skiing and power boating—violated the agreement it struck with local groups and residents to enlist their support at the time the refuge was established.

Mr. Speaker, I want to take a moment to familiarize my colleagues with the background of this problem. DeSoto Bend is a 7-mile long oxbow lake that was created when the Army Corps of Engineers performed work to straighten the channel of the Missouri River. The lake and surrounding area provides refuge for wildlife, particularly fish and geese, but it is far from the type of wilderness area that one normally associates with a wildlife refuge. The refuge is located adjacent to farm land just outside of the Council Bluffs, Iowa-Omaha, Nebraska metropolitan area. Much of the refuge consists of land that used to be prime farm land. The primary benefit the refuge provides for wildlife are feeding grounds for migrating geese in the spring and fall.

The Bureau of Sport Fisheries and Wildlife Service proposed the establishment of DeSoto Bend National Wildlife Refuge in the late 1950's. At that time there was much public resistance to the concept from the owners of adjacent farm land and from groups who envisioned using the lake for recreational purposes. As a result, public meetings were held and grievances were aired. The most significant objection was the need for 7,800 acres of valuable real estate that were proposed to be incorporated into the refuge. In order to overcome these objections and win the support they needed, Government officials likened their proposal to an existing refuge in southern Illinois and other places. They showed slides of recreational activities that took place at these refuges, including water skiing, camping, controlled shooting areas, and others.

During one hearing an official of the Department of the Interior, Mr. Robert Burwell, made some particularly revealing remarks regarding what the Interior Department's considered acceptable uses of the refuge under their proposal. Mr. Burwell stated:

> We are here this evening to describe for you a proposed plan for this refuge as we have developed it, how we would like to operate and administer it, and what we would want to accomplish.

He went on to say:

> It is our opinion that the area should generally be open to public enjoyment at all times of the year, except during the period approximately September 15 until the end of the waterfowl season. I believe that with the exception of the period from September 15 to about the first of January, it can be opened to boating, fishing, swimming, picnicking, etc. If the ice is thick enough and the folks want to do so, we know of no reason why there can't be ice fishing.

The bulk of the supporting statements from the participants in these discussions stressed recreational aspects of the proposal, and not primarily the benefits for wildlife alone. The minutes from these meetings are a matter of public record and can be viewed by anyone who is interested in doing so. In fact, I would encourage this since the minutes are very revealing and supportive of the case I am making. It was based on documented remarks such as these that the Interior Department received public approval for the project, and the DeSoto National Wildlife subsequently was established.

As promised, the refuge initially provided many recreational opportunities. However, several of the most important activities that were emphasized to win public approval were never developed or were gradually phased out after the first few years. Among the most valuable of these activities were swimming and water skiing, both of which have been banned. Water skiing was banned as recently as the spring of 1985, after having been enjoyed by thousands of area families for the previous 27 years.

I want to call to my colleagues attention a statement of a past Iowa Conservation Commission:

> The issue, as viewed by the commission, is that the U.S. Bureau of Sport Fisheries and Wildlife has gone back on its promise to the people of Iowa and Nebraska as to how the vast resources of DeSoto Bend would be used.
>
> In 1957 public acceptance of Federal control of DeSoto Bend was given only after Federal officials assured the public that in addition to giving refuge to migration waterfowl, DeSoto Bend would provide public recreation. This was to include fishing, boating, water skiing, swimming, picnicking, hiking, hunting camping, etc.

Mr. Speaker, the legislation I am introducing today would only restore swimming and water skiing to the refuge. These activities would be restricted to the summertime months, and would not interfere with the migratory birds which pass through in the fall.

I also want to point out that water recreation opportunities are very limited in this area, but the demand is tremendous. The only two major alternatives for the thousands of water skiers in the area are Lake Manawa, which is barely large enough to accommodate water skiing, and certainly not a large enough volume of traffic; or the Missouri River, which is a terribly unsafe and unhealthy place for family recreation. DeSoto Bend, on the other hand, is a clean, 7-mile long body of water which can be used safely by many. Indeed, only one death during the lake's 27-year history was boat-related.

In addition, in order to accommodate the interests of fishermen and others, this legislation would open only one-half of the lake to water skiing. The other half would remain a no-wake zone for fishing and under-vegetation.

Mr. Speaker, we, as elected representatives of the tax-paying public, have an obligation to use their tax dollars in a way which accommodates the widest range of interests possible. That is not what is happening at DeSoto National Wildlife Refuge. The citizens in my district are tired of fighting the bureaucrats who are going back on their promises. The bureaucrats have come and gone over the years, but the people are still there holding a broken promise. The bill I am introducing today would settle this long-standing disagreement once and for all, and I urge that my colleagues give it their support.

PERSONAL EXPLANATION

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. CLINGER. Mr. Speaker, on June 30, 1987, I was unavoidably absent during one vote. Had I been present, I would have voted in the following fashion:

Rollcall No. 234—H.R. 1827, supplemental appropriations, the House agreed to the rule (H. Res. 217) which waived certain points of order against the conference report, "yea."

CARRIER ALERT

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mrs. MORELLA. Mr. Speaker, as Representative from Montgomery County and as a member of the Post Office and Civil Service Committee, I am calling attention to a new program in Montgomery County called "Carrier Alert," begun in New York 5 years ago by Vincent Sombrotto, president of the National Association of Letter Carriers. As the following editorial from the June 30 edition of the Montgomery Journal so clearly states, the mail carrier, the couriers on their appointed rounds, can also act as an important safeguard against harm and injury, especially for our older Americans.

Mr. Speaker, this is a significant program that deserves our attention and praise. I thank the Journal for encouraging participation in "Carrier Alert," and I also thank Mr. Michael Furey, customer services manager for the Postal Service in the Silver Spring area, and Mr. Pat Knollen of NALC Local 142, for their roles in bringing this program to Montgomery County.

LETTER CARRIERS DELIVER IN MORE WAYS THAN ONE

> In spring 1985, letter carrier Julius Murphy Jr. noticed that a woman on his Chevy Chase route had not picked up the mail he had delivered the previous day. The screened-in porch where he typically left the mail was also uncharacteristically locked.
>
> Murphy notified a neighbor and called the police, who found the woman unconscious in the house. The woman, a widow who lived alone, was taken to the hospital and released about a week later.
>
> Such stories are rare, but not unheard of, in the Postal Service. Mail carriers' beats often become as familiar as the calluses on

their feet, and seemingly inconsequential things—a door left ajar, drawn curtains, lights left on or off—can speak volumes to observant carriers.

Postal officials have now developed a program that may improve the carriers' friendly watch. In the program, called Carrier Alert, the post office marks participants' homes, signaling letter carriers to watch for an accumulation of mail. If mail has not been picked up, the letter carrier will notify a supervisor who, in turn, will call either the Red Cross or police.

Had it been in effect in 1985, it would have signaled the letter carrier to take action even if letter carrier Murphy had been on vacation.

Vincent Sombrotto, president of the National Association of Letter Carriers, initiated the program five years ago in New York. Michael Furey, manager of customer services for the post office in the Silver Spring area, and Pat Knollen, president of the local letter carrier union, have helped bring the program to Montgomery County.

Initially, the program is being offered to residents of Silver Spring, Bethesda and Chevy Chase. If your ZIP code begins with 209, or it if is 20813 through 20817, you are eligible to participate in the program.

If the down-county pilot program is successful, the program will be expanded to other ZIP code areas in the county. A similar program in Washington fizzled out because of a lack of interest it would be a shame if it dies here, so we encourage people who may benefit from it to participate.

The Red Cross, one of the sponsors of the program, hopes the program will catch on here because of the large number of elderly residents in the county. A Red Cross official said it hopes to enroll 500 to 1,000 people in the down-county program.

Other program sponsors are the U.S. Postal Service, the NALC, Safeway Stores Inc. and the county's Department of Family Resources.

Information about the program can be obtained at county libraries, senior centers, government community centers and post offices. It can also be picked up at the Red Cross at 2020 East West Highway in Silver Spring. Call 588-2515 for information.

INTRODUCTION OF MEDICARE MENTAL HEALTH BENEFIT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. STARK. Mr. Speaker, today Representative, LEVIN, Representative COYNE, Representative DOWNEY, and I are introducing a bill to increase the Medicare mental health benefit from a payment of $250 per year on $500 worth of services, to $1,000 on $2,000 worth of services.

This provision had been included in H.R. 2470, the Medicare Catastrophic Protection Act of 1987. But in working out differences in this bill between the Energy and Commerce Committee and the Ways and Means Committee, the section was deleted.

I regret this action. Mental health is one of the great, unrecognized problems facing the senior community. Improvement of this benefit has been very low on the agenda of seniors groups, which is largely why the provision was dropped. But it should be high on the agenda.

Later this session, I would like to explore in hearings the need for this amendment, and the possiblity of including psychologists and other mental health workers as providers in a better mental health benefit. The case for an improved benefit is there—it just needs to be made more clearly.

MERCHANT FLEET COSTLY BUT WORTH IT

HON. ROBERT LINDSAY THOMAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. THOMAS of Georgia. Mr. Speaker, it is with great pleasure that I present to this distinguished body an impressive essay that was written by one of my constituents from Savannah, GA, Sheila Patricia Dillon. Sheila's essay earned her selection as one of 19 national winners in the 52d annual Harold Harding Memorial Maritime Essay Contest, sponsored by the Propeller Club of the United States and its affiliates in 65 major U.S. ports, 15 ports overseas and on 27 college campuses.

The focus of her essay was on the U.S. merchant marine fleet and its importance to our country. I must say that I was very impressed with the amount of research and effort Sheila put into her essay and thought the Members of the House might benefit from some of the points that she raised.

MERCHANT FLEET COSTLY BUT WORTH IT

(By Sheila Patricia Dillon)

(Sheila Dillon, a student at St. Vincent's Academy, is one of 19 national winners in the 52nd annual Harold Harding Memorial Maritime Essay Contest, sponsored by the Propeller Club of the United States and its affiliates in 65 major U.S. ports, including the Port of Savannah, 15 ports overseas and on 27 college campuses. The daughter of Mr. and Mrs. Herbert P. Dillon of 1407 Queensbury St., Sheila wins a voyage from any of several U.S. ports to San Juan, Puerto Rico. Her essay supervisor, teacher Sheila Winders, will receive a citation.)

There are many people in America who are unaware of the state of the United States Merchant Marine fleet and how important the Merchant Marine is to us in our daily lives. Some people do not even know what the Merchant Marine is. The U.S. Merchant Marine consists of all of the seagoing cargo and passenger ships that are registered in the United States. These ships must fly the American flag. Also included in our country's Merchant Marine are those vessels that are operated on the Great Lakes and in other inland waterways. In order for a vessel to be a part of the United States Merchant Marine, the ship must be built in America and have an American crew working on it. The Merchant Marine fleet is vitally important to the economy and to the shipping and trading industry.

This lack of knowledge is a problem in our society that must be corrected. There are many different reasons why we, as Americans, should care that our country has a strong Merchant Marine fleet.

One of the most important reasons that America needs to have a strong Merchant Marine is the necessity of its strength in the event of our involvement in a war. During wartime, the Merchant Marine is as important to our country's well being as the armed forces. Therefore, it is essential that our Merchant Marine fleet is as strong as it can possibly be.

The United States Merchant Marine isn't as strong as it could be. There are several economic reasons for this. There are many shipping companies that are owned by Americans who have chosen not to have their ships registered under the United States flag. They feel that it costs too much money to have ships in the U.S. Merchant Marine. Because of the high standard of living enjoyed by the people of our country, there are many labor laws that govern wages that workers must be paid, conditions under which people may work, and safety requirements. The taxes that United States ship-owners must pay on their vessels are quite high. These requirements make it very expensive to have an American flag ship.

In order to avoid the high cost of ships that are included in the U.S. Merchant Marine, many American-owned shipping companies turn to other countries, where they purchase ships from foreign shipyards to solve these high-expense problems. There are many smaller countries in which ship-owing costs are much less than in America. For example, Liberia, a small African country, has the largest national merchant marine in the world because of the low costs of having a Liberian ship. The actual production of a ship in Liberia is much cheaper because there are no strict safety requirements that would make the construction of vessels cost more. The workers are paid wages that are drastically less than those of Americans who build ships. The crews that work on these ships are not paid good wages either. Finally, the taxes charged on Liberian vessels are not as high as American ship taxes. In wartime, all of these ships that could help America become the property of the nation under which they are registered. This could really hurt our country if these small countries were our enemies.

In the event that America should become involved in a war, foreign trade and shipping would be greatly affected. Any trading that was done between the United States and our enemies would immediately stop. The same is true of their allies. Neutral countries would not trade with America in an effort to remain impartial. That would leave us to depend solely on our allies for shipping products that are necessary in our lives and cannot be produced in our own country. However, if we have a strong Merchant Marine, there would be enough cargo vessels that are owned by Americans to provide the ships needed to import the goods that are necessary for our survival.

Another reason that a strong Merchant Marine is important during time of war is the use of the ships to transport soldiers to other countries. While it is rare, ships that are registered in America could be used by some branches of the Armed Forces. Soldiers in the Army could be brought to different parts of the world on these American vessels.

The American economy is another reason we should care about having a strong Merchant Marine. If we have a strong Merchant Marine fleet, then the economy will be better. A large Merchant Marine fleet would give us more ships to transport the products that we export from our country, making it less expensive to ship American goods. The money spent on shipping costs would come back to our country rather than go to another country. Imports of the items that must be received from other countries would be less expensive to the consumers, because there would not be a shipping tariff on American vessels coming into the United States.

If more American shipping companies had Merchant Marine vessels, the unemployment rate in the United States would drop. Many jobs would be provided by shipyards for people who could work as shipbuilders. This would also provide jobs for people to work on the ships when they are running. Having a lower unemployment rate would make the economy much stronger.

These reasons, among others, indicate that the United States Merchant Marine is very important to our way of life. Although there are many people in our country who are unaware of the necessity of the Merchant Marine, all Americans should be educated about the Merchant Marine, and do what they feel they can do to support it. It would be beneficial to all Americans if they encouraged their government representatives to create new laws that would better protect American-registered ship owners. The future of our country could some day depend on our use of national and international waterways. Having a large, strong United States Merchant Marine is necessary, and something about which all Americans should care.

PERSONAL EXPLANATION

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. BONIOR of Michigan. Mr. Speaker, on Friday, June 26, 1987, I was absent from House proceedings because of a recurring back problem. My physician ordered quiet bedrest to relieve resulting pain and discomfort. Had I been present, on the following rollcall votes, I would have voted:

"No" on rollcall vote 220.

"Aye" on rollcall vote 221.

"No" on rollcall vote 222.

"Aye" on rollcall vote 223.

On Tuesday, June 30, 1987, I was unable to cast a vote on rollcall vote 236 because of an appointment with my physician. Had I been present, I would have voted "Aye."

DEMOCRAT BUDGET SHOWS NO CHANGE

HON. LAMAR S. SMITH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. SMITH of Texas. Mr. Speaker, last Sunday the San Antonio Express-News ran an editorial which cut through the rhetoric and posturing that has characterized this year's budget debates.

The editorial clarifies the tax-hike versus spending reduction argument by pointing out three inescapable facts—that Federal revenues have grown by $170 billion since 1981, while defense spending rose $115 billion and domestic spending rose a whopping $197 billion. If Congress could have mustered the will to restrain domestic spending, it would indeed have been possible to cut tax rates, provide for a needed increase in defense, and move toward a balanced budget.

The editorial also concludes that the Democrats, now in control of the budget-making process, are still playing the same old tune of slashing defense, raising taxes, while claiming to make "spending cuts" through the use of sham economics.

Mr. Speaker, this editorial clearly spells out why we are in trouble with the budget, and I ask that the text of the June 28 editorial be inserted in the record.

The editorial follows:

[From the San Antonio Express-News, June 28, 1987]

DEMOCRAT BUDGET SHOWS NO CHANGE

For the first time since 1980, Democrats are unambiguously in charge of congressional budget-writing. The spending plan recently agreed to by the Democratic House and Senate leaders lets one see whether they have changed their philosophy since their party last controlled both chambers. They have not.

The leaders' budget plan would raise taxes by $65 billion over the next three years. If President Reagan vetoes that increase, as he has promised, the plan would cut defense spending. Even if the president swallows higher taxes, the plan would keep defense from growing enough to match inflation—for the third year in a row.

The Democrats' budget would supposedly cut non-defense spending by $11 billion, but that figure is meaningless. It would soon be virtually wiped out by just one bill that recently cleared a House committee: a catastrophic-illness proposal likely to cost about $9 billion more than officially estimated.

It is easy to get bored with the repeated, partisan volleys between the president and House Speaker Jim Wright, D-Texas, on the budget—the former demanding spending cuts, the latter tax hikes. The instinctive response is to assume that the truth lies in the middle. But that assumption is belied by three numbers.

The first number is $170 billion. That is the amount by which federal revenues rose from 1981 to 1986. Note tht it is a positive, not a negative number: Contrary to the impression one gets from Wright and his allies, Reagan's tax cuts did not reduce federal revenue. The "supply-side" did boost federal income.

The second number is $115 billion—the amount by which defense spending rose during the same five-year period. Observe that it is a lot smaller than the first number. Contrary to Capitol Hill rhetoric, it was (and is) possible to cut tax rates, increase defense spending and move toward balancing the budget at the same time.

But that has not happened—thanks to the third number, $197 billion. That is the amount by which federal non-defense spending rose during the period. Although the spenders whine about alleged "cuts," $197 billion is not only a positive number but the largest of all three. It alone is larger than this year's entire federal deficit.

Reagan and Wright are equally shrill and repetitious on this subject. But the former is a lot closer to the truth.

THE EXCELLENCE IN GOVERNMENT MANAGEMENT ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mrs. SCHROEDER. Mr. Speaker, today I am introducing the Excellence in Government Management Act. This bill implements the recommendations of the Twentieth Century Fund Task Force on the Senior Executive Service, chaired by Gov. Charles S. Robb.

The task force found that the Senior Executive Service had not lived up to its potential. The Robb task force said that career civil servants must be at the center of policy formulation; that the quality of political appointees needs to be improved; and that more must be done to bring talented young people into Government.

I believe the public service is now facing a crisis. Career civil servants cannot aspire to the most responsible and important positions in Government because those positions have been filled, to an increasing extent in recent years, by political appointees. Important management positions are too often filled by political appointees who are not qualified by training, temperament, experience, or knowledge for the positions they occupy. The Government's institutional memory is declining because the most responsible and important positions are filled by political appointees who generally serve for relatively short periods of time.

Career executives live in fear of personnel actions motivated by political considerations. These political forces convince many top career managers to abandon Government careers earlier than they would have otherwise. Civil servants are paid substantially less than their private sector counterparts. Many of the most talented young people, especially those with training in fields of study needed by the Government, are not attracted to a career in Government service. And the civil service has been the target of unfair, politically motivated, and productivity reducing attacks by elected officials.

I believe we must act now to deal with the crisis in the public service. A stronger public service increases the productivity of Government and its ability to solve the problems of society. The bill deals with the crisis by—

Increasing the likelihood that the Government can recruit, retain, and effectively deploy the best employees;

Ensuring that those who occupy management positions in Government are qualified to do so;

Providing career civil servants with an expanded role in the management of the civil service;

Eliminating, to the extent practicable, improper political pressures on career civil servants.

Passage of the Excellence in Government Management Act will mean a better, more efficient, more competent Government. I hope my colleagues will support it.

I ask that a copy of the section-by-section summary of the bill be printed in the RECORD.

SECTION-BY-SECTION SUMMARY OF THE EXCELLENCE IN GOVERNMENT MANAGEMENT ACT

Section 1 is the short title, the Excellence in Government Management Act.

Section 2 contains the findings and purposes of the act.

Section 3 requires that the President appoint and consult with a nonpartisan panel of individuals committed to the public service before appointing an individual as Director or Deputy Director of the Office of Personnel Management (OPM).

Section 4 requires that a Senior Executive Service (SES) position be filled only by a career appointee if it is necessary to insure impartiality or if the job involves managing career employees.

Section 5 clarifies that the 10% limit on noncareer senior executives governmentwide and the 25% limitation on individual agencies applies just to filled positions, not to all established positions.

Section 6 limits to 900 the number of Schedule C (political) appointees at GS-13 and above. The current number is nearly 1,000.

Section 7 requires OPM to report to Congress within 30 days after the appointment to a career position of an individual who was, within the preceding six months, a political appointee.

Section 8 establishes one career and one noncareer Qualification Review Board to certify the managerial competence of appointees to SES positions.

Section 9 establishes a geographic relocation benefit of no less than 10% nor more than 20% of pay for senior executives who are reassigned outside their commuting area.

Section 10 clarifies the 120-day get-acquainted period during which career senior executives cannot be reassigned, detailed or removed.

Section 11 requires OPM to encourage senior executives to make greater use of the authority for sabbaticals. Fewer than two dozens sabbaticals have taken since they were established in 1978.

Section 12 requires OPM to report on sabbatical usage in its annual report to Congress on the SES.

Section 13 creates a Government Service Fellowship Program, based on the ROTC model. College and graduate students would have tuition and books paid for and receive a monthly stipend in exchange for a commitment to government service. OPM would administer the program and would select students based on academic performance and the needs of the govenrment for employees with certain skills. Successful completion of the academic portion of the program would guarantee placement in a Federal job. The participant would have to serve in the government for a period twice as long as the period during which the government paid for his or her tuition. The program would be limited to the admission of 1,000 students per year.

Section 14 requires OPM to establish minimum periods of required management training over a fixed period of years for supervisors, managers and executives and would establish a required training program for political appointees in the operations of government and ethics.

Section 15 requries that the performance appraisals of noncareer SES appointees be sent to the President, so that the President is responsible for the performance of political appointees.

Section 16 provides that the dollar value of Presidential Rank awards for outstanding career senior executives is adjusted each time there is a pay adjustment for the civil service.

Section 17 requires the Director of OPM to appoint two advisory panels: one made up of career senior executives to advise on the running of the SES and one made up of career civil servants representing organziatons of civil servants to advise on the running of the civil service.

Section 18 creates a Council on Public Service to develop a public information campaign to encourage a positive image for the public service and an educational program for use in schools to encourage students to consider careers in public service. The Council would go out of business after two years.

OPPOSITION TO EUROPEAN COMMUNITY'S MEAT DIRECTIVE

HON. LYNN MARTIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mrs. MARTIN of Illinois. Mr. Speaker, today I am joined by over 40 of our colleagues in introducing legislation intended to send a strong message to the European Community that the United States will not sit idly by while they close off another market for U.S. farm products. Our resolution expresses the opposition of the Congress to the EC's "Third Country Meat Directive" and urges the administration to take strong countermeasures if the EC unfairly applies the directive to U.S. red meat products.

The pending EC proposal would curtail U.S. meat imports into the EC by imposing unsubstantiated health requirements on U.S. meat processors. U.S. meat plants that do not comply with the directive by December 31, 1987, will be unable to export to the EC. All countries are entitled to set standards to protect their citizens' health, but the EC standards are blatantly unfair because these same standards do not apply to themselves.

The EC directive directly threatens a $130 million export market for U.S. livestock farmers and ranchers. The EC already exports three times more red meat to the United States than we export to them.

Next week, U.S. Trade Representative Clayton Yeutter and Agriculture Secretary Lyng will meet with their European counterparts in Washington to discuss the EC meat directive among other issues. While the EC delegation earlier had agreed to include representatives of our meat and livestock industries in the talks, the Europeans last week announced they no longer were interested in discussing this issue with the U.S. meat industry.

It's time the Congress sent a message to the EC that we will not tolerate the "double standard" which the EC has imposed on us. If the EC is serious about protecting its public against unsafe meat, then maybe it should look in its own street markets. Mr. Speaker, where's the EC beef?

BALANCED BUDGET AMENDMENT

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. TALLON. Mr. Speaker, there have been countless balanced budget amendments introduced in Congress. Unfortunately though, these amendments have not received broad based support. I am very pleased to report that for the first time, I believe we have come up with a bill that will garner the support of sizable numbers of Democrats and Republicans.

I have joined more than 230 of my colleagues in the House in cosponsoring legislation to add an amendment to our Constitution requiring a balanced budget.

I am convinced that where other amendments have failed, this one can be successful. The list of supporters within Congress has grown, just as the number of Americans clamoring for the amendment has increased. Results of a CBS/New York Times poll released just 3 weeks ago showed that 85 percent of the American public favors adopting a balanced budget amendment to our Constitution.

I believe we are going to get the broader support we need. With this amendment we have designed a flexible mechanism which acknowledges that there are times when an unbalanced budget is acceptable economic and fiscal policy—recessions, states of emergency, and war, are just a few of the examples.

Our intent with this amendment is not to mandate a balanced budget every single year, but rather to try to increase the likelihood of balanced budgets during periods of sustained economic growth.

Furthermore, this legislation will help to better ensure that more reliable revenue estimates are used as a basic building block for future budgets. This amendment would require future presidents to propose balanced budgets, not just talk about them.

The proposed amendment requires Congress and the President to agree on a revenue estimate prior to each fiscal year. It requires that outlays may not exceed estimated revenues unless three-fifths of the House and the Senate votes for a specific dollar amount of deficit spending.

The amendment prohibits the public debt from increasing unless three-fifths of each House of Congress approves an increase in the debt. The legislation further requires that tax increase bills can be approved by a majority of the total membership of each House. Presently, tax increase bills can be approved by a simple majority of those present and voting.

The amendment requires the President to submit a balanced budget each year and the provisions of the amendment are waived for any year in which a declaration of war is in effect. The amendment would take effect in 1991.

Some people in Congress and throughout the country view a balanced budget amendment as a cureall—a solution to our economic woes. Adopt one, they think and the deficit will come tumbling down. These people are likely to be very disappointed. Our amendment does not represent an easy solution, there isn't one. This amendment is an important part of the solution. The most important ingredient, however, is our political will. We must have the will and the stamina to make the tough choices necessary on spending on revenues. Without that will, all the balanced budget amendments in the world won't bring us the goal we seek.

In this the 200th year of our Constitution, the addition of a balanced budget amendment is the most popular American issue yet to be addressed by Congress. We would like it to be this Congress' constitutional birthday gift to the American people.

THE FREE ENTERPRISE TRAIL

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. STUDDS. Mr. Speaker, it is my privilege to bring to the attention of my colleagues the opening of the "Free Enterprise Trail" today in Bourne, MA, which I have the privilege of representing in the U.S. Congress.

The Free Enterprise Trail centers around the Aptucxet Trading Post, located on Cape Cod. The trading post was established in 1627 by the Pilgrims of Plymoth Plantation, and served the area for several decades as a place to trade with other colonies and to barter with the native Americans of Cape Cod.

Today's opening of the Free Enterprise Trail will be commemorated by State and local officials, representatives of local historical societies and business who will help rekindle the spirit of healthy commerce fostered by the Pilgrims and nurtured over the three-and-a-half centuries since. To our friends and neighbors in and near Bourne, I offer my best wishes on this important and joyous occasion.

VA EMPLOYEES VOICE STRONG SUPPORT FOR THEIR MEDICAL COMPUTER SYSTEM

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. MONTGOMERY. Mr. Speaker, a controversy over the effectiveness and cost of the Veterans' Administration's medical computer system, known as the Decentralized Hospital Computer Program [DHCP] system, has arisen in the Congress. As chairman of the Committee on Veterans' Affairs, I have scheduled many oversight hearings on this important medical computer system over the past several years and the reports on its effectiveness and costs have been uniformly very positive.

Since our hearing of April 8, 1987, on this important subject, I have received many letters from veterans and Veterans' Administration employees in support of the DHCP.

I would like to share with my colleagues a copy of a letter which I received from Ms. Stephanie Davis, chief of the pharmacy service at the VA Medical Center in Miles City, MT, which demonstrates how the VA employees feel about their medical computer system.

The letter follows:

MILES CITY, MT,
May 21, 1987.

Hon. G.V. MONTGOMERY,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The VA Medical Center in Miles City, Montana has utilized the Decentralized Hospital Computer Program since 1985. The current program should be maintained for the following reasons:

1. Time, effort and resources have been spent implementing the current program. Definite advantages would have to exist before implementing a new program could be considered profitable. In addition to the expenditure of more resources, stress placed on personnel is costly.

2. With current and unpredicted budget constraints, administration is ever more reliant upon accurate cost and productivity information. With our DHCP that information is readily available, allowing for more expedient decision making. If this source of information is lost, the gathering of information would occur manually, resulting in slower, less accurate data. The outcome would be loss of productivity and resources due to slower decision making.

3. When administrative tasks are streamlined with computer programming more emphasis can be placed on patient care. Patient profiles are more accessible to the multidisciplinary team. Histories are readily available, providing information such as patient compliance with medications. Physicians obtain printed profiles that act as a prescription, if signed, eliminating the expenditure of costly time writing renewals. Patients are provided with refill documents that serve as a medication record in their keeping. If the DHCP were lost or altered these devices which keep patients and health personnel informed would be lost. The quality of patient care would suffer.

Great strides have been made in computerization. We have invested in the program and are now reaping the benefits. It would be a counterproductive managerial decision, therefore, to change our direction at this time.

Sincerely,

STEPHANIE DAVIS, R. Ph.
Chief, Pharmacy Service.

JOHN KEVIN HILL'S WORLD RECORD

HON. RICHARD K. ARMEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. ARMEY. Mr. Speaker, today I went out to National Airport to watch my constituent, 11-year-old John Kevin Hill of Arlington, TX, land his single engine Cessna 210 to become the youngest aviator to pilot a plane across America.

John began flying at the age of nine, and this year set his sights on setting a world record. On Thursday, June 25 he left Whiteman Airport in Los Angeles, CA for Loveland, CO. From Loveland he flew to St. Louis, MO and then to Cincinnati, OH. Despite turbulent weather and a minor delay while thunderstorms passed, John made it to National Airport right on schedule. John told reporters that to him, the turbulence was fun, "like a roller coaster!"

John should serve as an inspiration to those of us privileged to govern this Nation. He embodies the spirit of what makes America great: individual initiative, courage and dedication to this craft. He's full of the pioneer spirit that distinguishes his home State of Texas, and I'm proud to represent him in the U.S. Congress.

PROMOTION OF THE 8(a) PROGRAM AND DISADVANTAGED BUSINESSES

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1987

Mr. RICHARDSON. Mr. Speaker, we all feel very deeply that the minority small business community should be provided with a meaningful opportunity to participate in the government contracting arena. In 1978, Congress amended the Small Business Act with the stated purpose of addressing the social and economic disadvantage experienced by the minority community in the United States. At that time, Congress set forth that the express purpose of the Small Business Administration's Section 8(a) Program was to:

A. Foster business ownership by individuals who are both socially and economically disadvantaged;

B. Promote the competitive viability of such firms by providing such available contract, financial, technical and management assistance as may be necessary; and

C. Clarify and expand the program for the procurement by the United States of articles; equipment, supplies, services, materials, and construction work from small businesses owned by socially and economically disadvantaged individuals.

Last year Congress reaffirmed its commitment to the small minority-owned business community by establishing a goal for the Department of Defense that 5 percent of all contract dollars must go to the small minority business community. This year, we passed the Defense Authorization Act which contains provisions to require the Department of Defense to develop a method of providing new contract dollars to minority small businesses rather than simply removing contracts from the SBA's 8(a) Program and placing those contracts in its own program.

I am not satisfied that we are doing all we can to implement this important program. It seems clear that the SBA and the Department of Defense need further direction from the Congress if we are to achieve our goals and implement fully previous Congressional action.

Therefore, soon I will be introducing legislation to amend the Small Business Act to provide an affirmative thrust for small, minority-owned businesses in two major areas—(1) to firmly guide the Department of Defense toward achievement of the congressionally mandated 5-percent goal for small minority contracting in fiscal year 1987, 1988, and

1989; and (2) to assist 8(a) firms in achieving competitive viability. I am asking for your support and cosponsorship of this very important legislation.

I applaud the efforts of the House Small Business Committee to move forward to develop and pass a bill to reform the Small Business Administration's 8(a) Negotiated Procurement Program for minority small businesses—the Section 8(a) Program. A recent survey conducted of firms which have graduated from the 8(a) Program indicated that up to 30 percent of the graduates are failing as businesses. This failure rate is in direct contravention of the goals of the 8(a) Program. The two primary reasons attributed to this high failure are the short period of participation in the program and the lack of a "phased withdrawal" period from the program.

The very substantial positive accomplishments of the program should not be ignored because of recent attention which has focused on a very limited number of instances of abuse. These abuses which must be addressed involve problems that do not require wholesale revisions of the program. In fact, the problems are remarkably few given the 17 years of program history and more than 3,000 firms in the program today. My bill is designed to allow small minority firms to achieve competitive viability. Also, my bill will achieve the intention of Congress when it enacted section 1207 of P.L. 99-661. The Department of Defense 5- percent minority contracting goal will be reached. This legislation must be enacted now to achieve the original goals of the program.

The bill I will introduce basically contains twelve major provisions. Three of the 12 provisions were passed by the House earlier this year by voice vote and are included in the Department of Defense authorization bill and pertain to the Department of Defense's mechanism—the Small Disadvantaged Business or SDB set-side program—for achieving its 5-percent minority contracting goal. Five of the proposals provide positive changes for the Section 8(a) Program by eliminating some overly restrictive and administratively burdensome SBA regulations. The bill is designed to shift SBA resources from unnecessary administrative tasks such as processing 8(a) concerns' requests for extensions of time to more positive tasks such as processing quickly requests for admission into the 8(a) Program to increase the number of minority small firms in the 8(a) portfolio. In addition, the bill would maintain the "8(a) negotiated procurement" method for a fixed 10-year period. During this period contracting agencies would be free to conduct competitive 8(a) set-asides. This is already being done today by many agencies. A limited, phased-withdrawal period will be provided where graduated 8(a) firms that remain minority owned could obtain new contracts with agencies involving the same activities as the incumbent contract for a maximum period of up to 3 years following graduation. Section 8(a) firms should also be encouraged to utilize the SDB set-aside program as they progress and after graduation.

The intent of the 8(a) Program is to enable 8(a) firms to become competitively viable. Owners of 8(a) concerns should prosper as would any other owner of a business. Rather than implementing regulations in furtherance of these goals, the SBA has placed restrictions on the size of 8(a) firms and the ability of those firms to obtain business. The bill I am introducing would permit the 8(a) community to develop and provide it with an affirmative thrust toward achievement of the 5-percent goal.

Finally, the bill will contain a provision to further evidence the commitment of Congress to the minority small business community. Failure of the Department of Defense to meet the 5-percent goal during fiscal years 1987, 1988 and 1989, will result in a mandatory 5-percent requirement so that 5 percent of all DOD contract dollars will be required to be awarded to minority small businesses.

I look forward to working with the members of the House Subcommittee on Small Business in furtherance of these goals.

I am hopeful that you will join as a cosponsor of this bill.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, July 2, 1987, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 7

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To resume joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

11:00 a.m.

Committee on Labor and Human Resources

Aging Subcommittee

To hold markup of S. 887, Older Americans Act Amendments.

SR-430

2:00 p.m.

Commerce, Science, and Transportation

To hold hearings on the nomination of T. Allan McArtor, of Tennessee, to be Administrator of the Federal Aviation Administration, Department of Transportation.

SR-253

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

JULY 8

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings on the nominations of Gerald J. McKiernan, of Connecticut, to be an Assistant Secretary of Commerce, G. Wayne Vance, of Virginia, to be General Counsel of the Department of Transportation, and Dale A. Petroskey, of Michigan, to be an Assistant Secretary of Transportation.

SR-253

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Labor and Human Resources

Business meeting, to mark up S. 79, High Risk Occupational Disease Notification and Prevention Act.

SD-430

10:00 a.m.

Finance

To hold hearings to examine proposed changes in the Medicare program to reduce spending in accordance with the fiscal year 1988 budget resolution (H. Con. Res. 93), and to examine expansions of coverage under Medicaid and the Maternal and Child Health Block Grant.

SD-215

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

JULY 9

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

10:00 a.m.

Energy and Natural Resources

To hold hearings on the nomination of Martha O. Hesse, of Illinois, to be a

Member of the Federal Energy Regulatory Commission.
SD-366

Finance
To continue hearings to examine proposed changes in the Medicare program to reduce spending in accordance with the fiscal year 1988 budget resolution (H. Con. Res. 93), and to examine expansions of coverage under Medicaid and the Maternal and Child Health Block Grant.
SD-215

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
SR-325

JULY 10

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
SR-325

10:00 a.m.
Committee on Energy and Natural Resources
Mineral Resources Development and Production Subcommittee
To hold oversight hearings on the Department of the Interior proposal to retroactively modify Notice to Lessees-5 (NTL-5), relating the determination of the value of natural gas production from Federal and Indian onshore leases for royalty purposes.
SR-366

10:00 a.m.
Finance
To continue hearings to examine proposed changes in the Medicare program to reduce spending in accordance with the fiscal year 1988 budget resolution (H. Con. Res. 93), and to examine expansions of coverage under Medicaid and the Maternal and Child Health Block Grant.
SD-215

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
SR-325

JULY 13

9:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

JULY 14

9:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for military assistance programs.
SD-138

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Rules and Administration
To hold hearings on the nomination of James H. Billington, of the District of Columbia, to be Librarian of Congress.
SR-301

10:00 a.m.
Energy and Natural Resources
Mineral Resources Development and Production Subcommittee
To hold hearings on S. 1006, Geothermal Steam Act Amendments of 1987.
SD-366

2:00 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 735, to revise certain provisions of the Land and Water Conservation Fund Act of 1965.
SR-366

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

JULY 15

9:00 a.m.
Rules and Administration
To hold hearings on the nominations of Lee Ann Elliott, of Illinois, and Danny Lee McDonald, of Oklahoma, each to be a Member of the Federal Election Commission.
SR-301

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 747, to establish a motor carrier administration in the Department of Transportation, and S. 861, to require certain actions by the Secretary of Transportation regarding certain drivers of motor vehicles and motor carriers.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

JULY 16

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
National Ocean Policy Study Subcommittee
To hold joint hearings on global climate change.
SR-253

Energy and Natural Resources
To hold hearings on proposals to resolve certain problems relating to the storage of high-level radioactive waste, including S. 1007, S. 1141, S. 1211, and S. 1266.
SD-366

Veterans' Affairs
Business meeting, to consider S. 6, Veterans' Health Care Improvement Act, S. 9, Service-Disabled Veterans' Benefits Improvement Act, S. 917, to authorize a headstone allowance for prepurchased grave markers and to modify eligibility requirements to the plot allowance, S. 1090, Veterans Administration Insurance Amendments, and related proposals, and proposed legislation providing for disability payments based on nuclear-detonation radiation exposure.
SR-418

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

JULY 17

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 1277, to revise certain provisions of the Communications Act of 1974 regarding the responsibilities of broadcasting licenses.
SR-253

Energy and Natural Resources
Research and Development Subcommittee
To hold oversight hearings on environmental and safety issues at the Department of Energy's defense materials production reactors.
SD-366

JULY 20

2:00 p.m.
Commerce, Science, and Transportation
Communications Subcommittee

To resume hearings on S. 1277, to revise certain provisions of the Communications Act of 1974 regarding the responsibilities of broadcasting licensees.

SR-253

JULY 21

9:00 a.m.
Office of Technology Assessment

The Board, to meet to consider pending business.

EF-100, Capitol

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To resume joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

10:00 a.m.
Finance
Taxation and Debt Management Subcommittee

To hold hearings to examine the impact of the use of master limited partnerships on the corporate income tax base.

SD-215

2:00 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee

To hold hearings on S. 7, to provide for protection of the public lands in the California desert.

SD-366

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

JULY 22

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

9:30 a.m.
Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Environment and Public Works
Water Resources, Transportation, and Infrastructure Subcommittee

To hold hearings to review infrastructure issues.

SD-406

Finance
Taxation and Debt Management Subcommittee

To hold hearings on S. 1350, to make technical corrections to the Tax Reform Act of 1986, and other related issues.

SD-215

2:00 p.m.
Commerce, Science, and Transportation

To hold hearings on the nominations of Darrell M. Trent, of Kansas, Robert D. Orr, of Indiana, and Charles Luna, of Texas, each to be a Member of the Board of Directors of the National Railroad Passenger Corporation.

SR-253

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

JULY 23

9:00 a.m.
Rules and Administration

Business meeting, to consider the nominations of James H. Billington, of the District of Columbia, to be Librarian of Congress, and Lee Ann Elliott, of Illinois, and Danny Lee McDonald, of Oklahoma, each to be a Member of the Federal Election Commission, and pending legislative and administrative business.

SR-301

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

9:30 a.m.
Commerce, Science, and Transportation

Business meeting, to consider pending calendar business.

SR-253

2:00 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee

To resume hearings on S. 7, to provide for protection of the public lands in the California desert.

SD-366

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

JULY 24

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

JULY 27

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To resume joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To Continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

JULY 28

9:00 a.m.
Appropriations
Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for export financing programs.

S-126, Capitol

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee

To hold hearings on proposed legislation to create an independent Federal Aviation Administration.

SR-253

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

JULY 29

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

9:30 a.m.
Commerce, Science, and Transportation

To hold oversight hearings in conjunction with the National Ocean Policy Study to examine plastic pollution in the marine environment.

SR-253

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

JULY 30

9:00 a.m.
Appropriations
Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for foreign assistance programs.

S-126, Capitol

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

9:30 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee

To hold hearings on S. 582 and S. 876, bills to provide for improved air transportation to small communities.

SR-253

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

JULY 31

9:30 a.m.

Commerce, Science, and Transportation
Communications Subcommittee

To hold hearings on S. 889, to provide for fair marketing practices for certain encrypted satellite communications.

SR-253

AUGUST 3

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To resume joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

AUGUST 4

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

AUGUST 5

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

AUGUST 6

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

AUGUST 7

9:00 a.m.

Appropriations
Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for foreign assistance programs.

SD-192

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

HOUSE OF REPRESENTATIVES—*Tuesday, July 7, 1987*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Help us always, gracious God, to lift our eyes to see the majesty of Your world, the glory of Your universe, and the rich heritage that has been given us. As busy with the things of the world as we must be, remind us, O God, of that heavenly vision where people live in harmony and respect for each other and where the talents and abilities You have given us are used to heal and to help, to give solace and peace, and to encourage a caring community in our land. Amen.

THE JOURNAL

The **SPEAKER.** The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

REPORT ON H.R. 2890, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATION BILL, 1988

Mr. **LEHMAN** of Florida, from the Committee on Appropriations, submitted a privileged report (Rept. No. 100-202) on the bill (H.R. 2890), making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1988, which was referred to the Union Calendar and ordered to be printed.

Mr. **COUGHLIN** reserved all points of order on the bill.

The **SPEAKER.** Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

[Mr. ANNUNZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The **SPEAKER.** Under a previous order of the House, the gentleman from Idaho [Mr. CRAIG] is recognized for 60 minutes.

[Mr. CRAIG addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

IN DEFENSE OF MY HONOR

The **SPEAKER.** Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. **GONZALEZ.** Mr. Speaker, I rise once again in what I consider to be a defense of not only my honor, but the privileges and immunities of the House since, notwithstanding to the contrary, some desires on the local level of mighty powerful people and journalists, I have been as a Member of this House for almost 26 years a duly elected and an accredited Member and continue in that capacity.

Since the development of the trumped-up charges by the newly elected district attorney of Bexar County in which he went to great lengths and strain to take a simple assault case and make it into a district attorney-level matter, which, even for Bexar County, that is quite unprecedented.

Constantly, the district attorney, during the 5-month period in which from his remarks he must have agonized, he kept telling people that through the years have been close to me—businessmen, lawyers, relatives—that were it not for the pressure of the newspaper, and on one occasion he mentioned one newspaper, the San Antonio Express News, as it is known today, a Rupert Murdock-owned newspaper, and on two occasions said newspapers, meaning I guess the two major daily newspapers in San Antonio, the other one being the San Antonio Light which is and has been for quite a number of years a Hearst-owned newspaper, so that through the years San Antonio has ended up in having no local ownership of any media outlet, whether it is printed or electronic.

In order to understand what is happening today, we must delve into history as I have done in the three prior special orders where I have discussed this particular issue.

Since the issue has now evolved into a criticism of my right to avail myself of special orders, I think it is incumbent upon me to stand to defend my right, my privileges, and incidentally those involving the rights, privileges, and immunities of the rest of the 434 Members of the House of Representatives, since this is the basic issue.

In order to understand today's present picture, and to put it in focus, in this area known as the Bexar County area, or at one time has been notoriously known in Texas as the "Free State" of Bexar County for its free-wheeling reputation in which I broke through, we must go back to the history of my emergence into politics in Bexar County some 37 years ago for the first time in 1950.

In 1950, following the war and after a stint as a chief juvenile probation officer which, to my amazement, was written up in the local newspaper, I believe, on that occasion it was the San Antonio Light, as an unprecedented happening in the 20th century, the special feature story announcing and discussing my appointment to the position of chief juvenile probation officer in 1946 following the war, and the story had it that I was the first and the youngest, as they called us then, Latin American.

I have always been an enemy of hyphenated Americanism. Because of that, I have been variously attacked by the various and sundry parties involved in the day and time of 50, 60 years ago in the environment of those hate mongers who had racial, ethnic, and social feelings and antipathy toward certain groups in Texas, plus that which traditionally in Texas had been directed against a fellow Texan of black descent who not only had State statutory laws against him, but had a State constitutional provision against him.

At that time the word "Mexican" was a pejorative term. If somebody called you a Mexican, they usually said "Mescan." It was a pejorative or a demeaning term. If somebody called you Spanish, that was acceptable, because that meant that that pluralistic group known as Mexican-American today, or Hispanic, which is another word that I find quite unacceptable, because I think that labels are not good, regardless of how they are directed, especially in a country such as ours, because I think they tend to compartmentalize and segregate by designation Americans who in reality do not live that way.

The fact is that in that rather prehistoric dismal period, the last thing I ever thought I would be was in politics. I never planned it, never intended it; and it was the last thing I thought I would be involved in, and that was because of the peculiar background to which I was reared, which I will not go into now, but which at some time I hope to bring out in connection with annotating some of this history which has yet to be written.

Nobody, as far as I know, has written about it, even as a Ph.D. thesis, and so for the past 10 years I have been trying to attract some of the emerging new generation historians in order to try to record this history.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

I have always told my children that one should be proud of his heritage, should glory in it, that we should further glory in the fact that up to now, we live in a free country that does not prohibit it. It does not prohibit our inculcating our children in any language we please, in learning and cherishing the culture, the historical, the language heritage that one in America has the great privilege of inheriting.

As a matter of fact, and by way of parenthesis, I am the author of a bit of legislation I have been introducing for almost 20 years known as the Language Preservation Act which is an attempt to try to preserve the language heritage of America which really should be very rich, but which has not been, because it has been lost in this very proper attempt to Americanize the mainstream, and there is nothing wrong with that; but America loses just as great a natural resource as if it were to lose its minerals, the oil and gas.

The Vietnam struggle and our involvement in Southeast Asia, and our emerging involvement in what I consider to be the inevitable intervention under Reagan militarily in Central America with our young boys, reveals that, now as then, we did not have one American either in intelligence or in the military, or in the political hierarchy, or in the State Department, not one native American who could speak Vietnamese, not one.

□ 1215

Now, we have hundreds of thousands of Vietnamese refugees. I hope that somehow my colleagues will finally recognize the need for legislation that would stimulate, not actually go out and invest huge sums of money, but just investigate in the preservation of these very wonderful and rich heritages, which I think will be helpful.

I think it is a shame that our national leaders, monolingual as they are, are poorly serving our country at a critical time of world leadership and is the reason for our present dilemma, as I see it.

So with this as a background, and having burst through that world and having revealed what the real world was after the war, I served in the war since the first day of the war, December 8, in a civilian capacity, though I was given a choice to accept a commission both for military intelligence, that is the Army, as well as naval intelligence, in what turned out to be the censorship effort of the Nation during the war. I started from the very first day of the war when I was called in and asked if I would be willing to work in that capacity as an interpreter-translator, competent in three languages. Believe it or not, those three languages were Spanish, German, and Portuguese.

So that I can testify to the struggle to break through that period of time. In 1946, when I was appointed, this article brought out that I was the first Latin American, because that was the phrase that was acceptable in that day and time, it did not mention anything about Mexican, and Latin sounded pretty good; you know, these Latin lovers, these romantic guitar strummers, that is the picture we have and that is the picture that reigned supreme at the time.

In any event, it said that I was the first Latin American in the 20th century to head a political office or unit in Bexar County.

Now, I could not believe it, because I did not think that way. Even though I came from a niche that in effect at that time was a country within a city, because San Antonio was the site of the only Spanish language daily newspaper published in the United States for 44 consecutive years. As a matter of fact, it is the only Spanish language daily, which no longer exists, but which was the only Spanish language daily newspaper published in the entire North American and in the entire South American continents, without interruption, without failing 1 single day, for 44 consecutive years. It is a tragic thing to admit that this could not be said in any other country south of the border, because either through political turmoil, censorship or through the shutting down of the newspapers at different periods of political upheaval, not one of those countries had the continuum, that sustained effort, that La Prensa of San Antonio had, in charge, because the words used in Spanish language journalism for the officers involved are a little different from that in the English-American journalistic tradition.

For example, my father was what they called administradore and an editor; in other words, administrator, executive officer, manager and editorial page director, all in one.

La Prensa maintained the highest journalistic principles of Spanish journalism, Spanish language journalism. It had contributors of the highest note all the way from Spain to Portugal, to all of South America and through the Spanish language entities, throughout the world; great philosophers, Miguel Unamuno, great Mexican intellectuals, Jose Vasconcelos, wrote constantly for the newspaper. Most of these intellectuals and political leaders in Mexico who found themselves in exile went to San Antonio because that is where they had their outlet.

I was born into that family. I grew up believing that I was in a host country, but not part of it, that we were Mexican and that we were going back to Mexico.

Of course, our parents made one big mistake. They did not realize that some of us were being born here and from the day we went to school we faced an external world that in the beginning was frightening, hostile, strange, and unknown.

I did not know one word of English the first day I was dragged to school. I had to stay in what they called the Low First End, because I did not know a word of English and was too scared to even say, "Mama."

So as a result and because of World War II, which in so many ways tumbled down these barriers, there was no such thing as an elected official of Mexican descent. There was not even any such thing as a man of Mexican descent or a woman of Mexican descent in any kind of private or public capacity of any consequence at all.

So it made me think when I read that. I was hired on a nonpolitical basis to work for the juvenile court when the war was winding down, and because I could not make up my mind what I wanted to do. I had studied engineering and then from engineering school I went into law school and I could not make up my mind to work in either one. When the war intervened and after the war I thought that maybe at the courthouse and working for the juvenile court I would make up my mind; but all that did was confirm that I would not be practicing law. I made up my mind that I did not want to do what I saw had to be done to earn a living or to eke out an existence, as was the case then.

I am a Depression child and I know what it means to see and feel and know real poverty, I mean, people dying each day of tuberculosis, because of malnutrition and overcrowdedness.

San Antònio was known as the tuberculosis capital of the world, not just the Nation. In one area alone, when I was a juvenile officer, I made up my mind that whatever it took, I would do something to correct it. We had an area known as Death Triangle. We had the highest rate of infantile mortality because of infant diarrhea in the whole Nation, equal to that you would find anywhere else in the so-called now Third World countries, but which were not so designated then.

Now, all of this background is necessary in order to understand where I come from, why these bitter-hearted editors, and now they have so many titles for the same position, one of them who hates my guts, spits venom every chance he has to all who care to listen and has for several years because I dared to stand up and say that the press in San Antonio was corrupt, and it is corrupt, and I will be the last to be frightened into saying it is not.

They have time to take after me in editorials and reports, as of last week, for instance: "HBG speeches in House costing $31,915 for Congressional Record," reads one.

Mr. Speaker, I will print that report in the RECORD at this point:

PRICE OF FREE SPEECH

U.S. Rep. Henry B. Gonzalez, through his grandstanding on the floor of an empty House about an incident last December at Earl Abel's restaurant, is on a high-cost ego trip.

We have nothing against free speech. Gonzalez, in fact, has more guarantees to free speech than most of us because he is a member of Congress. However, one has to wonder how an ugly San Antonio altercation relates to the business of Congress?

The boring ramblings, televised nationally by C-SPAN, may "play" in San Antonio, but they don't in Peoria or anywhere else.

Gonzalez has made five speeches in the past month about the incident that, printed in the Congressional Record as part of the daily proceedings of Congress, accumulated some 15⅓ pages at a cost to taxpayers of $7,365.

This year alone, the veteran congressman has filled 65 pages of the RECORD with various special-order speeches, costing taxpayers at least $13,915.

True, Gonzalez has not broken any law, but he is abusing his congressional privileges and managing to sound very foolish.

HBG's SPEECHES IN HOUSE COSTING $31,915 FOR CONGRESSIONAL RECORD

(By Bruce Davidson)

WASHINGTON.—Rep. Henry B. Gonzalez has filled at least $31,915 worth of space in the Congressional Record this year with special order speeches and extensions of remarks.

Not including speeches made during debate of legislation being considered on the House floor or statements made when introducing legislation, Gonzalez's remarks have filled about 65 pages of the Congressional Record so far.

Government Printing Office spokeswoman Terry Ware said the cost of printing a page in the Congressional Record is $491, putting Gonzalez's special orders and extension of remarks tab at $31,915.

Asked to comment, Gonzalez said: "What's the thrust? That I'm expensive? What are you going to establish as limits for the cost of freedom of speech.

"The real thrust of the criticism back home have been those who are against me. Those who support Reagan. What really hurts is that I'm saying things they don't like," he added.

Special orders are speeches made on the House floor, usually to an almost empty chamber, after the House has finished its legislative business for the day.

Gonzalez said special orders are an integral part of the House proceedings designed to allow members to express themselves on issues that do not fit into the limits of floor debate.

Several other House members, including Republicans such as Rep. Newt Gingrich, R-Ga., also make numerous special orders.

"Nobody's objecting," Gonzalez said. He said members debated Monday whether the C-Span television camera should pan the empty House chamber during special orders, but nobody criticized special orders. House members are also allowed to place extensions of their actual remarks on the floor and other materials in the Congressional Record, a privilege used by many members.

Earlier this month, Rep. Bill Alexander inserted, at an estimated cost of $197,000, more than 3 years of legislative debate on the Boland amendment barring military aid to the Contra movement.

Gonzalez's special orders began attracting attention recently as he used them to defy a gag order issued in connection with an assault case pending against him.

Saying he felt it was his duty to defend the honor and privileges of the House, Gonzalez has taken to the House floor five times since June 4 to discuss the case stemming from a December incident at Earl Abel's Restaurant in which Gonzalez slugged a man who called him a Communist.

Statements made on the House floor are exempt from the gag order, attorneys say, citing the Constitution—which says speeches made on the House floor shall not be questioned elsewhere. Gonzalez expressed concern that the judiciary was stamping on legislative privilege.

Considering only the parts of those speeches related to the assault case, Gonzalez's five speeches on the subject have filled about 15⅓ pages at a cost of $7,365.

The San Antonio Democrat has focused most of his special order time this year on his resolution to impeach President Reagan. Not including the statements he made when he introduced the resolution, Gonzalez has made six speeches on impeaching the president, filling 27 pages of the Congressional Record at a cost of $13,257.

That gave the basis for the editorial that followed the next day, "Price of Free Speech."

I am going to quote a little to give you the thrust of it:

> U.S. Representative Henry B. Gonzalez through his grandstanding on the floor of an empty House about an incident last December at Earl Abel's restaurant is on a high cost ego trip. We have nothing against free speech—

Not much, just when I exercise it and denounce what they have stimulated and have exposed their not so hidden hand in their constant attempt to try to find something.

For the 34 years and 2 months that I have been honored and privileged to hold public elective office in Bexar County and San Antonio, there has been an unmitigated effort to try to find something, to try to nail me on something. If the worst that has come to light is that they think, as they say here, because unwittingly this editorialist reveals that the district attorney may have been right, because they are saying that in speaking out about the facts that the newspapers would not report involving that incident last December 4, that I somehow was abusing—and they use that word abusing—this privilege known as special orders.

Well, it is not the first time, but I find it necessary to once again place in the RECORD this content, because if my colleagues believe that this is just a local, an individual and a unique situation involving me, let me remind them, there is currently another colleague that is involved in litigation that has to do with his right to speak because of an attempted gag order in a court in Tennessee, just as in my case.

Here is a simple assault. Ordinarily and in any case if anybody can show me any record, that type of case at worst would go to the municipal or the police court or to the justice of the peace. Not in this case, because in order to bring it to the county level, they have got to show what these editorialists have been trying to do for a few years now to try to prove that I had no control, no reason, no real unity in purpose in what I say and what I do, even though the record of accomplishment is there for all to see and for all to judge.

This is precisely why since the second week after I was sworn in as a Member of Congress in January 1962, I took the advantage and the great privilege of special orders. Why did I not hear criticism then? Oh, of course, it was not being televised, but I have not taken special orders because of television. I have been using special orders that this privilege which the House provides, and it is a privilege, of course, but it is also an integral part of the proceedings of the U.S. House of Representatives.

One must never forget that all a Member of Congress has is one voice and one vote and this is the reason why after almost 26 years of service in this Congress, my record of presence on aye and no votes is 99.9 percent. I am happy to report that up to now in the 100th Congress, it is a hundred percent.

The reason is simple. When I was in the State senate, where I was 5 years in service, I did not miss one single session of the State senate. When I was on the city council for 3 years, I did not miss one single session, even though it was the most tumultuous, the most disorderly period of municipal history I guess in the 20th century. I cannot conceive of anything being more disorderly. It was at that time that the first atttempts were made, "Get something on Henry Gonzalez."

The then mayor, frustrated because I would not kow-tow, called the chief of police, later the captain of detectives after he was reduced in rank by the very same council, against the charter, and which I was reminding the council, and therefore antagonized the mayor and some of the millionaire backers of the ticket, as they called it then.

□ 1230

And when I stood up and would not go along with what I considered to be an ultra vires act of the city council, entering into a 40-year contract with one of the richest and most powerful men in southwest Texas, who had a contract to build an underground garage under what we call Traverse Port, and which I denounced as illegal and beyond the power of the council, because it was public dedicated land—and the Texas law was well-settled, as I pointed out—I was ridiculed. The mayor said, "You're not the city attorney; you're not even a practicing attorney."

I said, "That's right, but I am one-ninth lawmaker, and I think I have been prepared to know and understand the law and what my rights are and what the extent of my power is under the city charter, and what it isn't, and I am reminding you gentleman, you're exceeding it."

They overrode, by an 8-to-1 vote.

What happened? Two years later I ran for the State senate. It was considered in that day and time impossible for me to get elected to the State senate, running countywide. It is as if I were to say that I was going to seek the Vice Presidency next year and win it. It was just about as likely in Bexar County in 1956. When we talk about the minorities, whether they are racial or ethnic, getting together, as so many of my enemies still think, I want to remind each and sundry, and I want the record to reflect, that in 1956, running countywide, no money, no help—in fact I did not even have the $100 filing fee—the members of the city council, one of them saying, "This is our chance to make sure he gets away from the council," raised the $100 themselves. Were they fooled when I won.

Well, everybody was fooled, including myself. But why did I win? Well, people would tell you, "Oh, he got the Mexicans and he got the blacks."

Our fellow black citizens in Bexar County have never been more than 7¾ percent of the total population. At that time votingwise you did not even have 113,000 qualified electors. You had the poll tax. You had to pay $1.75 by January 30 in order to be qualified to vote. If you put all of those that were labeled "Mexican," all of those that were labeled "black"—except they did not call them that then. I was the first one to use the word "black" when I filibustered the race bills in the State senate in 1957 in my freshman year as a State senator. I was the first one to use the word "black." As a matter of fact, if the records had been kept in the State senate like they do here in the Congress, I think that it would be revolting to read the words that were used during the course of that so-called filibuster.

Nevertheless, it was that time and period through which I broke. If you put all of those voters from these two segments together, they did not even amount to 10 percent. So where did the voters come from that gave me the victory after 3 recounts, by 390 votes? This is what I think ought to reveal to us how wrong American people are judged. You cannot say, like so many do, in generalizing about the American people—if half of what were said were true, I would not be here today as an elected public official.

I have not forgotten that, and that is why I stand up. That is why I fight. That is why I will criticize Presidents. That is why I will introduce impeachment resolutions, because I believe that in this democracy, which has given me this opportunity against the greatest odds that any combination could throw against me—wealth, power in power, social, economic, for those who control the economic life of San Antonio, as they still do, also control the political life—I am the first one to break through, and I have not forgotten that, and I hope to God I never shall, because that is what is at issue today.

When we have newspapers of power—after all, San Antonio only has those two dailies, and they are really not in competition, because they are all really Republican oriented. They are all vested interests.

Some people may think that the publication known as the Nation is something that sober conservatives would not look at, but I think one of the most penetrating articles which has national interpretation, but which I have faced individually on a local level—after all, all of my colleagues who think that this is individual, let me remind you of John Donne's famous question. You ask for whom the bell tolls? You think it tolls for Henry B.? Let me say it tolls for all of thee, every one of us. Do not ask for whom the bells toll. They toll for thee, and me.

This is why I have waged a fight, an eternal fight, as Jefferson said, that he would swear on the highest altar his unmitigated fight against tyranny of the mind. I too am a subscriber to the Jeffersonian doctrine, for I am a product of that Americanism which these men have transmitted and of which I have been a beneficiary. That is why in my comportment I have tried to be beyond any question scrupulously honest, even though they have looked high and low, like that mayor who called that captain of detectives and his aide and said, "Get something on Henry."

The fool did not realize that the little lieutenant assigned to the captain was a young man, at that time, like I, who was born on the 100 block of Upson Street, and I was born on the 200 block of Upson Street. If anybody knew my history, it certainly would have been he.

All I told him when he called me one late night and said, "Kiki,"—because that is my nickname—"this is what's happening," was, "Go to it." I said, "I've never been arrested"—as I can say today—"for anything, even a traffic violation. Never."

I have never handled anybody else's money, especially in politics. When the big moguls from the State political levels would come and say, "How much will it take for you to handle our campaign in Bexar County?" I'd look at them and say, "You're not talking to the right man. I wouldn't know what to do with that money."

I have never had one hired political worker in my entire career. I would not know who to go to to put it that way. But at that time, that was the custom. That is what I broke through. So here are the vestiges of these resentful, spiteful, venomous minds who still do not accept me because never once, even though they made ingratiating moves and noises at times, of course, as a result of what I consider to be my basic policy, and besides all of the seven attempts that have been made to try to get something on me, including now, nobody has dared raise a finger and point it in my direction, for I have walked through the mud of San Antonio politics, I have walked through the mud of State Austin politics, and I have walked through the muck and mire in the District of Columbia, and have not even so much as the cuff of my trousers spotted.

The reason is simple. It is not that I am better than anybody, or more virtuous—I am a human being—but in the nature of the public trust, in the discharge of this holy trust, in a democracy, at least to me, and I hope to God we preserve it, though I think that it is greatly endangered, I swore that that was the least that I could do, and the next thing that I could do would be to work at it as hard as anybody could, to the best of my limited endowments, as God given, and try to perform on that.

I am happy on my legislative record. There is no man or woman in the House of Representatives today who over the course of 25-plus years can show the number of amendments, resolutions, bills, enacted into law, originated by me, than those I have. And that is what I came to do, I came to legislate.

□ 1240

I did not come to fight any more than I did back home. But one thing I made up my mind when I said yes, one must get involved, was that I would never worship at the false god of public office or any other office or any other power, that I would never accept calumny or gratuitous insult when it had to do with my integrity or my honor, and that is all, nothing else. I never would pay that price and never will pay it now.

So this breeds what? Opposition. It is a free country. It does not take much to qualify to run for the House of Representatives. All you have to be is over 25, a citizen of the State period, that is it. You can live anywhere in the State and run. I have had candidates running against me who filed from their homes, one in Dallas and one in Houston. Of course, you have to get elected in the district, and maybe it never occurred to them.

So here are those editorialists, attempting to drum up ridicule, hatred, trying to accuse me of violating the privileges and resorting to what? To the cost? If that does not involve my fellow Congressmen and colleagues, then I ask each and every one of you who has had the use of the forum here on the floor of the House to go and pile up the Record and count the cost of each page, and see how it looks if some editor back home was taking after you because of that cost.

I include in the Record at this point the article entitled: "Letter to the Candidates: Information: Important Issue for 1988," in the July 4-11, 1987, issue of the Nation.

The article referred to follows:

Letter to the Candidates: Information: Important Issue for 1988

Although the national elections are almost a year and a half away, the indifference factor—the big national yawn—is already building. But the months ahead could see some dramatic and markedly unpleasant developments. Recently, New York City investment banker Felix Rohatyn sounded an alarm over what he foresees is an almost inevitable financial and economic crackup.

The potentially disastrous consequences of the national trade and budget deficits, the Third World's debt, rising arms expenditures and the sad state of U.S. manufacturing cannot be foretold. These looming crises demand, at the very least, all the thought and discussion that presidential aspirants and a television-drugged public can give them.

Yet, another grave national condition makes such attention and meaningful debate on these and other issues highly improbable. That is the already stricken, and rapidly worsening, national information situation—what we see, hear and read. Compared with the other problems facing the country, that growing disaster is the best-kept secret since the U.S. Air Force bombed Cambodia.

Why is information an issue in the campaign when there is a plethora of other things to worry about? Because what we know about the other problems—how they are defined and situated in our minds—is dependent entirely on our information/cultural system. If the apparatus that informs us is itself out of alignment, providing an inadequate picture of reality, we are in deep trouble.

The matter is further complicated by a unique attribute of our information system. We are reliant on the information it provides to alert us to any malfunction in the system itself; but the apparatus has been shockingly (though not suprisingly) reticent in calling attention to its own ills.

The causes of the deepening information malady may be found in developments and trends in America's media and cultural industries: billion-dollar acquisitions in publishing; buy-outs and takeovers of national television networks; growing oligopoly in cable TV; and, the fulfillment of an advertiser's dream, the spread of the one-newspaper city. The United States now has what the dean of the University of California at Berkeley's Graduate School of Journalism calls a "private ministry of information and culture."

The seeming cultural pluralism provided by thousands of newspapers, magazines, radio stations and TV channels is belied by their near-total absorption into gaint media combines. The consequence is a national discourse that is increasingly one-dimensional. And although concentration in industry is as American as apple pie, its presence and metastic growth in the information/cultural field calls into question the elemental assumptions of democratic government. Can we be confident that the large institutions that preside over the society's daily output and intake of imagery and information are adequately informing the citizenry?

Is there a presidential aspirant who has the strength and the will to put this question at the top of her or his political agenda? The candidate will discover quickly that the concentration of media facilities and their products is only part of the problem. Also worrisome is the parallel growth of "corporate speech," an astonishing development evident in the last few decades. Afforded First Amendment rights under the legal fiction that corporations are "persons," corporate messages now flood the nation. In addition to $102 billion in commercial advertising outlays annually, the rising volume of corporate utterance on political and social issues drowns out less-affluent voices.

Adding to the enfeeblement of the public's access to information is the heavy utilization of the new data/communications technologies for commercial ends. The emerging capabilities for organizing, processing, storing, retrieving and disseminating information have encouraged the entry of private firms into the information business. The commercialization of information, its private acquisition and sale, has become a major industry. While more material than ever before, in formats created for specialized use, is available at a price, free public information supported by general taxation is attacked by the private sector as an unacceptable form of subsidy.

Responding to its business clientele, the Reagan team does what it can to eliminate the public information sector. It has staffed executive and regulatory agencies, the Office of Management and Budget and the Federal Communications Commission, in particular, with trusted stewards whose mission is to speed up privatization and commercialization of as many government functions as possible. "Ability to pay" is becoming the governing principle of access to information.

Access is further curtailed by the Administration's paranoid obsession with security. Data is classified, employees are treated as potential foreign agents, export controls are placed on information itself and a chill is cast over the legitimate gathering of information and its exchange. Because of the general atmosphere of distrust and suspicion, the public knows less and less about what is going on, while those at the top of the bureaucratic pyramids know more and more about all of us. Computers that minutely track each individual's life history supply the data.

Contributing further to the deterioration of the information environment is the shadowy activity of a giant disinformation machine, at the service of the presidency and the intelligence agencies, which churns out fabrications that are usually accepted and disseminated uncritically by the mass media. Rarely does the public learn (and then after the fact) about one of those false reports—for example, the stories about Col. Muammar el-Qaddafi that were planted in the media to legitimize the murderous air strike on Libya and its leader's family.

Now citizens must regard warily the reports concerning nations and individuals viewed by established power as "hostile." Current reporting on international affairs may be almost as polluted as our rivers. An individual's ability to know the actual circumstances of national and international existence has progressively diminished.

Is it unrealistic to expect that the information system can become a political issue? Any candidate who discusses such questions faces a media backlash. Still, only through a vigorous national discussion can the possibility of alternative information arrangements and processes be imagined.

A hundred years ago, for instance, the public demanded antitrust legislation to protect it against the monopoly practices of railroads, grain millers and the banks. Though a different type of regulation may be required, the need today to safeguard our thought and consciousness is just as urgent.

Candidates who take up the information issue will be accused, inevitably, of playing politics with information and trespassing on the First Amendment. The answer to this charge is straightforward: The national information function and supply are politicized already. The point of the debate should be to move the locus of the existing political control of information from private, corporate decision-making to public participation and accountability.

A national discussion of the information system as a central campaign issue will not receive a high media rating. It will not compete with Miami Vice or Monday Night Football on the Nielsen charts. Still, the possibility of a large popular response should not be underestimated. In any case, a full-scale review of the country's information situation is long overdue and grows increasingly urgent. Democratic governance is in the balance.

Is there anyone in the presidential marathon who will make the initial effort to repair and restore the foundations of the public's right to know and its need for meaningful and truthful information?

—Herbert I. Schiller.

(Herbert I. Schiller is professor of communications at the University of California, San Diego.)

This article points out that that is the issue, information. If the only access I have to my folks back home is this Congressional Record because I speak for the record, I always have, I am not telling you now what I said 25 years ago is something different. Anybody who wants to check it out, all they have to do is come and get the Congressional Record, look it up and verify it, rebut or disprove, either way. That is why I do it, because it is on the record. It is the most beautiful system. After having served in a local legislative body and a State legislative body, it has been a wondrous privilege to work in a truly free institution. And yet we always will have to take on the part of those like the administration wanting to cut the Record from publication and accessibility. When I first came to the Congress I had the right to distribute to individuals at least 65 subscriptions to the Congressional Record and then institutions and schools and libraries. Today we are not allowed any of those 65. They either have to be a limited number of institutions or schools so that the citizen who has no accessibility either to TV or to the Record is going to have to depend on what, his local information in San Antonio.

Let me assure my colleagues, and I hope they will read this article as it appears in the Record once it's printed, and those who may even wish to invest, I urge them to try to invest in this issue of the Nation. The Nation happens to be one of the last few free voices we have in a journal of not insubstantial circulation. Compared to these vast corporate publications it is really nothing, and as I said, one voice, one vote, is all a Member has. But how do you transmit it to your constituents.

I try to by reporting at the first, the only Spanish language radio station and the first Spanish language TV station which was in San Antonio, and thank goodness they offered, and they even solicited a report from me, and it was not until I was elected to the Congress that then the English language TV, with one exception, and that was a late comer in competition in 1958, when I was still in the State senate, channel 12 came in and offered me the first report in English. I try to maintain them, even though I have been censored in one, knocked out of it because of the same newspaper and Mr. Murdock became its owner.

So there is more than a local connotation, notwithstanding to the contrary, these same venomous people in power, as this article points out. We have now a private ministry of information and culture, like they do in these totalitarian countries, except we do it in the name of freedom, freedom of the press, which as somebody said before means free to those who own the press. And so I want to round that out with that statement and continue with a few minutes remaining on the theme related, because of the fact that it too is something the American people will have no information about with which to guide their judgment when these issues begin to jell, and hit us squarely, and it has to do with our economic well being.

For the 25 years I have been here I have been speaking out on such things as the runaway unaccountable Federal Reserve Board. In the course of these 25 years I have introduced specific bills, but particularly after the credit crunch in June 1966. On June 19, 1966, for the first time, not even during the Civil War, you had a 1 whole percent point increase overnight on what is known as the prime interest rate, which today you have to redefine in order to understand.

America today is bound, gagged, and enslaved economically. There is no such thing as economic freedom anymore to the substantial number of Americans who have to toil for a living, who have to depend on a pay check or a pension.

Why do I say this? I say this because I keep in touch with my constituency. These same papers that I referred to in San Antonio will take time to revile me for speaking on the House floor, but they will not expose the current injustice in the tax assessment which in turn I question, because they are the work of a nonelective board. If I remember my Texas constitution, I do not recall it having been amended, and that power to assess and collect cannot be delegated. It must belong to the county tax assessor and collector who is elected. But today that is not happening, and particularly in Bexar County where I have had a couple of hundred of the poorest of the poor who all they had is that little hovel that they bought years ago, 25-foot lot, no light, no gas, no sewage, no hot and cold running water. But through the years finally the city extended a main, mostly because of my fight in 1955, 1956, which ended in changing the city water board which was a self perpetuating board, just like the light and power known as the City Public Service Board continues today. It is the last refuge of the rotten burrough system in the English-speaking world, and where are these newspapers? Are they exposing it? Of course not. They are hand and glove because they are in cahoots with the people who are self appointed and perpetuated in the board. And who are the board of trustees responsible to the consumers in San Antonio? The elected officials of San Antonio who do not appoint them? No, to the Harris Trust in Chicago, IL, that owns the bonds, so here are the people in San Antonio, here is this poor couple that comes to me and says, what does this paper mean to me in Spanish, and I look at it, and I say it means they have jumped your assessed value from $5,000 to $55,000.

There is not a person I know in San Antonio who will pay $8,000 for a little hovel, and yet it is a couple, and all they have to live on is $239.43 Social Security check. So if they get a bill that represents 20 percent of it, the $375 million in interest that that City Public Service Board, self perpetuating, private, even though it is supposed to be city owned, that is a figment, a legal figment, and that is what it is paying in interest for the ongoing construction costs of the south Texas nuclear plant some 150, 175 miles down the line near the coast.

Are these newspapers printing it, or is our national press telling you the ridicule President Reagan met at the economic summit in Venice? Did the American press ever report what the real issue was at the economic summit in 1985 as with the Bonn summit meeting in May of 1979 when Jimmy Carter was President? Not one time did they even mention the European Currency Unit, the ECU, the European Monetary System, the EMS, and that is what those meetings were about? And what were they? They were the big 6 or big 10 European countries saying, Uncle Sam, go take a jump if you think you can tell us what to do now. We are the boss, we are in control, we have more gold reserves than you have, and we are going to preempt your dollar as the international reserve unit.

What does that mean? A lot of my colleagues seem to think that means nothing but the American press is not informing you as to what it means. And nobody in the Congress, as far as I know I am the only one either in the Senate that has even mentioned ECU, EMS, and that is what our whole American standard of living is all about. This is what is at stake.

I should hold my tongue? Never. But all I have, in the words of the poet Auden, is one voice to undo the folded lie. And where are those citizens in my district now which is reduced to the heart of the nucleus of the city of San Antonio? I have the second lowest family per capita income in the State of Texas. Who are they? Has inflation been reduced? Their utility rates have gone up 750 percent in 3½ years. Their water rates, my water bill had twice as much cost, for what, for the sewage fee than it did for the water consumed.

I do not know of any public utility, regulation, law or practice in the country either private or public utility that considers that in the tradition of American public utility regulation. We must remember public utilities are regulated because they are monopolies. Your transportation, your local transportation, your water purveyor, your water company, your light and gas company, long ago it was determined that they would be the one sole purveyor, and in exchange for that franchise they would subject themselves to regulation.

But if there is no regulation, then that becomes the worst of tyrannies, it becomes the most unaccessed of monopolies, and the nature of power is such that the more you have the more you want.

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And this is why we have governments, to restrain that insatiable greed. Today we in the Congress are responsible; we have let the most greedy and insatiable of powers, the financial institutions and bankers, who are today megabanks, international, supranational. As I am speaking today, there is 200 billion dollars' worth of money going from London, New York, Paris, Australia, Sydney, every day, $200 billion. And what does that money do? Is it buying goods? Is it producing goods? Is it being invested in the manufacturing, in the firing of the engines of commerce and industry? No. It is there to sell money, to make more money. And this is what we have had domestically with these giant conglomerate mergers and takeovers where all of the banking resources, if not all 90 to 95 percent, have been diverted for nonproductive, nonemploying ventures of these vast mastodons who fight like giant mastodons trying to eat each other up.

Do they produce jobs? No. Do they produce goods? No. Where are those banking resources going? To them. Is that right? No.

Because our law says that the reason you charter banks is for public need and convenience. Why, I will bet you there is not a colleague or a Member out in the general population who thinks that the bankers are there for public need and convenience.

So should we not be surprised or should we not accept the fact that for the first time in the last 2 years we are the biggest debtor nation in the world? We are twice in debt, as all of the Third World countries, indebted, all put together. For the first time since 1914 we are a debtor nation. For the first time during the last 1½ years, we are importing more food than we export. And the President was saying over the weekend that his hope was to stop all these subsidies, this subsidizing of our exports on food. Food and fiber was keeping our international balance of accounts straight, and in a surplus up until 5 or 6 years ago.

All of that is rooted in the finance, in the intricacies of finance. And what do we have in this country? The worst situation possible. Like the runaway monopoly giving us light and gas. Now water, God meant water to be for man. Why should an American citizen have to face either death, deprivation or lack of the three fundamentals such as shelter? We now have more homeless people than we even had during the Depression, proportionately. We have, fortunately, an abundance of raiment, clothing, because of the great breakthrough after World War II in the synthetic fibers and the like.

Some of us who remember the drab and the shab and the torn and the patched clothes before World War II have reason to be grateful for that beneficence.

But what about economic well-being? Is any American family paying less for groceries today than they were 6 years ago? Is any American family paying less in rent than 6 years ago? Is any American family paying less for an orange, an apple? I think all you have to do is go to the market and if you are old enough, you remember.

So where is this so-called deflation? Not in the cost of living. But the per capita net decrease of 6 percent in earned income for the working class in the last 3 years tells you where you had the deflation. So where do you start? Well, we have to go back to the beginning. We have to go back to recapture the heritage. We have to go back and see if we cannot get that inheritance that we have let go for a mess of pottage.

Since when is any American family, white, black, brown, blue, not entitled to a safe shelter, a decent shelter, adequate food to nourish their bodies with, economic activity to make them gainful members of our community?

Every American I have met has a virtue and a potential for work and wants to work.

Every week I go home I make it a point to look up some of the citizens who have come to the office seeking our help in getting food stamps. Every one of them I talk to deplores it, hates it, feels demeaned; but they have no choice. We have hungry people in America, let me tell you. I have talked to them every week. They are in my midst. Are they not in yours? Or maybe you are lucky enough to come from that section where the average is not the second lowest family income, as mine is, in Texas.

These are what motivate, these are the factors that I challenge and fight and will fight to my last breath, with whatever potential, be it meager, be it less than meager, be it more, because these people have given me that trust and I have taken it seriously and I have tried to be worthy of it. That is easier said than done.

These are the things that I think are at issue.

Now I have suggested over the course of the years the only demoralizing feeling I get is when I see what could have been done to save us from some of this travail. But as it is now, and I think the two basic combinations, one for the first time in our history that which Thomas Jefferson shuddered to think and fought to prevent; Abraham Lincoln, Jackson the President, Woodrow Wilson in 1916, and that is the control of our credit allocation in the hands of these banking interests.

For the first time in the history of our country they are in complete, they are in total control, the Federal Reserve Board.

Now some people call it our central bank. Why there is not a central bank in Europe, for instance, that has half this runaway power that the Federal Reserve is exercising, in my opinion, improperly. But with the Congress dawdling and refusing.

The Federal Reserve does not even have an inspector general. Some of us have been introducing a bill to have an audit of the Federal Reserve Board. We have been fought tooth and nail.

That great statesman from Texas, my fellow Texan, Wright Patman, he and I would reintroduce that bill every time that he was chairman. We could never get anyplace. And I doubt seriously now that we could. But I have reintroduced it.

What is the membership of the Federal Reserve Board? What is the Federal Reserve Board? Is it a Federal agency? No, it is not, it is a private agency. It is owned by the banks, supposedly in theory, the 14,000 commercial banks—well, it is less than that. About 1,000 of them have gone out. So the 13,000-plus commercial banks.

But in reality seven or nine of those are big, big megabanks, who determine what the interest rate shall be, how much you shall be stolen from every day in excess usurious interest rates that have flagellated, that have plagued us, that have destroyed thousands and hundreds of thousands of really small businesses and which will continue to the downfall of this Nation as inevitably as all through history, since 7,000 years before Christ. Usury, extortionate interest, sunk empires, ancient Babylon; the Spanish king who when he had to wage his wars went out and borrowed money at usurious charges, you chart that and you will see the downfall of the so-called Spanish empire.

Same thing with us. We have become a debtor nation because there is no way that any society or individual for that matter can be extorted through usurious compound interest; because what we are paying today is not even simple interest to fund the so-called public debt.

You will be paying this year more than the public debt.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. LOWRY of Washington) laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, *July 7, 1987.*

Hon. JIM WRIGHT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received at 1:34 p.m. on Thursday, July 2, 1987, the following message from the Secretary of the Senate: That the Senate agreed to the conference report, agreed to the House amendments to the Senate amendments, and receded from its amendment numbered 33 to H.R. 1827; passed without amendment H.R. 436, H. Con. Res. 150, and H. Con. Res. 155; and made an appointment to the National Commission to Prevent Infant Mortality.

With great respect, I am,
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Miller of Ohio (at the request of Mr. Michel), for today and the balance of the week, on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Gonzalez) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 60 minutes, today.

Mr. Foley, for 60 minutes, on July 8.

Mr. Owens of Utah, for 60 minutes, on July 8.

Mr. Feighan, for 60 minutes, on July 22.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. McMillan of North Carolina) and to include extraneous matter:)

Mr. Crane.

Mr. Fawell.

Mr. Saxton.

Mr. Vander Jagt.

Mr. Rinaldo.

(The following Members (at the request of Mr. Gonzalez) and to include extraneous matter:)

Mrs. Lloyd in five instances.

Mr. Hamilton in 10 instances.

Mr. de la Garza in 10 instances.

Mr. Anderson in 10 instances.

Mr. Gonzalez in 10 instances.

Mr. Annunzio in six instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Boner of Tennessee in five instances.

Mr. Brown of California in 10 instances.

Mr. Frank.

Mr. Campbell.

Mr. Vento.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 436. An act to designate the Federal Building and U.S. Courthouse at 316 North Robert Street, St. Paul, MN, as the "Warren E. Burger Federal Building and United States Courthouse."

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following date present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On July 2, 1987:

H.R. 626. An act to provide for the conveyance of certain public lands in Cherokee, De Kalb, and Etowah Counties, AL, and for other purposes;

H.R. 2166. An act to amend the Small Business Act and the Small Business Investment Act of 1958;

H.R. 2480. An act to extend temporarily the governing international fishery agreement between the United States and the Republic of Korea, and for other purposes; and

H.J. Res. 181. Joint resolution commemorating the bicentennial of the Northwest Ordinance of 1787.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 7 minutes p.m.), under its previous order, the House adjourned until Wednesday, July 8, 1987, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1695. A letter from the Secretary of Housing and Urban Development, transmitting first annual report on the Federal National Mortgage Association, pursuant to 12 U.S.C. 1723a(h); to the Committee on Banking, Finance and Urban Affairs.

1696. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-43, "Closing and Dedication of Public Alleys in Square 5772, S.O. 84-258, Act of 1987," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1697. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-41, "D.C. School of Law Interim Board of Governors Temporary Amendment Act of 1987," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1698. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notice of a proposed license for the export of major defense equipment sold commercially to the Government of Israel, pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

1699. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1700. A letter from the Acting President-Chief Executive Officer, Federal Home Loan Mortgage Corporation, transmitting the Corporation's annual report of its compliance with the Government in the Sunshine Act during calendar year 1986, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1701. A letter from the Director, Office of Management and Budget, transmitting a draft of proposed legislation to require the President to submit to the Congress an annual report on the management of the executive branch of the Government; to the Committee on Government Operations.

1702. A letter from the Assistant Secretary of the Land and Minerals Management Service, Department of the Interior, transmitting notice on leasing systems for the western Gulf of Mexico, sale 112, scheduled to be held in August 1987, pursuant to 43 U.S.C. 1337(a)(8); to the Committee on Interior and Insular Affairs.

1703. A letter from the Chief Immigration Judge, Executive Office for Immigration Review, Department of Justice, transmitting a report of the grants of suspension of deportation of certain aliens, pursuant to 8 U.S.C. 1254(c); to the Committee on the Judiciary.

1704. A letter from the Secretary of Transportation, transmitting the second quarter report on the Urban Mass Transportation Administration for fiscal year 1987, pursuant to 49 U.S.C. app. 1603(h)(1); to the Committee on Public Works and Transportation.

1705. A letter from the Administrator, General Services Administration, transmitting copies of lease prospectuses at various locations, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

1706. A letter from the Secretary of Health and Human Services, transmitting a report on the impact of the Medicare hospital prospective payment system, pursuant to 42 U.S.C. 1395ww, Public Law 98-21, section 603(a)(2)(A)); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LEHMAN of Florida: Committee on Appropriations. H.R. 2890. A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1988, and for other purposes (Rept. 100-202). Referred to the Committee of the Whole House on the State of the Union.

Mr. RODINO: Committee on the Judiciary. H.R. 735. A bill to amend title III of the Immigration and Naturalization Act to provide for administrative naturalization, and for other purposes (Rept. 100-203). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROE: Committee on Science, Space, and Technology. H.R. 2782. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development; space flight, control and data communications; construction of facilities; and research and program management; and for other purposes; with an amendment (Rept. 100-204). Referred to the Committee of the Whole House on the State of the Union.

Mr. PEPPER: Committee on Rules. House Resolution 219. Resolution providing for the consideration of H.R. 2342, a bill to authorize appropriations for the Coast Guard for fiscal year 1988, and for other purposes

(Rept. 100-205). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LEHMAN of Florida:

H.R. 2890. A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1988, and for other purposes.

By Mr. PETRI:

H.R. 2891. A bill to amend the Federal Meat Inspection Act to establish pizza labeling standards; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. FUSTER introduced a bill (H.R. 2892) for the relief of Gerardo Gonzalez Hatte; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 499: Mr. Dellums.

H.R. 637: Mr. Roe.

H.R. 1337: Mr. Badham and Mr. Lightfoot.

H.R. 1737: Mr. Kastenmeier, Mr. Horton, Mr. Kolter, Mr. Sunia, Mr. Fawell, Mr. Henry, Mr. Boehlert, Mrs. Bentley, Mr. Clinger, Mr. Gilman, Mr. Sweeney, Mr. Berman, and Mr. Buechner.

H.R. 1766: Mr. Murtha, Mr. Robert F. Smith, Mr. Borski, Mr. Slaughter of Virginia, and Mr. Livingston.

H.R. 1974: Mr. Lancaster, Mr. Bliley, and Mr. Ford of Michigan.

H.R. 1987: Mr. Campbell, Mr. Grandy, Mr. DeFazio, Mr. Bateman, Mr. Brown of California, and Mr. Rowland of Georgia.

H.R. 2246: Mr. Dorgan of North Dakota, Mr. Madigan, Mr. Lantos, and Mr. Dwyer of New Jersey.

H.R. 2505: Mr. Stump.

H.R. 2579: Mr. McMillen of Maryland.

H.R. 2611: Mrs. Martin of Illinois, Mr. Archer, Mr. Lagomarsino, Mr. Hastert, Mr. Roe, Mr. Martinez, Mr. Hayes of Louisiana, Mr. Rinaldo, and Mr. Saxton.

H.R. 2672: Mr. Florio.

H.R. 2693: Mr. Slattery.

H.R. 2759: Mr. Dornan of California.

H.R. 2880: Mr. Ackerman, Mr. Moody, Mr. Conyers, Mr. Neal, and Mr. Wortley.

H.J. Res. 180: Mr. Green, Mr. Chappell, Mr. Goodling, Mr. Bateman, and Mrs. Martin of Illinois.

H.J. Res. 260: Mr. Natcher, Mr. Smith of Iowa, Mr. Obey, Mr. Roybal, Mr. Stokes, Mr. Early, Mr. Dwyer of New Jersey, Mr. Hoyer, Mr. Pursell, Mr. Porter, Mr. Young of Florida, and Mr. Weber.

H. Res. 213: Mr. Berman, Mr. Bonker, Mr. Boulter, Mr. Broomfield, Mr. Burton of Indiana, Mr. Bustamante, Mr. Coughlin, Mr. Crane, Mr. Davis of Illinois, Mr. DeWine, Mr. Frost, Mr. Gephardt, Mr. Gray of Pennsylvania, Mr. Levine of California, Mr. Lipinski, Mr. Martinez, Mr. Moakley, Mr. Molinari, Mr. Porter, Mr. Volkmer, and Mr. Wolpe.

AMENDMENTS

Under clause 6 of rule XXII, proposed amendments were submitted as follows:

H.R. 2342

By Mr. BENNETT:

—Page 22, after line 11, add the following new section:

SEC. 26. REDOCUMENTATION OF PERSIAN GULF VESSELS.

(a) Prohibition.— The Secretary of the department in which the Coast Guard is operating shall not issue a certificate of documentation under chapter 121 of title 46, United States Code, for a vessel which is beneficially owned by a country bordering on the Persian Gulf or by a national of any such country.

(b) Cancellation of Certain Redocumentation.—The Secretary of the department in which the Coast Guard is operating shall, 20 days after the date of the enactment of this Act, cancel any certificate of documentation issued after June 1, 1987, but before the date of the enactment of this Act under chapter 121 of title 46, United States Code, for a vessel which was, at any time between June 1, 1987, and the date such documentation was issued, owned by the government or nationals of a country bordering on the Persian Gulf.

(c) Exception.—This section shall cease to apply if the Soviet Union implements an agreement with any country bordering on the Persian Gulf to allow the vessels of that country to operate under the Soviet flag.

By Mr. DAVIS of Illinois:

—Page 22, after line 11, add the following new section:

Sec. 26. In any case where the President determines that neutral shipping requires the protection of the armed forces of the United States, the President shall if practicable cause the commercial cargo requiring protection to be transported in vessels documented under the laws of the United States which were never registered under the laws of a foreign country.

By Mr. DAVIS of Michigan:

—On page 22, after line 11, add the following new section:

"OIL TANKER OVERTONNAGE SURCHARGE

"Sec. 26. (a) The Secretary of Transportation shall collect $10 million from the owner or operator of an oil tanker issued a certificate of documentation after July 8, 1987, which was previously registered under the laws of Kuwait and is operating in the Persian Gulf if a documented oil tanker of the United States is available.

"(b) Amounts collected under subsection (a) of this section shall be deposited in the Treasury of the United States.

"(c) The Secretary shall include in the annual report to Congress required by section 651 of title 14, United States Code, an accounting of the amounts collected under subsection (a) of this section during any fiscal year.

"(d) The President may reduce the amount in subsection (a) of this section if the President decides that the reduction would be in the best interest of national security of the United States. However, the amount may not be less than the cost of a service or thing of value provided by the United States Government, determined under section 9701 of title 31, United States Code, to a vessel affected by this section, including fees for services that may otherwise be prohibited by law.".

By Mr. LOWRY of Washington:

—Page 22, after line 11, add the following new section:

SEC. 26. PERSIAN GULF TANKERS.

(a) Prohibition.—Notwithstanding any other provision of law, the Secretary of the department in which the Coast Guard is operating shall not, before the expiration of 90 days after the date of the enactment of this Act, or September 30, 1987, whichever occurs first, issue a certificate of documentation under chapter 121 of title 46, United States Code, for a vessel which was, on May 1, 1987, beneficially owned by Kuwait.

(b) Findings.—The Congress finds that—

(1) the United States has vital legitimate interests in the Persian Gulf, and the plan to reflag and protect 11 tankers of the Government of Kuwait could undermine those interests and draw the United States into the Persian Gulf war; and

(2) there is no need to proceed immediately with the proposed reflagging plan, and there is need for additional time to reevaluate the plan and to pursue more effective ways of protecting United States interests.

SENATE—*Tuesday, July 7, 1987*

(Legislative day of Tuesday, June 23, 1987)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable KENT CONRAD, a Senator from the State of North Dakota.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

God of Abraham, Isaac, and Israel, in the words of a mighty monarch, King David, we remember the incalculable resource we have in You.

"Truly my soul waiteth upon God; from Him cometh my salvation. He only is my rock and my salvation; He is my defense; I shall not be greatly moved."—Psalm 62: 1-2. "My soul wait thou only upon God; for my expectation is from Him. In God is my salvation and my glory, the rock of my strength, and my refuge is in God."—Psalm 62: 5, 7.

Thank You Father for the brief recess, for the work accomplished, the contact with constituents, the time with family and friends. Cosmic issues weigh upon the Senate in these next 5 weeks. May each Senator take seriously the wisdom of King David. We pray in His name in whom resides all power. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 7, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable KENT CONRAD, a Senator from the State of North Dakota, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. CONRAD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order the majority leader is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that the time of the Republican leader and my own time be reserved for later use in the day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from Wisconsin.

TIME FOR NUNN, NIXON, KISSINGER, ROGERS ARMS CONTROL

Mr. PROXMIRE. Mr. President, what do Senator SAM NUNN, former Secretary of State Henry Kissinger, former President Richard Nixon, and former Supreme Commander of the NATO Forces in Europe Gen. Bernard Rogers have in common? All agree that this country should strive to tie in negotiations with the Soviets to reduce nuclear weapons in Europe with a mutual and major reduction of conventional forces. Mr. President, this is a truly imposing combination. All of us in this body know at first hand of the proven expertise of Senator NUNN in military affairs. No one has had a more distinguished military record or more direct and immediate experience or responsibility for the defense of freedom in Europe than General Rogers our most recent NATO Commander. Former President Nixon may be the most controversial President who has served this country in this century. But no one can question his depth of experience and indeed his success in dealing with the Soviet Union on military matters. And Henry Kissinger has established an extraordinary reputation as a negotiator par excellence, and as an expert in United States-Soviet foreign policy and military relations. Mr. President any negotiations with the Soviet Union on a treaty that involved our national security and indeed the survival of the free world should think long and hard about a proposal that comes from a quartet that carries the kind of military and foreign policy credentials these four proven experts carry.

What the NUNN, Rogers, Kissinger, Nixon combo is proposing also seems eminently reasonable by any standard. It is a grim fact that flexible response—that is the ability to move—if necessary—to less than strategic nuclear weapons to meet a successful Soviet invasion of Western Europe does represent a highly credible deterrent. Here is why: The strength of any massive nuclear deterrent does not rest primarily on its devastating power. It rests on whether or not it is believable that NATO would resort to it. The very fact that low-level tactical weapons are deployed is a deterrent. The fact that NATO is ready to follow up, if necessary, with intermediate range nuclear weapons represents precisely the kind of low-level flexible gradation that makes the adversary think long and hard and then say no to beginning a conventional attack—no matter how superior that adversary may be in conventional forces.

Now, Mr. President, this is the kind of situation made to order to provide bargaining pressure on the Soviets to negotiate a treaty that could bring both NATO and the Warsaw Pact down to conventional forces of roughly equal size. When the Soviets recognize that they cannot use their massive conventional forces in Europe without triggering a nuclear war they have no reason to believe their huge and immensely costly forces serve any purpose. Consider—how do the Russians in fact respond to a flexible nuclear response? That is tactical nuclear weapons backed up with intermediate nuclear weapons. Once their forces encounter the first explosion of hostile tactical nuclear weapons, they are faced with a painful decision. They can accept the terrible humiliation of backing down in the face of the threat, and wimping out, in spite of their mighty array of conventional strength and in the face of early success. Or they can continue their attack with the certain knowledge that they will trigger a second level more powerful response from intermediate nuclear weapons. At that second point they back down or they can leap headlong into total destruction—armageddon—mutual suicide—death, their NATO adversary has shown it means business by firing two levels of nuclear weapons across their bow. It stands ready and able for the final escalation.

So faced with this carefully calibrated flexible response, the Russians must recognize that their vaunted conventional strength is a wholly useless burden. It can serve no purpose. If

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

they use it by an invasion of Western Europe, they face humiliating defeat or they must face certain and total destruction. So the Soviets must ask themselves why not negotiate a reduction in this colossal burden of conventional forces they can never use? Mr. President, there is nothing fanciful about all this. Secretary Gorbachev himself has proposed that the superpowers should negotiate a mutual reduction of conventional weapons. Last year he made this precise proposal. Sure he included it in a package that also called for a negotiated end to all nuclear weapons. But Gorbachev is far too sophisticated to really believe that nuclear weapons can ever be negotiated completely away or that if they could be banished such a remarkable rejection of power could be verified.

So, Mr. President, there is great wisdom in the proposal of NUNN, Nixon, Rogers, and Kissinger. We should not simply let this proposal pass. Secretary Gorbachev himself has given us the opening by proposing that the superpowers seriously consider negotiating a reduction in conventional weapons. This is the road to peace. This Senator cannot resist adding an anticlimax. It is also the road to huge reduction in military spending and therefore to fiscal responsibility, and an end to our terrible economic problem of endless deficits and an overpowering national debt.

Mr. President, let me add a refinement on the position of Senator NUNN on this matter. Recently Senator NUNN gave a speech talking about an indirect linkage of INF to conventional force reductions in Europe.

The INF Treaty will have a withdrawal clause for situations "in the supreme national interests" of either party. NUNN has said that his personal position is that if there are no significant conventional force reductions in 4 or 5 years after the treaty is in effect, then he would support abrogation of the treaty under the supreme national interests clause and keep some remaining U.S. missiles in Europe.

Thus while he supports linkage as did Nixon, Kissinger, and Rogers, he does so in a different, indirect manner.

WHAT DID BURNS AND HELLER TEACH US?

Mr. PROXMIRE. Mr. President, on Monday the New York Times carried an editorial tribute to Arthur Burns and Walter Heller. The Times aptly headlined their editorial: "Two Great Teachers." They certainly were. Both made the "dismal science" of economics understandable and even fun. But they did much more. Both explained why we can only improve our material well being by working harder and working smarter. They explained convincingly to Congresses and Presidents why we can't borrow and spend our way to prosperity. All of us who have served in the Federal Government in the last 30 or 40 years are deeply in their debt. Their careers teach another lesson. Dr. Burns was very much a conservative. Walter Heller was a liberal all the way. And yet both taught the same truth. That is that the economics of freedom depends on a willingness to learn from actual economic experience whether that experience confirms a liberal or a conservative thesis. Burns and Heller were supreme pragmatists. So what did they teach us? The taught us this: The answers for economic progress are not the province of Keynesians, or monetarists, or supply siders, or the classical school. They are the product of constant experience and experimentation. And they change as the facts of economic life change.

Mr. President, I ask unanimous consent that the editorial to which I referred from the July 6, New York Times be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TWO GREAT TEACHERS

As economists, Arthur Burns and Walter Heller had fundamentally different philosophies, the one conservative and the other liberal. But as public servants, each brought skill, compassion and integrity to the making of national policy. Both died recently, having served Presidents, nation and their profession with a distinction that few economists can match today.

Between them, they operated at the highest levels of seven consecutive Administrations. Dr. Burns was chairman of the Council of Economic Advisers and the Federal Reserve Board, and Ambassador to Bonn, appointed by Republicans. Dr. Heller served two Democrats as council chairman.

Dr. Burns was well known for his dissection of business cycles. But before he could test theory in Washington, he had to rescue the council. Congress had cut off its funds. It is a mark of his standing that the council survived. He was forceful, indeed blunt, on issues that concerned him, particularly inflation and Government spending. But with a fine sense of politics, he was not rigid. Constantly searching for ways to avoid severe boom-bust cycles, he favored moderating inflation with an incomes policy before Democrats made the idea popular.

Dr. Heller elevated the President's council to authority rarely seen. With a gift for the well-turned phrase, he made economics clear and even fascinating. President Kennedy was a willing student; President Johnson less so. Dr. Heller provided the rationale for big tax cuts by demonstrating that the economy for big tax cuts by demonstrating that the economy was operating far below capacity, and he was a chief architect of the War on Poverty. But he failed to persuade President Johnson that a tax increase was needed to restrain inflation. Returning to the University of Minnesota campus, he commanded public attention to the end.

Arthur Burns and Walter Heller: two outstanding political economists. Two valued public servants. Two great teachers, whose work lives in the men and women they taught.

Mr. PROXMIRE. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina.

THE ARIAS PEACE PLAN AND THE DEMISE OF THE TWO-TRACK POLICY

Mr. SANFORD. Mr. President, on March 6 of this year, the Assistant Secretary of State for Inter-American Affairs, Elliott Abrams, appeared before the Senate Foreign Relations Committee on behalf of the administration to testify in support of a resolution supporting the Costa Rican peace initiative. At the close of his prepared statement, Secretary Abrams said:

> We [the Administration] will work closely with the Central American democracies over the coming weeks and make every effort to see that their effort succeeds and contributes to our common goal of peace and democracy.

In the same statement he warned that the Sandinista government would:

> Seek to weaken the proposals, keeping and expanding those elements they like and discarding those they do not. They may well intend to drag out the discussions with meeting after meeting over a prolonged period.

With the endorsement of the administration and strong bipartisan support in the Senate, the resolution passed 97 to 1.

Since that time, the administration has, at best, paid lipservice to the Arias plan. At worst, it has actively worked to undermine it. Reservations which were vaguely alluded to in Secretary Abrams statement soon were articulated by Special Envoy to Central America Philip Habib in a visit to President Arias in late March.

In May, President Reagan voiced general support for the plan but emphasized the fact that "we have some concerns which need to be resolved." Shortly thereafter, Honduras and El Salvador began echoing the United States' objections to the plan. President Duarte requested and received a postponement of the summit that had originally been scheduled for June 25 in Guatemala.

The administration's about-face was nearly complete when President Arias on June 17 visited the White House and ended up being virtually ganged-up on by President Reagan and a host of other officials including Vice President BUSH, National Security Adviser Frank Carlucci, Assistant Secretary of State Abrams, and Special Envoy Habib, who criticized him for being too lenient on Nicaragua, thus demonstrating a total lack of understanding of what the Costa Rican President is trying to accomplish.

Finally, last week at a White House briefing for congressional staff held to drum up support for an additional

$105 million in Contra aid, Secretary of Defense Caspar Weinberger flatly stated that the Arias plan "has to be improved before we can support it."

The transformation was complete. What was only hinted at or presumed before became obvious. This administration is not sincere about pursuing its so-called second track of a negotiated settlement in Central America. It does not want the Arias plan to succeed. It has done nothing to encourage other Central American countries to support it.

Apparently, the Secretary of Defense is willing to forfeit the chance U.S. pressure has provided, to forfeit everything which is so carefully and painstakingly being put together by President Arias and the Central American democracies, with the strong support of the Congress and at least the stated support of the State Department. The Arias plan is unquestionably a Central American proposal. These four democracies have the most at stake. They understand the risks and the possibilities. They know what is in their own best interest. They insist the time has come to move from track I, Contra aid, to track II, a Central American settlement. Who is the U.S. Department of Defense to tell them otherwise?

We all understand the power and influence the United States wields in Central America. That power and influence should be used to bring peace and democracy to the region and to assist those countries in carrying out their own goals—not to undermine their valiant efforts, substitute our judgment for theirs, and impose our own conditions for peace.

Sure there are risks. But the risk of continuing with the Contras is a risk the Central Americans want to move beyond.

This administration is guilty of the very thing it speculated the Sandinistas would try to do—of having altered the proposal, retaining the elements it likes and discarding those it does not, and otherwise unnecessarily dragging out discussions.

For years, this administration has been telling Congress and the American people that the goal of its program of aiding the Contras was to put pressure on the Nicaraguan Government to negotiate a settlement which includes internal reforms. With that policy on the verge of success, this administration has all but repudiated it.

I once again urge the administration, the President, the Secretary of Defense, to reconsider and give full support to the Arias plan. Congress wants it to succeed, the American people want it to succeed, and, of most importance, the Central Americans want it to succeed. It remains the best hope for democracy in Nicaragua and peace in the region.

I yield the floor.

Mr. McCAIN addressed the Chair.

The ACTING PRESIDENT pro tempore. The distinguished Senator from Arizona.

Mr. McCAIN. Thank you, Mr. President.

THE LEGACY OF COLONEL ROBERT CRANER

Mr. McCAIN. Mr. President, today, as in the past few months, the integrity and patriotism of individuals who serve in the uniform of this country have been brought into question. Indeed, very legitimate questions have been raised as to whether they abused or misused the oath of office taken when they joined the military service to defend and support the Constitution of the United States.

I think it is appropriate, particularly today, to remember and acknowledge that the vast majority of those men and women who serve in the uniform of this country are dedicated to and ready to sacrifice for this Nation.

I would like to read, Mr. President, a letter that I received on June 22 from a Mr. Gerald Blythe of Lovettsville, VA. In it, he says:

Dear Senator McCain: The attached essay, written by my son, Kevin Blythe, age seventeen, may be of interest to you since it describes a special relationship with your friend, Colonel Bob Craner.

As background, we became acquainted with Colonel Craner while we were doing a tour at the American Embassy in Budapest, Hungary, in 1978–79. It was through this acquaintance that he befriended my son.

Although Colonel Craner was a friend of the whole family, he was a special friend to my son and daughter who were then nine and seven years old respectively. We came to look upon Bob as a very unusual man, but were particularly impressed by the attention he lavished on children. Somehow, we felt this resulted partly from his years as a prisoner when his own children grew up in his absence, and his need to compensate by being a surrogate father to others. In any case, he had a special love for children as my son's essay describes.

We witnessed Colonel Craner's great courage following the terrible auto accident which happened to him in Hungary. Although the most seriously injured, he rescued two fellow attaches from the accident and returned his sensitive papers to the embassy before he would be evacuated. Over the next few months we watched him doggedly fight to regain the use of his arm through constant exercise.

Colonel Craner had an amazing zest for life and his determination not to waste any part of his own left a deep impression on us. Sadly, it was about the time we hoped to get together with him again in Northern Virginia that we got the terrible news of his death in 1980. His legacy, however, lives on, and to his great credit he set a fine example for young people, as I think this essay aptly describes. I just thought you would like to read it.

Sincerely,

Gerald G. Blythe.

Mr. Blythe enclosed an essay by his son, age 17, Kevin Blythe, entitled "Friendship."

Friendship

(By Kevin Alfriend Blythe)

I was sitting in one of the pews in the chapel at Arlington National Cemetery. I started to cry. No matter how hard I tried I just could not prevent it. Congressman John McCain took the podium behind the flag-draped coffin and began to speak. He told a story of how my friend, Colonel Bob Craner, had come to the aid of a fellow prisoner in Vietnam; how he'd given the other man his only jacket on a freezing night in early December, 1968, because the man was so sick. And he told how the sick man died shortly afterwards in a Vietnamese prison, and how Colonel Craner, four years later, brought back the story that won the man the Medal of Honor. Congressman McCain was not able to finish his speech, but had described an event representative of my friend. Colonel Craner was a man who cared about all those around him.

I met Colonel Craner while living in Budapest, where my father was serving at the American Embassy. Colonel Craner was the Air Force Attache, and a former fighter pilot. I had always been interested in flying and looked up to him with great inspiration. Although he was thirty years my senior whenever he came for dinner I would show him my model airplanes or pictures of jets. He was the kind of person who always seemed to find time to be with children. He even came to my birthday party one year and gave me an expensive wooden model of an F-4 Phantom.

He paid special attention to young people. My friends from the British Embassy School and I found ourselves with extra time as activities in a communist country were rather limited. Colonel Craner took time to teach us how to play basketball. He paid special attention to each of us, helping us with our weak points and not leaving anybody out. It seemed so unfair, but it was while playing a game of basketball that Colonel Craner had a heart attack and died in 1980.

I only knew Colonel Craner for two years of my life, but during that time he seemed like an uncle to me. Though I was rather young he still showed an interest in me, encouraging me to become a pilot, since at the time that was my big dream. It wasn't until his death that I came to realize his true heroic qualities, however. Not only had Colonel Craner been a man of amazing courage, being a prisoner of war for at least six years in Vietnam, but he had been a friend of mine and many others. He possessed all the qualities that friendship is built upon, the most significant being a genuine care for others. He was an American hero in every sense of the word, and his example will continue to provide inspiration for me throughout my life.

Mr. President, on this day, in particular, I think it is well to remember that the legacy of Col. Bob Craner and many like him is still with us in the American military service. They stand ready to serve and, indeed, ready to sacrifice on behalf of freedom.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Republican leader.

BICENTENNIAL MINUTE

JULY 7, 1949: JOHN FOSTER DULLES BECOMES A SENATOR

Mr. DOLE. Mr. President, 38 years ago, on July 7, 1949, the Senate gained a new Member with the appointment of John Foster Dulles as Senator from New York. While everyone identifies John Foster Dulles as one of the most respected and influential Secretaries of State in this century, he was a most unlikely Senator, and I suspect that there are very few who know that he ever served in this body.

There are some who feel that John Foster Dulles was born to be Secretary of State. As a young man he accompanied his grandfather, former Secretary of State John W. Foster, to the Hague Peace Conference of 1907, and his uncle, Secretary of State Robert Lansing, to the Versailles Peace Conference of 1919. In the 1920's and 1930's he was a successful lawyer dealing in international trade and investments. By the 1940's, John Foster Dulles had become a leading Republican spokesman for an internationalist foreign policy. He was a close adviser of New York Governor Thomas E. Dewey, and it was generally assumed that if Dewey won the Presidency, he would appoint Dulles as Secretary of State. When Harry Truman upset Dewey in the 1948 election, it appeared that Dulles had lost his chance to head the State Department.

In June 1949, New York's long-time Senator, Robert F. Wagner, resigned for reasons of ill health. On July 7, Governor Dewey appointed John Foster Dulles to fill the vacancy. Dulles hoped to use the Senate as a platform for his foreign policy views during that critical period in the cold war. Unfortunately, his tenure in the Senate was a short one. Dulles was defeated in the November 1949 election.

His few months in the Senate were valuable, however. Dulles became more aware of the Senate's role in foreign policy, and took care to consult with Senate leaders after he became Secretary of State in 1953 under President Eisenhower.

OPPRESSION IN NICARAGUA IGNORED

SOMETHING SERIOUSLY ASKEW

Mr. DOLE. Mr. President, this morning, a Marine lieutenant colonel named Ollie North will take the witness stand, and the eyes—and television cameras—of the Nation and the world will be glued on him. His every word, his every gesture, will be reported, analyzed, digested. What he says will lead the evening news telecasts tonight, and will be tomorrow's headlines. He will be the story, period.

MEANWHILE, THE TRAGEDY OF NICARAGUA

And yet, even as he testifies, another related and at least equally important story will continue to unfold, with only a scant fraction of the public and media attention—the story of Sandinista repression in Nicaragua.

How is it, I wonder, that we can become so totally mesmerized with Ollie North's story; and yet close our eyes, and our hearts, to the story of suffering endured by the Nicaraguan people under the Sandinistas? How can we be so totally preoccupied with Ollie North's trials and tribulations; and yet show so little concern about the trials and tribulations of the Nicaraguan people under the Sandinistas?

I am not suggesting there is any justification for what North is alleged to have done. I am not suggesting we should not find out all the facts, and take whatever corrective action is needed.

But I am suggesting that we cannot make the mistake of blaming the Contras for Ollie North's misdeeds; or make the people of Nicaragua suffer for what Ollie North did.

CHAMORRO COLUMN

In yesterday's Washington Post there was a column written by Violetta Chamorro, the editor of La Prensa, the independent newspaper shut down by the Sandinistas and invaded again by Sandinista goons as recently as 10 weeks ago, when Mrs. Chamorro had the temerity to print a single sheet of the truth about Nicaragua.

The column has special meaning to me, since I have had the opportunity to meet Mrs. Chamorro personally—I know how she has suffered; I know how brave and committed she is to the principle of a free press, and the freedom of the Nicaraguan people.

So I take seriously what she writes. Let me quote just a couple of sentences:

> Despite the Sandinistas' flagrant injustice to La Prensa, the reaction from the free world—the great world press and the leaders who call themselves democrats—has been little. * * * We are fighting against a deceitful, seductive, false ideology that can trick exploited people. And against such a force we have no arms. The barracks, the bulwark, of the ideological struggle in Nicaragua is La Prensa, but the loss of such a bastion does not seem to mean much to the free world.

It is sad that Mrs. Chamorro must write that. It is tragic that she is absolutely accurate.

BLIND AND DEAF TO TRAGEDY OF NICARAGUA

We are all eyes and ears for the testimony of Ollie North. But we are blind and deaf to the oppression of the Sandinistas. That is somebody else's problem. We are too busy watching the hearings.

Mr. President, I ask that the full text of Mrs. Chamorro's column be printed in the RECORD. And I urge all Senators, and all Americans, to take a few minutes away from the "Ollie North story" to read the truth.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 6, 1987]

THE SILENCE IN NICARAGUA

(By Violeta Chamorro)

MANAGUA.—The Sandinista government, not satisfied with having arbitrarily brought about the closure last year of the daily newspaper La Prensa for an indefinite period, has continued a series of aggressions against the newspaper which I think the whole world should know about.

In a note dated March 26, but for some unexplained reason not sent until April 13, the Labor Ministry ordered us to pay in full the wages of all the workers, whose work contracts inevitably were suspended—strictly in line with the current Labor Code—at the same time the newspaper was suspended on June 26, 1986.

It should be noted that La Prensa, on the decision of its directors and for humanitarian reasons, seeking to ease as much as possible the unemployment brought about by the Sandinista government, continued paying the wages for two months beyond the June 26 closure.

As can be imagined, La Prensa, after 10 months of receiving not one cent in income, has severe liquidity problems—despite which it has kept on a skeleton staff, in case it might be able to publish again.

To pay those costs, in the absence of any revenue, the directors of La Prensa have had to sell off some of the assets. Amid the pressure for the paper to meet its obligations, The Sandinista government now is trying to liquidate it completely to bankrupt La Prensa.

"Why this now?" ask the noble Nicaraguan people, all of whose freedoms—such as freedom of expression—have already been battered. Very simple. The closure of La Prensa was not done for this or that reason proclaimed by the Sandinistas (without their specifying one), but because this newspaper, even shut down, represents the Nicaraguans' hope of one day being able to express themselves freely again.

That is why for the "Sandinista Front" even the hopes of an innocent people in their tragedy have to be killed.

But despite all the outrages, we are continuing day in and day out to seek means to reestablish our right to appear again before the Nicaraguan public and respond to its demand to be able to be informed openly and impartially—and not solely in line with the local and international policy of the Sandinista government, as it is now by the revolutionary government's media. We do this because we consider it our strong moral obligation to hold on to the defense of the Nicaraguan's rights at this historic moment in my country.

Based on that conviction, during the 77th World Interparliamentary Conference in Managua April 27, La Prensa sought to raise its voice again and claim before representatives from around the world its rights to once again freely inform the Nicaraguan people about what is happening in this country.

To make our message known, La Prensa published a poster-style sheet bearing the newspaper's logo and calling for worldwide solidarity against the Sandinista government's decision to keep it silenced.

The poster had as a background an enlarged photograph of my late husband, the martyred editor of La Prensa, Pedro Joaquin Chamorro Cardenal. It declared that in Nicaragua there is no freedom and therefore no democracy, and that it cannot be said a parliamentary system exists here, such as is known in all the democratic nations of the world.

Our greeting was circulated at the World Interparliamentary Union conference, having been sent to the embassies of the various countries represented there.

The result was that on April 30 a platoon of 30 armed soldiers under the command of Capt. Oscar Lozo, from the Nicaraguan Interior Ministry's State Security, broke into the newspaper's plant and temporarily detained several La Prensa employees, including directors. All were subjected to police interrogation and threats of being hauled off to jail for having pubished the poster.

Three hours later, the State Security military squad withdrew, after searching the entire building and seizing plates, film and other material used to print the poster. Many of the printed posters were also seized, along with thousands of wastage sheets.

The newspaper was also left with the threat of further action, supposedly stemming from the state of emergency in the country, under which the publication even of a one-sheet flyer is prohibited if its text has not been checked and approved by the Interior Ministry.

With these two Sandinista government actions against us, which I denounce herewith through my Inter American Press Association colleagues, I wish only to carry out a mission that I have taken upon myself: to explain to the world the defenselessness of the Nicaraguans in the principal struggle of this century—the ideological struggle. My mission is to make those who do not live in Nicaragua feel the ominous significance of the silence that has fallen over our Nicaraguan people, after having bled, after a heroic fight for their freedom, a fight in which I lost my loved one.

Nevertheless, I believe it is also my obligation to assert that despite the Sandinistas' flagrant injustice to La Prensa, bulwark and barometer of democracy in Nicaragua, the reaction from the free world—the great world press and the leaders who call themselves democrats—has been little.

What concerns me in this coolness is that all the debate is over whether armed struggle is good or bad. I, and La Prensa, do not want—and have never wanted—to take part in that discussion. It seems absurd to us that we look only at the here and now, and not ahead to the most dangerous outlook for our struggle in Nicaragua. We are fighting against a deceitful, seductive, false ideology that can trick exploited peoples. And against such a force we have no arms.

The barracks, the bulwark, of the ideological struggle in Nicaragua is La Prensa, but the loss of such a bastion does not seem to mean much to the free world.

The months go by and totalitarianism, with the outrage taken for granted, engages in new attacks against the people's right to be informed. The months go by and the new dictatorship continues taking positions and strangling a people's freedoms, won by blood and sacrifice.

J. MARK TRICE

Mr. DOLE. Mr. President, it is with deep regret that I note the death, on July 3, 1987, of J. Mark Trice, who served as Secretary of the Senate in the 83d Congress, as the Republican Secretary for a quarter of a century, and as a Senate staff member for 53 years.

Mark Trice spent nearly his entire life in close association with the U.S. Senate. Born and educated in the District of Columbia, he came to work for the Senate as a page from 1916 to 1919. "This is our country and I feel that we are privileged to serve in the Congress at this time," he said at a dinner for the pages hosted by Vice President Thomas Marshall during the First World War.

Mark spent the decade of the 1920's as secretary to the Senate Sergeant at Arms. In 1928, he earned his law degree at Georgetown University, and soon after joined a local law firm. His brief, 3-year absence from the Senate ended in 1932, when he returned as Deputy Sergeant at Arms.

The unexpected removal of the Sergeant at Arms from office in February 1933 made the 31-year-old Trice Acting Sergeant at Arms. His excellent work in planning for Franklin Roosevelt's inauguration in March, and his handling of the funeral of Senator Thomas Walsh, who died 2 days before the inauguration, brought Mark Trice to the attention of Senators on both sides of the aisle. Although the Democrats took over the majority in 1933, Mark stayed in his post as Deputy Sergeant at Arms.

Although Mark was a dedicated Republican, he was a Senate man even more than a party man. In the 1930's, he became close friends with the Democratic Secretary of the Senate, Edwin Halsey, joining him for weekly golf games at the Beaver Dam Country Club, where they were often joined by the Democratic majority leader, Joe Robinson.

In 1947, when the Republican Party returned to the majority in the 80th Congress, Mark Trice became the party's secretary, a post he held until 1953, when he was elected Secretary of the Senate. He reverted to party secretary in 1955 and remained in that position until his retirement in December 1973. On the day after Christmas that year he dictated a brief letter of resignation:

> After 53 years of service from page to Secretary of the Senate, including other offices held during the intervening years, I have decided that after so many years of enjoyable and delightful relationships to say goodbye.

When I first came to the Senate, I received the good advice to get to know Mark Trice, because he took special care in helping new Members learn their way around the Senate. He worked quietly, effectively, and tirelessly to educate each new class of Senate Republicans, and like many others I kept in almost daily contact with him while he was Republican Secretary.

We missed him after his retirement, but continued to see him from time to time. In 1976, we called him back to serve as a member of the Culver Commission on the Operation of the Senate, which recommended administrative reforms for this institution.

His was a remarkable career that stretched from the Presidencies of Woodrow Wilson to Richard Nixon, and from the Senate of William Borah and Robert LaFollette to that of Everett Dirksen and Lyndon Johnson. It was a life of dedication to our Government, to our political system, and to the Senate and to all of its Members. The Nation profited by his half-century of service.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of the pending business, S. 1420, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1420) to authorize negotiations of reciprocal trade agreements, to strengthen United States trade laws, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Moynihan Amendment No. 367, to express the sense of the Congress with respect to the proposed protection by the United States of reflagged Kuwaiti tankers in the Persian Gulf.

A motion was entered to close further debate on Moynihan Amendment No. 367, and, in accordance with Rule XXII of the Standing Rules of the Senate, a vote on the cloture motion will occur on Wednesday, July 8.

(2) Byrd Amendment No. 368 (to Amendment No. 367), in the nature of a substitute.

(3) Nickles Amendment No. 426, to oppose assistance by international financial institutions for the production of commodities or minerals in surplus.

(4) Symms Amendment No. 427 (to Amendment No. 426), in the nature of a substitute.

The ACTING PRESIDENT pro tempore. The pending question is on the Symms amendment No. 427 to the Nickles amendment No. 426.

Mr. BENTSEN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Mr. President, this will be a good time for Senators to call up amendments. The pending amendment can be temporarily set aside with unanimous consent. I understand that Mr. SYMMS is on his way to the floor. Mr. BENTSEN is here, the chairman. He arrived in town at 1:30 in the morning this morning thinking that the Senate was going to get started early on business today, and he is sitting here patiently waiting, or impatiently; it could be either or both, and the distinguished Senator from North Carolina is here. He is prepared to debate the pending amendment.

I hope that Senators will make use of this commodity called time. It is rather priceless, spent easily when young, but as time goes on and the hair gets grayer, it becomes more of a priceless commodity.

Here in the Senate, time is not unlimited. There are many of us who hope that the Senate will complete action on this bill this week. Of course, getting started at this pace will not help any.

I suppose a live quorum might stir up a little interest around. We could at least get some Senators to come over and, perhaps while they are here, some could be talked into offering amendments, if by unanimous consent the pending amendment can be set aside.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT NO. 427

(Purpose: To oppose assistance by international financial institutions for the production of commodities or minerals in surplus, and for other purposes)

Mr. SYMMS. Mr. President, the amendment offered by the Senator from Oklahoma, on behalf of myself and others, is well known across the heartland of America as the FAIR amendment.

Some of the associations that are supporting this are the American Association of Meat Processors, American Farm Bureau Federation, American Soybean Association, American Sugar Beet Growers Association, National Association of Wheat Growers, National Cattlemen's Association, National Grain Sorghum Producers, Women Involved in Farm Economics, and the Fertilizer Institute. The list goes on and on.

I point out to my colleagues that this amendment has widespread support in all sectors of commodity production in the United States, not limited to Farmers, but in the mining industry, in the heavy manufacturing industry, and in agroindustry.

All of the members of the coalition support the FAIR amendment, also known as the FAIR bill. Ambassador Joe Rogers, former U.S. representative to the Asian Development Bank, is the chairman of the coalition. This coalition speaks directly to the issue of fair trade and free trade, because what really has happened is that the taxpayers of the United States of America are financing their competition in many areas. In the mining industry, they have financed copper mines in Latin America, through the World Bank and the IMF, putting miners out of work in Arizona, New Mexico and other places in this country.

We have seen the same happen in meat processing. We have seen the same happen in agriculture processing of products like soybeans, where U.S. taxpayers are financing the competition that is used against them in world trade.

It is very difficult to adhere to free trading practices when you are financing your own competition. There is nothing free about that. It is not fair, and it is not helpful.

I remind my colleagues that in this process, U.S. farmers have a vested interest in raising the living standards of our Third World neighbors. We all share in that goal.

Throughout the years, American agriculture has found future export growth highly dependent on new Third World trading partners. Farmers remember how economic growth turned destitute nations of the Pacific Rim into profitable and reliable customers of American farm products.

By the same token, agriculture is among the first to suffer when development and investment policies are not working. Third World economic stagnation caused by overhanging indebtedness and the need to service that debt has already taken its toll on American farmers.

In the last few years, debtor nations such as Brazil, Mexico, and Argentina have reduced imports 20 percent to 30 percent. This has contributed to an overall decline in U.S. farm exports to Latin America by more than 35 percent during the period from 1981 to 1985. That is why American agriculture has voiced loud and united criticism of current U.S. development policies.

William Gallston, Director of Economic and Social Programs at the Roosevelt Center for American Policy Studies, recognized the validity of their criticism during last year's hearings on the FAIR bill, testifying that:

> Whatever the intention of U.S. international policy since 1982, its effect has been to emphasize financial sector profits at the expense of U.S. farmers, workers, and manufacturers—and it should be added, the poorest citizens of debtor nations as well.

Mr. Gallston's remark was all too true. Our current international investment policies are destroying, not only American producers, but they are having a negative impact on and destroying struggling Third World countries as well.

The most offensive of current lending practices is what has come to be called "debt service" investment. It is the use of U.S. tax dollars to promote "debt service" investment that the FAIR amendment was designed to control.

Let me, for a minute, explain this practice and its history. Unlike post-World War II development, the past decade has seen progress in underdeveloped countries stifled by tremendous external debt burdens. This debt explosion has, in the last 6 or 7 years, reached crisis proportions. Fearing the possibility of national defaults, international banks have pressured debtor countries to increase their trade surplus by restricting imports and expanding exports.

That is a very important point for those who come from agricultural areas. In my State of Idaho, for example, we have large agricultural production of edible dry beans, and Mexico has historically been a big market for this. Because of a growing need for debt service, the Mexicans, the Mexican Government, at the instigation of the IMF, the Inter-American Development Bank, the World Bank, and others, are imposing an austerity program on Mexico and saying, "You cannot buy beans that are produced in the United States. You must produce all of your own."

Therefore, we have gotten them so far in debt that they are not able now to buy our agricultural products. Mexico once was the biggest market for edible dry beans out of States like Idaho, and other places in this country. The foreign exchange obtained in this way enables a debtor country to service its debt even in the absence of any real domestic economic growth.

In some cases with respect to the mines, the price of the commodity that is mined may go below the cost of production, but then they mine more of the product, whether it is silver or copper, or what have you, to meet debt service obligations. In many cases this is at the expense of the miners, of the people in those countries; they cut their wages and make them work longer hours in unsafe conditions to expand production at lower costs. It works just in the inverse of supply and demand. This results in what I call political copper or political silver, produced at the expense of the workers in many cases in near slave labor conditions, to produce enough foreign exchange to service external debts.

Although "debt service" investment does, in the short run, allow a poor country to make its annual interest payment to the bank, the practice has devastating consequences, devastating consequences to the people in those countries since it does not help expand their economies, and also devastating consequences to American producers of commodities who are in competition with them in the worldwide market.

Debt service investments have as their primary goal either generating export revenue or displacing imports. More often than not, these goals are achieved by expanding agricultural and/or mineral production within the country. However, unless a country has a comparative advantage in the production of such commodities, especially in the face of world surpluses, the additional production will not translate into wealth.

In fact, since production under these circumstances must usually be subsidized, standards of living necessarily decline. Agricultural subsidies, for example, either make domestic food costs higher or draw resources from some other sector of the economy—usually through taxation. In a country with already scarce resources, every dollar used to subsidize farm production is a dollar unavailable for essentials like education and health care.

Mr. President, this is a very important point. You may ask what is wrong with a developing country subsidizing its farm production when the United States does the same thing? I think that is a fair question. Without debating the merits of U.S. farm subsidies, let me just say that some of the subsidies are purchased at the expense of the American standard of living as well. Although this is not a generality of all farm subsidies, we pay more for our tobacco, sweeteners, and dairy products because of quotas supporting the price of those commodities, while, at the same time, our taxes provide billions of dollars to support cotton, wheat, and feed grain production. Whether Americans can afford such subsidies has been the topic of debate in this Chamber a number of times. That a country barely able to keep its people alive cannot afford more expensive food and higher taxes has never been an issue of debate.

We have all agreed that they cannot afford that, yet our policies, Mr. President, of debt service development have led to exactly that conclusion.

Furthermore, importing low-cost food from the United States, or anywhere else for that matter, will not condemn the Third World to poverty. A paper presented last year at Purdue University by Mathew Shane, an economist with the U.S. Department of Agriculture, compared developing nations that have open trade policies to Third World countries who subsidize domestic production and restrict imports. The food importing nations, Shane concluded, have experienced far stronger growth in GNP, a faster rise in per capita income, and less debt than other nations.

I want to repeat that, Mr. President. The countries that imported more food at lower prices had more growth, a stronger economy and were developing a better standard of living for their people than those countries that had the austerity program imposed on them and said "You have to produce all domestically, even if it is not efficient" This hurts American producers because we have in America farmers who can produce wheat, corn, and soybeans, and other crops, at a unit cost as low as if not lower than any in the world. We are very efficient producers and we are denying our own producers access to markets by the debt service investment policy of the International Development Banks. In other words, developing can buy edible dried beans grown in Michigan or Idaho cheaper than they can produce them. It will make sense that they be allowed to do that so that people can actually have more to eat and expend their energies producing something else that is more profitable and increase the capitalization and the savings and the real wealth of their countries.

This begs the question: Does "debt service" investment really help countries get out from under debt? The answer is "No!"

Mr. President, at this time, I ask unanimous consent that a table entitled "Changes in Export Volume, Export Revenues, and External Debt, 1980-85," which I will provide the reporter of debates, be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

CHANGES IN EXPORT VOLUME, EXPORT REVENUES, AND EXTERNAL DEBT, 1980–85

	Percent change—		
	Volume of exports	Export revenues	Total external debt
Argentina	47	3	46
Bolivia	−35	−38	31
Brazil	56	25	33
Chile	21	−23	43
Dominican Republic	8	−17	33
Ecuador	39	9	37
Mexico	62	34	41
Peru	−3	−24	30
Uruguay	1	−20	57
Venezuela	−21	−25	13

Source: "Economic Commission for Latin America, Preliminary Overview of the Latin American Economy 1985," Santiago, December 1985, table 7 and table 15.

(Mr. DASCHLE assumed the chair.)

Mr. SYMMS. Mr. President, I would like to use four charts from that table to illustrate my point and, Mr. President, I have a chart here on the floor that has Chile and Mexico exposed so people can look at this.

CHILE

In order to meet its debt service obligations, Chile struggled to increase exports 21 percent, taking on an added 43 percent more debt in the process, just to see its export revenue decline 25 percent. Chile's main export commodity, copper, was the focus of millions in International Bank investment. Unfortunately, the more Chile produced the lower copper prices fell.

Were we helping them by pouring more debt on them forcing them to mine more copper at a cheaper price and pay the miners less?

Mr. President, you and I coming from States that have commodity production can see that we have not helped Chile, no matter how well intended those loans were. We are not helping them by giving them more and more debt that they have to service by mining more and more copper at a cheaper price. It works out just the opposite.

ARGENTINA

Argentine exports rose 47 percent during this time; the country's foreign debt did almost as well, increasing 46 percent; but revenue increased a mere 3 percent.

Now, why? If they increased exports so much, why did revenue only go up 3 percent? Because the price of bank-financed farm exports like wheat flour and soybean meal plummeted as world markets were flooded with these exports.

MEXICO

Mexico, in response to its debt service, boosted its exports 66 percent, its debt increased 41 percent, but the export revenues rose only 34 percent. So they were not getting ahead. The harder they worked, the more they tried to export, the further they fell behind.

Note that the increase in export volume is almost double the increase in revenue. And this is the country that required a $20 billion assistance package last year just so it could continue making its interest payments.

BRAZIL

Brazil, which increased its exports 56 percent, at the cost of a 33-percent increase in its debt, saw only 25 percent more in export revenue. And how much of the additional export revenue was returned to the poor in Brazil? Apparently not much, because during this same time period, Mr. President, the average annual wage of the Brazilian worker declined 25 percent.

Now, what is humanitarian about the United States taxpayers giving money to the International Development Banks to pour more loans into a country like Brazil and the end result is that the Brazilian worker has an annual reduction in their wage of 25 percent?

This impoverishing cycle is so obvious that I cannot imagine how it can be mistaken for "development."

The Wall Street Journal illustrated just how ludicrous these "debt service" investments can be when it reported last year on a loan to produce groundnut oil in Burma. According to the Wall Street Journal:

> The Asian Development Bank proposed to lend $35 million to "cooperatives" that make edible oil from such things as groundnuts * * * The Burmese co-ops expect to sell the oil for about $1.80 per kilogram while edible oil on the world market sells for 65 cents or so a kilogram. The Burmese will exclude the cheaper foreign stuff with tariffs and import controls.

Get that. They are going to put tariffs and import controls on cheaper oils that will be competitive with this, so they end up with struggling farmers in Iowa who are going to be taxed to subsidize a government-sanctioned project in a socialistic country that usually opposes U.S. interests and all to make a farm product that will cost the Burmese consumers three times what it would cost them if they bought it from some farmer producing it in Iowa.

Now, Mr. President, I do not see how that helps an Iowa farmer, to be cut off from the Burmese market, and it does not help the Burmese consumer. And yet, the United States, in many cases—and in this particular case—was financing about a third of this $35 million loan.

So, some of the farmers that happen to be fortunate enough to be making a profit in their operations who are paying taxes, are actually paying to support a cooperative effort in a socialistic country that is going to produce a commodity that will require its people, the poor people in the country, to pay three times as much for the edible oil as they would pay if they otherwise were allowed just to buy it from the United States.

Now, I say, Mr. President, this is pathologically irrational for us to continue on the course of misdirected debt service lending that we have been engaged in for these past years. It is just absolutely, I repeat, pathologically irrational for us to continue to do that.

Mr. President, this type of "debt service" investment must stop! It does not help developing countries develop. Stuart B. Hardy, manager of Food and Agricultural Policy at the U.S. Chamber of Commerce, affirmed in Senate hearings on the FAIR bill that:

> * * * the Chamber supports the thrust of this legislation and we agree that the United States should use its considerable leverage as the world's single largest shareholder in multilateral development banks to insist on certain reforms in lending practices.
>
> (Sound investment criteria) are not met always by the World Bank, the International Monetary Fund, or the regional development banks. In these instances, U.S. interests are undercut with U.S. dollars. Moreover, to the extent that uneconomic investments have been made in industries lacking comparative advantage, precious resources have been wasted and opportunities for genuine development have been lost.

I think Mr. Hardy's statement is one that we should all take careful heed of.

The counterproductivity of "debt service" investment is only half the story of its destructive capacity. And this is one that my colleagues who are concerned about the ozone, concerned about clean air and clean water and conservation should pay a great deal of heed to, Mr. President. I recently received a letter from Wayne A. Warren, Soil Conservation District Chairman in my home county of Canyon County, ID. In that letter, Wayne gives us a glimpse of a potentially even greater harm caused by current U.S. international investment policy. I ask unanimous consent, Mr. President, that his letter be printed in its entirety at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CANYON SOIL
CONSERVATION DISTRICT,
Caldwell, ID, June 15, 1987.

Senator STEVE SYMMS,
U.S. Senate,
Washington, DC.

DEAR SENATOR SYMMS: We were recently informed that you reintroduced the SB 220, the Foreign Agricultural Investment Reform Act, and would like to express our support for it. Not only does it create an unfair competition for the American farmer, it can also result in soil and water conservation problems in nations where production is being pursued at any expense.

Sincerely,

WAYNE A. WARREN,
Chairman, Canyon SCD.

Mr. SYMMS. Mr. President, after expressing strong support for FAIR, Wayne addresses the policy of debt service investment, explaining that:

> Not only does it create an unfair competition for the American farmer, it can also result in soil and water conservation problems in nations where production is being pursued at any expense.

In fact, Wayne's concern was an understatement. According to a recent Sierra magazine article:

> Government-funded aid agencies have been changing the face of the developing world for more than two decades . . . It is becoming clear that many projects have caused severe environmental and cultural disruption, negating any benefits by destroying the fragile ecosystems in which human and beast have survived for centuries.

Mr. President, the Amazon Basin provides 20 percent of the freshwater supplies of the entire globe. When our submarines, in fact, are near the Amazon River there is freshwater way, way out in the ocean. The subs have to change their gauges to adjust for the difference in density of freshwater and saltwater. It is critical to the ecosystem of the world that nothing be done that would disrupt that massive 20 percent of freshwater supply that comes out of the rain forest of Brazil into the ocean. Yet, U.S. taxpayers-funded dollars through International Development Banks are helping to clearcut massive areas of the Amazon Basin to go in and farm.

And I am told that when they clear off the jungle to grow soybeans and other crops, forestland does not grow back. The topsoil is eroded and they expect that at this rate an area as large as the entire State of Oregon is going to be cleared off and will no longer be a contributing factor that will conserve that fresh water supply that replenishes the oceans.

This is a severe problem. I urge all of my colleagues to read the Sierra magazine article and see what the implications are. Our own taxpayer dollars funding this destructive system may have a bigger impact on the ozone layer than some of the things that we are looking into.

This massive destruction of the rain forest plays a very important part of the balance of freshwater being replenished into the ocean. Twenty percent of the freshwater comes out of the Amazon Basin to replenish the freshwater of oceans of this world. And it is important that that fresh water go back into the ocean.

The push for agricultural and mineral production at any expense has led to reckless misuse of worldwide natural resources. The environmental and social consequences are astounding:

In Botswana, an $18 million World Bank project to increase beef production for export by almost 50 percent will only compound the country's severe overgrazing problems.

There are already overgrazing the land of Botswana so why loan them more money so they can get more cows and more cattle and overgraze the ground more?

And we wonder why it is that they have overgrazed the land, nothing grows back, and they have food problems in their country.

In Zimbabwe and Zambia, 56,000 people were displaced by the World Bank's Kariba Dam; and because the lands they moved to could not support the additional population, they became dependent on food relief.

Perhaps one of the most outrageous examples of "Kamikaze" debt service investment is Brazil's $1.6 billion Polonoreste project, funded substantially by the World Bank. The project seeks to develop agricultural production in the midst of the Amazon River Basin. During the past 4 years, 500,000 Brazilians have been moved there, but instead of finding the excellent farmland promised, the settlers have encountered poor soils unsuitable for agriculture, conflicts with indigenous natives, and rampant disease. The project now has the highest rate of deforestation in the Amazon. If present trends continue, I want to say again so my colleagues will realize what we are doing here, an area the size of Oregon will be completely clearcut by the end of this decade. Think of that. By the end of the 1980's they will have clearcut an area as large as the entire State of Oregon and it is not growing back.

Mr. President, it concerns me that billions of U.S. tax dollars are allocated to banks which have so little responsibility for their actions. The World Bank and IMF could ruin American farmers, wantonly waste American tax dollars, impoverish developing countries, destroy precious natural resources across the world, and yet remain virtually unanswerable to the American public.

The United States entered into the Breton Woods Agreement that began our international development efforts with certain goals in mind. If current international lending policies are defeating those goals, corrective action must be taken. The FAIR amendment calls upon the very devices that were built into the Breton Woods Agreement to protect our interests. It's now time we called on those protections.

Perhaps a policy that devastates American farmers and miners could be justified if it provided some great humanitarian relief to some other part of the world. That, itself, is questionable. However, policies that benefit neither the United States nor our neighbors in developing countries seriously violate the principles of good government, and the trust of the people for whom that government was created. I strongly urge my colleagues to give the FAIR amendment their full support.

I might just say my good friend, Senator Nickles, is on the floor and he is going to talk about how this amendment works. For the benefit of my colleagues, the mechanics behind the FAIR bill would require that the U.S. representative at international development banks vote to cease projects that conflict with sound development principles.

Then, if the vote is overridden because we may only have a third of the vote, we withhold a proportionate amount of money in the appropriations process for that international development bank.

I think it is a good possibility that we can pass this. I might just say to my colleagues this same language, or very close to the same language, the FAIR bill, passed the Senate three times during the 99th Congress, but it was not allowed to move forward in the House of Representatives.

There is opposition to this through the State Department and others who believe that we should continue on our current path. But I would urge my colleagues to carefully examine this. I would urge them to read carefully the memorandum that the State Department has distributed and see what the State Department's logic is.

In my view, the State Department makes my argument. I think if my colleagues will look at it, they will see that the State Department is encouraging continued debt service lending, encouraging overproduction of commodities to gain enough money to pay interest to service debts. Here we have a classic example of the big banks versus the small farmers in middle America, miners, the workers of this country who are producing the minerals, the fertilizer dealer, the agricultural producers, and in some cases the manufacturers. We are encouraging overproduction of commodities at the expense of the environment, at the expense of the living standards of people, in the name of servicing debts to pay back loans that probably should not have been made in the first place.

Mr. President, I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, one, I want to compliment my friend and colleague, Senator Symms from Idaho, for his leadership on this position. We have been working on this issue for the last several years. We had developed legislation. It is called the FAIR regulation, the foreign agriculture investment reform legislation. It is bipartisan. It has passed Congress. As Senator Symms said, we passed it three times and I expect we will pass it again and I hope and expect this year we will be successful having the legislation pass the House as well.

I think the legislation is needed. I think the thrust of the legislation has been supported by those even in the administration. I have talked to Secretary Baker before the Senate Appropriations Committee about this approach and he says certainly he does not want to see U.S. taxpayers' dollars being used to subsidize foreign competition. But that is exactly what we have had happen.

We read in the front page of the papers today where the President is negotiating with other countries, trying to reduce our subsidies in agriculture and I think, certainly, that is needed. Certainly this country spends a lot in subsidizing agricultural production and that adds to the problem. We continue to overproduce.

Europe, Japan, other producers do the same thing. So we have a multitude of commodities being produced in excess of demand and that keeps prices down and it hurts all of agriculture. That spills over beyond agriculture into banks, international banks as well. So the problem is enormous, internationally.

One thing we certainly can do is to quit subsidizing foreign competition with U.S. taxpayers' dollars. We can debate, and I think it is a legitimate debate, on how much we should subsidize domestic production, or maybe whether or not we should even subsidize domestic production. But I really question whether there is any real rational debate on subsidizing foreign production, to subsidize foreign competitors.

We have made these statements in the past. We have brought it to the Senate's attention on the floor of the Senate in the past, yet we still see loans being approved by the World Bank or by the multilateral development banks, all under the guise of: We are going to really help this country. But they are helping those countries produce commodities that are in surplus, that are further driving down the prices. That makes no sense.

To ask the U.S. taxpayers to be financing these operations is really absurd. So we need to make reductions. We need to make the reforms. To ask U.S. taxpayers to be giving farmers in Argentina a $350 million loan, of which there is a 10-year grace period, a low-interest loan, I am sure that the farmers in Oklahoma, or the farmers in North Carolina, or the farmers in Idaho, would like to have a similar type loan. Farmers in South Dakota and North Dakota would like to have loans that they do not have to pay interest on for 10 years and then it is a low-interest loan for the other 40 years. They do not even have to make principal payments for the first 10 years in some of these loans.

So I think there is certainly need for reform. It bothers me when we see our agricultural institutions, or banks and others really going through some difficult times and we talk about trying to refinance or assist those institutions; find out that we are giving other countries a far better deal than we are giving our domestic producers, our domestic banks.

We even subsidize socialized firms. We subsidize government coal companies. We subsidize government oil companies through these banks. We subsidize collective farms through these banks, Communist countries through these banks, so they can further have their collective farms to produce commodities to compete with American farmers, American producers.

Again, I fail to see the wisdom in that. I think the American people are saying, "Why don't you do something about it?" That is exactly what the FAIR Act would do. It is not legislation that has been thought up overnight. It is legislation that we have worked on, that we have had hearings on, that we have developed. We have a lot of support throughout the country. The legislation is endorsed by a broad coalition, and not a coalition of people who are protectionist, not a coalition of people who are against helping other countries, but a coalition of people saying let us not give other countries a better deal than we give ourselves. It is endorsed by the American Soybean Association, the National Cattleman's Association, the National Association of Wheat Growers, the American Farm Bureau Federation, the American Association of Meat Processors, the National Grain Sorghum Producers Association, the Fertilizer Institute, the American Sugar Beet Association, and Women Involved in Farm Economics.

Mr. President, I think this legislation is overdue. I think it should have been passed a long time ago. Again, I think it makes no sense whatsoever to be subsidizing our foreign competition.

I heard Senator SYMMS give some examples. I will try not to repeat his examples. But last year we made a $90 million loan to Communist China so they could develop livestock for export. I would venture to say that every State in the Union has livestock, a significant percentage of which is used for export. Yet we are making a $90 million low-interest loan to Communist China so they can increase their export of meat. That makes no sense.

An $80 million loan went to Communist Hungary in 1985 to increase their beef exports. I would go a little further. A Communist country's economic system will always have problems and that is predicated on the very type of their system. They have government controls from beginning to end. Why should American taxpayers subsidize that operation? But we have done it year after year and it makes no sense. Now is the time to stop.

Last year, $180 million went to Mexico so they could increase their agricultural exports. We have a lot of producers in the Southern United States, in California, Texas, New Mexico, Oklahoma, and other States, which are competing with Mexico. I will tell you, Mexico has many advantages over United States producers. Their labor rates are far, far less than our labor rates. Yet we are making a $180 million loan so they can increase their agricultural exports and make it that much more difficult for some of our producers in this country to compete. It makes no sense.

I mentioned in 1985 a loan to Argentina, $350 million. If you read the note that came from the press release it basically says so that they can increase their exports of Hard Red Winter wheat. As the Presiding Officer is aware, we have an abundance of Hard Red Winter wheat. We have almost 2 billion bushels of carryover stocks in wheat. Those carryover stocks basically suffocate prices. Argentina is one of the biggest competitors we have anywhere for the production of Hard Red Winter wheat. Yet we give them a $350 million loan so they can increase exports of Hard Red Winter wheat and their prices are already lower than our prices. We are having a hard time competing with them anyway and yet we are going to financially assist them in that manner. That is hard to see. It is hard to see that that makes sense.

We get this information from the World Bank press release where they are bragging about what a great thing this is. It may be great for some Argentine farmers but it is certainly not great for a wheat farmer in Oklahoma or North Carolina, a wheat farmer anywhere in this country. They say, "You have to be kidding. You are taking my tax dollars and making a low-interest loan to my competitor and I cannot get a low-interest loan in this country?"

Yet it happens time and time again.

Mr. President, I ask unanimous consent to have the press release in the World Bank printed in the RECORD so our colleagues can read it.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

ARGENTINA EMBARKS ON REFORM OF ITS AGRICULTURAL SECTOR

WORLD BANK LENDS SUPPORT WITH LOAN OF $350 MILLION

Argentina is launching the first phase of a comprehensive reform program designed to increase agricultural production and exports with the help of a World Bank loan of $350 million.

The loan is the first of several Bank lending operations planned in the near future to assist Argentina in tackling economic distortions.

The agricultural sector reforms supported by the Bank loan include a reduction in export taxes on agricultural products and an increase in domestic producer prices. They will also include a structural reform of the taxation system through the introduction of a production-neutral federal land tax; fiscal measures to keep budget deficits at satisfactory levels; and modification of regulations and tariffs pertaining to the import of agricultural inputs.

Estimates are that these reforms will help Argentina earn an additional $1 billion a year in foreign exchange by 1989.

Argentina's agricultural sector has been growing below potential despite technological advances, the existence of a well developed input distribution system, and a highly competitive marketing environment. This has been largely the result of pricing policies. Domestic prices for agricultural products have been kept low through export taxes while the cost of inputs has been kept high through import tariffs. As a consequence most farmers had little incentive to adapt new technologies to help increase production. Average wheat yields, for instance, were 70 percent of those in the United States during the 1980–82 period.

The government is launching the sectoral reforms to stimulate agricultural production and exports as part of its broader strategy to put the country again on the growth path. Major farm exports such as wheat, maize, sorghum, soybeans and sunflower will be offered.

In addition to the transfer of resources in support of policy reform, the Bank loan will finance technical assistance and studies looking towards institutional improvement. These studies include: development of marketing and production strategy; technical and economic feasibility of tubewell irrigation in the maise production region; structural changes in the livestock industry in The Pampa region; and development and promotion of agricultural and agro-industrial exports.

(Note: Money figures are expressed in U.S. dollar equivalents.)

The loan will be administered by the Central Bank, except for the technical assistance component which will be transferred to the relevant agencies. The loan will be released in two tranches. It is expected to be fully disbursed by January 1987 based on the progress of agreed reforms.

The loan is for 15 years, including three years of grace, with a variable interest rate, currently 8.5 percent, linked to the cost of the Bank's borrowings. It also carries an annual commitment charge of 0.75 percent on undisbursed balances.

Mr. NICKLES. We had a $500 million loan to Indonesia this year to increase their agricultural production. We had a $130 million loan in 1984 to Colombia for petroleum development.

We do not have loans in this country for petroleum development. I do not know that we should have Government loans subsidizing petroleum development in other countries.

There was a $180 million loan to Argentina to increase natural gas development. We have natural gas surpluses in this country. We have gas wells all over in my State and we cannot sell natural gas, yet we will increase Argentina's natural gas production.

A $15 million loan to Bolivian companies; a $64 million loan to Communist Hungary to increase their coal exports.

I read in the paper not long ago that coal producers in West Virginia were going hungry and yet we are giving Hungary, a Communist country, a no-interest or low-interest loan so they can produce more coal that will cost West Virginia jobs. It may cost Oklahoma jobs. Certainly, coal is a significant export item for this country and yet we are making loans to Communist countries so they can increase coal production and reduce their imports of American coal or other coal. That makes no sense.

Mr. President, I have a copy of the World Bank annual report for 1986 and the pages with summaries of loans. Not all loans are bad. But the tables have so many questionable loans, so many loans that are basically going to be adding to the problems and dilemmas of American agriculture and American mineral producers. I think we need to get their attention.

We passed resolutions in the past urging them not to approve these loans and we have had our representatives vote against these loans. But time and time again they have ignored our requests. They almost vote in unison against the United States in many cases. "We want the money. The United States pay up."

Depending on what bank we are talking about, we have several multilateral institutions where we pay anywhere from about 19 percent to 30-some percent. But in many, many cases our votes are overridden. In many, many cases these loans are made very much to the dismay of American people, of American taxpayers, certainly American producers.

The amendment that we have before us really is simply to direct our representatives of these banks to vote no on these loans—and they have done that in most cases or many cases—and it also says that if they are overridden we will make a corresponding reduction to the replenishment to offset the loan.

To give an example, if there is a $100 million loan to Argentina to increase wheat exports, the United States' contribution, as an example, is 25 percent to that particular bank, but if that loan is approved over our objection when it comes time to replenish that bank we will say, "Well, instead of making the total replenishment we will reduce by our pro-rata share, which would be $25 million."

That may get someone's attention, or it may not. But it would be a significant step in trying to get the attention of these banks that we want these banks to be working to help those countries, not to be adding to the ever-growing world surpluses that we have in many commodities in agriculture and certain minerals.

Mr. President, I think this amendment is very simple and straightforward.

There is one other provision in the amendment that I think is important, one that I cannot imagine anyone opposing. I do think it is significant.

That is basically that wherever possible we would urge the administration to use commodities in lieu of cash when we are providing financial assistance to other countries. Wherever it is practical, let us use commodities. We have many cases where we have provided assistance to other countries in the form of cash and foreign aid of various types where we would give them these moneys and then they would turn around and use those moneys to buy commodities from other countries, commodities that we had in surplus.

I mentioned wheat. Well, my land, we have corn. We have milk. We have cheese. We have an abundance of commodities that the Federal Government has already paid for throughout various agriculture programs. For us to give them money and then they use some of that money to purchase grain and other types of commodities from other countries I think makes no sense. So the second part of this amendment that we have before us is to urge the use of commodities wherever it is practicable in lieu of cash.

This country does not have cash to give away. We do have in many cases some commodities. I think it makes good sense and we could help our producers at the same time. So I hope that we can have a vote on this amendment. I am appreciative of the majority leader for allowing us to lay this amendment down this morning. I am hopeful that it will pass and I urge my colleagues to accept it this afternoon.

The PRESIDING OFFICER. Who yields time?

Mr. SANFORD. How much time do I have?

The PRESIDING OFFICER. There is no time limit on this amendment.

Mr. SANFORD. About 15 minutes.

The PRESIDING OFFICER. The Senator may proceed.

Mr. NICKLES. Will the Senator yield for just a half second?

Mr. SANFORD. Yes.

Mr. NICKLES. I ask unanimous consent to add Senator HECHT as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. I thank my friend and colleague from North Carolina.

Mr. SANFORD. I thank the Senator very much.

I rise in support of the objectives of the amendment, but also I rise to question the wisdom of proceeding in such a fashion. I do not think there is any question that we need to be careful about producing surpluses around the world, but I do not think we need the kind of penalty that is proposed on this action.

We already have legislation which cautions all of our executive directors to use their voice and vote against any kind of loan that tends to provide unfair competition. But we do not make the penalty so heavy. This is almost like saying I am not only against having unfair competition in the field of minerals, the field of oil and the field of agriculture, but I am against stealing. But stealing is one thing and punishment is another.

There is a society that cuts people's hands off if they steal, and it looks to me like we are cutting off the hands of the bank here if it does not do exactly what we want it to do. I think that we could get at this with a more careful, diplomatic approach.

I think the great danger of this amendment is that once again it demonstrates the arrogance of the United States—do it our way or we will not play; do it our way or we will withdraw our money.

Mr. President, we do not contribute all that much money to the multilateral development in the first banks place. Last year, the appropriation was less than a billion dollars all over the world in all of the multinational banks. It appears that approximately the same amount will be authorized this year. So we are not subsidizing to any great extent.

Then I want to make one other point before I talk about this amendment, and that is that I have talked to the farmers in North Carolina. Of course, they are against unfair competition. They are against paying for soybeans to be grown somewhere else if soybeans here are a drag on the market. Of course, they are.

But when you stop to tell them what this means, it has not got a whole lot to do with Communist countries; in spite of what the Senator from Idaho had to say, it has not got a whole lot to do with ecological safety, with the ozone layer, with natural resources generally, because it is such a very small part of those problems, and it is not going to solve them. It is not going to solve the Third World debt problem if we withdraw our money.

The great danger here is the penalty; it is not the objective. Of course, farmers in North Carolina and everywhere else and copper producers and perhaps natural gas producers favor doing away with unfair competition to the extent that we can. Of course, everybody has a little bit different definition of what "unfair" is. But that is not what this amendment does.

This amendment goes at the very heart of international rehabilitation of economies, to the very heart of the multinational banking system, and it would tend more than anything else that has come to this floor to destroy that whole banking system.

Some of the arguments have indicated that we do not like this banking system; we do not like lending money to Communist countries; we do not like this kind of effort to pick up an economy; we do not really like the Breton Woods agreement that was suggested.

Well, of course we like it, or we ought to like it, and we ought to like it at least until we have something better.

This amendment was not examined and evidence was not gained in the Foreign Relations Committee. There has been no record built of what it would do. There has been no careful examination by any committee on what the effect would be. There has not even been a careful evaluation of what harm any of these loans have done.

As a matter of fact, according to the Treasury Department, our people have raised questions about the negative effects of no more than about 100 loans out of 2,200 loans extended over the past 4 years. It is a very small part of the problem.

Last October, Congress enacted legislation, which the distinguished Senator from Oklahoma I think helped sponsor, requiring the U.S. executive directors of the multilateral development banks to work and vote against any loans that might cause negative effects on the U.S. economy.

In addition to that, we have the Obey amendment which requires the United States to oppose loans for production and export of commodities that are in surplus in the world market and will cause substantial injury to the U.S. producers of any competing commodity. They describe these products as rice, steel, palm oil, soybeans, sugar, citrus, and cotton.

The Garn amendment directs the U.S. directors of multinational banks to oppose any assistance for the production of copper exports or for the financing of expansion, improvement, or modernization of copper mines, smelting or refining capacity.

The Domenici amendment requires the directors to vote against projects where reasonable commercial financing is available, surplus capacity in the industry for that commodity would exist over half the project life, and U.S. imports of the commodity are less than 50 percent of the domestic production.

So we have a pretty good definition of the kind of loans that we want to oppose and are opposing.

Now, if you had no other argument to make against this amendment, it is that we already have all of this on the books and we have not given it a chance to work. That is the best way to go about it. It is a voluntary thing. It treats us as what we are and the capacity in which we are operating.

We are only one of many directors of the various banks. We have a voice and a vote. It was never intended that we could exercise our will contrary to the will of the others who are there putting their best judgment on the line. So I think that we might very well see how what we are doing now is working before we come in here and cut off their hands for making a loan which we voted against.

I believe that this will have the opposite effect of what the proponents of the amendment intend. Not only do you cut out the participating capital, the replenishment that the United States would make, but you go further than you have ever gone before in bills that have passed the Senate but not gone all the way; you prohibit the multilateral development banks from borrowing on the U.S. capital markets.

That, indeed, would put these banks out of business. I suggest that the way this amendment is drawn, it does not go at the problems of the farmer nearly as much as it goes to the very heart, the very survival, of the multilateral development banks. I think that is bad, and that is why I think this amendment is bad.

I believe that to the extent that the U.S. voting power is reduced in these institutions, as it surely will be if the United States fails to subscribe to their capital stocks or reduces the contribution, U.S. representatives to these institutions are going to be less and less able to influence policy.

Certainly, no one in this Chamber would seek to do anything which undermines the ability of our farmers to export, but you do with this amendment. We all recognize that agricultural products have historically been the backbone of U.S. exports and, similarly, developing countries are crucial to U.S. trade performance. More than 44 percent of all U.S. agricultural products are purchased by developing countries. That is a 14-percent increase over a decade ago.

Future expansion of markets for the U.S. exports in general and agricultural products in particular will not occur in industrialized countries but, rather, in developing countries. This should come as no surprise. Four-fifths of the world's food consumers reside in the developing world; and when their populations are still registering high rates of growth, it is not surprising that the market potential for U.S. products is likely to be increased, and we need to develop those markets.

The real impediment to increased purchases of U.S. exports is not any particular loan by the banks. The real impediment to increased sales of American goods is the lack of purchasing power, and to develop purchasing power is the primary purpose of the multilateral development banks—purchasing power in the form of better lives for people in developing parts of the world. So the ability to buy U.S. goods can best be encouraged by raising the income levels of people in the developing world. That is the primary objective of these multilateral development banks.

Now let us talk about some of the specifics.

Most agricultural project loans to an institution within a developing country are fairly small, and they in turn are extended to small subsistence farms. Lending for agriculture, about 25 percent of the annual totals, has actually strengthened and diversified these developing economies. In an effort to meet their external debt obligations, governments in these countries have been forced to reduce the local purchasing power of their citizens.

So one piece of evidence from extensive economic analysis is clear—namely, that there is a direct, positive correlation between income growth in developing countries and increased demand for and consumption of agricultural products, both local and imported from his country or any other country.

Finally, what we are doing, or say we are doing, is that if we cannot have our way, we are going to take ourselves out of the ball game. If we are not going to take ourselves out of the ball game, then we are not taking action that has any effect. If we are going to take ourselves out of the ball game, then we are taking action that is far too severe, and certainly it is not to our advantage.

If this amendment is adopted, the effectiveness of the United States in guiding these institutions along lines which encourage developing countries to address their debt problems and return to a policy of economic growth will be severely diminished.

I would trust that because of the severity of the punishment, we would this time not vote in favor of this amendment, at least until it could be examined closely in the Foreign Relations Committee and evidence developed in a more careful manner. I would hope that we would not support this amendment because we already have on the books legislation, less than a year old, designed to do the same thing, which has not yet been given an opportunity to work.

Then, I would hope that we would vote against this because right now this problem is far too complex to be solved by this kind of simple approach to how we vote on 100 out of 2,000 loans. It is far too complicated.

We have not been able to get a handle on subsidies here and subsidies there. We have not been able to get a handle on what is depressing agricultural markets all over the world.

Just last week, the President announced that the key to the problem is the subsidy that not only we provide but also European countries and countries all over the world are providing and that we need now, in the present trade rounds, to talk about subsidies for agriculture.

This further complicates it. In fact, it is a monkey wrench in the works of what they would like to accomplish.

So I hope we would put aside this amendment for at least another year, until we can see how well what we already have on the books is working, at least until we can see how the President's initiatives on subsidies are beginning to work.

For one last comment from the Treasury Department, I would like to point out that they are opposed to it. They have written a long memorandum against it. Let me just raise three points, and I think these are controlling. I think we can take this as a compelling argument that this legislation ought not be enacted. I quote:

> 1. Treasury has determined that loans in which even a mini portion of the loan could conceivably support a politically sensitive commodity constitute only about 100 of the more than 2200 MDB loans approved over the past four years.
>
> 2. Passing the legislation would undermine the MDBs and subvert the key principle guiding the Breton Woods institutions.
>
> 3. If the United States uses the MDBs for political purposes so will others, and the cost of recovering a unity of purpose may prove very high.

The purposes of this amendment are good. The way we go about it is extremely dangerous.

At the appropriate time. Mr. President, on behalf of the chairman of the Foreign Relations Committee, I will move to table the pending amendment.

I urge my colleagues, in the name of a sound trade and development policy that we have worked out for many years, to support this motion.

The PRESIDING OFFICER. The Senator from Oklahoma.

The Chair reminds the Senate that the previous order is to recess at the hour of 12 o'clock, but the Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SANFORD. Mr. President, I move to lay the amendment on the table.

I withdraw that.

The PRESIDING OFFICER. Does the Senator from Oklahoma seek recognition?

Mr. NICKLES. Mr. President, it will help our caucuses to know that there will be a vote. I ask for the yeas and nays on the Symms amendment.

Mr. SYMMS. That is on the Nickles amendment. We can adopt the Symms amendment if we wait until later. We will not have to vote on both amendments.

Mr. NICKLES. That is correct.

Mr. SYMMS. Mr. President, will the Senator yield for a question?

Mr. NICKLES. I Yield.

Mr. SYMMS. I thank the Senator for yielding.

I say to my good friend from North Carolina that I have before me the hearing of the Subcommittee on Monetary and Fiscal Policy and the Subcommittee on Agriculture and Transportation of the Joint Economic Committee, the 99th Congress, Second Session, dated May 13, 1986.

I think the Senator might be interested in reading this report. He made reference that maybe there had not been adequate hearings on this. We have had lengthy, lengthy hearings.

I might also say, just to repeat if he was not here on the floor, that this FAIR Coalition has the support of—the Senator may well be aware of this—the American Meat Association, the Farm Bureau, the Soybean Association, the Sugar Beet Growers Association, the Wheat Growers Association, the Cattlemen's Association, the National Grange, the Sorghum Producers, Women Involved in Farm Economics, the Fertilizer Institute, the Chamber of Commerce, and others. There is a very long list in support of this amendment.

Certainly, if the Senator wishes to vote against this, he may do so. But I would only say in caution to my colleagues that throughout America, all across the commodity producing sector of America, the farmers, the miners, the producers are very, very well aware of the FAIR Coalition and this has widespread support.

This has passed the Senate of the United States three times. We are going to have a record vote on it. I would just say to Senators that choose to vote against this that they need to be prepared to explain this to their farmers.

Mr. SANFORD. Will the Senator yield?

Mr. SYMMS. I think the Senator from Oklahoma has the floor.

The PRESIDING OFFICER. The Senator will suspend. Senators will need unanimous consent to proceed beyond 12 o'clock.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the hour of 12 noon having arrived, the Senate will stand in recess until the hour of 2 p.m., unless unanimous consent is sought.

Thereupon, the Senate, at 12:01 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. DODD].

Mr. GRASSLEY. Mr. President, would I be in order to speak on the FAIR amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRASSLEY. Mr. President, I rise in support of this amendment that is offered by the Senator from Oklahoma and many of our colleagues. I am a cosponsor of this amendment because I think that the words I receive from my constituents about this situation—words like "counterproductive" and "unfair," these words describe the current agricultural investment policy that my constituents believe has accelerated the decline of American agriculture and business.

Multilateral development banks, banks that obviously receive taxpayer support from our Government, are continuing a policy of extending loans to our foreign agricultural competitors.

It is one thing for the American farmer to compete against any other farmer in the world, and I believe we can effectively do that. But it is quite another thing to expect our American farmers to compete fairly with governments of foreign countries when those governments subsidize their farmers. It is even worse, Mr. President, if that support comes from the U.S. Treasury, a treasury that we hope the American farmer has contributed to.

We are in a race to save our country's jobs and to maintain our reputation of quality products and honest prices. But we have been giving away this race in the past few years.

We have been taking money from the American taxpayers and handing it to the multilateral development banks for some very worthy purposes. But helping agricultural sectors of countries that are already producing surplus is not one of those legitimate uses of American taxpayers dollars by the multilateral development banks.

Of course, the banks, then, in turn, pass this money on to foreign nations for the uses I have just described. These nations have used this money, then, in the past, to subsidize their agricultural exports, exports that compete directly with the exports of American farmers.

This concept I know, to the taxpayers of this country, even more so to the farmers of this country, may seem preposterous. But it is still our policy.

The World Bank, one of the largest multilateral development banks, issued a press release just last year extolling the fact that they had made a $350 million loan to Argentina. I was touring my State at the time that this release came out and my town meetings were filled with farmers that just could not believe that when the price of our products was going down and down because of surplus on the world market, that our taxpayers were, in fact, subsidizing the excess production. This loan was made by the World Bank, and these are the words of the Bank, "to increase agricultural production and exports."

Brazil, likewise, was given $200 million to improve the railway system in and facilitate the export of grain from the States Parana and Mato Grosso.

From 1982 to 1986, the U.S. grain production decreased by 20 million metric tons. During this same period, foreign production of these crops increased by 198 million metric tons. Of course, these statistics are alarming, but statistics are not the only problem. The greater concern is when we consider that a great deal of this growth has been financed by U.S. supported multilateral lending institutions.

James Adams, vice president of the American Soybean Association, in his testimony before the House Banking Subcommittee on International Development Institutions and Finance, presents the example of Indonesian and Malaysian palm oil imports. Palm oil is a product that competes directly with oils produced from domestic soybeans. Before 1981, United States palm oil imports from Indonesia barely existed. The amount of oil imported was so small that the Foreign Agricultural Service did not keep any statistical records. The World Bank decided that something needed to be done to correct this situation. Over a period of 7 years, the Bank loaned the Indonesians a total of $169 million. What was the result of that? A 764 percent increase in palm oil imports into the United States.

There are many in this country who say that we should not subsidize the American farmer. That is a legitimate political philosophy that a few hold to today, even in troubled times. And that is a legitimate political philosophy all of us would hold if there was a level playing field out there for the American farmer to compete on.

But there is not such a level playing field. This Congress in 1985 set out a farm program that decreases the amount of subsidies that we will provide to agriculture in future years. In addition, one of the objectives of this trade legislation is to provide our negotiators with the leverage necessary to reduce world subsidies of agriculture. Again, a very legitimate goal to pursue; one I hope we are successful in pursuing if it can be done in a manner that treats all farmers, worldwide, the same way as these subsidies are gradually reduced. If this is our stated purpose, why would we allow the consideration of funding to continue the subsidization of foreign agricultural products? The answer: Just one more example of the right hand of our Federal Government having a program counterproductive to the left hand of our Federal Government.

The lending policies of the multilateral development banks have had a crippling effect on U.S. agriculture. The goal of these policies, however, has been to assist less developed countries. The principle of altruism has been a tenet supported by the United States. This principle has helped the United States gain a reputation as a world leader. The problem, however, arises when the money granted to these countries does not go for the purpose intended.

Or, if, upon considering these policies we later come to the conclusion that those intended policies are counterproductive to other stated goals of our Government. The policies of the multilateral development banks have enticed countries receiving loans to divert money for needed services. Health care, education and nutrition programs received only a minor share of development loans.

I am not saying that money that has been loaned by our multilateral development banks may have been diverted from its intended purpose; but when you consider the total pot of money coming in from the outside as well as that raised within the country, you will probably see, because of emphasis from our country, money used for purposes other than what it ought to be used for.

The Washington Post has reported that "Brazil now has the West's eighth largest economy but retains levels of health, education, and housing that make it comparable to the poorest countries in Latin America."

The money from the multilateral development banks is supposed to alleviate the difficulties faced by Brazilian citizens. Instead it is supporting the exportation of needed food resources from the country. Thus, the U.S. taxpayers and farmers are not the only losers in this game we are playing.

This bill, the Foreign Agricultural Investment Reform Act, is called the FAIR bill. It will require U.S. multilateral development bank representatives to oppose loans that are designed to increase the production of surplus commodities or minerals. If the banks continue the practice, then we should make it known to them that the U.S. Government is no longer going to finance this practice.

We are working on legislation designed to make the United States competitive in the international market place. That is the title of this legislation. That is what we hope it will accomplish. Should we also be supporting at the same time banks which are granting $164 million loans to a single Eastern bloc country? These loans decrease the amount of products this country imports from the United States. In addition, the loans increase the competition U.S. manufacturers and producers must face in an already crowded export market.

This measure passed the Senate several times previously. The need for this measure has increased. We must have reform before we put other farmers and businessmen out of work. I urge my colleagues to continue supporting reform of the foreign agricultural investment policies by making this part of the 1987 Omnibus Trade Act.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I rise to oppose the amendment. I appreciate the high motivation which has brought the proposers to this point because they and I are interested in American agriculture and the success of the American farmer. But I suspect we really need to weigh more carefully how American agriculture is likely to prosper in the near term as well as the long term. The international lending agencies play a very important role in that.

Let me just say, Mr. President, that in my judgment the amendment which has been offered by the distinguished Senator from Oklahoma, the distinguished Senator from Idaho, and many other cosponsors, and was just supported strongly by the distinguished senior Senator from Iowa, is not the amendment that the Senate has passed before. Mention has been made several times in this debate that we are merely repeating the will of the Senate to pass it. In fact, I need to report distinctions between bills that passed and the amendment of the present.

The current Nickles-Symms amendment does not have a test of whether injury is done to American producers as a threshold point of retaliation against the international lending agencies.

The current amendment does not have a test, as a matter of fact, as to whether the products, the crops, being produced in a country which received the loan, were in fact meant for export at all.

In the past, Mr. President, the Senate tried to deal with questions in which those two factors—and I repeat them, exports from a country of goods and commodities that were deemed to be in surplus and injury to producers in the United States—those two basic factors were determined. Neither is part of this legislation.

I would suggest, Mr. President, the drafters of the amendment might not have had in mind the situation that I shall lay before the body now. The fact is that almost all basic crops in the United States are in surplus throughout the world. The world is awash with corn, with wheat, with soybeans, with cotton, with rice.

Mr. President, to read this amendment literally, it means that a nation that produces any of these crops with any loan moneys that come from the international agencies that are mentioned, jeopardizes the economy of that country. We are making an arbitrary decision in this country, in essence, that another country cannot produce wheat.

Wheat farmers in this country might say, "Why should that country produce wheat because we already have almost a year's supply worldwide of wheat? Why should a small African country, a small Central American country, produce wheat?"

Well, Mr. President, reversing it a little bit, I suspect the people of that country would say, "Why not? We want to eat. We want to use wheat for bread and we do not want to take it more than 5 miles from where in fact we are producing it. And, as a matter of fact, our economies are not going to go anywhere without substantial international financing."

Those countries might say, "Almost everything we do is being replicated around the world by other people presently."

If we were to read this amendment literally, those countries would say "We are dead in the water in terms of production of agricultural supplies or mineral supplies for our own people because this amendment does not require that the offending goods be exported. It does not even require that there be injury to the United States producers."

I think it is poorly drafted to begin with. Maybe remedies might be made, Mr. President. But, if so, they should have been made before we came to this point in the debate.

This amendment should not have been represented as an amendment which has been passed again and again when, in fact, it has not been. It is a very different concept and, in my mind, a very dangerous one.

In the event that these sovereign countries, these struggling countries, do offend producers in the United States because they decide to do something for their own good—which is not even deemed an injury to us—there are fairly substantial penalties to the international loan agency that might make any loan that could be deemed to be in harm's way.

The amendment that we now have before us says, first of all, that the U.S. directors at the World Bank, or any other multilateral lending institution, would oppose assistance to countries for production of commodities in surplus. If the institution approves over that opposition of the United States, then the United States must oppose any increase in that institution's capital share, any replenishment of funding for that institution, and, Mr. President, more vital and more devastating—the letting of any instrument or note of credit by that institution, either from the United States or denominated in the U.S. currency.

That can be reduced if the World Bank and the lending agencies admit their sin and try to expunge it.

Those are very severe penalties for actions which were not even deemed of injury to us to begin with and do not necessarily even involve export.

Mr. NICKLES. Will the Senator yield for a question?

Mr. LUGAR. I am happy to yield.

Mr. NICKLES. The Senator might note on the amendment that the action called for was correct, but the following paragraph says:

> Until he obtains a written commitment from the management of the institution that no future assistance will be proposed which would require the opposition of the United States Executive Director to that institution pursuant to this Act.

Therefore, for example, in the World Bank, if the director of the institution would write a letter and say that it is not the practice and, indeed, it is not the intent, of the World Bank to be making these types of loans, none of those actions that the Senator from Indiana alluded to would go into effect.

Mr. LUGAR. I appreciate the comment of the distinguished Senator, but I suppose, in making my point again, in short, if the official responded saying "Never again will we loan money to a country that is producing wheat, for example," then, in fact, the sanctions are removed. But I question simply the philosophy of that point of view. I question, in fact, whether the United States delegates to all of these lending agencies ought to be mandated on every course when considering a development plan for a poor country, when trying to take a look at how that country is going to get well, to have all the constraints this amendment provides.

I am not certain how many things are left for a country to produce, given the number of things that are prohibited or could be deemed surplus.

In short, I doubt whether the distinguished President of the World Bank, Mr. Conable, or others, could recant easily and do justice to what is the character of the institution to begin with.

This brings me to my major point, Mr. President, leaving aside what I believe are thresholds that have not been included in the bill, penalties that are very, very substantial, and commitments of how we must vote on every occasion, in which everything that is surplus is under question.

I think we come to the heart of what troubles many of us about debate on the trade bill generally. That is we have to face the fact that in this country that we are not exporting in the quantities that we wish we were exporting. As we talk about it in the Agriculture Committee or as we talk about it to our farmers, whether we are on the Agriculture Committee or not, every farmer in America is for expanding exports. That has been the way out of the dilemma for a long time. And it still is. We have an enormous abundance in this country. We cannot move in agriculture in Indiana without exporting 50 percent of our beans, 50 percent of our corn in most years. But the question, Mr. President, is to whom do we export? Where are the markets? Who is left in the world? That is what the World Bank is all about.

This is why we have international lending institutions. They are an attempt on the part of this country, Japan, the industrialized countries of Europe, other countries that have substantial economies, to say to other fellow democracies of the world, "We believe we would all be healthier if your economies were stronger and you had the wherewithal to buy from us."

Mr. SYMMS. Will the Senator yield for a question?

Mr. LUGAR. I am happy to yield.

Mr. SYMMS. I hear my good friend's argument but let me pose this question. First, I think the Senator would agree with me—and the Senator has every right to have done so—the Senator last year opposed the amendment that he is saying is so much different that this amendment, is that not correct?

Mr. LUGAR. Yes.

Mr. SYMMS. We both agree at the outset that the Senator and I have a difference of opinion on what we are trying to accomplish.

Mr. LUGAR. That is correct.

Mr. SYMMS. The Senator is making a statement here that says if there is a surplus of a commodity—let us say the world is awash in $3 coconuts and country XY down in some coconut-producing area wants to get a loan to grow coconuts. Now, if they can grow coconuts for $2 compared to the $3 price, then they can get the loan and grow the coconuts because they can produce them at an advantage. So I am saying, first off, the Senator's supposition is not, I do not believe, the way, as the amendment is written, it would work. In other words, if they can grow the corn or the soybeans or the wheat at a lower price than what the world surplus is, then certainly they may go ahead and do it if they can do it at a profit. But how do we help them if the world is awash with $3 coconuts and they cannot produce coconuts for less than $5? Then they have to put a tariff around their country to stop all other coconuts from coming in and then their consumers have to buy coconuts for $5 instead of $3. How is that going to help them? That is the point. The World Bank, the International Development Banks are supposed to make life better for people, not worse. Is that not correct?

Mr. LUGAR. The Senator is, of course, correct. That is the purpose of the loans. But it would inquire of the Senator, as I read his amendment, the requirement is that the Secretary "determines, in consultation with the Secretaries of Agriculture, Energy and Interior as appropriate, that such commodity or mineral, as the case may be, is not in surplus on world markets." Now, there is no definition here of cost or profit or efficiency. The Senator's amendment reads "surplus." Would the Senator say that presently there is a surplus of wheat?

Mr. SYMMS. What I would say is if the price of wheat worldwide is $3 a bushel and a country may be able to produce it for $2 a bushel, then they need to go ahead and produce it because it is not going to be in surplus for them. It may be in surplus for someone who has to pay $3 a bushel to produce it, because someone else is selling it for $2, but they will be able to sell and consume all the wheat they can produce if they can produce it below the price at which they can import it. So certainly we are not trying to discourage that kind of investment, that kind of production.

That is not the intent of the amendment. Like in the case of Burma, Burma just got a loan to grow ground nut oil, and that is going to cost them $1.80 a gallon or $1.80, whatever the unit is, where they could buy soybean oil from Indiana or Iowa or somewhere for 65 cents. So those people are now going to be required to pay three times as much to buy edible vegetable oil to eat for their very ability to stay alive and we are financing it. I just do not see that there is any reason why the taxapayers in the United States should be financing a lower standard of living for Burmese citizens at the expense of farmers in the United States. That is exactly the way it is working out. That is my point.

Mr. LUGAR. Let me respond to the Senator that possibly a legislative record is being created here, which is constructive and I appreciate that point. I must say that reading the amendment in the cold type that is in front of me, I just find no reference to these efficiencies at all.

Mr. SYMMS. It is loan by loan, not commodity by commodity, the way the amendment is written.

Mr. LUGAR. If I may respond to the Senator, for example, using the Burma situation, if the Senator is affirming that his amendment permits a loan to be made to Burma for the production of a commodity which is otherwise deemed in world surplus but which Burma produces efficiently and that these commodities are used within Burma, that this is a defense against sanctions. I think that is a constructive change. But it is not clearly in the amendment now and conceivably the Senator would want to redraft that provision.

I think surplus means surplus. It is an unusual definition of surplus, that it does not become surplus in a country which does something very well and efficiently and consumes it. As a matter of fact, as I read the amendment, the World Bank is simply constrained from making loans to Burma if it produces something which prior to the time of that loan is otherwise in surplus and to which the Burmese addition would be additional surplus.

Mr. SYMMS. Let me just say the way it is in the bill the Secretary of the Treasury would define what surplus is. My contact and correspondence and conversation with Treasury is if the country could produce it efficiently for the use of its own people cheaper than it could bring it in from foreign sources, then they would define it that it is not in surplus for that country. That is what they have told me.

So I think it is important that we do clear the air and set the record straight on that because I think the Senator brings up a good point.

There should not be a misunderstanding here that somehow a nation will not be able to feed itself if it can do so more efficiently than it can from importing. But if it is going to bring in produced products at a higher cost than what it would otherwise buy it—let us say if it could buy wheat for $3 and it would cost it $5, rather than lend them money to produce $5 wheat, those people would be better served to buy the wheat for $3 produced in the United States or Australia or Canada or somewhere else and take the extra $2 and invest it into their own energies or some other investment—maybe it will be health care or improving the water systems, improving their own lifestyle, their educational structure, the infrastructure, and so forth, and actually improve their lifestyle. So that is what we are trying to get at.

I might just say if the Senator will indulge me another minute, last year in the farm bill in an amendment that this Senator voted against—this is not international; this is domestic—this Senate voted for and it became law that any State which tries to tax food stamps will not be eligible to get any more food stamps.

Now, I hardly believe that the Members of the Senate and House who voted for that were in favor of depriving people, causing poor people in America not to be able to have any food to eat by stopping them from having food stamps, but that was a tough sanction. It caused a great deal of consternation in my State because we have a sales tax. Our State believed that it was their right to tax food stamps as all other products, and it has caused enormous difficulties in trying to comply with this. But nevertheless, that is what the law said. I do not think there would be a Senator who voted for that who was in favor of depriving low-income people from the privilege of having the food stamps to which all other Americans are entitled, but we did impose a sanction on States that was very difficult.

So all we are trying to say here is that we have to have some teeth in the international banking lending policies so that the United States is not, under the guise of developing Third World countries, in effect burdening them with more debt and encouraging them to produce products that cost their people more when they should be diverting those moneys into energys that will improve and develop their countries. That is really what we are trying to get at here. I think the aim of the amendment is not incorrectly written, but is correctly written. We had a set of hearings on the amendment in the Joint Economics Committee. We established a record. This language came from a former member of President Reagan's economic advisory group, Dr. Steve Hanke of Johns Hopkins University. He helped with these hearings when he worked for the Joint Economics Committee and helped us develop this language, working with Ambassador Rogers, former member of the World Bank, and others.

So I think this language is tightened up somewhat from the language of last year, but it is the same exact intent. If anything, I think it is an improvement, not an impairment over what we had last year. So I think the language is really very good the way it is, and I would hope the Senate would support it.

I thank the good Senator for yielding and indulging me. I think he has brought some very important points to this body. I think we have clarified some things, and I thank the Senator for that. I hope the Senator would reconsider and support the amendment.

Mr. LUGAR. I thank the Senator. His contribution to the debate is always very constructive. But, Mr. President, I just return to the fact that even if the intent of the Senator and his ideas of how the Secretary of the Treasury would interpret or define surplus hold true—we really have no legislative record or item or document to that point—it just seems to me we still are left with the fact that surplus is surplus and that in the event loans are made to a country which produces items that are in surplus, penalties are attached and they are severe. I think, however one has tightened the language, that is clearly what it now says.

Mr. President, I would say again it is unfortunate that if surplus is to mean a situation similar to that which the Senator from Idaho describes, then it ought to be redrafted to say that and countries ought to be encouraged to do things which are important to their survival and in which they have efficiency. Indeed, the Senator from

Idaho is correct; it would be imprudent for the World Bank or any other bank to make a loan to a country to produce something which is inefficient, to make a loan deliberately to an economy that produces something at a high cost than it can be obtained elsewhere. That is the whole argument for the world banks, to begin with, the comparative efficiencies that are involved.

But, Mr. President, I was proceeding to try to make an additional point that I think, aside from the vagueness of the word "surplus" and the thresholds that are new in this bill and would need work, that it seems to me we need to understand why these banks are important to us. From time to time we have debates about that on the floor of the Senate. There are Members who are not enthusiastic about the banks, others like myself who are. I am enthusiastic because I believe that we must have effective worldwide purchasing power and demand if we are going to be able to export our way out of the agricultural surplus or any other dilemma.

It is a fact that the so-called developing countries—and these are the countries that are the target in this particular enterprise today—now provide 40 percent of the effective demand for U.S. agricultural exports. Even in their weakened status, they account for 40 percent of all purchases.

The point of the loans, with which we try to restructure their economies and strengthen them, is also to strengthen that purchasing power.

Not long ago, at a conference on Latin American aid, I heard the former distinguished President of Panama, Mr. Barletta, point out that in the recent 3 years we have been through—and he was speaking at that point in the latter part of 1986—1983, 1984, and 1985, exports to Latin America from the United States decreased by 40 percent. He pointed out some good reasons why this is true.

For example, the wages of Mexican workers decreased by 35 percent in real terms in the same period of time. There was an impoverishment of our Latin American friends.

Mr. President, the most shocking thing that the distinguished former President of Panama pointed out was that in this period, what had been a flow of money from the United States to Latin America, about $30 billion, had been changed to a negative drain of $5 billion. This came largely because other countries were trying to repay their debts. The amount of interest to service those debts as well as small payments of principal had led to a drain from countries that were already seeing a sharp decline in their standard of living. The gross national product of all Latin American countries during those 3 years declined about 10 percent, at the very time that United States agricultural exports to those countries were drying up almost altogether.

I am an American farmer. I have 604 acres of my own. I produce soybeans and corn. I have some idea how those are marketed and what the prospects are that the price for my corn and soybeans will go up. It will go up only if effective export markets for the United States increase this year. I think there are good possibilities that will occur. What I plead is that even in our zeal to try to help American farmers—and I am about that business every day of the year—we keep all these facts in mind.

However, we are arguing today about the world international lending agencies which create effective demands and strengthen markets for our products and for our exports, and that is the way we should proceed. That, I would say, is one of the fundamental issues of the trade bill debate.

Shall we say that the United States will become wealthier, that the American farmers will become wealthier, and all nations will become wealthier, and therefore we have more wherewithal with which to trade? Or shall we proceed into a protectionist mode, and even look at the poorest country and say to those countries:

> If you are producing wheat, corn, or soybeans, then we are going to penalize any international lending agency that makes loans to you for restructuring of your economy and for your strength.

If we say that, that is wrong-headed. That clearly defeats any prospects we have of expanding our exports.

We may think temporarily that we are trying to down a competitor and trying to boost our price at home by making sure someone does not produce one bushel somewhere else, but that is destructive policy; that is not good trade legislation.

For those reasons, I hope that the amendment will be substantially revised and amended and restructured and redefined. It is hopelessly vague on the surplus issue as it stands.

We should try to think how the international financial institutions could be better structured and better governed and at the same time how our interests are served by those lending policies.

I yield the floor.

Mr. PELL. Mr. President, this legislation that we are discussing would, in my view, have a serious detrimental impact on our participation in the multilateral development banks, and for that reason we oppose it.

The proposed amendment would limit severely our own participation in the MDB capital replenishments and restrict MDB access to U.S. capital markets.

Moreover, the evidence regarding MDB loans for agriculture is contrary to the assertions behind the proposed legislation.

Most of the project loans, usually $50 million to $75 million each, are for small subsistence farmers to improve their operations and increase local consumption.

Support for small farmers will improve agricultural productivity and in the long run increase demand for U.S. exports by increasing the level of prosperity in that particular country.

American exports will improve not only in manufactured products, but also agricultural products.

MDB lending for agriculture, about 25 percent of annual totals, actually strengthens and diversifies LDC economies.

LDC markets are important to us. They already take 40 percent of our total agricultural exports and up to 70 percent of some of the individual crops. This market is likely to become even bigger if the banks' programs are successful.

To satisfy the demand for meat, for example, as incomes rise, developing countries eventually find it both efficient and affordable to increase their agricultural imports—especially of animal foodstuffs—from efficient producers and exporters.

Nevertheless, the Treasury is very sensitive to this issue and is already guided by legislation requiring the United States to oppose loans that support commodities in surplus and injure U.S. producers.

We must also recognize that our influence in the MDB's is weakened when we argue in a manner and pass legislation that is perceived as purely protectionist by other member nations.

Passing this legislation would undermine the MDB's and subvert the key principle guiding the Bretton Woods Institutions and the regional MDB's—the allocation of production based on economic efficiency.

If the United States uses the MDB's for political purposes, so will others. This will not serve U.S. trade or foreign policy interests adequately or as it should.

Mr. HELMS. Mr. President, I see the distinguished Senator from Oklahoma on the floor. I wonder if I might engage in a little colloquy with him. To be honest about it, I want to ask a few leading questions.

I ask the Senator from Oklahoma [Mr. NICKLES] if he has kept count of how many times the U.S. executive directors of the various multilateral development banks have opposed loans to foreign countries because the loans were designed to finance products already in surplus.

Mr. NICKLES. I appreciate the Senator's question.

In looking at the report that was done by his staff, and by trying to include information we have received from the Secretary of the Treasury, I believe it is 19. That may be a plus or minus.

Mr. HELMS. That is correct.

Is the Senator aware how many times this U.S. opposition prevented the loans from being made?

Mr. NICKLES. I believe that in every case, the majority vote of financial institutions overrode the objections of the United States—in other words, they went ahead and financed the loan, financed operations, where we were adding to the surplus of agricultural products or minerals.

A lot of times people felt we were just talking about agricultural products such as wheat and corn. But, as the Senator is aware, we are talking about things like copper, coal, oil, and other commodities.

Mr. HELMS. Indeed we are.

The fact is that at no time has the U.S. position prevailed, as the able Senator from Oklahoma has indicated.

The Senator has also alluded to the fact that we are not talking merely about agricultural commodities. Let us talk about some others. The World Bank has funded copper in Zambia and Chile and Zaire. The World Bank has funded steel production in Brazil, Indonesia, and Argentina.

Mr. NICKLES. Mr. President, will the Senator yield?

Mr. HELMS. I yield.

Mr. NICKLES. I appreciate the Senator's allusion to copper loans, because I remember reading not too long ago about some domestic copper mines that were idle. They might have been in Arizona or Utah or Nevada. But there were domestic copper mines that were shut down. The loans that the Senator alluded to, I believe, were made in the last couple of years.

Mr. HELMS. The Senator is correct.

Mr. NICKLES. Yet, basically, the U.S. copper industry has fallen off the table. It has been in desperate financial shape.

I cannot help thinking what the worker in one of those copper plants in Arizona would think when he makes his tax payments and finds out that some of those tax dollars actually were used to increase production or help develop a mine in Brazil or wherever it might have been. I think that would be disconcerting to that taxpayer.

Mr. HELMS. I thank the Senator and I absolutely agree, Mr. President.

Then there is iron ore loans to Mauritania. Textiles—that ought to strike a nerve with my distinguished colleague from North Carolina, Mr. SANFORD—four times the World Bank has funded textile production in Red China. Other loans include palm oil in Malaysia, cotton in Pakistan, and so forth.

Mr. President, I had the pleasure of serving in this Senate when I first came here with the able Senator from Georgia, Mr. Talmadge. And if he were here, I believe he would say, "Well, this is the usual State Department line." The first time I ever heard about the voodoo economics of taxing the American taxpayers to bolster up other countries so that they could purchase from us came from the State Department. We had briefing after briefing when I first got here, and I did not quite understand it. I still do not understand it.

So, in my judgment, regardless of the esoteric arguments made here by colleagues whom I respect, the pending amendment addresses a very fundamental question and that question is: Should the American taxpayers be required to contribute their money to multilateral financial institutions which finance the foreign competitors of U.S. farmers and producers of a plethora of U.S. industries and other producers and manufacturers.

In terms of addressing the adverse impact on the U.S. trade picture, attention, in the judgment of this Senator at least, has not been adequately focused upon the impact of subsidized loans made by the various multilateral financial institutions to which American taxpayers are required to contribute.

Nothing voluntary about it. They are taxed to provide the money to undermine their own interests.

The United States presently contributes to the several "windows" of the World Bank—the International Bank for Reconstruction and Development, the International Development Association, and the International Finance Corporation, as well as various regional development banks—the Asian Development Bank, the Inter-American Development Bank, and the African Development Fund—in addition to the International Monetary Fund. These so-called windows provide subsidized loans by offering extended repayment periods as long as 50 years, Mr. President, at below—and, I might add, far below—market interest rates.

Take the recently reported foreign aid bill, S. 1274. This bill proposes $700 million in new funding authorizations for fiscal year 1988 and $3.8 billion over the next several years.

Now what do the American taxpayers get for this money? One unfortunate answer is that they get numerous World Bank loans and other loans made to foreign competitors for the purpose of developing industries to compete with the products produced by American workers in the United States. Loan after loan provides examples, where U.S. taxpayers are, in essence, financing foreign competition and, in the worst cases, financing themselves right out of their jobs.

So that much is clear to the American taxpayers. And I would say to my friend from Oklahoma and my friend from Idaho, Mr. SYMMS, that if everybody understood what the situation is, there might well be a revolt in this country. You cannot use a lot of sophisticated esoteric language to explain away the reality of what is going on.

Now I am aware that the Treasury Department claims to have made some inroads toward reducing the number of such loans approved by the World Bank, but the evidence indicates clearly that significant problems continue. Given the current status of our declining exports, the impact of these loans is having a greater and greater adverse impact on key industries in the United States.

Now, this is not a matter of crying wolf. This is a fact. The Congress should do more than simply cajole the bank officials about these loans. Bank officials seem to pay greater attention when the flow of U.S. tax dollars is involved. Thus, the approach of the pending amendment has the necessary "teeth" to get improvement at the multilateral development banks, and that is a consummation devoutly to be wished.

Requirements in the annual appropriations bills for multilateral development bank financing have been established to require the U.S. executive directors at these various banks to vote against loans that are intended to support commodities that are already in a world surplus. Based on this guidance, the Secretary of the Treasury has reported that the U.S. directors have opposed such loans, as Senator NICKLES and I agree, on 19 occasions, as outlined in a table which I have here, Mr. President.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

U.S. NEGATIVE VOTES AND ABSTENTIONS IN THE MDB'S FOR POTENTIAL U.S. ECONOMIC EFFECTS REASONS—USFY'S 1980–87 [1]

Institution	Date	Country	Amount (millions of dollars)	Project	Vote	Reason
Fiscal year 1980/81/82:						
None:						
Fiscal year 1983:						
IBRD	May 1983	Egypt	165.3	El Dikheila Reinforcing Bar	Abstain	Not a developmental priority.
IFC	May 1983	Egypt	31.2 loan +7.2 equity.	El Dikheila Reinforcing Bar	do	Not a developmental priority.
Fiscal year 1984:						
IBRD	Mar. 1984	Zambia	75.0	Copper Industry Rehabilitation	No	Doubtful financial viability.
IDB	Nov. 1983	Chile	268.0 (IRC)	CODELCO Copper Mining and processing expansion	No	Inappropriate financial structure. CODELCO rather than the Government should bear the debt service burden.
Fiscal year 1985:						
IFC	Feb. 1985	Brazil	3.0 equity	COSIGUA Steel Modernization	No	Additional IFC equity investment not necessary, and therefore could displace local private capital.
ADB	June 1985	Indonesia	.4 equity (OC)	Kratama Belindo Steel Fabricating	No	Poor management structure, inefficient import substitution, and no government commitment to divest its (40 percent) interest.
Fiscal year 1986:						
IBRD	Dec. 1985	Mauritania	20.0	SNIM Iron Ore Mining Rehabilitation	Abstain	Potentially premature due to global overcapacity, and unsound sector tax policy.
IBRD	Mar. 1986	China	75.0	Third Industrial Credit Project	do	Unsustainable textile export trend given bilateral quota agreements.
IBRD	Apr. 1986	Brazil	155.0	Agricultural Extension II GECAMINES copper rehabilitation	No	Garn Amendment regarding copper production.
IBRD	July 1986	Malaysia	55.0	Second Western Johor Ag. Dev. (Palm Oil)	No.	No institution building role for IBRD.
IDA	Mar. 1986	China	25.0	Third Industrial Credit Project	Abstain	Unsustainable textile export trend given bilateral quota agreements.
IDB	Nov. 1985	Argentina	40.0 (IRC)	SIDERCA Seamless Steel Tube and Pipe Expansion	do	Doubful economic and financial viability due to global overcapacity.
IDB	Dec. 1985	Chile	130.0 (IRC)	Multisector Global Credit Program III	No	Garn Amendment regarding copper production.
ADB	Sept. 1986	Indonesia	90.0	Second Nucleus Estate and Small-holder Palm Oil	No	Doubtful economic and financial viability due to global overcapacity.
ADF	Sept. 1986	Pakistan	66.1	Cotton Development	Abstain	Inadequate cotton subsector policy reform.
AFDB	June 1986	Zaire	72.6	GECAMINES copper rehabilitation	No	Garn Amendment regarding copper production.
Fiscal year 1987:						
IBRD	Mar. 1987	China	250.0	Fourth Industrial Credit Project	Abstain	Unsustainable textile export trend given bilateral quota agreements.
IDA	Mar. 1987	China	50.0	Fourth Industrial Credit Project	do	Unsustainable textile export trend given bilateral quota agreements.

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[1] The United States has opposed 19 MDB Loan or equity proposals for 16 investments since the start of fiscal year 1980 which might have harmed American producers. However, the potential negative impact upon our producers was the deciding factor for only the following five investments:
China—third industrial credit project;
Brazil—agricultural extension II project;
Malaysia—second Western Johor agricultural development;
Argentina—SIDERCA seamless steel tube project;
China—fourth industrial credit project.
The Garn amendment regarding copper applied to the following three loans:
Zaire—GECAMINES rehabilitation;
Chile—Multisector Global Credit Program III;
Zaire—GECAMINES rehabilitation.
The remaining eleven investments were opposed because they did not meet our economic, financial, and developmental criteria.

Source: U.S. Department of the Treasury.

Mr. HELMS. Mr. President, the U.S. position was not upheld in even 1 of those 19 cases. So what do we get for the money of the U.S. taxpayers? For all of our efforts, the U.S. position has not been upheld in even one instance. Thus, each of these countries has received a loan, or loans, to begin production of commodities already in surplus. Mr. President, this kind of development will serve only to compete with such commodities being produced by the very taxpayers in the United States who are providing the bulk of the funding for these multilateral development banks.

The pending amendment would make permanent the requirement that U.S. executive directors vote against such loans. It further adds teeth to the proposition by requiring that U.S. authorizations for future U.S. contributions be proportionately reduced if the MDB's persist in making such loans for commodities and minerals already in surplus.

For example, in effect, if an MDB lent $100 million for such purposes and the U.S. share of that MDB's total funding was 20 percent, then the amount authorized for future U.S. contributions would be reduced by $20 million. Nothing could be fairer than that.

This method is intended, as I understand it—and I ask the Senator from Idaho if I am not correct—it is intended to penalize the MDB's whenever they make loans contrary to repeated congressional directions; is that correct?

Mr. SYMMS. The Senator is absolutely correct.

And, if the Senator will let me just add one other thing to this, because the distinguished chairman of the Foreign Relations Committee was here earlier talking about the necessity, speaking of the distinguished Senator from Rhode Island, the necessity of allowing countries to develop internal agriculture. But I think it is important to note that Mathew Shane, the USDA economist—I made this point earlier this morning, but I want to share it with the Senator and so we can have it for all Senators—the USDA economist presented a paper at Purdue University comparing nations with open trade policies to those who subsidize domestic production and restrict imports. And the food importing nations, Shane concluded, have experienced a far stronger growth in GNP and a faster rise in per capita income and have less debt than other nations.

The Senator is quite correct in what he is saying about this amendment. But, in addition to that, from a humanitarian standpoint, for those countries that are bringing in lower priced food to their countries and then, diverting their economies into other opportunities of ingenuity that they might find in producing, they are growing faster and that does make a better market for the U.S. textile producer, for the U.S. agricultural producer, or any U.S. producer that might get in the market for exports.

So the arguments that people are making that we have to have these international development banks so these Third World countries can produce, the way some of the policies have been affected, they actually slow down the growth of underprivileged people in those countries by putting on tariffs, barriers, and making them produce food that they could buy cheaper from offshore at the expense of growth internally in their own economy. So it works just the opposite. Debt service lending is anything but humanitarian. It works totally contrary to the basic principles of offering a people a hand up instead of a handout.

I think it is very important that we address this problem. This amendment would have some teeth in it, as the Senator says, to get these policies corrected. I cannot think of a better time than now and on this bill to address this problem.

Mr. HELMS. I thank the Senator very much for his very kind words.

Mr. President, over time, this reduction of our contribution, as required by the amendment, would result in a reduction in the MDB's willingness to make loans of this type.

In summary, Mr. President, my examination of the amendment convinces me that the amendment is intended to restrict lending to our foreign competitors so that the U.S. taxpayer and U.S. farmers are not financing foreign exports with which they directly compete. The Senate has acted favorably on this approach during consideration of the 1985 farm bill in voting overwhelmingly, 65 to 13, in favor of an amendment similar to the present amendment. Additionally, the Senate voted, by voice vote, in favor of an amendment offered by Senator NICKLES to accomplish the same objective during consideration of the Export-Import Bank reauthorization last year.

However, these provisions have not been enacted into law. The trade bill provides the appropriate vehicle for serious consideration of the amendment, which I am pleased to cosponsor. Certainly, Mr. President, this is an appropriate time to restate strong Senate support for this approach.

Examples demonstrating the need for the legislation include the following:

An $80 million loan to Hungary in 1985 for the "expansion of exports of processed animal products." The notion that we're subsidizing loans to Communist countries is especially repugnant to this Senator.

Uruguay received $60 million to increase export incentives in the agriculture/livestock sector.

Egypt was lent $239 million to increase the production of rice for export.

All of these loans were made at interest rates far less than those available to our own farmers. No nation is rich enough to subsidize its competition.

An analysis of the Inter-American Development Bank by the Heritage Foundation underscores the problem with trade. According to the Heritage Foundation report:

> The IDB often subsidizes U.S. trade competitors, especially in energy, mining, and agriculture. These loans have helped displace private capital investment and turned would-be private enterprises into public works projects, often without regard to supply and demand conditions.

In 1985, the IDB approved two loans totalling $60.3 million to help expand Argentina's northern natural gas pipeline. The loans have been used by Argentina's public gas corporation, despite a worldwide surplus in natural gas.

In 1985 and 1986, the IDB approved nearly $2.7 billion in energy, mining, and industrial development projects in 14 countries. As much as 25 percent of America's domestic energy producers are going out of business because of the combined effects of plunging world oil prices, high taxes, and dried-up investment capital. Yet U.S. tax dollars via the IDB are protecting other nations from these circumstances.

> Last year the IDB approved $636 million in loans to help boost Latin America's agricultural and fisheries production. Much of this money goes explicitly to increase agricultural export revenue, such as a $60 million loan to the government of Argentina to increase production of grains, oilseeds, and livestock. Approved in 1984, this subsidization of Argentina grain also coincides with a world grain glut. Since 1980, the U.S. share of world agricultural trade (mostly wheat) has fallen from 44 percent to 30 percent, while Argentina's share has doubled. With the current wheat glut on world markets and with the U.S. government advocating and paying farmers not to produce, it makes little sense for the IDB to be encouraging Argentina and other nations to increase production. In making these loans, the IDB displays little sense of global supply and demand conditions. Long-term economic growth is not spurred by subsidizing production of commodities already in oversupply. ("The Inter-American Development Bank: Re-Thinking America's Role", The Heritage Foundation, June 15, 1987.)

A similar, larger loan of $350 million was approved by the World Bank in 1986 for Argentina for purposes of encouraging an increase in agricultural production and exports.

The World Bank loans also go to state-owned operations, in a clear contradiction of free enterprise principles. For instance, the World Bank approved $90 million for the Agricultural Bank of the People's Republic of China to individual farmers, households, collective units, and enterprises owned by local government entities in two provinces for the development of aquaculture, orchards, agroprocessing, and livestock enterprises.

Mr. Joe Rogers, past U.S. representative to the Asian Development Bank, and now a Washington consultant outlined some of the abuses in a recent article:

> The World Bank has recently approved a $100 million loan to China to rehabilitate its machine tool industry. State-run by definition, it is in direct competition with our own beleaguered industry. If successful, this project will reduce the sizable Chinese market for American producers and create the potential of a major new international supplier. Should this have occurred as a result of a competitive environment there could be no quarrel with the growth of China's industry. As part of a wave of subsidies, it is outrageous. ("A Sneaky Supplemental for the World Bank", Wall Street Journal, April 22, 1987.)

Other examples include $30 million to Burma to increase rice exports: $64 million to Hungary, to reduce its coal imports; $180 million for a credit program in Mexico to raise agricultural productivity with a view to increasing food production, agricultural exports, and real farm income; $375 million for India—a leading recipient of all World Bank loans—for investments in agriculture.

Between 1981-85, international financial institutions in which the United States participates loaned more than $20 billion for agricultural development. Investments of this kind hurt American farmers in two ways: First, by creating competition with our own agricultural products by countries which have no comparative advantage other than the availability of cheap credit; and second, by increasing the demand for U.S. dollars with which to repay the debt, thereby driving up the dollar's value.

The amendment, entitled "Foreign Agricultural Investment Reform," reduces such self-defeating investment, and I hope it will be adopted overwhelmingly.

Mr. President, since 1946 the American taxpayers have been required to finance a so-called foreign aid program. Some of it has been in the form of direct grants. Some of it has been funding for loans, as we are discussing today. In various forms, it is the money of the American taxpayers past, present, and future. This money has been used to be sent overseas.

Mr. President, 6 or 7 years ago, one of my constituents in North Carolina wrote to me and said: "Senator, I wonder if you would undertake a little project for me," and the project was this:

He suggested that we start with 1946, the first year of foreign aid appropriations, adding up the total cost including interest, of the foreign aid program. His request to include interest was reasonable on the presumption that this was borrowed money on which the American taxpayers would henceforth have to pay interest, and should be calculated by rolling the cost over at the average prevailing interest rate that the Government was paying on its debt and do that year after year after year, compounding the interest.

Then with these parameters my constituent said, "What would be the total cost of the foreign aid program?"

We are not even talking about loans. We are talking about the foreign aid program, per se.

I was fascinated by the suggestion. I called in my staff and I said, "Let us get busy on this. I am sure the records are available. We ought to be able to compound it based on the average prevailing interest rate of each year, after rolling it over, to the present time" or to the present time as of the year we were doing it.

I wonder if the distinguished occupant of the chair would care to hazard a guess as to how much the foreign aid program had cost up to that time, with the interest compounded each year. Bear in mind that, thanks to the U.S. Congress, we have not had a balanced budget, let alone a surplus, in my memory. We have had two or three arithmetical balanced budgets, but they really were not balanced budgets.

We had to use the computers at the Library of Congress, and it was very difficult and much time was spent in arriving at a total cost based on the formulation stipulated by my constituent.

I am sure the distinguished Presiding Officer does not want to guess, nor does any other Senator. I will give you the total as of that time. The foreign aid program from 1946 up until that year, 6 or 7 years ago—and I put it into the RECORD at the time—was $2.3 trillion.

I can see some pained expressions around the floor.

I had no challenge to those figures which we obtained from the computers at the Library of Congress, providing the information that had been assembled year by year, and interest rates computed year by year, and rolled over. So we are talking about almost exactly the total of the national debt. We are also talking about fairness to the American people. We can, if we wish, continue to talk about the esoteric probabilities or lack thereof of building up these countries so that they will purchase goods from us.

Well, it has not worked out that way. The United States is in a state of economic distress, and it is just possible that $2.3 trillion that the foreign aid program has cost, including compounded interest, may be responsible for some of our difficulties today.

In any case, I commend the distinguished Senator from Idaho [Mr. SYMMS] and the distinguished Senator from Oklahoma [Mr. NICKLES] for their amendment, which I am proud to cosponsor.

Mr. NICKLES. Will the Senator yield for a question?

Mr. HELMS. Certainly.

Mr. NICKLES. I heard the Senator talk about the amounts of money that have been going out. I think it is important to give a little information. The Senator may or may not be aware of the fact that the United States has paid in through fiscal 1987 $21.5 billion into the multilateral development banks. Also, there is a tremendous increase, just for the Senator's information, proposed for next year. Last year we put in $994 million. This year, or proposed for 1988 by the administration, it would go to $1.8 billion in budget authority. Also, the total contribution to the international financial institutions, according to their request, would be $6.9 billion. The difference of that is what we call callable funds. Hopefully that would not be called, because if any of those loans were bad, they could be called. That would mean that the American taxpayers could be subject in next year to about $8.7 billion. So we are talking about big money. I think it is important to get some reforms made now before those new loans go forward. Would the Senator agree?

Mr. HELMS. This Senator would certainly agree. This is precisely the point. Every dollar that the Senator is talking about is a borrowed dollar.

One of my good friends, in a moment of bombast, was blasting President Reagan for deficit spending, charging that the Reagan deficit since 1981, when the President took office, had gone into the stratosphere.

First, I do not think it is honest to call it a Reagan deficit, because unless the Constitution was changed when I was not looking, the President cannot spend one dime that is not appropriated by the Congress. So if you are going to talk about deficits, talk about the congressional deficits because that is what they are. At least we should be honest about that.

I asked Senator DOMENICI at lunch today if he would check and tell me what the interest on the national debt had been since 1980. I have not received the total figure yet, but depending on which year I am sure it will be between $50 and $100 billion, which will be piled on top of the previous excessive spending by the Congress of the United States.

So it is all right to complain about the deficit, and I complain about it myself, but the fact is that no President, Ronald Reagan or any other—

prior, present, or future—can spend one dime that has not been appropriated by Congress. So we should at least accept congressional complicity, and duplicity, in terms of the economic mess created by the Federal Government.

Thank you, Mr. President, I yield the floor.

Mr. LEAHY. Will the Senator yield?

Mr. HELMS. I yield.

Mr. LEAHY. I will just take a couple of moments. I should notify the Senator, before he yields, that I will be opposed to the amendment, if that makes any difference to him yielding or not.

Mr. HELMS. That is quite all right. The Senator is right sometimes and wrong sometimes.

Mr. LEAHY. Mr. President, first, on behalf of the distinguished manager of the bill, who is now the distinguished Presiding Officer, I ask unanimous consent to have printed in the Record a response by Secretary of the Treasury Baker to a question by Congressman McHugh involving the basic thrust of this amendment.

There being no objection, the material was ordered to be printed in the Record, as follows:

MDB LENDING FOR COMMODITIES IN SURPLUS

Mr. McHugh. One of the objections, Mr. Secretary, that is raised increasingly on Capitol Hill—I apologize if somebody else has asked you this question—is that the multilateral development banks provide assistance to developing nations for the production of commodities already in surplus. I notice that in your preliminary statement this morning you indicated that you would take steps to discourage MDBs from doing this. But we are getting some legislative proposals now on Capitol Hill, for example, our colleague, Mr. Boulter, has introduced a bill, H.R. 306, which is designed to put some legislative leverage behind this issue. The bill would do a number of things, but one of the things it would do is to require the MDBs to sign a written commitment that such lending will not occur for production of commodities already in surplus; and if, indeed, that written commitment is thereafter breached by any MDB, the United States would be required to terminate participation, financial participation in that particular MDB.

Do you have a position on that particular bill or, more generally, on that kind of legislative approach?

Secretary Baker. Yes, sir. We would be unequivocably opposed to that, Mr. McHugh. We think that legislation like that would really have a serious detrimental impact on our participation in the MDBs. It would constitute a significant threat to replenishments, and it would, I think, limit the ability of MDBs to raise money in the private capital markets.

The fact of the matter is, as my statement indicates, we have been successful in reducing significantly the number of loans that have been made by the MDBs to support the production of commodities in oversupply. In fact, I think there is only one loan in 1986 that could be criticized or questioned from that standpoint. So immediate action legislation like this would be extremely counterproductive in my view. As I indicated in my statement it seems to me we live in an ever increasingly interdependent world, and we ought to recognize that fact. If the United States has the world's largest economy, and is going to lead, we cannot simply pull back and say we are not going to fund these institutions except under very rigid constraints.

IMPACT OF MDB LENDING ON THE POOR

Mr. McHugh. Well, I happen to agree with you, Mr. Secretary, and I think it is important that your Administration take the kind of firm position that you have taken if, indeed, we are to avoid this type of legislative effort either in terms of a free standing bill, or, more likely, an amendment on the Floor at some stage.

One of the other criticisms that has been raised, usually from the other side of the political spectrum, is that the structural adjustment lending which the international institutions, specifically World Bank and IDA, have been increasingly engaged in, does not sufficiently take into * * *.

Secretary Baker. The $1.4 billion was included in the out-years of the Administration's FY 1987 budget after extensive interagency discussion of the issue. It was arrived at taking into account budgetary constraints, historical levels of appropriations for the MDBs and the needs of the developing countries for MDB financing. The $1.4 billion is actually less than the average of the actual appropriations since FY 1982 plus the FY 1987 supplemental and the FY 1988 requests. We felt that we could provide for new MDB replenishments that would be supportive of the needs of the developing countries, while keeping our contributions and subscriptions under $1.4 billion per year.

U.S. PROCUREMENT FROM THE MDBS

Mr. McHugh. In your prepared statement, you stated: "Each year U.S. businesses receive procurement contracts from the MDBs equal to our budget expenditures for these institutions." Could you provide a table for the record that expands on that point?

Secretary Baker. The following table compares procurement levels in the MDBs with amounts appropriated for these programs.

COMPARISON OF PROCUREMENT BENEFITS TO U.S. AND BUDGETARY OUTLAYS FROM MDB'S

[In millions of dollars]

Fiscal year	U.S. budgetary outlays	U.S. procurement benefits
1986	1,651	1,579
1984	1,382	1,629
1982	1,130	1,062

Note: Procurement data for the MDB's does not correspond with the U.S. fiscal year. World Bank data runs from July 1 to June 30 of each year. Data from the IDB and ADB are by calendar year.

H.R. 306, FOREIGN AGRICULTURAL INVESTMENT REFORM ACT

Mr. McHugh. For the record, please expand on your repsonse regarding H.R. 306, the Foreign Agricultural Investment Reform (FAIR) Act. In particular, please provide a detailed justification as to why the Administration opposes this legislation.

Secretary Baker. Legislation such as H.R. 306 would undermine not only our participation in the MDBs but have an impact beyond what the drafters aimed to achieve. This legislation might reduce lending for sensitive commodities but its more immediate impact will on the other kinds of loans. The outcome of this legislation would be to undermine our ability to work constructively toward ending MDB financing for surplus commodities and subvert the basic principle the Breton Woods institutions and the regional MDBs were established to promote—the allocation of production based on economic efficiency.

Once the legislation was invoked, Treasury could not agree to increase its capital share, replenish the institution of permit bond issues in our capital markets. The resulting financial crunch for the affected bank would not discriminate between loans for sensitive commodities and loans that, for example, would build schools and hospitals. It would also affect the loans that are part of the Program for Sustained Growth, the debt initiative that the United States proposed in October 1985. The result could easily be that the borrowing countries would further reduce imports. Studies indicate that increased farm imports often accompany rising incomes. It has been shown that in most cases the increased demand that accompanies growth will also raise demand for high value foodstuffs that are unavailable locally or that the United States can provide more cheaply. This kind of legislation could backfire and end up reducing exports by U.S. producers.

Mr. LEAHY. Mr. President, as I indicated to the distinguished Senator from North Carolina when he was gracious enough to yield me some time, I am in opposition to the Symms amendment. I do so oppose because I want to expand the markets for our American farmers. I think this amendment goes against that goal. I would argue that it would hurt the potential growth of new markets for American agriculture. In that regard I am joined also by the Reagan administration which opposes this amendment, as does the Grange, the National Cooperative Business Association, the Agricultural Council of America, and the Land O'Lakes Dairy Cooperative.

I wish all Members would look at some of the points that have been made in opposition to this.

It has been stated that the amendment before us has passed the Senate three times. I'm afraid that an analysis of this amendment does not bear this out.

This is not the same amendment that has been voted upon before in the Senate. It is different in two critical ways: First, under the previous legislation U.S. Executive Directors of the Multilateral Development Banks would be required to vote against assistance for the production of any agricultural commodity for export, and which export would cause substantial injury to U.S. producers of the same, similar or competing commodity.

Caught in the broad net of the amendment before us would be any agricultural project financed by a development bank relating to a commodity which is in world surplus—when the project is for local consumption only.

The message we would be sending to the world's hungry that we have seen on TV in our comfortable living rooms is: "We'll continue to provide free commodities to relieve famine, but we will oppose any assistance which improves your self-reliance and helps you get off the dole!

The second difference is that the current amendment will end up hurting American agriculture.

Any project financed by a multilateral development bank for a commodity in world surplus—even if for local consumption only, and even if "substantial injury" would not be caused to U.S. producers—would be the trigger for a complete cutoff of U.S. capital and replenishment funding to that institution.

Furthermore, it would result in a complete ban on the use of U.S. capital markets by such institution—an event which could cause uncertainty throughout the world in the certainty and reliability of U.S. capital markets.

Mr. President, we see that in fact this amendment is not the same legislation which previously passed the Senate—it is a shotgun, disruptive approach which would in fact harm U.S. agricultural exports.

Why do I say that cutting back on foreign agricultural development would hurt U.S. agricultural exports? Simply because the evidence is coming in loud and clear that:

First. It is the developing countries that will provide the increases in U.S. agricultural exports.

Second. Developing countries need income if they are to purchase U.S. agricultural commodities.

Third. As these countries get on their own feet, they buy more from us. They buy more of our farm products.

Mr. President, the international financial institutions have become increasingly sensitive to the very real problems of surplus commodities. Barber Conable, President of the World Bank, is most sensitive to this problem. He has also made some telling points which bear on the discussion at hand and which give important background as to why this amendment would hurt American agriculture. Barber Conable said:

> Cutting back on World Bank agriculture programs or cutting U.S. support to the World Bank would discourage the very kind of development in the poorest developing countries that is the most important work of the World Bank. For example, 90 percent of IDA (the International Development Association) loans are made to countries with annual per capita incomes of $400 or less. The poorest of the poor in these countries are in the rural areas, eking out a living with subsistence agriculture. Helping people help themselves is truly humanitarian.
>
> What is equally important and what needs to be kept in mind by the United States is the increasingly obvious phenomenon that by increasing incomes of the world's poor—which frequently means assisting agriculture development and increasing rural incomes—results in increasing U.S. agricultural exports. We have seen that increasing rural income in the poorest countries changes the patterns of purchasing. Specifically, a large portion of increased incomes (60-80 percent) is spent on food, improving and diversifying diets, much of which must come from increased imports of agricultural commodities. Preventing agricultural growth in these countries will turn out to be harmful to U.S. farmers and would leave large numbers of people continuously dependent on international emergency feeding programs.

Mr. President, the truth of the matter may be difficult to comprehend, but it is quite simple—increased U.S. agricultural exports depend on the developing countries having the necessary income to buy our commodities.

One of the best examples of this phenomenon is Korea, which 20 years ago was a basket case. We provided them Public Law 480 and assisted with the development of their agricultural sector. Today Korea imports over $1 billion of U.S. agricultural commodities.

Mr. President, I submit that the amendment before us is a blunderbuss which will hurt, not help U.S. agricultural exports. I urge my colleagues to vote against it.

So, because of that and the other reasons I have stated before, I would have to oppose this amendment and will vote against it at such time as it comes to a vote.

Having said that, I yield back to my friend and I thank him.

Mr. EVANS addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. EVANS. Mr. President, to borrow a famous term from our President, here we go again.

Here we go again, aiming at the wrong target with the wrong weapon at the wrong time. I know and understand full well the good intentions of my two colleagues, Senator NICKLES and Senator SYMMS. I, too, come from an agricultural State, an agricultural State of unusual diversity and unusual productivity. We depend heavily on our agricultural communities and in many respects our agricultural communities like those throughout the Nation are in some considerable difficulty today.

But this is no answer.

Let me first remark on a couple of statements which had been made earlier this afternoon. The idea or a study that was suggested that food-importing nations generally had smaller debts and grew faster than those with food surpluses is the first thought.

Well, if that is really true, I suggest we have an easy and straightforward way to do a number of things all at one fell swoop.

We should cancel the American farm bill, saving many billions of dollars; make ouselves food importers of cheap food rather than subsidized food producers of excess commodities, and we would then, if this study is right, cut our debt and grow faster than we are today.

Well, nobody would suggest that. I do not suggest it for the United States, and I suspect that most other nations do not believe that that is in their best interest either.

The distinguished Senator from North Carolina mentioned the cost of some of these investments over a period of 40 years. Even assuming that his figures are correct, and I have had no chance to check them or check the assumptions on which they were based—but even assuming they were correct—from 1946 until 1981, the United States consistently had surpluses in exports. We were not a debtor Nation; we were an extraordinarily rich Nation. Who do we think we sold our export commodities to?

In 1946, there were no buyers. In 1946, Europe was in ashes. Japan had just been defeated. We depended almost entirely on our domestic economy.

In the years from 1946 to 1981, we built an extraordinary export market, some of it in agriculture—in fact, a good deal in agriculture—some of it in manufactured products of a wide variety. Who did we sell them to? We sold them to those very countries that we made the investments in—England, Germany, France, Japan, Taiwan, South Korea. The list is much longer than that, but they are the nations which grew and grew well during that intervening period of time and bought from us and helped to build an international, not just a national, economy.

Certainly we have had problems since 1981. Those problems have led us to now become a large debtor nation in terms of international trade. But we are aiming at essentially the wrong cause in this amendment just as we are in so many other elements of this so-called trade bill. The fundamental, overwhelming reason that we are in such deep difficulty today is because we allowed ourselves to engage in excess domestic spending, unwilling to provide the taxes to meet that spending, built up our national debt, and in doing so created an extraordinary strength in the dollar and found that we were no longer competitive in many commodities in a worldwide market.

But those are not really the specific reasons to oppose this particular amendment. I rise in opposition because this would not only unusually and severely restrict United States participation in MDB capital replenishments, it would restrict their access to our capital markets. It not only has an effect on both foreign and domestic economic policies of the United States but it has extraordinary potential impacts on our security policies as well as our diplomatic and foreign relations policies.

We no longer can look in isolation at separate little economic policies of the United States in a worldwide market. They are inextricably intertwined with security needs and policies, with diplomatic needs and policies, and it would be foolish in my view to aim solely and directly at, through this amendment, what we believe are bad economic policies without taking the others into consideration.

In addition, Mr. President, I believe strongly that this amendment would not help but, rather, threaten the expansion of U.S. export markets even including markets where U.S. agriculture exports.

Our development banks work to help increase personal income growth in developing countries. That is the prime aim. But it also has a side effect of accruing benefits to the United States as well. There are a good many studies, important studies, which show, given the existing relationships which now occur, that for each percentage point of extra growth in GNP of developing countries there is a 1.7-percent potential increase in U.S. exports to those third world nations.

Let us get even more specific and talk just about agricultural exports and imports. Does this amendment really help American farmers and American agriculture? Well, first, the best evidence we have shows that agricultural production in most poor countries is not growing very rapidly. And even if it were to begin to grow more rapidly in response to our developmental assistance, the result would probably be good rather than bad for U.S. agriculture, even if that growth were in some crops which are today in worldwide surplus.

Why? Because once local food supplies start to increase in those poor and developing countries, the very first thing that happens is that the diets of the poor also increase. They are living at subsistence levels. Study after study of every developing country, including those that have moved into the next level, has shown that as they have grown and as agricultural products have increased so has the demand for even more in the way of agricultural variety and food variety, much of which comes from added imports.

It is one thing to become self-sufficient at a subsistence level in grain, for instance, in a developing nation, but as they do so and as their income increases and as they develop further, the desire and need for a stronger and more diverse diet also increases. We have examples all over the world of countries which have met that increased demand through agricultural imports, not simply through the diversity of their own agricultural production.

In some poor countries, as much as 70 percent of all marginal income goes to food consumption, and that will continue for an expanded period of time until such time as there is an adequate diet in those developing nations.

Having made the point of this seeming paradox of improving agriculture in developing countries and at the same time improving potential for the United States in terms of its own agricultural exports, it is not the policy, not the current policy, and it has not been the policy of any MDB nor the United States to support projects that are not economically and financially viable or that result in unfair practices. The Treasury Department reviews projects which support production of commodities. It gives particular attention to the increased impact of production on the world commodity market in question. It even looks at potential injury to U.S. producers. Congress has already established specific tests for determining when the United States must oppose loans for sensitive commodities. This is a case of an amendment which is not needed and in fact will act in detriment rather than assistance to U.S. exporters even including agricultural exporters.

Mr. President, a developmental loan to Burkina Faso or to Gabon or to any one of the poor and developing countries of Africa hardly will be felt at all in terms of United States agricultural production and it certainly will not be felt at all in terms of the competition of other nations with the United States. Let us face it, Mr. President; our problems agriculturally in a worldwide market are not with those nations with which we deal through an international development bank. Our biggest competitors are Canada and Australia and the European Economic Community and other well-developed countries which receive no loans and get nothing out of the international development bank and in fact are partners with us in financing those very banks. That is why I said at the beginning that we are aiming at the wrong target.

I am very much aware of the plight many of our farmers find themselves in today. I believe that the amendment we are today debating is shortsighted, will do little to help the American farmer, and that its acronym FAIR is in many respects a misnomer.

Is it really fair to deny poor nations help to feed themselves and to develop some sorely-needed money, even from food exports, small as they might be? Is if fair to deny poor nations the potential for growth in personal income and the increased demand for U.S. products—agricultural products as well as manufacturerd—that come with such growth? No, I do not think it is fair.

With or without development banks, with or without this amendment, the American farmers are simply facing a new era of global competition. This calls for two important steps.

First, we must continue the commitment of resources required to develop poor nations to share an expanded global economy as consumers and competitors.

Second, I think it is high time that we supported a fine administration initiative to eventually strip away worldwide agricultural subsidies—including, I might add, our own.

I call to the attention of my colleagues an article in the Washington Post of this morning—a proposed restructuring of farm trade on a worldwide basis, a far-reaching plan which would ultimately phase out global subsidies.

The article is a very interesting, dynamic proposal. There were initial reactions from many other nations listed in the article. The very fact that the greatest skepticism came from the European Economic Community is a pretty good indication that the concerns over agricultural subsidies are not those of developing nations; they are not even those of the United States; they are those of some of our more developed competitors, more developed allies.

Mr. President, I ask unanimous consent that the article from this morning's Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. SEEKS TO REVAMP FARM TRADE

(By Stuart Auerbach)

The United States urged its trading partners yesterday to join in a revolutionary restructuring of global farm policies that would phase out subsidies within 10 years and allow free trade in agriculture.

The revisions, if carried out, could eliminate virtually the entire $30 billion a year in U.S. farm support programs that affect world trade, including irrigation and water resource policies, agricultrual extension programs and price supports.

At the same time, the 12-nation European Community would have to abandon its $26 billion in farm subsidies, and Japan would be forced to dismantle barriers to food imports, especially rice.

President Reagan called the program, put on the table in global trade talks in Geneva and simultaneously unvailed at the White House, "the most ambitious proposal for world agricultural trade ever offered." Prospects in Geneva for the far-reaching proposal are uncertain, however, since other major producers reacted coolly.

Reagan said farm subsidies in most nations have distorted global agricultural trade, caused a worldwide glut of farm products and depressed commodity prices—all at the taxpayers' expense.

"It has become clear that ultimately no one benefits from the current agricultural policies employed around the world—not farmers, not consumers and not taxpayers," the president added in a statement released at the White House.

But he and his aides—U.S. Trade Representative Clayton Yeutter and Agricultural Secretary Richard Lyng—emphasized that the United States would not abandon its current farm policies unless major trading partners, especially the EC, does the same. Otherwise, Reagan said, American farmers could be "devastated by the policies of other countries.

"The only hope is for a major international agreement that commits everybody to the same actions and timetable," he said.

The administration has made agricultural trade reform a major priority in the talks under way in Geneva to strengthen the global compact that regulates world trade, the 94-nation General Agreement on Tariffs and Trade (GATT). The United States is pressing for an "early harvest" of results late next year for the farm section of the trade talks.

That would be after elections in the United States and key European nations. That timing, trade strategists from the United States and other nations believe, will provide a narrow window for action.

"These are politically sensitive issues in all countries," Yeutter said. "there is no way to accomplish this kind of change overnight. What we are talking about is a huge adjustment in agricultural production and trade policies throughout the world. It will have to be done gradually, and everyone will have to go down the road together."

Japan and the EC are expected to try to block the proposal at the GATT talks. The EC's initial comment on the plan, issued by a spokesman in Brussels, was unfavorable, and Japan has resisted past efforts to change its policy of excluding farm products, especially rice. Leaders of the major Western industrial countries, including the EC nations and Japan, declined to give full support to the Reagan farm proposal when it was raised at the economic summit in Venice last month.

In Brussels, EC spokesman Nico Wegter said, "We think this is not a realistic proposal." Wegter said it goes beyond the agreement reached prior to the summit by the Organization for Economic Cooperation and Development (OECD), calling for major reforms in farm trade.

But Canadian Prime Minister Brian Mulroney, whose country belongs to a 14-nation group of so-called free traders in agriculture, applauded the U.S. move. "The United States proposal is a statement which challenges all countries interested in trade liberalization to move toward a world where production and trade decisions will not be distorted by government intervention," Mulroney said.

The reaction was mixed on Capitol Hill, where Congress eventually will have to approve the results of the trade talks and pass any legislation that dismantles U.S. farm programs. Sen. Rudy Boschwitz (R-Minn.) said he was "very enthusiastic" about the Reagan proposal, which he described as "visionary." But he wondered "how far Japan and the European Community will be willing to go."

On the Democratic side, Senate Agriculture Committee Chairman Patrick Leahy (D-Vt.) took a wait-and-see attitude and challenged the nation's trading partners in the GATT talks to respond.

Major U.S. farm groups also were cautious. The American Farm Bureau Federation, for instance, said it supported it, but withheld approval of changes in the U.S. farm program until it sees how far nations such as Japan and Western Europe are willing to go.

But Bob Denman of the National Farmers' Union charged that the president's plan would return U.S. farmers to "the constant boom and bust" cycles that preceded the 1929 Depression, with more years of bust.

Lyng and Yeutter insisted that the plan would benefit U.S. farmers, who they said are highly competitive in world agricultural markets. At the same time, they said consumers, who likely would pay more for their food because of higher prices for farm commodities, would benefit in the long run from a decline in their costs as taxpayers for farm programs.

But the shift would hit at numerous protected special interests across the globe, including some in the United States. U.S. sugar growers, for instance, benefit from quotas that keep out lower-priced cane products from the Caribbean Basin and the Philippines. European sugar producers, however, would likely be wiped out of the world markets without subsidies, which have lifted the EC nations from net importers of sugar in 1975 to their present position as leading suppliers.

Mr. SYMMS. Mr. President, I have listened to this debate with great interest, and I hope not to speak too much longer. But I must say to my dear friend from Washington, a neighboring State, that the point I am making is that it does not help the underdeveloped country to put them in a debt service loan situation so that they end up producing agricultural products at a price that costs more labor and is more dear to their means of endeavor, at a higher cost for the consumers in their country, and it is of no value to improve the standard of living. That is quite another matter from the way the Senator from Washington tried to couch it.

I must say that we had a similar situation last week on the question of oil, and the distinguished Senator from Washington and others made a very good argument, that they thought we should bring in oil from where it is much cheaper, from Saudi Arabia and other parts of the world, rather than do something to protect higher-priced oil to be produced within the continental United States.

Mr. EVANS. Mr. President, will the Senator yield?

Mr. SYMMS. I yield.

Mr. EVANS. I might just correct the Senator. The thrust of my remarks at that time was not that we should do that as an alternative, but that we should engage on an energy policy which had a lot more attention to conservation and which would eliminate the need to import oil from overseas and would still give us the surety we need in our fuel supply.

Mr. SYMMS. I stand corrected on the Senator's argument. There are other Senators who made that argument, that we should bring in oil because we could afford to spend the money to buy the oil from a lower cost production area of the world, and use our money to develop other means of endeavor in this country, whether developing alternate means of oil or conservation or what else.

My point is that the purpose of the international development banks is not only to make a stronger economic world for us to trade in, so that trade can thrive worldwide and people can trade with each other, rather than fight wars with each other—that is what the purpose is. It is not to help these countries be buried in an ocean of debt, which is what we have been doing, and then we impose demands on them so that they cannot buy products, even if cheaper than they can produce them; and they try to produce these products domestically often at great expense to their people.

I understand that the distinguished Senator from Rhode Island is about to move to table the Nickles amendment and the Symms amendment which is underlying. I say to those colleagues who have not had an opportunity to be involved in this debate, which has gone on since 10:30 this morning, that this amendment simply tries to get some reforms that are long overdue in our international development banks, lending institutions, and give some teeth to the United States, which is a major supplier of the moneys to those banks, for correction of what is going on.

So, what we would be doing is limiting loans that encourage production at the expense of the people in those countries and at the expense of producers in the United States, whether it be lead, copper, zinc, oil, wheat, soybeans, corn, vegetable oil.

The Treasury Department has said, in my conversations with them, that some poor, little country that wants to produce some internally domestic agricultural products to help feed their people would not be ruled out, and it would not be considered in surplus if they could produce it economically and it is economically viable. That is a much different thing.

The price of oil today is $20 a barrel. There is no surplus of it in Saudi Arabia, because they can supply all they want for a much lower price. They could sell all they want to pump. They happen to be holding back production today for their own internal reasons. The point is that they can produce a lot more oil and sell it at a much lower price.

We say that we are not going to go into some country and lend them money to produce $5 coconuts if the world price of coconuts is $3 and there is a readily available supply.

Why should the taxpayers of the United States be supporting the production of excess commodities that are already an overhang in the market?

The Senator from Washington made a good point—and I agree with them—that we should have an international farm treaty to stop subsidizing agriculture. But I think we should recognize that if the United States has chosen to pay a higher price for the production of the tobacco they smoke, for the sweeteners they eat, and for the dairy products they eat, we pay a higher price for those products with our farm products.

Europeans have a great many farm subsidies. That comes from being in two major world wars since the turn of the century, and they do not want to be hungry again.

I agree with my colleague that we should be pushing for a worldwide reduction in farm subsidies. It would be helpful to all agriculture and helpful to agriculture in the United States if that could be accomplished.

But for us to decide to do that is a little bit different than a country like Burma. To be getting a loan in Burma where they are going to have to pay $1.80 for a kilogram of edible vegetable oil in the world market where they could buy it for 65 cents, and the only way the Burmese people can do that is get the loan from the International Development Bank to do it and put a tariff up to keep out the foreign oil, and their people pay a higher price for food. That is the point I am making.

That is what I call debt service investment. That is not beneficial either to the consumers in that country, to international development of that country or it is not in the best interest of the agricultural producers in this country.

So I think we have made our case. I would hope all colleagues would vote with us.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. EVANS. Mr. President, will the Senator yield for just one question of the Senator from Idaho?

Mrs. KASSEBAUM. I am happy to yield to the Senator.

Mr. EVANS. Does the Senator think it is appropriate for U.S. citizens, for instance, the housewife to pay 16 cents a pound for sugar when the world price is 4 cents a pound? Is that not a subsidy of the same sort?

Mr. SYMMS. There is no question about it, but we should not confuse that with the country that is at the poverty level. There is no question about that.

Mr. EVANS. The Senator is saying we are rich enough do to it?

Mr. SYMMS. I am not saying we are or are not. We made that decision to do that. We do it on tobacco, dairy products, and sugar. As to the other farm subsidies that we have, I think we could make a case that they probably give our consumers lower prices of food not higher because we do produce them in surplus.

Mr. EVANS. That is the other question. In measuring what the world price is when another country is producing—say a small developing country wants a loan to build a wheat crop and they look at the world price of wheat, is that really the true price of production? We are selling wheat on the foreign market at far below the production price in this country. What would the Senator set as the world price at which they would have to meet?

Mr. SYMMS. What I say is for that producing country, if it is economically feasible for them to produce wheat for internal domestic use, Treasury has assured me they would rule it is not surplus for that country. But the studies that USDA have done and economists have done show the countries in the world developing the fastest and having the higher standard of living quicker do not pay extraordinarily high prices for agricultural commodities. They buy them cheaper offshore and do other things with the labor and investment internally in that country. That is the point this Senator is trying to make.

Mr. EVANS. It is a good point and I think we should do the same thing.

Mrs. KASSEBAUM. Mr. President, I will just be brief because I know we are getting ready to move on.

Speaking as someone who supported a very similar amendment when it was offered in the 1985 farm bill, I would just like to point out a difference that I think is significant and one when taken into consideration I cannot support this particular amendment.

It is my understanding that the multilateral development banks would not be allowed to make loans to any country if that country wanted to produce a commodity which is in surplus here in the United States.

Mr. President, I think that is a significant difference. I know there has been a colloquy between Senator SYMMS and Senator LUGAR and these questions have been raised. I am not sure that they have been answered sufficiently.

It is my concern that some of the poorest nations in the world, particularly in the African countries, will not be eligible then for loans from the multilateral development banks to assist in developing of agricultural products to feed their own people. I think this is a very troubling aspect of this and for that reason, Mr. President, I will not be able to support this particular amendment.

The PRESIDING OFFICER. Are there other Senators who care to speak?

The Senator from Iowa.

Mr. HARKIN. Mr. President, I rise in opposition to the amendment now on the floor. If anything, this is a penny-wise and pound-foolish amendment.

As I understand it, the same arguments have been used today as were used when a similar type of an amendment was offered and adopted during debate on the 1985 farm bill.

However, as I read the amendment, there is a distinct difference between this amendment and the one added to the farm bill.

I hope that Senators would keep in mind that we already have in place in law provisions dealing with the providing of loans from the multilateral development banks to countries for the development of agricultural products in surplus if in fact those commodities are used for export purposes.

That was the Obey amendment, section 522 of Public Law 22-591, which, requires that the United States oppose loans for production and export of commodities that are in surplus in the world market and that would cause substantial injury to U.S. producers.

There is also the Garn amendment which directs U.S. directors at the multilateral development banks to oppose any assistance for the production of copper for export. And then there is the Domenici amendment that has to do with minerals and metal products, again dealing with exports.

The commonality between all of these provisions of law has to do with whether or not these commodities will be developed for export purposes in competition with our own producers. However, the amendment now before us does not deal with that at all. It says that we would have to oppose with voice and vote loans for the production of commodities in those countries if there was just a surplus anywhere in the world market, whether those commodities were used for surplus or not.

That would mean, for example, that a loan could not go to a developing Third World country for the production corn, grain, sorghum, rice, soybeans or some other oil seed, even if it was used only for internal consumption in that country.

I cannot think of any more nearsighted than this amendment. Evidently the thought behind this amendment is that if crops are grown in another country—and I speak of a developing Third World country, because that is where most of these loans go anyway—if any crop is produced that is in surplus world market that somehow it is going to be detrimental to the producers in the United States.

I take issue with that. There have been numerous studies done by the USDA and independent foundations to study the effects in Third World countries of production of commodities and the result for U.S. farm exports to those countries.

One of the most recent of these studies was just done for the Kerry Foundation. It was done by Dr. Robert L. Carlberg last year. It was a comprehensive study done of the effects of a

Third World country developing indigenous agriculture and the impact on our own exports to those countries.

Let me quote from that study:

> Moreover, while low income country grain imports grew by only 40 percent (from a small base) over the decade shown in Table 1, upper-middle income countries increased their purchases by 102 percent, again from a base half as large. Imports of coarse grains specifically increased among these more prosperous developing countries by roughly 300 percent, indicating that a significant increase in animal feeding, driven by dietary diversification, was well underway. Among the low income countries, coarse grain imports were not only low but actually in decline.
>
> U.S. farm exporters, and especially coarse grain exporters, therefore have an unmistakable interest in promoting income growth in the developing world. It is not the hunger of poor countries, or even their growing populations, that makes them better customers for U.S. farm producers. It is the purchasing power that comes from their growing wealth.
>
> But what evidence is there that farm production, specifically, contributes to this broad-based income growth which stimulates farm imports in developing countries? What evidence is there that farm production is developing countries and farm imports can increase simultaneously? Several recently completed studies have now reached precisely this conclusion.

The study then goes on to show that farm production in those countries generates increased wealth in those countries.

We have proven this time and time again, whether it was Public Law 480, title I or title II, which goes back to the early fifties, or loans from the multilateral development banks, that every time a low-income developing Third World country increases its indigenous agricultural production, their imports of U.S. products go up, not down.

Let me explain. Last summer, Mr. President, the 5 billionth person was born on the face of the Earth. Chances are that person was born in a poor Third World country. If that child grows up eating roots, herbs, and a bare subsistence diet, the chances are that that child will never want or need the kind of products we raise in this country.

But if that child grows up eating whole wheat, drinking milk, eating cheese, then when that child grows up, that young person is going to demand products like meat and poultry and whole wheat and pasta, wheat flour, corn meal, which we raise and which we can sell to them. But if they do not develop their own taste and their own inclination to eat these foods, and if they do not have the money for it, then, certainly, we are not going to sell them those products.

Time and time again we have proven that if we help these Third World countries increase their own indigenous agriculture, it helps not hurts American agriculture. The U.S. farmer could probably feel threatened by the wealthy countries, such as those of the European Community, where diets are already rich. But an entirely different response should come when we talk about increasing the diets of the people in the poor, Third World countries who are the recipients of these very loans from the multilateral banks.

The creation of wealth, in these poor countries cannot get under way without agricultural development. Successful farm development creates a pool of savings, stimulates consumption demands and releases a labor force needed to launch urban industrial growth. All of these factors produce a taste for higher quality foodgrains and animal products such as meat, milk, and eggs.

I would just urge Senators to understand that this is different from what we adopted on the 1985 farm bill. I voted for that amendment to the farm bill 1985—it is now part of the law—because it dealt specifically with exports. It stated that we should not support those loans from the multilateral banks that go to raise crops that would be used for exports that are already in surplus. That makes sense. Why urge a poor Third World country to raise grains for export when it is already in surplus, rather than raising commodities and crops for their own indigenous use?

This amendment would prevent countries from growing the food they need to feed their own people and to raise their own incomes. That is what is so harmful about this amendment. I repeat, it is pennywise and pound foolish. You might feel better. You might be able to go out to the farmers and say: "Oh, boy, did we ever fire a shot here. No more money from the World Bank to help farmers in Third World countries grow corn."

But if you use that argument you are leading your farmers down a path of no return, a blind alley, because farmers basically understand, whether they are from Iowa or North Carolina or Idaho or wherever else, that their best cutomers are customers that are well fed and customers that have higher incomes, not poor starving populations in the Third World.

So I would urge my fellow Senators to not support this amendment.

Mr. President, this amendment is not supported by the National Farmers Union, nor the National Grange, nor the National Rural Electric Cooperative Association. None of those groups support this amendment because, they understand that it is in our best interests to help those poor developing countries have a better diet.

I yield the floor.

Mr. LEVIN. Mr. President, I will vote to table this amendment because it fails to make an important distinction. It says that the U.S. representatives to the multilateral development banks [MDB's] must oppose loans which will be used for the production or extraction of any commodity or mineral that is in surplus on world markets. But it does not distinguish between production by a borrowing country for export and production by that country for domestic consumption.

I supported an amendment to the 1985 farm bill—now law—that requires U.S. representatives to MDB's to oppose assistance by these institutions for the production by a borrowing country of agricultural commodities for export that are in competition with U.S.-produced agricultural commodities. I believed then, and still believe now, that it makes no sense for us to be supporting development loans that give farmers in other countries an unfair competitive advantage over our farmers.

This amendment would expand the policy of opposing development loans that are detrimental to the interests of U.S. producers—a sensible policy—by apply it to loans that encourage the production of surplus commodities. Any assistance by MDB's for the production of commodities in surplus on world markets would have to be opposed by the U.S. representatives—regardless of whether that production will be used for domestic consumption or for export purposes. This would put us in the position of opposing loans that we may want to support.

For example, an MDB may be considering a loan to a poor African country, aimed at making that country better able to feed itself. If the loan is specifically aimed at developing some level of food self-sufficiency, it may be something that the United States would want to support. After all, it's to our advantage that poor Third World countries develop stronger economies and higher standards of living for their people. More prosperous countries are likely to be stabler, more democratic, and in a better position to buy goods from the United States. But under the terms of this amendment, the U.S. representatives would be bound to oppose the loan, if it would assist in the production of a commodity that is in surplus on world markets.

On the other hand, if the MDB loan is going to be used to subsidize the production for export of a surplus commodity, the United States ought to oppose it. U.S. taxpayer money shouldn't be used for loans to other countries so that they can better compete with U.S. producers in world markets.

The problem with the Nickles-Symms amendment is that it doesn't distinguish between these two types of loans. For that reason, I must oppose it.

Mr. KARNES. Mr. President, I rise to express my support for the efforts of my colleagues, Senator SYMMS and Senator NICKLES, to reform our policies toward Third World development. Currently, the system of multilateral development banks is pursuing policies that work to the detriment of everyone involved in the international trade and finance system. These detrimental policies promote the production of export commodities in debt-ridden countries to generate export revenues to service the debt. These multilateral development banks promote this production through subsidized loans. The cumulative effect of these subsidized loans for the production of export commodities has been to exacerbate the problem of global overproduction in various agricultural and nonagricultural products. The result has been plummeting world prices in these commodities and impoverishment of producers everywhere, including the countries the loans were supposed to assist.

Mr. President, I stand here with my distinguished colleagues to see that this cycle of subsidization and overproduction is broken. If current policies are continued everyone will be hurt. The recipient countries will find that they cannot service the debt because the declining world prices in export commodities will not generate the needed revenue. More efficient producers in traditional exporting nations, such as the United States, will find themselves losing market access. The multilateral development banks will find themselves extending more loans that only compound the problems of the debtor nations that they are trying to help. The multilateral development banks will also find very little progress is being made in Third World economic development.

The proposal before the Senate would help to break this cycle of subsidization and overproduction by instructing the U.S. executive directors at these various multilateral institutions to vote against extending loans for projects that produce commodities unless: First, the commodity to be produced is found not to be in surplus; second, the project is economically viable; and third, the program does not constitute a subsidy. Further, the legislation would require a corresponding reduction in the U.S. contribution to the multilateral development bank in question by the amount of the calculated U.S. share of any project loan extended over the objection of the U.S. representative. Mr. President, this withholding of U.S. funding for objectionable loans should give substance to our efforts to bring the disastrous policies of these multilateral development banks to a halt.

Mr. President, since 1980 the United States has voted against 19 loan proposals due to the fact that the commodity to be produced by the prospective project was in surplus. On no occasion was the position of the United States sustained. Obviously, the policy of the United States of opposing such questionable loans has no teeth. The legislation before us will give that policy meaning by insisting that these multilateral development banks suffer a financial loss for their irresponsible actions. The withholding of U.S. funds should make it clear to the members of these institutions that they cannot ignore the views of the United States with regard to these questionable activities with impunity.

For example, the World Bank voted to extend a $90 million loan to the country of Indonesia for a project to produce palm oil, which competes directly with United States soybean oil. The United States voted against this loan on the basis that the project was not economically viable due to global overcapacity in that commodity. The objections of the U.S. representative were ignored. The result has been that United States soybean farmers are required to compete against the subsidized production of Indonesian palm oil and that those same American farmers help fund this subsidy through their tax dollars. Mr. President, the amount of U.S. taxpayer dollars going to these multilateral development banks, such as the World Bank, is not inconsiderable. Since the 1950's the United States has provided over $21 billion to these institutions. It is time that we start to make it clear that U.S. generosity has its limits. If the position of the United States is going to be ignored in the deliberations of these institutions, the United States should make it clear that it is prepared to withhold funding rather than contribute to the implementation of disastrous economic policies. The proposal before the Senate will make it clear that the United States will withhold funding if that is what it takes to make its objections heard.

Mr. President, I urge my colleagues to support the efforts of Senators NICKLES and SYMMS to rationalize our foreign agricultural investment policy. We can no longer afford to ignore the problems caused by the policies of the multilateral development banks in international commodity markets. The action we take to reverse these policies now will result in benefits to all the countries that participate in the world economy, as well as domestic producers of important agriculutral commodities. Thus, I hope the Senate will again support this proposal to promote sound economic policies at these multilateral development banks. Mr. President, I yield the floor.

Mr. PELL. Mr. President, I believe both sides to this issue have been fully aired. The time has come to vote on the matter. As chairman of the Foreign Relations Committee, this amendment does fall within our jurisdiction. Therefore, I move to table the amendment offered by the Senator from Oklahoma.

The PRESIDING OFFICER. The question is on the motion to table the amendment of the Senator from Oklahoma.

Mr. NICKLES. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island [Mr. PELL] to table the amendment of the Senator from Oklahoma [Mr. NICKLES]. The yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Arizona [Mr. DECONCINI], the Senator from Ohio [Mr. GLENN] and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona [Mr. DECONCINI] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Missouri [Mr. DANFORTH], the Senator from South Dakota [Mr. PRESSLER], the Senator from Wyoming [Mr. WALLOP] and the Senator from California [Mr. WILSON] are necessarily absent.

The PRESIDING OFFICER (Mr. REID). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 34, nays 58, as follows:

[Rollcall Vote No. 177 Leg.]

YEAS—34

Adams
Bingaman
Bradley
Chafee
Cranston
Daschle
Dodd
Evans
Gore
Harkin
Hatfield
Humphrey
Inouye
Kassebaum
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
Metzenbaum
Mitchell
Moynihan
Packwood
Pell
Proxmire
Riegle
Sanford
Sarbanes
Stafford
Stennis
Weicker
Wirth

NAYS—58

Armstrong
Baucus
Bentsen
Bond
Boren
Boschwitz
Breaux
Bumpers
Burdick
Byrd
Chiles
Cochran
Cohen
Conrad
D'Amato
Dixon
Dole
Domenici
Durenberger
Exon
Ford
Fowler
Garn
Graham
Gramm
Grassley
Hatch
Hecht
Heflin
Heinz
Helms
Hollings
Johnston
Karnes
Kasten
McCain
McClure
McConnell
Melcher
Mikulski
Murkowski
Nickles
Nunn
Pryor
Quayle
Reid
Rockefeller
Roth
Rudman
Sasser
Shelby
Simpson
Specter
Stevens
Symms
Thurmond
Trible
Warner

NOT VOTING—8

Biden
Danforth
DeConcini
Glenn
Pressler
Simon
Wallop
Wilson

So the motion to lay on the table amendment No. 426 was rejected.

The PRESIDING OFFICER. The matter before the Senate now is the Symms second-degree amendment to the Nickles amendment.

Mr. SYMMS. Mr. President, have we reconsidered the last vote?

The PRESIDING OFFICER. It has not been done.

Mr. SYMMS. I move to reconsider the vote by which the motion was rejected.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SYMMS. Mr. President, I am willing, if the manager of the bill is, to vitiate the yeas and nays on my amendment.

Mr. President, I ask unanimous consent to vitiate the yeas and nays on the Symms amendment.

The PRESIDING OFFICER. Is there objection? If there is no objection, it is so ordered. The question is on agreeing to the Symms second-degree amendment to the Nickles amendment.

Th amendment (No. 427) was agreed to.

Mr. SYMMS. Mr. President, I move to reconsider the vote on which the amendment was agreed to.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I have been discussing with the distinguished Republican leader and the distinguished chairman of the Finance Committee the possibility of getting some agreements on amendments——

Mr. SYMMS. Will the majority leader yield? Did the majority leader wish to leave the Nickles amendment still unfinished or go ahead and dispose of it?

Mr. BYRD. I am sorry. I yield for that purpose.

Mr. SYMMS. I thank the majority leader.

The PRESIDING OFFICER. The question is on agreeing to the Nickles amendment as amended by the Symms amendment.

The amendment (No. 426) was agreed to.

Mr. SYMMS. I move to reconsider the vote by which the amendment was agreed to.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is now recognized.

Mr. BYRD. Mr. President, the leader on the other side is calling a Senator by telephone anent getting an agreement on an amendment, but while he is doing that, I wonder if we could get some idea as to how much time we would need on, let us say, the plant closing amendment.

Mr. METZENBAUM. Mr. President, it is my opinion that we could proceed with a very limited time, maybe as little as 2 hours, an hour on a side.

Mr. BYRD. Mr. President, as I indicated——

Mr. METZENBAUM. If the leader will yield, I must provide a caveat to that, and that is that we could not do that this afternoon. But I think early tomorrow morning we could do that, and we can agree this afternoon to do it tomorrow morning with a 2-hour time limit.

Mr. BYRD. If I could ask the leader if he has any reaction at this point. We were talking about trying to get a time agreement on the amendment dealing with 201 and also the amendment dealing with plant closings, hoping to get an agreement ultimately on final passage of the bill no later than this coming Friday, no later than—hopefully earlier, but, say, 5 o'clock Friday. I yield to the leader.

Mr. DOLE. If the majority leader will yield, I have just discussed by phone with Senator PACKWOOD bringing up 201. He is prepared to do that in about 20 minutes. He is in the midst of a meeting with members of the Finance Committee on reconciliation and it will take him about 20, 25 minutes to be prepared. He is not in a position to give us a time agreement. He has no problem himself, but he needs to check with two or three other Senators who have indicated they wanted to at least have an opportunity to discuss the amendment. I suggested 3 hours equally divided. He indicated he was not in a position to do that at this moment, but he would be willing to come over in about 20 to 25 miuntes and lay down the amendment and start the debate, if that helps.

Mr. BENTSEN. Mr. Leader, from my viewpoint that would be fine. I would be glad to try to work out a time agreement with the distinguished Senator from Oregon. I want to check with some Members on this side and see how much time we want to speak on the issue. But I would be prepared to have him lay it down and proceed on it.

Mr. DOLE. I will notify Senator PACKWOOD. In the meantime, I think we can get a time agreement on the plant closings.

Mr. BYRD. I yield to the Senator from Indiana.

Mr. QUAYLE. Mr. President, I have an amendment I would like to move on today that would effectively eliminate the plant closing provision that is in the bill now. This is irrespective of the Metzenbaum amendment that will be offered tomorrow. I do not have any problem with a time agreement—an hour equally divided. We can do that yet today. This is a different amendment than his.

Mr. KENNEDY. Mr. President, we have gone through this dance on this issue now a number of times—I always enjoy it—with my good friend from Indiana. We realize that there is going to be a closely divided vote on this issue. Our recommendation was that we were going to give sufficient time and notification to all Members since it will be divided. We were denied the opportunity to amend the original package in a way which would have given the opportunity then to, at least as far as I was concerned, address the issue that the Senator from Indiana has just stated. But given the parliamentary situation that we are in, I would hope that we might be able to dispose of the other provisions of 201 tonight, take up the plant closings, work out a reasonable period of time and call the roll tomorrow at an early time so we can move toward completion of this legislation. It is not in the desire of the Senator from Ohio or ourselves to unduly delay the Senate but it is our desire to give adequate notification to all Members so that they will be able to vote and then we are quite prepared to have the chips fall where they may. We could even start the debate this evening and move to a time certain tomorrow if that was agreeable to the leaders, but I think it would expedite both the debate and discussion and ultimate resolution of this issue if we decided this at a reasonable time tomorrow.

Mr. BYRD. I wonder then if we could proceed with the amendment by Mr. PACKWOOD on 201 this evening.

Mr. DOLE. If the majority leader will yield, it will be about 20 minutes so if somebody else has a brief amendment, you could squeeze that in in the meantime.

Mr. BYRD. My suggestion is, although we can get no agreement——

Mr. KENNEDY. Mr. Leader, I have an amendment that I will be glad to call up and we can dispose of it at that time. It is to add the country of Chile to the list of countries that have supported terrorism. I am quite prepared to address that. I would need a brief quorum call just to move to it, but I would be glad to enter into a time limitation of 20 minutes. It has, I believe, the support of the administration.

Mr. DOLE. If the majority leader will yield, I do not know anything about merit. It may have great merit. It must have.

Mr. BYRD. Mr. President, I wonder if we could agree, then, that we would start on the amendment by Mr. PACKWOOD on 201 because it seems to me there is some possibility of finishing that this evening. I gather from the discussions there will be no possibility of finishing the action on the plant closing amendment today.

Mr. METZENBAUM. That is correct.

Mr. BYRD. If we cannot finish action on plant closing today, perhaps we could do that tomorrow, but go forward with 201 today. That is one of the two major amendments that remain to be considered.

Mr. METZENBAUM. We are prepared to proceed on that basis.

Mr. BYRD. So if we could proceed with 201, I say to the distinguished chairman and the Republican leader—Mr. Packwood would be ready in 20 minutes—in the meantime, I would be happy to ask for a little morning business.

Mr. PRYOR. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. PRYOR. While one of the managers is on the floor, on the section 201 and the amendment to be proposed by Senator Packwood, are we thinking about completing that amendment and completing that issue and that section this evening with a vote or several votes? I do not quite understand.

Mr. BENTSEN. I would be happy to do so, but I cannot give the Senator any commitment on that, because we do not have a timeframe. We are trying to work that out. I cannot give the Senator something specific.

Mr. BYRD. We will probably come nearer to getting a time agreement once we get it up, and we will probably come nearer to finishing it once we get it up than we will if we wait.

Mr. BENTSEN. I am willing to lay it down and get started.

If we get that out of the way and get plant closing out of the way, those are the two major ones I know of that affect the jurisdiction of the Finance Committee, and we will be a long way down the road toward completing this bill Friday afternoon.

Mr. BYRD. Let us proceed with the understanding that Mr. Packwood will call up 201 within the next 15 or 20 minutes and proceed on that, hoping to complete action on that amendment today.

We might be in not late-late, but into the early evening.

In the meantime, if we could get a time agreement on the plant closing amendment or have an understanding that we would get on it tomorrow as soon as we have disposed of the 201 amendment, we could lay it down tonight.

Mr. President, I ask unanimous consent that the Byrd-Moynihan amendments be laid aside during the rest of the afternoon in order that other amendments may be called up.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I will communicate this to the distinguished ranking member of the Finance Committee, Senator Packwood. I have two amendments I would offer to section 201. They will not take a lot of time. I understand that they are acceptable to Senator Danforth, the principle sponsor of the amendment, and to the chairman of the Finance Committee.

One would change the nature of the plan that industry offers to the commission from a private plan to a public plan, so that the people of the United States understand what is in the competitive enhancement plan rather than it being a secret.

No. 2, that it be made explicit that the commission can turn down a section 201 petition if they do not find that the positive competitive enhancement plan can achieve its goals.

I will do those two amendments, however, in whichever way is most accommodating to the Senate.

If Senator Packwood from Oregon does not object, I would offer them before he starts his amendment. If he desires, I will wait until he is finished. I merely tell the Senate that in the event he failed, I will offer these two amendments to further perfect section 201, and I am amenable to some very short-time agreements on them.

I think they are very clear and forthright and I think they are very important. So I will offer them first. If he desires to go with his first, I will wait until he is finished.

But in all events, I will tender them to the Senate so they will know how I would amend section 201 in the event it is adopted by the Senate rather than amended as requested by Senator Packwood.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent—while we are waiting for Mr. Packwood to arrive on the floor—that there be a period for morning business, not to extend beyond 10 minutes, and that Senators may speak therein for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO ARTHUR BURNS

Mr. DOMENICI. Mr. President, I am going to send a resolution to the desk that is already cosponsored by about 30 Senators. It expresses the deep regret and profound sorrow of the Senate regarding the death of Arthur Burns.

I will send it to the desk and ask unanimous consent that it be held at the desk; I also will ask that it be held open for cosponsors for the remainder of the day.

Mr. President, I have conferred with both the majority leader and the minority leader regarding this resolution. I understand that the distinguished majority leader is going to attempt in the next few days to set aside an hour or thereabout, announced in advance, when this resolution would be taken up, so that any Senators who would like to address the resolution and pay tribute to Arthur Burns would be granted that opportunity.

Mr. President, I send the resolution to the desk. I ask unanimous consent that it be held at the desk until it is called up, pursuant to the majority leader's request, with the understanding that he will arrange as soon as possible for an hour for Senators to address the resolution, and that the resolution be held open for original cosponsors for the remainder of the day.

The PRESIDING OFFICER. Is there objection to the request?

Mr. BYRD. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF JUDGE ROBERT H. BORK TO BE ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES

Mr. THURMOND. Mr. President, I am pleased that today the President has nominated Judge Robert H. Bork to be Associate Justice of the Supreme Court of the United States.

Judge Bork has the qualities I believe are necessary for a member of the Supreme Court: professional competence, judicial temperament and integrity, as well as an understanding of and appreciation for the majesty of our system of government. Judge Bork has served ably as a judge of the U.S. Court of Appeals for the District of Columbia Circuit, and I feel he will be an outstanding addition to the Supreme Court.

I would urge the chairman of the Judiciary Committee to act expeditiously in reporting the Bork nomination to the full Senate. There is no need to unduly delay this nomination when it is clear that the matter should be decided on the floor of the Senate. The entire Senate must be given the opportunity to fulfill its constitutional prerogative of "advise and consent."

The Supreme Court's next session begins on October 5. The Senate must ensure that no vacancies exist on the Court as of that date. The public and the Nation we serve will suffer if we allow the Court to meet without full membership. I hope the Supreme Court is at full strength for the October session, and urge my colleagues to join in this endeavor.

I ask unanimous consent to have printed in the Record Judge Bork's résumé.

There being no objection, the résumé was ordered to be printed in the Record, as follows:

ROBERT H. BORK

Birth: March 1, 1927, Pittsburgh, Pennsylvania.

Legal residence: Washington, D.C.

Marital status: Widower.

Education: 1944, University of Pittsburgh.

1947-1948, University of Chicago, B.A. degree.

1948-1950, University of Chicago.

1952-1953, Law School, J.D. degree.

Bar: 1954, Illinois.

Military Service: 1945-1946, 1950-1952, United States Marine Corps.

Experience: 1953-1954, University of Chicago Law School, Law & Economic Project, Research Associate.

1954-1955, Willkie, Owen, Farr, Gallagher & Walton, Attorney.

1955-1962, Kirkland, Ellis, Hodson, Chaffetz & Masters Associate & Member.

1962-1973, Yale Law School, Associate Professor (1962-1965), Professor of Law (1965-1973).

1973-1977, Solicitor General of the United States, Department of Justice.

1977-1981, Yale Law School, Chancellor Kent Prof. of Law ('77-'79), Alexander Bickel Prof. of Public Law (1979-1981).

1981-1982, Kirkland & Ellis, Partner.

1982-Present, United States Circuit Court Judge, District of Columbia Circuit.

Mr. DOLE. Mr. President, I thank the distinguished ranking member of the Judiciary Committee for his statement.

Before speaking to the nomination of Judge Bork, let me offer my own commendation and heartfelt thanks to retiring Justice Louis Powell, who has served the Supreme Court and the Nation admirably for 15 years.

I hope there will be expeditious disposition of the Bork nomination, in view of the statement made by the distinguished Senator from South Carolina [Mr. THURMOND].

The October term will commence on October 5. It seems to me that all those who wish to closely scrutinize the Bork record should have that opportunity and will have that opportunity. There is no doubt about that.

In the interests of the Supreme Court and in the interests of the country and the President's nominee, I hope we can expedite this process and make certain that we have spoken on the nomination prior to the beginning of the October term.

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that the period for morning business be extended for an additional 5 minutes under the same conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

REBUILDING THE NATION'S UNIVERSITY RESEARCH INFRASTRUCTURE

Mr. WIRTH. Mr. President, I would like to bring to the attention of the body today a set of facts which has not escaped the attention of the Senate in the past, but which becomes increasingly important as we are discussing here competitiveness in international trade, we consider ways to strengthen our educational and technological leadership.

The Nation's universities play a crucial role in support of America's research and development [R&D] enterprise. Universities now perform over half of all federally sponsored basic research, and 13 percent of all federally sponsored R&D. Moreover, they perform this research function while educating our next generation of scientists, engineers, managers, and teachers. In a very real sense, the future of our Nation is linked to its colleges and universities and their role in producing the educated citizens upon which our economic well-being, national security, health and quality of life depends.

At a time when increasing demands are being made on our universities, not only to perform their traditional roles of teaching and research, but to contribute to the economic development of their States and regions, they find themselves forced to perform their work with aging facilities and obsolete equipment. A number of recent reports and news accounts have indicated that the Nation's university research facilities are in such poor condition that they seriously compromise the universities' ability to contribute to critical national goals.

In its 1986 report, the White House Science Council's Panel on the Health of U.S. Colleges and Universities, chaired by David Packard, concluded that if U.S. universities are to bring their infrastructures—research laboratories and equipment—up to an acceptable level in a timely fashion, Federal leadership will be required. The panel recommended an investment of $10 billion over the next 10 years, with $5 billion from Federal and $5 billion in matching funds from non-Federal sources.

Universities have responded to the accumulated facilities deficit by raising as much money as they could from State or private sources to build new facilities or remodel outdated ones. Many have borrowed heavily. Nevertheless, for 20 years the Federal Government has failed to assume its proper share of the responsibility for maintaining this vital national resource. Funding for major Federal programs for construction of university research facilities declined 95 percent in constant dollars between fiscal year 1963 and fiscal year 1984. In spite of a need so large that it can only be addressed on a national level, no significant Federal program now exists in which universities can compete for funds for these critically needed facilities.

A look at the figures for Federal assistance to colleges and universities for facilities will show a slight upturn since 1983. The Congress has appropriated funds for research facilities during this period, but these funds have, by and large, been appropriated either for large special purpose research facilities such as research accelerators or telescopes, or, in some cases as special appropriations to specific colleges and universities, appropriations put into appropriations bills late in the process without benefit of committee hearings of any kind of review of the scientific merit of the project involved. The Congress has a perfectly legitimate right to make such directed appropriations. That has never been the issue. The more important question which we in the Congress must answer is whether such ad hoc action is an adequate response to the problem, or is a comprehensive national policy for investment in research facilities necessary to best serve the current and future needs of this Nation.

Unfortunately, over the last 20 years or so, we have significantly undervalued and underfunded our research facilities in our Nation's colleges and universities, facilities absolutely crucial to our long-term ability to keep in an increasingly difficult international environment, an environment depending more and more on our ability to better train our young people and better focus on the future. As we have underfunded the facilities across the country, the scramble for limited funds has increased and as the scramble for limited funds has increased, many of the decisions that we are making related to who gets what facilities have become politicized rather than focused, as they should have and have in the past, on peer review. The question is, How do we make decisions on what universities receive what facilities?

Unfortunately, we have seen too much of the kind of politics growing into this area and I hope we are able to put a stop to it.

It is our responsibility in the Congress to make decisions about how to spend limited national resources in the pursuit of important national goals. In a time of limited resources, it becomes increasingly important that the Nation get the best value for each dollar spent. Ad hoc decisions to spend the Nation's science dollars on the basis of the committee assignments of Congressmen representing individual universities or on the basis of which institution can afford to hire a well-connected lobbyist are not, I submit, a sufficient or wise way of making these investment decisions.

Given the fact that the need is great and the stakes are high, it is perfectly understandable that more and more universities have in the last few years taken the route of asking the Congress for special appropriations for research facilities. You might, however, have noticed in the New York Times, May 22, 1987, or the Washington Post, June 1, 1987, that 43 member presidents of the Association of American Universities, representing some of the Nation's most prominent research universities, have recently voted not to seek or to accept earmarked appropriations. They have instead directed their associations to work with the Congress to establish a competitive, merit-based Federal program for university scientific research facilities.

It is impossible to see the motive for this action as self-serving. A group of university presidents, under considerable pressure from their faculties and trustees to raise the money to improve their physical plants in order to attract more research, have agreed to declare a moratorium on special congressional appropriations out of profound concern about the effect that this special earmarking will have on the scientific future of this country. I might point out that these are the very institutions with well-placed alumni and friends in the Congress who might be most eager to help them. Our distinguished colleague, Senator PROXMIRE, has given eloquent commendation to this action by these university presidents.

Let me talk for a moment about their concern. One of the main reasons that the scientific enterprise has been so successful in this country in the past 40 years is that decisions about science have been made on an essentially nonpolitical basis, even though Government has financed most of our Nation's research. The agencies which administer Federal research funds—the Nation's Science Foundation, the National Institutes of Health, the Department of Defense, the Department of Energy, and others—make decisions about funding on the basis of the scientific merit of the proposal after careful scientific review of the proposals.

No system is perfect, but open, competitive merit review has by and large served us well in the years since World War II. It has, over the years, been the subject of numerous congressional hearings and agency studies, and frequent changes and improvements have been made. Earlier this year, for example, the National Science Foundation implemented several additional improvements recommended by a special advisory committee appointed by the Director. If we move away from the notion that the scientific merit of the proposal must be a central and necessary component of any federally funded scientific research project or facility, we will have done great harm to the fabric of American science.

We all have universities in our States which have programs of high quality and which desperately need help in constructing facilities to house them. I think that we do our universities and American science a much greater service if we in the Congress work to establish a rational, merit-based, competitive facilities program which recognizes the needs of both established and aspiring institutions, than if we continue the present haphazard, even destructive system of special appropriations. The stakes—the scientific, technological, and economic leadership of our Nation—are much too high to risk politizing this important national investment.

Such a program for research facilities at colleges and universities must contain several necessary components: First, it should address the problem by appropriating funds for a program of sufficient size to address the problem in a meaningful way—something close to the $500 million per year figure suggested by the Packard-Bromley panel; second, it should be a competitive system based on a thorough evaluation of the scientific merits of the projects; and third, it should make provision for separate competitions for established research universities and those institutions which receive smaller amounts of research dollars. This program, moreover, should not be limited to NSF, but should be extended to NIH, as well as to the mission agencies.

For these reasons, I vigorously endorse the action of my colleagues in the Committee on Labor and Human Resources who have amended the NSF authorization providing for a small facilities program beginning in fiscal year 1989. I urge the rest of my colleagues to support the rapid development of this important initiative and its extension to the other research agencies.

Research investments in our future, Mr. President, are too important to be left to some kind of willy-nilly political process. The peer group review process that served us well for 40 years should be reconfirmed to serve us well in the future.

I yield the floor.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with the consideration of the bill (S. 1420).

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the Byrd-Moynihan amendment to be laid aside for the afternoon be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRAHAM). Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I send four amendments to the desk.

The PRESIDING OFFICER. The Chair will inform the Senator from New Mexico there is an amendment pending which would have to be set aside in order to consider the amendments which have been offered.

Mr. BENTSEN. Mr. President, I object.

I suggest the absence of a quorum.

The PRESIDING OFFICER. Objection is heard. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the clerk dispense with further reading of the roll.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, I object.

Mr. DOMENICI. I am not going to send my amendment to the desk. I wanted to have a dialog with the distinguished Senator.

Mr. BENTSEN. I withdraw the objection.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. I thank the Chair.

Mr. President, obviously, we are waiting clearance on these amendments that I have just explained about 10 minutes ago. I wanted to ask the distinguished Senator from Oregon, I have an amendment that I am ready to offer after these amendments. Senator SASSER is on the floor and he is my prime cosponsor. It has to do with creating an additional remedial action under section 301 for subsidized excess nonagricultural commodities, totally discretionary. It just adds to the litany of situations wherein a complaint could be filed. I am more than willing to enter into a time agreement on that. If the distinguished Senator is willing to, I could take it up next, and I think we could do it in 15 minutes on our side unless there was some desire for more time. I believe it has been cleared by the distinguished chairman of the Finance Committee.

Mr. BENTSEN. Unfortunately, it has not. I have had an objection registered by a member of the committee on our side and we are trying to get that clearly satisfied.

Mr. DOMENICI. Then I will not make that proposal unless we get that cleared up.

AMENDMENT NO. 430

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. Is there objection? Without objection, the clerk will read the amendment.

Mr. **BYRD**. Mr. President, I ask unanimous consent that the Byrd-Moynihan amendments be temporarily laid aside.

The **PRESIDING OFFICER**. Is there objection? Without objection, it is so ordered.

Mr. **DOMENICI**. Mr. President, there are four amendments. I ask unanimous consent they be considered en bloc.

The **PRESIDING OFFICER**. Is there objection? Without objection, it is so ordered.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes four amendments en bloc numbered 430.

Mr. **DOMENICI**. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

On page 55, line 19, strike the period and insert in lieu thereof a comma and add the following: "which shall be made public and available for comment.".

On page 67, line 13, after "competition" insert the following: "based on the Commission's evaluation of the adequacy of the plans or commitments."

On page 61, line 13, after "evidence", insert the following: "to comment on any plan submitted under subsection (a)(1)(B),"

On page 61, line 12, after "parties" insert "and consumers".

Mr. **DOMENICI**. Mr. President, I yield myself 5 minutes to discuss the amendments.

The **PRESIDING OFFICER**. The Senator from New Mexico is recognized.

Mr. **DOMENICI**. Mr. President, in reviewing the section 201 provisions in the committee bill, there are several points that trouble me.

The first is the use of the required industry adjustment plans by the International Trade Commission. The ITC is required to review the plans and commitments submitted by the petitioner and others and the relevance of those plans and commitments to the Commission's import relief recommendation.

It has been suggested by some opponents of the committee bill that the Commission has no real role in reviewing the plans and commitments; that an import relief remedy more or less immediately follows an affirmative injury vote without an intervening thought.

I believe this is not what the committee intended, but if it were the committee's intent, I would oppose it. It makes no sense to require that plans or commitments be submitted to the ITC if they have nothing to do with them other than pass them on to the President. Clearly, the Commission has a responsibility to study the plans and commitments, factor them into its analysis of how the industry might achieve positive adjustment, and recommend appropriate relief.

Although I believe this was the committee's intent, as reflected in the report, the bill is not sufficiently clear on this point, and I am proposing an amendment to it.

The committee report states that "if the ITC finds, in light of the plan, commitments or other information, that import relief is not likely to assist in a positive adjustment, the committee anticipates that the ITC will not recommend relief."

An amendment simply adds statutory language so that this point is very clear. That is, if import relief, combined with commitments to industry adjustment plans, is not likely to result in the industry making a positive adjustment as defined in the bill, the ITC should recommend that no import relief be provided.

My amendment makes it clear that the plan is not merely a "homework assignment" in some pass-fail class. It is a mandatory requirement as vital as showing injury and proving substantial cause. Just as law school students don't get to be lawyers until they pass the bar, an industry does not get a recommendation for import relief until it has provided a viable plan and made a good faith commitment to help itself through adjustment.

The committee bill requires the ITC in making recommendations to take into account the objectives and actions, including the nature and extend of import relief, specified in the adjustment plan and the commitments obtained by the ITC. The plan and commitments are intended to have a strong influence on the ITC's recommendation. If members of the industry have not demonstrated clearly that they are willing to undertake significant efforts to make a positive adjustment, the ITC should not recommend import relief to the President.

As the committee report states, "The committee strongly believes that action under this section should ordinarily be taken only when members of an industry demonstrates that they deserve such special assistance. Presidential action to provide import relief does not mean that the firms and workers in the domestic industry have any less of a responsibility to take their own actions to help the industry become competitive."

Mr. President, my amendment will make it clear that relief is not automatic on the finding of injury, but rather rests on the Commission's evaluation of the adequacy of the plans and commitments to make a positive adjustment.

My remaining amendments, Mr. President, relate to the degree of public participation in and comment on the adjustment plan. The amendments require public disclosure of the nonproprietary portions of adjustment plan and the opportunity for the public, including consumers, to comment on it. The latter is implicit in the bill now, since the Commission is required to evaluate the consumer impact. However, my amendment makes it clear that one appropriate means of achieving that goal is through including consumers in the hearing process.

The purpose of making the adjustment plan public is to bird dog the industry and the adjustment process. I feel that through public scrutiny, it is much more likely that the industry will put forth a good faith effort. It is through public scrutiny that public opinion can weigh the costs to the consumer against the benefits being conferred upon the industry. It is the only effective way to encourage adjustment progress throughout the relief period.

Through this process, Mr. President, we will not be substituting a Presidential decision for the public's decision, as some apparently fear. Rather, we will be establishing the principle that adjustment by definition is sound public policy, and it is public right to exercise close oversight of the process to see that they are, in effect, getting their money's worth.

Finally, I want to make two side notes on these amendments. First, I have not required public disclosure of the individual company commitments because they will invariably contain business confidential information that could be damaging to business interests if disclosed.

Second, when the Commission seeks consumer input, I hope it will remember the regular people throughout the country who actually use the goods in question rather than contenting itself solely with the views of organized, Washington-based activists groups. The latter have their place in the process, but they are not the sole representatives of consumer interests.

In closing, let me say, Mr. President, that my amendments will make effective the balanced process that the committee is looking for, and they will guarantee that import relief is not automatic. Rather, and as intended, relief will be based on the likelihood of positive adjustment as evidenced in the plans and commitments that are submitted. With these amendments I will be able to support the committee bill on section 201, and I intend to do so.

While I am not a member of the committee, I spent a considerable amount of time reviewing section 201 of this bill and clearly, coming from a State that has had a number of complaints filed with the commission where injury was found and no relief was granted for at least 2 or 3 years, I have been concerned as to how we might make that kind of situation at least have a reasonable opportunity of success. I found that 201 had a pretty good format, but I found a couple of things in it that bothered me. So as I studied it, I discussed the issue with the original prime cosponsor of section 201, Senator DANFORTH, and then in turn with the distinguished floor manager on the majority side. Frankly, I found two things that bothered me and these amendments clear up those two and let me just quickly explain to the Senate what they are. If 60 percent of industry in the United States files a complaint under this 201 section—this is not an unfair trade section; it is a situation where there is substantial injury and you cannot prove unfair trade—this section would require that they file a positive plan of action to make them more competitive.

The first thing I found was that the plan is submitted along with a petition for relief. What disturbed me was that the plan remained secret. In other words, the commission, while it deliberated the injury and made its findings, did not have to divulge to the American people, to the public at large as a matter of information the contents of the positive enhancement of competition plan. I thought back to the Chrysler situation, and it seemed to me that it was very healthy for America and for Chrysler that that plan was right out in the public. So, the public and political leaders could see whether it made sense: Was there really enough give where give had to take place? Was there enough reorganization where it had to take place? Was there enough commitment on the part of management and labor such that the competitive posture had a chance of succeeding?

The public played a real important part in viewing those commitments, so it seemed to this Senator that it made little sense to grant relief for injury and then have a secret plan for enhancing the competitiveness of the American industry that asked for relief.

So, first, my amendment says that plan, except for trade secrets, is public. Everyone in the country will know what this industry intends to do, what management intends to do, what labor intends to do, and obviously if it is patently ridiculous there will be a lot of pressure. If it makes good common sense, they might get support, and so I believe that it is absolutely necessary that the public know what new things are going to be done. I do not believe the foreign competition is going to change their game plan based upon the public nature or the private nature because even if it were private they would find out what changes are planned and respond anyway. So it seems to me that this is a good approach.

Second, I was told that 201 required that a positive plan for making the industry competitive had to be submitted and that obviously the commission would pass judgment on whether or not that plan made sense. However, I was not sure in reading the bill that actually the commission could turn the plan down if they found that this reorganization, this enhancement of competition plan, was not a good plan in their opinion, one that had a chance of working. So my second amendment makes it explicit that they must find a game plan for rendering the industry competitive, an operative plan. If they find that it does not have a significant chance of success, they must turn the application down.

So, in essence, it is very simple. One, the plan to enhance industry's capability becomes public knowledge and thus the full support or the nonsupport of the public becomes very important as the plan submitted. Second, the plan must, indeed, be found by the Commission to have a reasonable chance of success or they must turn the request for relief down.

I think this makes the bill much better for those who were worried about the bill, and there are many who are because the President does not have anything to do with this relief until 3 years down the line, and then he can pull the plug after 3 years. He only has two escape valves, and they have nothing to do with the consumer. It seemed to me that these two would have very much to do with the consumer: the openness of the plan so it could be evaluated and debated and public pressure and public opinion take place, and, second, a positive finding that the plan had a chance of working as a condition precedent to granting relief.

That is the extent of the Domenici amendments which are pending at the desk.

Mr. BENTSEN. Mr. President, we have examined those amendments, and I think the Senator from New Mexico has made a substantial contribution to further clarification of what we were seeking to achieve in section 201 of the Finance Committee and helps carry it out. I think he adds some transparency also to the process. It brings the public into it where they understand what the adjustment is going to be and also says if the adjustment is not up to the task, then let us not do it. We had that kind of direct linkage in some of the report language, but he has gone ahead and put it in the statutory language. I think that is helpful, and I am delighted to accept the amendment. I know of no objection on our side.

The PRESIDING OFFICER. Is there further debate?

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, the staff of the Finance Committee has been very helpful. Whether they agreed with 201 or not, they have spent some time with the Senator from New Mexico, the experts on both sides, and I am appreciative of their time, and also the distinguished Senator from Missouri [Mr. DANFORTH] spent considerable time with me. I explained these concerns I had to him, and while he is not present, I understand if he were here right now he would concur that these help section 201 from his standpoint.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico has yielded the floor. Is there any further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 430) was agreed to.

Mr. BENTSEN. I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BENTSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I want to see if there is a possibility of getting unanimous consent to debate and vote tonight on an amendment to strike certain portions of section 201 that I will offer.

I would suggest starting at 6 o'clock and going about 4 hours and voting at 10 o'clock tonight. I have not even proposed this to the majority leader yet, but I would be willing to vote tonight, if we can get that time agreement.

There are a lot of people who want to talk. I think we would have to run it on the hotline initially, but I hope we can do it in 4 hours. We have not run it on our hotline, but at least the people I have talked to in the Cloakroom have led me to believe that there are many Senators who wish to talk. I do not think we will go very far on plant closing tonight.

Mr. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on the amendment by Mr. PACKWOOD to strike certain provisions of section 201, the time limitation not to exceed 4 hours; that the time be equally divided and controlled in the usual form; that the time begin running at 6 p.m. today; that no amendment to the amendment be in order; and that a vote occur in relation to the amendment at the end of 4 hours or upon the yielding back thereof.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BYRD. Mr. President, I thank all Senators.

I thank the Republican leader and I thank both managers.

Mr. DOMENICI. Mr. President, while the distinguished majority leader is on the floor with both managers, I might suggest that the Senator from New Mexico is willing if the majority leader can get consent on his side to proceed next which would be tomorrow morning, a half hour for me and as much as Senator Bradley, who I understand is the opposition, wants, if we could get an hour, 30 minutes each—I am willing to leave that in the majority leader's hands—on my amendment on excess subsidized nonagricultural commodities.

Mr. BYRD. All right. I thank the distinguished Senator from New Mexico. Let me try that on my side. I hope to be able to get an agreement to that effect.

Mr. DOMENICI. I appreciate it.

Mr. BYRD. I will get back to the Senator.

Mr. DOMENICI. I thank the Senator.

Mr. BYRD. Mr. President, the request that I put earlier with respect to the amendment by Mr. Packwood provided only for striking certain provisions. I understand it is a strike and insert amendment. Mr. Bentsen has indicated that it is agreeable with me if I change the order to include "strike and insert."

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, I would like to ask for the yeas and nays on the amendment at the time of vote.

The PRESIDING OFFICER. Unanimous consent is required to request the yeas and nays.

Mr. BENTSEN. Mr. President, I ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BENTSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT

Mr. BYRD. Mr. President, I ask unanimous consent that on an amendment by Mr. Domenici to add a provision making the subsidization of the excess capacity to produce nonagricultural fungible goods an unreasonable practice under section 301 there be a time limitation of 1 hour to be equally divided and controlled in accordance with the usual form and no amendments to the amendment be in order, that upon the expiration or yielding back of the time, the vote occur in relation to the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I thank the distinguished majority leader.

Mr. President, let me respond to the distinguished majority leader who asked if I would lay my amendment down this evening. I can assure the distinguished majority leader if I do not do that I will be here when we first begin conducting business on this bill and will propose it then.

So I do not intend to delay at all.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

The PRESIDING OFFICER. The majority leader has yielded the floor.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a period for morning business not to extend beyond 6 o'clock today and Senators may speak therein for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

DELICATE TRANSITION TO DEMOCRACY

Mr. DeCONCINI. Mr. President, this is a difficult moment in South Korea's delicate transition to democracy. Both the government and the opposition are walking on eggshells in order to position themselves with the electorate for what seems to be impending direct Presidential elections. This democratic process is fragile and precariously balanced at best. The Reagan administration and the Congress should continue to carefully monitor progress and encourage democratic change.

Despite all the favorable publicity regarding democratic miracles in South Korea last week, democracy did not magically appear. Democracy will not suddenly appear this week, next week, next month, or next year. Democracy in South Korea needs nourishing, institutional support, plenty of time, and genuine cooperation between the government and the opposition. This process deserves patience, commitment, and U.S. congressional and executive support.

Still, Mr. President, an extraordinary series of events gave South Korea a tremendous democratic push forward. Particularly, Assistant Secretary of State Gaston Sigur deserves credit. Also, Kim Young Sam and Kim Dae Jung with the Democratic Reunification Party and President Chun and Roh Tae Woo with the government Democratic Justice Party deserve recognition. But the people of South Korea, the middle-class housewife, the businessmen, the Buddhists monks, the students, and the Catholic Church are the real motivators of democracy. The people of South Korea, as the people power of the Philippines demonstrated, are the ones deserving of praise and applause.

I am hopeful that the people of South Korea will indeed have open and free elections, expanded freedoms of the press, and an improved human rights environment. Though there has been remarkable progress toward full democracy in South Korea, there are many hurdles yet to overcome. Congress and this administration have worked closely to help foster this democratic development for the people of South Korea. This cooperation must continue, for the hurdles yet to be jumped are indeed difficult. I hope we can continue to work toward democracy with the wishes and dreams of the South Korean people.

RECESS FOR 10 MINUTES

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 10 minutes.

The PRESIDING OFFICER. There being no objection, the Senate, at 5:49 p.m., recessed until 5:59 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. Graham].

The PRESIDING OFFICER. The Senate will come to order. Under the previous order, the Senator from Oregon is recognized to offer his amendment.

AMENDMENT NO. 431

(Purpose: To allow the President discretion to decline to take action under chapter 1 of title II of the Trade Act of 1974 if action is not in the national economic interest)

Mr. PACKWOOD. Mr. President, I send an amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oregon [Mr. Packwood], for himself, Mr. Evans, and Mr. Roth, proposes an amendment numbered 431.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment is as follows:

On page 73 of the printed bill, beginning with line 21, strike out all through page 78, line 6, and insert in lieu thereof the following:

"(2)(A) The President shall not be required to take any action under paragraph (1)(A) which the President determines—

"(i) would endanger the national security of the United States, or

"(ii) would not be in the national economic interest of the United States.

"(B) The factors to be taken into account by the President in making a determination under subparagraph (A)(ii) include, but are not limited to—

"(i) the effects of the action on any domestic industry which consumes any product of the domestic industry that is the subject of the affirmative determination made under section 201(b)(1),

"(ii) the effects of the action on consumers in general, and

"(iii) the effects on United States agricultural and other exports of any potential foreign retaliation that may be taken in response to the action and the impact on United States industries and firms as a consequence of any possible modification of duties or other import restrictions which may result from international obligations with respect to compensation.

"(3) If the Commission recommends under section 203(b)(1)(A) the taking of any action described in subsection (d)(1)(A) and the President determines not to take any action under paragraph (1)(A) that is described in subsection (d)(1)(A), the President shall develop an alternative program to assist the domestic industry that is the subject of the affirmative determination made under section 201(b) in making a positive adjustment to import competition. The alternative program shall include the taking of at least one action described in subsection (d)(1)(B).

"(4) If the Commission recommends under section 203(b)(1)(A) the provision of trade adjustment assistance to workers or firms in the domestic industry that is the subject of the affirmative determination made under section 201(b), the President shall, by proclamation or Executive order issued before the date that is 30 days after the date on which the report on such determination is submitted to the President under section 203(a), direct the Secretary of Labor or the Secretary of Commerce to certify such workers or firms as eligible for trade adjustment assistance under chapter 2 or 3, notwithstanding any provision of such chapters.

"(b) If—

"(1) the President reports under subsection (c)(2) that—

"(A) the President has determined to take actions under subsection (a)(1) which differ from, and are not substantially equivalent to, the actions recommended by the Commission under section 203(b)(1)(A), or

"(B) the President will not take any actions under subsection (a)(1), and

"(2) a joint resolution of disapproval described in section 152(a)(1)(A) is enacted into law within the 90-day period beginning on the date on which the document referred to in subsection (c)(2) is submitted to the Congress,

the President shall, by proclamation or Executive order issued before the date that is 30 days after the date of enactment of such joint resolution, take the actions which were recommended by the Commission under section 203(b)(1)(A) and the President may rescind any portion of the proclamation or Executive order issued under subsection (a)(1) that implemented the actions the President had determined to take.

"(c)(1) In determining what actions described in subsection (d)(1)(A), that are substantially equivalent to the recommendations made under section 203(b)(1)(A), should be taken under subsection (a), what actions described in subsection (d)(1)(B) should be taken under subsection (a), and the method and duration of such actions, the President shall——

"(A) consult with the interagency trade organization established pursuant to section 242(a) of the Trade Expansion Act of 1962, and consider the recommendations of such determination, and

"(B) take into account, in addition to such other considerations as he may consider relevant——

"(i) the adjustment plan, and any confidential commitments, transmitted with the report that is submitted under section 203(a);

"(ii) information and advice from the Secretary of Labor on the extent to which workers in the industry have applied for, are receiving, or are likely to receive adjustment assistance under chapter 2 or benefits from other manpower programs;

"(iii) information and advice from the Secretary of Commerce on the extent to which firms in the industry have applied for, are receiving, or are likely to receive adjustment assistance under chapter 3;

"(iv) the probable effectiveness of the actions as a means of promoting a positive adjustment to imports;

"(v) the efforts being made, or to be implemented, by the domestic industry (including any confidential commitments and any actions specified in the adjustment plan that have been transmitted with the report submitted under section 203(a)) to make a positive adjustment to imports, and other considerations relative to the position of the industry in the United States economy;

"(vi) the effect of the actions on consumers (including the price and availability of the imported article and the like or directly competitive article produced in the United States) and on competition in the domestic markets for such articles;

"(vii) the efforts of firms in the domestic industry to provide retraining to workers in the industry; and

"(viii) the potential for circumvention of such actions.

"(2) By no later than the date that is 60 days (75 days if a request for additional information is submitted under section 203(e)) after the date on which the report is submitted to the President under section 203(a), the President shall submit to the Congress a document which sets forth—

"(A) the actions the President has determined to take under subsection (a),

"(B) if such actions differ from, but are substantially equivalent to, the actions recommended by the Commission in such report, the reasons for such difference,

"(C) if the President has determined to take no action under subsection (a)(1)(A), the basis on which such determination was made and the reasons supporting an exemption under subsection (a)(2) from taking actions under subsection (a),

"(D) any recommendations for legislation which would assist the domestic industry in making a positive adjustment to imports, and

"(E) any alternative adjustment program the President is required to develop under subsection (a)(2)(A).

Mr. PACKWOOD. Mr. President, this is known as the 201 amendment and with the indulgence of the President and my fellow Senators let me just take a bit of time to explain what its purpose is.

Under the present law, the law as it now exists, an industry can petition the International Trade Commission alleging that it has been injured; the domestic industry has been injured by imports.

The industry does not have to complain that they are unfairly traded imports. As a matter of fact, the current law is full of all kinds of remedies for industries that are unfairly faced with foreign competition. We can bring counterveiling duties, we can add tariffs, there is a variety of lawsuits that can be filed. The entire section involving 201 in the trade bill does not deal with unfairly traded imports. It deals with fairly traded imports.

What happens when an American industry is faced with an import from Germany or Japan or Singapore or Bangladesh, where there is no allegation of unfair trade but that import causes injury to the domestic business?

Under the present law, the industry can go to the International Trade Commission, can attempt to prove its case. They can say this fairly traded import coming into this country hurts our business. If they can prove their case, then the International Trade Commission recommends relief, usually in the form of tariffs or quotas.

That is a recommendation, and that recommendation goes to the President and the President then weighs all of the interests of the country, the public interest, and makes a decision himself whether or not the relief recommended by the International Trade Commission should be imposed or whether, based on all of the interests considered, all of the interests of the country, it should not.

The reason it is important to make that differentiation, Mr. President, is that the International Trade Commission is not required to and should not take into account the entire interests of the country. Their sole job is to attempt to find out whether the industry that has petitioned before the International Trade Commission has been injured.

Since President Reagan has been President, there have been six of these so-called 201 cases. One involved motorcycles. The International Trade Commission recommended quota relief, tariff relief, the President put it into effect, Harley-Davidson was the manufacturer to be protected and they have indicated that after 4 years of protection they are ready to drop it and come back into competition. We had a 201 case involving specialty steels and the President put into effect some variant of the relief suggested by the International Trade Commission.

We had one on carbon steel. The President negotiated voluntary restraints after a recommendation from the International Trade Commission. And we had one involving Canadian shakes and shingles, again where the President increased tariffs after a recommendation by the International Trade Commission.

I emphasize, again, there was no allegation in these cases of unfair trade. The industry simply said before the International Trade Commission: We are hurting because of import competition. The International Trade Commission said yes, recommended relief; the President put the relief or a variant of the relief into effect, as he is allowed to do.

In two cases, Mr. President, the President of the United States did not put into effect relief suggested by the International Trade Commission. One involved copper mining. The International Trade Commission had found that imported copper was hurting the domestic copper mining industry and they recommended tariffs or quotas.

The President considered it and he decided against relief because he concluded, and correctly, that the copper fabrication industry, those people who take raw copper and use it for things, make things out of it—there would be more jobs lost in the copper fabrication industry because of quotas or tariffs on imported copper than there would be jobs saved in the mining industry. So he did not put into effect the suggested changes of the International Trade Commission.

But again I want to emphasize that the International Trade Commission was not to consider: Is there any injury in the copper fabrication industry? Just: Were imports hurting the copper mining industry?

Second, the most famous case in which the President denied relief was shoes. The domestic shoe industry indicated that it was being injured because of import competition. The case went to the International Trade Commission. The Trade Commission said: Yes, you are being injured; and recommended tariffs, quotas; it went to the President and the President said no.

In this case, in weighing the general public good, the President decided that the injury to consumers, the increased cost that the consumer would have to bear because of the increase in imports, duties, was more unfair than whatever job injury there may have been to the domestic shoe industry and so the President declined to put into effect relief.

In short, Mr. President, you have had six cases during President Reagan's tenure. In four cases, he put relief into effect; in two cases, he did not.

Where does the principal demand for relief come from? Principally—and I am generalizing, this is not exactly everybody but I am generalizing—it comes from shoes, who lost their case before the President; it comes from some of the hard metals commodities industries; it comes from the textile industries who lost on a veto the textiles bill before the Congress last year.

All of these groups, in one fashion or another, want some kind of legislative mandated relief from imports. They do not want the President to have any kind of an escape mechanism where he can say, "I understand you may allege injury but I am going to weight that against the costs to consumers, I am going to weigh that against the cost of inflation, I am going to weight that against the possibility of retaliation against our other products from foreign countries and on balance in weighing the public interest I am going to deny relief."

I mention that weighing it because there is one particular case I want to talk about and that case involves Canadian shakes and shingles.

It is one of the cases where the President granted relief.

This, Mr. President, is a shake. We commonly see it on roofs. It is used on siding. American shake producers complained that they were being injured by imported Canadian shakes. The President put into effect a 35-percent tariff. There had been no tariff up until that time. It raised the cost of the product substantially in this country, a bundle of shakes went from about $37 or $38 to $50 because of the tariff because once the foreign product went up, foreign shakes went up, why the American shakes went right up with them.

I emphasize again, there is no allegation that the Canadians were unfair. None at all. Just that the American shingle and shake industry was being affected by the Canadian imports.

So the President puts into effect the tariffs. The Canadians immediately, as they are entitled to do under international law, because there was no allegation that they had done anything wrong, put into effect retaliatory tariffs on computer chips. I do not know, Mr. President, if you can see this, but this is a little computer chip on which they put a tariff that had not existed before; tea bags, which we make in great profusion in this country, a tariff was put on; and books. Canadians put on about $85 million worth of tariffs on books, computers, semiconductors, tea bags, Christmas trees, and other products.

At this stage, Mr. President, these companies, those that make tea bags and computers and books, come to us and say: Why has this happened to us? What have we done wrong? And the answer is they have not done anything wrong.

The answer is that because we put a tariff on Canadian products that were not unfairly traded, not an allegation of unfairness, under international law they are entitled to retaliate and they did and all kinds of good American industries that employ American workers got hurt and hit because of the retaliation.

What does the bill do? This is where the bill is a drastic change from the current law. As I say, under the current law, the President can weigh the public good: How many jobs will be lost in one industry versus how many jobs in another? Will inflation be so great that it will cause the product to go up so much that it is unfair, and it is normally unfair in almost all of these import cases, to lower income consumers? If it makes a pair of sneakers go from $9.95 to $19.95, that is not very much to somebody making $20,000 or $25,000 per year but it is a lot to people making $14,000 to $15,000 per year trying to keep shoes on their kids.

What the bill does is to take away from the President the right to weigh the general public good and the overall public interest in terms of making a decision as to whether or not to grant relief to an industry.

The only two escape valves that the President will have under the bill is, one, "If I put into effect the recommendation of the International Trade Commission, will that hurt national security? If so, I will not do it."

No one argues about that. That has been in the law for years and continues.

The other one is a very narrow one that says he does not have to put into effect the recommended relief if a downstream industry might be affected. Translated, that means an industry that uses the product against which there may be tariffs imposed. The copper example I gave is a good example. You import copper into this country. Those who use copper, if you increase the tariff on it, are going to have to pay more. They are what we call a downstream industry. If he finds there will be injury to the downstream industry, the President does not have to grant the relief that the International Trade Commission recommends.

I want to emphasize again I am not criticizing the International Trade Commission. It is not their job to weigh the general public interest. It is their job solely to try to decide whether or not the industry has been injured by an import. It is up the President to decide what is in the general public interest.

This bill takes away from the President the right to make that decision and henceforth he will no longer be able to say, "If I grant this relief that the shoe industry wants, will it make the cost of sneakers go up $5 a pair? If I grant the relief that the domestic shake and shingle industry wants, will it cause retaliation against the tea bags, books, computers and semiconductors, against some of America's most efficient industries so that I can protect some of America's least efficient industries?"

Here, Mr. President, is where I think we would be wise to take a page from Japan. I know Japan is frequently cited here as either a sensational competitor or an unfair trader, whatever you want to call it. But Japan at least has followed a policy quite consistently over the last generation of attempting to look at which industries Japan wants to keep, which ones they do not, which ones they want to phase down. They do not always guess right. They tried to keep Honda from getting into the automobile business. They did not think Honda could break in with Toyota and Nissan, but Honda proved they could. Japan is willing to make a decision that the United States has shied away from for a long period of time. That is, "Are there some industries that we, Japan, will be better off to get out of or at least pare down?"

An example, aluminum. About a decade ago Japan made the decision that they were going to phase down their aluminum production. It is a very understandable reason. Aluminum is an electrolytic process. It takes a great deal of electricity to smelt aluminum. Japan is an energy-poor country. They have to import about 95 percent of all of their energy. So they decided to phase down in the aluminum business. They have gone from seven plants to five. They have gone from about 8,500 employees to 4,000 employees. Every indication is that they are going to continue going down.

Another example is textiles and apparel, although I will separate them for purposes of illustration. Textiles is the cloth; apparel is the cloak that you make from the cloth.

Twenty years ago Japan was first in the world in textile exports and they were fourth in the world in apparel exports. Textiles, however, have been more successfully automated throughout the world, the production of textiles, than has apparel.

The apparel industry requires a great deal of handwork.

So Japan consciously made a decision that they would gradually phase down their apparel business, not their textile business. They thought with enough automation and capital investment they could remain competitive in the textile business. Indeed, today they are still a major exporter, the second largest exporter of textiles in the world. But today they are now 17th in terms of apparel exports, whereas a generation ago they were fourth.

You are very hard pressed when you go out and look at a coat and open it up to look at the label to see where it is made and see it was made in Japan. You will find it was made in Hong Kong, Brazil, Spain, Bangladesh, but not in Japan. They consciously made a decision that they would phase out of that business.

Mr. President, I think the time has come for the United States to start to ask itself those same kinds of questions, not should we protect every business that does exist because it exists, but are there certain kinds of business that perhaps we would be better off to let drift to Singapore or Brazil or Mexico because if we are ever going to increase our exports, Mr. President, we are going to have to allow countries overseas to earn something, to make something, to sell something abroad so that they can get money to buy the things that we can make better, like semiconductors, books.

What this bill does in its present form, with section 201 as it is currently written, is say that we are going to risk our very best industries, our most competitive industries, those that require the best educated labor force, those that are highly capital intensive, those that we know can do well, we are going to risk those in order to protect industries that cannot do well.

Therefore, Mr. President, I have offered this amendment. It is a simple amendment. It simply says that henceforth the President shall continue to have the power he now has; namely, to weigh the public good, the general economic interest in deciding whether or not to impose relief recommended by the International Trade Commission.

The President can still continue to put that relief into effect if he wants, as he has done four times out of six in the cases he has had since he has been President. But he will be allowed to weigh the general public good.

I think the fact that the bill has eliminated that power of the President in and of itself is enough to make the bill tragically flawed and I would hope that the Senate would therefore adopt my amendment so that we could continue to consider whether or not the general public is injured and not just some specific industry.

Mr. BENTSEN addressed the Chair.

The PRESIDING OFFICER (Mr. BREAUX). The Senator from Texas.

Mr. BENTSEN. Mr. President, I yield myself such time as I may need.

Mr. President, I strongly oppose this amendment and urge my colleagues to vote against it. The Senator from Oregon and I share one very important belief, that as serious as the problems in trade are for the United States, the one thing that we want is not protectionism or protectionist legislation.

I believe that section 201 provisions of this bill are going to lead to less protectionism, not more protectionism, and I think that for two reasons: First, they will bring industries seeking import relief into a system that will regulate that relief, that will get something from those industries in exchange.

Second, they will ease the adjustment process that results from expanding trade.

If we do not find a better way to smooth the impact of international trade, we are going to lose all the political support we have now for an open trading system and you will see this country lapsing into protectionism and that is what we have to avoid.

Whether we like it or not, industries that are being impacted by imports look to the U.S. Government for help when they are dealing with global competition. We in the Congress and the administration respond to those kinds of pressures because those companies and their employees are our constituents and we feel an obligation to them. And what you get out of that is ad hoc protectionism. The administration calls it import relief when they do it and protectionism when the Congress does it. Either way the ad hoc method of protecting industries is not in the national interest.

I think we have to find a way to deal with these pressures through a statuatory framework that provides temporary relief to ease the adjustment process while putting responsibility on that industry to do something about it, in part taking care of their own adjustment so they can be world competitive.

I worked closely with the Senator from Oregon on this trade bill, and one of the purposes we share is that of expanding trade. That is why we authorized the President to negotiate trade agreements and improved his ability to respond to unfair trade practices. But all of our efforts to expand trade are going to be useless if the American people decide that international trade hurts them more than it helps them.

This country is going through a tremendous, enormous economic agony as we try to deal with a $170 billion trade deficit. Those are not just numbers. They have a "real world" impact. Major manufacturing industries are struggling to compete with imports which are accounting for a growing share of the U.S. market. I know some may argue that American manufacturing is better off for our Government's do-nothing policy on adjustment, but the fact is that many authorities disagree. The Japanese refer to the "hollowing out" of American industry. I am deeply concerned that the American economy is being transformed by the impact of this competition and not for the better.

The changes that are taking place in the American economy because of imports may affect only a small percentage of people, but that is still millions of people. We must find ways to get these people and the firms that employ them to make the positive adjustments that are necessary to compete. And that means they have to make their best efforts for that purpose. If they cannot compete, then the workers and the resources of those firms should move into more productive employment. There are some companies that are not going to be able to succeed and we have to understand that and accept that. The final results will be a more efficient economy and a more competitive America.

In addressing this problem, we must understand that our economy is internationalized. In Japan they have adopted a modern form of mercantilism. Strengthening the competitive position of the country's manufacturing industries has to be the No. 1 priority of that country. Other national considerations are subordinated to that.

Now, there is a nationalist position taken by some of the other countries, particularly in Europe and developing countries that a political decision should not weaken competitive economic strength but should always strengthen it. Under our current policy we really do not think much about how our policies affect our competition in world trade. We have almost no adjustment policy. Yet if a major country like the United States loses competitive strength in the world market and does not have an effective adjustment policy, it is almost certain to become protectionist.

What should we do? Well, certainly we ought not to adopt the mercantilist policy of Japan, nor the nationalistic policy of most European countries. I think those are beyond the responsibilities of a great power. I think they reduce total trade. So what we need and what section 201 provides is an international strategy that says let us always take into account our competitiveness and let us use our resources to get our people and capital into the most productive of employment.

The issue here is how we can use U.S. trade laws to bring about this result. I believe section 201 of the Trade Act fits that purpose.

In order to understand what the committee has done, it is necessary to put section 201 into its historical context. It springs from article 19 of the General Agreement on Tariffs and Trade, and that is one that permits countries to provide some import protection. Under article 19, countries may take emergency action to limit imports that are injuring domestic industries to the extent and for such time as may be necessary to prevent or remedy that injury. It gives countries authority to limit imports, but then it is up to each country to decide the terms on which it will provide that relief to domestic industries.

In 1974, the United States enacted section 201 to provide a mechanism to parallel article 19. The problem with the current law is that while import restrictions under section 201 may be consistent with article 19, may temporarily relieve injury, they do not necessarily result in the industry in this country becoming more competitive because it does not require anything in the way of adjustment to be taking place. That is the way the current law works.

Under section 201 they petition the ITC for import relief, and if the ITC finds that the petitioning industry is seriously injured by imports, then it determines the amount of import relief in the form of a tariff or a quota that would prevent or remedy the serious injury.

Upon a finding by the ITC, the President is to provide the import relief he determines is necessary to prevent that injury and to facilitate the industry's orderly adjustment to import competition unless he determines that that import relief is not in the national economic interest.

In practice, 201 has not realized its potential to promote adjustment. The ITC is charged by law with determining the import relief that will remedy the serious injury and the President is charged with accounting for the national interest. Neither focuses on the ability of the injured industry to adjust to external competition.

Now, what is the effect of that kind of a decision, The effect is that recommendations by the ITC are always or almost always disregarded by a President. And I do not blame him under those kinds of conditions. In about two-thirds of the 33 cases that have been referred to him since that statute was enacted, the President either turned it down or he substantially cut back on the amount of relief that was going to be granted because I think in many cases to put import protection in place would have been indefensible. As the Senator from Oregon has pointed out, import protection does not have a great deal of support in this country when we are talking about fair trade. As a result, the incentives to use section 201 in seeking import relief are low. Industries impacted by imports have sought relief outside the escape clause. They have gone to the Congress. They have started their mailings to us. They have gone to the President. And that is the case with almost every major program restricting imports into the United States. A good example of that is steel, automobiles, and textiles. The protection for those big industries mentioned by the Senator from Oregon was done ad hoc, under political pressure.

I believe we need a system for providing import relief to industries that need and deserve assistance and will do something to make themselves world competitive.

Import relief should not be granted lightly to industries that are having difficulty competing with imports. But when import relief will promote a positive adjustment in our economy, and when an industry demonstrates its willingness to pay the price to make that adjustment, then I think it is in the interest of all Americans to effect such an adjustment.

What you have is the ITC made up of some six members who have 9-year staggered terms arriving at that decision. What you have is a great deal of expertise to arrive at that judgment. You have an independent agency making that decision, far more secure from the political pressures than those who are elected.

So what we in the Finance Committee set out to do was to build a better system for providing import relief and using section 201 as the basis. The committee has worked on a bipartisan basis for over 2 years to find a way to make it more effective. What you see before you now is the fourth major revision of this provision, and throughout these versions there has been a linkage between the injured industry's commitment to help itself and a limitation on Presidential discretion. This provision really began its life back in 1985 when Senator MOYNIHAN and Senator DANFORTH introduced a bipartisan trade bill.

Many of the basic concepts of the current bill can be found in that first effort, although at that time it had much more severe restrictions on the President's discretion.

As introduced this year, the Senate trade bill linked the requirement to adjust to a less severe limitation on the President's discretion than in the 1985 bill.

The section 201 provisions were further revised by the staffs of all 20 Senators of the Finance Committee. Considering how to achieve effective adjustment, the committee recognized that it can be done only if both industry and government assumed a greater responsibility for promoting a positive adjustment, and that is what we are trying to bring about. Government cannot set higher standards for granting import relief without accepting its obligation to provide that relief when that standard is met. Likewise, industry cannot expect to be protected from import competition, even temporarily, unless it is willing to pay the price of adjustment to capital commitments, the changes in management practices and labor practices that are necessary to be world competitive.

Therefore, in developing a new framework for providing import relief, the committee has sought the proper balance, we believe, between industry and government in bringing that about.

As amended in the Finance Committee, the bill before us strikes that balance. In order to get the import relief, industries are expected to demonstrate to the ITC what they intend to do to meet competition; and, taking into account those demonstrations, the ITC then recommends action to the President that it determines will assist that domestic industry in getting a positive adjustment.

When you realize that those promises are not always carried out, what we did in this bill was to put provisions in there requiring the ITC to monitor the industry's efforts at becoming world competitive and making those adjustments. If the President finds after 3 years that the industry is not living up to its side of the bargain, he is free to determine the action at that time.

I believe that those provisions put a greater burden on American industry to make their best effort to become world competitive.

The other half of that equation, of course, is the responsibility of the U.S. Government. This bill says that once the ITC recommends actions to assist an industry in making that positive adjustment, the President must take those actions or their substantial equivalent, except in certain narrowly defined circumstances the Senator from Oregon was speaking to—questions of national security—or, if you have downstream industries that suffer the consequences of actions taken, those are legitimate reasons for the President not to act, even if the industry has demonstrated its willingness to help itself.

The proposed amendment would allow the President to refuse to take action that will assist an industry in making that positive adjustment, if the President believes such actions are not in the national economy interests. That is the proposed amendment.

Basically, what this amendment would do would be to restore the current law. In fact, the amendment not only disrupts the careful plans achieved by the committee on section 201, but also, I think it tilts that balance even further against positive adjustment under the current law. It proposes to put little added responsibility on the American Government but leaves standing the added obligations on domestic industry.

What would be the result? The result would be that you would have fewer industries turning to section 201 when they are seeking import relief. Instead, the politically powerful industries would drum up their public relations firms, would start their letter writing for Congress and for the President, and try to get relief that way. The American economy stands to lose even more ground against foreign competition if that is the course we take. I think that leads to more protectionism.

I take it that the fact would be conceded that the present law is not helping to bring about adjustment. What we are talking about is holding American industries to a higher standard for import relief. As I understand the amendment, he is insisting not only that they show serious injury but that they show what they are going to do to become competitive. But, then, taking the administration's position, they say that the President should have the same discretion under the new standard as under the current law. I think that is unworkable.

Domestic industries have clearly learned from the current law that the President is not going to accept most of the ITC recommendations, and they become skilled at working the political levers in Washington to get the import protection they need. They never have to make any concessions proving their competitiveness in order to get that politically imposed protection out of Washington.

What the committee sought to do is to make section 201 a meaningful statute. In order to do that, it was absolutely essential to assure domestic industry that when it petitioned under the escape clause and when it proved not only that it was seriously injured but also that it was ready to pay the price to become world competitive, it would have more assurance of relief than then it would by going to the political arm of Government. That is the reason for limiting Presidential discretion under the escape clause.

The effect of this amendment, therefore, I think makes us worse off than the current law. Domestic industry already has an incentive to try to get political import protection. This amendment would increase that incentive by leaving the President as free as he is under current law to reject ITC recommendations while making it more difficult for domestic industries to qualify for a favorable recommendation from the ITC.

The current law is dead, and I think this amendment would bury it. What this country needs is an affirmative adjustment policy.

It is argued that section 201 provisions of the bill keep the President from considering the broader national interests. Since when is an adjustment policy not in the broad, general interests of our country? When it hurts consumers, you say. We have been subsidizing consumption in this country for the last 6 or 7 years, and it has been driving us into the poorhouse.

Consumers are hurt because this country is now the world's largest debtor. Read the economic pages in the Sunday papers and your think pieces about this kind of trade deficit leading us ultimately to a lower standard of living if we cannot turn it around. If our economy does not find a better way to deal with import competition, consumers will have to consume even less to pay back all that we owe the world. Consumers benefit if the U.S. economy is productive and resources are distributed efficiently. That is exactly the purpose of this bill's 201 provision.

Furthermore, consumers are being hurt now because industries are choosing to bypass the laws that were supposedly designed to provide relief to industries impacted by imports. Consumers will be hurt more if we do not find a way to get industries into a system that requires as much from them as the Government is willing to do for them.

When it results in retaliation against U.S. exporters, you say? It seems to me that all of this discussion about retailiation is just trying to draw a blueprint for our trading partners on how to blackmail the United States.

I was looking here at one of the Sunday articles where Mr. Alan Holmer, the general counsel for USTR, is quoted as saying in answer to questions that a few well-placed threats of retaliation from foreign governments "would not be unhelpful" to the White House efforts, diplomats who were present at the meeting reported.

The President says he has all the tools under this bill that he could possibly need to avoid retaliation. He can negotiate orderly marketing agreements. He can provide compensation. That is how he avoids retaliation under the current law. If the President provides import relief, he negotiates with our trading partners, consistent with our international obligations.

The debate here should not be about the bill prompting retaliation. The subject of this debate should be how appropriate it is for the Congress or the President to give in to the threats of our competitors, those of retaliation. Do we really believe that the President should back down from taking actions that promote needed adjustment because some of these trading partners are coming around here threatening retaliation as they lobby us?

It is stated that section 201 applies only to fair imports and that, therefore, the President's discretion should be broad.

Actually, the law is that, it is not necessary to prove that imports are unfairly traded in order to become eligible for relief under section 201. That is not always the same as saying section 201 imports are fair. Many times, they are not.

For example, I would ask Senators DOMENICI and BINGAMAN whether there was no unfair trade in connection with the copper section 201 investigation. There, you had a situation in which no U.S. statute would provide relief of the unfair trade practice, which was a form of state trading that overproduced and subsidized the production of a commodity in oversupply, driving down the world price and destroying the domestic U.S. industry. In that case, the International Trade Commission found unanimously that the domestic industry was seriously injured by imports, but the President refused to give relief. I am not saying that the President's decison was wrong; indeed, under the committee bill, he could still refuse to give relief to the copper industry if doing so would hurt downline industries that use copper.

However, it is inaccurate to assert that there was no unfair trade practice in this case; there was simply no U.S. law providing relief from the practice, and it was not necessary to assert the unfair trade practice in order for the industry to be eligible for relief. In many cases, the problem reflected in a section 201 case is so broad or so new that our trade laws have not yet come to call it unfair, but most of us would not find the competitive situation equitable in those cases.

Moreover, let us look at the practice of other countries when they are faced with import competition from the United States.

Take, for example, Japan. In Japan for many years the Government has protected domestic industries in order to assure that they continue to exist and contribute to the economy and, in particular, to promote their adjustment to import competition. I remember a few years ago a Japanese petroleum jobber attempted to import some refined gasoline from Indonesia. There was no Japanese import barrier to imported gasoline, but there is a extensive refining industry, and Japan's imports of petroleum products are almost exclusively in the form of crude petroleum. Well over 95 percent of Japan's imports from Mexico, for example, are in the form of crude petroleum, whereas by comparison the United States imports of crude petroleum from Mexico are less than 40 percent of our total.

In any event, this jobber is discovered that while there was no import barrier to refined gasoline, it was impossible for him to import it. He discovered that his bank, for example, was suddenly unable to extend him the credit they had for years, and it turned out that this was instructions of the Japanese Government. Eventually, some refined gasoline was permitted into Japan, but only after years of complaints and long after the domestic petroleum refining industry had taken the time necessary to adjust import competition.

There are other examples in Japan. Ask Senator WALLOP about selling competitive United States soda ash in Japan. Ask our computer companies about selling competitive supercomputers in Japan. Ask the Koreans, just 90 miles away across the water, about sales of automobiles in Japan. In each case, the Japanese Government finds ways to protect an industry to limit the disruption that the industry would experience, given an open market.

I am told that import protection under section 201 is for old, dead industries which will be protected to the detriment of new, live industries. But look at what has happened in the country in the last 6 years of do-nothing trade policy.

Industries have been protected, outside of section 201. No requirement to adjust has been exacted from automobiles or steel or textiles. In some cases, they have done so, and that has been useful. The President himself has admitted that—

> Government—through the judicious application of our trade laws—can help the best and the brightest in American management and labor come together in ways that will create new jobs, new growth, and new prosperity.

What he was talking about was an old, dead industry, motorcycles. President Reagan gave more import protection in the motorcycles case than any President has given to any industry under section 201 or any other authority since Herbert Hoover. The motorcycle case was also one of only three cases, since section 201 was enacted, in which the President gave the relief recommended by the ITC. And it worked. He exacted some conditions from Harley, those conditions were adjusted during the life of the protection, as provided by the committee bill, and the industry recovered, a year early in fact. And the protection was removed early as it can be under the committee bill.

If you talk to workers in the semiconductor industry or farmers who produce wheat and corn in the United States, you will find that they no longer have the confidence that the sunrise industries will always be successful in the United States. Who could have predicted 10 years ago the import onslaught in semiconductors. It is very difficult to make a semiconductor. The prediction was that it would be half a century before anyone else really learned how to make this extremely difficult, highly technical article. In fact, if the U.S. market were now completely open to imports, our industry would have been dead. We have already lost 10,000 jobs in Texas in this decade that were created between 1975 and 1979. Now the semiconductor industry can adjust, and I believe will adjust, but it will need some import protection in order to make the changes that are necessary. This amendment is not the friend of high technology or agriculture. It is the friend of do-nothing trade policy. High technology industries are just as vulnerable to the shifting sands of international trade as steel and automobiles once were.

I believe that the section 201 provisions of this bill will help the United States become more competitive. I think it will expand world trade. I think that the committee and its members has struck a good balance in its provisions.

I withhold the remainder of my time.

The PRESIDING OFFICER. The Senator from Texas has consumed 30 minutes and 13 seconds. The Senator from Oregon has consumed 18 minutes.

The Senator from Oregon.

Mr. PACKWOOD. Mr. President, will the Senator from Texas yield for one or two questions?

Mr. BENTSEN. I am happy to yield.

Mr. PACKWOOD. Mr. President, let me ask the Senator from Texas: Under his bill as the bill came out, could the President at all consider the effects of import restrictions on whether it had any inflationary effect?

Mr. BENTSEN. Inflation effect has its long-term consideration. In the short term, something like that could be inflationary. But you have to look at the long term to see where your country is headed and as you go further and further into debt and in turn you raise your interest rates higher and higher to try to keep your capital in the country, you find in the loss of those markets that there is distortion in the economy that is obviously very painful to the consumer.

Mr. PACKWOOD. But can the President consider at all inflation under the bill?

Mr. BENTSEN. What he can do on that, he can look at the substantial equivalent of it.

Mr. PACKWOOD. At the what?

Mr. BENTSEN. At the substantial equivalent. As he looks into the consideration of the substantial equivalent to what the ITC had recommended, then at that point he could consider inflation as a factor.

Mr. PACKWOOD. Now, wait, I hear what you are saying, but I am not sure I follow.

Let us say the ITC recommends a 40-percent tariff and the President says, "No, I don't want it."

Mr. BENTSEN. "I want to find a substantial equivalent."

Mr. PACKWOOD. Maybe that is a quota or something else.

Mr. BENTSEN. That is right.

Mr. PACKWOOD. What do you mean at that stage he can weigh inflation?

Mr. BENTSEN. At that stage, he can bring in a variety of factors, including inflation, as a matter of consideration.

Mr. PACKWOOD. Mr. President, I am going to yield to a number of Members on the floor in just a moment, but I would contend, as I read the bill and the amendment, that the President cannot consider inflation. He cannot consider whether the Canadians are going to say, "If you put a tariff on shakes and shingles we make in Canada and send to America, we are going to put a tariff on books and tea bags and semiconductors that you send to Canada." I would maintain, under the bill, the President cannot do that.

I want to emphasize, before I yield to some of my colleagues, the only thing that my amendment changes, the only thing is whether or not the President can consider the public good in deciding whether or not to accept the relief recommended by the International Trade Commission. The positive adjustment plan that Senator BENTSEN refers to I leave in the bill. I think it is a good plan. Heaven knows, I would hope some industry would have some kind of adjustment plan before the International Trade Commission considers giving them relief.

But the one thing I have added is that after the positive adjustment plan is formulated and given to the International Trade Commission, after the industry has laid out in public what it is going to do, as per the amendment offered recently by the Senator from New Mexico, after they said, "We will lay off a thousand workers, close the plant's subsidiaries here and move it someplace else," after they have done all that and the International Trade Commission says, "Fine," I would still leave it to the President to say, "Even if they are willing to do that, 5,000 people are going to be laid off in another industry because the Canadians are going to retaliate on books" or "there is going to be a $2,500 increase in the price of cars because we are going to impose restraints on the Japanese."

Mr. President, anyone who has shopped for cars in the last 5 years saw what happened when the so-called voluntary restraints were put on the Japanese and the number of cars they could send into the United States was limited. First, as it was limited, the cars that they began to send were higher-priced cars. You make more money on higher-priced cars rather than lower-priced cars. The cost on the Japanese cars went up, on the average, $2,500, and the American cars went right up with it and the consumer paid more money.

Under the bill as it is written, the President could not consider whether it is in the national economic interest to have the consumer pay $2,500 more for a car. The President would simply have to accept that, if that is what the International Trade Commission recommended.

Mr. DANFORTH. Will the Senator yield for a question?

Mr. PACKWOOD. Yes.

Mr. DANFORTH. The Senator from Oregon has put to me in private discussions the question of what would happen if a President just ignored Congress. In other words, what would happen in the case of Congress stating that if an industry puts in place an adjustment plan and it is a viable adjustment plan and it is a plan that is likely to lead to the recovery of the industry and the ITC recommends relief in order to provide the little cushion of time so that that industry can avail itself in the adjustment plan, what would happen if the President of the United States says, "No, I don't want to do it"?

I think that the chairman and I have both agreed that, as a practical matter, there is no possibility of filing a successful mandamus action against the President of the United States. In fact, what would happen is that a joint resolution would be introduced in the Congress to put in place the ITC recommendation, or something substantially equivalent to it, and the President would then veto that joint resolution and then Congress would have to override the President's veto.

So I believe that the answer to the Senator's question is: Yes, as a practical matter, the President of the United States could say: "Regardless of the law that Congress has passed, I still am not going to put in place the recommended relief for whatever reason"—national, the economic interests, whatever, whimsy.

Mr. PACKWOOD. Mr. President, I yielded for a question, but I am not sure on my time I yielded for quite this long a question.

Mr. DANFORTH. I will bring it to a point. Am I not correct in my analysis that there is still very substantial practical discretion for the President of the United States in this bill to disregard an ITC recommendation?

Mr. PACKWOOD. Just to violate the law? If the ITC says put in effect a 35-percent tariff or its equivalent and the President just thumbs his nose at the ITC and says, "I'm not going to do it."

Mr. DANFORTH. Yes. It is provided for in the bill, as a matter of fact.

Mr. PACKWOOD. In essence, I think what the Senator from Missouri is saying is what does Congress do or what do you do in the courts if the President ignores the law—whether or not that is an ITC recommendation or funding the Contras or whatever else it may deal with—what do you do if he will not obey the law?

Mr. DANFORTH. What does the bill provide under those circumstances?

Mr. PACKWOOD. You have lost me as to what you are getting at.

Mr. DANFORTH. I think the bill provides for a joint resolution.

Mr. PACKWOOD. That is the law now.

Mr. DANFORTH. That is what the bill provides, also, I believe.

Mr. PACKWOOD. I am not sure what you are driving at.

Mr. DANFORTH. The bill specifically foresees the possibility that a President will simply do nothing and provides for a joint resolution in that case.

Mr. PACKWOOD. That is the law today. When you say the bill provides, that is also the law now.

Mr. DANFORTH. That is right.

Mr. PACKWOOD. Then I do not follow the question.

Mr. DANFORTH. The question is: As I understand the point of the Senator from Oregon, the President would have under this bill absolutely zero discretion to factor in anything that he wants to factor in, including national well being. My point to the Senator from Oregon is that, in point of fact, under this legislation, the President, does have discretion. The Congress states what its standard is. The Congress states that if this industry puts in place an import relief plan and it is viable, then the industry should, in fact, get that relief. But the legislation also foresees that the President can simply say to ITC: "Forget it. I'm not interested in doing that."

I would say, in response to the Senator from Oregon's question to the Senator from Texas, that the answer is that, as a practical matter, the President has absolute discretion.

Mr. PACKWOOD. Mr. President, it is very clear, at least from what the bill intends and what the principal author, Senator BENTSEN, intends is that the President will have no discretion. We are taking away from him that discretion.

If what the Senator from Missouri is saying is that he has discretion under the present law and really has discretion under the bill—there is no change—then there is no point in the bill.

The bill takes away the right of the President, if a car is going to go up $2,500, to say that I do not think it is in the national economic interest. It takes away the President's right to say we are going to lose jobs in the publishing industry and lose jobs in the semiconductor industry because, if we are going to put a tariff on Canadian shakes, they are going to put a tariff on American products. That is all gone in the bill.

He may think that. He may say that he cannot do anything about it. That is what the authors of the provision in the bill intend is that he cannot do anything about it. He will no longer be entitled to consider the national public good. I think that is a tragic mistake.

I yield to the Senator from Washington. How much time does the Senator need?

Mr. EVANS. Ten minutes.

Mr. PACKWOOD. I yield 10 minutes.

The PRESIDING OFFICER. The Senator from Washington is recognized for 10 minutes.

Mr. EVANS. Thank you, Mr. President.

I must start by saying that I listened with some awe to the recent colloquy between my distinguished friend from Missouri and the Senator from Oregon, when the Senator from Missouri described the relationship between the Congress and the President and the ability of Congress to introduce a joint resolution and the President to veto it and the Congress to override a veto. I thought he was describing our political system perfectly. That is our political system.

But, on the other hand, to stand up and say that he also has the privilege to ignore the law, it seems to me flies right in the face of the very oath he takes, when he takes office as the President, to faithfully execute the laws of the United States and to uphold the Constitution.

I find that line of argument that somehow there is full discretion for the President still remaining under this bill incredible.

I find that nothing in the bill suggests that that is a possibility for the President unless he deliberately chooses to ignore the law.

Mr. President, if this amendment is adopted and this trade bill passes, perhaps there are some other amendments which ought to be added to the section 201 element; perhaps an amendment that would require the administration to calculate the extra costs to the consumer of each of these proposals and then to require the administration to publicize broadly those extra costs to the consumer so that voters and consumers would understand what was being done to them.

Perhaps another amendment ought to be adopted which would require the administration, after the ITC has ruled, this strange body who was never elected by anybody, rules, then perhaps an amendment to identify and to publicize to every employee of every company adversely affected by this situation so that they, too, understand what is being done to them.

Mr. President, what we are about in this bill, and the section 201 changes which have been made in the bill, is really, in my view, to decide whether we trade off shoes against farmers; whether we trade off copper workers against airplane workers; whether we trade off textiles against supercomputers.

Mr. President, if we do not adopt the amendment of the distinguished Senator from Oregon we will end up putting shackles on our strongest industries those particularly of the future, in order to protect the least competitive.

If that is not a definition of protectionism, I do not know what it.

I join in the remarks of the Senator from Oregon. He ably stated the case, and the need for an amendment. Frankly, I would go much further, suggest that we need no change whatsoever in the current law. But I am certainly willing to join with him in the other changes, aside from the ones he would eliminate.

Someone suggested that, well, this really is not anything different than the relief which is offered under the General Agreement on Tariffs and Trade to other nations. We are not like other nations. In the Western World, virtually all other nations are parliamentary democracies. There is no independent distinction between a chief executive and a legislative body. They chose not to have the kind of independence that we chose in this country more than 200 years ago.

We cannot just blithely say that since everyone else has this ability, therefore we should be measured by the same guide.

Among Western democracies, we are alone in our system of government. If we are going to compare, let us compare apples with apples and recognize that other nations do not have the separation of powers and, therefore, do not have the particular problems that were contemplated in the section 201 that is currently in the law which would be bruised so badly by the bill which is in front of us.

The United States is the only country, the only country that provides for a legislative override of an executive decision in the escape clause action. This power was originally afforded the Congress in the 1958 amendments with a two-thirds vote. It was weakened during the Kennedy administration by requiring only a majority vote to reverse a Presidential decision.

Frankly, it is this Senator's opinion that most of the drive for a change in the section 201 law comes from those who either could not make a case or who chose not to make a case with this Congress.

Five times prior to this administration, efforts were made to override the Presidential decision. Five times they failed and four out of five of those times those proposals did not even make it out of committee.

In the six cases which have come before this President, in four out of the six, relief was offered. In just two, shoes and copper, relief was not offered. Yet in neither case was there an effort made by those industries affected to utilize the current method of overriding an adverse Presidential decision. They have not attempted to come to Congress, they have not attempted to override the Presidential decision. They have not even attempted to see whether possibly there were even two-thirds necessary to override a Presidential veto.

Let me turn, briefly, then, to one other element which I find strange indeed and that is placing the International Trade Commission in such an extraordinary powerful position.

No one elected the members of the International Trade Commission. They faced no voters, like the Members of this Senate and of the House of Representatives did, and the President did. They are not even necessarily reflective of the position of the current administration. These members are selected for 9-year terms. Many of them, I suspect, are so frustrated part way into the term that they do not complete the term, but nonetheless, the International Trade Commission is a six-member body for staggered 9-year terms, which means that the International Trade Commission as it was left by President Nixon could very well be, at least in its majority, the same Commission during the term of President Ford; very likely even during virtually all of the term of President Carter.

Let me just briefly read when the terms of the current commission expire: One, the first one, in December of 1988; the next one in June of 1990; the next one in December of 1991; the next one in June of 1993; the next one in December of 1994 and the last one in 1996.

Mr. President, that means that whoever is elected President next year will go virtually through a first term with a majority of that Commission reflecting the previous administration. Is that who we want to turn over trade decisions to? A commission that may not reflect the views of the then-current administration? A commission which may act totally contrarily to a President who may have run for office, particularly on trade issues, have been elected to do certain things on trade issues, and to find an International Trade Commission with a majority believing differently than that newly elected President?

Mr. President, it simply does not make any sense to do what my distinguished colleague from Texas suggested and that was to secure these decisions from political pressure.

No, it is to isolate these decisions in a commission which may not be responsive at all to the will of the people as expressed in their election of a President or of a Congress, for that matter, or for a good many Members of that Congress.

I think our Founding Fathers would be shocked to find that we had retreated from what they had built for us to an unelected commission and to give to that unelected commission such extraordinary powers.

They very carefully, and at some expense during that summer 200 years ago, created a grand compromise, created an independence between the executive and legislative branches. They purposely gave us a political system. For us now to turn away from that, to give these powers to an International Trade Commission and take them from a President is simply taking from the people themselves an opportunity to be influential in the decisions they want their elected representatives to make. That, it seems to me, more than almost anything else, is a reason for adopting the amendment of the Senator from Oregon and to retain the balance which now exists between the executive and the legislative branches.

Mr. **PACKWOOD**. Mr. President, I yield 10 minutes to the Senator from Texas.

The **PRESIDING OFFICER** (Mr. WIRTH). The Senator from Texas is recognized.

Mr. **GRAMM**. Mr. President, I thank the distinguished Senator from Oregon for yielding.

I rise in support of the Packwood amendment.

Mr. President, I would like to try to define in very simple terms what the issue is here because I think quite frankly from the conversations I have had with a lot of Members of the Senate there is great confusion about this issue.

First of all, this provision, section 201, has nothing to do with unfair trade. If you are unhappy about unfair trade, if you are unhappy about the fact that foreigners are not letting American goods into their markets to the degree that you think they should, your concern does not have anything to do with section 201. Section 201 is raw, simple, rotten protectionism. It has nothing to do with unfair trade. It has to do with ongoing trade in fairly traded products.

What section 201 says in the current bill is this: that if the International Trade Commission finds that an industry is losing jobs and market share because of foreign competition, or that it is going to lose those things, then unless the President finds that giving that industry protection for up to 10 years is going to hurt the national defense of the Nation, or impose a very heavy cost on downstream users of this product, he has no choice except to grant that industry protection.

It has nothing to do with unfair trade. This is not a shot across the bow to warn the Japanese, the Germans, to bring them back into line. This is a shot right into the quarter deck that mandates the protection of industries that are losing in competition.

I submit that any time exchange rates change, any time technology changes, any time preferences change, some industries are going to be gainers and some are going to be losers. But what section 201 in the bill says is that any American industry that is a loser in trade, if granting them protection will not affect national security or decimate the downstream user of that product, then the President must grant them protection if the International Trade Commission finds that they are damaged.

I submit that we do not want to do that. I submit that that is not in the interest of America; that that will not create jobs; that that will not promote economic growth.

What the provision of 201 does is that it mandates we have to protect the losers of the 1960's and 1970's, the industries that are not competitive, the industries that are not growing, and we clearly have to do it at the expense of the American consumer.

But the problem goes beyond that. We are not just talking about protecting jobs in some inefficient industry because under GATT, when we use section 201, the nations that are affected have the right of an offset and compensation. This seems to be lost on many people as we discuss this issue.

Let us say there is some product that the Koreans are producing fairly and selling in the United States and the International Trade Commission finds that because they are producing the product cheaper or higher in quality that Americans in that industry are losing jobs, and they are granted under section 201 protection. As a result, prices go up to the American consumer.

There might be those who will say, "Well, we ought to protect those jobs in that industry."

But that is now where the story ends because under article XIX of GATT the Koreans go to GATT and have the right of offsetting compensation and say, "Because we have been denied access to the American market, we demand our right of offsetting compensation." Then they get out their pencil and they look at American imports coming into Korea. Guess what those imports are? Those imports are from the industries where we have a comparative advantage. Those are our growth industries: electronic data processing, high technology, aircraft, agriculture.

So what we do is we protect jobs that we have not been competitive in since the 1960's and 1970's, and then the Koreans come in and they say, "OK, we want the right of offsetting compensation against the American farmer, we want the right of offsetting compensation against IBM, we want the right of offsetting compensation on computer chips."

So what we do is go down the list and end up protecting the losers of the 1960's and 1970's at the expense of industries that can be the winners of the 1980's and 1990's. Who wins? Nobody wins.

What section 201 is about is the political powers that exist in the losing industries of the 1960's and 1970's. They have the political clout through their lobby and their unions to get the Congress to come in and pass a law that says, "We will trade off jobs in growth industries in America, jobs in which the future of America and its people rest. We are willing to mortgage the future of America and its growth and its high technology industry to protect the losers of the 1960's and 1970's."

If there has ever been a vote in the 9 years that I have served in the Congress of the United States that came closer to representing a clear choice between the raw political power of the past and the economic promise of the future, I do not know of a vote that is closer to that choice than this amendment we are looking at.

If you vote against this amendment, you are saying, "We are willing to take jobs out of growth industries in America in order to preserve jobs in nongrowth industries. We are willing to protect the nonefficient at the expense of the efficient."

And the paradox is that the future, higher wages, economic growth, all depend on the new industries that we will lose jobs in through offsetting compensation.

I have often thought, talking to my colleague Senator RUDMAN from New Hampshire, what New Hampshire would be like today had we had the section 201 powers of S. 1420 in place when they were losing textile jobs. They lost textile jobs. They replaced them with high technology jobs and as WARREN likes to say, they have people in New Hampshire who are working who ought to be on welfare. They went with the growth industries and they prospered.

What this bill says is, "Protect the old industries. Forget about the future. Forget about the new growth industries."

That is what the choice is. This amendment simply gives the President the power to look at those kinds of decisions. It gives the President the power to look at what it is going to cost us to protect these jobs.

We have heard a lot of talk about shoes, but I have not heard anybody stand up here and point out that unemployment in the five largest shoe-producing States is 23 percent below the national average. Yet we have heard all these complaints that the President decided not to make the working men and women of America pay more for shoes and give the Italians and others the right to nonaccess to computers, computer chips, and American airplanes in order to protect shoes when the five largest shoe-producing States in the country have almost a 25-percent lower unemployment than the Nation as a whole.

Mr. President, we are protecting inefficency and in doing so we are setting up under the procedures of GATT a process whereby job for job we are going to lose jobs in growth industries. That is not a wise policy. Stated in its rawest form, I doubt any Member of the Congress is for that but yet we are likely to see this amendment voted down. Why? Because the economic losers of the sixties and seventies have political power and those who will lose jobs in the eighties and nineties because of this raw protectionism do not know who they are; and they are depending on us. It is a choice between the past and the future. A vote for this amendment is a vote for the future.

The **PRESIDING OFFICER**. The Senator's time has expired. Who yields time?

Mr. **BENTSEN**. I yield 12 minutes to the Senator from West Virginia.

The **PRESIDING OFFICER**. The Senator from West Virginia is recognized for 12 minutes.

Mr. **ROCKEFELLER**. I thank the Chair and I thank the distinguished chairman of the Finance Committee.

I rise to oppose the amendment of the Senator from Oregon. The purpose of section 201 has been changed in the Finance Committee in two ways, and they are important to understand.

First, we move the thrust from one of relief from injury caused by import competition to one of adjustment to a new competitive international environment.

Second, we make the process more predictable. The standards that an industry must meet in order to obtain relief and to continue to receive that relief are considerably different and considerably tougher than under current law. In exchange for meeting these standards, the industry will be assured that they will receive the relief when recommended by the International Trade Commission.

The second element has been criticized this evening on the floor of the Senate as "protectionist." I would argue that the truth is precisely the opposite. The concept of the escape clause, as section 201 is known, is sanctioned internationally, as all countries understand that there are times when an industry would be hard hit by imports and would need time to adjust to the new circumstances. Because of the executive branch's general unwillingness to use the escape clause to help industries to adjust to import competition, this section of law has fallen into relative disuse. Instead, industries seek relief by turning to other more politicized tracks. When they obtain relief in this manner outside the normal system of trade law and regulations, there is no quid for the quo. There is no requirement that there be a plan for adjustment. This has been the result of the current 201 system—more outright protection when there should be adjustment to make us more competitive internationally.

Under the system that we are proposing, Mr. President, an industry would have a maximum of 10 years to make the necessary adjustments. If they do not make adjustments during this period, they will lose relief. If they have not adjusted fully by the end of this period to become competitive internationally, the relief is over and they cannot seek relief again for a period equal to the period that they received the relief.

The timeframes are very poorly understood. First, under the changes that we are proposing, the period for adjustment and relief would be a maximum of 10 years. I repeat, a maximum of 10 years. If the International Trade Commission believes that the industry can make the necessary adjustment in 4 years, and so recommends, then that will be the period, not 10 years. We changed the maximum period of relief to 10 years because there may be cases where such length is necessary.

Second, after 3 years, Mr. President, the President can ask the ITC to report on the industry's efforts and progress toward the adjustment that they have agreed to in order to obtain relief. The President can then modify, the President can then reduce, the President can then even terminate action if he determines that there has not been adequate effort to make a positive adjustment. That is a powerful tool.

Thus, it is simply not the case that an industry gets relief and then is left on its own. The industry, both management and labor, will be held accountable throughout the adjustment process. We give them a period to learn to swim. If they do not try to learn, then they sink.

We must give our industries every opportunity to become competitive. At the end of the day they must be able to compete. But to agree to enter the 201 process, to commit the resources necessary to prove injury and develop an adjustment plan, to have confidence in the opportunity our Government is giving them, an industry must believe that if it does everything that is required under the law, the industry will get the relief so that it will have the necessary cushion to be able to start the adjustment process. This is not the case at present, so industry does not even start down the 201 road. It has reached damaging proportions, and this proposal will reverse that.

The proposed system serves the national interest by promoting positive adjustment in those industries heavily affected by imports. It is in the national interest for industries to adjust. It is in the national interest for industries to become internationally competitive. Of course, there are costs involved, including, perhaps, increased costs to the consumers. But, in the long run, there must be a national commitment to adjust and a national commitment to competitiveness.

We are in a period of national crisis. Other countries, most notably Japan, although there are others, have a long history of working closely with industries to help them adjust to changing international competitive conditions. Since 1978, Japan has had a special law dealing with structural adjustment in depressed industries such as paper, aluminum, petrochemicals, fertilizers, and others. For much longer than that, Japan has used the concept of "recession cartel" whereby industries are exempted from antitrust regulations to help get them over an adjustment period. Japan just put in place a new law to provide further assistance to depressed industries to help them adjust. This follows a $5 billion subsidized loan program to facilitate adjustment in export-oriented firms affected by the appreciation of the yen. Japan is not sleeping, Mr. President.

I am not suggesting that we follow the direction of the Japanese, but in light of this type of program by our strongest competitor, it seems to me perfectly reasonable to give our industries a real chance to make those changes necessary to compete internationally. And limiting the President's discretion to prevent such adjustment is integral to a credible process.

Mr. President, I would like to turn to several specific objections raised to section 201 recently. First, we were criticized for trying to help industries against "fairly-traded" imports. This criticism demonstrates a total lack of understanding of trade law, the GATT, and just what section 201 is all about. Section 201 is not, and never has been, related to anything other than fair and legal practices of our trading partners.

There is an entirely separate body of law—including section 301, antidumping, and countervailing duties—that deals with unfair practices. There have been provisions for temporary assistance to those industries injured by "fairly traded" imports in U.S. law, in one form or another, since the early

1940's. Use of this concept was sanctioned in article 19 in the GATT and appeared in its current form in the Trade Act of 1974. Use of such a provision is a totally acceptable and widely used international practice. Thus, there is no ground for criticizing it because it deals with "fairly traded" imports.

Second, we are criticized as being interested only in closing U.S. borders to trade so that inefficient companies can hang onto their businesses. This is a total distortion of the goal of our proposal. As the world economy and the structure of trade change, previously efficient companies must be allowed to make those structural adjustments to allow them to compete in international markets. Some can do so; others will have to change the focus of their business or perhaps get out of it. In either case, the process is lengthy, expensive, and complex. The Government, through its trade regulations, can play a role in this adjustment to make it proceed efficiently and quickly. I repeat: Other countries do this. The current administration has abdicated, in my judgment, such a role, and our proposal seeks to reverse that. We must have industries in this country that compete, and the Government can help many of them achieve that ability. I do not want to see inefficient businesses stay in business. The cost to America of this is far too great. But I also do not want these businesses, and the jobs and potential growth they represent, to just disappear, when I believe that the Government can help them become competitive.

Third, we are criticized for giving the consumer short shrift in the adjustment process. The consumer and the average citizen are the same person. The consumer must have a job, and there must be a competitive industry and company for him or her to be employed. That is what our proposal on section 201 is all about—making American industry competitive so that we can continue to grow and prosper in this country, so we can manufacture products and offer services here and provide jobs for our citizens, for our consumers.

Gary Huebauer and Howard Rosen, in their Institute for International Economics study, "Trade Policy for Troubled Industries," state that "adjustment under the escape clause is often more successful than adjustment under other routes." Our proposal assures that section 201, the best route for adjustment, will be used for that purpose rather than relegated, as at present, to disuse.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mr. PACKWOOD. Mr. President, I yield 10 minutes to the Senator from Delaware.

The PRESIDING OFFICER. The Chair recognizes the Senator from Delaware for 10 minutes.

Mr. ROTH. Mr. President, I rise to strongly support Senator PACKWOOD's amendment to assure that the President continues to be required to consider the overall "national economic interest" in deciding whether to approve import restrictions in section 201 cases.

I am pleased by several of the changes in section 201 approved by the Finance Committee. S. 1420 focuses section 201 import relief more sharply on encouraging industry adjustment during the period of import relief. This is a useful step. American industries sometimes do need time to adjust to import competition, as demonstrated by well-publicized experience of Harley Davidson and by our experience with aid to Chrysler. The adjustment process in S. 1420 will help to rejuvenate U.S. companies injured by imports.

But I am deeply concerned about another change made by the Finance Committee. Under S. 1420—which includes S. 490 changes to section 201 reported by the Finance Committee—the President would be required in section 201 cases to impose quotas and tariffs recommended by the ITC, with only two narrow exceptions—where restrictions endanger national security or would seriously injure a U.S. industry that consumes the imported product. Other potential costs—such as job losses for workers in other industries, harm to U.S. export industries and agriculture, and hardships to American consumers—would not even be considered, by the ITC or the President.

This is a fundamental and dangerous change in section 201. It is important to remember that section 201 cases do not involve any of the unfair trade practices we are justifiably concerned about, such as foreign import barriers, dumping, government subsidies, or violations of U.S. patents and copyrights. Section 201 is intended to provide industries facing tough—but legal—import competition with a temporary period of relief, to allow them to take action to adjust to the imports. Because section 201 does not involve unfair practices, existing international and U.S. law provides that quotas and tariffs be imposed in 201 cases only when the overall benefits outweigh the costs.

The Finance Committee bill would transform section 201 by elevating the special interests of the petitioning industry over the national interest. By forbidding both the ITC and the President from balancing the benefits of quotas or higher tariffs to one industry against the costs of protection to other Americans, S. 1420 makes the judgment that protection should be imposed in an effort to make an industry competitive regardless of the costs of doing so. If enacted, the special interest will be the rule, and the national interest won't even be an exception.

What are these other American interests that would be ignored?

First, S. 1420 ignores the effect of import restrictions on agriculture or workers in our factories who produce U.S. exports of agricultural and other products. Section 201 import relief always results in American winners and American losers. Under international law, a foreign country against whom we impose section 201 protection is entitled to receive compensation—in the form of lowered U.S. tariffs on other products—or to retaliate against U.S. exports. This means that, while the petitioning industry will benefit from import restrictions, other American industries, including agriculture, will face greater import competition or reduced export opportunities. Thus, in the effort to save jobs in one sector, basically automatic section 201 relief could eliminate even more jobs in another sector or harm farmers. This burden is usually aimed at U.S. farm products or competitive growth industries. But the Finance Committee bill would not allow us to consider these interests, to make sure there are more American winners than losers.

Second, S. 1420 ignores the jobs of others in the U.S. economy—such as retailers, distributors, port and transportation workers—who could be hurt by import restrictions. As a result, again quotas and tariffs could be imposed even when they cost far more American jobs than are saved or created.

Finally, S. 1420 ignores the interests of American consumers. Import restrictions almost always result in higher prices and reduced availability of consumer goods. Yet, S. 1420 forbids both the ITC and the President from taking these costs into account in deciding whether to approve import restraints. It is inconceivable that Congress would order the construction of a major public works projects, and impose a tax to pay for it, without knowing the cost of the project or the burden of the tax. Yet, that is precisely what S. 1420 would require: Import relief for one industry likely to be funded by higher prices, without any consideration of how much money will be spent by consumers, whether that burden will fall on the wealthy or the poor and, ultimately, whether those costs far exceed any conceivable benefits to be derived by the petitioning industry.

I am not suggesting that import restrictions should never be imposed under section 201 where they could result in higher prices. I do believe, however, that there are cases where those costs are so great relative to any benefits that can be derived from the quotas or tariffs, that it's a bad deal for America. And I am firmly convinced that it is unfair and unwise to prevent the President from asking the right question in these cases: not whether import restrictions are a good deal for one industry, but whether they are a good deal for America.

Senator PACKWOOD's amendment would solve these problems. It would allow the President to consider all U.S. interests—to balance all of the costs and benefits—to ensure that import restrictions are good for America.

Let me be clear that the Packwood amendment would not prevent the President from granting import relief when relief makes sense. In weighing the national economic interest, the President would assess a number of factors that support relief, such as the economic and social costs to workers and communities if relief is not provided. The President would be free to impose restrictions when the needs of the petitioning industry outweigh the costs of job losses in other industries and higher prices.

To its credit S. 1420 does not legislate explicit import protection for specific industries. Yet, in the name of procedural reform, S. 1420 in effect guarantees that import protection for specific industries will be imposed in future section 201 cases. I urge my colleagues to eliminate this special interest provision by voting for the Packwood amendment to section 201.

I yield back the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield 10 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 10 minutes.

Mr. HEINZ. Mr. President, title II of the Finance Committee bill is an evolved version of legislation I first introduced in 1983, entitled the "Industrial Revitalization Act," as well as title III of S. 1860 of the 99th Congress, introduced on November 20, 1985. This title and the versions that preceded it were prompted by continuing and growing dissatisfaction in both the government and the private sector with the operation of the so-called escape clause import relief process, section 201 of the Trade Act of 1974.

That provision was designed to embody in U.S. law the concepts contained in article XIX of the GATT which provide for temporary import relief in the face of injury caused by imports. The purpose of such relief is ostensibly to permit a more orderly adjustment to new competitive conditions.

In fact, the operation of current law has proved unsatisfactory from virtually everyone's perspective. In the 12 years since the Trade Act of 1974 was enacted, there have been 60 escape clause cases concluded, with the International Trade Commission [ITC] finding injury and recommending relief in 33 of them. In all those cases only two industries, domestic motorcycles and cedar shakes and shingles, have received substantially the relief recommended by the Commission. The motorcycle case is the single success story of this statute, which has influenced the thinking of a number of us studying the problem of industry adjustment to import competition.

In most other cases that went to the President, import relief was either denied completely, as in footwear and copper most recently or provided only in part, as in specialty steel in 1983 and footwear in 1977, to cite two notable cases. In virtually every one of those cases of partial action, the relief has proved to be ineffective, and the domestic industry has concluded the relief period without major improvement in its condition.

In the face of these facts, administrations running the program have tended to conclude it does not produce meaningful adjustment and that the industry in question, not to mention consumers, would be better off simply allowing the market to work its will. Industry in response has pointed out that the Government has rarely granted the full measure of relief determined by the Commission to be necessary, and thus it is no surprise the domestic industry has been unable to meet its targets. A classic example of this problem occurred in the domestic footwear industry in 1977 when President Carter elected to negotiate orderly marketing agreements with Korea and Taiwan instead of imposing the global restraints recommended by the ITC. What happened over the next 4 years was that imports surged from other countries, in some cases because Taiwanese producers shifted locations to other Asian nations. As a result, the industry did not have the umbrella of protection needed to organize its competitive counterattack and was therefore back before the ITC in 1984 and 1985 seeking relief again.

Of course one can argue in this case as well as others that the domestic industry had no hope of becoming competitive anyway. I do not accept that argument in this case, but even if one did, two other facts remain:

The major case in which "full" relief was granted led to a positive outcome, suggesting that industries can adjust to meet new competitive conditions if given the proper environment.

Even if restoration of competitiveness is not to be, time to adjust to the new size and shape of the industry in an orderly manner is still needed. That, indeed, was the intent of article XIX. Firms may close and production may cease, but workers do not disappear. They, their families, and their needs remain, imposing a major cost of State, Federal, and local government in the absence of some meaningful adjustment process.

Therefore, in my judgment, regardless of economists' assessments of an industry's chances for resuscitation, temporary import relief is appropriate to provide just such an opportunity or, at minimum, to provide time for phasing down the industry.

Unfortunately, that time is unlikely to be provided within the framework of existing law for two reasons.

First, there is no meaningful pressure on industry to deal realistically with its problems. It is human nature to blame ones' problems on external forces, and it is therefore no surprise when industries come to the Government seeking relief from imports when bad management or an unrealistic labor contract may also be part of the problem. Without an effort to deal with the other parts of the problem, however, real adjustment is not going to occur, and it is safe to say that in virtually every section 201 case that the Commission has considered, imports are not the only problem the petitioning industry has.

Second, the nature of the interagency process that sends a relief recommendation to the President guarantees a least-common-denominator product that bears little or no relationship to the true needs of the industry. If one studies the workings of the Trade Policy Committee and its subgroups, as well as other Cabinet and sub-Cabinet level groups that have been involved in the relief decisionmaking process, it is clear that in most cases agencies take consistent, predictable positions. The Departments of State, Justice, and Treasury, the Council of Economic Advisers and the Office of Management and Budget almost always oppose any relief. The Departments of Labor and Commerce more frequently support relief, and the U.S. Trade Representative searches for a middle ground. It is in searching for that middle ground that the petitioning industry suffers a fatal blow, since reaching it demands a political solution rather than an economic one. The amount of relief that the opposing agencies will acquiesce in is invariably less than the industry needs if the purpose of the act is to be fulfilled. The result is a least-common-denominator solution that produces political consensus within the administration but makes no economic sense.

Let me make clear at this point, Mr. President, that these comments apply to all three administrations that have tried to implement this law. They all have poor records of providing relief when it was warranted, and all their interagency processes have been characterized by the factors I have described. Clearly in this area ineptitude is bipartisan, not to mention eternal.

Let me also suggest, Mr. President, that this is not an abstract issue of interest only to economists. As I indicated, there are thousands of workers and thousands of jobs affected by the decisions the government makes in these cases. The jobs may vanish but the workers do not. To the extent that we fail to deal creatively with these problems we foster tremendous economic and political problems for ourselves in the future. As I have said on other occasions, one of the purposes the escape clause process serves—embodied in its very name—is to provide a safety valve for protectionist pressures, an opportunity to provide some relief and adjustment within an orderly, legal, GATT-consistent process. The consequence of our failure to make that process work is to give people nowhere to go but here—the Congress—and nothing to ask for but protection. In particular, as my colleague from Missouri, Senator DANFORTH, has pointed out with respect to the 1985 footwear decision, if we create a legal process and an industry plays by the rules Congress has established, at considerable expense, incidentally, and then at the end of that process it gets nothing, no one should be surprised when it turns to Congress for special legislation.

Defusing those political pressures as well as the economic pressures created by our failure to deal with import-impacted industries has been the motivating force behind my efforts to develop a new approach to adjustment and the escape clause. That new approach can be summarized very simply—it relies on the creation of a quid pro quo between the petitioning industry and the Government, in which the industry—labor and management—makes commitments on what it will do to adjust, and the Government in turn agrees to import relief to provide the time necessary to adjust.

At this point, Mr. President, let me say a few words about how the section 201 revisions contained in this bill would change the process.

First, petitioning industries will be required to submit plans or make commitments of their own. Those commitments and plans should be based on consultation between labor and management in the petitioning industry.

Once the Commission has found injury it then falls to them, in effect, to pass judgment on the plans and commitments when it determines the remedy recommendation it will send to the President. The Commission will base its remedy recommendations on whether the industry has a reasonable chance of being competitive at the expiration of the import relief; or that a restoration of competitiveness is unlikely and the remedy should focus on an orderly transfer of resources to more productive purposes. The Commission is not required to simply adopt the recommendations from petitioners although, obviously, its failure to do so in a material way could well influence the ability of the petitioners to keep their commitments.

With respect to the first standard, the term "competitive" should be understood in the broader sense I have defined earlier. In making that judgment, the Commission is free to hear from interested parties, which may choose to oppose the plan as unrealistic or impractical, among other things. Since the plan could well propose actions that involve subsequent Government approval or acquiescence, such as joint ventures for research and development, an administration's views will be of particular interest in the Commission's deliberations.

If the Commission sends a plan to the President, he can refuse to provide relief either on national security grounds or because the relief would cause serious injury to a downstream U.S. industry, that is, one that uses the product in question to make a further product. An effect on retailers or consumers is outside the scope of these exceptions.

The question of the President's authority is a very important point, and one that benefited from considerable debate among those of us involved in the development of this bill. I am reluctant to tie the President's hands absolutely, and the bill does not do that. On the other hand, I believe this system will only operate effectively if there is a true quid pro quo; that is, industry will only enter into it if it has a realistic expectation of some constructive outcome at the end of the process. Regrettably, as I have detailed, the administration of this statute in the past provides no grounds for such expectations. Therefore, some modest limitation on the President's authority is necessary.

In that regard, this bill represents a step back from S. 1860, and I have some concerns about that, but clearly it moves in the proper direction.

It is also worth noting that the President has available to him a somewhat broader menu of remedies than those available under current law. They include a limited antitrust exemption for joint ventures and mergers, more favorable regulatory treatment, accelerated antidumping or countervailing duty cases if unfair trade practices are involved, in which the Commission's finding in the 201 case would constitute the injury finding and the time for the dumping or subsidy finding would be shortened by 45 days, and proceeding with multilateral negotiations in those situations where a depressed world market, for example, is the problem, and it cannot be addressed successfully unilaterally. Of course, these are designed as additional remedies, not as substiutes for any recommended import relief. In addition, the President could always propose other legislation necessary to implement various elements of the plan.

These additional remedies are intended not simply to give the President more options for their own sake, but rather to permit him to take a range of actions that are appropriate to the situation in which the industry finds itself. If unfair trade practices are an important part of the problem, the accelerated dumping remedy might be appropriate. If a leaner, healthier industry is the objective, some merger activity taking into account global competition beyond the constraints of current antitrust law may be proper. These remedies, of course, are not mutually exclusive. They may also be implemented in combination with each other. Indeed, in most cases, the most appropriate action would be a combination of remedies reflecting the standard chosen by the Commission. If future competitiveness is deemed possible, then the bill provides more of a focus on the import relief remedies which, along with adjustment assistance—in the expanded form that is also a part of the Omnibus Trade Act—give the petitioner the best shot at restoring competitiveness. On the other hand, if an orderly "phase-down" is the goal, extensive import relief might not be the most important element of a relief program.

Subsequent to the President's decision, there is a plan monitoring process established, which could lead to the early termination of relief if labor or management do not honor the commitments they have made. This is a very important part of the bill's integrated approach, because it keeps the focus of the process on adjustment.

The legislation also contains a number of other reforms of current law which were contained in the S. 1860 version, including a special fast-track for perishable products similar to that which appears in the Caribbean Basin legislation and a procedure for early, temporary relief in the case of critical circumstances in the industry.

Finally, Mr. President, let me say a word about the tone of the process. In my earlier bills I envisioned a cooperative, consensual process in which all parties would work together objectively for the good of an industry that no doubt found itself in very difficult circumstances. These earlier approaches were criticized for not building in adequate safeguards against the possibility that all parties might not move forward in good faith.

I continue to believe those things are not going to happen. This process is not short, and it is not cheap. Industries are not going to enter into it lightly, and I am confident all parties will take the process seriously. Nevertheless, I believe that, thanks to the input of many committee members, this version contains more than adequate safeguards against bad faith possibilities, most notably, the ongoing monitoring process that can lead to termination or reduction of relief.

Beyond this, analysts of the bill may find it lacking in a detailed description of precisely how the plan and commitment process is to work. In part this is because industries differ significantly, and it is impossible to specify criteria that can be appropriate and applicable in every case. It is also because the committee deliberately wanted to provide the participants with some flexibility to feel their own way in this process. It is a new idea, a new concept, and too much regulatory overkill will prevent it from obtaining both the objectivity and creativity of approach it needs to succeed.

With respect to the concept, I want to make clear that it is not, in any normal meaning of the term, industrial policy. As most people understand that term, it involves the Government essentially passing judgment on industries—picking winners and losers and then adopting policies to make its judgments realities. This process is different. It is based entirely on an industry identifying itself as having problems and coming to the Government in search of help. The Government has not sought it out; rather the reverse has occurred. In that situation, it is not inappropriate, in my judgment, for the Government to offer help only in return for a commitment from the industry, to help itself. That commitment, moreover, is developed by the industry, not by the Government. Thus, the initiation of the process, the conceptualization of the actions necessary, and the bulk of the implementation all lie with the industry, not the Government. If anything, that is the antithesis of industrial policy.

Mr. President, this bill represents a bold step, and I suspect some of our colleagues will not be ready for it. There was extensive amendment in committee, and there may be more on the floor.

I readily admit that my perspective on this problem has been influenced by the fact that I represent a large State with a wide variety of industrial problems. Virtually every industry that has sought escape clause relief in the past has a presence in Pennsylvania. I have been involved in a number of these cases and have been studying these problems as long as I have served in the Congress. Those of us from industrial States have a good understanding of the kinds of problems that industries likely to use this statute face, and I believe that the new process this bill proposes will significantly enhance the effectiveness of the remedies provided under the law. As the debate proceeds, I think we will find that other Members exposed to the range of import problems now impacting our manufacturing sector will support this kind of legislation. I hope that Senators who have the luxury of representing States where this is less an issue will listen carefully to the many voices of often bitter experience and support this new approach.

Mr. President, I rise in strong opposition to the Packwood amendment, and I do so because I believe the committee bill makes a very important improvement in existing law. However, the Packwood amendment undermines all these improvements.

We have heard a lot of discussion about section 201. Nobody contends, insofar as I can tell, that it is not GATT legal. Section 201 is GATT legal. It is patterned after article 19 of the GATT.

Nobody contends that we do not have a section 201 on the books. We do. There are some who do not like that. They believe that we should not have any statute on the books to facilitate the adjustment of industries to very substantial changes resulting from the impact of significant import competition.

If we were to repeal section 201 or significantly change it, we would be alone in the countries of the world in not carrying out a provision to facilitate the adjustment of import-impacted industries.

In the Finance Committee we tried to tackle the problem of massive dislocation of workers, factories, assets, capital, and others in our economy. Under existing law, section 201 provides when an industry has proved its case that it is being seriously injured and that it is being injured because of substantial import competition that industry has the time to take the steps that are necessary, at least in theory, to either become more efficient and competitive or to work its way out of that industry. This allows for that industry's workers and its assets to shift into some other efficient use in our economy. Unfortunately, this provision has not worked.

Now, that is the issue that is being debated here on the floor? The issue Senator Packwood poses is that if we do not give the President a great deal of discretion using a very broad category called national economic interest, we are going to do terrible things to our country. This lack of Presidential discretion will impose heavy costs on our consumers and will invite retaliation.

Mr. President, I must tell you that all of these arguments are not arguments against the committee bill. They are, in fact, arguments against section 201 generally.

What we ought to be asking ourselves, it seems to me, since even the Senator from Oregon does not propose to repeal section 201, is whether section 201 adequately serves our national purpose, our broad national interest?

I would submit that it fails on two counts. First, the history of section 201 has been one of frustration and failure; frustration and failures that of the some 600 industries to come before the International Trade Commission only some 33 of those won a verdict that went to the President. Of these, only a very small handful of these were granted relief based on the findings of injury by reason of import competition. In only two instances was import relief substantially what the Commission recommended.

Why is that significant?

It is significant because when industries cannot get relief through the prescribed process, they have gone through and over the hurdles that we have told them to go through, we end up with industries spending a lot of time and a great deal of money to win their case and having almost nothing to show for it. The result of that process may sound like we have avoided what some have referred to as "protectionism."

To the contrary, protection has not been avoided. Industries that are unable to obtain relief through the section 201 process often win extreme protectionism by coming to the Congress. I will give you the best example—autos.

The auto industry went to the International Trade Commission in 1979. The International Trade Commission did not recommend relief. Instead, the auto industry came here to Capitol Hill and to the White House. Since 1981, there has been, although we do not call it that since we refer to it as "voluntary restraint arrangement," we have had a protected auto industry in this country.

You can argue that is good, you argue that is bad. However, the fact is that we now have strong protection for the auto industry. This protection was not based on any formal process. Yet, it exists and shows every sign of perpetuating itself.

Under the committee bill an industry will not obtain relief without going through the formal process. If relief is provided, it will be temporary. But more importantly, under the committee bill and unlike existing 201 law, we propose to address the second problem of the existing clause. That problem is when an industry does win relief very frequently the benefits of protection granted will flow purely and simply to the constituents of the industry that has won protection. The protected industry continues to pay wage rates that may be too high, shareholders receive too high and generous a dividend, and companies fail to take the needed steps to modernize themselves so that they become more competitive if they took steps to be more efficient and thereby do a better job by the American economy this would protect the consumers as well.

The section 201 provision in the committee bill is a very simple concept. We say that if an industry wants to have greater certainty of getting relief from section 201, that industry must make certain commitments—explicit commitments—to make that industry more competitive at the conclusion of the relief period than it would otherwise be compelled to make under the existing law.

My friend, the Senator from West Virginia, described it as a quid pro quo, that is exactly what it is. What we get out of the present system is no guarantee at all that, when relief is granted, there will be any necessary improvement in the competitive position of the industry.

Mr. President, that leads me to a concluding point: If you define the principal issue in the debate before us to be whether or not section 201 is good for the consumer or might lead to higher costs, or is going to lead to retaliation or claims of compensation, I think you miss the point of the committee bill.

The committee bill asks and answers a very different question: What kind of a system do we need in this country to most efficiently redeploy existing investments in people, in equipment, in a market in a way that will best serve our national interests? If any Member of this body thinks that we have an effective trade policy in this country today or that we have had an effective trade policy in this country over the past 15 years, those people should vote with Senator PACKWOOD.

But if, on the other hand, you believe that American trade policy for the past 15 years has been inconsistent, weak, unsuccessful, and has allowed the United States to be manipulated by foreign governments to the benefit of exporters in those countries, then you should reject the Packwood amendment and support the committee bill.

I urge my colleagues to support the committee bill and defeat the Packwood amendment.

Mr. President, how much time remains?

The **PRESIDING OFFICER**. The time of the Senator has expired.

Mr. **HEINZ**. I thank the Chair.

The **PRESIDING OFFICER**. Who yields time?

Mr. **PACKWOOD**. Mr. President, I yield 10 minutes to the Senator from Minnesota.

The **PRESIDING OFFICER**. The Senator from Minnesota is recognized for 10 minutes.

Mr. **DURENBERGER**. Thank you, Mr. President, and I thank my colleague, the Senator from Oregon.

I rise in support of this amendment. I cosponsored the amendment in the Senate Finance Committee and I am pleased to cosponsor it today.

Mr. President, let's clear up some facts about what section 201 of the Trade Act is all about. Section 201 does not deal with problems faced by industries injured by unfair foreign trade practices. Nor does it deal with industries injured by dumping practices. Nor does section 201 deal with industries critical to the national security.

The industries that petition for import relief under section 201 are seeking protection against competition from fairly traded imports. The sole question that the International Trade Commission [ITC] considers in section 201 cases is a very narrow one: Whether the petitioning industry is seriously injured or threatened with serious injury from import competition.

In assessing the impact of foreign competition on a domestic industry, the ITC does not give even a moment of consideration to the circumstances that brought about the decline in competitiveness of the domestic industry. For example, it does not consider whether the petitioning industry has been harmed by foreign competition because it failed or refused to invest in new plant and equipment in earlier years because it was more interested in investing its earnings in acquiring unrelated businesses.

Nor does the ITC consider whether the domestic industry lost its competitiveness because it paid out uncompetitive wage and fringe benefit packages in noncost competitive businesses in prior years. Nor does it consider whether the industry in the past opted to grant its executives seven figure bonuses and paid out large dividends to shareholders, instead of investing in R&D and modern equipment.

Under current law and the amendments adopted by the Finance Committee, when the ITC decides to recommend section 201 import protection for a petitioning industry, it is not permitted to consider the economic costs to American consumers resulting from protection. It is not permitted to consider the cost to other industries with American workers and American jobs resulting from compensation or retaliation.

Mr. President, it is important to remember that section 201 is a tradeoff statute. The tradeoff implicit in section 201 is that if import protection is granted, another sector of the economy must pay for that protection. And the American consumer always pays a price for that protection. It is a zero sum game.

When we grant import protection under section 201, we are legally obligated to provide compensation in the form of lower U.S. tariffs on other imported products or higher tariffs on our export products. This means that while the industry granted import protection benefits from higher tariffs or import quotas, another domestic industry is sure to face greater import competition or reduced export opportunities.

Moreover, our trading partners do not have to accept our compensation. They have the right to retaliate against our most competitive industries. Too often, the easiest target for countries to demand compensation from, or to retaliate against, is American agriculture.

Mr. President, the decision to grant import relief to a particular industry is a difficult one. It involves tradeoffs and judgments that affect the entire economy and our foreign relations with our trading partners. Unfortunately, the Finance Committee's bill handcuffs the President's ability to weigh the overall economic benefits and drawbacks of granting import relief.

Instead, the committee bill forces the President to ignore the impact of import relief on other industries, consumers, and our foreign policy, and makes the President a mere pawn of the unelected Commissioners of the International Trade Commission. I agree with my colleagues who have argued here tonight that it is a fundamental mistake to delegate such an extraordinary power to the ITC. Such a delegation of authority holds unimaginable consequences for our domestic economy as well as our foreign relations.

Mr. President, the issue of Presidential discretion under section 201 is not, and should not, be a partisan matter. As I said earlier, import relief granted under section 201 is not free. It comes with an expensive price tag. For consumers, especially low-income consumers, the cost of granting import relief can be extraordinary.

Last year, the Brookings Institution estimated that the voluntary quotas on imports of Japanese automobiles raised the domestic retail price of Japanese automobiles by approximately $2,500 a car. And the quotas allowed domestic auto manufacturers to charge nearly $1,000 more than would otherwise have been possible. In 1984 and 1985, it is estimated that the quotas cost American consumers $27 billion. In those 2 years, the domestic automakers earned more than $28 billion. Last year, their profits were even higher.

According to the ITC the import restrictions on Japanese automobiles preserved about 44,000 jobs. Based on the $27 billion cost to consumers, that works out to approximately $300,000 a year for each job retained—10 times the average wage of American automakers. Although some may argue with this figure, nobody would deny that import restrictions are extremely costly to consumers and that there is an extraordinary cost associated with preserving jobs through import protection.

Even if one wants to quibble with these figures, the fact remains that without the quotas on Japanese automobiles, Americans would have had more than $25 billion in their pockets to spend or save as they chose. Instead, the voluntary quotas forced them to fork over that money to foreign and domestic automakers.

In addition to the consumer costs associated with import relief, there are the lost sales by farmers and other export industries that result when we grant compensation to our trading partners or when they retaliate against our domestic industries. That cost cannot, and should not be ignored.

By forcing the President to accept the ITC's decision in 201 cases, we are, in effect, guaranteeing lost sales and profits for some of our most competitive export industries, especially the American farmer. The section 201 provisions adopted by the committee are simply an invitation to poorly managed American industries to gain import relief, and to guarantee further export losses for the American farmer.

Is it any wonder then that the following representatives of American agriculture strongly oppose the section 201 handcuffs the Finance Committee has placed on the President? The American Soybean Association; the Millers' National Federation; the National Apple Institute; the National Association of Wheat Growers; the National Cattlemen's Association; the National Cooperative Business Association; the National Corn Growers' Association; the National Grange; the National Soybean Processors Association; the National Turkey Federation; the North American Export Grain Association; the United Fresh Fruit & Vegetable Association; and the U.S. Poultry & Egg Export Council.

How much more does the American farmer have to pay to purchase clothing for his children covered by import quotas? The farmer just does not have the extra money to pay to our domestic auto producers to keep them protected from foreign competition. He can ill-afford to pay even higher costs to protect more domestic industries that win protection under the revised version of section 201; let alone lose export markets because we have to compensate our trading partners for 201 relief.

Proponents of the Finance Committee's restrictions on Presidential discretion in 201 cases make two arguments to support their position. First, they contend that industries need greater assurance that if they make a commitment to positively adjust to import competition, they should have greater certainty that import relief will be granted.

Mr. President, the fact that an industry makes a commitment to take those steps to make itself more competitive is no reason to guarantee it import relief.

It is almost as if the industry is doing society a favor by taking steps to meet foreign competition. Industries facing fair competition from abroad have two choices: innovate or evaporate.

Cutting costs, modernizing plant and equipment, streamlining work rules, changing inventory control and management techniques are steps that all industries must make to meet foreign competition.

It is a matter of self-interest and survival in our competitive world marketplace. Where is it written that the Government must guarantee industries relief from foreign competition to jog them to take actions that are clearly in their own self-interest?

Mr. President, the Packwood amendment provides industries with greater assurance that they will be accorded substantial relief in exchange for their commitment to adjust to import competition. If the President rejects import relief, he is required to adopt an alternative program to promote industry adjustment. If the President denies import relief, he must take any one of the following actions, or a combination of these actions, as have already been described by our colleague from Oregon.

First, he may direct the Attorney General to review applications of firms in the domestic industry for exemptions from the antitrust laws;

Second, he may order an expedited review of relevant statutes or regulations, leading to appropriate modifications of the regulations to assist the industry to become more competitive, or he may propose legislation that would achieve that purpose;

Third, he may initiate multilateral negotiations with other countries to limit their imports; and

Fourth, he may direct the Secretaries of Labor and Commerce to certify workers and firms in the domestic industry as eligible for trade adjustment assistance.

In my view, these alternative programs will provide domestic industries with a strong incentive to use the section 201 process, rather than bypassing the process and bringing their requests for import relief to the Congress. Yet I would not rule out the possibility that if we adopt this amendment, some industries may find it more attractive to bypass the section 201 process and bring their problems to the Congress.

If that happens, then we as representatives of the people of our States have the opportunity to decide whether to vote for or against import relief after weighing the impact on the consumers in our States and the other industries in our States. At least the legislative process does not preclude representatives of other sectors of our State economies from coming to our offices and presenting another side to the issue of import relief.

Given all of the facts, we can then make the decision that is in the best interests of our constituents.

But the Finance Committee bill does not give the President of the United States the same opportunity to balance and weigh the competing costs and benefits of import protection for the whole economy. Instead, it demands that he close his eyes to the detrimental effects of import protection and requires him to rule out consideration of the Nation's economic well-being.

Finally, Mr. President, I would note that nearly all of our leading economists and our leading newspapers have argued strongly against the so-called Gephardt amendment. I think the Gephardt amendment, or any reasonable facsimile, would be a disaster to our economic and foreign relations comparable to the Smoot-Hawley tariffs.

Yet, despite all of its shortcomings, the Gephardt amendment provides the President far greater latitude not to take action involving foreign trade than the Finance Committee section 201 provisions. At least under the Gephardt amendment, the President can refuse to take action if he determines it is not in the national economic interest.

If the President is allowed such broad discretion when he is dealing with unfair foreign trade practices, I see no reason to deny him similar discretion when he is confronted with fairly traded imports. We owe it to the farmer, consumer and every industry that seeks to sell on the world market to allow the President the broadest discretion to grant or deny import relief.

We in the Senate would not close our eyes to the effects of import relief on our constitutents; we should not force the President to close his eyes on the constituency of all who live in the 50 States.

The **PRESIDING OFFICER**. The time of the Senator has expired. Who yields time?

The Senator from Oregon?

Mr. **PACKWOOD**. I yield 10 minutes to the Senator from Rhode Island.

The **PRESIDING OFFICER**. The Senator from Rhode Island is recognized for 10 minutes.

Mr. **CHAFEE**. Mr. President, some of the issues we debate around here are fairly complicated. When we are dealing with the Persian Gulf, Income Tax Code, those are complicated issues.

Fortunately this issue we are debating tonight is not complicated. This is not all involved with esoteric reasoning. It is really very simple and the question is: Can the President intervene in a decision on behalf of the consumer? Now that is what it is all about. There is no ifs, ands, or buts. That is what the issue we are debating here is.

Under the bill that came out of committee, it says that if the ITC finds that a domestic industry is injured, it is not due to any unfair competition, nothing evil done by those Brazilian shoemakers or those Italians who are doing something better than we are, it is just that they are competing totally fairly but our domestic industries are being hurt; and under the committee bill that we are trying to change tonight, it says that if that industry is injured and found by the ITC to be injured, then relief must be granted regardless of the effect on the consumers of the United States of America.

That is what it is all about. It is no more complicated than that.

What the proponents of the Packwood amendment are saying is: Well, let us consider the consumer. Let us see that he is protected. The person that we are giving this last-chance opportunity to intervene on behalf of the consumer is the President of the United States. He currently has that power in law and we are going to continue to give him that power.

We do not think that just because a group of six appointed officials decide that there is harm to some domestic industry that automatically the United States consumer should be injured.

Let us take the case that set this whole business off. It is the shoe industry case. The six members of the ITC, a domestic group, the International Trade Commission—it has an international name to it, but it is all Americans—decided that the domestic shoe industry was injured by imports and, therefore, relief must be granted. Now, the relief that was going to be granted was to increase the price of shoes to the American consumer.

The President looked at it and he said: There are other things to consider in this issue. We must recognize that the American shoe manufacturers are already capturing the high end of the market; that they necessarily should not be granted relief because there are a lot of people out there buying shoes who would have to pay a lot more than they are currently paying. So the President, in this one case—and this President has decided six cases and in only two of them has he intervened—the President said: No. I am going to think of the American consumer, the person who is having to pay more. I am going to not grant this relief.

Well, those from the shoe industry States were indignant and they said: We are going to straighten that matter out. We are going to take that power away from the President.

I have heard it said on the floor tonight by some of the very distinguished Members of this group that the issue really is are we going to go along like we have in the past with the Americans being battered all over the place and do nothing? Supinely, just take it? Or are we going to retaliate?

This is not the section that deals with retaliation at all. The section that deals with retaliation is 301. This bill is much tougher in retaliation. It has nothing to do with the section 201 we are debating here tonight.

So it is very, very clear, Mr. President, that if we are going to think about the American consumer we have got to give the President some discretion and the Packwood amendment wisely says that when the national economic interests must be considered, the President can do so. He can make a decision. He is not being forced off in a corner: Oh, they have given him a loophole when national security is involved.

How often is national security involved? Can the President legitimately say because of national security reasons he is going to keep out Italian shoes? Of course not.

The only way he can consider the national economic interest is under the Packwood amendment. So I do hope that those of my colleagues who are listening and thinking tonight will say: Yes. The President is elected by all the people and, indeed, he is responsible to all the people. He can see something above the more parochial interests of his State. He can think of the national interests, and, indeed, that is what the provision says: The national economic interests.

So I do hope that we will recognize that this President has granted relief in some cases, and tonight, indeed, you have heard cited the Harley-Davidson motorcycle case and the President went all out in that instance. But in some instances, in some cases he would prefer not to give that relief because he is thinking of the American consumer.

So, there it is. It is not very complicated. If those of us on the floor want to think of the American consumer we will vote for the Packwood amendment and I hope my colleagues will.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, this debate, whether to adopt the amendment of the Senator from Oregon to strike certain provisions of section 201, goes to the heart of what we do as a country when we, our industries, are faced with a very sudden, intense competition which is not unfair. It has been said here tonight, and it is true, section 201 is not a trade provision which attempts to address unfair foreign competition. We have section 301, we have countervailing duty, we have dumping laws, we have other laws which address those issues. The real question is what happens when an industry, an American industry, is suffering dramatically because of unfair competition? What do we do about it?

The present state of the law is section 201. Presently, under section 201, an industry that is getting beat up, that is getting battered, is losing income, its employees are worried about their jobs; that industry goes to the International Trade Commission, it says, "We are hurt; we are injured. You, the ITC, have to find an injury, find substantial injury and give us a remedy. We are getting hurt."

That is basically the status of the law. Under that provision in section 201 today, various industries have gone to the ITC. In fact, since 1975 about 60 industries have gone to ITC.

But since 1975 the ITC has found favorably in favor of 33 different industries. The President, since 1975, has granted relief in only, I think, 10 of those, which means that essentially the Presidnet has not gone along with ITC.

I can, to some degree, understand that, because 201, is arcane. It is outmoded. It does not make a lot of sense today, frankly, because sometimes an industry suffers because of changes in technology, because other countries have some advantage, maybe it is low wage rates, anything. Who knows what it is. Other times, industry is suffering because the industry itself is making mistakes, poor management, not doing what it should be doing. 201 is a statute which does not address those different possible reasons as to why an industry may or may not be doing a good job.

So the Finance Committee has attempted to address that.

How has the Finance Committee attempted to address that? The Finance Committee basically feels, and that is the provision in this bill right now, that if an industry is hurt it goes to the ITC with a substantial injury. In addition to that, the industry must provide some kind of an adjustment plan, some kind of a plan to show to the ITC, show to the American people, that we, in this industry, are going to take the steps necessary to get ourselves on our own two feet.

That is a tremendous improvement over current law, and that is essentially what the committee bill, section 201, attempts to accomplish.

I am not standing up here to say it is perfect, but I am standing here to say that is a remarkable, substantial improvement over current law.

In the Finance Committee bill, if the ITC finds there is injury, and the industry does present a plan to show maybe after a few years it can get on its own two feet, then the President is directed to adopt the plan, to provide the relief, but he has some outs. One is national security, and the other is if there is substantial cost downstream to an industry that consumes the product. Those are outs. In addition to that, if the President after 3 years finds that the industry is not living up to its adjustment plan, he terminates assistance. So there are outs.

I am saying that the Finance Committee bill is a very solid step forward in addressing the realities of the world. The realities are that with dramatic changes in technologies today, and because of capital which basically flows at the speed of light today, and technologies basically flow at the speed of light today, some industries need some temporary help through basically no fault of their own. Some other industries cannot be helped and they should go down the drain. This section 201 contemplates that industries that are doing a poor job, whether it is poor management or not progressing like they should, should go down the drain. That is the point of section 201, to separate those which can get on their own two feet from those which cannot. That is what we are trying to accomplish here.

There is another point which has not been addressed which I think should be addressed. Namely, we Americans have a wonderful constitutional form of government but it is wonderfully complex. It is full of checks and balances. It does not give sole power to the President; it does not give sole power to the Congress. Our constitutional form of Government is so different than the governments of other Western democracies which, in the main, have parliamentary forms of government.

So in those other countries, they have a plan that basically the legislative body, and the executive branch, can try to fashion some kind of solution to a problem that faces a major industry.

In our country article I of the Constitution basically says that Congress shall determine trade policy, determine commerce. In our form of government, in article II, the President as Chief Executive implements that policy.

So it is an awkward situation. How will we put the Congress and the President together in any peaceful way?

We try to do that in section 201 of this bill. We try to do that by saying the Congress shall tell the President a little more what the President has to do, but the President does have some outs. The President does have some discretion, significant discretion. Discretion is that if after 3 years it does not work he can say, "I am sorry, that is the end of the plan."

In addition to that, I am confident when an adversely affected industry submits its plan to the ITC the White House is going to be involved in working out that adjustment plan. It just is going to happen that way. It is going to work out that way. That is when the White House and the President, an elected official, by the way, will be directly involved in separating out the wheat from the chaff, that is, those areas where an industry can improve upon itself and those areas where it probably cannot.

That is where we start to look at management compensation, bonuses, wage rates, technique for additional capital, who knows what. That is where the White House will be involved with the ITC and that is exactly what they should be doing.

Other countries have adjustment plans. Why do they have adjustment plans in other countries, Japan namely one? In part because they do not have a constitutional form of government and can get together better. They have a parliamentary democracy and can work it out.

We Americans in our somewhat crude way, in our somewhat difficult way, are trying, in section 201, to get the President and the Congress a little closer together so we have a trade policy that attempts to address those situations when an American industry is hurt very much by fair, if you will, foreign trade. That is what we are trying to do here.

If we adopt the Packwood amendment, we are back to the status quo. We are back to where we are today. We are back to a section 201 which does not work. It is useless. Look at the figures. Look at what is happening. Industries do not utilize 201 anymore. They realize it does not work. Fewer petitions are filed. I submit it does not work because it is not a well-framed statute. It does not work because it does not keep our eye on the ball, namely, trying to find whether an industry can adjust. If it can adjust, make those changes. If it cannot adjust, sorry, no benefit, no aid.

Sometimes industries should be helped and sometimes they should not be helped. That is what we are trying to do in section 201, to separate the wheat from the chaff and come up with a reasonable solution.

Mr. President, I urge Members to look at this very, very closely because if we adopt the Packwood amendment we are back to the status quo, a provision which does not work today. I submit the Finance Committee bill is a very major step in the right direction and will help us nationally.

Mr. President, I yield back the remainder of my time.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Will the distinguished manager yield me 5 minutes?

Mr. BAUCUS. I yield 5 minutes.

Mr. BUMPERS. Mr. President, this is a troublesome amendment to me and I had some difficulty deciding how to vote on it.

I knew that section 201 does not deal with unfair trade practices. It deals with U.S. companies that are injured and need a few years to regroup and regain their competitive edge.

Let me explain my experience with section 201 and the reason I intend to vote against the Packwood amendment.

In 1981, Senator PRYOR, Senator MITCHELL, Senator COHEN, and a host of us went to the International Trade Commission and asked for some temporary relief from the ITC for the U.S. shoe industry.

I did this because when I was elected Governor of my State we had roughly 22 shoe factories in Arkansas. In 1981 we were down to maybe 15 plants. The International Trade Commission summarily rejected our petition even though shoe imports were up roughly 50 percent of the U.S. market at the time. Our proposal was to hold imports at 50 percent and give the people who are exporting shoes from their country into this country a 50-percent share of the increase in the market for the next 5 years. All the U.S. industry wanted was a chance to do everything it could technologically in modernizing its plants and trying to become internationally competitive in the shoe industry. As I said, the International Trade Commission summarily rejected our petition arguing somehow that the U.S. industry was not sufficiently injured.

In 1984, we went back to the ITC and at the time shoe imports had reached a 67- to 70-percent U.S. market share. Sixty-seven to seventy percent of all the shoes being sold in this country were imported. Our chief competitors in this field were Brazil, Korea, Taiwan, Singapore, Hong Kong, Italy, and Spain. We went back in 1984 to the ITC and we said, "Now shoe imports are up almost 20 percent from where they were 4 years ago. We are rapidly reaching the point where there will be no shoe industry left in this country and one must ask how much injury does the U.S. industry need to suffer? Who is going to make combat boots for our servicemen?" The same Senators went back to the ITC. The distinguished Senator from Missouri, who is defending the bill on this, was one of the public witnesses at that hearing.

Within 30 days the International Trade Commission finally said, "We agree with you now, there is injury." And incidentally, this ruling was a unanimous opinion. Every single member of the International Trade Commission agreed with our position.

Most of the ITC Commissioners in 1984, I believe, were Ronald Reagan appointees. So this is not like some kind of stacked deck you were dealing with. These were people who would generally agree with the President on trade issues.

What it said is it would allow 325 million pairs of shoes to be imported into this country, which was roughly 67 percent of the shoe sales in this country, and it will exempt all those shoes that cost $2.50 and under.

Now, that proposal sort of blew my mind because I did not realize we imported million of shoes that actually cost the dealers in this country less than $2.50.

Nonetheless, we were rhapsodic about that ITC decision because here was a group of people appointed by the President of the United States saying "You are dead right and we are going to limit for some period of time shoe imports in this country to 325 million pairs of shoes plus some percent of the increase in the market over the next few years."

All we were asking for was the same kind of relief as Harley Davidson asked for and received.

The ITC ruling went to the White House, and it lasted 30 days. The White House and the President vetoed what his International Trade Commission, his appointees, had unanimously agreed on. The U.S. industry came away with nothing, no relief whatever from the flood of imports.

Now, Mr. President, I listened to the junior Senator from Texas on television a moment ago. He is very articulate. He understands this issue and he made a very compelling argument. But, what can he say to these workers in the shoe industry who are losing their jobs.

The PRESIDING OFFICER. The Chair must point out the Senator has used his 5 minutes.

Mr. BUMPERS. Two minutes.

Mr. BAUCUS. Mr. President, I yield 2 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator may resume.

Mr. BUMPERS. Here is my point. We showed in that International Trade Commission hearing that our shoe industry is very competitive. You see, Korea and Taiwan and all those countries are importing the machinery with which they make shoes from the same countries we import them from—Germany, Sweden, and Japan. They are modernizing their plants just like we are.

But there is a difference. They are paying their workers anywhere from 50 cents an hour to $1.50 an hour. Even though some of the shoe plants of Arkansas make more shoes per man-hour than some of those cheap labor countries, we are losing market because we pay our workers $6 and $7 an hour.

The Senator from Texas calls those U.S. plants a bunch of losers. Are they losers when they are outproducing countries that are paying $1 an hour in wages?

Last year I went through about two or three shoe plants in my State. I have never seen people work as frenetically as they work. I do not see how they stand it 8 hours a day.

To call those people losers and to say they cannot compete—as Ambassador Yuetter says in this letter to me—and we are losing this competition fair and square. If that is the American people's idea of fairness, deliver me.

I feel very strongly about this because I have been to the ITC so many times and come away with so little.

Down in my State a few shoe factories are hanging on. But to tell my people, who are working and sweating and toiling 8 hours a day at a machine to outproduce people who are making one-fourth to one-third as much as they make, that they are losers, that is nonsense.

So I am going to vote against the Packwood amendment.

Mr. President, I yield the floor.

Mr. PACKWOOD. Mr. President, I yield 10 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mr. ADAMS. Mr. President, the issue which has been raised by the Packwood amendment is one of the most perplexing in the bill. Having practiced international law the last 7 years, I know that a great deal of our attention has been focused on injuries created by unfair trade practices. Section 201 lets us respond to injurious imports where there is no unfair trade practice involved. In addition, the GATT permits compensation for foreign nations against which a 201 action is taken. Such compensation can have serious negative implications for sectors of our economy which are exporting abroad.

I appreciate very much what the Finance Committee has attempted to do, and I know there was a great attempt to compromise this matter between giving executive branch flexibility in cases where the ITC recommends import relief and those cases where we want to be certain that the President acts. After all, if there is no unfair trade practice involved, it is reasonable—and I appreciate the committee's position—to consider national economic interest before implementing import relief.

On the other hand, though, we know that section 201 was sanctioned by GATT and is intended to be a mechanism to facilitate adjustment for troubled individual economic sectors to the competitive realities of the marketplace. So in that sense we are entitled to offer relief to those sectors that have suffered.

Ideally, section 201 can achieve that balance by being more than a method of relief. It should be effective in the adjustment area. Unfortunately, it has not functioned well. The bill takes a step in that direction. It does establish two new requirements pertaining to adjustment under section 201. First, the bill includes a requirement that any petitioner for import relief submit along with that petition for relief a plan to promote positive adjustment in that industry. I think that is necessary and it is important.

Second, the bill requires the ITC to seek commitments on a confidential basis from industry in order to assure the ability of the industry to compete with imports after relief ends or to adjust to the import competition through an orderly transfer of resources.

Mr. President, this is a new world of competition in which we are living. These new adjustment provisions are important and fundamental components of any new trade strategy. I strongly support them and will work to see that they are part of the bill which emerges from the conference committee. I recognize what members of the Finance Committee are trying to achieve in crafting this provision. They acknowledge that if industries are to develop plans for adjustment and make commitments to changes in their industry, then they are going to have to know that they stand a reasonable chance of having the recommendation of the International Trade Commission acted upon favorably by the President.

We might not be here today debating the issue of how much Presidential discretion be given were it not for the fact that the record has not been good in giving this adjustment relief. This administration simply has not tried to facilitate adjustment to international competition. In budget after budget, the Reagan administration has proposed termination of the trade adjustment assistance program. When they have granted import relief, as in the steel case, they failed to obtain adjustment commitments from management and labor in exchange for that relief. In yet other instances, they have been insensitive to the need to facilitate adjustment in troubled industries. When you give import relief, as this administration has done, and do not require that the period of import relief be used for adjustment to competitive realities, you are increasing and not diminishing the likelihood of more import relief and more protection in the future.

The Packwood amendment says "let's trust the President." The Finance Committee bill says "let's allow the President to change the recommendation of the ITC in only two instances—where national security is involved and where import relief would have a negative impact on a downstream industry."

Frankly, I favor a solution somewhere in the middle of these options. I do not believe we can afford to blindly trust any President in the future after witnessing the quadruppling of the U.S. trade deficit which we have seen over the past 6 years. At the same time, section 201 is the appropriate avenue for addressing the needs of industries which must adjust if they are to compete in international competition or make the transition to more competitive enterprises. We must make it work for this purpose.

I thought seriously about proposing a compromise between the Bensten position and the Packwood position regarding section 201. Such a compromise would have restored executive branch flexibility in changing the recommendation of the ITC, but would have transferred the authority to do so from the President to the USTR. It would have required that the USTR conduct a cost-benefit analysis of the effects of granting import relief under 201 to make sure that national interest is served if a recommendation for relief from the ITC is ultimately rejected. I am hopeful that when the House and Senate go to conference on this bill, they will consider such a compromise restoring additional discretion to the Executive through the USTR and still preserve the important adjustment concepts in the Senate bill.

Given the choice between the committee bill and the Packwood amendment, I will support the Packwood amendment because I believe that we should consider the national interest in relation to section 201 cases. But this vote will not be cast without sympathy for, and understanding of, the position of the Finance Committee in this matter and of the important concept they are trying to establish in law. In fact, before concluding this statement, I want to compliment the chairman of the Finance Committee, Senator BENSTEN, for his innovative approach to section 201 and his fine effort to turn this statute into a meaningful adjustment statute. Despite what I hope will be a defeat today, I believe he can retain the basic concept he has developed in the conference—and I think the country will be well served when he does.

I thank the ranking member, the Senator from Oregon, for granting me this time, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, I yield 5 minutes to the distinguished Senator from Iowa.

Mr. GRASSLEY. I thank the Senator from Texas, the distinguished chairman of the committee, for authorizing this time for me.

Mr. President, I rise in opposition to the Packwood amendment to section 201 of the Omnibus Trade Act. I do that because I come from an agricultural State. A lot of questions have been raised that unless this amendment is adopted, agriculture will be hurt. I do not believe it will be. I believe that this committee has done a very good job of striking a balance in which it realized that there may be situations in which the President should not automatically take action recommended by the ITC. Those two situations have been very much discussed here. We recognize that national security is a very important factor and it ought to be recognized for some leeway by the President, and of course serious injury to an industry consuming the product of the injured industry.

I agree with the committee on its decision, despite the fact that the industry will have to meet a higher standard than under current law.

The provisions of import relief may, because of U.S. obligations under the GATT, lead to demands for compensation by exporting countries or retaliation. However, and rightfully so, the committee did not provide the President authority to refuse to act on the ITC recommendation if he feared retaliation from abroad because that would only encourage threats of retaliation. In most cases, this fear is avoided through compensation or something substantially equivalent worked out by the President. As an example, the President can and has used orderly marketing agreements to promote an adjustment in a manner consistent with our international obligations.

In the amendment before us, this amendment to rewrite the 201 provisions of the bill, Senator PACKWOOD states that the factors to be taken into account by the President in making determinations happen to be some of the following, and I am only going to refer to one:

> The effects on the United States agricultural and other exports of any potential foreign retaliation that may be taken in response to the action and the impact on United States industries and firms as a consequence of any possible modification of duties or other import restrictions which may result from international obligations with respect to compensation.

That is from the amendment.

Of course, when I see something suggested about retaliation against American agriculture, obviously that is going to catch my eye. It is going to catch the eyes of a lot of Members of this body. Maybe that is why it was included in the amendment. I do not know. Anyway, it is there, and many of the speakers have addressed this issue: that surely if the President takes action under 201, where is retaliation going to come from? Probably, they would suggest, in an area that America is very competitive in and that we have very much at stake in, because a large share of our exports come from agriculture.

To me, this is clearly opposite the intent of the committee's decision not to provide the President authority to refuse to act if he feared retaliation. Clearly, it is spelled out in article XIX of the GATT, the right of a foreign country to seek compensation or retaliate. But for the authors of this amendment to spell out in language that agriculture may be the target of such retaliation, in my mind, spells out for each of our foreign trading partners to automatically use this stick against the United States. To my knowledge, to date we have not had retaliation because of a 201 case against agriculture. I am not willing to provide this stick to our trading partners.

If we look at the history of 201, I believe that a substantial portion of those cases have been resolved by orderly marketing agreement, compensation in a small amount paid in cases to Japan and Spain involving porcelain and steel cookware. A stainless steel case to my understanding had been withdrawn, and retaliation by Canada on red cedar shakes and shingles will obviously be worked out.

Mr. President, having been a member of the Finance Committee during the 99th Congress when this issue was first addressed in the 1986 trade bill—and, of course, now not a member of that committee but still very interested in this legislation—in tracking the hearings of the 1987 trade bill I have not heard strong objections to what the committee did on section 201 until now that the bill has been reported out. But now that the Packwood amendment has surfaced, it seems like everyone is coming out of the woodwork, people who have objections to the language of the legislation who previously did not seem to raise objections but are now doing it at this 11th hour. I think we have to question the reason for these groups coming out now when each of them had an opportunity to speak out in two successive Congresses and did not. This Finance Committee bill has had a fair hearing and the committee has seen fit based on what it heard to come out with a bill which is a strong bill and now being debated before us today.

So, Mr. President, I would recommend to my colleagues who might be fearful of action against agriculture if this bill is passed that maybe they ought to raise a question of why agriculture is very much pointed out in this amendment and I would suggest that there is no harm going to come to agriculture because no harm has come to agriculture so far in 201 cases.

Mr. President, I recommend that this amendment be rejected.

I yield the floor.

The **PRESIDING OFFICER**. Who yields time?

If neither side yields time, time will run equally against both sides.

Who yields time?

Mr. **BENTSEN**. I yield 2 minutes to the distinguished Senator from Pennsylvania.

The **PRESIDING OFFICER**. The Senator from Pennsylvania.

Mr. **HEINZ**. Mr. President, first, I commend the Senator from Iowa for his statement on this legislation, and I agree with virtually everything he has said.

One of the things that I am concerned about is what I might call some of the invitations that have been issued to foreign governments to talk about retaliation if the Senate works its will. And I do not know, Mr. President, about the offices of every Senator, but my impression is that recently all of us have been besieged with letters and requests for meetings by representatives of foreign governments and invariably they seem to want to talk about the trade bill generally to tell us in some excruciating detail what is wrong with it.

In case Senators were wondering what stimulated this sudden interest, I am happy to report the answer is now public, thanks to this Sunday's Washington Post. I submit the answer should come as little surprise to those of us who have been disappointed with the administration's trade policy for years, because it turns out it is the administration itself that is stimulating this surge of foreign lobbying.

As Stuart Auerback reported, Alan Holmer, USTR General Counsel, met with representatives of 15 of our major trading partners and told them that a few well-placed threats of retaliation from foreign governments would not be unhelpful to the White House's efforts, lobbying against this bill.

The article went on to quote a USTR official as saying that while the purpose of the meeting was not to persuade the foreign governments to lobby Congress, Mr. Holmer is not shy in pointing out to the diplomats provisions that their countries would probably find objectionable.

Leaving aside the question of the propriety of such a meeting, Mr. President, I would only comment that it comes as no surprise to find that the chief supporters of the administration's trade policies are foreign governments. They, after all, are the ones that have gained the most from those policies and have the most to lose if Congress passes a strong trade bill.

I would suggest, Mr. President, this ought to be useful information to our colleagues. If Japan, the most protectionist developed nation on Earth; the European Community, no slouch itself when it comes to import barriers, particularly on agriculture; and Canada, with whom we seem to have a growing number of trade disputes, are all against this bill, then perhaps the people it helps are the ones it is supposed to help, namely the Americans.

I might add it is a sad day, Mr. President, when the administration teams up with out protectionist competitors to fight a bill that is in our own country's interests. My only consolation is the hope that we in Congress will be smart enough to see what our real national interest is and vote accordingly.

Mr. President, I ask unanimous consent that the text of the article I referred to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 5, 1987]

OTHER COUNTRIES LOBBYING HILL: TRADE BILL ATTRACTS ATTENTION

(By Stuart Auerbach)

On June 12, Alan F. Holmer, one of the Reagan administration's chief strategists on trade legislation, invited diplomats from 15 of the nation's major trading partners to a meeting at his office across 17th Street from the Executive Office Building.

He assured them that President Reagan remained committed to free trade and would not accept protectionist legislation. He also provided insight into the administration's plans for fighting parts of the trade bill now under consideration by the Senate, and listed the five "must go" provisions that the White House wants thrown out.

Holmer also agreed, in answer to questions, that a few well-placed threats of retaliation from foreign governments "would not be helpful" to the White House's efforts, diplomats who were present at the meeting reported.

Foreign governments, which have been keeping an exceptionally close watch on the congressional trade debate all year, did not need much encouragement to brandish the threat of retaliation and to suggest that protectionist legislation could lead to a trade war.

Within weeks of the meeting with Holmer, foreign officials unleashed a new barrage of threats that trade wars and retaliation against American overseas sales would result from Senate passage of legislation tightening U.S. laws against unfair trade practices. Canadian Ambassador Alan Gotlieb, for instance, told a Washington conference organized by the American Stock Exchange that passage of the Senate trade bill would provoke "countervailing wars, dumping wars, which may be more serious than Star Wars before we are finished." He was referring to the Reagan administration's Strategic Defense Initiative, known as Star Wars.

And last week Willy de Clercq, external affairs minister of the 12-nation Economic Community, said in London, "If Congress legislates in a way that is harmful to our interests, then we shall be obliged to respond in kind."

Diplomats from Canada, the EC delegation to Washington and its member countries were present at the June 12 briefing. Among other nations represented were Japan, South Korea, Canada, Singapore, China and Australia, according to diplomats who were present.

Holmer, who is the general counsel in the Office of the U.S. Trade Representative, spends 80 percent of his time dealing with the trade bill. USTR officials said the foreign diplomats were invited to a meeting at their request, in much the same way that business and farm groups are briefed on administration trade policies and its plans to work with Congress on trade legislation.

"It was an effort by the administration to allay some of the worst rumors" floating around the diplomatic community, including one "that the administration was selling out altogether" on the president's free trade principles, said one diplomat.

"The purpose of the meeting was not to gin those guys up to lobby on the hill or to get them to say, 'We are going to retaliate,'" said a USTR official. Another official indicated that the USTR doesn't view foreign diplomats as the most effective trade lobbyists.

He acknowledged, however, that Holmer "is not shy in pointing out" to the diplomats "provisions that their countries would probably find objectionable. It's easy enough for them to draw their own conclusions."

Even without administration encouragement, foreign interest in the trade bill is running high, with the economic well-being of many nations depending on continued open access to the United States for their products. Latin and Caribbean members of the Organization of American States, for instance, held a special meeting here on the trade bill last month, and were encouraged by the similarity between their views and those of the Reagan administration on free trade. They asked Congress "to refrain from enacting any measures that would further increase restrictions on trade in the U.S. market."

"This concern is understandable," said U.S. Trade Representative Clayton K. Yeutter. He said his office has received at least six formal diplomatic notes on the trade bill from foreign governments and another one is expected from a large group of trade ministers.

The EC delegation here has organized an informal working group with its member nations that has held 10 meetings analyzing the trade bill. The group has developed a position paper that has been used by the ambassadors of the European nations in their meetings with administration officials and lawmakers. In addition, the European diplomats have divided up the responsibility of contacting senators' staff members who specialize in the trade issue.

Ambassadors from the five countries that make up the Association of Southeast Asian Nations (ASEAN) also have focused on trade issues, meeting with top administration officials and influential lawmakers to emphasize their concerns that import restrictions from the United States could devastate their fast-growing economies.

In addition, each of the countries has individual concerns about parts of the 1,000-page Senate bill that may not be on the front burner of the trade debate. Thai Ambassador Arsa Sarasin, for instance, has

been trying to get a provision out of the bill that would hurt Thailand's steel industry, which fabricates pipes for the U.S. markets from steel sheets made elsewhere.

Lobbying efforts by South Korean Ambassador Kyung-Won Kim against Senate moves to tie trade privileges to a peaceful transition to Democratic rule in his country received a major assist from events in Seoul, where the ruling party agreed to major political reforms under pressure of large street demonstrations. As a result, Sens. Edward M. Kennedy (D-Mass.) and Barbara Mikulski (D-Md.) are not likely to press their amendment to a vote.

Kim said he notified the senators in advance last week "that the government party was going to announce a package of reforms" and asked them to hold back their measure, which they did. The news of the reforms came Monday, the day before the Senate resumed its consideration of trade legislation.

China, which rarely gets actively involved in legislative issues here, has begun lobbying on the trade bill, with its diplomats opposing changes in laws that they fear could hurt their sales in the United States.

Capitol Hill lawmakers are used to the foreign lobbying efforts. "It shows that foreign countries have noticed that Congress is serious on trade," said Sen. Max Baucus (D-Mont.), a member of the Finance Committee who has been active on the bill.

Mr. BUMPERS. Mr. President, will the Senator yield me 1 minute?

Mr. BENTSEN. I yield a minute to the distinguished Senator from Arkansas.

Mr. BUMPERS. Mr. President, the issue we are debating here is how much discretion to give the President in ruling on petitions under section 201 of the trade remedy laws.

We would never be debating this issue if the President had been more evenhanded in his rulings on section 201 petitions over the past 6 years.

There is a strong feeling here in the Congress that this President has failed to enforce the current trade remedy laws.

Given this perception, what has happened here is quite predictable—proposals have been advanced to reduce the President's discretion to deny these petitions.

Both the committee language and the Packwood amendment provide procedural answers to a substantive problem.

I would think that under either the committee language or the Packwood amendment, this President could and would continue to deny legitimate petitions for relief under section 201.

If he certifies that providing relief would "endanger the national security" or "damage the economic security" of the country, who is going to challenge his certification? Is someone going to take the President to court? Is the Congress going to haul the President up here to ask him how he could have issued such a certification?

Of course not.

I doubt if the committee bill language will make any difference in the conduct of this President on trade matters. He's got enough maneuvering room under both standards to do what he wants to do.

We're dealing here with lawyers games and words.

What we need to deal with is attitudes. We need to deal with an attitude of indifference on the part of this President and this administration to the plight of American firms which are being destroyed by international competition.

But, we still are presented with this amendment as an alternative to the committee language.

In general I want the President to have discretion in trade policy matters. These are sensitive issues and the President has a broad view of the national economic interest. Trade issues are related to nontrade issues. A President needs room to maneuver.

But, this President uses his discretion to do nothing.

I have been a champion of the interests of the U.S. shoe industry for many years now and they have seen the share of imports rise from 30 percent of the U.S. market up to 82 percent of the U.S. market.

They have petitioned the President under section 201 and the President has denied their petition out of hand.

This is an insult. If there ever was a case that called for relief, the case of the U.S. shoe industry has to be near the top. Is 82 percent import penetration not enough to justify relief?

The President not only denies section 201 petitions. He doesn't negotiate forcefully in multilateral forum. He doesn't press our allies when they subsidize their domestic industries. He doesn't defend the legitimate economic interest of the United States.

So, what do we do?

I must oppose the Packwood amendment. I do not like restricting the President's discretion in this type of case, but this President has given us no functional alternative.

He has let the pot boil over until it is scalding our American workers.

He has abandoned American interests in favor of some ideological attachment to free trade.

He has made it impossible to address these issues on the merits. We are left with procedures.

But procedures can send a message. The message here is, "We no longer trust you to use your discretion to defend the legitimate interests of U.S. businesses and we are reducing your discretion in these decisions."

As I said, I am not optimistic that changing procedures and standards will make a difference. I think this President will continue to refuse to act even under the language in the committee bill.

But, at least the committee bill expresses the sentiment in Congress—it is time to act, Mr. President.

Mr. President, as I spoke earlier about the shoe industry and the import increase in the country, I forgot one salient point. Now I say the last time we appeared before the Trade Commission shoe imports were up to 67 percent. We asked it be held at that level. The ITC agreed. The President vetoed it.

Today, the shoe imports are 82 percent of all the shoes sold in this country.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that it be charged equally against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, I yield to the senior Senator from New Mexico for 10 minutes.

Mr. DOMENICI. Mr. President, first let me thank the distinguished Senator, the chairman of the committee, for yielding me 10 minutes.

Mr. President, a week ago, as I studied this section 201, I was undecided. For one who is not on the committee, I can tell the Senate I have spent a great deal of time and effort with this particular problem. I talked to as many people as I could about the various provisions.

Today, the Senate accepted basically two amendments of mine that are now a part of the underlying amendment to 201, which would be substantially modified by the Packwood amendment. With the acceptance of those two amendments, I am going to vote against the Packwood amendment and in favor of the 201 section as modified. I would like to to take a few moments to express to the Senate how I came down on that side.

First of all, I heard a number of people speak here today on America's future and America's competitiveness that do not agree with the way I am going to vote and have spoken about America's future in much the same terms that I would. Frankly, I do not vote for section 201 and am not a supporter of it because I truly believe the American economy is in shambles. I do not believe with those who think the Government has some magical cure. I just do not believe that.

I have looked at the broader figures and I am convinced that it would be much better if we did not have the big deficit as we enter this next 25 years in America's future. But we have, and we are going to overcome that and get on with the future.

I heard a number of my friends on this side speak of America's future being tied to innovation and new technology. I guarantee you, Mr. President, I am one of those firmly convinced that in the next 25 years we will see more basic knowledge evolve from the scientists in America than we have in all of history; not the last 100 years, all of history. I think our one serious gamble is that we will make the knowledge breakthroughs and we might not succeed in getting the applications in the marketplace.

So let no one have any doubts about my views. My views are we are on the threshold of a free world that has the capacity to expand substantially in terms of trade. And I am for far more trade rather than less. I believe the United States has its share of science and will continue to win most of those competitions for breakthroughs, be they in superconducting, mapping human genomes, all kinds of new things. I think those are going to happen. If we can see to it that we get our share of those applied to the marketplace, we are going to come out fine.

I also believe that tremendous strides in the service industries in terms of productivity are going to occur. I am not even one that thinks the service industry growth in America means inferior jobs for Americans. I have looked at that, and I do not believe that.

But, Mr. President, I think that section 201 has within it the potential not to thwart new industries and the budding innovative industries, as some have said, at the expense of old-fashioned industries. Not at all.

This bill and this section 201, if I read it right, No. 1, requires that a majority of a given industry join in the application. So we are not going to have five or six companies that are part of a major American industrial activity come in and get this relief. It is going to have to be a huge portion of the industry.

Then, second, they are going to go before the commission and they are going to say we want to become competitive and we acknowledge that we are not. And if there is one thing that is certain about international trade it is that we are not playing on an even playing field. And we have been willing to take that. We have been willing to assume that America plays its industrial game on a football field while some of our opponents may be playing racquetball and another group of our opponents might be playing tennis and we do not know quite how to referee that. They are all different rules.

But it seems to me that if a majority of an industry can go before a commission and do two things which are now required—with the addition of the amendment that was accepted today that I offered, not only must they prove injury but they also must prove to the satisfaction of the commission that they have a plan that will render them competitive.

Three years after that is put into effect the President can pull the plug. He can stop it from the beginning, if it is in the national security interest or if industries downstream from it are adversely affected. He could do that, in any event.

But during that first 3 years the way I understand it, this 60 percent of American industry will be operating under new rules. They have the opportunity to ask the commission to change institutional rules that have been barriers.

Mr. President, they even have the opportunity to ask that antitrust laws be waived under the game plan to give them an opportunity to become more productive.

Mr. President, I added one other amendment today that I really think is imperative. I think that plan that they offer must be public. In the original bill it was private and I had a genuine concern that perhaps the consumers' interest might be avoided and ignored to the sole and singular consideration of the industry that is trying to get itself more productive and competitive.

I am firmly convinced that there are not perfect solutions to this kind of problem in this great American industrial society. But I am far more convinced that if they have to put that plan out before the American public, as Chrysler Motors did when they sought our assistance, there is a far better chance that they will not avoid taking a good look at the real consequences to the American consumer from the standpoint of the probability of this industry becoming competitive and that would become the benefit to America: Retaining some of the jobs and becoming competitive.

I predict that if this becomes law—and I am sure when it goes to conference, with the President's opposition at this point, that they will take another look at some aspects of it—but I predict if it becomes law that the fact that they have to submit a public reorganization or positive enhancement plan will make certain that the public's consumer interest is protected. Because if, indeed, lack of productivity, exorbitantly high wages, or extremely low productivity and high unit costs are going to be the result of accepting their proposal they might do it once; they might do it twice; but it would not be the rule of the day because the people of this country, the political leaders of this country will find out about it and sooner or later they will act very realistically and those industries that really do not have a chance under this kind of plan will learn a lesson rather quickly. So long as we can take a good look, how are they going to become competitive? How are they going to lower their production costs? How are they going to reorganize, perhaps merge, perhpaps have one plant instead of three? Perhaps modernize so they can compete with those overseas by having to rebuild plants?

We will see the realism of the proposal in the full light of public opinion.

Mr. President, in addition it is obvious that in the formulation of this 201 approach to permit American industry—so long as it fits the definition we have described—to enhance their competitiveness there is an additional item I think it is worthy of noting. The remedies have been expanded so it is not only quotas and tariffs. There are other remedies that are allowed. In the Contra case they could have allowed some agreement between the countries that would have hurt no one. As a matter of fact, in that case even the fabricators downstream would have been for it, had we entered into an agreement on reducing production worldwide. No one would have been hurt.

So we have added to the remedies. We have put it all out in the open for the public to see it and view it. There is nothing that is perfect as we try to give American industry, in this very uneven playing field, an opportunity to get ahead and to succeed, but I think this deserves an opportunity to be tried. It might work. What we have got is not working.

I close by saying I have absolute confidence that we are going to compete in this world and that we are going to live in a very bright world in terms of its future. I want to make sure that in the meantime, where there is no real chance to compete, that we be given a chance to just see if a new institution might, indeed, provide that opportunity.

I yield the floor.

Mr. PACKWOOD. Mr. President, I yield 10 minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Mr. President, I thank the Senator from Oregon.

As I watch and listen to the arguments in behalf of the Finance Committee's 201 provisions, I myself am fundamentally disturbed by the attitude that is inherent within that proposition. Keep in mind that there is no claim made of unfairness in the 201 provision, only of injury, which may or may not be substantiated. It may be substantiated in one area; it may not be in another.

I listened to the Senator from Arkansas speak of how this was going to be of benefit to the shoe industry and

I read with interest a piece from the Chicago Tribune dated July 1 of this year, which says:

> U.S. shoe exports soar despite record imports.

What are we going to do for those involved in the manufacture of shoes for export when, as we have large shoe imports, it is clear that one of the easiest areas to retaliate in would be shoes? What are we going to do with the people in agriculture when the obvious, most easily retaliated against segment of the American economy is agriculture?

More important, why is it that we should, as a nation, make the assumption that absent any showing of unfairness, simply because you exist, you are entitled to the protection of your country regardless of what it may do to your fellow countrymen?

I find that a most peculiar argument and a most peculiar way for Americans, who have achieved the greatest standard of living in the world, achieved the greatest production in the world, achieved the greatest production of jobs in the world and the free world in the last 6 years—I find that a strange way for us to act as a country.

I have heard the argument of the distinguished chairman, with whom I work on so many areas in the Finance Committee, that a great country, ipso facto, takes care of an industry regardless of the consequences to American consumers, or to other segments of American industry.

Then, too, I muse on the labor standards provisions of section 301 which, by any stretch of the imagination, are not America applying its labor standards to other countries, because clearly if we were to apply those provisions and abide by them as they are in that section, we would not—I venture to challenge anybody—apply these standards to the Communist bloc, to the Iron Curtain countries.

Are we to say that there are no standards which apply behind the Iron Curtain? If we are, are we to say that as we apply them, only friends need bother to pay attention? Standards which say no forced labor could be used against us. We have prison labor in America. Perhaps it is not forced. It would be hard for us to make that case. But over and above that, we have a standard that is not described but only proscribed about minimum wage. We have a standard that is not described but only proscribed about child labor. We have a standard that is prescribed but only proscribed about the whole segment that is contained therein.

Like the 301 labor standards, these standards are not ones of fairness but of arbitrariness.

This is protectionism, despite the great words of other people. It has been described that way on the floor tonight one time, two times, three times, a dozen times. But it is protectionism not against unfair trade practices. It is protectionism against an event in which the United States finds itself with an industry unwilling or unable to compete even for a moment. And it is protectionism that takes from American consumers, because the President is no longer allowed to consider them. It is protection that takes from some American producers the ability to compete in world markets, absent any choice and ability of the President to make that judgment.

It simply says, "Show me injury and I will show you protection, regardless of consequences, regardless of circumstances, regardless of what it may do to the poor of America, regardless of what it may do to other industries of America who may be dependent upon those imports."

The same plea says that, "We as a nation are going to allow you not to have to compete."

We have some brave words in there about how it may be that you have to show your ability down the road to do better, and that time is needed for you to do that. But I think anybody who knows the political circumstances of this country would know precisely that those are events which are not going to happen.

The PRESIDING OFFICER (Mr. ADAMS). The time of the Senator has expired.

Mr. PACKWOOD. I yield 1 additional minute.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. WALLOP. I thank the Senator from Oregon.

I guess my problem in all of this 201 section is that as a competing country which has been producing jobs and which has been, despite all the contrary comments of everybody, producing jobs more in the middle class than in the lower class—we have not turned into a nation of people selling hamburgers to each other—that all of a sudden we are saying to some American industries regardless of their consequences to other American industries and American consumers, "You are entitled to this protection."

I do not believe that is the way this country ought to proceed, and I believe that other countries viewing us as a trading partner will take action under GATT, to which they are entitled, to specifically target those things which we export most comfortably, most freely and most competitively now. That is shortsighted and in the long run very damaging to the U.S. economy.

Mr. President, I thank the Senator from Oregon.

Mr. BENTSEN. Mr. President, I yield 3 minutes to the Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MITCHELL. Mr. President, I oppose the amendment of the Senator from Oregon.

The Senate Finance Committee considered this matter in detail. We concluded that the escape clause under section 201, which provides domestic industries with a period of relief from import competition, was in need of reform.

After careful and thorough consideration, the Finance Committee developed a balanced proposal which imposes greater burdens on domestic industries to qualify for import relief in return for greater certainty of relief if they meet that higher burden.

The amendment would gut those provisions. It would give the President the same latitude he now has to ignore the law, while imposing greater burdens on industry to receive a favorable recommendation from the ITC. The amendment would amount to a unilateral repeal by the United States of its rights under article 19 of the GATT to provide temporary relief to domestic industries from increasing imports.

The Finance Committee bill would impose greater burdens on petitioning industries to obtain relief. If the President retains total discretion—as proposed in this amendment—the statute will simply be meaningless. There will be no incentive for industries to undertake the greater burdens to get a favorable ruling from the ITC. There will be, rather, every incentive not to do so.

Section 201 of our trade laws has already fallen into disuse because the expense of going through the process is now outweighed by the likelihood that the President will deny meaningful relief.

The General Accounting Office recently took a look at the track record of section 201. The GAO looked at the period from 1975 through January 1987. It found that there has been a significant decline in the number of petitions in recent years. From 1975 to 1980, 44 petitions were filed. However, since 1981—in spite of the most rapid growth in our trade deficit in history—only 16 cases have been filed. Last year, in 1986, only one case was filed under section 201. That was in January. No cases are now pending. There have been no section 201 petitions in more than 19 months.

Why has there been such a decline in the number of 201 cases? Because the likelihood of meaningful relief under this administration is so low. Escape clause relief is specifically provided for under article 19 of the GATT. All of our trading partners have similar protections in their laws. The difference is that they use the escape clause to defend their industries, while we have, in effect, unilaterally surrendered our right to do so.

There is a great deal of misinformation about the escape clause under section 201. Many assume that it simply protects dying industries—that it throws up a protectionist barrier to imports at great cost to consumers. That is incorrect.

The GATT specifically provides for an escape clause for industries facing serious injury from an increase in imports. The intent is to give an industry time to adjust to increased imports, to make the necessary investments and changes in its operations to become more competitive.

In the last 6 years this Nation has experienced the most rapid transformation in its international trade accounts in history. The United States has gone from a current account surplus as recently as 1981, to a current account deficit of more than $140 billion last year. Imports have increased almost 50 percent over that period while exports have actually declined.

No one suggests that this transformation was caused by the sudden uncompetitiveness of U.S. industry and their workers.

It is more likely that a whole host of external factors have combined to undermine our trade position.

Industries which invested heavily, streamlined their production, and cut costs to operate efficiently have nevertheless been injured by fairly traded imports which have indirectly benefited from the imbalances in the American economy.

That is exactly what has occurred in this decade. This Nation has run record budget deficits, which pushed up interest rates, sending the dollar soaring, while commodity prices crashed and the Third World labored under a mountain of foreign debt.

These external conditions—manifested most directly in the soaring dollar—greatly handicapped the American economy, making our industries far more vulnerable to import penetration. Plants have closed. Millions of workers have lost their jobs. Not because they could not compete against fair trade. Not because they were dying industries with no future. But rather because the massive imbalance in our fiscal policies imposed insurmountable burdens on their business operations.

That is the kind of situation contemplated when the escape clause was made a part of the GATT. It is appropriate under international law, and it is economically efficient, to provide for a temporary period of protection to enable domestic industry time to adjust to increased imports.

During this period of fundamental change in our international accounts, section 201 should have operated to give competitive U.S. industries a spell of relief against the surge of fairly traded imports.

But that did not occur. Instead, under this administration, section 201 has become a dead letter. It is a statute which no longer fulfills its purpose because the prospect of relief is so remote as to be meaningless.

American industry learned a lesson in 1985 when domestic shoe manufacturers petitioned the ITC for relief from a surge in imports that began in 1982. In just a 4-year period, as the dollar soared in value and debt-ridden nations manipulated their economies to restrict imports and promote exports, the shoe industry lost most of its domestic market. Imports increased their market share by more than 50 percent.

As imports flooded into the United States, the domestic shoe manufacturing industry rapidly retrenched, closing hundreds of factories and reducing employment by almost 40 percent.

By 1985, imports claimed three-quarters of the domestic market and the International Trade Commission unanimously found that the industry was injured by imports.

But the President rejected the ITC recommendation out of hand, as he is permitted to do under current law. The consequence of that action went far beyond the shoe industry. Almost every other industry, viewing the costs involved and estimating the likelihood of relief, has decided that section 201 is no longer a viable alternative.

Now, I know there has been four petitions before the ITC following the decision by the President in the footwear case. But at least three of those, and maybe all four, were in the progress of being prepared before the shoe decision was announced. As I noted above, in 1986 only one industry came before the ITC for relief under section 201. No petitions have been filed within the last 19 months.

Few American industries, regardless of their competitiveness, can afford to go through the long and costly process before the International Trade Commission with the almost certain result that the President will deny relief.

So now we have a situation where we have a law on the books—a law which every other trading nation also has and utilizes because it is specifically authorized under the GATT—but which in this country has become virtually meaningless. The intent of Congress in passing the law is not being carried out. Congress has been frustrated by an administration that will not stand up for American industry and American workers.

The Finance Committee studied this situation and concluded that a number of changes were necessary in section 201 to place greater emphasis on adjusting to competition and to insure congressional intent will be carried out.

I want to go over exactly what is in this legislation because I have heard and read a lot of criticism in the last few days which is inaccurate. There is a misconception that the Finance Committee bill would force the President to provide import relief to delay the inevitable decline of failing industries. That is incorrect.

The Finance Committee decided section 201 should be oriented more toward encouraging domestic industry to make the positive adjustments that are needed to meet international competition. The bill would thus transform section 201 into a mechanism to encourage industrial advances to increase U.S. international competitiveness.

The bill makes it more difficult for domestic industries to receive import relief because industries will now be required to show how they will make a positive adjustment to imports and that they can, in fact, be competitive.

In return for an industry committing to undertake serious efforts to make a positive adjustment, the Finance Committee bill would limit Presidential discretion to deny the relief recommended by the ITC. The President would be required to take the actions recommended by the ITC, or substantially equivalent action, unless he determines that such action would endanger the national security of the United States or injure another domestic industry.

Once import relief is put in place the President would then have the discretion to modify the relief after 3 years if he determines the domestic industry and its workers have not made an adequate effort to make a positive adjustment.

These are tough provisions which make it more difficult for American industries to receive import relief under section 201. In this bill, the Finance Committee would turn the escape clause into a mechanism to promote the competitiveness of U.S. industry.

The Senator from Oregon's amendment appears reasonable on its face. It would restore Presidential discretion in escape clause cases by permitting him to take into account the "national economic interest" of the United States. The President could consider such factors as the effect on domestic industries that consume the imported product, the effect on consumers in general, and the effect of potential retaliation on U.S. agricultural and other export industries.

The question has been posed: How can one object to the President acting in the economic interest of the Nation before granting relief under section 201?

Well, it is not that simple. The "national economic interest" test is really no standard at all. Under this test, which is in current law, the President can deny relief for any reason or for no reason at all. The President's discretion is absolute. That effect is to permit the President to ignore the statute. And that is what has happened in the past.

The Finance Committee is saying in this bill, that if an industry can prove it is being seriously injured by imports; if it can then demonstrate to the satisfaction of the ITC that it is committed to positive adjustment which will make the industry competitive against imports; then, it is per se in the economic interest of this Nation to provide temporary relief. It is unnecessary for the President to further review the issue.

Now, under normal conditions, I will grant that it would be preferable to preserve that discretion with the President. But, our recent experience has been that such discretion will be abused; that the intent of Congress will be frustrated; that the escape clause will not be used as designed to help U.S. industries through a temporary adjustment period.

Mr. President, this is sound, thoughtful legislation. It does not warrant the comments that have been made about it during this debate. It is intended to ensure that American industries which can objectively demonstrate that they can be competitive and that they will make the adjustments to be competitive will receive the temporary relief Congress intended when it enacted section 201. That is not now the case, and without this the United States unilaterally surrenders a right that was contemplated by GATT, authorized under GATT, and which every country with which we now trade has enforced and implements to our detriment.

I thank the Chair. I thank my distinguished chairman. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BENTSEN. I yield to the distinguished Senator from Missouri——

Mr. DANFORTH. How much time do we have, Mr. President?

The PRESIDING OFFICER. Thirteen minutes.

Mr. BENTSEN. Thirteen minutes.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, I am a politician, and I speak to my fellow Senators as politicians. I ask them just one fundamental question. It is a question that has been raised by Senator PACKWOOD and Senator GRAMM and Senator WALLOP. The question is this: If a beleaguered industry, an industry that has been ravaged by trade problems, comes to the Government of the United States and says, "We have a problem. We want help," what is the response that we politicians give? When constituents come to us and say to us, "We are losing our jobs; our factories are closing; our small towns are closing down," how, Mr. President, do we respond to them? Do we respond as suggested by the Senator from Oregon or the Senator from Wyoming: "Well, other people are getting jobs. Other parts of the country out on the west coast are doing well. Vote with your feet." Is that what we say? Do we say to American workers, as Governor Lamm in Colorado said to the elderly, "Let them fall as leaves from the trees."

Is that the response that we give to real constituents who are having real problems? Of course it is not. Politicians do not say to constituents, "Drop dead." Politicians do not say to constituents, "I'm sorry; we don't care about you; people in Oregon are getting jobs." We do not say that in Illinois. We do not say that in Missouri. We do not say that in Texas or Pennsylvania. We do not say "Drop dead." That is unthinkable for a politician. You point a person in some direction, in one direction or another. That is what this bill and what this debate is all about.

There has been, at least in theory, a direction available in which to point your constituents, in which to point trade-damaged constituents. It has been the so-called escape clause. It is a provision of law. The Senator from Wyoming said that in his opinion it was peculiar that we had a section 201 in the laws of this country.

Mr. President, it is not peculiar at all. Section 201 is nothing new. It is nothing new in this bill.

Mr. WALLOP. Will the Senator yield for a minute?

Mr. DANFORTH. I would hope not because I only have about 11 minutes.

Mr. WALLOP. I will only say I did not say it was peculiar we had a section 201, only that we had a new section 201.

Mr. DANFORTH. Mr. President, section 201 has been in the statutes since 1974. Its predecessor has been in the law since at least 1962. It is not a new provision. It is not exotic. It is not peculiar. It is not fantastic that we have it. It is provided for under the General Agreement on Tariffs and Trade.

Article XIX of the General Agreement on Tariffs and Trade provides expressly for import relief under certain circumstances. By international agreement, we have provided for import relief. Every country has it. Every country does it. They negotiated for it under GATT. Every country has it. But so far as the United States is concerned, section 201 of the Trade Act has become a dead-end street.

That is the lesson of the shoe case, a case that was won before the International Trade Commission by a unanimous vote, a unanimous finding of injury. It went to the President of the United States, and absolutely nothing happened.

Mr. President, I am not here to relitigate the shoe case. That is over. If anyone thinks that the American shoe industry is going to waste its time bringing another 201 case no matter what we did, they are greatly mistaken. The shoe industry is dying. Oh, there is a remnant, maybe a little niche—very high-cost shoes—but 80 percent of the shoe industry in this country is gone. It is not going to file another 201 case, no matter what we do.

The point is that the shoe case was a lesson that section 201 as it is presently constituted has no future and that it is a waste of time to file 201 cases. It is absolutely pointless.

So, Mr. President, when there is no generic relief available under some legal system negotiated under international law, what do our constituents do then? Do they say: "Oh, well, okay, fine. So the United States does not have an Escape Clause. Well, we understand it's politics."

No, they come to us anyhow and they say: "We want Congress to act. We want specific congressional relief. We want Congress to do something. This is political."

Mr. President, that is precisely what has happened. The press has written over and over again about the deluge of protectionist bills that have been filed in Congress. They have not been generic bills. They have been product-specific protectionist bills.

Why is that? Why do constituents come to us? Because we cannot say, "Go to the International Trade Commission." We cannot say, "Utilize the General Agreement on Tariffs and Trade." They are gone. So, instead, what we do is dutifully introduce our bills.

I will tell you what is wrong with the Packwood amendment. What is wrong is something totally unintended by the Senator from Oregon. What is wrong with his amendment is that it would have the unintended effect of, in fact, being protectionist, because the Packwood amendment would make section 201 of the Trade Act of 1974 even more a dead-end street than it is now.

What we intended to do in the Finance Committee is to restore the viability of section 201. What we intended to do is restore the viability of section 201 by making relief more difficult to get by raising the hurdles that industries have to cross in order to get 201 relief. But once they crossed those hurdles, once they made the entry test, then we said that relief should be much more likely than it is today. That was the tradeoff in the bill.

What the Packwood amendment says is that the initial hurdles are going to be kept in place that are in the Finance Committee bill. The barriers to getting relief are going to be kept up as in the Finance Committee bill. But once an industry clears those barriers, once an industry shows that it can put itself on its feet, then we are going to give absolute discretion to the President.

Mr. President, only a fool would use the Escape Clause if the Packwood amendment is adopted. Therefore, the effect of the Packwood amendment inevitably is going to be even more political pressure on those of us who are politicians to introduce and to vote for even more product-specific legislation.

Now, what does the Finance Committee bill do? The Finance Committee bill says that if an industry is injured and, further—and this is not in the present law—if an industry has a plan of adjustment which offers reasonable hope that it can put itself back on its feet, then the ITC recommends relief, and there is greater certainty that that relief in fact will be granted by the President. Not total certainty.

The President still has some outs. He has some outs if a domestic user downstream is hurt. He has some outs if national security is affected. And, frankly, as I pointed out, the President of the United States can simply stonewall any action if he can convince one third of one House of Congress to agree. We say that we expect him to act. We say that the President shall act.

If Senators or their staffs will simply turn to page 74 of the bill on our desks and look at line 15 and following in section 74, there is express reference to the Joint Resolution process if the President simply refuses to do anything.

So it is not absolutely, totally inflexible so far as the President is concerned.

Mr. President, how much time do I have?

The **PRESIDING OFFICER**. The Senator has 2 minutes and 45 seconds.

Mr. **DANFORTH**. Mr. President, I am going to make one other point, and it is this:

The Packwood amendment invites retaliation by other countries; and for that reason, if for no other reason, this amendment should be defeated. It provides that the President need not act; that the President should take into consideration in making his decision—and I am reading on page 2 of the amendment—the effects on U.S. agriculture and other exports of any potential foreign retaliation that may be taken in response to the action.

In other words, this would build into American law a strategy for foreign countries to follow. It would build into the structure of our trade law an invitation to foreign countries that threaten retaliation against the United States if we used escape clause relief.

It would say to foreign countries—and it spells out agriculture; it highlights it; it is as though a bull's eye were put on the word "agriculture"—"If you, whatever country you are, threaten retaliation against the United States, if you threaten American agriculture with retaliation, good for you. That is something which our President will consider."

Mr. President, I asked the Senate: Can any Senator recall any case, in any law ever passed by the Congress of the United States, where the Congress of the United States has said to another country, "Threaten retaliation against us"?

Have we ever in history led with our chins to the extent that the Packwood amendment would have us lead with our chins? I think the answer to that question is "No."

Mr. President, the bill in its present form would restore some credibility to American trade law. I would hope that the Senate would reject the Packwood amendment.

Mr. **REID**. Mr. President, I rise in opposition to the Packwood amendment. Before I explain my reasons for opposing his amendment, I want to publicly commend the fine work Senator PACKWOOD has done in assisting the chairman of the Senate Finance Committee to usher a bill through this Chamber. His expertise in the trade area is profound and he is widely regarded, and rightly so, as a leading national authority in this area. Having said that, I must respectfully oppose his amendment to title II of the omnibus trade bill.

I believe the changes S. 1420 makes to section 201 of the Trade Act of 1974 are right on target. On too many occasions industries have applied to the International Trade Commission for a determination of injury, have gained such a determination only to have relief denied by the President. Section 201, instead of becoming the main vehicle for import relief as originally intended, has fallen into general disfavor. Presidential discretion needs to be reduced.

It is not as though the ITC is composed of a bunch of inexperienced people. They are the President's men. Injury determination under section 201 is an extremely rigorous standard. Of the 60 cases that have come before the ITC, only 30 have been found to have been suffering injury under the provisions of section 201. The prohibitive cost—averaging $400,000 per case—at an even bet of gaining relief, are odds most industries do not care to risk. Only industries that feel they have a rock-solid case of import injury will apply to the ITC for section 201 relief.

Yet despite the rigorous scrutiny the ITC applies to any petition for relief, and despite the cost to the petitioning industry, the President is not likely to grant relief of any sort. In only half the cases where injury has been found by the ITC has a President granted relief. I submit this is a dismal track record.

Case in point. The copper industry petitioned the ITC for relief under section 201 in 1978. All economic evidence indicated the industry was suffering from the effects of competition from imports. For instance, in 1976 there was a 450,000 ton increase in copper consumption over the 1975 level. In 1 year, the ratio of imports to domestic production increased from 8 to 20 percent. By 1978, the ratio reached 27 percent, a threefold increase in just 3 years. In the eyes of the ITC, injury was clear and a quota on imports was recommended to provide relief. However, the President ruled against relief.

Again in 1984, the copper industry applied for relief and again the ITC decided in favor of the industry. Two members of the Commission finding in favor of the copper industry stated:

> In the earlier copper investigation, the Commission found that increased imports were a substantial cause of serious injury to the domestic industry. The depressed conditions affecting the industry at the time are comparable to the conditions experienced by the industry today.

In other words, the ITC documented an 11-year decline of the copper industry due largely to injury from imports. Again, the President ruled no relief.

In two different cases, two different Presidents denied relief to an industry found to have suffered injury under the rigorous standards of section 201. In both cases, the real damage done to an important domestic industry was overlooked in favor of possible damage to vaguely defined economic interests. Moreover, in the 1978 case, the Presidential prediction of an industry on the rebound proved to be completely inaccurate.

The changes included in S. 1420 will not open a floodgate of applications to the ITC. Industries will still be required to go to great lengths and expense to show injury. In addition, the petitioning industry will also have to develop a plan to promote positive adjustment to import competition. The ITC will still be a hard nut to crack and the President will still have a loophole a mile wide: The national security interest.

We have all seen plenty of evidence the past few months showing what sort of policy can result from the exploitation of even the smallest loophole. By this standard, the national security interest will provide plenty of leeway for any President who feels that that action is appropriate.

We must consider what role the ITC should play in 201 cases. The ITC was not established in order to serve as a

$400,000 stepping stone to the President and his staff. Rather, the ITC, composed of Presidential appointees who presumably have similar economic views as the sitting President, was established as the main decisionmaking body in 201 cases. The President was provided with discretionary power to recommend relief, but surely no one envisioned the President would recommend relief in less than half the cases where injury was found.

I understand the desire within this body to protect the President's freedom of action. But I see no such concern expressed over the limit of Presidential discretion in antidumping/countervailing duty cases. Industries will not even bother to appear before the ITC any more, knowing the likelihood of relief is slim. Rather, realizing half a loaf is better than no loaf, they apply for types of relief where the injury standard is much less severe than the one found under section 201 and where the President has no discretion.

Gaining relief under section 201 is considered a lost cause in many quarters because Presidential discretion plays such a key role. Reducing Presidential discretion, will make section 201 relief the main import relief provisions it was intended to be. I urge my colleagues to oppose the Packwood amendment.

Mr. WARNER. Mr. President, I rise in support of the amendment sponsored by Senator Packwood.

I believe the core issue here, as it is in another legislative area before the Senate in which I have no small interest, is an institutional one. When do the ropes by which we bind the executive's hands begin to inhibit the process of government?

As my good friend from Washington said earlier in the debate, our system of government is unlike any other in the free world. To say our Government does not respond to the trade situation like any other is not a comment on our trade policy, as it is an acknowledgment of that difference. Our systems posits a balance between the legislative and the executive to achieve responsive, yet responsible Government. Congress with its local and regional concerns quite properly balance off the President with his broad national mandate.

The section 201 provisions now in the bill seek to limit the President's discretionary activity in many of the cases that will come before him to that of rubber stamping the recommendations of the bureaucracy, not withstanding any negative effects that would have on consumers or industries which would subsequently be vulnerable to legal foreign retaliation. That is wrong. That is shortsighted.

We have heard a litany of woes about the lack of forceful activity of this administration concerning section 201 cases that has, for many, driven the momentum behind this provision. But, just who is this change in the 201 provision meant to apply to? Certainly not Ronald Reagan. By the time this law takes effect President Reagan will be former President Reagan. This law will restrict and bind a President who will have trade policies at which we can only guess.

Rejection of this amendment will be the sharp end of the wedge of protectionism. It will allow the welfare of a few an absolute ascendancy over the welfare of the Nation.

Mr. SPECTER. I am opposed to the Packwood amendment because the record is clear that the executive branch, in this administration and before, has in my judgment, inappropriately sacrificed U.S. industry and U.S. jobs for foreign policy considerations.

The action of the President in September 1984 was illustrative when the ITC was overruled on its decision favoring the steel industry. The President's action permitted foreign steel imports costing the jobs of thousands of steelworkers.

Such foreign imports have contributed significantly to the unfavorable trade balance and have substantially injured many U.S. industries. The bill's provisions, without the Packwood amendment, present a balanced approach to this important issue.

The ITC is in a good position to consider all the relevant factors and to see that justice is done.

Mr. LEAHY. Mr. President, I rise to support the provisions of the omnibus trade legislation reported by the Senate Finance Committee concerning section 201 of the Trade Act of 1974.

Section 201 gives the Government authority to grant temporary relief to industries which are seriously injured by fairly priced imports. This important law established a process of investigation and review by the International Trade Commission [ITC] to determine injury and make recommendations for remedies. Under current law, it is up to the President whether to implement the ITC's recommendations. There are no deadlines; no requirements at all for Presidential action.

Section 201 import relief is recognized by the General Agreement on Tariffs and Trade [GATT], as legitimate means of permitting a domestic industry to increase its competitiveness. Usually, this remedy takes the form of temporary quotas or tariffs, During the brief period of import relief provided, industries are given an opportunity to retool, modernize and adjust to international competition.

Mr. President, under the section 201 provisions of the trade bill, the President may deny import relief to an industry if the national security is threatened or if another industry which consumes the products of the protected industry would be injured. These provisions give the President a measure of flexibility in turning down ITC recommendations for import relief. I hope the conferees on the trade bill will work to give the President a bit more flexibility in making the decision to provide or not to provide import relief.

However, Senator PACKWOOD'S amendment goes too far. The Packwood amendment would permit the President to deny import relief recommended by the ITC if first, national security is threatened; second, a consuming industry would be injured or; third, if the national economic interest would be threatened by the import relief.

All of us believe that the national economic interest must be served by the section 201 process. However, the Packwood amendment gives the President carte blanche authority to turn down ITC recommendations for import relief. That, if effect, would leave ITC proceedings in the same quagmire they are in now. Troubled industries invest a great deal in difficult ITC proceedings, only to find that the President can summarily turn them down even after they have convinced a majority of the ITC members of the merits of their petition for import relief.

In the last 12 years, the ITC recommended import relief in 32 cases. And, in more than two-thirds of the cases, the President turned down those recommendations. The process is not working. While other nations have effective policies permitting temporary import relief and adjustment, the U.S. system now requires troubled industries to jump through countless hoops with no assurance that they will receive import relief at the end of the road.

I applaud Senator BENTSEN for the compromise he wrought on section 201 in the omnibus trade bill. In return for greater assurance that import relief will be provided once it is cleared by the ITC, the trade bill makes the ITC process even more rigorous for troubled firms. In order to gain a recommendation for import relief, an industry must present the ITC with a plan for becoming more competitive during the period of relief. That plan will encourage U.S. industries to make constructive use of the adjustment period. Protection will not be granted by the ITC without real assurance that the industry has a workable game plan to make an economic comeback.

Mr. President, the section 201 provisions of the trade bill do provide the President some flexibility. The President may modify the ITC's recommendation for relief, as long as he provides relief of an equal value. If the President believes a quota might encourage retaliation, he can substitute a tariff and vice versa.

Finally, I share the concern of many, including those in the farm community, that increased import relief might prompt retaliation by our trading partners or calls for compensation. U.S. agriculture, it is feared, would be a prime target of retaliation. This problem must be addressed in conference. American farmers should not be asked to sacrifice time after time in our trading relations.

I urge the conferees to provide the President the maximum flexibility possible, while still strengthening the current 201 process. The Packwood amendment, however, goes too far. I urge my colleagues to defeat it.

Mr. PACKWOOD. Mr. President, I do not know where to start. I really do not.

We have heard about positive adjustment plan and a PAP for short is what we are hearing in arguments. We are not changing much of the bill. The positive adjustment plan is still in there in my amendment. The escape clause is not changed by my amendment. They say every nation can use the escape clause to get out when some bereft industry is about to tremble in its boots and die. It is still there. The President can still do it.

We have done it in a number of 201 cases. The President has only had six 201 cases come to him since he has been President. In four of them, he has granted the relief or equivalent relief that the International Trade Commission recommended.

All we are saying in this amendment is that the President should consider one additional thing, the good of the country. Is that asking too much?

The Senator from Missouri says what politician is going to say "Well, tough luck. Fall from the trees like leaves. Good-bye. Jobs gone."

What we do not want to say and what we do not want to write is a bill that says "My granddaddy worked in the textile mill in Worcester and my daddy and my sister and I are working there and I want my son and daughter to work in the textile mill in Worcester."

The only thing, Mr. President, worthwhile that keeps the economy going is change. Do people vote with their feet? You bet they do.

I ask the Senator from Missouri, where was it that the President, the Senator from Missouri and I went that day while campaigning? Wasn't it Ashland?

Mr. DANFORTH. I think it was the center of the world.

Mr. PACKWOOD. Center of the world. We went to Ashland, a little rural community, when he was first running for the Senate. We put in a PAP dedicating this town center, whatever it was center of at least Missouri, but probably the world.

On occasion people leave Ashland and go to some other town in Missouri to work. On occasion people leave Oregon and go to California to work. I hate to say that but they do because there are better job opportunities hither and yon.

Do any one of us come from the State where the Governor and the legislature is not doing everything they can to try to steal some industry from some other State, promise them free bonds and lands, give them tax rebates, get them to leave Missouri and come to Wyoming.

If Senator WALLOP can get them as far as Wyoming, we will try to steal them all the way to Oregon.

We are all trying to compete. We are all trying to offer the best deal. You bet.

And throughout the world they are trying to offer the best deal. Come to Bangladesh and make your shirts. You can make them better there, cheaper there than you can make them in Worcester, MA. Then Worcester throws up their hands and says "My God, they are going to Bangladesh." And what does Worcester do? They build electronic plants that Bangladesh does not have the capital or educational backgrounds to run, and people make more money in Worcester than they ever would make if they stayed in the textile mills.

Why on Earth is this country crying? Take a look. We are absolutely a job-creating machine. Germany and the common market have not created a job in 30 years. They have the same employment now that they had in the mid-1950's. They have higher unemployment with the exception of Japan than we do, higher rates of inflation with the exception of Japan than we do.

We have created more jobs in the last 5 years than Germany and Japan put together by twice. And we are complaining about industries that cannot make it.

I got a kick out of what my friend Senator BAUCUS stated when he asked what happens when sudden fair competition, comes upon you? Sudden textiles? We have had the multifiber agreement I think since 1970. They had 17 years to adjust. They are still quite profitable today, doing better than many industries. But they are moaning and groaning, complaining all the way to the bank. Waiting for some kind of 201 to bind them in and guarantee them a better position.

It didn't happen suddenly. The textile industry has been facing this problem for years. It also applies to shoes. We did not suddenly find that Taiwan started importing hides and making shoes.

The Senator and I can remember 6 or 7 years ago the argument on hide exports. We discovered that Brazil, another country, was taking lots of hides from the United States. What did we think they were going to do with those hides? They were not going to make wine botas out of them. They were making shoes out of them. They had to amass money and build factories and this did not surprise us.

And take steel. Of all the industries that have had a chance and time to form a positive adjustment plan, it is steel.

I will quote what the consultant Harold Malgram, said when I called him the other day. I heard him speak 2 months ago now at a trade conference in Williamsburg. He represents a large Japanese combine. The combine is still in steel and automobiles. He had been to a Japanese intracompany conference and one company was debating where they were going to be in the year 2000. Where they were going to be was this—they would be out of steel. I do not mean manufacturing it in Brazil. I mean out of steel. And they were going to build all of their automobiles for the North America market in the United States. I bet you they may build it someplace other than Michigan. They might even build it, Heaven forbid, in Tennessee or maybe Missouri. And people would have to maybe leave Detroit and go South a bit to work with the automobile plants in Tennessee or Missouri or Marysville, OH.

That is the way the businesses ought to be thinking, and we can think better than any government on Earth.

You look at Russia trying to change its economic system now, trying to move toward our market system. They will not come close within 50 years. They are trying to move ahead. Perhaps we need a little bit of managerial discretion and opportunity, if the manager says, "Look, folks, we all work a little bit harder and make a lot of blue cloth and not so much white, we will sell more blue cloth and have more money."

We have industry after industry that wants to come to Congress, the International Trade Commission or to the President and say, "give us protection against something we have seen coming for 10 years, 15 years, 20 years." Where is the planning in this country of a major industry that says we are going to be out of steel?

I did not add what Mr. Malgram said they are goint to go into. The principal one they are looking at now is ceramics. We all know it. We see people attempting to use it now in terms of superconductivity. We see people toying with the alternative to steel in cars. It is coming. Whether 2, 3, or 5 years, it is coming. Are we prepared for it?

Our businesses are moving toward it. Our best ones, the ones not asking for protection, the ones saying, "You bet we can make it," the ones saying maybe I will locate my plant in Tennessee instead of Michigan and maybe move to Oregon instead of Wyoming.

They say:

> I am going to pick up and follow this wandering star until I can settle down in some place where I can make the most for my money.

Last year we passed a tax reform bill and we got rid of many tax shelters. We got rid of things where people put up money in the hopes of getting tax writeoffs. They did not care if the investment makes any money. As long as they got their writeoff. And we said no, we are going to get rid of that and henceforth when you invest in a project you are supposed to do it for the purpose of making money. Heaven forbid that in a capitalist society we would have to repeat every so often now we are seeing companies on occasion move for the sake of making money.

But if we just keep doing what we have done for the last 5, 6, or 7 years, we do not need to worry. The jobs that are being created are darn good jobs. These are not hamburger flipping, minimum wage jobs. And the jobs we are creating we are creating in quantity.

Senators in this body have seen the headlines in the last 6 months, stating that the worker shortage is coming. It is coming. I will not say which of our fellow Senators said it, but jokingly he said to me one day, "If I run for President in 1988, I will make this promise. I promise unemployment will go down in 5 years and I will get youth unemployment to the lowest rate in 5 years."

I said "What do you have to do to do that?" He said "Nothing." Nothing. It is coming. The demograhics are here. We know who were born in 1960, 1965, 1970, and 1975. It is coming. You know something: Workers might move. If the best they can do in Wheeling, WV, is $4.25 an hour and there is a job in Anaheim, CA, at $6.25 an hour, they might move. Not so bad.

They might even move to Portland if we can get them, and I will tell you this: we are going to do everything we can to outbid and outshove, Jefferson City, Ashland, and St. Louis. I bet you we will win more often than we lose, if we think we can do it.

I remember a wonderful dedication I went to once of a small museum in Oregon called the High Desert Museum, built in central Oregon just outside the town of Bend. It is a small town not unlike a very small Denver, sitting right on the edge of mountains of 10,000 or 12,000 feet on one side and plain on the other. It is kind of a little jewel of a city, 120 miles from Portland and not close to the major population. This kid thought he could build a museum. He did not mean Metropolitan Museum of Art. He did not mean some type of artistic museum. He meant a desert museum that was typical and fitting and appropriate to the circumstances.

People told him it could not be done. That he could not get the money or could not get the local community support. This kid was not 28 or 29 years old when he started on this.

Well, Mr. President, he did it. He put together this museum, put together the board of directors, got some of Oregon's 400 on the board, raised the money, opened it, and it is still going amazingly well and drawing very well.

But, on the day of the dedication, I was there. I made a few remarks, but he was the principal speaker. I remember what he said, Mr. President. He said, "If you think you can or if you think you can't, you are right."

And what this country has been built on are industries and people who think they can. And those who think they cannot come to us and want protection. That is all this amendment is about. This amendment is not about positive adjustment plans—Senator BENTSEN has it; I have got it. It is not about escape clauses—the present law has it, the bill has it, and I have got it.

The only difference is it gives the President the option to say to those industries who have come complaining; complaining that "they can't make it," to at least be able to weigh, on the one hand, the adjustment to the industry that is petitioning and to look at his other hand and say, "What is the public good? If I help this industry, am I going to hurt the country more?"

What this bill does is say: Take that away and let those who think they cannot continue to be nurtured. Well, Mr. President, I hope my amendment would be adopted. I am not optimistic that it is going to, but I hope it will be adopted.

But I do know this: if the amendment is not adopted, we are going to have a continual series of businesses coming to the International Trade Commission pleading and pleading for succor and help. And they are going to have their positive adjustment plan and at the end of 3 years the President is going to look at it. And the industry is going to plead with Congress to put pressure on the President to not stop the aid if their plan is not satisfied. And they are going to come back to Congress.

If any Senator thinks this bill is going to take all of these issues out of Congress and leave them with the International Trade Commission, then you have been in the Senate a short time. If they do not succeed at the International Trade Commission, no matter what the law is, or if they succeed there or do not succeed with the President, no matter what the law is, they are going to try to come here and get the law changed.

So, Mr. President, what remaining time I have, I would like to yield it to the minority leader, the Senator from Kansas. But I urge this Senate tonight to vote for winners.

I yield the remainder of my time to the minority leader.

The **PRESIDING OFFICER**. The Senator from Kansas, the minority leader.

Mr. **DOLE**. How much time is there remaining?

The **PRESIDING OFFICER**. Eight minutes and four seconds.

Mr. **DOLE**. Mr. President, that may be more time than I need, so I will be happy to yield back.

I listened to the distinguished Senator from Oregon in my office, and I did not have my loudspeaker on. [Laughter.]

So I came rushing to the floor and heard a very good argument, I must say. I commend the distinguished Senator from Oregon for indicating sort of the bottom line of this amendment. I hope it passes.

I think we are all for competitiveness. We are all for having a tougher trade policy, and I do not think anyone suggested otherwise. But the 201 provision in the Senate bill does not have anything to do with those things, and it is not right to say that it does.

I think what we are talking about here is the Presidential discretion, Presidential authority. If we change the law so that the President has to impose whatever the ITC says he does, we are not talking about trade policy—we are talking about the Presidency. And I believe that we elect the President to exercise judgment on the national interest.

The Senator from Oregon just pointed out, on the one hand, you have the ITC provision. The President may want to look at that. He may want to agree with it. But, on the other hand, you have the broader national interest, and that is sort of the bottom line in all this debate.

We do not elect the ITC Commissioners to do anything. They are appointed. All they are asked to do is decide what is best for a particular industry. The law does not ask them to decide what is best for the country.

So the ITC can give useful advice about an industry. And the President ought to take that advice into account, and usually does.

But to tell the President, whoever the President may be, Republican or Democrat, now or 10, 20, or 30 years from now, that he has got to accept whatever some elected Commissioners, looking only at one issue, tell him to accept is just nonsense.

We have lost all sight of trade policy and competitiveness if we think that is going to help the country.

I have certainly had my disagreements with the administration on trade policy. I do not believe they have done enough in many, many cases. I have supported many provisions in this bill which require them to do more.

But I happen to believe that the administration is right in this particular instance. Any administration, in my view, would take the same position. Republican, Democrat, liberal, conservative, whatever it might be, they would end up taking the same view.

It is the President who is elected by all the people. It ought to be the President—not the ITC—who determines the national interest.

And if we do not care about the national interest, we ought to use this bicentennial year of the Constitution to think again about our purposes and goals as a nation.

Again, I would repeat that Senator PACKWOOD has laid it all out. This is a very important amendment. I am not certain what is going to happen to this bill if this amendment is not adopted. I do not want to bring up all the ghosts and goblins about vetoes. But this is an important amendment to the administration.

I believe the President, who is in the twilight of his second term, is speaking for the future; not the Presidency as much as for the future, whether it be Republican or Democrat. He is considering the national interest. He is considering the discretion and authority the President should have as the one person elected by all the people in this country.

So, again, I applaud the distinguished Senator from Oregon.

I yield back my time.

The **PRESIDING OFFICER**. The Senator has yielded back 3 minutes and 50 seconds.

Mr. **PACKWOOD**. I yield to the Senator from Texas.

Mr. **GRAMM**. Mr. President, I thank the Senator from Oregon for yielding.

Mr. President, under the provisions of the bill as it now exists, if the International Trade Commission finds that the bicycle industry in America is losing jobs to foreign competition, the President cannot argue national defense on bicycles, because they do not fight wars that way. There are no downstream users except the schoolchildren of the Nation. He cannot look at whether they need cheap bicycles to get to school or not. And he cannot look at what the right of offset in compensation is going to do.

If the ITC says, "Protect bicycles, protect the bicycle industry," the President has to institute that protection. And, of course, the people producing bicycles in Japan and Korea and Taiwan, under GATT, have the right of offset. So they go out and they check off.

They want offsets against American computer chips. They want offsets against the sale of American jet commercial airliners. They want offsets against American farm products. And they get that right of offset.

So what have we done? We have protected the bicycle industry, penalized the schoolchildren of America in making them pay a higher price for bicycles, and we have lost jobs in the computer chips, we have lost jobs on the American farm, we have lost jobs at McDonnell Douglas and Boeing Aircraft. And we have traded off the future of America to protect the old entrenched political powers that do not have economic power today because they are not efficient, because they have had poor management, because they have overreaching unions and they do not have the power in the marketplace to compete. So they came to Congress and they ask us, not in the name of unfair trade—unfair trade is not the issue; the issue is fair-traded goods—they ask us to protect them and their own greedy special interests by mortgaging the future of America, and the winners of the 1980's and the 21st century to protect old intrenched economic losers of the 1960's and 1970's.

This is not firing a shot across the bow of Japan. This is a shot fired right into the middle of our decks, starting a trade war, and guaranteeing the right of offset. Section 201 is the worst provision of trade law, far worse than the Gephardt amendment. At least the Gephardt amendment has to do with unfair trade.

This amendment deals only with fair trade. And if we do not adopt the provision authored by the distinguished Senator from Oregon, we are going to be protecting old jobs and inefficent industries with the direct one-to-one corresponding offset in the new growth industries represent America's future.

That is the choice. If you believe that the future of America is in the old inefficient industries the trade off, trade off protecting their jobs for the new growth industries of the future. I do not believe that. I do not believe the American people believe it.

This is simply the old contest: People who cannot compete in the marketplace come to Congress and say, protect us, without any regard to the future of America. Protect our own greedy special interest.

I urge the Members of the Senate to vote for this amendment.

The **VICE PRESIDENT**. All the time has expired. The question is on the amendment and the yeas and nays have been called.

Mr. **BYRD**. Mr. President, I suggest the absence of a quorum.

The **VICE PRESIDENT**. The clerk will call the roll to ascertain the presence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. **BYRD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **VICE PRESIDENT**. Without objection, it is so ordered. And the question is on the amendment. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. **CRANSTON**. I announce that the Senator from Delaware [Mr. BIDEN] and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois [Mr. SIMON] would vote "nay."

Mr. **SIMPSON**. I announce that the Senator from New Hampshire [Mr. RUDMAN] and the Senator from California [Mr. WILSON] are necessarily absent.

The **VICE PRESIDENT**. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 41, nays 55, as follows:

[Rollcall Vote No. 178 Leg.]

YEAS—41

Adams
Armstrong
Boschwitz
Chafee
Cochran
Conrad
Cranston
Dodd
Dole
Durenberger
Evans
Garn
Graham
Gramm
Harkin
Hatch
Hatfield
Hecht
Humphrey
Karnes
Kassebaum
Kerry
Lugar
McCain
McClure
McConnell
Murkowski
Nickles
Packwood
Pressler
Quayle
Roth
Simpson
Stafford
Stevens
Symms
Trible
Wallop
Warner
Weicker
Wirth

NAYS—55

Baucus
Bentsen
Bingaman
Bond
Boren
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Cohen
D'Amato
Danforth
Daschle
DeConcini
Dixon
Domenici
Exon
Ford
Fowler
Glenn
Gore
Grassley
Heflin
Heinz
Helms
Hollings
Inouye
Johnston
Kasten
Kennedy
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Proxmire
Pryor
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Specter
Stennis
Thurmond

NOT VOTING—4

Biden
Rudman
Simon
Wilson

So the amendment (No. 431) was rejected.

Mr. **BENTSEN**. I move to reconsider the vote by which the amendment was rejected.

Mr. **DANFORTH**. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **BYRD**. Mr. President, there will be no more rollcall votes this evening. If I could ask the distinguished Republican leader, would he have any objection to slipping our time to 9 o'clock from 8:30 in the morning?

Mr. DOLE. I would even be willing to slip it more.

PROVISIONAL RELIEF, SECTION 202

Mr. DECONCINI. Mr. President, I would like the record to reflect my concern for the new section 202 of the trade bill reported by the Finance Committee. Section 202 is a "fast track" measure by which a petitioner for trade relief under section 201 can ask for provisional relief pending the final outcome of the investigation because of critical circumstances. Section 202 can be applied in various instances but I am interested in its special application regarding imports of perishable products.

About a quarter billion dollars of fresh winter vegetables are imported from Mexico through Nogales, AZ, between December and May when most of the States do not have vegetable production because of cold weather. The fresh winter vegetables imported through Arizona supply about 40 percent of produce consumed in the United States, including tomatoes, cucumbers, eggplant, and green peppers.

In the height of the winter season, each day—7 days a week—more than 500 trucks bring fresh produce to Nogales, AZ, and just as many trucks owned and operated by Americans take the vegetables to American and Canadian markets. The winter vegetable business, therefore, affects many Americans and provides numerous jobs.

That is why I want to make sure that the authority granted under the new section 202 is not abused or used arbitrarily to stop the flow of fresh vegetables from Mexico in the winter. This is particularly applicable when there is limited domestic production. Careless use of section 202 could affect the American consumer and hurt employment.

The current economic plight of many American farmers might seem to warrant the need for quick relief against unfair trade involving perishable products. It is important, Mr. President, to keep in mind that the term perishable products covers a wide range of fruits and vegetables, some of which are storable for months as in the case of potatoes or onions, and some which are so perishable that they can only be kept for a few days, as in the case of strawberries or tomatoes. Moreover, the harvest season for a particular growing area is very short, such as for strawberries or grapes. It is possible to say, that a fast track import relief provision should take effect in a matter of days in some instances whereas in other situations, the process to provide relief can take longer. The new section 202, unfortunately, attempts to accomplish too much, too quickly.

The new section 202 would give the Secretary of Agriculture 14 days after a petition is filed to make a determination on whether to grant import relief. The President then has 7 days to decide if relief should be granted.

While the proponents will argue that the quick response time, or fast track, is required because the commodities involved are perishable, section 202 simply does not provide sufficient time for a fair or thorough investigation of the issues. Fourteen days is an extremely short period of time to determine whether imports will truly cause irreparable injury to a domestic industry. Furthermore, the Secretary of Agriculture is not normally in the best position to make import relief determinations. The best and most effective Federal Government agency entrusted with that responsibility is the U.S. International Trade Commission.

Section 202 in the Senate bill also does not provide an opportunity for a public hearing or a chance for the importers to present their side of the story.

The House Ways and Means Committee looked at this issue and wrote an import relief provision that is more judicious and realistic. Under the House version, the U.S. International Trade Commission would conduct an investigation over a 90-day period. During the next 21 days the Commission would formulate an import relief recommendation. The President would then have 7 days to accept or reject the recommendation.

The House version takes into account the volatility and inherent risks of the fresh produce business. That is why the House version allows a longer investigation period to make sure that normal seasonal fluctuations or temporary increases due to weather conditions do not trigger the full impact of an import relief program. The Senate version, on the other hand, is susceptible to misuse and misapplication because it does not provide enough time for a thorough investigation.

Mr. President, I am concerned about the application of section 202 against fresh winter vegetable imports. There are many people in my State of Arizona who are involved in the business and a substantial percentage of American consumers depend on the imports during the winter. While I agree that our farmers should have every opportunity to receive import relief against unfair trade, I do not wish to rewrite our laws in a manner that would create an arbitrary barrier against our trading partners and also deprive the American public of wholesome fresh produce in the winter.

Mr. SASSER. Mr. President, the Senate has just completed action on one of the most important and comprehensive revisions of our trade relief laws ever undertaken by the Senate. It recognizes that there are fundamental flaws in our current trade relief procedures.

Even with the 1984 trade bill, this is the first time in a long time that we have taken a section-by-section look at our trade relief laws to see where they are working, where they are not working, and what we have to do to make them work better.

The chairman of the Finance Committee and the committee members are to be commended for the hard work they have put into this section of the trade bill. I believe they have struck a prudent balance between tightening our trade relief laws and unduly restricting access to our markets.

Over the last few years, we have seen our trade deficit skyrocket. Our trade deficit has shown a stready and steep increase—from about $40 billion in 1981 to $170 billion last year. There are a number of reasons for that of course, including our overall budget deficit. But part of the trade deficit is due to unfair trade practices by our trading partners.

This is costing U.S. companies sales here at home and preventing them from developing export markets abroad. It is not because U.S. companies are inefficient. It is not because they cannot deliver their goods at a competitive price.

It is because our trading partners are subsidized by their governments. It is because foreign companies sell their products in the United States at well below cost simply to drive U.S. companies out of the marketplace. It is because they do not open their markets to our industries on the same basis that ours are open to theirs. Those are the practices that we are discussing in this part of the bill.

S. 1420 will make several important changes which I believe will make our trade relief laws more effective.

As presently structured, section 201 of the trade laws, for instance, simply doesn't work. It is designed to provide relief for industries that are being injured by imports. That is the reason it is there. But what happens under the current law? What happens all too often, Mr. President, is nothing.

Take the 1985 case of the footwear industry. They convinced every single member of the International Trade Commission that the footwear industry had been injured by imports. That was hardly surprising considering that 100,000 jobs had been lost and there was an import penetration rate of over 70 percent. They also convinced all but one member of the Commission to recommend assistance.

Here was a case where the evidence was overwhelming. Here was a case where the industry had convinced members of the Commission who normally do not favor relief to grant it. The industry had even offered a detailed plan of modernization in return for the requested relief. And yet, they could obtain no relief. Here was a case where the clear intent of the law was undermined.

The bill corrects that inequity. Where the industry has proven its case, and the International Trade Commission has recommended relief, the bill requires the President to grant relief. However, the bill strikes a balance. It offers the President an increased range of actions he may take in addition to tariffs and quotas.

It provides the President with flexibility yet it assures that an industry that has gone to the expense of proving its case—and has proven its case—cannot have its request dismissed without obtaining some redress. It requires that the industry be given substantially the relife that the International Trade Commission recommended. However, it gives the President an increased mix of options in putting together a relief package.

In addition, an industry which seeks relief must submit a plan which lays out the steps the industry will take to adjust to adjust to import competition. This is a fair trade off and will assure that an industry uses a period of relief wisely.

In the same way, the bill amends the sections of the U.S. trade laws dealing with unfair trade practices. First of all, it increases the number of practices that are considered unfair trade practices. It applies the law to practices which have arisen in recent years and which were not contemplated when our present trade laws were written. It adds export targeting, and trading by a state-owned industry on other than a commercial basis to the list of unfair trading practices.

It also requires an annual survey of unfair trade practices by our trading partners. The President would then be required to initiate negotiations to remove such practices. The Trade Representatives would be required to begin investigations of many of these practices—thus giving the President increased leverage in trade negotiations.

Third, it requires the President to take action promptly except in carefully defined situations—within 6 months in most cases.

Another important section of the Finance Committee's portion of the bill reauthorizes the Trade Adjustment Assistance Program. This is of tremendous importance in my State of Tennessee. Since the program began, over 30,000 Tennessee workers have received trade adjustment assistance. It has been critical to my constituents in providing income support and retraining.

The bill will increase the number of workers eligible for trade adjustment assistance. It would include workers who supply essential goods and services to firms directly affected by imports. This recognizes the fact that supplier companies may be just as severely affected by imports as those producing the imported product itself.

One important change provides that brief interruptions—those of 2 weeks or less—will not result in workers being dropped from the program. We've had examples in my State where workers in training have been dropped from the program because of school vacations. Here we have individuals who want to be retrained and are working hard to be retrained who are being penalized for their efforts. They're not dropping out of training because they don't want to work—the school is simply closed. This may seem like a minor change. It may not seem like it affects many people. But for the workers of my State, who want only the opportunity to earn a living for their families, it is very important.

So, Mr. President, I believe we have taken a major step in this portion of the bill to update our trade laws. It is a balanced package which combines assurance that our trade laws will be enforced with flexibility for the President in responding to trade law violations.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there now be a period for morning business not to extend beyond 10 minutes and that Senators may speak therein not to exceed 5 minutes each.

The PRESIDING OFFICER (Mr. GRAHAM). Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate of February 3, 1987, the Secretary of the Senate, on July 2 and July 6, 1987, during the recess of the Senate, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:57 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2616. An act to amend title 38, United States Code, to improve health care programs of the Veterans' Administration; and

H.R. 2763. An act making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1988, and for other purposes.

ENROLLED BILL SIGNED

At 3:53 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 436. An act to designate the Federal Building and United States Courthouse at 316 North Robert Street, St. Paul, Minnesota, as the "Warren E. Burger Federal Building and United States Courthouse".

The enrolled bill was subsequently signed by the President pro tempore (Mr. STENNIS).

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 2616. An act to amend title 38, United States Code, to improve health care programs of the Veterans' Administration; to the Committee on Veterans' Affairs.

H.R. 2763. An act making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1988, and for other purposes; to the Committee on Appropriations.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Under the authority of the order of the Senate of February 3, 1987, the President pro tempore (Mr. STENNIS) announced that he had signed the following enrolled bill and joint resolution on July 2, 1987, during the recess of the Senate; which had previously been signed by the Speaker of the House of Representatives:

H.R. 2480. An act to extend temporarily the governing international fishery agreement between the United States and the Republic of Korea, and for other purposes; and

S.J. Res. 75. Joint resolution to designate the week of August 2, 1987, through August 8, 1987, as "National Podiatric Medicine Week."

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on July 2, 1987, he had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 15. Joint resolution designating the month of November 1987 as "National Alzheimer's Disease Month";

S.J. Res. 51. Joint resolution to designate the period commencing on July 27, 1987, and ending on August 2, 1987, as "National Czech American Heritage Week"; and

S.J. Res. 75. Joint resolution to designate the week of August 2, 1987, through August 8, 1987, as "National Podiatric Medicine Week."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1500. A communication from the Chairman of the Federal Home Loan Bank Board transmitting, pursuant to law, the annual report for the FHLBB for 1986; to the Committee on Banking, Housing, and Urban Affairs.

EC-1501. A communication from the Secretary of Commerce transmitting, pursuant to law, the biennial report of the Office of Ocean and Coastal Resource Management, NOAA; to the Committee on Commerce, Science, and Transportation.

EC-1502. A communication from the Secretary of the Interior transmitting, pursuant to law, the 1986 Federal Coal Management Report; to the Committee on Energy and Natural Resources.

EC-1503. A communication from the Secretary of Energy transmitting, pursuant to law, the fifth annual revision to the Comprehensive Program Management Plan for the Federal Ocean Thermal Energy Conversion Program; to the Committee on Energy and Natural Resources.

EC-1504. A communication from the Administrator of the EPA and others, transmitting, pursuant to law, the annual report of the National Acid Precipitation Assessment Program; to the Committee on Environment and Public Works.

EC-1505. A communication from the Assistant Secretary of State transmitting, pursuant to law, two travel advisories issued for Ethiopia and Korea; to the Committee on Foreign Relations.

EC-1506. A communication from the D.C. Auditor transmitting, pursuant to law, a report entitled "Annual Audit of the Boxing and Wrestling Commission for fiscal year 1986"; to the Committee on Governmental Affairs.

EC-1507. A communication from the Secretary of Transportation transmitting, pursuant to law, the 1986 report on the valuation of the U.S. Coast Guard military retirement system; to the Committee on Governmental Affairs.

EC-1508. A communication from the Director of the Office of Management and Budget transmitting a draft of proposed legislation to amend the Federal Employees Retirement System Act of 1986; to the Committee on Governmental Affairs.

EC-1509. A communication from the Administrator of the Veterans' Administration transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1510. A communication from the Director of Benefits, Farm Credit Banks of Texas, transmitting, pursuant to law, a report for the plan year ended December 31, 1985 and the audit for 1985; to the Committee on Governmental Affairs.

EC-1511. A communication from the Executive Director of the Federal Retirement Thrift Investment Board transmitting a draft of proposed legislation to provide that any liability of a Federal employee for a breach of any fiduciary responsibility under the Federal Retirement Thrift Investment Management System shall be payable by the United States if the liability relates to action taken in good faith and within the scope of the individual's official duties; to the Committee on Governmental Affairs.

EC-1512. A communication from the Secretary of Health and Human Services transmitting a draft of proposed legislation to provide for the imposition of fees under the Federal Food, Drug, and Cosmetic Act for the review of applications for marketing approval for new human drugs, antibiotics, medical devices, and biological products; to the Committee on Labor and Human Resources.

EC-1513. A communication from the Secretary of the Treasury transmitting, pursuant to law, the Sallie Mae 1986 annual report; to the Committee on Labor and Human Resources.

EC-1514. A communication from the Secretary of Health and Human Services transmitting a draft of proposed legislation to improve the regulation of medical devices; to the Committee on Labor and Human Resources.

EC-1515. A communication from the Assistant Secretary of the Army transmitting a draft of proposed legislation to allow the loan, donation, or exchange of obsolete combat materiel or historical objects to foreign museums, veterans' organizations, or historical societies; to the Committee on Armed Services..

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-230. Joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Agriculture, Nutrition, and Forestry.

"SENATE JOINT RESOLUTION NO. 20

"Whereas, The Federal Government has recognized that a prosperous, productive agricultural economy is essential to a free nation; and

"Whereas, A part of the implementation of this national policy is the Farm Credit System, which is a system of limited-purpose, farmer-owned banks and associations designed to furnish farmers, ranchers, and their cooperatives access to sound, adequate credit; and

"Whereas, The Farm Credit System is the largest lending institution to the Colorado agricultural community; and

"Whereas, A vibrant and healthy agricultural community is essential to the overall prosperity of the Colorado economy; and

"Whereas, Colorado is part of the Ninth District of the Farm Credit System headquartered in Wichita, Kansas; and

"Whereas, Many Colorado farmers and ranchers are experiencing troublesome economic times; and

"Whereas, The Farm Credit System is experiencing serious distress through economic losses in the system; and

"Whereas, Access to a stable, adequate supply of credit is vital to creating prosperity in the agricultural economy; and

"Whereas, It is the goal of the Farm Credit System to maintain as many of the current borrowers in agricultural production as is economically feasible; now therefore,

"Be It Resolved by the Senate of the Fifty-sixth General Assembly of the State of Colorado, the House of Representatives concurring herein:

"(1) That the Federal Government should expeditiously move to protect the viability of the system and assure that the system continue to provide financial assistance to farmers, ranchers, and their cooperatives.

"(2) That the Farm Credit System should continue to be a farmer-owned, farmer-controlled system which should provide competitive interest rates to farmers, ranchers, and their cooperatives so as to allow the agricultural community continued access to capital and adequate loan servicing, including the restructuring and reorganization of loans.

"Be It Further Resolved, That copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the Chairman of the United States Senate Agriculture, Nutrition, and Forestry Committee, the Chairman of the Agriculture Committee of the United States House of Representatives, the Chairman of the Senate Subcommittee on Agricultural Credit, the Chairman of the House Subcommittee on Conservation, Credit, and Rural Development, Colorado's delegation in the United States Congress, the Farm Credit Administration, and the President of the Ninth District of the Farm Credit System."

POM-231. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Armed Services:

"HOUSE CONCURRENT RESOLUTION NO. 166

"Whereas, the United States now deploys naval task forces in many areas of the world and engages in commercial shipping in every corner of the earth; and

"Whereas, it is incumbent upon our armed forces to protect and safeguard our economic interests around the world, along with safeguarding the liberties and basic human rights of all people; and

"Whereas, these naval forces deployed around the globe must themselves be offered protection from incidents similar to the recent incident in the Persian Gulf, involving the USS *Stark;* and

"Whereas, this incident, which resulted in the deaths of thirty-seven men and the wounding of many others, indicates the necessity for this protection; and

"Whereas, by acquiescing to incidents of this type we subject our country, citizens, armed forces, and commercial enterprises to unnecessary hazards and to a highly volatile and unstable state of world affairs; and

"Whereas, the United States, is once again faced with a question of credibility, effectiveness, and forethought related to events in an unsettled and strategic region of the globe, where we must now reestablish our role as the leader of the free world; and

"Whereas, the deployment of our naval forces is only an exercise of our right, as well as the right of all other countries in this world, to freely patrol the international waters; and

"Whereas, the engaging in commercial shipping by this country, again, is an exercise of a right afforded to all, to freely engage in commerce and trade; and

"Whereas, at all times, these rights must be protected to the utmost, protected from encroachment by those whose beliefs and political ideologies are contrary to the basic ideas of the right to protect one's interests, the right to freely travel in this world, and the right to engage in commerical relationships with others of the world.

Therefore, be it "*Resovled*, That the Legislature of Louisiana does hereby memorialize the Congress of the United States to insure that the United States naval forces and commercial flagships around the world will be accorded sufficient air fighter protection, in order that their functions and duties can be performed in an arena of utmost safety and peace.

"*Be it further resolved*, That a copy of this Resolution be transmitted to the president of the United States Senate, the speaker of the United States House of Representatives, and to each member of the Louisiana congressional delegation."

POM-232. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Commerce, Science, and Transportation:

"HOUSE CONCURRENT RESOLUTION NO. 16

"Whereas, the Louisiana shrimping industry provides the equivalent of 26,000 full-time jobs and over one billion dollars worth of economic benefits to our state; and

"Whereas, Louisiana is currently suffering with the highest unemployment in the nation and is trying to broaden its economic base by enhancing and further developing its fisheries industry; and

"Whereas, it has been estimated that the use of turtle exclusion devices on shrimping trawls will result in the loss of thirty to forty percent of the annual shrimping catch, devastating our fisheries industry and significantly adding to our current high unemployment; and

"Whereas, additionally, the use of turtle exclusion devices on shrimping trawls could cause a significant increase in injuries thus directly contributing to an increase in fishermen's insurance; and

"Whereas, there is strong evidence that the imposition of turtle exclusion devices may not significantly contribute toward the saving of the Kemp's Ridley sea turtle; and, in fact, will have an insignificant effect compared with disasterous commercial practices outside the United States; and

"Whereas, adequate time and financial resources have not been devoted to the study of the full costs and benefits associated with the imposition of these devices or with alternative strategies; and

"Whereas, alternative strategies may prove to be more effective in protecting or possibly enhancing this turtle species, with negligible negative economic impact; Therefore, be it

"*Resolved*, That the Legislature of Louisiana does hereby memorialize the Congress of the United States to delay for one year the implementation of rules and regulations proposed by the United States Department of Commerce to either require the use of turtle exclusion devices or to restrict shrimp trawling methods or duration.

"*Be it further resolved*, That the Legislature of Louisiana urges and requests the Congress of the United States to require the United States Department of Commerce to undertake a comprehensive study of the Kemp's Ridley sea turtle, including a cost/benefit analysis of alternative strategies to protect and enhance this turtle species.

"*Be it further resolved*, That certified copies of this Concurrent Resolution shall be transmitted to the president of the Senate and the speaker of the House of Representatives of the Congress of the United States, to the secretary of the United States Department of Commerce, to the administrator of the National Oceanic and Atmospheric Administration within the United States Department of Commerce, and to each member of the Louisiana delegation to the United States Congress."

POM-233. A petition from citizens of San Bernardino, California opposing Senator Cranston's bill S. 7, and companion bills H.R. 371, H.R. 361, and H.R. 729; to the Committee on Energy and Natural Resources.

POM-234. A concurrent resolution adopted by the Legislature of the State of Iowa; to the Committee on Energy and Natural Resources.

"HOUSE CONCURRENT RESOLUTION NO. 17

"Whereas, many Americans are seeking information and knowledge of the country's historic trails, "the highways of the past"; and

"Whereas, Council Bluffs is one of the most important "crossroads" in the development history of the midwestern and western United States; and

"Whereas, the Council Bluffs area has served as a historic meeting place of the Oto, Missouri, Pawnee, Iowa, and other tribes of Native Americans; and

"Whereas, in 1803, President Thomas Jefferson commissioned Captains Lewis and Clark to explore the lands surrounding the Missouri River and befriend the native people; and

"Whereas, in 1804, Lewis and Clark arranged their first meeting with delegates of the Oto and Missouri tribes in the Council Bluffs area; and

"Whereas, many of the paintings of Karl Bodmer, an accomplished Swiss Artist, who accompanied Prince Maximilian of Prussia, a naturalist, in 1833, in retracing the route of the Lewis and Clark expedition to observe and record the Plains Indians, the plants, animals, and landscapes of the Midwest and Northwest, are permanently stored in the Council Bluffs metropolitan area; and

"Whereas, in the 1840's and 1850's, Council Bluffs served as a national sanctuary for the Latter Day Saints (the Mormons) in their arduous quest to establish their community free from religious persecution; and

"Whereas, in the 1850's, thousands of gold seekers, farmers, miners, tradesmen, and pioneers following the Oregon Trail moved through Council Bluffs seeking the promise of a new life in the West; and

"Whereas, more people passed through Council Bluffs on their way West than through any other community in the country in the mid-to-late 1800's; and

"Whereas, there is keen national and international interest in the history and cultural development of the midwestern and western United States; and

"Whereas, there is an urgent need to bring together in a central location the historic documents, artifacts, and data related to these early national trails and travelers for both scholars and the public to use, learn, and enjoy; and

"Whereas, the community of Council Bluffs aggressively supports the establishment of the National Western Historic Trails Center in Council Bluffs; and

"Whereas, the General Assembly and the Governor find Council Bluffs to be an ideal location for the National Western Historic Trails Center and are willing to provide assistance to establish this center; Now therefore, be it

Resolved by the House of Representatives, the Senate concurring, That the General Assembly approve the establishment of the National Western Historic Trails Center in Council Bluffs, Iowa; urge the Congress of the United States to immediately enact, and the President of the United States to approve, the establishment of the National Western Historic Trails Center in Council Bluffs, Iowa; and that copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Iowa Congressional Delegation.

"We, Donald D. Avenson, Speaker of the House and Jo Ann Zimmerman, President of the Senate; Joseph O'Hern, Chief Clerk of the House, and John F. Dwyer, Secretary of the Senate, hereby certify that the above and foregoing Resolution was adopted by the House of Representatives and the Senate of the Seventy-second General Assembly."

POM-235. A resolution adopted by the Board of Aldermen of the Town of South Padre Island, Texas opposing the expansion of the areas of the Coastal Barrier Resources System; to the Committee on Environment and Public Works.

POM-236. Joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Environment and Public Works.

"HOUSE JOINT RESOLUTION NO. 1017

"Whereas, The General Assembly recognizes that the Rocky Flats Plant operated by Rockwell International Corporation plays an essential role in our national defense efforts; and

"Whereas, The economy of Colorado benefits greatly from the employment of over six thousand persons at Rocky Flats who receive approximately two hundred eighty million dollars per year in wages and fringe benefits, and from the purchase by Rocky Flats of one hundred forty million dollars in goods and services each year; and

"Whereas, The General Assembly applauds the compliance agreement signed by the Colorado Department of Health, the Department of Energy and the Environmental Protection Agency on July 31, 1986, which clarified the authority for regulation of hazardous and mixed wastes at Rocky Flats; and

"Whereas, Historic hazardous and radioactive waste disposal practices at Rocky Flats have caused serious contamination problems associated with the facility, and, therefore it is necessary to provide safe management of these waste streams by providing adequate treatment and disposal methods for these wastes; now, therefore,

"*Be It Resolved by the House of Representatives of the Fifth-sixth General Assembly of the State of Colorado, the Senate concurring herein:*

"(1) That this assembly of concerned state legislators urges the Congress of the United

States to enact legislation to permit the state of Colorado to monitor all activities at the Rocky Flats Plant that could affect the Colorado environment.

"(2) That the Department of Energy and Rockwell International Corporation should explore all alternative methods of waste disposal and should utilize those methods of disposal that are found to be safer than incineration even if their cost is greater because concern for safety must outweigh cost considerations in choosing a radioactive and hazardous waste disposal method.

"(3) That the General Assembly also requests that Congress prohibit the incineration or other disposal at the Rocky Flats facility of waste produced at plants other than Rocky Flats.

"(4) That all radioactive and hazardous waste burns at the Rocky Flats Plant should be monitored by the appropriate state agencies.

"(5) That the general assembly supports a review of the incineration proposal by the appointed independent panel of experts supported by the cities of Arvada, Broomfield and Westminster, and counties of Adams, Boulder and Jefferson, before the proposed test incineration is conducted and that such review by the independent panel be completed in a timely manner.

"(6) That incineration of hazardous waste at Rocky Flats should only take place when the safety of the process is certain and the health of Colorado's citizens is assured.

"Be It Further Resolved, That copies of this Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and each Member of the United States Congress from the state of Colorado."

POM-237. A resolution adopted by the Council of the Town of Davie, Florida favoring legislation to correct the "Notch" effect in the Social Security system; to the Committee on Finance.

POM-238. Joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Finance.

"SENATE JOINT MEMORIAL NO. 3

"Whereas, Seventy-five percent of world trade is conducted by economic systems very different from our own; and

"Whereas, A growing array of trade barriers distort global trade flow; and

"Whereas, More than seventy percent of United States goods and services face stiff foreign competition; and

"Whereas, The General Agreement on Tariffs and Trade of 1947 now covers less than seven percent of world imports, exports, and capital flows; and

"Whereas, Efforts to devise an effective American strategy are thwarted by the long running conflict between free and fair traders and highly effective lobbying by former government officials who have become paid foreign agents; and

"Whereas, The political process is paralyzing efforts to reduce the massive federal deficit; and

"Whereas, The General Agreement on Tariffs and Trade of 1947 deal primarily with manufactured goods and the reduction of tariffs yet, over the past forty years, the nature of trade has changed radically; and

"Whereas, The success of the United States in the global market place hinges on the capacity of business to produce superior goods and provide superior services and the power of the Federal Government to ensure American access to foreign markets; and

"Whereas, As a direct result of trade barriers to American good and services, Americans are losing jobs and America is losing industries; now, therefore,

"Be It Resolved by the Senate of the Fifty-sixth General Assembly of the State of Colorado, the House of Representatives concurring herein:

"(1) That the Congress of the United States and the President is hereby memorialized:

"(a) To establish an integrated and flexible strategy consisting of trade sensitive fiscal, monetary, and foreign currency exchange rate policies that deal effectively with economic systems and competitive practices which are quite different than those in the United States; and

"(b) To submit a proposal for comprehensive bilateral and multilateral agreements which contain reciprocal market access and parallel trade talks.

"Be It Further Resolved, That copies of this memorial be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the United States Congress from the state of Colorado."

POM-239. A resolution adopted by the Second Olbiil Era Kelulau (Palau National Congress); to the Committee on Foreign Relations:

"HOUSE RESOLUTION NO. 2-0057-10

"Whereas, the Republic of Palau and the United States have yet to resolve certain difficulties and differences which stand in the way of implementation of the Compact of Free Association; and

"Whereas, Palau therefore remains a Trust Territory under the Administering Authority of the United States, and the United States remains subject to its obligations under the Trusteeship Agreement; and

"Whereas, it remains unknown when in the near or distant future, the Compact will be implemented, and the Trusteeship terminated; and

"Whereas, Palau will remain entitled to all of its benefits as a Trust Territory up until the day that the Trusteeship is terminated; and

"Whereas, it would be premature and patently unfair for the United States to decrease its funding for Palau based upon the anticipated termination of the Trusteeship; and

"Whereas, we believe that the United States intends to decrease its funding of Palau and will by reason thereof fail to meet its obligations under the Trusteeship Agreement; now therefore, be it

"Resolved that the House of Delegates of the Second Olbiil Era Kelulau hereby requests the Security Council of the United Nations and the Trusteeship Council of the United Nations to direct the United States, as the Administering Authority of the Trust Territory of the Pacific Islands, to meet its obligations under the language and spirit of the Trusteeship Agreement; and be it further,

"Resolved that certified copies of this Resolution be transmitted to the President of the United States, the Secretary of the Department of Interior, the President Pro Tem and members of the United States Senate, the Speaker and members of the United States House of Representatives, the President of the Senate, Second Olbiil Era Kelulau, and the Speaker of the House of Delegates, Second Olbiil Era Kelulau."

POM-240. Joint resolution adopted by the Legislature of the State of Maine; to the Select Committee on Indian Affairs:

"JOINT RESOLUTION

"Whereas, the Micmac Tribe was part of the historic Wabanaki Confederacy of Tribes which functioned from the late 17th through the mid-19th centuries in Maine and to which the Penobscot, Passamaquoddy and Maliseet Tribes also belonged; and

"Whereas, the Aroostook Band of Micmacs and its members are the sole remaining band of the Micmac Tribe now residing in the United States; and

"Whereas, the Aroostook Band of Micmacs has always maintained a presence in Aroostook County, Maine; and

"Whereas, the State of Maine has recognized the tribal status of the Aroostook Band of Micmacs through the provision of free hunting and fishing licenses, the North American Indian Scholarship Program and other programs and benefits for tribal members which were provided through the State Department of Indian Affairs; and

"Whereas, the Maine Indian Claims Settlement Act of 1980 recognized and included all of the tribal groups in Maine except for the Aroostook Band of Micmacs; and

"Whereas, after 1980, the Aroostook Band of Micmacs was the only remaining tribe in Maine which did not have federal recognition of its tribal status and whose members were therefore not eligible for the programs and benefits of the Bureau of Indian Affairs; and

"Whereas, the State Department of Indian Affairs was closed in January of 1981, ending most programs and benefits then available to the members of the Aroostook Band of Micmacs as a state-recognized tribe; and

"Whereas, severe poverty and related problems confront the members of the Aroostook Band of Micmacs in a disproportionate manner to the rest of the populace in Aroostook County. Notwithstanding those problems, the Aroostook Band of Micmacs has worked to promote federal recognition of the band and to promote the economic self-sufficiency of its members through regular participation in meetings of the Northern Maine Regional Planning Commission, the Presque Isle Chamber of Commerce, the New England Indian Task Force and related activities; and

"Whereas, many of the economic and recognition efforts now underway by the Aroostook Band of Micmacs may be jeopardized by language in the Maine Indian Claims Settlement Act of 1980, to which they were not party and under which they received no benefits; and

"Whereas, the Aroostook Band of Micmacs is currently seeking a legislative reference of their claims against the United States as a result of their omission from the Maine Indian Claims Settlement Act. This legislative reference will not affect any other aspects of the settlement nor overturn the Act itself; and

"Whereas, traditional principles of fairness and justice dictate that such action is warranted to allow the Aroostook Band of Micmacs to obtain a remedy for their omission from the Maine Indian Claims Settlement Act. This remedy is expected to include federal recognition of the tribal status of the Aroostook Band of Micmacs and sufficient funds to purchase a small land base in Aroostook County; now, therefore, be it

"Resolved: That We, your Memorialists, respectfully urge and request that the 100th

United States Congress take prompt action to make the legislative reference of claims of the Aroostook Band of Micmacs to the United States Claims Court; and be it further

"*Resolved:* That suitable copies of this Resolution, duly authenticated by the Secretary of State, be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each member of the Maine Congressional Delegation."

POM-241. A concurrent resolution adopted by the Legislature of the state of Louisiana; to the Select Committee on Indian Affairs:

"House Concurrent Resolution No. 117

"Whereas, an identifiable Choctaw Indian community has existed in the vicinity of Jena, Louisiana, since prior to the acquisition of Louisiana by the United States, as evidenced by the fact that this area was known as the "Choctaw District" in colonial times; and

"Whereas, the Choctaw Indians of Louisiana were a constituent part of the Choctaw Nation which was recognized by and entered into treaty relationships with Spain, France, and the United States, and in particular, the Treaty of January 3, 1786 (7 Stat. 21) with the United States; and

"Whereas, federal officials in the first years after the Louisiana Purchase recognized the Choctaw Indians of Louisiana as a distinct self-governing Choctaw community; and

"Whereas, the Congress of the United States has heretofore appropriated federal funds which were earmarked for the education of the Choctaws at Jena, Louisiana, thus recognizing the Jena Choctaws as Indians eligible for special federal services for Indians; and

"Whereas, it is the policy of the state of Louisiana to recognize the Indian tribes within the borders of the state, and to support their aspirations for the preservation of their cultural heritage and the improvement of their economic conditions, and to assist them in achieving their just rights.

"*Therefore, be it resolved* that the Legislature of Louisiana does hereby formally recognize the Choctaw Indian community at Jena, Louisiana, as an Indian tribe.

"*Be it further resolved* that the government of the United States of America, and particularly the Bureau of Indian Affairs, is hereby memorialized, requested, and urged to take such steps as are necessary to effect in the near future formal recognition of the Choctaw Indian community at Jena, Louisiana, and to acknowledge that the rights of the Choctaws are no less, if not indeed greater, than that of other Indian tribes in the United States, and thereupon to take such steps as shall be necessary to assure appropriate executive and congressional action.

"*Be it further resolved* that copies of this Resolution shall be transmitted to the president of the United States, the presiding officers of the Senate and the House of Representatives of the Congress of the United States, to the director of the Bureau of Indian Affairs, United States Department of the Interior, and to each member of the delegation of the state of Louisiana in the Congress of the United states."

POM-242. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on the Judiciary:

"House Concurrent Resolution No. 21

"Whereas, America is a mosaic of peoples of many cultures proud of sharing a vast land in a spirit of freedom and tolerance of diversity; and

"Whereas, the right of the people to preserve, foster, and promote their respective historic linguistic and cultural origins is recognized by the Constitution of Louisiana, but such recognition is under attack at the federal level and in other areas of the United States; and

"Whereas, Senator John Breaux and Congressman Jimmy Hayes have introduced in the Congress of the United States a proposed constitutional amendment to protect the cultural rights of all Americans.

"*Therefore, be it resolved* that the Legislature of Louisiana does hereby memorialize the Congress of the United States to propose and submit to the states for ratification an amendment to the Constitution of the United States to protect the cultural rights of all Americans.

"*Be it further resolved* that a copy of this Resolution be transmitted to the secretary of the United States Senate, to the clerk of the United States House of Representatives, and to each member of the Louisiana delegation to the United States Congress."

POM-243. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Labor and Human Resources:

"House Concurrent Resolution No. 130

"Whereas, it has now been thirty-three years, a generation, since the United States Supreme Court, on May 17, 1954, decided the landmark case of *Brown* v. *Board of Education of Topeka,* 347 US 497, which enunciated for the first time the critical principle that segregation of children in public schools solely on the basis of race deprives the children of minority groups of equal educational opportunities and that this constitutes a violation of the equal protection of the laws guaranteed by the Fourteenth Amendment of the United States Constitution; and

"Whereas, Chief Justice Warren, speaking for the Court stated: "We concluded that in the field of public education the doctrine of 'separate but equal' has no place. Separate educational facilities are inherently unequal. Therefore, we hold that the plaintiffs and others similarly situated for whom the actions have been brought are, by reason of the segregation complained of, deprived of the equal protection of the laws guaranteed by the Fourteenth Amendment"; and

"Whereas, though the principles of the *Brown* decision have since been extended to all areas of education, as well as other areas of life, and the decision of the court in this seminal case is now the law of the land, there is much evidence today that equal access to all levels of education is not assured for all citizens of this nation, particularly higher education; and

"Whereas, statistics now available indicate that the black population is now represented on American college campuses in smaller numbers, both in absolute and proportional terms, than it was only a few short years ago, with census bureau figures showing a decline from a 1981 total black enrollment of 1,133,000 students to a 1985 total of 1,049,000 and American Council on Education figures showing a decline from a 1976 percentage of total enrollment of 9.4 to a 1984 percentage of 8.8; and

"Whereas, educators believe that this decline is attributable to rising tuition costs, declining student assistance from federal sources, and a lack of aggressive recruiting by college admissions staffs, beliefs that are supported by data that the average cost of one year of college education, according to the College Board, is $5,604 at a public institution and $10,199 at a private college, and that federal student assistance, according to a congressional study, has fallen from $13 billion in 1975 to $5 billion in 1985, based on 1986 dollars; and

"Whereas, the public colleges and universities of Louisiana, as in a number of other states, are currently under court order to abide by a consent decree to accomplish the erasure of the vestiges of segregation in higher education, but there is much evidence that this is not taking place and that minority enrollment and minority faculty goals are not being met; and

"Whereas, the United States Congress has within its power the ability to ameliorate this situation, by providing incentives to colleges to recruit minority students and faculty and by providing financial aid to minority students to give them the ability to attend college, a goal that today seems to many one that is impossible to achieve.

"*Therefore, be it resolved* that the Legislature of Louisiana, on this thirty-third anniversary of the landmark decision of *Brown v. Board of Education of Topeka,* does hereby memorialize the Congress of the United States to take all necessary action to provide for the full implementation of the principles of this momentous decision at all levels of education and to assure equity and fairness to all citizens by providing the means for equal education opportunity from pre-kindergarten through college and graduate and professional schools.

"*Be it further resolved* that the Legislature of Louisiana does particularly memorialize the Congress of the United States to provide financial assistance, in the form of grants and loans, to minority students to permit them to receive a college education and to provide equal access to professional schools to those who come from a background of poverty.

"*Be it further resolved* that the Legislature of Louisiana does further memorialize the Congress of the United States to take such action as shall be necessary to provide incentives to colleges and universities, including professional schools, to recruit minority students and faculty in an active and vigorous fashion in order to implement the principles of *Brown* in a realistic and meaningful way.

"*Be it further resolved* that a copy of this Resolution be transmitted to the secretary of the United States Senate, to the clerk of the United States House of Representatives, and to each member of the delegation of Louisiana in the Congress of the United States."

POM-244. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Labor and Human Resources:

"Senate Concurrent Resolution No. 46

"Whereas, in 1986, Public Law 99-457 which authorizes an early intervention program under the Education of the Handicapped Act for handicapped infants, toddlers, and preschoolers was enacted and signed into law; and

"Whereas, congressional testimony and research indicate that early intervention and preschool services enhance intelligence in children and produce substantial gains in physical, cognitive, psychosocial, and, language and speech development, as well as self-help skills; and

"Whereas, the United States Department of Education in its Seventh Annual Report to the Congress found that studies of the effectiveness of preschool education for the handicapped demonstrated beyond a doubt the economic and educational benefits of programs for young handicapped children; and

"Whereas, these studies have also shown that the earlier intervention is begun, the greater the ultimate dollar savings and the higher the rate of educational attainment by handicapped children; and

"Whereas, it is the policy of the United States to provide financial assistance to states to develop and implement statewide, comprehensive, coordinated, multidisciplinary, interagency programs of early intervention services for all handicapped infants and toddlers and their families, and to provide a preschool grant program with enhanced incentives for states to serve all three to five year old handicapped children by school year 1990-1991 or 1991-1992.

"*Therefore, be it resolved* that the Legislature of Louisiana memorializes the Congress of the United States to provide maximum funding in the federal budget for 1988 and each year thereafter for new programs for handicapped infants, toddlers, and preschoolers as provided in Titles I and II of Public Law 99-457.

"*Be it further resolved* that a copy of this Resolution shall be transmitted to the Secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-245. A resolution adopted by the Board of Supervisors of the County of Santa Clara, CA affirming full confidence in the integrity and loyalty of Representative Norman Mineta; ordered to lie on the table.

POM-246. A concurrent resolution adopted by the Legislature of the State of Indiana; to the Committee on the Judiciary.

"A Concurrent Resolution

"Whereas, the United States is a nation composed primarily of immigrants and descendents of immigrants, who have come from all the other nations of the world; and

"Whereas, the people from other countries have brought to the United States their languages, their cultures, and their traditions, all of which have contributed to the richness, diversity and success of the United States; and

"Whereas, the strongest bonds shared by all Americans that have helped to make us an effective, single nation are the Constitution of the United States and the English language; and

"Whereas, it is desirable and to be encouraged that Americans learn foreign languages for the benefit of the individuals and for the benefit of the United States, especially in today's more interdependent world, and this proposal is by no means intended to curtail the teaching of other languages; and

"Whereas, English is the dominant language of the culture, history, politics, economy, education, and social conduct of the United States, and those who are not fluent and literate in English are thereby handicapped in their full participation as citizens of the Nation; and

"Whereas, the supporters of this proposal also encourages the most effective means of helping both children and adults achieve fluency and literacy in English; and

"Whereas, English has been, de facto, the official language of the United States for almost 300 years, which does not exclude, however, the exceptional circumstances such as emergency operators for police and fire departments and translators for defendants accused of crimes, in which non-English assistance must be provided to those who require it; and

"Whereas, this State and many others have established English as the official language within their jurisdictions by both Constitutional and legislative means, but such a declaration can only be fully effective if made at the national level and by means of a Constitutional Amendment: therefore, be it *Resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:*

"Section 1. That the General Assembly of the State of Indiana urges the Senate and House of Representatives of the Congress of the United States to propose and adopt an amendment to the United States Constitution which establishes English as the official and legal language of the United States.

"Sec. 2. That the amendment provide that all communications, including ballots, produced by governmental entities in the United States be in English, and instruction in the public schools and colleges be conducted in English unless the nature of the course would require otherwise.

"Sec. 3. That the Secretary of the Senate is directed to transmit official copies of this resolution to the leadership of both houses of Congress and to the Congressional delegation of the State of Indiana."

REPORTS OF COMMITTEES SUBMITTED DURING RECESS

Under the authority of the order of the Senate of July 1, 1987, the following reports of committees were submitted on July 6, 1987, during the recess of the Senate.

By Mr. Johnston, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

H.R. 403. An act to establish the El Malpais National Monument and the El Mapais National Conservation Area in the State of New Mexico, to authorize the Masau Trail, and for other purposes (with additional views) (Rept. No. 100-100).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD (for Mr. Biden), from the Committee on the Judiciary, with an amendment:

S. 237. A bill to amend section 207 of title 18, United States Code, to prohibit Members of Congress and officers and employees of any branch of the U.S. Government from attempting to influence the U.S. Government or from representing or advising a foreign entity for a proscribed period after such officer or employee leaves Government service, and for other purposes (Rept. No. 100-101).

By Mr. PELL from the Committee on Foreign Relations, with an amendment in the nature of a substitute:

S. 1327. A bill to prevent United States involvement in hostilities in the Persian Gulf (Rept. No. 100-102).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BOSCHWITZ:

S. 1467. A bill to modify an excessive deductible mileage requirement relating to the payment of expenses by the Veterans' Administration for travel of certain persons between their residences and Veterans' Administration health care facilities; to the Committee on Veterans Affairs.

By Mr. MITCHELL (for himself and Mr. Cohen):

S. 1468. A bill to provide for a Samantha Smith Memorial Exchange Program to promote youth exchanges between the United States and the Soviet Union, and for other purposes; to the Committee on Foreign Relations.

By Mr. BOSCHWITZ:

S. 1469. A bill to amend title VII of the Social Security Act to restrict the use of "Social Security" or "Social Security Administration" on goods not connected with such Administration; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself, Mr. Murkowski, Mr. Matsunaga, Mr. DeConcini, Mr. Mitchell, Mr. Rockefeller, Mr. Graham, Mr. Simpson, Mr. Specter, and Mr. Leahy):

S.J. Res. 171. Joint resolution designating the week beginning November 8, 1987, as "National Women Veterans Recognition Week"; to the Committee on the Judiciary.

By Mr. BRADLEY (for himself, Mr. Hatch, Mr. Wilson, Mr. Chiles):

S.J. Res. 172. Joint resolution to designate the period commencing February 21, 1988, and ending February 27, 1988, as "National Visiting Nurse Association Week"; the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOMENICI (for himself, Mr. Chiles, Mr. Hatfield, Mr. Nunn, Mr. Bingaman, Mr. Cochran, Mr. D'Amato, Mr. DeConcini, Mr. Dole, Mr. Durenberger, Mr. Ford, Mr. Garn, Mr. Graham, Mr. Heinz, Mr. Helms, Mr. Hollings, Mr. Karnes, Mrs. Kassebaum, Mr. Kennedy, Mr. Kerry, Mr. Lautenberg, Mr. Thurmond, Mr. Wilson, Mr. Wirth, Mr. Bumpers, and Mr. Cranston):

S. Res. 245. A resolution to express the profound sorrow and regret of the Senate on the death of Arthur F. Burns; ordered held at the desk.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BOSCHWITZ:

S. 1467. A bill to modify an excessive deductible mileage requirement relating to the payment of travel expenses by the Veterans' Administration for travel of certain persons between their residences and Veterans' Administra-

tion health care facilities; to the Committee on Veterans Affairs.

VETERANS' ADMINISTRATION TRAVEL BENEFITS

● Mr. **BOSCHWITZ.** Mr. President, today I am introducing legislation to restore beneficiary travel benefits for veterans who were shortchanged by recently adopted Veterans' Administration regulations.

The VA has revised its regulations for reimbursing veterans' travel to and from VA medical facilities. Before the new regulations took effect on April 13, travel benefits were paid for entirely out of the medical care account. But this year's budget mandates only $10 million for travel benefits and many veterans have come to me saying that the reduced funding level and the new regulations eliminate too many veterans from eligibility. While this is the minimum amount Congress set aside, the program is discretionary and the Administrator of Veterans Affairs has the option to set the actual funding at a higher level. However, the new rules adopted by the VA to limit transportation compensation are restrictive to the point that many veterans are unable to afford transportation to VA facilities for needed medical care.

Because of the reduction in travel benefit funding, the regulations that were set up became excessively restrictive, which eliminated many veterans from eligibility. The savings that result from this policy will make VA facilities less accessible for some, and more costly for all veterans to reach. In every State there are vets who cannot easily afford the expense of traveling back and forth to VA clinics and medical centers for treatment. This is an expecially difficult situation for low-income, rural vets—many of whom must travel a great distance for VA care. Eliminating the mileage allotment for some of these vets makes it just that much more difficult for them to obtain the benefits they deserve.

Beneficiary travel benefits are important to our veterans and I believe it's a program worth continuing. Accordingly, I am a cosponsor and supporter of legislation (S. 1234) that would establish a uniform compensation system to correct these problems and ensure that travel benefits are available for all veterans who really need them. While I agree with this bill and will work for its passage, the rest of the Senate may not agree with its provisions because of concerns that it mandates benefits that are now discretionary and increases program costs. In order to address those concerns, I am introducing separate legislation to specifically address one of the regulation's most onerous provisions: the deductible mileage requirement.

Many agree that the new provision that travel be at least 200 miles before a vet is reimbursed is excessive and must either be eliminated or reduced. The legislation I am introducing today is a minimum acceptable change to the current regulations.

This measure would reduce the VA's deductible mileage requirement to 40 miles, or 80 miles round-trip. It would prohibit any VA regulation that limits travel benefit eligibility or the amount of travel pay based on a distance of over 40 miles between a veteran's residence and a VA health care facility. As we take steps to control Federal spending, we can and should meet the needs of those who defended our country. Spending reductions can be made fairly so that we can continue to honor our commitment to those who served this country. In this regard, veterans should continue to receive needed transportation benefits.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1467

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of section 111 of title 38, United States Code, the Administrator of Veterans' Affairs may not apply any regulation that limits—

(1) the eligibility of any person to receive benefits under such section for travel between the residence of such person and a Veterans' Administration facility or other place referred to in subsection (a) of such section, or

(2) the amount payable under such section for such travel,

on the basis of the distance between the residence of such person and such facility or other place to the extent that the distance specified in the limitation exceeds 40 miles.●

By Mr. MITCHELL (for himself and Mr. COHEN):

S. 1468. A bill to provide for a Samantha Smith Memorial Exchange Program to promote youth exchanges between the United States and the Soviet Union, and for other purposes; to the Committee on Foreign Relations.

SAMANTHA SMITH MEMORIAL EXCHANGE PROGRAM

● Mr. **MITCHELL.** Mr. President, along with Senator COHEN, I am pleased to introduce a bill to establish a Samantha Smith Memorial Exchange Program, to promote greater understanding between the United States and the Soviet Union.

Four years ago today, Samantha Smith journeyed to the Soviet Union. In doing so, she symbolized a hope that world peace might be attained through individual inquiry, and small individual gestures of friendship.

Samantha was a 10-year-old girl from Maine, who one morning woke up wondering if it was going to be her last day on Earth. She was afraid of the nuclear arms race and afraid of war.

However, Samantha Smith was not afraid to try to understand.

She wrote a letter addressed simply to "the Soviet Leader at the Kremlin in Moscow." She asked: "Are you going to vote to have a war or not? If you aren't, please tell me how you are going to help to not have a war."

She mailed the letter. Somehow the letter arrived at the Kremlin in Moscow. And much to Samantha Smith's own surprise, she recieved a response from then-Soviet Premier Yuri Andropov.

Andropov tried to dissolve Samantha's fears. He said: "See for yourself." And he invited her to visit the Soviet Union.

For 2 weeks in July 1983, Samantha Smith did exactly that. Although the visit accomplished no single, great historic deed, Samantha's desire to travel, to inquire, and to learn for herself greatly inspired millions of people both in the United States and in the Soviet Union.

Samantha's youth, her love of life, and innocence symbolized much of what is at stake in the world. The desire for world peace is a desire for our children simply to be allowed to live and grow.

Upon returning home to the United States, Samantha Smith wrote:

> If we could be friends by just getting to know each other better, then what are our countries really arguing about? Nothing could be more important than not having a war if a war would kill everything.

She also became a celebrity. She appeared on television talk shows. She hosted interviews with the 1984 Democratic Presidential candidates on the Disney Channel. She joined the cast of a television series, "Lime Street."

Yet young Samantha's sense of priorities remained simple. In May 1985, she told a reporter: "When I am 16, I want to get my driver's license. After that, who knows?"

In August 1985, Samantha Smith died in a plane crash in Maine, along with her father and six others. At her funeral, her school advisor told how he and a group of students had met to talk about how Samantha's life had been cut short. "We made a list of things we would want to do before we died," he said. "We decided we'd like to travel and that we'd like to meet many people. We would want to make some contribution."

For many people, Samantha Smith is still a source of hope and inspiration.

At the November 1985 Geneva Summit, President Reagan and General Secretary Gorbachev signed an agreement for contacts, exchanges and cooperation in scientific, technical, educational, cultural, and other fields.

The last 2 years have seen a proliferation of visits and exchanges between ordinary citizens of the United States and the Soviet Union. Many have involved persons from Maine, where Samantha Smith's memory is especially cherished, just as it is in the Soviet Union.

With that in mind, I am proposing this bill to establish "The Samantha Smith Memorial Exchange Program."

The bill would focus Federal support of citizen-to-citizen exchanges in two areas which are appropriate to the memory of young Samantha Smith, and which are perhaps most in need of financial assistance.

The legislation would authorize the U.S. Information Agency to fund a joint exchange or interchange program between the United States and Soviet Union for youth under the age of 21. Additionally, it would authorize scholarships for American undergraduate students to study abroad in the Soviet Union.

The legislation authorizes $2 million each year for such purposes over an initial 2-year period.

The "Samantha Smith Memorial Exchange Program" would be an expression of hope for the future. It would be a special investment in the future, directed to our young people. It will allow young Americans, and Soviets, "to see for themselves" both the differences and shared concerns which exist between our Nations.●

● Mr. COHEN. Mr. President, 4 years ago this week, Samantha Smith traveled to the Soviet Union as a messenger of good will and became a symbol of children's hope for peace. She brought her youth, imagination, and considerable energy to the vitally important task of seeking greater understanding, and in doing so, she captured the world's heart.

I shared the sense of loss at the tragic death of Samantha 2 years ago. In the months following her death, Maine citizens and others suggested ideas for a suitable memorial to her. One was to establish a youth exchange program with the Soviet Union in her memory. In 1985, Senator MITCHELL and I introduced legislation to create such a program under the auspices of the U.S. Information Agency. Today, we are reintroducing identical legislation.

Samantha Smith heightened our awareness of the possibilities for improving mutual understanding offered by contacts among young United States and Soviet citizens. However, such benefits will only be realized if many individuals have an opportunity to participate in exchanges. The Samantha Smith Memorial Exchange Program would help to make such a program of regular youth exchanges a reality.

President Reagan has long acknowledged the potential for improved international relations offered by people-to-people contacts, particularly among youth. In his address to the Nation just prior to his first meeting the General Secretary Gorbachev, the President stated that "if Soviet youth could attend American schools and universities, they could learn firsthand what spirit of freedom rules our land and that we do not wish them any harm. If American youth could do likewise, they could talk about their interests and values and hopes for the future with their Soviet friends. They would get firsthand knowledge about life in the U.S.S.R." The President went on to say that "the time is ripe for bold new steps to open the way for our peoples to participate in an unprecedented way in the building of peace" and that governments should "let people get together to share, enjoy, help, listen, and learn from each other, especially young people."

At that summit meeting, the President and General Secretary agreed to expand people-to-people contact and to cooperate in the development of educational exchanges. According to the President, there was additional movement in the area of exchanges at the October 1986, summit in Reykjavik. However, following the summit he emphasized that "The United States remains committed to people-to-people programs that could lead to exchanges between not just a few elite, but thousands of everyday citizens from both our countries."

In the past, I have supported numerous initiatives to promote exchanges of academic specialists, political and military leaders, and artists. These included Senator LUGAR's legislation to provide funding for advanced training and reciprocal exchanges for specialists in Soviet and East European studies. In addition, following a 1984 trip to Moscow, I encouraged the administration to complete negotiations on the umbrella cultural relations agreement that governs most United States-Soviet scientific, educational, and cultural exchanges. The administration successfully concluded these negotiations at the Geneva summit, and artistic and other exchanges resumed again under the auspices of the agreement. Another initiative, led by Senator LEVIN, encouraged the establishment of regular exchanges between United States and Soviet military leaders to promote better mutual understanding. To its credit, the administration followed up on this 1983 suggestion and proposed such military exchanges to the Soviet Union.

However, I share the President's view that heretofore there has been insufficient attention paid to people-to-people exchanges with the Soviet Union, particularly among our youth. Like the President, I believe that there is great potential in this area and that we should not only be open to greatly expanded citizen exchanges but should actively promote them.

Accordingly, Senator MITCHELL and I are introducing today a bill to authorize the Director of the U.S. Information Agency to establish a program of United States-Soviet youth exchanges and undergraduate study in the Soviet Union. The bill would authorize USIA to use $2 million for these purposes. Because Samantha Smith has come to symbolize for so many the hope of children for peace, this program would be named in her honor.

I believe that the proposed program would be a significant complement to the exchange programs already in existence, as well as a fitting tribute to Samantha Smith and the hope she represented. I urge my colleagues to join Senator MITCHELL and me in cosponsoring this legislation.●

By Mr. BOSCHWITZ:

S. 1469. A bill to amend title VII of the Social Security Act to restrict the use of "Social Security" or "Social Security Administration" on goods not connected with such Administration; to the Committee on the Judiciary.

RESTRICTION ON USE OF "SOCIAL SECURITY" OR "SOCIAL SECURITY ADMINISTRATION"

● Mr. BOSCHWITZ. Mr. President, today I am introducing legislation I spoke about last week. This bill restricts the use of the words "Social Security," "Social Security Administration" or any combination of these words for the purpose of trade, advertising goods or services, or soliciting contributions without the consent of the Social Security Administration.

This legislation will go a long way in stopping the deception and confusion caused by mailings from organizations which use the words "Social Security" to scare our senior citizens, to distort the truth about the Social Security fund, or to ask for money which they claim will be used to protect the fund.●

By Mr. CRANSTON (for himself, Mr. MURKOWSKI, Mr. MATSUNAGA, Mr. DECONCINI, Mr. MITCHELL, Mr. ROCKEFELLER, Mr. GRAHAM, Mr. SIMPSON, Mr. SPECTER, and Mr. LEAHY):

S.J. Res. 171. Joint resolution designating the week beginning November 8, 1987, as "National Women Veterans Recognition Week"; to the Committee on the Judiciary.

NATIONAL WOMEN VETERANS RECOGNITION WEEK

Mr. CRANSTON. Mr. President, as chairman of the Committee on Veterans' Affairs, I am very pleased today to be introducing Senate Joint Resolution 171, a measure to designate the week beginning November 8, 1987, as "National Women Veterans Recognition Week." Joining with me as cosponsors are the committee's ranking minority member, Senator MURKOWSKI, and committee members Senators MATSUNAGA, DECONCINI, MITCHELL, ROCKEFELLER, GRAHAM, SIMPSON, SPECTER, and LEAHY.

This measure is very similar to measures I authored in the last 3 years—Senate Joint Resolution 227 in 1984, which was enacted into law as Public Law 98-438, Senate Joint Resolution 47 in 1985, which was enacted into law as Public Law 99-152, and Senate Joint Resolution 311 last year, which was enacted into law as Public Law 99-527—all of which designated a "National Women Veterans Recognition Week" in November of each of those years.

Mr. President, during the past 3 years, important strides have been made in the efforts both to honor women who have served our country in the armed services and to build public awareness of the significant contributions by and continuing work of women veterans for this Nation. Because of the success of activities carried out in the past 3 years to recognize women veterans, I believe it important to continue this momentum by proposing the designation of such a week again this year.

Mr. President, in a 1982 General Accounting Office report and a 1984 Veterans' Administration report, it was found that many women veterans—who now comprise approximately 4.2 percent of the total veteran population—were unaware of the benefits available to them as veterans and that there were many shortcomings in the VA's efforts to contact women veterans and to meet their needs for benefits and services.

As part of an effort to address these shortcomings, the VA commissioned a study to shed new light on the current status and experiences of women veterans. The resulting "Survey of Female Veterans," published in August 1985, by Louis Harris and Associates, is particularly significant because it was the first such comprehensive survey on the veteran experience conducted solely as to women and served both to confirm and to dispel a number of popular theories relating to women who have served in the military.

A major finding of the study was that awareness of the benefits available to veterans continues to be low among women who have served in the Armed Forces. This has resulted in a low usage rate of most veterans benefits by women veterans. Indeed, for 11 out of 18 programs examined, the survey found that less than half of women veterans had even heard of the programs.

Interestingly, the study also found that nurses represent only 16 percent of all women veterans. This finding, which is contrary to the popular conception that most women veterans served as nurses, reflects a broadening of job assignments available to women in the military.

Finally, the Harris survey found that only 1 percent of women veterans completed a 20-year career in the Armed Forces with military retirement. Many women reported they were forced by their superiors to leave the military because of pregnancy or children, despite the official discontinuation of this policy in the 1970's.

Findings such as these are being reviewed and addressed on an ongoing basis by the VA Advisory Committee on Women Veterans which was first established administratively on a temporary basis but later, in November 1983, given statutory permanence by virtue of the enactment of legislation I first proposed. In its initial report, issued in July 1984, the advisory committee made the following points:

> Two fundamental problems cut across the issues discussed by the Committee. First: Many women veterans are not aware of their entitlement to the benefits administered by the VA and other women who may be aware of their entitlements are reluctant to initiate claims for their benefits. Second: VA information materials, brochures, and outreach programs designed to inform veterans of their rights and benefits have been aimed at a male constituency. In part, this is merely a reflection of a traditional societal mindset that a veteran is, almost by definition, male.

More recently, in its July 1986 report, the advisory committee lists as its top priorities increasing understanding of, and addressing, concerns such as the special needs of aging women veterans, the gender-specific health conditions of women veterans, the employment needs and problems of women upon separation from the armed services, the notification of provision of benefits to WAAC's and WASP's, and the development and distribution of material to inform women veterans more adequately of the wide range of VA benefits and services for which they are eligible.

The VA has been working in concert with the advisory committee, and has taken various steps in response to its recommendations. One such step was the establishment of a women veteran coordinator position in each VA medical center in order to help make VA health-care facilities more accessible and sensitive to the needs of women veterans.

I am pleased that the VA has taken another important step to improve the quality and accessibility of VA health-care for women veterans in response to legislation I authored in 1983 in section 302 of Public Law 98-160. In compliance with this provision requiring the VA "to provide appropriate care, in a timely fashion, for any gender-specific disability * * * of a women veteran eligible for care * * *", the VA in 1986 established a policy requiring that ambulatory care for gender-related conditions be available to women veterans on a par with the care male veterans receive for their gender-related ailments, and requiring that complete physical examinations for women include gynecological examinations.

I am also pleased that the VA is examining another health issue of special concern to women Vietnam veterans. The Consolidated Omnibus Reconciliation Act of 1985—Public Law 99-272—included a provision based on legislation I authored in the Senate requiring the VA to conduct a female Vietnam veterans health experience study. It will focus on potential long term adverse health effects resulting from service in Vietnam, where service members may have been exposed to a variety of health hazards, including agent orange and other phenoxy herbicides.

Finally, much progress is being made toward establishing memorials that would provide enduring recognition of the contributions of women veterans. In July of 1985, I coauthored with Senator MURKOWSKI a measure, enacted as Public Law 99-610, authorizing the establishment in the District of Columbia of a memorial in honor of all women who served in the Armed Forces of the United States. Such a national memorial will provide a much needed, permanent focal point for recognizing and honoring the vital role of women who have served in our Armed Forces. In addition, as a member of the Vietnam Women's Memorial Project [VWMP] Congressional Advisory Council, I have been working to enable the VWMP to place a statue of a servicewoman near the Vietnam Veterans Memorial to complement the existing sculpture of three servicemen displayed there. I believe this would be a fitting recognition of women veterans from the Vietnam conflict.

Mr. President, although much has been accomplished in the past several years, 1986 data show that women veterans are still less than half as likely to use major veterans' benefits such as VA health care and home loan guaranties than are their male counterparts. Much has yet to be done to recognize fully the rich contributions of women in our Armed Forces and to address the unique problems and concerns of women veterans. One way for us to signify our continued support for this ongoing work is with the designation of a National Women Veterans Recognition Week in 1987.

Mr. President, as I did the last 3 years, I look forward to working with my good friends on the Judiciary Committee, the chairman, Mr. BIDEN, and ranking minority member, Mr. THURMOND, and particularly the four original cosponsors of the joint resolution who serve on that committee, Senators DECONCINI, SIMPSON, SPECTER, and

LEAHY, as they consider this measure. We invite all our colleagues to join with us to help ensure quick enactment of the joint resolution so as to allow sufficient time for the advance publicity that can bring about maximum awareness in the public about National Women Veterans Recognition Week.

Mr. President I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 171

Whereas there are about one million two hundred thousand women veterans in this country, representing 4.2 per centum of the total veteran population;

Whereas the number and proportion of women veterans will continue to grow as the number and proportion of women serving in the Armed Forces continue to increase;

Whereas women veterans through honorable military service often involving hardship and danger have contributed greatly to our national security;

Whereas women veterans continue to contribute greatly to our society in civilian life, bringing with them their valuable military service experience and expertise.

Whereas the contributions and sacrifices of women veterans on behalf of this Nation deserve greater public recognition and appreciation;

Whereas the special needs of women veterans, especially in the area of health care, have in the past been overlooked or inadequately addressed by the Federal Government;

Whereas this lack of attention to the special needs of women veterans was among the factors that tended to discourage or prevent women veterans from taking full advantage of the benefits and services to which they are entitled as veterans of the United States Armed Forces;

Whereas important steps have been taken to improve the accessibility and quality of health care for women veterans, yet women veterans are still far less likely than male veterans to utilize their VA benefits; and

Whereas recognition of women veterans by the Congress and the President through enactment of legislation declaring the week beginning on November 8, 1987, as "National Women Veterans Recognition Week" would serve to create greater public awareness and recognition of the contribution of women veterans, to express the Nation's appreciation for their service, to inspire more responsive care and services for women veterans, and to continue and reinforce important gains made in this regard in the last three years as a result of the designation of the first, second, and third National Women Veterans Recognition Weeks in November of 1984, 1985, and 1986: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning on November 8, 1987, is designated "National Women Veterans Recognition Week". The President is requested to issue a proclamation calling upon all citizens, community leaders, interested organizations, and Government officials to observe that week with appropriate programs, ceremonies, and activities.

By Mr. BRADLEY (for himself, Mr. HATCH, Mr. WILSON, and Mr. CHILES):

S.J. Res. 172. Joint resolution to designate the period commencing February 21, 1988, and ending February 27, 1988, as "National Visiting Nurse Association Week."

NATIONAL VISITING NURSE ASSOCIATION WEEK

● Mr. BRADLEY. Mr. President, I rise today to introduce a joint resolution designating the week of February 21 through 27, 1988, as "National Visiting Nurse Association Week." The resolution is designed to coincide with the VNA national meeting to be held in Florida next February. Joining me in introducing the resolution is the Senator from Utah [Mr. HATCH], the Senator from California [Mr. WILSON], and the Senator from Florida [Mr. CHILES].

As many of my colleagues in this body know, I have been an advocate for expanded home health care for a long time. Experience has demonstrated that providing health services to many kinds of patients in the comfort and security of their homes is a better alternative—physically and psychologically—than hospitalization or nursing home care. In many cases the delivery of health care in the home is more cost-effective, and, for the patient, far more comfortable.

The growth of home health care services in the past decade has been nothing short of phenomenal, due in part to the Government's encouragement, as well as to a general recognition of the need for care in the home.

One organization, the Visiting Nurse Association, recognized that need more than 200 years ago. Originally called the District Nurse Association of Buffalo, NY, the Visiting Nurse Association was founded in 1885. It is the oldest continuously-operated home nurse association.

In recognition of the care and support the VNA's have provided, we propose to name the week of February 21 to 27, 1988, as the National Visiting Nurse Association Week."

I think it is important to note that the Visiting Nurse Associations generally remain in the background, doing their work quietly but efficiently, without fanfare. Every year, their trained professionals and community volunteers assist almost 1 million American men, women, children, and infants. Their services range from neonatal care, to hospice services, to physical therapy, to home IV therapy.

Home care providers have been in the forefront of working with AIDS, cancer, and ventilator-dependent patients.

One of the unique aspects of the VNA's is their strong community support. A board of directors composed of health care professionals and community leaders oversees each association to ensure high standards of care. The United Way, funded by contributions from local businesses, and individuals, is one of the primary financial backers for indigent care services provided by every VNA. United Way also monitors the quality of care provided by local VNA's. VNA services are supported by a combination of individual and corporate contributions within their communities, in addition to some Federal and State government funding.

Care is the primary responsibility of the VNA's, and the quality of that care is one of the hallmarks of the Visiting Nurse Association.

But the VNA's provide more than health care. They also offer tender loving care, and for that and more they rely on volunteers in each community to assist the professional health care staff. These volunteers are engaged in such activities as cheering up patients with visits, delivering meals-on-wheels, reading to patients, and running errands. Volunteers do many of the little things that make a patient's stay at home more comfortable and uplift their spirits to make a recovery a little speedier.

For all of these reasons, we today salute the Visiting Nurse Association and wish them well as they embark on their second century of service.

Mr. President, I ask unanimous consent that a copy of the legislation be presented at the conclusion of my statement.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 172

Whereas Visiting Nurse Associations have served homebound Americans since 1885;

Whereas such Associations annually provide home care and support services to nearly 1,000,000 men, women, children, and infants;

Whereas such Associations serve 504 urban and rural communities in 47 States;

Whereas such Associations adhere to high standards of quality and provide personalized and cost-effective home health care and support regardless of the individual's ability to pay;

Whereas such Associations are voluntary in nature, independently operated, and community-based;

Whereas such Associations ensure the quality of care through oversight provided by professional advisory committees composed of local physicians and nurses;

Whereas such Associations enable hundreds of thousands of Americans to recover from illness and injury in the comfort and security of their homes;

Whereas such Associations ensure that individuals who are chronically ill or who have physical and mental handicaps receive the therapeutic benefits of care and support services provided in the home;

Whereas, in the absence of such Associations, thousands of patients with mental or physical handicaps or chronically disabling illnesses would have to be institutionalized;

Whereas such Associations provide a wide range of services, including (where appropriate) health care, hospice care, personal care, homemaking, occupational, physical, and speech therapy, "friendly visiting services," social services, nutritional counseling, specialized nursing services, and meals on wheels;

Whereas such Associations offer nursing care provided by registered nurses, homemaking, therapy, and social services by qualified specialists, and "friendly visiting services" by volunteers;

Whereas in each community served by such Associations, local volunteers support the Association by serving on the board of directors, raising funds, visiting patients in their homes, assisting patients and nurses at wellness clinics, delivering meals on wheels to patients, running errands for patients, working in the Association's office, and providing tender loving care;

Whereas the need for home health care for young and old alike continues to grow annually; and

Whereas on February 23, 1988 a national meeting of Visiting Nurse Associations from throughout the United States will be held in Innisbrook, Florida; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period commencing February 21, 1988, and ending February 27, 1988, is designated as "National Visiting Nurse Association Week," and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate programs, ceremonies, and activities.

● Mr. HATCH. Mr. President, today I join my colleague, Senator BRADLEY, in introducing a joint resolution naming February 21 through 27 as "National Visiting Nurse Associations of America Week."

The Visiting Nurse Associations epitomize the spirit of volunteerism that has made this country great. The visiting nurse programs operating in the United States were modeled after the Liverpool, England, organization founded in 1859 by Florence Nightingale and William Raithbone.

Programs that brought public health to people in their homes flourished in America since in the late 1800's. Many were created by women, who worked with their churches and others concerned with improving the health of their communities.

Initially the VNA's had two missions: To ensure the survival of infants and children by providing mothers and babies with milk, nutrition, and health care, and to fight contagious diseases by cleaning homes. Obviously that mission has changed as our community health needs have shifted. Today, the mission of the VNA's has expanded to provide health care to adults and children beset with any kind of disease or illness that keeps them temporarily or permanently homebound, from leukemia, to auto accidents, to strokes. VNA's care for almost 1 million patients every year.

VNA's has been serving my home State of Utah for 30 years. The first VNA's was founded in 1948 by Maxine Thomas. Today VNA's serves 13 counties in Utah, and last year visiting nurses made 91,291 visits.

The more than century-old dependence on community support remains a major component of the VNA's. Local business groups, corporations, and private citizens provide financial aid, and volunteers enable VNA's to continue to offer services beyond health care—services that include reading letters to patients, helping with their correspondence, assisting with housekeeping and meals, and many other activities that make recovery at home more pleasant.

I am sure that each of us has a family member or an acquaintance or friend who has or will make use of home health care. The organization providing that care may well be a visiting nurse association.

Our resolution aims to honor these organizations for their dedication to improve the quality of health care in this country. I hope my colleagues will join Senator BRADLEY and me in paying tribute to the important role VNA's play in our society.●

SENATE RESOLUTION 245—RELATIVE TO THE DEATH OF ARTHUR F. BURNS

Mr. DOMENICI (for himself, Mr. CHILES, Mr. HATFIELD, Mr. NUNN, Mr. BINGAMAN, Mr. COCHRAN, Mr. D'AMATO, Mr. DECONCINI, Mr. DOLE, Mr. DURENBERGER, Mr. FORD, Mr. GARN, Mr. GRAHAM, Mr. HEINZ, Mr. HELMS, Mr. HOLLINGS, Mr. KARNES, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. KERRY, Mr. LAUTENBERG, Mr. MOYNIHAN, Mr. PRESSLER, Mr. ROCKEFELLER, Mr. ROTH, Mr. SANFORD, Mr. STENNIS, Mr. SYMMS, Mr. THURMOND, Mr. WILSON, Mr. WIRTH, Mr. BUMPERS, and Mr. CRANSTON) submitted the following resolution; which, by unanimous consent, was ordered held at the desk until called up by the majority leader:

S. RES. 245

Whereas Arthur F. Burns was born in Austria in 1904, emigrated to the United States at the age of 10, worked his way through school, and eventually graduated Phi Beta Kappa and received his master's and doctorate degrees from Columbia University;

Whereas Arthur F. Burns married the former Helen Bernstein in 1930 and they had two sons, David S. Burns and Joseph M. Burns;

Whereas Arthur F. Burns was a pioneer in the theory and study of business cycles and made major contributions to the field of economics as a professor at Rutgers and Columbia Universities, president of the National Bureau of Economic Research, and distinguished scholar in residence at the American Enterprise Institute;

Whereas Arthur F. Burns dedicated over 30 years of his life to public service, serving as economic adviser to five Presidents, Chairman of the Federal Reserve Board, Ambassador to West Germany, and in numerous other public positions;

Whereas Arthur F. Burns served as Chairman of the President's Council of Economic Advisers from 1953 to 1956 and established the council as a non-political agency that gives economic advice and information to the president;

Whereas during his two terms as Chairman of the Board of Governors of the Federal Reserve from 1970 to 1978, Arthur F. Burns strongly protected the independence of the Federal Reserve and championed fiscal stability, the need to hold down Federal budget deficits and inflation, and the necessity of curbing government spending while promoting the view that the Federal Government can play a positive role in achieving economic prosperity;

Whereas Arthur F. Burns established himself as a wise and skillful diplomat dedicated to promoting democratic values and free market principles and became a symbol of German-American friendship in the course of his service as Ambassador to West Germany from 1981 to 1985; and

Whereas with the death of Arthur F. Burns, June 26 at the age of 83, the United States lost a gifted economist, a trusted adviser to Presidents, and a respected diplomat who distinguished himself by his intelligence, hard work, personal integrity, and unfailingly courteous manner: Now, therefore, be it

Resolved, That the Senate of the United States expresses its profound sorrow and regret at the death of Arthur F. Burns.

Resolved, That the Secretary transmit an enrolled copy of this resolution to the family of Arthur F. Burns.

ADDITIONAL COSPONSORS

S. 350

At the request of Mr. DURENBERGER, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 350, a bill to amend the Tax Reform Act of 1986 to extend for 1 year the waiver of estimated penalties for underpayments by individuals attributable to such Act.

S. 368

At the request of Mr. MATSUNAGA, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 368, a bill to amend the Federal Food, Drug, and Cosmetic Act to ban the reimportation of drugs in the United States, to place restrictions on drug samples, to ban certain resales of drugs purchased by hospitals and other health care facilities, and for other purposes.

S. 369

At the request of Mr. D'AMATO, his name was added as a cosponsor of S. 369, a bill to amend the Atomic Energy Act of 1954 to require an emergency planning and preparedness plan for an emergency planning zone of at least 10 miles in radius for each nuclear facility.

S. 388

At the request of Mr. LEVIN, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 388, a bill to provide that no penalty shall be imposed on an employee for taxable years 1987 or 1988 in cases where an employer fails to withhold on the basis of valid withholding certificates, and that the increase from 80 percent to 90 percent in the current year liability test for estimated tax payments be delayed for 2 years.

S. 786

At the request of Mr. GARN, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 786, a bill to amend the Export Administration Act of 1979 and the Federal Deposit Insurance Act to authorize controls on the export of capital from the United States, to control exports supporting terrorism, to prohibit ownership of U.S. banks by controlled countries, and for other purposes.

S. 887

At the request of Mr. MATSUNAGA, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 887, a bill to extend the authorization of appropriations for and to strengthen the provisions of the Older Americans Act of 1965, and for other purposes.

S. 1069

At the request of Mr. BINGAMAN, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 1069, a bill to revise and extend the Older American Indian Grant Program under the Older Americans Act of 1965, and for other purposes.

S. 1081

At the request of Mr. BINGAMAN, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 1081, a bill to establish a coordinated National Nutrition Monitoring and Related Research Program, and a comprehensive plan for the assessment of the nutritional and dietary status of the U.S. population and the nutritional quality of the U.S. food supply, with provision for the conduct of scientific research and development in support of such program and plan.

S. 1203

At the request of Mr. GRASSLEY, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 1203, a bill to amend title 22, United States Code, to make unlawful the establishment or maintenance within the United States of an office of the Palestine Liberation Organization, and for other purposes.

S. 1269

At the request of Mr. WIRTH, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 1269, a bill to improve hazardous materials transportation safety.

S. 1273

At the request of Mr. BYRD, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1273, a bill to extend the Appalachian Regional Development Act of 1965 and to provide authorizations for the Appalachian Highway and Appalachian Area Development Programs.

S. 1327

At the request of Mr. PELL, the names of the Senator from Alaska [Mr. MURKOWSKI] and the Senator from Hawaii [Mr. MATSUNAGA] were added as cosponsors of S. 1327, a bill to prevent United States involvement in hostilities in the Persian Gulf.

S. 1402

At the request of Mr. KENNEDY, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 1402, a bill to amend title VIII of the Public Health Service Act to establish programs to reduce the shortage of professional nurses.

S. 1441

At the request of Mr. KENNEDY, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 1441, a bill to reduce the incidence of infant mortality.

S. 1453

At the request of Mr. HEINZ, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1453, a bill to amend the Disaster Relief Act of 1974 to provide for more effective assistance in response to major disasters and emergencies, and for other purposes.

SENATE JOINT RESOLUTION 48

At the request of Mr. HATCH, the names of the Senator from Montana [Mr. BAUCUS] and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of Senate Joint Resolution 48, joint resolution designating the week of September 14, 1987, through September 20, 1987, as "Benign Essential Blepharospasm Week".

SENATE JOINT RESOLUTION 106

At the request of Mr. BINGAMAN, the names of the Senator from California [Mr. CRANSTON] and the Senator from Delaware [Mr. ROTH] were added as cosponsors of Senate Joint Resolution 106, joint resolution to recognize the Disabled American Veterans Vietnam Veterans National Memorial as a memorial of national significance.

SENATE JOINT RESOLUTION 154

At the request of Mr. PELL, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of Senate Joint Resolution 154, joint resolution to designate the period commencing on November 15, 1987, and ending on November 22, 1987, as "National Arts Week".

SENATE JOINT RESOLUTION 168

At the request of Mr. MELCHER, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of Senate Joint Resolution 168, joint resolution designating the week beginning October 25, 1987, as "National Adult Immunization Awareness Week".

SENATE CONCURRENT RESOLUTION 29

At the request of Mr. DECONCINI, the names of the Senator from Virginia [Mr. TRIBLE] and the Senator from Vermont [Mr. STAFFORD] were added as cosponsors of Senate Concurrent Resolution 29, concurrent resolution expressing the sense of Congress regarding the inability of American citizens to maintain regular contact with relatives in the Soviet Union.

SENATE CONCURRENT RESOLUTION 63

At the request of Mr. SANFORD, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of Senate Concurrent Resolution 63, concurrent resolution expressing the sense of the Congress regarding the formulation and implementation of a regional economic development and recovery program for Central America.

AMENDMENT NO. 426

At the request of Mr. NICKLES, the names of the Senator from Nevada [Mr. HECHT], the Senator from New York [Mr. D'AMATO], and the Senator from Utah [Mr. GARN] were added as cosponsors of Amendment No. 426 proposed to S. 1420, a bill to authorize negotiations of reciprocal trade agreements, to strengthen U.S. trade laws, and for other purposes.

AMENDMENTS SUBMITTED

OMNIBUS TRADE ACT

DOMENICI AMENDMENT NO. 430

Mr. DOMENICI proposed an amendment to the bill (S. 1420) to authorize negotiations of reciprocal trade agreements, to strengthen U.S. trade laws, and for other purposes; as follows:

On page 55, line 19, strike the period and insert in lieu thereof a comma and add the following: "which shall be made public and available for comment."

On page 67, line 13, after "competition" insert the following: "based on the Commission's evaluation of the adequacy of the plans or commitments."

On page 61, line 13, after "evidence", insert the following: "to comment on any plan submitted under subsection (a)(1)(B),"

On page 61, line 12, after "parties" insert "and consumers".

PACKWOOD (AND OTHERS) AMENDMENT NO. 431

Mr. PACKWOOD (for himself, Mr. EVANS, and Mr. ROTH) proposed an amendment to the bill (S. 1420) supra; as follows:

On page 73 of the printed bill, beginning with line 21, strike out all through page 78, line 6, and insert in lieu thereof the following:

"(2)(A) The President shall not be required to take any action under paragraph (1)(A) which the President determines—

"(i) would endanger the national security of the United States, or

"(ii) would not be in the national economic interest of the United States.

"(B) The factors to be taken into account by the President in making a determination under subparagraph (A)(ii) include, but are not limited to—

"(i) the effects of the action on any domestic industry which consumes any product of the domestic industry that is the subject of the affirmative determination made under section 201(b)(1),

"(ii) the effects of the action on consumers in general, and

"(iii) the effects on United States agricultural and other exports of any potential foreign retaliation that may be taken in response to the action and the impact on United States industries and firms as a consequence of any possible modification of duties or other import restrictions which may result from international obligations with respect to compensation.

"(3) If the Commission recommends under section 203(b)(1)(A) the taking of any action described in subsection (d)(1)(A) and the President determines not to take any action under paragraph (1)(A) that is described in subsection (d)(1)(A), the President shall develop an alternative program to assist the domestic industry that is the subject of the affirmative determination made under section 201(b) in making a positive adjustment to import competition. The alternative program shall include the taking of at least one action described in subsection (d)(1)(B).

"(4) If the Commission recommends under section 203(b)(1)(A) the provision of trade adjustment assistance to workers or firms in the domestic industry that is the subject of the affirmative determination made under section 201(b), the President shall, by proclamation or Executive order issued before the date that is 30 days after the date on which the report on such determination is submitted to the President under section 203(a), direct the Secretary of Labor or the Secretary of Commerce to certify such workers or firms as eligible for trade adjustment assistance under chapter 2 or 3, notwithstanding any provision of such chapters.

"(b) If—

"(1) the President reports under subsection (c)(2) that—

"(A) the President has determined to take actions under subsection (a)(1) which differ from, and are not substantialy equivalent to, the actions recommended by the Commission under section 203(b)(1)(A), or

"(B) the President will not take any actions under subsection (a)(1), and

"(2) a joint resolution of disapproval described in section 152(a)(1)(A) is enacted into law within the 90-day period beginning on the date on which the document referred to in subsection (d)(2) is submitted to the Congress,

the President shall, by proclamation or Executive order issued before the date that is 30 days after the date of enactment of such joint resolution, take the actions which were recommended by the Commission under section 203(b)(1)(A) and the President may rescind any portion of the proclamation or Executive order issued under subsection (a)(1) that implemented the actions the President had determined to take.

"(c)(1) In determining what actions described in subsection (d)(1)(A), that are substantially equivalent to the recommendations made under section 203(b)(1)(A), should be taken under subsection (a), what actions described in subsection (d)(1)(B) should be taken under subsection (a), and the method and duration of such actions, the President shall—

"(A) consult with the interagency trade organization established pursuant to section 242(a) of the Trade Expansion Act of 1962, and consider the recommendations of such organization with regard to such determination, and

"(B) take into account, in addition to such other considerations as he may consider relevant—

"(i) the adjustment plan, and any confidential commitments, transmitted with the report that is submitted under section 203(a);

"(ii) information and advice from the Secretary of Labor on the extent to which workers in the industry have applied for, are receiving, or are likely to receive adjustment assistance under chapter 2 or benefits from other manpower programs;

"(iii) information and advice from the Secretary of Commerce on the extent to which firms in the industry have applied for, are receiving, or are likey to receive adjustment assistance under chapter 3;

"(iv) the probable effectiveness of the actions as a means of promoting a positive adjustment to imports;

"(v) the efforts being made, or to be implemented, by the domestic industry (including any confidential commitments and any actions specified in the adjustment plan that have been transmitted with the report submitted under section 203(a)) to make a positive adjustment to imports, and other considerations relative to the position of the industry in the United States economy;

"(vi) the effect of the actions on consumers (including the price and availability of the imported article and the like or directly competitive article produced in the United States) and on competition in the domestic markets for such articles;

"(vii) the efforts of firms in the domestic industry to provide retraining to workers in the industry; and

"(viii) the potential for circumvention of such actions.

"(2) By no later than the date that is 60 days (75 days if a request for additional information is submitted under section 203(e)) after the date on which the report is submitted to the President under section 203(a), the President shall submit to the Congress a document which sets forth—

"(A) the actions the President has determined to take under subsection (a),

"(B) if such actions differ from, but are substantially equivalent to, the actions recommended by the Commission in such report, the reasons for such difference,

"(C) if the President has determined to take no action under subsection (a)(1)(A), the basis on which such determination was made and the reasons supporting an exemption under subsection (a)(2) from taking actions under subsection (a),

"(D) any recommendations for legislation which would assist the domestic industry in making a positive adjustment to imports, and

"(E) any alternative adjustment program the President is required to develop under subsection (a)(2)(A).

COCHRAN AMENDMENT NO. 432

(Ordered to lie on the table.)

Mr. COCHRAN submitted an amendment intended to be proposed by him to the bill (S. 1420) supra; as follows:

At the appropriate place, add the following new title:

TITLE —MERGER MODERNIZATION ACT

SEC. . This title may be cited as the "Merger Modernization Act of 1987".

SEC. . (a) Section 7 of the Clayton Act (15 U.S.C. 18) is amended in the first paragraph by—

(1) striking out "the effect of" and inserting in lieu thereof "there is a significant probability that";

(2) striking out "may be" and inserting in lieu thereof "will"; and

(3) striking out "to lessen competition, or to tend to create a monopoly" and inserting in lieu thereof "increase the ability to exercise market power".

(b) Section 7 of the Clayton Act (15 U.S.C. 18) is amended in the second paragraph by—

(1) striking out "the effect of" and inserting in lieu thereof "there is a significant probability that";

(2) striking out "may be" and inserting in lieu thereof "will"; and

(3) striking out "to lessen competition, or to tend to create a monopoly" and inserting in lieu thereof "increase the ability to exercise market power".

(c) Section 7 of the Clayton Act (15 U.S.C. 18) is amended in the third paragraph by—

(1) striking out "the substantial lessening of competition" in the first sentence and inserting in lieu thereof "a substantial increase in the ability to exercise market power"; and

(2) striking out "lessen competition" in the second sentence and inserting in lieu thereof "increase the ability to exercise market power".

(d) Section 7 of the Clayton Act (15 U.S.C. 18) is amended by inserting immediately after the third paragraph the following new paragraph:

"For purposes of this section, the ability to exercise market power is defined as the ability of one or more firms profitably to maintain prices above competitive levels for a significant period of time. In determining whether there is a significant probability that any acquisition will substantially increase the ability to exercise market power, the court shall duly consider all economic factors relevant to the effect of the acquisition in the affected markets, including (1) the number and size distribution of firms and the effect of the acquisition thereon; (2) ease or difficulty of entry by foreign or domestic firms; (3) the ability of smaller firms in the market to increase production in response to an attempt to exercise market power; (4) the nature of the product and terms of sale; (5) conduct of firms in the market; (6) efficiencies deriving from the acquisition; and (7) any other evidence indicating whether the acquisition will or will not substantially increase the ability, unilaterally or collectively, to excercise market power.".

NOTICE OF HEARINGS

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. LEVIN. Mr. President, I would like to announce that the Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, will hold a hearing on Thursday, July 9, at 9:30 a.m. in room 342 Dirksen Senate Office Building, on Office of Government Ethics' Review of the Attorney General's Financial Disclosure.

Mr. President, I would like to announce that the Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, will continue its hearing on the Office of Government Ethics' Review of the Attorney General's Financial Disclosure on Thursday, July 9, at 2 p.m. in room 342 of the Dirksen Senate Office Building.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON AGING

Mr. PELL. Mr. President, I ask unanimous consent that the Subcommittee on Aging, of the Committee on Labor and Human Resources, be authorized to meet during the session of the Senate on Tuesday, July 7, 1987, to conduct an executive session.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. PELL. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on July 7, 1987, to hold hearings on the nomination of T. Allan McArtor of Tennessee to be Administrator of the Federal Aviation Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

RECOGNITION OF THE BRICK MEMORIAL HIGH SCHOOL MARCHING BAND

● Mr. BRADLEY. Mr. President, I am pleased to recognize the honor recently bestowed on the members of the Brick Memorial High School Marching Band when they were selected to participate in "Youth Music for the World," an international music festival. The festival, will be held in London, England, on New Years Day. Only six bands, from the United States, were selected by the Lord Mayor of London out of more than 250 which applied to participate in this international celebration.

This honor is a credit to the 102 members of the band and to the entire school. It is a reflection of the hard work these young people put in every day in an effort to become the best that they can be.

During the time Brick Memorial High School Marching Band is in London they will not only participate in the Lord Mayor of Westminister Parade, they will also hold two other concerts. This special opportunity will provide a valuable educational and musical experience for all members of the band and a musical treat for the people of London.

I applaud their achievements and efforts, and wish them well on their trip.●

MISSISSIPPI STUDENT WINS NATIONAL AWARD FOR SCHOLASTIC ACHIEVEMENTS

● Mr. COCHRAN. Mr. President, a college student from the State of Mississippi, Bridget Fairley of Ridgeland, has earned recognition for a most remarkable scholastic record.

She has achieved a perfect 4.0 grade average in her studies at Millsaps College in Jackson, MI. This is in a curriculum at one of the best smaller liberal arts colleges in the Nation.

Miss Fairley is scheduled to graduate in December with a degree in political science, and has expressed an interest in studying law and becoming involved in local and State politics. In addition to her perfect 4.0 grade average, she has compiled an impressive list of scholastic and extracurricular achievements.

What makes this most remarkable is that Bridget Fairley has been blind since birth. But she has not allowed this handicap to hold her back or to prevent her from succeeding in her studies and other activities.

Recently, she was honored as one of four students from around the country at ceremonies in New York City as the recipient of the "Recording for the Blind's Scholastic Achievement Award."

She was recently featured in the "Good News" column of the Jackson Daily News and I ask that this article be printed in the RECORD.

The article follows:

BLIND MILLSAPS STUDENT WINS SCHOLARSHIP HONOR

(By Ruth Ingram)

A blind student who has maintained a perfect 4.0 grade-point average at Millsaps College in Jackson has received a national award for her scholastic achievements.

Bridget Fairley, 22, of Ridgeland was one of four U.S. college students honored by Recording for the Blind, a non-profit organization that provides recorded educational books to blind students and professional people.

The $2,000 Scholastic Achievement Awards were presented May 11 by CBS correspondent Harry Reasoner during a ceremony in New York City.

Reasoner's late wife, Kathleen, was a volunteer reader for the Recording for the Blind unit in New Haven, Conn.

Fairley, a senior majoring in political science, plans to attend law school after she graduates from Millsaps in December. She hopes to pursue a career in civil law or in state and local politics.

"In the midst of all this, I hope to be a wife and mother and I would place my family before my career," Fairley said.

Her extracurricular activities at Millsaps include serving as freshman senator in the Millsaps Student Senate and as parliamentarian of the Mississippi Council of the Blind.

Fairley enjoys cooking, political discussions, reading, listening to classical and popular music, writing short stories and researching her family's history.

Other winners are Beth Ann Anderson, a sociology major at Arizona State University; Donald Hert, a personnel administration major at Quincy College in Quincy, Ill.; and Jay Yi, an applied mathematics major from the University of California at Berkeley.●

SUPPLEMENTAL APPROPRIATION OF $50,000 FOR THE BLACKSTONE RIVER VALLEY NATIONAL HERITAGE CORRIDOR

● Mr. CHAFEE. Mr. President, the supplemental appropriations bill approved by a House/Senate conference today, includes a provision to earmark $50,000 within available funds, for use by the Department of the Interior to initiate start-up activities for the Blackstone River Valley National Heritage Corridor. This money will be used to establish a commission and to prepare the cultural heritage and land management plan as authorized in Public Law 99-647.

The Blackstone River Valley National Heritage Corridor Act, passed by Congress and signed into law by the President last November, authorizes the National Park Service to join a cooperative effort of Rhode Island and Massachusetts to showcase the history and culture of 46 miles of the Blackstone River between Worcester, MA and Slater's Mill in Pawtucket, RI.

The Blackstone River Valley is the birthplace of the American industrial revolution. This is where we fought an economic battle that changed the world. I want to express my thanks to the conferees, especially Senators JOHNSTON and MCCLURE, for including this provision in the supplemental appropriations bill. This $50,000 provision for the Blackstone River Valley National Heritage Corridor will enable the groundwork to be laid so that the commission will be able to produce a high quality land management plan when it begins work in the next fiscal year.●

COMMENCEMENT ADDRESS BY GERMAN PRESIDENT VON WEIZSÄCKER

● Mr. LUGAR. Mr. President, it was my pleasure to meet recently in Bonn with German President Richard von Weizsäcker for a far-ranging discussion of East-West relations. As we discussed his momentary visit to Moscow, I could not help but recall his commencement address at Harvard University earlier in the month that marked the 40th anniversary of Gen. George Marshall's announcement of the postwar recovery plan that bears his name.

The Marshall plan laid the foundations for an unprecedented recovery in Europe and for many forms of regional and worldwide cooperation. It also gave decisive impetus to transatlantic partnership.

I recommend President von Weizsäcker's commencement address to my colleagues.

I would share with Members of the Senate as well a commentary on President von Weizsäcker and his address by our former colleague from Maryland, Senator Charles McC. Mathias.

The material follows:

COMMENCEMENT ADDRESS BY PRESIDENT RICHARD VON WEIZSÄCKER OF THE FEDERAL REPUBLIC OF GERMANY

Being invited to speak at Harvard's commencement and in honor of George Marshall is something I would never have ventured to dream of.

Harvard is unrivaled in the world in its high standards of research, as a magnet for the best talents from all continents, and as a moral authority in keeping with its motto "Veritas." Harvard is at once a myth and living reality.

George Marshall has become a symbol of the virtues that have taught us to admire and indeed to love the United States.

To address you as a voice from Europe is an honor for my country, a high distinction for me and a welcome challenge in these critical times.

This unique university has already inspired many a European. For instance, the Prince of Wales held a very impressive speech here last year. On behalf of his own university in Britain, he greeted Cambridge from Cambridge. Three cheers for the little difference between the two, if I may say so. Since I studied not only in Germany but, inter alia, at Oxford, I hardly need to explain why Cambridge on the Charles River is the only university city bearing this name which my self-esteem should allow me to set foot in.

Generations of young people have left Harvard for all corners of the world. Through their high standards, sense of responsibility and dedication they have contributed to coping with the task of their time and their countries. With all my heart I wish everyone who is graduating today and thus stepping over a major threshold in his or her life happiness and fulfillment, with the memory of the time at Harvard serving as a challenge and an encouragement. You have every reason to be proud and to have a sense of commitment because you come from Harvard.

II.

Here on commencement day in June 1947, George Marshall addressed the graduates and alumni, America and the world. His speech has gone down in the history of nations. How did this come about? Let us try to picture the situation then.

Two disastrous world wars lay behind us. America has decided both of them.

At the end of the Second World War, Europe lay in ruins. Inconceivable human pain, injustice and slaughter had occurred. Millions of Jews had become the victims of an unprecedented crime. The Poles, the Russians—and the Germans too—were deeply suffering, as were other nations. Though there were winners and losers at the end of the war, they all shared the terrible burden. Europe was devastated and exhausted.

In this situation, we young people who had experienced the war and miraculously survived it set about building a new life. This was a tough challenge. What we wanted most were fundamental ethics. We had witnessed what happens when the human mind is distorted by manic racism, terror and violence. We had learned that freedom and human dignity are jeopardized whenever we fail to stand up for them.

We had discovered that man cannot live on bread alone. That was one side of the coin. Without bread, however, man cannot survive either. "First food, then morals," as Brecht said in "The Threepenny Opera."

Misery prevailed in Europe: expulsion, displacement, hunger, no heating, no power, no production, no material resources, no prospects, little hope.

It was in this situation that George Marshall announced his program. He proclaimed it without pathos, rather succinctly and soberly. His plan is unparalleled in the history of world powers in generosity, selflessness and vision.

Outstanding Americans helped to shape it: Dean Acheson, William Clayton, George Kennan, Charles Bohlen, to name but a few. It was the work of a farsighted, highly responsible American administration. Europe was called upon to regain its life and its political role, the decisive impetus being provided by America's material assistance.

The plan was generous: It was intended for everyone, including the enemies defeated in the recent war, not least us Germans. It was addressed to the whole of Europe, including the East. As Marshall stated, it was "directed not against any country or doctrine."

The plan was selfless: The assistance was provided with no political strings. The recipients themselves were free to decide on the distribution and use.

The plan was visionary as great victors seldom are. They tend to carry on with their war objectives even in peacetime. They seek to ensure that defeated adversaries or weakened allies remain dependent. The happiest times in history, however, occurred whenever victors assisted everyone to recover and helped the defeated to regain their self-esteem. In this respect, the Marshall Plan set an example unique in history.

America did not misuse its superiority by moral arrogance or political coercion, It did not seek to maintain dependence. Instead, the aim of the United States was to restore the confidence of the Europeans in their own strength, in their own political future.

The Marshall Plan bears testimony to the strength of a great and free nation to define its own legitimate interests in the light of a truly historical perspective and to act in accordance with basic ethical principles. America gave expression to its own dignity by respecting the dignity of other people.

III.

George Marshall added to his printed speech a handwritten sentence to which he attached special importance: "The whole world of the future hangs on a proper judgment."

How true this is, and how difficult it is to act accordingly day after day!

Marshall was not an ideologist, but a realist. He was all too familiar with the temptation of nations to adhere to mutual prejudices, instead of seriously trying to understand others, He knew that prejudice generates violent emotion. The outcome is fear, confrontation or crusades. In history, this has proved to be dangerous time and again. We are facing similar dangers today. Can George Marshall's guidelines help us to cope with them?

First of all, we must soberly analyze our situation. What has become of the Marshall Plan in these forty years? What has been achieved? What is still unfinished? What is our task today?

The first answer is quite clear: The Marshall Plan produced great, decisive developments. It laid foundations for new life in Europe. The nations that benefited from it are free and sovereign. They experienced an unprecedented recovery.

As intended by Marshall, this recovery was due no less to their own hard work than to the enormous material assistance provided by America. The Marshall Plan is the most successful example to date of a policy aimed at assistance for self-help.

The plan simultaneously acted as a trigger for cooperation and growing unity. It gave rise to the OECD. The European Community would be inconceivable without it. It focused attention on global tasks; worldwide forms of cooperation, such as the International Monetary Fund, are the product of its economic momentum. The Marshall Plan is and will remain the most fundamental achievement of the Western world since the war.

The plan also gave decisive impetus to transatlantic partnership. George Marshall was not only concerned with practical cooperation between America and Europe. His thoughts were deeply rooted in the common stock of ideas of Europeans and Americans. They include universal human rights, cultural openness among nations, free world trade. It is these common values and goals, and not missiles, that give the North Atlantic alliance its identity and permanence.

IV.

The proper judgment that Marshall demands of us also implies tackling unresolved or new problems.

The alliance has worked well over the last four decades. Yet there are misgivings between America and Europe. Many Americans regard us Europeans not only as strong economic rivals, but above all as affluent egotists who constantly criticize America, but are not able or willing to think in global dimensions, to bear our fair share of burdens or to discharge our political responsibility properly. They view us as waivering partners with a provincial outlook as "Eurowimps."

Looking in the other direction, Europeans believe that their American partners are marked by erratic confusion: On the one hand, Americans supposedly claim a rather unilateral leadership role in the world. On the other hand, an inward-looking mentality prevails. Many feel that the Americans are living beyond their means. They regard the huge twin deficit in the U.S. budget and trade balance as posing a burden on the Americans and on others as well. They point out that the Americans produce less than they consume and save less than most other countries, but as the world's richest nation draw on a disproportionately large share of the world's savings to offset this deficit.

I am neither able nor willing to render judgment on the merits of such allegations. More important, in my view, is the perception that our societies have fairly similar weaknesses. Our democracies function well, but they do not educate us to pay attention to the problems of other countries, although our own destiny depends on their destiny. On the contrary, people here and in Europe have above all learned to organize their own interests, to strengthen their domestic position and to increase their personal prosperity. We all try to safeguard our own claims and rights. Our societies are marked by a tight network of expectations and entitlements. Politics becomes more dependent, its scope narrower.

To be sure, politicians—my own guild—often reinforce this trend instead of opposing it. They are not a club of selfless saints. Their performance in resolving problems rarely matches their excellence in fighting for power. Yet all too often they are captives of local and regional interests and demands, tied down like Swift's Gulliver by countless little ropes and chains.

It seems as though everywhere provincialism has taken charge of us, as though all of us are dominated by a shrinking horizon and a parochial inward-looking mentality.

V.

Is this trend irreversible? Must we accept that democracy trains us better to exercise our rights than to perceive our duties? Have we really divorced freedom from responsibility? Has the ability to adopt a historical perspective died away? Do young graduates from Harvard or Heidelberg really want to enter a society of affluence which begins to stutter when asked to specify what its goals are, what it believes in and what it is inspired by?

I think not. A new generation will follow its own path. It will define its own tasks, choose its own commitments. Two challenges stand out today. The first concerns the Third World. George Marshall spoke out in favor of a policy against "hunger, poverty, desperation and chaos." His plan helped the recipient countries to overcome their need. But in large parts of the world there is a completely different situation. Vast sections of his speech might almost have been conceived today, if you only replace the word "Europe" by "Third World." America's thoughts and deeds to the benefit of Europe were immensely generous. However, many developing countries feel it is precisely the prosperity and current practices of America and Europe which are one of the main causes of their own poverty.

Do we really understand the impact of our trading and financial system on those countries? Are we ready to stop damaging their vital needs by forcing our agricultural surpluses into their export markets at subsidized prices? Have we not time and again misinterpreted the social struggle of those nations primarily as a problem of our own security? How long will we carry on seeking and supporting military solutions there? When will the East and the West put an end to the wretched "zero-sum game" of their proxy wars on the soil of third countries?

This brings me to the second challenge of our time, a matter particularly close to our heart and responsibility as Europeans and Germans: to East-West relations.

The purpose of the Marshall Plan was to assist and unite the whole of Europe. At the time, Poland, Hungary and Czechoslovakia in particular wanted to participate. Soviet Foreign Minister Molotov had already started negotiations with his Western European counterparts. But they failed. Stalin distrusted the American offer. For his own designs, he expected a weak Europe to be more useful. As a result, the division of Europe grew worse. Today the continent is divided into two seemingly irreconcilable systems, into two blocs with still the world's largest military arsenals.

Must the Marshall Plan, which was never intended to create opposing blocs, remain a torso? Are we satisifed that fate has been gracious at least to us in the West? Is the division final? Do the Europeans accept it as an immutable lot?

No, it is quite different. Europe is politically divided, but is not and will never be divided in spirit. We have not only a common history and unity based on closely related national cultures. Together we face a common fate on a small continent. After a period of resignation, there is again a growing awareness among Europeans in East and West that they belong together. The people in the Warsaw Pact countries have a hard way to go. An entire generation has had to live in forced isolation. But they have never ceased to be Europeans. Theirs is the greatest contribution towards keeping the spirit of a united Europe alive.

Among Western Europeans there is a growing perception that we harm ourselves if we try to convince ourselves that the East does not concern us. We understand, as Vaclav Havel put it, "how ambivalent our Western happiness would be if it were obtained permanently at the expense of Eastern misery."

For you here in America it may be difficult to appreciate such European feelings. Many of you may perhaps even regard this as a source of estrangement between America and Europe. You may feel that one can only opt either for transatlantic partnership or for the whole of Europe.

But what is the essence of our partnership? Surely, it is the concept of freedom. Freedom is inseparable from responsibility. We would not only be disloyal to our own ideals, we would in fact destroy them, if we were to claim freedom only for ourselves and not stand up for it in the case of others.

Anyone of you who visits Berlin will appreciate what I mean. For 26 years now, a wall has sliced through the middle of the city. It separates people who belong to the same family, are of the same spirit, have the same hopes, breathe the same air, face the same future. But it has failed in its true purpose: It has not made people become resigned to division. On the contrary, this dead structure is a vital and daily reminder of what it was intended to make us forget: our feeling of belonging together. Berlin was to become a symbol of the division between the political systems. But it has increasingly become a symbol of unity, a manifestation of people's determination not to be separated.

Many a neighbor and friend of the Germans is not overly pleased when an unsettled German question is broached. But anyone who looks at the Brandenburg Gate, in the heart of Berlin at the wall, as I shall do with your president tomorrow, will feel with his own heart what we mean: As long as that gate remains closed, the German question remains open.

This is not tantamount to any neutralistic yearning or nationalistic nostalgia. It is a very simple human feeling. We do not want new conflicts about borders. We have learned painful lessons from history. But borders should lose their divisive nature for people. This is the crux of the open question for all Europeans, a question concerning human rights and human dignity for everyone, not just for one nation or solely for the West.

VI.

It will not serve to be bull-headed. Grand declarations and ideological crusades do not help either. What we need is a consistent policy of East-West understanding.

This does, of course, not imply acceptance of the other system. Faith-healing is no policy. Opposing convictions and divergent interests will persist. Nor must we neglect our security. Anyone who can no longer defend himself will fail politically.

However, politics does not serve defense, but defense serves politics. For all too long, East-West relations were dominated merely by the concept of security. It seemed as through deterrence was the only language in which East and West could communicate with one another.

In actual fact, security itself necessitates a policy of confidence-building and interdependence. It was the policy of a Harvard professor, Henry Kissinger's SALT negotiations, which first drew the inescapable conclusion that security by dominating modern weapon systems can be ensured only through cooperation.

That was the first step towards a system-opening kind of cooperation. Further steps have to follow. We must find "currencies" other than just military power for dealing with one another.

At present, the Soviet Union is making great effort to gain ground. Its program is designed to bring about fundamental changes in domestic structures and mentalities. To this end, it seeks to widen cooperation with other countries. Of course, the Soviet Union wants to serve its own purposes and not to do us a favor. At the same time, Moscow may very well have a genuine interest in finding new ways of communicating with us. Is this a disadvantage for us? The deficiencies that the Soviet Union is trying to correct arise from a closed system providing no incentives, no co-determination, no free information. The people are the losers, not only in material terms. If there is a chance for further opening steps, is this a risk for us? Should we respond with rejection, new containment and confrontation? The Soviet Union is neither a mere public relations system founded exclusively on ideology nor a blindly obsessed world-revolutionary. At the top of the East-West agenda is not the final apocalyptic struggle between good and evil, but a growing number of problems which neither East nor West can solve on its own: the population explosion and hunger in the world, the progressive destruction of nature, ensuring energy supplies, coping with the ethical aspects of scientific and technological progress, and above all ensuring peaceful relations between neighbors.

In the East-West context today we do not have to provide loans and grants as in Marshall's time, but cooperation of new quality. We should recall Senator Fulbright, who has so ably introduced the vital concept of international educational exchanges. This is the way to replace prejudice with knowledge. Science requires openness. Industry needs trained employees and managers. Telecommunication promotes technology and widens people's horizons. The greatest friend of mutual understanding is culture, the greatest enemy is isolation.

It is in these areas that we need an East-West transfer in both directions. The concept of coexistence as a class struggle is antiquated and reactionary. Coexistance must imply the capacity to settle conflicts by political means without either side claiming to possess the absolute truth.

Disarmament is important. But history teaches us that it is usually not disarmament which leads to peace, but peaceful cooperation to disarmament.

Today we have a truly historic opportunity to engage in cooperation which can lead to greater openness and responsibility between the two political systems. We must make vigorous and responsible use of this opportunity. It is mainly the mandate of us, the Europeans. But we want to and must do it together with you, with our American friends.

VII.

It is not sufficient to wait and see in which direction the "new thinking" in Moscow moves. Fresh thinking is, first and foremost, a challenge to ourselves. George Marshall set an example.

We should complete what he was prevented from finishing. Fifteen years ago my country set up the German Marshall Fund of the United States as a token of gratitude for the American assistance given to us. This fund is intended as a transatlantic institution serving to meet the challenges of our time. Would it not be in line with the spirit of George Marshall to include prominently in the fund's projects those countries which were formerly prevented from participating in the Marshall Plan?

Fresh thinking has always been a characteristic of Harvard. Here there is freedom and openness in research, interdisciplinary horizons, a concept of teamwork, stimulation of talent, vital curiosity.

To be sure, Harvard is not an ideal world, but I know hardly any other place on earth where there is more tolerance, where diversity is so strongly encouraged, where talent is not suppressed for fear of competition, but is fostered, where a foreigner is not just tolerated but perceived as an enrichment.

The Harvard student is encouraged to make intelligent use of freedom, to practise "mature citizenship," as Harvard's president in George Marshall's time put it, James B. Conant, whom we in Germany remember with great respect because he, as America's representative to our country, practiced in exemplary fashion what he had been teaching at Harvard.

Harvard's motto, "Veritas," is not a claim to a monopoly on truth. It implies aspiring to truth as other people do, even if they set out from an entirely different point of departure. "Veritas" in Harvard has a different notion and language than truth in Moscow, the "Pravda." It is all the more important to strive for communication and exchange. This is one of the great tasks for the young generation of our time. We should not be guided by doubt. It is the historical perspective that can give us prudence and confidence. In the end, if we resist prejudice and emotion it is not systems and doctrines that will prevail, but people with their human aspirations.

What I would welcome from the bottom of my heart is a constant flow of new thoughts from this "global village." You are trained and indeed qualified for this purpose. It is your debt to the world. Let me couch my request in the words of Senator Fulbright: "We must learn to conduct international relations with patience, tolerance, openness of mind, and, most of all, with a sense of history. These are qualities of educated men. The cultivation of these qualities is the ultimate challenge to international education."

Harvard itself is part of the message which George Marshall gave the world 40 years ago. We are, all of us, called upon to live up to his legacy, and, by meeting the challenges of our time, to fulfill it anew.

PRESIDENT RICHARD VON WEIZSACKER AND THE MARSHALL PLAN ANNIVERSARY AT THE HARVARD COMMENCEMENT ON JUNE 11, 1987

Richard von Weizsäcker, the President of the Federal Republic of Germany, is no stranger to the United States nor is he a stranger in the United States. This is true not so much because of his many visits to America, but rather because he holds and represents those principles that are important to us. President von Weizsäcker confirmed his position as a senior spokesman for the Western World in a significant speech at the Harvard Commencement that marked the 40th Anniversary of George Marshall's announcement at Harvard of the post-war recovery plan that bears his name.

Many of us talk of the common values of the Atlantic Community without being able to define them. Richard von Weizsäcker's thoughts, like those he ascribes to George Marshall himself, are "deeply rooted in the common stock of ideas of Europeans and Americans. They include universal human rights, cultural openness among nations, free world trade."

But Richard von Weizsäcker has also witnessed the darker side of human nature and, like George Marshall, he knows "that prejudice generates violent emotion. The outcome is fear, confrontation or crusades." His wisdom and counsel are vital in a world where such danger still threatens mankind.

Richard von Weizsäcker's speech at Harvard was not, however, a homily on those things we have done that we ought not to have done and those things we have left undone that we ought to have done. It was, in fact, a strong challenge to the leadership of the world, the Western World in particular. "At the top of the East-West agenda is not the final apocalyptic struggle between good and evil, but a growing number of problems which neither East nor West can solve on its own: the population explosion and hunger in the world, the progressive destruction of nature, ensuring energy supplies, coping with the ethical aspects of scientific and technological progress, and above all ensuring peaceful relations between neighbors."

Not only the Federal Republic of Germany, but the entire Atlantic Community, is fortunate to have the benefit of Richard von Weizsäcker's leadership. His judgements are informed by experience and intellect; his views are shaped by conscience and compassion. As President or as private citizen he will always be welcome in the United States.

CHARLES McC. MATHIAS, Jr.●

COLORADO SPRINGS MAYOR ROBERT ISAAC

● Mr. WIRTH. Mr. President, for nearly 10 years, Robert Isaac has served as mayor of Colorado's second largest city: Colorado Springs. With distinction, Mayor Isaac has led Colorado Springs through a period of solid growth, while carefully tending to those who are less fortunate and less involved in the fruits of this growing economy.

Recognized by his colleagues as an experienced leader, Mayor Isaac holds leadership positions in both of the major organizations, and on the Advisory Committee on Intergovernmental Relations.

Following is an excellent piece on this outstanding mayor, written by one of Colorado's finest journalists, Rebecca Cantwell of the Rocky Mountain News.

The material follows:

MAYOR SHAPES ISSUES: ISAAC OFFERS CITY A NATIONAL VOICE

(By Rebecca Cantwell)

COLORADO SPRINGS.—While Denver Mayor Federico Pena sews together his new administration, the mayor of Colorado's second-biggest city is sowing seeds on the national scene.

Colorado Springs Mayor Robert Isaac, who romped to a landslide victory over token opposition in April, has been busy criss-crossing the skies on behalf of national municipal issues, continuing in his third term the national influence he has cultivated.

"Mayor Isaac continues to emerge as a national voice for urban affairs," said J. Thomas Cochran, executive director of the U.S. Conference of Mayors, based in Washington, D.C.

"He is recognized by his peers as a leader. You find them deferring to him."

National observers say Isaac, 58, has a high profile in Washington. "He is well known on the (Capitol) Hill and in the White House," said Bill Davis, director of policy analysis for the National League of Cities.

"When he sits down with people in Washington, he's pretty effective. He knows more about the topic than most of the people he's talking to."

Former Gov. Richard D. Lamm grew more focused on national issues in his third term, but Isaac shrugs off any comparison, insisting he is no less interested than before in the details of his city.

Since his re-election, Isaac has traveled to London, Chicago, New York, Washington and Nashville, Tenn., to promote municipal interests. Studies have shown Colorado Springs to be the nation's largest city with an unpaid mayor, Isaac lives modestly off investment income.

Isaac wants cities to explain why they need help from the federal government and to articulate that the federal government owes cities some money to help carry out federal mandates.

In the pre-Reagan era, the attitude among cities toward the federal government was "just give it to us because we need it, and increase, every kind of aid you can think of," Isaac told the News last week. "The national media viewed it, and maybe rightfully so, as mayors with their hands out."

Cities have fared poorly in aid from Washington so far this decade. Between 1980 and 1987, federal aid to local governments dropped 37.8%, according to the Congressional Research Service.

Isaac coined the result "trickeldown political suicide." Local officials take the heat for raising taxes to compensate for lost federal dollars—sometimes to fulfill federal requirements, he says.

Isaac holds leadership positions in the U.S. Conference of Mayors and the National League of Cities. He recently won a presidential appointment as one of only two Republican mayors on the Advisory Commission on Intergovernmental Relations, created by Congress in 1959 to recommend improvements to the federal system.

He has used those platforms to help reshape the debate over federal aid to cities. Now, he says, there is less talk of hand-outs.

A policy statement Isaac helped draft—adopted by the U.S. Conference of Mayors in June—calls for federal payments to cities to ease the burden of unfunded federal mandates, on topics ranging from water quality to overtime pay for city employees.

While the benefits of Isaac's national lobbying are invisible to average citizens, "There are many direct benefits maybe they wouldn't recognize," he said.

He cited the survival of some federal urban programs—at reduced levels—in the face of hostility in Washington, and legislative changes in response to court rulings viewed as harmful to cities.

Isaac has not risen to positions of clout in the national organizations without controversy.

In 1985, he threatened to lead a walk-out of Republican mayors from the U.S. Conference of Mayors, claiming the organization was partisan Democrat. At a meeting in Washington that year, Isaac criticized that city's Democratic mayor, Marion Barry, in a paper he circulated to other mayors.

But Isaac was noticed in the organization. And later he helped heal the wounds. "He helped prevent the organization from splitting," Cochran said. "It could have been quite serious."●

U.S. VICTORY IN TANK COMPETITION

● Mr. McCAIN. Mr. President, since 1963, the NATO allies have been conducting a competition for the Canadian Army Trophy which evaluates the ability of a four-tank platoon to engage moving and stationary targets while the platoon itself advances down the tank range. While it is difficult to replicate combat in training, this competition does put participants to the test because its requires gunnery accuracy and teamwork among tankers. The platoon leader is faced with the task of directing his platoon and directing its fires. The stress of the competition approximates the fog of battle.

Until this year there has not been a U.S. victor. In past years, critics were quick to point out that we played second fiddle to other NATO armor units. Important differences existed between the U.S. armor approach and their adversaries. Other NATO countries experienced greater retention and less frequent reassgnments. Often, the same units competed year after year.

However, during the years of the competition, the U.S. Army was making qualitative changes in its personnel and equipment. Because of the emphasis placed on recruiting quality soldiers, over 90 percent are high school graduates. Equipment has improved dramatically with the fielding of the M-1 Abrams. With twice the horsepower of its predecessor, a sophisticated suspension system and a computerized fire control system, the results were different: A U.S. victory in this biennial competition. Using M-1 Abrams tanks, U.S. platoons scored first and third. As reported in the Army Times the 1st Platoon of D Company 4th Battalion, 8th Cavalry, Third Armored Division hit all 32 main targets to score 800 more points than the runner up. The 1st Platoon of A Company, 3d Battalion 64th Armor, Third Infantry Division placed third.

Those soldiers deserve credit for their winning performance and I wish to go on record as publicly acknowledging their victory. They have reminded us that quality soldiers and quality equipment do provide the winning edge.●

WILL PETROLEUM BE A "COMEBACK STAR" OF THE EARLY 1990'S?

● Mr. HATCH. Mr. President, I recently received a copy of an address by Mr. Roy M. Huffington, entitled, "Will Petroleum Be a 'Comeback Star' by the Early 1990's?", which I found to offer a number of worthwhile thoughts on the future of our domestic oil industry.

Given the concern we all share regarding decreases in domestic oil production and increases in foreign imports of petroleum, I am requesting the text of his remarks be printed in the CONGRESSIONAL RECORD to offer food-for-thought to those of us involved in addressing this critical problem.

The text follows:

WILL PETROLEUM BE A "COMEBACK STAR" BY THE EARLY 1990'S?

(From an address by Roy M. Huffington)

Mr. Chairman, I am very pleased to be able to participate in the program today and offer my views on the future of the oil industry.

THE FUTURE WILL BE CHALLENGING

I see a relatively bright, but intensely competitive, future for those who are survivors of the current deep oil industry recession. The game will be tougher and more expensive than it has ever been before. Ultimately, however, we will only be truly successful if, and when, the U.S. government removes the many tax and marketing burdens it has unnecessarily imposed upon the industry in recent years.

In all industries in the United States, we must become much more competitive by producing better products at lower cost—products which can compete in free and open trade and attract customers, not only in our country but also abroad. Globally, oil and gas are faced with tough competition too, not only from alternate fuels but, in some cases, such as in the U.S., from low-cost imports as well.

MOBILIZING OUR STRENGTH

If we take the long view, however, we can see that the United States has the means to compete and excel. We have the natural resources, research, educational facilities, manufacturing capability and financial strength to compete with other nations. But we need a more enlightened political body and renewed national will and leadership to mobilize and use those resources better.

We also need freedom from laws that curb competition and subsidize inefficiencies. And there need to be rewards that can flow to individuals and companies based upon their achievements. Finally, we need government goals, laws and administration at the national, state and local levels which minimize the sapping demands on our industry. We also need the means to stimulate competition and new exploration and production activity, even during periods of depressed prices such as we are experiencing today.

THE DEVASTATING DECLINE

Petroleum is vital to our economy and national security. Oil and natural gas continue to be the primary sources of energy in the United States, accounting for two-thirds of the nation's energy requirements, and there are no ready substitutes. Ominously, imports have again risen to approximately 40 percent of the oil consumed in the U.S. This dependency has been growing each year as our domestic petroleum industry has been shrinking—devastated by low prices, high costs, government controls and inadequate exploration incentives to attract investment and rebuild the industry. It is time for us to wake up. We are faced with a substantial economic and security threat!

We have also seen United States production decline by perhaps 800,000 to 900,000 barrels of oil per day in 1986. Some forecasters expect that, at the end of 1987, oil output may be over one and one-half million barrels per day less than it was in 1985.

An index of the health of the oil and gas industry is the number of rotary rigs that are drilling. In June of 1986, the number of rotary rigs active in the U.S. sank to 686, the lowest level in 40 years, from a previous peak of approximately 4,500 rigs.

It is a major threat to our national security to have exploration dry up and reserves continue to decline. Recently, we have seen a big loss in crude oil and natural gas productive capacity, caused by production shutdowns when costs exceeded the price of the hydrocarbons. Much of that production has been plugged and abandoned and will never be recovered.

REVERSING THE DOWNTREND

Our country has the potential to reverse these downtrends and its increasing dependency on imports. But we must mobilize the resources of our country and industry to achieve that objective. Undoubtedly, more giant, undiscovered reserves lie under the U.S. outer continental shelves and slopes, both in the Arctic and in other deeper coastal waters. Still unexploited are huge secondary and tertiary reserves which, in many cases, far exceed the oil already produced from such fields.

All of these opportunities will be very expensive to find and produce. Even when the price of oil is in the $15 to $20 per barrel range, such challenging opportunities will require the latest technology, massive capital infusions and laws to support an uninterrupted national program to replace the nation's oil and gas reserves.

BASIS FOR OPTIMISM

So, some might ask: "Is there any reason to be optimistic?"

I certainly think so! But first we must clear the decks of unnecessary impediments to our exploration programs. The world oil industry has just gone through a frightening price slide—from well above $30 to under $10 a barrel—which low price has only partially recovered in the last few weeks. The result is that exploration has largely been paralyzed around the world.

Respected industry forecasters claim that there can be no meaningful oil industry exploration at $10 to $15 prices and that it will take crude oil prices of $25 per barrel to replace even 65 to 75 percent of the oil we consume.

Therefore, with prices today in the neighborhood of $18 per barrel, what should we do to reestablish optimism in the oil industry?

We, first, should keep in mind that the oil industry is a long-term investment business. Consequently, the environment needs to be attractive for the *long-term* investor. To minimize his project and political risks, he needs to know that he has a chance to get his money back, plus a fair return, in the shortest time possible. He also needs to know that he will have an open market that will pay a fair market value for his energy, and he will not be penalized arbitrarily by laws or regulations which increase his costs and reduce his revenues.

Both in the U.S. and abroad, governments are now taking bigger bites and have materially raised our costs with many new, expensive and time-consuming laws and regulations. Moreover, for numerous reasons, some of the most promising government lands have been withheld from leasing. In addition, the major prospective areas for exploration are much more costly to evaluate and drill. Consequently, the industry's finding cost has risen substantially, not only here, but overseas as well.

When we remember that only about one out of ten exploration wells drilled are discoveries and only about one out of 50 exploration wells are truly economic field discoveries, then we can see that the incentive to explore must be very great to attract the necessary capital and technology. Since the equity return from reserves discovered in the past will, in large part, be the source of funding for new exploration to replace the old reserves as they are depleted, the industry will need major new incentives to reinvest such funds and a moratorium, at least, on laws which raise costs or take bigger government bites out of revenues.

WHAT CAN BE DONE?

So, specifically, what can we do about this situation?

First, I think, each of us needs to back laws which are targeted at making the United States' petroleum industry more competitive by reducing its costs and opening its markets. For example, we need to decontrol natural gas, repeal the windfall profits tax and the Fuel Use Act, and remove other short-sighted, politically-inspired restrictions to the exploration and production of oil and gas, which in the end will only greatly increase the cost of these products to the end consumer.

Second, incentives to explore in the U.S. need to be expanded and encouraged:

By permitting operators to write off all intangible drilling costs during the year they are incurred,

By re-establishing the 27½ percent depletion allowance, which our forefathers, in their wisdom, recognized as an absolute necessity for the development of this ultra-high-risk industry,

By shortening the amortization periods for capital assets installed to develop and produce oil and gas, and

By improving the outer continental shelf and slope lease terms.

Third, we need to provide new incentives for research and development of secondary and tertiary reserves, which potentially are very great.

In addition, there are some laws we need to oppose, such as import fees and import quotas. These laws—

Would make U.S. goods and services less competitive on world markets, thereby further aggravating the U.S. balance of payments problem, and

Would benefit seller of all U.S.-produced crude by providing a price floor, but would result in higher costs to U.S. consumers for petroleum products and other products which utilize petroleum energy or products, including petrochemicals, pharmaceuticals, cement and many others.

So, *we do not need subsidies. We need incentives.* By this I mean, we need laws and government programs that reduce the industry's cost to find, develop and produce oil and gas, and that are simple to administer.

ACTIONS NEEDED OVERSEAS

As we look overseas, our objective, I believe, should be to help host countries attract foreign technology and investment to find and develop their hydrocarbon reserves. They need to offer foreign exploration companies terms which—at $18 per barrel for about a 25-million-barrel discovery—would enable a company to recover its capital investment promptly and, when compared to its risks, allow it to make a fair and reasonable rate of return.

In addition, where we have the chance, we need to encourage consuming countries to give all nations equal access to their markets and, whenever possible, to aid developing nations with cooperative energy loans. The consuming countries would also benefit from the discovery of these additional hydrocarbon reserves.

We also should be careful not to encourage national leaders to expect quick financial gains, particularly when the net realizations from crude oil are at the low levels they are today. And we need to oppose laws at home or abroad that block markets for U.S. goods. In the U.S., the Fuel Use Act is such a law.

THE OUTLOOK CAN BE BRIGHT

In spite of all the aforementioned facts, I believe the outlook for our industry can be bright, although competition will continue to be intense and very tough, particularly in our markets. It is my personal opinion that the greatest deterrent to the future successful functioning of the oil and gas industry is the handicap imposed by unnecessary government regulation and poorly considered tax changes. Many of the regulations were politically inspired for the laudable purpose of holding energy prices down for consumers. But because of a lack of understanding of the high-risk nature of our business, by economically handicapping exploration, the exact opposite effect will probably occur, and prices, in the long run, will be driven sky-high for these same end users.

Revitalization of our industry will require able leadership both in government and in industry. Each of us, as individuals, needs to back our representatives and those laws which will make the industry more competitive. Consequently, total deregulation of gas, repeal of the windfall profit tax and the Fuel Use Act, full expensing of intangible drilling costs, and the reestablishment of a 27½ percent depletion allowance should be high on everyone's list.

We need to help government officials here and abroad to develop practical programs to reduce taxes and other costs, and to reward efficiency and successful efforts.

We need to back candidates for political and judicial offices who can help the nation and our industry become stronger competitors. Without a strong domestic petroleum industry, we become a much weaker ally, and we are at the mercy of imported petroleum to sustain and operate our nation.

As a geologist, I firmly believe that there is at least as much oil and gas remaining to be discovered in the world as we have discovered to date. The keys to major new discoveries will be innovation, new techology and enough incentives to make worthwhile the risks of the costly new efforts.

Personally, I think we have a great opportunity to reverse the trend of increasing dependency on imports. Many big reserves are still awaiting discovery. We can develop the technology required, but we need a government partner, which will work with us to reduce the cost of finding and development.●

RECOGNIZING MARGARET SORI-MARIN

● **Mr. McCONNELL.** Mr. President, I rise today to recognize a truly remarkable woman, Margaret Sori-Marin, who was recently elected chairperson of the Fayette County Republican Party. Lexington, KY, Herald-Leader recently ran an article on Margaret, discussing her involvement in the Republican Party. More interesting, however, is the manner in which she came to Kentucky, and how she became a Republican.

Margaret is a native of Cuba, and grew up during the violence of revolution which unsettled that country. Originally a supporter of Castro after he first came to power she did social work with the mountain poor in Cuba. Eventualy, after Castro embraced Marxist ideology, Margaret found herself torn by the political changes she saw taking place. It was, the Herald-Leader article goes on to tell, the murder of her brother-in-law by Castro's counterrevolutionary forces that turned her against communism.

Margaret became a citizen of the United States in 1973, and wasted no time in joining the Republican Party. Since that time, she has been an active volunteer for Kentucky's Republican Party. In 1984, she served as State chairwoman of the Kentucky Hispanic-Americans for Reagan-Bush, and attended the Republican National Convention that same year. Margaret brings a great amount of experience and knowledge to her new position, to mention nothing of her enthusiasm.

Margaret's story is inspirational, and symbolizes the possibilities embodied in the freedom upon which our country was founded. I am certain that she will continue to contribute to Kentucky politics, and I certainly wish her well in her new role as chairperson of the Fayette County Kentucky Republican Party. I ask that the text of the Herald-Leader article be printed in the RECORD.

The article follows:

[From the Herald-Leader, June 19, 1987]

ANTI-CASTRO NATIVE OF CUBA IS TAKING HELM OF FAYETTE GOP

(By Jacqueline Duke)

At night, in secrecy, Margaret Sori-Marin and her family would gather around the illegal short-wave radio in their Havana home and listen to the Voice of America.

In 1964, the U.S. presidential election dominated the broadcast, and the anti-communist message of one candidate, Barry Goldwater, inspired the Sori-Marins and scores of other disillusioned Cubans.

"When I heard him, I knew his philosophy was mine. I said 'I am a Republican,'" Mrs. Sori-Marin recalled.

In 1973, six years after fleeing Cuba and the Castro regime, Mrs. Sori-Marin became an American citizen and immediately registered as a Republican.

Last month, after a decade of volunteer political work, Mrs. Sori-Marin was elected chairman of the Fayette County Republican Party—the first Hispanic-American to hold such an office in Kentucky.

"It's quite a credit to her. She's one of the very hardest working, most dedicated Republicans anywhere in Kentucky," said Robert Gable, state Republican Party chairman.

Mrs. Sori-Marin's election is somewhat remarkable for a woman who spoke no English when she came to this country in 1967. Some Republicans have said privately that it was nothing short of a miracle for an outsider—and an immigrant—to be elected chairman.

"This means the party doesn't discriminate. We are a family, a large family," Mrs. Sori-Marin said.

But her election has left lingering divisions within a county party that has not had a contested election for years.

Backed by the more conservative majority of the executive committee, Mrs. Sori-Marin defeated moderate candidate Ron Wedding by a handful of votes.

"There is concern within the party that Margaret represents a certain core of the party and doesn't make a lot of effort to work with other Republicans of different thinking," said Ann Ross, a former executive committee member.

Kay Davis, who supported Wedding, said she was concerned that Mrs. Sori-Marin lacked leadership ability. "I sometimes think it takes a little more than an enthusiastic person to be a leader," she said.

But Mrs. Ross and Mrs. Davis said they would give the new chairman, whom they both acknowledged as hard-working and committed, the benefit of the doubt.

"I'm sure she'll do a good job. She just seems to have boundless energy," said state Rep. Pat Freibert, R-Lexington.

With the election behind her, Mrs. Sori-Marin, 46, said she was anxious to get to work. As the statewide general election approaches, her agenda includes registering voters, raising money and organizing precincts.

"I know so many people who are Republicans from the heart. But because they think this is a Democratic state, they are registered Democrats," she said. "I have a challenge."

Even as a teen-ager, Mr. Sori-Marin said, she backed her convictions with hard work. Inspired by Fidel Castro's call for equality in Cuba, the convent-educated doctor's daughter joined the revolution that eventually overthrew the dictatorship of Fulgencio Batista.

She taught hygiene and housekeeping to the mountain poor and gave them clothing collected from her mother's rich friends.

In February 1961, she married Mariano Sori-Mann, a doctor from a poltically active Havana family. By then, Castro had embraced Marxist ideology, and one-time supporters were mounting a revolution of their own.

The counterrevolution claimed the life of Mrs. Sori-Mann's brother-in-law, a former comrade of Castro's and his first minister of agriculture. Humberto Sori-Mann was shot by a firing squad in April 1961, despite assurances from Castro that his life would be spared.

After Humbert Sori-Mann's death, Margaret Sori-Mann lived in fear that her husband would meet the same fate.

"It was a terrible time. We didn't know from one day to the other if he would be in jail," she said.

Her brother-in-law's death also transformed Mrs. Sori-Mann into the virulent anti-communist she is today.

In defiance of Castro and his government-controlled news, the family listened nightly to Voice of America, "clandestinely," Mrs. Sori-Mann said.

In 1987, Castro allowed Mrs. Sori-Mann, her husband and two young children to leave. They had little more than the clothes they were wearing and no money.

"We were lucky," she said.

Dr. Sori-Mann managed to find a job at a state hospital in Ohio. After a year there, he took his family to Hopkinsville, where he worked at Western State Hospital. The family moved to Lexington in 1973 living briefly in Frankfort.

Dr. Sori-Mann, who specializes in internal medicine, works at the Veterans Adminstration Medical Center. The couple have two children, Mariano, 23, a law student in Chicago, and Evelyn, 22, a surgical nurse technician in Cincinnati.

After she obtained her citizenship, Mrs. Sori-Marin wanted to offer her services to the Fayette County Republican Women's Club. But it took her more than three years to inquire.

"I was so embarrassed to call . . . with my English," said Mrs. Sori-Marin, who has yet to master the language completely.

Once she volunteered, the party put her to work. She organized fund-raisers, worked on committees and eventually won a place on the county executive committee.

Mrs. Sori-Marin was vice chairman until her election in May.

As she worked her way up the local rung, Mrs. Sori-Marin also delved into national Republican politics. In 1984 she served as state chairman for Hispanic-Americans during the Reagan-Bush campaign. That year, she attended the Republican National Convention in Dallas.

At the convention, surrounded by so many people of like mind, an emotional Mrs. Sori-Marin spent "most of the time crying."

An invitation to the White House followed the convention. "When I saw this president close to me, I believed it was a dream. I believe he has been saving us from communism," said Mrs. Sori-Marin, who passionately supports Reagan's stance on aid to the contras in Nicaragua.

Relatives remain in Cuba, but Mrs. Sori-Marin said she had no desire to see her homeland again. Nor, she said, would she ever travel outside the United States. She is afraid, perhaps irrationally she admits, that she would not be allowed to return.

Her sole ambition, she says, is to continue to work in the trenches for the Republican party.

"I work for this party because I believe it is the only way I can pay this country for the freedom," she said.●

NUCLEAR PLANT SAFETY

● Mr. D'AMATO. Mr. President, I rise today in support of legislation introduced by my colleague from New Hampshire, Senator HUMPHREY. This bill, S. 369, would ensure that the NRC does not relax its requirement that emergency planning for nuclear facilities extend over a 10-mile radius.

The 10-mile requirement was implemented in response to the accident at Three Mile Island. I don't think any of us have a desire to return to the less stringent requirements which existed before this accident. However, last December, the owners of the Seabrook nuclear plant in New Hampshire asked the NRC to waive the 10-mile emergency planning zone requirement and to allow them to use a 1-mile zone. If such a reduction were allowed for Seabrook, I believe the NRC would have set a dangerous precedent with potential repercussions for millions of Americans living near nuclear facilities.

The bill also requires that the Federal Emergency Management Agency [FEMA] make a finding that the emergency plan is adequate to protect the public safety, and it requires that emergency response standards for licensed facilities not be reduced.

Mr. President, I share my colleague's frustration with the NRC. In the case of the Shoreham nuclear facility, I have seen example after example of the NRC's attempts to license this facility at any cost—without State and local government involvement, without the normal public participation, and without an assurance from FEMA that the public safety can be protected by the only tested evacuation plan.

I support this bill because I want to send a strong signal to the NRC that I do not believe they should relax their emergency planning requirements in any way. If anything, they should strengthen them. I have set forth specific proposals in S. 100, the Improved Nuclear Standards Act, which I believe could go a long way toward strengthening these requirements. I believe there should be annual tests of emergency evacuation plans. I believe that the Federal Emergency Management Agency should be required to make a finding that the public safety can be protected. And I believe that no plan should go into effect, and no plant should be licensed, until the State and local governments involved have participated in and approved the emergency evacuation plan.

I urge my colleagues to join in cosponsoring this legislation.●

INTERNATIONAL LABOR RIGHTS

● Mr. HARKIN. Mr. President, I commend to the attention of my colleagues an important series of articles on the exploitation of children in the Third World. This series, written by two Cox Newspaper reporters who visited 11 countries over a 9-month period, presents a compelling case in support of enforcement of internationally recognized labor rights, including restrictions against the use of child labor.

From Morocco to India to the Philippines to Brazil to Thailand, this series documents the exploitation of working children, children suffering while labor inspectors, police and export promotion bureaus look the other way, children suffering despite laws in most nations banning such practices.

I urge my colleagues to listen to Nasser Yebbous, a Moroccan factory owner, who likes his workers young, starting work as early as 7 years old. According to Yebbous, children's hands are nimbler and "their eyes are better, too. They are faster when they are small."

Listen to the story of a 15-year-old Filipino girl who works 90 to 110 hours a week for about 13 cents an hour at her sewing machine in a shirt factory in the Philippines.

I have long believed that it is not possible to pursue economic development without a parallel commitment to economic and social justice. In the seventies, we established the principle that the United States should use its economic aid programs to insist upon human rights.

In the eighties we should build upon that legacy and require that the United States should use its far-reaching economic leverage to insist upon changes in the international trading system that will spread the benefits of trade to those who produce the goods and services.

The expansion of international trade should promote improvements in the security and living standards of the world's population. Tragically, as the attached series vividly demonstrates, trade has the opposite effect, undermining living standards in both the developed and developing countries.

I urge my colleagues to support the provision in the Senate Finance bill making violations of internationally recognized labor rights an unfair and actionable trade practice under section 301 of the Trade Act. Senator RIEGLE and I have introduced similar bills in support of this effort. I am proud to submit this series of articles into the RECORD along with Senator RIEGLE of Michigan.

The articles follow:

[From the Atlanta Journal and the Atlanta Constitution, June 21 thru June 26, 1987]

MILLIONS OF CHILDREN TOIL IN SWEATSHOPS OF THE THIRD WORLD

[By Joseph Albright and Marica Kunstel]

MARRAKECH, MOROCCO.—Nasser Yebbous likes his workers young.

"We prefer to get them when they are about 7," said Yebbous. He oversees a barren, one-room carpet factory where the sweet, sickly odor of wool dust hangs over 250 girls and young women who sit elbow to elbow at hand looms for 55 hours a week.

One-third of the rug weavers at the Marrakech Tapis factory looked to be children.

Children's hand are nimbler, said Yebbous. "And their eyes are better, too. They are faster when they are small."

This factory is one particle of a global shame. Tens of thousands of well-to-do employers such as Yebbous work children for pennies an hour in mind-blunting or dangerous jobs. Others make money be maneuvering children into criminal work, turning homeless boys into street thieves or 13-year-old girls into prostitutes.

Laws in nearly ever nation ban such practices. Yet in many countries, the laws to protect children aren't working.

Governments figure in the shame. Throughout a nine-month inquiry by Cox Newspapers into exploitation of working children, the same scenes repeated from Morocco to India to the Philippines to Brazil to Thailand: children sweating while labor inspectors, police and export promotion bureaus look the other way.

Some employers were remarkably candid, though never apologetic, while others sought to bluster around the conditions they allow:

"There are no accidents," declared the manager of a glass factory in India where soot-covered boys who look as young as 8 carry molten glass on the tips of poles, dodging open furnaces, piles of broken glass and one another as they scurry to keep up production. The scars on their faces contradicted the manager's words.

"If we given them meals, then we can control them very easily," said an executive of a Thai toy factory, where young girls get rice and soup, a mat on the floor in the factory dormitory, and 6 cents an hour for working up to 90 hours a week. The policy worked. A 15-year-old toy wrapper said she gets to leave the factory once a week at most.

"The fact that we have girls on stage, the fact that you can make arrangements with the girls, that's part of the fun," said an American businessman whose go-go bar in Manila collects $8.75 every time one of the girls walks out and sells her body to a tourist. Fun was not a highlight of the job for one 13-year-old dancer. She wept and asked a visiting couple to adopt her.

Children not only yield cheap labor for the employer, but also produce merchandise for blue chip foreign companies that wouldn't think of having children on their own payrolls.

Mocary SA, a Moroccan manufacturer, is one example of a company that sells handmade woolen rugs to major retail companies in the United States and Europe, including Bloomingdale's and Macy's, who in turn sell them for a $100 a yard and up. (In late May, a survey of all Macy's stores in Atlanta turned up a single Mocray rug at Northlake Mall.)

Hiyat, 11, a fine-boned girl who is small for her age, makes rugs for Mocary in the capital city of Rabat and is not able to go to school.

Perched on a low wooden bench in front of a loom, cutting knife at her side, Hiyat is an automaton with whirring hands.

Forty years ago, carpet knotting was a handicraft that little Moroccan girls learned at home from their mothers. Now it is big business, and girls as young as 4 work in factories here.

Hiyat knots rugs six days a week with 200 weavers in a concrete box of a factory. It was built five years ago when her company was broadening its foreign markets with the aid of loans from a government development bank.

Hiyat would have to tie one strand of woolen pile onto the loom every 2.43 seconds to keep up with what her supervisor says is the factory's pace of knotting. Because she is learning, she is a little slower.

Mocary supervisors wouldn't say how much, if anything, Hiyat earns. Throughout the carpet industry, apprentices commonly remain upaid while learning. She earns at most 15 cents an hour, judging from government figures on rug workers' pieceworker rates.

The monotony wears on her. "I wanted to stay in school," she said, "not work here."

Many governments acknowledge privately that children are being exploited, but they don't know what to do about it, according to Dr. M.A. El Batawi, chief of the World Health Organization's office of occupational health in Geneva.

Their dilemma, as he described it at an international conference two years ago, is, "If you say let's ban child labor, what are you going to do with the millions of kids? There are not enough schools to put them in."

What governments do, Batawi says, is "close their eyes to it, and the situation goes on with children being maimed and dying."

In 1979, the United Nations' International Labor Organization (ILO) estimated that 56 million children between 11 and 15 served in the world's work force. Last year, the ILO raised that estimate to 88 million.

The ILO figure doesn't include many forms of child labor, such as piecework in the home or street peddling. Nor does it count any children under 11. If "informal" child labor were counted, "the estimate would run into the hundreds of millions," a UNICEF staff paper reported last year.

Little wonder. Since 1950, the world's pool of potential child workers has nearly doubled as Third World population has soared; there now are 1.1 billion children ages 5 to 14.

Cheap health techniques, including mass vaccinations and oral rehydration for diarrhea, are keeping alive multitudes who would have died in their first year a generation ago. Schools are not being built fast enough to stay ahead of the 15 million additional school-age children every year.

SWEATSHOPS SPREAD IN POORER NATIONS

And for what sort of life are these millions being saved?

They are growing up as the race for economic development propels more and more of the Third World into the sweatshop manufacturing era from which Western countries have emerged this century.

Not only are there more children now but also more signs that children are harmed by prolonged heavy work. New studies by the World Health Organization and the ILO suggest that children who take on factory, construction and other heavy labor grow more slowly, suffer from work-related diseases and never learn to read.

"They tend to be disadvantaged throughout their lives," said Assefa Bequele, the ILO's chief specialist on child labor.

Disadvantages come in gradations.

Four out of five children work in fields, not cities. Ultimately, a boy who hoes crops 12 hours a day will be better off if he's working his father's plot, which he later may inherit, than if he's working a landlord's plantation.

Some child workers go to school; some don't. A girl who sells cigarettes on the street after school gets a far better start on life than a girl who runs a sewing machine and never goes to school.

Exploitation needs a narrower definition than merely children working. To Britain's Anti-Slavery Society, exploitation involves children working under conditions harmful to their maturing. To Francis Blanchard, director-general of the ILO, it's "the denial to children of their right to play, to learn, to enjoy a normal childhood."

Definitions such as these fit in countries where children's toughest challenge is getting into college. The definitions don't work, however, in Third World countries where a Western-style childhood is a luxury for a tiny elite.

A more tangible definition—one that contains less Western cultural bias—comes from the Geneva-based advocacy group Defense for Children International. According to its definition, child exploitation is the extraction of excessive profits from a child's labor, or the use of child labor in a way that could inflict physical or mental suffering or damage, or the denial of liberty or access to a child's family.

How does the hand-made carpet industry in Morocco measure up?

King Hassan's government says it has all but eliminated child labor in carpet making over the last two decades.

"There are very rarely girls less than 12 years old," said Fouad Lahlou, secretary-general of Morocco's Ministry of Handicrafts and Social Affairs. "Very rarely."

In 1985 and 1986, there was not a single prosecution in the carpet industry under Morocco's law against hiring children under 12, Lahlou said.

To check on conditions, Cox Newspapers reporters visited 14 Moroccan carpet factories in five cities, in most cases without prior arrangements.

Eleven of the 14 welcomed the visitors and arranged tours. In all 11 factories, children were found working at looms.

About 350 rug-knotters under 12 were counted out of an estimated 2,500 girls and young women working in those factories.

For Yebbous, labor inspectors are no deterrent against hiring his 7-years-olds.

Asked if inspectors interfered with his use of children, Yebbours replied, "No, not at all. They don't try to force their way in here."

IN FACTORY'S DIM LIGHT, CHILDREN KNOT RUGS

The conditions in all the factories, large and small, were similar: areas too dimly lighted to work without eyestrain, fat wool fuzzballs skittering across the floors, the musty smell of wool and dye.

In some, light shafts breaking through a window defined the haze of dust the young workers breathed.

Dirtiest of all was the Makina rug factory in Fez, a former ammunition plant where 600 workers bump shoulders working in low light. Gobs of oatmeal-colored wool dust clung to whitewashed pillars. Reporters found their nasal passages itching 10 minutes into their visit.

One Makina worker, Issiya, was only 4, said Hassaniya, her loom boss. Issiya was so absorbed by the flower pattern she was knotting that she never looked up at visitors who stopped to talk with Hassaniya a foot away.

No Moroccan study has been published on whether wool dust or low light might affect the health of young rug makers. Assistant professor Aicha Belarbi, an authority on child development at Mohammad V University in Rabat, said it is unlikely the government would allow such research.

At all the plants, girls sat on low wooden benches, dwarfed in the narrow channel between their own 7-foot-high loom and the one behind their backs.

In the more fast-paced plants, all the girls acted like little Issiya, as though they were afraid to look up from their looms. Their fingers sped in and out of the strings, and their eyes were locked on the yarn.

At Mohammed Talbi's plant in Fez, the 10 underage children and 80 teenagers and young women appeared relaxed and giggly. It was Saturday afternoon and the boss was away.

Not so at the Lazrak factory in Fez. The work pace at Lazrak was fast and constant. One Lazrak woman supervisor disciplined a girl by slapping her on the shoulder.

But there was no sign of children being kept against their wills. They were working, supervisors said, because their parents sent them.

Because the rug changes hands several times before it reaches a buyer in the United States, the carpet weaver in Morocco is paid only a tiny portion of the rug's final price.

For example, here is how a typical 5-square-yard carpet sold by Mocary—but not necessarily made by child labor—increased in price by the time it reached Macy's in Manhattan this spring:

Hiyat's employer, Mocary, began last year by importing the wool into Morocco to make the rug. Estimated cost of 35 pounds of New Zealand wool: $49 including freight.

Mocary paid its rug makers, including the loom bosses, at piecework rates. All the big carpet makers pay a standard rate in Moroccan currency that works out to $3.90 a square yard, according to the Moroccan government. Estimated labor cost for this carpet: $19.50.

Mocary sold the carpet to Macy's in January for $166.40, according to Macy's inventory documents found attached to the rug. That gave Mocary about $97 for its non-labor overhead and profits.

Macy's paid $50.84 in freight, insurance and 5 percent U.S. customs duties. Macy's "landed cost" (the purchase price plus cost of importing): $217.24.

The rug, labeled "Hand Made in Morocco Exclusively for R.H. Macy's," appeared in Macy's Manhattan showroom in late May. Price: $499.

Macy's estimated markup: $281.76. This was more than 14 times the $19.34 that the weavers earned, though Macy's estimated markup was not atypical for most department stores.

When called for comment, officials at Macy's headquarters in New York declined to be interviewed.

"We prefer not to participate in the story," Judy Cohn, publicity director of Macy's New York division, said after conferring with senior Macy's executives.

The president of Concepts International, a Manhattan rug-importing company that has served as the Macy's importing agent for many of its Moroccan carpets, expressed surprise when told that Mocary employed children.

"All these Third World countries have it [child labor]," said Concepts President Charles Kalison. "It's terrible. It's very sad to see little children working who should be playing and in school."

Although Kalison had visited Mocary in Morocco, he said, "I don't remember seeing any [child labor] in Morocco."

At the bottom of the pyramid where the rugs are knotted, reporters found that girls and young women on the looms were earning far below Morocco's legal minimum wage of 44 cents an hour. A few made 25 cents an hour. Others got nothing.

"In the beginning, they are not paid," acknowledged Lahlou, the government official. "The school for rug making is the school of workmanship. One cannot learn how to make rugs on a blackboard."

How long do apprentices work without pay?

"It could be a year. It could be five months," he said. "It depends on how she learns. When the boss sees that she begins to give something, he or she decides to pay."

And after that?

"A simple worker" begins earning about 90 cents a day, Lahlou said. Later, as she gets faster, she can earn more under piecework rates, he said.

With one hour's work, this "simple worker" could earn enough to buy 1½ loaves of bread—a commodity heavily subsidized by the government. But it would take the worker five days to earn enough for a liter of olive oil or 17 days to buy a pair of leather shoes.

MANAGERS PREFER TO HIRE 7-YEAR-OLDS

Yebbous of Marrakech Tapis was not the only factory manager who said openly that he preferred 7-year-olds.

Plant supervisor Mohammad Benour of the 600-employee Martex SA carpet factory in Sale said, "To do this work you have to have experience. It's better if we can get them when they are 7."

Rabia, a loom supervisor at the 400-employee Sofit and Fitam SA factory in Sale, echoed: "Normally, it's better for a girl to begin at the age of 7 so she gets more experience, so she gets used to the work and becomes adjusted. Less than 7, it's bad for the health of the girl."

In contrast to such forthrightness, Hiyat's bosses at Mocary tried to hide their employment of underage children.

When the journalists drove up to the factory gates 10 minutes ahead of their scheduled visit, a male supervisor was seen escorting three girls who looked about 9 out the front door. Another male supervisor was gently pushing a girl, about 10, into a closet. Another half-dozen children, including Hiyat, remained at the looms.

Half an hour later, as the tour ended, a dozen of the plant's temporarily exiled workers were seen waiting in a field across the street. One girl had her finger wrapped with yarn, a technique many knotters use to protect against cuts.

As the reporters were driving away, they watched in their rear view mirror as the exiles scampered back into the factory.

"Oh, I'm sure no one did that," insisted Mocary executive Abdulila Idrissi when adked why some underage workers had been removed from the factory. He maintained all of Mocary's workers were 13—though he had been filling in as the translator when Hiyat said she was 11.

Morocco's hand-made carpet industry employs 200,000 workers, including apprentices, in 100 sizable factories and 10,000 small workshops. Of the $45 million worth of carpets exported in 1985, more than 10,000 carpets costing importers $2.3 million found their way to the United States.

Although the government runs some handicraft cooperatives, most exported carpets are made by privately owned factories. Mocary is the largest Moroccan carpet manufacturer, with about one-fourth of the market.

As low as labor standards seemed in the factories, several Moroccan carpet executives complained that Moroccan carpets were suffering in the world marketplace because of foreign child labor, especially in India.

"We cannot compete with them," said Mocary executive Idrissi. "In India they pay with a bowl of rice for two rugs."

MANY WORKING CHILDREN FOUND MALNOURISHED AND DISTURBED

(By Marcia Kunstel)

NAIROBI, KENYA.—The child maids studied by Philista Onyango often appeared healthy, but their looks hid tangles of emotional trauma.

"They are very unhappy. They have nightmares. They are 15 and still wetting their beds," Ms. Onyango said.

Five hundred domestic servants ages 6 to 15 were surveyed in this east Africa capital city. About 90 percent showed signs of severe emotional distress, by Ms. Onyango's preliminary calculations.

In Bombay, India, Usha Naidu also has been examining the effects of work on children.

She found striking contrasts among jobs in Bombay. Nearly half the children working in construction were severely malnourished, while children working in auto repair shops were found to be slightly better nourished than non-working children.

"Certain occupations are harmful to children, and the problem becomes manifested with the increase in the number of years the child has worked," Ms. Naidu said.

The studies in Kenya and India break new ground.

"The health consequences of child labor are largely uninvestigated," said Dr. P.M. Shah, a medical officer of the World Health Organization's Maternal and Child Health Unit.

Most reports, he said, "appear to be founded on impressions and common sense rather than on clinical or epidemiological findings."

The World Health Organization funded the Nairobi and Bombay studies; they are to be published later this year.

OPINIONS ARE MIXED ON EFFECT OF WORK

The issue of how work affects child health is increasingly important as modern medicine carries more and more children in poor Third World families past the critical first year of life.

Nearly every type of work by children has its advocates and opponents. Even in the United States, some farmers want to hire children under 12 to pick crops. But not one knows if pesticides hurt children more than adults, so the courts have refused permission until it can be proven the work does not harm pre-pubescent children.

The United States can afford to be protective, even in the absence of sure evidence that pesticides damage children's maturing reproductive systems.

In developing nations, people often feel constrained by economics to take the opposite tack: Don't ban something unless you know it's bad.

Studies such as those being concluded by Ms. Onyango and Ms. Naidu are among the most precise examinations on work effects on children.

Ms. Naidu, director of the Unit for Child and Youth Research at the Tata Institute of Social Sciences in Bombay, has gone beyond other studies that simply compared working children with school kids, who are likely to come from wealthier families.

In her survey, the control group often consists of non-working children from the same family as the worker. All the children, workers and non-workers, were picked from the same economic backgrounds to reflect more exactly the effects of work and neutralize the effects of different incomes.

The research team checked 1,100 working and 500 non-working children in Bombay. It found work itself was less important to a child's nutritional status than the kind of work performed.

Construction workers were in the worst shape. They labor at rock quarries, on road gangs and at building sites in dust-choked air under the searing Indian sun.

Children working in restaurants and hotels are better off, because they get more food more regularly than they would at home, Ms. Naidu said. So 60 percent had reached the normal size for Indian children of their ages; their size showed they were not malnourished.

Their condition surpassed non-working children of the same socioeconomic group, of whom fewer than half were considered normal size.

"We don't want to say their health is impoved by working, but at least they may have a higher nutritional level," Ms. Naidu said of the restaurant workers. "These children get into another set of problems which are not so visible."

She cited the adverse psychological impact of long hours of monotonous work such as washing dishes in restaurants, where children sleep in a corner for a few hours every night.

The children surveyed also received medical examinations if they complained of ailments. Most common were respiratory complaints. The diagnoses showed working children suffered an 84 percent higher occurrence of respiratory infections indicative of tuberculosis than did non-working children.

Once again, construction workers suffered the most. Medics found at least one in six had a respiratory illness.

Besides helping governments estimate which jobs should be banned or better regulated, studies such as this one can point inspectors to areas within occupations that need more attention.

YOUNG SERVANTS SUFFER EMOTIONAL SCARS

In the Kenya survey of maids, for example, Ms. Onyango's team from the University of Nairobi discovered the youngest and most disturbed house servants worked in lower-income neighborhoods, where families could not afford experienced maids.

In middle-income areas, the domestics commonly were ages 14 or 17 and did not show symptoms of severe psychological ailments seen in girls who began work when they were 5 or 6.

As happens throughout the Third World, the small girls are sent to the city to work because their parents split up, die or cannot afford to support them.

They find it hard to cope with separation from their families, being treated as low-grade servants, or even worse, mistreatment by employers who beat or even sexually abuse them, Ms. Onyago said.

The girls typically bear backbreaking responsibility, working from breakfast, which they prepare until they have cleaned up after dinner at night. They watch children, wash clothes, clean the house and shop. They often are not permitted to eat with the family, and they may be roughed up by the children of the house, the survey showed.

Some child maids seen by a reporter at Dandora, a low-income housing development in Nairobi, fit Ms. Onyango's profile.

Elizabeth, a serious 10-year-old whose dirty pink dress was held together with a safety pin, was walking from the store with her 7-year-old charge, who was dressed in a ruffled plaid frock. Elizabeth said she works from 7 a.m. to 8 p.m. and makes about $20 a month.

"It's hard when there are too many clothes to wash, and the woman of the house doesn't help," she said.

CHILD LABOR FUELS INDIA'S CYCLE OF POVERTY

(By Marcia Kunstel and Joseph Albright)

FIROZABAD, INDIA.—Shimmering orange-red blobs crisscross the darkness of CA Glass Works. As eyes adjust to the factory's smoky interior, the scurrying figures of small, dirty boys materialized in the haze.

These ragged children trot like driven animals around the factory, carrying long pipes that drip molten glass heated to 1,500 degrees Fahrenheit.

At all five of Firozabad's biggest glass factories, Cox Newspapers reporters found boys under 14, the minimum age set by Indian law for factory work. Some even looked considerably younger. All worked with or around fiery molten glass and crude open furnaces.

Without exception, none wore protective glasses, shoes or gloves. They earned less than a dollar a day.

India has one of the highest concentrations of child laborers in the world, a by-product of poverty, government corruption and a rush into industrialization. Of all the working children in India, the glass workers of Firozabad may have the most dangerous jobs.

Most commonly, the job of a young boy is carrying a 6-foot-long metal pole that had been dipped into a furnace to retrieve a gob of the molten glass. The carriers run the hollow poles to an older glass blower who shapes products such as beakers for laboratories and drinking glasses for some of India's finest hotels.

Then to speed the process, the glass blower throws the pole javelin-style to a child several feet below him. The boy has to catch the pole with its shaped glass—at this stage glowing dull orange from its temperature of 950 degrees—and spin it and drizzle it with water to tame its fiery heat.

At CA Glass Works, boys zigzagged so quickly around the factory and each other that they had to dodge molten dribbles spilling from their poles. A visiting photographer smelled something burning and looked down to see his sneakers smoking.

At OM Glass Works, visitors saw one boy with a bandaged ear, another with a scarred, unfocused eye and a third who had a section of hair burned off his scalp.

In the Advance Glass factory, flames shot 8 inches from an open fuse box until a worker grabbed away one of four wires hanging from it. At every factory, glass shards littered grimy floors where workers of all ages walked either barefooted or in rubber thongs. At the office of Advance Glass, a worker propped himself against the doorway while another employee tried to stop the blood spilling from his foot.

The children accept these conditions as facts of their work life.

Mohammed Batsin, a 12-year-old employee at Emkay Glass Works, said he did not mind working with hot glass and furnaces.

"No, no. I don't have any fear," said Mohammed, a slight boy in shorts who said he had worked at Emkay for a year. "At first I got hurt, but now I don't anymore."

INDIA'S POVERTY MADE CHILD LABOR A TRADITION

This miserable work is the kind that provokes strong disagreement with the argument that child labor cannot be abolished until poverty is overcome.

Poverty is a confounding issue for advocates of child labor reform throughout the Third World because governments, businesses and the poor insist they cannot afford to do without the labor and income of children.

India—with an annual per capita income of $260 and estimates that one of every five children ages 5 to 15 employed—is a fitting place to examine conditions and causes for the most abusive child labor.

Poverty has made child labor a tradition here. Reformers say corruption and the drive for economic development have turned that tradition into exploitation.

Widespread child labor in India assures that the poor stay poor, partly because many working children fill jobs while millions of adult Indians—often their fathers—search fruitlessly for work.

Children get jobs because they are cheap and docile employees.

Mohammed, for example, said he makes 11 rupees (86 cents) a day at the Emkay Glass Works. India's minimum wage is $1.25 daily. An adult at the same shop working one of the more skilled jobs said he made 150 rupees, almost $12, a day.

With three days pay, Mohammed could buy his mother enough cheap cloth for one sari and his father one package of local cigarettes.

"In the long run, if children are thrown out of jobs, the businesses will have to continue by employing adults at better wages," said Swami Agnivesh, a well-known Indian social reformer.

A large force of child laborers depresses the wage scale and perpetuates adult unemployment, he said. It becomes a vicious circle as adults making a pittance look to their children to supplement the family income, then have more and more children who not only raise family costs but contribute to low wages.

Employers take advantage of these conditions, Agnivesh said, especially unscrupulous ones who make loans for pledges of work. With usurious interest rates, entire families effectively become serfs to a system of bonded indebtedness.

Estimates of children working in India vary from nearly 18 million—the government figure for children 5 to 15 who work for wages—to 44 million. Social agencies say the larger number is more realistic because it includes those who do piecework jobs with their parents, or are not paid directly by employers for other reasons.

Many of India's 200 million children 5 to 15 hold occasional jobs or else sacrifice school attendance so they can keep house and tend younger siblings while parents work. They are not counted in the work force.

The only country that may rival India in child laborers is China, which the United Nation's International Labor Organization estimates has 39.6 million children workers 10 to 14. Because so much of China remains opaque to Westerners, it is impossible to gauge working conditions there.

THE COST OF BUSINESS: "EVERYONE WANTS A BRIDE"

Most Indian children don't labor in factories with such patently dangerous conditions as those of Firozabad. But hundreds of thousands fare little better.

In the carpet sheds around Mirzapur in central India, children work in what at times degenerates into slave conditions. The Indian Parliament heard the labor minister report in 1984 on the rescue of 114 children, 91 of them 13 and younger, who had been abducted and sold to these factories where they had been forced to work 16 of 17 hours a day.

Weavers commonly make 24 to 40 cents per day. But children regarded as apprentices may be paid nothing but skimpy meals for as long as five years, said B.N. Juyal, a scholar at the Gandhian Institute of Studies in Varanasil who extensively studied the carpet industry last year.

He estimated 150,000 children work in the carpet belt, two-thirds of them migrants living away from their families—a far cry from the traditional cozy image of the cottage industry. Child weavers often sit cramped in pits inside mud or wooden weaving sheds, without proper light or ventilation, where the air is laden with wool dust, Juyal said.

Elsewhere, children are collected at 3 or 4 a.m. from their villages and bused to 12-hour workdays at "bidi" plants where they hand-roll cigarettes. Children have been crushed to death in coal mines and contracted lung diseases from working in match and fireworks factories.

All these jobs are illegal for children under 14.

Pervasive corruption makes the law useless.

Bal Krishan Gupta, 63-year-old founder and principal owner of Advance Glass Group, which includes the OM Glass Works, spoke openly about how business is done in Firozabed.

"It's very difficult. Everyone wants a bribe. Everyone," said Gupta. "The factory inspectors, the tax man, the labor leader. Everybody is involved."

So what do you do?

"We pay. This is the only way. If you refuse, you cannot do work," he said.

Gupta, who wore a silk shirt and ruby ring wreathed in diamonds when he was interviewed, obviously can afford to pay.

His company, like the rest of today's glass industry, was born in the post-independence industrial boom cultivated in the 1940s and 1950s by an embryonic government eager to develop resources and markets stifled by colonial rulers.

Laws were made to control development, such as the minimum factory-worker age of 14, which was set in the constitution by 1950, and the 1948 factories act, which stipulates an eight-hour workday. But the government has been unable to enforce such standards from the start.

COLLUSION AMONG PARENTS, CHILDREN, EMPLOYERS

Much of the new wealth only exacerbated social divisions embedded for centuries in India's caste system. Gupta, for example, began life as a member of an upper-caste family of farmers and money-lenders.

Today, his factories strike a telling contract to the spacious compound of his home, where he served unexpected vistors dainty sandwiches, nuts and tea, protected by a servant who stood and waved away flies with a long fan.

Gupta said he employs no boys under the legal age of 14. But he smiled uncomfortably when asked about the small children seen that day in two of his shops. They looked much younger than 14.

"They come to bring lunch to their fathers," he said. "They are not working. They stay to do something—that is how they learn."

Asked about the absence of safety gear for his workers, Gupta said they just don't like to use goggles and gloves that would protect them. His son, Pradeep Gupta, who manages one of the family factories, asserted in another interview: "There are no accidents."

The elder Gupta, a past president of the All India Glass Manufacturers' Federation, was aware that reformers are pointing angry fingers at Firozabad.

"They say we break the law," he said. "I say a boy who has education doesn't want to work on the farm or the factory."

He questioned how factories would keep a supply of workers if all children go to school until they are 14, and how the workers will learn trade skills if they don't begin training in the factory at a young age.

But Gupta maintained that his company tries to obey the law by asking prospective employees for a doctor's certificate attesting they are at least 14.

Such certificates are not taken too seriously. They often are fake, said Ashok Nareayan, joint secretary of the Ministry of Labor's Child Labor Unit in New Delhi.

"The parents, the children, the employers—all are in collusion, sometimes because of the compelling circumstances," he said, referring to India's poverty.

Inspectors who try to make cases are blocked by parents as much as the industrialists, Narayan said. The central government does not even attempt to enforce labor laws, he said, leaving the job instead to state governments.

Usha Naidu, an expert on child labor at the Tata Institute of Social Sciences in Bombay, said the courts and local officials are sympathetic to factory owners who often are the most politically powerful men in their area.

Labor inspectors who make successful cases have found themselves transfered at the behest of the industrialist they took to court, Ms. Naidu said. Others get discouraged by small fines.

"The inspectors say this: "We inspect, we find children are there, the children are in bad conditions. So you put up a file in court and what happens? The penalty is very small,'" she said.

Maximum penalties have been three months in prison or a fine equivalent to $156. Ms. Naidu's associate, S. Parasuraman, said fines more commonly have run less than $40.

There are more benign reasons for failure to act against violators.

"Other inspectors say, "Where will the children go? At least they have something when they are working. Otherwise they will starve,'" said Ms. Naidu.

Her study of Bombay child laborers found only one-fifth of the families surveyed were totally dependent on the child's income. the other young workers supplied 8 percent to 88 percent of the family earnings, a spread so wide that it calls into question whether all of them need to work.

Still, she does not believe child labor can be banned.

"When you think about all the children working in India, it becomes an impossible situation," she said, maintaining that attention instead must concentrate on the 1.5 million children she estimates are working in clearly exploitative conditions.

Growing numbers of Indians agree more must be done.

Besides taking jobs from adults, they say child labor sabotages the future of the children.

"A child starts working at 7 or 8," said Neera Burra, a researcher on child labor for UNICEF and for the Indian Social Institute. "He is burned out by the time he is 30 to 35. So he must send his own child to work. It is a vicious circle.'"

Juyal of the Gandhian Institute said child work can be countenanced if the children learn a marketable skill or can combine work with school. Without either, children end up working menial jobs forever, or are unemployed as they age.

"You use labor and discard them when you don't need them," said Juyal. Social activists contend that companies are prosperous enough to pay more. "I have found child labor is really caused by vested interests, not just by poverty," said Ms. Burra. In her study of the glass industry, Ms. Burra estimated 50,000 of the 200,000 glass workers in Firozabad are children.

She says the industries that employ children make high profits, or sell to blue chip companies wealthy enough to pay more for their products.

The glass companies, for example, provide glassware for all the five-star hotels in India. These include the Sheraton chain and the Oberoi hotels of the Inter-continental chain.

The owners of Advance Glass and West Glass cited Nestle's, a multinational corporation based in Switzerland, as a valued large-volume customer. The factories also do big business supply in Air India and making headlights for Indian-produced Ambassador cars.

The government even gives export subsidies to some industries known as big users of child labor. Both the glass and handmade carpet industries get rebates from the government equal to 10 percent of the value of what they export.

In fiscal 1982, glass exports totaled nearly $19 million. That means glass manufacturers stood to receive 1.9 million in subsidies.

Juyal said it was the government that spurred the expansion of the carpet industry and its increased use of children. He cited programs beginning in the 1970s in which the government offered low-cost loans to new manufacturers and opened training schools for children who were under the legal age of employment in the carpet trade.

"Need we sacrifice 150,000 children for the sake of foreign exchange earnings rising at the most to about 1.5 billion rupees [$117 million] per annum?" asked Juyal, speaking of the carpet weavers.

He is among the reformers who say work is not bad for children as such, but he is vexed by such official encouragement of the worst violators and the government's almost total failure to enforce the law.

Reading the changing public mood, the government of Prime Minister Rajiv Gandhi proposed and, finally, in January secured passage of a child labor law that mandates limited hours and special benefits and conditions for working children.

It maintains the ban on factory and hazardous work, but critics say it makes no effective provision for enforcing either the new standards or the old ones that have been ignored since enacted 38 years ago.

In Primitive Factory, Indian Children Producing Glass, Profits for Corning

(By Joseph Albright)

Bombay, India.—Corning Glass Works, the most modern glass manufacturer in the world, makes small change for its stockholders from the labor of 11-year-old factory workers in India.

These squalid little boys in rubber-thonged sandals cannot be found darting around the furnaces of Borosil Glass Works, the Indian affiliate of Corning in Bombay.

Indian technicians wearing laboratory coats, safety shoes and protective glasses work on Borosils spotless floors, just as the Corning safety teams from the United States demand.

The children work instead in the primitive factory of a Borosil subcontractor.

Every year, the Corning affiliate orders thousands of test tubes, beakers and other laboratory glass from the subcontractor, West Glass, whose factory is in Firozabad, 650 miles northeast of Bombay.

Borosil then sells the Firozabad glass, without labels, to customers in Africa, the Middle East and Southeast Asia.

Rajesh Vyas, the marketing manager of Borosil, said buying glass from Firozabad enables him to fill a niche in his overall export strategy: meeting the demand of "countries where price is the main criterion, such as Egypt or Kenya, which have foreign exchange problems."

In its modern Bombay plant, Borosil manufactures 98 percent of the glass it sells to its domestic and foreign customers.

Chemically identical to Corning's Pyrex and pharmaceutical lines, glass carrying the Borosil label doesn't crack when heated and isn't corroded by laboratory acids. Its one drawback is that it is too expensive for some Third World markets.

CORNING CALLED "A GOOD CORPORATE CUSTOMER"

Borosil gets the remaining 2 percent of what it sells from Firozabad, exclusively for export customers. It is cheap laboratory glassware made of "soda glass," the same material used in tumblers and beer bottles everywhere.

Laboratory vessels made of soda glass are not heat resistant, etch-proof or accurately calibrated. But they are cheap.

It's only a sideline for Borosil. For Corning—a blue-blood company that last year sold $1.9 billion worth of products ranging from fiber optic cables to Steuben vases—the impact on the bottom line is infinitesimal.

Is it proper for Corning and its affiliate to derive any benefit from the illegal labor of 11-year-old boys?

In the United States, John Abrams, manager of corporate information for Corning, said: "The child labor which is utilized in Firozabad is done with the full knowledge of the Indian government and as far as we know complies with Indian law. . . . As of now, we have no reason to believe the child employment laws are being flouted" at West Glass.

After an exchange of messages between Corning headquarters and Borosil, Abrams said that as far as he knows, the youngest employees at West Glass are 14.

"We believe Corning Glass is a good corporate citizen in India," he said, arguing that the purchases from West Glass comply with an Indian government policy of promoting exports from smaller companies.

It's clear, however, that the Borosil orders make a huge difference to one ambitious factory boss in Firozabad—both in profits and prestige.

The proprietor of West Glass, Bihari Lal Sharma, told visiting reporters in Firozabad that Borosil is one of his most important customers.

He said that at times 20 percent of his 1,500 workers are making laboratory glass for Borosil and that he receives at least $100,000 worth of orders from Borosil every year.

ARSENIC AMONG THE CHEMICALS FACTORY USES

West Glass may well be, as Sharma boasted, "the biggest company in Firozabad, quality-wise, diversity-wise and labor-wise." But it is not the sort of place where the luminaries on Corning's board, including civil rights leader Vernon Jordan and former World Bank chief Robert McNamara, would feel comfortable.

In touring the factory, a visitor flinches from unexpected surges of heat on the nape of the neck. The heat radiates from orbs of molten glass carried by Indian boys criss-crossing the crowded factory floor.

Breathing is another worry. Among the chemicals the factory uses to make colored glass, Sharma volunteered, is arsenic. When pressed about the use of arsenic, the factory proprietor changed the subject.

About one-third of the 500 workers on duty looked like children. "The small child comes here with his father to do some small work," explained Sharma.

The factory proprietor at first acknowledged hiring boys under the legal minimum age of 14. He said boys are "at least 11" when they come to work. After reflecting a moment, he amended that by saying, "at least 13 or 14."

It can be no surprise to Borosil that its supplier illegally hires underage children. Borosil officials have visited the West Glass plant periodically on buying trips, as both Sharma and Vyas of Borosil confirmed.

Vyas estimated that every year Borosil exports about $250,000 worth of goods made by subcontractors. The "bulk" of the goods consists of soda glass ordered from the West Glass factory, he said. (Corning's U.S. spokesman said that he understood the purchases from West Glass amounted only to about $50,000, but that he was not sure what period was covered.)

Borosil views itself as closely affiliated with Corning. Although Corning owns only 39.5 percent of the Borosil stock, Borosil manufacturing manager Ranjit Mehra called this a "controlling interest."

Indian investors, many of them now or formerly part of the company management, hold the non-Corning shares.

"Corning is very, very conscious about safety," Mehra said. "They keep coming here to personally inspect our safety practices. We have to send them periodic audits on safety."

In a sign of how aggressive Corning has been when it wanted to get things changed in Bombay, Mehra said the 1984 disaster at Union Carbide's Bhopal chemical plant led Corning officials to demand that Borosil change the way it calibrates the scientific instruments it makes.

"After Bhopal, Corning came down on us like a ton of bricks," Mehra said. "They told us that if you're using mercury, you've got to stop or else shut down the plant."

A Borosil catalog says the company was incorporated in India in 1963 "with technical and financial collaboration from Corning Glass Works." A Corning spokesman in New York described Borosil as "a little Corning Works," adding that from Corning's viewpoint it was a "joint venture."

During its first decade, Americans from Corning worked alongside Indian executives in running Borosil. Since 1974, the day-to-day managers have been Indians, but "a couple of Americans" from Corning still sit on Borosil's board of directors, Mehra said.

THIRD WORLD IGNORES ITS OWN LABOR LAWS

(By Joseph Albright and Marcia Kunstel)

TAYTAY, PHILIPPINES.—Eliza Lualhati, 15, doesn't complain about running a high-speed sewing machine 90 to 110 hours a week. But she wishes the boss wouldn't make her pay for the thread.

Eliza is one of hundreds of thousands of 13-, 14- and 15-year-old Asian children who work up to 16-hour days of drudgery in the same sweatshops where they sleep.

Factories such as War Win's Style shirt factory, where Eliza earns 13 cents an hour sitting at her machine, are supposed to register with the government and obey national labor laws.

But they don't. And governments straining for economic development don't try very hard to find them. It's a formula for exploitation of children that applies not only here but in sweatshops by the thousands in Bangladesh, India, Indonesia, Malaysia, Pakistan, Sri Lanka and Thailand.

"Officially, they don't quite exist," said Jose Gatchalian, dean of the Institute of Industries Relations at the University of the Philippines. "The owners figure that they've got to go through a lot of rigmarole, so why bother. If they register, here come the inspectors to see if their conditions are right. If they don't register, that takes care of all the problems."

No inspectors come around to check the War Win's Style plant, a basektball-court-sized building in a Manila suburb, where Eliza shares a sewing room with a dozen other seamstresses.

Eliza's routine six days a week goes like this:

Wake up at 6 a.m. on a pile of cloth scraps beside her sewing machine, a sturdy model resembling those commonly found in many American homes. Make breakfast, usually a bowl of rice and gravy. Sweep the sewing room floor.

Then:

"We start sewing exactly at 7 a.m. We usually get a break around noon. It lasts maybe two hours, but only half an hour if we are in a rush. We start up again for the afternoon and work until about 7 p.m.

"We stop for about half an hour for dinner. Then we start sewing again. Usually until midnight. Sometimes it is until 3 a.m. In December, we go right on through, just taking a catnap."

Eliza said she often daydreams through the hours she sews. But "you can get hurt if you are not careful or when you are sleepy."

The owner of War Win's Style, Josie Cruz, sounded compassionate.

"Sometimes they get ill," she said. "Some of them have suffered anemia from lack of sleep. There are workers who work 23 hours a day, especially in December," when orders for the holiday season must be filled.

SEWERS BUY THREAD SO "THEY WILL NOT WASTE IT"

But Ms. Cruz, who lives next to the factory, said if she wants to succeed in the garment business, she has no choice but to work the children long hours.

"We have a strict shipping schedule," she said. "If we fail to deliver, there will be no work to be done for the next two weeks. So whenever there is a rush order, they know they have to finish, even if they have to work 23 hours a day."

No clocks adorn the walls to tell the workers how long they've been stitching. "We find out the next day when one of the women comes in and tells us, 'Oh, I got home at 1, 2 or 3 a.m.' That's how we know how long we worked." said Eliza.

Originally from the poor, rural province of Quezon, Eliza goes once a week to her grandmother's house, about 2 miles from the factory.

As for the factory's thread policy, Ms. Cruz said: "I let the sewers purchase the thread. That way they will not waste it."

Eliza's predicament "is not an isolated case in the Philippines," said Aura Sabilano, head of the Labor Ministry's bureau of women and minors. She said President Corazon Aquino's administration hopes to stop such labor abuses. But she isn't optimistic that much will change soon.

"The very sad reality is that we're part of the Third World," she said. "We're part of the dumping ground where cheap labor is the main attraction. For investors, cheap labor is the main attraction of the Philippines at this point in time."

Ms. Sabilano's remarks reflect a mind-set shared by a good many intellectuals in the Third World: that cheap labor and child exploitation may be inevitable as the country struggles to keep up with competing Third World nations in the race for development.

The defect in the argument is that greed and grimness observe no national borders. In the global competition to offer cheap labor, some other country will always hold wages even lower. And the net result is that children are paid so little that their labor verges on servitude.

"SOMETIMES I DON'T GET A DAY OFF FOR WEEKS"

In Thailand, thousands of young peasant girls are recruited from the drought-afflicted northeastern part of the country and kept working seven days a week inside hole-in-the-wall Bangkok factories called "shophouses."

One suburban Bangkok shophouse that made leather purses caught fire in February, killing 19 people. The casualties included a 13-year-old, who was injured, and a 14-year-old and a 15-year-old, were killed.

Thai fire investigators found that an electrical short from a defective outlet ignited a glue pot after the purse makers had gone to sleep on the floors following a 16-hour workday. The workers were trapped inside the factory behind locked doors and metal window shutters.

"We did not know this place was a factory," a Bangkok newspaper quoted the local labor department official as saying. "Its front doors were always locked."

In 1978, a survey by the Thai Commerce Department found that 3,000 factories in Thailand employed children.

That was the last time such a survey was published. But other unpublished evidence suggests that child labor has increased in the 1980s, at the same time that Thailand's economy has surged.

In 1983, for instance, a National Statistical Office labor force survey found 340,000 Thai children 11 to 15 years old employed in non-farm jobs. The number was up 30 percent from 1981.

Reporters found that Thai children in their early teens commonly work 75 hours a week in factories for less than 7 cents an hour. That's about one-fifth of Thailand's minimum wage, itself among the lowest in the world.

"Sometimes I don't get a day off for weeks," said Sarapa Nasap, who wraps toy Uzi machine guns in a plastics factory. She said she works 10-to-14-hour days six days a week and usually an 8-hour day on Sunday.

The live-in factory system is such an accepted part of Thailand's labor patterns that it didn't embarrass one of Sarapa's bosses to talk about the arrangements.

"If we give them meals, then we can control them very easily," said Komol Trairattanapa, export manager of Siam Asian Enterprises Ltd. Having the workers sleep in a factory dormitory behind large metal gates also helps exert control, he said.

Komol maintained that none of his workers was under 17. As he was saying this in the front office, a girl who looked about 11 was being photographed in the back workshop wrapping toys after they were popped out of their molds.

Sarapa, 15, said she is paid a monthly salary of $20, plus a bonus of 20 cents each night she works later than 10 p.m. Spread out over the 70 to 90 hours a week she says she works, her pay would average 6 cents an hour.

SWEATSHOP PAY FROM 3 TO 16 CENTS AN HOUR

Komol was inconsistent in discussing wages. At one point, he said, "We get our workers from the northeastern part of Thailand, where the cost is very cheap." But later on in the interview, he insisted that the company pays all its workers the legal minimum wage.

Some Bangkok sweatshop children would have to double their pay to reach 6 cents an hour. Among nine children whom reporters succeeded in interviewing away from their bosses, the pay ranged from 3 to 16 cents an hour.

Pennies buy more in Thailand and the Philippines than in the United States. But not much more.

After sending nearly three months' salary home, a 13-year-old factory gem polisher who called himself only Prasert said, "For this, my parents can buy a water buffalo." The $36 he had earned in the sweatshop was perhaps enough to purchase a calf.

In the Philippines, Eliza would have to work three hours at 13 cents an hour to buy a loaf of bread.

The highest-paid child worker whom reporters found in Bangkok, Siraporn Chookaew, 14, earns 16 cents an hour running a sewing machine at piecework rates in a Bangkok skirt factory. Her monthly earnings sometimes run as high as $70. But to make that much, she must work 15 hours a day, seven days a week.

More typical was Boon Mee Norakot, 13, encountered in a suburban Bangkok live-in furniture factory whittling a piece of rattan propped between his toes. He said he earns a straight salary of $16 a month, plus room and board. Working 85 hours a week, he pulls in about 4 cents a hour.

Lowest paid of all was Somsuey Siritoh, 14, who sews buttons in the same Bangkok skirt factory where her friend makes 16 cents an hour. Somsuey, still an apprentice, is paid $12 a month—which comes out to less than 3 cents an hour.

When asked about the work, most children said they were tired and bored, but at the same time proud to do their duty to their parents.

The pittances paid to these nine children were not aberrations. At a seminar on child labor in Bangkok last September, Voravaun Thanaphibul of the Thai Interior Ministry said working children usually earn between $12 and $60 a month—"much smaller wages than adult workers," as she put it.

And who are the ultimate consumers of this child labor?

More than half of the products made in Asian sweatshops are sold for local consumption. Eliza's shirts, for instance, are sold in a street market 10 miles from her factory.

But tons of other cheap goods are also made specifically for export. In Thailand, Sarapa's toy factory sells its toy machine guns in Europe. Siraporn says her skirts are made for markets in Singapore and the United States. Prasert's artificial gemstones and Boon's rattan are made for export as well, although they said they didn't know the destinations.

FOREIGN BUYERS NEVER SEE SWEATSHOP SQUALOR

An unpublished 1985 study for the Thai government by the United Nations; International Labor Organization traces the recent increase in non-farm work by Thai children to Thailand's export boom. "Manufacturing industries employing a large proportion of child workers are those which expanded very rapidly in the last few years as a result of their export potential," the report says.

No foreign buyer lays eyes on the wretched shophouses that employ children. To find children working, reporters had to walk through the back alleys of Bangkok's Yannawa and other working-class residential districts, listening for the sound of sewing machines.

Buyers from Western department stores deal either with expatriate export brokers based in Bangkok, or with big, clean, respectable Thai manufacturers that don't hire children.

The big factories are pleased to show Western buyers their modern plants where the workers are young women wearing spotless uniforms. What they don't show is their hidden minor league of unlicensed subcontractors that churn out low-cost merchandise on orders from the same big factories.

Links also exist between child labor and the export market in the Philippines. Among the longest-established Philippine exports to the United States are rattan furniture, decorative baskets and hand-embroidered baby dresses.

About 70 years ago, when the Philippines was a U.S. territory, American entrepreneurs began contracting with Filipino women in Manila suburbs for production of baby dresses in their homes.

The Filipino contractors, called cabecillas, subcontracted the work to their neighbors, who in turn subcontracted the work down to lower and lower levels of subcontractors. By 1930, embroidered articles had become one of the top 10 exports in the Philippines. Then, as now, much of the work was done by children.

Baby dresses still are being exported to the United States, and to some of the same importers, including Manhattans' Feltman Bros., which has been active since the 1930s.

The wages Philippine children earn for sewing in their homes range from 1 cent to 5 cents an hour, according to a 1985 study by the Institute of Industrial Relations at the University of the Philippines. Most of the children found by researchers worked between 15 and 30 hours a week.

WHILE CHILDREN TOIL, ADULT BOSSES MAKE MONEY

The profits from child labor are often obscure. When they can be traced, the pattern is the same as in the Moroccan carpet industry: little people toiling, big people making money.

Like this:

War Win's Style factory in the Philippines earns about four times as much in profits from selling a dozen shirts as Eliza earns for making them.

Ms. Cruz, the owner, says she pays Eliza a piece-work rate of 75 cents for every dozen shirts she sews. The factory's profit margin is about $3 on a dozen shirts, judging from figures provided by Ms. Cruz.

Ms. Cruz says that in a busy week the 25 sewers and silk screeners in the factory and 20 more seamstresses who work at home can make 360 dozen shirts, suggesting a potential profit of up to $1,000 a week.

Eliza says it takes her about six hours to make a dozen shirts, netting her 13 cents an hour.

The factory where Sarapa makes 6 cents an hour also appears to be a miniature money machine.

Export manager Komol said he expects to export 1 million plastic toys this year. He said the company charges 48 cents wholesale for its biggest seller, a 16-inch-long plastic Uzi machine gun.

Although Komol didn't provide his cost figures, he indicated that making molded plastic toys in a cheap process. He described the material molded into guns as "low-grade plastic," which he said would be considered too toxic for the American market.

With cheap material, only 25 employees and high volume, the factory would have a difficult time losing money. If it makes even a 2 percent margin, its yearly profits should run well into the thousands of dollars.

Considerably larger profits accrue to some middlemen who don't directly employ child labor. Export broker Raymond Eaton, an Australian living in Bangkok, is one such middleman.

Eaton said his Export Development Trading Corp. last year arranged $44 million in sales of Thai garments, toys, rattan furniture, tennis shoes and other merchandise to Western buyers. His largest client is the Spiegel mail-order house in the United States, he said.

Eaton's company collected between $1.2 million and $2 million last year for arranging the export of Thai goods, judging from a commission schedule he provided.

Eaton said he buys only from 120 large licensed factories that don't hire children. But he acknowledged that some of their merchandise actually is made in small subcontractors' factories on orders from the big plants.

"I would estimate that 70 percent of garments exported from Thailand are made in licensed factories," he said.

He didn't try to argue that child labor was absent in subcontractors' factories, but emphasized that he didn't deal directly with these plants. "The sweatshops—the people exploit kids—are not the type of people we do business with," Eaton said.

Both the Philippines and Thailand have laws written to protect young workers, but that doesn't help children such as Eliza and Sarapa.

Both countries set 48 hours as the maximum any factory worker can be made to work in a week without overtime pay. Both have a minimum wage—$2.75 a day in Manila, $2.92 a day in Bangkok.

As for hiring minors, Philippine law says its illegal to hire children under 15 unless they are directly supervised by a parent, and there is no interference with a child's education.

Thai law permits children up to age 12 to work in light jobs such as flower selling, newspaper delivery, and waiting on tables. But it bars factory work before the age of 15 without governmental permission.

In both countries, however, laws are one thing and enforcement is another. In Thailand, Ms. Voravaun of the Interior Ministry said she knows of only three cases in 1985 where employers were charged with working young employees for excessive hours.

There are not enough factory inspectors to go around. By a 1982 count, Thailand had 40,951 licensed factories and uncounted thousands more illegal shophouses. It had only 115 factory inspectors.

In the Philippines, Mrs. Aquino used a presidential proclamation four months after she took office to stress the government's determination to protect children against "exploitation, abuse, improper influences [and] hazards." But when it comes to funding more labor inspectors, Mrs. Aquino's cupboard is bare.

Ms. Sabilano of the Labor Ministry says the Aquino administration has at least taken a step in the right direction by recognizing that child labor exists in the Philippines and should be monitored.

In Thailand, the government says the opposite—at least when dealing with outsiders.

"Now the situation of child labor is not a worry," asserted Ms. Voravaun, who is in charge of the Thai Interior Ministry's women and child labor division. "We cannot find a lot of child labor. Sometimes we look and inspect the factory all day and they cannot find children."

For Thai Children, Train Station Offers One-Way Trip To Exploitation

(By Marcia Kunstel)

Bangkok, Thailand—For thousands of Thai children, the Hua Lampong train station has been a gateway to exploitation. Once a year, it is a gateway out.

The happy time is the Chinese New Year, when ethnic Chinese owners of shops and factories give a holiday to their workers, many of whom are migrants from debt-ridden farms or landless families in the impoverished northeast.

Seven girls clustered on a bench were going home last January after working at a tiny Bangkok garment factory.

Not only was it their first trip back, this was their first full day off in a year.

Ladda Pimwan, 15, leaned against a girlfriend, the seven had arrived early and had yet to endure a nine-hour train ride and an hour's bus drive to their village of Baan As Kaew. It would be a wearying trip, but yes, Ladda nodded shyly before turning her face into her friend's shoulder, she couldn't wait to see her family at the end of the line.

The girls came to the city, they said, because their families need the money. Their wages were about $24 a month—a little more than 7 cents an hour for working 74-hour weeks—but one girl said she managed to send half of it home.

The outbound trains were filled with youngsters such as Ladda last Chinese New Year's. The rest of the year, especially during the dry season, when northeastern families become desperate for even meager earnings, children travel inbound to jobs that sap their strength for pennies an hour. The Hua Lampong train station often is the interchange that gets them from the farm to the factory.

That is when it becomes the gateway to exploitation. Bangkok's main train station is haunted by "fisherwomen" and "fishermen," the job brokers who cast about in streams of migrants for naive children looking for work in the city. These agents prowl the platform when the dawn train pulls in from the northeast.

CHILDREN COMMITTED TO YEAR'S WORK IN FACTORY

Fisherwomen are kind to the new arrivals, offering to help them find work. Too often, they find them jobs with 15-hour workdays. They and Bangkok employers know these kids will be cheap hires.

The brokers may be independent agents, but more likely they represent one of the dozen job agencies that line nearby streets—streets that smell of urine and rotting garbage.

Newspapers here periodically report stories such as the rescue by police last year of 18 girls working in a textile factory. The girls, most ages 12 to 14, said they worked 15 hours a day for food scraps and a few cents pay and were locked in a room to sleep.

The owner, arrested on charges of child slavery and false imprisonment, told police that he got most of the children from a job agency near the Hua Lampong station.

A year earlier, 64 children ages 13 to 15 were rescued from a mosquito-net factory where they had labored from 6 a.m. to midnight every day. The train station agencies were reported to have paid the parents $80 to $160 for each child, which committed the children to a year's work in the factory.

The few job agency bosses who agreed to talk claimed they place people 16 or older in factories, in compliance with Thai law.

Thongma Sonboonom, wife of the head of Swai Job Agency, said her biggest problems are with the girls she places, not the employers. "A lot of times girls don't keep their contracts," she complained, so the agency must replace them at no charge to the employer.

She said her agents do find young workers among the migrants at the train station, just around the corner from her second-story office at the top of a filthy, unlighted stairway.

Her agency was cited in a human rights newsletter as placing a 10-year-old girl in a factory where she worked for seven months. Then she became a domestic servant and was raped by her boss.

Asked about her age policies, Ms. Thongma said: "I never place anyone in a factory who is under 16."

EMPLOYMENT AGENCIES CHECKED ONLY FOR PERMITS

She does send younger children to domestic work, Mrs. Thongma said, then volunteered that employers sometimes make sexual advances toward the girls. She maintained that the bosses never do anything too serious.

"Nobody I've ever sent has ever been raped," she said.

The Center of Concern for Child Labor in Bangkok has found that independent brokers make $11 to $15 for every child they bring from rural villages to a Bangkok job placement agency. Brokers who work directly for an agency get half the service charge that the agency collects for placing a child.

The center found that stricter laws regulating employment agencies have produced more agency registrations in recent years, but its 1986 study showed they continue to place children in bad jobs with long hours and little pay.

The problem, the study said, is that the Thai Labor Department checks only whether employment agencies have permits.

The center has recommended that the government set up an information booth at the train station to tell migrating children their rights to a minimum wage and limited hours and to warn them about unscrupulous job agents.

The Thai Trade Union Congress has gone further, recommending the government provide job agents at places such as the Hua Lampong train station to help children find reasonable jobs and to investigate on-the-job conditions.

Even the Thai government, which almost never admits there is exploitation of child labor in Thailand, said in a paper submitted to an international conference last fall that "unscrupulous" job agencies "have contributed to inappropriate treatment of working children."

Plantation Children Reap Grim Harvest—From Malaysia to Brazil, Planters Have Used Child Labor for Centuries

(By Joseph Albright and Marcia Kunstel)

Sao Paulo, Brazil.—When Alda Marco Antonio found the child tea pickers, she was disgusted to see that they had been applying pesticides without gloves and walking shoeless in the resulting "slime."

Ms. Marco Antonio, then secretary of labor of Brazil's prosperous Sao Paulo state, was leading a delegation of health inspectors, union officials and Brazilian journalists last fall on a surprise inspection of the tea estates in the Ribeira Valley, 175 miles southwest of the skyscrapers of Sao Paulo.

While touring the tea plantations, these urban sophisticates learned what it means for a plantation child to pick up a bag of tea.

Ms. Marco Antonio found one 11-year-old girl walking out of a field with a 52-pound bag of tea leaves on her head. "I couldn't even lift it," the labor secretary, now Sao Paulo's secretary of minors, said later.

Ms. Marco Antonio estimated that 10,000 children ages 5 to 13 worked as tea pickers in this one valley, almost all of them permanently out of school. She found that two-thirds of all the valley's tea workers were children under 14, the legal age for heavy work.

The Ribeira Valley tea pluckers were paid 15 cents for every 52-pound sack of tea leaves they picked—maybe a dollar a day for a whole family. "It is a criminal, revolting situation," Ms. Marco Antonio said.

Revolting and criminal, perhaps, but not rare. Around the world, plantations are major abusers of child labor, and they have been since the 18th century.

Long before India's sooty glass works proliferated, long before Morocco started mass-producing handmade carpets, children by the tens of thousands stooped along with their parents to grow coffee, cotton sisal and other plantation crops for shipment from the colonies to Europe.

First to commercialize child labor on a mass scale, the plantations also may turn out to be the first sector of the world economy to outgrow it.

Since the 1960s, owners of plantations and corporate farms all over the world have found that herbicides can weed a field more cheaply than even the cheapest human labor. Tractors are replacing not only children but entire families.

While technology has established a trend away from child labor, some of the most wretched pockets of exploitation remain on commercial farms and plantations.

Why call it exploitation? Don't children work just as hard on family farms in Nebraska and in tribal villages in Kenya, where they cultivate yam seedlings and carry firewood on their heads from dawn to sunset?

Such questions tend to crumble when they come up against the ugliness of working conditions among plantation children throughout Asia, Africa and Latin America.

The tea pluckers Ms. Marco Antonio found in Brazil are highly paid in comparison with children on many Asian tea plantations. In Sri Lanka, tea plantations use children as young as 5 as weeders and seedling potters and pay them 1 to 1½ cents a day, according to 1984 testimony before a U.N. panel in Geneva.

The Ribeira Valley tea workers may absorb pesticides accidentally as they are picking. In India's Assam Valley, children breathe pesticides all day long while working as pesticide sprayers, according to 1984 reports by British human rights investigators.

Children's work may well be even grimmer on Malaysia's rubber plantations, where they typically start tapping rubber trees at age 9 to contribute to their parents' piecework earnings.

One leading Malaysian union official, Abdul Aziz Ismael, told an International Labor Organization conference last September that wood chips and dirt frequently fall into the children's eyes as they climb the rubber trees to tap them.

That isn't the only hazard. "Almost all these children wear no footwear and must cope with biting ants and leech bites, let alone the swarms of mosquitoes that torment them," Ismael said.

"We often hear reports of children in plantations being bitten by poisonous snakes . . . and many are stung by hornets, scorpions and centipedes," he added.

The workers are descendants of laborers who were imported from India by British plantation owners before World War II. The plantations have been owned by syndicates of wealthy Malaysians since shortly after the country became independent in 1957.

The work is no healthier on some of the eucalyptus plantations in Brazil, where one of Ms. Marco Antonio's surprise inspections last year found children of 10, 11 and 12 inhaling hot exhaust gasses while helping their parents make charcoal in a crude kiln.

The charcoal oven turned out to be part of a plantation owned by Antonio Morais, a millionaire industrialist and candidate for governor of Sao Paulo state.

A month later, a 13-year-old timber cutter on a neighboring plantation was crushed to death by a eucalyptus trunk.

Ms. Marco Antonio may crusade for child workers' rights, but her state labor department doesn't have many teeth to sink into employers who abuse them. Brazil's national government, which holds the real enforcement powers, has not acted, she said.

"The minister of labor was supposed to do some of these things, but we passed over him," she said.

Bad publicity she created for plantation owners was her most effective tool, giving Ms. Marco Antonio leverage in handling negotiations between farm workers and landholders. She said media coverage of her inspection "blitzes" helped some plantation workers double or triple their monthly wages and get contract provisions assuring that children would go to school instead of working all day.

At least the Malaysian and Brazilian children have one big advantage: working and learning alongside their parents. Elsewhere, children are obliged to work apart from their families, earning much less than an adult wage.

In Benguet, a hilly region of the central Philippines, children 12 and older are recruited from their families to go miles away to work on commercial vegetable farms.

A University of the Philippines survey team found in 1985 that on some big farms, children started at 35 cents a day for doing the same jobs, including pesticide spraying, that earned adult farm workers $1 a day.

The researchers quoted vegetable grower Edward Celo as saying employers hire the migrant children mainly because they are easy to control.

While the Filipino children said they worked voluntarily, hundreds of children in Southeastern Nigeria have been kidnapped or sold by their parents to work on Nigerian cocoa plantations, according to credible newspaper reports this year.

The Sunday Guardian, an independent newspaper in the Nigerian capital of Lagos, reported last February that more than 2,000 children ages 5 to 15 had been taken from their parents in Nigeria's Cross River state to work on plantations or as household servants.

In an investigative report, the newspaper said labor recruiters sometimes had offered parents a head of tobacco or $10 as compensation for their children's being trucked away to work elsewhere.

Something akin to forced child labor persists in India's rural backwaters, where small landlords and moneylenders continue to extract "bonded labor" from debt-burdened peasants even though the practice is illegal.

A laborer becomes "bonded" when he needs money and accepts a loan from a landowner in exchange for his pledge to work at a nominal wage until the landowner calculates that the debt has been paid.

A U.S. State Department human rights report released in February cited estimates of the number of bonded laborers in India ranging from 500,000 to 2.5 million.

Most bonded laborers are adults who contract the debts themselves, typically to pay for dowries, funerals or other ceremonial expenses. But children can get sucked in as bonded laborers, too, if their parents get sick or die.

In 1985, Neera Burra, an Indian sociologist, reported a case of a bonded laborer from eastern India who had been working for 32 years to repay a debt of $1.25 that he had inherited from his father. An endless series of new loans and interest payments consumed whatever money the laborer earned.

The father, said Burra, had worked 45 years before he died while trying to pay off the same debt.

Many Children of the Streets Turn to Crime—For Homeless Young, It's Often Only Way to Survive

(By Marcia Kunstel)

Sao Paulo, Brazil.—Chupeta, 10, was on the lam.

He ran like an unleashed fox across the tree-lined city plaza and out of sight, fleeing from the family he and his buddy had just robbed of a $30 watch.

The exile was brief. Marcelo Veiera, known by the nickname Chupeta, and his young partner in crime were back to their plaza routine half an hour later, playing in the fountain and begging food and cigarettes while awaiting the next heist. They had just made $7 to split between them.

"I'm a street kid. I'm a thief," Chupeta had told a reporter a few days earlier. "I smoke marijuana. I smell glue. I'm tough."

He was being matter-of-fact, not boastful. Chupeta steals to live. He has no parents, no home.

He does have a fence, an adult who sells what he steals. That was who made the most on the morning's watch robbery—roughly $10 to $15 in low-risk profit.

Chupeta said most of the proceeds of his thefts go toward getting high on glue. He was asked what else he buys.

"I buy food. You know what my food is? Glue," he said with a laugh, "I have lunch or dinner here or there. But if I don't have any food, that's OK. I just sniff glue."

Chupeta's fence is like other adults around the world who manipulate poverty into criminality. They turn poor children into thieves, burglars or prostitutes because the authorities neither stop them nor find the children a better way to live.

In cities such as Sao Paulo, in fact, some police seem to vie with criminals to make the most off street children.

"If a boy doesn't have enough money to give a cop, he may beat him," said Gerlene Veras, counselor at a shelter for street children. With the proper payoff, she said, a child can keep out of the reformatory. Or he can keep his space on the park bench for another night.

Analto Jose Galvao, who works with juveniles released from the reformatory, said children also get squeezed by crooks.

"Sometimes adults force the child to do it," he said. "They put a knife to the boy's ribs and threaten to kill him if he doesn't steal."

GANGS LURE MANY CHILDREN WITH ONLY A MEAL

Few children, however, require such extreme persuasion. A meal might be sufficient. Adult criminal gangs have good reason to draft child accomplices. They are quick and wily, desired attributes for street theft and house burglaries. They are attractive also for high-risk jobs such as drug smuggling, because they cannot be sent to prison as adults are. Up to age 18, the worst they face is a few months in the reformatory.

Chupeta is one of 7 million Brazilian children who are considered abandoned, estimates by government officials show. The majority of them live, literally, on the streets. Plying the streets beside them are other poor children who are not homeless but searching for money to help their families survive.

The World Health Organization says 80 million street children exist around the world. They mass in cities as diverse as Istanbul, Manila and Mexico City. Places such as these collect waves of rural migrants, hunting the jobs and money that have bypassed them in the impoverished countryside.

In some cities they are more organized, such as the children who pose as beggars in Italy and France, then pick the pockets of unwary tourists. These thieves, many of them Gypsies, are trained and directed by adult criminals, who may have kidnapped them or bought them from their parents in Yugoslavia.

In Manila, Sostenes Campillo Jr., a member of the Task Force on Child Exploitation, cited a similar manipulation of the poor: "In the case of the beggars, those people who ask you for five centavos or whatever, this actually being fielded by a syndicate."

The lives of street children differ little from one country to the next. They are, like Chupeta, tough. They also are destitute, detached and exploited.

"The street is their space. The first week it is a novelty, but after that it's a war," said Sister Maria do Rosario, who heads Pastorale do Menor, a conglomerate of projects to help street children in Sao Paulo.

The cycle begins when a farm family moves to the city, in search of work but lacking the necessary skills, and unprepared for the high cost and generally abusive nature of urban life.

"Physically, the transition takes only two weeks. Culturally, it is a transition of 200 years," said the nun. "What happens is the women get jobs as maids and the men are unemployed. Either they drink and become alcoholics at home, or they just leave the family behind."

STREET CRIMES YIELD ONLY A FRACTION OF PROCEEDS

Chupeta said his family came to Sao Paulo from the town of Rio Claro in the neighboring state of Minas Gerais when he was a baby. Somewhere along the way, he lost both parents.

"Some guy shot my father. My mother died of a heart attack," he said. He has been on the streets for years.

Boys like this don't always begin their street life by stealing; sometimes it's by begging or cleaning windshields or selling candy or fruit.

"He has good intentions in the beginning, to do these little odd jobs," said Gildo Datre, chief investigator in Sao Paulo's downtown police precinct. "Usually these indigent boys are guided by the intrujoes. They introduce the boys to crime."

The Portuguese word "intrujoes," which translates as "intruders" or "deceivers," commonly is used here to describe adults or older teenagers who run small, informal syndicates of child thieves, burglars or prostitutes. They lead the children into crime, sell the fruits or their work and pay them a fraction of the take.

Chupeta, who ran from the plaza crime scene with speed unexpected for his spindly frame, said he gets a flat rate of $7 for each watch he steals.

"I get what I should," he said, expressing no dissatisfaction with the fence system. He said he thinks the watches resell on the black market for only about $14. Datre said they are resold for $20 to $300, depending on the quality of the piece.

At first, Chupeta wouldn't talk about who sells his hot goods, which include radios, calculators and gold chains—claiming in one conversation that he is an independent operator. Later, he opened up a bit.

"Mother India is behind me. I give her some stuff. She resells it," he said, refusing, however, to talk more about "Mother India."

Yet another window on the criminal world, for those who want such an entry, are the men who walk the main city squares with signs on sticks advertising "ouro."

It means "gold," and they aren't selling, they're buying. More exactly, they are agents who will lead a seller down nearby alleys to an unmarked pawnshop, where deals are made.

Layers of intermediaries may separate the young thieves and the buyer. Sometimes, said one worker at Pastorale do Menor, the pawnbroker himself may urge children to steal for him, promising a big return but paying as little as $2 for a gold chain.

The numbers of minors sent to the Sao Paulo reformatory as lawbreakers has more than tripled between 1975 and 1985. The institution does not even admit first offenders under the age of 14, and usually doesn't take them on the second and third offense.

Nazih Meserani, president of FEBEM, the government foundation responsible for abandoned and delinquent children, said, "Ten years ago we saw more attempted crimes. Now more of the crimes are successful. We also are seeing more repeaters. And the age group of those committing crimes is going down."

Chupeta claimed to have been held in the FEBEM reformatory 16 times, a figure that did not appear excessive to the social workers who know him.

In Meserani's view, the longer a child is on the street, the more difficult it is to get him off.

"The street is fascinating," he said. "We were educated to believe we should be careful with the streets, but to many of these children the street offers adventure. They have an enormous world of frustrations that they have to try to compensate for by living in a big physical space."

When kids such as Chupeta grasp for a life preserver here, most often it is a can of glue.

"When a child is hungry or is very cold, he just smells glue to forget the cold, to forget the hunger," said street worker Alex Pauchet. "At the hospital they say it causes damage to the brain."

Chupeta estimated that he and his best friend, Alexander, consume four seven-ounce cans of glue a day. The four cans cost them $10, more than they earn from stealing one watch.

Manila Bars Feature Child Prostitutes—Sex Industry Flourishing from Exploitation of Young

(By Joseph Albright and Marcia Kunstel)

Manila, Philippines.—American David Carlson makes profits from his bars by bring together young Filipino females who need money and tourists who want kicks.

What happens after one of his 300 go-go dancers and hostesses decides to leave with a man is up to her, said Carlson, a 41 year-old expatriate businessman from Rockford, Ill.

The Firehouse and Pit Stop bars, which he runs in Manila's high-sleaze tourist belt, have only a few rules for this sultry, 13- to 34-year-old staffers.

One rule Carlson confirmed, is the $8.75 "bar fine" that must be paid before a dancer can slip out the door with a man.

Another is venereal disease tests, which he said all his female employees get regularly at Clinicare, the VD clinic he operates just down the street.

"Sure it's prostitution," Carlson said unabashedly in an interview in a back room of the Firehouse. "There's no doubt about it. It's hard to explain to somebody."

He looked up. "Oh, you're writing that down," he said pausing. "Ours is handled so innocuously that it isn't really prostitution. You've got to come in here and win the girl."

Told that, two nights earlier, a 13-year-old Firehouse go-go dancer had broken into tears after finishing her gyrations, Carlson predicted that working as a "Firehouse girl" would lift her spirits.

"We find that once they get here, they begin to enjoy their life," he said. "We give them hope."

Last year, Philippine President Corazon Aquino tried to give another kind of hope: that prostitution, especially child prostitution, could be shut down and the tourist strip cleaned up.

But things haven't worked out that way. After what Carlson described as a near-panic among bar operators when Mrs. Aquino became president in February 1986, he has changed his mind about her. "Business is much better," he said a year later. "There is a certain stability."

And so the tourist strip, centered four blocks from the U.S. Embassy, remains a sexual free-fire zone where male tourists quaff San Miguel beer, fondle the hostesses and choose their bedmates.

It is illegal for anyone under 18 to work in a bar in the Philippines.

But in January, reporters making the rounds through a dozen bars were told that the price to sleep with an experienced 17-year-old dancer was about $25, plus the bar fine. For customers interested in bidding on "virgins," three bars featured younger dancers described by their co-workers as virgins 13 to 15 years old.

Police orders are to stay out of the bars

Police Maj. Rodolfo Monzon said all policemen are under orders to stay out of the tourist bars unless there is a complaint.

"If we keep raiding and raiding these places, the tourists will become discouraged," Monzon told an interviewer. "After all, you cannot deny that these tourists are giving a lot of money to the Philippines."

A 1981 study by the United Nations' International Labor Organization found that 90 percent of the young Filipino females working in girlie bars said they did so "because they needed the money, because the pay was better than in other jobs, or because no other jobs were available."

Another variant of the sex business is going strong in Pagsanjan, a Philippine resort village south of Manila, where 10-year-old "pom-pom" boys are the merchandise of choice.

The male customers were described by a local Protestant activist, the Rev. Rock Castillo, as Australians, Europeans and a few Americans who return year after year. They know their pedophile preferences will be met for a price among the poor families in Pagsanjan.

Dan Macinas, a 19-year-old pimp and former prostitute, explained how it sometimes works:

"I meet the tourists in the plaza or in the lodge [a hotel]. The tourists says, 'Can you find me boys about 10 years old? You bring me [the boy] at 7 a.m. or in the evening.' They tell me the room number, I get maybe 50 pesos or 100 pesos [$2.50 or $5] for one boy."

Castillo estimated that on a typical weekend in Pagsanjan, 700 boys offer themselves as prostitutes. Another 3,000 child prostitutes of both sexes work throughout Manila, a 1986 workshop on child abuse estimated.

In Pagsanjan, the profits from selling children are being earned by Filipinos. It is a different story in Manila, where businesses that target tourists looking for sex are often owned and managed behind the scenes by foreigners.

One Philippine researcher, Rachel Sancho, reported in March that she had traced 23 foreign-owned girlie bars on one street in the Manila tourist bar belt. She said Australians owned 12 of the bars, while Hong Kong Chinese, Germans, Japanese, British nationals and Canadians divided the others. Her study didn't cover the main drag, Del Pilar Street, where Carlson's bars are located.

Of all the roughly 150 girlie bars in the tourist belt, none is better known than his. Carlson savors the framed evidence on the wall to prove it: a tearsheet from a 1985 Newsweek International advertising supplement naming the Firehouse as one of "The World's Best Bars."

Carlson said that he and several associates started Manila Firehouse Inc. seven years ago, and that his wife is now the major stockholder.

FROM BUSINESS SCHOOL TO SLEAZE EMPIRE

From one bar, the business expanded to a second bar, the VD clinic and a third, more upscale bar, where Carlson said "there are no girls." He said he would like to diversify once more by purchasing a hotel around the corner from the Firehouse.

Carlson, a Purdue University business graduate, also works as a firefighting consultant for the Philippine military police. He has lived in the Philippines since 1977, when he came here to work for a U.S. fire insurance broker.

Carlson said his hostesses and dancers are normally between 18 and 34 years old. "To be honest, there are some who are younger," he went on. "But if they have got their police clearance, who am I to say that they cannot be hired?"

While Carlson said everything he is doing is legal, the practice of requiring "bar fines" when dancers leave with men is viewed by some of profiting from prostitution.

"The moment we find someone pays a bar owner to take a girl out, that bar is closed," insisted Deputy Social Services Minister Karina David in an interview before Carlson made his comments.

"If it is a private transaction between two people, there is nothing we can do about it," she added. "But if the bar man takes money, we can get them."

Happily for Carlson, Police Gen. Alfredo Lim, the ranking law enforcer for the tourist zone, offered a more lenient interpretation.

Bars can get into trouble by allowing topless dancing or by permitting sexual acts inside the bars, Lim said in an interview. But, he noted, if a customer persuades a bar employee to go elsewhere for sex, the bar owner is not committing an offense—"bar fine" or not.

While Manila Firehouse Inc. derives only a fraction of its revenue from "bar fines," its annual take from this source mounts up. If each of the 300 bar girls Carlson said he employs were to average only one $8.75 "bar fine" a week, they would contribute $130,000 a year to the concern's cash flow.

EXPLOITATION OF CHILDREN FOR SEX HAS DEEP ROOTS IN THAILAND: SEX INDUSTRY PROFITS OFF YOUNG, POOR GIRLS

(By Marcia Kunstel)

PATTAYA, THAILAND.—Pen was surprised the second time her father sold her into prostitution.

She was only 13. But this time, she managed to escape from a brothel in this coastal town and find refuge in a Bangkok "safe house" for fugitive child prostitutes. Now she worries that the pimps are hunting her and will take out their loss on her peasant farmer father.

"My father was depressed because he was in very huge debt. My mother was sick," she said, expressing only sorrow, not anger at what her father did.

Pen's is not an isolated case. Conservative estimates place 30,000 child prostitutes in Thailand, many of them kept against their will. The Christian home that took in Pen had been open for less than two months when she was interviewed earlier this year, and already it housed six young refugees from the flesh trade.

Sex is a big-profit industry in Thailand. It is an accepted investment for even respected businessmen, just as frequenting brothels is an accepted pastime.

Ownership of the house where Pen worked—Baan (House) 150—was traced through land records at Pattaya City Hall to Arkhom Thephasadin, a philanthropist and member of a Thai family that has been prominent in business and government.

Baan 150 and the stories of the girls who work there reveal in microcosm the outrage of child prostitution in Thailand. Such conditions continue because the government denies their existence and because police are bribed to turn their backs on them.

They are conditions rooted in a history of slavery, polygamy and concubinage, and they are nourished today by cultural biases attaching low esteem to women in general and to the people of a particular region of the country—Thailand's northern peasants.

OFFICIALLY, "WE HAVE NO CHILD PROSTITUTION"

Child prostitution exists all over the world, from Bombay to Atlanta. But in Thailand, it appears to have gone further than anywhere else.

"There are a lot of foreigners who ask me about child prostitution," Voravaun Thanaphibul, director of the women and child labor division of the Thai government's Interior Ministry, told Cox Newspapers reporters.

"I want to tell you, there are no statistics on child prostitution in our country because we can say we have no child prostitution."

That is the official government stand, the same as the one taken last year when the Thai delegate to the UNICEF executive board lodged an official protest against a UNICEF-funded publication that cited "100,000 prostitutes in Bangkok alone, many of them no more than 12 or 13 years old." The Thai government, the delegate said, was not aware of any such situation.

Studies of exactly that situation abound. One scholarly survey published by the United Nations' International Labor Organization in 1982 estimated that 500,000 Thai women worked as prostitutes. It cited a 1964 Thai police estimate of more than 400,000 prostitutes at that time. The Anti-Slavery Society, a British human rights group, estimated that 30,000 prostitutes aged 15 and under worked in Bangkok in 1984.

Col. Sornsee Suthisorn, a deputy commander of the Crime Suppression Division of the Thai police who investigates international child-pornography rings, told a visiting reporter that there is indeed child prostitution is his country.

Although he was reluctant to estimate numbers, he said published accounts often exaggerate.

Besides, he added, the child prostitutes come from the north, where the people don't mind the sex trade. He was expressing a common prejudice among the dominant central Thais, for whom northerners are the objects of economic discrimination and social scorn.

"In the north it is the ordinary case," he said. "It is the custom. Every month, many tens of millions [of baht, the Thai currency] flow up to their families in the north. Economic conditions are much improved. I have seen a very poor family with three beautiful daughters make a very big house, and buy land for growing rice and vegetables."

FATHER SELLS DAUGHTER, REBUFFS HER RETURN

Suwit Yuchai, the chief postmaster in Chaing Rai, a principal northern city, confirmed the inflow of cash. He said money orders equivalent to $2.8 million came into his office last year.

Whether they mind it or not, the young girls in the sex trade do come mainly from the depressed north, where there are many landless families and little economic development. Although the north has been a disfavored stepchild in Thailand, the women there traditionally are held to be the most beautiful in the country. The combination makes them magnets for expolitation.

Pen became an unwilling hooker last year, at age 13. An agent came to her village and told the families about jobs for their daughter in the cities. Her debtridden peasant father grasped at the chance for cash and climbed into the bus with the agent and Pen. He left her at Baan 150, in the honkytonk beach resort of Pattaya, in return for the equivalent of $240.

Pen spent 3½ months servicing Baan 150's tourist clients—mostly men from Arab countries and Asian neighbors, with a smattering of Europeans and a few Americans. Then the debt was declared paid off and Pen returned home. But not for long.

"My father said, 'You have already sold yourself. Don't embarrass us by being here. Go back.'" And so, she said, he sold her services to the same house in Pattaya again, this time for $400.

Although Pen was let out of Baan 150 to spend nights with customers at hotels and beach houses, she said she was afraid to flee and didn't know where to go.

"We asked about getting away," she said of herself and a friend at Baan 150, "but we never dared because we saw some others escape, and when they were brought back they were kicked and beaten."

She finally got out, with the help of a customer, an Arab who asked about her sadness and found her story too compelling to ignore. He brought her to Bangkok and turned her over to a private children's welfare group.

SELLING SEX TO GET RUNNING WATER INSTALLED

Not all the girls are coerced into lives of prostitution, at least not physically.

Khomnoi "Joy" Yajai, 16, was found among Baan 150's crew of prostitutes by a Cox photojournalist, who went there to photograph the place and to pay to get out a girl who might be interviewed.

Joy vaguely remembered a "special" young girl like Pen, but here own story was different. Joy, too, came from a poor family in a northern village, but she voluntarily entered the sex business when she was 15, to help her relatives.

"I sold my virginity, at Sattahip," she said, referring to a coastal town with a Thai naval base. "There was a friend from my village who worked there before, and she convinced me that working there would bring a lot of money."

Joy got $200 upon arrival, which she said she immediately sent home to her father. She said her bosses never explained the pay system at that brothel, but when she asked the management to settle her account five months later, she was $80 ahead. She took the money and went home.

A month later, Joy met a woman agent from Pattaya, who recruited four girls from her village to work at Baan 150. Joy was one of them.

"When we arrived," Joy said, "the agent was paid 10,000 baht," or $400, for the four girls.

Joy calculates that she has sent her father at least $800 from loans she obtained at Sattahip and at Baan 150, then worked off. She is proud that her work has provided her father enough money to build a new wooden house, replacing her family's tiny thatch-and-bamboo hut. Now she is trying to earn enough to buy a pump so they can have running water.

Joy's father, Tan Nanglae, lives in the stunning mountain village of Mae Khao Tom. He is a wizened man of 46, whose blackened teeth and deep cough contribute to the appearance that he is at least in his 60s. He and his wife work a landowner's fields when they are not too sick.

Joy "said it is better for her to work for the family, to suffer the hardship," Tan related. But when he was asked what job his daughter was pursuing down in Pattaya, he replied: "I want to know, but she never told me what job she is doing. I asked her a couple to times. She always says, 'Don't ask me. Don't ask. Just don't worry.'

"If she says she has a job that is not too good for her, I wouldn't want here to have to do it."

GIRLS EARN HIGH PROFITS FOR BROTHEL OWNERS

The management of Baan 150 didn't do badly from the labors of Pen and Joy. They made an estimated return of at least 12-to-1 from Pen and more than 2-to-1 from Joy, who was older, was not a virtual captive, and kept close watch on the books.

Pen arrived as a virgin. Her childlike, innocent looks, liquid dark eyes and baby's skin brought higher-than-normal fees. She said she usually sold for $60 a night.

During the 3½ months of her first stint at Baan 150, Pen estimated, she went to bed with nearly 100 men before the original $240 loan to her father was declared repaid. Even if she had slept with only 50 men, the house would, at $60 a night, have made $3,000 from its original $240 loan to Pen's father.

Pen, who personally received only tips given at the whim of customers, said she thinks the management often failed to credit her debt account.

Joy, by contrast, kept account of her loans and made sure she was credited for all her work.

Apparently because she was older, the boss decided he could charge only $20 for each all-night session. Of that amount, Joy said, $6 was credited to her account and the house kept $14. In six months at the house

Joy took out loans totalling $680, meaning she made an average of $113 a month from her work while the house made $264.

At least 50 girls worked out of Baan 150, Pen and Joy both said. If the 50 worked as much as Joy—and watched their accounts more closely than Pen—the math suggests that the house should have grossed nearly $160,000 a year, not counting the higher rates charged for Pen or any other "special" girls.

The girls were fed two meals a day and given floor mats to sleep on. But they had to buy their own clothes, makeup and birth control pills using tips, as well as pay for medical checkups.

So who got the profits?

Although no bank records are available, files in Pattaya City Hall show that Arkhom Thephasadin Na Ayudhya of Bangkok registered the house number known as Baan 150 in 1980. The title Na Ayudhya is an honor granted to a family by Thailand's royalty.

Arkhom was described by a Thai criminal investigator as a 61-year-old businessman who runs a string of small shops in Bangkok and who is known as "a very charitably minded person" involved in the Red Cross.

In a Bangkok interview, Arkhom acknowledged that he still owned the house called Baan 150 and that a man named Sayan managed it.

Told that young girls were working at the house, Arkhom asked a reporter, "How many girls are there there?"

"About 50. They are prostitutes," the reporter replied.

Arkhom, not disputing that prostitution went on at the house, asked, "All very young?" The reporter replied, "Some young. Some not."

Arkhom's daughter, who appeared to be in her 40s and had accompanied him to the interview, said she had been to Baan 150 and had asked Sayan about where he had gotten one of the girls there. He said, she related, that he had bought the girl from her family in Chiang Mai, one of the northern provinces.

"My father just rents the place out," Arkhom's daughter said. "He doesn't know what happens there."

Arkhom said he would talk to Sayan about the young girls at the house, and thanked the reporter for his concern.

IF PARENT SELLS CHILD, WHO TELLS THE POLICE?

Sornsee of the Thai police said that not much can be done about child prostitution, nor about the people who profit from it.

"In 99 percent of the cases, the parent sold the children," he said. "If it is like this, who will make the complaint to police?"

The girls themselves seldom will testify against their bosses, and almost never against their parents, he said.

Agents such as the people who brought Pen and Joy to Baan 150 are committing crimes. But there too, Sornsee claimed, the police usually are helpless.

"Actually, their action is against the law," he said "But there is no witness, no injured person, no anything."

Penalties are tough—if the law ever is invoked. Simply luring a girl under 18 for sexual purposes of a third party, with or without her consent, carries a prison term of three to 15 years and a fine of $240 to $1,200. If the child is under 13, the maximum punishment is 20 years and $1,600.

The Children's Rights Protection Center in Bangkok, where Pen first was taken after escaping from the house, confronts the same problem of girls refusing to make complaints.

The center's director, whose only name is Sanphasit, said that in Pen's case, for example, he had no doubts about her story but would take no further action once she was safely placed.

"Her conditions were not so bad," Sanphasit said. "She had some freedom. Some can't ever see any sunlight. They never go outside. Even in the bad brothels, where they keep the girls inside day and night, I cannot do anything. So I can't act against this one."

When prospective customers come calling at Baan 150, the madam rings a bell. Girls in street clothes crawl on hands and knees into the viewing room through a waist-high door. There they sit on stairstepped benches, numbers pinned to their chests so the customer can identify his choice.

"I am used to it," Joy said with a sigh. "It's automatic. No matter what I'm doing—I may be eating or sleeping—if I hear that bell, I have to drop everything and go."

But, she was asked, do you ever not want to go?

"Oh, yes. Very often," she replied. "Almost every day I don't want to go in there."

TURNING OUT STUDENTS, NOT LABORERS—MANDATORY SCHOOLING WORKS FOR SOUTH KOREA AND KENYA

(By Joseph Albright and Marcia Kunstel)

SEOUL, SOUTH KOREA.—On a side street near South Korea's most infamous garment sweatshops, the Christian workers hostel still has its old plaque: Mission for Child Laborers.

These days, the youngest "child laborer" who lives at the hostel is 17. This scene is a testimonial to how far South Korea's drive for mass education has gone in one decade toward wiping out the shame of child exploitation in the workplace.

"Ten years ago, the child laborers were 12 to 13 years old," said the Rev. Cho Seunghyuk. "Now the child laborer we are talking about may be 18 to 20." Cho, who heads the workers hostel, is a Korean labor rights activist who has been arrested 15 times for his labor activities.

Education statistics tell the same story. Ninety percent of South Korean children go to school until they are 16—a higher proportion than in Great Britain or Sweden.

Even the AFL-CIO's representative in Seoul, Harry Kamberis, who is no admirer of South Korea's repressive conditions for adult workers, agreed that "with the emphasis on educating children here, there aren't many faimilies who would let their children violate child labor laws."

Kenya, a much poorer nation than South Korea, is also a world leader in regulating the abuses of child sweatshop labor.

This is largely a side benefit of Kenya's drive toward universal primary school education. In 1978, Kenya became the first country in Africa to introduce free milk in school, and enrollment at primary schools tripled between 1970 and 1983, largely as a result.

Another critical factor is that Kenya has managed to field a more aggressive, more honest labor inspection corps than India, Thailand, Morocco and much of the rest of the Third World.

"You won't find a Kenyan child in a factory," said child advocate Philista Onyango. "The labor inspectors are very straight."

TWO NATIONS SHOW HOW TO CURTAIL THE SHAME

South Korea and Kenya—separated by wealth, continents and cultures—provide two avenues of hope that child labor is not a stage that all countries must endure before they can take off as "newly industrialized countries." They show it is possible to combat the worst forms of child exploitation without waiting for proverty to wither away.

Under South Korean law, the Labor Ministry theoretically can permit 13-year-olds to work, but in practice few enter the work force until they finish compulsory schooling at age 16.

In Kenya, labor law prohibits children younger than 16 from working in industry or the maritime trade.

In both countries, there is still a hidden minority of school dropouts who work on the fringes of the economy, beyond the reach of factory inspectors. The pay and working conditions for dropouts are just as odious as in a Bangkok purse factory.

In Seoul, waiter Chang June-keun, 13, said he earned $3.90 a month—or 1 cent an hour—for working 15 hours a day, seven days a week. In Nairobi, Elizabeth, a 10-year-old housemaid, said she earned $20 a month—or 5 cents an hour—for working 13 hours a day, seven days a week.

But the millions of Korean and Kenyan children who sit in classrooms send the rest of the world a message: The best way to attack child labor over several decades is to dry up the supply of little ones who can be pressed into jobs.

Mass education took children out of the textile mills in Britain and the United States a century ago, and it keeps most of them out of sweatshops in South Korea and Kenya today.

EDUCATION PROVIDED ONLY TO ELITE FAILS MASSES

Research by the World Bank has found stark differences in what countries with the same level of national income can achieve in educating their populations, even when they devote the same proportion of their wealth to school budgets.

Some educational systems are much more efficient than others in spreading literacy.

Witness the differences between Morocco and Jordan, two Arab countries with similar economic profiles. Both are ruled by monarchies; neither is enriched by oil.

Morocco's educational system has been geared for three decades to educating the elite. The result is that only 70 percent of school-age boys and 46 percent of school-age girls go to primary schools, according to U.N. statistics.

King Hussein of Jordan set out on another path—delivering mass education to his desert kingdom, which is swollen by Palestinian refugees from what is now Israel and the West Bank. As a consequence, 91 percent of school-age Jordanian boys and 88 percent of school-age Jordanian girls are in primary schools.

It is no surprise that Morocco's little girls work in factories and Jordan's little girls do not.

The surprise is that Morocco spends more of its gross national product on education than Jordan, partly to pay for Morocco's expensive universities and partly to keep up the tradition of tying Moroccan public school teachers' pay to French salary scales.

In the long run, education can reduce the supply of factory children. But the law of supply and demand also provides another solution for the short run: Honest enforcement of factory laws can dampen some of the demand for child labor.

Children work in sweatships because employers look for the cheapest, most trouble-free workers. If enforcement of child labor and overtime laws already on the books makes it bothersome to hire children, employers will have more incentive to hire adults.

The benefits of labor law enforcement can be magnified if the inspectors begin by policing industries that hire children in hazardous jobs or under the age of 12.

Some families will suffer from the loss of children's incomes, but other families should come out ahead.

"If small children work, this definitely cuts the number of jobs available for adults," said Indian social reformer Svami Agivesh. "A child can work for much less than an adult wage, for longer hours and with very little resistance against exploitation."

In India, 15 million adult jobs would be created if child labor could be ended, Indian legal scholar Luqmanul Haq has estimated.

What, if anything, can the West do to help push this transformation?

"The intuitive answer is to stop buying the products of child labor.

But humanitarian trade boycotts seldom have worked, even when the intended beneficiaries, such as South African blacks or Soviet Jews, were articulate and concentrated in one country.

It is hard to argue that child labor in foreign countries is putting thousands of Americans out of work. Sony electronic products from Japan, Hyundai cars from South Korea and other big-ticket contributors to the U.S. trade deficit are made by adults and robots, not children.

NATIONS ALLIED TO U.S. AMONG WORST OFFENDERS

The U.S. government faces another obstacle in contemplating whether to apply pressure to help working children abroad: Most countries where child labor is prevalent—including Morocco, the Philippines, Thailand, Brazil, India, Egypt, China and Pakistan—are U.S. allies or occupy pivotal strategic turf.

So if trade boycotts aren't the solution; what is?

One answer is to elevate child labor into a first-rank human rights issue, on par with torture of prisoners in South American jails or denial of emigration to Soviet Jews.

Congress, pushed by the AFL-CIO and led by Rep. Donald Pease (D-Ohio), has moved in that direction over the last three years as a byproduct of a broader campaign to spotlight harsh labor conditions abroad.

In 1984, Pease got Congress to insert "workers rights" language in a trade bill renewing the Generalized System of Preference, which allows some goods from 114 less developed countries to enter the United States without customs duties.

For example, the Pease Amendment requires countries to have a minimum employment age to qualify for duty-free privileges.

The Pease child labor language sets forth a human rights issue, but there is little prospect that it could get a country's trade privileges cut off. It merely calls on countries to enact a minimum age law, without specifying what age is acceptable. Almost every country in the world has done this, some of them decades ago.

Even Morocco, which fails to enforce its law prohibiting children under 12 from working, is not barred from duty-free privileges in the United States. In fact, the White House trade office is negotiating a "handicraft agreement" with Morocco under which handmade carpets—such as those made in factories by girls as young as 4—are to be added to the list of duty-free commodities later this year.

A more important trade bill now before the Senate contains a new Pease Amendment, which would let U.S. companies file "unfair trade practice" cases before the U.S. International Trade Commission if they believe their businesses are harmed by competition from foreign countries that don't observe specified "workers rights."

This amendment's child labor section also would have no practical importance. It, too, calls only for countries to have a minimum age law, without defining what age is acceptable.

But business groups and the Reagan administration have fought all the worker rights standards in the Pease amendments, and most U.S. diplomats abroad don't go out of their way to apply the language already on the books.

One U.S. diplomat in Thailand said, "It's just protectionism in disguise. It's a way of avoiding the free market system in wages."

WAYS THE WEST COULD FIGHT CHILD EXPLOITATION

Clearly, the key to a consensus on overseas child labor abuses is to extricate the issue from the AFL-CIO's more ambitious agenda of trying to cushion American workers from unfair foreign competition.

If exploitation on the job can be treated as an issue of children's protection instead of trade protectionism, then it is not hard to find ways to apply leverage:

Western department stores and multinationals could adopt a set of principles aimed at discouraging child labor, in the same way U.S. companies adopted the "Sullivan principles" a decade ago to try to improve conditions for South African blacks.

For instance, stores could require that garments from Thailand or glass beakers from India be made in the same factory from which they are purchased, not "sourced out" to unknown contractors that may use child labor. Western companies could ask for manufacturers' certificates that products are not made in violation of local child labor laws.

The U.S. Congress could insist on accurate descriptions of child labor in foreign countries in the human rights report it requires annually from the State Department.

The human rights report covers each country's labor conditions, but the data tend to be incomplete and inaccurate.

For instance, the State Department misinformed Congress this year when it reported that child labor abuses in Thailand "are confined to" small manufacturing enterprises producing "for the local market."

The U.S. Embassy in Bangkok, which drafted the statement, had reason to know this was wrong. The embassy's files contained a 1985 report to the Thai government by the U.N. International Labor Organization (ILO), which said child labor had grown in Thailand as a result of the expansion of exports. The human rights report cited the ILO document to make a different point but ignored the description of children working in export-oriented factories.

Western governments could signal their disapproval of child exploitation whenever they get the chance. This doesn't always happen.

For instance, Nancy Adams, head of the Middle East branch of the White House trade office, held a two-hour seminar in October for businessmen in Fez, a center of Moroccan carpet making, on how carpets and other Moroccan handicrafts could be exported to the United States duty-free.

Ms. Adams did not, she confirmed later, mention the U.S. legal requirement that countries have a minimum age for work to quality for duty-free trade. She said the U.S. Embassy in Morocco had not briefed her on widespread child labor in Fez carpet factories.

Above all, UNICEF, the world agency devoted to protecting children's rights, could put the issue of exploited working children back on the world's agenda.

UNICEF posters in the 1970s called attention to children working in factories. But in the last five years UNICEF has turned it attention almost exclusively to less controversial issues, such as vaccines and oral rehydration therapy against diarrhea.

With its size and prestige, UNICEF is in a position to apply leverage to help eliminate well-documented outrages such as open child prostitution or 7-year-olds weaving in carpet factories.

Kenyan sociologist Onyango says, "The International Monetary Fund does it, the World Bank does it, why not UNICEF? If I could influence a situation, I would try to do it. I would tell Morocco to clean up its act [in the carpet factories] or else. We should not treat these people gently."

James Grant, UNICEF's executive director, disagrees. He prefers to direct UNICEF's efforts toward less controversial health projects that reach more children.

"Where you have to really bring about structural change where people will fight you in process, it is obviously going to take much more effort than in those areas where you can bring tremendous progress to children where there is relatively little outright opposition," he said.

This spring UNICEF published a glossy book titled "The State of the World's Children, 1987." But nowhere does the book make a reference to the predicament of the 88 million children around the world who work for a living.

FROM TEXAS FIELDS TO FLORIDA GROVES, MIGRANT WORKERS TAKE YOUNG TO WORK

(By Marcia Kunstel)

McALLEN, TX.—One windy, drizzly morning this spring, half a dozen youngsters were scattered among the adults harvesting an onion crop.

Not all the children were working, but Fermin, 5, steadily carted burlap sacks to his mother and collected onions off the ground.

Normally he goes to preschool, Fermin said, but this morning his mother brought him and his two younger brothers out to the field. "I don't have any place to leave them," she said.

Juanita Valdez Cox, an organizer with the United Farm Workers of America, said the pay rate for piecework—so much per bag or box picked—often forces parents to take their children out of classes to work. The contributions of even small children can help.

"The onion season is only four to six weeks long," Ms. Cox said. "What else can you do but pull your kids out of school one or two days a week? They have so little money they have to use their kids."

Thousands of migrant and seasonal farm workers are based here in the Rio Grande Valley. Their children often begin work illegally when they are 6 or 7. If they don't start in the Texas fields, then they begin in the citrus groves of Florida or vegetable farms in Georgia or New York or Washington, wherever the hunt for work leads their parents.

On all but very small farms, children younger than 12 cannot work the fields legally. In almost every state, it is also illegal for children younger than 16 to work during school hours.

Many of the children of migrant farm workers do both. They are the biggest and most identifiable remnant of child labor in the United States. But they aren't the only one.

Although youngsters work throughout the United States, efforts to protect them from abusive conditions have been extensive and largely successful. Except among migrant farm workers, children rarely hold jobs before they are teenagers, and few younger than 16 work instead of going to school.

Except on farms, when children work in the United States, it usually is not because their families need the money to survive. Authorities who enforce child labor laws say a main cause of violations is that some youngsters want money for luxuries.

In 1986, the U.S. Department of Labor took action in cases involving illegal employment of 12,662 minors, three-fourths of them 15 and younger. Only 301 of the cases involved agricultural jobs, according to department statistics.

"I've found them as young as 9 years old," said Philip LaLena, a federal labor inspector in Grand Junction, Colo.

He normally finds illegal child workers during his wage-and-hour inspections in the 23 counties he covers in western Colorado and eastern Utah. Or he discovers them, he said, when they are injured on the job, most often from operating kitchen slicers or other machinery that by law they are too young to use.

In Massachusetts, accidents raised alarm over child labor in 1985. In one case, a 14-year-old illegally driving a 27-ton earthmover ran over and killed a fellow construction worker.

HUNDREDS OF VIOLATIONS DISCOVERED IN GEORGIA

While checking records to determine the extent of child work in the first nine months of 1986, the Massachusetts Department of Labor and Industries found 1,508 cases of children ages 14 to 17 who were injured on the job, and nearly every case involved illegal work.

In Georgia, Department of Labor officials over the last two years have switched to a more intensive systematic inspection program that includes routine monitoring for child labor violations. They are finding plenty.

Georgia inspectors last year found illegal child labor in 48 percent of the 2,465 places inspected, said Ginger Blackstone, the department's public information director.

There were 418 violations of hour restrictions for workers younger than 16, and 266 employers were cited for employing children under 16 in hazardous jobs, she said. Inspectors caught another 111 employers with workers under the state minimum age of 12.

Most of the children under 12 worked in small businesses in jobs neither dangerous nor demanding, said Glenn Collins of the department's child labor office.

"Generally, they just weren't aware of child labor laws," Collins said of Georgia employers. Most violations had been corrected by the time his inspectors made follow-up calls.

Work that keeps children on the streets selling candy or kitchenware or delivering newspapers is still controversial in the United States. These jobs often are regulated by less stringent state laws. The employing companies are too small to come under federal law or, as in the case of newspapers, have been exempted.

Managers of sales networks often violate even the most permissive state laws, using children who are too young or keeping them out too late at night. Legally run operations sometimes take young children to strange neighborhoods with no adult protection.

In the case of newspaper delivery, old questions of children's exposure to crime and traffic may be more urgent in today's high-crime, high-speed society.

A survey of newspaper carriers for California's San Jose Mercury News found that one-third of them had experienced at least one "scary" situation on the job. Two newsboys for the Des Moines Register in Iowa have disappeared since 1983 and are presumed kidnapped.

The problem of young newspaper carriers is withering, however, as newspaper circulation departments turn increasingly to adults and coin boxes.

There have been dramatic improvements in the United States in the last 80 years, since the days when children labored in Pennsylvania coal mines and in glass-manufacturing plants across the country. It has been 49 years since the Fair Labor Standards Act set a national minimum work age of 16 for normal jobs and 18 for dangerous work covered by federal law.

REAGAN EFFORT TO EASE RESTRICTIONS DIES QUICKLY

The law says children 14 and 15 may work for limited hours in various jobs, but not in manufacturing, mining and most processing work. Younger children may deliver newspapers, perform as actors and work in non-hazardous jobs in their parents' businesses. Children as young as 12 may do limited agricultural work.

Federal laws cover non-farm employers who do more than $362,500 in business a year or are involved in interstate commerce. They also cover farms with work forces large enough to require paying the federal minimum wage.

While many occupations have been declared off-limits, one new job has appeared for youngsters in recent years. Fast-food restaurants hire teenagers in droves.

And it is the burger and chicken restaurants that helped spawn efforts to reverse the trend of giving more protection to young workers.

So far, moves to set a lower minimum wage for teenagers and to lengthen the hours they may work have failed.

A 1982 proposal by the Reagan administration to extend work hours for 14- and 15-year-olds drew quick opposition. Within days after the Labor Department presented its plan, resolutions were introduced in the House and Senate to prohibit it from taking effect. The department dropped its proposal.

Sometimes the courts also have acted on children's behalf.

For example, federal law empowers the Labor Department to grant waivers for children under 12 to be hired for farm work. But the U.S. Circuit Court of Appeals in Washington ruled that the department cannot issue waivers unless it shows there is no danger to children from pesticides.

There are no waivers in effect.

That does not mean there are no small children in the fields. Fermin in McAllen is an example. His mother said a crew leader had warned her that morning not to bring her children again, but that is not always what happens.

Migrant farm workers often feel the pressure of landowners or crew leaders who want fields stripped quickly. For instance, social workers in Homestead, Fla., tell of one crew leader who will give housing only to families with at least six workers. If there are enough children, they can take turns going to school.

The majority of farm worker children do not labor full time during the school year. But summer work often begins in April or May and sneaks on into September or October, cheating them out of important school days.

"They come late into the system and leave early," said Wendell Rollason, director of the Redlands Christian Migrant Association in Florida. "The first time the kids hit school may be in November."

Pedro Gomez, 17, who lives near McAllen, quit school two years ago because his family was desperate for money. His father had left home, and his mother could not earn enough in farm work to care for four children.

Working was not new for Gomez; he had been in and out of the fields since he was 6. His schooling had suffered, too, because the family routinely left Texas as early as March in search of farm work. Sometimes he worked, and other times he tried to adjust to a new school for the final months of the school year.

"It was very hard for me, but I was faced with the kids going without things they needed, like clothes or shoes," said his mother, Maria Del Carmen Gomez.

At least the work of her older children may save the future of her youngest, Mrs. Gomez said with pride that her daughter, Maribel, 9, has barely worked.

WILBUR J. COHEN FEDERAL BUILDING

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar No. 218.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1371) to designate the Federal building located at 330 Independence Avenue, S.W., Washington, District of Columbia, as the "Wilbur J. Cohen Federal Building".

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

S. 1371

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF BUILDING.

The Federal Building located at 330 Independence Avenue, SW, Washington, District of Columbia, shall be known and designated as the "Wilbur J. Cohen Federal Building".

SEC. 2. LEGAL REFERENCES.

Any reference to such building in any law, map, regulation, document, record, or other paper of the United States shall be deemed to be a reference to the "Wilbur J. Cohen Federal Building".

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

J. MARK TRICE

Mr. BYRD. Mr. President, it was with great sadness that I learned of the death last Friday of J. Mark Trice. His 54 years of service to the Senate, between 1916 and 1973 enriched this institution beyond measure.

Mark Trice began his Senate service as a page a year before I was born. In 1919 he was appointed secretary to the Senate Sergeant at Arms. He remained in that post until he received his law degree from the Georgetown Unversity School of Law. From 1929 until 1932, he took his only break in Senate service to work for a Washington law firm. As the Great Depression deepened, he concluded that his future was likely to be brighter in the Senate than with a struggling law firm. Consequently, he returned to the Senate in 1932 as Deputy Sergeant at Arms.

Early in 1933, Mark's already lengthy Senate experience was put to the test. In February of that year, the Sergeant at Arms was removed by the Senate and the 31-year-old deputy was suddenly burdened with a major share of the planning for Frankin Roosevelt's March inauguration. Two days before that ceremony, Senator Thomas Walsh died and it fell to Mark to make arrangements for his funeral in the Senate Chamber.

Throughout these years, Mark Trice attracted strong friendships on both sides of the aisle. He became a frequent golf companion of Senate Democratic Leader Joseph Robinson and he remained as Deputy Sergeant at Arms when the Democrats took control of the Senate in 1933. After 14 years in that post, he was elected in 1946 secretary for the Republican majority and 2 years later, as secretary for the minority. When the Republicans again became the majority in 1953, Mark was elected secretary of the Senate. When the Democrats regained control of the Senate in 1955, he resumed his previous position as Republican secretary, and remained in that post until his retirement in 1973. In 1976 he was appointed to the Commission on the Operation of the Senate, which recommended administrative reforms for the Senate.

Mr. President, the quality and extent of Mark Trice's dedicated service to the Senate can be measured in numerous ways. In 1970, at the time of his 50th anniversary in the Senate, current and former members delivered statements that filled a sizable volume. On that occasion, I remarked that the Senate could simply not function without individuals like him and I noted that "If appreciation could somehow be miraculously transmuted into jewels, I would immediately lavish upon him more diamonds, sapphires, and rubies than were worn by the Queen of Sheba when she visited King Solomon."

Another way of measuring the extent of his 54 years in the Senate is to consider that he served with no fewer than 643 Senators! That astounding figure represents substantially more than one-third of the 1,782 men and women who have been Members of this body since its creation in 1789.

Mr. President, those of us who were privileged to know Mark Trice remember him as a gentleman blessed with limitless tact, patience, kindness, good humor, and wit. In the entire history of the Senate few individuals, if any, have exceeded his vast knowledge of this institution. For that, and for his innate decency, we shall greatly miss him.

ORDERS FOR TOMORROW

RECESS UNTIL 9:30 A.M.

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

DELAY OF CLOTURE VOTE

Mr. BYRD. Mr. President, I ask unanimous consent that the cloture vote that was scheduled for tomorrow be delayed until this coming Thursday.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

RECOGNITION OF SENATOR DOMENICI

Mr. BYRD. Mr. President, I believe Mr. DOMENICI had indicated he would be prepared to lay down his amendment this evening or to call it up first thing tomorrow. Would it be all right, if I may ask the Republican leader, to get consent for him to be recognized immediately after the two leaders have been recognized tomorrow to call up his amendment?

Mr. President, on the amendment by Mr. DOMENICI, I believe there was a half-hour time agreement or a 1-hour time agreement?

The PRESIDING OFFICER. One hour time agreement.

Mr. BYRD. I thank the Chair. Mr. President, I have discussed this request with the distinguished Republican leader. I ask unanimous consent that immediately following the two leaders or their designees under the standing order on tomorrow, Mr. DOMENICI be recognized to call up the amendment on which the time agreement was entered today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WIRTH). Without objection, it is so ordered.

PROGRAM

Mr. BYRD. Mr. President, the Senate will come in at 9:30 tomorrow morning. After the two leaders have been recognized under the standing order, the Senator from New Mexico [Mr. DOMENICI] will be recognized to call up his amendment on which there is a 1-hour time limitation.

The yeas and nays have been ordered on that amendment?

The PRESIDING OFFICER. They have not been ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. That rollcall vote should occur at around quarter of 11 if all the time is taken.

So, Senators will want to be aware of this and the cloakrooms early in the morning should notify the offices to that effect.

Following the disposition of the amendment by Mr. DOMENICI, there will be other amendments, perhaps the amendment dealing with plant closings. The principals are very close to an agreement tonight but they are so close and yet so far.

So, Mr. President, we had a pretty good day today.

Does the distinguished Republican leader have anything to say or any further business to transact?

Mr. DOLE. No, except to indicate I think the majority leader is right. A couple of big amendments were out of the way today. If we can get agreement on plant closings, then I think the managers can probably see the light at the end of the tunnel and probably finish it by Thursday evening.

Mr. BYRD. I hope so.

Mr. DOLE. Would it be the intention upon completion of this that we would start working on the debt ceiling extension?

Mr. BYRD. I would hope so. I would like to do that on the disposition of this measure. I would like to go immediately to the debt ceiling measure if we can do it.

Mr. DOLE. I thank the majority leader.

Mr. BYRD. I thank the distinguished leader.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BYRD. Mr. President, there being no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9:30 tomorrow morning.

Thereupon, at 10:49 p.m., the Senate recessed until tomorrow, Wednesday, July 8, 1987, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate July 2, 1987, under authority of the order of the Senate of February 3, 1987:

DEPARTMENT OF STATE

Roscoe Seldon Suddarth, of Maryland, a career Member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Hashemite Kingdom of Jordan.

DEPARTMENT OF DEFENSE

John J. Welch, Jr., of Texas, to be an Assistant Secretary of the Air Force, vice Thomas Edward Cooper, resigned.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned in his current grade to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Harry A. Goodall, [redacted] [redacted]FR, U.S. Air Force.

Executive nominations received by the Secretary of the Senate July 6, 1987, under authority of the order of the Senate of February 3, 1987:

IN THE NAVY

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. John A. Baldwin, Jr., [redacted] [redacted]/1110, U.S. Navy.

IN THE ARMY

The U.S. Army National Guard officer named herein for appointment as Deputy Director, Army National Guard, under the provisions of title 10, United States Code, sections 593(a), and 3371:

To be brigadier general

Col. William A. Navas, Jr., [redacted].

The following-named officer for permanent promotion of the U.S. Army in accordance with the appropriate provisions of title 10, United States Code, sections 624, and 628:

ARMY

To be colonel

Charles J. Lockwood, Jr., [redacted].

Executive nominations received by the Senate July 7, 1987:

THE JUDICIARY

Robert H. Bork, of the District of Columbia, to be an associate justice of the Supreme Court of the United States, vice Lewis F. Powell, Jr., retired.

SECURITIES AND EXCHANGE COMMISSION

David S. Ruder, of Illinois, to be a member of the Securities and Exchange Commission for the term of 5 years expiring June 5, 1991, vice John S. R. Shad, resigned.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. James E. Service, [redacted]/1310, U.S. Navy.

WITHDRAWAL

Executive message transmitting a withdrawal of a nomination from further Senate consideration, received by the Secretary of the Senate during the recess of the Senate on Monday, July 6, 1987, under authority of the order of the Senate of February 3, 1987:

CORPORATION FOR PUBLIC BROADCASTING

Harry O'Connor, of California, to be a member of the Board of Directors of the Corporation for Public Broadcasting for a term expiring March 26, 1991, reappointment, which was sent to the Senate on March 17, 1987.

EXTENSIONS OF REMARKS

SIGNS OF SPRING BY MARK LIM

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. FAWELL. Mr. Speaker, I am very pleased to announce that Mr. Mark Lim of Darien, IL, has won the "Land of Freedom" essay contest sponsored by Friends of Free China. Friends of Free China is a bipartisan, nonpolitical organization dedicated to the preservation of freedom and understanding between the people of the United States and the people of Free China. Mark was awarded a $500 scholarship for the college of his choice. He will be further eligible to win an additional $1,000 scholarship should his essay be selected by a panel of Chinese judges in the Republic of China on Taiwan.

Instructed only that a contestant prepare and write a 1,000- to 1,500-word essay on the topic "How Freedom Affects Progress," Mark wrote a very informative and insightful essay contrasting social and economic progress in Taiwan and mainland China. I would like to share with my colleagues this outstanding essay, entitled "Signs of Spring."

SIGNS OF SPRING

Stamp out Marxism from the theoretical stage . . . give us democracy and freedom . . . for four decades we have endured the coldness of the Communist "winter"—the suppression . . . the fear . . . The time to be afraid is past. Let us be . . . free. (Yu-Huang, December 29, 1986).

Such is the outcry of over one quarter of our world's population—the people living in a monitored society who have heard the hollow promises for a "glorious socialist future," people who are tired of enduring the Communist cold when they can feel the warmth of the free Chinese society on Taiwan.

Though the Chinese Communists successfully brought the mainland under Communist oppression in 1949, they failed to blot out the spirit of freedom in their people. The National government under the leadership of Chiang Kai-shek fled to the neighboring island of Taiwan to rebuild a Chinese society based on the concepts of free enterprise and Dr. Sun Yat-sen's Three Principles of the People: Nationalism, Democracy, and livelihood. Today, the results of these two opposing philosophies are revealing their effectiveness. While the People's Republic is still enduring her harsh winter of totalitarianism and economic disorder, the Republic of China has become a model of freedom, democracy, and prosperity. Why has she flourished while her Communist counterpart languishes? Because she offers vast freedoms to her people, and freedom does affect progress—educationally and economically.

The mainland Chinese government believes not only that it owns the lives of its people but that it must use education as a way of influencing its citizens to support the communist philosophy and oppose the free enterprise system. Because of this focus on propaganda, educators in mainland China are leaving students without basics such as reading skills.

Illiteracy on the Chinese mainland is a serious problem which is hindering the progress of her economic reforms. Of the general population, only fifty percent can claim literacy (defined as a sixth grade reading level). Further, though sixty percent of primary school-aged children regularly attend school, less than sixteen percent of these students ever enter high school. Today the Communist Chinese can require only a junior high education for entrance into one of their universities. Yet due to insufficient lower education, many have great difficulty passing even college entrance exams geared to this level! In fact, the Communist Party has admitted that while tens of millions take these exams annually, only several hundred thousand pass (Tierney, Jr., p. 114).

As for the mainland's universities, critics now claim that these institutions have not taught their graduates even such foundational skills as analytical reading and thinking. The former Tsinghua University president Chiang Nan-hsiang referred to his own university as "a university in name with a junior high school curriculum and students of primary school caliber" (Tierney, Jr., p. 112).

The lack of sufficient education for the general populace has affected the Chinese Communist party as well. Recently, Peking's People's Daily reported a survey taken by the Communist Party, revealing that, of the 20 million cadres governing the countryside, half of all members were illiterate, while the remainder had only received a primary school education. Poorly educated cadre leaders are inept at promoting commercial production and enforcing economic reforms in rural areas. As these illiterates bungle on reform programs, the people suffer and unrest results. A People's Daily editorial warned that plans for further reform were futile and the possibility of rebellion real unless the mainland alters its educational methods.

Taiwan, on the other hand, has experienced phenomenal success in her educational system; her people are now among the most highly educated in the world (The Free China Journal, Jan. 1986, p. 3). Because she offers nine years of free education, 89.7 percent of her population have become literate. Also 99 percent of all school age children regularly attend school. But even more important, 60 percent of all junior high students (an extremely high percentage for a Third World Nation) pass their final exams and continue their education with three years of high school. The Republic of China believes that people should have the opportunity to determine which universities they will attend and which degrees they will pursue. To encourage higher education, Taiwan offers financial aid (reasonable tuitions, scholarships), and has developed its state university system to provide new campuses and many quality teachers. As a result, Taiwan's 105 colleges and universities including those at Taipei and Taichung, are enrolling 412,381 students annually (The Free China Journal, Oct. 1985) with thousands more Chinese students seeking training abroad.

While students in Taiwan enjoy the priceless freedom to determine their own occupations after they graduate, students in Communist China have understandably lost all incentive to pursue higher education. After all, why should they seek higher education . . . so that after they graduate from the university they can be forced to work wherever their government sees fit? Communist China's leaders fail to realize that freedom is a necessity. It allows a person to think on his own, to make his own decisions, even to make his own mistakes. When freedom is offered, students view educational opportunity as a means of realizing personal goals in life; so they study harder. Yes, freedom has greatly affected progress on Taiwan—it has stimulated her young people to develop their mental abilities and job skills for use in making a better life for themselves.

Freedom—or the lack of it—affects a country's economic conditions as well. On the mainland inhabitants cannot even choose their own occupations. One in Communist China can never expect to achieve financial success. How could he? . . . everything belongs to the state. The Chinese Communists purportedly encourage private enterprise, but maintain rigid state controls; they claim to allow free exchange of ideas yet forcibly assert the "infallible superiority" of Marxism-Leninism. To the common people, this "narrow-mindedness" means no promotions, no dreams, . . . no future. The result? No effort. Though agriculture occupies 75 percent of her labor force, the productivity of the People's Republic has been surprisingly low. Agricultural products have amounted to $4.04 billion of her total exports (Bunge and Shin, p. 113). One sixth of her state owned factories are losing money. In addition, her foreign exchange reserves have fallen by more than $100 million to $10.37 billion. With a foreign debt of $6.87 billion, Mainland China's underdeveloped economy struggles to increase at only 6 percent annually.

Taiwan's achievements, however, have been so abundant and so unusual that they have been called "an economic miracle." Despite the fact that only 7 percent of her workers are involved in agriculture, the country still produces enough rice, fruits, and vegetables to satisfy her large population. 1986 has been a year of both economic prosperity and stability for the Republic of China. Taiwan has become a major industrial exporter shipping out $39.4 billion in goods and importing $23.6 billion; therefore, she boasts a favorable trade balance of almost $15.8 billion. While Mainland China's Gross National Product per capita of only $267 discouraged foreign investors, the Republic of China's GNP excelled at $3748 (twelve times higher than that of China's), and to this day, it still grows at a rate of 10.81 percent annually. (China Post, Jan. 2, 1987). In fact, during the 36 years of her existence, her economy's growth rate has dropped below 5 percent only five times

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

(let it be noted that a 4 percent growth rate would already be highly desirable for most developed countries). Today, foreign exchange reserves on Taiwan total $45 billion, the world's largest holdings by a single nation. By the year 2000, Taiwan is expected to achieve the status of a fully developed nation.

On the domestic level, Taiwan's unemployment rate has never exceeded 4 percent nor has her inflation rate ever surpassed 2 percent (China Post, October 13, 1986). Unlike the common experiences of other productive countries undergoing development where the rich get richer while the poor get poorer, Taiwan's income distribution has become more equal; the income of the richest 20 percent of her families is only 4.5 times that of the poorest 20 percent. In other words, everyone enjoys the fruits of economic growth, including the poor.

What is the key to Taiwan's economic achievements? Her freedom. She offers her people their own choice of vocation, the incentive to work harder—the opportunity to make a life of which they can be proud. As a result, Taiwan has experienced economic and social stability. On the other hand, the recent student demonstrations on the mainland show that the Communists' efforts toward economic reform and political stability are failing. The Communists cannot block out totally the success of their brothers on Taiwan; the Chinese on the mainland see the beneficial results of the Three Principles of the People and envy Taiwan's success. They are tired of the bitter coldness of the Communist winter; they long to smell the fresh aid of freedom, to view the clear skies studded with beautiful mountains of opportunity.

The Chinese on Taiwan mourn for their enslaved country-men. But how can they help to free the Mainland Chinese? The progress which freedom has brought to Taiwan is a start. As Taipei's China Post asserts:

"The sharp contrast between our accomplishment in promoting freedom, democracy, and equal distribution of the wealth and the backward totalitarian communist system will be our most powerful weapon in winning the support of all freedom-loving Chinese and bringing down the communist system."

Yes, it may still be winter on the Communist mainland, but as more of her people voice their plea for freedom, the sunshine of hope may begin to dawn, warming the prospects for a reunified China. Communism can be overthrown on the Chinese mainland, and once the Three Principles of the People are planted in its place, the blossoms of the spring of democracy will soon arrive.

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THE CONGRESSIONAL CAREER OF FATHER ROBERT F. DRINAN

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. STOKES. Mr. Speaker, recently Dr. Philip A. Grant, Jr., professor of history at Pace University in New York delivered a speech entitled "The Congressional Career of Father Robert F. Drinan." During his tenure in the U.S. House of Representatives Father Drinan worked tirelessly for an America based on peace, racial equality, and social justice.

Professor Grant did an excellent job of capturing the highlights of Father Drinan's outstanding career in the House. I am pleased to share Professor Grant's remarks with my colleagues.

THE CONGRESSIONAL CAREER OF FATHER ROBERT F. DRINAN

On January 21, 1971 Reverend Robert F. Drinan, S.J., was sworn in as a Member of the House of Representatives. Father Drinan, a liberal Democrat and the first Catholic priest ever to serve in Congress, on November 3, 1970 had been elected to represent the Third District of Massachusetts. Altogether Drinan would spend five consecutive terms on Capitol Hill.

Drinan, fifty years of age and a graduate of Boston College, had entered the Society of Jesus in 1942. Prior to his ordination to the priesthood in 1953, he had received his law degree from Georgetown University. At the time he launched his congressional career, Drinan had completed his fourteenth year as Dean of the School of Law at Boston College. In addition to his activities as a member of a religious order and his administrative duties, he had written three books, published extensively both in popular and scholarly journals, and delivered lectures throughout the nation on civil rights, social justice, and disarmament.

Because of his distinguished legal background, Drinan was assigned to the Committee on the Judiciary. He was also designated a member of the Committee on Internal Security, previously known as the Committee on Un-American Activities. Drinan would remain on the Judiciary panel throughout his tenure in the House and he would emerge as one of the foremost advocates of abolishing the Internal Security Organization.

During Drinan's first term in the House he was preoccupied with the lingering controversy surrounding the Vietnam War and the disposition of two proposed amendments to the Constitution of the United States. In his 1970 congressional campaign Drinan had constantly and vigorously denounced the wisdom of the nation's continuing intervention in Vietnam and had firmly pledged that, if elected, he would strive to bring about a prompt end to the American military presence in southeast Asia. A former Chairman of the Massachusetts Advisory Committee of the United States Commission on Civil Rights, Drinan would be afforded the unique opportunity of promoting woman's rights and extending the franchise to millions of the nation's younger citizens.

In 1971 and 1972 Drinan repeatedly voted for amendments designed either to establish a terminal date for the withdrawal of American troops from Vietnam or to cut off appropriations for military operations in Southeast Asia. These amendments were defeated by the following margins: 130-101; 208-166; 215-193; 229-177; 238-168; 244-152; and 254-158. While Drinan and his liberal Democratic colleagues failed in their sustained efforts in behalf of these restrictive amendments, they did succeed in dramatizing the rising opposition to the Vietnam conflict. Drinan, although rebuffed in persuading the House to halt the war by legislative sanction, surmised that the 1972 presidential election would be waged largely on the merits of the Vietnam issue.

In 1971, as a member of the Democratic majority on the Judiciary Committee, Drinan was vested with the responsibility of considering the proposed Twenty-sixth and Twenty-seventh Amendments to the Constitution. The Twenty-Sixth Amendment, mandating the right to vote for individuals having attained the age of eighteen, was formally reported by the committee in March, while the Twenty-Seventh Amendment, guaranteeing equal rights for women, was endorsed by the committee in July. Drinan strongly supported the two measures both in the Judiciary Committee itself and on the floor of the House. By October both amendments had been approved by Congress and submitted to the states for ratification.

In Drinan's second term Congress was not only determined to reassert itself on foreign policy matters, but also vowed to resolve the complex problems created by the Watergate scandal. Drinan was committed to work toward complete and unequivocal disengagement in Southeast Asia and conduct a thorough investigation of President Nixon's role regarding improper campaign practices in 1972.

Unlike previous years, the House in 1973 and 1974 directly challenged Nixon's initiatives in Southeast Asia. On two crucial roll calls Drinan and other anti-war congressman succeeded in curtailing the expenditure of money in Southeast Asia. In May 1973 the House voted 219-188 to deny the Administration the discretion to transfer funds from other defense programs for use in Southeast Asia and in April 1974 ballotted 177-154 against restoring $274,000,000 in aid for South Vietnam and Laos. Of paramount importance to the acrimonious struggle between the President and Congress was the War Powers Bill, imposing severe limitations on the Chief Executive's authority to deploy troops in time of peace. Drinan, like the vast majority of his fellow Democrats, favored a motion to override Nixon's veto of the War Powers Bill. The resistance to the President's appeals for Southeast Asia and the enactment of the War Powers Bill in effect vindicated Drinan's fervent opposition to American intervention in Vietnam and neighboring countries.

The Watergate scandal attracted enormous attention on Capitol Hill in 1973 and 1974. On July 29, 1973 Drinan became the first member of Congress to introduce a resolution calling for the impeachment of President Nixon. After the President's abrupt dismissal of Special Prosecutor Archibald Cox, the Judiciary Committee began to discuss the possibility of initiating impeachment proceedings. The formal committee hearings, extending from May to July 1974, provided Drinan and the other committee members with the opportunity to interrogate numerous witnesses and review a heavy volume of evidence. Drinan, agreeing with a majority of his colleagues on the committee, finally voted in favor of three articles of impeachment against the President. Although Nixon resigned on August 9, 1974, Drinan undoubtedly took pride in the fact that the House accepted the committee report 412-3.

In early 1975 Drinan helped facilitate the ouster of conservative southerners as chairmen of the Committees on Ways and Means, Armed Services, Banking and Currency, and Agriculture and assumed the leadership in abolishing the Committee on Internal Security. For several years Drinan has argued that the Internal Security Committee was unnecessary and in some respects unconstitutional. After seeking to reduce its annual appropriations in 1971, 1972, 1973, and 1974, Drinan convinced both the Democratic caucus and the House itself to eliminate the committee.

In 1975 and 1976 Drinan was closely associated with the attempt to decree stringent federal regulation of firearms and override five of President Ford's vetoes. He was one of the members of the Judiciary committee who steadfastly supported the Gun Control Bill of 1976 and was aligned with the Congressmen voting to override the President's vetoes of the Emergency Jobs Bill, and the annual appropriations bills for the Departments of Labor and Health, Education, and Welfare. Notwithstanding Drinan's efforts, the House declined to schedule the Gun Control Bill for Floor debate and sustained three of Ford's five vetoes. Drinan was somewhat consoled, however, when the House repudiated and overrode the two Labor-HEW appropriations bills.

As a veteran on the Judiciary Committee, Drinan in 1977 and 1978 devoted considerable attention to two constitutional questions. The first of these was a proposed constitutional amendment authoring voting representation in Congress for Washington, D.C. The second measure extended for three years the time period required for ratification of the Equal Rights Amendment. The District of Columbia voting Amendment was reported by the Committee in February 1978 and passed by the House in March of the same year, while the ERA extension bill, after securing committee endorsement in July, was approved by the House in August 1978. Drinan's espousal of the two constitutional changes was entirely consistent with his well-documented efforts to eradicate discrimination and guarantee the right to vote for all Americans.

Throughout his ten years in Congress Drinan sharply and relentlessly criticized the Pentagon budgets and urged that reversing the arms race should be accorded the highest priority. Both in 1977 and 1978 he sided with a majority of the House against production of the B-1 bomber. In disavowing the B-1 weapon, Drinan was clearly reflecting the disenchantment of his liberal colleagues with a thirty year pattern of steadily increasing levels of military spending.

Drinan in November 1978 was re-elected without opposition to his fifth and final term in congress. By January 1979 he had advanced to the position of seventh ranking Democrat on the thirty-one member Judiciary Committee and Chairman of its Subcommittee on Criminal Justice.

While presiding over the subcommittee, Drinan sought the enactment of legislation to overhaul the federal criminal code. In July 1980 the Judiciary Committee, reaffirming the findings of Drinan's subcommittee, reported a bill producing comprehensive changes in the national government's approach to punishment of criminal guilt. Because of the controversy generated by the bill and the apparent failure to achieve a consensus on the sensitive question of criminal justice, the measure languished in the Rules Committee and was never placed on the House calendar.

In his final term Drinan also continued to address himself to issues directly or indirectly relating to civil rights. In 1979 he was instrumental in blocking a constitutional amendment prohibiting school busing and supported the establishment of a holiday in honor of the late Doctor Martin Luther King. Moreover, Drinan co-authored the Fair Housing Bill of 1980, thereby attempting to augment the government's power to combat discrimination in housing.

Since Drinan served only five terms in the house, there was no realistic chance that he could become Chairman of the Judiciary Committee. Emmanuel Celler of New York, who chaired the committee during Drinan's freshman term, in 1971 was beginning his twenty-fifth term on Capitol Hill, while Peter W. Rodino of New Jersey, who had occupied the chairmanship since 1973, is currently in his twentieth term. Since Drinan lacked the requisite seniority, his influence within the committee was somewhat limited. Drinan did, however, derive obvious benefit from his affiliation with the majority party as well as from the fact that several of his elderly committee colleagues chose to retire between 1971 and 1980.

Notwithstanding the comparative brevity of his congressional tenure, Drinan was involved in the disposition of four proposed constitutional amendments, the impeachment of the President of the United States, and the sequence of events culminating in House passage of the War Powers Bill of 1973 and the Fair Housing Bill of 1980 and the abolition of the Internal Security Committee. Furthermore, he engaged in serious legislative attempts to restrict the availability of firearms and reform the federal criminal code. Drinan's decade as a Member of Congress was by every standard an eventful one and he deservedly earned the reputation as a legislative activist.

Drinan's foremost contribution was perhaps his vocal and unwavering opposition to the Vietnam War. He was one of a small number of anti-war spokesmen elected to the House of Representatives in 1970, a group which fervently articulated its moral and practical objections to the Vietnam conflict both on the House Floor and in the media. Several of these congressmen, including Drinan, were among the most avid supporters of the 1952 presidential candidacy of Senator George S. McGovern. While initially outnumbered by congressmen who acquiesced in the prerogative of President Nixon to define the nation's interest in Southeast Asia, Drinan and his liberal colleagues ultimately constituted a majority and were able to enforce their will on a reluctant Administration. Drinan viewed the Vietnam War as an utterly senseless foreign policy venture and vigorously stressed his staunch opposition to the conflict. A careful review of the developments in Southeast Asia between 1971 and 1974 warranted the conclusion that Drinan was performing a noteworthy service to the American people. Even the apologists for Nixon's Vietnam strategy probably would have conceded that Drinan worked tirelessly and effectively to transform the attitude of Congress on a crucial foreign policy issue.

Throughout his years of Dean of Boston College Law School, Drinan had forcefully spoken out on various contemporary domestic and international issues. As a legal scholar, he had won recognition as an individual profoundly concerned with injustices prevading American society. Prior to entering Congress, Drinan had felt that the country desperately needed a different type of leadership. As a member of the House, Drinan could and did influence the direction of the nation. While there certainly remain legitimate differences of opinion on whether Congress really changed our national priorities during the decade of the nineteen seventies, Father Drinan stands out as an individual who did more than his share to alter the complexion of the American political landscape.

DISTRIBUTION OF POWER IN OUR GOVERNMENT

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. PACKARD. Mr. Speaker, it was 200 years ago this week that our Founding Fathers again took up the question of the amount of representation that each State would have in the House. Much controversy arose due to the increasing westward shift in the population. Governor Morris of Pennsylvania saw a potential threat to the established economic interests of the Northeast if the emerging western portions of the country were allowed an equal voice in Congress. Edmond Randolph's fear of men fighting to "keep the power in the hands of those possessed of it" was becoming a reality.

As the debate continued over how representation in the new government would be apportioned it became apparent that a schism was being opened not necessarily between East and West, but between North and South.

Although one might assume a congruence of interests between the existing States, North and South, this was not the case. The South continued to grow rapidly during this period compared to the relatively static Northeast. A portion of those moving into the South were continuing into the areas west of the Appalachians.

Morris' attempt to retain control of the new government in the hands of the Northeast failed, but it did play a decisive role in the compromise that was ultimately reached. A provision was inserted into the Constitution that would ensure an equal distribution of power even as the Nation continued to grow. Under the terms of this provision seats in Congress would be reapportioned every 10 years based on a national census.

The regional disputes that shaped the debate in 1787 remain with us today albeit on different terms. This past week one partisan decried the economic policies of the current administration saying they had created a bicoastal economy which neglected the needs of the interior portions of the Nation. We can hope that today, just as in 1787, such attempts to argue for preferential treatment for specific regions of the country will fail in favor of a balanced approach to governing that will secure sustained benefits for the Nation as a whole.

TWO HUNDRED YEARS AGO AT THE CONSTITUTIONAL CONVENTION (JULY 2)

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. SHARP. Mr. Speaker, after the heated debate of the day before, the Convention opened July 2, 1787, with a vote on the method of representation for the Senate.

The result, a five States to five States tie, clearly displayed the deadlock between those delegates who favored apportioning the National Legislature by population and those who wanted to give each State an equal voice. One delegate, Luther Martin of Maryland expressed the frustration in the State house that day, saying, "We were on the verge of dissolution, scarce held together by the strength of hair."

In order to break the jam, South Carolina's Charles Pinckney proposed creating a special committee composed of one member from each State. Although some of the hardliners on both sides did not see any good coming out of such a group, the Convention decided to go ahead with it anyway.

WELCOMING MESSAGE TO THE HIROSHIMA CHAMBER OF COMMERCE & INDUSTRY

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. PURSELL. Mr. Speaker, I rise today to offer a kind and sincere welcome to a delegation of visitors from the Hiroshima Chamber of Commerce & Industry who will be visiting southeast Michigan next week. The purpose of their visit is to establish and sign a sister chamber relationship with the Greater Detroit Chamber of Commerce.

This visit is significant considering the increased presence of Japanese business in southeast Michigan. Today, approximately 100 Japanese firms employ 13,624 people in the area. These numbers increase monthly as additional firms choose southeast Michigan as a location to supply numerous American and Japanese auto manufacturers located through the Midwest.

I am delighted to learn of the Hiroshima Chamber's desire to establish this sister chamber relationship with the Greater Detroit Chamber of Commerce. It should serve to expand business opportunities for southeast Michigan as well as Japanese businesses both here and in the Far East. I also am hopeful it will further cultural and business cooperation and understanding.

Exchanges such as the Greater Detroit and Hiroshima Chamber's sister chamber relationship can help bridge present misconceptions and misunderstandings that can distance each nation's businesses and citizens. I remain convinced that increased understanding and cooperation between the United States and Japan is essential for correcting present trade imbalances. This proposed relationship takes a bold step toward addressing that situation.

A sister chamber relationship also may further export opportunities for southeast Michigan businesses as well as provide a conduit for Japanese businesses to invest in southeast Michigan thereby creating job opportunities for our workers.

Led by Mr. Yoshiki Yamasaki, honorary chairman of the Mazda Motor Corp. and president of the Hiroshima Chamber of Commerce & Industry, the Hiroshima delegation will be in Michigan from July 11-15.

Mr. Speaker, it is with great pleasure that I ask my colleagues in the U.S. House of Representatives to join me in welcoming the Hiroshima Chamber of Commerce & Industry to America and southeast Michigan.

CELEBRATION OF ST. JOHN'S DAY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. LIPINSKI. Mr. Speaker, as cochairman of the Democratic Council on Ethnic-Americans, whose goal is to bring traditional ethnic values to the forefront of the Democratic agenda, I would like to draw the attention of my colleagues to the recent celebration of St. John's Day.

To many Ethnic-Americans, St. John the Baptist's birthday, celebrated June 24, is undoubtedly one of the most important June festivals. Handed down from generation to generation, St. John's Day remains a vibrant Latvian and Baltic holiday. For centuries, St. John's Day Eve, commonly known as the Midsummer Eve, has been a night of rejoicing and merrymaking over the return of summer. In many villages it is believed that the Sun grows dim on St. John's Day. For this reason, people stay up all night in groups, spending long hours dancing and eating until the Sun comes up. Having stayed up all night, tradition says that the participants have earned the right to good health and alertness in the upcoming year.

A typical custom on St. John's birthday is the lighting of bonfires. They are lit on mountain tops, along streams, in the middle of streets, and in front of homes. According to tradition, the grain will grow as high as one can leap over the St. John's fire.

Although the celebration is curtailed in much of modern Eastern Europe due to Soviet pressure, the tradition has not died out. Although carefully monitored by police and government agents, the spirit of the day as well as the bonfire tradition lives on.

The largest celebration that I've learned of in our own country, takes place in Three Rivers, MI, along Long Lake. Several thousand people relived this ancient holiday, setting fires on top of 20 foot wooden posts. In addition to this larger gathering, several hundred people commemorated the day in the Chicago area at the St. Paul's Evangelical Lutheran Church property in Wooddale.

I would like to extend warm wishes to all those members of Illinois' Fifth Congressional District who observed St. John's Day, as well as the entire community which celebrated this ancient holiday.

DON'T REFLAG KUWAITI SHIPS

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. BENNETT. Mr. Speaker, tomorrow when the House considers the Coast Guard authorization bill (H.R. 2342), I will offer an amendment to prohibit the administration from implementing its unwise plan to reflag the ships of Kuwait. I include the text of the amendment I will offer, as well as a factsheet which explains the provisions of the amendment.

AMENDMENT TO H.R. 2342, AS REPORTED, OFFERED BY MR. BENNETT OF FLORIDA

Page 22, after line 11, add the following new section:

SEC. 26. REDOCUMENTATION OF PERSIAN GULF VESSELS.

(a) PROHIBITION.—The Secretary of the department in which the Coast Guard is operating shall not issue a certificate of documentation under chapter 121 of title 46, United States Code, for a vessel which is beneficially owned by a country bordering on the Persian Gulf or by a national of any such country.

(b) CANCELLATION OF CERTAIN REDOCUMENTATION.—The Secretary of the department in which the Coast Guard is operating shall, 20 days after the date of the enactment of this Act, cancel any certificate of documentation issued after June 1, 1987, but before the date of the enactment of this Act under chapter 121 of title 46, United States Code, for a vessel which was, at any time between June 1, 1987, and the date such documentation was issued, owned by the government or nationals of a country bordering on the Persian Gulf.

(c) EXCEPTION.—This section shall cease to apply if the Soviet Union implements an agreement with any country bordering on the Persian Gulf to allow the vessels of that country to operate under the Soviet flag.

BENNETT AMENDMENT FACTSHEET

AMENDMENT TO H.R. 2342, COAST GUARD AUTHORIZATION BILL, TO PROHIBIT REFLAGGING OF KUWAITI TANKERS IN PERSIAN GULF

Legislative situation

When the House considers the Coast Guard Authorization bill on Wednesday, July 8, Rep. Bennett will offer an amendment to permanently prohibit the reflagging of the ships of Kuwait and other Persian Gulf nations. In the House, the Bennett amendment will be the only opportunity for members to vote clearly against the administration's reflagging plan.

Senate action similar to Bennett amendment

The Bennett amendment would be similar in effect to legislative language (S. 1327) approved June 30 by the Senate Foreign Relations Committee. S. 1327 was proposed under the bipartisan sponsorship of Sen. Frank Murkowski (R) and Sen. Claiborne Pell (D), Chairman of that Committee. S. 1327 would prohibit, for a period of 12 months from date of enactment, the reflagging of the ships of Persian Gulf nations, but S. 1327 does not contain provisions #2 or #3 below.

Provisions of the Bennett amendment

(1) Prohibition on reflagging.—The amendment would permanently prohibit the Coast Guard from certifying as U.S. vessels (i.e. reflagging) any ships which are beneficially owned by a country bordering on the Persian Gulf, or by a national of any such country. The standard of "beneficial" ownership would effectively prohibit reflagging of ships owned by U.S. corporations which are fronts or shams for Persian Gulf nations. This is intended to include cases such as the Chesapeake Shipping Inc., ostensibly the owner of the 11 Kuwaiti tankers.

(2) Exception if Soviets reflag.—The amendment provides additionally that the prohibition against reflagging would cease to apply if the Soviet Union implements any agreement to allow the ships of any Persian Gulf nation to operate under the Soviet flag. The purpose of this provision is to allow a measured but adequate U.S. response to possible future actions by the Soviet Union that go beyond its current limited involvement in the Persian Gulf. Currently, the Soviets have implemented an agreement under which Kuwait merely charters a few Soviet ships. The Soviets have not reflagged any ships of Persian Gulf nations, and are not now expected to do so.

(3) Retroactivity.—Finally, the amendment contains a retroactivity provision to prevent the administration from rushing to implement the reflagging plan in order to present Congress with a fait accompli. The Coast Guard said July 7 that it will not have reflagged any of the 11 Kuwaiti tankers at the time when the House will vote on the Bennett amendment July 8. Therefore, the retroactivity provision would only apply if the administration reflagged ships after the House had made its views known. This provision would require that any ships of Persian Gulf nations which are certified as U.S. vessels between June 1, 1987 and the date of enactment be "deflagged" within 20 days. The Coast Guard would simply be required to cancel any certifications of documentation issued for Persian Gulf ships after June 1.

TRIBUTE TO ROBERT DORGAN

HON. LOUISE M. SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Ms. SLAUGHTER of New York. Mr. Speaker, I rise today to ask my colleagues to join me in paying tribute to a very distinguished citizen of the 30th Congressional District of New York, Mr. Robert Dorgan.

After 5 years as president and chief operating officer of O&K Trojan Industries in Batavia, NY, Bob is retiring.

Bob came to Batavia following 35 years with International Harvester Co. in Illinois and Kentucky.

Many have benefited from Bob's tireless efforts as an active member of the business and education community. Since his arrival in Batavia, Bob has served as a member of the State of New York Finger Lakes Regional Economic Development Council. He is a past member of the board of directors of the Genesee County Chamber of Commerce, a former chairman of the Development Center for Business, Genesee Community College, a member of the advisory committee for State universities, chairman, president and member of the board of directors for the American Heart Association in Genesee County and member of Rotary International in Batavia, NY. Currently Bob remains active serving as president of the Genesee County Community College Foundation.

It would be impossible for anyone to adequately recognize Bob for his work at Trojan Industries. When the parent company of Trojan O&K in Germany was deliberating expansion in Batavia or moving out of the State, Bob worked tirelessly to persuade them to stay in Genesee County. The loss of those jobs would have further devastated the economic base of a county where unemployment is now 10 percent—one of the highest rates in New York State. Bob saved those jobs even though his retirement was imminent. His respect for his employees and high regard for their work required that he preserve their jobs.

Bob is an extraordinary man who is admired and loved by his community. His return to his native Illinois saddens all of us who know him. I want to assure him that his devotion to his adopted city will not be forgotten. His exemplary performance on behalf of his employees set a standard that other managers would be well to emulate.

I would like to add my voice, and ask my colleagues to do the same, to those recognizing Bob for his distinguished service and wishing him every success in the future.

MARY KENDALL

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. VANDER JAGT. Mr. Speaker, the people of our Ninth District in Michigan were saddened recently by the loss of one of our most outstanding citizens, Mary Kendall. Her life-long commitment to serving her community will long be remembered.

Throughout her life Mary displayed her many talents as a devoted wife and mother of four, and a most active member of her community. She will be sorely missed. My wife, Carol and I treasured her friendship very highly and are indeed very grateful for her invaluable help over the years.

Mary Kendall was an intelligent and energetic participant in the Republican Party for over 20 years, both at the local and State level. She served Newaygo County from 1977 to 1982 as a member of the county board of commissioners, and also served on Michigan's commission on aging, establishing a similar agency on the county level. Mrs. Kendall was a Ford delegate to the 1976 Republican Convention and worked for former Michigan Governor William Miliken in various leadership roles in our Ninth District. Mary was past president of her church's womens' fellowship, a member of the area Girl Scout Council, and a trustee of the Fremont Area Foundation. She worked diligently to improve the girls' sports program and overall education standards at Fremont High School, and was a delegate to the National Association of Counties.

Mary Kendall was a true activist, always seeking first to serve the needs of her children and husband, friends, and community. Around her, and others like her, the basic thread of our Nation's social and political fabric is woven.

I owe her daughter and son-in-law, Molly and Paul Clark, a debt of gratitude for sharing with me some of their personal observations regarding the outstanding contributions made by this very special woman. In the long run, our future depends on whether our society will continue to produce people like Mary Kendall. I was proud to know her and to call her friend.

I would like to share with my colleagues an article that appeared in the Fremont Times Indicator on June 17, 1987, regarding Mary Kendall's remarkable life:

MARY KENDALL LEAVES LEGACY OF LOCAL SERVICE

A long career of local government service and civic involvement ended last Wednesday with the death of Mary Kendall, 64, of Fremont. She passed away after a lengthy bout with cancer, but she left behind a strong legacy of public service.

A native of California, Mary Kendall graduated from the University of California at Berkeley in 1944. She served in the Women's Army Corps in World War II. She married Kenyon Sumner Kendall in 1946 and they moved to Fremont in 1956, when he was transferred here by Gerber Products.

Mrs. Kendall's long history of service includes a wide range of endeavors. She was a member of the First Congregational Church in Fremont and past president of the church's Women's Fellowship.

She was also very active in the Republican Party, from the local and state level to the national level. Her more than 20 years of political party work earned recognition on each of those levels and took her to Ronald Reagan's inauguration. She also worked for former governor William Milliken and served in various leadership roles in the Newaygo County Republican Party.

Mary Kendall left a deep mark on Newaygo County government with her three terms as a member of the county Board of Commissioners, from 1977 through 1982. She was instrumental in establishing the county's Community Development office and also took the lead in decorating the new county offices and commission rooms. She served on the state's Commission on Aging and played a key role in establishing the Commission on Aging at the county level.

She served as a delegate to the National Association of Counties and was also involved in other local projects, including researching the history of the county courthouse and placing books in libraries and the Newaygo County Jail.

In addition to all of that, she found time to write as a columnist for the Times-Indicator. She worked as a Girl Scout leader and was a member of the Michigan Pine and Dunes Girl Scout Council. She also worked to improve the girls sports programs as well as the educational standards at Fremont High School. She was also a member of the board of trustees of The Fremont Area Foundation.

According to one of her former county commission colleagues, Mary Kendall exhibited some of the best qualities of a public servant in her years in office.

"Mary did her homework," said Commissioner John Graves. "When she took something on, she knew what she was talking about. She was really a good commissioner."

"She was very dedicated and concerned about county government," added county clerk Morey Butler. "She worked very diligently for the interests of the county, especially for the interests of the elderly. She had a real feeling for that. She gave unselfishly of her time and she will be greatly missed by all of us."

"She tackled each job with determination and a smile," said her friend, Siria Pinnick. "I don't know anything she wasn't interested in."

Mary Kendall is survived by her children, Kimberly Ann Kendall of Grand Rapids, Dr. Kenyon Summer Kendall Jr. of Delano, Florida, Molly Kendall Clark of Falls Church, Virginia, and Elizabeth Kendall Bova of Florence, Italy; five grandchildren; her mother, Dorothy Starbird of Fremont, one brother, Roy Starbird of Sausolito, California and several neices and nephews. Her husband, Kenyon Kendall, preceded her in death on March 10, 1986.

Funeral services were held Saturday, June 13 at the First Congregational Church, United Church of Christ, with Dr. David Hottenstein officiating. Interment was in the Maple Grove Cemetery in Fremont. The family has suggested the Fremont Public Library or the American Cancer Society for memorials.

LARRY AND SHEILA SMITH CELEBRATE SILVER JUBILEE

HON. HOWARD L. BERMAN

OF CALIFORNIA

HON. EDWARD F. FEIGHAN

OF OHIO

HON. MEL LEVINE

OF CALIFORNIA

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. BERMAN. Mr. Speaker, we rise today to celebrate and pay tribute to the 25th anniversary of the marriage of our colleague, the Honorable LARRY SMITH of the State of Florida, and his beloved wife, Sheila. Today, the Smiths mark the silver jubilee of the moment that they pledged their lives to each other—an event worthy of notice and great celebration.

Having taken their wedding vows on July 7, 1962, the Smiths have dedicated their time and resources to the service of their family, their communities, and their Nation.

We join our colleagues in congratulating the Smiths on their 25th anniversary, and we share in their joy on this special day.

A SALUTE TO MRS. JANIE L. ROLLINS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. STOKES. Mr. Speaker, I rise today to pay tribute to Mrs. Janie L. Rollins, who resides in my congressional district. Mrs. Rollins is retiring from the Cleveland Board of Education after 33 years of service.

In recognition of her distinguished service a testimonial dinner will be held in her honor on July 10, 1987, at the Bond Court Hotel in Cleveland, OH. The dinner will afford members of the Cleveland community an opportunity to recognize a remarkable individual held in high esteem by all who have had the privilege to know and work with her.

Mrs. Rollins was born in Marion, SC, but has lived in Cleveland for many years. She began her career with the Cleveland Board of Education in 1954 in the work permits unit. However, Mrs. Rollins possessed a special desire to teach. She returned to school attending evening courses in order to obtain a degree. In 1959 Mrs. Rollins began teaching at Daniel E. Morgan School. Her career has also included teaching at Mary B. Martin School, and work as a title IX coordinator.

The highlight of Mrs. Rollins career was the development and oversight of the Office of Minority Business Enterprise for the City of Cleveland. She nursed the project from a proposal to a successful agency within the city government. The success of MBE is testimony to Mrs. Rollins' dedication and commitment to our community.

Mrs. Rollins' influence extends far beyond the realm of education. She serves as vice president of the Council on Human Relations; vice president of the Advisory Committee at the Case Western Reserve University Mental Development Center and superintendent of the Bethany Baptist Church School. She is regional director of the Eta Phi Beta Sorority; a member of Alpha Kappa Alpha Sorority and a member of the Starrell Social Club.

Mrs. Rollins is the wife of Myers Rollins and they are the parents of four children: Janyce Rollins Clark; Jean Rollins Helms; Agnes Rollins Sutton and Myers Rollins, Jr. They are also proud grandparents of eight grandchildren. The love and support of her family and friends has been an instrumental part of Mrs. Rollins' success.

Mr. Speaker, the 21st Congressional District has benefited greatly from Mrs. Rollins' commitment, expertise, and kindness. I would like to offer my most sincere congratulations to Mrs. Rollins on her retirement, and extend best wishes for her continued health and happiness in the years to come.

TRIBUTE TO SUPERVISOR THOMAS F. RILEY

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. PACKARD. Mr. Speaker, 75 years ago a rather common event occurred in the small community of Harrisonburg, VA, but it was an event that reflecting back now over the last three quarters of a century, proved to be a fortunate occurrence for our country in general and Orange County in particular.

The birth of Thomas Felton Riley on July 6, 1912, marked the beginning of a lifetime of service to the citizens of our Nation—first as a member of the U.S. Marine Corps—and for the last 13 years as a distinguished member of the Orange County Board of Supervisors.

I doubt the few people who called what we now know as Orange County home back in 1912 could have envisioned that an event almost 3,000 miles away would have a major impact on this beautiful coastal land. But Thomas Riley has had an impact—a positive impact—that has earned him the respect of those who have had the pleasure of knowing and working with him.

However, Thomas Riley's service to our country did not begin with his appointment, by then—Gov. Ronald Reagan, to the Orange County Board of Supervisors on September 4, 1974.

Mr. Riley's service began when he accepted an appointment as a second lieutenant in the Marine Corps after graduating from the Virginia Military Institute with a BS degree in civil engineering. During his distinguished career in the Marine Corps, the "General"—as he is known to his friends—received 15 medals and decorations and served in a variety of commands throughout the Pacific area during World War II. He also served as chief of staff for 2 years at Camp Pendleton, one of our Nation's most vital national defense bases, which is located within my 43d Congressional District.

Following his impressive career in the military, Thomas Riley retired as a Brigadier General in 1964. For the next 10 years, he continued his administrative career as a Vice President of two industrial manufacturing firms based in Orange County.

Recognizing his leadership and management abilities, Governor Reagan appointed Thomas Riley in September, 1974 to complete the term of Supervisor Ronald C. Caspers who was tragically lost at sea a few months earlier. Supervisor Riley immediately went to work, establishing a style that has been copied by many. Orange County voters rewarded their new supervisor by giving him 64 percent of the vote in 1976. He went on to garner over 70 percent of the votes cast in the 1978 and 1982 elections, and in June, 1986, he earned 69 percent of the vote.

During his 13 years on the board of supervisors, he has served as chairman of the board twice (1977 and 1985). He currently serves as chairman of the board's Legal Judiciary Committee and is a member of the Orange County Housing Authority and the Legislative Planning

Committee. For the past 5 years he has also served as the board's representative on the Orange County Transportation Commission.

As supervisor for what he fondly calls the "fabulous Fifth District" Thomas Riley faces a difficult challenge due to the sheer size of the district which contains over 20 percent of the county's residents; 73 percent of the county's coastline; and 40 percent of the county's unincorporated area.

Tom and his wife of 47 years, Emma Jane, are active in numerous charitable organizations and causes, including United Way, Big Brothers, National Fitness Foundation, Sisters of the Sacred Heart, Boy Scouts of America and many others.

Throughout his career, Thomas Riley has met each challenge head-on with honesty and integrity—a style that according to America's great humorist, Will Rogers, once said "was not a platform in politics, but a miracle."

If Will Rogers had known Thomas Riley, I'm sure he, like many of us in Orange County, would not only have "liked" the man, but respected him as well.

As he celebrates his 75th birthday, all of us wish him well.

TWO HUNDRED YEARS AGO TODAY AT THE CONSTITUTIONAL CONVENTION (JULY 3)

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. SHARP. Mr. Speaker, on July 3, 1787, the special committee established by the Convention to resolve a deadlock over the method of representation in the Congress, met to try to reach a compromise between the small and large States.

After some back-and-forth discussion similar to that of the last several weeks, Benjamin Franklin of Pennsylvania proposed that in the House of Representatives each State be allowed one member for every 40,000 free citizens plus three-fifths for each slave, and in the Senate each State would have an equal vote.

The committee was able to reach agreement largely because the Convention delegates who were most unwilling to compromise on this controversial issue had been excluded from the committee.

JACKSON, MI—BIRTHPLACE OF THE GRAND OLD PARTY

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. PURSELL. Mr. Speaker, many American communities have taken great pains to memorialize the sites of great Civil War battles. While no such battle actually took place in Jackson, MI, there is an historic site there where honorable actions were taken that led inevitably to the war and the abolishment of slavery.

On July 6, 1854, several thousand anti-slavery activists assembled at "Morgan's Forty," a grove of oak trees on the outskirts of Jackson. There they adopted the Republican Party name, issued a platform and nominated candidates for State office.

Houses and other structures have since been constructed on the beautiful grove that witnessed the birth of the Republican Party, the party of Abraham Lincoln whose election in 1860 led to southern succession and eventual war. Until recently all that commemorated the historic event was a humble pile of stones and a plaque at the spot where the convention stage stood.

Today the land on the northwest corner of Franklin and Second has been donated to the city of Jackson. Tireless fundraising efforts have made possible a beautifully landscaped park worthy of the event it depicts—the birthplace of the Republican Party. This monument truly is a site our Nation and the Republican Party can be proud of.

Jackson's 1854 meeting was precipitated by the passage of the Kansas-Nebraska Act. By reopening the territories to slavery, the measure provoked spontaneous protest meetings in the North. Jackson's convention, which was attended by the famous fugitive slave Lewis Clarke, agreed to unite in a new political party that would dominate both Michigan and national politics for the remainder of the 19th century.

A committee produced the first Republican platform that denounced slavery, called for the repeal of the Kansas-Nebraska Act and demanded the prohibition of slavery in the territories. A Michigan gubernatorial ticket headed by Kinsley S. Bingham was nominated and emerged victorious in November, thus making Bingham the Nation's first Republican Governor.

There is a valuable lesson to be drawn from what transpired in Jackson on July 6, 1854—the purpose of our political parties should not be just to defeat each other; it should be to offer superior ideas and leadership. Both Republicans and Democrats must continue to strive to be the party of Abraham Lincoln; future oriented, stressing the economics of growth rather than stability, the politics of hope rather than preservation.

Mr. Speaker, it is truly a pleasure for me to rise today to command the people of Jackson for generously giving their energy and efforts to make this new, important, monument possible. For this is not just a monument to the Republican Party, it is a symbol of freedom and liberty, of buoyant self-confidence and determination to achieve the age-old desire to make our country and world a better place for our children.

COMMEMORATION OF ST. VITUS DAY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. LIPINSKI. Mr. Speaker, as cochairman of the Democratic Council on Ethic Americans, whose goal is to bring traditional ethnic values to the forefront of the Democratic agenda, I would like to draw the attention of my colleagues to the recent commemoration of St. Vitus Day, commonly known as the Vidovan.

The Vidovan, observed on June 28, is a Serbian national holiday commemorating the 1389 Battle of Kossovo. Thousands of Serbs lost their lives in this historic struggle for freedom. Kossovo is the cradle of the Serbian nation, a people historically associated with the West. Even in the Middle Ages, democratic principles prevailed in this region as well as written law.

Today the Serbian people continue to press for freedom in the midst of the Communist regime in Yugoslavia. They remain strong anti-Communists and as a result have been separated and divided by the Yugoslavian Government.

The Chicago area encompasses the largest concentration of Serbs outside of Europe. The Serbian National Defense Council of America gathered in Third Lake, IL, at the new 56-acre Gracanica complex to observe the Vidovan. The commemoration entailed 2 days of activities, first the council meeting and election of officers, followed by a day of picnics and a closing banquet. Twenty-five different groups from across the United States participated. Several thousand people gathered at the complex for the picnic day festivities. In addition several hundred gathered for the closing day banquet.

The Serbian people have a long list of accomplishments in the United States, and pride in their heritage. I would like to extend my best wishes to all those who commemorated St. Vitus Day.

NATO AND DETERRENCE: GENERAL ROGERS SPEAKS OUT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. MICHEL. Mr. Speaker, the debate over the wisdom of negotiating a "zero-zero" intermediate-range missile elimination in Europe is one of the most important of our time. In order to provide our colleagues with information on this topic, I will be inserting in the RECORD, from time to time, articles and speeches concerning INF reduction. Today, I want to bring before our colleagues the views of Gen. Bernard W. Rogers, who retired last week as Supreme Allied Commander in Europe, a position he held for 8 years.

General Rogers has been outspokenly critical of the administration's viewpoint. I do not agree with all of what General Rogers says, but I believe that his viewpoint is one that deserves our attention. I will, of course, be inserting views that defend the administration's position. But for today, I think General Rogers' view deserves a hearing.

At this point I wish to insert in the RECORD, "Why Compromise Our Deterrent Strength in Europe?", by Gen. Bernard W. Rogers, in the New York Times, June 28, 1987.

Why Compromise Our Deterrent Strength in Europe?

(By Bernard W. Rogers)

Mons, Belgium.—Military strength and political will are both necessary for the North Atlantic Treaty Organization to deter aggression, but the alliance has also long recognized the need for dialogue with the Soviet Union. A central element of NATO's approach is arms control.

NATO's strength, however, is threatened by a recent proposal in the talks on intermediate-range nuclear forces. The plan would eliminate the longer-range missiles in this category and reduce short-range weapons on each side. Such a move would harm the credibility of our deterrence, the ability to prevent aggression.

I have held that position for six years, since the plan was first put on the negotiating table. Arms control must not be an end in itself, and political leaders should guard against the natural tendency to seek short-term political success at the price of increasing military risk in the long run.

Deterrence is in the mind of the beholder—the Soviet Union. The Russians must perceive that any aggression against the West will result in more pain than gain for them.

NATO decided to deploy landbased, long-range I.N.F. missiles in 1979 to fill a gap in our spectrum of deterrence. The gap existed because American F-111 aircraft based in Britain were then the last remaining part of the theater nuclear system that could reach Soviet soil, provided the aircraft could penetrate Warsaw Pact air defenses. The fact that the Russians began deploying SS-20 missiles in 1977 made the NATO decision more urgent.

Removing the land-based intermediate-range nuclear forces now would return NATO to its weak, pre-1979 posture. In fact, because the Russians have continued to improve their conventional and nuclear forces, NATO would be in an even worse position now.

To establish credible deterrence, two capabilties, listed in NATO's guidelines for using nuclear weapons, are vital: the ability to strike, with certainty, targets deep in the Soviet homeland (only Pershing 2 missiles meet this requirement), and a number of nuclear escalatory options between conventional forces and the use of strategic nuclear forces.

The proposed I.N.F. agreement would eliminate the Pershing 2 missiles and thereby remove the first capability. It would also eliminate a crucial escalatory option. The result would be a reduction in the credibility of NATO's deterrence.

Nonetheless, the I.N.F. proposal has been promoted by NATO political officials for the last six years, even though a number of them recognized, after the Reykjavik summit meeting, the folly of having done so.

How can allied governments now tell their people that they made a mistake, that they did not expect the Russians to agree to the reductions? Right or wrong, there will most likely be an agreement (assuming verification procedures are worked out) on eliminating long-range I.N.F. weapons. Political credibility—admittedly important—of governments, parties and national leaders will this have assumed a higher priority than the credibility of or deterrence. What NATO must do now is to bolster that credibility.

A solution aimed toward that objective would include three points: linking the elimination of the remaining longer-range I.N.F. weapons to a satisfactory agreement on conventional and chemical weapons; reaching a lower and balanced level of shorter-range weapons by converting Pershing 2 missiles to shorter-range Pershing 1B's, retaining the 72 Pershing 1A's and their warheads in West Germany to balance the 600 Soviet Scud missiles aimed at Europe.

Although the elimination of or Pershing 2 missiles would prevent NATO from attacking Soviet targets quickly and with certainty, at least the Pershing 1A's and 1B's would let us strike targets located in western Poland, East Germany and Czechoslovakia.

Some people may assert that what I have suggested is infeasible. But if the Russians are as fearful of the Pershing 2's as it appears, and if they are prepared to pay the price to eliminate them, why should we preemptively concede that they won't accept such proposals? At least, let's try.

Throughout the arms control debate, I have been concerned by glib rationales presented by people who try to justify the so-called zero-zero plan, which would eliminate some intermediate-range and short-range weapons.

One rationale is, "Aren't the 4,600 warheads in Europe enough for adequate deterrence?" (This number was mandated at a NATO defense ministers meeting in 1983. Often overlooked is the fact that NATO has reduced its nuclear warheads from 7,000, unilaterally, since 1979.)

That is the wrong question. It should be, "Once the 572 long-range I.N.F. warheads are eliminated, what is the composition of the remaining warheads?" They consist of a few maritime depth charges (range 0), many artillery shells (9.5 miles), 95 Lance missiles (72 miles), 72 West German Pershing 1A's (450 miles) and bombs for dual-capable aircraft, which can carry conventional and nuclear bombs.

Given the necessity to set artillery and the Lance missile systems well behind the forward edge of the battle in order to protect them from enemy fire, only the West German Pershing 1A's can strike with certainty deep into non-Soviet Warsaw Pact territory. Our aircraft are limited in the range they can travel and by Warsaw Pact air defenses.

So it is more than just numbers of warheads involved. The real questions are: "Does NATO have the appropriate systems to hit targets we need to hold at risk, and do the Soviets know we can do it?"

Another rationale often heard is, "Since the Russians are giving up more warheads than NATO, this has to be a good deal for the West." Again, it is not numbers that matter. The Russians would lose only a very small fraction of their capability to strike Western Europe since every one of the thousands of Soviet warheads remaining, including intercontinental ballistic missiles and submarine-launched ballistic missiles, can still reach Western European soil.

On the other hand, the I.N.F. agreement would deny NATO the very weapon most feared by the Soviet Union—the Pershing 2—and thus the most effective deterrent, thereby reducing the credibility of our overall deterrence and creating zones of unequal security in the alliance.

A third rationale is, "NATO can use the submarine-launched ballistic missiles committed to the Supreme Allied Commander in Europe." While this is technically feasible, I believe it is politically infeasible today, as it was in 1977 to 1979, when NATO governments protested strongly against using "strategic" weapons for theater nuclear purposes. Moreover, although the Russians can discriminate between the launching of land-based ballistic missiles and the launching of submarine-based ballistic missiles, they cannot tell whether those being launched from submarines are part of the Supreme Allied Commander's limited inventory or from the American or British strategic nuclear inventory. Thus, they cannot know whether the West has begun an all-out nuclear attack.

Finally, a zero-zero accord would require NATO to bolster the credibility of its deterrence. The most critical step would be to improve conventional forces by exploiting our technological superiority—for example, with the so-called follow-on forces attack program.

Dual-capable aircraft must be protected from elimination no matter how enticing Mikhail S. Gorbachev's potential offer in this category may seem. We can protect them by hardening shelters, improving the aircraft defenses and their ability to penetrate Warsaw pact air defenses.

NATO must also modernize its nuclear capability, as NATO defense ministers recommended in 1983, long before an I.N.F. accord seemed possible. This means developing a new air-to-surface standoff missile and a follow-on to the Lance missile, improved artillery fired atomic projectiles and completion of the Trident submarine programs.

A strong NATO is the West's best guarantee for a future of peace at the lowest possible level of risk. Arms control agreements that enhance our security and maintain a credible deterrence can reduce risks. But agreements made solely to boost the political objectives of NATO officials will reduce NATO's capability to deter the Russians. NATO must not sacrifice long-term deterrence for short-term political expediency.

The United States and its allies should evaluate very carefully, and honestly, the long-term consequences of arms proposals. No pact should be signed today that NATO countries will regret tomorrow—when current political leaders are no longer in power—leaving our people, especially in Western Europe, to live with the results.

(Bernard W. Rogers retired last week as Supreme Allied Commander in Europe, a position the general held for the last eight years.)

TRUTH IN PIZZA LABELING ACT OF 1987

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. PETRI. Mr. Speaker, today I am introducing the Truth in Pizza Labeling Act of 1987.

For most consumers, a pizza is a pizza: A food with a bread or dough based crust, covered with assorted toppings—the most common being tomato sauce and cheese. Consumers expect that the crust will be made from wheat, the sauce will be made from tomatoes, and the cheese will be made from milk.

But, about 75 percent of frozen pizzas are made not with real cheese but with substitutes and imitations. These artificial cheeses are made from an imported milk protein extract called casein and a combination of vegetable fats and chemical stabilizers.

The consumer has no way of knowing whether the frozen pizza he buys is made with real cheese without reading—and being able to understand—the ingredient list printed in very small type and technical language on the side of the frozen pizza box.

My bill would simply require that frozen cheese pizzas containing cheese substitutes be clearly labeled as such. It would not force any pizza manufacturer to use real cheese; it would not discriminate against artificial cheeses. It would ensure that consumers are making informed choices.

I urge my colleagues to cosponsor this bill.

GLASNOST: AN EMPTY WORD

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. SAXTON. Mr. Speaker, today I would like to draw the attention of my colleagues to a threatening new wave of anti-Semitism sweeping the Soviet Union. Now more than ever, it is of paramount importance that we show our support for the granting of human rights in that oppressed nation. Pamela Cohen, the national president of the Union of Councils for Soviet Jews aptly proclaimed, "the rescue of Soviet Jews is by no means exclusively or even primarily an Israeli-Soviet matter. The United States' direct involvement with the U.S.S.R. is the Soviet Jews' primary safety net, and must never be undermined."

Nearly 400,000 Jews are waiting to be granted emigration visas and there are approximately 11,000 refuseniks among them. The policy of glasnost—openness—is an empty word, as ambiguity surrounds the criteria for exiting the Soviet Union. As a matter of fact, 1986 saw a total of 914 emigrees, the second lowest in 15 years. Furthermore, Soviet law permits only Jews with immediate family in Israel to emigrate there. This law only applies to 10 percent of the 400,000 wishing to leave.

All these injustices culimate into the shattering of the myth glasnost. Through the movement called Pamyat or memory one can see any claims of openness made were false. Pamyat is a grassroots organization comprised of anti-Semitic Russians. They are belligerent, calling for the shedding of Jewish blood and "the expulsion of Jews from all realms of industrial, public and cultural activities" in the Soviet Union.

Previously, this movement was covert, hidden under the guise of anti-Zionism. Today, they are overt, dangerous and have reverted to a blatant Nazi style anti-Semitism directed against all Soviet Jews. Internal propaganda is contributing to the mounting Soviet hatred of their Jewish countrymen. Jews are being blamed for all the failures the country has suffered.

Even more terrifying is the silent support of influential people the Pamyat Alliance enjoys. None of the Pamyat leaders have ever been prosecuted in accordance with the Soviet Criminal Code for their anti-Semitic and racial hatred propaganda. Moreover, the reception of the Pamyat representative by the Politburo Deputy member, Mr. Yeltsin, afforded them an hour of official recognition and acceptance.

Before concluding, I would like to briefly relate to you the plight of a refusenik whom I am particularly concerned about, Gennady Feldman. He and his family applied together for exit visas in August 1976. They were refused but in 1979, Gennady's parents and sister were granted permission to leave for Israel. Gennady and his family were refused a second time. Gennady was most recently refused a third time in February 1986. The grounds of his refusal was "regime considerations" despite the fact he was only a professional driver who finished army service in 1974.

On August 24, 1980, Gennady was beaten by auxiliary police and arrested for possessing "Zionist literature." Because of his long years in refusal, he cannot find jobs to support his family. This constant pressure resulted in the breaking of his marriage. Gennady now has no adult relatives in the Soviet Union, he finds it difficult to find work, and having no place to live, is forced to go from friend to friend for shelter.

Given these mounting atrocities, one can only ask himself "what can I do to help these people, who are being tortured in a way reminiscient of Hitler's Germany?"

Well, Mr. Speaker, my fellow colleagues, in closing I would like to urge that we, as champions of human rights everywhere, continue to work for those who live in constant fear of persecution, for those who are devoted to what they believe and for those who are willing to wait decades with perseverance and bravery in hopes of someday, being granted a basic freedom we have enjoyed for two full centuries.

ROSELLE PARK PANTHERS NEW JERSEY BASEBALL CHAMPIONS

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. RINALDO. Mr. Speaker, it is with great pride that I bring to the attention of the Members of this House the accomplishments of the Roselle Park (N.J.) High School Baseball Team, which recently won the Group I New Jersey High School Baseball Championship.

Roselle Park is a borough that has always prided itself in its success on the athletic field, and it has produced many outstanding players and teams over the last half century. This team fit that winning tradition as it swept through the regional and State playoffs against the best teams in its division in New Jersey.

Many of the members of the Panther team started in baseball together in the Roselle Park Little League. They developed their skills with the help of coaches and parents, and brought it all together in winning the New Jersey Group I championship against Kingsway High School in the finals at Princeton.

In order to reach the final playoffs, the Roselle Park Panthers captured the Section 2, North Jersey Group I title, and also led the Valley Division of the Watchung Conference with a 13-1 record, an outstanding achievement in one of the most competitive conferences in the State.

Overall, the Panthers finished with a 23-5 record for the season, and were led by All-State pitcher, Gene Mirabella, and another All-State selection, Dennis McCaffrey. Their coach is Jack Shaw who took his team to the State finals last year and is one of New Jersey's most successful baseball coaches.

In addition to Gene Mirabella and Dennis McCaffrey, the other members of the State Championship Panther team are Leonard Zennario, Thomas Critelli, Frank Leonardis, David Hartzler, John Cunningham, Robert Roman, Charles Smith, Scott Keller, Thomas Megles, Michael Small, Nick Gasorek and Robert Baker.

I congratulate Coach Shaw and the members of the Roselle Park High School Baseball Team on winning the 1987 Group I State Championship and on an outstanding season that they will always remember.

A SALUTE TO VILLA ANGELA ACADEMY AND SHAKER HEIGHTS MIDDLE SCHOOL—BLUEPRINTS FOR EXCELLENCE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. STOKES. Mr. Speaker, I am very proud to rise today in honor of two schools, within the 21st District of Ohio, the Villa Angela Academy and the Shaker Heights Middle School. Their steadfast effort to achieve and maintain excellent educational programs have earned them national recognition.

The Villa Angela Academy and the Shaker Heights Middle School are among this year's 271 recipients of the Department of Education 1986–87 excellence in education award. Each year the Department of Education conducts a nationwide search for outstanding schools. Chief school officials and the Council for American Private Education submit their respective nominees for the Secondary School Recognition Program to the Department of Education.

Nominees undergo an extensive review and evaluation. The 71 member review panel, which consists of educators and community leaders rate the schools against some very comprehensive criteria including the quality of their academic programs, dropout rate, extracurricular activities, student and faculty attendance, and community involvement. Schools also receive points for being drug free.

Representatives from the 271 award winning schools will be invited to the Nation's Capital this fall to participate in a special awards ceremony during which they will be presented a flag of excellence from the Department of Education. As Secretary of Education William Bennett stated during his recent announcement of this year's winners:

> Excellent schools like these renew our faith in American education. They have

worked extraordinarily hard and, as a result, they have much to show for it.

Mr. Speaker, this year's recipients are now on the honor roll of schools; their programs are blueprints for scholarly achievement. As I am sure you and my colleagues would agree, excellence in education is the cornerstone of tomorrow's social and economic progress. Villa Angela Academy and Shaker Heights Middle School accomplishments reflect the unyielding commitment and dedication of their respective educators and support staff, community leaders, and the students and their parents. Dr. Richard Peterjohn, principal of Shaker Heights Middle School, and Sister Virginia DeVinne, principal of Villa Angela Academy, are to be personally commended for their leadership and commitment to excellence. The recognition from the Department of Education speaks highly of their efforts.

I hope my distinguished colleagues join me in honoring these most valuable institutions.

TWO HUNDRED YEARS AGO TODAY AT THE CONSTITUTIONAL CONVENTION (JULY 4)

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. SHARP. Mr. Speaker, on July 4, 1787, the delegates joined all of Philadelphia in a joyous celebration of the Declaration of Independence's 11th anniversary.

Throughout the country, citizens marked the day with toasts to the success of the Covention and newspapers marked the day by expressing their hopes. The Pennsylvania Herald, for example, wrote, "With zeal and confidence we expect from the Federal Convention a system of government adequate to the security and preservation of those rights which were promulgated by the ever memorable Declaration of Independency."

At this point, however, the optimism was misplaced. Because the Convention was held in secret and the delegates were prohibited from speaking about the proceedings outside the chamber, few people knew of the seemingly unresolvable difficulties the delegates were then having.

THE FEDERAL RESERVE MAY BE LIVING OUTSIDE THE LAW

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. CRANE. Mr. Speaker, when the Founding Fathers wrote the Constitution, they explicitly gave Congress the "power to coin money and regulate the value thereof." They believed that of the three branches of government, only Congress was close enough to the people to be given this power. But Congress relinquished its power when it created the Fed in 1913. The central bank was given power to regulate banks and control the supplies of money and credit and it was given the independence thought to be appropriate for a regulatory agency. There was no general understanding at that time of the importance of using money and credit to stabilize the economy. The immense power of the Fed derived more from accident than design. Congress, on constitutional grounds, is fully justified therefore in trying to regain some control over monetary policy.

Congress, moreover, is further justified in trying to limit the power of the Fed since it has abused its powers. The Fed for instance, used its power to thwart the economic policies of the Reagan Administration during 1981–82. In late 1980 and early 1981 the administration believed that it would be too painful to bring inflation immediately under control. It sought therefore to deal with the economic situation by providing moderate, stable, and predictable monetary growth that would first stabilize the inflation rate and gradually bring it down. The administration also enacted tax policies which would contribute to lower real interest rates and increase private sector savings. These policies were also to be coupled with cuts in Federal spending. Ultimately, Reagan wanted to promote long-term economic growth and stability.

But the Federal Reserve did not provide the moderate, stable, and predictable monetary growth desired by the President. The Fed believed that Reagan's economic policies would cause inflation to explode and that the Fed would ultimately be blamed. In response, the Fed greatly reduced the supply of money. During 1981 alone, the Fed produced 75 percent of the total reduction in monetary growth that the administration had intended to be spread over a 6-year period.

The policies of the Fed did bring down inflation, but the price was too high. Millions of Americans lost their jobs as the country suffered from the worst recession since the Great Depression. An elected administration saw its policies subverted by an independent, unelected body. The administration was also unjustly blamed for the recession.

Not only has the Fed pursued poor monetary policies, but it is also an organization which seems to be living outside of the law. The article, "The Federal Reserve May Be Living Outside the Law," by Lindley H. Clark, Jr., is a good contribution to this debate and I highly recommend it to my fellow Members.

The article follows:

[From the Wall Street Journal, July 22, 1986]

THE FEDERAL RESERVE MAY BE LIVING OUTSIDE THE LAW

(By Lindley H. Clark, Jr.)

The Federal Open Market Committee surely is one of the most powerful agencies of government. It meets nine or 10 times a year in Washington, in addition to occassional telephone conferences, to formulate Federal Reserve open market policy. In the process it strongly affects the money supply, interest rates, inflation, the level of economic activity, and the international exchange value of the U.S. dollar.

Since all of that is true, it's remarkable that relatively little attention has been paid to the way the committee is put together. Seven of the 12 members, to be sure, are the governors of the Federal Reserve System, and the governors do get some publicity—or at least the chairman does. The governors are chosen like Washington's other wielders of administrative power: They're nominated by the president and confirmed by the Senate.

Each of them gets a pretty thorough going-over by the lawmakers and the press. That doesn't necessarily mean that all the people so chosen are wise and effective, but at least an effort has been made to assess them at the national level.

There are five other members of the Open Market Committee, and 11 people more or less play musical chairs with four of these seats of power. The presidents of the regional Federal Reserve Banks of Boston, Philadephia and Richmond alternate, for one-year terms beginning March 1 in one charge. Another is shared on the same basis by the regional presidents in Altlanta, Dallas and St. Louis, while a third is split up the presidents in Minneapolis, Kansas City and San Francisco.

Cleveland and Chicago make out a little better, sharing a chair, but New York does best of all, having a chair all its own. All of this was historical accident. When the system was set up in 1913, the assumption was that each Federal Reserve district would have its own monetary policy, overseen by its own friendly Federal Reserve Bank. For more than a decade it didn't occur to most people that the Minneapolis Fed's operations in the money market were beginning to have increasing importance to people in places as far away as Atlanta. The Dallas Fed and the Chicago Fed, moreover, could be operating at cross-purposes, more or less canceling each other out.

Representatives of the regional Feds finally began to meet on an informal basis in the 1920s, trying to get their act together. Congress formalized this in a law passed in 1935.

The New York Fed and the Washington board had been warring for control of the system, but in the 1930s the board had won out. So the chairman of the system became chairman of the committee, and the New York president became vice chairman—and a permanent voting member of the FOMC.

Money and banking textbooks still say that the Federal Reserve has three weapons when it conducts monetary policy. One is the power to set reserve requirements, the percentage of deposits that financial institutions must hold as reserves. This power is held by the board, but under the Monetary Control Act of 1980 the power was sharply reduced.

The board also has the power to vary the discount rate, the fee it charges on loans to financial institutions. But the discount rate is important mainly as a signal of what the Fed has done or intends to do, with open-market policy. Every Fed official knows that the board can't push down interest rates generally merely by cutting the discount rate. What matters much more is what the committee does with open-market operations.

The seven members of the Board of Governors are a majority of the 12-member Open Market Committee. But in recent years a number of people have begun to worry more about the five-member minority and how it is selected.

In 1976, Rep. Henry Reuss, a Wisconsin Democrat, filed suit in the U.S. District Court for the District of Columbia, contending the committee was operating unconstitutionally. The suit was dismissed for technical reasons. In 1979, Sen. Donald W. Reigle Jr., a Michigan Democrat, filed a similar suit, but the lower court ruled the senator did not have "standing" to file. The Appeals Court said he did have standing but refused to get in the middle of a dispute between two branches of government. Such a suit, the court said could be brought by a private citizen.

Quite a few private citizens took the hint. In 1983 the Committee for Monetary Reform, a group composed of 874 plaintiffs including corporations, trade associations and indviduals, filed suit claiming that the Fed operated unconstitutionally. The court dismissed the suit on the question of standing; the court also said the Committee for Monetary Reform failed to develop the complaint as "anything other than a generalized grievance."

In 1984, Sen. John Melcher, a Montana Democrat, filed a suit and the attack became somewhat more specialized. He claimed that his rights as a U.S. senator to "advise and consent" on the appointment of high government officials under Article III of the Constitution had been violated. U.S. District Court Judge Harold H. Greene said, let's wait until the Appeals Court rules on the Committee for Monetary Reform suit.

Well, last year the Appeals Court ruled against the Committee for Monetary Reform. So last month Judge Greene ruled that Sen. Melcher did have standing and that his suit could proceed. There may be a decision this fall.

All of which may seem like much ado about not very much. Actually, however, important principles are involved. The regional Fed presidents are appointed by the directors of the regional banks. Six of the nine directors are chosen by banks in the district; the others are picked by the Board of Governors. The directors' choices for president must be approved by the Board of Governors, but at no point does the president or the Senate get into the act.

Federal Reserve officials like to say the Fed is independent within the government, not independent of it. In this case the Fed seems independent of the rest of government.

Over the past couple of years President Reagan has been appointing Fed governors who he apparently thought shared his views about monetary policy. It's hard to say exactly what those views are, but they seem to put a good deal more stress on growth than on restraining inflation. Chairman Paul Volcker doesn't entirely share those views, and he has been working to get regional presidents with whom he will be compatible.

I happen to like Mr. Volcker's presidents better than I like Mr. Reagan's governors, but is this any way to run the U.S. government? Mr. Reagan was elected by all the people, and Mr. Volcker was appointed by President Carter—with the advice and consent of the Senate.

There is no intention here to suggest that the whole process be overhauled. Let the regional directors nominate the presidents, with the advice and counsel of the Board of Governors. But then let the presidents go through confirmation hearings in the Senate. Sen. Melcher put it very well:

"The country's economy is too important to be decided by invisible officials who work behind closed doors without any accountability."

Mr. Speaker, this piece does a good job of arguing that the Fed should be made more accountable to the people and Congress. I have recently introduced a bill which will do just that. H.R. 96, audit the Federal Reserve System, requires the Comptroller General to audit, for each fiscal year, the Federal Reserve Board, the Federal Advisory Council, the Federal Open market, and all the Federal Reserve Banks and their branches. The bill further provides that the General Accounting Office shall be able to review all books and records of the Federal Reserve. Access to the results of such an audit will give Congress some power to oversee the policies of the Fed and finally enable the legislature to regain its rightful influence over monetary policy.

A TRAGIC TIME IN AMERICAN HISTORY

HON. BEN NIGHTHORSE CAMPBELL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. CAMPBELL. Mr. Speaker, today I rise to speak about a tragic time in American history. A time in which the collision course of the red and white world became etched in the minds and hearts of America and known to all as the Custer Battle. The date was June 25, 1876 and although it has been 110 years since that fateful day on a grassy knoll above the Little Big Horn River in what is now known as the State of Montana, there is not an American who does not know of the battle. It has been memorialized in literature, film, and song. Historians have studied the battle for decades and speak to the particulars of the battle, but I today speak to the untiring efforts of a group of Americans known as the Custer Battlefield Preservation Committee, banded together to preserve the land around the battlefield for all Americans and for all time. In this day of tight Federal budgets, it is heartening to see people in the private sector come together in a unified and dedicated effort to preserve a part of our history for future generations.

Mr. Speaker, the day is near when this fine group will have purchased with private funds hundreds of acres around the actual battlefield and will have built a museum to the participants to preserve both the red and the white view of history.

As a person who is descended from Black Horse, a subchief of the Dog Soldier Warrior Society who rode to glory on that fateful day with the Cheyenne Chief Two Moons, I am proud to place in the CONGRESSIONAL RECORD these words, honoring the Custer Battlefield Preservation Committee.

DEREGULATION NOT ABDICATION

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. FRANK. Mr. Speaker, Members of Congress acquire various kinds of expertise, some of it acquired through diligent study of issues, while we become expert in other areas through direct experience. In that latter category, among the most unfortunate experiences we have these days is our need to travel frequently on airlines. Many of us have had increasingly unpleasant experiences in these past couple of years with airline irregularity. Plans are delayed, canceled, rerouted, and so forth with minimal regard for the convenience of passengers. Air travel has become sufficiently irregular so that our ability to schedule events in our districts has been impaired. And millions of other Americans suffer similar problems.

Some have blamed the airline deregulation of the seventies for this set of events. I think that is inaccurate. I was not a Member of Congress when airline deregulation was enacted, but had I been, I would have supported it. Government should not attempt to displace the market when the market works well. And the market does work well in many areas of airline travel. On the other hand, deregulation of the economic aspects of air travel need not have led to the current unfortunate situation. Alfred Kahn, as Chairman of the Civil Aeronautics Board, and later as an economic adviser to President Carter, was a major advocate of deregulation. I believe Dr. Kahn is entitled to a great deal of credit for the proconsumer, antiinflation actions he took as a thoughtful and consistent deregulator. But what Mr. Kahn understood, and what many in the current administration do not understand is that deregulation does not mean abdication by the Government of its responsibilities. No one ever proposed that safety be deregulated. Nor did Dr. Kahn and his colleagues envision an administration in which antitrust enforcement was allowed to go the way of the buggy whip, and in which merger after merger would be allowed with no real consideration of its anticompetitive, anticonsumer impacts. Nor does deregulation of fares and routes require the Department of Transportation to do as little as possible as it has done until recently about abuse by airlines of their responsibilities to consumers.

Many Members of Congress have introduced legislation which would compel the Department of Transportation to provide reasonable protection to consumers, and many of these protections are wholly compatible with the deregulation scheme adopted in the seventies. And Dr. Kahn himself in a thoughtful and comprehensive article in the Ithaca Journal last May pointed out that the deregulation which he advocated, and which has on the whole worked very well for the economy, was not intended to be a license for the Federal Government to abdicate all responsibility in the airline field.

In that article, Dr. Kahn points out several ways in which the Federal Government could take steps to improve the situation for airline passengers without in any way retracting the economic benefits of deregulation. I believe Dr. Kahn's policies are thoughtful ones and deserve adoption. I ask that his article be printed here, both because of the relevance of his specific policy proposals, and because it is important to show that the travails which many airline passengers now suffer were not dictated by deregulation. It would be a mistake to undo the beneficial economic aspects of deregulation; it would also be a mistake to allow deregulation to continue to be equated with chaos in the minds of many airline users. As Dr. Kahn says in his article: "Nothing is going to discredit deregulation more quickly and thoroughly than a failure of the Government to fulfill its proper responsibilities to insure safety, expand airport and air traffic control capacity and to price scarce takeoffs and landings at congested airports sufficiently and * * * that clearly includes enforcing the antitrust and the consumer protection laws. The greatest danger of deregulation is posed, it seems to me, by the laissez-faire zealots who don't understand the difference between these forms of entirely proper government intervention and the restrictions of entry and price competition that we did so well to abandon."

SOME GOVERNMENT INTERVENTION IN AIRLINE INDUSTRY IS WARRANTED

(By Alfred Kahn)

The deregulation of the airlines has done almost all of the things we expected it to do. It has brought air travelers the benefits of price competition, offered travelers a wider range of price and quality options, forced the airlines to achieve striking improvements in efficiency and exerted very healthy downward pressure on grossly inflated wages.

Even the widespread popular supposition that the quality of service has deteriorated is probably more wrong than right. Thanks to the Essential Air Services Program, no one community that enjoyed certificated service at the time of deregulation has lost it; and many more communities in all size categories have gained increased service than have suffered a decrease. And accident rates are down at least 35 percent.

At the same time, congestion and delays have clearly increased, travelers complaints are on the rise, and it may well be that the margin of safety has narrowed under pressure of price competiton.

Increasing congestion and inconvenience are not in themselves a sign of failure. After deregulation, low-cost, aggressively competing airlines offered the public low fares, provided with correspondingly lower-cost service—narrower seating, longer lines, fewer amenities. The enormous response of travelers to the availability of these new options is a vindication of deregulation, not a condemnation of it.

At the same time, these annoyances are the result also of major failures of government policy. For the second time in three years, the Federal Aviation Administration has blamed the scheduling practices of the airlines for the severe delays travelers experience flying in and out of congested airports at peak hours, and tried to force them to get together, under exemption from the antitrust laws, and reach an agreement on cutting down the number of flights they schedule at those times and places.

They've gotten the wrong culprit and the wrong remedy. The airlines have merely been doing what we want and expect them to do: they are trying, under pressure of competition, to give travelers what they want. The FAA should go back and reread Pogo for a clue to who is really to blame.

THE SUPPLY SIDE SOLUTION

When the demand for any service exceeds the available supply, it means two things: first, that the service is being produced in inadequate quantity, and second, that it is underpriced. It seems odd having to explain this to an agency of the Reagan Administration, which is supposed to be so devoted to free market principles; but the most efficient solution, obviously, is to let competing demanders bid the price up. This accomplishes two purposes. It creates both the incentive and the resources to expand supply; and it restricts demand to the available supply.

In the airline industry, we rely primarily on the federal government to provide air traffic control and finance the expansion of airport capacity—which takes us right back to the FAA and Congress. The proceeds of the 8 percent tax on tickets, which are supposed to be used to extend airport capacity, have been squirreled away in the Airport and Airways Trust Fund; the accumulation now exceeds $5.5 billion.

That, too, seems strange coming from the present administration. Along with most economists, it strongly advocates user fees: people who receive economic services from the government ought to pay for them, except where we make an explicit decision to serve them on a subsidized basis. But here we have the opposite phenomenon: travelers are paying the user fees but not getting the services they pay for. Instead, the dollars are being used to reduce the federal deficit.

Similarly, the FAA apparently doesn't have enough fully qualified air traffic controllers. It hardly increases our confidence to have it assure us that it has plenty of controllers while it is engaged in a crash program to train hundreds more.

It is awfully late to rehash the issues behind the 1981 air traffic controllers strike. It is worth reminding ourselves, however, that a group of consultants told the Transportation Department many years ago that its members had never before observed a situation in which there was so much mutual resentment and antagonism between management and its employees as between the flight controllers and the FAA: their working conditions were apparently abominable. Considering that we apparently need them, the unwillingness of the government to hire back any of the strikers, after more than five years, is not only inhumane but stupid.

THE DEMAND SIDE

The spectacle of airplanes, filled with passengers, queuing up on the runways for an hour or more, waiting for a chance to fly, proves that the price of takeoffs and landings and of access to the air traffic control system at those times and places is simply too low.

The simplest way of handling this problem would be for the airports to set landing fees that vary from time to time and place to place, depending upon the relationship of supply to demand. At present, instead, most of them set the fees, without differentiation between peak and offpeak, on the basis of the weight of the planes, and at levels intended to cover the historic costs of construction.

They ought to be charging thousands of dollars for landings at peak hours at congested airports, whether the lanes are large or small, and regardless of historic costs. This might translate into sharply increased fares at those times and places. And they should be using the revenues to charge zero or negative landing fees to airlines willing to land offpeak or at less crowded airports; competition would translate these into reductions in ticket prices at those times and places.

One of the most important ways in which any of these devices would do the job is likely to be by pricing out of these precious slots any corporate jets that now occupy them.

The picture of two or three corporate executives paying only a minute fraction of the costs that they impose on the system, holding up a planeload of hundreds of other passengers, is one that would in any sane society cause the latter to take to the streets if they knew what was happening. Pricing those landings at several thousand dollars each would do the same job peacefully.

THE EFFECT OF ANTITRUST

The willingness of the FAA to force antitrust exemptions and cartelization on a reluctant industry is only one manifestation of its obvious failure to appreciate the antitrust laws.

The essential purpose of our deregulating the airlines was to get the government out of the business of protecting the industry from competition. The purpose of the antitrust laws is to prevent businesses themselves from suppressing competition, whether by price-fixing or market-sharing agreements, by mergers or by exclusionary practices that deny their rivals a fair opportunity to compete with them. The goal of deregulation was a competitive airline industry; the goal of antitrust is to keep it that way.

Not all mergers are anti-competitive. An industry that has been subject to comprehensive cartelization for 40 years and is then deregulated will inevitably experience a considerable amount of competitive shakedown, and must be accorded a good deal of freedom to restructure itself. That has to include mergers.

At the same time, the blanket approvals that the FAA has been giving to the major airline mergers in recent years, in several cases over the specific objections of the Anti-trust Division, has clearly led to suppression of competition, leaving travelers on many routes with only a single airline serving them.

The Department of Transportation has rationalized those approvals on the ground, using the present fashionable terminology: that airline markets are highly contestable. There is no danger of competition being suppressed, according to this view, because any attempt to raise prices or reduce service quality will immediately induce competitive entry.

That was essentially DOT's basis for blithely approving the Northwest-Republic and TWA-Ozark mergers, which combined direct competitors with some 80 percent of the departures from Minneapolis-St. Paul, Detroit and St. Louis.

Yet every study of airline pricing since deregulation has concluded that a competitor in the market is worth several possible contesters in the bush—and that actual entry, especially entry by new firms, has been by far the most powerful competitive force.

I do not see how any objective observer can look at the airline industry today and not recognize that the likelihood of genuinely new entry—such as occurred in the first years after deregulation, by low-cost, aggressively price-cutting, companies like World, Capitol, Air Florida, People Express—has been drastically reduced by the failures of all of these companies and almost all of the others.

AND CONSUMER PROTECTION?

The federal government should be much more aggressive than it has been so far in protecting travelers against deception. When an airline tells you that you have a confirmed reservation and then proposes to bump you because it has overbooked its seats, it has in fact engaged in misrepresentation. That's why, when I was chairman of the Civil Aeronautics Board, we imposed the rule requiring them in those circumstances to offer bribes large enough to get volunteers to give up their seats.

There is absolutely nothing about deregulation of the airlines that would be incompatible with strict governmental enforcement of regulations protecting consumers against this kind of abuse.

Nothing is going to discredit deregulation more quickly and thoroughly than a failure of the government to fulfill its proper responsibilities to ensure safety, expand airport and air traffic control capacity, and to price scarce takeoffs and landings at congested airports efficiently. And, as in the case of all other industries, that clearly includes enforcing the antitrust and the consumer protection laws. The greatest danger of reregulation is posed, it seems to me, by the laissez-faire zealots who don't understand the difference between these forms of entirely proper government intervention and the restrictions of entry and price competition that we did so well to abandon.

THE 40TH ANNIVERSARY OF THE AIR GUARD'S 174TH TACTICAL FIGHTER WING AT SYRACUSE

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1987

Mr. WORTLEY. Mr. Speaker, with extraordinary pride, I direct the attention of our colleagues to the dedicated men and women of the Air National Guard's 174th Tactical Fighter Wing based at Hancock Field in Syracuse, NY.

This year marks the 40th anniversary of the 174th, the first Air Guard unit organized in New York State following World War II.

Shortly after the 174th received Federal recognition, in October 1947, it was equipped with P-47 Thunderbolt aircraft, the sturdy "jugs" that had blown the Wehrmacht's transportation system to bits. Today, the "Boys From Syracuse"—as both the unit's men and women are appropriately dubbed—are equipped with A-10 Thunderbolt II aircraft, the close air support planes that have the capability of destroying any potential enemy's tanks, other armored vehicles and a vast array of other ground targets.

Between the P-47 and the A-10, the pilots of the 174th have helped to protect our Nation and the peace with F-84 jets, F-51 prop Mustangs, F-94 Starfires, F-86 Sabrejets, and other aircraft.

The 174th was ordered to active duty in France during the Berlin crisis, was called up again in 1968 after the North Koreans seized the U.S.S. *Pueblo* and her crew, and has been deployed in Europe, Panama, and Alaska.

Mr. Speaker, the personnel of the 174th Tactical Fighter Wing, commanded by Col. Michael S. Hall, epitomize the dedication of Air National Guard and Reserve units throughout America.

After four decades, the present and past members of the 174th deserve a salute from the Congress and the thanks of a grateful America.

SENATE—*Wednesday, July 8, 1987*

(Legislative day of Tuesday, June 23, 1987)

The Senate met at 9:30 a.m., on the expiration of the recess and was called to order by the Honorable Timothy E. Wirth, a Senator from the State of Colorado.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Mighty God, Father of mercies, help us to heed the way of love.

Though I speak with the tongues of men and of angels, and have not charity, I am become as sounding brass, or a tinkling cymbal. And though I have the gift of prophecy, and understand all mysteries, and all knowledge; and though I have all faith, so that I could remove mountains, and have not charity, I am nothing. And though I bestow all my goods to feed the poor, and though I give my body to be burned, and have not charity, it profiteth me nothing.—I Corinthians 13:1-3.

We are reminded of the words of Napoleon Bonaparte, written in his diary while imprisoned at St. Helena: "Alexander, Caesar, Charlemagne, and I have founded empires; but upon what do these creations of our genius depend? They were founded on force and have perished. Jesus alone founded His empire on love and it shall last forever."

Patient, merciful God, help us to see that the way of power is transitory, the way of love is permanent. In the name of Him who was incarnate love. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. Stennis].

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, DC, July 8, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Timothy E. Wirth, a Senator from the State of Colorado, to perform the duties of the Chair.

John C. Stennis,
President pro tempore.

Mr. WIRTH thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that the time of the distinguished Republican leader be reserved for his use later in the day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I yield some time to Mr. Reid. How much time would he like?

Mr. REID. Mr. President, I would like 5 minutes. I do not know if the leader has that time.

Mr. BYRD. Mr. President, I yield 5 minutes to the distinguished Senator and I ask unanimous consent that I may reserve the balance of my time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Chair recognizes the Senator from Nevada.

COMMEMORATING THE 200TH ANNIVERSARY OF THE SIGNING OF THE UNITED STATES CONSTITUTION

Mr. REID. Mr. President, in the 18th century, a new wave of thought regarding the role of government swept the Western World. Some philosophers and writers supported the underlying premise of that approach, but many argued that it must fail in its application. Few expected that it would soon be put to any sort of practical test.

The central core of that theory of government was that the relation between the people and those who performed governmental functions would be predictable, based on a body of fundamental law. By understanding and applying that law, a citizen would be able to claim the rights to which he was entitled no matter how powerful the government's desire to abrogate them.

Around that concept, a series of documents were created, and a number of limited experiments took place. Those first local governments based on "natural rights" sprang up in the free air and fertile ground of Britain's American colonies. They were, in one sense, a natural successor to the powerful parliamentary model which governed, and still governs, the British Isles.

They took, however, one radical step which almost guaranteed the divergence of the colonies from their mother country. These new governing documents provided for a tension among the various branches of government; legislative, executive, and judicial. That tension, designed to ensure that no one branch would gather to itself too much power of government, was specifically intended to preserve, for the people, their rights in the face of governmental action.

That seed of thought, which fell on fertile ground in the colonies, grew, and the people came to think of those protected rights from government action, as something to which they were entitled. They knew those rights, and the documents which preserved them, and participated in their own governance; from the town meetings of New England to the elections for Virginia's House of Burgesses.

Eventually, the tension became too great between the New World's belief that power was derived from the consent of the governed, and the European belief that rights were derived by consent of crown and parliament, and subject to their abrogation. The bonds uniting colonies and home were sundered. A new nation was born.

Our Founding Fathers based their revolution on the belief that they were struggling for the natural rights of humanity. Their revolution triumphed. In large part, I think it fair to say, it triumphed because the people of America knew the philosophy of freedom and were willing to fight and die for it.

Many of those basic precepts were expressed in the Declaration of Independence made by those who began the revolution in 1776. That declaration, however, while a noble document, and in many ways the guiding lamp unto the feet of America, did not deal with the most basic problems of how a new nation would apply those high ideals.

How would people continue to know what their rights were? How would the governments of several States be prevented from removing those rights at will? How could the people predict their political future?

It was in 1787, amidst that atmosphere of questioning and the necessity for answers, that a group of brilliant, dedicated, and argumentative men met for a long, hot summer in Philadelphia. Eventually they produced a document designed to resolve those ques-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

tions. Its principal role was to settle the future; to allow any citizen to resort to a body of written law which enumerated his rights, and against which the Federal Government itself could not prevail.

A system was created in which the poorest citizen could huddle in a rude cabin with doors and windows open to the elements. The wind could rush through, the rain could pour in, the Sun could beat upon him through its cracks. But the President of the United States could not enter the home without this poor citizen's permission.

The people knew those rights. They were literate and proud, and they read that Constitution.

A lot has changed since then.

The Constitution has become an icon. People view it as something more and less then a living document which embodies the fundamental rights by which they live and function in a free society. This year we are celebrating its 200th anniversary.

That celebration is valid and proper. The document has provided the solution to innumerable problems which could have destroyed the Nation. It has been an example for liberty throughout the world. We rightly celebrate its birth with solemn and joyous pagentry.

Today, however, I would like to suggest another aspect of that celebration. Senators BRADLEY, GORE, MCCLURE and I are introducing a resolution calling on the people of the United States, and especially those involved in the various branches of government created by the Constitution, to engage in a private and valuable commemoration. It asks them to read the law which governs and protects them.

I ask every Member of this body, and of the Congress to join with us in that resolution. We have all sworn an oath to preserve, protect, and defend the document we are commemorating. I can think of no better way to fulfill that oath, than by encouraging the people to know their rights and duties, and those of the government it creates. I do not think there is a person in this honorable House who would not agree that an enlightened citizenry is the surest guarantee of the preservation of liberty, and I can think of no finer memorial to the document or those who created it, than to encourage the people to understand and exercise the rights it so clearly sets forth.

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. BYRD. Mr. President, I yield 5 minutes to the Senator from Wisconsin.

THE ABSOLUTELY WORST ADVICE FOR GREENSPAN

Mr. PROXMIRE. Mr. President, Paul Craig Roberts may be a fine man. He may be a brilliant economist for all this Senator knows. But he has written an article for the New York Times that appeared on July 2 that is simply preposterous. It's, however, a beautiful example of why the Reagan administration, which Mr. Roberts served, has shoved this country into such serious trouble. Mr. Roberts served the administration as Assistant Secretary of the Treasury for Economic Policy. In the article, Mr. Roberts publicly tells Chairman-designate Alan Greenspan not to follow Volcker's anti-inflation policy because it will slow growth. This is ridiculous, Mr. President. The one universally accepted economic achievement of the Federal Government in the past 8 years has been the vigorous monetary restraint pursued by the Federal Reserve Board, following the leadership of Paul Volcker, that broke the back of the most serious inflation in the peacetime history of our country. Did that victory inhibit American economic growth? No, indeed. The Federal Reserve's victory over inflation paved the way for the 5 years of steady economic growth with relatively stable prices that the American economy has enjoyed since 1982.

But Roberts does more than ignore the economic contribution of sharply reduced inflation to steady economic growth since 1982. He makes a bizarre charge about what caused our budget deficits since 1981. According to Roberts, the budget deficits were not caused by excessive spending. They were not the product of unwarranted tax reduction. They were not the fault of the President who year after year submitted budgets deeper and deeper in deficit. Nor were these deficits the result of the failure of the Congress to hold down spending or increase taxes or do both. So what did cause the deficits? Listen carefully to the topsy-turvy economic world as Roberts sees it:

> The budget deficits of the 1980's are the result of the unexpected collapse of inflation.

How do you like that conclusion?

All of us as Members of Congress can heave a sigh of relief. So can President Reagan. According to Roberts, it was neither excessive Federal spending nor tax reduction that gave us $200 billion annual deficits and more than doubled the national debt. It was the Federal Reserve Board's successful anti-inflation policy. How could this happen? Listen to Roberts' explanation:

> Whenever inflation falls below the forecast, it means the government has, in effect, over-budgeted for inflation—collecting less revenue than planned and spending more in real inflation adjusted dollars than intended. The deficit far from being a source of inflation is a result of more disinflation than expected.

Mr. President, in 1982 the Federal Government deficit exploded to over $100 billion for the first time in American history. It was, in fact, $129 billion. In 1983, it soared to an astonishing $209 billion. By 1985, it had risen to $212 billion. And in 1986 it hit $221 billion. How much of that massive sea of red ink was the result of "overbudgeting for inflation"? Answer: Very little. Oh, sure, the Office of Management and Budget did overestimate inflation in these years but not by $200 billion or $100 billion or even $50 billion. Furthermore, when the Congress does appropriate more than it intended because of the inflation overestimate it can and frequently does try to reclaim that inflation overestimate dividend. Last year this became a critical public issue between the Congress and the Defense Department. And Congress has an effective remedy. It uses the remedy. Congress can and does often take this unintended dividend out of the next year's appropriations. The net effect—allowing for congressional "corrections" in later appropriations—makes the "inflation collapse" in the spending side favorable to lower not higher, spending. The net consequence may or may not actually balance the revenue loss that does, indeed, flow from lower than expected inflation. But it comes reasonably close. So the drop in inflation is not an alibi, none at all for the huge deficits of the last 5 years.

Roberts New York Times article charges that a major cause of huge Federal deficits is the unexpected fall in inflation in the past 5 or 6 years. This is what Roberts would have Federal Reserve Chairman Greenspan believe. If Chairman Greenspan believes this, Mr. President, our economy is in trouble, serious trouble.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GREENSPAN'S MAIN TASK

(By Paul Craig Roberts)

WASHINGTON.—It has been suggested that the incoming Federal Reserve chairman, Alan Greenspan, should continue the policies of his predecessor, Paul A. Volcker. But more of the same is not the answer to today's problems. Mr. Greenspan's main task is not to fight inflation but to restore a credible policy of growth so that the world can safely deal with the large-scale debt problems that the collapse of inflation left in its wake.

The need to grow does not mean that we can throw our caution about inflation to the wind. Our reduced tolerance for inflation is a healthy development that contrasts with conditions during the 1960's, when many economists and politicians argued that a little more inflation would pay for itself in higher employment and economic growth.

Nevertheless, our present intolerance for inflation is not without risks. Jittery financial markets can force the Federal Reserve to overreact and to tighten monetary policy even when the economy is weak.

Mr. Greenspan's task is to prevent inflation-sensitive financial markets from depriving the economy of the financing it needs in order to grow. Otherwise, the costly victory over inflation could yet become Pyrrhic. To succeed in his task, Mr. Greenspan must reeducate the public about the problems that confront us.

High on the list is an explanation of the origins of the Federal budget deficit. Widely feared as an excessive fiscal stimulus that must be countered with tight monetary policy, the budget deficits of the 1980's are, in fact, the result of the unexpected collapse in inflation.

As everyone knows, one of the Administration's earliest priorities was to get inflation down. But it did not foresee the sudden, massive fall that occurred. And whenever inflation falls below the forecast, it means the Government has, in effect, overbudgeted for inflation—collecting less revenue than planned and spending more in real, inflation-adjusted dollars than intended. The deficit, in other words, far from being a source of inflation is a result of more disinflation than the Government expected.

The disinflation of the 1980's saddled many sectors of the domestic and world economy with excessive debt burdens. Mexico, for example, went heavily into debt on the basis of economic forecasts that the price of oil would rise to $65 per barrel in 1986 and on to $100 per barrel by the end of the decade. The same expectation caused banks to overexpose their capital in foreign loans.

At the same time, the collapse of inflation pulled down the asset values that are collateral for debts, leaving many debtors and their creditors fatally exposed. Farmers, oil men and real estate developers, who had leveraged their assets as an inflation hedge, found that they could not pay their bills. Hundreds of banks have been destroyed as a result of defaults on their domestic loans. Even our premier financial institutions have been reduced to a shaky status and are being forced by market conditions to set aside huge reserves needed to cushion potential defaults on their foreign loans. Another recession would cause a dangerous unraveling of world debt.

Today many are ignoring these facts and are arguing for an anti-inflation policy consisting of higher taxes to reduce the deficit and higher interest rates to support the dollar. It is hard to imagine a more disastrous policy for a world economy that is still reeling from having lost its bet against the collapse of inflation. For this reason, Mr. Greenspan must break out of Mr. Volcker's mold.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

Pending:

(1) Moynihan Amendment No. 367, to express the sense of the Congress with respect to the proposed protection by the United States of reflagged Kuwaiti tankers in the Persian Gulf.

(2) Byrd Amendment No. 368 (to Amendment No. 367), in the nature of a substitute.

Cloture vote on Amendment No. 367 to occur on Thursday, July 9.

Senator Domenici to be recognized to call up an amendment dealing with section 301 (subsidized excess capacity), on which there is 1 hour for debate, with a rollcall vote to occur in relation thereto.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New Mexico is recognized to call up an amendment dealing with section 301 subsidized excess capacity, on which there is to be 1 hour of debate equally divided and controlled.

AMENDMENT NO. 433

(Purpose: To make the provision of a subsidy to create excess capacity to produce nonagricultural, fungible goods an unreasonable practice for purposes of chapter 1 of title III of the Trade Act of 1974)

Mr. DOMENICI. Mr. President, I send an amendment to the desk and ask it be reported.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself, Mr. SASSER, Mr. DECONCINI, Mr. LEVIN, Mr. MCCAIN, Mr. SYMMS, Mr. MCCLURE, Mr. BINGAMAN, Mr. GARN, Mr. HEINZ, Mr. BAUCUS, Mr. HATCH, and Mr. HECHT, proposes an amendment numbered 433.

Mr. DOMENICI. Mr. President, I ask unaminous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

The amendment is as follows:

At the end of subsection (b) of section 304 of the Trade Act of 1974, as amended by section 305(a) of the bill, add the following new paragraph:

"(4) The President shall not be required to take any action under paragraph (1) with respect to an affirmative determination made under subsection (a)(1) that involves an act, policy, or practice described in section 301(e)(3)(B)(v), but the President shall, if the President determines that action is appropriate, take all appropriate and feasible action within the power of the Presidency (including actions described in subsections (b) and (c) of section 301) to obtain the elimination of such act, policy, or practice.

In subparagraph (b) of section 301(e)(3) of the Trade Act of 1974, as amended by section 306(c) of the bill—

(1) strike out "or" at the end of clause (iii),

(2) strike out the period at the end of clause (iv) and insert in lieu thereof ", or", and

(3) add the following new clause at the end thereof:

"(v) provides, directly or indirectly, any subsidy (including the provision of funds on terms inconsistent with commercial considerations) to increase the capacity to produce a nonagricultural, fungible good for which the existing worldwide production capacity (or a reasonable expectation of future worldwide production capacity) significantly exceeds existing worldwide demand (or a reasonable expectation of future worldwide demand).

In paragraph (3) of section 301(e) of the Trade Act of 1974, as amended by section 306(c) of the bill—

(1) strike out the end quotation marks, and

(2) add the following new subparagraph:

"(F) SPECIAL RULE FOR SUBSIDIZATION OF PRODUCTION CAPACITY.—Any act, policy, or practice described in subparagraph (b)(v) shall be treated as burdening or restricting United States commerce if such act, policy, or practice threatens to have an adverse impact on United States commerce.".

Mr. DOMENICI. I yield myself 5 minutes.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me first say to the Senators who may have, within the past 3 or 4 weeks, looked at a suggested Domenici amendment regarding subsidized excess capacity of commodities, nonagricultural in nature, that the early versions of this amendment are not consistent with the amendment which I have now perfected and which is at the desk with the cosponsors that I have indicated. The earlier amendments were an effort, a stronger effort to make this kind of practice a mandatory cause of action with reference to unfair practices.

Let me just make it clear right up front, all we have done in essence with this amendment is to add to the list of 301 discretionary unfair trade practices the practice of subsidizing commodities which are in excess in the world market, meaning that an American company could now have a cause of action where, indeed, there are these two qualities attendant their injury; that is that the commodity is in a glut status worldwide and that further production is being dumped on the world by subsidizing additional production.

Mr. President, I am pleased today to offer an amendment to help ensure fair trade in minerals and materials. This amendment to section 301 of the Trade Act of 1974 addresses the problem of subsidized excess production capacity of nonagricultural commodities such as aluminum, steel, copper, lead, zinc, coal, chemicals, ferroalloys, molybdenum, potash, iron ore, and nickel. These are fungible commodities, ones that are sold by weight or volume and are essentially identical, regardless of where they are produced.

The provision I am proposing expands the definition of what is an "unreasonable" trade practice. This amendment would include the subsidization of excess capacity to produce nonagricultural fungible goods in definition.

Under this provision, U.S. industries threatened with or actually injured by such a practice may seek a remedy to such injury. Although the President would not be required to provide relief, the relief options would be those generally available in cases brought under section 301. Under current law and provisions in the Senate bill, those options include imposition of tariffs or quotas and initiation of bilateral negotiations with the offending country.

The trade situation we confront has damaged a number of industries in the State of New Mexico and throughout the United States. Clearly it is time to deal with the unfair practices of our trading partners.

This amendment is intended to ensure that domestic industries are adequately protected against the effects of subsidized overcapacity in other countries. Over the years, our domestic producers have worked hard to reduced their costs and to increase their productivity. However, we cannot expect them to compete with foreign-government subsidies of this sort.

The examples may surprise you. In aluminum, an estimated 40 percent of free world primary aluminum capacity is under direct government influence. The Government goals in these enterprises are to generate hard currency and stable employment, rather than profits and real returns on investments. Even our northern neighbors in Canada, in the province of Saskatchewan, the Government controls nearly 50 percent of the capacity to produce potassium chloride, better known as potash.

Other industries face similar situations and have expressed to me their support of this amendment. They are joined by representatives of labor who are concerned about the unfair practice of subsidizing excess capacity. Those expressing support include the following:

Aluminum Co. of America, AFL-CIO, American Iron & Steel Institute, ASARCO Inc., Ferroalloy Association, Newmont Mining, Peabody Coal, Phelps Dodge Corp., and United Steel Workers.

What we have seen during recent years is the trend toward greater Government involvement in many commodities and movement away from decisions based on sound commercial considerations. Instead, Governments pursue other objectives, including those I mentioned, and ignore the economics of the situation. What this does is meet certain short-term needs of individual governments at the expense of viable U.S. industries.

The amendment I am offering is not a cureall for this growing problem. What it will do is address the most offensive part of the problem created when governments subsidize excess capacity to produce these commodities.

These fungible goods are especially vulnerable to such unfair practices because they are essentially identical, regardless of their source. They are truly world commodities, traded in world markets. Subsidized excess capacity overseas leads to high worldwide inventories and low prices. Such conditions make it impossible for our producers to compete in the near term and to raise capital for future operations.

On April 21, I introduced a bill, S. 1042, to deal with this problem in a consistent and comprehensive manner. While I continue to believe in the approach outlined in that bill, this amendment is one small and essential step in the same direction. It is a step we must take if we are to maintain our economic strength and a free enterprise system.

Current law focuses on unfair practices that directly affect imports and exports. All too often, it is indirect or earlier actions that cause certain import or export conditions to exist. Subsidized excess capacity is an example of this. The fact that a government, often thousands of miles from our shores, is subsidizing the construction of excess production capacity may seem unimportant to the casual observer. But believe me, it is important. All too often, we realize the importance only after the facility pours out its goods, flooding the markets, depressing world prices, and driving our industries out of business. The proposed amendment focuses on this problem.

The most compelling reason for adopting this amendment is that our industries are competitive in the traditional sense of that word. Our industries can compete worldwide, if world prices are not distorted by subsidies for the creation of excess capacity. The truth is, in today's worldwide markets, others have different rules of "Fair Play" and competition. This amendment would establish, from the U.S. perspective, that subsidizing excess capacity is unfair and if a foreign producer competes unfairly, U.S. producers injured by such unfair play may be provided some relief.

The essence of this is fair competition. We must support the establishment of opportunities for our industries to compete in domestic and foreign markets. This amendment does not provide protection, barriers, or sanctuaries for U.S. industries. It does attempt to establish a more fair or level playing field.

The industries most effected by this unfair practice are the backbone of much of our Nation's industrial base. Throughout the past two decades, they have suffered from unfair foreign competition, dumping by foreign producers, and a general lack of support at home. If we fail to come to the aid of the Nation's basic industries, we will unnecessarily jeopardize the strength and well-being of our country.

According to a November 1986 article in the National Journal: "Nearly every major industry and sector of the world economy is now or soon will be awash in excess production capacity." In addition to the marketplace factors that contribute to this situation, another important factor has been Government subsidies to build excess capacity. With the increasing involvement of governments in such businesses, there is a growing tendency to ignore commercial considerations in key business decisions, including decisions to expand production capacity.

Their strategy is to gain and hold on to market share, regardless of the costs involved. Profits are unimportant in this strategy since many of the firms are accountable only to the Government, not profit-motivated shareholders. To the extent Government subsidies contribute to this overcapacity situation, we must respond in support of our industries.

Our industries have responded to increased competition and other world market conditions by taking steps to reduce costs and increase productivity. They have done this by consolidating—through mergers and shutdowns—and changing technology to increase productivity. Our industries cannot be expected to compete against unfair foreign government practices.

The current trade laws need to be strengthened and directed to deal with real problems. The amendment I am offering is part of the solution and will be helpful. There are many examples of where our current laws have failed to produce the desired results. I have addressed them on many occasions in this Chamber because they are important to this country and to New Mexico. We need some new concepts and ways to deal with unfair trade practices.

If we stay with the old, simple definitions of dumping, selling at below costs, they will not solve the problem. What we need is a new order of things in the world marketplace. We need to discourage practices that disrupt markets and distort competitive factors.

I believe this amendment is a part of the solution. It addresses a real problem, not just a symptom. It is sufficient to say, free trade and fair competition do not exist in today's world markets. We must make our laws work for us and penalize those who pursue unfair practices. I urge my colleagues to support this important provision and welcome any questions they may have about it.

Mr. President, I ask unanimous consent to print in the RECORD two articles addressing the subject. They are the National Journal Article of November 1, 1986, entitled "Coping With Glut," by Bruce Stokes and the Wall Street Journal article of March 9, 1987, entitled "Glutted Markets: A Global Overcapacity Hurts Many Industries."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Mar. 9, 1987]

A GLOBAL OVERCAPACITY HURTS MANY INDUSTRIES; NO EASY CURE IS SEEN

Raise the subject of America's Industrial problems, and you hear a lot of complaints. You are told that much of U.S. industry is performing sluggishly because Americans don't want to work anymore or have forgotten how; that foreign rivals are competing unfairly through government machinations, ridiculously low wages or both; that the U.S. just hasn't surmounted the legacy of an overvalued dollar.

But all this emphasis on what is going wrong in the U.S. and in its relations with trading partners—especially Japan, with its mercantilist drive to export—tends to obscure a world-wide problem: Many major industries, all around the globe, are burdened with far too much capacity.

"Overcapacity is a world-wide problem, and it's getting worse," says Lester Thurow, an economist at the Massachusetts Institute of Technology. "We're still investing as if the world economy were growing at 4% a year instead of the actual rate of about 2%."

DEMAND SLUGGISH

While a lot of automated capacity has been added, effective demand has been sluggish. Knocking many buyers out of the market have been the debt burdens in Latin America, the political and economic slide of much of Africa, and the torpor of most Communist economies.

Even then, the forces of supply and demand should, theoretically, produce prices that clear the markets. But they seem not to be doing so, or are working only slowly and painfully, partly because of protectionism, government subsidies and other forms of political interference with the process of economic adjustment. In many industries, moreover, declining prices have rendered some high-cost facilities uneconomic.

Not everyone is rattled by the overcapacity, however, Marvin Runyon, a former Ford executive who runs Nissan's plant in Smyrna, Tenn., says: "You read that we're putting too much capacity in place, but that's the way it has to be in a competitive industry. I say hooray for the American consumer, because somebody is going to have to do things better than somebody else. The consumer will benefit."

MANY INDUSTRIES AFFLICTED

Whether good or bad, overcapacity is obvious in many industries. Among them:

Autos: Roger Vincent, an expert at Bankers Trust Co., estimates that world automotive demand stands in the "low 30 millions" of vehicles annually, while capacity "is in the low to mid-40s." By 1990, capacity should rise to the mid-40s, he says, and demand won't grow very much. Thus, world overcapacity could expand to about 15 million units from about 10 million currently, he believes.

Steel: Estimates vary, but most economists calculate the annual global overcapacity at 75 million to 200 million metric tons—compared with total capacity of 570 million tons in non-Communist countries and 455 million tons in industrialized nations. John Jacobson, an economist at Chase Econometrics, figures that only if the entire U.S. steel industry shut down would demand equal supply in the non-Communist world.

Computers: Although no figures on the industry's capacity use are published, most computer makers are clearly being plagued with overcapacity. The problem is reflected in declining orders and intense competition.

Semiconductors: In the U.S. and Japan, which together account for 87% of global chip making, the equipment-use rate—the best measure of overcapacity—skidded from nearly 100% in 1984 to about 60% in 1985. However, Dataquest Inc., a market-research firm, says it is now back up to roughly 70% and rising.

Heavy Equipment: Makers of farm and construction equipment are buried in overcapacity, but, suprisingly, some countries, especially South Korea, are nonetheless believed to be planning more plants.

Textiles: In the textile industry, cheap-labor foreign competition is causing the howls. Overcapacity lingers on as more and more mills are built in less developed nations, with more and more mills in the U.S. thus turned into surplus capacity.

REBOUND IN CHEMICALS

However, some once-glutted industries have got supply and demand back into balance. For example, much of the chemical and plastics group has cut capacity and expanded sales, and the glut of a few years ago has been largely cured.

Looking at many troubled industries, Joseph L. Bower, a Harvard Business School professor, attributes much of the excess capacity to "country after country building world-scale facilities." Newly industrializing countries have ample reason for fostering development, of course. They want to create industrial jobs at a time of rapidly expanding populations, of an influx into the cities and of rising educational levels, which create labor forces sufficiently skilled for factory work. The weakness in many commodity markets also encourages the idea that any hope for economic growth lies in industry.

Industrialization has been rapid, Mr. Bower adds, "because technology and capital are now highly mobile—it's staggering how fast they can move around the world nowadays." No longer, he says, is the game played by "just four or five good players." He urges that American companies "understand that we've moved from Ivy League football to the Big Ten."

Many economists trace the overcapacity back to the booming early 1970s, when many manufacturers saw tremendous growth in demand ahead and expanded accordingly. Other analysts go back much further. Jay W. Forrester, also of MIT, traces the problem—which he thinks will get worse—largely to "the big buildup of capacity during and after World War II." He recalls that "the idea took hold that more capital plant was invariably desirable," and building it was facilitated by "the enormous forced savings that has accumulated during the war years."

Also greasing the path to industrial overcapacity are plentiful supplies and low prices of many raw materials—an incentive for marginal manufacturers to keep producing and for newcomers to enter the game. The gluts affect a wide range of commodities. For example, producers of nickel and molybdenum, both used in producing steel, are operating at roughly 70% to 75% of capacity world-wide, estimates Robin Adams, the president of Resource Strategies Inc., a consulting firm in Exton, Pa. The copper industry is operating at a little over 80% of capacity, he adds.

The stage for the commodity gluts was set in the inflationary 1970s, when price shocks stimulated investment in production capacity in many commodities. But in many cases, demand hasn't grown to meet the increased production.

PRESSURE TO PRODUCE

Moreover, many debt-laden countries increased the output of commodities to avoid spending precious foreign exchange on imports. Others invested in commodity-producing capacity to generate export cash regardless of price. Many countries "only had one option, and that was to produce more. So we didn't follow the normal corrective path," says Donald Ratajczak, the head forecaster at Georgia State University. Cooper, for example, has responded slowly to reduced demand.

Oil is abundant, too. The Organization of Petroleum Exporting Countries is producing less than 15.8 million barrels of oil a day, compared with capacity of nearly 30 million. However, the surplus is mainly in crude oil—both in the ground, in production capacity, and above it, in inventories. In petroleum refining, much of the overcapacity has been trimmed back. U.S. refineries are operating at about 80% of capacity, a relatively high level, and as gasoline demand rises, processing facilities may be approaching their effective limits.

But the oil-service sector remains awash in red ink. After the collapse in petroleum prices last year, oil companies slashed exploration and production spending by 40% to 50%. This year, spending remains depressed. Thus, only 25% of the U.S. drilling-rig fleet is active, and manufacturers of oil-field equipment have several times the capacity currently needed.

Here is a detailed look at the overcapacity problems in major industries.

AUTOS

Automotive experts agree that the industry suffers from vast overcapacity world-wide and that Japan, like North America and Europe, will soon be hit as it builds more U.S. plants. But they disagree about the extent of the overcapacity: some measure cars, for example, and others measure all vehicles.

Ford, which gauges capacity quite differently from Bankers Trust, estimates 1985 world-wide overcapacity at 3.8 million cars and trucks, and it believes that by 1990, world-wide excess capacity will rise to six million units, 5.7 million of which will be aimed at North America.

The principal force behind the projected increase is the expansion of Japanese auto manufacturing. The Japanese having pushed aggressively into the U.S. auto market, are reacting to the voluntary export restraints and the threat of more American protectionism. "The building of Japanese plants in the U.S. wasn't motivated by economics." Bankers Trust's Mr. Vincent says, "It was motivated by concern over future protectionism."

As a result, the auto glut bedeviling the U.S. industry is being worsened. Starting in 1989, Daihatsu Motor will be producing cars in Canada, thus becoming the last of Japan's nine auto makers to put an assembly plant in North America.

Meanwhile, other players keep getting into the game. In the wake of the success of South Korea's Hyundal Excel, Kia Motors of Korea is planning to export cars and vans world-wide by the end of this decade. Yugoslavia is exporting its Yugos to the U.S. and Malaysia plans to send its Proton Sagas here next year. Thailand and Taiwan also are trying to export.

"Newly industrialized countries all want auto companies so they can have steel industries and reasons to build roads and purchased technology from the outside world," says Susan Jacobs, the manager of automotive research at Merrill Lynch Economics Inc.

However, she also attributes the excess capacity to sluggish world-wide demand. In addition, she says, new plants were built to make the small cars that became popular during the energy crisis of the 1970s and to enter new market niches, such as that for light trucks.

Japan hasn't had more automobile start-up companies than Europe or the U.S., Mr. Vincent says. "It's just that they all managed to survive"—with government help. Other nations have done much the same, however. The U.S. government saved Chrysler. And Donald Petersen, Ford's chairman, notes the heavy French subsidies for Renault and American Motors and says he expects the two French producers. Renault and Peugeot, to survive "as long as there is a France."

Japan and South Korea also have stimulated their auto industries by closing their home markets to outsiders and encouraging exports. Moreover, the Japanese also have helped South Korea develop its auto industry. Mr. Vincent believes that the Japanese are saying. "It's inevitable, and why not be part of it?"

Mr. Vincent notes that in the past, American auto companies, looking forward to the next auto-buying boom, often created excess capacity. If the market grew, "you are bailed out by higher demand; otherwise, you get stuck with overcapacity—which is what has happened to some companies," he says.

But the patterns have shifted. Ford reacted to flatter demand by changing its philosophy—keeping capacity tight, forgoing some sales but betting that lower capacity would cut costs and keep it profitable when demand fell. But until recently, General Motors kept more capacity running that its sales warranted. Now, however, GM also is closing more plants.

James P. Womack, the research director of the international motor-vehicle program at MIT, believes that apparent world overcapacity might not be as large as it seems because "some plants are dedicated [to a certain type of vehicle] and can't be switched from product to product." While the Japanese have built flexible plants that can make more than one vehicle, he says, "the North American philosophy has been not to complicate matters by mixing products"—a policy that aggravates the overcapacity

STEEL

The global glut of steel reflects poor investment decisions in the 1970s, dwindling use of steel in industrialized economies, burgeoning products in industrializing countries, and high financial and political barriers to closing mills.

Anticipating shortages, steelmakers in Europe and Japan greatly expanded capacity in the 1970s, and U.S. producers modernized existing mills. Not only did scarcity never come, but consumption fell sharply in industrialized countries. Between 1970 and 1980, according to the World Bank and International Iron and Steel Institute, capacity in industrialized nations climbed 14% to 485 million metric tons, while consumption dropped 5% to 334 million metric tons.

Yet despite mounting evidence of a "phoney boom," steel executives "just wouldn't give up the illusion that the market was headed up," says Hans Mueller, a steel-industry consultant.

Plunging consumption in industrialized nations, which is expected to continue into the 1930s, reflects the maturation of their economies. Construction of railroads and highways has largely been completed. And in other big steel markets—autos and containers, for example—alternative materials are increasingly supplainting steel. Donald F. Barnett, a World Bank consultant, calculates that had U.S. steel usage since 1960 matched the growth in gross national products, steel consumption in 1985 would have been some 70% higher.

Faced with excess capacity. European and Japanese steelmakers, in particular, have turned to export markets. But there they are increasingly finding limits. U.S. producers have won import curbs, and less developed countries, though consuming more and more steel, are producing much of it themselves.

Some, moreover, are becoming major exporters penetrating traditional European and Japanese export markets. In 1976. Brazil, for instance, produced 7.3 million metric tons of steel products and exported a mere 264,000 tons. Today, it is the world's fifth largest non-Communist steelmaker, and it exported 40% of the 17.3 million tons it produced in 1985.

Rapid growth in steelmaking capacity may have as much to do with nationalism and industrial prestige as economic growth. Today, Zimbabwe and Qatar have steel industries. "Every industrializing country wants an airline and a steel mill." Chase's Mr. Jacobson says. "It's something that planning ministers push for."

Capacity has fallen modestly among industrialized nations since 1950, and the reductions are continuing. In the U.S., steelmaking capacity (including recently announced cutbacks) is being slashed to 111.9 million short tons from its 1977 peak of 160 million tons. Even with the cutbacks that have been carried out, the U.S. industry is operating at only 55% of capacity, Georgia State's Mr. Ratajczak estimates.

In Japan, all five steelmakers are cutting production capacity, although only one, Nippon Steel, has specified its plan in terms of crude steel-production capacity; it is cutting back to 24 million metric tons annual from 34 million tons.

Louis L. Schorsch, a consultant at McKinsey & Co., expects future mill closings to be much more difficult. In the U.S., many steelmakers, saddled with huge unfunded pension liabilities, are reluctant to shut even unprofitable plants because they can't absorb the cost of paying off workers and other expenses. Chase Econometrics estimates the total cost of closing a mill at $75,000 per employee. "Given an average of 4,000 employees per plant," Mr. Jacobson says, "we estimate that a typical integrated-plant closure today would cost over $300 million."

Mr. Barnett adds: "So far, steelmakers have closed mostly old plants that hadn't been in operation anyway. Now, they've got to get rid of relatively modern capacity that can still make a satisfactory product. The hard part is just beginning."

COMPUTERS

Seduced by huge sales gains during the 1983-84 boom, computer companies expanded rapidly. Most "invested in growth rates that aren't materializing," says Ulric Will, a Washington-based securities analyst. "Demand just didn't develop." According to Commerce Department figures, factory orders for the office equipment and computer industry plunged 15% in the two-year period ended in 1986.

A good barometer is International Business Machines, which accounts for 40% of the world's computer sales. Last year, IBM's revenue rose only 2% to $51.25 billion, and profit slumped. This isn't the type of growth IBM anticipated. In the past five years, IBM spent more than $20 billion on plants and equipment, says Steven Milunovich, a First Boston analyst.

IBM responded to last years disappointments by consolidating operations at several U.S. locations to bring capacity in line with current and projected needs. IBM Chairman John Akers said in the company's 1986 annual report.

Nevertheless, many computer makers expanded in the fight for sales. "People who participated in niches in the past want to expand and provide complete systems for their customers." says David Penning, the director of manufacturing automation service at Dataquest. For instance, he adds, some personal computer companies now make work stations, while some computer makers best known for mainframes make personal computers.

Technological advances have aggravated the overcapacity. With more power being stored on silicon chips, computer companies can make smaller, more powerful machines. "Any given square footage of plant can produce a lot more stuff in terms of horsepower," Mr. Weil says. The minicomputer market is being squeezed from two sides: on the lower end, by more powerful personal computers, and on the upper end, by lower prices on computers with the power once associated with mainframes.

The emergence of manufacturers in the Far East, especially those in Japan and South Korea, has compounded the overcapacity problem for U.S. computer makers. Last year, the U.S. computer and parts trade deficit with Far Eastern countries soared 77% to $5.3 billion, according to the Commerce Department. Japan's exports to the U.S. ranging from parts to portable personal computers to supercomputers. Surged 43% to $4.75 billion last year.

Moreover, countries that had primarily produced peripherals are exporting full machines now, says Tim Miles, a program manager in the department's Office of Computers. The South Koreans began penetrating the U.S. market in terminals and other areas." Mr. Miles says. "Now, they're producing complete PC systems."

Not all computers makers have been suffering, however. Some companies, such as Tandy Corp., which makes personal computers, and Digital Equipment Corp., a minicomputer maker, have grown rapidly, primarily because of revamped product lines. Moreover, the pressure on the industry would be reduced by any pickup in sales. Already, there are signs of rebounding volume in personal computers.

SEMICONDUCTORS

The glut in the semiconductor industry eased last year, as orders picked up from a disastrous 1985, but most chip makers remain deeply troubled. The roots of the problems are twofold: Huge miscalculations of future demand and Japanese producers' targeting practices, under which they ignored market conditions while aggressively pursuing market share.

The introduction of the personal computer early this decade spawned a sudden surge in demand for chips. Global chip consumption jumped from about $15 billion in 1982 to $29 billion in 1984. Thus, chip makers rushed to add capacity to meet growing, apparently insatiable demand. Japanese chip makers' capital spending rose a total of 116% in 1983 and 1984, while U.S. chip-company spending doubled in 1984. World-wide capacity to produce chips increased about one-third in 1984 alone.

Then, when falling personal-computer sales sent global chip demand plummeting about 14%, to $25 billion, in 1985, chip companies started losing big money. Dataquest says the chip industries in Japan and the U.S. each lost about $1 billion last year.

Moreover, Japanese producers exacerbated the industry's overcapacity problems by continuing to add production and slash prices on certain products right through the slump. Taking advantage of their lower-cost capital, patient stockholders and government research assistance, the Japanese drove U.S. producers out of some major commodity markets by drastically underselling them.

Indeed, the U.S. government found that Japanese companies "dumped" certain chips in the U.S. and other markets, and the U.S. may soon penalize them if they don't raise their prices. Japan's Ministry of International Trade and Industry, trying to save a semiconductor trade pact signed last summer, has told Japanese chip makers to cut production 10%.

HEAVY EQUIPMENT

Plunging demand has blighted the farm-equipment industry with huge worldwide overcapacity. The glut has persisted despite sharp cutbacks in the number of factories producing tractors, combines and other agricultural equipment.

Sales have consistently trailed even the most pessimistic forecasts. In retrospect, that isn't surprising. The world is awash in food. A few years ago, fears of shortages, embargoes and price gouging led many food-importing countries, such as Japan, to give agriculture a high priority. Many nations imported new agricultural technology that now has borne fruit.

The global surplus of food and feed grains is expected to surge to a 13-week supply this year; an eight-week supply would be ample. The U.S. has more than a one-year supply of wheat, enough for both exports and domestic consumption.

With farmers in dire financial trouble, the business of supplying them with new equipment is as dead as last year's cornfield. World-wide tractor output fell to 120,000 units last year from 230,000 in 1979. For larger equipment, the declines have been even sharper. Manufacturers produced 20,000 over over-100-horsepower tractors last year, down from 80,000 in 1979.

"The downturn has been so dramatic that no one has done anything but cut back." says John Ruth, Massey-Ferguson's president. He says he doesn't know of any additions to industry capacity anywhere in the past five years. Because of high costs some U.S. facilities were among the first to close, with part of their production moving to existing foreign plants.

Mr. Ruth sees further cutbacks in capacity needed for anyone to make a profit. But for now, companies are playing an industry-wide game of chicken. No one wants to get out of the business so that rivals can make money again.

In construction equipment, too, demand is down, but, surprisingly, capacity is still rising.

In the late 1970s, construction-equipment sales surged, and plants were operating at close to capacity even though Japan was working hard to build a construction-equipment industry. But from 1960 to 1983, demand plunged 70% beaten down by reduced demand for coal as well as a decline in world-wide construction activity. Construction was hurt in part by declining oil profits and international-debt problems.

Now, demand has recovered a bit, but the industry is still running only at about 60% of capacity. Nevertheless, some countries are planning to expand even more. Industry analysts expect South Korea soon to begin an assault on the market. "Korea is a big emerging threat," says Frank Manfredi, the publisher of Machinery Outlook, an industry newsletter. "Everyone is expecting them to come into the market like gangbusters." Other countries that have added capacity in construction equipment are China and Italy.

"It's ironic that even though sales have been lousy, there's more capacity in the industry than there was five years ago," says Mitchell Quainn, a securities analyst at Wertheim Shroder & Co. "It's almost as if every country wants to have its own bulldozer manufacturer."

TEXTILES

Seeking crucial foreign exchange and jobs for surging populations, many developing nations are producing textiles and apparel at rates far above domestic demand. Building a textile industry "is the first thing that a developing nation does" as it moves toward industrialization, says Ron Levine, a Commerce Department official. He notes the abundance of raw materials and such countries' cheap labor.

Cheap labor is at the heart of the overcapacity problem cited by the U.S. industry. For six years, foreign producers have flooded the American market with goods, principally apparel fabrics and finished garments, and forced the domestic industry to shrink dramatically to survive.

Arriving in the U.S. last year were some 12.7 billion square yards of imports, 17% more than in 1985 and more than double the 1980 level. "Imports have achieved a successively increasing share of the [U.S.] market," says Donald R. Hughes, the chief financial officer at Burlington Industries, the nation's largest publicly held textile concern. In six years, imports have taken 55% of the total market, up from about 25% in 1980, he says.

"Historically, the level of increase in [U.S.] demand has been about 1% annually. Yet imports have been growing at a rate of 15%," he adds.

Domestic textile leaders blame the Reagan administration's trade policies for the surge in imports. And the drop in the dollar hasn't slowed the imports because most of them come from Asian nations with currencies pegged to the dollar.

The glut of imports has forced the domestic industry to reassess its basic structure and make sweeping changes. Domestic companies have closed dozens of plants—at a cost of about 700,000 jobs—and installed high-tech equipment designed to make mills more efficient and versatile. They also are emphasizing marketing and customer services, and some analysts see domestic retailers and garment makers gradually shifting back to buying from U.S. sources because of improved quality and quicker deliveries.

CHEMICALS

Chemical companies have scrapped scores of plants in recent years, spurring a long-awaited growth in plant-capacity use. Last year, chemical-plant use rates rose to an estimated 60.5% from 66% five years ago, according to the Chemical Manufacturers Association. The trade group expects plant use to reach 82.3% this year. Myron Foveaux, a spokesman, says.

The wave of plant closures reflects retrenchment from the industry's building boom in the mid-1970s. The recessions of the early 1980s convinced many chemical producers that the industry was awash in capacity, says Sano Shimoda, an analyst at Anantha Raman & Co., of Parsippany, N.J. Total U.S. chemical-plant capacity fell 3% between 1984 and 1986, he estimates.

The retrenchments were especially successful in plastics. During the 1960s and 1970s, plastics appeared to be one of the most promising growth industries. Plastics were replacing glass, paper, metals and other materials in applications ranging from plumbing to auto parts. Chemical manufacturers, oil and gas producers, and tire makers built plastics plants. Few old facilities were shut down.

Demand did grow, but not as fast as forecast. By 1980, there was overcapacity for many plastics, and prices plunged. Some companies pulled out of the business, and most others halted plant construction. In both Europe and North America, some old plants were closed. Gradually, the cutbacks and rising consumption brought supply and demand for some common resins in better balance.

Polyvinyl chloride illustrates the trend. U.S. capacity more than doubled between 1965 and 1974, dipped briefly during the 1973–75 recession and then doubled again. By the end of 1983, U.S. capacity was about 6.5 billion pounds a year, up from two billion in 1965. But although PVC has grown rapidly in pipe, siding and other construction applications, no major plan; has been built since 1953, and U.S. PVC plants are running at close to 90% of capacity. In Europe, there still is some overcapacity, but some plant closings are planned. Worldwide capacity is likely to be tight for five years or so, according to Richard Roman, the manager of marketing research for the Geon Vinyl division of B.F. Goodrich.

Among the large-volume resins, polystyrene, used for many inexpensive molded products, now is in the tightest supply. Dow Chemical, a major producer, is running its polystyrene plants at about 94% of capacity, "right at the ragged edge of what we can do," a spokesman says.

In contrast, the fertilizer industry, suffering along with the farmers, is still in trouble. Between 1984 and 1986, capacity reductions reached 7%, but plant-use rates are still only 74%, Mr. Shimoda says.

By spurring demand for chemicals, lower oil prices have helped U.S. chemical producers increase plant use, Mr. Foveaux says. Cheaper oil, along with chemical producers' sweeping cutbacks in personnel and productivity gains stemming from development of improved chemical catalysts, has enabled the companies to reduce plant break-even points to 70% from 75% five years ago, Mr. Foveaux says. "It's still not ringing bells, but, as a whole, the industry is much better off," he adds.

Although some small specialty chemical plants are likely to be built soon, both Messrs. Foveaux and Shimoda expect U.S. basic-chemical production to shrink further. "Profitability is improving, but people are still very hesitant to build," Mr. Shimoda says.

THE OUTLOOK

In view of the problems, what is the outlook for American companies struggling in industries with global overcapacity?

Noting that "manufacturers have sharply reduced, operating costs and restructured their industries," Alan Greenspan, a New York consultant, says. "We still have problems because the real cost of capital is too high. That slows the replacement of obsolete capacity." He adds:

"Funds are diverted away from research, away from long-term projects. The emphasis is on high-tech investments that pay off fast—and become obsolete quickly. There's no incentive for the sort of investments that would bring back the Rust Belt. Economic policy really does matter."

Saying that "a variety of industries still have huge readjustment problems . . . associated with the excess capacity," Karl Brunner of the University of Rochester adds:

"If we want to be competitive in the world, we have to stand back and let the adjustments take place. We can't protect these industries from change, any more than we protected the Pony Express riders of a century ago. We have to improve our use of resources and our productivity.

"Sure, it would help if we could distribute more products overseas to people who need them. But we aren't going to solve the U.S. auto industry's problems by selling more cars to Africa in the next decade. We have to begin with adjustments here at home. We have to mitigate the hardships for the people caught in these adjustments, but we can't let that stand in the way of the adjustments being made."

[From the National Journal, Nov. 1, 1986]

COPING WITH GLUT

(By Bruce Stokes)

The global supply-demand mismatch is becoming unbearable, especially in the U.S. market. Government-aided shrinking of production capacity may be inevitable.

By 1990, American steel companies will have to close a fifth of their mills and permanently lay off more than 40,000 steel workers in a conscious effort to reduce their production capacity. Similarly, General Motors Corp. may have to shut down three of its automobile plants, and Ford Motor Co. may possibly have to close one.

The alternatives to this deliberate scaling back of manufacturing capacity are equally distasteful: bankruptcy for every major U.S. steelmaker and possibly one major automaker—an action that might not reduce capacity but certainly would reverberate through the economy—or adoption of more protectionist policies, including domestic content controls on auto imports, that would cost consumers billions of dollars.

This looming dilemma is the result of a global glut of automobiles, computer chips, petrochemicals, steel and a host of other products. Producers are quite simply producing far more than consumers are consuming.

Newspaper headlines have trumpeted problems associated with overproduction on America's farms for the past two years, but the production overcapacity at U.S. and foreign factories is only now becoming apparent. The surplus is the result of government interference in production decisions, new technologies, changing consumer demand and the inadequacy of the marketplace as a tool for bringing the modern economy into balance.

The cost of this fundamental mismatch in supply and demand is becoming unbearable, especially in the U.S. market, which until recently had acted as a sponge, absorbing other nations' excess capacity. But now, the United States faces its own surplus production capability. And overcapacity has become one of the driving forces behind many of the trade problems that are dividing the global economy into warring camps.

Thus, easing trade tensions in the years ahead may require more than simply negotiating stronger trade rules. An across-the-board shrinking of excess production capacity around the world will be needed. This could involve unprecedented government-directed economic retrenchment, such as appears likely in the U.S. steel industry. Moreover, unlike during previous boom-and-bust economic cycles, the capacity that is removed may never be brought back, generating deep social and political problems.

Nearly every major industry and sector of the world economy is now or will soon be awash in excess production capacity.

In 1986, for example, in the industrial world, 110 million metric tons of steelmaking capability stood idle—21 per cent of the total gross capacity available. And, by 1987, the capacity of computer chip manufacturers is projected to exceed expected sales by at least 23 per cent.

In no country is this condition more evident than in the United States, where on average, there has been a 61 per cent increase in manufacturing capacity since 1977 but only a 28 per cent increase in output. As a result, manufacturers were operating at only 79.8 per cent of capacity in September 1986, down from a high of 86.5 per cent in the late 1970s.

Other industrial nations face similar overcapacity problems. In the European Community, for example, the manufacturing capacity utilization rate stood at 81.6 per cent in 1985, down from a peak of 87.1 per cent in 1969.

"Those are terrible numbers, and they are not going away," said Joseph L. Bower, who is a senior associate dean of the Harvard University business school and the author of *When Markets Quake* (Harvard Business School Press, 1986), a study of overcapacity in the petrochemical industry.

According to Bower, the normal fluctuation in manufacturing capacity utilization—from a high of 87.7 per cent in the United States during the boom of 1973 to a low of 68 per cent during the recession of 1982—traditionally has been driven by the ups and downs of the business cycle. But new conditions in the marketplace, which encourage expansion of capacity in excess of demand but inhibit the removal of capacity when demand does not merit it, are creating a condition of permanent and growing overcapacity.

Of course, excess capacity can be a boon for consumers, slowing price increases. During the economic recovery from November 1982 to September 1985, U.S. producer prices increased at a fraction of the rate that they rose during the economic recovery from March 1975 to January 1978, thanks to the ability of manufacturers to meet rising demand without significant strain, according to a recent analysis by economists Jeff Faux and Mark Gardner of the Economic Policy Institute.

But the economic costs of the current production glut are also becoming apparent. With prices rising relatively slowly, a record number of U.S. companies lost money in 1985, and in the first quarter of 1986, after-tax profits of U.S. corporations dropped at an annual rate of 6.6 percent. Corporations, as a result, have not been willing to increase employees' wages, which fell in real terms from $5.10 an hour on average in 1975 to $4.87 an hour in 1985.

At the same time, production overcapacity in other countries has undermined efforts to reduce the U.S. trade deficit. Japanese companies have cut their profits to the bone to maintain their share of the American market. Brazil needs to sell all the steel and, soon, all the autos it can in the United States to earn dollars to repay its debts to American banks. Moreover, U.S. companies that rushed to build facilities overseas in response to the high value of the dollar continue to target the U.S. market to justify those large investments.

Some economists argue that the greatest cost of overcapacity may be yet to come: a deflationary spiral in the world economy, triggered by wholesale dumping of products on the market, a wave of bankruptcies, massive new unemployment and a decline in world trade.

HOW THE MESS BEGAN

Classical economists argue that there is no such thing as overcapacity merely inadequate demand at a given price. Their logic is irrefutable. In a perfectly functioning free-market system, when the supply of a product exceeds demand, prices fall and manufacturers cut back production. The least-efficient producers, who are losing money, close their doors and supply shrinks eventually to equal demand. While some overcapacity may exist to take care of sudden fluctuations in demand, as has always been the case in the auto industry, for example, major overcapacity problems never arise.

But the modern world economy does not operate in this textbook fashion. In the late 1970s and early 1980s, major industries around the world began to rapidly expand production, and they have continued to do so ever since, relatively undeterred by the state of the economy or projections of a future glut.

The conditions that triggered this capacity expansion and the reasons it continues in the face of conventional economic logic differ from industry to industry and country to country.

Global inflation was certainly a factor. Commodity producers, such as the Middle Eastern oil nations, experienced a jump in incomes in the 1970s and began building steel mills and chemical plants with abandon. At the same time, rising energy prices created a whole new market in the United States for small cars, which producers rushed to fill.

As Jerry J. Jasinowski, vice president of the National Association of Manufacturers, pointed out, "The recent sharp decline in inflation has eliminated this artificial propping up of supply and demand," but production continues to expand.

The huge start-up costs of integrated production facilities—petrochemical plants in Saudi Arabia cost $300 million-$3 billion each to build—and the dominant economic role that these plants can play, especially in developing country economies where they may be the principal employer, inhibit companies or nations from shutting them down. At the same time, industrial nations have been reluctant to encourage the closing of obsolete facilities and to let inefficient producers fail, fearing the political fallout of rising unemployment.

Long start-up times also contribute to overproduction. In the steel industry, for instance, it can take seven years from the time initial capital commitments are made until production begins. The short life-cycle of some high-technology products, such as computer chips, which can become out of date in three years, demands a rapid return on huge investments. Thus, producers often feel compelled to flood the market.

Another factor contributing to overcapacity is the importance placed on market share rather than profits. This corporate philosophy was pioneered by the Japanese and has since been copied by others, such as the South Korean auto manufacturer Hyundai Motor Co.

"They try to preempt competitors by expanding capacity to drive down costs and grab market share," said Thomas R. Howell, an attorney in the Washington office of the New York law firm of Dewey, Ballantine, Bushby, Palmer & Wood. "As more and more companies embrace that philosophy, you get a sudden glut in capacity."

And companies' sense that they have to be in the marketplace selling a product if they are to stay in touch with changing consumer preferences and keep pace with their competitors' technological innovations has kept them producing, even at a loss.

"If you don't have a product, you can't even play the game," said Maryann Keller, vice president of Furman Selz Mager Dietz & Birney, a New York investment firm. "If you don't play, you know you are dead. If you do, you have a shot at staying alive."

Many non-American companies have been able to sustain the losses that have accompanied overproduction because they are owned by governments or have governments ready to bail them out with taxpayers' money.

"The all-pervasive factor behind the problem of overcapacity is the role of government," said Richard R. Rivers, a partner in the Washington office of the Dallas law firm of Akin, Gump, Strauss, Hauer & Feld. "Once governments get into the business of making something, they play by different rules."

Moreover, Japan and now Brazil have explicit national industrial policies to renovate and expand production capacity using the latest technology, often with cheap public capital. The Japanese government has shielded its producers from downturns in the business cycle by creating cartels to allocate local markets and limit domestic price cutting during recessions and by subsidizing exports. Taiwan and Venezuela have shielded their auto industries from the domestic consequences of overcapacity by requiring that a certain amount of production be shipped abroad, forcing other nations to deal with the glut.

At the same time production was expanding, global demand changed radically. Plastics and polymers came into their own as substitutes for steel, for example. As a result, the world may never need as much steel as might once have been expected.

Moreover, government efforts to rein in inflation in industrial and developing nations meant slower income growth, high real interest rates and less consumption. The shift of jobs from high-wage industrial nations to low-wage developing countries and the substitution of lower-paying service jobs for high-paid manufacturing jobs within industrial countries slowed expansion of consumer demand.

SOLUTIONS

"There is no single generic solution to the problem of overcapacity," said John N. Yochelson, vice president for corporate affairs at Georgetown University's Center for Strategic and International Studies in Washington. "The problems are different in each sector of the economy."

But there are some general approaches that economists and policy analysts are beginning to suggest.

Many economists still argue that the problem could solve itself, if only the marketplace were allowed to function freely. But those who have studied the overcapacity problem in detail say that approach will not work.

"To the degree that government participated in the creation of overcapacity and is stuck holding the bag when overcapacity has occurred, there comes a point when government has to participate in the process of capacity reduction, whether to buffer it or to accelerate it," Yochelson said.

But looking to govenment for the answer also poses problems. "Any attempt to improve the situation using government policies will be captured by the forces of evil and be politicized and end up as trade barriers," said Gary Clyde Hufbauer, a professor of international finance at Georgetown University.

Hufbauer's fears are not unfounded. The voluntary restraint agreements limiting U.S. car and steel imports and the MultiFiber Arrangement governing world trade in textiles began as temporarily attempts to deal with production overcapacity, but many observers now fear they are permanent protectionist efforts. The same thing could happen to proposed trade restraints on machine tools and petrochemicals.

"We are inevitably drifting toward more management of major sectors of world trade." said Harald B. Malmgren, president of the Washington economic consulting firm of Malmgren Inc.

Government involvement in coping with overcapacity may be essential, however. Excess and obsolete capacity is often not shut down because of political pressures from workers who stand to lose their jobs. In the past, government efforts to retrain workers for other jobs have generally failed, largely because new jobs did not exist in the regions where the workers lived. Without a combination of retraining, income assistance to help workers make the transition to a new life and jobs creation at the community level—all of which require government help—opposition to reducing industrial capacity is likely to continue.

And there may also be a need for adjustment assistance for companies. Huge corporate losses incurred during years of trying to compete in a glutted market often wipe out the capital reserves that a firm needs to change its product mix. Many such firms should just shut down, normal casualties of the competitive game, but some companies, such as Armco Inc., are technological leaders in their field, and their survival is in the nation's long-term interest.

Government action may also be needed to nudge corporations to act in an economically rational manner. Harvard's Bower points out in his book that inefficient producers have been known to stay in business in defiance of the marketplace because their investors could afford to lose a little every year but were reluctant to take one huge loss. Meanwhile, more efficient manufacturers closed because their very strength gave their managers and their stockholders some alternatives.

Member countries of the General Agreement on Tariffs and Trade (GATT) have agreed to tackle the overcapacity problem indirectly in the forthcoming multilateral trade negotiations. They have pledged to discuss a rollback of subsidies as well as limitations on informal protectionist agreements, such as the auto import restraints, that are outside the purview of GATT.

But such talks will not directly address the problem of overcapacity in specific industries, and the negotiations could take a minimum of four—six years. In addition, many trade experts are dubious that the talks will be successful.

The Reagan Administration plans to continue to address the causes and consequences of overcapacity on a bilateral basis. "You can't postpone pressing problems," said Harvey E. Bale Jr., an assistant U.S. Trade Representative. "On steel, for example, we have to go after dumping, export requirements, those things that have an immediate impact on our economy. You can't wait for the multilateral solution."

Bower argues, however, that there are alternatives to a completely free market or government intervention.

"The lesson [of recent experience in the petrochemical industry]," he writes, "is that the nations that [have] intervened directly to help their industries made rather a mess of things. But the free market never existed, and the economic jungle is an unacceptable state of affairs for a $400 billion industry of critical importance to national economies." The much-vaunted superior efficiency of the free market assumes competition based on easy entry and exit of producers, Bower says. That is no longer the case in sectors of the economy currently afflicted by overproduction. Players enter but they do not exit.

"What we have seen in most capital-intensive manufacturing industry," Bower writes in his book, "is too much competition, [which has led] to a socially undesirable result—chronic economic waste. . . . It makes sense, therefore, for [industry] managers to cooperate in restructuring the industry so that conventional competition can [once again] lead to a healthy outcome."

Cartels are what Bower is proposing. He points out that a synthetic fiber cartel in Europe in the late 1970s led to significant reduction in capacity, and that Japan now permits the formation of cartels to deal with declining industries.

Cartels, of course, violate U.S. antitrust laws. So, "American companies must find a constructive—and legal—way to talk together about problems too big for any one company to address by itself," Bower wrote in an article he coauthored with Eric A. Rhenman in the July-August 1985 issue of the *Harvard Business Review*.

The Administration would like to reform the antitrust laws in ways that might make such collaboration easier, but except for permission for joint research efforts, they have run into opposition in Congress.

"What is needed," Bower wrote in his book, "is a MITI [the Japanese Ministry of International Trade and Industry] pointing the way and encouraging progress rather than a group of lawyers threatening criminal action on the basis of laws grounded in the history and the ideological premises of 19th century industry."

But in the short run, such a dramatic approach to dealing with overcapacity or more direct government efforts to curb production seem unlikely, at least in the United States.

The only recent U.S. government initiative indirectly aimed at overcapacity has been an attempt to increase consumer demand by encouraging Japan and West Germany to rev up their economies. There is also room to expand consumption in the newly industrial nations. For example, South Korea has a per capita annual income of about $2,100, but only 8 cars for every 1,000 people. Chile, with a per capita income of $1,700, has 40 cars for every 1,000 people.

"Some of the tremendous excesses in capacity might be sopped up by stimulating demand," said James P. Womack, research director of the International Motor Vehicle Program at the Massachusetts Institute of Technology. "But there is still going to be plenty of capacity out there to cause problems."

Many economists predict industrial societies will have to resign themselves to permanent cycles of massive overcapacity as an unfortunate by-product of the technology-driven and capital-intensive nature of the global economy.

But such resignation is a luxury that politicians, who must deal with the political fallout from production overcapacity, cannot afford.

"This is a fundamental issue we will all have to confront," admitted a U.S. trade official, "and the Reagan Administration is going to drop it in the lap of the next Administration."

Mr. DOMENICI. Mr. President, just a few hours ago the U.S. Senate, by a rather overwhelming vote, addressed a similar issue, the issue of financing excess capacity of agricultural products. The Senate overwhelmingly supported language in the trade bill prohibiting that.

In a sense, the Senator from New Mexico, starting 3 or 4 years ago, began to raise the issue of why the U.S. Government should be a party to lending money at subsidy rates to foreign countries and foreign companies. In that particular instance, the one that first came to my attention, we're going to build additional copper capacity in the world. For example, the one that came to our attention was building additional copper capacity in Chile.

Clearly, because we continue to call to the attention of the U.S. Congress, the executive, foreign countries and international banking institutions the fact that U.S. taxpayers did not appreciate being the source of subsidized funding to increase capacity of these kinds of products, there has been evolving an American policy. Other than with that vote yesterday that said to the World Bank and others, "We do not want to pay for excess capacity through loans that are subsidized," it has not yet evolved into a policy.

Simply stated, the Domenici amendment basically is a discretionary course of action, not mandatory. Some may have been lobbied against this amendment by certain lobbying groups in this town because they perceive our amendment to be mandatory. It is not. It just says that an American company does now, if this passes and becomes law, have a new right to take before the International Trade Commission as an unfair practice the subsidization of excess capacity of nonagricultural fungible commodities.

If, in fact, that finding is sustained and indeed they find that there has been a threat of injury and that there was subsidy of this excess capacity, it does not say that the President of the United States must agree with the remedy or relief granted. It merely says that he can. That provides for the President to take into consideration those situations where an underdeveloped country has no other way to proceed with its economic development. Thus, it seems to me that the U.S. Senate has a rare opportunity to establish as a matter of policy sort of a red flag, "Beware, countries. If you are the ones who are subsidizing increased capacity in a world market for these commodities, there is indeed the chance that that will be found to be an unfair practice."

I need not bore the Senate again with the facts which we have given them over and over again with reference to a commodity like copper. The overwhelming production of copper is governmentally owned. Governments subsidize and governments own that production. They do not care about the marketplace concept. It is a social policy to subsidize and grow and employ, thus dropping the price of these commodities not to marketplace levels, but rather to the subsidized levels that come from their insistence on increasing capacity in a subsidized manner for products that are already in glut.

I am hopeful that the U.S. Senate today will add this to the litany of unfair practices under section 301.

I repeat, some have received letters from lobbying groups—I saw one 2 weeks ago from a lobbying group—that says that this amendment is addressed at uranium because I am worried about the uranium situation in the United States; directed at potash where Canada has been sued because of dumping of potash. This amendment, in a sense, is directed at none of those, but, in another sense, it is directed at all commodities of that type, where a government, either directly or indirectly, causes or permits continued subsidization of overproduction of any of these products that are already in a world glut posture.

I can think of no more reasonable approach than this one.

Some will come to the floor and argue that there are underdeveloped countries that might, indeed, need to continue their economic development by doing this kind of subsidizing. Frankly, I think none of it should occur if we are party to such subsidization, and I think we ought to have a cause of action in all instances.

But I repeat, in this case the President of the United States can deny the relief but at least our companies can prove a case, gather the facts on this particular episode in the evolution of commodity development in the world, much of which is subsidized, much of which is already in glut, a substantial portion of which is governmentally owned, socialistic in nature, thus making it almost impossible for American mining and minerals to continue to exist.

Mr. President, I would be pleased to yield from my time 5 minutes to my colleague, Senator BINGAMAN, from New Mexico.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico, Mr. BINGAMAN, is recognized for 5 minutes.

Mr. BINGAMAN. Mr. President, I am pleased to join my colleague, Senator DOMENICI, and other colleagues in supporting this amendment to deal with the subsidization of excess capacity in foreign countries in their production of nonagricultural fungible goods, in some of the cases he has alluded to copper and potash being examples of that.

This amendment would make such subsidization an "unreasonable" trade practice under section 301 of the Trade Act of 1974.

The amendment is intended to remedy situations where foreign producers of these types of goods disregard economic and market factors and subsidize unneeded capacity. The resulting excess production floods into world markets, selling at low or subsidized prices, and injuring unsubsidized and more efficient producers.

We need this law to ensure that our domestic mining industry remains competitive in the world market. Unfortunately, some of our trading partners have different ideas of what constitutes fair play. The amendment will give our producers a remedy against such "unfair" competition.

Current law is focused primarily on unfair practices that directly affect imports and exports. However, this legislation attacks earlier actions that have caused the unfair conditions to exist.

In my home State of New Mexico, industries have been disadvantaged in the past decade because of this unfair subsidization. The copper and potash industries have long been staples of my State's economy. Our copper and potash producers have worked hard to reduce costs and increase productivity to remain competitive. No matter how much these industries cut costs, however, they cannot compete with foreign government subsidizes. We cannot afford to needlessly jeopardize the future of these industries if it can be prevented.

Employment in the U.S. copper industry was estimated at 9,800 in 1986, compared to more than 30,000 in 1981.

Between 1984 and 1986, U.S. potash production declined 26 percent, shipments fell 55 percent, and employment dropped 23 percent. With this amendment, I hope we can bring back fairness to our international markets and give our domestic industries, such as copper and potash, the ability to remain competitive.

Mr. President, let me underline the point my colleague has made. Reading from the amendment that has been offered, it provides that the President shall not be required to take any action under paragraph 1 with respect to affirmative determinations, but the President shall, if the President determines that action is appropriate, take all appropriate and feasible action within the power of the Presidency.

So this legislation is not mandatory. It gives the President the discretion to act or not act as he determines appropriate, but it does make a necessary amendment to the law to guard against the kind of unfair subsidizing of products that we have seen in the past. I am pleased to cosponsor the legislation. I hope my colleagues will support it.

I thank the Chair. I yield the floor.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired. Who yields time?

Mr. DOMENICI. Mr. President, I thank my friend and colleague from New Mexico for his support and remarks. I yield 5 minutes to the distinguished Senator from Tennessee [Mr. SASSER].

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. SASSER. I thank my friend from New Mexico.

Mr. SASSER. Mr. President, I am pleased to join Senator DOMENICI and Senator BINGAMAN in sponsoring this amendment. I am pleased because I believe it addresses a major trade problem that affects thousands of working men and women in my State of Tennessee. This legislation is neither import restricting nor is it protectionist. It will give a significant boost to exports of the United States. Many internationally competitive U.S. industries which face subsidized competition in markets where overcapacity presently exists will benefit if we enact this amendment.

A major aluminum company in my State has already faced the adverse market conditions that result from government subsidies of new capacity of a product in oversupply. The U.S. aluminum industry in recent years has witnessed increasing foreign government ownership or government subsidies for aluminum production. It is estimated that as much as 40 percent of free world primary aluminum capacity is under direct government influence. Not only have there been substantial subsidies of ingot production, but also governments are beginning to subsidize value-added aluminum products. In operating and expanding these facilities, the paramount goals of these governments—in both industrialized and developing countries—is to generate hard currency and to keep their work force employed. That is the driving thrust of subsidizing these industries, not an effort to operate facilities in a profitable manner. New, subsidized capacity has been brought on stream despite the fact that world demand has remained stagnant. As a result of this world overcapacity, world and U.S. aluminum prices have been depressed in recent years, thus making it difficult for U.S. producers to compete not just in the United States but also in third country markets. Finally, U.S. production, which has become the swing capacity, has been forced to shut down in response to this overcapacity in the world aluminum market, while other more inefficient subsidized production remains in operation in other areas of the world.

Just as the U.S. primary aluminum industry has denied export opportunities because of subsidized competition, the value-added fabricated side of the business is now being threatened with these same practices. I am especially concerned about this prospect, because the aluminum company in my State has recently invested hundreds of millions of dollars in a State-of-the-art fabricated aluminum facility. This major investment will have the effect of enhancing the competitiveness and quality of this company's product in the United States and world markets. I fear that unless we take action to discourage foreign governments from contributing to world oversupply conditions, sound investments of the kind that have been made in my State in the aluminum industry, which create jobs and improve our country's trade balance, will be undermined and discouraged. How in the world can private industry compete against governments subsidizing similar industries in other countries? We cannot stand by while our world competitive companies are forced to shoulder the burden of adjusting to world overcapacity problems brought about by subsidization of various industries.

I am cosponsoring this overcapacity amendment with Senator DOMENICI and Senator BINGAMAN because I believe it will have the effect of discouraging foreign governments from contributing to world oversupply conditions through subsidies. It attempts to deal with the overcapacity problem at an early stage—before the capacity is added to global supply and has a depressing impact on prices. This provision is designed to prevent U.S. companies from losing sales in third country markets and in the United States itself to low-priced products resulting from government subsidies and global overcapacity. It is also intended to prevent the burden of adjusting to world overcapacity conditions from falling exclusively on nonsubsidized U.S. producers.

As I said earlier, government-subsidized increases of capacity of a product for which world overcapacity exists generally leads to depressed prices in United States and world markets. Unlike other import-focused trade problems, government subsidies can lead to lost sales in United States and world markets or closure of United States capacity, even though the product may never be imported into the United States thus, current trade relief laws are not adequate to deal with this problem. When world overcapacity is the underlying problem and the product receiving the subsidy is imported into the United States, a countervailing duty imposed to offset the current subsidy is often simply a Band-Aid. It does not deal with the true problem, which is depressed world prices that could have been avoided or alleviated if the subsidized capacity had not been constructed in the first instance.

Mr. BENTSEN. Mr. President, I support Senator DOMENICI's amendment. It responds to a very real problem for American business in the world marketplace. A number of nonagricultural commodities are in oversupply today, and world prices for these commodities have collapsed. The oversupply is in large part the result of other countries subsidizing additional production capacity in the face of an already saturated market. In many cases, U.S. companies are no longer competitive in the world market for these commodities, because they cannot afford to sell at the low world price. Senator DOMENICI's amendment gives the administration the ammunition it needs to deal with the subsidies that lead to this oversupply.

The amendment specifically provides that retaliatory action by the President against these subsidies is to be discretionary. Because of this flexibility, the administration has indicated that it does not oppose the amendment. I urge its adoption.

Mr. President, I have discussed this with the manager for the minority, and I would like to designate the Senator from New Jersey, who is in opposition to the amendment, to control the time on his side.

The PRESIDING OFFICER (Mr. FOWLER). The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I thank the distinguished chairman.

Mr. President, I rise in opposition to this amendment. First, the amendment does not do anything to open up foreign markets. Second, it destroys the integrity of the 301 procedure that we have in the bill by adding subsidies that are not unfair to the list of those that can be actionable under the law. Third, it makes it more likely that our farm programs will be the subject of retaliation. Fourth, it increases the likelihood of Third World default, particularly in Mexico, with the resulting waves of illegal immigration coming into this country.

Mr. President, this amendment, by defining unreasonable foreign trade practices, makes actionable under 301 any foreign subsidies of new nonagricultural fungible product capacity if the worldwide production capacity significantly exceeds existing worldwide demand.

Mr. President, that is what the amendment says. It is English, but I am not sure that everyone clearly understands what it means. It means that if there is excess capacity and a subsidy involved, that is actionable under 301. What are examples of this?

Suppose Chile subsidizes new copper mines at a time of world copper market gluts. This amendment enables the U.S. copper industry to seek action against Chile. Clearly, it might have allowed the domestic oil industry to seek action against Mexico for Pemex activity last year when oil prices fell to $9 a barrel. Or it might allow the domestic uranium industry to seek action against Australia if Australia uses tax credits to upgrade its uranium mining activity. Or it might allow the domestic steel industry to seek action against China if it builds any more capacity at all.

Mr. President, this is not veiled protectionism. The domestic copper, oil, steel, or uranium industries would not get duty or quota protection through this amendment.

Section 301 does not impose countervailing duties. It discourages foreign countries from unfair practices that hurt U.S. export opportunities. That is it. But the Domenici amendment would let the President retaliate by tariffs or quotas, on any products at all, against countries building capacity in certain industries if subsidies are involved. Nor does this amendment force Presidential action. But the question is not whether the amendment is protectionist or special interest or mandatory.

The fundamental problem with the amendment is that it destroys the premise, the core reason, for having section 301. Section 301 addresses unfair trade practices that hurt U.S. export opportunities. For example, assume that an electronics company wants to export to country X and that country X has a barrier. The company then brings a case before the International Trade Commission, and the Commission says that the barrier is indeed unfair and unjustifiable in this case, retaliation would occur. There must be retaliation if negotiations with that country have not resolved the issue prior to 19 months. This is the procedure under section 301.

Any subsidies that unfairly impede U.S. exports already fall under the statute. This amendment, therefore, can only make a difference by adding practices that are not by themselves unfair. It can only make a difference by adding subsidies that do not themselves distort trade. If we add this amendment to section 301, we create a new standard for retaliation in the industries that the amendment covers. In effect, we would be saying that what is fair for one industry, for example, computers, may be unfair in another, for example, copper.

Mr. President, I believe that it is critical to keep 301 clean and preserve its integrity, because the committee bill is using the 301 procedure as its centerpiece to clean up world trade. In the committee bill, we are making retaliation mandatory in cases of unjustifiable practices, which means those that violate existing agreements, and more predictable in cases of unreasonable practices. This procedure—beefed up, clean, lean, direct—can open up world trade.

We believe it can open up markets, and that is why we advocate it so strongly; but it will do so only if countries believe that we will enforce our rights and respect what we declare to be our rights. We risk losing credibility if we change the definition of unfairness for each class of industries—in other words, one definition of unfairness for computers and another definition of unfairness for copper. We risk losing respect if we change the definition at the same time we are changing our rules for enforcement—in other words, the existing bill making it much more tough.

Mr. President, in trying to search for some kind of analogy or metaphor, I would say that changing the definition of "unfairness" at the same time that we strengthen enforcement would be a little like buying a dog—say, a pit bull—and giving it a long enough leash to cross the street. Instead of enjoying greater security for the home it is supposed to be protecting, we would have to start worrying about whether neighbors might retaliate and kill the dog.

Let us go to the basic issue of the amendment and, I think, the reason why it is offered: are excess capacity subsidies really unfair? Well, if it were true that subsidies of excess capacity are unfair existing law would take care of it. The argument is that foreign subsidies of excess capacity unfairly depress world prices in fungible product markets. But what if the new capacity is more efficient than existing capacity? For example, what if Pemex finds easily drilled oil reserves—not 10,000 feet down but much closer to the surface; and what if the increased supply of oil from easily drilled oil reserves drops oil prices? The fact that Pemex enjoyed subsidies would have nothing to do with the price impact that comes from increased supply. The only subsidies we should threaten with retaliation are the ones that distort trade and obstruct U.S. exports. This amendment would bring subsidies under unfair trade statutes that do nothing to distort trade by themselves.

Frankly, we risk convicting our trade partners on circumstantial evidence. Perhaps the acid test of the fairness of this amendment is how we would feel if our trade partners applied it to us. Let us strike the word "nonagricultural" from the amendment and say that our competitors applied it to the United States. We should then ask the question: Do we subsidize excess capacity production in agriculture? The answer has to be, "Sure." Our agricultural programs subsidize new capacity in products that are fungible and which any farmer will tell you are in oversupply. We provided $26 billion of direct Federal subsidies to farmers in 1986. How would we feel about European, Latin American, and Asian retaliation against our farm programs?

I think we would have to say that although agricultural commodities seem to be in oversupply and although we subsidize U.S. farmers, our farm subsidies do not distort trade. For one thing we still rely to a greater extent than most countries on price supports that create no unfair U.S. competitive advantage in farm products.

But that would not matter under this amendment. It would not matter that our subsidies are not themselves the cause of our trading partners' export problems. We would still be subject to 301-like actions under this amendment.

Mr. President, the real reason for commodity price slumps in the world today I believe is the pressure on commodity-rich less developed countries to earn hard currency to pay off their debt. Only by digging more copper out of the ground does Zambia have any chance of paying a dime to its creditors. Only by pumping more oil will Mexico stay even with its debt bills.

There is a problem. That is right. But it starts with debt, not the commodities these developing countries use to pay off the debt. This amendment is a poor substitute for selective interest rate relief and debt forgiveness. If the Senator from New Mexico wants to see some rapid relief for the beseiged U.S. copper industry, he should join, like some of us, in urging the administration to coordinate debt relief on a case-by-case basis. If debtors had lower bills, they would divert less resources to digging and exporting.

Finally, Mr. President, if we pass this amendment, we could impose impossible conditions on neighbors such as Mexico by preventing them from diverting resources to export activities. We could easily drive them toward default. And that would only make the debt problem more intractable, more of a threat to U.S. jobs and financial security and more likely to produce a wave of illegal immigration into this country.

So, Mr. President, if we are serious about restoring discipline and confidence in the international trading system we have to get tough without abandoning our principles. That means tough enforcement of U.S. rights when we feel our trading partners act unfairly, but it also means sticking to a squeaky clean definition of unfairness. By adding subsidies that may not themselves distort trade, to the list of practices under section 301, we open no doors for our exports but we shut off a chance to revive the multilateral trading system.

Mr. President, in conclusion, I oppose this amendment because it does not open up any foreign markets. It destroys the integrity of the 301 procedure, which is intended to get access for our exports to foreign markets. It does so by declaring subsidies which are not themselves unfair or the cause of a distortion in trade to be subject to 301. It makes it more likely that our farm programs will be a subject of retaliation. And if the goal is to stop subsidies that produce excess capacity, the best way to do that is not with this amendment, but with some form of interest rate relief. Finally, it increases the likelihood of Third World default, particularly in Mexico, with the resulting waves of illegal immigration coming into this country.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, will the Senator yield to me 5 minutes on his time?

Mr. BRADLEY. Mr. President, how much time remains on my side?

The PRESIDING OFFICER. The Senator form New Jersey has 16 minutes remaining.

Mr. BRADLEY. I am pleased to yield 5 minutes to the Senator from Arizona who will speak against my position, but I will accommodate him.

The PRESIDING OFFICER. The Senator from Arizona, Mr. DECONCINI, is recognized for 5 minutes.

Mr. DECONCINI. Mr. President, I thank my distinguished friend from New Jersey. As usual he is more than magnanimous to yield the Senator from Arizona time in support of the amendment offered by my distinguished colleague, Senator DOMENICI, and coauthored by not only myself but also the distinguished junior Senator from New Mexico, Mr. BINGAMAN, and the junior Senator from Tennessee, Mr. SASSER. I appreciate immensely the generosity of Senator BRADLEY.

Mr. President, I voice my strong support for the amendment to section 301 of the Trade Act of 1974 offered by my distinguished colleague, Senator DOMENICI. The amendment will establish, as a new "unreasonable practice" under section 301, the subsidization of excess capacity to produce nonagricultural fungible goods.

I echo the statements made by my good friend from New Mexico on the problem excess capacity creates in the area of nonagricultural fungible goods. Mr. President, excess capacity is killing many industries across this Nation. Worldwide supplies of fungible goods, like aluminum, iron ore, steel, copper, lead, zinc, and coal are far greater than the demands for those commodities. While there are many theories on who and what is to blame for this overcapacity, the fact remains that many important industries in this country have and will continue to suffer as a result. An article which appeared in the Wall Street Journal, dated March 9, 1987, speaks in great detail to the problem of global overcapacity. The article, which I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks, offers one of the best explanations of excess capacity—its causes, and its effects.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DECONCINI. Mr. President, the article points out that while commodity gluts started with the inflationary cycle that took place in our economy in the 1970's, many industries are still having a difficult time keeping their heads above water because of unhealthy and unneeded production levels of government supported commodities which are glutting global markets, despite the upswing in the U.S. economy over the past several years.

Many lesser developed countries, which own and control certain industries, have made conscious decisions to keep production levels high even when the demand is low, regardless of the costs, so that they can maintain employment levels and maximize their export earnings. Operating in this manner hurts the entire industry by creating worldwide surpluses that drive prices down to destructively low levels. This philosophy leaves to the private sector alone the task of curtailing production in an attempt to match reduced demand, which forces plant closures and worker layoffs. This practice continues because many of these same foreign industries are receiving direct monetary subsidies from their governments. They can continue to produce because they are receiving government supported long-term loans to expand their plants, government grants to install pollution control abatement equipment, and other government incentives to keep them in business and maintain reasonable production levels.

It is the view of those who follow international mining investment that private financing will be provided to those projects located in countries where government assistance provides a special competitive edge. In today's environment, producers of nonferrous metals and minerals like copper have strived to reduce costs in order to be competitive internationally. Although there may be occasional periods of temporary tight supply, it is generally accepted that an overcapacity condition will prevail for most nonferrous metals, generally indicating depressed prices much of the time. If this is the case, the properties and processing facilities that are destined to survive in a marketplace based on marginal economics will be modernized, or new, lower cost operations—often utilizing high volume production will prevail. For this reason, the smart money has concluded that investment will go to facilities receiving either direct or indirect assistance by the host governments. This, in fact, is the rationale for a substantial new investment in a modernized and expanded lead refinerly located at Trail, British Columbia, which is receiving $134 million in direct financial assistance from the Canadian Government.

In the United States, we have no programs which come to the aid of private industries that are ailing as a direct result of foreign subsidies. Our industries must compete in the same markets with foreign subsidized goods which are produced and sold at lower prices. United States trade laws are designed to determine injury and provide remedies to a domestic industry suffering from problems related to import competition. However, our existing laws do not adequtely address relief for injury sustained as a direct result of government subsidies that have the effect of expanding excess capacity. There is significant evidence of government subsidization of industries, the result of which is the expansion of excess capacity. I want to list for the Members of this body a few examples of what I consider to be direct government subsidies that contribute to excess capacity.

Let us take our friendly neighbor to the north—Canada. There is a documentation which demonstrates that the Canadian Government is contributing somewhere in the range of one-half billion dollars in direct subsidies to the lead, zinc, and copper industries in that Nation. The Canadian Government, as part of a national program to control acid rain, has contributed $150 million, to be matched by another $150 million by the Provinces, to the

Noranda Horne Smelter; the Inco Smelter at Sudbury; the Flin Flon Smelter at Hudson Bay; and the Cominco Trail Smelter in British Columbia. The Canadians argue that those direct government funds are to be used only for the installation of acid plants to recapture sulfur dioxide emissions. But, some believe that a portion of those funds are being used for purposes other than pollution control abatement.

In the United States, our copper, lead, and zinc industries have spent over one-half billion dollars of their own corporate funds to install pollution abatement equipment at plants to comply with environmental laws. No one can take issue with the goal of achieving a higher standard of environmental quality in the United States or Canada. Both governments have admirable environmental laws which limit sulfur dioxide emissions. Nonetheless, when the Government of Canada finances the installation of pollution abatement control equipment, they have, in effect, granted Canadian lead, zinc, and copper indistries a financial advantage over United States industries. Not having to shoulder the substantial costs for environmental equipment, Canadian industrial competitors can use the resources it would have required for pollution controls, to expand their production capabilities. In the end, the costs to produce Canadian copper, lead, and zinc are lower than the costs of production of the same commodities in the United States, even if the Canadian facilities are less efficient. Complicating this problem is the fact that the Canadian companies utilize an organization known as CIL which combines all of the sulfuric acid captured by the acid plants, and targets it for United States markets. The Canadian subsidized sulfuric acid will compete in a highly competitive marketplace for acid produced by United States smelters.

In the case of our neighbor to the south—Chile—the Government directly supports a small group of private, high cost facilities, the Enami Mines, to keep the price of copper for those mines at 75 cents per pound. When the price of copper fell to 59 cents per pound and the global supply of this commodity was at an all time high, the Chilean Government provided direct subsidies to the Enami Mines to allow these companies to operate as if the price was 75 cents per pound. Supporting artificial prices increases excess capacity and does not constitute "free trade" policy by the Chilean Government. When United States companies object to the practice and threaten to bring a countervailing duty action against the Chileans, Chile indicates that it intends to send the Enami copper to the London Metal Exchange, not the United States. In the meantime, copper from the Government-owned Codelco, exports copper to the United States and there is no way to track whether or not Chilean copper from the Enami Mines is coming into the United States in the form of finished products.

Mr. President, the point in fact is that direct or indirect subsidies that contribute to excess capacity of nonagricultural fungible commodities, is unfair trade and should be defined as such under our trade laws. The amendment we are offering today is designed to discourage this practice by foreign governments. Mr. President, this amendment is not protectionist. What it will accomplish is a more fair trading field for U.S. industries that produce nonagricultural fungible commodities. When I consider what has happened to the copper industry in this country as a direct result of global oversupply, caused by government subsidies, I am convinced that it won't be long, if we continue to tolerate these practices, before we end up with the total demise of our Nation's industrial base.

I would like to say a few words about our domestic copper industry and the effect foreign government subsidization has had. Despite the tremendous accomplishments in improved production and cost control, the U.S. copper industry, once the world's largest, continues to be deeply troubled. Approximately 50 percent of domestic copper mine capacity that had been in place in 1982 is shut down and most of the companies closed will probably never reopen. The decline of the U.S. copper industry has been felt most severely by those who have lost their jobs. In March of 1980, the work force of the domestic copper industry totaled 44,000. As of December 1986, that work force had been reduced to 15,000. The real tragedy can be found in the shattered lives of thousands of copper workers and their families. Today, two-thirds of those jobs have been lost, creating devastation to rural areas in the West where the copper industry was the underpinning of the local economy.

Although the U.S. demand for copper and copper products is regaining strength, this demand is being satisfied, by and large, by imports. Refined copper imports, which as recently as 1979 represented only about 10 percent of consumption, have surged to a present level of more than 25 percent and, according to the Department of Commerce, will reach nearly 36 percent in 1989. Despite all of this, the domestic copper industry is determined to survive. U.S. producers have embarked on a vigorous program of modernization. By closing unprofitable mines and implementing cost saving measures, the domestic industry has lowered production costs by over 25 percent between 1981 and 1985, according to the U.S. Bureau of Mines. In today's market, some of our domestic producers have begun to report modest profits and others hope to reach that position in the near future. However, these valiant efforts could be for naught if, during the next economic downturn, the world finds itself awash in excess copper, produced as a direct or indirect result of government subsidies.

Mr. President, the amendment we offer today is a modest attempt to get at the problem which deals with the reality of the international marketplace for copper and a number of other goods that are fungible in nature—goods that cannot be defined by specific product differentiation and that move freely in international trade. The amendment is not protectionist. It does not seek to restrict imports of any specific goods. Like other 301 provisions, discretion would remain with the President or the U.S. Trade Representative. Thus, the amendment would not force any mandatory action but would, instead, provide U.S. industry an opportunity to bring an unreasonable practice action if it could be shown that foreign subsidies are adding to excess capacity in the world market.

Finally, the amendment specifically excludes agricultural goods in an effort to allay the concerns of both agricultural interests and the administration about potential retaliatory effects in the farm sector.

If this body approves the amendment proposed by my distinguished colleague on excess capacity and subsidies, our domestic industries will be afforded the opportunity to compete on a level playing field in international markets. If enacted, I am confident U.S. industries and others that practice fair trade will compete and survive.

I urge my fellow colleagues to support this important amendment.

EXHIBIT 1

[From the Wall Street Journal, Mar. 9, 1987]

A GLOBAL OVERCAPACITY HURTS MANY INDUSTRIES; NO EASY CURE IS SEEN

AMONG THOSE HIT ARE AUTOS, STEEL, COMPUTERS, CHIPS; SOME CHEMICALS RECOVER—ONE WINNER: THE CONSUMER

Raise the subject of America's industrial problems, and you hear a lot of complaints. You are told that much of U.S. industry is performing sluggishly because Americans don't want to work anymore or have forgotten how; that foreign rivals are competing unfairly through government machinations, ridiculously low wages or both; that the U.S. just hasn't surmounted the legacy of an overvalued dollar.

But all this emphasis on what is going wrong in the U.S. and in its relations with trading partners—especially Japan, with its mercantilist drive to export—tends to obscure a world-wide problem: Many major industries, all around the globe, are burdened with far too much capacity.

"Overcapacity is a world-wide problem, and it's getting worse," says Lester Thurow, an economist at the Massachusetts Institute of Technology. "We're still investing as if the world economy were growing at 4% a year instead of the actual rate of 2%."

DEMAND SLUGGISH

While a lot of automated capacity has been added, effective demand has been sluggish. Knocking many buyers out of the market have been the debt burdens in Latin America, the political and economic slide of much of Africa, and the torpor of most Communist economies.

Even then, the forces of supply and demand should, theoretically, produce prices that clear the markets. But they seem not to be doing so, or are working only slowly and painfully, partly because of protectionism, government subsidies and other forms of political interference with the process of economic adjustment. In many industries, moreover, declining prices have rendered some high-cost facilities uneconomic.

Not everyone is rattled by the overcapacity, however. Marvin Runyon, a former Ford executive who runs Nissan's plant in Smyrna, Tenn., says: "You read that we're putting too much capacity in place, but that's the way it has be to in a competitive industry. I say hooray for the American consumer, because somebody is going to have to do things better than somebody else. The consumer will benefit."

MANY INDUSTRIES AFFLICTED

Whether good or bad, overcapacity is obvious in many industries. Among them:

Autos. Roger Vincent, an expert at Bankers Trust Co., estimates that world automotive demand stands in the "low 30 millions" of vehicles annually, while capacity "is in the low to mid-40s." By 1990, capacity should rise to the mid-40s, he says, and demand won't grow very much. Thus, world overcapacity could expand to about 15 million units from about 10 million currently, he believes.

Steel. Estimates vary, but most economists calculate the annual global overcapacity at 75 million to 200 million metric tons—compared with total capacity of 570 million tons in non-Communist countries and 455 millions tons in industrialized nations. John Jacobson, an economist at Chase Econometrics, figures that only if the entire U.S. steel industry shut down would demand equal supply in the non-Communist world.

Computers. Although no figures on the industry's capacity use are published, most computer makers are clearly being plagued with overcapacity. The problem is reflected in declining orders and intense competition.

Semiconductors. In the U.S. and Japan, which together account for 87% of global chip making, the equipment-use rate—the best measure of overcapacity—skidded from nearly 100% in 1984 to about 60% in 1985. However, Dataquest Inc., a market-research firm, says it is now back up to roughly 70% and rising.

Heavy Equipment. Makers of farm and construction equipment are buried in overcapacity, but, surprisingly, some countries, especially South Korea, are nonetheless believed to be planning more plants.

Textiles. In the textile industry, cheap-labor foreign competition is causing the howls. Overcapacity lingers on as more and more mills are built in less developed nations, with more and more mills in the U.S. thus turned into surplus capacity.

REBOUND IN CHEMICALS

However, some once-glutted industries have got supply and demand back into balance. For example, much of the chemical and plastics group has cut capacity and expanded sales, and the glut of a few years ago has been largely cured.

Looking at many troubled industries, Joseph L. Bower, a Harvard Business School professor, attributes much of the excess capacity to "country after country building world-scale facilities." Newly industrializing countries have ample reason for fostering development, of course. They want to create industrial jobs at a time of rapidly expanding populations, of an influx into the cities and of rising educational levels, which create labor forces sufficiently skilled for factory work. The weakness in many commodity markets also encourages the idea that any hope for economic growth lies in industry.

Industralization has been rapid, Mr. Bower adds, "because technology and capital are now highly mobile—it's staggering how fast they can move around the world nowadays." No longer, he says, is the game played by "just four or five good players." He urges that American companies, "understand that we've moved from Ivy League football to the Big Ten."

Many economists trace the overcapacity back to the booming early 1970s, when many manufacturers saw tremendous growth in demand ahead and expanded accordingly. Other analysts go back much further. Jay W. Forrester, also of MIT, traces the problem—which he thinks will get worse—largely to "the big buildup of capacity during and after World War II." He recalls that "the idea took hold that more capital plant was invariably desirable," and building it was facilitated by "the enormous forced savings that had accumulated during the war years."

Also greasing the path to industrial overcapacity are plentiful supplies and low prices of many raw materials—an incentive for marginal manufacturers to keep producing and for newcomers to enter the game. The gluts affect a wide range of commodities. For example, producers of nickel and molybdenum, both used in producing steel, are operating at roughly 70% to 75% of capacity world-wide, estimates Robin Adams, the president of Resource Strategies Inc., a consulting firm in Exton, Pa. The copper industry is operating at a little over 80% of capacity, he adds.

The stage for the commodity gluts was set in the inflationary 1970s when price shocks stimulated investment in production capacity in many commodities. But in many cases, demand hasn't grown to meet the increased production.

PRESSURE TO PRODUCE

Moreover, many debt-laden countries increased the output of commodities to avoid spending precious foreign exchange on imports. Others invested in commodity-producing capacity to generate export cash regardless of price. Many countries "only had one option, and that was to produce more. So we didn't follow the normal corrective path," says Donald Ratajczak, the head forecaster at Georgia State University. Copper, for example, has responded slowly to reduced demand.

Oil is abundant, too. The Organization of Petroleum Exporting Countries is producing less than 15.8 million barrels of oil a day, compared with capacity of nearly 30 million. However, the surplus is mainly in crude oil—both in the ground, in production capacity, and above it, in inventories. In petroleum refining, much of the overcapacity has been trimmed back. U.S. refineries are operating at about 80% of capacity, a relatively high level, and as gasoline demand rises, processing facilities may be approaching their effective limits.

But the oil-service sector remains awash in red ink. After the collapse in petroleum prices last year, oil companies slashed exploration and production spending by 40% to 50%. This year, spending remains depressed. Thus, only 25% of the U.S. drilling-rig fleet is active, and manufacturers of oil-field equipment have several times the capacity currently needed.

Here is a detailed look at the overcapacity problems in major industries.

AUTOS

Automative experts agree that the industry suffers from vast overcapacity worldwide and that Japan, like North America and Europe, will soon be hit as it builds more U.S. plants. But they disagree about the extent of the overcapacity; some measure cars, for example, and others measure all vehicles.

Ford, which gauges capacity quite differently from Bankers Trust, estimates 1985 world-wide overcapacity at 3.8 million cars and trucks, and it believes that by 1990, world-wide excess capacity will rise to six million units, 5.7 million of which will be aimed at North America.

The principal force behind the projected increase is the expansion of Japanese auto manufacturing. The Japanese, having pushed aggressively into the U.S. auto market, are reacting to the voluntary export restraints and the threat of more American protectionism. "The building of Japanese plants in the U.S. wasn't motivated by economics," Bankers Trust's Mr. Vincent says. "It was motivated by concern over future protectionism."

As a result, the auto glut bedeviling the U.S. industry is being worsened. Starting in 1989, Daihatsu Motor will be producing cars in Canada, thus becoming the last of Japan's nine auto makers to put an assembly plant in North America.

Meanwhile, other players keep getting into the game. In the wake of the success of South Korea's Hyundai Excel, Kia Motors of Korea is planning to export cars and vans world-wide by the end of this decade. Yugoslavia is exporting its Yugos to the U.S., and Malaysia plans to send its Proton Sagas here next year. Thailand and Taiwan also are trying to export.

"Newly industrialized countries all want auto companies so they can have steel industries and reasons to build roads and purchase technology from the outside world," says Susan Jacobs, the manager of automative research at Merrill Lynch Economics Inc.

However, she also attributes the excess capacity to sluggish world-wide demand. In addition, she says, new plants were built to make the small cars that became popular during the energy crisis of the 1970s and to enter new market niches, such as that for light trucks.

Japan hasn't had more automobile start-up companies than Europe or the U.S., Mr. Vincent says. "It's just that they all managed to survive"—with government help. Other nations have done much the same, however. The U.S. government saved Chrysler. And Donald Petersen, Ford's chairman, notes the heavy French subsidies for Renault and American Motors and says he expects the two French producers, Renault and Peugeot, to survive "as long as there is a France."

Japan and South Korea also have stimulated their auto industries by closing their home markets to outsiders and encouraging exports. Moreover, the Japanese also have helped South Korea develop its auto industry. Mr. Vincent believes that the Japanese are saying, "It's inevitable, and why not be part of it?"

Mr. Vincent notes that in the past, American auto companies, looking forward to the next auto-buying boom, often created excess capacity. If the market grew, "you are bailed out by higher demand; otherwise, you get stuck with overcapacity—which is what has happened to some companies," he says.

But the patterns have shifted. Ford reacted to flatter demand by changing its philosophy—keeping capacity tight, forgoing some sales but betting that lower capacity would cut costs and keep it profitable when demand fell. But until recently, General Motors kept more capacity running than its sales warranted. Now, however, GM also is closing more plants.

James P. Womack, the research director of the international motor-vehicle program at MIT, believes that apparent world overcapacity might not be as large as it seems because "some plants are dedicated [to a certain type of vehicle] and can't be switched from product to product." While the Japanese have built flexible plants that can make more than one vehicle, he says, "the North American philosophy has been not to complicate matters by mixing products"—a policy that aggravates the overcapacity.

STEEL

The global glut of steel reflects poor investment decisions in the 1970s, dwindling use of steel in industrialized economies, burgeoning production in industrializing countries, and high financial and political barriers to closing mills.

Anticipating shortages, steelmakers in Europe and Japan greatly expanded capacity in the 1970s, and U.S. producers modernized existing mills. Not only did scarcity never come, but consumption fell sharply in industrialized countries. Between 1970 and 1980, according to the World Bank and International Iron and Steel Institute, capacity in industrialized nations climbed 14% to 485 million metric tons, while consumption dropped 8% to 334 million metric tons.

Yet despite mounting evidence of a "phony boom," steel executives "just wouldn't give up the illusion that the market was headed up," says Hans Mueller, a steel-industry consultant.

Plunging consumption in industrialized nations, which is expected to continue into the 1990s, reflects the maturation of their economies. Construction of railroads and highways has largely been completed. And in other big steel markets—autos and containers, for example—alternative materials are increasingly supplanting steel. Donald F. Barnett, a World Bank consultant, calculates that had U.S. steel usage since 1960 matched the growth in gross national product, steel consumption in 1985 would have been some 70% higher.

Faced with excess capacity, European and Japanese steelmakers, in particular, have turned to export markets. But there they are increasingly finding limits. U.S. producers have won import curbs, and less developed countries, though consuming more and more steel, are producing much of it themselves.

Some, moreover, are becoming major exporters, penetrating traditional European and Japanese export markets. In 1976, Brazil, for instance, produced 7.3 million metric tons of steel products and exported a mere 264,000 tons. Today, it is the world's fifth-largest non-Communist steelmaker, and it exported 40% of the 17.3 million tons, it produced in 1985.

Rapid growth in steelmaking capacity may have as much to do with nationalism and industrial prestige as economic growth. Today, Zimbabwe and Qatar have steel industries. "Every industrializing country wants an airline and a steel mill," Chase's Mr. Jacobson says. "It's something that planning ministers push for."

Capacity has fallen modestly among industrialized nations since 1980, and the reductions are continuing. In the U.S. steelmaking capacity (including recently announced cutbacks) is being slashed to 111.9 million short tons from its 1977 peak of 160 million tons. Even with the cutbacks that have been carried out, the U.S. industry is operating at only 55% of capacity, Georgia State's Mr. Ratajczak estimates.

In Japan, all five major steelmakers are cutting production capacity, although only one, Nippon Steel, has specified its plan in terms of crude steel-production capacity; it is cutting back to 24 million metric tons annually from 34 million tons.

Louis L. Schorsch, a consultant at McKinsey & Co., expects future mill closings to be much more difficult. In the U.S., many steelmakers, saddled with huge unfunded pension liabilities, are reluctant to shut even unprofitable plants because they can't absorb the cost of paying off workers and other expenses. Chase Econometrics estimates the total cost of closing a mill at $75,000 per employee. "Given an average of 4,000 employees per plant," Mr. Jacobson says, "we estimate that a typical integrated-plant closure today would cost over $300 million."

Mr. Barnett adds: "So far, steelmakers have closed mostly old plants that hadn't been in operation anyway. Now, they've got to get rid of relatively modern capacity that can still make a satisfactory product. The hard part is just beginning."

COMPUTERS

Seduced by huge sales gains during the 1983–84 boom, computer companies expanded rapidly. Most "invested in growth rates that aren't materializing," says Ulric Weil, a Washington-based securities analyst. "Demand just didn't develop." According to Commerce Department figures, factory orders for the office-equipment and computer industry plunged 15% in the two-year period ended in 1986.

A good barometer is International Business Machines, which accounts for 40% of the world's computer sales. Last year, IBM's revenue rose only 2% to $51.25 billion, and profit slumped. This isn't the type of growth IBM spent more than $20 billion on plant and equipment, says Steven Milunovich, a First Boston analyst.

IBM responded to last year's disappointments by consolidating operations at several U.S. locations "to bring capacity in line with current and projected needs," IBM Chairman John Akers said in the company's 1986 annual report.

Nevertheless, many computer markers expanded in the fight for sales. "People who particiapted in niches in the past want to expand and provide complete systems for their customers," says David Penning, the director of manufacturing-automation service at Dataquest. For instance, he adds, some personal-computer companies now make work stations, while some computer makers best known for mainframes make personal computers.

Technological advances have aggravated the overcapacity. With more power being stored in silicon chips, computer companies can make smaller, more powerful machines. "Any given square footage of plant can produce a lot more stuff in terms of horsepower," Mr. Weil says. The minicomputer market is being squeezed from two sides: on the lower end, by more powerful personal computers, and on the upper end, by lower prices on computers with the power once associated with mainframes.

The emergence of manufacturers in the Far East, especially those in Japan and South Korea, has compounded the overcapacity problem for U.S. computer and parts trade deficit with Far Eastern countries soared 77% to $5.3 billion, according to the Commerce Department. Japan's exports to the U.S., ranging from parts to portable personal computers to supercomputers, surged 43% to $4.75 billion last year.

Moreover, countries that had primarily produced peripherals are exporting full machines now, says Tim Miles, a program manager in the department's Office of Computers. "The South Koreans began penetrating the U.S. market in terminals and other areas," Mr. Miles says. "Now, they're producing complete PC systems."

Not all computer makers have been suffering, however. Some companies, such as Tandy Corp., which makes personal computers, and Digital Equipment Corp., a minicomputer maker, have grown rapidly, primarily because of revamped product lines. Moreover, the pressure on the industry would be reduced by any pickup in sales. Already, there are signs of rebounding volume in personal computers.

SEMICONDUCTORS

The glut in the semiconductor industry eased last year, as orders picked up from a disastrous 1985, but most chip makers remain deeply troubled. The roots of the problems are twofold: Huge miscalculations of future demand and Japanese producers' targeting practices, under which they ignored market conditions while aggressively pursuing market share.

The introduction of the personal computer early this decade spawned a sudden surge in demand for chips. Global chip consumption jumped from about $15 billion in 1982 to $29 billion in 1984. Thus, chip makers rushed to add capacity to meet growing, apparently insatiable demand. Japanese chip makers' capital spending rose a total of 116% in 1983 and 1984, while U.S. chip company spending doubled in 1984. World-wide capacity to produce chips increased about one-third in 1984 alone.

Then, when falling personal-computer sales sent global chip demand plummeting about 14%, to $25 billion, in 1985, chip companies started losing big money. Dataquest says the chip industries in Japan and the U.S. each lost about $1 billion last year.

Moreover, Japanese producers exacerbated the industry's overcapacity problems by continuing to add production and slash prices on certain products right through the slump. Taking advantage of their lower-cost capital, patient stockholders and government research assistance, the Japanese drove U.S. producers out of some major commodity markets by drastically underselling them.

Indeed, the U.S. government found that Japanese companies "dumped" certain chips in the U.S. and other markets, and the U.S. may soon penalize them if they don't raise their prices. Japan's Ministry of International Trade and Industry, trying to save a semiconductor trade pact signed last summer, has told Japanese chip makers to cut production 10%.

HEAVY EQUIPMENT

Plunging demand has blighted the farm-equipment industry with huge worldwide overcapacity. The glut has persisted despite sharp cutbacks in the number of factories producing tractors, combines and other agricultural equipment.

Sales have consistently trailed even the most pessimistic forecasts. In retrospect, that isn't surprising. The world is awash in food. A few years ago, fears of shortages, embargoes and price gouging led many food-importing countries, such as Japan, to give agriculture a high priority. Many nations imported new agricultural technology that now has borne fruit.

The global surplus of food and feed grains is expected to surge to a 13-week supply this year; an eight-week supply would be ample. The U.S. has more than a one-year supply of wheat, enough for both exports and domestic consumption.

With farmers in dire financial trouble, the business is as dead as last year's cornfield. World-wide tractor output fell to 120,000 units last year from 230,000 in 1979. For larger equipment, the declines have been even sharper. Manufacturers produced 20,000 over-100-horsepower tractors last year, down from 80,000 in 1979.

"The downturn has been so dramatic that no one has done anything but cut back," says John Ruth, Massey-Ferguson's president. He says he doesn't know of any additions to industry capacity anywhere in the past five years. Because of high costs, some U.S. facilities were among the first to close, with part of their production moving to existing foreign plants.

Mr. Ruth sees further cutbacks in capacity needed for anyone to make a profit. But for now, companies are playing an industry-wide game of chicken. No one wants to get out of the business so that rivals can make money again.

In construction equipment, too, demand is down, but, surprisingly, capacity is still rising.

In the late 1970s, construction-equipment sales surged, and plants were operating at close to capacity even though Japan was working hard to build a construction-equipment industry. But from 1980 to 1883, demand plunged 70%, beaten down by reduced demand for coal as well as a decline in world-wide construction activity. Construction was hurt in part by declining oil profits and international-debt problems.

Now, demand has recovered a bit, but the industry is still running only at about 60% of capacity. Nevertheless, some countries are planning to expand even more. Industry analysts expect South Korea soon to begin an assault on the market. "Korea is a big emerging threat," says Frank Manfredi, the publisher of Machinery Outlook, an industry newsletter. "Everyone is expecting them to come into the market like gangbusters." Other countries" that have added capacity in construction equipment are China and Italy.

"It's ironic that even though sales have been lousy, there's more capacity in the industry than there was five years ago," says Mitchell Quainn, a securities analyst at Wertheim Shroder & Co. "It's almost as if every country wants to have its own bulldozer manufacturer."

TEXTILES

Seeking crucial foreign exchange and jobs for surging populations, many developing nations are producing textiles and apparel at rates far above domestic demand. Building a textile industry "is the first thing that a developing nation does" as it moves toward industrialization, says Ron Levine, a Commerce Department official. He notes the abundance of raw materials and such countries' cheap labor.

Cheap labor is at the heart of the over-capacity problem cited by the U.S. industry. For six years, foreign producers have flooded the American market with goods, principally apparel fabrics and finished garments, and forced the domestic industry to shrink dramatically to survive.

Arriving in the U.S. last year were some 12.7 billion square yards of imports, 17% more that in 1985 and more than double the 1980 level. "Imports have achieved a successively increasing share of the [U.S.] market," says Donald R. Hughes, the chief financial officer at Burlington Industries, the nation's largest publicly held textile concern. In six years, imports have taken 55% of the total market, up from about 25% in 1980, he says.

"Historically, the level of increase in [U.S.] demand has been about 1% annually. Yet imports have been growning at a rate of 15%," he adds.

Domestic textile leaders blame the Reagan administration's trade policies for the surge in imports. And the drop in the dollar hasn't slowed the imports because most of them come from Asian nations with currencies pegged to the dollar.

The glut of imports has forced the domestic industry to reassess its basic structure and make sweeping changes. Domestic companies have closed dozens of plants—at a cost of about 700,000 jobs—and installed high-tech equipment designed to make mills more efficient and versatile. They also are emphasizing marketing and customer services, and some analysts see domestic retailers and garment makers gradually shifting back to buying from U.S. sources because of improved quality and quicker deliveries.

CHEMICALS

Chemical companies have scrapped scores of plants in recent years, spurring a long-awaited growth in plant-capacity use. Last year, chemical-plant use rates rose to an estimated 80.5% from 66% five years ago, according to the Chemical Manufacturers Association. The trade group expects plant use to reach 82.3% this year, Myron Foveaux, a spokesman, says.

The wave of plant closures reflects retrenchment from the industry's building boom in the mid-1070s. The recessions of the early 1980s convinced many chemical producers that the industry was awash in capacity, says Sano shimoda, an analyst at Anantha Raman & Co., of Parsippany, N.J. Total U.S. chemical-plant capacity fell 3% between 1984 and 1986, he estimates.

The retrenchments were especially successful in plastics. During the 1960s and 1970s, plastics appeared to be one of the most promising growth industries. Plastics were replacing glass, paper, metals and other materials in applications ranging from plumbing to auto parts. Chemical manufacturers, oil and gas producers, and tire makers built plastics plants. Few old facilities were shut down.

Demand did grow, but not as fast as forecast. By 1980, there was overcapacity for many plastics, and prices plunged. some companies pulled out of the business, and most others halted plant construction. In both Europe and North America, some old plants were close. Gradually, the cutbacks and rising consumption brought supply and demand for some common resins in better balance.

Polyvinyl chloride illustrates the trend. U.S. capacity more than doubled between 1965 and 1974, dipped briefly during the 1973-75 recession and then doubled again. By the end of 1983, U.S. capacity was about 8.5 billion pounds a year, up from two billion in 1965. But although PVC has grown rapidly in pipe, siding and other construction applications, no major plant has been built since 1983, and U.S. PVC plants are running at close to 90% of capacity. In Europe, there still is some overcapacity, but some plant closings are planned. Worldwide capacity is likely to be tight for five years or so, according to Richard Roman, the manager of marketing research for the Geon Vinyl division of B.F. Goodrich.

Among the large-volume resins, polystyrene, used for many inexpensive molded products, now is in the tightest supply Dow Chemical, major producer, is running its polystyrene plants at about 94% of capacity, "right at the ragged edge of what we can do," a spokesman says.

In contrast, the fertilizer industry, suffering along with the farmers, is still in trouble. Between 1984 and 1986, capacity reductions reached 7%, but plant-use rates are still only 74%, Mr. Shimoda says.

By spurring demand for chemicals, lower oil prices have helped U.S. chemical producers increase plant use, Mr. Foveaux says. Cheaper oil, along with chemical producers' sweeping cutbacks in personnel and productivity gains stemming from development of improved chemical catalysts, has enabled the companies to reduce plant break-even points to 70% from 75% five years ago, Mr. Foveaux says. "It's still not ringing bells, but, as a whole, the industry is much better off," he adds.

Although some small specialty chemical plants are likely to be built soon, both Messrs. Foveaux and Shimoda expect U.S. basic-chemical production to shrink further. "Profitability is improving, but people are still very hesitant to build," Mr. Shimoda says.

THE OUTLOOK

In view of the problems, what is the outlook for American companies struggling in industries with global overcapacity?

Noting that "manufacturers have sharply reduced operating costs and restructured their industries," Alan Greenspan, a New York consultant, says, "We still have problems because the real cost of capital is too high. That slows the replacement of obsolete capacity." He adds:

"Funds are diverted away from research away from long-term projects. The emphasis is on high-tech investments that pay off fast—and become obsolete quickly. There's no incentive for the sort of investments that would bring back the Rust Belt. Economic policy really does matter."

Saying that "a variety of industries still have huge readjustment problems . . . associated with the excess capacity," Karl Brunner of the University of Rochester adds:

"If we want to be competitive in the world, we have to stand back and let the adjustments take place. We can't protect these industires from change, any more than we protected the Pony Express riders of a century ago. We have to improve our use of resources and our productivity.

"Sure, it would help if we could distribute more products overseas to people who need them. But we aren't going to solve the U.S. auto industry's problems by selling more cars to Africa in the next decade. We have to begin with adjustments here at home. We have to mitigate the hardships for the people caught in these adjustments, but we can't let that stand in the way of the adjustments being made."

The **PRESIDING OFFICER**. Who yields time?

Mr. **DOMENICI**. Mr. President, I yield myself 5 minutes.

Mr. President, my good friend from New Jersey talks about keeping 301 clean. It has already been amended in the bill that is before us. Workers' rights have been added, toleration of cartels, export targeting, all new approaches to 301 that were not in previous legislation. As I understand it, at least some of these are in the House bill so they are almost assured of becoming law.

Mr. President, my good friend from New Jersey speculates as to what might happen, but those of us who happen to come from mineral producing States already know what is happening. I want to make a few points, however, that this legislation is generic; it is not for any specific sector. It includes copper, aluminum, zinc, potash, iron, iron ore, chemicals, coal, and a host of other minerals.

And I want to repeat: This is discretionary in terms of all of those concerns that the distinguished Senator from New Jersey has. If, as a matter of fact, it is in the national interest, the President need not enforce a finding by the International Trade Commission that we have been injured by this new unfair trade practice.

Mr. President, the Senator from New Jersey indicates that what we really ought to be doing is to help those countries with their current accounts problem. I submit, Mr. President, one of the reasons they are in the problem they are in on current accounts is because they have borrowed and borrowed and borrowed so as to subsidize industries like the kind we are talking about. And there is no relationship between a good, solid market for them in terms of them having a reasonable chance of paying back their loans. So what do we do? We sit by and let them borrow more and lose more and more while American industry goes broke. Because those countries are not concerned about the normal push and pull of the marketplace, so long as they can produce more and prices go down. They are not concerned about losing more, so long as their social policy is put into effect.

We have seen it. We have seen it in a number of industries. And perhaps when one of these causes of action is brought, perhaps the President will find that it is not in our interest to enforce it because some impoverished Third World country must start an industry in some way and subsidize it.

But, Mr. President, if we do not set a new standard while we are developing a new trade law that sends a signal out there to the world that American industry lives or dies by the marketplace and that essential in that is that its competitors play on the same ballfield subject to some similarity of rules, how can we have any mining in America of any of these commodities that I mentioned? How can we, if foreign countries in a socialized mode subsidize overproduction of the product with no relationship of price that they are going to sell in the world or demand, supply and demand? How will we exist?

The answer is pretty clear. We are about not to exist. All we are asking the U.S. Senate to do here is to adopt as an additional unfair practice the subsidization of excess capacity. We are not asking that subsidization be an unfair practice. We are not asking that excess capacity be determined an unfair practice. We are asking that the combination of the two to the detriment of our industry be a new cause of action as an unreasonable and unfair trade practice.

Mr. President, I am aware of a molybdenum processing plant in the Senator from New Jersey's own State that is an exporter of processed and refined molybdenum. That company is indeed concerned about a foreign country limiting their exports because of subsidized excess capacity in that foreign country. So even if there were a test for exports, we have some.

Some of our minerals used to be exported, too, Mr. President, when there was a market based upon supply, demand and a possibility of making a profit. That has been turned on its head and over 60 percent of copper, just to take one example, is no longer produced by entities or institutions that must make a profit. It is produced by country-financed subsidized copper.

Mr. President, I yield the floor.

The **PRESIDING OFFICER**. The time of the Senator has expired.

Who yields time?

Mr. **BRADLEY**. Mr. President, how much time remains.

The **PRESIDING OFFICER**. The Senator from New Jersey has 10 minutes.

Mr. **BRADLEY**. Mr. President, once again I heard the Senator from New Mexico. I respect him and I respect his desire to protect the industry in his State as I do all Senators from States with mineral resources. I would have to say, though, once again, that this amendment does not do anything to open up foreign markets. The purpose of 301 is to get access to foreign markets. This amendment does nothing to achieve this goal.

If there is a concern on the part of Members about dumping excess production on the world market, we have in the United States an antidumping statute. If the problem is export subsidies, they are actionable under section 301. Witness the actions we took with Canada on their timber subsidies.

So, Mr. President, this does not open up markets. It instead adds another practice that can be actionable under 301. That practice is simply the existence of a subsidy in a particular country in which, because of the marketplace or world economic conditions, there is oversupply.

Mr. President, I would hope we would reject this amendment because I can see what is going to come down the road. The first time that this is used the United States will have set a precedent for action to be taken against subsidies that do not distort trade. The best example of subsidies that do not distort trade are our own agricultural subsidies. The result will be actions in Europe, Japan, and elsewhere taken against the United States. When the United States protests that those actions were taken against agricultural subsidies that do not distort trade, the foreign countries will simply point to this amendment and to action taken pursuant to this amendment to justify their decisions.

So, Mr. President, I hope that we would reject this amendment.

Mr. **GARN**. Mr. President, I rise today in support of the amendment offered by the distinguished Senator from New Mexico, Senator DOMENICI, to the Omnibus Trade Act of 1987. This amendment addresses the existing problem of foreign governments subsidizing excess capacity to produce many fungible goods, such as copper, potash, and other minerals.

Mr. President, my colleagues are familiar with past arguments by this Senator and others on this floor regarding the plight of the Nation's domestic copper industry. This is an industry that has been plagued with low production levels and high costs that have led to a significant reduction in copper production in this Nation. It is unfortunate when American companies falter or are forced to "close shop" because these conditions cannot be effectively handled by a business' management. However, when the business involves fungible goods that are world commodities and which are traded primarily in international markets, then the business practices of other international companies engaged in the same business must be seriously considered. If these practices provide a substantial benefit to foreign companies, then the playing field in international markets is not level, and free and fair trade is disrupted and basically eliminated. This is the case with the domestic copper industry and the reason why this amendment is so necessary.

The trade situation in the copper industry suffers from an unlevel playing field for U.S. competitors. U.S. producers continue to operate at a terrible disdvantage in the world market. The practice of foreign governments subsidizing excess capacity to produce fungible goods, like copper, makes it impossible for our producers to compete with foreign companies that are encouraged through these subsidies to produce all the copper they can. Because foreign firms are overproducing, they are flooding all markets, including our own, with foreign copper. Such conditions increase the worldwide inventory of copper which leads to low prices. Our producers cannot possibly compete under these conditions.

The amendment offered by my good friend, Senator DOMENICI, would recognize that the overproduction of fungible goods, such as copper, by foreign countries is considered an unreasonable trade practice as defined by section 301 of the Trade Act of 1974. The amendment would give the President complete discretion to determine if any action is necessary to combat the identified practice and what that action would be. The amendment is not an attempt to protect the copper industry, or any industry for that matter, from foreign competition. It is simply an effort to level the playing field for U.S. copper and other fungible good producers.

This is an effort, as my colleagues know, which I have been involved in for several years. Kennecott Copper Corp's Bingham Copper Mine, the largest open-pit copper mine in the world, was completely closed down in 1986, resulting in the loss of over 7,500 jobs in Utah. It has only been within the last half year that the mine has begun to recall some of these workers and begin its operations again. It took 3 years for the Environmental Protection Agency to approve Kennecott's revised air quality implementation plan designed to sufficiently control pollution and meet national air quality standards. Kennecott also has gone ahead with a $400 million modernization effort that was first planned in 1985. Without these actions initiated by the mine's management, Kennecott could not modernize and reopen.

At the same time, the industry has continued to suffer as our multilateral development banks have made loans for the development of foreign mines and processing facilities which have contributed to the overproduction of copper. In 1985, the Senate, recognizing that these banks were compromising the premises under which these long-term, development loans were supposed to be made, adopted an amendment forcing the U.S. representative at multilateral lending institutions to vote against financing any and all copper-related production projects in foreign countries. This action has effectively limited U.S. tax dollars from being used to finance foreign competition.

Mr. President, many may consider this amendment as only an amendment to benefit the copper industry. That is not true. Even though my comments have focused on the copper industry, the amendment will benefit all industries involved with nonagricultural, fungible goods, including cooper, coal, aluminum, steel, ferroalloys, potash, lead and zinc, to mention the major industries. At the same time, the amendment has the support of several major groups representing both industry and labor. These groups include the Aluminum Co. of America, the AFL-CIO, the American Iron and Steel Institute, ASARCO Inc., the Ferroalloy Association, Newmont Mining, Peabody Coal, the Phelps Dodge Corp., and the United Steel Workers. As my colleagues can see, this amendment has broad support from a cross-section of several major groups that many times find themselves on opposite sides of most issues. On this issue, they have come together to support an amendment eliminating unfair trading practices by foreign countries affecting their respective industries.

I would encourage my colleagues to support this amendment to amend section 301 of our trade laws to include the subsidization of excess capacity of a fungible good as an unreasonable trade practice. The Senate has previously gone on record recognizing a problem exists with foreign governments which subsidize the construction of excess capacity to produce one fungible good—copper—and it seems only logical that this concern would be extended to cover other affected fungible goods. We cannot continue to allow foreign countries to subsidize the incessant production of these goods without regard for their worldwide supply and demand. It isn't fair to U.S. producers whose economic livelihood depends on meeting demand with an adequate supply. As I indicated, the amendment does not mandate Presidential action, but rather preserves Presidential discretion with regard to excess capacity cases.

My colleagues should consider the industries affected by the current unfair practices identified under this amendment. Some industries, such as the copper industry, are needed for this country based on their strategic importance. We need a domestic copper industry, not just because some of it is located in Utah or New Mexico or Arizona, but because we cannot become totally dependent on outside sources for our strategic metals. This issue goes far beyond parochial interests.

I applaud the efforts of Senator DOMENICI on this issue and urge my colleagues to support this vitally important amendment.

Mr. BAUCUS. Mr. President, I rise in support of the amendment of my distinguished colleague from New Mexico. I support this amendment because it is good trade policy. It is good for our domestic minerals industries, and it is good for my home State of Montana.

Mr. President, minerals and hard rock mining are very important to Montana. There are 7,000 Montanans working in hard rock and coal operations back home. In Flathead County, the Columbia Falls aluminum plant employs 800 people and puts at least $20 million a year into the local economy. That's a lot by anybody's standard.

Our minerals producers are really taking their lumps in the world market. American aluminum now accounts for only 40 percent of the non-Communist world's output, compared with 66 percent in 1961. American copper now accounts for only 17.8 percent of the non-Communist world's output, compared with 28.5 percent in 1961.

The competition is fierce, unfortunately some of it is also unfair. Some countries like Canada and Chile are subsidizing the expansion of their primary minerals industries. This expansion only drives down the world market price because many of these commodities are already in global oversupply.

Normally, government subsidies can be redressed through our countervailing duty laws. However, this works only if the subsidized goods are imported into the United States. The countervailing duty laws don't work for copper.

Primary minerals are fungible. This means that copper is copper, regardless of where it is produced. There is little difference between subsidized copper and free-market coppers. As a consequence, subsidized producers can ship their product to countries that don't care about subsidies, while the unsubsidized producers ship to the United States.

The subsidized copper still depresses the world price, but U.S. producers have no legal recourse because our trade laws are bound and tied. They are limited to products that actually enter the country. This amendment addresses this problem.

It makes this type of government subsidy actionable under section 301, which is not limited to imports. This amendment unties our trade laws and makes them relevant to this important industry.

I hope my colleagues will support Senator DOMENICI's amendment.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, how much time does the Senator from New Mexico have?

The PRESIDING OFFICER. The Senator has 3½ minutes.

Mr. DOMENICI. Did the Senator from New Jersey desire a rollcall vote on this amendment?

Mr. BRADLEY. Yes.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The Chair will advise that the yeas and nays have already been ordered.

Mr. DOMENICI. I thank the Chair. Mr. President, I yield myself my remaining 3½ minutes.

Mr. President, I say to the distinguished Senator from New Jersey that I must reciprocate by saying that I have the greatest respect for him and his advice to the U.S. Senate, but I really believe he is speaking very inconsistently today.

How does targeting open markets? That is in section 301. How do workers' rights open markets? How do cartels open up markets? Frankly, Mr. President, we have expanded 301 in this bill. The Domenici amendment is a most reasonable way to approach a world situation which is absolutely chaotic from the standpoint of American mining and processing. There is no way that they are going to be able to compete unless a message goes out to the world that there has to be a little bit of caution on the part of countries that insist upon subsidizing the creation of excess capacity.

We are not saying that they cannot. We are not saying that each and every case will be unfair. But we are setting an American policy that says it might very well be actionable.

Mr. President, we have the most abominable situation right here. Our neighbor Canada, they have a Crown Corporation that is so heavily subsidized that it is now in the hundreds of millions of dollars. And I say to my friend from Oregon, we cannot even get relief because they are losing so much money with hundreds of millions of dollars of subsidy that we cannot prove they have benefited from the subsidy. Because when you go to try to prove it, they say, "We are still losing money," and in comes hundreds of millions of subsidized loans. And here sit American companies with a remedy and the Canadians just sit there and answer, "Well, some day we will make a profit and when we benefit you will have a countervailing duty case against us."

Is that not a ludicrous position to put us in?

All we are saying in our amendment is that the mere subsidizing of the excess capacity—but it must be both—permits us to bring the case. Then the President can decide, if the facts are there, whether or not it is in our national interest to grant a remedy or whether a remedy is plausible and probable and will do something or not.

I close, Mr. President, by saying there are lobbying letters around from those who represent Canadian potash, Canadian uranium, and most of them do not address my amendment because they were written 3 weeks ago and I did not even have my amendment ready. It is not mandatory as they indicated, but discretionary.

I yield back the balance of my time and thank my cosponsors for their good work and ask that the Senate adopt the Domenici amendment. I think it is good law.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. How much time do I have?

The PRESIDING OFFICER. The Senator has 7 minutes.

Mr. BRADLEY. Mr. President, in conclusion, let me say this is an enormously shortsighted amendment. Let us say that it existed 5 years ago, 7 years ago, and let us say there is some esoteric but very important mineral called yttrium; it was in oversupply. Under this amendment we would have retaliated against yttrium because it is oversupplied and subsidized in various countries. It so happens today yttrium is one of the fundamental components of superconductors and, if we did not have sufficient supply, we could not benefit from this enormously significant technological breakthrough in superconductors.

This amendment is shortsighted. It also, I believe, by creating a new actionable subsidy, will create a situation that someday we will regret when another country retaliates against our own agricultural production—our own agricultural subsidies—and points to this amendment as justification for that action.

Mr. President, I hope that we will reject this amendment. I am prepared to yield back the balance of my time. The yeas and nays have been ordered.

The PRESIDING OFFICER. All time has been yielded back. There being no further debate, the question is on agreeing to the amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Illinois [Mr. SIMON], is necessarily absent.

The PRESIDING OFFICER (Mr. SANFORD). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 71, nays 28, as follows:

[Rollcall Vote No. 179 Leg.]

YEAS—71

Armstrong
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Breaux
Bumpers
Burdick
Byrd
Cochran
Cohen
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dole
Domenici
Durenberger
Exon
Ford
Garn
Glenn
Gore
Graham
Gramm
Grassley
Harkin
Hatch
Hecht
Heflin
Heinz
Helms
Hollings
Inouye
Johnston
Kassebaum
Kasten
Levin
Lugar
McCain
McClure
McConnell
Melcher
Metzenbaum
Mikulski
Murkowski
Nickles
Pressler
Pryor
Quayle
Reid
Riegle
Rockefeller
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simpson
Specter
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson

NAYS—28

Adams
Boschwitz
Bradley
Chafee
Chiles
Conrad
Cranston
Dodd
Evans
Fowler
Hatfield
Humphrey
Karnes
Kennedy
Kerry
Lautenberg
Leahy
Matsunaga
Mitchell
Moynihan
Nunn
Packwood
Pell
Proxmire
Roth
Stafford
Weicker
Wirth

NOT VOTING—1

Simon

So the amendment (No. 433) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BENTSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, I yield to the distinguished Senator from Georgia.

AMENDMENT NO. 434

Mr. FOWLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. It takes unanimous consent to set aside the pending amendment.

Mr. FOWLER. I ask unanimous consent to set aside the pending amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. FOWLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Georgia [Mr. FOWLER] proposes an amendment numbered 434.

Mr. FOWLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

Section 423(c)(2(B) of the Tax Reform Act of 1986 is amended by inserting after "1988" in clause (ii) thereof the following: "* * * except that this clause shall not apply to ethyl alcohol dehydrated in the Virgin Islands facility described in clause (i)".

Mr. BENTSEN. Mr. President, the amendment of the Senator extends the grandfather clause with respect to investments involving ethanol. The particular company the Senator refers to, as I understand it, did not have time to qualify for the extension. I see no objection to the amendment.

Mr. PACKWOOD. Mr. President, the amendment is acceptable to this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 434) was agreed to.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 435

(Purpose: To provide a substitute for the provisions on notification of plant closings and mass layoffs)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

I ask unanimous consent that the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 435.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. QUAYLE. Mr. President, reserving the right to object, I will object, because I want to make sure what amendment we have. This thing has gone through about eight or nine readings. I object.

The PRESIDING OFFICER. Objection is heard.

The amendment will be stated.

The assistant legislative clerk read as follows:

On page 609, beginning with line 8, strike out all through line 26 on page 617, and insert in lieu thereof the following:

"PART B—ADVANCE NOTIFICATION OF PLANT CLOSINGS AND MASS LAYOFFS

"DEFINITIONS

"SEC. 331. As used in this part—

"(1) the term 'employer' means any business enterprise that employs—

"(A) 100 or more full-time employees; or

"(B) 100 or more employees who in the aggregate work at least 4,000 hours per week (exclusive of hours of overtime);

"(2) the term 'plant closing' means the permanent or temporary shutdown of a place of employment, or facilities or operating units within a place of employment, if the shutdown results in an employment loss at the place of employment during any 30-day period for 50 or more employees excluding any part-time or seasonal employees;

"(3) the term 'mass layoff' means a reduction in force which—

"(A) is not the result of a plant closing;

"(B) results in an employment loss at the place of employment during any 30-day period for 33 percent of the employer's employees at the place of employment (excluding any part-time or seasonal employees); and

"(C) results in an employment loss of at least 50 employees (excluding any part-time or seasonal employees);

"(4) the term 'representative' means an exclusive representative of employees within the meaning of section 9(a) or 8(f) of the National Labor Relations Act (29 U.S.C. 159(a), 158(f) or section 2 of the Railway Labor Act (45 U.S.C. 152);

"(5) the term 'affected employees' means employees who may reasonably be expected to experience an employment loss as a consequence of a proposed plant closing or mass layoff by their employer;

"(6) the term 'employment loss' means (A) an employment termination, other than a discharge for cause, voluntary departure, or retirement, (B) a layoff of indefinite duration, (C) a layoff of definite duration exceeding 6 months, or (D) a reduction in hours of work of more than 50 percent during any 6-month period;

"(7) the term 'unit of local government' means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers;

"(8) the term 'part-time employee' means an employee who is hired to work an average of less than 15 hours per week; and

"(9) the term 'seasonal employee' means an employee who is hired for a period not to exceed 3 months per year to do work that is seasonal in nature.

"NOTICE REQUIRED BEFORE PLANT CLOSINGS AND MASS LAYOFFS

"SEC. 332. (a) NOTICE TO EMPLOYEES, STATE DISLOCATED WORKER UNITS, AND LOCAL GOVERNMENTS.—An employer shall not order a plant closing or mass layoff until the end of a 60-day period after the employer serves written notice of a proposal to issue such an order—

"(1) to each representative of the affected employees as of the time of the notice or, if there is no such representative at that time, to each affected employee; and

"(2) to the State dislocated worker unit (established under part A) and the chief elected official of the unit of local government within which such closing or layoff is to occur.

"(b) REDUCTION OF NOTIFICATION PERIOD.—(1) An employer may order the shutdown of a place of employment before the conclusion of the 60-day period if as of the time that notice would have been required the employer was actively seeking capital or business which, if obtained, would have enabled the employer to avoid or postpone indefinitely the shutdown and the employer reasonably and in good faith believed that giving the notice required would have precluded the employer from obtaining the needed capital or business.

"(2) An employer may order a plant closing or mass layoff before the conclusion of the 60-day period if the closing or mass layoff is caused by business circumstances that were not reasonably foreseeable as of the time that notice would have been required.

"(3) An employer relying on this subsection shall give as much notice as is practicable and at that time shall give a brief statement of the basis for reducing the notification period.

"(c) EXTENSION OF LAYOFF PERIOD.—A layoff of definite duration of 6 months or less which extends beyond 6 months shall be treated as a layoff of indefinite duration unless—

"(1) the extension is caused by business circumstances (including unforseeable changes in price or cost) not reasonably foreseeable at the time of the initial layoff; and

"(2) notice is given at the time it becomes reasonably forseeable that the extension will be required.

"ADMINISTRATION AND ENFORCEMENT OF REQUIREMENTS

"SEC. 333. (a) CIVIL ACTIONS AGAINST EMPLOYERS.—(1) Any employer who orders a plant closing or mass layoff in violation of section 332 of this Act shall be liable to each aggrieved employee who suffers an employment loss as a result of such closing or layoff for—

"(A) back pay for each day of violation up to a maximum of one-half the number of days the employee was employed by the employer, at a rate of compensation not less than the higher of—

"(i) the average regular rate received by such employee during the last 3 years of the employee's employment, or

"(ii) the final regular rate received by such employee, and

"(B) the cost of related fringe benefits, including the cost of medical expenses incurred during the employment loss which would have been covered under medical benefits if the employment loss had not occurred,

less any earnings or related fringe benefits received by such employee from the violating employer for the period of the violation.

"(2) Any employer who violates the provisions of section 332 with respect to a unit of local government shall be subject to a civil penalty equal to $500 for each day of such violation.

"(3) The unit of local government which the employer must notify in accordance with section 332 is the unit of local government having jurisdiction over the area in which the employer is located and if there is more than one such unit, the unit of local government to which the employer pays the highest taxes for the year preceding the year for which the determination is made.

"(4) If an employer who has violated this part proves to the satisfaction of the court that the act or omission which violated this part was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of this part the court may, in its discretion, reduce the amount of the liability or penalty provided for in this section.

"(5) A person seeking to enforce such liability, including a representative of employees or a unit of local government aggrieved under paragraph (1) or (2) may sue either for such person or for other persons similarly situated, or both, in any district court of the United States for any district in which the violation is alleged to have occurred, or in which the employer transacts business.

"(6) In any such suit, the court may, in addition to any judgment awarded the plaintiff or plaintiffs, allow a reasonable attorneys' fee to be paid by the defendant, together with the costs of the action.

"(7) For purposes of this subsection, the term, 'aggrieved employee' means an employee who has worked for the employer ordering the plant closing or mass layoff and who did not receive timely notice either directly or through his representative as required by section 332.

"(b) EXCLUSIVITY OF REMEDIES.—The remedies provided for in this section shall be the exclusive remedies for any violation of this part.

"(c) DETERMINATIONS WITH RESPECT TO EMPLOYMENT LOSS.—For purposes of this section, in determining whether a plant closing or mass layoff has occurred or will occur, employment losses for 2 or more groups at a single site, each of which is less than 50 employees but which in the aggregate equal or exceed 50 employees, occurring within any 90-day period shall be considered to be a plant closing or mass layoff unless the employer demonstrates that the employment losses are the result of separate and distinct actions and causes and are not an attempt by the employer to evade the requirements of this Act.

"EXEMPTION

"SEC. 334. This part shall not apply to a plant closing or mass layoff if—

"(1) the closing or layoff is the result of the sale of part or all of an employer's business and the purchaser agrees in writing, as part of the purchase agreement, to hire substantially all of the affected employees with no more than a 6-month break in employment;

"(2) the closing or layoff is the result of the relocation of part or all of an employer's business within a reasonable commuting distance and the employer offers to transfer substantially all of the affected employees with no more than a 6-month break in employment;

"(3) the closing is of a temporary facility or the mass layoff is as the result of the completion of a particular project and the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project; or

"(4) the closing or layoff constitutes a lockout or a strike.

"PROCEDURES IN ADDITION TO OTHER RIGHTS OF EMPLOYEES

"SEC. 335. The rights and remedies provided to employees by this part are in addition to, and not in lieu of, any other contractual or Federal statutory rights and remedies of the employees, and are not intended to alter or affect such rights and remedies.

"PROCEDURES ENCOURAGED WHERE NOT REQUIRED

"SEC. 336. It is the sense of Congress that an employer who is not required to comply with the notice requirements of section 332 should, to the extent possible, provide notice to its employees about a proposal to close a plant or permanently reduce its workforce.

The PRESIDING OFFICER. The majority leader is recognized.

AMENDMENT NO. 436

(Purpose: To provide a substitute for the provisions on notification of plant closings and mass layoffs)

Mr. BYRD. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Mr. METZENBAUM, proposes an amendment numbered 436 to amendment 435.

Mr. BYRD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

Mr. QUAYLE. Mr. President, reserving the right to object, we do not even have a copy of the amendment, so, therefore, I have to object.

The PRESIDING OFFICER. The amendment will be read.

The legislative clerk read as follows:

In lieu of the matter proposed to be inserted insert the following:

"PART B—ADVANCE NOTIFICATION OF PLANT CLOSINGS AND MASS LAYOFFS

"DEFINITIONS

"SEC. 331. As used in this part—

"(1) the term 'employer' means any business enterprise that employs—

"(A) 100 or more full-time employees; or

"(B) 100 or more employees who in the aggregate work at least 4,000 hours per week (exclusive of hours of overtime);

"(2) the term 'plant closing' means the permanent or temporary shutdown of a place of employment, or facilities or operating units within a place of employment, if the shutdown results in an employment loss at the place of employment during any 30-day period for 50 or more employees excluding any part-time or seasonal employees;

"(3) the term 'mass layoff' means a reduction in force which—

"(A) is not the result of a plant closing;

"(B) results in an employment loss at the place of employment during any 30-day period for 33 percent of the employer's employees at the place of employment (excluding any part-time or seasonal employees); and

"(C) results in an employment loss of at least 50 employees (excluding any part-time or seasonal employees);

"(4) the term 'representative' means an exclusive representative of employees within the meaning of section 9(a) or 8(f) of the National Labor Relations Act (29 U.S.C. 159(a), 158(f)) or section 2 of the Railway Labor Act (45 U.S.C. 152);

"(5) the term 'affected employees' means employees who may reasonably be expected to experience an employment loss as a consequence of a proposed plant closing or mass layoff by their employer;

"(6) the term 'employment loss' means (A) an employment termination, other than a discharge for cause, voluntary departure, or retirement, (B) a layoff of indefinite duration, (C) a layoff of definite duration exceeding 6 months, or (D) a reduction in hours of work of more than 50 percent during any 6-month period;

"(7) the term 'unit of local government' means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers;

"(8) the term 'part-time employee' means an employee who is hired to work an average of less than 15 hours per week; and

"(9) the term 'seasonal employee' means an employee who is hired for a period not to exceed 3 months per year to do work that is seasonal in nature.

"NOTICE REQUIRED BEFORE PLANT CLOSINGS AND MASS LAYOFFS

"SEC. 332. (a) NOTICE TO EMPLOYEES, STATE DISLOCATED WORKER UNITS, AND LOCAL GOVERNMENTS.—An employer shall not order a plant closing or mass layoff until the end of a 60-day period after the employer serves written notice of a proposal to issue such an order—

"(1) to each representative of the affected employees as of the time of the notice or, if there is no such representative at that time, to each affected employee; and

"(2) to the State dislocated worker unit (established under part A) and the chief elected official of the unit of local government within which such closing or layoff is to occur.

"(b) REDUCTION OF NOTIFICATION PERIOD.—(1) An employer may order the shutdown of a place of employment before the conclusion of the 60-day period if as of the time that notice would have been required the employer was actively seeking capital or business which, if obtained, would have enabled the employer to avoid or postpone indefinitely the shutdown and the employer reasonably and in good faith believed that giving the notice required would have precluded the employer from obtaining the needed capital or business.

"(2) An employer may order a plant closing or mass layoff before the conclusion of the 60-day period if the closing or mass layoff is caused by business circumstances that were not reasonably foreseeable as of the time that notice would have been required.

"(3) An employer relying on this subsection shall give as much notice as is practicable and at that time shall give a brief statement of the basis for reducing the notification period.

"(c) EXTENSION OF LAYOFF PERIOD—A layoff of definite duration of 6 months or less which extends beyond 6 months shall be treated as a layoff of indefinite duration unless—

"(1) the extension is caused by business circumstances (including unforseeable changes in price or cost) not reasonably foreseeable at the time of the initial layoff; and

"(2) notice is given at the time it becomes reasonably foreseeable that the extension will be required.

"ADMINISTRATION AND ENFORCEMENT OF REQUIREMENTS

"SEC. 333. (a) CIVIL ACTIONS, AGAINST EMPLOYERS.—(1) Any employer who orders a plant closing or mass layoff in violation of section 332 of this Act shall be liable to each aggrieved employee who suffers and employment loss as a result of such closing or layoff for—

"(A) back pay for each day of violation up to a maximum of one-half the number of days the employee was employed by the employer, at a rate of compensation not less than the higher of—

"(i) the average regular rate received by such employee during the last 3 years of the employee's employment, or

"(ii) the final regular rate received by such employee, and

"(B) the cost of related fringe benefits, including the cost of medical expenses incurred during the employment loss which would have been covered under medical benefits if the employment loss had not occurred,

less any earnings or related fringe benefits received by such employee from the violating employer for the period of the violation.

"(2) Any employer who violates the provisions of section 332 with respect to a unit of local government shall be subject to a civil penalty equal to $500 for each day of such violation.

"(3) The unit of local government which the employer must notify in accordance with section 332 is the unit of local government having jurisdiction over the area in which the employer is located and if there is more than one such unit, the unit of local government to which the employer pays the highest taxes for the year preceding the year for which the determination is made.

"(4) If an employer who has violated this part proves to the satisfaction of the court that the act or omission which violated this part was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of this part the court may, in its discretion, reduce the amount of the liability or penalty provided for in this section.

"(5) A person seeking to enforce such liability, including a representative of employees or a unit of local government aggrieved under paragraph (1) or (2) may sue either for such person or for other persons similarly situated, or both, in any district court of the United States for any district in which the violation is alleged to have occurred, or in which the employer transacts business.

"(6) In any such suit, the court may, in addition to any judgment awarded the plaintiff or plaintiffs, allow a reasonable attorneys' fee to be paid by the defendant, together with the costs of the action.

"(7) For purposes of this subsection, the term, 'aggrieved employee' means an employee who has worked for the employer ordering the plant closing or mass layoff and who did not receive timely notice either directly or through his representative as required by section 332.

"(b) EXCLUSIVITY OF REMEDIES.—The remedies provided for in this section shall be the exclusive remedies for any violation of this part.

"(c) DETERMINATIONS WITH RESPECT TO EMPLOYMENT LOSS.—For purposes of this section, in determining whether a plant closing or mass layoff has occurred or will occur, employment losses for 2 or more groups at a single site, each of which is less than 50 employees but which in the aggregate equal or exceed 50 employees, occurring within any 90-day period shall be considered to be a plant closing or mass layoff unless the employer demonstrates that the employment losses are the result of separate and distinct actions and causes and are not an attempt by the employer to evade the requirements of this Act.

"EXEMPTION

"SEC. 334. This part shall not apply to a plant closing or mass layoff if—

"(1) the closing or layoff is the result of the sale of part or all of an employer's business and the purchaser agrees in writing, as part of the purchase agreement, to hire substantially all of the affected employees with no more than a 6-month break in employment;

"(2) the closing or layoff is the result of the relocation of part or all of an employer's business within a reasonable commuting distance and the employer offers to transfer substantially all of the affected employees with no more than a 6-month break in employment;

"(3) the closing is of a temporary facility or the mass layoff is as the result of the completion of a particular project and the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project; or

"(4) the closing or layoff constitutes a lockout or a strike.

"PROCEDURES IN ADDITION TO OTHER RIGHTS OF EMPLOYEES

"SEC. 335. The rights and remedies provided to employees by this part are in addition to, and not in lieu of, any other contractual or Federal statutory rights and remedies of the employees, and are not intended to alter or affect such rights and remedies.

"PROCEDURES ENCOURAGED WHERE NOT REQUIRED

"SEC. 336. It is the sense of Congress that an employer who is not required to comply with the notice requirements of section 332 should, to the extent possible, provide notice to its employees about a proposal to close a plant or permanently reduce its workforce.

"EFFECTIVE DATE

"SEC. 337. This part shall take effect on the date which is 6 months after the date of enactment of this Act.

"EFFECTIVE ON OTHER LAWS

"SEC. 338. The giving of notice pursuant to this part, if done in good faith compliance with this part, shall not constitute a violation of the National Labor Relations Act or the Railway Labor Act.

AMENDMENT NO. 437

(Purpose: To provide a substitute for the provisions on notification of plant closings and mass layoffs)

Mr. BYRD. Mr. President, I send an amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. BYRD), for Mr. METZENBAUM, proposes an amendment numbered 437.

Strike everything after "Part" on page 1 line 4, and insert in lien thereof the following:

"B—ADVANCE NOTIFICATION OF PLANT CLOSINGS AND MASS LAYOFFS

"DEFINITIONS

"SEC. 331. As used in this part—

"(1) the term 'employer' means any business enterprise that employs—

"(A) 100 or more full-time employees; or

"(B) 100 or more employees who in the aggregate work at least 4,000 hours per week (exclusive of hours of overtime);

"(2) the term 'plant closing' means the permanent or temporary shutdown of a place of employment, or facilities or operating units within a place of employment, if the shutdown results in an employment loss at the place of employment during any 30-day period for 50 or more employees excluding any part-time or seasonal employees;

"(3) the term 'mass layoff' means a reduction in force which—

"(A) is not the result of a plant closing;

"(B) results in an employment loss at the place of employment during any 30-day period for 33 percent of the employer's employees at the place of employment (excluding any part-time or seasonal employees); and

"(C) results in an employment loss of at least 50 employees (excluding any part-time or seasonal employees);

"(4) the term 'representative' means an exclusive representative of employees within the meaning of section 9(a) or 8(f) of the National Labor Relations Act (29 U.S.C. 159(a), 158(f) or section 2 of the Railway Labor Act (45 U.S.C. 152);

"(5) the term 'affected employees' means employees who may reasonably be expected to experience an employment loss as a consequence of a proposed plant closing or mass layoff by their employer;

"(6) the term 'employment loss' means (A) an employment termination, other than a discharge for cause, voluntary departure, or retirement, (B) a layoff of indefinite duration, (C) a layoff of definite duration exceeding 6 months, or (D) a reduction in hours of work of more than 50 percent during any 6-month period;

"(7) the term 'unit of local government' means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers;

"(8) the term 'part-time employee' means an employee who is hired to work an average of less than 15 hours per week; and

"(9) the term 'seasonal employee' means an employee who is hired for a period not to exceed 3 months per year to do work that is seasonal in nature.

"NOTICE REQUIRED BEFORE PLANT CLOSINGS AND MASS LAYOFFS

"SEC. 332. (a) NOTICE TO EMPLOYEES, STATE DISLOCATED WORKER UNITS, AND LOCAL GOVERNMENTS.—An employer shall not order a plant closing or mass layoff until the end of a 60-day period after the employer serves written notice of a proposal to issue such an order—

"(1) to each representative of the affected employees as of the time of the notice or, if there is no such representative at that time, to each affected employee; and

"(2) to the State dislocated worker unit (established under part A) and the chief elected official of the unit of local government within which such closing or layoff is to occur.

"(b) REDUCTION OF NOTIFICATION PERIOD.—(1) An employer may order the shutdown of a place of employment before the conclusion of the 60-day period if as of the time that notice would have been required the employer was actively seeking capital or business which, if obtained, would have enabled the employer to avoid or postpone indefinitely the shutdown and the employer reasonably and in good faith believed that giving the notice required would have precluded the employer from obtaining the needed capital or business.

"(2) An employer may order a plant closing or mass layoff before the conclusion of the 60-day period if the closing or mass layoff is caused by business circumstances that were not reasonably foreseeable as of the time that notice would have been required.

"(3) An employer relying on this subsection shall give as much notice as is practicable and at that time shall give a brief statement of the basis for reducing the notification period.

"(c) EXTENSION OF LAYOFF PERIOD.—A layoff of definite duration of 6 months or less which extends beyond 6 months shall be treated as a layoff of indefinite duration unless—

"(1) the extension is caused by business circumstances (including unforseeable changes in price or cost) not reasonably foreseeable at the time of the initial layoff; and

"(2) notice is given at the time it becomes reasonably foreseeable that the extension will be required.

"ADMINISTRATION AND ENFORCEMENT OF REQUIREMENTS

"SEC. 333. (a) CIVIL ACTIONS AGAINST EMPLOYERS.—(1) Any employer who orders a plant closing or mass layoff in violation of section 332 of this Act shall be liable to each aggrieved employee who suffers an employment loss as a result of such closing or layoff for—

"(A) back pay for each day of violation up to a maximum of one-half the number of days the employee was employed by the employer, at a rate of compensation not less than the higher of—

"(i) the average regular rate received by such employee during the last 3 years of the employee's employment, or

"(ii) the final regular rate received by such employee, and

"(B) the cost of related fringe benefits, including the cost of medical expenses incurred during the employment loss which would have been covered under medical benefits if the employment loss had not occurred,

less any earnings or related fringe benefits received by such employee from the violating employer for the period of the violation.

"(2) Any employer who violates the provisions of section 332 with respect to a unit of local government shall be subject to a civil penalty equal to $500 for each day of such violation.

"(3) The unit of local government which the employer must notify in accordance with section 332 is the unit of local government having jurisdiction over the area in which the employer is located and if there is more than one such unit, the unit of local government to which the employer pays the highest taxes for the year preceding the year for which the determination is made.

"(4) If an employer who has violated this part proves to the satisfaction of the court that the act or omission which violated this part was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of this part the court may, in its discretion, reduce the amount of the liability or penalty provided for in this section.

"(5) A person seeking to enforce such liability, including a representative of employees or a unit of local government aggrieved under paragraph (1) or (2) may sue either for such person or for other persons similarly situated, or both, in any district court of the United States for any district in which the violation is alleged to have occurred, or in which the employer transacts business.

"(6) In any such suit, the court may, in addition to any judgment awarded the plaintiff or plaintiffs, allow a reasonable attorneys' fee to be paid by the defendant, together, with the costs of the action.

"(7) For purposes of this subsection, the term, 'aggrieved employee' means an employee who has worked for the employer ordering the plant closing or mass layoff and who did not receive timely notice directly or through his representative as required by section 332.

"(b) EXCLUSIVITY OF REMEDIES.—The remedies provided for in this section shall be the exclusive remedies for any violation of this part.

"(c) DETERMINATIONS WITH RESPECT TO EMPLOYMENT LOSS.—For purposes of this section, in determining whether a plant closing or mass layoff has occurred or will occur, employment losses for 2 or more groups at a single site, each of which is less than 50 employees but which in the aggregate equal or exceed 50 employees, occurring within any 90-day period shall be considered to be a plant closing or mass layoff unless the employer demonstrates that the employment losses are the result of separate and distinct actions and causes and are not an attempt by the employer to evade the requirements of this Act.

"EXEMPTION

"SEC. 334. This part shall not apply to a plant closing or mass layoff if—

"(1) the closing or layoff is the result of the sale of part or all of an employer's business and the purchaser agrees in writing, as part of the purchase agreement, to hire substantially all of the affected employees with no more than a 6-month break in employment;

"(2) the closing or layoffs is the result of the relocation of part or all of an employer's business within a reasonable commuting distance and the employer offers to transfer substantially all of the affected employees with no more than a 6-month break in employment;

"(3) the closing is of a temporary facility or the mass layoff is as the result of the completion of a particular project and the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project; or

"(4) the closing or layoff constitutes a lockout or a strike.

"PROCEDURES IN ADDITION TO OTHER RIGHTS OF EMPLOYEES

"SEC. 335. The rights and remedies provided to employees by this part are in addition to, and not in lieu of, any other contractual or Federal statutory rights and remedies of the employees, and are not intended to alter or affect such rights and remedies.

"PROCEDURES ENCOURAGED WHERE NOT REQUIRED

"SEC. 336. It is the sense of Congress that an employer who is not required to comply with the notice requirements of section 332 should, to the extent possible, provide notice to its employees about a proposal to close a plant or permanently reduce its workforce.

"EFFECTIVE DATE

"SEC. 337. This part shall take effect on the date which is 6 months and one day after the date of enactment of this Act.

"EFFECT ON OTHER LAWS

"SEC. 338. The giving of notice pursuant to this part, if done in good faith compliance with this part, shall not constitute a violation of the National Labor Relations Act or the Railway Labor Act."

The PRESIDING OFFICER. The majority leader.

AMENDMENT NO. 438

(Purpose: To provide a substitute for the provisions on notification of plant closings and mass layoffs)

Mr. BYRD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Mr. METZENBAUM, proposes an amendment numbered 438.

On page 609, line 8, strike all after "Part" and insert in lieu thereof the following:

"B—ADVANCE NOTIFICATION OF PLANT CLOSINGS AND MASS LAYOFFS

"DEFINITIONS

"SEC. 331. As used in this part—

"(1) the term 'employer' means any business enterprise that employs—

"(A) 100 or more full-time employees; or

"(B) 100 or more employees who in the aggregate work at least 4,000 hours per week (exclusive of hours of overtime);

"(2) the term 'plant closing' means the permanent or temporary shutdown of a place of employment, or facilities or operating units within a place of employment, if the shutdown results in an employment loss at the place of employment during any 30-day period for 50 or more employees excluding any part-time or seasonal employees;

"(3) the term 'mass layoff' means a reduction in force which—

"(A) is not the result of a plant closing;

"(B) results in an employment loss at the place of employment during any 30-day period for 33 percent of the employer's employees at the place of employment (excluding any part-time or seasonal employees); and

"(C) results in an employment loss of at least 50 employees (excluding any part-time or seasonal employees);

"(4) the term 'representative' means an exclusive representative of employees within the meaning of section 9(a) and 8(f) of the National Labor Relations Act (29 U.S.C. 159(a), 158(f)) or section 2 of the Railway Labor Act (45 U.S.C. 152);

"(5) the term 'affected employees' means employees who may reasonably be expected to experience an employment loss as a consequence of a proposed plant closing or mass layoff by their employer;

"(6) the term 'employment loss' means (A) an employment termination, other than a discharge for cause, voluntary departure, or retirement, (B) a layoff of indefinite duration, (C) a layoff of definite duration exceeding 6 months, or (D) a reduction in hours of work of more than 50 percent during any 6-month period;

"(7) the term 'unit of local government' means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers;

"(8) the term 'part-time employee' means an employee who is hired to work an average of less than 15 hours per week; and

"(9) the term 'seasonal employee' means an employee who is hired for a period not to exceed 3 months per year to do work that is seasonal in nature.

"NOTICE REQUIRED BEFORE PLANT CLOSINGS AND MASS LAYOFFS

"SEC. 332. (a) NOTICE TO EMPLOYEES, STATE DISLOCATED WORKER UNITS, AND LOCAL GOVERNMENTS.—An employer shall not order a plant closing or mass layoff until the end of a 60-day period after the employer serves written notice of a proposal to issue such an order—

"(1) to each representative of the affected employees as of the time of the notice or, if there is no such representative at that time, to each affected employee; and

"(2) to the State dislocated worker unit (established under part A) and the chief elected official of the unit of local government within which such closing or layoff is to occur.

"(b) REDUCTION OF NOTIFICATION PERIOD.—(1) An employer may order the shutdown of a place of employment before the conclusion of the 60-day period if as of the time of that notice would have been required the employer was actively seeking capital or business which, if obtained, would have enabled the employer to avoid or postpone indefinitely the shutdown and the employer reasonably and in good faith believed that giving the notice required would have precluded the employer from obtaining the needed capital or business.

"(2) An employer may order a plant closing or mass layoff before the conclusion of the 60-day period if the closing or mass layoff is caused by business circumstances that were not reasonably foreseeable as of the time that notice would have been required.

"(3) An employer relying on this subsection shall give as much notice as is practicable and at that time shall give a brief statement of the basis for reducing the notification period.

"(c) EXTENSION OF LAYOFF PERIOD.—A layoff of definite duration of 6 months or less which extends beyond 6 months shall be treated as a layoff of indefinite duration unless—

"(1) the extension is caused by business circumstances (including unforeseeable changes in price or cost) not reasonably foreseeable at the time of the initial layoff; and

"(2) notice is given at the time it becomes reasonably foreseeable that the extension will be required.

"ADMINISTRATION AND ENFORCEMENT OF REQUIREMENTS

"SEC. 333. (a) CIVIL ACTIONS AGAINST EMPLOYERS.—(1) Any employer who orders a plant closing or mass layoff in violation of section 332 of this Act shall be liable to each aggrieved employee who suffers an employment loss as a result of such closing or layoff for—

"(A) back pay for each day of violation up to a maximum of one-half the number of days the employee was employed by the employer, at a rate of compensation not less than the higher of—

"(i) the average regular rate received by such employee during the last 3 years of the employee's employment, or

"(ii) the final regular rate received by such employee, and

"(B) the cost of related fringe benefits, including the cost of medical expenses incurred during the employment loss which would have been covered under medical benefits if the employment loss had not occurred.

less any earnings or related fringe benefits received by such employee from the violating employer for the period of the violation.

"(2) Any employer who violates the provisions of section 332 with respect to a unit of local government shall be subject to a civil penalty equal to $500 for each day of such violation.

"(3) The unit of local government which the employer must notify in accordance with section 332 is the unit of local government having jurisdiction over the area in which the employer is located and if there is more than one such unit, the unit of local government to which the employer pays the highest taxes for the year preceding the year for which the determination is made.

"(4) If an employer who has violated this part proves to the satisfaction of the court that the act or omission which violated this part was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of this part the court may, in its discretion, reduce the amount of the liability or penalty provided for in this section.

"(5) A person seeking to enforce such liability, including a representative of employees or a unit of local government aggrieved under paragraph (1) or (2) may sue either for such person or for other persons similarly situated, or both, in any district court of the United States for any district in which the violation is alleged to have occurred, or in which the employer transacts business.

"(6) In any such suit, the court may, in addition to any judgment awarded the plaintiff or plantiffs, allow a reasonable attorneys' fee to be paid by the defendant, together with the costs of the action.

"(7) For purposes of this subsection, the term, 'aggrieved employee' means an employee who has worked for the employer ordering the plant closing or mass layoff and who did not receive timely notice either directly or through his representative as required by section 332.

"(b) EXCLUSIVITY OF REMEDIES.—The remedies provided for in this section shall be the exclusive remedies for any violation of this part.

"(c) DETERMINATIONS WITH RESPECT TO EMPLOYMENT LOSS.—For purposes of this section, in determining whether a plant closing of mass layoff has occurred or will occur, employment losses for 2 or more groups at a single site, each of which is less than 50 employees but which in the aggregate equal or exceed 50 employees, occurring within any 90-day period shall be considered to be a plant closing of mass layoff unless the employer demonstrates that the employment losses are the result of separate and distinct actions and causes and are not an attempt by the employer to evade the requirements of this Act.

"EXEMPTION

"SEC. 334. This part shall not apply to a plant closing or mass layoff if—

"(1) the closing or layoff is the result of the sale of part or all of an employer's business and the purchaser agrees in writing, as part of the purchase agreement, to hire substantially all of the affected employees with no more than a 6-month break in employment;

"(2) the closing or layoff is the result of the relocation of part or all of an employer's business within a reasonable commuting distance and the employer offers to transfer substantially all of the affected employees with no more than a 6-month break in employment;

"(3) the closing is of a temporary facilities or the mass layoff is as the result of the completion of a particular project and the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project; or

"(4) the closing or layoff constitutes a lockout or a strike.

"PROCEDURES IN ADDITION TO OTHER RIGHTS OF EMPLOYEES

"SEC. 335. The rights and remedies provided to employees by this part are in addition to, and not in lieu of, any other contractual or Federal statutory rights and remedies of the employees, and are not intended to later or affect such rights and remedies

"PROCEDURES ENCOURAGED WHERE NOT REQUIRED

"SEC. 336. It is the sense of Congress that an employer who is not required to comply with the notice requirements of section 332 should, to the extent possible, provide notice to its employees about a proposal to close a plant or permanently reduce its workforce.

"EFFECTIVE DATE

"SEC. 337. This part shall take effect on the date which is 6 months and one day after the date of enactment of this Act.

"EFFECT ON OTHER LAWS

"SEC. 338. The giving of notice pursuant to this part, if done in good faith compliance with this part, shall not constitute a violation of the National Labor Relations Act or the Railway Labor Act.

AMENDMENT NO. 439

(Purpose: To provide a substitute for the provisions on notification of plant closings and mass layoffs)

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER (Mr. DASCHLE). The clerk will read the amendment.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. BYRD) for Mr. METZENBAUM proposes an amendment numbered 439 to Amendment No. 438:

In lieu of the matter to be inserted, insert the following:

"PART B—ADVANCE NOTIFICATION OF PLANT CLOSINGS AND MASS LAYOFFS

"DEFINITIONS

"SEC. 331. As used in this part—

"(1) the term 'employer' means any business enterprise that employs—

"(A) 100 or more full-time employees; or

"(B) 100 or more employees who in the aggregate work at least 4,000 hours per week (exclusive of hours of overtime);

"(2) the term 'plant closing' means the permanent or temporary shutdown of a place of employment, or facilities or operating units within a place of employment, if the shutdown results in an employment loss at the place of employment during any 30-day period for 50 or more employees excluding any part-time or seasonal employees:

"(3) the term 'mass layoff' means a reduction in force which—

"(A) is not the result of a plant closing:

"(B) results in an employment loss at the place of employment during any 30-day period for 33 percent of the employer's employees at the place of employment (excluding any part-time or seasonal employees); and

"(C) results in an employment loss of at least 50 employees (excluding any part-time or seasonal employees);

"(4) the term 'representative' means an exclusive representative of employees within the meaning of section 9(a) or 8(f) of the National Labor Relations Act (29 U.S.C. 159(a), 158(f)) or section 2 of the Railway Labor Act (45 U.S.C. 152);

"(5) the term 'affected employees' means employees who may reasonably be expected to experience an employment loss as a consequence of a proposed plant closing or mass layoff by their employer;

"(6) the term 'employment loss' means (A) an employment termination, other than a discharge for cause, voluntary departure, or retirement, (B) a layoff of idefinite duration, (C) a layoff of definite duration exceeding 6 months, or (D) a reduction in hours of work of more than 50 percent during any 6-month period;

"(7) the term 'unit of local government' means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers;

"(8) the term 'part-time employee' means an employee who is hired to work an average of less than 15 hours per week; and

"(9) the term 'seasonal employee' means an employee who is hired for a period not to exceed 3 months per year to do work that is seasonal in nature.

"NOTICE REQUIRED BEFORE PLANT CLOSINGS AND MASS LAYOFFS

"Sec. 332. (a) Notice to Employees, State Dislocated Worker Units, and Local Governments.—An employer shall not order a plant closing or mass layoff until the end of a 60-day period after the employer serves written notice of a proposal to issue such an order—

"(1) to each representative of the affected employees as of the time of the notice or, if there is no such representative at that time, to each affected employee; and

"(2) to the State dislocated worker unit (established under part A) and the chief elected official of the unit of local government within which such closing or layoff is to occur.

"(b) Reduction of Notification Period.—(1) An employer may order the shutdown of a place of employment before the conclusion of the 60-day period if as of the time that notice would have been required the employer was actively seeking capital or business which, if obtained, would have enabled the employer to avoid or postpone indefinitely the shutdown and the employer reasonably and in good faith believed that giving the notice required would have precluded the employer from obtaining the needed capital or business.

"(2) An employer may order a plant closing or mass layoff before the conclusion of the 60-day period if the closing or mass layoff is caused by business circumstances that were not reasonably foreseeable as of the time that notice would have been required.

"(3) An employer relying on this subsection shall give notice as is practicable and at that time shall give a brief statement of the basis for reducing the notification period.

"(c) Extension of Layoff Period.—A layoff of definite duration of 6 months or less which extends beyond 6 months shall be treated as a layoff of indefinite duration unless—

"(1) the extension is caused by business circumstances (including unforeseeable changes in price or cost) not reasonably foreseeable at the time of the initial layoff; and

"(2) notice is given at the time it becomes reasonably foreseeable that the extension will be required.

"ADMINISTRATION AND ENFORCEMENT OF REQUIREMENTS

"Sec. 333. (a) Civil Actions Against Employers.—(1) Any employer who orders a plant closing or mass layoff in violation of section 332 of this Act shall be liable to each aggrieved employee who suffers an employment loss as a result of such closing or layoff for—

"(A) back pay for each day of violation up to a maximum of one-half the number of days the employee was employed by the employer, at a rate of compensation not less than the higher of—

"(i) the average regular rate received by such employee during the last 3 years of the employee's employment, or

"(ii) the final regular rate received by such employee, and

"(B) the cost of related fringe benefits, including the cost of the medical expenses incurred during the employment loss which would have been covered under medical benefits if the employment loss had not occurred,

less any earnings or related fringe benefits received by such employee from the violating employer for the period of the violation.

"(2) Any employer who violates the provisions of section 332 with respect to a unit of local government shall be subject to a civil penalty equal to $500 for each day of such violation.

"(3) The unit of local government which the employer must notify in accordance with section 332 is the unit of local government having jurisdiction over the area in which the employer is located and if there is more than one such unit, the unit of local government to which the employer pays the highest taxes for the year preceding the year for which the determination is made.

"(4) If an employer who has violated this part proves to the satisfaction of the court that the act or omission which violated this part was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of this part of the court may, in its discretion, reduce the amount of the liability or penalty provided for in this section.

"(5) A person seeking to enforce such liability, including a representative of employees or a unit of local government aggrieved under paragraph (1) or (2) may sue either for such person or for other persons similarly situated, or both, in any district court of the United States for any district in which the violations is alleged to have occurred, or in which the employer transacts business.

"(6) In any such suit, the court may, in addition to any judgment awarded the plaintiff or plaintiffs, allow a reasonable attorneys' fee to be paid by the defendant, together with the costs of the action.

"(7) For purposes of this subsection, the term, 'aggrieved employee' means an employee who has worked for the employer ordering the plant closing or mass layoff and who did not receive timely notice either directly or through his representative as required by section 332.

"(b) Exclusivity of Remedies.—The remedies provided for in this section shall be the exclusive remedies for any violation of this part.

"(c) Determinations With Respect to Employment Loss.—For purposes of this section, in determining whether a plant closing or mass layoff has occurred or will occur, employment losses for 2 or more groups at a single site, each of which is less than 50 employees but which in the aggregate equal or exceed 50 employees, occurring within any 90-day period shall be considered to be a plant closing or mass layoff unless the employer demonstrates that the employment losses are the result of separate and distinct actions and causes and are not an attempt by the employer to evade the requirements of this Act.

"EXEMPTION

"Sec. 334. This part shall not apply to a plant closing or mass layoff if—

"(1) the closing or layoff is the result of the sale of part or all of an employer's business and the purchaser agrees in writing, as part of the purchase agreement, to hire substantially all of the affected employees with no more than a 6-month break in employment;

"(2) the closing or layoff is the result of the relocation of part or all of an employer's business within a reasonable commuting distance and the employer offers to transfer substantially all of the affected employees with no more than a 6-month break in employment;

"(3) the closing is of a temporary facility or the mass layoff is as the result of the completion of a particular project and the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project; or

"(4) the closing or layoff constitutes a lockout or a strike.

"PROCEDURES IN ADDITION TO OTHER RIGHTS OF EMPLOYEES

"Sec. 335. The rights and remedies provided to employees by this part are in addition to, and not in lieu of, any other contractual or Federal statutory rights and remedies of the employees, and are not intended to alter or affect such rights and remedies.

"PROCEDURES ENCOURAGED WHERE NOT REQUIRED

"Sec. 336. It is the sense of Congress that an employer who is not required to comply with the notice requirements of section 332 should, to the extent possible, provide notice to its employees about a proposal to close a plant or permanently reduce its workforce.

"EFFECTIVE DATE

"Sec. 337. This part shall take effect on the date which is 6 months and two days after the date of enactment of this Act.

"EFFECT ON OTHER LAWS

"Sec. 338. The giving of notice pursuant to this part, if done in good faith compliance with this part, shall not constitute a violation of the National Labor Relations Act or the Railway Labor Act.

Mr. METZENBAUM. Mr. President, the Senate Labor and Human Resources Committee, with bipartisan support, reported S. 538, the Economic Dislocation and Worker Adjustment Assistance Act. The measure, as reported, has been included as title 22 of the trade bill.

Parts A and C of title 22 provide $980 million for worker adjustment and training services administered at the Federal, State, and local levels. That is the same dollar amount requested by the Reagan administration.

Part B of the legislation requires employers to give advance notification of plant closings and mass layoffs to employees, State governments, and local governments, to permit the effective deployment of dislocation services before dislocation actually occurs.

In other words, part B provides for notices to the affected parties, the local community and the employees who will be affected by the plant closing.

Since the bill was reported by the committee, a number of Senators and business interests have indicated that they have a concern about the advance notice and information disclosure provisions in part B. In response to those concerns, I am offering the amendment at the desk. The amendment will modify the legislation as it stands before us today.

Now, make no mistake about it: This amendment that I have sent to the desk is a probusiness amendment. It is an effort to accommodate various employer concerns about the workability of the notice requirements.

We have spent many hours talking to staffs and Senators on both sides of the aisle. We listened hard; we made significant changes. Let me now tell you what those changes are, and let me make it very clear.

Let me make it very clear that changes that we have made are very, very substantial ones. I make no bones about it. Some of the supporters of this legislation did not think we ought to go as far as we have gone in making the concessions to the business community that we have made. But we made those concessions because we wanted to bring on board as many employers as we possibly could, as many Senators as we possibly could.

First of all, the amendment modifies the length of advance notice required. The present bill provides for advance notice of somewhere between 90, 120, and 180 days depending upon the number of employees affected by the plant closing or mass layoff. Concern was expressed that 90 or 180 days was simply too long. Our amendment will reduce the notice period to 60 days, not 90, not 120, not 180. And it will reduce it to 60 days regardless of the number of employees affected.

This change addresses the concern about the excessive length of the notice. At the same time it ensures an effective adjustment period.

The report by the congressional Office of Technology Assessment states that several months advance notice is necessary to establish an effective worker adjustment program.

The second significant area modified by this amendment relates to the area of coverage. There were those in the small business community who said, "This would be too difficult for us; that is something that we in a small business cannot accommodate." So we have raised the small business exemption from 50 to 100 employees. All employers with fewer than 100 full-time employees are exempt from the notice requirements.

This means that 85 percent of all American companies are exempt from the notice provisions and small business concerns have been fully addressed.

A number of Senators have expressed concern about coverage of seasonal and part-time employees by part B of the legislation. In addition, there was criticism about treating mass layoffs exactly like plant closings. We have made changes to accommodate both of those concerns.

The amendment would make it clear that seasonal employees, defined as those who do seasonal work for less than 3 months per year for a particular employer, and part-time employees, defined as those who average less than 15 hours' work per week for a particular year, are not included when determining whether or not advance notice is required.

The amendment also established a distinction between a plant closing and a mass layoff. Critics argued that notice was inappropriate for layoffs caused by cyclical changes in the economy which do not create long-term unemployment. Accordingly, the proposed change would require advance notice for a layoff only when 50 employees are being laid off and the layoff involves at least one-third of an employer's work force. This threshold assures that notice will be given only for serious layoffs signifying structural dislocation.

There is no change in the current requirement that only layoffs of indefinite duration or of definite duration exceeding 6 months are subject to notice. However, again in an effort to accommodate the business community's concerns an escape clause has been added to deal with the problem of employers who learn after a layoff begins that it will in fact extend beyond 6 months. In such a circumstance, if the layoff is extended beyond 6 months for reasons that were not reasonably foreseeable at the outset and if the employer acts in good faith by giving notice as soon as the layoff is extended, there would be no violation of the law.

The third significant area of modification is that of exceptions to and exemptions from the notice requirement. Additional exceptions and exemptions are proposed to address particular business situations. Several Senators questioned the fairness of requiring a faltering company to give notice if management fears that notice will cause the shutdown of a place of employment by driving away customers or creditors. This concern may be no more than theoretical; as a matter of fact, in both Canada and Maine, which have longstanding mandatory notice statutes, no significant problems have arisen with respect to faltering companies. Nonetheless, the theoretical concern was widespread and an exception is proposed to address the concern. Under this exception, employers who are actively seeking capital or business in order to avoid or indefinitely postpone a shutdown and who reasonably and in good faith believe that giving notice will preclude them from maintaining operations need not provide advance notice.

Part B of title 22 already exempts employers from notice requirements if the closings or layoffs were caused by sales of the business, relocations within a local community, or closings of temporary facilities or completions of particular projects. An additional exemption is now proposed if the closing or layoff constitutes a strike or lockout. Likewise, because of concerns expressed about an employer's decision to provide notice during labor negotiations, a provision is added specifying that good faith compliance with the notification provisions of part B cannot constitute a violation of Federal labor laws.

We have attempted in this amendment to take care of the situation where employees are laid off or a plant is closed by reason of a strike or a lockout, and we wanted to be certain that compliance with our bill would not in any way constitute a violation of Federal labor laws.

Finally, the amendment proposed totally eliminates the information disclosure requirement.

I know of no particular part of the bill to which there was more objection than that. There was concern expressed that you had to give too much financial information. You had to make the information available to the union, and you had to make it available to the local government representative.

That was in the bill because the union and the local government representatives could very well be attempting to find a new owner.

But several Senators expressed concern about disclosure of such information.

I might say on the other side of the coin that we heard from one of the largest investment banking houses in the country which felt that keeping the provision in was very important if they were to be helpful in finding a new owner. Notwithstanding that, we have eliminated all mention of information with this proposed change. The bill now is a simple and straightforward notice law.

To summarize, the changes contained in this amendment signify a willingness to make mandatory notice workable by responding to particular business concerns.

Having addressed myself to the changes that we have made, let me now come back to the very basic issue and that is the issue of the obligation to give notice, the rightness about giving notice to employees when you are closing down a plant.

Questions have been raised about how the Labor Committee's worker adjustment contribution to this bill affects the area of competitiveness. Well, Mr. President, competitiveness involves several elements. One of the most important is that in order to be competitive you must have a well-trained skilled workforce.

A critical aspect of a skilled workforce is the ability to adapt to change;

Like it or not, plant closings and worker disclocation are here to stay in this country;

And I am concerned we will have more of it, not less of it. So, therefore, we must do a better job of assisting those dislocated workers if we are to compete effectively into the 21st century. We have an obligation to those employees who have given of themselves, who have helped to build the plant, who have worked arduously, selflessly with vigor to make the plant successful and then we tell them that we are turning them out on the street.

But these are people who have great ability. These are good workers and what we need to do is to see to it that they just do not get dissipated into the community and wind up without jobs, or in jobs that have nothing at all to do with their abilities or their skills, and that is what the worker adjustment contribution to this package is all about.

Since 1981, over 11 million Americans have been dislocated from their jobs—one-third are still out of work;

The vast majority are responsible family breadwinners, motivated to work but looking for ways to redirect their skills, their energies, their commitment.

When we lose the productive capacities of millions of talented American men and women, we are squandering our most valuable competitive resource.

That is what the worker adjustment contribution to this package is all about;

By spending $980 million to provide timely assistance to American workers who have lost or are about to lose their jobs, we can facilitate their shift to productive employment in competitive areas of our economy.

Let me say up front, that the $980 million is one area in which the administration and the Congress are not in disagreement. The Reagan administration, the President's bill includes the same $980 million for this whole question of worker readjustment. So we are not in disagreement and we are not coming forward with some new big spending program that the President is opposed to.

Now the question then is if we are spending the $980 million in order to provide this worker readjustment and training, what does advance notice have to do with this effort? I say to you, it has everything to do with a successful effort.

There is widespread agreement among representatives of business, labor and government that advance notice is necessary for a successful worker adjustment program.

It is easier to enroll workers in adjustment programs before they lose their jobs.

It is easier to enlist unions and management as active participants before the plant or department store or other facility goes down.

With time to plan ahead, services to workers can be ready at the time of termination or even before.

Through advance notice, we avoid weeks if not months of unemployment, and save hundreds of millions of dollars in unemployment insurance costs.

For all of these reasons, it is not surprising that a very recent GAO study of dislocated worker programs commissioned by Senator BENTSEN found that programs with early intervention were twice as effective as those without such intervention.

The National Academy of Sciences reported last month that worker participation in adjustment programs is up to four times greater prior to the actual time of layoff or job loss.

Secretary Brock's task force on dislocated workers understood very clearly the importance of advance notice to our competitiveness initiative. The task force concluded that "Advance notification is an essential component of a successful [worker] adjustment program," a conclusion that also has been reached by the Conference Board.

This was the Secretary of Labor's own task force. This was the National Industrial Conference Board, this was the National Academy of Sciences all in agreement. As a matter of fact, when I heard Secretary of Labor Brock the other day on a TV program in the morning, I heard him say that workers are entitled to notice. And the Secretary had said in my office that workers are entitled to notice. The only difference is: Should it be mandatory?

Well, I would agree that maybe we would prefer not to have it mandatory. But the facts are that today in America the average amount of notice that workers are receiving when plants are closing is 7 days—7 days. Think of the cruelty, think of the hardship, think of the despair, think of the shock of working for a company 20 and 30 and 35 years and being told, "You are on the streets in 7 days."

I say that this provision is not only a matter of common decency, it is critical to the effectiveness of our billion-dollar worker adjustment effort.

I do not know why anybody would oppose this provision. I cannot understand why somebody would be opposed to giving workers 60 days. I understand when you are saying, well, small businesses cannot do that and it might cause too much of an upheaval and some few people may walk out. But how can you oppose giving 60 days notice to people who have helped you build the plant, to people who have kept you in business for years, to people who have devoted themselves to your concerns and to your efforts as a business person?

I came to the Senate having been a business person. I am a product of the free enterprise system. I understand what it means to meet a payroll. But I also understand what the obligation of employers is to their employees. I cannot tell you how pleased I am that so many organizations throughout this country have recognized the validity of this legislation, of this proposal. We have support from the U.S. Conference of Mayors; the National League of Cities; Gov. Michael Dukakis; Gov. Richard Celeste; the AFL-CIO; the Building and Construction Trades Department, AFL-CIO; the Industrial Union Department, AFL-CIO; the International Association of Machinists; the International Longshoremen's and Warehousemen's Union; the Service Employees International Union [SEIU]; the United Auto Workers [UAW]; and the United Steelworkers of America.

We also have support from community, church, and civil rights groups: The American Association of Retired Persons [AARP]; the American Baptist Church; the American Lutheran Church Association of Evangelical Lutheran Churches; the Catholic Charities, USA; the Center for Community Change; the Full Employement Action Council; the General Board of Church and Society of the United Methodist Church; the Interfaith Action for Economic Justice; Jobs USA; the Lutheran Church of America; the National Association for the Advancement of Colored People [NAACP]; the National Association of Community Action Agencies; the National Council of Churches; the National Council of Jewish Women; the National Council of La Raza; the National Farmers' Union; the National Urban League; the Office of Church in Society; United Church of Christ; the Presbyterian Church, USA, Washington, Office; A. Philip Randolph Institute; the United Methodist Church/Department of Social and Economic Justice; the U.S. Catholic Conference; the U.S. Student Association; the Women's National Democratic Club; the Youth

Service America; and the YWCA USA, National Board.

And I hope that this afternoon we will find that the overwhelming majority of the U.S. Senate agrees that workers of this country are entitled to know when their jobs are terminated and the plant closes.

Mr. KENNEDY. Mr. President, there has been much confusion surrounding the purpose and effect of the plant closing provision of our economic dislocation legislation. The requirement for advance notification is an integral and critical part of that legislation, which will provide assistance to the millions of Americans who lose their jobs because of changes in the international and domestic economy.

Consider what is at stake—nearly one-third of the 11 million workers displaced since 1981 are still without jobs. Many of those fortunate enough to have found work are in lower paying, lower skilled employment.

I listened with great interest to the Senator from Ohio's figures about the amount of notice which is being given to American workers. He mentioned that if it is a blue-collar worker it is 7 days. Now, if you take a nonunion worker it is 2 days. Two-thirds of all of those who lose their jobs had virtually no notice. Friday afternoon they go to their plant and they are told not to come back on Monday.

Now we know the issue and the question of fairness has been raised by my good friend from Ohio. But the Academy of Sciences' own study says that the cost to that individual worker and his family, their estimate is between $4,500 and $15,000 loss, out-of-pocket loss to that particular family.

So when we are talking about the burdens that are going to be placed, let us think about the burdens that are on that family. Let alone the burdens that are going to be on that local community and other businesses that are going to have to be paying unemployment insurance, taxpayers that are going to be contributing to various programs which these families will be eligible for. I think it is important, when we are talking about burdens, that we consider who are bearing the burden in America at this particular time.

These facts reflect human losses and pain, to be sure. And it is certainly only fair to give workers advance notice of impending job loss before they arrive at work one day to find their plant has been closed.

Yet advance notification is not solely, or even primarily, a piece of social legislation. Fairness is not the reason that study after study has stressed the need for advance notice. These studies urge advance notice because it is essential to a successful adjustment program. In turn, successful adjustment is essential to national competitiveness.

A society that aspires to competitiveness must begin by making sure that all working members of the society are employed in jobs that make full use of their skills and potential. A society that aspires to competitiveness cannot afford the huge social costs of paying unemployment insurance or welfare or food stamps to those who want to be and should be at work. A society that aspires to growth through rapid change and adjustment must provide the means for these adjustments to be made smoothly.

The trade deficit, the loss of manufacturing jobs, and the decline of some of our most basic industries all remind us that we live in a world where the pace of economic change is faster than ever.

If we expect a world-class work force prepared to face today's challenges, we must have the institutions and the programs to prepare and sustain this work force. This means better basic education and better training in math and science. This means better vocational training, better foreign language training, and all the educational needs addressed in other titles of the Labor Committee's contribution to this omnibus bill. But a society that wants a flexible, skilled, and mobile work force must also have an advance notification provision.

To understand why advance notice is necessary, we must begin with the recognition that times have changed for American workers. The worker who will stay with one employer for 30 years is fast becoming more the exception than the rule. Four or five career changes are becoming more prevalent.

An advance notification provision takes account of these changes. It ensures that large numbers of workers will not be displaced without warning and without planning. It provides the minimal period necessary for employment services in the various States to assist workers in making these transitions to new occupations.

We do have the absolute minimum period of time, 60 days is the minimum time; 60 days is included in the National Academy of Sciences report as a minimum time and the OTA as well. We believe that that meets the particular requirement.

The Panel on Technology of the National Academy of Sciences reviewed the statistical evidence and concluded that "advance notice of shutdowns or layoffs is associated with shorter spells of unemployment after these events."

The General Accounting Office has recently issued a study showing that adjustment programs with advance notification are twice as effective as programs where no advance notice is given.

These studies have all shown that workers are more likely to participate in adjustment planning while they are still at work.

With advance notice, a State employment service can come onto the site of an imminent closing or layoff and begin providing services to workers while they are still coming to work each day. The employment service will give counseling and discuss options for reemployment, retraining, or retirement with the affected workers. The workers will have time to absorb the shock of a job loss and to plan for a new job search or for retraining.

This blueprint for managing the redevelopment of workers contrast sharply with the plight of workers who simply find themselves on the street without a job one day. These workers are harder to reach, they tend to suffer greater psychological reaction to their job loss, and they may grab the first job that they can find in order to feed their families, even if that job squanders their skills.

Despite the widespread consensus that advance notice is essential to effective adjustment, the General Accounting Office and the Bureau of Labor Statistics have found that the vast majority of American workers receive nowhere near 2 or 3 months notice before losing their jobs.

The results are enormous social costs—the costs of unemployment compensation and other transfer payments, as well as the opportunity costs of all those unemployed and underemployed workers. A requirement for advance notice is vital to reducing these social costs and encouraging better use of our human resources.

I think it is instructive to look at the Canadian system for worker dislocation assistance.

This is the system praised by Secretary Brock's Task Force on Worker Dislocation. The task force suggested that the Canadian Industrial Adjustment Service provided a model for responding to instances of collective dismissals.

We have followed this basic approach in our legislation, which requires States to establish rapid response units with the title III JTPA funds provided to them.

These units are intended to go within a few days to the sites of closings or mass layoffs and to provide the services I mentioned a moment ago. The rapid response units will thus facilitate the most effective adjustment of workers, with the minimum period of unemployment.

Those services can only be provided if the State officials know that a closing will occur and they can move on site.

For this reason the Canadian provinces and the Canadian Federal Government have advance notice requirements working some 75 percent of the Canadian work force. I will note in passing that some of these provincial laws apply where as few as 10 to 25 workers are laid off. Our bill applies only where at least 50 workers are to lose their jobs with an employer who has at least 100 employees.

In the face of all the criticisms and all the predictions of doom that have been levelled at our notice provision, I want to draw the attention of my colleagues to the Canadian experience with notice provisions. The staff of the Office of Technology Assessment interviewed Canadian officials and Canadian businessmen. They interviewed officials of U.S.-owned businesses that have Canadian subsidiaries.

They conducted a search of the Canadian literature for the past 20 years.

And what did they conclude from this research? To quote from their staff memorandum, "neither the interviews nor the literature search revealed evidence of problems, on the part of either Canadian or American firms, in complying with advance notice requirements or customs."

The memorandum went on to report that "spokesmen for both the Canadian Government agencies and the Chamber of Commerce said that advance notice of group dismissals was not a controversial issue in Canada."

Just as advance notice works smoothly and as intended in Canada, so it can work here. The bill is carefully crafted to achieve this end while guarding against any reasonable management fears about its operation.

Since introduction of our original bill in February, Senator METZENBAUM and I have made many changes in response to concerns from some business interests, and the Senator from Ohio has reviewed those for the benefit of the Members this afternoon.

Mr. President, I will include in the RECORD the various provisions of a number of European countries which are vastly more stringent than what we have included here. Perhaps later in the debate I will use the charts that we have here.

It is also interesting, Mr. President, that one of our really important competitors today is Japan and they have a vastly more stringent notice requirement and significantly less unemployment, I might add. But vastly more stringent requirements, and I will include a brief description of both those laws in the RECORD.

We have made several changes. We have reduced the number of days of notice required for larger numbers of dismissals. We have provided a special provision to eliminate some layoffs from coverage.

We have increased the small business exemption. We have provided reasonable exceptions. We have accommodated as many concerns as we could without undermining the basic need for advance notice.

Yet we have not been met with reciprocal efforts at accommodation by the administration. The administration is so intent on disagreeing with us that they do not even seem to have read the changes we have made.

I am amazed that Secretary Brock would circulate a memo to each Member of Congress, as he did not long ago, which repeatedly criticized the requirement that employers consult with employees about planned closings. The memo said such a provision was contained in S. 538. Yet this provision was dropped in markup nearly 2 months ago, a fact that seems to have escaped the administration.

Indeed, there seems to have been a substantial amount of misunderstanding over the notice provisions of this bill. Some opponents have argued that a notification requirement has led to lower rates of employment growth in European countries than in the United States. But as this chart shows [referring to chart], the European countries in question combine their notice requirement with requirements for consultation, government control, severance pay, extensive information disclosure, and extra notice for more senior workers.

As this second chart shows [referring to chart], S. 538 contains only a notice requirement. There is no provision, for example, for the kind of government control that is exercised on a case-by-case basis in some European countries. Under this kind of regulation, the Government may come in a particular situation and extend the statutory period of notice, sometimes indefinitely. Nothing in the proposal before us contains anything remotely resembling such a requirement.

Opponents of a notice requirement conveniently omit Japan from the list of countries that have notification, information and consultation requirements. Yet I doubt there is anyone in this Chamber who would quarrel with the proposition that Japan has a low rate of unemployment and a very high rate of competitiveness.

Some opponents of this provision have suggested that we should try a system of incentives to encourage companies to provide notice, instead of requiring notice by law. But these general suggestions have not been followed with specific proposals. This is not surprising. Proponents of incentives face a harsh choice. Either they must make the incentives so generous as to cost the Government huge amounts of money.

Or, alternatively, the proponents must keep the incentives so modest that there will be little effect on business behavior.

Advance notice is a key element of an effective adjustment program, and effective adjustment of workers is essential for any U.S. competitiveness policy. Notice without well-developed adjustment programs will not accomplish our aim of placing dislocated workers in new jobs and retraining those workers for the jobs of the future.

Likewise, even the best adjustment programs without a notice requirement will fall short of achieving this end.

In closing, let me say that the notification provision in title XXII is a fair measure. But it is also a pragmatic measure. Fairness and efficiency are sometimes treated as though they are opposites—that one must be diminished as the other is increased.

We know this need not be so, and the advance notification provision is a striking example of how fairness to workers can coincide with efficiency for society. The American people recognize this, as shown in the June 22 issue of the Business Week, which reported that 86 percent of the public supports a requirement that employers give notice. I urge you to reject this ideologically driven effort to strike the notification provision from this package of competitiveness measures.

Ms. MIKULSKI. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Ms. MIKULSKI. Mr. President, I am very pleased to join him, the Senator from Ohio, and my other colleagues on the Labor and Human Resources Committee in support of the Economic Dislocation and Worker Adjustment Act component of the omnibus trade bill.

As we look at ways to respond to the changing world economy, we must take special care to do what ever we can to help ourselves. To meet the challenge of the 21st century, America must have new technology, new jobs, and a workforce trained and prepared for both. This portion of the trade bill speaks to how America can help herself meet the competitive challenge we face.

Mr. President, I have learned about plant closings and mass layoffs first hand in Maryland. In fact, one of my first official acts as a Senator-elect was to join Governor Schaefer and other members of the Maryland delegation to try to persuade Kelly-Springfield not to close its western Maryland operation. We managed to save a good portion of those Kelly-Springfield jobs and we developed a plan to help the workers whose jobs we could not save.

I have seen the devastating effect a plant closing or mass layoff has on workers, their families, and communities. Men and women who are skilled workers with years of experience suddenly find they have a skill, but no job to use it at; a family, a home and no way to provide for either one.

In this time of intense interstate and international competition American industry is rapidly changing—productivity and profit are important; but so is job security. The American work force must change to meet the needs of new industry. The American worker must be given the training and tools to change and become part of the future, but in order to do that, that worker cannot be treated like a paper bag or a styrofoam cup, just to be tossed away when it has no more immediate utilitarian value. Workers need time to retool.

For those Americans who lose their jobs and whose skills and experience belong to yesterday's industry, adjustment services are a vital link to having any future at all.

A layoff or plant closing must not be a dead end for the workers involved. We need to make certain that before the gate closes, we've built a bridge these workers can take to the jobs of the future.

This part of the trade bill is a significant effort to address a nationwide problem. By providing for notice and adjustment we give people a chance to help themselves. This part of the trade bill encourages private sector involvement which is important to make those programs work.

Mr. President, I have been in both kinds of communities, one where the private sector worked with us to give us advance notice; we could not provide jobs to meet all the needs but we sure took many giant steps to meet that.

I have been, also, in areas where they just close the door without telling any body and we know that there was a devastating effect on the family and no time to train us.

So I believe we must make public investments to generate private sector jobs. I believe that this approach benefits all of our society. I am proud to support this component of the trade bill.

I think we can be competitive, I think we can be compassionate. There does not need to be conflict between either one and I note the Senator from Illinois who was working on this——

Mr. QUAYLE. I have a parliamentary inquiry. Can one Senator yield to another? I have no objection to seeking the right to the floor. I am not going to speak. But I think we ought to follow the rules of the Senate.

Mr. SIMON. I would then, if the gentlewoman is finished, I would seek the floor.

The PRESIDING OFFICER. Has the gentlewoman yielded back her time?

Ms. MIKULSKI. I have yielded back my time. I have concluded my remarks.

The PRESIDING OFFICER. Then the Senator from Illinois is recognized.

Mr. SIMON. I thank my colleague from Indiana. I will be very brief.

Let me point out something that may be a little different aspect of it than what some of the others have discussed, and that is what this does is to protect business in this country. I say this as someone who used to be in business. One of the things that is discouraging to people who are in business is to see your unemployment insurance rates go up, not because you have unemployment but because there is unemployment elsewhere in our sector.

Whenever that unemployment goes up, every business paying unemployment insurance in any State gets socked with higher and higher bills.

So if you can have advance notice so that people can be trained, so that people can find other jobs, you reduce the cost of unemployment insurance, in addition to, obviously, reducing the cost of human tragedy and economic difficulty for many of these families.

I commend my colleague from Ohio, Senator METZENBAUM, Senator KENNEDY, and the others who have worked on this. We now exempt small businesses employing up to 100 employees from this advance notice requirement, the 90- to 100-day advance notice requirement in the original bill being back to 60 days. I think that anyone who looks at this has to come to the conclusion it just makes sense.

I tried, as some of my colleagues in the subcommittee will recall, to get some representatives of both labor and management to agree on what we would do. Unfortunately, that was not successful. But talk privately to anyone on the business side, talk privately to anyone on the labor side, and they will tell you somehow we have to work out something that gives greater protection to people and, as I indicated before, to businesses from these escalating unemployment insurance costs.

If I may quote from the task force report to the Secretary of Labor three paragraphs, they are as follows:

> Experience has also shown that the earliest notification possible leads to more effective delivery of public and private services to dislocated workers. . . .

That just makes common sense.

> The task force is in agreement with other studies that have concluded that advance notification is an essential component of a successful adjustment program. . . .
>
> It is true that a recent GAO survey indicated that in too many plant closings and permanent mass layoffs, insufficient advance notice of job loss is given to make possible an optimal private and public role in the reemployment process.

What we are about, what this bill is about, what my colleague from Indiana has been working on through the JTPA Program—and I commend my colleague from Indiana for his leadership in this—what we have all been working on in the JTPA Program is to try to reduce unemployment.

It seems fairly clear to me, and it is clear to the task force of the Secretary of Labor appointed by this administration, that advance notice is one of the ways of reducing unemployment, of making a more productive America, of reducing unemployment insurance costs.

So I urge my colleagues to support this endeavor by the Senator from Ohio and the Senator from Massachusetts. I think it is a step in the right direction. It protects people who are employed. It protects businesses from escalating unemployment insurance costs. It protects our society by giving us an opportunity to be more productive. I commend my colleagues.

Mr. President, I rise in strong support of the amendments to the Omnibus Trade and Competitiveness Act of 1987 which incorporates certain provisions of part B of S. 538, the Economic Dislocation and Worker Adjustment Assistance Act. This portion of the trade bill incorporates the worker readjustment and plant closing notification provisions. I want to discuss those changes which deal specifically with the length of the notification period for plant closing and mass layoffs.

As an original cosponsor of S. 538, the Economic Dislocation and Worker Adjustment Assistance Act of 1987, I had some concerns about the plant closing provisions. My concerns in that area have been resolved with the deletion of the "consultation" provisions in the committee reported bill. The bill now conforms, in my view, to its basic purpose—to improve the capacity of the title III, Job Training Partnership Act [JTPA] Program to respond to the increasing education, training and retraining, and job counseling/labor market services needs of dislocated workers.

A great deal of discussion in the Committee on Labor and Human Resources and in the business and labor communities has centered on the plant closing provisions. In some respects, these portions of the bill have overshadowed the critical issues of expanding and improving the delivery of services to dislocated workers. The Secretary of Labor's Task Force on Economic Adjustment and Worker Dislocation in a Competitive Society Force agreed that advance notification to employees and the community of plant closings and wide-scale permanent layoffs is good employer practice, when coupled with a comprehensive program of counseling, job search information, and training.

In a recent report the conference board noted that "both survey and interview participants note that advance notice is beneficial to employees and is an essential element in a plant-closure program," because notice facilitates greater program participation and because "a functioning plant is, perhaps, the program's single most important resoruce."

However, many manufacturers, especially small business persons have voiced their concerns that advance notification of plant closing has a harmful effect on the company and may force the company into a worse position. The decisions of the managers to increase the minimum number of employees—from 50 to 100—which will trigger coverage under the bill, will exempt smaller companies from coverage under these provisions. This represents an attempt, on the part of the managers of the bill to reach out to the small business community.

It is important to note that the Secretary's task force has found no evidence that the productivity of the work force is adversely affected during a notification period.

Let me quote briefly from the report of the Secretary's task force on the importance of advance notice:

> Experience has also shown that the earliest notification possible leads to more effective delivery of public and private services to dislocated workers. * * *
>
> The Task Force is in agreement with other studies that have concluded that advance notification is an essential component of a successful adjustment program. * * *
>
> It is true that a recent General Accounting Office survey indicated that in too many plant closing and permanent mass layoffs, insufficient advance notice of job loss is given to make possible an optimal private and public role in the reemployment process.

This bill will fully address that need.

It is clear from the above that notice is a critical ingredient in any effective rapid response program. I strongly favor notice for this reason.

The distinguished chairman of the Committee on Labor and Human Resources and my friend from Ohio who chairs the Labor Subcommittee, whom I joined in cosponsoring the original version of S. 538—have consistently sought to listen to and accommodate the concerns of those who expressed objections to the plant closing provisions of the bill. The amendment offered as a substitute for part B of the committee bill would change the notification period for plant closings and mass layoffs.

The first change would reduce the notice period to 60 days for all plant closings, regardless of the numbers of employees affected: The study by Office of Technology Assessment [OTA] agrees that this is sufficient notice, but at the same time this ensures that there be effective adjustment services given the OTA's reported data.

Second, seasonal and part-time employees are not covered under the new provisions because they are not to be counted when determining whether or not advance notice is required in a plant closing or a mass layoff.

Third, only employers that employ 100 or more employees—who work 4,000 hours per week—will be covered.

These amendments also provide that if a plant closing is due to some unforseeable reason, the 90-day advance notification is unnecessary except if the layoff includes more than 50 employees or one-third of the workforce within the plant. Under this provision, the layoff can continue beyond 6 months if there are unexpected swings in the economy which effect that certain workplace. An exemption is also proposed if the layoff constitutes a strike or a lockout.

Finally, the information and related penalty provisions have been deleted in their entirety. A Federal preemption provision is also included, ensuring that the rights and remedies provided for in the bill will supercede any and all State laws in this area.

Mr. President, I yield the floor.

Mr. QUAYLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Mr. President, let me begin this debate, which finds the Senate fairly evenly divided, by making a couple of observations.

First, the proposal for the Federal Government mandating notice and other things is something that is fundamentally wrong in the approach to seek competitiveness that we all want. If we get the Federal Government involved in this, we can go on—and I will talk later about what the objectives of the Labor Committee really are and what the objectives of this amendment really are—and we will get into a whole host of things called mandated benefits.

We will be able to point out as a fact that this plant closing legislation that we are talking about is really going to create a very anticompetitive notion and one where you will have unemployment rather than employment.

So when you start with the premise of a federally-mandated notification, you are beginning to insert the Federal Government in a place in the private sector where the private sector in this great country of ours has long enjoyed a great amount of flexibility. We are about to take away that flexibility.

What this legislation will do ultimately is to begin a very intrusive interference into the private sector and take away much of the flexibility that our businesses have enjoyed as a comparative advantage.

Does the Senator from Indiana think that businesses ought to give notice? You bet. They should. Many of them do. We ought to encourage them. I can tell you in my State many do give notice. I can think of three in Indianapolis over the last few years have given notice to their employees. I can give you an example of Fort Wayne, where we lost International Harvester, having given 2 years notice before closing down. Companies ought to give notice.

That is not the question before us. The question before us is, is the Federal Government to mandate there ought to be certain compliance with Federal law on giving notice on plant closings?

To determine whether businesses comply will be the courts. You will have lawsuits galore. You have a potential for unbelievable turmoil in the private sector.

I think even though the sponsors of the legislation have gone to great lengths of going around and talking, cajoling, and convincing the various Senators to get on board and to support this bill—and it is a watered down version—you cannot water down the mandatory notification and you cannot water down the true objective of this legislation. That is to see plants not close.

I do not like to see plants close any more than anyone else. But it is a part of our life. It is a part of our dynamic economy. It is a part of our economy that has the bad with the good. The good is that we have had 700,000 small businesses start up and the bad is that a good many of them do not make it in this very competitive environment in which we find ourselves.

What you have today, I think, first and foremost which we have to discuss, is that it is a fundamentally fatally flawed approach to competitiveness. We think that the Federal Government inserting itself into the private sector, to begin to dictate how plants are closed, to let courts make the decision on whether they have complied with that, eventually you get the closure not in the amended version. Eventually what we want to establish is that plants will not close. That is a fine, nice, esoteric viewpoint. It is one of great virtue, not to have plants close. I wish it did not happen, but it does happen and it is unfortunate.

Instead of focusing on the Federal Government getting involved and dictating how plants are going to close or not close and how the courts are going to determine whether they have complied with it, we ought to do what we attempted to do in this Labor Committee bill and that is the provision to help the dislocated workers. Nine hundred eighty million dollars will be provided for the dislocated workers—early intervention. That is where the Federal Government ought to focus its attention: How can we help those people get from one job to the next?

Now, Mr. President, what we have before us is the first of a series of amendments and pieces of legislation on the so-called labor agenda. Plant-closing notification is first. I do not know what is next, minimum health benefits, minimum wage, apparently double-breasting, dual shop. There is a whole host of issues that are on the so-called labor agenda and, quite frankly, this plant-closing legislation is absolutely irrelevant to this trade bill.

This legislation should not be on this bill, pure and simple. I can tell you that many Senators on my side have said if we are not successful in getting the plant-closing legislation extracted from this bill, we will be discussing a lot of labor issues. If this is going to be the labor bill in this Congress, so be it.

Let me just read off a couple of the amendments that potentially could be proposed: Davis-Bacon, we can go in and revisit Davis-Bacon. That is fine. We know where the votes are. It is very close. A number of amendments have been filed by the distinguished Senator from Utah [Mr. HATCH]. Let me read a couple of them. You have the violence and coercion in labor disputes, the Hobbs Act. You have an amendment that deals with no strikes during notice, no duty to bargain over decision to close, the make-whole remedy for victims of violent strikes, union disclosure to members, increased penalties for violence. There are about 50 amendments in all that have been filed by the distinguished ranking member of the Labor Committee.

There are others who have said, well, if we are in fact going to have to talk about labor's agenda on the trade bill, fine. Have at it. We will have at it. And that is perhaps where this Senate will go. It will be the Senate's determination. But I hope that Senators would ponder quite long some of the implications that we are going to get our selves into if we want to move a trade bill. I have had lots of Senators come in to me and say, "Just leave that plant closing in there. We do not like it. Make sure it gets vetoed. Give us some reason to vote against this bill."

They do not like this bill the way it is going. I am not so sure we want to. I would like to get a trade bill. I may or may not vote for final passage. I have not made that determination. But I think it is incumbent upon us to get out the language that is in fact irrelevant to the trade bill that deals with labor's agenda. We can deal with it later. We do not have to deal with it on this bill.

It is important to know the Labor and Education Committee of the House of Representatives decided not to put it on this bill. Some Senators who are former Members of the House of Representatives know the feelings of the members of the Committee on Education and Labor. They feel very strongly on this legislation. It was defeated over in the House by about 5 votes last year. But they decided because it was not relevant to the trade bill they were not going to put it on.

That was the call of the House. But not in the Senate. In the Senate the Labor and Human Resources Committee pushed this through against the objections of many Senators on that committee saying that this was not the time and not the place and that we really ought to focus on what we can establish as bipartisan support for helping the dislocated workers and not get into a divisive battle that tends to polarize the Senate.

Unfortunately, it is an issue that has not been resolved through a lot of work. Senator SIMON mentioned that he had an informal task force to try to sit down and work this out. They could not do it, they could not get the employee and employer groups, could not get labor and business to agree on this.

Bill Brock put together a very well respected task force, members of labor, members of business, that went out and searched and searched for a solution to this. They could not come up with it. As a matter of fact, their recommendation was that they could not agree on this, and therefore they ought to put it off.

So you can see there have been attempts made to see if there is any kind of a compromise and they have not been able to achieve that. We are at the stage of whether or not we want to have the Federal Government involve itself in the mandatory notification with all the encumbrances that will eventually go with it, all the lawsuits that will eventually be created, all the flexibility that will eventually be taken away from the private sector.

I heard a couple of our Senators refer to other countries that have legislation. Japan was mentioned by the chairman of the committee. Canada was mentioned by the chairman of the committee. Others have said, "Well, other countries do this, why don't we."

It is very interesting what is happening particularly in Europe because the Europeans are right now trying to get out of some of the overburdened regulatory environment of mandatory plant closing legislation because they think it stifles their competitiveness. Europe is trying to get out of some of the things that this Senate is now trying to impose on the private sector. Call it the European experience. Well, they have experienced mandatory plant closing notification and they have found that it is not terribly helpful to creating jobs, to creating opportunities, to seeing an economy become dynamic, and to see the generation of wealth and opportunity and hope for our workers. The European experience.

(Mr. CONRAD assumed the Chair.)

Mr. QUAYLE. As we stand here the parliamentary situation is rather unique because we have the so-called tree filled. The majority leader certainly has the right to do that and did it. He has the power of recognition. So we have the first-degree amendment, and then we have a substitute amendment for the text proposed to be inserted, amendment A. We have amendment B, perfecting amendment for text proposed to be inserted. We have a perfecting amendment to text proposed to be stricken out, first degree, amendment C; and amendment D, an amendment to the perfecting amendment.

I suppose you can say that since the tree is full it is very difficult to shake it, but at some time, Mr. President, this Senate will one way or another vote to strike all the plant-closing legislation. I think there is a way that at some time we will be able to have a clean vote on that, but that is not going to happen today and it will not happen for a while, perhaps. I do not know. But at some time we will be able to see where the votes are.

Now, Mr. President, I want to go back to emphasize a couple points. I think first and foremost Senators really must understand what we are doing by beginning to put all these labor bills on the trade bill.

I understand that there is an election held; and, to quote Howard Samuel, who is an AFL-CIO executive, "We control the committees and the agenda on the floor."

Well, I say that from what is happening today, he is probably right. He certainly controls the Committee on Labor and Human Resources—it passed it out—and controls the agenda on the floor, because the agenda on the floor is what we are discussing right now, which evidently is the No. 1 priority of labor. But this is not the place to discuss labor issues—on the trade bill. It is irrelevant. It is no reason to load up a very important trade bill with all these labor provisions, when people want to see a trade bill passed.

You do not think that if this labor provision would happen to stay—I hope it does not—somehow all the other labor issues, amendments, to Taft-Hartley, Davis-Bacon, and others, are not going to come up. I fully anticipate that somebody will probably offer those amendments, and we will be debating those amendments, and we will just have a debate, and unfortunately we will turn the trade bill into the labor bill.

They said, "We control the committees and we control the agenda on the floor." Evidently, they want to have that debate.

We are not successful in wiping all this out. We are not successful in getting plant closing legislation off, and I suppose we will have the debate. I think everyone ought to know that by keeping this legislation in, there are strong grounds for a veto. It will be vetoed. The Secretary of Labor and the President have said time and time again that if there is to be mandatory notification, inserting the Government into the workplace and having the courts determine how businesses are going to close, rather than the free enterprise system, it would be vetoed.

I confess that there are some on our side who say: "Dan Quayle, why don't you just leave it in? We don't want this bill anyway. Just leave it in. Let them have it as bad as possible, because that makes it a lot easier for us to vote against the bill and makes it a lot easier for the President to veto it."

There is no doubt in my mind that more than two-thirds would sustain the veto if this provision is in it, that the Federal Government is going to mandate plant closing legislation. That is going to happen.

I cannot stress enough that those who really want to have a bill—maybe they agree with this Metzenbaum amendment. I think it is Metzenbaum 7 or 8. It has gone through a lot of revisions. As a matter of fact, I think my staff has lost track as to whether it is 7, 8, or 9. Anyway, whatever revision this is, this provision is certainly grounds for a veto. So I think there are some who may want to support plant closing.

There are other times during this year, I am sure, when there is no problem whatsoever for the Labor Committee to report a clean bill on plant closing notification. They could bring a bill to the floor and the majority leader could call it up and we would have at it. That is what the House of Representatives is going to do—sort of have at it, see where the votes are, see where the discussion is.

So I say to those who perhaps support plant closing notification by the Federal Government that they should think about that as a possibility; because I think that if you keep it on this bill, you are inviting a very chaotic and perhaps inconclusive decision as to where we are going to go on this trade bill. There is the power of cloture and things of that sort, but the Senate is very evenly divided on this issue. I do not think there is any doubt that it will be within a few votes.

Mr. President, let me go through what really are some of the goals of this particular amendment or amendments that are now pending with the tree being full.

The goals are, first and foremost, that they want to keep plants open. Well, I will confess, as I said, that nobody likes plants to close. As a matter of fact, I do not attend plant closings in my State. Maybe some other Senators do. I go to plant openings. That is where I like to be seen. As for plant closings, try to take care of dislocated workers, try to ease the transition. It is a tough situation. Many will have to change jobs. Families are dependent upon them. It is a personal tragedy when someone loses a job—particularly when it is your job.

Let us focus for a moment on whether this legislation is really going to help those people who want a job. If you look at the European experiment with plant closing legislation, I can guarantee that this is a net job loser; that, in effect, when you begin to have the Federal Government marching into the private sector, saying how plants are going to close, making that closing dependent on how the courts are going to determine whether they comply with all the laws and regulations and all that stuff, you have created a job loser.

The important point is, Mr. President, that the United States of America and the way we conduct our private enterprise system and the way we go about producing jobs and the generation of opportunities and the creation of capital is the envy of the world. Now, for some strange reason, supporters of this amendment want to say: "Let's do it like everybody else. Let's do it like Canada. Let's do it like Japan. Let's do it like Europe. Other industrialized nations have mandatory notification, why should we not?"

Well, why should we not? Because you ought to look at what the results have been when the Federal Government starts to involve itself in these areas. The results are job losses, not job increases. There is no doubt that the intent of the legislation is basically to keep plants open. That is the goal of the supporters. They testified before our committee. They said that they wanted to make plants stay open. Let me quote where they are really coming from.

Tom Donohue is the secretary-treasurer of the AFL-CIO. He appeared before the Senate Labor Committee this year and he said, speaking about advance notification:

> But even if advance notice and consultation help save just 10 percent of the jobs lost every year through closings or mass layoffs, we would still be saving 300,000 jobs annually.

Let me read that again because it is instructive of where they think plant closing legislation is going to go.

> But even if advance notice and consultation—

I think it is very important that the word "consultation" be included in this because this is the objective of those who are supporting or those who testified before the committee they want to have consultation. Maybe it is not politically possible to get consultation this year. But what is consultation? Consultation is this: That the employers will have to and will be forced to disclose all their financial records, according to the original bill, 3 years back, all their projections in the future. If they do not have a plan on how they are going to get rid of capital assets, they have to get a plan, and then what they want is to sit down and have mandatory consultations about closing the plant, which means to the effect, as Mr. Donohue correctly points out, that by having this mandatory notice and by having mandatory consultation we will prevent plants from closing.

Some may stand up and cheer. It is a very sad day when a plant closes in my State or the State of Rhode Island or the State of Michigan. Unfortunately we have too many of them.

But if we start saying that you are going to have mandatory notice, that the courts are going to make that determination eventually get into disclosure and then to have the mandatory consultations that is precisely the road to economic disaster. That is the contention and that is the objective that many want to have.

I understand the political parameters that have been involved in this particular bill. The Labor Committee reported out a bill. The Labor Committee reports out a lot of bills. This bill clearly did not have the support of the majority in the Senate. The supporters of that basically went to individual Senators and said, "What don't you like about the bill? What don't you like? What can I take out of there?" "If you take out A, B, C, I might be inclined to sponsor it."

Lo and behold, they take out A, B, C, sometimes even take out D. It is perfectly appropriate. As a matter of fact, I sort of like to look and to see what the Labor Committee report out just unravel on the floor. It does not bother me in the least. I was a severe critic of this legislation in the committee. If they went on and unraveled it on the floor that is fine.

But they are not just unraveling it on the floor because the basic premise of federally mandated notification with the objective to have consultations, that is what the promoters of this bill testified before the committee, to deny and to stop plants from closing are the objectives, pure and simple.

Let us look at the bill as reported out of the Labor and Human Resources Committee and how they go about making sure that plants are going to stay open. Let me just read this thing that is in the original committee reported bill and at least instruct the Senate what the objectives of the Labor Committee would be if they in fact could have the support on the floor and maybe some day you know they will start a little bit higher and they sort of nibble away and the proverbial nose under the tent syndrome is with us all over again.

Let me just read this duty to disclose information, and it will be back with us. It will not be on this bill. But it will be back sometime. I do not think that this legislation is going to become law. We know that. It is veto bait.

But people ought to know what are the real objectives and where we are going to go on this. The duty to disclose information:

Section 333, general. If within 30 working days of receiving a notice of proposed plant closing under section 332 and in connection with the requests for assistance under section 306(b)(4), the representative of the affected employees or the unit of government, which receives notice of a proposed plant closing, makes a request for information to the employer and the employer shall provide the following information: The most recent financial statements and the audit reports available for the past 3 years for the place of employment involved, including supporting schedules, any studies or evaluations assessing the feasibility or infeasibility of maintaining operations which the employer considered in proposing the plant closing.

Mr. JOHNSTON. Mr. President, will the Senator yield? I do not want to interrupt the train of thought.

Mr. QUAYLE. I yield for a question without losing the right to the floor.

Mr. JOHNSTON. I had a couple of questions as one of those who had not taken the position on this bill. I have two serious questions.

Mr. QUAYLE. I might say the Senator has taken a position on the bill. I am told he is a cosponsor of it.

Mr. JOHNSTON. I thought this was the Kennedy amendment on plant closing.

Mr. QUAYLE. This is the Metzenbaum amendment.

Mr. JOHNSTON. Yes, Metzenbaum-Kennedy.

Mr. QUAYLE. The substitute to his original bill.

Mr. JOHNSTON. My question is on the principal amendment.

Mr. QUAYLE. The amendment that is pending.

Mr. JOHNSTON. The Kennedy-Metzenbaum amendment on plant closings giving 60 days notice. That is not the pending business?

Mr. QUAYLE. That in about the fourth degree is the pending business.

Mr. JOHNSTON. My question is on that amendment. I think there is a second-degree amendment pending to that.

Mr. QUAYLE. Four of them.

Mr. JOHNSTON. Four. All right. As I understand, as it was given to us, the Kennedy-Metzenbaum amendment had been amended so as to exempt anything under 100 employees and bring the time down to 60 days, et cetera, and it is on that amendment that my questions are.

The predicate for my question was yesterday I had a visit from a friend from the Chamber of Commerce, for whom I have great respect and affection, who first of all said this is an anti-South amendment because companies that want to move from the North to the South would be prevented from doing so by this. And I first questioned him and I said, "Well, look, it's only 60 days." I mean, surely a 60-day notice is not going to prevent a company from moving from North to South or indeed from Shreveport, my hometown, to Singapore, which some jobs did. He said, "Yes, Senator, but this is the first step."

In effect, he was saying, while he did not admit that this bill is the toothless tiger that does not interfere with anything, that was his point, that it is a first step, that is the nose under the tent. It is the invitation to go to the conference committee.

Is that the Senator's real point here that it is what this bill will become, or is it really the present proposal that is bad?

Mr. QUAYLE. There are a number. The first and foremost objection I have is it simply does not belong on a trade bill. This is pure and simple. It is irrelevant to a trade bill. There are Senators on this side who said we are going to get in all sorts of labor issues. I think that is going to be a device of prolonged debate, Davis-Bacon, et cetera. I read off a list of amendments and then file them. That is first.

Second, what the Senator's friend from the Chamber of Commerce is hinting at is, this is the beginning down the road to having far more reaching mandatory plant closing legislation than what this particular version is, although I would say fundamentally this version of having the Federal Government establish what the rules and the criteria for closing a plant even 60 days to be determined by a court is the fear that the Senator's friend has in saying that if a plant wants to move, for example—and believe me, I do not like them moving down in the South, I do not like them moving anywhere. Unfortunately, too many in my State sometimes go South, you know, farther South than Louisiana.

What he is fearful of is if once you get through this bill with mandatory plant closing notification first and foremost with all the regulations, all the rules and the court interprets——

Mr. JOHNSTON. What regulations and rules?

Mr. QUAYLE. There are regulations and interpretations once this gets into the courts.

Mr. JOHNSTON. If it is only a 60-day notice, though, I guess my basic question is, is it that the 60-day notice is unreasonable and it is going to restrict business or is it what this bill may become?

Mr. QUAYLE. I think I said first and foremost it should not be on this trade bill.

Mr. JOHNSTON. That is not arguable.

Mr. QUAYLE. I think the real fear is that you begin to go down this process, 60-day notification, many plants do more than that. I am sure the Senator has some in his State that do a lot more than 60 days.

I have businesses in my State that have given up to 2 years' notice before they actually closed the place. As I said at the outset, should businesses give notices? You bet. But the real objection to this is that the Federal Government is going to start to decide how plants close.

Mr. JOHNSTON. When you say, "start to decide," your point is that this is only the first step, that this first step is not unreasonable, but that the second step may be?

Mr. QUAYLE. The first step. The unreasonable aspect of it is that you are now imposing for the first time—and realize, everyone says we want to do it like everybody else. We are the envy of the world, the way our dynamic free enterprise system operates. The real problem is the Federal Government, for the very first time, is going to start to describe how plants should be closed and then the courts are going to determine whether that law was complied with, which possibly means prolonged litigation, which I think your friend is very fearful of if a plant in fact wants to move.

Mr. JOHNSTON. Mr. President, my second question is this, and it relates to one of our employers in my hometown of Shreveport, AT&T, a valued company. We love the jobs and all of that. But they moved part of their telephone business to Singapore and in one fell swoop, we lost, if I recall the figure, something like 2,000 jobs overnight. Actually, this bill would not have applied to them because it was not the moving of a whole plant. It was only the moving of a part of it. But the principle is very applicable.

Mr. QUAYLE. Was it the moving of a unit?

Mr. JOHNSTON. Yes.

Mr. QUAYLE. I would imagine it was probably the moving of a unit and this bill would apply to that.

Mr. JOHNSTON. It would?

Mr. QUAYLE. Yes, a unit would apply.

Mr. JOHNSTON. In this case, they knew they were going to move. They had carefully laid their plans and then had made comments like, "We will never move," and people proceeded to build their lives around the announced plans of AT&T. One bright morning, they said, "We are going to Singapore." And to the 2,000 people: "You are out of work. If you can't pay mortgages, too bad. If you can't get retrained, too bad. And if you turned down an opportunity for a job 30 days ago, too bad. You are out of luck. We are AT&T and we have the free enterprise system of the great American Government on our side, and we are leaving and it is tough."

Now, that is the kind of hard case that calls for this Federal regulation.

To me, as one who has not yet taken a position on this, it is just not enough to say, "Well, this is the first step of Federal regulation."

Well, it may be that first little step in Federal regulation that is required because companies are sometimes completely unreasonable, completely incredible in their insensitivity to human beings who can lose their jobs without notice, notice that could have been given.

What could have been done if they had been given the 60-day notice? Oh, we might have written some letters and got a little publicity out and said, "AT&T shouldn't move to Singapore" and unemployed Americans for Singaporese, but could they not have just given us 60 days? And if they could not or if they would not or if they are unreasonable and unwilling to do that—and other companies are like that in America—why should we not have a reasonable regulation of just 60 days? After all, what can you do in court about a 60-day notice? I mean, do you think you are going to have to be tied up in litigation for 2 years about what a 60-day notice means? That is so simple, even Senators can understand that. Is that not reasonable?

Mr. QUAYLE. The question is, should AT&T have given 60 days under that type of situation, which I am not familiar with the facts? They should have given even more than 60 days. A company of that size and that stature ought to be able to give more than 60 days' notice if they are going to close down a unit. And they should—I imagine—I would have to go back and check with AT&T—I imagine in other places. I do not know what the problem was there, but I can tell you that, as a matter of fact, Western Electric in my hometown where I was born in Indianapolis, a subdivision part of AT&T at one time, before all of the courts came in, they gave 1½ years' notice before they closed. Unfortunately, they closed down the plant in Indianapolis.

Mr. JOHNSTON. They moved it to Shreveport, my hometown. And these are some of the jobs that then moved to Singapore.

Mr. QUAYLE. Well, in that case, I ought to be standing up here and championing the cause. In this case, they gave 1½ years' notice, so that would not have stopped them closing down.

I would say to my friend from Louisiana—and he already sort of answered it—this legislation would not have stopped those employees from going if they made the decision, just a basic 60 days' notification.

But what you are doing is you are saying, "Here is a bad example." Here is something that I agree should not have happened. And all of a sudden what we are going to do is say, "OK, the Federal Government is going to get into this business and start telling employers how they are going to close their plants."

And, believe me, we are not talking about just a 60-day notification.

Mr. JOHNSTON. What else are we talking about?

Mr. QUAYLE. You know full well the objectives of the people that testified in this committee were not just notice, but mandatory consultations.

Mr. JOHNSTON. Is that in the present amendment?

Mr. QUAYLE. That is not in the present amendment. But these are the supporters of plant closing legislation.

Mr. JOHNSTON. Really, that was my first question. Is that not the real concern? We are not really concerned about the 60-day notice and litigation which that might bring up and the control of the Federal Government. You are worried about consultations and getting information out of their records and all those things that were in the original bill.

Mr. QUAYLE. That is more burdensome. But I can tell you, when the Federal Government starts to decide 60, 90—we started out with 180 days, now it is down to 60; I suppose if you pick up a few more votes, it might get down to 45 or 30, maybe even less, because they want the principle. This is what the objective is. They want the principle that the Federal Government will begin to determine how plants are going to close.

That is what your friend from Louisiana, a member of the chamber of commerce, described. That is what he is very fearful of. Because this is the very beginning and it is going to be intrusive in our private sector.

We ought to learn from what I call the European experiment. I mean, they have experienced mandatory plant closing legislation. Do you know what they are trying to do now? Get out of it. What are we trying to do? Get into it.

Take your choice of what kind of economy you want, this economy or that economy.

Mr. JOHNSTON. I thank the Senator for his attention.

ORDER OF PROCEDURE

Mr. QUAYLE. Mr. President, I understand the majority leader would like me to yield the floor for a short period of time. I ask unanimous consent that, after the majority leader disposes of his business, I be recognized for further debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Indiana for his courtesy.

Mr. President, I ask unanimous consent that the business that we are about to transact not show as an interruption in the RECORD of the Senator's speech or any colloquy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I also presume that that means it will not count as two speeches; is that right? It would be just one speech?

Mr. BYRD. Yes; exactly. Sounds like a filibuster is going on. But I agree.

(Proceedings at this point relating to S. 744, the Radon Program Development Act, are printed later in today's RECORD.)

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Mr. President, in a moment I will yield the floor, but I do want to briefly conclude my thought.

What I was doing was going back to the committee bill which, as I said, at some time we will be offering an amendment somehow to get rid of the whole plant closing portion. I wanted to go through and share with the Senate the whole duty to disclose information, which is the objective of the Labor Committee.

The Labor Committee does not have the votes on the floor but they have the votes on the committee. I am on that committee. So is the Senator from Washington. He knows, too. It is usually about 11 to 5 on any serious legislation that comes before that committee. He is on the 11, and I am on the 5. When we get to the floor, it is a different situation.

I do think we have to get to this duty to disclose information, which is a very important part of plant closing legislation.

The employer shall provide the following:

"(1) The most recent financial statements and audit reports available for the past 3 years for the place of employment involved, including supporting schedules.

"(2) Any studies or evaluations assessing the feasibility or infeasibility of maintaining operations which the employer considered in proposing the plant shutdown or mass layoff.

"(3) A statement of the employer's present plans with respect to relocating the work of the facility where the employment loss is to occur and with respect to the disposition of capital assets of that facility.

The information requested in paragraph (2) need not be provided for employers providing the same services in other locations.

Once you have the information disclosed, you have a mandatory situation. As I said, the real suggestion was to keep plants from closing, a laudable objective, an objective that I wish were the case. But from the facts of life and in facing economic reality, it is not something that is terribly prudent.

At this point, I yield the floor and I will seek the floor again in my own right later on.

The PRESIDING OFFICER. The Senator from Washington.

Mr. ADAMS. Mr. President, I want to speak in support of the committee's substitute language on plant closings. It is true as the Senator from Indiana said that we have had our agreements and disagreements in committee. I think everyone should know that an enormous amount of effort has gone into trying to obtain an agreement and support from both labor and business as well as the communities involved to deal with the realities of a problem that is going on in American today. It is going on in America today substantially because of the U.S. economy moving into a global economy and many industries having to change, many industries having to close, many of them because they cannot simply make a profit at all, many of them closing for other reasons.

But this legislation which has been drafted is not an extreme piece of legislation. In fact, to many of us we thought it was going to be really noncontroversial because it is a pragmatic approach, Mr. President, to how we approach the idea of plant closings. The language does not prevent the plants from closing. There was not an ulterior motive in passing this bill. What it was for is to assist State and local governments who have lost their economic base and workers who have lost their livelihood to have some period of time to adjust.

You can argue about the number of days in advance, or you can argue about the size of the industry, but there have been cities, and it has been documented again and again in the hearings, where a plant has closed, where the entire city's economy is stopped.

We have examples of this in cities in the State of Washington, in the timber industry, for example.

What the bill is directed to do is not to try and make something that will just be a burden, but it is to help the individuals and the communities make a transition from dependence on one industry to a chance to develop an independent economic future. For communities and individuals to have a chance to make that sort of an adjustment, it is important that they have some notice of closings in advance so they can adjust as quickly as possible, both to the disaster they face and to the technological changes that are taking place in the American workplace.

I am disturbed when I hear opponents of plant closings criticize this as anticompetitive. They claim it inhibits job creation. This does just the opposite, by enabling thousands of dislocated workers to be protected and productive again by putting them back to work and allowing them to contribute to a stronger economy. By knowing in advance that a plant is closing, States, communities, and individuals can begin adjustment programs immediately.

Mr. President, some advance notice and advance planning can help retrain people for jobs that will make them taxpayers instead of tax users, independent rather than dependent on long-term unemployment compensation and social welfare support.

I believe advance notification would help eliminate both the economic and the terrible emotional costs of worker dislocation in this country.

I might suggest to some of my colleagues who are not familiar with what occurred in the State of Michigan and in the auto industry to read one of the recent books by David Halberstam, "The Reckoning," which describes the impact on workers who did not have advance notice and what those workers have gone through to try to retrain, to relocate, to fit into a new economy.

Also, at this time, as manager of the bill at this point in the debate, I want to congratulate Senators KENNEDY and METZENBAUM for offering a substitute today that has made every effort to accommodate business an community concerns. I found the committee very agreeable to meeting with the timber industry, for example, a major employer in my State, to discuss their concern about how the original bill would cause changes in the timber products industry.

I am pleased to say that adjustments were made. The new language shifts changes caused by the cyclical changes in the economy which do not create long-term unemployment, and are not considered a plant closing, if less than a third of the employees are laid off.

This is just one example of an attempt to accommodate, to make this bill work.

The committee has worked very hard to make these provisions more acceptable to the business community because we want their support.

We need to work together in the United States—business, labor, and Government—if we are to provide constructive alternatives to the difficult problem of plant closings.

I have heard the argument that plant closing notice should remain voluntary. Perhaps if notice had been given voluntarily in the past, we would not need this law.

But take just in my home State of Washington a recent Bureau of Labor Statistics analysis of mass layoff data for Washington State, found that in the 29 layoff cases studied, 59 percent of the laid-off workers did not know they would lose their job until the day they came to work, the last time.

That is a terrible thing for anyone to have happen. It is not the kind of thing that should occur.

Common decency in the work place would give notice to those who face potential long-term unemployment.

Beyond that, I find the argument of voluntary notice a little difficult to accept because if all industries are giving voluntary notice or most of them, it is hard to understand why the simple act to require them to do what they are doing would cause all of the consequences opponents suggest.

Clearly, the voluntary system is not working in the State of Washington and in many other States. I believe that our State reflects the magnitude of this problem on a nationwide level. We have a number of industries that are in distress. We have industries that are moving into the new technological age. We have some that are successful. But you cannot retrain a person for a new job in a technical industry by giving him notice on the day that he or she is told no longer come to work. That cannot be done.

What we are trying to do is to lessen the burden on social welfare services, on the unemployment compensation resources by giving people an opportunity to find another job and by having the community given the chance and the time to move toward solutions.

Advance notice of plant closings has a proven record of helping in worker adjustment, and I can point to several examples in my State alone. We have a serious problem in this country.

Mr. President, that is hurting thousands of working men and women, their families, and the communities where they live. We need to take off our idealogical blinders and realize that people are suffering. It is the role of this Government to find a way to assist them, and the way that is suggested here is that the private economy be part of assisting them and that it not be an immediate unemployment compensation social welfare problem but that companies give this advance notice.

Mr. President, to me this is the only practical and humane approach to this tragic problem. I hope my colleagues will join me in supporting these provisions. I hope the bill will be enacted and that this amendment will be voted on quickly and with serious intent and that we will be able to move forward to other provisions.

The PRESIDING OFFICER (Mr. DIXON). The Senator from Iowa.

Mr. GRASSLEY. I rise today, Mr. President, in support of the effort by the Senator from Indiana. I do not think there is any question that most, if not all, of us in this body agree that parts A and C of what was originally S. 538 that deal with worker retraining funds and demonstration projects are necessary to help revitalize many depressed segments of our economy. However, there is equally as much disagreement on part 5 regarding mandatory advanced notification of plant closings.

Those of us that oppose the mandatory notification provision have real concerns about the potential negative impact they would have on economic growth and stability. The only way an employer may order a plant closing or mass layoff before the conclusion of the required period is if the closing or layoff is caused by business circumstances that were not "reasonably foreseeable" at the time notice would have been required. Who is going to decide what reasonably forseeable is, Mr. President? We all know that lawyers and the courts are going to make this determination. Each case may have to be examined by the courts on a case-by-case basis. Mr. President, the only workers that mandatory notification will really help are the partners and employees of law firms.

Notwithstanding my opposition to mandatory notification, the job training and demonstration project provisions will, I believe, greatly strengthen America's work force and its ability to compete in the world economy. I would like to draw particular attention to the demonstration program for farmers that is included in this measure, which is long overdue.

Since last November, a task force of Republican officials representing Governors and Members of Congress met a number of times to work on an agenda for the revitalization of rural America and agriculture. Subjects such as rural economic development, farm credit, international trade, and national farm policies were discussed in great detail.

In the deliberations, one of the primary concerns identified by my Republican colleagues was the need to develop more flexible and targeted programs for the retraining and counseling of farmers and ranchers. As Senators know, in the Midwest, close to one-third of our farmers are in serious financial trouble. While some of these people will be able to remain in farming, others will have to find some other means of employment.

Current JTPA funds for dislocated workers do not adequately address the types of problems farmers are experiencing. In rural areas, outreach is much more difficult, and the types of services available are very limited. It is also difficult to qualify farmers as eligible for these services. Furthermore, these individuals are generally not eligible for such traditional forms of State and Federal assistance as unemployment compensation.

For these reasons, Senators DOLE and HARKIN joined me in introducing S. 890, the "Rural Dislocation Assistance Act." This bill targeted needed Government funds for dislocated farmers to help them retrain and reestablish themselves in the work force. With the able assistance of Senator HARKIN, who is a member of the Labor Committee, we were successful in attaching a version of S. 890 to part C of S. 538 that was reported out of the Labor Committee and has been attached to the underlying trade bill.

Mr. President, the retraining of industrial and urban dislocated workers is very important. But, addressing the unique needs of the thousands of farmers and ranchers who have been forced to seek new employment is equally as important, and it is about time Congress met these special needs.

So, although I oppose the mandatory notice provision of the bill, the retraining provisions and demonstration programs are essential additions to the omnibus trade bill before us. I am glad it appears that the Senate as a whole will be treating them in the noncontroversial fashion that they ought to be treated in, even though we are dealing with a controversial provision of S. 538.

Mr. THURMOND. Mr. President, this so-called "plant closing" proposal is a major concern to me because of the potential for extensive economic harm and employment disruption. It also raises fundamental questions regarding the appropriate roles of government and labor in the basic decisionmaking process of employers concerning the economic well-being of their businesses.

While I recognize the problems plant closings and relocations can cause, the additional problems created by inappropriate legislative solutions, such as S. 538, are too onerous.

I strongly encourage employers' voluntary efforts to provide meaningful and timely assistance to workers who lose their jobs as a result of layoffs, and to facilitate placement, readjustment, retraining, and relocation efforts. Furthermore, I support the readjustment programs and services available through the Job Training Partnership Act [JTPA] title III program. Title III provides service to thousands of dislocated workers annually. I supported the JTPA in 1982 and remain committed to the principles of public-private partnership embodied in this legislation.

Mr. President, management's ability to make judgments on workplace closings and relocations in the same manner as on other economic issues—without burdensome and unwarranted Government interference—is essential. Federal, State, or local governments' involvement in these fundamental business decisions increases regulation at a time when more flexibility and less regulation is necessary.

Often what is at stake is survival of the company. Whether attempts to survive economically center on layoffs, however reluctantly imposed; discontinuation of an unprofitable product line; or relocation of operations to another facility; such decisions are never made lightly and are always made in the interests of maintaining competitiveness. Furthermore, prenotification provisions such as those included in S. 538 could hasten the termination of an operation or become a self-fulfilling prophecy. Suppliers, creditors, key employees, and customers will adjust their relationships with the firm in a manner that may disadvantage the operation. Such prenotification may jeopardize attempts to sell the plant, attract new investments, refinance debts, merge with other companies. It also may jeopardize bids for new contracts. I am aware that exceptions to mandatory notification are provided where an employer is seeking new capital or business. However, the exception is vague. Whether an employer has met the standard will have to be decided through litigation. I do not know a single employer who will tell you that what American business needs now is more potential lawsuits.

Mr. President, mandatory prenotification—while well intentioned—is impractical in many cases. In this regard, I have a letter from Mr. J.L. Kelley, vice president of Cleveland-Cliff Inc., a natural resource company based in Cleveland, OH. While this letter was written before modifications in this bill were made, Mr. Kelley's remarks about the practical difficulties of prenotification merit the attention of this Congress.

This letter reads as follows:

MAY 4, 1987.

Hon. STROM THURMOND,
U.S. Senate,
Washington, DC.

Re: Economic Dislocation and Worker Adjustment Assistance Act—S. 538 and H.R. 1122.

DEAR SENATOR THURMOND: Cleveland-Cliffs Inc. is a natural resource company engaged principally in iron ore and coal production, oil and gas contract drilling and timber conversion. Our domestic iron ore and coal operations are linked directly to the steel industries of the United States and Canada. Similarly, the oil and gas contract drilling portion of our business is inextricably connected to the volatile oil and gas industry. Therefore, frequent fluctuations in our levels of business and employment are a way of life which we must manage as best we can for the benefit of our employees, mine owners, stockholders and customers.

Because of these business conditions we strongly oppose Title II—Advance Notification and Consultation—in S. 538 and the similar requirement of Part C in H.R. 1122.

Our principal concern with these proposed sections is that they mandate 90 to 180 day advance notice and consultation whenever plant closings, or general layoffs involving 50 or more employees are anticipated. This requirement is impractical because it forces an involved and technical government mandated process to delay and supplant rational business practices. As each plant closing or layoff is unique, both in cause and effect, broad federal legislative attempts to provide artificially managed solutions which are punitive and costly in nature severe only to reduce the employer's ability to compete in a global economy.

Our major customers, the steel and oil and gas industries determine where, when and what type of product we make. In these basic industries there is customarily a direct and immediate effect between a production level change by our customers and a similar change in our level of production and resulting employment. Moreover, especially in present times of intense foreign and domestic competition, there is no appreciable inventory buffer to stabilize employment levels. Therefore, a restrictive, nonmarket oriented notice provision, such as that proposed in these bills, would serve little purpose but to punish basic industry in particular without any real benefit to employees in the form of continued employment.

Plant closings and long-term layoffs are usually market driven and a result of basic structural changes, not decisions lightly taken by any employer. The best way to meet the challenge of these changes and the resulting dislocations is through job creation, improvement in competitiveness and preparation of workers for change through training and skills development. We believe that the notice and consultation provisions of these bills are unnecessary, harmful and unworkable in our industry and should be rejected by the Congress.

Very truly yours,

JOHN L. KELLEY.

Mr. Kelley is a vice president in charge of government relations with this company, Cleveland-Cliffs Inc.

Incidentally, Senator METZENBAUM told me this is a reliable company.

Mr. President, provisions allowing a closing before the applicable period if unforseeable circumstances arise is not satisfactory. This provision is too ambiguous. For instance, an employer may not succeed in shortening the period, where their financial resources or the resources of their parent companies would permit postponement of the closing or layoff order for the entire notice period. Even if waiting would mean financial ruin, it could be argued that ruin was foreseeable and that the notice should have been given earlier. At great expense, what is foreseeable and what is not would have to be decided through litigation.

This drain of resources into inefficent operations will not help America compete. Furthermore, the employer had better be right about whether an event was unforeseeable given the substantial liabilities and penalties authorized by the bill. Why should businesses be penalized for taking action to keep operations afloat?

To handcuff employers—delaying, impeding, sometimes effectively blocking management action—would result in industrial immobility. The result would be institutionalization of lower productivity, imbalance in our collective bargaining system, and, ultimately, loss of many jobs—some of which could have been preserved, many of which might have been relocated.

Legislation such as S. 538 would have just such results. S. 538 represents an assault on our economic system on our collective bargaining system, on our legal precedents, and on our competitive way of doing business. It is "special interest" legislation that ostensibly benefits some regions of the country in the short run. However, it also clearly disadvantages other regions of the country in the short run and all regions of the country in the long run. It puts government where government should not be—in the boardrooms of America, usurping management's prerogatives to make fundamental economic decisions regarding the well-being of their companies.

Ultimately, the issue is jobs. Plant closing legislation does not mean more jobs; it means fewer jobs.

Worker dislocation clearly is a significant problem in our country; one that needs to be addressed responsibly by all affected parties. The proposals of the Secretary of Labor's Task Force on Economic Adjustment and Worker Dislocation, as incorporated into the Reagan administration's legislative budgetary proposals, would represent a positive and effective step forward within the context of voluntary business responses. The sponsors of this legislation recognized the merit of the recommendations proposed by the task force by incorporating many of them into parts A and B of this measure. Those recommendations would not impede America's ability to compete.

Plant closing legislation would create industrial paralysis by giving vast new powers to local governments, labor unions, and nonunion employee representatives—powers that correspond to what may be their incentive to impose impediments and delay fundamental management decisionmaking that disadvantage them. Such legislation would vitiate the freedom and flexibility necessary to economic decisions that most often are made of necessity and in a time-sensitive context. Plant closing legislation would handcuff employers' efforts to maintain profitability and, ultimately, would result in additional business failures with a corresponding permanent loss of jobs.

Mr. President, there are a number of proposals being considered by Congress which would significantly add to the cost of doing business in the country. Increased minimum wages, parental leave, mandated health benefits, and high risk disease notification would be imposed on American business by pending legislation.

It would appear that Congress—not being satisfied with virtually bankrupting the Federal Government—now turns its attention to American business. We cannot, and must not, put America out of business. Accordingly, I urge other Members of this Senate to support this amendment to strike part B from this legislation.

Mr. President, I would like to present an article that appeared in the Wall Street Journal on June 30, 1987, entitled "The Democrats' European Disease." And here is the way it reads:

By the time the Senate's monstrous 1,000-page trade bill slouches to the floor for a vote, it will be carrying more than 100 amendments. Among them is a plant-closing bill sponsored by Ohio's Democratic Senator Howard Metzenbaum. Slated for a vote today or tomorrow, it would create new requirements for closing a plant in the U.S. (The senators aren't too fastidious about whether their amendments have much of anything to do with trade.) The plant-closing amendment is among a half-dozen Big Labor measures sponsored by Democrats this year. Taken together, the bills add up to a Democratic effort to infect the country with an epidemic known as the European disease.

The European disease, which has enervated Europe's economies for years, was the result of good intentions gone haywire. The European model of employment called for strict government control of the labor market in the interests of "the social good." Practically every aspect of labor-management relations had been regulated to some degree—from wages and benefits to plant operations. The result: 15 years of relatively flat job creation. Since 1970, the economies of Britain and West Germany actually have shown a net decrease in the total number of jobs; France and Italy posted only modest increases.

Unemployment among members of the European Community remains stubbornly high, with rates ranging from 9% in West Germany to almost 12% in Britain. As the accompanying chart illustrates.

And here is a picture of this chart right here. I would like to call the attention of Senators to it. I hope they will come and look at it and read that chart.

Unemployment among members of the European Community remains stubbornly high, and we must not forget that.

As this chart illustrates:

. . . The U.S. economy has been a veritable job-creation machine compared with the EC. Since 1970, the U.S. economy has produced more than 30 million net new jobs, for an increase of nearly 40%. Since the 1981 recession (which resulted in 11 million displaced workers), the U.S. economy has created some 20 million new jobs, for a net gain over this period of nine million new jobs.

Against this backdrop, the Democrats are now ready to march U.S. labor law backward into someone else's failed past.

The plant-closing bill requires employers to give three months' advance notice of closings. A "double-breasting" bill places new strictures on construction companies operating both union and nonunion shops, the bill would effectively unionize many nonunion operations and permit multisite picketing. A minimum-wage bill raises the minimum hourly scale by nearly 30%. An occupational-disease bill requires notifying employees of job-related disease risks as broadly defined by the government; employers absorb the cost of testing. Another bill expands the scope of Davis-Bacon prevailing wage laws on federal projects. A parential-leave bill, part of an emerging "mandated benefits" strategy, would require employers to provide up to nine months a year in leave to parents.

Most of these bills are rewrites of measures rejected by Congress in past sessions. The only thing that has changed is that Democrats now control the Congress. Howard Samuel, an AFL-CIO executive, said recently, "We control the committees and the agenda on the floor."

The irony in all this is that Senator Metzenbaum and his like-minded colleagues are embracing a European-like labor policy at the very time Europeans are trying to move away from it. Last month the economic policy committee of the Organization for Economic Cooperation and Development issued a report asserting that broad reforms of Europe's labor policy are needed if the EC is to spur job creation and healther economic growth. The report advocated "dynamic economies in which markets and competition [play] a wider and less contrained role." And improved "functioning of labor markets is essential to reduce joblessness and strengthen economic performance."

So the imminent vote on the Metzenbaum plant-closings bill offers an odd spectacle. While the OECD seeks now to undo the damage of 15 years of policy that has raised labor costs, decreased productivity, stifled job creation and hindered competitiveness, the Democrats are intent on imposing the same disease on the American economy. Come to think of it, the Metzenbaum plant-closing measures looks right at home in the congressional trade bill.

Mr. President, that article referred to the Democrats. I do not think by that that means all the Democrats, just those who are advocating and supporting this bill. We have a lot of very fine Democrats here, I am sure, who will oppose this bill and I predict that they will be heard from while this matter is under consideration.

Mr. President, I have a letter here from the Honorable William E. Brock, the Secretary of Labor, dated June 26, 1987, which I think stresses that any mandatory plant closing provisions would make it impossible for the President's senior advisers to recommend approval of a trade bill. So this very amendment here could kill the entire trade bill.

No substitute language, no matter how skillfully drafted, can remedy the problems that are adherent in any mandatory, across-the-board law of this kind.

I ask unanimous consent that his letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR,
SECRETARY OF LABOR,
Washington, DC, June 26, 1987.

Hon. STROM THURMOND,
U.S. Senate, Washington, DC.

DEAR STROM: During consideration of the Omnibus Trade bill, the Senate will debate mandatory Plant Closing provisions. These provisions would require businesses to provide advance notice of closings and layoffs and to disclose sensitive business information.

Substitute Plant Closing language has recently been drafted by the authors of the original provision, which attempts to address some of the many problems with these mandatory requirements.

The Administration strongly opposes both the original provisions now contained in the Trade bill and any substitute language that would impose mandatory rules, be they for advance notice or disclosure of information. *Let me stress that any mandatory plant closing provisions would make it impossible for the President's senior advisers to recommend approval of a trade bill.* No substitute language, no matter how skillfully drafted, can remedy the problems that are inherent in any mandatory, across-the-board law of this kind.

The objections I stated in my June 16 letter to you remain and cannot be satisfactorily corrected in any mandatory Plant Closing language. In short, both the original and the new substitute provisions would:

Cause the loss of jobs, not save jobs;

Cause serious economic harm if business information required to be disclosed is obtained by competitors or potential sources of support and invite a flood of law suits as employees seek to question management's interpretation of what information must be disclosed;

Bring management decisions to a standstill; even the discontinuation of a product line or an internal reorganization would be subject to question and legal challenge;

Make U.S. companies less competitive, less able to adapt to changing economic conditions.

With respect to the substitute language, the major substitute provision attempts to address the problem, cited in my previous letter, that mandatory advance notice could prevent businesses from pursuing alternatives that would allow them to stay in business. The provision is intended to allow a reduction in the notification period under certain circumstances for businesses seeking the means to avoid closing. However, the standards contained in the provision that must be met by employers to justify a reduction in the notice period are inherently vague and uncertain. I believe it would be impossible to draft a provision that would provide sufficient guidance to employers as to their obligations while at the same time covering all the situations where businesses attempting to survive would be harmed by advance notice. The effect of these vague and uncertain standards would be to invite litigation and pose a significant risk of liability to employers who attempt to rely on the provision. The risks of litigation and liability would effectively render the provision ineffective. Thus, even with this provision, I believe the mandatory advance notice requirement would prevent businesses from pursuing alternatives to closing and result in additional layoffs and closings.

Don't employees who have spent years working for a company deserve to be given advance notice of a closing or layoff? Of course they do. That is why the Administration's Worker Readjustment Assistance program contains significant incentives and rapid response capabilities which would encourage firms to provide such notice whenever they can. But the danger of trying to legislate a blanket national rule requiring such a notice is clear. It cannot be done without doing great harm to our workers' future, our ability to compete as a nation, and our entrepreneurial spirit to rejuvenate ourselves.

Painful as they are, layoffs and plant closures are an economic fact of life. We should be focusing our efforts on ways to help make worker readjustment more effective. That can only be accomplished with the cooperation and partnership of businesses. Such voluntary cooperation to seek assistance from government entities could be jeopardized by such mandatory rules that carry with them stiff penalties.

Any mandatory Plant Closing provisions are as protectionist as a tariff or a quota. They are misguided attempts to hold onto the past at the expense of preparing our workers and our businesses for the future. Make no mistake, these provisions will be used to prevent layoffs, plant closings, reorganizations, discontinuation of obsolete products, and similar business decisions—not to facilitate readjustment.

In conclusion, I reiterate that the Administration supports voluntary advance notice of plant closings whenever possible and has proposed a comprehensive Worker Readjustment program which provides the best means to ensure an effective early intervention system. We strongly oppose any mandatory requirements, be they for advanced notice, disclosure of information, or consultation, because they would not enhance worker readjustment and would result in serious harm to workers by forcing unnecessary layoffs and closings.

On June 22, I joined thirteen cabinet colleagues in advising the Senate that we will not be able to recommend that the President sign the pending legislation unless extensive improvements are made. Mandatory plant closing provisions were among the objectionable provisions enumerated in the communication.

The Office of Management and Budget advises that there is no objection to the transmittal of this report to the Congress and that enactement of any mandatory plant closing provisions would not be in accord with the program of the President.

Very truly yours,
WILLIAM E. BROCK

Mr. MATSUNAGA. Mr. President, I rise in support of the Metzenbaum amendment which would require notification of workers prior to a plant closing or major lay-off.

Mr. President, there is substantial evidence which suggests that advance notification is an absolutely essential ingredient to a successful worker adjustment program. The December 1986, "Report of the Secretary of Labor's Task Force on Economic Adjustment and Worker Dislocation" states:

> Experience also has shown that the earliest notification possible leads to more effective delivery of public and private services to dislocated workers. Delivery of public services to affected workers should begin well before shutdown or layoff, if possible.

In discussing advance notification, the report cites several important benefits, particularly the added time given to all parties—management, workers, and Government agencies—to plan and prepare for the reemployment of displaced workers. Furthermore, the report states that—

> The evidence suggests that periods of notice of only two to three weeks have negligible effects on reducing the duration of unemployment of displaced workers.

Mr. President, the pending amendment has been substantially modified in response to the concerns raised by the Senator from Indiana, Mr. QUAYLE, as well as by many business people throughout the country. The period of required advance notice has been reduced from a maximum of 180 days to a maximum of 60 days; the small employer exempted from coverage has been raised from one who employes 50 to 100 employees; no notice is required for layoffs unless at least one-third of the work force is affected; no notice is required for faltering companies trying to stay in business; seasonal and part-time workers cannot trigger notice requirements; no notice is required when closing results from a strike or a lockout; and the information disclosure requirements have been eliminated.

Mr. President, the proponents of this amendment have gone more than halfway. They have gone a long way to meet the opponents of the measure and we thought we did have a compromise proposal which could be accepted by the opponents as well.

One thing is certain, Mr. President, experience has shown that we cannot rely on the good will of every employer to give advanced notification. There are, of course, those who have been very considerate of the workers and have done more than just simply give advanced notification. But it is incumbent upon Congress to ensure that the worker adjustment services, which are authorized under law presently, can be provided in an effective manner and the only way to do this is to require advanced notification in the event of a planned business closure or major layoff.

Mr. President, I urge the adoption of the pending amendment.

I yield the floor.

Mr. BOREN. Mr. President, I have been listening with interest to the debate as it has unfolded. I hope that we will not allow this particular issue to become a partisan one. We are here talking about the national interest. We are talking about the ability of our economy to respond to great challenges which are facing us. All of us understand that the American competitive position in world markets has been severely tested in recent years. In just 4 short years we went from being the largest creditor nation internationally in the world to a net debtor nation status.

According to one report which I recently read, in 4 years, this particular generation of Americans, by continuing to import more and more into this country and with a declining ability to export into the world markets, had succeeded in wiping out the net capital accumulation internationally of four preceding generations. It is shocking and astounding to put it into that kind of perspective, that in 4 years we were able to wipe out the net capital accumulation of four generations of Americans.

Clearly, the greatest task confronting us now is to rebuild the competitive ability of our economy, to make sure that those Americans who come after us will have the opportunity to work, to be productive, to have employment opportunities, to provide a high standard of living and a good quality of life for their children and their grandchildren.

Mr. President, I am convinced that the adoption of a plant closing notice requirement, additional intrusion in a completely new way of the hand of government bureaucracy into the private sector of our economy, will end up damaging the ability of the United States to compete in the world markets. It will make us less competitive rather than more competitive. It will make our economy more rigid than it already is and less able to react to changing times and changing situations.

The proposal that we now have written into the bill, the original text, provides for 6 months of notice before any plant closing could take place.

It sets forth procedures in which all sorts of personal and private proprietorship economic information would come into the public domain. It would make it very difficult for business enterprises in this country to protect their own economic property and the details of their own internal private business procedures.

That, certainly, would harm our economy. It would also be unfair to those regions of the country that have created an economic climate that is favorable to business, where businesses want to go, where they have a chance to flourish, where the work ethic remains strong, where the tax structure is fair enough to give a new business enterprise a chance to succeed.

If this kind of law had been placed on the books 20 years ago, I know exactly what it would have done to a State like mine where over the past two decades we have had an opportunity to begin diversification of our economy by enticing new business operations and manufacturing concerns into a State where people still have a high regard for business and economic opportunity, where people believe in putting in a full day's work for a full day's pay.

If this kind of legislation had been on the books, the economic future of an area like mine would have been substantially impaired.

If we start building a wall around inefficiency in this country and we make it impossible for manufacturing concerns and other business concerns to locate where the economic climate is most favorable within this country, we will end up seeing many of those facilities close anyway, permanently, without them being moved to a new location which is more favorable to economic growth or we will end up seeing them moved, eventually, offshore, because the domestic climate will simply not be sufficient to support them.

That kind of proposal included in the original bill is one which on the face of it would inflict severe damage to our economy, would make it more difficult for us to respond to the economic challenges that we face from abroad, and more difficult for facilities in this country to locate where they have the greatest chance to improve their productivity.

It would, I am convinced, just as it has done in the Western Europe—as we look at the figures, it is clear for all to see, as the Senator from South Carolina just pointed out recently—this kind of legislation has hurt the growth of job and employment opportunity.

Whereas the United States is now employing 140 percent of its 1970 work force, Japan is at 115 percent, Britain is at 98 percent, and West Germany is at 96 percent.

Perhaps someday we will begin to learn the lessons that are clear for all to see who study the history of this kind of legislation in other economies. As the Senator from South Carolina has said, it is ironic that often just as others are leaning from their mistakes and moving to repeal unnecessary regulatory burdens on the private economic sector, we are talking about implementing those very same mistakes ourselves.

For once, let us seize the opportunity to avoid the mistakes which have clearly been made in other parts of the world. There are positive economic lessons that we can learn from countries like Japan and West Germany. Let us learn the positive lessons and let us not seek to implement the mistakes which they have made, here in the United States.

I know this proposal has been modified. We are now faced with only a 60-day notice. It is a notice that still applies to layoffs as well as to plant closings. It is a notice that still discriminates against smaller employers. For instance, a company with 21,000 employees would have to lay off 7,000 before it would be affected, whereas a company that employed 750 would only have to lay off 250 to be affected by this particular proposal.

It still is, Mr. President, I am convinced, the camel's nose under the tent. If we adopt this legislation, if we start down this wrong path, if we set this precedent of undue interference with decisions in the private sector based upon efficiency and a chance to survive, we will have attempts made to amend this year after year after year.

The 60 days will not be long enough and there will be attempts made to return it back to the 180 days; simple notice will be said not to be enough. You will have to give other groups an opportunity to buy the plant. That will mean going back to the kind of notice and the public broadcasting of confidential economic information as is contained in the original proposal.

Let us not start down that road, Mr. President. Let us not start down a road that is a fundamental departure from what has been past practice in this country of allowing economic freedom in this country to make decisions on the basis of what would allow an economic enterprise to flourish.

We need to take the burdens off the private sector that have caused our productivity to decline rather than imposing more upon them.

I go back to this point, Mr. President. All of us want to see workers treated fairly. I cannot think of any experiences in my own State where any concern for any magnitude has closed its facilities without giving notice to the workers and without trying to work with those who wanted an opportunity to either continue the employment at a company through some sort of employee purchase plan or to try to place those employees in jobs before the plant was finally closed.

It has been my experience, time and time again, and I have been called to help in many of those situations, that there has been concern for the well-being of those workers that have been affected and displaced.

I certainly support the proposals now in this bill which would provide employment service for those workers that are thrown out of work through dislocations, often caused by international economic trends over which they have no control. I support those proposals in the bill for retraining.

Mr. President, the worst thing that we can do for the workers of this country, far more damaging then failing to give them 60 days or 180 days of notice about whether or not they are going to have a job, is to take action that will cost more Americans jobs in the future.

Let us start at the beginning. Let us make sure that we have jobs for those people in this country that want to work before we start burdening that job-producing process with the kind of red tape that is going to decrease the number of jobs in the long run.

We have a notice requirement. That notice requirement will simply be used to put pressure on those who made the decision, let us say, to relocate a plant to an area where it might have a chance to survive against an import with which it is now having to compete.

Let us remember, about 75 percent of the American market, itself, is now open to import competition. We hear it so often about the need for Americans to get out and compete in the open markets in the rest of the world for American producers. The fact is that the great growth in our trade imbalance has not come from the inability of American companies to penetrate markets in other countries. The fact is that the growing element of the current trade imbalance we face is caused by the huge increase of imports that are coming into the American market and displacing American producers from our own markets here at home.

We are locked in a struggle for American producers to continue to hold their place in American markets. If we deprive American companies of the right to go into those areas and countries, it would be most productive for them, where they could have the lowest cost of production, the highest quality of production, the best ability to compete, and we will end up in the long run costing American jobs rather then preserving American jobs.

We need to allow flexibility of movement within the bounds of the United States. There are many reasons for that.

One of the reasons why we have seen some improvements in our economy in recent years is that States that previously had industries locked up within those borders, those States where the factories had been there for years, began to take them for granted. The workers who had jobs in those plants began to take those jobs for granted. They began to not work quite as hard. Other regions of the country that were trying to grow came in with new incentives, fairer tax codes to encourage industries to come to their States.

Labor records indicated that the people, given jobs in plants in those States, really wanted to work, they really wanted to produce, they were ready to get out and mix it up with producers from any part of the world, any place in the world, and they could hold their own.

And because there was healthy competition in the United States, competition between cities and States and regions for the location of industrial plants, manufacturing concerns, service industries, because there was competition between Americans for jobs, because people were ready to come out and say, "We are ready to offer you something new if you will come and give employment opportunities to our people," it caused the entire country to become more productive.

Look what has happened in the State of Massachusetts, itself. I think we can say in retrospect that the difficult economic times which they passed through in a certain period resulted in the rejuvenation of their economy. They realized they could no longer take their basic industries for granted, they could no longer take their jobs for granted, they could no longer take it for granted that companies would just stay in that region of the country and turn down a chance to move, let us say, to the sunbelt where inducements were being offered.

Mr. President, if we start building a wall around factories and plants and setting in motion bureaucratic procedures so pressures can be brought to bear to prevent companies from moving around within this country, to go where people want to work and where the leadership of those communities appreciate economic opportunity and the opportunity for jobs, the opportunity to be productive, then we are going to do away with that kind of healthy economic competition in this country that has had a very dynamic and positive impact on the ability of this country to survive as it faces international competition.

Mr. President, it is often said that for every tough problem there is a bad solution. This is a tough problem we are facing. We are seeing the dislocation of workers caused by trends in the international marketplace. They deserve an opportunity for job placement. They deserve an opportunity for training. But what they do not need and what this country does not need is another bureaucratic interference in the free enterprise system of this country that will do nothing but reduce the opportunity for millions of Americans to work in the future. Let us allow the private sector to keep the dynamism that is now there. Let us keep the healthy competition within this country that is now causing us to raise levels of productivity. Let us learn from the mistakes that have been made in Western Europe and in other parts of the world. Let us not begin down a slippery slope that is going to simply lead to more and more and more regulation on the private sector of this country until we absolutely squeeze out the dynamism, the sense of initiative, that is so necessary to revitalize our economy, to narrow that trade gap, and to face the challenge we now face in terms of international competition.

I hope my colleagues on both sides of the aisle will carefully consider what we are doing here, will carefully consider the precedents we are being asked to set.

I hope my colleagues on this side of the aisle will not allow this to become a partisan matter and will vote for what is best for the economy of this country and at the appropriate time will vote to strike the language out of this bill that would intrude bureaucracy further and unnecessarily into our economy.

Mr. QUAYLE. Will the Senator yield for a question?

Mr. BOREN. Yes.

Mr. QUAYLE. I congratulate him on his statement. I would like for him to give us his thoughts on a point he made about living in Western Europe, that we should not copy them. What was stated on this floor and in the committee was that the reason we ought to have mandatory notification for plant closing and mass layoffs is that everybody else does it. They say we are the only industralized nation that, in fact, does not have this. Western Europe has it, Canada has a good model. Japan has even more restrictive measures than the United States, and yet Japan is very, very competitive.

I would like to ask the Senator, are we not really the envy of the world, not having these hackles of the Federal Government dictating to us on when we are going to have plants close, what kind of layoffs we are going to have, rather than being like Europe, Canada, or Japan? Europe is trying to get out of it, incidentally.

Does the Senator think that what we ought to do is continue the American model which is to have that flexibility, to be able to have that decisionmaking process not vest in the Federal Government as determined by a court, but vested in the private sector where men and women who go into business are willing to risk their money, their life savings, to start up a business? Does the Senator agree that perhaps some businesses will not start up if we start down this road?

I would like to have the Senator amplify that. He made a great point on this.

Mr. BOREN. I think the Senator is absolutely right. I think there will be businesses that simply will not start. Why not learn from what others have been doing? There is a whole list of situations in which we place burdens upon ourselves in this country that others do not place upon themselves. When we are looking at other countries of the world, we see where they do so much more to encourage savings, to encourage capital formation, where they are able to get their cost of capital down. That is one of the reasons they are beating us in the international marketplace. We have failed to learn those lessons.

But where we still have one area in which we are ahead of them, where we have had more foresight than they have had, and where clearly we have had a greater growth of employment opportunity than they have because we have not burdened ourselves with these unnecessary bureaucratic institutions, let us not snatch defeat from the jaws of victory.

Here is one case where things are working. Let us not intervene and try to damage the situation where we clearly have an advantage. We are already weighted down and burdened down in this ability to compete with other countries because of the cost of capital and many other factors. Let us not put another burden on our back just because others have chosen to do so. As has been said, many of those very same countries are now looking at our example and are beginning to figure out they have made a mistake.

I do not think we can underestimate the impact on our economy, what I would call healthy competition, between areas of the country, communities, regions of the country.

Of course, it is very traumatic, and we have gone through that, unfortunately, an economic downturn in my part of the country, as the Senator well knows. It is traumatic when facilities are closed, when jobs are lost. All of us do everything we can to try to see if there is a way to keep that facility open.

Sometimes concessions are made, sometimes the workers themselves take over operations or invest their own capital in them. There are all sorts of changes that come about when threats are made to facilities. We have had situations again in my home State where sometimes when faced with this challenge, management and labor have gotten together, the whole community has gotten together with the affected industry and because of that challenge, they have been able to save the plant—not save it for 2 or 3 months or not save it for maybe a year or two, but make fundamental changes which so improve the productive capacity of that facility that it will be there in the next generation, that it will be able to compete with producers anywhere in the world.

Now, if we start trying to build a wall around facilities so that they cannot move, if we start requiring notice—and that is what this is all about—so that pressures can then be brought to bear to prevent changes in plant locations or restructuring of companies that have to be restructured if they are going to stay in business, yes, there will be cases where you might preserve a job for another 6 months, maybe you will preserve 1,000 jobs for another year, but what happens down the road if that company had been able to restructure, had been able to survive, had been able to locate itself in a part of the country where it would have the greatest possible productivity. You might end up killing off a company after a year that might grow and flourish and provide 10,000 jobs for 100 years as a result.

Now, this kind of protection for inefficiencies, protection for regional inefficiencies, discourages the dynamic in this country in which communities begin to go out and think, "What can we do to create a positive climate for economic growth in our community?"

Mr. President, that kind of thinking is healthy. That is good. It is the kind of attitude that has caused management and business to sit down together and to say to each other, "Our future is not assured unless we sit down together and figure out how to make this facility more productive."

When we start putting in rules and regulations that bring pressures to bear, make it impossible for businesses to react to those natural economic conditions, we are going to start discouraging communities from looking at what they can do to improve their economic climate. You are going to start discouraging both management and labor from sitting down together to do that and you are going to end up costing jobs and economic opportunities. So I hope that this is a path that will not be followed. I see my colleague from Oklahoma also on the floor and I do not want to take more time.

Mr. BAUCUS addressed the Chair.

Mr. QUAYLE. I ask the Senator from Oklahoma to yield for one more question.

Mr. BOREN. I will be happy to yield.

Mr. QUAYLE. This is the trade bill and I assume that the Senator from Oklahoma like others would like to see a trade bill passed and signed by the President. That is the objective. There is no doubt in my mind that this is certainly veto bait. But I wonder if the Senator could apprise the Senate of some of the real problems that we could really get ourselves into if this labor issue—it is a labor issue, not a trade issue—stays on this bill. Other Senators have come up to me and said that if we are going to have to talk about plant legislation and that legislation is going to stay in, fine, we will bring out all the labor issues. We will start talking about certain amendments to Taft-Hartley; we will start talking about Davis-Bacon. If this is going to be the vehicle for all the labor issues, and not a trade issue, then in fact we will debate the labor issues. Who knows how long we are going to be here debating all the labor issues if in fact Senators start calling up these amendments. The distinguished ranking member of the Labor and Human Resources Committee has filed 50 amendments. Many of them deal with the Hobbs Act, NLRB.

I would like to ask the Senator from Oklahoma, a member of the Finance Committee, what kind of serious jeopardy are we going to potentially put this trade bill in if we do not get rid of a labor issue that is not related to trade? I do not mind debating this issue freestanding. We could get it up and we could debate it. It is like the House of Representatives. The House of Representatives Labor and Education Committee is as stacked as it is on this side. They have the votes to do whatever they want. They do not have the votes necessarily on the floor but in the committee they do. They decided for good purposes not to put this on the trade bill. They wanted to keep it off. They wanted to keep the trade bill clean.

With this predicament in which the Senate is finding itself, with people trying to get the trade bill passed, what course of action does the Senator from Oklahoma really see if we are going to get into all these labor issues?

Mr. BOREN. Mr. President, I think the Senator from Indiana has raised legitimate concerns. I know those who are proposing this amendment are very sincere in offering it and I know they have concern for those workers who are finding themselves displaced and without employment because of the kind of shocks we are now experiencing to our economy. I have great sympathy for that. None of us like to see people go through those times of trial. I think the other provisions of the bill which aid in job placement and retraining are the right ways to address the needs of those workers and they have very legitimate needs when they are displaced through no fault of their own.

But I do think we stand in danger of jeopardizing the trade legislation if we go down this road. I think the House made the right choice. This is a matter that merits consideration. I have a viewpoint on it. Other Senators have other points of view on this particular proposal. They deserve to be heard. But I do not think this is the proper place for that hearing or for that consideration.

We are, as the Senator from Indiana has indicated, talking about trade legislation. We desperately need to do something to create a more favorable international climate for trade. We need fair trading policies for this country. We need to make sure that our industries have a chance to at least play by the same set of rules that industries in other countries are following so that we have a chance to have a fair share of the world market and a fair share of our own domestic market.

I am afraid that we will jeopardize this piece of legislation. I am aware of all the amendments that have been filed. Any one of those amendments could probably consume days of time of the Senate in terms of the controversial nature of those amendments. I hope that we would not make this trade bill the vehicle for labor proposals or other proposals of a highly controversial nature. Trade policy merits a debate all by itself. I think that is what we should be conducting without saddling it with labor amendments, I might say without saddling it with foreign policy amendments and a lot of other matters that appropriately deserve to be heard but more appropriately handled in another context.

Mr. BAUCUS and **Mr. NICKLES** addressed the Chair.

The **PRESIDING OFFICER** (Mr. REID). The Senator from Montana.

Mr. QUAYLE. Parliamentary inquiry, Mr. President. The Chair certainly can recognize who it wants. But is the Chair unaware of the informal understanding that we do go back and forth on the trade bill?

The **PRESIDING OFFICER.** The Chair recognized the Senator who first spoke for recognition.

Mr. BAUCUS. Mr. President, this amendment is a very interesting one because it essentially goes to the heart of whether, with passage of the plant closing amendment, this country is going to be more or less competitive. I think all America realizes that our country is facing a major challenge now in international competition. The fact is other countries are producing products and selling them in our markets. Some of our industries do pretty well, but a lot are not doing so well. The plant closing amendment raises a fundamental question: If it passes and is part of American law, will we as a country be more competitive or will we be less competitive?

If we go back and look at ancient civilizations in the sweep of history to current times, there is no guarantee that a country will continually grow, rise, and prosper. There is no guarantee. Look at past civilizations. Look at the Egyptians; look at the Greeks; look at the Romans; civilization that grew and flourished but then decayed and declined. Look at various countries in modern times. Look at the United Kingdom, a broad, powerful world power certainly in the 19th century, but a country that in some respects is not nearly as great and powerful today as it was then. The same is true for America. There is no guarantee that America will always grow and prosper and continue to be the No. 1 economic power of the world. Our time is going to come sometime and the real question is are we as a 200-year-old country, a 300-year-old country, a 400-, 500-, or 1,000-year-old country going to be the world's greatest economic power or not? It is a very basic, fundamental question we must face.

We all know that we are being put to the test. We are being put to the test very dearly. Our trade deficit is probably the best evidence of that. Our present trade deficit is about $160 billion. It has declined somewhat, but it is clear that the decline in our trade deficit is not nearly as great as we would like to it be. It is still very substantial.

Our current account deficit is very large, and there is no guarantee that it is going to decline, either. American savings rates are much lower than in other countries. Our fiscal deficit, our Federal budget deficit, is proportionately much higher than that of other countries. The fact is that our Federal budget deficit wipes out about two-thirds of private savings in this country.

Our capital costs are higher than in other countries. Our labor costs are higher than in other countries.

The question, therefore, is, what are we going to do as a people, if we are going to continue to grow and prosper, to be the world's greatest economic power? What this comes down to is our standard of living.

This is a trade bill. We talk about trade deficits and all kinds of things, but let us keep our eye on the ball. What we are interested in is an increase in the American real standard of living. We have not done that. Since 1979, real family incomes in America have declined. If you take family incomes, and subtract inflation, we have not been doing well since 1979. It is a problem that the American people realize and understand. They try to make mortgage payments; they try to make car payments; they try to save enough money to send kids to college and to lead decent lives.

The fact is that incomes in other countries are increasing dramatically. Since World War II, we Americans have rested on our laurels somewhat. We were the big boy on the block and have kind of taken it easy the last 40 years. We have not done the things we should have been doing. We have not invested in plant equipment as we should have. We have not invested in R&D as we should have. We have not been saving as we should have. Meanwhile, other countries have caught up with us, and some have surpassed us in some areas.

The real question is, here we are in 1987, and what are we going to do about all that? The trade bill is designed to try to remedy these problems. If we are honest with ourselves, we know that 15 percent or 20 percent of our deficit is due to foreign trade practices and 80 to 85 percent is due to our big budget deficit, lack of competitiveness of our country, and a whole host of factors. We are trying to wrestle with it the best way we can.

Now we are faced with a plant closing provision. The provision is very simple. It basically says that employers who have 100 or more employees have to give 60 days' notice that they are going to close a plant. That is all it is. This plant closing provision is radically different from earlier versions that have been introduced. Earlier versions required that the plant give its financial information to local municipalities and unions. Earlier versions also required a notice period of between 90 and 180 days. Earlier provisions did not pay as much attention to small business.

So I think the only honest question before us is: Does this hurt or help America's competitiveness? That is what we are getting at here. Those who say it hurts competitiveness point out that it is Government interference, and the Government bureaucracy should not interfere with private decisionmaking. That is a good point. Ideally, we do not want Government interference, and the less the better. This is because as human beings we want to exercise our own free will.

In addition, there are other very important concerns about mandatory notice. One concern is that employees might not be as assiduous on the job after notice is given. This is a concern. If I were a manager, the head of a plant, that would be a major concern.

Another concern is that giving additional notice to customers signals them that you are an unreliable supplier. Giving notice to competitors signals them that you are in weak financial condition. These are all concerns and they detract from competitiveness.

On the other side, many argue—certainly, proponents of the measure argue—"Look, this helps America's competitiveness, because it helps to bring management and employees closer together. There is more team work. In addition, plant closing notification enables employees to better adjust and get better control over their lives—to plan, to more freely find new jobs, to participate in retraining programs, and to do those things one has to do when one's job is no longer available."

The argument, therefore, is that mandatory notice helps productivity and competitiveness because it tends to foster better relationships between management and labor.

It we are honest about it, this is a good question, because it is not an easy question to answer. I personally believe that this plant closing amendment as it is presently drafted—60 days' notice, not 180 days, no requirement of financial information to a municipality or to the labor union—does in the long run help America's competitive position.

The bottom line for me is that it helps encourage greater teamwork between management and labor. I frankly believe, and I think all of us know, that positive reinforcement works better than negative reinforcement. If employees know they are going to be treated with respect—that they are not going to be treated as commodities, not as supplies, but as people, as human beings—they will want to do a better job than otherwise, and they will pay attention to a quality product.

If America is going to compete more aggressively in the future and meet our foreign competition, we all know that we have to pay more attention to quality of product. If there is one problem with American production historically, certainly in the last 20 or 30 years, it has been the perception among many people in the world that the quality of American products is not as good as the quality of products of some other countries. That has been a problem with automobiles.

If we are going to address the problem of quality of products, I submit that we have to address the problem of the quality of the work force and the quality of the working place. Quality of the working place relies upon a sense of participation, a sense of teamwork, and a sense of sharing.

Top management paying themselves obscene bonuses, while at the same time laying off their employees does not foster a good working relationship.

I think that if we are going to address the quality of the workplace and encourage production of better products, we need a greater sense of sharing, so that employees feel part of the organization.

Now there has been reference to other countries' practices. The results are mixed. I think it is true that the mixed market economies of Europe have some problems. That is when both management and labor unions are on the board of directors. There are some problems in Europe. I think those who say we should not emulate some of the mixed market economies in Europe are accurate. I think there are some very significant problems there.

I also think, on the other hand, that the practice of countries such as Japan can give us a lesson. We should not copy Japan, but at least we should pay some attention to how the Japanese do it.

There is a very interesting book I read about a year ago. The name of the book is "Geisha." It is a book about Japanese corporations. In that book, I was interested to read, that the goal of management for most Japanese corporations is not the greatest return to its shareholders. That is the goal of most American management—the greatest return to shareholders. Neither is it the goal of Japanese management to get the greatest rate of return on the company's assets.

What is the goal of Japanese management? The goal of Japanese management is to do whatever they have to do for the best long-term interest of its employees. Because the Japanese know that if the company pursues a policy of the best long-term interest of its employees that company will produce a superior quality product and that company will get a little extra effort out of its employees. That company will be able to compete more aggressively than other corporations who do not have that same goal.

I am not saying our American culture can copy Japanese culture. There is no way we can copy the culture of the Japanese. But I do think there are some lessons here.

Frankly, one of our forefathers had an inkling of this. He said, as our Constitution was being written, "We either hang together or we hang separately."

I think the more we in America continue this adversarial relationship between management and labor the more we are going to hang separately. The more we are at each other's throats, the more we are hurting each other. Someone once said—I think it was Lee Iaccoca about a year or two ago—we in America should be concerned with what is fair. What is fair in America with one group compared to another. But we also should be concerned with what is fair to America, what other countries are doing to us, and what we could do to help enhance our position.

It seems to me that the more we hang together as Americans, the more we work together as Americans, management and labor, then the more likely it is that we are going to compete more aggressively and do a much better job.

Mr. **QUAYLE.** Mr. President, will the Senator yield?

Mr. **BAUCUS.** In just a second.

Again, this amendment before us, it seems to me, is a very simple amendment. It does not warrant at all the parade of horribles that many on the floor have been suggesting it will cause, like the ruination of America, and so forth. It very simply says: "People are people, employees are not commodities. Employees are people. They should be treated with respect as human beings; 60 days' notice is in the first instance more respect for people as human beings and, second, is going to help America's competitive position because it is going to begin to engender and foster a healthy relationship between management and labor. This new relationship will allow workers to pay attention to quality of product and allow us to do all the things we have to do to compete more effectively."

I am happy to yield to the Senator from Indiana.

Mr. **QUAYLE.** Mr. President, let me ask the Senator a question on the cooperation, because I could not agree more with what the Senator from Montana said about it as far as getting competitiveness, that we have to have better cooperation between employer and employees.

A lot of people say, well, if we just change the trade policy we will get better competitiveness. There is something to that. Change the tax laws. Change the regulatory laws. But when you get right down to it one of the ingredients that is going to really increase productivity and competitiveness is that cooperation between employer and employee, that cooperation between business and labor, where you have labor representing the employees. I think the cooperation is a good laudable objective.

But by this amendment you are not getting cooperation. You are getting coercion. You are getting Federal Government involved in saying you will in fact do this, and we will say this today, and tomorrow we will be saying something else.

Right now many of the negotiations in collective bargaining bargain for notification. Many of them give notification. Why do we want to get away from that spirit of cooperation and insert the Federal Government and start having coercion rather than cooperation? I could not agree more with the Senator that cooperation is in fact important, but what we are really asking for by this amendment is coercion and compulsion by the Federal Government.

Mr. BAUCUS. This is the kind of question that really has no answer. In civilized societies there is cooperation among all segments of society, between the private sector as well as the public sector.

What we want is cooperation and teamwork. It is clear that we want cooperation between employers and employees. We also want cooperation between the Government and the private sector. It is in the eyes of the beholder. Some people draw the line at one spot. Others will draw the line somewhere else.

I ask myself, does this help or does this hurt America's competitive position. I believe that in the long run this is going to tend to help America's competitive position because it will give the American work force a greater sense of assurance and greater sense of respect that they will be treated like human beings and therefore they will be more inclined to produce a higher quality of product.

I spent some time thinking about this. I do not claim that I have the right answer on this. As the Senator knows, Senator CHAFEE and I along with Congressman BUDDY MACKAY and Congressman SNYDER in the House, have put together an organization called the competitiveness caucus.

We firmly believe if we are beginning to meet the competitive challenge, we have to undertake a lot of separate actions to help make ourselves more competitive.

We divide ourselves into four different areas. One is technology. Certainly America has to pay more attention to American development technology. The second area is capital costs. We have to find ways to reduce our comparative real capital costs compared to those of other countries. A third area is trade. We have to knock down some unfair foreign trade practices. But the fourth area is human resources. It is a big area that includes education and worker retraining. And I think human resources also includes finding ways to provide some incentives and encouragement so we work together as a team.

The whole spirit of our effort is the sum of the parts. I am just trying to find those ways to make all the different parts work together.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. BAUCUS. I am happy to yield.

Mr. KENNEDY. I listened with great interest to the Senator's statement and it is an excellent one, and in many respects it has stated very eloquently many of the issues that others who have been involved in this issue did not perhaps touch on at the length as did the Senator from Montana. I think it is an excellent commentary.

Does the Senator recognize that the voluntary system of notification just has not worked with regard to the 11 million workers who have lost their jobs over the period of the last 8 years? As a matter of fact, two-thirds of those who have lost their jobs who were working where there are 100 workers or more had virtually no notice whatsoever, virtually no notice whatsoever.

They leave on Friday night to come back on Monday and their job is gone. Their job is gone.

Does the Senator know that the Academy of Science has pointed out that there is not only the hardship on those particular individuals but it costs that particular family anywhere from $5,000 to $15,000, because there is no notification whatsoever?

Does the Senator realize that whether it has been the administration's own task force report or the report by the Department of Labor under this administration, whether it is the Academy of Science, whether it is OTA, all who have looked at the skills and training that are necessary for this country to be able to compete internationally have all recommended the type of approach that we are suggesting to this Senate this afternoon?

I would not have changed a word from what the Senator has spoken because he has spoken very eloquently about the importance not only of cooperation, but the relationship between employer and employee. I think he has made an excellent statement.

But does the Senator also, as a member of the Finance Committee who is looking at our competitive position, feel that one of the things we are going to have to do if we are going to be competitive internationally is to be able to provide better education and better training?

And, finally, I would ask the Senator if he is aware that the General Accounting Office has stated that with notification using the $1 billion that we have in here in terms of training, we are going to save the American taxpayers more than $300 million because we are going to reduce unemployment compensation and other transfer payments? We hear a great many people talking about the taxpayer and high taxes around here, and here we have the General Accounting Office saying you can save the American taxpayers $300 million and we hear, "Oh, no, this is regulation, this is regulation. We do not really care what happens to those workers and their families. This is the imposition of a regulation."

I just wonder whether the Senator would feel that, as someone who has spent a great deal of time on the whole question of competitiveness and what our role is going to be, would feel that at least those are arguments that ought to be considered by the Senate this afternoon.

Mr. BAUCUS. Mr. President, I think the Senator is absolutely correct. In fact, I was astounded to learn from the GAO report that the average median notice for blue-collar employees who work at plants employing over 100 employees. For white-collar workers, average notice was 14 days.

In addition to the other studies that the Senator has referred to, that was one that shocked me greatly. I was surprised there was so little notice actually given in our country.

I think the Senator is absolutely correct. I guess the fundamental questions are: Are those who are opposed to this amendment the companies which want to basically control the lives of people? Or do they want to share in the riches and spoils of American growth and development?

Our major goal is to increase our standard of living. That is what we are after here—to increase America's real standard of living for all families, all employees.

I ask: Is the American standard of living more likely to increase with notification or is it more likely to decrease with notification? I think to ask the question is to answer it. With notification, I think our standard of living is more likely to increase—because of better cooperation and increased respect. I think we should therefore adopt the amendment.

Mr. President, I yield the floor.

Mr. NICKLES. Mr. President, I rise in opposition to the amendment of the Senator from Ohio. First, I would like to respond to a few of the comments that have been made by some of those persons who are advocates of this amendment. We just heard one Senator say he is supportive of this amendment because it makes America more competitive vis-a-vis other countries. I find that to be an outlandish argument. There is no way in the world you are going to make American business competitive by imposing additional fines and penalties on American employers. There is no way you are going to make American companies or our country more competitive by opening up to multitudes of litigation which this bill does.

I heard the Senator from Montana say that the goal of American corporations is to earn the greatest percentage of return on investments. That may be textbook, but it is not true.

I happened to have been a manufacturer before coming to the Senate. I know a lot of other people in the private sector. I think if you asked those individuals who own and manage corporations, "What is your primary purpose?" I doubt that very many of them would say their primary purpose is to earn the greatest percentage of return on investments for their shareholders. Maybe some of them would. It certainly would be part of their objective, but it would not be their sole objective.

I know many employers, thousands of employers, who are operating companies, possibly at a loss, trying to keep that company open for their employees. They may lose money so they can improve the quality of their product, or they may make significant investment so they can increase their percentage of market share for the long run so it would be not only to the advantage of their shareholders but also for their employees.

I think most employers that I know are very interested in their employees. Most of the employers that I know have no objection to trying to communicate with their employees as often as possible.

Plant closings are tough, because you are talking about communicating bad news. And those companies that are going to be communicating about plant closings are in bad shape. Nobody that I know of wants to close a plant. It means, they have not been a success. It means they are losing money. They are in a difficult situation. They do not want to be there. Usually, when they are in that type of situation, they are trying to minimize their losses.

I personally, as an employer, do not have a problem. I would try to communicate with my employees and I think most employers would. But I would object strenuously to having the Federal Government say, "Well, here, Mr. Employer, if you do not do this, you are subject to an enormous amount of back pay, penalties and fines."

Mr. KENNEDY. Will the Senator yield?

Mr. NICKLES. In a moment. The Senator spoke. I have a chance to speak for a few minutes. I will be happy to yield to the Senator in a moment.

You do not help employers and you do not help competitiveness by saying, "Here is a multitude of fines." You do not help the competitiveness internationally by suggesting those type of additional penalties and bureaucracies and burdens and litigation on American industry. That makes no sense.

We have heard some other people say, "Well, maybe the legislation is better now that it has been watered down. It is not as bad as the legislation that passed out of the Labor Committee."

It may not be as bad, but it is still bad legislation. This amendment has been called plant closing legislation. The amendment proposed by the Senator from Ohio and the Senator from Massachusetts, in my opinion, is appropriately titled. I think it would close more plants. I think the net result would be a loss of jobs. I think the net result would be that you would have a lot of plants that would be closed that possibly, in other circumstances without this legislation, might not close.

You might say, "Well, how could that be? This is to keep plants open. That is the intent of the legislation." I think the results would be different for a lot of different reasons.

One, if an employer is wrestling with this decision—again, he is trying to keep a company or plant open and maybe that plant has been losing money for a long time—then he says, well, wait a minute, in 6 months, if he does not give notification prior to such and such a time, he is subject to a lot of litigation, a lot of backpay penalties, a lot of penalties per day if he did not notify the right government official. He is subject to not only pay those penalties, but also the court costs. He has opened himself up to a multitude of litigation that he has to pay for if he does not win.

If he is faced with all of that and he already has been hanging on by his fingernails, he might say, "Well, I better close this plant right now before this ridiculous piece of legislation becomes law." There is a 6-month grace period, so he has a chance. So my guess is that you would see a lot of plant closing in the first 6 months.

Then you would find a situation where the legislation before us today says, "Well, this would not come into effect if it was a sale." A lot of companies that are in difficult financial shape are looking for a white knight. They are looking for somebody to buy the company. Maybe they can no longer afford the losses they have taking month after month after month. So they are looking for another company, maybe a larger company with deeper pockets to take over. And maybe that larger company could make that firm profitable or could have the deep pockets to keep it going.

But this says that these sanctions, these penalties, the back pay and the fines, would all go into effect unless the purchaser, whoever is going to buy the company, agrees in writing as part of the purchase agreement to hire substantially all the affected employees with no more than a 6-month break in employment.

Now, think about that. Here you have a company that is losing money. The employer is looking for somebody to sell it to. Maybe he has been trying to sell it for 2 or 3 years but has had a difficult time. Maybe the industry is down and he cannot find a good buyer. He talks to his banker. His banker says. "Hold off. I think I can find somebody who can buy it and maybe we can keep the plant going."

So he works himself into this situation and, yes, he has a buyer. Somebody else says, "Yes, I will come along. I think your work force is a little bloated. I think we are going to have to have some reductions in work force to make that company survive. I will buy it."

Then he says, "Wait a minute. You cannot buy that until you give me a written agreement that you are going to maintain substantially all of the affected employees."

Then, the individual or the larger company may say, "Well, that is no deal. My company could merge with your company and, yes, you might have a reduction in work force, but we could save the plant. But if I have to keep 100 percent of the employees on, I cannot make money. I will continue losing money just like you did."

Therefore, instead of saving 60 or 70 percent of the jobs involved. you just lost 100 percent because there is no sell, nobody to buy, nobody to purchase that organization.

And so, as a net result, this legislation, instead of saving a company, instead of keeping the plant open, did just the opposite. They just closed the door to maybe the one possible merger or acquisition or sale that would have been able to keep that corporation or that plant open.

So, again, it may be well intended, but the net result would be a plant closing.

The net result would be increased layoffs. The net result would be greater unemployment.

We heard the Senator from Massachusetts say this legislation might save $300 million per year. That is hogwash. There is no way in the world that this piece of legislation, plant closing, could save $300 million or $400 million or 50 cents.

Mr. KENNEDY. Will the Senator yield since he mentioned my name?

Mr. NICKLES. I will be happy to yield.

Mr. KENNEDY. The only thing I find objectionable is misstating of our positions. Is the Senator familiar with the General Accounting Office report?

Mr. NICKLES. No; I am not.

Mr. KENNEDY. I would review the GAO report which indicated where the $300 million saving would come, if the billion dollars that was in the legislation was used in that particular way.

So, if the Senator is going to characterize my representations as hogwash, and he hasn't read the basic and fundamental document, then I characterize his statement as hogwash.

Thank you.

Mr. NICKLES. I welcome the Senator's clarification.

Mr. QUAYLE. Will the Senator yield for clarification? We are talking about two different things. The Senator from Oklahoma is talking about plant closing notification saving all this money. The Senator from Massachusetts is talking about the job retraining assistance that is in this legislation of $980 million. That issue has strong bipartisan support. It is supported by the administration.

Mr. KENNEDY. That is not what I am talking about, no.

Mr. QUAYLE. The Senators, I think, are talking past each other.

Mr. NICKLES. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. NICKLES. Thank you.

I will go back to my characterization of the plant closing amendment which we have before us today and by employer's mandate—by a government mandate that employers have to give this notification and if they do not, they are subject to thousands of dollars of fines and court costs. That is not going to save the Government a dime.

If that philosophy were true, then we could save a lot of money by passing a law that says: Corporation or plant, you can never close because we do not ever want to have any more unemployment.

If that philosophy is true, maybe that would save a lot of money, but it is not sound. There is no way by this legislation, the plant closing section—I am not talking about the retraining, I am talking about the plant closing amendment that we have before us—it would not save a dime.

The net result would be that you are going to have a lot more plants close because they would not want to be subjected to these fines and penalties. We would have a lot of plants close because they could not find a purchaser. If nobody is going to buy that plant, then that plant is going to close, because a plant that is operating at a loss can only do so for a limited time.

I happen to know. I happen to be involved in a corporation that has been in that situation.

So there is a limit. I would hate to think that we would pass under the guise or label of "we are going to protect these plants and keep them from closing," a section in this bill that would deny an untold number of purchasers the ability to buy a plant that may close.

That is exactly what is in this legislation. I think many of my colleagues are not aware of it and need to be aware of it. Heaven forbid it may become law and we will become less competitive. We will lose jobs. I hate to see that happen.

The very firms that would effect this piece of legislation are the firms today in the United States that are having the hardest time.

This is not going to affect, probably, a firm that is growing very strongly and doing very well, although it might. It may affect leaders of a large corporation who may suddenly have one section of their firm that is not doing so well. This may cause a reduction in employment sufficient enough to trigger the penalties of this legislation. Because this was a sudden move for the company owners, they did not make the notification in time and would be forced to add Government-imposed penalties to their problems.

But the companies this really affects are the struggling companies, the ones that have been losing money, probably losing a lot of money. Management has probably been wrestling with the decision of whether or not or how long they can keep this particular operation going.

When management finds out the only way to sell the company is if a purchaser will guarantee that he will keep all of the employees on board, they may well realize that his employment or labor costs are already excessive; they may realize it is just going to make it impossible for him to sell. He may just decide to close. Maybe that would satisfy the proponents of this amendment. He may make the notification but he would close the plant.

Is that not absurd? Yes, the employee got notified. Notified of closing a plant that did not have to close. So, again, this amendment would cost jobs.

I fail to see the wisdom. I hope that my colleagues will seriously consider this amendment for what it is. It is a bad piece of legislation. It does not belong on the trade bill.

Mr. President, I have a letter from a coalition of business groups stating their strong opposition to this amendment. Not only that, but their opposition to the bill as well as if this amendment becomes part of the bill or if it maintains its status as part of the bill. This coalition is signed by Business Roundtable, the Emergency Committee for American Trade, the National Association of Manufacturers, the National Foreign Trade Council, the U.S. Chamber of Commerce, and the U.S. Council for International Business.

Mr. President, I ask unanimous consent that this letter be made part of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 6, 1987.

DEAR SENATOR: We have worked with the Congress over the last two years to develop constructive trade legislation. The Senate is now considering plant closing legislation in conjunction with S. 1420, the Omnibus Trade and Competitiveness Act of 1987. Plant closing legislation is not an appropriate issue for the trade bill. Its inclusion will jeopardize passage of trade legislation which would have broad benefits for the U.S. economy. Therefore, if the Senate adopts a mandatory notice requirement for plant closings or layoffs as part of S. 1420, we could not support the bill.

Sincerely,

The Business Roundtable, the Emergency Committee for American Trade, the National Association of Manufacturers, the National Foreign Trade Council, the U.S. Chamber of Commerce, and the U.S. Council for International Business.

Mr. NICKLES. Mr. President, one final comment. It has been made by the Senator from Indiana, it has been made by others. This amendment is still part of the final bill. It will kill the trade bill. I do not know that I would lose sleep over that because I see some things in the trade bill I would like to see become law and I see a lot of things I have serious reservations about.

I know a lot of my colleagues would like to see the trade bill become law. I would like to see a responsible trade bill become law. I do not feel that this is responsible. I do feel it is a killer amendment. I do feel, for those who have been saying, day after day, we need a tough trade bill. If they vote for this amendment, they are voting to kill the trade bill.

Mr. QUAYLE. Will the Senator yield? Let me just ask the Senator a question on that point. If, in fact, this mandatory plant closing legislation—closing plants and layoffs—is still in the bill, does the Senator think that other Senators, particularly on this side of the aisle, might be inclined to say, "Well, this appears to be the vehicle for all the labor issues?" That this mandatory plant closing notification and layoffs does not belong on this bill?

If, in fact, we are going to have a debate on labor issues—not trade issues, but labor issues—have at it. Does not the Senator think that there are going to be a lot of people to say, Well, OK, we will talk about plant closing. How about Davis-Bacon? How about the Hobbs Act? How about a few little amendments to the National Labor Relations Board? How about a few other labor issues that perhaps this side would like to see debated rather than that side?

Does the Senator think that is a potential problem, for those who want to see a trade bill passed?

Mr. NICKLES. I appreciate the Senator's comment. I would agree with him wholeheartedly when we are trying to pass a trade bill that supposedly is going to make us more competitive with our foreign competitors, this is exactly the wrong thing to do.

This labor legislation does not belong in this bill and the Senator is also correct that a lot of us have some interest in trying to make America more competitive and maybe repeal of

Davis-Bacon would make American industry more competitive.

Maybe the Federal Government should not be mandating wage rates that are far in excess of what is really pervading, so possibly we should be considering legislation like that or possibly we should look at the Hobbs Act or other pieces of legislation that would in effect make America more competitive.

It would be a lot more germane than this type of legislation that imposes a lot of additional regulation, redtape, fines, penalties, litigation; all that is entailed to make America less competitive. It does not fit. I think it seriously jeopardizes this bill and this amendment, by the Senator from Ohio who took my place as chairman of the Labor Subcommittee—and he has my condolences for that. It should not be part of the trade bill.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, we have $1 billion in here for retraining; $1 billion of American taxpayers' money in here for retraining. All we are going to say is if you are going to spend that on retraining, make sure that it is going to be effective; make sure it is going to be efficient; make sure that it is going to be the kind of training that is going to ensure that the workers in America are going to get the best kind of training, best kind of information so they can become competitive.

We are following, as we mentioned earlier, the recommendations of the various kinds of groups that have been appointed both within this administration and outside of it that say that this is at least one of the ways that that can be achieved.

It is absolutely relevant to the whole thrust and purpose of this legislation. I would be glad to yield.

Mr. NICKLES. Would the Senator yield for a question? And I appreciate the Senator's comments. So the Senator is saying there are $989 million for job retraining?

Mr. KENNEDY. Yes.

Mr. NICKLES. The Senator and I also engaged in a little discussion concerning $300 million. I made the statement that I do not feel in any way that this plant closing amendment could be talking in any way, shape, or form about $300 million in savings.

Was the Senator alluding to possible savings—if the $980 million for job retraining goes into effect—that that might reduce unemployment, et cetera? Not so much the section that deals with plant notification?

Mr. KENNEDY. No. The point that I was making is that if you use the $900 million in accordance with the notification provisions, the GAO and the OTA studies report that as a result of additional kinds of notifications you will reduce the unemployment by about a quarter of those who would be made unemployed, and that that reduction by a quarter effectively results in the savings of $300 million because of reduced unemployment that is going to be expended at the Federal and State level, and a reduction in the terms of the drain on transfer payments. That is the point I was making.

Mr. NICKLES. I appreciate the Senator's clarification. Where you are talking about savings, I guess now you are saving a combination between the $900 million for job retraining and you are also including this as part of it. Would the Senator agree with me that by the Federal Government mandating a notification of termination that that is not going to save any money, and, if the Senator's thought process says that it would, why not just write a law that says no plants shall close and, therefore, we will save a lot of money?

Mr. KENNEDY. Because the fact that remains is when you provide notification you get the opportunities for training programs during the last 60 days and a greater opportunity for job searches. You reduce the time that individuals are actually unemployed because they hopefully move from the time that they are going to be unemployed by one plant to being employed by another plant.

To the extent that you reduce that time, not only do you reduce dramatically the personal loss to that working family, which has been estimated to range from $4,500 to $15,000, but you reduce the amount of unemployment insurance and transfer payments. They are paid in by the American taxpayer.

Therefore, the result is the best estimate with regard to this $1 billion, used in accordance with plant notification, means that you will reduce that kind of a drain with regard to the individuals who will be retrained by this $1 billion. That is not an insignificant amount of money.

We think that the Canadian study certainly supports that. The Canadian economy is very similar to ours. There are a number of different American subsidiaries in Canada who are affected by this kind of a process. We have found that in the various studies and reviews talking about the Canadian businessmen that this is a nonissue, that all of these arguments, this hysteria that we are hearing on the floor this afternoon, just are not so where it is being used.

Mr. NICKLES. How does the Senator respond to my comments or allegations that if here you have an employer and let us say he has 1,000 employees but he has been losing a lot of money year after year? Maybe it is a privately held corporation, but he has been losing money. He needs somebody maybe a litte bigger to come in, maybe somebody who has a kind of similar product and maybe it is a competitor. The possibility, if they could merge, is that maybe both plants could continue. But as it is he cannot continue his operation.

The legislation before us says these requirements can only be waived in a sale if that purchaser will agree in writing, as part of the purchase agreement, to hire substantially all the affected employees.

That merger or that purchaser may say, "Well, I would like to buy your company, but I can only do it with maybe a reduction in the work force of 20 percent."

This legislation is going to prohibit that merger, is going to prohibit that sale, and it is going to cost jobs.

Mr. KENNEDY. The fact is we can all imagine red herrings out here and try to spell out a particular kind of condition, which the Senator evidently is attempting to do. But the fact remains that where this kind of a program is in effect, and the various reviews and studies of it, they do not come to the same conclusion as the Senator from Oklahoma. Quite to the contrary.

> IAS EXPERIENCE.—The IAS does not regard premature closings after notice as a significant problem. An official of the national office of the IAS told OTA that it was rare for a closing or layoff to occur ahead of the initially announced time, and that he had never heard anyone raise this as a problem before. IAS officials in Ontario and Nova Scotia also told OTA that this occurs infrequently and that companies usually stay on schedule. It is very rare for a premature closing to occur because of IAS placement efforts. To guard against the possibility that not enough key people will be left to keep the plant open, the IAS consultant and the joint committee try to coordinate the intensity of their efforts to place key people with the closing date; some companies provide incentives to keep key people on.

This has not been a problem, I say to the Senator. He may think it is and I do not question his good faith on it, but I think that the evidence is heavy to the contrary.

Mr. NICKLES. If the Senator will yield for one last comment, I wonder if in Canada they have a similar provison that if you want to sell your plant, the purchaser would have to keep on substantially all the employees. I think that would make it very difficult to sell, and I think the net result would be a loss of jobs.

Mr. KENNEDY. I am not familiar with that particular detail of the Canadian system, but I will check and put it into the RECORD.

Mr. QUAYLE. Will the Senator yield?

Mr. KENNEDY. I will be glad to yield the floor.

Mr. QUAYLE. Has he yielded the floor?

Mr. KENNEDY. I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. QUAYLE. Will the Senator yield for one observation?

Mr. DIXON. I will be delighted to yield to my friend from Indiana.

Mr. QUAYLE. I was going to make a point of clarification. In the two reports that the Senator from Massachusetts referred to, the economic adjustment and the Secretary's report, plus the National Academy of Science report, they do not recommend mandatory plant closing notification. I do not believe the Senator wanted to do that. I wanted to make sure. They do not recommend that. The Senator from Oklahoma raised that concern. The Senator from Massachusetts raised the issue. I wanted it known that they do not recommend mandatory plant closure information.

Mr. KENNEDY. If the Senator from Illinois will yield for 30 seconds, they say that the plant notification is essential. I will include the particular reference in the RECORD after the Senator from Illinois rather than interrupt. I will include that.

Mr. DIXON. Do any of my other friends want me to yield before I proceed?

Mr. QUAYLE. Let me just clarify. I will read it very briefly.

> The task force discussed but could not reach a consensus on the best methods for ensuring that advance notice is provided wherever possible. It is agreed that advance notice is not possible in all situations. Some members hold the view that voluntary notification vigorously promulgated as opposed to regulation is the better way to assure rapid and tailored response to the very market conditions an employee needs. Other members emphasize the importance of advance notice to a successful adjustment process, a recommended legislative requirement.

So the task force was divided on this particular issue of the Federal Government mandatory plant closing notification and layoffs.

Mr. KENNEDY. If the Senator from Illinois will yield.

The Senator from Indiana ought to read the previous page. It says, "The task force is in agreement with other studies that have concluded that advance notification is an essential component of a successful adjustment program."

Mr. President, I ask unanimous consent that both pages be included in the RECORD, and we will let the Senate draw whatever conclusion they want.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

THE ADVANCE NOTICE QUESTION

The Task Force is in general agreement that advance notification to employees and the community of plant closings and large scale permanent layoffs is good employer practice, when coupled with a comprehensive program of counseling, job search information, and training. Used in such a way, the notification period allows both individuals and the community to adjust to the process of change.

The Task Force is in agreement with other studies that have concluded that advance notification is an essential component of a successful adjustment program. In a recent report the Conference Board noted that "both survey and interview participants note that advance notice is beneficial to employees and is an essential element in a plant-closure program," because notice facilitates greater program participation and because "a functioning plant is, perhaps, the programs' single most important resource." The Office of Technology Assessment has recently reported that representatives of business, labor, communities and public agencies broadly, although not unanimously, agree that advance notice is an important element in helping displaced workers find or train for new jobs.

While recognizing the enormous diversity of circumstances leading up to plant closings and large scale permanent layoffs and the difficulty, in some cases, of providing timely advance notice, the Task Force agrees that employers should give special attention to easing the transition of dislocated employees to new work. Many of the fears regarding advance notification have not been realized in practice. In this regard the Task Force found no evidence that the productivity of the work force is adversely affected during a notification period.

The comprehensive program to support workers and improve the quality of adjustment to new work that we are recommending may encourage more employers to provide advance notice of plant closings and mass layoffs. It is also true that a recent General Accounting Office survey indicates that in too many plant closings and permanent mass layoffs, insufficient advance notice of job loss is given to make possible an optimal private and public role in the reemployment process.

The Task Force discussed but could not reach consensus on the best method for ensuring that advance notice is provided wherever possible. It is agreed that advance notice is not possible in all situations. Some members hold the view that voluntary notification vigorously promulgated, as opposed to regulations, is the better way to ensure rapid and tailored response to varying market conditions and employee needs. Other members, emphasizing the importance of advance notice to a successful adjustment process, recommend legislative requirements which will ensure that the provision of notice will be the rule rather than the exception.

Mr. QUAYLE. If the Senator from Illinois will yield 10 more seconds?

Mr. DIXON. I am delighted to yield.

Mr. QUAYLE. That is the issue that goes to voluntary notification. I have no problem with voluntary notification. Should they give notification? You bet they should. Should the Federal Government start dictating and coercing? No.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, I have listened to this debate, as have many of my colleagues, with considerable interest. There have been, I think, a great many points made by fine Members on both sides. I think it is clear, Mr. President, that there is a lot of passion involved in this debate on both sides as well. I know that my colleagues will excuse me when I say that there is some possibility that with some on either side if you put on a piece of blank paper the statement "plant closing," those two words, they can debate that with some degree of imagination without much regard to the subject matter we are talking about here.

I believe it safe to represent, Mr. President, that I am one of the people in the middle on this question who has finally come to a conclusion about how he will vote after considerable study and thought. In fact, it is safe to say, Mr. President, that one of my colleagues on this floor knows that as recently as yesterday evening I had not yet concluded what my final vote might be on this issue.

Maybe in explaining how I came to my decision, others like-minded might come to theirs. Maybe not. Maybe everybody has made up their mind by now, Mr. President. But in any event, I would like to explain how I have come to my final conclusion on this bill.

Mr. President, for the RECORD, I would not have voted for the provision in the bill as it came from the committee. I would not have voted for a 180-day notice, and I absolutely would not have voted for the right to look at the private books and records of the company that might be involved. I could not support that kind of legislation. For those who might say that this is the camel's nose in the tent or the foot in the door, I want to say, should this amendment ultimately become the law, I would not vote for extending it to 180 days later or giving the books and records of the company to others as had been suggested in the original legislation.

So let me go through the series of reservations I had and let you know how I came to my conclusion on each of them.

On the question of whether this ought to be on the trade legislation at all, when some of my friends from labor came to talk to me about it, I told them candidly that one of my reservations about this was whether this issue ought to be on trade legislation. It is not really, Mr. President, the ideal place for this issue to be debated. But let me make these observations. First of all, everybody here knows that this bill is the work product of a lot of committees. I am on the Banking committee. The export administering title of this bill came out of banking. I am on the Small Business Committee. There is some work product of the Small Business Committee on this bill.

I think at least nine committees of the Senate have work product in this bill, not just the Finance Committee. It was entirely appropriate that the jurisdictional committee—in this case the Labor Committee—consider the questions that are part of that commitee's work product in this bill.

I have already said I would not have voted for the notification provisions in the form they were in when the bill came out of committee, but it is in there properly so. It was not something newly offered by my friend from Ohio and my friend from Massachusetts on the floor as an amendment to this bill. It was in there when this bill came from committee. So I think it is appropriate for discussion.

Several Senators have stated this issue should be handled as a freestanding measure. I am not here a long time. I am not one of the Senate whales, but I am in my 7th year, and the number of freestanding measures you get around here is pretty miniscule in number. This Senator knows by now that almost everything he did on this floor that he wanted done was an amendment to some other bill that finally, ultimately became law. So I am not too shocked it is here. In the final analysis, you might as well talk about it now as some other time and the probability is pretty good that this is as good a place as any to talk about it.

Now, one of my friends, whom I respect a great deal, on the other side, a fellow I am personally fond of—I have occasion to be with him a good deal socially—kind of suggested you ought not to have such a law at all: Why have a notification law at all. I guess that is arguable. Some of my friends over there have enjoyed using the term "voluntary"—let us do this voluntarily. I have a notion about how many things people will do voluntarily in this country, but I would suggest to you that the reason we have a lot of laws is that we have the experience that voluntarily doing things often times does not work too well. While I believe in supporting American business—I have been a businessman myself and intend to continue to support business—there are a lot of laws now. What about all the safety laws? I think we want to keep the safety laws. We want to keep the environmental protection laws. We want to keep product safety laws.

[Mr. GRAHAM assumed the chair.]

Mr. DIXON. I began in politics many years ago. In the Illinois legislature we were in a period of time where a lot of things were done in this country regarding shorter work weeks, employment of minors in the work force, and other things. I would suggest that at those times they argued about whether it ought to be voluntary or whether it ought to be compulsory. I think it is a reasonable thing to suggest that it is not unreasonable to have laws on these subjects.

Now, one of my friends said this is appropriately called a plant-closing bill, that it will close plants.

Mr. President, I do not think this law will open a plant or keep one open that is not making a profit very long, and I do not think this law is going to close any plant. I really do not think that at all. I think this is just notification to the employee, an advance notification of what is going to occur.

Now, the question then becomes, is that a reasonable bill? I have read the amemdment, Mr. President. I have heard a lot of debate. Essentially, if you read the entire amendment, this is a 60-day notice, not an unreasonable period of time. I like to have 60-day notice for my employees when they are leaving me to go to other employment, and on those very unfortunate, rare occasions in my career as an employer when I have had to discharge somebody—and I have had to from time to time—I certainly like to give at least 60 days or more notice. So I do not think the amount of time is unreasonable.

If you will read the amendment, and I hope some of my colleagues in their passion are reading the amendment, you will see on page 4 that it says you do not have to give the 60-day notice, it is not required if the employer is actively seeking capital or business which, if obtained, would permit the employer to hold his course as an employer. And you will see on page 5 you are excused from notice.

An employer is excused from the notice if business circumstances that were not reasonably foreseeable prevented him from giving it in appropriate time.

So this amendment boils down to a 60-day notice, with the right to be excused for a good cause.

I guess the question finally comes to this, Mr. President: Is that too much to require of American business? I think I have finally come down to the side of saying I do not think it is too much to require.

I thought the amendment in the bill out of the committee was too unreasonable. But this is a 60-day notice to folks who have given you a period of their life in their employment. I do not think that is too unreasonable.

I want to tell something to my colleagues about our experience in my State. I wanted to check this to make sure of the figures. In my State, more than 678,000 people, workers lost their jobs between 1979 and 1985—678,000. That is a lot of people working who lost jobs; 14.6 percent of our work force. The number of workers dislocated by plant closings and mass layoffs was 14 percent of the work force.

I would plead that the civil thing is to give those folks a little notice so that they can look for another job; so that they can have an opportunity to sit down with mom at the supper table in the kitchen and say, "What are we going to do now? We have 60 days to think this thing through and figure out what we are going to do."

Over the weekend I was reading the newspaper and I saw a story about one of the big companies in the country that happens to do business in my State. I guess I should have clipped it, but I did not. The story was about how they laid off their entire work force this past weekend without any notice.

I do not say every company does that. I want to make that clear. Most companies I know and most businessmen I know and most employers I know do not do that. But do not come here and say it is not happening. It is happening. It happened again this weekend, and it was in the paper. The story was about over 1,500 people, I believe, who got a notice at the end of the week that they should not come back next week. People with wives and children and mortgages on their homes and paying on their automobiles every month.

So I say we ought to try to do it in a reasonable way. To those who say that this is a foot in the door, I want to say now that I think this is about as far as I want to go. I am not going to look at books and records and give them 6 months. I think that is unreasonable. But I think it is civil to give 60 days' notice. I think that when you have all the waivers you have in this bill for getting around that kind of notice, it is not an unreasonable requirement.

I want to say this in conclusion, because I think my friend from Indiana want to ask me a question or two. The question has been asked by those who oppose this: "Do you want to vote on all the labor questions? Well, that is what we are going to do if we adopt this amendment."

Mr. President, I do not even want to vote on this one. What do you think of that? As a matter of choice, there are all kinds of times I would rather vote "maybe," but they do not let me. They say you have to vote yes or no. Here I am, and I have to vote yes or no. I do not want to vote on all the other issues, but I expect at some time I am going to. When I do, I am going to take them out of the barrel from the bottom up and do the best I can and come to the best conclusion I can.

I am going to say this one last time: I do not think this is frightfully unreasonable. I think that if you took the passions out of it and read the amendment and thought it through, you will see that it is not so bad. I think the country can live with it and American business can live with it, and it is not onerous.

The final question is: Will it kill the bill? It might. I have an idea it might. In fact, to be honest, I think that if this goes in this bill there is no question that the President will veto it. But I have to come to this conclusion: I have voted a lot of times here, many times with the President and many times against him. At times when I voted against him I figured he might veto, but that did not keep me from casting my vote, and it ought not keep any Member from casting this one.

I conclude this way: If you are doing anything in this area, you are getting pretty close to the minimal amount you can do in connection with what is the decent thing to do in these matters. I wish they all would voluntarily give notice, but it is not true that notice is always voluntarily given.

I believe that decent people who work hard in their jobs and give a full day's work for a full day's pay should have some kind of decent notice, when you know plenty of time in advance that you are going to close down the plant. That is all this is. It is not all these other things people talk about.

So in response to a fairly serious social problem that has caused a lot of people a lot of grief and agony and difficulties in this country, this is really not a very onerous or difficult imposition that we are placing upon the business community. As a person who has been in business, I would like to say that every situation I ever encountered in my life, I minimally did this.

Mr. **QUAYLE.** Mr. President, will the Senator yield?

Mr. **DIXON.** I am delighted to yield to my warm friend from Indiana, with whom I am experiencing a temporary disagreement.

The **PRESIDING OFFICER.** The Senator from Illinois yields to the Senator from Indiana for a question.

Mr. **QUAYLE.** Hopefully, it is temporary. I enjoyed listening to the Senator's recitation and how he went through this thought process. My only dismay is that he came down on the wrong side of the issue.

It was very interesting and I think instructive for a lot of people who are searching for this and some who are thinking this through and may come down on the other side.

I was also struck by the concern the Senator had for the unforeseeable circumstances that businesses might have before they give the mandatory closing notification. I think my friend from Illinois sort of put his finger on a very important point. I know he is aware that a determining factor of unforeseeable circumstances is the court. The court wil make the determination of whether the business really had reason to believe that they were going to close the plant.

If you take a hypothetical situation—this is what I have done, and I share this with the Senator—go through a thought process, which I think is a very deliberate one, and I doubt many Senators have put as much time into it as has the Senator from Illinois. That is all to the good, because many people do not have an appreciation for the parts of this issue where the task force did not recommend plant closing notification and layoffs.

It is not just plant closings. It is layoffs. Take this situation where——

The **PRESIDING OFFICER.** Does the Senator from Indiana have a question of the Senator from Illinois?

Mr. **DIXON.** I think he is working on it, Mr. President. It is about to fire right now.

Mr. **QUAYLE.** It is coming.

But under the hypothetical situation that I will be constructing I will ask the Senator if he thinks this falls into the category of reasonable circumstances. Take, for example, where a grocery store is located on the corner and you have another grocery store from outside that says, "You know, I think I want to come in and do business here and I am really going to do a lot of business assuming I put this guy across the street or down the corner out of business."

All of a sudden he comes in, is intensely competitive, and this guy says, "Gee, you know, this guy is doing a better job."

At what time, and this is the difficulty I have, should he say 60 days or 90 days—60 in this bill—it was larger—should he at that time give notice to those employees and say, "I am not going to be able to make it competing with this guy," and also what happens under the situation that this average grocery store owner would be subject to fines and penalties, even under this provision about $500,000, and he might even be doing about $2 million in gross sales? I ask my friend is this in the reasonable foreseeable circumstance that a judge could determine that this grocery store operator should in fact have known that this guy down the street was better than he was and go ahead and give that notice? I think that the Senator focusing in that unforeseeable circumstances raises that very important question and that very important question, can the judge, and who is going to figure out this issue?

I just bring it up to show and to further conclude and ask that question of my dear friend on that particular issue.

Mr. **DIXON.** May I say to my dear friend that I understand his question and I understand his concerns, and they are not unreasonable concerns. But you cannot write the law so finite that it answers every question that ever may occur. You are talking to an old trial lawyer. I tried a lot of cases, argued what was negligence. Sometimes juries bought my argument and said, "Yep, that is negligence." And other times they said, "No, that isn't negligence."

So I do not think you can define precisely things like reasonably foreseen. You cannot define what a prudent man is.

But I happen to be an old banker and I am on the Banking Committee now, and we do everything under the rule of the prudent man.

In other words, I say to the Senator, you cannot define these things perfectly. You do the best you can.

Listen. I have been in business. Incidentally, I have been in some businesses that did not make any money, and I have known for a long time when I was not making money. I finally figured out when I ought to get out, and usually I knew well in advance of 60 days when I was hurting bad enough I ought to be getting ready to go try to sell or find some new resources or change my plan. So I do not think 60 days is a very long period of time when you were originally talking 180. Even at 90 I had some troubles. I would not deny maybe a little less than 60 would suit me better, but 60 is not very unreasonable.

I think that store, and it has to be a pretty good sized store, incidentally, as my friend who is a manager is nodding, that store has to make some determinations.

I do not think you just go into the ashcan overnight. I think you have some notice of it. You know what the books and records are saying.

May I say my business experience has been—and I had payrolls of several hundred, I may say; I am not just talking about eight or 10—my business experience has been you had seen for a while when the bottom line is changing. If you were doing $12,000 a week, which was a case in one of my stores and then you are doing $11,000, and suddenly $10,000, $9,000, and $8,000, and $7,000, you are going to get notice something is happening. It does not happen overnight. It does not happen so dramatic you do not know and you usually have time to make some prudent decisions.

I have to say to my friend from Indiana, for whom I have the greatest respect, that I think if you are going to have a notification at all you cannot make it much more inoffensive than this one and we are almost down to the question of whether there should be a notice at all.

All of us agree there should be a notice. You take a position it ought to be voluntary. I have to say maybe that will not work. I come to that decision somewhat reluctantly, quite candidly.

I again say given a choice, I am sure many of us would rather this not be the issue on the agenda today, but since they still do require you to vote yea or nay—they will not let me vote "maybe," will they, Mr. President—I think in the final analysis this is as best you can come to a reasonable amendment that addresses the problem given the fact that this might not be the best vehicle for it. Yet my friend from Indiana would admit many of us have ridden some very funny vehicles with some very funny different issues around here and this is probably closer than many of them.

I thank my friend from Indiana.

The PRESIDING OFFICER. Who yields time?

The Senator from Idaho.

Mr. SYMMS. Mr. President, we are not in a time agreement, are we? A parliamentary inquiry. We are not in a time agreement?

The PRESIDING OFFICER. There is no time limitation.

The Senator from Idaho is recognized.

Mr. SYMMS. I thank the Chair very much.

Mr. President, I just want to say that getting up to follow Senator Dixon on the floor is never an easy task because he makes such a persuasive argument when he says that this amendment is really not going to hurt anything much.

I sat here and listened with keen interest as my good friend, persuasive as he always is, presented his argument about the good intentions behind this legislation, but I want to say to my good friend the highways to hell are paved with good intentions, the highways to hell are paved with good intentions.

Mr. DIXON. Amen, brother.

Mr. SYMMS. That exactly is what is happening here in this amendment, and this is only the first order of business that the distinguished chairman has in the Labor Committee as agenda for the 100th Congress.

I can see him nodding his head. He has a whole list of things to get the Government involved between business and people.

I do not know what we have to do in this country to find out that the best way to help competitiveness is get the Government out of the way. That has been the secret of the American enterprise system. As a matter of fact, Mr. President, the secret to our success in America, the secret of our blossoming economy is that we did not have the Government in the way. In Europe, you had the merchantilist and the protectionist interfering in the voluntary decision of people acting in a volunteer market.

Capitalism is a humanitarian system, Mr. President, a very, very humanitarian system.

I say to my friends, what is it that is so good about the socialist, the fascist, and the Communist countries that we want to start copying their economic systems by having the Government get in and make the decisions that should be made in the marketplace? What is it that is so good about their countries? When the Government runs everything, they have to build a wall to keep people in the country and when people try to leave, they shoot them.

I would not want to say that to my colleagues that I think passage of this amendment would be the total end of the Republic.

But I come from the business side of the House, too, and I agree with what my colleague from Illinois said. You do know when your business is losing money. You gradually become aware of it and in the real world the people who work at the plant know it, too, and notifications are given that the plant will be closing. In most cases that is the way it works currently without having the Government come along and get involved in this issue.

My good friend from Indiana made the point that this legislation will lead to unending litigation. This should be called the trial lawyers' retirement act.

If we want to know why we have competitiveness problems and why there is a trade imbalance, this section of the bill is part of the problem. We have regulated people in this country right out of existence and here we are getting ready to do it again.

Needless to say, Mr. President, I strongly oppose this Metzenbaum amendment which eliminates the disclosure requirements and modifies the mandatory notification provision of the original proposal. I do not know whether it is Metzenbaum 4 or Metzenbaum 6. I think someone said this was actually Metzenbaum 7.

Now, if that is the incorrect number, I hope that my good friend from Ohio will forgive me. But I understand this is about the seventh modification.

Now, here is what is happening. They want to pass this no matter what, Mr. President. They are willing to weaken the amendment and make it sound like it does not amount to much so they get the first piece of labor legislation this year, putting the camel's nose, as the Senator from Indiana says, under the tent. And once they get this amendment under their belt, along will come the chairman of the committee with the whole agenda, which I will get into in a minute or two.

There is one thing that Senator Nickles said earlier on the floor that I quite agree with. If this does become law, with a 6-month period before it takes effect, I predict that there will be plants closed all over the country.

Now, we just suffered a tragic plant closing in my State which has caused a great deal of consternation in a small community, Jerome, ID. A large Tupperware plant closed, the largest employer in town. It is a very small community in a small county and 700 jobs will be lost. They did give notice, but when the plant closes, it will be a very, very traumatic and tragic experience for our community.

There are rumors—and I cannot verify this, so I can only say there are rumors—that one of the factors that led to the company's decision to close the plant was fear that Congress may pass some kind of plant closing legislation in the 100th Congress because of the change in control resulting from the last elections. They just closed the plant down to get it settled and not have to worry about one more piece of Government interference. I do not know whether that is why they closed or not. But I just point out that you can be assured that any plant or business in this country that would be subject to these provisions will have doubts about whether or not they should keep some plants open. They will tilt in favor of closing marginal plants before the law goes on the books.

I think Senator Quayle and others from the Labor Committee have done a good job of presenting this argument. I compliment them for it. I do not want to repeat all of the objections, but I do believe one aspect of the Metzenbaum modification deserves some special emphasis so that we will not come to a vote thinking all the major objections to the original proposal, Metzenbaum 1, have been resolved.

I encourage my colleagues to carefully consider the escape clauses and the exceptions. And Senator Quayle has addressed this point, but I think it is worth repeating.

In a "dear colleague" letter dated July 6, 1987, six proponents of the mandatory notification requirement noted the following modifications included in Metzenbaum 7.

No. 1, an escape clause has been added to deal with the problem of employers who learn after a layoff begins that it will, in fact, extend beyond 6 months for reasons that were not reasonably foreseeable at the outset. And if the employer acts in good faith by giving notice as soon as the layoff is extended, there will be no violation of part B.

Point No. 2: Employers who are actively seeking capital for business in order to avoid or indefinitely postpone a shutdown, and who reasonably believe that giving notice will preclude them from maintaining operations need not provide advance notice.

No. 3, an additional extension is proposed if the closing or layoff constitutes a strike or lockout.

No. 4, a provision is added specifying that good faith compliance with the notification provision of part B cannot constitute a violation of the Federal labor laws.

Now, at first glance, Mr. President, one may think, well, that sounds reasonable. The new exceptions and exemptions appear to satisfy some of the concerns that have been raised about the ability of business owners to adapt quickly to a changing business environment in the face of mandatory notification requirements.

Unfortunately, the numerous undefined terms, such as "reasonably foreseeable," "good faith," and "reasonable belief," raise the specter of unending litigation which will have the practical effect of preventing any employer from closing a plant or laying off employees without providing advance notification.

As the Secretary of Labor stated in a June 26 letter on plant closing legislation, "It would be impossible to draft a provision that will provide sufficient guidance to employers as to their obligations while at the same time covering all the situations where business attempting to survive would be harmed by advance notice. The effect of these vague and uncertain standards would be to invite litigation and pose a significant risk of liability on employers who attempt to rely on the provision. The risk of litigation and liability would effectively render the provision ineffective."

So we would be right back in the courts with litigation seeking injunctive relief, and, as I said earlier, a Lawyers' Trial Relief Act would in effect be another way to provide more people to sue one another and litigate. And that does nothing to make the United States a more competitive country.

If this legislation that we are discussing here today is supposed to be aimed at helping America become more competitive in world trade. Now, how in the world it makes us more competitive to have the Government, the bureaucracy, interfere in these decisions that are best made by free men working through free institutions is beyond this Senator's imagination.

Mr. President, I ask unanimous consent that the letter from Secretary Brock to which I have just referred, be printed in the Record following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SYMMS. Mr. President, I also ask unanimous consent that a letter from Secretary Brock to Senator Kennedy, dated May 7, 1987 and a letter from Secretary Brock to me, dated July 7, 1987 be printed in the Record following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. SYMMS. Mr. President, I am sure that Senators who have been listening already know that the administration very strongly opposes any mandatory notification requirement. The Secretary states in both the June and July letters that any mandatory plant closing provisions would make it impossible for the President's senior advisors to recommend approval of a trade bill.

Now, I think that is a point Senator Quayle has made very well on the floor. There are some of us in the Chamber who, as the trade bill becomes more of a Christmas tree all the time, have become less and less convinced of the necessity for trade legislation. Some of us might not feel too bad if this amendment did bring on a Presidential veto.

But for those people who really want to see this bill passed, this particular portion is absolutely an invitation for an assured veto from the President. I think it has been proven before that when you generate free trade, when you allow people to get out and trade, you tend to expand the frontiers of freedom. You keep Ivan from the gate, if you will, by showing them that our system provides greater opportunity for the masses of people to work up the ladder and achieve economic freedom. Trade is a way. It is a weapon we have in the arsenal of freedom that the socialist countries and Communist countries do not have because they are not as competitive as we are in the Western economies.

For those of us who are not concerned necessarily about whether or not this bill becomes law, it may be just as well if the Metzenbaum amendment is adopted and the President does veto it. But for those of you who want the bill, I would say it would be a mistake to adopt the amendment.

Now, Senator Quayle and others have already commented, Mr. President, on the irony of considering legislation which would cast our labor laws in the European mold just at the time when the Europeans are trying to revive their economies by getting out from under their burdensome labor laws. I ask that the Wall Street Journal editorial on June 30 be printed in the Record at the end of my remarks. And I would just like to read some of the comments in that Wall Street Journal editorial.

The editorial is entitled "The Democrats' European Disease." I do not impugn the motives of anyone in this Chamber or a member of the Democratic Party, but I think that this editorial really says a lot about what is happening in this Congress on labor legislation. It says, "By the time the Senate's monstrous 1,000-page trade bill"—and I hold this trade bill up. 1,000-some pages of more restrictions and regulations and entitlements which not many Senators, if any, have had the opportunity to read. It looks like something that came out of the Federal Register.

But be that as it may, the editorial goes on to say:

> By the time the Senate's monstrous 1,000-page trade bill slouches to the floor for a vote, it will be carrying more than 100 amendments. Among them is a plant-closing bill sponsored by Ohio's Democratic Senator Howard Metzenbaum. Slated for a vote today or tomorrow, it would create new requirements for closing a plant in the U.S. (The Senators aren't too fastidious about whether their amendments have much of anything to do with trade.) The plant-closing amendment is among a half-dozen Big Labor measures sponsored by Democrats this year. Taken together, the bills add up a Democratic effort to infect the country with an epidemic known as the European disease.
>
> The European disease, which has enervated Europe's economies for years, was a result of good intentions gone haywire.

Mr. President, I repeat what I said when I first took the floor. The highways to hell are paved with good intentions and it seems to me that the European disease is about to infect our economy through this massive agenda of labor legislation.

It would, in fact, be very, very bad for the U.S. economy, very destructive to the productivity of the American workers, very destructive to the competitiveness of American business.

> Practically every aspect of labor-management relations has been regulated to some degree—from wages and benefits to plant operations. The result: 15 years of relatively flat job creation. Since 1970, the economies of Britain and West Germany actually have shown a net decrease in the total number of jobs; France and Italy posted only modest increases.
>
> Unemployment among members of the European Community remains stubbornly high, with rates ranging from 9% in West Germany to almost 12% in Britain. As the accompanying chart illustrates, the U.S. economy has been a veritable job-creation machine compared with the EC. Since 1970, the U.S. economy has produced more than 30 million net new jobs, for an increase of nearly 40%. Since the 1981 recession (which resulted in 11 million displaced workers), the U.S. economy has created some 20 million new jobs, for a net gain over this period of nine million new jobs.

What that is really saying, Mr. President, is there probably were some plants closed that were inefficient and, traumatic as it is for the people who personally are involved, if they have the opportunity to be retrained and gain employment in an efficient, competitive enterprise, then they will have a more secure future.

I want to read on, Mr. President, from what this editorial says because I think it is instructive for all of us to see what we are up against here.

> Against this backdrop, the Democrats are now ready to march U.S. labor law backward into someone else's failed past.
>
> The plant-closing bill requires employers to give three months' advance notice of closings. A "double-breasting" bill places new strictures on construction companies operating both union and nonunion shops; the bill would effectively unionize many nonunion operations and permit multisite picketing. A minimum-wage bill raises the minimum hourly scale by nearly 30%. An occupational-disease bill requires notifying employees of job-related disease risks as broadly defined by the government.

Mr. President, if some of these bills become law we will not have a chance to become competitive. If you have to pay the minimum wage, and I understand the distinguished chairman's bill eventually reaches the point where the new workers have to come in at the average wage paid to all workers, we will reduce jobs and drive businesses out of the country by intervening between free people making decisions based upon their willingness to work for a wage that is being offered.

Reading on, this editorial says:

> Employers absorb the cost of testing. Another bill expands the scope of Davis-Bacon prevailing wage laws on federal projects. A parental-leave bill, part of an emerging "mandated benefits" strategy, would require employers to provide up to nine months a year in leave to parents.
>
> Most of these bills are rewrites of measures rejected by Congress in past sessions. The only thing that has changed is that Democrats now control the Congress. Howard Samuel, an AFL-CIO executive, said recently, "We control the committees and the agenda on the floor."
>
> The irony in all this is that Senator Metzenbaum and his like-minded colleagues are embracing a European-like labor policy at the very time Europeans are trying to move away from it. Last month the economic policy committee of the Organization for Economic Cooperation and Development issued a report asserting that broad reforms of Europe's labor policy are needed if the EC is to spur job creation and healthier economic growth. The report advocated "dynamic economies in which markets and competition [play] a wider and less constrained role." And improved "functioning of labor markets is essential to reduce joblessness and strengthen economic performance."
>
> So the imminent vote on the Metzenbaum plant-closings bill offers an old spectacle. While the OECD seeks now to undo the damage of 15 years of policy that has raised labor costs, decreased productivity, stifled job creation and hindered competitiveness, the Democrats are intent on imposing the same disease on the American economy. Come to think of it, the Metzenbaum plant-closing measure looks right at home in the congressional trade bill.

I think, Mr. President, that that editorial is one that all Senators and their staffs should review. This really boils down to the fundamental difference of philosophies presented in this Chamber. It is not a pure partisan difference of Republicans versus Democrats because there are several Democrats whom I have heard speak on the floor today who oppose this plant closing notification section of this bill and I commend them for it. I think it will be their strength that will save the well-intended authors of this section of the bill from themselves and, therefore, keep this economy of ours from being stifled by the mandatory notification requirements.

The plant closing issue, as I said, is not entirely a partisan issue. When one reads the Wall Street Journal editorial, one would think it was a totally partisan issue. It is not. I want to repeat that because there are many Democrats in this body who see the danger inherent in the mandatory notification and disclosure requirement included in the trade bill and have voiced their opposition to it. I hope many more join in so that we can strip this from the bill. In the Senator's view, even though this is veto bait, it is dangerous to pass this kind of legislation, no matter how many times it has been modified to make it less obnoxious, less offensive, less obtrusive, less interfering than it was in its original form.

It still puts the Government in the decision-making process of a market economy that can only best serve the interests of the people who work in the plants, the people who own the plants, and the people who use the consumer goods that are produced in the plants. It only serves in their best interests if we allow those decisions to be made voluntarily in a free marketplace and not to be made on the banks of the Potomac river by the faceless bureaucracies of Government.

The late Ayn Rand, the wonderful author of The Fountainhead, Atlas Shrugged, and other books, said in, The Young Idea, there are two ways to allocate scarce resources.

Miss Rand used to say that you can either do it by the voluntary actions of free men working through free markets and free institutions, and do it voluntarily, or you can do it with the force, the whips, and guns of government. This is where this whole agenda leads, to more forceful Government, more interference by Government, leading us in the direction of the oppressed economies around the world where the Government runs everything. It steps in that direction.

Unfortunately, the plant closing legislation, by including the mandatory notification, is only the first round in a battle which is likely to continue for the rest of this Congress.

I have already mentioned what some of these are, but I want to go back over some of them again.

Coming down the pike in the Labor Committee are mandated health benefits, a significant increase followed by annual adjustments in minimum wage, a prohibition in the practice of double-breasting in construction companies, mandated hazardous notification, and on and on and on. This is an agenda which will make the American economy less and less competitive and will hurt the very people the legislation is supposed to help by making their jobs less secure because we will be less competitive in the global economy.

I urge my colleagues to consider carefully the entire package of labor reform legislation and prepare for a long battle which is being joined on the Senate floor today. This is a battle between those who want more regulation of the marketplace and those who want less regulation of the marketplace.

We are really getting down to the bottom line of what politics is all about. This is why we have a U.S. Senate, so people can come in and make a decision: do you want more Government? More regulation? Or do you want less Government and less regulation? Do you want to allow people to live their own lives or are we going to have a Government living for and making decisions for us?

That is what we are getting, the essence of political differences between those who love freedom and those who love Government.

So, Mr. President, I would urge my colleagues to oppose this legislation and vote for the Quayle amendment to strike, when the time comes, so that we can take this out of this bill.

The argument is between those who resist economic and technological change and those who encourage economic and technological change. How could America survive if we are driving one kind of automobile and someone finds a new way to get around.

As a matter of fact, the reason I ended up in Idaho is because my father, before he moved to Idaho in 1913 had his father in the buggy business in Newton, KS. Someone named Henry Ford invented an automobile and buggies went out of style. They had to close up the buggy manufacturing shop and they moved to Idaho.

If we had the plant closing legislation, I suppose they could say, "You have to make buggies and stay in business another 60 or 90 days whether people need them or will buy them or not."

That mentality will not allow technology to advance. We want to allow the market system to work and allow it to cleanse itself of inefficiencies so that it can move forward and people can have better jobs, better opportunities and better security.

I just think that is a classic case of promoting special interest concerns on the one hand and placing the Nation's future first on the other.

In sum, we have now begun the battle between those who believe in control of the marketplace and those who believe in economic freedom. That is the way this vote, in my view, ultimately will be viewed by the voting public. This is a gut issue, Mr. President. I appeal to my colleagues, vote to strike this section from the bill because those who do not are indicating their confidence in the bureaucracies as opposed to their confidence in the individual judgments of millions and millions of Americans who make those decisions for themselves.

Mr. President, I believe in economic freedom and I hope those who share in that belief will join me in helping defeat this Metzenbaum amendment. Aside from the need to defeat the amendment on its merits, the decision we make today may have an important bearing on the future legislation which is coming before us.

I ask unanimous consent that the publication produced by the U.S.

Chamber of Commerce entitled "Organized Labor's Menu For The 100th Congress," be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See exhibit 3.]

Mr. SYMMS. Mr. President, I want to make reference to this document. Here is the "bill of fare" being offered to the 100th Congress.

For the appetizers, we have Comparable Worth, a special from the American Federation of State, Municipal, and County Employees—this "study" of the Federal workforce is a case of things [and costs] to come: $2 million.

Polygraph Ban. "Carry-out special" for those who like to "feast" on employer property—would take away valuable crime deterrent and detection tool: Market price.

Then the entres.

Mandated health care. Everyone supports health care—so let's simply require every business to provide it—no matter what the cost. Small businesses especially will find this a costly "delight": $21,356,000,000.

Mandated parental leave. Small business takes it on the chin. This item is brought o you by 9 to 5. Price is no object: $2.6 billion.

Minimum wage. A "Chef's Surprise" from the Food and Commercial Workers Union. Recommended for those small businesses who want to cut back on jobs, limit opportunities and reduce services: $3,980,000,000.

Next are the House specials. Get some of these coming down the road.

"Plant closing"—which we are discussing here today—"Flown in fresh from Europe by the United Auto Workers. Guaranteed to reduce flexibility, ensure more business failures, stall economic growth, and restrict ability to compete in a changing global economy: Market price."

"Double-breasting," I have already mentioned.

Labor Protective Provisions ("Frequent Flyer" Special). For airlines only—but will offer it to other industries. Unprecedented for deregulated industry—"protects" unnecessary jobs, maintains artificial wage levels and perpetuates inefficiencies: Market Price.

Occupational Hazard Notification. Plaintiffs' Attorneys' "Special of the Day." Ample "side order" ramification for Workers' Compensation and Health Insurance Costs, as well as the liability crisis: Market Price.

Now for dessert.

For desserts, we get the Davis-Bacon Act. "No reform, no substitutions, no savings * * * just a 'top shelf,' price, 'prevailing' wage—no matter what the cost to the Federal Government: $900 million."

Service Contract Act. This little-known "taste treat" is very similar to the Davis-Bacon Act (no substitutions)—but more costly: $1 billion.

Pension Reversions. If your business has a well-funded pension plan, the rules for the past 40 years will be changed to prevent you from taking back any excess assets, even if all your obligations to employees have been met: Market price.

And it goes on, Mr. President. So I would just say to my colleagues that this is a very important vote in this Senate. This vote is one of the first big votes on the question, as I said earlier, of whether or not we want more Government interference, intruding into the lives of our people. I would make this statement unequivocally, if you compare the countries in the world that have more Government interference, intervening in the lives of their people, they have a lower standard of living, less freedom, less opportunity, and less chance for the life that we have been so blessed to enjoy in this country. There is no question about it. And legislation like this, no matter how well-intentioned it is, Madam President, the highways to hell are paved with good intentions and that is exactly what that amendment is all about.

I urge my colleagues to strike it from the bill at the appropriate time.

EXHIBIT 1

U.S. DEPARTMENT OF LABOR,
SECRETARY OF LABOR,
Washington, DC, June 26, 1987.

Hon. STEVEN D. SYMMS,
U.S. Senate,
Washington, DC.

DEAR STEVE: During consideration of the Omnibus Trade bill, the Senate will debate mandatory Plant Closing provisions. These provisions would require businesses to provide advance notice of closings and layoffs and to disclose sensitive business information.

Substitute Plant Closing language has recently been drafted by the authors of the original provision, which attempts to address some of the many problems with these mandatory requirements.

The administration strongly opposes both the original provisions now contained in the Trade bill and any substitute language that would impose mandatory rules, be they for advance notice or disclosure of information. Let me stress that any mandatory plant closing provisions would make it impossible for the President's senior advisers to recommend approval of a trade bill. No substitute language, no matter how skillfully drafted, can remedy the problems that are inherent in any mandatory, across-the-board law of this kind.

The objections I stated in my June 16 letter to you remain and cannot be satifactorily corrected in any mandatory Plant Closing language. In short, both the original and the new substitute provisions would:

Cause the loss of jobs, not save jobs;

Cause serious economic harm if business information required to be disclosed is obtained by competitors or potential sources of support and invite a flood of law suits as employees seek to question management's interpretation of what information must be disclosed;

Bring management decisions to a standstill; even the discontinuation of a product line or an internal reorganization would be subject to question and legal challenge;

Make U.S. companies less competitive, less able to adapt to changing economic conditions.

With respect to the substitute language, the major substitute provision attempts to address the problem, cited in my previous letter, that mandatory advance notice could prevent businesses from pursuing alternatives that would allow them to stay in business. The provision is intended to allow a reduction in the notification period under certain circumstances for businesses seeking the means to avoid closing. However, the standards contained in the provision that must be met by employers to justify a reduction in the notice period are inherently vague and uncertain. I believe it would be impossible to draft a provision that would provide sufficient guidance to employers as to their obligations while at the same time covering all the situations where businesses attempting to survive would be harmed by advance notice. The effect of these vague and uncertain standards would be to invite litigation and pose a significant risk of liability to employers who attempt to rely on the provision. The risks of litigation and liability would effectively render the provision ineffective. Thus, even with this provision, I believe the mandatory advance notice requirement would prevent businesses from pursuing alternatives to closing and result in additional layoffs and closings.

Don't employees who have spent years working for a company deserve to be given advance notice of a closing or layoff? Of course they do. That is why the administration's Worker Readjustment Assistance program contains significant incentives and rapid response capabilities which would encourage firms to provide such notice whenever they can. But the danger of trying to legislate a blanket national rule requiring such a notice is clear. It cannot be done without doing great harm to our workers' future, our ability to compete as a nation, and our entrepreneurial spirit to rejuvenate ourselves.

Painful as they are, layoffs and plant closures are an economic fact of life. We should be focusing our efforts on ways to help make worker readjustment more effective. That can only be accomplished with the cooperation and partnership of businesses. Such voluntary cooperation to seek assistance from government entities could be jeopardized by such mandatory rules that carry with them stiff penalties.

Any mandatory Plant Closing provisions are as protectionist as a tariff or a quota. They are misguided attempts to hold onto the past at the expense of preparing our workers and our businesses for the future. Make no mistake, these provisions will be used to prevent layoffs, plant closings, reorganizations, discontinuation of obsolete products, and similar business decisions—not to facilitate readjustment.

In conclusion, I retiterate that the administration supports voluntary advance notice of plant closings whenever possible and has proposed a comprehensive Worker Readjustment program which provides the best means to ensure an effective early intervention system. We strongly oppose any mandatory requirements, be they for advance notice, disclosure of information, or consultation, because they would not enhance worker readjustment and would result in serious harm to workers by forcing unnecessary layoffs and closings.

On June 22, I joined 13 cabinet colleagues in advising the Senate that we will not be able to recommend that the President sign the pending legislation unless extensive improvements are made. Mandatory plant closing provisions were among the objectionable provisions enumerated in the communication.

The Office of Management and Budget advises that there is no objection to the transmittal of this report to the Congress and that enactment of any mandatory plant closing provisions would not be in accord with the program of the President.

Very truly yours,

WILLIAM E. BROCK.

EXHIBIT 2

U.S. DEPARTMENT OF LABOR,
SECRETARY OF LABOR,
Washington, DC, May 7, 1987

Hon. EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I understand that the Senate Labor and Human Resources Committee will soon consider legislation that would require advance notification of plant closings and mass layoffs, labor-management consultations regarding such closings and layoffs, and disclosure of sensitive business information. These proposals are contained in Title II of the "Economic Dislocation and Worker Adjustment Assistance Act", S. 538, as introduced.

In 1985, the House of Representatives rejected mandatory consultation and mandatory notice requirements, and the Congress should reject them again.

When these proposals surfaced in the last Congress, I had just become Labor Secretary. At that time, I created the Task Force on Economic Adjustment and Worker Dislocation, which was composed of representatives of labor, business, academia, and the public sector, to conduct a comprehensive inquiry into the issues surrounding plant closings. The Task Force recognized that plant closings are likely to occur in a dynamic, changing and healthy economy. They recommended an array of actions designed to promote worker readjustment, including rapid response capabilities and improvements in service delivery. The spirit of these recommendations is embodied in the Administration's proposed $980 million Worker Readjustment Assistance Program (WRAP) that was submitted to the Congress as part of S. 539, the "Trade, Employment and Productivity Act of 1987."

However, the Task Force did not come to agreement on the narrow issues of mandatory notification and consultation. The Task Force did agree that advance notice is not possible in all situations. Like many members of the Task Force, I firmly believed that any Federal requirements of this kind would seriously harm U.S. competitiveness and would destroy employment opportunities.

I strongly support voluntary advance notice of plant closings or mass layoffs to workers and communities whenever possible. The WRAP proposal contains, for the first time, a nationwide program of incentives to encourage voluntary advance notice. These incentives, coupled with rapid-response teams, significant retraining funds, and a national infrastructure to promote adjustment, provide the best and most responsible way to insure an effective early intervention system.

The requirements for mandatory advance notice and mandatory disclosure of sensitive business information could prevent businesses from pursuing alternatives that would allow them to stay in business. Such requirements foreclose many such alternatives because as soon as the closing or layoff is announced and information revealed, creditors, suppliers, insurers and customers are likely to withdraw support. Thus, in those situations, instead of facilitating worker readjustment, the mandatory advance notice and disclosure requirements would lead to additional closings and layoffs.

Title II of S. 538 would also require employers to "consult" with their employees and representatives of local governments prior to a plant closing or mass layoff. No one can disagree with labor-management communication. But this legislation goes much further by requiring de facto consent or agreement from workers before an employer can take any action. Rather than promoting labor-management cooperation, this requirement is likely to encourage confrontation and litigation.

The administration strongly opposes any mandatory requirements, be they for advance notice, disclosure of information or consultation. If an amendment or substitute is offered which requires advance notice and disclosure of information, but not consultation, the administration will continue to oppose such an amendment or substitute.

With regard to titles I and III of S. 538, the administration supports enactment of the worker readjustment provisions contained in S. 539, and appreciates your committee's continued willingness to work toward incroporating such provisions in a worker readjustment bill.

The Office of Management and Budget advises that there is no objection to the submission of this report to the Congress and that enactment of any mandatory rquirements discussed in this report would not be in accord with the program of the President.

Very truly yours,

WILLIAM E. BROCK.

U.S. DEPARTMENT OF LABOR,
SECRETARY OF LABOR,
Washington, DC, July 7, 1987.

Hon. STEVEN D. SYMMS,
U.S. Senate,
Washington, DC.

DEAR STEVE: I am writing to you to reiterate the administration's strong opposition to the mandatory advance notice of plant closing or mass layoff requirements contained in the Omnibus Trade bill, S.1420.

These requirements have no place in a trade bill that should be designed to enhance America's competitive posture and improve our ability to adapt to changing economic circumstances. Any mandatory plant closing provisions are as protectionist as a tariff or a quota. They are misguided attempts to hold onto the past at the expense of preparing our workers and our businesses for the future.

It is especially ironic that plant closing provisions of this kind are precisely the type of legislation that has so hindered Europe's economic growth for decades. Today, the trend in Europe is to reduce government's role in labor-management relations. Do we really want to trade our job growth for Europe's job loss? Do we really want to give up our identity as a nation of entrepreneurs and risk-takers in favor of government regulation in competitive decisions?

Mandatory plant closing requirements threaten our ability to further rejuvenate our economy, and add to the 13 million jobs we have created in the past 6 years. This record reflects the strength and resilience of our system—and it is the envy of the rest of the world. We should only intervene with the greatest caution.

I urge you to reject any such requirements because they could impede flexibility and they could cause serious harm to workers by forcing unnecessary layoffs and closings.

In light of these concerns, any mandatory plant closing provisions would make it impossible for the President's senior advisers to recommend approval of a trade bill.

The Office of Management and Budget advises that there is no objection to the tramsmittal of this report to the Congress and that enactment of any mandatory plant closing provisions would not be in accord with the program of the President.

Very truly yours,

WILLIAM E. BROCK.

EXHIBIT 13

ORGANIZED LABOR'S MENU FOR THE 100TH CONGRESS

[The Chef is Orgainzed Labor. Here's the "Bill of Fare" being offered to the 100th Congress.]

(Annual Cost)

APPETIZERS

Comparable Worth: A special from the American Federation of State, Municipal and County Employees—This "study" of the federal work force is a taste of things (and costs) to come.—$2,000,000.

Polygraph Ban: "Carry out" special for those who like to "feast" on employer property—would take away valuable crime deterrent and detection tool.—Market price.

ENTREES

Mandated Heatly Care: Everyone supports health care—so let's require every business to provide it—no matter what the cost. Small businesses especially will find this a costly "delight".—$21,356,000,000.

Mandated Parental Leave: Small business takes it on the chin. This item is brought to you by 9 to 5. Price is no object.—$2,600,000,000.

Minimum Wage: A "Chef's Surprise" from the Food and Commercial Workers Union. Recommended for those small businesses who want to cut back on jobs, limit opportunities and reduce services.—$3,980,000,000.

HOUSE SPECIALS

(Priced According to Market)

Plant Closing: Flown in fresh from Europe by the United Auto Workers. Guaranteed to reduce flexibility, ensure more business failures, stall economic growth, and restrict ability to compete in a changing global economy.—Market price.

Double-Breasting: The Building and Construction Trades Department of the AFL-CIO offers this "tasty" treat to restore what they have lost in the marketplace and force thousands of workers to join unions without a vote. Higher construction costs and less flexibility will "delight" the palate.—Market price.

Labor Protective Provisions ("Frequent Flyer" Special): For airlines only—but will offer it to other industries. Unprecedented for deregulated industry—"protects" unnecessary jobs, maintains artificial wage levels and perpetuates inefficiencies.—Market price.

Occupational Hazard Notification: Plaintiff's Attorneys; "Special of the Day." Ample "side order" ramifications for Workers' Compensation and Health Insurance Costs, as well as the liability costs.—Market price.

DESSERTS

Davis-Bacon Act: No reform, no substitutions, no savings . . . just a "top shelf," price, "prevailing" wage—no matter what the cost to the federal government.—$900,000,000.

Service Contract Act: This little-known "taste treat" is very similar to the Davis-Bacon Act (no substitutions)—but more costly.—$1,000,000,000.

Pension Reversions: If your business has a well-funded pension plan, the rules for the past 40 years will be changed to prevent you from taking back any excess assets, even if all your obligations to employees have been met.—Market price.

The U.S. Chamber of Commerce believes that organized labor's costly "bill of fare" would force businesses to reduce jobs and services, cause many companies to go out of business, and restrict unnecessary America's ability to compete in world markets. The prices used in this "menu" are conservative estimates developed from data compiled by a variety of sources, including the Congressional Budget Office, the President's Private Sector Survey on Cost Control (the "Grace Commission"), the minimum Wage Study Commission, and the U.S. Chamber of Commerce.

The U.S. Chamber of Commerce is the world's largest federation of businesses, chambers of commerce, and trade and professional organizations.

The PRESIDING OFFICER (Ms. MIKULSKI). The Senator from Louisiana.

Mr. BREAUX. Madam President, I served in the other body for 14 years and recently took office in this body, replacing our former senior Senator. I thought I had heard all types of arguments and that I would never cease to be amazed at some of the arguments for and against legislation that we hear in this Chamber and in the other body, as well as some of the arguments we hear from some constituent groups around the country both for and against legislation. I have long since stopped being amazed and merely try to look at each argument, respect where it is coming from, and then make my decision based on hearing the arguments of all sides.

I am in strong support of the provisions with regard to notification of when plants are going to be closed that are contained in the committee's bill. I commend it in addition for trying to meet the objections of all those who opposed the legislation and said they opposed the legislation because "we can't require a plant to give 180-day notice." So the authors of the legislation said, "Fine, we will reduce it to 120 days." They said, "120 days is too long. We can't possibly tell employees 120 days in advance that we are going to close the plant." The authors of the legislation said, "Fine, if you don't want to do 120 days, let's do 90 days. How about 90 days?" They said, "No, 90 days is too long. We can't support this legislation because 90 days notification is simply too long." So the authors are now saying," All right, how about 60 days? How about 8 weeks? If you know your plant is going to close, is it too much to ask to give 8 weeks notice, 60 days notice?"

Many of the opponents of the bill now said: "No, that's too long, too." I wonder how far down we have to say that is too much notice—24 hours? How far would we have to go? Would they accept any notification? I would suggest that no matter what timeframe you have, from 180 to 120 to 90 to 60 days, all the way down to 60 minutes, there would be people who would say: "That's too much notice; we can't afford to give it."

Others have said: "You are affecting mom and pop companies. Mom and pops don't have the ability to look at the paperwork and make a decision when they are just a little company and tell people they are going to close." so the authors of the legislation said: "Very well, it will not affect companies that have 50 employees or more. We will double it. We will say that it only affects companies that have 100 or more employees in order to have to meet the notification." The opponents have said: "That is too much, too." We doubled it and they said: "That is unacceptable." They said: "Well, you are counting seasonal employees. And that is not workable because seasonal employees come and go, and if you count seasonal employees, by golly, we are going to be counting people who are here for only 2 or 3 weeks and we are not that big." So the authors of the legislation said: "Fine, we will take out seasonal employees. They are not going to be covered. If that gives you heartburn, we will take them out of the bill. You have to have 100 full-time employees to qualify, in order to be required to participate." Then they said: "Well, plant closing is different from layoffs. Layoffs occur seasonally sometimes, and because of cyclical changes in the economy, we don't want to have to be giving notification when we have a cyclical closing because of conditions that occur periodically." So the authors of the legislation said: "Fine, we accept that. We will take out cyclical closing and say that you will require advanced notice for layoff only when 50 employees are being laid off and the layoff constitutes at least one-third of your total number of employees."

They said: "No, we don't like that, either." They raised another objection. They said: "Maybe we didn't know we would have to lay them off for 6 months." The authors of the bill went back to the drawing board and they came back and said: "All right, if you don't know when you lay them off they are going to be laid off for 6 months and conditions change and you find out they are going to be laid off for more than 6 months, but you did it in good faith; you didn't give notification, no problem—you are not in violation of the bill. No problem. You don't have to worry about a penalty of any type."

Then they said, "Well, we don't want to have to give this notification because, by golly, if we do that people who are buying from us and people who are going to be doing business with us are going to shy away from us; they are going to run and hide if we have to tell people we are leaving, moving out of town." The authors of the bill went back to the drawing board and came up with another exception to address that specific concern and it says that employers, the bosses, who are actively seeking capital or actively seeking business in order to avoid these shutdowns and have reason to believe that giving notice will hurt them from staying in business, are not required to give advance notice. They took care of that concern. And yet the opponents of the legislation said, "Well, that is not enough. We don't like this thing that deals with giving our employer records and our reports and technical information to the employees." By golly, they may take the information and I do not know, do what, go out and start a business in competition. "We can't give them our records. That is proprietary information. Heaven help us if we have to give information about how the company is making out to the employees. We can't do that. We are opposed to the legislation." The authors went back to the drawing board once again. They said, "All right, you don't like that; we are going to take that out." And they have taken that out. Yet we still hear from the same organizations and groups. Despite every one of these things that they raised, every one of them that they raised as to what they perceived to be legitimate criticisms of the bill having been taken care of, they have not budged one bit with regard to their support of the legislation.

I do not know what else can be done. I think it is pretty clear, no matter how much we water it down, how much we eliminate completely their objections, we are never going to change their position of opposition.

The interesting argument that I have seen as to why this is bad is because it is government interference. You have heard that this afternoon and will probably hear it for a long time, as I measure the situation. It is government interference. The government does not have a right to require a company or a plant in town to give notice when they are leaving town, they are closing up the plant. They should not have to do that. The government should not be involved in that. That is government interference. If you think that is government interference, let me tell you what they do not think is government interference. They do not think it is government interference when a city council in a small town gives them "no tax privileges" for a year. They do not think it is government interference when the State gives them an exemption from property tax.

They do not think it is government interference when the local municipal government will say: "You need a street? We'll build you a street." That is not government interference.

They do not think it is government interference when they ask the State or the Federal Government to dredge a river or a harbor to get to their plant. That is not government interference.

They do not think it is government interference when they say: "We need a railroad track, and we're not going to locate in your town until we get it"; and the locals get together and give them a railroad spur that will serve that plant.

They do not think it is government interference when they say: "We're not coming unless you provide us with utilities," and the local government or the State government provides them free power in some cases. That is not government interference.

They do not think it is government interference when they say: "We need some help with permits. Will you run these permits through quickly? We need a dredging permit, a 404 permit. We're not going to locate in Louisiana or any State in the Nation until we get a permit quickly."

But they think it is government interference when they are asked, "Will you please give us a little notice, 60 days, before you leave town?"

I say to my colleagues that it is a two-way street; it is not just one way. That plant, when it receives all those government benefits from the State, local, and Federal Governments, has an obligation to that community and to those people. It is a partnership relationship. It is not a one-way street. That obligation says: "When you know you are going to pull up a week before Christmas and move to a foreign country, you have an obligation to those thousands of workers who are going to be laid off, letting them know when you know, or at least 60 days before it closes, that you are moving out."

That local community and those employees, in partnership with that company, made an honest and a sincere effort to get them there by giving them things that mean something to that company, to help them make a profit.

So, when people say it is government interference to require 60 days' notification that they are closing, it is a balancing situation.

They have broken the partnership when they say: "We'll take everything and put it in our pockets, and we're not going to give you the benefit of the time of day for the benefit of 8 weeks' notice, and we're pulling out."

That is all this legislation says. It does not require, as some have implied, a plant to stay in town. It does not require a plant to stay in business that is losing money. It does not prevent them from moving to Singapore, Taiwan, or South Korea. They can continue to leave, close the shop, bolt the door, fire their employees. The only thing they have to do is say: "Hey, we know about it, and we want to let the people who have been a partner with us have ample notice so that they can seek employment elsewhere"; so that the local people who put up the money to get them there can decide on the local budget and can decide how they are going to take care of the thousands of employees who left.

I say that what we are asking companies to do is a very minimal amount of activity. It is a very equitable tradeoff, and I think the authors of the legislation have bent over backward to meet all the objections I have heard to this legislation. Those objections have been met, and now I think it is time for this body to act affirmatively in support of the bill.

Mr. **HUMPHREY**. Mr. President, the party on the other side won a majority in this body last year. This Senator is one who had hoped he had learned something in the years they spent as a minority party. But it would appear that they have learned nothing. The agenda that they are slowly but surely working through the committees and up to the floor is the same old, tired, bankrupt agenda of the 1970's.

This provision now before us is the first bite into the apple that poisoned the economy of Europe.

Freedom works. We have tried everything else. Why do we not try freedom? Freedom works. A free economy produces jobs. Is that what we want? Of course it is. We want jobs. We want productivity. We want a higher standard of living for our people. To produce those things, we need to produce freedom, not restrict it.

This provision would restrict the freedom of owners of businesses, would restrict them quickly cutting their losses when that is necessary. It would restrict them from laying off employees when that is necessary. There are probably only a very few businesses in the country, if any, that enjoy laying off employees. But sometimes it is necessary, to save a business. Sometimes it is even necessary to close down a plant, a branch, to save a business. That freedom, that mobility, to do so, the latitude to do so, is part of the climate which produces jobs in this country in a way that no other country produces jobs. Even in the relatively free nations of Western Europe, they lag far, far behind the United States in creating jobs.

Since 1970, the U.S. economy has added 31 million net new jobs, according to the Bureau of Labor Statistics. This is particularly impressive when compared with the economies of Western Europe. There, many countries have experienced a net loss in numbers of jobs over these years.

Why is that so in Europe? Because European managers and owners have been restricted, have been placed in an economic straitjacket by the very kind of legislation we are now considering. Part of the straitjacket is the result of the so-called redundancy laws which most European countries have, laws which penalize employers who fail to provide advance notice of layoffs or closings. Such laws ultimately result in a system that lacks the flexibility necessary for a rapid response to changing market conditions, the precursor to job growth.

West Germany passed its mandatory advance notification law in 1972, Great Britain in 1975. Similar laws were passed in most other European nations as a result of the 1975 directive issued by the European Community requiring national laws on the subject of advance notice for layoffs and closings.

But after years of frustration over the lack of new jobs creation, the Europeans are beginning to realize their mistakes. Some European leaders have determined that European redundancy laws need to be reformed if their industrial managers are ever to expand production and create jobs. This represents a significant policy reversal for the Europeans.

Recently, the Organization for economic Cooperation and Development [OECD] has acted to spur the growth of new jobs. Recognizing that high unemployment and diminishing growth in new jobs has roots in microeconomic policy—including plant closings laws—the Economic Policy Committee of the OECD recently released a report calling for reform.

Specifically, the Economic Policy Committee's report calls for labor market reforms that would "reduce constraints and disincentives to hire labor, to accept employment, and to change jobs." These reforms are a "priority to improve the prospects for employment, especially for the young and less well trained." The report notes that some progress in this area has already been made, but urges further reforms of labor market regulation.

The motivation underlying the OECD recommendations is apparent throughout Europe. Current unemployment rates range from 9 percent in West Germany to almost 12 percent in Great Britain.

Already, the West Germans have amended their laws to provide greater flexibility in employment practices.

Other countries are expected to follow suit.

We should learn from the West European experience. Imagine the mess we would have here if our jobs creation record replicated that of Europe. Had our economy performed as, for instance, that of Great Britain over the last 15 years, our present unemployment rate would be 33 percent. Forty million Americans would be unemployed.

Because our economic decisionmakers have not had their hands tied by U.S. lawmakers through European style statutory requirements, our economy has shown healthy growth and jobs creation.

Unbelievably, the Senate now being asked to cast aside a jobs creation model that works and replace it with a model akin to that found throughout Europe: A model that is a proven failure.

To be sure, many factors combine to produce or inhibit jobs growth. But, based on the Europeans' bitter experience, if our industrial managers are forced by law to concentrate on preservation of the status quo rather than creation of new enterprises and jobs, then we may well follow the European lead. I suggest, on that basis alone, the Senate should reject the plants closings provisions.

Current unemployment rates in Europe range from 9 percent in West Germany to almost 12 percent in Great Britain. Already the West Germans for their part have amended their laws to provide greater flexibility in employment practices.

Why do we not learn from our allies and friends in Europe? Why do we not learn that the more restricted employers are in an economy and society, the less successful they are, and the less successful they are, the less successful those are who seek to gain and hold employment?

We should be grateful that our record in this respect has been so outstanding and so excellent. We should leave well enough alone. But unbelievably it seems like the 1970's here all over again in this and many other respects, I am sorry to say. The Senate is being asked to cast aside the jobs creation model which is the shining example in the world, cast aside this excellent system for creating millions of new jobs and begin to adopt the European system which has been a complete failure in producing new jobs.

Madam President, I urge my colleagues to vote against this legislation. It is so obviously unwise. It is so obviously inclined to lead poor results. It just astonishes me we even have to waste any time debating it.

Madam President, I ask unanimous consent that an editorial from the June 30, 1987 edition of the Wall Street Journal be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 30, 1987]

THE DEMOCRATS' EUROPEAN DISEASE

By the time the Senate's monstrous 1,000-page trade bill slouches to the floor for a vote, it will be carrying more than 100 amendments. Among them is a plant-closing bill sponsored by Ohio's Democratic Senator Howard Metzenbaum. Slated for a vote today or tomorrow, it would create new requirements for closing a plant in the U.S. (The senators aren't too fastidious about whether their amendments have much of anything to do with trade.) The plant-closing amendment is among a half-dozen Big Labor measure sponsored by Democrates this year. Taken together, the bills add up to a Democratic effort to infect the country with an epidemic known as the European disease.

The European disease, which has enervated Europe's economies for years, was the result of good intentions gone haywire. The European model of employment called for strict government control of the labor market in the interests of "the social good." Practically every aspect of labor-management relations has been regulated to some degree—from wages and benefits to plant operations. The result: 15 years of relatively flat job creation. Since 1970, the economies of Britain and West Germany actually have shown a net decrease in the total number of jobs; France and Italy posted only modest increases.

Unemployment among members of the European Community remains stubbornly high, with rates ranging from 9% in West Germany to almost 12% in Britain. As the accompanying chart illustrates, the U.S. economy has been a veritable job-creation machine compared with the EC. Since 1970, the U.S. economy has produced more than 30 million net new jobs, for an increase of nearly 40%. Since the 1981 recession (which resulted in 11 million displaced workers), the U.S. economy has created some 20 million new jobs, for a net gain over this period of nine million new jobs.

Against this backdrop, the Democrats are now ready to march U.S. labor law backward into someone else's failed past.

The plant-closing bill requires employers to give three months advance notice of closings. A "double-breasting" bill places new strictures on construction companies operating both union and nonunion shops; the bill would effectively unionize many nonunion operations and permit multisite picketing. A minimum-wage bill raises the minimum hourly scale by nearly 30%. An occupational-disease bill requires notifying employees of job-related disease risks as broadly defined by the government; employers absorb the cost of testing. Another bill expands the scope of Davis-Bacon prevailing wage laws on federal projects. A parental-leave bill, part of an emerging "mandated benefits" strategy, would require employers to provide up to nine months a year in leave to parents.

Most fo these bills are rewrites of measures rejected by Congress in past sessions. The only thing that has changed is that Democrats now control the Congress. Howard Samuel, an AFL-CIO executive, said recently, "We control the committees and the agenda on the floor."

The irony in all this is that Senator Metzenbaum and his like-minded colleagues are embracing a European-like labor policy at the very time Europeans are trying to move away from it. Last month the economic policy committee of the Organization for Economic Cooperation and Development issued a report asserting that broad reforms of Europe's labor policy are needed if the EC is to spur job creation and healthier economic growth. The report advocated "dynamic economies in which markets and competition [play] a wider and less constrained role." And improved "functioning of labor markets is essential to reduce joblessness and strengthen economic performance."

So the imminent vote on the Metzenbaum plant-closings bill offers an odd spectacle. While the OECD seeks now to undo the damage of 15 years of policy that has raised labor costs, decreased productivity, stifled job creation and hindered competitiveness, the Democrats are intent on imposing the same disease on the American economy. Come to think of it, the Metzenbaum plant-closing measure looks right at home in the congressional trade bill.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Madam President, I am disturbed that this measure is on the trade bill. It does not seem to me that this is an appropriate place for plant closing legislation. It is diverting attention from a very important bill which deals with sections like 301, which is access to foreign markets, and 201, which provides protection for our industries in the event that they are harmed by imports. How this happened to be tacked on it seems to me to be unfortunate.

But, nevertheless, let us look at the amendment itself.

If this were coming up as a freestanding amendment, I must say I would find much in it that I agree with. I certainly agree with the motivation behind this legislation. I think every Senator here would like to see employers give workers as much advance notice as possible whenever there is going to be a closing or layoffs.

Nevertheless, I have great difficulty with the mandatory notification requirements for two reasons. The principal one is it is obvious to me that it will result in endless litigation, and I will touch on that in a minute.

Second, it is my belief that it ties the hands of our businesses that are trying to get in the marketplace. In other words, it reduces the competitiveness of American industry.

My cochairman of the competitiveness caucus, the Senator from Montana, has previously spoken that this will assist competitiveness. In my judgment, it will not. It will deny a competitive edge to American industry.

The best way to help dislocated workers is to have an adequate retraining and relocation program for those individuals, and that is the way to do it—help out the workers. But do not handicap the businesses which are the source of jobs.

Mandatory notice will be counterproductive. It will jeopardize employment.

We all recognize it is a tragic situation when workers lose their jobs because business has been forced to retrench or even to shut down in the face of changing economic conditions.

In my home States of Rhode Island I am proud that we have one of the best dislocated worker programs in the country. We have a rapid response team that can come in. We have early intervention programs. In other words, we are set up to take care of the situation and we have onsite assistance.

This and other programs like it, such as unemployment compensation, helps dislocated workers in a constructive way in our rapidly changing economy.

That is why I am a staunch supporter of part A and part C of this bill.

What is part A? Part A authorizes $980 million—even for somebody from Washington that is a lot of money. It is nearly a billion dollars—$980 million for a comprehensive worker adjustment program.

This is to be developed and administered by the States. In other words, it is handled by those on the battle lines.

Workers are eligible for services which include education, on-the-job training, income support, if they have been laid off or lost their jobs due to general economic conditions. Homemakers, for example, who are trying to enter the labor force because they lost their spousal support are eligible for these programs as well. These are people who deserve assistance when they lose their jobs due to economic circumstances beyond their control. Their needs are going to be met by part A of this bill, the $980 million.

Now part C, let us touch on that briefly. That also fulfills a crucial need. It creates five demonstration programs and provides for discretionary expenditures on other programs by the Secretary of Labor. This section will allow States to explore new ways to provide prompt, effective, and flexible assistance to dislocated workers.

Let us try something different. We do not know all the answers. We do not know all that is best about retraining.

This part C gives the Secretary of Labor varied approaches to try.

And this will be used not only for workers who are currently dislocated but this legislation will also plant the seeds for better and more effective programs in the future.

Now, it certainly makes sense and it is sound policy for this country of ours to provide for the life blood of our society, the family workers, in times of need. Part A and part C does this.

But part B is different. What does part B do? Part B is the part that requires this notice to the workers in the event of the closure of a plant in advance.

Now, part B requires 60 days advance notice of layoffs and closings in the case of plants and companies.

What makes this so troubling to me is that I believe it is going to do more harm than it is going to do good. I think it is important to remember that every piece of legislation that is labeled as helping labor does not in the end help labor. Let me just give you an example.

In my home State for many years there was on our books what we call strikers' benefits. In other words, if there was a strike at a company, the strikers, after a brief waiting period, were entitled to unemployment compensation. We were one of two States in the Nation to do so. Why, I note to the Senator from Massachusetts, his State did not even have that program. They did not pay strikers' benefits. I mean, that is how bad it was. Massachusetts had not adopted it.

This legislation was labeled proworker. It was supported by labor strongly. They go out on strike. How are the workers going to feed the children and take care of them? They would be helped by these benefits.

Finally, we woke up and we said this is not helping our State. It is hindering our State.

So 2 years ago they changed this. They made a change in a program that was labeled prolabor, proworker, beneficial, but in experience it proved not to be so.

I admired our Governor and I admire our legislature for doing so. It took a tremendous wrench for them to change this law that had been on the books since the late fifties. But they did it.

Since then, and I do not want to suggest this is all cause and effect—a host of other factors have taken place—our State has been on an economic resurgence like we have never seen before. Our State is prospering. Our unemployment is down below 4 percent. We have more housing starts. The value of housing has gone up, a mixed blessing. People are coming to our State. We had more new jobs created. We are attractive now, an attractive State for labor and everybody has prospered, everybody, minorities, women, all have. Everybody has prospered as a result of this resurgence.

So it turns out that what was a prolabor bill, proworker originally by name, the changing of it helped lead to this better climate.

Again, I want to stress this was not everything. There are a lot of other factors, including better times nationally. But now we are one of the more prosperous States in the country, good-paying jobs are going begging and magnificent employers, like Electric Boat, has 400 jobs that they cannot fill. They had to send them down to the South. For that to happen in our State is extraordinary. We are a State where in every single poll that has been taken, where the question is asked, "What is your principal concern," in good times or bad, the answer is "Unemployment." We are scared to death of unemployment. But now that has changed.

And I use that illustration, Madam President, to make the point that legislation that is labeled "good for the worker" is not always good for the worker. In my judgment, this is one of those instances.

Let me give you an example. It is quite common that some companies have two or three plants. And there are occasions—and I know this from personal experience, I have seen it at home—where one of these three plants is rapidly losing money, and I mean rapidly—lost a contract, could not continue—and they have to be closed quickly. And if they are not closed quickly, the jobs in the other two plants are jeopardized. Now that is an actual situation that has happened in my home State.

If this provision is passed into law, the company is required to keep that plant going even though there are staggering costs associated with it and even though it jeopardizes the jobs of the workers in the other two facilities. Thus, the jobs of all the workers are endangered because of a piece of legislation like this.

Now, it is true that the sponsors of this amendment have tried to accommodate the myriad of practical objections which have been raised about the mandatory notice. They have inserted exceptions and exemptions. And I agree with those exceptions and exemptions, the motivation behind them.

But, in reality, these exceptions and exemptions simply are going to lead to the most litigious type of result you have ever seen. It is going to be a lawyer's field day.

Take the situation where a company: "reasonably and in good faith believed that giving the notice would have precluded the employer from obtaining the needed capital or business." Situations where, if you gave notice, you would not have been able to get the capital you were looking for, so you did not give notice. You did not get the capital. The plant had to be closed. That is listed as an exception. But that is an exception that will be tried in the courts. There will be battles over whether the employer was "reasonable" in his belief.

This bill is a lawyer's dream. I have not seen the list of supporters, but if we do not find the American Trial Lawyers are all out in support of this, then they have not heard about it. And the American Bar Association must think this is wonderful. Why, these lawyers that are being ground out of law schools, they can have a job. Hook on to one of these kinds of cases and they can work it for a fare-thee-well. It is a full employment for labor law litigators—that is what it is—at a significant cost to the businesses.

Now, here is another one. Listen to this one. An employer can close the plant without giving the 60-day notice if the closing is "caused by business circumstances that were not reasonably foreseeable as of the time that the notice would have been required."

Do you get that? You do not have to give the notice if there were business circumstances that could not "reasonably be foreseen" when you were required to give the notice.

Now, how many months of a lawyer's time is going to be spent trying to decide, battling it out in the courts with discovery procedures and all kinds of interrogatories, whether the business circumstances were "reasonably foreseeable?"

Here we are in the summer of 1987. Does anyone know or can anyone "reasonably foresee" what the interest rates are going to be this fall? What are the interest rates going to be? I would be curious. I would appreciate it a great deal if the sponsors of this legislation would tell me what the interest rates are going to be this fall. Suppose you are in business, planning to invest in new equipment? You make your plans based on borrowing at 9 percent, but in September the rate is not 9, it is 11 percent. Now was that reasonably foreseeable? Were you doing a conscientious job in not anticipating that the prime was going to 11 percent? Should we have thought of that? That is a wonderful court case.

Look at the value of the dollar. Businesses dependent upon exports can be drastically affected by changes in the value of the dollar. We all know that. We have been through it in the past several years. These businesses can have all the assumptions that they want to, but they cannot reasonably foresee all the changes that are going to occur and how they will affect their businesses.

Here is another one. Listen to this one. The notice does not apply if the plant closing is the result of the sale of part or all of the business and the purchasers agree to hire "substantially all" the affected employees. Now will somebody please tell me what "substantially all" means? Is that 60 percent? Somebody is going to buy your plant and they say they are going to hire substantially all of the employees. Is that 70 percent? Can anybody within hearing help me out? What is "substantial"? I suppose it is above 50 percent, but is it 70? I do not know.

Now here is one more. You do not have to give notice if the closing is the result of the relocation of part or all of the employer's business "within a reasonable commuting distance" and the employer offers to transfer "substantially all" the employees.

OK. Now you have a double one there. First, you have to figure out, Is this a reasonable commuting distance?

Now, I will tell you, up my way, we spend 2 days planning a trip to Boston, and that is 40 miles away. But out West, they go 40 miles to the movies. It is a different approach. Why, if we are going to a baseball game in Boston, we sit down and talk about it. That is a major trip.

I know some people in our State have never been to Boston. Now, you may wonder, why bother? Well, the Red Sox are there and there is a lot of appeal to go into Boston. But that is a reasonable commuting distance.

If you said to any citizen in our State, "We are going to transfer this business up to Boston," they would faint. They would not like that trip. They do not like crossing State lines. There is something about it.

Roger Williams—this is a bit of interesting history—Roger Williams was thrown out of the Massachusetts Bay Colony, and Roger Williams subsequently founded our State. We have had somewhat of a disgruntled feeling about Massachusetts ever since then.

Is it legal to transfer a plant from Providence to Boston, MA and saying that is a reasonable commuting distance, I do not know. Is that a reasonable commuting distance?

Now, the Westerners, they would say, "Why 90 miles is a reasonable commuting distance." But we don't think 40 miles is.

But, if one is going to do that and is going to take a substantial number of employees there, and is willing to transport them, where are we now? What is a reasonable distance and what is a substantial number? I think we have got the makings of a splendid lawsuit.

Let's look at another. Whoever dreamed this legislation up? The notice does not apply to "a temporary facility" or if the layoff is the result of the completion of a particular project and "the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project."

Now, what is temporary? When I first came down here the temporary Navy buildings occupied The Mall on Pennsylvania Avenue between Pennsylvania Avenue and Constitution. That was called temporary Navy.

Those buildings were built there in 1917 and I came in as Secretary of the Navy in 1969 and those temporary buildings were there.

We finally tore them down in 1971. Those were temporary.

I do not know whether we take the word "temporary" as we have known it here in connection with those naval facilities which lasted some 60 years or is there some other definition of temporary? Who is going to determine what the "understanding of the employees" was about a project? And how is it to be determined?

All this is tailor made for litigation. This amendment really creates a nightmare of potential litigation, and it is an answer to the prayer of every lawyer in the United States.

I realize that the motivation behind this mandatory notice is to help workers caught up in a very sad situation: a business failure. But it is not, as I have pointed out, the best way to help them in the long run. We are not going to help workers by making it more difficult for those businesses that we depend upon to hire the workers to survive.

How can we help the workers? We can help them by providing the direct governmental assistance as part A does and part C does of this measure. That is the best and most humane way to be of assistance.

I do not believe that in the long run it really helps workers to require businesses to stay open long after it is economically feasible for them to do so. It may result in workers losing their jobs permanently when, if the company had the flexibility to quickly respond to a sudden economic situation in a competitive fashion, there would only be a brief layoff.

Madam President, let me say I wholeheartedly support the $980 million which I believe originally came from the Senator from Indiana—and the administration certainly has supported that. We need to ensure that parts A and C of this measure are adopted. It does not have to be adopted in connection with this trade bill. It can be adopted later on.

There is no question if it is possible to give advance notice of the closing of a plant, that is right. That is preferable. I heard the discussion here earlier of a plant closing; AT&T, it was pointed out, closed in Shreveport, LA, with no notice.

I can only take the word of the Senator from Louisiana who described that closing, but I find that surprising because we have dealt with AT&T in my section of the country and they have been outstanding employers. They go all out in every respect to treat the community, their workers, their stockholders—we have been particularly associated with them in the connection as a community—in the most favorable fashion possible. They give every kind of notice that they can.

What happened in the Shreveport situation, I do not know. But to mandate? Certainly, we want to encourage that, but to mandate would ultimately harm the very workers it set out to assist.

The situation I think of is this: A plant is struggling. They want to stay open. If they give notice that they are terminating or going to lay off their workers in 60 days, just to be cautious, to comply with the bill, there is not a lender that is going to extend them a nickel of credit and we all know that. There is not going to be a supplier that is going to send them any supplies because the suppliers are in danger of not being paid and so it is going to be all COD, cash on delivery. No credit is going to be extended in any way.

So a plant that battles to survive is going to lose. They are going to lose. They can come in afterwards, having not complied with the bill and not having given notice, fighting to survive, and they fail. They can then come in and say: "We had reasonable anticipation that we were going to make it." Then they are hauled into court and the chance of that plant ever coming back in any way due to the long litigation, it seems to me, is extremely slim.

For these reasons, Madam President, I would hope that this particular provision would be dropped. I do not think it should be in the trade bill. If they want to bring it up some other time we will go through the same arguments but certainly we should not hold up a trade bill that I think has potential of being a good one.

I want to thank the Chair.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. QUAYLE. I suggest the absence of a quorum, Madam President.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. METZENBAUM. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Madam President, I see no one else on the floor ready to speak. The amendment is pending at the desk. We are ready for action pending with it and if my colleague from Indiana is prepared to move forward I am prepared to give him a rollcall vote or go without a rollcall vote and then I am prepared also—from my understanding he would then come back with a motion to strike. But I see no reason to delay the matter any further. We are ready to vote.

Mr. QUAYLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. I might answer the distinguished Senator from Ohio. There are, from my calculation, about three or four other Senators, including the ranking Senator from the Human Resources Committee, that desire to be heard, and I think that those of us on this side indicated that around 6 o'clock would probably be a good time. One may not get here until is is closer to seven. But it would be my desire to put in a quorum call or whatever else until they have a chance to speak. Then we will see where we are on the legislation, whether there is further debate or what.

Mr. METZENBAUM. As the Senator from Indiana knows, the amendment pending at the desk I do not believe is controversial as such because all this amendment does it make the legislation that is before us more workable for the business community. The amendment that I have offered is not an amendment to make the bill tougher, but rather to make the bill substantially weaker.

My question really is, Is the Senator from Indiana opposed to our making the bill more acceptable to the business community notwithstanding the fact that I know that the Senator from Indiana is opposed to any proposal? But he would still have his right to strike the provision in its entirety.

Mr. QUAYLE. That is what the Senator from Indiana has been trying to do now for a couple of weeks, is to strike the whole thing, strike the Metzenbaum amendment, and then it is amended—which is the same thing in four different degrees—strike what is in the bill, whoever it may be.

The problem I am confronted with right now is the tree is full. The majority leader has already—perfectly within his rights—filled up the trees.

Mr. METZENBAUM. You certainly are not opposed to my making the pending bill more acceptable to the business community than it presently is, and that is all that is in my amendment. Thereafter there would be no tree.

The Senator from Indiana would be in a position to offer his amendment to strike, as I understand the rules, and I am perfectly willing to place a question to the Parliamentarian if it is not the fact that——

Mr. QUAYLE. I ask the Parliamentarian if in fact the Senator from Indiana, once the Senator's amendment would be disposed of, if my motion to strike would be in order without any amendments thereto?

Mr. METZENBAUM. I am sure it would not. That much I can tell you without asking the Parliamentarian. You are welcome to ask the Parliamentarian, but I would like to ask the Parliamentarian the question that I put and that is if the Senator from Ohio——

The PRESIDING OFFICER. If the Senator from Ohio would withhold, the Chair will entertain one question to the Parliamentarian at a time.

Mr. QUAYLE. The Senator from Ohio wanted to pose a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Ohio wish to pose a question to the Parliamentarian?

Mr. METZENBAUM. If the amendment of the Senator from Ohio is agreed to, would the Senator from Indiana or any other Senator then be in a position to offer a subsequent motion to strike?

The PRESIDING OFFICER. Yes, the Senator would be in a position to strike if he struck the Metzenbaum language as well as the additional language surrounding it.

Mr. METZENBAUM. I thank the Chair. Does the Senator from Indiana want to ask a question as to whether he can offer a motion at this time? I will certainly yield the floor for that purpose.

The PRESIDING OFFICER. Does the Senator from Indiana wish to pose a question?

Mr. QUAYLE. A parliamentary inquiry. If, in fact, the Metzenbaum first degree plus the amendments A, B, C, D, which we basically have before the Senate—if, in fact, they were agreed to, that would be the agreed-upon position, at that time it is my understanding that under the parliamentary situation the Senate resolution on the Persian Gulf recurs. It would take unanimous consent to set that aside to get to my amendment, let alone the amendment of the Senator from Indiana.

The PRESIDING OFFICER. If the Senator from Ohio will withhold.

The Senator is correct. Unanimous consent would be required.

Mr. QUAYLE. That is my parliamentary question.

Mr. METZENBAUM. I must say to the Sentor from Indiana that I am willing to enter into a unanimous-consent agreement with him that after my amendment is adopted, he would be recognized for the purpose of offering an amendment to strike, and the unanimous-consent agreement would also include the setting aside of the pending amendment having to do with the Persian Gulf. I would enter into such a unanimous-consent agreement.

Mr. QUAYLE. Would my amendment then be a straight up or down vote to strike the language?

Mr. METZENBAUM. That we had adopted and put into the bill.

Mr. QUAYLE. In other words, we would agree to the Metzenbaum language and all amendments thereto, and basically the Metzenbaum amendment would be agreed to.

Mr. METZENBAUM. That is right.

Mr. QUAYLE. At that time the Senator from Indiana would be recognized to offer an amendment to strike all the plant closing legislation which at this time would be the new Metzenbaum language, and we would have a motion to strike, and a vote up or down on that motion to strike at a time certain.

Mr. METZENBAUM. The Senator from Ohio is agreeable to such an agreement.

Mr. QUAYLE. Madam President, we might be making some progress on this, if that is the understanding. I have been trying to get somewhat in that position for a period of time.

With that, let me suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. BYRD. Madam President, I ask unanimous consent that there be a period for morning business so that the distinguished Senator from Illinois may introduce legislation; that that period not extend beyond 5 minutes, and that the Senator from Illinois may proceed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Illinois.

(The remarks of the Senator from Illinois [Mr. Dixon] appear in today's Record under Statements on Introduced Bills and Joint Resolutions.)

BICENTENNIAL MINUTE

JULY 8, 1797: THE EXPULSION OF WILLIAM BLOUNT

Mr. DOLE. Mr. President, on July 8, 1797, 190 years ago today, the Senate expelled Senator William Blount of Tennessee. In nearly 200 years, only 15 of the Senate's approximately 1,800 Members have been expelled. Blount was the very first and the rest were expelled during the Civil War.

William Blount was a signer of the Declaration of Independence, a former North Carolina Federalist turned Tennessee Republican, and an unscrupulous, chronically overextended land speculator. On July 3, 1797, President John Adams, a staunch Federalist, transmitted to the Senate a letter from Senator Blount to James Carey, an interpreter for the Cherokee Nation. In the letter, undeniably written by Blount, the Senator imprudently spelled out plans to launch an attack by Cherokee and Creek Indians and frontiersmen, aided by the British fleet, to wrest Louisiana and Florida away from the Spanish and turn them over to England. From this blatant conspiracy with the British, Blount stood to profit handsomely.

Blount's highly incriminating letter was referred to a select Senate committee. The evidence against him was conclusive, and the committee recommended his expulsion for "a high misdemeanor, entirely inconsistent with his public trust and duty as a Senator." Blount's grandiose plotting was so distasteful to his fellow Senators that they expelled him on July 8, 1797, by a near-unanimous vote of 25 to 1.

Blount's expulsion did him little harm in Tennessee, where he was promptly elected speaker of the State senate. His problems with the Federal Congress, however, were far from over. In 1798, Federalist leaders in the House, not content with his expulsion, adopted five articles of impeachment against Blount. His impeachment trial in the Senate in January 1799 was the first ever held. Blount's lawyers argued vehemently that the Senate had no jurisdiction over their client, since he was a private citizen. By a vote of 14 to 11, his former colleagues agreed and refused jurisdiction in the case.

FUNDS FOR THE CCC

Mr. HARKIN. Mr. President, I hope that the President will soon sign the supplemental appropriations bill which we passed last week. There are many important programs and provisions in that bill, but one in which I am very interested is the provision containing $5.55 billion in additional funds for the Commodity Credit Corporation. Once the bill is signed, the CCC will again be able to pay its legal obligations.

That is absolutely crucial because, since April 30, farmers, grain elevator owners and others who rightfully should have been receiving checks from the CCC, an entity of the U.S. Government, did not receive those checks, despite the fact that this money was duly owed them. Instead, many had to borrow from banks to cover their own obligations. In a few cases, some almost went under because they were not able to get a loan.

Even recognizing the limitations of the legislative process, I find it unbelievable that the farmers and grain elevators across the United States have been repeatedly left holding the bag because the Federal Government finds itself unable to make good on its obligations by allowing the CCC to run out of money.

Obviously, the best solution of all would be to avoid the delays in passage of the supplemental appropriations bill. But if we cannot accomplish that, then there is another step which we should take to address this problem.

Current law, known as the Prompt Payment Act, requires that the Government pay its contractors interest when the Federal Government does not pay its bills on time. That is fair and, moreover, it provides an incentive to the bureaucracy to get the checks out on time. But that law needs to be tightened.

I am a cosponsor of an excellent bill, S. 328, introduced by Senator Sasser which has been reported by the Government Affairs Committee under the leadership of its chairman, Senator Glenn. This bill makes it clear that CCC contractors such as grain elevator operators should be paid interest when the Government does not pay its bills on time. I believe that the GAO is correct in its assessment that the CCC should pay grain elevator operators interest under the present law. S. 328 requires 30 days for elevator operators.

But, the law should also cover farmers, many of whom are in great financial difficulty. When S. 328 comes to the floor—it is now pending on the calendar—I intend to offer an amendment that will extend the Prompt Payment Act to all of the types of arrangements that the CCC makes. Farmers and grain elevator owners should be treated like other businesses that contract with the Federal Government. If the Government is going to make these obligations through our farm programs, then the Government must be responsible enough to pay when payment is due, or pay the penalty if the payment is late.

And so my amendment would broaden S. 328 to include farmers as well as grain elevator owners.

Ideally, Mr. President, there should be no late checks but if there are, then the Government ought to make it up and the farmers and the elevator operators not left holding the bag and making interest payments out of their own pockets simply because the Federal bureaucracy was too slow in getting the checks out. So my amendment will require that if in fact the Government is late in getting the checks out to farmers, elevator operators, and warehousemen, it has to pay the interest so that these people are not left holding the bag.

(The following proceedings occurred earlier and are printed at this point by unanimous consent:)

UNANIMOUS CONSENT AGREEMENT—S. 744

Mr. BYRD. Mr. President, I ask unanimous consent that, at such time as Calendar Order No. 214, S. 744, is made the pending business before the Senate, there be a time limitation thereon of 10 minutes, to be equally divided between Mr. Burdick and Mr. Chafee; that no amendments thereto be in order; and that no motions to recommit, either with or without instructions, be in order; and 5 minutes for the Senator from Maine.

Mr. CHAFEE. Mr. President, this has been cleared with the Republican leader.

Mr. BYRD. Yes, that is my understanding.

The PRESIDING OFFICER. If the Senator will suspend momentarily, there is a committee amendment to this bill.

Mr. BYRD. Mr. President, I have not called that up yet. I have just asked for a time agreement.

The PRESIDING OFFICER. Yes, but the Senator specified that there would be no amendment in order to this bill.

Mr. BYRD. I see what the Chair is saying. So there is a committee amendment?

The PRESIDING OFFICER. That is correct.

Mr. BYRD. I would exclude the committee amendment from my request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, it has also been cleared for the Senate to proceed now to the immediate consideration of the bill. It has been cleared on the other side.

RADON PROGRAM DEVELOPMENT ACT

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 214.

The PRESIDING OFFICER. The clerk will report,

The legislative clerk read as follows:

A bill (S. 744) to assist States in responding to the threat to human health posed by exposure to radon.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works, with an amendment to strike all after the enacting clause and insert in lieu thereof, the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Radon Program Development Act of 1987".

FINDINGS

SEC. 2. The Congress finds that—

(1) exposure to radon poses a serious threat to public health in certain areas of the country and is estimated to cause between 5,000 and 20,000 lung cancer deaths each year;

(2) a General Accounting Office report notes that 30 percent of about 40,000 indoor radon measurements were above the level at which the Environmental Protection Agency recommends that action be taken so as to reduce such level, thus indicating that indoor radon contamination is a national problem;

(3) Federal response to the health threat posed by radon is essential and should continue at existing or expanded levels;

(4) the Federal radon program should include authority to conduct training seminars and otherwise disseminate information to State and local governments and private firms and individuals on radon contamination;

(5) it is essential that in encouraging the private sector to increase its role in radon testing and remediation that there be safeguards for citizens to ensure the reliability and proficiency of testing and remediation firms;

(6) State governments should play a role in responding to the health threat posed by radon;

(7) Federal assistance to States will make possible a coordinated Federal-State effort to respond to the health threats posed by radon;

(8) according to the Environmental Protection Agency, scientific studies of other types of radiation exposure indicate that children may be more sensitive and, consequently could be more at risk than adults from exposure to radon; and

(9) assessment of the extent of exposure of children to radon in schools will facilitate appropriate response to such exposure.

DEFINITIONS

SEC. 3. For the purposes of this Act, the term—

(1) "Administrator" means the Administrator of the Environmental Protection Agency;

(2) "radon" means the radioactive gaseous element and its short lived decay products produced by the disintegration of the element radium occurring in air, water, soil, or other media;

(3) "State" means the 50 States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, the Northern Mariana Islands, American Samoa, and the Trust Territories;

(4) "local educational agency" means—

(A) any local educational agency as defined in section 198 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3381);

(B) the owner of any non-profit elementary or secondary school building; and

(C) the governing authority of any school operated pursuant to section 6 of the Act of September 30, 1950 (Public Law 874, 81st Congress) relating to impact aid for children of members of the Armed Forces;

(5) "non-profit elementary or secondary school" means any elementary or secondary school (as defined in section 198 of the Elementary and Secondary Education Act of 1965) owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual;

(6) "school building" means—

(A) structures suitable for use as classrooms, including school facilities such as laboratories, libraries, school eating facilities, or facilities used for the preparation of food;

(B) any gymnasium or other facility which is specially designed for athletic or recreational activities for an academic course in physical education;

(C) other facilities used for the instruction of students or for the administration of educational or research programs; and

(D) maintenance, storage, or utility facilities essential to the operation of the facilities described in subparagraphs (A), (B), and (C).

TECHNICAL ASSISTANCE TO STATES

SEC. 4. (a) The Administrator, or another Federal department or agency when designated by the Administrator, shall develop and implement activities designed to assist State radon programs. These activities may include, but are not limited to—

(1) establishment of a clearinghouse of radon related information including mitigation studies, public information materials, surveys of radon levels, and relevant information;

(2) development and publication of informational materials for State and local officials concerning design and implementation of programs responding to radon;

(3) publication of public information materials concerning radon health risks and methods of radon mitigation;

(4) demonstration of radon mitigation methods in various types of structures and in various geographic settings and publication of findings; and

(5) establishment of a national data base, with data organized by State, concerning the location and amounts of radon.

(b) Upon request of a State, the Administrator, or another Federal department or agency when designated by the Administrator, shall, to the extent resources and statutory limitations allow, provide technical assistance to such State in development or implementation of programs addressing radon. Such assistance may include, but shall not be limited to—

(1) design and implementation of surveys of the location and occurrence of radon within a State;

(2) design and implementation of public information and education programs;

(3) design and implementation of State or local programs to control radon in existing or new structures; and

(4) assessment of mitigation alternatives in unusual or unconventional structures.

TRAINING, TESTING, AND CONTROL PROFICIENCY

SEC. 5. (a) The Administrator shall—

(1) implement a voluntary program to provide to the public information on firms or individuals that can reliably measure radon. The program shall include, but is not limited to—

(A) measuring radon in a consistent fashion;

(B) recording and reporting measurements accurately to homeowners; and

(C) providing measurements consistent with Environmental Protection Agency protocols;

(2) design and implement training seminars for State and local officials and professional and private firms addressing radon monitoring, analysis, mitigation, health effects, public information, and radon program design and implementation;

(3) develop a voluntary program to provide the public with information on firms or individuals that can reliably construct and implement measures to reduce radon levels. A judgment of proficiency in the program should include, but is not limited to—

(A) the training individuals have received in radon reduction techniques;

(B) knowledge of protocols used to diagnose and reduce radon levels; and

(C) other relevant information to be determined by the Administrator.

(b) For purposes of subsection (a)—

(1) the Administrator is authorized to establish and collect fees and charges from private firms and individuals for information and services provided under this section to cover the costs of carrying out the provisions of this section;

(2) in implementing paragraph (1) of this subsection, the Administrator shall assure that—

(A) all of the fees and charges collected by the Administrator shall be deposited in a separate account within the Treasury of the

United States. Such account shall be known as the "Radon Service Fee Account" (hereinafter referred to as the "Account");

(B) no fees or charges shall be applied to State or local governments;

(C) all funds in the account shall only be available to the extent provided in appropriation Acts, for carrying out the provisions of this section; and

(D) within 180 days of the enactment of this Act, such rules and regulations as may be necessary to carry out the provisions of this section are promulgated.

GRANT ASSISTANCE TO STATES

SEC. 6. (a) For each fiscal year upon application of the Governor of a State, the Administrator may make a grant, subject to such terms and conditions as the Administrator considers appropriate, under this section to such State for the purpose of assisting the State in the development and implementation of programs for the assessment and mitigation of radon.

(b) An application for a grant under this section in any fiscal year shall contain such information as the Administrator shall require, including—

(1) an assessment of the seriousness and extent of radon exposure in the State;

(2) an identification of the State agency which has the primary responsibility for radon programs and which will receive the grant, a description of the roles and responsibilities of the lead State agency and any other State agencies involved in radon programs, and description of the roles and responsibilities of any municipal, district, or areawide entity involved in radon programs;

(3) a description of the activities and programs related to radon which the State proposes in such year, and, to the extent practicable, an outline of long-range goals and objectives, and estimated resource needs, for the subsequent 2-year period; and

(4) a budget specifying Federal and State funding of each element of activity of the grant application.

(c) Activities eligible for such Federal grant assistance are—

(1) survey of radon levels, including special surveys of geographic areas or classes of buildings (such as, among others, public buildings, school buildings, high risk residential construction types);

(2) development of public information and educational materials concerning radon assessment, mitigation, and control programs;

(3) implementation of programs to control radon in existing and new structures;

(4) purchase by the State of radon measurement equipment or devices, including assistance to persons which the State determines to be low-income;

(5) purchase and maintenance of analytical equipment connected to radon measurement and analysis, including costs of calibration of such equipment;

(6) payment of costs of Environmental Protection Agency approved training programs related to radon for permanent State employees;

(7) payment of general overhead costs and program administration costs, consistent with applicable regulations of the Environmental Protection Agency;

(8) development of a data storage and management system for information concerning radon occurrence, levels, and programs;

(9) payment of costs of demonstration of radon mitigation methods and technologies, as approved by the Administrator; and

(10) operation of a toll-free radon information "Hot Line".

(d) The Administrator shall support eligible activities proposed in State applications with the full amount of available funds. In the event that State applications for funds exceed the total funds available in a fiscal year, the Administrator shall give priority to activities or projects proposed by States based on the following criteria—

(1) the seriousness and extent of the radon contamination problem to be addressed;

(2) the potential for the activity or project to bring about reduction in radon levels;

(3) the potential for development of innovative radon assessment techniques, mitigation measures, or program management approaches which may be of use to other States; and

(4) the need to assist each State submitting an application in development and implementation of an appropriate radon program.

(e) The Federal share of the cost of radon program activities implemented with Federal assistance under this section shall not exceed 75 percent of the costs incurred by the State in implementing such program in the first year of a grant to such State; 60 percent in the second year; and 50 percent in the third year. Federal assistance shall be made on the condition that the non-Federal share is provided from non-Federal funds.

(f) Notwithstanding any other provision of this section, not more than 15 percent of the amount appropriated to carry out this section may be used to make grants to any one State, including any grants to local governments or areawide organizations in such State.

(g) Funds not obligated to States in the fiscal year for which funds are appropriated shall remain available for obligation during the next fiscal year.

(h) Funds granted to a State pursuant to this section in a fiscal year shall remain available for obligation by such State for the fiscal year for which appropriated and the following fiscal year.

(i) States may use funds from grants under this section for financial assistance to persons only to the extent such assistance is related to demonstration projects or the purchase and analysis of radon measurement devices.

(j) States may, at the Governor's discretion, use funds from grants under this section to assist local governments in implementation of activities eligible for assistance under paragraphs (2), (3), and (6) of subsection (c) of this section.

(k) No grant may be made under this section in any fiscal year to a State which in the preceding fiscal year received a grant under this section unless the Administrator determines that such State satisfactorily implemented such grant funded activities in such preceding fiscal year.

(l) The Administrator may request such information, data, and reports of the State as he considers necessary to make the determination of continuing eligibility under this section.

(m) The costs of purchasing radon measurement devices under subsection (c)(4) of this section shall not exceed 15 percent of the amount of the grant in such year. The costs of implementing demonstration programs under subsection (c)(9) of this section shall not exceed 10 percent of the amount of the grant in such year. The costs of general overhead under subsection (c)(7) of this section shall not exceed 25 percent of the amount of such grant in such year.

(n) States receiving funds under this section shall provide to the Administrator all radon-related information, generated in their activities, he considers necessary.

STUDY OF RADON IN SCHOOLS

SEC. 7. (a) The Administrator shall conduct a study for the purpose of determining the extent of radon contamination in the Nation's school buildings, including in the case of a school using a nonpublic water source (such as a well or other groundwater), radon contamination of the water.

(b)(1) In carrying out such study, the Administrator shall identify and compile a list of areas within the United States which the Administrator determines have a high probability of including schools which exceed the Environmental Protection Agency's recommended target level for remedial action.

(2) In compiling such list, the Administrator shall make such determinations on the basis of, among other things, the following:

(A) geological data;

(B) data on high radon levels in homes and other structures nearby any such school; and

(C) physical characteristics of the school buildings.

(3) In conducting such study the Administrator shall design a survey which when completed allows Congress to characterize the extent of radon contamination in schools in each State. However, the survey model shall include testing data from a representative sample of schools in high-risk area identified in paragraph (1) of this subsection and shall include additional testing to the extent resources are available for such testing, including any reliable data supplied by States, schools, or other parties.

(c)(1) The Administrator shall make available to the appropriate agency of each State, as designated by the Governor of such State, a list of high-risk areas within each State, including a delineation of such areas and any other data available to the Administrator for schools in that State. The Administrator shall also provide guidance and data detailing the risks associated with high radon levels and technical guidance and related information concerning testing for radon within schools and water supplies, and methods of reducing radon levels to assist such agencies in testing for radon within school buildings.

(2) In addition to the assistance required by paragraph (1) of this subsection, the Administrator is authorized to make available to appropriate agencies of each State, as designated by the Governor of such State, cannisters or other devices suitable for use by such agencies in conducting tests for radon within the schools under the jurisdiction of any such State agency. The Administrator is authorized to make available to such agencies the use of laboratories of the Environmental Protection Agency, or to recommend laboratories, to evaluate any such cannisters or devices for the presence of radon levels.

(d) The Administrator is authorized to select, from high-risk areas identified in subsection (b), school buildings for purposes of enabling the Administrator to undertake diagnostic and remedial efforts to reduce the levels of radon in such school buildings. Such diagnostic and remedial efforts shall be carried out with a view to developing technology and expertise for the purpose of making such technology and expertise available to any local educational agency and the several States.

REPORTS

SEC. 8. (a) The Administrator shall provide to the Congress reports and plans concern-

ing the implementation of this Act, including within 12 months after the date of enactment of this Act and annually thereafter, a plan describing the assistance provided to States under sections 4, 5, and 6 of this Act during the previous 12-month period and describing the assistance to be provided in the next following 12-month period, including a description of the personnel and financial resources necessary to implement these sections.

(b) On or before the expiration of the 12-month period following the date of the enactment of this Act, the Administrator shall submit to the Congress a status report with respect to actions taken by the Administrator in conducting the study required by section 7, including the results of diagnostic and remedial work.

(c) On or before the expiration of the 24-month period following such date of enactment, the Administrator shall submit a final report setting forth the results of the study conducted pursuant to section 7, including the results of the Administrator's diagnostic and remedial work, and the recommendations of the Administrator.

(d) Reports required under subsections (a) and (c) of this section shall be reviewed by the advisory groups provided for in section 403(c) of the Superfund Amendments and Reauthorization Act of 1986 prior to submittal to Congress.

(e) Not later than the 12 months after the date of enactment of this Act, the Administrator shall submit to the Congress a report on the effectiveness of radon mitigation measures as described in Environmental Protection Agency and State publications as such measures are actually performed by homeowners and contractors. Such report shall include information on average radon reductions and on the variability of the reductions achieved in practice due to inherent limitations of the mitigation measures, misapplication of the mitigation measures, and application of the mitigation measures to structures for which such measures are not suited. For the purposes of this subsection, "variability" includes, but is not limited to, variation between structures. within structures, and over time.

STUDY OF RADON IN FEDERAL BUILDINGS

SEC. 9. (a) The Secretary of the Interior, the Secretary of Defense, the Secretary of Agriculture, the Administrator of the General Services Administration, and the Administrator of the Veterans' Administration shall conduct studies for the purpose of determining the extent of radon contamination in buildings owned by the Department of the Interior, the Department of Defense, the Department of Agriculture, the General Services Administration, and the Veterans' Administration including, in the case of a Federal building using a nonpublic water source (such as a well or other groundwater), radon contamination of the water.

(b)(1) The Administrator shall identify and compile a list of areas within the United States which the Administrator, in consultation with the departments and agencies identified in subsection (a) of this section, determines have a high probability of including Federal buildings which exceed the Environmental Protection Agency's recommended target level for remedial action.

(2) In compiling such list, the Administrator shall make such determinations on the basis of, among other things, the following:

(A) geological data;

(B) data on high radon levels in homes and other structures nearby any such Federal building; and

(C) physical characteristics of the Federal buildings.

(3) Studies provided for in subsection (a) of this section shall be based on design criteria specified by the Administrator. Federal departments or agencies identified in subsection (a) shall not later than 180 days after enactment of this Act, submit a study design to the Administrator for approval. The study design shall follow the most recent EPA guidance documents including the Citizens Guide to Radon, and Interim Protocol for Screening and Follow Up: Radon and Radon Decay Products Measurements, and the Interim Indoor Radon & Radon Decay Product Measurement Protocol, or any more recent guidance documents. The study design shall include testing data from a representative sample of Federal buildings in each high-risk area identified in paragraph (1) of this subsection and shall include additional testing to the extent resources are available for such testing, including any reliable data supplied by States, Federal agencies, or other parties.

(c)(1) The Administrator shall provide to the departments or agencies identified in subsection (a) of this section guidance and data detailing the risks associated with high radon levels and technical guidance and related information concerning testing for radon within Federal buildings and water supplies, and methods for reducing radon levels.

(2) In addition to the assistance required by paragraph (1) of this subsection, the Administrator is authorized to make available to the departments or agencies identified in subsection (a) cannisters or other devices on a cost reimburseable basis, suitable for use by such departments or agencies in conducting tests for radon within Federal buildings. The Administrator is authorized to make available to such departments or agencies the use of laboratories of the Environmental Protection Agency, on a cost reimburseable basis, or to recommend laboratories, to evaluate any such cannisters or devices for the presence of radon levels.

(d) The Administrator or Secretary of the designated Federal agencies shall complete studies required pursuant to subsection (a) of this section and provide the study to the Administrator not later than 20 months after enactment of this Act.

(e) On or before the expiration of the 24-month period following such date of enactment, the Administrator shall submit a report to the Congress describing the results of the studies conducted pursuant to subsection (a) of this section.

REGULATIONS

SEC. 10. The Administrator is authorized to issue such regulations as may be necessary to carry out the provisions of this Act.

AUTHORIZATION

SEC. 11. (a) For carrying out the purposes of section 4 of this Act, there are authorized to be appropriated such sums as may be necessary.

(b) For fiscal year 1988, there is authorized to be appropriated, but not from the Account, such sum, not to exceed $1,500,000, as may be necessary to initiate the provisions of section 5 of this Act. Monies appropriated pursuant to this authorization shall remain available until expended.

(c) For carrying out the purposes of section 6 of this Act, there is authorized to be appropriated, for each of the fiscal years 1988, 1989, and 1990, such sum, not to exceed $10,000,000, as may be necessary.

(d)(1) For the purpose of carrying out the provisions of subsection (d) of section 7, there is authorized to be appropriated not to exceed $500,000.

(2) For the purpose of carrying out the provisions of section 7 other than subsection (d) of section 7, there is authorized to be appropriated such sum, not to exceed $1,000,000, as may be necessary. Not less than 50 percent of the sum shall be expended for testing of schools as required by section 7(b)(3) of this Act.

RADON PROGRAM DEVELOPMENT ACT

Mr. BURDICK. Mr. President, I rise in support of the Radon Program Development Act of 1987.

This legislation takes a major step forward in addressing the serious health threats posed by exposure to radon.

The bill was reported unanimously by the environment and public works committee, which I chair.

I want to commend Senators MITCHELL and CHAFEE and other members of the committee for their efforts to develop this bill.

Radon is among the most deadly pollutants we face. EPA tells us that as many as 20,000 people die of lung cancer caused by radon each year.

There is evidence of a radon problem in my home State of North Dakota. About 100 homes in the State have been tested for radon. About 30 percent of these homes have radon above the EPA recommended action level.

The Radon Program Development Act would help States get radon programs up and running. The EPA would expand technical assistance to States and make a total of $10 million a year available for grants to start up State radon programs.

Another key provision of the bill would provide for testing of the proficiency of firms involved in radon measurement and mitigation. In addition, the bill provides for an assessment of radon in schools and Federal buildings.

I am pleased that EPA has agreed to endorse this bill. I applaud this decision by the administration and I believe it is crucial that we work together in a coordinated and aggressive program to combat the radon problem.

I hope my colleagues will give the bill unanimous support. Thank you, Mr. President.

Mr. CHAFEE. Mr. President, I rise in strong support of S. 744, the Radon Program Development Act. In March, I introduced the Radon Detection in School Buildings Act, S. 743, a bill which authorizes the Administrator of the Environmental Protection Agency to conduct a study to determine the extent of radon contamination in the Nation's schools.

At the same time, Senator MITCHELL, who has been a powerful champion of environmental causes in a multitude of areas, introduced S. 744, the Radon Program Development Act. Subsequently Senator MITCHELL's bill and my bill were combined, forming the basis for the Radon Program Development Act.

In addition, this bill includes the primary elements of a bill introduced by Senator SPECTER which provides for certification of private firms involved in radon measurement and mitigation, and an amendment by Senator BAUCUS providing for a survey of radon in Federal buildings.

Mr. President, I would like to note that the administration has written a letter supporting this legislation as a "prudent and balanced approach to addressing a difficult public health problem." The Committee on Environment and Public Works unanimously approved this legislation.

Radon is an invisible radioactive gas which is formed by the natural decay of uranium, found in trace amounts throughout the country. The gas clings to dust particles and, when inhaled, can cause cancer. In the out-of-doors, the gas is diluted and poses no threat. However, radon can enter insulated homes and buildings through cracks in the foundations or walls, and can accumulate to dangerous levels.

The dangers of high levels of indoor radon contamination are no longer questioned by the scientific and medical communities. The Environmental Protection Agency cites radon as the leading cause of lung cancer among nonsmokers, and estimates that it is responsible for up to 20,000 deaths per year. A GAO report issued last June noted that "30 percent of about 40,000 indoor radon measurements were above the level at which EPA recommends that action be taken to reduce indoor radon levels, indicating that indoor radon contamination is a national problem."

Many States, such as Pennsylvania or New Jersey, recognize that they have a radon problem, but they lack the resources to develop needed new programs. Other States, such as my own State of Rhode Island, are concerned that they may have a radon problem, and would like to investigate, but do not have the resources to properly conduct a statewide survey or carry out related activities.

This bill will provide seed money to help States initiate radon related programs. It will authorize $30 million over 3 years, to be administered by EPA, to help States get programs up and running.

The bill also focuses specifically on the potential problem of radon in school buildings, and for very good reasons:

Children may be more at risk from the adverse effects of radon than adults. Studies of other types of radiation indicate that children, because they are still in the developmental stages, are more sensitive.

Radon experts believe that of all public buildings, one story elementary schools are the most likely to have a radon problem. Also, schools which utilize basement areas for cafeterias or gymnasiums are at risk.

A survey of 140 schools in Pennsylvania turned up 39 schools with recorded radon levels above EPA's recommended target level for remedial action. Children who are exposed at school may also be exposed at home, posing a significant health risk.

This legislation authorizes EPA to conduct a statistical study for the purpose of determining the extent of radon contamination in the Nation's school buildings. Radon testing is relatively inexpensive, costing about $15 per test sample. This bill authorizes $1 million to conduct tests in a large sample of the Nation's schools, and $500,000 to test and perfect methods for ridding schools of radon, once it is discovered.

The Radon Program Development Act is reasoned, intelligent legislation which provides an appropriate response to the problem of indoor radon contamination. I commend my colleague, Senator MITCHELL, for his role leadership and strong support, and thank Senator BURDICK for his help in guiding this legislation through the Environmental and Public Works Committee. I urge my colleagues in the Senate to support this worthwhile legislation.

Mr. President, once again I would like to commend Senator MITCHELL for his outstanding, able leadership and to thank the chairman of our full committee, Senator BURDICK, for the fine role that he has played.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. Mr. President, I rise in support of the Radon Program Development Act of 1987.

This bill, which I introduced in March of this year, provides for expansion of EPA's radon technical assistance to States, creates a grant program to provide States with $10 million each year for 3 years to start up radon programs, and provides for assessment of radon in schools and Federal buildings.

I want to express my appreciation to Senator BURDICK for his support for this legislation and for this assistance in assuring its prompt consideration by the Environment and Public Works Committee.

I also want to thank Senator CHAFEE, the ranking Republican member of the Environmental Protection Subcommittee, for his help in development of this legislation.

Radon is a naturally occurring element found in soils and rocks containing granite, shale, uranium, and phosphate. In its gaseous form, radon can seep into homes and other structures through cracks in basement floors and foundations. Radon gas can also enter structures through a water supply when it is vaporized as water comes out the tap.

Radon contamination of homes and other buildings is a serious problem. Exposure to radon poses a significant threat of lung cancer, second only to cigarette smoking. The Environmental Protection Agency estimates that as many as 20,000 lung cancer deaths each year may be attributable to radon.

Radon is found at varying levels in virtually every State in the country. The Environmental Protection Agency estimates that as many as 1 million homes nationally could be affected by unsafe levels of radon.

In my home State of Maine, there is widespread evidence of radon contamination. Thirty percent of tests for radon in air exceed the EPA action level of 4 picocuries per liter. Readings as high as 500 picocuries per liter have been recorded in the State.

Maine also has a serious problem with radon in water. Although the EPA has not yet set a standard for radon in water, the State of Maine considers readings of greater than 20,000 picocuries per liter to pose a health threat. Twelve to fifteen percent of tests for radon in water exceed this level. Maine has what is thought to be the highest radon in water measurement in the world of about 1.5 million picocuries per liter.

In addition, studies by the University of Maine indicate that as many as 75 people in Maine may die each year as a result of exposure to radon. This deadly toll will increase as people continue to insulate homes and reduce the amount of air exchange in water as a means of conserving energy.

In a recent report on environmental and health risks, the EPA ranked exposure to radon gas as posing the greatest overall risk of cancer among a group of 26 pollution sources which were assessed. Radon was tied for first place in the cancer risk category with the problem of worker exposure to chemicals.

In the same study, EPA also assessed a wide range of environmental problems based on cancer and noncancer health risks, ecological effects, and welfare effects. In this overall assessment, exposure to radon was ranked as the fourth most significant problem among the 31 problems identified.

In response to growing concern about the health threats posed by radon, Congress enacted the "Radon and Indoor Air Quality Research Act" in 1986. This legislation directs the EPA to conduct a national survey of radon, to demonstrate radon mitigation methods, and to carry out other needed research. This research program will produce information concerning the extent and seriousness of radon contamination, the effectiveness of mitigation measures, and health effects. This information will be helpful in consideration of additional actions to respond to the radon problem.

There is also a need, however, to complement our existing efforts with development of programs addressing radon in air and water at the State level. The increase in national attention to the radon problem has increased the public demand for assessment and control of radon contamination. Much of this increased public demand is falling on State governments.

Many States recognize that they have a radon problem but lack the resources to develop needed new programs. Other States are concerned that they may have a radon problem and would like to investigate, but do not have the resources to conduct a survey or carry out related activities.

The "Radon Program Development Act" will direct the Environmental Protection Agency to expand technical assistance to States on radon issues and will provide "seed money" to help States initiate radon related programs. The bill is intended to help States get programs up and running.

State grant applications are to identify the seriousness and extent of radon exposure in the State, identify the State agency responsible for radon programs, describe the radon activities and programs which the State proposes to conduct in the next year, including an outline of long-range plans, and include a budget for the program.

A number of activities are specified in the bill including surveys of radon in the State, implementation of control programs, purchase of radon measurement devices, purchase of laboratory equipment, development of data storage systems, and operation of a radon hot line.

In the event State applications for assistance exceed the funds available for grants in a given year, EPA is to give priority to projects based on criteria including the seriousness of the problem, potential for reduction of radon levels, and other factors.

The Federal share of the grants is 75 percent in the first year of a grant to a State; 60 percent in the second year; and 50 percent in the third year. A State may not use more than 15 percent of a grant for purchase of radon measurement devices; not more than 10 percent of radon demonstration programs; and not more than 25 percent for general overhead. Grant funds may be used for financial assistance to persons only to the extent that such assistance is related to demonstration projects or purchase of radon measurement devices.

Another provision of the bill will expand and improve the radon training and proficiency testing programs of the Environmental Protection Agency.

These programs will help assure that training in radon assessment and mitigation is available to both public employees and other interested parties and that the public has information concerning the proficiency of private firms engaged in radon measurement and mitigation. This part of the reported bill was developed based on legislation introduced by Senator SPECTER with the assistance of Senator GORE.

The bill also directs the Administrator of the EPA to determine the extent of radon contamination in the Nation's schools and in our Federal buildings.

There is evidence that radon poses a health threat in schools. A survey of 140 schools in Pennsylvania identified 39 buildings where radon exceeded the level where EPA recommends action be taken. Children are particularly sensitive to radon and combined exposure in homes and schools may pose a significant risk. The school assessment portion of the reported bill is based on legislation developed by Senator CHAFEE.

While there is little data concerning the extent of radon contamination in Federal buildings, many Federal buildings are located in areas known to have high levels of radon. The Federal Government has an obligation to determine the extent and seriousness of radon contamination of these buildings. The Federal buildings assessment provision of the bill was included as an amendment developed by Senator BAUCUS.

An authorization of $10 million a year for 3 years is provided to support the State grant assistance program. Authorizations of $1.5 million are provided for proficiency testing and for the survey of radon is schools.

I want to emphasize that we made a special effort to respond to the concerns and suggestions of the EPA. At EPA's request, we adjusted reporting requirements, added emphasis on State long-term program planning, added requirements for provision of State data to EPA, added general authority for EPA to issue needed regulations, and provided that Federal shares of grants to States will decline over the 3-year authorization period.

I am pleased that, as a result of these changes, the EPA has provided us with a letter stating the administration's endorsement of the bill. This is an important policy decision by the administration and I am optimistic that it will result in a more comprehensive and aggressive radon program by the Federal Government.

Public concern over radon grows each day. We need to direct the EPA to continue and expand their current efforts. We need to get State radon programs up and running. And we need to assess the seriousness of the problems in our schools and in Federal buildings.

I urge my colleagues to support this important legislation unanimously.

Thank you, Mr. President.

Mr. LAUTENBERG. Mr. President, I rise today in support of the passage of S. 744, the State Radon Program Development Act. I am pleased to be a cosponsor of the bill, which reinforces and expands the directives laid out in section 118 and title IV of the Superfund Amendments and Reauthorization Act last year. As an author of those provisions, which for the first time provided clear, direct statutory authority to the Federal Government to address the problem of radon, I am pleased to note the progress this bill makes. I look forward to continuing efforts in this important area.

Over the last 2 years, radon has emerged as a major public threat. It's been found to pose a threat in every region of our country, in almost every State. The Environmental Protection Agency has stated that it could affect 1 million homes throughout the Nation. Radon is thought to be the No. 2 cause of lung cancer in this country, second only to cigarette smoking. As many as 20,000 lung cancer deaths each year could be attributable to radon.

In my State, New Jersey, 38 percent of the over 5,500 homes tested in a statewide survey have been found to exceed the EPA threshold of 4 picoCuries per liter. High levels are especially prevalent throughout the northern half of the State, where our population is most heavily concentrated. The greatest concentration of extremely high levels of radon in homes ever detected in this country has been found in a town in northwestern New Jersey. Radon is a major threat in my State, and I have been working to see that the EPA, in conjunction with the State, has the resources it needs to address the problem of radon contamination.

In spite of the evidence of radon's threat—evidence verified through research around the world—most States have not taken steps to combat the problem. And, as we've seen even in New Jersey, where a significant amount of publicity has been given to the problem, not enough homeowners are learning about radon and having their homes tested. This bill will help provide States with the tools they need, and should lead to greater public awareness and action.

Last year, the Congress passed the reauthorization of Superfund. Included in that landmark legislation were provisions authorizing, for the first time, a comprehensive national radon program at EPA. Those provisions, which Senator MITCHELL and I worked hard to have included in the reauthorization, provided EPA with a mandate to tackle the radon problem. They directed the Agency to assess the problem nationally, to conduct health research, provide information to the public, and develop and improve radon mitigation techniques.

This bill expands on those mandates. It would provide funds to assist States in developing their own radon programs. Those funds would go toward training of health officials, testing of homes and public buildings, public information programs, and mitigation efforts. It would also provide EPA with the ability to better monitor the quality of private radon testing firms.

The bill also directs the EPA to conduct statistically significant surveys of schools in each State, to determine the threat posed by radon in those buildings. Generally, high radon levels are not expected to be found in public buildings. However, there are exceptions. New Jersey schools have been tested, and hot spots have been found. A survey of 140 Pennsylvania schools located along the Reading Prong found 39 schools with problems.

These may be isolated problems. But when it comes to protecting the health of our children, we can never be too careful or industrious. The program carried out under this bill will identify problem schools. And when problems are identified, they will be taken care of.

The bill authorizes a total of $13 million for each of fiscal years 1988, 1989, and 1990.

Mr. President, radon is a national problem. However, many states have not been able to provide the funding necessary to establish radon programs. The need for such programs is clear.

Radon is a problem that can be dealt with. Significant progress has been made already. With funding I was able to secure for the EPA, a mitigation demonstration program is being conducted in Clinton, NJ. The results of that program are promising. But more can be done. This bill will help ensure that more is done.

I commend my colleagues on the Environment and Public Works Committee for their efforts on this bill, and look forward to working with them as we continue to address the problem of radon contamination.

I urge the passage of the bill.

Mr. MOYNIHAN. Mr. President, I rise to speak for just a moment in support of important legislation we have reported out of the Environment and Public Works Committee: The Radon Program Development Act of 1987. It is a worthy measure that addresses a real and serious problem, one many have yet to fully comprehend—exposure to carcinogenic radon gas.

The health threat posed by household exposure to radon gas can be quite substantial—the Environmental Protection Agency reports that up to 20,000 people may die each year of lung cancer caused by radon exposure. And that there is no greater single environmental health risk. It is my hope this legislation will go at least part of the way toward reducing these numbers, by giving the EPA and the States such funds as are necessary to carry out aggressive radon programs.

EPA will spend $8 million this year on radon mitigation, but this is only a beginning. As an original cosponsor of this legislation (S. 744), I am proud that it will lend much-needed assistance to the States in their efforts to develop radon mitigation programs. In addition, it will create a program to reduce radon levels in schools, where society's most vulnerable members—our children—may face daily exposure; it also provides for proper training and accreditation of radon mitigation personnel. These and other provisions in the act are made all the more necessary by EPA's performance in radon control to date—a record that is far from exemplary. The Agency's current work is important and must go forward. But the EPA has run the very substantial risk of recommending to the public measures which may or may not work for them.

EPA has issued several publications on options for reducing radon levels in homes. I worry, however, that these may mislead many people. These pamphlets are highly simplistic. EPA's more lengthy technical paper, however, carries the following disclaimer:

> Although radon mitigation is a new field, one fact is already clear: no two houses are alike. Because of subtle differences in house construction and radon source material, seemingly identical houses may require different approaches to controlling indoor radon * * *. Much expense can be incurred before the inadequacy of a technique is evident.

Mr. President, I am frankly troubled that EPA appears to be telling the public that all is easily fixable, when the truth is that some homes are easily fixed, while others can be no end of trouble. The need for prompt action is clear, but misleading and incomplete information helps no one. If millions of Americans are convinced to incur great expense to radon proof their homes—and find that the techniques recommended by EPA simply do not work for them—there will be a good deal of explaining to do.

Included in this bill is a provision I sponsored requiring EPA to report within 1 year on the real-world effectiveness of the techniques it is recommending. One hopes this report will show that all is well, but if all is not well, the Congress and the American people need to know.

We first discovered household radon when Stanley Watras set off the alarms at the Limerick nuclear plant in Pennsylvania. Well, the same thing has happened in New York, and not just in the "Reading Prong." Radon gas is a first-class nationwide problem, one deserving of attention both prompt and effective. I urge my colleagues' support of this legislation.

Mr. SPECTER. Mr. President, today I join Senators BURDICK, CHAFEE, MITCHELL, and LAUTENBERG in urging passage of S. 744, the Radon Program Development Act of 1987.

This legislation will direct the EPA to expand technical assistance to States on radon issues and will provide seed money to help States initiate radon related programs. The bill also would authorize studies by the Environmental Protection Agency [EPA] to determine the extent of radon contamination in our schools and by the Department of Agriculture, Interior, and Defense, the General Services Administration, and the Veterans' Administration to determine the extent of radon contamination in Federal buildings.

Many States recognize that they have a radon problem but lack the resources to develop needed new programs. Other States are concerned that they may have a radon problem and would like to investigate, but do not have the resources to conduct a survey or carry out related activities. This bill represents a significant step forward to address this problem.

In the Superfund amendments signed into law last year, the Congress designated EPA as the central agency in the battle against radon. It is imperative that this not be only a nominal designation; EPA must be given adequate authority to carry out programs of benefit to other Federal agencies, State and local governments, the private sector, and the general public that are involved in the radon problem.

Accordingly, on April 22, 1987, I introduced S. 1067, the Radon Proficiency Development Act. This legislation would provide the statutory authority for the Environmental Protection Agency to continue conducting its successful training seminars in radon detection, mitigation, design, construction, health effects, and general guidance.

Concepts of S. 1067 were incorporated into S. 744, which we consider today, to expand and improve the radon training and proficiency testing programs of the EPA. These programs will help assure that training in radon assessment and mitigation is available to both public employees and other interested parties and that the public has information concerning the proficiency of private firms engaged in radon measurement and mitigation.

Disseminating information and encouraging accurate testing are excellent short-term measures, but in the long term the Congress and EPA must give the highest priority to radon mitigation and reduction. Once a problem is discovered, the rush to find a solution must be met with sensible guidance. It is, therefore, just as important to develop a program for radon reduction proficiency as it is for radon testing proficiency.

Based on my visits to radon-contaminated sites in the Reading Prong of Pennsylvania, I testified on April 2, 1987 before a joint hearing by the Subcommittee on Environmental Protection and the Subcommittee on Superfund and Environmental Oversight. Testimony during this hearing illustrated the extent of the radon problem nationwide and the urgent need for action to address this problem.

Radon is a colorless, odorless gas that emanates from decaying, natural uranium deposits and seeps into homes from air and water, Health experts have said that it is a leading cause of lung cancer. The gas has been found in concentrated amounts along the so-called Reading Prong, a very large section of land that begins just to the south of Reading, PA, and runs northeastward past Allentown, Bethlehem and Easton into New Jersey, New York, and on into New England.

The Radon Program Development Act would provide much-needed assistance to address the radon problem nationwide. Accordingly, I urge my colleagues to support passage of this vital legislation.

Mr. WARNER. Mr. President, I rise today to support S. 744, the Radon Program Development Act of 1987, introduced by my colleague from Maine, Senator MITCHELL.

One of the Nation's most significant environmental problems to come to the forefront of the public's attention in recent years is exposure to excessive levels of radon, a colorless, odorless gas that occurs in nature primarily through the decay of uranium in soil. As such it can seep into buildings and, in many cases, build up to hazardous levels.

The Environmental Protection Agency [EPA] estimates that between 5,000 and 20,000 individuals die each year as a result of radon exposure. In a recent study of environmental and health risks, the EPA ranked esposure to radon gas as posing the greatest overall risk of cancer among a group of 26 pollution sources which were assessed. Radon was tied in first place in the cancer risk category with the problem of worker exposure to chemicals.

The legislation before us represents a bipartisan effort to deal with this problem and has the full endorsement of the Reagan administration.

The Federal Government has begun to address this issue, primarily through programs to provide States with technical assistance. More recently Congress passed the Radon Gas and Indoor Air Quality Research Act of 1986. This legislation directs the EPA to conduct a national survey of radon, to demonstrate radon mitigation methods, and to carry out other needed research. These efforts will produce information concerning the extent and seriousness of radon contamination, the effectiveness of particular mitigation measures, and to better document health effects resulting from exposure to radon.

There is a need, however, to complement existing Federal efforts with development of programs addressing radon in air and water at the State level. Many States recognize that they have a radon problem but lack the resouces to develop needed new programs. Other states are concerned that they have a problem and would like to investigate, but do not have the resources to conduct a survey or carry out related activities.

My home State of Virginia has begun to systematically address the problem through a state-wide survey of radon levels in homes. While the initial results indicate that there may not be significant state-wide problems now, there exists the potential for high exposure levels in certain areas of the State.

The legislation introduced by Senator MITCHELL, which I was pleased to cosponsor, will direct the EPA to expand technical assistance to States on radon issues and will provide seed money to help States initiate radon-related programs. It will expand the radon training and proficiency activities of EPA and will direct the Agency to conduct a nationwide survey of radon levels in the Nation's schools and selected Federal buildings.

Mr. President, this legislation is both timely and appropriate for the problems associated with radon exposure as we now know them. I urge my colleagues in the Senate to give it their support.

Mr. ROTH. Recently the scientific community has come to realize that the largest dose of radiation we receive comes from our own homes. This source of radiation is radon, a colorless, odorless, naturally occurring gas formed by the radioactive decay of uranium. This gas can seep into homes and other buildings by various routes and without proper ventilation can concentrate into potentially dangerous levels. The results of an EPA study indicate that 4 to 8 million homes nationwide could contain dangerous levels of this cancer causing gas. The agency further estimates that between 5,000 and 20,000 people a year die from lung cancer caused by radon exposure. The EPA has thus rated radon to be one of the top two cancer risks of all major environmental problems in the country.

In a Maryland home scientist found radon levels that are the radiation equivalent of having a Three Mile Island accident occurring in the neighborhood once a week. In Reading Prong, PA, scientists have discovered the highest concentration of radon levels yet found in the United States. While these neighboring States have encountered high concentrations of radon contamination, in Delaware, monitoring has failed to find any significant levels of radon. Nevertheless, the close proximity of these States is cause for concern. Unfortunately, a lack of funds has made adequate testing of even such a small State as Delaware impossible.

Given the seriousness of the problem I am pleased the Senate today passed legislation that will provide Federal grants to help States set up radon reduction programs. Such programs may include radon testing, information programs, demonstrations, or controls on radon in buildings. Allowing this funding to be used for such a variety of programs will permit each State to design a program which best suits its needs. Further funding will be provided for EPA training seminars and the testing of schools. This legislation will also require that the reliability of private radon control firms be evaluated by the EPA. As radon contamination is relatively easy to solve, these measures are important because they will help us determine the extent of the problem in our area and inform the public of the available methods for containing the problem.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (S. 744), as amended, was passed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read: "A bill to authorize the Environmental Protection Agency to assist States in development of radon programs, to conduct a study to determine the extent to which radon in the Nation's schools poses a threat to children and employees in such schools, and for other purposes.".

Mr. CHAFEE. Mr. President, I would like to thank the distinguished Senator from Indiana for letting us proceed.

Mr. MITCHELL. Mr. President, I join in thanking the Senator from Indiana.

[Conclusion of earlier proceedings.]

MOVING FORWARD ON ARMS CONTROL

Mr. HARKIN. Mr. President, it is becoming increasingly evident that the Reagan administration is not going to be able to negotiate an agreement with the Soviet Union on reducing strategic nuclear weapons. The administration has already had 6½ years to achieve an agreement, but there is no strategic arms reduction treaty in sight. The key obstacle to agreement is the President's star wars pipedream, for neither side can accept deep cuts in offensive weapons if it fears the imminent deployment of nationwide strategic defenses by the other.

I believe future historians will conclude that the Reagan administration missed an historic opportunity to reverse the arms race. It failed to exploit a new flexibility in the Kremlin. It failed to exploit the negotiating leverage provided by an enormous buildup in U.S. defenses.

The President cannot with any justification blame the U.S. Congress for this failure. Congress has amply funded the simultaneous modernization of all three legs of the strategic offensive triad, and has backed the vigorous pursuit of strategic defense technology. Congress refrained last fall from any arms control legislation which could, as the White House alleged, have "tied the President's hands" at the Iceland summit.

But Congress has a much greater responsibility than merely avoiding blame for failure. We must also do everything possible to ensure that a future President can build on the foundation for arms control which has been laid in the past.

The next President should inherit an Anti-Ballistic Missile Treaty which is alive and well, not one that is being strangled by star wars. Protecting the ABM Treaty means not only challenging Soviet infractions, but abandoning United States programs which cannot be reconciled with either the letter or spirit of the treaty. Instead, the President has unilaterally redefined provisions of the treaty and is accelerating plans for testing which would violate even those weakened provisions.

The next President should inherit a strategic arms regime of mutual restraint on the numerical growth of the most threatening strategic systems. Seven years ago, the United States and Soviet Governments made a political commitment, renewed by President Reagan in 1981, not to undercut the SALT II Treaty. But last year, the President decided to abandon SALT because of arguable Soviet violations. Instead of choosing a proportionate response as urged by Congress, he threw out the baby with the bathwater. As of now, only the United States is violating any of the three critical sublimits of SALT II. But if we do not return to SALT II levels, the Soviets may soon join us in abandoning the agreement. When they deploy new multiple-warhead missile systems this fall, they may simply refrain from dismantling a like number of older systems, as required by SALT.

The next President should inherit a world in which the superpowers have stopped testing nuclear weapons. The Soviets have shown the way with an 18-month moratorium and with unprecedented concessions on verification. But President Reagan has refused even to seek ratification of the Threshold Test Ban Treaty of 1974 and declares his opposition to a comprehensive test ban which the five previous American Presidents had supported.

If we wish the next President to have an arms control foundation on which to build, it is imperative that we act now on the ABM Treaty, on SALT II, and on nuclear testing. The defense authorization bill is the appropriate vehicle for acting now on arms control, because it provides guidance on and approval of the kind of defense forces need to guarantee U.S. security.

A minority in this body is blocking action on that bill. The Republican filibuster of the motion to proceed to debate defense authorization is one of the most irresponsible actions taken in the 100th Congress. I would urge all participants in that filibuster to carefully consider the damage they are doing—both to the ability of Congress to provide for the common defense, and to the ability of the next President to move forward quickly on arms control.

THE 125TH ANNIVERSARY OF ROCK ISLAND ARSENAL

Mr. HARKIN. Mr. President, this coming weekend, Rock Island Arsenal on the Iowa-Illinois border is celebrating a notable anniversary. I would like to offer some remarks today about this proud occasion. I know I speak on behalf of all Members of Congress who have the honor to represent the employees of the arsenal: Senator GRASSLEY of Iowa, Senators DIXON and SIMON of Illinois, Representative LEACH of Iowa's First Congressional District, and Representative EVANS, of Illinois' 17th Congressional District.

On July 11, 1862, the U.S. Congress passed legislation establishing Rock Island Arsenal on the Upper Mississippi River in the heart of what has since become known as the "Quad-City Area," including Davenport and Bettendorf in Iowa, Rock Island, and Moline in Illinois. This decision was made during our Civil War in the wake of the destruction of the Federal armory at Harper's Ferry, one of only three facilities in America then capable of producing small arms and ammunition. While construction of the first arsenal building was not completed before the Civil War had ended, the arsenal played an important part in every subsequent military emergency, providing supplies and weapons needed by the Armed Forces of the United States. During the World Wars, Rock Island Arsenal helped spearhead the vast production effort which enabled America to play a decisive role in the ultimate outcome. Arsenal flexibility and expansion potential was dramatically demonstrated in the 4 years following the outbreak of war in 1939 by a nearly sevenfold increase in employment.

Today Rock Island Arsenal manufactures a wide variety of components or assemblies that private industry has traditionally been unable to supply. These components include small job lot quantities for prototype production or replacement purposes, and such sophisticated components as recoil and gun mount mechanisms. The arsenal is presently undertaking an extensive modernization of manufacturing operations which will ensure the arsenal's ability to produce military hardware in an emergency, while allowing private industry time to convert to wartime manufacturing. In addition to its manufacturing mission, the arsenal also functions as a depot for the storage and the distribution of U.S. Army supplies.

In the 125th anniversary year of Congress' decision to build an arsenal on Rock Island, we in Congress who represent those who work at the arsenal join in celebration of that facility's past contributions to the defense of the Nation. We also affirm our belief that Rock Island Arsenal's most valuable contribution in the future will be to help convince other nations that war against the United States is not a viable option.

J. MARK TRICE

Mr. STAFFORD. Mr. President, I rise to pay tribute to J. Mark Trice, whose death on July 3, 1987, was appropriately noted by our Republican leader Senator ROBERT DOLE and Majority Leader Senator ROBERT BYRD yesterday here on the Senate floor

I was privileged to know Mr. Trice for only a short period during his long and distinguished service with the U.S. Senate. When I came to the Senate from the House of Representatives in midterm in September 1971, he was the Republican Party secretary and had already served in one capacity or another here in the Senate for 51 years.

His rise from Senate page to secretary to the Senate Sergeant at Arms, to Deputy Sergeant at Arms, Party Secretary and Secretary of the Senate has been more extensively and appropriately noted by our two leaders. In 1971, he was again Party Secretary, and as such was invaluable in offering guidance to this new Senator who stepped into what seemed like was an egg-beater but in reality was the closing deliberations of the Senate in the 1st session of the 92d Congress. Mark Trice was immensely helpful during that period and until his retirement in December 1973.

I remember him as a kind person, who had a wealth of institutional information and the ability to summarize complex situations or issues. Members of my staff, who were also with me during that period, recall that Mark Trice was just as cooperative in providing them with assistance also.

He made a career of serving the Senate, its Members and thus the people of this country. I happen to believe that such a career is one of the most noble a person can perform. Mark Trice exhibited dedication and loyalty in his career here in the Senate and literally hundreds of its Members, including this one, were better because of his service.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with consideration of the bill.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, I have listened to the discussion on plant-closing legislation with a great deal of interest this afternoon. It seems to me that what we are trying to do with an omnibus trade bill is to renew America's competitive spirit and tradition in our industries and businesses. Unfortunately, the proposal of the Senator from Ohio [Mr. METZENBAUM], that we require prior notice of future plant-closing plans, moves in precisely the opposite direction.

I have received a lot of commonsense objections to this proposal, from constituents representing a broad cross section of businesses and occupations in Kentucky. My State has, in recent years, been actively and successfully creating new, permanent jobs. The proposal before us today threatens to frustrate those committed efforts and encouraging successes. A particularly compelling constituent response comes from the president of Island Creek Coal Corp., one of Kentucky's largest employers. I might add, Mr. President, that Kentucky remains the No. 1 coal producer in the Nation. I wish we were producing and selling even more than we are, but we are still No. 1 in America. It's a matter of pride and of necessity, that Kentucky stay No. 1 in coal production.

Mr. Bud Ogden, president of Island Creek Coal Corp., wrote me recently about plant-closing legislation and what it would mean to people in the coal business in Kentucky and across America.

Bud Ogden writes:

> At my direction, the Island Creek staff has been following the progress of Secretary of Labor Brock's task force which has been working for some time on the problems associated with displaced workers. The resolution of this problem is important to the country, but more importantly to those individuals who have been laid off with little hope of returning to their previous job or a similar job.

Going on, Bud Ogden states:

> In my opinion, the provisions included in Part B will have a devastating effect on the coal industry in Kentucky and discourage new investment. As you know, we have worked hard in West Kentucky to seek out sales opportunities and have reopened the Ohio 11 and Hamilton 2 mines. If S. 538 including Part B had been in effect, we would have had to take a much harder look at the implications of investing the capital to reopen those mines.

Further, in the letter from Mr. Ogden, he says to me:

> The marketing of coal is characterized by a series of long-term contracts, short-term contracts or spot sales. Island Creek, like other companies in the industry seeks stability in its operations through long-term contracts. However, even mines whose production is sold under long-term contracts are subject to interruptions. Contracts normally provide for suspension or reduction of shipments for valid economic situations experienced by the customer. Thus, even under the best of circumstances there are times when it is necessary to reduce the production level at a mine or temporarily idle the mine. Those mines whose production is sold under short-term contracts or on the spot market are even more vulnerable.

What he is talking about here are temporary shutdowns. He proceeds, saying:

> As a capital and labor intensive industry, it is necessary that management have the flexibility to react quickly to market situations. It will be a severe financial hardship if companies are forced to retain the work force for three months or more at mines for which there are no current customers for the product. The economic results would be devastating. In my opinion Part B of the legislation will lead to that conclusion. In turn, such an outcome will result in virtually no new investment in coal mines and will open U.S. markets to more imported coal.

This strong criticism, Mr. President, is not unlike the evaluations I have received from many other sources in the Kentucky's business community.

The prospect for new development, for sustained development, under this kind of legislation is dismal and discouraging.

As we all know, part A of the bill really is not in dispute. Part A would authorize $980 million for dislocated worker assistance; the Senator from Kentucky is fully in accord with that provision, and is indeed disheartened, that the sponsors of the bill persist in burdening this needed program with a second provision, part B, that would only destroy the positive goals of part A.

Part B requires 60 days prior notice to unions and local governments of any plans for a permanent or temporary shutdown, of any facility or function within a facility, or any mass layoff of employees involving more than 33 percent of the employees at the site, and at least 100 employees.

As I said before, Mr. President, we need to find ways to make American business more competitive, not less competitive. We need to take the shackles off, not put new shackles on. We need to stimulate an environment that creates jobs, not one that leads to job stagnation and zero job growth.

This bill won't save jobs; it will result in long-term employment decline, by subjecting business decisions to scrutiny by Federal bureaucrats and local courts. Obviously, we are going in the absolute wrong direction, if we're seriously talking about trade legislation—or, for that matter, any other legislation. We should be promoting job creation, rather than the elimination of jobs.

This bill imposes European labor relations models on a growing U.S. economy, at a time when we should be building a stronger competitive edge. In fact, it is based on disastrous French labor legislation from the 1960's, legislation that European business and labor leaders are now rejecting as antilabor.

In Europe, plant closing laws interfered with the effective use of capital, and discouraged far-sighted business decisions. Under these laws, European companies have grown reluctant to open new plants or reorganize and improve old ones. Thus, plant closing laws have actually constricted the job market in Europe, and calcified job flexibility.

French unions have since voluntarily agreed to cut back their plant closing laws, because these laws are so devastating to labor markets.

So, what should compel us now to adopt antilabor policies that have devastated the economies of Europe and strangled job expansion?

Mr. President, I can think of no good reason to further consider part B of this bill. Instead, let's leave the plant closing proposal behind, and get to work on a trade bill that improves American competitiveness and creates jobs, not bloat the bill with proposals that blunt our competitive edge and take away jobs.

This bill would create a bureaucratic nightmare for struggling companies. These companies would be compelled to give notice of plans to close, even if they were trying to survive, in order to protect themselves from the law's penalties.

Giving the required notice would cause a run of creditors on the assets of the struggling company, causing instant collapse, bankruptcy, and massive layoffs. Jobs that might have been saved, if the company had been able to commit to staying open, would be lost as a result of part B.

Mr. President, proponents of plant closing say that there are exceptions for companies which do not provide notice, so long as they are just trying to protect their good faith efforts to revitalize the company. But these exceptions are fatally vague, so that any hapless company that avails itself of an exception will be mired in litigation for years after the plant closes, until final bankruptcy is declared and the last civil case is dropped.

Mr. President, American companies, particularly those that are hanging onto survival by a thread, need flexibility to find ways to keep operating. If we really are working on a bill to save American jobs, then let us not kill off jobs that still have a chance for survival, by getting bureaucrats involved in sensitive and crucial business decisions.

Furthermore, there are staggering penalties for failure to comply with the bill's vague and burdensome demands. There are also private rights of action, a whole new sprung leak of litigation, which is a subject on which the Senator from Kentucky has spent a considerable amount of time during the last couple of years, and a subject we may yet discuss on the trade bill.

Part B confers broad private rights of action to affected employees, and makes employers pick up the tab for attorney fees.

Mr. President, we already have too much litigation crippling American industries and eroding America's competitive strength. Why should we be passing a bill that would unleash more lawsuits against American businesses?

This bill would create a virtual certainty of costly litigation for every plant closing. Thus, companies would be hesitant to make any change or take any risk that might trigger the bill's onerous penalties—even if the change could make the difference in ensuring the company's long-term survival.

Let's also consider how the plant-closing law would affect specific industries. Even agricultural workers are subject to the notice requirement. This bill requires employers to give notice to seasonal workers if they are employed for more than 90 days, even if they work for several different employers during the 90-day period.

As I urged before, Mr. President, part B would cripple the ability of the coal industry to weather seasonal changes in their business.

There are scores of reasons for opposing this legislation. It seems to me that it is exactly the wrong thing to do, particularly on a trade bill, and on any other bill for that matter. If this amendment were to be adopted and survived in conference, there is no question that the President would veto the entire Omnibus Trade bill, and there is no question that the veto would be sustained.

For these reasons, let us reject part B of this proposal. It is not good legislation, and it is particularly not appropriate on this trade bill.

I'm reminded of an old story about a tourist first visiting the Blugrass State. He was trying to find his way to Louisville, but had gotten hopelessly lost. Finally, he ran into a wizened old gentleman who was enjoying the afternoon on his veranda. The tourist asked, "How much further to Louisville?" The gentleman smiled broadly and drawled, "Well the way you're going, about another 24,000 miles."

Under part B of this proposal, trade competitiveness would be another 24,000 miles away. Let's turn around, and head back in the direction of restoring America's economic might and vitality.

Mr. KERRY. Mr. President the Committee on Labor and Human Resources should be commended for skillfully meshing a program to retrain dislocated workers with a program of advance notification that will make the retraining program more effective.

At the heart of this legislation, appropriately part of the Omnibus Trade Bill, is the recognition that in a dynamic world economy with immense and rapid technological changes workers will be displaced from their jobs. Indeed, in the 1981-86 period the Bureau of Labor Statistics estimates that 11 million workers lost their jobs under circumstances suggesting that they would not get them back.

Mr. President the solution to this massive dislocation of workers is not to erect trade barriers or retard technological change. Such actions would in the long-run reduce our standard of living.

But, Mr. President, neither is assuming the problem away an answer to the needs of dislocated workers. Such inaction only breeds resistance to change and innovation.

Instead the solution can be found in the tightly crafted legislation formulated by the Committee on Labor and Human Resources. Their legislation provides $980 million annually to retrain and provide related services to dislocated workers as part of the Job Training Partnership Act (JTPA).

Under this program funds will be provided to States that develop comprehensive worker adjustment programs that have been approved by the Secretary of Labor. In addition, the Secretary of Labor will have funds available for demonstration programs and other discretionary purposes related to the problems of dislocated workers.

But all of these programs designed to ease the transition from one job to another will be much more successful if there is advance notification of plant closings or massive layoffs.

The Office of Technology Assessment (OTA) and a panel from the National Academy of Sciences have both indicated that advance warnings about plant closings (or layoffs) enables workers to plan career changes and to put adjustment assistance to better use.

Mr. President, that is exactly what this legislation accomplishes. It combines assistance to dislocated workers with a requirement for advance notification. The legislation before us has been rewritten and perfected. The length of the notification period has been reduced to 60 days—providing the minimum suggested by OTA but also recognizing that a longer notification period might impose unreasonable costs on business firms.

Firms with less than 100 full-time employees are exempted from the notification procedures and other exemptions are provided. The legislation does not require consultation or disclosure of information.

In conclusion, Mr. President, this legislation belongs in an Omnibus Trade Bill. It will make us more competitive by insuring that dislocated workers are adequately retrained and quickly re-employed in our changing work force.

ADVANCED NOTICE AND THE GAMING INDUSTRY

Mr. REID. May I ask the Senator a question on the advanced notice requirement contained in the plant closing amendment?

Mr. KENNEDY. I would be glad to answer the Senator's question.

Mr. REID. Thank you, Senator. In Nevada, the State Gaming Authority has the power to order a gaming operation to shut down immediately. Many constituents have voiced their concern to me that such action would obviously preclude them from providing the required 60-day advanced notice and, thus, expose them to the penalties contained in this bill. Could you provide some clarification on this point?

Mr. KENNEDY. Of course. Section 332(b) allows a for a reduction in the notice period if the closing or mass layoff is caused by business circumstances that were not reasonably foreseeable as of the time that notice would have been required. I would certainly think that in the case of an agency coming in and ordering an immediate shutdown with no warning, the employer could not have foreseen such an action.

WORKER NOTIFICATION AMENDMENT

Mr. BYRD. Mr. President, I support this amendment which would require employers to provide notification to their workers before closing down a plant. This amendment will be good for the stability of American families, and it will be especially good for my State of West Virginia.

An estimated 2 million Americans every year are unemployed by shutdowns and mass layoffs. Two of every three workers who lose their jobs in a plant closing receive no notice at all. Many blue-collar workers receive only 7 days of notice; unorganized blue-collar workers receive only 2 days notice.

Mr. President, the situation in West Virginia is especially grim. My State leads the Nation in the number of workers laid off by plant closings. Of the estimated 2 million Americans unemployed by plant closings each year, West Virginia is the leader.

Studies by the U.S. Conference of Mayors and the National Academy of Sciences have shown that worker adjustment programs with early notice are twice as effective as those without it in finding jobs for displaced workers. In addition, advance notification reduces unemployment for dislocated workers by an average of 27 percent.

Further, the Office of Technology Assessment estimates that the provision will save $300 million each year in unemployment compensation costs.

This amendment is reasonable. It is a compromise which incorporates many of the concerns voiced by those troubled by the original committee language. The amendment will protect the legitimate concerns of business regarding confidentiality and flexibility. It is probusiness, Mr. President. It is also procommunity, and it is proworker.

Yesterday's Washington Post supported the amendment, calling the proposal a "shock absorber * * * an attempt to mitigate the most painful side effects of competition and economic growth." I ask unanimous consent that the text of the editorial be printed in the RECORD.

I hope that my colleagues will join with me in supporting this amendment.

[From the Washington Post, July 7, 1987]

PROGRESS ON THE TRADE BILL

So far, the trade bill is moving along pretty well in its perilous passage through the Senate. In the first of the crucial votes, last week the senators cut the energy security—that is, oil protection—section out of it. If that one had gone the other way, it might have meant the collapse of the bill itself. The oil section was an enormous concession to one special interest, the domestic oil producers, and if they had won it would have been impossible to keep out all the others. But the vote went the right way by a reassuringly substantial margin, maintaining the agreement that has been keeping the single-industry goodies and giveaways out of this legislation.

The next major vote will probably be on the provision requiring a company to give 90 days' notification of the closing of a plant employing 100 or more people. The case for it is that it can ease the blow to those people, providing time for counseling and planning for retraining and the transition to other work. Where employers provide advance notice, its supporters argue, unemployment and the disruption of people's lives is reduced. The authors have limited it to closings big enough to have an impact not only on individual workers but on whole towns.

To attempt to meet businesses' objections, the draftsmen have offered a series of exceptions. Notification would not be required when a plant closed for genuinely unforeseen reasons—for example, a sudden loss of a contract. A company in trouble would not have to notify if it was trying to keep the operation going and feared that a closing announcement would destroy its credit. Temporary layoffs are not covered.

But most businesses don't like the idea on principle. They fear that this kind of requirement will contribute to the rigidity of industry, in the European manner, leaving them less agile to meet change. Expanding trade means change on a very serious scale, and most of this bill has to do with setting the rules for change in industrial patterns—which means the way people earn their livings.

It's useful to make a distinction between the kind of legislation that provides a shock absorber and the kind that tries to prevent competitive shocks altogether by penalizing foreign goods and keeping them out of the country. The plant-closing provision is a shock absorber, an attempt to mitigate the most painful sides effects of competition and economic growth. It's not essential to this bill. But something like it may prove to be essential, sooner or later, to keep American markets open to expanding trade from abroad.

Mr. QUAYLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR THURSDAY

RECESS UNTIL 8:45 A.M.

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 8:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I ask unanimous consent that the two leaders be reduced to 7½ minutes each on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the recognition of the two leaders or the yielding back of time, at the time between that moment and the hour of 9 a.m. there be a period for the transaction of morning business, and Senators may speak therein for not to exceed 1 minute each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESUMPTION OF PENDING BUSINESS AT 9 A.M.

Mr. BYRD. Mr. President, I ask unanimous consent that at 9 a.m., the Senate resume consideration of the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with the consideration of the bill.

Mr. BYRD. Mr. President, I ask unanimous consent that the five amendments now pending be considered agreed to without further debate provided further that following the adoption of the five amendments a motion to reconsider be deemed to be laid on the table; provided that the Senator from Indiana be recognized to offer an amendment to strike part B of title XXII, which would be the language just inserted; and that the amendment not be subject to amendment, point of order, or motion with the time on the amendment by Mr. QUAYLE limited to one-half hour to be divided as follows: 25 minutes to be under the control of the Senator from Indiana [Mr. QUAYLE] and that 5 minutes be under control of the Senator from Ohio [Mr. METZENBAUM], provided that the debate in connection therewith be commenced at 9 a.m. tomorrow and that a vote occur at 9:30 a.m., without intervening action or quorum call and that the motion to reconsider be deemed laid on the table.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Indiana [Mr. QUAYLE], the Republican leader, and all other Senators.

Mr. President, I ask unanimous consent that the vote on the cloture motion, which is now scheduled for tomorrow, and which under rule XXII would occur on tomorrow circa 10 o'clock, occur without the mandatory quorum or any intervening quorum immediately following the disposition of the amendment by Mr. QUAYLE.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BYRD. Mr. President, I yield the floor.

AMENDMENTS NO. 435, 436, 437, 438, AND 439

The PRESIDING OFFICER. Under the previous order, amendments 435 through 439, inclusive, are agreed to. A motion to reconsider those votes en bloc is laid upon the table.

The PRESIDING OFFICER. The Senator from Indiana is recognized to call up his amendment.

AMENDMENT NO. 442

Mr. QUAYLE. Mr. President, I send an amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Indiana [Mr. QUAYLE] proposes an amendment numbered 442 to strike part B of title XXII.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. It is my understanding that Mr. DECONCINI would like to call up his amendment dealing with Angola tonight. There are some other amendments, I think, that could probably be disposed of. It would help the Senate to complete action hopefully on this bill by Friday. So I will suggest the absence of a quorum, hoping that the cloakroom will contact those Senators who have amendments I have referred to and ask them to come to the floor. There could be a further rollcall vote or rollcall votes this evening.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BENTSEN. Mr. Presidemt, I ask unanimous consent that further proceedings under the rollcall be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair recognizes the Senator from Texas.

AMENDMENT NO. 443

(Purpose: To add certain tariff provisions, and for other purposes)

Mr. BENTSEN. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the Senator's amendment being considered? Hearing no objection, the clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Texas [Mr. BENTSEN] proposes an amendment numbered 443.

Mr. BENTSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of part I of subtitle A of title VIII of the bill, add the following:

SEC. . CASEIN.

(a) HUMAN FOOD AND ANIMAL FEED USE.—Subpart D of part 4 of schedule 1 is amended by striking out item 118.45 and inserting in lieu thereof the following:

"118.50	Casein, cascinates, and milk protein concentrate:			
	Casein	Free		Free
118.55	Dried milk (described in items 115.45, 115.50, 115.55, and 118.05) which contains not over 5.5 percent by weight of butterfat and which is mixed with other ingredients, including but not limited to sugar, if such mixtures contain over 16 percent milk solids by weight, are capable of being further processed or mixed with similar or other ingredients and are not prepared for marketing to the retail consumers in the identical form and package in which imported	1.3¢ per lb.	Free (A,E,I)	5.5¢ per lb.
118.60	Other	0.2¢ per lb.	Free (A,E,I)	5.5¢ per lb.".

(b) INDUSTRIAL USE.—Subpart B of part 13 of schedule 4 is amended by striking out items 493.12, 493.14, and 493.17 and the superior heading thereto.

SEC. . TARIFF TREATMENT OF CERTAIN TYPES OF PLYWOOD.

Headnote 1 of part 3 of schedule 2 is amended—

(1) in paragraph (b) by inserting immediately before the semicolon at the end thereof the following: "or any edge of which has been tongued, grooved, lapped, or otherwise worked";

(2) in paragraph (c) by inserting immediately before the semicolon at the end thereof the following: "or any edge of which has been tongued, grooved, lapped, or otherwise worked"; and

(3) in paragraph (e) by inserting before "chiefly" the following: "other than plywood, wood-veneer panels, or cellular panels,".

At the end of subsection (b) of section 883 of the bill, add the following:

(6) Item 906.57 (relating to m-toluic acid).

(7) Item 909.01 (relating to natural graphite).

(8) Item 912.04 (relating to certain narrow weaving machines).

(9) Item 912.11 (relating to certain lace-braiding machines).

(10) Item 905.40 (relating to certain hovercraft skirts).

At the end of part II of subtitle B of title VIII of the bill, add the following:

SEC. . TRIALLATE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.64	S-(2, 3, 3′-trichlorallyl)-diisopropyl-thiocarbamate (provided for in item 425.36, part 2D, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . m-NITRO-p-ANISIDINE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.56	m-Nitro-p-anisidine (provided for in item 410.36, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . 4-CHLORO-O-NITROANILINE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.58	4-chloro-o-nitroaniline (p-chloro-o-nitroaniline) (provided for in item 404.88, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC . m-NITRO-O-ANISIDINE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.35	m-Nitro-o-anisidine (provided for in item 405.07, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . p-NITRO-ORTHO-TOLUIDINE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.37	p-Nitro-ortho-toluidine (provided for in item 404.88, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . PHENYLCARBETHOXYPYRAZOLONE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.31	Phenylcarbethoxypyrazolone (provided for in item 406.39, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . p-NITRO-O-ANISIDINE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"908.14	p-Nitro-o-anisidine (provided for in item 410.36, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . CARBODIIMIDES.

(a) Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.70	Bis(o-tolyl) carbodiimide; 2,2',6,6'-Tetraisopropyldiphenyl carbodiimide; poly [nitrilomethanetetraaryl-nitrilo [2,4,6-tris(1,-methylethyl)-1,3 phenylene]],-[2,6-bis(1,-methylethyl)phenyl],-omega-[[[[2,6-bis(1-methylethyl) phenyl]amino] methylene]amino]; and benezene, 2,4-Diisocyanato-1,3,5-triisopropylbenzene (provided for in item 405.53, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . TRIETHYLENE GLYCOL DISCHLORIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.73	Triethyleneglycol dichloride (provided for in item 428.47, part 2D, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . MIXTURES OF 5-CHLORO-2-METHYL-4-ISOTHIAZOLIN-3-ONE, 2-METHYL-4-ISOTHIAZOLIN-3-ONE, MAGNESIUM CHLORIDE, STABILIZERS AND APPLICATION ADJUVANTS.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"908.16	Mixtures of 5-chloro-2-methyl-4-isothiazolin-3-one, 2-methyl-4-isothiazolin-3-one, magnesium chloride, stabilizers and application adjuvants (provided for in item 432.28, part 2E, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . 2-N-OCTYL-4-ISOTHIAZOLIN-3-ONE, AND ON MIXTURES OF 2-N-OCTYL-4-ISOTHIAZOLIN-3-ONE AND APPLICATION ADJUVANTS.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"908.17	2-n-Octyl-4-isothiazolin-3-one, and mixtures of 2-n-octyl-4-isothiazolin-3-one and application adjuvants (provided in items 425.52 and 430.20, part 2D, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . m-HYDROXYBENZOIC ACID.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"908.18	m-Hydroxybenzoic acid (provided for in item 404.40, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . 5-CHLORO-2-METHYL-4-ISOTHIAZOLIN-3-ONE, 2-METHYL-4-ISOTHIAZOLIN-3-ONE, MAGNESIUM CHLORIDE AND MAGNESIUM NITRATE.

Item 906.52 of the Appendix is amended—

(1) by striking out "12/31/87" and inserting in lieu thereof "12/31/90", and

(2) by striking out "432.25" and inserting in lieu thereof "432.28".

SEC. . WEAVING MACHINES FOR FABRICS IN EXCESS OF 16 FEET WIDTH.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"912.48	Power-driven weaving machines for weaving fabrics more than sixteen feet in width, and parts thereof (provided for in item 670.14 and 670.74, part 4E, Schedule 6)	Free	No change	On or before 12/31/90".

SEC. . BARBITURIC ACID.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.50	Barbituric acid (provided for in item 437.36, part 3B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . 3-METHYL-5-PYRAZOLONE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.46	3-Methyl-5-pyrazolone (provided for in item 425.52, part 2D, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . 3-METHYL-1-(P-TOLYL)-2-PYRAZOLIN-5-ONE (P-TOLYL METHYL PYRAZOLONE).

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"908.15	3-Methyl-1-(p-tolyl)-2-pyrazolin-5-one (p-Tolyl methyl pyrazolone) (provided for in item 406.36, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

In subsection (b) of section 894 of the bill—

(1) strike out "883(a), or" in paragraph (1)(B)(i) and insert in lieu thereof "865,",

(2) insert "or" at the end of clause (ii) of paragraph (1)(B),

(3) insert the following new clause after clause (ii) of paragraph (1)(B):

"(iii) any paragraph of section 883(a) (other than section 883(a)(8)),",

(4) insert "by section 865 or" after "is made" in paragraph (2)(A)(v), and

(5) strike out clause (i) of paragraph (2)(A) and redesignate the succeeding clauses.

At the end of section 894 of the bill, add the following:

(d) BICYCLE TIRES AND TUBES.—The amendment made by section 881(a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after December 31, 1987.

At the end of subtitle B of title VIII of the bill, add the following:

SEC. . RELIQUIDATION OF CERTAIN TUBULAR TIN PRODUCTS.

Notwithstanding any provision of the Tariff Act of 1930 or any other provision of the law to the contrary, the Secretary of the Treasury shall reliquidate, as free of duty under item 911.12 of the Appendix to the Tariff Schedules of the United States, as in effect at the time of entry, the entries numbered 00329493 (dated March 16, 1979), 00329494 (dated March 13, 1979), 00329495 (dated March 28, 1979), and 00330003 (dated March 21, 1979), made at New York, New York, and covering tubular tin products, if a certificate of actual use (remelt certificate) for the articles covered by the four entries is submitted to the United States Customs Service at the port of entry within 120 days from the date of enactment of this Act.

In subparagraph (B) of section 503(c)(1) of the Trade Act of 1974, as amended by section 927 of the bill—

(1) strike out ", or withdrawn from warehouse, for consumption", and

(2) strike out "or in an insular possession of the United States" and insert in lieu thereof "or the United States insular possessions".

Mr. BENTSEN. Mr. President, what I have sent to the desk is an amendment that Senator PACKWOOD and I put into the RECORD approximately 2 weeks ago on miscellaneous tariffs and that was to give everyone some time to peruse them, study them and make themselves acquainted with them. The provisions that have been put in this amendment and added to the amendment it is my understanding have had no objection from anyone with whom we have spoken. All of these have received public comment. They have been reviewed by the administration and by the International Trade Commission.

I yield to my distinguished colleague, the ranking minority member.

Mr. PACKWOOD. Mr. President, everything that Senator BENTSEN said is correct. They have been cleared. I know of no objection from the administration, the International Trade Commission or any Republican or Democratic Member of the Senate.

The PRESIDING OFFICER. Is there any further debate? Hearing none, the question occurs on the amendment of the Senator from Texas.

The amendment (No. 443) was agreed to.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 444

(Purpose: To delay the effective date of certain provisions regarding customs user fees, and for other purposes.)

Mr. BENTSEN. Mr. President, I have another amendment I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will report the amendment of the Senator from Texas.

The legislative clerk read as follows:

The Senator from Texas [Mr. BENTSEN] proposes an amendment numbered 444.

Mr. BENTSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 348 of the printed bill, line 16, strike out "1987" and insert in lieu thereof "1988".

On page 351, between lines 12 and 13, insert the following:

(c) MERCHANDISE FEE.—Subsection (h) of section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 is amended to read as follows:

"(h) Notwithstanding any other provision of this section, the portion of the value of any article described in item 806.30 or 807.00 of the Tariff Schedules of the United States that is subject to duty under such item shall also be subject to the fee imposed by subsection (a)(10).".

(d) EFFECTIVE DATE.—

(1) Except as otherwise provided by this subsection, the amendments made by this section shall take effect on October 1, 1988.

(2) The amendment made by subsection (c) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after September 30, 1987.

Mr. BENTSEN. Mr. President, this amendment makes two changes in the trade bill that are intended to bring the bill into compliance with the Budget Act. I appreciate the advice and counsel of the chairman of the Budget Committee, Senator CHILES, in bringing these points to our attention.

First, this amendment is intended to ensure that certain minor revenue losses which occur by reason of the bill, principally the 75 or so miscellaneous tariff provisions of the trade bill which lose about $135 million in fiscal year 1988 according to the Congressional Budget Office, would be offset by minor revenue increases.

In almost every case, a miscellaneous tariff provision is a revenue loser because a Senator has asked that the existing duties and fees be temporarily suspended because a producer in his State is not able to get a component or an input from a domestic supplier. And naturally, since the duties are temporarily reduced to zero, each of these provisions is a minor revenue loser. When you total up 75 of them, you come up with a revenue loss in fiscal year 1988 of about $135 million. I might say there are many revenue gainers in the trade bill for which firm estimates are difficult, such as the quota auctioning provisions.

What this amendment does is to increase revenues slightly more than these tariff provisions lose by making a correction in the application of the Customs user fee. This change has been urged by the administration since the Customs user fee went into effect.

Under the existing system of ad valorem Customs user fees, there is an exception for all articles imported under a special category of the tariff schedules of the United States, known as schedule 8. This includes personal importations, importations for the handicapped, and other special categories. However, the Customs Service has pointed out that one of those categories is becoming a substantial loophole in the fee. This is the foreign value added provisions, 806 and 807.

Under items 806 and 807, imported products made from American components are charged duty only on the value added abroad, not on the full value of the product. These are important provisions of American trade law designed to encourage employment in the United States, and nothing in this amendment changes items 806 or 807 at all. However, because of the general exemption of all schedule 8 items from the Customs user fee, 806 and 807 items are not subject to the fee at all, even on that portion of the imported value that was added abroad. Thus, 806 and 807 items are in part dutiable, but they are not subject to the fee.

According to the Customs Service, foreign manufacturers have noticed this situation as a loophole in the Customs user fee, and are attempting to qualify for 806/807 treatment by adding minor American components to their products as a way of assuring that they will not have to pay the fee. This evades the essential purpose of 806 and 807, while also reducing our collections and fees. According to the Congressional Budget Office, closing the loophole will increase revenues by about $140 million a year.

The purpose and effect of this part of the amendment, therefore, is to close the loophole, thus simultaneously correcting a problem that the Customs Service has pointed out to the Congress, and also raising enough revenue to more than offset the slight revenue losses that occur under the trade bill.

The second change included in this amendment will postpone for 1 year the restructuring of the Customs user fee account that is provided for in the bill. The intent of the bill is to clarify the treatment of Customs user fees as offsetting receipts. This treatment was envisioned by the Congress in enacting the Customs user fee in the last Congress, but the Treasury Department did not so interpret the legislation. Unfortunately, changing the treatment of these receipts in fiscal year 1988 creates a technical revenue loss insofar as they are reclassified as "negative spending" instead of revenues. The amendment I now offer avoids this fiscal 1988 revenue impact by postponing the change until fiscal year 1989.

According to the Congressional Budget Office, they could be offset by some minor revenue increases. But in almost every case, a miscellaneous tariff provision is a revenue loser. We want to balance that out and come up with some revenue to put us in compliance with the Budget Act.

We have looked at the Customs user fee and its application to section 8, and we find that there has been an abuse in the utilization of it, because you get into sections 806 and 807, and you have had instances where some people have put some minor byproduct on the principal product to try to come under 806 and 807 and use that as a loophole. It has resulted in a substantial amount of money.

The administration brought this to our attention and urged that we close down this loophole.

This would bring us revenue of approximately $140 million and would balance out the problem I previously mentioned and bring us into compliance with the Budget Act.

I know of no objection on our side, and I urge the adoption of the amendment.

Mr. PACKWOOD. Mr. President, I can give an example of the kind of loophole people are taking advantage of.

Let us say a tractor has American parts in it and it comes in at zero. One overseas manufacturer has been adding a gas cap made in America, and that becomes part of the vehicle. No one intended that.

The measure that the chairman refers to simply closes the loophole and gives us enough revenue to make sure that this will not violate the Budget Act.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 444) was agreed to.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 445

(Purpose: To extend the temporary modification of duty on certain disposable surgical gowns)

Mr. COCHRAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the consideration of the amendment? The Chair hears none, and the amendment will be stated.

The legislative clerk read as follows:

The Senator from Mississippi Mr. COCHRAN, for himself, Mr. NUNN, Mr. KASTEN, Mr. SYMMS, Mr. STENNIS, Mr. SHELBY, and Mr. HELMS, proposes an amendment numbered 445.

Mr. COCHRAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 306, between lines 11 and 12, insert the following:

(c) SURGICAL GOWNS.—Item 905.50 of the Appendix is amended by striking out "12/31/88" and inserting in lieu thereof "12/31/90".

Mr. COCHRAN. Mr. President, on behalf of Senators NUNN, KASTEN, SYMMS, STENNIS, SHELBY, HELMS, and myself, I am proposing an amendment to extend through December 31, 1990, the temporary reduction in the duties on disposable surgical drapes and sterile gowns made of bonded-fiber fabric.

In 1984, the Congress provided for a temporary 5-year duty rate of 5.6 percent ad valorem for disposal surgical drapes and sterile gowns made of bonded-fiber fabric. That legislation placed these products in duty parity with the virtually identical gowns and drapes made of reinforced paper.

However, the temporary duty rate will expire on December 31, 1988, and unless this amendment is adopted, the rates on bonded-fiber fabric products will revert to permanent tariff schedule rates that are two to three times greater than those on the virtually identical products made with reinforced paper—for example, 17 percent and 9 percent, respectively, for gowns and drapes, according to current tariff schedule figures.

This amendment would simply continue for 2 years the equal tariff rate treatment of 5.6 percent that Congress provided in 1984 for disposable surgical drapes and gowns made of bonded-fiber—100 percent polypropylene—and those made from reinforced paper—about 45 percent polyester and 55 percent wood pulp.

Since the predominant value component of both products is manmade fiber, no rational basis exists for one fabric to be assessed a tariff two to three times greater than that on a substantially identical competing product. Furthermore, this legislation is narrowly drawn so that it applies only to disposable surgical drapes and sterile gowns. The tariff equalization would not apply to any other product.

The temporary tariff reduction provided in 1984 enabled the Kimberly-Clark Corp. to assess the success and effectiveness of its capital investments in the manufacture of the polypropylene base sheet used in the production of disposable surgical drapes and sterile gowns.

Kinberly-Clark has spent in excess of $155 million for the construction and expansion of its Corinth, MS, mill, which manufactures the polypropylene base sheet for this product, and employs about 450 people. Additionally, Kimberly-Clark has completed a $120 million plant in La Grange, GA, that employs another 160 people.

Mr. President, adoption of this amendment will ensure equitable treatment in the tariff schedules for substantially identical competing products, and will enable smaller health care businesses, like Kimberly-Clark's health care division, to continue to compete on an equal basis with its competitors, who produce similar products with the same end use.

I urge my colleagues to support this amendment.

I understand that the managers have reviewed the amendment, and I hope they are prepared to recommend that it be adopted.

Mr. BENTSEN. Mr. President, the majority has reviewed the amendment. It is a good amendment, and we support it.

Mr. PACKWOOD. Mr. President, it is cleared on this side, also.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 445) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, I thank the distinguished Senators.

AMENDMENT NO. 347

(Purpose: To authorize the Secretary of Commerce to give grants to Indian tribes for export promotion)

Mr. BINGAMAN. Mr. President, I ask immediate consideration of amendment No. 347, which I have at the desk.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], for himself and Mr. DOMENICI, proposes an amendment numbered 347.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 439 after line 25:

Section . (1) The Secretary of Commerce is authorized to provide grants to eligible entities for the development of foreign markets for authentic American Indian arts and crafts. Eligible entities under this section include Indian tribes, tribal organizations, tribal enterprises, craft guilds, marketing cooperatives and individual Indian-owned businesses.

(2) Eligible activities under a grant awarded pursuant to this section include, but are not limited to, conduct of market surveys, development of promotional materials, financing of trade missions, participation in international trade fairs, direct marketing

and other market development activities, or a combination of such activities.

(3) Grants under this section shall be administered by the Secretary of Commerce under guidelines to be developed by the Secretary. Priority shall be given to projects which support the establishment of long term, stable international markets for American Indian arts and crafts and which are designed to provide the greatest economic benefit to American Indian artisans.

(4) The Secretary shall provide technical assistance and support services to eligible applicants and entities receiving grants under this section to assist them in identifying and entering appropriate foreign markets, complying with foreign and domestic legal and banking requirements regarding the export and import of arts and crafts utilizing import/export financial arrangements, and shall provide such other assistance as may be necessary to support the development of export markets for American Indian arts and crafts.

(5) No grant shall be awarded pursuant to this section in support of any activity which includes the sale or marketing of any craft items other than authentic arts and crafts handmade or handcrafted by American Indian artisans and made of the materials indicated in respect to the particular item.

Mr. BINGAMAN. Mr. President, I believe that my colleague, Senator DOMENICI, is on his way to the floor to give a statement in support of this amendment and I will not ask for a vote until he has had that opportunity. But I would like to explain the amendment at this point.

Mr. President, this amendment would authorize the Secretary of Commerce to make grants for the promotion of exports of Indian arts and crafts. The grant would fund trade missions, marketing efforts, development of promotional materials, surveys, and other essential marketing activities.

Mr. President, I ask unanimous consent that the name of the Senator from Arizona [Mr. DECONCINI] be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, will the Senator yield for a question?

Mr. BINGAMAN. I am glad to yield.

Mr. PACKWOOD. I believe this is one of the amendments that has not been cleared. It is a Banking Committee amendment, and I do not know if they have any objection. It has not been cleared, and I am not in a position to clear it at the moment.

I do not know if the Senator wants to go to his other two amendments, which have been cleared.

Mr. BINGAMAN. This is the only one I am in a position to offer at this point, and I thought this had been cleared by the Banking Committee.

Mr. BENTSEN. Mr. President, it is my understanding that it has been cleared on our side by the Banking Committee, for the majority. Obviously, I cannot speak for the minority.

Mr. PACKWOOD. Mr. President, I will check very quickly, if the Senator from New Mexico will put in a quorum call for a few minutes.

Mr. BINGAMAN. I will be glad to do that.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I understand that some of the difficulties that were thought to exist have been resolved. I would like to go forward and complete the explanation of this amendment if I could.

The PRESIDING OFFICER. The Senator is recognized.

Mr. BINGAMAN. Mr. President, many Indian Tribes and pueblos are located in my home State of New Mexico, and each brings its own unique customs and traditions to our State. Additionally, the history of New Mexico has been enormously enriched by the cultural legacy of its Indian people. The quality of their jewelry, arts, crafts, and rugs is admired worldwide. As one example, rugs from the Navajo Nation, the largest of America's Indian tribes, are of the highest quality, respected around the world for their beauty and workmanship.

According to traders familiar with purchasing Navajo goods, approximately 3,000 weavers and 2,000 silversmiths could earn up to $1,000 per month if their products were marketed more effectively. Exports of Navajo arts and crafts are currently approximately $15 million annually, mostly to West Germany and Italy. These exports could easily reach $40 million in a year with proper marketing.

Another example is jewelry made by the Zuni Indians. Since the introduction of silver into the Southwest by the early Spaniards, the Zunis, the largest of 10 pueblos in New Mexico, have crafted fine works of Indian handmade jewelry which have become world renowned. Eighty percent of the Zuni population depends solely on jewelry for their livelihood. This amendment would certainly increase the ability of the pueblo to market its crafts. The investment is minimal; the potential benefits are considerable.

The West Germans, among others, have expressed great interest in importing Navajo products, and we have an enormous trade deficit with West Germany. Even though Indian exports would not be extremely significant in reducing our large existing imbalance with West Germany, the United States needs to find every opportunity to market its products in foreign countries if we are to remain competitive.

This amendment is not only good for American Indians and the economies of Indian reservations but would contribute to the health of our national economy.

The amendment authorizes the Secretary of Commerce to make grants from already authorized funds; it would require no additional appropriations. Indian tribes, tribal organizations, tribal enterprises, craft guilds, marketing cooperatives and individual Indian-owned business would be eligible to receive grants, which would be used specifically for developing markets for their goods.

The Secretary of Commerce is authorized to work closely with the tribes and the Indian entities to lend technical assistance and support services to qualified applicants.

The further purpose of the amendment is to encourage long term, stable international markets for authentic Indian arts and crafts in this country.

The economies of American Indian tribes are depressed. There are few jobs available on Indian reservations today. For many Indians, arts and crafts are their major economic and employment base. This amendment offers a very real opportunity for Indian tribes to develop greater economic independence.

We owe it to them and to our economy in general to help promote their unique products overseas. This amendment will help do that. I urge my colleagues to adopt this amendment.

I believe my colleague from New Mexico, Senator DOMENICI, would also like to speak in support of this amendment, and I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I gladly cosponsor this amendment and I urge its adoption.

I think Senator BINGAMAN, my colleague from New Mexico, has adequately explained the need and the problem.

Obviously, we already know that many American businesses have a great deal of difficulty with the export market, and one should conclude, and I think rightly so, that our Indian people, most of whom are craftsmen, would have even a more difficult time maximizing the export market capability of their products, magnificent jewelry and crafts second to none in the United States. They are true works of art and from what we know many foreign countries would be interested in expanding the market for Indian jewelry and Indian arts and crafts.

Senator BINGAMAN's amendment, which I gladly cosponsor, merely authorizes the Secretary of Commerce within that framework of responsibility and money to proceed to make some of the expertise and some grant money available to our Indian people, our Indian tribes or pueblos, as we call some of ours. The amendment authorizes that grants be made available to them in an orderly manner so they might maximize the potential of the work of their hands and of their skills in the overseas market.

We will know in a couple of years whether it works or not.

I have every reason to believe that since foreign markets are already somewhat into Indian jewelry and Indian arts and crafts, this will expand it. We hope so.

With the Indian people being the highest unemployed minority group in the United States, while there are not millions of them, clearly there are many reservations, tribes, and pueblos with huge percentages of unemployment.

If we can make this aspect of their livelihood and their craftsmanship better in the world market, it can only enhance their livelihood, their independence, and their well-being.

So I gladly cosponsor it, and I will support the efforts of the Secretary of Commerce in the future in appropriations, and as he develops the regulations we will gladly work with him to make them workable and effective.

I thank Senator BINGAMAN for yielding time to me and for the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

The Senator from Arizona.

Mr. DeCONCINI. Mr. President, I rise in support of the amendment of the junior Senator from New Mexico. I thank him for his leadership in this effort representing a State that has within it more native Americans than any other State. That is debatable between about two or three of our States. But certainly we have more reservations, 19 in total. We have a population of close to 200,000 native Americans.

Many of them, as the Senator from New Mexico has pointed out, are involved in the crafts and arts and they do it themselves. They do not have promotional capabilities and expertise to promote, certainly not in the international market.

This amendment of which I am proud to be cosponsor would provide no additional funds. It would only require a set-aside for the purpose of assisting native Americans to be competitive in the world market.

It is not a subsidy, only to assist them to be competitive. so, I wholeheartedly support this amendment. I think it is good for America. It is certainly good for native Americans, and that is all of us, in a sense. This is going to help us be more competitive in a minor way, but to those who are involved, in a very major way.

The PRESIDING OFFICER. Is there further debate?

Mr. BENTSEN. Mr. President, I have no objection to the amendment. As manager for the majority on the bill, I am pleased to support the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico [Mr. BINGAMAN].

The amendment (No. 347) was agreed to.

Mr. BINGAMAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, I ask unanimous consent to bring up an amendment at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 344

(Purpose: To affirm the national policy of metric conversion benefiting the United States)

Mr. PELL. Mr. President, I call up my amendment concerning the metric system and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Rhode Island (Mr. PELL), for himself, Mr. INOUYE and Mr. SIMON, proposes an amendment numbered 344.

Mr. PELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Since over a decade ago Congress passed the Metric Conversion Act of 1975 (15 U.S.C. 205a et seq.);

Since it is the policy of the United States Government to coordinate and plan the increasing use of the metric system;

Since significant achievements have been made in industry toward the use of the metric system, and Federal agencies have removed barriers which support and accommodate metrication to trade, travel, and communications;

Since the principal benefit of accelerating the metric changeover is an improvement in the ability of the Nation to export and compete more favorably in growing world markets;

Since United States trade deficits could be substantially reduced by the introduction of metric available products to our trading partners;

Since corporate policies toward manufacturing and international trade in the use of metrics can expand productivity and increase small business opportunity;

Since the metric changeover should continue to take place in the United States when it is in the best interests of the consumer and the producer; and

Since the Federal government, by law or regulation should not discourage nor prohibit the voluntary process of metric transition: Now, therefore, be it

Declared by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress finds that—

(1) the increasing use of the metric system has benefited the Nation over the last decade; and

(2) conversion to the metric system shall assist in reducing the trade deficit by making United States products more marketable in international trade, thereby preserving jobs, and bringing growth opportunities to the United States economy.

(b) The Federal government shall reaffirm the national policy set forth in the Metric Conversion Act of 1975 (15 U.S.C. 205a et seq.) and initiate specific programs to speed conversion to the metric system of measurement as a means of reducing the United States trade deficit, including new initiatives in the field of metric education.

Mr. PELL. Mr. President, in connection with the amendment I am offering today, I would like to assure my good friend and colleague, the distinguished chairman of the Commerce Committee Mr. HOLLINGS, that my amendment will not require any new funding for the agency that will have the responsibility of implementing my amendment, namely the Commerce Department. My intention is that the Commerce Department's Office of Metric Programs will use existing funding and existing personnel to undertake the initiatives called for by my amendment. In my view what is needed is for the Congress to send a strong signal to the Commerce Department that they should be doing more to assist transition to the metric system. There are many sectors of our economy, especially in small business, that would benefit tremendously from the technical assistance and leadership that the Commerce Department could provide pursuant to my amendment. So let me assure the chairman of the Commerce Committee and the distinguished ranking minority member, Mr. DANFORTH, that this amendment does not provide for new funding nor anticipate that the Commerce Department will seek new funding as a result of adoption of this amendment.

I understand that this amendment has been cleared with the manager of the bill and it has been cleared with the ranking minority member.

Mr. BENTSEN. Mr. President, we have been advised that the chairman of the Commerce Committee that has jurisdiction on this piece of legislation has no objection to the amendment. With that in mind, I urge its adoption.

Mr. DURENBERGER. Mr. President, I am informed that the ranking minority member of the Commerce Committee has also cleared this particular amendment, so we have no objection to it.

The **PRESIDING OFFICER.** Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator for Rhode Island [Mr. Pell].

The amendment (No. 344) was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 446

(Purpose: To require the indelible country of origin marking of imported Native-American style jewelry and arts and crafts)

Mr. DOMENICI. Mr. President, on behalf of myself, Senators Bingaman, McCain, DeConcini, Hatch, and Stevens, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER.** Is there objection to the consideration of the amendment? Without objection, the clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. Domenici], for himself, Mr. Bingaman, Mr. McCain, Mr. DeConcini, Mr. Hatch, and Mr. Stevens, proposes an amendment numbered 446.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment reads as follows:

At the end of subtitle B of title IX of the bill, add the following:

SEC. . MARKING OF NATIVE-AMERICAN STYLE JEWELRY AND ARTS AND CRAFTS.

(a) In General.—Notwithstanding any other provision of law, Native-American style jewelry and Native-American style arts and crafts may be considered to be in compliance with the requirements of section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) only if the English name of the country of origin of such jewelry and arts and crafts is indelibly marked in a conspicuous place on such jewelry and arts and crafts by means of cutting, die-sinking, engraving, stamping, raised lettering, or other equally permanent method of marking.

(b) Implementation.—For purposes of implementing the requirements under section 304 of the Tariff Act of 1930 that are imposed with respect to Native-American style jewelry and Native-American style arts and crafts by reason of subsection (a), the Secretary of the Treasury shall—

(1) upon the enactment of this Act, use the proposed rule on the marking of such jewelry that was published in the Federal Register on July 15, 1986, or any rule that is similar to such rule, and

(2) use a rule for Native-American style arts and crafts that—

(A) is similar to the rule on the marking of Native-American jewelry that was published in the Federal Register on July 15, 1986, and

(B) is published in the Federal Register in final form by no later than the date that is 1 year after the date of enactment of this Act.

Mr. DOMENICI. Mr. President, had our rules not prohibited an exhibit, I would have shown the Senate that, while we worry about the Japanese competing with us in matters of highly sophisticated technological origin, such as computers or microchips, they do not only do that, they mimic the finest Indian pottery around and mass produce it and sell it in America dirt cheap. What they have done is taken the most exquisite designs and patterns that the Indian people do in a handmade manner and they make pottery that looks just like it, and sometimes they do not put "Made in Japan" on it. Sometimes they put it inside of a cellophane bag and on the bag it says "Made in Japan," and then those who sell it take the cellophane bag off and put it on the shelf and American tourists buy mass manufactured Indian pottery look-alikes.

A number of countries do the same thing with reference to Indian jewelry, the exquisite product of the handiwork and craftsmanship of our native American Indians.

This amendment builds on Senator Bingaman's amendment where he is seeking an opportunity to export. It is kind of honesty in importation. It requires that any facsimile look-alike jewelry, crafts, pottery, or the like have indelibly imprinted on the product the country of origin. So that if in Taiwan they are going to make Indian jewelry and it is going to look like the Indian jewelry of the Zuni Indians in New Mexico, they cannot just put it in a bag and say "Made in Taiwan," and then the seller strip the bag away and deceive the American people. It will have to have indelibly printed on it the country of its origin.

Frankly, I believe that there are some very difficult problems in this area. This amendment will not solve them all, but, coupled with a previous amendment mandating the Federal Trade Commission to adopt some regulations with reference to those who sell Indian jewelry so that they will have to have honesty in the selling part. If you couple that with this, this truth in manufacturing where they will have to indelibly imprint on Indian jewelry and Indian crafts the country of origin, I think this trade bill will be a giant step forward for the Indian people in our State and across this land.

While it may be difficult at the outset to implement this kind of regulation, I think the U.S. Senate ought to express itself that it will be illegal henceforth, once this trade bill is passed, it is, for countries that are duplicating the handicraft of the American Indian not to indicate on any of those products in an indelible, irremovable manner the country of origin.

I have cleared this amendment on both sides with the chairman who is managing the bill and with the minority member of the appropriate committee and I ask that the Senate give it immediate consideration.

I ask unanimous consent that report language I have prepared be placed in the Record and included in the trade bill report. This material provides guidance for the U.S. Customs Service in the area of defining what are native American handicrafts. It has been requested by the administration and I am happy to provide it.

There being no objection, the material was ordered to be printed in the Record, as follows:

Information Regarding the Definition of Native American Arts, Crafts, and Jewelry

The Senate is aware that a considerable amount of work has been done regarding what constitutes native American handicrafts. Conferences have been held, case law has been established, and regulations have been promulgated by various Federal agencies. It is the intention of the Senate that the Customs Service look to these regulations and other authoritative sources for guidance in implementing this provision.

The most appropriate definition of what is genuine native American handcraft product (arts, crafts, and jewelry) is found in 25 C.F.R. 308.3a. It reads as follows:

"Objects produced by Indian craftsmen with the help of only such devices as allow the manual skill of the maker to condition the shape and design of each individual product."

The regulations proposed by the U.S. Customs Service in 1986 contain appropriate descriptive information regarding native American arts, crafts, and jewelry.

While it is clear that a detailed description of what these items look like is helpful to a Customs agent, such descriptions cannot be all encompassing. The thrust of the amendment is to ensure that consumers may distinguish between authentic native American products and the look-alikes from around the world.

The U.S. Customs Service is encouraged to coordinate with the Department of Interior, Bureau of Indian Affairs to ensure that the intent of this provision is carried out.

Mr. STEVENS. Will the Senator yield?

Mr. DOMENICI. Obviously, other Senators might want to be heard. I yield the floor.

Mr. STEVENS. I would just ask that the Senator add me as a cosponsor of the amendment.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the senior Senator from Alaska, Senator Stevens, be made an original cosponsor.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Is there further debate?

Mr. BINGAMAN. Mr. President, I rise in support of this amendment by my colleague from New Mexico. This amendment incorporates an earlier amendment of mine, No. 337.

This amendment addresses the problem of importation of counterfeit native American arts and crafts. It will, in part, require the U.S. Customs Service to implement proposed regulations governing country-of-origin markings of imported native American-style jewelry.

Mr. President, the problem of counterfeit native American style arts and crafts is one I have been struggling with for years now. Current Customs regulations require that native American-style jewelry—jewelry which incorporates traditional native American design motifs, material and construction—imported into this country only carry an adhesive label or string tag. The problem, as identified by the Customs Service, is that some jewelry dealers and wholesalers remove these tags and then sell the imported goods as authentic native American jewelry.

This practice hurts Indian artisans in two ways. It discourages potential buyers from making any purchase of native American arts and crafts, and it undercuts the demand for legitimate products made by native American craftpersons whose sole source of support is their art. In 1984, I requested that the Commerce Department, in coordination with the Customs Service and the Federal Trade Commission, study the extent of the import, export, and sale of imitation American Indian-style jewelry. This study found that unmarked counterfeit Indian jewelry siphons off an estimated $40 to $80 million from the $400 to $800 million generated annually by genuine articles produced by native craftmen—a 10- to 20-percent revenue loss due to imitation imports. The study goes on to state that counterfeit jewelry undercuts the price of genuine articles made by craftpersons such as the Zuni, Navajo, and Hopi Indians by as much as 50 percent.

This study came out in July 1985. Earlier, in March 1985, I arranged a meeting between Indian artisans and dealers and officials of the U.S. Customs Service. That meeting resulted in a petition to the Customs Service in May 1985 signed by over 200 Indian artisans and dealers requesting a ruling and a change in regulations to require permanent country-of-origin markings.

Yet, the Customs Service still did not act. In November 1985, I joined with Senators Rudman and Hollings, then the chairman and ranking minority member of the Commerce, Justice, State, and the Judiciary Appropriations Subcommittee, in a letter to the Secretary of Commerce and the Secretary of the Treasury to take action.

Finally, in July 1986, the Customs Service proposed a regulation to clearly and permanently label the country-of-origin on native American-style jewelry—jewelry which incorporates traditional native American design motifs, material and construction. The regulation states:

> "The article must be indelibly marked with the country or origin by cutting, die sinking, engraving, or stamping. The country-of-origin marking may appear on the clasp, or in some other conspicuous location. Alternatively, a metal or plastic indelibly marked with the country of origin may be permanently attached to the article.
>
> In those cases where due to size or nature of the article the indelible marking is too small to read without a magnifying glass, the country of origin should also be indicated on a string tag or adhesive lebel securely affixed to the article. A string or adhesive label will be permitted as the only means of marking in the case of these few articles which are too small to be indelibly marked and do not permit the permanent attachment of a metal or plastic tag—for example a small earring. The materials generally used in native American-style jewelry include sterling silver or other metal which appears like sterling silver. The jewelry is either all metal or set with one or more of the following stones: turquoise, lapis lazuli, shells, onyx, carnelian, sugilite, or coral.

Although this is a straightforward regulation, it took a year from the filing of the petition and the release of the study for the Customs Service to propose the regulation. And now, a year after the proposed regulation was published in the Federal Register, it still has not been implemented.

Mr. President, this is a clear case of the Customs Service dragging its feet while American Indian artisans continue to suffer and counterfeit jewelry adds to our trade imbalance. We need to send a clear message to the Customs Service, which this amendment does. I urge my colleagues to support this amendment.

Mr. BENTSEN. Mr. President, I am very pleased to support this amendment and I have no objections on this side.

Mr. DURENBERGER addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DURENBERGER. The Senator from New Mexico has accurately stated the ranking minority member's position and we have cleared it on our side.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I want to amplify on what my colleague, Senator Bingaman has said. This amendment, if it becomes law, mandates the regulations which he has related, which have been there and not been implemented and it mandates that they begin the establishment of some regulations with reference to Indian crafts so that if we get this accomplished we will have it done for jewelry and they will begin the process of trying to establish a similar set of rules and, hopefully, if they have them done they will implement them because they know we are serious with reference to certain other of the Indian crafts such as pottery and the like.

I yield the floor.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (No. 446) was agreed to.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 447

(Purpose: To authorize a research program for the modification of plants and plant materials, focusing on the development and production of new marketable industrial and commercial products)

Mr. HARKIN. Mr. President, I send an amendment to the desk on behalf of myself, Mr. Leahy, Mr. Lugar, Mr. Glenn, Mr. Conrad, Mr. Grassley, and Mr. Hatfield and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa [Mr. Harkin], for himself, Mr. Leahy, Mr. Lugar, Mr. Glenn, Mr. Conrad, Mr. Grassley, and Mr. Hatfield proposes an amendment numbered 447.

Mr. HARKIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 575, between lines 15 and 16, insert the following new chapter:

CHAPTER 5—ALTERNATIVE AGRICULTURAL PRODUCTS RESEARCH

SEC. 2195. PURPOSE.

It is the purpose of this chapter—

(1) to authorize research in modification of plants and plant materials, and associated research, in order to develop and produce marketable products other than food or traditional fiber products; and

(2) to establish an independent New Products Research Board to advise the Assistant Secretary of Agriculture for Science and Education with respect to selection criteria for, and scientific feasibility of, prospective research projects under this chapter.

SEC. 2196. DEFINITIONS.

As used in the chapter:

(1) Assistant Secretary.—The term "Assistant Secretary" means the Assistant Secretary of Agriculture for Science and Education.

(2) Biotechnological Research Project.—The term "biotechnological research project" means a project authorized and funded by the Secretary that is directed toward the development of a new marketable industrial or commercial product, other than a food or traditional fiber product, through biotechnology or other modification of a plant.

(3) Board.—The term "Board" means the New Products Research Board established under section 2197.

(4) Development.—The term "development" means targeted research, including fundamental research and applied research necessary to make a product available for

the marketplace and necessary research on the plant, modification of plant materials, new methods, if any, needed to cultivate the plant, the commercial separation and purification of the new product and any research on the uses of the new product.

(5) New Product.—The term "new product" means an item developed through a biotechnological research or a plant product research project that is primarily not food or traditional fiber, including an item that exists but is not commercially available from a plant.

(6) Nontraditional Food.—The term "nontraditional food" means a food product that does have substantial new properties and that is not now derived from agricultural materials.

(7) Plant Product Research Project.—The term "plant product research project" means a project authorized and funded by the Secretary that is directed towards the development of a new marketable industrial or commercial product, other than a food or traditional fiber product, through the modification of the product of a plant.

(8) Project.—The term "project" means a biotechnological research project or a plant product research project.

(9) Secretary.—The term "Secretary" means the Secretary of Agriculture.

(10) Traditional Fiber.—The term "traditional fiber" means a fiber product that does not have substantial new properties and that is derived from agricultural materials.

SEC. 2197. NEW PRODUCTS RESEARCH BOARD.

(a) Establishment.—There is established in the Department of Agriculture the New Products Research Board, to be administered by the Assistant Secretary.

(b) Functions.—The Board shall advise the Secretary—

(1) on specific targets of opportunity for research that most closely meets the selection criteria required for a project to be eligible for funding under this chapter;

(2) on the composition of review committees to examine the merits of specific proposals for research projects that have been solicited by the Secretary;

(3) on recommendations for the funding of specific proposals for research projects; and

(4) concerning progress made in carrying out projects that are currently being undertaken.

(c) Membership.—

(1) Appointment.—The Board shall consist of 6 members, of which—

(A) two members shall be appointed by the Assistant Secretary;

(B) one member shall be appointed by the Director of the National Science Foundation;

(C) one member shall be appointed by the Secretary of Energy;

(D) one member shall be appointed by the Secretary of Commerce; and

(E) one member shall be appointed by the Director of the Office of Technology Assessment.

(2) Term of service.—The term of a member of the Board shall be at the discretion of the appointing authority, except that a member may not serve more than 5 years.

(3) Vacancies.—A vacancy on the Board shall be filled in the manner in which the original appointment was made.

(4) Chairman.—The Assistant Secretary shall designate one of the members of the Board as Chairman of the Board.

(5) Government members.—All members of the Board shall be officers or employees of the United States Government who shall serve without additional compensation.

(6) Expenses.—All members of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(7) Meetings.—The Board shall meet at the call of the Chairman or a majority of its members.

(d) Personnel and Services.—The Board may appoint personnel and procure permanent, temporary, and intermittent services, as it considers necessary, under section 3109 of title 5, United States Code, at rates for individuals that do not exceed the rate prescribed for GS-18 of the General Schedule under section 5332 of such title.

(e) Experts.—The Board may establish committees of technical experts, and farm and industry representatives, to advise the Board on matters that are determined to be appropriate by the Board.

(f) Rules and Regulations.—The Board is authorized to propose rules and regulations to the Secretary, and may promulgate procedures, that may be necessary to carry out the functions of the Board.

(g) Department of Agriculture Resources.—The Board is authorized to utilize, with the consent of the Secretary, the services, equipment, personnel, information, and facilities of the Department of Agriculture, with or without reimbursement.

(h) Hearings.—The Board may, for the purpose of carrying out this chapter, hold such hearings, and sit and act at such times and places, as the Board considers appropriate.

SEC. 2198. RESEARCH PROJECTS.

(a) Authorization.—The Secretary, on a recommendation from the Board, shall select projects that are to receive funding under this chapter, for purposes of research to develop and produce new products.

(b) Appropriate Projects.—

(1) Development.—Each project shall target development of a new crop, or modification of an existing crop or crop material, that meets the criteria specified in paragraph (2).

(2) Criteria.—Projects should be selected on the basis of—

(A) the prospect of developing viable technologies that could make it possible to use or modify existing plants or plant products to provide an economically viable quantity of new products;

(B) the need for a new product of the type contemplated;

(C) the potential market size of the new product;

(D) the likely time period needed to bring the new product into the stream of commerce for general use;

(E) the likely impact on reducing Federal crop subsidies and other Federal agricultural assistance program costs;

(F) the likely ability to grow the plant used to produce the new product at a profit;

(G) the availability of the expertise and facilities required to conduct the proposed research; and

(H) the likely unavailability of appropriate funding from other sources.

(c) Funding.—

(1) Purpose.—Funding shall only be provided under this chapter to those projects that have as the principal purpose the development of new products, with priority given to biotechnological research projects. No less than one-half of the appropriated funds shall be allocated to biotechnological research projects.

(2) Consortia.—Unless the Secretary finds it appropriate for a single research entity to conduct a project, each project shall be conducted by a project group that may include a consortium of—

(A) public and private colleges and universities;

(B) private research facilities and personnel;

(C) State agricultural experiment stations;

(D) Federal research laboratories; or

(E) any combination thereof.

(3) Secondary uses.—Funding shall not be denied if paragraph (1) is satisfied even if the developed plant has a food or fiber use in addition to the use described in paragraph (1).

(4) Period of funding.—Funding—

(A) shall cover the proposed research necessary for not less than 3 years, or until a marketable product is developed or determined to be unattainable or unnecessary; and

(B) may be extended, subject to satisfactory review, for additional 3-year periods or until a marketable new product is developed or determined to be unattainable or unnecessary.

(5) Nontraditional food use.—If the development of nontraditional food uses becomes the principal likely result of a project, funding may be continued if the project continues to meet the criteria set forth in subsection (b)(2) other than the criterion set forth in subsection (b)(2)(A).

(6) Number of projects.—

(A) Initial projection.—The Secretary shall fund not less than 20 projects within the 36-month period beginning on the date of enactment of this chapter, with funding committed for at least 5 projects within the 12-month period beginning on the date of enactment of this chapter.

(B) Adjustment.—If the amount appropriated under section 2199 is reduced, or if the availability of such amount for obligation is delayed, the number of new projects to be funded may be reduced proportionately, or delayed as appropriate.

(d) Contracts.—The Secretary may sign contracts that assign research responsibilities to an appropriate consortia or other entity capable of conducting the appropriate research over the applicable research period.

(e) Review and Reporting.—

(1) Project groups.—A project group shall report on the progress of the group to the Board annually or as otherwise required by the Board.

(2) The board.—The Board shall review the progress of the projects approved by the Secretary and report to the Secretary on the projects with recommendations concerning continued research.

SEC. 2199. AUTHORIZATION OF APPROPRIAITONS.

To carry out this chapter, there are authorized to be appropriated $75,000,000 for the fiscal year 1988, and each of the 19 fiscal years thereafter.

Mr. HARKIN. Mr. President, this amendment provides for a new direction for agricultural research by creating ways to find alternative non-food and nontraditional fiber uses for crops.

The goal of finding new alternative uses for crops is a goal of Government funded research in many other nations. Countries which have successfully established substantial applied research projects in this area could undercut our own ability to produce new crops.

I am offering an amendment which seeks to accelerate such diversification in our own agricultural economy and maintain our edge in the global agricultural market.

The amendment I am offering is the text of S. 970, the Alternative Agricultural Products Research Act of 1987, which after hearings, was ordered reported unanimously by the full Agriculture Committee.

I would like to thank my colleagues, Senators LEAHY, LUGAR and GLENN for their leadership in this area and their considerable help in developing this measure. I would also like to thank Senators BURDICK, CONRAD, INOUYE, GORE, GRASSLEY, HATFIELD, SANFORD, DASCHLE, KARNES, MATSUNAGA, MCCLURE, PRYOR, DURENBERGER, and COHEN for their support, advice, and cosponsorship of this measure.

For some time my colleagues and I have been increasingly interested in stimulating diversification in the agricultural economy. It is the intent of this amendment to help this process through a substantial accelerated R&D program.

We are all aware of the fact that our agricultural "factory", with its level of technology, superior natural resource base, and the amazingly productive American farmer, can out-produce most of the rest of the world combined. Such a reality is both a blessing and a curse. The blessing, of course, is that we can meet all of our Nation's food and fiber needs with ease and at a low cost. The curse results from the fact that we can, and do, over-produce. The result of this overproduction has been the lowering of the value of both our commodities and our land.

Land prices in my State of Iowa have fallen by 63 percent from 1981 to 1986 according to the Iowa State University annual surveys. That has caused all kinds of very negative economic effects. Since 1981, U.S. agricultural exports have fallen more than one-third in volume and 40 percent in value. To put the situation in perspective: In 1981, feedgrain export revenues were $10.5 billion. Similarly, projected 1987 wheat export revenues of $3.7 billion compared to $8 billion in sales in 1981.

In the long term, the agricultural problem is more than a question of production levels or of export markets. It is also a problem of insufficient diversification. We lack diversification in many agricultural areas of the country where only a few commodities are produced. We also lack diversification in the range of end uses for which our agricultural feedstocks might be used.

The result is that as the capacity to produce traditional commodities such as corn or soybeans increases our farmers face three choices. First, they can continue producing to levels in excess of demand creating lower prices that will not cover the costs of production. Second, they can leave part of their capacity idle. Third, they can find new things to do with that capacity. I believe the latter is the best solution. But it is one that will take many years to implement. This amendment moves us in that direction—starting now.

Present research being conducted at USDA is too often directed at improving yields of existing crops. While it is important to remain competitive, we must recognize and deal with the problem of over-production. Depending on the definitions used, from less than 1 to 3 percent of the USDA research budget is now directed towards finding new products from plants. This amendment changes that.

We must develop new plants capable of producing new industrial and commercial products that can compete for land, labor and capital. We need our existing commodities "bio-engineered" so that the range of new products capable of being produced can be expanded several fold.

I can see a day when new plants will be designed for specific end uses, or process conditions. I believe it is possible that, with the mapping of genetic structure of corn, wheat, soybeans and others feedstocks, we will be able to bioengineer new industrial oils, new proteins and new chemicals. All of this diversification is necessary as a precursor to a competitive agricultural system.

The days of simple basic industries with proven technology being successful over the long-term are over. The steel industry and the auto industry make this point all too clear. We need new technology and new knowledge to continue the evolution of our Nation's largest industry—agriculture—so that its full potential can be realized.

The development of this new technology for agriculture will require new knowledge. Systematic development of new plants and the modification of existing plants to produce new products is beyond the current state of the art. What is needed therefore, is a large scale multiyear research program directed toward the development of a more diverse agricultural system.

I realize that many of the fundamental questions about the biology of plants remain unanswered. I also realize that this fact adds to the risk associated with this undertaking. Nonetheless, we must proceed with the effort and deal with our knowledge gaps along the way.

History has shown that research with a purpose, even with significant unanswered questions, can be successful. In 1941 the Nation launched an effort to develop radar. There were many fundamental unanswered questions. These were addressed as a part of the quest to develop radar. Likewise, new plants can only be developed after we increase our fundamental knowledge. That knowledge however must be linked to a purpose. In this case, that purpose is new plants and new products: a new agriculture.

To get the process of R&D underway, my amendment provides for a major research initiative of $75 million per year for the next 20 years. The amount of funding suggests the scope of the problems to be tackled. The 20 years implies the need for a sustained effort over a period of time sufficient to study and process engineer a number of new agricultural feedstocks.

Expanding the marketplace for crop materials and through that expansion, a healthier rural economy and a stronger, more competitive American industry are the goals of this amendment. Creating new materials is important. But, it does no economic good if those new materials sit on the shelf. The research projects authorized by this bill will cover all of the research necessary from fundamental research to initially create the product to research necessary to bring the new products to a point of economic viability. That includes research on the methods of producing the material in commercial quantities, on any problems that farmers may have in cultivating a new crop, on the characterization of the materials and on other needed research so that it can and will be used by industry.

This trade bill offers us the opportunity to greatly expand plant biotechnology and bio-processing research and thus enhance our global agricultural trade position. We can do this by making the best use of one of America's greatest resources, its farmland. This amendment sets that process in motion.

I yield.

Mr. LEAHY. Mr. President, I am pleased to speak in favor of Senator HARKIN's amendment which I am cosponsoring, to provide research on alternative agricultural products. The text of this amendment is identical to S. 970, which was passed unanimously by the Senate Committee on Agriculture, Nutrition, and Forestry, and which has 18 Senate sponsors, including myself and several other members of the committee.

Senator HARKIN has introduced an amendment that speaks to the future potential of agriculture in this country. The strength and competitiveness of American agriculture depends upon our ability to utilize the productive capacity of our Nation's agricultural lands in innovative ways. This amendment provides $75 million per year for a period of 20 years for research to modify plants and plant materials to develop new marketable industrial and commercial products.

There are many grave challenges facing our agricultural sector—excess capacity; a loss of competitiveness; and shrinking export markets. Our Nation's rich and abundant agricultural land lies underutilized while our Government necessarily spends billions of dollars in Federal crop subsidies. If our agricultural industry is to remain prosperous, and if America is to retain her leadership in the world agricultural economy, then it is essential that research efforts be directed toward the diversification of American forest and farmland.

We know, from analyzing the small number of research projects conducted in the area of new crops and crop uses, of the potentially immense returns on our research investments in this field. Advances in biotechnology, chemistry, and in other areas will allow us to develop for example, new industrial oils, biodegradable plastics, natural rubber, cosmetics, and important new pharmaceuticals. Thus, this amendment will promote new products which will expand and diversify the farmer's market rather than serving to compete with, or displace, current American agricultural products.

The idea behind this amendment is not new. As far back as 1957 Government studies targeted new crop development as an exciting and profitable way to meet industrial needs. Yet in the last three decades, our Nation has invested only a fraction of a modest Federal agricultural budget in new crop development. The low, erratic level of funding for alternative crops has proven to be an insurmountable barrier to new crop development.

The analysis is complete—the time has come to fund the research necessary to develop new crops. Recent studies by the National Academy of Sciences, the Office of Technology Assessment, and the Government Accounting Office all indicate the need for additional emphasis on alternative agricultural research, especially biotechnological research.

Directed fundamental and applied research in alternative agricultural uses is actively being pursued by Japan and many European countries. Our foreign competitors are funding not only the basic research necessary to develop new technologies but also the applied research necessary to ensure the development of economically viable end products.

Under this amendment, the United States would secure its competitiveness by also investing in such research. The effect of this amendment would be to promote a lively and fruitful exchange between basic researchers, applied researchers, and the farmers and private companies who use the technology.

Not unlike other industries, our agricultural sector must either innovate or perish; our research agenda must reflect our changing world. We want America to lead in international applications of new agricultural technologies. This amendment will provide the resources necessary to develop new markets for our farmers.

Mr. President, the Committee on Agriculture, Nutrition, and Forestry will be filing a report on S. 970, which is identical to this amendment, later this week which contains the relevant legislative history. I thank Senator HARKIN for his strong leadership and foresight on this critical issue.

Mr. LUGAR. Mr. President, I rise today to support the amendment offered by my distinguished colleague from Iowa. This legislation, the Alternative Agricultural Products Research Act of 1987, addresses a problem that affects all of America, not just the agricultural sector of our economy. It is identical to legislation recently reported unanimously by the Senate Agriculure Committee.

The American farmer is enormously productive. Every Member of this body is familiar with the ability of our farmers to produce an abundance of food and fiber on a scale that is the envy of the world.

This ability to produce, however, far exceeds our ability to market these products. In some cases, the United States has carryover stocks that exceed an entire year's consumption. Obviously, surpluses of this magnitude have created serious problems not just for American farmers, but for U.S. taxpayers as well.

Moreover, new technologies will soon become available that will even further increase our ability to produce. This technological innovation is expected for nearly all major crops and livestock products, further adding to our surplus problems.

There is no one simple solution to this problem. Increasing our exports is undoubtedly important to the future of agriculture. But, some of our former customers are now net exporters of agricultural products. Other former customers now lack the hard currency to purchase American goods. In short, increased exports are not the entire solution to our present ability to overproduce.

I believe that we must begin to more aggressively develop alternative markets for American farm products. In order to increase demand for farm products both at home and abroad, we should begin research and development on products beyond the traditional food and fiber situations.

In the testimony presented at the hearing on this amendment, there was remarkable support for the concept underlying this legislation among producer groups, industry representatives, and the university community. Members of the Agriculture Committee incorporated into this legislation the suggestions for improvements made at the hearing.

This amendment provides the mechanism and the criteria to fund long-term research projects designed to develop marketable industrial or commercial products. These new products could be developed either by the modification of a plant or the modification of the product of a plant.

This legislation contains an annual authorization of $75 million. I am aware that many of my colleagues are concerned about authorizing such sums in these days of budget deficits. I share their concern.

However, I hope that the Senate and House Appropriations Committees will use the new authority provided under this legislation to restructure some of our present priorities in agricultural research that are merely adding to our surplus problem. While we cannot assume that large surpluses will continue indefinitely, our funding priorities in the near term should put a greater emphasis upon the demand side of the market.

Mr. President, it is important to mention that, for fiscal year 1987, the combined budgets for the Agricultural Research Service, the Cooperative State Research Service, and the Extension Service exceed $1 billion. It is my hope that funding for this amendment can be found without an additional appropriation.

Mr. President, I believe that the amendment offered by the Senator from Iowa is a sound idea that points toward an improved future for American agriculture, and the U.S. taxpayer, through coordinated research activities. I urge my colleagues to support this amendment.

ALTERNATIVE AGRICULTURAL PRODUCTS RESEARCH ACT

Mr. GRASSLEY. Mr. President, I am pleased to cosponsor the alternative agricultural products research amendment to the omnibus trade bill.

Agriculture needs alternatives. The traditional patterns of farming found across the country have produced surpluses which have depressed prices to a level that makes it difficult to meet the rising input costs. It has also increased the cost of our farm programs.

The people from my State of Iowa have recognized this dilemma and believe that our future demands a new focus. Therefore, over the last several years, we have worked together to give farmers alternatives to the production of traditional crops.

For instance, in 1984 and 1985, I worked with the State of Iowa to secure $173,000 in Federal funds for marketing studies addressing the potential for fruit and vegetable production within the State. So committed and enthusiastic about this project, the State of Iowa devoted another $1.7 million over a 5-year period. Our hope for this program is to create a $60 million industry for the State in fruit and vegetable production.

Another idea for development of alternative agriculture came in 1985, when I introduced the Rural Economic Development Loan Program. The purpose of this program is to provide seed money to the States for the start up of new businesses. The idea had arisen because there was a need to develop agriculturally related industries that drew upon the resources that the State had to offer.

And currently, I am working with the Iowa Department of Agriculture on additional avenues to encourage alternative agriculture products. The department is seeking means for helping farmers, business people, and entrepreneurs develop business plans, cash flow statements, and marketing strategies for alternative agricultural products and uses. I am working for funding of a pilot project for the State that would provide the technical assistance for this important effort.

We cannot compete with other nations if we let the ideas of our people stagnate. This project will help make sure the research and information the Government presently has, as well as that acquired through the pending legislative initiative, is disseminated as efficiently as possible to enhance the growth of industries in our States.

Biotechnology has been the buzzword in recent years. If we can continue to develop this techology, the benefit for our Nation's agriculture could be limitless. Science Digest of June 1986, stated that the market value of biotechnology products could range from $15 to $100 billion by the turn of this century.

To reach the upper levels of this figure we must continue to fund research into biotechnology. And it must be practical research. This amendment recognizes these requirements. Is there a need for this new product? What is the potential market size? What is the timeframe for the development and marketing of these products? And what is the impact as far as reducing Federal output for surplus commodities? These are all questions that must be asked before any research commences. This amendment asks these questions before providing Federal money.

We are in a period which requires us to make sound financial investments. Biotechnology and the development of alternative agricultural markets is an investment that will pay great dividends. We have the research capability, the sources of funding and the spirit of entrepreneurship necessary to take our country to the forefront in the marketing of biotechnology products. We must begin now, however, if we want to secure this advantage. I urge my colleagues to accept this measure as a part of the 1987 omnibus trade bill so that we can continue our efforts to make our country a leader in world agriculture production.

Mr. HARKIN. I, too, want to thank my distinguished colleague, Senator GRASSLEY, for working closely with us on this, developing this legislation and giving us strong support. All of us who represent agricultural areas, I believe, understand that we have to find these new uses for these crops that we grow out there and this is really the wave of the future and, hopefully, we will get on with this much needed research program to find new uses for that idle plant and capacity we have out there.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Is there further debate?

Mr. DURENBERGER. I ask unanimous consent I be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURENBERGER. Having said that, I must state the amendment has not been cleared in the traditional sense on this side of the aisle but, as the Senator from Iowa indicated, he does have a statement of endorsement of the bill by the ranking Republican member of the committee so I just want the RECORD to show that on that basis I will presume that it has been cleared for consideration at this time. It certainly does have the support of the ranking Republican member of the Agriculture Committee and it certainly has my support. I urge its adoption.

Mr. GLENN. Mr. President, I am pleased to join with my colleague Senator HARKIN, in cosponsoring this important amendment to the trade bill. I have long been an advocate of new uses for our abundant food and fiber and believe this to be a sensible approach to our bin-busting surpluses.

The 1980's have not been kind to U.S. agriculture. Prices have declined, forcing income lower. Land values have declined, forcing thousands of farmers out of business. Unfortunately, this situation probably will not improve in the near future. As a result we must provide short-term aid to address our current problems as well as devise a long-term strategy which will return profit to agriculture.

History tells us that farm prosperity occurs when demand for agricultural commodities is in balance with supply. Beginning in the mid-1950's, an expanding export market absorbed the increasing supply of commodities produced by U.S. farmers. While not every year was profitable for every farmer, on balance the period between 1955 and 1980 was one of acceptable income for the farm sector as a whole.

Since 1981 farm exports have declined from $44 billion to an estimated $26 billion in 1986. During this same period domestic demand for food has increased, but only at the relatively slow rate of population growth. Extension of these trends yields a sobering conclusion—traditional demand outlets show little promise of utilizing the current surpluses and retoring prosperity to American farm families.

Even the possibility this prediction may be accurate should challenge us to develop bold, new programs which look to the future while embracing the lesson from history that farm prosperity is led by demand. That is why I strongly support the goals of this amendment; and why, I also introduced similar legislation in the 99th Congress that was incorporated in the 1985 farm bill. I believe new uses research is a commonsense approach to the bin-busting surpluses facing Americans in the 1980's.

New uses for farm and forest products are not far off fantasies that will take years to develop. Right now, corn starch is used not just in producing alcohol but also in manufacturing paper products, building materials, textiles, and adhesives.

And, in my judgment, we have just begun to scratch the surface. Many petrochemicals can be made from carbohydrates contained in food and feed grains. However, more efficient manufacturing processes need to be developed. Even greater potential lies in developing new chemicals and other products that utilize the desirable properties of starch and cellulose.

New uses research encourages the application of basic research in biology, chemistry, and physics to develop new uses for farm and forest products. Although some limited research is being conducted by USDA, land grant colleges, and private industry, the amount spent is minimal. For example, in fiscal year 1987 only $6 million out of a total Agricultural Research Service budget of $510 million was spent on developing new uses for food and feed grains. Expenditures on new nonfood uses of food products pales beside the money being spent on production research. This imbalance is one reason that U.S. agriculture's productive capacity has outstripped the demand for its products. Supply is being created without the markets to absorb it.

To right this imbalance, legislation redirecting our agricultural research priorities is urgently needed.

This amendment does not offer a short-term solution to farmers. It is part of a long-term strategy to return profit to agriculture and to create the base for a third golden age of agriculture. Such a forward looking strategy is the key to renewing America's agricultural prosperity and restoring our farmer's confidence in the future. I look forward to that better future for

American agriculture and to working with my colleagues in shaping it.

The PRESIDING OFFICER. Is there further debate?

Mr. HARKIN. If the Senator would yield on that?

I just would say that Senator LUGAR was called off the Hill for a speaking engagement. We simply cannot find him. He found this window of time to go ahead and offer it and if there are any problems at all I would be glad to revisit it later, but I am absolutely assured there is no problem.

The PRESIDING OFFICER. Is there further debate? If not, the question occurs on the adoption of the amendment of the Senator from Iowa.

The amendment (No. 447) was agreed to.

Mr. HARKIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DURENBERGER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 448

(Purpose: To prohibit trade with Angola)

Mr. DeCONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DeCONCINI. Mr. President, I send an amendment to the desk on behalf of myself and others.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI), for himself and others proposes an amendment numbered 448.

Mr. DeCONCINI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle D of title IX of the bill, add the following:

SEC. . PROHIBITION ON TRADE WITH ANGOLA.

(a) PROHIBITION ON IMPORTS.—

(1) No product of Angola may be imported into the United States.

(2) For purposes of this subsection, the term "product of Angola" means any article grown, mined, produced, or manufactured (in whole or in part) in Angola.

(b) PROHIBITION ON EXPORTS.—

(1) No goods or technology subject to the jurisdiction of the United States may be exported to Angola for the benefit or use of the Popular Movement for the Liberation of Angola.

(2) The prohibition provided under paragraph (1) shall be administered under the Export Administration Act of 1979.

(3) Paragraph (1) shall not apply to international disaster relief and rehabilitation assistance provided under section 491 of the Foreign Assistance Act of 1961 (22 U.S.C. 2292) or equivalent * * *.

(c) EFFECTIVE DATES.—

(1) The provisions of this section shall apply—

(A) after the date that is 60 days after the date of enactment of this Act, and

(B) before the date on which the President makes the certification to Congress described in paragraph (2).

(2) If the President determines that Angola—

(A) is making a concerted and significant effort to comply with internationally recognized human rights,

(B) has entered into discussions with its noncommunist opposition,

(C) has established a body of laws that assures the full national participation of all the people of Angola in the social, political, and economic life in that country,

(D) has held free and fair elections under international supervision, and

(E) all troops from Cuba, the Soviet Union, and any other Communist country have withdrawn from Angola,

the President shall submit to the Congress a written statement certifying such determination.

Mr. DeCONCINI. Mr. President, this amendment is on behalf of myself, Mr. DOLE, Mr. HOLLINGS, Mr. SYMMS, Mr. CHILES, Mr. GRASSLEY, Mr. GRAHAM, Mr. GRAMM, Mr. KASTEN, Mr. PROXMIRE, Mr. HELMS, Mr. MCCAIN, Mr. D'AMATO, and Mr. MURKOWSKI.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, my distinguished colleague, Senator GRAMM, has an amendment to offer at this time which I think would be helpful to proceed with. I understand it has been discussed with the cosponsors of the legislation now before us. I think this amendment helps preserve the sanctity of the contracts which have been entered into so that U.S. suppliers, in effect, would be able to get their money for the work done. I think his contribution will be welcome.

AMENDMENT NO. 449 TO AMENDMENT NO. 448

(Purpose: To provide for the sanctity of contracts entered into prior to the enactment of legislation to prohibit exports and imports to Angola.)

Mr. GRAMM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending business, the amendment of the Senator from Arizona, will be temporarily set aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from Texas (Mr. GRAMM) for himself and Mr. BENTSEN, proposes an amendment numbered 449 to amendment No. 448.

Mr. GRAMM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. STEVENS. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The clerk will read the amendment.

The legislative clerk read as follows:

At the end of the amendment add the following: "The provisions of this section shall not apply to any exports from the United States or by a United States person of equipment for petroleum extraction, and supporting technology and documentation, in performance of a contract entered into prior to July 1, 1987.".

Mr. GRAMM. Mr. President, this is a very simple amendment. We have several equipment suppliers that have entered into contracts. These contracts by and large were signed in a more competitive era, when the equipment commanded a higher price. To come in now and void those contracts, which were entered into before this legislation, would, in essence, let Angola off the hook, allow them to abrogate these contracts, and go out into the market, where there is now a surplus of equipment and prices are low, and actually save money.

In doing so, we would be working counter to the purposes of the amendment that we all support. I appreciate the fact that the leadership on both sides is willing to accept the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment of the Senator from Texas? If not, the question is on agreeing to the amendment of the Senator from Texas.

The amendment (No. 449) was agreed to.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAMM. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 448

Mr. STEVENS. Mr. President, I would like to have a chance to examine the amendment of the Senator from Arizona. I wonder if we can agree to take a slight quorum call. This is a different version than the one I previously saw.

The PRESIDING OFFICER. The absence of a quorum has been noted and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DODD). Without objection, it is so ordered.

Mr. BYRD. Mr. President, what is the amendment that is now pending?

The PRESIDING OFFICER. The amendment pending is the DeConcini amendment as amended by the Gramm amendment.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD. Mr. President, I ask unanimous consent that on the amendment that is now pending, there be 1 hour of debate to be utilized this evening, without any motions or amendments to be in order; that the time be equally divided between and controlled by Mr. PELL and Mr. DECONCINI or their designees; that no vote occur in relation thereto today; that tomorrow, following the disposition of the vote on cloture, regardless of how that vote goes, there then be 30 minutes for continuing debate, the time to be equally divided between Mr. PELL and Mr. DECONCINI; that at the conclusion of that time or the yielding back thereof, Mr. STEVENS be recognized to offer a motion to table; that if the motion to table is not agreed to, there be no time limitation then on the DeConcini-Dole amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BYRD. Mr. President, provided further, that on tomorrow, if the motion to table by Mr. STEVENS fails, there not only be no time limitation on the DeConcini-Dole amendment, but there also be no restrictions with reference to amendments or motions.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BYRD. Mr. President, I thank all Senators.

There will be no more rollcall votes today.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS and Mr. DECONCINI addressed the Chair.

Mr. STEVENS. Mr. President, if the Senator from Arizona seeks the floor to make a statement concerning his amendment, I will be willing to wait.

Mr. DECONCINI. Does the Senator from Alaska want to talk on the amendment?

Mr. STEVENS. I do, but if the Senator wishes to go ahead——

Mr. DECONCINI. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. I yield 5 minutes to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska is recognized for 5 minutes.

Mr. STEVENS. I thank the Senator from Rhode Island for yielding time.

Mr. President, being from Alaska, I suppose I should support this amendment, because if the amendment is adopted the United States will lose about 3.3 percent of our current imported consumption of oil; oil which comes in from Angola. There are some of our people who believe that loss of this production would accent the need for Alaskan exploration and Alaskan development. But I oppose this amendment which would impose a trade ban against Angola.

This amendment would bar all imports and exports between the United States and Angola, without giving the administration any flexibility to consider national energy security policy or the impact of such sanctions on United States jobs and exports.

The amendment is contrary to our interests as a sovereign government. It fails to weigh competing foreign and domestic policy concerns, and I do not believe it offers a tangible foreign policy gain.

On May 21 of this year, the Senate passed a resolution expressing the sense of the Senate that the United States should encourage a negotiated settlement to the 11-year conflict in Angola through the withdrawal of Cuban and Soviet military forces and advisers. Further, the Senate urged the President to use his authority under the Export Administration Act to block United States business transactions which conflict with United States security interests in Angola.

Our goal now should be to work together to implement the policies the Senate enunciated at that time.

We must also recognize that an extreme measure such as a complete trade embargo conflicts with the goals of that resolution and our vital U.S. interests.

To encourage peace through a negotiated settlement to the 11-year military conflict in Angola, the use of limited economic sanctions that weigh the effectiveness of import and export restrictions against the effectiveness of alternative actions and against other national policy concerns are more powerful tools for accomplishing the U.S. policy objectives than an all-out trade ban.

Economic sanctions promote U.S. interests if they are properly fashioned. They are a most powerful tool when they provide leverage pressuring firmly to bring about desired reforms. The threat of sanctions may be far more effective than their actual application. An outright ban on trade however, does not constitute leverage but cuts off the ties that facilitate a negotiated solution.

In formulating a workable system of trade sanctions, the United States has distinguished between sanctions against a country on a product they depend on and those which are ineffective because of the foreign country's access to alternative sources of supply.

The purpose of sanctions in the United States has always been to promote change, not to express vague approval or disapproval of another country's behavior. If a country has access to alternative sources of supply however, the United States imposes no pressure by cutting off trade in the commodity that the foreign country seeks. Such action would impede prospects of bringing about reform, however limited the chances might be.

Mr. President, in my judgment, this is a wrong action to take now. A recent study by the Department of Energy calculated that United States oil consumption is increasingly dependent on imports from the Persian Gulf. This trend toward dependence greatly increases the risk of a major supply disruption, a devastating impact on our economic wellbeing and our energy security of such a oil supply disruption.

It is extremely important to maintain stable, alternative sources of supply such as those in West Africa. Barring trade with Angola will cost American exports and jobs. In 1986 alone, Angola received $137 million in United States exports.

Nearly $95 million of this trade was in equipment and machinery. As a matter of fact, the amendment of the Senator from Texas protects a portion of the future trade in this area.

In addition, over $14 million of iron and steel was exported during this time, a time when U.S. exports of steel otherwise drastically declined.

Chevron supplies generated the major portion of these exports. The exports are the source of thousands of jobs in the United States. Up to 5,000 jobs mainly in Texas and Louisiana are dependent upon Chevron's activities in Angola.

United States exports to Angola are not limited to industrial purposes, however. Over $19 million in farm products reached Angola last year. This figure included $2.6 million in dairy products, $4.5 million in flour and cereals and $11.7 million in vegetables and fruits. These exports would be lost if the amendment before us is adopted.

Mr. President, I do not speak because Chevron is active in my State. As a matter of fact, it is not very active in my State. But I do believe that this amendment is primarily aimed at the Chevron activity in Angola.

A trade embargo against Angola would not only be ineffective against Angola; it would harm United States interests. Where a country is not deprived of a product it depends on, sanctions are not only ineffectual, they also harm United States interests. The effectiveness of sanctions must always be weighted against the cost to United States interests. Trade sanctions harm the interests of United States exporters and direct investors. They can only be justified if they significantly further United States policy goals. If, however, a foreign country can obtain the desired resources elsewhere, the trade ban hurts only the United States.

If we are to impose sanctions against Angola, we must tailor those sanctions to fit a whole panoply of interests. An outright ban on exports and imports is not the answer. Such a policy would undermine U.S. energy security policy by cutting off one of our most important sources of non-OPEC oil at a time when recent events in the Persian Gulf highlight the fragility of our sources of supply in the Middle East.

Any foreign policy gain from banning trade with Angola is dubious. On this point, the amendment is defective for at least two reasons. First, it has not designed sanctions that act as leverage on Angola. Second, the sanctions do not deprive Angola of a product it depends on.

In introducing S. 1228, which is the basis for this amendment, concern was expressed that the presence of 35,000-45,000 Cuban troops in Angola represented the most serious physical threat to U.S. interests in southern Africa—I share that concern. It was also noted that the United States has utilized little of the economic leverage available to it in Angola. Nonetheless, the amendment, in cutting off all trade with Angola until such time as all troops from Cuba and the Soviet Union have withdrawn does not constitute economic leverage—it's the complete severing of all ties that might promote a negotiated solution.

Moreover, forcing Chevron to depart from Angola will not cause the Cuban troops to leave or deprive Angola of a product it depends on. Income generated by the production of oil in Angola is indeed a major source of foreign exchange for the Angolan Government. Nonetheless, if Chevron is not operating the Angolan oil fields, another foreign oil company would be. The only tangible effect of a Chevron pull-out will be the United States will own less oil worldwide and be more dependent on the Middle East.

Rarely has the United States imposed trade restrictions on another country where those restrictions would have no tangible effect on that country's policies. We have always resisted mere expressions of righteous indignation that do nothing to further substantive foreign policy goals.

We must join together to effect an end to the Cuban and Soviet presence in Angola and to fulfill the promises of independence and free elections embodied and envisioned in the Alvor Accord. Yet we must not lose sight of the value to the United States of non-OPEC sources of oil at a time of increased tension in the Persian Gulf. Neither should we needlessly sacrifice U.S. jobs and foreign markets.

The amendment before us offers no solution to the crisis in Angola. An outright ban on trade would only heighten unrest in the region while costing the United States in trade, jobs and vital energy sources. If the United States is to impose sanctions at all, they must be fashioned in coordination with diplomatic efforts and in such a way that they further tangible foreign policy goals.

The President currently has broad statutory authority under the International Emergency Economic Powers Act ["IEEPA"] to impose sanctions against another country whenever a genuine threat to the national security, foreign policy or economy of the United States exists. Unless and until Congress is able to develop sanctions that effectively weigh competing domestic and foreign policy concerns, IEEPA provides an effective check against any threat imposed by the Angolan Government. At this time, an all-out trade ban would only be counterproductive.

Mr. President, it is my judgment that the effect of this amendment would be to turn over to either Japan or to France, or possibly to the Soviet Union, American investment in Angola. It would mean that we would deprive ourselves of 3.3 percent of our current supply of imported oil.

Mr. President, our oil industry is drilling in the South China Sea. Will we deny them the right to bring oil from the South China Sea to the United States because of the Silkworm missiles in Iran? What foreign policy do we have which dictates against the utilization of oil that we discovered, we produced, and we use? Ninety-five percent of the oil that is produced in Angola by American companies comes to the United States. If we do not produce it and bring it to the United States its production could be lost to the free world and might, in fact, go to the Soviet Union.

In any event it would be a deficit in the U.S. supply.

Mr. President, my State has a capacity to expand that supply but if we opened up the access to our most promising area this year, it would be 1995 before that oil is available.

My State currently is sending down 20 percent of the domestic supply of oil. We cannot expand in the immediate future. It will be at least 7 or 8 years before we can expand that.

To pass this amendment would be to increase our dependence upon the Persian Gulf at a time when those suppliers are in jeopardy. I do not understand the logic of such a policy. If my motion to table fails, I will try to find a way to make this a discretionary policy, Mr. President.

I thank the Chair, and I thank my good friend from Rhode Island.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. Mr. President, I yield 5 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 5 minutes.

Mr. GRASSLEY. Mr. President, I surely thank the Senator from Arizona, first of all, for his amendment, and I fully support this amendment because I think we ought to put continued pressure on the Marxist Angolan government to negotiate a peaceful settlement with the Angolan resistance.

We all know that Angola is, at this time, controlled by the illegitimate Marxist popular Movement for the Liberation of Angola, or the MPLA. The MPLA breached the Alvor accord of 1975, which gave independence to Angola from Portugal, but seizing control of the country and shutting out the opposition from rightfully participating in the new government.

Today, the main opposition, the National Union for the Total Independence of Angola, or UNITA, continues to be prevented from rightfully taking part in the Government. As a result, the United States refuses to recognize the Marxist regime. On the other hand, UNITA, led by Dr. Jonas Savimbi, has received strong bipartisan support from the Congress and the administration in its fight to exercise its lawful rights.

The only reason the MPLA was able to seize power in 1975, and has been able to maintain control up to this time, is the fact that the Marxist regime is propped up by over 35,000 Cuban troops. In addition, Angola receives billions of dollars worth of military and economic aid from the Soviet Union, which has supported the MPLA since the early 1960's.

Mr. President, some of the most disturbing crutches the MPLA uses to prop up Marxism are American corporations that operate in Angola. These companies, most notably Gulf-Chevron, have provided billions of dollars in revenues to Angola, which are used to pay off the Cuban proxies of the Soviet Union that fight the MPLA's war. This is an interesting case history in which communism depends on captitalism for its protection and existence.

It's abundantly clear that Congress has been steadily increasing pressure on Angola and the corporations that support its illegal government. Congress has denied the use of Angolan oil for Defense Department purposes. The Export-Import Bank of the United States can no longer grant loans, credits or guarantees to companies that operate in Angola until all foreign troops are removed. In addition, under an amendment that I sponsored last year, companies doing business in Angola are prohibited from taking tax credits on their United States income equal to the amount of tax they pay to the illegitimate Government of Angola. These bipartisan measures have intensified as Congress has attempted to promote democracy in Angola.

Mr. President, as Congress considers sanctions against various governments for internal abuses, it is very important to recognize that Angola has one of the worst human rights records in the world. In addition, the MPLA has refused to even consider UNITA's offer to talk about a peaceful settlement.

At the same time, Angola is desperately trying to reestablish diplomatic relations with the United States, which is Angola's largest trading partner. Because of these business interests, there is a great deal of corporate pressure in the United States to reestablish relations with Angola. I hope my colleagues will resist this pressure, and one way to show that resistance is to vote for the DeConcini amendment.

UNITA has offered to negotiate and the MPLA refuses to even talk. Dr. Savimbi has also offered to reopen the Benguela Railway to promote economic independence for the frontline states from South Africa. These are certainly not the actions of a South African puppet.

Mr. President, I urge the Members of this body to support this amendment. A clear message must be sent to the Angolan Government that it must negotiate with its opposition for a peaceful settlement and return Angola to the people by sending the thousands of Cuban troops that essentially occupy the country back to their Cuban homeland.

The PRESIDING OFFICER. Who yields time?

The Senator from Rhode Island.

Mr. PELL. I yield 10 minutes to the Senator from New Jersey [Mr. BRADLEY].

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 10 minutes.

Mr. BRADLEY. Mr. President, I share the Senator from Arizona's frustration with the situation in Angola, in particular, with the presence of Cuban troops, and with the Angolan Government's abysmal human rights record. But while I sympathize with his motives, I must oppose his amendment. I do so on both procedural and substantive grounds.

United States policy toward Angola is confused, if not contradictory. Moreover, the question has arisen in the course of the Iran-Contra investigation as to whether there may have been violations of law in the execution of that policy.

What is now needed is not another ad hoc attempt to legislate a policy. What is needed is full open debate on United States goals and objectives in Angola and the best means of achieving them.

Mr. President, one reason why we are in such a mess with the Iran-Contra affair is that we never had a national policy that the American people understood and supported. We had a covert operation that is not really covert but that was never subjected to the kind of scrutiny the issues deserved.

I am concerned that we are making the same mistake in Angola. The President has publicly received Jonas Savimbi in Washington, DC. Everyone knows this administration supports UNITA. But we do not know the extent of that support, whether it is sustainable and where it will lead. The Congress has never really debated it. Instead of a coherent policy, we have a patchwork of amendments and resolutions. And I am afraid that the language before us is one more example of that patchwork.

It is unwise for this body to legislate a trade embargo against Angola at this time. We should not be voting on bills such as this one in a vacuum—before we have defined our objectives in Angola, before we have considered the costs, risks, and benefits of the various options before us, and before we have gauged the degree of congressional and public support for active United States involvement on one side of a civil war.

What are our aims in Angola? Should we be taking sides in the Angolan civil war? Does assistance to UNITA serve U.S. interests in promoting national reconciliation and peaceful change toward democracy in the region? How should the United States deal with the MPLA in Luanda, a regime we have not recognized over the last decade? What about United States business in Angola? What are Soviet and Cuban interests in Angola? To the extent that they seek to impose a military solution to the problems of the region, how can they best be countered? These are but some of the questions that deserve thoughtful and thorough debate.

ACKNOWLEDGEMENT OF ANY UNITED STATES GOVERNMENT SUPPORT FOR MILITARY OPERATIONS IN ANGOLA

Mr. BRADLEY. With that in mind, Mr. President, I ask unanimous consent on behalf of myself and Senators LEAHY, SIMON, DURENBURGER, HATFIELD, HARKIN, and BIDEN to reintroduce the bill that Senators MATHIAS and LEAHY and I introduced last year. I send it to the desk and ask that it be referred to the appropriate committee. I ask unanimous consent to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRADLEY. Mr. President, this bill would require that any United States Government support for military or paramilitary operations in Angola be openly acknowledged and publicly debated.

This bill would set forth a procedure by which open acknowledgement and public debate on the entire question of United States policy toward Angola could take place. In order to provide paramilitary support to Angolan insurgents, the President would have to determine that it is important to the national security and request the House and Senate to approve his request. Support could be provided only if the Congress approved it through a joint resolution, which could be appended to other legislation.

This bill neither prohibits nor endorses United States assistance to insurgent forces in Angola. It simply ensures that this important issue for U.S. policy in southern Africa would receive the comprehensive public consideration it deserves. Once that happens, we will be in a better position to decide the merits of amendments like the one that is now pending.

But since this amendment is pending, let me address it briefly. I would like to raise a few questions about the desirability of a trade embargo. This amendment would bar any United States imports from or exports to Angola. If it is designed to exert leverage on Angola, it is unlikely to have much impact. If it is designed to send a political signal of United States disapproval, it is both redundant and will probably be more costly to the United States than to Angola.

A trade embargo would have little impact on Angola. The Angolans could market their crude elsewhere and, if necessary, through other oil companies since other countries are unlikely to go along with a trade embargo. On the contrary, they are ready to step in if the United States leaves.

According to oil industry estimates, the existing trade restrictions—a ban on EXIM financing—will already cost the U.S. oil field equipment industry close to $400 million in sales and 12,000 jobs. In addition, in 1985, Angola imported $137 million in United States products, and in 1986 over $19 million in United States farm products.

Forcing Chevron to abandon its interests in Angola would also have an adverse effect on U.S. energy security. Despite our opposition to the current government, we need to recognize that Angola is a reliable, non-OPEC supplier, and the United States has important interests to maintain in diversifying our suppliers of oil.

My point, Mr. President, is not to weigh our competing interests in Angola at this time. Rather, it is to point out that those interests have yet to be fully identified, thoroughly considered, and judiciously balanced. Unless and until that happens, this body is legislating in the dark with amendments just like this. That is why I have to oppose the amendment. I urge the Senate to reject the amendment and I urge support for the bill that I am introducing. And I might say, as well, that if the amendment is not tabled tomorrow, I might consider amending it with this bill.

The PRESIDING OFFICER. The time of the Senator from New Jersey has expired.

Who yields time?

Mr. DECONCINI. Mr. President, I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. CHILES. I thank the Senator from Arizona.

Mr. President, I rise in support of Senator DECONCINI's amendment.

This amendment would impose an embargo on U.S. trade with Angola. By doing so, it would bring some needed consistency to our Nation's policies toward that nation.

In many respects, I do not understand how this amendment could engender significant controversy or opposition. From almost any perspective, it simply makes sound policy sense. Our Government's concerns with U.S. security interests, terrorism, human rights, trade, and peace all argue on behalf of this amendment.

Mr. President, the country of Angola is at war. Angola maintains a contingent of over 35,000 Cuban troops and Soviet military personnel numbering over 1,000. The MPLA, the ruling government, has purchased over $4 billion in Soviet weaponry and hardware. These troops and weapons are a definite threat to U.S. security interests in the region. The Soviet Union uses Angola as a base for stationing both ships and aircraft. From Angola, the Soviet-Cuban presence threatens sea lanes carrying 80 percent of the oil and strategic minerals used by our NATO allies.

Mr. President, this amendment attempts only to prevent our Nation's support of this Cuban-Soviet presence in Angola—because that, essentially, is what our economic policies are achieving. Angola derives 90 percent of its hard currency from the extraction and production of oil. Approximately 75 percent of this oil production is by United States corporations operating in Angola.

United States trade with the MPLA is heavily lopsided in their favor. Our country purchases $3 in goods from Angola for every $1 purchased by the Angolan Government.

In essence, American corporations are helping the Angolan Government pay for Soviet advisers and Cuban military forces. We are lining our enemies pockets with money. And that is not sound policy. It is downright inconsistent.

The Angolan record on human rights gives further reason why the United States should not allow policies which prop up the Government of Angola. The State Department, in its "Country Reports on Human Rights Practices of 1986," reported that Angola had one of the world's poorest human rights records. In addition, angola had the worst record Anti-United States voting record in the United Nations last year. They voted against our policies more than Iran, the Soviet Union, Libya, or Cuba.

Furthermore, this amendment simply recommends an embargo similar to that in place for numerous other nations the United States does not recognize or has severed relations with.

Over 10 years have passed and still no action has been taken by the Government on these promises. We must insist this Government keep its promises of free elections. We must pursue every effort to end Angolan dependency on the Soviets and Cubans whose real interest is not greater freedom for the Angolan people.

Mr. President, this amendment is a step in the direction of sound policy. We cannot continue business with Angola which props up the same government that employs Cuban and Soviet troops. Our trade with Angola results in the purchase of Soviet weapons. Clearly this must stop.

Mr. President, I have listened with interest to a little of the debate that has gone on. I think it is interesting that we talk about having economic interest there, a major oil company. We have interest there of some of our other businesses. But this is a country in which we have actively been supporting the rebels, those people that are trying to overthrow the country. Talk about an inconsistent policy, it is a policy, on one hand, of saying we are going to have trade, we are going to have these economic interests there and, on the other hand, we are actually supporting with arms and other aid the rebels and, therefore, we have a policy of trying to overthrow the existing government.

To me that just does not make any sense at all. I think the Senator from Arizona has an amendment that would help to add some consistency to our policy. Certainly, if the Government of Angola is serious and wants to do something about the way they conduct themselves, their use of mercenary Cuban troops, they have every opportunity to do that. I think this amendment would certainly be an encouraging factor in that regard.

When I see some of the statements that are now coming to light by General Delpino, who defected from the Castro regime, I think we get some idea about the extent of the Cuban involvement in Angola. We can see from those statements that there are upwards of 10,000 Cuban casualties that have been sustained in the fighting in Angola—those are Cuban casualties, now—and here we have an avowed policy against Cuba.

We also have an avowed policy against the existing Government of Angola that we are supporting. And yet we are turning around and saying, "But it is our right to trade with them. That is OK."

I have heard of some wrongheaded policies in the past, but how in the world we can have a policy like that, that says, on the one hand, it is all right to trade and, on the other hand, we are actually giving aid and assistance, arms, to the rebels, Unita, in Angola, just does not make any sense at all.

I think this amendment would add some consistency to our policy. I think it makes a strong statement to the existing government that if you do not do something about your use of the Cuban mercenary troops, the human rights violations that are taking place there, then we are certainly not going to continue to have business with you. And when this country puts the dollar ahead of what we say our other policies are of trying to promote freedom, trying to promote democracy, then I think that we make a very sad mistake indeed.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. PELL. Mr. President, I yield 5 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 5 minutes.

Mrs. KASSEBAUM. Mr. President, it has been interesting to hear the comments made so far in this debate.

I rise in opposition to this amendment. I think there have been some thoughtful analysis, particularly laying out the situation in Angola, as the Senator from New Jersey, Mr. BRADLEY, did.

The aim of the amendment of the Senator from Arizona, Mr. DECONCINI, is certainly one that I think is a laudable one. I believe all of us here would want and wish to see the Cuban troops withdrawn from Angola. This is something that has been our policy. It has been a part of negotiations. It is something that the Assistant Secretary of State, Dr. Crocker, has been working on for some time. As a matter of fact, he is still involved this coming week in negotiations.

But I would say, Mr. President, this amendment does not address that aim in an effective way. If the intent is to keep pressure on the MPLA and to see that the Cuban troops are withdrawn, this, simply, I do not believe, Mr. President, accomplishes it.

Much has been said about the money that is earned to support the Cuban troops that are there, but I wonder how we would answer what I think is a very logical consequence of our country withdrawing. Another country will move right in.

It has been stated this would take months. Those who are knowledgeable about such a transfer say that as a matter of fact France, other countries, would be prepared and could move in, as a matter of fact, in a matter of days if not a couple of weeks.

So I think that we would see no real break in production. We did not see that in Libya, as a matter of fact, when we requested that oil production stop and our own country and our own personnel withdraw from that production.

I think that we have to be realistic about the current situation that exists and simply not, really, shoot ourselves in the foot because in the long run, this is exactly what we would be doing. We have seen it happen over and over again, when, with the best intentions, we try and address a situation which only works to the reverse and I think that we have talked about that it is all right to trade and we make an exception when it is our businesses that are there, but we are not, I think, realistically assessing the situation. It will do nothing to cut the production of oil and it is not going to mean any change in revenue. In fact, it could be argued that as a matter of fact the revenues to the Angolan Government could increase. The agreement that the Chevron Co. has with the Angolan Government is one that, if renegotiated with any other company, would undoubtedly provide far more revenues which are now about 50 percent to the government than do currently exist under this contract.

These are just things, I think, that we have to realistically assess in determining whether it is going to be successful or not and I would hope that, as we analyze the current situation there, Mr. President, we would recognize that this amendment does not do what we would hope it would accomplish.

The **PRESIDING OFFICER.** The Senator from Kansas' time has expired.

Who yields time?

Mr. PELL addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island.

Mr. PELL. Mr. President, I yield myself as much time as I need. I oppose this amendment because I do not believe that it will achieve the objectives cited by its proponents—namely, to weaken the Government of Angola by reducing hard currency earnings, to obtain the withdrawal of Cuban troops, and to force the Angolan Government into a negotiated settlement with UNITA.

A trade embargo would have little negative impact on Angola for three reasons.

First, our West European and Japanese allies would not support such an embargo.

Second, if United States companies are forced to pull out of Angola, their investments will be taken over by European or Japanese firms. In this event, the oil concessions would continue to operate and foreign exchange will continue to flow into the hands of the Angolan Government.

In fact, a change in ownership of these investments could very well lead to an increase, rather than a decrease, in Angola's hard currency earnings because the Government of Angola would be in a position to negotiate better deals with the new investors than they had with United States oil companies.

Even if there is a decline in Angola's earnings, it would not lead to the withdrawal of Cuban troops or Soviet support for the Angolan Government.

Soviet bloc aid to Angola has actually increased in the last few years as Angola's income from oil earnings has decreased because of declining world oil prices. Clearly, the Angolan Government will be able to continue to prosecute the war against UNITA as long as Soviet and Eastern European aid continues to flow.

Recently, the Government of Angola has demonstrated a keen interest in resuming the United States—brokered negotiations for a Namibian settlement and the withdrawal of Cuban troops.

A high-level Angolan delegation recently met with administration officials in Washington and another round of talks is scheduled for next month.

As a gesture of good faith, last weekend the Angolan Government released an American pilot, Joseph Longo, who was forced down by government planes after the plane he was flying entered Angolan air space.

If adopted, this amendment will undoubtedly undermine this delicate process as well as our anti-apartheid efforts and our relations with the black-ruled states of southern Africa.

There is little doubt in my mind that the South African Government would interpret this amendment as a "victory" in its campaign to convince the United States to move against its neighbors who support the struggle of black South Africans to bring an end to apartheid.

Moreover, adoption of this amendment will remove any incentive for the South Africans to be forthcoming in the negotiations for a Namibian settlement.

Finally, the administration is undertaking a high-risk policy by reflagging Kuwaiti ships which could jeopardize Persian Gulf oil supplies.

Under these circumstances, we need every possible source of oil.

I believe that this amendment is the wrong policy at the wrong time. I urge my colleagues to oppose it.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. DECONCINI. Mr. President, I yield myself the time that I use.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. DECONCINI. Mr. President, the amendment I have sent to the desk, cosponsored by Senators DOLE, HOLLINGS, SYMMS, CHILES, GRASSLEY, GRAHAM, GRAMM, KASTEN, PROXMIRE, HELMS, MCCAIN, and D'AMATO, simply asks Senators to be consistent and candid with their constituents. This amendment would impose an economic embargo on Angola until such time as fair and free elections are held. I introduced a similar amendment on the supplemental appropriations bill on May 21, 1987. This bill has been sent to President Reagan. This passed the Senate 94 to 0 and requested the President to "use his special authorities under the Export Administration Act to block U.S. business transactions which conflict with U.S. security interests in Angola. This is different than the bill before us, but it was a first step. I hope this body will take toward doing something positive in this area. This amendment simply reaffirms a previous unanimous vote from this body.

Implementation of this embargo on Angola is a serious step, Mr. President. It is a difficult step. And, it is a step which seems appropriate. The MPLA Marxist government in Angola took over in 1975 and was immediately supported by Cuban troops and Soviet advisers. The government promised elections. They have not had elections in 12 years. In 12 years the Ford, Carter, and Reagan administrations have not had diplomatic relations with this Marxist government. In 12 years this Marxist government has established the worst United Nations voting record against the United States. In 12 years this Marxist government has accumulated an abysmal human rights record. In 12 years this Marxist government has imported over $4 billion in Soviet weaponry. In terms of trade language, in 12 years this government has imported over 35,000 Cuban troops, 2,500 Soviet advisers, 2,000 North Korean advisers, and over 1,000 East German advisers. With all these types of imports, the United States has a $642 million trade deficit with Angola. This is a $8.5 to 1 ratio, or almost three times that of our deficit ratio with Japan. These imports and huge trade deficits are compelling reasons for discussing this on the trade bill.

Mr. President, the American people might be curious to know why we have such a huge deficit with a country in the midst of a civil war and supported by the Soviets and Cubans? This country has an economy destroyed by the ongoing civil war between the Marxist MPLA and the United States backed UNITA. Key Angolan economic products are severely curtailed. Iron ore production is 100 percent down from

1973. Diamond production is 66 percent down from 1975. Coffee production is 94 percent down from 1975. What is fueling the unstable economy and supporting the Communist MPLA's government? That is a good question to ask ourselves. It is oil which accounts for 30 percent of GNP. The government receives over 90 percent of its foreign currency earnings from oil, including gas and refined products—96 percent. Some argue that this is the only thing sustaining the economy and the war efforts of this puppet Marxist regime. This is an overwhelming dependence on oil.

Who helps discover, produce, and refine this oil for this makeshift government? American oil companies. These United States companies have not only contributed to the efforts of the Cubans and Soviets, but have increased these oil productions and exporting capacities.

The Cabinda oil province, where Chevron-Gulf is located, accounted for 71 percent of total oil output in 1985. Oil production more than doubled in Cabinda between 1982 and 1985. United States companies are not only helping to sustain the economy, but increasing and improving it.

Mr. President, the sad connection here in Angola is that oil is fueling the Marxist government's war. With iron ore, diamonds, and coffee production substantialy down, oil is virtually driving the economy. Meanwhile, defense and security expenditures more than doubled between 1982 and 1985.

In 1985 the Marxist government spent 38 percent of total government expenditure on defense. Accordingly, almost 44 percent of government revenues went to defense requirements.

American oil companies should not contribute to this war effort, especially to a government propped up by the Cubans and Soviets and fighting against U.S.-supported resistance efforts.

There is a direct correlation between doubling oil production and increases in Angolan defense and security expenditures.

The arguments for a trade embargo are obvious. Some of my colleagues express concerns about the effects of an embargo on our oil sources, especially in light of the Persian Gulf situation. We are committed to protecting the gulf where allies in Japan and Europe receive 60 percent of their oil. The United States receives about 3 percent of its oil from Angola. Though we have a steady flow of oil now, our access to this oil depends upon the cooperation of 35,000 Cuban troops and 2,500 Soviet advisers. Does that make you sleep well? As we gained independence from fragile OPEC sources in the 1970's, we should also move away from such a fragile source in Angola. We now depend on such countries as Mexico, Venezuela, Canada, the United Kingdom, and the Virgin Islands.

Some of my colleagues have also said that we should sustain some leverage with this government in Angola. An embargo would remove any leverage.

Mr. President, 2 weeks ago this body voted to rescind most-favored-nation status to Romania because after 12 years a little leverage was accomplishing very little. Well, with United States oil companies in Angola we should grant them HFN or "highly favored nation" status. Angola has both MFN and GSP. We do not even have diplomatic relations with Angola yet give them both MFN and GSP. Oil fuels the Marxist human rights violations and the civil war. The U.S. oil presence is not just "a little leverage" but it is a primary factor. Moreover, it is not decreasing but increasing in a negative fashion. We do not need to be associated with this leverage, nor should we. This is also a moral issue.

What are we doing supporting Angola's war against forces that want to have elections and that we are committed to supporting financially and with military equipment?

Mr. President, a few of my colleagues might argue that an embargo does not work because it drives the Angolans toward the Soviets. How much closer can the Angolans get to the Soviets? They imported $2 billion in Soviet arms in the last 2 years. They house 35,000 Cuban troops. They support Soviet long-range Bear aircraft and Soviet naval vessels. If we have a worry here, Mr. President, it is that the Soviets are developing another Cam Rahn Bay, this time in the Atlantic Ocean. This will eventually jeopardize oil and minerals from the Persian Gulf.

Another argument I hear from my colleagues is that this embargo supports UNITA or, in some indirect fashion, South Africa.

Mr. President, I supported sanctions against the South African Government and condemn the apartheid regime there. I support negotiations to bring a settlement to the conflict in Namibia.

In terms of UNITA, the U.S. policy reported in the press indicates that we covertly assist these democratic resistance efforts. In light of this UNITA asked the United Nations for fair and free elections, why should U.S. business support the Marxist government which has refused fair and free elections?

Dr. Maurice Dawkins, a civil rights leader in the United States who has organized Prayers for Peace in South Africa, Angola, and the Southern Region, supports this embargo and has written this in a letter to me.

Mr. President, I ask unanimous consent that the letter to which I have referred be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Prayers for Peace in South Africa, Angola, and the Southern Region,
Washington, DC, June 29, 1987.

Hon. Dennis DeConcini,
U.S. Senate, Hart Senate Office Building, Washington, DC.

Dear Senator DeConcini: I wish to express my appreciation for your sincere efforts to stir the conscience of our policy makers in Congress and our leadership in the White House with regards to the tragedy that has been unfolding for 28 years for the people of Angola.

The 17 year struggle against Portuguese colonization and the 11 year struggle against the Soviets and their Cuban mercenaries has taken a terrible toll in life and land.

Now, after 4 billion dollars of Soviet investment in military equipment and supplies the freedom fighters are still holding at least one third of the land and challenging the ruling government for at least another third with successful guerrilla warfare strategies.

Even as I write, the summer push by the Soviets and the Cubans and their Warsaw Pact allies is underway. This letter comes to you as an expression of support for your introduction of legislation in the form of a trade embargo commitment that could stop the killing and the dying and force the ruling government to the peace table.

A ceasefire and a negotiated settlement will never be possible as long as it is profitable to Fidel Castro to lose thousands of Cuban lives and get paid for it.

I therefore asked my friends, the Reverend Ralph Abernathy and Reverend Hosea Williams, to appeal to President Dos Santos of the MPLA and President Savimbi of the UNITA to begin a peace-making process and start talking.

The offer of President Savimbi to open the Benguela Railway combined with the efforts of Assistant Secretary of State Crocker to broker an agreement whereby the South Africans can get out of Namibia and the Cubans out of Angola. Your trade embargo amendment will help make this program. It gives hope to the hopeless. There can be a real breakthrough and peace can eventually become a reality instead of a dream.

I trust that God continues to bless you and I want you to know that you are in my prayers.

Sincerely,

Rev. Maurice A. Dawkins

Mr. DeCONCINI. Reverend Dawkins believes this is an approach for peace and free elections.

Mr. President, this amendment would seek to bring economic and political leverage on Angola to negotiate fair and free elections for all people in Angola. The leverage is to remove United States companies which actually fuel the Soviet and Cuban war machine. This amendment supports peace, human rights, and national reconciliation for the people of Angola. This amendment supports President Truman's doctrine on addressing Soviet expansionism. As the amendment reads, the President can waive this embargo should Angola truly want to negotiate, hold elections, and curtail human rights abuses rather than make purely public relations gestures by trading diplomatic relations for releasing one United States pilot. This amendment seeks a peaceful solution to a growing civil war. If we are not careful, the next vote will be on increased U.S. military assistance to this already volatile region. Let us have the courage to explore all our options before voting on that proposal.

Mr. President, I would like to very briefly discuss the human rights situation, the United Nations voting record, and the military situation in Angola.

Mr. President, I will not at this time submit this document for the RECORD, the document being the United Nations voting record. I will not ask that this volume be printed in the record, just because of its size and the cost. But I would like to make the Record clear that it is available here at this desk and, if proper, at the clerk's desk.

It is an interesting proposal put out by the United Nations of countries that violate human rights more than any others. Angola is No. 1.

Mr. President, how much time remains to the Senator from Arizona?

The ACTING PRESIDENT pro tempore. Seven minutes forty-three seconds.

Mr. PELL. Will the Senator yield?

Mr. DECONCINI. Mr. President, I yield the floor.

Mr. PELL. Mr. President, how much time have I remaining?

The ACTING PRESIDENT pro tempore. Eight minutes forty-eight seconds.

OPPOSITION TO THE ANGOLA TRADE EMBARGO

Mr. SIMPSON Mr. President, I rise to oppose the amendment before the Senate which would impose a trade embargo on Angola. I remain very sympathetic to the arguments presented by the proponents of this legislation, however, I believe that the situation in Angola is far more complex than that which has been presented to us. I, too, am a strong supporter of Jonas Savimbi, leader of the National Union for Total Independence of Angola, or UNITA. I believe that we should indeed continue our support of UNITA's efforts against the Marxist government of Angola, and that we must continue our efforts to press the MPLA government to begin negotiations with the UNITA forces. It is for that reason I believe that we should defeat this amendment.

I feel that it is vital that we pursue every avenue available to us—and our choices are extremely limited—to encourage the MPLA to negotiate with the UNITA forces. By forcing United States businesses out of Angola, we would effectively sever a primary point of leverage that the United States still has to encourage such negotiations. Although I deeply appreciate the arguments of the proponents of this legislation that the United States should show our moral courage by forcing United States businesses out of Angola, I believe that taking such a drastic step may have exactly the opposite effect of what we are trying to achieve there.

The proponents of the amendment argue that if United States businesses are forced out of Angola, then Savimbi would no longer be hesitant to attack certain facilities, most notably Chevron's presence in the Cabinda oil fields. I simply do not believe that events would play out the way they are envisioned by supporters of this amendment. Prohibiting United States corporations from continuing their operations in Angola would not have the desired effect of cutting off the flow of funds to the Marxist MPLA government. Either the Soviet/Cuban-Angolan Government would take over the Cabinda oil field and the United States would lose all access to that energy resource, or a pro-Western nation would purchase the rights to continue the oil drilling; possibly a strong ally.

In either instance, the MPLA continues to receive the benefits from the oil fields and the United States would have succeeded in eliminating with little presence and leverage that we have in that nation.

I simply do not link into the argument that the UNITA forces would then be encouraged to destroy one of Angola's most strategic resources. Other Western interests would present the same obstacles to attacking the facilities as do U.S. interests. Even if Eastern bloc interests take over the oil fields, Savimbi would be hardpressed to destroy a resource that he will desperately need should he be successful in his efforts to force out the MPLA.

I also strongly believe that United States energy security would be compromised if we force United States oil producers out of Angola. At a time when the oil supplies from the Persian Gulf are jeopardized by the extreme volatility there, we should be promoting—and not cutting off—alternate energy sources.

I think it should also be noted that the administration opposes the trade embargo on Angola. The administration believes that such action would undermine our current negotiations with the MPLA to end the Soviet and Cuban presence in Angola. Having a United States presence in Angola provides us with at least some leverage in the negotiating process. In addition, U.S. businesses often serve as the eyes and the ears for continued U.S. presence there.

I do strongly support our continued assistance to the rebel UNITA forces fighting against the MPLA, but we should continue to pursue all avenues at our disposal to work toward an end to the destructive conflict and toward removing all evidence of Soviet and Cuban presence in that troubled nation.

Mr. President, I urge my colleagues to oppose this amendment.

Mr. HEINZ. Mr. President, when I spoke last night during the debate on the Packwood amendment relating to section 201, I obtained unanimous consent to place in the RECORD an article from the Washington Post of July 5 discussing the administration's efforts to encourage foreign governments to lobby Congress on the trade bill. Unfortunately, in reprinting the article, a typographical error was made which reverses the meaning of a critical quote by changing "unhelpful" to "helpful".

Mr. President, I ask that the article be again printed in the RECORD, and let us hope that this time the printer gets it right.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 5, 1987]

OTHER COUNTRIES LOBBYING HILL—TRADE BILL ATTRACTS ATTENTION

(By Stuart Auerbach)

On June 12, Alan F. Holmer, one of the Reagan administration's chief strategists on trade legislation, invited diplomats from 15 of the nation's major trading partners to a meeting at his office across 17th Street from the Executive Office Building.

He assured them that President Reagan remained committed to free trade and would not accept protectionist legislation. He also provided insight into the administration's plans for fighting parts of the trade bill now under consideration by the Senate, and listed the five "must go" provisions that the White House wants thrown out.

Holmer also agreed, in answer to questions, that a few well-placed threats of retaliation from foreign governments "would not be unhelpful" to the White House's efforts, diplomats who were present at the meeting reported.

Foreign governments, which have been keeping an exceptionally close watch on the congressional trade debate all year, did not need much encouragement to brandish the threat of retaliation and to suggest that protectionist legislation could lead to a trade war.

Within weeks of the meeting with Holmer, foreign officials unleashed a new barrage of threats that trade wars and retaliation against American overseas sales would result from Senate passage of legislation tightening U.S. laws against unfair trade practices. Canadian Ambassador Alan Gotlieb, for instance, told a Washington conference organized by the American Stock Exchange that passage of the Senate trade bill would provoke "countervailing wars, dumping wars, which may be more serious than Star Wars before we are finished." He was referring to the Reagan administration's Strategic Defense Initiative, known as Star Wars.

And last week Willy de Clercq, external affairs minister of the 12-nation Economic Community, said in London, "If Congress legislates in a way that is harmful to our interests, then we shall be obliged to respond in kind."

Diplomats from Canada, the EC delegation to Washington and its member countries were present at the June 12 briefing. Among other nations represented were Japan, South Korea, Canada, Singapore, China and Australia, according to diplomats who were present.

Holmer, who is the general counsel in the Office of the U.S. Trade Representative, spends 80 percent of his time dealing with the trade bill. USTR officials said the foreign diplomats were invited to a meeting at their request, in much the same way that business and farm groups are briefed on administration trade policies and its plans to work with Congress on trade legislation.

"It was an effort by the administration to allay some of the worst rumors" floating around the diplomatic community, including one "that the administration was selling out altogether" on the president's free trade principles, said one diplomat.

"The purpose of the meeting was not to get those guys up to lobby on the hill or to get them to say, "We are going to retaliate,'" said a USTR official. Another official indicated that the USTR doesn't view foreign diplomats as the most effective trade lobbyists.

He acknowledged, however, that Holmer "is not shy in pointing out" to the diplomats "provisions that their countries would probably find objectionable. It's easy enough for them to draw their own conclusions."

Even without administration encouragement, foreign interest in the trade bill is running high, with the economic well-being of many nations depending on continued open access to the United States for their products. Latin and Caribbean members of the Organization of American States, for instance, held a special meeting here on the trade bill last month, and were encouraged by the similarity between their views and those of the Reagan administration on free trade. They asked Congress "to refrain from enacting any measures that would further increase restrictions on trade in the U.S. market."

"This concern is understandable," said U.S. Trade Representative Clayton K. Yeutter. He said his office has received at least six formal diplomatic notes on the trade bill from foreign governments and another one is expected from a large group of trade ministers.

The EC delegation here has organized an informal working group with its member nations that has held 10 meetings analyzing the trade bill. The group has developed a position paper that has been used by the ambassadors of the European nations in their meetings with administration officials and lawmakers. In addition, the European diplomats have divided up the responsibility of contacting senators' staff members who specialize in the trade issue.

Ambassadors from the five countries that make up the Association of Southeast Asian Nations (ASEAN) also have focused on trade issues, meeting with top administration officials and influential lawmakers to emphasize their concerns that import restrictions from the United States could devastate their fast-growing economies.

In addition, each of the countries has individual concerns about parts of the 1,000-page Senate bill that may not be on the front burner of the trade debate. Thai Ambassador Arsa Sarasin, for instance, has been trying to get a provision out of the bill that would hurt Thailand's steel industry, which fabricates pipes for the U.S. markets from steel sheets made elsewhere.

Lobbying efforts by South Korean Ambassador Kyung-Won Kim against Senate moves to tie trade privileges to a peaceful transition to Democratic rule in his country received a major assist from events in Seoul, where the ruling party agreed to major political reforms under pressure of large street demonstrations. As a result, Sens. Edward M. Kennedy (D-Mass.) and Barbara Mikulski (D-Md.) are not likely to press their amendment to a vote.

Kim said he notified the senators in advance last week "that the government party was going to announce a package of reforms" and asked them to hold back their measure, which they did. The news of the reforms came Monday, the day before the Senate resumed its consideration of trade legislation.

China, which rarely gets actively involved in legislative issues here, has begun lobbying on the trade bill, with its diplomats opposing changes in laws that they fear could hurt their sales in the United States.

Capitol Hill lawmakers are used to the foreign lobbying efforts. "It shows that foreign countries have noticed that Congress is serious on trade," said Sen. Max Baucus (D-Mont.), a member of the Finance Committee who has been active on the bill.

THE CALENDAR

Mr. BYRD. Mr. President, I ask the distinguished acting Republican leader on the other side of the aisle, Mr. GRASSLEY, if the following items on the calendar of business have been cleared for action: Calendar Order Nos. 220 and 222.

Mr. GRASSLEY. These have been cleared on this side, yes.

Mr. BYRD. I thank my friend. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order Nos. 220 and 222 seriatim.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DOCUMENTATION OF VESSELS F/V "CREOLE"

The bill (S. 1198) to authorize a certificate of documentation for the vessel F/V *Creole*, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 1198

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding sections 12105, 12106, 12107, and 12108 of title 46, United States Code, and section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), as applicable on the date of the enactment of this Act, the Secretary of the Department in which the Coast Guard is operating may issue a certificate of documentation for the following vessel: *Creole*, United States official number 229565.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. GRASSLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DESIGNATION OF A COMPONENT OF THE WILD AND SCENIC RIVERS SYSTEM

The Senate proceeded to consider the bill (H.R. 317) to amend the Wild and Scenic Rivers Act by designating a segment of the Merced River in California as a component of the National Wild and Scenic Rivers System, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and insert in lieu thereof, the following:

That section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1271-1287) as amended, is further amended by inserting the following new paragraph:

"( ) MERCED, CALIFORNIA.—The main river from its sources (including Red Peak Fork, Merced Peak Fork, Triple Peak Fork, and Lyell Fork) on the south side of Mount Lyell in Yosemite National Park to Lake McClure, consisting of approximately seventy-nine miles, and the South Fork of the River from its source near Triple Divide Peak in Yosemite National Park to the confluence with the main stem, consisting of approximately forty-three miles, both as generally depicted on the map entitled 'Merced River Wild and Scenic Rivers—Proposed' and dated June, 1987, to be administered by the Secretary of Agriculture and the Secretary of the Interior. Commencing after September 30, 1987, there are authorized to be appropriated $235,000 to implement the provisions of this subsection.".

The amendment was agreed to

The amendment was ordered to be engrossed, the bill was read the third time, and passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. GRASSLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SUPPLEMENTARY AGREEMENT ON SOCIAL SECURITY BETWEEN THE UNITED STATES AND THE FEDERAL REPUBLIC OF GERMANY—MESSAGE FROM THE PRESIDENT—PM 51

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Finance:

To the Congress of the United States:

Pursuant to Section 233(e)(1) of the Social Security Act, as amended by the Social Security Amendments of 1977 (P.L. 95-216, 42 U.S.C. 433 (e)(1)), I transmit herewith the Supplementary Agreement between the United States of America and the Federal Republic of Germany (FRG) on Social Security, signed at Washington on October 2, 1986. The Supplementary Agreement consists of two separate instruments, one amending the basic social security agreement and the other amending its related administrative agreement.

The U.S.-FRG social security agreement is similar in objective to the social security agreements in force with Belgium, Canada, Italy, Norway, Sweden, Switzerland, and the United Kingdom. Such bilateral agreements, generally known as totalization agreements, provide for limited coordination between the United States and foreign social security systems to overcome the problems of gaps in protection and of dual coverage and taxation for workers who move from one country to the other. The present Supplementary Agreement would amend the original agreement with the Federal Republic of Germany and its related administrative agreement to update and simplify several of their provisions to take account of changes in U.S. and Germany law and to simplify the method of computing U.S. benefit amounts.

I also transmit for the information of the Congress a comprehensive report prepared by the Department of Health and Human Services, which explains the provisions of the Supplementary Agreement and the effect on Social Security financing as required by the same provision of the Social Security Act.

The Department of State and the Department of Health and Human Services join with me in commending the U.S.-FRG Supplementary Social Security agreement and related documents.

RONALD REAGAN.

THE WHITE HOUSE, *July 8, 1987.*

MESSAGES FROM THE HOUSE

At 8:13 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House had passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1777. An act to authorize appropriations for fiscal years 1988 and 1989 for the Department of State, the United States Information Agency, the Voice of America, the Board for International Broadcasting, and for other purposes.

The message also announced that pursuant to the provisions of section 203 of Public Law 99-660, the minority leader appoints Mr. TAUKE as a member of the National Commission to Prevent Infant Mortality, on the part of the House.

ENROLLED BILL SIGNED

At 8:58 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 1827. An act making supplemental appropriations for the fiscal year ending September 30, 1987, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore [Mr. WIRTH].

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 1777. An act to authorize appropriations for fiscal years 1988 and 1989 for the Department of State, the United States Information Agency, the Voice of America, the Board for International Broadcasting, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1516. A communication from the Secretary of Energy, transmitting, pursuant to law, a report entitled "Divestiture of the Naval Petroleum Reserves"; to the Committee on Armed Services.

EC-1517. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the annual report on the Federal National Mortgage Association [FNMA] for 1986; to the Committee on Banking, Housing, and Urban Affairs.

EC-1518. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to withdraw and reserve for the Department of the Air Force certain Federal lands within Lincoln County, NV, and for other purposes; to the Committee on Energy and Natural Resources.

EC-1519. A communication from the Acting Assistant Secretary of the Interior (Land and Minerals Management), transmitting, pursuant to law, notice of leasing systems for the Western Gulf of Mexico, Sale 112, scheduled to be held in August 1987; to the Committee on Energy and Natural Resources.

EC-1520. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report and recommendations concerning the future management of the 1.5. million acre coastal plain of the Arctic National Wildlife Refuge, Alaska; to the Committee on Environment and Public Works.

EC-1521. A communication from the Administrator of General Services, transmitting, pursuant to law, informational copies of lease prospectuses; to the Committee on Environment and Public Works.

EC-1522. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, a report on Municipal Waste Combustion; to the Committee on Environment and Public Works.

EC-1523. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to reduce costs and make improvements in the Medicare program, and for other purposes; to the Committee on Finance.

EC-1524. A communication from the Secretary of State, transmitting, pursuant to law, the 35th report on the extent and disposition of United States contributions to international organizations covering fiscal year 1986; to the Committee on Foreign Relations.

EC-1525. A communication from the Acting President and Chief Executive Officer of the Federal Home Loan Mortgage Corporation, transmitting, pursuant to law, the annual report of the Corporation under the Government in the Sunshine Act for calendar year 1986; to the Committee on Governmental Affairs.

EC-1526. A communication from the Assistant Attorney General (Legislative and Intergovernmental Affairs), transmitting, pursuant to law, certain proposed regulations; to the Committee on Governmental Affairs.

EC-1527. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 7-43 adopted by the Council on June 16, 1987; to the Committee on Governmental Affairs.

EC-1528. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, two new proposed Privacy Act systems of records; to the Committee on Governmental Affairs.

EC-1529. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 7-41 adopted by the Council on June 2, 1987; to the Committee on Governmental Affairs.

EC-1530. A communication from the Secretary of Education, transmitting a draft of proposed legislation to improve and simplify education programs for Indian children and adults, and for other purposes; to the Select Committee on Indian Affairs.

EC-1531. A communication from the Chief Administrative Officer, Postal Rate Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1986; to the Committee on the Judiciary.

EC-1532. A communication from the Chief Immigration Judge, Executive Office for Immigration Review, Department of Justice, transmitting, pursuant to law, a report on the suspension of deportation of certain aliens under sections 244(a)(1) and 244(a)(2) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-1533. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for Desegregation of Public Education; to the Committee on Labor and Human Resources.

EC-1534. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Special Education Programs for Students Whose Families are Engaged in Migrant and Seasonal Farmwork-High School Equivalency Program [HEP] and College Assistance Migrant Program [CAMP]; to the Committee on Labor and Human Resources.

EC-1535. A communication from the Director of Communications and Legislative Affairs, Equal Employment Opportunity Commission, transmitting, pursuant to law, the annual report of the Commission for fiscal year 1984; to the Committee on Labor and Human Resources.

EC-1536. A communication from the Librarian of Congress, transmitting, pursuant to law, the annual report on the activities of the Library of Congress, including the Copyright Office, for fiscal year 1986; to the Committee on Rules and Administration.

EC-1537. A communication from the Executive Secretary, Office of the Secretary of Defense, transmitting, pursuant to law, a report on Department of Defense procurement from small and other business firms for October 1986 through March 1987; to the Committee on Small Business.

EC-1538. A communication from the Administrator of Veterans' Affairs, transmitting, pursuant to law, the annual report of the Veterans' Administration for fiscal year 1986; to the Committee on Veterans' Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-247. A resolution adopted by the Township Council of Berkely, New Jersey favoring legislation to require electronic monitoring of barges hauling sewage sludge for ocean disposal; to the Committee on Commerce, Science, and Transportation.

POM-248. A resolution adopted by the Association of County Commissioners of Alabama expressing concern regarding proposed Federal initiatives that could have an adverse impact on Alabama's valuable coal industry; to the Committee on Energy and Natural Resources.

POM-249. A resolution adopted by the Senate of the Legislature of the State of Washington; to the Committee on Environment and Public Works.

"SENATE RESOLUTION 1987-8668

"Whereas, Alaska's Arctic National Wildlife Refuge includes more than nineteen million acres of land, amounting to approximately five percent of the entire state landmass; and

"Whereas, The ANWR Coastal Plain is approximately eight percent of the refuge and is considered to be promising for the discovery of large quantities of oil and gas; and

"Whereas, Congress has reserved the discretion to decide if the ANWR Coastal Plain will be opened to further exploration, development and production; and

"Whereas, National energy security depends on the development of domestic oil and gas resources to replace depleted U.S. reserves; and

"Whereas, The United States must prepare to develop domestic petroleum resources if it is to prevent overwhelming dependence on foreign petroleum sources in the twenty-first century; and

"Whereas, The nation will derive substantial revenues, including portions of bonuses, royalties and rents from oil and gas development; and

"Whereas, The petroleum industry has consistently demonstrated its ability to operate in conditions similar to those found on the ANWR Coastal Plain in a safe, responsible manner without significant adverse environmental impacts; and

"Whereas, Opening the ANWR Coastal Plain to further exploration, development and production will greatly enhance the economic development of the state of Washington by generating increased employment and business opportunities;

"*Now, therefore, be it resolved,* That the Senate of the state of Washington urges that the Congress of the United States open the ANWR Coastal Plan to environmentally responsible oil and gas exploration, development and production; and

"*Be it further resolved,* That copies of this resolution be immediately transmitted by the Secretary of the Senate to the Honorable Ronald Reagan, President of the United States, the President of the United States Senate, the Speaker of the United States House of Representative, and each member of Congress for the state of Washington."

POM-250. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Finance.

"JOINT RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO PASS SPOUSAL IMPOVERISHMENT LEGISLATION FOR RELIEF WHERE ONE SPOUSE IS CONFINED TO A NURSING CARE FACILITY AND THE OTHER SPOUSE IS USING ALL AVAILABLE RESOURCES TO PAY FOR THE CARE OF THAT SPOUSE

"We, your Memorialists, the Senate and House of Representatives of the State of Maine in the First Regular Session of the One Hundred and Thirteenth Legislature, now assembled, most respectfully present and petition the Members of the United States Congress, as follows:

"Whereas, current Medicaid procedures impose great hardships on a married couple when one spouse requires institutionalization and one spouse remains at home; and

"Whereas, the institution attaches the income of the spouse who is institutionalized; and

"Whereas, the spouse at home, which is the wife 80% of the time, is left with insufficient income for support of herself and maintenance of the home; and

"Whereas, current regulations of the United States Department of Health and Human Services do not adequately define the ownership and availability of income between married spouses in these circumstances; and

"Whereas, Senator George Mitchell, Representative Olympia Snowe and other Members of Congress have initiated federal legislation to correct this inequity; now, therefore, be it

"*Resolved,* That We, you Memorialists, do hereby respectfully urge the Congress to work expeditiously to enact legislation reforming the Medicaid program to repair this inequity that causes hardship to Maine citizens; and be it further

"*Resolved,* That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the President of the Senate and the Speaker of the House of Representatives in the Congress of the United States and to each member of the Maine Congressional Delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BENTSEN, from the Committee on Finance:

Special Report entitled "Budget Allocations of the Committee on Finance" (Rept. No. 100-103).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JOHNSTON (for himself and Mr. MCCLURE) (by request):

S. 1470. A bill to provide for the disposition of excess Federal land located on Guam, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HECHT (for himself and Mr. REID):

S. 1471. A bill to grant the consent of the Congress to the Tahoe Regional Planning Compact, as amended by the States of Nevada and California; to the Committee on the Judiciary.

By Mr. MCCLURE (by request):

S. 1472. A bill to enhance effective administration of certain Federal lands, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DIXON:

S. 1473. A bill to postpone implementation of the sentencing guidelines promulgated by the United States Sentencing Commission until May 1, 1989; to the Committee on the Judiciary.

By Mr. BRADLEY (for himself, Mr. LEAHY, Mr. SIMON, Mr. DURENBERGER, Mr. HATFIELD, Mr. HARKIN, Mr. BIDEN, Mrs. KASSEBAUM and Mr. DODD):

S. 1474. A bill to require that any United States Government support for military or paramilitary operations in Angola be openly acknowledged and publicly debated; to the Committee on Foreign Relations.

By Mr. REID (for himself, Mr. BRADLEY, Mr. GORE and Mr. MCCLURE):

S.J. Res. 173. A joint resolution to commemorate the 200th anniversary of the signing of the United States Constitution; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JOHNSTON (for himself and Mr. MCCLURE) (by request):

S. 1470. A bill to provide for the disposition of excess Federal land located on Guam, and for other purposes; to the Committee on Energy and Natural Resources.

DISPOSITION OF EXCESS FEDERAL LAND ON GUAM

● Mr. JOHNSTON. Mr. President, at the request of the delegate from Guam, Mr. BEN BLAZ, SENATOR MCCLURE and myself are introducing legislation to provide for the disposition of excess Federal land located in Guam. We share the delegates's appreciation for the importance of land to the people of Guam and are pleased to introduce his legislative proposal to initiate consideration of this issue in the 100th Congress.

Last Congress, the Committee on Energy and Natural Resources held hearings on similar legislation, but consideration of that proposal was stalled by the inability of various interests to reach agreement on the bill's provisions. Resolution of the issues surrounding excess Federal land on Guam will require a commitment of effort and a willingness to negotiate by all parties. We look forward to working with the administration and the House of Representatives in reaching a concensus on this issue of great significance to Federal relations with Guam.●

By Mr. HECHT (for himself and Mr. REID):

S. 1471. A bill to grant the consent of the Congress to the Tahoe regional planning compact, as amended by the States of Nevada and California; to the Committee on the Judiciary.

APPROVAL OF TAHOE REGIONAL PLANNING COMPACT

● Mr. HECHT. Mr. President, today I am introducing a bill to ratify amendments made by the States of Nevada and California to the Tahoe regional planning compact—the document which regulates development within the Lake Tahoe Basin.

The compact, which was enacted by the Congress in 1980, established a structure to facilitate planning to protect, preserve, and enhance the recreational, economic, and environmental values for the residents of the Lake Tahoe region as well as the thousands of visitors that come to the area each year to enjoy its beauty and outdoor recreational resources.

The Tahoe Regional Planning Agency created by the compact has members from Nevada and California. The amendments to the compact have been enacted by the legislatures of both States and merely propose a change in the composition of the Nevada delegation serving on the governing board of the planning agency.

Because the compact requires the Congress to ratify any changes made to it, I am offering this bill to begin the necessary approval process.●

By Mr. McCLURE (by request):

S. 1472. A bill to enhance effective administration of certain Federal lands, and for other purposes; to the Committee on Energy and Natural Resources.

FEDERAL LANDS ADMINISTRATION ACT

● Mr. McCLURE. Mr. President, the Federal Government administers about one-third of the land area of the United States. The Bureau of Land Management [BLM] and the Forest Service [FS] have the responsibility for managing the majority of these lands. In the 48 contiguous States, each agency manages about half of the approximately 343 million acres of Federal lands. In addition, the BLM manages the federally owned mineral resources underlying a large area of public and private land.

The present pattern of landownership and management in the United States is the product of many separate and often unrelated actions. Except for Texas, Hawaii, and the Original Thirteen Colonies, most of the lands in the United States were once owned by the Federal Government. The United States acquired these lands as public domain through purchase, treaties, and wars. National policy during most of the 19th century promoted settlement and development of the West by disposing of more than 1 billion acres of the public domain to private individuals and organizations. Land sales, homesteading, land grants to railroad companies, mineral patenting, and agricultural settlements were some of the many means of disposal of the public domain. In addition, when States were created, they received blocks of public domain land as grants to support public education and land-grant colleges.

While enacting legislation to dispose of the public domain, Congress also provided authority to the President to withdraw certain of these lands for specific purposes, including parks, forests, Indian, and military reservations. Beginning in the 1890's, several Presidents withdrew land for Forest Reserves, now designated as national forests. Collectively, these actions affecting the public domain resulted in widely fragmented land patterns and the intermingling of the remaining public lands, especially those national forest lands reserved from the public domain now administered by the Forest Service and the remaining public domain lands administered by the Bureau of Land Management. In many instances, similar land areas administered by the Forest Service and BLM share the same land management problems and resource values. The two agencies often work with the same people on similar issues concerning use of Federal lands. Both agencies often have offices in the same communities. This situation causes undue complication for the public and unnecessary administrative costs.

HISTORY OF USDI/USDA PROPOSAL

Proposals to transfer lands between the two agencies to overcome the inefficiencies of intermingled lands have been made several times in the last 40 years. Some land transfers were made, but each agency still manages many areas of land that could be managed more effectively by the other. The most recent effort, in response to Presidential direction, led to the establishment of a specific jurisdictional transfer program in 1980. This program resulted from a plan presented by the Secretaries of the Interior and Agriculture entitled "Coordination of Natural Resources Programs of the Departments of the Interior and Agriculture." The program called for identifying public lands where the transfer of jurisdiction between BLM and the Forest Service had potential for increasing efficiency and cost effectiveness of Federal land management and benefits to the public. Two recent major outside studies reinforced the need to move ahead on these proposals: First, the President's Private Sector Survey on Cost Control, J. Peter Grace Commission; and second, the General Accounting Office's 1984 report entitled "Program To Transfer Land Between Bureau of Land Management and Forest Service Has Been Stalled." Since 1980, the two agencies have been developing the information necessary to develop the proposal.

The statutory authorities that govern the management of public and National Forest System lands are similar. Both agencies manage the majority of the lands and resources under their jurisdiction on the basis of multiple-use and sustained yield. The agencies must, by law, insure that the long-term productivity of the land and of the quality of the environment are protected. Management is guided by land management plans developed by each agency to provide coordinated management of all resource values. Certain lands, such as wilderness and wild and scenic rivers, have specific congressionally mandated management direction that restricts use of these lands to their designated purpose.

While surface management of both agencies is essentially the same, subsurface minerals management responsibilities for National Forest System land reserved from the public domain lie primarily with the BLM. The Bureau issues all mineral patents under the mining laws and all mineral leases under the mineral leasing laws. The Forest Service performs certain prelease and postlease analyses and evaluations of National Forest System lands. For acquired National Forest System land, the Secretary must consent to any mineral leasing. Under the proposal, the Forest Service would have responsibility for management of subsurface resources within its area of jurisdiction.

Mr. President, I have two major concerns with this legislation. The first concern deals with the scope of the legislation. The measure's proclaimed benefits and trade-offs are westwide. Therein lies the problem. Some States like mine are almost ready to approve interchange legislation and some States are not ready. The Senate is constituted by States and it is difficult for each State's senatorial delegation to come to a decision at the same time to consider a westwide land decision. The RARE II issue is a case in point. The tough land allocation decisions that Congress must make is better done on a State-by-State basis. Second, I acknowledge the administration's effort to address the issue of water rights in the legislation, but their attempt fell short of what I believe Congress must do in this legislation to expressly address the issue of water rights.

Mr. President, I am introducing today at the request of the administration a legislative proposal to interchange management of certain Federal lands under the jurisdiction of the Bureau of Land Management and the Forest Service.

The legislative proposal, entitled the "Federal Lands Administration Act of 1987," results from several years of discussion, analysis, and review by the two departments of a concept, called interchange, in which Federal lands, including the subsurface estate, administered by BLM and FS would be transferred. The concept was announced on January 30, 1985. The proposal would involve about 24 to 25 million acres of public and National Forest System lands, and federally owned interests in land, throughout the United States, although the majority of the lands and interests affected are in the West. The purposes of the interchange of jurisdiction of these lands, as set forth in the legislation, are to: First, improve service to the public; second, increase efficiency and cost effectiveness of natural resource management by consolidating land jurisdiction; and third, consolidate the management of the surface and subsurface resources in the agency responsible for the surface.

In developing the proposal, the agencies followed these assumptions:

First, either agency has the potential to manage any of the lands and their resources, regardless of classification or designation;

Second, intensity of land management would remain similar regardless of jurisdiction;

Third, there would be minimal change in on-the-ground management, regardless of which agency had management responsibilities;

Fourth, offices would remain in the communities in which either Forest Service or BLM are now located, although consolidation of offices would take place;

Fifth, neither acre-for-acre nor value-for-value considerations would be criteria for judging interchange proposals;

Sixth, existing land planning would continue as scheduled and current land use plans would be followed until updated through normal revision schedules of the receiving agencies; and

Seventh, impact on agency personnel would be minimized.

The goal in developing the legislation has been clarity, including only those provisions needed to accomplish the purposes of the interchange program. The administration has not attempted major change in the basic laws applicable to National Forest System or public lands.

The legislation is presented in seven titles. A summary of the bill follows:

Title I of the bill sets forth the purposes of the legislation and defines terms. Title II transfers approximately 15 million acres of public lands to the Secretary of Agriculture for administration by the Forest Service. These lands are termed "newly established national forest lands." Title III transfers approximately 10 million acres of National Forest System lands to the Secretary of the Interior for administration by the Bureau of Land Management. These lands are termed "newly established public lands." The transfer of lands that would be accomplished by titles II and III would be based on maps, including a national map and a series of State maps, that delineate the areas of federally owned land for which administration would be transferred by this legislation. Each of these titles list requirements that would be applicable to the transferred lands, such as land management planning and wilderness review. Also, certain laws now applicable to the public lands or to the National Forest System lands are amended or supplemented to apply to those lands which would become newly established public or national forest lands. Title IV contains those general provisions applicable to both types of interchanged lands. Included here is language giving direction to both agencies on such matters as existing rights and authorizations, claims, and disbursements of receipts. Concerning the personnel effects of interchange, current law provides extensive protection for employees who might be affected by the interchange. Under subchapter VI of chapter 53 of title 5, United States Code, for example, any employee downgraded as a result of the proposal would be entitled to grade and pay retention. In addition, 5 U.S.C. 8336(d) authorizes the Office of Personnel Management to provide early retirement authority for any agency facing a major reduction or reorganization. In an exchange of letters with the Departments of Agriculture and the Interior, OPM has indicated its willingness to act expeditiously on any request from the Departments for such authority resulting from enactment of this proposal. OPM also stated it would work with the departments in developing early retirement requests which would meet statutory requirements.

Title V transfers the responsibility of the federally owned mineral resources underlying National Forest System, other Federal, and private lands in the areas where the Secretary of Agriculture would have management responsibility, as delineated on the maps showing each agency's area of responsibility. The transfer is made be a declaration of policy and amendments to the Multiple-Use Sustained-Yield Act of 1960 and several mining laws to reflect the new responsibilities of the Secretaries. The authority, provided by this title, would be applicable to current National Forest System lands and newly established National Forest System lands.

Title VI transfers about 24,000 acres of Oregon and California grant [O&C] lands for the Secretary of the Interior to the Secretary of Agriculture to be administered as national forest lands, and transfers about 27,000 acres of land administered by the Secretary of Agriculture to the Secretary of the Interior to be administered as O&C lands. All of these lands are located in western Oregon and are delineated on maps. Title VII provides for severability if any provision of the legislation is held invalid.●

By Mr. DIXON:

S. 1473. A bill to postpone implementation of the sentencing guidelines promulgated by the U.S. Sentencing Commission until May 1, 1989; to the Committee on the Judiciary.

POSTPONEMENT OF IMPLEMENTATION OF SENTENCING GUIDELINES

Mr. DIXON. Mr. President, on April 13, 1987, the U.S. Sentencing Commission submitted to Congress new sentencing guidelines as mandated by the Comprehensive Crime Control Act of 1984. These guidelines are scheduled to go into effect November 1, 1987. The legislation I am introducing would defer their implementation for 18 months.

The purpose of these guidelines is to create uniformity in sentencing by narrowing the wide disparity in sentences imposed by different Federal courts for similar criminal conduct by similar offenders.

While I agree with the intent of the guidelines, I think it is important to recognize that we have had our current system of criminal sentencing essentially since the creation of the Federal judiciary by the first Congress. Under that system, Federal district judges are empowered to impose sentences that range from probation up to the maximum number of years set for the offense by Congress.

The proposed new sentencing guidelines establish rigid rules controlling judges in the exercise of sentencing power. This is a truly revolutionary change in our judicial system. Consequently, there are many uncertainties and practical problems created by the new guidelines. These uncertainties are far-reaching and affect all of the major institutions and procedures of the criminal justice system. Therefore, I believe that it is important to proceed very carefully in implementing these guidelines.

I have heard from several judges from my State asking for the guidelines to be delayed. I think that this is a very reasonable request. This would allow Congress to determine if the guidelines are sufficiently workable to be implemented throughout the Nation.

The sentencing guidelines raise several concerns. Under this rigid system, judges would only be permitted to take into account conduct and facts specifically listed in the applicable guideline section. There may be other equally important facts which are not considered. Therefore, crimes would be sentenced by type, rather than severity. This approach can raise many problems such as the following: The guidelines treat the burglar who beats the homeowner the same as the burglar who does not. The obstruction of justice offender who harasses a witness or juror by throwing eggs at her car is treated the same as the offender who fire bombed her car. The offender who defrauds two banks of $100,000 each is treated the same as the offender who defrauds 40 widows of $5,000 each. The offender who intentionally burns the forest is treated the same as the camper who negligently fails to extinguish his campfire. This list could go on indefinitely because the same pattern of taking some facts into account, but not itemizing or considering other equally relevant facts, occurs with respect to all of the hundreds of separate crimes created under Federal law.

Another aspect of the guidelines needing further consideration is their impact on the plea bargaining processes. In practice, the guidelines could place an inordinate amount of power in the hands of the U.S. attorney. For example, if the plea agreement negotiated between the U.S. attorney and the defendant is significantly below the penalty range as specified by the guidelines, all the court needs to do in order to accept the agreement is to make a finding that there is a "justifiable reason" for accepting the plea. This would significantly undermine the effort of Congress to eliminate the disparity in the sentencing process. As a practical matter, the power to determine sentences would rest with the prosecutor, not the guidelines or judges, as Congress intended.

Furthermore, these guidelines could create a tremendous backlog in our appellate process. In 1986, district judges imposed 40,000 criminal sentences, and magistrates sentenced 60,000 misdemeanants. Under the guidelines, all of these sentences would be subject to appeal. Currently, such sentences cannot be appealed. Many knowledgeable observers predict a drastic increase in the number of appeals to the regional court of appeals, but no one knows precisely how drastic the impact will be.

This problem could be compounded by the fact that current law requires the courts of appeals to give priority to criminal cases. If appeals of sentences significantly increase the caseload of the courts of appeals, these courts may well be unable to administer the law in other fields such as civil rights, antitrust, environmental, securities, corporations, and constitutional law.

Under the guidelines, prison population could drastically increase. The sentencing commission's own staff estimates that the guidelines would result in a 10-percent increase in prison population. These estimates are seen by many as being grossly conservative. Today, only about 50 percent of offenders receive prison sentences. The guidelines provide a prison sentence in all by the most minor cases. If the number of offenders incarcerated rises substantially, as it seems likely, it is unclear where the many new prisoners will be housed.

Mr. President, these are just some of the problems that might result from the new sentencing guidelines. We do not know whether the guidelines will increase or decrease sentencing disparities, transfer sentencing discretion to the prosecutor, bog down the district courts and the courts of appeals in endless sentencing hearings and appeals, and vastly increase the Federal prison population.

It would be irresponsible to implement these guidelines before these concerns can be addressed. I urge my colleagues to support this bill so that we have the time to study these questions and determine if the sentencing guidelines would be effective and workable.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1473

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Section 235 (a)(1)(B)(ii)(III) of Public Law 98-473, as amended, is to read as follows:

"(III) May 1, 1989; and".

ADDITIONAL COSPONSORS

S. 357

At the request of Mr. SYMMS, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 357, a bill to provide clarification of limitations on controls of firearms, and to prohibit the use of Federal funds to political subdivisions which implement certain gun control ordinances.

S. 612

At the request of Mr. SIMON, the names of the Senator from Alabama [Mr. HEFLIN] and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of S. 612, a bill to repeal a provision of Federal tort liability law relating to the civil liability of Government contractors for certain injuries, losses of property, and deaths and for other purposes.

S. 818

At the request of Mr. DOMENICI, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 818, a bill to provide permanent authorization for White House Conferences on Small Business.

S. 1002

At the request of Mr. CRANSTON, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 1002, a bill to amend title 38, United States Code, to provide disability and death benefits to veterans (and survivors of such veterans) exposed to ionizing radiation during the detonation of a nuclear device in connection with the U.S. nuclear weapons testing program or the American occupation of Hiroshima or Nagasaki, Japan; and for other purposes.

S. 1156

At the request of Mr. PRYOR, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1156, a bill to amend the Farm Credit Act of 1971 to provide Farm Credit System stockholder/borrowers with a multi-point program of relief and reform, and to assure the long-term health and stability of Farm Credit banks and associations through local control.

S. 1172

At the request of Mr. PRYOR, the names of the Senator from North Dakota [Mr. BURDICK], and the Senator from Wisconsin [Mr. KASTEN] were added as cosponsors of S. 1172, a bill to amend the Farm Credit Act of 1971 to provide a secondary market for agricultural mortgages, and for other purposes.

S. 1181

At the request of Mr. PRYOR, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1181, a bill to amend the Federal Salary Act of 1967 and title 5 of the United States Code to provide that the authority to determine levels of pay for administrative law judges be transferred to the Commissions on Executive, Legislative, and Judicial Salaries.

S. 1273

At the request of Mr. ROCKEFELLER, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 1273, a bill to extend the Appalachian Regional Development Act of 1965 and to provide authorizations for the Appalachian Highway and Appalachian Area Development Programs.

S. 1333

At the request of Mr. MCCONNELL, the names of the Senator from Florida [Mr. GRAHAM], the Senator from Arkansas [Mr. PRYOR], and the Senator from Wyoming [Mr. SIMPSON] were added as a cosponsors of S. 1333, a bill to allow the 65 miles per hour speed limit on highways that meet interstate standards and are not currently on the

National System of Interstate and Defense Highways.

S. 1340

At the request of Mr. PRYOR, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 1340, a bill to provide for computing the amount of the deductions allowed to rural mail carriers for use of their automobiles.

S. 1382

At the request of Mr. METZENBAUM, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 1382, a bill to amend the National Energy Conservation Policy Act to improve the Federal Energy Management Program, and for other purposes.

S. 1395

At the request of Mr. HECHT, the name of the Senator from Washington [Mr. EVANS] was added as a cosponsor of S. 1395, a bill entitled "The Nuclear Waste Transportation Act of 1987."

S. 1428

At the request of Mr. HECHT, the name of the Senator from Washington [Mr. EVANS] was added as a cosponsor of S. 1428, a bill entitled the "Subseabed Nuclear Waste Disposal Research Act of 1987."

S. 1440

At the request of Mr. EVANS, the name of the Senator from North Carolina [Mr. SANFORD], the Senator from Maryland [Ms. MIKULSKI], the Senator from Tennessee [Mr. GORE], and the Senator from New York [Mr. D'AMATO], were added as cosponsors of S. 1440, a bill to provide consistency in the treatment of quality control review procedures and standards in the Aid to Families with Dependent Children, Medicaid and Food Stamp Programs; to impose a temporary moratorium for the collection of penalties under such programs, and for other purposes.

S. 1464

At the request of Mr. CRANSTON, the names of the Senator from Delaware [Mr. ROTH], the Senator from Nevada [Mr. HECHT], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 1464, a bill to amend title 38, United States Code, to provide eligibility to certain individuals for beneficiary travel payments in connection with travel to and from Veterans' Administration facilities.

SENATE JOINT RESOLUTION 53

At the request of Mr. CRANSTON, the names of the Senator from Alaska [Mr. MURKOWSKI], the Senator from South Dakota [Mr. PRESSLER], the Senator from South Carolina [Mr. THURMOND], the Senator from New York [Mr. D'AMATO], the Senator from Idaho [Mr. SYMMS], and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of Senate Joint Resolution 53, a joint resolution to designate the period commencing November 22, 1987, and ending November 28, 1987, as "American Indian Week."

SENATE JOINT RESOLUTION 101

At the request of Mr. CRANSTON, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of Senate Joint Resolution 101, a joint resolution designating June 19, 1987, as "American Gospel Arts Day."

SENATE CONCURRENT RESOLUTION 23

At the request of Mr. CRANSTON, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of Senate Concurrent Resolution 23, a concurrent resolution designating jazz as an American national treasure.

SENATE CONCURRENT RESOLUTION 30

At the request of Mr. BAUCUS, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of Senate Concurrent Resolution 30, a concurrent resolution to endorse the national certification of teachers in elementary and secondary education in the United States.

SENATE CONCURRENT RESOLUTION 31

At the request of Mr. PRESSLER, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of Senate Concurrent Resolution 31, a concurrent resolution commending the Czechoslovak human rights organization Charter 77, on the occasion of the 10th anniversary of its establishment, for its courageous contributions to the achievement of the aims of the Helsinki Final Act.

SENATE RESOLUTION 218

At the request of Mr. KARNES, his name was added as a cosponsor of Senate Resolution 218, a resolution to express the sense of the Senate that each Senate committee that reports legislation that requires employers to provide new employee benefits secure an objective analysis of the impact of the legislation on employment and international competitiveness and include an analysis of the impact in the report of the committee on the legislation.

AMENDMENTS SUBMITTED

OMNIBUS TRADE AND COMPETITIVENESS ACT

DOMENICI (AND OTHERS) AMENDMENT NO. 433

Mr. DOMENICI (for himself, Mr. SASSER, Mr. DECONCINI, Mr. BINGAMAN, Mr. GARN, Mr. LEVIN, Mr. MCCAIN, Mr. HEINZ, Mr. BAUCUS, Mr. HECHT, Mr. SYMMS, and Mr. MCCLURE) proposed an amendment to the bill (S. 1420) to authorize negotiations of reciprocal trade agreements, to strengthen United States trade laws, and for other purposes; as follows:

At the end of subsection (b) of section 304 of the Trade Act of 1974, as amended by section 305(a) of the bill, add the following new paragraph:

"(4) The President shall not be required to take any action under paragraph (1) with respect to an affirmative determination made under subsection (a)(1) that involves an act, policy, or practice described in section 301(e)(3)(B)(v), but the President shall, if the President determines that action is appropriate, take all appropriate and feasible action within the power of the Presidency (including actions described in subsections (b) and (c) of section 301) to obtain the elimination of such act, policy, or practice.

In subparagraph (B) of section 301(e)(3) of the Trade Act of 1974, as amended by section 306(c) of the bill—

(1) strike out "or" at the end of clause (iii),

(2) strike out the period at the end of clause (iv) and insert in lieu thereof ", or", and

(3) add the following new clause at the end thereof:

"(v) provides, directly or indirectly, any subsidy (including the provision of funds on terms inconsistent with commercial considerations) to increase the capacity to produce a nonagricultural fungible good for which the existing worldwide production capacity (or a reasonable expectation of future worldwide production capacity) significantly exceeds existing worldwide demand (or a reasonable expectation of future worldwide demand).

In paragraph (3) of section 301(e) of the Trade Act of 1974, as amended by section 306(c) of the bill—

(1) strike out the end quotation marks, and

(2) add the following new subparagraph:

"(F) SPECIAL RULE FOR SUBSIDIZATION OF PRODUCTION CAPACITY.—Any act, policy, or practice described in subparagraph (B)(v) shall be treated as burdening or restricting United States commerce if such act, policy, or practice threatens to have an adverse impact on United States commerce.".

FOWLER AMENDMENT NO. 434

Mr. FOWLER proposed an amendment to the bill S. 1420, supra; as follows:

At the appropriate place, insert the following: Section 423(c)(2)(B) of the Tax Reform Act of 1986 is amended by inserting after "1988" in clause (ii) thereof the following:

", except that this clause shall not apply to ethyl alcohol dehydrated in the Virgin Islands facility described in clause (i)"

METZENBAUM AMENDMENT NO. 435

Mr. METZENBAUM proposed an amendment to the bill S. 1420, supra; as follows:

On page 609, beginning with line 8, strike out all through line 26 on page 617, and insert in lieu thereof the following:

"PART B—ADVANCE NOTIFICATION OF PLANT CLOSINGS AND MASS LAYOFFS

"DEFINITIONS

"SEC. 331. As used in this part—

"(1) the term 'employer' means any business enterprise that employs—

"(A) 100 or more full-time employees; or

"(B) 100 or more employees who in the aggregate work at least 4,000 hours per week (exclusive of hours of overtime);

"(2) the term 'plant closing' means the permanent or temporary shutdown of a place of employment, or facilities or operating units within a place of employment, if the shutdown results in an employment loss at the place of employment during any 30-day period for 50 or more employees excluding any part-time or seasonal employees;

"(3) the term 'mass layoff' means a reduction in force which—

"(A) is not the result of a plant closing;

"(B) results in an employment loss at the place of employment during any 30-day period for 33 percent of the employer's employees at the place of employment (excluding any part-time or seasonal employees); and

"(C) results in an employment loss of at least 50 employees (excluding any part-time or seasonal employees);

"(4) the term 'representative' means an exclusive representative of employees within the meaning of section 9(a) or 8(f) of the National Labor Relations Act (29 U.S.C. 159(a), 158(f)) or section 2 of the Railway Labor Act (45 U.S.C. 152);

"(5) the term 'affected employees' means employees who may reasonably be expected to experience an employment loss as a consequence of a proposed plant closing or mass layoff by their employer;

"(6) the term 'employment loss' means (A) an employment termination, other than a discharge for cause, voluntary departure, or retirement, (B) a layoff of indefinite duration, (C) a layoff of definite duration exceeding 6 months, or (D) a reduction in hours of work of more than 50 percent during any 6-month period;

"(7) the term 'unit of local government' means any general purpose political subdivision of a State which has the power to lvey taxes and spend funds, as well as general corporate and police powers;

"(8) the term 'part-time employee' means an employee who is hired to work an average of less than 15 hours per week; and

"(9) the term 'seasonal employee' means an employee who is hired for a period not to exceed 3 months per year to do work that is seasonal in nature.

"NOTICE REQUIRED BEFORE PLANT CLOSINGS AND MASS LAYOFFS

"SEC. 332. (a) NOTICE TO EMPLOYEES, STATE DISLOCATED WORKER UNITS, AND LOCAL GOVERNMENTS.—An employer shall not order a plant closing or mass layoff until the end of a 60-day period after the employer serves written notice of a proposal to issue such an order—

"(1) to each representative of the affected employees as of the time of the notice or, if there is no such representative at that time, to each affected employee; and

"(2) to the State dislocated worker unit (established under part A) and the chief elected official of the unit of local government within which such closing or layoff is to occur.

"(b) REDUCTION OF NOTIFICATION PERIOD.—(1) An employer may order the shutdown of a place of employment before the conclusion of the 60-day period if as of the time that notice would have been required the employer was actively seeking capital or business which, if obtained, would have enabled the employer to avoid or postpone indefinitely the shutdown and the employer reasonably and in good faith believed that giving the notice required would have precluded the employer from obtaining the needed capital or business.

"(2) An employer may order a plant closing or mass layoff before the conclusion of the 60-day period if the closing or mass layoff is caused by business circumstances that were not reasonably foreseeable as of the time that notice would have been required.

"(3) An employer relying on this subsection shall give as much notice as is practicable and at that time shall give a brief statement of the basis for reducing the notification period.

"(c) EXTENSION OF LAYOFF PERIOD.—A layoff of definite duration of 6 months or less which extends beyond 6 months shall be treated as a layoff of indefinite duration unless—

"(1) the extension is caused by business circumstances (including unforeseeable changes in price or cost) not reasonably foreseeable at the time of the initial layoff; and

"(2) notice is given at the time it becomes reasonably foreseeable that the extension will be required.

"ADMINISTRATION AND ENFORCEMENT OF REQUIREMENTS

"SEC. 333. (a) CIVIL ACTIONS AGAINST EMPLOYERS.—(1) Any employer who orders a plant closing or mass layoff in violation of section 332 of this Act shall be liable to each aggrieved employee who suffers an employment loss as a result of such closing or layoff for—

"(A) back pay for each day of violation up to a maximum of one-half the number of days the employee was employed by the employer, at a rate of compensation not less than the higher of—

"(i) the average regular rate received by such employee during the last 3 years of the employee's employment, or

"(ii) the final regular rate received by such employee, and

"(B) the cost of related fringe benefits, including the cost of medical expenses incurred during the employment loss which would have been covered under medical benefits if the employment loss had not occurred,

less any earnings or related fringe benefits received by such employee from the violating employer for the period of the violation.

"(2) Any employer who violates the provisions of section 332 with respect to a unit of local government shall be subject to a civil penalty equal to $500 for each day of such violation.

"(3) The unit of local government which the employer must notify in accordance with section 332 is the unit of local government having jurisdiction over the area in which the employer is located and if there is more than one such unit, the unit of local government to which the employer pays the highest taxes for the year preceding the year for which the determination is made.

"(4) If an employer who has violated this part proves to the satisfaction of the court that the act or omission which violated this part was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of this part the court may, in its discretion, reduce the amount of the liability or penalty provided for in this section.

"(5) A person seeking to enforce such liability, including a representative of employees or a unit of local government aggrieved under paragraph (1) or (2) may sue either for such person or for other persons similarly situated, or both, in any district court of the United States for any district in which the violation is alleged to have occurred, or in which the employer transacts business.

"(6) In any such suit, the court may, in addition to any judgment awarded the plaintiff or plaintiffs, allow a reasonable attorneys' fee to be paid by the defendant, together with the costs of the action.

"(7) For purposes of this subsection, the term, 'aggrieved employee' means an employee who has worked for the employer ordering the plant closing or mass layoff and who did not receive timely notice either directly or through his representative as required by section 332.

"(b) EXCLUSIVITY OF REMEDIES.—The remedies provided for in this section shall be the exclusive remedies for any violation of this part.

"(c) DETERMINATIONS WITH RESPECT TO EMPLOYMENT LOSS.—For purposes of this section, in determining whether a plant closing or mass layoff has occurred or will occur, employment losses for 2 or more groups at a single site, each of which is less than 50 employees but which in the aggregate equal or exceed 50 employees, occurring within any 90-day period shall be considered to be a plant closing or mass layoff unless the employer demonstrates that the employment losses are the result of separate and distinct actions and causes and are not an attempt by the employer to evade the requirements of this Act.

"EXEMPTION

"SEC. 334. This part shall not apply to a plant closing or mass layoff if—

"(1) the closing or layoff is the result of the sale of part or all of an employer's business and the purchaser agrees in writing, as part of the purchase agreement, to hire substantially all of the affected employees with no more than a 6-month break in employment;

"(2) the closing or layoff is the result of the relocation of part or all of an employer's business within a reasonable commuting distance and the employer offers to transfer substantially all of the affected employees with no more than a 6-month break in employment;

"(3) the closing is of a temporary facility or the mass layoff is as the result of the completion of a particular project and the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project; or

"(4) the closing or layoff constitutes a lockout or a strike.

"PROCEDURES IN ADDITION TO OTHER RIGHTS OF EMPLOYEES

"SEC. 335. The rights and remedies provided to employees by this part are in addition to, and not in lieu of, any other contractural or Federal statutory rights and remedies of the employees, and are not intended to alter or affect such rights and remedies.

"PROCEDURES ENCOURAGED WHERE NOT REQUIRED

"SEC. 336. It is the sense of Congress that an employer who is not required to comply with the notice requirements of section 332 should, to the extent possible, provide notice to its employees about a proposal to close a plant or permanently reduce its workforce.

METZENBAUM AMENDMENT NO. 436

Mr. BYRD (for Mr. METZENBAUM) proposed an amendment to amendment No. 435 proposed by Mr. METZENBAUM to the bill S. 1420, supra; as follows:

In lieu of the matter proposed to be inserted insert the following:

"PART B—ADVANCE NOTIFICATION OF PLANT CLOSINGS AND MASS LAYOFFS

"DEFINITIONS

"SEC. 331. As used in this part—

"(1) the term 'employer' means any business enterprise that employs—

"(A) 100 or more full-time employees; or

"(B) 100 or more employees who in the aggregate work at least 4,000 hours per week (exclusive of hours of overtime);

"(2) the term 'plant closing' means the permanent or temporary shutdown of a place of employment, or facilities or operating units within a place of employment, if the shutdown results in an employment loss at the place of employment during any 30-day period for 50 or more employees excluding any part-time or seasonal employees;

"(3) the term 'mass layoff' means a reduction in force which—

"(A) is not the result of a plant closing;

"(B) results in an employment loss at the place of employment during any 30-day period for 33 percent of the employer's employees at the place of employment (excluding any part-time or seasonal employees); and

"(C) results in an employment loss of at least 50 employees (excluding any part-time or seasonal employees);

"(4) the term 'representative' means an exclusive representative of employees within the meaning of section 9(a) or 8(f) of the National Labor Relations Act (29 U.S.C. 159(a), 158(f)) or section 2 of the Railway Labor Act (45 U.S.C. 152);

"(5) the term 'affected employees' means employees who may reasonably be expected to experience an employment loss as a consequence of a proposed plant closing or mass layoff by their employer;

"(6) the term 'employment loss' means (A) an employment termination, other than a discharge for cause, voluntary departure, or retirement, (B) a layoff of indefinite duration, (C) a layoff of definite duration exceeding 6 months, or (D) a reduction in hours of work of more than 50 percent during any 6-month period;

"(7) the term 'unit of local government' means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers;

"(8) the term 'part-time employee' means an employee who is hired to work an average of less than 15 hours per week; and

"(9) the term 'seasonal employee' means an employee who is hired for a period not to exceed 3 months per year to do work that is seasonal in nature.

"NOTICE REQUIRED BEFORE PLANT CLOSINGS AND MASS LAYOFFS

"SEC. 332. (a) NOTICE TO EMPLOYEES, STATE DISLOCATED WORKER UNITS, AND LOCAL GOVERNMENTS.—An employer shall not order a plant closing or mass layoff until the end of a 60-day period after the employer serves written notice of a proposal to issue such an order—

"(1) to each representative of the affected employees as of the time of the notice or, if there is no such representative at that time, to each affected employee; and

"(2) to the State dislocated worker unit (established under part A) and the chief elected official of the unit of local government within which such closing or layoff is to occur.

"(b) REDUCTION OF NOTIFICATION PERIOD.—(1) An employer may order the shutdown of a place of employment before the conclusion of the 60-day period if as of the time that notice would have been required the employer was actively seeking capital or business which, if obtained, would have enabled the employer to avoid or postpone indefinitely the shutdown and the employer reasonably and in good faith believed that giving the notice required would have precluded the employer from obtaining the needed capital or business.

"(2) An employer may order a plant closing or mass layoff before the conclusion of the 60-day period if the closing or mass layoff is caused by business circumstances that were not reasonably foreseeable as of the time that notice would have been required.

"(3) An employer relying on this subsection shall give as much notice as is practicable and at that time shall give a brief statement of the basis of reducing the notification period.

"(c) EXTENSION OF LAYOFF PERIOD.—A layoff of definite duration of 6 months or less which extends beyond 6 months shall be treated as a layoff of indefinite duration unless—

"(1) the extension is caused by business circumstances (including unforseeable changes in price or cost) not reasonably foreseeable at the time of the initial layoff; and

"(2) notice is given at the time it becomes reasonably foreseeable that the extension will be required.

"ADMINISTRATION AND ENFORCEMENT OF REQUIREMENTS

"SEC. 333. (a) CIVIL ACTIONS AGAINST EMPLOYERS.—(1) Any employer who orders a plant closing or mass layoff in violation of section 332 of this Act shall be liable to each aggrieved employee who suffers an employment loss as a result of such closing or layoff for—

"(A) back pay for each day of violation up to a maximum of one-half the number of days the employee was employed by the employer, at a rate of compensation not less than the higher of—

"(i) the average regular rate received by such employee during the last 3 years of the employee's employment, or

"(ii) the final regular rate received by such employee, and

"(B) the cost of related fringe benefits, including the cost of medical expenses incurred during the employment loss which would have been covered under medical benefits if the employment loss had not occurred,

less any earnings or related fringe benefits received by such employee from the violating employer for the period of the violation.

"(2) Any employer who violates the provisions of section 332 with respect to a unit of local government shall be subject to a civil penalty equal to $500 for each day of such violation.

"(3) The unit of local government which the employer must notify in accordance with section 332 is the unit of local government having jurisdiction over the area in which the employer is located and if there is more than one such unit, the unit of local government to which the employer pays the highest taxes for the year preceding the year for which the determination is made.

"(4) If an employer who has violated this part proves to the satisfaction of the court that the act or omission which violated this part was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of this part the court may, in its discretion, reduce the amount of the liability or penalty provided for in this section.

"(5) A person seeking to enforce such liability, including a representative of employees or a unit of local government aggrieved under paragraph (1) or (2) may sue either for such person or for other persons similarly situated, or both, in any district court of the United States for any district in which the violation is alleged to have occurred, or in which the employer transacts business.

"(6) In any such suit, the court may, in addition to any judgment awarded the plaintiff or plaintiffs, allow a reasonable attorneys' fee to be paid by the defendant, together with the costs of the action.

"(7) For purposes of this subsection, the term 'aggrieved employee' means an employe who has worked for the employer ordering the plant closing or mass layoff and who did not receive timely notice either directly or through his representative as required by section 332.

"(b) EXCLUSIVITY OF REMEDIES.—The remedies provided for in this section shall be the exclusive remedies for any violation of this part.

"(c) DETERMINATIONS WITH RESPECT TO EMPLOYMENT LOSS.—For purposes of this section, in determining whether a plant closing or mass layoff has occurred or will occur, employment losses for 2 or more groups at a single site, each of which is less than 50 employees but which in the aggregate equal or exceed 50 employees, occurring within any 90-day period shall be considered to be a plant closing or mass layoff unless the employer demonstrates that the employment losses are the result of separate and distinct actions and causes and are not an attempt by the employer to evade the requirements of this Act.

"EXEMPTION

"SEC. 334. This part shall not apply to a plant closing or mass layoff if—

"(1) the closing or layoff is the result of the sale of part or all of an employer's business and the purchaser agrees in writing, as part of the purchase agreement, to hire substantially all of the affected employees with no more than a 6-month break in employment;

"(2) the closing or layoff is the result of the relocation of part or all of an employer's business within a reasonable commuting distance and the employer offers to transfer substantially all of the affected employees with no more than a 6-month break in employment;

"(3) the closing is of a temporary facility or the mass layoff is as the result of the completion of a particular project and the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project; or

"(4) the closing or layoff constitutes a lockout or a strike.

"PROCEDURES IN ADDITION TO OTHER RIGHTS OR EMPLOYEES

"SEC. 335. The rights and remedies provided to employees by this part are in addition to, and not in lieu of, any other contractual or Federal statutory rights and remedies of the employees, and are not intended to alter or affect such rights and remedies.

"PROCEDURES ENCOURAGED WHERE NOT REQUIRED

"SEC. 336. It is the sense of the Congress that an employer who is not required to comply with the notice requirements of secton 332 should, to the extent possible, provide notice to its employees about a proposal to close a plant or permanently reduce its workforce.

"EFFECTIVE DATE

"SEC. 337. This part shall take effect on the date which is 6 months after the date of enactment of this Act.

"EFFECT ON OTHER LAWS

"SEC. 338. The giving of notice pursuant to this part, if done in good faith compliance with this part, shall not constitute a violation of the National Labor Relations Act or the Railway Labor Act.

METZENBAUM AMENDMENT NO. 437

Mr. BYRD (for Mr. METZENBAUM) proposed an amendment to amendment No. 435 proposed by Mr. METZENBAUM to the bill S. 1420, supra; as follows:

Strike everything after "Part" on page 1, line 4, and insert in lieu thereof the following:

"B—ADVANCE NOTIFICATION OF PLANT CLOSINGS AND MASS LAYOFFS

"DEFINITIONS

"SEC. 331. As used in this part—

"(1) the term 'employer' means any business enterprise that employs—

"(A) 100 or more full-time employees; or

"(B) 100 or more employees who in the aggregate work at least 4,000 hours per week (exclusive of hours of overtime);

"(2) the term 'plant closing' means the permanent or temporary shutdown of a place of employment, or facilities or operating units within a place of employment, if the shutdown results in an employment loss at the place of employment during any 30-day period for 50 or more employees excluding any part-time or seasonal employees;

"(3) the term 'mass layoff' means a reduction in force which—

"(A) is not the result of a plant closing;

"(B) results in an employment loss at the place of employment during any 30-day period for 33 percent of the employer's employees at the place of employment (excluding any part-time or seasonal employees); and

"(C) results in an employment loss of at least 50 employees (excluding any part-time or seasonal employees);

"(4) the term 'representative' means an exclusive representative of employees within the meaning of section 9(a) or 8(f) of the National Labor Relations Act (29 U.S.C. 159(a), 158(f)) or section 2 of the Railway Labor Act (45 U.S.C. 152);

"(5) the term 'affected employees' means employees who may reasonably be expected to experience an employment loss as a consequence of a proposed plant closing or mass layoff by their employer;

"(6) the term 'employment loss' means (A) an employment termination, other than a discharge for cause, voluntary departure, or retirement, (B) a layoff of indefinite duration, (C) a layoff of definite duration exceeding 6 months, or (D) a reduction in hours of work of more than 50 percent during any 6-month period;

"(7) the term 'unit of local government' means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers;

"(8) the term 'part-time employee' means an employee who is hired to work an average of less than 15 hours per week; and

"(9) the term 'seasonal employee' means an employee who is hired for a period not to exceed 3 months per year to do work that is seasonal in nature.

"NOTICE REQUIRED BEFORE PLANT CLOSINGS AND MASS LAYOFFS

"SEC. 322. (a) NOTICE TO EMPLOYEES, STATE DISLOCATED WORKER UNITS, AND LOCAL GOVERNMENTS.—An employer shall not order a plant closing or mass layoff until the end of a 60-day period after the employers serves written notice of a proposal to issue such an order—

"(1) to each representative of the affected employees as of the time of the notice or, if there is no such representative at that time, to each affected employee; and

"(2) to the State dislocated worker unit (established under part A) and the chief elected official of the unit of the local government within which such closing or layoff is to occur.

"(b) REDUCTION OF NOTIFICATION PERIOD.—(1) An employer may order the shutdown of a place of employment before the conclusion of the 60-day period if as of the time that notice would have been required the employer was actively seeking capital or business which, if obtained, would have enabled the employer to avoid or postpone indefinitely the shutdown and the employer reasonably and in good faith believed that giving the notice required would have precluded the employer from obtaining the needed capital or business.

"(2) An employer may order a plant closing or mass layoff before the conclusion of the 60-day period if the closing or mass layoff is caused by business circumstances that were not reasonably foreseeable as of the time that notice would have been required.

"(3) An employer relying on this subsection shall give as much notice as is practicable and at that time shall give a brief statement of the basis for reducing the notification period.

"(c) EXTENSION OF LAYOFF PERIOD.—A layoff of definite duration of 6 months or less which extends beyond 6 months shall be treated as a layoff of indefinite duration unless—

"(1) the extension is caused by business circumstances (including unforeseeable changes in price or cost) not reasonably foreseeable at the time of the initial layoff; and

"(2) notice is given at the time it becomes reasonably foreseeable that the extension will be required.

"ADMINISTRATION AND ENFORCEMENT OF REQUIREMENTS

"SEC. 333. (a) CIVIL ACTIONS AGAINST EMPLOYERS.—(1) An employer who orders a plant closing or mass layoff in violation of section 332 of this Act shall be liable to each aggrieved employee who suffers an employment loss as a result of such closing or layoff for—

"(A) back pay for each day of violation up to a maximum of one-half the number of days the employee was employed by the employer, at a rate of compensation not less than the higher of—

"(i) the average regular rate received by such employee during the last 3 years of the employee's employment, or

"(ii) the final regular rate received by such employee, and

"(B) the cost of related fringe benefits, including the cost of medical expenses incurred during the employment loss which would have been covered under medical benefits if the employment loss had not occurred,

less any earnings or related fringe benefits received by such employee from the violating employer for the period of the violation.

"(2) Any employer who violates the provisions of section 332 with respect to a unit of local government shall be subject to a civil penalty equal to $500 for each day of such violation.

"(3) The unit of local government which the employer must notify in accordance with section 332 is the unit of local government having jurisdiction over the area in which the employer is located and if there is more than one such unit, the unit of local government to which the employer pays the highest taxes for the year preceding the year for which the determination is made.

"(4) If an employer who has violated this part proves to the satisfaction of the court that the act or omission which violated this part was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of this part the court may, in its discretion, reduce the amount of the liability or penalty provided for in this section.

"(5) A person seeking to enforce such liability, including a representative of employees or a unit of local government aggrieved under paragraph (1) or (2) may sue either for such person or for other persons similarly situated, or both, in any district court of the United States for any district in which the violation is alleged to have occurred, or in which the employer transacts business.

"(6) In any such suit, the court may, in addition to any judgment awarded the plaintiff or plaintiffs, allow a reasonable attorneys' fee to be paid by the defendant, together with the costs of the action.

"(7) For purposes of this subsection, the term, 'aggrieved employee' means an employee who has worked for the employer ordering the plant closing or mass layoff and who did not receive timely notice either directly or through his representative as required by section 332.

"(b) EXCLUSIVITY OF REMEDIES.—The remedies provided for in this section shall be the exclusive remedies for any violation of this part.

"(c) DETERMINATIONS WITH RESPECT TO EMPLOYMENT LOSS.—For purposes of this section, in determining whether a plant closing or mass layoff has occurred or will occur, employment losses for 2 or more groups at a single site, each of which is less than 50 employees but which in the aggregate equal or exceed 50 employees, occurring within any 90-day period shall be considered to be a plant closing or mass layoff unless the employer demonstrates that the employment losses are the result of separate and distinct actions and causes and are not an attempt by the employer to evade the requirements of this Act.

"EXEMPTION

"SEC. 334. This part shall not apply to a plant closing or mass layoff if—

"(1) the closing or layoff is the result of the sale of part or all of an employer's business and the purchaser agrees in writing, as part of the purchase agreement, to hire substantially all of the affected employees with no more than a 6-month break in employment;

"(2) the closing or layoff is the result of the relocation of part or all of an employer's business within a reasonable commuting distance and the employer offers to transfer substantially all of the affected employees with no more than a 6-month break in employment;

"(3) the closing is of a temporary facility or the mass layoff is as the result of the completion of a particular project and the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project; or

"(4) the closing or layoff constitutes a lockout or a strike.

"PROCEDURES IN ADDITION TO OTHER RIGHTS OF EMPLOYEES

"SEC. 335. The rights and remedies provided to employees by this part are in addition to, and not in lieu of, any other contractual or Federal statutory rights and remedies of the employees, and are not intended to alter or affect such rights and remedies.

"PROCEDURES ENCOURAGED WHERE NOT REQUIRED

"SEC. 336. It is the sense of Congress that an employer who is not required to comply with the notice requirements of section 332 should, to the extent possible, provide notice to its employees about a proposal to close a plant or permanently reduce its workforce.

"EFFECTIVE DATE

"SEC. 337. This part shall take effect on the date which is 6 months and one day after the date of enactment of this Act.

"EFFECT ON OTHER LAWS

"SEC. 338. The giving of notice pursuant to this part, if done in good faith compliance with this part, shall not constitute a violation of the National Labor Relations Act or the Railway Labor Act.

METZENBAUM AMENDMENT NO. 438

Mr. BYRD (for Mr. METZENBAUM) proposed an amendment to the language proposed to be stricken by amendment No. 435 proposed by Mr. METZENBAUM to the bill S. 1420, supra; as follows:

On page 609, line 8, strike all after "Part" and insert in lieu thereof the following:

"B—ADVANCE NOTIFICATION OF PLANT CLOSINGS AND MASS LAYOFFS

"DEFINITIONS

"SEC. 331. As used in this part—

"(1) the term 'employer' means any business enterprise that employs—

"(A) 100 or more full-time employees; or

"(B) 100 or more employees who in the aggregate work at least 4,000 hours per week (exclusive of hours of overtime);

"(2) the term 'plant closing' means the permanent or temporary shutdown of a place of employment, or facilities or operating units within a place of employment, if the shutdown results in an employment loss at the place of employment during any 30-day period for 50 or more employees excluding any part-time or seasonal employees;

"(3) the term 'mass layoff' means a reduction in force which—

"(A) is not the result of a plant closing;

"(B) results in an employment loss at the place of employment during any 30-day period for 33 percent of the employer's employees at the place of employment (excluding any part-time or seasonal employees); and

"(C) results in an employment loss of at least 50 employees (excluding any part-time or seasonal employees);

"(4) the term 'representative' means an exclusive representative of employees within the meaning of section 9(a) and 8(f) of the National Labor Relations Act (29 U.S.C. 159(a), 158(f)) or section 2 of the Railway Labor Act (45 U.S.C. 152);

"(5) the term 'affected employees' means employees who may reasonably be expected to experience an employment loss as a consequence of a proposed plant closing or mass layoff by their employer;

"(6) the term 'employment loss' means (A) an employment termination, other than a discharge for cause, voluntary departure, or retirement, (B) a layoff of indefinite duration, (C) a layoff of definite duration exceeding 6 months, or (D) a reduction in hours of work of more than 50 percent during any 6-month period;

"(7) the term 'unit of local government' means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers;

"(8) the term 'part-time employee' means an employee who is hired to work an average of less than 15 hours per week; and

"(9) the term 'seasonal employee' means an employee who is hired for a period not to exceed 3 months per year to do work that is seasonal in nature.

"NOTICE REQUIRED BEFORE PLANT CLOSINGS AND MASS LAYOFFS

"SEC. 332. (a) NOTICE TO EMPLOYEES, STATE DISLOCATED WORKER UNITS, AND LOCAL GOVERNMENTS.—An employer shall not order a plant closing or mass layoff until the end of a 60-day period after the employer serves written notice of a proposal to issue such an order—

"(1) to each representative of the affected employees as of the time of the notice or, if there is no such representative at that time, to each affected employee; and

"(2) to the State dislocated worker unit (established under part A) and the chief elected official of the unit of local government within which such closing or layoff is to occur.

"(b) REDUCTION OF NOTIFICATION PERIOD.—(1) An employer may order the shutdown of a place of employment before the conclusion of the 60-day period if as of the time of that notice would have been required the employer was actively seeking capital or business which, if obtained, would have enabled the employer to avoid or postpone indefinitely the shutdown and the employer reasonably and in good faith believed that giving the notice required would have precluded the employer from obtaining the needed capital or business.

"(2) An employer may order a plant closing or mass layoff before the conclusion of the 60-day period if the closing or mass layoff is caused by business circumstances that were not reasonably foreseeable as of the time that notice would have been required.

"(3) An employer relying on this subsection shall give as much notice as is practicable and at that time shall give a brief statement of the basis for reducing the notification period.

"(c) EXTENSION OF LAYOFF PERIOD.—A layoff of definite duration of 6 months or less which extends beyond 6 months shall be treated as a layoff of indefinite duration unless—

"(1) the extension is caused by business circumstances (including unforeseeable changes in price or cost) not reasonably foreseeable at the time of the initial layoff; and

"(2) notice is given at the time it becomes reasonably foreseeable that the extension will be required.

"ADMINISTRATION AND ENFORCEMENT OF REQUIREMENTS

"SEC. 333. (a) CIVIL ACTIONS AGAINST EMPLOYERS.—(1) Any employer who orders a plant closing or mass layoff in violation of section 332 of this Act shall be liable to each aggrieved employee who suffers an employment loss as a result of such closing or layoff for—

"(A) back pay for each day of violation up to a maximum of one-half the number of days the employee was employed by the employer, at a rate of compensation not less than the higher of—

"(i) the average regular rate received by such employee during the last 3 years of the employee's employment, or

"(ii) the final regular rate received by such employee, and

"(B) the cost of related fringe benefits, including the cost of medical expenses incurred during the employment loss which would have been covered under medical benefits if the employment loss had not occurred.

less any earnings or related fringe benefits received by such employee from the violating employer for the period of the violation.

"(2) Any employer who violates the provisions of section 332 with respect to a unit of local government shall be subject to a civil penalty equal to $500 for each day of such violation.

"(3) The unit of local government which the employer must notify in accordance with section 332 is the unit of local government having jurisdiction over the area in which the employer is located and if there is more than one such unit, the unit of local government to which the employer pays the highest taxes for the year preceding the year for which the determination is made.

"(4) If an employer who has violated this part proves to the satisfaction of the court that the act or omission which violated this part was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of this part the court may, in its discretion, reduce the amount of the liability or penalty provided for in this section.

"(5) A person seeking to enforce such liability, including a representative of employees or a unit of local government aggrieved under paragraph (1) or (2) may sue either for such person or for other persons similarly situated, or both, in any district court of the United States for any district in which the violation is alleged to have occurred, or in which the employer transacts business.

"(6) In any such suit, the court may, in addition to any judgment awarded the plaintiff or plantiffs, allow a reasonable attorneys' fee to be paid by the defendant, together with the costs of the action.

"(7) For purposes of this subsection, the term, 'aggrieved employee' means an employee who has worked for the employer ordering the plant closing or mass layoff and who did not receive timely notice either directly or through his representative as required by section 332.

"(b) EXCLUSIVITY OF REMEDIES.—The remedies provided for in this section shall be the exclusive remedies for any violation of this part.

"(c) DETERMINATIONS WITH RESPECT TO EMPLOYMENT LOSS.—For purposes of this section, in determining whether a plant closing of mass layoff has occurred or will occur, employment losses for 2 or more groups at a single site, each of which is less than 50 employees but which in the aggregate equal or exceed 50 employees, occurring within any 90-day period shall be considered to be a plant closing of mass layoff unless the employer demonstrates that the employment losses are the result of separate and distinct actions and causes and are not an attempt by the employer to evade the requirements of this Act.

"EXEMPTION

"SEC. 334. This part shall not apply to a plant closing or mass layoff if—

"(1) the closing or layoff is the result of the sale of part or all of an employer's business and the purchaser agrees in writing, as part of the purchase agreement, to hire substantially all of the affected employees with no more than a 6-month break in employment;

"(2) the closing or layoff is the result of the relocation of part or all of an employer's business within a reasonable commuting distance and the employer offers to transfer substantially all of the affected employees with no more than a 6-month break in employment;

"(3) the closing is of a temporary facilities or the mass layoff is as the result of the completion of a particular project and the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project; or

"(4) the closing or layoff constitutes a lockout or a strike.

"PROCEDURES IN ADDITION TO OTHER RIGHTS OF EMPLOYEES

"SEC. 335. The rights and remedies provided to employees by this part are in addition to, and not in lieu of, any other contractual or Federal statutory rights and remedies of the employees, and are not intended to later or affect such rights and remedies

"PROCEDURES ENCOURAGED WHERE NOT REQUIRED

"SEC. 336. It is the sense of Congress that an employer who is not required to comply with the notice requirements of section 332 should, to the extent possible, provide notice to its employees about a proposal to close a plant or permanently reduce its workforce.

"EFFECTIVE DATE

"SEC. 337. This part shall take effect on the date which is 6 months and one day after the date of enactment of this Act.

"EFFECT ON OTHER LAWS

"SEC. 338. The giving of notice pursuant to this part, if done in good faith compliance with this part, shall not constitute a violation of the National Labor Relations Act or the Railway Labor Act.

METZENBAUM AMENDMENT NO. 439

Mr. BYRD (for Mr. METZENBAUM) proposed an amendment to amendment No. 438 proposed by Mr. BYRD (for Mr. METZENBAUM) to the bill (S. 1420) supra; as follows:

In lieu of the matter to be inserted, insert the following:

"PART B—ADVANCE NOTIFICATION OF PLANT CLOSINGS AND MASS LAYOFFS

"DEFINITIONS

"SEC. 331. As used in this part—

"(1) the term 'employer' means any business enterprise that employs—

"(A) 100 or more full-time employees; or

"(B) 100 or more employees who in the aggregate work at least 4,000 hours per week (exclusive of hours of overtime);

"(2) the term 'plant closing' means the permanent or temporary shutdown of a place of employment, or facilities or operating units within a place of employment, if the shutdown results in an employment loss at the place of employment during any 30-day period for 50 or more employees excluding any part-time or seasonal employees;

"(3) the term 'mass layoff' means a reduction in force which—

"(A) is not the result of a plant closing;

"(B) results in an employment loss at the place of employment during any 30-day period for 33 percent of the employer's employees at the place of employment (excluding any part-time or seasonal employees); and

"(C) results in an employment loss of at least 50 employees (excluding any part-time or seasonal employees);

"(4) the term 'representative' means an exclusive representative of employees within the meaning of section 9(a) or 8(f) of the National Labor Relations Act (29 U.S.C. 159(a), 158(f)) or section 2 of the Railway Labor Act (45 U.S.C. 152);

"(5) the term 'affected employees' means employees who may reasonably be expected to experience an employment loss as a consequence of a proposed plant closing or mass layoff by their employer;

"(6) the term 'employment loss' means (A) an employment termination, other than a discharge for cause, voluntary departure, or retirement, (B) a layoff of idefinite duration, (C) a layoff of definite duration exceeding 6 months, or (D) a reduction in hours of work of more than 50 percent during any 6-month period;

"(7) the term 'unit of local government' means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers;

"(8) the term 'part-time employee' means an employee who is hired to work an average of less than 15 hours per week; and

"(9) the term 'seasonal employee' means an employee who is hired for a period not to exceed 3 months per year to do work that is seasonal in nature.

"NOTICE REQUIRED BEFORE PLANT CLOSINGS AND MASS LAYOFFS

"SEC. 332. (a) NOTICE TO EMPLOYEES, STATE DISLOCATED WORKER UNITS, AND LOCAL GOVERNMENTS.—An employer shall not order a plant closing or mass layoff until the end of a 60-day period after the employer serves written notice of a proposal to issue such an order—

"(1) to each representative of the affected employees as of the time of the notice or, if there is no such representative at that time, to each affected employee; and

"(2) to the State dislocated worker unit (established under part A) and the chief elected official of the unit of local government within which such closing or layoff is to occur.

"(b) REDUCTION OF NOTIFICATION PERIOD.—(1) An employer may order the shutdown of a place of employment before the conclusion of the 60-day period if as of the time that notice would have been required the employer was actively seeking capital or business which, if obtained, would have enabled the employer to avoid or postpone indefinitely the shutdown and the employer reasonably and in good faith believed that giving the notice required would have precluded the employer from obtaining the needed capital or business.

"(2) An employer may order a plant closing or mass layoff before the conclusion of the 60-day period if the closing or mass layoff is caused by business circumstances that were not reasonably foreseeable as of the time that notice would have been required.

"(3) An employer relying on this subsection shall give notice as is practicable and at that time shall give a brief statement of the basis for reducing the notification period.

"(c) EXTENSION OF LAYOFF PERIOD.—A layoff of definite duration of 6 months or less which extends beyond 6 months shall be treated as a layoff of indefinite duration unless—

"(1) the extension is caused by business circumstances (including unforeseeable changes in price or cost) not reasonably foreseeable at the time of the initial layoff; and

"(2) notice is given at the time it becomes reasonably foreseeable that the extension will be required.

"ADMINISTRATION AND ENFORCEMENT OF REQUIREMENTS

"SEC. 333. (a) CIVIL ACTIONS AGAINST EMPLOYERS.—(1) Any employer who orders a plant closing or mass layoff in violation of section 332 of this Act shall be liable to each aggrieved employee who suffers an employment loss as a result of such closing or layoff for—

"(A) back pay for each day of violation up to a maximum of one-half the number of days the employee was employed by the employer, at a rate of compensation not less than the higher of—

"(i) the average regular rate received by such employee during the last 3 years of the employee's employment, or

"(ii) the final regular rate received by such employee, and

"(B) the cost of related fringe benefits, including the cost of the medical expenses incurred during the employment loss which would have been covered under medical benefits if the employment loss had not occurred,

less any earnings or related fringe benefits received by such employee from the violating employer for the period of the violation.

"(2) Any employer who violates the provisions of section 332 with respect to a unit of local government shall be subject to a civil penalty equal to $500 for each day of such violation.

"(3) The unit of local government which the employer must notify in accordance with section 332 is the unit of local government having jurisdiction over the area in which the employer is located and if there is more than one such unit, the unit of local government to which the employer pays the highest taxes for the year preceding the year for which the determination is made.

"(4) If an employer who has violated this part proves to the satisfaction of the court that the act or omission which violated this part was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of this part of the court may, in its discretion, reduce the amount of the liability or penalty provided for in this section.

"(5) A person seeking to enforce such liability, including a representative of employees or a unit of local government aggrieved under paragraph (1) or (2) may sue either for such person or for other persons similarly situated, or both, in any district court of the United States for any district in which the violations is alleged to have occurred, or in which the employer transacts business.

"(6) In any such suit, the court may, in addition to any judgment awarded the plaintiff or plaintiffs, allow a reasonable attorneys' fee to be paid by the defendant, together with the costs of the action.

"(7) For purposes of this subsection, the term, 'aggrieved employee' means an employee who has worked for the employer ordering the plant closing or mass layoff and who did not receive timely notice either directly or through his representative as required by section 332.

"(b) EXCLUSIVITY OF REMEDIES.—The remedies provided for in this section shall be the exclusive remedies for any violation of this part.

"(c) DETERMINATIONS WITH RESPECT TO EMPLOYMENT LOSS.—For purposes of this section, in determining whether a plant closing or mass layoff has occurred or will occur, employment losses for 2 or more groups at a single site, each of which is less than 50 employees but which in the aggregate equal or exceed 50 employees, occurring within any 90-day period shall be considered to be a plant closing or mass layoff unless the employer demonstrates that the employment losses are the result of separate and distinct actions and causes and are not an attempt by the employer to evade the requirements of this Act.

"EXEMPTION

"SEC. 334. This part shall not apply to a plant closing or mass layoff if—

"(1) the closing or layoff is the result of the sale of part or all of an employer's business and the purchaser agrees in writing, as part of the purchase agreement, to hire substantially all of the affected employees with no more than a 6-month break in employment;

"(2) the closing or layoff is the result of the relocation of part or all of an employer's business within a reasonable commuting distance and the employer offers to transfer substantially all of the affected employees with no more than a 6-month break in employment;

"(3) the closing is of a temporary facility or the mass layoff is as the result of the completion of a particular project and the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project; or

"(4) the closing or layoff constitutes a lockout or a strike.

"PROCEDURES IN ADDITION TO OTHER RIGHTS OF EMPLOYEES

"SEC. 335. The rights and remedies provided to employees by this part are in addition to, and not in lieu of, any other contractual or Federal statutory rights and remedies of the employees, and are not intended to alter or affect such rights and remedies.

"PROCEDURES ENCOURAGED WHERE NOT REQUIRED

"SEC. 336. It is the sense of Congress that an employer who is not required to comply with the notice requirements of section 332 should, to the extent possible, provide notice to its employees about a proposal to close a plant or permanently reduce its workforce.

"EFFECTIVE DATE

"SEC. 337. This part shall take effect on the date which is 6 months and two days after the date of enactment of this Act.

"EFFECT ON OTHER LAWS

"SEC. 338. The giving of notice pursuant to this part, if done in good faith compliance with this part, shall not constitute a violation of the National Labor Relations Act or the Railway Labor Act.

DEPARTMENT OF STATE, U.S. INFORMATION AGENCY, AND BOARD FOR INTERNATIONAL BROADCASTING AUTHORIZATION

DODD (AND WEICKER) AMENDMENT NO. 440

(Ordered to lie on the table.)

Mr. DODD (for himself and Mr. WEICKER) submitted an amendment intended to be proposed by them to the bill (S. 1394) to authorize appropriations for fiscal year 1988 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, and for other purposes; as follows:

At the appropriate place in the bill, insert the following new section:

PROHIBITION ON ASSISTANCE FOR THE NICARAGUAN DEMOCRATIC RESISTANCE

SEC. . (a) Notwithstanding any other provision of law and except as provided in subsection (c), no funds appropriated for fiscal year 1988 pursuant to any provision of law and no proceeds from the sale or other transfer of United States property, including any defense article, may be obligated or expended during fiscal year 1988 for or on behalf of the Nicaraguan democratic resistance.

(b)(1) During fiscal year 1988, no defense article or other goods or technology subject to the jurisdiction of the United States may be exported to the Nicaraguan democratic resistance or to any agency thereof, and no such article, goods, or technology may be exported during fiscal year 1988 to the Nicaraguan democratic resistance or to any agency thereof by any person subject to the jurisdiction of the United States.

(2) The President shall prescribe such regulations as may be necessary to carry out paragraph (1).

(3) The authorities contained in section 38(e) of the Arms Export Control Act shall apply to violations of paragraph (1).

(c) There are authorized to be appropriated to the President for fiscal year 1988, $10,000,000 which shall be available for the Nicaraguan democratic resistance only for relocation of the members of the Nicaraguan democratic resistance away from the areas of Honduras or Costa Rica bordering on Nicaragua. Such funds shall, to the maximum extent practicable, be provided to the relevant regional and international organizations with expertise in relocation of refugees.

(d) No foreign country which provides assistance or military equipment to the Nicaraguan democratic resistance during fiscal year 1988 may be eligible to receive assistance under the Foreign Assistance Act of 1961 or defense articles or defense services under the Arms Export Control Act.

(e)(1) Section 215(1) of the Act entitled "An Act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1987, and for other purposes" (as contained in Public Law 99-591) is repealed.

(2) Subsections (p), (q), (r), (s), (t), and (u) of section 722 of the International Security and Development Cooperation Act of 1985 are repealed.

DEPARTMENT OF DEFENSE AUTHORIZATION

DODD (AND WEICKER) AMENDMENT NO. 441

(Ordered to lie on the table.)

Mr. DODD (for himself and Mr. WEICKER) submitted an amendment intended to be proposed by them to the bill (S. 1174) to authorize appropriations for fiscal years 1988 and 1989 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes; as follows:

At the appropriate place in the bill, insert the following new section:

PROHIBITION ON ASSISTANCE FOR THE NICARAGUAN DEMOCRATIC RESISTANCE

SEC. . (a) Notwithstanding any other provision of law and except as provided in subsection (c), no funds appropriated for fiscal year 1988 pursuant to any provision of law and no proceeds from the sale or other transfer of United States property, including any defense article, may be obligated or expended during fiscal year 1988 for or on behalf of the Nicaraguan democratic resistance.

(b)(1) During fiscal year 1988, no defense article or other goods or technology subject to the jurisdiction of the United States may be exported to the Nicaraguan democratic resistance or to any agency thereof, and no such article, goods, or technology may be exported during fiscal year 1988 to the Nicaraguan democratic resistance or to any agency thereof by any person subject to the jurisdiction of the United States.

(2) The President shall prescribe such regulations as may be necessary to carry out paragraph (1).

(3) The authorities contained in section 38(e) of the Arms Export Control Act shall apply to violations of paragraph (1).

(c) There are authorized to be appropriated to the President for fiscal year 1988, $10,000,000 which shall be available for the Nicaraguan democratic resistance only for relocation of the members of the Nicaraguan democratic resistance away from the areas of Honduras or Costa Rica bordering on Nicaragua. Such funds shall, to the maximum extent practicable, be provided to the relevant regional and international organizations with expertise in relocation of refugees.

(d) No foreign country which provides assistance or military equipment to the Nicaraguan democratic resistance during fiscal year 1988 may be eligible to receive assistance under the Foreign Assistance Act of 1961 or defense articles or defense services under the Arms Export Control Act.

(e)(1) Section 215(1) of the Act entitled "An Act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1987, and for other purposes" (as contained in Public Law 99-591) is repealed.

(2) Subsections (p), (q), (r), (s), (t), and (u) of section 722 of the International Security and Development Cooperation Act of 1985 are repealed.

QUAYLE (AND OTHERS) AMENDMENT NO. 442

Mr. QUAYLE (for himself and Mr. BOREN) proposed an amendment to the bill S. 1420, supra; as follows:

Strike Part B of Title XXII.

BENTSEN AMENDMENT NOS. 443 AND 444

Mr. BENTSEN proposed two amendments to the bill S. 1420, supra; as follows:

AMENDMENT NO. 443

At the end of part I of subtitle A of title VIII of the bill, add the following:

SEC. . CASEIN.

(a) HUMAN FOOD AND ANIMAL FEED USE.—Subpart D of part 4 of schedule 1 is amended by striking out item 118.45 and inserting in lieu thereof the following:

"118.50	Casein, caseinates, and milk protein concentrate: Casein	Free		Free
118.55	Dried milk (described in items 115.45, 115.50, 115.55, and 118.05) which contains not over 5.5 percent by weight of butterfat and which is mixed with other ingredients, including but not limited to sugar, if such mixtures contain over 16 percent milk solids by weight, are capable of being further processed or mixed with similar or other ingredients and are not prepared for marketing to the retail consumers in the identical form and package in which imported	1.3¢ per lb.	Free (A,E,I)	5.5¢ per lb.
118.60	Other	0.2¢ per lb.	Free (A,E,I)	5.5¢ per lb.".

(b) INDUSTRIAL USE.—Subpart B of part 13 of schedule 4 is amended by striking out items 493.12, 493.14, and 493.17 and the superior heading thereto.

SEC. . TARIFF TREATMENT OF CERTAIN TYPES OF PLYWOOD.

Headnote 1 of part 3 of schedule 2 is amended—

(1) in paragraph (b) by inserting immediately before the semicolon at the end thereof the following: "or any edge of which has been tongued, grooved, lapped, or otherwise worked";

(2) in paragraph (c) by inserting immediately before the semicolon at the end thereof the following: "or any edge of which has been tongued, grooved, lapped, or otherwise worked"; and

(3) in paragraph (e) by inserting before "chiefly" the following: "other than plywood, wood-veneer panels, or cellular panels,".

At the end of subsection (b) of section 883 of the bill, add the following:

(6) Item 906.57 (relating to m-toluic acid).

(7) Item 909.01 (relating to natural graphite).

(8) Item 912.04 (relating to certain narrow weaving machines).

(9) Item 912.11 (relating to certain lace-braiding machines).

(10) Item 905.40 (relating to certain hovercraft skirts).

At the end of part II of subtitle B of title VIII of the bill, add the following:

SEC. . TRIALLATE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.64	S-(2, 3, 3′-trichlorallyl)-diisopropyl-thiocarbamate (provided for in item 425.36, part 2D, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . m-NITRO-p-ANISIDINE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.56	m-Nitro-p-anisidine (provided for in item 410.36, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . 4-CHLORO-O-NITROANILINE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.58	4-chloro-o-nitroaniline (p-chloro-o-nitroaniline) (provided for in item 404.88, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC . m-NITRO-O-ANISIDINE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.35	m-Nitro-o-anisidine (provided for in item 405.07, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . p-NITRO-ORTHO-TOLUIDINE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.37	p-Nitro-ortho-toluidine (provided for in item 404.88, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . PHENYLCARBETHOXYPYRAZOLONE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.31	Phenylcarbethoxypyrazolone (provided for in item 406.39, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . p-NITRO-O-ANISIDINE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"908.14	p-Nitro-o-anisidine (provided for in item 410.36, part 1C, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . CARBODIIMIDES.

(a) Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.70	Bis(o-tolyl) carbodiimide; 2,2',6,6'-Tetraisopropyldiphenyl carbodiimide; poly [nitrilomethanetetraarylnitrilo [2,4,6-tris(1,-methylethyl)-1,3 phenylene]],-[2,6-bis(1,-methylethyl)phenyl],-omega-[[[[2,6-bis(1-methylethyl) phenyl]amino] methylene]amino]; and benezene, 2,4-Diisocyanato-1,3,5-triisopropylbenzene (provided for in item 405.53, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . TRIETHYLENE GLYCOL DISCHLORIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.73	Triethyleneglycol dichloride (provided for in item 428.47, part 2D, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . MIXTURES OF 5-CHLORO-2-METHYL-4-ISOTHIAZOLIN-3-ONE, 2-METHYL-4-ISOTHIAZOLIN-3-ONE, MAGNESIUM CHLORIDE, STABILIZERS AND APPLICATION ADJUVANTS.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"908.16	Mixtures of 5-chloro-2-methyl-4-isothiazolin-3-one, 2-methyl-4-isothiazolin-3-one, magnesium chloride, stabilizers and application adjuvants (provided for in item 432.28, part 2E, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . 2-N-OCTYL-4-ISOTHIAZOLIN-3-ONE, AND ON MIXTURES OF 2-N-OCTYL-4-ISOTHIAZOLIN-3-ONE AND APPLICATION ADJUVANTS.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"908.17	2-n-Octyl-4-isothiazolin-3-one, and mixtures of 2-n-octyl-4-isothiazolin-3-one and application adjuvants (provided in items 425.52 and 430.20, part 2D, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . m-HYDROXYBENZOIC ACID.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"908.18	m-Hydroxybenzoic acid (provided for in item 404.40, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . 5-CHLORO-2-METHYL-4-ISOTHIAZOLIN-3-ONE, 2-METHYL-4-ISOTHIAZOLIN-3-ONE, MAGNESIUM CHLORIDE AND MAGNESIUM NITRATE.

Item 906.52 of the Appendix is amended—

(1) by striking out "12/31/87" and inserting in lieu thereof "12/31/90", and

(2) by striking out "432.25" and inserting in lieu thereof "432.28".

SEC. . WEAVING MACHINES FOR FABRICS IN EXCESS OF 16 FEET WIDTH.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"912.48	Power-driven weaving machines for weaving fabrics more than sixteen feet in width, and parts thereof (provided for in item 670.14 and 670.74, part 4E, Schedule 6)	Free	No change	On or before 12/31/90".

SEC. . BARBITURIC ACID.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.50	Barbituric acid (provided for in item 437.36, part 3B, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . 3-METHYL-5-PYRAZOLONE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.46	3-Methyl-5-pyrazolone (provided for in item 425.52, part 2D, schedule 4)	Free	No change	On or before 12/31/90".

SEC. . 3-METHYL-1-(P-TOLYL)-2-PYRAZOLIN-5-ONE (P-TOLYL METHYL PYRAZONE).

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"908.15	3-Methyl-1-(p-tolyl)-2-pyrazolin-5-one (p-Tolyl methyl pyrazolone) (provided for in item 406.36, part 1B, schedule 4)	Free	No change	On or before 12/31/90".

In subsection (b) of section 894 of the bill—

(1) strike out "883(a), or" in paragraph (1)(B)(i) and insert in lieu thereof "865,",

(2) insert "or" at the end of clause (ii) of paragraph (1)(B),

(3) insert the following new clause after clause (ii) of paragraph (1)(B):

"(iii) any paragraph of section 883(a) (other than section 883(a)(8)),",

(4) insert "by section 865 or" after "is made" in paragraph (2)(A)(v), and

(5) strike out clause (i) of paragraph (2)(A) and redesignate the succeeding clauses.

At the end of section 894 of the bill, add the following:

(d) BICYCLE TIRES AND TUBES.—The amendment made by section 881(a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after December 31, 1987.

At the end of subtitle B of title VIII of the bill, add the following:

SEC. . RELIQUIDATION OF CERTAIN TUBULAR TIN PRODUCTS.

Notwithstanding any provision of the Tariff Act of 1930 or any other provision of the law to the contrary, the Secretary of the Treasury shall reliquidate, as free of duty under item 911.12 of the Appendix to the Tariff Schedules of the United States, as in effect at the time of entry, the entries numbered 00329493 (dated March 16, 1979), 00329494 (dated March 13, 1979), 00329495 (dated March 28, 1979), and 00330003 (dated March 21, 1979), made at New York, New York, and covering tubular tin products, if a certificate of actual use (remelt certificate) for the articles covered by the four entries is submitted to the United States Customs Service at the port of entry within 120 days from the date of enactment of this Act.

In subparagraph (B) of section 503(c)(1) of the Trade Act of 1974, as amended by section 927 of the bill—

(1) strike out ", or withdrawn from warehouse, for consumption", and

(2) strike out "or in an insular possession of the United States" and insert in lieu thereof "or the United States insular possessions".

AMENDMENT NO. 444

On page 348 of the printed bill, line 16, strike out "1987" and insert in lieu thereof "1988".

On page 351, between lines 12 and 13, insert the following;

(c) Merchandise Fee.—Subsection (h) of section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 is amended to read as follows:

"(h) Notwithstanding any other provison of this section, the portion of the value of any article described in item 806.30 or 807.00 of the Tariff Schedules of the United States that is subject to duty under such item shall also be subject to the fee imposed by subsection (a)(10).".

(d) Effective Date.—

(1) Except as otherwise provided by this subsection, the amendments made by this section shall take effect on October 1, 1988.

(2) The amendment made by subsection (c) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after September 30, 1987.

COCHRAN (AND OTHERS) AMENDMENT NO. 455

Mr. COCHRAN (for himself, Mr. Nunn, Mr. Kasten, Mr. Stennis, Mr. Symms, Mr. Shelby, and Mr. Helms) proposed an amendment to the bill S. 1420, supra; as follows:

On page 306, between lines 11 and 12, insert the following:

(c) Surgical Gowns.—Item 905.50 of the Appendix is amended by striking out "12/31/88" and inserting in lieu thereof "12/31/90".

DOMENICI (AND OTHERS) AMENDMENT NO. 446

Mr. DOMENICI (for himself, Mr. Bingaman, Mr. McCain, Mr. DeConcini, Mr. Hatch, and Mr. Stevens) proposed an amendment to the bill S. 1420, supra; as follows:

At the end of subtitle B of title IX of the bill, add the following.

SEC. . MARKING OF NATIVE-AMERICAN STYLE JEWELRY AND ARTS AND CRAFTS.

(a) In General.—Notwithstanding any other provision of law, Native-American style jewelry and Native-American style arts and crafts may be considered to be in compliance with the requirements of section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) only if the English name of the country of origin of such jewelry and arts and crafts is indelibly marked in a conspicuous place on such jewelry and arts and crafts by means of cutting, die-sinking, engraving, stamping, raised lettering, or other equally permanent method of marking.

(b) Implementation.—For purposes of implementing the requirements under section 304 of the Tariff Act of 1930 that are imposed with respect to Native-American style jewelry and Native-American style arts and crafts by reason of subsection (a), the Secretary of the Treasury shall—

(1) upon the enactment of this Act, use the proposed rule on the marking of such jewelry that was published in the Federal Register on July 15, 1986, or any rule that is similar to such rule, and

(2) use a rule for Native-American style arts and crafts that—

(A) is similar to the rule on the marking of Native-American jewelry that was published in the Federal Register on July 15, 1986, and

(B) is published in the Federal Register in final form by no later than the date that is 1 year after the date of enactment of this Act.

HARKIN (AND OTHERS) AMENDMENT NO. 447

Mr. HARKIN (for himself, Mr. Leahy, Mr. Lugar, Mr. Glenn, Mr. Conrad, Mr. Grassley, Mr. Hatfield, and Mr. Durenberger) proposed an amendment to the bill S. 1420, supra; as follows:

On page 575, between lines 15 and 16, insert the following new chapter:

CHAPTER 5—ALTERNATIVE AGRICULTURAL PRODUCTS RESEARCH

SEC. 2195. PURPOSE.

It is the purpose of this chapter—

(1) to authorize research in modification of plants and plant materials, and associated research, in order to develop and produce marketable products other than food or traditional fiber products; and

(2) to establish an independent New Products Research Board to advise the Assistant Secretary of Agriculture for Science and Education with respect to selection criteria for, and scientific feasibility of, prospective research projects under this chapter.

SEC. 2196. DEFINITIONS.

As used in the chapter:

(1) Assistant Secretary.—The term "Assistant Secretary" means the Assistant Secretary of Agriculture for Science and Education.

(2) Biotechnological Research Project.—The term "biotechnological research project" means a project authorized and funded by the Secretary that is directed toward the development of a new marketable industrial or commercial product, other than a food or traditional fiber product, through biotechnology or other modification of a plant.

(3) Board.—The term "Board" means the New Products Research Board established under section 2197.

(4) Development.—The term "development" means targeted research, including fundamental research and applied research necessary to make a product available for the marketplace and necessary research on the plant, modification of plant materials, new methods, if any, needed to cultivate the plant, the commercial separation and purification of the new product and any research on the uses of the new product.

(5) New Product.—The term "new product" means an item developed through a biotechnological research or a plant product research project that is primarily not food or traditional fiber, including an item that exists but is not commercially available from a plant.

(6) Nontraditional Food.—The term "nontraditional food" means a food product that does have substantial new properties and that is not now derived from agricultural materials.

(7) Plant Product Research Project.—The term "plant product research project" means a project authorized and funded by the Secretary that is directed towards the development of a new marketable industrial or commercial product, other than a food or traditional fiber product, through the modification of the product of a plant.

(8) Project.—The term "project" means a biotechnological research project or a plant product research project.

(9) Secretary.—The term "Secretary" means the Secretary of Agriculture.

(10) Traditional Fiber.—The term "traditional fiber" means a fiber product that does not have substantial new properties and that is derived from agricultural materials.

SEC. 2197. NEW PRODUCTS RESEARCH BOARD.

(a) Establishment.—There is established in the Department of Agriculture the New Products Research Board, to be administered by the Assistant Secretary.

(b) Functions.—The Board shall advise the Secretary—

(1) on specific targets of opportunity for research that most closely meets the selection criteria required for a project to be eligible for funding under this chapter;

(2) on the composition of review committees to examine the merits of specific proposals for research projects that have been solicited by the Secretary;

(3) on recommendations for the funding of specific proposals for research projects; and

(4) concerning progress made in carrying out projects that are currently being undertaken.

(c) Membership.—

(1) Appointment.—The Board shall consist of 6 members, of which—

(A) two members shall be appointed by the Assistant Secretary;

(B) one member shall be appointed by the Director of the National Science Foundation;

(C) one member shall be appointed by the Secretary of Energy;

(D) one member shall be appointed by the Secretary of Commerce; and

(E) one member shall be appointed by the Director of the Office of Technology Assessment.

(2) Term of service.—The term of a member of the Board shall be at the discretion of the appointing authority, except that a member may not serve more than 5 years.

(3) Vacancies.—A vacancy on the Board shall be filled in the manner in which the original appointment was made.

(4) Chairman.—The Assistant Secretary shall designate one of the members of the Board as Chairman of the Board.

(5) Government members.—All members of the Board shall be officers or employees of the United States Government who shall serve without additional compensation.

(6) Expenses.—All members of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(7) Meetings.—The Board shall meet at the call of the Chairman or a majority of its members.

(d) Personnel and Services.—The Board may appoint personnel and procure permanent, temporary, and intermittent services, as it considers necessary, under section 3109 of title 5, United States Code, at rates for individuals that do not exceed the rate prescribed for GS-18 of the General Schedule under section 5332 of such title.

(e) Experts.—The Board may establish committees of technical experts, and farm and industry representatives, to advise the Board on matters that are determined to be appropriate by the Board.

(f) Rules and Regulations.—The Board is authorized to propose rules and regulations to the Secretary, and may promulgate procedures, that may be necessary to carry out the functions of the Board.

(g) Department of Agriculture Resources.—The Board is authorized to utilize, with the consent of the Secretary, the services, equipment, personnel, information, and facilities of the Department of Agriculture, with or without reimbursement.

(h) HEARINGS.—The Board may, for the purpose of carrying out this chapter, hold such hearings, and sit and act at such times and places, as the Board considers appropriate.

SEC. 2198. RESEARCH PROJECTS.

(a) AUTHORIZATION.—The Secretary, on a recommendation from the Board, shall select projects that are to receive funding under this chapter, for purposes of research to develop and produce new products.

(b) APPROPRIATE PROJECTS.—

(1) DEVELOPMENT.—Each project shall target development of a new crop, or modification of an existing crop or crop material, that meets the criteria specified in paragraph (2).

(2) CRITERIA.—Projects should be selected on the basis of—

(A) the prospect of developing viable technologies that could make it possible to use or modify existing plants or plant products to provide an economically viable quantity of new products;

(B) the need for a new product of the type contemplated;

(C) the potential market size of the new product;

(D) the likely time period needed to bring the new product into the stream of commerce for general use;

(E) the likely impact on reducing Federal crop subsidies and other Federal agricultural assistance program costs;

(F) the likely ability to grow the plant used to produce the new product at a profit;

(G) the availability of the expertise and facilities required to conduct the proposed research; and

(H) the likely unavailability of appropriate funding from other sources.

(c) FUNDING.—

(1) PURPOSE.—Funding shall only be provided under this chapter to those projects that have as the principal purpose the development of new products, with priority given to biotechnological research projects. No less than one-half of the appropriated funds shall be allocated to biotechnological research projects.

(2) CONSORTIA.—Unless the Secretary finds it appropriate for a single research entity to conduct a project, each project shall be conducted by a project group that may include a consortium of—

(A) public and private colleges and universities;

(B) private research facilities and personnel;

(C) State agricultural experiment stations;

(D) Federal research laboratories; or

(E) any combination thereof.

(3) SECONDARY USES.—Funding shall not be denied if paragraph (1) is satisfied even if the developed plant has a food or fiber use in addition to the use described in paragraph (1).

(4) PERIOD OF FUNDING.—Funding—

(A) shall cover the proposed research necessary for not less than 3 years, or until a marketable product is developed or determined to be unattainable or unnecessary; and

(B) may be extended, subject to satisfactory review, for additional 3-year periods or until a marketable new product is developed or determined to be unattainable or unnecessary.

(5) NONTRADITIONAL FOOD USE.—If the development of nontraditional food uses becomes the principal likely result of a project, funding may be continued if the project continues to meet the criteria set forth in subsection (b)(2) other than the criterion set forth in subsection (b)(2)(A).

(6) NUMBER OF PROJECTS.—

(A) INITIAL PROJECTION.—The Secretary shall fund not less than 20 projects within the 36-month period beginning on the date of enactment of this chapter, with funding committed for at least 5 projects within the 12-month period beginning on the date of enactment of this chapter.

(B) ADJUSTMENT.—If the amount appropriated under section 2199 is reduced, or if the availability of such amount for obligation is delayed, the number of new projects to be funded may be reduced proportionately, or delayed as appropriate.

(d) CONTRACTS.—The Secretary may sign contracts that assign research responsibilities to an appropriate consortia or other entity capable of conducting the appropriate research over the applicable research period.

(e) REVIEW AND REPORTING.—

(1) PROJECT GROUPS.—A project group shall report on the progress of the group to the Board annually or as otherwise required by the Board.

(2) THE BOARD.—The Board shall review the progress of the projects approved by the Secretary and report to the Secretary on the projects with recommendations concerning continued research.

SEC. 2199. AUTHORIZATION OF APPROPRIATIONS.

To carry out this chapter, there are authorized to be appropriated $75,000,000 for the fiscal year 1988, and each of the 19 fiscal years thereafter.

DECONCINI (AND OTHERS) AMENDMENT NO. 448

Mr. DECONCINI (for himself, Mr. DOLE, Mr. HOLLINGS, Mr. SYMMS, Mr. CHILES, Mr. GRASSLEY, Mr. GRAHAM, Mr. GRAMM, Mr. KASTEN, Mr. PROXMIRE, Mr. HELMS, Mr. MCCAIN, Mr. D'AMATO, and Mr. MURKOWSKI) proposed an amendment to the bill S. 1420, supra; as follows:

At the end of subtitle D of title IX of the bill, add the following:

SEC. . PROHIBITION ON TRADE WITH ANGOLA.

(a) PROHIBITION ON IMPORTS.—

(1) No product of Angola may be imported into the United States.

(2) For purposes of this subsection, the term "product of Angola" means any article grown, mined, produced, or manufactured (in whole or in part) in Angola.

(b) PROHIBITION ON EXPORTS.—

(1) No goods or technology subject to the jurisdiction of the United States may be exported to Angola for the benefit or use of the Popular Movement for the Liberation of Angola.

(2) The prohibition provided under paragraph (1) shall be administered under the Export Administration Act of 1979.

(3) Paragraph (1) shall not apply to international disaster relief and rehabilitation assistance provided under section 491 of the Foreign Assistance Act of 1961 (22 U.S.C. 2292). * * *

(c) EFFECTIVE DATES.—

(1) The provisions of this section shall apply—

(A) after the date that is 60 days after the date of enactment of this Act, and

(B) before the date on which the President makes the certification to Congress described in paragraph (2).

(2) If the President determines that Angola—

(A) is making a concerted and significant effort to comply with internationally recognized human rights,

(B) has entered into discussions with its noncommunist opposition,

(C) has established a body of laws that assures the full national participation of all the people of Angola in the social, political, and economic life in that country,

(D) has held free and fair elections under international supervision, and

(E) all troops from Cuba, the Soviet Union, and any other Communist country have withdrawn from Angola,

the President shall submit to the Congress a written statement certifying such determination.

GRAMM (AND BENTSEN) AMENDMENT NO. 449

Mr. GRAMM (for himself and Mr. BENTSEN) proposed an amendment to amendment No. 448 proposed by Mr. DECONCINI (and others) to the bill S. 1420, supra; as follows:

At the end of the amendment add the following: "The provisions of this section shall not apply to any exports from the United States or by a United States person of equipment for petroleum extraction, and supporting technology and documentation, in performance of a contract entered into prior to July 1, 1987.".

NOTICES OF HEARINGS

SUBCOMMITTEE ON THE RURAL ECONOMY AND FAMILY FARMING

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Committee's Subcommittee on the Rural Economy and Family Farming will hold a field hearing in Fort Valley, GA, on Monday, July 20, 1987. The subcommittee will examine the problems confronting small businesses in rural Georgia. The hearing will be held at the C.W. Pettigrew Farm and Community Life Center of Fort Valley State College and will commence at 10 a.m. For further information, please call Chuck Culver of the committee staff at 224-5175, or John Pope of Senator NUNN's staff at 224-3521.

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. METZENBAUM. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Energy Regulation and Conservation. The subcommittee oversight hearing will be held on the subject of: "Iroquois Gas Transmission System: Need, Environmental Impact and Alternatives."

This oversight hearing will be held on Monday, July 20, 1987, beginning at 9 a.m., at the Newtown High School, Newtown, CT.

Those wishing to present oral testimony or who wish to submit written testimony for the hearing record should contact Mr. Tim Osborn, office of Senator LOWELL WEICKER, U.S. Senate, Washington, DC 20510. For further information regarding this hearing, please contact Mr. Osborn at (202) 224-4041.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on July 8, 1987, to hold a hearing on part A of the Medicare Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

JUDGE FmHA BY ITS ACTIONS

● Mr. DASCHLE. Mr. President, Farmers Home Administration officials promise one course of action but in reality practice something else. In hearing after hearing, FmHA spokespeople have reassured Congress that the agency is doing its best to help farm families and carry out the law in the way Congress and the people intended.

But in the country, we hear a completely different story from citizens, whether its farmers or bankers, who must struggle against FmHA's real attitude and behavior. Specific cases illustrate the general policy, as in the story of Duane and Jody Kay of Hoskins, NE.

The Des Moines Register Washington Bureau Chief George Anthan recently wrote of how FmHA turned its back on the Kays and sold land to an investor, even though the Kays, a young family with off-farm income, was eligible for the purchase and offered the high bid.

FmHA had the opportunity to live up to its assurances and do some good for this family and the farm economy, but the agency blew it.

Mr. President, I ask that the story, as it recently appeared in the Sioux Falls, SD, Argus Leader, be reproduced in the RECORD as another example of FmHA's behavior in the field.

The article follows:

FmHA BUREAUCRATS SLAMMING DOORS IN FARM FAMILIES' FACES

(By George Anthan)

WASHINGTON.—Duane and Jody Kay of Hoskins, Neb., a young farm couple with a dream of making a life together on the land, represent the future of American family farming. Politicians rise regularly in the House and Senate to give flowery speeches about preserving the way of life the Kays represent.

Government officials, from President Reagan down to assistant secretaries of agriculture, and presidential candidates of all stripes, tell farm audiences that people like the Kays are what this country is all about. Let's see if reality matches the rhetoric.

The U.S. Government recently had a chance to help the Kays by selling them some of its surplus farm land. In fact, the government was obligated by law to sell to the Kays. It didn't. It decided instead to sell the land to a local investor.

Duane Kay now works as a hired hand in the Hoskins area. His wife has an off-farm job. They have two children.

Eugene Severenz, with the Center for Rural Affairs, a public-interest group in Walthill, Neb., said, "The Kays represent the classic case of the beginning farm family. We're dealing here with real bread-and-butter-type beginning farmers who are bright and with their eyes open.

"They have penciled things out very carefully. They have been hardened by the farm crisis and are not going into things naively. They know what their cash flow has to be and they have proper, conservative financial strategies. Both have income they were going to use and they planned to borrow equipment from Duane's father. All was carefully calculated."

All except the attitude of the Department of Agriculture's Farmers Home Administration, an agency with some state and local officials who are trying mightily to live up to the image of the uncaring bureaucrats portrayed in the movie "Country."

When it passed the 1985 Farm Act, Congress told FmHA that it was national policy to help people like the Kays get into farming. The law states that land taken over by FmHA from farmers who couldn't repay their loans was to be considered a public resource and that for a period of three years after acquiring the land, the agency was to seek to return it to its original farmer-owners or to some other farmers of limited means.

In Nebraska, FmHA put a 40-acre parcel up for sale. It has a house on it, the perfect kind of place for a family like the Kays to acquire and use as a base for steady expansion.

The Kays submitted a bid, which turned out to be the high bid. But they didn't get the land. They would have needed an FmHA loan to finance the purchase, and the agency decided to sell the property to a local cash-ready buyer who wanted only the house. In fact, the buyer sold 31 acres to others and used the proceeds to help finance his purchase.

Such young farmers represent a new generation of producers and the way in which agricultural lenders' inventory land is resold into private hands will shape the future farm land ownership patterns, Severenz said.

It's sad indeed that this great natural resource is in the hands of people who apparently prefer safe money from non-agricultural buyers to young farm families.●

RECOGNIZING DAVID A. JONES AND JOHN M. MULDER

● Mr. McCONNELL. Mr. President, I rise today to recognize two outstanding men, David A. Jones and Dr. John M. Mulder. These two men were recently featured in an article in Louisville's Courier-Journal, which discussed their key role in attracting the Presbyterian Church (U.S.A.) to locate its national headquarters in Louisville. It is certainly an honor and a privilege to the Commonwealth of Kentucky to have the Presbyterian Church designate Louisville as its homeplace, and I want to share with my colleagues my pride in the activities of these individuals.

David Jones, the cofounder of Humana, Inc., the health-care company, donated two former warehouses of a wholesale hardware company to the Presbyterian Church and spearheaded efforts to raise the funds needed to renovate these buildings on Louisville's riverfront. This generous offer served as a sufficient enticement for the Presbyterians to locate in Louisville, although two church committees had recommended headquarter sites in other cities. He is a Presbyterian layman who vigorously supports economic and cultural activities in the Louisville area, and his kind of generosity has greatly benefited the city of Louisville.

Dr. John Mulder, president of Louisville Presbyterian Theological Seminary, worked aggressively with David Jones to bring about this decision. He coordinated the city's unprecedented team effort at the church's general assembly meeting in Biloxi, MI, the Louisville Courier-Journal reports, and convinced a majority of the Presbyterian General Assembly membership to accept the offer from Louisville. Born in Chicago, he was educated at Hope College and Princeton Theological Seminary and University and ordained as a Presbyterian minister in 1970. He is also an historian on the great President Woodrow Wilson.

The Northern and Southern Presbyterian Churches united in 1983, and John Mulder recognized the vital geographical and historic position of Louisville, a city located on the crossroads between North and South. Since 1901 the Louisville Presbyterian Theological Seminary was the only seminary to be supported by the then separate Northern and Southern Presbyterian churches.

Mr. President, I hope my colleagues share my sentiments in honoring these two men for their role in this significant occasion of geographically uniting the Presbyterian Church. Their vision, perseverance, resilience, and dedication to the city of Louisville have had a profound impact on the State of Kentucky.

I ask that the Courier-Journal article to which I have referred be printed in the RECORD.

The article follows:

[From the Louisville (KY) Courier-Journal, June 21, 1987]

DAVID A. JONES: AN INTENSE COMPETITOR WHO DIDN'T GIVE UP

(By Daniel Rubin)

A phoenix is about to rise from the stilled red brick of the sprawling Belknap Inc. property, but David A. Jones has bittersweet thoughts as he accepts his share of the credit.

"Obviously, I would never have wanted Belknap to fail. . . . That's why I'm not feeling too excited right now, when I get a lot of credit over this Presbyterian move," Jones said late last week.

"If you are asking me, 'Does the Lord work in mysterious ways?' I don't know."

With the news last week that an aggressive campaign by Louisville had persuaded the Presbyterian Church (U.S.A) to move its headquarters to the old Belknap complex, it was apparent that Jones had turned "a lemon into lemonade," in the words of Wendell Cherry, who founded Humana Inc. with Jones.

Nearly a year and a half ago. Belknap's doors closed, taking jobs from more than 650 people and leaving Jones with a vacant, 17-acre fortress facing Louisville's riverfront—a prominent reminder of a business failure. Many long-time employees of the wholesale hardware company had looked to Jones the year before, when he outbid three others, to guarantee that the 140-year-old institution would remain locally owned.

But industry analysts and Jones himself have said the company may have tried to do too much too soon, and Belknap collapsed, leaving Jones feeling that he had let a lot of people down.

"I think he was very disappointed . . . with the job loss," said the Rev. James Chatham, pastor of Highland Presbyterian Church, where Jones is a member. "He was much concerned, though with the personalities, the human beings who were affected by that."

Earlier this year, Jones came up with the idea of offering two of the former warehouses to the Presbyterians and pledged to raise enough money to renovate them. The offer was sweet enough for the Presbyterians to narrowly vote Tuesday to pick Louisville over Kansas City, the site recommended by two church committees.

Jones should get much of the credit for changing the minds of the Presbyterians, said Donald Swain, president of the University of Louisville.

"He was the one who had the boldness to say it's still alive" after a church location committee ruled out the city because of inadequate air service, Swain said.

Others, who know Jones through the Belknap misfortune, see the Presbyterians' coming in a different light.

"I'm glad to see that they're coming to Louisville," said Charlie Kelly, a Belknap buyer for 37 years, "It would be nice if maybe some of the Belknappers who don't have a job could land a job over there. Mr. Jones might think of some of the Belknappers that haven't found a job."

"I think it's going to be good," agreed Sherry Harris, for six years an admunistrative assistant for several Belknap vice presidents. "It's good to see it's being put to some use, perhaps creating some jobs. However, it is sad so many people spent so many years there and are still out of jobs."

Jones is reluctant to talk about the rebellion between the bad and good fortune the Belknap buildings embody.

"I don't feel good about the Belknap bankruptcy; I feel good about the Presbyterians coming," he said, "I don't think the two are connected, although but for the one, the other wouldn't have been possible."

For Jones, 56, a Presbyterian layman and Louisville philanthropist who has been heavily involved in supporting education and the economic and cultural life of the area, attracting the church headquarters with some of the Belknap property held many benefits at once.

The idea to offer the building to the Presbyerians grew out of an unrealized plan to draw the Smithsonian Institution to Louisville, Jones said.

About six months ago, a group led by Barry Bingham Sr., former chairman of the Courier-Journal and Louisville Times Co., and Tom Simons, chairman of Capital Holding Corp., approached Jones about asking the Washington, D.C., institution to open a branch downtown.

Jones said he woud donate the main Belknap building for the site, but despite a trip by Bingham and Simons to Smithsonian offices, nothing happened.

Then Jones thought about the Presbyterians. Jones was co-chairman of a committee formed in 1985 to land the church, but the panel's work had cooled after the Presbyterians ruled out Louisville in 1986 because of inadequate air service.

He asked co-chairman John M. Mulder, president of the Louisville Presbyterian Theological Seminary, if a couple of buildings and some money for renovation might overcome the air-service deficiency.

Many other civic leaders were disappointed when the Presbyterians' location committee eliminated Louisville last June before hearing any offer from the city, Swain said. But Jones is "an intense competitor," Swain said, "and he didn't think we'd given it our best shot yet, and indeed we hadn't, as we now know. . . ."

Three weeks ago, Jones called a meeting of corporate leaders and wealthy people in the community. His purpose, according to Swain, "was to say, 'I think we have a real shot at getting the Presbyterians here. We need to offer enough money to remodel the building. I can't do that myself.' "

It spurred an outpouring of pledges that now total between $6 and $7 million.

The two buildings, which occupy more than 2.5 acres, represent about 15 percent of the total Belknap acreage and slightly more than that percent of the property's worth, Jones said. Based on a 1986 assessment, that would put the two buildings' value at between $750,000 and $1 million.

Exactly what the buildings are worth is a matter of opinions. Jeremiah Lloyd, lead counsel for the unsecured creditors in the Belknap bankruptcy case, said he was never interested in owning the complex's buildings becaue of their design.

They were built in the late 1920s for the wholesale hardware business, which required the storing of thousands of heavy items. That called for thick concrete floors and huge load-bearing columns that eat up floor space.

"As a practical matter, it had little use for anything other than what it was built for," Lloyd said.

However, the $6 million to $7 million raised for renovating the warehouses will give the Presbyterians plenty to work with, the attorney said.

Jones declined to react to Lloyd's comments about the property. But he did say that their value is enhanced by the possibility of turning "those old buildings into useful, attractive buildings at an affordable cost."

And while the developing of the Presbyterians' property and the rest of the riverfront could boost the value of the rest of the complex, that doesn't necessarily mean Jones will profit.

He said he is willing to donate the rest of the Belknap complex, given the right situation.

"Only time will tell," he said. "But if you or anyone else has a good idea to create jobs . . . then I am willing to consider the property away."

[From the Louisville (KY) Courier-Journal, June 21, 1987]

JOHN M. MULDER: A GIFTED LEADER WHO GETS THINGS DONE

(By John C. Long)

Before he became president of Louisville Presbyterian Theological Seminary in 1981, at the age of 35, Dr. John M. Mulder was a noted student of the life of Woodrow Wilson.

He even wrote a book about him—"Woodrow Wilson: The Years of Preparation," a study of the 28th president's religious and political thought, published by Princeton University Press in 1978.

One of Wilson's letters hangs framed in his office.

"On balance," Mulder said yesterday, Wilson is one of his heroes.

With the success last week of his leadership of the come-from-behind effort to bring the headquarters of the Presbyterian Church (U.S.A.) to Louisville, Mulder, at age 41, may have surpassed his sometimes hero in the exercise of practical politics.

Good historian that he is, Mulder discounts a favorable comparison to a man who backed the machine to be elected governor of New Jersey and was twice elected president. Yet Mulder was more successful with the church's General Assembly in Biloxi, Miss., last week than Wilson was with the U.S. Senate.

Mulder was one of the first people to start talking seriously about Louisville as a headquarters for the church when it was in the last stages of being formed by the reunion of the old Northern and Southern Presbyterian Churches in 1983. As a historian, he saw that Louisville was a natural choice because of its historic role in bringing about the reunion.

Since 1901, for example, the seminary had been the only one supported by both the Northern and Southern churches, and the move to unite individual presbyteries of both denominations had roots in Louisville and Kentucky, a border city and a border state.

He helped convey this vision outside Louisville to enough Presbyterians across the country to make the city a serious contender from the beginning. And he conveyed it to enough people across the diverse religious, business and civic communities within Louisville to galvanize them all to work together.

And it was he who coordinated the city's unprecedented team effort in Biloxi—and who just before the vote, in what may have been the most important sermon of his life, convinced the majority of the members of the church's General Assembly that what Louisville offered was good for the church and its mission.

Mulder had the unusual ability to bridge the diverse groups whose cooperation was needed in the effort, says Jim Walters, vice president for design and construction for Humana Inc.

Walters, who is in charge of developing the headquarters building, worked in tandem with Mulder during the entire nine-day Presbyterian General Assembly.

"He is a really balanced mix of the pragmatic and intellectual," Walters said—a "wordly activist that can get things done, that can deal with people in business, that can deal with people politically in the church, understands financial implications and that kind of thing."

Mulder, said Walters, is "an interesting mix" of "gifted spiritual leader and someone with a lot of insight into the human condition."

"He's absolutely fantastic," said David Jones, the Humana Inc. chairman, who donated the property for the headquarters and served as Mulder's co-chairman on the committee to attract the headquarters. "He's honest, he's smart, he's energetic, he's a leader. He's a thinker, he's an innovator. Not only that, he's an integrator; he can get things from a lot of directions."

And "he's a good politician," said Betty Jones, David Jones' wife.

That's his "practical streak," David Jones said. "He can bring it down to earth where people can understand it."

"He has the ability to do a lot of important things and keep them in perspective."

The men got to know each other at Highland Presbyterian Church, where both families are members.

"You could also say I like him," Jones said.

Dr. Grayson Tucker, a professor of church administration and evangelism at the seminary who worked closely with Mulder at the convention as the Louisville team's chief political strategist and parliamentarian, called Mulder brilliant.

Tucker, who has taught church administration for 20 years, said Mulder's organizational ability is "an intuitive gift—of being able to anticipate possibilities and of knowing how to relate to people. It's just a natural inborn characteristic of John.

"He's blessed with that—academically and administratively."

Mulder, who was born in Chicago, graduated from Hope College in Michigan in 1967 and earned a master of divinity degree from Princeton Theological Seminary in 1970 and a Ph.D. in history from Princeton University in 1974.

He was a reporter for the Wall Street Journal in the summer of 1965, a student assistant minister in Philadelphia in 1967-68, an assistant to Oregon Sen. Mark O. Hatfield and an editorial assistant at the scholarly journal Theology Today from 1969 to 1974, when he became an assistant editor, a post he still holds.

At Princeton, he was an assistant professor of American church history from 1975 to 1980 and, in 1980-81, he was an associate professor of American church history at Princeton Theological Seminary.

He was ordained a Presbyterian minister in 1970 and was a pastor in Rensselaerville, N.Y., in 1977.

He and his wife, Mary, have two children, Aaron, 12, and Cora, 6, who accompanied him to Biloxi.

Mulder's favorite quotation from Wilson—which he put in his book—may offer some insight into Mulder, and the forces that drove him to success in Biloxi and in the two-year effort that preceded the victory:

"Power in its last analysis is never a thing of mere physical force; the power that lasts has as its center the just conception to which men's judgments assent, to which their hearts and inclinations respond. An unjust thing is ever ephemeral; it cannot outlast any age or movement or inquiry. The action of the world, if you will but watch it in the long measure, is always based on right thinking, and the thinker must always walk at the front and show the way."

Behind Wilson's thought, Mulder said, is "a Calvinist sense . . . that God's sovereignty in history does prevail. . . . The danger was that he might identify that providential order with himself and his ideas, but it did give him a sense of mission and purpose and a vision of how to order a just and moral society."

One of Wilson's "great themes," Mulder said, was "the power of ideas and their ability to persuade people and motivate people to action."●

WILD AND SCENIC RIVERS ACT

● Mr. JOHNSTON. Mr. President, on July 1, 1987, the Committee on Energy and Natural Resources filed the report to accompany H.R. 317, a bill to amend the Wild and Scenic Rivers Act by designating a segment of the Merced River in California as a component of the National Wild and Scenic Rivers System.

At the time the report was filed, the committee had not received an estimate of cost from the Congressional Budget Office. The committee has now received that report, and I ask that it be printed in the RECORD at this time for the use and information of the public and my colleagues of the Senate.

The material follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, July 2, 1987.

Hon. J. BENNETT JOHNSTON, Jr.,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 317, a bill to amend the Wild and Scenic Rivers Act by designating a segment of the Merced River in California as a component of the National Wild and Scenic Rivers System, as ordered reported by the Senate Committee on Energy and Natural Resources, June 25, 1987.

H.R. 317 would authorize the appropriation of $235,000 beginning in fiscal year 1988 to carry out the provisions of the bill. Based on information from the Bureau of Land Management, the National Park Service and the Forest Service, CBO estimates that if this bill is enacted, these funds would be spent over five years, primarily for the completion of a management plan and associated administrative costs.

We estimate that enactment of this bill will not affect the budgets of state or local governments.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

EDWARD M. GRAMLICH,
Acting Director.●

THE BURRELL CENTER

● Mr. DANFORTH. Mr. President, the recognition of a serious community need led to the creation of the Burrell Center in 1977 as a private, nonprofit organization to provide mental health care services to the Springfield, MO, community.

Effective fiscal and program management has enabled the Burrell Center to develop a comprehensive system of mental health care services for individuals in a eight-county area of southwest Missouri.

The services offered by the center range from prevention of mental illness to care for the chronically ill. The center has been successful in integrating private with public resources, in order to ensure its future financial viability.

The Burrell Center has guided its decision by a fundamental commitment to help people realize their own potential. The Burrell Center approaches the future with a determination to continue to provide progressive mental health care services.

On September 15, the Burrell Center and the community it serves will recognize the contributions of this organization to Springfield, MO, and the surrounding area. I join in expressing appreciation for the good works of the Burrell Center and in extending my best wishes for success in the years to come.●

NAUM MEIMAN

● Mr. SIMON. Mr. President, once again, I would like to speak out on behalf of Naum Meiman, a Soviet refusenik who has repeatedly been denied permission to leave the Soviet Union.

For over 10 years now, Naum has lived in constant fear. After expressing his desire to emigrate to Israel, Naum consequently lost his job, his rights as a citizen, and has been the subject of continual religious persecution.

No individual should have to endure what Naum has had to suffer for the past decade. It is time for the Soviet Union to take action on behalf of Naum. I strongly urge the Soviet government to allow Naum Meiman to emigrate to Israel.●

PENSION PLANS OR COOKIE JARS?

● Mr. SIMON. Mr. President, retirement pensions are the foundations of retirement planning for millions of American workers and their families.

Pension plan arrangements assume some level of trust and cooperation between employer and employee. Unfortunately, too often this trust is violated, clouding the futures of thousands of Americans. Some employers boldly raid their employees' pension funds, viewing these accounts as "corporate cookie jars," as one observer noted. Other problems arise after mergers or when employers decide to rewrite long-established pension rules.

Reporter Molly Sinclair sketched some of these concerns in a recent article in the Washington Post. It is a timely addition to the emerging debate on pension equity issues, and I commend it to the attention of my colleagues.

I ask that the article be printed in the RECORD.

The article follows:

[From the Washington Post, July 6, 1987]

THE WAGES OF UNCERTAINTY: PENSION FUND CHANGES LEAVE WORKERS FEELING YANKED INTO CRISIS

(By Molly Sinclair)

In a Baltimore working-class neighborhood, retired steelworker Antonio (Tony) Pierorazio opens his mail to find that his usual monthly pension payment from the financially troubled Eastern Stainless Steel Co. has been slashed nearly in half, from $1,239 to $632. "It was negotiated to be there, so when it isn't there, it is like someone stealing from you," he said, "and that is hard to take."

In the rolling hill country of Cumberland, Md., former textile worker John Estes joins with other retirees to protest the Celanese Corp.'s diversion of the multimillion-dollar surplus that had piled up in the company pension fund. "They grabbed the biggest part of our pension fund . . . after handing us brochures and pamphlets for years that said the money was going into a fund for retirees," Estes complained bitterly.

And, in downtown Washington, Kathryn Foxhall contends that the American Public Health Association, where she works as the editor of the monthly newspaper, did away with the employee pension plan and replaced it with a less secure program. "The problem is that the new plan is not insured," she said.

Foxhall, Estes and Pierorazio are among the growing number of American workers and retirees who feel threatened by and outraged at what they believe to be the failure of the private retirement system to live up to its promises and to deal with them fairly.

Behind this reaction, according to experts familiar with the system, are increases in the number of troubled pension plans, although most pension plans are healthy and most employees get what they are promised, according to federal regulators.

But more than 2 million active and retired workers have been touched by what pension experts describe as a developing pension fund crisis. Thousands of workers have suffered because their pension plans had too little money; perversely, thousands more have been threatened because their pension plans have earned too much money, the experts say.

Pension Benefit Guaranty Corp., a federal agency funded with employer contributions, has been forced to pick up so many underfunded pension plans that the agency is running a $4 billion deficit. Congress is moving to amend the 1974 landmark law known as the Employee Retirement Income Security Act and rescue the ailing agency, which has $3 billion in assets to pay $7 billion in pension obligations. Nearly four-fifths of the $4 billion deficit is attributed to steel industry claims, including LTV Corp., the nation's second-largest steel producer, which filed for bankruptcy reorganization.

"It is inexcusable that we allow companies to escape into Chapter 11 bankruptcy today, to dump their retirees at the bankruptcy door, and to emerge profitable later with no further obligation to them," said Sen. John Heinz (R-Pa.), who is among those who advocate changes in pension law.

What comes out of current efforts to overhaul the $2 trillion pension system will have far-reaching social and economic implications for everyone, according to Nancy Altman, a pension specialist who teaches at Harvard University Law School.

"We have an aging population," Altman said, "and this issue involves not only matters of security and whether the elderly will be able to retire and maintain their standard of living in the future, but also equity among workers."

More than 355,000 workers have seen their benefits jeopardized because they belong to the 1,345 plans that have been terminated since 1974 because financially troubled employers went bankrupt or were unable to meet pension obligations.

Retirees from those companies still get pensions, because the plans were insured through the Pension Benefit Guaranty Corp. But 10 to 15 percent of the retirees get reduced pensions as a result of the agency's limits. It will not pay benefits exceeding $1,857.95 a month, and it reduces benefits for early retirees and for thousands who have received special pension supplements.

A larger number—an estimated 1.6 million workers—are confronted with a different problem. They belong to the 1,406 pension plans with an excess of funds. These plans accumulated huge surpluses because of high interest rates and massive stock market increases in the late 1970s and early 1980s. Corporations, to capture those extra funds legally, have been terminating the pension plans, keeping the surplus, and setting up new plans that are often less generous.

Since 1980, when the surpluses made the pension funds attractive enough to seize, companies have voluntarily terminated plans containing $35 billion. After calculating that they would need $19 billion to satisfy their pension obligations, the companies captured $16 billion in surpluses.

"Pensions are like corporate cookie jars," said Pension Benefit Guaranty Corp. executive director Kathleen Utgoff.

These corporate takeovers of pension surpluses have led to a heated and still unresolved dispute between workers and companies—with each side claiming the surplus as its own.

Congress is considering legislation to govern these takeovers, as part of a broader look at pension reform. Congress is also under pressure to shore up the Pension Benefit Guaranty Corp. by raising the rates employers pay to insure their pension funds, Furthermore, lawmakers are considering various proposals to improve the voluntary private pension system without overburdening corporations.

At Eastern Stainless Steel in Baltimore, where Pierorazio worked, the pension plan established for union workers has a $27 million gap. That is the difference between the fund's $12 million in assets and its $39 million pension obligation to the plan's 1,072 participants, including 383 retirees.

The plan is underfunded because Eastern failed to make annual contributions and because it agreed to steelworkers union proposals for "rich pension benefits," according to William F. Dausch, vice chairman of Eastern's parent company, Eastmet. "Back in the heyday, before imports became a big problem and when business was profitable, nobody suspected this would lead to underfunding," Dausch said.

Pierorazio, 49, went to work at Eastern at age 18 and remained there 30 years, volunteering for every overtime assignment to build up the salary base on which his retirement would be calculated.

"I worked many conditions—dirty, dusty, filthy, oily, hot and cold," Pierorazio said. "I worked inside the furnaces where your shoes can catch on fire, because you can only stay 10 minutes. I worked in the slag pits. I did not refuse any job, because I knew I was building my pension."

But in recent years, as signs of Eastern's financial problems surfaced, Pierorazio decided to retire and take his pension rather than risk a layoff. "I knew by the grapevine that they were going to do without us if they could, so I left to save my pension," he said.

Pierorazio also left with the idea of trying to parlay his savings and retirement check into a small business. In July 1986, two months after retiring, he bought a franchise for a french fried potato business, Boardwalk Fries, in the East Point Mall in Baltimore. Less than six months later, Eastern cut pensions for 35 to 40 retirees.

Pierorazio's pension was reduced from $1,239 to $632 a month. The size of the cut was governed by federal rules for companies seeking to turn over underfunded pension plans to Pension Benefit Guaranty Corp.

Because of his age, Pierorazio is eligible for only half the usual pension.

"It's a mental strain," Pierorazio said. "First of all, you become irritated, edgy, when you know this should never have been done . . . Thank God I have my health. That keeps me going."

Pierorazio and other Eastern retirees have hired Washington lawyers Peter Shinevar and Hope O'Keefe to oppose the Pension Benefit Guaranty Corp. takeover of Eastern's pension fund. They argue that the company, now in bankruptcy court, should be required to stand by the commitment to its workers.

Dausch said that the company cannot raise the money needed to meet its pension obligation.

He said that if Pension Benefit Guaranty Corp. refuses to take over pension payments, the Eastern fund eventually will run out of money and there will be no pensions for retirees.

Pension Benefit Guaranty Corp., which has never denied a company's request for a distress termination of its pension plan, is expected to decide on Eastern's application this summer.

While underfunding is responsible for Pierorazio's predicament, overfunding has aroused John Estes and several hundred other Celanese retirees. They have formed a group called Celanese Retirees Asking Fair Treatment.

The dispute dates to Jan. 23, 1984, when Celanese won Pension Benefit Guaranty Corp. approval to terminate the company's pension plan. At that time, the pension fund, bloated from investment earnings, contained $430.8 million.

Celanese calculated that only $105 million was needed to meet its promises to 7,292 active and retired workers, according to records.

That left a surplus of $326 million, Pension Benefit Guaranty Corp. records show, which Celanese diverted to other corporate purposes.

The recapture of the surplus was disclosed by Celanese in a 1983 news release headlined "Celanese Improves and Restructures Retirement Plan." The four-paragraph announcement said that the company was planning "a number of major improvements to the Celanese Retirement Income Plan" and that the company would receive approximately $160 million after taxes.

After terminating the pension plan, Celanese bought individual annuities from an insurance company to guarantee benefits for retirees.

But the retirees contend they will lose substantial benefits because the surplus will not be used to upgrade pensions and provide future cost-of-living improvements.

Estes, a scrappy 77-year-old, said: "They snatched our money." Celanese Retirees Asking Fair Treatment has hired Washington lawyer Michael S. Gordon to determine if the retirees can recoup any of the surplus.

After working 43 years at the Celanese textile mill in Cumberland, Estes retired in 1973. He and his wife Dessie live in a small house near the now-shuttered mill, and he receives a monthly pension of $261.

"We don't eat and drink off the top shelf," he said, "and we have had to learn to live within our means."

In the late 1960s, when Celanese introduced its pension plan, Estes said, the company presented workers with a pamphlet titled "Paying for Your Pension: When and How It's Done."

The pamphlet contained cartoon panels featuring a worker named Bob Ferguson, who asks questions about the pension, and a manager named Walter Miller, who answers. Among other things, Bob asks what would happen if the pension plan were ended for some reason.

"The chance of that happening is very remote," Miller replies, and he concludes by saying that ". . . in any case, the company couldn't get back any of the money."

They misled us," Estes said.

Officials at Celanese, now merged with American Hoechst Corp., said they are not familiar with that pamphlet.

"This is a different company now," said spokesman Edward C. Norton, "and I doubt that even the people who were in the old Celanese Corp. would remember back that far."

Norton denied that retirees lose cost-of-living increases under the new plan. He noted, for instance, that the company increased pensions by 4 to 8 percent in 1985 for eligible retirees.

He declined to comment on retirees' assertions that the company misled them and that the surplus belongs to them, saying, "It's something to iron out in court."

Kathryn Foxhall, 37, worries about another aspect of pension plan termination.

At the American Public Health Association, where she has worked for 12 years, management terminated its traditional pension plan, which provided her and other employes with specific retirement benefits that were to be paid by the association. Under that "defined benefit" plan, Foxhall's pension upon retirement would have been 60 percent of the salary she earned at that time, minus two-thirds of her Social Security benefits.

But the promises of that plan ended July 1, 1983, when it was terminated. The association distributed $450,000 from the fund to satisfy pension obligations to 80 plan participants. That left the association with a surplus of $752,000.

Under the new plan, a tax-deferred annuity, Foxhall's pension no longer has a specific, defined benefit. Instead, the size of her retirement benefits depands on her contributions to the annuity and the investment performance of that annunity.

"It could pay more and it could pay less," Foxhall said, "The point is, we don't know what it will pay."

Contributions to the annuity are provided by the health association and the worker, with the association contributing an amount equivalent to 5 percent of a worker's salary a year and matching up to 5 percent of the annual contributions made by the worker.

She said this puts some employes in the risky position of perhaps losing much of their retirement benefits if they are unable to make the contributions necessary to build up their retirement annuity, or if the investment they select gets wiped out in the market.

The association's deputy executive director, Paul Hall, said that Foxhall is "flat wrong" in saying the new plan lacks security.

Hall said that an employe can lose benefits under the new plan by choosing an investment dependent on stock market performance.

But the employe can avoid that risk, he said, by choosing a more conservative investment guaranteed by an insurance company.

"Obviously," Hall said, "if the insurance companies go belly up, the guarantees are not great."●

COMMENCEMENT ADDRESS OF DR. CAMILLE O. COSBY AT HOWARD UNIVERSITY

● Mr. SIMON. Mr. President, on May 9, Howard University celebrated its 119th commencement and took the opportunity to not only award approximately 2,000 degrees to new Howard alumni, but also to recognize the considerable academic and public service accomplishments of one of our colleagues, Senator TERRY SANFORD. Among many other achievements, Senator SANFORD has served as Governor of North Carolina and president of one of its most distinguished institutions of higher education—Duke University.

The Howard commencement address was delivered by Camille O. Cosby, who gave not only her maiden commencement speech, but her first public speech. She is a native of Washington, DC, and the daughter of Catherine and Guy Hanks, Sr. Following graduation from high school, she entered the University of Maryland in 1962 to pursue a degree in psychology. Her studies were temporarily interrupted when she married Dr. William Henry Cosby—Bill Cosby—star and producer of "The Cosby Show." Together, they are celebrated parents of five and philanthropists. Mrs. Cosby serves as vice president and codirector of the diversified Cosby Corp., and presently is a doctoral candidate on leave at the University of Massachusetts.

Many of this year's commencement speakers around the Nation sounded distinctly ethical and personal themes in calling the attention of young Americans to their role and obligation to contribute to building a better, brighter day for the current and future generation of Americans. Listen to just a few of their remarks:

Ted Koppel (Duke University)—"We have actually convinced ourselves that slogans will save us. Shoot up if you must, but use a clean needle. Enjoy sex whenever and with whomever you wish, but wear a condom. No! The answer is no. . . . . (b)ecause we have spent 5,000 years as a race of rational human beings, trying to drag ourselves out of the primeval slime by searching for truth and moral absolutes. In its purest form, truth is not a polite tap on the shoulder. It is a howling reproach. What Moses brought down from Mount Sinai were not the Ten Suggestions";

The Reverend Lawrence Jenco (Marist College)—"And on the evening of my release, Haj (another captor), quoting from my letter home to my loved ones, said "Father, forgive them for they know not what they do." I could not help but think these were the words of Jesus, who died in peace and returns to his disciples not with anger or retaliation against them, but with the simple greeting of "Peace be with you";

Joanne Woodward (College of the Atlantic)—"With each second you have after this one, you have to find a way to guarantee that time itself can live. We must choose to be custodians of this lovely planet that suckled us and led us peaceably forward with all the rest of nature for millions of years and could go on for its allotted billions more if we tell our time what to do. Otherwise, time and the earth could go out like a candle."

Former Senator J. William Fulbright (University of Miami)—"Instead of expecting to restrain forever the capacity to wage war, you've got to change the attitude of the people who control these warmaking machines and who make the decisions to use them. We have to understand the Russians, among others, and ourselves better than we have in the past";

Representative Michael Espy (D, MS) (Jackson State University)—"In the area of civil and human rights, it is said that your class and your generation are tired, that you have no appreciation for what your parents and grandparents went through to get you here. I don't believe this is true . . . You know that racism and discrimination have not vanished into history, that they are as much in the present as in the past, and that your goal is to not let it pass into the future. You know that as long as our children are denied equal access to the American Dream, your work must go on";

Author Joan Didion (Bard College)—"I'm not telling you to make the world better, because I don't believe progress is necessarily part of the package. I'm just telling you to live in it, to look at it, to witness it. Try and get it. Take chances, make your own work, take pride in it. Seize the moment";

Professor Robert Coles (St. Joseph College)—"One can only hope and pray for all of us that we will yet again find our way and be worthy of what this country is all about: a decent respect for people, life, liberty and the pursuit of happiness. And an end, perhaps, to the phoniness and corruption that we have been witness to in recent times".

Perhaps more than any other, Camille Cosby emphasized the need for Howard's 1987 graduates to commit to the importance of more than just material goods such as a remunerable job, a new car, financial security, et cetera. Instead, she urged them to reinvest in their communities. A salient feature of her address was love, which included self-love, community love, respect for parents and elders, sharing what we have with others, and nurturing friendships.

I commend her eloquent words and exceptional thoughts to my colleagues. I ask that Dr. Camille O. Cosby's May 9, 1987 commencement address be included in the RECORD.

The address follows:

COMMENCEMENT ADDRESS OF DR. CAMILLE O. COSBY

To the Chair of the Board, Dr. Woods, Members of the Board of Trustees, Students, Faculty, Staff, Parents, Today's Honored Graduates and President Cheek.

To begin, I hope you will permit me to say that this is the first public speech I have ever made.

I believed that one public speaker in our family was enough.

Perhaps it is not my task to historically detail the great works of the teachers, leaders, and graduates of Howard University. The list alone would require the time of several commencement speeches.

My Howard credential—is limited to having been Beauty Queen for Omega Psi Phi in 1961.

The reason that I downplay that so-called achievement is the emphasis on the "superficial" that it symbolizes.

As I see it, the problem with the "Superficial" is that it keeps us from looking at, working at, and caring about the deeper parts of ourselves and others.

I have little doubt that I won that Beauty Contest because of my color. (Or lack of it.) Because when I look at the pictures of that occasion, I see that the runner-up was prettier and much darker.

And I raise the color issue for a reason, which I will discuss later.

When the request that I "stand before you" came to me from Dr. Cheek, my first reaction was "Absolutely Not".

Then, the thought of sharing what I felt would be some useful thoughts for young lives began to intrigue me.

I say "Useful" because schools develop the intellectual part of ourselves and sharpen thinking skills, as Howard has done for you (or at least Howard has tried) so that livings can be made and lives improved.

And all of that is essential, as I tell my children. (Not that each one listens.)

But share with me, if you will, the results of my Ph.T—which stands for Pretty Hard Thinking.

I'm going to talk, some, about "love in our lives."

Love. An easy word but a hard accomplishment.

At this point it is "community love" that I wish to address. The kind of community love that lifts a people, the kind that has us working together, the kind that avoids the group put downs and the terms other apply to us, the kind that has us spending our money with and for one another, the kind that requires those who have, to give to our own, the kind that perpetuates self-love which saves our young men from suicide and our young women from pregnancies before they are self-sufficient.

It is around achieving our community love that the color part I raised earlier comes in.

We must stop using color to exclude our own—just as color has been used to exclude all of us.

We must not mimic our oppressors!

Getting rid of this social plague would free us up, such that self-love would be the prize.

But let me return to community love.

My rush home from school to pick up my infant brother from a neighbor's place in order to care for him until my parents got home from work did not leave me alone—because Miz Magowan down the street would check on me and keep me straight.

That was community love.

The dirt roads, the run-down farm houses of my childhood summers with my grandparents didn't keep Mrs. Sadie Seay down the road from telling me I was misbehaving—or telling my grandparents if I did not shape up.

That was community love.

True, they didn't have any "authority" (so to speak) over me, but they had concern.

When we refuse to hear or accept the negative talk that others enjoy sending our way,—For example "Jesse shouldn't run because he can't win", or "Things will not really change in South Africa", or "Black Americans can have all the suffering but no permanent access to the goodies", when we refuse to allow that talk to come within ear range that's community love.

When we do our homework, prepare, have the facts, prepare the analyses, go beyond mere talk, that's community love.

We must reproduce some of these elements: the elements of caring; the elements of confirming ourselves every day, in every positive way; the elements of putting our money where our mouths are—and if the mouths are not in the right place, getting that straight, too.

Even in the midst of the attempted devastation of our young men in this society—and that, of course, means that our young women and children are affected—we must create small havens that protect some, that nurture some, that help some—and that even make demands upon our children as Mrs. Seay or Mrs. Magowan did with me or as whoever your Mrs. Seay or your Mrs. Magowan did for you.

My presence here in Washington reminds me that some non-progressive politicians—who are theoretically so concerned about American history—would have this nation overlook how much we gave it Free for so long. These politicians would have us believe that our history began with the Poverty Program! What cannot be forgotten is that their welfare program, for 245 years (from 1620 to 1865) was Us!

But we must learn, since economics are so important, to harness our own dollar, to create our own small havens in the spirit of this community love. A community love that we need, that we can create, and that will much increase our powers.

The purchasing power of Black Americans is over two hundred billion dollars. That amount is greater than the national budget of Zimbabwe, Sweden, Nigeria, Greece, Spain and most industrial countries. We have the power of a nation if we leverage that dollar so that it circulates through our neighborhoods. We build our homes, we support our businesses, we require one another to give to our schools and neighbors' needs.

If there's money for BMW's, there's money for the National-Black-Child-Development Fund. If there's money for credit cards (at 21% interest), there's money for supporting your Howard Alumni Association.

If there's money for cigarettes, there has to be that same amount of money for church scholarship funds.

If we can run to the corner store to get bread, we can run to the voting booth to get strong.

That is community love.

And friendship love has its special value.

The small act, the "being-there" through good and bad times, the conscious and careful avoidance of deceit, jealousy, and sexual competition, the acceptance—and enjoyment—of our differences—all of these are friendship, without which none of us can truly thrive.

It is sad to see those in later years who had in earlier years, overlooked this kind of love. One sees the lonely women who thought their husbands' status was enough—or we see the lonely men who thought their work or money was enough.

Why we have to reach the point of loss—or the threat of loss—to appreciate the importance of friendship I'm not sure.

Five years ago, may dearest friend learned that she had a life-threatening illness. She said she couldn't have the needed operation right away because she had to finish her college courses.

I thought there were limits to the love of education!

And (I) told her so!

She was not leaving me without a Fight—She was going to have the best medical care and get her thinking straight about our love and what she had to do—win or lose.

She won and therefore we won. She's here—and it's her birthday. Happy birthday, Gladys.

I want now to talk about parent-child love.

I could stand here and say to you, "Respect your parents for what they have done for you—for what they have sacrificed".

But I am not going to say that.

Because many of your parents might not be able to hear that.

What I will say is that the path to success begins at home, begins with your beginnings and your acknowledgment of those beginnings, your thanks to those who made you possible: who made your education and career possible, who got you this far.

Each graduate here today is the end of one generation—and the beginning of another, each paving the way for the next, each weaving the historical thread that binds us over time and distance.

Each of you, at this threshold point in your lives, moves with one legacy that you have been given and another that you are creating.

Our strength is knowing that legacy, those big histories and those little histories, those daily ones in which we surmounted some insult—or sets of insults, those histories that fascinate our young and let them know what trouble is, and what it isn't—that it isn't the end of the world, that it is just another hurdle—those histories of ours that make us marvel—not at how we did poorly—but at how in heaven's name we did so well!

Those stories of pride and survival we must collect and pass on. They are our primary sources of strength.

I find it no accident that historically strong societies both revere their elders and know their histories.

Let us know these and pass them on.

There is a key part of our lives about which we don't quite know how to teach or even that it can be taught, that even Howard . . .—or any university—can give realistic guidance.

And that's the Man-Woman part.

Whole religions, whole philosophies, whole books, and whole songs are devoted to the topic of love between man and woman. Still, we don't quite get the hang of it. Why!

Perhaps because the giving that's urged, the selflessness, the helping are the hardest to do.

Perhaps because success looks more attractive, more alluring, even more important than love. After all, Success is pretty heady stuff.

The tough part is the one-on-one business of making a go of it with someone, the day-by-day small acts of caring, of risking hurt, of risking loss.

This is tough to do; it's even tough to talk about. That's why it has to be said.

This man-woman love, like health, requires daily regular attention, even giving up something you'd really like. And, like health, we don't have much else without it.

The giving-getting cycle gets broken somewhere. Any discussion of giving and getting leads to our fear of others taking. In other words, we worry about their not giving.

And; there's the trouble.

We forget that there are two things which, if we give away, there's more of.

One is learning.

The other is love.

There must be learning, even about this love.

There is the learning that men can do, and the learning that women can do.

Let's start with the men.

If men only knew how sexy they are when they are caring for a child.

If men only knew how sexy they are when with hand as well as heart, how looking us in the eye can in a special way be as important as looking good, how warm words and softness goes much further than macho, the homefront would be mighty different.

If men only knew.

Now, ladies, this vice requires some versa.

For if our men can change, we can, too, because our giving gets us outside of ourselves and can let us erase the faking—the faked smiles, the faked happiness, and the faked anything else-you-can-think-of-and then we can be honest about our hugs, and quiet thank-yous.

In important respects, all the levels of love are related—community, friendship, parent-child, personal partnerships. To make men and women's lives smoother, the work-world can consider the six-hour work day, flexible working hours, day-care right where we work or even live.

The community can provide counseling services which could help us with the inevitable personal conflicts and point up the universality of our difficulties. As for (those) conflicts, it's not whether we'll have them, it's when, for if you're breathing you will. All of this will ease our lives and give us more time for—and with—one another.

The commencement speakers I have heard over the years have spoken of graduates "going forth into the world to achieve great things".

I speak, here, today, of the how's, the with-whoms, the because-of's-loves at many a level, the loves that we can create in our communities, with friends, parents, children, personal partners—that smooth the way, ease the pain, and make the achievements worthwhile.

Now, at age 43, I am more aware of my love for my people and my community. I will continue to support my community because the community is my support. I value my friendships. I will reflect on the 23 years Gladys and I have been building our friendship and how special it is because it still exists. As an aware parent, I've been at this job for 22 years now and have found it one of the most difficult jobs anyone can have. Parents must wait years to see the results of their time spent raising children, as my parents did. I'm waiting. Hopefully, the years spent will be worthwhile.

Most importantly, I know my husband after 23 years of marriage. We are bonded. We work at it.

However, my awareness can mean little to you if it does not translate into each of your languages of love, concern, and support.

Years from now, when you, today's honored graduates, return here as paying parents, proud of your Howard sons and daughters, I believe it is those human qualities of love, concern and support that you will have remembered.

Thank you for hearing me today. I wish you love and success.●

IRISH CHILDREN'S SUMMER PROGRAM

● Mr. WARNER. Mr. President, I rise to bring to the attention of the Senate the Irish Children's Summer Program, headquartered in Richmond, VA, and dedicated to fostering better understanding between Irish Protestants and Catholics.

July 9, 1987, Martina Walters and Elizabeth Ann Hyndman will be visiting the U.S. Capitol from Derry, Ireland.

Tina and Anna are 2 of the 24 participants in the Irish Children's Summer Program, Inc. of Richmond, VA. Mr. Desmond McHugh, the program's director is a native of Derry, Ireland, and is now a resident and artisan in Richmond, VA.

The Irish Children's Summer Program, Inc. is an organization established for the purposes of exposing the young participants in the program to Catholics and Protestants living harmoniously with one another and to a life in the United States apart from their daily strife in Northern Ireland. It is the underlying hope of the framers and sponsors of this program that these children will return to Northern Ireland with a broadened perspective toward people of different faiths living peacefully with one another.

The children are chosen as participants in the program through a selection process administered by their schools and teachers. This year 24 children, 12 Protestants and 12 Catholics were sponsored by host families in Richmond, VA, and the surrounding areas. Next year the program hopes to solicit the support necessary to sponsor 100 to 150 young children from Northern Ireland to visit with host families in Richmond and the surrounding communities. The children visit with their individual host families in the United States for 6 weeks commencing in early July. All the participating children and host families are brought together on three different occasions during the 6-week period to take part in a group event.

Tina and Anna are visiting the Capitol with their host family, Dr. William Richard Jeter (Dick) and Michelle Galea Jeter, and their new American friend, Ms. Tyler Branch, daughter of Mr. and Mrs. Patteson Branch all from Richmond, VA. Dick and Michelle have been afforded the opportunity to sponsor two of the participants in the program, one of which is Catholic and the other of which is Protestant. The Jeter marriage is one of a Protestant and Catholic. Mr. John H. Galea (Michelle's father), senior vice president and general counsel of Reynolds Metals Co., headquartered in Richmond, was instrumental in gaining much of the support necessary to facilitate the success of this year's program.

While in the United States, Tina and Anna will experience a summer much like other Americans their age. They are taking swimming lessons, will go to the Richmond Braves' baseball games, visit Nags Head, NC, and be a part of the family and friend get-togethers of their host family.●

THE NEW FREEDOM BELL

● Mr. SIMON. Mr. President, today I join my colleagues in welcoming the "New Freedom Bell" to our Nation's Capital. How fitting in this 200th anniversary year of the Constitution that the full-sized replica of the original Liberty Bell should tour our great and good country.

The bell has visited more than 30 U.S. cities including St. Louis and Chicago and is making its final stop here before it will be presented to the city of Philadelphia.

This tour is a perfect time for all to rededicate themselves to the ideals of freedom and respect for the dignity of every individual no matter race, creed, sex or national origin. The bell is for people everywhere who yearn, more than anything else, for true peace, freedom and brotherhood and sisterhood on Earth.●

UNANIMOUS CONSENT AGREEMENT—S. 1257

Mr. BYRD. Mr. President, I ask unanimous consent that S. 1257, a bill to reaffirm national housing policy and for other purposes, that was introduced on May 21, 1987, and referred to the Committee on Banking, Housing, and Urban Affairs, be considered referred under the following agreement:

That the Banking Committee be limited in its consideration of the bill to matters other than those which amend the Internal Revenue Code.

That after the Banking Committee reports the bill, it be referred to the Finance Committee for consideration of only those matters that amend the Internal Revenue Code.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR STAR PRINT OF S. 1437

Mr. GRASSLEY. Mr. President, I ask unanimous consent that a Star Print of S. 1437 be printed to correct an oversight by inserting at page 2, line 4, after the comma, the following: "for drug trafficking,".

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BYRD. Mr. President, I ask the distinguished acting Republic leader, Mr. GRASSLEY, if the nominations on page 3 and page 4 of the Executive Calendar have been cleared on his side of the aisle.

Mr. GRASSLEY. I say to the distinguished majority leader that they have been cleared on the minority side, and that it is OK with us to proceed.

Mr. BYRD. I thank the acting Republican leader.

Mr. President, I ask unanimous consent that the Senate go into executive session to consider all nominations on page 3, all nominations on page 4 of the Executive Calendar; that they be considered en bloc and confirmed en bloc, that the motion to reconsider be laid on the table; that the President be immediately notified of the confirmation of nominations; and that the Senate return to legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

NATIONAL COUNCIL ON THE HANDICAPPED

Carolyn L. Vash, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989, vice H. Latham Breunig, term expired.

Theresa Lennon Gardner, of the District of Columbia, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989, vice Jeremiah Milbank, term expired.

Harry J. Sutcliffe, of New York, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989, vice Michael Marge, term expired.

Sandra Swift Parrino, of New York, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989, reappointment.

Alvis Kent Waldrep, Jr., of Texas, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989, reappointment.

Leslie Lenkowsky, of New York, to be a member of the National Council on the Handicapped for the remainder of the term expiring September 17, 1987, vice Justin W. Dart, Jr.

Leslie Lenkowsky, of New York, to be a member of the National Council on the Handicapped for a term expiring September 17, 1990, reappointment.

Joni Tada, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1988, vice Joseph Dusenbury, term expired.

DEPARTMENT OF EDUCATION

Beryl Dorsett, of New York, to be Assistant Secretary for Elementary and Secondary Education, Department of Education, vice Lawrence F. Davenport.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Jean Vaughan Smith, of California, to be a member of the National Council on the Humanities for the remainder of the term expiring January 26, 1990, vice Helen Marie Taylor.

DEPARTMENT OF EDUCATION

LeGree S. Daniels, of Pennsylvania, to be Assistant Secretary for Civil Rights Department of Education, vice Harry M. Singleton, resigned.

LEGISLATIVE SESSION

Mr. BYRD. Mr. President, is there anything else?

Mr. GRASSLEY. That is all we have on this side of the aisle.

PROGRAM

Mr. BYRD. Mr. President, on tomorrow the Senate will convene at the hour of 8:45 a.m.

The time of the two leaders under the standing order has been reduced to 7½ minutes each. If some of that time is not used or yielded back such time as is not used or is yielded back will be utilized for morning business with Senators to be permitted to speak therein up to 1 minute each.

At the hour of 9 o'clock a.m., in any event, the Senate will resume consideration of the pending business, S. 1420, a bill to authorize negotiations of reciprocal trade agreements. The pending question at that time will be on the amendment by Mr. QUAYLE, Amendment No. 442, on which there is a time limit of 30 minutes for debate, with 25 minutes to be under the control of the Senator from Indiana [Mr. QUAYLE] and 5 minutes to be under the control of the Senator from Ohio [Mr. METZENBAUM]. No amendments will be in order and no points of order, no motions will be in order to the Quayle amendment.

A vote will occur at 9:30 a.m. on the Quayle amendment without any intervening action or quorum call. A motion to reconsider will be deemed laid on the table.

Then without any intervening quorum call, mandatory or otherwise, immediately following the disposition of the amendment by Mr. QUAYLE, the Senate will proceed to vote on the motion to invoke cloture on the Moynihan amendment, No. 367.

Following the disposition of the cloture vote, regardless of the outcome, the Senate will proceed to the DeConcini amendment on which there will be 30 minutes of additional debate. That is amendment No. 448 as amended by the Gramm amendment. The 30 minutes will be equally divided and controlled by the Senator from Rhode Island [Mr. PELL] and the Senator from Arizona [Mr. DECONCINI].

At the conclusion or yielding back of time, the Senator from Alaska [Mr. STEVENS] will be recognized to offer a motion to table the amendment. If the tabling amendment fails or if it carries, in the event cloture has been invoked, and I doubt that it will have been invoked, but if cloture had been invoked, then the debate will resume on the amendment by Mr. MOYNIHAN. If the tabling motion fails, and cloture has not been invoked, or in any event whether or not it has been invoked at such time as the Senate resumes consideration of the DeConcini amendment, there will be no time limit thereon, and there will be no restrictions with reference to amendments and motions on the DeConcini amendment.

Mr. President, does my friend, Mr. GRASSLEY, have any further statement or business that he would like to have transacted this evening?

Mr. GRASSLEY. At this point we have no further business, I say to the distinguished floor leader.

Mr. BYRD. Mr. President, I thank the Senator.

Mr. President, I have stated the program now. This means that there will be at least three rollcall votes very early tomorrow.

Mr. GRASSLEY. Will the majority leader state the approximate time?

Mr. BYRD. Yes.

The first rollcall vote will occur at about 9:30 a.m. The second rollcall vote will occur immediately thereafter. That will be on the vote on the motion to invoke cloture and then the third rollcall vote will occur about 30 minutes following that vote.

So you have a vote at 9:30. You have another vote around 10 o'clock, circa 10 o'clock. You would have another vote around 11 o'clock.

Mr. GRASSLEY. I thank the leader.

Mr. BYRD. That is a rough estimate. And other rollcall votes will very likely ensue during the morning, certainly during the midday and afternoon and evening.

I anticipate that tomorrow evening the Senate will be in session continuing its consideration of the trade bill and I think that the chances of winding up consideration of the trade bill are fairly good by the close of business on Friday.

This may not be the case, but at least there is reason to hope for that as of this moment.

RECESS UNTIL 8:45 A.M. TOMORROW

Mr. BYRD. Mr. President, if there be no further business to come before the Senate, I move that the Senate

stand in recess until the hour of 8:45 a.m.

The motion was agreed to, and at 9:20 p.m., the Senate recessed until tomorrow, Thursday, July 9, 1987, at 8:45 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 8, 1987:

NATIONAL COUNCIL ON THE HANDICAPPED

Carolyn L. Vash, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989.

Theresa Lennon Gardner, of the District of Columbia, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989.

Harry J. Sutcliffe, of New York, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989.

Sandra Swift Parrino, of New York, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989.

Alvis Kent Waldrep, Jr., of Texas, to be a member of the National Council on the Handicapped for a term expiring September 17, 1989.

Leslie Lenkowsky, of New York, to be a member of the National Council on the Handicapped for a term expiring September 17, 1987.

Leslie Lenkowsky, of New York, to be a member of the National Council on the Handicapped for a term expiring September 17, 1990.

Joni Tada, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1988.

DEPARTMENT OF EDUCATION

Beryl Dorsett, of New York, to be Assistant Secretary for Elementary and Secondary Education, Department of Education.

LeGree S. Daniels, of Pennsylvania, to be Assistant Secretary for Civil Rights, Department of Education.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Jean Vaughan Smith, of California, to be a member of the National Council on the Humanities for the remainder of the term expiring January 26, 1990.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Wednesday, July 8, 1987*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Praise the Lord! Praise God in His sanctuary; praise Him in His mighty firmament! Praise Him for His mighty deeds; praise Him according to His exceeding greatness!—Psalms 150:1, 2.

May we, O God, learn to live lives of thanksgiving for all Your gifts to us and help us to bring the words of joy and praise into the reality of our daily concerns and so touch each moment with Your grace and love. This we pray. Amen.

THE JOURNAL

The **SPEAKER.** The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mrs. Emery, one of his secretaries.

REQUEST FOR VOTE ON APPROVAL OF THE JOURNAL

Mr. **FROST.** Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The **SPEAKER.** The Chair will have to advise the gentleman that the Chair was unaware of his intention to make such a request. The request comes too late, other business having transpired in the meanwhile from the time of the Chair's announcement of his approval of the Journal.

The Chair would suggest that in the future if Members desire to make that point and demand a vote upon the Journal, they allow the Chair to know in advance so that the Chair might rightly protect their rights.

Mr. **FROST.** I would only mention, Mr. Speaker, that I was on my feet and was attempting to get recognition at the time.

The **SPEAKER.** If the gentleman from Texas would like to ask for a call of the House, the Chair would be pleased to entertain a motion for a call of the House.

CALL OF THE HOUSE

Mr. **FROST.** Mr. Speaker, I move a call of the House.

The **SPEAKER.** Without objection, a call of the House is ordered.

PARLIAMENTARY INQUIRY

Mr. **SENSENBRENNER.** Mr. Speaker, reserving the right to object, I have a parliamentary inquiry.

The **SPEAKER.** The gentleman will state his parliamentary inquiry.

Mr. **SENSENBRENNER.** Mr. Speaker, the rule requires that the Private Calendar be called before any other business is conducted on the first Tuesday of the month, and I would ask the Chair whether the call of the House is timely.

The **SPEAKER.** The Chair would respond by stating that a call of the House may be entertained at the Chair's discretion at any time before the call of the Private Calendar to which the gentleman has referred.

Mr. **SENSENBRENNER.** Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER.** Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 245]

ANSWERED "PRESENT"—364

Ackerman
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Badham
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Bennett
Bentley
Berman
Biaggi
Bilbray
Bliley
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boulter
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clarke
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Crockett
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Dyson
Eckart
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Frenzel
Frost
Gallegly
Gallo
Gekas
Gibbons
Gilman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Johnson (SD)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Latta
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCollum
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (WA)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sawyer
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shumway
Sikorski
Sisisky
Skaggs
Skeen
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stenholm
Stokes
Stratton
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Traficant
Traxler
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Weber
Weldon
Wheat
Whittaker
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (FL)

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

□ 1115

The SPEAKER. On this roll call 364 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call were dispensed with.

PRIVATE CALENDAR

The SPEAKER. Pursuant to the order of the House of Thursday, July 2, 1987, this is the day for the call of the Private Calendar. The Clerk will call the first bill on the Private Calendar.

ALLEN H. PLATNICK

The Clerk called the bill (H.R. 945) for the relief of Allen H. Platnick.

There being no objection, the Clerk read the bill, as follows:

H.R. 945

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SATISFACTION OF CLAIM AGAINST UNITED STATES.

The Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,756.02 to Allen H. Platnick. The payment of such sum shall be in full satisfaction of any claim of such person against the United States arising out of an offer of employment at Fairchild Air Force Base that was made to such person in 1978 through agents of the United States Army and was subsequently withdrawn by agents of the United States Air Force.

SEC. 2. LIMITATION ON ATTORNEYS AND AGENTS FEES.

It shall be unlawful for more than 10 percent of the amount appropriated in section 1 to be paid to or received by any agent or attorney for services rendered in connection with the claim described in such section. Any person who violates this section shall be fined not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BEULAH C. SHIFFLETT

The Clerk called the bill (H.R. 1477) for the relief of Beulah C. Shifflett.

There being no objection, the Clerk read the bill, as follows:

H.R. 1477

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Beulah C. Shifflett of Albermarle County, Virginia, $811.20, in full settlement of all claims of Beulah C. Shifflett against the United States by reason of non-receipt of two Treasury checks numbered 5,254,109, dated September 27, 1963, in the amount of $800; and numbered 5,264,568, dated October 11, 1963, in the amount of $11.20, both of which checks were issued to Beulah C. Shifflett by the authority of the United States Army Finance and Accounting Center in payment of lawful obligations of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

O. EDMUND CLUBB

The Clerk called the bill (H.R. 1387) for the relief of O. Edmund Clubb.

There being no objection, the Clerk read the bill, as follows:

H.R. 1387

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that—

(1) O. Edmund Clubb served from 1928 until his retirement in 1952 as a United States Foreign Service Officer, with eighteen years of service in China, including assignment from 1947 to 1950 as United States Counsel General in Peiping (Peking), China;

(2) certain personal possession belonging to Mr. Clubb, consisting generally of his personal collection of valuable objects of d'art and rare manuscripts, were removed and detained by local Chinese authorities from a shipment of his personal effects following his departure from China in 1950, or otherwise became unaccounted for in the course of such departure;

(3) in the expectation that these possessions could be regained through diplomatic representations by the British and United States Governments to the Government of the People's Republic of China, Mr. Clubb refrained from pursuing claims for compensation against the Chinese or United States Government;

(4) all diplomatic efforts to locate and regain these possessions have been exhausted without result, leaving no recourse but to consider them as an uncompensated loss, having occurred during the service of Mr. Clubb as a civilian employee of the United States Government; and

(5) there remains no other remedy for this loss than to obtain compensatory payment from the United States Government, of which Mr. Clubb was an employee at the time of the loss, and in the service of which the loss occurred.

SEC. 2. (a) The Secretary of State shall settle and pay, in accordance with section 3 of the Military Personnel and Civilian Employees Claims Act of 1964 (31 U.S.C. 241), the amount of claims by O. Edmund Clubb, of Palenville, New York, against the United States—

(1) for the loss of his personal property which occurred as a result of or incident of his service in the Foreign Service of the United States in Peiping (Peking), China from 1947 to 1950, plus interest at a rate of 6 per centum from the date of the loss, and

(2) for those costs of shipping his personal effects from China, following that period of service, which were authorized by the Federal Government but for which Mr. Clubb was not reimbursed, plus interest at a rate of 6 per centum per annum from the date of the shipment or shipments involved.

Such claims shall be determined notwithstanding those provisions of subsection (b)(1) of section 3 of the Military Personnel and Civilian Employees Claims Act of 1964, relating to the time at which claims arose and limiting the amount of a claim, and notwithstanding subsection (c)(1) of that section.

(b) In determining the amount of claims described in subsection (a) of this section, the Secretary of State shall deduct any amounts which O. Edmund Clubb has received from any source on account of the same claims.

(c) The payment of any claims described in subsection (a) of this section shall be made from funds made available to carry out section 3 or section 9 of the Military Personnel and Civilian Employee Claims Act of 1964 (31 U.S.C. 241 or 243a).

(d) The account in the Treasury from which payments are made pursuant to subsection (c) of this section shall be reimbursed, to the extent of those payments, from any sums described in subsection (f)(1) of section 8 of the International Claims Settlement Act of 1949 (22 U.S.C. 1627(f)(1)) that remain after all payments are made pursuant to subsection (f) of such section 8.

SEC. 3. Any amounts paid to O. Edmund Clubb under this Act shall be in full settlement of any claim he has against the United States or the Government of the People's Republic of China arising from the loss of property or the shipping costs described in section 2(a) of this Act.

SEC. 4. No amount in excess of 10 per centum of the amount paid pursuant to section 2 of this Act shall be paid to or received by any agent or attorney in connection with the claims described in section 2(a) of this Act. Any person violating this section shall be guilty of a misdemeanor and upon conviction shall be fined not more than $1,000.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. HUBBARD

Mr. HUBBARD. Mr. Speaker, I offer an amendment in the nature of a substitute:

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. HUBBARD: Strike all after the enacting clause and insert:

"That the Secretary of the Treasury shall pay, out of funds in the Treasury not otherwise appropriated, $15,086.70, plus interest in the amount of 6 per centum from July 31, 1970, to Mr. O. Edmund Clubb of Palenville, New York, in full settlement of all his claims against the United States for the loss of personal property incident to his service as Counsel General in Peking, China, in 1950.

SEC. 2. It shall be unlawful for any amount in excess of 10 per centum of the payment referred to in the first section of this Act to be paid to, delivered to, or received by any agency or attorney in consideration for services rendered in connection with such payment. Any person who violates this section shall, upon conviction, be fined not more than $1,000.

Mr. HUBBARD (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER. The question is on the amendment in the nature of a substitute offered by the gentleman from Kentucky [Mr. HUBBARD].

The amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RICK HANGARTNER, RUSSELL STEWART, AND DAVID WALDEN

The Clerk called the bill (H.R. 1418) for the relief of Rick Hangartner, Russell Stewart, and David Walden.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The **SPEAKER.** Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

MARSHA D. CHRISTOPHER

The Clerk called the bill (H.R. 1386) for the relief of Marsha D. Christopher.

There being no objection, the Clerk read the bill, as follows:

H.R. 1386

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of sections 8131 and 8132 of title 5, United States Code, shall not apply with respect to injuries incurred by Marsha D. Christopher of Romulus, Michigan, as a result of an attack by a dog on August 9, 1979, while Marsha D. Christopher was performing her duties as a letter carrier for the United States Postal Service.

SEC. 2. (a) The Secretary of the Treasury shall pay, out of any funds in the Treasury not otherwise appropriated, to Marsha D. Christopher, an amount equal to the sum of—

(1) any amount of compensation for the injuries referred to in the first section of this Act, refunded, under section 8132 of title 5, United States Code, to the United States by Marsha D. Christopher, or on her behalf, before the date of the enactment of this Act; and

(2) any amount of reduction in compensation payable to Marsha D. Christopher; under chapter 81 of title 5, United States Code, for the injuries referred to in the first section of this Act, made under section 8132 of such title before the date of the enactment of this Act.

(b) It shall be unlawful for any amount of the payment referred to in subsection (a) to be paid to, delivered to, or received by any agent or attorney in consideration for services rendered in connection with such payment. Any person who violates this subsection shall not be fined more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1130

JOYCE G. McFARLAND

The Clerk called the bill (H.R. 1275) for the relief of Joyce G. McFarland.

There being no objection, the Clerk read the bill, as follows:

H.R. 1275

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ENTITLEMENT TO SURVIVOR ANNUITY AND OTHER PAYMENTS.

For the purposes of sections 8339, 8332(c), 8334(j), and 8341 of title 5, and section 8991 of title 10, of the United States Code, the late Neal G. McFarland (Service Number AF 34427284; Social Security Number [redacted]) shall be deemed to have, on March 28, 1975—

(1) waived entitlement to his military retired pay,

(2) elected to receive in lieu thereof a civil service retirement annuity based on his combined military and civilian service, and

(3) made any deposit required to be made in order to receive such an annuity.

SEC. 2. PAYMENTS.

(a) TO JOYCE G. McFARLAND.—

(1) MONTHLY PAYMENT OF ANNUITY.—A survivor annuity payable to Joyce G. McFarland by virtue of section 1 shall commence on the first day of the first calendar month beginning after the date of the enactment of this Act. The initial annuity rate shall be the annuity rate which Joyce G. McFarland would have been entitled to receive had this Act been enacted on April 16, 1975.

(2) LUMP SUM PAYMENT.—The Secretary of the Treasury shall pay to Joyce G. McFarland, out of the Civil Service Retirement and Disability Fund, a lump sum payment—

(A) equal to the sum of—

(i) the survivor annuity payments which Joyce G. McFarland would have been entitled to receive under chapter 83 of title 5, United States Code, had this Act been enacted on April 16, 1975; and

(ii) the civil service retirement annuity payments which would have been payable to Neal G. McFarland based on this service, had this Act been enacted on March 28, 1975; less

(B) an amount equal to the sum of—

(i) the amount referred to in subsection (b);

(ii) an amount equal to any deposit which he would have been required to make in order to have received a civil service retirement annuity based on his combined military and civilian service;

(iii) any interest which would have been required to be included with the payment of such deposit by section 8334(j)(2) of title 5, United States Code, had such deposit been made on the date of the enactment of this Act;

(iv) the amounts received by Neal G. McFarland under chapter 83 of title 5, United States Code, after March 28, 1975; and

(v) the amounts received by Joyce G. McFarland as survivor benefits under chapter 83 of title 5, United States Code, during the period beginning on April 16, 1975, and ending on the last day of the calendar month in which this Act is enacted.

(b) TO THE SECRETARY OF THE AIR FORCE.—The Secretary of the Treasury shall pay to the Secretary of the Air Force, out of the Civil Service Retirement and Disability Fund, an amount, which shall be credited to appropriations for retired pay, equal to the retired pay received by Neal G. McFarland from the Department of the Air Force after March 28, 1975.

SEC. 3. PROHIBITION AND PENALTY.

No part of the sums paid under section 2(a) of this Act in excess of 10 per centum thereof shall be paid or delivered to, or received by, any agent or attorney on account of the services rendered in connection with this claim, and such acts shall be unlawful, any contract or agreement to the contrary notwithstanding. Any person violating the preceding sentence shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WHITEWORTH INC. OF GARDENA, CA

The Clerk called the bill (H.R. 1134) for the relief of Whiteworth Inc. of Gardena, CA.

There being no objection, the Clerk read the bill, as follows:

H.R. 1134

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the last sentence of section 5134(b) of the Internal Revenue Code of 1954 (relating to claim for drawbacks of alcohol taxes in the case of distilled spirits which are unfit for beverage purposes), a claim for a drawback under such section of such Code with respect to the second quarter of 1982 by Whiteworth Incorporated of Gardena, California, shall be treated as timely filed before the end of the 6-month period beginning on the date of the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAWRENCE K. LUNT

The Clerk called the bill (H.R. 712) for the relief of Lawrence K. Lunt.

There being no objection, the Clerk read the bill, as follows:

H.R. 712

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to Lawrence K. Lunt of Saratoga, Wyoming, the sum of $614,185 as full compensation for losses he suffered and expenses he incurred in connection with his conviction in Cuba for espionage and his imprisonment there between 1965 and 1979.

SEC. 2. Not more than 10 percent of the sum appropriated in the first section of this Act shall be paid to any agent or attorney for services rendered in connection with the claim specified in such section. Any person violating this section shall be fined not less than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN M. GILL

The Clerk called the bill (H.R. 525) for the relief of John M. Gill.

There being no objection, the Clerk read the bill, as follows:

H.R. 525

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to John M. Gill (Social Security Numbered [redacted]) of Merced, California, the sum of $25,000. Payment of such sum shall be in full settlement of all claims of John M. Gill against the United States for the value of personal property that was lost in Vietnam as a result of the fall of Saigon in 1975.

SEC. 2. Not more than 10 per centum of the sum appropriated in the first section of this Act shall be paid to or received by any agent or attorney for services rendered in connection with the claim specified in such action. Any person violating this section shall be fined not more than $1,000.

With the following committee amendment: Page 1, line 6; Strike "25,000." and insert "$15,000.".

Mr. HUBBARD (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HEIRS OF M. SGT. NATHANIEL SCOTT, U.S. ARMY, RETIRED, DECEASED

The Clerk called the bill (H.R. 441) for the relief of the heirs of M. Sgt. Nathaniel Scott, U.S. Army, retired, deceased.

There being no objection, the Clerk read the bill, as follows:

H.R. 441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following-named heirs of the late Master Sergeant Nathaniel Scott, United States Army, retired, the amounts shown opposite their names in full settlement of their claims against the United States for payment of the unpaid balance of the retired pay due their deceased father at the time of his death on March 26, 1981:

Mr. Virgil Neal Scott, $5,670.77;
Mr. Nathaniel Scott, Junior, $5,670.77;
Mr. Charles Henry Scott, $5,670.77;
Mrs. Sandra Scott Wade, $5,670.77;
Mr. James Milton Scott, $5,670.77;
Mr. George Leonard Scott, $5,670.77; and
Mrs. Kathy Scott Skipper, $5,670.77.

SEC. 2. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

SUPPORT OF THE TEXAS SITES FOR THE SUPERCONDUCTING SUPER COLLIDER

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, I have stated my support for the superconducting super collider on previous occasions and I am still an advocate of this project. Today I would also like to state my strong support for the two sites chosen by the State of Texas as possible sites for the SSC.

Texas began site characterization assessments nearly 3 years ago and over the past several months the Texas National Research Laboratory Commission has coordinated local and State efforts to select and optimize sites with the best geological, institutional, environmental, and cost considerations. These efforts culminated in the spring of this year with the designations of two outstanding sites.

The first Texas site is outside Amarillo, near Happy, TX, and offers flat terrain, excellent soil structure, and ease of excavation utilizing cut and cover. This site also has low seismicity, is near Interstate I-40 and I-27 and is in close proximity to a helium source.

The second Texas site is the Dallas-Fort Worth site, located near Waxahachie, TX. The Dallas-Fort Worth site offers simple geology with high predictability, strong and highly stable formations, low tunneling cost and very low seismicity. The site is also near major interstates and highways, its geology is very resistant to vibration, and there would be no significant environmental impacts to the area if the SSC were sited there.

Texas will submit its proposals to the Department of Energy before the August 3 deadline. DOE will evaluate the proposals from all the States, with assistance from the National Academy of Sciences and National Academy of Engineering. Texas has already performed a careful review and assessment which resulted in the offering of two sites with superior technical advantages. Selection of either Texas site would assure that the research objectives of DOE and the Nation would be met. No technical or other issues preclude the construction and operation of the SSC facility on schedule and at the most reasonable, realistic cost.

CONCERN FOR CONGRESSWOMAN CORREA OF PANAMA AND HER FELLOW CITIZENS

(Mr. McEWEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McEWEN. Mr. Speaker, as we all know, a state of civil turmoil now exists in the Republic of Panama endangering the lives and human rights of citizens there. In that country, one who has championed freedom and democracy is a duly elected member of the Panamanian Assembly, Congresswoman Mayin Correa. Because of her stand, during the rioting she had to seek refuge in a foreign embassy to protect her life. Still today she lives behind bulletproof doors and is prevented by state police from leaving her residence. Her offices have been ransacked and taken over by the armed forces, and she is denied access to public media.

I am sure I speak for Members of this Congress in expressing my deepest concern for the rights and liberties of all the citizens of the Republic of Panama and elected members of its Congress, particularly Congresswoman Correa. On behalf of my colleagues, I call upon the authorities there to cease and desist from all activities which threaten the rights and lives of Congresswoman Correa and her fellow citizens of Panama.

TRIBUTE TO THE LATE HONORABLE ALVIN E. O'KONSKI

(Mr. KASTENMEIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KASTENMEIER. Mr. Speaker, it is my sad duty to announce to the House as dean of the Wisconsin delegation the death of our former colleague, the Honorable Alvin E. O'Konski of Wisconsin.

Alvin O'Konski died last night of heart failure in Kewaunee, WI. He was born on a farm in Kewaunee, WI, in 1904. He was a teacher much of his life, was elected to the Congress in 1943, and served in the Congress for 30 years, until January 3, 1973. At that time he had served the State of Wisconsin in the Congress consecutively longer than any other Member.

As it is, his 30 years of service constitute the longest term of service other than that of Henry Cooper and our late, beloved colleague, Clem Zablocki.

He was a senior member of the Committee on Armed Services at the time he left Congress, as well as the Committee on the District of Columbia. He was a very well-liked colleague indeed, as was his wife, who served here in the Congress in a sense with him. She survives him. Bonnie O'Konski, I am sure, is also remembered to Members here, and it is to her that we extend on this said occasion our deepest sympathy.

Mr. SENSENBRENNER. Mr. Speaker, will the gentleman yield?

Mr. KASTENMEIER. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. I thank the gentleman for yielding.

Mr. Speaker, I would like to join my colleague, the gentleman from Wisconsin [Mr. KASTENMEIER], in expressing condolences to the family of our late colleague, Alvin O'Konski. Alvin O'Konski was an institution in Wisconsin politics, being a Republican who consistently won by huge majorities in a Democratic district.

The reason that he was so successful in Wisconsin elections, as well as here in Washington, was because he was probably the premier master of constituent service that this Congress has ever seen. There are hundreds and thousands of people in northern Wisconsin who had problems with the Federal Government who benefited by Alvin O'Konski helping cut the redtape.

We all will miss him, and I would personally like to extend my condolences to his wife, Bonnie, and to his family.

OUR OUTSTANDING SAILORS

(Mr. WELDON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON. Mr. Speaker, I rise today to pay tribute to a special group of young Americans protecting freedom in the troubled Persian Gulf area.

I just returned from a 5-day trip to the Persian Gulf, where we met with heads of state and key leaders in the gulf area. But my purpose today is to pay tribute to America's sons and daughters who are defending freedom.

While in Bahrain I heard of the courage of the U.S.S. *Stark* crew in working to save their ship after having been hit by a missile. Rather than back away from adversity, these young sailors stood their ground, fought valiantly to assist fellow crewmembers, and never gave up the fight to save their ship.

I also had occasion to board the U.S.S *Fox*, also stationed in the gulf. While on board I spent 2 hours in briefings, meetings with officers and crew, and inspecting the ship.

Mr. Speaker, let me tell you how proud I am of the pride, dedication, and enthusiasm of the sailors whom I met on the *Fox*. Their ship and its crew are outstanding examples of the competence and preparedness of those whose efforts we sometimes take for granted.

I know that all of my colleagues join me in this tribute to the crews of the *Stark*, and the *Fox*, and all sailors, as outstanding Americans.

TRIBUTE TO THE LATE HONORABLE ALVIN E. O'KONSKI

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. OBEY. Mr. Speaker, I would like to comment upon the remarks of the gentleman from Wisconsin [Mr. KASTENMEIER], who as you know has just announced the death of a former colleague of ours, the Honorable Alvin O'Konski, who served Wisconsin for 30 years.

As has already been indicated, Alvin was a very colorful Member of this institution. He was an individual who was loved by many people throughout northern Wisconsin and by many people here.

I talked to his wife, Bonnie, this morning, and Bonnie informed me that Alvin has been receiving nursing care around the clock after a series of heart attacks, and she said frankly he was glad to go. I am sure that all of us would want to extend our regrets to Bonnie O'Konski on the occasion of Alvin's death. As many people know, Bonnie herself was an institution around here, and she was indeed a good right-hand person working with Alvin in his office for many, many years.

As the gentleman from Wisconsin has already indicated, Alvin O'Konski served in this institution for 30 years. Even though he and I ran against each other in 1972 after Wisconsin was reapportioned, he and I remained good friends. I simply want to express regret at his passing.

The funeral will be just outside of Kewaunee on Saturday morning. For anyone who is interested in communicating with the family or attending, I am certain that they would appreciate that.

□ 1140

IN DEFENSE OF OLLIE NORTH

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, I do not know what is going on in the Democrat Cloakroom at this minute—maybe I will spin through and check out what channel your TV is tuned to—but in my cloakroom over here there are at least 12 Members standing up, clustered around a television set watching a bona fide American hero, Lt. Col. Oliver North, defend his honor. Whoa, listen to the hissing at the mere mention of Colonel North's name from some of the snakes loose over there on the majority side. Disgraceful.

I ask the Members that have just hissed, do you have five earned Purple Hearts defending democracy and liberty in Vietnam, five earned Purple Hearts there or anywhere, or did you perchance take a student deferment or hang around a campus long enough to get a teaching credential even though you never had any intention of teaching? Or how did you hide out for a whole decade when Indochina was dying and sliding in blood beneath an Iron Curtain?

Don't hiss at decent Americans. You demean yourselves. If your brother was the recently taken hostage Charlie Glass, whom would you send to effect his release or rescue, one of these hissing Congressmen or Colonel North? We know the answer.

Lieutenant Colonel North is defending his honor.

He has been viciously disected in public for months. Give this combat veteran his 4 days in the Sun. Common decency and our judicial system of fairness and presumption of innocence demands it.

Mr. Speaker, your district is famous around the world. Because the F-16 Fighting Falcon jet fighter is made there. That excellent aircraft occasionally crashes and young pilots die, from NATO countries to Asia and all across this country. Sometimes its pilot error or physical strain, such as Nine sustained 'G' forces, sometimes its mechanical failure. These young pilot heroes do not receive Purple Hearts, not in peacetime, but nevertheless they die flying that sleek airplane defending the peace in every corner of this dangerous world. They die for all of us, even hissing Members of Congress. You know that, Mr. Speaker.

Well, in wartime heroes do get Purple Hearts for death and for wounds and Ollie was awarded three. He actually earned five. That means Colonel North's blood spilled onto foreign soil 5 times, for liberty, for democracy, for self-determination, for huddled masses yearning to breath free. Ollie put his life on the line. Well, who in blazes is this lawyer John Nields to tear at North's honor in such as obnoxious way? What rock did this counselor crawl out from under?

He gives these critically important joint hearings on Iran and the struggle in Nicaragua a circus atmosphere with his rudeness and schoolboy conduct. He knows nothing about military affairs, communism, terrorists, et cetera, et cetera and even less about covert operations. His questioning is embarrassing.

Click on Ollie North's televised testimony in the majority cloakroom and watch a bona fide hero defend his honor and defend eloquently his country's struggle against communism and the locking in of a Soviet-Cuban base nation—Nicaragua—right here on North American soil. Be a proud anti-Communist, like this Member.

Support the freedom fighters around the world and sponsor a series of hearings on what the Soviet secret police—the KGB—does here in the Western Hemisphere to isolate us from our fellow Americans—our Latin brothers and sisters.

People in all 50 States are rallying behind Colonel North because he is educating his fellow citizens in a crash, cram program at these hearing's while under fire from less dedicated people.

Press on, Colonel North, you're hitting one home run after another. Lovers of a common, worldwide liberty, God willing, will prevail.

REDEFINE POLICY FOR PERSIAN GULF

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, as we consider the Kuwaiti reflagging issue today, we should be conscious of two factors.

First, the Iran-Contra hearings, as fascinating and necessary as they might be, show a disarray in America's foreign policy which hurts us as a nation. We are the laughing stock of the world.

It is critically important that we not send another message of disarray today that would undercut our interests.

Second, the constant reminder in the policy debate that we should control our allies and work with them to establish a joint United States-allied Persian Gulf policy is not a viable alternative. For whatever reason, we cannot come to terms with our allies on burden sharing, on terrorism; and we are whistling Dixie if we are expecting them to join us on a Persian Gulf policy.

Let us not count on their help. We have to go with this policy alone.

My main message is that while our policy has not been well thought out and is mostly a response to a chain of events, we should be extremely careful in what we do today and not send the wrong signal in the Persian Gulf.

As much as the President may be wrong, I wonder if it is wise to repudiate him by canceling reflagging. Our image internationally has suffered enough. We are stuck with his decision to reflag. At the very least we might consider a delay, but even that strikes me as difficult. I will await the debate to determine my vote on this issue.

The main message to the administration, regardless of the vote today, is to get their act together, to start speaking with one voice, and to redefine their policy so that we have a bipartisan effort in this critical region of the world.

MERCY MISSION

(Mr. LOWERY of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWERY of California. Mr. Speaker, I rise today to commend the crew of the U.S. Navy hospital ship *Mercy*.

These men and women serve on the largest civilian or military trauma facility in the United States. In March, the San Diego-built ship was commissioned for the first major American humanitarian medical expedition undertaken since the last voyage of the *Project Hope* ship in 1973. During this mission, some 62,321 Filipinos and thousands of residents of Fiji and Papua, New Guinea were treated.

Men, women, and children—who otherwise could never afford proper medical care—were carried by helicopter or small boat from the jungles to the hospital ship. In addition, small village-based clinics were operated by the crew at several shore locations. Ailments ranged from eye cataracts to skin disorders to prosthetic needs. During 1 day, some 694 patients were treated by the dental crew. When time allowed, outpost seminars were conducted for physicians and nurses of the South Sea islands.

As the commander in chief of the U.S. Pacific Fleet, Adm. James Lyons explained:

> You know, to the man in the streets, U.S. aid money is abstract. But, if we can restore a man's sight, or take care of a young girl's disfiguration from a cleft palate or a boy's clubfoot, that is something they'll remember for the rest of their lives.

This past Saturday, the *Mercy* returned to Pearl Harbor after a great mission of humanitarianism. The crew left behind thousands of Filipinos and islanders who will remember, with great appreciation, the caring shown by Americans. The crew took with them the self fulfillment of having served their country and their fellow man.

REGULATION OF SAFETY OF TOBACCO PRODUCTS

(Mr. BATES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BATES. Mr. Speaker, as an aside, earning a Purple Heart does not give you the right to lie or break the law.

What I wanted to talk about this morning was H.R. 2376, which would remove the special and unwarranted exemption accorded tobacco and tobacco products under the Consumer Products Safety Act.

Under the act, the Consumer Product Safety Commission is denied any authority to regulate the safety of tobacco and tobacco products. It has no jurisidiction to address the hazards of cigarette smoking to consumers.

The special treatment is especially ironic considering the serious health effects of smoking. Tobacco accounts for 30 percent of cancer deaths and the CPSC is denied any authority to regulate consumers' exposure to tobacco. More than 300,000 Americans die from smoking-related diseases. There is no justification for allowing such a harmful product to escape the safety system we have established for other products.

It is time we turned the attention of our safety agencies on smoking and tobacco, and take action at the Federal level to protect people. I urge my colleagues to support H.R. 2376.

PERSIAN GULF TRIP

(Mr. NICHOLS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NICHOLS. Mr. Speaker, yesterday I returned with 11 of my colleagues on the House Armed Services Committee from a 6-day trip to the Persian Gulf. The intention of our trip was to meet with the leaders of Bahrain, Kuwait, Iraq, and Saudi Arabia, and discuss the policy of reflagging Kuwaiti oil tankers which is expected to begin within the next few days.

Mr. Speaker, we had good, informative meeting with all of the various leaders, along with our diplomatic representatives in the Persian Gulf area, and we all returned with a more accurate understanding of this complex region of the world.

While I believe the administration could have done a better job of securing support from our allies for this policy before committing our military assistance to the country of Kuwait, there is no doubt in my mind that it would be a serious mistake to withdraw the President's commitment.

I see two major reasons.

First, the United States is considered a friend to the counties we visited, and following the sale of arms to Iran, I believe it might do irreversible damage to now break a commitment that the President has made to our friends in this region. They want to ally with the United States, but also want some peace of mind that we will be with them today as well as tomorrow.

Second, the leaders with which we met, made it abundantly clear that if the United States was not willing to flag Kuwaiti oil tankers, the Soviet Union had already expressed great interest to do so.

Mr. Speaker, we have continued a strong presence in this region for 40 years, and to now pull out and allow the Soviets to move in would be very regrettable. I urge my colleagues today to consider these consequences and support our continued presence in the region.

MR. PRESIDENT, STOP THROWING LT. COL. OLIVER NORTH TO THE WOLVES

Mr. TRAFICANT. Mr. Speaker, Colonel North testified yesterday that he helped prepare the testimony of CIA Director Casey to deliberately mislead the Congress. On the streets, Mr. Speaker, this is known as lies.

Lieutenant Colonel North said it was necessary that the American people and the Congress must be protected and must not know the truth for national security reasons and for the safety and the lives of hostages.

Do my colleagues believe that? The truth is they were trying to shield the President.

Mr. Speaker, this arrogance is evident of one major cardinal sin. They have reduced the Constitution of America to a worthless piece of paper. Mr. Speaker, our job here is to make sure that the Constitution was not written on a piece of toilet tissue, and we should not let it be treated as such.

Mr. President, it is time for you to come forward. America cannot stand another Watergate. You can stop it, and I think it is time you do what is right and stop throwing good men like Lieutenant Colonel North to the wolves.

HIDING THE TRUTH BEHIND AN AMERICAN HERO AND HIS RIBBONS

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I would like very much to respond to my colleague from California and his very passionate plea about Ollie North and the fact that he is indeed a military hero. Indeed that is what he is, and five Purple Hearts are things that we all respect very much, and they are not given out lightly.

But one of the founding principles of this country is that this is a government of laws and not of men, and that no man, no matter how many military medals he may have, has the right to waive the law and do what he wants to do. That is not our system. That is much more like the Communist system that Ollie North was fighting to prevent from happening.

If my colleagues also look at the statement of the head of the Marines, Commandant Kelly, a week ago, he pointed out to the American people that Oliver North was not working for the Marines, he was working for the civilian sector when he was working at the NSC. Even Oliver North testified yesterday that he was not a loose cannon, he was doing it under orders.

So I do not think that questioning who set Ollie North up is wrong. We should be questioning that. He is saying that he was acting under orders. They were not orders from the Marines, they were orders from the White House, and the White House should not be hiding behind his military ribbons. That is what they are doing and that is wrong.

He is indeed a man who gave a lot for this country, and no one should use that to hide behind. They should come forward and admit what they were trying to do and how they were trying to divert the Constitution and very basic principles upon which this Government was founded.

IMPROVEMENTS IN CATASTROPHIC HEALTH CARE

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, I wish to indicate my support of the efforts of our esteemed colleague, Senator CLAUDE PEPPER, to make improvements in the catastrophic health care bill which awaits action by this House.

Specifically I strongly support and have cosponsored the legislation that would be offered as an amendment to establish a new "long-term home care" benefit under part A of Medicare.

This provision would provide home care coverage to persons of all ages who need assistance with at least two activities of daily living. This would be especially important for victims of Alzheimer's disease.

This new long-term home care benefit would be fully financed by lifting the existing cap on individual income upon which the Medicare payroll tax is imposed.

It is vital that we recognize that the costs associated with long-term care are just as catastrophic as those associated with an acute illness.

Consider that for those elderly who incur $2,000 a year in out of pocket expenses, about 80 percent of these relate to long-term care, including that care provided for in the home.

H.R. 2470 will provide us with an historic and long overdue opportunity to expand Medicare to help cope with the costs associated with catastrophic illnesses. The bill has been modified to also include a new prescription drug benefit desperately needed by older Americans today.

I believe the long-term home care benefit will make a good bill even better and more reflective of reality. We must recognize that the costs of care for the chronically ill can be just as excessive as those with catastrophic illness.

I hope the Pepper proposal can be made as part of the rule when that time comes. I believe it deserves an up or down vote on the merits. I support it but will support the bill no matter the outcome on the amendment because it is legislation urgently needed by our senior citizens.

BENNETT AMENDMENT TO PREVENT REFLAGGING

(Mr. BENNETT asked and was given pemission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENNETT. Mr. Speaker, we have had conversations earlier today about the flagging and reflagging of the ships in the Persian Gulf. The amendment which I am going to offer is one that says we should not flag or reflag and that amendment in no way will prevent us from doing the basic thing that the United States wants to do, which is to keep the sealanes open in that area. We are going to have additional military might there, and I do not oppose that at all. If it is needed, we ought to have it.

But we ought not to put ourselves in the position where an enemy of ours or a terrorist or somebody else could put us into a war that would lose the lives of many Americans needlessly just to cover up for some embarrassment the President might have.

The Secretary of State said Congress could not make up its mind what it wanted to do and so the President had to operate. The President never suggested a program like this to Congress, and if he had suggested the program to Congress, Congress would have turned it down. They would have debated the issue and come to the conclusion that you can do everything you want to do without putting these flags on foreign ships. That is a mistake because it is just allowing terrorists and enemies of the United States or somebody else other than ourselves to decide whether we go to war.

This is a very serious problem that the Presidency has brought upon this country, and the way to solve it is to pass my amendment to the bill today which says that the President can continue, the Congress will continue, and the country will continue protecting the sealanes and doing whatever is needed to do that, but we will not put these flags on those ships in a way which would allow some other country to take us to war.

It also provides that if the Russians do flag ships, if they implement any such policy, then the legislation which I have introduced would not be effective.

So there are no real arguments against the amendment I have suggested. Those who are tempted to vote otherwise should think again because the amendment which I have suggested is one which will protect the American people.

□ 1155

TOSHIBA AND KONGSBERG SALES SAID TO BE TANTAMOUNT TO TREASON

(Mr. KOLTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLTER. Mr. Speaker, I rise today disillusioned and feeling betrayed. Disillusioned, because of how much the almighty dollar has come to mean to Western civilization—or should I say, yen? I am speaking, of course, of the high-technology sale by Toshiba of Japan and Kongsberg of Norway to the Soviet Union.

It is one thing to tout the benefits of free trade. It is indeed quite another when that free trade jeopardizes the free world. Make no mistake about it, that is precisely what happened when Toshiba and Kongsberg sold eight high-technology machine tools to the Soviets, thereby allowing them to envade American detection of their undersea fleet and increase maneuverability of their massive aircraft carriers.

The action taken by Toshiba and Kongsberg has given new meaning to the word—espionage. It is no longer the cloak and dagger operation conducted by some disenchanted traitor in a back alley. Instead, we find spies serving on the board of directors of major international corporations, exploiting the very system that permits their existence and ability to operate freely. The sale of this technology to the Soviets is tantamount to treason and an example should be made of these traitors.

I commend the other body for its swift and judicious efforts to ban the sale of Toshiba products in the United States and demanding compensation. In the end, their betrayal might cost the American taxpayer nearly $30 billion to counter the vastly improved Soviet military machine. But it is Toshiba and Kongsberg that should be made to pay.

No amount of distancing or apologizing will suffice. These corporations have demonstrated the value they place in money. Money was put before national loyalty, international agreements and more importantly, world security. It is Toshiba and Kongsberg that should be made to pay.

Mr. Speaker, I urge my colleagues to join in a united, bipartisan effort to ban sales by Toshiba and Kongsberg and match the effort made by our colleagues in the other body. It is absolutely imperative that the free world remain free, rather than be sold piecemeal to the Soviets.

SUPPLEMENTARY AGREEMENT WITH THE FEDERAL REPUBLIC OF GERMANY OF SOCIAL SECURITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 100-89)

The SPEAKER pro tempore (Mr. SMITH of Florida) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed:

(For message, see proceedings of the Senate of today, Wednesday, July 8, 1987.)

COAST GUARD AUTHORIZATION ACT OF 1987

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 219 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 219

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2342) to authorize appropriations for the Coast Guard for fiscal year 1988, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate which shall be confined to the bill and which shall not exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, each section shall be considered as having been read, and all points of order against said substitute for failure to comply with the provisions of clause 5(a) of rule XXI are hereby waived. An amendment striking out section 8 of said substitute shall be considered as having been agreed to in the House and in the Committee of the Whole. Consideration of all amendments to the committee amendments in the nature of a substitute, as amended, shall not exceed four hours, except as provided in section 2.

SEC. 2. No amendment to said committee amendment in the nature of a substitute, as amended, or to the bill, in the House or in the Committee of the Whole, shall be in order that amends or affects the documentation of vessels under chapter 121 of title 46 of the United States Code, except as provided herein. After the committee amendment in the nature of a substitute, as amended, has been considered for amendment in its entirety, but before the question is put on its adoption, it shall then be in order to consider the following amendments printed in the Congressional Record of July 7, 1987, only in the following order, by, and if offered by, the Member indicated, or his designee, which shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole, and each such amendment shall be debatable for not to exceed on hour, equally divided and controlled by the proponent and a Member opposed thereto: (1) by Representative Bennett of Florida; (2) by Representative Michel of Illinois; and (3) by Representative Lowry of Washington, and all points of order against said amendments for failure to comply with the provisions of clause 7 of rule XVI are hereby waived. Each of said amendments shall be in order even if changing portions of the committee amendment in the nature of a substitute, as amended, already changed by amendment. If more than one amendment is adopted, only the last such amendment which is adopted shall be considered to have been finally adopted and reported back to the House. Immediately following disposition of said amendments and the question is put on the committee amendment in the nature of substitute as amended, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 3. The resolution (H. Res. 195) providing for the consideration of H.R. 2342, a bill to authorize appropriations for the Coast Guard for fiscal year 1988, and for other purposes, is hereby laid on the table.

The SPEAKER pro tempore. The gentleman from Florida [Mr. PEPPER] is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes, for the purpose of debate only, to the distinguished gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 219 provides for the consideration of H.R. 2342, the Coast Guard Authorization Act of 1987. It is a modified open rule, allowing 1 hour of general debate to be equally divided between the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries.

The rule provides that it shall be in order to consider an amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries, now printed in the bill as original text for the purposes of amendment under the 5-minute rule. Each section shall be considered as read.

The rule waives all points of order against the substitute for failure to comply with clause 5(a) of rule XXI, which prohibits the inclusion of appropriations in a legislative bill. This waiver is needed because in two instances the bill provides appropriations which are not permitted in a legislative bill. In the first instance, the bill provides for the sale of certain lands in Palm Beach County, FL, and permits the use of the proceeds of that sale for the purchase of land and buildings suitable for use by the Coast Guard.

In the second instance, the bill directs the Secretary of Transportation to retain not less than 1 percent and not more than 2 percent of the funds from the boat safety account which are allocated to the States for the payment of costs for administration of the program. Both provisions are in violation of clause 5, rule XXI and thus the waiver against the substitute is necessary.

The rule strikes section 8 of the substitute. This section would exempt Coast Guard contracts of less than $25,000 from requirements of the Davis-Bacon Act and from the Services Contract Act. The current threshold for these acts is $2,000 and $2,500 respectively.

The rule provides a time limitation of 4 hours for the consideration of amendments to the substitute. It further provides that no amendment to the bill or the substitute shall be in order which amends or affects the documentation of vessels, except three amendments which are specified in section 2 of the rule. These amendments are printed in Tuesday's Congressional Record and are to be considered only in the following order after disposition of all other amendments under the 5-minute rule:

First, an amendment to be offered by Representative Bennett,

Second, an amendment to be offered by Representative Michel, and

Third, an amendment to be offered by Representative Lowry of Washington.

Each of the amendments shall be debated for not to exceed 1 hour, to be equally divided and controlled by the author and a Member opposed. The amendments are not subject to amendment or a division of the question in the House or in the Committee of the Whole, and are in order even if amending portions of the substitute already amended. The rule waives all points of order against the amendments for failure to comply with clause 7 of rule XVI, which requires that amendments be germane. Further, it provides that, if more than one of the amendments is adopted in the Committee of the Whole, only the last one adopted shall be reported back to the House.

Finally, the rule provides that, immediately upon the conclusion of consideration of these amendments, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill to final passage without intervening motion except one motion to recommit, with or without instructions. The rule then tables House Resolution 195, a resolution adopted by the Rules Committee on June 16, to provide for the consideration of H.R. 2342.

Since committee action on that rule, it became evident that H.R. 2342 was a timely vehicle for debate on U.S. policy in the Persian Gulf and that amendments relating to the reflagging of vessels would be germane to the bill. Consequently, the Committee on Merchant Marine and Fisheries came to the Rules Committee and requested that consideration of amendments relating to Kuwaiti vessels be carefully circumscribed so that the very important points of the Coast Guard reauthorization bill would not be lost in the reflagging debate. It is for this reason our committee brings before you today a new rule which provides an opportunity to fully amend provisions of the bill which reauthorize the activities of the Coast Guard, but structures the consideration of amendments relating to the reflagging of Kuwaiti tankers.

Mr. Speaker, H.R. 2342 is a bill of considerable urgency and consequence. It authorizes $2.8 billion for the coast guard for fiscal year 1988, including $2 billion for operations and maintenance, $373 million for the Coast Guard's capital needs, $21.1 million for research and development, and $386.7 million for retired pay. In addition to authorizing funds, the bill also contains provisions which would prohibit construction of Coast Guard vessels in foreign shipyards, prohibit the contracting out of essential Coast Guard activities, and provide needed flexibility for the transfer of funds to operations and maintenance.

Mr. Speaker, we all know of the valuable role the Coast Guard plays in protecting life and property, enforcing Federal laws on the high seas, aiding navigation, providing security for ports, vessels, and waterways, and performing as a uniformed service in times of emergency or declaration of war. By adopting this rule and H.R. 2342, the Congress would provide the level of resources the Coast Guard needs to continue to fulfill its important mission. I urge my colleagues to support the rule so that we can proceed with this important debate.

□ 1205

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, the rule, as always, has been ably explained by the gentleman from Florida, the chairman of the Rules Committee [Mr. Pepper].

I do not intend to go into the provisions of the rule, but on the other hand, I think we should be aware of these facts: The Coast Guard authorization is a very important measure because the Coast Guard is important to this country of ours. Unfortunately, some amendments have been made in order which will be debated on this floor involving the foreign policy of the United States of America.

I do not say it is wrong to debate the foreign policy on this floor. I think when we consider what is happening in the Persian Gulf that we must take a good look at our policy there.

The President intends to reflag certain vessels from Kuwait. I believe that his policy means that this Nation is committed to the free flow of oil from that nation and others in the Persian Gulf so that the world economy does not falter because of a lack of oil.

So in the Bennett amendment, which will prohibit the flagging of these vessels, let us take a careful look, because the Commander in Chief of this Nation knows more than I do about what is required and what this country must do to protect that flow of oil. The Bennett amendment should be defeated.

I agree that we must protect the oil trade. We must not let the Russians come in and take over a warm water port and control that flow of oil because it is a vital economic life line.

Second, if these vessels are reflagged, we should provide American merchant marine seamen aboard those vessels, and not only provide, there should be a requirement, a mandate that these American merchant marine seamen now out of employment would have employment aboard these vessels. I cannot see that the reflagging of vessels with foreign seamen aboard, rather than American merchant marine seamen, is the right approach or is the right thing to do. So I would encourage the President of the United States and this administration and this House of Representatives to require these vessels to be manned with American crews, because we know that our merchant marine fleet in this Nation has gone down to rock bottom. It is time we started thinking and rebuilding this fleet, because in World War II, without the merchant marine, I do not know that victory would have been possible. Since then this Nation of ours has permitted our merchant marine fleet to go down the drain.

I do not think it is wise for this country's national security posture or defense posture to allow this to continue.

It is important that we get down to business on this measure. As I said, the Coast Guard authorization is an important matter. Let us get these amendments out of the way. Let us debate them, but keep in mind, America first, American merchant marine crewmen first, the security of this Nation first, the defense of this Nation first. Do not give in to the Russians and provide them a warm water port in the Persian Gulf, which they have long sought. Their eyes are on the Persian Gulf today. Let us not be fooled. Let us get down to business here today and do whatever is necessary for this country. We will and we must.

Mr. Speaker, I yield 7 minutes to the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Speaker, I appreciate the distinguished gentleman from Tennessee for yielding.

Mr. Speaker and my colleagues in the House, I rise not in opposition to this rule, but I think it is certainly appropriate to point out that at least in the perspective of this Member it is unfortunate that the rule needed to be crafted the way it was crafted. It is the view of this Member that the Coast Guard authorization bill is an important piece of legislation, necessary in the order of things to be passed each year, authorizing the multifaceted activities of the U.S. Coast Guard, which become increasingly important to the Nation; so it is significant legislation in the normal context in which we regularly deal with the Coast Guard authorization bill.

It has come to the attention of this Member, and to that of many other Members, that our general substantive law on the subject of reflagging needs attention in order to provide more protection to and to assuage the economic interests and viability of the American merchant marine than the statutes as now written happen to give to the American merchant marine.

It is very much my desire to see us revisit the question of our basic reflagging statutes in order to protect and to serve the interests of the American merchant marine to a much larger degree than we find now they are presently protected.

But Mr. Speaker, it is regrettable to me that we must do that thing that needs to be done in the context of a debate which is basically a national security foreign policy debate, which would best really not take place at this time.

The United States of America, responding to a request of the Government of Kuwait, has made a commitment that it will agree to the reflagging of 11 Kuwaiti oil tankers to the American flag, and having done so, will extend to them the protection of the United States Navy which has maintained a presence in the Persian Gulf for more than 40 years, in a commitment to our general policy of keeping the sealanes for navigation open to peaceful commerce throughout the world, and also consistent, I think, with a more specific declaration of American foreign policy both by the Carter administration and again by the Reagan administration that the United States stood firmly behind a policy of assuring freedom of navigation in the Straits of Hormuz and the Persian Gulf.

Attendant to that general policy position of this and the previous administration, the Kuwaitis came to the Soviet Union first with the intent of then going, as they have done, to other members of the United Nations Security Council, permanent members, asking them if they would give any assurances for the navigation of Kuwaiti oil tankers in order to preserve their national existence.

The Soviet Union immediately said yes. The United States initially sought only to provide them with information as to how to go about reflagging under our present laws, what the ground rules were, and in addition suggested the possibility that they might charter idle American fleet tankers. In either event, the United States would give them assurance of naval protection.

For the United States to have ultimately after March and 4 months of consultation at the administrative level to have made the commitment that we would do this would be an incredible—incredible, I cannot emphasize it too strongly—mistake for the Congress now to repudiate that policy or show that the United States does not have the will and the resolve to stand behind its commitments, commitments made to the Government of Kuwait, yes, but commitments that transcend those made specifically to that small state on the western banks of the Persian Gulf.

It was an undertaking by Kuwait after consultation with all the members of the Gulf Cooperating Council, that would include Iraq, that would include the United Arab Emirates, Oman, Bahrain; all of these were consulted through their Cooperating Council, aware of the Kuwaiti request, endorsed the Kuwaiti request. We have responded to that request by a decision.

□ 1220

If the United States is now perceived as unwilling to accept risk, which I believe to be essentially a minimal risk, of any naval or military confrontation, if we show a lack of resolve in going forward with a commitment made, we have sacrificed in an incredible measure any credibility that we have in that part of the world—and in my view, any part of the world—because we have shown that under pressure, if there is any risk attendant to pursuing a policy that has been our announced policy for four decades at least, that we will not show the resolve to stay with that policy and do what is necessary to implement it. This is not a signal that we can afford in these troubled times to send.

So I would say in conclusion that I look upon it as unfortunate that we need to face this debate today that the rule makes in order, but the Committee on Rules I do not fault for this, because that issue is being presented and is going to be debated, and so it comes by virtue of this bill and this rule.

It would be my desire for us not to have had to face this. It would be my desire for us not to face the general reflagging statutes in the same context in which we deal with the foreign policy and national security issues. I would prefer to have done that at another time—not a much later time, but another time—in order to separate the legitimate concerns of the American merchant marine, which should be assuaged, from the national security interest debate.

Obviously it is not feasible, it is not going to be the way it happens, but when we have adopted this rule, and I am certainly going to support adoption of this rule, I hope that it will be the pleasure of this House to overwhelmingly defeat amendments which would bar the United States from honoring the commitment which it has made.

I would certainly urge the Members of this House not to support amendments which would give a 90-day postponement. That would be tantamount to having repudiated our commitment also.

Mr. PEPPER. Mr. Speaker, I yield 7 minutes to the distinguished gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, one of the very interesting things, if we put this in Fourth of July terms, that I discovered over the Fourth of July break as I traveled around this country and talked to many people, is that they really feel that our flag has been stretched too thin. They understand what this reflagging is all about. They understand that what we are really doing is protecting Kuwaiti, Inc. This is not freedom of the seas, this is protecting corporate oil, and from a small country, but a very rich country, and for countries that are also very rich that need that oil we are doing it free.

You know, the people of the United States are pretty smart. They do not understand it. They also understand that this is not freedom of the seas that we are talking about. When you talk about freedom of the seas and you go back to John Paul Jones and the great American tradition of the American Navy, freedom of the seas meant everybody passed, that we were neutral, we made sure everybody could pass, everybody could trade. It was a great benefit of peace, and that is what we would do.

We are not talking about that here. We are talking about a few tankers that we are going to stick our flag on and say, "These guys are protected." What about everybody else? What about the Turks? They are our allies. They had a tanker hit. If I were Turkish, I think that I might wonder why in the world we could not reflag theirs. They have been longer-standing allies, I think, than the Kuwaitis.

So the American people are asking those kinds of questions. They are also asking the kind of question, "What kind of deal is this? You mean we're going to protect these ships and they don't even let our planes land there freely in their country that are going to be monitoring the airways?"

That is the same kind of deal: "We want your protection, only over the horizon, thank you very much. We don't want you on shore; we do not want you anywhere near where you look too close." They really think that maybe they have gotten the best end of the deal.

I think that the American people are right: the Kuwaitis get the best end of the deal. They understand that it is not freedom of the seas, they understand that the Kuwaitis got the best end of the deal, and they really think that it is time that if we are really doing this for our allies, we ought to ask them to help foot part of the bill, because the American people also understand that this operation is not going to be cheap.

Now I was amazed when the President of the United States said not to worry, that this is almost like Lake Michigan, the insurance rates have not gone up, it is not dangerous there.

Well, of course. But I would like to ask him if he has called and tried to insure our ships in that region. Obviously the insurance rates are not going to go up if we are going to put our whole Navy and Air Force on line protecting those ships. That is terrific insurance. What better insurance could you have than the U.S. military and the U.S. Navy? But who is protecting us? And who is going to pay for all of this at a time when our deficit is hemorrhaging.

Mr. BATEMAN. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I am delighted to yield to the gentleman from Virginia.

Mr. BATEMAN. I thank the gentlewoman for yielding.

Mr. Speaker, is the gentlewoman aware that the Government of Kuwait has obligated itself to pay for all of the fuel that is used by the U.S. Navy in this? Is the gentlewoman aware that the U.S. Navy has been making port calls, has received ship repair resupply problems without interruption or difficulty, but with the utmost cooperation from Bahrain for the last 40 years?

Mrs. SCHROEDER. And the gentlewoman is also aware of the fact that the Kuwaitis have not been forthcoming in allowing our planes to land freely on their airbases, and the gentlewoman is also aware of the fact that the Kuwaitis went to the last meeting of the Muslim nations and got all over Pakistan for allowing the Afghani freedom fighters to be based in their country. So they were kind of carrying the Soviet Union's water at that time.

I am saying one more time, it looks like the Kuwaitis are getting the best of the deal, and I think that that is what—I mean, the American people are saying that. I am impressed that they are going to pay for the gas. For cryin' out loud, I would pay for the gas, if somebody was going to protect me like that. That is not a big deal for an oil-producing nation.

Mr. BATEMAN. Mr. Speaker, will the gentlewoman yield further?

Mrs. SCHROEDER. I yield to the gentleman from Virginia.

Mr. BATEMAN. I thank the gentlewoman for yielding.

Mr. Speaker, is the gentlewoman aware that the Government of Kuwait is one of those governments from the Middle East that has supported and voted with the United States in the United Nations? Is she aware that the Government of Kuwait has been under intense pressure and intimidation from the Iranians to release prisoners convicted of bombing the American Embassy, and that they failed to yield to that pressure? And is she aware of the fact that the Kuwaitis could go to the Soviet Union in a flash and receive all of the assistance that they have requested of us, and will undoubtedly have to do so if her point of view prevails?

Mrs. SCHROEDER. Mr. Speaker, let me say to the gentleman from Virginia that the gentlewoman from Colorado is aware of all of that, and I am sorry that the gentleman from Virginia does not think that I know about that. But the gentlewoman from Colorado was also in Kuwait when they had shut down our Embassy. The gentlewoman from Colorado was also aware that Kuwait shut down its National Assembly this year, and is not exactly democratic. And the gentlewoman from Colorado also understands that it would be very silly for the Kuwaitis to align themselves with the Soviet Union, because the Soviet Union does not allow capitalism, and that is basis of their whole premise.

So I do not run and get a nightlight when they throw that out as a threat. I say to them, "OK, if you want to deal with them, you know where that goes," and they know better than that.

I think that we have to say to them that they have to be a much better ally, they have to pay for more than the gas, they have to allow us to use their air bases, and they have to stop playing footsie with the Soviet Union. We demand much more out of that. I am disappointed that the gentleman from Virginia is not standing up and helping us do that.

I do not think that we run around every single time someone says "the Soviet Union" on their lips. If we look realistically at that Persian Gulf, we ought to be saying to the countries in there, "You've never seen a Communist king or a Communist sheik or a Communist anything else, and we really ought to be moving forward to make sure that communism does not expand here," and they are not being helpful.

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Mr. PEPPER. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. HUTTO], the able chairman of the subcommittee.

Mr. HUTTO. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman from Florida [Mr. PEPPER], the chairman, and the gentleman from Tennessee [Mr. QUILLEN], the ranking minority member on the Committee on Rules, for the work the gentleman have done on this rule.

I am not enamored with the idea of making the Persian Gulf controversy a part of the Coast Guard authorization bill.

I think the Coast Guard authorization bill is too important to be embroiled in this controversy, because the Coast Guard has a very important role to play in our country. I do not want to subject our bill to a possible veto.

I realize, nonetheless, the situation as it exists today; and I appreciate the fact that the gentleman from Florida [Mr. PEPPER], the chairman, has prescribed a time limit for the two amendments that will be introduced on this subject, the one by the gentleman from Florida [Mr. BENNETT], and one by the gentleman from Washington [Mr. LOWRY]. Also, the gentleman from Florida [Mr. PEPPER] has done a good job by allowing the other amendments to go through the open process.

I look forward to a good debate today, and thank the gentleman very much for the work that the gentleman has done.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan [Mr. PURSELL].

Mr. PURSELL. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I want to congratulate the Committee on Rules for bringing this issue to the floor. I want to take a few minutes to go back and reflect a little bit on an event in the history of postwar America.

I think the gentleman from Florida [Mr. PEPPER], our good friend, will remember this period of history. Truman was the President, a Democrat. Arthur Vandenberg was chairman of the Foreign Policy Committee in the other body. Arthur Vandenberg, the Senator, was from Michigan.

Originally, Vandenberg was an isolationist. But, he looked at the emergence of the United States as a superpower after the war and recognized that his isolationist policy would not work. He sat down with the President of the United States, Harry Truman, and develop what is commonly known historically as a bipartisan foreign policy.

That had historic dimensions in terms of policy development. The Marshall plan, NATO, and other great national policies emerged as a result of that cooperation between a Republican Senator and a Democratic President.

I suggest we have an opportunity today in the Persian Gulf to look at the bigger issue; and that is, the Middle East settlement for peace. That is what the issue is all about.

The reflagging of ships in the Persian Gulf is important. So I suggest that when we debate this issue this afternoon, we try to find some common agreement among Democrats and Republicans that achieves a policy of reflagging these ships, but at the same time asks our allies throughout the world, NATO and Japan, to participate in sharing the costs, the burdens, and the risks involved of our foreign policy in the Middle East.

I suggest today that we have this opportunity. A few of the Members plan to offer an amendment in this regard later in the day.

I would hope that we would have some bipartisan cooperation, because I think it is time for the Congress and the President of the United States to work in harmony so that we speak with a single voice on foreign policy for this Nation. It is in our best interests.

If you travel abroad, people ask, why are there so many different voices speaking for the United States, voices from Congress, the rightwing, the leftwing, and the White House.

I think it is time that we put that behind us and look forward to a bipartisan spirit, because I think this Nation deserves nothing less.

Mr. PEPPER. Mr. Speaker, I yield 6 minutes to the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of the rule, and also in support of both the Bennett amendment, which I hope succeeds, and if it does not, of the Lowry amendment.

I enter this debate reluctantly. I wish it would not have been necessary for us to undertake this kind of discussion on the House floor today.

I was one member of the Committee on Foreign Affairs that urged my committee and the leadership of this body to do everything possible to present in a private way to the administration the very substantial reservations that were expressed in the Congress on both sides of the aisle with respect to the decision to reflag Kuwaiti vessels.

Tragically, the President has given us no choice but to proceed with this debate. Democratic and Republican leaders of the House and the other body, pleaded with the President and with other administration officials in private conversations over the past several weeks to reconsider, to reassess, to take a second look, to understand more completely the full risks that are part and parcel of this decision to reflag Kuwaiti vessels. All of those entreaties fell upon deaf ears, so now we have no choice but to take this issue head-on in this body.

Let us be clear. The issue we are debating today is not whether the United States must maintain a military presence in the gulf. Clearly, we must. We in fact have had such a presence for some 40 years in the gulf and no one is suggesting that that military presence is either unwise or unnecessary. That presence must be maintained.

Likewise, the issue we are debating today is not whether freedom of international navigation must be maintained in the gulf. Clearly, the international community must maintain access to that waterway. American interests are vitally linked to the maintenance of free international navigation.

That is not at stake either in this debate. It should be noted in that regard that there has been no threat, no interruption to the freedom of international navigation in the gulf.

What is at stake then is a very simple question: how does the high profile reflagging of the Kuwaiti vessels contribute either to American military security within the gulf, or to the maintenance of the right of international shipping?

It is transparent on its face that that reflagging contributes to neither objective. Inasmuch as Kuwaiti is the principal financier of the Iraquis, reflagging does nothing more than to draw the United States into the conflict between Iran and Iraq. Indeed, we are about to repeat the tragic mistake we made in Lebanon only 4 years ago, when the United States suddenly found itself viewed as a partisan to a conflict with respect to which we professed neutrality. The cost of that mistake was over 240 American lives. Reflagging the Kuwaiti ships does nothing more than to expose those Americans that will be in the Persian Gulf to increasingly great risks. It does nothing more than to inflame already an enormously volatile situation.

What we are seeing here today is nothing more than a tragic consequence of the Irangate affair. Let us be honest about that.

You have an administration that is attempting to undo the damage done to America's credibility with moderate Arab States by the illegal sale of arms to Iran. What we have is an administration trying to undo one error by committing another error. It makes no sense.

This reflagging decision is a symptom of the continued chaos and confusion within the administration. Only today we have received a report of a congressional delegation to Kuwait, indicating that the Kuwaitis and the Americans have a different understanding of the agreement that has been purportedly reached between Kuwait and the United States. Even the administration is not united in its understanding of its own objectives. Witness the debacle which had Chief of Staff Baker on television one day enunciating one policy, only to have it renounced by other administration spokesmen the next day.

It should be noted, in a more positive vein, that there is also one potentially promising development: new diplomatic initiatives within the United Nations in which the Soviet Union and the United States and other principal powers in the Security Council are joining together in an effort to end the war in the gulf.

Mr. Speaker, it makes no sense to simply increase the risks to American men and increase the risks of drawing the United States into the conflict between Iran and Iraq by reflagging. We need time. We need time to permit this administration to assess more fully the full implications of the course upon which it has embarked. We need time to develop an international consensus on behalf of whatever multilateral action is appropriate in the gulf. We need time to take a second look at a policy that carries with it such enormous risks.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. WOLPE. I am happy to yield to the gentleman from Washington.

Mr. DICKS. Mr. Speaker, I think the point the gentleman has made is either one of these amendments will not affect the ability of the U.S. Government to guarantee access and openness of the Persian Gulf, none. Neither one of these amendments affects our ability to maintain a U.S. military presence in the area.

The question is whether we agree with this policy of reflagging Kuwait tankers, and frankly I think it is a very tragic mistake. I think it tilts us in the wrong direction, and I am very pleased that the gentleman pointed that out in his statement.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Speaker, the debate on the rule today is, and appropriately is a debate primarily on the reflagging issue of the Kuwaiti tankers with regard to our policy in the Persian Gulf. I think that is an appropriate debate because that is what most of the Coast Guard reauthorization will be all about.

But I do want to take note that there are other provisions of the Coast Guard reauthorization before us and other issues in this particular rule. Of particular note, in section 8 of the bill, there was a provision to raise the threshold of the prevailing wage or of the Davis-Bacon statutes. That bill would have made a modest increase in the Davis-Bacon, but nevertheless, had section 8 stayed in the bill, section 8 would have permitted many of us to offer amendments to further reform and to raise the threshold of Davis-Bacon even further. The rule that is before us, if adopted, would allow for the deletion of section 8 or the Davis-Bacon provision of the bill itself.

I would suggest to the House and the Rules Committee that I do not oppose that at this time. I think the deletion of section 8 and thus the Davis-Bacon reform is appropriate, but only for this time for this bill, because indeed, as the Rules Committee has noted, the Education and Labor Committee is currently in the process of adopting a change, a wholesale change of Davis-Bacon that will be on this House floor sometime during the course of this year.

The bill that the Education and Labor Committee is marking up and has passed the Labor Standards Subcommittee is not, I want to note to my colleagues, a particularly good reform of Davis-Bacon. In fact, in many ways it expands the coverage of Davis-Bacon it expand it to lawsuits from any interested person, inclusion of property that is leased by requiring aggregate and by no means meaningful increases of the threshold, and to reduction of the paperwork burden. But, nevertheless, the Education and Labor Committee has committed to this House to come to this Congress this year, 1987, and ask for an open rule from the Rules Committee for a Davis-Bacon reform that will give this body for the first time, so far as I know, since 1934, the opportunity to act on the Davis-Bacon questions.

I think in this case the Rules Committee has acted appropriately. I do not believe there will be or should ever be again a way to waive or to eliminate a Davis-Bacon section of the authorization bill, because I think the Congress will and must handle the question in a comprehensive form during the course of 1987.

Mr. PEPPER. Mr. Speaker, I yield 4 minutes to the able gentleman from Michigan [Mr. HERTEL].

Mr. HERTEL. Mr. Speaker, I rise in support of the Lowry amendment. Unlike some of the previous speakers, I think this is the time and the place to discuss the reflagging issue. In fact, I give our leadership credit for having the courage to bring this issue to the floor and to the Rules Committee for allowing the Lowry amendment to go forward.

As a member of the Armed Services Committee and the Coast Guard Subcommittee, I have been present at hearings on the reflagging issue. It is clear to me that it is ill thought out. It is clear to me that it is shortsighted, and it is clear to me that it is stupid and in fact irresponsible.

The American people are looking to us. They have the doubts, and they have told us back home of their doubts of what we are doing on the reflagging issue and where it will lead.

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We look at the track record of the people who have gone ahead with the reflagging in this administration. We look back to the tragedy of Beirut and we heard the argument then and we will hear it today that we have to support the administration or we will embarrass the administration or weaken the administration in the eyes of the world. The tragedy in Beirut, the loss of life of our Marines, was in itself something that can never be replaced for them and their families. But that stupid, irresponsible policy harmed this Nation and its standing in the world. If we look at what is going on just a few blocks away, the hearings on the Iran-Contragate scandal tragedy, we see how stupid and irresponsible that policy was, the same people bringing us the reflagging policy.

If we look at what happened to the *Stark*, the loss of life on the *Stark*, just a few weeks ago, we can see that that was ill thought out. Here we take a ship without air cover, we place it next to a war zone, a war that has been going on for years, tens of thousands have been killed, many ships have been sunk, and we do not think about protecting that ship adequately and then we have a tragedy occur. We meet with the administration, ask them about the next steps that they might take if our ships are attacked under this reflagging, they cannot tell us. They only tell us to show resolve. They only tell us to support the administration once again. It is not good policy to support stupid, irresponsible ideas and actions.

The American people look at us as the only way of stopping it through the Lowry amendment, giving the administration 90 days to rethink, to bring the allies into concerted action with our Nation, to think about other alternatives because we do have an important interest and a vital interest in the Persian Gulf. But that interest cannot be protected now or in the future by stupid, shortsighted policies.

Will the reflagging of the Kuwaiti ships keep shipping lanes open for all? No. Will the reflagging of the Kuwaiti ships keep oil flowing? No. You have already heard testimony that that is not a problem today. Will the reflagging of Kuwaiti ships bring our allies into concerned action? No. And why should they if we go it alone once again? Will the reflagging of the Kuwaiti ships by our country bring peace to that region and end of the war? No, not in any way, because there is no connection to these other goals that we could all agree on in both parties. The American people could agree on keeping the sealanes open, on ending that war, on bringing our allies into concerted action but this reflagging goes the opposite of all of those important policy goals.

I ask this House, I ask Members of both parties to stand up against such a stupid, irresponsible policy so we do not have another tragedy and another stupid, irresponsible action in response to the tragedy later on.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. I thank the gentleman for yielding.

Mr. Speaker, I wish I had all the answers such as the gentleman from Michigan has. They are all "no." But by golly, they are answers. And I do not pretend to have any answers. But I would like to reason briefly with you about where we are.

The reflagging is not our idea. It is the invitation of the country of Kuwait, for their own reasons of sovereignty, apparently domestic politics they do not want American ships escorting Kuwaiti vessels.

Now they could charter some American vessels if they could get them over there and if we had them available. But we do not have any supertankers that are not working these days. So the next best thing, at their invitation, is to reflag the ships and ask us to protect them.

Now there are long-range and short-range consequences. Long-range, if we accept this invitation and we do protect the shipping in and out of these straits we will regain some of our lost influence in the Middle East. Why is that important? Because if peace is ever to come between Israel and the Arab States and the Palestinians, if peace is ever to come, the United States will have to play a major role; not, pray God, the Soviet Union or a fundamentalist revolutionary Iran, but the United States. And to play that role we must have some influence over the varying countries over there.

If we decline the invitation of Kuwait we will lose all influence, all respect, all credibility, all leverage in that part of the world. We will permit Iran to chase us out of the Persian

Gulf. That is not the act of a superpower. That is the act of an isolationist, minor power and something that will further erode our already eroding leverage in the world.

Now we are a superpower. We should be a force for peace and we have to act like it. Of course, of course there are risks to this policy. There are no risk-free corners of the world. But we must, if we are a leader of the free world and a sea power whom history has burdened with leadership responsibilities, assume those risks. I for one am unwilling to let Iran chase us out of the gulf. I for one am pleased that Kuwait, a country with whom we have not had the best of relations, has invited us to be their protector. I think this is a step toward an eventual peace in the Middle East, because we will have a role to play.

So I accept the risks. God knows I hope nothing happens. But if we are to play the role of leader of the free world, if we are a superpower, we must act like one.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SMITH of Florida). The gentleman from Florida [Mr. PEPPER] has 5 minutes remaining; the gentleman from Tennessee [Mr. QUILLEN] has 6 minutes remaining.

Mr. PEPPER. Mr. Speaker, I yield 1 minute to the able gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, the U.S. flagging of foreign ships in the Persian Gulf should focus the attention of the Nation on establishing a national energy policy, a policy that will result in energy independence for America.

Today the House will debate whether, and under what circumstances, to permit the reregistration and reflagging of Kuwait oil tankers as American merchant vessels—thus committing American money and personnel to the protection of oil shipping in the Persian Gulf.

If we peer through the haze rising from this debate, we can see the certainty of conflict in the Persian Gulf, conflict is certain.

What is most disturbing about this debate is the need to have it in the first place. The United States, and indeed the Western World, are entirely too dependent on petroleum from the Persian Gulf region.

There is no question that the United States needs to maintain a presence in the Persian Gulf. But our need to be there would not be as great if our Nation had made a sufficient commitment to energy independence after the 1973 oil crisis to find alternatives to petroleum as a transportation fuel.

America stands poised on the brink of the nineties with the unfinished business of the seventies and eighties still before it.

The Secretary of Energy reports that the Nation is becoming more dependent on foreign oil while the Middle East is becoming less stable; he told Congress and the President earlier this year that "the need to address this energy challenge is no less urgent than when the Nation was confronted with two oil supply interruptions in the 1970's." Today's debate underscores that sense of urgency.

Energy policy is not the only item left on the agenda. Among the others are:

FARM POLICY

Farm income, in real dollars, is at near-Depression depths as exports shrink and surpluses grow. The number of family farmers forced from the land each year is still alarmingly high.

Many of those farmers who have been able to hold on find that more and more of their income comes from the Government rather than from the market. This income support is vital to farmers' survival; but, as other government programs are cut back, the high cost of the farm program threatens to erode the traditional rural-urban consensus about the need for agricultural programs.

AIR POLLUTION

Twenty years after "ecology" became an everyday word and 10 years after the Congress set clean air standards for the Nation, the air is still filthy.

Eighty-one metropolitan areas do not comply with the standards for carbon monoxide and 76 do not comply with the standards for ozone. The potential effect on our health from this airborne grime is terrifying.

Expanding our use of alcohol or alcohol-based motor fuels would be an important beginning to the search for solutions to all of these lingering problems.

Since the first oil shock in 1973 I've worked for the development of a comprehensive national alternative fuels policy. I believe such a policy is essential for our economy and national security.

Earlier this year, I introduced a bill in the House of Representatives that would mandate the use of 10 percent ethanol in one-half of the Nation's gasoline supply and 5 percent methanol and 2½ percent ethanol in the other half. If my bill becomes law, it will provide a market for farm products, clean the air, and decrease our dependence on oil imports.

How will it accomplish these goals?

Ethanol, or grain alcohol, is generally made from feed grains. Mostly, it is made from corn.

My bill will create a new market for more than 2.6 billion bushels of grain every year. This would raise the price of corn to a level above that at which Government price supports kick in—thereby allowing the farmer to receive his income from the market instead of the Government.

The Government would not have to spend most of the $75 billion the Agriculture Department estimates it will spend on feed grain price supports from now through 1991. But most consumers would barely notice the change in farm prices—your grocery bill would go up less than a dollar a week.

To produce the ethanol required, 97 new plants of 60-million-gallon-per-year capacity would be constructed. However, because the law would provide a market for the ethanol, the plants would be constructed by private investors at no additional cost to the taxpayer.

Carbon monoxide levels in the air we breathe would be cut by between 3 and 10 percent at sea level, and by as much as 20 percent at higher elevations. All of us, and particularly people with cardiovascular disease, would not find it as dangerous to walk out our front door and inhale.

The State of Colorado, which has a particularly severe carbon monoxide problem, has already recognized the wisdom of mandating the use of alternative fuels. Colorado recently required the use of oxygenated fuels, such as ethanol blends, on the front range of the Rockies during the winter months, when the pollution is worst.

Most importantly, however, my bill would be a big step down the long road to energy independence. My bill would immediately reduce oil imports between 190 million and 350 million barrels per year.

Given our insatiable thirst for fuel, that initial reduction is modest. But mandating the use of alternative gasoline blends would be an initial move toward weaning ourselves entirely off of petroleum. Eventually, our cars will run on cleaner burning pure ethanol or methanol, which we can make right here at home.

Continuing to rely on oil as heavily as we do would be the easy way out. But that would mean continuing in thrall to the OPEC oil barons and making the air even less fit to breathe.

When oil was nearly as cheap as water, when pollution wasn't a problem, when the Strait of Hormuz wasn't in the middle of a war zone, then oil made more sense than any other fuel.

But times have changed, and will change even more.

Dependence on oil is the way of the past. We must find a better way for the future.

If we wait until crisis confronts us to develop a national alcohol fuels capacity; if we take the path of least resistance, then when a new oil crisis comes we will not have the capability to slake our thirst for fuel. We will be trapped.

What is the cost of an alternative energy policy? Nothing to the taxpayer, a few pennies a gallon at the pump, and less than a dollar a week at the grocery store.

What is the cost of not having an alternative fuels policy? At least $15 billion a year in farm subsidies, increased vulnerability to energy disruption, and untold potential costs to American lives and American treasure in the Persian Gulf.

Mr. Sam Hummelstein, of Jonesboro, AR, in Arkansas' First Congressional District, recently spent 6 weeks in Brazil on a Rotary Foundation fellowship. Mr. Hummelstein asked people he met in Brazil what they thought about President Reagan's policy in the Persian Gulf. They told him they didn't care about the Persian Gulf, because 93 percent of their motor fuel supply was domestically produced alcohol.

There is a lesson there for us, if we're willing to heed it.

We should not have had to engage this debate today about reflagging tankers in the Persian Gulf. We should act now to ensure that we never have to do so again.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Mr. Speaker, when the House finishes its work today on the rule and the Coast Guard authorization bill, we will have addressed the Bennett and Lowry amendments to delay or prohibit reflagging Kuwaiti oil tankers.

The issue of reflagging Kuwaiti tankers demonstrates once again the lesson that no United States foreign policy initiative can succeed in the long run unless the President and the Congress stand together on the initiative from the outset.

The administration is on the right track in seeking an end to the Iran-Iraq War, which is the most important long-term Persian Gulf objective for the United States. The diplomatic efforts in which we are currently engaged through the U.N. Security Council are promising, and may provide the best potential for a lasting solution to the conflicts in the region.

Whatever amendment is adopted today on the reflagging issue, it is clear that the real need is not for legislation, but rather for a true policy consensus.

The administration and the appropriate leaders in Congress should sit down together and begin to build such a consensus. Consultation with Congress regarding U.S. goals and progress in the United Nations and on the diplomatic front is a good start.

The administration and most of the Congress agree more than they disagree on Persian Gulf policy.

Everyone recognizes that the United States has vital interests in the freedom of the Persian Gulf sealanes and the flow of oil on which the economies of our European and Japanese allies depend.

Everyone also recognizes that our allies must cooperate with us in defense of our common interests in the region and that includes Japan.

Regardless of which of the Persian Gulf amendments Members ultimately vote for or against, I believe that all Members share a fundamental consensus that the United States has vital interests in the Persian Gulf region, and that it must defend those interests.

The difference of views arises on the question of how best to achieve that objective. The President had a tough decision to make and he made it. Congressional criticism without offering constructive alternatives serves only to undermine the President's ability to effectively implement his decision.

Although I have had concerns about the reflagging of Kuwaiti ships, I do not believe that Congress would improve the situation by breaking the commitment the President made.

I urge my colleagues to vote against the Bennett and Lowry amendments when they are before us.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Speaker, Members of the House, no one in his right mind can take this podium and try to add to anything that the gentleman from Illinois has stated about this particular issue. He is absolutely correct. What I wanted to add to his remarks was his criticism of the gentleman from Michigan's final conclusion as he gave us a litany of foreign policy failures as he saw them on the part of the U.S. Government.

Yet he ended his peroration by saying "We have a vital interest in the Persian Gulf," but gives no way to preserve that vital interst or to protect it. I submit that since we all agree, all 535 Members of the Congress, that we do indeed have a vital interest in maintaining a presence in the Persian Gulf, that we have an opportunity to support that by supporting the President's acceptance of the Kuwaiti invitation.

Mr. HERTEL. Mr. Speaker, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from Michigan.

Mr. HERTEL. I thank the gentleman, my friend, for yielding.

We do agree that we have a vital interest. But what I was saying is that this policy does not meet those goals. For instance, does not the gentleman agree it would be better to bring our allies in with us in keeping the shipping lanes open for all nations?

Mr. GEKAS. In my judgment, our responsibility is to lead our allies, to lead world opinion, to lead the decisionmaking powers of the West. And if all that the allies will do is as they did at the economic summit, support the fact that the Persian Gulf must remain free for international commerce, that is enough to allow the President of the United States to make the decision as the leader of the free world. Our vital interests are then amalgamated with those of our allies.

Mr. HERTEL. I agree with the gentleman and I also agree with the gentleman, Mr. HYDE, that we have this great responsibility as a naval power and as a leader of the free world. But let me add one other thing, another word to all of those powerful adjectives, all of the responsibilities that we have. That word is "wisdom." We have to have the wisdom to carry out this responsibility.

Mr. PEPPER. Mr. Speaker, I yield my remaining minutes to the able gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I was able to fly in with a visitor who is a good friend of mine, Mr. Fazio, who is the defensive coordinator for Notre Dame University, former head coach of my alma matter University of Pittsburgh. We talked about coaches today.

We started talking about Lombardi, Vince Lombardi. We talked about his secret.

He said that his secret was, quoting the great Hall of Famer Willie Davis, when they asked him what he thought of Vince Lombardi, Mr. Davis said, "I really loved him." The reporter asked, "Why?"

Willie Davis said, "Very simply, because he treated us all alike; like dogs, but all alike." And that takes me to the issue of the reflagging here, Mr. Speaker.

□ 1300

I think we have come to the point where we all recognize that there is a war going on, and our administration and our President say that we are not going to take sides in that war. I want them to tell me how we cannot but take sides by reflagging those vessels under current administration policy.

We are inviting a conflict. Yes; we must have a presence in the Persian Gulf to leave the shipping lanes open, but do we do that by taking one side over the other? I think we are making a tragic mistake. I think we are missing the boat.

It is time that we start looking at a mechanism that has been created in this world to help us in issues like this, and I refer to the United Nations. If not now, when? And if not with this, what? And are we going to continue to fund them and continue to house them, and then when the problems and the crises exist, is America going to come along and do the job that the United Nations should be doing?

I think Congress here today should let the United Nations know and let the world know that we disagree with the gentleman from Illinois [Mr.

HYDE]. He says, "I accept the risk," and I say that the taxpayers and soldiers and servicemen of America have accepted too much risk on behalf of other people on this planet. I think our risk have to start at home. Yes; we want to keep those lanes open, but we do not want to promote the conflict. Take a look at Vietnam. Take a look at all those initial debates we had on the floor. Now, when we look back, it does not seem quite the same, does it? Talk was cheap.

Mr. Speaker, we are beginning to pound the nails in the coffins of the pine boxes that our youngsters may be sent back in. It starts in debates like this and in measures like this.

I did not mean to take the floor on this. I have an amendment that would expand the "Buy American" provision, and I will take more time to explain that later. I commend the committee for introducing language to buy American in the building of these vessels in the shipyards of America, and I will offer a 50-percent domestic content provision. I ask the support of the Members for that amendment. I have continuously offered "Buy American" provisions to authorization legislation. And I will continue to do so. The cost of unemployment and Government assistance are killing American tax payers. Let's keep America working.

Mr. CARPER. Mr. Speaker, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Delaware.

Mr. CARPER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to raise another point, and this one was referred to by the gentleman from Texas [Mr. BARTLETT].

This bill, as reported by the Committee on Merchant Marine and Fisheries, raises from $2,000 to $25,000 the de minimis ceiling under Davis-Bacon. By adopting this rule, we take that $25,000 de minimis ceiling and put it right back to $2,000 where it has been for the last 50 years.

I think the time has come for us to realize that that ceiling needs to be raised. Our committee is making an effort to do that for Coast Guard projects.

I plan to vote for this rule nonetheless on the assurance provided by the gentleman from Texas [Mr. BARTLETT], a member of the Committee on Education and Labor. He has assured us that, at some point during this year, we will have an opportunity to debate and vote in this Chamber on a bill to raise that de minimis ceiling to a more realistic level, hopefully to $50,000.

Mr. HERTEL. Mr. Speaker, will the gentleman yield?

Mr. TRAFICANT. I yield briefly to the gentleman from Michigan.

Mr. HERTEL. Mr. Speaker, in the debate before, the gentleman from Illinois [Mr. HYDE] and also the gentleman from Pennsylvania [Mr. GEKAS] asked, why did I cite all the disasters, and what was the connection here with reflagging?

The connection is our responsibility, because this Congress could have stopped the disaster in Beirut. We had a vote on this floor and Members said we should support the administration, and that disaster occurred. The same thing could happen now, and it will be our responsibility if we do not pass the Lowry amendment to stop the stupid, irresponsible policy of reflagging these ships, which has no goal in sight whatsoever. It is a policy that is ill thought out, and it is brought to us by the same bumblers who brought us the Beirut policy.

The SPEAKER pro tempore (Mr. SMITH of Florida). All time of the gentleman from Florida [Mr. PEPPER] has expired.

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. PEPPER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 305, nays 96, not voting 32, as follows:

[Roll No. 246]

YEAS—305

Ackerman
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Bennett
Bentley
Berman
Biaggi
Bilbray
Bilirakis
Boehlert
Boggs
Boland
Bonior (MI)
Borski
Bosco
Boulter
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Buechner
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chapman
Clarke
Clay
Coats
Coelho
Coleman (TX)
Collins
Conte
Conyers
Cooper
Courter
Coyne
Crockett
Daniel
Darden
Davis (IL)
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dyson
Eckart
Edwards (CA)
English
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Gonzalez
Gordon
Gradison
Grandy
Grant
Gray (PA)
Green
Guarini
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Hertel
Hochbrueckner
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Jacobs
Jenkins
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kildee
Kleczka
Kolter
Konnyu
Kostmayer
LaFalce
Lancaster
Lantos
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Petri
Pickett
Pickle
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Ravenel
Ray
Richardson
Ridge
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Scheuer
Schneider
Schroeder
Schulze
Schumer
Sharp
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slaughter (NY)
Smith (FL)
Smith (NE)
Smith (NJ)
Smith (TX)
Snowe
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Sundquist
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (FL)

NAYS—96

Archer
Armey
Badham
Baker
Bereuter
Bliley
Brown (CO)
Bunning
Burton
Chandler
Cheney
Coble
Coleman (MO)
Combest
Coughlin
Craig
Crane
Dannemeyer
Daub
DeLay
DeWine
Dickinson
Dornan (CA)
Dreier
Edwards (OK)
Emerson
Erdreich
Fawell
Fields
Frenzel
Gallegly
Gekas
Gingrich
Goodling
Gregg
Gunderson
Hansen
Harris
Hastert
Henry
Herger
Hiler
Holloway
Houghton
Inhofe
Ireland
Jeffords
Kolbe
Kyl
Lagomarsino
Latta
Lewis (CA)
Lewis (FL)
Lightfoot
Lowery (CA)
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCollum
McEwen
Michel
Molinari
Nielson
Oxley
Packard
Porter
Regula
Rhodes
Roberts
Schaefer
Schuette

Sensenbrenner
Shaw
Shumway
Shuster
Slattery
Slaughter (VA)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solarz
Solomon
Spence
Stangeland
Stump
Sweeney
Swindall
Tauke
Upton
Vucanovich
Walker
Wortley

NOT VOTING—32

Akaka
Beilenson
Bevill
Boner (TN)
Bonker
Boucher
Chappell
Clinger
Dwyer
Dymally
Early
Gephardt
Glickman
Gray (IL)
Hopkins
Hunter
Johnson (CT)
Kemp
Kennelly
Leach (IA)
Leath (TX)
Lott
McCurdy
McDade
Myers
Rangel
Roemer
Rogers
Rostenkowski
Smith (IA)
St Germain
Young (AK)

□ 1315

Mr. **TAUKE** and Mr. **GUNDERSON** changed their votes from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The **SPEAKER** pro tempore. Pursuant to section 3 of House Resolution 219, House Resolution 195 is hereby laid on the table.

Pursuant to House Resolution 219 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2342.

□ 1323

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2342) to authorize appropriations for the Coast Guard for fiscal year 1988, and for other purposes, with Mr. KASTENMEIER in the chair.

The Clerk read the title of the bill.

The **CHAIRMAN**. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Florida [Mr. HUTTO] will be recognized for 30 minutes and the gentleman from Michigan [Mr. DAVIS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida [Mr. HUTTO].

Mr. **HUTTO**. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I was very honored to have been elected this year as the chairman of the Subcommittee on Coast Guard and Navigation. I am fortunate to be responsible for legislation for an agency as popular as the Coast Guard. It certainly makes my job easier because there is such broad bipartisan support for this important agency. In fact, in reviewing last year's debate on the Coast Guard authorization bill—and I'm not sure "debate" is the proper term because every statement made was in strong support of the Coast Guard—it was interesting to note that there was not one single vote against passage of the bill.

Mr. Chairman, the Coast Guard has a long and distinguished record of service to the American people. While the Coast Guard's role as the "Good Samaritan of the Seas" is widely recognized, it really is a multimission agency, with responsibility for enforcement of fisheries laws, maintaining aids to navigation, inspection of merchant vessels, licensing of U.S. merchant marine personnel, and investigation of major maritime casualties. It also plays a major role in marine environmental pollution control, particularly oil spills, and has icebreaking responsibility to ensure safe navigation of U.S. vessels. Those missions are, I think anyone would agree, a pretty full plate. However, two additional missions have moved to the forefront and are causing the Coast Guard to refocus much of its time and resources.

First, under the maritime defense zone agreement implemented by the Secretaries of Transportation and the Navy in 1984, the Coast Guard was assigned responsibility for coastal defense of the United States out to 200 nautical miles—not so much a new assignment as a recognition of the Coast Guard's capabilities and the need for coordination before a national emergency requires mobilization. Under MDZ, the Coast Guard is responsible for defense of our ports against sabotage and of our harbor approaches against mine warfare. The agreement requires greater Coast Guard participation in joint-service and multinational exercises, with a resulting greater emphasis by the Coast Guard on military readiness.

Of course, the mission receiving the most publicity at this particular time is Coast Guard's involvement in drug interdiction, where they have demonstrated their ability to play a major role very successfully. For example, on May 8, the Coast Guard intercepted a shipment of nearly 2 tons of cocaine, the second largest cocaine bust ever made by a Federal agency.

How do these other roles affect the Coast Guard's budget? In a word—adversely. In consant dollar terms, there has been no growth in the Coast Guard budget over the last 5 years—despite the fact that their missions have increased. Increased missions mean increased requirements for both equipment and personnel. Congress has provided some new equipment in both the regular authorization/appropriations process and through the omnibus drug lesislation passed last year. However, there has not been a corresponding increase in funds for personnel needed to handle the new hardware. Because of the lack of funds to pay additional personnel, the Coast Guard is currently "taking it out of hide" and has instituted a major realignment of management and support functions to free up 500 billets for operational purposes.

The Coast Guard also has other budget problems. For example, the Coast Guard has a $15 billion capital plant that requires annual expenditures of $450 to $600 million to support. However, the administration's budget request for the acquisition, construction, and improvements account is usually well below that figure. This year's request was less than $280 million. In lieu of a number of other badly needed programs, the Coast Guard included $321 million in its fiscal year 1988 budget request for construction of a new icebreaker. OMB deleted the funds for the icebreaker; however, the Coast Guard was not given an opportunity to add other high-priority projects in place of the deleted icebreaker funds. In addition, the Coast Guard budget request submitted last fall did not include funds for items that were mandated by law after the budget request has been prepared—such as drug interdiction operations begun as a result of the omnibus drug bill and personnel benefits included in the Defense authorization bill.

As has been the custom of our committee in past years, this bill was developed on a bipartisan basis and was reported by the full committee with unanimous support. It addresses some of our concerns by adding to the administration's request the funds that we feel are essential to permit the Coast Guard to do its job. It provides personnel and funds for drug interdiction operations originated by the omnibus drug bill, and it continues, as part of the Coast Guard budget, defense readiness costs largely funded by the Department of Defense in prior years.

Because of inadequate appropriations for the Coast Guard in past years, Congress has deemed it necessary to help them out by providing additional funds through the Department of Defense. From a Coast Guard standpoint, this isn't a good way to do business, and DOD isn't particularly fond of giving its hard-won funds to the Coast Guard. In an effort to improve the predictability of its funding, the Coast Guard would prefer to include these items in its own budget. Our committee believes Congress should allocate to the Coast Guard sufficient funds to meet its critical missions without having to hope—and I want to stress the word "hope"—that additional funding will be available from the Department of Defense or other appropriation vehicles, such as the drug bill.

Consequently, our bill authorizes $2.787 billion for the Coast Guard for fiscal year 1988. This is a level we believe to be adequate—but certainly not excessive. While this is more than the amount requested by the administration, it is less than the total funds appropriated for the Coast Guard last year from all sources, including the omnibus drug bill and the Defense appropriations bill.

The bill also addresses a number of policy issues, including a prohibition on contracting of Coast Guard functions that are deemed necessary for a core logistics capability, and a requirement that Coast Guard vessels be constructed in U.S. shipyards. As the result of jurisdictional questions raised by the Committee on Education and Labor, section 8 of the bill was stricken by adoption of the rule. Our committee requested such a rule with the understanding that the Committee on Education and Labor will be bringing a bill to the floor that addresses the question of thresholds for the Davis-Bacon and Service Contract Acts.

I want to thank the members of the Merchant Marine and Fisheries Committee, and especially the distinguished chairman of our full committee, the gentleman from North Carolina [Mr. JONES], and our ranking minority member, the gentleman from Michigan [Mr. DAVIS], for their support and cooperation in developing this bill. It has truly been a group effort and I believe the bill reported by our committee is one which all Members of this House can heartily support.

Mr. Chairman, all Americans benefit from the services of the Coast Guard, whether it be directly as the result of a search and rescue mission, or indirectly through port security, the safe transport of consumer goods made possible by the Coast Guard's maintenance of aids to navigation, the cleanup of an oil spill, or the interdiction of the illegal drugs plaguing our Nation. The Coast Guard is one Federal agency that truly gives the taxpayers the most value for money spent. Because of the many missions for which the Coast Guard is responsible, it is not unusual for Coast Guard personnel to put in 96-hour work weeks, without overtime pay, if that's what it takes to get the job done. This bill will not eliminate the need for those long hours of work. It is a very lean budget. We are not, by any stretch of the imagination, being extravagant. However, it hopefully will ensure that the dedicated personnel of the Coast Guard can maintain the very high standards of service to which the people of our Nation have become accustomed from their Coast Guard, and it will permit the Coast Guard to fully perform its many missions that are so critical to the health and safety, as well as the national security, of our Nation.

In closing, Mr. Chairman, I must say that I wish our Coast Guard authorization bill could have been considered on the floor of this House without the controversial issue of reflagging of foreign vessels becoming a part of the debate. It disturbs me to consider the very real possibility that authorization of funding for the Coast Guard could be vetoed by the President because of the reflagging issue. To me, it seems a policy question such as reflagging could be better handled as a freestanding issue rather than as part of the basic authorization bill for the Coast Guard. Despite whatever action is taken today on the question of reflagging, I trust that the strong support this House has given to the Coast Guard in the past will not be diminished by this issue.

□ 1330

Mr. DAVIS of Michigan. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have a few remarks to add in support of the Coast Guard Authorization Act of 1987, and strongly urge its adoption.

Mr. Chairman, my colleague, Mr. HUTTO, has ably described this bill and the reasons supporting the funding levels we are seeking for the Coast Guard. I would like to add that this bill represents a bipartisan effort on the part of the members and staff of the Merchant Marine and Fisheries Committee and it was approved unanimously by the Merchant Marine and Fisheries Committee. This bill reflects our conviction that the Coast Guard should have the resources it needs to operate at a level the public rightfully expects and the national interest demands.

For nearly 200 years the citizens of the United States have depended upon the Coast Guard to provide for safe navigational guidance along our shorelines, to keep our waters safe from smuggling and illegal fishing practices by foreign fishermen and, most importantly, to provide for search and rescue for vessels in distress. Now, on top of these missions, the Coast Guard has the added responsibility for protecting our coastal defense zone in time of national emergency and an increasing role in preventing illegal drugs from being transported across our territorial waters and into this country where they are killing our Nation's youth. I believe there is no finer or more selfless organization, nor is there any agency which gives more for the money than the U.S. Coast Guard. They are out there on a day-to-day basis, 24 hours a day, putting their lives on the line to save others. This group of men and women is overworked and underfunded and still they do not complain; they just go out and do their job.

Mr. Chairman, the funding we are requesting for the Coast Guard in the bill which is before us today, H.R. 2342, has been carefully considered and represents a conservative approach to the Coast Guard budget. The total authorization of $2.686 billion is less than the total appropriation from all sources for the Coast Guard in 1987 and is based on the belief that there will be no further funding from any other sources this year. Furthermore, we feel, as does the administration, that all of the funding for the Coast Guard should come from its own budget rather than from additional sources. We do not expect any additional funds for the Coast Guard from the Department of Defense budget nor can the Coast Guard expect to receive any more funding from a bill similar to last year's omnibus drug bill.

Mr. Chairman, this bill does not contain an authorization of funds for major new acquisitions for the Coast Guard. Our funding level for the acquisitions, construction, and improvements account, for which we are requesting an additional $95 million over the administration's request, would simply allow the Coast Guard to maintain their $15 billion capital plant, not acquire new systems. This money is meant to restore existing facilities that have suffered in recent years due to no-growth budgets, and to prevent any further deterioration of Coast Guard property. It would be fiscally irresponsible for us to allow Government property to degenerate because we do not make the necessary investment to maintain it.

In addition to the primary question of funding for the Coast Guard, a number of other issues are addressed as well in this legislation. In particular, we want to highlight provisions that will:

Prohibit the construction of Coast Guard vessels, and all major components of Coast Guard vessels, in foreign shipyards in a provision modeled after existing Navy restrictions;

Include Coast Guard military and civilian employees in a Department of Defense Relocation Assistance Program; and

In confirmation of an agreement signed on May 11 of this year by the Commissioner of the Customs Service and the Commandant of the Coast Guard, there is a provision to clarify the Coast Guard's law enforcement jurisdiction over, as well as on and under, U.S. waters.

As my colleagues may know, I have introduced legislation to authorize the Secretary of Transportation to enter into a lease or charter arrangement for one or two icebreaking vessels. I fully support a buy-America provision for all Coast Guard vessels, and certainly for a purchase or lease of icebreakers. I had planned to offer an amendment to the Coast Guard authorization bill at our full committee markup of the bill, to authorize the Secretary to lease one or two U.S.-

built icebreaking vessels. I did not offer that amendment, in deference to the chairman's wishes to delay any legislative action on icebreakers until hearings were held on this issue.

I believe that it is essential that the Secretary have the discretionary authority to lease a U.S.-built icebreaking vessel, and that we should take action as soon as possible to give her that authority. It is my understanding that the Coast Guard needs the leasing authority in the law to move the lease-versus-buy analysis along. It is also my understanding that the lease-versus-buy analysis was not imposed by OMB on the Coast Guard, but that the Coast Guard is interested in exploring the lease option.

I look forward to working with my colleagues to provide the Secretary with a discretionary authority to lease a U.S.-built icebreaking vessel.

In closing, I would like to emphasize the fact that this level of funding for the Coast Guard is not an extravagance on the part of the Federal Government. The responsibilities undertaken by the Coast Guard on a daily basis require this organization to provide more services and contributions to the Nation and to the general public than almost any other agency, and certainly the dedication of Coast Guard personnel makes it unique among Government agencies. The Coast Guard cannot continue to survive on years of no-growth funding without suffering irreparable depreciation of its assets and damage to the morale of its people. So, I urge you to join me, and the members of the Merchant Marine and Fisheries Committee, with your support for the Coast Guard Authorization Act of 1987.

Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman from Michigan [Mr. DAVIS] has consumed 4 minutes.

Mr. HUTTO. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the full Committee on Merchant Marine and Fisheries, the gentleman from North Carolina [Mr. JONES].

□ 1340

Mr. JONES of North Carolina. Mr. Chairman, I thank the gentleman for yielding me this time. I would like to begin by thanking you for scheduling floor time for this important piece of legislation.

The bill, which has been developed in the truest of bipartisan fashion, has, of course, as its focus, the authorization of funding and manning levels for the U.S. Coast Guard for fiscal year 1988. Although adequate, the funding levels are very lean representing only minimal increases over last year's levels and for some expenditure categories, dramatically less than the amounts appropriated for fiscal year 1987. In light of the minimal dollar amounts contained in this authorization, it would be most distressing to me if the amounts appropriated do not at least match the amounts contained in this bill.

The amounts are fiscally responsible while permitting this important organization to continue its many important missions which we in Congress have asked them to perform. These include: Drug interdiction, search and rescue, military readiness, and treaty enforcement.

In addition, the legislation also contains important language regarding the Coast Guard's ongoing contracting-out of certain functions. Although I can support this program for certain nonessential activities. I do not feel that the national interest should be compromised by contracting-out core logistic functions. As such, the bill requires the Secretary of Transportation to furnish the appropriate congressional committees with both a list of those functions necessary to maintain the Coast Guard's core logistics abilities as well as a list of activities under review for possible contracting-out. This will ensure that the Congress has ample opportunity to review these plans and adequately assess their impact on our Nation's security. I have had unfortunate experiences recently where the Coast Guard was forced to proceed with A76 studies at its base in Elizabeth City, NC; in my view, there was an inadequate basis to consider contracting-out some of these functions.

Along a similar line, the bill before us today also contains a provision which prohibits the construction of any Coast Guard vessel, major hull component, or vessel superstructure in a foreign shipyard. In light of the drastic decline in American shipbuilding capacity, this provision will assist in preventing its further decline and thereby help to ensure that this country has the ability to meet its shipbuilding requirements, whether they be peacetime or wartime.

The bill before us does not contain authorization for the procurement of icebreakers, but the Coast Guard has a major need to replace icebreakers that have been in service for more than 40 years. However, because of the limited procurement dollars in its budget, pressure has been placed on the Coast Guard to look at a lease-versus-build arrangement as a cheaper alternative. This requirement by OMB has delayed the replacement of existing icebreakers that must be decommissioned in the early 1990's.

Our bill includes a provision that Coast Guard vessels, including icebreakers, will be built in U.S. shipyards. This is similar to a buy-American requirement that exists for the other uniformed services. It is my belief that a leasing arrangement to circumvent the buy-American provision would be totally unacceptable.

Previously, I was pleased to join the distinguished chairman of the Coast Guard Subcommittee and our ranking minority member, the distinguished gentleman from Michigan, in sending a letter to Adm. Paul Yost, Commandant of the Coast Guard, clearly stating the intent of our committee that, whatever procurement plan the Coast Guard employs to acquire vessels, they must be built in the United States.

In closing, let me say that it is clear that this bill has been chosen as the vehicle on which there will be House debate regarding the President's policy on the reflagging of Kuwaiti vessels. I fear that the many good points of this very necesssary Coast Guard authorization bill are going to be overwhelmed by the reflagging debate. I certainly hope that we can eventually salvage the noncontroversial parts of this important underlying bill.

I firmly support the provisions of this bill and urge its passage.

Mr. DAVIS of Michigan. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. LEWIS].

Mr. LEWIS of Florida. I thank the gentleman for yielding.

Mr. Chairman, I would like to enter into a colloquy with the gentleman from Florida [Mr. HUTTO], the chairman of the subcommittee.

Mr. Chairman, as you know I originally had strong reservations about section 11 of this bill, which I believe could have adversely affected Coast Guard search and rescue operations in my district. Without going into great detail, this section allows the Coast Guard to sell property it owns in Palm Beach County, FL, and use the proceeds to acquire a new site for the Coast Guard facility currently located on Peanut Island.

By moving to another site further away from Lake Worth Inlet. I was concerned that the Coast Guard's response time for search and rescue operations would increase and lives might be needlessly lost.

I am pleased that a compromise has been worked out which will permit the Coast Guard to move to a more beneficial site, while still maintaining a presence on Peanut Island in order to keep response time to a minimum. I wish to thank the subcommittee chairman for his help in reaching this compromise.

Mr. Chairman, again if we might engage in a brief colloquy, there is another aspect to the Coast Guard situation on Peanut Island which I would like to address.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of Florida. Mr. Chairman, I yield to the gentleman from Florida.

Mr. HUTTO. Mr. Chairman, I thank the gentleman for yielding.

I appreciate the gentleman's kind remarks. It was a pleasure to work with him on a compromise to resolve the gentleman's concerns about the Peanut Island facility. I also would be very interested to learn what other aspects of the situation at Lake Worth Inlet that the gentleman believes should be addressed.

Mr. LEWIS of Florida. I thank the gentleman.

Mr. Chairman, aside from being concerned about the response time implications of moving off Peanut Island, I have been acutely interested in seeking an increase in manpower and equipment for this Coast Guard station which services one of the fastest growing areas in the entire country.

While recognizing budgetary constraints, would you be willing to work with me in the future to help ensure that the Coast Guard station in Palm Beach receives its fair share in these critical areas?

Mr. HUTTO. Mr. Chairman, if the gentleman will yield further, as the gentleman knows, despite the fact that Congress has increased the missions of the Coast Guard, there has not been any real growth, in constant dollar terms, in the Coast Guard budget for the past 5 years, and budget constraints have adversely affected Coast Guard activities everywhere.

I concur with the gentleman's statements about the problems caused by rapid growth in our home State of Florida, particularly in south Florida. The Coast Guard certainly needs additional personnel and equipment to fulfill its missions for search and rescue and for drug interdiction, particularly in high traffic areas such as the gentleman's district, and I will be happy to work with the gentleman—within the constraints of the Coast Guard budget—to improve Coast Guard capabilities in this very busy area.

Mr. LEWIS of Florida. Mr. Chairman, I thank the gentleman from Florida [Mr. Hutto] and look forward to working together to improve the search and rescue and drug interdiction capabilities of this busy Coast Guard facility.

Mr. HUTTO. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. Lowery].

Mr. LOWERY of California. I thank the gentleman for yielding. I take this opportunity to discuss with the chairman a troubling situation with respect to a search and rescue helicopter utilized by the Coast Guard. Specifically, the HH-65A Dolphin helicopter has had difficulties in attaining a satisfactory readiness capability. I believe the not-mission-capable [NMC] rate of the Dolphin is now 48 percent and has been, at times, as high as 70 percent. This alarms me because the San Diego Air Station relies on four of these helicopters for their S&R missions.

It is also my understanding that the Coast Guard is working diligently with the contractor and subcontractor to lower the not-mission-capable rate.

I ask the chairman to comment on this situation and share his insights and that of his subcommittee on this matter.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. LOWERY of California. Mr. Chairman, I yield to the gentleman from Florida.

Mr. HUTTO. Mr. Chairman, I thank the gentleman for yielding. I thank the gentleman for his comments about the utilization rate of the Dolphin helicopters. I, too, have been very closely watching the performance record of the Dolphin. I share the concerns the gentleman has expressed. The lower mission-capable rate of the Dolphin is due primarily to the engine requiring higher maintenance than expected.

The Coast Guard and the manufacturer are working on engine design improvements to correct the problem. In the meantime, Coast Guardsmen at air stations such as San Diego are working overtime when necessary to ensure that required helicopter standby standards are met at all times. Since the assignment of HH-65 helicopters, Air Station San Diego has responded to all but one search and rescue in its area of responsibility. The one exception came when the Navy responded to a nonurgent case during a planned backup to permit some necessary Coast Guard maintenance.

Mr. LOWERY of California. I thank the chairman for his comments and would like to raise one more point with respect to deployment of the Dolphin helicopter. In San Diego, the Coast Guard imposed a wholesale substitution of Dolphins for the older, but to-date more reliable, HH-3 Pelican. While acknowledging that all air stations want to have these newer, more capable Dolphins at their bases, I question the wisdom of full-scale replacement. I maintain that the Coast Guard should transition to the new Dolphin in a gradual manner, at least until the readiness rates of the Dolphins are substantially improved.

I would ask the chairman to comment on this deployment scheme and his views on the Dolphin helicopter in general.

Mr. HUTTO. Mr. Chairman, if the gentleman will yield further, as the gentleman knows, compared to the HH-3 Pelican, the Dolphin is generally considered to be a superior helicopter with greater speed and capability. In 1985, four HH-65 Dolphins were assigned to San Diego as helicopter replacements for the Pelican aircraft transferred to San Francisco. This was all part of a plan to optimize the strategic positions of Coast Guard aircraft throughout the United States.

The HH-65 Dolphin has been phased into operation one air station at a time over 5 fiscal years, to be completed by fiscal year 1989. Since the HH-65 is a replacement aircraft, resources to operate it—people, money, and training—must be offset by the reduction of older aircraft. Some short overlap is provided to insure no loss in operational continuity. However, because of budget pressures, this overlap cannot be an extended mode of operation.

In recent months, both aircraft availability and flight hours per aircraft have been increasing. This trend in fleetwide improvement is expected to continue.

I can assure the gentleman that my subcommittee is concerned about this problem. It was addressed when the commandant appeared at our hearing on April 22 and we will continue to monitor the Dolphin performance record through quarterly reports from the Coast Guard that were requested at that hearing.

Mr. LOWERY of California. Mr. Chairman, I thank the gentleman for the gentleman's insights, and would be very happy to work with the gentleman and the gentleman from Michigan [Mr. Davis], the ranking Republican member, to address this matter of improved readiness capability for search and rescue capability by the Coast Guard.

Mr. DAVIS of Michigan. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. Armey].

Mr. ARMEY. Mr. Chairman, I thank the gentleman for yielding.

I rise at this time to engage in a colloquy with the gentleman from Florida [Mr. Hutto], the distinguished chairman of the subcommittee.

In 1982, Congress passed the 1983 Coast Guard Authorization Act. It included language stating:

> The commandant of the Coast Guard shall review Coast Guard policies and procedures for towing and Salvage of Disabled vessels in order to further minimize the possibility of Coast Guard competition or interference with private towing activities or other commercial enterprises.

This language became a notation under 14 U.S.C. 88.

Mr. Chairman, I would ask if it is the chairman's understanding that this provision quoted in fact has the "full weight of law" and that this provision means that the Coast Guard should first refer nonemergency towing requests to private towers and salvagers where available before utilizing Coast Guard resources including the Coast Guard Auxiliary for nonemergency assistance.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. Mr. Chairman, I yield to the gentleman from Florida.

Mr. HUTTO. Mr. Chairman, I thank the gentleman for yielding.

I thank the gentleman from Texas for his comments. It is my understanding that the provision he cites is law. Like you, I am concerned that we make the most efficient use or all our available resources whether it be active duty or reserve Coast Guard personnel, citizen volunteers such as the Coast Guard Auxiliary or the private towing and salvage operators. But that 1982 law does mean that when private or Coast Guard resources are equally available for nonemergency towing, private firms should be utilized or given that option first.

Mr. ARMEY. Further, Mr. Chairman, it is my understanding your committee is soliciting responses and intends to hold hearings on the subject of the Coast Guard Auxiliary. These hearings should address among other things the need to balance the excellent volunteer efforts of the Coast Guard Auxiliary against the growing presence of private towing and salvage operators.

Mr. HUTTO. Mr. Chairman, if the gentleman will yield further, the gentleman is correct.

Pursuant to the Coast Guard Authorization Act of 1986, Public Law 99-640, the Coast Guard is required to submit a report to Congress regarding the Coast Guard Auxiliary no later than November 1987. My subcommittee intends to hold hearings on the results of the study and will address not only the Coast Guard Auxiliary but private towers as well. I made this commitment to the towers when I met with a number of them earlier this year.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. Mr. Chairman, I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I thank the gentleman for yielding.

I want to direct a question to the gentleman from Florida [Mr. Hutto], the chairman of the Subcommittee on Coast Guard and Navigation.

I have heard from a number of private towers in my district who are concerned about the lack of uniform implementation of the nonemergency towing policy by local Coast Guard units. Will the upcoming hearing address these concerns?

Mr. HUTTO. Mr. Chairman, if the gentleman will yield, I thank the distinguished gentleman from New Jersey [Mr. Hughes] who has been one of the Coast Guard's strongest supporters in the Congress. The hearing this fall will certainly address his specific concerns and I'm looking forward to his active involvement at the hearing.

□ 1355

Mr. HUGHES. I thank the gentleman.

Mr. ARMEY. I thank the chairman for this very important clarification.

Besides the fact that this was one of the original Grace Commission recommendations, I think it makes good sense to concentrate the Coast Guard resources to combat the illegal drug flows and other emergencies rather than responding to nonemergency towing.

Mr. HUTTO. Mr. Chairman, certainly there is a role for all parties, including the private sector and volunteers, to play in this important area. No one can have a monopoly and I thank the gentleman for his concern.

Mr. ARMEY. Mr. Chairman, I thank the chairman for his comments and I yield back the balance of my time.

The CHAIRMAN. The gentleman fromTexas [Mr. Armey] has consumed 3 minutes.

Mr. HUTTO. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. Biaggi], a valued member of our committee.

Mr. BIAGGI. I thank the gentleman for yielding.

Mr. Chairman, I would like to engage in a colloquy with the gentleman from Florida [Mr. Hutto], as chairman of the Coast Guard Navigation Committee.

Mr. Chairman, I am very concerned with the administration's practice of contracting with private companies for the services of firefighters and security guards at Coast Guard installations and at other military installations.

Last year, when the House considered the authorization of appropriations for the Coast Guard for fiscal year 1987, I offered an amendment, which was adopted, to prohibit the contracting out of firefighting functions at Coast Guard installations and facilities. I offered the amendment prohibiting the "renting of a fireman" because I believed that it was in the national interest to ensure timely performance of Coast Guard missions. I argued then and I argue now that the function of a fireman and the function of a security guard are inherently governmental and should not be contracted out.

I was planning to offer an amendment similar to what the House adopted last year; however, I understand that most of the contracting out that is going to be done has been done. As a matter of fact, the Coast Guard is reviewing the program, and stories of dissatisfaction with this system are beginning to surface. I would appreciate hearing the views of the chairman of the Coast Guard Subcommittee on this issue—and whether he plans any oversight hearings to review the effectiveness and advisability of this program.

Mr. HUTTO. Mr. Chairman, I appreciate the remarks of the distinguished gentleman from New York. As the gentleman knows, I share the concerns he has expressed about contracting out of firefighters and security guards, and have long been active in efforts to prohibit such contracting out for military installations through the Defense authorization bills in my other committee, Armed Services. After several years of annual prohibitions, we were successful in obtaining a permanent prohibition for contracting firefighters in last year's Defense authorization bill, and there is a provision in this year's House bill to permanently prohibit the contracting out of security guards at those bases.

To answer the gentleman's specific question about the Coast Guard's contracting program, let me state that I, too, have heard of problems at the local level with contract personnel. I can assure the gentleman that the Subcommittee on Coast Guard and Navigation does plan to conduct hearings on this subject, either later this year or early next year, and I will welcome his assistance as we prepare for those hearings.

Mr. BIAGGI. I thank the gentleman for his cooperation in this matter and look forward to the hearings in connection therewith.

The CHAIRMAN. The gentleman from Florida [Mr. Hutto] has consumed 3 minutes.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 8 minutes to the gentleman from Virginia [Mr. Bateman].

Mr. BATEMAN. I thank the gentleman. I appreciate the distinguished ranking member of the subcommittee for yielding this time to me.

Mr. Chairman, in the course of this deliberation on the U.S. Coast Guard authorization bill we, under the rule, must face in this bill a very critically important national security issue and, unfortunately, it must be faced. I would like to take these few minutes to talk about why I think it is of paramount importance that the United States of America be permitted by this Congress to go forward without embarrassment and without delay to honor a very significant commitment made by the President of the United States in the implementation of the foreign policy and national security interests of the United States.

Last November or early December, the Government of Kuwait, following consultations with their neighboring states in the Gulf Coast Cooperative Council, approached the Soviet Union, the United States, Great Britain, and China with regard to whether or not those nations, including ours, would extend protection to vessels carrying Kuwaiti oil if they were reflagged or chartered. The Soviet Union, approached first, immediately indicated willingness to whatever the Kuwaitis asked them to do and to provide Soviet Navy escort for the vessels. Attendant to that, very early on and with little delay or complication, the Soviet Union chartered three tankers to the Kuwaiti Government and those tankers ply the waters of the Persian Gulf under escort of Russian naval combatant vessels. The United States, when approached, gave information as to how you went about a routine commercial reflagging under American law and provided the Kuwaitis with information with regard to where they might lease existing American flagged vessels, but tended—not tended but did in fact delay commitment of any United States naval protection to those vessels whether reflagged or chartered.

Months went by and ultimately the administration after sending communications to the Congress with respect to what was under consideration, made a decision in March that the United States would indeed for reasons which I think are eminently sound and justifiable, give protection to vessels transporting Kuwaiti oil if reflagged or chartered. From that time forward the United States Government has stood committed in the eyes not only of Kuwait but of all the gulf coast states to going forward with this policy, with this commitment of our Government. We have to face the realities of the world, especially in that very troubled area called the Middle East and in the Persian Gulf where a war has been taking place between Iran and Iraq now for almost 7 years and at a cost of upward of half a million casualties. We must take into account as we address this issue today the ongoing diplomatic initiatives of the United States of America through the United Nations Security Council which calls for, through a resolution, a cease-fire under stated terms in this war, a resolution which has the support of all members, all permanent members of the security council, including the Soviet Union.

We also need to keep paramount in minds our delicate and ongoing efforts to get all of the members of the United Nations Security Council to adopt a second resolution which would provide sanctions against those states—and Iran is the only state where this would apply—who do not accept the terms of the first resolution. For the Congress of the United States to send a signal by the House voting today to bar this reflagging, for the House today to vote to delay it for 90 days, sends the very worst kind of signal in terms of whether or not the commitments of this country, solemnly given, will indeed be honored when any risk is attendant to have made the commitment. The commitment was made, the commitment should have been made, the commitment was asked of us in the context of a small defenseless nation, on the specific intimidation from Iran to cease their support of Iraq and to align themselves with Iran or otherwise face further acts of terrorism in Kuwait as well as continued attacks upon the Kuwaiti shipping as the principal target of Iranians in the tanker war that has been going on in the Persian Gulf.

It would be a very serious error for the United States in this context, for this Congress in this context, to undermine the credibility of our Government in an area where our credibility already suffers. Here is an opportunity to enhance that credibility, here is an opportunity to avoid making the Persian Gulf into an area not only which the Soviet Union under international law is, of course, free to navigate, but making it indeed into an area where the Soviet Navy not only navigates but in the nature of things is obviously going to be given basing rights, making ports of call, supplying and establishing a continuing and significant naval presence of the Soviet Union where it presently has only an insignificant presence.

It is not in the interest of the United States of America to conduct a foreign policy that permits that result. It is going to be the inevitable result if this Congress shows a lack of resolve, a lack of willingness, a lack of appreciation, a lack of desire to cooperate with countries in the Persian Gulf who wish to be our friend and who are seeking to avoid being brought under an umbrella of the Soviet Union or, in the alternative, domination of the Ayatollah Khomeini.

I hope the House will act wisely today, that we will not equivocate, that we will not make the mistake of saying this country's commitment made should not be honored.

To do so has this additional evil: If we pass either of these two pending amendments, if we fail today to defeat the amendment barring the reflagging and if today we should fail to defeat the amendment which would delay it, we are basically saying that we are unwilling to accept any risk on behalf of a longstanding important policy of the U.S. Government. There is nothing that is desirable for us, there is nothing that benefits or carries forward the interest of the American people were we to do this.

I thank the gentleman for his generous yielding of time.

Mr. HUTTO. Mr. Chairman, I yield such time as he may consume to the gentleman from Oregon [Mr. DeFazio] for the purpose of a colloquy.

Mr. DeFAZIO. I thank the gentleman for yielding.

Mr. Chairman, I rise today to express my concern about the redistribution of Coast Guard coverage. In my district, the Coast Guard recently issued a directive that the Coast Guard presence in Bandon, OR would be phased out after this season.

This announcement was made without any public interaction and was met with surprise and concern by the community. It seems to me that, like other Government agencies, the Coast Guard should solicit public comment prior to making such a decision.

An open exchange of information between the Coast Guard, the Community, and other involved parties would lead to an informed and responsible decisionmaking process. The communities affected by such decisions should have an opportunity to participate in this process.

Each year around this time the Coast Guard threatens to withdraw coverage from Oregon's south coast. This is no way for the Coast Guard or the region to plan for the safe and efficient use of the water for commercial and sport fishing or recreational activities. I believe that the communities involved should have a clear, long-term idea of what type of Coast Guard protection they can expect. They should not have to worry each and every season about whether or not they will continue to have coverage.

Mr. Chairman, I do want to acknowledge that subsequent to releasing the plan and at the urging of my office and Senator Packwood's the Coast Guard did make a trip to Bandon to discuss their decision. I am pleased that the Coast Guard will review their directive; however, I hope that in the future communities throughout the country will be able to present their side of the story in advance of a final determination.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. DeFAZIO. I yield to the gentleman from Florida.

Mr. HUTTO. I thank the gentleman for yielding and for bringing this to my attention.

Mr. Chairman, I thank the gentleman from Oregon for his comments, and assure the gentleman that I will be happy to work with him and the Coast Guard to ensure that in the future Coast Guard representatives meet with local community representatives prior to making any announcement of a decision such as the recent one in Bandon, OR.

I am not suggesting that the Coast Guard should be micromanaged, but I certainly believe it is proper and in fact just plain good sense that the Coast Guard meet with the local community and explain its plans.

The CHAIRMAN. The gentleman from Oregon [Mr. DeFazio] has consumed 2 minutes.

Mr. DAVIS of Michigan. Mr. Chairman, might I inquire how much time remains on this side?

The CHAIRMAN. The gentleman from Michigan [Mr. DAVIS] has 12 minutes remaining.

Mr. DAVIS of Michigan. Mr. Chairman, I yield three minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I am pleased to rise in support of the legislation now before us. H.R. 2342 authorizes $2.8 billion, of which $2 billion is allocated to operating expenses, which will include funding for continued Coast Guard drug interdiction efforts. As ranking minority member of the Select Committee on Narcotics Abuse and Control, I have monitored the Coast Guard's resources and activities very closely, and am convinced that this additional infusion of funds through the authorization process will greatly assist Coast Guard personnel in performing the vital function of drug interdiction.

It was more than a year ago when President Reagan declared drug abuse and its trafficking a national security threat. Congress responded with a multibillion dollar effort known as the Anti-Drug Abuse Act of 1986, which was a good first step, but one which needed supplementation to truly win our "war on drugs." H.R. 2342 is another important component in this effort.

The legislation will permit this agency to continue to participate in Operation Bahamas and Turks and Caicos, a multiagency drug interdiction program, and also provides increased funding so that fuel can be purchased for increased defense and drug enforcement patrols and spare parts.

Attorney General Ed Meese, in his capacity as chair of the National Drug Policy Board, recently announced the designation of lead agencies in the Federal antidrug effort. While it comes as no surprise that the Coast Guard has been designated the lead agency for maritime interdiction, responsibilities of the Coast Guard also include joint jurisdiction over air interdiction with the Customs Service, which will encompass a new Command, Control, Communications, and Intelligence (C3I) Center at Richmond Heights, FL. With these and other demands being placed on the Coast Guard, such as the development of regional and national interdiction plans, the Coast Guard deserves every bit of funding we can spare.

Congress and the American people have placed a heavy burden on the shoulders of the Coast Guard—it is widely acknowledged that this fine agency is underfunded, yet continues to struggle mightily to fulfill its stated missions. Accordingly, I heartily support the Coast Guard authorization levels in this legislation, Mr. Chairman.

I regret that the support for this laudable measure may be eroded by taking on a Persian Gulf issue and I hope that in the debate we do not undermine the effectiveness of our Coast Guard.

□ 1410

Mr. HUTTO. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. PANETTA] for the purpose of entering into a colloquy.

Mr. PANETTA. Mr. Chairman, I take this time for the purpose of a colloquy with the chairman of the Coast Guard Subcommittee. It is with reference to a harbor in my area, Morro Bay Harbor, which has the reputation along the central coast of California as having one of the most dangerous harbor entrances along the coast. Morro Bay Harbor's safety problem is compounded by the fact that although it is the only port of refuge on California's central coast, the view of the harbor from its harbor office is obstructed allowing patrol officers only a 2- or 3-minute span in which vessels approaching the harbor entrance can be seen. Since 1964, some 15 lives have been lost at the harbor entrance as well as many major catastrophes that have been averted just barely. In 1984, for example, a boat carrying a number of schoolchildren was turned over at the entrance to the harbor because of the conditions there.

The city of Morro Bay is trying to correct this situation with two approaches to the problem. First, by locating a harbor office with a better view of the entrance to the harbor. The Coast Guard has indicated an interest in utilizing that facility so that they can provide more effective navigational services to users of the harbor. During the 99th Congress, the Coast Guard was directed to construct a harbor office at Morro Bay in the report language in the continuing resolution conference report (H.J. Res. 465). To date, the Coast Guard has not favorably implemented the direction of Congress.

The second approach the city of Morro Bay is pursuing is a request to the Coast Guard to assume full responsibility to install, operate and maintain a system of bar warning lights at the entrance to the harbor for public-at-large mariner safety. When the Coast Guard is out of the port and the harbor is in need of the operation of the bar warning light system, the Coast Guard should employ a part-time civilian lamplighter under their management to operate the system for both the Coast Guard and the thousands of mariners who rely on the harbor for safety each year. For many years, the Coast Guard did employ such a part-time civilian lampligher in Morro Bay. To date, the Coast Guard claims it cannot be responsible for operation of such a safety bar warning light system.

Recognizing these hazardous conditions, Mr. Chairman, I would ask you to work with the Coast Guard in helping us resolve these two issues.

Mr. HUTTO. Mr. Chairman, if the gentleman will yield, I want to assure the gentleman from California that I will do everything possible to help ensure the safety of Morro Bay.

Mr. PANNETTA. Mr. Chairman, I thank the chairman of the subcommittee.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 7 minutes to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. Mr. Chairman, I rise today to acknowledge and congratulate the chairman and the ranking members of the full committee and the subcommittee that bring this legislation to the floor. I, too, think it is an excellent piece of legislation. My only concern is that two of the major amendments that will be offered later this afternoon are, I think, inappropriate, and I want to speak to those two points during the next few moments.

Mr. Chairman, during the last 6 days I had the occasion to travel to the Persian Gulf as a member of the Armed Forces Committee as well as a member of the Merchant Marine Committee and the Coast Guard Subcommittee. I must admit that prior to going to the Persian Gulf I had extreme concerns about our policy in the Persian Gulf area. I had written to President Reagan stating my concerns about that policy, and I went with an open mind, as did many of the 12-member delegation that went along. That delegation consisted of eight Democrats and four Republicians. We talked about our concerns during the entire 6 days that we traveled to four countries in the Persian Gulf area.

Many of us went to the Persian Gulf area uncommitted, wanting to get information and find out what the real story is in the Persian Gulf, knowing that these two amendments were going to come up and so we could discuss them intelligently.

During the 6 days we were in the Persian Gulf area, the 20 meetings we attended with key officials included meeting with the leaders of Bahrain, Kuwait, Iraq, and Saudi Arabia, as well as the leadership of the GCC, the coordinating body that coordinates efforts for the six Persian Gulf states, as well as the Military Establishment of our country, the commander of Mideast for, Admiral Benson who heads the whole naval operations in the Persian Gulf area. We went on board a naval vessel and talked to the officers and men of the U.S.S. *Fox* to get their ideas and observations about our policies in that area, and we went to the AWACS facility in Saudi Arabia to get a first hand look at our presence in

Saudi Arabia and the support being provided for our AWACS presence.

What we heard, Mr. Chairman, was consistent with what we heard all during our 6 days there, and I think any member of the delegation would verify this. We heard that America has been in the gulf for some 40 to 50 years and has had a major presence in the gulf. We heard that there has been a major commitment by this country to that region, reemphasized by President Carter during his administration as one of his major doctrines, that we would go to war, if necessary, to protect the Persian Gulf area. And we have heard that same commitment reiterated by our President Reagan in recent times. The Persian Gulf people have responded to that enthusiastically. They want to be friends with America. They want our support. They do not want to be pushed over to the side of the Soviet Union in the Persian Gulf area.

In addition, they asked us very emphatically a very simple question: will we stay the course. Will we as Americans live up to a commitment that two of our Presidents have made and that we have made as a nation for 40 years, that when one of the countries in that area calls upon us for assistance, that we will respond? Or will we back down to that call and tell them that we just cannot do it, or, worse yet, that we will delay it for 90 days?

Mr. GEKAS. Mr. Chairman, will the gentleman yield?

Mr. WELDON. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Chairman, I want to associate myself with the remarks of the gentleman from Pennsylvania [Mr. WELDON] and underscore the point that was made that however we might rage in our debate about the Persian Gulf, we should do that separately and apart from the legislation that is now on the floor.

Mr. WELDON. Exactly.

Mr. GEKAS. It has absolutely nothing to do with the urgency of that situation in the Persian Gulf.

Mr. Chairman, I thank the gentleman for yielding.

Mr. WELDON. Mr. Chairman, I thank the gentleman for his comments.

Today we are going to be facing these two amendments that are going to be brought up, and I can say that the bipartisan delegation that went to the Persian Gulf area signed a statement unanimously that they were totally opposed to the Bennett amendment that will be offered today, which is opposed to reflagging. Eight Democrats and four Republicans signed that statement saying that is not the policy for us to take because our President has declared that policy. They are still having some problems with the approach we have taken, as I do, but we are declaring our support for the position of this country and the response that has been received by the leaders of those Persian Gulf states and the negative reaction that would occur if we backed down on that commitment.

But the second amendment that is going to be offered is the Lowry amendment, and my problem is that in my opinion the vote on the Lowry amendment today is going to be a CYA vote. It is going to be a vote by the membership of this body as to whether or not they will cover their rear ends on the issue of reflagging.

I say to my colleagues, if you are totally opposed to reflagging, stand up and be counted and vote for the Bennett amendment. But I say, if you are not opposed to reflagging, if you think the President of this country sets the policy and that we need to work with him and improve those areas that are weak, then there is an alternative. And I agree that there are some weak areas in terms of European involvement, in terms of GCC commitment and some of the other strategic things we have to look at, and in terms of our U.N. resolution support, of which I am fully supportive and will push the administration to more aggressively support than it has been with the nonaligned nations. So what I say is that if you are opposed to reflagging, then vote for Bennett, but if you are not, I say it is not fair to the American people that we stand here, knowing full well the President's policy is going to go forth and we are going to sneak out of this Chamber by voting for the Lowry amendment when we know it is not going to take effect because we know we are not going to get the two-thirds vote required in the House and the Senate to make that become law.

It is a charade on the American people. I do not think it is the proper course to take. I think we as Americans have to stand up as leaders, even though it might not be the most popular position in this instance, and support our President.

Mr. Chairman, I urge a vote against both the Bennett amendment and the Lowry amendment.

Mr. HUTTO. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. HUGHES], a distinguished member of our committee.

Mr. HUGHES. Mr. Chairman, I thank the gentleman for yielding this time to me.

First, I want to congratulate the chairman of the Coast Guard Subcommittee and the ranking member of that committee for developing a good bill. H.R. 2342, the Coast Guard authorization, is an excellent bill. It does provide $2.8 billion for the Coast Guard for fiscal year 1988, including some $2 billion for operating expenses, some $373 million for acquisitions, construction and improvement, $21.1 million for research and development, and $386.7 million for retired pay.

My purpose in taking just a few seconds of the time of the House is to point out that while I support the bill, the bill is inadequate. I have listened to some of my colleagues get up and tell how their facilities were being cut back and the Coast Guard is being cut back because the Coast Guard is underfunded.

While we have in the bill something like $373 million for acquisition, construction, and improvement, I say to my colleagues that we need $600 million to maintain our capital plan. We are $227 million underfunded. We now have something like $21 million in there for research and development. We have lost ground. We have lost about 50 percent of our capability in the R&D area in the last 6 or 7 years. So we are moving in the wrong direction.

The Coast Guard is now proceeding to reorganize. We are reorganizing the district because we do not have the monies to perform all the missions we have given the Coast Guard.

Mr. HUTTO. Mr. Chairman, if the gentleman will yield, I certainly agree with everything the gentleman has said.

Mr. HUGHES. Mr. Chairman, I thank the gentleman.

Mr. HUTTO. Mr. Chairman, I yield 1 minute to the gentleman from Maine [Mr. BRENNAN], a member of the committee.

Mr. BRENNAN. Mr. Chairman, after just spending 5 days in the Persian Gulf, I rise reluctantly to oppose the amendment that will be offered by one of the Members I respect most in this House, the gentleman from Florida [Mr. BENNETT].

I oppose his amendment to permanently prohibit reflagging Kuwaiti ships in the Persian Gulf.

The Persian Gulf is of vital interest to the United States—with 70 percent of the world's known oil reserve.

If we back off in the gulf now—Russian influence will increase.

If we say something is in our vital interest and do nothing or little to support it, we are badly damaged.

Our interests in the Persian Gulf in one word is oil.

Our interests in the gulf is supporting our friends.

Our interests is in not being intimidated by Iranian fanatics.

It's keeping our word.

It's keeping open international waters.

Finally and most importantly—

Like it or not and I did not like it, our President has committed us.

It would severely damage America's reputation now to undo that commitment—not only in the gulf—but indeed around the world.

After arms sales to Iran—our credibility has been shattered—the time has come to begin to restore America's credibility.

I fear that this amendment that would require the President to reverse engines again—would eliminate whatever credibility we have left—after the Iran arms sales—and subject us to world ridicule.

Mr. HUTTO. Mr. Chairman, I yield 1 minute to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Chairman, I rise in support of the bill and also in support of the amendments that are to come.

First of all, there is this talk about—are we cutting and running? Or are we lessening our commitment to the Persian Gulf by voting for the Lowry or Bennett amendment? In answer to that, heavens, no. We have nine ships in the gulf already with more on the way. We have an aircraft carrier sitting in the Gulf of Oman. We have the U.S.S. *Missouri*. How much more of a commitment do we need? How much more being tough do we need to be?

I think we have to look at a policy in light of certain objectives. Does it accomplish a definite foreign policy objective? What may happen as a result of this is the opposite of what we wish to occur.

Is Iran being driven into the arms of the Soviet Union, something that 200 years of czars and commissars have sought to accomplish?

Second, is there a realistic military function, and can we protect our ships?

We should talk to the men on the *Stark*. We should talk to those who are going to be depending on air cover that is some several hundred miles away because they cannot enter the Persian Gulf; nor can our planes land in Arab states.

Finally, there are viable alternatives. What is wrong with the United Nations? What happened to the idea of convening a security force of all the nations there to talk about ways by which we can protect all the tankers coming out of the gulf?

So, Mr. Chairman, I think, particularly in light of the fact that even the White House is unsure, we should be supporting amendments to delay reflagging these vessels.

Mr. HUTTO. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Chairman, I rise to express my strong support of the amendments to be offered by the gentleman from Washington [Mr. LOWRY] and the gentleman from Florida [Mr. BENNETT] prohibiting and delaying the reflagging of Kuwaiti tankers. As a member of the Foreign Affairs Committee, I have listened to many hours of testimony and debate on whether or not we should reflag the Kuwaiti tankers. I have heard the arguments of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Under Secretary of State for Political Affairs as to why we should go ahead and place the Kuwaiti tankers under the American flag. I can safely say that not once during the hours of testimony did I hear a clear, direct statement of how the reflagging would serve American interests.

I did hear a lot of vague talk about matching the Soviet presence, about the need to insure freedom of navigation in the Persian Gulf, and about protecting America's vital interests in the region. But what nobody explained was how reflagging the Kuwaiti tankers will achieve any of these goals.

What the reflagging may very well accomplish is to provoke the Iranians into attacks on American ships. We have pledged ourselves to neutrality with regard to the Iran-Iraq war. I fail to see how the reflagging, an action on behalf of an Iraqi ally, will not be interpreted by the Iranians as a hostile act. In fact I believe that the Kuwaitis' aim from the start has been to draw both the United States and the Soviet Union into the Persian Gulf conflict. This may serve Kuwait's interests. It does not serve America's interests.

The Reagan administration's policy with respect to the Persian Gulf is a disaster waiting to happen. We have not enumerated our policy goals, formulated means for achieving those goals, and identified what threats would cause us to respond with force. Instead of taking these measured steps, we are plunging into the Persian Gulf with our eyes closed, hoping and praying that the entire mess does not blow up in our face. To me, that is not foreign policy. It is playing fast and loose with the lives and interests of the American people. Our Nation deserves better from its leaders. Adoption of these amendments will provide the time to arrive at a better policy than reflagging.

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Mr. HUTTO. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Mr. Chairman, I thank the gentleman for yielding.

I appreciate what they have gone through and I want to congratulate the gentleman from Florida [Mr. HUTTO], my fellow Floridian, for having crafted, as the gentleman from New Jersey [Mr. HUGHES] said, a very good bill, even though within the constraints of the budget resolution it is, as they have acknowledged, an underfunding of the Coast Guard, a very important issue for all of us in Florida, and I want to commend the Coast Guard during this period for having done such a good job in stopping the flow of drugs into many parts of this country, but especially in Florida.

I would like to close my minute by saying that I have listened to this debate and will during the course of the next few hours on the reflagging. As a member of the Foreign Affairs Committee I am going to tell you one thing that is most important. All of our strategic goals in the Persian Gulf are now being met. We do not have to reflag one vessel to accomplish American flagships being prevented from attack to accomplish the flow of oil from being open, which it is, and to accomplish the open and free flow of the sea lanes and the shipping thereon. All of that is being done. Not one extra American flag has to be run up on a foreign vessel to do what the United States needs to do.

As the gentleman from Virginia just rightfully pointed out, we are not cutting. We are not running. We are sending more ships there. Reflagging is a stupid policy. Doing what we are doing by staying there is the effective appropriate policy.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. DAVIS of Michigan. Mr. Chairman, I yield the balance of my time to the gentleman from Florida [Mr. HUTTO].

The CHAIRMAN. The gentleman from Florida is recognized for a total of 4 minutes.

Mr. HUTTO. Mr. Chairman, I yield to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, I am going to support the Bennett amendment, and I want to say why.

I think that every Member of Congress should look back in the old CONGRESSIONAL RECORDS. I was not a Member when they discussed the Marines in Lebanon. I was not a Member in the original debates that took place concerning the great American pursuit of freedom against Communism in Vietnam; but the point is that in some debate like this issue today we put ourselves down a perilous path of a policy that came back to eat the American people.

Mr. Chairman, the gulf calls for a neutral global force, not American. It now calls for the United Nations.

I said earlier, if not now, when? If not on this issue, on what issue?

This has become the microcosm of the focus of the future perhaps of an explosion on this planet. We are beginning to carefully take a pine box and start to put nails in it. The problem is that it turns into that ultimate pine box that ships bodies back home.

The time to look at it is now.

The distinguished gentleman from Florida is saying, look, we are not going to take sides. We want those lanes open, but we take a side when we put that flag on that Kuwaiti vessel, do we not? When we take a side, we invite the conflict.

There is an old saying, "Don't let your mouth write a check that your behind can't cash."

Get ready to pay the bills, folks, because we are opening up the door.

I hope everybody will look back at those original debates on Lebanon and the Marines, our policy in Central America, if we have one, and also the policy that led us into Vietnam and those early debates that took us down that primrose path.

Mr. RANGEL. Mr. Chairman, I rise in support of H.R. 2342, the Coast Guard Authorization Act of 1987. This bill authorizes the Coast Guard's appropriation for fiscal year 1988.

As chairman of the Select Committee on Narcotics Abuse and Control, I am deeply concerned about the effectiveness of our drug interdiction efforts. In recent years the Coast Guard has come to play an increasing role in those endeavors. This was recognized in 1980, when Congress passed the Coast Guard High Seas Drug Law Enforcement Act, which revised the laws relating to the importation of drugs to facilitate increased enforcement by the Coast Guard.

The Anti-Drug Abuse Act of 1986 provided new assets and responsibilities for the Coast Guard in the area of drug interdiction. At oversight hearings on this legislation, which were held by the select committee in March and April of this year, it was clear that the Coast Guard was putting forth the maximum effort with their existing resources.

The Merchant Marine and Fisheries Committee has recommended $2.006 billion for operating expenses and $373 million for acquisition, construction and improvements for 1988. These amounts significantly exceed those proposed by the administration. Since the administration's request for operating expenses included in its base the funds for expanded drug interdiction provided in the omnibus Anti-Drug Abuse Act of 1986, the increased funding levels proposed by the committee will permit an even greater effort by the Coast Guard in the area of drug interdiction in fiscal year 1988.

Specifically, the proposed authorization includes additional funding for the Coast Guard's continued participation in Operation-Bahamas and Turks and Caicos [OPBAT] and for shore facilities necessary in certain parts of the country where drug trafficking has increased dramatically. The legislation also authorizes funds for the additional fuel needed because of the increased number of Coast Guard drug-related patrols and for necessary parts and equipments to carry out successfully the Coast Guard's drug interdiction efforts.

Critical to our drug interdiction efforts is interagency coordination and cooperation. I am pleased that H.R. 2342 further clarifies the Coast Guard's role in drug interdiction.

In conclusion, I am pleased by the funding levels proposed in H.R. 2342. They will provide the Coast Guard with increased resources for vital antinarcotics trafficking activities. I would urge my colleagues to support H.R. 2342, a bill, which is essential to our efforts to curtail the influx of illicit narcotics into our country, and I urge the Appropriations Committee to fully fund this measure.

Mr. YOUNG of Alaska. Mr. Chairman, there are few organizations that engender the type of wholly positive feelings that the U.S. Coast Guard does. It is an organization that is engaged in the noblest of pursuits. They are saving the lives of seamen and boaters in distress, their massive interdiction program is protecting our children from the tragedy of drug abuse, they are defending this Nation in their role as the fifth armed service, and they are protecting the environmental quality by enforcing proper marine environmental regulation as well as providing a rapid response to disasters that minimize environmental harm. Today we have the responsibility of ensuring the organizational integrity of this valuable public asset. The purpose of the legislation here before us today is to authorize a level of funding which will allow the Coast Guard to continue its numerous vital missions.

H.R. 2342's authorization is slightly higher than last year's and marginally higher than the President's budget request, but it is still substantially below last year's total appropriation level. This authorization simply reflects the Coast Guard's total needs for fiscal year 1988 rather than using the somewhat piecemeal-spending approach that has been the case in the last several years.

I would like to call to your attention the provisions of section 15 of this bill which would include Coast Guard personnel in a Department of Defense Program that provides relocation assistance to personnel adversely affected by large scale transfers or base closings. This section incorporates the language of H.R. 2374, a bill that I introduced to ensure that Coast Guard personnel are treated fairly in large scale relocations. This is particularly timely in that the Coast Guard is currently involved in a major realignment that has resulted in wholesale relocation of Coast Guard personnel and assets. This relocation is necessary for the Coast Guard to meet its expanded mission in these times of budget austerity. This section would simply allow the Secretary of Defense to reimburse Coast Guard personnel for any losses that they incurred because of an unnatural depression in the housing market that is determined to have been caused by a major relocation of personnel or a base closing. This provision affords Coast Guard personnel the same benefits that the rest of our Defense Establishment receive. It is a simple question of fairness.

This bill is a fair, economical, and efficient approach to providing the funding that the Coast Guard needs to continue its vital missions. I would urge your support on this bill as reported by the Merchant Marine and Fisheries Committee.

Mr. HUTTO. Mr. Chairman, in closing, I would just like the Members to know that this is a Coast Guard authorization bill and not a foreign affairs bill. I hope the Members will keep that in mind as we debate this bill today. It is very important for us to do what is right for the U.S. Coast Guard. They have had many missions thrust upon them and deserve our attention. I hope we will give them that attention and in this bill, which is a good one, we are, in fact, asking less than was appropriated from all sources last year. It is a good bill and I urge the Members to vote for it.

The CHAIRMAN. All time has expired.

Pursuant to the rule, the substitute committee amendment now printed in the reported bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule, and each section shall be considered as having been read.

An amendment striking out section 8 of said substitute is considered as having been agreed to.

Consideration of all amendments, except as provided in section 2 of House Resolution 219, shall not exceed 4 hours.

At the expiration of the 4 hours of consideration of amendments to the committee amendment in the nature of a substitute, as amended, no amendments are in order except the following amendments printed in the CONGRESSIONAL RECORD of July 7, 1987, by and if offered by the Member indicated, or his designee, which are not subject to amendment or to a demand for a division of the question and are in order even if changing portions of the committee amendment in the nature of a substitute, as amended, already changed by amendment:

(1) By Representative BENNETT;

(2) By Representative MICHEL; and

(3) By Representative LOWRY of Washington.

Each amendment is debatable for 1 hour, equally divided and controlled by the proponent and a Member opposed thereto and only the last amendment adopted shall be considered as finally adopted and reported back to the House.

The Clerk will designate section 1.

Mr. HUTTO. Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The text of the committee amendment in the nature of a substitute is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Coast Guard Authorization Act of 1987".

AUTHORIZATION OF FUNDS

SEC. 2. Funds are authorized to be appropriated for necessary expenses of the Coast Guard for fiscal year 1988 as follows:

(1) For the operation and maintenance of the Coast Guard, $2,006,000,000 for fiscal year 1988; and for increases in salary, pay, and other employee benefits authorized by law, such sums as may be necessary.

(2) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto,

$373,000,000, to remain available until expended.

(3) For research, development, test, and evaluation, $21,069,000, to remain available until expended.

(4) For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and for payments for medical care of retired personnel and their dependents under the Dependents' Medical Care Act, $386,700,000.

(5) If funds are appropriated to any other officer of the United States for carrying out the purposes described in paragraphs (1) through (4) of this section, such officer may transfer to the Secretary of the department in which the Coast Guard is operating the full amount of such funds. Such funds shall be allocated by the Secretary to such purposes.

AUTHORIZED LEVELS OF MILITARY STRENGTH AND MILITARY TRAINING

SEC. 3. (a) For fiscal year 1988, the Coast Guard is authorized an end-of-year strength for active duty personnel of thirty-nine thousand two hundred. The authorized strength does not include members of the Ready Reserve called to active duty under the authority of section 712 of title 14, United States Code.

(b) For fiscal year 1988, the Coast Guard is authorized average military training student loads as follows:

(1) For recruit and special training, three thousand six hundred student-years.

(2) For flight training, one hundred and thirty-two student-years.

(3) For professional training in military and civilian institutions, four hundred student-years.

(4) For officer acquisition, nine hundred and fifty student-years.

TRANSFER OF AMOUNTS

SEC. 4. Chapter 17 of title 14, United States Code, is amended:

(1) By adding at the end of the analysis to chapter 17 the following item:

"665. Transfer of amounts.".

(2) By adding a new section at the end as follows:

"§ 665. Transfer of amounts

"(a) Whenever the Secretary of the department in which the Coast Guard is operating determines it to be in the national interest, the Secretary may transfer not more than 5 percent of the amounts appropriated in any fiscal year for the acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto, to the Commandant of the Coast Guard for discretionary use in meeting unanticipated demands and needs for Coast Guard operations and maintenance.

"(b) Transfer of funds may not occur under subsection (a) of this section until 15 days after the Secretary has provided written notification to the Committee on Commerce, Science, and Transportation of the Senate, the Committee on Merchant Marine and Fisheries of the House of Representatives, and the Appropriations Committees of the Senate and House of Representatives stating the reasons for that determination and a description of the purposes for which the amounts proposed to be transferred will be used.".

LIMITATION OF CONTRACTING PERFORMED BY THE COAST GUARD

SEC. 5. (a)(1) It is in the national interest for the Coast Guard to maintain a logistics capability (including personnel, equipment, and facilities) to provide a ready and controlled source of technical competence and resources necessary to ensure the effective and timely performance of Coast Guard missions in behalf of the security, safety, and economic and environmental well-being of the United States.

(2)(A) Not later than January 31 of each year, the Secretary of the Department in which the Coast Guard is operating shall provide to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Merchant Marine and Fisheries of the House of Representatives a list of those Coast Guard activities that are necessary to maintain the logistics capability described in paragraph (1). If the Secretary does not provide such list by that date, no activity performed by Coast Guard personnel may be contracted for performance by non-Government personnel after that date until the list is provided to such committees.

(B) The list submitted by the Secretary under this section shall not include—

(i) any activity that is being performed under contract by non-Government personnel on the date of enactment of this Act, or

(ii) any activity for which Congress received, prior to April 1, 1987, a written notification pursuant to section 14(b)(2) of Public Law 98-557 (98 Stat. 2864), of intent to contract.

(b)(1) Except as provided in paragraph (2), performance of an activity identified by the Secretary under subsection (a)(2)(A) may not be contracted for performance by non-Government personnel.

(2) The Secretary may waive paragraph (1) with respect to any Coast Guard activity if the Secretary determines that the performance of that activity by Government personnel is no longer necessary to ensure the effective and timely performance of Coast Guard missions.

(3) A waiver under paragraph (2) may not take effect until a period of thirty days in which either the Senate or House of Representatives is in session has expired after the Secretary has submitted in writing to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives, a full and complete statement concerning the waiver and the reasons therefor.

(c) At least thirty days before the beginning of each fiscal year, the Secretary shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives a list of activities that are to be contracted for performance by non-Government personnel under the procedures of Office of Management and Budget Circular A-76 during that fiscal year.

(d)(1) Notwithstanding any other provision of law, each contract awarded by the Coast Guard in fiscal year 1988 for construction or services to be performed in whole or in part in a State which has an unemployment rate in excess of the national average rate of unemployment (as determined by the Secretary of Labor) shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract in that State, individuals who are local residents and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills. The Secretary of the department in which the Coast Guard is operating may waive the requirements of this subsection in the interest of national security or economic efficiency.

(2) As used in this subsection, the term "local resident" means an individual within daily commuting distance even if not a resident of the State which has an unemployment rate in excess of the national average rate of unemployment (as determined by the Secretary of Labor), in accordance with paragraph (1) of this subsection.

BOAT SAFETY PROGRAM

SEC. 6. (a) Section 9503(c)(4) of title 26, United States Code, is amended—

(1) in subparagraph (A), by striking "1987 only and $45,000,000 for each fiscal year thereafter" each place it appears and inserting in lieu thereof "1988 only".

(2) in subparagraph (E), by striking "1987" each place it appears and inserting in lieu thereof "1988".

(b) Section 13106(a) of title 46, United States Code, is amended by striking "1987 and two-thirds for each Fiscal Year thereafter" and inserting in lieu thereof "1988 only".

(c) Section 13106(c) of title 46, United States Code, is amended by striking "1987 and one-third for each Fiscal Year thereafter" and inserting in lieu thereof "1988 only".

(d) Before making any allocation under this section for a fiscal year, the Secretary shall retain not less than one percent nor more than two percent of the amount appropriated for that year for State recreational boating safety programs for the payment of costs of administration of this chapter.

CONSTRUCTION IN UNITED STATES SHIPYARDS

SEC. 7. (a) Chapter 17 of title 14, United States Code (relating to administration), is amended by adding at the end the following new section:

"§ 666. Restriction on construction of vessels in foreign shipyards

"(a) Except as provided in subsection (b) of this section, no Coast Guard vessel, and no major component of the hull or superstructure of a Coast Guard vessel, may be constructed in a foreign shipyard.

"(b) The President may authorize exceptions to the prohibition in subsection (a) of this section when the President decides that it is in the national security interest of the United States to do so. The President shall transmit notice to Congress of any decision, and no contract may be made under the exception authorized until the end of the 30-day period beginning on the date the notice of that decision is received by Congress.".

(b) The analysis of chapter 17 of title 14, United States Code, is amended by adding at the end the following:

"666. Restriction on construction of vessels in foreign shipyards.".

MANNING REQUIREMENTS FOR MOBILE OFFSHORE DRILLING UNITS

SEC. 9. Section 8301(a)(2) of title 46, United States Code, is amended to read as follows:

"(2) A vessel of at least 1,000 gross tons and propelled by machinery shall have 3 licensed mates, except—

"(A) in the case of a vessel other than a mobile offshore drilling unit, if on a voyage of less than 400 miles from port of final de-

parture to port of final destination, the vessel shall have 2 licensed mates; or

"(B) in the case of a mobile offshore drilling unit, the vessel shall have licensed individuals as provided by regulations prescribed by the Secretary under section 8101 of this title.".

COAST GUARD BUDGET ESTIMATES

SEC. 10. Section 663 of title 14, United States Code, is amended by adding at the end the following new sentence: "The Secretary of the department in which the Coast Guard is operating shall submit, at the same time, to the Committee on Commerce, Science, and Transportation and the Committee on Appropriations of the Senate, and to the Committee on Merchant Marine and Fisheries and the Committee on Appropriations of the House of Representatives, detailed Coast Guard budget estimates.".

TRANSFER OF COAST GUARD PROPERTY AT LAKE WORTH INLET, FLORIDA

SEC. 11. (a) The Secretary of the department in which the Coast Guard is operating is authorized to sell, in whole or in part, the parcel of land commonly known as the 59th Street site, and any buildings and improvements thereon, located in Lake Worth Inlet in Palm Beach County, Florida, which have been held for the use of the United States Coast Guard. The exact acreage and legal description of the land to be sold shall be as described in such surveys as may be satisfactory to the Secretary.

(b) The sale shall be conducted in accordance with competitive bidding procedures prescribed in section 2304 of title 10, United States Code. The land may not be sold for less than its fair market value.

(c) In consideration for the sale, the Secretary may accept cash or land, or both, which the Secretary determines to be suitable for the use of the United States Coast Guard. Within 30 months after sale, the Secretary may use any proceeds for the purpose of purchasing land, and any buildings and improvements thereon, which the Secretary determines to be suitable for the use of the United States Coast Guard. After 30 months, any unused proceeds shall be deposited in the general fund of the Treasury. In such sale or purchase, the Secretary may require terms and conditions which the Secretary considers appropriate to protect the interests of the United States.

OFFSHORE SAFETY ADVISORY COMMITTEE

SEC. 12. Chapter 31 of title 46, United States Code, is amended:

(1) By adding at the end of the analysis to chapter 31 the following item:

"3103. Offshore Safety Advisory Committee.".

(2) By adding a new section at the end as follows:

"§ 3103. Offshore Safety Advisory Committee

"(a) There is established a National Offshore Vessel Operators Safety Advisory Committee. The Committee shall advise, consult with, and make recommendations to the Secretary on matters relating to the safety aspects of offshore oil, gas, and other mineral operations subject to regulation by the Secretary. The Secretary shall consult the Committee whenever possible before promulgating any regulations or orders affecting the safety of offshore operations. Any advice or recommendation made by the Committee to the Secretary shall reflect the independent judgment of the Committee on the matter concerned. The Committee may make available to Congress any information, advice, and recommendations which the Committee is authorized to give to the Secretary. The Committee shall meet at the call of the Secretary, but in any event not less than once during each calendar year. All proceedings of the Committee shall comply with the Federal Advisory Committee Act (5 U.S.C. App. 2).

"(b)(1) The Committee consists of 15 members who have particular expertise, knowledge, and experience regarding the transportation and other technology, equipment, and techniques that are used, or are being developed for use, in the exploration for, or the recovery of, offshore oil, gas, or other mineral resources as follows:

"(A) Two members representing enterprises engaged in the production of oil, gas, or other mineral resources, except that not more than one member may represent companies included on the list of restricted joint bidders prepared by the Department of the Interior;

"(B) Two members representing enterprises specializing in offshore drilling;

"(C) Two members representing enterprises specializing in the supply of offshore oil, gas, or other mineral exploration or recovery operations by water;

"(D) One member representing those engaged in each of the following specialties:

"(i) Construction of offshore exploration or recovery facilities;

"(ii) Diving services related to offshore construction; and

"(iii) Helicopter service related to offshore construction;

"(E) Two members representing individuals employed in offshore operations;

"(F) Two members representing environmental interests; and

"(G) Two members representing the general public.

"(2) The Secretary shall appoint the members of the Committee after first soliciting nominations by notice published in the Federal Register. The Secretary may request the head of any other agency to designate a representative to advise the Committee on matters within the jurisdiction of that agency or department.

"(3) The Committee shall elect, by majority vote at its first meeting, one of the members of the Committee as the Chairman and one of the members as the Vice Chairman. The Vice Chairman shall act as Chairman in the absence or incapacity of, or in the event of a vacancy in, the Office of the Chairman.

"(4) Terms of members appointed to the Committee shall be for 3 years, except that the terms of those members first appointed under subsection b(1) (A), (B), and (C) of this section shall be for 2 years. The Secretary shall, not less often than once a year, publish notice in the Federal Register for solicitation of nominations for membership on the Committee.

"(c) Members of the Committee who are not officers or employees of the United States shall serve without pay and members of the Committee who are officers or employees of the United States may not receive additional pay on account of their service on the Committee. When away from their homes or regular places of business, members of the Committee may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5. The Secretary shall furnish to the Committee an executive secretary and such secretarial, clerical, and other services as are considered necessary for the conduct of its business. There are authorized to be appropriated such sums as may be necessary to implement the provisions of this section.

"(d) The Committee terminates on September 30, 1992.".

COAST GUARD ACADEMY ADVISORY COMMITTEE TERMINATION DATE

SEC. 13. Section 193 of title 14, United States Code, is amended by adding at the end a new sentence as follows: "The Committee terminates on September 30, 1992.".

AUTHORITY FOR CIVILIAN AGENTS TO CARRY FIREARMS

SEC. 14. Chapter 5 of title 14, United States Code, is amended:

(1) By adding at the end of the analysis to chapter 5, and at the end of chapter 5 in the analysis to title 14, the following item:

"95. Civilian agents authorized to carry firearms.".

(2) By adding at the end of chapter 5 the following section:

"§ 95. Civilian agents authorized to carry firearms

"Under regulations prescribed by the Commandant of the Coast Guard with the approval of the Attorney General, civilian special agents of the Coast Guard may carry firearms or other appropriate weapons while assigned to official investigative or law enforcement duties. This section does not limit the authority of military personnel of the Coast Guard to carry firearms and other appropriate weapons.".

COAST GUARD PERSONNEL RELOCATION ASSISTANCE

SEC. 15. (a) Section 1013 of Public Law 89-754 (80 Stat. 1255, 1290), as amended, is amended by inserting "or the Department of Transportation with regard to the Coast Guard when not operating as a service of the Navy" immediately following "Department of Defense" in subsection (a).

(b) Section 1013 of Public Law 89-754 (80 Stat. 1255, 1290), as amended, is amended by inserting "or the Coast Guard" immediately following "Department of Defense" in subsection (k).

(c) Section 1013 of Public Law 89-754 (80 Stat. 1255, 1290) is amended by adding at the end a new section:

"(n) This section is effective with respect to a base or installation which the Coast Guard has ordered to be closed, in whole or in part, on or after January 1, 1987. Benefits to Coast Guard members and civilian employees under this section may be paid retroactively to January 1, 1987.".

COAST GUARD ACADEMY CADET SERVICE OBLIGATION

SEC. 16. (a) Section 182 of title 14, United States Code, is amended by striking the next to the last sentence of paragraph (a) and adding at the end of section 182 the following new paragraphs:

"(c) Before admission, each individual shall sign an agreement with respect to that person's length of service in the armed forces. The agreement shall provide that the individual will complete the course of instruction at the Academy and—

"(1) that the individual will accept an appointment, if and when tendered, as a commissioned officer of the Regular Coast Guard and serve on active duty for at least 5 years immediately after that appointment; or

"(2) if an appointment described in paragraph (1) of this subsection is not tendered or if the individual is permitted to resign as a regular officer before completion of the commissioned service obligation, that the individual will accept, if tendered, an appointment as a commissioned officer in the Coast Guard Reserve and remain in that re-

serve component until completion of the commissioned service obligation.

"(d) In this section, 'commissioned service obligation', with respect to an individual who is a graduate of the Academy, means the period beginning on the date of appointment as a commissioned officer and ending on the sixth anniversary of that appointment or, at the discretion of the Secretary, any later date up to the eighth anniversary of the appointment.".

COAST GUARD PERSONNEL OCCUPANCY OF SUBSTANDARD HOUSING

SEC. 17. (a) Section 2830 of title 10, United States Code, is amended by striking, in both places they occur, the words "of a military department" and substituting the word "concerned".

(b) Subsection 2830(b) of title 10, United States Code, is amended by inserting, immediately following the comma after "Secretary of Defense", the words "or the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy,".

(c) Subsection 475(b) of title 14, United States Code, is repealed, and subsections 475(c) and 475(d) shall be redesignated as 475(b) and 475(c), respectively.

RETROACTIVE PAY FOLLOWING ADMINISTRATIVE ERROR

SEC. 18. (a) Chapter 13 of title 14, United States Code, is amended by adding at the end the following new section:

"§ 513. Retroactive payment of pay and allowances delayed by administrative error or oversight

"Under regulations prescribed by the Secretary, the Coast Guard may authorize retroactive payment of pay and allowances, including selective reenlistment bonus, to enlisted members where entitlement to the pay and allowances did not vest solely as the result of an administrative error or oversight.".

(b) The analysis of chapter 13 of title 14, United States Code, is amended by adding at the end the following: "513. Retroactive payment of pay and allowances delayed by administrative error or oversight.".

TECHNICAL AMENDMENTS TO INLAND NAVIGATIONAL RULES

SEC. 19. Section 2 of the Inland Navigational Rules Act of 1980 (33 U.S.C. chapter 34, subchapter I) is amended—

(a) by substituting "mineclearance" for "minesweeping" in Rule 3(g)(v);

(b) by substituting "mineclearance" for "minesweeping" in Rule 27(b);

(c) by substituting for Rule 27(f), in full, the following Rule 27(f);

"(f) A vessel engaged in mineclearance operations shall in addition to the lights prescribed for a power-driven vessel in Rule 23 or to the lights or shape prescribed for a vessel at anchor in Rule 30 as appropriate, exhibit three all-round green lights or three balls. One of these lights or shapes shall be exhibited near the foremast head and one at each end of the fore yard. These lights or shapes indicate that it is dangerous for another vessel to approach within 1,000 meters of the mineclearance vessel.".

TECHNICAL AMENDMENT TO TITLE 10

SEC. 20. (a) In subsection (a) of section 1054, title 10, United States Code, immediately after "the Department of Defense (including the National Guard while engaged in training or duty under sections 316, 502, 503, 504, or 505 of title 32)", the subsection is amended by the addition of "or the United States Coast Guard".

(b) In subsection (g) of section 1054, title 10, United States Code, immediately after "Secretary of Defense", the subsection is amended by the addition of ", the Secretary of Transportation,".

EXEMPTION FROM GENERAL BRIDGE ACT OF 1946

SEC. 21. (a) The waters described in subsection (b) are declared to be nonnavigable waters of the United States for purposes of the General Bridge Act of 1946 (33 U.S.C. 525 et seq.).

(b) The waters referred to in subsection (a) are a drainage canal which—

(1) is an unnamed tributary of the creek known as Newton Creek, located at block 641 (formerly designated as block 860) in the city of Camden, New Jersey;

(2) originates at the north bank of Newton Creek approximately 1,200 feet east of the confluence of Newton Creek and the Delaware River; and

(3) terminates at drainage culverts on the west side of Interstate Highway 676.

SEC. 22. Section 2 of title 14, United States Code, is amended by striking "on and under" the first time it appears and inserting "on, under, and over".

BRIDGE ALTERATION

SEC. 23. Notwithstanding any other provision of law, the Mississippi River Railroad Bridge between East Hannibal, Illinois and Hannibal, Missouri, mile 309.9, Upper Mississippi River, is deemed an unreasonable obstruction to navigation.

SEC. 24. Not later than January 31, 1988, the Secretary of Transportation shall submit to Congress a report on the plans to fulfill the responsibilities of the Coast Guard in the Maritime Defense Zone through possible procurement of AN/SQR-17 acoustic processors and other equipment for the antisubmarine warfare mission of Coast Guard medium-endurance cutters.

SEC. 25. (a) Paragraph (1) of section 13110(b) of title 46, United States Code is amended by striking "members from" wherever it appears and inserting "representatives from".

(b) The Secretary of Transportation shall carry out the amendments made by this paragraph as vacancies in the membership of the National Boating Safety Advisory Council occur.

AMENDMENTS OFFERED BY MR. HUTTO

Mr. HUTTO. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. HUTTO: Page 2, before line 1, insert the following:

SHORT TITLE

Page 2, line 1, strike out "That this" and insert in lieu thereof "SECTION 1. This".

Page 2, line 4, insert "(a)" after "SEC. 2.".

Page 2, beginning on line 7, strike out "the operation and maintenance of the Coast Guard" and insert in lieu thereof "operation and maintenance".

Page 2, line 8, strike out "for fiscal year 1988".

Page 2, line 22, insert "under chapter 73 of title 10, United States Code" after "Plans".

Page 2, strike out line 25 and all that follows through line 5 on page 3 and insert in lieu thereof the following:

(b) If funds for carrying out any of the purposes described in subsection (a) are appropriated to an officer or agency of the United States other than the Secretary of the department in which the Coast Guard is operating or the Coast Guard, that officer (or the head of that agency) may transfer to the Secretary of the department in which the Coast Guard is operating the full amount of those funds, and that Secretary shall allocate those funds to those purposes.

Page 3, line 8, strike out "For fiscal year" and all that follows through "hundred." on line 10 and insert in lieu thereof the following: "The Coast Guard is authorized a strength for active duty personnel as of September 30, 1988, of 39,200.".

Page 3, line 25, insert "(a)" after "SEC. 4.".

Page 3, line 26, strike out "amended:" and insert in lieu thereof "amended by adding at the end the following new section:".

Page 4, strike out lines 1 through 4.

Page 4, line 9, strike out "in" and insert in lieu thereof "for".

Page 4, beginning on line 16, strike out "Transfers of funds may not occur under subsection (a) of this section" and insert in lieu thereof "A transfer of funds under subsection (a) may not be made".

Page 4, beginning on line 17, strike out "has provided written notification" and insert in lieu thereof "provides".

Page 4, line 21, strike out "Appropriations Committees" and insert in lieu thereof "Committees on Appropriations".

Page 4, line 22, insert "written notice describing the proposed transfer and" after "House of Representatives".

Page 4, after line 24, insert the following:

(b) The table of sections for that chapter is amended by adding at the end the following new item:

"665. Transfer of amounts.".

Page 7, line 1, strike out "activities that are to be contracted for performance" and insert in lieu thereof "Coast Guard activities that are to be considered for performance by contract".

Page 7, beginning on line 25, strike out "title 26, United States Code," and insert in lieu thereof "the Internal Revenue Code of 1986".

Page 8, strike out lines 7 through 12 and insert in lieu thereof the following:

(b) Section 13106 of title 46, United States Code, is amended—

(1) in subsection (a), by striking out "Fiscal Year 1987 and two-thirds for each Fiscal Year thereafter" and inserting in lieu thereof "fiscal year 1988 only";

(2) in subsection (c), by striking out "Fiscal Year 1987 and one-third for each Fiscal Year thereafter" and inserting in lieu thereof "fiscal year 1988 only"; and

(3) by adding at the end the following new subsection:

Page 8, line 13, insert open quotation marks before "(d)".

Page 8, line 18, insert close quotation marks and a period after "chapter.".

Page 8, after line 18, insert the following:

(c) The amendments made by subsections (a) and (b) shall take effect on October 1, 1987, or the date of the enactment of this Act, whichever is later.

Page 8, line 21, strike out "at the end" and insert in lieu thereof "after section 665 (as added by section 4)".

Page 8, line 25, strike out "of this section".

Page 9, line 4, strike out "of this section".

Page 9, strike out lines 11 and 12 and insert in lieu thereof the following:

(b) The table of sections for such chapter is amended by adding after the item relating to section 665 (as added by section 4) the following new item:

Page 10, line 12, strike out "final".

Page 11, beginning on line 14, strike out "in accordance with competitive bidding procedures" and insert in lieu thereof "through the solicitation of sealed bids using competitive procedures"

Page 12, line 5, insert "(a)" after "SEC. 12.".

Page 12, strike out lines 6 through 10 and insert in lieu thereof the following: "amended by adding at the end the following new section:"

Page 13, lines 15, 17, 20, and 24, page 14, lines 2, 4, 6, and 8, strike out the semicolon and insert in lieu thereof a period.

Page 14, lines 2 and 8, strike out "and".

Page 14, strike out lines 21 and 22 and insert in lieu thereof "incapacity of the Chairman or in the event of a vacancy in the Office of Chairman.".

Page 14, line 25, strike out "subsection b(1) (A), (B), and (C)" and insert in lieu thereof "subparagraph (A), (B), and (C) of paragraph (1)".

Page 15, after line 19, insert the following:

(b) The table of sections for such chapter is amended by adding at the end the following new item:

"3103. Offshore Safety Advisory Committee.".

Page 16, line 2, insert "(a)" after "SEC. 14.".

Page 16, strike out lines 3 through 8 and insert in lieu thereof the following: "amended by adding at the end the following new section:"

Page 16, beginning on line 10, strike out "Commandant of the Coast Guard" and insert in lieu thereof "Secretary".

Page 16, line 14, strike out "This section" and all that follows through "weapons." on line 16.

Page 16, after line 16, insert the following:

(b) The table of sections for such chapter is amended by adding at the end the following new item:

"95. Civilian agents authorized to carry firearms.".

Strike out section 15 (page 16, line 17 through page 17, line 9) and insert in lieu thereof the following:

RELOCATION ASSISTANCE FOR COAST GUARD PERSONNEL

SEC. 15. (a) Subsection (a) of section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374) is amended—

(1) by inserting ", and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy," after "Secretary of Defense"; and

(2) by inserting "(or the Department of Transportation has, subsequent to December 31, 1986)" after "November 1, 1964".

(b) Subsection (k) of such section is amended—

(1) by inserting "and the Secretary of Transportation" after "Secretary of Defense"; and

(2) by inserting "or the Department of Transportation, respectively," after "Department of Defense".

(c) The amendments made by this section shall apply with respect to a base or installation which the Secretary of Transportation has ordered to be closed, in whole or in part, after December 31, 1986. The Secretary may pay benefits under section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374), as amended by this section, retroactive to January 1, 1987.

Page 17, strike out lines 11 through 14 and insert in lieu thereof the following:

SEC. 16. Section 182 of title 14, United States Code, is amended—

(1) by striking out the next to the last sentence of subsection (a); and

(2) by adding at the end the following new subsections:

Page 17, line 16, strike out "person's" and insert in lieu thereof "individual's".

Strike out section 17 (page 18, lines 13 through 26) and insert in lieu thereof the following:

OCCUPANCY BY COAST GUARD PERSONNEL OF SUBSTANDARD FAMILY HOUSING UNITS

SEC. 17. (a) Section 2830 of title 10, United States Code, is amended—

(1) by striking out "the Secretary of a military department" in subsection (a) and inserting in lieu thereof "the Secretary concerned";

(2) by striking out "Subject to" in subsection (b) and all that follows through "military department" and inserting in lieu thereof "(1) The Secretary concerned"; and

(3) by adding at the end of subsection (b) the following new paragraph:

"(2) The authority to enter into leases under paragraph (1) shall be exercised—

"(A) in the case of a lease by the Secretary of a military department, subject to regulations prescribed by the Secretary of Defense; and

"(B) in the case of a lease by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, subject to regulations prescribed by that Secretary.".

(b)(1) Section 2801(d) of such title is amended by inserting "(other than section 2830)" after "This chapter".

(2) Section 475 of title 14, United States Code, is amended—

(A) by striking out subsection (b); and

(B) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

Page 19, strike out lines 13 through 16 and insert in lieu thereof the following:

(b) The table of sections for such chapter is amended by adding at the end the following new item:

"513. Retroactive payment of pay and allowances delayed by administrative error or oversight.".

Page 19, line 20, strike out "chapter 34, subchapter I" and insert in lieu thereof "2001 et seq.".

Page 19, strike out line 22 and all that follows through line 2 on page 20 and insert in lieu thereof the following:

(1) by striking out "minesweeping" in Rule 3(g)(v) (33 U.S.C. 2003(g)(v)) and inserting in lieu thereof "mineclearance";

(2) by striking out "minesweeping" in Rule 27(b) (33 U.S.C. 2027(b)) and inserting in lieu thereof "mineclearance"; and

(3) by striking out subsection (f) of Rule 27 (33 U.S.C. 2027(f)) and inserting in lieu thereof the following:

Strike out section 20 (page 20, lines 12 through 22) and insert in lieu thereof the following:

DEFENSE OF CERTAIN SUITS ARISING OUT OF LEGAL MALPRACTICE

SEC. 20. (a) Section 1054 of title 10, United States Code, is amended—

(1) in subsection (a), by inserting "or within the Coast Guard" after "title 32)"; and

(2) in subsection (g), by striking out the period at the end and inserting in lieu thereof ", as appropriate, with respect to a legal staff within the Department of Defense and the Secretary of Transportation with respect to a legal staff within the Coast Guard.".

(b) The amendments made by subsection (a) shall apply only to claims accruing on or after the date of the enactment of this Act, regardless of when the alleged negligent act or omission occurred.

Page 21, after line 13, insert the following:

CLARIFYING AMENDMENT TO TITLE 14

Page 21, after line 22, insert the following:

REPORT ON POSSIBLE PROCUREMENT FOR ANTISUBMARINE WARFARE MISSION

Page 22, line 6, insert the following:

CLARIFICATION OF MEMBERSHIP OF NATIONAL BOATING SAFETY ADVISORY COUNCIL

Page 22, line 6, strike out "wherever" and insert in lieu thereof "each place".

Page 22, line 7, strike out "from" and insert in lieu thereof "of".

Page 22, line 9, strike out "this paragraph" and insert in lieu thereof "subsection (a)".

Mr. HUTTO (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc, considered as read, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HUTTO. Mr. Chairman, the package of amendments are technical amendments to correct typographical errors and to make the various sections of the bill uniform in style. They are not in any way controversial and I urge their adoption.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Florida [Mr. HUTTO].

The amendments were agreed to.

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amedment offered by Mr. BIAGGI: H.R. 2342 is amended by adding the following new section:

SEC. . Section 8103 of title 46, United States Code is amended as follows:

(1) Strike subsection (b) and add the following:

"(b)(1) On each departure of a documented vessel, all unlicensed seamen must be citizens of the United States, except on—

"(A) a yacht;

"(B) a fishing vessel fishing exclusively for highly migratory species as defined in section 3 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1802);

"(C) a fishing vessel fishing outside the Exclusive Economic Zone, as defined in the Presidential Proclamation of March 10, 1983; and

"(D) a fishing, fish processing, or fish tender vessel that is engaged in the fisheries in the navigable waters of the United States or the Exclusive Economic Zone in which case 75 percent of the unlicensed seamen must be citizens of the United States.

"(2) The Secretary may not waive the United States-citizenship requirement for a master but may reduce the United States citizenship requirement of the remaining complement (including licensed officers)—

"(A) when an offshore supply vessel operates from a foreign port;

"(B) when a mobile offshore drilling unit operates beyond the waters above the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)); and

"(C) for any other vessel when the Secretary determines, after an investigation, that qualified United States-citizen licensed and unlicensed seamen are not available.".

(2) In subsections (c) and (d)(1), strike "from the United States".

(3) In subsection (e), strike "until the vessel's first return to a United States port at which" and substitute "until the vessel's return to a port at which in the most expeditious manner".

Mr. BIAGGI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BIAGGI. Mr. Chairman, my amendment is intended to clarify the citizenship requirements for the manning of all documented vessels of the United States. It will affect certain types of fishing vessel operations and the operation of the larger commercial freighters and tankers. It makes no changes to the existing citizenship requirements for crewmembers of yachts, offshore supply vessels, mobile offshore drilling units, and numerous other types of fishing vessel operations.

In 1985, the Coast Guard ruled that only the master of a U.S.-flag vessel must be a U.S. citizen when a vessel is on a foreign voyage and does not call at a U.S. port. I have a problem with this administrative ruling, since I believe Congress has never intended that large U.S.-flag vessels, engaged in commerce in the foreign trades, should be manned with less than adequate citizen personnel. Be that as it may, my amendment would eliminate this so-called foreign voyage exception for certain U.S. vessels in all but limited circumstances.

While the Kuwaiti tanker situation is the catalyst for review of the foreign voyage exception, I am not passing judgment on the general policy of reflagging foreign vessels so they may have U.S. military protection. My concern is strictly U.S. maritime policy.

The Merchant Marine Act of 1936 mandates that we foster the growth and development of a U.S. merchant marine—and that we have sufficient ships manned with trained and efficient citizen personnel. I am concerned that such a broad reading by the Coast Guard of the applicable manning statute could have disastrous effects on maritime labor and the maritime industry, already beset with monstrous problems.

Citizenship manning laws for U.S. vessels were first enunciated in 1792; all the officers of U.S. vessels were required to be U.S. citizens. The provision allowing foreign seamen to replace U.S. citizen crewmembers below the grade of master was first permitted by the act of June 26, 1884. That provision was restated when the manning laws were codified in 1985. The 1884 act included this provision to make U.S. laws more flexible and to improve the competitiveness of U.S. shipping. I suspect that this replacement provision was also necessitated—at least in part—by the state of world travel in 1884. Today, we can transport replacements by air within a day; in 1884, slow communications and slower transportation methods presented quite another situation.

The requirement that 75 percent of the crew be U.S. citizens upon departure from a U.S. port was added in the 1936 act. The overall purpose was to improve "the personnel on our ships and maintain discipline and control over them." This amendment would require that all officers and unlicensed seamen on U.S.-flag vessels must be U.S. citizens—whatever the port of departure. The amendment also gives the Secretary of Transportation the authority to modify the U.S. citizen complement of certain offshore supply vessels and mobile offshore drilling units—and it continues the Secretary's authority to reduce the citizen complement when qualified citizens are not available.

Finally, it makes it quite clear that a foreign seaman may replace a U.S. seaman on a foreign voyage when the vessel is deprived of the services of an individual. However, the bill provides that this replacement authority is temporary. A U.S. citizen replacement is mandated as soon as the vessel returns to any port at which, in the most expeditious manner, a U.S. citizen can be obtained. Simply put, whenever a vacancy occurs on a U.S. ship on a foreign voyage because of illness, death, dismissal, or other similar emergency, a foreign seaman can fill that vacancy—temporarily. This should eliminate any misconception that U.S. citizen crews can be supplanted by foreign crews because it's cheaper or because the owner wishes it.

This amendment would eliminate the authority that permits foreign vessels to be documented as U.S. vessels and carry foreign national crews in the future. Should similar national security needs arise, the President has at his disposal the statutory authority to respond as he deems necessary. For now, I am content to correct this loophole in our laws to assure that, under ordinary circumstances and as far as practicable, U.S. citizens man U.S. ships. I believe it is in the national interest and deserves your support.

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Mr. HUTTO. Mr. Chairman, I rise in support of the amendment.

On this side we feel like this is a good amendment, and we are prepared to accept it.

Mr. DAVIS of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of this amendment. I share the belief that U.S. vessels should be manned by U.S. citizens, and also agree that the requirement should be maintained in all but emergency situations.

I became aware of the need to close the so-called foreign voyage exception following the June 18 hearing our committee held relating to the effect of the reflagging of the 11 Kuwaiti tankers on U.S. maritime law and policy. This amendment is not limited to the manning requirements for those vessels, but addresses an exception to the U.S. citizen manning requirements under which certain U.S. vessels have had been operating in recent years. My only concern is that the waiver provision is being extended to licensed personnel which current law is not intended to reach. However, it is my understanding that licensed personnel are rarely unavailable, and that therefore this is not a practical concern.

This amendment contains limited exceptions to the 100-percent U.S. citizen requirement to account for operational emergencies. Foreign citizens may be substituted in place of U.S. citizens—except for the master of the vessel—until U.S. citizen replacements can be obtained in the most expeditious manner. There are also modifications to the U.S. citizen requirement for certain U.S. fishing industry vessels and for offshore supply vessels and mobile shore drilling units.

Mr. Chairman, this amendment is necessary to assure that U.S. vessels are manned with U.S. citizens, and I urge its adoption.

Mr. JONES of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by my colleague, the gentleman from New York [Mr. BIAGGI]. Interest in the issue of vessel manning was sparked by the Kuwait tanker reflagging, and I feel it is time to end the abuse of well intended, if outdated, maritime policy. I urge my colleagues to adopt the Biaggi amendment.

Mr. THOMAS of Georgia. Mr. Chairman, I rise in strong support of the amendment offered by my colleague from New York, MARIO BIAGGI, to make revisions in existing law relative to the crewmanship requirements on U.S.-flag vessels.

Several weeks ago, members of the Merchant Marine and Fisheries Committee heard testimony from administration officials on the impact of the reflagging proposal on existing maritime law. After extensive questioning, it became quite clear to our committee that little thought was given to the declining status of our merchant marine fleet as the administration proceeded with the reflagging.

Current maritime law only requires that the master of a U.S.-flag vessel be an American citizen if that vessel does not debark from a U.S. port. As such, the 11 Kuwaiti tankers which only travel in foreign routes would not be required to have an American crew, as do all other U.S.-flag vessels. Only the master of each tanker would have to be an American.

This amendment would require that all U.S.-flag vessels, with certain specified exceptions, have a 100-percent U.S. crew regardless of whether or not those vessels only travel in foreign waters and never debark from U.S. ports.

Mr. Chairman, it is relatively easy for a foreign vessel to reflag under our colors. Certain requirements as established by the Coast Guard must be met, but even some of those requirements can be waived. In the case of the 11 Kuwaiti tankers, for example, those vessels have been given a full year to come into compliance with U.S. safety inspection standards.

My concern is that we stand the risk of reducing the U.S.-vessel registry to no more than a flag of convenience, and there is no one in this Chamber here today who would deny that it is in the Kuwaitis best interests to reflag their tankers, thereby assuring full U.S. naval support at no cost to their government.

During our hearing on this issue, I asked the Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs, Mr. Marion Creekmore, if the administration had any objections to putting American merchant seamen on these Kuwaiti ships. Mr. Creekmore responded that the administration had no objection to such a proposal.

This amendment will clarify once and for all that American crews should man U.S.-flag vessels. The administration's decision to reflag the 11 Kuwaiti tankers was a matter of foreign policy, and little or no thought was given to the welfare of the U.S.-flag fleet when this decision was rendered.

We have idle U.S. tankers that could be placed in service before foreign ships are reflagged, but if we are to proceed with this reflagging and provide the Kuwaiti tankers with full naval protection, then I think at the very least we should require that these vessels be manned with U.S. crews.

I urge my colleagues to support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BIAGGI].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DAVIS OF MICHIGAN

Mr. DAVIS of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Michigan: On page 22, after line 11, add the following new section:

RADIO OFFICER AND LANGUAGE REQUIREMENTS

SEC. 26. (a) Section 8103(a) of title 46, United States Code, is amended—

(1) in subsection (a), after "chief engineer,", insert "radio officer,".

(2) in subsection (e), after "the master" insert "and the radio officer".

(b) Section 8702(b) is amended by striking "depart from a port of the United States" and substituting "operate".

Mr. DAVIS of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DAVIS of Michigan. Mr. Chairman, this amendment merely states that the radio officer on a vessel—it does not specifically refer to the Kuwaiti vessels, but obviously it covers them—must be an American citizen and also must speak English.

The amendment that we just adopted, the Biaggi amendment, may in some instances cover these people, but if they are in fact officers, they would not be covered. I think that it is in the best interest of everybody that if you have a captain on the ship who is an American captain, which he will be, that you ought to have a radio operator who in fact can speak English and talk directly to the captain.

Mr. Chairman, that explains the amendment.

Mr. HUTTO. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the gentleman from Michigan has a very good amendment. I think that it is very important, and I fully support it.

Mr. BATEMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I shall not take 5 minutes, but I do want to associate myself with the amendment just offered by the gentleman from Michigan, as well as to say that I have supported the amendment that was offered by the gentleman from New York [Mr. BIAGGI].

I do so, and I want to take this time to make it clear that I am voting on the general reflagging statutes, on the general manning requirements for American merchant marine flag vessels. I do this in the context of America's merchant marine, an effort to advantage that merchant marine, and without regard to the discussion which will take place later as to whether or not we should go forward with the commitment to reflag the Kuwaiti oil tankers.

Obviously, as is clear from my remarks earlier today, I support that initiative. I support these amendments consistent with that initiative.

It is important that we advantage our poor, faltering American merchant marine, and maintain the availability of a pool of American-trained maritime personnel who will serve this country in time of international crisis.

So I commend the gentlemen for their amendments. I would say that it may be of interest to Members of the House, especially those on our Committee on Merchant Marine and Fisheries, that in the recent visit that our delegation from the Committee on Armed Services took to the Middle East I raised the question that above and beyond whatever votes were taken with reference to amendments to bar the reflagging or to delay the reflagging, that in this Coast Guard authorization bill there would be in order amendments speaking to manning requirements on U.S.-flag vessels. I felt it appropriate that the people in Kuwait know of this. They are indeed aware that these amendments were expected, that these amendments were expected to pass, and certainly aware that I expected to support them.

Of further interest, there seems to have been some wavering in Kuwait interest as to whether or not they would in fact charter two American tankers. The Oil Minister of Kuwait indicated to me that they would indeed go forward with their negotiations looking to the leasing of two American-flag carriers. Even before going to the Persian Gulf, I was advised by representatives of our Defense Department that the Kuwaitis had determined that they did not wish to ask for any exceptions with regard to American-licensed radio officers, whether or not those exceptions might have been granted by the Coast Guard or the FCC.

I hope that that would be of interest, especially to members of the committee. I rise in support of the amendment now pending and the one which previously passed.

Mr. TRAFICANT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take all 5 minutes. I would have offered language very similar to the amendment offered by the gentleman from New York [Mr. BIAGGI]. I supported it 100 percent, and his leadership. But I was going to offer almost the exact same amendment that the gentleman from Michigan [Mr. DAVIS] has brought. I just believe that it is common sense, makes good sense, I commend him for bringing that amendment, and I hope that every Member in this House will support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. DAVIS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: Page 8, strike line 25 and all that follows through page 9, line 2 and insert the following:

"(a) Except as provided in subsection (b) of this section, no Coast Guard vessel, and no major component of the hull or superstructure of a Coast Guard vessel—

"(1) may be constructed in a foreign shipyard; and

"(2) may contain components and materials less than 50 percent of which were produced in the United States.".

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, I have been over the last 2 years and approximately 6 months offering legislative amendments that would require Buy American language. I want to commend the gentleman from North Carolina [Mr. Jones], chairman of the full committee, the gentleman from Florida [Mr. Hutto], chairman of the subcommittee, and the gentleman from Michigan [Mr. Davis], the ranking minority member of the subcommittee, for having included Buy American language which basically states that no major component of the hull or superstructure of a Coast Guard vessel may be constructed in a foreign shipyard. I support that 100 percent. It also makes good sense.

My amendment takes it a small step futher, to provide a watchdog on procurement regarding the components of that particular superstructure construction. It would add that no major component of the hull or superstructure of a Coast Guard vessel may contain components and materials less than 50 percent of which were produced in the United States.

□ 1450

My amendment imposes a duty on those people who are procuring products to be purchased under this Coast Guard Authorization Act which keeps our minds programmed to look at American products.

If there are no American substitutes, the administration and the Coast Guard is able to go outside for its procurement; and I would urge that we are either going to have unemployment and continue to send out the welfare, unemployment checks, or look at procurement policies, and in fact bolster our purchasing of American goods.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. Mr. Chairman, I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Mr. Chairman, I thank the gentleman for yielding.

I wish at this time to make note of the fact that ever since the gentleman from Ohio has come to this body, the gentleman has been ever diligent as far as Buy America provisions are concerned.

The gentleman has been an extraordinarily active member of the steel caucus. He has traveled with us, and has initiated a lot of these amendments which at times, and we all know at times, it might be controversial; but in the last analysis, if we did not have the gentleman from Ohio, we would be remiss in many, many ways as far as Buy America legislation.

Mr. Chairman, I rise in strong support of the amendment of the gentleman from Ohio [Mr. Traficant].

Mr. TRAFICANT. Mr. Chairman, I thank the gentleman for the gentleman's comments.

As chairman of the steel caucus, I want to thank the gentleman for his leadership.

Mr. Gaydos is the cornerstone of steel efforts in this country and I welcome his continuous support.

Mr. DAVIS of Michigan. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I commend the gentleman from Ohio [Mr. Traficant] for this amendment. It is important that we try to rectify some of the problems we have had with unemployment in this country.

Too many times we are building products overseas that ought to be built in this country. We have the U.S. Coast Guard spending U.S. tax dollars, and we have an amendment that requires the hull and superstructure to be built in this country.

I support the amendment which says that 50 percent of the component parts of a particular vessel must be made in the United States. I support it wholeheartedly, and hope that the membership will adopt it.

Mr. HUTTO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have had an opportunity to examine this amendment. We think it is a good amendment and are prepared to accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. Traficant].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Conte: At the end of the bill, insert the following new section:

SEC. . VESSEL USER FEES.

(a) In General.—Section 2110 of title 46, United States Code, is amended to read as follows:

"Sec. 2110. Fees prohibited and authorized.

"(a) Fees may not be charged or collected by the Secretary for services provided for in this subtitle related to the engagement and discharge of seamen, the inspection and examination of vessels, the licensing of masters, mates, pilots, and engineers, and the measurement or documentation of vessels, except when specifically provided for in this subtitle.

"(b) There is established, and the Secretary shall by regulation establish and collect, a fee of $20 each year from each recreational vessel, beginning on October 1, 1987.

"(c) For the purpose of this section, "recreational vessel" means any motor or sail-powered vessel that is manufactured or operated primarily for pleasure, or that is leased, rented, or chartered to another for the latter's pleasure.

"(d) The Secretary may employ any Federal, State, or local agency or instrumentality, or private enterprise or business, to collect fees established under this section. These fee collection services, which shall not include the institution of litigation, may be provided under such reasonable terms and conditions, including reimbursement with proper accounting to the Secretary, as the Secretary and such agency or business may agree.

"(e) The fees established under subsection (b) shall apply only to vessels operated in or on navigable waters of the United States.

"(f) The Secretary shall collect the fee established under subsection (b) from the owner, operator, or person in charge of the vessels referenced in subsection (b).

"(g) Any person who fails to pay a fee required to be paid under this section is liable to the United States Government for a civil penalty of not more than $5,000 for each violation.

"(h) Amounts of fees collected by the Secretary under this section shall be deposited to the credit of the Coast Guard Operating Expenses appropriation. The amounts of such receipts are authorized to be expended only for providing aids to navigation and search and rescue services for the benefit of recreational vessels.

(b) The Secretary shall implement the provisions of this section by appropriate regulations, to be issued not later than October 1, 1987.

(c) Conforming Amendment.—The analysis of chapter 21 of title 46, United States Code, is amended by striking the item relating to section 2110 and inserting in lieu thereof the following:

2110. Fees prohibited and authorized.

Mr. CONTE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

(By unanimous consent, Mr. Conte was allowed to proceed for 5 additional minutes.)

The CHAIRMAN. The gentleman from Massachusetts [Mr. Conte] will be recognized for 10 minutes.

Mr. CONTE. Mr. Chairman, I rise in support of my amendment to authorize the establishment of a $20 per year Coast Guard user fee to be paid by recreational boaters. This proposal is fair to boaters, equitable for the other taxpayers in this country, and would net the Coast Guard about $100 million a year—money that it urgently needs and may not get any other way.

Mr. Chairman, many members of the boating community have been misled about exactly what this measure would do. Let me take advantage of this opportunity to clear up the misconceptions and set the record straight.

First of all, this fee would only apply to boaters who use U.S. jurisdictional waterways. Let me stress that. Only people who use United States waterways, and are in a position to receive

Coast Guard services, would have to pay this fee. There are about 6 million such boaters in the United States.

For the remaining boaters—those who use the landlocked lakes in Colorado and Arizona, inland streams and rivers in Nebraska and Tennessee, and even most of the thousands of lakes in Minnesota and New York—this fee will not apply. Only people who receive the benefit of Coast Guard services, in terms of aids to navigation and the availability of search and rescue resources, would have to pay.

Is this fair? Of course it is. There are approximately 6 million recreational boaters who would have to pay this fee. Why should the rest of America—an America that is already being asked to pay higher taxes under the recently adopted budget resolution—continue to give these 6 million recreational boaters a free ride?

The other major misconception about this proposal has to do with where the money will go. Unlike the administration's proposed user fee legislation, with which my proposal is often confused, the funds collected under this amendment will go directly to the Coast Guard's operating expenses account. These funds will be available only to provide aids to navigation for recreational boaters and for search and rescue readiness—again, for recreational boaters. In this way, the funds collected will be used to directly benefit the user group that is paying the fee.

Mr. Chairman, some of my colleagues may be wondering just how much of a free ride the recreational boaters of this country have been getting over the years. Last year, for recreational boaters alone, the Coast Guard spent more than $107 million on short range aids to navigation, and more than $105 million providing search and rescue services.

In addition, the Corps of Engineers spent about $40 million for operation and maintenance of the Intracoastal Waterway, a benefit that the boaters of this country do not pay for.

So as I see it, the recreational boaters got over a quarter of a billion dollars of free services from the Coast Guard and the Corps of Engineers last year. And that doesn't begin to count the capital costs of the ships, planes, and helicopters, and shore facilities that stand ready 24 hours a day, 7 days a week to render assistance to the recreational boater who gets into trouble.

Mr. Chairman, my amendment does not seek to recover the value of the full amount of this service. Rather, it would recover about $100 million—47 percent of the total cost. In my view, this is the equitable and minimum amount the boaters should be willing to pay for the availability of the best service in the world.

I know some people say that it is not fair to charge a fee when there is a Coast Guard policy of handing off nonemergency search and rescue cases to commercial towing operators. On that point, let me say that the original policy guidance came from the Merchant Marine Committee, and perhaps that is the place to direct any questions surrounding this issue.

But the fact remains that even for nonemergency search and rescue, the Coast Guard is still handling the vast majority of cases for recreational boaters.

Last year the Coast Guard handed off only about 9 to 10 percent of its calls to commercial towers. In fact, of the 58,259 search and rescue cases handled by the Coast Guard, 79 percent were categorized as nonemergency.

And perhaps most important of all, even where there is commercial towing available, the Coast Guard is still going to be there with all of its resources to monitor the commercial service and be prepared to step in if a nonemergency situation worsens into an emergency one. So it is really the readiness to provide search and rescue service that the boaters of this country should be happy to help underwrite.

The response of the boating community, however, is still disheartening. I have been disappointed with the negative and unrealistic response received in my office.

I don't know how much correspondence my colleagues have received on this bill, but I hope these verses, sung to the tune of "My Bonnie Lies Over the Ocean", will provide each of you with an insight into the mind of the American recreational boater:

My sailboat capsized in the ocean,
My rowboat is lost in the sea,
The costs of my rescue are frightful,
But I want to be rescued for free.
No charge, no charge,
The Coast Guard owes it to me, to me,
No charge, no charge,
The Coast Guard owes it to me.

However, I feel that if the boaters and my colleagues will take the time to fully understand my amendment, they will change their tune to the following:

I'll set out to conquer new waters,
The Coast Guard will stand beside me,
Because of their help to all boaters,
I'd be happy to pay user fees.
User fees, user fees,
It isn't that much for me, for me,
User fees, user fees,
My safety means that much to me.

It is time for each of you to realistically compare the number of nonboating taxpayers to the number of recreational boaters in your districts.

How much longer are we going to allow the high-priced voices of 6 million boaters drown out the cries of the other 240 million U.S. taxpayers?

It's time to break down the walls built by special interest lobbyists and make the boaters pay their dues to the Coast Guard. The free ride is over.

For the last 2 years Senator TED STEVENS of Alaska and I have bailed out the Coast Guard, have bailed out this committee, and have bailed out the Committee on Appropriations. We have begged from all of you. We stole from the Defense Department to give it to the Coast Guard, and we are told this year by the Committee on Appropriations, the Subcommittee on Defense, no more, no more. In the next 2 weeks we will be debating the transportation appropriations bill, and in that OE account, more than $100 million was cut from what the Reagan administration asked for.

Believe me, there is no big spender down there, outside of Defense. Yet, we cut more than $100 million from a bare bones Transportation budget. There is no way in the world that the Coast Guard can operate next year with that kind of a budget, and here we have this great opportunity. For a measly $20 each—which many boaters will pay for their Gucci shoes or their sailors' hats that they put on—we can realize $100 million for that operating expense account.

I hope you see the wisdom and the logic of doing this.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. CONTE. Mr. Chairman, I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I thank the gentleman for yielding.

I thank the gentleman for his poetic contribution. It provided some relief in the somber discussions, and also for the gentleman's magnificent presence, resplendent throughout the Nation.

On the issue itself, clearly the Coast Guard needs not really too much praise, because we know, the Members of the House know, and the people of our country know how laudable their services have been, how reliable they have been.

If any agency, any service in this Nation has functioned with a Spartan philosophy, it has been the Coast Guard. They have suffered more than any, and they have not been appropriately funded. I can see some merit in what the gentleman is suggesting. However, I ask one question.

Assuming that we do raise $100 million, or any part thereof, what is to prevent those moneys from going into the general revenue and again the Coast Guard being shortchanged, because the Coast Guard clearly is treated as a stepchild?

Can you respond?

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONTE] has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 5 additional minutes.)

Mr. CONTE. Mr. Chairman, the gentleman from New York is absolutely correct in what the gentleman says about the Coast Guard.

I have been handling the Coast Guard appropriation for 29 years, when they were back with Treasury, when they were the stepchild and the orphan of all the Services in the U.S. Government.

Any time the Air Force had an old helicopter, they would give it to the Coast Guard. Any time the Navy had an old broken down destroyer, they would give it to the Coast Guard.

We changed that policy, myself and Vaughn Gary, and at that time there were no authorization bills, strictly appropriations for the Coast Guard.

This Congress has continually given the Coast Guard new missions like drug interdiction, search and rescue operations, patrolling our fisheries, and the environmental missions. But very reluctantly do we give them the money.

□ 1505

Now when this Transportation bill comes down, with over a $100 million cut in fiscal year 1988 operating expenses, I wonder if any of the city people are going to stand up here and say, "Let us take $100 million away from mass transit." That is what happened. They took the money for mass transit and short-changed the Coast Guard and hoped that "SIL" CONTE and TED STEVENS will get it from the Defense Department. Well, they are getting tired of us going over there and begging and stealing from the Defense Department. And everyone here who spoke today in general debate said how great the Coast Guard is, that this is wonderful, the best service in the world. But not one of them has got the guts to stand up here and vote for a $20 user fee. You tell me we are robbing these recreational boaters when we say $20? Have you ever been on a boat? It costs $20 for a bottle of scotch, it costs them $20 for a lifesaver. It costs them $150 for those white pants that they wear.

This is a Filene's bargain basement nautical jacket I am wearing. They would not be seen in Filene's bargain basement. They go down to Gucci's to get their clothes.

I beg you, I beg you. I know the lobby organization around here has been strong and I have felt the heat. They have confused my issue. In answer to your question my amendment is very narrow. It must go into operating expenses. It does not go into the General Treasury. No one else can put their hands on this except the Coast Guard for operating expenses.

Thank you.

Mr. BIAGGI. I thank the gentleman.

Mr. DAVIS of Michigan. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I thank the chairman.

Mr. Chairman and Members and to our good friend from Massachusetts I might just say that the sportcoat he has on this afternoon is better than the one he had on this morning. There is no question the gentleman from Massachusetts has been a staunch supporter of the U.S. Coast Guard and has lent support to the Coast Guard, lent support to the authorization committee. And I know that is appreciated by all of us who very much support the Coast Guard.

However, I think there are some things we need to know about this particular amendment. I strongly urge that we defeat the amendment.

First of all, there is a misconception I think about some people that when we talk about votes that we are only talking about 65-foot yachts or 49-foot sailboats. Believe me, the majority of the boats in this country are the little fishing boats that your people and my people go out on to catch fish and these are not wealthy people. These are people, hardworking people who enjoy the luxury of being able to go out and fish.

Let me tell you, $20 is a lot of money to those people. No matter how you look at it, it is a tax. This $20 fee is a tax, another tax on the American public.

Now there is another misconception that boaters do not pay some money right now in the way of taxes to the General Treasury which gets distributed around to various different parts of the country.

First of all, the gas tax that the people pay when they buy the fuel to run their boats, the Treasury Department estimates to be around $100 million. We think that is very low. We think it is probably $120 million or more, which means that the boater is not receiving his fair share of the gas tax money that he is already paying. The way that money is distributed, of course, is $30 million goes to the Coast Guard of the $100 million, $30 million goes back to the States for the purpose of educating people about boating and the other $40 million goes into the sport fishing fund called the Wallop-Breaux fund. But the point is that the boaters do in fact pay a fee now and we ought not to put another fee on them. Also, the way the amendment is written and I am not sure about this, but it seems to me that it refers to motor powered boats and sail, those boats that have sails on them. I do not know whether that refers to a windsurfer in a little boat. You can take a small sailboat, 10, 12 feet long and you are going to charge those people an additional $20. I do not believe this is the time to be putting another tax on the American people. I certainly hope that we will defeat it because I do not think it is in the best interest of the boating people of the country.

Just let me make one more statement and that is that the boaters in this country now do in fact pay a fee, they pay a tax now and there is no reason why we should put another tax on them.

Mr. STUDDS. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Massachusetts, my respected, beloved colleague Mr. CONTE from, I should point out, that part of Massachusetts that is furthest removed from the ocean of all the districts of our State, probably has most of America tuned into C-SPAN now trying to adjust the color on their sets, given his appearance here. It is a remarkably resplendent colleague who takes the well every year at this time to discuss these things. No one could possibly match him in the colorfulness of his language as well as of his dress. But let me just say that there was a great American philosopher once who said to an opponent in debate, and had he not lived a century ago, he probably would have said the same thing to the gentleman from Massachusetts [Mr. CONTE]: "Those who are not overawed by your grandiloquence are chiefly struck by the inadequacy of your argument."

And with all due respect to my colleague whose visa, may I say, to come fishing on the island of Cuttyhunk is subject to not being reissued should this amendment be adopted, let me just point out a couple of things if I may. First of all, as a matter of general public policy, we need to make a determination in this Congress, and this amendment is as good a vehicle as any with which to do it, as to what general governmental functions we wish, in this instance, the U.S. Coast Guard to fulfill and which we do not. Amongst those functions inherent in this Government since the first Congress, since 1789, are the principal functions of the U.S. Coast Guard, most particularly aids to navigation, and search and rescue. One of the very first acts of the very first Congress of the United States was to order built lighthouses, which in today's parlance are aids to navigation. This is as venerable a role of the Federal Government as any that we have.

We do not charge user fees for those who wish to send their children to public school in this country. We do not say that public education ought to be paid for either entirely or in major part solely by those who benefit from it directly; that is, those parents with children in school. We do not say that fire and police protection should be paid for solely or in part by those who have occasion to call upon the fire or the police. It is a general service available as a matter of public policy to all citizens if and when the need should arise. I would suggest that we have very much an analogous situation with respect to these most ancient of all the functions of the U.S. Coast Guard and of its predecessor services.

Second, let me say that the amendment as drafted, as introduced by the gentleman—it is in new form this year as I recognize it—calls for a fee of $20 per year for each vessel, each recreational vessel, "any motor or sail powered vessel that is manufactured or operated primarily for pleasure."

As I understand it, as I read it, that would be $20 for a 200-foot yacht and it would be $20 for a 6-foot sailing dinghy. It might even, as the gentleman from Michigan has suggested, not only be $20 for a wind surfer, it might be $20 for a 12-inch model sailboat as this language is written. I am sure that the gentleman from western Massachusetts has lovers and builders of model sailboats even in the foothills of the Berkshires that he would be loath to do this to. But in any event, the question of equity arises here. A large, extraordinarily expensive yacht would be assessed the same fee as a very small and humble sailing vessel.

Finally, as the gentleman from Michigan and others have pointed out, there is already in law a user fee upon recreational boatowners. Certainly those that are motor powered pay 9-cents-a-gallon tax on motor fuel. It took us many a year to have that collected and distributed for the purpose which the Congress intended.

Finally, let me say to the gentleman from Massachusetts, the author of this amendment, I know he is sincere when we says that his hope is to increase funding for the operating expenses of the Coast Guard.

The gentleman has been in this Congress far longer than I have and he sits as the ranking member on the Committee on Appropriations and he know full well, I suspect, that in the event this were to become law and in the event that it were to raise an additional $100 million, $120 million for the Coast Guard, it would be a matter of minutes before the administration reduced its request for the Coast Guard operating expense account by precisely that figure. In the real world in which we live, my colleagues in the House, this would not mean effectively one additional penny for the Coast Guard.

So for all those reasons, I would urge Members, attractive though the arguments of the gentleman from Massachusetts may superficially appear, and undeniably attractive though the gentleman from Massachusetts, clearly is—the western gentleman from Massachusetts, that is—let me urge Members to think clearly and carefully and to reject this amendment.

Mr. HUTTO. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I rise reluctantly in opposition to the amendment of the nattily clad gentleman from Massachusetts, a great friend of the Coast Guard.

The gentleman has been offering this amendment—or one similar—for a number of years. Also, the gentleman's bill, which would impose user fees, was referred to our committee. Our committee has received reconciliation instructions assuming the imposition of $50 million in user fees, and we will be meeting on July 28 to mark up our legislation.

There is and has been opposition from our committee members to these user fees because the recreational boaters are already taxed, as you have heard a number of times here today. We have held hearings on this topic repeatedly, as recently as 1 month ago. In light of these factors, this is not a proper forum in which to address such a complex topic that will affect over 6 million boatowners. In all deference to our good friend and, as I say, one of the strongest Coast Guard supporters I know in the Congress, I would urge Members to vote "no" on the Conte amendment.

Mr. LOWRY of Washington. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. LOWRY of Washington. I thank the chairman. I must say I think this is the only time I am going to not speak with the esteemed leadership in our outstanding committee on this important issue. But I stand in support of the amendment by the gentleman from Massachusetts.

Twenty dollars to a recreational boater for which the Coast Guard has consistently, to my knowledge, always testified before our committee in support of Coast Guard user fees, and as I asked them that question, as have many other Members, outstanding members of our committee asked them that question, they felt there would be a relationship between the user fees and the increased appropriations for the unanimously, I believe, agreed upon fact that the Coast Guard is underfunded.

Now I am very happy that the gentleman from Massachusetts does not have commerce within this. I think user fees upon commerce should be addressed another way, perhaps through a business tax or profits on business or something like that. But this is upon people, friends of all of ours, who have chosen recreational boating. It is a very small fee. Frankly the gentleman from Massachusetts' tenacity on this is something I respect very much and I think he is very much correct in doing so. So I would hope that people would look upon all of the unacceptable alternatives that we have before us on paying for the needed services within this Government and say compared to other unacceptable taxes, compared to other unacceptable cuts in service, does not a $20 user fee on recreational boaters make sense? I think the gentleman from Massachusetts' amendment makes a lot of sense given those alternatives. So I compliment the gentleman and I will be voting for the gentleman's amendment and I hope other Members will.

I also want to take this opportunity to compliment a person I supported for the chairmanship of this subcommittee and also, of course, the ranking member of this subcommittee and the full committee and the chairman of the full committee for the outstanding job they have done on this overall legislation because this is probably the only chance I am going to have to say that.

I want to thank them very much for that.

□ 1520

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Massachusetts [Mr. CONTE]. I rise not as a fat cat boater but as a thin cat boater—a poor boater, if you might refer to one in that way.

I also am a boater whose boat is documented with the U.S. Coast Guard. I sent in my post card that the U.S. Coast Guard sends me each year, and I received a new sticker to put on my documentation form to say that I am documented for that particular year in case I am inspected. It is like the registration on one's car.

There is not a State in the Union that would allow you to register your car and then reregister it for the year and not charge you some kind of a fee. But I can document my boat with the U.S. Coast Guard and each year receive a new sticker for it and pay not one penny. I pay not one single penny.

The gentleman's amendment makes ultimate sense. All of the aids to navigation that I use and that other boaters use—that is, noncommercial boaters, pleasure boaters—I should be paying something for. I should be paying something for security, knowing that if I get in trouble out there, the Coast Guard can come out and help me. I should be paying something for that.

You do not maintain aids to navigation in little tributaries off the Chesapeake or off the Jersey shore or off New England for commercial use. Those are not commercial fishermen; they are pleasure boats, they are pleasure craft, and we should pay something for that.

The gentleman's amendment makes ultimate good sense. It is doing the same thing for boaters as you would do for someone who registers his automobile. It says that you have got to pay a very, very minimal fee—and it is a very minimal fee—to get the services that you get, those that keep the roads or the roadways in the water. That is what those navigational aids do; they keep the roadways in the water; they maintain those roadways. They provide the safety in the water. They provide the safety of the Coast Guard.

Mr. Chairman, the gentleman's amendment is a good amendment, and it should be supported.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Florida.

Mr. HUTTO. Mr. Chairman, I believe you will find that there are a number of States that do have registration fees. Of course, I do not think that we want to keep adding to the taxes that our recreational boaters already have. Otherwise it would not be much of a recreation.

Mr. COUGHLIN. Mr. Chairman, I cannot believe that most recreational boaters would hesitate to pay the very nominal fee that the gentleman from Massachusetts suggests to have the services of the Coast Guard and the aids to navigation that are indeed provided by the Government and that should be paid for in this way.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. Without objection, the gentleman from Massachusetts [Mr. CONTE] is recognized for 5 minutes.

There was no objection.

Mr. CONTE. Mr. Chairman, I just want to answer my good friend and colleague, the gentleman from Massachusetts, the "Commander of the Cape." This is in regard to 1789. He brought up the year of 1789, when the Coast Guard was founded. They had lighthouses and cutters at that time, but one thing they did not have is recreational boating.

Then he said that the eloquence of my statement was exceeded by the deficiency of my argument. Not so. That is not so. He was not listening.

First of all, he takes issue with my uniform $20 fee for big boats as well as small boats. Of course this is a fair way to do it, because it is better to have a minimal small fee of $20 for all boats. If you tried to have a $20 fee for a small recreational boat, and a $50 fee for a boat of a little more horsepower or a little more tonnage, you would create an administrative nightmare and drive up the costs of administration. There would be minimal administrative costs with mine. You could buy the stamp in the post office and you buy the duck stamp at the present time.

I might point this out also: it does not cost any more to do search and rescue operations for a large boat than it does for a small one. In fact, it may well be that the smaller boats, with less navigational and communications equipment, are more likely to get into trouble than the big boats. In addition, it is the smaller boat that benefits more than the larger one from short-range aids to navigation.

Then this question keeps coming up about gasoline taxes. One would think that the poor motorist out there and all the others who are out there driving their cars are not paying gasoline taxes. They are paying gasoline taxes and also registration taxes, sales taxes, and property taxes on their automobiles. I do not see the U.S. Government giving anybody a free towing job when their car breaks down out on the highway. They still have to pay the AAA or some other auto club $50 or $60 a year for that kind of service, and highway towing is a heck of a lot easier than finding and towing a boat in the ocean.

My amendment, I think, is a bargain. It is the cheapest form of insurance you are going to find to insure that the Coast Guard, with its fleets of patrol boats, helicopters, cutters, and jets, and the best trained and most dedicated personnel in the world will be out there 24 hours a day hovering over you and ready to take you in if you get in trouble.

There was a story less than a month ago about the Coast Guard doing a search on the Great Lakes for a boater who was overdue. It cost tens of thousands of dollars to look for that person. No one could afford to pay the actual cost of search and rescue. No one is asking us to pay for the actual cost of search and rescue.

A couple of years ago up in Kodiak, we lost a crew, a whole crew. We lost a helicopter. There was one boater, just one boater out there, and those gallant men of the Coast Guard worked all night trying to save that one boater. Then the waves engulfed the helicopter, brought it down, killed the while crew, and they lost the helicopter. The guy made it to shore the next morning alive. But that is what the Coast Guard is all about.

Mr. Chairman, all I am asking is a measly, small $20 fee.

Mr. STUDDS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the "Commandant of the Cape."

Mr. STUDDS. Mr. Chairman, I thank my colleague for yielding, and I say to him that I hope it goes without saying, and just in case it does not, let me say it: That we both share the deepest respect and support for the U.S. Coast Guard.

What I do not understand is the gentleman's logic in this or in any of the preceding years in which he has offered some variation of this theme, as to the difference between, for example, a search brought into being by a child missing in the foothills of the Berkshires and a search brought into being by a child missing in a rowboat off Cape Cod. We have a human being in trouble in both cases. Whatever forces we have are brought to bear without question and without thought of cost to save a life which may be in peril. But I do not frankly understand the difference in the case of a person who may be lost or missing as a mountain climber or a child who has wandered off into the hills. I suppose the State police jumps in, and whoever else, and the local police may be around. But there are no fees imposed for that service, and as far as I know, no one is suggesting them. They are funded by the general taxes of the municipality and of the State, and what I do not see is—and this is really my question of the gentleman—why as a matter of public policy the search for that child who is lost should be any different than the other case.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONTE] has expired.

(On request of Mr. STUDDS, and by unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mr. CONTE. Mr. Chairman, in answer to the gentleman, the difference is that the child rescue in that case would be by the State police or the local police and would not involve the Federal Government.

Futhermore, the analogy I was using was the car that breaks down. If you want your car towed home, you are going to pay for it. There is no governmental agency that is going to pay for it. Not only that, but we have toll roads in nearly every State, and you pay tolls to drive on some of those highways. You do not pay any tolls to ride that inland waterway. You do not pay anyone to lift that bridge up and keep thousands of people waiting who have very important things to do until that big yacht or that big boat goes under that bridge. It is done for their convenience. So there is a big difference.

Mr. STUDDS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Massachusetts.

Mr. STUDDS. Mr. Chairman, at the risk of heresy on this floor I point out to the gentleman that one of the principal differences between the Interstate Highway System on the one hand and the Atlantic Ocean on the other is that as far as this gentleman knows, the Public Works Committee is not responsible for the latter.

Mr. CONTE. But the Public Works Committee is responsible certainly for the inland waterway. It was built by the Corps of Engineers, and as I said, it costs $40 million a year just to dredge the inland waterway.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONTE] has again expired.

(On request of Mr. DAVIS of Michigan, and by unanimous consent, Mr. CONTE was allowed to proceed for 3 additional minutes.)

Mr. DAVIS of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Michigan.

Mr. DAVIS of Michigan. Mr. Chairman, I just want to make a couple of points.

First of all, the gentleman talks about automobiles and paying registration fees and sales tax and all of that. Well, you pay the same fees for a boat. You pay the fuel tax, you pay the sales tax, and you pay the registration fee in 48 of the 50 States. I think New Hampshire and Alaska are the only two States that do not have that tax yet.

Also it is important to note that all around the country we are getting into companies that are known as private towing companies, and when you have private towing companies available, the Coast Guard refers them to those private towing companies. In many instances, as in the rural parts of my State, and in my congressional district, we have the Coast Guard auxiliary. Unless it is a life-threatening situation, that can be used, and that principally, I think, is where we have a need for the Coast Guard. When we have a life-threatnening situation, when the waters are up and the boat is about ready to sink and people are possibly going to drown or something like that, that is when the Coast Guard comes to the rescue.

But in all instances they try to find another way to assist those boats. And this is a very important point that I think needs to be made: under present law the Coast Guard now has the authority to charge any boater. If in fact they go out and retrieve that boater, bring him in, they can go ahead and promulgate a rule and charge fees without the passage of any law. They can assess whatever charge they think is proper. They can in fact charge that person for bringing him in.

Mr. CONTE. Mr. Chairman, that would be prohibitive, and I am not going to limit access to this service. It often costs over $10,000 for search and rescue. That is why I say we should put everything in the pot.

Now you buy an insurance policy on your house, hoping your house never burns down, but every year you pay a premium on that insurance policy. In case there is a fire, the insurance company is going to pay you to rebuild your home. This is the same thing. You are putting $20 in a pot here to protect you if you get in trouble. You hope you do not get in trouble, but if you do get in trouble, the Coast Guard is out there to rescue you.

Mr. PARRIS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Massachusetts which would unfairly and unnecessarily impose a $20 user fee on recreational boaters. This amendment would impose yet another tax on the citizens of this Nation because certain Members of this Congress cannot bring themselves to responsibly manage the fiscal affairs of the Nation. In other words, the citizens of this Nation are already heavily taxed to support such Federal operations as the U.S. Coast Guard. In addition, recreational boaters already face a number of restrictions, taxes, and fees that are unpleasant but are, out of necessity, tolerated.

I know the gentleman is aware that the Coast Guard is already authorized to charge boaters for towing and other such services.

I ask the gentleman from Massachusetts, why single out recreational boaters to pay for services that benefit all users of the Nation's navigable waters and that are otherwise provided for in this authorization bill? The user fee proposed by the gentleman is not necessary, it unfairly burdens a select group of our Nation's navigable waters users, and unwisely discourages recreational use of these waters. I urge my colleagues to vote against passage of the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONTE].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CONTE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 119, noes 287, not voting 27, as follows:

[Roll No. 247]

AYES—119

Armey
Aspin
Ballenger
Bartlett
Barton
Bates
Berman
Bilirakis
Bliley
Boehlert
Boland
Boulter
Boxer
Broomfield
Brown (CA)
Buechner
Cheney
Clarke
Coats
Coble
Coleman (MO)
Coleman (TX)
Conte
Cooper
Coughlin
Courter
Dannemeyer
Daub
Davis (IL)
DeLay
DeWine
DioGuardi
Dorgan (ND)
Dornan (CA)
Dreier
Durbin
Edwards (OK)
Emerson
Fawell
Frenzel
Gallegly
Gekas
Gibbons
Goodling
Gradison
Grandy
Green
Gregg
Hall (TX)
Hansen
Hiler
Holloway
Houghton
Huckaby
Hunter
Hyde
Inhofe
Johnson (CT)
Johnson (SD)
Kolbe
Konnyu
Kyl
Lagomarsino
Lowery (CA)
Lowry (WA)
Lujan
Lukens, Donald
Lungren
MacKay
Madigan
Martin (IL)
McEwen
McHugh
McMillan (NC)
Meyers
Michel
Miller (CA)
Miller (OH)
Mineta
Molinari
Moody
Morella
Murtha
Nielson
Olin
Panetta
Patterson
Penny
Porter
Regula
Rhodes
Ritter
Roukema
Roybal
Sabo
Scheuer
Schumer
Sharp
Skaggs
Skeen
Slattery
Smith (NE)
Smith (TX)
Solomon
Spratt
Stangeland
Stenholm
Sweeney
Swindall
Tauke
Thomas (CA)
Udall
Upton
Valentine
Vento
Visclosky
Walgren
Waxman
Wolf

NOES—287

Ackerman
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Atkins
AuCoin
Badham
Baker
Barnard
Bateman
Bennett
Bentley
Bereuter
Biaggi
Bilbray
Boggs
Bonior (MI)
Bonker
Borski
Bosco
Brennan
Brooks
Brown (CO)
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Clay
Clinger
Coelho
Collins
Combest
Conyers
Coyne
Craig
Crane
Crockett
Daniel
Darden
Davis (MI)
DeFazio
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dowdy
Downey
Duncan
Dyson
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fields
Fish
Flake
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gilman
Gingrich
Gonzalez
Gordon
Grant
Gray (PA)
Guarini
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hochbrueckner
Hopkins
Horton
Howard
Hoyer
Hubbard
Hughes
Hutto
Ireland
Jacobs
Jeffords
Jenkins
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Latta
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Luken, Thomas
Mack
Manton
Markey
Marlenee
Martin (NY)
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McGrath
McMillen (MD)
Mfume
Mica
Miller (WA)
Moakley
Mollohan
Montgomery
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Oxley
Packard
Parris
Pashayan
Pease
Pelosi
Pepper
Perkins
Petri
Pickett

Pickle
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Richardson
Ridge
Rinaldo
Roberts
Robinson
Rodino
Roe
Rose
Roth
Rowland (CT)
Rowland (GA)
Russo
Saiki
Savage
Sawyer
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Sikorski
Sisisky
Skelton
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (NJ)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Spence
Staggers
Stallings
Stokes
Stratton
Studds
Stump
Sundquist
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Vander Jagt
Volkmer
Vucanovich
Walker
Watkins
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (FL)

NOT VOTING—27

Akaka
Beilenson
Bevill
Boner (TN)
Boucher
de la Garza
Dwyer
Dymally
Early
Flippo
Gephardt
Glickman
Gray (IL)
Kemp
Leath (TX)
Martinez
McCurdy
McDade
Myers
Owens (UT)
Roemer
Rogers
Rostenkowski
Smith (IA)
St Germain
Stark
Young (AK)

□ 1550

Messrs. FRANK, OWENS of New York, PURSELL, and DENNY SMITH changed their votes from "aye" to "no."

Mr. HUNTER and Mr. JOHNSON of South Dakota changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

MODIFICATION OFFERED BY MR. STUDDS TO THE AMENDMENT OFFERED BY MR. BIAGGI

Mr. STUDDS. Mr. Chairman, I ask unanimous consent to modify the amendment offered by the gentleman from New York [Mr. BIAGGI] and adopted earlier in the Committee of the Whole with language which is at the Clerk's desk.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification offered by Mr. STUDDS to the amendment offered by Mr. BIAGGI: In the language of the Biaggi amendment proposing to amend Section 8103 of title 46, United States Code in paragraph (D) of subsection (b)(1) before the period insert: "or aliens lawfully admitted to the United States for permanent residence".

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. BIAGGI. Reserving the right to object, Mr. Chairman, I do not intend to object, but I request that the gentleman explain his modification.

Mr. STUDDS. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Massachusetts.

Mr. STUDDS. I thank the gentleman for yielding.

Mr. Chairman, let me say to the gentleman that as far as I know, this amendment is satisfactory to him, the author of the original amendment, and to the managers of the bill on both sides.

Very briefly, for the record, this seeks to remedy an effect which I understand to be unintended on the part of the gentleman in offering his original amendment. It would have required as adopted initially in the Committee of the Whole that there be a 75-percent U.S. citizenship requirement for all commercial fishing vessels fishing within 200 miles of the U.S. coast. That would have made it impossible for vessels which fish certainly out of the port of New Bedford in Massachusetts where often we have cases in which there are lawful aliens, resident aliens legally entered into the United States.

I suspect in the gulf coast and perhaps also off the coast of southern California that is also the case.

I know that it was not the intention of the gentleman to exclude lawful resident aliens, and this amendment to his amendment certainly simply makes clear that that was not the intention of the committee.

Mr. BIAGGI. I thank the gentleman for his explanation. I have no objection to his amendment.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The modification is agreed to.

The text of the amendment, as modified, is as follows:

Amendment offered by Mr. BIAGGI, as modified: H.R. 2342 is amended by adding the following new section:

SEC. . Section 8103 of title 46, United States Code is amended as follows:

(1) Strike subsection (b) and add the following:

"(b)(1) On each departure of a documented vessel, all unlicensed seamen must be citizens of the United States, except on—

"(A) a yacht;

"(B) a fishing vessel fishing exclusively for highly migratory species as defined in section 3 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1802);

"(C) a fishing vessel fishing outside the Exclusive Economic Zone, as defined in the Presidential Proclamation of March 10, 1983; and

"(D) a fishing, fish processing, or fish tender vessel that is engaged in the fisheries in the navigable waters of the United States or the Exclusive Economic Zone in which case 75 percent of the unlicensed seamen must be citizens of the United States or aliens lawfully admitted to the United States for permanent residence.

"(2) The Secretary may not waive the United States-citizenship requirement for a master but may reduce the United States citizenship requirement of the remaining complement (including licensed officers)—

"(A) when an offshore supply vessel operates from a foreign port;

"(B) when a mobile offshore drilling unit operates beyond the waters above the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)); and

"(C) for any other vessel when the Secretary determines, after an investigation, that qualified United States-citizen licensed and unlicensed seamen are not available.".

(2) In subsections (c) and (d)(1), strike "from the United States".

(3) In subsection (e), strike "until the vessel's first return to a United States port at which" and substitute "until the vessel's return to a port at which in the most expeditious manner".

AMENDMENT OFFERED BY MR. HUGHES

Mr. HUGHES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HUGHES: At the end of the bill add the following new section:

SEC. . The Act of August 18, 1894, c. 299, sec. 5, 28 Stat. 362 (33 U.S.C. 499), as amended, is amended by striking the period at the end of subsection (a) and inserting in lieu thereof the following: ": *Provided further*, That any rules and regulations made in pursuance of this section shall, to the extent practical and feasible, provide for regularly scheduled openings of drawbridges during seasons of the year, or times of the day, when scheduled openings would help reduce motor vehicle traffic delays and congestion on roads and highways linked by drawbridges."

Mr. HUGHES (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

□ 1600

Mr. HUGHES. Mr. Chairman, this is a very simple amendment and should not take more than a couple of minutes.

Basically, my amendment would provide for some balance in the regulations dealing with drawbridges.

In many areas around the country, including my own district, there is limited access into and out of barrier islands often provided over a drawbridge.

Even though there are plans underway to create fixed spans over these bridges so boats can clear underneath these bridges, unfortunately we still are governed in many parts of the country by drawbridge operations.

Under the present regulations the Coast Guard has promulgated, it is provided that drawbridges will open on signal. There is a section of the regulations, 117.9, which indicates that no person shall unreasonably delay the opening of a drawbridge.

Over the past, the Coast Guard has been very cooperative, and they have provided for fixed openings on the hour, on the half hour.

As the Members can appreciate, on a very busy holiday weekend, we have miles and miles of traffic going into these resort areas. If you have a bridge opening up every 10 or 15 minutes on signal, it creates a tremendous traffic jam and congestion, and that is what happens.

We have sometimes miles of cars backed up waiting to go over drawbridges.

What this amendment says very simply is that any rules and regulations made in pursuance of this section shall, to the extent practical and feasible, provide for regularly scheduled openings of drawbridges during seasons of the year or times of the day when scheduled openings would help reduce motor vehicle delays and congestion on roads and highways linked by drawbridges.

It puts some balance in the regulations, so the Coast Guard sits down with communities and tries to work out something that makes sense.

During the peak tourist season, it makes sense to provide for scheduled openings of drawbridges and not on signals, as present regulations provide.

I would urge my colleagues to support my amendment.

Mr. HERTEL. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Michigan.

Mr. HERTEL. Mr. Chairman, I support the amendment; and it is very timely after the Fourth of July holiday.

We just saw the tremendous backups for the drawbridges, and I am sure it occurs to those people sitting in their cars that some fuel could have been saved. This kind of amendment will meet the needs of those families, and they will thank the gentleman for it.

Mr. HUGHES. I thank the gentleman.

The Coast Guard has bent over backwards attempting to accommodate, but they have to deal with regulations that have a bias for opening drawbridges on signal. This would put some balance into those regulations.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Florida.

Mr. HUTTO. Mr. Chairman, I have had an opportunity to look at the amendment and talked previously with the gentleman about it.

It is a problem that the gentleman is seeking to correct, and I support the amendment.

Mr. HUGHES. I thank the gentleman from Florida [Mr. HUTTO], the chairman of the subcommittee.

Mr. DAVIS of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Michigan.

Mr. DAVIS of Michigan. Mr. Chairman, I have a question.

There are a lot of districts in the country that are going to be affected by this, and I have one in particular where we have a lot of traffic.

I think the gentleman's amendment does accommodate what I am concerned about; that is, if a regularly scheduled opening is on the half hour, 15 minutes, whatever, if there are no boats lined up, I do not want the operator to have to open up the bridge if there are no boats lined up to go through.

Does the gentleman's amendment address that?

Mr. HUGHES. My amendment makes it very clear in fact the Coast Guard has that flexibility.

The bridgetender would not open up a bridge on the hour unless there was traffic moving through the bridge; but, unfortunately, as the gentleman well knows, on the Intercoastal Waterway System we have boats going back and forth, and we have bridge openings going up and down on signal every 10, 15 minutes. That is what we are trying to avoid.

It gives the Coast Guard more flexibility in dealing with that situation practically, but it does not require the bridge to open unless there is traffic to move through.

Mr. PARRIS. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Virginia.

Mr. PARRIS. Mr. Chairman, I appreciate the gentleman yielding.

I have been on the Intercoastal Waterway a number of times. There are a number of bridges that have big signs saying that the bridge only opens every half hour, whatever.

Is the gentleman's language redundant, or why just some of the bridges? The Woodrow Wilson Bridge, I might add, has restricted opening periods.

Mr. HUGHES. I can only speak for the Third District. The Coast Guard has reluctantly permitted the fixed openings where we have a crisis situation, because they are reluctant to do it because of the language in the regulations which indicate that the drawbridges shall open up promptly and fully for the passage of vessels when a request to open is given.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. HUGHES] has expired.

(By unanimous consent, Mr. HUGHES was allowed to proceed for 1 additional minute.)

Mr. HUGHES. Basically what I am trying to do is put some balance into the law so that the practical considerations of vehicular traffic on the highways are taken into account.

Mr. PARRIS. Mr. Chairman, if the gentleman will yield further, as I understand the gentleman's intent, it is to basically perpetuate the situation that now exists in some parts of the Intercoastal Waterways?

Mr. HUGHES. It is to encourage the Coast Guard not to be reluctant where the circumstances cry out for that type of relief, that that type of relief be provided.

We have to go through the same process year after year because of the reluctance in the language.

I ask the committee to support what I think is a reasonable amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. HUGHES].

The amendment was agreed to.

AMENDMENT OFFERED BY MS. SNOWE

Ms. SNOWE. Mr. Chairman, I offer an amendment.

Mr. HUTTO. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Ms. SNOWE: Page 22, after line 11, add the following new section:

INTERNATIONAL COOPERATION

SEC. 26. (a) The Congress finds that—

(1) the President, at the June 1987 Venice economic summit and in other international forums, has requested and is continuing to request additional support of United States allies in the Persian Gulf;

(2) the Persian Gulf is a region of major strategic and economic importance to the Western alliance;

(3) attacks on neutral shipping in the Persian Gulf threaten to limit the access of the United States and its allies to oil supplies from the region;

(4) the United States has taken actions in the Persian Gulf to protect its interests and those of its friends and allies, in particular actions to protect the free flow of oil through the Strait of Hormuz;

(5) 37 Americans were killed and the U.S.S. Stark was severely damaged in defense of those interests in the Persian Gulf;

(6) the United Kingdom and France have historically maintained a military presence in the Persian Gulf and currently deploy warships in the region in support of their shipping;

(7) there have been reports, which the Congress notes with approval, that some allied governments are giving serious consideration to possible actions in support of Western interests in the Gulf;

(8) a Western multilateral effort can best protect the interests of the United States and its friends and allies in the Persian Gulf;

(9) an international effort can best sustain a long-term diplomatic commitment in support of a negotiated settlement to the Iran-Iraq war;

(10) those United States allies whose military forces are constitutionally restricted to self-defense should share in the financial burden of protecting their interests in the Persian Gulf;

(11) Western Europe obtains 24 percent of its oil from the Persian Gulf;

(12) Japan obtains 47 percent of its oil from the Persian Gulf; and

(13) the United States obtains less than 6 percent of its oil from the Persian Gulf.

(b) The Secretary of State, in consultation with the Secretary of the department in which the Coast Guard is operating, shall urge our European allies and Japan to join the United States in intensifying efforts to bring about a speedy and just solution to the Iran-Iraq war and in defending our mutual interests in the Persian Gulf.

Ms. SNOWE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Maine?

There was no objection.

Ms. SNOWE. Mr. Chairman, I would hope the gentleman from Florida [Mr. Hutto], the chairman of the subcommittee, would not make a point of order against this amendment, because it is very important, very germane to the issues at hand here today, particularly with respect to reflagging of our ships in the Persian Gulf.

Mr. Chairman, I'm pleased to offer this amendment on behalf of myself and the gentleman from Michigan [Mr. Pursell].

Mr. Chairman, this amendment expresses the sentiment of the House that our allies in Europe and Japan should join in defending our mutual interests in the Persian Gulf. It is virtually identical to a resolution approved by the Foreign Affairs Committee by voice vote, a resolution cosponsored by the chairman and ranking member of the committee.

Clearly, the United States has critical interests and a role to play in the Persian Gulf. Just as clearly, many of my colleagues have questions and concerns about the President's current policies. But I think we all agree that keeping the Persian Gulf sealanes open, bringing about a cease-fire and a negotiated settlement to the Iran-Iraq war, and minimizing Soviet influence in the region are legitimate goals of United States policy. And I think that we agree, regardless of the position this House takes on reflagging, that the United States should not shoulder this burden alone.

Our allies in Western Europe and Japan are far more dependent on Persian Gulf oil than we are. Western Europe gets 24 percent of its oil from the region. The Japanese—almost 48 percent. And the United States—5.5 percent. As a result, they have more to lose from disruptions in oil shipments and continued turmoil in the gulf.

I would like to stress to my colleagues that this issue goes beyond sharing the military burden of protecting these oil supplies. It is also important to share the political and diplomatic burden. A multilateral effort is critical to minimize the provocation of a single outside military presence in the gulf, and to provide a better foundation for a negotiated peace to the terrible and bloody gulf war.

Yet, by and large, the allies have not been as responsive as we would like to our requests for cooperation. While the allies unanimously endorsed the principle of freedom of navigation, they have yet to offer any practical, concrete actions to ensure that freedom. It is a principle for which 37 of our young men gave their lives, and requires more than diplomatic lipservice.

Let me illustrate precisely the type of steps we are asking the allies to take. There are a number of ways our allies can contribute to preserving the freedom of navigation which they unanimously endorsed in Venice, and which 37 young Americans have already died to protect.

First, the French and the British already deploy ships in the gulf. In the past, they have coordinated their activities with U.S. ships on a sporadic, ad hoc basis. This informal coordination should be upgraded and formalized. This should include intelligence-sharing, information about ship movements, and possibly other actions.

Second, those countries which have constitutional restrictions on providing military assistance, such as Japan and Germany, should help defray the economic costs of the efforts in the gulf. Japanese Prime Minister Nakasone has reportedly indicated initial willingness to make a financial contribution toward protection of freedom of navigation in the gulf. However, it is not clear whether the Japanese actually have made or will make such a contribution. The resolution specifically suggests this kind of financial support for our allies who are not able to or willing to participate militarily.

Third, NATO allies who do not have naval forces in the Persian Gulf can help by sending their ships to fill gaps in NATO defenses left by the deployment of allied ships to the Persian Gulf.

There are other options before our allies, including reflagging on their own and leasing ships to Gulf States. But, at the very least, I think we can agree that the allies should make some kind of tangible, practical commitment to the protection of our mutual interests. Whether reflagging takes place now, gets delayed for 90 days, or never takes place at all, our allies must shoulder their responsibilities in the Persian Gulf. That is what this amendment expresses, and I urge my colleagues to adopt it.

The CHAIRMAN. The time of the gentlewoman from Maine [Ms. Snowe] has expired.

(By unanimous consent, Ms. Snowe was allowed to proceed for 5 additional minutes.)

Mr. PURSELL. Mr. Chairman, will the gentlewoman yield?

Ms. SNOWE. Mr. Chairman, I yield to the gentleman from Michigan, the cosponsor of this amendment to whom I am grateful for offering his support and his help.

Mr. PURSELL. Mr. Chairman, I congratulate the gentlewoman from Maine for developing what I think is an excellent amendment on an important bipartisan foreign policy issue and I ask the good chairman on the Democratic side, if he would consider withdrawing his objections to the gentlewoman's amendment. The House Foreign Affairs Committee recently adopted the concurrent resolution incorporated by this amendment on a voice vote. I think there is strong bipartisan support on the House floor for urging our allies to assist the United States in maintaining stability and peace in the Middle East and the Persian Gulf. This is only a sense of Congress resolution, not mandatory legislation. I encourage our colleagues on the Democratic side and on the Republican side to concur today in a bipartisan effort by supporting the Snowe-Pursell amendment to the Coast Guard authorization bill.

The amendment would direct the Secretary of Transportation which has jurisdiction over the Coast Guard, to work with the State Department in negotiating contributions from our allies to the Middle East peace process.

Participation by DOT gives germaneness to this amendment. I think it is in order and I ask for bipartisan support on this foreign policy decision which is critical to this Nation, and to nations in the Persian Gulf.

Ms. SNOWE. I thank the gentleman for his comments and again for his help in offering this amendment today.

Mr. DAVIS of Michigan. Mr. Chairman, will the gentlewoman yield?

Ms. SNOWE. I yield to the gentleman from Michigan, the ranking member of the committee.

Mr. DAVIS of Michigan. Mr. Chairman, let me say I think this is an excellent amendment. So many times all of us, Democrats and Republicans, have referred to our allies not supporting us in many instances, and certainly if there ever was a time that our allies ought to be supporting us, it is in our role in the Persian Gulf.

We understand that under the Japanese Constitution they cannot do anything military, but of course they can always offer some assistance financially, and there are many other countries that can do the same thing. The United States is always there, we are always there to help our allies and everybody gives us lip support, verbal support, but when it comes to monetary support or when it comes to giving us the necessary help, militarily, they are not there.

Although this amendment, if the point is pushed, probably might not survive the germaneness test, I do not see why. It is an amendment that all of us can support because I think every one of us wants to see our allies help us out.

I congratulate the gentlewoman from Maine [Ms. SNOWE], and my colleague, the gentleman from Michigan [Mr. PURSELL], because I think this is an excellent amendment. As I understand it, all it does is tells or urges the Secretary of State in consultation in this case with the Secretary of Transportation, to negotiate with these foreign countries to try to give us the necessary assistance.

□ 1615

I think they should.

I think we need to push them. I know that the President has at times asked for help and again we are given lipservice. He comes back, of course, with his best face forward saying, you know, our allies are giving us some support, but they are really not. This amendment just says let us give it one more try. Let us try to negotiate an agreement and get some support from those allies.

The CHAIRMAN. Does the gentlewoman from Maine yield back the balance of her time?

Ms. SNOWE. I would like to make one final comment, Mr. Chairman. I do want to thank the gentleman from Michigan for his comments in support of this amendment. I do think it is important, because it does relate as germane to the spirit and the letter of this bill because of the amendments that will subsequently be offered to this legislation. It certainly expands the scope of the authorization of the Coast Guard. In addition, it does include foreign policy-type language that is identical, is similar to the kind of language that I am offering here today in this amendment.

Second, it does not refer to the documentation of vessels or the reflagging of vessels. It simply is instructing the Secretary of State to consult with the Secretary of Transportation to negotiate in urging our allies to support the defense of the Persian Gulf. I think that is a reasonable and practical goal for which 37 of our men have already died in upholding. We want more from our allies than they have been willing to give to date.

I would urge support of this amendment. I would hope the gentleman would not make a point of order against it.

Miss SCHNEIDER. Mr. Chairman, will the gentlewoman from Maine yield?

Ms. SNOWE. I yield to the gentlewoman from Rhode Island [Miss SCHNEIDER].

Miss SCHNEIDER. I thank the gentlewoman for yielding.

Mr. Chairman, I concur with the points that my colleague from Maine has already so very articulately presented. I certainly support this amendment and feel wholeheartedly that it is time that we as a nation, providing the leadership globally, can provide also some coordinated effort in involving our allies in making these decisions as to how we can best preserve the sealanes and maintain peace in the Persian Gulf. I think it is critical we ask some of the very important international policy questions, the foreign policy questions, but I think we also have to be sensitive to the tendency toward knee-jerk reaction in terms of energy policy. Repeatedly we have heard leaders of the administration in the energy field say that we need to protect these sealanes from our own purposes, when you consider only 6 percent of our own foreign oil comes from there.

The CHAIRMAN. The time of the gentlewoman from Maine [Ms. SNOWE] has expired.

POINT OF ORDER

Does the gentleman from Florida [Mr. HUTTO] insist on his point of order?

Mr. HUTTO. Yes, I do, Mr. Chairman. I make a point of order on this amendment. I know the gentlewoman is very sincere about this and I do not disagree with it. It is a wonderful amendment. Again, I say this is not a foreign affairs bill. It is not made in order by the rule, it is not germane so I made a point of order.

The CHAIRMAN. Does the gentlewoman from Maine care to be heard on her point of order?

Ms. SNOWE. Just very briefly, Mr. Chairman. I think I have made the points with respect to this amendment. I think the subsequent amendment that would be offered will expand the scope of this initiative. This amendment is similar and comparable to the attempts that will be made by similar amendments. So although the other amendments were not germane they were made in order by the Rules Committee. Therefore, given the fact that we are expanding ultimately the scope of this legislation, it seems to me only practical that we would include allied support in terms of the policy that might be developed by the House in the next few hours.

The CHAIRMAN (Mr. KASTENMEIER). If there are no further arguments on the point of order, the chair is prepared to rule.

The primary purpose of the bill as amended is to authorize funds for the Coast Guard for fiscal year 1988 as well as to address other provisions within the purview of the Coast Guard and its operations. As the chair reads the amendment of the gentlewoman from Maine, the operative purpose is to have the Secretary of State urge our European allies and Japan to join the United States in intensifying efforts to bring about a speedy and just solution to the Iran-Iraq war and defending our mutual interests in the Persian Gulf. Those are purposes outside the purview of this bill and the chair would further state that the linkage to possible amendments which may hereinafter be adopted with reference to reflagging does not support the germaneness of this amendment. Those amendments are not yet adopted and do not prospectively justify an amendment of this sort. The chair is constrained to sustain the point of order and rule the amendment of the gentlewoman from Maine out of order.

Are there other amendments to the bill?

AMENDMENT OFFERED BY MR. DAVIS OF ILLINOIS

Mr. DAVIS of Illinois. Mr. Chairman, I offer an amendment.

Mr. HUTTO. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Florida [Mr. HUTTO] reserves a point of order against the amendment.

The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Illinois: Page 22, after line 11, add the following new section:

SEC. 26. In any case where the President of the United States, after consultation with the Secretary of the Department in which the Coast Guard is operating, determines that neutral shipping requires the protection of the Coast Guard or other U.S. Armed Forces the President shall, if practicable cause the commercial cargo requiring Coast Guard or other Armed Forces protection, to be transported in vessels of the United States which were never registered under the laws of a foreign country.

Mr. DAVIS of Illinois. Mr. Chairman, about a month ago I introduced a bill relating to reflagging that this provision was not in.

The bill recognized at that point a point that perhaps the Secretary of Defense and the Secretary of State should be in the decision policy-making loop on reflagging of U.S. vessels. We were astonished to learn on the Defense Policy Panel of which I am a member, and Secretary Weinberger's testimony that the American Navy is for rent in the world simply by a reflagging process in the United States Code that calls for you to have an American corporation, three-quarters of your offices be American, put an American master on a ship, sail it from foreign to foreign ports, meet the Coast Guard sanitation and safety regulations under American law and reflag and if you have some problems someplace in the world because the American Navy rightfully protects American flags, you would then, of course, have to have the protection of the U.S. Navy. Well I was a little astonished by that. So I introduced that amendment. And in the Committee on

Merchant Marine and Fisheries some 2 weeks later under testimony on that bill, I discovered that the respected chairman, Mr. Biaggi from New York, had even a better idea about crewing of American reflagged vessels and putting American crews at least and not Bulgarian or Rumanian crews on those reflagged vessels. I certainly endorsed that. I took that a step further in listening to Mr. Lantos and to my own testimony and that of Mr. Biaggi that day, I refined my bill and bring to you something that I had intended to offer to Mr. Biaggi's amendment and unfortunately was not on the floor to do so. So I offer it now despite the reservation of a point of order on the amendment. It was germane last week by the Parliamentarian's rule and by the council's rule and for some reason it is not germane today despite the fact that it has been rewritten. The thrust of this amendment—and it has virtually the language of the Seafarers and Maritime Unions and my own thought—that if a reflagging procedure in the face of a crisis or a danger for a cargo in the world is going to take place as a matter of policy, that before you do that, ladies and gentlemen, and you have empty American bottoms, in this case oil—there are 40 sitting on the east coast of the United States of America empty—and you have the country of Kuwait chartering Soviet vessels, three of them, and then we are going to reflag 11 Kuwaiti vessels under American flag and American Navy protection, something is badly wrong here. I think maybe we made a bad deal.

As a result of that particular testimony in front of the Committee on Merchant Marine and Fisheries, I can report to you now that since that time the delegation from this House that just returned from the Persian Gulf has announced and told me privately—I do not think they have announced it publicly—that the Kuwaitis have chartered two of those American vessels. And I say why not the other nine? I say why not all the reflagged vessels, all reflagged vessels before they are reflagged if they are like empty bottoms sitting here and we are going to protect them with the U.S. Navy as we well should in foreign waters, I do not argue with that policy, but let me tell you, ladies and gentleman, there are American merchant seamen who would go to sea in the Persian Gulf right now without the protection of the American Navy. They want to sail. They want to go to sea. They want to work. But we reflag foreign vessels before we look at American bottoms.

Well, this amendment, ladies and gentleman, subject to a point of order, merely says, merely says that American bottoms should be considered by the Secretary who represents the Coast Guard in the Cabinet, merely considered. And the President, if practicable, could then, Mr. Chairman, the President then could make the deal for those empty bottoms, should consider those empty bottoms and those merchant seamen.

Mr. HUTTO. Mr. Chairman, if the gentleman will yield, the gentleman has a good amendment. Unfortunately, it is to the wrong bill. And for the same reason as the other amendment, this is not germane. It is not made in order.

The CHAIRMAN. Would the gentleman from Florida [Mr. Hutto] permit the gentleman from Illinois [Mr. Davis] to finish his presentation?

Mr. DAVIS of Illinois. I am on a roll, Mr. Chairman, let me go.

I want to make the point that American sailors are sitting idle in Atlantic ports. We did not make a good deal. This is a prospective amendment that I believe was germane last week under Parliamentarian rule and is germane today. And I do not know what has changed, but I can tell you that a lot of seamen are going to be unhappy because this is a germane amendment. I know my time is up, Mr. Chairman.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. Davis] has expired.

POINT OF ORDER

Does the gentleman from Florida [Mr. Hutto] insist on his point of order?

Mr. HUTTO. Yes, I do, Mr. Chairman.

As I mentioned, it is a good amendment. Certainly we can associate ourselves with the remarks of the gentleman from Illinois but unfortunately it does not belong in this bill. It is not germane and is not made in order by the rule.

The CHAIRMAN. Does the gentleman from Illinois [Mr. Davis] care to be heard on the point of order?

Mr. DAVIS of Illinois. Yes, sir, I certainly do.

Let me point out to you, Mr. Chairman and to my distinguished chairman on the Readiness Subcommittee of the Committee on Armed Services; Mr. Chairman, this amendment is germane. This amendment has been drafted to include the Coast Guard and the Secretary which controls the Coast Guard and the President of the United States.

Let me just read this one sentence that I think makes it germane—in fact, the whole paragraph does. "In any case, where the President of the United States, after consultation with the Secretary of the department in which the Coast Guard is operating, determines that neutral shipping requires the protection of the Coast Guard or other United States armed services"—now if that is not an appropriation item, I do not know what is. The U.S. Coast Guard, if called upon—and it does not just protect the continental United States—if called upon to use its vessels to protect reflagged or even chartered vessel bottoms of the United States, chartered to another country, that is going to require an expenditure of Coast Guard funds. I could have identified that line item, but I did not.

I believe with all my heart and soul, Mr. Parliamentarian, let me address you as well as the chairman, that this amendment is certainly germane to this bill. If the Biaggi amendment was at all, so then indeed is this one.

I make that case.

The CHAIRMAN. Does the gentleman from Virginia care to be heard on the point of order?

Mr. BATEMAN. Yes, I would, Mr. Chairman.

It seems to me there is a great distinction between the amendment now being offered by the gentleman from Illinois and the previous amendment which was ruled out of order on the point of order. The difference being that the previous amendment addressed in a specific context whether or not and under what circumstances Kuwaiti vessels proposed to be reflagged would be permitted to be reflagged.

The gentleman from Illinois' amendment does not relate to and in fact has nothing to do with that reflagging issue which the Rules Committee said would be determined on the basis only of the pending Bennett amendment and the pending Lowry amendment and a possible substitute amendment and that is what I understand the rule to be.

If I may have just 30 more seconds, this amendment deals prospectively and deals with reflagging generically in the future, not this reflagging which it does not reach but future reflagging. As such, why should we hold back from considering something which is of benefit and is a legitimate matter to be taken into consideration as this country, through the Department of Transportation, makes future reflagging decisions in general.

Mr. HUTTO. Mr. Chairman, I would grant that it does not deal directly with the Kuwaiti reflagging issue. However, cargo is not determined by the Coast Guard.

☐ 1630

In my view, it is not germane and would not pertain to the Coast Guard authorization bill.

The CHAIRMAN (Mr. Kastenmeier). The Chair is prepared to rule on the point of order.

The gentleman from Florida [Mr. Hutto] makes a point of order that the amendment offered by the gentleman from Illinois [Mr. Davis] is not germane.

The primary purpose of the bill before the Committee, as amended, is to authorize funds for the Coast

Guard for fiscal year 1988, as well as to address other provisions including the Biaggi amendment within the purview of the Coast Guard and its operations. The operative part of the pending amendment, in the opinion of the Chair, would suggest that the President cause commercial cargo requiring protection to be transported in vessels documented under the laws of the United States rather than in vessels previously registered in another country. This in effect would create a new form of "cargo preference" for U.S. vessels to be determined only by the President, an area of law currently administered by the Maritime Administration rather than the Coast Guard.

In the opinion of the Chair, the amendment goes beyond the fundamental purpose of the bill to address matters other than the Coast Guard and its operations. Therefore, the Chair sustains the point of order.

Mr. DAVIS of Illinois. Mr. Chairman, if I may be heard briefly, I would respectfully submit to the point of order and congratulate the Chair on one portion of the ruling. That is indeed true, that this amendment would create a new cargo preference, and that was the point. I thank the Chair.

The CHAIRMAN. Are there other amendments authorized by section 1 of the rule?

AMENDMENT OFFERED BY MR. KASICH

Mr. KASICH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KASICH: Add at the end of the bill the following:

DEBT COLLECTION

SEC. 26. (a) Chapter 17 of title 14, United States Code, is amended by adding at the end the following:

"§ 665. Debt collection

"(a)(1) Subject to the availability of appropriations and to existing law, the Secretary shall enter into contracts for collection services to recover indebtedness owed by a person, other than a foreign country, to the United States which—

"(A) arises out of activities of the Coast Guard;

"(B) is delinquent by more than 3 months; and

"(C) the Secretary has not actively attempted to negotiate, litigate, or settle for more than 3 months.

"(2) Each contract entered into under this section shall provide that the person with whom the Secretary enters into such contract shall submit to the Secretary at least once each 6 months a status report on the success of the person in collecting debts. Section 3718 of title 31, United States Code, shall apply to any such contract to the extent that such section is not inconsistent with this subsection.

"(b) To the extent otherwise allowed by law, the Secretary shall disclose to credit reporting agencies information concerning any debt of more than $100 owed by a person, other than a foreign country, to the United States which arises out of activities of the Coast Guard and is delinquent by at least 31 days.".

(b) The table of sections at the beginning of chapter 17 of title 14, United States Code, is amended by adding at the end the following:

"665. Debt collection.".

Mr. KASICH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KASICH. Mr. Chairman, initially I want to thank the distinguished gentleman from Florida [Mr. HUTTO] for giving me the opportunity and telling the Rules Committee that he would give me a chance to present this amendment today. Also, I want to thank the gentleman from Michigan [Mr. DAVIS] for his interest in this issue.

This is another amendment in the continuing effort to try to restore some sanity in the area of delinquent debt owed to the Federal Government. At the risk of becoming repetitive, I must again tell the Congress that the amount of outstanding delinquent debt has now reached nearly $70 billion. Again, that is not $70,000 or $70 million; it is $70 billion. That is the amount that is owed by individuals and corporations to the U.S. Government.

Over the last year that increased delinquent debt has grown by $10 billion, and over the last several years several billions of dollars have been written off by agencies and departments and bureaus and entities of the Federal Government in cases where virtually no effort had ever been made to try to collect this delinquent debt.

What this amendment does is twofold. This is exactly the kind of effort we made on both the DOD bill, the Maritime Administration and the State Department bill. Now we are making the effort on this bill, and it is an effort to impose the use of collection agencies on delinquent debtors. If a debt should mount more than 90 days and if the Coast Guard is not either negotiating, litigating, or settling this debt, a collection agency, one of the four collection agencies the GSA has approved, would be used. Believe it or not, only four collection agencies have been approved even though the debt has now reached over $70 billion. So we have a total of only four collection agencies that are authorized to go out and do the job. In this case one of these four collection agencies would be used, and the Secretary should go forward and do this in an effort to try to collect money that we believe is collectible.

Let me say that there is a sizable chunk of money that is currently in discussion, negotiation, and possibly litigation. The problem is that if the Federal Government is ever going to litigate in this area, the only established party that is in a position to litigate is the Justice Department. The sad fact is that the Justice Department has a 97,000-case backlog, so by the time we get down to litigating the most recent cases, the parties involved may not even be around.

So the one provision requires the use of the collection agency for this overdue debt, and it will force the Secretary to actually go out and collect this money. The second provision refers the delinquent debtor, either the corporation or the individual, to the credit bureaus that have been established by the GSA. We want the credit bureaus to have this information because many times delinquent debtors go and try to get money loaned to them from other entities of the Federal Government. We do not want that to happen, and we believe that the referral to credit bureaus is another good stick in terms of getting people to pay up.

We want these amendments to be a tool for the Coast Guard to use in their efforts to try to collect this delinquent debt. I think it is a valuable amendment. It is a part of the process. I am going to try to continue to do this throughout the consideration of the authorization bills. At the first go-around we will probably have additional language, and we will offer amendments also in the next go-around.

This is the only way I believe we can seriously begin to attack this problem and start to collect some of the outstanding $70 billion. When we come back next year, Mr. Chairman, I guarantee that we will be at that point looking at probably $75 billion because this amount of delinquent debt is almost growing now in exponential terms, and we have got to make the effort to try to collect it.

Again, Mr. Chairman, I appreciate the Committee's interest in this matter.

Mr. Chairman, I yield back the balance of my time.

Mr. DAVIS of Michigan. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I just want to rise to congratulate my colleague, the gentleman from Ohio [Mr. KASICH]. I know that he has in many instances and in many areas of government been doing the same thing that he is doing here. I commend him for it. There is a lot of money out there, as he has indicated. There is approximately $70 billion owed by different people to different agencies. The Coast Guard, of course, is a part of that.

I congratulate the gentleman from Ohio on making a concerted effort to try to make those people who owe the Federal Government pay and not get a free ride at taxpayer expense. I very much support the amendment.

Mr. HUTTO. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Let me say, first, that I commend the gentleman from Ohio for his efforts to ensure prompt collection of moneys owed to the Federal Government, and I deeply appreciate the cooperation of his staff in working with the staff of our committee and with Coast Guard in drafting the language he proposes today to accomplish this purpose. I understand that more than $27 million of the $35 million in amounts owed to the Coast Guard are in the pollution fund and in fines and penalties, most of which are under legal review or in litigation and would not be subject to referral under this amendment. Further, the Coast Guard has already implemented procedures to refer outstanding receivables to collection agencies and has referred cases amounting to $273,000 to such agencies. The gentleman's amendment will strengthen current procedures and I urge its passage.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. KASICH].

The amendment was agreed to.

The CHAIRMAN. Are there other amendments in order under section 1 of House Resolution 219?

AMENDMENT OFFERED BY MR. DAVIS OF MICHIGAN

Mr. DAVIS of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Michigan: On page 22, after line 11, add the following new section:

"STUDY OF WARTIME MOBILIZATION REQUIREMENTS OF THE COAST GUARD

"SEC. 26. (a) 10-YEAR PLAN.—The Secretary of Transportation shall submit to Congress a plan to enable the Coast Guard to meet 95 percent of its wartime mobilization requirements by September 30, 1998. Such plan shall include recommendations with respect to—

"(1) annual increases in authorized end strengths for Coast Guard Selected Reserve personnel;

"(2) recruiting and training resources; and

"(3) equipment and other logistic support necessary to enable the Coast Guard to meet that requirement.

"(b) DEADLINE.—The plan required by subsection (a) shall be submitted not later than 60 days after the date of the enactment of this Act.".

Mr. DAVIS of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DAVIS of Michigan. Mr. Chairman, this is the amendment that the chairman of the subcommittee, the gentleman from Florida [Mr. HUTTO], and I have offered on the armed services bill. It is now part of the armed services bill. We are not certain about what is going to happen to the defense authorization bill. Therefore, we think it is important that we put this amendment also on the Coast Guard authorization bill.

Very simply, what we are trying to do is bring the Coast Guard reserves up to the same status as the other four branches of the service, which is approximately 95 percent of the personnel requirement for wartime mobilization. The Coast Guard is only at 49 percent.

What this amendment does is simply say that the Secretary of Transportation, within 60 days after the enactment of this act, shall come back to Congress and tell us how they expect to get to the point where they are, that is, 95 percent. We give them 10 years to do it, until 1998.

Mr. Chairman, I think this is a good amendment. I think it is something we need to do. Hopefully, we will pass the defense authorization bill, but in the event we do not we would like to have this amendment included in this bill.

Mr. Chairman, I yield back the balance of my time.

Mr. HUTTO. Mr. Chairman, I rise in support of the amendment. It is a good amendment, and I commend the gentleman from Michigan [Mr. DAVIS] for offering it. I ask for the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. DAVIS].

The amendment was agreed to.

The CHAIRMAN. Are there any other amendments in order under section 1 of the House Resolution 219?

If not, the Chair recognizes the gentleman from Florida [Mr. BENNETT].

AMENDMENT OFFERED BY MR. BENNETT

Mr. BENNETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT: Page 22, after line 11, add the following new section:

SEC. 26. REDOCUMENTATION OF PERSIAN GULF VESSELS.

(a) PROHIBITION.—The Secretary of the department in which the Coast Guard is operating shall not issue a certificate of documentation under chapter 121 of title 46, United States Code, for a vessel which is beneficially owned by a country bordering on the Persian Gulf or by a national of any such country.

(b) CANCELLATION OF CERTAIN REDOCUMENTATION.—The Secretary of the department in which the Coast Guard is operating shall, 20 days after the date of the enactment of this Act, cancel any certificate of documentation issued after June 1, 1987, but before the date of the enactment of this Act under chapter 121 of title 46, United States Code, for a vessel which was, at any time between June 1, 1987, and the date such documentation was issued, owned by the government or nationals of a country bordering on the Persian Gulf.

(c) EXCEPTION.—This section shall cease to apply if the Soviet Union implements an agreement with any country bordering on the Persian Gulf to allow the vessels of that country to operate under the Soviet flag.

The CHAIRMAN. The gentleman from Florida [Mr. BENNETT] will be recognized for 30 minutes, but before the gentleman is recognized, the Chair will inquire, does the gentleman from Michigan [Mr. DAVIS] rise in opposition to the amendment?

Mr. DAVIS of Michigan. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. Under the rule, then, the gentleman from Michigan [Mr. DAVIS] will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I did not make a request that the amendment be considered as read because I think a lot of Members did not know what the amendment says, and I still will have to explain some parts of it.

No. 1, this amendment does not take place if the Russians reflag themselves. If there is something about the Russians coming in, then it wipes out the provisions of the amendment.

No. 2, there is nothing that flagging these ships gives in power to the U.S. Government that it does not already have without the reflagging. What reflagging does is to allow somebody other than the United States to decide that it is a good thing to have us involved in the war. That could be a terrorist, it could be Iran wanting to punish us for something, whatever logic they may have to use, or it could be Iraq. We remember the *Maine.* Some Cubans blew up our battleship, the *Maine,* and used that phrase in our country to bring about a war in which we fought Spain. That sort of thing could occur again.

Why would we want to have young men of America sacrifice their lives for something that has no benefit to us whatsoever? We can fulfill all our obligations to the people in the Persian Gulf just as easily and in precisely the same way as we could without the reflagging.

□ 1645

Now, some people will say, "Let's don't embarrass the President."

Well, I do not want to embarrass the President, but I read the Constitution and the Constitution says that Congress shall declare war. The things that the President is given in international affairs are limitations on his power. Our forefathers did not want the President to declare war. They had enough of the imperialism of Europe. They wanted to see to it that this thing was debated before we went to war, before people sacrificed their lives and our country was imperiled, so they wrote it into the Constitution.

It is not true, the myth that some people say, that the President is in charge of international affairs. We do not have that type of a government. We do not have a parliamentary government. We do not have an imperial government. We have a checks and balances government and there are certain powers given to the President, certain powers given to the Congress, and there are limitations on these powers that are given.

Precisely the President is not given the power to put us into war. Congress is. That is our responsibility.

Every Member of Congress put up his hand when he became a Member of Congress and he swore that he would uphold the Constitution of the United States. That Constitution gives this Congress the power to declare war. We are in charge of it, not the President. If the President is embarrassed by what he did with regard to trading hostages for arms for Iran, or if he is embarrassed now because he never consulted Congress about this matter, that is the President's problem. It is not an embarrassment to the United States of America.

We have got a Constitution which is the best piece of governmental paper that has ever been written in history.

The CHAIRMAN. The time of the gentleman from Florida [Mr. BENNETT] has expired.

Mr. BENNETT. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. DONNELLY].

Mr. DONNELLY. Mr. Chairman, I rise in strong support of the amendment of the distinguished gentleman from Florida, the ranking member of the Armed Services Committee.

Mr. Chairman, this House has an opportunity this afternoon to put a stop to a policy that will lead to nothing but more problems and probably tragedy for our Nation.

Let me remind the Members of this House, Mr. Chairman, that the people who advocate this reflagging policy, in the executive branch, are the same people who a few years ago got this House on record of supporting the so-called peacekeeping force in Beirut. We all know the flaws and the tragedy that that policy decision has cost this Nation.

The go-it-alone policy of the Reagan administration in the Persian Gulf will not work and it can end in the most tragic of consequences. I would hope that this institution would learn from its past mistakes and that it would make a strong statement this afternoon that this wrong-headed policy, this go-it-alone policy, this policy that is not worth losing one single American young man or woman over will be overwhelmingly rejected this afternoon in the House of Representatives.

Mr. DAVIS Of Michigan. Mr. Chairman, I yield 7 minutes to the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Chairman and my colleagues of the House, I apologize for the frequency with which I have been seen in the well today, which is certainly not I believe you will recognize as the norm for me, but this is an enormously significant decision that we in the Congress are called upon to make, not significant because what we are debating now in this amendment or in the amendment which will follow in the sense that it is going to become a matter of American law that goes through the processes of the two legislative bodies and gets signed into law. All that we do here today, no matter what the vote, is not going to change the commitment made by the President of the United States within the limits of his prerogatives as President of the United States under existing law. These vessels the President has decided should be reflagged and should be protected, that is a given. What we do here today then is not in any sense significant as to whether or not the reflagging shall occur. It only affects the environment internationally and politically in which it does indeed occur.

Do we want by a vote in this House to say that the majority of the Members of the House disapprove of and would bar if we could work our will this reflagging that is going to take place?

Do we want to send a message to the Ayatollah Khomeini that if you are going to be hurt in your war against Kuwaiti tankers and you feel a squeeze on that account, the Congress of the United States is very, very nervous, lacking in will or resolve to expose American naval resources to keeping the Strait of Hormuz in the Persian Gulf open?

This to me is a clear invitation to the Iranians, to the Ayatollah Khomeini, to say that maybe we have got to provoke or maybe we have got to undertake some provocative exercise against the Americans, because these ships having been reflagged and they are getting American protection, we are going to have to get the Congress of the United States to rise up and repudiate that policy.

I think what we do invites a greater likelihood of a confrontation that need not otherwise occur and which according to all the best evidence, there is little likelihood that there will be any military confrontation between the forces of the United States and that of Iran.

As we traveled the Persian Gulf, our American commander of the Middle East forces, all the representatives of foreign governments, take the risk of any confrontation by Iran with our military resources as being of minimal risk.

The Iranians are very zealous of their Air Force and their Navy, which are extremely limited, even to the extent that they withdraw and bring them away from areas of exposure, even in the context of that war as it has been waged for the last 6 years.

Why should we in this House now send a signal to the Ayatollah that we do not like the commitment the President of the United States has made, and so therefore, says the Ayatollah to his minions, "Let us provoke a confrontation with the United States because the Congress of the United States will then rise up and demonstrate its lack of commitment, its lack of resolve, its lack of willingness to back a sound foreign policy objective of the United States that does protect the interests of the United States."

What will it say to our friends, those states along the Persian Gulf who choose to be our friends, who choose between us and the Soviet Union, when they could well have made the other choice and been embraced with open arms?

I see no reason for this House to engage in an exercise of that kind. We destroy the credibility of the United States.

We have under American law existing statutes which permit the Iraqis or the Kuwaitis or anyone else to reflag their vessels if they comply with American law. That is routine. It has been done 50 times in the last 2 or 3 years.

What is unique in this instance, and it certainly is not commercially or economically driven by some Kuwaiti interest, it is their national security which they feel at stake. It is their national security which drove them to make the request, coupled with a request or a query, "Will you protect ships that are reflagged as American ships?" And our Commander in Chief said, "yes."

They have accepted that. They have acted upon that. If we now lead them to believe that we do not have the resolve and the commitment to stand behind a 40-year policy of a naval presence in the Persian Gulf to assure as much as possible freedom of navigation in that gulf, if we are willing to repudiate the commitment of the Carter administration to open and free navigation through the Strait of Hormuz, specific commitments of two administrations, then what credibility is there left for any Third World country that we would rather have our friend than be our enemy, rather have us invite an American naval presence that policy?

Why not retain what we have enjoyed for 40 years of port calls, of American ships being serviced and supplied and repaired in Persian Gulf ports and turn all that resource, all of that capability, over to the Soviet

Union, which will be the sure and certain result, if the Bennett amendment, as much as I respect the gentleman who has offered it and who is one of the most forthright and genuinely valuable Members of this body, but to adopt that amendment simply invites to the Persian Gulf a continuing and sustained Soviet naval presence that will be very hard to deal with through many, many decades to come.

Mr. Chairman, I hope we will resist this amendment.

Mr. BENNETT. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. KOSTMAYER].

Mr. KOSTMAYER. Mr. Chairman, a week ago Monday the joint leadership of the Congress went to the White House to visit the President to discuss this issue and the media reported that not one Member of the leadership on either side favored the reflagging of Kuwaiti vessels, not one single Member of the leadership of the Congress in either party favored the reflagging of Kuwaiti vessels.

I cannot find support for this policy in the Congress or in the country.

We are here because President Reagan made a bad promise and we are reluctant to break it.

We are not here because we favor reflagging. We are not here because we think reflagging is a good idea. We are here because the Commander in Chief has made a commitment and we are reluctant to back away from that commitment. This commitment is going to cost American lives. I do not think there is any question about that, and for what? Because the oil has been interrupted? The oil has not been interrupted. No one even says that anymore.

Because the shipping has been interrupted? The shipping has not been interrupted. No one makes that claim anymore.

We are here because the President made a bad commitment.

Abraham Lincoln said, "Bad promises are better broken." This is a bad promise for the American people and I believe that it is better broken.

What is this not about? The gentleman from Virginia, who just spoke, said that we must keep the commitment that President Carter made. The commitment to keep the gulf open. That is not what this argument is about. No one is here advocating that we pull out of the Persian Gulf. No one is here advocating that we reduce our role in the Persian Gulf. No one is here advocating that we do not keep the sealanes of the Persian Gulf open. That is not what this argument is about, and those who draw this debate in those tems are making a mistake.

This debate is about whether or not we are going to reflag Kuwaiti vessels, not about whether we have a commitment in that region.

Of course, we have a commitment in that region. Anyone who advocated reducing or diminishing or terminating or ending that commitment would be irresponsible, but that is not at all what this debate is about.

For 40 years America has kept that commitment. For the last 7 years during the war in the Persian Gulf, America has kept that commitment. No one is suggesting that commitment end, and the American people ought to know that is not what this debate is all about. This debate is whether we ought to reflag vessels of Kuwait.

I think in almost the decade that I have served here, this is perhaps the most serious mistake we may make. It is not in our interest. There is no good reason to do it. We are doing it only because the President has made a bad commitment.

The Intelligence agencies, the military, are supporting that commitment. They have no choice. We have a choice. We have an obligation. I think we should break that commitment.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Chairman, I rise in opposition to this amendment. I do it with great respect to the author of the amendment. I do not know anybody in the House who works harder. I do not know anybody who achieves to think through his positions with more clarity than my good friend, the gentleman from Florida [Mr. BENNETT].

I think the gentleman's amendment is going to fail, certainly not because this Member and others are against it, but it is because Members of his own party are afraid to support it, because it is a clear honest up or down vote on whether this body thinks the President is right or not. What my good friends on the majority side would rather do is play a game with a 90-day delay to see what happens.

Mr. Chairman, I oppose the amendment under consideration, because it tells the friends of the United States in the Persian Gulf region that the United States will cut and run when the going gets tough. The United States has had a naval commitment to the Arabian Persian Gulf for four decades to protect its vital interests. Voting for the amendment will signal that although the United States has ships there, it is really afraid that it might have to use them.

The United States, as a nation committed to peaceful resolution of international conflicts whenever possible avoids deployment of its military forces. Nevertheless, when an adversary directly threatens the vital interests of the United States and its allies, the United States must deploy the elements of its military strength and face the risk that an adversary will initiate hostilities. The President's commitment of the U.S. Navy Middle East Force to the protection of friendly Persian Gulf shipping demonstrates that the United States has the military capability to defend its vital interests in the region. What remains unclear is whether the United States possesses the national will, the resolve, to use its forces in a strong response to any Iranian attack.

Congressional reservations about the President's hard decision to bring a small number of Kuwaiti oil tanker ships under the protection of the American flag and fleet surfaced when the White House first announced it many weeks ago. Since that time, the President has addressed the Nation, and he and his staff have engaged in extensive, continuous consultation with the Congress to explain the importance to U.S. interests of carrying out the President's decision. The process of justifying the decision to the Congress has produced a better understanding, both in the Congress and in the executive branch, of U.S. interests in the Persian Gulf region. Those in Congress who remain skeptical of the President's plan have failed to produce a better alternative for protecting vital U.S. interests in the region.

The President has tried to demonstrate the strength of the U.S. naval commitment to defend U.S. interests in the gulf region. Many in the Congress, however, continue to express mixed feelings about that commitment, and those signs of congressional ambivalence may unintentionally encourage Iran to test the strength of the American commitment, which would bring about the very hostilities that the prior speaker fears.

As the leader of the free world, the United States must work to maintain the freedom of the Persian Gulf sealanes and the flow of oil through them; to seek an end to the bloody and destablizing Iran-Iraq war; to help friendly nations in the region to defend themselves; and to curb the expansion of Soviet influence in the region. The United States can succeed only if the President and the Congress stand united. The Congress should make clear that it stands with the President on the naval defense of vital U.S. interests in the region, because such a demonstration of U.S. strength and willingness to use force will greatly reduce the likelihood that the United States actually will need to use force in defense of those vital interests.

I urge my colleagues to vote against the Bennett amendment and to support the President. That is a vote to avoid war by demonstrating unity and strength.

□ 1700

Mr. BENNETT. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. DeFazio].

Mr. DeFAZIO. Mr. Chairman, time and time again, this administration has pursued a go-it-alone approach to foreign policy. The administration decided to allow the reflagging to go ahead without any advice from its own intelligence agencies, without consulting with our allies or the members of the Gulf Cooperation Council, and without consulting the Congress of the United States. The law, not to mention basic common sense, requires consultation with Congress any time U.S. Forces are introduced into hostilities or situations where hostilities are imminent. That is clearly the case in the Persian Gulf. Yet we have not been consulted. Consultation does not mean being informed after the fact. Yet that is what the administration has done. We all agree that this country has legitimate and vital interests in the gulf. But our security interests there are dwarfed by our allies' economic interests in the region.

If the Iranian or the Soviet threat is so great, why aren't they more alarmed? The gulf states have offered little or no public support for our plans. Our European and Japanese allies are equally unenthusiastic. And why? Because the reflagging is bad policy. It's like Lebanon all over again. The president is putting American lives and prestige on the line without any clearly defined goals or objectives.

The administration pays lip service to "freedom of navigation," yet ignores the fact that Iraq is responsible for 70 percent of the attacks on shipping. They continue to overstate the Soviet threat in the gulf. They claim we are reassuring our friends of our resolve. Our resolve to do what? And why? It's pretty obvious our friends are not reassured. They don't want to get anywhere near this reflagging plan. And meanwhile, it's full speed ahead with a plan that is provocative and ill conceived.

What we will in fact be doing is protecting the oil shipments and financial interests of Kuwait, incoporated. That is not a good enough reason to risk American lives. So it is important that Congress act. If we are silent on this issue, we will not be exempt from responsibility. If anything, our silence is the most ringing endorsement we can give to an administration stumbling toward war.

I'd like to commend my colleague, the gentleman from Florida, Mr. [Bennett], for offering this amendment, and urge my colleagues' support.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 4 minutes to the gentleman from Arkansas [Mr. Robinson].

Mr. ROBINSON. Mr. Chairman, I rise in strong opposition to the Bennett and Lowry amendments.

I am sure that most of us have heard Abbott and Costello's "Who's on First?" Their sparring leads the listener through a verbal maze into hysterical confusion.

That is where we are today. I just returned from the Persian Gulf with my colleagues on the Committee on Armed Services, and I am prepared today to list for Members some facts that I would like them to consider.

First and foremost, I think our colleague, the gentleman from Florida [Mr. Bennett] is a fine, able, patriotic American, but his amendment stinks. It is unadulterated bull manure. Make no mistake about it, fact No. 1, they are not going to stop a reflagging. It is going through, whether you like it or not. So if you are not going to be able to stop it, what are you doing today.

I will share with you what you are doing. You are playing pure partisan politics. You are jockeying for position back home.

Our job is to lead, it is not to follow what the editorial writers write—if they were smart, they would get a real job. It is not to look at the polls on any given day and decide, "Today, we have dartboard diplomacy. Let's throw the dart, and wherever it lands, that's what we ought to do."

Let us talk about the Iraqis for a minute. Do my colleagues know why they are attacking the Iranian ships? I will tell you why. Because Khomeini lines up 15,000, 16,000, or 17,000 young children. He sends them to overrun the line going into the sovereign territory of Iraq. He tells them, "If you die, you go to heaven."

We are dealing with a madman. If he overruns Iraq, next it will be Kuwait, Saudi Arabia, and all of our friends.

Furthermore, let us look at what we really have at stake here. The Kuwaitis are supporting us. They are helping to pay for this. In Bahrain they provide port facilities for us. They provide landing rights for our C-5's and our 141's that supply the Mideastern force. In Saudi Arabia we have a base. Yes, do not get nervous, but we have AWACS planes over there, over 500 American Air Force personnel. We have tankers.

We are embarking on a very dangerous debate today.

□ 1710

While I was in the Persian Gulf, I talked to three sailors from Arkansas on the U.S.S. *Fox*, and a couple of AWACS support personnel from my State.

They do not understand what we are doing in the U.S. Congress. Our President sent them over there. They understand the risks.

They asked me, what are you guys doing back there. I talked to our Foreign Service personnel.

I encourage my colleagues, and I know it is not proper to say we ought to support the President, but he is the President of the United States. It is within his prerogative to reflag.

Make no mistake about it. He is going to reflag. Do not cop out today.

If Members are not for reflagging, vote for Bennett. If the Members are for reflagging vote "no" on Lowry.

It is time to stand up for your country and quit playing partisan politics.

Mr. BENNETT. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. Durbin].

Mr. DURBIN. Mr. Chairman, I thank the gentleman for yielding me this time.

I never cease to be amazed by my conservative colleagues in Congress who on questions of foreign policy are so quick to abdicate our constitutional responsibilities. Members who will walk away from foreign policy decisions acceding to the Commander in Chief those rights and duties we have as Members of Congress.

It never ceases to amaze me that the most conservative Members of Congress are the first to run when questions of foreign policy are raised. I have to hearken back to the comments of the gentleman from California [Mr. Dornan], whom I respect very much, that we lack resolve.

How many wives have been widowed? How many children have been orphaned, and how many families destroyed by the wooden-headed notion that national pride precludes us from measuring our national interest in realistic terms?

The gentleman can recall the comments several years ago on the floor of the House about our wrong-headed strategy in Beirut. We could not turn the President's attention away from that policy and 220 lives were lost.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. Lewis].

Mr. DORNAN of California. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of Florida. I yield to the gentleman from California.

Mr. DORNAN of California. Mr. Chairman, I have just spoken to the leadership on our side of the aisle, and I want to clarify a statement that I think a Member on the other side made sincerely but erroneously.

The hour meeting that took place in the White House, just barely an hour, was dominated at the beginning by a lot of Senators; and we cannot mention the names, but a lot of Members of the other body went on and on and on.

By the time the end of the meeting came, there was no time for our ranking members on the Committee on Armed Services, on the Committee on Foreign Affairs, or our majority leader or our minority leader on this side, and they are supporting the President, so it is not true to tell the American people that there is no support on behalf of the leadership on this side of the aisle.

I do not think the gentleman knew that was factually incorrect.

Mr. LEWIS of Florida. Mr. Chairman, I thank the gentleman for yielding me this time.

I appreciate the gentleman's straightening that out.

I rise to oppose my delegation chairman; but on the other hand, I have to say, the gentleman is wrong.

The gentleman is wrong in wanting to eliminate the flagging of these Kuwaiti tankers. Certainly the administration policy to reflag the Kuwaiti tankers is without significant risk. It certainly is, and we have to understand that.

What we have to understand in the final analysis of what we do here today on these next amendments is whether or not we are going to uphold the credibility of the United States. It is not the credibility of the President. It is not the credibility of the Congress.

It is the credibility of this country, and I say that because we were asked to provide the necessary reflagging to move the oil of the Kuwaiti tankers through the Persian Gulf.

Yes, we were asked to do that by those countries; and if we do not do that, what is our alternative?

Our alternative is to allow the Soviet Union to provide free access to the world of the world's oil supply. What is the alternative? A complete strangulation of our economies.

What are you going to do when you go back home and say, I was one of the people that voted to allow the Soviet Union to take over the Persian Gulf, to take over the Middle East oil supply?

Do you think we have enough oil to provide all of the oil that we need for the world from our own sources here domestically? Certainly not.

Access to the free world's oil supply is one of the most important things we can foresee in the next future for us.

We cannot allow this disaster to happen; and simply put, the United States' failure to respond in this situation will again provide us with a name; when it gets tough, when something happens, the United States has a big bark but no bite, and it will cut and run.

It is now time to stand fast, to fish or cut bait. Defeat the Bennett amendment.

Mr. BENNETT. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. HAYES].

Mr. HAYES of Louisiana. Mr. Chairman, I thank the gentleman for yielding.

Just during the course of the hour in which we debate this amendment, the capacity of this country to produce oil has dropped by 50 barrels. During the course of the day, we have lost 1,000 barrels in our production capacity.

It is those economic issues which should be argued here, and not those that involve the aisle that splits this body.

If we could argue the economic issues of lacking a cohesive and comprehensive energy policy, then perhaps we could understand the philosophy that leads to a demand to reflag Kuwaiti vessels, so that they can carry oil to Japan and West Germany.

That only makes sense; and if cutting those supply lines would result in a higher price, and a higher price only results because this country has shifted to 40 percent dependency on the rest of the world, and the rest of the world is not in the Middle East for us, but Mexico and Canada.

Yet, we are centering the focal point upon the Middle East in the stark realization that we, quite frankly, do not have any friends when it comes to energy. We have no allies when it comes to policy, and we have no contemporaries when it comes to money.

We have turned our back not only on the American people but upon the experts. The experts live where I come from, the oil fields in south Louisiana. They are watching our production diminish while we risk American lives, and how in the world can we justify that to the families of those sailors?

How can we possibly tell them that the cost of putting the battleship Missouri in the Persian Gulf exceeds the entire budget for oil and gas in this country? How can we justify that?

Today is the day for reasoning, for objectivity. Today is the day for planning, for economic policy, and the minute the Silkworm leaves the path, all of that logic and reason is gone, and we are into the world of military reaction by which we cannot guide our own fate.

Mr. DAVIS of Michigan. Mr. Chairman, might I inquire how much time remains on both sides?

The CHAIRMAN. The gentleman from Michigan [Mr. DAVIS] has 12 minutes remaining and the gentleman from Florida [Mr. BENNETT] has 17 minutes remaining.

Mr. BENNETT. Mr. Chairman, I yield such time as he may consume to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Chairman, I support the Bennett amendment. I think it is very important for my colleagues to support the Bennett amendment.

Mr. Chairman, I rise to support the Bennett amendment to prohibit reflagging of ships from Persian Gulf nations. I support the amendment because we are at a watershed, when what we decide to do or not to do may determine whether we become embroiled in a war that is not our own.

The Congress did not ask to be brought to this pass. We are not in this situation because Congress acted or failed to act on a matter which we have been given the opportunity to debate and decide. We are at a watershed because the administration has blindly taken us here.

The administration says it consulted with Congress, but it is wrong. As the record shows, Congress was not notified of this policy until a month after the administration had already told the Kuwaitis they had a deal.

And because we have not been consulted we now face, as has happened far too often in this administration's foreign policy, a peril enclosed in a contradiction wrapped in a subterfuge.

We are told we are reflagging Kuwaiti ships to protect oil shipments and to keep sealanes open. But are we reflagging and providing naval escort to ships of other nations? No; only the ships that are helping the Iraqi war effort.

Yet, we are told that we are neutral in this war. But in reflagging and escorting Kuwaiti ships we protect shipping that one side, Iraq, must have in order to sustain its military effort and win. We ally ourselves, in effect, with Iraq.

And should Iraq begin to prevail in this war, will any Member of this body deny that Iran will not strike back at Iraq in every way it can? Will it not also retaliate against U.S. assets, naval or nonnaval, in the gulf or elsewhere?

Mr. Chairman, perhaps these risks are worth running. But the people I represent in Congress have not had the chance to debate the policy which has brought us to this watershed. We have not been told why we should shift our support to Iraq, when up until now we have been officially neutral. We have not had an open and thorough discussion of these momentous changes within earshot of the American people. We have not had the opportunity to lay the facts before the people and give them a voice in the debate.

We see no evidence the administration has thought this through. I am convinced that Members who oppose this amendment will rue the day they voted to permit this administration to lead us out into the night under cover of a policy conceived in darkness.

Mr. BENNETT. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Chairman, I rise in support of the Bennett amendment.

Four years ago in my freshman term in this body I made a terrible mistake. In my desire to see an activist foreign policy that was consistent with our role as a superpower and as a bastion of freedom, and in my desire to see the United States reject isolationism and fortress America and to move out in the world in an appropriate way, and to avoid what some were claiming was the Vietnam syndrome that existed in Washington, I supported the stationing of U.S. Marines in Lebanon for what turned out to be a muddled, foolish, incoherent policy that had no logical goals and had no basis for achieving those goals.

I am not going to make that mistake again, and that is what this policy is.

Approving the administration's plan to reflag Kuwaiti tankers will damage Untied States long-term interests in the gulf region and in the world. We have undertaken over the years the responsibility to keep the sealanes open—we should remember that they are not closed; to assure the stability and security of the moderate regional states; and to prevent the domination of the gulf by a hostile power. None of these strategic interests is furthered by reflagging Kuwaiti vessels. On the contrary, there is much reason to believe they will be undermined by such action.

Throughout this debate, there has been considerable focus on the consequences of a refusal by the United States to reflag the Kuwaiti tankers. I would like to return the debate to the potential consequences of our doing so.

The administration has been reluctant so far to discuss what we might do if these ships were to be attacked by Iran. There may be sound strategic reasons for this. It does not, however, relieve us of the responsibility to calculate what the consequences of our response might be.

Is there anyone in this Chamber who will tell me that the United States will have any alternative but to attack the Iranian mainland if we are attacked by Iran? I suspect not. It is worth thinking about what reaction this will prompt, not only in Iran, but throughout the Middle East. Let's remember what the response has been in the past to U.S. military action in the region.

One of the reasons why we have always feared Iranian victory in the gulf war has been that Iran would be in a position to capitalize on the anti-Western sentiments which exist in many countries throughout the region. But there are other ways to inspire such sentiments—and I would hold that attacking Iran is chief among them.

I hold no grief for the Government of Iran. On the contrary, it is a menace to its own population, to the region, and to the worldwide community as a whole. But are our statements and actions with regard to Iran designed to lessen its ability to threaten its neighbors and our citizens? And do our interests compel us to confront it militarily and thereby expand the gulf conflict by many orders of magnitude? The available evidence suggests that this is precisely what many other gulf states fear.

There is a dangerous disparity between our proclaimed goals and the actions we are undertaking in pursuit of them. And here I want to be specific: I am talking only about the administration's reflagging effort and its aggressive statements regarding Iran and the U.S.S.R.

What troubles me most is that this behavior undermines the positive steps the administration seems to be taking to support our real interests in the Middle East—in its negotiations with the U.S.S.R. with respect to the region as a whole and in its negotiations with Syria with regard to Iran.

This looks like a far more effective route to assuring the security and stability of moderate regional states in the region—and the administration should be encouraged to pursue it. It would be tragic if our preoccupation with keeping the Soviets out of the gulf were to keep us from taking advantage of our mutual interest in calming the tensions in the region as a whole.

And if we are continuing with the reflagging of Kuwaiti ships in order to save face—even though it would escalate rather than defuse the very tensions which threaten our interests—we are acting on a false proposition.

Let it be clear that neither face nor purpose will be saved or served if we pursue military actions which divert our attention away from those interests. Let us focus our attention on where the threat really exists and not on where we have precipitously and mistakenly imagined it to be. I urge passage of this amendment.

Mr. BENNETT. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Chairman, I consider myself a moderate, not either a liberal or conservative. But I am compelled to speak up today because I for one am totally at a loss as to what the American policy will be and what the American administration's position is.

I have heard the arguments of keeping the oil lanes of the world free and open and I favor that. I have heard the arguments that the President's position and the American position is put on the line and threatened, and our honor is at stake, and I do not like to see American honor compromised.

But I am at a loss because I have to ask the question: Why does the United States always end up being snookered? I ask that question for a reason.

The Soviet Union apparently was asked by the Kuwaitis to come in, and they offered to come in, but they were going to lease three freighters to the Kuwaitis. What do we do? We decide to put our flag on the Kuwaiti ships, subterfuge of the highest degree. Have they asked to lease our ships? No. Have we demanded that they do it? No.

Then we look around and we ask where is this oil for and who is it for? It is for the Europeans, it is for the Japanese. What have they done to assist us? They have not even come and given us verbal assistance.

Now if we put our ships in harm's way, our aircraft carriers have no land bases. Have the Arabs offered to give us land bases to protect their ships and their oil with our men and our supplies?

□ 1725

The hell they have. As a matter of fact, that madman, the Ayatollah that my good colleague on my side of the aisle talked about, he may have the opportunity to knock our planes out of the air if we go after the Silkworm missiles with the "moderate" missiles that we supply that "moderate" leader of Iran.

I say it is time to stand up to those people. I ask my colleagues to support the Bennett amendment.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 3 minutes to the gentlewoman from Maryland [Mrs. BENTLEY].

Mr. BENTLEY. Mr. Chairman, there are few Members who have fought as long or as hard as I to strengthen and protect our Merchant Marine and the jobs of our seagoing crews. Waving requirements for reflagging goes against the grain for me. Despite that lifelong commitment to maintaining our maritime strength, in this instance I am compelled by two considerations to oppose this amendment, even though I have the greatest respect for the distinguished gentleman from Florida who introduced it.

Mr. Chairman, first, international commitments in a volatile and rapidly changing situation are too sensitive to be dealt with on a statutory basis. The dangers and delicacy of our position in the Persian Gulf makes this amendment an ill-considered venture in meddling where we have neither the intelligence information nor the rapid response capacity adequately to make iron-clad rules of the game.

Perhaps even more important both to the Nation and to our maritime interests is our centuries old commitment to maintaining the freedom of the seas. There are some in this body who feel that keeping open the sea lanes for commerce or, God forbid, military necessity can be done with words. We need to give our Chief Executive enough flexibility to act for the Nation.

We have an impact on situations such as the Kuwaiti reflagging. Sometimes these problems result as much from a lack of communication as from a will to offend. When I first heard of the reflagging proposal, I checked and found that there were American-flag vessels available for charter and American crews ready to man them.

I have publicly urged chartering American-flag vessels by the Kuwaiti Government as an alternative to reflagging.

I am now informed by Members who have been there, and the gentleman from Pennsylvania who spoke before me did not know this, that the Government now is arranging to charter two American flagged tankers in this program. It is gratifying that constructive criticism shows results. I hope that we in this House can deal constructively with the Persian Gulf situation. There may be Members who have a better way to deal with the Middle East, but we have a commitment we must live up to. I am joining my colleague, Tom Lewis from Florida, in saying that I will not be responsible for turning the gulf over to the Soviets.

In the future I intend to do what I can to limit waivers. We should maintain our crew and safety requirements. But those concerns should not be allowed to mask other goals. To substitute Congress for a President may look attractive, but it is the path to national paralysis in the real world where indecision is a recipe for disaster. I urge the defeat of this amendment.

Mr. BENNETT. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. Kleczka].

Mr. KLECZKA. I thank the gentleman for yielding time to me.

Mr. Chairman, by reflagging Kuwaiti tankers the Reagan administration is once again showing its willingness to put American lives on the line without formulating a credible long-term policy. Is this reflagging operation part of a carefully thoughtout plan to bring the Iran-Iraq war to an end, to stop the war on shipping, or to contain Iran? Were sufficient efforts made to consult with the Congress and to coordinate our response with our allies? The answer to these questions is "No."

The reflagging was undertaken in the wake of the Iranian arms blunder. It is no more than a desperate attempt to get tough with Iran and a knee-jerk response to an exaggerated Soviet threat. Indeed, the administration's course in the Middle East looks increasingly like that of a drunk driver on the highway; it swerves dangerously back and forth and needlessly risks the lives of young Americans.

Let us take a look at what this reflagging will do—and what it will not do. The administration has told us that this operation is necessary to prevent gas shortages in the United States, to limit Soviet influence, and to preserve free navigation in the gulf. But unfortunately, reflagging will not achieve any of these goals.

Reflagging will certainly not help us to avoid another oil crisis for the simple reason that no crisis is likely in the future. For the last 3 years the war on shipping in the gulf has not produced any oil shortages and now most countries have large reserves. Even if the flow of oil through the gulf is interrupted, America is unlikely to experience any shortages because just 4 percent of American oil flows through the Strait of Hormuz. Our allies are also relatively safe because almost two-thirds of the non-Iranian Persian Gulf oil is transported overland via pipeline and is not shipped through the strait. Why should we risk hundreds of American lives when no oil crisis is in sight?

Nor will this reflagging limit Soviet influence in the region. What specific benefits would accrue to Moscow if we don't reflag these ships and Kuwait charters Soviet vessels? None that justifies the risk of reflagging these tankers. The Soviet Union already enjoys some influence in the region but it is unlikely that they can gain enough to threaten our interests. The Soviet Union is already a major arms supplier to Kuwait and Iraq and no country in the gulf is likely to give them base rights. There are certainly more effective ways to limit Soviet influence than carelessly risking American lives.

Reflagging will also do little to insure free navigation in the gulf. Reflagging Kuwaiti tankers protects them from Iran, but the greater danger to freedom of navigation in the gulf comes from Iraq. It is Iraq that started the war on shipping, and it is Iraq that was responsible for over 60 percent of the attacks in 1986. Protecting the shipping of one of the belligerents' allies does not insure free navigation. Nor does it justify risking hundred of American lives.

Reflagging will clearly do one thing. By escorting the ships of Kuwait—a major ally of Iraq—it will tilt us toward Iraq and risk a major confrontation with Iran. Let's make it clear. Reflagging Kuwaiti tankers could easily lead Iran to attack our ships or to launch a difficult to trace terrorist attack on one of our middle eastern embassies. Such an attack could lead to the loss of hundreds of American lives and start an uncontrollable war.

We have not lived uncomfortably with the war on shipping for 3 years. So why are our vital interests now so threatened that we must take steps that could lead to war?

A confrontation with Iran is also likely to produce one result that we are desperately trying to avoid; greater Soviet influence in the region. If a United States attack on Iran occurs, the Soviet Union could significantly increase its stature in the region by being an honest broker or by providing assistance to Iran. Likewise a confrontation with the United States could help Iran overcome the recent difficulty they reportedly have had in recruiting volunteers for the war.

The plan to protect Kuwaiti tankers is particularly ill conceived because less dangerous and more promising policy options are available to us. Instead we should be working closely with our allies and with the U.N. to bring an end to the conflict and to protect free navigation in the gulf.

We should be actively encouraging and participating in efforts to negotiate a cease-fire to the conflict. Iraq is eager for an end to the conflict. Iran, for its part, has reportedly had difficulties in recruiting new volunteers for the war and its much heralded final offensive has stalled.

We could also work to establish a multinational force to protect all shipping in the gulf. Naval ships of the major powers could fly U.N. flags and, of course, would be able to act in self-defense. If Iran and Iraq were confronted with a unified impartial naval force composed of navies of the major powers they would be unlikely to continue their attacks.

There are times when the United States must take military risks. However such operations must offer the best hope of advancing U.S. objectives and the objectives must be sufficiently vital to make it worth the risks. Unfortunately acting alone to reflag the ships of just Kuwait—an ally of Iraq—will not insure free navigation in the gulf but it will endanger hundreds of American lives. Reflagging has too little chance for success to merit the risks involved.

The time to speak up is now; it may be too late in a few weeks. I urge my colleagues to support the Bennett amendment to prohibit the reflagging of Kuwaiti tankers.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. Fields].

Mr. FIELDS. Mr. Chairman, I rise in opposition to the amendment offered by my distinguished colleague from Florida to prohibit the Coast Guard from documenting vessels owned by Persian Gulf nations under the U.S. flag.

I believe that there is a consensus in this body that the U.S. interests in the Persian Gulf region are vital. At stake are energy supplies for the United States and its allies, freedom of the seas, and the containment of Soviet and Iranian power.

U.S. policy has been consistent in preventing growing Soviet presence in the gulf which is actively trying to expand its influence over the free world's main source of oil imports. It is incumbent that the U.S. prevent the Soviets from obtaining a strategic position from which it could threaten free world interests in the region. The effective withdrawal of a U.S. presence in the Persian Gulf would create a vaccum which the Soviet Union would undoubtedly fill.

Maintaining a vital presence in the Persian Gulf involves risks. The United States cannot be driven away from our responsibilities as a superpower. However, we should not go at this alone. The beneficiaries of gulf oil should be pressed to do more. Our allies who benefit from the vast majority of the Persian Gulf's oil resources must assume some of the burden and help protect this oil which is clearly more important to their economy than ours. Although the Persian Gulf lies well beyond NATO's formal boundaries, our allies must also be made to understand the corrosive political effect that their nonparticipation in efforts to protect shipping has on support for the alliance in this country. The United States should not shoulder the responsibility of defending the sea lanes alone.

While I have deep concerns about the lack of support being offered from our allies in the United States plan to maintain freedom of navigation and prevent an increased Soviet naval presence in the gulf, I believe that preventing or delaying a U.S. action that the President has already committed our country to would undoubtedly erode U.S. credibility abroad. To pull the rug out from under the President's foreign policy in the Persian Gulf would have damaging international repurcussions.

Finally, I would like to say that I have over the last month been holding town meetings throughout the Eighth Congressional District of Texas. When I am approached by my constituents over the risks involved in the administration's proposal to reflag Kuwaiti oil tankers, I tell them that I always ask myself the question that if our Nation suffered the loss of our servicemen's lives in the region, would it be for a purpose. In this case, I believe it would be. If we are a superpower we must act like one. The United States has a vital interest in maintaining a presence in the Persian Gulf and while we may not like the responsibility of protecting these oil tankers, history will prove that it was the right and only course of action.

Mr. BENNETT. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. Smith].

Mr. SMITH of Florida. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman as the author of this amendment.

In 2 minutes it is very difficult to capsulize all the reasons why this amendment is so valid and the reasons against it are so correct. But let me attempt to if I can.

First of all, let us dispel the bugaboo: The oil in the gulf is flowing. American-flagged ships are not being attacked. The sea lanes are open. None of those reasons are valid for reflagging Kuwaiti ships. Not a blessed thing has occurred that should change our strategic policy which has worked for all these years to keep the biggest bugaboo of all from happening, Soviet penetration into the gulf. They are not there now and as long as we keep doing what we are doing they are not going to be there tomorrow. And it has not a darned thing to do with the reflagging of the Kuwaiti vessels.

The reality is we need our presence there. We have our warships there. We have all that we have been doing and it has been very, very successful. I asked, at the Committee on Foreign Affairs hearings which we had just in the last few weeks, Secretary Weinberger, Admiral Crowe, and Under Secretary Armacost of the State Department the questions: Is the oil flowing? Are the sea lanes open? Are American flagged ships being attacked?

They answered them all appropriately: Yes, the oil is flowing, no, American ships are not being attacked and the sea lanes are open. Why do the Kuwaiti reflagging? Because the Soviets will move in if we do not. Why? Because they are going to reflag the Kuwaiti vessels if we do not. How come? The Kuwaitis asked them.

In other words, our policy now is driven solely by what the Kuwaitis do with the Soviets. And we have to rush in. And if another country does the same thing we will rush in because we do not want the Soviets to do it and reflag their tankers. And if another gulf coordinating council country will rush in and get their four tankers done, we will rush in to reflag them because we do not want the Soviets to do it. Interesting debate; let me tell you while we are reflagging, the Kuwaitis are also taking three Soviet tankers with Soviet flags and reflagging—our reflagging of their ships will not stop the Soviets from being in the gulf.

The CHAIRMAN. The time of the gentleman from Florida [Mr. Smith] has expired.

Mr. BENNETT. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. Conyers].

Mr. CONYERS. Mr. Chairman, I rise in support of the amendment offered by Congressman Charles Bennett from Florida to prohibit the reflagging of Kuwaiti vessels in the Persian Gulf.

The current administration has an abysmal record when it comes to observing the rule of law in foreign policy. In fact, Congress has been tied up for the last few months with the arduous task of untangling the web of deception spun to hide covert operations in Central America. They were shipping weapons to the Ayatollah, permitting drug shipments across our borders and fighting a war that neither the Congress nor the American people would support.

With the reflagging of the Kuwaiti tankers, the administration has let us know that there is more disregard for the rule of law in store. The War Powers Act specifically requires the President in every possible instance to consult with Congress before introducing the armed forces into situation "where imminent involvement in hostilities is clearly indicated." There is no doubt that the Persian Gulf is a hostile environment. Since 1984, there have been 222 attacks on ships in the gulf. Yet, there has not been any real consultation with the Congress. In fact, the White House had issued a statement before meeting with Congress that flatly rejected all congressional requests to delay the reflagging plan or to consider other proposals.

Furthermore, the War Powers Act requires the President to submit a written report within 48 hours to the Speaker of the House that explains why it is necessary to put American lives in danger, and describes the authority justifying the actions. But they were reluctant to brief the Congress; committee members were not briefed until 3 weeks after the administration had promised Kuwait to reflag. And Congress had to go to the extraordinary lengths of enacting legislation to pressure a report on the military plans for the gulf.

After considering the administration's report, I understood what had caused the delay: they had no plan. Reflagging does not insure the flow of oil to the United States or our allies. In fact, the prospect of reflagging has escalated the conflict. The Iranians have already fortified three strategies points in the gulf with attack helicopters and speedboats. Moreover, reflagging is not necessary to keep the Soviets out since they have already called for a withdrawal of all foreign warships from the gulf. So all we are left with is an incoherent policy that cannot be explained or justified.

The only rationale that could possibly underlie the reflagging idea is that they want to help Iraq defeat Iran in the gulf war. But reflagging could put this Nation on the slippery slope to war. What should happen if the Iranians attack a reflagged tanker or an escort ship? How would the administration respond? Given the administration's inclination towards military responses in foreign policy matters, the reflagging raises the potential of dragging this country into a naval version of Vietnam, a conflict that we could neither win nor resolve. And as we slipped into another undeclared war, the Constitution, which grants to Congress alone the power to declare war, would be trampled in the process.

The administration's misguided policies caused the deaths of hundreds of Marines in Beirut in October 1983. Reflaggng in the Persian Gulf would again convert the American flag into a lightning rod. Let's not make the same mistake in the Persian Gulf that we made in Beirut. Instead, we should reaffirm the principle that ours is a government of laws and not of men, and demand that the President abide by the Constitution rather than recklessly sacrificing more lives.

Mr. BENNETT. Mr. Chairman, I yield 1½ minutes to the gentleman from Ohio [Mr. Traficant].

Mr. TRAFICANT. I thank the gentleman from Florida.

Mr. Chairman, Khomeini said if we put our flags on those vessels he would attack. We are saying today, like the macho-make-my-day commercials is "go ahead and attack."

I want to caution everybody: "Don't let your alligator mind run away with your hummingbird behind," because after Lebanon and after Vietnam what did we do? We sent resolutions. Before we start our policy that we cannot back up from, you had better think twice before you talk on this floor like Clint Eastwood.

I think there are people doing this.

Look at the CONGRESSIONAL RECORD—I was not here—in the early debates on Vietnam and the debate on the Marines in Lebanon, it was just like this, in an amendment and a time when everybody was able to talk big. But the bottom line was our kids were not raised to die and go to heaven to meet Mohammed. And I think you had better consider the difference between the type of people we are dealing with. Let us keep the shipping lanes open and let us keep ourselves neutral. Let us get the U.N. to do something for a change. Either that or let us cut their money off.

You think about that shot. America has done too much all over the world. It is time the world starts to help with their problems. America should take care of its own.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. MACK].

Mr. MACK. I thank the gentleman for yielding.

Once again, we in the Congress are finding ourselves here debating the foreign policy, but I would argue from the wrong perspective. This is not a debate about who asked who first; this is not a debate about whether we should charter or reflag; it is not a debate about the level of participation by our allies; and it is not a debate over Coast Guard regulations, whether they are being complied with. This is a debate about American willingness to defend freedom around the globe. This is a debate about whether this Nation will defend individual freedom or freedom of navigation, whether that is Angola, whether that is in Nicaragua or whether that is in the Persian Gulf.

The choice is the same today as it has been for many, many debates over many years. The debate is over policies of peace and appeasement versus policies of firmness and freedom.

Put in that context, you have to ask this question: What will be the reaction around the world if we decide to wait? Or we decide to withdraw?

First it will be assigned to friendly Arab States that they cannot count on America. Second, it will be a message to our other allies around the world and in Central America that, once again, America has a weakness in its foreign policy. And third, it is a signal to the Soviet opportunity "you have a golden opportunity to expand your influence in the Gulf."

So let us review the present situation. We were asked by the Kuwaitis for help. The administration made a decision and then came to the Congress to consult, the biggest mistake they made.

□ 1740

Can we imagine what would have happened if the administration had come to this Congress and said, "We want your permission to rescue Grenada" or what would have happened if they had come to ask permission about our involvement in Libya? The reaction of this Congress would have been to have turned tail and run.

I say to my colleagues on the left that I hope they will reconsider. I hope they are prepared to send a message that this country is prepared to stand firm and defend freedom.

Mr. BENNETT. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, I rise in support of the Bennett amendment.

Mr. Chairman, sometimes we reach a point where our goals are clear, but our policy designed to reach these goals is a mess. In the Persian Gulf, the U.S. seeks: First, to defend freedom of navigation; second, to protect the free flow of oil; third, to prevent Iranian agression against neighboring gulf states; and fourth, to counter the Soviet presence in the gulf. The United States has been in the Persian Gulf for the past 40 years carrying out this mission, and we will continue to do so.

The question before us is, "How does the reflagging of Kuwaiti tankers advance those interests?"

I think that we can agree that our history in the gulf reflects our support of these goals. Why then are we reflagging Kuwaiti tankers? The simple answer is that the Kuwaitis got a commitment from the Soviets to lease tankers to carry their oil. They then played this card against us. But, there is more to it than that. This administration is desperately seeking a way to bolster its sagging credibility in the region—credibility that was shattered when our gulf allies heard we were selling TOW missiles and spare parts to Iran. This administration is bent on pursuing a policy, no matter how foolhardly, to recapture the confidence of our allies—even if it means backing into a war in the process.

What are the risks of reflagging? As we know, Kuwait is a prime supplier of aid to Iraq. The reflagging of Kuwaiti tankers will clearly be seen as United States entrance into the gulf war on the side of Iraq—the same country that is responsible for the attack on the U.S.S. *Stark* and over 70 percent of the attacks on gulf shipping.

But, the greater threat comes from Iran. We are now preparing a conventional force to defend American shipping in the gulf. But our prime adversary is anything but conventional. In the past, our Secretary of Defense told us, Iran has assiduously avoided confrontation with United States naval forces. We are asked to bank on continued Iranian restraint. Restraint from a country engaged in the seventh year of its war with Iraq; restraint from a country that considers the United States the "Great Satan"; restraint from a country that has sent nearly a million of its own people to death in a seemingly endless war. And it doesn't end with the Iranian Government. Perhaps United States personnel and facilities outside the gulf will now be targeted by one of the shadowy terrorist organizations acting as Iranian surrogates.

The United States does have global responsibilities and we must pursue our interests in the Persian Gulf. But we should pursue those interests with a policy of our own design, not designed by Kuwait and not driven by an ill-conceived gesture to regain lost credibility. I urge my colleagues to support the amendment.

The CHAIRMAN. The Chair will announce that the gentleman from Michigan [Mr. DAVIS] has 4 minutes remaining, and the gentleman from Florida [Mr. BENNETT] has 6½ minutes remaining. The proponent of the amendment will be recognized as the last speaker to close debate.

Mr. BENNETT. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, as I began this debate, I pointed out that there is a great multitude of misimpressions, many things that have been said wrong about this amendment. The two outstanding things are that some people feel—and some Members have expressed it repeatedly in the well—that somehow or other we are going to withdraw from the Persian Gulf. The fact is that we should increase the strength of our Navy and our other forces. We should increase, not diminish it. We should be stronger. There is no intention on my part to withdraw whatsoever. Then there was a statement made about the Russians, that is, turning it over to Russia.

I do not know if Members ever stopped to think about What might occur if the result of all this was that Iraq started winning against Iran. Who is to say that that country, Iran, would not decide that it really wants to bring Russia in? They might prefer to be an Estonia or an Afghanistan or a Poland than to have us win. Now we are inviting the Russians into the Persian Gulf.

We do not have a legal right under international law to prevent them being there and keeping the sea lanes open. We have no right to do that. We do not have a special right. We do not own any land in the Persian Gulf. They have a perfect right to be there under international law.

What the people who take the extreme position the President takes are doing is this: they make a lot of calculated gambles, all of which are terribly dangerous. One of them is the one I just referred to, the Russian presence. One thing that I pointed out when I started out is that my amendment specifically provides by its language that if the Russians flag any vessels, the amendment I have introduced is not operative. So there is no way to put that herring on the back of this amendment.

This amendment is a clearcut proposition to protect the United States from taking unneeded action. It is a clearcut decision to be in control of our own destiny.

I do not want to be any sort of a demagogue here, but I think that I do have a right, having been in combat, to make some observations. There are a lot of glib remarks made by some very high people, not just in here but elsewhere, about how very important it is for us to have this oil. If you think oil is important, what do you think about the life of your son or your husband or your father? Are we going to offer up American soldiers and sailors and airmen on that kind of an altar for that kind of an answer? I would rather stay in the gas lines that we had 5 years ago for an hour and a half every day to get my gas than to feel that my urgency to be so well taken care of in this affluent society is something so important that I do not care whether or not people die and make that kind of sacrifice. I think it is terrible that people even make remarks of that nature. It is very, very distressing to me, and as an erstwhile soldier I would say that that is the biggest motivation that I have in this bill—love of my country and to see to it that noboby spills his or her blood when it is not necessary to do it. Everything that we need to do to take care of the passage of oil or the free lines or the sealanes can be done without flagging these ships.

Mr. Chairman, all that reflagging of the ships would do would be to allow some enemy of ours or some terrorist or some interest that wants to put us at war to get us into a war. What a mistaken policy that is. Our policy is not that, and it should not be that.

Mr. DAVIS of Michigan. Mr. Chairman, to close out the debate on our side, I yield the balance of our time to the gentleman from California [Mr. BADHAM].

The CHAIRMAN. The gentleman from California [Mr. BADHAM] is recognized for 4 minutes.

Mr. BADHAM. Mr. Chairman, I am appalled. I read in the paper the other day that a leading member of my party in the other body said to the President that he ought to go slow in the Persian Gulf because it might have political fallout. I was appalled by that because the longest Presidential campaign in the history of this Republic started in January of this year, and we are now in full cry now and it is going to go on till next November.

We should not be talking about a Presidential campaign today. We ought to be talking about the American flag.

Just recently, I supported 2 additional carriers in the Defense authorization bill, 2 more carriers to bring us to 15 carrier battle groups. I did not introduce a resolution of impeachment when Jimmy Carter invaded Iran. When Khomeini was their leader. Maybe I was wrong. Maybe we do not want to defend the American flag or American interests.

I say to my friends that we are talking about two issues. We are talking about the American flag and we are talking about American interests. I said maybe I was wrong in voting for two more carriers. If we kiss goodby to the Persian Gulf, I say to my friends, we might as well kiss goodby to the United States of America's 6th Fleet, because all of the oil that goes to our Mediterranean Fleet, the 6th Fleet that guards that stretch of water comes out of the Persian Gulf. Should we back away from danger in the Mediterranean, too?

How does the oil get from the Persian Gulf to the Mediterranean? It does not get there by pipeline; it gets there by four military sealift command (MSC) vessels under the United States unmolested in and out of the Persian Gulf, plying that area of the world every day, and unattacked.

If we shut off Persian Gulf oil to the United States of America and our military sealift command vessels, there goes the oil to the 6th Fleet, and there, all of a sudden are three more carriers that we do not need.

Now, the flagging of vessels is an entirely different issue, for the simple reason that the flagging of American vessels is something we have done and tried to do for a long time in the United States with a lot of vessels, whether they be from Exxon or Standard or Esso or Mobil, of whoever, and they fly Panamanian flags and Liberian flags and Nigerian flags. Why? Because they say that our requirements are too stringent. We have been trying to get goods shipped in American bottoms for a long time. Now some people want to ship some goods in American bottoms and we say, "There might be political fallout, Mr. President."

Let me say to my friends, lest we be ashamed as Americans because we are a "paper tiger" and without credibility in this world, if we have a Navy, let us use our Navy for its proper use: The protection of the American flag wherever it is, on the high seas in this world. We do not care who flies the American flag as long as they fly the American flag under our rules.

Those are the rules of the game, Mr. Chairman, and I say to the Members of this body that it is about time we either get out of the Persian Gulf, get out of the Mediterranean and become a second-rate, third-rate, or fourth-rate power, or insist that the interests of the United States be considered.

Six percent of our oil comes from the Persian Gulf. That 6 percent, Mr. Chairman, represents more than France, the United Kingdom, and the Federal Republic of Germany. Our 6 percent goes to defend freedom and the Western World in the Mediterranian. The British and French defend their interests. We should defend ours.

The CHAIRMAN. The Chair will state that the gentleman from Florida [Mr. BENNETT] has 3 minutes remaining.

Mr. BENNETT. Mr. Chairman, I yield the entire 3 minutes to the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Chairman, I rise in support of the amendment and in opposition to reflagging. But I will say at the outset that I am prepared to support this administration and its policies because I, too, want to stand with a united policy, and I, too, want to send a message of American resolve and commitment.

I ask only these two things: What purposes are being served, and how is it that they would be achieved? The truth is that almost from the outset this has been a policy in search of its own rationale. First, we were told that it was vital to protect the interest of our allies, but in Venice, when our allies were asked, they saw no interest to protect and no policy to support.

Then we were told it was because of American oil dependence, only to discover that 6 percent of American oil comes from the gulf, and that Kuwait provides only 15 percent of all oil in the region, and that indeed most of the oil is flowing over land and only Iran has an exclusive dependency for exporting through the gulf.

Then we were told that it was the sanctity of freedom of the seas. Indeed? But the only ships we are protecting are Kuwaiti, not international shipping, not even ships owned by American companies bringing oil to America under foreign flags. There is no issue of sanctity of international shipping.

Fourth, we were told that it was the interest of our friends in the gulf, our friends who have denied access for American air cover to defend our own naval vessels.

Then, finally, it was the question of the Soviet Union. This is the question that when the President's chiefs of staff were asked, they thought perhaps it was a good thing. This is the Soviet presence that has now been offered to be withdrawn, the Soviet presence which consists of three mine sweepers.

This now is the final, the last gasping rationale of an American policy. I know that Members feel a responsibility to support the President. We have one. But we have other responsibilities, too. We have a responsibility that before America acts, we act together. There are deep divisions in this House and indeed in this country, and who would contend that those divisions are not real? We have a responsibility to assure that before our ships go to the Persian Gulf they have air cover, and that lives can be defended. We have a responsibility that if America is tested, we can succeed.

No one here fears to act. No one hesitates to act or to sacrifice, if sacrifice is necessary. But I will say to you in all candor, Mr. President, that the mistake of the arms sales to Iran will not be made right and the weakness of Lebanon will not be made strong.

Mr. Chairman, I urge support for the Bennett amendment. We will not withdraw from the Persian Gulf. We are making a policy that will be defined and that can be made right.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. TORRICELLI] has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Florida [Mr. BENNETT].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BENNETT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 126, noes 283, not voting 24, as follows:

[Roll No. 248]

AYES—126

Alexander
Anderson
Annunzio
AuCoin
Bates
Bennett
Berman
Bilbray
Boehlert
Bonior (MI)
Borski
Boxer
Brown (CA)
Brown (CO)
Bruce
Clay
Coelho
Collins
Conte
Conyers
Coyne
Crockett
DeFazio
Dellums
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Durbin
Eckart
Edwards (CA)
Evans
Feighan
Flake
Florio
Foglietta
Foley
Ford (MI)
Frenzel
Garcia
Gaydos
Gejdenson
Gibbons
Gonzalez
Gray (PA)
Guarini
Hall (TX)
Hawkins
Hayes (IL)
Hayes (LA)
Hertel
Hochbrueckner
Howard
Jacobs
Jeffords
Johnson (SD)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kildee
Kleczka
Kostmayer
LaFalce
Lantos
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lewis (GA)
Livingston
Manton
Martinez
McHugh
Miller (CA)
Mineta
Moody
Mrazek
Nowak
Oberstar
Obey
Owens (NY)
Pelosi
Perkins
Petri
Rahall
Rangel
Regula
Ridge
Rodino
Roe
Roth
Roybal
Russo
Sabo
Savage
Scheuer
Schroeder
Sensenbrenner
Sikorski
Smith (FL)
Stark
Stokes
Studds
Sundquist
Tauzin
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Vento
Walgren
Watkins
Waxman
Weiss
Wheat
Wise
Wolpe
Wyden
Yates

NOES—283

Ackerman
Andrews
Anthony
Applegate
Archer
Armey
Aspin
Atkins
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bentley
Bereuter
Biaggi
Bilirakis
Bliley
Boggs
Boland
Bonker
Bosco
Boulter
Brennan
Brooks
Broomfield
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clarke
Clinger
Coats
Coble
Coleman (MO)
Coleman (TX)
Combest
Cooper
Coughlin
Courter
Craig
Crane
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
DeLay
Derrick
DeWine
Dickinson
DioGuardi
Dornan (CA)
Downey
Dreier
Duncan
Dyson
Edwards (OK)
Emerson
English
Erdreich
Espy
Fascell
Fawell
Fazio
Fields
Fish
Flippo
Frank
Frost
Gallegly
Gallo
Gekas
Gilman
Gingrich
Glickman
Goodling
Gordon
Gradison
Grandy
Grant
Green
Gregg
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hefley
Hefner
Henry
Herger
Hiler
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jenkins
Johnson (CT)
Jones (TN)
Kasich
Kennelly
Kolbe
Kolter
Konnyu
Kyl
Lagomarsino
Lancaster
Latta
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Lujan
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Markey
Marlenee
Martin (IL)
Martin (NY)
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McEwen
McGrath
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (OH)
Miller (WA)
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Murphy
Murtha
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Oakar
Olin
Ortiz
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Penny
Pepper
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Ravenel
Ray
Rhodes
Richardson
Rinaldo
Ritter
Roberts
Robinson
Rose
Roukema
Rowland (CT)
Rowland (GA)
Saiki
Sawyer
Saxton
Schaefer
Schneider
Schuette
Schulze
Schumer
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stenholm
Stratton
Stump
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Taylor
Thomas (CA)
Thomas (GA)
Upton
Valentine
Vander Jagt
Visclosky
Volkmer
Vucanovich
Walker
Weber
Weldon
Whittaker
Whitten
Williams
Wilson
Wolf
Wortley
Wylie
Yatron
Young (FL)

NOT VOTING—24

Akaka
Beilenson
Bevill
Boner (TN)
Boucher
de la Garza
Dwyer
Dymally
Early
Ford (TN)
Gephardt
Gray (IL)
Kemp
Leath (TX)
Luken, Thomas
McCurdy
McDade
Myers
Roemer
Rogers
Rostenkowski
Smith (IA)
St Germain
Young (AK)

□ 1810

Mr. SWIFT changed his vote from "aye" to "no."

Messrs. TOWNS, LIVINGSTON, GUARINI, and TORRES changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Does the gentleman from Illinois [Mr. MICHEL] wish to offer an amendment?

Mr. MICHEL. Mr. Chairman, I have no amendment to offer at this stage.

AMENDMENT OFFERED BY MR. LOWRY OF WASHINGTON

Mr. LOWRY of Washington. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LOWRY of Washington: Page 22, after line 11, add the following new section:

SEC. 26. PERSIAN GULF TANKERS.

(a) PROHIBITION.—Notwithstanding any other provision of law, the Secretary of the department in which the Coast Guard is operating shall not, before the expiration of 90 days after the date of the enactment of this Act, or September 30, 1987, whichever occurs first, issue a certificate of documentation under chapter 121 of title 46, United States Code, for a vessel which was, on May 1, 1987, beneficially owned by Kuwait.

(b) FINDINGS.—The Congress finds that—

(1) the United States has vital legitimate interests in the Persian Gulf, and the plan to reflag and protect 11 tankers of the Government of Kuwait could undermine those interests and draw the United States into the Persian Gulf war; and

(2) there is no need to proceed immediately with the proposed reflagging plan, and there is need for additional time to reevaluate the plan and to pursue more effective ways of protecting United States interests.

Mr. LOWRY of Washington (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The CHAIRMAN. Is there a Member opposed?

Mr. DAVIS of Michigan. Mr. Chairman, I am opposed to the amendment.

The CHAIRMAN. The gentleman from Washington [Mr. LOWRY] will be recognized for 30 minutes and the gentleman from Michigan [Mr. DAVIS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Washington [Mr. LOWRY].

Mr. LOWRY of Washington. Mr. Chairman, this amendment comes to us as bipartisan hard work by many Members in this body.

First I yield 4 minutes to the gentleman from Florida [Mr. FASCELL], one of the cosponsors of the Lowry-Roth-Fascell amendment, and the distinguished chairman of the Committee on Foreign Affairs.

Mr. FASCELL. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of the Lowry amendment.

During the last several months the Committee on Foreign Affairs has conducted a thorough oversight and extensive review of the President's decision to permit 11 Kuwaiti tankers to fly the U.S. flag and to provide military protection for those tankers as they transit the Persian Gulf.

More specifically, the committee and its subcommittees have, over the past few weeks, held numerous briefings and some five hearings. We have received testimony from representatives of the Department of State, the Department of Defense, the Central Intelligence Agency, the Joint Chiefs of Staff and Members of Congress. From the Committee's detailed deliberations I have reached a number of conclusions.

LONGSTANDING BIPARTISAN U.S. FOREIGN POLICY

First, the longstanding bipartisan U.S. policy in the Persian Gulf has been maintained by a combination of diplomatic, economic, and security activities combined with a U.S. military presence in the region. This policy has endured for nearly 40 years because it has been supported by both Democratic and Republican Presidents and Congresses.

KEY U.S. OBJECTIVES

Second, our policy in the Gulf involves a number of objectives including:

Freedom of navigation for nonbelligerent shipping;

A multilateral diplomatic and military effort to support freedom of navigation;

The pursuit of diplomatic efforts for a ceasefire and a negotiated end to the Iran-Iraq War; and

Support for politically moderate regimes which oppose attempts by Iran to foment fundamentalist revolutions in the area.

REAGAN ADMINISTRATION INCONSISTENCIES

Third, the Reagan administration has been inconsistent in its pursuit of longstanding bipartisan foreign policy objectives in the Persian Gulf. Efforts to curtail Iran's promotion of political instability and international terrorism have been badly undermined by the ill-fated arms for hostages deal with Iran. This tragically shortsighted arrangement has undermined our credibility and resolve in the region, crippled efforts to achieve an effective, multilateral arms embargo of Iran and brought our public policy of neutrality and the pursuit of a political settlement of the Iran-Iraq war into questions. Finally, the administration has been unclear about the risks raised by their decision to reflag the Kuwaiti tankers. In testimony before the Foreign Affairs Committee and in other public statements, some executive branch witnesses stated there was no real risk of war in reflagging while others saw a very real risk.

U.S. INTERESTS NOT SATISFIED BY FLAGGING

Fourth, the Reagan administration has failed consistently to demonstrate how reflagging serves our policy objectives in the Persian Gulf. The longstanding objective of freedom of navigation for nonbelligerent shipping is simply not satisfied by the reflagging of 11 Kuwaiti tankers out of the approximately 400 vessels that transit the Persian Gulf each month. In fact, placing the U.S. flag on 11 Kuwaiti tankers leaves the unmistakable impression that their protection is a more vital concern than the general commitment which we have to the freedom of navigation for all nonbelligerent shipping in the Persian Gulf. The administration's proposal to reflag 11 Kuwaiti tankers narrows the options available to the United States. Rather than pursuing the considerable leverage of a neutral superpower in the Gulf, the United States now finds itself tilting toward Iraq and potentially fueling a new tanker war.

U.S. FLAGGING IS UNNECESSARY AND COUNTERPRODUCTIVE

Accordingly, I have reached the conclusion after a detailed examination of the facts by the Committee on Foreign Affairs that the executive branch's decision to reflag Kuwaiti tankers in unnecessary and counterproductive to the bipartisan foreign policy objectives we have supported and pursued in the Persian Gulf over the past four decades.

The administration must work with the Congress to restore our commitment to this bipartisan policy. We must develop a comprehensive, coordinated approach to the defense of the Persian Gulf as an alternative to the ad hoc, poorly defined, and dangerous policy of reflagging 11 Kuwaiti tankers. We must make it clear that the United States has interests in the Persian Gulf and it is entirely appropriate for the United States to pursue and to protect those interests.

SUPPORT DELAY TO DEVELOP COMPREHENSIVE POLICY

On my part, I pledge to do everything I can to work with the President to craft such an approach. A critical element of this approach would be the establishment of an executive-legislative consultative group. Such a group would conduct informal but regular meetings on the formation and implementation of major foreign policy initiatives and actions including the current situation in the Persian Gulf, and where necessary would be the locus of consultations mandated by section 3 of the War Powers Resolution.

United States reflagging of 11 Kuwaiti tankers at this time is a mistake to be avoided not to be perpetuated. I therefore support the Lowry amendment to delay its implementation in an effort to craft a broad bipartisan foreign policy in the Persian Gulf.

The amendment is not a perfect amendment. Few of them seldom are. But the Lowry amendment will give us extra time to identify methods, other than the United States flagging of Kuwaiti tankers, to assure the preservation of United States interests in the Persian Gulf. Our objective should be to replace confusion and contradiction with unity and clarity. Only then will we have enhanced the prospects for policy success and reduced the likelihood of policy failure in the Persian Gulf.

I urge the adoption of the Lowry amendment.

□ 1820

Mr. DAVIS of Michigan. Mr. Chairman, I yield myself 2½ minutes.

Mr. Chairman, I am fearful that many of the Members are going to seize upon this opportunity on this 90-day delay to vote in favor of this amendment, and some Members having voted against the Bennett amendment; and I have to say, the Bennett amendment was at least a straightforward vote on whether or not you are in favor of reflagging.

I fear some of the Members now are going to support this amendment, and I do not think they should, and go back to their constituents and say, well, I really was not against reflagging, but I am only voting for a 90-day delay or until September 30.

I think it is just as wrong to support this amendment as it was to support the Bennett amendment, but at least the Bennett amendment was a straightforward issue.

We have to stop being nervous Nellies. This amendment, frankly, is a copout for a lot of Members.

The U.S. position in the gulf, dating back to the Carter administration, has been to protect our friends and maintain the high seas in the gulf. Reflagging is perfectly consistent with that position.

It is in the best interests of the entire world for the United States to maintain a strong, aggressive presence in vital territories. Stopping our reflagging then has great potential to do what?

No. 1, to allow Kuwait to increase its relationship with the Soviet Union; and, No. 2, to give the Soviet military vessels increased access to Persian Gulf ports, something that is clearly, I do not believe, in the best interests of this country or any other country.

I think if we stop to reflect and listen to some of the Members who are going to be following me from both sides of the aisle, there are 12 Members that just came back from the Persian Gulf, 8 Democrats and 4 Republicans. I think most of those Members, very close to all, will tell you that the President's position, and the administration's, in what they are doing is perfectly consistent.

It is supported by Kuwait and other friendly Arab countries, and I urge the Members very definitely to turn down this amendment.

Mr. LOWRY of Washington. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. ROTH], the cosponsor of the Lowry-Roth-Fascell amendment.

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. ROTH. Mr. Chairman, I yield to the gentleman from Washington.)

Mr. BONKER. Mr. Chairman, I thank the gentleman for yielding.

I rise in support of the amendment, and wish to commend to sponsors of this amendment which I think is an eminently sensible way to proceed.

Mr. Chairman, the Reagan administration's acquiescence in Kuwait's request to reflag 11 of its vessels is another ill-conceived and dangerous foreign policy venture, reminiscent of Reagan's disastrous foray into Lebanon nearly 5 years ago. It is deeply disturbing that the administration has forgotten so quickly the lesson of Lebanon: That to press ahead full speed with a foreign policy initiative that involves the introduction of U.S. Armed Forces into a hostile environment and lacks bipartisan support is to invite disaster and needlessly place American lives at risk.

As in Lebanon, the administration argues that "vital" and "strategic" U.S. interests are at stake in the gulf. As in Lebanon, the administration argues that the United States remains "neutral" in the Iran-Iraq conflict. And as in Lebanon, the administration is pursuing unilaterally a military buildup under the guise of promoting peace. It is my fear that as the administration proceeds down the perilous path of reflagging, we will witness a tragic turn of events similar to that which cost 257 American servicemen's lives in Lebanon.

Contrary to the desire of some of the President's defenders, the debate today is not whether the Gulf holds strategic importance for the United States, nor whether the United States should protect its interests there. A majority of the American people recognize that protecting freedom of navigation and the free flow of oil; that seeking to end the Iran-Iraq conflict; that reassuring our friends and allies in the area of U.S. support; and that denying the Soviets an opportunity to expand their presence in the area all represent legitimate American concerns. What many fail to understand is the way in which Regan's reflagging scheme will serve these purposes.

By allowing the Kuwaitis to fly the stars and stripes as a flag of convenience and granting them the accompanying protection of the U.S. Navy, we are selectively applying our commitment to uphold the principle of freedom of navigation. This action also throws Uncle Sam's hat firmly in Iraq's ring—whose 7-year old war against Iran has been prosecuted in large part by the generosity of Kuwait's oil coffers—undermining any pretense of U.S. neutrality in the Iran-Iraq war. In addition, the enlargement of the U.S. naval fleet necessary to escort the reflagged Kuwaiti tankers only increases the chance that U.S. military forces will become engaged directly in the Iran-Iraq conflict. Indeed, U.S. intelligence sources reportedly rate the probability of an Iranian attack on U.S.-flagged tankers or naval vessels at some 70 percent. We should wonder why our allies, which are far more dependent on the gulf oil lifeline than we, have opted to stand on the sidelines. The President's decision on reflagging also circumvents longstanding statutory requirements for U.S.-flag vessels: customarily U.S. flag ships must carry all U.S. citizen officers and 75 percent of the crew must be U.S. citizens.

Unfortunately, although there are sound alternatives to the present course that are both multilateral and less belligerent, none of the amendments before the House today offers a sound, long-term solution to the reflagging fait accompli handed us by the administration. The Bennett amendment focuses exclusively on this one case of reflagging and would make U.S. policy contingent upon Soviet actions. We would certainly refuse even to consider such a posture in the arms control field. The Lowry-Roth amendment would delay reflagging for 90 days, adding a nonbinding sense-of-the-Congress directive to the President to explore alternatives to reflagging. This amendment would give the President's policy 30 days longer than would be available were Congress to invoke the war powers resolution. It is also silent on what will happen at the end of the 90-day period. Under war powers the President would be required to obtain congressional approval after 60 days in order for U.S. Armed Forces to remain in place.

The President's reflagging scheme will proceed by default and we in the Congress will continue to appear weak and irresolute as long as we are preoccupied with so-called solutions offering temporary delays or placing our policy at the mercy of the Soviet Union.

The most appropriate response to the present situation is three-fold. First, from several days of testimony from senior administration officials before the House Foreign Affairs Committee, it is clear that our Armed Forces in the gulf area face a threat of imminent involvement in hostilities. This requires the President to report to Congress under the war powers resolution, thereby assuring that United States forces do not become engaged in the Iran-Iraq war without a much more thorough evaluation of all the risks and without the consent of the American people. Second, the Congress must immediately move to modify our maritime statutes governing reflagging of any foreign vessels to avoid the automaticity the administration exploited to grant the Kuwaiti request. Decisions on reflagging, particularly when the requesting nation is involved in or located near armed hostilities, must not be forced on the United States by any foreign nation. Finally, we must redouble our efforts through the United Nations Security Council to secure a ceasefire and the beginning of negotiations to end the conflict that is truly the main threat to U.S. interests in the Persian Gulf.

Mr. ROTH. Mr. Chairman, I am very much opposed to the concept of reflagging the Kuwaiti tankers.

I was in favor of the Bennett amendment, and naturally I am in favor of this amendment as I am one of its sponsors. When you look at all the arguments for reflagging, they fall like unsupported scaffolding.

The actions that we take have consequences. To put more American forces in this dangerous area is very serious business.

We are not sending our young people to a picnic, but rather we are sending them into a hurricane. Even our Assistant Secretary of Defense, Mr. Armitage, has said that there is a very grave risk in this action.

In 1984 there were 71 ships attacked in that area. In 1985, there were 47; in 1986, there were 107.

In 1987 at the end of May there had been already 47 attacks in the Persian Gulf. This is a real snakepit. This is serious business.

I think that the reflagging of Kuwaiti ships is a flawed policy. Look at the arguments. People have said, we have to do it because if we do not, the Soviets will. That is utter nonsense.

The Soviets do not want to be in the middle of this tanker war or in the middle of the Iran-Iraq war, because it is a no-win situation. People have said that if we allow the Soviets into the Persian Gulf by way of Kuwait, then, they are going to have a real foothold in the gulf.

I want to ask the Members to think about this. We have been in the Persian Gulf for 40 years. Where is our stronghold? Where is our foothold? There is not even a single nation there that will allow us to land our land-based aircraft in their country.

People have said the Soviets are going to overtake us in this area. But the Soviets and the Arabs are like a cat and goldfish. That is how compatible they are.

I don't think anyone in this Congress disagrees with the proposition that the Persian Gulf is of vital strategic interest to the United States. Where some of us part company with the administration is the pursuit of the argument that wrapping the

American flag around 11 ships will somehow effectively shield U.S. strategic interests in the region.

We know that the Kuwaiti's are intentionally playing the United States and the Soviets off against one another in a game of one-upmanship that can only have damaging consequences. They have chartered three tankers from the Soviets. Our offer to reflag Kuwait's tankers was prompted in large part by the announcement of the Kuwaiti-Soviet agreement. That agreement allows for Soviet naval escorts for the Chartered ships. We know, however, that the United States naval presence in the gulf remains substantially larger than the Soviet presence and the United States has the means to maintain that advantage.

Is the reflagging then designed to be a check on the Kuwaiti-Soviet agreement. Are we saying then to the Kuwaitis or anyone else who is watching our actions in the region that the way to get our attention is to sign an agreement with the Soviets and then we'll come running? What happens when the Kuwaiti's want something else?

Are we like Pavlov's dog? Are we going to jump and be manipulated by every country in the world?

Every administration, whether Democrat or Republican, can always manipulate the Congress by calling our bluff and crying "The Soviets are coming."

People have said that we have to act like a superpower. Then they turn around and say that this reflagging of the Kuwaiti tankers was not our idea. It was Kuwait's idea.

If we are a superpower, do we make our decisions on our national interest or allow every country in the world to make our foreign policy?

Are we like a dog on a leash? Every time someone wants to get our attention, they simply jerk the leash and we yelp like a dog. No, I think we should make our own decisions based on a rational well thought-through policy.

A superpower sets its own course. It doesn't run around like a dog whose lost its scent.

We are told that the West—especially our allies must be assured of an uninterrupted oil supply from the Persian Gulf. The United States depends for 5 percent of its oil supply from the Persian Gulf; Europe depends for 28 percent, and Japan for 45 percent of its oil supply from this region.

Yet our allies do not endorse our course of action. At the Venice Summit, the word "cooperation" had to be withdrawn from the communique at the insistence of our allies. They will not cooperate with us. Are they naive? I think not. They smell deep trouble in this policy. We are told that the reflagging of Kuwaiti vessels is necessary to keep the sealanes open.

We know that to this date the tanker war has not disrupted the supply of oil from the Persian Gulf. We know that the rate of attacks on commercial shipping continues today at about the same rate as last year. One of the best indicators of risk in the area is evident from insurance rates on the shipping going in and out of the gulf. We know that those rates have remained relatively constant and have not gone up appreciably over the last few months.

Further, Kuwait supplies about 1 million barrels per day to the global oil market. That's about one-seventh of what is shipped out of the Persian Gulf every day. And we are proposing to protect about half of what Kuwait exports out of the gulf. So to argue that the protection of one-fourteenth of the oil exports from the gulf will guarantee the West a secure oil supply flies in the face of the facts.

If we are upholding the principle of freedom of the seas, why are we protecting the side that has so far interfered most with shipping. Iraq is responsible for most of the attacks on commercial shipping in the gulf. And Kuwait is a clear ally of Iraq.

Iran has a vital interest in keeping the sealanes open to export its oil and has made it clear that if its capability to export oil is denied, then the gulf sealanes will be safe for no one. To date, Iran has meticulously avoided attacks against U.S. merchant ships.

I think that it is very important in this instance to examine the motivations of the Kuwaitis in this affair. We were told by the Secretary of Defense that he didn't know why the Kuwaitis had asked us to reflag their ships. Now, stop for a moment and think about it. Doesn't it seem strange that the United States would agree to reflag 11 ships operating in a very volatile area, in the middle of an explosive war, and not know very clearly the motivations behind the Kuwaiti request? It's mind-boggling.

We are told that we had no choice but to reflag. The Kuwaitis supposedly have met the legal requirements of reflagging and so we have to acquiesce, regardless of the consequences. This is the line of reasoning we were given before the Foreign Affairs Committee last month.

The arguments given on why we must reflag 11 Kuwaiti ships strike me in the same way as did the arguments for selling arms to Iran. We are given justifications after the fact for a course of action taken that was not very well thought out—where short-term expediency has prevailed over long-term adverse consequences.

And this is not just the opinion of one Member. Here is what others have said about the reflagging proposal:

Jeane Kirkpatrick:

> Ronald Reagan is not the first President to assert the United States' vital interest in the security and stability of the Persian Gulf. But if he is not careful, he could become the first President to involve the United States in war in this violent region.

Henry Kissinger:

> The reflagging of Kuwaiti ships amounts to overt support of one combatant, Iraq.
>
> America risks being drawn into an expanded military role that cannot be decisive. The United States must not repeat in a new theater of operations the mistake of doing enough to get involved but not enough to prevail.

Senate Armed Services Chairman Sam Nunn:

> The reflagging operation poses substantial risks of a United States-Iranian confrontation which could escalate violently and unpredictably.
>
> The administration proposes, just as it did in Lebanon, to place military forces in harm's way without formulating and articulating clear and attainable military objectives.

Let's look at the risks of reflagging: It is clear from intelligence estimates that reflagging carries a high risk of Iranian retaliation, most likely using methods which would make tracing responsibility very difficult.

As we learned in the Lebanon tragedy, once we are perceived by some Middle East factions to have weighed in on one side of the conflict, our men are at a serious risk. As my good friend from Washington aptly put it in his testimony before our committee, more and more Lebanese ceased to regard our marines as neutral peacekeepers and began to see them as supporters of one side in that age-old dispute. We can predict the same tragic consequences in the Persian Gulf and the Iran-Iraqi war.

Up until now, we have managed to remain neutral in the Iran-Iraq war and to be perceived as such. Once we reflag close to half of Kuwait's tanker fleet, we will no longer enjoy that status. Kuwait is a country which provides direct financial support for the Iraqi war effort and allows their ports to accept arms and goods for overland transport to Iraq.

A war has gone on in the Persian Gulf for close to 7 years. Over 400,000 people have been killed. The slaughter continues unabated. This is not our war unless we make it our war.

It is not fair to our servicemen to put them into this dangerous and explosive situation. Our commanders are told they can take appropriate action. What does that mean? Decisions have to be made within a matter of seconds that could put this country at war. That's a tremendous burden to put on the shoulders of our commanders at sea. And as we have seen in the case of the U.S.S. *Stark*, hesitation caused one commander to be relieved of his command.

There are times when a country must risk everything and must risk war, but this isn't one of them.

Once we reflag, the situation in the gulf will be much different from what it is today. As my colleagues have described there are other options and other courses of action that are now being explored. Let's free up some time to rethink our plans and strategy in the gulf. Let's free up some time for the administration and Congress to work in concert and in agreement on the Persian Gulf. Let's free up some time to let cooler heads prevail. My colleagues, I urge you to support the Lowry-Roth amendment and to delay the reflagging of Kuwaiti ships.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, I rise in opposition to the Lowry amendment. I believe the President has made commitments to another nation that Congress should not attempt to reverse.

Basically, it is the President who carries out the foreign policy of our Nation. The 535 Members of Congress cannot and should not try to administer our foreign policy, no matter how well intentioned we may be.

That does not mean the President should have carte blanche to do whatever he wants. It is appropriate for Congress to exercise oversight, to advise and at times to overrule the actions of the President. But we should only overrule a Presidential policy decision in the most serious cases, as we have done in the past regarding military aid to the Contras.

In this case, the President has committed this Nation to providing an armed presence in the Persian Gulf and allowing Kuwaiti ships to fly our flag. It is his commitment and his responsibility. And while we may have reservations about this course, at this point the President should at least have an opportunity to see whether this policy will work in the Persian Gulf. That is our system. It is in our national interest to maintain a strong presence in the Persian Gulf.

Personally, it is not easy for me to defend the President's policy in the Persian Gulf at the same time that he has failed to develop a meaningful national energy policy and steadfastly refused to spend any money for the protection or growth of our domestic oil industry.

It appears that our priorities are out of line. Our domestic oil industry has been seriously crippled in the past year but we are spending as much as $40 billion a year, according to a former Secretary of the Navy, to protect Persian Gulf oil production when we receive only 5 to 6 percent of that Persian Gulf oil.

We need to devote more resources to encouraging domestic oil production and I hope President Reagan will come to realize that.

The question before us now is whether Congress is going to delay or prevent the President from directing our Nation's policy in the Persian Gulf. We've got no business doing that. I think this is the President's responsibility and his prerogative. Therefore I believe we should defeat the amendment of the gentleman from Washington [Mr. LOWRY].

Mr. LOWRY of Washington. Mr. Chairman, I yield 1½ minutes to the gentleman from Indiana [Mr. MCCLOSKEY], a member of the committee.

Mr. McCLOSKEY. Mr. Chairman, I rise in support of the Lowry amendment.

Given the administration's unwillingness to consult with the Congress and the proliferation of enough loose ends to fill a sphagetti bowl, a 90-day delay is in the interests of the United States and international stability. Mr. LOWRY is to be commended for his courage and diligence on offering this resolution.

However, having returned yesteday from an armed services visit to four Gulf States, it is obvious that all Gulf States live in peril of the Ayatolla Khomeini's war without borders. In the words of King Fahd of Saudi Arabia,

> The war gives Iraq its only chance to dominate the gulf. If Iran wins, it will not end there.

Iraq is willing to negotiate. Iran is not.

The one silver lining of the gulf crisis, Arab leaders pointed out, is that the world community will now focus efforts on stopping the war.

I believe Iran must suffer ongoing sanctions and humiliation, if you will. This means arms embargos, economic sanctions, diplomatic derecognition, and other steps.

Statements about the necessity to be neutral in this war, which threatens our international and domestic interests do not respect or appreciate the challenges faced by the Gulf States.

In short, the problems will still be facing us in 90 days. So let's work to bring together the administration, the Congress, and the international community to ameliorate this world crisis.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Washington [Mr. LOWRY].

Mr. Chairman, as ranking Republican on the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, I was among those consulted, directly and through our staff, about the reflagging of Kuwaiti vessels.

Many of us are justifiably concerned about the lack of planning for contingencies by the administration and about the lack of visible contribution by our allies and some of the gulf States themselves. For those reasons, we scheduled a public hearing, to give the matter a full airing, on May 19. Tragically, however prior to that hearing, the *Stark* was attacked, radically changing the public perception of the issue.

Despite the inherent risks and shortcomings of the flagging proposal, I believe that it is important that our Nation take a decisive position against the Iranian attempts to bully the gulf states by subversion and the threat of force. The fact is that Kuwait has been aiding Iraq politically and materially. But Iran recognizes the risks of a direct attack on Kuwait. Nevertheless, in an attempt to intimidate and make an example of Kuwait, a militarily weak neighbor only a few miles from its warfront, the Iranians have singled out Kuwaiti shipping for attacks.

That's not the only reason Iran is trying to intimidate Kuwait. Despite pressure from Iran and its friends, Kuwait is still holding in prison a group of prisoners who bombed our Embassy in Kuwait, killing members of our Embassy staff. They have been sticking with us in our fight against terrorism. Shouldn't we reach out a helping hand to Kuwait in their time of need?

The course the administration chose may not be the ideal way, by any means. But we must consider how a retreat—a delay—a "waffling" would be perceived worldwide. Listen to our colleague the gentleman from Kentucky [Mr. HOPKINS] who has just returned from the gulf area who states:

> The gulf countries have pledged all the political and logistical support necessary for our forces. . . . However, they are stuck between a rock and a hard place. They want and need our presence . . . but are afraid that being visibly linked to the U.S. could encourage Iranian retailiation. . . . This, combined with our apparent lack of resolve, makes for a very difficult situation.

Are we prepared to leave those countries who are responding to our Nation's requests for additional support in the lurch? Does it make any sense to leave them stranded, in Iran's neighborhood, while we wait another 90 days? What good will further delay do for us?

Let us not be deterred by our fears. We must seriously consider the risks of delay—of appearing to be shrinking before Iranian intimidation. Unfortunately our world is not risk free. It is unpleasant to contemplate these risks—but they do exist, and they will continue to exist whether or not we engage in the reflagging. I believe that the overall threats to our national interests are best served by opposing this amendment.

In the interests of keeping open this important international waterway, in the interests of protecting the world's major source of oil, in helping a friendly nation in need—I urge my colleagues to oppose the Lowry 90-day delaying amendment.

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Mr. DAVIS of Michigan. Mr. Chairman, I yield 30 seconds to the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Mr. Chairman, I merely rise to associate myself with the remarks made by the gentleman from New York [Mr. GILMAN], the excellent statement he has made on the importance of opposing this amendment.

Mr. Chairman, President Reagan has reaffirmed the commitment of his predecessors to protection of the vital interests of the United States in the Persian Gulf region. The United States has moved to resolve the Iranian and Soviet threats to peace in the region through active diplomatic efforts, backed by the U.S. Fleet.

At the urgent request of the United States, the five permanent members of the U.N. Security Council have met to discuss the possibility of effective U.N. enforcement efforts to bring an end to the long and bloody war between Iran and Iraq and to keep the Persian Gulf sealanes open to the world's commercial shipping. The confidential diplomatic talks under U.N. auspices continue.

The United States cannot, of course, allow United States interests to go undefended while it explores diplomatic avenues for solving the crisis in the Persian Gulf. Thus, the President has responded to the immediate Iranian threat—attacks on Kuwaiti tanker ships carrying oil vital to Western economies. Under the President's plan, a small, but adequate number of Kuwaiti-owned vessels will register under United States law as American-flag vessels, so that the United States Navy can protect those vessels from Iranian attack in accordance with international law.

The President's plan ensures the protection of vital American interests. No one criticizing that plan has suggested a better way to protect those interests, and the amendment under consideration certainly offers no alternative.

I urge my colleagues to vote against the amendment.

Mr. LOWRY of Washington. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Mr. Chairman, I rise in support of the amendment by my colleague from the State of Washington which would delay the reflagging of the Kuwaiti vessels for 90 days. Clearly, the reflagging issue has not been looked at closely enough by the Reagan administration. I am very concerned that the current reflagging process is being carried out in a reckless manner, and in a manner which this country could be very sorry about later on.

The foreign policy implications of the Kuwaiti reflagging would be serious. By providing the United States-flag and naval protection to the 11 Kuwaiti vessels in question, we are increasing the risk of this country going to war in the world's most volatile region. Let me assure all of you that I believe in a strong U.S. naval presence in the Persian Gulf. But, I am opposed to a policy that will clearly demonstrate a United States tilt toward Iraq. I am very afraid that reflagging 11 Kuwaiti vessels with the American flag and providing them naval protection would represent such a tilt since Kuwaiti is closely allied with Iraq. I am afraid that the reflagging proposal will increase the risk of Iranian aggression against either the reflagged vessels, or against their United States naval escorts.

My colleagues, what happens if either a reflagged or naval vessel is fired upon by Iranian military forces? If the United States Navy were to respond with its awesome firepower, such a response could escalate tension in the region, make a peaceful resolution to the Iran-Iraq war more elusive than ever, and inhibit the ability of the United States to establish a constructive relationship with a post-Khomeini Iranian Government.

We need time to take a closer look at the foreign policy implications that may result from the administration's reflagging initiative: time that would allow the United States to regain its neutrality in the Iran-Iraq war; time that would allow the United States to urge its allies to do more in protecting gulf shipping; and finally, time that would allow for a possible cease-fire between Iran and Iraq through the United Nations.

A 90-day delay is not a sign of weakness. Rather, it is a sign of caution and calculation. As the leader of the free world, the United States must continue to maintain a strong role and presence in the Persian Gulf. I am afraid though that the current administration reflagging plan may be the wrong tactic to take in ensuring both of these. I urge my colleagues to support the amendment by the gentleman from the State of Washington.

Mr. LOWRY of Washington. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. Mr. Chairman are we reacting to threats from the Ayatollah to subtle blackmail from Kuwait or are we considering military action based upon a careful calculation as to what will best promote America's interest in the Middle East?

Clearly, there is no political dispute that this country has legitimate reasons to protect international shipping throughout the Persian Gulf. We have spent billions of dollars over decades to maintain a presence specifically for that purpose. Does our sale of the American flag to Kuwait so they can raise a few tankers better, promote, enhance, or further our ability to achieve that end? I don't think so.

There is no question that other countries, many of whom are close friends and allies, have an equal or greater stake in protecting the flow of oil in that region. Should we accept the unilateral responsibility to protect well-documented mutal interests? I don't think so.

There is probably not too much doubt that Iran will not limit its response to military targets. While we send servicemen well prepared to engage the enemy in a combat zone, are we equally prepared to support the President if he chooses to respond militarily when the Iranians take the battle to unarmed cities, airports, and civilians? I don't think so.

When you raise the stakes in a card game you do so because by uping the ante you have potentially more to gain. We have maintained a naval presence there for decades. We are preparing to expand that presence without the full support of our allies. We are limiting our naval protection to a few Kuwait tankers. Do we have more to gain? I don't think so.

Mr. President, setting aside the historic confusion and uncertainty with regard to past policy in this region, I don't think Americans are intimidated by the Ayatollah or influenced by Russian-Kuwait détente. It would be my hope that you would redouble your efforts to obtain maximum allied support for an expanded military presence to protect all friendly shipping.

National security involves risks and costs. Each policy employed to promote national security goals must be assessed accordingly.

The goal of protecting international shipping lanes is long recognized and desirable.

The method of selling our flag and protection to Kuwait in order to achieve that goal is dubious and questionable.

The risk of Iran expanding the conflict beyond the gulf is real and the potential cost substantial.

In my mind it is not the only option and certainly not the best one.

Our allies are unconvinced that their strategic interest in terms of oil is immediately threatened. Since only 1 percent of the Kuwait shipments have been disturbed so far by Iranian attacks, they may be right.

No matter how noble we think the cause, the Iranians see this as America taking sides for the first time in this longstanding controversy. The Soviets, already the big winner in the area, will no doubt exploit this perception and make inroads with a country that has historically been strongly anti-Soviet.

Finally, not only am I concerned that the administration underestimates the likelihood of Iranian efforts to undermine the ship protection plan, but also we have not received the kind of cooperation from Arab States that is deserved considering the risks we are taking.

Let's take this one back to the drawing board. Support the Lowry amendment.

Mr. SKELTON. Mr. Chairman, this amendment before us makes the waters of the Persian Gulf all the more murky. At best we have a confusing and muddled situation there. It is one that admittedly involves emotion and the old adage, "The more emotion the less reason."

I would like for a few moments today to look at this amendment and this discussion dispassionately rather than emotionally.

Let us look at the amendment before us. This amendment adds to the murkiness and the confusion. What does it say? This amendment says that time is needed to reevaluate the plan.

Mr. Chairman, since the time of President Jimmy Carter, these areas have been declared, that is the Persian Gulf area has been declared to be of strategic interest to the United States. We have strategic economic and political interests in that region: insuring the flow of oil to the West, keeping the Soviets from controlling the region and also limiting the spread of the Iranian revolution.

Second, and looking at the amendment, it says to pursue more effective ways of protecting U.S. interests, it should be delayed some 90 days.

Mr. Chairman, not one alternative plan has been set forward and I await to hear it. It simply postpones a very tough and difficult decision. What is the purpose of this amendment? What is the purpose of this debate today? How does it clarify the situation there? How does it redefine the American policy? It does none of those. This amendment delays a decision that must be made one way or the other.

We need a clear policy. I have been critical of the administration for not having a better and clearer and more understandable policy in that region. But this amendment is not an answer.

Mr. Chairman, this amendment does not help. There is no better alternative. At best this amendment offers a prolonged indecision.

Mr. Chairman, I will vote against the amendment.

Mr. LOWRY of Washington. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington [Mr. SWIFT].

Mr. SWIFT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, it was with reluctance that I voted just a few minutes ago against the Bennett amendment which would have entirely stopped the reflagging policy of the administration. So ill-conceived, ill-considered, and so poorly thought is that policy that my instinct was to support the gentleman from Florida and just stop it.

But the fact is that such action makes essentially the same mistake as the administration is making. It would have committed us to inaction—which is a policy as well—without our knowing all that we should know about the matter.

We cannot improve a policy made without information by adopting another policy without information. Fortunately, we do not have to choose today between those two dismal options. Instead, we have the option of the Lowry amendment.

The Lowry amendment says to all of us—the administration and the Congress alike—"Wait a minute. Let's get some facts here. Let's understand the implications of our actions, the options we have, the alternatives that should be considered and then, in the thoughtful way we should have persued this in the first place, take appropriate action."

Ninety days is a prudent amount of time. And it is prudent to take time to understand the difficult situation in the Persian Gulf and carefully weigh the proper action the United States should take.

I urge my colleagues to support passage of this amendment.

Mr. LOWRY of Washington. Mr. Chairman, I yield such time as he may consume to the gentleman from Colorado [Mr. SKAGGS].

Mr. SKAGGS. Mr. Chairman, I rise in support of the Lowry amendment.

Under our Constitution, the President has primary authority for declaring, shaping, and implementing our country's foreign policy. The Constitution gives the President this role because a coherent foreign policy requires a sense of direction and authority that can only be achieved by some one in charge—it can't be fashioned by several hundred Senators and Representatives.

The role that is delegated to the Congress is that of oversight and approval, to ensure that the foreign policy options chosen by the President are responsible, that they are in keeping with our democratic values, and that they reflect a basic national consensus about our role in the world. It is in that role that we meet today regarding the administration's decision to reflag Kuwaiti oil tankers.

No one here today disputes that the United States has important interests in the Persian Gulf. Much of the Free World's oil passes through its straits, and the Soviets have coveted the region for many years. Our friends and allies look to us for leadership in meeting these economic and security challenges, and we should recognize and act to meet our responsibilities in the region.

Nor do we dispute the Reagan administration's real goals in the region, which are widely shared by most Americans—to help bring an end to the Iran-Iraq war, to minimize Soviet influence in the oil-rich gulf region, to salve relations with moderate Arab states after the revelations of secret arms sales to Iran.

What the Lowry amendment objects to is the specific policy of reflagging and its precipitous implementation. Putting American flags on Kuwaiti ships places our country smack-dab in the middle of one of the bloodiest wars the world has known in the last 40 years. It makes our country take sides in that war. It could get a lot of Americans killed. And it jeopardizes our real objectives in the gulf.

The sad truth is that the administration has failed to develop a coherent overall policy for realizing our goals in the Persian Gulf, and reflagging clearly demonstrates that failure. It is a blundering, shortsighted, stop-gap policy—a seemingly automatic reaction to Soviet actions in the region.

It is a last-resort policy taken as a first resort. It makes no sense for the United States to risk military conflict without exhausting economic and diplomatic efforts first.

The President is being less than candid with the American people when he down-plays the dangers we face by reflagging. By all reports, he didn't even listen to his intelligence advisers about these dangers. He hasn't identified the risks inherent in the options he'll face if a U.S. ship is attacked and U.S. citizens or military personnel are injured or killed.

The administration's claim that the reflagging is necessary to protect freedom of navigation in the gulf is disingenuous. The Iran-Iraq war has not seriously jeopardized shipping—99 percent of all gulf shipping has proceeded without damage. As another indicator, neither the supply nor the price of oil has been notably affected by attacks on shipping. Our allies, who are far more dependent on gulf oil than we are, evidently don't believe that their economies are at risk from the shipping war. And copying foreign policy out of Soviet handbooks, as in the reflagging policy, does nothing for our image in the region.

With regard to Kuwaiti shipping in particular, of the 221 attacks since 1984, only 10 have been against Kuwait. Since that country produces only 12 percent of the region's oil and 70 percent of Kuwait's production is carried on non-Kuwaiti ships, reflagging would only protect 4 percent of all Persian Gulf oil.

Besides, it was Iraq, Kuwait's key ally in the gulf, that began the attacks on civilian shipping in 1984 and has been responsible for 60 percent of all attacks on shipping in the gulf. It is ironic that Soviet-backed Iraq would benefit most from our reflagging of Kuwaiti tankers, since the reflagging would put the United States on Iraq's side in its fight against Iran.

The reflagging policy also runs counter to our long-term interests of eventually regaining good relations with a presumably more moderate successor to the Khomeini government in Iran. Historically, it has been Iran (and before that, Persia) that has stood as the bulwark against Soviet (and before that, Russian) expansion toward the gulf. Let's not do the Soviets the favor of creating a situation in which that historic Iranian antagonism is overwhelmed by even greater hostility toward the United States.

What this amendment really intends is that the administration reconsider its options in the gulf. The amendment is carefully measured so that it does not represent an attack on the President or a symbolic slap in his face. It is meant to allow the President the chance to withdraw from this policy and fashion a replacement for it without jeopardizing U.S. influence in the region. It provides the much-needed opportunity for the administration to work with Congress to formulate a policy that can enjoy broad, bipartisan support and so be a credible means to achieve our long-term goals in the region.

In keeping with that spirit, I voted against an amendment by Mr. BENNETT of Florida earlier today that would have banned the reflagging outright. That approach would have made reconciliation with the President on this issue more difficult. And it is vitally important that the Congress and the President eventually work together on this issue, as on other foreign policy questions. The Lowery amendment serves us better by leaving the door wider open to executive-legislative cooperation on gulf policy in the future.

Some will question whether congressional action to delay or halt the reflagging will undermine the credibility, influence, and prestige of the United States in the region. The answer is, not as much as continuing to follow a policy that's wrong, and that likely would produce greater damage to U.S. interests.

The opinion of the intelligence and military communities is that reflagging, coupled with United States naval escorting, carries a significant risk of attack by Iranian military forces or terrorists, with resulting American casualties. What then? No retaliation would certainly weaken our position. Measured retaliation is judged likely to embolden the Iranians. And so, do we end up with major retaliatory action? Where does that leave us? Certainly, with the end of hope for any rapprochement with the next, hopefully more temperate, government of Iran. Possibly with a more grave reaction by extreme Shiite factions throughout the region. By comparison, a delay to permit reconsideration of reflagging doesn't look so bad.

There are many options and alternatives, that could be pursued during the 90 day delay in reflagging that the amendment requires, and that offer us a better chance of obtaining our objectives while risking far less. If the administration truly believes that freedom of navigation is the key issue here, the President could obtain greater cooperation from our western and Persian Gulf allies, or work to obtain international means to protect all Gulf shipping, or pressure the Iraqis through the Saudis to stop their attacks. If the administration seeks an end to the Iran-Iraq war, there are better means of doing so—through the United Nations, by means of an international arms embargo to the belligerent nations, or via international economic sanctions.

The Congress does not have the ability to initiate foreign policy, it can only react. Its tools for shaping policy, such as restrictions on budget authorizations, are particularly blunt compared with those of the executive. It is far better for the Nation when they need not be used.

The President has the unique capability, and therefore the responsibility, to come to the Congress to fashion a consensus on foreign policy issues. If we are to have a strong foreign policy, it is essential that the President walk the extra mile to obtain the bipartisan endorsement from Congress that can sustain it.

When a consensus is not reached, or when it disappears, the results are tragic. I saw the tragic results first hand in Vietnam, and again just recently when I visited Central America. Today, we see tragic results looming in the Gulf. It is vitally important that the United States regroup, regain the consensus it should have on our foreign policy in the region, and act on that consensus.

To act forcefully in the region, the President needs to bring the American people—through their representatives in Congress—into the process of finding a solution. Adoption of the Lowry amendment will do the President a favor. It will call the brief time-out he needs to pull together a policy that this nation can support. And so, adoption of the Lowry amendment will do the Nation a favor.

Mr. LOWRY of Washington. Mr. Chairman, I yield 1½ minutes to the gentleman from Louisiana [Mr. HUCKABY].

Mr. HUCKABY. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Lowry-Roth bipartisan proposal here tonight. None of us want to be here tonight. This is a tough subject. It is a tough issue, regardless of where you are. We are all concerned. We cannot predict the future, we do not know what is going to happen.

Keep in mind in all probability we are talking about an action that is going to go on for months and probably years. I think there are some valid reasons for delaying this decision for 90 days.

I would like to elucidate briefly if I might. First of all, there is a slight possibility that an alternative might be developed in the United Nations Security Council isolating Iran. I understand if the objections of France can be overcome, this might help.

Second, I think it would be prudent to have a conference with the major oil importers and exporters in the Persian Gulf. Let us clearly define where we are, elucidate collectively where we are going.

Third and most important, I am concerned about if we are going to place our ships in harm's way that we provide our young men the maximum protection.

Now, as you all know, our aircraft carriers, those ships can reach only about halfway into the Persian Gulf. To me it would be prudent to go to Kuwait and say, "We would like to base American fighter planes there," as long as we are providing this protection so that we can provide the maximum protection for our young men.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Chairman, I oppose the Lowry amendment.

The Lowry amendment masquerades as a compromise because it prohibits reflagging for a 90-day period, rather than forever. But is not a compromise.

The freedom of the Persian Gulf sea-lanes and the oil which flows through them are vital to U.S. interests. The Lowry amendment is a killer amendment for those vital interests.

In response to Iranian attacks against tanker ships carrying oil from Kuwait, through the gulf, Kuwait, which lacks the naval forces needed to defend its ships, sought our help. The U.S. Government gave the Kuwaitis the commitment that the United States would move expeditiously to bring 11 Kuwaiti tankers under the protection of the U.S. flag and fleet.

The Lowry amendment would force the President to break that U.S. commitment to Kuwait.

A dozen of our colleagues traveled just last week to a number of countries in the region. Senior officials in those countries made clear that the issue of whether the U.S. Government will follow through on its commitment to reflag and protect the Kuwaiti tankers is a critical test of the credibility and commitment of the United States.

If the United States does not follow through, our credibility in the Persian Gulf drops to zero, and that presents a grave danger. If the U.S. cuts and runs on this commitment, it will increase the likelihood of attacks on shipping—and not only on Kuwaiti shipping—but on U.S. ships naval and civilian the will to defend its interests in the gulf.

If the United States cuts the Kuwaitis loose by enacting the Lowry amendment, the first casualty may be the U.S. policy to support the freedom fighters in Afghanistan, which is one of the few major foreign policy issues on which this House stands united.

The newspapers have reported regularly that Persian Gulf countries have—at the request of the United States—provided aid that keeps the Agfhan freedom fighters going. If the United States demonstrates by adopting the Lowry amendment that it will abandon a commitment to a friendly Persian Gulf nation when it is convenient to the U.S. Congress to do so, it is certainly likely that countries in the gulf will not continue to provide aid to the Afghan freedom fighters to please the United States.

The Lowry amendment is not a free vote. It is a critically important vote on an amendment which will have far-reaching consequences to U.S. interests.

I urge my colleagues not to send a signal of weakness to Iran by voting for the Lowry amendment. That signal of weakness would invite the Iranains to test the United States. American sailors in the Persian Gulf could pay the price if we adopt the Lowry amendment.

Mr. LOWRY of Washington. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. Levine].

Mr. LEVINE of California. Mr. Chairman, I rise in support of the Lowry amendment to H.R. 2342, which would delay reflagging of 11 Kuwaiti tankers for 90 days. This delay will provide time for Congress to carefully examine the administration's reflagging plan.

I regret that this vote is necessary. Unfortunately, the administration's failure to adequately consult with Congress prior to announcing its policy has forced Congress to take this extraordinary action.

There is no question that the United States has vital interests in the Persian Gulf, we have maintained a presence in the region for over 40 years in order to protect our national security interests there. We are a superpower, with global responsibilities which clearly extend to the gulf. It is vital to our national security interest that we remain a pivotal player in the gulf.

However, the tragic deaths of 267 marines in Lebanon should have taught us that we cannot rush into the complex and dangerous environment of the Middle East without carefully evaluating the dangers inherent in such an involvement. The deaths of 37 brave sailors aboard the U.S.S. *Stark* underlined the dangers to U.S. ships and sailors and demonstrated that this operation is in no way risk free.

Unfortunately, the administration's failure to adequately consult with Congress has prevented proper evaluation of the implications of its decision to reflag, or of the nature of the threat posed to U.S. ships and servicemen.

Before we proceed with reflagging, two questions need to be answered:

First, does the present situation on the ground in the gulf actually pose a threat to our interests; and,

Second, if it does pose a threat, is the administration proposal to reflag Kuwaiti ships the best means for protecting these interests?

Because of the failure of the administration to consult adequately with Congress we just do not know with any certainty the answers to those questions.

The attacks by Iraq and Iran on gulf shipping have not had an appreciable impact on the flow of oil. The nations most dependent on gulf oil do not seem particularly concerned by these attacks. Their lack of interest is clearly demonstrated by their failure to participate in the reflagging operation.

The administration's policy will directly inject the United States into the Iran/Iraq conflict. Gone forever will be the pretense of neutrality in that bloody war.

The administration's justification for its action is that it is necessary in order to respond to a Soviet offer to assist Kuwait and to protect freedom of navigation. While the administration may be justifiably concerned about increased Soviet influence in the region, its concern for freedom of navigation is a sham.

If the administration is really concerned about preserving freedom of navigation it would act to put an end to all attacks against neutral shipping, including Iraqi attacks. After all, it is the Iraqis who are responsible for the majority of the attacks against such shipping.

There is another reason why the administration is taking these actions. After the disclosure of its disastrous policy of selling weapons to Iran it now feels compelled to try and regain our lost stature with our Arab friends. While I too would like to see administration credibility restored while I take absolutely no partisan pleasure in the difficulty of these circumstances, the fact is that the administration is gambling with the lives of U.S. servicemen in a desperate attempt to win favor from other Arab nations.

One ironic possibility is that the very weapons sold by the United States to Iran may now be used to take the lives of American pilots should military action be taken against Iran.

The Lowry amendment will give Congress the necessary time to consider the administration's policy proposal. It will also give us time to pursue alternatives to direct United States involvement in the Iran/Iraq war.

It will force the kind of consultations which should have taken place months ago, and will ensure that this country will not rush headlong into another foreign policy adventure which will only result in the unnecessary deaths of American servicemen. It is a prudent compromise, worthy of our support.

I urge my colleagues to join with me and vote in favor of this moderate and responsible amendment.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 1 minute to the gentleman from Alabama [Mr. NICHOLS].

□ 1850

Mr. NICHOLS. Mr. Chairman, I rise in support of reflagging the Kuwaiti oil tankers, and in opposition—although with some reservations—to delaying the initiation of the United States Navy escort operation for 90 days.

I am 1 of the 12 members who traveled to the Persian Gulf over the July 4 recess. We met with leaders of four of the gulf states—Bahrain, Kuwait, Iraq, and Saudi Arabia. We met with the commander of the U.S. Middle East task force. We came back convinced to a man that, at this point in time, the reflagging is in the U.S. national interest.

I emphasize "at this point in time" because I believe there is room for criticism of aspects of the administration's policy as it was developed. Six months ago, other—better—alternatives may have been available. But at this juncture the question is whether or not to reflag the Kuwaiti tankers, and I believe we should.

None of the members of the delegation would claim that the reflagging approach to protecting Kuwaiti shipping is without flaws. The decision to reflag was made without sufficient consultation with America's allies and the gulf states—not to mention the U.S. Congress. There should have been more thought given to the contributions that our Western European allies, Great Britain, France, and Germany, Japan, and the gulf states themselves could make toward protecting gulf shipping. Understandings among these nations should have been reached before final decisions were made. After all, the United States is receiving very little oil from the Persian Gulf. For the most part it goes to Japan and Western Europe. It would have been far better if protection of Kuwaiti shipping was undertaken on a multi-national basis.

I also recognize that there are other problems with the President's reflagging proposal. It inevitably involves added risks to U.S. military personnel—risks that would have been less if a cooperative arrangement with other nations had been developed.

Reflagging certainly increases the involvement of the United States in issues surrounding the Iran-Iraq war. To the degree that increased involvement means diplomatic efforts to end that tragic conflict, it is in the highest traditions of American diplomacy; to the degree reflagging means greater American proximity to the actual hostilities between Iran and Iraq, increased involvement incurs unwelcome additional risks. Contrary to the expectations of some our friends in the Persian Gulf, neither the United States nor the Soviet Union, whether acting alone or in concert, have the power to end the Iran-Iraq war so long as either of the belligerents want it to continue.

Another reservation about reflagging stems from the fact that even at this late date the magnitude of the commitment—how many ships will be escorted and how often—may not have been determined. The Kuwaiti Oil Minister told the delegation that Kuwait would submit a plan for "shuttling" Kuwaiti tankers back and forth to the mouth of the gulf. That could mean a much higher frequency of escorts than the five or six per month expected and planned for by the military, and briefed to the House Armed Services Committee. Let me hasten to add that we do not know enough about the tanker schedule to make a definitive judgment on this issue. I do not believe however, it is grounds for delaying the reflagging 3 months. I do believe that the administration should delay implementation of the escort until it has determined the magnitude of the escort commitment, has informed the American people and the Congress of the dimensions of the commitment, and has placed enough military capability in the Persian Gulf to fulfill the commitment.

Despite all of my questions and reservations about reflagging, I believe the United States should go ahead without undue delay and fulfill the promise to Kuwait made by the President.

The President has given his word on behalf of the United States. We found in each country we visited that the word of the United States has taken a beating lately. The revelation of United States arms sales to Iran was a foreign policy disaster of the first magnitude. It shook to its very foundations the framework of friendship and cooperation between the United States and the countries of the Persian Gulf built up painstakingly over half a century. The Kuwaiti Oil Minister told the delegation that Kuwait would henceforth judge the United States by what it does rather than what it says. In my view we simply cannot afford to have "said" we will reflag and then not "do" it.

In light of the expectations of the friendly gulf states, there is no question in my mind that the reflagging will serve U.S. interests in the Persian Gulf. It will demonstrate our strong commitment to countries that increasingly look to the United States for support because we have led them to believe that when "the chips are down," we will assist them.

It is important to remember that the friendly Persian Gulf States are the key to achieving United States interests in the gulf—to continued free world access to Persian Gulf Oil, to limiting Russian penetration in the region. They also stand as a front-line obstacle to the spread of Khomeini-style Islamic fundamentalism. They have come to view the reflagging as a "litmus test" for the United States' commitment to our friends—of particular significance in the aftermath of the United States sale of arms to Iran.

If the United States fails to reflag, I believe it is very likely that the Kuwaitis will turn to the Soviet Union to protect their shipping. The damage will not stop there. America's ties with the other gulf states will be weakened and their receptivity to Soviet penetration of the gulf will increase. We need to rememer that the Soviet Union is waiting in the wings to reap whatever gains are available if we stumble in the gulf. The worst possible scenario would be for American handling of the reflagging issue to result in undermining five decades of association with friendly gulf states and in leaving the way open for the United States to be replaced by the Russians. The Persian Gulf countries are our friends. We must keep it that way.

Although reflagging increases the risks to American servicemen and other Americans, failure to reflag at this point might be even more risky. It would send the wrong message to Tehran, possibly emboldening Khomeini to increase terrorism against the "great satan." It would almost certains result in abandoning the gulf Arab States to increased intimidation from Iran.

In closing, Mr. Chairman, I would characterize the reflagging issue as confronting the United States with choices among "least worst" alternatives. Other things being equal, certainly no one would willingly choose to increase American exposure in a very dangerous part of the world. On the other hand, no one would want to jeopardize the United States position in the Persian Gulf and leave that area susceptible to Soviet penetration and Iranian expansionism. A combination of brilliant Kuwaiti manipulation and American diplomatic ineptitude has brought the United States to a point where the decision to reflag 11 tankers owned by a small Persian Gulf country confronts the United States with a monumental Hobson's choice. Under the circumstances, and with some trepidation, I believe the Congress should support the reflagging, and not attempt to delay it.

Mr. LOWRY of Washington. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Chairman, I rise in support of the Lowry amendment.

Mr. Chairman, the Lowry amendment makes eminent sense.

Our two goals in the Persian Gulf are to end the war between Iran and Iraq and to keep the gulf open.

The Reagan administration policy of reflagging the Kuwaiti ships interferes with these goals.

By reflagging the ships we take Iraq's side thus abandoning our stated policy of neutrality in that war.

The gulf is open and we have been there for 40 years. No one is suggesting that we pull out. We are simply suggesting that reflagging the Kuwaiti ships is dangerous and puts our young people in harm's way before we have explored a multinational force.

The Lowry amendment gives us the breathing space we need.

Mr. LOWRY of Washington. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY of New York. Mr. Chairman, I rise in strong support of the Lowry-Roth-Fascell amendment to the Coast Guard authorization bill now before the Congress. Simply stated, this is an amendment that exudes common sense.

The administration is making a fatal mistake by rushing into any immediate arrangement to reflag Kuwaiti tankers. The explosive circumstances in the gulf demand that we think rationally and thoroughly before we act. This amendment, by allowing for a 90-day delay prior to reflagging, gives the Congress and, I would hope the administration, the time needed to explore and, perhaps, implement alternative policies which would allow the United States to more effectively protect its legitimate interests in the Persian Gulf.

I think it is interesting to note that, despite administration claims to the contrary, our allies who are particularly dependent on oil flowing out of the gulf seem much less worried about a disruption of that flow than we are. The fact is that the oil has continued to flow despite the heightened tension in the area, and we should be doing everything we can to ensure that this continues. Reflagging, however, is not the answer.

Why is it the wrong response? Because it places the United States, previously a self-avowed neutral in the Iran-Iraq war, squarely on the side of Iraq. How that helps to stabilize the situation in the area evades me, and I think it is a kind of logic that escapes many of us here in the Congress. Assuming a more deliberate stance against Iran, which is exactly what reflagging has us do, does nothing either to promote our interests in the gulf or to protect the interests of our allies.

I would suggest to my colleagues that there are other options that we need to explore, and this amendment allows us to do that. Many of you have heard me speak of a U.N. naval task force in the Persian Gulf as one such option. It is a viable option because it better serves U.S. long-term interests in the area. A U.N. force, designed to ensure the safe passage of all nonbelligerent shipping in the gulf, will help to curtail the Soviet role in the area, will guarantee the participation of our allies in the effort to protect the free flow of oil, and will place the United States in a far better position to build a more stable relationship with a post Khomeini regime in Iran. I remain hopeful that this is an option that will be explored.

I am certain that, while growing up, each and every one of us has been told either by a parent, a friend, or perhaps a teacher in school, that we must always think before we act. That is the essence of the Lowry-Roth-Fascell amendment. We have had graphic demonstrations of the price of our involvement in the gulf, and no one here is suggesting that we abandon our interests there. It is also clear, however, that the Congress is demanding that we think rationally and thoroughly before setting the course for further involvement. I urge my colleagues to support this amendment as one way to inject some common sense into a policy that is in a dangerous state of confusion.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. Mr. Chairman, on our last vote in this body, 283 Members of this body voted against the Bennett amendment to bar reflagging. Why, then, would some of those 283 Members decide now to delay that reflagging for 90 days?

Well, perhaps they would delay the reflagging because they want to get the U.N. involved. But they fail to mention that the Kuwaitis have already been to each of the five members of the Security Council asking for their direct involvement, to which four have responded affirmatively. They fail to mention that a U.N. resolution is currently being pushed by this Nation and other nations that will bring efforts to bear on both Iran and Iraq to end the war.

Perhaps it is to get the GCC involved heavily. Well, the GCC has already gone on record as supporting the President's reflagging plan. The GCC also is working collectively to have a naval presence in the gulf that will protect those countries on their own.

Perhaps it is to get basing rights in other countries in the gulf area. Having just been in the gulf area with 11 of my colleagues from the Armed Services Committee, I heard firsthand a commitment given to us by all the nations that we visited that when we need to have support, when we need to have a presence in their country, it will be there for them to work with us.

Perhaps it is to get involvement from our allies. But what we fail to recognize is that 5 percent of the British Navy is currently in the Persian Gulf, 5 percent of the French Navy is from time to time in the Persian Gulf, and only 1½ percent of our Navy, 9 vessels out of 600, is being committed to the Persian Gulf.

Why, then, do we vote for a 90-day delay? The reason is pure and simple, Mr. Chairman. It was summed up best by the majority whip in this House and in a June 30, 1987 article in the Washington Post, which said, and I quote: "The votes are there for a delay, but legislatively there is no way to stop it if the President wants to move along. It will be a purely political statement."

As a freshman, I think it is wrong to play politics with our foreign policy. Perhaps we should rename this amendment "the CYA amendment" for those who vote for it.

Mr. LOWRY of Washington. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia [Mr. RAY].

Mr. RAY. Mr. Chairman, I rise today in support of the Lowry amendment which does not prevent the President from meeting his commitment to reflag several Kuwaiti ships and to place them under American military protection.

Mr. Chairman, the Lowry amendment only delays the reflagging for 90 days and it would give the House of Representatives and the Congress time to study the pros and cons of this action.

I am aware that President Reagan will no doubt use his veto pen should the Lowry amendment pass and it is my opinion that the ships will be reflagged regardless of the lack of hearings to bring out all of the facts or whether the Congress and the American people are supportive or not.

I want to always be supportive of the President, whoever he is, and the record of my votes over the recent years will bear this out.

Unfortunately, there are too many doubts, too many rumors, and too many questions which I do not know the answers to.

I'm aware that the long-term goals of the Soviets are to take possession of the minerals and oils and the chokepoints of the world. We cannot allow this to happen.

However, this country should not be stampeded into a commitment which could lead us into another Tonkin Gulf resolution.

The President has made a mistake in not communicating in a timely manner with Congress. Many Members of this body are his supporters, including me.

However, in this instance, I will support the Lowry amendment and urge my colleagues to join me in this vote for a well thought out, reasoned policy toward the Persian Gulf.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Chairman, I rise in support of the Lowry amendment. This is not an easy decision. The tough ones never are. Before focusing on my reasoning, I would like to make a comparison. When the President asked the Congress for authority to send American troops to Lebanon, that too was a tough decision for all of us. But I concluded, as did the majority in this body, that the United States was coming to grips with a near impossible situation in a practical, prudent manner. We went to that ravaged nation, with the best of intentions, as part of an international peace-keeping force. We did not go it alone.

Unfortunately, and tragically, our best intentions were not enough. But the cause was worthy. We tried, but did not succeed and when it became apparent that the direction in which we were proceeding was not going to lead us where we wanted to go, the President wisely brought our troops home. Home, too, came the Italians, and the French, and the British.

We had a carefully crafted, reasoned policy that earned bipartisan support, principally because of the international aspect of the operation.

In the Persian Gulf, we have something quite different. We are uping the ante, increasing the risk and going it alone. We have special responsibilities in the world community and we must never turn our back on them.

But where is it written that we have the sole responsibility for everything? What is wrong with the concept of burden-sharing? Where are our allies? And must we always be the ones who up the ante? Is there some unwritten rule that every time the Soviets blink, we nod? And how about our position of professed neutrality in the never-ending war between Iran and Iraq? Up go the flags and down goes the position.

The risk that some would have us take would fail any serious cost-benefit ratio analysis. We have heard all the testimony we need to draw that conclusion during the serious and sober debate which has preceded.

I say pass this amendment. Give the administration 90 days to develop a sensible, cooperative, international response, one that will earn our strong support.

Mr. LOWRY of Washington. Mr. Chairman, I yield 1½ minutes to the gentleman from Massachusetts [Mr. STUDDS], a member of the committee.

Mr. STUDDS. Mr. Chairman, I suggest that Members ask themselves with genuine candor whether or not they understand what purports to be the administration's policy. The Committee on Foreign Affairs has put in a great many hours last month attempting to answer that question, and we cannot. For example, the Secretary of Defense would have us believe, as he testified before our committee, that he had no choice, that the U.S. Government had no choice, that any nation that asks under our laws to be reflagged, as long as they meet the minimal requirements of the U.S. law, can be reflagged. Well, if it is that automatic, the question is, Who is next? How many? Which nations? Are we programmable?

Can any nation that wants to put us in a box like this do so simply by starting or triggering an automatic process under U.S. Law? Is it wise to say to Iran in such an extraordinary fashion, "I dare you"? That is precisely what this action on our part says.

Might there not be for once here a confluence of interests between the United States and the Soviet Union, some shared interest in ending the Iran-Iraq war, avoiding a superpower confrontation, and preserving freedom of navigation on the high seas?

Why not turn to the United Nations? Might there not be common security interests among all the member

States of the Security Council and certainly all the member States of the Persian Gulf?

All the gentleman from Washington asks for is 90 days for us to think. A vote against this amendment, I suggest, is a vote of confidence in the administration's policy, and I seriously doubt whether most Members of this House know enough about that policy to give it that vote of confidence.

Mr. Chairman, let us remember Beirut. We did not think that through, and we paid a very heavy price.

Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Washington. The proposal to delay reflagging of Kuwaiti ships for 90 days is, at this point, the best hope we have for shaping a more sane and effective policy in the Persian Gulf.

It will allow time for tensions which have arisen over current plans to deescalate, providing a calmer atmosphere to discuss and develop a coherent policy which can both achieve our goals in the region and earn the support of the American people.

There is general agreement on at least three U.S. policy goals in the Persian Gulf:

First, ending the Iran/Iraq war;

Second, preserving freedom of navigation; and

Third, avoiding superpower confrontation.

Additionally, many stress the importance of denying the Soviets increased access to gulf waters.

The administration's reflagging policy will not help those who wish to work toward a ceasefire, it does precious little to aid freedom of navigation—particularly if the newly reflagged vessels lead to an increased level of conflict—and it increases the chances of a superpower confrontation. While it prevents the Soviets "access" to the 11 Kuwaiti ships we are reflagging, it does nothing about the existing Soviet presence and it does not prevent Kuwait or other gulf states from turning to the Soviets for additional support. Indeed, these countries may have discovered that such behavior is an effective mechanism for receiving long sought U.S. attention.

A 90-day delay will give us the opportunity to explore more productive avenues. For example, placing renewed emphasis on the U.N. would help us acheive our policy objectives while allowing for more regulated supervision of Soviet activity in the region.

The State Department has repeatedly acknowledged a mutual United States-Soviet interest in seeking a ceasefire in the Iran-Iraq war. Under Secretary Michael Armacost spoke to the Foreign Affairs Committee about United States efforts to press for a Security Council resolution that would mandate an international arms embargo against both Iran and Iraq, with accompanying penalties should such an embargo be broken.

"There appears a growing consensus that more assertive and binding international efforts are needed to persuade the parties to end the conflict. This is in many ways a unique effort among the major powers," he said.

We can and should apply this philosophy to more immediate concerns in the gulf. By calling a meeting of the Security Council to consider the creation of an international peacekeeping naval task force, we would give increased credibility to our call for a strong U.N. role in resolving the Iran-Iraq conflict. We would emphasize our neutrality in the gulf—first called into question by the Iran-arms revelations and now by our plans to reflag the ships of pro-Iraqi Kuwait.

We would reduce the threat to all nonbelligerent shipping and maintain the free flow of oil through a far more equitable burden-sharing arrangement. We could better monitor the Soviet presence in the gulf through this kind of multilateral cooperation than through increased competition in a very dangerous region.

It is almost unbelievable that the five permanent members of the Security Council of an institution set up to maintain international order have all provided arms to one side or the other in one of the most irrational and dangerous conflicts in recent history.

The only way to salvage our position internationally and to continue to pursue our goals in the region is to show leadership in resolving the current Persian Gulf crisis. We should not go forward with reflagging without considering the far better and more appropriate alternatives available.

This is an area and an issue crying out for global leadership. The President, with the bipartisan support of the Congress, could assume the mantle of international order by renewed calls for and dedicated attention to U.N. Security Council attempts to manage and resolve this conflict. A vote for a 90-day reflagging delay would push the administration to consider such options.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Chairman, I thank the gentleman for yielding this precious bit of time to me.

Let me comment on the fact that I have been amazingly disappointed to have heard asserted on the floor today so many things as being fact which indeed are not fact, including references which were just made that the United States has no foreign policy vis-a-vis the Iran-Iraq war, and that this is the only thing that represents American policy when, even as we have spoken this week and while we were on recess, we have had our top diplomats shuttling about the world trying to put together, and with success, a U.N. Security Council resolution calling for a ceasefire in the war between Iran and Iraq. And they have been struggling to get five permanent members of the U.N. Security Council to impose sanctions on those who deal in arms with Iran.

This is not the only policy being pursued, but it is critical to the success of those other policies. There is no question but what, by the last vote cast, we have concluded that this is not an issue that we should repudiate. If we do not repudiate it, why do we equivocate it to death when the result will be precisely the same if we pass the Lowry amendment?

Mr. LOWRY of Washington. Mr. Chairman, I yield 1½ minutes to the gentleman from California [Mr. LANTOS], a member of the Foreign Affairs Committee and one who has been very active as a leader on this issue.

Mr. LANTOS. Mr. Chairman, the American people today are exposed to two debates on two bad foreign policy decisions—the sale of arms to Iran and the reflagging of Kuwaiti tankers. The only difference between these two debates is that the debate on the sale of arms to Iran is taking place after the fact. This debate is taking place before the fact.

This is one of the most important votes Members of this body will cast. We are all for a strong American presence in the gulf, we are all for the freedom of navigation, we are all for the flow of oil. None of these are involved in this issue. What is involved is the crossing of the Rubicon.

We become a party to the Iran-Iraq war by reflagging the tankers of Kuwait. There is no crisis here. There was a tragedy. The tragedy was the attack by Iraq on the *Stark*. There is no crisis. The oil is flowing. There is no reason to rush. This is another Gulf of Tonkin resolution.

Mr. Chairman, the amendment offered by the gentleman from Washington [Mr. LOWRY] gives us 90 days for saner heads to prevail. They will prevail. We shall pass the Lowry amendment, and then we shall block permanently this insane idea of renting the U.S. Navy for nothing so it can protect the shipment of Kuwaiti oil to the factories of Japan.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Chairman, the 12 Members of the House who were fortunate enough to be appointed to the chairman's factfinding mission just a week ago certainly experienced an unusual reception when we got to the Persian Gulf. The people of Bahrain were extremely enthusiastic. They welcomed us with open arms. They said that this was the first time that they had seen that the Americans were really coming down to the gulf. They welcomed us and urged us to stay.

But they also said, "If you are going to back off, if you are going to not carry through, if you are not going to stay the course, we don't want you to be bothered with us."

They apparently feel that the Americans do not stay the course. They apparently feel that there is a possibility that we are doing this out of a sense of danger rather than of providing them with assistance and help. After all, the oil that goes through the Persian Gulf is the same oil that goes to the 6th

Fleet, as we were reminded just a little while ago, and if anybody does not like oil, let them not go to the Persian Gulf.

□ 1905

Mr. LOWRY of Washington. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. THOMAS], a member of the committee.

Mr. THOMAS of Georgia. Mr. Chairman, I rise in strong support of the amendment offered by my colleagues from Wisconsin and Washington to delay for 90 days the proposed reflagging of the 11 Kuwaiti tankers.

I join the distinguished senior Senator from Georgia and chairman of the Senate Armed Services Committee, SAM NUNN, in his criticism of this premature action on the part of the administration.

There is no question that the United States has a vital interest in ensuring access to the oil resources of the Persian Gulf region. In addition, it is clearly in our best interests from a strategic standpoint to promote the security and cooperation of the more moderate Arab States, to limit Soviet influence in the area, and to preclude dominance in the region by either Iran or Iraq.

But the five key arguments put forth by the administration in support of reflagging simply do not hold up under close scrutiny.

First, the administration argues that we must provide protection to these 11 Kuwaiti tankers to ensure the free flow of oil to protect United States world supply. In reality, the free flow of Persian Gulf oil is not now being seriously challenged.

Second, the administration contends that we need to promote freedom of navigation. That is true, but it is also true that both Iraq and Iran have attacked shipping in the area. Senator NUNN has noted that it is Iraq who started the "tanker war" and who has conducted about 70 percent of the ship attacks in the region, including attacks on America's allies.

Third, the administration is fearful that Soviet influence in the region will be increased if we do not provide this protection to the Kuwaiti tankers. Let me remind my colleagues that it was the Kuwaitis themselves who invited the Soviets into the Persian Gulf.

Fourth, the administration hopes to counter Iranian intimidation of Iraq's moderate Arab supporters to preclude an Iranian victory. At the same time, we contend we are neutral in the Iran-Iraq war. Now we are going to use military force to assist an ally of Iraq, an action which in my judgment could lead to a direct United States confrontation with Iran.

Finally, the administration is interested in reestablishing United States credibility in the Arab world following the sale of arms to Iran. But we cannot do that unless we have a clear statement of our strategic interests and intent in the region. The Congress does not know our overall policy there, so how can we expect our Arab allies to know that policy. And unless they know our policy, how can we reestablish our credibility.

In my opinion, the only way to restore our credibility with the Arab world is to establish an effective and sustainable policy focused on America's strategic interests.

Mr. Chairman, I think a delay in this reflagging policy is in order now.

I think it is important that we seek commitments from our European allies and Japan to help secure the Persian Gulf region, as it is our allies who are far more dependent on the oil than we are.

I think it is important that we reexamine a policy calling for an expanded United States military presence in the Persian Gulf—a policy that is inconsistent with the objective to end the "tanker war" and which will also not bring an end to the ground war between Iran and Iraq.

I think it is important to delay the reflagging until we pursue diplomatic efforts and international consultations that could result in a ceasefire in the area.

There is really no urgent need to reflag these Kuwaiti tankers at this time, as United States interests in the region are not being immediately threatened.

I urge my colleagues on both sides of the aisle to join in support of the Roth/Lowry amendment to delay reflagging for 90 days.

Mr. DAVIS of Michigan. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. DONALD E. LUKENS].

Mr. DONALD E. LUKENS. Mr. Chairman, I support the President's goals to:

Help our moderate Arab friends defend themselves;

Improve the chances for peace by standing up to Iran's policy of intimidation;

End the Iran-Iraq war in a just manner;

Limit expansion of Soviet presence and influence; and

Preserve the free flow of oil to the free world.

According to the U.S. energy association, Middle East countries have about 66 percent of the world's oil reserves, compared to the United State's 5 percent.

According to the Georgetown Center for Strategic and International Studies, Middle Eastern reserves are adequate to meet current production levels for at least 100 years, compared to the 9 years estimated for the United States.

With this dependence comes a risk of supply disruptions that are damaging to our economic well-being and national security.

We felt the impact of our dependence during the Arab-Israeli War in 1973 and the civil disturbances in Iran in 1979: endless gas lines; gas shortages and rationing; increased energy prices; and double digit inflation.

The same economic destruction affected other parts of the free world.

This economic instability weakened our credibility as the principal force for peace in the world.

We were captives of the oil producing Middle Eastern regimes.

Because of the integrated nature of the world oil market, U.S. energy security is inseparable from that of our allies.

Even if oil supply was disrupted in a producing country that did not export oil to the United States, the oil market would redirect some supplies of non-disrupted oil away from the United States.

Oil prices would rise dramatically throughout the world as the supplies would dry up.

Therefore, so long as other countries in the free world are vulnerable to supply disruptions, the United States is also at risk.

I will not stand by and watch the Iranians dictate the use of the vital sea lanes of the Persian Gulf.

I will not stand by and watch the gulf come under the control of the Soviet Union.

The alternative is to allow our enemies to perceive in us a lack of resolve and strength.

This lack of resolve would only encourage those who use the flow of oil as a weapon to cause the American people hardship at home and incapacitate us abroad.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 1 minute to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, our policy in the Persian Gulf is not a coherent one. It has evolved out of a chain of events, rather than a strategically consistent policy. The administration speaks with many different voices, not one clear one; but our word is at stake. As unwise as the President's reflagging policy may be, the fact is that if we pull the plug, our credibility will be further eroded.

First we traded arms for hostages with Iran. We cannot afford another massive switch of signals in this critical region of the world.

Mr. Chairman, I am voting against this amendment, not because the President is right, but because we are stuck with his potentially unfortunate decision.

The vote is not an endorsement of the President's policy. It is rather a message to the administration that it needs to develop a bipartisan policy that is coherent and consistent.

Finally, Mr. Chairman, it means that the administration should consult with the Congress on this policy for a change.

Mr. LOWRY of Washington. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, this administration has a habit of developing foreign policy in private, in crisis, with little diplomatic effort, with little contemplation and with little support in the Congress or in the Nation. Then it takes the position that to question such a policy threatens our leadership in the world. To not question such a policy undermines our constitutional responsibility with regard to foreign policy. When we do not question it, we pay a hell of a price, whether it is in Lebanon or Central America or in the Middle East.

The present policy in the Persian Gulf was born in crisis and that confusion is apparent to our allies, to Kuwait, to Howard Baker, to the Defense Department, to the CIA, and to the American people. In that confusion, we are asked to disregard questions.

The time has come to think first before we shoot. Let us understand that a 90-day delay does not necessarily stop this policy from going into effect, but it gives us the time to evaluate whether it is the right policy for the United States in fulfilling our role in the Persian Gulf.

Mr. Chairman, support the Lowry amendment.

Mr. LOWRY of Washington. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Chairman, the administration has already had two foreign policy failures in the Middle East; we must not, by our inaction, allow them a third. It could be dangerous, if not fatal, to the people we represent.

The Reagan administration had no clear, well-defined, comprehensive policy or plan for contingencies when it landed Marines in Beirut a few years ago, 19th-century gunboat style. The result: 248 Americans lost their lives.

More recently the administration sold arms secretly to Iran, again, without developing a contingency plan to deal with the possibility of leaks about those secret deals, or to deal with the possibility of hostilities toward American Naval vessels in the gulf. The result: More Americans dead, 39 this time.

In the words of one of the civil rights protest songs: "How many deaths will it take 'till he knows that too many people have died?"

The Congress, and the American people, need time to think through two vital foreign policy questions about our role in the Persian Gulf:

First, what are America's interests in the gulf?

Second, how do we protect or advance them?;

There is another series of subquestions we need to consider in order to answer those questions and develop a coherent policy position for America's role in the Persian Gulf:

Is there a "clear and present danger" to America's energy supply in the gulf? The answer to that should be: No; we get only 6 percent of our oil requirements from that source.

Is there a "clear and present danger" to America's foreign policy interests in the gulf? No; not the way the gulf war has been waged between Iran and Iraq.

Should the United States choose sides in the Iran-Iraq war? No; clearly it is not in our interest that either side win this war.

Does reflagging the Kuwaiti tankers affect the outcome of the war? No. Then with reflagging, we are making the mistake of doing something—enough to get involved, but not enough to make a difference.

It is helpful also to recall that Kuwait asked for United States and Russian involvement in protection of their tanker fleet, hedging their bets by calling on both countries to get involved, only after revelations that the United States was secretly selling arms to Iran. Kuwait, of course, was. Kuwait's action has caused both superpowers to tilt in favor of Iraq, which Kuwait has supported financially.

Is it, and should it be our policy to protect Kuwaiti oil—and while you're thinking that through, ask yourself whether Americans should die for oil shipped from one of the richest countries in the world and for vessels built in foreign shipyards? I think not.

I believe the only responsible policy for the United States in the gulf is an end to the war: A cease-fire, without a decisive victory for either Iran or Iraq.

Instead of acting unilaterally toward that goal, we should be working multilaterally, through the United Nation's Security Council, to put an end to the naval war in the gulf. We should also withhold reflagging of the Kuwaiti vessels until hostilities are ended in the gulf. Otherwise we are merely "riding shotgun" for Kuwaiti oil; giving Kuwait and Japan a free ride.

Fundamentally, what is at stake now that the President has announced his reflagging proposal, without advance consultation or support from the Congress, is not America's prestige, but the President's prestige. The President put himself and the Nation in this predicament by his unilateral action announcing the reflagging. The question must be asked: Why should Congress support a foreign policy position not in America's best interest and which is doomed to failure?

What is in America's interest right now is a ceasefire in the Persian Gulf, supervision of that cease-fire by the United Nations, and a 90-day cooling-off period.

To do more would be to blindly grope our way, as the administration is doing, lurching from incident to escalating incident until, we find ourselves ensnared yet again in a lengthening war of attrition against a fore we cannot contain, in a cause the American people neither understand nor support.

While we still can, let's stop, not reflag, take stock of the situation, examine the alternatives and formulate a responsible course of action based on a clearly defined policy of U.S. action in the Persian Gulf.

Mr. DAVIS of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. HOPKINS], who is one of the Members who made the trip to the Persian Gulf.

Mr. HOPKINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think that too many of the what if questions being asked in Congress seem to be designed to put Members in a position to say, "I told you so," just in case something goes wrong in the Persian Gulf, and too little attention is being paid to the real question.

Is the United States going to stand by a policy embraced by every American President for the past 40 years, that recognized our clear national interest in the stability of the Persian Gulf area, or will it abandon our allies there and around the world and leave 70 percent of the known oil reserves on Earth to the Kremlin or to the fanatics in Tehran?

But as we look at the amendment before us, many of us have to wonder, is this it? After almost 2 months of congressional debate, discussion and posturing, the only policy alternative that this Congress can offer is either to do nothing or to delay a decision.

Passage of this amendment could have disastrous and permanent repercussions in our credibility and ability to protect our interests in the Persian Gulf.

This amendment to delay would only serve to sow further seeds of confusion among those who are trying to translate congressional rhetoric into a barometer of American resolve; and let me assure all of you that all the gulf states are watching closely this debate today, trying to figure just where we stand. While we were there, they were quick to remind us that while we make up our minds whether to stay or cut and run, they do not have anyplace to go and they will stay behind, regardless of any action we might take today.

Let me just remind the Members here that this 90-day delay does not affect the Soviet Union.

Mr. Chairman, I fear that the heads of state in that region, as well as our allies and our adversaries, will take any action to delay as an indication of lack of support and miscalculate the depth of America's commitment to a policy endorsed by every President since Truman, and it is this very possibility that could drive our gulf allies headlong into the hands of the Soviets if we choose to abandon ship.

Decisions like this, which could affect the security and stability of the industrialized world must be based on fact, rather than political opportunism and rhetoric.

Mr. Chairman, the reality is that our country has very few options available. The President in choosing to reinforce our historic commitment to the Persian Gulf through the limited reflagging of 11 Kuwaiti tankers, has chosen the best of what are admittedly poor choices.

Delay is not a policy. It is not an alternative. Delay is just another signal of indecision. Let us face reality and put pride and hidden political agendas aside.

Mr. Chairman, a whole lot more is at stake here than a mere debate over policy.

We traveled in the last few days to Bahrain, Kuwait, Iraq, and Saudi Arabia. Every leader that we talked with in his own words supported reflagging, and I asked each one of them the same question, "What if we delayed reflagging, or what if there was no reflagging at all? In your opinion, what would happen?"

They gave us, I think, the most penetrating and indelible evidence. Let me quote to you their remarks. In Saudi Arabia, King Fahd said, "It would be to the luck of the Russians."

In Bahrain, Ambassador Zachem said, "Bahrain does not want Soviets in. If we hesitate or turn against reflagging, our credibility will be zero.

In Kuwait, Ambassador Quinten said, "If we don't reflag, Kuwait will go to the Soviets."

And I want you to listen to this. The oil minister in Kuwait, who has been negotiating with the Soviets, said, "We are in the oil business. Our preference is the United States, but our top priority is to move oil."

In Iraq the Foreign Minister said that they want ships protected, but do not care by whom.

Then he looked at the chairman of our delegation and he held papers in his hands and he said, "Mr. Chairman, I have read your speeches, and you remind me of Hamlet. Hamlet said, "To be or not to be, that is the question."

Looking at this amendment, I would paraphrase Hamlet by saying, "To maybe or not to maybe, that is not the question."

To further paraphrase Hamlet, if he were looking at this amendment, he would probably say, "To run or not to run, to reflag or not to reflag, that is the question."

Mr. Chairman, I urge my colleagues to face the facts, as unpleasant as they might be, and defeat this ill-conceived amendment that will hold the U.S. hostage.

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Mr. LOWRY of Washington. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. Mr. Chairman, I rise in support of the Lowry amendment.

Mr. Chairman, I support the Lowry amendment for several reasons.

I continue to be deeply troubled by the administration's policy in the Persian Gulf. Its explanations remain confusing, sometimes self-contradictory. The stakes there are too high for American policy to be crafted by the seat of one's pants, as clearly has been true here.

I also am deeply chagrined by the utter failure of the administration to attempt seriously to craft a bipartisan policy as to the gulf. I know of no period in recent history with such a gulf between the parties on foreign policy issues and with an administration so indifferent to building a bipartisan approach.

If U.S. policy toward the Persian Gulf cannot be the subject of a major administration attempt at bipartisan consultation—involving an area of widely acknowledged vital U.S. interest—what subject matter will be?

Mr. LOWRY of Washington. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. MAVROULES], a member of the Committee on Armed Services.

Mr. MAVROULES. Mr. Chairman, it is ironic that this debate on the Persian Gulf occurs as Col. Oliver North testifies on the Iran arms shipments. Having just visited four countries in the gulf, I can report that at each stop the Iran arms sales were discussed. The point expressed was always the same.

They were stunned that the United States—the Reagan administration—would provide arms to the Khomeini regime in Iran. Make no mistake, U.S. credibility in the gulf is seriously damaged, and our future in one of the most important areas of the world is uncertain.

While there are choices offered in today's debate, the only issue is America's standing in a region that greatly affects the economic vitality of the Western world.

What is said in this House debate will be reported and analyzed in great detail in every gulf country. We are passing judgment and sending signals.

Let me review a few issues.

Point one is the importance of free navigation in the Persian Gulf, and the necessity of ending the Iran-Iraq tanker war. So long as Iran continues to finance its war effort through its oil shipments, Iraq will continue with the tanker war. Until sanctions are placed upon the sale of Iranian oil—thus limiting Iran's financial ability to pay for the war—the gulf will remain hazardous for other shipping.

Point two is the need for the U.S. Navy to be fully prepared for any contingency in its escort missions. It must be very clear that it is a military mission protecting freedom of navigation, and not a diplomatic mission of presence. This lesson has already been learned—in Lebanon. Our briefings in the gulf make it very clear that the military requirements for the escort mission have not been finalized.

Point three is the necessity for the allies—not just the United States—to protect their international interests in the gulf. With the exception of the British, where are the others?

Point four is the sale of weapons to Iran and Iraq. Is there really a serious effort to stop the war when countries ranging from France to China—and the United States and Soviet Union—are selling arms to one side or the other? Our trip to the gulf was eye-opening in terms of the arms shipments going to both Iraq and Iran.

Point five is the necessity of sending the signal to the regime in Tehran that the United States will not back away from its longstanding position in the Persian Gulf. Whether it be a Silkworm missile, or a sea mine, or a threat of still more terrorist attacks against innocent third parties, Americans will not be forced out of the gulf.

Frankly, the Reagan administration can begin improving its standing in the gulf by improving its standing with the Congress. President Reagan, work with us to establish a bipartisan policy that will help to end the gulf war, and repair the damage created by covert arms shipments to Iran.

That is a beginning. Properly constructed, the reflagging of the Kuwaiti tankers represents a clear commitment from the United States to the gulf countries.

Therefore, at the proper time, when all the details are settled, the reflagging should occur. It is important that in the end it be the United States flag on the tankers, and the United States Navy in the gulf, and not the Soviet flag and the Soviet Navy.

Having accepted reflagging, the question becomes—not should we delay—rather, the question is are we ready. To that I say—not yet. Details remain unsettled, and the Navy escort mission is still being refined.

I have spent a lot of time thinking about how I will vote on the amendment offered by the gentleman from Washington.

There are very good arguments on both sides, and if the President had worked with us to establish a bipartisan program, I would be willing to sign up today.

Instead, it is necessary that we proceed with caution, that time is taken to ask all the right questions and receive all the right answers.

I support reflagging and I also support the Lowry amendment. The amendment should pass; I think it will.

Mr. LOWRY of Washington. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. Aspin], the chairman of the Committee on Armed Services.

Mr. ASPIN. Mr. Chairman, I rise in support of the Lowry amendment, not because I feel comfortable with that vote, or because I am terribly enthusiastic about that amendment, but because a vote against that amendment is clearly worse than a vote for it.

We are not here today in the business of legislating. The chances of this legislation making it through the Senate and the Presidential signature are zip, zero, nil. So what we are doing here today is sending some signals, and, to be perfectly honest, the signals are bad either way. If we vote for the Lowry amendment and for the Bennett amendment, we send bad signals to the Persian Gulf, and I think that a lot of Members over here have made very good points. We send bad signals to our allies about our steadfastness, about signals to Iran, signals to go ahead and use the Soviets and not us. True, true.

If, however, we vote against the Bennett amendment and then against the Lowry amendment, we send signals up to the other end of Pennsylvania Avenue that they can go ahead and continue to do foreign policy planning on the back of an envelope, and it really does not matter down here in Congress—that they can continue their rather cockamamie way of conducting policy in the gulf, and Congress does not care.

I would like to say that, given the fact that we have rightly, I believe, voted down the Bennett amendment and sent the right signals to the Persian Gulf, it would be an absolute tragedy at this point if we voted down the Lowry amendment and ended up sending signals to the White House that they can continue to do this, and we do not care about it.

The right policy for the House of Representatives is to vote down the Bennett amendment, which we have already done, and vote for the Lowry amendment, to shoot a shot across the bow of this administration that we are concerned about the way in which they are conducting policy in the gulf.

Mr. DAVIS of Michigan. Mr. Chairman, to close debate in opposition to the amendment on this side, I yield the balance of my time to the distinguished minority leader, the gentleman from Illinois [Mr. Michel].

The CHAIRMAN. The gentleman from Illinois [Mr. Michel] is recognized for 4½ minutes.

Mr. MICHEL. Mr. Chairman, listening to this debate this afternoon, I cannot help but recall the several-times-used expression of the late Lyndon Johnson, "that bunch up there of Nervous Nellies." I must confess that I personally feel somewhat nauseated by some of the things that I hear, and I just regret that there are a number in this body who are playing the game of CYA—"cover your you-know-what"—on this particular vote.

When the history of the Persian Gulf reflagging issue is written, it will record that the majority party came to the debate with a piece of paper telling the world that it has not the slightest idea of what to do—but wants to delay it for 90 days.

Let us not be deceived then either into believing that this is a true bipartisan proposal, even though it has a Republican as a cosponsor.

This is a product of the Democratic caucus, pure and simple.

This resolution is the functional equivalent of a congressional slap in the face to the President of the United States.

The administration is already pursuing diplomatic initiatives at the United Nations. Our allies, while not cooperating as much as we would like, now recognize that they must play an important role.

If I might say just a word about our allies, it is easy to criticize them, and I must confess to joining the chorus from time to time, and particularly in this instance.

In fact, 7 years ago I made a speech here in Washington in which I called for a complete reexamination of the Western alliance. None of the present critics of our allies jumped up and applauded me at that time.

But the point is: We are in the gulf because it is in our interest. That our interests coincide with the interests of Japan and Great Britain and France is of importance, too.

But we cannot allow ourselves to give our allies what amounts to a veto power over American foreign policy—which is precisely what we are doing if we say we should not act unless they do. Yes, the administration is making a tough call, but the Democratic leadership has not been able to come up with anything more reasonable or responsible than reflagging.

So why this 90-day routine?

I think I have a hunch why.

I think that this resolution is yet another manifestation of the utter frustration of the Democratic leadership that has been exhibited over the past 6 years.

The national Democratic Party has lost four out of the last five Presidential elections, and the one they won, they have discredited that administration. They will not even call that former President back for consultations. In the last three Presidential elections won by Republicans, the result was a landslide, a total repudiation of the economic, domestic, and foreign policy of the Democratic Party.

From within their own party have come cries of dismay at the image presented by the Democratic Party in foreign affairs.

Under such a view, America becomes, as the gentleman from Kentucky so well pointed out, a Hamlet in foreign policy, paralyzed by self-doubt, haunted by the ghosts of the past.

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It is an image of timidity, doubt, quasi-pacifism, and an obsession with cutting defense spending with little regard of the effect on national security.

This resolution is proof the Democratic majority still does not have a clue, not a clue, as to what the role of the United States should play in the world.

Some of you folks on the Democratic side surely must have some concern about this seemingly endless string of challenges to Presidential authority in foreign affairs.

Can you not see how it adversely affects our credibility, and more important, our reliability in dealing with our foreign friends and foes alike?

Why is it that the Members in the majority who call for diplomatic efforts on every major foreign policy question will not allow the President of the United States to pursue diplomatic efforts in this case, unless he does so with this albatross of an amendment hung around his neck?

Even those who have doubts about reflagging must admit that the President of the United States, who is acting in the great tradition of eight Presidents for both parties for over 40 years in defending our interests in the gulf, deserves better treatment than this.

I can understand a clear-cut "no" on reflagging. That was the approach of the gentleman from Florida [Mr. Bennett], my good friend. The gentleman's view was at least straightforward. That was a policy. I thought it was wrong, voted against it; but at least it was a policy.

This delay is an excuse to do nothing but to avoid admitting we do not know what to do. It is unworthy of a great party and a great institution and a great nation; and I urge my colleagues to knuckle down and buck up, support your President on a very vital issue like this and prove our credibility.

Mr. LOWRY of Washington. Mr. Chairman, I congratulate the House on a tremendously well-conducted debate, a very bipartisan debate on a very bipartisan amendment.

Mr. Chairman, to close debate, I yield the remaining time to the gentleman from New York [Mr. McHugh].

The CHAIRMAN. The gentleman from New York [Mr. McHugh] is recognized for 2½ minutes.

Mr. McHUGH. Mr. Chairman, I urge support of the Lowry amendment. The fundamental question we face here is whether reflagging will advance the important interests of the United States in the Persian Gulf. Those interests include:

First, keeping the sealanes open and maintaining the free flow of oil;

Second, promoting stability in the gulf, which includes retarding the spread of radical fundamentalism and Soviet influence at our expense; and

Third, avoiding becoming enmeshed in the Iran-Iraq War, and, consistent with our interest in stability, doing everything we can to end that war.

Now, the question is, Will reflagging advance those interests?

Will reflagging substantially contribute to keeping the sealanes open and the supply of oil flowing? No; because the sealanes are open and the oil is flowing. The attacks on shipping have not had any appreciable effect on the flow of oil, and thus reflagging is unnecessary.

Will reflagging promote stability and, more particularly, will it retard the spread of radical fundamentalism? No. It's important to remember that most moderate Arab governments have traditionally opposed a significant military presence in the gulf by either superpower. Why? Because it is unpopular and can be used by radical political factions in the region to promote discontent and instability in those moderate Arab countries. To the extent that either superpower becomes more involved militarily, it is likely to expand, not retard, the influence of radical fundamentalism.

Some argue that if we don't reflag the Kuwaiti ships, the Soviets will do so and thereby gain additional influence. None of us wants to see expanded Soviet influence. However, it is important to keep this in perspective. We have a presence in the gulf now, before reflagging, and have had one for years. Our presence, which is considerably greater than that of the Soviets, will not be diminished if we do not reflag. While the Soviets may reflag or charter some additional Kuwaiti ships, this won't turn the gulf into a Soviet lake. Indeed, they will then be taking significant risks, which could well accrue to their disadvantage. They will risk getting enmeshed in the gulf war, and they will become the lightning rod for political turmoil.

On the other hand, if we reflag the Kuwaiti ships, we risk becoming enmeshed in the war, which is clearly not in our interests. And since our posture as a neutral would be weakened, it also reduces our leverage in getting the combatants to end the war.

For all of these reasons, Mr. Chairman, I believe that on balance reflagging will not advance U.S. interests in the gulf. For these reasons, many in Congress, as well as the public at large, have serious reservations about this policy.

It has been argued that, since the President has already committed our Government to reflagging, we will lose credibility if we reconsider now. Setting aside the fact that the President made this commitment unilaterally without reference to congressional or public opinion, I believe there is a greater risk to our credibility.

If the President proceeds with reflagging over the serious reservations of Congress and the public, and then at some later time our forces become enmeshed in the gulf war, and through direct attacks or terrorism we sustain casualties, there will be a hue and cry to withdraw from the conflict. That is the lesson of Lebanon. Clearly, a withdrawal at that point would damage our credibility much more seriously.

For these reasons, I urge a positive vote on the Lowry amendment. It's the only vehicle we now have to persuade the President that this policy has serious flaws and should be reconsidered. This is not a partisan challenge to the President, but rather a plea for meaningful consultations so we can develop a bipartisan policy which will effectively advance our interests.

Mr. ATKINS. Mr. Chairman, I rise to urge my colleagues to support the Lowry, Roth, and Fascell amendment to delay the reflagging of Kuwaiti ships for 90 days to provide for thorough reevaluation of the reflagging plan and to pursue other options.

I do so because we, as a nation, are once again poised to take military action with no clear purpose, no sense of long-term strategic goals and with little agreement within the administration of the risks involved in our proposed actions. I fear that the administration is pursuing a piecemeal foreign policy dictated by a chain of events, the consequences of which may lead to a serious escalation of the gulf war conflict and the loss of American lives. Congress, the administration, and the American people need to step back and ask—what is the best policy for American interests? This amendment gives us that opportunity.

Before the United States takes any hasty action in the Persian Gulf, several questions need to be addressed.

First, what are our objectives in the Persian Gulf and how does the reflagging of Kuwaiti tankers affect those objectives?

If the United States does not reflag the tankers, do the Soviets stand to gain in the region?

Have we pursued other options for protecting the seas including a U.N. force?

Will our actions in the gulf bring about a quicker resolution to the Iran-Iraq War and what are the consequences of the United States pursuing a pro-Iraq stance?

Is the real impetus behind this policy just to save face and gain credibility among Arab states in the aftermath of Iranscam?

Most importantly, are we prepared to participate actively in the Persian Gulf conflict, risking American lives and risking an escalation of hostilities in the region that may lead the United States to war?

It is important that we ask these questions. Because without a purpose, a mission, and an understanding of what we may be getting into, we will be asking American soldiers to risk their lives for a policy that does not exist.

In Lebanon—and in many ways this recalls our disasterous marine presence there—in Lebanon, we did not have a clear policy. We did not have clear objectives. The result was a tragic foreign policy blunder. A blunder that cost the lives of over 200 American marines. The awful shame of it was that to the parents of these marines, we could not offer a reason or meaning to their death. Let us not repeat the same mistake in the Persian Gulf.

Our action in this region should be thought through. We should not be pushed into this conflict to counter a Soviet bluff. We must think very carefully about pursuing a policy that clearly sides with Iraq. We must gain support from our allies and pursue a peaceful resolution to the conflict through the United Nations. This is in everybody's best interest. We must be prepared, if we choose to reflag and escort the Kuwaiti tankers, for all of the eventualities that the gulf conflict promises for the United States—attacks in the gulf, a renewed and vigorous terrorist offensive by Iran, and American casualties.

Before the United States enters into a policy it may regret later, let us pause and consider carefully every alternative and every ramification for our actions. I urge my colleagues to support the amendment offered by Mr. Lowry, Mr. Roth, and Mr. Fascell. This amendment gives Congress the opportunity to make the most intelligent choice for this serious matter. Before more soldiers die in the Persian Gulf, let us be sure, let us be wise, let us be right.

Mr. CHENEY. Mr. Chairman, I urge my colleagues to vote against the amendment and to support the President's decision to protect U.S. interest in the Persian Gulf region.

The freedom of the Persian Gulf sealanes and the oil which flows through them are vital to U.S. interests. Iran has engaged in increasingly belligerent actions against countries in the region. Iran's recent efforts to turn the Iran-Iraq War into a major regional conflagration place United States interests at grave risk. President Reagan has taken strong, but measured action to defend those interests.

In response to Iranian attacks against tanker ships carrying oil from Kuwaiti through the gulf, Kuwaiti, which lacks the naval forces needed to defend the ships, sought help from other countries. To the United States, it is a major foreign policy issue, but to Kuwait, it is a matter of national survival. Without the ability to ship out their oil, Kuwait's economy dies an instant death.

When the Kuwaitis sought protection for their tankers against Iranian attack, the Soviet Union saw an opportunity to gain a foothold in the Persian Gulf region and offered the protective services of the Soviet Navy.

With these facts in mind, the interests of the United States are clear. The United States cannot permit Iran to control gulf sealanes or to engage in oil blackmail directed against United States allies. Nor can the United States sit idly by while the Soviet fleet sails into the Persian Gulf to give the Soviet Union the power to bring pressure to bear on countries in the region which have previously shown a willingness to cooperate with the United States.

President Carter declared in his State of the Union Address in this very Chamber in 1980 that—and I quote:

> An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America and such an assault will be repelled by any means necessary, including military force.

On this one issue, President Carter was right, just as President Reagan is right in continuing the same policy. The United States must defend its vital interests in the Persian Gulf, and that includes protecting the shipping of the oil on which the economies of the West depend. Iran has directly threatened Kuwaiti oil shipping, and Kuwait cannot defend itself. We must help.

The amendment against reflagging is the worst possible thing the House could do. It sends the signal to friendly countries in the region that the United States cannot be counted upon. It tells them that the United States has two foreign policies—a consistent one set by the President, but an ever-changing one set by the majority in Congress.

Vote against the amendment. America must have a clear, consistent policy of defending its interests in the Persian Gulf.

Mr. FRENZEL. Mr. Chairman, my dislike for nongermane admendments was reaffirmed by my negative vote on the rule for H.R. 2342, the Coast Guard Authorization. The amendment now pending, the Lowry-Roth amendment is, I am advised, not germane to the bill and required a waiver of normal Houses rules.

The amendment is, then, a departure from our normal procedures. My preference is to use normal procedures. The question of flagging foreign vessels is an especially important one, and it should be considered separately, on its own merits.

But, preferred procedures aside, since the Bennett amendment was defeated, it now seems certain that the President will proceed with his plan to affix American flags to Kuwaiti tankers. As long as the question has been raised, in however clumsy a fashion, I am compelled to announce that I believe the plan is not sound.

I don't expect this bill to be enacted soon enough to alter administration policy. Therefore this amendment, win or lose, will be like the Bennett amendment, largely a symbolic vote. Like the Bennett amendment, I intend to vote affirmatively.

U.S. flags on Kuwaiti oil tankers in the Persian Gulf probably won't excite Iranian gunners, but neither will they cause those gunners to hold back. It is said that a moderate Iranian is one who has run out of ammunition. When the spirit moves the Iranian military, it shoots. We don't understand Iranian motivation. To us, they are loonies.

Loonies are likely to shoot no matter whose flag is flying. If they shoot at us, I suppose we will have to retaliate. That means we go to war in the Gulf of Persia. In my judgment, the Congress is not ready to go to war in the gulf, particularly over somebody else's oil.

I do not deny we have vital interests in the gulf. They are not our interests alone, but we seem to be running the risks of war alone. If our interests require such risks, they ought to be undertaken collectively with our allies, both in NATO, and elsewhere.

In this case, however, the risks are not shared, nor are other costs. We can't even get permission to use the airfields in the area. It looks as though we are flagging these foreign vessels only because the U.S.S.R. was an apparent bidder in the protection game. If that is true, the risk of this operation is not worth whatever can be gained from it.

I believe the United States has responsibilities in the area. I don't like these procedures. But, I must vote for the Lowry-Roth amendment because I have no other way to express my firm conviction that flagging operation presents too high a risk.

Mr. DREIER of California. Mr. Chairman, today, amendments are being offered to address the issue of "reflagging" foreign vessels under the U.S. flag. I support the President's plan to escort Kuwaiti ships through the Persian Gulf, and oppose any further delay in implementing this plan.

Frankly speaking, it's time to show the flag of the United States in the Persian Gulf where our public image has taken such a beating. With the proper precautions for the safety of our ships and personnel, we must demonstrate to our friends and the other nations of the gulf that we are willing to protect the principle of free passage through international waters. We are not just talking about crude oil. We are talking about defending a principle of freedom—something which is somewhat loftier than self interest. I also strongly encourage our allies to provide assistance to the defense of the sea lanes.

As the leaders of the free world, there is a certain incumbency to defend the rights of freedom. As an added incentive, if we back down from our responsibilities in the gulf, you can be sure the Soviets will be happy to fill in. Again, I urge my colleagues to support the President's plan.

Mr. BILBRAY. Mr. Chairman, I rise in reluctant support of the Lowry amendment to the Coast Guard authorization bill. The American people are concerned about events in the Persian Gulf. While the mission of the United States in the Persian Gulf is to ensure the free navigational safety of commerce passing through the area, only a few weeks ago we suffered the loss of American lives in the senseless attack on the U.S.S. *Stark*. That tragedy is a warning that we are treading hostile waters and though we remain neutral in the war between Iran and Iraq, our very presence makes us vulnerable and subject to attack. Protecting U.S. interests in the Persian Gulf and protecting American lives, should be priorities above all others.

The Lowry amendment, which calls for a 90-day delay in reflagging 11 Kuwaiti tankers, catapults the need to protect oil going to other countries, to the top of the United States priority list. We have seen our foreign policy officials virtually ignore the Kuwaiti's only to totally reverse themselves and make a total commitment, open ended, which makes the American people responsible for Kuwaiti's economic future.

Since America is needed to insure the free flow of oil so that gasoline prices do not soar once again, we need to make sure that Iran does not become arbiter of the world's future by choking off the West's energy sources. The United States must work to minimize the Soviet penetration in this vital region.

These are all concerns I share with the administration. But, I must say that their policy, one of benign neglect, then one of a pell-mell committment, has not advanced any of these goals.

The lack of allied support from Japan and Western Europe is leaving the United States with the tab. These countries should be pressed to share the burden of protecting gulf shipping. Figures supplied to me by the Congressional Research Service show that in 1986, petroleum consumption from the Persian Gulf by U.S.-allied countries, far exceeds the percentage of oil that the United States depends on from that region. Japan is dependent on the Persian Gulf region for 52 percent of its oil; France, 36 percent; Italy, 37 percent; England and West Germany, 11 percent.

Kuwait has never proved any great loyalty to the United States and I think it's imperative that we construct a formal agreement which insures use of Kuwaiti super tankers in a time of a United States crisis, in exchange for United States protection of Kuwaiti tankers in the gulf.

During several days of testimony from senior administration officials, including Secretary of Defense Weinberger, before the House Foreign Affairs Committee, it became clear to me that we do not have total assurance from the Kuwaiti's that their tankers would be available to the United States in times of national emergency. In a letter which I addressed to Mr. Weinberger following the hearing, I urged the Secretary of Defense to act on this matter of vital importance if the United States is to perform as guardian for the Kuwaitis and our allies.

Only if we obtain such an agreement from Kuwait, should the United States consider reflagging Kuwaiti tankers.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. LOWRY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. LOWRY of Washington. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 222, noes 184, not voting 27, as follows:

[Roll No. 249]

AYES—222

Ackerman
Alexander
Anderson
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bates
Bennett
Berman
Biaggi
Bilbray
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boxer
Brooks
Brown (CA)
Brown (CO)
Bruce
Bryant
Bustamante
Campbell
Cardin
Carr
Clarke
Clay
Coelho
Coleman (TX)
Collins
Conte
Conyers
Coyne
Craig
Crockett
Darden
DeFazio
Dellums
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dyson
Eckart
Edwards (CA)
English
Espy
Evans
Fascell
Fazio
Feighan
Flake
Florio
Foglietta
Foley
Ford (MI)
Frank
Frenzel
Frost
Gaydos
Gejdenson
Gibbons
Glickman
Gonzalez
Gordon
Grant
Gray (PA)
Guarini
Hall (OH)
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hochbrueckner
Horton
Howard
Hoyer
Huckaby
Hughes
Jacobs
Jeffords
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Konnyu
Kostmayer
LaFalce
Lancaster
Lantos
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Livingston
Lloyd
Lowry (WA)
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McHugh
Mfume
Mica
Miller (CA)
Mineta
Moakley
Mollohan
Moody
Morella
Morrison (CT)
Mrazek
Murphy
Natcher
Neal
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Panetta
Pease
Pelosi
Penny
Pepper
Perkins
Petri
Price (IL)
Price (NC)
Rahall
Rangel
Ray
Regula
Ridge
Rodino
Roe
Rose
Roth
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schulze
Schumer
Sensenbrenner
Sharp
Sikorski
Skaggs
Slaughter (NY)
Smith (FL)
Smith (NE)
Solarz
Spratt
Staggers
Stallings
Stark
Stokes
Studds
Sundquist
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wise
Wolpe
Wyden
Yates
Yatron
Young (FL)

NOES—184

Andrews
Archer
Armey
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boulter
Brennan
Broomfield
Buechner
Bunning
Burton
Byron
Callahan
Carper
Chandler
Chapman
Chappell
Clinger
Coats
Coble
Coleman (MO)
Combest
Cooper
Coughlin
Courter
Crane
Daniel
Dannemeyer
Daub
Davis (IL)
Davis (MI)
de la Garza
DeLay
Derrick
DeWine
Dickinson
DioGuardi
Dreier
Duncan
Edwards (OK)
Emerson
Erdreich
Fawell
Fields
Fish
Flippo
Gallegly
Gallo
Gekas
Gilman
Gingrich
Goodling
Gradison
Grandy
Green
Gregg
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hefley
Henry
Herger
Hiler
Holloway
Hopkins
Houghton
Hubbard
Hunter
Hutto
Hyde
Inhofe
Ireland
Jenkins
Johnson (CT)
Kasich
Kolbe
Kyl
Lagomarsino
Latta
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Lott
Lowery (CA)
Lujan
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCollum
McEwen
McGrath
McMillan (NC)
McMillen (MD)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Montgomery
Moorhead
Morrison (WA)
Murtha
Nagle
Nichols
Nielson
Oxley
Packard
Parris
Pashayan
Patterson
Pickett
Pickle
Porter
Pursell
Quillen
Ravenel
Rhodes
Richardson
Rinaldo
Ritter
Robinson
Roukema
Saiki
Saxton
Schaefer
Schuette
Shaw
Shumway
Shuster
Sisisky
Skeen
Skelton
Slattery
Slaughter (VA)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Stangeland
Stenholm
Stratton
Stump
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Weber
Weldon
Whittaker
Wilson
Wolf
Wortley
Wylie

NOT VOTING—27

Akaka
Beilenson
Bevill
Boner (TN)
Boucher
Cheney
Dornan (CA)
Dwyer
Dymally
Early
Ford (TN)
Garcia
Gephardt
Gray (IL)
Kemp
Leath (TX)
Luken, Thomas
McCurdy
McDade
Myers
Roberts
Roemer
Rogers
Rostenkowski
Smith (IA)
St Germain
Young (AK)

□ 1945

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. CHENEY. Mr. Chairman, I was unavoidably detained and unable to reach the floor in time to register my vote on the Lowry amendment to H.R. 2342. It had been my intention to vote against the Lowry amendment, and had I been present, I would have voted "no."

The CHAIRMAN. The question is on the committee amendment in the nature of the substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose and the Speaker pro tempore [Mr. FOLEY], having assumed the chair, Mr. KASTENMEIER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2342), to authorize appropriations for the Coast Guard for fiscal year 1988, and for other purposes, pursuant to House Resolution 219, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute, as amended, adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DAVIS of Michigan. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 279, noes 126, not voting 28, as follows:

[Roll No. 250]

AYES—279

Ackerman
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Bateman
Bates
Bennett
Bentley
Berman
Biaggi
Bilbray
Bilirakis
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boxer
Brennan
Brooks
Brown (CA)
Brown (CO)
Bruce
Bryant
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chapman
Chappell
Clarke
Clay
Clinger
Coelho
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coughlin
Coyne
Craig
Crockett
Daniel
Darden
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dyson
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Frank
Frost
Gallo
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Grant
Gray (PA)
Green
Guarini
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Hertel
Hochbrueckner
Horton
Howard
Hoyer
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jeffords
Jenkins
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz

Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Latta
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (FL)
Lewis (GA)
Lipinski
Livingston
Lloyd
Lowry (WA)
MacKay
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McGrath
McHugh
McMillen (MD)
Mfume
Mica
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Mrazek
Murphy
Murtha
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Panetta
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Rahall
Rangel
Ray
Rodino
Roe
Rose
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Scheuer
Schneider
Schroeder
Schumer
Sharp
Shaw
Sikorski
Sisisky
Skaggs
Slaughter (NY)
Smith (FL)
Smith (NE)
Smith (NJ)
Snowe
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Wylie
Yates
Yatron
Young (FL)

NOES—126

Archer
Armey
Badham
Baker
Ballenger
Bartlett
Barton
Bereuter
Bliley
Boulter
Broomfield
Buechner
Bunning
Burton
Chandler
Cheney
Coats
Coble
Coleman (MO)
Combest
Courter
Crane
Dannemeyer
Daub
Davis (IL)
DeLay
DeWine
Dickinson
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Fawell
Fields
Frenzel
Gallegly
Gekas
Gingrich
Goodling
Gradison
Grandy
Gregg
Gunderson
Hansen
Hastert
Henry
Herger
Hiler
Holloway
Hopkins
Houghton
Hubbard
Hunter
Inhofe
Johnson (CT)
Kasich
Kolbe
Konnyu
Kyl
Lagomarsino
Lewis (CA)
Lightfoot
Lott
Lowery (CA)
Lujan
Lukens, Donald
Lungren
Mack
Madigan
Marlenee
Martin (IL)
McCandless
McEwen
McMillan (NC)
Meyers
Michel
Molinari
Moorhead
Morrison (WA)
Nagle
Nielson
Oxley
Packard
Parris
Pashayan
Petri
Pursell
Quillen
Ravenel
Regula
Rhodes
Rinaldo
Ritter
Robinson
Schaefer
Schuette
Schulze
Sensenbrenner
Shumway
Shuster
Skeen
Skelton
Slattery
Slaughter (VA)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Stangeland
Stratton
Stump
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Vucanovich
Walker
Weber
Whittaker
Wolf
Wortley

NOT VOTING—28

Akaka
Beilenson
Bevill
Boner (TN)
Boucher
Dwyer
Dymally
Early
Ford (TN)
Garcia
Gephardt
Gray (IL)
Hyde
Kemp
Leath (TX)
Luken, Thomas
McCurdy
McDade
Myers
Richardson
Ridge
Roberts
Roemer
Rogers
Rostenkowski
Smith (IA)
St Germain
Young (AK)

□ 2000

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HUTTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. DURBIN). Is there objection to the request of the gentleman from Florida?

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 1082, COAST GUARD AUTHORIZATION ACT OF 1987

Mr. HUTTO. Mr. Speaker, I ask unanimous consent that in the engrossment of H.R. 1082, the Clerk may be authorized to correct section numbers and cross-references in the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1082

Mr. BARNARD. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of the bill, H.R. 1082.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1082

Mr. SWINDALL. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of the bill, H.R. 1082.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

□ 2015

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2782, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT OF 1988

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 100-207) on the resolution (H. Res. 220) providing for the consideration of the bill (H.R. 2782) to authorize appropriations to the National Aeronautics and Space Administration for research and development; space flight, control and data communications; construction of facilities; and research and program management; and for other purposes, which was referred to the House Calendar and ordered to be printed.

ON THE BRINK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, I would like to place in the CONGRESSIONAL RECORD an excellent article by Felix Rohatyn which recently appeared in The New York Review of Books. Mr. Rohatyn provides a valuable overview of the domestic and international economic situation, and suggests some interesting strategies for approaching the difficult challenges we face. I strongly recommend this article to the Members of the House.

ON THE BRINK

(By Felix Rohatyn)

The United States today is headed for a financial and economic crisis. What appeared to be only a possibility five or six years ago became a probability more recently, and has now become a virtual certainty. The only real questions are when and how. In addition, when the crisis occurs, it will entail, quite possibly, a worldwide recession. How can such a statement be made when the Dow Jones index is at 2300 and unemployment has edged further and further down?

The facts are that the US has been guilty of the most irresponsible fiscal behavior in its history during the last seven years. American fiscal folly, coupled with the inability to coordinate economic policies with Europe and Japan, has created an ever-increasing worldwide pyramid of debt that cannot withstand a major recession. The US is on its way to becoming the world's largest international borrower, and since the worldwide financial markets are interconnected, a serious US economic downturn automatically has worldwide repercussions.

The United States, and the rest of the world, will pay a heavy price for the fact that we have committed $2 trillion for a defense program of dubious value; that we have been unwilling to limit the growth of entitlement programs like Social Security and Medicare regardless of the need of the recipient or of his ability to shoulder some of the costs; and that, in an act of the ultimate financial cowardice, we have attempted to pass on to our children the cost of this behavior by borrowing from tomorrow instead of taxing today.

There are several results of this behavior, many of which are not always visible. The first, and perhaps least noticed, is that when it comes to our economy we are no longer an independent country. For the first time in our history, we depend on foreign capital to finance day-to-day operations of our government. In 1986, almost half of our budget deficit of about $180 billion was financed by foreign purchases of treasury securities, mainly by the Japanese. From a financial point of view, we are being colonized.

Second, in order to provide Japan and Germany with the funds that we need to borrow, we have allowed our domestic markets to absorb an ever-increasing amount of foreign goods, largely as a result of a gross overevaluation of the dollar during the years between 1980 and 1984. Even though we have dramatically changed course since 1985, collapsing the value of the dollar with other dangerous consequences, our trade deficit reached $160 billion last year and seems to be locked in for years to come. It is worth noting that, even if we were able to reduce our trade deficit by $20 billion per year, by 1995 our external debt would be about $1.5 trillion and the interest on that debt about $120 billion annually.

Third, our domestic national debt has doubled over the last five years and is well over $2 trillion. Interest on the debt alone will be about $125 billion. Corporate debt, partly as a result of unbridled takeover activity fueled by the new phenomenon of the junk bond market, is at its highest level in twenty-five years. By the end of 1986, the total long- and short-term debt of nonfinancial institutions was about $1.6 trillion.

Fourth, the debt of the less-developed countries (LDCs) to governments and banks is now more than $1 trillion as a result of year-after-year rollovers, whereby debtor countries borrow the interest on their debt and add it on to the principal amount.

There is no purely American solution to any of our major economic problems. The U.S. cannot afford a recession that would drive our deficits to more than $300 billion and possibly cause a crash in the value of the dollar as well as in the stock and bond markets. The result could be extensive domestic and international banking defaults, a world recession, and political instability in large parts of the globe. Avoiding such an outcome, if it is possible, would involve a delicate combination of coordinated domestic and international efforts:

The U.S. would cut its budget deficit, through a combination of new taxes and reductions in spending. This will inevitably mean a temporary reduction in the standard of living.

To counteract the risk of recession, we would reduce interest rates and run an easier monetary policy.

To avoid a collapse of the dollar, Japan and Europe would have to stimulate growth, cut taxes, and increase spending.

And to promote growth in the third world, the U.S., Japan, and Western Europe would have to agree on an aggressive plan of debt restructuring and on providing significant amounts of new capital for the debtor countries.

It is hard to see how any of this can happen in a U.S. presidential election year. Under normal circumstances, even if the next president were willing to embrace such programs, they probably would not be enacted until 1990. That may well be too late.

We need a coherent economic strategy; we do not have one. The government's only active policy is to drive down the value of the dollar with everything else "on hold"; no serious action is being taken to reduce the budget deficits, and there is no real change in the debt structure of the less-developed countries. A few tariffs have been imposed on some Japanese products. The administration simply seems to be hoping for a "soft landing"—a dangerous strategy and one likely to fail. Here are some of the risks involved:

(1) We have now had six years of economic growth, fueled by consumer spending military buildup, and borrowing. The likelihood of a recession in the next two years becomes greater and greater as consumers reach the limits of their borrowing capacity and domestic investment remains soft.

(2) The coming weakness in the US economy must be replaced with growth in foreign economies. As the dollar collapses, the German and Japanese economies will slow down considerably, for both countries depend significantly on sales to the US. Combined with the inability of less-developed countries to grow as a result of crushing debt service, we are coming close to causing a worldwide eonomic slowdown without helping ourselves in any real way.

(3) There is no precedent or analogy for the worldwide financial structure that has been created in recent years. The amounts of capital that are richocheting around the world dwarf anything that has been experienced. One and a half trillion dollars per day now flows through New York's Clearing House Interbank Payment System (CHIPS), which processes all the domestic and foreign payments passing through New York banks. This amounts to one third of our annual Gross National Product. The relationships between exchange rates and trade, between interest rates and economic activities, between fiscal and monetary policies, have become less and less predictable. The potential for a major shock in the credit system and the securities markets gets greater and greater.

The fallout from some of these problems goes considerably beyond the economic sphere. The ability of democratic governments in Mexico, Brazil, Argentina, the Philippines, etc., to survive in the face of continued reductions in the standard of living is questionable. Radical political movements will spring up calling for the repudiation of debts to the Western banks; whether or not they succeed, they could bring on right-wing military dictatorships that may follow similar debt-related policies. The problems that would be created for the US by a radicalized Mexico are obvious. Whether the radicalization is left-wing or right-wing, the result may be the same: virulent anti-Americanism and an increasingly unstable southern border. The problem of illegal immigration, already extremely serious, will become even greater. The racial and political tensions in the US, especially if we are in the throes of a recession, will heighten considerably. And no one has made any kind of estimate of the additional military cost of having to maintain tighter security on the US-Mexican border.

In our own country, we have combined runaway borrowing and deficits with neglect for our domestic needs and a climate of deregulation pushed to dangerous extremes. For the sake of competition, we have broken up AT&T, and the result has been both bad service and higher prices. We have deregulated the airlines and the resulting price wars did, indeed, lower fares. However, one airline after another is on its way to bankruptcy or to being acquired by another. The result will be a few huge airlines, with questionable financial structures, poor service with possibly higher prices, and worrisome safety factors. Deregulation of the financial markets had resulted in an explosion of private debt, unprecedented market speculation, and the sordid abuses in the financial industry that have been coming to light in recent months. Deregulation, as with most things in life, has to be done in moderation; it has been carried too far. The free market is not always right; it surely is not always fair. It should not be turned into a religion.

Our budget priorities have also been misconceived. The continued military buildup, together with the growth in entitlements, cannot be sustained in the light of our other needs. The recent collapse of a bridge in upstate New York was a small reminder of a major problem, the immense need to rebuild our domestic infrastructure. It is estimated that $50 billion may be required nationally for bridges alone, which does not seem unreasonable in light of New York City's $15 billion commitment to mass transit in the decade of the 1980s. A major domestic reconstruction program for such facilities as railroads, bridges, waterworks, roads, and school buildings must be undertaken soon. It will be more labor-intensive than a continued military buildup and will be a better long-run investment for the country. It cannot be financed without changes in our priorities.

Contrary to some predictions, the productivity of American industry has increased significantly during the last decade. However, no amount of improvement in productivity will make up for wild swings in the value of the dollar which have driven vast amounts of U.S. manufacturing permanently abroad. No amount of productivity will survive competition with the Korean, Malaysian, or Taiwanese standard of living. To create jobs and businesses that add high values to raw materials through skill and technology we need an educated work force. We are not creating one. Our primary and secondary education system is a disgrace, particularly in our large cities. Future generations of inner-city students are condemned to spending unproductive lives. The human cost in crime, misery, and racial tensions is unacceptable, the financial cost to the country's economic capacity is equally great. It is absurd to think of the U.S. as a worldwide economic power unless it can undertake a major effort in education, together with the investment in infrastructure that has to go with it.

Our renewed dependence on imported oil for our domestic energy needs should also be a source of concern. The collapse in oil prices, coupled with the dramatic deterioration of the financial position of many large U.S. oil companies has caused operating rigs to be reduced from over 4,000 in 1982 to about 600 today. Imported oil will again supply over 50 percent of our requirements and it may supply a significantly greater proportion by the early 1990s. We cannot once again become hostages to the Middle East for our energy needs. The region is becoming increasingly unstable and we cannot afford the risk of a sharp rise in energy prices in the midst of a 1989 or 1990 recession.

At the same time, a major opportunity may be open to us. Whatever problems we may have, the Soviet Union has many more. It is impossible for a rigid, bureaucratic, totalitarian system to survive competitively in the advanced, industrial, global environmental of the late twentieth century. The Soviet system, if it is to adapt to modern telecommunications and data processing, and other new technologies, without which it cannot compete, may have to open itself up politically, provide greater benefits to its population, and limit its imperial ambitions. Its ability to physically control the life of its neighbors in Central Europe may become more limited.

General Secretary Gorbachev seems to understand this reality. The next few years may provide the opportunity for large changes in the relationship between the Soviet Union and the U.S. Both our countries need to make major investments in our domestic economies for social as well as for competitive reasons. Those investments can only be made by reducing investments in defense. In addition, the Soviet Union will need credits and technology from the West. No doubt there is a risk that a more successful Soviet economy will result in a more aggressive Soviet state. There is, however, a greater risk that a continued, uncontrolled arms race, coupled with rising political tensions, will lead not only to ruinous expenditures but to armed confrontation.

Of course arms control agreements with the Soviets must be carefully monitored. But the notion that anything that is good for the Soviets is automatically bad for us is absurd. Our present vacillations about Soviet proposals on nuclear arms reductions in Europe are an example. Some prominent officials and commentators in the U.S. and Europe are worried that eliminating short-range missiles, together with medium-range missiles, will leave Europe at the mercy of Soviet conventional forces. First, the notion that the Soviets will invade Western Europe is far-fetched, given NATO's strategic and tactical nuclear capacities on the one hand, and the fact, on the other, that the Soviets have continuing difficulty in controlling Eastern Europe. Second, the Soviets have indicated a willingness to discuss conventional force reductions. Third, if such reductions do not take place, we should suggest to our European friends that they build up their own conventional forces. Our allies are clearly not carrying their fair share of the defense load. But there is no valid reason not be begin the process of nuclear arms reduction, and we may never see a better opportunity for doing so.

As for long-term global economic strategies, the advanced countries must look for ways to create new, large-scale demand from regions other than Western Europe, North America, and Japan. The main economic risk to the West is not inflation but deflation. Too much capacity has been built up throughout the world with insufficient demand to absorb it. During the next few decades, such additional demand could be encouraged to come from the less-developed countries, and the Soviet bloc. Our long-term international economic strategy should include the following:

(1) Major commitments of Japanese and West German capital to finance the future growth of the less developed countries while we negotiate to restructure their existing debt, enabling those countries to meet the demands of their people.

(2) Step-by-step arms control agreements and parallel economic cooperation with the Soviet Union and the Soviet bloc countries aimed at their becoming a major factor in creating additional demand for the world's economy.

(3) A new Bretton Woods conference to try to evolve a more stable international monetary system. This is long overdue. This should be the main item for consideration on the next economic summit in Venice in June 1987. Such a conference should take up the subjects of exchange rates and debt. They cannot be separated. Concerning currencies, the conference should deal with both near-term and long-term objectives. For the near term, the conference should aim to establish "target zones" for the dollar, the Deutsche mark, sterling, and yen—ranges in which exchange rates would be permitted to fluctuate under an agreement to keep the rates from breaking through either end of the range. At the same time, large-scale interventions in the markets to defeat speculative runs on the main currencies must be backed by a sizable and credible intervention fund. The main central banks should as soon as possible establish a $20 to $30 billion exchange stabilization fund for this purpose.

The recent series of agreements among the Group of Five—US, UK, Japan, Germany, and France—has succeeded in collapsing the dollar but in little else, since there has been no real coordination of economic policies among the OECD nations. For the long-term, an expansion of the European Monetary System to include sterling, dollars, and yen should be considered. The EMS on the whole has been successful in maintaining a level of cooperation and coordination among its members. Devaluations and reevaluations have occurred, but as part of an orderly, gradual process. It is time to study how the system can be expanded. In order to do so, however, the obvious fact to be faced is that the dollar now accounts for some 80 percent of the world's currency reserves—the currency that governments and international agencies hold to finance international trade; this disproportion must be counterbalanced by larger volumes of other currencies than are available today. The European Currency Unit (ECU)—which is based on a "basket" of European currencies—and the yen offer the best possibilities.

In the long run, currencies cannot be stabilized without considerably closer coordination between nations and in some cases, integration of their economic policies. Central to both goals will be the creation of currencies or baskets of currencies in sufficient volume to counterbalance the dollar.

Such a long-term strategy would still involve major efforts to reorganize our own economy and to avoid the major economic crisis which is almost upon us, notwithstanding the difficulties of pursuing difficult changes in economic and political policy during an election year. Politicians have a tendency to re-create the last election just as generals have a tendency to fight the last war. If they follow the conventional wisdom, the Democratic presidential candidates will refuse to discuss any increase in taxes and the Republican candidates will duck the issue of possible cutbacks in Social Security and other entitlements. That will doom any serious action on the budget deficit until 1990. Neither Democrats nor Republicans, moreover, will want to propose a restructuring of third world debt—extending repayment periods and writing off loans—while the farm sector, the energy sector, and other parts of the U.S. economy are in difficulty. As for American ties with the Soviets, we may expect that prominent Republicans will compete to show they are more hawkish and tough-minded than their colleagues; and Democrats will fear being perceived as "soft on communism."

The presidential candidates in 1988 thus confront implicit choices. If they discuss the country's economic situation realistically and truthfully, they risk political suicide. If they make promises about taxes, entitlements, and energy policy that they cannot possibly keep, they risk being unable to govern if they are elected.

One way to avoid what will be seen as self-defeating choices would be to try to create a consensus among moderate Republican and Democratic leaders on some of the fundamental economic constraints that will face the next president. This could be done by establishing a bipartisan congressional commission modeled on the Temporary National Economic Commission set up by Franklin Roosevelt in 1938 to study the country's economic problems. The commission would consist of members of Congress, business and labor leaders, and academic experts. They would be evenly split between Republicans and Democrats and would represent ideologically moderate wings of their parties. Their task would be to identify the main issues and principal ways of dealing with them responsibly. Even if the commission did not reach a consensus on how to solve the major economic problems, it could frankly lay out the choices—and the limits on them—in analyses that could strongly influence campaign debate.

With respect to the deficit, the options of higher income taxes or new types of consumption taxes, such as energy taxes, would leave much room for argument—as would mechanisms to make certain that new taxes do not become translated into new spending programs. When it comes to trade, the options would include a further lowering of the dollar, temporary tariffs, or some forms of limited industrial policies. As for interest rates and the Federal Reserve, the commission could analyze the differing approaches to monetary policy, for instance, directly controlling interest rates, on the one hand, or, on the other, aiming at stability based on the price of gold or the value of some basket of selected commodities. (It could also, I hope, arrive at a unanimous recommendation to continue Paul Volcker for another term.)

With respect to entitlements, the possibilities of applying a means test or of taxing well-to-do recipients should both be examined. And as for third world debt, the options to be considered would include government involvement as part of a major restructuring program of the type recommended by Senator Bradley of New Jersey, or the continuation of rollovers together with some version of the current Baker plan under which the debtor countries would be eligible for additional credits if they undertake economic reforms emphasizing the workings of the market.

A commission would provide a coherent frame for debate of the economic alternatives. Its very existence would not only infuse some realism into the national debate but also give candidates courage to state unpalatable truths. It would also provide the domestic background for considering the critical foreign policy issue of the 1988 campaign, namely America's long-term relationship with the Soviet Union.

It may well be too late in the day for such a commission. But even if some kind of economic crisis is now inevitable, the issues I have mentioned will still have to be dealt with, and how we do so may determine the depth and severity of the crisis. Facing reality now will require sacrifice on the part of everyone as well as bipartisanship and cooperation between business and labor. It will call, finally, for leaders who are willing to make it plain that if we are not capable of exercising restraint in our financial expectations, we will find ourselves in great danger.

TODAY IS A SAD DAY IN THE DECAY OF AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 5 minutes.

Mr. GINGRICH. Mr. Speaker, I just want to comment briefly that today is a sad day in the decay of America. I think the votes on the floor and the testimony in the committee continue to paint a picture of an America in retreat and an American withdrawal both from reality and from a dangerous world.

It was fascinating to watch the Iran Committee's counsel today as he could not quite get through his head that if you were going to have a covert operation, it was probably secret, and if it was a secret operation, you were probably going to lie about it, a fascinating concept when you consider that Dwight Eisenhower, George Marshall, Franklin Roosevelt, Harry Truman, all knew about the ultra secret of World War II when they broke the German code and all went to their graves having never publicly admitted to it; yet the counsel for the Congress could not seem to understand that by definition in a dangerous world there are times you protect your friends and you protect your allies and there are times when you do not tell the truth, if in fact it will cost human lives and it will break up your alliances, it will embarrass those who try to help America.

Then we had the chairman of the Iran Committee explicitly misinform the American people, claiming there had been no leaks by congressional committees of secrets, which is just plain not so.

The fact is this Congress has leaked official secrets. The fact is that Mr. Casey came down from the Central Intelligence Agency and complained about leaks from this Congress, and the fact is there are good reasons why intelligence agents around the world distrust the U.S. Government and do not believe the Congress and the American press can keep their mouths shut.

Then we learned that the U.S. Government cannot protect a White House staffer's family from an explicit confirmed threat by a terrorist and the argument was with the man protecting his wife and daughters, not with a policy which insanely says that if you serve America and a terrorist killed you, we will have an investigation later, but we cannot legally do anything to protect you.

And finally, it was a bit much, given that as recently as last Thursday a leading Member of the House admitted he had been wrong on $25,000 in illegal campaign expenditures. He was sending a check to pay for them and he apologized to the House.

It is a little bit disturbing to see Members of the House and the Senate worry about the ethics of a marine lieutenant colonel, when in fact I would suggest that most Americans would believe that it is the politicians far more than the uniformed military who need to clean up their ethics and it is the ethics of Congress far more than the ethics of the National Security Council that need investigation.

Then on this floor we voted once again to cut and run. We voted once again to send a signal that if you are in trouble somewhere in the world, do not turn to America for help, because after the first newspaper headline, the U.S. Congress will vote to retreat.

So once again we sent the signal to the Soviets, to terrorists and to the world, that if you want a reliable ally, do not look to the U.S. Congress, because in this Congress you may find judgment, you may find investigations, you may find resolutions, but you will not necessarily find courage and you certainly will not find a standard of commitment to freedom.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

[Mr. ANNUNZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

THE LESSON OF LEBANON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mr. BROWN] is recognized for 5 minutes.

Mr. BROWN of Colorado. Mr. Speaker, this evening we have completed work on a measure that involved the question of reflagging American vessels in the Persian Gulf. That debate was a stimulating debate involving some important questions for our country.

Now, I rise this evening because I think there are some important points that unfortunately were not covered in the debate, or if they were, were misleading; but let me be specific.

In the course of the debate, Lebanon was mentioned by several of the speakers. I asked both of those speakers to yield, and unfortunately they were unable to because of time constraints to yield on that point.

But the lesson of Lebanon, I believe, was not fully repeated or demonstrated. And what is that lesson? Let us take a look at the CONGRESSIONAL RECORD.

On November 2, we voted in this House to suspend funding on troops that we had voted to send in the field, and that is right.

On September 28, 1983, this House of Representatives voted on House Joint Resolution 364, on a vote of 270 to 160 to approve sending troops to Lebanon. This House voted to send those troops, or approved the sending of those troops. The ironic portion is that after the tragic events in Lebanon, this same House turned around several months later and a significant portion of this House voted to cut off funds for troops in the field.

Let me be specific. We had Members of this House vote to send troops to Lebanon and then some of those same Members turned around a few months later, after having voted to send the troops there, and voted to cut off funds to support those same troops in the field. That is an important lesson, because it is not only the lesson of Lebanon, but it is the lesson of Vietnam and it is also the lesson, I believe, of the Persian Gulf.

The question of the Persian Gulf is not should this country ever make commitments abroad. Obviously, we have a role to play. We have a responsibility to fulfill. The question is not that.

The question, I believe revolves around America's own resolve. I did not vote to reflag vessels in the Persian Gulf. I did not vote there because we do not have an interest. We do have an interest. I did not vote because I am afraid for America to stand up for what it believes. I think we should.

I was constrained to vote against it because I must say that we do not have the resolve in this body to defend those American soldiers and sailors that we put in harm's way.

I think it is morally wrong for this Nation to commit troops to the field and then pull out on them. If a cause is worth fighting for and losing American lives for, it is worth the politicians of America standing up and backing up those people.

The tragic lesson of Lebanon was not as was repeated in the debate on the floor tonight, that we should not make commitments abroad. The tragic lesson of Lebanon is in this House itself where Members will vote to commit American troops and then vote to pull out the funds for troops in the field. That is what is wrong with Lebanon and that is what is wrong with the commitments in the Persian Gulf.

But let us be perfectly clear. It is not a failing of American troops. It is not a failing of the American electorate. It is a failing of this House in its willingness and its resolve to support Americans once they put them in uniform and once they put them in harm's way.

I think that point needs to be made, because this country is strong and powerful and able. What we lack is the resolve to stand behind it.

I, for one, thought it was a mistake to place American troops in a position where we neither had the ability nor the resolve to protect them, but I hope the day never comes when this House is unwilling to stand up and back the troops that it asks to sacrifice their lives for this Nation.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DANNEMEYER] is recognized for 60 minutes.

[Mr. DANNEMEYER addressed the House. His remarks will appear hereafter in the Extensions of remarks.]

CENTRAL AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS of Utah. Mr. Speaker, I would like to make a brief statement today on Central America because I think that there is a unique window of opportunity right now for this country to start again to construct a road to peace in that region.

As part of this effort, 2 weeks ago the gentleman from Michigan, Mr. CROCKETT, chairman of the Foreign Affairs Subcommittee on Western Hemisphere Affairs, and I introduced House Concurrent Resolution 146 to applaud the Arias peace initiative. This resolution is similar to that passed by the Senate on March 12, 1987, by a nearly unanimous vote of 97-1. Hearings on our resolution will be held tomorrow and next week. The timing of this resolution of support, even more than its wording, is significant, because of the postponement 2 weeks ago of the Central American Summit and the general assumption that the Arias initiative appears to be faltering.

Empty words of support for that vital effort to end armed conflict in Central America are not enough; we must put some substance behind our rhetoric so that other nations in the world understand that we are sincere in supporting efforts toward peace. We must reevaluate our policies in Central America and ask ourselves whether they are furthering peace, or war; do we truly desire a negotiated settlement, or does this country really prefer a military solution?

Construction of this road to peace will never begin unless the United States is willing to stop military aid to the Nicaraguan Contras. It is time to realize that our policies in Central America have helped the Sandinistas more than they have hurt them, and have hurt this country more than they have helped in reaching our objectives.

At first, we were told that aid to the Contras was designed to stop arms shipments going from Nicaragua to the rebels in El Salvador; but, when the Nicaraguans reduced aid to the Salvadoran rebels in early 1981, the administration responded that the revised objectives were to place pressure on the Sandinistas for a negotiated settlement. That remains the official goal, as I understand it. As time went on, however, it became apparent that the purpose in aiding the Contras was really to overthrow the Sandinista government. In fact, President Reagan, with uncharacteristic candor in an interview last August stated, "If Nicaragua won't see the light * * * then the only alternative is for the freedom fighters to have their way and take over," which the President's spokesman subsequently called "an ultimate goal."

But it has become more and more apparent, with the passage of time, that this war is unwinnable by the Contras and most everybody agrees that this is true. The Presidents of all four Central American democracies have so stated, in my presence.

The question I would like answered is how sincere is the administration in its officially stated goal to assist in a negotiated settlement? Former Ambassador to Honduras, John Ferch, a long time backer of the administration's policies in Nicaragua stated last year, "I always thought we meant what we said. We wanted pressures so we could negotiate. I'm beginning to think I accepted something that wasn't true * * * our goal is something different. It's a military goal."

Where has our Contra policy led us? Have we stopped arms shipments to the Salvadoran rebels? Has the Sandinista government been overthrown? Has it become more humane? Has our "bargaining chip" helped to achieve peace? Have the Contras, with our support, won any military objective? The answer is no! In fact, our policies have almost certainly had the reverse effect.

To gain perspective here, it is important to recall that the United States stands alone in the world in militarily supporting the Contras; in fact, none of our allies even agrees with our policy. That fact alone should cause us to question its correctness—this policy which has led us to violate international law and to ignore the international justice system. Why is it, Mr. Speaker, that we have not learned from our experience in Vietnam, that ambivalent American unilateral efforts at military solutions are doomed to failure?

One must question the morality of our continued support of the Contras. During my 4-day trip last February to the region, Costa Rican President Oscar Arias Sanchez asked our congressional delegation this key question, "If the Contras have no chance of winning, then, is it not immoral to give them aid to carry on their fight? Isn't it immoral to send men to Nicaragua to kill and be killed in an unwinnable war?" That is the question that I kept asking myself as I talked with the 15-year-old Contra revolutionary in Honduras. He was certain, this boy soldier, that with American support, his life was not in danger and they would throw the Sandinistas out. This young guerrilla fighter, a mere boy, and I emphasize mere, genuinely believed that his rag tag group of, at most, 17,000 Contras could defeat the 62,000 man Sandinista army. Yet, the Contras do not have the apparent support of the Nicaraguan countryside; they have not won the hearts and the minds of the Nicaraguan people, nevertheless, these men, these good basically decent, naive peasant fighting troops, were convinced they could win the war because of one thing: their powerful northern Yankee neighbor was on their side!

One must further question the morality, or more appropriately the immorality, of recent CIA actions. Newspapers in March reported that the CIA was providing the Contras with precise information on dams, bridges, electrical substations and ports, and counseling them in sabotage methods; so that the Contras could destroy those vital facilities. Imagine that. The very projects constructed in the 1960's and 1970's by a benevolent, well-intentioned American Army Corps of Engineers to help these impoverished people provide for their food and water and electricity needs, these same projects are now, 10 years later, to be destroyed, sacrificed to help politically destabilize that region of Nicaragua; all this under the direction of the same American Government that built them in the first place.

Do you think the Nicaraguan peasants understand that maneuver? Can any defensible American goal be furthered by that course of action? Reason and Justice are turned upside down. "Judgement," William Shakespeare quotes Mark Antony as saying millenia ago: "Oh Judgement! Thou art fled to brutish beasts and men have lost their reason."

In January 1983, Columbia, Mexico, Panama, and Venezuela met on the island of Contadora in Panama to begin to build a foundation toward peace. As international support for the Contadora initiative grew, the United States consistently showed support for the process, while warning that Nicaragua would never agree. As final drafts were distributed, we learned that the Nicaraguan Government was, in fact, ready to sign. And just as suddenly, the U.S. support for the Contadoran initiative disappeared and American diplomats methodically began to undermine this balanced plan for peace.

The Reagan administration, in 1985 and 1986, in fact, conducted a secret campaign in Latin America to scuttle the Contadora peace talks. A number of carefully documented news stories and thoughtful articles, including a secret National Security Council paper published by the Washington Post, provide strong evidence of that point. The administration had misled the public, and Congress, into believing it supported Contadora's efforts at peace while secretly blocking the peace initiative. The administration was successful; talks have been totally stalled since June of last year.

Last February, a new, shortened set of proposed principles for a settlement of armed conflicts in Central America was proposed to a Central American Summit Conference by Costa Rican President Arias. Leaders of Central America's four democracies made positive steps toward agreeing on that formula for peace. While they did not agree on the specific plan, they did sign the preamble, as a sign of support and agreed to meet in Esquipulas, Guatemala, 4 months later. Nicaragua, which was not invited to the February meeting, accepted an invitation to meet in June. Astoundingly, the political leadership of the Nicaraguan Contras themselves supported the Arias initiative.

The United States indicated an initial interest, and still publicly expresses limited support; but increasingly has given the impression that it is interfering and trying to stall the Central American peace efforts.

Two weeks ago, for example, which was 1 week before the scheduled summit and 1 day after United States Ambassador Phillip Habib's visit to El Salvador, President Duarte asked to postpone the planned summit. Just a few days later, the administration summoned President Arias to Washington, and sharply criticized his proposal.

President Arias and his fellow Central American Presidents have, all along, been paving the way toward peace, taking the lead after the United States effectively stalled the Contadora talks. Now, these leaders appear a little discouraged. I think we should be applauding and encouraging their efforts toward a negotiated settlement—not blocking them. We should let the Central American nations determine their own destiny. So long as our own security is not threatened, we have no moral right to interfere with that process.

The administration has criticized the Arias proposal as being too lenient on the Sandinistas; the administration fears that if United States aid to the Contras stops, the Nicaraguan Government will not implement democratic reforms, notwithstanding the terms of the settlement. Yet, let me point out that the civil war with the Contras, and America's support to the Contras, are the sole excuses that the Nicaraguan Government had used to justify suppressing basic democratic rights.

And no one should pretend, in my view, that the Sandinista government is genuinely less dictatorial nor substantively more democratic than its predecessor. Though many Americans will not agree with me on that point, genuine abuses by both sides are abundantly documented. Do you think that the Nicaraguan peasant who is subjected to inhumane treatment by the Sandinista government, and remembers comparable atrocities by the Somozan government, while today witnessing similar Contra abuses, genuinely cares who wins the fight? Will he prefer an authoritarian government of the political right, to one of the political left?

Through the Arias plan, withdrawal of United States aid to the Contras will put the Nicaraguan Government to the test; we will find out if it is sincere about bringing about these democratic reforms. If it does not abide by the agreement, the United States gives up none of its present options, including the military ones. The Contras will continue their struggle, at least initially. They survived for years without American assistance. We will, also, then, be joined by the rest of the free world in pressuring the Nicaraguan Government to abide by the agreement's terms. This is much to be preferred to our current position of opposing the rest of the world in militarily assisting the Contras.

There are no ideal options in Central America. There are only gradations of unappealing choices. The Arias plan, in my opinion, is not perfect. While it would require democratic reforms and arms reductions, it does not contain the stronger provision of the Contadora principles requiring the withdrawal of Soviet Union assistance from Nicaragua nor Contra participation in the negotiating process. I wish it did. But we must realize that the failure of the Contadora process changed the negotiating landscape in Central America. The Arias plan is the first step, and only apparent hope, for a negotiated settlement of the armed conflict. If the Sandinista government does not implement the Arias provisions of arms reductions, democratic reforms and an end to the armed conflict in Nicaragua, they will be exposed before the world as liars, isolated by free world public opinion and pressure will increase for compliance. The imperative now is to bring the Central American nations to the negotiating table, and the Arias initiative is the stimulus to start that peace process.

Mr. Speaker, will this country support a negotiated settlement to the armed conflicts in Nicaragua and Central America, or will we continue to seek a military solution? I am confident that the Congress will insist on the peace process of negotiation among the Central American parties themselves.

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Mr. SLATTERY. Mr. Speaker, will the gentleman yield?

Mr. OWENS of Utah. I am delighted to yield to my colleague from Kansas.

Mr. SLATTERY. Mr. Speaker, I thank the gentleman for yielding. I would like to just commend the gentleman from Utah for requesting this time to discuss very briefly the situation in Central America, and specifically the peace plan that President Arias has put forth regarding the war in Nicaragua.

I share with the gentleman his view that this country has a historic opportunity to resolve the problems in Central America in a peaceful fashion, and I hope that this administration will seize this opportunity, because I am fearful that if it does not, and if it in fact bobbles the ball in this situation, the history will be very bleak as it is written in years to come about the next few years in Central America.

I think it is important for us to recall that at this particular time the Nicaraguan Government has made it clear to just about every Member of Congress that has been in Nicaragua that they have said that they are prepared to lift the state of emergency when the war ends, and that they are prepared to expel all foreign military advisers and limit the size of their military, and they have promised that they would never use their land for foreign military bases, and they are prepared to give amnesty to the Contras and give us on-site verification.

There are many of us who question whether the Nicaraguan Government will in fact do what they have said they are prepared to do, and I certainly have serious concerns and reservations about whether they will do these things or not. But what I do believe is that it is important for this country at this time, before we pursue military options, to call the Nicaraguan Government's hand and to determine whether in fact they are prepared to do the things they have said they will do.

Earlier this year, as the gentleman from Utah may know, 110 other Members joined me in sending a letter to the President, and in that letter we urged the President to support the concept of a cease-fire that would be coupled with a halt in outside military assistance to both the Contras and to the Sandinista government. And during a 90-day cease-fire we were urging two sets of negotiations to take place. First of all, the Sandinistas would negotiate with the internal political parties who would represent the Contras at the table, and with this scheme of things we were hoping to avoid the problem that has been expressed in the past where the Sandinistas have utterly refused to negotiate with the Contras. The idea was to have the internal political parties who represent the Contras at the negotiating table. And also during this ceasefire the United States Government would negotiate with the Nicaraguan Government to resolve what I call the issues affecting our national security, and during the cease-fire these two sets of negotiations would be going on, and hopefully we would come to a resolution of the problem facing both of our countries at this particular time.

This plan was endorsed by the Contra leadership at the time. Mr. Robelo, Mr. Cruz, and Mr. Calero all endorsed this concept that was outlined in the letter that was sent to the President in March of this year. The letter, as I indicated, was signed by 111 Members of Congress of both political parties, both opponents and supporters of the Contras, and we were all urging the President to move in this direction.

I would strongly urge the President at this time to respond to the letter and tell us in what direction the administration is headed, and when we can expect some response to the letter, and at least outline with some degree of specificity exactly where the administration is headed. I hope that the President will seize this opportunity now when Contra aid has been flowing to utilize this time when theoretically pressure has been imposed on the Sandinista government to negotiate; and as far as I am concerned before we have the moral foundation to pursue a military solution to the problem in Central America we must exhaust our democratic remedies, and we must make it clear to the world that the U.S. Government supports freedom, democracy, peace and economic growth in Nicaragua and all of Central America.

I think we have the opportunity to do that, and the ball I think is clearly in the court of the administration in terms of being able to determine whether the Nicaraguan Government is serious in what they have said they are willing to do. After we get an answer to that very basic question, then I think this body and the administration will be in a sounder situation, on a sounder foundation to proceed with whatever other options might be available at that time. But it seems to me that there is some degree of confusion at this time within the administration in terms of exactly what proposals they are prepared to put on the table.

Time is running out. I just hope that in the next few weeks we will be hearing from the President in response to our letter. I hope that that response will contain a bold initiative that will in effect challenge the Sandinistas and ask them to put up or shut up.

I think it is important for us to make clear to the world that this country stands for peace in Central America and in Nicaragua, and the best way to do that is to call the Nicaraguans' hands. Are they really willing to lift the state of emergency and allow La Prensa and Radio Catholica to go back on the air? Are they willing to set a schedule for elections? Are they willing to expel Soviet forces and Cuban military advisers and limit the size of their military and give us onsite verification? These are the things they have said they are willing to do, and yet we have failed at this point in this history of this conflict to really call their hand on that.

Again, I just believe that we lack the moral foundation until we have done that to pursue a military solution to these problems.

So I thank the gentleman for getting this period of time and again I urge the President and the administration to respond as quickly as possible to the letter that 111 of us have signed and sent to him. I thank the gentleman for his indulgence.

Mr. OWENS of Utah. I am delighted to have yielded to my friend from Kansas. I recall when he led that effort to write the letter and 110 of us joined with him to the President to which he made reference. I remember being impressed by the statement the gentleman from Kansas made, until we have exhausted the negotiation process, you said, though you said it better than I will say it, until we have exhausted the negotiation process, we have no moral standing to pursue a military solution. I agreed with the gentleman then and I of course agree with him tonight.

Mr. BONIOR of Michigan. Mr. Speaker, will the gentleman yield?

Mr. OWENS of Utah. I am delighted to yield to my distinguished leader, the gentleman from Michigan [Mr. BONIOR], who led the delegation to Central America which it was my honor to be a part of in February.

Mr. BONIOR of Michigan. Mr. Speaker, I thank my colleague and appreciate his taking the time to talk about this very important proposal and his leadership on this issue. I would also want to mention before my colleague from Kansas leaves the floor that I want to express my appreciation for his leadership on the Arias proposal. I know he has taken this to heart probably as well as and closer than any other Member of this body, and has devoted a lot of time and effort, and to that extent we are all appreciative.

Mr. Speaker, I would like to focus in on the Arias proposal, because I think it is critical and important to what happens in this body, and particularly in Central America in the coming months.

The United States really stands at a threshold in Central America. We can continue down the path toward war, as this administration has been bent upon doing over the last 6½ years, or we can turn toward peace.

In the words of President Arias of Costa Rica, "Peace is demanding its time." Building on the objectives of the Contadora group, President Arias has introduced a plan that was outlined by my colleague from Utah and others for Central America that I think is reasonable, is workable, and is indeed possible.

His plan is a shrewd compromise between the security needs of the United States and those of Nicaragua. Its 10 points address simply and directly a welter of complex problems that have stalled similar efforts.

Under the Arias plan, the five nations of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, would agree to:

First, grant amnesty in 60 days for all political crimes, and establish a dialog with unarmed opposition groups;

Second, implement a ceasefire;

Third, grant full press and political party freedom within 60 days, which I think is critically important and my friends from Utah and Kansas just dwelt upon;

Fourth, hold free elections under the supervision of the Organization of American States;

Fifth, it would suspend military aid from all outside parties to the Contras and other guerrilla groups;

Sixth, prohibit the use of their territory for Contra or other guerrilla attacks;

Seventh, initiate in 60 days the scaling down of armies in proportion to each country's population and GNP. That is important and worth noting since Nicaragua's army is the biggest, and its population and GNP among the smallest in Central America, it would be affected the most;

Eighth, it would permit all necessary verification facilities in the five countries and obviously Nicaragua would be a big part of that;

Ninth, it would meet again within 6 months to evaluate progress;

Tenth, form a harmonic and indivisible whole within the region itself.

In this 10-point plan Arias has achieved the basis of a true negotiation: A precise splitting of the difference between the positions of the two sides. And I might add, the positions that presently plague both sides trying to resolve the conflicts in Salvador and Guatemala.

What has been the administration's reaction to this plan? My friend from Kansas has been patient with the administration, I think it is fair to say, and to this point the plan has received a cold shoulder. It seems the two track strategy of aiding the Contras and pursuing negotiations has been derailed in favor of a military solution only.

On May 3, 1987, President Reagan stated in a speech on Ellis Island that he would lend, "full support to any negotiations that can build democracy throughout Central America without further bloodshed."

The Ellis Island speech was the latest installment by the White House shovel brigade. For 3 years, the administration has talked a good line in support of peace in Central America but in fact has done everything it could to undermine that process.

I will remind my friends and colleagues that in November 1984, shortly after Nicaragua signed the Contadora treaty, and they signed it, the administration pulled the rug from underneath the whole treaty process. And they did it ironically, 2 days before the national elections in this country in 1984 when little press attention was focused on that important act.

To just go on with the history, briefly in 1985 and 1986 while publicly espousing support for the Contadora negotiations, again the administration was secretly waging a compaign of threats and intimidation against the very nations that were trying to bring a peaceful settlement to the region, Costa Rica, Argentina, Mexico, and Panama.

According to classified documents and interviews with United States and foreign officials as reported already in the Philadelphia Inquirer by Alponse Chardy, one of the better reporters on this issue who works for the Knight Rider chain, it was reported on May 10 in the Philadelphia Inquirer that the administration's efforts to kill the Contadora process included these things:

A cutoff of aid to Panama as a result of support for Contadora.

An attempt to support secondly a conservative opposition party in Mexico after the Mexican Government supported the peace talks.

Third, the administration felt this about secret talks with the Honduran military, they said if the secret talks continued, then President Roberto Suazo, who blocked Contadora aid shipments in 1985, could expect political problems.

Fourth, secret support for a conservative Presidential candidate in Costa Rica who United States officials hoped would support the Contras.

And who were the administration officials involved in waging this campaign with our allies in Costa Rica, Panama and Mexico? They were the same people who we are seeing on television this week and we have seen last week in the Contra hearings: Poindexter, who we will be seeing next week, North and Abrams, the very same who now stand accused before this Nation, who have involved themselves in committing acts above the law, shredding documents, standing in contempt of this Congress, and most importantly in this 200th year of our celebration of our Constitution, standing in contempt of the Constitution itself.

I think we must ask ourselves whether the administration has learned any lessons from the Contra and Iran affairs.

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Has any true change occurred in the administration's attitude toward negotiations? I think if we will examine the record over the past 7 years, overwhelmingly the answer to those questions is "no." Shortly after President Reagan's Ellis Island speech, special envoy Phillip Habib traveled to Central America to meet with the heads of state. My colleague from Utah alluded to this. That meeting included the President of El Salvador, President Duarte. In mid-June, President Duarte announced that preparatory meetings among the region's foreign ministers to discuss the Arias peace initiative had been indefinitely postponed. Though American and Salvadoran officials both deny the charge, the timing of the Duarte request left a very strong suspicion that Habib's influence had been directly felt in making Duarte's decision.

The following week, President Arias came to the United States, had a frank, very heated, I understand, and interesting exchange with President Reagan and his advisers about U.S. support for his peace initiative, that is President Arias' peace initiative.

His message was that peace in Central America is dead unless Congress stops further aid to the Contras.

At a meeting at the White House on June 17, President Reagan told Arias he had serious reservations about his plan, claiming it was too lenient toward Nicaragua's Government.

The administration's rhetoric for peace has been much stronger than its record; despite all evidence to the contrary President Reagan still declares he is interested in peace. Yet we have just heard from the gentleman from Kansas that his letter signed by 111 Members of this body has for such a long time gone unanswered, unheeded and not responded to in a responsible way; not responded to at all.

We have only seen I think the tip of the iceberg in regard to the administration's claim in support for peace for Central America.

Every time just before we get ready to vote on a Contra proposal, for the 6 years that I have been working on this issue, the administration trots up some proposal, some hope of peace. Yet it seems to collapse the day after we vote, the day after Congress makes its decision.

And I think you can bet your bottom dollar we will hear nothing but talk about peace from this administration between now and when the vote occurs in late September.

The record shows that the administration is not sincere about pursuing its second track of a negotiated political settlement in Central America. The administration does not want the Arias plan to succeed and has in fact discouraged support for it. Earlier administration statements of support for Arias had been nothing more than lip service and I hope that my colleagues will remember that when the "shovel" brigade begins again very shortly in this Congress.

The Arias proposal is a Central American proposal. The countries of Central America have the most at stake in bringing about a peaceful settlement. We should listen to what they are saying and what they are saying is "no" to Contra aid and "yes" to peace.

The United States should be encouraging dialog, not standing in its way and I hope the administration reconsiders its opposition to the Arias initiative and comes to realize it is the best hope for democracy in Nicaragua and for lasting peace in the region itself.

Let me just conclude with one final note. Sometimes in talking about this issue and its effect on America and our security interests, which should be paramount, we tend to lose sight of the terrible toll that this war and the revolution has played upon the poor people of Nicaragua itself.

You have a country of less than 3 million people and you have 40,000 of them who lost their lives in the revolution, perhaps as many as 20,000 who have lost their lives in the Contra war which we seem to be the main sponsors of. That is 62,000 lives, 62,000 lives out of a population of less than 3 million people.

What does that equate to in terms of the U.S. population, a population of over 230 million people. If we were to extrapolate those numbers that would equate to roughly 5 million Americans who have lost their lives in a war.

Now that is a lot of people. You think about it. Five million people. We lost roughly 50,000, 60,000 in World War I, the same number in the Korean war, 57,000 in Vietnam. We are talking 5 million lives.

To give you some perspective on what 5 million lives mean, if you go down the Mall here to the Vietnam Veterans Memorial there are names on that wall of 50,000 Americans. Five million names would stretch from the Lincoln Memorial to the foot of this Capitol back down to the wall again.

Now that is the terrible toll that has been taken on the people of Nicaragua by this war.

I would suggest that we not only have a national interest in resolving this for our own national security interest, for the security interest of Central America and our neighbors, but for the people who have suffered so terribly over this long and desperate period in the history of that troubled and torn country.

In conclusion, let me thank my friend and colleague from Utah who has I think done wonderful service to this body by taking out this special order and who has eloquently laid out before us the need to resolve the situation and get on with the task at hand which is peace for a region that truly needs peace.

Mr. OWENS of Utah. I thank my colleague from Michigan, the distinguished chief deputy majority whip of this Chamber. You will recall that when we visited with President Arias in his office in San Jose 4 months ago that the President plead for understanding of the Costa Rican situation, or the pressures on him, a man who has one single term, 5 years as I recall, a man driven to resolve the problems with Nicaragua, I remember he said to us: "The threat in Nicaragua is not to you," he said, "but to the weak democracies in this region. It is we," he said, "who will have to live with the consequences of these negotiations or their failure." And I sympathized with him then and I sympathize with him today. I believe he has provided the moral leadership and the intellectual ideas upon which the Central American countries can move to resolve their armed disputes. I hope that this country will not scuttle this process as it did the Contadora process, that it will in fact understand that it is their problem more than it is our problem and that they must live with it and realize that if no American ally anywhere in the world shares our policy, there might be something wrong with it. And I hope that the administration will be willing to allow the process of peace to proceed at the meeting scheduled for the end of this month in Guatemala. If it wants to, this country can scuttle that process and I hope that it will not be the President's intention so to do.

I appreciate the remarks of my distinguished friend and his leadership over many years before this Member even came to this body on this very vital issue. I express my appreciation for having had the chance to visit this area with him and to learn from that broad background.

Mr. Speaker, I yield back the balance of my time.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. McDade (at the request of Mr. Michel), for today and tomorrow, on account of illness.

Mr. Glickman (at the request of Mr. Foley), for today, on account of official business.

Mr. Rostenkowski (at the request of Mr. Foley), for today and tomorrow, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Weldon) to revise and extend their remarks and include extraneous material:)

Mr. Burton of Indiana, for 60 minutes, today.

Mr. Gingrich, for 5 minutes, today.

Mr. Gingrich, for 60 minutes, on July 9.

Mr. Gingrich, for 60 minutes, on July 10.

Mr. Brown of Colorado, for 5 minutes, today.

Mrs. Bentley, for 60 minutes, on July 13.

Mrs. Bentley, for 60 minutes, on July 14.

(The following Members (at the request of Mr. Gonzalez) to revise and extend their remarks and include extraneous material:)

Mr. Panetta, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Obey, for 60 minutes, on July 13.

Mr. Obey, for 60 minutes, on July 14.

Mr. Obey, for 60 minutes, on July 15.

Mr. Foglietta, for 60 minutes, on July 28.

Mr. Panetta, for 60 minutes, on July 13.

Mr. Stark for 60 minutes, on July 14.

Mr. Brown of California, for 60 minutes, on July 14.

Mr. Brown of California, for 60 minutes, on July 15.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks were granted to:

Mr. Cheney, immediately after the vote on the Lowry amendment to H.R. 2342 in the Committee of the Whole today.

(The following Members (at the request of Mr. Weldon) and to include extraneous matter:)

Mr. Fawell.

Mr. Boulter.

Mrs. Martin of Illinois.

Mr. Broomfield in two instances.

Mr. Gilman in four instances.

Mr. Conte.

Mr. Clinger.

Mr. Porter.

Mr. Gekas.

Mr. Gingrich.

Mr. Shumway.

Mr. Weber.

Mr. Bereuter.

Mr. Hefley.

Mr. Solomon.

Mr. Dannemeyer.

Mr. Whittaker.

Mr. Weldon.

Mr. Michel.

Mr. Dreier of California.

Mr. Roth.

(The following Members (at the request of Mr. Gonzalez) and to include extraneous matter:)

Mr. Hayes of Louisiana.

Mr. Traficant in two instances.

Mr. Montgomery.

Mr. Ford of Michigan.

Mr. Downey of New York.

Mr. Owens of New York.

Mr. Moody.

Mr. Guarini.

Mr. Hall of Ohio.

Mr. Dymally.

Mr. Hamilton.

Mr. BONIOR of Michigan in two instances.

Mr. ROYBAL.

Mr. PANETTA.

Mr. RANGEL.

Mr. BERMAN.

Mr. CARR.

Mr. HOWARD.

Mr. DANIEL.

Mr. CAMPBELL.

Mr. SHARP in three instances.

Mr. GARCIA.

Mr. OBERSTAR.

Mr. ANTHONY.

Mr. MARTINEZ.

Mr. MILLER of California.

Mr. WEISS.

Mr. PEASE.

Mr. DYSON.

Ms. KAPTUR.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1827. An act making supplementary appropriations for the fiscal year ending September 30, 1987, and for other purposes.

ADJOURNMENT

Mr. OWENS of Utah. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 6 minutes p.m.), the House adjourned until tomorrow, Thursday, July 9, 1987, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1707. A letter from the Director of Communications and Legislative Affairs, Equal Employment Opportunity Commission, transmitting the Commission's 19th annual report on its accomplishments and activities for fiscal year 1984, pursuant to 42 U.S.C. 2000e-4(e); to the Committee on Education and Labor.

1708. A letter from the Secretary of Energy, transmitting the annual report summarizing and analyzing progress by State authorities and nonregulated utilities in complying with requirements related to their consideration of 11 ratemaking and regulatory policy standards, pursuant to Public Law 95-617, sections 116 and 309(b); to the Committee on Energy and Commerce.

1709. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notice of a proposed license for the export of major defense equipment sold commercially under a contract to the Government of Singapore, pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

1710. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting political contributions for Roscoe Seldon Suddarth, of Maryland, designate to the Hashemite Kingdom of Jordon, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1711. A letter from the Secretary of State, transmitting the thirty-fifth report on the extent and disposition of financial contributions by the United States to international organizations in which U.S. participates as a member, pursuant to 22 U.S.C. 262a; to the Committee on Foreign Affairs.

1712. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of the Department's new Federal record systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1713. A letter from the Chief Administrative Officer, Postal Rate Commission, transmitting the 1986 annual report of the Commission's activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1714. A letter from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1715. A letter from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1716. A letter from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1717. A letter from the Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting the 1986 annual report of the activities and operations of the Public Integrity Section, Criminal Division, pursuant to 28 U.S.C. 529; to the Committee on the Judiciary.

1718. A letter from the Assistant Attorney General for Intergovernmental Affairs, transmitting the Department's program for debt collection through the retention of private counsel, pursuant to Public Law 99-578,) 4; to the Committee on the Judiciary.

1719. A letter from the Executive Secretary, Department of Defense, transmitting a report on Department of Defense Procurement from Small and Other Business Firms for October 1986 through March 1987, pursuant to 15 U.S.C. 639(d); to the Committee on Small Business.

1720. A letter from the Acting Director, United States Information Agency, transmitting proposed language to amend the Cultural Property Implementation Act, pursuant to Public Law 97-446, section 306(f)(6); to the Committee on Ways and Means.

1721. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to enable the Secretary of Health and Human Services to fund a program to demonstrate innovative methods to address the problem of high infant mortality among the Medicaid-eligible population, and other high-risk groups, through case-managed, comprehensive services, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. A report on the FDA's regulation of the new drug Merital (Rept. 100-206). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALL of Ohio: Committee on Rules. House Resolution 220, Resolution providing for the consideration of H.R. 2782, a bill to authorize appropriations to the National Aeronautics and Space Administration for research and development; space flight, control and data communications; construction of facilities; and research and program management; and for other purposes (Rept. 100-207). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON:

H.R. 2893. A bill to reauthorize the Fishermen's Protective Act; to the Committee on Merchant Marine and Fisheries.

By Mr. DANNEMEYER:

H.R. 2894. A bill to terminate the application of certain provisions relating to the McColl Site in Fullerton, CA; to the Committee on Energy and Commerce.

By Mr. DICKINSON (for himself, Mr. ARMEY, Mr. BADHAM, Mr. BALLENGER, Mr. BARNARD, Mr. BLILEY, Mr. CHENEY, Mr. COBLE, Mr. CRANE, Mr. DANIEL, Mr. DANNEMEYER, Mr. DELAY, Mr. DORNAN of California, Mr. DREIER of California, Mr. FAWELL, Mr. GUNDERSON, Mr. HANSEN, Mr. HYDE, Mr. INHOFE, Mr. MARLENEE, Mrs. MEYERS of Kansas, Mr. NIELSON of Utah, Mr. PORTER, Mr. SCHULZE, Mr. SHUMWAY, Mr. SPENCE, and Mrs. VUCANOVICH):

H.R. 2895. A bill to amend the Federal Election Campaign Act with respect to contributions and expenditures by national banks, corporations, and labor unions; to the Committee on House Administration.

By Mr. LOTT:

H.R. 2896. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to increase the benefit payable with respect to the death of public safety officers; to the Committee on the Judiciary.

By Mr. THOMAS A. LUKEN (for himself, Mr. WHITTAKER, Mr. DINGELL, Mr. FLORIO, Mr. SLATTERY, Mr. SIKORSKI, Mr. COOPER, Mr. TAUKE, and Mr. CALLAHAN):

H.R. 2897. A bill to amend the Federal Trade Commission Act to extend the authorization of appropriations in such Act, and for other purposes; to the Committee on Energy and Commerce.

By Mr. PEPPER:

H.R. 2898. A bill to amend title 18, United States Code, to provide civil and criminal forfeitures for mail and wire fraud, and to compensate victims of those offenses; to the Committee on the Judiciary.

By Mrs. SAIKI:

H.R. 2899. A bill to amend the Internal Revenue Code of 1986 to provide that the value of certain ground leases will not be taken into account in determining acquisition cost for purposes of the mortgage revenue bond rules, and for other purposes; to the Committee on Ways and Means.

By Mr. SOLOMON:

H.R. 2900. A bill to amend title 39, United States Code, to require that new employees of the U.S. Postal Service have complied with Selective Service registration requirements; to the Committee on Post Office and Civil Service.

By Mrs. VUCANOVICH (for herself and Mr. Shumway):

H.R. 2901. A bill to grant the consent of the Congress to the Tahoe Regional Planning Compact, as amended by the States of Nevada and California; to the Committee on the Judiciary.

By Mr. CLAY (for himself, Mr. Ford of Michigan, Mr. Dymally, and Mr. Guarini):

H.J. Res. 331. Joint resolution designating October 1987 as "National Cosmetology Month"; to the Committee on Post Office and Civil Service.

By Mr. HEFLEY (for himself and Mr. Wyden):

H.J. Res. 332. Joint resolution designating the week of February 21 to February 27, 1988, as "National Visiting Nurse Associations Week"; to the Committee on Post Office and Civil Service.

By Mr. PANETTA:

H.J. Res. 333. Joint resolution to authorize and request the President to designate the week beginning April 10, 1988, as "National Week of the American Taxpayer"; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

151. By the SPEAKER: Memorial of the House of Delegates, Second Olbiil Era Kelulau, Republic of Palau, relative to the payment of War Claim awards to Micronesian Claimants; to the Committee on Appropriations.

152. Also, memorial of the Legislature of the State of Nevada, relative to 474th Tactical Fighter Wing at Nellis Air Force Base; to the Committee on Armed Services.

153. Also, memorial of the Senate of the State of Louisiana, relative to funding for new programs for handicapped infants, toddlers, and preschoolers; to the Committee on Education and Labor.

154. Also, memorial of the Legislature of the State of Nevada, relative to 26th amendment to the U.S. Constitution; to the Committee on the Judiciary.

155. Also, memorial of the Assembly of the State of California relative to Filipino veterans; to the Committee on the Judiciary.

156. Also, memorial of the Legislature of the State of Nevada, relative to high-level radioactive waste; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

157. Also, memorial of the Legislature of the State of Nevada, relative to gaming on Indian land; jointly, to the Committees on the Judiciary and Interior and Insular Affairs.

158. Also, memorial of the Senate of the State of Louisiana, relative to the coastal plain of the Arctic National Wildlife Refuge; jointly, to the Committees on Merchant Marine and Fisheries and Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOEHLERT:

H.R. 2902. A bill for the relief of Nancy L. Brady; to the Committee on the Judiciary.

By Mrs. MORELLA:

H.R. 2903. A bill for the relief of Shelton Anthony Smith; to the Committee on the Judiciary.

By Mr. NAGLE:

H.R. 2904. A bill to extend the patent numbered 3,408,747 for a period of 10 years; to the Committee on the Judiciary.

By Mr. OLIN:

H.R. 2905. A bill for the relief of Reverend Carl T. Tinsley and Yvonne P. Tinsley; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 45: Mr. Darden.

H.R. 107: Mr. Bliley.

H.R. 192: Mr. Vento.

H.R. 345: Mr. Edwards of Oklahoma.

H.R. 442: Ms. Pelosi and Mr. Valentine.

H.R. 457: Mr. Coelho.

H.R. 469: Mr. Rinaldo.

H.R. 474: Mr. Lewis of Georgia.

H.R. 514: Mr. Cardin and Mr. Matsui.

H.R. 544: Mr. Feighan and Mr. Craig.

H.R. 592: Mr. Johnson of South Dakota, Mr. Flippo, and Mr. Carr.

H.R. 618: Mr. Hammerschmidt, Mr. Swift, and Mr. Gordon.

H.R. 627: Mr. Martinez.

H.R. 709: Mr. Yates.

H.R. 722: Mr. Gilman.

H.R. 755: Mr. Kolter.

H.R. 792: Mr. Combest, Mr. Craig, and Mr. Jacobs.

H.R. 901: Mr. Morrison of Connecticut.

H.R. 931: Mr. Gray of Illinois and Mr. Rinaldo.

H.R. 933: Mr. Johnson of South Dakota and Mr. Foglietta.

H.R. 936: Mr. Duncan.

H.R. 940: Mrs. Boggs, Mr. Mrazek, Mr. Solarz, and Mr. Roe.

H.R. 956: Mr. MacKay.

H.R. 1087: Mr. Duncan.

H.R. 1212: Mr. Wilson and Mr. Ford of Tennessee.

H.R. 1228: Mr. Price of North Carolina, Mr. Andrews, Mr. Rowland of Georgia, Mr. Nelson of Florida, Mr. Badham, Mr. Wise, Mr. Martinez, Mr. LaFalce, Mr. Davis of Michigan, Mr. Valentine, Mr. Buechner, Mr. Owens of Utah, Mr. Lewis of Georgia, Mr. Stump, Mrs. Morella, Mr. Feighan, Mr. Chandler, Mr. Coats, Mr. Lewis of Florida, Mr. Jontz, Mr. Combest, Mr. Smith of New Hampshire, Mr. de Lugo, Mr. Rogers, Mr. Bilbray, Mr. Weldon, Mr. McCurdy, Mr. Rowland of Connecticut, Mr. Shumway, Mrs. Meyers of Kansas, Mr. Stokes, and Mr. Rhodes.

H.R. 1278: Mr. Duncan, Mr. Emerson, Mr. Craig, and Mr. Kolbe.

H.R. 1307: Mr. Downey of New York, Mr. Levin of Michigan, Mr. Beilenson, Ms. Kaptur, Mr. Porter, Mr. Atkins, Mrs. Bentley, Mr. Martinez, Mr. Horton, and Mr. Frenzel.

H.R. 1308: Mr. Savage, Mr. Atkins, and Mr. Aspin.

H.R. 1337: Mr. Hyde, Mr. McGrath, and Mr. Neal.

H.R. 1417: Mr. Bereuter, Mr. Lowry of Washington, Mr. Udall, Mr. Robinson, Mr. Garcia, Mr. Ackerman, Mr. Bryant, Mr. Panetta, Mr. Yates, Mr. Carper, Mr. Howard, Mr. Stokes, Mrs. Collins, Mr. Moody, Mr. Wylie, and Mr. Clarke.

H.R. 1443: Mr. Durbin and Mr. Foglietta.

H.R. 1450: Mr. Miller of Washington.

H.R. 1531: Mr. Anderson and Mrs. Saiki.

H.R. 1544: Mr. Wortley and Mr. Gunderson.

H.R. 1546: Ms. Pelosi.

H.R. 1554: Mr. Gingrich and Mr. Darden.

H.R. 1572: Mr. Holloway, Mr. Boehlert, and Mr. Foglietta.

H.R. 1660: Mr. McCollum, Mr. Frost, Ms. Kaptur, Mr. Lewis of Georgia, Mr. Emerson, Mr. Atkins, and Mr. Towns.

H.R. 1707: Mr. McMillan of North Carolina, Mr. St Germain, Mr. Weiss, Mr. English, and Mr. Fascell.

H.R. 1800: Mr. Boner of Tennessee, Mr. Brown of California, Mr. Coelho, Mr. Combest, Mr. Derrick, Mr. Dowdy of Mississippi, Mr. Espy, Mr. Glickman, Mr. Gordon, Mr. Huckaby, Mr. Johnson of South Dakota, Mr. Jontz, Mr. Kastenmeier, Mrs. Lloyd, Mr. McHugh, Mr. Morrison of Washington, Mr. Nagle, Mr. Perkins, Mr. Skelton, Mr. Spratt, Mr. Stallings, and Mr. Hayes of Louisiana.

H.R. 1810: Mr. Dorgan of North Dakota and Mr. Kildee.

H.R. 1816: Mr. Ackerman and Mr. Vento.

H.R. 1880: Mr. Edwards of Oklahoma.

H.R. 1950: Mr. Bonker, Mr. Davis of Michigan, Mr. Gilman, Mr. Hastert, Mr. Johnson of South Dakota, Mr. Jontz, Mr. Levin of Michigan, Mr. McMillen of Maryland, Mr. Natcher, Mr. Owens of Utah, Ms. Pelosi, Mr. Roberts, Mr. Rose, Mr. Russo, and Mr. Sawyer.

H.R. 1985: Mr. Bateman.

H.R. 1988: Mr. Borski, Mr. Clinger, Mr. Davis of Michigan, Mr. de Lugo, Mr. Dyson, Mr. English, Mr. Fazio, Mr. Feighan, Mr. Kasich, Mr. Levine of California, Mr. Lipinski, Mr. Lungren, Mr. McEwen, Mr. Mavroules, Mr. Montgomery, Mr. Oberstar, Mr. Owens of New York, Mr. Packard, Mr. Shumway, Mr. Towns, Mr. Upton, Mrs. Vucanovich, Mr. Walgren, Mr. Weber, and Mr. Williams.

H.R. 2125: Mr. Howard and Mr. Gilman.

H.R. 2126: Mr. Mavroules.

H.R. 2148: Mr. Weiss, Mr. Hefner, Mr. Combest, Mr. Dwyer of New Jersey, Mr. Courter, Mr. Tallon, and Mr. Rose.

H.R. 2155: Mr. Daub.

H.R. 2179: Mr. Jones of Tennessee, Mr. Tallon, Mr. Hatcher, Mr. Jontz, Mr. Evans, Mr. English, Mr. Penny, Mr. Marlenee, Mr. Stallings, Mr. Gunderson, Mr. Volkmer, Mr. McCloskey, Mr. Lightfoot, Mr. Nichols, Ms. Kaptur, Mr. Daub, Mr. Lancaster, Mr. Buechner, Mr. Watkins, and Mr. Towns.

H.R. 2237: Mr. Sunia, Mr. Lagomarsino, Mr. Towns, Mr. Scheuer, Mr. Fazio, Mr. Bevill, Mr. Bustamante, Mr. Skelton, Mr. Bateman, Mr. Tallon, Ms. Pelosi, Mr. Dornan of California, Mrs. Bentley, and Mr. Horton.

H.R. 2238: Mr. Young of Florida, Mr. Lehman of Florida, Mr. Goodling, Mrs. Johnson of Connecticut, Mrs. Smith of Nebraska, Mr. Atkins, Mr. Hefner, Mr. Leath of Texas, Mr. Sunia, Mr. Biaggi, Mr. Frenzel, Mr. Bustamante, Mr. Bartlett, Mr. Lewis of Florida, Mr. Hutto, Mr. Stangeland, Mrs. Byron, Mr. Boehlert, Mr. Neal, Mr. Bereuter, Mr. Lott, Mr. Hayes of Illinois, Mr. Sweeney, Mrs. Martin of Illinois, Mr. Badham, Mr. Taylor, Mr. Wolpe, Mr. Chappel, Mrs. Bentley, and Mr. Richardson.

H.R. 2240: Mr. Dwyer of New Jersey.

H.R. 2249: Mr. Mollohan.

H.R. 2272: Mrs. Martin of Illinois, Mr. Henry, and Mr. Inhofe.

H.R. 2273: Mr. Inhofe.

H.R. 2276: Mr. Kildee, Mr. Sunia, Mr. Garcia, Mr. Solarz, Mr. Rangel, and Mr. Crockett.

H.R. 2312: Mr. Martinez and Mr. Crockett.

H.R. 2383: Mr. Wilson, Mr. Hayes of Illinois, Ms. Pelosi, Mr. Buechner, and Mr. Wortley.

H.R. 2429: Mr. Borski, Mr. Stokes, Mr. Evans, Mr. Walgren, Mr. Buechner, and Mr. Garcia.

H.R. 2517: Mr. Studds, Mr. Ackerman, and Mr. Eckart.

H.R. 2522: Mr. Conyers, Mr. Wolpe, Mr. Brennan, Mr. Clarke, and Mr. Mavroules.

H.R. 2570: Mrs. Bentley.

H.R. 2580: Mr. Schulze.

H.R. 2619: Mr. Jacobs.

H.R. 2622: Mr. Mrazek, Mr. Davis of Illinois, Mr. Studds, and Mr. Eckart.

H.R. 2626: Mr. Fuster, Mr. Matsui, Mr. Traficant, Mr. Clay, Mr. Stokes, Mr. Dymally, Mr. Fauntroy, Mr. Hayes of Illinois, Mr. Akaka, Mr. Dixon, Mrs. Collins, Mr. Kastenmeier, Mrs. Boggs, Mr. Towns, Mr. Torres, Mr. Boland, Mr. Mfume, Mr. Ackerman, Mr. Brown of California, Mr. Coyne, Mr. Roe, Mr. Biaggi, Mr. Boehlert, Mr. Flake, Mr. Fascell, and Mr. Crockett.

H.R. 2641: Mr. Owens of Utah and Mr. Kolter.

H.R. 2647: Mr. Florio.

H.R. 2655: Mr. Petri and Mr. Vento.

H.R. 2670: Mrs. Bentley, Mr. Pursell, Mr. Dymally, and Mr. Roe.

H.R. 2676: Mr. Martinez, Mrs. Bentley, and Mr. Feighan.

H.R. 2690: Mr. Lightfoot, Mr. Holloway, Mr. Latta, Mr. Regula, Mr. Frank, Mr. Porter, Mr. Levin of Michigan, Mr. Tallon, Mr. Dyson, Mr. Bilbray, Mr. Hayes of Louisiana, Mr. Kolter, Mr. Roberts, Mr. Madigan, Mr. Smith of New Jersey, Mr. Eckart, Mr. Badham, Mr. Horton, Mr. Richardson, Ms. Snowe, Mr. Fazio, Mr. Gordon, Mrs. Martin of Illinois, Mr. Montgomery, Mr. Gallo, and Mr. Hatcher.

H.R. 2692: Mr. Dwyer of New Jersey, Mr. Armey, Mr. Garcia, Mr. Bonior of Michigan, Mr. Rinaldo, Mr. Davis of Illinois, Mr. Rostenkowski, Mr. Ackerman, Mr. Buechner, Mr. Dornan of California, and Mr. Kleczka.

H.R. 2696: Mr. Towns, Mr. Biaggi, and Mr. Wilson.

H.R. 2698: Mr. Applegate, Mrs. Boxer, Mr. McEwen, Mr. Kolter, Mr. Bennett, and Mr. Montgomery.

H.R. 2730: Mr. Ireland.

H.R. 2731: Mr. Wilson and Mr. Bereuter.

H.R. 2750: Mr. Boner of Tennessee, Mr. Levin of Michigan, Mr. Ackerman, Mr. Kostmayer, Mr. Campbell, and Mr. Frank.

H.R. 2758: Mr. Gunderson, Mr. Vander Jagt, Mr. Frenzel, and Mr. Upton.

H.R. 2787: Mr. Studds, Mr. Ackerman, and Mr. Eckart.

H.R. 2800: Mr. Dellums, Mr. DeFazio, Mr. Fazio, Mr. Ford of Michigan, Mr. Dwyer of New Jersey, Mr. Garcia, Mrs. Vucanovich, Mr. Feighan, and Mr. Mavroules.

H.R. 2846: Mr. Packard, Mr. Smith of Florida, Mrs. Bentley, Mr. Shumway, Mr. Buechner, and Mr. Martinez.

H.R. 2853: Mr. Swift, Mr. Boehlert, Mr. Weber, Mr. Leach of Iowa, Mr. Petri, and Mr. Horton.

H.R. 2870: Mr. Dellums.

H.J. Res. 16: Mr. Inhofe.

H.J. Res. 92: Mr. Akaka, Mr. Anderson, Mr. Bateman, Mr. Boehlert, Mr. Bosco, Mr. Bryant, Mr. Bustamante, Mr. Carr, Mr. Coble, Mr. Conte, Mr. Daniel, Mr. DeWine, Mr. Dornan of California, Mr. Dymally, Mr. Erdreich, Mr. Fazio, Mr. Flippo, Mr. Foley, Mr. Hammerschmidt, Mr. Hansen, Mr. Hatcher, Mr. Hunter, Mr. Inhofe, Ms. Kaptur, Mr. Kasich, Mr. Kildee, Mr. Kostmayer, Mr. Kyl, Mr. Lewis of California, Mr. Lewis of Florida, Mr. Lipinski, Mr. Lowery of California, Mr. Lungren, Mr. Miller of Washington, Mr. Moorhead, Mr. Murphy, Mr. Neal, Mr. Nichols, Mr. Roe, Mr. Saxton, Mr. Scheuer, Mr. Schumer, Mr. Skelton, Mr. Stokes, Mr. Stump, Mr. Sunia, Mr. Thomas of California, Mr. Torricelli, Mr. Valentine, and Mr. Wortley.

H.J. Res. 96: Mr. Fascell, Mr. Smith of New Hampshire, Mr. Lehman of Florida, Mr. Shaw, Mr. Smith of Florida, Mr. Staggers, Mr. Coelho, Mr. Roe, Mr. Lehman of California, Mr. Emerson, Mr. Kasich, Mr. Young of Alaska, Mr. Lagomarsino, Mr. Lujan, Mr. Olin, Mr. Kostmayer, Mr. Traficant, Mr. Dornan of California, Mr. Barnard, Mr. Donnelly, Mr. Fuster, Mr. Akaka, Mr. Savage, Mr. Lancaster, Mr. Murtha, Mr. Badham, Mr. Young of Florida, Mr. Martinez, Mr. Schaefer, Mr. Hayes of Louisiana, Mr. Boucher, Mr. Skaggs, Mr. Weber, Mr. Cardin, Mr. Dannemeyer, Mr. Ford of Tennessee, Mrs. Bentley, Mr. Kennedy, Mr. Horton, Mr. Applegate, Mr. Livingston, and Mr. Wilson.

H.J. Res. 116: Ms. Oakar, Mr. Bartlett, Mr. Valentine, and Mrs. Morella.

H.J. Res. 143: Mr. Edwards of Oklahoma.

H.J. Res. 144: Mr. Young of Alaska, Mr. Frenzel, Mr. McMillan of North Carolina, Mr. Badham, Mr. Chandler, Mr. Boner of Tennessee, Mr. Pickle, Mr. Gordon, and Ms. Kaptur.

H.J. Res. 148: Mr. Conyers and Mr. Miller of California.

H.J. Res. 183: Mr. Martinez.

H.J. Res. 196: Mr. Mack.

H.J. Res. 245: Mr. Brennan and Mr. Martinez.

H.J. Res. 248: Mr. Badham, Mr. Bateman, Mr. Bereuter, Mr. Berman, Mr. Boland, Mr. Broomfield, Mr. Brown of Colorado, Mr. Chandler, Mr. Clinger, Mr. Coleman of Missouri, Mr. Courter, Mr. Craig, Mr. Edwards of Oklahoma, Mr. Fields, Mr. Frank, Mr. Gallegly, Mr. Gilman, Mr. Gradison, Mr. Grandy, Mr. Grant, Mr. Gregg, Mr. Guarini, Mr. Gunderson, Mr. Hefley, Mr. Hopkins, Mr. Johnson of South Dakota, Mr. Kasich, Mrs. Kennelly, Mr. Kyl, Mr. LaFalce, Mr. Levine of California, Mr. Lewis of California, Mr. Lightfoot, Mr. Lott, Mr. Thomas A. Luken, Mr. MacKay, Mr. Markey, Mrs. Martin of Illinois, Mrs. Meyers of Kansas, Mr. Mfume, Mr. Miller of Washington, Mr. Moakley, Mr. Moorhead, Mr. Morrison of Washington, Mr. Nelson of Florida, Mr. Oxley, Mr. Parris, Mr. Pashayan, Mr. Porter, Mr. Rahall, Mr. Rangel, Mr. Ravenel, Mr. Roberts, Mr. Roth, Mrs. Roukema, Mr. Schaefer, Mr. Skeen, Mr. Denny Smith, Mr. Smith of Texas, Mrs. Smith of Nebraska, Ms. Snowe, Mr. Swindall, Mr. Vander Jagt, Mr. Weber, Mr. Whittaker, Mr. Wylie, Mr. Young of Alaska, Mr. Davis of Michigan, Mr. Dickinson, Mr. Donnelly, Mr. Duncan, Mr. Dyson, Mr. Slaughter of Virginia, Mr. Brennan, and Mr. Perkins.

H.J. Res. 253: Mr. Matsui, Mr. Davis of Michigan, Mr. de la Garza, Mr. Hatcher, Ms. Oakar, Mr. Henry, Mr. Gallegly, Mr. Bevill, Mr. Erdreich, Mr. Schuette, Mr. Crockett, Mr. Skelton, Mrs. Meyers of Kansas, Mr. Wolpe, Mr. Guarini, Mr. Weiss, Mr. Brennan, and Mr. English.

H.J. Res. 276: Mr. Conyers, Mr. Dellums, Mr. Stokes, Mr. Ford of Tennessee, Mr. Gray of Pennsylvania, Mr. Dymally, Mr. Owens of New York, Mr. Towns, Mr. Hayes of Illinois, Mr. Berman, Mr. de Lugo, and Mr. Espy.

H.J. Res. 282: Mr. Boehlert, Mr. Coughlin, Mr. Dreier of California, Mr. Gunderson, Mrs. Kennelly, Mr. Gephardt, Mr. Buechner, Mr. Synar, Mr. Moody, Mr. Borski, Mr. Darden, Mr. Leach of Iowa, Ms. Kaptur, Mr. Carr, Mr. Bilirakis, Mr. Swindall, and Mr. Sikorski.

H.J. Res. 292: Mr. Akaka, Mr. Beilenson, Mr. Berman, Mrs. Boxer, Mr. Bustamante, Mr. Conyers, Mr. Coughlin, Mr. Daub, Mr. de Lugo, Mr. Dixon, Mr. Evans, Mr. Fazio, Mr. Garcia, Mr. Hayes of Illinois, Mr. Horton, Mr. Howard, Mr. Kennedy, Mr. Levin of Michigan, Mr. Lipinski, Mr. Martinez, Mr. Miller of California, Mr. Owens of New York, Mr. Rodino, Mr. Stokes, and Mr. Towns.

H.J. Res. 310: Mr. Bennett, Mr. Vento, Mr. Biaggi, and Mr. Wheat.

H.J. Res. 313: Mr. Thomas of Georgia, Mr. Boner of Tennessee, Mr. Boland, Mr. Ackerman, Mr. Roe, Mr. Horton, and Mr. Bennett.

H. Con. Res. 35: Mr. Upton.

H. Con. Res. 67: Mr. Frenzel, Mr. Davis of Illinois, Mr. MacKay, Mr. Clarke, Mr. Gingrich, Mr. Ackerman, Mr. Hansen, and Mr. Kemp.

H. Con. Res. 84: Mr. Mineta and Mr. Evans.

H. Con. Res. 97: Mrs. Vucanovich, Mr. Sisisky, Mr. Boucher, Mrs. Kennelly, Mr. Hayes of Illinois, and Mr. Downey of New York.

H. Con. Res. 138: Mr. Kolter, Mr. Fazio, Mr. AuCoin, and Mr. Dwyer of New Jersey.

H. Con. Res. 146: Mr. McHugh, Mr. Torres, Mr. Akaka, Mr. Bates, Mr. Frank, Mr. Lewis of Georgia, Mr. Mrazek, Mr. Mfume, Mr. AuCoin, Mr. Leland, Mr. Jeffords, Mr. Lehman of Florida, Mr. Ackerman, Mr. Solarz, Mr. Sunia, Mr. Lipinski, Mrs. Schroeder, Ms. Pelosi, Mr. Kleczka, Mr. Oberstar, Mr. Feighan, Mr. Berman, Mr. Gejdenson, Mr. Boucher, Mr. Lantos, Mr. Bonior of Michigan, Mr. Fuster, Mr. Scheuer, Mr. Levine of California, Mr. Wolpe, Mr. Levin of Michigan, Mr. Dellums, Ms. Kaptur, Mr. DeFazio, Mr. Stallings, Mr. Mavroules, Mr. Kennedy, Mr. Udall, Mr. Towns, Mr. Miller of California, Mr. Garcia, Mrs. Boxer, Mr. Martinez, and Mr. Hawkins.

H. Res. 181: Ms. Kaptur and Mr. Martinez.

H. Res. 188: Mr. Vander Jagt, Mr. Hammerschmidt, Mr. Bevill, Mr. McMillan, of North Carolina, Mr. Bateman, Mrs. Smith of Nebraska, Mr. Tauke, Mr. English, Mr. Ireland, Mr. Crane, Mr. Duncan, Mr. Upton, Mr. Rhodes, Mr. Latta, Mr. Archer, Mr. Kasich, Mr. Broomfield, and Mr. Emerson.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1082: Mr. BARNARD and Mr. SWINDALL.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

52. By the SPEAKER: Petition of the Commissioners Court, Harris County, TX, relative to amending the Clean Air Act; to the Committee on Energy and Commerce.

53. Also, petition of the Executive Committee, Southern Baptist Convention, Nashville, TN., relative to effective regulations relating to the growth of legalized gambling and lottery; jointly, to the Committees on the Judiciary and Interior and Insular Affairs.

EXTENSIONS OF REMARKS

GAO REPORT COMPARES CATASTROPHIC HEALTH INSURANCE PROPOSALS

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. ROYBAL. Mr. Speaker, I want to take this opportunity to make you aware of a new General Accounting Office [GAO] report which I released this past Monday. This GAO report deserves your careful consideration because it, for the first time, critically compares the catastrophic health insurance proposals before the Congress.

At the same time, I also want to take this opportunity to declare my strong support for the compromise catastrophic health insurance proposal which has been worked out among the Committees on Ways and Means, Energy and Commerce, and Aging and the Speaker and which will be coming before the House shortly.

The insightful and timely report by the nonpartisan General Accounting Office points out the real catastrophic problems facing over 30 million older and disabled Americans—the high costs of noncovered services including long-term care and prescription drugs. The key finding is that virtually all of the current House and Senate catastrophic health insurance bills have shortcomings when it comes to providing full catastrophic protection.

However, nothing in GAO's report forces me to pull back from the current House compromise which I strongly support and which I will work hard to get approved by the House and Senate. By adding prescription drug and respite coverage to Medicare, making other needed Medicare reforms and providing increased protection to elderly Medicaid beneficiaries, the House is prepared to take a critical first step and has ensured the support of myself and the major aging organizations. My immediate fear is that the Senate might further water down the House catastrophic proposal which is already a compromise position.

As stated in the GAO report, most of the catastrophic health insurance proposals "would leave the elderly at risk of high out-of-pocket costs because they—

Provide only limited protection for nursing home and home health care for chronic conditions, the major source of out-of-pocket expenses;

Exclude—coverage of—out-of-pocket expenditures for physician charges above the Medicare-approved payment; and

Exclude—coverage of—out-of-pocket expenditures for services not covered by Medicare."

As for the next step in providing full catastrophic health insurance protection, GAO's report lays out a clear challenge—not only for the Congress but for the Presidential candidates as well. For me, the "acid test" for my supporting any Presidential candidate next year is whether or not that candidate is firmly committed to protecting the 37 million Americans who are uninsured and the 200 million who are underinsured for long-term care.

GAO's report "pours fuel on the fire" which is building under the Congress and the administration to enact a full catastrophic health initiative with full protection for Americans who are poor and who need long term care. However, much work remains to be done before we will enact such a full scale initiative.

Based on this careful assessment by the nonpartisan GAO, few of the current congressional proposals, with the notable exception of my U.S. health legislation (H.R. 200), provide the full measure of protection and truly give peace of mind to Americans of all ages. I believe the "Bipartisan Commission on Comprehensive Care," included in the House proposal, will provide the impetus for next year's congressional action in this direction.

Again I encourage you to examine the GAO report closely over the next few months with an eye to the broader catastrophic problems of the under and uninsured. In addition, I strongly encourage you to support the compromise catastrophic health insurance bill which will be coming before the House shortly.

Mr. Speaker, I would like to enter into the RECORD the transmittal letter from the GAO briefing report, "Comparison of Catastrophic Health Insurance Proposals":

U.S. GENERAL ACCOUNTING OFFICE,
HUMAN RESOURCES DIVISION,
Washington, DC, June 19, 1987.

B-226390.
Hon. EDWARD R. ROYBAL,
Chairman, Select Committee on Aging, House of Representatives.

DEAR MR. CHAIRMAN: This briefing report responds to your January 22, 1987, request concerning catastrophic health expenses and their effect on American families. As agreed with your office, this report focuses on legislative proposals to provide catastrophic coverage to Medicare beneficiaries. A future report will discuss the catastrophic health expenses of those under age 65.

BACKGROUND

Public programs financed two-thirds of the elderly's estimated $120 billion in personal health care expenditures in 1984. Medicare, which provides health insurance benefits for most individuals age 65 and older, pays about half of the elderly's total health care bill. Implemented in 1966 under title XVIII of the Social Security Act, Medicare comprises the Hospital Insurance Program (part A) and Supplementary Medical Insurance Program (part B). Medicare has a uniform eligibility and benefit structure and makes protection available without regard to income or assets.

Other major government sources of funds for the elderly's personal health care are Medicaid, a federal/state program of medical assistance to certain categories of low-income persons, and the Veterans Administration (VA), which provides care through its hospitals, outpatient clinics, and VA-operated and community nursing homes. In 1984, Medicaid paid about 13 percent of the elderly's health care bills; VA paid about 3 percent.

Even with government programs, the elderly face high out-of-pocket health care costs. According to a December 1986 report sponsored by the American Association of Retired Persons, [1] married couples over age 65 averaged about $3,000 in out-of-pocket health care costs in 1986.

In November 1986, the Secretary of Health and Human Services (Otis R. Bowen, M.D.) reported [2] to the President on catastrophic illness expenses. Subsequently, the administration submitted a proposal to the Congress, and others have introduced bills to relieve the elderly from the burden of catastrophic health care expenses.

METHODOLOGY

To determine the potential effect of the various legislative proposals on Medicare beneficiaries' out-of-pocket health care expenses, we (1) reviewed GAO and other reports to identify the types and amounts of out-of-pocket expenses incurred by elderly, (2) reviewed Medicare law and regulations to determine beneficiaries' out-of-pocket liability for covered services, (3) reviewed minimum coverage requirements for Medigap policies to determine how they affect out-of-pocket costs, (4) analyzed 14 catastrophic coverage bills introduced during the 100th Congress to determine how they would address the major types of catastrophic health care costs the elderly incur, and (5) compared the financing mechanisms of those bills.

RESULTS IN BRIEF

The catastrophic health insurance bills we reviewed either place an upper limit on beneficiary liability for Medicare deductibles and coinsurance or attempt to provide protection against some of the costs of services not currently covered by Medicare, such as long-term care and prescription drugs. The major effect of the first approach, which is adopted in both the House Committee on Ways and Means and Senate Committee on Finance approved bills, would be to make unnecessary a number of the coverage items in existing Medigap policies purchased by the elderly from private insurers. Beneficiaries, including lower income individuals who may not be able to afford Medigap premiums, would pay increased part B premiums. Medicare beneficiaries' income taxes would also be increased to finance the new coverage. According to the Congressional Budget Office, both bills would be budget neutral, and benefit costs paid out would range from $21.6 to $26.6 billion over the next 5 years. The Budget Office has not estimated the additional costs of the other bills that would expand services.

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[1] ICF Incorporated, *Medicaid's Role in Financing the Health Care of Older Women,* December 1986, p. 36.

[2] Department of Health and Human Services, *Catastrophic Illness Expenses,* Washington, D.C., November 1986.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Most of the proposals would essentially apply catastrophic dollar limits only to physician services and hospital care, which account for about 27 percent of the out-of-pocket costs incurred by the elderly.

Most of the proposals would leave the elderly at risk of high out-of-pocket costs because they

Provide limited protection for nursing home and home health care for chronic conditions, the major source of out-of-pocket expenses;

Exclude out-of-pocket expenditures for physician charges above the Medicare-approved payment; and

Exclude out-of-pocket expenditures for services not covered by Medicare.

Because Medicare provides only minimal coverage of long-term care services for the chronically ill elderly, those needing such care would continue to be at risk for potential annual out-of-pocket costs for nursing home care (about $24,000 per year) and home health care (about $18,000 per year for daily visits).

Medigap policies primarily cover only the deductibles and coinsurance for Medicare-covered services rather than expand coverage to other services; therefore, neither they nor most of the catastrophic proposals would relieve the elderly from out-of-pocket costs for services not covered by Medicare. In addition, the elderly who incur such costs for noncovered services cannot apply them toward the catastrophic limits under the proposed bills.

According to the Bowen report, of the estimated 7 million beneficiaries who incurred from $2,000 to $4,999 in out-of-pocket costs for Medicare-covered services in 1983, 32.4 percent of those costs were for physician charges above the Medicare-approved rate. Similarly, of the estimated 1 million beneficiaries incurring $5,000 or more in out-of-pocket costs for Medicare-covered services, 21.9 percent of those costs were for physician charges above the Medicare-approved rate. Most of the catastrophic proposals would not relieve Medicare beneficiaries of these out-of-pocket costs. Although the majority of Medicare beneficiaries have Medigap policies to pay the coinsurance for part B services, Medigap policies generally will not pay for charges above the Medicare-approved rate.

Of the 14 proposals we reviewed, 9 would establish a catastrophic limit above which the beneficiary would no longer be liable for Medicare deductibles and coinsurance. This is the standard method of providing catastrophic coverage in health insurance programs. Of course, having a fixed dollar catastrophic limit affects beneficiaries in different ways; that is, lower income beneficiaries would have to spend a higher percentage of their income on health care before they reached the limit than would higher income beneficiaries. Both of the legislative proposals approved by the House and Senate committees have financing mechanisms that relate the amount beneficiaries pay for catastrophic coverage to their incomes.

These bills, if enacted, would represent an important step in increasing the health insurance coverage available to the elderly, but as discussed above, significant gaps will remain. Providing further relief to those elderly who incur high out-of-pocket health care costs would obviously increase Medicare payments. The bills that would offer more extensive catastrophic protection propose a variety of financing mechanisms to spread the costs of catastrophic illnesses over either all Medicare beneficiaries or all taxpayers, and are intended to be budget neutral.

As requested by your office, we did not obtain agency comments on this briefing report. Unless you publicly announce its contents earlier, we plan no further distribution until 30 days from the report's issue date. At that time, we will send copies to other congressional committees having jurisdiction over the matters discussed in the report, the Secretary of Health and Human Services, and other interested parties.

If you have any questions, please call me on 275-6195.

Sincerely yours,

MICHAEL ZIMMERMAN,
Senior Associate Director.

A NEW ATTACK ON THE RIGHT TO KNOW

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. OWENS of New York. Mr. Speaker, as the Iran-Contra hearings have proceeded over the last several weeks, they have painted a dark portrait of an administration poisoned by imperial pretensions, obsessed with working its will over the objections of the Congress and the American people. And while Presidential partisans have sought to represent Contragate and the mindset which spawned it as an aberration, it is not; it is the norm. The Il Duce mentality which created this scandal infects not merely the administration's foreign policy, but its handling of many other realms of public policy as well.

A typical but little-noticed example of the Reagan administration's discomfort with democracy is the war it has been waging—mostly successfully—on the American people's right to know. Under the false guise of promoting greater efficiency, control over the flow of information in and out of Government has been centralized to an unprecedented and dangerous degree at a single agency—the Office of Management and Budget [OMB]. Apparently taking to heart James Madison's maxim that "knowledge will forever govern ignorance," OMB has used its sweeping powers to dramatically scale back access by the public to information by and about their Government—information which their tax dollars paid for in the first place. Fully one-quarter of the Government's publications have been eliminated. Much of the information which remains is now only available for exorbitant fees. And in every Federal agency, at OMB's insistence, vital information is increasingly not being collected and produced at all. In shaping the Nation's information policy, OMB has adopted as its guiding principle the motto of Mark Twain's swaggering Hank Morgan: "Unlimited power is the ideal thing when it is in safe hands."

OMB's latest salvo against the right to know comes in the form of new regulations issued without public comment by the Federal Acquisitions Secretariat on March 20, 1987, which invalidate by fiat the statutory roles of the Joint Committee on Printing and the Government Printing Office in decisionmaking concerning Government publications. For more than 100 years, the legislative branch has been invested with full and comprehensive legal authority over the conduct of Government Printing and, pursuant to that authority, since 1919 the law has required that all Federal printing be performed by the Government Printing Office unless the Joint Committee on Printing or an act of Congress specifically authorizes otherwise. The benefits of this requirement as it has been implemented over the last 68 years have been invaluable: it has rid Government printing of the corruption with which it was once plagued, assured that printing is carried out as economically and efficiently as possible, provided universal public access to Government publications through the GPO-administered depository library system, and given Congress the powerful oversight tool it needs to preserve the free flow of Government information to the public.

Now, however, with characteristic arrogance, the administration has declared this longstanding legal requirement null and void in its newly-issued Federal Acquisition Circular 84-25. No longer are Federal agencies required to use GPO for their printing; it can now be done anywhere by anyone. And no longer does the Joint Committee on Printing have any supervisory authority over the conduct of Government printing. Its role in the decisionmaking process has been obliterated, its power and authority usurped by—who else?—OMB.

The serious and far-reaching implications of these regulations must be viewed with not merely concern but alarm by all Americans who value the right to know. The organization OMB Watch has prepared an insightful analysis of the FAR amendments and what they will mean if they are permitted to stand. I urge my colleagues to review the OMB Watch report and join me in opposing this latest administration assault on the right to know:

NEW RULES THREATEN GOVERNMENT PUBLICATIONS

[Prepared June 12, 1987]

New government-wide procurement regulations to be implemented July 1 will dramatically alter government printing operations. They will:

Undermine congressional oversight of executive branch printing;

Reduce the role of the Government Printing Office;

Increase OMB control of government information activities;

Facilitate further privatization of executive branch printing; and

Restrict public access to government information.

It is imperative that the regulations be withdrawn. However, stopping the regulations is like putting a finger in the dike. Much more is needed. Congress must recognize the outmoded structure of the printing laws in title 44 of the U.S. Code. Congress should clarify its interest in effective oversight of government printing and other information dissemination activities and the need to safeguard public access to government information.

THE REGULATIONS

The new regulations (Federal Acquisition Circular 84-25) are amendments to the Federal Acquisition Regulation (FAR). They were published as a final rule in the *Federal Register* on March 20, 1987 (vol. 52, page

9036). The FAR applies to all executive branch agencies, although it is actually issued by the three FAR secretariat agencies, Dept. of Defense, NASA, and GSA.

Among the various topics covered in the final rule are sections governing "Acquisition of Printing and Related Supplies" (Item II, FAR Subpart 8.8). These provisions were issued without any opportunity for public comment—the lead agency, the Department of Defense, believes that they "do not have a significant effect beyond agency internal operating procedures." However, the American Law Division of the Congressional Research Service has concluded that the regulations would have a significant impact on government printing and "have no foundation in law."

The new regulations remove the requirement that executive branch agencies obtain approval of the congressional Joint Committee on Printing (JCP) before conducting printing operations other than at the Government Printing Office (GPO). This regulatory revision is based on a 1984 Department of Justice opinion that JCP approval is unconstitutional under the 1983 Supreme Court decision in *Immigration and Naturalization Service v. Chadha.*

THE PROBLEMS WITH THE REGULATIONS

The JCP approval requirement is not just a regulatory requirement. It is a statutory requirement set forth at 44 U.S.C. 501. It is also part of the JCP's comprehensive oversight authority, which originated in the middle of the 19th century when Congress sought to protect government printing from the fraud, waste, and abuse that was rampant both in the private sector and the executive branch. The JCP's current statutory mandate has remained virtually unchanged since 1919 when Congress required that it approve all printing activities outside of GPO.

The new regulations, if implemented, would instruct executive branch agencies to ignore those statutory requirements. The JCP (and GPO) would lose its role in making decisions about executive branch printing. Regardless of whether this is ultimately necessary under *Chadha,* it eliminates the only functional mechanism for Congress to monitor executive branch printing and related information dissemination activities.

According to the Congressional Research Service:

"The proposed revision of the FAR would appear . . . to go beyond simply conforming the regulatory scheme to the constitutional strictures announced by the *Chadha* Court. Rather, the new FAR would not only eliminate JCP's supervisory role and veto power, it would also divest GPO of any role in printing decisionmaking, allowing the individual agency * * * to decide where and how printing shall be accomplished."

Of course, individual agencies do not control their own printing. Agency information activities are already supervised by the White House Office of Management and Budget (OMB). Without a role for the JCP, OMB will be free to direct agencies as it wishes.

OMB'S FREE HAND

The primary consequence of the new regulations and OMB's pre-eminence will be further privatization of government printing activities. While the federal government has long had a policy of avoiding unnecessary competition with the private sector, the presumption towards privatization has only emerged as a priority of the Reagan Administration. OMB has spearheaded this drive to transfer federal agency functions to commercial firms.

OMB has aggressively promoted the review of "commercial activities" that could be converted to the private sector, primarily on the basis of its Circular No. A-76. While the JCP has resisted the application of A-76 to printing operations, OMB has independently subordinated them to those of the private sector.

In December 1985, OMB required through its Circular A-130 that agencies only:

Disseminate such information products and services as are: (a) Specificially required by law; or (b) Necessary for the proper performance of agency functions, provided that the latter do not duplicate similar products or services that are or would otherwise be provided by other government or private sector organizations; OMB Circular No. A-130, "Management of Federal Information Resources," section 8.a(9), December 12, 1985 (50 FR 52730, 12/24/85), emphasis added.[1]

Absent the JCP, there is no governmental force to restrain the application of OMB's privatization imperative to government printing operations. The issue, however, is not solely privatization. GPO has a track record of contracting work out to the private sector. The critical factor is OMB's ideological drive to privatize government activities regardless of its effect on government responsibilities.

OMB's wholesale approach to privatization will virtually dismantle the government information infrastructure. GPO will be unable to plan its printing operations (e.g., when Congress is not in session, executive branch printing keeps GPO productive). And the reduction in operations will mean personnel lay-offs and less revenue to support printing and distribution of congressional and public service documents.

LOSS OF CONGRESSIONAL AND PUBLIC ACCESS TO INFORMATION

Privatization is an important issue because of its immediate impact on internal government operations. Its proponents have argued that government needs to be scaled back, particularly in this era of budget constraints. Privatization, they argue, will save us money and help lower the deficit.

These proponents, however, fail to make a persuasive argument on two counts. There is no documentation that privatization (or contracting out) saves money over the long-run. It simply has not been shown to be cost-effective.

Second, the true test of privatization is the ultimate impact on carrying out government responsibilities. As applied to information activities, the past few years have shown that privatization has become little more than an euphemism for eliminating publications and controlling the dissemination of those that are published.

Without JCP supervision of executive branch printing, Congress will be unable to assure itself that in fact government information is being disseminated as it intends. Without the JCP, Congress and the public will have to rely on OMB to ensure that agencies, whether they use GPO, their own facilities, or private printers;

Disseminate specific information as may be required by law;

Distribute publications to Congress (44 U.S.C. 1715 & 1718);

Distribute informational matter to the depository library system (44 U.S.C. 1902);

Make government publications available for public sale (44 U.S.C. 1701, et seq.).

Unfortunately, this does not bode well for either Congress or the American people. Activities of the JCP show the necessity of having some effective congressional oversight of executive branch printing. Activities of OMB show that it can not be depended on to ensure congressional and public access to government information. Some examples of both JCP and OMB actions illustrate what is at stake;

In the last fifteen or so years the Department of Education, without JCP approval, gave over $7 million to a private company to publish approximately 1,800 agency manuscripts. The company only published a few hundred. Because the company was given copyrights to the manuscripts they are unavailable to the public, even under the Freedom of Information Act.

In 1985 intervention of the JCP was necessary to ensure the legally required distribution to the depository library system of appeal decisions of the U.S. Equal Employment Opportunity Commission, which were to be printed by a private company;

Since 1981 OMB has directed federal agencies to review and eliminate unnecessary publications. While OMB claims this has saved millions of dollars, it has meant the elimination, reduced distribution, and/or increased sales cost of many public service publications, such as:

Infant Care;

A Woman's Guide to Social Security;

Your Housing Rights;

Health Resources Statistics;

Housing and Urban Development Trends;

Unemployment Rates for State and Local Governments; and

Weekly Petroleum Status Report.

In August 1986, OMB objected to a draft GAO report, which was critical of reductions in agency program evaluation activities and the reduced availability of evaluative information for Congress and the public. Among other things, OMB said: "The role of program evaluation, its uses, target populations, and dissemination, is limited in the Executive agencies."

The primary responsibility of agency program evaluators is to support internal decision-making, not to produce program evaluation information for the public and Congress.

Of increased evaluation requirements from Congress, OMB said, "The proposal that this decision be imposed from without is objectionable * * *."

It is clear that without some kind of congressional oversight mechanism OMB's supervision of executive branch information activities will lead to less information for Congress, as well as the public.

A TRIBUTE TO FATHER HENRY FABRIZIO

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. TRAFICANT. Mr. Speaker, today I rise in order to pay tribute to Father Henry Fabrizio, a very special resident of my 17th Congressional District. He will be honored by the people of Our Lady of Mount Carmel Church in Youngstown, OH, on July 18, 1987, for his numerous years of outstanding service as their pastor and for his sponsorship of the first Mount Carmel Feast Day Dinner. It is with deep humility and pride that I rise on the floor of the U.S. House of Representatives to salute this devout man of God.

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[1] OMB is considering integrating the review requirements of its Circular No. A-3, "Government Publications," with Circular No. A-130. This would result in a more comprehensive policy and review scheme for information dissemination activities.

Father Fabrizo was born in Wilburton, OK, in October 1921 to Samuel and Pepina (Massaro) Fabrizio. He graduated from Ursuline High School in Youngstown and studied at St. Charles College in Maryland and St. Mary's Seminary in Cleveland. One of the proudest moments of his life occurred on April 29, 1950, when he was ordained into the priesthood in Youngstown. After serving as an assistant pastor in countless parishes, Father Fabrizio assumed the awesome duties of the pastorship of Our Lady of Mount Carmel Church on September 29, 1961.

Father Fabrizio's years at the helm saw countless accomplishments and astounding improvements at Mount Carmel. Father Fabrizio vigorously shoved to completion the building of a stately rectory and enormous social hall in 1963. He saw to it that the social hall contained many classrooms so that his parishioners could increase their understanding of both their Roman Catholic faith and of their cultural heritage as Italian-Americans. In 1971, Father Fabrizio added a beautiful and inspiring shrine garden in honor of St. Anthony to memorialize the deceased members of Mount Carmel.

He has also devoted many exhaustive hours to assisting an array of community organizations. Father Fabrizio has served as the chaplain of both Post No. 3 Veterans and the Mahoning County Sheriff's Department, and serves as a judge on the Tribunal Court of the Diocese of Youngstown. In addition, he has been the moderator of the Mahoning County of Catholic Nurses, the County Council of Catholic Women, and several youth groups.

Under Father Fabrizio's tireless leadership and vitality, Our Lady of Mount Carmel Church became a central figure in the Mahoning Valley's religious life. Unfortunately, illness forced Father Fabrizio to retire from the active ministry soon after the completion of the St. Anthony garden shrine. However, hundreds of Mount Carmel parishioners have had their spiritual lives greatly enriched by Father Fabrizio, and all are impatiently looking forward to honoring him on July 18, 1987. Thus, it is with thanks and special pleasure that I join with the people of the 17th Congressional District in recognizing the amazing accomplishments and truly admirable character of Father Henry Fabrizio.

THE PANAMANIAN GOVERNMENT MUST PROTECT, NOT ATTACK, THE AMERICAN EMBASSY IN PANAMA

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. BROOMFIELD. Mr. Speaker, I was shocked to learn that the United States Embassy in Panama was attacked and badly damaged, and that parts of that facility are now closed. I am dismayed that an ally of the United States allowed its own officials to join in that demonstration and failed to provide adequate protection for that facility. I strongly encourage the Department of State to protest the unprovoked attack of the United States Embassy facilities in Panama which endangered United States personnel.

Initial reports reveal that nearly 5,000 Panamanians, to include high-ranking Panamanian officials and supporters of President Noriega, stoned and severely damaged the United States Consulate and the United States Information Service Library in that city. The Panamanian Government officials present at the demonstration reportedly included Panamanian legislators and three cabinet officials. Although the police assigned to protect those American facilities were nearby, they quickly left the scene when the demonstration began.

That Government-backed demonstration is a clear violation of the Vienna Convention on Diplomatic Relations which requires that a host government provide adequate protection to foreign diplomatic missions located in that country. It is clearly the obligation of the Panamanian Government to ensure that foreign missions in that country receive adequate protection to avoid incidents of a violent nature which might cause both property and bodily damage to diplomatic missions and their personnel.

It is incomprehensible that the Panamanian Government would allow its own officials to orchestrate and actually participate in a violent demonstration which caused such extensive damage. Fortunately, the consular staff and library personnel were not injured.

I urge the Department of State to demand reparations from the Panamanian Government for the serious damages to official United States property in that country. I commend the Secretary of State for having called in the Panamanian Ambassador in order to present him with a firm diplomatic note of protest.

While I have commended the Panamanian Government in the past for its cooperation with the United States in the war against drugs, I am deeply disappointed by that Government's involvement in this unfortunate incident. Violent attacks of this nature only further heighten the tension between our two nations and stand in the way of improving our relationship with that nearby ally. This sad incident reinforces my belief that Panama should return to true civilian government while the army returns to the barracks, and extracts itself from politics. Only then will true peace and tranquility return to Panama.

With these comments in mind, I commend the following Washington Post article on the embassy attack to my colleagues in the Congress.

[From the Washington Post, July 2, 1987]

U.S. PARTIALLY CLOSES MISSION TO PANAMA—GOVERNMENT'S ROLE IN UNREST PROTESTED

(By John M. Goshko)

The Reagan administration, moving closer to open confrontation with Panama's military strongman, Gen. Manuel Antonio Noriega, closed the consular section and library of the U.S. Embassy in Panama City yesterday to protest the Panamanian government's involvement in demonstrations at the embassy Tuesday.

State Department spokesman Charles E. Redman said the United States protested "in the strongest possible terms" demonstrations by about 5,000 people, including high-ranking Panamanian officials and political supporters of Noriega.

The incident "will have a significant and negative impact on relations between the United States and Panama," Redman said.

The protest was the latest in a sequence of events this week that has pushed the administration away from professions of neutrality in the political crisis gripping Panama.

Instead, the administration has started making unmistakably clear its previously private view that the 20,000-member Panamanian Defense Forces should defuse the situation by removing Noriega, whose political control of the country has been protested violently by students and political dissidents.

The strongest U.S. signal was sent Tuesday night in a speech to the Washington World Affairs Council by Elliott Abrams, assistant secretary of state for inter-American affairs. After repeating the U.S. position of neutrality and asserting that "Panama's solutions must be home-grown," Abrams added:

"The old complacency inside and outside of Panama over the inevitable dominance of the Panamanian Defense Forces in the nation's politics is gone . . . . Military leaders must remove their institution from politics, end any appearance of corruption and modernize their forces to carry out their large and important military tasks in defense of the [Panama] canal."

Although Abrams mentioned no names, his remark was certain to be interpreted in Panama as a reference to Noriega, dogged for years by persistent charges of involvement in murder, drug activities, electoral fraud and intelligence dealings with Cuban President Fidel Castro that are inimical to U.S. security interests.

According to U.S. officials, Abrams' remarks were intended to suggest to the Panamanian officer corps that Noriega's notoriety has become a liability threatening to undermine the Defense Forces' authority and ability to control events within Panama.

The aim, some U.S. officials said, is to persuade the Defense Forces that their only hope of retaining the image of a benign big brother, which they have sought for years to cultivate within Panama, depends on getting rid of Noriega, focus of violent demonstrations that have rocked the country for three weeks.

But, they acknowledged, it is unclear whether the situation will be seen in these terms by a military establishment loyal to Noriega since he became its commander in 1983.

Since then, he has used his military clout to exert undisguised control over the civilian government, including President Eric Arturo Delvalle, and gain considerable influence in Panamanian political and media circles. Nicholas Ardito-Barletta, hand-picked in 1984 by the military to be Panama's civilian elected president, was forced to resign by Noriega in 1985.

"There is a great danger that the beast, when cornered, will try to fight its way out with appeals to the strong leftist and anti-American sentiments in Panama," one official said.

This official noted that Noriega sought, almost at the start of the current unrest, to "play the leftist card" by falling back on his close ties to Cuba and Nicaragua.

The Cuban press strongly supported him, and Nicaraguan President Daniel Ortega visited Panama to praise "brave and decisive actions" taken against anti-Noriega dissidents.

There are increasing signs that Noriega may be introducing the potentially potent weapon of anti-Americanism, seeking to identify U.S. actions as a threat to the Defense Forces and as a U.S. attempt to renege on Panama Canal treaties. The pacts call for Panama to take full control of the canal in the year 2000.

Abrams sought in his speech to head off charges of U.S. duplicity over the canal by declaring that the treaties "are in no way affected" by current political events in Panama.

He did not discuss concern expressed by some U.S. officials that Noriega might put pressure on the U.S. Southern Command in Panama, whose bases there are used to help support U.S. military activities against leftist guerrillas elsewhere in Central America. This use contradicts restrictions stipulated by the Canal treaties.

Last Friday, the U.S. Senate, turning aside administration pleas for a low profile, called on the Panamanian government to oust Noriega and investigate murder and electoral fraud charges leveled against him.

On Monday, Panama's National Assembly responded with a demand for expulsion of U.S. Ambassador Arthur H. Davis, Jr. Then came the demonstrations Tuesday that Redman said caused "significant damage to U.S. diplomatic property" and "put U.S. diplomatic personnel at risk."

Redman said the United States found "totally unacceptable" the withdrawal of Panamanian police protection from the embassy before the rock-throwing demonstrations began with the participation of Panamanian cabinet officers and leaders of the ruling political party.

PROTECT RFE/RL

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. GARCIA. Mr. Speaker, the July 5 edition of the New York Times contained a fine essay by writer James Michener on the importance of Radio Free Europe and Radio Liberty as a source of information for the people of the Soviet Union and its Eastern bloc allies.

As Chairman of the North Atlantic Assembly's Civilian Affairs Committee I have come to appreciate the importance of the two radios as lifeline between East and West. They are not, as Mr. Michener so aptly points out, "relics from the cold war." They are, instead, "mainstream instruments of American foreign policy." I believe we ought to support RFE/RL with renewed enthusiasm, particularly in light of increased Soviet jamming, showing the East the true meaning of glasnost.

I am submitting Mr. Michener's article to the RECORD for my colleagues' perusal:

KEEP THE RADIOS BROADCASTING TO THE EAST

(By James A. Michener)

WASHINGTON.—When Moscow announced recently that it would stop its jamming of Voice of America broadcasts, a Soviet spokesman took the occasion to denounce Radio Free Europe and Radio Liberty, for which it has intensified jamming efforts.

"They are relics of the cold war," he said, making it clear that Moscow would not stop jamming the stations. He thus admitted that Moscow engages in acts that violate treaties Moscow has signed.

At a time when the Soviet Union is in flux; when glasnost is attracting attention worldwide and when tension between the superpowers remains high, it would be folly for us to retire from international debate. Fifty million listeners rely on Radio Free Europe and Radio Liberty as the major source of news about their countries.

Congress should resist attempts to cut funding for the radios in order to reduce the Federal budget deficit.

Radio Free Europe and Radio Liberty were established in the early 1950's to provide the peoples of Eastern Europe and the Soviet Union with a source of detailed and balanced information about events in their own countries, Radio Free Europe broadcasts to Eastern Europe and Radio Liberty to the Soviet Union. In 1972, the Munich-based radio stations were merged and placed under the Board for International Broadcasting.

Unlike other Western broadcasters, these two stations focus on internal events in Eastern Europe and the Soviet Union. They have the unique mission of providing surrogate "home services" for the people of the Soviet bloc. The Soviet leaders will grudgingly tolerate Western broadcasts on world events or life in the West. But what they fear most—and have steadfastly refused to accept—is Radio Free Europe and Radio Liberty providing their people with information about developments at home.

For decades, the Soviet Union has conducted an intense propaganda campaign against these broadcasts. They have been denounced as "instruments of the C.I.A.," "subversive radio stations" and as "a relic of the cold war." Soviet bitterness about the "stations" role has sometimes left the impression in the West that the stations must be particularly strident and "propagandistic."

In fact, they are among the most careful of Western radio stations, adhering to the strictest standards of journalistic objectivity and balance. The stations have enormous appeal in Eastern Europe and the Soviet Union. In many countries, Radio Free Europe enjoys an influence and stature hard to comprehend in the media-saturated West.

Natan Sharansky testified that Radio Liberty gave hope to the dissident movement in the Soviet Union during its most desperate hours. Jerzy Urban, the Polish Government spokesman, has stated, "If you would close down Radio Free Europe, the underground [Solidarity] would cease to exist." Zbigniew Brzezinski has called the broadcasts "the most important and perhaps least recognized service that America has rendered over the years to the preservation of a European in Eastern Europe."

Radio Free Europe and Radio Liberty are no more a relic of the cold war than is the Atlantic alliance. Both are important mainstream instruments of American foreign policy. But the Soviet Government's monopoly on information, denial of a free press and total control of all media are relics of the Dark Ages. The most appropriate response to Moscow's increased jamming of these broadcasts would be a clear national commitment to support this vital organization, which is little appreciated in the West yet highly valued by millions in the East.

TWO HUNDRED YEARS AGO AT THE CONSTITUTIONAL CONVENTION (JULY 5)

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. SHARP. Mr. Speaker, on July 5, 1787, the delegates gathered to hear the report of the special committee which had been organized earlier in the week to break a deadlock over how States would be represented in the new Congress.

The committee proposed that each State be allotted 1 Member of the House of Representatives for every 40,000 free citizens plus three-fifths for each slave and that each State be allocated an equal number of Members in the Senate.

Virginia's James Madison was among those still not satisfied: "I conceive that the Convention is reduced to the alternative of either departing from justice in order to conciliate the smaller States and the minority of the people or of displeasing them by justly gratifying the larger States and the majority of the people. I cannot myself hesitate as to the option I ought make."

JAPAN'S "TECHNOPOLIS" PLAN

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. WEBER. Mr. Speaker, many economic observers have marveled at Japan's ability to achieve remarkable economic success through careful and forward-looking planning. One of Japan's latest efforts to prepare for the future lies in their "technopolis" plan. This is a plan begun in 1980 by the Ministry of International Trade and Industry to build 20 high-technology cities. Comparable to our Silicon Valley, these cities are being constructed to maintain and expand Japan's position as a leader in high-technology research, development, and production.

As we consider our own strategies for competing effectively in the economy of the future, we need to study Japan's technopolis plan. Consequently, I commend to my colleagues the following article by Otto Silha, who chairs the Innovative City Project Steering Committee. He provides some background on this novel and far-reaching approach to economic development and identifies ways in which we might profit from this Japanese initiative.

[From the Minneapolis Star and Tribune, Jan. 13, 1987]

JAPAN'S "TECHNOPOLIS" PROGRAM MAY GIVE AMERICANS A MUCH-NEEDED HIGH-TECH JOLT

(By Otto Silha)

Japan's Technopolis Concept—an ambitious plan to build more than 20 new high-tech cities—may prove to have the same effect on United States urban growth and development that the Soviet Sputnik had on the U.S. space program.

The project was launched in 1980 under the guidance of the Ministry of International Trade and Industry (MITI). The objective is to build 26 new "Silicon Valleys" spread throughout the Japanese islands. MITI has selected 18 regional cities and is reported to be reviewing eight more sites.

These new cities, many of them under construction, are designed as the engines for Japan's economic growth in the 21st century. Each will contain new university science centers, research parks, joint research and development consortiums, venture capital foundations, and office complexes concentrated in one area to form a critical mass.

In addition to innovative housing, the cities will offer shopping malls, schools, recreational areas and lifelong learning centers. They are located in scenic areas, unlike Japan's present major cities.

A leading U.S. student of the Technopolis Concept is Sheridan Tatsuno, senior analyst at Dataquest, a high-tech market-research company in California's Silicon Valley. After visiting 18 of the "Technopolises," he reported his findings in a recently published book, "The Technopolis Strategy: Japan, High Technology and the Control of the 21st Century" (Prentice Hall Press).

Tatsuno sets the background for this aggressive new strategy. After World War II, Japan diligently sought advanced technology to catch up with the West. Copying—not reinventing the wheel—was perceived as the route to the future.

MITI provided national leadership in importing foreign technology, with companies investing in new plants and equipment and developing low-cost manufacturing processes. The national objective—high-quality products—was met.

Recent years, however, have brought new challenges. The strong yen value has affected the domestic economy, and companies from South Korea, Taiwan, Singapore, Malaysia and, more recently, China are competing successfully in the international markets with even lower-cost products.

A 1980 MITI paper, "Visions for the 1980s," urged Japan's industry to pursue more creative research. More than 30 national research and development projects focused on such leading-edge technologies as fifth-generation computers, biotechnology, lasers, ceramics and bioelectronics. More than 2,000 researchers in the Tsukuba Science City, 35 miles northeast of Tokyo, and six regional testing laboratories, coordinated the project.

To understand the government commitment to put Japan in first place in science, industry, business and finance in the 1990's and beyond, one must realize that MITI is not the only agency pressing ahead in the 1980s. The Science and Technology Agency (STA) and the Ministry of Posts and Telecommunications (MPT) have pursued their own joint-research venture. One of the more ambitious projects involves automated language translation phone systems and artificial intelligence.

Needless to say, Japanese companies are rushing to take advantage of the results of these projects. Since 1984, leading electronics makers have spent $2.5 billion to build more than 80 research laboratories to design and operate the new products for domestic and world markets.

U.S. business leaders have been concerned for many years about the Japanese government's heavy subsidy of research and even marketing subsidies of competitive products. This kind of stimulation has helped to produce 11 major automobile manufacturers compared to only four in the United States. But the Technopolis Concept seems likely to result in an even more aggressive competitive threat to the West.

Tatsuno reports that MITI has studied every science city and high-tech region around the world in preparing for Technopolis. The only American model was Silicon Valley, spotlighting the failure of the United States to develop any significant new cities. Disney World is the best we have to offer in such innovations as people movers, efficient power plant and underground construction.

Research consortiums seem to be an important base for the new city developments in the various prefectures, comparable to our states. In Kagoshima, in southern Kyushu (known as Silicon Island because it produces 40 percent of all Japanese semiconductors), the Fine Ceramics Product Research Association has joined together 150 local pottery makers. To the north in Kumamoto, 260 companies have formed the Software Development Association.

In addition to the infrastructure of the new cities, prefectures are building airports and highways, along with tax incentives and other inducements to attract Japanese and foreign companies. Estimates for the governmental expenditures for each city range from $1 to $2 billion, in addition to the private investment.

A law passed last May promotes private investment in international trade-fair, facilities, conference halls and joint research laboratories. Investment estimates are in the $45 billion to $55 billion range over the next 10 years, with eight Technopolis sites planned as future regional research cores. The Makuhari new metropolis, a $5.7 billion project patterned after the Hanover Fair in West Germany, is to be built in the Tokyo area for international trade shows and conferences.

Other names signal the areas of concentration—Teletopia, Agripolis, Marinopolis, and News Media City. The recently privatized Nippon Telegraph and Telephone is reported to be developing the Information Network System, a nationwide optical-fiber communication-satellite network, at a cost of $150 billion.

Japan is driven by the new commercial strength of its neighbor countries. Those who doubt its ability to carry out these ambitious programs must factor in the tremendous strides that the country has made in commerce, industry and finance in the past two decades. And the Japanese are long-range planners.

How should the United States react to the new Technopolis challenge? Sheridan Tatsuno, writing from his vantage point, has four suggestions worth considering:

"Develop regional industrial strategies to strengthen our emerging Silicon Valleys and avoid putting 'all our eggs in one basket.' We will require close government-university-industry cooperation to improve our schools, build our infrastructure and generate new companies."

"Investigate the possibility of a U.S.-Japan bilateral Technopolis program to keep up-to-date on changes in Japan. The U.S. Conferences of Mayors and Governors are best positioned to pursue information sharing and cross-investment."

"Develop Japanese science and business libraries that offer translation services, technical journals, Japanese language courses and business programs. These should eventually be expanded in Asian business libraries to include all Pacific Rim nations."

"Organize Pacific Rim networks in our companies, which have many engineers and managers of Asian ancestry, as well as Americans with significant experience working in Asia. By tapping into this pool of knowledge, we can overcome some of the cultural barriers preventing U.S. companies from doing business in Japan and other Asian nations."

When we realize the political pressure for protectionist policies already rising in the United States, it is all the more important for our country to anticipate the new competitive onslaught from Japan and take positive, perhaps drastic, steps to achieve greater productivity, produce better products and maintain our position as an economic superpower.

RECONSTITUTE THE DEATH PENALTY FOR FEDERAL CAPITAL OFFENSES

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. GEKAS. Mr. Speaker, I recently introduced legislation proposed by the administration to reconstitute the death penalty for Federal capital offenses.

In 1972 the U.S. Supreme Court ruled in the case of *Furman* v. *Georgia* (408 U.S. 238) that the capital punishment statute of that State was unconstitutional because it failed to guide the sentencing decision with articulated standards. The effect of Furman went far beyond the Georgia statute for with it the capital punishment statutes of more than 30 States, the District of Columbia, and the Federal Government became unenforceable.

Subsequently, 41 States have enacted capital punishment statutes that followed the guidelines set down in the Furman decision and the landmark cases which came after it. The Federal Government enacted a death penalty for two specific offenses: Aircraft hijacking in which death results and espionage by a member of the military, each of these based upon directions laid down by the Supreme Court.

During the 99th Congress, I introduced a proposal that applied the death penalty against those who commit murder in the course of engaging in a continuing criminal enterprise involving drugs. Although the Senate failed to act upon it, the proposal was passed three times by the House as a part of the Anti-Drug Abuse Act of 1986.

The bill that I introduce today creates a general, as opposed to specific, death penalty, which is to be applied in Federal homicide, treason, and espionage cases when certain serious standards are met by the Government. Moreover, it does include the death penalty provision for those drug kingpins who commit murder in the course of a continuing criminal enterprise that, as I noted earlier, passed the House three times last year.

Mr. Speaker, the Congress has been discussing, debating, and thinking about the death penalty for more than 15 years while nearly every State has acted upon one. We have heard all the arguments for and against the death penalty and, to be honest, made up our minds as individual legislators. It is time for this Congress to accept the responsibility of decision that the American people expect us to shoulder as their elected representatives. I urge my colleagues to join me in guaranteeing the most expeditious consideration of this needed legislation.

Due to the cost of printing a section-by-section analysis in the CONGRESSIONAL RECORD I will have copies of the analysis available in my office upon request.

TRIBUTE TO COL. LARRY G. SHOCKLEY

HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. DANIEL. Mr. Speaker, the Congress is losing a valued aide when Col. Larry G. Shockley, who has been working closely with the Congress for the past 6 years in Air Force legislative liaison, moves on to his next assignment.

Because of his intense personal commitment to the welfare of the airmen in uniform, he has become a valued resource to the MWR Panel of the Armed Services Committee. This very special relationship is founded not merely on our shared concern for the well-being and dignity of the men and women who serve our country in the Armed Forces, but on Larry Shockley's willingness to translate that commitment into good old-fashioned hard work.

Frankly, I doubt the contribution Colonel Shockley has made for the benefit of the Air Force people can ever be fully appreciated by the Congress, the Air Force, or by the beneficiaries of his efforts. He has spearheaded the effort to modernize the marketing capabilities, facilities, and services of the Army Air Force Exchange Service and the Air Force Commissary Service. He has taken the time to understand the often complex relationship between the business needs of these organizations and assisted this Congress in guarding the integrity of the Airman's Welfare Fund to ensure that revenues generated by the airmen are expended for their benefit. Thanks to his advocacy, there are commissaries, exchanges, gymnasiums, libraries, and recreation centers serving the needs of Air Force people in remote areas throughout the world. He has left a legacy for future generations of Air Force people of inestimable value.

Colonel Shockley is leaving legislative liaison to attend the Air War College at Maxwell Air Force Base, AL, but I am proud to say that his heart remains in the Commonwealth of Virginia, along with his son, who will be attending George Mason University.

I know that I speak for all of my fellow committee members in wishing Larry Godspeed and good luck, and hope that the Air Force will continue to use his limitless talent to the same good effect as it has for the last 6 years.

THE CHALLENGE OF AMERICAN CITIZENSHIP

HON. BEN NIGHTHORSE CAMPBELL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. CAMPBELL. Mr. Speaker, I rise today to honor Brian Brooks of Pueblo, CO, as the State winner of the Veterans of Foreign Wars Voice of America Contest. Each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct the Voice of Democracy script-writing contest. This year's contest theme was, "The Challenge of American Citizenship."

Brian has just finished his senior year at Pueblo East High School. Over the years Brian has amassed more than 100 speech awards, I am pleased that this award will be joining his others.

I would also like to commend the Veterans of Foreign Wars, its ladies auxiliary and the sponsors for their hard work and dedication to America's youth. It is through their combined efforts that we will be able to meet the challenges of tomorrow.

It gives me great pride at this point in the RECORD, to insert Brian Brooks' speech for the use and information of my colleagues:

THE CHALLENGE OF AMERICAN CITIZENSHIP

(By Brian Brooks)

What is it about our freedom in America that causes us to contribute more to our country than citizens in more restrictive nations? In spite of the comfort our freedom gives us, we all continue to work to protect it, each in our own way. What is the common theme running through our work for America? What is the challenge of American citizenship?

What if we travel back in time to the year 1906, to Ellis Island, to follow the lives of three different men who met their challenge. The Great Hall on Ellis Island is crowded with immigrants from all over the world, but we can pick out our three friends. There's Patrick, a farmer who left Ireland for religious reasons; there's Ian, a bootmaker from Poland; and there's Silvio, a baker from Italy. These men don't know each other, but the one thing they all have in common is a new challenge—the challenge of American citizenship.

The famous writer Edgar Shoaff once said, "This country, with its institutions, belongs to the people who inhabit it". Nobody believes this more than Patrick. He was forced out of his native land because of religious intolerance. His country's religious institution tried to force its views on Patrick, and he couldn't abide by them. Patrick sailed to America because it was a nation made great by dissension, a land built by men of different backgrounds. Once here, Patrick began to farm again, to talk to his neighbors, to become involved. After several years of leadership in his community, Patrick's neighbors suggested he run for public office. Being an immigrant, Patrick didn't think he could win, but he knew he could be a good-leader, so he ran, and he won a seat in Congress. After a long and illustrious political career, Patrick left Congress, and he also left his mark as a leader—a symbol that he met the challenge of American citizenship.

During this time, Ian, the Polish bootmaker, had also been getting acquainted with the American way of life. Ian was living in a large city on the East coast, and he had opened a small cobbler's shop. When he lived in Poland, Ian was used to making one kind of shoe, because that was the kind of shoe the other shoemakers made. But now Ian had the freedom to create, to invent, to explore new worlds. Ian's new styles of shoes soon became so popular that he had to hire new employees and open new shops. Later in his life, when he looked back on the vast financial empire he had built, Ian knew that in Poland he would still be a poor cobbler making a single style of shoe. But in America, where his success contributed to the nation's success, he was able to achieve his potential. Clearly, Ian saw a challenge and he met it.

While Ian was making shoes and Patrick was making laws, Silvio, the Italian baker, was discovering America as well.

Silvio had his own bakery in a small Midwestern town. He was comfortable, but not wealthy. He voted, but did not run for office. Silvio was neither downtrodden nor raised from obscurity; Silvio was happy. One day, later in his life, Silvio was reading to his grandson when he came across the words of Abraham Lincoln; "God must love the common man, he made so many of them".

Silvio was an honest man, and he knew his life had not been spectacular. He knew that, as John Milton said, "They also serve who only stand and wait". And he also knew that he was what America needed most; a good, solid citizen. Silvio too, met his challenge.

Toward the end of their long and prosperous lives, Patrick, Ian, and Silvio shared a common reflection. They each recalled the poem on the Statue of Liberty which had welcomed them to their new home: "Give me your tired, your poor, your huddled masses yearning to breathe free, the wretched refuse of your teeming shore. Send these, the homeless, tempest-tost to me—I lift my lamp beside the golden door".

Silvio, Ian and Patrick never met. They never had to. For they knew that in order for America to survive, there had to be other men like themselves who would accept the challenge of American citizenship. Freedom was a grand dream then, and it is still a dream today. But it is a dream which, now as then, can only be realized through the work of American citizens.

THE ERASMUS HALL HIGH SCHOOL BICENTENNIAL

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. OWENS of New York. Mr. Speaker, this year marks the bicentennial anniversary of Erasmus Hall High School in Brooklyn, NY, which is located in the 12th Congressional District that I represent.

Erasmus plays an important role in the history of school libraries. In 1900, Erasmus was the first New York high school to appoint a school librarian; and that librarian, Mary Kingsbury, thus became the first school librarian in the United States.

The State of New York historically led the Nation in supporting libraries. It was the first State in the United States to promote school library development and to develop legislation regarding school libraries. In 1827, Gov. DeWitt Clinton urged that collections of books be placed in school libraries. In 1835 he secured passage of a law that permitted voters of any school district to levy a tax of $20 to start a library and $10 annually to maintain it.

Early school libraries were not very successful, however, for numerous reasons. They were not established within the schools themselves; there were no trained librarians, and students were assigned limited reading lists, primarily textbooks, that did not encourage the use of libraries for further educational, or recreational, reading. But they did have one great advantage; they served the people of entire communities, particularly in rural areas.

By 1892, New York had made great advances in school library legislation. There were measures which provided for district school libraries, required school districts to match the money provided by the State, and gave school librarians the responsibility for purchasing and caring for collections.

Such efforts laid the foundation for school libraries as we know them today.

As the first professional librarian elected to the House of Representatives, I have long been concerned about the position of high school libraries in our modern-day "information age." In this context, high school libraries can no longer be perceived as isolated sanctuaries for quiet study and contemplation. They must assist students in developing their research, writing, rhetorical, statistical calculation, and even computer conceptualization skills; for such skills will be increasing demand in this age of information.

High school administrators and teachers must integrate their school's libraries more closely with academic courses. Classes in social studies, literature, and science should all include instruction on how to make the most effective and efficient use of the tools libraries provide which enable students to further investigate their subjects.

As they did in the 19th and early 20th centuries, high school libraries must again be community resource centers. By serving communities in this manner, they are not competing with public libraries, but bridging schools and communities in the same sense that adult education classes do.

The innovative work and mission of school libraries in New York, as exemplified by Erasmus Hall High School and Mary Kingsbury, the school's and the Nation's first school librarian, have set the standard for school libraries in the years ahead. I salute the many New York City school librarians who toil daily in carrying out the fine education tradition of Mary Kingsbury, and congratulate Erasmus Hall High School on its 200 years of educational excellence and its historical place in the evolution of American school libraries.

A TRIBUTE TO THE WARREN TRIBUNE CHRONICLE

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. TRAFICANT. Mr. Speaker, today I rise in order to pay tribute to the Warren Tribune Chronicle, a very special newspaper in my 17th Congressional District. The Tribune is the second oldest newspaper in the State of Ohio, and will soon be celebrating its 175th anniversary. On July 10, 1987, I will have the honor of rededicating a plaque at the original site of the newspaper as part of the 175th anniversary celebration, as well as presenting a large American flag which will be flown on the flagpole of the current Tribune building.

The Warren Tribune Chronicle was founded in 1812, only 9 years after the great State of Ohio attained statehood. The original name of the newspaper was the Trump of Fame. Through the years, the Tribune has grown to become one of the most important and widely read newspapers in Ohio. I am a vociferous reader of the Tribune, for I depend on its exhaustive coverage of events in Trumbull County. I am extremely proud that my district has produced such a pillar of journalistic excellence.

As we commemorate the 200th anniversary of our Constitution, let us remember that our Constitution probably would not have survived without a free and vigorous press. For 175 of those years, the Warren Tribune Chronicle has been carrying the torch, reporting on the major events of Ohio, the Nation, and the world. Thus, it is with thanks and special pleasure that I join with the people of the 17th Congressional District in saluting one of the greatest newspapers in Ohio history—the Warren Tribune Chronicle.

BORK BELIEVES IN THE WORDS

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. BROOMFIELD. Mr. Speaker, there is a great deal of smoke and noise that has arisen since the nomination of Judge Robert Bork to become a Justice of the Supreme Court. I fear that in the confusion all of us—the Senators who must decide and the rest of us in this country who will participate through our observation and comments—may lose sight of the true questions that should be considered in Judge Bork's nomination.

For this reason, I wish to commend an article from the Los Angeles Times by Bernard Dobranski, the dean of the University of Detroit Law School, and Leon Lysaght, an associate professor of law at Detroit Law School.

Their article helps shed some much needed light on what is fast becoming a confusing debate that mixes politics and law. They point out that a distinction must be made between political issues and legal questions, and in the selection of a Justice, there are important legal questions that should be answered and that should be the determining factor. I believe this article can be of assistance to all of us.

[From the Los Angeles Times, July 3, 1987]

BORK BELIEVES IN THE WORDS

(By Bernard Dobranski and Leon Lysaght)

There is an unfortunate trend these days to further erode the distinction between law and politics. The formation and enforcement of laws is, of course, connected with the political process. On the other hand, the interpretation of the law should be divorced from the political process as much as possible. The problem is that the Constitution has, more and more, become an arena for carrying on political contests. Where proponents see little hope of legislative success, they should have to cast their claims in constitutional molds. As a result, there are those who are more concerned with a judge's politics than with his or her view of the law and the role of the judiciary in our form of government. What is even more alarming is the growing tendency to interpret judicial decisions in political terms that only take account of results.

The blizzard of commentary surrounding the nomination of Judge Robert H. Bork for the vacancy on the Supreme Court has obscured the legitimate issues and served to focus attention on the irrelevant and unknowable. We do not and cannot know whether Bork's heart was pure on the day he fired Archibald Cox. What we can determine is whether his conduct was within, and indeed required by, the law. We cannot know precisely how Bork, now on the U.S. Court of Appeals, will vote on a variety of issues that will eventually appear before the Supreme Court. What we can reasonably expect to understand is Bork's opinion as to the nature of the U.S. Constitution and his approach to interpreting it.

In a 1986 article in the San Diego Law Review, Bork sets forth his views on the proper role of the judiciary and the approach that it ought to take to constitutional interpretation. He discusses the problems created by the use of a concept like the "right of privacy" as the criterion for determining the result in *Griswold* vs. *Connecticut.* "My point," Bork says, "is simply that the level of abstraction chosen makes the application of a generalized right of privacy unpredicable." What concerned Bork was the trend toward generalization in judicial decisions even when the Constitution is silent on an issue, and what this might lead to as a source of unstructured judicial power.

The whole tenor of Bork's article is strongly reminiscent of late Supreme Court Justice Hugo Black's dissent in the Griswold case. "Privacy," Black said, "is a broad, abstract and ambiguous concept which can easily be shrunken in meaning but which can also, on the other hand, easily be interpreted as a constitutional ban against many things . . . ." Black's view of the manner in which the Supreme Court ought to interpret the Constitution has much in common with Bork's as expressed in the San Diego Law Review article.

Both jurists take the position that the function of the Supreme Court is to interpret the Constitution by reference to the words that appear in it. Both believe that the words can and ought to be limiting factors on the discretion that judges have in making their decisions. Yet there is a growing group of law professors who think otherwise. And there appear to be a number of senators who believe that political ideology is the determining factor in judicial decision-making.

But political beliefs held before appointment to the Supreme Court have not been reliable predictors of judicial behavior. Hugo Black's political background (which included membership in the Ku Klux Klan) would hardly have predicted a judicial record of preserving individual rights. Earl Warren's performance surprised more than a few people.

More is known about candidates who have had judicial experience than those who have been selected from the political arena. But what is it that we know about current or former judges?

What we know is whether they view the law as a rational enterprise and whether, as judges, they are of the opinion that they must give good reasons for the decisions that they make. We can discover whether they believe that a judge is morally superior and, therefore, morally justified in substituting his or her opinion for the opinions of legislators or the general population. In short, what we can find out, and what we should want to know, is the degree to which the candidate for judicial office is committed to the rule of law.

It is appropriate to ask a *political* candidate what his or her opinions are in respect to abortion, prayer in schools, gay rights or any other matter within the political domain. What we should ask the candidate for judicial office is his or her opinion with regard to the law on these matters, and whether the candidate is prepared to faithfully apply the law. It is important to determine whether the judicial candidate differentiates between his perferences on matters of social policy and his view of the law on these same issues.

Bork has articulated his views on these matters in numerous law-review articles and judicial opinions. What he has said is neither unique nor radical. As previously noted, his position on constitutional interpretation bears striking resemblance to Hugo Black's. The view that a judge must justify his decisions by reference to the established meaning of the words does not justify calling him a right-wing ideologue. The nomination, and confirmation, of Judge Bork will not mean substantial change in life as we know it, no matter who "we" are.

THIRD WORLD DEBT: THE CRISIS CONTINUES

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. GARCIA. Mr. Speaker, I am submitting for the RECORD a fine essay by David Rockefeller on Latin America and the Third World debt crisis. While Mr. Rockefeller's ideas are not new, his logic is, nonetheless, compelling.

I ask my colleagues to take a moment to read this essay on one of the most important issues confronting us:

[From the New York Times, July 5, 1987]

LET'S NOT WRITE OFF LATIN AMERICA

(By David Rockefeller)

Brazil's unilateral decision in February to suspend interest payments on its debt brought about a chain reaction of events, including the decision by Citibank, followed by Chase Manhattan and other United States banks, to increase their loan loss reserves. Bank analysts, shareholders and Government regulations have praised the banks, and many observers seem to feel that at long last banks are taking their heads out of the sand and recognizing the inevitable.

In fact, of course, this transfer of funds—and that is all it is—has not cost the banks a penny. It also does not reduce the obligations of the debtor nations, nor will it diminish the efforts by the banks to recover all the interest and principal represented by their current loans. Thus, from a shorter-term and corporate perspective, the increases in bank reserves have had no real immediate impact on the overall debt situation. Moreover, they were actually followed by a significant increase in bank stock prices.

From a longer-term and international perspective, however, the implications of these moves are far more complex. Indeed, one might question if all the recent drama really was necessary or in the end beneficial to banks or the major debtor nations.

For one thing, though Brazil made a mistake in acting unilaterally, it never has denied its permanent obligation to make interest payments. In fact, the new Brazilian economic plan and willingness to work with the International Monetary Fund may prove a first step toward the resumption of interest payments.

Nevertheless, Brazil's action and the reaction it triggered make it far more difficult to proceed with the more pedestrian course of step-by-step individual negotiations that has worked reasonably well over the last five years.

Most bankers and investors already took a dim view of Latin American debt, and the latest developments may well make less strong commercial banks still more reluctant to lend even the limited additional funds that are essential to sustain Latin American economies. Moreover, regional banks, which are new to international lending, may now find the perfect excuse to cut off all new credits to developing nations.

Such a drying up of commercial credit would mean that the debtor nations could no longer import essential parts and equipment to expand their production and exports—thus seriously impeding their prospects for sustained economic growth. This could reduce further the ability of Latin American nations even to service their existing debt and, in turn, could ultimately expose Western commercial banks to far greater losses than would have been incurred without such dramatic and widely acclaimed additions to their loan-loss reserves.

One hopes that a combination of carefully tailored actions by the major commercial banks and international agencies such as the World Bank can avoid such an eventuality.

We must remember that the real question of concern to lenders is the ability of borrowers to service their debt, not whether they can pay it off. Debt is a fundamental component of creative investment and growth, and rare is the nation or private enterprise that can function effectively without it.

America has more than its share of foreign debt, and we would be hard pressed if asked to pay it all off at once. In addition, of course, our own domestic Government debt is in excess of $2 trillion and still climbing. Yet America is viewed as a good risk because lenders are confident that the money they lend will be serviced on time.

Furthermore, it is a little recognized fact that the exposure of commercial banks in Latin America has decreased significantly over the last five years. In 1982, the nine largest American banks had loans outstanding in Latin America that amounted to an average of 172 percent of their capital. While still large, by the end of 1986 this exposure had been reduced to about 109 percent of capital.

Finally, we must remember that the major Latin American economies are quite resilient. Between 1980 and 1984, Brazil moved from a trade deficit of $2.8 billion to a surplus of more than $13 billion. Between 1981 and 1985, Mexico moved from a trade deficit of $4 billion to a surplus of nearly $14 billion.

These nations face serious problems again, but there is reason to believe that with patient cooperation among all interested parties these difficulties will not persist forever. Mexico already is recovering impressively. It also is significant that the interest payments of non-oil-exporting Latin American debtors as a percentage of their export earnings actually declined from 47 percent in 1982 to 34 percent in 1986.

But recovery requires sustained economic growth, which cannot be achieved through domestic structural or policy changes alone, as important as these are in Latin America.

Latin American nations must have more working capital as they adjust their economies, and this will require ongoing credit, albeit at a reduced rate. Increased exports from Latin America also will be critical to economic growth in that region, and the major industrial nations must refrain from protectionist policies that keep out those exports. They also, of course, must continue to grow themselves.

In view of recent developments that make likely a decreasing role by commercial banks in extending new credits to Latin America, however, the internation agencies, and especially the World Bank, must be far more active and creative in the future than they have been in the past.

In this regard, it is critical that Congress increase our nation's financial and moral support of the World Bank. The Bank must have additional funds if it is to expand substantially its extension of credit, and our nation must realize that this route is the most efficient and least expensive vehicle we have to protect our own self-interest in maintaining the creditworthiness of Latin America. In addition, it is high time for the export credit agencies to become more active than they have been.

The world's commercial banks would be very unwise to write off Latin America in their future thinking—or, indeed, to cut back too drastically on a moderate extension of additional credit. One way or another, they probably will have to refinance about one-third of the interest coming due if they are to count on receiving the other two-thirds. The achievement of sustained growth in Latin America is very much in the self-interest of all creditors, including the banks.

Recent dramatic steps by Brazil and the banks have made a resumption of the laborious process of country by country negotiations more difficult, but not impossible. Creditors and debtors alike would be well advised to resume the process of "muddling through," which, despite the dire predictions of many, has prevented a serious crisis during the last five years. This is not glamorous. This is not dramatic, it does, however, work.

TWO HUNDRED YEARS AGO TODAY AT THE CONSTITUTIONAL CONVENTION (JULY 6)

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. SHARP. Mr. Speaker, on July 6, 1787, only 1 day after hearing the report of a special committee on representation in Congress, the Convention decided to create another committee on the same topic.

The delegates seemed to be willing to accept the initial committee's suggestion that membership in the House of Representatives vary from State to State. However, there was still a disagreement on how to determine the number of Representatives.

The first committee had suggested each State be allocated one Representative for every 40,000 free citizens plus three-fifths for each slave. But some Northern State delegates opposed counting slaves. Others believed the value of property should also play a role in determining representation.

With no agreement in sight, the delegates awaited the report of the newest special committee.

VA EMPLOYEES VOICE STRONG SUPPORT FOR THEIR MEDICAL COMPUTER SYSTEM

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. MONTGOMERY. Mr. Speaker, a controversy over the effectiveness and cost of the Veterans' Administration's medical computer system, known as the Decentralized Hospital Computer Program [DHCP] system, has arisen in the Congress. As chairman of the Committee on Veterans' Affairs, I have scheduled many oversight hearings on this important medical computer system over the past several years and the reports on its effectiveness and costs have been uniformly very positive.

Since our hearing of April 8, 1987, on this important subject, I have received many letters from veterans and Veterans' Administration employees in support of the DHCP.

I would like to share with my colleagues a copy of a letter which I received from Mr. Julius Y. Chou, Acting Chief of the Information Resource Management Service at the VA Medical Center at Chillicothe, OH, which demonstrates how the VA employees feel about "their" medical computer system. The letter follows:

VETERANS' ADMINISTRATION,
MEDICAL CENTER,
Chillicothe, OH, May 1, 1987.

Hon. G.V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This letter is to express concerns and support for the Veterans Administration Decentralized Hospital Computer Program (DHCP) currently under consideration by Congress.

When DHCP was first introduced into the Veterans Administration medical system, the members of this committee estimate that as a system we were 10-15 years behind the private sector. During the past four years equipment has been purchased, facilities renovated, employees trained, and software developed and tested. Currently, this medical center has utilized all software available with excellent results. (This letter was produced utilizing the capabilities of DHCP at this facility.) Several members of this committee are familiar enough with the other major system and find no comparison to DHCP in its capabilities.

DHCP currently meets our needs and any break in service or delay in completing our system would be detrimental to the delivery of care which would ultimately be a disadvantage to our veterans.

A changeover at this time would be traumatic to both the system and more importantly, to employees who have dedicated themselves to learning and running a system which will ultimately enhance the treatment of American veterans.

Respectfully,

Julius Y. Chou, Acting Chief, Information Resource Management Service, Chairman, Information Resource Management Committee; Jay E. Wilkins, Chief, Engineering Service, Member, Information Resource Management Committee; Chester V. Loach, D.D.S., Chief, Dental Service, Member, Information Resource Management Committee; James L. McNall, Chief, Security Service, Member, Information Resource Management Committee; Wendy Clark, Program Assistant, Medical Administration Service, Member, Information Resource Management Committee; Steve J. Roberson, Chief, Pharmacy Service, Member, Information Resource Management Committee; A.M. Onderko, Associate Director, Chairman, Administrative Executive Board; Paul F. Fletcher, M.D., Chief of Staff, Chairman, Clinical Executive Board.

ANNIVERSARY OF MIAMISBURG TRAIN DERAILMENT

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. HALL of Ohio. Mr. Speaker, 1 year ago today a train carrying hazardous materials derailed in my congressional district. Twelve thousand pounds of phosphorus and an undetermined amount of sulfur exploded and burned emitting poisonous fumes for 5 days. Over 30,000 people in the Miamisburg area were evacuated and sent to convention centers and high school gyms, causing the largest evacuation in railroad history.

Now, 1 year later, we have not seen any regulatory action to assure that another Miamisburg-type accident does not repeat itself. It took the Federal Railroad Administration [FRA] 1 year to issue a report that could have been out in a matter of weeks.

Fortunately, as the FRA report determined, the local emergency responders did a good job. The fire was contained and people were quickly evacuated. Nearly 600 people were treated at local hospitals for respiratory and eye disease but there were no deaths directly attributed to the accident.

The FRA did determine that the accident was caused by a sun kink that developed because the carrier, CSX Corp., did not place a slow order on the train after working on the tracks. The FRA found that the carrier violated its own track maintenance rules.

Mr. Speaker, there is a tremendous void in the FRA report. What the report does not say is as important as what it does say. There are no positive recommendations for preventing future accidents involving hazardous materials. The report lacks any concrete statements on the ovewhelming need for the FRA to step in when we have potentially dangerous situations, and do what it is supposed to do, that is oversee railroads.

Last year, I introduced the Hazardous Materials Rail Safety Act to address glaring problems I saw in the Miamisburg accident. We need to mandate that information on the content and location of dangerous chemicals be shared immediately with local firefighters and police officers. We also need to outlaw obsolete tank cars from carrying hazardous materials, and assure that public safety is considered when these tank cars are designed.

Every day trains carry approximately 3,000 carloads of dangerous hazardous materials through our towns and over our farmlands. It is time for FRA to take a stronger role to make sure we do not have more Miamisburg-type accidents. We were lucky in Miamisburg, and the lessons learned should be used to preserve public safety in other communities.

URGING SUPPORT FOR NATIONAL VISITING NURSE ASSOCIATION WEEK

HON. JOEL HEFLEY

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. HEFLEY. Mr. Speaker, today I am pleased to join my colleague, Representative WYDEN, in introducing a House joint resolution making February 21 through the 27, 1988, "National Visiting Nurse Associations Week." It is high time that we recognize the contributions of the visiting nurse associations to our Nation's health.

For more than 100 years, visiting nurse associations have brought medical care, health education, and other needed services to the homebound. They have shared and, to some extent, shifted the burden from nonprofessionals, primarily women, who over the centuries have tended sick relatives, friends, and neighbors in their homes. Visiting nurse associations have ministered to the ill and infirm and provided them with nutritious food, basic household utensils, and clothing.

Throughout the United States, visiting nurse associations have played vital roles in their communities. In my own State of Colorado, visiting nurses helped combat infectious diseases in the mining camps. In Louisville, KY, in the 1890's the visiting nurse association supplied milk for infants of impoverished families. At the turn of the century, in Buffalo, NY, the visiting nurse organization was working to "provide free nursing among the sick poor." In Dover and Medfield, MA, in 1913, a visiting nurse taught the Camp Fire Girls cooking and the Boy Scouts first aid. In Manchester, NH, in the 1920's, the visiting nurse association provided health care and disease prevention training to the many immigrants whose unfamiliarity with English aggravated their nutritional and medical problems.

Health departments, relief organizations, and social service agencies came to rely upon visiting nurse associations to provide assistance to patients. They occasionally banded together to offer expanded services, such as diagnostic and laboratory tests, supplies and equipment, transportation, and physical therapy.

Today, visiting nurse associations employ skilled nurses, therapists, and other health professionals who provide medical care and physical and speech therapy in the patients home. VNA beneficiaries—infants, children, adults, and the elderly—number nearly 1 million every year. VNA's serve 504 urban and rural communities in 47 States. Their professionals nurse the sick back to health and comfort the dying.

Visiting nurse associations enjoy and rely upon the financial support and voluntary assistance of private individuals and businesses, as well as philanthropic and charitable organizations in their communities. These contributors recognize the benefits of treatment at home rather than in expensive and impersonal institutions.

Volunteers are one of the hallmarks of VNA's. Volunteers help manage the offices, raise operating funds, deliver food to the homebound, and perform a variety of housekeeping and day-to-day tasks for bedridden or infirm patients.

Although they have operated quietly and without fanfare over the years, the visiting nurse associations have been a major force in shaping our system of health care. Visiting nurses have been referred to as "foot soldiers in the struggle for improved public health in the United States." In recognition of the considerable contributions of the visiting nurse associations, I asked my colleagues to join me in honoring them.

PIPER CUB CELEBRATES 50TH ANNIVERSARY

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. CLINGER. Mr. Speaker, 50 years of aviation history will be celebrated July 10–19 as airplanes fill the sky over Lock Haven, PA, to commemorate the 50th anniversary of the world famous Piper J–3 Cub. I would like to take this opportunity to congratulate the people of Lock Haven and Clinton County, former Piper employees and all those who have helped to organize this tribute to the Cub and the Piper Aircraft Corp.

In 1937, after fire destroyed his plant in Bradford, PA, William T. Piper, Sr., founded Piper Aircraft Corp. in Lock Haven, producing 687 Cubs that year.

Soon after coming to Lock Haven, Mr. Piper introduced the J–3 Cub which became known as the flivver of the air. The plane was universally recognized as easy to fly, maneuverable and able to land and take off almost anywhere. In fact, it is known as one of the world's most significant airplanes because more than 75 percent of our World War II pilots received their first training in the Cub.

Not only military pilots learned to fly on the Cub, but tens of thousands of amateur pilots made their dreams of flight come true by taking to the skys in a Piper Cub.

And people all over the world still fly Pipers today. In fact, during the history of the company, it produced over 128,000 airplanes. They were, and still are, one of the most popular planes in aviation history. But perhaps the most significant contribution that the Piper Co., made to the aviation community was the affordable J–3. When it was introduced it sold for less than a $1,000, truly making it the model T of the skys.

Last year I attended the first sentimental journey and saw many of these revolutionary aircraft from all over the Nation land in Lock Haven. I remember being especially impressed after talking with a man who had flown all the way from Washington State because he felt strongly that the Piper Co., and its aircraft should be honored.

During this 50th anniversary of the Piper J–3, I once again congratulate the many volunteers, sponsors and the citizens of Clinton County who will make the second annual fly in, this sentimental journey a ringing success.

CONGRATULATIONS TO DESERVING PARENTS

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. TRAFICANT. Mr. Speaker, today I rise to call attention to a very special family which lives in my 17th Congressional District. It is with great pride and joy that I tell you about the recent events in Mr. and Mrs. Norman Gallagher's life.

Until quite recently, the Gallagher family consisted of three fine young boys, and their proud parents. The boys are Norman, age 10, Justin, age 7, and Christopher, age 5. At 11:08 p.m., on June 27, 1987, the family was blessed with a beautiful baby girl, Amber Teresa. The birth of a female child delighted the whole family. Amber Teresa weighed in at a healthy 6 pounds, 9½ ounces, and is the perfect addition to this excellent family.

The family resides at 4094 Lanterman Road in Youngstown, OH. Mr. Gallagher serves the community of Austintown, OH, as a patrolman for the Austintown Police Department. It is thus with great happiness that I relate these events to you, Mr. Speaker, and I am sincere when I wish this deserving family the best of luck in the future.

TWO HUNDRED YEARS AGO TODAY AT THE CONSTITUTIONAL CONVENTION (JULY 7)

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. SHARP. Mr. Speaker, the smaller States had apparently won a victory on representation in the Senate. It now seemed as if the Convention would give each State the same number of Senators regardless of its size.

Therefore, they were willing to give a little ground to the larger States on other matters. One such concession was on the powers of the House of Representatives. Delegates from the smaller States went along with a proposal that all money bills originate in the House. This favored the larger States since they would have greater power in the House. Supporters of the plan also argued that decisions about the people's money should be made in the branch of the legislature that was closest to the people.

Delegates from the smaller States made the concession to their larger brethren knowing the Senate's approval would always be necessary.

AMENDING OMNIBUS CRIME CONTROL AND SAFE STREETS ACT

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. LOTT. Mr. Speaker, I bring to my colleagues' attention a bill I am introducing which would increase the death benefits available to the families of public safety officers killed in the line of duty. I hope the bill will win the support of all of my colleagues; the issue at hand demands attention and action. The changes the bill would initiate respond to pressing and very legitimate concerns; families of law enforcement officials killed in the course of performing their jobs both need and deserve more support than they currently receive. The substance of the bill is quite simple and straightforward: the bill would amend the Omnibus Crime Control and Safe Streets Act of 1968, which currently provides that $50,000 in death benefits be made payable to families of public safety officials killed while working in their official capacities. The bill which I am setting forth would raise this amount from $50,000 to $100,000, and the change would take effect on October 1, 1987, or on the date of the enactment of this act, whichever occurs later.

The reasons for increasing death benefits are clear and compelling:

First, there is the obvious material fact that in any case $50,000 simply may not be sufficient financial compensation. For example, a State trooper in my district was killed last April. He had been with the Mississippi Highway Patrol for 9 years, and he received a salary of $18,000 per year. He was survived by a wife and three children; it seems unlikely that $50,000 will be enough to provide assurance of basic necessities and education for his family. In 1968, $50,000 would have been adequate financial compensation; it would have covered many more expenses then than it will now. Much has changed over the past 20 years, not the least of which is the cost of living. Mr. Speaker, an increase in death benefits is in order.

Second, we need to take into consideration the emotional and spiritual trauma entailed by a sudden and violent death. It is a common misconception that the families of law enforcement officials, because they appreciate the risks of the profession, are somehow better prepared to cope with the shock of the death of a person close to them. It simply is not true that death is somehow easier to bear if you understand beforehand that a person's profession places him/her at risk. A study conducted recently by the organization, Concerns of Police Survivors, details the powerful impact of the deaths of police officers on survivors. The study indicates that 59 percent of surviving spouses meet criteria for having post-traumatic-stress disorder, a psychological problem connected with exposure to events which lie outside ordinary human experience. This disorder occurs frequently in victims of physical assault, rape, and natural disasters, prisoners of war, and people taken hostage. Often the families of recently deceased police officers are treated with insufficient care. Other people fail to realize the severity of the shock, falling prey to the delusion that families of law enforcement officials are fairly prepared to handle the death. Further, the families themselves tend to assume that they must react more stoically than is natural—they often feel that this is somehow expected of them. This internalization of pressure intensifies and prolongs the tension entailed by loss. Survivors often are found to have clinical levels of psychopathology in numerous areas and evidence of post-traumatic-stress disorder 2 years after the death occurs.

Mr. Speaker, the Concerns of Police Survivors study indicated that the police department's response to the death affects the survivor's level of distress. A concerned and supportive response helps to minimize the distress. Any step to reduce financial complications will also reduce the degree of outside pressure inflicted on an already agonizing situation. Law enforcement officials play a crucial role in maintaining order. They risk their lives regularly in an effort to protect our own. Families of those who die deserve and need our consideration. In October 1984, President Reagan authorized the construction of a memorial to law enforcement officials—recognition they have earned well. I suggest that we further express our gratitude and respect by increasing death benefits; in doing so, we respond to both a genuine material need and a higher display of generosity. I hope my colleagues will give this bill strong and careful consideration.

ALTHEA T.L. SIMMONS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. RANGEL. Mr. Speaker, Althea T.L. Simmons has proven to be an invaluable asset to the ongoing civil rights movement in her capacity as the chief lobbyist for the National Association for the Advancement of Colored People. The fact that Ms. Simmons is black, and female, neither increases nor decreases her proficiency at her job, but can be seen as an indication of the strength of character that she embodies. Ms. Simmons has had lifelong practice in bearing, and overcoming, the hostility of prejudiced opposition.

Althea T.L. Simmons is a knowledgeable and assertive leader who deserves recognition. I am pleased to share this article by Lena Williams with you, as it appeared in the June 30 edition of the New York Times. It provides just such recognition.

[From the New York Times, June 30, 1987]

BLACK AND FEMALE, AND NOW DEEMED EFFECTIVE

(By Lena Williams)

WASHINGTON, June 29.—Civil rights leaders engaged in much second-guessing nine years ago when Benjamin L. Hooks Jr., executive director of the National Association for the Advancement of Colored People, chose Althea T.L. Simmons as the association's chief Washington lobbyist.

Ms. Simmon's predecessor, Clarence Mitchell Jr., who was retiring after 28 years of service, was thought of inside and outside Congressional circles as one the most effective and influential lobbyists of his time.

He was going to be difficult to follow, some said. Others were opposed to sending a black woman to Capitol Hill, convinced that being black and female would be a double liability in a predominantly white male world.

Even President Carter was skeptical. When they were introduced, Ms. Simmons recalls that Mr. Carter warned: "You've got some very large footsteps to fill in Clarence Mitchell's shoes."

"I told him," she said, "that no one could fill Clarence's shoes. I'd just have to walk in my own footsteps."

Today, as the N.A.A.C.P. prepares for its annual meeting starting Sunday in New York, Ms. Simmons is viewed here as an important player in her own right.

"She's one of the most effective, intelligent lobbyists on the Hill today," said Senator Orrin G. Hatch, Republican of Utah, who acknowledged that he and Ms. Simmons seldom agreed on the issues. "She knows the issues and pushes them with a great deal of aplomb. I may disagree with her, but she can be persuasive. I can't say she's made me change my vote, but she's had a great influence on me."

Mr. Hatch also said he appreciated Ms. Simmons' "quiet approach."

Melvin Bradley, a special assistant to President Reagan, said of Ms. Simmons: "She's not going to bend that much. But one of the things in her favor is that she is committed to her work and believes in what she does."

As for the differences between the Administration's agenda and that put forth by Ms. Simmons on behalf of the N.A.A.C.P., Mr. Bradley said the two sides probably agreed on 80 to 90 percent of the issues. "And have agreed on the others to disagree," he added.

For her part, Ms. Simmons said: "A lobbyist's stock and trade is his or her ability to communicate. I study everybody on the Hill. So I know what turns them off and what turns them on. Then you'll know how to approach them."

Although Ms. Simmons still gracefully suffers comparisons to the late Mr. Mitchell—as she does remarks about her uncanny resemblance to former Representative Barbara Jordan—she has succeeded in removing doubts about her ability to lobby Capitol Hill.

In her own take-charge way, she has worked quitely behind the scenes there and in meeting rooms of civil rights organizations to help win such legislative victories as the extension in 1982 of the Voting Rights Act, considered the most important civil rights legislation to come out of Congress in nearly two decades.

She also played a key role in gathering support for legislation to create a national holiday honoring the Rev. Dr. Martin Luther King Jr. and for a bill imposing sanctions against South Africa because of its racial policies.

But Ms. Simmons says that because of what her organization considers the negative attitude of the Reagan Administration, she has had to refocus her lobbying on trying to prevent erosion of gains made through the 1964 Civil Rights Act.

"WE'RE FIGHTING"

"We should be moving ahead to complete the unfinished agenda, which includes economic equality and social equality," she said. "We can't get around to doing that because we're fighting to retain gains already won. That's takes up most of our resources."

The situation was compounded by Congress' reluctance in recent years to expand protections and benefits for blacks and Hispanics, the handicapped, other minority groups and women, Ms. Simmons said.

"It's been difficult getting more than one civil rights measure passed at a time," she said. "Most of the time you have to take part of a bill then flush it out later. That's what we've had to do with the Fair Housing Act.

"Congress just can't seem to focus on more than one. When Congress was considering the King bill, there were members in the House and Senate who said we're going to vote for the bill. I said that's fine, but that's not a civil rights measure. That's a national bill that benefits everyone. We need your vote on the Grove City bill, because that's jeopardizing four major civil rights statutes." The Grove City bill denied Federal funds to institutions that discriminate.

Ms. Simmons keeps a close watch on the dockets and calendars of the four key committees that handle civil rights matters—the Senate and House Judiciary Committees, the Senate Labor and Human Resources Committee and the House Education and Labor Committee.

She patrols the corridors of the Capitol equipped with an overstuffed briefcase, telephone book with numbers of every civil rights organization in the nation and the book she calls her "Bible"—the "Mandate for Leadership: Policy Management in a Conservative Administration," by the Heritage Foundation.

Ms. Simmons came to Washington after 26 years of field service with the N.A.A.C.P., experience that she says taught her the value of grassroots mobilization.

"She can generate letters from constituents in every state and three-fourths of the Congressional districts," Mr. Hooks said. "It used to be that representing the nation's oldest and largest civil rights organization—an organization with a 40-year record of lobbying in Washington—meant something. Now there are so many groups out there that can make similar claims that you've got to change your strategy."

Ms. Simmons sees the association's record and reputation as one of her most valuable assets.

"We're nonpartisan, but highly political," she said. "We have 2,100 branches around the country and 400,000 members. We also keep report cards detailing the voting records of every member of Congress from the time they arrived to the present. We send those report cards out to all branches and any organization that requests it. Come election time, we're deluged with requests from incumbent representatives and their opponents of those records."

Ms. Simmons was born in Shreveport, La., 63 years ago, the daughter of a high school principal and a high school teacher.

"Our parents said we should learn at least three things well," she said of herself, her older brother and her younger sister." So I got my bachelor of science degree in business education from Southern University, a master's degree in marketing from the University of Illinois and a law degree from Howard University."

She has used the initials "T.L." as part of her name since kindergarten. When asked what they stood for, she said, "That's one secret I will keep."

Ms. Simmons, who is divorced and has a daughter, who is a lawyer, admits without the least regret that she is a workaholic. When she does socialize, she says, it is usually with friends she has made from her contacts on Capitol Hill.

"My staff likes to joke that I can work a reception in 30 minutes," she said with a deep laugh. "First I decide whether the N.A.A.C.P. should have a presence there. If so, I'm in and out of there, before they know what hit them."

IS CABINET-LEVEL STATUS THE ANSWER?

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. SOLOMON. Mr. Speaker, in the July issue of the DAV magazine, Charles Joeckel, executive director of Disabled American Veterans, calls on the President and the Congress to approve legislation (H.R. 1707), to elevate the Veterans' Administration to a Cabinet-level department.

I should point out to my colleagues that Mr. Joeckel's eloquent and convincing statement, which arrives in the mailboxes of over a million veterans this week, urges them to write and call their elected representatives to add their support to the legislation.

Mr. Speaker, I should also point out to the Members of this body that this is just the beginning . . . the other major veterans' organizations, including the American Legion and the VFW, are geared up in support of this bill.

Over 160 Members of the House have sponsored the bill and this is a good start! America's veterans have earned the right to be heard at the highest level of government . . . and they are not going to rest until they are heard at the highest level of government.

I wish at this time to insert a copy of the article by Chuck Joeckel.

IS CABINET-LEVEL STATUS THE ANSWER?

Caspar Weinberger, Elizabeth Dole, James Baker, and Edwin Meese. They're familiar names to most of us.

They're all members of the President's Cabinet, of course. But we're familiar with these folks, particularly, for more reasons than the status they enjoy at the White House.

Each is an outspoken advocate for the programs their departments implement, and the policies they adopt. Each, too, enjoys frequent and easy access to the President. And each of them—although clearly members of the President's inner team—have been prompted to publicly oppose White House policy when their departments were adversely affected in the past.

There's long been a question of loyalties among heads of the major federal departments and agencies. Can an agency head be true to the President who put him in the job, while demonstrating equal loyalties to his party and the constituents he serves?

The four Cabinet officers I've cited have publicly resolved that conflict. The White House may send word to Congress that they're prepared to compromise on the Defense Department budget, for example. But you can bet Secretary of Defense Weinberger will still be up on Capitol Hill, scrapping for full funding for defense programs—without compromise or retreat.

Indeed, in Washington—where the careful orchestration of legislation among the White House and Congress is a daily occurrence—such criticism of Administration desires from within the President's Cabinet can help rather than hinder a bill's progress.

Congress is extremely sensitive to a lack of candor on the part of White House officials. If they don't think they're getting both sides of an issue, they'll hold things up until they can dig out that other side on their own.

Simply put, that's how the federal government takes care of business. There are only so many federal dollars to go around. Only so much time to consider only so many issues. And only so many people who have the clout to get the President's ear, while selling their department's programs to both the White House and the Congress.

That's why the VA so often finds itself taking a backseat to other issues before the Congress and the Administration. And that's why the current VA Administrator, Thomas K. Turnage, is boxed out of the decision making process.

In one direction he faces the Office of Management and Budget (OMB) stone wall. OMB is a shop where only money talks, and the less money involved the easier it is for them to hear.

In another direction, Turnage faces a lack of accessibility to the President. He is an agency head and not a member of the President's Cabinet. As such, he is expected to weave his way through a maze of Presidential protectors if he is to gain access.

And finally, and at every turn, he is reminded that the Republican party helped put him in the job he now has, and the party demands fierce loyalties in return.

Last year at our National Convention in Reno, Nev., I described the DAV's expectations of the man who fills the top VA job. And I outlined what America's disabled veterans have the right to expect from the agency. Those comments bear repeating:

"You must realize," I told the Administrator, "the absolute concrete commitment we all share for disabled veterans, and it's a commitment we do not believe is subject to modification by reason of political loyalties or interpretation by reason of fiscal priorities. We expect the VA administrator to be a veterans' advocate. Indeed, our expectations are that the administrator's advocacy exceed even the veterans' organizations.

"He is the veterans, and particularly the service-connected combat disabled veterans, last best hope for a fair chance at a full life. If we find that advocacy wavering, we will respond. If we find that advocacy held hostage by political considerations, we will respond. And if we find that advocacy is anything but unparalleled in its strength of spirit and commitment, we will respond with all the might of a million-member organization."

I mention this, in the context of discussing Cabinet-level status for the Administrator of Veterans' Affairs, because of recent troubling events on Capitol Hill.

Earlier in the year, the Administration proposed a VA budget that sought to make deep cuts in VA health care and regional office personnel, reduce the scope of entitlement to burial plot allowances, increase user fees for VA-guaranteed home loans, and remove Congress from its oversight responsibility of the VA through the automatic indexing of benefits—among other provisions.

We anticipated vigorous opposition to these proposals from the VA. After all, each White House notion placed important VA programs in serious jeopardy. Yet, that opposition was not forthcoming.

Instead, disabled veterans had to turn to Congress for the voice of advocacy the programs demanded. And, as the VA budget winds its way to completion in Congress, that advocacy has been strong in both the House and the Senate.

Then we have the issue of improved hearing-loss regulations. As you'll recall, the VA developed improved hearing-loss criteria after some prodding by Congress and the DAV.

The criteria addressed the fact that current hearing-loss criteria did not reflect the full extent of disability by veterans in question.

The VA then sent the criteria to OMB, who first stalled the routine review, then rejected it out of hand because of its $35-40 million price tag. It was returned to OMB, where that agency then sat on the measure for almost a year before finally releasing it in May.

The result of all this was one agency of the federal government—OMB—overriding the decisions made by another—the VA—solely on the grounds of cost. The VA had, in effect, relinquished its policy setting authority to OMB.

It took repeated efforts by members of Congress—and the DAV's direct request to White House Chief of Staff Howard Baker—before the regulations were finally released by OMB and printed in the *Federal Register*.

Would these scenarios have been different if the VA Administrator was a member of the President's cabinet? The evidence strongly supports that conclusion.

And many members in Congress agree. More than one has noted that the VA employs more people than any department except the Pentagon, that the VA runs the largest health care system in the free world, and that the VA, with a budget exceeding $27 billion, is higher than most other federal departments.

We know, too, that the VA potentially serves 85 million Americans—a constituency that far exceeds many other departments of governments.

It's a question of the veterans' voice being heard—and heard well—through all the other voices that clamor for attention in Washington. Even though it operates the largest health care system in the world—the VA has had little involvement in the ongoing public policy debate over the changing state of health care in America.

Even though the VA has led the way in such areas as AIDS research, prosthetic development, and rehabilitation research, many seek to cut these areas in the VA budget. No one else is doing the scope of research into such things as gunshot wounds and spinal cord disabilities, yet these VA programs are constant targets of budget cutters.

For these and other reasons, more than 130 members of the House have joined in cosponsoring legislation, H.R. 1707, that would designate the head of the VA a member of the President's Cabinet. Similar legislation to the Senate, S. 533, is also under consideration in that body.

I urge each of you to write or call your elected representatives and add their support to these two measures.

Neither measure guarantees that veterans can stop fighting tooth and nail for what they've already earned. But they do offer veterans a fair chance at being heard—and heard at the highest level of government.

Is cabinet-level status the solution? Yes, so long as the individual who represents veterans on the President's Cabinet can demonstrate that loyalties to constitutents, to party policies, and the President are not mutually exclusive.

THE SILENCE IN NICARAGUA

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. SHUMWAY. Mr. Speaker, Violeta Chamorro, publisher of the silenced La Prensa in Nicaragua, is among the most eloquent and credible witnesses to the totalitarianism of the Sandinista regime in Managua. As the widow of the martyred Pedro Joaquin Chamorro Cardenal, editor of the publication, and as a former member of the Sandinista junta, she is in a unique position to know, and speak, the truth concerning that regime.

Earlier this week, she spoke some profound truth through an editorial in the Washington Post. Like her, I denounce the actions of the Sandinista government against La Prensa, and I deplore the free world's silent acceptance of those transgressions.

The article follows:

THE SILENCE IN NICARAGUA

(By Violeta Chamorro)

MANAGUA.—The Sandinista government, not satisfied with having arbitrarily brought about the closure last year of the daily newspaper La Prensa for an indefinite period, has continued a series of aggressions against the newspaper which I think the whole world should know about.

In a note dated March 26, but for some unexplained reason not sent until April 13, the Labor Ministry ordered us to pay in full the wages of all the workers, whose work contracts inevitably were suspended—strictly in line with the current Labor Code—at the same time the newspaper was suspended on June 26, 1986.

It should be noted that La Prensa, on the decision of its directors and for humanitarian reasons, seeking to ease as much as possible the unemployment brought about by the Sandinista government, continued paying the wages for two months beyond the June 26 closure.

As can be imagined, La Prensa, after 10 months of receiving not one cent in income, has severe liquidity problems—despite which it has kept on a skeleton staff, in case it might be able to publish again.

To pay those costs, in the absence of any revenue, the directors of La Prensa have had to sell off some of the assets. Amid the pressure for the paper to meet its obligations. The Sandinista government now is trying to liquidate it completely to bankrupt La Prensa.

"Why this now?" ask the noble Nicaraguan people, all of whose freedoms—such as freedom of expression—have already been battered. Very simple. The closure of La Prensa was not done for this or that reason proclaimed by the Sandinistas (without their specifying one), but because this newspaper, even shut down, represents the Nicaraguans' hope of one day being able to express themselves freely again.

That is why for the "Sandinista Front" even the hopes of an innocent people in their tragedy have to be killed.

But despite all the outrages, we are continuing day in and day out to seek means to reestablish our right to appear again before the Nicaraguan public and respond to its demand to be able to be informed openly and impartially—and not solely in line with the local and international policy of the Sandinista government, as it is now by the revolutionary government's media. We do this because we consider it our strong moral obligation to hold on to the defense of the Nicaraguans' rights at this historic moment in my country.

Based on that conviction, during the 77th World Interparliamentary Conference in Managua April 27, La Prensa sought to raise its voice again and claim before representatives from around the world its rights to once again freely inform the Nicaraguan people about what is happening in this country.

To make our message known, La Prensa published a poster-style sheet bearing the newspaper's logo and calling for worldwide solidarity against the Sandinista government's decision to keep it silenced.

The poster had as a background an enlarged photograph of my late husband, the martyred editor of La Prensa, Pedro Joaquin Chamorro Cardenal. It declared that in Nicaragua there is no freedom and therefore no democracy, and that it cannot be said a parliamentary system exists here, such as is known in all the democratic nations of the world.

Our greeting was circulated at the World Interparliamentary Union conference, having been sent to the embassies of the various countries represented there.

The result was that on April 30 a platoon of 30 armed soldiers under the command of Capt. Oscar Lozo, from the Nicaraguan Interior Ministry's State Security, broke into the newspaper's plant and temporarily detained several La Prensa employees, including directors. All were subjected to police interrogation and threats of being hauled off to jail for having published the poster.

Three hours later, the State Security military squad withdrew, after searching the entire building and seizing plates, film and other material used to print the poster. Many of the printed posters were also seized, along with thousands of wastage sheets.

The newspaper was also left with the threat of further action, supposedly stemming from the state of emergency in the country, under which the publication even of a one-sheet flyer is prohibited if its text has not been checked and approved by the Interior Ministry.

With these two Sandinista government actions against us, which I denounce herewith through my Inter American Press Association colleagues, I wish only to carry out a mission that I have taken upon myself: to explain to the world the defenselessness of the Nicaraguans in the principal struggle of this century—the ideological struggle. My mission is to make those who do not live in Nicargua feel the ominous significance of the silence that has fallen over our Nicaraguan people, after having bled, after a heroic fight for their freedom, a fight in which I lost my loved one.

Nevertheless, I believe it is also my obligation to assert that despite the Sandinistas' flagrant injustice to La Prensa, bulwark and barometer of democracy in Nicaragua, the reaction from the free world—the great world press and the leaders who call themselves democrats—has been little.

What concerns me in this coolness is that all the debate is over whether armed struggle is good or bad. I, and La Prensa, do not want—and have never wanted—to take part in that discussion. It seems absurd to us that we look only at the here and now, and not ahead to the most dangerous outlook for our struggle in Nicaragua. We are fighting against a deceitful, seductive, false ideology that can trick exploited peoples. And against such a force we have no arms.

The barracks, the bulwark, of the ideological struggle in Nicaragua is La Prensa, but the loss of such a bastion does not seem to mean much to the free world.

The months go by and totalitarianism, with the outrage taken for granted, engages in new attacks against the people's right to be informed. The months go by and the new dictatorship continues taking positions and strangling a people's freedoms, won by blood and sacrifice.

SSC PROVISION OF H.R. 1827

HON. TERRY L. BRUCE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. BRUCE. Mr. Speaker, I wish to speak to amendment No. 97 of H.R. 1827, the fiscal year 1988 supplemental appropriations bill. Amendment No. 97, which passed the House on June 30 as part of H.R. 1827, concerns State financial incentives and the Department of Energy's site-selection process for the SSC.

The report accompanying H.R. 1827 and the description given by its Senate sponsor, Mr. DOMENICI, clearly indicate that the intention of amendment No. 97 is to ensure that the SSC site is selected for its "overall suitability" for construction and operation of the facility. I understand that this amendment precludes the Department of Energy from considering financial incentives from the States in making its site selection, but that it is not intended to limit the ability of the States to compete on other criteria deemed necessary for the presentation of the best site proposal. Moreover, I understand that this amendment does not prohibit States from including incentives, even financial incentives, as part of their individual proposals.

Mr. Speaker, we are all aware of the menacing budget deficits which threaten our country. That is precisely why efforts made by the Federal and State governments to share the cost fo the SSC are essential. Cost-sharing represents an invaluable means of alleviating the cost to the Federal Government. I am pleased that amendment No. 97 wisely allows States and other groups to include financial or other incentives in their proposals. This provision clearly offers States the option to include incentives to reduce the costs of the supercollider while also ensuring that the SSC is sited preeminently on the basis of its technical requirements.

INDIANA AND THE GLOBAL ECONOMY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, July 8, 1987 into the CONGRESSIONAL RECORD:

INDIANA AND THE GLOBAL ECONOMY

Recently two auto parts producers—one Japanese, the other American—decided to locate manufacturing facilities for a new joint venture in a small Indiana town. This decision followed months of intense competition and negotiation. For most Hoosiers, it brought home that foreign trade and investment are of growing importance not only to the national economy, but the Indiana economy as well.

Hoosiers have heard for years about the interdependence of the world economy; now they are seeing the direct impact of the world economy on their jobs and living standards. The United States is the world's largest exporter after Germany. It sold a total of $217 billion of goods abroad last year. Those exports mean jobs: five million American jobs depend on exports. Most of those jobs are in manufacturing, but exports count in agriculture as well. Farm exports account for $1 out of every $4 in total agricultural sales and totalled nearly $26 billion last year. Foreign investment in U.S. companies has steadily increased in recent years and is now an integral part of our economy. Just over a decade ago, foreign investment in the U.S. was valued at $25 billion. Today its value exceeds $200 billion.

Indiana's situation mirrors the nation as a whole. Indiana is a big player in foreign trade, much bigger than one might expect. Indiana ranks 9th nationally in industrial and agricultural exports. More impressively, the per capita value of Indiana's exports ranks second. Our exports are growing twice as fast as other segments of the State's economy. About one-fifth of Indiana's manufacturing jobs are in some way dependent on export markets, as is one-third of its agricultural production.

Foreign, investment plays an increasing role in Indiana's economy as well. Nearly 50,000 Hoosiers are employed in foreign-owned firms, and the number is growing rapidly. The Netherlands, West Germany, Canada and the United Kingdom have the largest stake in Indiana, but Japanese investors have also begun to play a major role in the economy. Six Japanese automobile producers are building new plants in Indiana and surrounding States. These "transplants" already purchase some $1.5 billion worth of U.S. auto parts, many from new or expanding facilities in Indiana.

Not all the news is good. The 1980's have been a rough decade for the U.S. in foreign trade. Stagnating exports and exploding imports have left the U.S. with a string of record trade deficits. Farm exports alone have declined sharply since 1980, and nearly 2 million jobs across the economy have been lost to imports. Imports have taken their toll in Indiana. Hardest hit are the steel, automobile and electronics industries. In southern Indiana, imports are challenging such industries as heavy machinery, shoes, furniture, muscial instruments and luggage.

Many Hoosiers are understandably concerned about the impact of the global economy on Indiana. They have seen imports take away their jobs and fear foreign firms may not pay as well as their American counterparts. They worry that foreign influence could pose a threat to their economic well being and the nation's security.

Despite these reservations, the momentum of the state's economy clearly favors more foreign investment and greater exports. Because the U.S. has consistently run a trade deficit in recent years, foreign firms and individuals are holding more dollars, and they are purchasing American goods and investing in the U.S. at record rates. Our trading partners today match or exceed the quality of many U.S. products, frequently sell them at lower prices, and want to manufacture in the U.S. to get around trade barriers.

What all this means is that Indiana's economy is no longer isolated. It is sensitive to events far from Indiana. Interest rate changes in London, debt levels in Latin America, trade policies of the European Community, and the dollar/yen exchange rate affect the Hoosier economy.

To compete, Indiana must do more to promote exports and attract new industrial development. We should accentuate our economic strengths. For example, Indiana has a natural advantage in the automobile and auto parts industry: it has several hundred auto-related firms within a day's drive of most U.S. auto manufacturers and the new Japanese plants. It offers a pool of skilled and productive workers, a geographical location close to most major American markets, a favorable climate, abundant natural resources, an efficient transportation system, a strong education system, and a good package of economic incentives—all important considerations to new investors.

Still, I am concerned that Indiana misses some important trade and investment opportunities. Often I work with local leaders to attrack new enterprises to southern Indiana, and to expand existing ones. Sometimes we succeed, but often we do not. I am especially impressed with the need of smaller businesses and communities to pool their resources in order to become more competitive.

Strenuous efforts are underway to promote Indiana's exports and attract foreign investments. This includes improving the state's data base on trade and investment, and building a network of local economic development officers across the state. Public and private officials are travelling the globe in search of new markets for Indiana's products and to match communities with foreign investors. I am encouraged by these efforts.

I have come to think that the world economy is vital to economic growth in Indiana. Greater dependence on exports and foreign investment presents some risks, but the alternative of trying to insulate ourselves from the world economy would leave Indiana an economic backwater. My guess is that Indiana has no choice but to become a major player in the global economy. Success will not be easy, but if we are aggressive, the world market can contribute to Indiana's economic growth.

AIDS AND TELEVISION PROGRAMMING

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. GINGRICH. Mr. Speaker, I recently wrote to the three major television networks and asked them what steps they were taking to provide more prime time and soap opera programming regarding the human tragedy associated with AIDS. I urge my colleagues to read the two replies I received. I think you'll find them of interest in light of continued reports about the spread of AIDS around our country.

NATIONAL BROADCASTING CO., INC.,
New York, NY, May 18, 1987.

Hon. NEWT GINGRICH,
Congress of the United States, Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN GINGRICH: I am replying on behalf of Robert Wright to your recent expression of concern about the role of the media in being responsive to the AIDS crises.

You have suggested that we take a leadership position in portraying the consequences of irresponsible sexual behavior. Since 1983, we have treated the subject dramatically in series such as St. Elsewhere, L.A. Law and Hill St. Blues and in the long form programming genre as well. For example, NBC's award winning made-for-television movie "An Early Frost" dealt sensitively with the devastating effects of AIDS on one family.

We feel it is also important to lead through example by providing positive role models in programs which feature fulfilling monogamous relationships within the traditional family setting. The Cosby Show, Our House, Family Ties, Highway to Heaven, Valerie and many other series regularly promote and encourage a responsible, family oriented lifestyle as a successful and emulative mode of behavior.

We agree that media must continue to help make viewers aware of the need for sexual responsibility. Accordingly, we plan to advise producers and writers prior to the commencement of this coming season that, wherever possible, sexual relationships outside of marriage must be treated with an awareness of all potentially devastating consequences, including the lethal consequence of AIDS. This is in line with our continuing policy of avoiding portrayals of casual sex or promiscuity as life styles to be condoned or emulated.

We must keep in mind, however, that entertainment programs are designed primarily to entertain, and are not intended to be clinical or documentary-style presentations. The serious issues of human sexual responsibility and the costs of casual behavior must be carefully handled and, understandably, not all television programs would provide a suitable forum for such discussion. The potential for exploitation could, in some cases, outweigh any derivative for positive effect.

Please be assured that NBC will continue its leadership role in encouraging positive, healthy human behavior in all programming.

Sincerely,

RALPH DANIELS.

CAPITAL CITIES/ABC, INC.,
New York, NY, May 22, 1987.

Hon. NEWT GINGRICH,
Congress of the United States, House of Representatives, Washington, DC.

DEAR MR. GINGRICH: Mr. John Sias, President, ABC Television Division has asked me to reply to your recent letter in which you suggest incorporating in our programming a depiction of the consequences of promiscuous sexual behavior, specifically relating to the current AIDS crisis. ABC's Department of Broadcast Standards and Practices has the responsibility for reviewing all program and commercial material prior to broadcast to ensure that they meet our standards and policies.

A number of our dramatic and comedy programs have included such information. For example, in a recent episode of Dynasty, Blake Carrington specifically advises his son about the risks of AIDS and the need to follow a more responsible sexual lifestyle. In a recent made-for-television film, Tonight's the Night about a single's bar, the message offered is that sexual activity can have serious medical and emotional consequences and encourages responsible sexual behavior. In addition, various programs from the situation comedy Mr. Belvedere, to the drama Mariah, have dealt with the issue of AIDS and incorporated current information regarding the disease.

Additionally Good Morning America, Nightline, and various ABC news programs have on many occasions dealt with the issue of AIDS and, of course, will continue to do so as events warrant.

Finally, I would like to call to your attention a public service announcement which ABC initiated in cooperation with the American Foundation for AIDS Research, featuring U.S. Surgeon General C. Everett Koop on AIDS and sexual behavior. The PSA has run prominently on our prime time and daytime schedule and will continue in the near future.

Specifically with respect to the study you mention regarding the content analysis of some television programs, it should be noted that while romance and sexuality comprise an element of popular entertainment programming, these studies generally consider depictions and actions entirely out of context and fail to offer any indication as whether or not the consequences of irresponsible sexual activity were also included within the program. We are very aware of our responsibility with regard to the depiction of sexuality and do not permit programming to endorse or condone a sexual lifestyle which is clearly inappropriate. Further, we insist that programs which do deal with such behavior clearly depict the consequences of such actions. A recent example is our highly praised made-for-television film Daddy, which depicted the tragic consequences of an unintended pregnancy as a result of irresponsible teenage sexual activity.

I hope the foregoing will indicate the care and concern which we share with you regarding both the depiction of sexuality on television and specifically with respect to the seriousness of the AIDS situation. We will continue to deal with the issue of AIDS in our entertainment and informational programming as story requirements and news editorial judgments dictate.

Sincerely yours,

ALAN WURTZEL.

SSC PROVISION IN H.R. 1827, THE FISCAL YEAR 1987 SUPPLEMENTAL APPROPRIATIONS BILL

HON. NORMAN Y. MINETA
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 8, 1987

Mr. MINETA. Mr. Speaker, I would like to address my remarks toward amendment 97 of the fiscal year 1987 supplemental appropriations bill, H.R. 1827. This amendment concerns the procedure for selecting a site for the superconducting super collider [SSC], and the financial incentives portion of the invitation for site proposals.

I believe that we must be explicit about the position taken in this amendment. It is important to ensure that the site for the SSC is selected for its overall suitability, ensuring full consideration of the site's scientific merits. The SSC is a scientific device, accordingly, it is crucial to maintain the scientific integrity of the project. The compromise amendment assures that the scientific aspects of a proposed site, including its geological and environmental characteristics, will be given paramount consideration by the DOE during the site selection process.

The language accompanying amendment 97 does not waive the request for cost sharing in the invitation for site proposals, nor does it preclude the submission of financial incentives. The language explicitly allows the use of non-Federal resources to improve the suitability of any proposed site. Given the magnitude of the Federal deficit, it would be irresponsible to ignore cost sharing proposals in the final determination of overall suitability. Additionally, to garner and maintain widespread public support for the project, I believe that cost sharing must be considered.

The SSC is expected to cost approximately $4.4 billion. Significant future benefits will accrue to the locality selected for the construction of the SSC. It is reasonable and appropriate to expect the locality that benefits from this immense Federal project to return some of the benefit stream in the form of a cost-sharing arrangement. I believe that this approach is fair and will most effectively assure continued public support for the project.

THE BOLAND AMENDMENT: ANOTHER VIEW

HON. ROBERT H. MICHEL
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 8, 1987

Mr. MICHEL. Mr. Speaker, we have recently had much debate concerning the meaning of the various Boland amendments that were attached to bills dealing with aid to the democratic resistance in Nicaragua. I recently came across a very persuasive article arguing that the "weight of the evidence from Congress' own record is that the Boland amendment did not limit President Reagan or his NSC staff from aiding the Contras." I realize the issue is one on which there is widespread disagreement among our colleagues, but I thought it would be useful to give them a chance to examine this argument since it is skillfully made.

At this point I would like to insert in the RECORD "Congress Is Hoist by Its Boland Petard", by L. Gordon Crovitz, the Wall Street Journal, July 7, 1987:

[From the Wall Street Journal, July 7, 1987]

CONGRESS IS HOIST BY ITS BOLAND PETARD

(By L. Gordon Crovitz)

Rep. Bill Alexander (D., Ark.) set a modern printing-cost record when he had the legislative history of the Boland amendments published in the Congressional Record on June 15. He said the $197,382 cost was justified because the report would show that any intention to exclude the president or his National Security Council from coverage by the amendments was "conspicuously absent."

Rep. Alexander should ask for a refund. The collection, "The Boland Amendment: Intent of Congress" (U.S. Government Printing Office, 403 pages, $1.25), is ammunition for critics who are skeptical that the Boland amendments were clear policy statements or valid legal constraints on the executive branch. Like the amendments themselves, the debates included no express intent to limit the president or his NSC staff from aiding the Contras. Nor were any civil or criminal penalties envisioned for any "violations."

Congressmen on the Iran-Contra committee will have a chance today to ask Lt. Col. Oliver North how the NSC staff viewed the Boland amendments. For their part, many congressmen were confused about what the Boland amendments meant. Indeed, at one point in the debates, Rep. Edward Boland (D., Mass.) himself seemed to suggest the NSC wasn't covered.

The most restrictive Boland amendment was the third of the five versions, which was attached to the Defense Appropriation and Intelligence Authorization Acts and in force from Oct. 3, 1984, to Sept. 30, 1985. This included the prohibition on Contra funding by the CIA or Pentagon or any other government agency "involved in intelligence activities."

THE KEY QUESTION

The debate is mute on any suggestion that President Reagan or the NSC were included in the prohibition. Rep. Boland issued a statement after the amendment was adopted to clarify its breadth. "This prohibition applies to all funds available in fiscal year 1985 regardless of any accounting procedure at any agency," he said. "It clearly prohibits any expenditure, including those from accounts for salaries and in all support costs. The prohibition is so strictly written that it also prohibits transfers of equipment at no cost."

The key question is which agencies were covered. The Library of Congress, which collected the Boland debates, said the prohibition was not absolute: "Unlike some other appropriations statutes, there is no express bar to the use of funds for activities for which Congress had denied assistance." Missing was the usual catchall phrase that no funds otherwise authorized could be used for a prohibited purpose—here, the Contras.

The text of the amendment strongly indicates that the president and NSC were *not* covered. The authorization act that included the third Boland amendment listed the 10 "intelligence and intelligence related" agencies that would be covered by the law. These were the CIA; Defense Department; Defense Intelligence Agency; National Security Agency (no relation to the NSC); Departments of the Army, Navy and Air Force; State Department; Treasury Department; Energy Department; Federal Bureau of Investigation; and Drug Enforcement Administration. This group is similar to the intelligence agencies listed by President Reagan in Executive Order 12333. The NSC is absent from both lists.

Perhaps the strongest evidence that the Boland amendments didn't apply to President Reagan or the NSC came from Rep. Boland himself in the debate on the Michel amendment to the fourth of the five Boland amendments, which provided $27 million in humanitarian aid from August 1985 to March 1986. Consider this colloquy, where Rep. Boland referred to the CIA and Pentagon as intelligence agencies:

Rep. Boland: "[The Boland amendment means that none of the funds which are appropriated by the Michel amendment may be provided through any intelligence agency. Now some of you might ask if this is necessary, since the Michel amendment says that the money it would appropriate can't go through CIA or DoD. The president, under the Michel amendment, can determine the agency which will dispense this aid, but he will be precluded from using an intelligence agency."

Rep. Thomas Foley (D., Wash.): "Is it also correct that the Boland amendment to the Michel amendment would not in any way restrict the authority of other agencies of the U.S., other than intelligence agencies, from distributing any humanitarian assistance if authorized by the Michel amendment?"

Rep. Boland: "Yes."

What makes Rep. Boland's comments especially interesting is that just as the House was debating which agency should administer the humanitarian aid, the Senate Appropriations Committee was writing a report that expressly specified a role for the NSC. The report said that the amendment allows President Reagan to determine how the aid would be administered, but "requires the National Security Council to monitor implementation of the proposal." Far from the NSC being prohibited from playing any role in the Contra aid program, the agency would be required to oversee its administration. Legislators apparently believed this was consistent with the Boland amendment. President Reagan eventually chose a unit in the State Department to oversee the humanitarian aid.

The legislative debate is also interesting for the dog that didn't bark—the arguments that weren't made. If Congress meant to legislate a legal constraint on presidential authority in foreign policy, this would have raised separation of powers issues. Yet the only discussion on this during debate on any of the Boland amendments was by Sen. Barry Goldwater (R., Ariz.), who opposed congressional efforts to micro-manage foreign policy.

"The decision in these matters in my opinion and according to the Constitution rests with the president," Sen. Goldwater said in the October 1984 debate on the third Boland amendment. Whatever the amendments says, "ultimately it is the commander in chief who is going to have to make up our minds or we are going to have to amend the Constitution."

The debate also includes rejection of competing amendments that would have flatly prohibited any Contra aid. The Boland amendments were compromises, accepted to avoid the risk of presidential veto or a constitutional showdown.

The Library of Congress report describing the legislative debate on the first Boland amendment, which covered 1982-83, says "it was clearly understood at the time of enactment that the compromise would not cut off all direct or indirect assistance to the Contras." Rep. Boland's amendment passed the House unanimously. It prohibited the Defense Department and Central Intelligence Agency from military aid "for the purpose of overthrowing the government of Nicaragua."

This was less restrictive than the proposal of Rep. Tom Harkin (D., Iowa) that would have barred funds to assist any group or individual "in carrying out military activities in or against Nicaragua." Rep. Boland worried about a possible veto of the broader bill. He said that the Boland amendment "is agreeable to the executive branch. They do not like it, but it is agreeable to them. I believe [the Harkin amendment] is not necessary. I further believe that it sets a bad precedent."

Sen. Christopher Dodd (D., Conn.) offered a version of Rep. Harkin's amendment. "There are any number of ways of circumventing" the Boland amendment, he said. "It is going to provide a green light for the continued activity that we have seen reported over and over again, in the last several weeks and months, suggesting that we are already deeply involved in a broader conflict in Central America. My amendment is more open-ended, more of a declaration of policy."

Sen. John Chafee (R., R.I.) called the Dodd proposal "an extreme injunction to impose on the activities of the United States, directly or indirectly. I do not think we have ever had an injunction like this.

"The senator from Connecticut, I presume, is going to say [about the Boland amendment], 'Well, that is big enough to drive a truck through.' The question really before us is, is this body going to insert a complete prohibition of activities. . . . Are we going to tie the hands of the president? After all, it is the president who is at the top of the heap in this."

The Boland amendment for 1983-84 included $24 million for the Pentagon and CIA to support the Contras. The most remarkable feature of the debate was how strongly congressmen disagreed about the meaning of the Boland prohibitions they had passed just the year before.

Rep. Lee Hamilton (D., Ind.) thought all covert aid was prohibited. "Covert action against Nicaragua is against our laws," he said. "The first law in question is the Boland amendment, passed last year."

The ranking Republican on the Intelligence Committee, Rep. Kenneth Robinson of Virginia, disagreed. He said, "The House voted down a legislative amendment which would have denied funds for the purpose of carrying out covert activity. The House, however, adopted the Boland amendment by a vote of 411 to 0. In so doing, the House approved the concept that a covert paramilitary operation in Nicaragua was acceptable."

Rep. Robinson became exasperated with some members' revisionism of the first Boland amendment. "I took some of those 411 votes with me. I argued some of my colleagues into going along at that time because I thought I understood it, and I still think I understand it, and I do not believe that the Boland amendment has been violated. . . . I want to say that as one who stood here defending the Boland amendment, arguing my colleagues on the Republican side to vote for it, that I made a mistake in so doing. It is probably the biggest mistake I have made since I have been in Congress."

DEBATE OVER "HUMANITARIAN"

The fourth Boland amendment, which covered 1985-86, included $27 million for humanitarian aid to the Contras. Much of the debate was about the meaning of "humanitarian." Assistant Secretary of State Elliott Abrams recently testified to the Iran-Contra panel that he, too, had difficulty with the concept; he had decided that on balance, wristwatches met the standard. One colloquy shows the confusion among congressmen:

Sen. Patrick Leahy (D. Vt.): "Obviously there is a gray area here of items that are nonhumanitarian but also nonlethal. I wonder would the following items be included within the scope of humanitarian assistance. Military-type uniforms?"

Sen. Sam Nunn (D., Ga.): "We had considerable discussion on this. I think we have defined it as food, medicine, clothing. I would say if you gave a multiple-choice question and said, would the CIA be permitted to provide military-type uniforms or would they be required to give them three-piece suits or tuxedos . . . or bathing suits or Bermuda shorts. I would say military-type uniforms are permitted."

The fifth version of the Boland amendment provided a classified amount of aid for the Contras for the period of December 1985 to October 1986. In June 1986, Congress voted $100 million in aid for the Contras.

So, Congress left some play in the joints throughout the Boland amendment period. The legislative record shows that everyone knew the executive branch was left free to do what it could to support the Contras until Congress resumed funding. In return, Congress avoided an all-out constitutional battle with the executive over separation of powers.

This record of a changing and ambiguous set of amendments should force the Iran-

Contra panel and special prosecutor Lawrence Walsh to ask themselves this question: Are the Boland amendments sturdy enough hooks on which to hang any of the accused? The answer is, no. The weight of the evidence from Congress's own record is that the Boland amendments did not limit President Reagan or his NSC staff from aiding the Contras.

MAYOR LARRY AGRAN TESTIFIES BEFORE THE HOUSE BUDGET COMMITTEE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. MILLER of California. Mr. Speaker, Mayor Larry Agran of Irvine, CA, recently testified before the House Committee on the Budget. Mayor Agran advocated a thoughtful change in budgetary priorities: Instead of spending near one-third of our national budget for military purposes, he argued for investment in projects which would address serious technical and social problems in our urban areas.

Mayor Agran speaks as one whose constituency has benefited from an unprecedented increase in the military budget, a substantial amount of which is spent on research and development firms in Irvine. Yet, he understands that squandering taxpayers' dollars for this arms buildup is a gross dereliction of our commitment in maintaining the future health, education, and human resources of our country. Mayor Agran has the courage to transcend the pressures of the military industries in his own city and address social problems such as the homeless, public health, and poverty.

Mayor Agran asked us to rethink our investing in nondefensive weapons, in particular the MX, the Pershing II, and the Trident II missiles. While instead of maintaining the arms race with the Soviet Union, we need to look at mutual arms control as an incentive to reducing military spending.

I commend Mayor Agran's views and recommend that all Members of the Congress review his thoughtful testimony:

STATEMENT OF MAYOR LARRY AGRAN

My name is Larry Agran. I am the Mayor of Irvine, a city of nearly 100,000 people located in the center of Orange County, California. I am grateful for your invitation to speak this morning about the federal budget and the priorities it reflects. In coming here today, I was tempted to simply add my voice to the voices of my distinguished colleagues in local government—Los Angeles Mayor Tom Bradley and others—in pleading for the preservation of the battered and diminished programs of urban assistance that the President has urged be further cut or terminated altogether. But I have decided instead to try to reach you with a different kind of message. You see, after nine years' service as a local elected official—holding office during both the Carter and Reagan Administrations—I am frankly frustrated with having spent countless hours trying to do my part to save modest programs that are of obvious and direct benefit to America's cities, towns, and people, meanwhile watching Congress and the President squander tens of billions of taxpayer dollars on useless weapons like the MX missile, the Pershing II, the Trident II, and the B-1 bomber, not to mention the most harebrained boondoggle of them all, Star Wars.

Frustrated with the unbroken string of misery-producing budgets of the 1980s—including the President's totally unrealistic 1988 budget—I nevertheless still hold out hope for the future. Indeed, I am here today in the very real hope that the House Budget Committee—this vitally important Committee of the historic 100th Congress—will in 1987 break with the past and write a budget that recognizes that the time for sweeping and fundamental changes in national priorities is at hand. I know and you know that the President isn't ready for these changes. He'll never be ready. But the American people are ready. For them, it's time.

It's time to end the Cold War with the Soviet Union.

It's time to end the arms race that threatens our whole planet and is wrecking our national economy.

And it's time to end the President's and Congress' undeclared war against America's cities and towns, a dirty little war waged against our own people by way of federal budgets that are bloated with military spending while programs of essential social support are cut, cut, and cut again.

THE VIEW FROM CITY HALL

As Mayor of Irvine, I might appear to be an unlikely witness to be calling for a reversal of the arms race and a sharp cut in military spending. Indeed, Irvine's modern research and development firms garner more than a fair share of Orange County's $3 billion yearly in prime military contracts. On the surface, the picture in Irvine and the larger Orange County area is one of progress and prosperity, riding a wave of unprecedented levels of military spending.

But from my vantage point at City Hall, I know there is much more to the story. In spending nearly $300 billion per year for military purposes—roughly one-third of our national treasury—we have neglected the serious technical and social problems of urban and suburban life. For example, in Orange County our traffic and transportation problems are among the worst in the nation. I ask you, what's more important? Building and maintaining a Rapid Deployment Force that is of questionable military value? Or providing federal funds to construct rapid transit systems and other energy-efficient transportation improvements that really work in our great urban centers?

In Orange County, the problems of hazardous materials and toxic chemicals far outstrip our control mechanisms. What is more important? Cleaning up our air and water and land? Or producing more nerve gas weapons, more weapons-grade plutonium, and more hydrogen bombs?

In Irvine, our innovative and far-reaching affordable housing program—providing incentives for the construction of thousands of low-priced housing units—is grinding to a halt. What is more important? Channeling federal funds to help us build homes for productive working-class families? Or spending yet billions more for brand new, yet instantly obsolete bombers like the B-1?

In matters of public health, in Orange County as elsewhere, people suffer from cancer, cystic fibrosis, muscular dystrophy, and, in increasing numbers, acquired immune deficiency syndrome. What is more important? Funding the search for effective therapies and cures to conquer these terrible diseases? Or pouring billions of dollars into Star Wars research so we learn how to incinerate Soviet cities with laser beams from 600 miles out in space?

From my vantage point at City Hall, I see reasons for genuine pride in our local achievements. I see new high-rise buildings, new high-tech industries, and I read new and impressive data about our high-income demographics. But I also see poverty, hunger and homelessness at levels that are much worse than they were six or eight or ten years ago.

There are 33 million people officially recognized as poor in America. As you know, children make up the largest sub-category of the poor. Many of America's poor—several hundred thousand at least—live in Orange County. Hunger, once vanquished in America, has reappeared with a vengence. By our best count, an estimated 320,000 people in Orange County are victimized by hunger to one degree or another. As for homelessness, there are an estimated 4,000 people without shelter every night in our County.

In Irvine, we are trying to relieve some of this suffering. We have a modest program to shelter homeless families. But it's not enough. So now we are investigating the possibility of opening our City Hall and other public facilities to the homeless and destitute. And we are organizing a task force to see if it's possible to glean Irvine's agricultural fields for edible food for the poor. While we at City Hall and in local government are scrambling in desperation to meet the burgeoning human need, the President callously proposes deep cuts in child nutrition programs and food stamps; and he urges cuts in Community Develpoment Block Grant funding—the very funds that we use in Irvine to meet the needs of the homeless. To make matters worse, last fall the Congress and the Reagan Administration teamed up to kill General Revenue Sharing—the program of proven success that many local elected officials across America used to target aid to the neediest in our communities.

Is it rhetorical excess to say that the President and Congress have been waging an undeclared war against America's cities, towns and people? I don't think so. I'm here to tell you that for millions of decent people things are very bad on the Main Streets of America. And I'm here today to also remind you of what President Eisenhower once observed. He said, "The problem in defense is how far you can go without destroying from within that which you are trying to defend from without." Distinguished members of this Committee, I am here to bear witness that you—the Congress and the President—have gone too far. Much too far. By putting useless weapons and an insane arms race ahead of people, your budget priorities are destroying the America we love.

BUDGETARY RECONSTRUCTION

Three years ago, there was a lot of buoyant talk about economic recovery. It was said to be "morning in America," with a bright day ahead. I don't believe that a fair-minded person who is today prepared to look ahead could offer such a benign description of our situation. I believe it's closer to midnight in America; and we have a long night of budgetary reconstruction ahead if we're to set our country right again.

In recent weeks, the newspapers and periodicals have been filled with articles about the systemic problems that the Soviet Union faces. The speculation is that General Secretary Gorbachev needs to ease tensions with the West and cut military spending in order to reform and regenerate the Soviet economy. However badly Gorbachev and the Soviet people need to be freed of the crushing burdens of the Cold War, we need to be freed too. Now is the time for this Committee to take the lead for America; to apply your legislative skills to hasten the end of the Cold War; to prepare the first post-Cold War budget, a budget that cuts military spending by at least $50 billion and redirects these resources to deficit reduction and to programs of social support and revitatlization in our cities and towns.

Where would the first $50 billion in arms cutbacks come from? There are at least four areas rich in cost-cutting potential. First, eliminate the waste, fraud and abuse in Pentagon practices, especially in procurement. Everyone agrees on that. Second, scrap offensive weapons and doctrines. Spend our dollars instead on truly defensive weapons and on training for truly defensive purposes, but de-fund the MX, the B-1, the Pershing II, and the Trident II—weapons that are clearly offensive and provocative in character. Third, scale down our financial commitment to NATO—now said to be $130 billion per year. If our military commitment in Western Europe is regarded as truly valuable to our allies, then charge them a yearly fee—perhaps $20 billion or $50 billion or even more—for the defensive services we provide. Fourth, let's get serious about arms control. Let's stop nuclear testing right now. Let's negotiate early and keep nuclear arms cuts with the Soviets; and let's be sure that those agreements translate into multi-billion reductions in military spending.

If you think these proposals are pie in the sky, consider this. The Chinese have cut military spending in recent years by an estimated 25 percent. They have done so by making peace with us and making peace with the Soviet Union. Argentina, Peru, and now other countries are examining how they, too, can actually enhance national security by spending less for military purposes. The Reagan Administration appears to be incapable of thinking in these new terms. The initiative, therefore, must come from the Congress.

FUNDAMENTAL AMERICAN VALUES

America is a nation blessed with extraordinary resources—both natural resources and intellectual resources. In terms of aggregate wealth, we are still the richest country in the world. The problem is that we have simply been squandering our wealth, spending our public money on the wrong things. In this connection, it is with the deepest regret that I've watched thousands of graduating scientists and engineers from the University of California at Irvine and other nearby colleges—these young, bright people—head straight for employment in nearby weapons industries, there to devote their days to developing exotic weapons that are of no benefit whatsoever to our consumer economy. These talented graduates take the path they do because that's where the money is. That's where you in the Congress have put the taxpayers' dollars. What a shame that we are losing these young people—an entire second generation of our best and our brightest—to the Cold War and the tedious tasks of the arms race.

How much better off they would be, and how much better off our country would be if you instead put our tax dollars and these talented young scientists and engineers to work in doing biomedical research; in developing more efficient health care systems; in discovering innovative technologies for environmental reclamation; in designing roads and transit systems that really work; in figuring out housing technologies that allow us to shelter more people at a more reasonable cost.

In framing a 1988 fiscal year budget, you in Congress have the power to make these things happen. In writing a budget that points to the end of the Cold War, reversal of the arms race, and the redirection of military spending to meet urgent domestic needs, you will also be signalling the long-overdue end to the federal government's budgetary war against the cities and towns of America. With that conflict behind us, our cooperation in the works of peace can then begin anew.

Speaking as bluntly as I have today, I want to conclude by making certain that there is no misunderstanding on one critical point. As a local elected official and as a citizen, I yield to no one in my patriotism. I believe in a strong America. But I know that spending tens of billions of dollars on military overkill actually weakens our national security. A credible national defense begins with strong families and strong neighborhoods that thrive in economically secure cities and towns. Our nation's budget priorities must be changed to reflect these fundamental American values.

RECENT ACHIEVEMENT OF THE PINE BLUFF ARSENAL

HON. BERYL ANTHONY, JR.

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. ANTHONY. Mr. Speaker, thank you for the opportunity to congratulate the Pine Bluff Arsenal on its most recent achievement. I am proud to announce that the arsenal has won the Secretary of the Army Environmental Quality Award competition for 1986.

The award is presented annually to the installation that has demonstrated the best environmental program. The arsenal was recognized in the Army competition for the success of its environmental programs in accomplishing its military, manufacturing, and readiness mission.

This award speaks very highly of the regard the arsenal has for the surrounding community and its position of responsibility in that community.

The arsenal has traditionally taken steps to promote citizen awareness of its operations and as a result has helped establish a very positive public attitude in the local community toward the U.S. Army and its activities at the arsenal.

I am confident that together, this award and the community's cooperative attitude with the arsenal and the Army, will help to bring further military opportunities to the area and will have a positive impact on the area's future economic growth.

The Pine Bluff Arsenal was selected for the award in close competition with three other installations and will represent the Department of the Army in competition with top candidates from the Navy, Marines and Air Force for the Secretary of Defense Environmental Quality Award.

Highlights of the arsenal's environmental program include obtaining a Resource Conservation and Recovery Act permit for a hazardous waste landfill; removing and disposing of World War II hazardous waste mustard, Lewisite and DDT manufacturing facilities and their sewer lines and conducting outstanding environmental education, training, and public information programs for installation personnel and the surrounding communities.

I am very proud that the Pine Bluff Arsenal has been recognized for its outstanding efforts and has been chosen to represent the Army for the Secretary of Defense award. The arsenal's quality program will be hard to beat.

A TRIBUTE TO JAMES C. RALEY

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. DYSON. Mr. Speaker, I rise today to congratulate Mr. James C. Raley, Jr., upon his recent retirement from Patuxent Naval Air Test Center, a military testing facility in my district. Mr. Raley finished 35 years of distinguished service as Director of the Computer Sciences Directorate.

From his first job as Mathematics Aide at the Flight Test Division of the Patuxent Naval Test Center in March 1952 to his last top management position, Mr. Raley has been known for his "* * * keen technical foresight, outstanding human relations skills, unparalleled ability to develop/implement long range plans, and exceptional ability to get the job done in the most effective manner." Mr. Raley's hard work at the Computer Sciences Directorate helped to develop the division into one of the most diversified state-of-the-art computer centers in the U.S. Navy. Mr. Raley's computer science, automatic data processing, and information resources management skills were vital to the development of specific and necessary projects. These included, for example, the installation of the broad band communications network, and contributions to developing real-time flight test and mission systems capabilities at the Patuxent Naval Air Test Center.

Mr. Speaker, Mr. Raley's talents as a leader also benefited his community. Mr. Raley has served as president of the PTA's of Father Andrew White School, Leonard Hall, and St. Mary's Academy; has chaired a task force for care of the elderly; has served as chairman of St. Mary's County Nursing Home Board; and has been a member of the St. Mary's County Zoning Appeals Board. His efforts earned him the 1978 St. Mary's County Outstanding Citizen of the Year Award for public service. Like many other outstanding community leaders, Mr. Raley's dedication to the improvement of the area in which he resides has never diminished. Mr. Raley continues an active public life as a member and past president of the Leonardtown Lions Club; as member of the board of director's for the St. Mary's Home for the Elderly; and as a member of the advisory board of Charles County Community College.

As a dedicated and skillful operations manager, and as an actively involved community leader, Mr. Raley exemplifies the characteristics of a model citizen. Upon the occasion of his retirement, I would like to heartfully thank Mr. Raley for all that he has done for the betterment of the lives of the citizens of the First District of Maryland. And I would like to add that Mr. Raley's continued participation in our community is and will be equally appreciated.

THE LAW ENFORCEMENT ASSISTANCE FOUNDATION

HON. MIKE ESPY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. ESPY. Mr. Speaker, I am pleased today to be able to point out the significant accomplishments of two distinguished citizens from my congressional district. Paul L. Barrett, the sheriff of Warren County, MS, and Col. J.C. Herbert Bryant, Jr., have established the Law Enforcement Assistance Foundation, a highly qualified group of law enforcement officials, specially trained to deal with narcotics abuse, special crises, and terrorism.

In conjunction with many State and Federal officials from across a seven-State area, these dedicated Americans have provided a significant service to the State of Mississippi and the surrounding area. The Law Enforcement Assistance Foundation was established in 1985 to assist law enforcement agencies in their increasingly costly fight against narcotics, special crises, and terrorism by providing them the use of needed armored specialized vehicles and equipment.

Day-to-day operations are handled by a director and one assistant. Additional sworn police personnel required are assigned and paid by the various State and Federal law enforcement agencies which LEAF serves. This group of personnel operates under the name of ARGUS—Armored Response Group United States.

In summation, LEAF was founded to provide new capabilities to all police agencies throughout the country. These capabilities are designed around the use of highly specialized equipment previously unavailable to individual police departments because of its extremely high cost.

We are all aware of the problems caused by narcotics, special crises, and terrorism. Providing the special means to deter these problems is the goal of the Law Enforcement Assistance Foundation. I am proud Mr. Speaker of their contribution.

DAILY NEWS EDITORIAL ON POPE'S MEETING WITH KURT WALDHEIM

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. WEISS. Mr. Speaker, on June 25, Pope John Paul II met with Austrian President Kurt Waldheim in the Vatican. This meeting caused great pain to many as the Pope chose to meet with Waldheim despite clear evidence that Waldheim played a direct role in Nazi atrocities against innocent civilians during World War II.

The following editorial from the New York Daily News accurately expresses what many of my constituents and I feel toward this event. The meeting between the Pope and Waldheim was bad enough. But his Holiness' failure to raise the issue of Waldheim's Nazi past during the meeting was a terrible omission. This editorial details why so many of us hope that an event such as this will not happen again.

The editorial follows:

[From the New York Daily News, June 28, 1987]

WALDHEIM'S LESSON: NEVER AGAIN

Kurt Waldheim is a liar. Waldheim was staff intelligence officer under one of the high butchers of the Nazi obscenity. He was a member of the Nazi SA. His life since the defeat of Nazism has been a single, unremitting, living lie.

Waldheim's lie stands in howling defiance of overpowering evidence. The evidence stands unrebutted.

Thus the lie holds a second, deeper meaning: A clear declaration that to have been an active participant in Nazi butchery is not a matter of consequence. That to have been a responsible agent in the atrocities of Nazism is a truth to be forgotten, to be cast aside with casual, transparent untruths. With smirks at those who protest. With contempt for those who call attention to the naked falsehoods.

Never in the more than 40 years of Waldheim's living lie has it been more vile than last week.

Why? Because to all the Earth's people last week Waldheim's person and presence broadcast a clarion message:

Forget.

Forget the gas ovens. Forget the herding, the tattooing, the humiliating, raping, defiling, slaughtering. Ignore the lies of those who work to make you forget. Permit—no, welcome—the numbing of outrage, the decay of revulsion into indifference.

That message is the heritage of Nazism. Nazism was born of the decay of individual character and courage. It was nourished to maturity by the silence of its witnesses. It grew to its full flower in the warming rays of the indifference of leaders—political and spiritual—of the world.

Nazism was a triumph of moral passivity.

It lives on today. Not only in Waldheim himself, the defiantly unrepentant veteran, but in the minds and hearts of people scattered about the world. In particular, of course, in Austria, a country and a culture that gave birth to Adolf Hitler and in which today there is no small amount of enthusiasm for forgiving, for forgetting—even for remembering and celebrating—the Nazi reign.

In history's measure, the fact that Waldheim is president of Austria is notable. But his presidency is a mere faint footnote to his incomparably more significant role: His "moral" role, his living lie.

It is because of that role that it was so unfortunate that Pope John Paul, a spiritual leader of great strength and courage, neither rejected Waldheim last week nor condemned him.

Waldheim's "moral" role, of course, is to go on relentlessly living out the declaration that Nazism and all it did and means is a matter of indifference, deserving silence, acceptance.

Deserving nourishment. So it may rise again to triumph.

That must not be allowed. That cannot be permitted.

Never again.

Never.

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SUPERCONDUCTING SUPER COLLIDER

HON. BEAU BOULTER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. BOULTER. Mr. Speaker, I am certain that historians will characterize the benefits and discoveries derived from the SSC as enormous, and it is without a doubt the most significant scientific project the United States will undertake in the coming years. I am, however, concerned that the language added to the supplemental appropriations bill will stifle the development of this project. Specifically, I refer to a provision which would prohibit the Department of Energy and the Academies of Sciences and Engineering from considering "financial and other incentives" submitted under section 2.2.2.2 of the DOE's invitation for site proposals.

Just as the new understanding of quantum mechanics during the 1920's led to the establishment of today's semiconductor industry, and just as the previous discovery of electromagnetic waves produced most of today's communications technologies, the SSC will unquestionably further our understanding of energy and matter. Industries in ion implantation, computer chips, nuclear medicine, and advanced electronics have all been fostered by earlier developments of the high energy research industry.

In order to probe into nature's smallest particles of matter, progressively more gigantic and complex devices must be used to employ progressively higher levels of energy. The higher the level of energy, the finer the scale of investigation that can be studied. In this century, we have progressed downward in scale, from atoms to nuclei to protons and neutrons, and now to quarks and leptoms.

As we begin to make the monetary investments associated with the SSC, we cannot forget that similar previous investments in basic research concerns have been the precise reason that the United States now lead the world in technological innovation. Few know, for example, that approximately 100 million Americans each year receive therapeutic or diagnostic help because of the development of this kind of technology. And when the positron particle was discovered during the 1930's we know that only a handful of physicists recognized its value as being anything more than a curiosity. Today this tool of medical research provides the basis of technique for the latest studies in bodily organ functions.

Mr. Speaker, today the largest particle accelerator in the United States creates collisions which yield 2 trillion electron volts. Mr. Speaker, the future of elementary particle physics is now in the hands of Congress. The SSC will yield collisions creating 40 trillion electron volts. It will be, unquestionably, the most concise, powerful and advanced scientific research instrument in the world. The benefits of an investment such as this will not apply only to advanced science. They will potentially improve each and every aspect of life as we know it today. This undertaking is something that Congress cannot afford to underestimate.

I am, as I mentioned earlier, concerned about the amendment added to this bill in the Senate which includes language prohibiting the DOE from considering cost-sharing provisions which are essential and mandatory for other Federal projects. I am glad to learn that the Senate amendment does not preclude those submitting applications to the Department from including any financial or in-kind contributions they may want to offer. As a member of the House Budget Committee, I feel strongly that inclusion of financial and in-kind contributions is entirely appropriate. To do otherwise would unnecessarily overlook potential savings to the Federal taxpayer.

I am proud to be able to say here on the floor of the House that the Texas State Legislature has authorized the issuance of $500 million in revenue bonds and could issue an additional $500 million if voters approve a general obligation bond proposal.

Mr. Speaker, some authorities claim that approximately one-third of our Nation's gross national product owes its existence to our basic knowledge of the atom and its subatomic parts. Most of that knowledge has been derived from past research in the high energy physics field. The superconducting supercollider will usher in a new era of science in the United States and elsewhere. It will provide us with the capability to go beyond today's knowledge, and explore the forces and structures of God's great universe, looking into the mysteries of subatomic composition.

With these thoughts in mind, I give my unequivocal support to the SSC effort, and recommend and encourage its location in the Panhandle of Texas, where, as we like to say, on the eighth day, the Good Lord created the Panhandle of Texas for the location of the SSC.

THE FEDERAL TRADE COMMISSION ACT AMENDMENTS OF 1987

HON. BOB WHITTAKER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. WHITTAKER. Mr. Speaker, I am pleased to join my colleague, Chairman LUKEN, in the introduction of the Federal Trade Commission Act Amendments of 1987. This bill was approved by the Subcommittee on Transportation, Tourism, and Hazardous Materials for consideration by the full Energy and Commerce Committee. I have been informed that the full committee plans on considering the legislation next week.

The bill is a prime example of the quality legislation that can be produced through bipartisan efforts. I would like to commend Chairman LUKEN for the manner in which the bill was developed.

The bill reauthorizes the Federal Trade Commission for 3 years. The bill also includes a number of substantive changes—as well as technical amendments—to the Federal Trade Commission Act that are necessary to the Commission's effective and efficient operation. The bill contains a provision that will establish guidelines for the Commission's "intervention programs." Those programs were examined during our subcommittee hearings and concerns were raised about: First, the appropriateness of Federal involvement in State and local proceedings; and second, the manner in which the Commission conducts its intervention programs.

The provision in the bill addresses those concerns without placing overwhelming restrictions on the programs. The provision is an equitable compromise.

Finally, I would urge expedited consideration of the legislation by the appropriate committees, as well as the House of Representatives. I am optimistic that with the early passage of the Federal Trade Commission reauthorization legislation by the Senate combined with early consideration by the House, we will be able to send legislation to the President of this Congress.

CORPORATE RAIDERS PLUNDER NATIONAL ECONOMY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. GUARINI. Mr. Speaker, I wish to bring to the attention of my colleagues a matter adversely affecting our economy. Across the country and in every industry, corporate raiders are using deft business maneuvers to take over productive companies for short-term profits.

In their takeover attempts, these raiders force companies to the brink and force the layoff of thousands of employees, reaping the gain but leaving behind a shell of a company.

A takeover attempt is the art of the quick profit. Buy out a company, then sell the stock at increased, overvalued prices. The result is a profit for the raider, but a loss for the company and its employees.

In their attempts to ward off these attacks, companies are resorting more and more to buying back their own stock. But the millions of dollars spent on buying back stock deprives these companies of funds that would otherwise have gone to expand and to improve their situation in the economic marketplace.

My colleague from New Jersey, Congressman JAMES J. FLORIO, has introduced several bills creating disincentives to corporate raiders and better protecting from layoffs the employees caught in the middle.

I am including an article by Mr. FLORIO published in the New York Times of June 28. In it, he examines the corporate raider crisis facing companies and offers remedies to help companies regain their competitive edge by discouraging these raiders from plundering our economy's resources.

DISINCENTIVES ARE NEEDED TO DISCOURAGE CORPORATE RAIDERS

(By James J. Florio)

It is time that Wall Street raiders paid for the damage they are causing American businesses and workers.

These Wall Street raiders who reap fast profits through quick stock shuffling in mergers and takeover attempts are hurting the ability of American businesses to remain competitive in both domestic and foreign markets at a time our nation faces a dangerous foreign-trade deficit and our economic competitiveness is in question.

They are forcing American businesses to retrench instead of grow, and are causing the layoffs of thousands of American workers and the closing of plants across the country.

We need a corporate-raider tax as a disincentive to those who are not interested in the long-term, healthy growth of the American economy.

I have asked the House Speaker, Jim Wright, to consider appropriate disincentives, such as a surtax on short-term stock profits derived from takeover attempts, to discourage those whose only goal is short-term profits at the expense of American industry.

At the same time, such disincentives would not affect those who want to invest in American industry for long-term growth and profitability.

A corporate-raider tax would help to reduce the Federal deficit while helping to pay for the increased unemployment costs when plants and businesses are closed in the wake of a takeover attempt that mangles the local economy of a community.

The recent frenzy of takeover activity by short-term investors has forced American companies to place undue emphasis on short-term results. Out of fear of corporate raiding parties, American businesses are focusing on the short-term price of their stocks to make a takeover attempt less attractive.

If a company plows its profits back into modernizing its facilities or into research and development, it will be working to maintain its competitive edge. But that may keep the price of its stock lower in the short term, inviting a takeover attempt.

Take, for example, the cases of 15,000 workers recently laid off by Safeway Stores Inc. because of a restructuring caused by an unsuccessful takeover attempt, or the 14,000 workers who lost their jobs when Lucky Stores Inc. closed its Gemco division last year as part of a restructuring to avoid a takeover attempt.

Then there's the case of the Owens-Corning Fiberglas Corporation, which went $2.6 billion into debt last year to fight off an unsuccessful takeover attempt by a California firm.

As a result, Owens-Corning was forced to lay off 14,000 of its 25,000 employees nationwide as part of a corporate restructuring that included closing its Barrington, N.J., plant with 800 workers.

The Barrington plant, which is in my Congressional District, was not only profitable, but also due for a major corporate investment.

Owens-Corning also was forced to cut half of its research and development budget. At the same time, the unsuccessful raiding company made a quick $30 million profit by buying and then selling Owens-Corning stock at increased prices.

American companies spent more than $100 billion to buy back their own stock in 1984 and 1985, compared to $29 billion in 1983. If the money had been used to modernize plants and equipment, total capital investment in the companies would have increased by 25 percent.

American business needs protection so that it can focus on long-term growth and not always be looking over its shoulder for the next corporate raiding party.

At the same time, workers need greater protection from the economic and social disruption caused by the wave of plant closings and divestitures from corporate mergers sweeping the nation.

To deal with this problem, I have introduced legislation mandating that no merger can be approved until any divestiture of assets is approved first.

As part of the generally lenient approach to the wave of mega-mergers of giant corporations that we have witnessed in recent years, the Federal Trade Commission has often allowed mergers to take place with almost only a cursory look at their effect. We have seen the F.T.C. allow mergers if either the acquiring company, or the concern to be acquired, divests its subsidiaries or holdings.

But under this approach, the merger of corporations is approved many months before anyone knows the fate of the facilities to be divested. Often, the fate of the workers at these facilities is not known until long after the merger is allowed to go forward.

Everyone is kept in the dark as the new owners decide whether facilities are to be purchased and maintained as viable businesses or closed down.

By the time workers learn of their fate at the hands of their new employers, the merging companies will likely have so integrated their operations that undoing the merger would be like unscrambling the eggs in an omelet.

Under my legislation, if a consent agreement or order provides for a divestiture, the merger may not be finally approved until the divestiture is first approved. If the divestiture is not approved, the agreement can be rescinded and the F.T.C. can move to block the merger.

The legislation provides that in approving divestitures, the F.T.C. or a court must insure that reasonable steps are taken to protect the interests of affected employees.

Another bill I have introduced would require employers to provide advance notice to employees and to local government officials of plant closings or mass layoffs.

Employers with 50 to 100 employees must provide 90 days' notice of a plant closing. Greater advance notice must be provided for employers with more than 100 workers.

The bill also provides that an employer may not order a plant closed or mass layoffs without consulting with workers and the community on alternatives to the planned action.

At the very least, common courtesy would call for enactment of the basic principles in this legislation. If worker productivity is one of our key goals, then we should follow the simple rule that, if you treat workers well, then they'll work well.

If we do not protect both American businesses from corporate raiders and American workers from harmful plant closings and mergers, how can this country maintain its economic competitiveness without economic stability?

SUPERCONDUCTING SUPER COLLIDER

HON. LYNN MARTIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mrs. MARTIN of Illinois. Mr. Speaker, it is important for America to demonstrate our commitment to technological excellence. Construction of the superconducting super collider is perhaps the best way we can make such a commitment.

Many of us here in Congress are ready to make the potential of the SSC a reality, but language in the supplemental appropriations bill indicates an attempt to ignore the realities that will inevitably surround construction of the SSC. There is no way to build a project of this magnitude without notice of the community in which it is built; similarly, States and communities that may become home to the SSC will undoubtedly wish to demonstrate their willingness and ability to accommodate the SSC.

The language in the supplemental appropriations bill seeks to ignore this reality, but it is too real to ignore. Selection of a site for the SSC, despite the language of Congress, must include factors that are directly or indirectly related to the commitment of the would-be host community or State. Transportation, for example, is a key factor, and it would be ridiculous to ignore the position of the State, the chief roadbuilder, when evaluating SSC site.

The language of Congress in this regard, then, means less than one might think. I encourage States and localities not to be deterred if they wish to make their areas home to the SSC.

A TRIBUTE TO PAUL MILLER

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. DYMALLY. Mr. Speaker, tomorrow one of the best friends a worker in southern California could have is retiring after more than three decades of service. When a person has spent a lifetime doing good things for people, I think he should receive appropriate recognition by the Congress. That is why I want to take this opportunity to tell my colleagues something about Paul Miller. A person like Paul Miller never truly retires, he just modifies his activity. Tomorrow Paul will modify his activity by retiring from the Los Angeles County District Council of Carpenters. The effect, I expect, will not be that we'll find Paul whiling away his days fishing off Santa Monica pier. Leaving the council will give Paul a bit more time for the long list of union and civic activities from which he has not retired.

Paul has been associated with the carpentry trade since the end of World War II. During the war, he served with honor in northwest Canada, and through the Rhineland of Europe. He was part of the Japan Occupation Advance Party. For his service, he was awarded two Bronze Stars and the Philippine Liberation Ribbon.

It took very little time after Paul arrived in California in 1953 for his talents to be recognized. By 1956, he had been elected president of Carpenters Local Union 1400 in Santa Monica. The confidence his fellow union members placed in Paul is reflected in the fact that they elected him their business Representative in 1956. That experience served him in good stead because it led to his appointment in 1968 as business representative for the Los Angeles County District Council of Carpenters.

Seventeen years of leadership within the union structure seasoned Paul for the rigors of administration. In May of 1973, the executive committee appointed him to the post of administrative assistant of the council, and in September of the same year it appointed him secretary-treasurer of the district council. By December his accession to that post was reaffirmed when he was nominated and elected to the post. One begins to see the esteem in which Paul is held by his fellow carpenters when one realizes that he has remained secretary-treasurer for 14 years.

His district council work led Paul naturally into work within the larger union structure. He has been a delegate to the Carpenters International Convention since 1958, and he has served as trustee for the Carpenters International Unions and Councils Pension Plan.

He has been active in Southern California regional union activities. He has been vice president of the California State Building and Construction Trades Council for Southern California. He has been secretary of the Carpenters Bargaining Committee as well as secretary of the Eleven Southern Counties Conference of Carpenters. He is an executive board member of the Los Angeles County Building and Construction Trades Council. Paul is currently the vice president of the Los Angeles County Federation of Labor. And he is secretary-treasurer of the Southern California Conference of Carpenters.

He has built an impressive record at the State level as well. Since 1974 he has served on the Constitution Committee for Carpenters. He is presently the vice president of the California State Federation of Labor. He is a member of the executive board of the California State Council of Carpenters and the executive board of the California State Building and Construction Trades Council.

After this litany of accomplishment, you might think carpenters have been willing to entrust anything to Paul: their money, their health, their training. You are right, they have. Paul is co-chair not only of the Carpenters Pension Trust but of the Vacation Savings and Holiday Plan, the Health and Welfare Trust, and the Joint Apprenticeship and Training Committee Fund as well. He has done it all, and he has done it to perfection. In fact, when I look back over his accomplishments, I would swear that they are the accomplishments of five people, not one. But then I know Paul Miller. He is the one man who could do all these things and make it look easy. Paul, our respect for you runs deep. It is a privilege to acknowledge your astounding career before the Congress of the United States.

HOUSE DEBATE ON CONFERENCE REPORT TO H.R. 1827

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. CARR. Mr. Speaker, upon the passage of H.R. 1827, I want to take this opportunity to make the record crystal clear concerning the intent of Congress in passing section 505 of that bill concerning construction differential subsidy, or CDS.

I also want to express my deep sense of frustration that the Department of Transportation keeps forcing us to return again and again to this issue to block what we repeatedly have told the Department not to do.

Section 505 forbids the Department of Transportation and the Maritime Administration from spending any appropriated funds to publish or implement any regulation that would permit three vessels to enter the domestic trades in return for their repaying CDS as they applied to do under a 1985 rule that was later vacated.

Congress enacted similar prohibitions against CDS payback three times during 1983 and 1984. But eventually, the Department found a window period when our prohibition wan't in effect and it issued a CDS payback rule. The court of appeals, however, found the rule was abritary, capricious, or not according to law, and the court vacated the rule this past January.

At a hearing of the Transportation Appropriations Subcommittee on February 19, 1987, a month after the court decision, I asked Secretary Dole if the Department was going to drop the issue.

She responded that the Department anticipated continuing its support for CDS payback, and was, and I quote, "looking now at what the best method would be, whether it is an appeal or a new rulemaking or just what it might be * * *."

Thus forewarned that the Department might yet again try to issue a CDS payback rule, the first practical opportunity to again introduce blocking legislation came with the fiscal year 1987 supplemental appropriation. My amendment was added to H.R. 1827 by the full Committee on Appropriations on March 25. That provided the Department of Transportation with fair notice that the oft-stated congressional opposition to CDS payback was still alive and well.

Nonetheless, on April 15, the Department of Transportation published its proposed CDS payback rule. The Department then published the rule in final on June 22, even as conferees on H.R. 1827 were preparing to approve the rule prohibition in section 505.

The rule that was proposed and then promulgated is precisely what this Member had in mind when he drafted the amendment. The impetus to offer the provision arose from the Secretary of Transportation's comment that she was considering proposing such a rule.

Although the rule was published a few days ago, it is my intention and belief that section 505 nonetheless applies to the rule published on June 22, 1987. This is demonstrated by the use of the word "implement" in the section, which I intend and believe is sufficient to effectively make the rule null and void and without any effect at any time.

On the three previous occasions that Congress blocked CDS repayment rules, the House confirmed that there was no intention to affect the administrative proceeding concerning the tanker *Bay Ridge*. Because all rulemaking concerning CDS payback is prohibited by H.R. 1827, there is the possibility that the bill could be erroneously interpreted to prohibit further action on the *Bay Ridge*. However, this provision is not intended in any way to affect the *Bay Ridge* proceeding, which arose under a different set of circumstances several years before the 1985 CDS payback rule and its 1987 successor that we have consistently sought to prevent.

PERSONAL EXPLANATION

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. PACKARD. Mr. Speaker, due to the wedding of my youngest daughter, I was unable to vote during the session on Tuesday, June 23, 1987. Had I been present I would have voted in the following manner:

Rollcall vote No. 201, "no";
Rollcall vote No. 202, "no";
Rollcall vote No. 203, "no";
Rollcall vote No. 204, "no";
Rollcall vote No. 205, "aye";
Rollcall vote No. 206, "no";
Rollcall vote No. 207, "no";
Rollcall vote No. 208, "aye";
Rollcall vote No. 209, "no."

A CONGRESSIONAL SALUTE TO BILL MARTIN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to Bill Martin, chief of police for the Downey Police Department in Downey, CA. Chief Martin will be retiring in mid-July, and will be honored at a dinner to be held on July 12, 1987.

Chief Bill Martin was born in Cleburne, TX in 1935. At the age of 4, Bill and his family moved to California where he attended South Gate public schools for 12 years. Bill received a bachelor of science degree in business management and a masters degree in public administration from Pepperdine University.

Bill joined the South Gate Police Department and remained for 20 years. His responsible nature and commitment to excellence led him to hold almost every responsible position within the department. In January 1978, Bill's hard work and experience paid off as he became the chief of police for the Downey Police Department in Downey.

Bill's relentless respect for the law was also directed toward community affairs, providing him with a broad and responsible experience in all phases of law enforcement, both theoretical, and practical. He has participated as a member of many advisory councils and commissions throughout the Los Angeles area. Bill has also been active in State and local law enforcement organizations and is the founding president of the Los Angeles County Chief's Association.

In October of 1982, with many pressing issues facing the city, Downey lost its city manager. Chief Martin assumed the responsibilities of the city manager until March of 1983, when he came to the realization that being a policeman was his life's work and he returned to the management of the police department.

Under Chief Martin's leadership, the Downey Police Department has moved forward in many areas, including pioneering the use of the ultralight aircraft in law enforcement, computerization, and innovative programs such as the trusty and DARE programs.

Mr. Speaker, Bill Martin has helped make Downey, CA, a special place to live and work. My wife, Lee, joins me in congratulating Bill on his many achievements through the years. We wish him and his wife, Kay, and their children and grandchildren, much happiness and success in the years ahead.

A TRIBUTE TO ALEX G. SPANOS

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to Alex G. Spanos, who will be honored on September 3, 1987, by AXIOS—an organization of southern California business and professional leaders, representing the American-Greek community—as the recipient of their "Man of the Year" award.

The size and scope of Alex Spanos' philanthropy distinguishes him as a great benefactor of education, public parks, hospitals and the arts. A member of the Board of Regents at the University of the Pacific, Alex underwrote the cost of the "Search for Alexander" archeological finds exhibit so that it might be viewed by the public. For this and other events, Alex was appointed a trustee to the Board of Fine Arts Museum of San Francisco.

Because of his concern for the natural environment and his outstanding contribution to public parks and recreation centers, Alex Spanos received the California State Parks and Recreation Merit Award in 1982.

Another example of Alex's community interest is his annual "Evening of Elegance" dinner featuring such celebrities as Bob Hope and Telly Savalas, which benefits the Children's Hospital of San Francisco as well as other hospitals in the bay area. For such services to the bay area, Mayor Diane Feinstein presented Alex with the key to the city of San Francisco.

In July of 1986, the Statue of Liberty-Ellis Island Foundation, Inc., bestowed on Alex Spanos the Ellis Island Medal of Honor at a ceremony on Ellis Island, citing his great involvement in charities and public services within his community and statewide.

It is my distinct honor and pleasure to join my colleagues in saluting Alex G. Spanos for his lifetime commitment to social service, cultural activities, and philanthropic endeavors.

GIVE SOVIET JEWS A CHOICE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. PORTER. Mr. Speaker, we are entering a new era of United States-Soviet relations. The emigration figures thus far in 1987 have far exceeded the 1986 levels, 2,030 Soviet Jews were granted permission to emigrate during the first 5 months of 1987, compared to a total of 914 last year. Furthermore, only one Jewish prisoner-of-conscience remains in jail, compared to over two dozen in 1986. Breakthroughs have been made on the matters of Jewish culture, rabbis, Hebrew texts, and kosher restaurants.

It is time to reconsider our policies. The past few months there has been discussions of an Israeli plan to channel Soviet Jewish emigres through Romania to Israel and the possibility of a waiver of the Jackson-Vanik trade restrictions.

Mr. Speaker, I encourage my colleagues to read the following New York Times editorial, written by Pamela B. Cohen and Micah H. Naftalin, to gain a better understanding of the position taken by the Union of Councils for Soviet Jews, the oldest and largest Soviet Jewish human rights organization. As my constituent and close personal friend, I have followed Pam Cohen's lead in the Soviet Jewry movement for many years. Her dedication to and knowledge of this important issue has been evident in her tenure as chairman of the Chicago Action for Soviet Jewry chapter, and her current position as president of UCSJ.

The editorial follows:

[From the New York Times]

GIVE SOVIET JEWS A CHOICE

(By Pamela B. Cohen and Micah H. Naftalin)

Several American Jewish organizations have endorsed an Israeli plan that would require all Jews leaving the Soviet Union to go to Israel via Rumania, thereby automatically conferring Israeli citizenship on them and making it harder for them to come to the United States.

The plan denies the emigrants the right to determine their own destination and should be opposed until their choice of final destination and citizenship is guaranteed.

Currently, Jews leaving the Soviet Union fly first to Vienna. Those who want to go to Israel from there can do so. Alternatively, they can fly from Vienna to the United States, which is what most Jewish emigrants do.

Israel wants to close the option of flying first to Vienna, because it desperately needs the skills and manpower that emigrants can offer. What's more, Israelis feel it is the duty of Jewish emigrants to return to Israel, their homeland. That is understandable, but the proposed policy is coercive and would delay, sometimes for years, the reunion of many emigrants with family members who live in the United States. The emphasis should be on freedom of choice.

Under Israeli law, a Soviet refugee acquires Israeli citizenship automatically upon landing in Israel. But as soon as the emigres gain Israeli citizenship, they also lose refugee status under American law. Thus, in order to enter the United States from Israel, emigrés must apply within the normal immigration quotas.

To be sure, Israel needs and wants to attract Soviet Jews. But the right of people to emigrate freely to any country willing to accept them is guaranteed by the Universal Declaration of Human Rights and the Final Act of the Helsinki Accords. Emigrants hardly deserve further governmental coercion as they step across the border to freedom. This searingly painful conflict requires full, public discussions.

Besides limiting emigrants' freedom of choice, the Israeli plan has caused disputes that are distracting world attention from the chief issue facing Soviet Jews, which is to pressure the Soviet Union to allow more Jews to emigrate.

Why give the Russians more ammunition for their propaganda war? Surely, Soviet officials will recognize the irony of the Israeli proposal and use it to embarrass the Israeli Government by releasing emigres so committed to going to the West that they will stage demonstrations at Ben-Gurion Airport.

Secretary of State George P. Shultz remains firmly committed to freedom of choice, but he is aware of the difficulty of changing the definition of refugees in order to accommodate Soviet Jews without similar accommodation for refugees from other regions. To do so would undermine confidence in the fairness of the American refugee program.

Furthermore, changing the transit station from Austria to Rumania would push the entire Jewish emigration program out of the international spotlight and far from American influence. It would also make the program susceptible to pressure from Arab countries that might want to urge Moscow to cut off the flow of Jews to Israel.

The Russians anticipate that by accepting direct flights and a limited escalation of emigration to 11,000 Jews—only one-fifth of the 1979 emigration level—they will receive in exchange trade and arms agreements and, perhaps, a role in a Middle East peace conference.

It would be a grave miscalculation for Jewish leaders to offer rewards in exchange for such a low emigration level when the Russians have never before had stronger motivations to improve their record of allowing Jews to emigrate.

To warrant American support for direct flights, further diplomatic initiatives by Israel and the United States are necessary. We strongly urge both nations to consider the following points:

First, Israel should conclude an agreement with the Soviet Union for the voluntary repatriation to Israel of all Soviet Jews without regard to family ties. Such an agreement would send a needed and unambiguous message of welcome from Israel.

Second, the United States should initiate negotiations with Moscow to confirm the principle of free emigration based on invitations from the United States as well as Israel. It is time to recognize that many Soviet Jews, especially the tens of thousands whose families live in the United States, see our country as their preferred destination.

Third, it must be made clear that the direct flight issue plays no part in American insistence on high levels of Jewish emigration from the Soviet Union and on human rights improvements by the Russians.

These are painful considerations both for the American Jewish community and for Israel. But the long-term strength of Soviet Jewry emigration effort, and the viability of American human rights policies, depend on the Russians' continued appreciation that American Jews and their leadership reflect the essential value of the United States and its Government.

SSC PROVISION IN H.R. 1827, THE FISCAL YEAR 1987 SUPPLEMENTAL APPROPRIATIONS BILL

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. FAWELL. Mr. Speaker, I would like to address my remarks toward amendment 97 of the fiscal year 1988 supplemental appropriations bill, H.R. 1827. This provision is in regard to State financial incentives and the Department of Energy's procedure for selecting the site for the superconducting super collider. Mr. Speaker, I believe that we must be very clear on what this provision does and does not say.

In the report accompanying H.R. 1827, language explaining amendment 97 makes clear that the intention of the amendment is to ensure that the site is selected for its "overall suitability" for construction and operation of the SSC. This will be further guaranteed by the site selection process established by DOE. After State proposals are received in August 1987, DOE will screen against established site criteria to ensure that sites meet the minimum needs of the SSC. In September DOE will submit the State proposals unranked to a select panel of the National Academy of Sciences/National Academy of Engineering, who will then review the proposals and determine their overall excellence for the SSC according to the site criteria established in the Invitation for Site Proposals. Three months later the NAS/NAE will recommend to DOE a small, unranked set of the best qualified sites. Pending completion of safety and environmental studies, DOE will announce the final site selected in January 1989.

At every step of this 17-month process State proposals will be judged according to the geological, environmental, regional, and other criteria listed in the Invitation for Site Proposals. The involvement of the National Academy of Sciences and National Academy of Engineering will ensure that this is not strictly a DOE decision. In addition, there is no amount of money that could turn a site lacking in the basic environmental or geological requirements into a site suitable for the SSC. For these reasons I am confident that the site selection process will proceed as much as possible on rational, objective grounds, and I support the goals of this amendment.

Financial incentives will become important when construction on the SSC actually begins. We are acutely aware that the Federal Government is facing tremendous budget deficits, a fact explicitly mentioned by the conferees in the report language accompanying amendment 97. If cost sharing is not included in the initial proposals, then there will be a far smaller incentive for the State finally selected as the SSC site to offer substantial inducements to the Federal Government for its construction. Cost sharing will be an indispensable means of alleviating the cost of the Federal Government, and the conferees have wisely allowed States and other groups to include financial or other incentives in their proposals. This provision is also clearly spelled out in the language offered in explanation of amendment 97.

The SSC represents one of the most important scientific initiatives our Nation will undertake this century. The site selected will be an essential factor in determining the success of its construction and operation. Given the deficits faced by our Government, we must leave open the option for States to offer financial or other incentives to alleviate the SSC's costs while we also ensure that the SSC is sited in full accordance with its technical needs.

ACCIDENTS INCREASE ON RURAL ROADS

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. HOWARD. Mr. Speaker, authority for States to increase the speed limit to 65 miles per hour on rural interstate highways has been in effect for only 3 months but we are already beginning to see the results. Studies in States that have increased the speed limit show that driving speeds are increasing above 65 miles per hour and accidents are increasing. That result was found in a study of New Mexico speeds conducted by the Insurance Institute for Highway Safety and by an Arizona police survey.

A description of the New Mexico findings was printed in the RECORD on June 23. I am now submitting the Associated Press description of the findings in Arizona of more accidents on rural interstates since the speed limit was increased.

ACCIDENTS INCREASE

PHOENIX.—Accidents have increased on those stretches of rural interstate highways in Arizona where the speed limit has been increased to 65 miles per hour, officials said.

DPS records show 11.7 percent more accidents occurred from April 15 to May 31 this year than during a similar period last year, yet officials are reluctant to link the higher speed to the increased number of accidents, because the new speed limit had been in effect only six weeks.

Traffic deaths were up 60 percent and injury accidents were up 11.4 percent, officials said.

"Speed doesn't cause the accident, it just prevents someone from getting out of one," said Sgt. Allan Schmidt, DPS spokesman. "You can tie the number of injuries to speed, but not the numbers of accidents."

Arizona raised the speed limit on rural interstates to 65 mph from 55 mph on April 15, after Congress cleared the way for higher speed limits on stretches of interstate highways that pass through areas with fewer than 50,000 residents.

The maximum speed limit is still 55 mph on interstates running through Phoenix, Tucson, and Yuma and on all state and U.S. Highways.

CULTURAL AND LINGUISTIC RIGHTS FOR ALL AMERICANS

HON. JAMES A. HAYES

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. HAYES of Louisiana. Mr. Speaker, I would like to bring to the attention of the House of Representatives the endorsement of House Joint Resolution 232, the cultural rights amendments, by the Louisiana Legislature. On April 7, 1987, I introduced a joint resolution proposing an amendment to the Constitution of the United States to protect cultural and linguistic rights of all Americans.

Since that time, both the Senate and House Louisiana Legislatures have unanimously endorsed my proposal. The following is a copy of the resolution they passed.

H.J. RES. 232

Whereas, America is a mosaic of peoples of many cultures proud of sharing a vast land in a spirit of freedom and tolerance of diversity; and

Whereas, the right of the people to preserve, foster, and promote their respective historic linguistic and cultural origins is recognized by the Constitution of Louisiana, but such recognition is under attack at the federal level and in other areas of the United States; and

Whereas, Senator John Breaux and Congressman Jimmy Hayes have introduced in the Congress of the United States a proposed constitutional amendment to protect the cultural rights of all Americans: Therefore, be it

Resolved, That the Legislature of Louisiana does hereby memorialize the Congress of the United States to propose and submit to the states for ratification an amendment to the Constitution of the United States to protect the cultural rights of all Americans: Be it further

Resolved, That a copy of this Resolution be transmitted to the secretary of the United States Senate, to the clerk of the United States House of Representatives, and to each member of the Louisiana delegation to the United States Congress.

SUPPLEMENTAL APPROPRIATIONS BILL

HON. J. DENNIS HASTERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. HASTERT. Mr. Speaker, it is important and appropriate to ensure that the intended definition of a specific provision—Amendment No. 97—of the fiscal year 1987 supplemental appropriations bill is clearly articulated.

The intent of this amendment, as I understand it, and as it has been described by its sponsor, Mr. DOMENICI, is to preclude the Department of Energy from considering financial incentives from the States in making the superconducting supercollider site selection decision. It is not intended to limit a States' ability to compete based on other criteria deemed necessary for the presentation of the best site proposal—that is, physical facilities, natural resources, educational and technological centers, and other factors which should be considered in determining overall site suitability. It is also agreed that incentives—including financial incentives—offered by the States can be included within their individual proposals.

It is essential that the site selection process for the SSC is administered fairly and equitably, and that any legislative language affecting the site selection process be directed toward that end. It is also essential that the final siting decision is in the best interest of the Federal Government and the American taxpayer, and that all proposals by the States be examined with that larger criteria in mind.

CONGRATULATIONS TO RONALD PIETROWSKI, NATIONAL VICA WELDING WINNER

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. FORD of Michigan. Mr. Speaker, I rise today to congratulate Ronald Pietrowski upon winning the 23d Annual Vocational Industrial Clubs of America [VICA] Skill Olympics. Mr. Pietrowski, a Westland, MI, resident, was selected from among 2,500 outstanding vocational students from across the Nation at the VICA National Leadership Conference held June 22-26 in Wichita, KS.

The VICA Skill Olympics are held to recognize the achievements of vocational students and to encourage them to strive for excellence and pride in their chosen occupations. Mr. Pietrowski was tested in all phases of welding execution and evaluated on his ability to work skillfully and safely and to use his time wisely. He was asked first to interpret a project drawing and weld symbols, answering questions regarding safety and design. Then he was judged on his ability to lay out the project, assemble and make welds in various positions using a number of welding processes: oxy-acetylene cutting, gas metal arc process, gas tungsten arc welding process, and shielded metal arc process. Mr. Pietrowski's product was then inspected for dimensional accuracy, weld size, appearance and soundness. His performance was judged to be superior.

Mr. Pietrowski has made a significant achievement in his field, and I am pleased and proud to extend to him the praise he deserves. He is a 1986 graduate of John Glenn High School and is now a 13th-year student at the William D. Ford Vocational/Technical Center.

TONY VERNA

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. FOGLIETTA. Mr. Speaker, on June 6, 1987, more than 1.5 million people in 16 locations on 5 continents joined with Pope John Paul II in a "Prayer for World Peace." A global television audience of more than 1 billion people watched this historic telecast, described by the London Times as "the most complicated live telecast ever attempted."

The producer and director of this telecast was Tony Verna, who last year produced "Live-Aid" and "Sport-Aid," global television events which used electronic technology to bring people together. Mr. Verna was born in my congressional district in Philadelphia, and it is a privilege to describe to my colleagues the enormous achievement this historic broadcast represents.

Immediately following his meeting with President and Mrs. Reagan in Rome on June 6, 1987 Pope Paul II led the "Prayer for World Peace," a recitation of the Rosary with responses coming live via satellite from congregations in the following cities: Lujan, Argentina; Mariazell, Austria; Rio de Janeiro, Brazil; Quebec, Canada; Lourdes, France; Frankfurt, Germany; Bombay, India; Guadaloupe, Mexico; Caacupe, Paraguay; Manila, Philippines; Fatima, Portugal; Dakar, Senegal; Zaragoza, Spain; Czestochowa, Poland; Knock, Ireland; and in the United States, Washington, DC.

Faces of people around the world lit up as they saw themselves on television screens along with people on five continents. Mother Theresa joined the Pope from Poland. In Manila, President Corazon Aquino prayed with the Pope, as did hundreds of thousands of people holding candles outside the cathedral. As his Holiness finished the Rosary, people around the world waved handkerchiefs at him and at each other, while church bells chimed. ABC News described the event as "an hour when the people of the world came closer together."

This historic broadcast event was made possible by U.S. technological ingenuity. Tony Verna, president of Global Media Limited, utilized 23 satellites and 28 transponders to broadcast the "Prayer for World Peace" in 12 languages—Latin, Italian, Greek, Portugese, Polish, French, Spanish, Russian, German, Dutch, Arabic, and English—to an estimated audience of 1.5 billion people.

In a recent interview, Mr. Verna explained what he sees as the vast potential of electronic communications: "In the beginning was the word of God. Satellites are manmade meteors—bits of wire, metal and silicon orbiting the Earth. They are still controlled by man, and the creativity God gives to man. When satellites give way to optical fiber, when new technologies replace the old, the word of God will still remain. Today, we are able to use the technology of these cold satellites in space to bring a lot of warmth to this globe."

Today, at the Vatican, Tony Verna will present a commemorative video and book of the "Prayer for World Peace" to his Holiness Pope John Paul II. I am pleased and privileged to pay tribute to Tony Verna on this important day.

PAUL MILLER, COMMUNITY LEADER, RETIRING

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to a good friend and an extraordinary member of my community, Mr. Paul Miller. He has served the southern California community in a variety of capacities for over 30 years. This week he is retiring from his position as secretary-treasurer of the Los Angeles County District Council of Carpenters. I ask my colleagues to join me in honoring this outstanding individual.

After earning two Bronze Stars in World War II, Paul came to California in 1953. In the 1950's, he served as business representative and president of Carpenters Local Union No. 1400 in Santa Monica, and in 1968 began his long affiliation with the Los Angeles County District Council of Carpenters. His current positions include vice president of the California State Federation of Labor, executive board member of the California State Building and Construction Trades Council, and cochairman of the carpenters pension, health and welfare, and vacation trust funds.

Paul has also been extensively involved in California politics. He has served as an adviser to Los Angeles City Attorney Burt Pines and District Attorney John Van de Kamp, and as a member of the Soiar Committee under Gov. Jerry Brown. The many awards he has received for his distinguished service include honors from the City of Hope, the Democratic Senate majority chair, the A. Philip Randolph Institute, and the 1978 Catholic Labor Federation Man of the Year Award.

It is my distinct honor and pleasure to thank and pay tribute to Paul Miller. His years of service and dedication have provided not only a great benefit to the Carpenters Union, but an invaluable service to the community at large.

BEFORE THE STATE AND EPA CAN CLEAN UP THE McCOLL HAZARDOUS WASTE SITE, CONGRESS MUST CLEAN UP THE SARA CONFERENCE REPORT

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. DANNEMEYER. Mr. Speaker, today I am introducing a bill to solve a problem that was created by the conference report on the Superfund Amendments and Reauthorization Act of 1986 [SARA] regarding the cleanup of the McColl hazardous waste site. The McColl site is of great importance to me as it is located in my congressional district, indeed in my hometown of Fullerton, CA. The McColl site contains acidic sludge from refinery waste deposited at the site after production of aviation fuel during World War II. It was listed on the first edition of the national priorities list [NPL] under CERCLA and hence eligible for Superfund financial assistance and enforcement authority.

The Environmental Protection Agency [EPA] and the California Department of Health Services [CDHS] have determined that the site poses a threat to public health and safety and the environment. The State issued findings on January 13, 1984. EPA issued administrative orders under the Comprehensive Environmental Response Compensation and Liability Act of 1980 [CERCLA] section 106 to be the identified potentially responsible parties on July 20, 1984. The orders summarized the site characterization study, which found a high sulfur content and high concentration of organic sulfur, aromatics—benzenes—and aliphatic hydrocarbons. Gas emissions include benzene, toluene, and xylene, which are a source of odor to the point of being irritating to the sense of smell. Local residents have complained of nausea and headaches, among other health effects studied by the CDHS epidemiological studies section. There is also a danger to public health through direct contact with the waste, which has oozed up to the surface in spots. The surface waste includes arsenic, which EPA says could cause acute poisoning in children just from ingestion of a small pinch of soil. In addition, storm water runoff from the site has contained arsenic in excess of Federal drinking water standards. According to section 106 orders, "there are no known barriers to prevent the migration of hazardous substances at the site into the ground water."

EPA issued the formal record of decision on April 11, 1984, approving excavation and removal of the waste from the McColl site as the remedial alternative. On June 12, 1984, EPA announced a cooperative agreement with the State of California for $21.5 million in Superfund money to clean up the site, and the aforementioned section 106 orders were issued on July 20, 1984. After the State and the operator of the Casmalia waste disposal facility in Santa Barbara could not agree to terms on a new contract for the disposal of McColl waste, the State elected to transport the waste to the Petroleum Waste Management, Inc. [PWI] facility near Buttonwillow in Kern County, CA. The waste was never removed from the McColl site, however, because of a court decision requiring the State to separately consider the environmental impact of using the specific disposal site at PWI.

In response to the potentially endless delay caused by this litigation and subsequent review, I offered an amendment to SARA which in effect stated that if waste is being excavated from a Superfund site, meaning it is federally regulated under CERCLA, and is going to a site federally regulated under RCRA, then no State review shall be required. By streamlining the review process in this manner, I attempted to seek a balance between the environmental risks associated with the transport and disposal of hazardous waste on the one hand, and those posed by a failure to remove the waste from the McColl site on the other hand. My amendment was approved by the Energy and Commerce Committee during the full committee markup, and it became section 121(i) of the House-passed version of SARA.

The Ways and Means Committee, however, also approved an amendment to SARA which had the effect of negating my amendment. The provision approved by Ways and Means as contained in section 418(a) of the House-passed version of SARA stated that Superfund money "shall not be available for any transfer * * * which could not be made but for section 121(i)." I had hoped that this setback to the McColl cleanup effort could be resolved during the deliberations of the conference committee. Unfortunately, while the Energy and Commerce Committee amendment was narrowed and refined in the conference report as contained in section 118(e), the Ways and Means Committee amendment was significantly expanded. The gist of the new Ways and Means Committee provision, which is contained in section 517 of SARA, is that no amount in the Superfund can be used for the transfer of waste from McColl to PWI if carried out pursuant to a cooperative agreement. Since neither the State nor EPA have the resources to cleanup the McColl waste without a cooperative agreement and since PWI is the only feasible disposal site, this new provision effectively prevents any transfer of waste from McColl.

The proponent of the original Ways and Means amendment admitted that the final version contained in section 517 was overbroad and in fact stated that he did not approve such language. I was told that efforts would be made to correct the "drafting error" in a technical corrections bill which was certain to be approved during the 100th Congress. Due to the Ways and Means Committee's busy schedule, however, the technical corrections bill has not been forthcoming. Since the State is currently evaluating options for treating and disposing of the McColl waste, Congress must resolve the dispute caused by the SARA conference report so that all available options can be considered. In an effort to implement the agreement to resolve the dispute, I have introduced legislation to terminate the application of both the Energy and Commerce provision—contained at section 118(e) of the SARA conference report—and the Ways and Means provision—contained at section 517 of the SARA conference report. The language reads as follows:

SECTION 1. PROVISIONS REGARDING McCOLL SITE.

After the enactment of this Act, any provisions of law specifically limiting or prohibiting the use of funds in the Superfund or derived from the Superfund for the transfer or disposal of hazardous waste from a facility identified as the McColl site in Fullerton, California shall cease to apply. Any provision of law rendering any State or local requirement inapplicable to such transfer or disposal shall also cease to be effective after the enactment of this Act.

During the deliberations of the conference committee, EPA indicated it preferred that both provisions be dropped. Since the original provisions relating to McColl merely canceled each other out, I felt that effectively deleting both provisions was the best solution. On June 3, 1987, I wrote to EPA to ascertain whether or not the deletion of both McColl amendments was still their position and whether they would support my effort to effectively repeal both provisions of SARA regarding the McColl site. EPA Administrator Lee Thomas stated in a letter addressed to me that "issues at the McColl site could best be resolved if the options for response and cleanup were not limited" and that "EPA would support the deletion of both provisions." Copies of my letter and the EPA Administrator's response follow:

House of Representatives,
Washington, DC, June 3, 1987.

Hon. Lee Thomas,
Administrator, Environmental Protection Agency,
Washington, DC.

Dear Mr. Thomas: I am writing to you in regard to Section 517 of H.R. 2005, the Superfund Amendments and Reauthorization Act of 1986.

This Section is of great concern to me because the McColl site is located in my Congressional District. In fact, I offered an amendment which would have allowed the transfer of McColl waste to Petroleum Waste Inc. (PWI) despite a court order requiring an additional Environment Impact Statement (EIS). After my amendment was adopted in the Energy and Commerce Committee, the Ways and Means Committee adopted an amendment which cancelled out my amendment by reinstating the EIS requirement. The Ways and Means Committee staff drafted Section 517 while drafting the Conference Committee's version of the bill.

As you may know, Section 517 amends Section 9507(c)(2) of CERCLA to state that "no amount in the Superfund or derived from the Superfund shall be * * * used for the transfer * * * of hazardous waste carried out pursuant to a cooperative agreement between EPA and a State if * * * the transfer is to [Petroleum Waste Inc. in Buttonwillow] * * * and the transfer is from [McColl in Fullerton]." This provision differs from the earlier version of the Ways and Means amendment in that the earlier version provided for the transfer after completion of the EIS requirement. Section 517, on the other hand, does not allow any Superfund money to be used, pursuant to a cooperative agreement between EPA and the State, for any transfer of waste from McColl to PWI. This overbroad provision will hamper efforts to cleanup the McColl site.

I have noted that, during negotiations on the Conference Report, EPA's position on the two amendments was that "EPA prefers a return to the status quo (drop both amendments)." I am writing to find out if EPA still prefers a return to the "status quo" (delete Section 517(a)(9507)(c)(2) and Section 118(e) of H.R. 2005). If this is still EPA's position, I would like to know if you would support my efforts to delete both Sections in the technical corrections bill that I am advised the Ways and Means Committee will be considering in the near future.

I appreciate your prompt consideration of my request.

Sincerely,
William E. Dannemeyer,
Member of Congress.

U.S. Environmental Protection Agency,
Washington, DC, June 5, 1987.

Hon. William E. Dannemeyer,
House of Representatives,
Washington, DC.

Dear Mr. Dannemeyer: Your letter of June 3, 1987, asks the Agency's views on possible deletion of Sections 517(a) (9507)(c)(2) and Section 118(e) of the Superfund Amendments and Reauthorizations Act of 1986.

As your letter states, during negotiations on the Conference Report, EPA preferred deleting both amendments. We believed then, as we do now, that issues at the McColl site could best be resolved if the options for response and cleanup were not limited.

Should there be a technical corrections bill as your letter suggests, EPA would support the deletion of both provisions as part of that legislation.

Sincerely,
Lee M. Thomas.

Mr. Speaker, I wish to conclude by saying that this project has been delayed for several years without relief for the citizens of Fullerton. The draft EIR for the McColl site is currently scheduled to be completed by November of this year. The final design decision is scheduled for April of next year at which time CDHS will begin the design and implementation of the final plan. In an effort to provide CDHS with all possible alternatives while not adding to the previous delays, I urge Congress to expeditiously act on this legislation.

A CASE OF FALSE INFORMATION

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. BEREUTER. Mr. Speaker, in an age when millions of people rely upon the press for factual information about world events, it is unfortunate that some nations manipulate the press by presenting false information in order to convince others of their own world view. This disinformation can cause significant misunderstandings between nations unless it is detected.

This Member wishes to submit the following piece of disinformation as an example of the seriousness of this problem. The document upon which the following article is based clearly was falsified by another government in order to disparage Chile, since according to official sources Chile has no plans to install nuclear missiles. The government practicing this disinformation must have an intelligence base in Bolivia and an interest in promoting opposition to the Chilean Government, making it highly likely that this is a Soviet disinformation effort.

La Paz, June 24 (EFE).—A letter allegedly sent by Chilean President Augusto Pinochet to the Chilean ambassador in Washington reveals plans for installing nuclear missiles in Chilean territory, and for buying enriched uranium.

This news was published today by the La Paz, Bolivia, daily Ultima Hora. This newspaper received a Xerox copy of the document, which was classified as confidential, with the Army seal.

In his letter, addressed to Chilean Ambassador Hernan Felipe Herrazuriz, the Chilean president requests his representative to tell Inter-American Affairs Under Secretary Elliott Abrams of "our consent to give them land in the Atacama Desert for Cruise missile tests."

Chile is also offering "a sector of Chilean waters for dumping U.S. nuclear waste."

Pinochet tells the diplomat to remind Abrams that "we are very interested in U.S. help to construct a base with storage space for Stringer missiles near the border with Argentina." "These are the rockets that are supplied by the ROK," the letter states.

In conclusion, the letter says that Chile wishes to acquire an undetermined amount—the amount it illegible—of enriched uranium for our nuclear centers."

PERSONAL EXPLANATION

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. BONIOR of Michigan. Mr. Speaker, on July 1, 1987, I was unable to vote on the following rollcall votes because of an appointment with my physician. Had I been present, I would have voted:

"No" on rollcall vote 240;
"No" on rollcall vote 241;
"No" on rollcall vote 242;
"No" on rollcall vote 243; and
"Yes" on rollcall vote 244.

On My 28, 1987, I was unable to attend House proceedings because of recurring back problems. Due to an oversight, how I would have voted that day was not inserted into the CONGRESSIONAL RECORD. Had I been present, I would have voted:

"Aye" on rollcall vote 150;
"Aye" on rollcall vote 151;
"No" on rollcall vote 152;
"Aye" on rollcall vote 153;
"Aye" on rollcall vote 154;
"Aye" on rollcall vote 155; and
"Aye" on rollcall vote 156.

CONGRATULATIONS TO ASSISTANT CHIEF OF POLICE TOM MILLETT

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. MARTINEZ. Mr. Speaker, I rise to congratulate assistant chief of police Tom Millett who retired on July 1, following a distinguished law enforcement career spanning 29 years with the city of El Monte.

Tom was born in Maine, but—when he realized that the West is the best—he came to El Monte, CA and joined the El Monte Police Department in May 1958. He climbed through the ranks, and was promoted to assistant police chief in March 1985. Throughout his long career he continued to upgrade his skills through law enforcement related seminars which are too numerous to mention. He also was an active member of the San Gabriel Valley Command Officers Association, the Los Angeles County Police Officers Association, and other law enforcement organizations. For his outstanding work in law enforcement he has received many awards from community service organizations.

During the three decades of his service, both California and law enforcement have been transformed nearly beyond recognition. Over the years that I have known Tom, he has boldly met the challenges to improve law enforcement and to improve the community he served. I want to extend my best wishes for the future to Tom, his wife Jane, and their three children.

WHAT YOU MISSED, NORTHEASTERN MINNESOTA!

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. OBERSTAR. Mr. Speaker, when the U.S. Air Force on June 9, 1987, announced it had abandoned plans for low level bomber training runs over two Northeastern Minnesota routes, many people breathed a great sight of relief. Some may since have wondered what they missed; what it would have been like to live under a canopy of B-52, B-1-B, and FB-111 bombers zooming over their home, cabin, dairy farm, mink ranch, egg farm or fresh air retreat in the woods, at supersonic speeds 300 feet above gound level.

People in rural Nevada, Utah, New Mexico and South Dakota don't have to wonder; they know. The Wall Street Journal of May 27, 1987, documents in vivid detail the real life, often devastating, consequences of low level, supersonic training runs by Air Force and Navy jets.

The article also describes the frustrations people in those States have endured in attempting to recover compensation for damages attributed to the over flights, and also recounts their successes, as well as their disappointments in attempting to stop or reroute the over-flights.

The citizens of Northeastern Minnesota won a significant victory for responsive government and for our unique quality of life in this confrontation with the Air Force. "Thundering Skies" is a sobering account of just how significant it was.

[From the Wall Street Journal, May 27, 1987]:

THUNDERING SKIES—MILITARY PILOT TRAINING STIRS UPRISING IN WEST AGAINST NOISY FLIGHTS

(By Peter Waldman)

DIXIE VALLEY, NV.—It is dawn, and Edward Robbins sits guard on his front porch, scanning the desert sky.

"There's one," he shouts. A silver Navy jet screams along the valley rim, then suddenly veers skyward as if to evade an enemy, unfurling a resounding roar onto the valley floor. The Robbins ranch house shakes, the china clatters inside.

"See what we put up with," complains Mr. Robbins, a 53-year-old former Air Force mechanic. "Easterners just can't fathom the vistas, the solitude we have out here. But where does it say that because I chose this way of life, they have the right to destroy me?"

In a paradox of peace, the U.S. military is waging mock war in the American West. The armed services, their arsenals augmented by the Reagan defense buildup, have intensified their training activities and greatly expanded their presence in Western states. With airspace above one-fifth of the continental U.S. designated for special military use—up from one-seventh a decade ago—many Westerners feel besieged by their own defenders.

RILED RESIDENTS

"They're carving up the West so each branch has its own sandbox," asserts Mr. Robbins.

Anti-military sentiment is mounting, especially among rural residents. Nothing riles them more than the noise barrage from supersonic jets bursting through the sound barrier at 750 miles per hour and helicopters whirring over their homes. Here in western Nevada, residents blame sonic booms from Navy jets for damaging homes, causing heart attacks and making pregnant cattle abort. Ranchers also suspect that some mysterious incidents, possibly involving laser beams, are linked to top-secret weapons experiments.

In Utah and South Dakota, Indians accuse fighter pilots of buzzing their villages and sacred lands, spoiling religious ceremonies that require total silence. On Arizona's Papago Indian Reservation, certain sonic booms so unnerve a mentally retarded boy that he cowers all day in a basement and cries, according to his mother.

Rural New Mexico residents, meanwhile, say that the Air Force played "mathematical games" in assessing the environmental impact of a proposed supersonic flight-training area. And in Texas and Nebraska, citizens' groups have fought military plans to build radar stations that would emit microwave radiation.

UNLIKELY ALLIES

On these and other fronts, the armed services are battling against coalitions of such unlikely allies as peace activities, environmentalists, miners, ranchers and Indians.

At the same time, the services still enjoy widespread support in the West, where military spending bouys many small-town economies. Most rural Westerners are veterans themselves and favor a strong U.S. defense. But many maintain that the services should share training areas and coordinate exercises to reduce their environmental impact.

The military, for its part, contends that the complexity of modern weapons and the growth in the nation's global defense commitments justify the proliferation of training activities in the West. The Navy under President Reagan, for example, has adopted a bold maritime strategy that calls for an all-out air and sea attack on the Soviet Union's Arctic submarine bases if war breaks out in Europe. Any such strategy, defense analysts say, requires meticulous planning and intensive training.

"Our business is bombing," asserts Capt. Richard Toft, commanding officer of the Fallon Naval Air Station at Fallon, Nev. "What good does it do to train at 250 knots when every two-bit Third World air force in the world flies supersonic?"

Donald Nonella's business is ranching. To his consternation, the Navy has turned the airspace above his pasture into a supersonic approach route for one of its bombing ranges. The whine and sonic booms from low-flying jets, he says, make ranch life intolerable.

"They seem to like flying right at you, and they're arrogant as hell about it, too," says Mr. Nonella, a self-described "conservative" in cowboy boots, red bandana and ten-gallon hat. "I've had planes blow smoke through my front door."

Here in Dixie Valley, residents have endured as many as 136 sonic booms a day. They angrily point at the damage from the sonic barrage: broken windows, cracked walls, even a mobile home dislodged from its foundations. The Navy halted all supersonic flights over the valley in 1985 until it could buy out the unhappy landowners. But Mr. Robbins and others have refused to sell.

They complain that Marine helicopters mounted a terrifying raid on their settlement one night, hovering at window level to shine spotlights into their homes. They also accuse a Navy pilot of launching a ground-hugging missile that just missed a school bus. The Navy confirms the nocturnal raid but denies having any such missile mishap.

Two years ago, two Navy F-18 jets bombarded a nearby ghost town with 500-pound bombs, hitting an old mineshaft, according to valley residents. The mine caught fire and burned for several days. A Navy spokesman says that the pilots, just in from Florida and unaccustomed to "everything looking so brown," mistakenly overran their target.

"It's been a living hell," says Beverly Washabaugh, a horsebreeder who lives near the ghost town.

Just as troubling for her and her neighbors is a bizarre series of incidents. Ira "Hammie" Kent, a Stillwater, Nev., rancher, says that one of his "buckaroos," or cowboys, was setting coyote traps in the nearby mountains last year when the metal devices suddenly became too hot to handle, the man's hair stood on end and his horse "went plum crazy." Mr. Kent believes the incident, which lasted two or three minutes, may have been connected to some sort of high-energy weapons experiment.

DECOMPOSED CARCASSES

Two years ago, Mr. Nonella's buckaroo found four dead cattle lying in a straight line one mile long, their chests and bellies pocked by some sort of lesions. Mr. Nonella swears the marks were burns, conceivably from a laser gun, but a state veterinarian concluded that the carcasses were too decomposed to know for certain.

Capt. Toft says that the Navy is extremely careful about using laser-guidance systems and denies that any kind of weapons research is going on at the Fallon base.

No matter what he and other officers say, many rural Westerners believe that the military just doesn't care what happens to them. "Their only concern is destruction," asserts Ed Robbins' wife, Ruth, who found a group called Mothers Against Military Arrogance, or MAMA. She cites the Navy's stance on sonic booms.

Medical studies dating back to the early 1970s show that repeated exposure to sonic booms of much lower intensity than those over Dixie Valley can cause hearing loss, nervous disorders and heart attacks, Mrs. Robbins says. Yet, the Navy's 1984 draft environmental-impact report on its Fallon base supersonic operations suggests that "long-term public health data could be collected to test for possible health-related associations" which sonic booms. Such data on local residents, the report says, "could be useful in providing a sound basis for future planning and decisions."

"A BRICK WALL"

Fumes Richard Bargen, a Gabbs, Nev., physican: "The Navy basically said, 'OK, we know what happens if you run into a brick wall at 60 miles per hour. Now let's see what happens if you run into a brick wall at 120 miles per hour.' "

Many ranchers maintain—and the Navy disagrees—that sonic booms and other jet disturbances are causing cattle to abort or abandon their calves to die. One Nevada rancher reports a 10% drop in his herd's annual breeding rate in two years.

James Johnson, a rancher in Belle Fourche, S.D., says that the proliferation of low-flying bombers from nearby Ellsworth Air Force Base has disrupted the grazing of his cattle and sheep, costing him extra money in livestock feed. Mr. Johnson says that he and his neighbors are gathering data for "dropping a bomb" on the Air Force—a lawsuit to stop the overflights. "There's no use trying to reason with those miserable pups," he says.

Indians also feel increasingly beset by the military. Low-level Air Force flights over South Dakota threaten to spoil the revival of traditional Sioux religion, say members of the Standing Rock Sioux tribe. Phyllis Young, a Sioux mother, says that when two of her boys went into the Black Hills last summer for their *hanblechiya*—four days of solitary dancing and fasting in a quest for a religious vision—they were buzzed by jets and harassed by hovering choppers.

"The military tells me it's just curiosity on the part of the pilots," she says. "I don't care what it is. It's preventing us from practicing our religion."

An Air Force spokesman insists that aircraft from Ellsworth and other bases "don't buzz people." The Air Force studies extensively the impact of low-level flights on residents, livestock and wildlife before it inaugurates any training routes, he says. Livestock easily adapt to jet noises, he adds.

While many Westerners are angry and frustrated these days, a few succeed in thwarting military activities near their homes. Marcus Henderson, a mechanical engineer, confronted the Air Force about microwave radiation from a giant radar station proposed for a hill overlooking his town, Christoval, Texas. He was concerned about possible genetic damage and other health effects. The Air Force, he says, assured townspeople that the site would operate at the same "average power" level as a large FM radio station. But he calls the comparison "intentionally misleading."

"Most radio stations operate continuously, yet they glossed over the fact that the radar site would only transmit one percent of the time," he says. "So the average output of microwave radition didn't look so bad, but the peak values would have been very high."

Mr. Henderson's findings helped turn residents against the project. After they hired an environmental lawyer, the Air Force decided to build elsewhere. "The system works pretty well if you've got a well-prepared complaint and enough money for a good attorney," he says. "But if we had been poor sharecroppers, no way."

The system seems to work particularly well for those who aren't daunted by technical data. Steven Rothman, a computer scientist in Catron County, N.M., went through a stack of Air Force documents on a proposed pilot-training area. "The environmental impact statement was so intimidating and filled with mathematical games, I don't think they thought anyone would ever read it," he says.

Mr. Rothman discovered that the Air Force had based certain environmental-impact calculations on a "maneuvering ellipse" constituting just one-tenth of the airspace slated for supersonic flights. Armed with that fact, Catron County officials wrung from the Air Force a concession that effectively negated the area's value for aerial dogfights and other exercises. The Air Force has yet to use the area.

Despite such local disputes, the armed services can count on broad public support in the West. Many towns, reeling from low prices for oil, minerals and beef, have embraced military projects as vital pump-primers for their economies. "We want to make the Air Force part of our community," says Mayor Robert Helmer of Belle Fourche, home of a new electronic facility for monitoring bombing runs.

In Fallon, the Navy is halfway through a three-year expansion and modernization program that is expected to provide local businesses with an estimated $120 million in contracts. The base, with a payroll of more than $20 million, is the area's largest employer.

The armed services, moreover, can muster good reasons for expanding their activities. The Navy, for one, maintains that the computerized training ranges around Fallon give pilots indispensable cockpit experience. At the southern end of Dixie Valley, for instance, pilots often negotiate an electronic warfare range studded with hidden antiaircraft missile sites. Instead of missiles, the sites fire radio beams at the attacking jets, with computers keeping score of hits and misses:

"If you're going to ask these boys to risk their lives for their country," says Capt. Toft, "you owe them facilities like this for training."

THE MASSACHUSETTS DIVISION III SOFTBALL CHAMPIONSHIP

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. CONTE. Mr. Speaker, I rise today to pay tribute to the Smith Academy girls who, following their victory on Saturday, became the State's Division III softball champions for the second consecutive year. These girls clearly demonstrate what can be accomplished when you play with your heart as well as your head.

By winning the championship 2 years in a row, these girls have proven once again that the size of the school has nothing to do with the kind of team it forms or the spirit with which it competes. This victory provides a fitting ending to a successful 23–1 season for the Falcons.

At her best under pressure, junior righthanded pitcher Betsy Balise led the Smith team to victory. She joined her fellow teammates, Julie Carroll, Kim Majewski, Shannon Maclean, Heather Wright, Chris Sadowski, Michele Labbee, Mary Celatka, Kristen Gougeon, Kacy Gomillion, Tricia Balise, Deb Malinowski, Jennifer Theberge, Chris Englehardt, Marsha Spellacy, Tara Daniels, Jessica Jones, Ann Zgrodnik, and Andrea Luchini, to ward off

Pentucket and secure a Falcon championship title. With teamwork stressed under Webb's coaching, the Falcons fielded a team of heroes on Saturday, making some stunning plays on both offense and defense.

By making the big plays when they needed to, these girls brought a successful end to Coach Sherry Webb's 12-year tenure. Webb, whose players hold her in high regard for teaching them about life as well as softball, steps down after 12 years as head coach leaving behind a record of seven league titles and 170 wins.

With this victory, these girls have shown that no sports match is ever just a game. Through their spirit and their hard work, these girls have proven that even the seemingly impossible can be accomplished.

NATIONAL COSMETOLOGY MONTH

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. CLAY. Mr. Speaker, today I introduced, along with Representatives Bill Ford, Mervyn Dymally and Frank Guarini, a resolution to proclaim October 1987 as "National Cosmetology Month" across America.

The annual observance, sponsored by the National Cosmetology Association which was established in 1921, is marked by a variety of charitable activities and media events across this Nation. These events are conducted by the 50,000 National Cosmetology Association members through more than 700 local affiliates. The proceeds from "National Cosmetology Month" activities are donated to local charities in these communities.

The theme of National Cosmetology Month—"Ask Us, America. We'll Goom You for Success"—encourages the people of the United States to understand the important link between an attractive personal appearance and a positive self-image.

The resolution seeks to recognize one of the Nation's most vital professional groups and its annual undertaking on behalf of charities in communities across the United States.

H.R. 2777—MAIL ORDER LOCK PICK PROHIBITION ACT OF 1987

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mrs. MORELLA. Mr. Speaker, I have introduced H.R. 2777, legislation prohibiting mail order sales of lock picks to the general public. As a member of the House Post Office and Civil Service Committee, which has jurisdiction in this area, I believe that the Mail Order Lock Pick Prohibition Act of 1987 will assist in protecting our citizens from unlawful entry to their homes, businesses, and cars by criminals using lock picks purchased through the mail.

The proposed bill seeks to amend title 39 of the United States Code, relating to the U.S. Postal Service, by adding a section that states that "Any locksmithing device is nonmailable, shall not be carried or delivered by mail, and shall be disposed of as the Postal Service directs * * *." The bill also amends title 18 of the United States Code, relating to criminal procedure, by adding a new section that states that, whoever knowingly deposits for mailing or delivery, knowingly causes to be delivered by mail, or knowingly causes to be delivered by any interstate mailing a locksmithing device, shall face penalties of imprisonment not to exceed 10 years and fines of up to $10,000 or both.

My bill addresses the practice of using the U.S. mails, and private carriers, to provide these lock picks to individuals untrained in their use or for illegal activities. This section of the code already contains a list of items that are prohibited from being mailed, such as poisons, insects, reptiles, explosives, beer, liquor, or wine, or switchblade knives. There is also a prohibition in the same section of the United States Code—section 1716(a)—that prohibits the mailing of motor vehicle master keys.

Mr. Speaker, this legislation contains three exceptions to its mail order prohibitions: First, lock manufacturers or distributors; second, a bona fide locksmith; or third, a motor vehicle manufacturer or dealer. These exceptions are not without precedent. In 1986, Public Law 90-560 was passed by the Congress, prohibiting the mailing of motor vehicle master keys. The original House bill included exceptions for bona fide locksmiths, motor vehicle dealers, and parking lot employees. The final postal service regulations contained these exceptions. I believe that exemptions provided in my bill are legitimate and important to the locksmith and lock industry. In fact, the Maryland Locksmiths and the Associated Locksmiths of America [ALOA], representing over 8,000 locksmiths around the country, are supporting the Mail Order Lock Pick Prohibition Act of 1987.

Mr. Speaker, we have too many burglaries and break-ins to take this bill lightly. It is surprisingly easy to order lock picking tools through the mail order procedure; more often than not, these tools fall into wrong hands. We have the right and expectation to be secure in our homes, but this expectation has not always been fulfilled.

This bill is certainly not the panacea to all burglaries, but I believe that making it illegal to obtain instruments through the mail will be a good step toward making our homes and vehicles reasonably secure.

I urge the membership of this House to join me in ensuring that only licensed people and authorized personnel are able to procure these specialized implements.

Mr. Speaker, I request that the text of the proposed legislation be reproduced in the Congressional Record.

H.R. 2777

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Mail Order Lock Pick Prohibition Act of 1987".

SEC. 2. NONMAILABILITY OF LOCKSMITHING DEVICES.

(a) In General.—Title 39, United States Code, is amended by inserting after section 3002 the following:

"§ 3002a. Nonmailability of locksmithing devices

"(a) Any locksmithing device is nonmailable, shall not be carried or delivered by mail, and shall be disposed of as the Postal Service directs, unless such device is mailed to—

"(1) a lock manufacturer or distributor;

"(2) a bona fide locksmith; or

"(3) a motor-vehicle manufacturer or dealer.

"(b) For the purpose of this section, 'locksmithing device' means—

"(1) a device or tool (other than a key) designed to manipulate the tumblers in a lock into the unlocked position through the keyway of such lock;

"(2) a device or tool (other than a key or a device or tool under paragraph (1)) designed for the unauthorized opening of a lock or similar security device; and

"(3) a device or tool designed for making an impression of a lock or similar security device to duplicate such lock or device.".

(b) Chapter Analysis.—The analysis for chapter 30 of title 39, United States Code, is amended by inserting after the item relating to section 3002 the following:

"3002a. Nonmailability of locksmithing devices.".

SEC. 3. PENALTIES.

(a) In General.—Title 18, United States Code, is amended by inserting after section 1716A the following:

"§ 1716B. Nonmailable locksmithing devices

"Whoever knowingly deposits for mailing or delivery, knowingly causes to be delivered by mail, or knowingly causes to be delivered by any interstate mailing or delivery other than by the United States Postal Service, any matter declared to be nonmailable by section 3002a of title 39, shall be fined not more than $10,000 or imprisoned not more than ten years, or both."

(b) Chapter Analysis.—The analysis for chapter 83 of title 18, United States Code, is amended by inserting after the item relating to section 1716A the following:

"1716B. Nonmailable locksmithing devices.".

CONGRATULATIONS TO JULIAN A. MODJESKI

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. MOODY. Mr. Speaker, today I would like my colleagues to join me in extending congratulations to Julian A. Modjeski, retiring director of the Communications Workers of America, AFL-CIO—Wisconsin State office.

In 1947, when he went to work for the Wisconsin Telephone Co., Julian Modjeski joined the Communications Workers of America. That marked the beginning of a long and illustrious career. Julian served as a steward, chief steward, treasurer and on October 21, 1960, he was elected president of CWA Local 5501. In 1962, when CWA Locals 5501 and 5502 merged to form Local 5503, Julian was elected president of the new CWA local. In October 1971, Julian was appointed to a full-time CWA staff position. After 3 years as a CWA staffer, Julian was promoted to director of the Communications Workers of America—Wisconsin State office.

Julian Modjeski served his union with dignity and diligence. He implemented training and education programs for CWA stewards and officers; he organized CWA political efforts for the 1976, 1980, and 1984 Presidential campaigns and for countless congressional, State, and local campaigns. Julian's vision of a well-educated, well-trained and politically active union has been fully realized. He has left his colleagues, and future leaders, a legacy of progressive unionism.

Today, I am pleased to salute Julian Modjeski—a leader, an activist, and a servant to his membership. Julian will surely be missed, but not forgotten.

AMERICAN TRADE POLICY

HON. FREDERICK S. UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. UPTON. Mr. Speaker, as the Congress continues to debate American trade policy, I rise to point out an interesting item for Members of Congress to ponder.

According to a recent Business Week article, a Japanese phone company has introduced a service to their customers which will automatically tape incoming phone messages to their home. In other words, the company has turned every touch-tone phone in Japan into an answering machine.

Mr. Speaker, Americans bought over 4.5 million answering machines from foreign countries in 1986, adding $1.9 billion to our telecommunication trade deficit. According to a recent study, this results in the loss of approximately 15,000 American jobs.

I recently asked Michigan Bell if we have this same technology. They assured me that we have this technology and it is ready to be implemented. However, because of a Federal court order governing the actions of the divestiture of the Bell companies, they are not allowed to provide this service to their American customers.

Mr. Speaker, how can Congress and the administration complain about foreign trade policies, when we don't even allow useful American products into our own market! While we definitely need to continue to open up foreign markets for American products, we must also concentrate on changing Federal policies like this one which contradict American goals. Domestic economic policies which stifle economic growth, decrease efficiency, and contribute to our enormous trade deficit are no better than unfair trading practices by foreign governments.

GEORGE G. FORESMAN, CIVIC LEADER, RETIRES

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. WELDON. Mr. Speaker, I rise today to pay tribute to Mr. George G. Foresman, the retiring executive director of the Chester-Wallingford, PA, chapter of the American Red Cross. On July 1, 1987, Mr. Foresman stepped down from this position after 31 years of dedicated service.

George Foresman has been diligently working all his life to help his neighbors. In addition to his work for the Red Cross, he has served as treasurer and board member of the Delaware County Community Action Agency, which extends aid to the county's disadvantaged residents. Even now, with his retirement, George's contribution to the welfare of Delaware County has not ended. He will continue to enrich the community as minister of the Gradyville United Methodist Church.

Recently, some 300 people attended a luncheon to honor George Foresman for his work. It is my great pleasure to join those people in congratulating George on his well-deserved retirement. He has helped the citizens of Delaware County in times of disaster and misfortune, and we shall not forget it.

REMARKS BY AMBASSADOR ZIMMERMAN AT THE VIENNA CSCE CONFERENCE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. GILMAN. Mr. Speaker, the task of promoting compliance with human rights agreements continues in Austria at the Vienna Conference on Security and Cooperation in Europe [CSCE] followup meeting. Convincing the Soviet Union to comply with the provisions of the Helsinki Final Act and ceasing negative actions against the Jewish "refusnik" population and others who seek religious and cultural freedom is being courageously carried out by our American delegation.

Leading that effort is the Chairman of the American delegation, Ambassador Warren Zimmerman. His remarks on June 12, 1987, at the Conference clearly state the problems that human rights activists face in the Soviet Union, and express our hopes for change by the Soviet Government, especially in this era of "Glasnost".

Mr. Speaker, I would like to share Ambassador Zimmerman's remarks with my colleagues and ask that they be inserted at this point in the CONGRESSIONAL RECORD.

I further hope that my colleagues will assist Ambassador Zimmerman and the rest of the delegation by continuing their own efforts on behalf of all those denied these basic freedoms.

STATEMENT BY AMBASSADOR WARREN ZIMMERMAN

The United States Delegation has stressed many times that the work of this Vienna meeting cannot be insulated from the outside world. Proposals made at this meeting must be evaluated with an eye to whether they deal effectively with actual and important problems in the real world. Assertions here must be tested against actions elsewhere, particularly actions by those who do the asserting. Progress claimed must be measured by performance achieved.

If this necessary connection between words and deeds is not maintained, then our work in Vienna risks becoming trivial, irrelevant, and useless. That is why it is valuable from time to time to pause and ask ourselves how well what we are hearing at this meeting corresponds to what is happening in reality. I propose today to take a partial inventory of certain events that have happened in the past week alone. These events are not encouraging. They cast a cold light on much of what we have heard in this plenary, in the drafting groups, and in press conferences from the Vienna Conference Center.

First, Eastern delegations, including that of the German Democratic Republic, have introduced and extolled many proposals at the Vienna meeting involving cooperation in information and culture, and increased contacts among youth. Yet the picture seen this past weekend in East Berlin is entirely different from the impression conveyed by these Eastern proposals. East German youths were discouraged by the Wall—an inhibition to contacts if there ever was one—and by a massive police presence from enjoying rock concerts held on the Western side of the same city. Journalists seeking to cover the events were intimidated and physically abused by police. And, distorted and tendentious accounts of the events have been issued by the official press agency in attempts to justify what occurred. It would be difficult to find a more graphic case in which reality stands in stark and disappointing contrast to the promises and proposals we have heard here.

Second, earlier in our meeting I noted the creation of the first new Helsinki Monitoring Group in the Soviet Union since 1977. It is called "Helsinki 86" and is composed of Latvian human rights activists dedicated to applying the principles of the Helsinki Final Act to their native Latvia. On the evening of June 8—this Monday—the leader of Helsinki 86, Linards Grantins, was arrested outside his apartment in Liepaja, Latvia. We do not know if he has been charged or his current situation. We do know that June 14—this Sunday—a peaceful demonstration is planned at the Latvian Monument of Freedom in Riga to commemorate the anniversary of the mass deportations of Latvian, Lithuanian, and Estonian men, women and children by Soviet authorities in 1941.

Western proposals at this meeting—such as WT-38 on the contribution of individuals and groups to the Helsinki process—deal with such problems as are graphically illustrated by the arrest of Linards Grantins. Yet in the unprecedented volume of Eastern proposals we look in vain for similar attention to such real-world problems. In fact, it is difficult to resist the impression that this vast bulk of Eastern proposals is designed, at least in part, to obscure the existence of such problems and to divert the attention of our Vienna meeting from them.

Third, fellow delegates will remember the case of Rimma Bravve, the young Soviet woman with advanced ovarian cancer who, after several years of effort, was finally permitted to emigrate to join her mother and sister in the United States. Rimma's sister-in-law Sophia is also a cancer patient in Moscow; she suffers from thyroid cancer. On June 8, this Monday, Sophia was told that she and her two-year-old daughter could join Rimma in the United States but that her parents could not accompany her. The reason given was that her father had had access to secrets, despite the fact that he retired from his work as a civil engineer in the construction industry nine years ago. Sophia now cannot emigrate because her health is too poor to care for her child alone, and Rimma and her husband are totally occupied with Rimma's advancing cancer.

The story of this family's treatment by Soviet authorities would be absurd if it were not tragic. Last fall the Soviet delegation in this plenary meeting and before the press announced—a month too early, it turned out—the decision to let Rimma emigrate. I therefore have no hesitation in bringing to the attention of our meeting this latest chapter in the history of bureaucratic harassment of this unfortunate family. There are numerous Western and Neutral/Non-Aligned proposals calling for significant improvement in the reunification of families. Evidence of their urgency could hardly be more clearly portrayed than in the nightmare experience of the Bravves.

And fourth, last night I received a telephone call from Naum Meiman, the 76-year-old widower of Inna Meiman, who died of cancer in the United States in February. As many will remember, Naum Meiman is a respected, retired professor of mathematics who has a heart disease and a pre-leukemic problem in his bone marrow. Naum called to tell me that he had just been informed by a Soviet doctor that he needs an urgent operation on his prostate—a procedure that will require more than a month in the hospital. In the Soviet Union, as in many other countries, family members normally provide much of the care for patients in hospitals. Naum has no family in the Soviet Union. His only child is a daughter living in the United States. For over a decade he has been prevented from emigrating to join her, a flagrant violation of the family reunification provision of the Helsinki and Madrid documents. Now, with a difficult operation pending, Naum told me last night that he felt alone and in despair.

The official reason why Naum Meiman cannot emigrate to join his daughter in America is that the Soviet authorities claim that he did important classified work 32 years ago. In an appeal to this conference dated May 18 of this year, Naum described this situation as follows:

"Refusing anyone permission to emigrate on the pretext of "secrecy" is a most effective method of blocking emigration, since the Soviet Union has no due process of law for complaining or appealing against refusals. It is not even known who, at what level, or on what basis a sentence is handed down dooming a person to the fate of a refusenik for many years. Refusals are issued only orally, without any time limit indicated. The whole situation is typical of a mysterious secret court and is by no means compatible with the broadly proclaimed spirit of glasnost. . . .

"More than 32 years ago, at the dawn of the atomic age, I did certain classified calculations for long-dead Academician Landau in the Institute of Physical Problems of the Academy of Sciences. These calculations were of a very auxiliary nature, and have long ago lost all sensitivity and significance. I transferred to work in another institute in 1955, and as officially certified, never had any further contact with sensitive work."

In his appeal to the Vienna meeting Naum quotes a letter from Andrei Sakharov to the Federation of American Scientists on August 19, 1977. It reads in part:

"All calculations in which Meiman and Goldfand took part were of a conventional character. Divulgence of the information they had access to would never be of substantial importance. It is now more than twenty years since they participated in secret work. Goldfand and Meiman, without a doubt, possess no information which might be classified as secret."

Naum also cites a certification in the fall of 1976 by Academician Aleksandrov, then President of the Academy of Sciences of the USSR, that at that time, more than ten years ago, he possessed no classified information.

Naum Meiman's travail exactly encompasses the period in which the Helsinki Final Act has been in effect. His case illustrates why it is vital to honor the humanitarian commitments of Helsinki and the strengthened commitments of Madrid. It shows why the proposals on family reunification before this meeting are so important. If WT-9, introduced by Austria and Switzerland, were followed, Naum's case would be on the road to resolution. The same would be true if Western proposals WT-22, WT-23, and WT-24 were in force and observed. Naum Meiman's case also underlines the importance the United States attaches to the institutionalization of progress in human rights. If improvements in human rights give rise to new loopholes, such as "secrecy" as a ban to emigration, then new violations are simply replacing old ones.

We have heard much praise of "glasnost" at this Vienna meeting, some of it from Western delegations including my own. We will continue to welcome the positive products of "glasnost." But in the Soviet Union there are contradictory realities which deserve to be set against the steps toward a more humane approach. One can imagine what Linards Grantins, the Bravve family, and Naum Meiman must think of "glasnost" in light of their own experience. And these examples are drawn from just a week's worth of events; they are not unique. Let us remember that openness must have a comprehensive and continuing effect on the individual citizens of our countries if it is to be genuine.

Also this week, the leaders of seven major industrial nations, including the President of the United States, met in Venice. They had a full agenda embracing subjects from the economic state of the world to terrorism to AIDS. Nevertheless, they gave extraordinary emphasis, in a final statement, to human rights. They said that significant and lasting progress in human rights is essential to building trust between our societies. And they stated: "Much still remains to be done to meet the principles agreed and commitments undertaken in the Helsinki Final Act and confirmed since." The week's events which I have just described—together with the events of other weeks—underline the truth and the importance of that statement.

WHERE'S THE BUDGET?

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. ROTH. Mr. Speaker, it is now July, that hot muggy month of the year when in Washington all weary eyes look through the haze, to the budget.

We cannot continue to do what we have done in the past. We cannot simply outline a budget beyond our means once again and spend money we don't have. It is time to end this tradition of paying lipservice to fiscal responsibility while continuing to spend, spend, spend.

We must reform the budget process and make fiscal responsibility a reality. We should appoint a bipartisan deficit commission to really hunker down and do something about the reckless spending of Congress.

If we choose the old style of tax and spend, tax and spend, inflation will soar, our trade deficit will worsen and generations of Americans will suffer from the fiscal irresponsibility of today. We must choose a new method of dealing with this problem if we are serious about balancing the Federal budget.

This is a crucial and universal issue. Let us put aside all of our inevitable disagreements on the issues and programs involved and concentrate on the faults of the budget process. H.R. 2232, introduced by the minority leaders of this body, will set up a bipartisan deficit commission and implement several adjustments to the rules of the House to allow for the true opportunity for budget solutions.

Let us make this legislation a priority. Time is running out. The bottom line is to spend wisely and within our means. This bill will make that not only possible, but immediately so. I urge the support of this measure by all my colleagues, and the speedy resolution of our July job: a realistic and controllable budget for our Government.

COX NEWSPAPERS LAYS BEAR THE TRAGEDY OF CHILD LABOR AROUND THE WORLD

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. PEASE. Mr. Speaker, late last month the Cox Newspapers published a six-part series on the exploitation of children in the Third World. It is the product of an indepth investigation by two reporters, Joseph Albright and Marcia Kunstel, who visited 11 countries during a 9-month period.

This is an outstanding work of journalism at its best. Beginning today and for the next several days, I will have each of these compelling articles reproduced for careful reading. If anybody doubts the need for legislation like that in H.R. 3 to encourage respect for internationally recognized worker rights in the conduct of international trade, let that person answer to an 11-year-old carpetmaker in Morocco who works 48 hours a week for the equivalent of about 15 cents an hour; to a 15-year-old Filipino girl who works 90 to 110 hours a week for about 13 cents an hour sewing shirts; and to young Thai girls who receive rice and soup, a mat on the floor in their factory dormitory, and 6 cents an hour for working up to 90 hours a week making toys.

Millions of Children Toil in Sweatshops of the Third World

(By Joseph Albright and Marcia Kunstel)

Marrakeach, Morocco.—Nasser Yebbous likes his workers young.

"We prefer to get them when they are about 7," said Yebbous. He oversees a barren, one-room carpet factory where the sweet, sickly odor of wool dust hangs over

250 girls and young women who sit elbow to elbow at hand looms for 55 hours a week.

One-third of the rug weavers at the Marrakech Tapis factory looked to be children.

Children's hands are nimbler, said Yebbous, "And their eyes are better too. They are faster when they are small."

This factory is one particle of a global shame. Tens of thousands of well-to-do employers such as Yebbous work children for pennies an hour in mind-blunting or dangerous jobs. Others make money by maneuvering children into criminal work, turning homeless boys into street thieves or 13-year-old girls into prostitutes.

Laws in nearly every nation ban such practices. Yet in many countries, the laws to protect children aren't working.

Governments figure in the shame. Throughout a nine-month inquiry by Cox Newspapers into exploitation of working children, the same scenes repeated from Morocco to India to the Philippines to Brazil to Thailand: children sweating while labor inspectors, police and export promotion bureaus look the other way.

Some employers were remarkably candid, though never apologetic, while others sought to bluster around the conditions they allow:

"There are no accidents," declared the manager of a glass factory in India where soot-covered boys who look as young as 8 carry molten glass on the tips of poles, dodging open furnaces, piles of broken glass and one another as they scurry to keep up production. The scars on their faces contradicted the manager's words.

"If we give them meals, then we can control them very easily," said an executive of a Thai toy factory, where young girls get rice and soup, a mat on the floor in the factory dormitory, and 6 cents an hour for working up to 90 hours a week. The policy worked. A 15-year-old toy wrapper said she gets to leave the factory once a week at most.

"The fact that we have girls on stage, the fact that you can make arrangements with the girls, that's part of the fun," said an American businessman whose go-go bar in Manila collects $8.75 every time one of the girls walks out and sells her body to a tourist. Fun was not a highlight of the job for one 13-year-old dancer. She wept and asked a visiting couple to adopt her.

Children not only yield cheap labor for the employer, but also produce merchandise for blue chip foreign companies that wouldn't think of having children on their own payrolls.

Mocary SA, a Moroccan manufacturer, is one example of a company that sells hand-made woolen rugs to major retail companies in the United States and Europe, including Bloomingdale's and Macy's, who in turn sell them for $100 a yard and up. (In late May, a survey of all Macy's stores in Atlanta turned up a single Mocary rug at Northlake Mall.)

Hiyat, 11, a fine-boned girl who is small for her age, makes rugs for Mocary in the capital city of Rabat and is not able to go to school.

Perched on a low wooden bench in front of a loom, cutting knife at her side, Hiyat is an automation with whirrling hands.

Forty years ago, carpet knotting was a handcraft that little Moroccan girls learned at home from their mothers. Now it is big business, and girls as young as 4 work in factories here.

Hiyat knots rugs six days a week with 200 weavers in a concrete box of a factory. It was built five years ago when her company was broadening its foreign markets with the aid of loans from a government development bank.

Hiyat would have to tie one strand of woolen pile onto the loom every 2.43 seconds to keep up with what her supervisor says is the factory's pace of knotting. Because she is learning, she is a little slower.

Mocary supervisors wouldn't say how much, if anything, Hiyat earns. Throughout the carpet industry, apprentices commonly remain unpaid while learning. She earns at most 15 cents an hour, judging from government figures on rug workers' piecework rates.

The monotony wears on her. "I wanted to stay in school," she said, "not work here."

Many governments acknowledge privately that children are being exploited, but they don't know what to do about it, according to Dr. M.A. El Batawi, chief of the World Health Organization's office of occupational health in Geneva.

Their dilemma, as he described it at an international conference two years ago, is, "If you say let's ban child labor, what are you going to do with millions of kids? There are not enough schools to put them in."

What governments do, Batawi say, is "close their eyes to it, and the situation goes on with children being maimed and dying."

In 1979, the United Nations' International Labor Organization (ILO) estimated that 56 million children between 11 and 15 served in the world's work force. Last year, the ILO raised that estimate to 88 million.

The ILO figures doesn't include many forms of child labor, such as piecework in the home or street peddling. Nor does it count children under 11. If "informal" child labor were counted, "the estimate would run into the hundreds of millions," a UNICEF staff paper reported last year.

Little wonder. Since 1950, the world's pool of potential child workers has nearly doubled as Third World population has soared; there now are 1.1 billion children ages 5 to 14.

Cheap health techniques, including mass vaccinations and oral rehydration for diarrhea, are keeping alive multitudes who would have died in their first year a generation ago. Schools are not being built fast enough to stay ahead of the 15 million additional school-age children every year.

SWEATSHOPS SPREAD IN POORER NATIONS

And for what sort of life are these millions being saved?

They are growing up as the race for economic development propels more and more of the Third World into the sweatshop manufacturing era from which Western countries have emerged this century.

Not only are there more children now but also more signs that children are harmed by prolonged heavy work. New studies by the World Health Organization and the ILO suggest that children who take on factory, construction and other heavy labor grow more slowly, suffer from work-related diseases and never learn to read.

"They tend to be disadvantaged throughout their lives," said Assefa Bequele, the ILO's chief specialist on child labor.

Disadvatages come in gradations.

Four out of five children work in fields, not cities. Ultimately, a boy who hoes crops 12 hours a day will be better off if he's working his father's plot, which he later may inherit, than if he's working a landlord's plantation.

Some child workers go to school; some don't. A girl who sells cigarettes on the street after school gets a far better start on life than a girl who runs a sewing machine and never goes to school.

Exploitation needs a narrower definition than merely children working. To Britain's Anti-Slavery Society, exploitation involves children working under conditions harmful to their maturing. To Francis Blanchard, director-general of the ILO, it's "the denial to children of their right to play, to learn, to enjoy a normal childhood."

Definitions such as these fit in countries where children's toughest challenge is getting into college. The definitions don't work, however, in Third World countries where a Western-style childhood is a luxury for a tiny elite.

A more tangible definition—one that contains less Western cultural bias—comes from the Geneva-based advocacy group Defense for Children International. According to its definition, child exploitation is the extraction of excessive profits from a child's labor, or the use of child labor in a way that could inflict physical or mental suffering or damage, or the denial of liberty or access to a child's family.

How does the hand-made carpet industry in Morocco measure up?

King Hassan's government says it has all but eliminated child labor in carpet making over the last two decades.

"There are very rarely girls less than 12 years old," said Fouad Lahlou, secretary-general of Morocco's Ministry of Handicrafts and Social Affairs. "Very rarely."

In 1985 and 1986, there was not a single prosecution in the carpet industry under Morocco's law against hiring children under 12, Lahlou said.

To check on conditions, Cox Newspapers reporters visited 14 Moroccan carpet factories in five cities, in most cases without prior arrangements.

Eleven of the 14 welcomed the visitors and arranged tours. In all 11 factories, children were found working at looms.

About 350 rug-knotters under 12 were counted out of an estimated 2,500 girls and young women working in those factories.

For Yebbous, labor inspectors are no deterrent against hiring his 7-year-olds.

Asked if inspectors interfered with his use of children, Yebbous replied, "No, not at all. They don't try to force their way in here."

IN FACTORY'S DIM LIGHT, CHILDREN KNOT RUGS

The conditions in all the factories, large and small, were similar: areas too dimly lighted to work without eyestrain, fat wool fuzzballs skittering across the floors, the musty smell of wool and dye.

In some, light shafts breaking through a window defined the haze of dust the young workers breathed.

Dirtiest of all was the Makina rug factory in Fez, a former ammunition plant where 600 workers bump shoulders working in low light. Gobs of oatmeal-colored wool dust clung to whitewashed pillars. Reporters found their nasal passages itching 10 minutes into their visit.

One Makina worker, Issiya, was only 4, said Hassaniya, her loom boss. Issiya was so absorbed by the flower pattern she was knotting that she never looked up at visitors who stopped to talk with Hassaniya a foot away.

No Moroccan study has been published on whether wool dust or low light might affect the health of young rug makers. Assistant professor Aicha Belarbi, an authority on child development at Mohammad V University in Rabat, said it is unlikely the government would allow such research.

At all the plants, girls sat on low wooden benches, dwarfed in the narrow channel between their own 7-foot-high loom and the one behind their backs.

In the more fast-paced plants, all the girls acted like little Issiya, as though they were afraid to look up from their looms. Their fingers sped in and out of the strings, and their eyes were locked on the yarn.

At Mohammed Talbi's plant in Fez, the 10 underage children and 80 teenagers and young women appeared relaxed and giggly. It was Saturday afternoon and the boss was away.

Not so at the Lazrak factory in Fez. The work pace at Lazrak was fast and constant. One Lazrak woman supervisor disciplined a girl by slapping her on the shoulder.

But there was no sign of children being kept against their wills. They were working, supervisors said, because their parents sent them.

Because the rug changes hands several times before it reaches a buyer in the United States, the carpet weaver in Morocco is paid only a tiny portion of the rug's final price.

For example, here is how a typical 5-square-yard carpet sold by Mocary—but not necessarily made by child labor—increased in price by the time it reached Macy's in Manhattan this spring:

Hiyat's employer, Mocary, began last year by importing the wool into Morocco to make the rug. Estimated cost of 35 pounds of New Zealand wool: $49 including freight.

Mocary paid its rug makers, including the loom bosses, at piecework rates. All the big carpet makers pay a standard rate in Moroccan currency that works out to $3.90 a square yard, according to the Moroccan government. Estimated labor cost for this carpet: $19.50.

Mocary sold the carpet to Macy's in January for $166.40, according to Macy's inventory documents found attached to the rug. That gave Mocary about $97 for its non-labor overhead and profits.

Macy's paid $50.84 in freight, insurance and 5 percent U.S. customs duties. Macy's "landed cost" (the purchase price plus cost of importing): $217.24.

The rug, labeled "Hand Made in Morocco Exclusively for R.H. Macy's," appeared in Macy's Manhattan showroom in late May. Price $499.

Macy's estimated markup: $281.76. This was more than 14 times the $19.34 that the weavers earned, though Macy's estimated markup was not atypical for most department stores.

When called for comment, officials at Macy's headquarters in New York declined to be interviewed.

"We prefer not to participate in the story," Judy Cohn, publicity director of Macy's New York division, said after conferring with senior Macy's executives.

The president of Concepts International, a Manhattan rug-importing company that has served as the Macy's importing agent for many of its Moroccan carpets, expressed surprise when told that Mocary employed children.

"All these Third World countries have it [child labor]," said Concepts President Charles Kalison. "It's terrible. It's very sad to see little children working who should be playing and in school."

Although Kalison had visited Mocary in Morroco, he said, "I don't remember seeing any [child labor] in Morocco."

At the bottom of the pyramid where the rugs are knotted, reporters found that girls and young women on the looms were earning far below Morroco's legal minimum wage of 44 cents an hour. A few made 25 cents an hour. Others got nothing.

"In the beginning, they are not paid," acknowledged Lahlou, the government official. "The school for rug making is the school of workmanship. One cannot learn how to make rugs on a blackboard."

How long do apprentices work without pay?

"It could be a year. It could be five months," he said. "It depends on how she learns. When the boss sees that she begins to give something, he or she decides to pay."

And after that?

"A simple worker" begins earning about 90 cents a day, Laheou said. Later, as she gets faster, she can earn more under piecework rates, he said.

With one hour's work, this "simple worker" could earn enough to buy 1½ loaves of bread—a commodity heavily subsidized by the government. But it would take the worker five days to earn enough for a liter of olive oil or 17 days to buy a pair of leather shoes.

MANAGERS PREFER TO HIRE 7-YEAR OLDS

Yebbous of Marrakech Tapis was not the only factory manager who said openly that he preferred 7-year-olds.

Plant supervisor Mohammad Benour of the 600-employee Martex SA carpet factory in Sale said. "To do this work you have to have experience. It's better if we can get them when they are 7."

Rabia, a loom supervisor at the 400-employee Sofit and Fitam SA factory in Sale, echoed: "Normally, it's better for a girl to begin at the age of 7 so she gets more experience, so she gets used to the work and becomes adjusted. Less than 7, it's bad for the health of the girl."

In contrast to such forthrightness, Hiyat's bosses at Mocary tried to hide their employment of underage children.

When the journalists drove up to the factory gates 10 minutes ahead of their scheduled visit, a male supervisor was seen escorting three girls who looked about 9 out the front door. Another male supervisor was gently pushing a girl, about 10, into a closet. Another half-dozen children, including Hiyat, remained at their looms.

Half an hour later, as the tour ended, a dozen of the plant's temporarily exiled workers were seen waiting in a field across the street. One girl had her finger wrapped with yarn, a technique many knotters use to protect against cuts.

As the reporters were driving away, they watched in their rear view mirror as the exiles scampered back into the factory.

"Oh, I'm sure no one did that," insisted Mocary executive Abdulla Idrissi when asked why some underage workers had been removed from the factory. He maintained all of Mocary's workers were 13—though he had been filling in as the translator when Hiyat said she was 11.

Morocco's hand-made carpet industry employes 200,000 workers, including apprentices, in 100 sizable factories and 10,000 small workshops. Of the $45 million worth of carpets exported in 1985, more than 10,000 carpets costing importers $2.3 million found their way to the United States.

Although the government runs some handicraft cooperatives, most exported carpets are made by privately owned factories. Mocary is the largest Moroccan carpet manufacturer, with about one-fourth of the market.

As low as labor standards seemed in the factories, several Moroccan carpet executives complained that Moroccan carpets were suffering in the world marketplace because of foreign child labor, especially in India.

"We cannot compete with them," said Mocary executive Idrissi. "In India they pay with a bowl of rice for two rugs."

CHILD CARE ASSISTANCE

HON. CLYDE C. HOLLOWAY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. HOLLOWAY. Mr. Speaker, I am a family man and I am an advocate of strong families. In Louisiana, the economic stress on the family is great and I am committed to do what I can to ensure that our families stay strong and stay together.

I am particularly concerned about the 36,000 working mothers in my district, many of which have young children and are forced to place their kids in day care because they must work to help make ends meet at home. I have always believed and I always will, that the best people to take care of a child are his parents, and if I had my way I would like to allow every man or woman the opportunity to stay home with their pre-school-age children and raise those children. But I am all too aware, coming from a State that has been hit hard by both the agriculture and the oil depression, that often both parents need to work to keep the family's head above water.

Since that is the reality, I want to do all I can to see that those children who must go to day care are given the best facilities and the best care possible. Furthermore, if we have so many mothers working because they need the money to provide for their families, then I want to see that they can find affordable day care so that the money they are earning goes where it's needed: to the family.

That is why I am a cosponsor of H.R. 1572, an effort to assist low-income families with their child care costs without putting a further burden on taxpayers. This is a viable effort to spread child care assistance more evenly, not just to provide for the middle and upper class families as many measures have done in the past. It will eliminate child care tax credits for upper income families and funnel those funds to truly needy families, thus assisting those who truly need child care assistance.

One of the advantages this bill provides is that it gives parents the opportunity to chose the facility in which to put their children. Furthermore, since day care facilities will have to adhere to State standards in order to qualilfy for funds, this bill can assure parents that participating child care facilities are adhering to safe and secure standards of operation. This is a major concern of parents in the Eighth District of Louisiana.

It is past time to spread the benefits of child care more evenly, and I urge my colleagues to join with me in creating a more fair and just method of providing child care assistance for the needy families of America.

THE 125TH ANNIVERSARY OF THE NATIONAL CEMETERY SYSTEM

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Ms. KAPTUR. Mr. Speaker, 125 years ago this month, the Nation's 37th Congress enacted legislation that led to establishment of the VA National Cemetery System. On July 17, 1862, President Abraham Lincoln signed the order which authorized suitable burial grounds for the dignified interment of Civil War dead.

Today the National Cemetery System consists of 110 national cemeteries located in 38 States and Puerto Rico. Over 50,000 interments are conducted each year in these beautiful and historic cemeteries. Veterans from every war are buried there, from the revolution through Vietnam. Among them are 272 recipients of the Congressional Medal of Honor. More recently, casualties have come from Granada, Lebanon, and the U.S.S. *Stark*.

Not everyone buried in a national cemetery died in combat. Most, in fact, returned to their homes and quietly took up the threads of civilian life. In death, however, their final resting place reflects in a special way our Nation's pride in their military service.

I ask the Members of this House to join me in recognizing the 125th anniversary of our National Cemetery System, and in paying tribute to the men and women who are honored there.

REMARKS BY THE HONORABLE EDOUARD SAOUMA, DIRECTOR OF THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. GILMAN. Mr. Speaker, recently I had an opportunity to read the address that was given by Mr. Edouard Saouma, Director-General of the Food and Agriculture Organization of the United Nations on May 16, at the commencement ceremony of the Catholic University of America. As a member of the House Foreign Affairs Committee and the Select Committee on Hunger it was a pleasure to read Mr. Saouma's penetrating, insightful remarks.

As the Congress continues to consider and initiate efforts to end world hunger, the resources of the Food and Agriculture Organization of the United Nations have remain invaluable. Mr. Saouma's address, embodying FAO's vast resources forms an excellent basis for understanding the hunger issue and where we should be focusing our attention. Accordingly, I request that his address be printed in the RECORD at this point:

ADDRESS BY MR. EDOUARD SAOUMA

It is a pleasure for me to be here today at the Catholic University of America, which has such a distinguished record of academic excellence.

It was the first Catholic university to be established in the United States and was among the 15 founder members of the Association of American Universities.

Since then, the university has grown from strength to strength.

This is a memorable occasion.

It is memorable for the university, as it begins its centenary celebrations.

It is memorable for those of you whose graduation today is the culmination of several years of academic endeavour.

It is also a very special occasion for me personally.

I am deeply gratified by the honorary doctorate which you have so generously chosen to award me.

It is all the more rewarding as the greatest part of my academic education was in the Jesuit tradition.

I believe the award also represents a tribute to the work of the Food and Agriculture Organization of the United Nations.

For almost 12 years, I have had the privilege of leading this Organization in its efforts to eradicate hunger and malnutrition.

Just before I travelled from Rome for this ceremony (last Saturday in fact), I had the honour of an audience with His Holiness Pope Paul II.

Throughout my career in international development, the important messages from the Vatican to the human community as a whole have been a constant inspiration.

During our discussions, His Holiness emphasized his hope that mankind could one day realize a world free of injustice, hunger and poverty.

Each of us must contribute to the achievement of this goal.

Most of you graduating today will be leaving the sheltered environment of this university to embark on a professional career in what is often a hard and cruel world.

Those of you who opt to assist in the struggle against poverty in the Third World should expect to encounter human suffering.

Unfortunately, in many developing countries, there are millions of starving people even as we approach the twenty-first century.

All of us can, and must, seize every opportunity to ease this burden, even if only in a small way.

Some of you may make important contributions to the secondary or advanced education of the next generation of leaders.

The majority of you will probably work in the private sector, where you can help create the wealth the world needs to win the never-ending war against hunger.

I hope and trust that some of you will have the opportunity to directly confront poverty and hunger in the wider world, by working for international organizations such as FAO or for your Government's bilateral aid programmes.

UNITED STATES LINKS WITH FAO

The links between the United States and FAO are strong.

Compared with the Catholic University of America, FAO is relatively young.

The decision to establish an international organization to support the development of agriculture and fight malnutrition was made in 1943.

It was the direct result of an initiative by President Roosevelt, who convened a Conference at Hot Springs, Virginia, in May of that year.

Following this initiative. FAO was established in October 1945, eight days before the United Nations came into existence.

In its early days, before moving to Rome in 1951, FAO was housed in offices provided by the US Department of Agriculture.

It should be appreciated that the United States is the largest single contributor to the FAO budget.

In addition, each year your Government provides some 7 million tons of food aid to developing countries.

This makes the United States the world's largest single food aid donor.

Every year it grants as aid enough food to sustain a basic diet for almost 50 million people.

Despite this and the efforts of FAO and other aid agencies, millions of people still go hungry, particularly in developing countries.

THE PARADOX OF HUNGER AND GLOBAL ABUNDANCE

Forty years ago there were even hungry people throughout war-ravaged Europe.

Since then, the world population has more than doubled, but food production has increased even more rapidly.

Several countries now hold surpluses of grains, milk, meat and butter.

These surpluses are so large that the European community, like the United States, is looking for ways and means to dispose of them and even to reduce food production.

Probably the most important single factor explaining this dramatic leap forward in production has been the development of science and technology, and its transfer and application by trained people.

I feel proud of the role FAO has played and continues to play in this endeavour.

Such progress would not have been possible without an expansion and improvement of education, to which this university has made its own important contribution.

In the United States, roughly one in twenty of the population is a university graduate.

By contrast, in some countries of Africa the figure is less than *1* in *1,000*.

The improvement of education in developing countries has a vital role to play in supporting their self-reliance in food.

The eventual aim of all assistance programmes is to eliminate the need for the assistance itself.

This is why FAO provides each year training courses for over *60,000* persons from developing countries.

The main thrust of mankind's battle against malnutrition and hunger must be to increase food production in the developing countries themselves to keep pace with their rising populations.

Over the next *40* to *50* years, their population will again double to over *6,000* million.

Responsibility for raising food production and productivity rests mainly with the governments of the countries concerned.

But their efforts must be supported by a substantial increase in the flow of resources from developed countries, from North to South.

A recent FAO study concluded that without such an increase, by the end of the century the food supply position would deteriorate in *64* developing countries.

INCREASING FOOD PRODUCTION ALONE WILL NOT ELIMINATE HUNGER

However, increased food production alone, is not a solution.

The root cause of hunger is poverty.

Income inequality, lack of employment and abject poverty in many developing countries deprive millions of people of the means to purchase sufficient food for a basic diet.

The number of malnourished people continues to rise.

According to the *Fifth World Food Survey* undertaken by FAO, about *400* million people do not have enough food.

The elimination of hunger requires that all people at all times are in a position to produce or purchase their basic food needs, as emphasized in the FAO *World Food Security Compact.*

However, we are a long way from achieving this goal.

Abundance and malnutrition will exist side-by-side for a long time to come.

Thus, FAO estimates show that last year, food consumption per person fell in nearly half the deficient, low-income countries.

THE UNFAVOURABLE WORLD ECONOMIC CLIMATE

The difficulties confronted by the developing countries are compounded by a difficult world economic climate.

Although inflation has eased and interest rates have fallen, in most industrialized countries growth levels remain disappointing.

Moreover, unemployment refuses to come down, while several nations are running budget deficits of alarming proportions.

World agricultural trade remains in a state of crisis.

Total export earnings from agricultural exports in 1986 were *10* percent less, in current US dollars, than at the beginning of the present decade.

Several measures have been introduced by many industrialized countries to insulate their domestic markets for food and agricultural products from world market forces.

For instance, the total government expenditure on agricultural support and export subsidies by the EEC, Japan and the United States alone will probably exceed US *$70* billion this year.

This is equivalent to the total earnings from all the agricultural exports of all the developing countries.

Many developing countries are struggling to import less and export more.

The cost of debt-servicing continues to grow while the prices of their export commodities fall.

In 1986, for example, export prices of food commodities were almost 12 percent below the depressed level of the previous year.

The developing countries are caught in a vice and its grip is closing.

If nothing is done to remedy this situation, how can they escape the gradual strangulation of their economies?

I believe that a visionary approach to tackling the foreign indebtedness of developing countries should be at the top of any international agenda.

Many developing countries have had to make radical structural adjustments in their economies.

Adjustment policies may be a necessary foundation for their non-inflationary recovery.

However, I believe that they are only tenable politically and socially in the context of sustained economic expansion.

Moreover, they cannot and should not be applied blindly.

Rather, they should be moderated to protect the most vulnerable groups and particularly to improve their access to food.

If the current world economic environment is unfavourable for developing countries, the longer-term outlook is also bleak.

Recent studies by FAO, UNCTAD and the World Bank suggest that the prices of most agricultural commodities are likely to remain low over the medium term, while those of most manufactured goods continue to rise.

Thus, a further worsening of the terms of trade of commodity exporters is in prospect.

TOWARD A LONGER-TERM SOLUTION TO WORLD POVERTY AND HUNGER

Against this background, is there any hope of a major improvement in living standards of the billions of people in developing countries?

I believe there is, but it requires concerted international action on a number of fronts.

First, there is a need for a visionary approach by creditor nations to the crippling debt burden of developing countries.

This would be in the long-term interests of both developed and developing nations.

In addition to the cancellation of some debts and more favourable repayment terms on others, the conversion of debts to equity may be a viable solution in some cases.

Second, the position of the developing countries in world trade must be strengthened.

In the longer term, trade is more important to them than aid as a tool for economic development.

The trend toward protectionism must be resisted.

The current round of GATT negotiations provides both a challenge and opportunity to the international community.

Prices of agricultural commodities on international markets must rise and stabilize at levels which cover costs.

At present, farmers world-wide are unhappy with the low prices of most agricultural commodities.

A step in the right direction would be to call a halt to the predatory use of export subsidies, whose main effect is to depress international prices.

Third, the developing countries themselves must make greater efforts to increase food production.

Given external assistance, such efforts should make it possible to increase their production to keep pace with population growth and increase their self-reliance in food.

Finally, international aid to food and agricultural production must be expanded rapidly.

At present, official development assistance is increasing by less than the rate of growth of industrialized countries.

Worse again, total external aid to agriculture has remained practically unchanged, while soft loans have even dropped quite sharply.

This pattern must be reversed if the spectre of increasing poverty, malnutrition and famine is to be avoided.

CONCLUDING REMARKS

In conclusion, I would stress that helping the developing countries achieve the economic transformation they need so desperately is not an act of charity.

Markets in developed countries will expand only slowly.

The best long-term hope for growth of world demand for both capital equipment and manufactured goods rests in developing countries of Asia, Latin America and Africa.

But if these countries are to increase their imports, they have to be able to expand their exports.

Thus, the future of industrialized countries is inextricably linked to the prospects of developing countries.

These, in turn, depend on international stability and the elimination of tensions.

The eradication of poverty, malnutrition and hunger is in the interest of both developed and developing countries and a prerequisite for international peace.

This is why I am confident that the world will eventually find the political will to cooperate in solving what is today mankind's greatest challenge.

I want to assure you that FAO will continue to play its part vigorously.

I know we can count on the support of those gathered here today, who are now embarking on their professional careers and will, I am sure, assume leadership roles in this great country in the years to come.

Thank you.

JOSEPH PATRICK DOHERTY—THE FOURTH ANNIVERSARY OF A CONTINUING TRAVESTY OF JUSTICE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. BIAGGI. Mr. Speaker, on June 18 of this year, an anniversary was marked. Unlike many anniversaries, it was not a cause for celebration. June 18 marked the completion of a fourth long year during which Joseph Patrick Doherty was confined in the U.S. Federal prison system. What crime has Mr. Doherty been convicted of in this country—none. Yet despite this and the fact that no less than five separate court decisions have been rendered which should have led to his release from prison, Joseph Doherty has entered a fifth year of captivity.

Let me briefly review the facts of this case. On June 18, 1983, Joseph Doherty was arrested in New York City on a minor immigration warrant. In August of that same year, the British Government made a formal request that Doherty be extradited to Northern Ireland in order to serve out a prison sentence for his conviction on a charges of murder of a British Army captain, attempted murder, and possession of firearms.

This initial extradition request was dismissed by U.S. District Court Judge John Sprizzo on December 12, 1984. In his decision, Judge Sprizzo stated there did exist a so-called "political offense exception" to extradition in the existing United States-United Kingdom Extradition Treaty, "* * * in its most classic form."

Mr. Doherty was not released at that time. He remained incarcerated while the Government appealed the Sprizzo decision. An apeal was filed in June 1985 and Judge Charles S. Haight, Jr., affirmed Judge Sprizzo's decision, saying that it was not subject to review.

The U.S. Government did not relent and as a result, Mr. Doherty remained in prison. The Government appealed the Haight decision to the U.S. Court of Appeals for the Second Circuit. In a unanimous 3-0 decision the court affirmed the dismissal of the Government's action on March 13, 1986. At the time of this decision, Doherty had already spent close to 3 years in prison.

These avenues now exhausted, the Government then embarked on a new strategy. The first was to make revisions in the existing extradition treaty to eliminate the political offense exception to extradition, this having the same effect as overturning the various court decisions rendered in Doherty's favor. The second phase of their strategy was to begin deportation proceedings against Doherty. A critical fact in all of this is that on September 5, 1986, through his counsel, Mr. Doherty advised Immigration Judge Howard I. Cohen that he wished to consent to deportation and to withdraw his application for political asylum.

On September 19, 1986, the Honorable Howard I. Cohen entered an order that Doherty be deported to Ireland. The Immigration Service, under the control of the Department of Justice, appealed the judge's decision on the grounds that his deportation to Ireland would be prejudicial to the interests of the United States, an unprecedented claim in a matter such as this. It was at this time that I together with five of my colleagues, challenged this action and called upon the Attorney General to order the appeal to be withdrawn.

The appeal was maintained and in a key March 11, 1987 ruling, the Board of Immigration Appeals ruled in another unanimous 5-0 vote, in favor of Doherty's deportation to the Republic of Ireland and against the Immigration and Naturalization Service. The Board stated that the INS had failed to provide evidence to substantiate the claim of his deportation as being "prejudicial" to the interests of the United States.

Undaunted, the INS continued its efforts this time just 2 days after the Board of Immigration Appeals' decision was rendered. They filed a motion to reopen the case before the Board on the premise that it wished for an opportunity to present evidence in support of their claim of prejudice.

On May 22, 1987 the BIA in a 3-2 decision, granted the motion of the Immigration and Naturalization Service to reopen the case, however, then proceeded to reaffirm their initial decision upholding the deportation order.

The Department of Justice again refused to accept this ruling. That same day, this case was referred to the Attorney General who was the losing party in the BIA decision. Under the law, he has the power to determine this issue once and for all. He has had this matter before him for more than 6 weeks. Meanwhile, Joseph Doherty adds another 45 days to the more than 1,300 he had already served in prison. I find it unconscionable that a matter of this importance, languishes on the Attorney General's desk. I intend to send an urgent telegram to the Attorney General urging him to render a decision and support the deportation request. If the Attorney General were to overrule the Board of Immigration Appeals and deny the deportation order, it would be the first time an Attorney General ever did so in this type of case. It will pave the way for the British Government to get their long desired wish; to have Doherty extradited back to the North of Ireland.

We in this Nation and in the administration, rail against those nations who do not permit their citizens their full civil and legal rights under the law. Yet right within our borders, we have an individual in prison for more than 4 years on a minor immigration offense. We have a man who has spent much of his time in prison in solitary confinement, permitted only 5 hours of recreation per week.

Joseph Doherty had become an international pawn in a rank exercise of blind allegiance between the United States and the United Kingdom on the issue of Northern Ireland. Our administration has elected to try and uphold the British position relative to extradition, namely that there is no such thing as a political crime in Northern Ireland. This administration has engaged in a cruel stalling process designed to get some type of favorable ruling that would support the British position on extradition. Meanwhile an individual rots in our Federal prison system. A man finds himself completely stripped of his rights and his dignity all to uphold a morally indefensible position perpetrated by the British Government relative to Northern Ireland.

Concern for Joseph Doherty's situation has prompted His Eminence Archbishop John Cardinal O'Connor to visit him in prison. On July 7 Cardinal O'Connor referred to Doherty's continued incarceration as "evil." specifically, according to a story in the July 8 edition of the New York Daily News, Cardinal O'Connor said the following:

I am concerned that a man remains in a tiny cell, after repeated rulings that he has the right to be deported to the Republic of Ireland. I am no lawyer but one may never use an evil means to justify a good end. The Government might argue that preventing Mr. Doherty from committing terrorism in Northern Ireland is a good end, but keeping him in jail for crimes committed elsewhere after the United States legal system has declared that he should not be detained here would appear to be evil.

I appeal to the Attorney General to render a decision and permit this obvious travesty of justice against one Irishman to end. Joseph Patrick Doherty has suffered enough.

LONG-TERM HEALTH CARE

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. DREIER of California. Mr. Speaker, as catastrophic and long-term health care legislation moves closer to enactment, I think my colleagues will find of interest some of the comments that were made on this subject by health care experts during a Republican Study Committee hearing on April 30. I would like to submit for the RECORD the comments of Susan Van Gelder of the Health Insurance Association of America, and Linda Schofield of Travelers Insurance. Their comments indicate that there are measures Congress can take to promote a viable catastrophic and long-term health insurance market in the private sector.

STATEMENT OF SUSAN VAN GELDER, HEALTH INSURANCE ASSOCIATION OF AMERICA

I. INTRODUCTION

I am Susan Van Gelder, Associate Director of Research and Policy Development, at the Health Insurance Association of America. The HIAA is a trade association with a membership of about 335 insurance companies. Our members write over 85 percent of the private health insurance available from commercial insurance companies in this country.

II. BACKGROUND

We welcome the opportunity to talk to you today about expanding the private market for long term care insurance. The HIAA has had an active Task Force on long term care since 1981. Our Task Force has played a major role in furthering the development of private insurance, formulating policy for the industry, and educating member companies and the public about long term care insurance. The Task Force will be meeting in May to deliberate many federal legislative proposals regarding long term care.

As you are well aware, long term care continues to be the truly catastrophic health care event for the elderly today. For those elderly spending more than $2,000 out-of-pocket for health care, 80 percent of their medical expenses are for nursing home care. This is a significant financial drain since nursing home care cost about $22,000 a year. As a result, many middle class elderly spend-down almost all their resources and become Medicaid eligible—joining a health care program intended for the poor. Medicaid, the "black hole" of state budgets, is therefore prevented from spending its limited dollars on other needy individuals.

Neither the Administration's bill, HR 1245, nor the Stark-Gradison bill, HR 1280 and 1281, addresses long term care coverage. In fact, both bills would essentially replace catastrophic coverage already received by 70 percent of the elderly. These elderly are currently protected by Medicare and private Medicare supplemental insurance. Medicare and Medicaid cover another 10 percent; leaving 20 percent of the elderly vulnerable to gaps in Medicare's benefits. At least half of these people can afford private supplemental insurance but have chosen not to purchase it. The other ten percent of these elderly cannot afford Medigap insurance, but are not eligible for Medicaid. Thus, while only 10 percent of all elderly still need help with their acute care costs, all but the very poor and the very rich need additional protection from long term care costs.

Clearly, it would be an enormous and expensive undertaking by the federal government to provide insurance protection against long term care. Solutions to the problem must come from both the public and private sectors. For those elderly with adequate resources, private long term care insurance offers a way of paying for needed care without improverishing oneself and without using scarce public dollars. For those elderly without adequate resources, there continues to be a critical federal and state role in providing for their care.

III. CURRENT MARKET STATUS

Three or four years ago, there were very few policies on the market. Today, 20 of our member companies have a long term care insurance product. Many of these policies are individual indemnity products, meaning that they are sold on an individual basis and pay a set amount per day for the benefit. Two companies have recently started to sell long term care coverage through employers for their active workers and retirees. This approach holds great promise because group coverage for younger age groups has more affordable premiums. Other companies are offering long term care coverage in conjunction with Health Maintenance Organizations and Continuing Care Retirement Communities. We believe that these newer products signal a future that will include a wide range of options for private long term care coverage.

Our research shows that policies on the market today provide an average of 3 years of nursing home care although many offer 5 years of coverage. About two-thirds of our members' products also offer home health benefits. An average of 4 HIAA member companies are selling such policies in every state.

IV. BARRIERS TO DEVELOPMENT

While the number of products continues to grow, the fact that this type of insurance is relatively new highlights many of the challenges to its development. These challenges include the need for: public education, better data to design and price policies, a flexible state regulatory environment, and federal initiatives to encourage the market.

I would like to expand for a moment on each of these.

A. Public education

A great deal has been said about the public's lack of knowledge regarding their coverage for long term care services. In a survey of its members, the American Association of Retired Persons found that 79 percent of the respondents believed Medicare or their private insurance would pay for their nursing home care. We feel very strongly that there is a public *and* private responsibility for educating consumers about their lack of long term care coverage. Education is especially needed for those at younger ages who have more time to plan for their retirement years.

The HIAA has conducted several activities in an effort to educate the public. For information about the availability of long term care insurance we operate an 800 telephone service. That number is 800-423-8000. We have also produced a Consumer Guide to Long Term Care insurance. The Guide has been endorsed by the American Association of Retired Persons and the Department of Health and Human Services. It will be available in the near future and we will gladly send a copy to those of you who would like one.

To educate and inform our member companies, we have produced a Long Term Care Kit which contains a variety of legislative, research, and policy documents on long term care insurance. Since November, we have answered hundreds of requests for the kits. These are available if any of you are interested.

In 1987, the HIAA was one of several organizations that co-sponsored the Third Annual Conference on Long Term Care Insurance. This conference attracted insurers, providers, government officials, and others for an exchange of knowledge and research in the long term care insurance field. The conference proceedings are also available if you would like a copy.

The activities I've just reviewed highlight HIAA's efforts to keep the public informed on an increasingly growing problem. However, there remains an equal and necessary role for the Federal government in this area.

B. Better data

Another reason why long term care products have not been available more widely is the lack of public or private data on the risk of long term care use, the duration and frequency of use, and the types of services used. It has been difficult for companies to design and price policies when such information has been pieced together from different sources with uncertain assumptions. However, these problems should become less severe as companies gain more experience in the marketplace.

In addition, several federally-sponsored national data bases on long term care will become available this year that may help insurers in designing their products. The Department of Health and Human Services is sponsoring a technical conference in May to educate insurers and others about these data bases. HHS should be commended for their initiatives in this area.

The Society of Actuaries is also beginning to look at the possibility of pooling insurance data from those insurers selling long term care policies. Information on their experiences with this new product can help educate the insurance industry in general about this product.

C. Balanced State regulation

Because of the uncertainty in designing long term care insurance products, insurers have been concerned that a tight state regulatory environment could jeopardize the flexibility they need to develop and sustain this new type of insurance.

The industry and State Insurance Commissioners believe that a balanced regulatory approach has been taken by the Model Long Term Care Act adopted by the National Association of Insurance Commissioners in December of 1986. The Model Act specifies minimum standards that should be included in any policy that is called long term care insurance. It also gives insurers needed flexibility for designing a range of different products. We support the Model Act and encourage states to rely on it if considering long term care insurance legislation.

In addition, HIAA, in conjunction with the American Association of Retired Persons, has worked with the National Conference of State Legislatures to produce a booklet and video on long term care insurance for State legislators. The booklet will be available shortly and the video is scheduled for completion this summer. The intent of both communication efforts is to educate state officials about the need for balanced regulation that can foster the development of long term care insurance while simultaneously providing appropriate consumer protection measures.

D. Federal initiatives

We are pleased that this Committee is interested in ways to encourage the growth of a private market for long term care coverage. Many ideas have been proposed and we welcome the opportunity to continue discussions with you and your staff at your convenience. Today I will highlight just a few examples of areas where the Federal government could play a role in encouraging the growth of private insurance.

There are many federal tax code barriers that limit the potential size of the market. For example, the IRS should clarify that long term care insurance reserves should not be taxed at the corporate rate, now 34 percent. Instead, they should be treated like life insurance reserves which also involve the accumulation of reserves over several years.

There is also a need to eliminate provisions in the Deficit Reduction Act of 1984 which took away employers incentives to set aside savings for their future retirees' health benefits. Most employers have little, if any, incentive to add long term care to their retiree health benefits when they are currently struggling to pay for existing benefits on a pay-as-you-go basis.

HIAA also supports recommendations in Secretary Bowen's report calling for a tax credit for persons purchasing long term insurance. We believe a tax credit would play largely an educational role and would not result in a significant loss of revenue since the market is so small.

Lastly, HIAA supports further federal research, demonstrations, and data collection efforts in long term care. These activities continue to enlighten us about the nature and management of chronic disabilities, and the use and costs of long term care services. For example, we need more information on Alzheimer's disease, the financing and delivery of care within capitated systems, and the extent of induced demand for noninstitutional care.

The above examples are just a few of the many ideas that we look forward to discussing with you. We are presently preparing a paper on tax barriers and incentives for the HHS Task Force on Long Term Health Care Policies and will gladly share it with you when it becomes available.

V. CLOSING

Now I'd like to ask Linda Schofield of the Travelers Insurance Company to say a few words about the new Travelers long term care insurance product and to talk to you about Travelers commitment to the elderly. Linda and I would also be happy to answer any questions that you might have. Thank you.

STATEMENT OF MS. LINDA SCHOFIELD, TRAVELERS INSURANCE CO., HARTFORD, CT

Ms. Schofield. Thank you for the opportunity to discuss this most sensitive issue.

I would like to start by giving you the context of Travelers Insurance long term care history.

Since 1980, Travelers focused all of its corporate social philanthropy and public responsibility programs on agents. Specifically, we established a program entitled "The Older American's Program," which has accomplished several things to date and I will just list them quickly.

We sent up an employment program for retirees of the Travelers. We found, within the company, we had so much demand for these people to work because they were so productive and useful that we ended up expanding the program to include non Travelers retirees and on any given day we probably have about 700 retirees who are enrolled in the program and working.

We conducted a survey of our employees and their family care giving responsibilities. The results indicated that 20 percent of our employees, over the age of 30, provide informal care to family members, older family members at home and that the care responsibilities they have average about 10 hours a week. You might note that that's 16 hours for women and 5.5. for men.

We held a Care Giving Fair in which information, both written and verbal information, was made available regarding community based care services and company support programs for people who are providing care to their older family members.

We also allow employees to pay for expenses for older dependent care with free tax dollars using flexible spending accounts.

We established an in house support group—several support groups for family care givers in which they could exchange coping strategies and ideas for providing care to their family members.

We've held two large symposiums for our policy holders focusing on the impact of an aging work force on employers. We've established a center on aging at the University of

Connecticut and endowed its faculty chair and we've provided fellowships to a total of 75 medical students who have indicated an interest in going into the field of geriatrics over the past 5 years.

In addition to these activities, Peter Labosse, the Senior Vice President at Travelers chairs a commission on long term care financing in the State of Connecticut which was appointed by the governor. He's one of two industry representatives to the Health and Human Services Task Force on Long Term Care and he is a member of the Commonwealth Funds Committee on Elderly Living alone.

As you can see, the Travelers commitment to the aged is a high priority and we're now integrating that commitment and our growing expertise in the field into our business lines with the development of long term care insurance.

In December we began marketing an employer sponsored employee pay all long term care product. It's available not only to active employees and retirees, but also to the spouses of employees, to the spouses of retirees and to the parents of employees and we think that is an important approach in bringing a wide spread availability of insurance coverage to the public.

Our plan is fully portable. Premiums are level, they're determined at the age of purchase. They range from $17.00 a month at age 50 to $165.00 a month at age 80. The coverage provides indemnity benefits of $25 to $50 a day for home health care and for adult day care and $50 to $100 a day for nursing home care of any level.

Our standard product requires a life time deductible or qualifying period of 120 days of covered aggregate service but we will negotiate with employers for shorter deductible periods.

There is a lifetime maximum benefit of $75,000 to $100,000, depending upon what benefits you select. This provides for slightly over 4 years of continuous nursing home confinement or if you're in a home care program of say 3 days a week, it would cover you for more than 19 years.

As you can see, our benefits are really structured to promote people's independence and their ability to stay at home rather than be institutionalized. We require no prior institutionalization to receive benefits and we're currently working to enhance our product to include a case management program among other improvements.

We, at the Travelers, are happy to see Congress interested in the issue of long term care and to see your exploration of ways to enable the private market to better address the needs of our older citizens.

As Susan has outlined, there are several specific tax issues which, if clarified, or reformed could greatly facilitate and encourage the participation of more insurers and employers in the financing of long term care.

I would just like to emphasize that the participation of employers in the market is going to be very significant in the growth of the private insurance availability in this country as it was in the growth of comprehensive health care insurance starting after the World War II era.

We support a federal role in private long term care financing beyond the elimination of tax barriers and the creation of tax incentives in two particular ways.

First, the government is in a unique position to provide wide reaching and credible consumer education which is so crucial in stimulating individuals to make provisions for their potential long-term care needs.

Until people understand that Medicare does not cover long term care, they will continue to go unprepared into their older years and learn the truth only through the painful and degrading tragedy of impoverishment.

As Medicare's plan sponsors, in essence, the federal government has a responsibility for consumer education including full and fair disclosure of planned benefits.

Second, we support the notion of federal sponsorship of long term care insurance for federal employees, particularly if the program is structured to allow multiple insurance companies and HMO's and other private entities to provide innovative benefit packages on a demonstration or a risk sharing basis. This would provide tremendous impetus and opportunity to experiment with new product ideas and would rapidly add to the body of data and experience which, as Susan mentioned, is currently so limited and limiting.

I don't want to reiterate the list of potential tax reforms which Susan described, but I do want to mention that just yesterday, the Traveler's tax lawyer and the Aetna tax lawyer and the HHS tax lawyer all sat down to discuss tax provisions which could be created and to look in detail about what kind of legislation incentives could be established.

In addition the HHS task force on long term care will be receiving, at it's next meeting a consultant's report detailing current tax barriers and recommending appropriate reforms.

As this information emerges, we would be very happy to share it with you and to work with you in developing a tax strategy. Thank you.

NATIONAL WEEK OF THE AMERICAN TAXPAYER

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1987

Mr. PANETTA. Mr. Speaker, I am introducing today a resolution authorizing the President to designate the week of April 10-16, 1988, as "National Week of the American Taxpayer."

This, of course, is the week in which April 15 falls, the date by which most Americans are required to file their annual income tax returns. It is an appropriate time to pay recognition to the American taxpayer, on whose shoulders rest the burden of paying for government and on whose hard work the vitality and security of this Nation depend.

For millions of Americans, the chief form of contact with the Federal Government is through the annual filing of a tax return. This has often been an onerous experience. Last year's tax reform bill was intended to ease some of the burden of paying Federal taxes for most Americans. Either through reducing the taxes owed or by simplifying the system, the bill was designed to stem the erosion of public trust in government and taxation.

Ultimately, the new law may be successful in this regard, but for now, a general mistrust of the law along with specific provisions which are only now becoming evident to taxpayers have created the opposite effect of what was intended. The American taxpayer is feeling as put upon as ever, and not without justification.

The resolution I am introducing would not reduce taxes, reform the Tax Code, or simplify tax forms. It would, however, pay tribute to the people who make government in this country possible. I hope my colleagues will join me in sponsoring this resolution.

Mr. Speaker, the American taxpayer deserves this recognition, and I hope we will give it to him.

Following is the text of the resolution:

H.J. Res. 333

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the week beginning April 10, 1988, as "National Week of the American Taxpayer" and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, July 9, 1987, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 10

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

9:30 a.m.

Finance

Business meeting, to mark up H.J. Res. 324, to increase the statutory limit on the public debt.

SD-215

10:00 a.m.

Energy and Natural Resources

Mineral Resources Development and Production Subcommittee

To hold oversight hearings to discuss the proposal by the Department of the Interior to retroactively modify Notice to Lessees-5 (NTL-5), relating to the determination of the value of natural gas production from Federal and Indian onshore leases for royalty purposes.

SD-366

Finance

To continue hearings to examine proposed changes in the Medicare program to reduce spending in accordance with the fiscal year 1988 budget resolution (H. Con Res. 93), and to examine expansions of coverage under Medicaid and the Maternal and Child Health Block Grant.

SD-215

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

JULY 13

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To resume hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

JULY 14

9:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for military assistance programs.

SD-138

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

9:30 a.m.

Commerce, Science, and Transportation

Business meeting, to consider pending calendar business.

SR-253

Rules and Administration

To hold hearings on the nomination of James H. Billington, of the District of Columbia, to be Librarian of Congress.

SR-301

10:00 a.m.

Energy and Natural Resources

Mineral Resources Development and Production Subcommittee

To hold hearings on S. 1006, Geothermal Steam Act Amendments of 1987.

SD-366

Governmental Affairs

Federal Services, Post Office, and Civil Service Subcommittee

To hold hearings on S. 508, to strengthen the protections available to Federal employees against prohibited personnel practices.

SD-342

Labor and Human Resources

To resume hearings on S. 837, to provide for specified annual increases in the minimum wage and for annual indexing of the minimum wage.

SD-430

2:00 p.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on S. 735, to revise certain provisions of the Land and Water Conservation Fund Act of 1965.

SD-356

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

JULY 15

9:00 a.m.

Rules and Administration

To hold hearings on the nominations of Lee Ann Elliott, of Illinois, and Danny Lee McDonald, of Oklahoma, each to be a Member of the Federal Election Commission.

SR-301

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

9:30 a.m.

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on S. 747, to establish a motor carrier administration in the Department of Transportation, and S. 861, to require certain actions by the Secretary of Transportation regarding certain drivers of motor vehicles and motor carriers.

SR-253

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SR-366

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

JULY 16

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

National Ocean Policy Study Subcommittee

To hold joint hearings on global climate change.

SR-253

Energy and Natural Resources

To hold hearings on proposals to resolve certain problems relating to the storage of high-level radioactive waste, including S. 1007, S. 1141, S. 1211, and S. 1266.

SD-366

Veterans Affairs

Business meeting, to consider S. 6, Veterans' Health Care Improvement Act, S. 9, Service-Disabled Veterans' Benefits Improvement Act, S. 917, to authorize a headstone allowance for prepurchased grave markers and to modify eligibility requirements to the plot allowance, S. 1090, Veterans Administration Insurance Amendments, and related proposals, and proposed legislation providing for disability payments based on nuclear-detonation radiation exposure.

SR-418

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

JULY 17

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

9:30 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To hearings on S. 1277, to revise certain provisions of the Communications Act of 1974 regarding the responsibilities of broadcasting licensees.

SR-253

Energy and Natural Resources

Research and Development Subcommittee

To hold oversight hearings on environmental and safety issues at the Department of Energy's defense materials production reactors.

SD-366

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

JULY 20

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To resume joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

2:00 p.m.

Commerce, Science, and Transportation

Communications Subcommittee

To resume hearings on S. 1277, to revise certain provisions of the Communications Act of 1974 regarding the responsibilities of broadcasting licensees.

SR-253

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

JULY 21

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

Office of Technology Assesment

The Board, to meet to consider pending business.

EF-100, Capitol

10:00 a.m.

Finance

Taxation and Debt Management Subcommittee

To hold hearings to examine the impact of the use of master limited partnerships on the corporate income tax base.

SD-215

2:00 p.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on S. 7, to provide for protection of the public lands in the California desert.

SD-366

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

JULY 22

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

9:30 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Environment and Public Works

Water Resources, Transportation, and Infrastructure Subcommittee

To hold hearings to review infrastructure issues.

SD-406

Finance

Taxation and Debt Management Subcommittee

To hold hearings on S. 1350, to make technical corrections to the Tax Reform Act of 1986, and other relating issues.

SD-215

2:00 p.m.

Commerce, Science, and Transportation

To hold hearings on the nominations of Darrell M. Trent, of Kansas, Robert D. Orr, of Indiana, and Charles Luna, of Texas, each to be a Member of the Board of Directors of the National Railroad Passenger Corporation.

SR-253

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

JULY 23

9:00 a.m.

Rules and Administration

Business meeting, to consider the nominations of James H. Billington, of the District of Columbia, to be Librarian of Congress, and Lee Ann Elliott, of Illinois, and Danny Lee McDonald, of Oklahoma, each to be a Member of the Federal Election Commission, and pending legislative and administrative business.

SR-301

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

9:30 a.m.

Commerce, Science, and Transportation

Business meeting, to consider pending calendar business.

SR-253

2:00 p.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To resume hearings on S. 7, to provide for protection of the public lands in the California desert.

SD-366

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

JULY 24

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affairs.

SR-325

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affairs.

SR-325

JULY 27

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To resume joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affairs.

2172 Rayburn Building

JULY 28

9:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for export financing programs.

S-126, Capitol

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings on proposed legislation to create an independent Federal Aviation Administration.

SR-253

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

JULY 29

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran

on matters relating to the Iran/Contra affair.
2172 Rayburn Building

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings in conjunction with the National Ocean Policy Study to examine plastic pollution in the marine environment.
SR-253

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

JULY 30

9:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for foreign assistance programs.
S-126, Capitol

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 582 and S. 876, bills to provide for improved air transportation to small communities.
SR-253

10:00 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on S. 1382, to improve the Federal Energy Management program.
SD-366

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

JULY 31

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 889, to provide for fair marketing practices for certain encrypted satellite communications.
SR-253

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

AUGUST 3

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To resume joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

AUGUST 4

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

AUGUST 5

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

AUGUST 6

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

AUGUST 7

9:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for foreign assistance programs.
SD-192

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

CANCELLATIONS

JULY 10

10:00 a.m.
Governmental Affairs
Federal Services, Post Office, and Civil Service Subcommittee
To hold hearings on S. 508, to strengthen the protections available to Federal employees against prohibited personnel practices.
SD-342

HOUSE OF REPRESENTATIVES—*Thursday, July 9, 1987*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

You have told us in Your Word, O God, that when there is no vision the people perish. Grant us the gift of spiritual vision so that we can see the needs of our day and time in ways that are not easily apparent. As we look to our responsibilities, may we understand our interest with the broader view of Your purposes for us. May the vision of a world at peace, where people help and not hurt, where nations shall not lift up sword against nation and they shall not learn war anymore, become apparent in our world and in our lives. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1371. An act to designate the Federal building located at 330 Independence Avenue, SW, Washington, DC, as the "Wilbur J. Cohen Federal Building."

JAPAN THREATENS TRADE RETALIATION IF UNITED STATES ACTS AGAINST TOSHIBA

(Mr. KOLTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLTER. Mr. Speaker, I rise today in response to the repeated attempts by Toshiba Corp. of Japan to distance itself from the actions of its subsidiary, Toshiba Machine Co., Ltd., in which it has a controlling interest.

Toshiba Corp. has claimed that it was in no way involved in the high-technology transaction between its subsidiary and the Soviet Union. Toshiba Corp. disavows any connection or involvement in the transaction. But did Toshiba Corp. share in the profits? Did their stockholders benefit from the sale? Of course they did.

On July 1, Toshiba Corp. released a statement which said that the highest form of apology they could give was to demand the resignation of Mr. Saba, chairman of the board, and Mr. Watari, president and chief executive officer of Toshiba Corp. This is an apology?

Recent media reports indicate that if current legislative efforts to ban the import and sale of all Toshiba products succeed, the Government of Japan might retaliate in kind, thereby signaling the beginning of an all-out trade war.

Mr. Speaker, I would urge our friends in Japan to consider their actions carefully. Placing Toshiba behind the threat of trade retaliation would be tacit acceptance of criminal action. No criminal should profit from his evil deed. Toshiba Corp. must face punishment, if only to make sure that the guilty do not repeat their crime, and to deter others from committing it.

The sale of high technology to the Soviets was a loathsome crime against the free world. A ban on the import of Toshiba products is a fitting punishment, if not entirely satisfying.

THE NEED FOR INTEREST PAYMENT ON LATE CCC PAYMENTS

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Madam Speaker, I wish to bring the still pressing delay in funding the CCC to the attention of our distinguished colleagues, to urge them to support my bill which would establish the payment of interest penalties for late CCC payments.

CCC payments have not been made since April 30. Over 2 months have passed. I believe that farmers deserve fair treatment for obeying the contracts they have signed. Fair treatment requires the U.S. Government to pay interest to these farmers.

As of July 1, 1987, the CCC, having been shut down for so long, had outstanding commitments totaling around $1.5 billion and the total is continuing to mount with each passing day.

I believe we, as Members of Congress, must protect those who look to the Government to honor its contracts and are in no position not to receive timely payments. This is the absolute minimum owed to these farmers and agribusinesses. I hope you agree with me.

Therefore, I appeal to my distinguished colleagues and urge them to cosponsor my bill to provide interest for these long-overdue payments and for any future delayed payments. We need to instill confidence in the Congress and the farm programs that we establish.

FIFTIETH ANNIVERSARY OF THE APPALACHIAN TRAIL

(Mr. CLARKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLARKE. Madam Speaker, this year is the 50th anniversary of the Appalachian Trail which was officially completed August 15, 1937. It is the longest continuous marked footpath in the world.

The Appalachian Trail is the result of the vision and hard work of many individuals who helped complete the trail's 2,100 miles, stretching from Mount Springer in Georgia to Mount Katahdin in Maine.

Although relatively few people hike the trail's entire length, countless short-term users enjoy its natural beauty and challenges. Half the Nation's population lives within a day's drive of the trail. We in North Carolina take pride in the fact that 362 miles of the Appalachian Trail run through our State, mostly in my district.

The development and maintenance of the trail have been a labor of love for the members of the 31 clubs that comprise the Appalachian Trail Conference. Working mostly weekends and vacations, these dedicated volunteers clear debris, construct and maintain shelters, repair washouts, and in other ways keep the trail in good condition. In 1984, the Department of the Interior took an unprecedented step by signing over responsibility for managing part of the trail's public land to the Appalachian Trail Conference. The work of this organization may constitute the largest volunteer effort in the world for maintaining a recreational facility.

Congress has recognized the importance of the Appalachian Trail. Under legislation passed in 1978, the Department of the Interior is authorized to acquire land for right-of-way for the trail from the private landowners along the route. This process continues today.

Those who hike the Appalachian Trail gain a greater appreciation of America, its land, its people, and its natural beauty. The 50th anniversary

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

of the trail is an event of which we can all be proud.

WHAT ARE THE IRAN-CONTRA HEARINGS TELLING US?

(Mr. MARLENEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARLENEE. Madam Speaker, it is a good new morning in America. This is a new morning with a new light exposing the majority party for all the world to see, showing what it stands for in the hearings on the Iran-Contra connection.

I have here two pictures from the front page of the Washington Post. If you were a hostage, who would you rather have trying to get you out, Mr. Nields, or this man on the left, Mr. North? If you were in a pitched battle out on the front, who you rather have along side of you, Mr. North or the majority party's Mr. Nields?

If you were to have a group that was to look after the security of this Nation, who would you rather have, that group of people that are holding the kangaroo court, the inquisition, the McCarthy hearings, or that group of people who feel that we should oppose communism with every ounce of our being?

BLACKMAIL THREATENED OVER TRADE LEGISLATION

(Mr. WYDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYDEN. Mr. Speaker, last Sunday the Washington Post reported that the Office of the U.S. Trade Representative has informed foreign diplomats that threats to retaliate against the United States if protectionist trade legislation is enacted would be helpful at this time. This policy amounts to the United States blackmailing itself and raises troubling legal questions about Federal officials using Federal funds to encourage foreigners to engage in political lobbying.

The apparent policy of our Trade Office suggests that our country is not capable of understanding its own best interests and obviously portrays our country as confused and unable to develop trade policy. Blackmail is no basis for a sensible trade policy, and the administration should stop making our businesses pawns in this counterproductive game.

HARRIS POLL SHOWS LITTLE SUPPORT FOR ADMINISTRATION'S CENTRAL AMERICAN POLICY

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute.)

Mr. BONIOR of Michigan. Mr. Speaker, I rise today to impart to my colleagues some information that has just come to my attention. The Harris polling company will be releasing within the next few days a sample poll of the American people on the issue of aiding the Contras and of the war in Nicaragua, and I think the findings are going to be startling in terms of where we have come on this issue over the past 6 years.

They are going to show that the American people oppose giving $100 million in additional aid to the Contras by a 74-22 percent percentile. That is up from late November, at which time the percentages were at 62 to 33 percent. They also are going to show that there is concern that American soldiers will end up in combat in Central America. Fifty-eight percent are now concerned. That is up from 47 percent in late November.

Third, they are going to show that over 70 percent oppose an invasion of Nicaragua. That is up from previous figures.

Mr. Speaker, what this tells me and what this, I think, tells Members of this body is that the weeks of hearings we have had on this issue, the Iran-Contra hearings in this Capital, have scared the American people and have demonstrated the bankruptcy of the program of this administration.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT OF 1988

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 220 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 220

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2782) to authorize appropriations to the National Aeronautics and Space Administration for research and development; space flight, control, and data communications; construction of facilities; and research and program management; and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against the consideration of the bill for failure to comply with the provisions of clause 2(l)(6) of rule XI are hereby waived. After general debate, which shall be confined to the bill and which shall not exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science, Space, and Technology, the bill shall be considered for amendment under the five-minute rule by titles instead of by sections and each title shall be considered as having been read. Notwithstanding any rule of the House, it shall be in order to consider an amendment striking section 201(b) of the bill as a substitute for the committee amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. CLARKE). The gentleman from Ohio [Mr. HALL] is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN] for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. HALL of Ohio. Mr. Speaker, House Resolution 220 is an open rule providing for the consideration of H.R. 2782, the NASA authorization for fiscal year 1988.

The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science, Space, and Technology.

To expedite consideration of the bill, the rule provides that the bill be considered by titles instead of by sections, and each title shall be considered as having been read.

The rule further waives clause 2(l)(6) of rule XI against consideration of the bill. This provision requires that committee reports be made available to Members 3 days prior to consideration on the floor. The waiver is needed to allow the House to debate H.R. 2782 today, since the report was filed on July 7.

It should be noted that the rule provides that notwithstanding any rule of the House, it shall be in order to consider an amendment striking section 201(b) of the bill as a substitute for the committee amendment. The committee reported H.R. 2782 with an amendment which would change the word "or" on page 17, at line 23, to the word "if." However, the Committee on Science, Space, and Technology asked the Rules Committee to permit a substitute for the committee amendment to be in order which would simply strike section 201(b). The committee recommended this procedure in order to facilitate consideration of this matter in one debate.

Finally, the rule provides for one motion to recommit.

Mr. Speaker, H.R. 2782 authorizes $9.5 billion for the Nation's space and aeronautics programs. It seeks to rebuild our country's space program in the wake of the *Challenger* accident, and to establish policies to continue our exploration and use of space.

I am not aware of any opposition to this open rule, and I urge my colleagues to adopt it.

□ 1015

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. QUILLEN. Mr. Speaker, this is an open rule and it should be adopted so we may proceed to the immediate consideration of this important bill providing authorization for next year's funding of the National Aeronautics and Space Administration

America's space program has experienced a period of review and reevaluation since the tragic destruction of the space shuttle *Challenger* on January 28 of last year. The time to move forward again is at hand, and the Committee on Science, Space, and Technology has brought forward a fine bill which will restart the engines at NASA and begin a new era to carry us into the 21st century.

H.R. 2782 authorizes $9.5 billion for NASA in fiscal year 1988 which exceeds the administration's request by $41 million and is a small increase over the current spending baseline for the NASA budget. There were a number of policy issues which produced considerable debate within the committee, especially in regard to military aspects of the space program, but many of these have been satisfactorily resolved.

Perhaps the most important feature of the bill is that it provides the full $767 million requested by the President to move forward on the research and development for a permanent manned space station. I hope the Members will endorse this commitment as it represents the single-most important component of the next phase of our space program. Also noteworthy is the full $66 million requested as NASA's share of the project to develop the national aero-space plane. Such an air-spaceship that could take off from an ordinary airport runway, fly into Earth orbit, and then return to land on an airport runway holds the promise of inexpensive and routine access to space. This would be a tremendous breakthrough. The biggest items in the bill, about $3.7 billion, are directed at the repair and operation of our space shuttle orbiters, the mainstay of America's space program.

Mr. Speaker, I think this bill demonstrates the sound decisions of the committee in carefully allocating the scale money available for the space program. I congratulate the committee for the good, hard work they have put into this bill.

Overall, Mr. Speaker, this is a good bill. Certainly the rule should be adopted and the bill should be fully debated on the floor. The administration has reservations about it, but I believe that these difficulties can be worked out during the debate on the bill itself. I urge adoption of the rule.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I have no requests for time. I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 220 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2782.

The Chair designates the gentleman from California [Mr. Torres] as chairman of the Committee of the Whole and requests the gentleman from Ohio [Mr. Hall] to assume the chair temporarily.

□ 1020

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2782) to authorize appropriations to the National Aeronautics and Space Administration for research and development; space flight, control and data communications; construction of facilities; and research and program management; and for other purposes, with Mr. Hall of Ohio (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New Jersey [Mr. Roe] will be recognized for 30 minutes and the gentleman from New Mexico [Mr. Lujan] will be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. Roe].

Mr. ROE. Mr. Chairman, I yield myself such time as I may consume.

Mr. ROE. Mr. Chairman, I rise in strong support of H.R. 2782 which authorizes fiscal year 1988 funding for the National Aeronautics and Space Administration. This bill represents the culmination of many, many months of study, analysis, and debate by members of the Science, Space, and Technology Committee.

Special recognition should be given to Mr. Nelson of Florida, chairman of the Space Science and Applications Subcommittee, Mr. McCurdy, chairman of the Transportation, Aviation and Materials Subcommittee, Mr. Lujan, ranking Republican member of the committee, and the respective subcommittee ranking Republicans, Mr. Walker and Mr. Lewis of Florida for their dedicated efforts to bring a balanced bill to the floor.

Mr. Chairman, America's space program is at a critical crossroads and most assuredly this is no ordinary authorization bill because the decisions we make here today will determine the future of our space program. The tragic *Challenger* accident, 18 months ago, with the loss of seven heroic astronauts, shook the very foundation of our space program. Out of that turmoil, the investigations that followed, and the cold-eyed reassessment of our Nation's space initiative, we are now prepared to apply the painful lessons learned from the *Challenger* loss. I believe that H.R. 2782 sets America's space program on a stable and advancing track once again. I urge my colleagues to give it critical consideration.

The committee firmly believes that the $9,522,000,000 authorization figure represents the absolute minimum level necessary to carry out NASA's space and aeronautics programs in fiscal year 1988. This amount slightly exceeds the administration request of $9,487,000,000, with the increases primarily in aeronautics initiatives.

I would point out that the administration's proposal provided for a budget increase of 6 percent real growth in the midst of a budget-cutting environment to achieve deficit reduction. This is a clear message about the criticality assigned to America's continuing leadership in space.

Mr. Chairman, as an authorizing committee, we are acutely aware of our responsibility for establishing priorities that serve as guidelines for annual, as well as long-term, budget decisions. Three areas in H.R. 2782 represent priorities that the committee believes were inadequately addressed in the administration's request.

The first concerns the pragmatism of our space transportation policy. In the areas of space transportation, the recovery and return to flight status for the space shuttle continues to dominate NASA's activities. By far the largest portion of the NASA budget, about 42 percent, is allocated for the Space Shuttle Program and the recovery from the accident of January 28 of last year.

Our priority surely is to get the shuttle flying again, but the shuttle alone cannot provide a balanced space transportation program. The *Challenger* accident taught us never again "to put all our eggs in one basket"—or in one launch vehicle. The price of that vulnerability echoes daily through a growing backlog of satellite payloads and a grounded space science program. That reality grows bleaker as we observe the Soviet Union, Europe, and Japan aggressively advancing both space science programs and commercial space ventures.

Mr. Chairman, present and future space transportation policy must not mean just shuttle policy, but a mixed fleet policy.

In light of this, H.R. 2782 provides support not only for continued redesign and testing of the shuttle's solid rocket motors, but also support for NASA to either buy, or buy the service of, unmanned expendable launch vehicles. For the short-term, ELV's will provide the means to begin decreasing the costly backlog of flight payloads that has been building since the *Challenger* crash. For the long term, ELV's will provide the balance and flexibility that have been missing in our space transportation program.

The committee's second priority was funding for the Advanced Communications Technology Satellite [ACTS] Program. We have provided funding for the Advanced Communications Technology Satellite Program. We are well past the midpoint in this program and the committee believes it is vital to follow through on this congressional initiative. The area of communications research has been one of our most valuable investments and it is essential that we maintain our world leadership position through this program.

Mr. Chairman, America is being challenged successfully in many areas by other industrial nations. The issue of U.S. competitiveness is central to almost every subject on our national agenda today, and the field of advanced communications technologies is at the cutting-edge at global competition.

This very day we are in a race with the Japanese and Europeans for supremacy in the next generation of communications satellites. The ACTS Program is the next major step for the advancement of our communications technologies. The simple reality is that continued funding for ACTS may well determine whether we will be the winners or losers of that race.

A third committee priority was to help ensure the viability of our planetary exploration program which has already experienced severe delays and was particularly hard hit by the *Challenger* accident. The backbone of planetary exploration and space science is a dynamic and dedicated community of space scientists. The science mission delays and payload groundings pose a serious threat to our ability to retain this vital technical corps, given the discouraging prospect for launches.

The committe has very reluctantly accepted the 2-year delay in the launch date of the *Mars Observer.* However, we have provided funds to buy spare parts in order to guarantee that the spacecraft will be in complete readiness for its 1992 launch. The spares will also allow us to begin work on the second *Observer* mission, the *Lunar Polar Orbiter.*

Both *Observer* initiatives constitute advanced units for data collection and information gathering that will be the basis for a future U.S. Mars mission and America's return to the Moon.

The *Explorer* Program has also been augmented by $10 million to expand flight opportunities for university space science projects. We are committed to this special emphasis and funding for space science programs in the fiscal year 1988 budget because we believe these programs represent the advanced guard for America's space development work.

Funding at the administration request level has been maintained for the space station in H.R. 2782. We must understand the station as much more than a masterful engineering feat or new showpiece technology. It will be a place for man to conduct routine scientific and commercial operations for decades to come. It will be the major mechanism for reaching our goal to establish man as a builder and permanent worker in space. The United States has hesitated and delayed its space station planning. Meanwhile the Russians have continued to expand their already functioning station and accrue vital experience in its operations.

If we don't move ahead with stable funding and steady progress we're never going to realize the operation of this facility. Mr. Chairman, the raw truth is that the Russians are out there now, and we're talking about a target date of 6 years from now. The history books will someday report that the Soviets had a permanent place in space almost a decade before the Americans. We can't change that fact. Let's make sure we don't make it worse.

The bill also contains request level funding for NASA's new start in Global Geospace Sciences which will explore the effect of the Sun on the Earth's climate. This is an international program that we have agreed to do jointly with the Europeans and the Japanese. It represents 1 of 6 areas of expanded agreement for joint projects we reached recently with visiting Japanese Diet Members. That in itself is important; but of equal importance is the fact that this program is a "new start." There is special value in these new efforts because they keep us pushing the frontiers further and further. They pump new blood and new boldness into our searches.

We have funded at the request level another new start—the civil space technology initiative. This program is a direct outgrowth of the foresight and wisdom contained in the recommendations from the President's National Commission on Space. The Commission warned that we were neglecting our base technologies research. These are the core research efforts that provide the informational and technological base from which our future space potential will grow.

Mr. Chairman, I mentioned earlier that this bill exceeds only slightly the administration proposal for NASA fiscal year 1988, and that this was primarily in the aeronautics area. There was a time when the products of America's aircraft industry were the unquestioned choice of almost every nation in the world. That is no longer the case. Our preeminence has eroded, our European competitors have gained important inroads into global markets that bought exclusively American. Last year, for example, Airbus, a European aircraft manufacturing consortium, captured 42 percent of all sales in the United States—a market which had been the almost exclusive property of American companies. The increases for aeronautics research and technology development are designed to capture the future for U.S. aviation. With this in mind and because new technology is such a strong force in aircraft sales, the committee is recommending increased attention to research on innovative aeronautical concepts because history has shown repeatedly that this is where aviation break-throughs have originated.

There is also strong support to rehabilitate old research facilities. These facilities, mostly wind tunnels, represent a multibillion-dollar investment that the country has relied on to maintain preeminence in aviation. Unfortunately many are old—some over 50 years—and have not been maintained properly. In order to restore them to productive use and safe condition, the committee is recommending a downpayment on this task in fiscal year 1988. These will be dollars well spent to regain American excellence in aviation.

Mr. Chairman, the House has before it in H.R. 2782, both a balanced and a bold program to build an American space future worthy of its past achievements. But, here in 1987, we are at a critical crossroads in our country's space program.

NASA and the Nation have a formidable agenda to resolve. Our decisions can build weakness, or they can build strength. They can be based on courage or on retreat. They can regain our world leadership or drag us limping behind our competitors and partners. Much of what happens tomorrow will be decided here today. I urge you to vote for H.R. 2782. It will be a vote for courage and for strength.

America has taken the world to the Moon. We created a new and dramatic vision for man beyond this planet. We will do it again.

□ 1030

Mr. LUJAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 2782, the National Aeronautics and Space Administration Authorization Act of 1988. The funding in this bill represents a moderate increase over last year's base line. Considering the struggle we are in to reach Gramm-Rudman-Hollings targets, I see this as a strong endorsement for the Space Program.

There are, however, a number of policy issues addressed in this bill that some would interpret as critical of NASA management. Perhaps they are. The Committee on Science, Space, and Technology has remained a strong supporter of NASA, but there has been a growing unease among many of us since the *Challenger* accident over a year ago, that some of NASA's priorities have been misplaced. It became increasingly clear in the weeks and months following the accident that more was lost than an orbiter and seven lives.

Even the most ardent shuttle supporters realized that it was a tragic mistake to have placed all our reliance on one means of space transportation, and it was particularly foolish to use such an expensive and complex vehicle as the shuttle, and to risk the lives of our astronauts, simply to launch satellites. It's not altogether clear to me yet that NASA management has completely accepted the idea of a reduced role for the shuttle. This year's budget request included funds for enhancing the shuttle flight rate capability, yet nothing was requested for expendable launch vehicles. This bill corrects that error, but this example is indicative of what I see as a serious problem with the agency today. I am concerned that NASA seems to be putting more and more importance on the large operational programs and losing sight of the objectives of the program. The science programs, planetary exploration, research and technology development—all seem to be of lesser importance to NASA than operations and maintaining their control over launch services.

We have heard NASA many times this past year tell us that returning the shuttle to flight status is their highest priority, and certainly the budget request bears this out. I suggest that perhaps it should have been their second highest priority. If you are rushing someone to the hospital and your car breaks down, surely your first priority isn't in getting your car repaired.

Maybe getting the shuttle flying again is the quickest way to get back into space, but I sense that NASA no longer thinks of the shuttle as transportation, but as an end in itself. We've already lost our chance to launch the Mars Observer in 1990, and I'm afraid we'll lose much more unless we can regain the proper perspective with regard to the shuttle.

I'm also concerned that in spite of this administration's strong desire to see a healthy commercial space industry, there are those within NASA who have not supported this goal. Certainly the shuttle-only policy did much to discourage the commercial launch industry, and the continued reluctance of certain elements within NASA to let go of their control over space-related activities has further interfered with the success of this endeavor. I hate to see them get bogged down in turf battles—even if that turf is in space. NASA should be transferring space technology, not protecting it. If they were as protective over their aeronautics technology as their space technology, there would be no commercial airlines; we would all be flying the friendly skies of NASA.

I have consistently supported the administration's efforts to promote a viable commercial space industry, and this bill also endorses this policy. Our strong support for the continued efforts to commercialize space transportation is reflected in the authorization for the Department of Transportation's Office of Commercial Space Transportation.

NASA has contributed enormously to the technological advances that have been made in this country, not only in aeronautics and space, but also here on Earth—in areas of materials, medicine, and information sciences, to name a few. This is their strength, this is what helped build their reputation and what has allowed them to attract some of the best scientists and engineers in the country.

The new civil space technology initiative is a small but very important step in returning the agency's attention to developing new technologies. I strongly support this effort and am particularly disturbed that the Committee on Appropriations is seeking to cut this important program.

The National Aerospace Plane Program is another example of an advanced-technology program that deserves our strong support. Some would argue that because the military will be a large beneficiary of this technology, they should provide a greater share of the funding. The objective of this program is not to develop a military hypersonic airplane, nor for that matter is it to develop a replacement for the shuttle. This program will build on the Hypersonic Research Program that NASA has had ongoing for some time and will culminate in the flight testing of a small airbreathing hypersonic technology demonstrator. This is generic technology which has potential application for the Space Program and the civil aviation industry as well. This has historically been NASA's role and their success in this role is largely responsible for this Nation's leadership position in aviation today. I am concerned that the Appropriations Committee is also seeking to cut this program.

This bill also provides a modest increase in funding for aeronautics research and technology, and for upgrading some of the facilities in support of these. This is another area that has often been a target for budget cutters without realizing the enormous economic benefits that have been derived from these programs.

I believe this bill also expresses strong support for the space station by fully authorizing the administration's request for $767 million. The space station is vital to our Space Program and to our Nation. This is a program which we cannot afford to keep haggling over while the costs keep climbing and the Russians continue to add new modules to their space station. That is why I was so disturbed to see this week's article in the Washington Post, which now projects the station to cost $32.8 billion in 1988 dollars. There's a very real danger that support for this ambitious program will erode to the point where it cannot succeed. The station is too important for that to happen.

The Committee on Science, Space, and Technology supports the station, and I'm sure it wants to continue that support; however, NASA has a responsibility to keep this program from swallowing up the rest of the Space Program. The station is supposed to be, among other things, a laboratory for science in space; it's supposed to benefit the science programs, not push them out of the budget. NASA needs to keep the science community involved in the development of the space station and not lose sight of the fact that the station is a research facility not a research program. We don't want a gold-plated lab in the sky that we can't afford to use.

Mr. Chairman, I strongly support this bill; however, there will be some amendments offered which I intend to support. One deals with a provision which I believe unnecessarily restricts the choice for the positions of Administrator and Deputy Administrator, and another which seeks to clarify the intent of the committee on the issue of competition in the Shuttle Program. In addition I plan to offer an amendment dealing with the astronaut-selection process. I am concerned that NASA has become quite parochial in their selection of astronauts, and I wish to see the opportunities for qualified candidates from industry and academia get an equal opportunity to share in this exciting program.

There have been times when I have been outspoken in my criticisms of some of NASA's policies. This should in no way be interpreted as a lessening of my support for NASA or the Space Program. It is because I am a strong supporter that I must speak out on my concerns. NASA has been a vigorous and successful agency with an exciting mission. None of us would be happy to see the agency fail in that mission. We all want to see a strong and robust Space Program.

Mr. Chairman, NASA needs our support now more than ever during these difficult times when it is trying to rebuild its Space Program. I urge my colleagues to vote for this bill—I believe it does give NASA that support.

□ 1040

(By unanimous consent, Mrs. Morella was allowed to speak out of order.)

PERSECUTED BAHA'IS

Mrs. MORELLA. Mr. Chairman, I rise today on the 137th anniversary of one of the first Persian Government attempts to crush the Baha'i religion. It was on July 9, 1850, that the Persian Government executed and then desecrated the body of the Bab—the first spiritual leader of the Baha'is. One hundred thirty-seven years after the martyrdom of the Bab, Islamic fanatics, led by the present Government of Persia, Ayatollah Khomeini's Iranian regime, are still waging an unprovoked extermination attempt against the Baha'is.

In fact, ever since the Baha'is faith was founded in mid-19th century Persia, every generation of Baha'is has had to fight for its very survival.

In 1852, the Persian Government ordered the slaughter of an estimated 20,000 Baha'is. In Iran today, Ayatollah Khomeini uses tactics which are only slightly more humane.

Physical, economic, and social persecution of the Baha'is in Iran encompasses nearly every imaginable form of oppression. Baha'is in Iran are arbitrarily arrested, summarily tortured and executed, systematically denied education and opportunity, and routinely deprived of any of the rights accorded to those in the religious majority. Last year, an Iranian court confirmed the nonstatus of the Baha'is when it ruled that they were "unprotected infidels." Legally, this means that there is no such thing as an illegal act if the victim is of the Baha'is faith.

That decision was only a confirmation of Iranian common law. Iran labels the Baha'is as "apostates" for preaching an evolution of Islam and the tolerance of other religions. To be an apostate is, according to Islamic law, a crime punishable by death.

Mr. Chairman, I am glad to report that there is one reason for encouragement for the Baha'is. Pressure from the United States and other countries has helped reduce the flow of Baha'is blood from the death chambers of Iran from more than 100 executions in 1983 to 3 in 1986. To keep this trend continuing and to win increased freedom for the Baha'is who remain alive, we must be diligent to keep world attention focused on the plight of the Baha'is.

Mr. ROE. Mr. Chairman, I yield 7 minutes to the gentleman from Flordia [Mr. Nelson], the chairman of the Subcommittee on Space Science and Applications.

Mr. NELSON of Florida. Mr. Chairman, I thank the gentleman for yielding.

It has been a pleasure working with the gentleman from New Jersey [Mr. Roe], our chairman of the full Committee on Science, Space, and Technology, who has been a delight to work with.

Indeed, it has been a delight for me to work with the gentleman from Pennsylvania [Mr. Walker], our ranking member on the subcommittee, in fashioning a consensus position that has bipartisan support, which is the way it should be for America's civilian Space Program.

Mr. Chairman, I rise in strong support of H.R. 2782, the NASA authorization for fiscal year 1988. The committee has worked long and hard on this bill and I think that it has crafted a piece of legislation that strikes a fair balance between all of the opposing points of view that have been expressed to the committee.

The bill is written in three titles. Title I authorizes funding and establishes policies for NASA activities. Title II sets forth policies for the acquisition and utilization of the space station. And title III establishes funding and policy provisions for the Office of Commercial Space Transportation within the Department of Transportation.

I would now like to describe the major features of the bill.

Title I authorizes appropriations for NASA in an amount totalling $9,522 million. Key elements of this total include the following:

Full support for the $767 million requested by the administration for the space station;

Full support for all of the funds requested for the space shuttle recovery effort and operating activities;

The initiation of a minimum of $60 million in funding to return to the use of expendable launch vehicles to support civil space launch requirements;

The restoration of funding, in the amount of $80 million, for the advanced communications technology satellite [ACTS] program;

An enhancement in the amount of $35 million to provide for spare parts for the Mars observer mission and to provide a follow-on observer mission in the vicinity of the Moon's poles; and

Full support for the proposed initiation of a more vigorous space research and technology program.

Two key policy provisions of this section of the bill include:

A statement that it is the sense of the Congress that the space shuttle should be preserved for missions that require manned presence, and that a diversified family of expendable launch vehicles should be utilized by NASA; and

A statement directing the Administrator of NASA to institute competition in the solid rocket motor program.

Title II of the bill establishes guidelines for the development and operation of a permanently manned space station and sets general policy for its utilization. The key provisions of this title include the following:

In order of priority, the purposes of the space station are to be science, satellite servicing, commercialization, and as a base for other space activities;

During the development phase, space station R&D funding must not exceed 25 percent of the total NASA budget;

During the operations phase, space station funding must not exceed 10 percent of the total NASA budget;

The Administrator is directed to set and collect user fees for non-NASA users of the space station; and

The Administrator is directed to report to the Congress on the most cost-effective means for launching and servicing the space station, and to submit a plan that outlines the total development and operating costs of the station.

Finally, title III authorizes $4,548,000 for the Department of Transportation's Office of Commercial Space Transportation to carry out the provisions of the Commercial Space Launch Act.

Mr. Chairman, this is a critical time in the history of NASA and the civil space program. I believe that the authorization levels and policy provisions contained in this bill are necessary to foster a viable civil space program within this country.

In summary, Mr. Chairman, I strongly believe that the Committee on Science, Space, and Technology has brought a good bill to the floor. Therefore, I urge all Members to support this legislation.

Mr. LUJAN. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. Lagomarsino].

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of H.R. 2782, the NASA authorization bill, and to commend the chairman of the committee, the chairman of the subcommittee, the gentleman from Florida [Mr. Nelson], and the ranking members, the gentleman from New Mexico [Mr. Lujan] and the gentleman from Pennsylvania [Mr. Walker], for their work on this bill.

We all know the constraints, budgetary and otherwise, under which the committee had to work, so the result is all the more commendable, though not any more than we have come to expect from this committee.

This bill moves us further along the path toward recovery from the *Challenger* tragedy, and looks beyond to the next phase of our space program, the space station. It reflects the intent which all of us share that the United States has a commanding role to play in the exploration and development of space. And it sets forth in logical steps the way to achieve that goal.

Mr. Chairman, I particularly support provisions of this bill which call for open competition in the design and production of a new advanced solid rocket motor for the shuttle. We urgently need a new generation of shuttle boosters, and NASA expects that the ASRM project will result in significant gains in the shuttle's payload capacity. This in turn will allow the shuttle to be used in a greater range of missions, particularly in missions requiring a polar orbit. As the committee knows, there is a complete shuttle launch complex at Vandenberg Air Force Base in my district in California, which stands ready to fulfill the national requirement for manned missions in polar orbit.

In conclusion, Mr. Chairman, this bill is a vital and viable blueprint for NASA in the year ahead, a year in which we will recover our capability for a manned space program and signal our undiminished commitment to securing the benefits which that program holds for all mankind.

Mr. Chairman, last year's authorization bill included language from a bill authorizing NASA to accept donations from the public in the wake of the *Challenger* tragedy. I understand that NASA still requries that authority and ask whether you intend to offer that language in this year's authorization.

Mr. ROE. Mr. Chairman, will the gentleman yield.

Mr. LAGOMARSINO. I yield to the gentleman from New Jersey.

Mr. ROE. I thank the gentleman from California and as I understand it, the Senate authorization bill does contain the language you mentioned, which was included in the NASA authorization bill and the gentleman's bill last year.

Mr. LAGOMARSINO. Is it then the chairman's intention to accept the Senate lanaguage in conference?

Mr. ROE. I appreciate the gentleman bringing this matter to our attention, and I can assure the gentleman that we will take the necessary steps as the bill moves through the legislative process to provide the necessary authority.

Mr. LAGOMARSINO. I thank the gentleman and yield back the balance of my time.

□ 1055

Mr. ROE. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Oklahoma [Mr. McCurdy], chairman of the Subcommittee on Transportation, Aviation and Materials.

Mr. McCURDY. Mr. Chairman, I rise in support of H.R. 2782.

At this time, Mr. Chairman, I would like to thank the full committee chairman for this consideration and cooperation through this year and for his guidance. I would also like to commend the ranking member of our subcommittee, the gentleman from Florida [Mr. Lewis], for his superb cooperation and his efforts in crafting the subcommittee portion of this bill. I would like to thank his staff person, Mr. Green, and also the staff of our subcommittee, including the staff director, Mr. Taylor, and especially Mr. Crossfield for their very good support and efforts that they made on this bill.

Mr. Chairman, the members and staff of the Subcommittee on Transportation, Aviation and Materials conducted numerous field inspections and held extensive hearings here in Washington on the aeronautical part ofthe fiscal year 1988 NASA authorization. Testimony was taken from a variety of witnesses, both inside and outside of NASA.

Members of the subcommittee worked long and hard in carefully reviewing the NASA aeronautical program and the 1988 budget request. We found that although the dollar amount for aeronautical R&D is small—$399 million recommended by the committee this year, including $20 million for research on innovative aeronautical concepts—the payoff is very large. This is true because NASA emphaizes the high-risk, long-term research and technology that industry is financially unable or unwilling to undertake. Such efforts provide the foundation for future aircraft and engines which return many times their initial cost to our economy. In a very real sense, NASA's aeronautical R&D is an investment in our country's future.

For example, in 1985, the United States suffered an all-time record foreign trade deficit of $170 billion. And yet, as bad as this was, it would have been $11 billion worse, had it not been for the favorable contribution of aerospace products, the bulk of which were civil aircraft.

U.S. suppliers have built the vast majority of the free world's civil air fleet by dollar value. Our airlines are our best ambassadors, offering superior quality, safety, comfort and reliability, at economical costs. They speak well of America, to operator and user alike.

Of course, these results did not just happen. They came because we have consistently had the best products. And one of the big reasons for that has been the longstanding partnership between Government and industry in developing new aeronautical technology.

Because of this, the Committee on Science, Space, and Technology has repeatedly urged the administration and the Congress to increase the resources devoted to aeronautical R&D. We have pointed to the many long-term benefits of such investment, which are reflected in billions of dollars in sales of U.S. aircraft both here and abroad, and in millions of jobs for Americans.

Yet, in spite of its proven cost benefits, the NASA aeronautics program has not kept pace with inflation nor with the relentless pressure from our competitors, both military and commercial. For example, the administration's request for fiscal year 1988, if inflation is considered, is about $10 million less than the amount actually spent in 1981. There aren't many Government programs that can make that claim.

Furthermore, anyone familiar with the dramatic increases in both the cost and complexity of new technology in the last few years knows that a level budget won't produce the same results as it once did. It simply costs more today to achieve each increment of improvement in fuel efficiency or safety or performance.

Of course, none of this would cause alarm if the Europeans, Japanese, and the South Americans had not begun to pose a serious competitive threat. But they have. Despite decades in which American companies dominated the world market, our share of that market fell to 74 percent last year, down from 84 percent during the 1970's. Even more alarming is the fact that European manufacturers captured 47 percent of all airliner sales in the United States in 1986. Clearly, if this becomes a trend, we will have lost another industry, one of our few remaining winners.

Because of this, I believe the committee's recommendation, which includes an augmented basic research effort, is at the low end of what is actually needed. In my view, international conditions call for expanding NASA's aeronautical program, not curtailing it.

The committee also added some funding—$10 million—to begin a long, overdue rehabilitation of certain aging wind tunnels. These facilities have served our country well for years, giving our aeronautical scientists the tools to keep the United States out front in aviation. But many are old and are badly in need of repairs to restore them to productive use and safe condition.

Finally, in the aviation area, the committee considered NASA's request for transatmospheric research and technology. This is NASA's contribution to the joint NASA/DOD National Aerospace Plane Program, an effort to advance and prove the technology for high-speed, hypersonic flight. If successful, this program could lead the way to several very attractive applications, including a single-stage-to-orbit space transportation system and a hypersonic commercial air transport—sometimes called the Orient Express.

The committee feels it is necessary to continue with this program so that the technology will be ready in the mid-1990's, when we will need it to support the successful commercial development of space.

Furthermore, we feel it is vital for NASA to be involved fully in this program to assure the technology is developed with these important civil applications in mind. For these reasons, we are recommending an approval of the full administration request—$66 million.

Mr. Chairman, I urge adoption of the bill.

Mr. LUJAN. Mr. Chairman, I yield 8 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman from New Mexico for yielding this time to me.

Mr. Chairman, I rise today in support of H.R. 2782, the fiscal year 1988 authorization act for the National Aeronautics and Space Administration.

As most of the Members of Congress already know, NASA mourned the gallant crew of the space shuttle *Challenger*, and we all shared in the grief of the entire NASA family.

Today a strong and reinvigorated NASA is moving with confidence toward a return to flight status sometime next summer. The Rogers Commission and the Committee on Science, Space, and Technology spent much of last year in an exhaustive study of the accident and surrounding causes, both technical and institutional.

The record clearly shows that many problems existed. Some were large, and some were small. We can report to you today that all of these problems have either been corrected already or will soon be resolved. This Nation and this Congress will once again be both confident and proud that the future of the American civilian space program is in good hands.

I am pleased to report that the bill before us today represents a careful and judicious allocation of the scarce program. This bill, excluding the aviation portion, comes in at exactly the budget request for space-related activities.

There are a number of very important features of this bill that merit the full support of Members of this House.

The first and perhaps most important of these is that your committee recommends the full $767 million requested in the fiscal year 1988 budget to move forward with the development of the U.S. space station. This recommendation represents a major commitment on the part of Congreess and NASA toward the next major American space program, which will be central to our overall space efforts during the next 30 years.

This program will gain for the United States our first permanently manned space facility. It is important that all Members fully understand how critical it is that we move forward as rapidly as possible on our space station if this Nation is to regain our former leadership role in civilian space activities.

Let me point out, however, that this is money that we have fenced off in this bill. We are sensitive as a subcommittee and as the committee to the fact that recent cost estimates for the space station keep climbing. We want to make certain that as we make this commitment to our future we understand that this is going to be something that we must keep a grip on. We have fenced off this money in order to ensure that the space station as it moves ahead moves ahead with the taxpayers' interest as a major concern.

In the past year the United States has suffered a significant loss in international prestige in a stunning series of space setbacks, including the tragic loss of the space shuttle *Challenger* and her gallant crew and a series of other accidents to our entire stable of expendable launch vehicles, including the Titan, the Delta, and, most recently, our workhorse, Atlas-Centaur.

During this same period the Soviet Union has gained worldwide coverage of its continuing successes with the MIR space station, and they have also flown the long-awaited Energia heavy lift launcher, which is in the same class as the American Saturn V that carried our Apllo astronauts to the Moon in the 1960's and 1970's.

The Soviets are presently actively marketing the Proton rockets to provide commercial launch services to the free world. They have thus joined the People's Republic of China, which is aggressively marketing their Long March III rocket with a number of indications that they will be successful.

We need to move quickly and decisively to regain our lost momentum and leadership in the area of civilian space.

I am pleased to report that the Advanced Communications Technology Satellite Program, which is more popularly known as the ACTS Program, and which the Congress has consistently supported, has once again been saved by our committee. This year, in a continuation of past practice, the Office of Management and Budget again zeroed out the ACTS Program. The committee has provided adequate funding, which is critical to maintain American competitiveness in the space communications field.

There is one program in the aeronautics section of this bill that I particularly support. We have provided the full $66 million requested as NASA's share of the joint NASA, DARPA, and Air Force Program to develop the national aerospace plane. This program is an imaginative new space plane that will take off from a regular airport runway and accelerate up to mach 25, which is the escape velocity required to fly into Earth orbit, and which will then return to a regular airport runway to land.

This program promises routine and potentially inexpensive access to space and will usher in a new and virtually unlimited space-based economy in the 21st century.

In that regard, Mr. Chairman, I would like to, if I may, for a moment engage in a colloquy with the gentleman from New Jersey [Mr. ROE].

Mr. Chairman, in our Subcommittee on Transportation, Aviation and Materials markup of this legislation I offered the following report language:

Furthermore, the committee wishes to stress potential for civil applications, including a single stage to orbit launched vehicle and a civil hypersonic transport. Accordingly, the committee recommends earmarking $2 million of the funds authorized to perform studies aimed at eventual civil applications.

As the gentleman from New Jersey is aware, that language was inadvertently omitted from the report to accompany this bill. Would the chairman of the subcommittee agree that it is still the intent of the Committee on Science, Space, and Technology that the language adopted in the subcommittee is still in full effect despite a clerical error that caused it to be omitted?

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from New Jersey.

Mr. ROE. Yes; I agree with the gentleman from Pennsylvania, the author of the language in question, that it is the full intent of the committee that the language has the same effect as if it had been printed in the report. I assure the gentleman that I will hold NASA to the requirement that is contained in that language.

Mr. WALKER. Mr. Chairman, I thank the gentleman very much.

Mr. Chairman, this is not a bill without problems. Frankly, there are several areas in which I am going to support amendments which will address those problems.

We should, for example, drop section 111, which is as clearly an antimilitary service personnel provision as any this House has ever considered. It is a grave and, I believe, harmful addition to the National Aeronautics and Space Act of 1958.

I would also tell the Members that it seems to me that in this bill we have about stretched the resources available to NASA as far as they can go. We cannot take limited resources and continue to stretch them into new programs any longer. This Nation is going to have one of these days to make a decision about either changing the direction in which we are moving in space or coming up with some new resources for our space program. We simply cannot continue to take basically stable resources and stretch them into more and more new programs. We are going to destroy our civilian space effort by doing that. In my opinion we need to move toward innovatively new ideas for space to assure that we have a space future, but a space future in which there is a contribution of more than just NASA resources, a contribution of societal resources, particularly private investment resources in space. We are going to have to make policy determinations that move us in that direction.

We have not begun to do that work in NASA quick enough to assure the Nation of a dramatic presence in space in the next century.

Finally, Mr. Chairman, I would like to compliment the gentleman from New Mexico [Mr. LUJAN], who serves as vice chairman of the Committee on Science, Space, and Technology. I would commend also the chairman of the full committee, the gentleman from New Jersey [Mr. ROE], and the chairman of the subcommittee, the gentleman from Florida [Mr. NELSON]. All of those members have worked very hard to bring us the product that we have before us today.

It seems to me, Mr. Chairman, that this is a very good bill, one that deserves the support of the Members of the House.

Mr. ROE. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, I want to begin by saying that we have a new chairman of the Committee on Science, Space, and Technology this year, since Mr. FUQUA has retired and left the Congress. Our new chairman, the gentleman from New Jersey [Mr. ROE], has done one fantastic job. His fine work and his leadership have helped all of us.

I would like to bring this conversation concerning our great space program a little bit down to Earth, and I will speak just briefly. I am a Member who has offered "buy American" amendments to most authorization bills, and I want to commend the chairman and the ranking minority member, the gentleman from New Mexico [Mr. LUJAN], who is one of the most objective Members on the other side of the aisle; I would also commend the gentleman from Florida [Mr. NELSON] and others for having included in this authorization act my "buy American" language which states that there would be a weighted advantage when bidding on NASA work if in fact the item is assembled literally and physically in America, with 50 percent domestic parts and content also produced in this country.

□ 1110

The original bill and the language that was placed in there calls for a 5-percent weighted advantage. My amendment today simply would change the 5 to 10 percent in line with legislation that I have pending before the entire Congress and in all authorization bills.

I would just like to say that in 1977 the first steel mill in my district closed. Since that time, we have lost 55,000 jobs. I know people are getting tired of hearing about it, but I want to keep saying it because maybe we will get targeted assistance; but in the last 10 years we have lost 55,000 jobs, about $1.2 billion annual revenue loss in my valley, over $1.2 billion. There is not one more chronic situation that one could talk about other than the 17th District of Ohio, Youngstown and Warren.

One of the things that I am trying to do is focus America on our procurement practices.

Mr. Chairman, we can find these products in America and if we give them a weighted advantage, we will produce an awful lot more people in the bids and in the competition, which will bring down costs.

Now, maybe there is not a fire in your behind yet, but it can happen.

Specifically, we have found out that when you factor in the costs of unemployment, welfare, Federal retraining dollars, America has a tremendous cost factor placed into this unemployment phenomenon, that maybe we can manipulate the variables a little differently and help protect some of these industries and the American worker.

I would like to point out that there is a domestic substitute provision in this legislation that says if there is no domestic substitute, then procurement authorization being asked, they can go ahead and buy their material or take their contracts from any foreign firm.

I think it is high time that we do that. I think it is about time that we consider that. I believe the 10 percent factor is much more in line with the realities of the costs associated with the unemployment.

So, I would like to close and state to both sides of the committee that my community is located in the near proximity of Cleveland and Pittsburgh. They have tremendous airport and aviation facilities. As a result, most of the commercial traffic goes there. As the chairman of the Space Subcommittee and also the chairman of the Aviation Committee of the Public Works Committee has an amendment today which I will support, I want to let them know that we have a great municipal airport in Youngstown, OH, but because of that near proximity we have a relatively low traffic pattern.

I would like to see a study focused on that, so that perhaps it can be integrated into our national space program, certainly to help the country on a cost factor that might be more advantageous than some of the other programs we are pursuing.

So I appreciate this time and look forward to support from the chairman.

Mr. LUJAN. Mr. Chairman, I yield 4 minutes to the gentleman from Florida [Mr. LEWIS].

Mr. LEWIS of Florida. Mr. Chairman, I rise in support of H.R. 2782 and in strong support for the aeronautics portion of H.R. 2782 for the fiscal year 1988 NASA budget. This aeronautics budget request represents a strong bipartisan effort.

This compromise represents a good sound product. I want to thank the subcommittee chairman, the gentleman from Oklahoma [Mr. MCCURDY], with whom I have worked, for his leadership and willingness to work toward a bipartisan aeronautics budget. I also want to thank the gentleman from New Jersey [Mr. ROE], the committee chairman, for his leadership on the Science, Space, and Technology Committee. Having been a good friend of the previous chairman, I had some apprehension, and I was pleasantly surprised by the gentleman from New Jersey [Mr. ROE], who has done an excellent job in leadership in our committee.

I also again want to thank our Republican ranking member, the gentleman from New Mexico [Mr. LUJAN] for this continued strong leadership.

The hearings held by the Transportation, Aviation and Materials Subcommittee on the NASA programs made two major points. First, the NASA aeronautics research program is, to a great degree, responsible for the advancement of the U.S. aeronautics industry, which is No. 1 in the world. The industry as has been mentioned, had a positive balance of trade in 1985 of about $12 billion. This is the largest positive trade balance of any industry in the United States. That strong industry benefits not only the Nation's trade security but my own district, which has several NASA contractors.

Second, the long-term outlook for a strong research program is clouded by the advanced age of many of the NASA research and test facilities, especially the wind tunnels. The average age of the tunnels is 30 years with the oldest being 57 years. This aging leads to cracking of vacuum lines and fan blades, among other problems. One 41-year-old 12-foot pressure tunnel was recently inspected and found to have a 140-inch long crack that penetrated 80 percent of the thickness of the steel wall. The cost of repair to this facility alone, in which virtually every class of U.S. airplane flying today was tested, may reach $60 million. The aeronautics budget, before us today, contains a $10 million add on so that NASA can begin repair to the neediest of these facilities which have been used in testing of military aircraft, jet transport aircraft and flyback spacecraft.

We cannot delay the repair and restoration of these NASA facilities if we are to maintain a strong aeronautics research program. In this time of large national deficits and a need to cut budgets, we must be sure that every Federal dollar is spent wisely. I am convinced that this budget is both responsible and necessary for the NASA aeronautics research budget.

I also want to point out that I strongly support the advanced solid rocket motor.

We must also look, where necessary, at the use of expendable launch vehicles in order to support optimum use of the space shuttle.

We must continue our space program to maintain our lead over the Soviet Union.

This bill goes a long way to restore those activities and we must individually and collectively work to restore the confidence in NASA and their programs, so that they will continue the leadership that is necessary.

So Mr. Chairman and my colleagues, I urge all of you to support H.R. 2782, the NASA authorization for fiscal year 1988.

Mr. LUJAN. Mr. Chairman, I yield 3 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Chairman, I rise to enthusiastically support the NASA authorization bill, H.R. 2782. As a member of the committee, I am proud to have played a small part in planning and funding for the future of our space program, and indeed I certainly want to add my congratulations to the chairman of the committee, the gentleman from New Jersey [Mr. ROE], and to the vice chairman, the gentleman from New Mexico [Mr. LUJAN], and certainly the subcommittee chairmen deserve a great deal of credit for this authorization, the gentleman from Florida [Mr. NELSON] and the gentleman from Pennsylvania [Mr. WALKER].

But this authorization does more than provide funds for the space program. After so many agonizing months trying to recover from the *Challenger* disaster, we can now look forward to coming together as a nation and reaching up for a new role in world leadership.

At this time, we are anticipating a shuttle launch before the end of 1988. On board may be the Hubble space telescope, whose cost, with the delay in launching, is now up to $1.4 billion. However, the Hubble is the most dramatic single advance in astronomy since the invention of the telescope in 1610, and it will allow us to see 10 to 30 times farther into the universe than we can today. This is a priceless contribution to our knowledge.

Another exciting project which now has its funding restored is the ACTS [advanced communications technology satellite] which is being developed in Montgomery County, MD. It is to receive $80 million—since it has been determined that private funding simply is not available.

The Mars Observer spacecraft, although postponed from its anticipated 1990 launch, is envisioned by the committee to be a much stronger and cost-effective operation, and will serve as a beacon for the planetary observers planned for the future. Formerly designed as a single space craft with no spare parts, the new plan allows for extra parts, which, if not needed for the Mars mission, can be used for the 1994 exploration of the polar regions of the Moon.

All of us have contact in our home districts with higher educational institutions, and this bill will ensure adequate funding for research and development in life sciences and material sciences. I would like to add a word of warning here, however, for I feel very strongly that our biggest and most ambitious program, the space station, must not be allowed to starve the thousands of smaller ones. Every one of us here in this Chamber has a home district university or small business that is in some way related to NASA. We must allow our scientists and potential scientists across the country to remain involved with space science. NASA was founded on this principle, and we must continue this mandate.

There may be some unresolved questions about H.R. 2782, but let us not lose sight of the many good provisions in this bill. After 5 months of hearings, we have before us a blueprint for putting the space program back on track. With the inspired leadership of the chairman and vice chairman of the full committee, the Honorable ROBERT ROE and the Honorable MANUEL LUJAN—as well as the indefatigable subcommittee leadership, the Honorable BILL NELSON and the Honorable BOB WALKER, this would not have been possible.

The highlight of this program is a manned space station. We will build this space station together with our allies and innumerable large and small businesses throughout the United States.

I cannot wait to begin. Soon the Washington area where my constituents live and work, will be bustling with space station related activities. I hope that this Congress will swiftly pass this authorization, and allow space science and technology to move forward into the 21st century.

Mr. LUJAN. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. BUECHNER], a member of the committee.

Mr. BUECHNER. Mr. Chairman, I rise in support of the NASA authorization bill for fiscal year 1988.

I would like to especially commend the chairman and the ranking minority member of the Science, Space, and Technology Committee, for their efforts in bringing this legislation to the floor. This bill authorizes a total of $9.5 billion for fiscal year 1988. Although it is $45 million over the President's request, it is a good bill. This bill provides authorization for a number of important programs within NASA. I am, however, especially pleased that the bill both provides $767 million for the permanently manned space station, and $60 million for extended launch vehicles. Both programs, I am pleased to say, are integral to the space technology center in my particular area.

The space station will serve to invigorate American industry by distributing over 75 percent of the space station's systems investment to industry; and also by creating an environment of industry competition for space station design and development contracts. I believe the space station will help the country regain its competitive edge in space and will keep us at the cutting edge of new and innovative technology.

Since the *Challenger* accident, the United States has seriously lagged behind the Soviets in every dimension of space exploration. The Soviets have made an unprecedented number of space launches in 1986 and have also launched their own space station, called MIR. I am honestly concerned that we are seriously falling behind the Soviets, but I am hopeful that this bill will guide NASA in the proper direction so we can once again become a space leader, not a follower.

This bill was subject to a very lively and heated debate in the Science, Space, and Technology Committee. The focus of this debate centered on policy issues rather than funding levels. Some of these issues will probably be revisited today. One of these issues, however, pertains to wording for space station policy vis-a-vis the Department of Defense. The Subcommittee on Space Science and Applications and the full committee went through excruciating pains to reconcile differences on this issue. I am hopeful that we can work out any additional changes that would make the wording more acceptable to my colleagues.

At the appropriate time the gentleman from New Hampshire [Mr. SMITH] will offer an amendment to remove language from the bill that prohibits the position of Administrator and Deputy Administrator of NASA to be occupied simultaneously by retired commissioned officers of the Armed Forces who have been on active duty within the last 10 years. I believe this language implies that the military cannot be trusted to manage at NASA. However, it should be remembered that some of our most capable individuals with the administrative skills as well as the expertise in areas pertaining to space exploration are drawn from the military. In addition, when Congress wrote the Space Act and established NASA in 1958, I believe the members on the Science and Astronautics Committee would have provided for this separation if they deemed it necessary.

Nevertheless, I am hopeful that my colleagues will support this NASA authorization bill. Space is the last major area yet to be explored. The benefits are unlimited and it is imperative that the United States regain its competitive position.

□ 1125

Mr. LUJAN. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. PACKARD].

Mr. PACKARD. I thank the gentleman for yielding time to me.

Mr. Chairman, I certainly want to take this opportunity to express my sincere thanks and congratulations to the chairmen and to the ranking minority members of the full committee and the subcommittees involved.

Certainly this is a milestone. I think for the past year this country has been at the crossroads in our space program. The *Challenger* accident has certainly forced us to reevaluate where we are going in our space program and where we want to be. The space station has been in doubt. Several areas of our space program have been at the crossroads.

I want to express my sincere appreciation to the committee for forthrightly addressing the very critical issues and establishing a direction in which we hope to be able to lead this country in the next several years in our space program. There are many programs that now will be on track again as a result of this legislation. It has my hearty endorsement, and again I am grateful for the privilege of being a part of the process.

Mr. DREIER of California. Mr. Chairman, the space shuttle is a critical component in maintaining U.S. space leadership, in accomplishing the basic goals of our national space policy, and in achieving a permanent manned presence in space. The money we are authorizing today for the shuttle program is significant for a number of reasons. It was only 18 months ago, in the wake of the *Challenger* mishap, that the shuttle program's future was in doubt. The Nation, and the space agency itself, found itself wondering what direction space policy was headed. Most of all, we wondered what role, if any, the space shuttle would play.

Since then, we have found answers to many of our questions. The Rogers Commission laid the groundwork for a hard look at technical and management problems with the shuttle program. NASA went back to work to correct these, and also the reestablish its identity and pride. Meanwhile, we in Congress reexamined the goals we had been pushing for the program, and how they had contributed to the *Challenger* disaster.

In that respect, it is instructive to look back to the program goals we were pushing only 2 years ago. At that time, we assumed a target rate of 24 shuttle flights per year. There was still a great expectation that the shuttle program could be expected to begin paying for itself within a few years through commercial experiments.

Both assumptions proved to be disastrously unrealistic. Pressure from Congress and elsewhere to fly so many missions, to effectively turn the shuttle into a space truck, helped create the now-familiar scheduling shortcuts which directly led to *Challenger's* problems. And concentrating only on the shuttle's commercial and military uses served to limit its value to the noncommercial scientific community.

Well, we have all learned many lessons from *Challenger's* aftermath, and both NASA and the shuttle program have emerged stronger and more focused than before. No one talks about 24 missions per year anymore, the debate is now whether 12 or 16 are the optimum safe number. And, while commercial microgravity experiments will still be encouraged, the greatest future value of the shuttle will be as an integral component in NASA's broader space exploration plan.

Surely, as one examines the numerous space programs we are authorizing today, it is apparent that many of them depend heavily on the shuttle. Meanwhile, the rapid development of NASA's expendible launch vehicles, or ELV's, will free the shuttle for more experiments and functions which require manned presence. Finally, we may look forward to the day when the shuttle makes possible a permanent manned space presence, the U.S. space station.

I am proud to claim that the *Challenger's* replacement will be built at the same site where the first four orbiters were built, Palmdale, CA, which my colleagues CARLOS MOORHEAD, BILL THOMAS, JERRY LEWIS, and I have the honor to represent. The shuttle is a true product of California, with over 600 contractors contributing to it, employing over 20 thousand workers.

Mr. Chairman, the shuttle is back on track, and we can fully expect it to help keep America at the forefront of space exploration and space science into the next century.

Mr. INHOFE. Mr. Chairman, I support H.R. 2782, the fiscal 1988 authorization bill for the National Aeronautics and Space Administration.

Space is this and future generations' frontier. Its exploration offers untold opportunities. The space shuttle and the space station promote extended exploration while providing a base for research and development of new medicines, materials, and other products. The potential benefits for mankind are endless.

NASA is an integral part of realizing that potential, and it deserves our support. But NASA could not function without the thousands of people around this country who construct the means for reaching and surviving in space.

In my own district in Tulsa, men and women are working right now on components of the new space shuttle. When they see that shuttle in orbit, opening its payload doors to deposit a satellite in space or providing a platform for scientific experiments seeking cures for human diseases, they can feel justifiable pride in the fact that their efforts have made the shuttle possible.

Space exploration is not just a Government project directed by NASA. It is a national endeavor supported by citizens with a thirst for challenge and made possible by the dedication and inspiration of workers whose pride in their jobs is reflected in the high quality of their product. NASA is the vital coordinator. Strong support for NASA is strong support for people across this country who are working to make the potential of space a reality.

Mr. WEBER. Mr. Chairman, I would like to take this opportunity to express my support for NASA and its current space programs. This is a critical time for Congress to work with NASA and restore the Nation's space program to good health.

I strongly support the committee's recommendation of $9.5 billion in funding for NASA in fiscal year 1988, particularly the $767 million appropriated for the space station.

I believe that the space station will serve, together with the shuttle, as a major linchpin of our manned space program.

This station will serve as a versatile space-based research laboratory/facility that will help advance the goals of space science, commercialization, and exploration.

It will also play an integral role in support of a broad range of potential U.S. long-term space endeavors, such as the establishment of a lunar base and/or the exploration of Mars.

I have had an opportunity to review some of the work done on this program, and am impressed with the dedicated effort our aerospace industries are making to ensure the success of this effort.

I also want to note my support for the role NASA is playing in the national aerospace plane program. This research effort may hold the key to a variety of challenges we currently face in terms of cost-effective space travel. NASA may provide tremendous payoffs to both commercial and national security applications.

Finally, I would like to express my support for the $24 million the committee recommended for the space shuttle structural spares program. Although this is a cut of $55 million from the President's budget request, the committee level will ensure that key personnel and skills for this program are retained.

Ms. OAKAR. Mr. Chairman, I rise today in support of this Nation's space program. The American space program is in great danger of meeting the same fate as the *Challenger* shuttle. NASA budget cutbacks will seriously erode this country's ability to launch and maintain manned spacecraft. If we are to remain a viable force in the global scramble for space dominance, it is essential that NASA is not allowed to economically self-destruct.

The bill before us, H.R. 2782, authorizes $9.5 billion for NASA programs in 1988. Certainly it is a step in the right direction of continued support for the space program. The overwhelming majority of Members in this body—and certainly of the American people at large—strongly support the U.S. civil space program. We do so in recognition of the fact that the Nation's space program is a key component of this country's leadership position and technological competitiveness. Therefore, I am pleased to stand in support of the NASA authorization bill for fiscal year 1988 and commend Chairman ROE and Congressman NELSON, chair of the Space Science Applications Subcommittee for their diligent work.

An initiative of enormous significance to NASA and for the Nation is the space station program. This bill provides full funding for the space station, helping us move forward in our efforts to establish a permanent presence in-space. The space station will serve as a versatile research laboratory deployed in space. It will advance the objectives of space science, planetary exploration, and space commercialization. I strongly support this undertaking and urge my colleagues to support it as part of the NASA authorization bill.

I am particularly proud of the role assigned to the Lewis Research Center in Cleveland, OH, to take the lead on power systems for the space station. The men and women at Lewis continue to make a significant contribution to the success of this project through their work on such advanced space power concepts as solar dynamic generation systems.

Solar dynamic power is an important complement to the traditional solar arrays that will initially power the space station upon its deployment in the mid-1990's. It holds the potential to reduce costs associated with the operations of the space station, thereby enhancing the economic effectiveness of this enterprise. I am convinced that a commitment to the continued development of solar dynamic power is essential to the success of this program and will have vital implications on future United States energy development.

The issue of cost is especially important in these times of budgetary restraint. Recently a report released by the National Research Council [NRC] stated that the costs associated with the space station have doubled. The NRC was established to review the space station program and provide an independent assessment of cost and other program issues. I have read the NRC interim report, and I believe that the members of this panel have made a valuable contribution to our understanding of this program.

The NRC report does point out—as has, I should note, my colleague, Mr. NELSON, that the space station program will involve costs that go beyond the immediate matter of development and hardware costs such as transportation and personnel. Thus, when one looks at the entire picture the cost of the space station exceeds the current estimate of $16 billion.

This is a legitimate exercise in cost estimation, but it must be understood in perspective. It is essential that the U.S. maintain a balanced civil space program and part of that effort is to recognize from the start the total impact any one initiative will have on the overall scope of NASA programs. It is my understanding that this is what Mr. NELSON has counseled NASA to do and this is what the NRC has done.

Let me conclude by saying simply that the Nation's civil space program needs and deserves our strong support. I believe this bill achieves that, and I join my colleagues in providing a strong congressional commitment to our future success in space.

Mr. LEVINE of California. Mr. Chairman, I rise in strong support of H.R. 2782, the NASA authorization for fiscal year 1988.

This country has been committed to leadership in the exploration of outer space for over two decades. The spectacular achievements of the Mercury, Gemini, and Apollo programs, as well as the unmanned missions of Explorer and Voyager, have expanded our knowledge of the universe and were—and remain—a source of national pride.

These missions revolutionized our understanding of the solar system, as have experiments conducted in the last few years on the space shuttle. Future efforts with the shuttle, space station, and additional unmanned probes promise ever more impressive advances. Spinoffs from the space program have created new technologies benefiting our scientists, doctors, and consumers.

Unfortunately, in the last few years, our commitment to space exploration has waned. Perhaps it was because what had once seemed so extraordinary became commonplace. We put men on the Moon during Apollo, and then terminated that program when that goal no longer seemed sufficiently worth pursuing.

The potential of the space shuttle—the world's first reuseable reentry vehicle—seemed limitless only 6 years ago, and excited the imaginations of all Americans. It proved yet again that this Nation was the worldwide leader in conquering the heavens. And yet, shuttle launchings soon became so routine—although, as we know, constantly fraught with risk—that the public seemed to lose interest. This situation was coupled with the lack of direction regarding our space program, both at NASA and within successive administrations.

The *Challenger* disaster and reports of wasteful spending and negligence on the part of NASA—particularly as outlined in last year's Rogers Commission report—shook public and congressional confidence in NASA's ability to manage our civilian space program. We should all be deeply concerned about these horror stories, just as we should be concerned about the Atlas Centaur explosion this past March. A commission which looked into that incident concluded that it—like the shuttle disaster—could have been avoided.

Clearly, every effort must be made to right the wrongs which threaten the future of our space program. We cannot allow the kind of mismanagement which caused the needless deaths of the seven shuttle astronauts, which caused the crash of the Atlas Centaur rocket, which caused the waste of millions of tax dollars, to continue.

These events have also illuminated just how far this country has slipped in the space race. The *Challenger* disaster exposed the danger of our reliance on only one means of access to space. As a result, we were left with no options when that system failed. The Europeans, with Ariane—even with its present problems—are better equipped to launch payloads into space than are we. Japan, and even China, could soon have that capability. And we remember how, last year, the authoritative Jane's Spaceflight Directory reported that the Soviet Union now holds an almost frightening lead on the United States in space experience. Even if it is an exaggeration to say, as Jane's did, that our space program has fallen 10 years behind the Soviets in the practical utilization of space, there is no doubt that we are in trouble. Indeed, we are at the ironic point where the Soviets are offering use of their launch vehicles to boost American payloads into space—and American businessmen are listening.

Such a situation should not be tolerated. We must redouble our efforts to expand and improve our space program. We need a fully funded and vigorous space program, combined with a NASA and an administration which have a clear and comprehensive vision for our future in space, in order to regain our leadership role in space.

H.R. 2782 is an essential step in that direction. I commend the chairman of the Space Subcommittee, Mr. NELSON from Florida, and the chairman of the full committee, Mr. ROE, for their leadership on this and other space policy issues.

H.R. 2782 takes significant strides toward getting the shuttle program back on track. It authorizes whatever funds may be necessary to return the space shuttle fleet to flight status, which right now will begin in June, 1988. The bill also expresses the sense of Congress that the space shuttle is a critical national resource that should be preserved.

At the same time, the committee recognizes that reliance on just one launch vehicle is no longer feasible, and so the bill requires NASA to establish a program for launching payloads using expendable launch vehicles [ELV's]—rather than the shuttle—and using commercial launch services, if available. This is a prudent policy, long overdue.

The bill provides significant support and funding for one of the most important projects NASA has ever undertaken—the manned space station. For the first time, the bill authorizes construction of such a station to conduct scientific experiments, service satellites, develop commercial products, and serve as a base for other civilian and commercial space activities.

The bill directs private sector participation in construction and operation—where appropriate—and calls for NASA to promote international cooperation in such activities. Finally, the bill prohibits the use of the space station as a vehicle for operational testing or deploying of any offensive or defensive weapon system if in contravention of U.S. laws or treaty obligations. This is an important step which will ensure that the Pentagon doesn't turn the station into a weapons platform, to the exclusion of critical civilian space experiments.

The bill directs NASA to institute competition in the space shuttle solid rocket motor project by undertaking the competitive design and development of an advanced solid rocket motor. This initiative has been vigorously pursued under the leadership of my good friend from New Jersey, Mr. TORRICELLI, and I have long supported it.

Finally, the bill provides additional funding for critical and innovative research projects in aeronautics; for the Mars observer program, one of the most promising planetary probes on the horizon; and for the advanced communications technology satellite.

In sum, all these provisions mark major steps forward for our space program. The vigorous action that is embodied by this bill, backed by firm commitments from the pivotal players who formulate our space policy, can restore U.S. leadership in space.

I urge my colleagues to support this bill.

Mr. BROWN of California. Mr. Chairman, I rise in support of H.R. 2782, the bill authorizing the fiscal year 1988 budget for the National Aeronautics and Space Administration [NASA]. The Science, Space, and Technology Committee has reported out a responsible measure considering the budget constraints that have been placed on the NASA budget. The chairman of the Subcommittee on Space Science and Applications, Mr. NELSON, is to be commended for his diligent work to settle the differences among the divergent views of the committee members. Similarly, Mr. ROE, the full committee chairman, has worked hard to bring forth as clean a bill as possible for consideration on the floor today.

The committee has presented the best civilian space program it could within the limited budget envelope set by the President in his budget request. Unfortunately, the committee has tried to fit 10.5 billion dollars' worth of programs into a $9.5 billion budget. I think many aspects of NASA will be hurt by these constraints. I am well aware of the severe budget limitations on all aspects of the Federal budget, but if we are to truly regain preeminence as a spacefaring nations. Congress and the Administration must once again be willing to make the necessary commitments. I support H.R. 2782, but hope that future NASA budgets will be more indicative of this Nation's commitment to space exploration and development.

The first order of business at NASA is to recover from the *Challenger* disaster. H.R. 2782, I believe, provides adequate funding for anomaly resolution and the shuttle replacement. Work is progressing well in these areas, and while I am anxious to see the space shuttle flying again at the earliest date, it is crucial that NASA be absolutely confident that the shuttle is ready to be launched. NASA's newly established Office of Safety, Reliability, Maintainability, and Quality Assurance will provide the necessary oversight to ensure that circumstances similar to those leading to the *Challenger* accident are not repeated. Several weeks ago, NASA announced that it would construct the replacement orbiter in Palmdale instead of Vandenberg Air Force Base. This decision was a wise one in that NASA made cost-effectiveness and safety the primary considerations in the decision.

The international space station is rapidly becoming the centerpiece of the space agency. Fundamentally, there is no question that this Nation needs a permanent research facility in orbit. The space station will be permanent laboratory in space, for conducting experimental and applications research for a broad range of scientific and commercial uses. The station will also be a launching point for manned activities beyond Earth's orbit. From there we will venture back to the Moon and other planets of the solar system. For these reasons, I am pleased that H.R. 2782 funds the space station at the full request level of $767 million in fiscal year 1988.

While many of my colleagues feel as I do that we need a space station, it is clearly a program under attack. Just this week the National Research Council released a report on the space station costs. In the report, the NRC noted that the cost estimate of the station has doubled from $8 billion to $16 billion in 1984 dollars. Adding the cost of transportation, personal, et cetera, the cost rises to $27.5 billion. Therefore, we must ask, what will be the long-term impact of the space station price tag on the rest of the NASA budget? Title II of H.R. 2782 addresses this concern by placing strict guidelines for the development and operation of the space station, so that it does not infringe on science programs. Title II also requires multiyear budgets, mandates that expendable launch vehicles be considered for launching the station, discusses policy for user fees, and requires that agreement with foreign partners be submitted to Congress.

Another major concern of the committee has been the interest of the military in using the space station for national security purposes. In committee, I supported efforts by Mr. MINETA to prohibit the deployment, testing, or exploratory development of any weapons system or components of weapons systems on the space station. Unfortunately, the committee action has significantly reduced the intent of the language so as to make it ineffectual. For this reason, I intend to join Mr. MINETA again today when he moves to strike the provision from the bill altogether. I feel, as he does, that no language whatsoever relating to the military use of the space station is better than the provision as approved by committee.

While the space station is essential as a stepping stone of manned exploration and development of space, providing for this program in the absence of significant increases in budget request levels has put space science projects in a crippling situation. In many ways, this year's budget continues a trend of deteriorating support for space science. The problems of space science in America were demonstrated effectively in a report by the Space and Earth Science Advisory Committee of the NASA Advisory Council. While the overall NASA request for fiscal year 1988 increased somewhat, funding for the Office of Space Science and Applications was actually cut in the President's request by about $20 million.

Over the past several years, the U.S. space science program has all but withered away. Many promising young scientists have turned to other careers, and other countries have turned to the Soviet Union for leadership. What the U.S. program has lacked is a funding commitment to new flight opportunities. H.R. 2782 goes far toward remedying this situation. First, H.R. 2782 authorizes a new start in a major international collaborative effort with the promise of enormous scientific and intellectual rewards. The Global Geoscience Program will study the near-Earth plasma environment and how it is affected by the Sun. We know that this is a critical unknown in understanding our climate, radio propagation, and other geophysical phenomena. The Global Geospace Science Program, as it is called, will be made up of United States, European, and Japanese satellites, all making coordinated measurements throughout the 1990's.

Second, H.R. 2782 makes a valuable commitment to augment the Explorer program. This commitment consists of a series of low cost scientific missions that have been among the most productive in space science, and have given us the International Ultraviolet Explorer [IRAS] the Infrared Astronomy Satellite, and others. We believe that in this time of budget constraints, the Explorer program is an appropriate direction for us to move in.

The committee has also taken steps in the planetary exploration area which has been particularly hard hit by the shuttle disaster. The outstanding example of such disappointment this year has been the decision to delay the Mars observer mission from 1990 to 1992. While this slip may seem like a reasonable action by some, it is a heavy straw to be placed on the camel's back. The Soviet Union has made clear its intention to explore Mars, and is sending probes to the red planet in 1988 and 1992. With the slip of the Mars observer, we have forfeited a chance to overlap with the two Soviet missions for the mutual scientific benefit of both countries. H.R. 2782, however, has augmented the funding for the Mars observer mission, and directed that this go toward procuring spare parts. The underlying intent is that we establish an observer program built on a solid logistics base of each spacecraft built from identical parts. This will reduce the cost of individual missions and will lead to more frequent flights. The bill designates the follow-on observer mission to be the lunar polar orbiter, which should fly in 1994.

The committee is to be commended for finding ways in which to salvage several space science and applications initiatives. Notably, funding for the advanced communications technology satellite [ACTS] was restored to a level of $80 million. The ACTS program will test advanced communication technologies which could revolutionize the satellite communications industry. I am hopeful that the administration will realize the value of ACTS, and that this will be the last year that Congress is forced to restore funding.

In an effort to provide for assured access to space, H.R. 2782 includes $60 million for a downpayment on four expendable launch vehicles. I would like to express my regret that, in order to fund ACTS, ELV's, and the Explorer, the committee cut funding for the orbital maneuvering vehicle development by $30 million, and has slowed the construction of a replacement tracking data and relay satellite. The OMV will be essential to the operation of the Hubble Space Telescope and other activities in low Earth orbit. The TDRS is necessary for a broad range of operational and scientific purposes.

Mr. Chairman, H.R. 2782 is basically a good bill, and deserves the support of this body. I will continue to work with my colleagues to bring about a more robust civilian space program. For the purposes of this year's budget process, however, I believe this measure is responsible.

Mr. LUJAN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. ROE. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the bill shall be considered under the 5-minute rule by titles, and each title will be considered as having been read.

The Clerk will designate title I.

Mr. ROE. Mr. Chairman, I ask unanimous consent that the bill be printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The text of the bill is as follows:

H.R. 2782

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Aeronautics and Space Administration Authorization Act of 1988".

TITLE I—NASA AUTHORIZATION

SEC. 101. There is hereby authorized to be appropriated to the National Aeronautics and Space Administration, to become available October 1, 1987:

(a) For "Research and development", for the following programs:

(1) Permanently manned space station, $767,000,000;

(2) Space transportation capability development, $538,600,000;

(3) Physics and astronomy, $577,100,000;

(4) Life sciences, $74,600,000;

(5) Planetary exploration, $342,300,000, of which no less than $64,000,000 is authorized only for the purpose of preparing the Mars Observer Spacecraft for launch on an expendable launch vehicle having commercial potential and procuring spare parts for a planetary observer program that will lead to a launch of the Lunar Polar Orbiter in 1994;

(6) Space applications, $604,300,000, of which no less than $45,000,000 is authorized only for the Advanced Communications Technology Satellite (ACTS);

(7) Technology utilization, $18,300,000;

(8) Commercial use of space, $30,700,000;

(9) Aeronautical research and technology, $399,000,000;

(10) Transatmospheric research and technology, $66,000,000;

(11) Space research and technology, $250,000,000;

(12) Safety, reliability and quality assurance, $16,200,000; and

(13) Tracking and data advanced systems, $13,100,000.

(b) For "Space flight, control and data communications", to be made available for the following programs after the submission to the Congress of the report required by section 107(d):

(1) Space shuttle production and operational capability, $1,174,600,000, of which $76,000,000 shall be available only for initial lay-in spares for the space shuttle orbiter;

(2) Space shuttle operations, $1,885,800,000, of which $106,700,000 shall be available only for flight spares for the space shuttle orbiter;

(3) Expendable launch vehicle operations, such sums as may be necessary to implement section 107, but in no case less than $60,000,000;

(4) Space and ground network, communications, and data systems, $913,900,000; and

(5) Such sums as may be necessary to return the Space Shuttle fleet to flight status.

(c) For "Construction of facilities", including land acquisition, as follows:

(1) Construction of LC 39 Operations Support Building, Kennedy Space Center, $22,800,000;

(2) Construction of Spacecraft Systems Development and Integration Facility, Goddard Space Flight Center, $8,600,000;

(3) Modifications for utility reliability, Goddard Space Flight Center, $2,900,000;

(4) Construction of Integrated Test Facility, Dryden Flight Research Facility, $10,500,000;

(5) Modifications to Hypersonic Propulsion Facility for Vacuum Systems, Langley Research Center, $3,100,000;

(6) Construction of addition to the Research Analysis Center, Lewis Research Center, $9,800,000;

(7) Modifications for Fan/Compressor Research, Engine Research Building, Lewis Research Center, $6,500,000;

(8) Construction of Communications Development Antenna, Goldstone, California, Jet Propulsion Laboratories, $6,400,000;

(9) Repair of facilities at various locations, not in excess of $750,000 per project (or not in excess of such higher amount up to $2,000,000, in the case of any particular project, as the Administrator may find to be required by special circumstances), $25,000,000;

(10) Rehabilitation and modification of facilities at various locations, not in excess of $750,000 per project, $32,000,000;

(11) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $500,000 per project, $8,000,000;

(12) Environmental compliance and restoration, $23,900,000;

(13) Facility planning and design not otherwise provided for, $16,000,000; and

(14) Rehabilitation of aeronautical test facilities, $10,000,000.

(d) For "Research and program management", $1,605,000,000.

(e) The Administrator is authorized (to the extent provided in an appropriation Act) to transfer $35,000,000 from any funds which were made available for prior years, and which remain unobligated as of the date of the enactment of this Act, except for funds made available for Aeronautical and Transatmospheric research and technology programs or for Construction of Facilities and Research and Program Management activities for the support of such programs, and use such funds for the preparation of the Advanced Communications Technology Satellite for launch prior to 1992.

(f) When so specified and to the extent provided in an appropriation Act, (1) any amount appropriated for "Research and development", for "Space flight, control and data communications", or for "Construction of facilities" (pursuant to subsection (a), (b), or (c), respectively) may remain available without fiscal year limitation, and (2) contracts for maintenance and operation of facilities or support services may be entered into under the "Research and program management" appropriation (made pursuant to subsection (d)) for periods not in excess of 12 months beginning at any time during the fiscal year.

(g) Appropriations made pursuant to subsection (d) may be used, in a total amount not exceeding $35,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator, and his determination shall be final and conclusive upon the accounting officers of the Government.

SEC. 102. The Administrator may propose transfers from any line item contained in paragraphs (1) through (12) and (14) of section 101(c) to any other line item contained in those paragraphs so long as the amount proposed to be transferred to or from any line item (together with any amounts previously transferred to or from the line item involved) does not exceed 10 percent of the amount authorized for that line item. In no event shall the cumulative proposed transfers exceed 10 percent of the total amount authorized for all of the line items contained in those paragraphs. An explanation of any such proposed transfer must be transmitted in writing to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate. The proposed transfer may be effected only after 30 days on which either the House or the Senate is in session have passed after the transmission of such explanation.

SEC. 103. Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the Committee on Science, Space, and Technology of the House of Representatives or the Committee on Commerce, Science, and Transportation of the Senate;

(2) no amount appropriated pursuant to subsection (a), (b), or (d) of section 101 may be used for any program in excess of the amount actually authorized for such program by that subsection;

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to either the Committee on Science, Space, and Technology of the House of Representatives or the Committee on Commerce, Science, and Transportation of the Senate unless 30 days on which either the House or the Senate is in session have passed after the receipt by the Speaker of the House of Representatives and the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such action; and

(4) no amount appropriated pursuant to this Act may be obligated for any purpose unless 20 days on which either the House of Representatives or the Senate is in session have passed after the submission by the Ad-

ministrator to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of a detailed agency-wide budget operating plan for the National Aeronautics and Space Administration.

SEC. 104. (a) It is the sense of the Congress that it is in the national interest that consideration shall be given to the geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

(b) The Administrator shall report to the Congress on the extent to which such consideration has been given and such ways and means explored during the fiscal years 1982 through 1987, and shall submit such report to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate by January 15, 1988.

SEC. 105. The Administrator, in cooperation with the Secretary of Defense, and before July 1, 1988, shall submit to the Congress a five-year plan, to be updated and presented to the Congress each year along with the President's annual budget request, setting forth—

(1) a schedule for planned reimbursements from the Department of Defense for space shuttle services; and

(2) a schedule for the provision of such services.

SEC. 106. (a) The Administrator shall award to a domestic firm a contract that, under the use of competitive procedures, would be awarded to a foreign firm, if—

(1) the final product of the domestic firm will be completely assembled in the United States;

(2) when completely assembled, not less than 50 percent of the final product of the domestic firm will be domestically produced; and

(3) the difference between the bids submitted by the foreign and domestic firms is not more than 5 percent.

(b) This section shall not apply to the extent to which the Administrator determines that—

(1) such applicability would not be in the public interest; or

(2) compelling national security considerations require otherwise.

(c) For purposes of this section—

(1) the term "domestic firm" means a business entity that is incorporated in the United States and that conducts business operations in the United States; and

(2) the term "foreign firm" means a business entity not described in paragraph (1).

(d) This section shall apply only to contracts for which—

(1) amounts are made available pursuant to this Act; and

(2) solicitations for bids are issued after the date of the enactment of this Act.

(e) The Administrator shall report to the Congress on contracts entered into with foreign entities, by fiscal year, for the years 1982 through 1987, and shall submit such report to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate by January 15, 1988.

SEC. 107. (a) The Administrator shall establish a program for launching payloads by means of expendable launch vehicles, and, if available, by commercial launch services.

(b) It is the sense of the Congress that the Space Shuttle is a critical national resource that should be preserved; that it should be used primarily for those missions which require manned presence; and that a diversified family of expendable launch vehicles should be incorporated by use into the Nation's civilian space flight program.

(c) The Administrator shall take such action as may be necessary to ensure that expendable launch vehicles, or, if available, commercial launch services, are obtained for the launch of the following payloads:

Roentgen Satellite (ROSAT), for launch in 1990;

Tracking and Data Relay Satellite (TDRS)-F or a planetary mission, for launch in 1991;

Extreme Ultraviolet Explorer (EUVE), for launch in 1991; and

Mars Observer, for launch in 1992.

(d) The Administrator shall report to the Congress no later than October 1, 1987, on his compliance with this section, and shall submit such report to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

SEC. 108. (a) It is the sense of the Congress that the capital investment in space satellites and vehicles should be enhanced and protected by establishing a system of servicing, rehabilitation, and repair capabilities in orbit (hereinafter called "satellite servicing").

(b) The Administrator shall conduct a thorough and comprehensive study of satellite servicing with a view toward establishing national goals and objectives for utilizing such capabilities.

(c) In conducting the study of satellite servicing under this section the Administrator shall give consideration to—

(1) the use of the Shuttle, the Station, and other space vehicles to carry out or support satellite servicing;

(2) all potential users of satellite servicing capabilities, including civilian, defense, private, and foreign satellites and space vehicles;

(3) experience to date with in-orbit satellite servicing including the costs of such operations and the fees charged non-NASA users;

(4) the pertinence of satellite servicing to insurance, including the character, cost, and availability of insurance;

(5) the pertinence of satellite servicing to satellite and vehicle design;

(6) the pertinence of satellite servicing to NASA and other space programs, including science and applications programs; and

(7) the prices to be charged for satellite servicing such that the full costs of such servicing can be recovered.

(d) The Administrator shall complete the study and present a full report on it to the Congress on or before January 15, 1988.

SEC. 109. The Administrator shall review the findings, recommendations, and proposed space agenda of the National Commission on Space as set forth in its report submitted under section 204(c) of Public Law 98-361, and shall submit to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, within 60 days after the date of the enactment of this Act, a recommendation for a long-range implementation plan, including an impact assessment of such implementation on personnel, budget, and other resources.

SEC. 110. (a) It is the sense of the Congress that the solid rocket motor project of the Space Shuttle Program would benefit from competition.

(b) The Administrator shall institute competition in this project by undertaking the competitive design and development of an advanced solid rocket motor.

(c) The Administrator shall notify the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate within 30 days following a determination for any reason not to conduct the competitive design and development specified in subsection (b). The Administrator shall transmit such notice along with a complete explanation of the reasons supporting such determination. Following such determination, but no sooner than 30 days following the transmission of the notice required under this subsection, the Administrator shall—

(1) conduct a competition to select a qualified second source of supply (in addition to the current contractor) for flight sets of the redesigned solid rocket motor that is currently under development; or

(2) recompete the current source of supply for flight sets of the redesigned solid rocket motor.

The Administrator shall undertake the action described in paragraph (1) or (2) after consultation with the Comptroller General, giving primary consideration to the ability of each alternative to improve program safety and reduce program costs. The Administrator shall inform the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of his final determination including a description of how each alternative would further program safety and reduce program costs.

(d) The competition specified under subsection (b) or (c) shall be initiated as soon as sufficient technical and programmatic data are available to do so.

(e) The Administrator shall not sign or extend any contract with the current manufacturer for the purchase of additional solid rocket motors before the issuance of a request for proposals in furtherance of subsection (b) or (c). The Administrator may proceed with the procurement of long-lead materials from the current contractor only after the Administrator has certified to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate that such action is necessary in order to prevent a delay in the Space Shuttle launch schedule.

SEC. 111. Section 202 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2472) is amended by adding at the end thereof the following new subsection:

"(d) At no time may the two positions of Administrator and Deputy Administrator be occupied simultaneously by retired commissioned officers of a regular component of the Armed Forces who have been on active duty with a regular component of the Armed Forces within the last 10 years.".

SEC. 112. The Administrator shall keep the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate fully and currently informed with respect to all of the activities of the Administration.

TITLE II—SPACE STATION

CONSTRUCTION OF SPACE STATION; DECLARATION OF POLICY

SEC. 201. (a) The Administrator is directed to undertake the construction of a permanently manned Space Station (hereinafter called the "Space Station") in order to provide a facility for the following purposes (in the order of priority given):

(1) the conduct of scientific experiments, applications experiments, and engineering experiments;

(2) the servicing, rehabilitation, and construction of satellites and space vehicles;

(3) the development and demonstration of commercial products and processes; and

(4) the establishment of a space base for other civilian and commercial space activities.

(b) The Space Station may be used for research, experimentation, and exploratory development. The Space Station may not be used by or on behalf of any department or agency for the purpose of conducting on such Station the operational testing of any offensive or defensive weapon or weapons systems or deployment of any offensive or defensive weapon or weapons systems or in contravention of United States laws or treaty obligations.

(c) The Space Station shall be developed and operated in a manner that supports and does not infringe on other science and space activities.

(d) In order to reduce the cost of operations of the Space Station and its ground support system the Administrator shall undertake the development of such advanced technologies as may be appropriate within the level of funding authorized in this title.

(e) The Administrator shall seek to have portions of the Space Station constructed and operated by the private sector where appropriate.

(f) The Administrator shall promote international cooperation in the Space Station program by undertaking the development, construction, and operation of the Space Station in conjunction with (but not limited to) the Governments of Europe, Japan, and Canada.

(g) The Space Station shall be designed, developed, and operated in a manner that enables evolutionary enhancement.

CAPITAL DEVELOPMENT PROGRAM

SEC. 202. (a) For each of the fiscal years 1989 through 1996, the Administrator shall submit a budget request to the Congress for the capital development of the Space Station pursuant to section 201. With each such request, the Administrator shall include budget estimates for the fiscal year involved and the two succeeding fiscal years. The capital development of the Space Station shall be completed before or during fiscal year 1997.

(b) For any fiscal year during the capital development of the Space Station after fiscal year 1988, the President's budget submission to the Congress for the National Aeronautics and Space Administration shall contain an amount for Space Station development which shall in no case exceed 25 percent of the total budget submission for the Administration for that fiscal year.

(c) For purposes of this section, the capital development of the Space Station includes all direct research and development; space flight, control and data communications; construction of facilities; and research and program management activities associated with the construction of the Space Station and its supporting elements and services.

(d) Each year, along with the President's annual budget submission to the Congress, the Administrator shall submit a report which certifies compliance with subsection (b). Such report shall identify funding levels for each of the major development components as described in subsection (c).

OPERATION AND ENHANCEMENT

SEC. 203. (a) For any fiscal year following the last fiscal year involving the capital development of the Space Station, the President's budget submission to the Congress for the National Aeronautics and Space Administration shall contain an amount for the operation and any enhancement of the Space Station which shall in no case exceed 10 percent of the total budget submission for the National Aeronautics and Space Administration for that fiscal year.

(b) In addition to amounts authorized pursuant to subsection (a) of this section and pursuant to section 202, the Administrator is authorized to request separately such additional funds as may be necessary (in accordance with the policies set forth in section 201) for the utilization of the Space Station, with each such request being justified separately in terms of the goals and criteria of such utilization.

(c) For purposes of this section, operation of the Space Station includes all direct research and development; space flight, control and data communications; construction of facilities; and research and program management activities associated with the operation of the Space Station.

(d) For purposes of this section, enhancement of the Space Station includes all direct research and development; space flight, control and data communications; construction of facilities; and research and program management activities associated with the acquisition of additional Space Station elements and ground support facilities.

LAUNCH OF SPACE STATION ELEMENTS

SEC. 204. (a) It is the sense of the Congress that the launching and servicing of the Space Station should be accomplished by the most cost-effective use of space transportation systems, including the Space Shuttle and expendable launch vehicles.

(b) Not later than January 15, 1988, the Administrator shall submit a report on the cost-effective use of space transportation systems for the launch of Space Station elements during the development and operation of the Space Station. The Administrator shall consider—

(1) the potential use of future advanced or heavy lift expendable launch vehicles for purposes of the assembly and operation of the Space Station;

(2) the use of existing expendable launch vehicles of the National Aeronautics and Space Administration, the Department of Defense, and the private sector;

(3) the requirement for Space Shuttle launches; and

(4) the risk of capital losses using expendable launch vehicles and the Space Shuttle.

CAPACITY CHARGES TO OTHER FEDERAL AGENCIES DESIRING TO ENHANCE THE SPACE STATION

SEC. 205. The Administrator shall assess appropriate charges on other Federal agencies desiring to enhance the Space Station for their own purposes. Such charges shall be proportional to the proposed enhancement of the station. The proceeds of such charges shall not be applied to user fees assessed under section 206, and shall not be considered part of the funds authorized in this Act. The Administrator is authorized to construct the enhanced capacity for which such charges were assessed, provided that (1) the proceeds of such charges cover the full cost of the construction; (2) the Administrator finds and certifies to the Congress that the proposed enhancement is consistent with the provisions of this title and does not interfere with other uses of the Space Station; and (3) 30 days on which either the House or the Senate is in session have passed after the submission by the Administrator to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of a full and complete statement in explanation of the proposed construction.

NON-NASA USER FEES

SEC. 206. (a) The Administrator shall set and collect reasonable user fees for the use and maintenance of the Space Station.

(b) The Administrator shall set user fees so as to—

(1) promote the use of the Space Station consistent with the policy set forth in section 201;

(2) recover the costs of the use of the Space Station, including reasonable charges for any enhancement needed for such use; and

(3) conserve and efficiently allocate the resources of the Space Station.

(c) The Administrator may, on a case-by-case basis, waive or modify such user fees when in his judgment such waiver or modification will further the goals and purposes of the National Aeronautics and Space Act of 1958, including, but not limited to—

(1) the advancement of scientific or engineering knowledge;

(2) international cooperation; and

(3) the commercial use of space.

SUBMISSION OF PLANS

SEC. 207. (a) The Administrator shall submit to the Congress—

(1) a plan which outlines the total cost of the development and operation of the Space Station in conformance with the provisions of this Act. Such plan must include an analysis of the Space Station study being conducted by the National Research Council and of the report of the Office of Technology Assessment entitled "Civilian Space Stations and the United States Future in Space"; and shall examine alternatives for the configuration of the Space Station including but not limited to low cost alternatives; and

(2) a detailed plan for collecting reimbursable amounts for the utilization of the Space Station under section 206, including the services to be offered, the methodology and bases by which prices will be charged, and the estimated revenues.

(b) The Administrator may not obligate funds appropriated pursuant to the authorization contained in section 101(a)(1) of this Act in excess of $250,000,000 until 15 days on which either the House of Representatives or the Senate is in session have passed after the submission of the plan required by subsection (a)(1).

(c) The Administrator shall submit the plan required by subsection (a)(1) on or after January 15, 1988, and the plan required by subsection (a)(2) on or before September 30, 1988.

AGREEMENTS WITH FOREIGN ENTITIES

SEC. 208. Any agreement between the United States Government and any foreign entity concerning the detailed design, development, construction, operation, or utilization of the Space Station shall be submitted to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate. No such agreement shall take effect until 30 days on which either the House or the Senate is in session have passed after the receipt by such committees of the agreement.

TITLE III—OFFICE OF COMMERCIAL SPACE TRANSPORTATION

SEC. 301. Section 24 of the Commercial Space Launch Act (49 U.S.C. App. 2623) is amended by adding at the end the following new sentence: "There is authorized to be appropriated to the Secretary to carry out this Act $4,548,000 for fiscal year 1988.".

SEC. 302. Section 15 of the Commercial Space Launch Act (49 U.S.C. App. 2613) is amended by adding at the end the following new subsection:

"(d) Any agreement between a government agency and a commercial user involving terms and conditions under which the government will furnish goods and services to the user in support of production and/or launch of a launch vehicle shall be presented on behalf of such agency by the Secretary to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives for their review. No such agreement shall be effective until 30 days on which either House is in session have passed after the receipt by such committees of such agreement.".

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 17, line 23, strike "or" where it first appears and insert "if".

AMENDMENT OFFERED BY MR. MINETA AS A SUBSTITUTE FOR THE COMMITTEE AMENDMENT

Mr. MINETA. Mr. Chairman, I offer an amendment as a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. MINETA as a substitute for the committee amendment:

Strike all of section 201(b) and reletter succeeding subsections.

Mr. MINETA. Mr. Chairman, I rise to strike from H.R. 2782 the section concerning military uses of the proposed NASA space station, section 201(b).

This question of military uses of the space station has engendered an unprecedented level and intensity of debate in recent months. This debate now includes not only the Members of Congress and NASA itself, but also the White House, the Department of Defense, our allies, and the press here in the United States and abroad.

I am convinced that this debate will one day be recognized as the herald of a new era in space exploration and development. As we seek to uncover the mysteries of the vast laboratory of space, we must be clear in heart and mind what purposes and policy we are pursuing in our use of space.

We have already made great commitments to NASA and its programs. NASA has a long and successful record of which to be proud. I want to see NASA's successes continue. Thus, before we proceed much further in our technical plans for the space station, fundamental questions must be decided, questions which go the core of space policy in the United States. If the Congress does not carefully consider and debate this primary issue, it will be decided for us. Yet the direction to be decided is too vital for us to abrogate our role in setting policy.

The broad question before us is: "What should be the role of the military in space and in U.S. space programs?"

In 1958, NASA was established as a civilian space agency, and was charged with the responsibility of guiding our Nation's budding space program. At that time, we were struggling to take our first tiny steps beyond the Earth's atmosphere and into space.

During the nearly 30 years since then, America's space program has compiled a record of spectacular achievement—landing on the Moon, sending satellites to explore other planets, constructing the skylab, and launching the space shuttle.

Still, the focus of our space efforts during most of this time has been simply to access and explore space, to increase our scientific knowledge, and to further develop our space-related technology base.

In 1987, however, the United States is on the brink of a new space age. Our mastery of technology has increased to the point where we no longer have to struggle just to get beyond our atmosphere—we are making plans to live and work in space, to construct habitats, laboratories, even factories in orbit around our planet.

In the same way that we once mastered the sea and sky, our technological prowess now allows us to extend our living environment into space.

This same engineering ability that allows us to live and work in space will also give us the ability to fight there as well. Space-based military projects already include antisatellite weapons and satellite defensive systems, laser weapons, satellite coordination of land, air, and sea operations, rail gun technology, advanced communications networks, and many more. In the onrush of technology, space has become the new military high ground.

These advances bring us to a crossroads of American space policy. On one hand, our civil space program, led by NASA, is poised at the threshold of an era of extraordinary growth, with the potential to realize dramatic advances in the exploration of space, including permanently staffed orbital installations, the rapid development of commercial space ventures, and exciting advances in our store of basic scientific knowledge.

At the same time, our military space program, driven by technical and political imperatives, has become increasingly ambitious and has the potential to overwhelm and subsume civilian space activities. The U.S. Defense Department's budget for space programs is double—double—that of NASA. In addition, growing portions of NASA's activities are in support of military space projects.

In 1982, a GAO study found that 25 percent of all NASA expenditures were related to military projects. Basic science experiments have been crowded off the space shuttle in favor of military payloads. Military dominance of NASA's space shuttle fleet will be even more pronounced when flights resume again.

This conflict between our country's civil and military space programs comes into share focus over NASA's next major endeavor—the proposed NASA space station. The space station was conceived and authorized as a floating laboratory dedicated to the peaceful pursuit of science in a spirit of international cooperation. As such, the space station is expected to be a vital component in NASA's efforts to help renew America's leadership in space.

The space station represents an unmatched opportunity to achieve breakthroughs in a wide range of scientific fields, such as materials processing, electronics, and life sciences. The space station also has the potential to be a catalyst for the development of commercial uses of space and a viable U.S. space industry.

The problem is that the Defense Department has also expressed desire for the use of the space station. Defense options include using the facility as a platform for military research and development in areas such as SDI weapons systems and satellite warfare. Proposals have also been made to use the space station as a military depot or for command and control of ground-based military operations.

The decisions about our Nation's vision of the space station and its goals will set the tone for all future space programs. We cannot default on setting the course of the space station. We need a full, reasoned, debate.

We can see the crest of a great technological wave near at hand; yet our political vision lags far behind. Let us decide to meet our future in space fully prepared and certain of our course.

Let us strike this provision now and return to the issue in a more considered manner, rather than allowing this provision to be amended in an ill-conceived fashion.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. MINETA. I am more than pleased to yield to my very distinguished chairman, the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, we have reviewed this amendment and it does achieve a goal. We have no objection to the gentleman's amendment.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. MINETA. I yield to my very fine colleague, the gentleman from New Mexico.

Mr. LUJAN. I thank the gentleman for yielding.

Mr. Chairman, we accept the amendment. As the gentleman knows, that was our objective originally, and so from two different directions we have all come to the same point. So for that reason, Mr. Chairman, we on this side accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. MINETA] as a substitute for the committee amendment.

The amendment offered as a substitute for the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. LUJAN

Mr. LUJAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUJAN: On page 16, line 17, insert after Section 111 the following new section (and renumber the succeeding sections accordingly):

SEC. 112. (a) It is the sense of Congress that to ensure continued public support of the manned space program it is important that all qualified individuals have equal opportunity to participate, and therefore, that NASA should make every effort to fill as many mission specialist astronaut positions from among the qualified candidates from industry, academia, and other government agencies as from those within NASA and the military.

(b) The Administrator shall undertake a review of existing recruitment and selection procedures and practices for the mission specialist astronaut positions within the manned space program and submit a plan to the Congress which sets forth the actions that will be taken to ensure participation of qualified individuals from outside NASA and the military.

Mr. LUJAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. LUJAN. Mr. Chairman, the reason for this amendment is that we are concerned that civilian scientists from industry and universities have been virtually excluded from the astronaut program. Out of the last 45 astronauts selected, only three were not either military officers or already employed by NASA. As a matter of fact, only 1 of the 45 had no connection either to the military or to NASA.

I am concerned that by shutting out outsiders we are not only passing up a lot of good talent, but we are also in danger of losing public support for the space program. The fact is, Mr. Chairman, that there are far more potentially qualified people out there who want to become astronauts than there are slots for. So it is not fair that we limit the selection process.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman from New Jersey.

Mr. ROE. I thank the gentleman for yielding.

Mr. Chairman, we have reviewed the amendment. It is a splendid addition to our program, and we have no objection on this side to the gentleman's amendment.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Chairman, do I understand that the amendment as presently drafted is for a study of this particular concern, and is not specifying quotas of any kind for NASA, but simply is studying the problem with a report to come back to us? Is that the language?

Mr. LUJAN. That is correct. We want the NASA Administrator to review it so that he is aware of the problem. We do not set any quotas. We do not set any numbers.

Mr. WALKER. There are no mandates included in the amendment as presently drafted?

Mr. LUJAN. No, there are not.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. LUJAN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. TORRICELLI

Mr. TORRICELLI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendmend offered by Mr. TORRICELLI: On page 14 beginning on line 12, delete everything that follows through page 16 line 8, and insert in lieu thereof the following:

"SEC. 110. (a) It is the sense of the Congress that the solid rocket motor project of the Space Shuttle program would benefit from competition.

"(b)(1) The Administrator shall institute competition in the solid rocket motor project by issuing a request for proposals to undertake the design and development of an advanced solid rocket motor which shall be designed to improve safety, reliability, and flight performance. The Administrator shall also give considertion to constructing a government owned and contractor operated Solid Rocket Motor Facility which will include improved quality control, reduced operational hazards, reduced labor costs, and technology spin-offs to be sponsored by the National Aeronautics and Space Administration.

"(2) If for fiscal year 1989 the Congress does not provide funding for the design and development of an advanced solid rocket motor, and not later than the 30th day following the first successful performance of a redesigned solid rocket motor on a flight of the Shuttle thereafter, the Administrator shall—

"(A) issue a request for proposals for (i) a second source of supply (in addition to the current contractor) for flight sets of the redesigned solid rocket motor that is currently under development, and (ii) a single source of supply for flight sets of the redesigned solid rocket motor, and

"(B) in accordance with subsection (c), award a contract for a single or second source of supply.

"(c) If the Administrator issues a request for proposals under subsection (b)(2), the Administrator shall award a contract for either a single or second source as described in such subsection on the basis of the ability of a single or second source to further program safety and reduce program costs. In selecting a single or second source, the Administrator shall consider the findings and recommendations of the Comptroller General after the review conducted under subsection (d). No contract may be awarded under subsection (b)(2) before the Administrator has notified the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of such contract and 30 days in which either the House or Senate is in session has passed after the date of the notice. If the source selected by the Administrator differs from a recommendation made by the Comptroller General under subsection (d), the notice shall include a complete explanation of the reasons for the deviation from the recommendation.

"(d) The Comptroller General of the United States, in consultation with the National Research Council on matters of program safety, shall report his findings to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate whether having a single or obtaining a second source of supply for flight sets of the redesigned solid rocket motor for the expected duration of the Space Shuttle Program and any Shuttle-derived vehicle program would provide greater program safety and lower costs for the solid rocket motor program. In making such findings, the Comptroller General shall review proposals, as appropriate, made in response to requests for proposals issued under subsection (b)(2).

"(e) The Administrator shall not sign or extend any contract with the current manufacturer under the solid rocket motor project for the Space Shuttle program for the purchase of additional solid rocket motors before the issuance of a request for proposals in furtherance of subsection (b). The Administrator may proceed with the procurement of long-lead materials from the current contractor under such project only after the Administrator has certified to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate that such action is necessary in order to prevent a delay in the Space Shuttle launch schedule."

Mr. TORRICELLI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. TORRICELLI. Mr. Chairman, we come today to a point where the long struggle over the possibility of second-sourcing solid rocket motors for the shuttle program may be coming to a conclusion. In doing so, I would like first to commend the chairman of the committee, the gentleman from New Jersey [Mr. ROE], the gentleman from New Mexico [Mr. LUJAN], and the gentleman from Florida [Mr. NELSON], each of whom in their own way, and other members of the committee, have been extraordinarily helpful, and the gentleman from Pennsylvania [Mr. WALKER], as well, who has added suggestions and made additions along the way.

Mr. Chairman, in the struggle over second-sourcing of solid rocket motors, there has been much upon which we can disagree: questions of savings and safety. There is, however, I think, one thing upon which we all might be able to agree, and that is, if there is no advanced solid rocket motor program in the next decade, there is a possibility of real savings.

The committee's authorization that comes before this House today provides for such a determination. My amendment before this House at this time provides only, I believe, technical corrections providing for the definitions of when it appears necessary for us to consider whether there are savings and whether they can be realized. That is the nature of my amendment.

I believe that it can be agreed upon by all parties, and that it simply provides that if the administration does not go foward and this Congress does not go forward with funding an advanced solid rocket motor, at that time we will reach a determination of whether there are savings by going forward with a second source, or whether we would do better by pursuing another means.

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Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. TORRICELLI. Mr. Chairman, I yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Chairman, I want to commend the gentleman from New Jersey for this amendment, because it is a classic example of how effectively the committee addresses on a bipartisan basis an issue that concerns us all, competition.

I have been privileged to work with the gentleman from New Jersey on this amendment. We have worked our side of the aisle, as the gentleman has effectively worked his side of the aisle.

We are doing something very important. We are enhancing the likelihood of competition which, in the long run, is going to save the American taxpayers money and make people like J. Peter Grace, chairman of the Grace Commission, very happy.

I am proud to be a cosponsor of this amendment.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. TORRICELLI. I yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, I too support this amendment, and I know we do on this side.

It is a significant addition and smooths out a lot of our differences. Therefore, we have no objection to the amendment on this side.

Mr. WALKER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to engage in a colloquy with the gentleman from Florida [Mr. NELSON] with regard to the language presently in section 110 of H.R. 2782, and also to seek assurances that the amendment language that we are now considering would in no way change this situation, as I understand it.

I would like to clearly establish in the legislative history that section 110 of H.R. 2782 is not intended to replace or override other existing procurement laws or regulations.

Is it the intent of section 110 that additional guidance be given to NASA concerning the procurement of solid rocket motors?

Mr. NELSON of Florida. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Florida.

Mr. NELSON of Florida. Mr. Chairman, section 110 lays out a plan whereby competition in the solid rocket motor program can be accomplished through the procurement process so as to increase safety and reduce cost to the taxpayer.

Mr. WALKER. Is there any intent in section 110 to abrogate other existing laws or to establish any new procurement standards?

Mr. NELSON of Florida. No, it clearly establishes that the existing laws apply where appropriate.

Mr. WALKER. Specifically, does the Competition in Contracting Act of 1984 apply if the procurement action specified in section 110(b)(2) would result in a contract award not in the best interest of the Government?

Mr. NELSON of Florida. Yes, the Competition In Contracting Act of 1984 would apply if in such a specific case the NASA Administrator, in consultation with the Comptroller General, makes such a determination. The guidance contained in section 110 of H.R. 2782 states the clear intent that any contract entered into must be based upon safety improvement and cost savings to the taxpayer.

Mr. WALKER. Let me make just one more inquiry of the gentleman.

If the amendment of the gentleman from New Jersey is adopted, that would in no way change the situation that has just been described in this colloquy, is that correct?

Mr. NELSON of Florida. If the gentleman will continue to yield, that is the underlying law in the Contracting Act of the country.

Mr. WALKER. I thank the gentleman, and I see no problem with the amendment of the gentleman from New Jersey in that instance.

Mr. HORTON. Mr. Chairman, today, as we consider H.R. 2782 to authorize NASA operations for the next year, I am pleased that the Committee on Science, Space, and Technology has seen fit to include provisions regarding development of a second source for solid rocket motors.

The Government Operations Committee on which I serve held an extensive hearing on this issue last July. At that hearing, we heard from Dr. James Fletcher, the Administrator of NASA, the General Accounting Office which had done a study of the issue of development of such a second source, and officials of several rocket motor manufacturers. Based on the record of that hearing, I am convinced that competition in the procurement of solid rocket motors could result in both higher quality motors and lower costs of those motors to the Government. In addition to the cost benefits to the Government, a second source could assure NASA of a continuing supply of motors if the first supplier, for any reason, should be unable to deliver the number of motors necessary.

In the case of solid rocket motors, the same company has supplied motors for the space shuttle since 1973, when the original contract was awarded. Since then, there have been several additional "buys" of rocket motors, all from the original supplier. It has been reported in the trade press that this supplier will be given additional orders, as contract add ons, for parts of the new shuttle-derived vehicle [SDV] which will be used to launch the space station in the mid-1990's. Yet, there has been no further competition in this procurement.

As early as 1974—only 1 year after the original procurement was negotiated—and several times since then, NASA itself has considered development of a second source for these rocket motors. For a variety of reasons, these plans have never been fully implemented. Most recently in January 1986, in announcing plans to develop a second source, NASA stated its objectives included expansion of the production base, and economic benefits to the Government. The General Accounting Office testimony before our committee agreed that competition would achieve these results.

The benefits of competition are clear. I support the committee's efforts to increase competition in the procurement of solid rocket motors, and the Boehlert-Torricelli amendment.

Mr. OWENS of Utah. Mr. Chairman, the amendment being offered is a fair one for the American people and for the companies which compete on the open market to provide components for the U.S. space program.

Competition is a byword in American industry and this amendment simply calls for it. In addition, it is my opinion that this Nation's space program must continue to move forward, and more specifically that our space shuttle program resume operations at the earliest appropriate time.

I commend my colleagues for their work on an amendment which is fair to all. It protects the industrial base of my State and protects the American taxpayer.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. TORRICELLI].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: In section 106(a)(3) (page 10, lines 10 and 11), strike "5 percent" and insert "10 percent".

Mr. TRAFICANT. Mr. Chairman, specifically the legislation calls for a weighted advantage to American firms if the item is assembled in America with 50 percent domestic content. That language is already in the bill.

Let me advise the Members, though, that foreign firm means it would have to be produced outside the country. For example, if Toyota was in America, had a plant in America using 50 percent domestic content, they would be considered a domestic firm in that bidding round, so the only change is, it would take away the advantage from 5 to 10 percent, which is more in line with the fiscal data coming forth.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I am glad to yield to the gentleman.

Mr. ROE. Mr. Chairman, I thank the gentleman for yielding.

The committee on this side of the aisle has reviewed this amendment, and we think it is a substantive addition; and we have no objection to the gentleman's amendment.

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from New Mexico.

Mr. LUJAN. Mr. Chairman, I thank the gentleman for yielding.

We have reviewed this amendment on this side, Mr. Chairman; and we are perfectly happy with it.

The gentleman has long been an advocate of buy America, and I have supported the gentleman in the past, and support the gentleman now.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

Mr. McCURDY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, at this time I would like to enter into a colloquy with the gentleman from New Jersey, Mr. ROE, the chairman of the full committee.

NASA has long been involved in providing the concept of the tilt rotor aircraft. Along with FAA and DOD, NASA is completing a study on the extent to which the tilt rotor aircraft can enhance the efficiency of our civil aviation system.

NASA, of course, pioneered the tilt rotor technology with the XV-15 development in the seventies by Bell Helicopter Textron. The XV-15 takes off and lands like a helicopter and flies like a turboprop aircraft. This gives the aircraft the best of both worlds—vertical takeoff with the high speed and good fuel efficiency of a turboprop. The aeronautical research section of our bill provides for XV-15 wind tunnel prototype testing as well as performance testing on its advanced blades. The military is adapting the aircraft to the needs of all branches of service with the V-22 Osprey program which is now under full scale development.

The results of the civil tilt rotor study will be made public on July 29 and 30. Preliminary information from the study shows the tilt rotor has great promise to relieve some of the congestion in our civil airports. Because of that, I hope that NASA will take a closer look at the tilt rotor, along with the FAA, to see what follow-on technologies should be developed toward getting it into our civil aviation structure. Perhaps together they can suggest an appropriate plan which would expedite the process.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. McCURDY. I yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, I thank the gentleman for yielding.

That seems to me to be an excellent idea. Coming from New Jersey, I am very familiar with the actions of the Port Authority of New York and New Jersey. They are also just completing a separate study of the impact of the tilt rotor technology on the airports in the New York-New Jersey metropolitan area. As I understand it, their study will say that the civil tilt rotor aircraft should help greatly in relieving the air traffic congestion in the Northeast corridor.

If indeed the civil tilt rotor will help out in our civil air traffic system, I would be all for appropriate action. Perhaps we should hold a hearing on this possibility sometime later this year to explore the idea in some greater depth.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. McCURDY. I yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I certainly agree with the suggestion by my distinguished colleague from Oklahoma on civil tilt rotor aircraft. It appears to me to offer great potential in our civil as well as military aviation. In fact, I am advised that both the Soviets and a consortium of European countries are beginning tilt rotor programs at this time. We should move forward as fast as is technically and financially prudent. The idea of a hearing later this year is excellent.

Mr. MINETA. Mr. Chairman, will the gentleman yield?

Mr. McCURDY. I yield to the gentleman from California.

Mr. MINETA. Mr. Chairman, as the Member who chairs the Subcommittee on Aviation of the Committee on Public Works and Transportation, we are intending to hold hearings on this issue.

I have already met with the Boeing Commerical Air Co., Bell Textron, and some others like the New York-New Jersey Port Authority, so I will keep the gentleman from Oklahoma informed, and the gentleman from New York informed, of our progress on this.

Mr. McCURDY. I appreciate the gentleman's comments.

AMENDMENT OFFERED BY MR. SMITH OF NEW HAMPSHIRE

Mr. SMITH of New Hampshire. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of New Hampshire: Strike section 111 and renumber accordingly.

Mr. SMITH of New Hampshire. Mr. Chairman, my amendment deletes section 111 which includes language which I believe is ill advised. The language which is objectionable I would like to read. It says:

> At no time may the two positions of Administrator and Deputy Administrator be occupied simultaneously by retired commissioned officers of a regular component of the Armed Forces who have been on active duty with a regular component of the Armed Forces within the last 10 years.

I would like to point out, Mr. Chairman, the original language of this proposal was to ban retired officers from serving in that post completely, and was only toned after opposition in committee to 10 years. But in any case, I find the language objectionable.

Mr. Chairman, NASA's role as an independent civilian space agency was firmly established in the National Aeronautics and Space Act of 1958. Section 102 of the act clearly states that the aeronautics and space activities defined in the act shall be the responsibility of, and be directed by, a civilian agency. That is not the issue here.

I am not questioning the fact that NASA should rightfully be a civilian agency. NASA should be, and is, a civilian agency. There is no question about that. However, this should not preclude retired individuals who have served their country honorably and wish to serve it further in another capacity after their retirement, in this case in the NASA agency.

The need for my amendment is clear: Section 111 discriminates against fine men and women simply because that have served this country with honor and distinction in the Armed Forces of the United States. It restricts the ability of the executive branch to find qualified people for the job of administering this highly technical and complex agency. Why should we want to do that?

First of all, the National Aeronautics and Space Act makes clear that prior military experience alone should not preclude consideration of a qualified individual for a NASA administrative position. Section 202 of the act calls for the Administrator and Deputy Administrator to be appointed from civilian life by the President with the advice and consent of the Senate, and prohibits active, I emphasize, active, military officers or other people otherwise employed from serving in the two top administrative positions, thus assuring that the agency will not be directed by the military. Congress at the time wisely refrained from putting further restrictions on the qualifications of the Administrator or Deputy Administrator.

Moreover, in drafting this legislation before us today, the Science, Space, and Technology Committee recognizes a legitimate, cooperative relationship between NASA and DOD. Section 102 addresses the importance of cooperation, sharing discoveries of mutual interest, and avoiding unnecessary duplication of effort, facilities, and equipment. Section 203(b), paragraph 12, of the space act allows members of the armed services to be detailed to NASA. Adm. Richard Truly, for example, Associate Administrator for Space Flight at NASA, who now serves in that capacity and, I might add, with great distinction.

As a pragmatic matter, there is a lot of commonality in the programs, technologies, and so forth, between NASA and the military. It is not unreasonable to expect that the experience gained in certain military commands would be useful, and the expertise of certain individuals in these positions makes them highly qualified in some cases to serve as Administrator or Deputy Administrator. So, again, up until now—I emphasis up until now—Congress has never tried to use prior military experience as disqualifier for service at NASA.

If we accept the language of the bill and do not accept my amendment we have eliminated hundreds of potentially very qualified individuals just because they are retired military.

□ 1150

We ought to be including them, not excluding them. The language is simply a lingering, unfair bias. There is a presumption here, there must be a presumption here that retired military officers somehow will carry with them pro-military biases that will be harmful to NASA and ultimately harmful to the country.

This is an insult, an insult to the fine men and women who have served with distinction and honor in the Armed Forces. No such presumption of bias is made with regard to retired executives of aerospace firms. Moreover, if there is a concern with undue military influence on NASA, why not eliminate from consideration retired DOD civilians or retired executives from firms doing business primarily with the military? Under the logic of section 111 these individuals could presumably be just as biased toward DOD as retired military officers.

The point is they should not be eliminated from consideration, because they have served and they will continue to serve with distinction.

The only concern that I can imagine which would lead to this blatant discrimination is apparently a fear.

The CHAIRMAN. The time of the gentleman from New Hampshire [Mr. SMITH] has expired.

(By unanimous consent Mr. SMITH of New Hampshire was allowed to proceed for 3 additional minutes.)

Mr. SMITH of New Hampshire. I submit that this would not only be of grave disservice to these fine individuals but to the entire country. Let us take a look at the great leaders who are presently serving or recently served the United States of America. How about President Eisenhower, or President Washington or General Marshall, former Secretary of State or Vernon Walters, U.N. Ambassador, or Stansfield Turner, former Director of the Central Intelligence Agency or Deak Slayton in NASA or Senator DENTON or perhaps JOHN GLENN, currently a member of the U.S. Senate.

I think it is important to point out how increasingly difficult it is to attract highly qualified people to positions of responsibility in government.

As a member of the Space Committee for the past 3 years, it is clear that the pool of qualified people willing to take the position of NASA Administrator and Deputy Administrator, frankly, is especially limited in that a high degree of specialized technical competence is necessary. I cannot for the life of me imagine why we would want to arbitrarily limit the field further by eliminating from consideration whole categories of highly qualified, potentially highly qualified people.

Mr. Chairman, my amendment to strike the language of section 111 from the legislation has the support of all of the retired officers associations including the Navy League, the Air Force Association, the Association of United States Army and the Retired Officers Association.

There are 1.3 million Americans out there who served honorably and who have retired as officers and who have proudly served the United States of America in times of war and of peace.

To them we owe the freedoms we enjoy today and the fact that we even have a space program to debate today we owe to those men and women.

Let us not restrict these great Americans from further service to their country and most importantly let us not insult them by leaving the language of this bill intact.

Mr. Chairman, I urge the adoption of my amendment and I thank the chairman for the opportunity.

Mr. Chairman, I yield back the balance of my time.

Mr. MINETA. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. MINETA. Mr. Chairman, I rise in reluctant opposition to my friend from New Hampshire [Mr. SMITH]. But I feel compelled to rise in opposition to this amendment since I originally authored section 111 of this bill.

Mr. Chairman, section 111 of this bill is intended to reaffirm the established role of NASA as our country's civil space agency. Specifically, this provision would strengthen existing NASA guidelines that require the Administrator and Deputy Administrator of NASA to be civilians.

In 1958, at the dawn of America's space age, the National Aeronautics and Space Administration Act established NASA as a civil space agency. When President Eisenhower established NASA in 1958, he determined that this civilian space agency should be free from military dominance.

As a civil space agency, NASA has been able to gather the best minds our country has to offer—from industry, from Government, from academia, as well as from our Armed Forces.

Just as importantly, as a civilian-led space agency dedicated to peaceful exploration and science, NASA has enjoyed broad support from the American people for nearly 30 years.

We now find ourselves at the beginning of a new space age, an age of infinitely expanded opportunity and challenge. Now more than ever. It is important that we protect NASA's role as a civil space agency.

The language in the bill would amend the NASA Act of 1958 and strengthen the requirement for civilian control of NASA.

As in the past, NASA's Administrator and Deputy Administrator could not be active duty military officers.

This bill provides that at least one of the two positions of Administrator and

Deputy Administrator would have to be occupied by an individual with either no military background, or by a retired officer who has not been on active duty for at least 10 years.

These requirements are similar to restrictions used by other Government agencies or departments to ensure civilian control when the potential for undue military influence is of particular concern. In fact, these guidelines are derived from the requirements used by the Department of Defense itself to guarantee civilian control of DOD.

This provision is not antimilitary. This gentleman from California served on active duty and as a reservist in the U.S. Army for 18 years, and I have a deep and abiding respect for those who serve our country in the Armed Forces, and is also a member of the Reserve Officer Association of the United States. However, I think the integrity of NASA as a civilian space agency will be best maintained by the type of provision which governs the most senior appointments to the DOD.

The Secretary of Defense is prohibited from being a retired officer who has been on active duty within the last 10 years. The Secretaries of the Army, Navy, and Air Force may not be retired officers who have been on active duty within the last 5 years.

When such restrictions exist on these departments, shouldn't there also be a restriction on NASA, which is inherently a civilian agency?

The requirement for NASA administrators is much less stringent than that for the Administrator of the FAA. The Administrator of the FAA, at the time he or she is nominated, may not be on the active or retired list of any regular component of the armed services.

I do not believe that this provision would prevent the consideration of the most qualified person for the top jobs at NASA. Rather, I believe that being a civilian is a qualification for the job, and assures that NASA will remain essentially a civilian agency, devoted to exploration and research.

These basic guidelines are needed to ensure that NASA retains the wide support of the American people as a truly civil space agency. I do not believe that a NASA dominated by the military fulfills this objective.

Mr. Chairman, we have reached an important juncture for U.S. space programs. I ask my colleagues to defeat this amendment, and reaffirm the crucial role of NASA as a civilian space agency.

The CHAIRMAN. The time of the gentleman from California [Mr. MINETA] has expired.

(By unanimous consent Mr. MINETA was allowed to proceed for 4 additional minutes.)

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. MINETA. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Chairman, the gentleman cites the precedent of the FAA Administrator having similar restrictions on him. For how long has that particular restriction been in effect?

Mr. MINETA. I believe that was incorporated at the time of the Federal Aviation Administration Act of 1958.

Mr. WALKER. That is not something which has been added recently? Within the last several years?

Mr. MINETA. I do not believe so. I believe it was there in the original act. I could be corrected on that, but it is my understanding that it was in the original Federal Aviation Administration Act of 1958.

Mr. WALKER. I thank the gentleman.

Mr. MINETA. Mr. Chairman, I yield back the balance of my time.

Mr. LUJAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. LUJAN. Mr. Chairman, I rise in support of this amendment, because I see us doing something in the bill here that I do not think is very good, to deprive a veteran of a high position in government just does not seem to me to be the right thing for us to do. We now, as a matter of fact, have in law a prohibition against an active military person being the Administrator or Deputy Administrator. In the National Aeronautics and Space Act of 1958 it says, "There shall be in the Administration a Deputy Administrator who shall be appointed for civilian life," the first one is the Administrator and then this one applies to the Deputy Administrator, "Who shall be appointed from civilian life by the President by and with the advice and consent of the Senate and shall perform such duties and exercise such powers as the Administrator may prescribe."

Now what that says is that it cannot be an active military person in either the Administrator position or the Deputy Administrator position.

Now that is not peculiar to NASA. As a matter of fact, anyone that has to be confirmed by the Senate cannot be a military person unless there is a specific waiver. Now this extends it, however, to some person who has served their country honorably and who retires, we deny that person the opportunity to continue serving his country as either Administrator or Deputy Administrator.

We make veterans second-class citizens as a matter of fact by the wording in the bill.

Now we have had and do continue to have retired military people and as a matter of fact active military people who are helpful to the whole civilian space program. The names just stand out of military people who have performed excellent duty for NASA. You have Dick Truly, Admiral Truly, you have Bob Crippen who has flown I do not know how many missions, probably more than anyone else, John Young also, being a military person.

So what we are saying to them, "Just because you did serve your country you cannot serve in this position." We have, as a matter of fact, a gentleman who distinguished himself, General Abrahamson as head of the shuttle program and I really believe he would make an excellent Administrator some day if he decides to leave the military. So I just think that to treat our veterans in this manner is just something that we should not do.

For that reason I support the amendment of the gentleman from New Hampshire.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment of the gentleman from New Hampshire. Let us look at some of the arguments that were made against the gentleman's amendment, because I think it tells us more than maybe we really want to know about what is going on in the language which is in the committee bill.

First of all, we heard an argument that what we are dealing with here is the integrity of the agency, that we are afraid that it will become dominated by the military and so therefore we have got to protect the integrity of the agency.

Let me ask the gentleman from New Hampshire: Has the problem being addressed by the language in the committee bill ever arisen at any point in the whole 25-year history of NASA?

Mr. SMITH of New Hampshire. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from New Hampshire.

Mr. SMITH of New Hampshire. I thank the gentleman for yielding.

Mr. Chairman, no, it has not.

Mr. WALKER. In other words, we are addressing a problem that has never arisen that we do not have any reason to think might arise in the future, that is not a real problem at all in the language that is in the committee bill.

Mr. SMITH of New Hampshire. The gentleman is correct.

Mr. WALKER. And we are doing so in a way that then would limit the President's capability to pick the most qualified people at some point in the future and the qualification that we are taking away is that "if you are a veteran we are going to disqualify you from serving in the top two posts of NASA." Is that what I am understanding is going on here?

Mr. SMITH of New Hampshire. The gentleman is correct and that is why I have offered the amendment.

Mr. WALKER. Now I have a hard time understanding how it is that we are dealing with the integrity of the agency. My impression is that the people who have served in our armed services as military officers are among the people who have the highest respect for the civilian authority of this country, that they are people who have served under that civilian authority and who understand completely its implications. And the fact that they have retired from honorable service in the miltitary ought not disqualify them in any way, shape or form from serving in posts of public service.

□ 1205

I think what the gentleman is saying in his amendment is that we ought not disqualify people from public service simply because they have served us well and honorably in the armed services. I cannot imagine why the House would want to adopt any other position.

Mr. MINETA. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from California.

Mr. MINETA. Mr. Chairman, I thank the gentleman for yielding.

I think in this instance what we are trying to do is to be proactive rather than be reactive at some point in the future. I would like to prevent a military bias to NASA, and I feel that it would be better in this kind of an environment, at this time when things are still at the point where we are very supportive of NASA as a civil space agency, to put this kind of a provision in so that we may be able to clearly delineate NASA as the civil space agency.

The other thing I would like to point out is that this is really not an antiveteran kind of an amendment or provision, nor is this antimilitary. I have served as a reservist on active duty for 18 years, and I do not consider this as being antimilitary.

Mr. WALKER. Mr. Chairman, I understand the gentleman's point, but I am afraid, whether the gentleman intends it that way—and I certainly understand the gentleman does not intend it that way—functionally that is what it becomes, because what it is saying in the language that is now in the committee bill is that if you put on the uniform of your country and serve your country honorably, then we say you cannot be a person picked to serve in the highest offices of NASA. That seems to me to be wrong.

I guess what many of us do not understand is why we assume that someone who has served in the military is going to bring a promilitary bias into NASA. There are many people who have served in the military who understand the limitations of the military and, therefore, would make every effort to assure that some of those limitations do not move into other agencies.

I do not quite understand why, because someone has worn the uniform and has been an officer, we say that they should not serve. I would point to the fact that when this amendment was originally put in the committee, it was not on a 10-year limitation, as previously stated. What we had was an amendment that said that if you have ever served at any point as an officer, you would not be able to serve. It was modified in the committee to the 10-year mark. But it seems to me that the original intent of the amendment was very much given when we had the original language before us. We simply modified it to make it more palatable, but I do not think that makes it any better.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALKER] has expired.

(On request of Mr. BROWN of California, and by unanimous consent, Mr. WALKER was allowed to proceed for 3 additional minutes.)

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, I thank the gentleman very much for yielding.

May I just go over the point the gentleman was making and possibly, in the language that is sometimes used down at the White House, put a little different spin on it?

Is it true, as the gentleman stated, that in the past 25 years under both Republican and Democratic Presidents there has never been a situation different from what is prescribed in the language in the bill?

Mr. WALKER. That was the question I asked of the gentleman from New Hampshire, and I understand that the problem we are supposedly addressing here has never arisen. So I would say to the gentleman that that is what strikes us as being somewhat gratuitous about what we are doing here.

It is a slap at the veterans. It is an antimilitary slap, in my opinion, for no apparent reason.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield further?

Mr. WALKER. I am glad to yield to the gentleman from California.

Mr. BROWN of California. Then what the gentleman is saying, if I understand him correctly, is that we have never had a situation in which this language would have made any difference? It is in effect existing policy de facto, and what the gentleman is proposing is that we not continue with this existing de facto policy?

Mr. WALKER. Mr. Chairman, what this gentleman is proposing is that we stick with what has worked for 25 years and not put in additional qualifying language.

I point out to the gentleman why I think this is important. Many of the astronauts we now have serving have had a military background. They are people of very, very high qualification. I can imagine that some future President might want to pick two people who have served on our astronaut corps honorably and well as the two top people at NASA. I do not know that, but I think some President might want to do that. Under this amendment that President might be precluded from doing so at some point in the future.

I think that is wrong, and I do not see any reason why we ought to divert from the policy that has served this Nation so well for a period of 25 years.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield further?

Mr. WALKER. I am glad to yield to the gentleman from California.

Mr. BROWN of California. The policy that has served us so well for 25 years has been precisely the policy enunciated in the language of the bill.

Mr. WALKER. No, we have had no such language prior to now, and the Presidents have been in a position of choosing the most qualified people, even if they happen to be veterans, and I think that is the policy we ought to continue with.

Mr. PACKARD. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. PACKARD. Mr. Chairman, I simply would like to respond to my friend, the gentleman from California [Mr. BROWN], and say that simply because it has never been done before should not be justification for implementing into statute a procedure that has never been done before. If we would do that, we would not do anything in this country. I would not have run for Congress had I been precluded from doing so because of this.

Mr. WALKER. Mr. Chairman, let me say to the gentleman that we have never had a woman President either. I do not think we would probably want to adopt a standard on the floor that suggests that no women should ever run for President. I just do not understand that. That kind of a policy would be regarded as a gratuitous slap to women, and well it should be.

This is a gratuitous slap, it seems to me, at veterans and the military, and I do not think it should be allowed to remain in the bill. I certainly think we ought to support the language of the gentleman from New Hampshire [Mr. SMITH].

Mr. PACKARD. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, we did debate this in the subcommittee and in the full committee, and I think it has been well expressed that there has never been a reason in the past to be concerned about this.

The National Aeronautics and Space Act of 1985 guaranteed that NASA would be an independent agency, not prejudiced by outside pressures. The act requires that the administrator and the deputy administrator be appointed from civilian life, but retired military people are civilians. The act further prohibits both office holders from involvement in any other business or vocation. Furthermore, it should be emphasized again that the Senate confirmation process provides further additional safeguards against possible conflicts of interest.

The positions of Administrator and Deputy Administrator require an understanding of highly specialized technology. While there are many in the civilian sector who possess such knowledge, it does not seem wise to limit the field of eligible applicants. Certainly military people who have retired may also have these highly specialized technologies and skills. I want to see NASA function in the most efficient and effective way possible, and I do not feel that such limitations would be beneficial to NASA or to the space program.

I would also like to point out that the position of administrator has never been occupied, as we have already just discussed, by a retired military officer. The assumption that retired military would automatically carry into the office a conflict of interest is ludicrous and would only undermine the selection process in the future.

These two top NASA positions have never been occupied by retired military in the past. Experience and history have not dictated and motivated this limitation, and certainly we all want to have NASA remain in civilian control. But the traditional selection process has worked in the past and need not be changed.

The gentleman from California, who is the author of the original language in the bill to restrict, has stated that it is not his intention to be antimilitary, and I certainly accept that. But this language precisely does send that message to our retired military people. What is more important, it is an unnecessary message to send because procedures are already well in place to adequately address the selection process.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. PACKARD. I am more than happy to yield to my friend, the gentleman from California.

Mr. BROWN of California. Mr. Chairman, obviously there is merit in the point the gentleman makes, just as there is merit in the language in the bill. But let me pose a hypothetical example to the gentleman and see if it would cause him any problems.

One of the finest administrators in the military today is General Abrahamson. He has served in both NASA and he heads the SDIO, and he has done a brilliant job. I have said this quite often in public testimony.

It is quite feasible, without the restriction or without the language that is in the bill today, that the President might want General Abrahamson as the Administrator of NASA. He could retire him tomorrow as the President and appoint him the next day as the Administrator of NASA.

Now, there is no question about General Abrahamson's competence and brilliance, but does the gentleman see any conflict at all in having a man who has spent years running the space defense initiative and the next day moving over and becoming the head of NASA?

Mr. PACKARD. Mr. Chairman, I think in answer to the gentleman, that if such a situation came about where a nomination of this type was proposed, there are adequate safeguards. The process is adequate to address such a potential conflict of interest. Obviously the other body has the power to address this issue.

I think this is not only a slap in the face, though not intended, at retired military, I think it is also a slap in the face of the other body in terms of their authority to review such potential conflicts of interest and determine whether the most qualified person is being recommended for such a position.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield further?

Mr. PACKARD. I am glad to yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, does the gentleman consider it is a slap in the face of the other body to have in the legislation, as we do in the Federal Aviation Act, a similar proscription against retired military serving as head of the FAA?

Mr. PACKARD. Mr. Chairman, I think there are specific reasons for that being the case, particularly as it relates to the Secretaries of the different branches of services and the FAA. I frankly do not agree with the FAA proposal and would recommend that we change that, because I think there can be retired military people who can serve effectively in that position. Certainly Admiral Langdon has done a very creditable job in that area.

Mr. BROWN of California. Mr. Chairman, I admire the gentleman for his consistency.

Mr. SOLOMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment. With all due respect to the gentleman from California [Mr. MINETA], for whom I have a great deal of respect—certainly if there is any Member of this House who is not antiveteran, it is he, and I would not want to reflect in any way on him—I do have to say as the ranking Republican member of the Committee on Veterans' Affairs that I really am just alarmed at this language being in the bill.

I just discovered it a few minutes ago when I was sitting in my office, and I immediately placed calls to all the major veterans organizations. We have a letter from the Retired Officers Association, and naturally they are in opposition to this language as it exists in the bill. And as a 25-year veteran of the American Legion, as a member of the DAV myself, and as a member of the Marine Corps regulars, I can assure the gentleman that all the veterans organizations in this country would be opposed to this language.

I would just appeal to the gentleman and say that I would like to take this up with these organizations. I would like to take it up with the Committee on Veterans' Affairs and perhaps with some of the other committees to see if there is a need for this kind of legislation.

I look at this as Members of Congress serving on the Armed Services Committee for 15 or 20 years and, having retired, being prohibited for 10 years from filling this particular position or any other position. I ask any of the Members who are sitting here, many of them having been here for 15 or 20 years, do you think you ought to be deprived from serving in these positions because of actions you have taken as Members of Congress? The answer is no, I am sure.

Dwight Eisenhower, one of the fine Presidents of our time, certainly because of his military background was very, very much wary of any action that he would take that might espouse something from a military background.

Mr. Chairman, I just really wish that the gentleman would think about this and would accept the amendment offered by the gentleman from New Hampshire [Mr. SMITH] and let us sit down and see if we can work out something that would be equitable that would not discriminate against any American citizen, particularly those Americans who have given the best part of their entire lives, having retired from the military of this country.

□ 1220

I just think it is a bad policy. I really would appeal to the gentleman to accept the amendment. I would be glad to work with him and any other committee in trying to draft some legislation that would deal maybe with what the gentleman is trying to get at; but 10 years is just out of the question. I would certainly support the amendment. There is going to be a rollcall vote and I would hope by that time we would have an answer from all the veterans' organizations as to just how they feel about it, because we would like to work the doors and get everybody to vote for this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire [Mr. SMITH].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SMITH of New Hampshire. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 268, noes 135, not voting 30, as follows:

[Roll No. 251]

AYES—268

Alexander
Anderson
Andrews
Applegate
Archer
Armey
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bennett
Bentley
Biaggi
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boulter
Brennan
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Carr
Chandler
Chapman
Chappell
Cheney
Clarke
Clinger
Coats
Coble
Coleman (MO)
Coleman (TX)
Combest
Conte
Cooper
Coughlin
Courter
Craig
Crane
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeLay
DeWine
Dicks
DioGuardi
Donnelly
Dornan (CA)
Dowdy
Dreier
Dyson
Edwards (OK)
Emerson
English
Erdreich
Fawell
Fields
Fish
Flippo
Foglietta
Frank
Frenzel
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gray (PA)
Green
Gregg
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefner
Henry
Herger
Hiler
Holloway
Hopkins
Horton
Houghton
Howard
Hubbard
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (TN)
Kanjorski
Kasich
Kemp
Kleczka
Kolbe
Kolter
Konnyu
Kyl
Lagomarsino
Lancaster
Lantos
Latta
Leach (IA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Lott
Lowery (CA)
Lujan
Lukens, Donald
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mica
Michel
Miller (OH)
Miller (WA)
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (WA)
Murphy
Murtha
Natcher
Neal
Nelson
Nichols
Nielson
Ortiz
Oxley
Packard
Parris
Pashayan
Penny
Petri
Porter
Price (NC)
Pursell
Quillen
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Robinson
Roe
Rose
Roth
Roukema
Rowland (CT)
Rowland (GA)
Russo
Saiki
Saxton
Schaefer
Schneider
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Sikorski
Sisisky
Skeen
Slaughter (VA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stenholm
Stratton
Stump
Sundquist
Sweeney
Swindall
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Traxler
Upton
Valentine
Vander Jagt
Visclosky
Vucanovich
Walker
Watkins
Weber
Weldon
Whittaker
Whitten
Wolf
Wortley
Wylie
Yatron
Young (AK)
Young (FL)

NOES—135

Ackerman
Annunzio
Anthony
Aspin
Atkins
AuCoin
Bates
Bereuter
Berman
Bonior (MI)
Bonker
Borski
Bosco
Boxer
Brooks
Brown (CA)
Bruce
Bryant
Campbell
Cardin
Carper
Clay
Collins
Conyers
Coyne
Crockett
DeFazio
Dellums
Derrick
Dingell
Dixon
Dorgan (ND)
Downey
Durbin
Dymally
Eckart
Edwards (CA)
Evans
Fascell
Fazio
Feighan
Florio
Foley
Ford (MI)
Ford (TN)
Frost
Gibbons
Guarini
Hall (OH)
Hawkins
Hayes (IL)
Hertel
Hochbrueckner
Hoyer
Huckaby
Jacobs
Jones (NC)
Jontz
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kostmayer
LaFalce
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lowry (WA)
Luken, Thomas
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mfume
Miller (CA)
Mineta
Morrison (CT)
Mrazek
Nagle
Nowak
Oberstar
Obey
Olin
Owens (NY)
Owens (UT)
Panetta
Patterson
Pease
Pelosi
Pepper
Perkins
Pickett
Pickle
Price (IL)
Rahall
Rangel
Rodino
Roybal
Sabo
Sawyer
Scheuer
Schroeder
Schumer
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Stark
Stokes
Studds
Swift
Synar
Torres
Torricelli
Towns
Traficant
Udall
Vento
Volkmer
Walgren
Waxman
Weiss
Wheat
Wise
Wolpe
Wyden
Yates

NOT VOTING—30

Akaka
Beilenson
Bevill
Boner (TN)
Boucher
Coelho
Dickinson
Duncan
Dwyer
Early
Espy
Flake
Garcia
Gephardt
Gray (IL)
Hefley
Leath (TX)
Lent
Lewis (CA)
McDade
Myers
Oakar
Roberts
Roemer
Rogers
Rostenkowski
Savage
Smith (IA)
Williams
Wilson

□ 1235

Mr. BRYANT and Mr. MARTINEZ changed their votes from "aye" to "no."

Messrs. LANCASTER, LEWIS of Florida, BROOMFIELD, THOMAS of California, GAYDOS, KOLTER, YOUNG of Alaska, ORTIZ, BUSTAMANTE, GONZALEZ, TRAXLER, and NELSON of Florida changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MORRISON OF CONNECTICUT

Mr. MORRISON of Connecticut. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORRISON of Connecticut: Page 6, after line 24, insert the following new subsection:

(h) Notwithstanding the preceding provisions of this section, the total amount authorized to be appropriated by subsections (a), (b), (c), and (d) shall not exceed $9,367,000,000.

Mr. MORRISON of Connecticut (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MORRISON of Connecticut. Mr. Chairman, the amendment which I am offering is a very simple and straightforward one, and I will try to be brief in describing it. It is an amendment which caps the total amount authorized in this bill to the amount which the budget conference report which has been approved by both Houses sets.

□ 1245

That amount is $9,376,000,000. This amendment is an attempt to ask the House to state clearly that it intends to implement the budget resolution.

This is not a freeze of the amounts spent in prior years, and it does not target any program to be cut. It does add language to the authorization that says no more money may be appropriated by the Committee on Appropriations for NASA than the amount that budget resolution provides.

To do otherwise is to invite the process of nibbling away at the budget resolution.

Many Members have brought to the floor during the appropriation process amendments to cut below the budget on the grounds that the budget does not do enough to control spending. This does not attempt that kind of reduction.

This amendment merely says that which we have already agreed upon, the budget resolution, ought to be the governing instrument, the governing number for this authorization.

We have already done this on other major authorization bills by wide margins, sometimes without even a contested vote.

In the military authorization bill, the committee came in and reduced the amount of its authorization to what was then the House-passed budget level.

The housing bill, a specific amendment was passed adjusting the level of the housing bill to the amount allowed in the budget.

It has become the rule in this House that authorizations should not exceed the amount of the budget to encourage the choices that are made by the authorizing committees to be real and to have weight in the appropriation process.

This authorization bill is $155 million above the budget, and this amendment would bring it within the budget. This is not a meat ax cut.

It is not across-the-board picking out particular programs. It is not any of those things. It is a cap.

It says to the Committee on Appropriations, do not exceed the budget with respect to the two functions that are contained in this authorization.

The passage of this amendment will not tie the committee's hands to make adjustments as to where the cut ought to be made.

In going to conference and in respecting the wishes of the House, the authorizing committee will be fully free to make adjustments in particular line items. That is the reason that this is not presented as an across-the-board cut, or as a cut to specific line items, but rather as a cap on the total amount authorized.

Let us look at a little bit of a historical perspective of what is being authorized even with this amendment, $9.4 billion. Just 2 years ago I stood on this floor and offered a freeze amendment to the NASA authorization at $7.5 billion.

Almost $2 billion more than that is what we will be authorizing if this amendment passes.

This Agency has received and will continue to receive substantially more resources than inflation growth would dictate. This Agency has, if anything, been a favored agency with respect to the allocation of scarce dollars within the budget.

The last thing that should happen is for this House to go beyond that generous accommodation to this Agency and say that we are going to bust the budget in terms of the authorization.

I urge the House to accept this amendment, to say what I think the House has tried to say repeatedly over the last several years, which is that when we pass a budget spending limit, we are going to try to live within that limit.

To do otherwise is to shirk our duty to try to do something about the deficit.

Mr. ROE. Mr. Chairman, I rise in vigorous opposition to this proposed amendment.

Mr. ROE. Mr. Chairman, I have the highest regard for the distinguished gentleman from Connecticut [Mr. MORRISON] and I have high regard for Members who come into this well and they talk about what we should be doing to reduce costs.

Every Member wants to do that, but for Members to come to the floor just because it is the thing to do to cut something, and the assumption that the House should work mindlessly without using our heads and our wisdom and our training and our learning as to what priorities in America really are, I do not believe we have that kind of situation existing here.

I believe that the Members of this House understand these bills and understand the situation.

The Members say to us, well, it is only a $155 million cut. I will be honest with the Members upfront. We are $41 million over. We admit to that.

We admit to that, because it is the right thing to do. We are a little bit of a year later when seven people lost their lives in service to this country, and this country had its future at stake as to whether or not this country is going to remain the leader in space on the cutting edge of advanced technology and create new ideas and new wealth and new direction for the country to go, hope and spirit for the young people.

The one place that everybody agreed in was the NASA program in space, the last frontier of mankind.

I am telling the Members today upfront, I have served in this body 18 years, and probably would not fight this vigorously, because I understand the process—please give me that indulgence, I understand the process—but it is wrong to come before this House and say that we will cut $155 million from an authorization bill.

Our job, by the way, is to present to this House and to this Nation what we believe the schedule and the functions ought to be.

The obligation and responsibility on the levels of funding go to the Committee on Appropriations, as it should be.

If we do not agree with them at that time, we rearrange our priorities. We come back and say it is not a target program cut. To the gentleman from Connecticut, where will you cut it from? Will you cut the money out for the wind tunnels?

If we do not rebuild the wind tunnels, we are not going to be able to test the equipment and provide for the safety of the people involved.

We do not want to make this a rule thing that this is a process going along.

Let me tell you something, we lost $200 million because we did not move to get in ELV available to be able to launch the Mars Exploratory Program. It is going to cost us $200 million.

Did we save anything? Of course we did not. We fooled the American people again and we said we had to wait and delay.

Were we capable of launching that Mars Observer? Of course we were. Had we put our money where it should have been, we would have made a profit if we had launched it 2 years earlier.

The gentlewoman from Maryland spoke about the Hubble telescope. That cost us $1.2 billion to build. It sits there on a shelf. What is it costing us to hold it on the shelf? It is costing us $6 million a month just to keep it on the shelf and try to keep it to start that program launch for 1988 now from a program that was started in 1976, as I recall.

So what are we saying in this particular bill? This bill is not a regular authorization bill where we can take a piece and a part. What are we going to take off, the wings? Are we going to take away the oxygen tank? Are we going to cut it?

We are coming back and saying that this committee laboriously, and I admire this committee enormously, worked over every single detail in this bill. We were honest, however. We did not try to fool the Members of this House. We came to the floor and we said to the Members, yes, regrettably we are $41 million over, we admit that. But we believe that the competitiveness and the future of America depends upon this decisionmaking process at this time.

Let me tell my colleagues something else. We passed a homeless bill here, I voted and worked strongly for it, and we passed a trade bill. Some did not agree and some did. In the trade bill we said we ought to be providing a mechanism to put people that get out of work because of unfair competition, we ought to provide a mechanism and provide funding to help them with their homes and to help them with their unemployment and to try to retrain them. What in God's name would we be achieving here? Do my colleagues want to slow down the space station, and then we will throw 365,000 people out of work in Texas, in California, in Alabama, in Louisiana, and Florida. Do my colleagues want to destroy the economy? That is what we are talking about, and I suggest to the Members of this House, and if I seem vigorous I am vigorous, vigorous because it is not the right thing to do, and this is one area where this country excels. This is one area where this country is absolutely in the leadership. If we give it up now, we are giving up the leadership of this Nation.

Mr. PACKARD. Mr. Chairman, I move to strike the requisite number of words and I rise in strong opposition to this amendment.

Mr. Chairman, some of the most fiscally conservative Members of the House serve on the Subcommittee on Space Science and Applications. We have gone to great lengths to try to prevent this committee from simply being a spending committee, but we analyzed very carefully every program in the science area, and particularly in the space program in an effort to make certain that our taxpayer dollars are going to be spent in the best possible way to promote one of the most popular programs we have had in the history of this country.

We do not build up our budget requests in an effort to simply add more money to programs. We believe that we do an excellent job of carefully managing the money requests.

The *Challenger* accident rendered almost a mortal blow to our space program just a year and a half ago, and our Subcommittee on Space Science and Applications has worked tirelessly in this last year and one-half to rebuild that program and to give it direction and to strengthen it to where it can move forward after such a terrible blow. To render another major blow in the recovery program of our shuttle and our space program by not funding adequately that recovery process would be a tragic mistake.

Mr. Chairman, I implore the Members of this body not to cut in this specific area. Again, I have been one of the strong proponents of cutting the budget. I have been a consistent voter for it, but in this instance, to isolate this program separate and apart from all of the other programs in the House in an effort to cut back I think would be a tragic mistake. If it could be across the board, perhaps that would be more palatable, but to call upon the space program and our science research programs to simply bear the burden of further cuts, when other programs, social programs and so forth, are not sustaining their portion, would be a mistake.

Mr. MORRISON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. PACKARD. I am more than happy to yield to the gentleman from Connecticut.

Mr. MORRISON of Connecticut. Mr. Chairman, I understand the concern of the committee to provide as much as possible to do the job that it believes needs to be done. But the question I have for the gentleman from California and the gentleman from New Jersey is what are the other programs in the budget which we have approved that they want to cut for this $155 million that this authorization is over the budget, because that is the choice that they are trying to throw off from this discussion.

Obviously within this budget I could have proposed to cut particular items, but I really left that open because I think the authorizing committee should make those judgments as it goes to conference. But the question really for the gentleman is where does he want to cut this $155 million, because if it does not come from here, as the budget projects, it has to come from somewhere else.

Mr. PACKARD. We have not imposed these kinds of constraints on other programs and other appropriation processes that have come to the body of this House. The House has not gone along with the cuts routinely proposed. Now to cut this program when we are right in the heart of our recovery program would be a mistake.

Mr. NELSON of Florida. Mr. Chairman, will the gentleman yield?

Mr. PACKARD. I am happy to yield to the gentleman from Florida, the chairman of the subcommittee.

Mr. NELSON of Florida. Mr. Chairman, I would like to further amplify on the answer of the gentleman from California with regard to the point raised by the offerer of the amendment.

The budget resolution, and I had the privilege of serving on the Budget Committee for the maximum 6 years, is not intended to go to a specific small agency. The budget resolution groups categories, some 19 of functional spending. NASA is found in the budget resolution to be in two of those functions. One is function 250, which is science and technology, and additionally function 400, which is transportation.

The broad budget guidelines are instructions from the budget resolution to the Appropriations Committee in its 302(b) allocation of which, under Chairman Boland's subcommittee, he has many agencies, and it is his instruction, and it is his prerogative as the Appropriations Subcommittee chairman to allocate as he sees fit.

☐ 1300

What we would be doing if we adopted Mr. Morrison's amendment is we would be tying the hands of the Appropriations Committee which the budget resolution was not intended to do, by virtue of limiting this authorization. I thank the gentleman for letting me give this explanation.

Mr. PACKARD. I think it should be further clarified that we carefully went through every category within the jurisdiction of our committee and subcommittees in an effort to make these cuts.

The CHAIRMAN. The time of the gentleman from California [Mr. Packard] has expired.

(By unanimous consent Mr. Packard was allowed to proceed for 2 additional minutes.)

Mr. McCURDY. Mr. Chairman, will the gentleman yield?

Mr. PACKARD. I yield to the gentleman from Oklahoma.

Mr. McCURDY. I thank the gentleman for yielding.

Mr. Chairman, I want to associate myself with the remarks of the gentleman from California, especially the remarks of the chairman of the full committee, the gentleman from New Jersey [Mr. Roe]. In general debate I made the point, and I think it is important to emphasize this, the one area of our entire commercial sector where we have a surplus is in civil aviation; $11 billion trade surplus. Yet they want to come in now and cut the one thing that is the support mechanism for the one industry that is showing that we can do it right. They are gaining on us every day. The French captured 42 percent of the commercial market last year, the Japanese are making gains. Yet the one area where we have shown that this partnership has been successful, where we have winners is the area they are wanting to cut today. I think it is a mistake. We have to continue to support this area.

I disagreed with the Committee on the Budget's priorities when it came to this Committee on Science, Space, and Technology and on defense, and we hoped the conference would come back at a higher level. This is an authorization bill, it is not the appropriation bill. But to go in there and specifically mandate that we cut NASA today I think is a grievous mistake.

I appreciate the gentleman yielding.

Mr. PACKARD. In conclusion, the President earmarked our science and research area and our space program as a high priority program in his budget proposal and I think it would be a mistake to cut it further below this level.

Mr. NELSON of Florida. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I have already had the privilege of speaking to the issue of the budget thanks to the yielding of the gentleman from the State of California. Let me speak to the issue of the substance very quickly. I will not take anywhere close to the 5 minutes. But the gentleman from Connecticut's amendment does more than he thinks it does. What it does—he thinks it is a limiting amendment but in the process of capping the figure at $9.367 billion, what he has in effect done is limited the Appropriations Committee from providing such sums as may be necessary in the space shuttle recovery effort. Now we specifically wrote this language, "such sums as may be necessary" instead of a dollar figure into this bill because we do not know precisely how much it is going to cost in fiscal year 1988 to get our space shuttle recovery effort underway so that we can get back into space.

We allow that flexibility to the Appropriations Committee. This is an authorization bill. It is not an appropriation bill.

Let me tell you: On behalf of the astronauts of this Nation, we do not want to limit the appropriations of this Congress in providing the sums that are necessary to improve that space shuttle system so that we can get back timely and so that we can get back safely into space.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. NELSON of Florida. I yield to the gentleman from Louisiana.

Mr. HUCKABY. I thank the gentleman for yielding.

Mr. Chairman, I certainly support the remarks of the gentleman. In my opinion, NASA represents the future of this country more than any other single Federal agency. Certainly we have had almost a 2 year delay here in our timetable. We need to get on with the program. We need to provide adequate funding so that ultimately we can have that space station and have the fantastic things for the future.

Certainly this is an area I do not think it makes sense to cut. I appreciate the gentleman yielding.

Mr. MORRISON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. NELSON of Florida. I yield to the gentleman from Connecticut [Mr. MORRISON].

Mr. MORRISON of Connecticut. I thank the gentleman for yielding.

The gentleman made a point about the provision for "such sums" with respect to the space shuttle. What the gentleman is telling the House is that this authorization in fact would authorize $155 million that it is already over the budget in the itemized accounts, but that in fact more money over the budget would be authorized by the passage of the bill in its current form.

Mr. NELSON of Florida. That is correct and that is specifically why we did it. You see, where the amendment of the gentleman ought to be targeted is to the appropriations bill, not to the authorization bill. Indeed it is the budget resolution that becomes legally binding upon the 302(a) allocation to the Appropriations Committee and its subsequent breakdown to its appropriation subcommittees in the 302(b) allocation. And what the gentleman has done, the gentleman from Connecticut, is that he has had an unintended effect here that, were he to offer this amendment to the appropriations bill he would be more technically correct.

Mr. MORRISON of Connecticut. I appreciate the gentleman yielding further. I appreciate the gentleman's statements about the process. With all due respect, I understand the process I think and the fact is that that appropriation bill about which we are talking does not have a whole lot of fat to be dealt with. Two other major items in that appropriation bill are the Veterans' Administration and HUD. Those are the two major items.

It is a large appropriation bill but it is full of items which have great priority in this House and which have already been authorized for large sums of money. There is no fat in there for the gentleman from Massachusetts [Mr. BOLAND] to go looking for such sums in this $155 million.

I think the House will do the gentleman from Massachusetts a service if it indicates that it wants him to work within the budget. And I think that is what this vote will mean and I hope the House will respond favorably to the amendment.

Mr. NELSON of Florida. We ought to let Mr. BOLAND speak for himself, but I am just telling you as a matter of the legality of the process, what the gentleman is doing is shackling Mr. BOLAND from being able to work the will of the committee and the budgetary process, which was not intended to shackle the appropriations in its 302(b) allocation, particularly not when the 302(b) allocation goes to a huge amount of funds far in excess of the $9.5 billion that is allocated to this agency which is NASA.

The CHAIRMAN. The time of the gentleman from Florida [Mr. NELSON] has expired.

(By unanimous consent Mr. NELSON of Florida was allowed to proceed for 1½ additional minutes.)

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. NELSON of Florida. I yield to the gentleman from Michigan.

Mr. PURSELL. I thank the gentleman for yielding.

I would like to have a colloquy with the gentleman from Florida [Mr. NELSON] if he would care to respond.

Mr. Chairman, I have great respect for the gentleman from Florida who has been a major national leader in the space program. But, you know, if we carried this logic "such sums as necessary" to every authorization bill this Congress would be in deep trouble.

Now, cost effective managers cannot get bid projects out and cannot administer a good space program within budget, and to put a language in this bill and any other authorization/appropriation bill "such sums as necessary" opens the door extremely wide for large excessive spending by managers and agencies of the Federal Government.

I think the Morrison amendment is appropriate but I just do not think that language is the correct policy for this Nation in any legislative authorization bill.

Mr. NELSON of Florida. I am going to reclaim my time, because in the remaining seconds that I have I want to challenge the statement. If the gentleman wants to make his argument he can certainly get his own time.

This bill does not say that. You did not hear the arguments here that "such sums as may be necessary" is totally the language replying to the shuttle recovery effort which to date we do not know, projecting for next fiscal year, to get us back into flying into space, what precisely that number is. That is for the Appropriations Committee to ultimately appropriate.

Mr. BATES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I generally do not speak on these budget matters but I feel compelled here to join Congressman MORRISON in his valiant attempt to go against the tremendous power and forces of the committee here who have made this NASA program the centerpiece of their efforts, and properly so.

The arguments are that this is the single most important program for this country and its future. One could debate that, but certainly it is an important program. One could debate that all of the different programs that come before us, all individually are the single most important program that represents the future of this country whether it is in trade or defense or human services or protecting the environment. But the truth is each one of these programs individually are destroying this country because of the cumulative amount, of the tremendous amount of spending that is going on. This particular vote is the only time that a committee has come before the House and exceeded the budget. And far different from the bipartisan coalition to attempt to reduce even further than the budget resolution the cuts because there is a tremendous need to take us out of the wilderness in the era of deficits that we have now entered with our annual budget deficit, the national debt, the interest on the debt, farm debt, defaults, and trade imbalance and the list goes on and on. Third World debt, the country is out of control with regard to fiscal responsibility.

To simply scare people or make people afraid that the country is going to rack and ruin if we do not add more money and more of an increase than we have given to the star wars program.

We have hearings going on right now with Iran-Contra which showed that lies can be told, the Constitution can be attempted to be overthrown by renegade administration officials and all we get as a reaction is a yawn,

Here we are attempting to stay within the budget. If it does not make any difference then why not support the $9.367 figure? I think it does make a difference, it makes a big difference. And I think we need to begin by stop making the budget resolution, authorization bills, appropriation bills, the 302 process, outlays, expenditures, what is actually spent; all our exceptions. Every time we come before the House we want to waive a rule, make an exception, spend a little more money. It is just like we come here with a goal of being a "Will Rogers" Congressman, we never meet a spending bill that we do not like.

I think it is time to bring some fiscal restraint to the House, support the Morrison amendment, and get on with business.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I did not support the budget resolution because I thought it had some of the most screwed up senses of priorities that ever came down the pike.

Now we find out just exactly how screwed up they were when we come out with this kind of an amendment, because what we are really saying is we ought not to address the future, we ought not address the legitimate defense needs of this country and we ought to focus instead on the things that the Budget Committee ended up saying were high priorities and then bind us to those priorities.

Those priorities were wrong. This amendment is wrong. The gentleman from Connecticut 2 years ago came out with a similar kind of amendment. I supported him at that time. It was a terrible mistake because what we ended up doing was we ended up taking the money out of that program, this program at that time, and do in no others.

So what we did was we crippled the future in order to support the past. I would say to the gentleman why instead do we not take $600 million out of Amtrak which is essentially a program with a past? Why should we—why not put the money into going into the future where the real future of our kids lies? There are some programs that we address in this House that really address the future. Education is one of them. We ought to put money into education, because that speaks for the future. We ought to put money into science, space, and technology because that addresses the future. And some of the crap that we have around here that addresses only the past we ought to get rid of. Those are making real budget priority decisions. This would be a terrible, terrible mistake to make this kind of budget priority decision, because what we are really saying if we pass the gentleman's amendment is that we have no sense of the future. I hope we will not pass this amendment. I hope we will recognize that the budget we passed here was a terrible budget, that it had some of the worst priorities that have ever come down the pike. And I hope that we will not reratify that in something that we do here today. This bill is a good bill. It has some problems in it. I acknowledged those in the beginning. But it is basically a good bill. It is a bill that does recognize what the future of this country demands. It seems to me that it deserves the support of this body. Vote "no" on the Morrison amendment.

□ 1315

Mr. PERKINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. PERKINS. Mr. Chairman, I stand here with trepidation today because this is one of the few times I can ever recall when I sincerely agree with the words uttered by my friend and colleague, the gentleman from Pennsylvania [Mr. WALKER].

Indeed I have great respect for my friend, the gentleman from Connecticut [Mr. MORRISON]. I think he is one of the most sincere, able Members of the House. But what we are talking about today is truly something that is a prioritization for the future. I stand here as a member of the Education and Labor Committee, and I think everyone in this Chamber realizes that my priority has consistently been to try to provide funding for education to give us the tools and the knowledge for the future so we can have a future that is worth living and that is worth looking forward to.

NASA and the programs of science are the programs that give us room to expand toward something for the future. This is a continuation of the education process that I believe it.

We are spending today about one-tenth the amount for basic research for science and space that we were in the 1960's. During the period since then we have seen the outflow of new goods that we have received from NASA that literally, according to some estimates, are worth a half trillion dollars. We have had testimony before our committee. It is powering our economy today. What we have had given to us by the Space Program and by science has been the product of something that is powering this Nation's economy.

There is no room to take a backward step. We have got to continue focusing on education, we have got to continue focusing on research, and we have got to continue to expand our society. If we do not go forward as a society, we stagnate and we fall apart. That is the lesson of history. Today we can continue to make that onward march. We cannot fall by the wayside.

Mr. Chairman, I ask the Members to vote against the Morrison amendment. Give us a chance to continue moving forward.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this opportunity as the ranking minority member of the HUD and Independent Agencies Subcommittee of the Appropriations Committee, pursuant to this authorization for NASA, to make a few observations about the role of the budget process in reaching decisions of the sort we are facing at this moment.

The point I want to make is that we really cannot look to the budget process to determine how much money ought to be authorized or appropriated for the Space Program. The budget process is intended to give us an overall limit on spending and an overall target in terms of revenues to be raised, and it also gives us a handle, if we choose to use it, through the reconciliation process on dealing with entitlements and multiyear appropriations.

There is no way the budget process can reach rational decisions on the level at which we are debating this afternoon, and it is not intended to. I would like to think that the fact that it is not intended to explain why the Budget Committee suggested that one way of reaching their target for science funding was that we could cut the Space Program by $1 billion, because all of us who are familiar with that program know that we are at a very crucial point in that program.

If we want to move ahead and put back together a first-class Space Program for this country, we are going to have to spend the money to do it. It cannot be done cheaply, and unfortunately, we are at a very critical point in that process. Fortunately, when we got to the conference with the Senate on the budget resolution, the largest part of that billion dollars was restored. Some, unfortunately, was not. But the fact of the matter is that the budget process cannot make that kind of decision.

The Budget Committee simply does not have the capacity to go into all these programs and learn the minutiae of all these programs and reach final decisions program by program on what we are going to do. That is the role of the authorizing committees and of the Appropriations Committee.

As the gentleman from Florida pointed out earlier in this debate, there is a constraint that the budget process imposes on us as we go along through the year, and in our subcommittee we are going to have to face the fact that we have a 302(b) allocation which limits the total amount in terms of budget authority and outlays that our subcommittee can bring to the House, and if we fund NASA more, we are going to have to fund one of the other agencies under our jurisdiction less. That is the constraint the budget process imposes and should impose.

But, Mr. Chairman, I plead with the Members, do not let the budget process cloud your judgment this afternoon. We need this higher authorization for the NASA Program. The program is at a critical point, and I, therefore, urge the Members to defeat the amendment.

Mr. LEWIS of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, reluctantly, I find myself standing before the Members to argue against a reduction in the budget, and I say that because I do think we have problems of overspending. But I really feel that the more we tinker with the NASA budget, and particularly our Space Program, the more we are going to continue to cut out the critical areas of research and development that are so necessary for us to maintain a lead over the Soviet Union.

We already have problems in our space program. First of all, it is lagging. We also have to take into consideration the fact that we cannot lift the weight that the Soviet Union can lift. They can put up a larger orbital laboratory than we can.

We also find that the competition with the Soviet Union is getting closer and closer, and soon we are going to find ourselves behind. It is time that we look at making an exception on what we cut and what we do not cut.

We raised the defense budget; we all agreed on that. But then again we turn around and we look at the space budget and we say, "Now, that's a good place to cut," and then we start cutting it. It is time that we stopped doing that.

We are in a position where we are ready to lose the private sector area to the French and the Ariane Program, and that is something we should be heavily involved in. But we can only be involved in it if our R&D is continuing to move ahead.

This may, in a $1 trillion budget, sound like a little bit of money, and it is comparatively a little bit of money. But it is a large, large piece of money to the future of our Space Program, and I strongly urge the Members to withhold support of this amendment and uphold the NASA bill as it has been proposed to us on the floor today.

Mr. PURSELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I know that the hour is late and Members want to go home, including myself, but I want to address the Morrison amendment.

I know there are some who say it is only an authorization bill, that it is not the final decision on dollar spending, but it is the initiation of an authorization bill that sets some definite dollar figures. The Morrison amendment takes only $150 million out of a $9.5 billion authorization bill. That is a very, very small percent.

If this Congress cannot reduce this particular bill at this minimal level, then I think not only is our national debt in trouble this year but we are going to remain on that spending spree for the next 2 or 3 years.

This particular Space Program is important, and all of us on all of our committees should suggest that all of our programs are important—clean water, clean air, highways, Customs, Treasury, Justice, Education, Labor, research. We can all line up here and list all of the programs that are critical.

But above all those programs, notwithstanding their importance, is the issue of the Federal deficit and how it can destroy our children's children who will be faced with this debt.

So I think it behooves us from a sense of just some minor degree of fiscal responsibility today to take a look at this one minor amendment. Very significantly, it takes out only $150 million from a $9 billion authorization bill.

Mr. Chairman, if we cannot support the Morrison amendment on this issue, then I think the Congress is in trouble for the remaining budget cycle, the continuing resolution and the appropriation bills yet to come in this session.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. MORRISON].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MORRISON of Connecticut. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 148, noes 257, not voting 28, as follows:

[Roll No. 252]

AYES—148

Badham
Bartlett
Bates
Bereuter
Borski
Bosco
Boxer
Broomfield
Brown (CO)
Bunning
Byron
Callahan
Carper
Chandler
Cheney
Clinger
Coats
Coble
Coleman (MO)
Conte
Cooper
Coughlin
Craig
Crockett
Dannemeyer
Daub
Davis (IL)
DeFazio
Dellums
Derrick
DioGuardi
Dorgan (ND)
Dyson
Edwards (OK)
English
Fawell
Frenzel
Gilman
Goodling
Gradison
Grandy
Gray (PA)
Gregg
Guarini
Gunderson
Hall (OH)
Harris
Hastert
Hayes (IL)
Henry
Herger
Hertel
Hiler
Holloway
Hopkins
Houghton
Hubbard
Hughes
Hyde
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (TN)
Jontz
Kasich
Kastenmeier
Kennedy
Kennelly
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Lancaster
Latta
Levin (MI)
Mack
MacKay
Marlenee
Martin (IL)
McCandless
McMillan (NC)
Miller (CA)
Miller (OH)
Miller (WA)
Montgomery
Moody
Morrison (CT)
Murphy
Neal
Nichols
Oberstar
Obey
Olin
Oxley
Panetta
Patterson
Pelosi
Penny
Petri
Pickle
Porter
Price (NC)
Pursell
Rahall
Rangel
Regula
Ridge
Ritter
Robinson
Roth
Roukema
Russo
Savage
Schaefer
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Slattery
Slaughter (NY)
Smith (NE)
Smith, Denny (OR)
Snowe
Solomon
Spratt
Staggers
Stark
Stenholm
Studds
Stump
Sundquist
Sweeney
Swindall
Tallon
Tauke
Upton
Vander Jagt
Vento
Visclosky
Walgren
Weiss
Wolpe
Yates
Yatron

NOES—257

Ackerman
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Baker
Ballenger
Barnard
Barton
Bateman
Bennett
Bentley
Berman
Biaggi
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Buechner
Burton
Bustamante
Campbell
Cardin
Carr
Chapman
Chappell
Clarke
Clay
Coelho
Coleman (TX)
Collins
Combest
Conyers
Courter
Coyne
Crane
Daniel
Darden
Davis (MI)
de la Garza
DeLay
DeWine
Dicks
Dingell
Dixon
Donnelly
Dornan (CA)
Dowdy
Downey
Dreier
Durbin
Dymally
Eckart
Edwards (CA)
Emerson
Erdreich
Evans
Fascell
Fazio
Feighan
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gibbons
Gingrich
Glickman
Gonzalez
Gordon
Grant
Green
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Hatcher
Hawkins
Hayes (LA)
Hefley
Hefner
Hochbrueckner
Horton
Howard
Hoyer
Huckaby
Hutto
Inhofe
Ireland
Jones (NC)
Kanjorski
Kaptur
Kemp
Kildee
Kyl
LaFalce
Lagomarsino
Lantos
Lehman (CA)
Lehman (FL)
Leland
Lent
Levine (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Madigan
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McEwen
McGrath
McHugh
McMillen (MD)
Meyers
Mfume
Mica
Michel
Mineta
Moakley
Molinari
Mollohan

Moorhead
Morella
Morrison (WA)
Mrazek
Murtha
Nagle
Natcher
Nelson
Nielson
Nowak
Ortiz
Owens (NY)
Owens (UT)
Packard
Parris
Pashayan
Pease
Pepper
Perkins
Pickett
Price (IL)
Quillen
Ravenel
Ray
Rhodes
Richardson
Rinaldo
Rodino
Roe
Rose
Rowland (CT)
Rowland (GA)
Roybal
Sabo
Saiki
Sawyer
Saxton
Schneider
Sharp
Shaw
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slaughter (VA)
Smith (FL)
Smith (NJ)
Smith (TX)
Smith, Robert (NH)
Smith, Robert (OR)
Solarz
Spence
St Germain
Stallings
Stangeland
Stokes
Stratton
Swift
Synar
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Volkmer
Vucanovich
Walker
Watkins
Waxman
Weber
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wortley
Wyden
Wylie
Young (AK)
Young (FL)

NOT VOTING—28

Akaka
Beilenson
Bevill
Boner (TN)
Boucher
Boulter
Dickinson
Duncan
Dwyer
Early
Espy
Flake
Garcia
Gephardt
Gray (IL)
Hunter
Leach (IA)
Leath (TX)
Lewis (CA)
McDade
Myers
Oakar
Roberts
Roemer
Rogers
Rostenkowski
Scheuer
Smith (IA)

□ 1330

Messrs. SMITH of Florida, FIELDS, STOKES, CRANE, CARR, DORNAN of California, and HAMMERSCHMIDT changed their votes from "aye" to "no."

Messrs. COUGHLIN, YATES, CONTE, KOSTMAYER, HERGER, HERTEL, NICHOLS, GUNDERSON, PANETTA, WALGREN, and RITTER changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1345

The CHAIRMAN. Are there further amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. TORRES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2782) to authorize appropriations to the National Aeronautics and Space Administration for research and development; space flight, control and data communications; construction of facilities; and research and program management; and for other purposes, pursuant to House Resolution 220, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 372, nays 34, not voting 27, as follows:

[Roll No. 253]

YEAS—372

Ackerman
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Badham
Baker
Ballenger
Bartlett
Barton
Bateman
Bennett
Bentley
Bereuter
Berman
Biaggi
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boulter
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Clarke
Clay
Coats
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Crane
Crockett
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeLay
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Durbin
Dymally
Dyson
Eckart
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Gradison
Grandy
Grant
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Inhofe
Ireland
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Manton
Markey
Marlenee
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McEwen
McGrath
McHugh
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (WA)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Pepper
Perkins
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Scheuer
Schneider
Schroeder
Schuette
Schumer
Sharp
Shaw
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stenholm
Stokes
Stratton
Studds
Sweeney
Swift
Swindall
Synar
Tallon
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NAYS—34

Bates
Brown (CO)
Cheney
Clinger
Coble
Craig
DeFazio
Dellums
Frenzel
Goodling
Gregg
Jacobs
Kostmayer
Latta
Madigan
Martin (IL)
McCandless
McMillan (NC)
Michel
Morrison (CT)
Oberstar
Obey
Penny
Petri
Roth
Schaefer
Schulze
Sensenbrenner
Solomon
Stark
Stump
Sundquist
Tauke
Weiss

NOT VOTING—27

Akaka
Barnard
Beilenson
Bevill
Boner (TN)
Boucher
Dickinson
Duncan
Dwyer
Early
Espy
Flake
Garcia
Gephardt
Gray (IL)
Hunter
Leath (TX)
Lewis (CA)
McDade
Myers
Oakar
Quillen
Roberts
Roemer
Rogers
Rostenkowski
Smith (IA)

□ 1355

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on H.R. 2782, the bill just passed.

The **SPEAKER.** Is there objection to the request of the gentleman from New Jersey?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, may I inquire of the distinguished majority leader the program for the balance of this week, if any, and what he sees for next week?

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, we have concluded the business for this week. The House will not be in session tomorrow. On Monday the House will meet at noon to consider one suspension under the suspension rule, H.R. 735, the Naturalization Amendments of 1987.

There may be additional suspensions added later. We will try to advise the minority as soon as they are scheduled.

H.R. 2890, the Department of Transportation appropriations for fiscal year 1988, and whatever votes are ordered on suspensions debated on Monday will be postponed until Tuesday.

We will not have suspension votes on Monday; but we will have, I repeat, we will have votes on the appropriation bill on Monday, which is the Transportation appropriation bill.

On Tuesday, July 14, the House will meet at noon and will vote on any suspensions debated on Monday, and will consider the military construction appropriation for the fiscal year 1988, subject to a rule, and the Treasury-Post Office appropriations for fiscal year 1988, subject to a rule.

We will only consider the rule and general debate on the Treasury-Post Office appropriations, so there will again be votes from the suspensions debated on Monday, the military construction appropriation and the rule and general debate only on the Treasury-Post Office appropriations.

□ 1410

On Wednesday, July 15, the House will meet at 10 a.m. and complete consideration of the Treasury-Postal Service appropriations for fiscal 1988. On Thursday the House will not be in session and on Friday the House will not be in session because of special ceremonies in Philadelphia, PA, in honor of the bicentennial of the Constitution and to commemorate the great compromise of the Constitutional Convention.

The House will not be in session on Monday, July 20. We may have a pro forma session. We will not be voting. I do not want to announce the program for that week, but I do think it might be useful for Members to know that on Friday, the 24th, there will be no votes and on the following Monday, the 27th, there will be no votes. So we anticipate either a pro forma session or no session on Monday, the 20th, Friday the 24th, and Monday the 27th.

Mr. MICHEL. And while I understand the gentleman does not want to commit himself specifically to a program for that week there is a possibility of other appropriation bills, maybe even the catastrophic health care.

Mr. FOLEY. I think there is a very real possibility of catastrophic health coming up that week.

Mr. MICHEL. Members have been inquiring about that first week in August. Is there any kind of long-range vision that the gentleman has that far in advance?

Mr. FOLEY. We will be working the first week of August.

Mr. MICHEL. We will be working. But I would think one of the reasons would be to assure all the more our getting our regularly scheduled August recess.

Mr. FOLEY. I do not think there is any question, if the gentleman will permit me to say, there is no question that we plan to take the August recess on schedule on August 8. But Members should assume that the first week of August will be a busy week.

Mr. MICHEL. I appreciate that and can fully understand.

Now, one other question if I might, Mr. Speaker.

The borrowing authority of the Federal Government expires on July 17 when we are scheduled to be in Philadelphia. We sent the Senate a debt ceiling extension in our budget resolution conference report as I recall. So it is now up to the other body to return to us either a clean version of that or some other vehicle for extending the borrowing authority. And I am wondering if the gentleman has any intelligence on how that issue will be enjoined or resolved, particularly since we have always been talking about July 17 as kind of a critical date.

Mr. FOLEY. I think the gentleman may be focused a little too precisely on July 17. The actual expiration of the debt ceiling is expressed in terms of authorized amount of the debt ceiling and it is likely that it will not expire until some time after the 1st of August, is my information.

We will be expecting that the Senate will act and indeed it must act on the debt ceiling because, as the gentleman noted, we have extended the debt ceiling by the adoption of the conference report on the budget resolution.

The Senate may add other amendments to the debt ceiling and in that case we would have to consider them in the House and I would assume the most likely consequence of our consideration would be a conference with the Senate to determine the final version of that bill.

We have had some preliminary discussion with the leadership on the other side and our side of the aisle and we are assured that they are proceeding to take up the debt ceiling extension promptly.

Mr. MICHEL. But it is too fuzzy yet with respect to a time when that might take place.

Mr. FOLEY. I cannot advise the gentleman yet about the time.

My assumption there is there is a good likelihood we would be considering this matter the week of the 20th of July; a possibility.

Mr. MICHEL. I thank the gentleman.

PROVIDING FOR AN ADJOURNMENT OF THE HOUSE FROM WEDNESDAY, JULY 15, 1987, TO MONDAY, JULY 20, 1987

Mr. FOLEY. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 156), and ask unanimous consent for its immediate consideration.

The **SPEAKER.** The Clerk will report the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 156

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Wednesday, July 15, 1987, it stand adjourned until 12 o'clock meridian on Monday, July 20, 1987.

The **SPEAKER.** Is there objection to the request of the gentleman from Washington?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT TO MONDAY, JULY 13, 1987

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The **SPEAKER.** Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

REPORT ON H.R. 2906, MILITARY CONSTRUCTION APPROPRIATION BILL, 1988

Mr. HEFNER, from the Committee on Appropriations, submitted a privileged report (Rept. No. 100-209) on the bill (H.R. 2906) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1988, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

Mr. LOWERY of California reserved all points of order on the bill.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT ON TREASURY POSTAL APPROPRIATION BILL, 1988

Mr. ROYBAL. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President and certain independent agencies for the fiscal year ending September 30, 1988, and for other purposes.

Mr. SKEEN reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 2890, TRANSPORTATION AND RELATED AGENCIES APPROPRIATION, 1988

Mr. BONIOR of Michigan, from the Committee on Rules, submitted a privileged report (Rept. No. 100-210) on the resolution (H. Res. 221) waiving certain points of order against consideration of the bill (H.R. 2890) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1988, and for other purposes, which was referred to the House Calendar and ordered to be printed.

INTERNATIONAL SPECIAL OLYMPICS WEEK AND INTERNATIONAL SPECIAL OLYMPICS DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 85) to designate the period commencing on August 2, 1987, and ending on August 8, 1987, as "International Special Olympics Week", and to designate August 3, 1987, as "International Special Olympics Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object but would like the House to know that the minority has no objection to the legislation now being considered.

Mr. Speaker, further reserving the right to object, I yield to the gentleman from Indiana [Mr. HILLER], who is the chief sponsor of House Joint Resolution 248 to designate the week of August 2, 1987, as "International Special Olympics Week" and to designate August 3, 1987, as "International Special Olympics Day."

Mr. HILER. I thank the gentlewoman for yielding.

Mr. Speaker, House Joint Resolution 248, the House companion to Senate Joint Resolution 85, designates August 2-8, 1987, as "International Summer Special Olympics Week" and August 3, 1987, as "International Special Olympics Day."

During this time, the Seventh International Summer Special Olympics Games will be held in my district at the University of Notre Dame and St. Mary's College in South Bend, IN. The International Games, held every 4 years, represent the culmination of years of training and competition for the more than 4,500 mentally handicapped atheletes who will be gathering for the event. These games will involve athletes from 65 countries, all 50 States, and four U.S. territories, and will be the largest worldwide amateur sporting event of 1987.

This legislation recognizes not only the athletes themselves, but also the countless volunteers who have been so very supportive and committed to making this monumental event a success. Over the last few years small communities across the country have put a great deal of time and effort into organizing local, State, and regional Special Olympics competitions. Without the dedication of coaches, family members, and friends the Special Olympics would only be a dream for all concerned.

For 20 years now the remarkable athletes of these games have been thrilling us with their achievements, and each event has its own special story of struggle and determination. It isn't only the competitors whose characters are built by the games. Those of us who only sit and watch come away with something, too. Inspiration. We take courage from the courage of others and their victories make us want to be victors in our own lives.

Indiana will host another great sporting event this summer, the Pan-American games. Those games will feature some of the finest athletes in the world and a few of them may run faster or jump higher than any other athlete at any other time. But none of those athletes will have overcome the adversity that the Special Olympians will have. Not one of the Pan-American athletes will score an achievement that matches the achievements the Special Olympians will by just being able to compete.

The Pan-American athletes' hearts may beat faster or stronger but will not beat with any more joy or spirit than the heart of the Special Olympians. And the crowd may go home from the Pan-American games having witnessed a triumph of the body, but the crowd will go home from the Special Olympics having witnessed a triumph of the soul.

Mr. Speaker, it is with great pride that Notre Dame, St. Mary's, and northern Indiana will host the International Summer Special Olympics. The people in this sports-loving community understand how athletics improve the quality of life for all of us. I salute the spirit of these athletes, the faith of their families and coaches, and the hard work of the volunteers who made these games possible.

Mr. Speaker, I thank the committee for its prompt resolution of this matter.

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I rise in strong support of Senate Joint Resolution 85 and House Joint Resolution 248 and to commend the gentleman from Indiana [Mr. HILER] who just made an inspiring speech about them.

Mr. Speaker, we are all aware of the Special Olympics activities which take place in our country and throughout the world, 20,000 communities throughout the world participate in these olympics. The enthusiasm, determination, and healthy self-image that these athletes exude as they participate in 13 different sporting events is inspiring and contagious, not only to other mentally handicapped individuals but to those who are not.

This year, the International Summer Special Olympics will be held in South Bend, IN, and will be the largest worldwide amateur sporting event this year.

Montgomery County, where the Eighth District of Maryland lies, has been holding Special Olympics for the past 16 years. We have grown from a joint effort in participation of 100 people to over 1,500 athletes. We owe much of this interest and growth to Ralph Crawson who has been at the helm of the Special Olympics as area director for Montgomery County for most of these 16 years and has been involved since 1969.

This year we are sending three special athletes from Montgomery County—Timmy Sullivan and Kelly Piacesi who are gymnasts and Patty Dillard who is a roller skater.

Incidentally, we have the largest ice skating program in the United States for the mentally handicapped and over 650 of our special athletes participate in this curriculum.

Mr. Speaker, I am proud to be one of 240 bipartisan cosponsors of House Joint Resolution 248 introduced by the gentleman from Indiana [Mr. HILER]. I know we are all involved with the concerns, education, and recreation of our mentally handicapped, and I commend him for this thoughtful resolution.

Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 85

Whereas nearly one million mentally handicapped individuals participate annually in Special Olympics events all over the world:

Whereas Special Olympics competition enables each athlete to form a healthy self-image with which to build a positive working environment for the home and job;

Whereas the past two decades have marked monumental milestones in the care, training, and skills of Special Olympians;

Whereas the International Summer Special Olympic Games, held every four years, are the culmination of 20,000 communities competing in Special Olympics around the world;

Whereas the 1987 VII International Summer Special Olympic Games from July 31, to August 8, in South Bend, Indiana, will host 6,000 athletes, 15,000 volunteers, and thousands of guests from 65 countries and the United States and its territories and possessions;

Whereas these International Games will be the largest world-wide amateur sporting event of 1987; and

Whereas both mentally handicapped children and adults will compete in over 13 official and demonstration sports in a true display of unity which signifies the spirit of the International Summer Special Olympic Games: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period commencing on August 2, 1987, and ending on August 8, 1987, is designated as "International Special Olympics Week", and August 3, 1987, is designated as "International Special Olympics Day", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe such period and day with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1425

APPOINTMENT AS ADDITIONAL MEMBER OF FEDERAL COUNCIL ON THE AGING

The **SPEAKER**. Pursuant to section 204 of Public Law 98-459, the Chair appoints as an additional member of the Federal Council on the Aging on the part of the House the following person from the private sector:

Ms. Mary Burdge of Spokane, WA.

U.S. OLYMPIC FESTIVAL-'87 CELEBRATION AND U.S. OLYPMIC FESTIVAL-'87 DAY

Mr. **DYMALLY**. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 138) to designate the period commencing on July 13, 1987, and ending on July 26, 1987, as "U.S. Olympic Festival-'87 Celebration", and to designate July 17, 1987, as "U.S. Olympic Festival-'87 Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The **SPEAKER** pro tempore (Mr. SKELTON). Is there objection to the request of the gentleman from California?

Mrs. **MORELLA**. Mr. Speaker, reserving the right to object, I do not object, but I would like the House to know that the minority has no objection to the legislation now before us.

Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 138

Whereas thousands of American athletes participate annually in the Olympic movement all over the world;

Whereas United States Olympic Festival competitions enable each American athlete to promote amateur athletics, refine athletic skills in Olympic-type competitions, and generate camaraderie among potential Olympic athletes;

Whereas the past eight years have marked monumental strides in the development of the Olympic Festival movement;

Whereas the International Olympic Games are held every four years and are the culmination of athletic skill and prowess after countless hours of work and preparation;

Whereas U.S. Olympic Festival-'87 will take place beginning July 13, 1987, and ending on July 26, 1987, in Raleigh, Durham, Chapel-Hill, Cary, and Greensboro, North Carolina, and will host 4,000 athletes, trainers and coaches, 7,000 volunteers, and over 300,000 spectators;

Whereas U.S. Olympic Festival-'87 is the premier event of the United States Olympic Committee; and

Whereas American athletes will compete in over 34 sports in a display of skill and unity which signifies American unity and exemplifies the spirit of the Olympic movement: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period commencing on July 13, 1987, and ending on July 26, 1987, is designated as "U.S. Olympic Festival-'87 Celebration", and July 17, 1987, is designated as "U.S. Olympic Festival-'87 Day", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe such period and day with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. **DYMALLY**. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the two Senate joint resolutions just passed.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

INTRODUCTION OF THE TELECOMMUNICATIONS EMPLOYEES' PROTECTION ACT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. SWIFT] is recognized for 5 minutes.

Mr. **SWIFT**. Mr. Speaker, it is often overlooked that the divestiture of the American Telephone & Telegraph Co., affects people as well as corporations, money, rate schedules, stock certificates, and telecommunications equipment.

Unfortunately, thousands of the men and women who helped provide the world's best telephone system have been transformed from productive workers into vagabonds.

Since divestiture took effect on January 1, 1984, 55,000 jobs have been lost at AT&T. Among the seven regional Bell operating companies, more than 50,000 positions have been eliminated on the regulated side of these businesses.

Thus, more than 100,000 telephone workers have become casualties in the

"Battle of the Bottom Line" during the postdivestiture era. In many cases, the skilled craftspersons who have lost their jobs are the cream of the American work force.

They are, however, not the only employees victimized by changes in the telecommunications industry. In addition to these large-scale layoffs, telephone workers have suffered from downgrades, pay cuts, multiple transfers, refusal of companies to hire former employees, even after they have been forced to relocate. And they have suffered from an overall climate of confusion and shattered morale.

Ironically, many thousands of employees who have experienced the upheaval that has taken place in the postdivestiture era were attracted to the telephone industry in the first place because they were imbued with "the spirit of service." In fact, they were hired because they possessed a positive mental attitude, integrity, technical skills, attentiveness, and patience.

Mr. Speaker, telephone divestiture is a reality that cannot be undone. Nevertheless, Congress should assert its proper role in formulating a national telecommunications policy that maximizes the skills and talents of dedicated telecommunications workers.

To achieve this goal, I am today introducing the Telecommunications Employees' Protection Act. This landmark legislation would enshrine in law the right of experienced, qualified employees who were serving in an eligible position with AT&T, a Bell operating company, or their respective subsidiaries on December 31, 1983, to have the first opportunity to fill eligible positions that become available in these businesses. December 31, 1983, was the last day the Bell System existed as a unified entity.

Although total employment on the regulated side of all the regional operating companies has dropped by 50,000 since divestiture, employment in the telephone industry's nonregulated subsidiaries is growing. Experienced, qualified workers should have access to this expanding pool of jobs.

My bill recognizes that actions which restrict employment opportunities for trained telecommunications technicans not only causes joblessness, which drains our Federal Treasury, but also diminish quality service. Every 1 percent of unemployment costs our National Government more than $30 billion in lost tax revenues and in income maintenance expenditures.

From a different perspective, the legislation I am introducing today would help give the competitive as well as the compassionate edge back to America.

The Telecommunications Employees' Protection Act recognizes that our Nation's ability to compete in the international marketplace starts with the skill and commitment of experienced workers. The United States is squandering the talents of trained technicians at a time when America is running a record trade deficit in telecommunications equipment approaching $1.5 billion. The telephone work force is an important national resource whose skills are indispensible in restoring our Nation's preeminence in world trade.

Mr. Speaker, I urge my colleagues to support enactment of this legislation that would provide fair treatment of the unsung heroes who helped build, service, and maintain the world's best telephone system.

COMMEMORATING THE 1988 OLYMPIC FESTIVAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. PRICE] is recognized for 5 minutes.

Mr. PRICE of North Carolina. Mr. Speaker, I rise today to thank the more than 220 of my House colleagues whose support has made possible the passage this week of House Joint Resolution 316. I introduced this resolution, Mr. Speaker, to commemorate the 1987 U.S. Olympic Festival which is to be held this month at various sites throughout North Carolina.

As I have explained to my colleagues, I intend this resolution as a congressional tribute to the thousands of amateur athletes who will participate in the Festival in preparation for the 1988 International Olympic games.

These fine athletes are a source of immense national pride for all Americans, and I believe it entirely fitting for Congress to recognize, on behalf of all of our constituents, the gratitude we all feel for their talents and efforts.

Further, Mr. Speaker, my fellow North Carolinians and I consider this resolution an appropriate expression of the pride we all feel as hosts of this year's Olympic Festival. Hundreds of thousands of athletes, coaches, trainers, and spectators from across the United States will soon gather in North Carolina, and our entire congressional delegation would like to take this opportunity to welcome our guests and encourage them to experience and enjoy all that North Carolina has to offer its visitors.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

[Mr. ANNUNZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DANNEMEYER] is recognized for 60 minutes.

[Mr. DANNEMEYER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

WAR PROFITEERING PROHIBITION ACT OF 1987

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, on May 28, 1987, I introduced H.R. 2531, the War Profiteering Prohibition Act of 1987.

Since the Renegotiation Board was allowed to expire in 1979, I have fought for the revival of the renegotiation process, and before its demise, I fought for many years to keep it alive. My bill which calls for the reinstatement of the Renegotiation Act of 1951 would restore the one and only tool that has been proven to discourage profiteers, and to recover for the taxpayers the kind of excessive, unwarranted profits that we read about every day.

Until its expiration 7 years ago, the Renegotiation Act operated in a very simple, straightforward way. It established a board that would examine military contracts, determined what a fair profit was, and obtained refunds if there were excess profits—which is to say, profits that were over and above a reasonable return on investment, and over and above a reasonable reward for the risk taken. If there were appeals from decisions of the board, the Tax Court would act as a referee and make the final determination.

In the Pentagon world without competition, it is no wonder that an ordinary hammer or screwdriver can cost the Pentagon hundreds of dollars, or why an ashtray can cost $1,000, or why a 2-cent part can cost $100. That is the way that it has always been.

The Renegotiation Act allowed the Government to recapture profits that were made unfairly, or in excess of any reasonable standard. This helped discourage the kind of cheating and gouging that goes on now.

Opponents of my bill contend that the Board established by this bill is not cost-effective. However, statistics show that recoveries of excessive profits under renegotiation totaled over $11 billion during World War II. An additional $1.29 billion were recovered from 1954 to 1978. The Board's cost of operations was only a few million dollars annually. Thus, it could boast a savings to the taxpayer many times the cost of its operations.

There are also opponents who believe that the cost accounting system employed by the Government successfully monitors a contractor's costs and profits. However, while Accounting standards have been useful in helping to identify costs and profits, they do not empower the Government to take any action with respect to defense profits. Under current legislative and administrative controls, the Inspector General and the Defense Contract Audit Agency, are not empowered to take action concerning excessive profits. Thus, if examiners from either group happen to stumble over a situation involving the most extreme case of excessive profits, neither they nor their superiors would have the authority to take direct action.

War profiteering is nothing new. Dishonest contractors plagued the Union Army, crooked contractors took every conceivable advantage of the fast money to be made on the Spanish-

American War, and it was no different in any other war in any other time. The Truman Committee revealed graft and corruption on a wide scale in World War II. We should not be surprised that what has always happened before is happening again, now that the Pentagon has oceans of money to spend and its biggest problem is to figure out how to spend it all. There are plenty of contractors out there willing to help.

The time to act on this issue is at hand, and I urge my colleagues to favorably move forward on the reinstatement of the Renegotiation Board, which would be established upon the passage of H.R. 2531.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. Morella) to revise and extend their remarks and include extraneous material:)

Mr. Burton of Indiana, for 60 minutes, July 9.

Mr. Molinari, for 60 minutes, on July 13, 14, and 15.

Mr. Inhofe, for 60 minutes, on July 14.

(The following Members (at the request of Mr. Swift) to revise and extend their remarks and include extraneous material:)

Mr. Price of North Carolina, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 60 minutes, today.

Mr. Williams, for 60 minutes, on July 15.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Horton, prior to the vote on the Torricelli amendment in the Committee of the Whole today.

(The following Members (at the request of Mrs. Morella) and to include extraneous matter:)

Mr. Dornan of California.
Mr. Frenzel in six instances.
Mr. Broomfield.
Mr. Lagomarsino.
Mr. Conte.
Mr. Duncan.
Mr. Gingrich.
Mr. Weber.
Mr. Michel.

(The following Members (at the request of Mr. Swift) and to include extraneous matter:)

Mr. Clarke.
Mr. Roybal.
Mr. Donnelly.
Mr. Clay.
Mr. Miller of California.
Mr. Howard.
Mr. Florio.
Mr. Nowak.
Mr. de Lugo.
Mr. Montgomery.
Mr. Rodino.
Mr. Moakley.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 558. An act to provide urgently needed assistance to protect and improve the lives and safety of the homeless, with special emphasis on elderly persons, handicapped persons, and families with children.

BILLS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following title:

H.R. 436. An act to designate the Federal Building and U.S. Courthouse at 316 North Robert Street, St. Paul, MN, as the "Warren E. Burger Federal Building and United States Courthouse"; and

H.R. 1827. An act making supplemental appropriations for the fiscal year ending September 30, 1987, and for other purposes.

ADJOURNMENT

Mr. SWIFT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 35 minutes p.m.) under its previous order, the House adjourned until Monday, July 13, 1987, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[Omitted from the Record of July 8, 1987]

1722. A letter from the Director, Defense Security Assistance Agency, transmitting information concerning a proposed letter of offer (Transmittal No. 87-28), pursuant to 10 U.S.C. 118; to the Committee on Armed Services.

1723. A letter from the Director, Defense Security Assistance Agency, transmitting notification of a proposed sale of defense articles and services estimated to cost $50 million or more (Transmittal No. 87-28), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

[Submitted July 9, 1987]

1724. A letter from the Secretary of Education, transmitting a copy of Final Regulations—Training Personnel for the Education of the Handicapped and Final Annual Funding Priority for the Training Personnel for the Education of the Handicapped Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1725. A letter from the Secretary of Education, transmitting a notice of Final Annual Funding Priorities—Educational Media Research, Production, Distribution, and Training Program, and the Technology, Educational Media, and Materials Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1726. A letter from the Executive Director, National Center for Research in Vocational Education, transmitting the first annual report on joint planning and coordination of programs under the Vocational Education Act and the Job Training Partnership Act, pursuant to 20 U.S.C. 2404(b)(8); to the Committee on Education and Labor.

1727. A letter from the Secretary of Education, transmitting a draft of proposed legislation to make technical amendments to the Education of the Handicapped Act, and for other purposes; to the Committee on Education and Labor.

1728. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the medical assistance program under title XIX of the Social Security Act to limit Federal financial participation in State program and administrative expenditures, to increase State flexibility to administer the State program, to make additional administrative improvements, and for other purposes; to the Committee on Energy and Commerce.

1729. A letter from the Auditor, District of Columbia, transmitting a copy of the report entitled "University of the District of Columbia President's Discretionary Fund FY 1986 Annual Report," pursuant to D.C. Code section 47-117(d); to the Committee on the District of Columbia.

1730. A letter from the Acting Assistant Secretary, Department of the Interior, transmitting a draft of proposed legislation to delete certain surface mining regulatory program requirements for Indian tribes, and for other purposes; to the Committee on Interior and Insular Affairs.

1731. A letter from the Secretary of Health and Human Services, transmitting report of demonstration projects with respect to Social Security disability insurance [DI] beneficiaries and supplemental security income [SSI] recipients, pursuant to 42 U.S.C. 1310 nt.; to the Committee on Ways and Means.

1732. A letter from the Undersecretary for International Affairs and Commodity Programs, Department of Agriculture, transmitting the final quarterly commodity and country allocation table showing current programing plans for food assistance under title II of Public Law 480 for fiscal year 1987, pursuant to 7 U.S.C. 1736b(a); jointly, to the Committees on Agriculture and Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAWKINS: Committee on Education and Labor. H.R. 1212. A bill to prevent the denial of employment opportunities by prohibiting the use of lie detectors by employers involved in or affecting interstate commerce; with an amendment (Rept. 100-208). Referred to the Committee of the Whole House on the State of the Union.

Mr. HEFNER: Committee on Appropriations. H.R. 2906. A bill making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1988, and for other purposes (Rept. 100-209). Referred to the

Committee of the Whole House on the State of the Union.

Mr. DERRICK: Committee on Rules. House Resolution 221. Resolution waiving certain points of order against consideration of H.R. 2890, a bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1988, and for other purposes (Rept. 100-210). Referred to the House Calendar.

Mr. ROYBAL: Committee on Appropriations. H.R. 2907. A bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1988, and for other purposes (Rept. 100-211). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HEFNER:

H.R. 2906. A bill making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1988, and for other purposes.

By Mr. ROYBAL:

H.R. 2907. A bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1988, and for other purposes.

By Mr. DORGAN of North Dakota:

H.R. 2908. A bill to authorize and direct the Secretary of Agriculture to pay interest on late payments to farmers, ranchers, and other producers; to the Committee on Agriculture.

By Mr. FAUNTROY (for himself and Mr. Rahall):

H.R. 2909. A bill to authorize the conveyance to the Columbia Hospital for Women of certain parcels of land in the District of Columbia, and for other purposes; jointly, to the Committees on Government Operations and the District of Columbia.

By Mr. HANSEN:

H.R. 2910. A bill to designate the Donner Trail and the Transcontinental Railroad Trail located in the State of Utah as study trails for potential designation as national historic trails; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of California (for himself, Mr. Bates, Mrs. Boxer, Mr. Clarke, Mr. Dellums, Mr. Eckart, Mr. Evans, Mr. Gejdenson, Ms. Kaptur, Mr. Levine of California, Mr. Neal, Ms. Pelosi, Mr. Scheuer, and Mr. Solarz):

H.R. 2911. A bill to transfer mineral lease royalty collection functions of the Department of the Interior to the Department of the Treasury, to amend the Federal Oil and Gas Royalty Management Act of 1982, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MOAKLEY:

H.R. 2912. A bill to provide for congressional notification and review of certain administrative actions by the U.S. Customs Service, to establish certain rules of the House of Representatives and of the Senate with respect to such review, and for other purposes; jointly, to the Committees on Ways and Means and Rules.

By Mr. PENNY:

H.R. 2913. A bill to enhance the rights of Farm Credit System borrowers; to the Committee on Agriculture.

By Mrs. SMITH of Nebraska (for herself and Mr. Roberts):

H.R. 2914. A bill to require the Commodity Credit Corporation to pay interest to certain persons with respect to whom the Corporation is delinquent in making obligated payments; to the Committee on Agriculture.

By Mr. WYDEN:

H.R. 2915. A bill to amend title XIX of the Social Security Act to require States to provide for a personal needs allowance of at least $35 for institutionalized individuals and $70 for institutionalized couples not receiving supplemental security income payments, and for other purposes; to the Committee on Energy and Commerce.

By Mr. BATEMAN:

H.J. Res. 334. Joint resolution designating July 17, 1987, as "Langley Research Center Day"; to the Committee on Post Office and Civil Service.

By Mr. FOLEY:

H. Con. Res. 156. Concurrent resolution providing for adjournment of the House from July 15, 1987, until July 20, 1987; considered and agreed to.

By Mr. JONES of North Carolina (for himself, Mr. Davis of Michigan, Mr. Ackerman, Mr. Alexander, Mr. Anderson, Mr. Annunzio, Mr. Applegate, Mr. Bateman, Mr. Bennett, Mrs. Bentley, Mr. Bevill, Mr. Biaggi, Mr. Boehlert, Mrs. Boggs, Mr. Boland, Mr. Borski, Mrs. Boxer, Mr. Brooks, Mr. Bunning, Mr. Callahan, Mr. Carper, Mr. Carr, Mr. Clay, Mr. Clinger, Mr. Coelho, Mrs. Collins, Mr. Coyne, Mr. Crockett, Mr. Darden, Mr. Davis of Illinois, Mr. Dellums, Mr. Dingell, Mr. DioGuardi, Mr. Dixon, Mr. Donnelly, Mr. Dowdy of Mississippi, Mr. Duncan, Mr. Dwyer of New Jersey, Mr. Dyson, Mr. Eckart, Mr. Emerson, Mr. Espy, Mr. Evans, Mr. Fazio, Mr. Feighan, Mr. Fields, Mr. Florio, Mr. Foglietta, Mr. Ford of Michigan, Mr. Gallo, Mr. Gaydos, Mr. Gilman, Mr. Gordon, Mr. Gray of Illinois, Mr. Guarini, Mr. Hammerschmidt, Mr. Hawkins, Mr. Hefner, Mr. Henry, Mr. Herger, Mr. Hertel, Mr. Hochbrueckner, Mr. Howard, Mr. Hoyer, Mr. Hubbard, Mr. Hunter, Mr. Jones of Tennessee, Mr. Kanjorski, Ms. Kaptur, Mr. Kleczka, Mr. Kolter, Mr. Lantos, Mr. Latta, Mr. Lent, Mr. Lewis of Florida, Mr. Lipinski, Mr. Lott, Mr. Lujan, Mr. Mack, Mr. Manton, Mr. Martin of New York, Mr. Mavroules, Mr. McCloskey, Mr. McDade, Mr. McGrath, Mr. Miller of California, Mr. Mineta, Mr. Moakley, Mr. Molinari, Mr. Mollohan, Mr. Mrazek, Mr. Murphy, Mr. Murtha, Mr. Nowak, Ms. Oakar, Mr. Oberstar, Mr. Ortiz, Mr. Owens of New York, Mr. Owens of Utah, Mr. Panetta, Mr. Perkins, Mr. Pickett, Mr. Price of Illinois, Mr. Quillen, Mr. Rahall, Mr. Ravenel, Mr. Ritter, Mr. Rodino, Mr. Rowland of Georgia, Mr. Russo, Mr. Sabo, Mrs. Saiki, Mr. Savage, Mr. Saxton, Mr. Schaefer, Miss Schneider, Mr. Sisisky, Mr. Smith of Florida, Mr. St Germain, Mr. Solarz, Mr. Solomon, Mr. Spence, Mr. Staggers, Mr. Stokes, Mr. Sundquist, Mr. Sweeney, Mr. Tallon, Mr. Taylor, Mr. Thomas of Georgia, Mr. Torricelli, Mr. Towns, Mr. Traficant, Mr. Vander Jagt, Mr. Walgren, Mr. Wheat, Mr. Wilson, Mr. Wortley, Mr. Yatron, and Mr. Young of Alaska):

H. Con. Res. 157. Concurrent resolution to express strong support for the cabotage laws protecting the coastwide trade to vessels of American construction, crewing, and documentation, and to support the Administration's policy in the United States-Canadian free trade talks that the coastwise trade not be opened to Canadian vessels; jointly, to the Committees on Merchant Marine and Fisheries and Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

159. By the SPEAKER: Memorial of the Senate of the State of Louisiana, relative to the passage of H.R. 918; to the Committee on Banking, Finance and Urban Affairs.

160. Also, memorial of the Senate of the State of Louisiana, relative to the Choctaw Indian community at Jena, Louisiana; to the Committee on Interior and Insular Affairs.

161. Also, memorial of the Senate of the State of Louisiana, relative to the Federal Government participation in the extended benefits program for unemployment compensation; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 218: Mr. Kildee.

H.R. 234: Mr. Gejdenson.

H.R. 382: Mr. Stokes and Mr. Foglietta.

H.R. 387: Mr. Bruce and Mr. Ridge.

H.R. 543: Mr. Feighan.

H.R. 671: Miss Schneider.

H.R. 898: Mr. Hughes.

H.R. 1041: Mr. Martinez.

H.R. 1115: Mr. Lott, Mr. Jones of North Carolina, Mr. Stokes, Mr. Barnard, Mr. Hefner, and Mr. Latta.

H.R. 1212: Mr. Yates.

H.R. 1352: Mr. Kildee.

H.R. 1546: Mr. Hoyer.

H.R. 1580: Mr. Towns.

H.R. 1692: Mr. Clarke, Mr. Kanjorski, Mr. Grant, Mr. Hyde, Mr. Myers of Indiana, Mr. Kleczka, Mr. Ravenel, Mr. Jontz, Mr. Hubbard, Mr. Spratt, Mr. Ballenger, Mr. Ireland, Mr. Daniel, Mrs. Kennelly, Mr. Spence, Mr. Slaughter of Virginia, Mr. Owens of Utah, Mr. Moody, Mr. Roberts, Mr. Walgren, Mr. Rose, Mr. Tallon, Mr. Skelton, Mr. Markey, and Mr. Staggers.

H.R. 1734: Mr. Weiss and Mr. Fauntroy.

H.R. 1747: Mr. Jontz.

H.R. 1764: Mr. Lowery of California.

H.R. 1770: Mr. Bates.

H.R. 1782: Mr. Russo, Mr. Lantos, and Mr. Tauzin.

H.R. 1808: Mr. Kildee and Mr. Bates.

H.R. 1857: Mr. McMillan of North Carolina.

H.R. 1966: Mr. Kildee.

H.R. 2240: Mr. Vento.

H.R. 2376: Mr. Sikorski, Mr. Markey, Mr. Conyers, Mr. Hansen, Mr. Oberstar, and Mr. Fauntroy.

H.R. 2435: Mr. Anderson, Mr. Martinez, and Mr. Slattery.

H.R. 2456: Mr. Dellums, Mr. Solarz, Mr. Traficant, Mr. Coyne, and Mr. Lehman of Florida.

H.R. 2482: Mr. DeFazio.

H.R. 2532: Mr. Howard, Mr. de la Garza, Mr. Mrazek, Mr. Kostmayer, Mr. Tallon, Mr. Solarz, and Mr. Kolter.

H.R. 2538: Mr. Stenholm and Mr. Towns.

H.R. 2587: Mr. DeWine, Mr. Archer, Mr. McEwen, Miss Schneider, Mr. Lewis of Florida, Mr. Armey, Mr. Green, Mr. Coble, Mr. Eckart, and Mr. Gephardt.

H.R. 2623: Mr. Lehman of Florida, Mrs. Boxer, Mr. Oberstar, Mr. Gejdenson, Mr. Clarke, Mr. Bilbray, Mr. Lewis of Georgia, Mr. Martinez, Mr. Jones of North Carolina, and Mr. Mavroules.

H.R. 2694: Mr. Bustamante, Mr. Garcia, Ms. Kaptur, Mr. Schumer, Mr. Bryant, Ms. Pelosi, and Mr. Hughes.

H.R. 2776: Mr. Garcia, Mr. Lewis of Georgia, Mr. Conyers, and Mr. Towns.

H.R. 2791: Mr. Smith of New Jersey.

H.R. 2885: Mr. Frenzel.

H.J. Res. 8: Mr. Ridge and Mr. Bateman.

H.J. Res. 138: Ms. Snowe, Mr. Kolter, Mr. Weiss, Ms. Pelosi, Mr. Shaw, Mr. Bruce, Ms. Kaptur, Mr. McEwen, Mr. Grandy, Mr. Frost, Mr. Guarini, Mr. Nielson of Utah, Mr. Dwyer of New Jersey, Mr. Gordon, Mr. DeFazio, Mr. Synar, and Mr. Hall of Texas.

H.J. Res. 152: Mr. Synar, Mr. Gonzalez, and Mr. Early.

H.J. Res. 180: Mr. Vander Jagt, Mr. Pashayan, Mr. Weldon, and Mr. Murtha.

H.J. Res. 191: Mr. Stokes, Mr. Bevill, Mr. Dowdy of Mississippi, Mr. Fawell, Mr. Fuster, Mr. Gunderson, Mr. Thomas of Georgia, Mr. Daniel, Mr. Dymally, Mr. Buechner, Mr. Conyers, Mr. Lewis of Georgia, Mr. Fauntroy, Mr. Hoyer, Mr. Brown of California, Mr. Fazio, Mr. Wyden, Mr. Harris, Mr. Latta, Mr. Smith of New Jersey, Mr. Hall of Ohio, Mr. Kennedy, Mr. LaFalce, Mr. Frost, and Mr. Rowland of Connecticut.

H.J. Res. 227: Mr. Lent, Mr. Gingrich, Mrs. Vucanovich, Mr. Hayes of Louisiana, Mr. Kanjorski, Mr. Conyers, and Mr. Chappell.

H.J. Res. 255: Mr. Applegate, Mrs. Bentley, and Mr. Conte.

H.J. Res. 287: Mr. Lipinski and Mr. Jeffords.

H.J. Res. 307: Mr. Dingell, Mr. Gray of Illinois, Mr. Savage, Mr. Traxler, Mr. Donnelly, Mr. Waxman, Mrs. Kennelly, Mr. de Lugo, Mr. Kennedy, Mr. Horton, Mr. Nowak, Mr. Rahall, Ms. Pelosi, Mr. Porter, Mr. Ravenel, Mr. Bateman, Mr. Berman, Mr. Rodino, Mr. Scheuer, Mr. Boner of Tennessee, Mr. Pepper, Mrs. Boxer, Mr. Lagomarsino, Mr. Davis of Michigan, Mr. Hatcher, Mr. Borski, Mr. Mineta, Mr. Crockett, Mr. Valentine, Mr. Solarz, Mr. Smith of Florida, Mr. McCloskey, Mr. Coelho, Mr. Bevill, Mr. Studds, Mr. Lancaster, Mr. Carper, Mr. Lehman of Florida, Mr. Towns, Mr. McGrath, Mr. Rhodes, Mr. Stokes, Mr. Owens of New York, Mr. Kostmayer, Mr. Manton, Mr. Bennett, Mr. Clay, Mr. Chapman, Mr. McEwen, Mr. Rowland of Georgia, Mr. Nielson of Utah, Mr. Levine of California, Mr. Brown of California, Mr. Livingston, Mr. Hall of Texas, Mr. Richardson, Mr. Pursell, Mr. DeFazio, Mr. Tallon, Mr. Tauzin, Mr. Traficant, Mr. Dixon, Mr. Dorgan of North Dakota, Mr. Espy, Mr. Wise, Mr. Frost, Mr. Yatron, Mr. Guarini, Mr. Markey, Mr. Martin of New York, Mr. Fazio, Mr. Fuster, Mr. Miller of California, Mrs. Bentley, Mr. Sunia, Mr. Sweeney, Mr. Miller of Washington, Mr. Morrison of Connecticut, Mr. Gallo, Mr. Clarke, Mr. Gray of PennsylvaniaD, Mr. Frank, Mr. Cardin, Mr. Sabo, Mr. Grant, Ms. Kaptur, Mr. Neal, Mr. English, Mr. Lantos, Mr. Dornan of California, Mr. Akaka, Mr. Yates, Mr. Hunter, Mr. Kolter, Mr. Levin of Michigan, Mr. Feighan, Mr. Florio, Mr. Dwyer of New Jersey, Mr. Dymally, Mr. McCollum, Mr. Foley, Mr. McMillen of Maryland, Mr. Roe, Mr. Conyers, Mr. Frenzel, Mr. Lewis of Florida, Mr. Hertel, Mr. Wilson, Mr. Kildee, Mr. Thomas of Georgia, Mr. Wolpe, Mr. Campbell, Mr. Kleczka, Mr. Sisisky, Mr. Boucher, Mr. Rangel, Mr. Coleman of Texas, Mr. Saxton, Mr. Carr, Mr. Walgren, Mr. Martinez, Mr. Anthony, and Mr. Bliley.

H.J. Res. 313: Mr. Towns.

H. Con. Res. 153: Mr. Smith of Florida, Mr. Applegate, Mr. Grant, Mr. Thomas of California, Mr. Darden, Mr. Fawell, Mr. Gunderson, Mr. Jontz, Mr. Volkmer, Mr. Towns, Mr. Eckart, Mr. Davis of Illinois, and Mr. Hughes.

H. Res. 210: Mrs. Bentley, Mr. Bates, Mr. Oxley, Mr. Packard, Mr. Daub, Mr. Swindall, Mr. Holloway, Mr. Clinger, Mr. Combest, Mr. Gunderson, Mr. DioGuardi, Mr. Bunning, Mr. Hughes, Mrs. Martin of Illinois, Mr. Gallo, Mr. Craig, Mr. Kolbe, and Mr. Eckart.

PETITIONS, ETC.

Under clause 1 of rule XXII,

54. The SPEAKER presented a petition of the Township Council, Berkeley Township, NJ, relative to electronic monitoring of sludge barges; which was referred to the Committee on Merchant Marine and Fisheries.

SENATE—*Thursday, July 9, 1987*

(Legislative day of Tuesday, June 23, 1987)

The Senate met at 8:45 a.m., on the expiration of the recess, and was called to order by the Honorable PATRICK J. LEAHY, a Senator from the State of Vermont.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Righteousness exalteth a nation. Sin is a reproach to any people.—Proverbs 14: 34

Eternal Father, help us to understand that faith in You is not a peripheral matter—a religious alternative which we may take or leave—irrelevant to life and duty. Thank You, mighty God, that our Founding Fathers took you seriously, they believed in You, depended on You, looked to You for wisdom and guidance. In these hours of critical decisions, help us to hear the words of Thomas Jefferson, "God who gave us life gave us liberty. Can the liberties of a nation be secure when we have removed the conviction that God is the author of those liberties?" Deliver us, Lord, from the sin of indifference—awaken in us the awareness that denial of human rights, alienation, social decay, and disorder are the consequences of indifference to God. Guide us to righteous decisions which are just and true. To the glory of God and the peace of the world. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 9, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PATRICK J. LEAHY, a Senator from the State of Vermont, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. LEAHY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the acting majority leader, the Senator from Wisconsin, is recognized for not to exceed 7½ minutes.

RADICAL SOVIET ECONOMIC CHANGES COULD SHIFT WORLD POWER

Mr. PROXMIRE. Mr. President, the Soviet Union has announced that they intend to put into effect over the next 4 or 5 years a radical change in the way they run their economy. If they persist—if they follow through with this intention—they might dramatically increase their economic production. That could mean that over the next 20 or 30 years the Soviets could change the comparative military power of the Communist and the free world. What the Communist Party in Russia has started is more than rhetoric. It is not just a consolidation of Gorbachev's power. It is a plan to try to bring Soviet economic production up to a more competitive level with economic production in the United States.

The Soviets have a very long way to go. Today their economic production is only 55 percent of the U.S. production. Here is a precisely the weakness that prevents the Soviets from fulfilling Khrushchev's arrogant boast—25 years ago—when he told President Kennedy: "We will bury you." In these last 25 years, the United States has been building up its strategic and conventional military force devoting a large 6 to 7 percent of its GNP to its defense buildup. Meanwhile the Soviets have poured a huge 15 percent of their economic production—GNP—into their military buildup. The result has been a standoff. The Soviets certainly lead in conventional forces. The two superpowers are about the same in strategic military forces. The United States has a decisive lead in military technology.

Obviously Khrushchev was wrong. The Soviets didn't bury us. They didn't come close. Why did they fail? The answer is obvious to Gorbachev. His country failed because it lacked the prime basis for military strength in a modern state: a competitive economy. Now Gorbachev is making changes designed to increase, perhaps to sharply increase, the Soviet economic production. Gorbachev has not repeated Khrushchev's boast. But could the Soviet's economic transformation bring a Communist military juggernaut that could "bury us"?

Consider how dramatic an economic change the Soviet Politburo plans:

First, by 1991—4 years from now—only 25 percent of Soviet manufacturing would be under Government control. The rest would be free to compete, to innovate, to operate—at least in part on a profit-driven basis and under the lash of competition.

Second, the present system of centrally determined prices of 200,000 different commodities and products would be ended. Factory and store managers could set prices in competition with other factories and stores based on holding down costs and offering better quality.

Third, mandatory central 5-year plans would end. Instead the central government will issue noncompulsory general guidelines.

Fourth, the rights and powers of Soviet farms, factories, and other firms would be expanded.

None of this is to say the Soviet Union is in the process of becoming a capitalist democracy. It isn't. The Communist Party will have just as firm control in the foreseeable future as it has now. There will be contested elections for limited local office, like mosquito abatement districts. But the power of popularly elected officials in the Soviet Union will not approach the force of a butterfly's hiccough. What Gorbachev and his Politburo pals have in mind is a Soviet economy that can begin to produce on a par with the capitalist countries. They can see in Europe the dramatic difference between Communist and capitalist economic efficiency. East Germany versus West Germany. Poland versus France. The capitalist countries win on economic production every time. It is not close. But Gorbachev must see something else. He sees that the U.S.S.R. can and does put 15 percent of its GNP into military power. The United States 6 to 7 percent. Other NATO democracies less, in fact, much less. Why? Because the U.S.S.R. is a dictatorship. It allocates its resources as the dictating, unelected Politburo wishes. The United States and other NATO countries are democracies. The people have a voice. So the Congress or Parliament only gives the military what is necessary for defense. Gorbachev is moving his Soviet Union to use capitalist decentralization, capitalist competition, capitalist profit incentives to increase economic production. But he wants the Communist politburo to continue to dictate the allocations of the production. That way the military can continue to get its 15 per-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

cent. But it will be 15 percent of a much higher base.

Mr. President, isn't it clear why what is going on in the radical econmic changes in the Soviet Union is of great importance to Americans and to this Congress? It can have a profound effect on what this country and our NATO allies need for defense in the future.

RESERVATION OF LEADERSHIP TIME

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the remainder of the time of the leader be reserved for his use later in the day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I also ask unanimous consent that the time of the minority leader be reserved for his use later in the day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin has reserved the time of the majority leader and the time of the Republican leader. Under the previous order, there will be a period for the transaction of morning business not to exceed beyond the hour of 9 a.m., with Senators permitted to speak therein for not to exceed 1 minute.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

ECONOMIC DISLOCATION AND WORKER ADJUSTMENT ACT

Mr. LEAHY. Mr. President. I rise today to discuss the Economic Dislocation and Worker Adjustment Act. The bill provides adjustment services and demonstration programs for dislocated workers. One provision requires employers to notify workers and communities before they close plants or layoff large numbers of workers. The ultimate goal of this legislation is to cushion the transition for workers and their communities when faced with the often harsh realities of industrial change.

I have heard from many Vermont business men and women who are concerned about the Federal Government's encroachment on private business decisions. I want to tell them that the substitute legislation that was introduced is not an encroachment.

I was very skeptical about S. 538 in its original form. I thought its requirements would have placed undue burdens on employers. I would not have voted for the original bill or the bill reported by the Labor Committee. The bill as originally introduced, required that employers consult with unions over a proposed shutdown. The bill reported by the Labor Committee dropped that intrusion but still required 180 days notice for the layoff or termination of employment of 500 or more workers. There was no distinction between a permanent closing and a temporary layoff in the reported bill. Businesses actively seeking business or capital in order to remain open were treated the same as those that were closing permanently. Senator METZENBAUM has made further changes in the bill resulting in the substitute we consider today.

The current legislation defines employers as having 100 or more workers and requires 60-day notice for a plant closing affecting 50 of them. A distinction is made between a closing and a temporary layoff. For a layoff the notice is required only when the employment loss affects one-third of the workers at a job site. Seasonal and part-time employees are not included in the determination of when advance notice is required. This change is important to Vermont's vital retail industry.

The compromise embodied in the substitute balances the needs of workers and State and local governments with the concerns of the business community. The exemptions in the substitute say that a firm would not be required to give advance notice of a closing if it is caused by the sale of a business, relocation within the community, completion of temporary projects, and strikes or lockouts. There is also an exemption for employers actively seeking capital or business in order to avoid or postpone a closing and who believe that notice would hurt their prospects. This will permit firms to seek new capital to refinance their troubled operations and keep Americans working.

This measure is not perfect. I would have preferred that the bill include a definition for the term "business circumstances that were not reasonably foreseeable." I hope the conferees on the trade bill will work to better define these terms. The process by which we arrived at the substitute demonstrates the need for the conferees to address the concerns of business while showing sufficient sensitivity to the needs of dislocated workers—for notice, training, education, and relocation.

No State is immune to worker dislocation. Vermont has had its share of plant closings. The changes in the substitute bill go a long way in providing a successful worker adjustment program. Hopefully this legislation will help workers and local communities cope with the realities of changing economies. That is why I have decided to support the substitute bill.

IN PRAISE OF M. DANNY WALL

Mr. HATCH. Mr. President, it is a pleasure to add my name to those who applaud the nomination of Mr. M. Danny Wall to chair the Federal Home Loan Bank Board. Dan Wall has served as staff director of the Senate Committee on Banking, Housing, and Urban Affairs in both a minority and a majority position since 1979, and played a significant role in the regulatory reforms accomplished by this administration. In my judgment, he is superbly qualified to lead the thrift industry through the challenges it faces today.

Today's Bank Board Chairman needs a broad understanding of the legislative, regulatory, and market environment within which the banking industry must operate. He or she must also have the ability to attract a strong and capable staff. Again, Dan Wall meets these qualifications. His service with the Senate has already demonstrated his capacity for mastering new and highly technical information. Furthermore, his understanding of the role of the market is a clear one and one which will allow him to play a key part in the future developments of the financial services industry.

Mr. President, I congratulate President Reagan for this excellent nomination. We in the Senate will miss Dan's advice and counsel, but at the same time we understand the need to place our best people in positions of leadership in the administration. Our best wishes go with Dan and his family.

THE BORK NOMINATION

Mr. BURDICK. Mr. President, the U.S. Senate will soon be called on to make one of the most important decisions in the last 50 years, a decision that will shape the Supreme Court well into the next century. In the week since the President submitted the nomination of Judge Bork for appointment to the U.S. Supreme Court, I have studied in depth the record of the nominee. I have come to the conclusion that Judge Bork must not be confirmed.

There is no lack of evidence on this nominee's record. He has published, he has spoken out, and he has made his voice heard for the last 25 years. And the evidence is compelling. This nominee is completely out of step with the needs and desires of the American people, as reflected in a long line of cases decided by the Supreme Court. He has been insensitive to the rights of women, to civil rights, and to freedom of speech.

For 200 years, Americans have enjoyed the protection of the first amendment. Judge Bork would introduce severe new restrictions. He has said it very plainly:

> There is no basis for judicial intervention to protect scientific or literary expression.

One of the proudest moments in our history was the Supreme Court's endorsement of the principle of one person, one vote. Judge Bork disagrees. Gerrymanders and special districts that allow small groups to dominate Congress, unfairness that was thought to have been banished forever, could now rise again.

Key portions of the Civil Rights Act of 1964 came under Bork's attack at that time, and today he draws the line at affirmative action. It was not so long ago that the curse of segregation and discrimination rules this Nation. Must we win those battles again today?

This man is no conservative, who would respect precedent and practice judicial restraint, as the President has advertised. Judge Bork has never claimed that mantle for himself. Respect for the past? In one short article in 1971, this nominee found no fewer than 18 Supreme Court decisions that he felt were decided wrongly or for the wrong reasons. We can be sure that he will have no hesitancy to overturn our judicial tradition.

My colleagues know that I am not one to speak out of turn. I am normally very hesitant to criticize a nominee, especially when hearings have not yet been held. But the extremism in the record makes it essential that we stand up now, when our need to do so is urgent.

I would like to close with a brief comment for our friends who tell us that ideology is off limits in the confirmation procedures. I would like to remind the American people that even George Washington had a Supreme Court nominee rejected on the grounds of political views. And, I would like to recall for this body the words of the honorable Senator from South Carolina in a similar situation, just two decades ago, and I quote:

> Therefore, it is my contention that the power of the Senate to advise and consent to this appointment should be exercised fully. To contend that we must merely satisfy ourselves that Justice Fortas is a good lawyer and a man of good character is to hold to a very narrow view of the role of the Senate, a view which neither the Constitution itself nor history and precedent have prescribed.

Mr. President, we know that we are entering into a historic fight. The stakes are enormous for all of us. This nominee must not be confirmed.

IS CABINET-LEVEL STATUS THE ANSWER?

Mr. THURMOND. Mr. President, the July 1987 issue of the Disabled American Veterans' magazine featured an incisive editorial by Mr. Charles E. Joeckel, Jr., executive director of the DAV, entitled "Is Cabinet-Level Status the Answer?", this article sets forth several reasons why the Veterans' Administration should be elevated to Cabinet-level status. Chief among these reasons is the need for the VA Administrator to be integrally involved in budget decisions with other Cabinet officers. In addition, the size and importance of the Veterans' Administration justifies establishing the Veterans' Administration as a Cabinet-level department.

As a veteran and life member of the DAV, I commend this insightful article to my colleagues.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IS CABINET-LEVEL STATUS THE ANSWER?

Caspar Weinberger, Elizabeth Dole, James Baker, and Edwin Meese. They're familiar names to most of us.

They're all members of the President's Cabinet, of course. But we're familiar with these folks, particularly, for more reasons than the status they enjoy at the White House.

Each is an outspoken advocate for the programs their departments implement, and the policies they adopt. Each, too, enjoys frequent and easy access to the President. And each of them—although clearly members of the President's inner team—have been prompted to publicly oppose White House policy when their departments were adversely affected in the past.

There's long been a question of loyalties among heads of the major federal departments and agencies. Can an agency head be true to the President who put him in the job, while demonstrating equal loyalties to his party and the constituents he serves?

The four Cabinet officers I've cited have publicly resolved that conflict. The White House may send word to Congress that they're prepared to compromise on the Defense Department budget, for example. But you can bet Secretary of Defense Weinberger will still be up on Capitol Hill, scrapping for full funding for defense programs—without compromise or retreat.

Indeed, in Washington—where the careful orchestration of legislation among the White House and Congress is a daily occurrence—such criticism of Administration desires from within the President's Cabinet can help rather than hinder a bill's progress.

Congress is extremely sensitive to a lack of candor on the part of White House officials. If they don't think they're getting both sides of an issue, they'll hold things up until they can dig out that other side on their own.

Simply put, that's how the federal government takes care of business. There are only so many federal dollars to go around. Only so much time to consider only so many issues. And only so many people who have the clout to get the President's ear, while selling their department's programs to both the White House and the Congress.

That's why the VA so often finds itself taking a backseat to other issues before the Congress and the Administration. And that's why the current VA Administrator, Thomas K. Turnage, is boxed out of the decision making process.

In one direction he faces the Office of Management and Budget (OMB) stone wall. OMB is a shop where only money talks, and the less money involved the easier it is for them to hear.

In another direction, Turnage faces a lack of accessibility to the President. He is an agency head and not a member of the President's Cabinet. As such, he is expected to weave his way through a maze of Presidential protectors if he is to gain access.

And finally, and at every turn, he is reminded that the Republican party helped put him in the job he now has, and the party demands fierce loyalties in return.

Last year at our National Convention in Reno, Nev., I described the DAV's expectations of the man who fills the top VA job. And I outlined what America's disabled veterans have the right to expect from the agency. Those comments bear repeating:

"You must realize," I told the Administrator, "the absolute concrete commitment we all share for disabled veterans, and it's a commitment we do not believe is subject to modification by reason of political loyalties or interpretation by reason of fiscal priorities. We expect the VA administrator to be a veterans' advocate. Indeed, our expectations are that the administrator's advocacy exceed even the veterans' organizations.

"He is the veterans, and particularly the service-connected combat disabled veterans, last best hope for a fair chance at a full life. If we find that advocacy wavering, we will respond. If we find that advocacy held hostage by political considerations, we will respond. And if we find that advocacy is anything but unparalleled in its strength of spirit and commitment, we will respond with all the might of a million-member organization."

I mention this, in context of discussing Cabinet-level status for the Administrator of Veterans' Affairs, because of recent troubling events on Capitol Hill.

Earlier in the year, the Administration proposed a VA budget that sought to make deep cuts in VA health care and regional office personnel, reduce the scope of entitlement to burial plot allowances, increase user fees for VA-guaranteed home loans, and remove Congress from its oversight responsibility of the VA through the automatic indexing of benefits—among other provisions.

We anticipated vigorous opposition to these proposals from the VA. After all, each White House notion placed important VA programs in serious jeopardy. Yet, that opposition was not forthcoming.

Instead, disabled veterans had to turn to Congress for the voice of advocacy the programs demanded. And, as the VA budget winds its way to completion in Congress, that advocacy has been strong in both the House and the Senate.

Then we have the issue of improved hearing-loss regulations. As you'll recall, the VA developed improved hearing-loss criteria after some prodding by Congress and the DAV.

The criteria addressed the fact that current hearing-loss criteria did not reflect the full extent of disability by veterans in question.

The VA then sent the criteria to OMB, who first stalled the routine review, then rejected it out of hand because of its $33-40 million price tag. It was returned to OMB, where that agency then sat on the measure for almost a year before finally releasing it in May.

The result of all this was one agency of the federal government—OMB—overriding the decisions made by another—the VA—solely on the grounds of cost. The VA had, in effect, relinquished its policy setting authority to OMB.

It took repeated efforts by members of Congress—and DAV's direct request to White House Chief of Staff Howard Baker—before the regulations were finally released by OMB and printed in the Federal Register.

Would these scenarios have been different if the VA Administrator was a member of the President's cabinet? The evidence strongly supports that conclusion.

And many members in Congress agree. More than one has noted that the VA employs more people than any department except the Pentagon, that the VA runs the largest health care system in the free world, and that the VA, with a budget exceeding $27 billion, is higher than most other federal departments.

We know, too, that the VA potentially serves 85 million Americans—a constituency that far exceeds many other departments of government.

It's a question of the veterans' voice being heard—and heard well—through all the other voices that clamor for attention in Washington. Even though it operated the largest health care system in the world—the VA has had little involvement in the ongoing public policy debate over the changing state of health care in America.

Even though the VA has led the way in such areas as AIDS research, prosthetic development, and rehabilitation research, many seek to cut these areas in the VA budget. No one else is doing the scope of research into such things as gunshot wounds and spinal cost disabilities, yet these VA programs are constant targets of budget cutters.

For these and other reasons, more than 130 members of the House have joined in cosponsoring legislation, H.R. 1707, that would designate the head of the VA a member of the President's Cabinet. Similar legislation in the Senate, S. 533, is also under consideration in that body.

I urge each of you to write or call your elected representatives and add their support to these two measures.

Neither measure guarantees that veterans can stop fighting tooth and nail for what they've already earned. But they do offer veterans a fair chance at being heard—and heard at the highest level of government.

Is cabinet-level status the solution? Yes, so long as the individual who represents veterans on the President's Cabinet can demonstrate that loyalties to constituents, to party politics, and the President are not mutually exclusive.

CAMPAIGN FINANCE LEGISLATION

Mr. DOLE. Mr. President, a great deal has been said and written in recent weeks about the problems brought about by our current election financing laws.

Some have suggested that as a result of our current laws we, first, spend too much and second, we rely on the contributions of narrow, special interests and, they argue, if only the taxpayers of this country would fund the treasuries of Senate candidates, special interests, in the guise of political action committees, would all but vanish.

A recent article has come to my attention which I believe fairly argues the case against both public financing and expenditure limitations. The article was written by Robert Samuelson and can be found in the July 13, 1987 issue of Newsweek.

Mr. President, I ask that the text of the article be printed in the RECORD immediately following my remarks. I urge all Senators to read the article which is entitled "The Campaign Reform Fraud".

The PRESIDING OFFICER. Without objection, the article will be printed in the RECORD.

(See exhibit 1.)

Mr. DOLE. Many of the points Mr. Samuelson makes are ones that have been raised time and time again, but perhaps the most compelling is his belief that money doesn't determine who wins elections. In fact, as the 1986 races have shown, winning candidates are often outspent. The real truth is that spending limits and other arbitrary constraints violate the first amendment both in principle and in practice.

However, while I disagree with those aspects of the Byrd/Boren bill that place limits on campaign expenditures and provide for the use of taxpayers money, I do believe real reform is still possible. There is clearly a value in improving disclosure requirements and in increasing the contribution limits for individuals and perhaps decreasing the limits for PACS. I continue to look forward to working with my colleagues to this end.

(EXHIBIT 1)

THE CAMPAIGN REFORM FRAUD

(By Robert J. Samuelson)

The Founding Fathers are growling in their graves. The Senate is now debating campaign-finance "reform": a respectable-sounding idea that's a fraud. Campaign reform would cure problems that don't exist with solutions that would restrict free speech, smother elections in bureaucratic rules and hurt candidates' chances of beating incumbents. It's an odd way to celebrate the Constitution's 200th birthday.

Blame that on Fred Wertheimer of Common Cause. His crusade for reform—campaign-spending restrictions and public financing—is built on half-truths. He says that campaign contributions of "special interests" have corrupted politics. They haven't. The Founding Fathers knew that special interests were inevitable. Their government of checks and balances requires compromise; competing groups check each other. The system isn't perfect, but it curbs the undue influence of campaign contributors.

Wertheimer is a genius at obscuring this. He harps on the huge rise in congressional campaign spending—up from $195 million in 1978 to $450 million in 1986—and its simplest implication: because congressmen need more money, they're more beholden to donors. The obvious answer is to limit dependence on the donors. The logic fits popular prejudices about special interests, and most editorialists and journalists accept Common Cause's claims uncritically. They shouldn't.

For starters, money doesn't determine who wins elections. Winning candidates are often outspent. In last year's Senate election, says political scientist Michael Malbin, six of the seven Democrats who ousted incumbent Republicans were outspent by an average of about 75 percent. There are too many other influences to make money decisive: the economy, party loyalties, personalities, issues, national mood. The 1986 election results, Brooks Jackson of The Wall Street Journal wrote later, suggested "that much . . . money was spent with little practical effect."

Paradoxically, campaign reform could make it tougher for challengers to unseat incumbents. If money doesn't settle elections, serious challengers need adequate minimums to gain name recognition and project campaign themes. It's these threshold amounts that campaign reform threatens. The spending limits in the bill before the Senate are below what five of the winning Senate Democratic challengers spent. In North Carolina, Terry Sanford spent $4.17 million to beat former senator James T. Broyhill. The bill would have allowed Sanford $2.95 million.

No one is smart enough to set "correct" spending limits based on population or anything else. States and congressional districts differ radically in political characteristics. California races require lots of media spending. That's less true in Chicago. Spending in hotly contested races is typically higher than average. Because Congress—that is, incumbents—would control spending limits, the bias would be against challengers.

Likewise, Wertheimer's assertion that campaign contributions corrupt the legislative process is similarly weak. You hear lots of talk about the dangers of political-action committees (PAC's). What you don't hear is:

- PAC's remain a minority of all contributions. In 1986 they were 21 percent for the Senate (up from 17 percent in 1984) and 34 percent for the House (level with 1984).
- The diversity of the 4,157 PAC's dilutes their power. There are business PAC's, labor PAC's, pro-abortion PAC's, anti-abortion PAC's, importer PAC's and protectionist PAC's. Contributions are fairly evenly split between Democrats ($74.6 million in 1986) and Republicans ($57.5 million).
- PAC's give heavily to senior, powerful congressmen, who are politically secure and not easily intimidated. According to Common Cause, Democratic Rep. Augustus Hawkins of California is the most dependent on PAC contributions (92 percent). First elected in 1962, he won last year with 85 percent of the vote.

Of course special interests mob Congress. That's democracy. One person's special interest is another's crusade or livehood. To be influential, people organize. As government's powers have grown, so has lobbying by affected groups: old people, farmers, doctors, teachers. The list runs on. But PAC's are only a minor influence on voting. Political, scientist Frank Sorauf of the University of Minnesota reports that in 1984 the average PAC contribution to House incumbents was less than one-third of 1 percent of the average congressman's total receipts. Congressmen vote according to their political views, constituents' interests, party wishes and—yes—their consciences. Special interests were supposed to block tax reform. They didn't.

Free Speech: About half the rise in campaign spending since 1978 reflects inflation. Much of the rest stems from the emergence of younger politicans who use expensive campaign consultants, television and direct mail. In 1984 Democratic House Speaker Thomas P. O'Neill Jr. of Massachusetts spent $213,000 winning re-relection. In 1986 Democrat Joseph P. Kennedy II spent $1.8 million to win the same seat. But the expense of modern communications makes it no less vital for free speech.

That's why the Supreme Court held in 1976 that mandatory campaign-spending limits on candidates violate the First Amendment. Public financing of election spending aims to make "voluntary" limits more acceptable. But even if voluntary limits on candidates were enacted, the problem of "independent spending" remains: if I want to buy TV time to support Joe Blow, the Supreme Court says that's my right. Candidate spending limits would prompt special interests to raise independent spending. The Senate bill tries to deter this by subsidizing responses: my $10,000 praising Joe Blow would entitle his opponent to $10,000 of public money to answer me.

Suppose this were judged constitutional (unlikely), what's the point? In our diverse society, one role of politics is to allow the venting of different opinions and pent-up frustrations. Groups need to feel they can express themselves and participate without colliding with obtuse rules intended to shut them out. Our politics is open and freewheeling. Its occasional excesses are preferable to arbitrary restraints. Wertheimer's brand of reform is misconceived. The Senate would dignify the Founding Fathers by rejecting it.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 9 a.m. having arrived, the Senate will now resume consideration of the pending business, S. 1420, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 1420) to authorize negotiations of reciprocal trade agreements, to strengthen United States trade laws, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Quayle Amendment No. 442, to strike Part B of Title XXII, Advance Notification of Plant Closings and Mass Layoffs.

A unanimous-consent agreement was reached providing for further consideration of Amendment No. 442 on Thursday, July 9, with a vote to occur thereon at 9:30 a.m.

(2) DeConcini Amendment No. 448, to prohibit trade with Angola.

A unanimous-consent agreement was reached providing for further consideration of Amendment No. 448 on Thursday, July 9, with 30 minutes of debate thereon.

The ACTING PRESIDENT pro tempore. Under the previous order, the question is on the Quayle amendment No. 442, on which there shall be 30 minutes of debate, with 25 minutes under the control of Mr. QUAYLE and 5 minutes under the control of Mr. METZENBAUM, with the vote thereon to occur at 9:30 a.m.

The Chair recognizes the Senator from Indiana.

Mr. QUAYLE. Mr. President, I yield myself 8 minutes.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from Indiana is recognized.

AMENDMENT NO. 442

Mr. QUAYLE. Mr. President, I will begin this debate with a story in Greek mythology that many are familiar with, the story of Procrustes.

Procrustes was a highwayman that would, in fact, capture his people and take them back to a stone bed. On that stone bed, which was called the procrustean bed, he would either chop them off, if they were too long for the bed, or stretch them out, if they were too short for the bed, but, by golly, he was going to make sure that his victims fit that stone bed.

What we have before us today is really the procrustean law of 1987, because what this bill is going to do, like Procrustes did in ancient Greece in sort of terrorizing his victims on the highway, this bill and this legislation, if enacted, and I do not believe it will be enacted no matter what happens with the vote today—if it would be enacted, it would be the beginning of terrorizing the private sector, that we are going to make all fit that procrustean bed, big business, middle-size business. You name it. One procrustean bed is going to apply to all of this.

I think that goes to the heart of the problem we have here. Over the last day I have heard time and time again Senators get up and say, "Gee, what is the matter with the 60-day notice? Should we not do that?"

Of course we should do that. As a matter of fact, businesses do that, businesses ought to be encouraged to do that. Good businesses, if they can, in fact, do that. Some do not. Some should. We try to encourage it. There are a lot of people, task forces and so forth, who have looked into it and made recommendations. They have not come back with a mandatory notice. They have come back with the voluntary notice.

I would point out to those Senators still making up their minds that this is not just a plant closing bill. This bill also goes to layoffs. This bill applies to layoffs.

You take an employer who has 150 employees and if he lays off 50 employees over a 90-day period of time, he has to give notice. Fifty employees laid off over a 90-day period of time and you have to give notice, 60-day notice.

Obviously, this is not going to harm big business. The Fortune 500 have enough lawyers who will be able to say, "Here is how you do it. Make sure this is how you come into compliance with this law." Believe me, this law will have a lot of interpretations in the court, and particularly when you get into what is a foreseeable or unforseeable business circumstance that you ought to know that your plant is going to close.

I think the Senator from Rhode Island, Senator CHAFEE, yesterday made a very eloquent speech showing the uncertainty that small business would have in trying to make a determination on whether they are really threatened by business closing or whether they are going to have a layoff as small as 50 employees for an employer who had 150 employees.

How is that businessman or woman going to be able to make that determination?

In big business they have a battery of lawyers. They can figure out what is going to happen.

The Senator from Rhode Island said, "What if the interest rates go up and he is not able to make the payments down the road? Should he have foreseen that those interest rates would go up and start to give notice? Should that small businessman do that?"

Or if a small businessman wants to lay off 50 people because he did not get a contract. Should he have foreseen that he was not going to get that contract so he lays off 50 people, should he have to give 60 days' notice?

No. It is not unreasonable of big business to expect that 50 people are laid off. But what about the small businessman and woman?

I have heard a definition of what is big business. Big business, Mr. President, is probably what a small business will become someday if the Government will just allow it to grow. What we are doing here, I think, is placing a lot of uncertainty on the small business sector. We are starting to intercede with the Federal Government and mandate certain things that I think we are going to regret if we should pass it.

If you look at this issue of what are foreseeable circumstances before you give notice, let me go back to the example I used yesterday with my dear friend from Illinois of the independence grocery store, operating in Huntington, IN. All of a sudden, a chain grocery store wants to come in and set up shop down the street and, in fact, wants to compete with that grocer.

Should this independent grocery store know that this chain has a lot more capital behind them, is a lot bigger, perhaps even a bit more competitive? Should that independent grocery store at that time say, "I can see that I am going to be put out of business and, therefore, I better give notice."

If he does not comply with the notice provision—this independent grocer on an average is probably doing about $2 million of gross sales—do you know what the fine and penalty under this provision would be for that independent grocery? $500,000. A $500,000 fine and penalty would be charged that independent grocer who could not foresee that that chain grocer coming in would, in fact, be more competitive and would eventually put him out of business.

Is that not a bit harsh? Is that not a bit heavy-handed? Are we not saying that the procrustean bed that we are trying to establish for our private sector is something that we should not enter into, the procrustean bed where we are going to make small business, middle-size business and big business all the same? If they are too big we will cut off their legs to make them fit, and stretch them out if they are too small to make them bigger.

But is that not what we are beginning to do? I certainly think that is precisely what we are beginning to do if in fact this amendment would be agreed to and the motion to strike would not be accepted.

Mr. President, let me talk about what other things this amendment does. This amendment is basically allowing the Federal Government to insert itself in the collective bargaining process on an issue that in fact has been bargained back and forth between employers and employees. One of the issues that is negotiated sometimes in lieu of notification—my 8 minutes have expired. I yield myself 4 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. QUAYLE. I might say to those who want to speak on behalf of the motion to strike that we are going to be voting at 9:30. The Senator from Ohio has 5 minutes. At about 9:20 I am going to probably yield the floor, let him speak for a while, and then we will balance the time up there. So I would encourage those who want to speak to come over.

I wish to talk about what this is going to do to this bill in the 4 minutes I have allocated. Then I will yield such time as the ranking member of the Labor Committee desires.

There is no doubt that if this motion to strike does not prevail and the mandatory plant closing notification and mandatory notice for layoffs, as small as 50 employees, is in this bill, it is no doubt that it is dead on passage. It is deader than a doornail. There is no doubt that the administration will veto this.

Now, I suppose some can say, "Boy, this is an easy vote for me. I can give labor a vote and then I know in my heart of hearts that this is really pretty bad legislation. I know that it is not really going to become law but I will be able to deal with that down the road."

Well, we will deal with this issue again. There is no doubt about it. It is not going to become law. It will go through the Labor Committee. Maybe the Labor Committee will recommend what is before the Senate today. I do not know what the Labor Committee will do. We will find out. We will be there. But there is no doubt that a lot of people say, "Boy, this is an easy vote for me. Give them a vote"—knowing full well it is going to be vetoed. Others—I have some on my side—say, "I don't like the way this bill is going. I do not particularly like this bill. I am a free trader at heart and I am going to vote against this bill. I don't want this trade bill to become law. Maybe I ought to be sure that things I know are going to get the President's attention and he will veto them, maybe I ought to put those things in here."

And so from our side some of the people who are free traders are, saying, "I can give some of my special interest groups a free vote here because I don't really like this provision. I think it's bad. I know it is not going to become law. I really don't like the way this trade bill is going. I can have the best of both worlds." So we have all sorts of dynamics shifting on the floor here of how they may or may not vote on the motion to strike.

Mr. President, let me show some of the loss of support of this bill. This bill is going right down the tubes, if this motion to strike or at some time during the debate of this trade bill this provision is not excised somehow because some of the groups that have been supporting the bill would not support it: Business Round Table, the Emergency Committee for American Trade, National Association of Manufacturers, the National Foreign Trade Council, the U.S. Chamber of Commerce, the U.S. Council for International Business. "We could not support the bill if plant closing notification and notification for layoffs is incorporated in it." So I would say bye-bye trade bill. Some on my side, maybe some on the other side, might say, "Hooray, this trade bill isn't any good the way it is going. It is in shambles."

Well, we can add a few more shambles to this trade bill by denying this motion to strike and without excising this provision.

Mr. President, I yield as much time as the Senator from Utah would like.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Indiana has 10 minutes remaining.

Mr. QUAYLE. I have used 15 minutes?

The PRESIDING OFFICER. The Senator is correct.

Mr. QUAYLE. Let me just ask, I yielded myself 8 minutes and 4 minutes, and that adds up to 12, and 12 from 25 is 13. I am not terribly good in mathematics, but I am not that poor.

The PRESIDING OFFICER. Since the quorum call was called off at 9:02, those 2 minutes were deducted from both sides proportionally.

Mr. QUAYLE. It was 9:02?

The PRESIDING OFFICER. It was done proportionally.

Mr. QUAYLE. So I lost 1 minute?

The PRESIDING OFFICER. Something over that because it was done proportionally.

Mr. QUAYLE. Let me yield 8 minutes to the Senator from Utah.

Mr. HATCH. I thank my distinguished colleague from Indiana. I think he has done a terrific job of explaining to the American people what this bill is going to mean. I compliment him for the leadership he has provided to all of us on the floor in this particular debate. It is not very often you get an issue that comes to the floor that has so many bad aspects to it. I think that is pretty apparent. I think we are in the seventh or eighth draft of this particular bill since we have had the floor because the other side has been giving up and giving up and giving up on many burdensome provisions because they know how terrible this is in order to get enough votes to pass this particular aspect.

Mr. President, as we approach a vote on the motion by the Senator from Indiana, I hope we will keep in mind a few political, legal, and practical considerations.

First, inclusion of company closing and layoff legislation in the trade bill will do nothing to enhance the competitive capabilities of corporate America in either domestic or international markets. Instead, this proposal will impede the ability of companies to make fundamental business decisions necessary to stay competitive. It is amazing to me it is even offered to this bill. This ability and flexibility has been a trademark of our Nation's economy, a trademark that is envied in Europe where plant closing requirements are a well recognized impediment to economic growth and job creation.

I do not see any reason to bring Europe to America at this particular point. We are the envy of the whole world because of our economic system and now we are going to bring all of these closed approaches to our country to stifle job creation.

It is ironic that we are considering company closing and layoff legislation as part of the trade bill which is reported to make America more competitive. This amendment will not make us more competitive. It will ask us to adopt a failed labor policy of Europe; a policy that repeated experience has shown to be a failure. If the European experience has been so effective, why are European countries trying so hard to eliminate or dramatically cut back their plant-closing laws?

We create more jobs in America than in Europe. We start more new businesses than in Europe. We have lower unemployment rates than in Europe.

And, by the way, the unemployment rate is down to 6.1 percent, lowest in a decade. And then we do something like this to America.

Why? Because we protect the flexibility of American business to remain efficient. Why in the name of a more competitive America should we impose a policy that Europe is trying to back away from? Why not learn from their mistakes instead of doing our best to match them.

I hope my colleagues also realize that this proposal represents only the first of several gargantuan impediments some of our colleagues on the Labor Committee want to foist on American business. They believe the private sector can absorb any number of federally mandated policies and benefits. They believe the private sector can absorb any amount of Federal regulation and intervention. And yet, they expect that business will continue to function and compete effectively. They are wrong. They are dead wrong. This country's economy cannot afford a lesson where we will learn just how wrong they are.

During the 100th Congress, this body will vote on company closing and layoff legislation. This body will also vote on raising and indexing the minimum wage, on mandating health insurance plans, on mandating disability plans, and on mandating a wide variety of other labor policies and programs. And the reason is because they cannot tax the American people any more directly, so they are going to do it indirectly by mandated programs and benefits.

Efforts to have the Labor and Human Resources Committee view these issues in the aggregate have been blocked. They have been blocked because no one really believes our economy could survive such a heavy handed raid on the private sector.

The agenda of the current leadership of the Labor Committee will impose at least an additional, annual $100 billion costs on the private sector. This agenda is estimated to eliminate at least 500,000 jobs. And, it will have a negative annual deficit impact of billions of dollars. I wonder what this body would do if we choose to vote on these items in the context of this trade bill?

Then again, I am not sure how seriously the leadership of the Labor Committee takes the proposals reported out of that committee. Look what has happened on the issue of plant closing, the legislation before us.

The bill introduced by the sponsors was completely unrealistic. It would have forced companies to get permission from political figures and employees. It would have required exessive information disclosure. And, given the numerous possible points of litigation, it would have required a court to ultimately decide whether a company could close, move, or shift employees and exercise some of what heretofore had been considered basic rights of entrepreneurship.

The bill was reported out of the Labor Committee, but the proponents began to back away from it as soon as the trade bill came to the floor. One of the more visible legislative fire sales began. Today, I believe we are on version 7. It might be 8 or 9. I do not know. I suspect that if they need one more vote, it will be 10—whatever it takes. Portions and provisions have been tossed aside in exchange for what I assume was a vote here, a vote there. All in all, this is a rather startling indication of the weight given to the Labor Committee's work. I have been told that the fire sale is now over. But it ended too quickly. The latest version of the bill is still unfortunate, misguided policy. I urge my colleagues to join me and oppose it.

But there is one final problem with addressing closing and layoff legislation in conjunction with the trade bill. It has been made clear by the administration that the inclusion of business closing and layoff legislation will probably force a veto regardless of the other relative merits of the bill.

So, when this bill is vetoed, go to those people who are leading this fight for plant closing, because they know it does not belong on this bill. They know this is going to cause a veto of the bill, and I can tell you that we will sustain that veto.

How serious and realistic is the threat of a veto? Ask Bill Brock, the Secretary of Labor. He knows how serious this is, the type of legislation it is. He knows what garbage it is.

It is serious enough that the House of Representatives specifically chose not to include plant closing language in its version of the trade bill. Again, the proponents of this issue are demanding that we ignore this political reality.

Mr. President, the closely held, ever-changing closing and layoff proposal now before us is anticompetitive. It is economically unsound. It has not been subject to committee review or report. We are being asked to endorse a dramatic change in current labor law without any understanding of the consequences of the proposed language.

I hope my colleagues will join me and eliminate company closing and layoff legislation from the trade bill. The solution to reemploying dislocated workers does not lie in postponing economic reality through artificial requirements or litigation. It lies in effective retraining, as provided in other portions in this trade bill, and in an economy capable of economic growth free of unwarranted Federal regulation.

Even the House, which is dominated by this philosophy, did not put this in their bill, because they know it would cause the end of the trade bill. That is what is happening, and that is what this exercise is all about. Frankly, more power to the President, if that is the case, if this legislation is in it.

I complement the Senator from Indiana for his fight.

Mr. **METZENBAUM**. Mr. President, I yield 2½ minutes to the Senator from Massachusetts.

Mr. **KENNEDY**. Mr. President, we are concluding the debate on what I think is extremely important legislation affecting millions of families in America, who hardly understand what this legislation is all about, listening to the opponents of the legislation.

The days of the feudal baron are over in the United States of America. The question is whether we are going to treat people like people or people like cattle and chattel in America. The question is whether we are going to give notice to American families, American families that in many instances have worked their lifetime in some business, in some plant, in some factory, when their children are growing up, so that they might be able to pull their lives together, get some additional kind of training, make some plans for their children, make some plans in terms of the future allocation of their scant resources; and whether they are going to be treated with some degree of respect and dignity in this country in 1987 and 1988.

That is what this legislation is all about—60 days to let them know that they are going to be laid off or that those factory doors are going to be closed.

The employers and all the white-collar workers are going to know. They are going to be able to take care of their families. They will know how to find other employment.

How many businessmen are going to have less than 60 days' notice? They are going to know.

All we are asking is that those people who have made our businesses successful—over a lifetime, in many instances—are going to have 60 days' notice so that they can live in the future with some degree of respect and dignity. When you draw the bottom line, that is what this legislation is all about. It is not what Europe is doing or what Japan is doing. It is what we are doing to people who have made this country the great country it is.

I yield back the remainder of my time.

Mr. METZENBAUM. Mr. President, I want to conclude with respect to this matter. But, after all is said and done, the Washington Post editorial the other day was on target when it said that advance notice is like a shock absorber. It gives the employee an opportunity to make some arrangements which other provisions of this bill provide for, so that he or she may not be totally destroyed when the plant closes.

At a company in Ohio recently, a new owner came in, got $800,000 from the State, assured the employees that everything would be fine in the future, reached an understanding with the union, and then, the minute after he took over the plant, took the employees, a group of women, out to the yard, surrounded them with security guards, and said to them, "You're fired. There is no more work."

What kind of humane consideration can possibly motivate people who are opposed to this provision? How can anybody say that this is so terrible that somebody is going to oppose its inclusion in the bill?

How can anybody claim that a worker who has given 20 or 30 or 35 years of his or her life to that employer, making the company viable, making the company strong, making the company rich, and then the company decides to move to Mexico or to some other country and closes the whole plant down—how can you possibly say that that employee, who has given so much of himself or herself, is not entitled to 60 days' notice?

This bill is just a matter of simple humanity, simple decency. If you are for decency in the treatment of your employees, then you have to vote against striking the language in the bill. But if you think employees are just chattel, if you believe that you can fire anybody at will, close down the plant, and not care at all about those employees, then go ahead and vote to strike out this provision.

The Office of Technology Assessment, the Secretary of Labor, and all the other groups that have considered this have said advance notice is reasonable.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. QUAYLE. Mr. President, I yield my 2½ minutes to the cosponsor of this proposal.

Mr. BOREN. I thank the Senator from Indiana.

Mr. President, I am absolutely convinced that my two colleagues who have just spoken are sincere in their feelings. None of us wants to see workers mistreated. If I felt that this particular provision would help the workers of this country, would protect the workers of this country, I would vote for it.

Mr. President, I think it is far more important for us to take actions that will truly help the workers of this country as opposed to taking actions that on the face of them might have the appearance of helping the workers of this country.

What we can do to best help the workers of this country and future generations of workers in this country is to make sure that our actions will maximize their economic opportunity, will give them more opportunities to have jobs, and the best way we can do that is create a climate in this country that will promote our productivity and will promote our ability to compete.

Part of that climate is the very healthy competition that has grown up between the communities and States and regions as they seek to create a climate in which business is welcome, in which productivity can be increased as they try to enhance the productive ability of our workers, as they emphasize the dedication of workers in their regions and their communities to the work ethic to putting in a full day's work for a full day of pay.

These are healthy developments that will restore strength to the economy of this country. This is a healthy climate to create.

By imposing unnecessary bureaucratic burdens which make it more difficult, setting up circumstances in which pressures can be brought to bear on companies that have an economic need to restructure or a legitimate economic reason for moving from one section of the country to another, will only diminish our ability to compete, diminish the intensity of that climate of competition between communities, which is enhancing economic opportunity in this country.

I strongly support the provisions of this bill for the retraining of workers. I strongly support the provisions of this bill for helping those who have been displaced. But let us not pass something, well-meaning as it might be, that will in the long run force more workers in this country to have to opt to take advantage of those programs for displaced workers and retraining because they have lost jobs, because we have taken another unnecessary bureaucratic step to sap the competitive vitality of this economy.

Let us do something to really help workers—vote for the motion to strike—instead of something that simply has the appearance of helping workers.

The PRESIDING OFFICER. All time having expired, the question is on the amendment of the Senator from Indiana.

Mr. QUAYLE. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. No, they have not.

Mr. METZENBAUM. Mr. President, I wish to make the following observations to clarify the meaning of the changes that have been made regarding advance notice since the provision was reported by the Labor and Human Resources Committee.

First. In order to distinguish "plant closings" from "mass layoffs" separate definitions of these terms have been developed. The intent of these definitions is to distinguish structural changes in a business which dislocate workers from layoffs that are part of the expansions and contractions that tend to occur in businesses as part of the overall business cycle. The distinction between closings and layoffs is not intended to turn on the formalities of whether employees are technically placed on a furloughed status or are terminated; if an employer reorganizes his business so as to permanently or temporarily close a place of employment or facilities or units therein, the employer's action constitutes a "plant closing," regardless of whether the employees are placed on laidoff status, provided that in the aggregate the requisite number of employees is affected.

Second. Two changes have been made regarding the number of workers who must suffer an employment loss in order for an employer's action to constitute a "plant closing" or "mass layoff" within the meaning of the bill. First, for both closings and layoffs, part-time workers—as defined in 331(8)—and seasonal workers—as defined in 331(9)—are not to be taken into account in determining whether the requisite number of employees have been affected. If enough employees have been affected to trigger the provisions of this bill, however, all affected employees are entitled to the advance notice provided for herein, including part-time or seasonal employees. Second, for mass layoffs, not only must 50 employees be affected, but, in addition, the layoff must be of at least one-third of the employees who are actively working for the employer at the place of employment as of the time of the layoff.

Third. The length of advance notice required under the bill has been reduced from 90 to 180 days, depending upon the number of employees affected, to 60 days.

Fourth. A new provision has been added which would exonerate an employer who has shut a workplace without providing the full notice required by the bill in specifically defined circumstances. This defense is intended as a narrow one applicable only where it was unclear 60 days before the closing whether the closing would occur; the employer was actively pursuing measures that would avoid or indefinitely postpone the closing; and the employer reasonably believed that giving notice would prevent the employer's actions from succeeding. The key phrases are first that the employer was "actively seeking capital or business" and second, that the employer "reasonably and in good faith believed that giving the notice required would have precluded the employer from obtaining the needed capital or business." Thus, to avail himself of this defense the employer must prove the specific steps the employers had taken, at the time notice would have been required, to obtain a loan, to issue bonds or stock, or to secure new business, and the employer must show the objectively reasonable basis for his good-faith belief that giving the required notice would have prevented the employer from obtaining the capital or business that the employer had a realistic opportunity to obtain. The employer also must prove that once be learned that the workplace would be closed, he promptly notified the employees and explained why earlier notice had not been given. This same obligation is imposed on employers who seek to take advantage of the second defense which permits reduced notice.

Fifth. A new provision has been added to address a situation as to which the bill as reported by the committee was unclear: A layoff of fixed duration which is extended beyond its terms. Under this provision, such a layoff is to be treated as an indefinite layoff as of the time the employee was laidoff—and thus to constitute an "employment loss" as of that time—unless the employer proves that the extension of the layoff was caused by business circumstances that the employer did not and could not reasonably have foreseen at the time the employer fixed the time limit for the layoff, and that the employer gave notice to the employees once the employer knew, or should have known, that the layoff will be extended./-

Sixth. The exemption for small employers has been raised from 50 to 100 full-time employees. An employer with fewer than 100 full-time employees will not be required to provide advance notice for either a closing or a layoff, regardless of the number of employees effected.

Seventh. Finally, two changes have been made to accommodate the intersection of this bill with Federal labor laws. First, the bill provides that if the employer locks out his employees in a labor dispute with them, or if the employees go on strike against the employer, the strike or lockout is not to be deemed a "plant closing" or "mass layoff." Second, the bill is amended to make clear that the fact that an employer is required to and gives notice of a closing or mass layoff in good faith compliance with this bill cannot be deemed to constitute a failure to bargain collectively, as required by the National Labor Relations Act or Railway Labor Act, without regard to whether the notice is given at a time when collective bargaining is ongoing.

Mr. CHILES. Mr. President, the plant-closing legislation calls for businesses with more than 100 full-time employees to give 60 days notice to their employees prior to closing down operations or laying off more than 50 employees comprising one-third or more of their work force at a particular location.

I would like to take a moment to seek clarification from the Senator from Massachusetts of a number of exemptions that I understand are now included in the proposed amendment. The distinguished junior Senator from Florida joins me in requesting this clarification.

Mr. KENNEDY. I would be happy to provide the requested clarification.

Mr. CHILES. First, if the business believes that the notice will accelerate the shutdown of its operations, and that business is actively seeking capital or business in order to avoid or indefinitely postpone a shutdown and it reasonably believes that giving notice will preclude it from obtaining the needed capital or business then it need not provide advance notice?

Mr. KENNEDY. Yes, that is correct.

Mr. CHILES. Second, employers are exempt from the notice requirement of the amendment if the closings or layoffs are the result of the sale of the business, relocation within a community, or closing of temporary facilities or completion of a particular project? Thus, for example, if a grocery store is closing down one site and reopening at a new site within 6 months and that new site is within 30 miles of the old site, or reasonable commuting distance, and they plan to employ at the new site substantially all of the same employees from the old site, they are exempt from giving notice?

Mr. KENNEDY. Yes, it is our intention to provide exemptions for closings or layoffs that are the result of the sale of a business or relocation within a community if the workers are reemployed in a nearby location or the new owners retain the old workers, and also for a closing of temporary facilities or completion of a particular project when the employees were hired knowing of its temporary nature.

Mr. CHILES. Additionally, I note that the amendment refers to closings or layoffs resulting from the "completion of a particular project where their employment was limited to the duration of the facility or the project." I also note that the committee report explains that a typical "project" within the meaning of this exemption would be a "construction project." Thus, is it correct that ship building and overhaul projects would fall within the meaning of this exemption, provided of course that the employees were hired with the requisite understanding?

Mr. KENNEDY. Yes, where employees of shipyards are hired for such projects with the necessary understanding, the language of the third exemption would apply.

Mr. CHILES. As the amendment relates to seasonal employees, if they work for less than 3 months per year for a particular employer, that employer will not be required to include those seasonal employees in the total number of employees when determining whether or not advance notification of a closing or layoff is required?

Mr. KENNEDY. Yes, the advance notice requirement would apply only where 50 or more full-time, nonseasonal employees are affected by a closing, or in the case of a layoff, more than one-third and 50 of the full-time, nonseasonal employees at one specific site, are subject to a layoff that is indefinite or exceeds 6 months.

Mr. CHILES. Finally, is there remaining any requirement that businesses disclose any financial information?

Mr. KENNEDY. No. All references to disclosure of financial information have been eliminated.

Mr. FORD. Mr. President, like many of my colleagues, I have some concerns about the potential effects of the plant closing notification provisions that have been added to the trade reform bill before us. Notification is a responsible thing to do, and most businesses recognize that. Notification is essential to making the expanded job training provisions of this bill work, and the compromise that has been developed goes a long way to addressing my concerns and the concerns raised by some of the business community in my State.

The original provision that came out of the Labor and Human Resources Committee went too far. Had business come forward in committee and participated in the legislative process, we might have been able to reach a true compromise. I would have preferred that this provision come to the floor on its own and not as an amendment to the trade bill. If that had been the case, we would have had an opportunity to amend this bill and debate it fully. But because all parties did not fully participate in deliberations in committee, this procedure has been forced upon us. I firmly believe that business recognizes the need for notification and if they had come forward and negotiated this bill could have amended it to satisfy all concerns.

There are still a lot of unknowns about this bill, as is the case with any comprehensive legislation, and I am hopeful that the business community will continue to come forward and fine tune it in conference. With cooperation and full participation from all interested parties, I believe that we can address whatever remaining concerns exist and can produce a notification provision that all concerned consider to be both reasonable and responsible.

Mr. MURKOWSKI. Mr. President, plant closing legislation may very well be needed to protect workers and communities. Yet, the legislation before this body is seriously flawed.

Under the legislation, a "plant closing" is the permanent or temporary shutdown of a place of employment, or facilities, operating units, or functions within a place of employment, if the shutdown results in an employment loss during any 30-day period for 50 or more employees.

Thus, an employer with 100 or more full-time employees must give up to 60 days' advance notice and consult with local governments if 50 or more employees are laid off.

I seriously question whether this is truly a "plant closing" bill. Advance notice and consultation are required irrespective of whether the "closing" would disrupt the economic life of a community or affect wholesale numbers of employees.

If nothing else, this would create excessive government and business entanglement. Should government leaders in major metropolitan areas be involved in business decisions where 50 employees are laid off? I think not.

The "plant closing" language at best is ambiguous and invites litigation. For example, a good argument can be made that the language would require a business employer with five separate facilities nationwide who lays off 10 employees in each of its facilities to be subject to the mandatory advance notice and consultation provisions.

I might add that under the language of this bill it is entirely possible that the local government officials involved in consultation will not be the local representatives of those employees who are laid off.

Mr. President, these are only some examples of some of the many questions this bill raises. I urge that this bill be brought back to committee for review for another day. A bill of such importance deserves better scrutiny. The bill as presented will very likely unduly hamstring economic business vitality, and discourage new businesses, American innovations, job creation, and American competitiveness.

In summation Mr. President, I am opposed to this bill because it is too broad—it goes beyond the purpose and need for true plant closing legislation. What's more, in spite of all the debate today, we must admit that we do not know how it will effect our economy. Further study is needed, especially when we are now in the process of trying to regain our competitive edge. More committee work is needed to help refine its scope, and remove its ambiguities.

We need a better bill. One that is balanced. Workers and communities do need advance notice in depressed economies and from businesses that are vital to the community's well-being. But, Mr. President, this bill doesn't do the job.

Mr. LEVIN. Mr. President, I have watched with great interest the debate over mandatory advance notification for plant closings. Even though I became a cosponsor of this legislation early on, I congratulate Senator METZENBAUM on his willingness to listen to the legitimate concerns of the business community and to seek to address them.

The notification period has been shortened, the minimum number of employees has been increased, the information disclosure requirements have been eliminated, allowances have been made for part-time and seasonal workers. These revisions have all been designed to make the measure more attractive to employers and at the same time enhance the chances that this legislation will be approved by the Senate.

It is unfortunate that, in spite of this effort to balance the concerns of employers and employees, there is still opposition to this amendment. However, the hardships on employees that can result from plant closings for which inadequate notice has been given require that Congress take reasonable remedial action, even if some points of controversy remain.

It has even been suggested that this proposal has no place in this trade bill. It does for the simple reason that far too many of America's dislocated workers have become dislocated due to unfair competition with our trading partners.

A prime example of this occurred recently in Michigan, Ohio, Illinois, and Missouri. In November of last year, General Motors announced that they would be closing a total of 11 plants in these four States between 1987 and 1990, a move which will result in the loss of 29,000 jobs. There is little doubt in my mind that these 29,000 employees would not be losing their jobs if it were not for the disparity between America's open markets and the restricted markets of our trading partners.

Although I agree that it would be easier if all employers gave advance notice voluntarily, I don't think it will happen anytime soon. The General Accounting Office's report on plant closings showed that about one-third of all establishments with at least 100 employees gave absolutely no advance notice to their employees. For the firms that did provide advance notice, the median was only seven days for blue-collar workers. This is an amazingly short period of time. Most employers expect at least 2 weeks' notice when their employees are leaving. How is 1 week's notice by employers acceptable?

The purpose of this measure is not to prevent plant closings, but to give workers adequate notice of an impending shutdown. With that important information, an employee would have 2 months with which to plan for his or her future. I do not believe that 2 months is an unreasonable amount of time to ask, in the situations covered by the amendment and I support this legislation.

Mr. COHEN. Would the Senator yield for a point of clarification regarding the scope of the third exemption from the required advance notification provisions?

Mr. METZENBAUM. I would be happy to do so.

Mr. COHEN. The language refers to closings or layoffs resulting from the "completion of a particular project" where "the affected employees were hired with the understanding that their employment was limited to the duration of the facility or the project." The committee report explains that a typical "project" within the meaning of this exemption would be a "construction" project. Is it the understanding of the Senator from Ohio that fish packing operations which operate on a short-term, particularized basis would fall within the meaning of this exemption, provided of course that the employees were hired with the express understanding that they are being hired only for this short-term project?

Mr. METZENBAUM. Yes, where employees of fish packing companies are hired for such short-term operations with the necessary understanding to which you refer, it is my understanding the language of the third exemption would apply.

Mr. DOLE. Mr. President, the concept behind the plant closing proposals, giving employees advance notice when an employer intends to close a plant, sounds pretty fair when you first hear it. Unfortunately, when you analyze it, you realize that it is self-defeating if your hope is that you can save those jobs.

The basic goal—saving jobs—is not going to be furthered by taking away flexibility of a company to do all it can to keep that plant operating. Let me give a few examples:

If a company already has given notice that a plant is going to be closed within 60 days, what do you think the chances are that it will be able to solicit new orders that could make the plant more profitable and the closing unnecessary?

What do you think the chances are that potential customers would be willing to increase down payments to help a company overcome cash flow problems?

What do you think are the chances that a company will be able to get additional financing to buy more efficient equipment to be able to make the plant more competitive?

Essentially, Mr. President, what this legislation would do is force an employer to give up on a plant up to 2 months earlier than it otherwise would.

Rather than encourage companies to try to work out their problems, we would be telling them, "we don't want you to take risks. If you think you may need to close the plant some months down the road, make that decision now and force your employees to look for another job."

I understand that this revised amendment attempts to address some of these problems by including a limited exception for certain companies if they are actively seeking additional capital to keep a plant open, but it seems to me that the exception creates more potential for disputes over whether it should apply in a particular case than relief from a basically flawed proposal.

Mr. President, this proposal is not good economic policy and it is not fair to the workers who would lose jobs as a result of this proposal.

I know that some would argue that requiring advance notice would give workers a chance to make concessions, for example. However, when employers have given notice, this has rarely resulted in serious discussions about how to make the plant viable. It just does not seem to result in a more cooperative atmosphere.

Furthermore, we should keep in mind that, under the National Labor Relations Act, an employer cannot now use the threat of a plant closing to obtain concessions from workers. This legislation would put employers in the untenable situation of being required to give notice of a plant closing, but, if it then negotiated with the union representing the plant workers to work out a way to keep the plant open, it might be accused of violating our labor laws.

The amendment addresses this issue by creating an exception to the labor laws for this situation. It can create an exception, but it does not make the policy behind the amendment any more rational.

There may be a number of more technical problems with this proposal—some of the definitions may make the measure very difficult to administer, for example—but the basic policy flaws should be sufficient to give us great concern. This is simply a misguided proposal which is likely to have just the opposite effect from that desired by its proponents.

Mr. GORE. Mr. President, I rise in support of the advance notification requirements contained in the plant closing provisions of title XXII of the trade bill. This section requires employers to give advance notification of plant closings and mass layoffs. It will permit workers to receive dislocation services before the loss of a job actually occurs.

Between 1981 and 1986, companies laid off almost 11 million Americans. Production workers all across this Nation—people with bills to pay and dependent families—were suddenly without work in a market woefully lacking in manufacturing jobs. About one-fourth of all workers, blue collar and white collar, receive no notice of a workplace closing. And only 26 percent get more than 30 days' notice. The United States of America is the only major industrialized country without a law requiring employers to notify their employees before closing down a workplace.

A major study published last December by the Department of Labor recommended a number of procedures for successful reemployment and retraining programs. It is important to note that all successful programs cited by DOL included advance notice of layoffs. DOL found almost no evidence of disruptions, theft, loss of customers, or declining productivity after notification.

Mr. President, it is unfortunate that many of the benefits available to American workers are not realized because they do not receive adequate advance notice when a workplace is planning to close. There seems to be a general consensus on the need for more investment in programs for job search services, vocational training, basic education, relocation assistance, adequate unemployment benefits, income support during retraining, and similar efforts. But the resources reserved for such benefits will often go for nought because of the lack of an advance notice requirement.

Clearly, advance notice would contribute to increased participation in worker adjustment programs, significant declines in unemployment and underemployment for dislocated workers, easier adjustment to what might otherwise be a wrenching change in affected communities, and substantial savings in unemployment insurance costs.

There have been several objections to the advance notification provision in this legislation from the business community, and the primary sponsors have been more than accommodating to those who have requested changes in the original bill. For instance, the length of notice has been reduced to only 60 days, regardless of the number of employees affected. Originally, as much as 180 days would have been required when 500 or more employees were affected. Incidentally, the DOL study which I cited earlier suggested that 6 months was the optimum amount of notice for a successful adjustment program.

Other changes exempt seasonal industries, remove part-time employees from the requirements for notification, and distinguish between a plant closing and a mass layoff. The newest version also provides an escape clause for employers who anticipate a shutdown, but are actively seeking a way to avoid it and fear that notification would dry up credit or new business. Finally, any reference to the disclosure of information has been deleted.

Despite all of these changes to address the legitimate concerns of business and industry, we are now facing an attempt to strike any requirement for advance notification altogether. I can only conclude that the real reason that many companies oppose a notice requirement—and the reason those same companies do not give advance notice now—is that they do not want to face the pressure from workers and communities. I have witnessed the tragedy of sudden plant closings in my State; I know the hardships faced by workers; and I know the impact of closings and layoffs on cities and counties where these closings take place.

Mr. President, the time has long passed when an employer should be allowed to withhold information simply because the corporation wants to avoid public scrutiny of its decision or public pressure to cushion the impact.

Opponents of advance notification have been active. They even claim that this legislation would prevent them from closing their plants and laying off workers. Of course, that is not true. If business circumstances not reasonably foreseeable occur, a company does not have to comply with the provisions of this bill. No company is compelled to change any business decision. The free-market system is not assaulted. The South is not unfairly penalized, as some have maintained. All that is required is that companies let their employees know what is going to happen to their jobs. I fail to see what is unreasonable about that.

The best employers step up to their responsibilities to employees and communities. Far too many do not. Mr. President, this legislation is long overdue. I urge my colleagues to support advance notification and oppose any amendment which would strike the requirement from the bill.

Mr. SPECTER. Mr. President, I think it appropriate to summarize my reasons for supporting legislation to require 60 days' notice to workers who will lose their jobs or suffer long-term layoffs. First, as the experience in my home State of Pennsylvania dramatically demonstrates, the problem is widespread, serious, and continuing; and it has not been solved by State or local legislation. In Pennsylvania, we have had numerous major plant closings over the past 15 years. The impact on the affected workers has been devastating. Reasonable notice can and will soften the blows somewhat.

Although this amendment is highly controversial, in my judgment the provision for 60 days' notice is reasonable. Certainly, forseeable job losses and long-term layoffs should not catch workers off guard. On the other hand, the requirement of 6 months' notice in the original legislation was too burdensome on business. The reduction in the required notice from 6 months to 2 months was a major factor in my ultimately deciding to support this legislation.

I also had great concern that such legislation should not apply to small business. In this regard, the increase in the "trigger number" of job losses or layoffs from 50 to 100 was another significant improvement, in my judgment, from the original bill.

Another significant improvement in the legislation was the elimination of the requirement for disclosure by companies of information, some of which could be sensitive. It should also be noted that the provision requiring 60 days' notice of layoffs as opposed to job terminations is limited to situations where one-third or more of the work force is affected.

Mr. President, a proposal similar to this bill was endorsed by a very distinguished joint panel of the National Academy of Sciences, the National Academy of Engineers, and the Institute of Medicine. This panel was chaired by a very distinguished Pennsylvanian, Mr. Richard Cyert, president of Carnegie-Mellon University in Pittsburgh, a man I have known well for some years. Its view was based on the realistic notion that plant closings in obsolescent industries cannot be avoided but their harmful impact can be ameliorated by advance notification and effective retraining for new jobs in emerging industries. I believe the panel correctly points the way to a better future—not only for workers but also for companies and communities.

While in its final form the legislation still has problems, on balance, I believe that it sought a reasonable balance between competing management and worker considerations and comes close enough to achieving that balance to deserve support.

In its final form, after repeated modifications over recent days and weeks, the bill also took account of the commonsense need to limit it to permanent employees at permanent plants and to foreseeable changes in business circumstances. Thus, it excludes: Temporary and seasonal workers; temporary facilities and projects; and failing companies that might lose new orders actively being sought if the notice were given.

This bill, however, still has very substantial problems that need extensive consideration in conference and revision before being finally enacted into law. They include: Further ways to specify the exemption for small business; clearer definitions to avoid costly and unnecessary lawsuits; and consideration of exemptions or greater flexibility to businesses such as supermarkets where weather and other such unpredictable causes result in sudden surges and drops in employment levels that are endemic.

I hope that Senators will focus the attention in conference that should have been brought to bear in hearings on resolving such matters. On the vote cast today, I concluded that on balance the bill merited my support. It is a generally reasonable bill that addresses a problem too big for Congress to ignore.

Mr. HEINZ. Mr. President, on Thursday, July 9, I made a statement on plant closing legislation. Unfortunately, when that statement was printed in the RECORD a number of errors were made. I ask unanimous consent that my corrected statement be printed in today's RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The corrected statement follows:

Mr. HEINZ. Mr. President, in just a few minutes we will be voting on the Quayle amendment to strike the plant closing provisions which are now part of the trade bill. All of my colleagues know that this is an extremely important vote.

In recent years, communities all across America have been hurt by plant closings. The General Accounting Office has taken a careful look at what happens when a plant closes. They found that between 1979 and 1984 approximately 2.3 million workers were dislocated annually. During 1983-84, over 16,000 establishments with 50 or more employees experienced a plant closing or permanent layoff.

My hometown of Pittsburgh has had a particularly bitter experience. In the Pittsburgh area alone, there have been over 400 plant closings in the last 6 years. As my colleagues are well aware, these closings create grave difficulties for employees who, through no fault of their own, suddenly find themselves looking for a totally new job. Often these workers are without skills or education necessary to gain reemployment.

What happens when a plant closes? We have learned the tragic lesson that when workers lose their jobs due to a plant closing, that 2 years after the job loss, only about 50 percent of them find another job. On average, those that do find another job, earn 30 percent less than their pre-layoff earnings. I am sure my colleagues are well aware of the devastating impact that these changes have on families with medical bills and mortgages to pay.

This same GAO study found that when plant closings occurred, the average length of notification for blue-collar workers is 7 days. The Secretary of Labor's recent report on economic adjustment and worker dislocation, and the OTA study on technology and structural unemployment—which I requested—both found that advance notice is critical to helping workers adjust rapidly. Advance notification helps workers to enter training and job search services, and thus provides the most effective means of returning workers to the workplace. When only 7 days' notice of plant closing is allowed, job training agencies cannot respond. Let me elaborate on this with some specifics.

When only one or a few weeks' notice is provided, JTPA service-delivery systems cannot respond. In order to provide each worker with services which meet his or her needs, a service-delivery area must take several steps, each lasting from a few days to 8 weeks. In a well-run job training program these steps include: Interviewing workers onsite, determining the mix of services required by each individual, and assessing the marketability of their skills, those who have marketable skills are given job search help. This includes assistance both in terms of interviewing and résumé preparation. These workers are also provided with phone numbers and addresses of employers with job opportunities.

Those workers without easily marketable skills are placed in training. Training is either on-the-job training or classroom training. If a worker is eligible for on-the-job training, an employer must be found who is willing to take workers on and train them. Placing workers in jobs is a time-consuming process, particularly when large numbers of workers are involved. Before a worker is placed in either type of training, a job must be found or a classroom program must be designed. In most cases, classroom training must also be approved by the appropriate State agency. You can see by my description that finding jobs or training opportunities for a displaced worker is an extremely difficult process. In well-run programs, this process takes just under 60 days. There is no way that this process can be completed in 7 days.

If we want to put about-to-be displaced workers back to work, some form of advance notice has to be provided. A recent study by the Philadelphia Area Labor-Management Committee found that when workers are given advance notice, 70 to 80 percent participate in worker retraining programs, whereas without advance notice this participation drops below 20 percent.

A just-released National Academy of Science study entitled "Technology and Employment" provides another powerful reason to support advance notification. This study concludes that advance notice reduced the average spell of unemployment by roughly 27 percent or 4 weeks. This means an average savings of some $115 million per year in reduced unemployment compensation costs.

Despite this link between advance notice and reemployment, and the savings through lower unemployment, many people have expressed serious concerns that any form of plant notification is inherently unworkable. They suggest that advance notice will lead to a reduction in U.S. competitiveness.

Experience has shown that plant closing notification is not only workable but also does not impair companys' competitiveness. The State of Maine has had advance notification legislation since 1971. Since 1981, Maine's unemployment rate has been consistently below the national average; it currently stands at 5.3 percent during this period, the number of employed Maine residents increased by 17 percent.

Specific industries have also had successful experiences with advance notice. In 1980, the United Autoworkers and Ford Motor Co., entered into an advance notification agreement at their Milpitas plant. This plant provided advance notice on November 18, 1982, and closed slightly more than 6 months later on May 20, 1983. More than 60 percent of these employees found new jobs, which is considerably above the national average. Furthermore, Ford auditors discovered that once notification was given, productivity actually increased.

The plant closing legislation reported by the Senate Labor and Human Resources Committee and incorporated into the trade bill we are now debating is aimed at addressing the problems faced by workers by attempting to secure early notification of plant closings. While the intent is well meaning, the legislation itself is deeply flawed and goes well beyond addressing situations involving permanent plant closure. In fact, it is totally unacceptable.

I would like to take a moment to review and analyze the main provisions of the committee bill, S. 538.

FIRMS COVERED

The legislation requires all firms with 50 or more employees to provide notification of plant closing on layoffs involving 50 or more people. The sponsors of this provision argue that it will not unduly affect small business. However, since 95 percent of all closings involve firms with more than 50 but fewer than 500 employees, this provision will have a significant impact on smaller businesses.

The sponsors of this measure claim that by providing workers, even at relatively small firms, with notification, will enable those workers to adjust. These provisions however, make no distinction between a final plant closing and a layoff. In a layoff situation, if the actual job is not eliminated, there is no need for adjustment, and thus no need for advance notice.

By covering temporary layoffs, this bill will have the effect of disrupting operations, reducing employee morale, harming productivity and inflicting unnecessary costs that result in no benefit to the temporarily laid-off employee.

LENGTH OF NOTICE

Depending on the number of employees affected, firms must provide advance notice of between 90 and 180 days. Under this provision, 46 percent of all affected firms will have to give at least 120 days notice. Of these, 5 percent must give 180 days notice. I believe such lengthy prenotification, especially those cases involving a 4- or even 6-month lead time, poses an unreasonable forecasting burden on firms. Further, any length of time greater than 60 days is unnecessary and, therefore, imposes a burden, however difficult to qualify, that is unjustifiable. As testified to repeatedly by State training and employment experts in hearings I held in Harrisburg and Pittsburgh, 60 days provides ample opportunity for job search and training to be properly initiated.

DISCLOSURE REQUIREMENTS

Employers are required to disclose financial information and feasibility studies of the plant's operation. In my view, this provision could lead to the disclosure of proprietary information and could provide competitors with an unfair advantage. Although the bill contains sanctions against unauthorized disclosure, this would be of little help to a company whose competitive position has been compromised. Furthermore, it is possible to imagine that the implied threat to release such information by an unethical party might have broad and powerful implications well beyond the issue of the specific plant due for closure. The committee bill's provisions do not provide adequate protection for the employer without a lengthy petition process and ruling on the proprietary nature of the information. This provision is such a serious problem that, by itself its inclusion is good reason to reject the committee approach.

LIABILITIES

Under S. 538, as reported, employers are liable for violation of notification for back pay and benefits for each employee less whatever the employee received from the employer during the period of violation. The employer is also subject to a fine of $500 per day for each day of violation. Further, failure to disclose information would result in a civil penalty of $10,000. These liabilities, while exclusive, when coupled with other provisions become burdensome and punitive.

EXEMPTIONS

Employers are exempt from notice requirements if: First, the closing or layoff is caused by sales of the business and written agreement to hire substantially all of the employees is obtained; second, the closing or layoff is due to relocation within a community within reasonable commuting distance; or third, the closing or layoff is a result of closing of temporary facilities or completion of particular projects and the employee understood at the time of employment that the work was temporary. These exceptions are generally helpful but limited.

Of more significance is the exemption from notification if the closing or layoff was not reasonably forseeable. This addresses the inherent uncertainty of being business in a changing and competitive economy, as well as the unforseeable consequences of the business cycle.

Similarly, the bill exempts any layoff expected to be of less than 6 months duration from notification, and permits a "good faith" exception if the employer "reasonably believed" the layoff would be of less than 6 months even if it turned out to be of longer duration.

However welcome these exceptions, I believe the bill poses the potential for significant legal challenges because of the ambiguity or uncertainty of legal intrepretation involved in their application. We do not know enough about how to determine whether a closing or layoff was "reasonably foreseeable," or if a failure to notify workers of a layoff which went over 6 months done "in good faith," or how, when employees were laid off, the employer "reasonably believed" that the layoff would be of less than 6 months, duration.

In sum, while the sponsors of these provisions provide seemingly reasonable and sensible exemptions, there may be problems in their interpretation. Without considerable legislative history which makes clear congressional intent, these provisions could certainly involve litigation.

Mr. President, these provisions that I have just discussed were contained in the committee-reported bill. However, during the course of Senate debate over the past week or so, the need for substantial change has become evident to the Senate, and this body has since adopted a fairly comprehensive—if not fully satisfactory—package of changes to the original committee provisions. I consider the changes we have made here on the Senate floor significant and essential improvements that go a long way toward addressing the problems with the notification provisions I have earlier discussed.

I would like to discuss each of the major modifications in turn:

FIRMS COVERED

Only firms with at least 100 employees must provide advance notice. By increasing the threshold from 50 to 100 employees, this exempts 54 percent of the small businesses which had previously been covered, and significantly reduces the reporting burden on those least able to afford it or cope with it.

NOTIFICATION PERIOD

The notification period is now 60 days across the board. This is the most important change made in the bill. The previous lengthy notification periods were unnecessary, unworkable, and punitive requirements. By doing little or nothing to improve the placement of soon-to-be displaced workers in job training, such unnecessary notification conferred no benefit on the workers but a great potential burden on the employer.

DISCLOSURE REQUIREMENTS

As revised by the Senate floor amendment, disclosure requirements have been dropped and deleted entirely. Thus, management is not required to consult or share information with employees during a closing or mass layoff. Had they been left in the bill, these provisions could have unfairly penalized companies for failure to disclose information, including proprietary information.

This is an exceptionally important modification and I welcome it.

EXEMPTIONS

The modifications now made in the bill also contain several important exemptions: First, employers actively seeking capital or business to avoid plant closing are exempt from notice if this would be damaging to their efforts. Thus, failing businesses or businesses coping with difficult problems or special challenges are removed from the provisions of the bill. This is an essential modification. This exemption, for example, would take into account the extraordinary risks that businesses coping with problems or special challenges face in retaining skilled employees, lines of credit and capital investment. In my judgment, this provision provides a valuable safe harbor for business facing unusual or threatening circumstances that will enable them to keep their gates open and their employees on the jobs.

Second, seasonal and part-time employees are also exempt, and do not count toward the 100 employees required in order to be covered under the bill.

Third, the proposed change requires advance notice for layoffs of at least 50 employees and one-third of the employer's work force. The purpose of this threshold is to assure that notice will be given only for serious layoffs that could lead to structural dislocation.

Despite these improvements, there are still serious problems with the legislation before the Senate.

The most serious is the continued inclusion of layoffs—as opposed to plant closings—even in the legislation as modified. The justification for its retention, as I understand it, is that indefinite layoffs amount to plant closings. Certainly this is true. But I believe this is a practice common to relatively few industries, usually those with high capital investment costs and/or relatively generous early retirement or separation pay benefits. Since this legislation applies across the board to many other types of industries where indefinite layoffs are rare or nonexistent, I believe the legislation casts far too wide a net and, therefore, imposes a burden on many employers that is unwarranted and without benefit to their employees.

In sum it is extremely difficult to legislate advance notice for layoffs—there are permanent layoffs, which should be covered, and temporary layoffs which should not. In my judgment the legislation's requirements will limit the private sector's ability to respond to the dynamics of an increasingly fast-paced international marketplace, and are, therefore, not acceptable to this Senator.

Thus, I am very disappointed that the Senate has failed to modify the layoff provisions. Triggering notice for layoffs at 50 employees and one-third of the work force virtually guarantees that businesses including many relatively small ones, will have to provide notice constantly, disrupting employment and damaging productivity. While I recognize that there are those who use indefinite layoffs as a means of avoiding a final separation, and the requirements that collective bargaining imposes upon a final shutdown, I believe that as written this is a punitive and unworkable provision.

This legislation could be substantially improved by raising the threshold for notice from 50 to 100 laidoff employees, and covering only layoffs of a year or more duration. Perhaps a better alternative is to admit that it is difficult, if not impossible, to legislate on layoffs and strike this provision all together. I am sorry that these changes have not so far been made.

Mr. President, a second major problem is uncertainty. I am concerned that this plant closing legislation contains far too much ambiguity. If this legislation is enacted in its present form, it could become law without clear standards and definitions such as "reasonably foreseeable," "reasonable commuting distance," et cetera, unless there is extensive legislative history clarifying these terms. Unless clear definitions are provided, we necessarily invite unwelcome and unnecessary litigation. While I think that recent debate has narrowed some of this ambiguity, and thereby reduced the potential for frivolous or abusive lawsuits, I am still not satisfied. If this section of the trade bill emerges from conference, it must have clearer explanations of the meanings ascribed to these terms in the statement of managers and the bill language to prevent costly and burdensome legal tangles that will benefit no one except lawyers and undermine the adjustment to change that any dynamic economy must undergo if it wishes to move forward.

Mr. President, I have made these comments because I think there is still the opportunity to address the problems in this legislation, and because we are faced with a difficult choice on the votes we are about to cast. In a few moments, we will have the opportunity to vote on the motion to strike the advance notice provisions proposed by the Senator from Indiana. This is a difficult choice because we must choose between including flawed plant closing requirements in the bill or dropping any and all advance notification provisions whatsoever.

I am concerned, on the basis of three independent studies—the last results completed by the U.S. Department of Labor—that advance notice improves the prospects that our skilled workers will be reemployed. Furthermore, I believe that the United States cannot be competitive in the dynamic international marketplace if more than 1.7 million experienced, skilled workers are sidelined. There is strong and repeated evidence that advance notice will keep our skilled workers in the work force. Recognizing this, I could not support entirely removing the advance notice provisions from this bill.

Although I will not vote to strike these provisions in their entirety from the bill, I strongly support further amendments or modification. Furthermore, failing such efforts, I will urge such changes in House-Senate conference on the Trade bill. Since the House version contains no plant closing legislation, the conference committee will have the opportunity and scope to make this a viable proposal which helps keep our workers in the work force and does not inhibit our competitiveness. For this reason, I am prepared to send these provisions to conference.

However, I must state now—and I will work for improvements in the conference committee—that the conference report's final plant closing provisions will weigh heavily in my decision to support or oppose the overall legislation.

Mr. QUAYLE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 40, nays 60, as follows:

[Rollcall Vote No. 180 Leg.]

YEAS—40

Armstrong
Bond
Boren
Boschwitz
Bumpers
Chafee
Cochran
Danforth
Dole
Domenici
Evans
Garn
Gramm
Grassley
Hatch
Hecht
Helms
Hollings
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
McConnell
Murkowski
Nickles
Pressler
Pryor
Quayle
Roth
Rudman
Simpson
Symms
Thurmond
Trible
Wallop
Warner
Wilson

NAYS—60

Adams
Baucus
Bentsen
Biden
Bingaman
Bradley
Breaux
Burdick
Byrd
Chiles
Cohen
Conrad
Cranston
D'Amato
Daschle
DeConcini
Dixon
Dodd
Durenberger
Exon
Ford
Fowler
Glenn
Gore
Graham
Harkin
Hatfield
Heflin
Heinz
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Packwood
Pell
Proxmire
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Simon
Specter
Stafford
Stennis
Stevens
Weicker
Wirth

So the amendment (No. 442) was rejected.

The PRESIDING OFFICER. Under the previous order, a motion to reconsider is laid on the table.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order and pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senator, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the Moynihan amendment, No. 367, relating to the Persian Gulf, to S. 1420, a bill to authorize negotiations of reciprocal trade agreements, to strengthen United States Trade Laws, and for other purposes.

Senators Jim Sasser, John Glenn, Claiborne Pell, Edward M. Kennedy, John F. Kerry, Dale Bumpers, Don Riegle, Robert C. Byrd, Lloyd Bentsen, J. Bennett Johnston, Quentin Burdick, Daniel P. Moynihan, Tim Daschle, Carl Levin, Kent Conrad, Lawton Chiles.

Mr. LEAHY. Mr. President, I will vote for cloture on this sense of the Congress resolution expressing concern about the President's plan to protect Kuwaiti oil tankers in the Persian Gulf. But, I support this resolution without enthusiasm, and only because it at least calls on the President to delay the reflagging until some basic questions can be answered about our purposes in taking this action.

The resolution being filibustered by the minority party is not a bad resolution, it's just completely inadequate. As the distinguished Senator from Oregon [Mr. HATFIELD] said last week, it is Congress at its worst, putting itself in a position to criticize if things go wrong in the Persian Gulf, but not taking any real responsibility for policy now. Surely, after the last 6½ years, we know how much attention President Reagan pays to sense of the Congress resolutions—none. He has already made clear he will pay no notice to this one.

What Congress should be doing today is voting on whether to invoke the war powers resolution and to have a real debate on and a real voice in Persian Gulf policy. Is the Senate prepared to approve the President's action in committing American military forces where fighting and deaths of Americans is highly likely, or not? If we are prepared to approve, under what circumstances are we willing to go along? Are we willing to vote where we stand?

Yet, instead of voting on that, which we could do by bringing up the Hatfield-Bumpers war powers resolution bill, which I cosponsor, the Senate is trying to get to a vote on yet another toothless "sense of the Congress" resolution. We will wring our hands about the President leading the country into a situation that could turn into a shooting war, but we will not take a full share of the responsibility by bringing the war powers resolution into play. That would require us to have a debate on policy in the Persian Gulf with something at stake. We would have to take a serious position on whether the President can commit American forces in that conflict.

The American people deserve better than another round of shadowboxing in the U.S. Senate. I wish we were giving them something better today.

Mr. BOREN. Mr. President, I will vote against cloture on the Persian Gulf resolution. My vote will not reflect any fundamental disagreement with the substance of the resolution. I too have concern about the wisdom of the method that has been chosen to protect what all of us recognize as our vital national interests in the Persian Gulf. Other alternatives to reflagging and convoying should have been considered and should still be weighed by the President. Efforts should be made to involve our allies in our actions because they also have interests in the region. We should not have to bear the burdens alone.

My negative vote on cloture will be cast because I believe that the timing of this resolution is ill advised. The President has made a public commitment to a course of action. I do not believe that Congress should take a public and official position at this time which demonstrates disunity within our own Government. If our adversaries detect that we are divided, it will only increase the chances that they will attempt to inflict injury on us either through terrorist attacks or otherwise.

Our Nation is being severely damaged by the failure to hammer out a consensus on important foreign policy decisions between the President and the Congress. Both branches of government must share the responsibility for past failure.

In this case, the administration did not adequately consult with Congress before making public international commitments. A united front should have been determined before taking public positions. At the same time the error of the administration should not be compounded by an error by the Congress in taking a public position demonstrating American division and disarray at this time.

In recent days, the administration, including the President, has expounded private dialogs with Congress about future actions. It is this process that should go forward. We must remember that all of us work for the same Government, the same cause, and the same people and conduct ourselves accordingly.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the Moynihan amendment No. 367 relating to the Persian Gulf, S. 1420, a bill to authorize negotiations of reciprocal trade agreements, to strengthen U.S. trade laws, and for other purposes, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE], is necessarily absent.

The PRESIDING OFFICER (Mr. GRAHAM). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 57, nays 42, as follows:

[Rollcall Vote No. 181 Leg.]

YEAS—57

Adams
Baucus
Bentsen
Biden
Bingaman
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Conrad

Cranston
Daschle
DeConcini
Dixon
Dodd
Exon
Ford
Fowler
Glenn
Graham
Harkin
Hatfield
Heflin
Hollings
Humphrey
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Proxmire
Pryor
Reid
Riegle
Rockefeller
Roth
Sanford
Sarbanes
Sasser
Shelby
Simon
Specter
Stennis
Weicker
Wirth

NAYS—42

Armstrong
Bond
Boren
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Danforth
Dole
Domenici
Durenberger
Evans
Garn
Gramm
Grassley
Hatch
Hecht
Heinz
Helms
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
McConnell
Murkowski
Nickles
Packwood
Pressler
Quayle
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson

NOT VOTING—1

Gore

The PRESIDING OFFICER. On this vote the years are 57, the nays 42. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

ORDER OF PROCEDURE

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, I believe my time was reserved under the standing order?

The PRESIDING OFFICER. A portion of it was reserved.

Mr. BYRD. And the time of the distinguished Republican leader?

The PRESIDING OFFICER. Was reserved.

Mr. BYRD. I ask unanimous consent that that time may be used now without its prejudicing in any way the order that follows:

The PRESIDING OFFICER. Is there objection to the request of the majority leader? The Chair hears none and it is so ordered.

Mr. BYRD. Mr. President, how much time do I have?

The PRESIDING OFFICER. Four minutes and sixteen seconds.

Mr. BYRD. I will use the 16 seconds.

Mr. President, we had a good vote on cloture. I will offer another cloture motion today, which will ripen on Tuesday.

Mr. President, I promised the remaining 4 minutes to Mr. SASSER.

The Republican leader has 7½ minutes?

The PRESIDING OFFICER. Seven and a half minutes.

Mr. MOYNIHAN. Would it be possible to have 2 minutes?

Mr. BYRD. Mr. President, I ask unanimous consent that I may have 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I yield 4 minutes to Mr. SASSER, and 2 minutes to Mr. MOYNIHAN.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. I thank the majority leader.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

PERSIAN GULF POLICY

Mr. SASSER. Mr. President, I should like to take a few moments of the Senate's time to discuss what has just happened here. We failed to get cloture by a very narrow margin because Members from the other side of the aisle voted substantially as a block to support the administration.

The White House knows that if the Byrd resolution were ever voted on up or down, it would pass overwhelmingly, and with the support of many Members from the Republican side of the aisle. That is why we have a filibuster on this matter. That is why the administration is preventing a vote directly on the resolution.

Over the past several weeks, this issue has been thoroughly debated on the floor of the Senate. I do not want to go over that debate again this morning, for the facts are well known. But an event occurred last night which needs to be reflected upon.

Iranian speed boats, operated by revolutionary guards, attacked a United States-owned oil supertanker flying the flag of the country of Liberia, in the Persian Gulf, near a Kuwaiti harbor. The vessel was attacked with 18 rocket-propelled grenades. The supertanker that was attacked is U.S.-owned, but it did not have the protection or escort of the U.S. Navy. It was flying a flag of convenience, the flag of Liberia.

When the White House begins naval escort of 11 Kuwaiti tankers next week, that United States-owned tanker that was attacked last night still will not have the protection of the United States Navy. Think about how ridiculous that is. U.S.-owned ships will not be protected if they are flying the flag of another country for convenience or for business reasons. However, ships owned by a foreign government—in this case, Kuwait, with its own navy and with the financial capability to provide for its own protection—will be protected by the American Navy. In short, Kuwaiti vessels will be protected, but American-owned vessels will not. What is the logic of that, I ask? Where is the equity in that policy?

How can we explain to the United States seamen whom we are putting in harm's way in the Persian Gulf that they are not there to protect American-owned ships but are there to protect the vessels of the sheikdom of Kuwait? What sort of logic is that? Mr. President, that is part of the illogic of the administration's policy.

Mr. PELL. Mr. President, will the Senator yield for a question?

Mr. SASSER. I yield.

Mr. PELL. Can the Senator recall any other instance when Old Glory, the Stars and Stripes, the American flag, was used as a flag of convenience? We have heard of Panama and Liberia used as flags of convenience, but never before the American flag.

Mr. SASSER. I can recall no other instance, save perhaps once in 1939, when the American Navy escorted British vessels as they crossed the Atlantic to supply the British Isles in their valiant fight against Nazi Germany.

Mr. President, the fact is that United States shipping companies would not be flying the flag of Liberia, would not be flying the flag of Panama, or some other country, if they had been granted the concessions that the United States Government granted the Government of Kuwait.

Flying the flag of the United States is very expensive, because tankers that fly that flag have to conform to very rigid safety and environmental standards, standards that will not have to be met by Kuwaiti tankers because the Defense Department has granted Kuwait a waiver.

So that is the charade of the whole matter, Mr. President. The administration says we have no option but to reflag Kuwaiti tankers because we would reflag the tankers of any country that asked. But would we grant the same waivers to any country that asked? Why do we not grant the same waiver to U.S.-owned vessels?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MOYNIHAN. Mr. President, if I might add to the observation of the distinguished chairman of the Committee on Foreign Relations, it is the case that certain British vessels had American flags at a time when the Second World War engulfed the world, when the President of the United States and Congress were involved in the maintenance of a neutrality zone, a zone in which American ships escorted allied convoys. It was a national policy; it was an American policy.

Mr. President, the U.S. Navy is not for rent, and the American flag is not for sale.

I repeat the proposition made earlier in this regard, that we want to support the administration, and American policy, but reflagging is a Kuwaiti policy.

We learned just yesterday from our friends in the other body—Mr. ASPIN and his delegation that visited the region—that the Kuwaitis plan to shuttle their tankers to just outside the gulf, unload them, and shuttle them back, exposing those tankers to a much larger risk than we had any reason to anticipate.

I call attention to the serious and thoughtful proposal made in the New York Times yesterday by Elliot Richardson, a former Secretary of Defense in a Republican administration, and Cyrus Vance, a former Secretary of State in a Democratic administration, suggesting that the Kuwaiti tankers might be placed under the United Nations flag and escorted by unarmed U.N. patrol boats. It is a very thoughtful article.

The United Nations has not carried out a collective security action since the Korean war. However, the United Nations has devised an alternative—that of deploying peacekeeping forces under the U.N. flag, interposed between belligerents to discourage further clashes and to identify whichever side dared violate a U.N.-sponsored cease-fire.

It is time such peacekeeping forces were taken to sea. I would hope that we could explore this matter further.

Mr. President, I ask unanimous consent that the article by the two former Secretaries be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 8, 1987]

LET THE U.N. REFLAG GULF VESSELS

(By Cyrus R. Vance and Elliot L. Richardson)

The specter of a widened conflict in the Persian Gulf raised by prospective United States reflagging of Kuwaiti ships and provision of safe transit for Kuwaiti cargoes on Soviet vessels leased to Kuwait has created consternation in Congress, queasiness among our allies and concern even in the Administration.

Despite the risks, America feels compelled grimly to press on for fear that retreat, in Senate majority leader Robert C. Byrd's words, "Would further injure the already severely damaged credibility of the United States."

Without retreat or loss of credibility, however, America can attain its goal with substantially lower risk. It can meet its commitment to Kuwait and achieve its policy goals under the mantle of international sanction by supporting United Nations reflagging of nonmilitary vessels in the gulf.

This would not involve creation of a United Nations naval flotilla patrolling the gulf, as some have proposed. The United Nations is not an appropriate instrument of gunboat diplomacy. Rather, it is a unique instrument for peacemaking diplomacy: Its peacekeeping forces are widely respected and rarely attacked, even in zones of bitter conflict.

United Nations reflagging would not wave a red flag before Iran, but American reflagging would fuel tensions in the Gulf. Iran would see the United States, which it considers an enemy, as inserting itself into the gulf on behalf of an ally of Iraq, the other belligerent in the seven-year war.

By contrast, United Nations reflagging would cool tensions by assuring commercial shipping of peaceful passage. In other words, this approach provides the best guarantee for America's goal of securing peaceful passage.

A United Nations peace-building mission would begin after passage of a Security Council resolution that endorsed freedom of navigation for peaceful shipping in the gulf, noted the perils to it from the ongoing conflict and called on all member states to safeguard innocent traffic from attack while efforts at ending the Iran-Iraq war continued.

A Council resolution should authorize seafaring United Nations peacekeepers to place a United Nations flag on vessels entering the gulf that asked a United Nations guarantee of safe passage and that submitted to United Nations inspection to insure that no war materiel was on board.

Once under a United Nations flag, oil tankers and other peaceful vessels desiring an escort could request an unarmed United Nations patrol boat to accompany it, or a naval vessel from member states authorized by the Council to carry out this function.

The guiding principle of the United Nations reflagging plan is diplomatic deterrence, which is likely to be more effective than military deterrence furnished by a nervous superpower.0Z85195—Smitty—7-9-87—J. 091-060—Folio 44S/C2—File A09JY6.030—

Most important, such United Nations peace-building is in the interest of all parties involved. (We recognize, of course, that our proposal would die stillborn if any permanent member of the Council vetoed it. We believe that this would not happen because to do so would be to vote against the self-interest of every permanent member.)

For Kuwait, which initiated the American reflagging imbroglio, United Nations reflagging would provide international guarantees for its vessels yet avoid overt dependence on America or the Soviet Union.

For America, it would achieve the aim of protecting innocent passage while substantially reducing the risk of stumbling into an unwanted war. It would allow America to return to a more even-handed and flexible position, permitting it to play a more active role in ending the bitter and bloody conflict.

For the Soviet Union, the plan would provide similar advantages. Further, it would reduce American pressure on gulf states for bases to support an enlarged American presence.

What about the belligerents themselves? Why should they respect the United Nations flag?

There is, of course, the general desire of third world countries to bolster the credibility of the United Nations. Moreover, Iran and Iraq would have to think twice before attacking vessels under the protection of the international community, including the major powers.

For Iran, the plan would make it more likely that international tankers going to Iranian oil ports would safely transit the gulf, thus removing an obstacle to Iran's oil exports. If Iran's oil traffic were safeguarded, Iran's incentive to deliver retaliatory strikes against the shipping of its Arab neighbors would diminish.

For Iraq, which initiated the attacks on tankers and remains the source of most of them; the United Nations offers the main hope of bringing the unwinnable war to an end. Nor can Iraq afford to ignore the wishes of the Arab gulf states that have been bankrolling Iraq and that want their shipping protected. Moreover, Iraq has shown its willingness to step back from other face-offs with the United Nations.

Above and beyond all this, given the animosity between Iran and Iraq the United Nations must look to step-by-step peace-building. Thus, shielding shipping from attack could be a stepping stone toward a general ceasefire that halted the land war.

This month, an international panel of the United Nations Association of the USA will make recommendations on the conditions necessary for the United Nations to be successful in all security matters, as well as in economic and social development.

The recommendation presented here for a United Nations reflagging role in the Persian Gulf meets the panel's key criteria for likely success. It serves the common security interests of all concerned, it can be rapidly implemented (at modest cost) and it draws on what the United Nations does best—mediate impartially from above the fray.

Mr. DOLE. Mr. President, before I start reading in all the papers that a filibuster is going on, let me remind my colleagues that we spent about an hour debating this resolution and then a cloture motion was filed. So, we have not had any debate on the resolution. I will probably read in tomorrow's papers that the Republicans are filibustering, but the RECORD will indicate that that is not the case.

Second, if the Senator from Tennessee wants to expand the resolution and micromanage everything in the Persian Gulf, get into whether or not we should protect American tankers that fly a different flag, I assume we could address that in the resolution too.

It is my understanding that we were very close to getting an agreement on something that probably 70 or 85 Members might support. It would be a bipartisan effort to at least serve notice on the administration that we are concerned about this policy.

I would hope that that is still possible. I thought we might have that vote this morning rather than the cloture vote. Maybe we will have that vote yet today, tomorrow, or sometime. But if that is not the case, then at least there may be efforts to modify the resolution to reflect the views that some hold on this side.

So, before yielding the remainder of my time to the Senator from Virginia, Senator WARNER, let me make clear that the so-called Byrd-Moynihan resolution does not address the issue of last night's attack. It does not talk about it. It does not address it in that resolution. No effort is made to address it in that resolution. Maybe it should be addressed. I do not think so, but maybe it should be.

And there is a risk in this policy. I do not think anybody ever said there is not a risk. I think those who condemned what is happening should have a policy. We could say: we are not for this. We want to serve notice on the administration we are opposed to this. But we do not have a policy.

Our policy is not to vacate the Persian Gulf. We do not want to take any risk. We do not want any blood on our hands if something goes wrong.

That is not a policy. That is a copout.

If that is something we want, I assume we can pass a resolution that points the finger of blame at the administration before anything happens. If it does happen, we can sit back and say we passed this resolution. And say, if you had listened to this resolution it would not have happened. Who knows what would have happened?

In any event, if the effort is to serve notice on the administration, you will find a lot of support on this side of the aisle. If the effort is to continue consultation, you will find a lot of support on this side of the aisle. If the effort is to have a conference, if everything else fails, with exporters and importers, there will be a lot of support on this side of the aisle.

I think we are arguing about two or three words in the resolution. I hope we can resolve that.

I yield the remainder of my time to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. I thank the distinguished minority leader.

Mr. President, I pick up where he addressed the facts. Under the guidance of the two leaders, the majority and minority leaders, there is a group of us working, and I think we are very, very close on a draft of a resolution which I think will form the basis of a broad consensus in the Senate.

It is interesting to note, as we work through this, that there is a great parallelism between the believers here in the U.S. Senate and those of the administration with respect to strategic interest in the gulf, with respect to our need to stand firm with our friends in the Gulf States. The question is narrowly defined on the issue of the reflagging and the manner in which the protection regime will be handled in terms of ships flying the U.S. flag.

Mr. President, I believe that the consultation process with the administration is continuing. Yesterday the Central Intelligence Agency came up to give us another briefing on the situation and I am confident that the President and his principal officers on this situation will continue to work with the Congress, even after what I predict will be the quick adoption of a resolution here within the next 48 hours.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Virginia has yielded the floor.

Mr. EXON. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Nebraska will state his inquiry.

Mr. EXON. Mr. President, I would like to make some few brief remarks on this subject. Who controls time on this side of the aisle?

The PRESIDING OFFICER. Under the previous order, at the conclusion of the vote on the cloture motion, there was to be 30 minutes of debate on the DeConcini amendment, amendment No. 448. The majority leader asked to utilize his remaining time as did the minority leader which they have now done.

So, under the previous order we are now prepared to commence the debate on the DeConcini amendment.

Mr. EXON. Mr. President, I ask unanimous consent that I be allowed to proceed for no longer than 2 minutes on this subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I think the record should be very clear that those of us in the U.S. Senate are very much concerned about what we think is a bad policy move by the administration. It is not unlike, Mr. President, the unfortunate move, as it turned out, when the President of the United States sent the Marines into Beirut on a fruitless mission.

There are those of us, I think, who are unanimous on both sides that we do not want to cut and run in the Persian Gulf.

What we are trying to do is send a responsible message to the administration that we think once again they have not thought through a policy that could have far-reaching effects not only on the international posture and policy of the United States of America, but what we are going to be doing into the future to discharge that responsibility.

What we are saying is, "Whoa, now, Mr. President, come and consult with us and do not make brash decisions on your own without consultation with at least the leadership of the Congress of the United States."

That is the message that we are trying to send, and if we can get a word or two changed in a resolution, I am sure that we would agree.

It is not a partisan measure. It is a measure for the safety of the United States of America, its international policy and its military forces.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Nebraska has yielded the floor.

The Senator from Washington.

Mr. ADAMS. Mr. President, I ask unanimous consent that I might proceed for 1 minute to reply to what the minority leader is saying. This is terribly important. I will just take a second here.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, I will not object if we can have 1 minute on this side.

Mr. JOHNSTON. Mr. President, reserving the right to object, and I do not want to and will not, except to say I came to debate this other matter and I hope we will not let it go on for too long.

Mr. DOLE. Me, too.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ADAMS. Mr. President, I want to state to the minority leader and majority leader that many of us have suggested the invocation of the War Powers Act if there is reflagging for precisely the reasons stated. It is to unite the country and to have consultations and to be certain that we are not trying to micromanage the efforts in the Persian Gulf.

We are hopeful that we could pass a delay of the reflagging to give everyone a chance for this consultation. I hope it is understood by the Senator from Kansas and others that we do feel there is a vital interest in the gulf as stated by the Senator from Nebraska.

We are not trying to divide the country. We are trying to unite it, and there is a process for doing so and that is why we have suggested this.

I thank the President for giving me the moment, but I wanted to make it very clear that we do agree with what he is trying to do. We just think that a resolution that does not have some action in it will not receive enough attention. We hope that the consultation will take place and we hope everyone will support a reasonable policy. We are just worried about the policy that is going on.

I thank the Senator for granting me the time.

The PRESIDING OFFICER. The Senator from Washington yields the floor.

Mr. DOLE. Mr. President, before we shed too many crocodile tears over the United States tanker flying the Liberian flag, we better take a look at the tax consequences, or what they are avoiding in taxes, by doing that and what is happening to labor protection by doing that. They do not fly the Liberian flag for any reason, except I think they profit from the tax standpoint.

Before we all come up here and rush to their defense, and I am certainly willing and I want to protect American lives, we ought to know the full story about the particular American tanker flying the Liberian flag. I bet you will find it is because they make a lot of profit that way.

The PRESIDING OFFICER. The Senator from Kansas has yielded the floor.

AMENDMENT NO. 448—ANGOLA

The **PRESIDING OFFICER**. Under the previous order we will have 30 minutes of debate on the DeConcini amendment, No. 448.

Who yields time?

Mr. **PELL**. Mr. President, I yield 3 minutes to the Senator from Illinois [Mr. SIMON].

The **PRESIDING OFFICER**. Three minutes to the Senator from Illinois. The Senator is recognized.

Mr. **SIMON**. Mr. President, I thank my colleague, the chairman of the committee, for yielding.

Mr. President, I strongly oppose the DeConcini amendment imposing a trade ban against Angola. Politically and economically it does not make sense. It would have little political impact on the Angolan Government and would not—as the proponents believe—weaken the Angolan Government by forcing a withdrawal of Cuban troops or by forcing the Government to negotiate a settlement with UNITA.

On the economic side we can expect that European and Japanese companies will replace United States firms. When Mobil Oil withdrew from Angola, its oil fields were taken over by Mitsubishi, a Japanese company. Moreover, foreign exchange generated from these oil concessions will continue to go to the Angolan Government.

On the one hand, the opportunity the Angolan Government will have to negotiate new deals could lead to an increase in Angola's hard currency earnings. On the other hand, a decline in earnings will not result in the withdrawal of Cuban troops or Soviet support for the Angolan Government. In the past 18 months, Angola has already suffered declining oil prices and yet not one Cuban soldier has left.

On the oil issue, we need to be sure that we hold on to every available oil source in light of the high-risk policy of reflagging Kuwaiti ships traveling in the Persian Gulf. This amendment will make us more dependent on a smaller group of oil producers. That does not make good economic or energy security sense.

Angolan oil now accounts for 2 to 3 percent of United States imports, and the capacity exists for a 6- to 8-percent share. This trade ban would be irreversible and would not promote U.S. interests.

The sea lanes in the South Atlantic between the United States and Angola are not threatened and are easily defensible. Along this South Atlantic coast lies the equivalent of total U.S. domestic oil reserves, that is 11 percent of U.S. imports.

Diversified oil resources minimize the risk to the U.S. economy. We should not forget the Arab embargo of 1973-74. In 5 months, a less than 10-percent cut in oil imports fueled a 6-point burst in the Consumer Price Index and resulted in the loss of 500,000 jobs.

On the political front, the Angolans have shown positive signs and a willingness to negotiate on and work with the United States for Namibian independence and for the withdrawal of Cuban troops.

A high-level delegation recently met with administration officials in Washington and is scheduled to do so again in August.

In a gesture of good faith, the Angolan Government last week released an American pilot who was held after violating Angolan air space.

Passage of this amendment would only reinforce the South African agenda in the region by putting added economic and political pressures on the economically struggling independent black-ruled states in southern Africa.

In addition, the South African Government would certainly welcome any perceived United States pressure against a government that sees as a goal of the highest priority the independence of Namibia.

Conversely, our relationship with black-ruled states in southern Africa will be undermined by a United States move perceived to be in the interest of South Africa and against their economic interests. These countries need to know that the United States Senate is against South Africa's exportation of apartheid and its hegemony over the region. And our friends in the region need to be assured that our country's interests in this respect are the same.

During the debate yesterday, passage of another DeConcini amendment on Angola was characterized as the "first step" toward what we are considering today. I oppose the assertions of that amendment as I do with the one before us today. The previous amendment called for a Presidential review which, in part, requires the President to report to Congress his "determination as to whether it is in the United States interest to continue under the current trade and business policy with respect to Angola."

Let us at the very least give the President a chance to make this determination.

Let us have the chance to debate his findings.

When we voted sanctions against South Africa, it was after much debate and fine tuning, and we developed a strong, bipartisan policy.

This amendment does not make sense economically, does not promote United States interests, and works against our goals in the region for Namibian independence and an end to the military conflict in Angola.

The bottom line is:

Will we be a party to South African hegemony in southern Africa?

Will the United States weaken the ability of black-ruled states to resist South African aggression in the region?

This amendment would seek to do what the South Africans failed to do in 1985 when Major du Toit led a group of South African commandos to Cabinda with the intention of destroying U.S. oil facilities and injuring American lives.

I am unequivocally opposed to the amendment.

I urge my colleagues to oppose it.

One of the finest Members of this body is our colleague from Arizona, Senator DECONCINI. But it is a little like the old poem: When he is right, he is very, very right; but when he is wrong, he is very, very wrong. And on this one my good friend is very, very wrong.

What this amendment would do would be, No. 1, to put us squarely with South Africa in the situation there, and if this body wants to inconsistently impose sanctions on South Africa and then come along a little later and support South Africa, we could do it, but it is inconsistent and it puts us on the wrong side.

Second, we alienate all the black nations of Africa. There is no question about it. That is not where we ought to be going.

It hurts U.S. jobs. We export $137 million worth of products to Angola. We have American corporations involved. To take this step to hurt an American corporation, to hurt American jobs, to hurt our posture in Africa, just does not make sense.

What does it accomplish?

Well, if my good friend's amendment were to be adopted and I hope we will have the wisdom not to adopt this amendment, at the very most we would have an American corporation selling that oil to some other country and the oil would continue to be produced. It would be an inconvenience there, but that is about it.

And it does one other thing. It is very interesting, we have just been discussing the Persian Gulf on this floor. We have talked about our dependence on Middle Eastern oil and here we come along 5 minutes later and say, "Let us adopt a resolution that will make us more dependent on Middle Eastern oil." It just does not make sense.

My friends, what we ought to be doing is to pull the Government of Angola more in our direction—and there are all kinds of signals of that happening. We ought to do that rather than side with the Government of South Africa. This amendment is nobly intended but it is not in the best interests of this country. Period. Exclamation point.

I yield back my time.

The PRESIDING OFFICER. The Senator has yielded back his time.

Mr. PELL. I yield 6 minutes to the Senator from Louisiana, Mr. JOHNSTON.

Mr. JOHNSTON. I thank the distinguished chairman.

Mr. President, a few years ago the iron fist of communism came down on the country of Afghanistan, directed and orchestrated out of Moscow, and this Congress, this Senate, rose up, as did the President of the United States, in righteous indignation because the Soviet Union was squeezing Afghanistan of its freedom and of its vitality. And in our frustration and in the frustration of the administration, they came out with an embargo against the Soviet Union for grain grown in America. The idea was that we were going to punish the Soviet Union for what they had done in Afghanistan, we were going to take food from their mouths grown in America which was, as some people said at the time, our OPEC oil. Because somebody somewhere had the idea that nobody else in the world grew grain. And so we were, therefore, going to punish the Soviet Union.

Well, we all know what happened, Mr. President. We embargoed grain to the Soviet Union and in place of American grain and American jobs, we had Argentinean grain and we had grain from Western Europe. We created whole new markets for Argentina and for Western Europe and for other countries, markets that had traditionally been American, putting Americans out of work.

And, Mr. President, when we repealed that here on the floor of the Senate, it was done so overwhelmingly. If I recall correctly, there was not a dissenting vote to defend a grain embargo against the Soviet Union.

So what are we going to do today? This is the grain embargo, chapter 2. Only this time it is not against the Soviet Union. It is somebody about three steps removed from the Soviet Union. It is the MPLA-run country of Angola. And in order to get at Angola, what are we going to do? We are going to say, "Chevron, you have got to leave Angola. With all those American jobs, you have got to leave Angola." And that is what is going to happen, Chevron is going to have to leave Angola.

We take this rather personally in Louisiana, Mr. President. We have contracts now outstanding. Brown Root has five contracts in the works for offshore platforms, with a dollar value of about $13 million. Those are Louisiana jobs, about 200 of them. We also have a barge down in Plaquemines Parish which would be used to transport the platform to Angola. We also have Seco Industries of New Orleans currently negotiating a contract worth $3 million a year, 25 to 30 people; not a lot, maybe, to this grandiose U.S. Senate, but it is a lot down in a State that has got the top unemployment in the Nation. It is a contract for technicians.

Altogether, nationwide, Mr. President, we are talking about a possible American trade impact of $2 billion a year. And so in Soviet grain embargo, chapter 2, we are going to say, as we draw our pistol and shoot ourselves in the foot, "Those $2 billion in American jobs we are going to ship them to Korea and to Japan and to Western Europe. And, therefore, we are going to somehow punish the MPLA and somehow help Jonas Savimbi and the UNITA group down in Angola."

Mr. President, it does not make any more sense now than it did with the Soviet grain embargo. It makes less sense, because may be there were some grounds for thinking that nobody else grew grain when we put the Soviet grain embargo on. Most any idiot should have been able to see that down there in the pampas they had the ability to grow it, even though they were not growing that much at that time. But at least there was not that world capacity.

But, Mr. President, in the case of oil drilling equipment, there is capacity existing today. We are in competition right now, the offshore Louisiana industry, with Korea, with what we call subpar payment labor that is, paid a lot less than we do. We are already losing a lot of those contracts as it is. Surely we do not have to have the U.S. Senate come in and say that you cannot compete for a market that is going to be filed somewhere in the world. You cannot fill that market with American jobs. Somehow we have got to export those jobs. It just does not make sense, Mr. President. I do not understand what is behind this.

I mean, if we want to take a choice between the MPLA and UNITA, fine. Let us get a sense of the Senate resolution up here and let us all get on the bandwagon of Jonas Savimbi and UNITA. But surely we do not have to lose $2 billion worth of American jobs in order to make that statement of support. Surely we do not have to have a Russian grain embargo, chapter 2 in order to send that message. Surely there is some other more appropriate way.

Is it sending aid? Is it sending the Marines? How can we do it? I am not suggesting how we can do it, but I can tell you this is not the way. This will not work any more than the Russian grain embargo worked and it makes less sense. I hope we will defeat this amendment.

The PRESIDING OFFICER. The Senator from Louisiana has yielded.

The Senator from Arizona.

Mr. DECONCINI. Mr. President, I want to assure the Senator from Louisiana that this is not personal at all toward his great State and his fine people there. I appreciate the situation he finds himself in.

I do want the RECORD to show and remind the Senator from Louisiana that he did vote for the sense-of-the-Senate resolution that urged the President to use his authority to prohibit American companies from operating in Angola. It was a unanimous vote here under the Export Administration Act. So this Senate is already on record asking the President of the United States to use the authority he has. Now he has elected not to do that, but I think that is significant.

Mr. President, we are not talking about a grain embargo here. We are talking about a principle. We are talking about a war. We are talking about 35,000 Cuban troops, armed, well armed, by Russians with 2,500 advisors along side them, with the most sophisticated tanks that the Russians have. We are talking about a fleet of Aeroflot airplanes coming into the international airports in Luanda on a daily basis. We are talking about a new deep sea port that is operated by the Soviets and the Cubans for the Angolans. We are talking about the capture of a nation, and that capture has happened through the Soviet-Cuban influence in the MPLA.

What are we doing as a nation, and rightfully so? It was once considered as a covert activity, but it has been in the press now. We are supporting substantially the UNITA forces to attempt to overthrow the MPLA government. That is what this is all about. And, rightfully so, this Government has said we are going to do this. And there has been, I believe, unanimous support in an effort to give financial and military assistance to the UNITA forces.

So that we might explain and have an example of ourselves supporting a change in that government, what are we asking for? We are asking for what we stand for and that is free elections, which the MPLA promised to do 12 years ago and has not done. We are asking them to stop the human rights abuses, which they are one of the worst, as set out in the U.N. Report on Human Rights Abuses that I mentioned last evening.

Mr. President, this is an example of a Marxist government that is depending almost solely on its military equipment from the Soviet Union, its military force, its own people that are drafted into that force, and 35,000 Cubans. And where do they get the money to buy these goods? They get it from American companies that are right there, producing that oil for them, and they sell it and they sell it to us, and I realize 3 percent of our oil comes from there and that would be of some concern obviously. But do we not need to stand up and say to a nation like Angola, a Marxist country that has the worst voting record in the United Nations in support of the United States, the worst, not the second or the third, the worst—in the 10 key votes in 1985, rated by the United States, U.N. votes that is, never has Angola voted with the United States.

Angola votes against the withdrawal of foreign forces from Afghanistan. Now there is a puppet, obviously, supporting the Soviet's position in Afghanistan. They voted against a resolution urging the Soviet Union to withdraw. Angola voted against the human rights resolution in both Afghanistan and Iran.

Here is a nation that wants our economic support so they can fight a war to conquer their people and they openly say that Afghanistan: That is not human rights abuse, or, Iran, the Ayatollah Khomeini commit human rights abuse? No, not at all. That is nonsense. Angola voted to criticize the trade embargo against Nicaragua. They voted to deny the State of Israel delegation credentials to the 40th General Assembly.

Now you may not, some may not like Israel, but we do not go around not supporting granting credentials for a country to sit as a member in the United Nations. Angola did because they have no understanding of what a fair democratic government is. Angola has the lowest overall confidence with the United States voters. There is no support in this country, except from big business that wants to make money and is willing to compromise all principles on the purpose of making a profit.

It is time we tell these companies, as we did a few weeks ago with the sense of the Senate asking the President to do what he can do under the Export Administrative Act, that enough is enough.

It is enough for me, and I hope it is enough for my colleagues to vote against the anticipated motion by the Senator from Alaska to table this.

The PRESIDING OFFICER. Who yields time?

Mr DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. I yield 1 minute to the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I rise in support of the prospective motion to table. This is a total trade embargo, including total U.S. disinvestment against a country toward which U.S. policy is not yet clear. We do not even have total disinvestment in South Africa.

It seems to me, Mr. President, this is a classic case of 100 Senators attempting to be Secretaries of State. What we are planning to do under the resolution that I hope is going to be tabled, is to give up an extraordinary oil field to the Japanese or to the French or somebody else. We have a lot to lose if this amendment were adopted and nothing to gain, and it will not affect Angola one teeny-weeny bit.

I want to thank the Chair and thank my distinguished senior colleague.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Would the Senator yield to me?

Mr. DECONCINI. I yield the Senator 3 minutes.

The PRESIDING OFFICER. The Senator from Arizona yields 3 minutes to the Senator from Florida.

Mr. CHILES. Mr. President, I just want to stand in second of the statement of the Senator from Arizona. I think he covered the points very well.

For the life of me, Mr. President, I cannot understand a policy that says on the one hand: This country gives aid—it is not covert any more, it has been in every paper, everybody knows exactly what we are doing, it is sort of an announced policy that we are supporting the UNITA forces. We treat their head like a visting head of state when he comes to this country. We talk loud and strong about how we feel about freedom fighters and the kind of support that we give. And then we turn around and, in effect, help to finance the other side. We are financing both sides of this operation. I just think that it is a totally inconsistent policy and one way or the other we ought to make that policy consistent.

I think that is what the amendment does. I think it clearly puts the United States on record and at some stage if we say that we are really in support of freedom fighters I think we have to be willing to prove and to stand by that and to show that we are. I think, again, that amendment does that and I think it makes us have a much more consistent policy. I hope we will adopt the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. I want to thank the Senator from Florida, Senator CHILES. He was a leader of this, and, frankly, was an original cosponsor in this amendment, and I think he introduced it in previous years. Also, the Senator from South Carolina, Senator HOLLINGS, has been a leader in this as has Senator DOLE, Senator SYMMS of Idaho, and the distinguished Senator in the chair, Senator GRAHAM.

Senator GRAMM of Texas, Senator GRASSLEY of Iowa, Senator KASTEN, Senator D'AMATO, Senator HELMS, Senator KARNES, Senator THURMOND, Senator PROXMIRE. All of these Senators and many others have led this fight even before this Senator got the floor last night to have this amendment brought up, and I yield 1 minute to my colleague from Idaho.

The PRESIDING OFFICER. The Senator has yielded 1 minute to the Senator from Idaho.

Mr. SYMMS. Mr. President, due to the time constraints, there is no way to make this a real debate, but I want to compliment the Senator from Arizona for proposing this amendment and make it clear that the Soviet client states in Africa have shown an appalling and cynical lack of regard for the welfare of their people, and the Marxist-Leninist government of Angola is a classic example of this. I wish we could do more. I wish we did not have a State Department that had a détente-at-any-cost mentality. It seems to be the biggest enemy of the Reagan administration.

There is no reason, as the Senator points out, in fact or in principle, for American oil companies to not be in concert with what U.S. foreign policy is.

If I can have my way about it, this administration would break the Kennedy-Khrushchev agreements and stop giving sanctuary to Castro and Cuba and he would have to bring his troops home to Cuba to keep civil order there and we would not have an Angola. We would give full support to UNITA, break diplomatic relations with the Luanda government, recognize UNITA as the legitimate government of free Angola and see that freedom prevails in Angola. But that is not the case.

This is a small effort based on principle, and I think this should be supported. I do not like to see problems with respect to Chevron. It is a fine company, and they have many fine people, but the matter of fact is that the United States of America—one of our major oil companies should not be engaged in financing Soviet and Cuban troops, and that is the way it works out. It is most unfortunate.

Angola's abundant oil resources have been used primarily to buy more arms from the Soviet Union, to pay for more Cuban troops to subjugate the Angolan citizenry, and to keep at bay the popular UNITA forces. A UNITA victory was denied in 1975 following the deployment of thousands of Cuban proxy troops and Soviet armaments, and America's retreat from confrontation in Angola in the tragic aftermath of Vietnam.

In dealing with totalitarian regimes, the U.S. Government has found over the years, that only firmness and pressure work in negotiations. The United States has always preferred diplomacy above force, but diplomacy has limitations. When dealing with agressor nations, diplomacy is useless without ample military leverage. The United

States in recent history has never been a country to employ force readily, in fact, force is only grudgingly applied by most democratic governments, in response to provacations, in self-defense. The U.S. economic power is still its greatest national asset, but it can only continue to be an asset if used to protect the very freedoms which created the climate that fostered the wealth and tremendous economic growth our society enjoys.

How can America help put a stop to this grisly war? In my opinion, we have two options, and together, I believe they will ultimately bring peace to Angola and an end to the hated Cuban occupation. We must continue to supply UNITA with U.S. assistance, in the quantity and quality necessary to force the MPLA to the bargaining table; and second, we must use every possible economic measure we have in our power to make the MPLA realize their quest for a military victory is futile, and that their further aggression against their own people will be met with harsher measures designed to curtail their capability for military acquisitions, and to exhaust the resources which they wastefully expend for weapons.

This last option is the subject of the amendment offered today. A quick examination of Angola's economy shows it is extremely vulnerable to a trade embargo, because of heavy import dependence, and reliance on hard currency earnings to finance the Cuban occupation force and to pay for Soviet hardware, particulary the costly Hind helicopter gunships and Mig's being brutally deployed against the UNITA guerrilla force with no air capability of its own.

Given Angola's vulnerability to an embargo, the prospects for its success are greatly heightened. An excellent book entitled "Economic Sanctions Reconsidered" states that sanctions are effective, if they impact a certain percentage of gross national product, or GNP. The embargo in question is directed against the Government of Angola and those assets it holds in the highest regard—the protection of its elite ruling class, the Communist Party apparatchik, and the mainstay of that rule—the Cuban praetorian guard and massive amounts of Soviet weaponry. This embargo will work, because it will undercut the ability of the MPLA to sustain its accumulation of offensive weaponry, heightening UNITA's leverage with the MPLA, and thus helping to promote longstanding United States policy objectives in Angola of internal dialog and national reconciliation.

For those unfamiliar with the history of the Angolan conflict, let me add that the United States has tried and exhausted other tactics. We have tried being "nice" to the MPLA, with all that nicety implies—prior concessions have been the order of the day, and no quid pro quos were ever exacted. Jean Francois Revel describes a behavior pattern typical to governments like the United States in his book, "How Democracies Perish":

> Naturally, in foreign policy, one must take the rival country's viewpoint so as to try and understand its policy and anticipate its future moves. But this is exactly what the West does not do. Instead, we think what the U.S.S.R. wants us to think—for example, that economic sanctions would increase Soviet intransigence and would turn out badly for us. What we do is accept the principle of nonreciprocity of concessions as a legitimate rule.

This describes perfectly United States policy toward Angola, until Congress redirected it in 1985.

The Reagan administration extended humanitarian assistance and economic aid to the tune of hundreds of millions of dollars, Eximbank loans, and even endorsed World Bank and African Development Bank loans for Communist Angola as well. Behind this economic aid was the notion that if the United States was "nice" to the MPLA, they would be reassured about our neutrality and would be more willing to forego Soviet and Cuban military advisors and strong ties to Moscow, Havana, and the East bloc. This myth that U.S. goodwill and benevolence will somehow transcend fundamental underlying philosophical differences between two systems of government, seem to pervade the U.S. State Department, despite any singular successes in its application. Such policies have never worked toward any Marxist government, but the track record of failure seems to make no difference to those dedicated to the idle pursuit of "weaning" Marxist regimes from Moscow.

What happened, in response to this policy of benevolence? The MPLA gladly took our millions, and with the bonus of American economic aid, proceeded to escalate the number of Cuban troops, and Soviet weapons of war in order to annihilate UNITA. Entangled in this complex policy of economic enticements in exchange for MPLA concessions on Cuban troop withdrawal is the issue of Chevron/Gulf Oil Co. Did United States policy really intend to serve the interests of the people of Angola, or was the State Department simply heeding the wishes of Chevron Oil and its investors, to maintain the status quo in Luanda to the benefit of American financial interests, ignoring strategic and moral considerations?

Obviously, whatever the motivation, blind-eyed benevolence did nothing to advance stated United Sates objectives in Angola. The clod truth is that the MPLA, like any other Communist government, will not willingly share power, hold elections, or respect human rights, in the absence of military and diplomatic coercion sufficient to threaten their control.

I will not make the overstated claim that sanctions will bring immediate peace to Angola, or force the MPLA overnight to abandon its commitment to Marxism-Leninism. Let me quote from the book I referred to earlier:

> Success may depend, to some extent, on whether the sanctions hit a sensitive sector in the target country's economy. A $100 million cost may have quite different effects—at home and abroad—depending on whether it is imposed by way of export sanctions, import sanctions, or financial sanctions . . . in some instances—particularly situations involving small target countries and modest policy goals—sanctions have helped alter foreign behavior.

Countries regarded as small and not stable were easier targets for achievement of policy goals—either destabilization or military impairment. Angola clearly fits this description.

The MPLA regime is already battered by the severe drop in oil prices, which has also thwarted the military adventurism in Africa of another anti-American belligerent, Col. Muammar Qadhafi. And, Angola has been severely weakened by the 12-year-long war, which has drained manpower and economic resources. Through attrition, and a political program with a broad-based appeal to the Angolan people, UNITA seems to be winning the war slowly, but steadily. A trade embargo would be more than just one more blow to the MPLS, lending strength to the younger officers in the military and the more programmatic elements of the ruling cadre that believe military victory is no longer a possibility, and negotiations with the majority opposition are an inevitability.

The Cuban general Rafael Del Pino Diaz, who recently defected from his mother country, has given some fascinating insight into what has become Cuba's debacle in Angola. The Cubans have lost 10,000 troops in this African war. Given the small size of the Cuban population, this loss is staggering, dwarfing United States losses in Vietnam. The AIDS panic is also raising the ante for Fidel in Angola. His mercenary army, already demoralized and war weary, now risks contracing a disease for which there is no cure. This will greatly exacerbate resistance to the war, and heighten existing tensions between the MPLA and the Cubans.

The American public and many of America's black leaders have increasingly become aware of the plight of the Angolan people, and of the need for the United States to take a stronger role to help bring a resolution to this seemingly interminable war. I am grateful that America's black leadership is taking note of the anguish and suffering of Angolan patriots, fighting for their liberation just as American blacks fought for theirs. Such prominent black civil rights activists as the Reverend Hosea Williams and comedian Dick Gregory, as well as Rev. Maurice Dawkins, and Rev. Ralph Abernathy have appealed to the MPLA to begin peace talks with UNITA. To this date, the MPLS refuses to respond to repeated calls from UNITA for dialog. Given this arrogant intransigence and obstinance, the Congress has no choice but to intensify pressure on the Angolan population by supporting this amendment. I am convinced it will give real sustenance and hope for peace and freedom to the Angolan people.

The PRESIDING OFFICER. The Senator from Idaho has used his time.

Mr. DECONCINI. I want to thank the Senator. I ask unanimous consent that a series of articles appearing in the New York Times, Washington Post, et cetera, be included in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Nov. 1986]

CUBANS GUARD U.S. OILMEN IN ANGOLA

(By James Brooke)

CABINDA, ANGOLA, November 22.—Oily orange flames burned from Chevron's offshore wells here and a Cuban officer watching from a distance allowed a trace of a smile to cross his face.

"We never thought we would be protecting American interests," the officer, Maj. Alberto García Mestre, said of his first "internationalist duty."

As commander of a crack unit of "tropical troops," Major García arrived here in March to bolster the defenses of Chevron's $1.3 billion investment in Cabinda, a 2,800-square-mile enclave cut off from the Angolan mainland by Zaire.

The complex, which Major García scans every day with his field glasses but has never visited, includes 200 offshore wells that pump 190,000 barrels a day, providing about 60 percent of Marxist Angola's foreign exchange.

Major García's unit, part of a 30,000-man Cuban expeditionary force in Angola, patrols the perimeter of the complex day and night, seeking to intercept commandos sent by any of three enemies: South Africa; a separatist movement seeking independence for Cabinda, and the Union for the Total Independence of Angola, or Unita, an anti-Government force that is armed by South Africa and the United States.

180 AMERICAN WORKERS

All three groups have vowed to sabotage the oil complex, which is called Malongo and which is run by Chevron's local subsidiary, Cabinda Gulf. The Cubans, interviewed at one of several bases they maintain here, said they came in March in response to stepped-up threats against the complex, where about 180 Americans work.

Bivouacked within sight of the oil wells and tank farm, the Cubans cut trees from the surrounding hills and use the timber to reinforce underground bunkers for jeeps, dormitories, cafeterias, classrooms and gun emplacements.

"Together with our Angolan comrades we are confident that we can assure the safety of Malongo," said Capt. Pedro Valdez Alfonso, a ramrod-straight graduate of Cuban, Polish and Soviet military academies. "There is no working link with the Americans."

Despite this confidence, there is a new edginess about security in Angola's oil-rich north.

Three weeks ago a bomb that Unita says it planted caused widespread destruction at Cabinda's air terminal. When American journalists took photographs Friday of the shredded concrete, twisted steel and blown-out windows, they were detained for three hours and given a military escort for the duration of their stay.

Independent interveiws with Cabindans were impossible during a trip, but according to diplomats and businessmen in Luanda, Angola's capital, other attacks have taken place in Cabinda this year.

In March, Angolan troops exchanged shots with unknown intruders near Malongo's perimeter. In April, electric and water services were sabotaged.

In June, a daylong shoot-out took place in the city of Cabinda after guerrillas, reportedly from Unita, launched a rocket and rifle attack against the offices of the provincial commissionar.

"We had a delegation visiting Malongo that day," a Western diplomat recalled. "They had to go there from the airport by helicopter."

The most serious attack was attempted in May 1985 by a South African commando unit. According to the unit's commander, Capt. Wynand du Toit, who was captured, the aim was "to destroy the oil tanks" of Chevron.

Shuttled at night to Malongo's coast in inflatable rubber boats from a South African Navy vessel anchored offshore, Captain du Toit's nine-man team carried overalls with the Cabinda Gulf logo and mines, two for each oil tank and more to destroy water pipes supplying Malongo's fire hydrants.

[From the Washington Times, June 17, 1987]

TWO CIVIL RIGHTS LEADERS URGE ANGOLA TO SEEK PEACE

(By James Morrison)

Two black American civil rights leaders yesterday challenged the Marxist government of Angola to negotiate a cease-fire with Angola's anti-communist rebels.

The Rev. Maurice Dawkins delivered one letter from himself and one from the Rev. Ralph David Abernathy to the No. 2 man in the ruling Popular Movement for the Liberation of Angola (MPLA), who was briefing Senate staff members on Capitol Hill.

Two other black civil rights leaders, the Rev. Hosea Williams and comedian Dick Gregory, earlier had called for peace talks and appealed to the MPLA to allow them to bring their Prayers for Peace campaign to the Angolan capital of Luanda.

All four have been leaders of the civil rights movement since the 1960s.

In a letter addressed to Angolan President Jose dos Santos, Mr. Abernathy wrote, "I am writing to urge you to make every effort possible to reach a peaceful solution and join in peace talks as soon as possible.

"More war, more tragedy and death can be avoided. Black fratricide can cease. Rebuilding the nation can begin."

The MPLA has refused to respond to cease-fire proposals from the rebels of the National Union for the Total Independence of Angola (UNITA), who have been fighting the Soviet- and Cuban-backed government since 1975.

Pedro de Castro Van Dunem, minister of State for production, said he would deliver the letter to Mr. dos Santos. But he said the "solution is not to talk to" UNITA leader Jonas Savimbi. "He is not defending the people of Angola," he said.

Mr. Van Dunem and Angola's ambassador to Cuba, Manuel Pacavira, are leading an Angolan delegation to Washington to press for diplomatic relations with the United States and to lobby against a bill that would impose a trade embargo against Angola. The bill's chief sponsor is Senate Minority Leader Robert Dole of Kansas.

A UNITA representative also attended the meeting the Angola government representatives held for Senate staff members and called for peace talks.

"When the MPLA talks about peace, they bring more planes. They bring more tanks. How long can we continue to bleed?" asked Marcus Sammondo of the rebel's Washington office.

He said he believed the meeting was the first occasion that a UNITA representative has publicly talked to an MPLA delegation.

[From the Washington Post, July 9, 1987]

CUBAN, SOVIET ADVISERS KEY TO ANGOLAN REGIME

(By William Claiborne)

CAHAMA, ANGOLA.—Capt. Carlos dos Santos, a self-assured young officer who walks with a swagger, had just completed a monologue in which he vowed that troops in his command would drive the South African Army out of Angola whenever it dared enter.

The world would hear the explosions, dos Santos assured his visitors, and the Angolan Army would not need help from Cubans or Russians.

"Do you see any foreign faces around here?" he asked.

As he stepped outside an officers' mess in this bomb-scarred southern Angolan town, a car skidded to a halt in the dust and a Soviet officer, his face red with anger, barked an order to dos Santos to feed his troops at once. Then, warily eyeing several American journalists, the Russian roared away in a cloud of dust with a chastened dos Santos at his side.

The brief episode underscored the sensitive relationship between the struggling Angolan Army and the estimated 950 Soviet advisers and 37,000 Cuban troops stationed in this country as the 12-year-old civil war with U.S. and South African-backed anti-communist rebels grinds on with no end in sight.

It also illustrated the Marxist Angolan government's dependence on the management skills of its Soviet and Cuban patrons. But there are increasing signs that President Jose Eduardo dos Santos may be prepared to negotiate with the United States over a phased withdrawal of Cuban troops in exchange for formal diplomatic recognition from Washington.

The withdrawal of Cuban troops from at least the southern provinces of Angola is expected to be high on the agenda when leaders of the ruling Popular Liberation Movement of Angola (MPLA) meet later this month in the capital, Luanda, with U.S. Assistant Secretary of State Chester A. Crocker.

Its economy paralyzed by the debilitating war with Jonas Savimbi's National Union for the Total Independence of Angola (UNITA), the Angolan government hopes that it can persuade Washington to cut off its covert aid to the rebels and influence

South Africa to cease its constant cross-border incursions in support of Savimbi.

In an election year in the United States—and with Angola enmeshed in the East-West ideological conflict—the hopes may be unrealistic. But it is a measure of the Luanda government's despair over the course of the war that it is willing to strain its relations with its communist benefactors by seeking ties to the United States.

Senior Angolan political and military leaders repeatedly said in interviews that they realize the guerrilla war against Savimbi's forces cannot be won military as long as the powerful South African Army is poised just across the border in the territory of Namibia, ready to intervene whenever the Angolans get the upper hand.

They also said that Angola cannot go on indefinitely spending half its budget on the war while its economy is being bled dry by falling oil revenues, massive food shortages and the damage done by Savimbi's guerrillas to rural transport and services.

Despite wildly exaggerated claims by the rebels and the ruling party of major engagements in which hundreds of enemy dead are counted, there has been no major offensive by either side since the winter of 1985, when the Angolan Army attacked Mavinga, the gateway to UNITA's headquarters in Jamba in southeastern Angola. It was repelled at the last moment when South African forces intervened, according to senior Angolan officials and informed western diplomats.

President dos Santos said in Luanda last week that he has no plans for an imminent offensive. He added that claims by the rebels that a new major Angolan Army push toward Jamba already is under way were merely attempts to get more U.S. military aid.

Lt. Col. Luis Faceira, commander of Angolan forces in the southern provinces of Huila, Cunene and Namibe, said in an interview in his headquarters in Lubango that his last big attack against UNITA was in December near Chingongo, where 120 rebels were killed.

The last big engagement with South African forces, Faceira said, was on Jan. 26 when an Angolan force of 60 men attacking near Mongua was hit by 34 Caspir armored vehicles, four ground support aircraft and 12 helicopters. Faciera said he lost 23 men and that the South Africans said they had one dead.

"We found it to be absurd that there wasn't even a minimum coordination of power. Against 60 men they used 34 Caspirs and 12 helicopters! South Africa obviously is not gong into combat with as much confidence as it did years ago," said Faceira.

The commander characterized his conduct of the war in the south as two-pronged, with about 90 percent of his troops in defensive positions to respond to South African incursions. The remainder, he said, are engaged in countersurgency operations designed to prevent UNITA guerrillas from mounting attacks farther north.

He said these include organizing People's Defense militias in rural villages and arming them so that the estimated 1,200 UNITA guerrillas operating in the three south-western provinces will be forced to mount larger, and more easily traceable, guerrilla patrols as they seek new economic targets to attack. Most of these targets, officials said, are rural transport systems, power plants, water wells, schools and health clinics.

UNITA is said to have 28,000 regular troops and 35,000 guerrillas, most of them in the far southeast corner of Angola. The government's strategy has been to try to push the rebels into the sparsely populated enclave, where they are less of a threat.

Angolan officials and foreign diplomats said the army is unwilling to launch a major offensive against Jamba because it knows that to do so would invite massive South African retaliation.

Moreover, they said, the Army learned from its 1985 experience that to mount such an attack would stretch its supply lines too thin. Support bases would be hundreds of miles to the north, while the South African ground and air support bases are only a short distance across the Namibian border.

Angolan officials and western relief workers who travel extensively in the war zone said the UNITA guerrillas' primary strategy is to cripple rural transport by planting thousands of road mines supplied by South Africa and raiding rural villages, in search of food and in an attempt to intimidate local residents.

The strategy has had a large measure of success. The southern provinces are virtually tied in knots and unable even to move sorely needed food northward to Luanda because of the hazard of road mines.

But it has taken an enormous human toll, leaving 15,000 war-inflicted civilian casualties, most from land mines, and an estimated 690,000 displaced persons, according to western relief workers.

Gerd Merrem, who travels extensively in the rural areas for the U.N. Development Program, said he increasingly has encountered cases in which UNITA guerrillas have planted antipersonnel mines in farm fields to discourage people from harvesting their crops.

"What type of war objective is it that willfully mutilates women and children? The indiscriminate use of antipersonnel mines has but one objective—to make life miserable for the population and create economic chaos," Merrem said.

While independent military analysts discounted as propaganda many of the claims of military victories issued almost daily by the rebels' exile office in Lisbon, they said they regarded the guerrilla group as a highly motivated ground force and one that has vexed for 12 years the combined strategies of the Soviet and Cuban advisers.

Armed with U.S.-supplied Stinger missiles, Savimbi's forces have shot down a number of Soviet-made aircraft and have made Angolan air-space so precarious that Aeroflot planes taking off from as far north as Lubango climb in a tight orbit around the airport's air defense system until they reach a safe altitude.

UNITA's success in paralyzing Angola's economy and, with South Africa's help, immobilizing the Angolan Army has heightened the role of the Cuban troops and Soviet advisers here.

Anagolan officials insisted—and informed western diplomats confirmed—that the Cubans generally have not been involved in direct combat roles for at leat five years. Instead, they appear to be engaged mostly in backup and logistics activities, in air defense systems, in the protection of major military bases and the capital of Luanda and in the development of education and health services.

Angolan officials scoffed at the claim made in the United States by a Cuban Air Force general who recently defected, Rafael del Pino Diaz, that the Cubans had suffered 10,000 casualties in Angola in the past 12 years. A senior western diplomat in Luanda also said that the figure appeared to be unrealistic, given the Cubans' noncombatant role for so many years.

But the Cuban and Soviet presence here sometimes seems pervasive to a visitor.

During one four-hour period last week at Lubango's airport, a constant stream of Soviet Aeroflot transport planes landed, and their cargos, including air-to-air missiles, were quickly unloaded by Cuban and Angolan troops. U.S. intelligence sources estimated that Moscow has sent $1 billion worth of arms to Angola in the past year, bringing total Soviet military aid to $4 billion in the last decade.

Cuban and Angolan pilots chatted with one another before climbing into MiG23 fighters and taking off in pairs for what appeared to be training flights, some of them buzzing the control tower at rooftop level.

The scene at Luanda's airport was similar, with long lines of Aeroflot transport planes waiting on the taxiway for their turn to take off at intervals of only a few minutes.

A Cuban construction engineer who gave a visitor a lift in Luanda said he had served in seven countries, inlcuding Vietnam, Libya, Grenada, Nicaragua and Ethopia, fulfilling his country's "international duty," but said he looked forward to leaving Angola.

Western diplomats said they had heard reports of tensions between the Cubans and their Angolan hosts, mostly over the Cubans' better living conditions and cultural differences. But they said conflict between the governments, to the extent that it exists, stems primarily from Angolan arrears in payments for the services of Cuban civilian and military personnel and from the sporadic negotiations with the United States for a phased Cuban withdrawal.

The Cuban presence reportedly is costing Angola more than $700 million a year, although Angolan officials denied they were being charged for the expeditionary force.

Angola's stance on a phased Cuban withdrawal has alternated between a hard-line insistence that apartheid in South Africa first be ended and a more flexible position linking withdrawal to independence for the South African-administered Namibian territory and an end to South African and U.S. support for UNITA.

Vice Foreign Minister Venancio de Moura, in an interview, reiterated a 1984 Angolan offer to implement a Cuban withdrawal from the southern part of the country if Washington agreed to stop supporting UNITA and press South Africa to withdraw its troops from the border region. In exchange, Angola would pull the Cubans north of the Benguela Railway, 375 miles north of the Namibian frontier.

Criticizing what he termed U.S. "psychosis over Cubans," de Moura said, "If the problem is the Cubans, this raises the question: Doesn't the United States have diplomatic relations with countries that have Cubans in them?" He cited Ethiopia and Nicaragua as examples.

But de Moura and other Angolan officials conceded that winning U.S. diplomatic recognition is a long shot, at best, because of Savimbi's support in the United States and because the Cuban exile community in Florida, a key primary election state, has seized on Angola as an issue.

Western diplomatic analysts noted also that if President Reagan makes concessions that lead to an arms control agreement with the Soviet Union before the election, he hardly would be in a position to make concessions to another communist government in the same year.

[From the Christian Science Monitor, July 9, 1987]

SOVIET AND CUBAN TIES SUPPORT—AND BIND—WAR-WEARY ANGOLA

(By Ned Temko)

LUANDA, ANGOLA.—How does an African country with Soviet advisers and Cuban troops make friends with Washington?

This is the challenge Angola's government has tackled with renewed energy in the past two months. While thankful for East-bloc military and economic help—and not yet able to do without it—Luanda officials are also uneasy over their heavy dependence on Moscow and Havana. They sense, too, that only by ending a 12-year war with US- and South African-backed insurgents, and by enlisting Western aid, can they resolve the country's deepening economic crisis.

"We Angolans," says Deputy Foreign Minister Venancio de Moura, "did not throw off Portuguese colonialism in order to fall under another form of colonialism." The Cubans and Soviets "are indeed our friends. . . . But we do not want to be part of the so-called East-West conflict."

Still, neither East nor West seems ready to back Angola's avowed push for what one offical terms "African nonalignment." The Soviets and Cubans, having poured money and blood into Angola, are not about to smile forebearingly as Luanda courts the United States. Holding Angolan debt papers worth an estimated $2 billion dollars—and aware of Luanda's continuing need for East-bloc assistance, at least for the near future—Moscow and Havana have considerable leverage to press their case.

When the Angolans, in a declared gesture of "goodwill" toward Washington, released a captured US pilot last week at a special session of parliament, Western countries were represented by ambassadors. The Soviets sent only an embassy counselor.

The White House, for its part, is continuing to insist on a formal, explicit pledge that all Cuban troops will be sent home before reciprocating Angola's overture. Luanda officals are trying to convince Washington—and visiting US reporters—that a general, yet genuine, assurance of an eventual Cuban pullout should suffice.

Whether the Americans will find common ground with this position may become clearer when Chester Crocker, assistant secretary of state of African affairs, goes to Luanda later this month to resume bilateral talks.

But, says a US official privately, "The Angolans have got to choose. We know that American companies are developing Angolan oil, and that much of this oil goes to the U.S. But in terms of overall US requirements; this is a drop in the bucket."

Since Angola gained independence in 1975, the US alone among Western powers has refused to recognize its government, and there have been no diplomatic relations between the two countries. But Angola is one of the US's largest trading partners on the African continent.

If Angola is ready to take up a longstanding US proposal to link a total Cuban pullout to an end to South Africa's dominance—and military presence—in neighboring Namibia (South-West Africa), the US official says, then the road will be open for improved Luanda-Washington ties. Otherwise, it will not. "Angola," he says, "needs the United States much more than the United States needs Angola."

Angola, meanwhile, seems to need the Soviet bloc considerably more than it wants it. The Soviets and Cubans help run schools, train factory managers, and oversee rural health clinics and public facilities and services.

A lanky, tanned man—who offers a trio of hitch-hiking US journalists a ride back to their hotel—provides a hint of the complexity of Angola's controversial ties with the East bloc. It turns out that he is Cuba's chief engineer in Angola. "The thing is," he says, "it is very difficult for an engineer to get anything done here. If you have American dollars, anything is possible! Otherwise, nothing!"

For the Cubans, Angola has become the most important and durable of its periodic exercises in Marxist "internationalism." (The chief engineer genially reels off his own previous postings: Vietnam, Libya, Grenada.)

During their 12 years here, Castro's envoys have repaired roads, built barracks, set up schools, run health clinics. They have also fought and died. But Angolan officials and Luanda-based Western diplomats reject as "very high" a recent estimate by a defecting Havana officer that the Cubans have lost 10,000 men in Angola's civil war. But says one Luanda official, "Of course Cubans have died. When there is fighting, people die."

Generally, the troops and advisers shun social contacts with the Angolans—a rule applied with new rigidity because of their fears about the spread of acquired immune deficiency syndrome (AIDS). "I was struck, on going to a beach outside Luanda, by the sad sight of Cubans standing disciplined and aloof as the young Angolan women splashed around on the beach," comments a diplomat.

The Soviets seem equally aloof, though very present, chattering in Russian in Luanda's prime tourist hotel. The Soviets lack the Spanish-speaking Cubans' linguistic affinity with the Portuguese-speaking Angolans, and sometimes seem resented.

Mr. DECONCINI. I yield to the Senator from North Carolina.

Mr. HELMS. I thank the distinguished Senator from Arizona and I just want to ask him two or three questions.

Is it accurate to say that Angola's foreign exchange earnings are derived primarily from United States oil production in Angola?

Mr. DECONCINI. The Senator is absolutely correct. I understand it is 90 percent.

Mr. HELMS. Is is also accurate to say that these earnings are the primary source for funding the Cuban troops and the purchase of Soviet hardware in Angola?

Mr. DECONCINI. The Senator is absolutely correct, and I thank him for asking that question because I did not perhaps articulate it as well as his question did. That is what this money is going for, just what the Senator has suggested.

Mr. HELMS. I thank the Senator. I have one more.

Would it be your expectation that one of the benefits of your amendment would be to put intense financial pressure on the Marxist-Leninist Government of Angola—for the purpose of forcing a withdrawal of the Cuban troops and a beginning of negotiations with Savimbi and his UNITA troops?

Mr. DECONCINI. The Senator is absolutely correct.

EMBARGO WITH ANGOLA

Mr. HELMS. Mr. President, I am pleased to join my colleagues in supporting this trade embargo with the self-proclaimed Marxist-Leninist regime of Angola.

There is not a more clear-cut case today, Mr. President, where we see the folly of carrying on "business as usual" with a repressive pro-Communists regime. In essence, the United States is helping to finance the destruction of the fledgling democratic forces of Dr. Jonas Savimbi's National Union for the Total Independence of Angola [UNITA].

The continued operation of the Cabinda oil fields by a United States company provides a several fold advantage to the Communist Angolan Government.

First, the revenues derived from the oil exports are a major factor in the overall financial stability of the Angolan Government. If it were not for these revenues in the last several years, we might not have the Communists regime in power today. However, that regime has survived despite the increasingly effective opposition of UNITA.

Second, the American presence in Angola serves as a "shield," preventing UNITA from striking an obvious economic target—the oil field. UNITA knows that any such strike would inevitabley involve U.S. casualties, and they have opted to preseve good will with the Untied States. However, the present situation makes U.S. business an unwitting ally of the MPLA.

Meanwhile the Congress is supporting, however timidly, the efforts of UNITA. We're working against ourselves. In essence, the present situation has us playing both sides. The side we should choose is clear. We should stand with the freedom fighters of Angola—just as we should stand with anti-Communist freedom fighters around the world.

Mr. President, it has been said the U.S. business loves a stable government, and that there is no more stable government than a Communist one. Yet that situation is an intolerable one. A government that is stable because of its oppression is not one with whom U.S. policy should encourage trade.

The pending amendment sets forth reasonable criteria to resume United States trade with Angola—criteria that are a longstanding part of the United States policy toward the Communist Government of Angola—

First, has begun a concerted and significant effort to comply with internationally recognized human rights;

Second, has begun discussions with its non-Communist opposition;

Third, has established a body a laws that assures the full national participation of all the people of Angola in the social, political, and economic life in that country;

Fourth, has held free and fair elections under international supervision not later than November 11, 1988; and

Fifth, all troops from Cuba, the Soviet Union, and any other Communist country have withdrawn from Angola.

Mr. President, the tenuous stranglehold that the MPLA holds on Angola is evidenced from the military assessment made by the Defense Department in its annual publication "Soviet Military Power (1987)."

I ask unanimous consent that the assessment be printed at the conclusion of my remarks.

We need to help Jonas Savimbi accomplish his democratic objectives. He is so close to that success. Affirmative action on this amendment could help him significantly.

ANGOLA

Direct Soviet support, as well as that of 36,000 Cuban military surrogates, continues to impede progress toward a negotiated settlement between the Luanda government and Jonas Savimbi's National Union for the Total Independence of Angola (UNITA). UNITA now has extended its operations into all provinces. The regime's counterinsurgency strategy is marked by the same ad hoc adjustments characteristic of the Soviets' war against the Mujahideen.

Angola has taken some political and social measures to enhance its legitimacy. Locally organized militias and a network of neighborhood informants have been enlisted to expand government control and to impede UNITA expansion. Some forced resettlement is used both to control the population and to deny support to the insurgents.

As in Afghanistan, Soviet propaganda portrays the insurgents as puppets of another power—in this case, South Africa—and as perpetrators of massacres and other abuses against innocent civilians. Guerrillas who defect from ineffective insurgent fringe groups receive extensive publicity and are used with government troops in the pacification of particular areas of the country. Political education in military units has also received a high priority. On the other hand, UNITA has proved to be a fairly cohesive organization, unlike the Afghan insurgent groups. Thus far, it has been quite immune to government efforts to foster rivalries between factions or coopt local leaders.

The Soviets have developed no specific military doctrine to deal with the insurgency in Angola. Government forces have enjoyed little success against UNITA. They have focused on securing the few cities, towns, and economically productive extraction industries such as oil and diamonds. Their campaigns have mostly been large, slow-moving sweeps during the dry season aimed at destroying UNITA bases. As in Afghanistan, a major effort is being made to interdict external support to the guerrillas. This procedure requires dedicating a disproportionate amount of resources to air defense in an effort to cut off South African supplies believed to be coming in by air.

In 1986, Soviet arms support continued with the delivery of additional FLOGGER aircraft; HIP H helicopters; SA-3 and SA-8 surface-to-air missiles; and numerous tanks, artillery pieces, and BMP armored vehicles. Soviet advisers also participated in the continued dry-season operations against UNITA—albeit somewhat reduced in scope from that in 1985 but supported by enhanced Soviet logistics assistance. At the same time, Soviet and Cuban advisers have not been able to develop the Angolan Armed Forces into a military organization dependable and effective enough to permit withdrawal of the Cuban forces now propping up the unpopular regime.

Mr. DECONCINI. I yield to the Senator from Kansas.

The PRESIDING OFFICER. The Senator has yielded to the Senator from Kansas. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I have indicated to the distinguished manager on the Democratic side, Senator Pell, that we need about 5 additional minutes on this side. Would there be any objection to adding 5 minutes for each side?

The PRESIDING OFFICER. Is there objection? Without objection, 5 minutes is added to each side.

Mr. DOLE. I know the Presiding Officer wishes to speak on this. How much time is remaining?

The PRESIDING OFFICER. The Senator from Arizona has 8 minutes, 3 seconds; and 9 minutes and 48 seconds to the Senator from Rhode Island.

Mr. DOLE. If the Chair would notify me when 4 minutes had expired, the remainder of the time could be yielded to the Presiding Officer.

Mr. President, first let me hold up today's paper if there is any doubt about what is going on. The headline in this section of the paper reads: "Cuban, Soviet Advisers Key to Angolan Regime." That is what it is all about. This article appears in today's Washington Post.

Mr. President, I am pleased to join with a group of distinguished Senators from both parties—Senators DeConcini, Symms, Chiles, Gramm, Graham, Helms, Hollings, Kasten, Grassley, D'Amato, and Proxmire—in offering this amendment. Its passage will be another major milestone in getting our policy toward Angola on the right track, to achieve our basic goals: The withdrawal of all Cuban troops, and a negotiated settlement to the civil war.

The opponents of our amendment have raised some beguiling arguments. But none of them—under close scrutiny—hold any water.

"OIL SECURITY" ARGUMENT ILLOGICAL

Let me start with the so-called oil security issue.

Within the past 48 hours, Secretary of State Shultz has said: "The worst thing in the world that could happen" would be for the Soviet Union to dominate the oil supplies of the free world through the Persian Gulf. So in the gulf, we are risking American naval vessels, and the lives of American sailors and pilots—to keep the Soviets out; to make sure our oil supplies do not end up at the mercy of the Soviets.

Now let me stress: In the case of the Persian Gulf, Secretary Shultz is right. We cannot tolerate Communist control of our oil supplies.

But in Angola, the opponents of this amendment say 180 degrees the opposite. What we have to do in Angola, they argue, is perpetuate a situation where our oil supplies are directly under the protection, and at the whim, of Communist, Cuban troops—as they are at Chevron's Cabinda fields. It is Cuban troops who keep the oil flowing; and who, in a crunch, can turn off that spigot.

DOES ANYBODY TRUST THE CUBANS OR THE MPLA?

Is that "oil security?" In the Gulf? We call it "the worst thing in the world" that could happen to the United States. Why do we fear the Soviets—in a crunch—might turn off the spigot in the Persian Gulf, but believe they would never do it in Angola?

If there is any Senator tempted to make that argument—to say, in effect, let us trust the Cubans and the MPLA—I suggest a rereading of the Alvor accord—the agreement, signed by the Marxist MPLA, which ended Portugal's rule in Angola. Under that agreement, the MPLA promised to hold elections; promised democracy; promised respect for human rights. And promptly trashed every provision of the agreement, even before the ink was dry. Maybe there is someone here who sees security in knowing that a Marxist regime like that, and a bunch of their Cuban cronies, have their hands on the spigot controlling the flow of oil to America. But I do not. And I do not think the Senate does, either.

WAR MAIN THREAT TO FLOW OF OIL

And let us not forget the main issue here. There is a war going on in Angola. A war that is the real threat to Angolan oil production and export—no matter whether Chevron is there or not. As long as the war continues, no one really knows whether there will be oil flowing next week—let alone next year.

And the main reason—overwhelmingly the main reason—the war continues, is because the MPLA regime refuses to negotiate with its democratic opposition; flat out refuses. And because that regime has brought in 40,000 Cuban troops. Without those troops, the MPLA, and the war, would not last 6 months.

No doubt Castro feels some fraternal ties for his MPLA buddies. But not enough to send 40,000 troops over there for free. Every one of those troops is bought and paid for—literally on a per capita formula—by the American dollars generated by American oil companies for the MPLA.

And so the opponents of our amendment are left with these incredible propositions. First, we should rely on Cuban troops and an avowedly pro-Soviet, Marxist government to keep our oil flowing. And, second, we should allow an American oil company to keep pumping out the oil—that generates the dollars—that pays for the 40,000 Cuban troops—that keeps the war going. The war that—as long as it continues—means there will never be a secure supply of oil from Angola—for us or for anybody else. That does not make any sense to me.

Does that make any sense at all? Is there anybody here that is really going to stand up and make that argument? I hope not.

It all boils down to this. We have no security in our oil supplies from Angola now. And we will never have it—until the Cubans go home, the war ends, and a new government is set up in Angola.

WILL IT WORK?

Another allegation is that our amendment just will not work—that the American company will just pull out, to be replaced quickly and easily by another firm.

That argument is, at the most, very simplistic. Are there really all that many firms out there anxious to pour a billion or more dollars of investment into a country torn by civil war; whose political future is up in the air; and where the U.S. market would be totally closed? I am not so sure.

Even if such a company could be found, the cost to the MPLA would be enormous. The American company has the field know-how, that means so much to oil exploration and production. No other company can do as good a job for the Marxist MPLA and Cubans as the American company there now.

Replacing the American company would take at least several months—at a time when Angola has less than a month's revenues worth of foreign exchange. The actual dollar cost of that transition would be at least $200 to $300 million.

Probably most important of all, reliable independent experts have reported that the American company there now intends a billion dollars in new investment over the next few years. Surely no new company in Angola, just after making its initial billion dollar outlay, is going to contemplate that kind of additional investment. In short, if the American company there now does not expand the MPLA's oil production and revenues, it will not be expanded.

So this argument, too, does not hold water.

NOT "BUSINESS BASHING"

What about argument No. 2—that we are "bashing" an American company, gratuitously?

Hogwash!

Every one of us sponsoring this amendment believes strongly in the value-the economic value, the political value—of a growing U.S. business presence overseas. Just as long as that business presence does not undermine America's security.

That is precisely official U.S. policy. Let me quote from a State Department policy paper, signed by Secretary Shultz:

> * * * the Department of State * * * [has] a clear responsibility to support American business activities that * * * advance the public interest.

Let me repeat, and stress, that last part: "That advance the public interest."

The fact is, the public interest of the American people or, for that matter, the Angolan people just does not reside in propping up a regime in Angola that seized power illegally; holds it solely by force; opens the door wide to thousands of Communist Cuban troops. A regime that is waging a vicious war against a democratic resistance force—one that we are aiding. A regime that has one of the worst human rights records in Africa; and one of the worst anti-United States records in the United Nations.

It is just not our public interest to do "business as usual" with that kind of regime. And I hope that no Senator is going to stand up here, and try to make the case that it is.

"WEANING AWAY THE MPLA" IS A SHAM

And, finally, we hear the "weaning away" argument. It goes like this: The MPLA is bad; but should we not try to entice it away from Moscow and from Havana? Should we not let American companies operate there, in the hope their presence will—somehow—make the MPLA more democratic; more likely to send the Cuban troops home; more likely to negotiate?

Well, those are good goals. The problem is: We are not ever going to achieve them—if American companies are providing the MPLA the wherewithal, to do all the things we want it to stop doing.

We have already tried bribing, cajoling, and weaning the MPLA away from Moscow and Havana, for years and years. And it ain't weaned yet.

Not a single Cuban soldier has gone home.

Not a single negotiating session has taken place between the MPLA and the democratic resistance forces.

Not a single pro-United States vote was cast by Angola on a key issue during the last, or any other recent, U.N. session.

And the human rights situation inside Angola has just gotten worse and worse.

I cannot help but believe that this whole episode has given Castro and Gorbachev a whole new appreciation of the value of American capitalism.

So, Mr. President, the arguments against this amendment just don't stand up.

TIME TO REPEAT STRONG VOTE OF MAY 21

We need a strong policy on Angola—a consistent policy. Including aid to the democratic resistance. Including a firm diplomacy, targeted directly on getting the Cubans out, and peace talks started. And including economic pressure on—or, at an absolute minimum, the end to economic support and subsidy of—the Marxist MPLA regime.

Mr. President, on May 21, 40 days ago, the Senate of the United States voted on a resolution offered by Senator DECONCINI, myself, and several of those who are sponsoring this amendment. The resolution passed by a vote of 94 to 0—every Senator present voted for it.

What did that resolution say? It said:

> The Senate hereby requests the President to use his special authorities under the Export Administration Act to block United States business transactions which conflict with United States security interests in Angola.

Every Senator voted for that proposition on May 21. Every Senator—including those who are speaking against our amendment today.

LET US GET OUR ACT TOGETHER

What has happened in the past 40 days to make Senators change their minds?

Has there been any change on the ground in Angola? No.

Any change in MPLA policies? No.

Any change at all, relevant to what U.S. policy ought to be? The answer is: No.

If it made sense on May 21 to advocate an end to American business activity in Angola—it makes no sense to criticize today as too much, an amendment that does even less.

So let us be consistent. Let us get our act together. Let us have an effective policy. Let us pass this amendment.

Mr. President, I know there are a lot of pressures and a lot of people who are concerned about a lot of things, but I know the choice here is fairly clear cut.

I want to thank my distinguished colleague from Arizona for taking the lead in what I consider to be a very important issue. We cannot have it both ways on this one.

Mr. DeCONCINI. Mr. President, I thank the distinguished Senator.

Mr. President, I yield 2 minutes to the Senator from Florida.

The PRESIDING OFFICER (Mr. SANFORD). The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, we have talked about the economics and foreign policy in this issue as it relates to Angola. There is a secondary, very central issue for the United States not in Angola but in our backyard, in the Caribbean. There is no question that Cuba is under the most severe economic pressure of the now almost 30 years of Castro's regime. The Soviets have contributed to that pressure by restricting the purchase of sugar and by limiting their sale of petroleum.

We have an opportunity today to make a further contribution to that economic pressure by restricting what has become one of the major sources of foreign currency to the Cuban Government, and that is the sale of Cuban military personnel and equipment to other countries, particularly to Angola.

We are in the ironic situation, Mr. President, of, through an American corporation and through American enterprise, not only propping up a Communist state in Africa, but indirectly providing a primary source of financial support for a Communist state in our own backyard, which is committed to exporting its regime to other countries in this hemisphere.

I believe that the standards that are prescribed in this resolution as to what would be required to withdraw a sanction that we do not lightly impose on exports and imports from Angola are very much in this Nation's interest. Is it not consistent with American policy to say that we want to see a concerted effort to establish international standards of human rights in Angola; to see that there are open political processes leading to a democratically elected government, and that foreign troops from Cuba and the Soviet Union and other Communist-dominated countries are removed?

I believe those are reasonable steps to expect our President to certify have been met before we continue to support a Communist regime in Africa and a Communist regime in the Caribbean.

Mr. HOLLINGS. Mr. President, today the Senate has another one of those votes that are so often avoided by this body. We have a vote to move from rhetoric to action. We have a vote to put up or shut up.

What I am referring to, of course, is the pending amendment to place an economic embargo on the Marxist government of Angola. This is a test of our will to move from rhetoric to reality because on May 21, the Senate passed by a vote of 94 to 0 the Deconcini resolution.

That resolution condemned, among other things, Soviet and Cuban imperialism in Angola, the lack of human rights in Angola, and the role of United States oil companies in propping up the marxist regime. It called on the administration to convey our vexation with this situation to the Soviets, block United States business with Angola, and press for a negotiated settlement to the 11-year-old civil war.

That is all fine and good. The resolution makes sense, and it requests the administration to get off the dime with regard to its on-again-off-again Angola policy. But the key word here is that the resolution "requests." That is all a resolution can do. It has no statutory backing or power.

So it is easy to talk tough with a resolution. It is simply a mirage—it looks good but disappears in a flash. And that is what has happened here.

The DeConcini resolution has already disappeared. The administration opposed it originally and has ignored it since enactment. The Angolans have gone one better. They not only have ignored the expressed desires of the Senate, but have launched even more offensives in the field. So much for resolutions.

Mr. President, it is time the Senate moved on and simply enact what I said it desired just a month and a half ago—an end to United States business transactions which conflict with United States security interests in Angola.

Make no mistake—United States support of the Angolan freedom fighters is a matter of renewed urgency. The Soviet Union has invested over $2 billion in new military aid to shore up a faltering, unpopular Marxist regime. From Mig's to attack helicopters to personnel carriers, the aid has poured in at a staggering rate. Propped up by 1,500 Soviet military personnel and 35,000 Cuban troops, Angola has become little more than a staging ground for Soviet adventures throughout southern Africa.

Yet in the face of this Soviet neocolonialism, the administration stands paralyzed. The State Department continues to play footsie with negotiations and dangles the prospect of diplomatic recognition in front of the Communist Angolan Government. With official United States blessing, the Chevron Oil Co. pumps oil for Angola—generating nearly all of the hard currency used to pay for Soviet military hardware.

Mr. President, we have an administration policy that talks loudly but carries a small stick. Rambo rhetoric comes cheap. It is easy to expound a Reagan doctrine. But is more difficult to put it into action. Yet that is precisely the challenge presented in Angola today.

If ever there was a case in point, it is the activities of Chevron in Angola. Oil accounts for 90 percent of Angola's GNP and almost all of its hard currency. That currency—over $1 billion per year—is used almost exclusively to pay for Soviet hardware and Cuban troops. And who is pumping all that oil for the Marxists? Chevron.

Mr. President, let us also make clear that the issue is not that the Europeans or Brazilians will move in if Chevron leaves. The issue is the principle that U.S. firms, benefiting from the U.S. Tax Code, should not be working in opposition to U.S. interests.

But, if ever there is a case where an administration loves business interests more than it loathes Marxism, this is it. In an exchange of letters last October and November, the State Department asserted that it is not administration policy to ask American oil companies to leave Angola; while the administration is sympathetic to UNITA it is not United States policy to conduct economic warfare; and the State Department is "satisfied" that United States firms have taken into consideration United States national interests.

Well, it may not be administration policy to put principle above profit, but it is this Senator's. And that is why our embargo is crucial.

It is too easy to forget that ideas have consequences. If we are going to proclaim support for people fighting for freedom and democracy, then we must back up our rhetoric with action and material support. But we cannot have it both ways. The administration and Senate cannot proclaim support for freedom fighters, yet abandon them in favor of powerless resolutions or the umpteenth useless round of so-called negotiations. The administration cannot invite Joseph Savimbi to the White House, yet refuse to order Chevron out of Angola.

At this late hour, talk is not enough in Angola. Savimbi and UNITA need assistance and they need it now. The dry season offensive spearheaded by Soviet and Cuban shocktroops is imminent.

Mr. President, the cause of those fighting for democracy and freedom is not always popular. Our annual struggle to fund the Contras in Nicaragua is just one manifestation of America's long post-Vietnam hangover. But as a great nation we must live up to our responsibilities. We cannot remain passive in the face of an aggressive Soviet foreign policy.

A little over a month ago the Senate took the first step in backing freedom in Angola. Today we must take the next step by enacting this embargo because the DeConcini resolution has been ignored. The administration wants to talk, Chevron wants to make more blood money, and the Marxist want to continue the war.

But if the Senate wants a negotiated peace it must go beyond talk and resolutions. It must put muscle behind its resolve. It must take the next step by forcing American business out of Angola, and forcing the Marxists to the negotiating table.

Mr. PELL. Mr. President, I oppose this amendment because I do not believe that it will promote our foreign policy objectives in southern Africa; that is, to achieve a Namibian settlement, obtain the withdrawal of Cuban troops from Angola, and promote peace and stability in the region.

Forcing U.S. oil companies out of Angola will not decrease the hard currency earnings of the Angolan Government or put pressure on it to withdraw Cuban troops.

It will simply provide West European and Japanese companies, which already have oil operations in Angola, with new investment opportunities.

Recently, the Angolan Government has shown a renewed interest in the United States-brokered negotiations for a Namibian settlement and the withdrawal of Cuban troops.

If enacted, this amendment would set back the talks which have resumed between the administration and the Angolans.

Moreover, it could remove a reliable source of oil for the United States at a time when our Persian Gulf oil supplies are increasingly threatened.

I believe that this amendment is the wrong policy at the wrong time. I urge my colleagues to oppose it.

Mr. LEAHY. Mr. President, I have listened carefully to the debate on the amendment offered by my good friend from Arizona. I share many of his concerns about the Government of Angola and the 30,000 Cuban troops that are fighting there. I respect his desire to do something to force the removal of the Cuban military force in Angola and to compel the Luanda government to negotiate with the rebel group, UNITA. For far too long, the people of Angola have been caught in the middle of a bloody civil war, and there is still no end in sight.

There is no question that the Soviet and Cuban presence in southern Africa threatens our interests. It is also beyond question that American oil companies doing business in Angola are indirectly subsidizing the purchase of Soviet military equipment and supplies for the Cuban troops.

On the other hand, the administration's policy of supporting Jonas Savimbi, leader of UNITA, has made us a de facto partner of the racist Government of South Africa and has severely damaged our credibility with black nations throughout Africa.

I share Senator DeConcini's desire for the United States to use its political and economic influence to help bring about a negotiated settlement of the war in Angola. However, after carefully reviewing it, I am convinced that his amendment would only diminish our ability to achieve its desired results.

Angola derives 90 percent of its foreign exchange from oil exports. The majority of this oil is extracted and refined by American companies and sold to American consumers. If the Congress, by passing this amendment, could dry up this source of foreign exchange, that might be desirable. At least it would be worth weighing the costs to us against the pressure put on Angola. But this amendment clearly would not do that.

Our Western European and allies and Japan would not support an embargo against Angola. Certainly few other oil consuming nations in the world would, either. If the American companies were to leave there, our allies and the Soviet bloc would take over their investments. The oil would continue to flow. We would simply have facilitated the transfer of U.S. private assets to foreign ownership, and deprived ourselves of this ability to have some influence in Angola.

If the American companies chose to remain in Angola despite a trade embargo, there are numerous foreign suppliers who would provide them with spare parts or services now being supplied by U.S. companies. Angola is already turning to our European allies rather than American financial institutions or oil companies for new credit lines to back further development of its oil sector.

Furthermore, although American oil companies do earn most of Angola's hard currency, there is little reason to believe a change in ownership would result in reduced hard currency earnings. Nor would a decline in Angola's earnings, if that occurred, lead to a withdrawal of Cuban troops or Soviet support. It might well have the effect of increasing Soviet influence. Soviet bloc aid has increased as Angola's income has been cut by falling world oil prices.

In addition to these reasons why the amendment would not achieve its desired results, the United States has an interest in maintaining its access to Angolan oil. Angola supplies about 2 percent of our imported oil. If an embargo is imposed, OPEC's leverage over the United States will increase. At a time when our domestic oil supplies are decreasing and the war in the Persian Gulf threatens the flow of oil to the West, the United States would be unwise to cut off its access to non-OPEC oil, especially when doing so would not achieve any desirable foreign policy result.

Mr. President, in an ideal world neither superpower would be involved in the Angolan civil war. I oppose U.S. support for Savimbi and I oppose Soviet and Cuban aid to the Angolan Government. There will probably never be a clear military solution to the conflict in southern Africa as long as outside countries continue to provide troops, military equipment, training, advisers, and other forms of support to the combatants. But a trade embargo against Angola will not stop the war, nor will it give the Angolan Government an incentive to negotiate. It will instead leave them no choice but to rely even more heavily on the Soviet Union and Cuba.

Recently, the President of Angola came to Washington to discuss the establishment of formal diplomatic relations between our two countries. According to the press, the Reagan administration is sending Assistant Secretary Crocker to Luanda to continue the discussions begun in Washington. I welcome this indication by the administration that negotiations to remove the Cuban troops, to restart progress toward independence for Namibia, and to clear the way for diplomatic relations between the United States and Angola.

While I would be the first to condemn many of the policies of the Angolan Government, including its willingness to permit a large contingent of Cuban troops to remain on its territory, I believe the United States must be able to play a leading diplomatic role in southern Africa. Diplomatic relations between the United States and Angola would enhance our influence there. Unlike a trade embargo, better relations might help us achieve our objectives in Angola—an end to the war and the withdrawal of Cuban troops. That should be our goal, and it will not be served by a counterproductive step that drastically reduces our influence and hurts our own economy.

I urge the Senate to defeat this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, I yield 3 minutes to the Senator from Oklahoma.

Mr. NICKLES. Mr. President, I thank my good friend from Rhode Island.

Mr. President, I rise in opposition to the DeConcini amendment. I do that out of respect for my good friend and colleague from Arizona. I believe he has contributed very much to the debate concerning Angola.

I have wrestled with this amendment. When we read the language, it basically says let us impose a trade embargo with Angola. I think we should evaluate, if we are going to have trade embargoes, who it affects, who it hurts, and who it helps.

In this case we are trying to hurt the Government of Angola, the MPLA, and I am in agreement with that. I support the Angolan freedom fighters. I support Savimbi. But I am afraid if we pass this amendment, we may end by helping the MPLA. Right now they get 50 percent of the oil. If we tell American companies to get out, if we tell Chevron to get out, we may well be saying to Communist Russia or Cuba, "You take control of those fields."

We may be giving it to the French or the Japanese, but I think the likelihood is just as great that the Soviet Union will take over control of the fields. So instead of getting 50 percent the MPLA could possibly be getting 100 percent of the revenues from those fields. If that is the case, we just doubled the amount of money that the MPLA receives from those oil fields.

That does not make sense. I do not think that would help Savimbi. I do not think that would help the freedom fighters. I think that would be taking an American asset and giving it to the Communists and I fail to see the wisdom of that action.

I am all for sending a signal. I am all for giving increased aid or assistance to Savimbi, to the freedom fighters, but not by relinquishing an American asset and 50 percent of the revenues that come from that asset.

If this amendment is enacted and American companies must sell out, if bought by the French, the French will get the money. If it is the Communists, they will even get more money. If the MPLA negotiates a deal with the French or Japanese, they will probably negotiate a deal where they get more than 50 percent of the profits of the oilfields, maybe 60 or 70 percent, because the initial investment has already been made. So again the Communists will be getting more money than they are getting today.

The very purpose of the amendment of the Senator from Arizona could be self-defeating.

Again, I offer my support to Savimbi; I offer my support to the freedom fighters, but I think demanding we relinquish an American asset is the wrong way to do it. So I will oppose the DeConcini amendment.

The **PRESIDING OFFICER**. Who yields time?

Mr. **PELL**. Mr. President, how much time do I have remaining?

The **PRESIDING OFFICER**. Six minutes 40 seconds.

Mr. **PELL**. I yield 1 minute and 40 seconds to the Senator from Pennsylvania.

Mr. **HEINZ**. Mr. President, I thank my friend from Rhode Island.

Mr. President, everybody understands that the DeConcini amendment has the effect of forcing the divestment by Chevron of its oil interests in Angola. And as we contemplate this kind of congressional foreign policy action, I suggest there are three questions we should always ask ourselves.

The first is, Is the benefit to our foreign policy of such an action greater than the cost it is going to impose on the United States and on American interests?

Second, since we are not the only country in the world, should we consult with our allies and have a reasonable prospect that they are going to cooperate with us? We should not, in other words, go it alone.

Third, should there be a reasonable expectation that we are going to achieve whatever the stated objective of the action is?

Mr. President, this legislation fails on all three counts. It is going to hurt American interests far more than it is going to hurt the Angolans who can immediately lease these properties to somebody else, maybe on better terms to Angola.

Some of those people may in fact be our allies. It would be worse if they were not and it could be the Soviet Union or the Iranians who take over these oil fields, but we have no multilateral cooperation at all in this unilateral congressional initiative.

Finally, nobody contends that forcing an American oil company to sell its oil interests there is going to make any difference at all in bringing UNITA and the MPLA to the bargining table and solving a civil war that will continue in Angola unless there is a different kind of initiative.

Mr. President, I urge my colleagues to defeat the DeConcini amendment. All we are doing is shooting ourselves in the foot and letting other people pick up the pieces and put them in their pocket.

The **PRESIDING OFFICER**. Who yields time?

Mr. **DECONCINI**. Mr. President, How much time does the Senator from Arizona have?

The **PRESIDING OFFICER**. Thirty-two seconds.

Mr. **DECONCINI**. Mr. President, in 32 seconds I can only thank the Members who have stood up for what I think is a principle on which I believe it is important for this country to go on record. It is not in the best interests of the United States of America to have American companies supporting the purchase of Soviet arms to win a war for communism in Angola. That is what this is all about.

Also, the Senator from Louisiana pointed out very distinctly how much expansion we can anticipate in Angola by these companies. Is it profits or is it freedom and the right to choose the kind of government you want? That is really the issue. I hope my colleagues will vote against the motion to table.

I thank the Chair.

The **PRESIDING OFFICER**. Who yields time?

Mr. **PELL**. Mr. President, I yield my remaining time to the Senator from Kansas [Mrs. KASSEBAUM].

Mrs. **KASSEBAUM**. Mr. President, I would like to use about 3 minutes and yield the remaining 5 minutes to the Senator from Alaska.

I know the Senator from Arizona and the senior Senator from Kansas have deep concerns which I think many of us share. When the senior Senator from Kansas spoke to the fact that Cuban troops and Soviet military equipment are providing support for the MPLA, the Angolan Government, he indeed is correct. This I think is troubling to every one of us in the Senate. But what this debate is about is using our influence wisely and well.

I think the Senator from Oklahoma [Mr. NICKLES] made a very thoughtful statement about this being the wrong way to pressure the MPLA because it is not going to cut off the revenue. It is only going to mean that someone else will be gaining the revenue and a position in Angola. We have an opportunity to make a difference in Angola. We have the opportunity, I believe, to pressure the MPLA and to urge and continue to urge the removal of the Cuban troops. That is our stated policy.

As chairman, Mr. President, for 6 years of the African Subcommittee, I have watched our administration work continually to bring this about, and I have every belief that this will occur. But if, indeed, we intend to bring that change about by this particular amendment, the intention is wrong. I think we will, indeed, only be causing a shifting of markets in the world, a removal of some influence and a presence there, not a diplomatic presence but a presence that gives us the opportunity to provide pressure for change.

I would add, Mr. President, as well that the administration opposes this amendment and strongly opposes it. It is not just someone in the basement of the State Department. It is the President and the administration. I think that is a very telling point.

I yield my remaining time to the Senator from Alaska.

Mr. **STEVENS**. I thank the Senator from Kansas.

Mr. President, the Senator from Oklahoma put it straight. The CIA has told us it would take 4 to 6 hours, if Chevron is forced out, for a successor company to take over and operate their facilities. When Mobil moved out, within a very short period of time, the successor operator increased the produciton of oil from the Mobil field by 40 percent which actually increased the flow of cash to the MPLA regime to which the Senator from Arizona would like to deny cash.

The simple fact is that our Nation just does not have any reserve supply of oil. My State, as I said last evening, sends to the south 48 States 20 percent of our domestic production. In this instance somewhere around 150,000 barrels a day comes to us from Angola. If we shut that off, the same amount of money will flow to the Government of Angola but we will have to look elsewhere for this oil. In large part, we could only look now to the Persian Gulf for this additional supply, and we would increase our dependence upon Persian Gulf oil from somewhere around 200,000 barrels a day to over 350,000 barrels a day.

Mr. President, our dependence on Saudi Arabia and the Persian Gulf States for oil is going to go up at a precipitous rate in the near future anyway. Over the past week, oil futures have gone up $2 a barrel. Should this amendment be adopted, the oil futures will go up by $2 to $5 a barrel over the next year because we will be putting ourselves back into OPEC's pocket through our own actions.

We do have an option later this year to increase our future capability to produce oil by granting access to our oil industry to the Arctic National Wildlife Refuge. But even if we do that it will take at least 7 to 8 years before we can get that oil onstream.

We do not have a reserve supply of 150,000 barrels a day. Imposing a trade embargo on Angola is shooting ourselves in the foot. And what is more, as the Senator from Oklahoma has pointed out, the successor company would not have to make any new investment, to utilize the Chevron fields in Angola, would not have to follow the same reservoir dynamics, and we believe they would increase production in Angola, increasing the flow of cash to the very people that the Senator from Arizona is trying to prevent having the revenue.

Mr. President, I cannot emphasize too much that this is the wrong action to take at the wrong time for the wrong reason. I hope that the Senate will accept our advice and table this amendment.

The **PRESIDING OFFICER**. The Senator's time has expired.

Mr. **STEVENS**. Mr. President, under the unanimous consent agreement, I move to table the amendment of the Senator from Arizona and ask for the yeas and nays.

The **PRESIDING OFFICER**. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The **PRESIDING OFFICER**. The question is on agreeing to the motion to table the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. **CRANSTON**. I announce that the Senator from Tennessee [Mr. GORE], is necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE], would vote "yea."

The **PRESIDING OFFICER**. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 61, nays 38, as follows:

[Rollcall Vote No. 182 Leg.]

YEAS—61

Adams
Baucus
Biden
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Chafee
Cochran
Cohen
Conrad
Cranston
Danforth
Daschle
Dodd
Durenberger
Evans
Fowler
Garn
Glenn
Harkin
Hatfield
Heinz
Inouye
Johnston
Karnes
Kassebaum
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
Metzenbaum
Mikulski
Moynihan
Murkowski
Nickles
Packwood
Pell
Pryor
Quayle
Riegle
Rockefeller
Roth
Sanford
Sarbanes
Simon
Simpson
Specter
Stafford
Stennis
Stevens
Warner
Weicker
Wirth

NAYS—38

Armstrong
Bentsen
Byrd
Chiles
D'Amato
DeConcini
Dixon
Dole
Domenici
Exon
Ford
Graham
Gramm
Grassley
Hatch
Hecht
Heflin
Helms
Hollings
Humphrey
Kasten
McCain
McClure
McConnell
Melcher
Mitchell
Nunn
Pressler
Proxmire
Reid
Rudman
Sasser
Shelby
Symms
Thurmond
Trible
Wallop
Wilson

NOT VOTING—1

Gore

So the motion to lay on the table amendment No. 448 was agreed to.

(Later the following occurred:)

Mr. **PACKWOOD**. Mr. President, I ask unanimous consent that on vote 182, there be deemed to have been a motion to reconsider and that a motion to reconsider be deemed to have been laid on the table.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **BYRD** addressed the Chair.

The **PRESIDING OFFICER**. The majority leader.

Mr. **DOLE**. Mr. President, may we have order?

The **PRESIDING OFFICER**. The Senate will be in order.

Mr. **BYRD**. Mr. President, may we have order?

Mr. President, I would like to ascertain what amendments may be called up today, who the authors are, whether or not we can get time agreements. Before I do that, I would like to yield to the distinguished Senator from Arkansas [Mr. PRYOR] without losing my right to the floor, for a unanimous-consent request.

LEAVE OF ABSENCE

Mr. **PRYOR**. Mr. President, I thank the majority leader for yielding.

Mr. President, I ask unanimous consent on the balance of this legislative day and the entire legislative day of Friday.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **BYRD**. Mr. President, I take just 30 seconds to compliment the distinguished Senator from Arkansas for seeking leave of the Senate. That is the way it should be done under the rules. I should think the rest of us should try to emulate his example.

CLOTURE MOTION

Mr. **BYRD**. Mr. President, I send a cloture motion to the desk.

The **PRESIDING OFFICER**. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The bill clerk read as follows:

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the Moynihan amendment, No. 367, relating to the Persian Gulf, to S. 1420, a bill to authorize negotiations of reciprocal trade agreements, to strengthen United States Trade laws, and for other purposes.

Senators J.J. Exon, Robert C. Byrd, John Glenn, Paul Simon, Jim Sasser, Daniel P. Moynihan, J. Bennett Johnston, Terry Sanford, Kent Conrad, Wendell Ford, Claiborne Pell, Carl Levin, Alan Cranston, Bob Graham, Dale Bumpers, and Brock Adams.

ORDER OF PROCEDURE

Mr. **BYRD**. Mr. President, while a goodly number of Senators are here, and the manager of the bill and the ranking member are here, I wonder if we could indicate from a show of hands what Senators have amendments, so that we might have some better indication of what the workload is ahead of us and when we may be able to finish this bill. Mr. BRADLEY. Would the Senator identify the amendment?

Mr. **BRADLEY**. Yes. Mr. President, I have an amendment that deals with section 201 and I would be prepared to enter in a time agreement and dispose of it this afternoon.

Mr. **BYRD**. Would the Senator indicate the kind of time agreement he would like?

Mr. **BRADLEY**. I think an hour, equally divided.

Mr. **BYRD**. One hour, equally divided.

I wonder what the two managers think of that, an hour equally divided on the amendment by Mr. BRADLEY.

Mr. **BENTSEN**. That is fine with me. I have no objection.

Mr. **PACKWOOD**. I am familiar with the amendment. I think an hour would be ample time.

Mr. **BYRD**. Mr. CHILES?

Mr. **CHILES**. Mr. President, I have an amendment I am ready to go with right now or anytime having to do with trade with Cuba.

Mr. **BYRD**. Trade with Cuba?

Mr. **CHILES**. Yes.

Mr. **BYRD**. Does the Senator have an indication of the time he would be agreeable to?

Mr. **CHILES**. I think an hour, equally divided.

Mr. **BYRD**. All right. We will work on that. We cannot get an agreement on that at this time.

Mr. ADAMS?

Mr. **ADAMS**. Mr. President, Senator HECHT has an amendment that I will join in on. It is a study on China trade. I think this has been cleared with both of the managers.

Mr. BYRD. Mr. President, it is difficult to hear the Senator.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ADAMS. I have not had a chance to talk with Senator HECHT as to what time he wishes to bring this up, but he can clear it with the managers. We should not take very long on it. I do not think it will be controversial. It is on a study by the Department of Commerce.

Mr. BYRD. Does the Senator believe we can get a short time agreement on that?

Mr. ADAMS. Yes. That would be up to Senator HECHT. I would expect 5 or 10 minutes.

Mr. BYRD. Very well.

Mr. DASCHLE. I may have an amendment, as well, to section 201 and the fee called for under the bill as it applies to newsprint. We are hoping we can work something out.

Mr. BYRD. Mr. President, I cannot hear the Senator and I am only 10 feet from where he is standing. May we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DASCHLE. I am hoping to work something out with the ranking members, as well as the chairman of the committee, and would be prepared to offer it at any time.

Mr. BYRD. How much time does the Senator desire?

Mr. DASCHLE. Fifteen minutes.

Mr. BYRD. Would the Senator restate and identify his amendment?

Mr. DASCHLE. It is an amendment to section 201 dealing with the fee as it relates to newsprint. As I said, we are hoping to work out an agreement with staff on both sides and with the ranking member, as well as the chairman, and would be prepared to offer the amendment just as soon as some accommodation can be achieved.

Mr. BENTSEN. What was the amount of time?

Mr. DASCHLE. No more than a half hour, but I think we may be willing to do it in less than that.

Mr. BENTSEN. I think that a half-hour limit would be satisfactory.

Mr. PACKWOOD. I am a little unfamiliar with the newsprint amendment. I do not know what it is. I would like to pass on it for the moment.

Mr. BYRD. All right, we will work on that. Anyone else?

Mr. KENNEDY. Mr. President, there is going to be, hopefully, a committee amendment to some of the education provisions here. I think the Senator from Rhode Island, the chairman of the Education Committee, is familiar with it. It is basically a technical amendment but it does have some substance to it, and I do not think it should take time, but it is a very important one. We would be prepared to go at a convenient time for the leadership to work out. It is important.

I would hope if there is going to be a dispute about it from our point of view, we would be prepared to enter into a half-hour time limit, evenly divided, or whatever.

Mr. BYRD. Very well.

Mr. KENNEDY. It drops a small State portion. It changes the technical provisions that apply.

Mr. QUAYLE. How does Indiana apply to that?

Mr. KENNEDY. We will explain it to you in a short time.

Mr. WEICKER. I just would like to indicate that I would not agree to any time limitation on the Cuban amendment.

Mr. BENTSEN. Insofar as the amendment by the Senator from New Jersey, the hour limitation is acceptable.

Mr. BYRD. I make the request on an amendment by Mr. BRADLEY that there be a 1-hour time limitation, 1 hour to be equally divided in accordance with the usual form.

Mr. DOLE. What will we do with the pending amendment?

Mr. BYRD. The pending amendment would have to be set aside by unanimous consent.

Mr. DOLE. I do not want to cause any delay here on the trade bill but I think many of us would like to work out the pending amendment, get that out of the way, avoid another cloture vote next week, and I think we are just about that close.

I wonder if we might set it aside—an amendment at a time—and see if we could make some progress.

Mr. BYRD. Yes. Yes. Shall I restate the request?

Mr. President, I ask unanimous consent that——

Mr. DOLE. That is all right. The request is OK.

Mr. BUMPERS. What was the request, Mr. President?

Mr. DOLE. A 1-hour time limitation on the amendment by Mr. BRADLEY dealing with section 201, that time be equally divided and that at that time no amendment to the amendment be in order.

Mr. HEINZ. Reserving the right to object, is there a copy of the amendment?

Mr. BENTSEN. The copy of the amendment is on the way. I would be pleased to discuss with the Senator the nature of the amendment at this time.

Mr. HEINZ. I suggest the absence of a quorum.

Mr. BYRD. Would the Senator not do that?

Mr. HEINZ. I would temporarily withdraw the request, Mr. President.

The PRESIDING OFFICER. The request is withdrawn.

Mr. BYRD. There are two other requests. I ask unanimous consent that on the amendment by Mr. ADAMS, which he described a moment ago dealing with the study of trade with China, there be a time limitation of 10 minutes, equally divided, with no amendment thereto.

Mr. ADAMS. I would say 20 minutes, Mr. President, simply because I have not been able to reach Senator HECHT. I would not take more than 5 minutes. I am hopeful it would not be more.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

Mr. BYRD. Did the chairman put the request?

The PRESIDING OFFICER. Yes.

Mr. BYRD. I thank the Chair.

It was an amendment by Mr. DASCHLE.

Mr. DOLE. That wipes out the New York Times and Post.

Mr. BYRD. One half-hour equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. With no amendment thereto.

Mr. PACKWOOD. Mr. President, I have received an objection to the Daschle amendment, and so we cannot agree.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD. Mr. President, I am going now to renew my request on the Bradley amendment that there be 1 hour equally divided in accordance with the usual form and that there be no amendment thereto.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered.

Mr. MATSUNAGA. Will the majority leader yield? I have two amendments which I hope to have accepted. Would that preclude all amendments at this point?

Mr. BYRD. Oh, no.

Mr. President, do Senators know about the amendment by the Senator from Texas [Mr. GRAMM]?

Mr. President, I apologize to Mr. BUMPERS. I appreciate his patience. He has been seeking recognition. I will yield the floor shortly.

Mr. President, if I may ask the distinguished Senator from Texas [Mr. GRAMM] to identify his amendment?

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. If the distinguished majority leader will yield, the amendment will simply say:

> When deciding to implement protection under section 201, the President will have the right to look at the impact on agricultural income and employment, and if he determines that impact to be detrimental relative to benefits, he can refuse to implement 201 protections.

Mr. BYRD. Mr. President, I ask unanimous consent that there be 1 hour on the amendment by Mr.

Gramm; that no amendments be in order thereto, and that that time be equally divided and controlled in accordance with the usual forms.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendment by Senators Moynihan and Byrd be temporarily set aside until we have disposed of these amendments.

Mr. Bumpers has an amendment he wishes to get before the Senate.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 450

(Purpose: To provide a period of time for the President and the Congress to review U.S. policy in the Persian Gulf before undertaking significant new commitments in that region)

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask it be reported.

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. Bumpers], for himself, Mr. Hatfield and Mr. Adams proposes an amendment numbered 450.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. HATFIELD. Will the Senator from Arkansas yield for a question?

Mr. BUMPERS. I will be happy to.

Mr. HATFIELD. The Senator from Arkansas has offered an amendment. Has it been read or has unanimous consent to waive the reading been granted?

Mr. DOLE. I object.

Mr. BUMPERS. I do not know if the request has been agreed to or not.

Mr. HATFIELD. Mr. President, I send a perfecting amendment to the desk.

The PRESIDING OFFICER. Does the majority leader object to the request?

Mr. BYRD. I object to the request.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read as follows:

Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 89-day period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels.

AMENDMENT—NO. 451 TO AMENDMENT NO. 450

Mr. HATFIELD. Mr. President, I send a perfecting amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Oregon [Mr. Hatfield] for himself, Mr. Bumpers, and Mr. Adams, proposes an amendment numbered 451 to amendment numbered 450.

In the pending amendment, strike out all after the word "Sec." and insert in lieu thereof the following:

"Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 90-day period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

Mr. BUMPERS. Mr. President, I ask unanimous consent that I may be permitted to yield to the Senator from Arizona for a brief statement without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? If not, without objection it is so ordered.

The Senator from Arizona is recognized.

Mr. McCAIN. Mr. President, I thank my distinguished friend from Arkansas for allowing me to comment on title IX, section 945, of the pending legislation. I appreciate his yielding to me.

Mr. President, section 945 of title IX of this legislation is another part of the bill which I believe could enhance the probability of a Presidential veto. It threatens to destroy the President's steel program, agreements which were made after a lot of very difficult negotiations between ourselves and our trading partners.

This program was constructed to combat what were perceived as unfair trading practices on the part of the EC and many newly industrialized nations.

At the time the President instituted his program, numerous dumping suits were pending against many nations. The heart of the program was that in exchange for dropping the suits, which sought countervailing duties against foreign steel, quotas in the form of VRA's would be established.

This section of the bill requires that countries with whom we have VRA's [voluntary reduction agreements] on steel products, agree, unilaterally, to restrain their exports of steel fence panels, steel wire fabric, and welded wire mesh for concrete reinforcement.

These products are not currently covered by the VRA's. This form of legislative requirement is without precedent. In addition, no dumping case has ever been successfully prosecuted against these products. In fact, one filed was withdrawn by the filing party.

All VRA's would be affected regardless of whether a country exports these products. The principal suppliers of the products described in this section of the bill are Canada, Mexico, and Venezuela. We do not even have a VRA with Canada. We do not because no one ever accused Canada of engaging in unfair practices and they gave us a commitment that they would not take advantage of the reductions in certain categories due to VRA's. So we are talking about Mexico and Venezuela.

In the absence of agreement by the VRA countries and the EC to include restraint of these products, our Government is directed to deny all so-called flexibility provisions.

These flexibility provisions were negotiated features of the VRA's. They are seen as benefits under the agreements. Withholding flexibility could constitute a unilateral act, contrary to the terms of the agreement, thereby giving the affected countries, Mexico and Venezuela, the legal right to terminate the agreement.

Certain countries, such as Mexico, are currently arguing that the bilateral steel agreements they were forced into are unduly restrictive. Much of the product in question is produced in Northern Mexico where unemployment is high. Any harm to these producers will have a two-pronged effect on the United States First, there are many coproduction arrangements with American companies and these companies will suffer as a result of this action. Second, any economic problems will only increase pressures to emigrate, probably illegally, to the United States.

The Mexicans argue that the agreements were negotiated when they were particularly vulnerable to unfair trade charges. As a result of devaluations and/or termination of subsidies, they are no longer so vulnerable and they wish to liberalize or terminate their agreements.

Mr. President, this legislation, I believe, would give them perfect legal grounds to do so. Unilaterally requiring a country like Mexico to accept restraints on these products will do exactly that.

I do not believe this would be in the best interests of most steel producers, yet it could be exactly what is accomplished by this provision. This could lead to the compete unraveling of the entire steel program.

I would also like to mention another related topic, that of downstream producers of steel products.

They have argued, I think with great logic, that their products should also be covered. The problem is where do we draw the line? It is hard to conceive of a clear line to be drawn which will include all products inside of VRA coverage. This is clearly not a subject for legislative designation, rather it is more appropriately in the realm of negotiation.

There are many other products, such as wrire springs, bolts, nuts, screws, pipe and tube fittings and flanges, fabricated sheets and plates, and on and on. The producers of these products could make equally compelling arguments that their products be included in the VRA's.

You may be sure that if this provision were to be enacted into law, these producers will be lined up outside our doors asking for equal treatment. Enacting this provision into law is a terrible precedent for future congressional involvement in executive branch negotiations.

For obvious reasons, the countries with whom we have VRA's will resist these unilateral changes, again with the equalling disturbing possibility of revoking all the VRA's that were negotiated in good faith.

Mr. President, Mexico presently has a $100 billion debt. We are encouraging Mexico's exports. We are encouraging their economy to become stronger, to become more viable. This section does just the opposite. I am disturbed that it is in the bill.

I thank my friend from Arkansas for allowing me this time to make a statement on what I believe is a very important issue.

I yield the floor.

The PRESIDING OFFICER (Mr. ROCKEFELLER). The Senator from Arkansas.

Mr. BUMBERS. Mr. President, let me say that this amendment is offered on behalf of the distinguished Senator from Oregon [Mr. HATFIELD] and the distinguished Senator from Oregon [Mr. ADAMS].

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. BUMBERS. Yes.

Mr. HATFIELD. Mr. President, the amendment offered earlier was offered on behalf of Mr. BUMBERS, Mr. ADAMS, and myself.

Mr. BUMPERS. Mr. President, let me just lay it on the table so everybody knows what we are going to debate for the next couple of hours or possibly longer.

This is an amendment which simply says that if we are going to introduce American citizens or troops, if we are going to introduce Kuwaiti ships with American flags into the Persian Gulf as a policy of the United States, we should do it with our eyes wide open. When people ask me back home, "How do you feel about the President's policy on reflagging Kuwaiti ships?" I always respond with a question, "What is the policy?"

It is a nonpolicy. It may be that a vast majority of the Members of this body, and even in the House, will conclude, after a sensible, exhaustive, and definitive debate on this issue, we may decide, that it is a good idea to reflag Kuwaiti ships.

I have yet to be convinced. And it is the Gulf of Tonkin resolution and the lesson of that which causes me to have great concern and apprehension about this.

Let me ask the Members of this body, who can remember when they voted on the Gulf of Tonkin resolution by a vote of 98 to 2, who were those 98? Who, when the herd instinct swept across this very Chamber, can remember the names of the 98 people who, in an emotional moment, almost simultaneously with what was an alleged attack on a couple of American destroyers voted "yea" because they did not want to be perceived by their constituents as weak on defense, perceived as admitting that the United States does not have the tenacity and discipline to look after our interests?

Everybody remembers Senators Gruening and Morse, the two who voted "no" to the Gulf of Tonkin resolution, the two who today stand out in history as two men who, had they been listened to, would have saved 57,000 lives and 750,000 broken bodies in what everybody admits was the most debilitating war the United States ever fought, one for which we will pay a heavy price for at least another century or two.

This amendment says, Mr. President, if you insist on going through with putting flags on Kuwaiti ships, which I personally believe is a belittling of the American flag, let us talk it over.

The Congress has the power of the purse string. The President is obligated, when he held up his hand and swore to uphold the Constitution, to take care of and faithfully execute the laws of the United States. Who is charged with the responsibility of passing those laws?

And so what the Senator from Oregon and the Senator from Washington and I are proposing is let us wait 90 days. And I say let us wait, I am saying let us, the Members of Congress and the American people, decide whether this makes sense or not. There is a possibility that in a 90-day period Kuwait might even withdraw the request.

I recognize there is a body of thought that the President has committed the country, and we will be big losers if we chicken out or back out or refuse to keep the word the President gave the Kuwaitis. The request might be withdrawn. We might even agree to reflag Kuwaiti ships with the United Nations flag. It is an interesting thing. I do not know whether you could get that done in the United Nations or not when you consider the fact that our best friends have not asked for this. Our best friends are not helping us with this. Our best friends, according to the New York Times yesterday, are very apprehensive about it. Who are our best friends? Our best friends are the people who get the oil out of the Persian Gulf. Forty-five percent of all Japanese oil comes from the Strait of Hormuz. About 30 percent goes to Western Europe. Only 5 percent of the oil in the Persian Gulf comes to this country.

So while we all believe in freedom of the seas and the free flow of oil out of the Persian Gulf, if you want to look at it in pure classic economic terms, we are not the ones who are going to suffer most.

Where is Germany? Where is Japan? Where is Italy? Where are all the other countries that stand to benefit from this? Have they offered ships? The answer is no. Have they offered money? So far as I know, the answer is no. And when I say so far as I know, I do not know. But I say I think it would be good to know before we put our stamp of approval on it.

So we say, Mr. President, let it wait 90 days. The Soviets may even suggest that we both reduce our presence. The Soviet Union has suggested that we both remove all of our warships from the Persian Gulf. I do not favor that. I think that plays into the Soviet's hands. But to say that we should reduce our naval presence there might make some sense. We might even get Iran and Iraq to sit down and talk about it. They both might decide they will discontinue attacks on each other's shipping.

I heard the argument made on the floor of the Senate this morning that the people who want to postpone or torpedo this policy are saying we do not want to accept the possibility in case things do not go right. Mr. President, I want the RECORD to show very clearly the reason I am offering this amendment is because I want, welcome, and cherish the responsibility of not getting the United States committed to a policy which nobody in this room and nobody in this country can explain to you.

Mr. President, it is an unhappy thing to stand before this body and say that I was not a hot proponent of the Vietnam war, but every evening when I watched the news and I saw the battles and I saw American bloodied faces being carried off the battlefield, it made my blood boil. It made me want to send more troops to Vietnam, to show those people who is boss in this world. And so I did not speak up.

Senator Fulbright from my State was speaking up. But do you know something else Senator Fulbright said? He said that the one big mistake of his life and the one that he would always regret was standing on this floor and managing the Gulf of Tonkin resolution.

Do you know when I turned against the Vietnam war? It is a terrible thing to admit. When my first son turned 18. When I began to see the possibility of my son being carried off the battlefield in Vietnam, I had to rethink my position. I began to try to explain to him, as I entered the Governor's race in 1970 and as he went off to college, "Son, you may have to fight and maybe die in Vietnam." I could not explain it. I could not give him one good reason from a purely clinical standpoint, not thinking as a father emotionally and from the heart, I could not give him one single foreign policy reason why he ought to die in Vietnam. That is when I began to speak out against the war.

So I ask Senators, and any of the American people who may be watching the proceedings on this floor—I think they are watching another show, but maybe somebody is watching—if you have a son in the Navy or in the Coast Guard or if you just have a son of military age, I ask you to search your conscience and ask yourself if you can explain to them why they would have to die for a policy like this? Freedom of the seas? There is no lack of freedom of the seas in the Persian Gulf. There is a war going on there. But one of our naval vessels has been attacked, and by whom? The country we are going to assist—Iraq. I think the Iranians would be delighted to call off the war in the Persian Gulf. Iranians are shipping 1.9 million barrels of oil a day out of the Persian Gulf on tankers. They would be delighted, I think, to desist attacking other ships, because do you know how much oil Iraq ships out of the Persian Gulf a day? Point blank zip. Zero. None. And yet, because we say we believe in freedom of the seas, we are taking the side of the Iraqis and by doing so we are helping Iran get their oil out of the Persian Gulf.

Now, does that sound contradictory or perverse to you? I hope it sounds as strange to you as it does to me. That is the reason I stand on the floor today, Mr. President, saying, what is this policy? Is 90 days too long to postpone it? The House said yesterday, by a vote of 222 to 184, no, it is not. It is not too long to ask us to wait before we get ourselves inextricably involved in a situation from which we cannot extricate ourselves.

When the President announced we were going to send 1,500 marines to Lebanon, do you remember it? Congress did not even get so much as a "by your leave" as to whether we would do that or not. That is one place where Senator Goldwater, certainly no dove on defense, and I agreed. That is where Scoop Jackson, our late departed brother, with whom I often disagreed on defense issues, and I agreed. That is where Senator HOLLINGS, normally considered, I guess you would say, a hawk on defense, and I agreed, that sending 1,500 marines to Lebanon was symbolism and symbolism has never won a war and symbolism has never been a suitable substitute for a foreign policy.

I must confess to you that I had no idea of the magnitude of the tragedy that awaited us there. I was thinking in terms of maybe terrorists picking off four or five marines by sharpshooting or something like that.

Some people here will say: "You are interfering with the President's right to conduct foreign policy. It is not debatable, the President's right to conduct foreign policy." But it is debatable whether Congress must sit idly by while the President conducts a foreign policy that is calculated to put our troops in imminent hostilities and then the U.S. Congress be left to what some would say is our only responsibility, and that is to declare war.

The Constitution says only Congress can declare war. But I do not think James Madison and the others in Philadelphia 200 years ago, in drafting that document, intended to say to people:

> Sit over there and keep you mouth shut; and if the President's foreign policy and his use of our defense forces put us in such an untenable position that we have no alternative, nothing left to us, but to declare war, then you may speak up.

That is the result of that argument about the President and his right to conduct foreign policy.

The rationale for this policy: the freedom of the seas. The freedom of the seas for naval vessels, yes. We have a Navy presence there. We have a right to be there. The Soviet Union has a right to be there.

I heard one of the President's men say, "We're not going to stand by and let the Persian Gulf be converted into a Soviet lake." Well, the Soviets are not putting their flag on Kuwaiti ships. They said, "If you want tankers, we will lease you some of our tankers." They have a perfect right to leave their flag on their own tankers. They are theirs. What did they do? They leased the Kuwaitis three tankers. To prove that we are four times bigger boys than the Soviets, we have decided to put our flag on 11 Kuwaiti tankers.

Mr. President, what are we going to do? If we believe in freedom of the seas, what are we going to do when Iraq attacks Iranian ships? Do we believe in freedom of the seas then? Are we going to attack Iraq because they have violated our reason for being there—namely, freedom of the seas?

Are we going to attack any airplane, gunboat, or country which is responsible for putting mines in the Persian Gulf? Are we going to attack any of those countries that molest any ship in the Persian Gulf? Is that what freedom of the seas is about? You and I know the answer to that. It is an unqualified "No." We are not preserving freedom of the seas with this policy.

Iraq, unless we can talk them out of it, will continue to attack Iranian ships. Who is doing all the attacking? Mr. President, I will insert in the RECORD, before I finish speaking, who is doing the attacking. Seventy percent of all the attacks on shipping in the Persian Gulf since that war started has been by Iraq, 30 percent by Iran.

I do not want Iran to win the war, either. But I can tell you one thing: If we are going to help them with their oil shipments, they are not going to have any reason to end the war or sit down at the bargaining table.

Does anybody here doubt for a moment that we can do what we are about to do with impunity if Iran, headed up by the Ayatollah, is going to say, "The United States is just too big and powerful for us to bother?" You and I do not believe that. We believe that is a wrong headed, irresponsible government. You hear them called everything from nuts to radicals to what have you.

There is not a thoughtful person in the U.S. Senate—and when they vote on this, they should remember this—who does not believe that those ships are going to be attacked.

Kuwait wants us there, not because they want to get oil out of the Persian Gulf. They are getting their oil out of the Persian Gulf. Kuwait wants us there because they want us to stop that war between Iraq and Iran, and I do not blame them. They are only 45 miles from the fighting, and they have put all their chips behind Iraq. So they know that if Iran wins, they are going to spread out over that area—or they are scared to death that they would.

Is it not curious that Kuwait wants us there even though they have only lost $10 million damage in their tanker fleet in the last 4 years? They have been very skillful in playing the United States and the Soviet Union against each other, to get us in there in force, so that we will stop that war. They have $10 million total damage to their fleet. Do you know what that means to Kuwait? That is one-half of 1 day's shipment of oil. That is how Kuwait has suffered economically in this war.

How about landing rights? If everyone wants us in the area, why are they not saying, "You can land your planes in our coutnry?" You know the answer to that. Kuwait finally said, "We'll let you land some helicopters here for mine sweeping duty." That is all well and good. But that is not enough for us to take this kind of risk.

Let me ask you this: Can you tell me how long this policy is going to be in effect? Has anybody said, "Well, we're going to try this for 6 months, and then we'll take our flags off those ships?" Or a year?

You talk about open ended. You tell me: Are we going to stay there until we know the thing has become so volatile that we have no choice but to involve ourselves in that war?

When you vote on this amendment, you remember: If you vote against it, you are saying, "I am for an open ended policy to send our flag, to put it on 11 Kuwaiti tankers, and maybe more later on, with virtually no debate in Congress, because the President has the right to conduct foreign policy." Yet, there is not a person here who does not know the hostilities are going to escalate.

Mr. President, there is another little problem. You know we have watched terrorism grow in Italy and we have watched terrorism grow in Germany, and God knows it has been totally out of control in the Middle East since the memory of man runneth not.

Do you think that this possibility could lead to terrorism in this country? Do you think we are immune in this time of fast jets and sophisticated transportation systems and sophisticated kinds of bombs and explosives? If the Iranians really perceived us to be their cardinal enemy in that war and about to cost them some hard-won gains, do you think they are going to be content to send those little Swedish gunboats up and fire a machinegun at a Kuwaiti tanker and disappear; or try to put a mine in the water for an American ship or a Kuwaiti tanker with our flag on it?

Do you think they will be content with that?

I submit to you they will not. They are going to want you to hurt on your home soil.

Now, if the chips were down, if the policy were clear, all of those would be acceptable risks. I personally believe I would not be standing here, I know I would not be standing here, if the President has done what he was supposed to do and that was to invoke the War Powers Act.

I want the Members of this body to ask themselves why the War Powers Act passed in the first place? If I ever saw a case where it was intended to apply, this is it.

I am going to tell you something: if we cannot get the War Powers Act invoked in this kind of situation where hostilities are already there and we are simply getting more deeply involved, then we might as well repeal it. I think I would vote to repeal the War Powers Act if we do not have the courage to invoke it in a situation like this.

And all the War Powers Act says is, "Mr. President, tell us what you are going to do, go ahead and do it, but give us 60 days to say whether we approve it or not."

What is wrong with that?

We are not a kingdom here. We are not a monarchy. The President does not have the right to get this country invloved in a war by deliberation or inadvertence without some input from the U.S. Congress.

Let me ask my colleagues these questions:

What is our response going to be? We are going to put flags on Kuwaiti tankers. So a little Iranian gunboat comes over the horizon in the middle of the night. They take a look at your ship—and this is their pattern, incidentally. I am telling you what they are doing. They take a look at your ship, determine whether they consider you friendly or not, disappear over the horizon. You let your guard down and while you have your guard down, all of a sudden here comes the little gunboat back and you get zapped.

It is the middle of the night and you may not know where the gunboat came from, but let us assume that you do. Let us assume it is Iran. What is your response, Mr. President?

It may be down at the Pentagon they know exactly what the response is going to be, but I do not, and I would like to, and I think the people of this body ought to know.

What if an Iranian plane—they do not have many left—comes over and attacks an American ship or a Kuwaiti tanker with American people on board? What is our response? We are going to have that carrier just outside the mouth of the gulf. What is it going to do?

Are we going to bomb Tehran, or Kharg Island? What is it going to be?

Let us assume that the response is we are going to bomb Tehran and let us assume further that the Iranians shoot down three American planes and they wind up with three pilots, fine, brave, young Americans, and they parade them around the streets of Tehran blindfold with people taking prods and poking at them. What is our response then?

I told you how my blood used to boil watching the evening news of the Vietnam War. And I promise you that if I see that, my blood would boil again. And the only way to keep my blood from boiling is not putting us in a position of seeing that, unless we know that the risks are worthwhile.

Are we going to take out the Silkworms the Iranians are about to deploy by a preemptive strike, or are we going to allow them to deploy them and just keep an eye on them? If we did take them out by a preemptive strike, does anybody doubt whether or not the Iranians will retaliate.

Mr. President, I have said about all I can say except when you start talking about the risk assessment, LES ASPIN told the press on June 17 that the CIA has briefed his committee over in the House and he says that the risk of hostilities is high.

The Defense Department has said they are moderate. Nobody has said there are no risks there.

So what this body has to do is decide what are the risks and are they worth taking? As of this moment, I say "no." Ninety days from now I might conclude differently.

But I have never known the United States to get in trouble by being reflective and talking and debating an issue and then apply what we call in Arkansas common sense.

Mr. President, I said during my statement that I had material I wanted to submit regarding the number of attacks and who had waged them in the Persian Gulf. I ask unanimous consent to have that material printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SHIP ATTACKS IN THE PERSIAN GULF, 1981 TO MAY 1987

Year	Nation Launching Attack		
	Iraq	Iran	Yearly total
1981	5	0	5
1982	22	0	22
1983	16	0	16
1984	53	18	71
1985	33	14	47
1986	66	41	107
1987 (Jan. to May)	24	22	46
Totals	219	95	314
Percentage	70	30	

Source: New York Times, May 22, 1987: A10, cite Lloyd's Shipping Intelligence Unit.

Mr. BUMPERS. I yield the floor, Mr. President.

Mr. WARNER. Mr. President, first I ask for the yeas and nays on the underlying amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, our distinguished colleague from Arkansas has brought this amendment in, and I am certain that he and my distinguished colleague from Oregon were aware of the fact that, under the guidance of both the majority and the minority leaders, a group of Senators who have given much of their time over the past 4 or 5 weeks have been working assiduously on both sides of the aisle to try to reach a draft of a proposed amendment which would presumably supplant the pending Moynihan amendment and be adopted, in the words of the minority leader this morning, by a great majority of this body.

Having been one of those who worked on this draft proposal for some time now, it would seem in my judgment to take care of a number of the concerns raised by the two distinguished colleagues proposing this amendment and I would——

Mr. BUMPERS. Mr. President, will the Senator yield for an observation? I promise I will not interrupt him again.

Mr. WARNER. Without losing my right to the floor, please continue.

Mr. BUMPERS. It is without losing his right to the floor.

The Senator is absolutely right. I not only knew that a group of Senators had been working on such a resolution, I have read it, I am thoroughly familiar with it, and I agree with most of the language in it, even though I think it has been watered down unmercifully.

The real point I want to make is that is a sense-of-the-Congress resolution which you know what they do with sense-of-the-Congress resolutions over in the White House. They take them to the bathroom where they can be put to good use.

This is a binding 90-day deferral. This is a binding 90-day deferral of our reflagging Kuwaiti tankers. The resolution the Senator has been working on will probably pass here 100 to zip. I am not sure I will vote for it depending on this amendment. I am not sure I will vote for it because I consider this situation so ominous and grave I do not want to put my name on something that has no effect.

I thank the Senator for yielding.

Mr. WARNER. Mr. President, I hope my distinguished colleague will remain for a period of time here so we can exchange our views.

Mr. President, again as I go back over the history of this particular situation in the Persian Gulf, the majority leader, almost immediately following the Stark tragedy, together with the minority leader, began a series of consultations with Members here of the Senate. Three were appointed as a special delegation—Mr. SASSER, Mr. GLENN, and myself—and we undertook, if I may say, two separate and arduous trips to that area and returned and made two separate reports to the leadership of the Senate and then compiled a report for the Senate as a whole, and that report was included in the RECORD by the Senate leadership.

Now, during the course of that work by a group of us here in the Senate, the administration upon learning of the rightful and legitimate concern of many Senators began a far more intensified series of consultations with the Senate.

The leadership constituted the primary individuals that went down to visit with the President. On the most recent occasion, it was the distinguished majority leader, minority leader, the chairman and ranking member of the Foreign Relations Committee, the Intelligence Committee, and the Armed Service Committee.

Prior to that, there was a meeting with the President with the Republican leadership. And, having been present at both of those meetings with the President, I can assure the Members of the Senate that the views which concern our two distinguished colleagues today were very, very forcibly expressed, not in a sense of partisanship. To the contrary, a sense of nonpartisanship. And that, thereafter, the administration has, in my judgment, very carefully continued a consultative process.

The effect of this amendment would just be to almost cut that process off. We would arrogate unto ourselves the type of decision that is really left under our Constitution to a President.

Now, putting aside for a moment whether the decision to reflag or not reflag was properly made, and whether or not there was adequate consultation with the Senate and the Congress as a whole during the course of that procedure, indeed those are debatable items and indeed we should debate them at some point in time. But putting them aside for the moment, we ought to look at where we are today and what is in the best interest of this country.

Our President has made the decision to reflag. If you look at the circumstances of the past few weeks, it is quite clear that the consultative process has been productive and that the President has listened to the Congress. And, as a result, the implementation of the reflagging decision has been in fact delayed. And that is to the credit of the Congress. It is to the credit of the consultative process that it is working, and working quite well.

It would be my hope that the Senate would be given the opportunity to first consider this compromise resolution, which I am of the view is very near to completion, before we have a vote on this.

Now, I leave it to the leadership and others to devise the procedure by which that could be done, but I see a distinct advantage in allowing our colleagues, indeed, an opportunity to participate in this debate and to participate having before them both the compromise resolution—and, indeed, it is in the form of being nonbinding—and the action as proposed by the sponsors of this amendment.

For some reason—and I think they are best qualified to answer—they have locked this amendment up. It is not subject to further amendment. The debate, of course, is open and can continue for some period, and I certainly hope other Members come to the floor and join in on this debate.

But I wonder if I might pose a question to my distinguished colleagues, the proposers of this amendment, as to whether or not they would look with favor, assuming the leadership likewise would look with favor, on having the Senate have the opportunity of having the alternative courses of action before it before we have to reach a vote on this.

Mr. HATFIELD. Will the Senator yield for a question to his question?

Mr. WARNER. Yes.

Mr. HATFIELD. Assuming that the leadership resolution on which the Senator from Virginia has been working incorporates language that would urge the President in some way to delay the action on reflagging, as I believe it will in a rather vague way——

Mr. WARNER. If I might further define, Mr. President, without interrupting, let us call that the Moynihan resolution.

Mr. HATFIELD. Yes; all right.

Let us assume this resolution which is being devised expresses the sense of the Senate that the President should delay reflagging. If the resolution passes and the administration ignores it, would the Senator from Virginia then support binding legislation on the delay?

Mr. WARNER. Mr. President, in response to my distinguished colleague's proposal, I would not at this point in time commit myself to a course of action until the Senate has had an opportunity to look at both and debate both of these options.

But the current drafts being considered by both sides—I would prefer at this time not to identify it as the leadership proposal because in fact others are working it out for the benefit of the leadership and whether they adopt it remains to be seen—but there is language to the effect in the proposals under consideration that—and I will quote a phrase here that I drafted myself—"Prior to implementing future definitive initiations, including reflagging and protecting tankers, measures described in this concurrent resolution should be fully considered in consultation with the Congress and pursued."

Mr. HATFIELD. If the Senator will yield, what would happen if that were not respected? If the resolution is adopted and the administration demonstrates a complete disregard for our proposals and recommendations, what would be our enforcement mechanism?

Mr. WARNER. The Senator is reaching the heart of the matter, Mr. President. In response, I would say that if we were to go the route of, let us call it, the nonbinding resolution, I perceive that the consultative process now underway and which has been quite productive would continue. And that if, at a point in time the Congress, being consulted, were in disagreement with the President, then we would consider courses of action like the one proposed by the sponsors of the pending amendment.

And let me point out that it is my judgment, Mr. President, again having had the privilege of working in a number of these sessions at the White House, that the consultative process has had a definite impact on the course of action by the administration in the last 6 weeks.

There has been a de facto delay. Whether you call it a delay or not, it has been delayed. Earlier estimates of when the military escorts were to be assigned to the reflag vessels were several weeks ago. But here we are in the first week and into the second week of

July and it has not taken place. There is still not a definitive date, so far as this Senator knows, as to when the military escorts would be assigned to the reflagged vessels.

I yield to others around here who have had more experience than I in my brief 8 years, but to me this is one of the high water marks of the workings between the Congress and the President on a foreign policy decision.

I can point to another example where that consultative process has had a definite impact. Without getting into classified matters, about 6 weeks ago, shortly after the *Stark* incident, members of the Armed Services Committee were briefed on the first proposed plan of enhancement of U.S. military presence in the gulf. This is one Senator that expressed dissatisfaction with that level of enhancement, because I thought it was too great in terms of the threat assessment as we knew it at that time. Not that they listened to me singularly, but I know other voices were raised, and as a result, that earlier assessment of the quantum of U.S. military to be put in the Persian Gulf was substantially reduced.

Mr. HATFIELD. Will the Senator yield for another question?

Mr. WARNER. Yes.

Mr. HATIFIELD. Allow me a moment in the realm of speculation to ask the Senator a question. The administration has indicated its expectation that their flagging will be effective in the middle of July. It is now July 9. We are entering the middle of July.

Now let us assume that this nonbinding resolution has passed, but the President plans to go ahead and reflag the vessels anyway.

Does the Senator from Virginia believe that in that scenario the Congress would take this issue up in a binding way to say no to the President? I certainly hope we would but I think that scenario would be even worse for the President. With a nonbinding statement now, we set the President and his policy up for a far worse fall than if we went ahead and delayed the reflagging for 90 days and allow the congressional consultative process to reach some general agreement.

It is more embarrassing and more difficult for the President to conduct foreign policy by unscrambling the egg on the basis of legislative directive than if the legislative branch and the executive branch reach agreement. Mr. President, we must reach that agreement if our policy is to be effective. We must work together to construct a policy in which we could all join and assume our roles of accountability and responsibility.

The PRESIDING OFFICER. (Mr. REID). The Senator from Virginia.

Mr. WARNER. Now, Mr. President, having the floor, I yield to the distinguished colleague from Arkansas to supplement the comments by the Senator from Oregon, and following that, I will be back to respond.

Mr. BUMPERS. The Senator from Oregon has just discussed with the Senator from Virginia what the Foreign Relations Committee has done. In commenting on that, we find the Foreign Relations Committee voted by an 11-to-8 vote to prevent all flagging.

The House, yesterday, at least agreed to defer it 90 days, by a vote of 222 to 184. But I want to read this language to the Senator from Virginia that came out of the Foreign Relations Committee on that absolute prohibition against reflagging of Kuwaiti ships.

On page 3 of that report it says, in the second paragraph:

> Reflagging is a part of a desperate Kuwaiti gambit to draw the superpowers into the Iran-Iraq war in hopes that they might end it. To the chagrin of its Persian Gulf neighbors, Kuwait has asked both the United States and the Soviet Union to place their respective flags on Kuwait's imperiled ships. Interestingly, the Soviet Union declined, and instead offered Kuwait a commercial lease of three Soviet tankers.

That is pretty strong language, Mr. President. And that is about binding language. It is a committee report on binding language coming out of that committee.

Mr. ADAMS. Mr. President, would the Senator from Virginia yield to me, without yielding the floor, for an addition to the statements made by my colleagues from Oregon and from Arkansas?

Mr. WARNER. I will be happy to do that.

Mr. ADAMS. I thank the Senator from Virginia, and I have joined with my colleagues form Oregon and Arkansas in this. I would say to the Senator, because I was the author of one of the resolutions in the Foreign Relations Committee, and I know the Senator is concerned about it, as I am, that what the Senator from Oregon has said is that we are faced with the imminent reflagging of these ships and it is my understanding that in this consultative process—and I hope the Senator will respond to some of this, because I joined with my colleague from Arkansas in that we get this second and third hand. It is the reason why we have pressed for the mandatory resolution. We cannot unscramble the egg.

Though I have not been in the Senate a long time, I have served in the Congress and the Cabinet, and I have spent a lot of time in the Government of the United States, and I entered the Congress right after the Gulf of Tonkin resolution, and we passed all of these in 1965. I entered here in February of 1965, and we started first with a Marine division, and it was on and on and on.

This is not a matter of trying to test Presidential authority or not agree that we have a vital interest in the gulf. But what we are concerned about is that this step, and I know the Senator is very familiar with the gulf and I have some familiarity with the gulf—as we move north of Iran, this is a significant act.

What we are trying to do here is to put that off for a period of time so we do not trigger a whole new reaction. The Senator knows that in the executive branch, because he has served in it just as I have, if that is once done—in other words, if we proceed with the reflagging—and it is my understanding that the President said in this consultative process and I know this only from being told that, I certainly was not there—that despite what everybody said about reflagging and what everybody did not say—in other words, nobody came out for reflagging—there was a statement that the administration was going to proceed. That means that if we did not take this action today and the House did not take the action yesterday, then we would have the President almost committing the act. Once that act is committed, as the former Secretary of the Navy knows, and I know, backing out of it is incredibly difficult. Then you get to what the Senator from Arkansas was saying: step, step, step. That was the reason that I offered the War Powers Resolution in the Foreign Relations Committee. And it carried 10 to 9.

I want to say to the Senator, and I appreciate his yielding to me at this time to say this, that passed because everyone was concerned that the moving of the ships north would trigger a whole new situation in the gulf and that it was not that we were trying to delay or not join with the administration. The purpose was to consult, to give the whole Senate a chance to join with the administration on a common policy and then go to the country.

Because what happened in Vietnam, as you and I both well know, was the country never united behind it, and the kids were left on the streets. That is the reason the marching took place. People could not vote, and the people involved were the families and the kids. We did not go with taxes until way late in it. We just have an absolute horror of a step-by-step thing; that we do not do as a Congress, and the Congress and the President, not just talk but that I am prepared that we have, under the War Powers Act, a vote. I agree with the Senator, we should just repeal it because if this is not hostilities that are going into up in that gulf, I do not know what is. But we have held off on all of that and tried to just concentrate on the reflagging so that we do not get a Presidential decision in place and then have to come to the floor with my good friend from Virginia and others and say, "Well, how do we unscramble this?" Because then you really are saying to the President: "You have no right to do this, and we want you to pull back." At that point—that is just not going to happen.

At that point, that is not going to happen. We want to have the processes of the Congress involved and then the country involved in a foreign policy. In the Foreign Relations Committee, that is what we passed on, the War Powers Resolution, which is pending on the calendar. We passed with 11 to 8 a Mikulski-Pell resolution saying, "Do not reflag."

It was pointed out there were many other alternatives—I know the Senator from Virginia is aware of this if you are going to use American flags, use American tankers.

All we are trying to do is to get the time so that their decision is not made until the Congress is with it. I feel very strongly, as I know the Senator from Virginia does, the Senator from Arkansas, the Senator from Oregon, and many others, that we do not want to repeat a series of actions without the whole country being with us. Let us try to do this, and not by the resolution. As I said, the former Secretary of the Navy and I both know what happens with a nonbinding resolution on the administration. I thank the Senator for his time.

Mr. WARNER. I thank our distinguished colleague from Washington for his contribution.

I will step down so that the distinguished senior Senator from Oregon may make his opening remarks. I did not intend to cut him off in any way. But I do first feel constrained to reply to several of the very thoughtful and sincere observations that have been made today.

First, to summarize quickly my position, it is that the consultative process between the executive and legislative branches is working and we should allow it to continue to work because it is very dynamic in a day-by-day changing situation.

Second, technically, I say to my good friend, in the drafting of this amendment it is my judgment you will not achieve the result you desire for the following reason:

We have loosely—and I say the editorial "we"—used the term reflagging to describe this policy of what is taking place. But if you begin to dissect it, there are really two basic parts. The first is a rather routine series of steps by which, under our laws and regulations, another nation can come in and petition the Coast Guard to use the U.S. flag.

So far as I know, almost all of those steps have been completed. During the course of the day I will provide for the Senate an accurate, up-to-the-hour detail of where that process rests. In my judgment, I think it is finished and it is too late by virtue of cutting off money to stop that process. So this amendment would fail in its objective.

What you would have to do is to remove the funds to stop part 2 of reflagging, part 1 being the Coast Guard reregistration and part 2 being the utilization of U.S. military assets to provide a protection regime.

Again, what you are seeking to do is to stop the President from using dollars to implement the decision which on part 1 has been made and executed, to reflag. But part 2, the implementation of the protection regime has, in fact, been delayed out of deference to the concerns of the Congress of the United States.

That has not been announced but de facto, if we look at all the circumstances, it has been done, because of the depth and sincerity of our concerns. They are taking into consideration our advice as they finish the final planning phases of the protective regime.

So the amendment, technically, in my judgment, would not achieve the result sought. The most that would be achieved, in my judgment, and it would not be done as drawn, would be to take away the funds from a decision that has already been made.

It appears to me as the Congress considers this situation, we ought to start with the premise of reflagging in terms of the Coast Guard technical steps being finished and now, Mr. President, in view of our concerns, we would like to contribute our advice and consent as to how to utilize the protection regime.

Mr. President, it seems to me the amendment would fail on its face to achieve the goal. It would just confuse the world at large. The President has already made a commitment.

When Senators SASSER, GLENN, and myself visited there, there was not the slightest doubt among the Gulf State governments, all of whom we consulted save one, that this decision has been made, that the United States had made a commitment. If you were to walk away from that commitment now, it would severely denigrate what credibility this Nation has in that part of the world. I do not believe it is the desire of the institution to in any way denigrate the credibility of the United States in that part of the world. I will not recite the historical incidents, all of which we are familiar with, which have contributed to the rather weak credibility this Nation now has.

Further, Mr. President, President Reagan, the Secretary of State, the U.S. Chief of the United Nations delegation, and others, are actively, at this very moment, working within the United Nations to secure the passage of resolutions, which resolutions would go a long way to achieve the results that so many of us desire, namely, to bring about a greater degree of peace and stability in that region and, if necessary, put an arms embargo on the two belligerent nations.

The sense-of-the-Senate resolution would have the effect of continuing the process, not stripping the President of his epaulets in front of the world by taking away the dollars to do the protection regime, and to allow the President to continue in the various international forums of the world to try and bring about a peaceful resolution of this matter.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, as I listen to the Senator from Virginia, I become increasingly convinced of the necessity of adopting the amendment that the Senator from Arkansas [Mr. BUMPERS], the Senator from Washington [Mr. ADAMS], and I have submitted.

The plea by the Senator from Virginia that somehow this commitment has been made—"Don't strip the President of his epaulets in front of the whole world"—leads me to believe that no resolution is of any import at this time. As far as congressional input is concerned, whatever we do is meaningless and indeed irresponsible because the commitment has been made. Mr. President, that is nonsense.

The Senator also raised the question of the ability of this amendment to achieve its purpose. Let me very simply read the amendment: "Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 90-day period following the enactment of this act to accomplish reflagging of any Kuwait naval vessels."

Mr. President, that is all it does. The language could not be more clear.

I am not one who wants to deny the President his constitutional responsibility to conduct foreign policy.

But as we celebrate at our 200th year of this Constitution, let us remember that that Constitution vests in the legislative branch, not in the executive branch, the power to conduct war. In 1787, our constitutional fathers looked around the world. Every single government in the world had vested the war-making powers in the executive—not one had vested that power in a parliamentary body or legislative body. They chose otherwise it was George Mason, a great man amongst many greats in Philadelphia, who explained their goal. They must find "How best to clog rather than facilitate war." Wrote James Madison:

> The Constitution now supposes what the history of all governments demonstrates, that the executive is the branch of power most interested in war and most prone to it. It has accordingly, with studied care, vested the question of war in the legislature.

I do not know precisely what James Madison or George Mason would say today about this issue Mr. President. In their day the Ottomans and the Persians were vying for power in the gulf. But Madison and Mason and the many others who gathered in Philadelphia would have argued that this warmaking—and that is what we are really talking about—is our business. We are talking about money and war powers. We are not trying to direct the President of the United States in the conduct of foreign relations. We are exercising the power of the purse.

Let me remind this body that the failure of the Congress of the United States to stand up and take accountability, to assume its congressional and its constitutional responsibility, thrust this country into the longest war in history. With no more than the wringing of hands, the woeing and the moaning of the politicians in the Congress, we entered a war in Vietnam. No, there was never a declaration of war in Vietnam. It was a Presidential war, a Presidential war that was crafted in very interesting ways from advisers to protecting advisers to fullscale war—and for more than a decade, Congress said "Don't thwart the President in the conduct of foreign relations."

The Senator from Arkansas mentioned the Gulf of Tonkin Resolution. That was an act of abdication. In the Gulf of Tonkin Resolution, the Congress said essentially "we do not want the responsibility of the Constitution. We are going to vest that in the hands of the President. Of course we can criticize, we can second-guess but we are free from responsibility." That was an abdication of constitutional responsibility.

At the Governor's Conference in 1965, a resolution was offered to affirm President Johnson's war policy in Vietnam. The vote was 49 to 1. As the Governor of Oregon, I cast the only dissenting vote. I cast that vote not because I was the only one out of 50 Governors who saw the policy as bankrupt and disastrous, but because the arguments "Don't second-guess the President. Don't thwart the President's foreign policy. Don't strip his epaulets before the world. He is the Commander in Chief. He has information we don't have."

I did not ask anyone to agree with that negative vote. I asked only that my colleagues ask two simple questions: What are America's national interests? What are the alternatives to mounting a war in Southeast Asia?

Those questions apply today. Of course there are American national interests in the Persian Gulf. A person would have to be blind not to recognize the American interest of freedom of navigation. Our overdependence on the oil from that part of the world is incredible—not so much the 5.9 percent of our imported energy consumption, but more so of the 38 to 40 percent of Europe and 60 percent of Japan. Those are necessary concerns because we are bound by treaty to our Western allies to share the reduction of their supply of oil should it be interrupted.

Look at my second question. The question today is again the question of method, the way we obtain and protect those national interests.

Take the reflagging question right on its head. Given that it is in our national interests to protect those Kuwaiti ships, is reflagging the only option? We have an increasingly large number of war ships in the Persian Gulf flying the American flag, producing a rather sizable target for the crazies, the terrorists, the other people who would love an opportunity to attack America. We have made ourselves a target and we have made our young people serving on those ships targets too. Was there no alternative? Is there no alternative?

What about reflagging with the United Nations flag as an option? Is that an alternative which would achieve our national interests of keeping the seas open and of keeping the oil flowing?

To keep the oil flowing. The politics of oil has a pretty ugly history, Mr. President. Let me remind this body that we were once one of the largest exporters of oil. In fact, we were the largest exporter of oil in the world. In 1927, we were exporting 70 million barrels. We doubled that by 1939.

In 1931, the Japanese imperial military government invaded Manchuria, and for 10 years we saw the war rage in Manchuria and China. Mr. President, that Japanese war machine was fueled in major part by American oil exports. We were condemning the action politically, but we were supplying the fuel that made it possible.

There is more. In 1938 and 1939, Hitler's Nazi army panzers moved on American oil export. Those deliveries continued to Nazi Germany even after France and Great Britain declared war on Hitler.

Do the ends really justify the means?

We had better be concerned today that our objectives may be right but our means may be wrong. I have repeated the wisdom of Gandhi frequently on the floor: "Means are the ends in the making."

Our oil exports 50 years ago underscored that point. So, too, do the Contra hearings today. We neglect the means because we think the ends or the goals serve the interests of the Nation. But where does that lead us?

We have national interests in the Persian Gulf, and I want to protect those national interests. But the means and methods by which we seek to protect those national interests are ill-conceived and ill-fated. I am grateful that they are being challenged today by the Senate Foreign Relations Committee and by the House of Representatives. And I am grateful that they are being challenged on a bipartisan basis. I am on the Republican side of the aisle, Mr. President and I think you would find that there are these concerns just as strong on our side as on the other side of the aisle. So it is not a question of partisan politics. It is not a matter of a Democratic-controlled Congress trying to embarrass a Republican President. All Americans are concerned about the particular thing we are doing now, and well they should be. Without more, however, the dissent and the concerns will do little to stop the perversion of the ends by the means.

All we ask is 90 day delay.

I commend the Senator from Virginia. I know of no Members of this body who has sought to resolve conflict and disagreement in a more gentlemanly fashion and a more dedicated manner than the Senator from Virginia. He is a natural diplomat, and we all appreciate his efforts. All I suggest to the Senator is that we give this consulting process a chance to work. Let's look at the alternatives.

If all this is a futile debate anyway because this policy has been put in concrete and is moving ahead, God help us. It was precisely that slippery slope that took us into the Vietnam war and kept us there. It was the "we're already there" that was used as a reason not to take action. When Senator McGovern and I offered our first resolution to cut off the funds for war, exercising the power of the purse, the most compelling argument was: "You can't undermine the President. Rally around the Chief." The tribal instinct is in all of us, but look where it led us.

Before we get to that point in the Persian Gulf, let us use a little caution. Caution, Mr. President can only be developed and understood with time.

No major change has occurred. Nothing warrants immediate action. Mr. President, a little time—90 days—will not do anything to undermine our national interest. It will do everything to allow us caution and the chance to examine the alternatives.

Even Howard Baker, our distinguished former majority leader, indicated over the weekend that we might take a fresh look at removing our warships if the Soviets remove their warships. Let us look at that. Let us take the time to pursue or explore or analyze or reject it. But let us take the time.

That is all this amendment does: just 90 days to take stock. We should not let ourselves get so committed to a policy that all Congress can do is line up in lockstep. Just because the Chief says, "March over the cliff," we march over the cliff. In so doing, we abandon our constitutional responsibilities, and in cases like this, our responsibility to the people.

I do not want to get into that situation. The recent history of Congress doing precisely that irresponsible action of abdicating responsibility with the Gulf of Tonkin resolution still haunts me. Let us not repeat that history.

Mr. President, I should like to make a parliamentary inquiry. Am I in a situation parliamentarily in which I can ask for the yeas and nays on the Bumpers-Adams-Hatfield amendment?

The PRESIDING OFFICER. It would be in order to request the yeas and the nays on the second-degree amendment.

Mr. HATFIELD. I ask for the yeas and nays for that purpose, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATFIELD. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mr. ADAMS. Mr. President, we, the cosponsors of this amendment, have attempted to give the Congress of the United States, as the House of Representatives has done, the time to complete a consultive process without the triggering of a series of events that could lead to ultimate hostilities, and that means a type of war.

I have great confidence in my good friend, the Senator from Virginia. I share the comments of the Senator from Oregon that he is a great diplomat and a good person to be doing this. But I was very disturbed by his remarks. He just stated recently on the floor that the decisions had already been made and that in effect this was over. That was one of the reasons for offering the war powers resolution that said if it has happened then we have to go to the war powers. That triggers it. I hope that if that does happen that the Senator will support our efforts to do that.

But what we are trying to do today is very simple. It is to prevent that decision to let the consultive process work. This involves not only the power of the purse, but I want to quote from James Madison in 1793 which follows the theme of my friend, the Senator from Oregon. This is one of the few countries in the world where the governing document, the Constitution, places the war power in the parliamentary body, the Congress, and there was a definite and deep reason for this, and this was debated by Hamilton and by Madison at length. In 1793, when Washington declared that we would be neutral in the war between England and France, there was an enormous debate on the Constitution by the people who had written it. Again, I do not know whether they would say that today. But here is what James Madison stated and it goes directly to the heart of this debate of what our concern is about allowing Presidential action to just simply proceed when you are moving toward the area of the war power, and the War Powers Act was to enable the parliamentary body, the Congress of the United States, to carry out this policy of Madison without going directly to the declaration of war. Madison said this, and I quote, and this was in his debate with Hamilton in 1793.

> In no part of the Constitution is more wisdom to be found than in the clause which confides the question of war or peace to the legislature, and not to the executive department. . . . War is in fact the true nurse of executive aggrandizement. In war, a physical force is to be created; and it is the executive will, which is to direct it. In war, the public treasures are to be unlocked; and it is the executive hand which is to dispense them.

He goes on, and that is the end of the quote, to indicate the reasons why the Congress is involved in depth in questions that can involve the ultimate commitment of American military power.

There is no question about our vital interests in the gulf. We have them there. This Senator supports the fact that we have maintained a presence in the Persian Gulf for many, many years, and nothing in this amendment is saying that we will remove that presence or that we are going to cut and run or do anything like that.

What it does say is that you have an ultimate act, a reflagging of the vessels of a nation that has joined as an ally, and we do not go to the old statements any more of declarations of war like we used to, but there is no question we are an ally of one of the parties to one of the most terrible wars that has occurred in that whole region.

We may have gotten into this for a lot of reasons that we can debate at another time of whether we sent some arms to Iran and, therefore, Iraq lost some aircraft and, therefore, we have reason to do something for Iraq. But what is involved here is that we are going into a war zone on behalf of someone who is directly connected with one of the belligerents. Kuwait and Iraq have been not only exchanging materials, but money, and there is no question of which side we are on.

I compliment my friend, the Senator from Arkansas, for pointing out that Khomeini is one of the most dangerous forces in the world, and I hope that those who may be watching this debate and may be watching it as a follow-on to the other great show in town on Contra aid and Iran will all understand that those of us who have had any connection with the Middle East and that area recognize that Khomeini is a force that is of great danger to that region, not just to the Gulf States, but to the Saudi Arabian government, to the whole area. And it is not just by simple frontal military assault, but it is the fact that enormous numbers of Iranians have penetrated the entire area and that this is not a war in the classic sense of Europe. This is a war fought in the Middle East with acts of sabotage, terrorism, attempts to overthrow governments. It is a very, very dangerous area.

But we have and I think the Congress has withheld its hand to say that the United States' presence in the Persian Gulf should remain.

What we are trying to do now is to say to this administration and to all those involved, do not move forward with an ultimate act that at any other time would be considered an aid to a belligerent in a military conflict.

So this is both on the substantive and symbolic level. Right now there are too many questions that have been left unanswered. There are too many parts that we do not know about, but I am getting the distinct impression that the decision has been made and as one who had the Coast Guard under my jurisdiction when I was a Cabinet officer, they have undoubtedly finished their technical compliance with reflagging so all that is waiting now is that this decision might be carried out, and the Senator from Virginia said the decision has been made. That is why we are here. That is what we are concerned about. It does not do any good to consult or send over messages if it is already going to happen. You have to do something. That is why we are trying to do something.

There is clear bipartisan support for the position of the Senator from Virginia on efforts to explore diplomatic relations.

Mr. WARNER. Mr. President, will the Senator yield for a question at the appropriate time?

Mr. ADAMS. I am happy to yield to the Senator for the purpose of a question.

Mr. WARNER. Mr. President, we have to in the course of this debate, which is a good one and an important one right now, give our interpretations to our colleagues as to what the pending amendment means.

I took the position—and I see neither of the principal sponsors here, but we have our distinguished cosponsor, the Senator from Washington—that if it is his objective to put a halt to the policy by which this Nation at some point in time is going to provide a protection regime to vessels flying the U.S. flag, be they under this reflagging program or other vessels now in service and for sometime which have been flying the U.S. flag, how does this amendment do it?

As I read it, it states "Notwithstanding any provision of law no funds heretofore or hereafter appropriated by any act of Congress shall be available during the," and I think the 90 days is the perfecting amendment.

Mr. ADAMS. That is correct.

Mr. WARNER [continuing]. "following enactment of this act to accomplish the reflagging of any Kuwait naval vessel."

I am now checking as to exactly where the Coast Guard steps are with respect to the proposed amendment. The most this can do is to cutoff the salary of several Coast Guard employees, uniformed or civilian, who are somewhere working on relatively ministerial tasks of completing the reflagging under the law and regulations applicable to the procedure.

It has nothing in this amendment which would take away the funds for the protection regime.

On the assumption that the Coast Guard has completed one or more of these ships, how does this amendment achieve the stated goals as enunciated by the three sponsors of this amendment? We owe to our colleagues an explanation of the pending amendment and what it does not do. As I listened to the debate of the Senator from Arkansas, the Senator from Oregon, and the Senator from Washington, they are talking in very broad principles that we should bring a halt to this proposal by which the United States accords protection to vessels flying the U.S. flag. In my judgment, the amendment does not do that.

Mr. ADAMS. I will answer the Senator from Virginia by saying that this is an enactment in law, rather than some language that goes forward, that says that the Congress on both sides, having been passed already over on the House side and on this side, as a matter of law, will not provide funds for reflagging of Kuwaiti vessels. There is going to be a series of checkpoints and a series of things that will have to be done with the Coast Guard, as the Senator well knows, during the course of the next year as this goes ahead, because remember what we are talking about is not a policy for 90 days or 180 days; we are talking about in the Persian Gulf something that will last for a number of years. It also is a clear message to the President that we are willing to pass a law and stand up behind the law, the same thing with the War Powers Act, the same thing with this that says no money into this operation of reflagging.

Now you can tell me and it can happen that the President can rush fast enough, because I have seen Presidents do this and so have you, that he can get ahead of the money being cut off. But a President to do that in a situation such as we have at the present time in the Persian Gulf, to go against an act of law of Congress, not just a resolution, but an act of law of Congress, is a mistake that everybody in the White House would say, "Mr. President, don't do that." That is what the difference is. That is what we are voting on. And yes, there will be the cutting off of salaries of a certain number of people at certain stations in the Gulf area on the reflagging of these vessels.

I would say this to the Senator, that I am fully prepared if this does go ahead and there is a rush ahead to get in before money is cut off and then have to fire people and cannot do it at the end of whatever period they have decided—and we do not know how long they have reflagged for, permanently, 6 months, a year, nobody knows this—that I am prepared to say that the act of reflagging and the sending of vessels to convoy up into the northern part of the gulf into the war zone triggers the War Powers Act.

I want the Senator to understand that I do not consider that pleading or sending of nonbinding resolutions is completely worthless, but I do not think it does the job. I think passing an act that says the money will be cutoff gives a message to the President that is very strong.

I do not know why they have not come to us. I really do not. I hope you will suggest to the President and say, "We understand this is difficult. We feel the War Powers Act should be triggered and we are going to do that by reflagging." Then at that point, the Preisdent knows that in 60 days there is a vote on it.

Mr. WARNER. If the Senator would yield.

Mr. ADAMS. Yes, I am happy to yield for the purpose of a question or colloquy.

Mr. WARNER. I thank the Senator for clarifying for the benefit of this Senator indeed what the amendment means; namely, that it stops the administrative process by which the flags would be transferred to Kuwaiti vessels. And it does not in any way reach out and stop the financing of a protective regime. I thank the Senator for the clarification.

At some point today, assuming this debate progresses, I hope to supply to the Senate and up-to-the-minute report on the administration's actions pursuant to law and regulation now existing, of course, on the reflagging of the Kuwaiti vessels. But the important thing is that the amendment is designed to stop that process and not designed to in any way affect the protective regime.

I know the Senator is not suggesting our President is going to rush to the gate, assuming that a few steps have to be finished. He is probably going to proceed, if there are remaining steps to be completed, in an orderly process on a schedule that has been adopted.

Mr. ADAMS. In reply to the Senator from Virginia and so that it is very clear, this amendment does go directly to funds for the reflagging of the vessels. It has always been the position of the parties that have advocated that we stop the reflagging that American vessels would be in the Persian Gulf and have been in the Persian Gulf for 40 years, but the sending of them North with these reflagged vessels as a protective regime hinges on the reflagging of those vessels.

That is the policy we are trying to be certain does not occur. We have not gone to the protective regime of ships in the gulf.

I think that it is very important that there be a bipartisan attempt to be in this total process. I have said this to the majority leader, I have said it to the Democratic leader, that the President look at these other options and not simply say as decision has been made, because until it is done, it is not done. And I believe and I support the position by Senators BYRD and DOLE of displomatic efforts, of moving to the United Nations, working with the various groups that are in that resolution. In fact, I think the language that was originally offered, if it has not been modified, because there were several items that came forward, said that the reflagging should be delayed.

The substance of this amendment, I would say to the Senator from Virginia and to the others of my colleagues, it says, "Mr. President, let's understand what this policy involves. Let's look at the alternatives before we start reflagging and protecting Kuwaiti tankers."

It is the tankers reflagged going up into that war zone that drags our ships in there and drags us in, in convoy. At least that is what we have been told. And we are trying to be certain that we know what our policy is before it starts. Because it will trigger events all over the Middle East, it will trigger events all over Europe and, yes, in the United States.

The Iranians have a number of options and we are not satisfied that this kind of a regime that is being started of taking the ships in will do it.

There is symbolism to this amendment, as well.

Mr. WARNER. Will the Senator entertain another question?

Mr. ADAMS. I am happy to entertain another question, without yielding the floor.

Mr. WARNER. Mr. President, the Senator said this action proposed by the amendment would trigger a reaction all over the world, certainly in the Persian Gulf. Well, let us look at the reaction that would follow if the world learns that the Congress were to cut off the funds by which the President were to implement his policy.

Now, the Senator has been very helpful in explaining technically what the amendment was to do; namely, to remove the salaries of those involved in the technical part of the reflagging and not the military regime that proposes to be associated with reflagging. So that is an important thing.

But when Senator GLENN and I, and I think Senator SASSER would concur in this, visited with the heads of State in government throughout the region, they all were of the impression this decision was made and it was simply to marshal the necessary military assets of the United States in conjunction with support being given by the GCC states which is very vital; in other words.

If the amendment had been drawn in such a way as to cut off the funds for the military protection regime, I would be seriously concerned were the Senate to adopt this amendment. But assuming that was your goal, how do you think that the world would receive that message that the Congress suddenly, as I said earlier, stripped the epaulets from the President and said, "Stop, Mr. President, you cannot go forward with an executive decision consistent with existing law and regulation."

Mr. ADAMS. In this amendment and in the discussion in the Foreign Relations Committee and in the debate that has gone forward, we have not said that there would be a removal of U.S. vessels from the Persian Gulf. They have been there for 40 years. What we are talking about here is that the reflagging and the convoy plans that have been announced are a triggering action of aiding one of those that in involved in the belligerence in a war and putting them into a war zone. That is a very different thing than saying that the United States is completely out of the gulf.

I have listened to the Senator from Virginia and I listened to the Senators from Ohio and from Tennessee in their report. I read the classified reports. I have had the ultimate classified briefings on this subject.

What concerns me and concerns others about it is not a single one of the gulf States which the Senator has visited—and I know some of the people from those states, also—has moved forward into a regime of landing rights, of financial assistance.

Our allies are conducting, as we both know, an over-the-horizon kind of protection of ships. What we are talking about here is a direct confrontation of one of the belligerents on behalf of the other of the belligerents. It can do nothing but escalate that war.

I know the President has listened, but if he had indicated, as you have stated, that he is going to move ahead, the response to a nonbinding resolution of the Congress is, as everybody in the country see: What happened? What are you doing? When are we going to have the Congress say that it is for or against this particular policy? What is going to happen in the future with the young people that are up there on those ships? We need to have more than just people talking back and forth. We have got to indicate we are prepared, by law, to implement or not implement and to what degree this will happen.

The reason that we are here today is that we have the reports that this is going to simply happen, and we are trying to say to the President—by law, not by just a resolution—that this should be delayed. It should be delayed 90 days.

We already have a House resolution that says if we had that ability, and the President then declines to listen and move with it, he knows that he does not have the unification of the Congress behind him, which he should have.

At that point I don't see any way we can avoid going to the War Powers Act because the President needs, at that point, to have the Congress unite and the country unite so we are not left where we were in the Vietnam War.

The reason we come back to it, many of us served in Congress during that period of time. The Senator from Arkansas has described the steps. But it had an enormous impact, not just on the generation, not just on the people that were directly involved, but also on the entire country's economy.

We tried to persuade—so that the Senator understands that this is not something new—we tried to persuade the President of the United States, a Democratic President in 1968, to put on a war tax to prevent inflation, to balance out the budget.

The budget was balanced then for 1 year, but we did not have that in effect until too late.

These are the kinds of things we are talking about if we are going into a war type economy and confrontation in that gulf.

Mr. WARNER. Mr. President, could I ask another question of my colleague?

Mr. ADAMS. I will be happy to yield to the Senator from Virginia for another question.

Mr. WARNER. First, if the Senator will permit me an observation, I am reading from the official report to the majority leader as printed in a Senate document, from page 17 where the Glenn-Warner report states as follows:

Others—and we are speaking of the heads of State and governments of GCC——

> Others were more outspoken in support of an increased presence. Several stressed the importance of coming to the aid of a friend. One head of state said: "When a friend is in need and asks you for help, you must help him, otherwise what is the value of the friendship?"
>
> The reflagging proposal is not seen by many in the region to be a litmus test of U.S. dependability.

It is the proposal of the sponsors of this amendment to suspend that litmus test for a period of 90 days. My specific question: What is the Congress to do in that 90 days, by which to pose options or to tell the President, because we are seizing the reins of diplomacy here—what are we going to do in that 90-day period?

Mr. ADAMS. During that 90-day period, the administration has the opportunity to assess and to bring to the Congress its plans, in definite form, of what it intends to do; what its policy is; what its results in the United Nations are.

I really do not understand why the Senator from Virginia opposes this because in the request that was originally put together it was a request to the President to delay 90 days, to do just the things that I am mentioning: to have the U.N. policy implemented if it can be; to have a discussion with our allies to determine if those states are going to come in and grant us at least landing rights.

The Senator, as former Secretary of the Navy, knows as well as I do that you cannot hold those carrier forces outside the Strait of Hormuz and give air cover up there into the top of that gulf. Yet, nobody has offered us a base. Even the ones we are going to reflag for.

So that is what we want to have determined and laid out as we commit this country to an escalation in this area.

How does this come about? That is what it is all about.

You are asking it in a nonbinding resolution. At least I think that is what is in the resolution. So I do not know why the passage of the act to say, "Do not do it for 90 days," is any different. I hope the Senator will join with us in it and will support it and that we will have that happen.

You see, I want to make it clear that I believe the evidence that we know about is that it conclusively demonstrates we are going to send forces into the Persian Gulf to provide protection to reflag Kuwaiti vessels.

We are sending American forces into a situation where imminent hostilities are possible. Once that begins to run in the country, I would just like the Senator from Arkansas—your blood just rises when you see what happened—for example, with the *Stark*. That has been not declared a hostile act.

We saw how the President of the United States in the Vietnam war, he spent every night in that situation, when we were down there. He would read about the casualties.

I just hope we do not move forward as a Nation into this kind of a situation without having established our policy, definitely, completely, and with the idea that we are there for a long time.

The relationship with Iran, the stability of Saudi Arabia, the stability of the gulf States, all of that is going to be part of America's foreign policy for the rest of our lives. Therefore, there is no need for us to rush forward with a precipitous step.

Kuwait understands very well the power of the United States. It may well be there are a series of other options in the gulf. But this is a triggering event and that triggering event is something that I hope will not happen.

Mr. President, I support this amendment on the basis of its substance and its symbolism. I want to talk about both.

On a substantive level, this amendment is an attempt to make it clear that reflagging is not yet a timely step for this country to take. It may be a step we will want to take in the future—but right now there are too many questions that have not yet been answered, too many alternatives that have not yet been explored, for this policy to be put into effect.

There has been a great deal of discussion of various nonbinding resolutions. Let's look at what they contained. In the amendment originally offered by Senator BYRD, and in the proposal originally advanced by Senator DOLE, there was clear bipartisan support for our goals in the region. But there was also clear bipartisan support for efforts to explore diplomatic alternatives before resorting to reflagging. Both resolutions urged the President to increase our diplomatic efforts to impose sanctions on either Iran or Iraq if they refuse to cooperate in the establishment of a negotiated cease-fire and withdrawal; both resolutions urged the President to do whatever he could to promote a moratorium by Iran and Iraq on attacks against nonbelligerent shipping in the Persian Gulf; both resolutions called upon the President to intensify his efforts to secure the active support of our allies, the major importers of Persian Gulf oil, and the Gulf Cooperation Council in seeking a resolution of this conflict. In short, both the Democratic leader and the Republican leader were urging the President to look at other options before reaching the conclusion that reflagging was necessary.

Both Senators BYRD and DOLE urged an increased emphasis on diplomatic alternatives at least in part because there are so many unanswered questions about the possible consequences and implications of the reflagging policy. Indeed, the proposals advanced by Senators BYRD and DOLE revealed a clear bipartisan desire to get more information before reflagging goes into effect. Both instructed the President to continue to assess the threats which might result from reflagging before implementing that policy: both called for further consultations with the Congress before reflagging went into effect; both urged the President not to be locked into any one protection scheme in the gulf by adopting a reflagging policy now. Those suggestions make it clear that Members of both sides of the aisle have additional questions which they believe need to be answered, additional concerns which need to be addressed, before a reflagging policy is put into effect. And that is why, while the language differed, both Senator BYRD and Senator DOLE called for a delay before reflagging went into effect.

The point, I believe, is clear: Implementing reflagging now would be a mistake. We may need to reflag, we may want to reflag, but we ought not do it now; not when so many questions about the implications of that policy are unanswered, not when so many alternatives to that policy are unexplored.

The substance of this amendment simply says, "Mr. President, lets understand what this policy involves and lets look at the alternatives before we start reflagging and protecting Kuwaiti tankers."

But there is also a symbolism to this amendment which needs to be understood. Last week, the leadership of the House and Senate visited with the President of the United States and attempted to communicate a simple message to him. In their informal conversation, they told him that the Congress was not yet convienced of the wisdom of his policy and they urged him not to act. The President listened but, as is his right, he did not accept their judgment. He indicated that he would move ahead.

Given that response, we decided to make a message clearer. So we are working on a sense-of-the-Congress resolution which would officially tell the President that we were not yet ready to support his policy and again urge him to delay. Despite that clear expression of congressional will, all the indications are that the President will not accept that nonbinding suggestion either.

Given that probable response to a nonbinding sense-of-the-Congress resolution, we believe there is a need to make our feelings even clearer. The amendment now before us allows us to do just that, it allows us to speak more forcefully. When we adopt it, we will be saying that the Senate of the United States is ready to join with the House of Representatives—which has already adopted similar language, and put the full force of law behind our judgment. We are telling the President that we are prepared, by law, to require a delay before the policy is put into effect.

Now we all know that this amendment will not become law before the reflagging is scheduled to take effect. But it does escalate the importance we attach to this message of delay, it does indicate just how serious we are.

If the President again declines to listen, if he does not accept the full force of this action, then there are yet other actions we can take. My colleagues know that if reflagging takes place, I am prepared to join with Senators BUMPERS and HATFIELD and others in an effort to invoke the War Powers Act and compel the President to secure the support of the Congress before he can continue his policy.

I hope that is not necessary. I hope the President will listen to the message we are sending and delay reflagging. If, however, he ignores this clear expression of congressional will, if he moves ahead, then I believe he will place his policy at risk. We know that no policy can succeed if it is not supported by the Congress and the country. We are telling the President that he does not yet have that support—he may be able to secure it, but he doesn't have it yet. If he acts without support, then he risks destroying what little credibility we have left in the Middle East.

If, despite all those warnings, the President persists, then I will persist in my efforts to force the Congress to accept its responsibility and either approve or reject his reflagging policy as we are required to do under the Constitution and under the War Powers Act. I do not want to spend a good deal of time discussing that possibility now, Mr. President. But I do want to make it clear that I believe the evidence conclusively demonstrates that if we send American forces into the Persian Gulf to provide protection to reflagged Kuwaiti vessels, then we are sending American forces into a situation where imminent hostilities are possible. If anyone doubts the imminent nature of those hostilities, they can look at the U.S.S. *Stark* or they can look at the U.S.-owned oil tanker which was attacked just this week by Iran. When our forces are sent into imminent hostilities, the Congress of the United States has an obligation to authorize the continued deployment of those forces. I intend to do all I can to make sure that we accept that obligation if it becomes necessary to do so.

But again, I hope it is not necessary to do so. I had hoped that the President might listen to the opinion which the Congress has expressed and delay the initiation of this policy. That hope was not realized. So now I hope that the President will listen when the Senate requires such a delay as a matter of law. If that hope is also unrealized, I will ask the Congress to listen to the law and accept its obligation to decide if the policy ought to be continued.

One last comment, Mr. President. There are a lot of events which demand our attention and compete for our interest. There are the Iran/Contra hearings down the hall, there is the trade bill on the floor, there are meetings and conferences and hearings. We tend to respond to what is pressing us today. Reflagging has not yet taken place, and in that sense it may not be pressing. But in a few short weeks, if this policy goes into effect, the American people are going to want to know what we were doing—what we were thinking—when the role of, and the risk to, American Forces in the gulf grew. I believe we owe them an answer. And this amendment will allow us to give them one.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Momentarily I will yield the floor.

Mr. ADAMS. I ask unanimous consent, Mr. President, that the article that I referred to appear in full at the end of my statement.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DO PRESIDENTS HAVE POWER TO DECLARE WAR OR PEACE?

At issue, in foreign policy, does the president have any authority to declare war or peace?

In 1793, with Congress out of session, President George Washington declared the United States neutral in the war between France and England. In a series of articles in the Gazette of the United States, Alexander Hamilton, writing as "Pacificus," defended the president's action. James Madison, writing as "Helvidius," responded.

Yes, said Alexander Hamilton. "The inquiry then is, what department of our government is the proper one to make a declaration of neutrality, when the engagements of the nation permit, and its interests require that it should be done?

A correct mind will discern at once, that it can belong neither to the legislative nor judicial department, of course (it) must belong to the executive.

The legislative department is not the organ of intercourse between the United States and foreign nations. . . .

The second article of the Constitution of the United States, section first, establishes this general proposition, that "the executive power shall be vested in a president of the United States of America." . . .

The general doctrine of our Constitution then is, that the executive power of the nation is vested in the president; subject only to the exceptions and qualifications which are expressed in the (Constitution). . . .

The right of the executive to receive ambassadors . . . includes that of judging, in the case of a revolution of government in a foreign country, whether the new rulers are competent organs of the national will, and ought to be recognized, or not. . . .

This serves as an example of the right of the executive, in certain cases, to determine the condition of the nation, though it may, in its consequences, affect the exercise of the power of the legislature to declare war. . . . The legislature is still free to perform its duties, according to its own sense of them; though the executive in the exercise of its constitutional powers may establish an antecedent state of things, which ought to weigh in the legislative decisions. . . .

While, therefore, the legislature can alone declare war, can alone actually transfer the nation from a state of peace to a state of hostility, it belongs to the 'executive power' to do whatever else the law of nations, cooperating with the treaties of the country, enjoin in the intercourse of the United States with foreign powers. . . .

But though it has been thought advisable to vindicate the authority of the executive on this broad and comprehensive ground, it was not absolutely necessary to do so. That clause of the Constitution which makes it his duty to 'take care that the laws be faithfully executed,' might alone have been relied upon, and this simple process of argument pursued."

No, said James Madison. "(U)nder color of vindicating an important public act of a chief magistrate who enjoys the confidence and love of his country, principles are advanced which strike at the vitals of its Constitution. . . .

Those who are to conduct a war (the executive as the commander in chief) cannot in the nature of things, be proper or safe judges, whether a war ought to be commenced, continued, or concluded. They are barred from the latter functions by a great principle in free government, analogous to that which separates the sword from the purse, or the power of executing from the power of enacting laws. . . .

A concurrent authority in two independent departments, to perform the same function with respect to the same thing, would be as awkward in practice, as it is unnatural in theory.

If the legislative and executive have both a right to judge of the obligations to make war or not, it must sometimes happen . . . that they will judge differently. . .

The power of the legislature to declare war, and judge of the causes for declaring it, is one of the most express and explicit parts of the Constitution. To endeavor to abridge or affect it by strained inferences, and by hypothetical or singular occurrences, naturally warns the reader of some lurking fallacy. . .

In no part of the Constitution is more wisdom to be found than in the clause which confides the question of war or peace to the legislature, and not to the executive department. . . War is in fact the true nurse of executive aggrandizement. In war, a physical force is to be created; and it is the executive will, which is to direct it. In war, the public treasures are to be unlocked; and it is the executive hand which is to dispense them. In war, the honors and emoluments of office are to be multiplied; and it is the executive patronage under which they are to be enjoyed. It is in war, finally, that laurels are to be gathered; and it is the executive brow they are to encircle. The strongest passions and most dangerous weaknesses of the human breast; ambition, avarice, vanity, the honorable or venial love of fame, are all in conspiracy against the desire and duty of peace.

Hence it has grown into an axiom that the executive is the department of power and most distinguished by its propensity to war: hence it is the practice of all states, in proportion as they are free, to disarm this propensity. . . ."

Mr. WARNER. Mr. President, if I might continue momentarily? Seeing my distinguished colleague from Oregon, I wish to express my appreciation for the very thoughtful remarks personally relating to me earlier.

Indeed, on the floor today, debating this amendment, the four of us all served in World War II. The distinguished Senator from Oregon was a naval officer in the battle of Iwo Jima, the distinguished Senator from Arkansas was in the Marines; the distinguished Senator from Washington and I—I have just learned—had almost parallel and identical careers and achieved a rank far less significant than our two colleagues.

Mr. BUMPERS. Let the record show that I achieved the rank of staff sergeant.

Mr. ADAMS. Let the record show that I got up to being a petty officer, third class, in the Navy.

Mr. WARNER. Mr. President, I think we had best return to this debate at this time. I thank the Chair.

Mr. PELL. Mr. President, I rise to congratulate the Senator from Arkansas [Mr. BUMPERS] and the Senator from Oregon [Mr. HATFIELD] on this amendment. It does not go as far as S. 1327, the Pell-Murkowski legislation reported out of the Foreign Relations Committee on an 11 to 8 bipartisan vote, but it is a long step in the right direction. I hope we may be permitted to vote on the Bumpers-Hatfield amendment and I hope it will be approved.

We all recognize that the United States has important interests—the Persian Gulf and that we must be prepared to defend those interests. We have been in the gulf for 40 years. Our presence is not an issue here. The controversy is about the choice of reflagging as a tactic to protect our interests.

We support the presence and protection of bona fide American vessels, but not the protection of the merchant vessels using the American flag as a flag of convenience.

As we look back into history, this would be the first time, at least the first time I can recall, that the American flag has been used as a flag of convenience. In World War II, we gave 50 destroyers to Great Britain and they took them. In World War II, prior to Pearl Harbor, we were de facto protecting and convoying ships. I was on the North Atlantic at that time and well recall that episode in our history.

But I do not recall in my lifetime, at least, when the American flag has been used as a flag of convenience for merchant ships of other nations. This proposed reflagging would be a first.

I think the idea of flying the United Nations' flag is an excellent one. I remember spending 3 months in San Francisco working on articles 43, 44, and 45 of the U.S. Charter and regretting through the years that we did not use that. The Military Staff Committee, which we created with such hope that it would prevent war in the future, has simply not worked. But if there is a textbook situation where the United Nations can be effectively utilized, this is it.

Four of the five permanent members of the Security Council are presently in the gulf. The U.N. Security Council is considering cease fire and sanctions resolutions. I would hope that serious consideration be given to the recommendation of former Secretary of Defense Elliott Richardson and former Secretary of State Cyrus Vance that the U.N. flag be put on the vessels, and not the Stars and Stripes.

The question of responsibility comes up here. Our Constitution says it is the Congress that declares war, not the President. I do not subscribe to the view that when the President declares a policy the Congress, like sheep, must follow him. The issues in the Persian Gulf are far too critical to permit a circumvention of the constitutional process.

I believe, too, that a commitment is only valid when it is generally shared by the American people.

I suppose I am the only person on the floor now who had the misfortune to vote for the Gulf of Tonkin resolution. I regret that vote, looking back at it, but there were 97 others who voted the same way and I think we all regret it. The fact of the matter is a little step like that led to a greater involvement. I am sure if there had been no Gulf of Tonkin resolution, there would have been some other manufactured resolution. I do not think it would have affected the course of history, but I do think it would have affected the trigger point.

When we see things going in the wrong direction as we see now, it is our duty to put things in the right direction. Carl Shurz, about 100 years ago, put it best when he said, "Our country, right or wrong. When right to be kept right; when wrong to be put right."

Mr. HATFIELD. I ask unanimous consent that the Senator from Connecticut [Mr. WEICKER] be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I take this opportunity to express my grave concerns with regard to the issue of reflagging Kuwaiti tankers. I think the issue before the Senate as introduced by Senator BUMPERS and HATFIELD bears examination because it focuses in a timeframe to address the issue of alternatives.

Mr. President, I think alternatives are worth considerating here.

As I reflect my concern on this body, on the question of placing 11 Kuwaiti tankers under the U.S. flag, I think there should be a realistic examination of the fact that the flag of the United States is not just a piece of cloth to be used as a flag of convenience for commercial interests. It is certainly the heart and mind of the American people, the sum total, really, of our country. The soil and soul of our country. That is why young men and women in uniform have defended our flag since the Constitution. You need only to walk on the fantail of a ship—and I might add for the record to qualify my participation that I achieved the rank of petty officer third class in the U.S. Coast Guard—and the fact is you observe the flag waving on the stern of a U.S. Navy destroyer or a Coast Guard ship and you have a real understanding of what that flag represents.

The reflagging of these tankers, as expressed by the chairman of the Foreign Relations Committee, my good friend, Senator PELL, breaks the link between our flag and our country. From the stand point of convenience, reflagging these tankers, I feel, breaks faith with men and women who have committed themselves to defend our country, not the oil trade of Kuwait, Japan, Europe.

To loan it to another country is to set a terrible precedent and greatly diminish the meaning of the flag. I feel it is a shortsighted policy which portents great danger to our country and a very dangerous precedent.

But I submit, Mr. President, there are equally important issues and questions regarding our objectives and strategy in this important part of the world. Have we thoroughly explored the alternatives? I think not. We have not identified our short-term nor our long-range goals, nor have we thoroughly considered the impact and implications of flying the American flag on Kuwaiti tankers in or out of a war zone, whatever may be determined.

In my mind, Mr. President, there are numerous questions which simply have not been answered to date.

Let me share with you perhaps a novel one but I think it bears an appropriate reference. That is the lesson of the Falkland Islands war. Five years ago last month, Argentine Gen. Mario Menendez surrendered his command and the "Isles Malvenas" once again became the Falkland Islands. The circumstances of General Menendez's surrender I think carry lessons for those who would commit our Armed Forces today in the Persian Gulf.

From our experience in Vietnam and Beirut we have learned that placing men and women of our Armed Forces in harm's way without a clearly defined and feasible mission, supported by the American people, is to do little more than to commit them to target practice, so to speak.

The crews of the ships in the Persian Gulf, their families, and the American people, I think, deserve a better and more direct definition. If we send ships and crews to the Persian Gulf, they must have an appropriate mission. Since no one is suggesting their mission will be waging open warfare to defeat and occupy any of the states in the area, their mission obviously must be the lesser one, of influencing the behavior of the states in the Persian Gulf. Specifically, deterring attacks against the commerce in oil upon which the economies of the West depend. Deterrence by means of military pressure is a concept acceptable to conventional warfare as well as nuclear, and it is to the question of deterrence that I think we can seek lessons from the experiences of Argentina and Great Britain in the Falkland Islands.

If we look back, we recognize that Great Britain depended upon deterrence to maintain her sovereignty over the island. The military defense of the island was limited to a company of Royal marines, a token force adequate perhaps only to die in place if committed to action against serious opposition. There were, however, several reasons British force levels seemed to be appropriate at the time. One reason was based on the standards of international behavior. Wars between developed nations with territorial acquisitions had become rare.

Logic was certainly another consideration. Britain remains a formidable military and economic power and the handful of Royal marines on the Falkland had some very big brothers at home, certaintly, to back them up.

The scales of military and economic power clearly tipped to the British side.

And yet, there is no question about it, deterrence failed. Argentina invaded and the symbolic force of Royal marines was brushed aside. With the benefit of hindsight, it is not hard to see that in deciding to invade, the Argentine generals based their decision, not on the scales of military balance or the norms of diplomatic behavior, but on the imperatives of their domestic politics and a belief that Britain would not have the social and political will to wage a war to recover one of the last remnants of the British Empire. After all, Britain had given away colonies far more important than the Falklands, and a war to recover the Falklands would cost far more than the objective value of the islands.

So as a consequence of this we found, two nations at war. Deterrence certainly had failed in this case.

Argentina now faced the task of deterring a British counterattack to recover the islands. The Argentines sought to accomplish this by capitalizing on their strengths. The Falklands are close to Argentina, but, as the British know, very far from Britain. This distance compounded the difficulties Britain faced in merely transporting an invasion force to the South Atlantic, much less successfully conducting an invasion opposed by an armed enemy with air support. In addition, military textbooks suggest an invader must have at least a 3-to-1 advantage over the defender to succeed. The Argentine generals may have believed that by placing 10,000 troops on the island they could raise the stakes to a level where Britain would no longer play ball.

The Union Jack, now flying over Port Stanley, is evidence enough that Argentine deterrence also failed. It failed because military presence alone is neither an effective military force nor an effective deterrent. The Argentine presence may have been adequate in numbers, but it was deficient in doctrine and warfighting capability. To be effective as a deterrent a military force must not only have adequate strength but must have, and be known to have, the doctrine, tactics, training and will to actually wage war. War, as we know, Mr. President, is not a cold analytical balancing of available forces as measured by computer printout. War is a passionate and furious clash of will. Success is established on a personal level, in the trenches, often in a state of blind confusion. Britain and her Armed Forces were prepared to fight and the mere presence of Argentine troops could not deter them.

What lessons concerning deterrence does the war over the Falkland Island have for those who hope to use military force to deter an attack against the Persian Gulf oil lifeline of the West? I suggest there are three:

FEELINGS AND IMAGE ARE NOT ENOUGH

We cannot count on a general feeling that peace is better than war, or the obvious fact that the military power of the West is far superior to that of the nations bordering the Persian Gulf, to deter actions which may be driven by reason of domestic politics or perceived world view. Both Britain and Argentina relied on feelings and image. The members of their armed forces and taxpayers paid the price for that reliance.

SYMBOLISM IS NOT ENOUGH

A nation which is driven to war will not be deterred by an opposing flag, even if that flag represents a nation and potential military force far superior to its own. We certainly saw that in the Falklands. Nor will a nation which is driven to war be deterred by an opposing military force whose only real military capability and mission are to serve as a symbol of the total military force of their nation. Britain relied on a symbolic military force and her taxpayers and the survivors of her casualties are still paying the price for that reliance.

ADEQUATE MILITARY FORCE IS NOT ENOUGH

While deterrence with an inadequate force is not possible, it is not enough to merely position adequate ships, planes or troops in the area and wait for the problem to go away. Those ships, planes and troops will be an effective deterrent only if a potential aggressor knows they, and their nation, have the capability, training, tactics, endurance, and, above all, will to successfully prosecute and conflict which may arise.

In short, the war in the Falklands, like other wars arising from a failure of deterrence, teaches us-and I hope it teaches us well—that a strategy of deterrence in the Persian Gulf will depend upon all potential participants to a conflict knowing that our national interest is so great and so clear that no one can doubt our society will have the will and endurance to flight a war until it is successfully concluded.

I would ask you, Mr. President, are we prepared to make that kind of a decision now? I think not. I do not think we have thought it through to that point.

Successful deterrrence will also require that the United States and its allies are prepared to commit adequate forces if necessary to defeat our potential enemies; and that our potential enemies know that the training, tactics and doctrine of those forces will clearly provide for the defeat of any enemy which attack them. I do not think we know that.

Will the American people support a policy which may—and I emphsize may—lead to our sons and daughters being committed to fight, without allies, to protect the oil lifeline of the Japanese and European economies. The members of our Armed Forces have taken an oath to obey the orders which may send them to their deaths. There is no doubt they will do their duty. In turn, those who isuse those orders have a reciprocal duty to ensure that, in addition to orders, the Armed Forces are provided the means and the support necessary to accomplish a clearly defined and appropriate mission. We can count on them. Can they count on us?

Mr. President, as we reflect on the matter before us, we recognize that the region contains two-thirds of the world's oil reserves. It is certainly vital to the United States and Western interests. Our European allies and Japan are, of course, even more dependent on gulf oil than we are. Current estimates indicate that we in the United States are dependent for about 6 percent of our crude oil supply from the Persian Gulf. It is estimated that Western Europe obtains as much as 35 percent. The balance goes to Japan.

It is rather interesting when one reflects on what contribution the Japanese are making to keep their sealanes open. And, of course, they can use the position of their constitution which limits their military capability, but I am sure that we would certainly support an expanded contribution by our friends from Japan.

There are other alternatives, since we are talking about alternatives, during this 90-day period. During the Second World War we lent ships to Great Britain, to Canada, and other nations for that matter. Might it be conceivable that we could consider lending perhaps nonnuclear, older military vessels to Japan and let it make a contribution to maintaining the sealanes in the Persian Gulf?

I think there is an interrelationship from the standpoint of dependence with the Persian Gulf and the realization that if the supply is cut off, it is going to affect the price of oil throughout the world, and certainly the American consumer is going to pay his share of any disruption of the flow of neutral commerce in the gulf. It would certainly hurt us all.

However, this does not mean that the particular tactic chosen by the administration, the reflagging of the Kuwaiti tankers, is the wisest way to respond to the situation in the gulf. I happen to believe that it is not.

We had a lengthy debate in the Foreign Relations Committee on this issue. I believe there is a possiblity to carry out our overall objectives of maintaining stability in the gulf and protecting the rights of neutrals through other means than reflagging. We should consider what these alternatives are.

The issue of neutrality is one that I think bears further examination. We should remain strictly neutral in this war, even though we are quite aware that efforts are being made to draw us in and draw the Soviets in, so that somehow, between the two of us, we can achieve enough strength to reduce the tensions between Iran and Iraq. There are dangers in that scenario as well.

Whatever method we employ of assisting the neutral Arab countries in the gulf should be consistent with the rights and duties of nonbelligerents. It would not represent a tilt to either side which might involve us in the conflict itself.

Second, I think there is the issue of reflagging itself. I said before that we have a technical subterfuge in existence here. It is deeply flawed. I have indicated that the American flag is not a piece of cloth to be treated as a public conveyance. Placing it on foreign ships sailing near or though a war zone commits us to a serious risk if those ships are attacked.

If American sailors are going to take those risks, they need to know what our foreign policy is, that it is honest, straightforward, and contains no element of subterfuge.

I urge the administration to again address the issue of reflagging, to consider the altenatives. That is one of the advantages of the 90-day period as proposed by the sponsors of this legislation—to consider alternative methods to accomplish its objective.

I think it is important to take a lesson from Great Britain and the Soviets as to the manner in which they responded to the question of providing assistance to Kuwaiti vessels that were in the Persian Gulf carrying both oil and gas.

How we got into this situation is rather interesting, because it seems that, to a large degree, we were dictated to by Kuwait. In other words, we were faced with a situation that if we did not agree to reflag their vessels, the implication was that the Soviet Union would do so. As a consequence, we proceeded on that basis, and other bases, to consider the merits of reflagging Kuwaiti ships.

The Russians currently have at least three and possibly four merchant vessels that are crewed with Soviet merchant sailors, carrying oil under charter from Kuwait to various parts of the world. The Soviets did not see fit to reflag Kuwaiti ships.

The British have at least two and possibly three British merchant ships presently carrying oil under charter from Kuwait to various ports of the world.

If U.S. naval protection is needed to get Kuwaiti oil to market, which appears to be the case, and I do not dispute that, I think we should at least explore the possibility—and it may sound rather crass in the material aspects and the materialism implied—of carrying this oil in ships that are U.S. flag already. It is estimated that currently we have 43 U.S. tankers laid up. These are tankers, for the most part, that have been built by the subsidies authorized by Congress, construction subsidies, for some of which operating subsidies are available as well.

I have contacted representatives of major unions, and they advise me that U.S. sailors are ready, willing, and able to assume the obligation of manning these vessels on as little as a 48-hour notice.

One wonders why, if it is in the best interests of the Soviet Union to have three or four merchant vessels chartered to carry Kuwaiti oil and the British have two or three, it is not in the best interests of the United States to offer 10, 11, or 12 of its vessels to charter to the Kuwaiti Government, or various oil companies, to bring that oil out, since the U.S. fleet is out there to protect the American flag.

Let us keep the flag on American vessels. Is that not a reasonable alternative? I happen to believe it is.

I also believe that we need to act more forcefully to get at the fundamental problem of the war in the Mideast. I wholeheartedly support the President's effort to seek a cease-fire with teeth in it.

In addition, I think we should recognize that we can take greater efforts to end the tension in the Mideast as a consequence of arms sales to both sides. We have already seen an experience that is occurring on television today, which has been going on for some time, regarding the merits of arms sales in that part of the world.

By selling the Silkworm missile to Iran—and possibly to both sides, for all we know—China has contributed to a dangerous escalation of the war. I happened to see some of the periodicals that came back from the Paris Air Show, advertisements by the People's Republic of China on the Silkworm missiles. You could buy them in various colors, on your Master Card or Visa Card, air-to-sea. It was rather blatant that these missiles are available to anybody who wants to buy them, in any manner, shape, or form.

Last year, as many of us will recall, we debated rather extensively the question of long-term arms supply and technology to China. We started with a one-half billion dollar sale of advanced fighter avionics on the F-8, which the PRC claimed was absolutely necessary to give them the capability to patrol the Soviet border, and for other purposes.

In these circumstances, Mr. President, I believe it would have been appropriate to use our influence with our friends, the People's Republic of China, including the leverage provided by that sale, to persuade them to stop the dangerous and destabilizing sale of missiles in the Mideast.

Mr. President, make no mistake about it: These missiles put a different light on what has happened in the Mideast. I have figures that came out of the evaluation of the Foreign Relations Committee indicating that there have been 314 attacks on merchant vessels in the Persian Gulf war over the last 4 years. Only one tanker was sunk, a Panamanian tanker. It is pretty evident, with that kind of armament flowing around the Persian Gulf, that there has not been sufficient capability to truly attack merchant ships and sink them.

It is my understanding that the technology of the Silkworm missile is rather antiquated and outdated, but it does carry a sufficient warhead to penetrate the average tanker hull and set afire the crew, unlike the more traditional armaments that have been used in the Persian Gulf.

As a consequence of this, there is every reason, since Iran has a number of the Silkworm missiles, to have a realization that we will very likely see these missiles used and a situation developing that could result in substantial tanker sinking, the loss of personnel, and indeed, a very dangerous situation.

So as a consequence, I think it is important to indicate just what we can do to lower this tension. Inquiries were made to various representatives and one answer that was given to me was, "Well, we did not want to condition our assistance to the PRC on the avionics because we were trying to improve our relationships with them."

That is poppycock, Mr. President. We, I think, have the appropriate right to encourage our allies not to escalate the situation in the Persian Gulf and by eliminating this particular missile or encouraging or perhaps using a little leverage on our friends, the People's Republic of China, would not have been inappropriate.

Mr. President, I cosponsored the bill reported by the Foreign Relations Committee which flatly prohibits the reflagging of Kuwaiti oil tankers. I did so because I believe that our interests in the Persian Gulf are too important to be protected through a legal subterfuge.

Let me tell you a little bit about the Coast Guard regulations, Mr. President, because I think they bear some examination.

Provisions allow the reflagging of a foreign vessel as long as there is a U.S. master and a U.S. licensed radio operator to put aboard that vessel.

Now the regulations further mandate that that situation can exist, namely that a merchant ship can continue to sail in commerce with a foreign crew as long as it has a U.S. captain and a U.S. radio operator or until that ship ties up at a U.S. port. At that time the ship must be crewed with a U.S. crew.

The subterfuge, Mr. President, is obvious. There is no intention that these ships will ever touch a U.S. port. It is quite clear that this is designated as a matter of convenience.

Despite my reservations about reflagging, I believe it is critical for the overall objective, the question of having bipartisan support for the U.S. overall objective in the Persian Gulf, and that is, to keep the Persian Gulf open for the benefit of all parties and all countries is a necessity and the question really here before us is how do we do it.

I would share with my colleagues again the suggestion that charity perhaps begins at home.

The fact that the Soviets, again, and the British have involved themselves by utilizing their own commercial tankers with civilian crews, the fact that we have the same capability, we can offer this as a viable alternative to our friends in Kuwait without backing down on a commitment.

The commitment is to keep it open. We are simply saying use our ships, charter our ships, and as a consequence of that, we would be employing U.S. seamen. We would be generating revenue for U.S. ships that have remained idle and we would not be backing down on our commitment to our friends in Kuwait.

As a consequence, Mr. President, I am torn between in effect cosponsoring this for 90 days or seeking some avenue to convince my colleagues that indeed the alternative that I suggested, using U.S. vessels, is a viable one. Someone will say well, that puts U.S. merchant sailors in a state of harm's way. Well, I think that is for the economic realization to evaluate. I have certainly had the assurances I have indicated previously that the unions are ready to put crews aboard these ships. I am told that there are at least a dozen U.S. ships that can be readied very soon that have been kept on an active status.

I think as we examine a little further the status of the 11 Kuwaiti ships that have been proposed to be reflagged with, I might add, U.S. names, it is important that we recognize that they are not all crude oil tankers. Seven of those ships are crude oil tankers, and four are liquid petroleum gas carriers under long-term charter to Japan and Turkey. Really what we are promising to do for our friends in Kuwait is to reflag a combination of crude oil carriers and liquified petroleum carriers so that the energy commerce of Kuwait can be maintained.

There is nothing wrong with that. But we have the capability of doing it in our own ships like the Russians have done, like the British have done, and it fails me, Mr. President, why we have not done it.

Mr. President, I ask unanimous consent to currently be removed as a cosponsor of the DeConcini amendment No. 448.

The PRESIDING OFFICER. Without objection, it is so ordered.

REFLAGGING AND WAR POWERS ACT

Mr. SANFORD. Mr. President, since the administration's policy of reflagging Kuwaiti tankers in the Persian Gulf was announced, the Foreign Relations Committee has attempted to assess this proposal and assist in formulating a coherent policy in that region. In return we have been accused of undermining the President and confusing foreign policy. However, the fact of the matter remains that the administration's plan to reflag Kuwaiti oil tankers is ill-conceived and its intentions are hazy. It is a dangerous foreign policy. Well, we don't mind danger when it serves the Nation. But this action adds little or nothing to the protection of legitimate U.S. interests in the region.

To justify its proposal, the administration has set forth certain goals which the policy is supposed to achieve. First is to protect the free flow of oil, although to date less than one percent of the oil traffic in the gulf has been interrupted. Furthermore, Kuwaiti tankers export only 30 percent of Kuwaiti oil, which comprises only 12 percent of the oil in the gulf region. The administration's plan is to permit a title to the ships to be held by a "dummy" U.S. corporation by Kuwaiti petroleum company, which is owned by the Kuwaiti Government. That bothers us because we have had enough of such shifty practices. Then we will reflag only 11 of the 300 to 600 ships in the gulf each month, representing only 4 percent of the oil supply in the Persian Gulf. This plan is a terrible risk, a terrible fuss, for so few barrels of oil.

I believe the United States has the right, and perhaps the duty, to maintain a presence in all the international sealanes of the world. But, the administration's plan does not pretend to protect navigation in the gulf, as only 11 Kuwaiti tankers are being added to our umbrella. Under questioning before the Foreign Relations Committee, Under Secretary of State Michael H. Armacost stated that the United States would protect only vessels sailing under its flag, and not those of our allies in the region. We are there, and can and will stay there, without adding the risk of reflagging 11 Kuwaiti ships.

The third stated justification is to minimize Soviet presence in the gulf, although it is equally difficult to see how this goal will be achieved by the reflagging proposal. The Persian Gulf remains "international waters." The Soviets had a presence there well before the Kuwaitis proposed reflagging. Suppose the Soviets had agreed to protect all 11 ships. That was the administration's fear. I doubt that they would, but it might have been wise for us to let them fall into that trap.

It was our covert sale of arms to Iran that resulted in the Kuwaits approaching the Kremlin last fall. Now we are trying to cover our favoring Iran, by moving to the other side. It will take far more than reflagging 11 Kuwaiti oil tankers to restore our credibility and reduce Soviet influence in the Arab world. Generally, it is not a good idea to correct one mistake by another mistake.

Clearly, the United States has vital interests in the gulf. The issue to be addressed is how do we best protect them? The administration supports reflagging as the best defense of American interests in the Persian Gulf. This policy does not achieve its stated goals, nor does it achieve what I believe our goals should be: To maintain peace in the region, afford protection to our allies, and assure the free flow of oil. Even if the President vetoes action taken by the Congress, we will have run up the danger flag. We have that duty.

We should not play this game of pretending Kuwaiti ships are United States ships. We are neutral in that war, and should stay neutral. The proposed reflagging is pro-Iraq. For better solutions, the President should seek involvement of the United Nations. He should lead in the convening of a conference between the exporters and importers of the Persian Gulf. He should reaffirm the U.S. neutrality in the war between Iran and Iraq. He should be leading international efforts to stop the war. The proposed reflagging of Kuwaiti tankers should be placed in abeyance pending the outcome of these initiatives. The 90-day delay proposed in the Bumper-Hatfield-Adams amendment is a good time limit. Lacking such initiatives, the Senate should express its reservations.

Our biggest gamble for our country is the lack of a clear concept of how far we will carry this policy of reflagging. Senator BROCK ADAMS' resolution, invoking the provisions of the War Powers Act, since the act of reflagging unquestionably sets our Nation into the "risk of imminent hostilities," the condition which triggers the War Powers Act. This requires congressional approval of continued deployment of American forces. If American action in the Persian Gulf is to be given wholehearted American support, we must first give clear consideration to what those risks and interests are, and how they should best be handled. What is our next step if a Kuwaiti ship with a U.S. flag is attached?

The Reagan administration appears determined to implement a policy that appears not to help, but to undermine our interests. Yet, it is more than this it is undermining, for in refusing to consult with Congress, in refusing to invoke the War Powers Act, in refusing to plan carefully for American interests in the Persian Gulf, the President has once again carelessly taken us to the brink of unknown action for unknown purposes.

Mr. MURKOWSKI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. MURKOWSKI. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will resume the call of the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. WARNER. Mr. President, I wonder if I might direct a question to the two sponsors of the amendment. Earlier I had a colloquy with the distinguished Senator, Mr. ADAMS, and I pointed out that, as I read this amendment and listened to the proponents, it seemed to me the amendment is drawn in such a way as to almost totally miss the mark and, indeed, in fairness to our colleagues, we should discuss the technicalities and determine whether or not further debate on this particular amendment is in the best interest of the Senate.

As I read it, it is to terminate the expenditure of funds appropriated in the past or hereafter in connection with the reflagging.

Now, the reflagging, although that term has been used in a general way in the debates and articles and the like, from a strict construction, it simply means the more or less ministerial task to be performed by the Coast Guard of transferring to a vessel the U.S. flag.

Now, assuming that this were to be adopted by the Senate today, it is on this piece of legislation which would then have to go to conference and then to the President for signature. In my rough estimate, it would be mid-July, at the very earliest, when this could become law.

Now by any schedule that I am familiar with in terms of the Coast Guard performance of the ministerial task of reflagging, all 11 ships will have been reflagged and the President would not have had to accelerate the schedule he has been on. So the Senate would speak for naught.

Mr. BUMPERS. Will the Senator yield?

Mr. WARNER. If I might just finish.

And we run the severe risk of the observers throughout the world of totally misinterpreting what we have done; namely, if we were to adopt this, the headline would read "Senate Moves to Cut Off Funding for Reflagging." That would appear as if we had, as I said earlier, stripped the epaulets off the President and stopped him mid-course in his Executive action.

Practically speaking, this could not occur until mid-August. I submit that the steps underway now to complete the reflagging will have been finished by mid-August and we will have sent the wrong signal and it will be too late for this particular amendment as drawn to achieve any of the goals as articulated today by the sponsors of the amendment. I just pose that in the form of a question to the three sponsors.

Mr. BUMPERS. If the Senator will allow me to respond to that, I would say first of all, given the very best interpretation to what the Senator has just said, the Senate and the Congress will be on record, assuming that the Senator's point is that before this can become law reflagging will have been accomplished and that will be around the middle of August and that this amendment would not be operative after that point.

Now, you can make that Socratic argument, I suppose, along those lines, but let me just quote Webster's Dictionary to the Senator from Virginia as to the word "accomplish," which he will find in the amendment, which says, "90-day period following the enactment of this act to accomplish the reflagging of any Kuwaiti Naval vessels." Webster says "accomplish" means "perform fully and bring to a successful completion."

Now, I suppose you could say, "Well, that only means that the completion of this will have occurred in the middle of August," but I would say that that word could also be interpreted to mean the continuation of the operation of reflagging.

So it is this Senator's opinion, No. 1, that there is absolutely no question but that what "accomplish" certainly means that the President and the Navy and the Coast Guard have finally reflagged all 11 Kuwaiti tankers.

Now, let me tell you something, I say to the Senator, it is my impression, also, in making this first point, that if this Congress votes for a 90-day delay, that is what we will get out of it, even if it does not take place until a little bit later. I do not believe the President, if this were to pass the Senate today after passing the House yesterday, I think the President will be inviting the leadership of both bodies down to the White House and saying "How can we resolve this problem?"

No. 2, I think a very good argument can be made that the word "accomplish" means to continue the reflagging of these ships at any time as long as they are there. So I think on both counts the amendment carries all the force and impact that any other amendment carries when we cut off funds. And we are saying we do not want even a single paper clip used for this process when we cut off funds.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. WARNER. Yes.

Mr. HATFIELD. Mr. President, if I may respond to the Senator from Virginia, I would like to suggest that the Senator from Arkansas is a very able lawyer. He has given an interpretation of this amendment which I think is valid. His point is well taken.

Mr. President, I would like to take another approach to the Senator from Virginia's point. He is talking about what kind of a signal our amendment would send. It would send the signal that the Senate has voted to stop the reflagging for 90-day period. That is precisely the signal we should send.

I hope that signal is heard at the White House. That is who we are addressing. But, through the White House, we are addressing the rest of the world. We are telling our allies around the world that we are seeking a delay. We are telling them that they could and should be incorporated into a multilateral policy.

What kind of signal are we sending now with our unilateral action? We have assumed the role of sheriff of the gulf. Mr. President, I do not want to be a sheriff of the gulf and I worry about the signal that role sends.

Our amendment embodies the kind of signal we want to send. I think it is an important signal. Given the confusion now surrounding the policy, I would think the administration would welcome the opportunity for a pause. But instead the administration is going full steam ahead. And, unless we pass this amendment, we will give the administration our implicit endorsement.

A majority of Senators do not want to send their implicit endorsement. And let me warn the minority who would keep us silent. We will get some vehicle. If we are not going to get a vote on this vehicle, I can asure you we will have one on the CR or we will have one on an appropriation vehicle or we will have one on the debt ceiling or we will have one on reconciliation. We will have a vehicle, whether before the fact or after the fact, on the question of the wisdom of reflagging those Kuwaiti ships.

Mr. President, the House sent a signal yesterday, a significant signal. The House voted 222 to 184 to delay the reflagging for 90 days. That signal has gone out. I hope ours will follow soon.

I hope the administration is a little hesitant to move ahead with the reflagging in the light of the House vote yesterday and in light of the Senate Foreign Relations Committee's two recent affirmative votes on the applicability of the War Powers Resolution and on no reflagging. It would not be in keeping with good judgment or political savvy to barrel ahead. It would not be good judgment to go ahead knowing that there are other vehicles coming down the legislative track into which we can really put teeth and require them to undo that which they have already done.

So, I would say to the Senator from Virginia, this particular amendment is all the more timely. I might also ask the Senator that if this is a signal the

Senator from Virginia does not want to send, what are all his negotiations and consultations about?

The Senator said earlier that we are getting the Congress involved unnecessarily because the Congress and the administration are working out a common base of agreement. The Senator even suggested the administration has already taken our delay. If the proposal that the Senator from Arkansas, the Senator from Washington, and I are offering here then sends an unnecessary and indeed a bad signal, the Moynihan resolution is an exercise in futility.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair assumes that the Senator from Virginia has the floor, though the Senator had sat down. I assume he would yield to the Senator from Oregon and will continue to recognize the Senator from Virginia.

Mr. WARNER. Mr. President, the Chair is very gracious. I shall not take but a few minutes. I know the Senator from Arkansas is anxious to speak and the Senator from North Carolina is anxious to speak, but I would say to my good friend from Arkansas I would love to appear before a court and take you on head on on this question of the word "accomplish."

Clearly, as I read this and as I am sure any court of law would read it, "accomplish" modifies the word "reflagging." Reflagging is practically a ministerial task performed by a handful of persons in the department of the Coast Guard and that, therefore, by the middle of August such steps as required by the law and regulations for reflagging would have been completed.

Mr. BUMPERS. Would the Senator yield for an observation on that point?

Mr. WARNER. Of course.

Mr. BUMPERS. I would like to point out, the Senator says reflagging would have been completed in August. That may be. That is no reason for the Senate to say that this amendment is not operative. As I pointed out, the House has already done it. If we do it today the White House will have a clear signal as will the rest of the world.

But I am not sure the Senator is correct about the date the so-called reflagging will be completed or accomplished and I am not at all sure whether, when you say it will be accomplished, whether that means we raise Old Glory on Kuwaiti ships and once they are raised that is the end of the whole reflagging operation.

That would be subject to debate, too. But here is a letter dated April 24, 1987, to the Chief, Merchant Vessel Inspection and Documentation Division of the Coast Guard, U.S. Coast Guard.

The letter is from Tim Stafford, manager, fleet development, Kuwait Oil Tanker Co.

I assume that this is an American representative of the Kuwait Oil Tanker Co., and here, on April 24, he is saying to the chief merchant vessel inspector of the Coast Guard, Capt. James C. Carr, in the last paragraph, he is saying:

> Implementation of the planned approval will not take place until 6 months after the initial Coast Guard inspection.

I do not know, if you take 6 months from the date of this letter, you are looking down the road toward May, June, July, August, September, October before the plan will go into effect. This is a letter from the Kuwait Oil Tanker Co.

Could the Senator respond to that?

Mr. WARNER. Mr. President, my response to the information that this Senator has, the executive branch has sought certain waivers of the regulations. I think specifically the ones to which the Senator from Arkansas refers—such that the reflagging can be completed within a matter of a very brief period of time.

Originally it was estimated that the technical steps to be performed by the Coast Guard, which is the subject of this amendment, would have been completed by mid-June. It is now believed that they will be completed in a matter of 10 days or 20, if not already completed; and that the act of reflagging, as described by our law and regulation, will have been completed.

I say to my good friends, I recognize the objective that you have. But, unfortunately, this is technically drawn in such a way as you would not achieve the objective. The objective is so serious; namely, to thwart executive action in the area of foreign policy, I say to my good friends: would not it be better that this amendment be revised so it is absolutely explicit as to what it is that you desire to achieve before this body is asked to go on record for or against?

Mr. BUMPERS. Would the Senator yield for a question?

Mr. WARNER. Yes.

Mr. BUMPERS. The Senator has been actively engaged, along with other Senators here in the Congress and the Senate, in drafting a resolution on this whole Persian Gulf issue and, presumably, that is something we will vote on here. We have already debated this issue, that it is a nonbinding sense-of-the-Congress resolution. It did not mean a thing. The President did not even have to read it. He can go merrily along his way.

But, since the Senator is involved in the process of trying to present a resolution to the Senate on which everybody can agree, I want to read to the Senator language which he certainly ought to be familiar with from the latest edition, the latest edition of that version. So far as I know, this has not been changed in any of the versions.

Paragraph 7, page 2:

> The threat assessment, strategic justification, and security arrangements described in the Secretary of Defense's report to the Congress are inadequate—are inadequate—to justify the reflagging or the convoying of merchant vessels in the Persian Gulf by United States naval forces, until, at a minimum, further assessments have been made regarding the threat of terrorist attacks, mine warfare detection and defense, and the need for any required facilities for land-based aircraft.

Now, my question is: If that is good enough for a nonbinding resolution which the Senator from Virginia had signed onto, how in the name of all that is good and holy can you vote against an amendment that accomplishes precisely that purpose?

Mr. WARNER. Mr. President, the Senator from Arkansas raises a very valid point, but I wish to inform him that the language that he read is contained in the resolution that is pending before this body and which was the subject of a cloture vote earlier today; and that in the iterations that have followed the points raised by my good friend have been corrected.

Mr. BUMPERS. Would the Senator be kind enough to read paragraph 7 to us in its current version?

Mr. WARNER. Paragraph 7 has been totally removed.

Mr. BUMPERS. There surely is some language in there covering the same subject matter, is there not? I wonder, Mr. President, if I could be furnished with a copy of the current version?

Mr. WARNER. There are copies on your side. Not that I would not be willing to share this one with you except that, since I have been tied up on the floor, some others have been working on the refinements.

The one big given is basically the document that is the subject of the negotiations and we now have, on page 1, paragraph 6, which indicates:

> After considering the report of the Secretary of Defense submitted to the Congress at its request, Congressional testimony, Congressional investigations in the Persian Gulf region, and consultation with the administration officials, the administration should make further interagency assessments regarding: (a) both military and terrorist threats, including mine detection and defense, (b) the need for any facilities for land-based aircraft, and (c) the impact of the reflagging plan on the U.S. merchant marine.

So we do feel——

Mr. BUMPERS. Tell us, Senator, what does that language mean to you?

Mr. WARNER. It means that we think there are some things which should be reconsidered, further considered, and this resolution indicates that it would be our understanding, and I read paragraph 6 on page 3:

Prior to implementation of definitive initiatives including reflagging and protecting tankers, measures described in this concurrent resolution—and I have read them—should be fully considered in consultation with the Congress and pursued.

Mr. BUMPERS. Has that been done? You read paragraph 6 on page 3. Prior to implementing definitive initiatives, including reflagging, measures described in this concurrent resolution should be fully considered in consultation with Congress.

Mr. WARNER. And the purpose, Mr. President, of this proposed compromise is to keep and maintain the consultation process that is underway, not as a matter of law to begin to cut off funding but for one relatively small part of the process underway.

I think the point you have made, that there are things that in the judgment of this body require further consideration, is a correct one, and among those is a more extensive threat assessment done on an interagency basis, not as the one presented to this body earlier which we have reason to believe was not done on an interagency basis.

I think the points you are making in general are reflected in the nonbinding resolution. But, again, since it is nonbinding, it maintains the continuity, and that is very important, of the consultation process, without sending a signal abroad to the effect that the Congress has cut off, or taken steps to implement the cutting off of, funds in the future.

Mr. BUMPERS. I think as the Senator does, that it would be difficult for us at this point to just completely back out of this. But, as the Senator apparently believes and subscribes according to the language in this resolution, which has yet to be presented to this body, there are other considerations that the President ought to consider and define in consultation with Congress before going forward with this.

Mr. WARNER. Mr. President, the Senator is right.

Mr. BUMPERS. Senator, if that is worth your time and effort, your approval, your submission of that language for their approval, and your recommendation, why is it not worth your approval to say 90 days is an adequate time in which to do that?

Mr. WARNER. Mr. President, it may well be that 90 days is an adequate time in which to do it, but there is a vast difference between writing into law a course of action which thwarts executive right under existing law, particularly in the area of foreign law, and saying to the President, "We feel very strongly about certain things," and the Senator has recited them. "Therefore, Mr. President, we want you to continue that consultation process and to receive our advice that we are giving," which has been accepted in certain areas and acted on.

Mr. BUMPERS. Here is one Senator whose advice and counsel has not been sought. I am offended about that. I am upset that the President has not contacted me about this. Everybody in this body who has not been consulted ought to be offended. I am giving them a chance to say to the President, "We would like to have a full-blown debate."

We are debating here today to some extent the wisdom of the policy, but above all we are saying let us at least go into this policy with our eyes wide open and inform the American people what the risks are so that the American people can be taken into our confidence and told, categorically with no punches pulled.

One of the great days of my life was when I had been Governor of my State for only a month and I had a chance to go to Kansas City to speak on Truman Day honoring President Truman. I was afraid to go because I was afraid the capitol building would be dark when I got home. I said no, I could not go. "I am a real fan of Truman, but I cannot go."

They said, "If you will go we will let you spend an hour with President and Mrs. Truman." That was enough.

I accepted the invitation and flew into Kansas City to make this great speech. I went out to their house. Mrs. Truman was so gracious and cordial to me, I could not forget.

I could not believe it. I was sitting there in the presence of a man who at one time I detested but who I came to admire because he was so courageous and quite frankly so right, though perceived to be wrong, when he was President.

But there was a story he told me as I was leaving. I told him I did not enjoy being Governor as much as I thought I would. When I left, he said, "I will tell you something, son. I will tell you how to enjoy being Governor." First of all, he said, "do what you think is right. Get the best advice on these things that trouble you from both sides, people you trust, people whose judgment you trust. Get the best advice you can get and you do what you think is right because that is what the folks elected you to do."

And he said, "The second thing is do not lie to your people. They can handle it. Take them into your confidence."

I got to tell you, that was in 1972. I will not name who the President of the United States was, but he pointed toward Washington and he said, "You know, the only time this country gets into trouble is when there are some lying" you know what—President Truman was not choicey about language—when he said, "there is some lying" you know what "sitting in the White House."

The only time the American people get in trouble, and we get in trouble as a Nation, is when the American people are misled or deceived.

The point of the story is just to point up that I cannot think of one untoward thing that is going to happen in the Persian Gulf that affects our national security interest, not one thing, nearly as much as not fully debating this before the American people for the next 90 days and letting them be told the truth: What is our policy; what our responses are going to be; what is the threat of imminent hostilities; is the risk high; the threat high, as the CIA has said, or moderate as the Defense Department has said. The American people are entitled to hear those things. If we do not have a 90-day delay they will never hear them, until it is too late.

Mr. WARNER. I did not wish to infer that the President in connection with this policy in any way has been less than fully truthful with the people of the United States.

There is a question and a debatable one—

Mr. BUMPERS. I am not suggesting. I am simply saying this is almost a sin of omission. You know, the polls consistently show the American people overwhelmingly favor freedom of the seas, but when you ask them the second question, "Do you favor reflagging Kuwaiti ships?" by a small majority, the answer is no.

You might turn that around, or that majority might grow if the American people are brought up to speed about what the real risks are.

I am just saying we have not told the American people what the risks are. We have told them it is high or it is moderate, but we have not told them why.

Mr. WARNER. Mr. President, I beg to differ with my distinguished colleague. There is a clear record in this body of the administration having come up here during the early part of this decisionmaking, namely in March and April, and involving the key committees. We can go into that to the extent you wish. From the standpoint of technical advising by the administration to the Senate, it is there directly. We became awakened to this issue and the seriousness, and the complications and many facets of this issue, only after the tragedy of the U.S.S. *Stark*.

As I said earlier, within a very brief period following that tragedy, the leadership of this Senate authorized the travel of several Senators, myself included, to the area and began a process of filing a report. We filed an extensive report, which is a matter of record, before this body.

The Armed Services Committee has had, I believe, about seven hearings on this issue. The Foreign Relations Committee, I know, has had several hearings. I do not know the number.

So this body has begun to address the issue and we are working to fulfill our responsibility to inform the American people.

But I say to my distinguished colleague that if you were to persuade this body to enact into law a provision which would have the effect, although I question it, of removing the necessary funding for the President to implement this decision, it would have far greater consequences; that we can achieve basically the same objective. And I really say to my good friend, I do not think we are far apart. If there comes a point in this debate today when the leadership sees fit to bring to the floor this compromise resolution—I anticipate very strong endorsement by a majority of the Senate—we will have accomplished much the same purpose as set forth by the Senator in his remarks before this body today and yet, at the same time, preserve the integrity of the consultation process, so that we can have, I think, a greater degree of influence on the decisionmaking as it evolves than were we to take and enact into law this cutoff.

Mr. BUMPERS. I thank the Senator for his remarks, but I would like to ask one last question of the Senator and that is, What does the Senator envision happening in the next 90 days that would be so antagonistic or anathema to our national interest that is more important than debating this thing before the American people and letting them come along with us and agree with this policy? Would the Senator not agree with me that, if we had 90 days to debate the Gulf of Tonkin resolution, the country would have been a lot better off?

Mr. WARNER. Mr. President, in response to that question, I would say first that, in the trip report filed by Senator GLENN and myself, which is a part of the RECORD, we stated quite clearly that it was our observation that the Gulf States, the leaders, the heads of state, and governments of those states almost without exception are of the expressed opinion that the reflagging decision has been made, that the President is in the process of implementing it in terms of the protection regime, and that, if the Congress of the United States were to thwart that implementation, it would be regarded as a litmus test. Those are the very words of the report. I call the Senator's attention to the report, page 17. I quote:

> The reflagging proposal is now seen by many——

and the antecedent of many is the gulf states——

> in the region to be a litmus test of U.S. dependability.

To the extent that we have a remaining credibility in that region, it would be shattered if we were to pull back at this time and just simply strip the President of the authority to go forward and at the same time the President, the Secretary of State, and the U.S. representative to the United Nations are actively pursuing in all fora, particularly the United Nations, efforts to get other nations to join in a collaborative effort to bring about peace in this region. If we were to pull back at this time, that would be a signal and it would provide an opening for the Soviet Union to move more aggressively than they have into this void. Time and time again the heads of state said to us we first "turn to our friends when in need and ask for help." And if they do not give it, then we must turn to others. And by "others" they mean the Soviet Union.

Mr. BUMPERS. Does the Senator think it is strange that we would be getting ready to get ourselves in a possible war on behalf of Kuwait when, No. 1, not another single state in the area approves of it? As a matter of fact, they are very hostile toward Kuwait because they have asked the United States and the Soviet Union both to come into the region.

And, No. 2, does the Senator not think it is a little premature for us to reflag ships and help Kuwait presumably get their oil out even though they are getting their oil out now? We are not going to do a thing for them they are not doing; they are getting it out now. But does the Senator not think it is a little premature to go to the aid of Kuwait when Kuwait will not even let our airplanes land in their country? What kind of a policy is that?

Mr. WARNER. Mr. President, first in reply to the observation that the GCC States—and there are six—are not at this time supportive of the plan, I tell my good friend he is incorrect. He is correct historically in that when Kuwait first made the overture to the Soviet Union several of the Gulf States thought that was an inadvisable course of action, but once Kuwait completed that course of action and made the arrangements by which the Soviet Union would charter three tankers to Kuwait and provide associated military protection, then they said that decision is done, just like the decision of the United States to reflag 11 of the Kuwaiti vessels. And now there is no further dissent so far as I can determine. And they have had meetings within the Gulf States Cooperation Council, the GCC, over the program.

To the contrary, as I say, they have termed it the litmus test of the present and future credibility of this Nation in the gulf region.

Now, with respect to the needed augmentation of facilities—we call them facilities as opposed to bases—amongst the GCC States for the enhanced military presence that will be required, the testimony of the Joint Chiefs and others from the Department of Defense before the Senate Armed Services Committee is to the effect that the GCC States are giving adequate additional use of facilities for the level of military protection envisioned by the protection regime and that contrary to certain assertions made here during the course of the day that one or more GCC States have not provided the facilities for land-based air and the like, that is not needed at this time.

So in terms of our military senior advisers, we have adequate use of the exisitng, or such enhancement of facilities as needed. And the Senator is aware that Saudi Arabia has indicated that the AWACS Program can be expanded to provide additional geographic courage. Kuwait, in fact, has also agreed to let United States Navy escorting ships dock in Kuwait ports and provide the fuel required. And further, there will be certain Kuwaiti facilities used should at some point in time the United States participate hopefully with other nations in the removal of mines that are presently or possibly in the future might be placed in the shipping channels.

Mr. President, I see on the floor the distinguished Senator from Indiana. I at this time presume he wishes to speak and therefore yield the floor.

Mr. QUAYLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Mr. President, let me say I have the greatest affection and respect for the author of this amendment and his cosponsors. I enjoy listening to the Senator from Arkansas. He is always entertaining, and is a very, very good speaker. If you listen to his reasoning and you do not disagree with some of his premises, you might all of a sudden jump to his conclusions. He is very convincing at times.

But with all due respect, I have to take strong exception to this amendment. Now, I realize that the reflagging decision that the President made was a tough decision. Decisions in foreign policy, particularly in foreign policy, in sensitive matters like these, are not always easy decisions. They are not always black and white decisions that have, let us say, 90 or 95 or maybe even 100-percent approval. It would be ideal, whether it be foreign policy or domestic policy, to have 100-percent approval. We are not going to have that on this issue. We are not going to have it on almost any issue. Only on rare occasions things do pass with unanimity. So it is a tough call. But I think the President made the right decision.

I really think that the effect of this amendment will be to say: "Well, we'll have 90 days now, and once 90 days are up, how about another 100 days, or how about another 90 days after that?"

I think the bottom line of this amendment is that this is a "Come home, America" amendment. I think a more straightforward approach would have been to just have an amendment up on the floor of the Senate and deny the reflagging—pure and simple. No 90-day delay.

I do not know why 90 days is unique. We have had consultations since March and have known what is going to happen. With another 90 days here, 90 days there, we will be paralized by self-doubt indefinitely. Where are we going to go as a nation?

Put yourself in the President's position. A lot of people would like to put themselves in the President's position. A lot of people would like to have that responsibility, of making these decisions. Once he makes these tough decisions and comes to Congress, as he has, Congress would then sit around, without any alternative policy, and say: "Oh, no, we can't do this. We ought to Monday-morning quarterback. We have to second- and third- and fourth-guess."

That is what I have noted with great interest.

The authors of this amendment do not like the President's policy. They do not want us to do it.

As I said, a more straightforward amendment would be to say no reflagging, none; just no reflagging, pure and simple. That would be a better test. But a lot of times we have to have it both ways, so we can say: "Yes we want to have a presence in the gulf and we want to do the right thing. But don't know what the right thing is; give us 90 days and we'll figure out what the right thing is."

Someone said, "What if we had another 90 days in the Gulf of Tonkin resolution? That would have changed a lot of votes." At best it might have changed one vote.

Now you are going to say just another 90 days. That is no policy. Some people ask, "What is this policy?" The policy is rather clear. It has been articulated. Maybe people do not like the policy. The policy, as a matter of fact, is navigation of the seas, freedom of the seas, and a presence in the Persian Gulf, which we have had for 40-some years. It is a policy.

The policy is that we are not going to simply turn this over to the Soviets. We have said that from the outset. That is one of the reasons why we got involved in this.

The third policy is saying to Iran, in no uncertain terms: "Your may think you're going to win the war, but you're not." We do not want either side to win the war, and we want to have a cease-fire. We want both sides to observe territorial boundaries. We are going to pursue that cease-fire in the United Nations.

I do not think that is a difficult policy to understand. It has been stated before; it has been stated again; it is rather clear. I do not know what the policy is of the critics, except basically not to act.

So we ought to have a vote on not reflagging, not on that we want to think about it for another 90 days. What we have here isn't so much an amendment for delay but a "come home America" amendment. So if the Senate does not want to reflag, and the House does not want to do it, and there are enough votes to override the President, we should vote on wether to reflag or not be done with the issue.

But, does anybody really dispute that we need to have and do have vital national security interests in the gulf? This is not the Reagan doctrine. Reagan reaffirmed what President Carter started in the 1970's, saying that the Persian Gulf is in our vital interests.

If we vote to delay today, we will vote to delay tomorrow, and that is basically a vote, in my judgment, to abandon the gulf, and I do not think we want to do that.

Sometimes we are self-doubting; we do not know whether it is the right decision, and we say it was a tough decision. Here we are saying: "Gee, we just need to have another 90 days. Just give us another 90 days, and all of a sudden it will be crystal clear." I do not think it is going to be any more clear in 90 days than it is right now. So we do not like the reflagging. Then, offer an amendment to cut off the funds for reflagging. I would oppose that. Here we want to have it both ways. We will delay it, think about it, delay it a little more, think about it again, and never get around to doing it.

I do not think that that policy of self-doubt, indecisiveness, is what we were elected to do—certainly, it's not what the Commander in Chief, the President of the United States, was elected to do.

We have the luxury to sit here and sort of Monday morning quarterback the President's decisions. Time and time again, Congress likes to assert itself and say: "Boy, you made a mistake," not only in domestic matters, but also in foreign policy matters. If you think he made a mistake, stand up and say he made a mistake and debate that.

Why is the gulf important to us? The resources are there—we know about that. But why is the Persian Gulf important to us, particularly since the enunciation of the Carter doctrine that it is in our vital interests? Two very important events happened to draw former President Carter to make that declaration, that the Persian Gulf is truly in our vital interests and that we are going to have to pay much more attention to it than we have in the past.

One event was the fall of Iran, the demise of the Shah, and the rise of Khomeini. Iran used to be a strong ally, a pillar of stability in that region, an ally that we could count on to have stability. No longer is that the case. Iran is now a terrorist nation, one that projects terrorism, one that projects instability, one that, in fact, has caused instability in the region, and that is one of the reasons why it has become more of an interest to us. We do not have the stability we once had.

A second reason is that the Soviet Union invaded Afghanistan. The Soviet Union invaded Afghanistan in 1979, and they are still there.

We all know going back to Peter the Great and the history of the Soviet Union that they have always been in search and lusted for that warm-water seaport. Invading and occupying Afghanistan puts them that much closer.

These two events, Mr. President, drew fromer President Carter to make that declaration that has been reaffirmed by this President.

It has been said on the floor here today that these gulf States are not helping out; these gulf States simply are not doing anything. Where are they? If they really want us over there and have a presence why are they not doing anything?

The Senator from Virginia is absolutely right. We are getting them to do more. We are bringing them along.

Bahrain allows our ships to be repaired in her ports. There has been a lot of sort of Kuwait-bashing on the floor saying, "Gee, they are really not that good." The Kuwait Government, I think everybody knows, is fairly divided. There is not total unanimity in that government. But they have tried to hold the line on terrorism as some other States have not done. They are trying to hold the line. They are holding the people who bombed our embassy and, by doing that, they in fact are the target of terrorism and run certain risks of having terrorism being exported into their country. They also have granted landing rights for our minesweeping helicopters and have promised to refuel our Navy ships.

Saudi Arabia has offered to sweep mines and to fly AWACS for us. Oman allows our C-5's and P-3's and our C-141's to land.

Someone has suggested we ought to land combat planes in Kuwait. But we have no need now to do this. Kuwait is not where the air war is. That problem is more down by the Straits of Hormuz.

So I would say that, in fact, the gulf States have offered important assistance to make the President's policy work.

As we keep going back to the policy which I have articulated and outlined, the one conclusion that has been stated by the Senator from Virginia and others, those trying to pull the rug right now into having this come-home America amendment at this time are really going back on our commitments to our gulf friends. I think we have had enough problems in the past. We do not need to have those problems recur. Once the United States under our President who is elected makes decisions we should try to stick to them and try to stick to our commitments. We do not have the luxury and this President does not have the luxury to say alright we are going to go out and take a poll and find out how the political winds are blowing on this issue. Who knows what the polls are going to be from day to day? That would be a heck of a way to run the government. Who even knows how the Congress and Senate are going to vote from day to day?

The President is the Commander in Chief. The President is the one who makes these decisions after careful thought, develops a consensus, hopefully a bipartisan consensus and should have a bipartisan consensus, although unfortunately bipartisanism around here has been on the decline recently which is unfortunate for all. We must, in fact, not just idly dismiss our commitments that we have. Commitments are real and to start undoing commitments, particularly in the gulf, runs serious security risks.

This amendment does not say that the President's course of action is wrong. It just says wait. It says we ought to offer the amendment to say not to do it, just not to do it, have that debate because that is the effect of this amendment without saying it. If you put it off 90 days, you will be putting it off another 90 days once the 90 days are over.

There is a lot of criticism that the Congress was not somehow consulted. Nonsense. Congress was consulted. I dare say we would not be having the debate today if it was not for the tragic incident of the *Stark*. We would not be on this floor debating this resolution. But we are here. We are debating it.

It has been suggested that our allies ought to do more. Perhaps our allies ought to figure out and we ought to encourage some sort of a financial compesation. But do we want the Japanese Navy to go in there and escort these ships out? I do not think we want that. Do we want to hand over to the British, who have been doing this, incidentally? The British have reflagged Kuwaiti vessels with their flags and escort them. Just let the British do it all. They will probably do more, might be doing more if we are not there going to do anything.

Do we want to just simply turn over our superpower status and let someone else do it, let someone else do it, not us, let someone else do it?

I heard somewhat of an analogy earlier on "here we go again. This is like Lebanon." This is not like Lebanon. I agree with those critics of Lebanon. Lebanon was a fundamentally flawed policy because there was not any clearly defined mission of the Marines there. Send Marines in there to be symbols. Marines go in and take beaches, set up command and control centers, and move on.

To put them in in that kind of situation in Lebanon was flawed, and I think most recognized that on hindsight.

This is not that. This is a clearly defined mission here. We are going to keep the seas open, going to escort those 11 vessels down. It is going to be something to do. This is not something to just go in there and to sit.

It has been suggested, I heard, that perhaps we ought to invoke the war powers resolution. Fine. Go ahead, invoke it. I think the administration would like to see the Congress try to go ahead and invoke the war powers resolution. I think most people could see the war powers resolution on its face is unconstitutional. Get it to the courts and find out. The President is fond of saying, "Make my day." I am sure that will "make my day." Let Congress go do it. Maybe the Congress ought to do it. Send it on down there. The President may ignore it. Take it to court, see what the courts are going to have to say about the war powers resolution.

Finally, Mr. President, there has been a lot of discussion about the risks that are involved. There is no doubt about it. We are not living in any kind of risk-free world. There are risks about being in the Persian Gulf. There are risks inherent about being a superpower.

There are certain risks when you go in and make tough decisions and do things that some people may not like. Just because you do not have total unanimity and just because Iran makes threatening statements are we simply going to be buffaloed and say "Well, now, we are not going to do that because there are too many risks involved."

One loss of life by this view is too many. But there are principles involved and you have to weight those principles with those risks.

But in listening to the debate today and people always asking me from time to time when we sit around and discuss foreign policy issues, if the Vietnam snydrome is over. I can tell you that the Vietnam snydrome is not over. We are still shackled by that. The Vietnam snydrome of having that self doubt and the paralysis of self doubt of not making a decision is still alive and well. The paralysis of self doubt. Do not make that decision. Fuzz it up. Wait. Delay. There are risks involved. I am not going to deny that.

Look at Vietnam. Was the cause right? I certainly think it was. Was it right the way that that cause was fought? I think there is great question as to that. I think the lesson of history is that it was not fought in the right way and if we had to do it over, we would do it entirely different.

So, unfortunately that syndrome is still with us. I think it is unfortunate and it is debilitating a superpower.

We have to make decisions from time to time and they have to be tough decisions unfortunately.

But when the Commander in Chief is going to make a decision and make a commitment, certainly we have the right to look at the risks that are involved and to evaluate that with the national interests that are involved.

But what this amendment does is it simply puts off any action. It makes no decision. It talks about more consultation. We had consultation. We know what the policy is and the alternative is not to reflag.

Again, to reflag or not would be a more direct vote to see where this Senate is. We are not going to be voting on that. We will be voting on something in between. So people can have it both ways. The President cannot have it both ways. When the Commander in Chief was confronted with this decision when his advisers went to him and the request was made, he had to make the decision to tell Kuwait to go fly a kite or say, "Yes, I agree. I am willing to do that."

He did not have to say, "I've got to think about it. Give me 90 days. Give me 120 days."

If he would have said that to Kuwait, they would have said, "Fine, we know what that answer is. You know what it is. It is 'no.'"

That is why I think this amendment is basically saying "no" to reflagging; no, not directly, but certainly indirectly.

Mr. President, I think that Congress likes to do this from time to time. I think you will find Congress involving itself in these sensitive foreign policy matters and wringing its hands and saying: "We are concerned."

This is not enough. We are all concerned. We are all Senators elected that feel deeply about our country. Every one of us do.

We may differ about what we think is good for our country, but we feel deeply about it. And I think that this amendment would go a long way to undercutting our commitments, undercutting some of the things that we have stood for, and would certainly be a major step backward in trying to see stability and potentially cease-fire in the gulf region.

Mr. THURMOND. Mr. President, I rise in opposition to the pending amendment concerning the reflagging of Kuwaiti oil tankers. I have listened to the debate with some amusement. Statements have been made comparing this action to the Gulf of Tonkin Resolution and our incremental involvement in the Vietnam conflict. Others have indicated that this action triggers the War Powers Act.

Mr. President, what we are seeing here today is another example of the criticism that is often leveled at the Congress, and that criticism is that the United States cannot function as a world power with 535 Secretaries of State.

Several of our colleagues, Senators JOHN WARNER, JOHN GLENN, and JIM SASSER traveled to the gulf region shortly after the tragic incident involving the U.S.S. *Stark*. As Senator WARNER has stated, the leaders of the countries in the region understand that the reflagging decision has been made and that all that follows is the implementation of that decision.

Mr. President, if we adopt this amendment, it will be one more example of congressional interference in foreign policy decisions. Our country is committed to assist the Kuwaiti Government, and we should follow through with the commitment.

I do not for 1 minute ignore the dangers that are present in the region, nor do I wish to endanger the lives of United States military personnel, but I do feel that freedom of navigation and keeping the Persian Gulf open to commerce are in our national interest.

Mr. President, the Congress is acting as if the reflagging issue is a new one. This is not true. According to the report on the Persian Gulf filed by Senators GLENN and WARNER, the Senate has known about the reflagging since late March when the Senate Armed Services Committee and the majority leader's office were notified by the State Department.

Mr. President, some of our colleagues would like for this issue to be deferred to the United Nations. Kuwait did not ask the United Nations for assistance in this matter. I must admit, however, that I would applaud any efforts by the United Nations to help end the war between Iran and Iraq.

I would like to draw an analogy concerning Senate efforts to "pass the buck" to the United Nations. If one of my constituents from South Carolina comes to me for help, I do not send that constituent to the office of some other Senator; I do everything in my power to solve the problem. Now, if in solving the problem, I need to get the assistance of another Senator or a government agency, I then seek that assistance.

Mr. President, I would like to read a quotation from testimony presented by the Honorable Caspar Weinberger before the House Armed Services Committee on June 9, 1987:

> But the more fundamental issue is leadership, the leadership of the free world to resist the forces of anarchy and tyranny. If we, who so strongly advocate free access to ideas and markets, abrogate the responsibilities of leadership, who will take our place in the Persian Gulf and elsewhere around the world? I can suggest one nation that is quite ready to assume that role: the Soviet Union. but it is not in favor of free ideas, or free markets, or freedom itself. We simply cannot allow the Kremlin to have its will over this region, or allow the most extreme, virulently anti-Western forces to control events, threaten friendly nations, or jeopardize United States interest. We will not be intimidated; we will not be driven from the gulf; and we will not foresake our friends there.
>
> For these reasons, the U.S. Central Command was established in 1983 to plan and coordinate our military operations in the region more effectively. Air force AWAC's aircraft were deployed to Saudi Arabia in 1981, at the request of the Saudi Government, to enhance surveillance capabilities. At sea, our Middle East force maintains a very close watch on shipping in the Persian Gulf, especially the oil traffic through the Strait of Hormuz, and our carrier battle groups regularly patrol the northern Arabian Sea. They serve as a deterrent to an escalation of the conflict to the western side of the gulf.
>
> Our ships operate in the Persian Gulf to represent, immediately and directly, America's commitment to stability in the region and our deep concern over the threat to that stability posed by the senseless Iran-Iraq war, and our commitment to protect United States interests, including ships flying the United States flag. Our navy ships are there neither as referees nor dispassionate observers. We are there as tangible representatives of our commitment to our friends and our interests in the region—and we have many of both there. Our presence also reflects our concern for safe navigation by nonbelligerents in this critically important body of water. Since the beginning of the war, the Middle East force has had more than 12,000 Navy ship days in the Persian Gulf; and never before last May had one ship been attacked. I can assure you that every ship assigned to the force has a very clear understanding of its mission, has the weapon systems available and ready to defeat any threat, and has sufficiently detailed but flexible operating guidance—the "rules of engagement"—to deal with any threat to the ship.

Mr. President, the issue is that Kuwait has asked us for help, and we are committed to help them. We should honor the commitment first and seek assistance from the United Nations second. Thank you, Mr. President, I yield the floor.

Mr. ROTH. Mr. President, the Persian Gulf constitutes a zone of particular importance to the United States and the entire West. However, the question before the Senate today is not "Is the Persian Gulf important?" but "Does the reflagging of Kuwaiti vessels serve United States interests?"

Many Members of the Senate doubt the wisdom of the administration's new policy in the Persian Gulf. I have heard it said with increasing frequency that the administration's decision to reflag Kuwaiti tankers and to deepen our naval commitment in the gulf constitute bad policy but, that now the President has gone public, we are stuck with it and that, if we abandon this mistaken policy, we will lose face in the Persian Gulf, a region vital to our national security.

Mr. President, if I may rephrase Gertrude Stein, a bad policy is a bad policy is a bad policy. If the U.S. Congress does, indeed, believe that developing U.S. policy in the Persian Gulf is, indeed, unwise, then it has the duty to the U.S. people to say so and to act accordingly. We cannot hope to be half pregnant on this issue. If we believe that the administration is pursuing the correct course in the gulf, then we should say so, clearly and unquivocally. If we believe that U.S. policy in the gulf is ill-conceived and unwise, we have an equally important duty to act to forestall the worst consequences of that policy.

I have no desire to promote a confrontation between the legislature and the Executive and I hope that, after airing our differences, we could proceed to establish a truly cooperative, bipartisan Persian Gulf policy. But, let us not forget, in the midst of all this discussion on credibility and "losing face" that we are quite possibly, discussing the lives of U.S. servicemen here. If we believe that their lives are being unnecessarily endangered in the gulf to no reasonable purpose, then we owe it to those servicemen to protect them from pointless endangerment.

Mr. President, in my opinion, there can be no doubt that the administration's policy in the gulf is, indeed, unwise and that it is the product of reverse policy engineering rather than a reasonable response to a developing situation. First, the White House announces that the United States Navy will protect gulf shipping and that Kuwaiti vessels will be reflagged in the United States. Then and only then, does the administration begin to discuss exactly how it intends to protect the shipping in question.

Even the very rationale for our new approach to the gulf appears to be in doubt. We are told that the purpose of our involvement is to safeguard the freedom of the seas and to maintain the flow of oil to Western Europe and the United States. I strongly endorse the traditional U.S. commitment to freedom of navigation on the high seas. But, Mr. President, the very people are seeking to protect in the gulf, the Iraquis, are the same people who have been threatening freedom of navigation in the Persian Gulf. The U.S.S. *Stark* was hit by an Iraqi missile and now we are speeding to the aid of Iraq and its allies. Mr. President, I get the unnerving feeling that we are being manipulated by someone who reads us much better than we read them.

Furthermore, how can we legitimize a potentially risky policy on the grounds of the West's energy security when, to the best of our information, that security is not endangered. Oil continues to flow through the Straits of Hormuz on to the world market. U.S. regional policy may have changed, but there has not been so much as a hiccup in the flow of Persian Gulf oil to the West.

I have heard Members of the Senate repeatedly point out—correctly—that Western Europe is much more dependent on the oil of the gulf than is the United States. Perhaps that should tell us something. The nations who are truly dependent on the gulf, who really need its oil, do not believe that reflagging and its associated heavy escort policy is appropriate, they do not believe that this policy will serve to secure their vital oil supplies.

So why does the United States suddenly feel obliged to plunge more deeply into the cauldron of gulf politics? Let us speak plainly, the administration wishes to move into the gulf in order to overawe Iran and to prevent it from gaining a final victory in its successful war with Iraq. The end is laudable, Mr. President, but the means to attaining that end are highly dubious.

First, such a policy throws the United States face down on to the shifting sands of gulf politics. If we seek to overawe Iran, we throw in our lot with Baghdad and all of its Arab allies, all of whom, for their own selfish reasons, will welcome our initiative but none of whom will offer us any substantive assistance. If any Senators doubt this assertion, let them look at Saudi Arabia's close alliance with Iraq and Saudi Arabia's concomitant refusal to allow the U.S. air bases from which to discharge its new, self-imposed tasks in the gulf. In short, Mr. President, I am quite sure that the administration's new Persian Gulf policy has been privately welcomed in several Arab capitals, but do not expect that private welcome to be reflected in substantive diplomatic or military support.

Furthermore, Mr. President, the administration's desire to overawe Iran appears to derive from a fundamentally flawed view of the internal political situation in Iran. That country currently is not governed by a homogenous government so much as by a group of warring parties, all of whom eagerly await the death of the Ayattolah Khomeini. Let us say, for the sake of argument, that the speaker of the Iranian Parliament, Rafsanjani, is, indeed, overawed by the growing U.S. naval presence in the gulf and that he gives out instructions to halt all attacks on gulf shipping. Then the supporters of his chief rival, Ayattolah Montazeri immediately are motivated to attack gulf shipping, if only to demonstrate the ineffectiveness of Rafsanjani.

In short, Mr. President, reflagging Kuwaiti shipping in the Persian Gulf may simply be supplying one more duelling ring for feuding Iranian factions who were quite happily tearing each other apart without any help from this country.

A great former President, Theodore Roosevelt, once advised the United States to walk softly and carry a big stick. But the administration appears intent on walking very loudly. Instead of maintaining our traditional patrols in the gulf, which I support, we have decided to place the U.S. flag over moving shipping targets as if daring Iran to attack gulf shipping.

Mr. President, the fundamental purpose and rationale behind our new gulf policy is unclear. Once again, as we did in Beirut, we are sending U.S. servicemen into a region with vague orders to "show the flag" and "be a presence" rather than to perform a clear military mission. The men and women of our Armed Forces do not hesitate to perform the tasks appointed to them but those tasks must be clear and forthright not grey and murky. I genuinely have grave misgivings over our policy in the gulf. Consequently, I voted for cloture on the Byrd resolution rather than wait till lives have been lost senselessly.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, first, I ask unanimous consent that an article from the New York Times dated June 14, entitled, "Superpower Protection Worries Gulf Nations" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 14, 1987]

SUPERPOWER PROTECTION WORRIES GULF NATIONS

(By John Kifner)

KUWAIT, June 14.—Kuwait's neighbors are giving mixed reactions to the idea that the United States and the Soviet Union will protect Kuwaiti oil tankers in the Persian Gulf.

None of the nations have embraced the idea. "Saudi Arabia and Bahrain are equivocal," said on Western diplomat. "In the lower gulf—the United Arab Emirates, Qatar, Oman—they are worried."

The Reagan Administration plans to give half of Kuwait's 22-tanker fleet the protection of the United States Navy by an arrangement under which they would become American-flag vessels.

A meeting of foreign ministers of the six-state Gulf Corporation Council, of which Kuwait is a member, yielded a vaguely worded endorsement of Kuwait's right to seek protection for its trade.

AMBIVALENT ATTITUDE

But the ambivalent attitude of the other members was reflected in recent remarks by the Oil Minister of the United Arab Emirates, Mani Said al-Utayba.

"We do not have to allow foreign forces to enter our territorial waters," he said.

While saying that Kuwait had a right as an independent state to protect its commercial interests, he added, "We hope that circumstances will not oblige other states to follow suit."

The United States has sought cooperation in the gulf since the Iraqi attack on the American frigate Stark.

At a meeting of the council in Abu Dhabi last fall, Kuwait sought a joint strategy for superpower protection of shipping that has come under attack by both Iran and Iraq, diplomats here said, but nothing came of it.

The Emirates and Oman, one diplomat said, were worried that superpower involvement "will raise the risk of more aggressive Iranian behavior."

Oman recently sent its Foreign Minister, Yousef al Alawi bin Abdullah, to Teheran in hopes of improving relations. The sheikdoms of the Emirates, Dubai in particular, have long had profitable trade across the gulf with Iran.

The other members of the council are Saudi Arabia, Qatar and Bahrain.

MILITARY ARRANGEMENTS WITH U.S.

Although the Arab states publicly bristle over suggestions that the United States might establish bases in the area, saying it would infringe on their sovereignty, three gulf states have quietly made individual military arrangements with the United States.

Bahrain provides berths for the American task force in the gulf. Saudi Arabia allows American military planes to land there. And Oman, which has long had extensive military relations with Great Britain, has American military supply depots and allows American planes to use its airfields on a case-by-case basis.

The plan to protect Kuwaiti ships, which has come under criticism in Congress, may be further complicated by the Reagan Administration's decision to withdraw a proposed sale of 1,600 Maverick air-to-ground missiles to Saudi Arabia in the face of overwhelming Congressional opposition.

Saudi cooperation is important in the plan to put more American warships in the gulf. A vital part of the plan calls for extending air protection for the ships using American Awacs early warning radar planes flying from Saudi Arabia.

Diplomats and Arab sources here noted that any increase in protection for shipping in the gulf might favor Iran, rather than Iraq, the opposite of the presumed American intent.

After harsh criticism of the superpowers, Iranian officials are now saying they would favor a halt to all attacks on gulf shipping.

"We welcome a proposal to stop Iranian or Iraqi attacks against tankers in the gulf," Iran's President, Ali Khamenei, said Friday.

Iran is more dependent on the gulf than Iraq because the gulf is Iran's only outlet for oil. Iraq exports oil from its northern fields by pipeline through Turkey.

"The Iraqis don't like the pressure to end the tanker war," said a Western diplomat. "Ending all the attacks would work against them, although that's not really the intention of the Americans."

Mr. BUMPERS. I further ask unanimous consent that an article dated June 28, from the New York Times, entitled "U.S. Officers Troubled by a Plan to Aid Gulf Ships," which articles says:

In spite of this confidence shown by the miltiary, many admirals and generals in and out of Washington admit misgivings about the administrations' reflagging policy because they do not know how long it will take nor where it will lead. More than a dozen senior officers spoke of their concerns on the condition that they not be identified.

I ask unanimous consent that that article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 29, 1987]

U.S. OFFICERS TROUBLED BY PLAN TO AID GULF SHIPS

(By Bernard E. Trainor)

WASHINGTON, June 28.—Many senior United States military officers are questioning the wisdom of providing protection to 11 Kuwaiti oil tankers in the Persian Gulf and fear that the United States is being drawn into an open-ended situation over which it has little control.

Konwledgeable senior officers say that the Joint Chiefs of Staff and the regional commanders concerned with the Perisan Gulf were kept informed of the negotiations and took part in discussions. But one admiral said, "It would be stretching it to say that the Chiefs were in on the decision, or even asked their opinion on it."

Some generals and admirals were critical of the Joint Chiefs for not challenging the proposal to register the tankers under the American flag, whether or not their views were sought.

Two re-flagged Kuwaiti tankers and United States Navy warships from the American Middle East Force are heading for the gulf. They are expected to pass through the Strait of Hormuz the second week of July and come within range of Iranian Silkworm missiles as the convoy heads north to Kuwait.

The crews of the American warships will be at Condition 1, their highest state of battle readiness, as they pass through the strait. They will also be operating under revised rules of engagement, which are said to be more responsive to a hostile threat than those governing the frigate Stark when it was attacked, apparently accidentally, by an Iraqi aircraft in May. Thirty-seven American sailors were killed in the attack.

American military officers who were interviewed said that they did not forsee trouble on this initial passage. They were also confident the Navy could cope with any subsequent threat at sea from the Iranians.

OFFICIALS CONVEY CONCERN

In spite of this confidence shown by the military, many admirals and generals in and out of Washington admit misgivings about the Administration's re-flagging policy because they do not know how long it will take nor where it will lead. More than a dozen senior officers spoke of their concerns on the condition they not be identified.

One officer said that throughout the nearly seven-year-old war between Iran and Iraq, the United States has officially taken a neutral position and upheld the principle of freedom of navigation with a small but representative fore of warships in the Gulf. An admiral said this official policy of neutrality was undone by the Iran-contra affair and now by the re-flagging scheme.

"By re-flagging the Kuwaiti ships the United States has placed itself on the side of Iraq," he said. "This may mend fences with the gulf state Arabs, but it is apt to create the very confrontation which for years we sought to avoid in the region."

Robert Hall, a spokesman for the National Security Council, expressed surprise that there was uneasiness within the upper military over re-flagging. Mr. Hall said the Joint Chiefs of Staff were involved in the decision-making process from the beginning and fully supported the move.

The deliberations of the Joint Chiefs of Staff are classified, but in response to a question on the White House decision to re-flag the ships, the departing Marine Commandant, Gen. P. X. Kelley, a member of the Joint Chiefs, said last Thursday, "Life is full of lousy options" from which choices sometimes had to be made. In that context, he said he supported the re-flagging.

OFFICERS EXPRESS SURPRISE

According to the knowledgeable officers, few in the military took the original Kuwaiti request seriously. They were surprised when Secretary of Defense Casper W. Weinberger, who has had a reputation for prudence in the use of military forces, became a champion of re-flagging the Kuwaiti tankers.

These officers understood that Mr. Weinberger's inquiries to the military focused on its technical ability to support the policy, not the wisdom of the policy itself. Some senior officers ascribed this turnaround more to Mr. Weinberger's reaction to the political furor over the Iran-contra affair than to any change in his customary belief in military restraint. "Politics overcame philosophy," one officer said.

The officers following the developments in the Persian Gulf expressed their greatest concern that the tilt toward Iraq implicit in the re-flagging decision limits the control the United States would have over future events in the region.

Most naval officers do not expect the Iranians to challenge the Navy directly in the Gulf unless, as one admiral suggested, Ayatollah Ruhollah Khomeini, the Iranian leader, saw some propaganda value in it.

The greatest threat to American warships is believed to be in acts of terrorism where the Iranians have shown expertise. There is particular concern that the headquarters of the United States Middle East Force in Bahrain might be a vulnerable target.

The danger of escalation as the result of a hostile Iranian act either at sea or ashore also concerns the senior military leadership. "What are the second the third order of effects if Khomeini attacks our forces and we strike back?" a general said. The danger of an initial violent confrontation with Iran may have been recognized in the White House, he said, but he wondered how much thought had been given to where a repetitious and ever-increasing spiral of violence would lead.

Mr. BUMPERS. Mr. President, I want to just make two or three observations. No. 1, we should all be willing to confess that we are here today debating this because of the Iranian arms sale, an inexcusable foreign policy mistake. Nevertheless, I do not think anybody could plausibly or convincingly argue that we are not here and this policy was not ordered by the President because he and therefore the Nation got in big trouble selling arms to the Iranians.

Certainly, Iraq and Kuwait, and most of the world were absolutely nonplussed when they found out that we had given very sophisticated weapons, especially Hawk missiles and TOW missiles to the Iranians which they used very effectively in their last major offensive.

Second, the thrust of this amendment, Mr. President, is to debate this thing so we do not stumble into war. If we are going to introduce American troops and American vessels guarding Kuwaiti ships in hostile waters, an area that is unbelievably volatile, at least let us do it with our eyes wide open and do not stumble into war. And the people will go along with that.

But, now, Mr. President, I want to make this point. When I was a child, about 10 years old, I did not like anything except western movies. Every Saturday afternoon, we would go down to the Gem Theater and watch the fight begin, usually between the good guys and the Indians. The Indians would be about to prevail, and John Wayne would turn to somebody and he would say, "See if you can sneak out of here and get to Fort Apache and tell them we are in trouble."

And so, the designated messenger would jump on his little pinto pony and off he would go over the hill. And you just wondered whether the Indians would get him before he got to Fort Apache. And as the battle raged on and it looked like it was hopeless for the good guys, all of a sudden you would hear the bugle blowing the signal to charge and you knew in 1 more second the cavalry was going to come charging over that hill. And what was the first thing you saw? The lead trooper carrying the American flag. And that theater would literally erupt in applause and cheering. And, even as a 10-year-old child, I got goose bumps. And I never got tired of it. Every time, in almost every western back when I was a kid, the cavalry would come to rescue the good guys.

Later on, as an 18-year-old, I went into the Marine Corps. Boot camp was unbelievably tough. I have never been so abused and overworked and demeaned in my life. And I wrote sad letters to my mother and father and said, "I can't believe these things could happen in America, the way they are treating me."

I will tell you a little aside, Senator. I was promoted to the rank of staff sergeant because I was a pretty good football player. I made it from sergeant to staff sergeant playing right end on our team.

But, to get on with the story, I felt terribly put upon and abused, but I knew why I was there. I knew that the United States was in a giant war to defeat Adolf Hitler and the Japanese Imperial Army and Navy.

And yet, the day I graduated from boot camp—and the Senator from Virginia can remember his own graduation well—the day I graduated from boot camp, there were 1,000, 2,000 men out on the parade ground at San Diego. There we were, our hair had already grown out and we were so proud and everybody was marching in cadence with their backs straight and chin in, the Marine Band was playing the Marine Hymn, and we went marching down that parade ground. A bunch of country boys had been converted into hardened marines. I think, as I marched behind that American flag, that it was the most exhilgerating moment of my life.

And now, can you see the kids in the theaters, when they see the flag coming, saying, "Here come the Americans"? And another kid says, "Naw, that's not the Americans. That is the Kuwaitis. That is the Kuwaitis. They are just carrying the American flag."

Does that make any sense to anybody here?

Mr. President, I move to table the Bumpers amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. HELMS. Will the Senator withhold?

The PRESIDING OFFICER. Is there a sufficient second?

Mr. BUMPERS. Mr. President, I would withhold on this condition.

Mr. WARNER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. BUMPERS. Mr. President, I moved to table and asked for the yeas and nays.

Now, I would ask unanimous consent that I be permitted to withhold that request in order to give the Senator from North Carolina time to speak for such time as he may request, providing it is not long, and provided further that my motion to table and request for the second will be the pending business when he concludes.

The PRESIDING OFFICER. Is there objection, to the unanimous request by the Senator from Arkansas?

Mr. WARNER. Mr. President, withholding final decision, I object for the moment. But, Mr. President, I wonder if we might suggest the absence of a quorum.

Mr. BUMPERS. Mr. President, the pending business is the motion to table and the request for a second.

Mr. HELMS. A quorum call is in order.

The PRESIDING OFFICER. The question arises first if there is a sufficient second. The Senator from Arkansas further asked for unanimous consent and the Chair asked if there was objection to that unanimous-consent request.

Objection is heard.

The question is, Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. WARNER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.,

The bill clerk proceeded to call the roll.

Mr. WARNER and Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. WARNER. Mr. President, I think I now have the floor, if I may seek recognition in my own right?

The PRESIDING OFFICER. The Chair will inform the Senator from Virginia that a nondebatable motion is pending.

Mr. BYRD. Mr. President, would the Senator allow me?

Mr. President, I ask unanimous consent that there be a brief period for debate on the resolution and that Mr. Helms be recognized and that when Mr. Helms has completed his statement, if it is agreeable with the distinguished Senator from Arkansas, then the vote occur on the motion to table.

Mr. WARNER. Mr. President, that is agreeable to the minority manager of the bill.

The PRESIDING OFFICER. Is there objection to the majority leader's request? Without objection, it is so ordered.

The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair, the distinguished majority leader and Senator from Arkansas, Mr. Bumpers.

I was fascinated with Senator Bumpers' boyhood recollection about his going to the movies on Saturday afternoon. I was conscious that a lot of time has passed because when I was 10 years old going to the movies on Saturday afternoon, the hero was not John Wayne it was Tom Mix and Bob Steele.

Mr. BUMPERS. I stand corrected. It was Hoot Gibson, Tom Mix—it was not John Wayne.

Mr. HELMS. Now you are moving into my age bracket. I thank the Senator.

Mr. DOLE. Tex Ritter, too.

Mr. HELMS. Old Tex. I just about forgot about him.

Mr. President, hearing the comments made this afternoon by Senator Adams about the War Powers Act prompted me to recall the year 1973, on July 20, when the Senate approved the War Powers Act by the vote of 72 to 18. That was my first year in the Senate.

I am one of the three Senators still in this body who voted against the War Powers Act for the simple reason that it is patently unconstitutional. I have lamented many, many times the fact that the Reagan administration has not challenged the constitutionality of the War Powers Act and, I might add, the various Boland amendments, because they are clearly unconstitutional.

Mr. President, the proper role of the Congress and the executive branch in the conduct of foreign affairs has been a running debate since the founding of our Nation. The Founding Fathers established a complex system of checks and balances based on coequal but separate and independent political branches in the Constitution. They decided, also, not to establish a precise and detailed line of demarcation between the foreign policy powers of the two branches.

Recognizing the existence of an ambiguity concerning these precise limits of executive and legislative authority pertaining to the use of force abroad, it does not follow that either branch has the unilateral power to determine the limits of the other's authority.

However, the War Powers Act, as a mere legislative act, seeks to take away authorities to conduct foreign policy which the President has appropriately exercised under the Constitution for nearly 200 years.

Section 5(b) of the war powers resolution specifically would deprive the President of his constitutional authority as Commander in Chief during a period of hostilities after a period of 60 days, if the Congress fails to approve of his use of U.S. Armed Forces.

So, the idea that Congress can, by silence or by inaction, deprive the President of a fundamental, explicit, constitutional power, even in times of national emergencies, is absolutely incompatible with the system of separation of powers established by the Founding Fathers.

We have a good example of that going on right now in the Russell Senate Office Building, named for the distinguished Senator from Georgia, the late Dick Russell.

The so-called Select Committee on the Iran-Contra Affair has badgered Ollie North for 2 days now. I do not know how other Senators feel but I am enormously proud of Ollie North. Ollie has been impressive, he has been courageous, and he has said a lot of things that have needed saying for a long time by people in positions of much higher authority than Ollie North.

I have a great affection for Ronald Reagan, but it should have been the President of the United States who was planting the flag and telling the Congress. "You are usurping my constitutional authority."

This morning when Colonel North appeared before the committee belatedly to give his opening statement, he laid it on the line about how the Congress of the United States precipitated the problems with respect to the conduct of foreign policy in Central America. Had it not been for the unconstitutional intrusion by Congress and by the reprehensible leaks from congressional committees and others, we never would have been in the position where the kind of things that went on, trying to help the freedom fighters in Nicaragua, occurred.

So at least the facts are on the record and I judge, by the number of telephone calls that we have received in my office in Washington and my offices in North Carolina, the people are overwhelmingly in approval of what Colonel North has said. In fact, the favorable reaction is virtually unanimous.

As for the resolution before us, its main problem is that it is unconstitutional. It should not pass. I hope that the motion by the Senator from Arkansas to table the resolution will carry.

But in any case, the Senate needs to bear in mind the history that long preceded this crisis in the Persian Gulf. I am one Senator who is not thrilled by the way the proposed reflagging has been undertaken. It is easy to Monday morning quarterback. As a matter of fact, I have expressed my discontent with some aspects of this policy. I think we ought to have stipulated, for example, that Kuwait provide our military with basing rights. I think we ought to have required that Kuwait break its leases with the Soviet Union for three tankers because the last thing the free would needs is for the Soviet Union to get its nose under the tent in the Persian Gulf. Everybody knows that the Soviet Union wants to control the Persian Gulf.

The United States has had a vital and longstanding interest in the entire Persian Gulf region. For nearly 40 years American policy in this region has sought to protect the flow of oil, provide support for moderate Arab States, and contain the spread of radical forces. Over this period, there has been widespread bipartisan support in Congress for this policy.

As the President has emphasized, the need to maintain this policy is underscored by the fact that 70 percent of the world's proven oil reserves are in the gulf region, with the economies of the industrialized nations heavily dependent upon this oil.

On a percentage basis, the United States is not nearly as dependent upon oil shipped through the Persian Gulf region as are some of our allies, specifically and especially Japan and France.

As has been brought out by the Congressional Research Service, our country is dependent upon such oil only for about 5.5 percent of our consumption. Japan and France, on the other hand, are dependent upon this oil for about 47.7 percent and 26.3 percent of their needs respectively.

But, Mr. President, regardless of who is more or less dependent on this oil, the fact remains that if production of oil is disrupted anywhere, prices rise for all consumers everywhere, and all Western economies are adversely affected. Because the health of the American economy is so dependent upon the free flow of Persian Gulf oil, our country, has historically maintained a clear and continuous military presence in the gulf.

There is nothing new about that. We need to make that clear to ourselves and others.

In addition to the naval presence, the United States has maintained a strong political and diplomatic presence, specifically aimed at promoting the stability and security of the moderate states of the region.

Now, then, what are the Soviet interests in the Persian Gulf?

The Soviet Union's interest in the Persian Gulf region is diametrically opposed to that of the United States. Politically and stragically, the Soviet Union's interest is to exploit the dependency of Western economies on this oil by undermining the stability of oil-producing countries and creating or promoting discord in the region whenever and wherever possible.

Toward this goal, the Soviet Union has persistently worked to take advantage of United States difficulties in the region and to exploit opportunities created by the Iran-Iraqi war.

For example, in 1985, the Soviets established diplomatic relations with Oman and the United Arab Emirates. In the past couple of years, they have worked in developing contracts with Saudi Arabia. Most recently the Soviets have brokered the reconciliation among the different elements of the Palestine Liberation Organization, have granted Egypt an additional 25 years to pay off $3 billion in Soviet military credits, and have made overt efforts to inject themselves into the Middle East peace process.

What are the consequences of the pending amendment, if it were to be approved?

I will be the first Senator to acknowledge, as I have on many occasions, that the reflagging policy is not without risk. However, while many are quick to second guess the wisdom of this policy, Congress has failed to offer any kind of realistic alternative to protect the threatened oil-producing states and to promote American interests among the moderate Arab nations.

This amendment, if it were to become law, and it will not, would effectively reverse the President's commitment to protect those Kuwaiti tankers through reflagging. To undercut the President's foreign policy at this point in such a manner would seriously disadvantage our ability to influence events in the Persian Gulf hereafter.

Simply said, if the United States backs down from its commitment to flag the tankers—and I repeat, Mr. President, I believe a better job could have been done earlier in developing this policy—but if the United States backs down on its commitment, it will prompt moderate Arab states in the region to further question the value of American commitments and friendship.

There is no doubt that the Soviets would seize this opportunity and use propaganda, and all other methods are available to them, to exploit these doubts in the Arab world for their own advantage.

Furthermore, if Congress were now to reject the reflagging provision, it would certainly appear that the United States were "cutting and running" in the face of threats by Iran. And it would signal American weakness. As history has shown, such signals only encourage aggression on the part of repressive regimes such as are found in the Soviet Union and Iran.

This amendment has great potential for jeopardizing American interests in the Persian Gulf specifically and in the Middle East as a whole. I simply do not believe that it is in the best interests of the United States or the free world to adopt this amendment, and I do hope that our colleagues will vote to table when the vote occurs shortly.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LAUTENBERG). Without objection, it is so ordered.

The question is on agreeing to the motion to table the Bumpers amendment. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas [Mr. PRYOR] and the Senator from Illinois [Mr. SIMON] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 42, nays 56, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—42

Armstrong
Bond
Boren
Boschwitz
Chafee
Cochran
Cohen
Danforth
Dole
Domenici
Durenberger
Evans
Garn
Gore
Gramm
Grassley
Hatch
Hecht
Heflin
Heinz
Helms
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
McConnell
Nickles
Pressler
Quayle
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson

NAYS—56

Adams
Baucus
Bentsen
Biden
Bingaman
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Conrad
Cranston
D'Amato
Daschle
DeConcini
Dixon
Dodd
Exon
Ford
Fowler
Glenn
Graham
Harkin
Hatfield
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nunn
Packwood
Pell
Proxmire
Reid
Riegle
Rockefeller
Roth
Sanford
Sarbanes
Sasser
Shelby
Specter
Stennis
Weicker
Wirth

NOT VOTING—2

Pryor
Simon

So the motion to table the amendment (No. 450) was rejected.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I hope that we could get back onto the trade-related amendments now.

I have several amendments on which we have agreements with respect to time.

Mr. President, I have an amendment on which I believe there has been an agreement reached, it is my understanding, with respect to an amendment by Mr. KENNEDY to make certain technical corrections and provide a clarification on the insurance premium rule under the Guaranteed Student Loan Program, that there be a time limitation of not to exceed one-half hour, to be equally divided and controlled by Mr. KENNEDY and Mr. STAFFORD with no amendments thereto and no demand for a division in order, provided further that at the expiration of the time for debate on the amendment, the Senate proceed to an immediate vote on the amendment without further debate, intervening motion, point of order, or quorum call.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. I object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Texas.

Mr. BENTSEN. Mr. President, I would like to address a question to the majority leader and the minority leader. I am deeply concerned with what is happening to us in the Finance Committee with our other commitments. I am deeply concerned about our time schedule in the Finance Committee, the fact that we are going to be facing reconciliation, a task of trying to complete that in the time period we have by July 28.

I look at the situation where the Budget Committee certainly took over a month, and I can understand that, in arriving at the target levels. But when we have the responsibility of coming back and talking about raising the revenue and meeting with specificity and trying to arrive at a consensus, it is going to be an exceedingly difficult thing.

The Ways and Means Committee has already started their hearings. We are talking about starting ours Tuesday and Wednesday in the Finance Committee, and it is imperative that we get off the floor here as far as the Finance Committee. I would hope that we could work out a unanimous-consent agreement in this kind of a situation that after Friday no amendments could then be offered to this bill, that if offered as a bill itself would have been referred to the Finance Committee, in other words, to complete that part of the bill that deals with the Finance Committee's jurisdiction and that would free us to do the kind of work that we have to do in the committee in dealing with reconciliation.

I understand the deep concern on all of these other issues that have been discussed. But, as far as rewriting the agriculture bill here or some of the other things that have been done on foreign relations, I would hope very much that those committees would do that after the Friday session, if necessary.

I say to the majority leader and minority leader that I would hope we could get a unanimous-consent agreement that would bring about the kind of result.

Once again, what I am stating is that if we get our section of this bill finished by sometime Friday, and that no amendments then be offered that, if in the form of a bill, would have been referred by the Parliamentarian to the Finance Committee.

Mr. BYRD. Mr. President, I yield to the minority leader.

Mr. DOLE. Mr. President, about 5 hours ago we were on the trade bill. In an effort to accommodate the leadership—and I know how difficult it is to keep bills moving—we agreed to two or three unanimous-consent requests. And, lo and behold, out of the blue comes an amendment on reflagging. At 11:47 a.m., we started the debate on reflagging and it is now almost 5 hours later. Now we are going to be asked, I assume, to stay until midnight because we had to have a little 5-hour interlude to discuss the Persian Gulf.

Many of us believe, since we are on the Persian Gulf, we just ought to stay on the Persian Gulf. There is an amendment pending. As I understand it, it cannot be withdrawn. The yeas and nays have been ordered. We would like to debate the Persian Gulf. If that is what we are going to do all day, we will do it all night. If we want to finish the trade bill, we will finish the trade bill.

I must say, I am going to be very reluctant to encourage any unanimous-consent agreements unless we understand precisely what may be coming from that side of the aisle. In good faith, we agreed to three or four amendments and out of the blue comes an amendment on the Persian Gulf. I must say I was criticized by some on this side for not being alert to that. Now, I am not going to let it happen again.

So, as far as I am concerned, we are on the Bumpers amendment and may be on the Bumpers amendment for awhile.

Mr. BYRD. Mr. President, I hope the minority leader, now that he has had his say—and I can understand his strong feelings—I would prefer to ask unanimous consent that from here on out the rest of the day and tomorrow there be no amendments other than trade-related amendments so that we can get on with the trade bill. We have been trying hard to do that.

I have had frustrations, as well. But I would hope that we would get on with the trade bill. I would be glad to ask unanimous consent that there be no more amendments that are not germane to the trade bill.

Now, there is a section that comes out of the Foreign Relations Committee. But it would seem to me that if we restricted our amendments to those that would be germane to the bill, we could get on with the bill.

As the Republican leader has indicated, several amendments have time agreements that have been entered into. I have another one in my pocket that I just tried to get an agreement on that was cleared a little while ago on both sides. I will try it again shortly.

I hope now that we would make a dedicated effort to get on with this bill. Now, we can be here until 12 o'clock tonight. I understand that the Republicans have a little break that they would like to have between 6 and 7:30. I am prepared to have that break, because there are times when we want a break on this side and the Republicans have been cooperative with us.

But I hope that we would stay and work awhile. I am going to make the request in a moment.

Mr. BENTSEN. Will the Senator yield?

Mr. BYRD. Mr. President, I yield to the Senator from Texas.

Mr. BENTSEN. Mr. President, let me ask a question. I seem to be getting hit by a ricochet. Maybe I could take care of the concerns of both leaders if we had a unanimous-consent agreement that, other than those on which you already have time agreements, that all new amendments, until we finish the finance section jurisdiction, that those amendments be limited to those that would have a text that, as a bill, would be referred to the Finance Committee. That would take care of your concern about the diversion of effort, it would seem to me.

Mr. PACKWOOD. Mr. President, unfortunately, I received an objection to that from one of our Members. I do not know what to suggest doing, other than if we can get off the Bumpers amendment and go ahead with the three or four we have agreements on and see what happens at 8 or 9 o'clock when we finish those others if we can get off the Bumpers amendment.

Mr. BYRD. I am prepared to ask unanimous consent to set that amendment aside, as well as to set the Moynihan-Byrd amendment aside, so that we can take up another amendment. We can do that on a case-by-case basis, if you prefer.

Mr. President, I ask unanimous consent that the pending amendment be set aside and that the Senate proceed—we have some amendments that we have agreements on. One of them was by Mr. BRADLEY. We can proceed to the amendment that Mr. BRADLEY was going to call up.

Mr. DOLE. Mr. President, reserving the right to object, we are going through a hot line process. I suggest to the majority leader, perhaps if we had a quorum call to give us about 5 minutes to complete that.

Let me indicate that I can deeply sympathize with the distinguished chairman of the Finance Committee. They are overloaded. I was willing 8 days ago to do it a section at a time, so they would have completed their action. We could not get that agreement. I think on both sides we could not get that agreement.

But let us run the hot line to see if there are those who want to back away from the Bumpers amendment. I know that we have a reflagging amendment on this side, so I do not know if we can agree to your other UC about no nongermane amendments.

Mr. BYRD. Mr. President, I would hope we can back away on both sides and get on with the amendments that are related to the trade bill. I would be prepared to asked unanimous consent that, for the remainder of the day, both amendments be set aside on a temporary basis and that they remain set aside for the remainder of the day and that only amendments that are germane to the bill, one section or another, whatever the section is to which the amendment is applied, that the amendment has to be germane.

Mr. DOLE. Mr. President, if we could put that in a written form and maybe clear it with some of the leadership. But if you would give us some time, we could have a quorum now.

Mr. MURKOWSKI. Mr. President, if I may inquire of the majority leader on the Bumpers amendment, temporarily putting it aside, when would the leader anticipate bringing it back up?

Mr. BYRD. At the moment I do not have any anticipation about that matter. At some point in time, the Senate would have to dispose of it, just as it will have to dispose of the Moynihan-Byrd amendment, just as it will have to dispose of the Gramm amendment that dealt with a constitutional amendment for a balanced budget. All of these things have to be dealt with in one way or the other.

But, for the moment, it would seem to me it would expedite final action on the whole bill if we can get on with the bill and get away from these foreign relations amendments and amendments dealing with international affairs.

Mr. President, as the Republican leader has suggested, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. SYMMS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD. Mr. President, let us call the roll.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendment by Mr. BUMPERS and Mr. HATFIELD, and the amendment by Mr. MOYNIHAN and Mr. BYRD be temporarily laid aside, and that the Senate proceed to the consideration of the amendment by Mr. HECHT and Mr. ADAMS on which a time agreement of 20 minutes has been agreed to. Also, in that agreement no amendments would be in order. And that the Senate then proceed to the amendment by Mr. BRADLEY on which there is a time agreement and on which no amendments would be in order.

The PRESIDING OFFICER. Is there objection?

Mr. WEICKER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD. Mr. President, I ask unanimous consent that during the consideration of the amendment to be offered by the Senator from Massachusetts [Mr. KENNEDY] which shall be debated for not to exceed one-half hour to be equally divided and controlled by the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Vermont, no amendments thereto or demand for division be in order, ordered further that at the expiration of time on the amendment the Senate proceed to a vote on the amendment without any intervening debate, motion, or point of order.

Mr. WEICKER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD. Madam President, that leaves us on the amendment by Mr. BUMPERS. I hope that Senators will be prepared to stay for a while this evening. Of course, we may have to be in Saturday. For that I am sorry. I would like to get an agreement that would allow only amendments that are relevant to the subject matter of the bill to be called up. If we can get an agreement of that kind, may I say to the republican leader, if at some point we can get that kind of an agreement, that would enable us to make progress on the bill because only those amendments that are related to the subject matter would be eligible.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Ms. MIKULSKI). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Madam President, I renew my request with respect to the amendment by Mr. HECHT and Mr. ADAMS, and then the amendment by Mr. BRADLEY.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Madam President, let me indicate for the record that I have had a call from another Senator who wanted me to object, and I hope he would understand that during that hour period of time I am going to be sitting down with the majority leader trying to figure out precisely where we can go. On that basis, I am not going to object but I will discuss that with that Senator later.

Mr. BYRD. I thank the distinguished Senator.

The **PRESIDING OFFICER.** Is there objection? Hearing none, without objection it is so ordered.

Several Senators addressed the Chair.

The **PRESIDING OFFICER.** The Senator from Nevada.

AMENDMENT NO. 452

Mr. HECHT. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER.** The Clerk will report.

The legislative clerk read as follows:

The Senator from Nevada (Mr. HECHT), for himself and Mr. ADAMS, proposes an amendment numbered 452.

Mr. HECHT. I ask unanimous consent that further reading be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

(a) STUDY OF MARKET ORIENTATION OF CHINA.—The Secretary of Commerce shall undertake a study regarding the new market orientation of the People's Republic of China. The study shall address, but not be limited to—(1) the effect of the new orientation on Chinese market policies and price structure, and the relationship between domestic Chinese prices and world prices; (2) the extent to which the United States trade law practices can accommodate the increased market orientation of the Chinese economy; and (3) the possible need for changes in United States antidumping laws as they apply to foreign countries, such as China, which are in transition to a more market-oriented economy. The Secretary of Commerce shall submit to the Congress within one year after the date of the enactment of this Act a report on the study required under this section.

Mr. HECHT. Madam President, I am pleased to be joined by my colleague Senator ADAMS in offering this amendment today, which is designed to improve the United States' trade relationship with China. On one hand, it is a matter of trade policy; on the other, a matter of foreign policy. Without question, it requires an appreciation for, and understanding of, the geopolitical role of China today, which I believe to be important, and one we cannot overlook.

The **PRESIDING OFFICER.** The Senator from Nevada will suspend. The Senate is not in order. The Senator from Nevada is offering his amendment. He is giving us his explanation for the amendment. Senators will withhold their conversations so we may hear the amendment and the explanation of the amendment. Senators will please take their seats.

The Senator from Nevada may proceed.

Mr. HECHT. I thank the Chair.

Madam President, on May 29, I filed an amendment to the trade bill that was designed to address current problems with Chinese trade policy. It is well-known that four Presidents have supported improving United States relations with China since President Nixon's historic visit in 1972. In fact, prior to my visits to China, I discussed with President Nixon his views on how the United States should be reacting to China today. He was very clear; we must do everything possible to encourage their democratic progression.

I am pleased to inform the Senate that I recently received a letter from President Nixon supporting my amendment, which reads as follows:

NEW YORK CITY, *June 30, 1987.*

The Honorable CHIC HECHT

In the trade debate Senator Hecht is taking the high road by focusing his and his colleagues' attention on the larger issue of sustaining and strengthening the critically important relationship between the United States and the People's Republic of China. Those who support China's increased reliance on free markets should support Senator Hecht's amendment.

RICHARD NIXON.

Madam President, I feel time has proven that President Nixon had the brilliant foresight to open the doors to China. I am happy to be able to consult with him, as I feel he is America's leading expert on foreign policy in regard to China.

Madam President, in light of its complexity, I will not offer my original amendment today. Instead, I am offering this alternate amendment which would require a study of the market orientation of Chinese import costs by the Department of Commerce. This amendment is exactly the same as that already included in the House-passed trade bill. I understand it has been cleared by both sides, and I thank my colleagues for their consideration.

Madam President, I wish to yield the floor to the distinguished Senator from Washington [Mr. ADAMS].

The **PRESIDING OFFICER.** The Senator from Washington.

Mr. ADAMS. Thank you, Madam President.

Madam President, I join with Senator HECHT in the amendment which calls on the Secretary of Commerce to undertake a 1-year study regarding the economic liberalization in the People's Republic of China. This is an important amendment for United States-China relations. This has, I believe, been cleared with both the manager of the bill, the Senator from Texas, and the ranking minority member, the Senator from Oregon.

This amendment will require the Secretary of Commerce to undertake a 1-year study regarding the economic liberalization in the People's Republic of China to determine three things. First, it will examine the effect of the changes on Chinese market policies and price structure and the relationship between domestic Chinese prices and world prices. Second, it will examine the extent to which United States trade law practices can accommodate the increased market orientation of the Chinese economy. Third, it will examine the possible need for changes in the United States antidumping laws as they apply to countries like China which are in transition to a more market-oriented economy.

The reform of the present nonmarket economy dumping statute which is included in S. 1420 establishes a new artificial benchmark for the purpose of calculating dumping. Instead of relying on price comparison under the present surrogate system, the bill advocates reliance on a benchmark for determining dumping equal to the price of the largest volume exporter to the United States. In some instances this may be a fair benchmark, but in others it may pose serious problems. I am concerned that the People's Republic of China may be one case where implementation of this benchmark could be counterproductive, particularly if the economic and political liberalization in China moves forward. China has told us they want to join GATT and adhere to all of the market driven imperatives that involves. They have said they will adhere to the Paris convention on protection of intellectual property rights.

China represents one of the most lucrative potential markets for United States exports. But to boost exports, we will have to establish a fair two-way trading system with the Chinese. Without sufficient foreign exchange, the Chinese will not be able to buy United States goods. Fifteen antidumping cases have been filed against the Chinese since 1980—10 of which have resulted in some finding of dumping according to the present arbitrary surrogate system. We are talking about products where labor and not technology is the largest factor of production—products like paint brushes, nails, wax candles, steel cooking ware. It is quite possible that in product lines like these, China can sell below the largest volume exporter to the United States or below a surrogate price comparison without unfairly dumping. But without examining the specific factors of production, we will never really know.

To implement the change in nonmarket economy dumping rules contained in S. 1420 without commissioning at least a study into the effect on nonmarket economies moving toward economic liberalization could be counterproductive to the objectives of this bill—to expand exports abroad and to reduce the U.S. trade deficit. Similar language is included in the House trade bill for such a study. In addition, the administration has indicated that this amendment is acceptable to them. I urge adoption of the amendment.

Mr. BENTSEN. Madam President, the manager for the majority has examined the amendment and thinks it is worthwhile and supports it. He has no objection to it and knows of none on this side.

Mr. PACKWOOD. The same is true on the minority side.

Mr. ADAMS. Madam President, I wish to express my appreciation to the managers of the bill for their help and cooperation.

Mr. HECHT. I also wish to express my sincere thanks.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. HECHT. Yes. I move adoption of the amendment.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. HECHT. Yes.

The PRESIDING OFFICER. Does the Senator from Washington yield back his time?

Mr. ADAMS. Yes, I yield back my time.

Mr. BENTSEN. Time is yielded back.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment.

The amendment (No. 452) was agreed to.

Mr. HECHT. I move to reconsider the vote by which the amendment was agreed to.

Mr. ADAMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 453

(Purpose: To allow the President to decline to take actions under chapter 1 of title II of the Trade Act of 1974 that would disproportionately burden the poor)

The PRESIDING OFFICER. Under the previous order, the Senator from New Jersey is to be recognized.

The Senator from New Jersey.

Mr. BRADLEY. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY] proposes an amendment numbered 453.

On page 74, beginning on line 2, strike the period and insert: " or (c) would disproportionately burden the poor."

Mr. BRADLEY. Madam President, 2 days ago we had a vote on an amendment offered by Senator PACKWOOD which would have allowed the President to have increased discretion to consider the national economic interest. I voted against that amendment. It was a tough call for me. It was a tough call because I believe the provision in the bill dealing with section 201 is an excellent provision. It tracks in many ways the recommendation of a panel on which I served that advised the Director General of GATT on steps to be taken to keep the trading system open.

One of the recommendations was that any safeguard measures or escape clause measures should be tied to adjustment assistance, should be nondiscriminatory, should be time-limited, and should be subject to continued surveillance.

The section 201 provision of this bill tracks those recommendations precisely. It recognizes that for us to have continued economic growth, we have to embrace change; while change is invigorating for some people, for other people it is frightening, and therefore you have to try to help them deal with their fear of change.

That is what adjustment is all about. Adjustment is the means by which we try to help people deal with their fear of change. So the provision of the bill that is embodied in the 201 provision actually tracks that recommendation. It is nondiscriminatory. It is time limited. It is linked to adjustment assistance, and it allows the President after 3 years of surveillance to modify the provision.

Now, I was forced to deal with a dilemma. On the one hand, Senator PACKWOOD went a little too far. On the other hand, the bill dealt with some of the major concerns that we need to address to keep the trading system open. So how to deal with that?

I felt that the only way to cope with that was to try to come back to the issue of fairness because that has been at the center of our debate on U.S. trade policy. Every editorial deals with fairness and virtually every trade speech on the floor deals with it. Unfair foreign trade practices threaten the health of the system. When our trading partners raise unfair trade barriers to U.S. products, U.S. industries and workers lose faith in the trading system, and if the people of America loses faith in the trading system, the system will not survive. We have to work hard to restore discipline to the international trading system. We need clearer signs of fairness between trading nations.

But what is fair for an industry in tough international competition may totally disregard the needs of the poor and the disadvantaged in the United States. Import relief that is perfectly fair for workers in a particular industry can impose a grossly unfair, regressive tax. Like all such taxes, the victims are the weakest in society.

The irony of this debate about fairness is what it omits. While girding ourselves to fight unfair trade barriers, we have dropped our guard against unfair taxes because tariffs and quotas applied indiscriminately can weigh far more heavily on the poor than on the rich.

The amendment that I have offered is an attempt to make sure that we do not lose sight of fairness at home while we are pursuing fairness abroad. The amendment restores some, not much but some, discretion to the President in import relief cases under section 201. Under the bill, that discretion applies to issues of national security and issues related to user industries handling the increased costs from the protection afforded.

This amendment lets the President deny tariff and quota relief if he determines that the relief would disproportionately burden the poor. If the President believes tariff or quota relief would weigh most heavily on those U.S. consumers least able to bear it, the President would be able to overturn the tariff and quota recommendations of the International Trade Commission.

I believe this amendment refines the careful balance of the committee bill. To the bill's toughness and coherence and fairness to workers, it adds consideration for families left unable to pay for import restraints. It rounds out the bill's concept of fairness.

As I said, the committee bill reduces the President's discretion to deny tariff and quota relief recommended by the ITC to facilitate positive adjustment by import-injured industries. To deny relief, the committee bill requires the President to determine that relief would endanger national security or would injure a domestic industry that uses the goods in question.

Senator PACKWOOD's amendment of the other day would have restored almost total discretion to the President. It would have allowed the President to deny tariff and quota relief any time the President determined that relief was not in the national economic interest.

I did not support the amendment of the distinguished Senator from Oregon because I believe the committee already addressed the question of national economic interests and because I think that, frankly, the market is a better determinant of which industry will prosper than is the President—any President.

For a President to choose a particular industry over another industry may be shortsighted and probably not as effective as allowing the market to determine the winners and losers.

The committee tightened the standards under which the ITC can recommend relief. Under the committee bill, the ITC must recommend relief directed toward a judgment. Relief would no longer be a windfall but, rather, tools for a task—the task of adjusting to new competition in the world economy.

If adjustment is impossible, the ITC cannot recommend relief under the committee bill. So the discretion sought by Senator PACKWOOD was discretion to deny relief directed explicitly at adjustment. Although the Senator's amendment would have allowed the President to consider consumer costs, it would equally have allowed the President to deny relief for reasons we have not foreseen and may not condone such as preference for one industry over another industry. Calculating the national economic interest certainly allows for value calls where I, personally, would differ from the present administration.

Rather than invite the President to drive a truck through a national economic interest loophole, I believe the Senate should state clearly what it wants the President to consider. I believe that the Senate should insist that the President consider fairness. After all, fairness is already at the heart of the committee's provisions on section 201. Clearly, we are concerned with fairness for workers in industries that would be thriving except for 5 years of astronomical and uncompetitive exchange rates. Clearly, we are concerned with fairness for workers whose industries are perfectly viable in the long run. But we should care equally about the family having a hard time just breaking even that cannot afford the price increases in cars, shoes, and food containing sugar. We should care equally about rushing in tariff and quota regimes that would break poor families' budgets while leaving the most affluent untouched.

Let us be explicit about the costs and benefits the President should consider. The benefits of relief are clear. Under the new relief standards of the committee bill, the benefit is help for import-injured industries in adjusting to competition. The cost is price hikes that weigh more heavily on the poor than the rich. We should direct the President to weigh one against the other.

CASES OF REGRESSIVE IMPORT RESTRICTIONS

Here are some specific examples of import relief that has been highly unfair to poorer American consumers:

Autos (staff estimate): The Japanese agreed to auto export restraints in 1981, which they continued voluntarily after 1984. These estimates give the annualized cost of these restraints to the average family making $10,000 in income and to the average family making $56,000 in income.

Madam President, I ask unanimous consent to have this information printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Family income (second and fifth quintiles)	$10,000	$56,000
Average yearly expenditure on vehicles and vehicle financing	$1,220	$4,100
Average price increase due to VRA's (percent)	6.5	6.5
Annualized VRA consumer burden	$74	$250
Average 1984 Federal tax paid	$400	$5,800
Tax surcharge equivalent of VRA burden (percent)	19	4

Sources: 1984 Bureau of Labor Statistics "Consumer Expenditure Survey;" Hufbauer, Berliner, Elliott, "Trade Protection in the United States," 1986.

SHOES (STAFF ESTIMATE)

Mr. BRADLEY. Madam President, between 1977 and 1981, orderly marketing agreements with Taiwan and Korea restricted nonrubber footwear imports from those two countries. President Carter negotiated the agreements in 1977 after the ITC unanimously found imports to be a substantial cause of serious injury to the domestic footwear industry. The OMA's expired in 1981. Again, the estimates are for the average family in the second lowest and top quintiles.

Madam President, I ask unanimous consent to have this information printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Family income (second and fifth quintiles)	$10,000	$56,000
Average yearly expenditure on shoes	$76	$230
Estimated burden of OMA's (varies since prices for inexpensive imports rose more than for domestic shoes—percent)	19	5
Yearly sales tax equivalent of shoe OMA burden	$14.50	$11.50

Sources: 1984 Bureau of Labor Statistics "Consumer Expenditure Survey;" Hufbauer, Berliner, Elliott, "Trade Protection in the United States," 1986.

SUGAR (FED ESTIMATE)

Mr. BRADLEY. Madam President, the United States has restrained sugar imports since 1934. But it has been in the last few years, when world sugar prices have been particularly low, that the cost to U.S. consumers of sugar quotas has been highest. This estimate gives the effective cost to high- and low-income families of sugar quotas, taking into account the cost increases for all expenditures on food containing sugar.

Madam President, I ask unanimous consent to have this information printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Family income	$10,000	$52,000
Consumer cost of sugar quotas given current 5 cents/lb world price	$230	$480
Estimated tax surcharge equivalent of sugar quota cost	27	4

Source: Federal Reserve Bank of New York, "Quarterly Review," Summer 1985, "The Consumer Cost of U.S. Trade Restraints."

CLOTHING, SUGAR, AND AUTOMOBILES (FED ESTIMATE)

Mr. BRADLEY. Madam President, the Federal Reserve has also estimated the tax surcharge equivalent of the consumer burden of trade restraints on products affecting the largest share of family budgets.

Madam President, I ask unanimous consent to have this information printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Family income ranges	$7,000 to $9,350	$59,500
Cost of protection as percent of income	1.6 to 4.5	0.9 to 1.7
Income tax surcharge equivalent of protection (percent)	23 to 66	3 to 5

Source: Federal Reserve Bank of New York, "Quarterly Review," Summer 1985, "The Consumer Cost of U.S. Trade Restraints."

AUTOS (NATIONAL AUTO DEALERS ESTIMATE):

Mr. BRADLEY. Madam President, the National Auto Dealers Association put together a less conservative estimate than the above staff estimate. It is interesting because it uses the new Tax Code as a benchmark for estimating the regressivity of import restraints. The NADA estimate looks at the voluntary restraint agreement [VRA] burden and 1988 tax burden of hypothetical $14,000 and $80,000 a year families.

Madam President, I ask unanimous consent to have this information printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Family income	$14,000	$80,000
Estimated 1988 tax burden	$180	$11,600
Average increase in vehicle prices and 4 years of vehicle financing due to VRA's	$920	$1,840
Estimated annualized burden of VRA's on vehicle prices and vehicle finance	$230	$460
Tax surcharge equivalent of VRA's (percent)	128	4

Assumptions: Cars purchased every 4 years. NADA internal estimate.

CONCLUSION

Mr. BRADLEY. Madam President, trade is a serious problem today, one of the most serious we face. But that is no excuse to abandon the sense of fairness we would bring to tax or regulatory proposals that would bear disproportionately on the poor. We must not lose our sense of national justice in an attempt to redress international injustices in the trading system. We must not sacrifice our sense of fairness at home even as we strive for fairness in the trade laws.

Let us be explicit about the relief we offer troubled domestic industries. There is no need to let the President drive a truck through loopholes in the trade laws. But only the President can balance the needs of poorer consumers with the needs of troubled industries and workers. We should have enough caring to go around for everyone.

Mr. PACKWOOD. Madam President, who controls the time?

The PRESIDING OFFICER. The Senator from New Jersey.

Is the Senator from Texas opposed or in favor of the amendment, or does he care not to comment?

Mr. BENTSEN. Madam President, I was listening to the eloquent argument and debating that in my mind. I think that, under the circumstances, the Chair ought to allocate that time to someone other than me.

Mr. PACKWOOD. I am not sure anyone on the floor is opposed, Madam President.

The PRESIDING OFFICER. The Senator from Oregon will control the time in opposition.

Mr. PACKWOOD. I am not in opposition, but I do not think there is going to be any problem. I will be happy to allocate time on this side, if anyone is in opposition.

I allocate 5 minutes to myself from the time we have.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. Madam President, I regard this as a very important amendment, and I hope the Senate does not take it lightly, because I think it drives a tremendous wedge in what I thought was otherwise a very restricted section 201.

I do not know if the author agrees, but I take it exactly as the amendment reads; "The President can deny important relief if the relief will disproportionately burden the poor."

That is the way the amendment reads. "The poor" is not defined, which is fine with me. It leaves the discretion to the President to define who the poor are.

I assume that "disproportionately" means mathematically what it means—that if this amendment were to disproportionately burden the poor, as defined by the President or by somebody, he then has the discretion not to grant the import relief.

So that if the poor turn out to be 15 percent of the population and the import relief that is asked would affect disproportionately 17 percent, the President can deny the relief. This is important, because almost all import relief disproportionately burdens the poor.

Under the bill as we have it, the industry comes in and petitions the International Trade Commission and says, "We are being hurt by unfairly traded imports."

Let us use the example of sneakers, rubber footwear, tennis shoes, made in China or Singapore or Hong Kong—made anywhere. Let us say the domestic tennis shoe industry says: "We are being adversely affected by the imports." That is all the International Trade Commission has to consider. They are not to weigh the benefits of the poor against the benefits of the rich. If they find injury under the bill, the President must grant the relief or the equivalent relief that the International Trade Commission recommends, with two exceptions: One, he has discretion not to do it if it adversely affects national security. Two, he has the discretion not to do it if it adversely affects a downstream industry.

This amendment adds a third one: He has the discretion to deny relief if it disproportionately burdens the poor. Most of the products that come in are products that the poor buy. We very seldom are getting import relief for $200 shoes, $100 shirts. By and large, American industries are still competitive in that area.

What happens is that if you have import relief for shoes, they are cheap shoes which would otherwise sell for $6.95 or $8.95, and they now sell for $10.95 or $14.95.

So I very much support this amendment, because I think it gives the President an extraordinary discretion to look at the relief suggested by the International Trade Commission and find that in almost all cases it will disproportionately burden the poor, and therefore he will not have to put the recommended relief into effect.

Mr. DODD. Mr. President, on Tuesday evening there was a critical vote here in the Senate on an amendment offered by my colleague from Oregon, Senator PACKWOOD. That amendment would have established a balanced approach to determining the type and level of relief available under section 201 of our trade law. I voted for the Packwood amendment but it was, unfortunately in my view, defeated. I would like to take just a few moments to discuss why that vote was so critical and to share a few thoughts on why today, I support the amendment of my friend from New Jersey, Mr. BRADLEY.

The whole 201 process is inherently contradictory. Section 201 is designed to give relief to industries hurt by imports of fairly traded goods. Injurious but fairly traded. The whole issue is further complicated by the fact that, under the GATT, foreign nations are permitted compensation if a 201 action is taken against them. That, of course, can result in negative actions taken against sectors of our economy other than those which sought the 201 relief. One need only recall the Canadian shakes and shingles case in which the President did grant relief to the U.S. shake industry by placing a 35-percent tariff on Canadian shakes. The Canadians retaliated by placing tariffs on U.S. computer chips, tea bags, and books.

Central to the 201 process is the issue of Presidential discretion. The determination of the scope of that discretion is central to the 201 debate and is what formed the basis of Senator PACKWOOD's amendment to the Finance Committee's provisions on section 201.

I want to commend the Finance Committee for its efforts relating to section 201. The committee came to this issue in the shadow of a Presidential record on section 201 cases that was spotty at best and indifferent at worst. They understood well that American industry was asking for a 201 process that would be reliable and functional. They understood well that a perpetual state of Presidential inaction in the area of import relief would be unacceptable to the American people and to Congress.

The committee took giant strides toward achieving a workable 201 process by including a requirement that the petitioner for import relief submit, at the time of its petition to the ITC, a plan to promote positive adjustment to import competition. The bill also provides for firms, workers, and other entities important to the industry's adjustment to make, and the ITC to seek from them, confidential commitments on steps that they intend to take to promote positive adjustment. The committee well understood that industry needs to know that they have a well-reasoned and credible chance of getting relief granted them by the President.

On the other hand, I believe the committee went too far in restricting the discretion of the President in deciding whether or not to grant import relief to a petitioning industry. As written, the committee bill denied the President the ability to weigh-in the national economic interest when deciding whether or not to grant relief. In my view, this provision supplants short term frustration for long term vision, at potentially great cost to the American public.

Under current law, if the International Trade Commission finds a petitioning industry seriously injured by imports, it recommends relief to the President in the form of tariffs or quotas. The President can reject or modify the ITC's recommendation if he determines that import relief is not in the national economic interest. That national economic interest includes: Harm to U.S. consumers from increased prices or reduced supply; harm to U.S. consuming industries, including their workers and their companies, of imported raw materials or components from increased prices or reduced supply; harm to U.S. distribution and retailing industries, including the workers and their companies, of imported products; and harm to U.S. exporters of manufactured products, farm commodities, and raw materials from compensation retaliation, or reduction in foreign exchange earnings.

Soaring consumer prices. Lost jobs. Lost export markets. Those elements form the national economic interest and they need to be weighed in the 201 process. We are living in an ever-changing and increasingly interdependent international marketplace. It is no longer a world in which we can deny the diverse economic realities that shape it. The President can certainly not be forced to deny those realities.

There is no question that this administration has sapped credibility from the 201 process by repeatedly failing to seek adjustment in troubled industries, by repeatedly proposing termination of the Trade Adjustment Assistance Program, by repeatedly failing, in instances when it does grant relief, to grant the time necessary for an industry to adjust positively to the competitive realities of the changing marketplace.

However, the frustrating record of recent years is not good enough reason to deny the President the discretion to weigh the national economic interest in section 201 cases.

The Packwood amendment was a complement to the excellent work of the rest of the trade bill. The rest of that bill, with numerous specific provisions, makes it very clear to any future President that indifference to the trade concerns of American industry and public will not be tolerated.

Today, my colleague from New Jersey proposes an amendment which says that the President, when deciding whether or not to grant import relief, can weigh-in whether or not the granting of such relief would have a disproportionate effect on the Nation's poor. This amendment effectively restores the President's discretion to deny tariff/quota relief in cases when the President determines relief would disproportionately burden the poor. I agree with my colleague from New Jersey that the President should be able to avoid tariffs or quotas that would function like repressive taxes.

If the President determines that the result of relief is increased prices, then the poor suffer first. If the President determines that the result of relief is retailiation against U.S. agricultural and other export industries, the poor feel it first. If the President determines that the result of relief is lost jobs, then the poor suffer first.

The President should be able to weigh that suffering, that loss when deciding whether or not to grant import relief to an industry.

I urge my colleagues here today to support the effort of my friend from New Jersey.

SECTION 201 OF THE TRADE BILL: WE CAN BE COMPETITIVE WITHOUT WAIVING HEALTH, SAFETY, ENVIRONMENT AND CIVIL RIGHTS REQUIREMENTS

Mr. CHAFEE. Mr. President, we have already spent a great deal of time talking about section 201 of the trade bill. There is no need to replow old ground.

However, by focusing on the forest, we have lost sight of the trees. Included in this section is a provision that was not debated in the Finance Committee and has received relatively little attention. I am talking about the provision that sets the stage for the waiver of Federal regulatory requirements.

Which Federal requirements can be waived?

All of them.

This is outrageous: Let's think about it for a moment. Do we really want to encourage or direct the President and Cabinet officials to alter, ease, or eliminate regulations that were developed to protect the health, safety, and civil rights of our citizens? Do we want to waive environmental regulations under the guise of enhancing our competitive position?

This provision suggests that we cannot be competitive unless we sacrifice these basic protections. It implies that chemical companies in this country are at a competitive disadvantage because we require that they install pollution control equipment. What good is a bigger share of the market if we cannot breath our air or drink our water?

It suggests that health and safety requirements to protect American workers unfairly penalize U.S. companies that have to compete with countries which still allow sweat shops to prevail. These are protections that labor unions in this country have fought long and hard to get. They are in place for a reason.

Mr. President, we are being asked, in effect, to countenance the abolition of the entire regulatory framework which has been put in place to protect the civil rights and working conditions of American workers, as well as the environment which all of our citizens depend.

This is unacceptable.

Furthermore, these provisions are simply not needed. I find terribly troubling the implication that our desire to protect the environment and the health, safety, and civil rights of American workers is incompatible with the desire to enhance competitiveness. But this is not an "either/or" situation. We can have both. There is no need to sacrifice one set of interests for the sake of another. Regulatory relief is not necessary to make America more competitive.

Mr. President, I am pleased that the managers of the bill were willing to work with the several members who are concerned about this provision, including the chairman of the Committee on Environment and Public Works, Mr. BURDICK, and to reach an agreement. The amendment before us now removes the offending language and clarifies the intent of the provision and this entire bill as amended.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Madam President, I have examined the amendment, and I have no objection to it, and I will be pleased to take it to conference.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. BRADLEY. I yield back the remainder of my time.

Mr. PACKWOOD. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment (No. 453) was agreed to.

Mr. BRADLEY. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the names of Senator MATSUNAGA and Senator DODD be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Madam President, if I am not included as a cosponsor, I ask unanimous consent that my name be added.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Madam President, are we now back on the Bumpers amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. Madam President, I will suggest the absence of a quorum, hoping that Senators who have amendments now will come to the floor.

Mr. PACKWOOD. Madam President, I might say in fairness, the Republicans are caucusing, I think, on strategy as to whether or not they want to move on to other amendments or stay on the Bumpers amendment.

Even though other amendments may be ready and may come to the floor, I am not sure they will get the floor.

Mr. BYRD. Madam President, I hope that Senators will come to the floor and be ready to call up their amendments. I hope we will get on with the bill.

I do not want to stay here late in the evening any more than anybody else does.

Mr. PACKWOOD. Madam President, could I ask the majority leader a question? We talked earlier about a window from roughly 6 o'clock to 7:30 and the majority leader had no objection. Is it the majority leader's plan to recess for an hour and a half or what did he want to do during that hour and a half?

Mr. BYRD. No. If the managers would be willing I would hope we could continue to have amendments called up and stack votes as we have done in so many instances.

The distinguished Republican leader seems to be agreeable.

Mr. PACKWOOD. I think I would know by 6 o'clock whether or not the minority leader is willing to move off the Bumpers amendment by unanimous consent and take up other amendments.

Mr. BYRD. Very well.

So, what does the ranking manager suggest now? I thought I would put in a quorum.

Mr. PACKWOOD. I would suggest we have a quroum call right now until I find out from the minority leader what his plans are.

Mr. BYRD. Very well.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SHELBY). Without objection, it is so ordered.

Mr. BYRD. Mr. President, I think some Senators are under the impression that there is a window between the hours of 6 o'clock and 7:30. I think that was discussed, but I do not think it was ever agreed to.

Presently, I am waiting on our friends on the other side who I understand are conferencing to see if they could develop any strategy they may have in mind. But I hope that our Senators would not take off thinking that there is a window. There is no window as of now. But we are awaiting the arrival of Mr. KENNEDY and Mr. STAFFORD with the understanding that that amendment could be called up.

I understood maybe Mr. PELL might handle the time on this side and Mr. STAFFORD on that side.

Mr. President, I yield the floor.

Mr. PELL. Mr. President, I am very glad indeed to do my best to fill the breech here. I say I am doing it with the authorization of the chairman of our full committee, the Senator from Massachusetts [Mr. KENNEDY], and at his request I am glad to take up the education portion of the trade bill.

In this regard, I will call up an amendment that is at the desk.

The PRESIDING OFFICER. It takes unanimous consent to consider any amendment at this time.

Mr. BYRD. Mr. President, I will ask unanimous consent. I think that was the understanding. I am sure that the Republican leader would not have agreed to take up this amendment had he not been amenable to laying aside the Bumpers amendment.

I ask unanimous consent that the Bumpers amendment and the Moynihan-Byrd amendment be laid aside temporarily so that the amendment by Mr. PELL and Mr. STAFFORD may be taken up.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 454

(Purpose: To make certain technical corrections and, to provide a clarification on the insurance premium rule under the Guaranteed Student Loan program, to clarify the technology education provisions, to strike the small State minimum under the chapter 1 program, and for other purposes)

Mr. PELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. PELL], for himself, Mr. HATCH, Mr. STAFFORD, and Mr. KENNEDY proposes an amendment numbered 454.

Mr. PELL. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 670, beginning with line 1, strike out through line 7 on page 671.

On page 671, between lines 7 and 8, insert the following:

Subtitle B—Drug-Free Schools Program

SEC. 2531. TECHNICAL AMENDMENT.

(a) WITHIN STATE ALLOCATIONS.—The second sentence of section 4124 of the Drug-Free Schools and Communities Act of 1986 is amended to read as follows: "From such sum, the State educational agency shall distribute funds for use among areas served by local or intermediate educational agencies or consortia on the basis of the relative enrollments in public and private, nonprofit schools within such areas."

(b) EFFECTIVE DATE.—(1) The amendment made by subsection (a) of this Act shall take effect October 27, 1986.

(2) Notwithstanding paragraph (1), a State educational agency may allot fiscal year 1987 funds to local and intermediate educational agencies and consortia under section 4124(a) of the Drug-Free Schools and Communities Act of 1986 on the basis of their relative numbers of children in the school-aged population.

On page 688, line 9, strike out "or lease".

On page 701, between lines 3 and 4, insert the following:

Subtitle C—Miscellaneous Higher Education Provisions

SEC. 2821. INSURANCE PREMIUM RULE.

(a) GENERAL RULE.—(1) Section 428(b)(1)(H) of the Higher Education Act of 1965 is amended to read as follows:

"(H) provides for the collection of a single insurance premium which—

"(i) shall be applied uniformly to all loans; and

"(ii) is not less than 0.5 percent nor more than 3 percent of the principal amount of the loan (and, in the case of a multistate guaranty agency, may be set for each State for which it has received advances under section 422, with a single uniform rate set for the balance of the activity of the guaranty agency),

by deduction proportionately from each installment payment of the proceeds of the loan to the borrower, and insures that the proceeds of the premium will not be used for incentive payments to lenders;".

(2) Section 428(b)(1) of such Act is amended—

(A) by striking out "and" at the end of subparagraph (T);

(B) by redesignating subparagraph (U) as subparagraph (V); and

(C) by inserting after subparagraph (T) the following new subparagraph:

"(U) provides that, notwithstanding subparagraphs (S) and (T), a guaranty agency may after 60-days notice cease to guarantee loans for students at an otherwise eligible institution if the cumulative default rate of loans from such institution in repayment exceeds 25 percent of the amount insured by the guaranty agency which holds the preponderance of the value of the loans outstanding at such institution, unless the guarantor is the designated State guaranty agency in the State where the eligible institution is located and insures loans for the lender of last resort in that State under subsection (j); and".

(b) EFFECTIVE DATE.—(1) The amendments made by subsection (a)(1) of this section shall take effect with respect to loans made on and after 30 days after the date of enactment of this Act.

(2) The amendments made by subsection (a)(2) of this section shall take effect 90 days after the date of enactment of this Act.

SEC. 2822. UNITED STATES INSTITUTE OF PEACE.

Section 25 of the Higher Education Technical Amendments Act of 1987 is amended by striking out "Section 1703" and inserting in lieu thereof "Section 1705(b)(3)".

On page 687, line 5, after "Director" insert a comma and the following: "to such extent and in such amounts as provided in advance by appropriation Acts,".

On page 732, line 4, before the period, insert a comma and the following: "vocational educational centers and community colleges".

On page 732, line 12, strike out "and".

On page 732, line 15, strike out the period and insert in lieu thereof a semicolon and the word "and".

On page 732, between lines 15 and 16, insert the following:

"(C) the need to foster flexibility and assist students in meeting the challenge of a changing work place.".

On page 733, after line 24, insert the following:

"(13) Stressing basic remedial skills in conjunction with training and automation literacy, robotics, computer-aided design, and other areas of computer-integrated manufacturing technology.".

On page 13, in the table of contents, strike out the item relating to subtitle B of title XXV and section 2521 and insert in lieu thereof the following:

"Subtitle B—Drug Free Schools Program

"Sec. 2531. Technical amendment.".

On page 14, in the table of contents, after item "Sec. 2811." insert the following:

"Subtitle C—Miscellaneous Higher Education Provisions

"Sec. 2821. Insurance premium rule.
"Sec. 2822. United States institute of peace.".

Mr. PELL. Mr. President, our amendment would add language to subpart C of title 32, "Intructional Programs in Technology Education" to extend program eligibility to include vocational education centers and community colleges. Instruction in technology education is an important component of strengthening our competitive capabilities. Rapid changes in industry require that workers—particularly older workers—have access to instructional programs that will improve their ability to adapt to these changes. Therefore, the committee intends that model programs should be funded not only for students in secondary schools, but should extend to students in vocational educational programs and in community colleges.

In addition, the amendment contains language that corrects a problem in the Drug-Free Schools and Communities Act. Under current law, State educational agencies are required to allot funds to local educational agencies on the basis of school-aged population. However, census data on school-aged population by local educational agencies are not current. Our amendment would require State educational agencies instead to allocate funds to local applicants on the basis of school enrollment data, which are readily available to the States and which are more current than census data. This would make the local allotment provisions of this act consistent with those in other education programs such as chapter 2. The committee has heard from a number of States on this issue, and our language has been recommended by the Department of Education.

The amendment also contains language that would strike the chapter 1 small State minimum, contained in subtitle B of title 25 of this bill. The committee will revisit the issue of the small State minimum along with all other formula changes during reauthorization of the Chapter 1 Program. That reauthorization process is already underway with the expectation that hearings will be completed before the August break and that reauthorization legislation will be acted upon by the Subcommittee on Education, Arts, and Humanities early this fall.

Further, this amendment contains important changes in the insurance premium provisions of the Higher Education Act. The language in our amendment provides for the collection of a uniform insurance premium to be applied to all loans. The rate shall be not less than one-half of 1 percent and not more than 3 percent of the principal amount of the loan.

The amendment would allow a guarantor to withdraw its guarantee from an institution of higher education if that institution has a cumulative default rate of more than 25 percent, with the guarantor holding the preponderance of the value of loans outstanding at the institution in question. This provision is important in order to allow guaranty agencies to take swift and immediate action on schools that have alarmingly high default rates.

Mr. STAFFORD. Mr. President, I join with the very able Senator from Rhode Island in the statement that he has just made with respect to the amendments before the Senate. As have been described, they have been worked out carefully by all of the concerned parties in question.

Mr. President, I wanted to clarify for my colleagues why members of the Senate Labor and Human Resources Committee are voluntarily deleting one of the provisions which earlier passed our committee as part of the education portion of the trade/economic competitiveness legislation.

As part of our initiative, a small State minimum was contained for the Chapter 1 Program, a provision which would have been funded wholly out of new chapter 1 funds. This small State minimum would have provided a collective minimum increase of $25 million for 14 States, hardly a "big ticket item" in a program where appropriations last year were over $3.9 billion.

It became clear last week that the larger States were looking to their representatives to strike this provision from the Labor and Human Resources Committee package. Additionally, a few other Senators indicated their interest in offering amendments to significantly change the chapter 1 formula.

The temptation of course was for those of us who represent small States to put together a working majority in the Senate in order to shift even more funds to our States. However, after some deliberation, Senator PELL and I decided that this issue was better addressed in committee, during our upcoming reauthorization of the Chapter 1 Program, rather than on the Senate floor.

So, for my constituents in Vermont, and my other small State colleagues, all of whom have worked tirelessly on behalf of this amendment, I want to make the public commitment to aggressively pursue this issue during the chapter 1 reauthorization this fall. It will be more difficult at that time to take any small State increase out of new funds, so I no longer feel compelled that this should be one of the prominent features of any small State minimum in chapter 1.

Finally Mr. President, for those who would criticize the small State senators for advocating the small State minimum, I would remind our critics that we have all supported education programs and funding, the benefits of which are not received directly by our States. For example, last year, the Congress passed a new initiative which guarantees our Nation's black colleges a minimum level of Federal funding each year. I strongly supported this $50 million provision, in spite of the fact that my State does not receive any of these funds. Other programs which benefit very specific State and geographic areas over others are: Impact aid, bilingual education, immigrant education, and magnet schools.

In fact, just last week, the Senate passed the supplemental appropriations bill which contains a special provision for the Chicago public schools of over $50 million. And so Mr. President, I want to thank my small State colleagues for all their help, and particularly the persistent efforts of their able staff members. I look forward to working with them again this fall on this issue.

Mr. President, the Senator from Vermont knows of no opposition to the amendment as it has been offered.

Mr. HOLLINGS. Mr. President, I want to thank the distinguished Senator from Rhode Island and the distinguished Senator from Vermont for their amendment particularly in that we have worked so closely on so many educational measures together and will continue to do so.

As the Senator from Vermont has pointed out, this does restore the current formula rather than implementing a small State minimum. A small State minimum is called for when a program is so small that the administrative expenses would eat up the allotment given to a lightly populated State, and no finding would be left over for the intended beneficiaries title I however, is a program if substantial size and such a problem does not exist.

What we are trying to do is with title I is target children, not States, and that is what the current formula does. I appreciate the recognition of that fact by the submission of the amendment.

Mr. President, with the committee amendments offered by the distinguished chairman of the Labor and Human Resources Committee, Mr. KENNEDY, and agreed to by the Senate, a controversial provision of title XXV relating to funding for chapter I of the Elementary and Secondary Education Act of 1965 is deleted from the trade bill. Because of a "Dear Colleague" the Senator from New Mexico, [Mr. DOMENICI] and I circulated the other day opposing this provision I call its removal by the committee to the attention of interested Senators.

In that "Dear Colleague" Mr. DOMENICI and I pointed out that the provision in question intended to create a "small State minimum" in the chapter 1 program which provides compensatory education for disadvantaged children. As provided in title XXV, a 0.5-percent minimum level of chapter 1 funds would be guaranteed to small States, with no State receiving more than a 25-percent increase in their State allocation. This small-State "bonus" would redirect chapter 1 program funds to 14 States at the expense of the remaining 36.

Since its initiative as title I of the Elementary and Secondary Education Act of 1965, Mr. President, the purpose of the Federal program of compensatory education for disadvantaged children has been to target funds to educationally and economically disadvantaged students regardless of where they live. The provision in question would have reversed that historical record and initiated a system where certain States would have been guaranteed a level of spending at the expense of needy students living in other States.

Mr. DOMENICI and I were pleased to have Senators DIXON, BUMPERS, SANFORD, HEFLIN, BRADLEY, THURMOND, SHELBY, WIRTH, STENNIS, WILSON, COCHRAN, LAUTENBERG, GRAHAM, GRAMM, D'AMATO, HEINZ, BENTSEN, CRANSTON, NUNN, MOYNIHAN, GRASSLEY, HATFIELD, RIEGLE, and EXON join us in the effort to delete this unwise change. We feel it is important that chapter 1 continue to operate as a program targeting resources to needy children. It was our hope that this provision could be removed from the trade bill and any discussion about its merit take place when the reauthorization of the program occurs later this Congress.

We are encouraged by the recognition of the problem caused by the small State minimum and very much appreciate the committee's willingness to remove the provision from the bill. We, of course, will be mindful of future deliberations concerning the formula for chapter 1, including any attempt to revisit the small State minimum and look forward to having input in the committee's process.

Mr. COHEN. Mr. President, I rise today to express my strong support for the inclusion of a "small State minimum" grant provision in the chapter 1 remedial education program. The Labor and Human Resources Committee approved this provision and included it in the education section of the omnibus trade bill. My colleague from Vermont had proposed the small State minimum in order to promote education opportunities for disadvantaged schoolchildren in rural areas.

The small State minimum would ensure that less-populated States receive a more equitable share of chapter 1 funds. In the State of Maine, only one-third of the students qualifying for chapter 1 funds are presently served. I am told that Maine is able to fund very few remedial programs for secondary school students, being forced to concentrate on the youngest students, primarily grades one through five.

The percentage of chapter 1 funds allocated to Maine is below the national average. This concerns me, because rural youngsters have no less need for remedial education than urban students. The "small State minimum" corrects this imbalance.

I disagree with those who contend that the "small State minimum" shifts current funding patterns to the benefit of a few States and to the detriment of the remaining States. I maintain that current funding formulas are skewed to benefit urban areas, and that rural areas do not get a fair share.

Moreover, it is not true, as some have asserted, that the "very purpose" of chapter 1 is to direct funds to localities with the greatest concentrations of needy students. The statute draws no distinction between urban and rural schoolchildren. However, the applicable funding formula deliberately favors areas with higher concentrations of students. I believe that it is wrong to draw conclusions about the overriding purpose of the statute by examining the method of distributing its funds. And I strenuously object to the conclusion that the fundamental purpose of the chapter 1 program is to direct Federal funds to areas with the greatest concentrations of needy children at the expense of needy children in rural States.

A small State minimum is not unprecedented. Chapter 2 block grants, vocational education, adult education and math and science education programs have a small State minimum.

A small State minimum for chapter 1 has attracted some controversy, however. The Labor Committee amendment, which is before the Senate today, removes the small State minimum from the trade bill. I am disappointed that it has become advisable to set aside the proposal at this time, but I am glad that there will be efforts to revisit the small State minimum in the context of chapter 1 reauthorization later this year.

I thank my colleague from Vermont for his commitment to protect the needs of rural children and I fully support his proposal to incorporate a "small States minimum" into the chapter 1 program.

Mr. HECHT. Mr. President, I rise today to express my support for the inclusion of a small State minimum for appropriations authorized under chapter 1 of the Education Consolidation and Improvement Act [ECIA]; and, further, to cite figures demonstrating that Nevada, a small State, does not presently receive sufficient funds under the chapter 1 program to serve even half of the State's eligible students.

Mr. President, language providing for such a set-aside was included, at one point, in S. 1420, the Omnibus Trade and Competitiveness Act of 1987. However, because of what would seem to be a lack of clear understanding on the part of some in this body as to the justification for such a set aside, the language was removed from the trade bill. However, in recognition of the equitability of this set-aside, I will support its reconsideration during the course of the Senate Labor and Human Resources Committee's forthcoming reauthorization of the ECIA.

Mr. President, there are presently a number of Federal education programs which include a small State set-aside; including programs for vocational, and adult, education assistance, and chapter 2 ECIA funding. However, rather than entering into a discussion of the merits of these set asides, I would instead simply list some figures relevant to my State's Chapter 1 Program.

Mr. President, of the 300 public schools in Nevada, 140 are eligible to participate in chapter 1 programs. Of these 140 schools, however, only 103 are actually served through this program. Further, of the 160,419 public school students in Nevada in grades kindergarten through 12, 24,635 are eligible for chapter 1 benefits. However, of those eligible, a mere 9,353 students are presently served with available Federal funds. As these figures obviously demonstrate, Mr. President, in fact, Nevada is one small State which does not receive sufficient chapter 1 funds to serve even one-half of its eligible students, let alone a majority of eligible students.

In consideration of the figures cited above, I would simply reiterate to my colleagues that Nevada, like many other small States, does not currently receive an amount of chapter 1 funding necessary to serve nearly a majority of its eligible students.

Mr. DOMENICI. Mr. President, I am pleased that we have been able to reach an agreement to strike the provision in the trade bill that would require a small State minimum for the collection of funds for chapter 1, compensatory education for the disadvantaged.

On face value, the proposed small State minimum seems innocuous enough. In reality, however, it is not. In my State of New Mexico, for instance, this provision would mean that chapter 1 increases for fiscal year 1988 would be reduced by $200,000 below what they would otherwise receive under current law. More significantly, under current law, the average chapter 1 grant per child in New Mexico will increase to $445 in fiscal year 1988. With a small State minimum, the average grant per child would be $442.

A cut of a few dollars per child may not sound like a lot of money to a lot of people, but it is a lot of money to me and to my fellow New Mexicans.

Mr. President, chapter 1 is the largest Federal program for aid to elementary and secondary education. The purpose of this program is to provide financial assistance to State and local educational agencies to meet the special educational needs of educationally deprived children.

Let there be no mistake about it. There has always been considerable debate over how we should provide that financial assistance and how the funds should be allocated so that they can reach the "neediest" children. And we should always strive to allocate these funds in the best way possible.

Mr. President, I am pleased that we have reached an agreement to strike the small State minimum from this bill.

Mr. BRADLEY. Mr. President, I rise today in support of an amendment to delete the small State minimum provision from the education component of the trade bill. Under this provision, disadvantaged students in New Jersey will receive at least $840,000 less than they will receive if this provision is not enacted. Mr. President, many of our urban school districts, in New Jersey and across the country, are struggling to provide an education for their students in poor neighborhoods with minimal tax bases. Newark, Camden, East Orange—these are just a few of the school systems that depend on chapter 1 funding to help them provide the basic skills training their students so sorely need. The need in these schools is so great that many students are not being served at all, simply because there is not enough money to go around.

Mr. President, I do not desire to see any children deprived of the compensatory education services they may need to achieve their full potential. However, I cannot support a provision in which 35 States receive decreases in their chapter 1 funding when compared with current law so that 15 States may receive substantial increases ranging from $52 to $96 per pupil.

I have made education spending a priority since I came to this body in 1978. However, the Congress has determined that we cannot afford full funding for this program. Thus, our goal must be to allocate our resources in the most effective manner within these constraints. I have argued that the proposed formula revision does not accomplish this goal, because it does not direct funds to those States and localities with the greatest concentration of needy children. It is for this reason that I cannot support the small State minimum provision.

Mr. HEFLIN. Mr. President, I rise in support of my friend and colleague, Senator HOLLINGS, in his efforts to strike the provision of the omnibus trade bill that creates a State minimum for Chapter 1—Compensatory Education for the disadvantaged. This provision attempts to redirect additional appropriations, above the current funding level, to 14 States at the expense of the others. Because of the detrimental effect of the small State minimum provision in the Education Consolidation Act on Schools in my home State of Alabama, I am joining Senator HOLLINGS in this effort.

Over the past several years, the small State minimum provision contained in many education programs has received cursory comment but never a thorough analysis of its merits or impact. Because a small State minimum provision has been proposed for nearly every new Federal Education Program considered by Congress in recent years and is currently being considered for the 22-year-old, multibillion Chapter 1 Program, now is the appropriate time for an examination of the policy implications of the small State minimum grant in Federal education programs.

Historically, the small State minimum was first enacted in the form of a dollar amount that would be necessary for a State receiving funds to establish an adequate program. The State minimum was seen as necessary in these cases because the Federal appropriation for the program was so low as to preclude small States from mounting a satisfactory program with the funds received strictly from a formula allocation based solely on student population or some other measure.

In more recently enacted Federal education programs such as chapter 2 of the Education Consolidation and Improvement Act, the mathematics and science programs under title II, the Vocational Education Program, and others, the small State $1 minimum has been changed to a percentage minimum of the Federal appropriation. The percentage minimum method presents certain policy concerns more serious than the $1 minimum method. The most problematic of these concerns is that as program appropriations increase, this method has the effect of disproportionately increasing the per pupil allocations of the qualifying small States while simultaneously reducing the remaining States' grant proportions.

For example, a small State minimum of one-half of 1 percent in the Chapter 1 Program has the effect of increasing the grant for one small State, Wyoming, by 309 percent, with a resultant $2,075 rise in the State per child expenditure for a program with a national average per child expenditure of only about $600. Conversely, a nonsmall State such as Pennsylvania would lose more than $23 per child in chapter 1 funds under such a proposal as the contribution to the increase in grant proportions of the small States. It is important to note that this respective increase and decrease in State grant proportions will occur even in a year where a sizable increase in appropriations would mask the shift by preventing any net loss of funds by the nonsmall States.

This shift in grant proportions and per pupil expenditures would seem to establish a trend in fund allocations which is contrary to the very purpose of the Chapter 1 Program: To direct Federal funds to those States and localities with the greatest numbers of educationally disadvantaged children.

This is evidenced by the fact that a nonsmall State such as Alabama which is currently receiving $427 per pupil, the fewest chapter 1 dollars per pupil than any other State, would be forced to receive a $14 per pupil reduction under the small State minimum proposal. Vermont, however, with fewer than one-tenth the eligible chapter 1 children as Alabama, would receive a $792 per pupil increase. Current efforts to better target chapter 1 funds to groups of children in greatest need would apparently be severely undermined by any proposal to inject a small State minimum grant provisio into the allocation formula.

A second policy concern with the small State minimum grant is whether it is an appropriate component in programs which reach the magnitude of the $3.9 billion Chapter 1 Program. As mentioned earlier, the original intent of the provision was to allow small States adequate funds to provide a program under those acts for which Congress provided only minimal appropriations. Reasonable people may disagree over what level appropriation should be considered so low as to require a small State minimum provision, but it appears obvious that a program that has reached the multibillion dollar level and represents nearly half of all Federal spending on elementary and secondary education will clearly provide an adequate amount to each State without a small State minimum provision.

The States of Alabama, Arkansas, Louisiana, Mississippi, and Kentucky have the distinction of having the highest numbers of poverty students, and yet it is estimated that my State of Alabama will lose $511,000 if the present bill passes. The other four States mentioned would lose from $307,000 to $625,000.

Mr. President, this is not right! These States must not lose money. The poverty cycle must be broken, and the only way to do this is to educate these children so that they can become productive citizens of this Nation.

Therefore, I urge my colleagues to join me in support of Senator HOLLINGS' initiative.

Thank you, Mr. President.

Mr. DIXON. Mr. President, I rise today to support the amendment to S. 1420, the Omnibus Trade and Competitiveness Act of 1987, which would delete the provision which is intended to ensure that States with small populations receive minimum Federal allocations under the chapter 1 education program.

Simply put, this provision would change the chapter 1 education program formula such that 14 small States would greatly benefit at the expense of my own State of Illinois and the 35 remaining large States. It guarantees that any increases in the funding level for the Chapter 1 Program will result in disproportionate distributions to small States.

The formula change would prohibit any State from receiving less than one-half of 1 percent of the federally appropriated funds, once the appropriation reaches $4.2 billion. However, no State could receive more than a 25-percent increase in any year.

It appears that the funding level will reach the $4.2 billion this year. Therefore, the chapter 1 formula change in S. 1420 would divert new funds from those areas of the country that have high concentrations of needy disadvantaged children.

The proposal would result in my own State of Illinois losing $1.2 million in new allocations, or $3 per student. However, the 14 smaller States would gain an average of $76 per student.

The Chapter 1 Program has proven to be one of our most successful education programs. It provides financial assistance to local education agencies to meet special educational needs of disadvantaged children.

Based upon actual pre-test and post-test scores, chapter 1 disadvantaged students have typically improved their education performance. Overall, disadvantaged students who have participated in the Chapter 1 Program have become more self-sufficient and better taxpayers.

Illinois has 342,000 chapter 1 participating students, more than the total combined participants in the 14 small States.

Additionally, for the past 10 years, from 35 to 41 percent of those students who are educationally disadvantaged and living in an eligible attendance area did not receive chapter 1 services because of insufficient funding and the requirement that the most needy be served in a meaningful fashion.

Mr. President, the chapter 1 formula change proposal is unfair to the disadvantaged children in Illinois and 35 other States. We cannot afford to award individual States, as this bill proposes to do. We must continue to direct Federal funds to those States with the greatest concentration of needy students.

I call this issue to the attention of my colleagues to highlight the fact that once again, Illinois and similar States would not get a fair deal from the Federal Government, an all too familiar refrain.

Mr. President, I am pleased that an agreement has been reached whereby the chapter 1 issue will be addressed at a later date. These Federal funds must be sent where the need continues to exist—with educationally disadvantaged children.

Mr. MATSUNAGA. Mr. President, I rise in support of the Pell amendment to the education portion of the trade bill, but at the same time to express my strong reservations regarding the deletion of the small State minimum provisions for chapter 1 programs from the amendment as originally drafted.

Mr. President, I wish to make it very clear that in supporting the amendment, as modified, I am doing so with the understanding that the allocation formula, and specifically the inclusion of a small State minimum under chapter 1, will be revisited in the next few months as the Education Subcommittee considers reauthorization of the program.

I would also like to note that the small State minimum, which was included in the measure as reported by both the subcommittee and full committee, was an eminently fair proposal. Some of my colleagues seem to have the mistaken belief that the small State minimum would have caused their States to lose funding. In fact, only the size of their increase would have been affected. The small State minimum provision would not have affected current funding, and would have been triggered only at an appropriations level which would have ensured that all States receive significant increases in funding.

The argument was raised that some children would have been deprived of services under the small State minimum provision. As a matter of fact, this program currently serves only 40 percent of all eligible children—there is no dearth of eligible children in any State. With or without a small State minimum, there will be children who will be deprived of services. What is important to remember is that this provision would not have caused a decrease in funding to any State; no State would be forced to reduce the number of children served due to a reduction on funding.

Mr. President, traditionally, the Education Subcommittee has had the responsibility to craft fair and responsible allocation formulas for programs such as chapter 1. I am confident that this provision will again be recognized by the subcommittee as one that is not only reasonable but essential to the continued viability of chapter 1 programs in small States. It is in this confidence that I have decided to refrain from offering a perfecting amendment to the pending amendment to restore the small State minimum provision.

Mr. PELL. Mr. President, I am prepared to yield back the balance of my time if there are no other Senators with amendments or who wish to comment.

I yield back the balance of my time.

Mr. STAFFORD. Mr. President, I am prepared to yield back the time for the minority.

The PRESIDING OFFICER. Is there further debate on the amendment?

If there is no further debate on the amendment, the question is on agreeing to the amendment.

The amendment (No. 454) was agreed to.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TITLES 23 TO 32

Mr. KENNEDY. Mr. President, the legislation before the Senate addresses the complex challenge of how we can maximize our position in the world marketplace. We are very concerned about competitiveness, productivity, and innovation. But let us not forget that at the very heart of these important concerns is the essence of our hope for the future of this Nation not only in trade issues, but in virtually every issue facing our country today, and that is education.

To compete effectively with countries in Europe and Japan we need a highly skilled and well-trained work force capable of adapting to constantly changing industrial demands by learning new technologies and skills. This requires a work force which has completed secondary education, a work force which is competent in basic skills and is literate, a work force knowledgeable about technology, well-versed in mathematics and the sciences, able to communicate in foreign languages, and one in which the special talents or our gifted and talented young people have been developed.

In survey after survey, American students are at the back of the class in math, science, and foreign language achievement. Even more tragic is our failure to assure that every American has the basic reading and writing skills that we all know are essential to life in our democratic society. Our competitors in other countries have not neglected the valuable resource of an educated citizenry. They have invested in education and literacy, and in achievement in areas such as the sciences and mathematics which are vital to competitiveness. The results are clear in their work productivity and advanced technological knowledge.

The work force of the year 2000 is already in kindergarten. We have no time to waste. That is why I am pleased to bring before you titles 23 to 32 reported by the Labor Committee as the Education for a Competitive America Act. This legislation confronts head on some of the most difficult challenges before us, and takes important steps to address the needs before us. It employs both time tested and new techniques, mobilizing the resources of local education agencies, colleges, universities, and vocational schools, community groups and labor organizations, business and industry, to meet these challenges through cooperative efforts.

Of critical importance are our efforts to upgrade our math, science, computer, and foreign language instruction. Title 23 of this legislation reauthorizes the Education for Economic Security Act through fiscal year 1993, so that we may continue to provide badly needed grants to State and local educational agencies and State higher education institutions to improve instruction in these subjects.

Title 23 also includes the Star Schools Program Assistance Act, which was passed by the Senate in April as S. 778 by a vote of 77 to 16. The committee has included it in this legislation because it fits squarely within the purpose of this act, that of increasing our competitiveness abroad by improving our education here at home. The star schools programs would authorize $100 million over 5 years to set up telecommunications networks which would provide math, science, and foreign language instruction to students all over the country, and particularly to underserved populations. These are the subject areas most crucial for our continued success in the world market. Through the use of the satellite and other technologies now available, we can make a wealth of rich new educational possibilities available to students whose horizons are now limited by schools too poor or too remote to provide them. In this way, we will not only save billions of dollars in lost trade revenues but, most importantly, allow countless children to realize their potential in these vital areas.

Title 24 authorizes $35 million in each fiscal year 1988 through 1993 for foreign language instruction programs at the elementary and secondary school levels. I was pleased to cosponsor this legislation when it was introduced as a separate initiative because it addresses an important need in our educational system which significantly enhances our ability to participate in the international market. As with math and science, American students have fallen behind our competitors in foreign language training. Less than 3 percent of American high school graduates are proficient in any foreign language. In contrast, more than 95 percent of Japanese students study English. Clearly, we can keep up with the scientific discoveries of other countries and communicate more effectively with our trading partners if we improve our facility in foreign languages.

In our efforts to improve education at advanced levels, we must not leave behind those children who are disadvantaged in our educational system. Title 25 recognizes that the achievement of every student is important to an internationally competitive America. It authorizes $400 million for compensatory education specifically targeted to chapter 1 eligible students in secondary schools. This legislation would not divert any chapter 1 funds from elementary schools. Rather, it would extend the services available to high school students with special needs.

The private sector is also an important resource in efforts to strengthen our schools. Title 26 would encourage the establishment of educational partnerships between public schools and private for-profit and not-for-profit sectors of the community. It would provide funds for educational partnership demonstration projects which are encouraged to become self-sufficient as the Federal share of funds declines over a 4-year period.

Title 27 would facilitate the conservation and coordination of our technology training resources by creating an Office of Training Technology Transfer in the Department of Education. We are not using our technology training materials efficiently if we are duplicating our efforts by failing to share information. This title would bring all our resources together under the Office of Technology Transfer and encourage their adaptation for use by the Federal Government and all interested parties—business, schools, colleges, vocational education facilities, and Job Training Partnership Act agencies.

Higher education is also of vital importance in these efforts. Title 28 authorizes $10 million for each fiscal year 1988 through 1991 to create an international education program under title 6 of the Higher Education Act. This program would provide grants to institutions which combine the disciplines of business and international education. Title 28 also enables the Secretary of Education to provide up to $5 million for Ronald E. McNair scholarships—graduate scholarships for minority students in the natural sciences, mathematics, and technological fields.

Title 29 would provide an additional authorization under the Carl D. Perkins Vocational Education Act for training programs in high technology occupations. Title 30 would establish a National Center for Research and Development in the education of gifted and talented children and youth. The Center will conduct research on methods for identifying and teaching gifted children and youth.

America's dropout rate is one of our greatest national tragedies. One in four students today does not graduate from high school, at a tremendous cost to the Nation in lost productivity and wasted human potential. Retaining children in school until they complete their secondary education is perhaps the single most important preventative measure we can take to assure a literate, competent, self-sufficient future generation. Title 31 of this legislation would authorize demonstration grants to find ways to keep children in school, and to encourage students who have already dropped out to return to school and finish their education.

Finally, I am particularly pleased to offer the Literacy Corps Assistance Act contained in title 32. No one knows exactly how many people in this country are illiterate—experts estimate between 20 and 30 million people are functionally illiterate—but we do know that current programs serve only a fraction of those who need help. The literacy corps is based on an existing successful program, in which college students take an academic course which requires them to provide 6 hours per week of tutoring in a community agency with an established classroom program, such as a school, jail, or institution for the disabled.

If 800 colleges around the country participate in the literacy corps, 132,000 students would provide 10 million hours of tutoring over the 2 years of the program. Valued at $20 an hour, the $20 million Federal investment authorized in this title would generate 160 million dollars' worth of tutoring services—over an eight-fold return. I doubt that any Federal dollars are better spent. As an added advantage, it would give the thousands of college students who will act as tutors the benefits of work experience and the satisfaction of helping others.

This legislation includes two additional literacy programs. The workplace literacy assistance program is an important initiative which would provide demonstration grants to encourage businesses and educational institutions to form partnerships to provide basic skills training for workers.

A second program provides for demonstration projects in technology education for secondary schools. I should add that each of these three programs—literacy corps, workplace literacy assistance, and technology education—requires that the adult education act first be funded at least $110 million before funds will be authorized for any of these literacy initiatives.

I am convinced that this is a superb package of education programs which will result in significant strides toward increasing the competitiveness of our children, the work force of tomorrow, as well as that of the work force of today.

S. 406, EDUCATION FOR A COMPETITIVE AMERICA AS CONTAINED IN S. 1420

Mr. STAFFORD. Mr. President, during the first few months of this 100th Congress, many of our colleagues have spoken in favor of education initiatives to improve our competitive edge in the workplace. S. 406 reauthorizes important programs which have funded education and training initiatives in the past, and enacts several new initiatives as well. I would like to highlight the programs of greatest interest to me personally.

One of the most important programs included in this package is a special authorization of $400 million for chapter 1 services targeted to secondary students. Because of limited appropriations, local school districts have concentrated chapter 1 services in the elementary grades. Chapter 1 works well in grades one through six. It works well in junior highs and senior highs fortunate enough to have the resources to offer the services as well. An increased authorization for chapter 1 and the enactment of these amendments will enable many more school districts to offer compensatory education services to students beyond grade six. It is an important new initiative which for many young people will make a measurable difference in their prospects for the future.

Right now, there is no authorization cap on chapter 1 because of the nature of the program. This amendment would provide for a junior high and high school program within the overall chapter 1 program. Funds for this initiative have already been included in the budget resolution passed by the House and Senate.

A second smaller initiative that I was pleased to see included in this package is the partnerships for excellence proposal. This program would encourage neighborhood schools to set up cooperative programs with local businesses, community organizations, and higher education institutions to tackle difficult problems or expand successful programs. Twenty-five percent of the funds appropriated under this part would be targeted to projects for gifted and talented students.

The reauthorization of titles II and III of the Education for Economic Security Act takes care of an important piece of business. The Math/Science Program makes vital grant money available to State education agencies, local schools, and postsecondary institutions for training and retraining activities for teachers at all grade levels. If we are to have a well-trained and literate work force, we must make sure that our teachers have every opportunity to keep their own skills up to date. The Math/Science Program does just that.

In closing, though I am concerned about authorizing new initiatives at a time when we are having such difficulty funding well established successful programs, I believe that S. 406 is a sensible and necessary package for the committee to offer to the Senate's competitiveness/trade package. It addresses the needs of our poorest children, who will certainly be a resource on which our Nation must draw if we are to remain competitive.

S. 406, THE EDUCATION FOR A COMPETITIVE AMERICA ACT

Mr. PELL. Mr. President. I am most pleased that we are including the Education for a Competitive America Act, S. 406, as part of our legislative consideration of a trade initiative. This legislation, which we reported out of the Labor and Human Resources Committee, is contained in titles 23 through 32 of the omnibus trade bill. Clearly, education plays a central role in a long-term strategy to regain our competitive edge in the world economy. A strengthened economy demands a more educated work force. Education unleashes the productive ability of our citizens. Education develops the basic skills that will enable workers to master quickly the seemingly ever-changing demands of the workplace. And, education promotes the ingenuity and creativity of those who will carry out industries into new ventures and new markets.

The Education for a Competitive America Act is a comprehensive legislative strategy. It seeks to develop widespread educational competence among our citizenry. And in doing so it strengthens the ability of our future work force to meet the challenges of the international marketplace.

It is important to realize in this context that the fundamental tools to accomplish this task already exist in law. They need only the teeth of better funding in order to be effective. The Education for a Competitive America Act stakes out those areas of education where increases in current programs or new authorizations will strengthen our competitive capabilities. Those key areas include mathematics, science, and technology education, basic skills instruction and literacy, and vocational education.

This legislation has strong bipartisan support. It is the product of considerable deliberation in our committee and was reported favorably by a vote of 14 to 1. The bill before us is a carefully crafted package of provisions that serves the interests of the members of our committee. I am very pleased that in forging this concensus agreement, we have been able to incorporate many of the proposals of my colleagues.

This legislation includes programs in international studies and foreign language instruction that reflect the special concerns of both Senator DODD and Senator SIMON. It accommodates the keen interest of Senators BRADLEY and STAFFORD to provide an increase in compensatory education funds that would be targeted specifically to secondary students. It brings together elements of legislation introduced by Senators CRANSTON, DOLE, and STAFFORD with respect to educational partnerships.

I am pleased that we were able to include provisions for gifted and talented students from legislation introduced by Senator BRADLEY. We have made provision for technology education by combining proposals put forth by Senators ROCKEFELLER and LEVIN. And we have allowed that up to $5 million may be reserved for Ronald E. McNair scholarshps, a proposal of considerable interest to Senators THURMOND and NUNN.

I would like to thank my colleagues for their spirit of cooperation on behalf of this legislation. In that regard, I would like to make particular note of the efforts of Senator STAFFORD. I am happy to report that the education firm of STAFFORD and PELL or PELL and STAFFORD is alive and well, as is very evident in this legislation.

Title 23 of this legislation provides for a 6-year reauthorization of the Education for Economic Security Act. This is the program we enacted 4 years ago to upgrade math and science instruction in our elementary and secondary schools. It is a law whose only handicap has been inadequate funding.

In addition, this title creates the Star Schools Program Assistance Act, which will improve a student's access to basic and advanced courses in mathematics, science, and foreign languages through use of telecommunications.

Title 24 authorizes $35 million for model programs in foreign language instruction at the elementary and secondary level. Foreign language facility is an important component of our ability to do business with other nations, and it is clear that such ability must be developed in the very early grades. In addition, I am very pleased that we have been able to accommodate an interest of Senator METZENBAUM that programs funded under this title would allow the entire community to participate in these foreign language programs.

Title 25 calls for a $400 million increase in the chapter 1 program specifically targeted to basic skills for secondary students. Efforts to strengthen the competence of our work force must ensure that students are provided with the basic skills necessary to enable them to perform their vocational duties competently and to adapt to changes in their work responsibilities resulting from changes in industries.

Title 26 provides a new $20 million authorization for educational partnerships between the public schools and the private sector and community organizations. This title incorporates major provisions of legislation that have been introduced by Senators STAFFORD and DOLE, as well as a new initiative offered by Senator CRANSTON. This demonstration grant program will encourage organizations in the community to contribute their resources—their time, talent, and equipment—to enhance the quality of instruction in public schools. In this vein, it will promote community support and responsibility for elementary and secondary schools.

I am particularly pleased that title 27 makes provision for legislation I introduced earlier this session. This legislation, the Training Technology Transfer Act, would facilitate the sharing of computer software training programs developed by Federal agencies or by contract with Federal agencies. For example, information regarding basic skills training programs developed at the Department of Defense could be converted at very reasonable cost for use in educational institutions, thereby defraying the high cost of development of this software.

Title 28 of this legislation would authorize a new program in international education to provide grants to universities which emphasize the importance of international study in a business program. This demonstration program is designed to encourage higher education institutions to make foreign language instruction and international studies an integral requirement of a business program. Programs funded under this title should also serve as resources for businesses in the community in which the center is located.

Part B of title 28 enables the Secretary to provide up to $5 million for Ronald E. McNair scholarships. This important program provides scholarships for graduate minority students. By enabling these students to pursue a course of study at the graduate level, these scholarships serve to increase the talent pool of minority professionals in science, mathematics, and technological fields.

Title 29 provides additional authorization under the Carl D. Perkins Vocational Education Act for training and retraining programs in high technology occupations. Programs under this title will focus on high-technology training for workers who are adversely affected by changes in industries due to foreign competition. Vocational programs under this title would ensure that services that dislocated workers received under the Economic Dislocation and Worker Adjustment Assistance Act would be of the highest quality and would stress training in high technology occupations.

Title 30 makes provision for a National Center for the Gifted and Talented. This center would identify and teach gifted and talented students nationwide, as well as conduct research on the best methods of instruction of these very special students—to whom we will inevitably pass the mantle of leadership.

Title 31 creates a new authorization to address the school dropout problem. This is legislation which my colleague from Rhode Island, Mr. CHAFEE, and I introduced earlier this year and which now has 26 cosponsors. In providing measures to improve our competitiveness we cannot ignore the fact that well over 25 percent of our students drop out of school. Without adequate skills, these young adults cannot be part of a competitive work force, nor will they have the ability to adapt to the changing needs of the workplace.

The School Dropout Demonstration Assistance Act established under this title authorizes a $50 million demonstration grant program to local educational agencies and educational partnerships. Grants under this title shall be awarded to successful projects which seek either to prevent students from dropping out or to encourage students who have left to reenter school and graduate.

The committee has agreed to report language that it is not the committee's intent that funds authorized under this title be used for health services. The committee recognizes that there are many factors which contribute to a student's dropping out of school. We further recognize that health services provide considerable assistance in keeping students in school and have proven to be successful in this regard. Such health services, however, are funded through various other Federal, State, and local programs. In light of the fact that the School Dropout Demonstration Assistance Act is a modest demonstration program of $50 million, therefore, we have sought to ensure that this program focus its efforts on providing educational services only. This will avoid a duplication of health services which are provided through other agencies and programs.

Title 32 makes provision for three literacy demonstration programs. The Literacy Corps Assistance Act is designed to provide grants to higher education institutions to encourage college students to volunteer as tutoring aides in the fight against illiteracy. The Workplace Literacy Assistance Program encourages educational institutions and businesses to provide workers with basic skills instruction. And the Technology Education Act provides literacy instruction in the area of technology and instruction in the application of this technology to vocational demands.

The Senate Subcommittee on Education is currently working on the reauthorization of the Adult Education Act. We intend to examine carefully the many proposals to address our severe illiteracy problem. While these three literacy initiatives are very worthwhile proposals, our major concern is that they not reduce current services provided under the Adult Education Act. We have therefore included language that would trigger all three authorizations only when adult education reaches an appropriation level of $110 million. This would allow for an inflationary increase of about 4 percent above current appropriations before these programs could be funded.

Mr. President, we no longer operate in an isolated economic setting. The emergence of the international marketplace challenges us to improve the productivity and competitiveness of American industries. Our ability to face this challenge is critically dependent on the sum total of the ability and talent of our work force. And in that regard, our long-term strategy must include a strong agenda to develop and promote the productive capabilities and energies of our people.

The Education for a Competitive America Act, titles 23 through 32 of S. 1420, is that strong agenda. To my mind, it is the platform upon which we must base our assault.

Mr. HELMS. Mr. President, let me make inquiry of the distinguished managers of title XXIII of the pending bill. It is my understanding that this title merely incorporates S. 406 which is currently on the calendar. Will the committee report accompanying S. 406 be included in the legislative history of S. 1420?

Mr. HATCH. That is correct.

Mr. HELMS. Let me make a further inquiry of the distinguished managers. On page 21 the report states, "It is not the intent of the committee to use education funds authorized under this act for health services."

Am I correct that this means that Federal funds appropriated under section 1303 of the pending bill will not be used on or off the premises of any elementary or secondary school to provide the following:

First, contraceptive drugs or devices; second, prescriptions for such drugs or devices; third, transportation for such drugs or devices; fourth, referrals for such drugs or devices; fifth, counseling to encourage the child to use such drugs or devices; sixth, abortions; seventh, transportation for abortions; eighth, referrals for abortions, or ninth, counseling to encourage the child to obtain an abortion.

Mr. HATCH. The Senator is correct in my judgment. Certainly, that would be my intent.

REGARDING SUPPORT OF S. 406 TITLE X—LITERACY ASSISTANCE

Mr. GRASSLEY. Mr. President, at the end of the 99th Congress I introduced S. 2762, which was an initiative to combat the serious problem of illiteracy. This came so late in the session that it was not addressed. Still focusing on the serious nature of this problem and the far reaching implications of illiteracy to our Nation, I again, at the beginning of the 100th Congress, introduced a similar literacy bill, S. 904. This was cosponsored by Senators COCHRAN, DOLE, and BOND. Today I rise in support of the literacy assistance title X of S. 406. I am very pleased to note that the concerns that prompted my legislative initiative have been addressed in the literacy assistance section of this bill.

I have long been concerned with the training opportunities for the unemployed and retraining for displaced workers in industries that have been adversely affected by unfavorable trade or economic conditions. Some of these displaced workers, and other unemployed adults, will find many problems facing them because they cannot read a newspaper help-wanted ad or fill out a job application to find a job on their own. These functionally illiterate people will have a severe handicap in qualifying for new job.

There are 25 million American adults that lack the reading, writing, comprehension and simple math skills necessary to function at the most minimal level of 4th grade. Another similar number are considered only marginally literate with their basic skills falling in the range of the 5th through the 8th grade level.

This situation is tragic. These unfortunate individuals will not be able to enjoy the quality of American life as most Americans do. But to our Nation as a whole, this situation is also grave, and must be remedied as soon as possible. A direct correlation has been shown between the number of illiterate adults unable to perform at the standard necessary for available employment, and the money allocated to child welfare and unemployment compensation. It is estimated that the cost to society exceeds $200 billion a year when calculated in terms of welfare payments, crime, job incompetence, industrial and military accidents, prison programs, lost taxes and remedial education programs. This is money that could be spent in a more productive way!

There are many ways to attack the literacy problem, and this initiative with its three different approaches, encompasses some of the ideas that I had proposed. I am pleased to see that this legislation establishes community-based literacy training programs through post-secondary institutions, volunteers used as tutors, authorizes money allowed for client outreach, provides for the development of materials for the training and monitoring of the tutors, and of particular importance, requires a built-in evaluation for grants awarded. All of these were also included in my literacy initiative.

This problem cannot be resolved overnight. It is a problem that the entire Nation must face and work together to solve. Programs already in existence like those under the Adult Education Act and the VISTA Literacy Corps are providing literacy help to many Americans. This initiative will provide even more. The importance of our trade position, of being a competitive nation and of providing literacy training so that all American adults can improve their own quality of life is so critical we must act now. This legislation represents a major step toward meeting this challenge and I urge my colleagues to join it its support.

Mr. SASSER. Mr. President, I am pleased to offer my strong support to the provisions of S. 406 contained in the omnibus trade bill. I believe this legislation will go a long way toward strengthening the American Education System to meet the economic challenges posed by our competitors throughout the world.

Few can deny the importance of education to economic growth and competitiveness. Educational advancements lead to technological innovations which, in turn, increase productivity. And greater access to education and training improves the ability of the labor force to adapt to these technological innovations in the workplace.

Unfortunately, over the last 10 to 20 years, we seem to have forgotten that economic growth and education go hand in hand. The American Educational System has not kept pace with the rapidly changing global economy.

Today's marketplace is driven by scientific and technological innovations that demand a well-educated and highly skilled workforce. Yet, recent reports indicate that our educational system is not producing the highly capable workforce we need to remain competitive.

For example, 20 percent of our young adults cannot read at the eighth grade level, despite the fact that 98 percent of them have completed at least the eighth grade. Nearly 40 percent of our young adults cannot read at the 11th-grade level, although about 85 percent of them have graduated from high school.

One report reveals that on 19 separate, academic tests American students ranked neither first or second in comparison with students from other industrialized nations. In fact, on seven tests, American students ranked last.

In mathematics, the results are most dismal. On the latest available international comparisons, math scores for American students at age 13 were lower than those for all but two other developed nations. For students at age 17, American math scores were lower than all other nations.

Because our educational system is not adequately doing its job, employers now often have to teach employees basic skills—skills they should have learned in school. Business leaders complain that they must spend millions of dollars on costly remedial education programs in such basic skills as reading, writing, and computation.

We need a major, national commitment to improve our educational system. That will be difficult. But America has been willing to make that commitment before and I am confident that it will do so again.

Nearly 30 years ago, the United States faced the Sputnik challenge. Our educational system responded quickly—producing significant gains in student achievement. And, within a decade, we saw our commitment reach fruition as America placed a man on the Moon. Today's economic and technological challenges are more complex, but they can be met.

We must make a renewed commitment to education that combines the twin goals of excellence and equity. Clearly, we must strive for excellence in education if we are to make the necessary technological strides to remain competitive in today's global economy.

However, as we strive for excellence in education, we must maintain a strong public commitment to equal educational opportunities for our diverse population. Emphasizing excellence at the expense of equity will only widen the present gap between America's scientific and technological elite and the average citizen who is largely untrained and unprepared to function in today's complex marketplace.

I am pleased to say that the provisions of S. 406 in this omnibus trade bill emphasize both educational excellence and educational opportunity. This legislation emphasizes excellence through the creation of educational partnerships between public schools and the private sector and through the establishment of a National Center for Research and Development in the Education of Gifted Children and Youth. At the same time, it preserves our Nation's historical commitment to educational opportunity by authorizing programs to assist low-income and educationally deprived children and by offering training services in high-technology occupations for displaced workers.

It is clear to me that America must adequately invest in education if it hopes to compete effectively in the world marketplace. Investment in education is investment in the ability of the American people to meet the current economic and technological challenges confronting the United States. I firmly believe that the provisions of S. 406 will help the Nation make that sound investment.

Mr. HARKIN. Mr. President, I rise in support of the components of S. 1420, the Omnibus Trade and Competitiveness Act of 1987 that were developed by the Committee on Labor and Human Resources.

The economic dislocation and worker adjustment component of the trade bill constitutes the most effective policy for addressing the needs of dislocated workers. This legislation will enhance the international competitiveness of the American economy. It will also facilitate the return of dislocated workers to productive employment; establish the earliest possible readjustment capacity for workers and firms in each State; emphasize training and reemployment rather than income support; and provide early referral from the unemployment compensation system to adjustment services as an integral part of the adjustment process.

This component also offers broad flexibility to try new approaches as well as to use approaches that have proven to be effective in helping different types of dislocated workers. Finally, the substitute will promote management, labor, and community partnerships with government in addressing worker dislocation.

I am particularly pleased with the inclusion in the bill of an amendment that I offered and which was agreed to by the Committee on Labor and Human Resources establishing a demonstration program for dislocated farmers, farm employees, and ranchers. The amendment is consistent with S. 890, the Rural Dislocation Assistance Act, which I along with Senator GRASSLEY and Senator DOLE introduced on March 31, 1987.

I do not believe I need to tell you that there is a crisis in the farm economy. The data are making it increasingly clear that agriculture is going through the most significant financial adjustment in a half century. Neil E. Harl, the Charles F. Curtiss distinguished professor in agriculture and professor of economics at Iowa State University asserts that "not since the 1930's have issues of debtor distress gripped rural America as they have in the 1980's." He reports that in several agricultural States, land values have dropped by more than 60 percent since 1981, increasing the economic vulnerability. He also reports that the numbers of farm foreclosures, forfeitures of land contracts, and defaults on notes have reached levels not seen since the days of the Depression. Finally, he concludes that the level of emotional trauma being suffered by indebted farmers "Is a tragedy of awesome proportions."

Let us take a closer look at the data. Most experts agree that farms with debt-to-asset ratios over 40 percent are vulnerable to financial stress. As of January 1986, approximately 22 percent of the farmers nationally had debt-to-asset ratios of greater than 40 percent. The problem in some regions is substantially more serious. In a recent survey of nine Midwest States in early 1986, it was found that 28.1 percent of the farmers reported debt-to-asset ratios above 40 percent. In Iowa, the figure was 38.3 percent. Bill Kastens, assistant State statistician for the Kansas Crop & Livestock Reporting Service estimates that 25 to 30 percent of the State's farms have debts exceeding 70 percent of their assets.

In a recent paper prepared by Lines & Morehart "Financial Health of U.S. Farm Businesses: A Region, Type, and Size Analysis"—July 28, 1986—the authors concluded that 70 percent of all farms and 40 percent of commercial farms had "poor financial health" and were in "serious financial difficulty."

The financial condition of farms may also be evaluated on the basis of return to equity. Neil E. Harl reports that 29.1 percent of the operators have an estimated return to equity of less than −0.05 percent. These operators hold about 17.9 percent of the assets but are responsible for more than 36 percent of the debt.

In sum, since 1981, farm equity has declined dramatically and debt-to-asset ratios have increased thereby adversely affecting the farmers' ability to survive. Significant numbers of farmers have already been forced to leave farming. Significant numbers of additional farmers face liquidation and foreclosures. Dislocation of farmers, farm employees, and ranchers has reached crisis proportions.

The bill specifies that at least 10 percent of the amount of funds provided to the Secretary for demonstration, exemplary, and discretionary programs—but not to exceed $20 million—shall be used to fund the farmer dislocation program. Ninety-five percent of these funds will be allocated to those States most adversely affected by the farm crisis, as measured by declining farm equity and increases in the average debt-to-asset ratio. Five percent of the total is reserved for States which do not qualify using these criteria but which the Secretary determines have areas of significant farmer dislocation or potential dislocation. No State may receive more than 10 percent of available funds. If the Secretary finds that a particular State is unable to use all of its allocation, he or she may use the excess for other eligible States or for other demonstration, exemplary, or discretionary programs.

Individuals eligible to receive services under the demonstration program include the following farmers, farm employees, and ranchers: First, individuals who can certify or demonstrate that the farm or ranch operations which provide their primary occupation have terminated or are likely to terminate because of specified circumstances; and second, individuals who may reasonably be expected to leave farming or ranching as their primary occupation because of unfavorable debt-to-asset ratio as defined by the Department of Agriculture.

Activities and services which may be provided to meet the unique needs of farmers, farm employees, and ranchers include specially tailored basic readjustment service, retraining services, and income support services. The State may not spend more than 15 percent of its allotment on income support. Examples of authorized services and activities include: Assistance in the evaluation of financial conditions and in the preparation of financial plans; assistance in managing temporary crises, including psychological and mental health counseling; credit and legal counseling—including farmer/lender mediation services; vocational evaluation, job search assistance, including training in job seeking skills; entrepreneurial training; specific skill training, including on-the-job training; and other support services.

EDUCATION COMPONENT OF THE TRADE BILL

The purposes of titles XXIII-XXXII of this bill are to strengthen our Nation's competitive capabilities through educational programs to ensure that our labor force is equipped with the basic skills necessary to function in a technological, highly competitive society. It is exceedingly clear that we cannot develop a comprehensive approach to improving our national competitiveness without making a serious investment in our country's educational system.

This bill provides for increases in existing educational programs or new authorizations that will strengthen the competitiveness of American industry. The key areas include training for dislocated workers, mathematics, science, technology, and foreign language education; basic skills and literacy instruction, vocational education; and international education.

EDUCATION FOR ECONOMIC SECURITY

The upgrading of math, science, and foreign language instruction is emphasized in this bill because it is critically important to our Nation's competitiveness.

Title XXIII of the bill reauthorizes title II of the Education for Economic Security Act, a grant program designed to upgrade instruction in math, science, foreign languages, and computer education through teacher training and retraining. The grants are used for training currently employed teachers as well as preservice teachers in current methodologies for teaching these vital subjects.

The current version of title II addresses the problems in upgrading instuction in these areas through a multifaceted approach. It appropriately involves local education agencies and State elementary-secondary and higher education boards. This cooperative partnership is important because each level of education has a specific contribution to make in meeting the instructional challenge of upgrading math, science, technology and foreign language instruction.

In Iowa this past year, higher education grants under this title supported teacher education projects at seven colleges and universities. In total, 332 teachers were providing training through these programs. The majority of these teachers were persons teaching in math, science or foreign language areas who were teaching on temporary certificates. The needs in this area are still great and the title II funds, while modest, have been an important supplement to State efforts in this area.

This is an extremely important program in Iowa as it is throughout the Nation. The greatest shortcoming we hear about is its serious underfunding, small districts report that their formula based allocation is not sufficient to support meaningful activities. Many resourceful districts participate in consortia with other districts or use funds under title II to complement other programs. The effectiveness of the program at current funding levels will be enhanced if title II programs are coordinated with other programs that are expanded or authorized by this bill. Adequate and stable funding is also necessary for these important programs to be effective, however.

Partnerships in education for mathematics, science and engineering, title II of the Education for Economic Security Act would also be reauthorized by this bill. Through this authorization partnerships in education are established with matching Federal grants to improve the quality of mathematics, science and computer education with cooperation among State and local officials, educators, and industry leaders.

Star Schools, a measure which I cosponsored and which was passed by the Senate with a 77-to-16 vote on April 23, 1987, is included in the bill in recognition of its clear potential for strengthening competitiveness in American industry. The Star Schools Program would establish a new title IX in the Education for Economic Security Act to support telecommunications networks in providing instruction in math, science, foreign languages, and other areas. Using telecommunications and interactive television, the Star Schools concept can help to bring qualified teachers with the best and most up-to-date curriculum and instructional methods to schools in areas most needing to expand their educational resources, particularly those in rural areas.

Two amendments I made during the development of the Star Schools legislation assure that the program will provide assistance in areas with the greatest need. The first amendment addresses the need for demonstration projects to be regionally dispersed throughout the Nation. My second amendment assures that new educational opportunities offered to network participants will be targeted particularly toward areas with scarce resources and limited access to courses in science, math and foreign languages.

Students in small rural districts have fewer courses from which to choose than do their counterparts in larger school districts. Many small schools simply do not have enough high school students to justify offering many advanced mathematics and science courses. Small schools also cannot compete with larger districts in teacher salaries, which may mean losing teachers as they transfer to districts with higher pay or settling for a staff with fewer advanced degrees and less on-the-job experience. Students' learning in small rural schools may also be slowed by a lack of competition and class discussion. The Star Schools Program and the telecommunications network it would establish would address all of these issues.

FOREIGN LANGUAGE

Foreign language facility is essential in international business, and the need to develop such abilities in the early grades is well recognized. Grants under title XXIV of this bill would be made to local educational agencies for model foreign language instruction projects at the elementary and secondary levels and would allow for participation of the full community.

Although foreign language instruction is permitted under the Education for Economic Security Act, that program's focus on math and science often precludes instructional improvements in foreign language programs. The assistance provided under this part will assure that appropriate attention is devoted to increasing the foreign language fluency of American students. This title also authorizes Presidential awards for outstanding foreign language instruction in elementary and secondary schools. A similar program under the Education for Economic Security Act provides for Presidential awards for math and science instruction. These awards have been successful in setting standards of excellence for the profession. This part promises to have an equally beneficial effect on professional standards and performance in foreign language instruction and is, therefore, an important element of our trade package.

SECONDARY SCHOOL BASIC SKILLS INSTRUCTION

Title XXV provides a new $400 million authorization for basic skills instruction targeted to chapter 1 eligible students in secondary schools. Strengthening basic skills instruction in secondary schools must be an essential component of any effort to increase our national competitiveness. It is estimated that 15 to 20 percent of all secondary students lack basic reading, writing, and comprehension skills. Because schools often lack the necessary resources to provide compensatory education to high school students, these students generally graduate and enter the employment market with marked deficiencies in literacy and computational skills. Then business and industry have to provide them with the necessary compensatory training. The estimated cost to industry is about $25 billion annually for personnel training—most of which is used for basic skills instruction.

EDUCATIONAL PARTNERSHIPS

Title XXVI, educational partnerships, is designed to encourage the contribution of private sector resources to enhance the quality of American education. The purpose of this title is to promote educational partnerships between public schools and the private sector. Under this title, grants for demonstration partnership programs could be made to educational partnerships which include: First at least one educational institution including a local educational agency and/or an institution of higher education or both, and second, a business, community organization or other nonprofit organizations, State agencies, educational media concerns or other similar entities.

I am particularly supportive of the provision in this title that encourages projects designed to meet the educational needs of students who are educationally disadvantaged or gifted and talented. Public education is being called upon to respond to the special needs of disadvantaged and high risk students while maintaining high standards of academic achievement for all students and providing appropriately challenging programs for gifted students. Programs to meet the special educational needs of students who can not receive maximum benefits from typical instruction are key elements in developing all of our human resources to their fullest levels. If we are to achieve and maintain our appropriate place in today's global economy we must direct both public and private sector resources to developing the skills and talents of all of our students.

TRAINING TECHNOLOGY TRANSFER

Title XXVII would establish an Office of Training Technology Transfer in the Department of Education. This is an important provision, developed in response to the significant need to share information regarding computer software training programs developed by or through contract with Federal agencies. Extensive educational and training software exists in various agencies and would be made available to educational institutions and vocational training programs through this office. This is a cost-effective method of increasing the use of state-of-the-art training technology in our Nation's schools and vocational programs.

INTERNATIONAL BUSINESS EDUCATION

Improving our international competitiveness requires that we prepare students to enter the international market. Excellence in modern business requires knowledge of business management, foreign language, and other world cultures. International activities currently produce a third of all U.S. corporate profits and a recent survey found that 71 percent of senior corporate executives strongly believe that pressure on American companies to compete internationally will increase substantially in the next 5 years. In fact, 56 percent of corporate executives expect to acquire a foreign company within the next 5 years. Today's international business world requires leaders who have an understanding of foreign cultures, fluency in foreign language, as well as knowledge of modern business principle and practices.

Programs authorized under title XXVIII would address this need by encouraging institutions of higher education to offer joint or coordinated degrees in business and international studies. Programs, particularly graduate programs, would be designed to include international studies and instruction in critical foreign languages as an integral part of a business school program. These programs will be vital components in addressing the issue of international economic competitiveness.

EDUCATION OF GIFTED AND TALENTED STUDENTS

In recognition of our national need to fully develop the resources of our gifted and talented students, the bill would establish a National Center for Research and Development in the Education of Gifted and Talented Children and Youth. The Center would provide technical assistance for, and conduct research on gifted and talented students. The Center would be a resource for information about methods of identifying gifted and talented children and programs in training teachers to educate these students.

I am very supportive of these provisions for the education of gifted and talented students, but continue to support Senator BRADLEY's bill on which I am a cosponsor, S. 303, the Jacob K. Javits Gifted and Talented Children and Youth Education Act of 1987. While I enthusiastically endorse the provisions for education of gifted and talented students in the bill before us today, I believe our national interests and competitiveness would be even better served through the provisions of S. 303.

ASSISTANCE TO ADDRESS SCHOOL DROPOUT PROBLEMS

Improvements in basic skills instruction and other educational programs will have little effect on the over 25 percent of American students who drop out of the educational system. Therefore, the bill also includes authorization for demonstration grants to address the problem through efforts to prevent students from dropping out or to encourage those who have dropped out to return to school. This legislation is designed to expand existing programs that have been successful within a school district, to target areas with large numbers of dropouts, to provide early intervention to at risk students, and to encourage parental involvement.

I have seen how these programs can work. In the Des Moines public schools, for example, the dropout-outreach project of the New Horizons program has shown the benefits of well designed programs that address the dropout problem.

John Tiano left high school in 1985, his senior year. He did not feel the regular school program was helping him. After working intermittently for several months, John realized that he needed to get back into school. In April 1985, he received a letter from Rick Williams, learning coordinator with the dropout/outreach project of the New Horizons Program. This letter informed him of an opportunity to complete his high school education and obtain part-time employment.

Soon John met with the project staff and decided to enroll in the dropout/outreach project, and began working toward his high school diploma at the alternative high school. He graduated in March 1986, and worked as an assistant with New Horizons Program during that summer. In September 1986, John began studying a liberal arts curriculum at Grandview College with the thought of eventually majoring in the human services and journalism fields. Last semester he earned all B's in the four courses he was taking: English, political science, algebra, and religion in human experience.

John Tiano's successes reflect what happens when alternative educational services, such as those offered by the New Horizons Program, are provided to young people who want a more practical, relevant education, and who are willing to stretch themselves to attain more.

LITERACY ASSISTANCE

Recognizing that today's jobs are requiring increasingly higher levels of literacy and that workers may not be able to meet the literacy demands of new jobs, title XXXII of the Omnibus Trade and Competitiveness Act includes provisions for three literacy initiatives.

I am an original cosponsor of the Literacy Corps Assistance Act which is designed to provide grants to higher education institutions that will encourage college students to serve as tutors in established literacy programs in their communities. Under this legislation it is intended that college students would provide 6 hours of literacy tutoring each week during a semester while receiving relevant coursework and supervision to participate effectively in the fight against illiteracy. A range of community programs would benefit from such tutoring assistance including schools, Head Start centers, agencies serving youth and other individuals with handicaps, and after school programs. Volunteer tutors would be used to complement, not replace, the long-term efforts of professional educators in these settings.

The Workplace Literacy Assistance Program would provide demonstration grants for education partnerships between business and educational institutions to provide workers with basic skills instruction. In the past, literacy meant the ability to read and write. But today the concept also encompasses technological literacy, reasoning and problem-solving skills that enable individuals to learn new tasks and adapt to changing situations and technological advances. In this sense, literacy is vital to America's work force. If America is to be competitive in the global economy, its workers must have the literacy skills they need to perform many of the tasks that our changing technology demands.

The Technology Education Act would allow for demonstration grants for secondary schools to provide literacy instruction in technology and its application to vocational demands. The need for basic technological education is real. While Japan, Korea, and other industrial competitors have made the technological literacy of their population a national goal, we continue to provide American students with an outdated education based on simply using machines rather than understanding how they work. When students comprehend the basic principles of technology, their education remains both valid and valuable even in the face of changing technology. By helping students to understand technology, we help them to gain a mastery over it. Projects under this part would develop model programs to promote a fundamental knowledge of technology and its applications to current systems including communication, agriculture, manufacturing, construction, and industry.

These three literacy initiatives are designed to help overcome the barriers illiteracy presents to our Nation's economic growth. Each of these new initiatives holds promise for improving the literacy and basic skills needed by today's workers. But they are designed to complement, not replace, the Adult Education Act.

I firmly believe that new initiatives should not be implemented at the expense of existing programs that have proven to be effective. The Adult Education Act currently serves about 2½ million adults nationally and many programs have waiting lists. Throughout the Nation adults find that adult basic education classes offer a "second chance" to improve their proficiency in basic skills, English as a second language, and, in many cases, provide the avenue to employment or job advancement.

I can attest to the success of adult basic education in Iowa where, since it was first introduced in 1966, there has been a growing interest in the program. For instance, Iowa's 1985-86 enrollment of 33,225 represents a 1,072-percent increase over the 2,834 students enrolled in adult basic education during the first year.

In 1985-86 more than 1,000 of the 5,227 Iowans who were receiving public assistance when they enrolled in adult basic education courses went off welfare roles after completing classes. As a result, the combined Federal and State savings are expected to be approximately $6 million. The program saves taxpayers money in the long run, and it provides help to people who want to help themselves. In addition, the per student cost for adults enrolled in adult basic education during 1985-86 was only $82.

So while these new literacy initiatives should be pursued, it is appropriate that the provisions of this bill assure that these initiatives not result in a reduction of services under the Adult Education Act. The bill before us today requires that appropriations for the Adult Education Act reach a level of $110 million before the new authorizations for literacy become operative.

The education components of the Omnibus Trade and Competitiveness Act of 1987 represent a comprehensive approach to one of our Nation's most serious challenges—improving America's competitive position in international trade. This legislation is designed to promote the educational achievement of American students in mathematics, foreign languages, and science; to improve programs for disadvantaged youth and displaced workers; to increase the use of technology in education; and to provide additional resources and opportunities for illiterate adults to develop needed skills.

I am proud to be a cosponsor of the Education for a Competitive America Act which is now title XXIII-XXXII of S. 1420. I am grateful to Senator PELL and Senator STAFFORD for accepting many of the provisions and initiatives I helped design and for their excellent leadership in crafting bipartisan legislation that addresses the critical educational issues necessary to improving our competitiveness as a nation.

Mr. BYRD. Mr. President, there is an opportunity now for Senators to call up amendments. At least if they could let the managers know they have amendments and are prepared to call them up, this would be a good opportunity. I am almost tempted to try to call up one of mine.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FOWLER). Without objection, it is so ordered.

Mr. BYRD. Mr. President, there is an amendment by Mr. GRAMM. He is momentarily expected to call it up. He is still working on it.

I ask unanimous consent that the pending amendments by BUMPERS and HATFIELD and MOYNIHAN and BYRD be temporarily laid aside and that Mr. GRAMM may be permitted to call up his amendment, with no amendments in order thereto.

The PRESIDING OFFICER. Is there objection to the request? Hearing none, it is so ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 455

(Purpose: To allow the President discretion to take action under Section 201 in a manner that avoids injury to U.S. agricultural interests)

Mr. GRAMM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Texas [Mr. GRAMM] for himself, Mr. DOLE, Mr. WILSON, Mr. FOWLER, Mr. DURENBERGER, and Mr. BOSCHWITZ, proposes an amendment numbered 455.
>
> On page 73, line 24 strike "or" and insert in lieu thereof
>
> "(B) would disproportionately burden United States agriculture with regard to exports, employment, or income, or".

Mr. GRAMM. Mr. President, this amendment is very simple.

Under section 201 of the trade bill, protection can be granted to an industry that is being damaged by foreign competition. The President, under this bill, is very severely limited in what he can look at in determining whether it is in the public interest to institute protection for this injury. At first he can look at national security. He can look at the impact on the downstream, using industries that purchase the product being imported. We then adopted the Bradley amendment that allowed him to look at disproportionate burdens falling on the poor.

Mr. President, this amendment expands the logic of the Bradley option to include American agriculture, to include our level of exports, our level of employment, and our level of income.

Mr. President, American agriculture is more dependent on foreign trade than any other segment of our economy.

American agriculture stands more to lose from a trade war than any other element of our economy.

American agriculture is more depressed in terms of the viability of the individual farm, especially the individual unit that we often eulogize here as the family farm, than any other element of the American economy.

So I submit, if we are going to look at the well-being of a particular industry that might be impacted, especially impacted through retaliation under the right of offsetting compensation is permitted by article XIX of the GATT, that looking at the impact on American agriculture, on employment, and income and exports in agriculture is something we should give the President the right to do.

We made progress under the new farm bill in expanding agriculture exports. It has been a source of cash income in rural America. Obviously it has been important to my State of Texas. I think adding this additional vehicle for the President to determine the public interest by looking at agriculture is something that is very important to the Nation, a very important part of our trade effort.

Obviously, a healthy agriculture is important if we are to balance our trade imbalance, and therefore I think it is an important power. I hope our colleagues will support the family farmer, will support American agriculture and will support this amendment.

Mr. PACKWOOD. Will the Senator yield for a question?

Mr. GRAMM. I will be happy to yield.

Mr. PACKWOOD. I like the amendment. I am going to support it. I want to make sure of its full ramifications. The Senator uses the word "exports" in the amendment. This will affect agricultural exports in addition to employment and other things; right?

Mr. GRAMM. Mr. President, may I ask that the clerk read the amendment again.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read as follows:

> On page 73, line 24, strike "or" and insert in lieu thereof;
>
> "(B) would disproportionately burden United States agriculture with regard to exports, employment, or income, or".

Mr. PACKWOOD. Good. I want to ask this question: An industry files a section 201 action claiming they are burdened by some kind of imports. The International Trade Commission, of course, can consider nothing but burden or injury. They cannot consider public good or agriculture. So they recommend a tariff or quota of some kind and send it down to the President. As the Senator from Texas well knows, we very wisely added Senator BRADLEY's disproportionate burden on the poor.

Under the Senator's amendment, would the President consider whether or not if he puts into effect the import relief recommended by the International Trade Commission it might result in retaliation to agricultural exports and that would be a legitimate reason to deny the relief?

Mr. GRAMM. If I could respond to the distinguished Senator from Oregon, that is exactly one of the things that this amendment would allow him to look at.

Let us say, for example, that Korea is selling bicycles in the American economy and that the bicycle industry in the American economy is being injured. But let us say that the bicycle industry is concentrated in States with very low unemployment rates, so that in fact the people losing their jobs in bicycles are being absorbed into other industries. But let us say that the President looks at Korean purchases of American products and finds that Korean blend cotton sold by panhandle cotton farmers in Texas is at the very top of the list as to what might be chosen for offset in compensation. The President looks at unemployment in the Panhandle of Texas, looks at unemployment in the Mississippi Delta where cotton is grown, and concludes that the damage done to the American economy and to the working people of America will be much greater if we protect the bicycle producer and allow the cotton farmer to lose sales. It is exactly this kind of public interest assessment that we are trying to promote.

Mr. PACKWOOD. I think it is an excellent amendment. I think the Bradley amendment took care of 90 percent of the problems I envisioned when we refused to adopt my amendment on section 201 yesterday, and I think this takes care of the other 10 percent. So I am happy to accept it.

Mr. GRAMM. If I might say, the Bradley amendment took care of the poor, many of whom are nonworking. This amendment tries to take care of an important sector of our economy where you have people, some who are poor, but they are out there behind that plow or combine and they are working.

We want to give the President the ability to look at the impact on them before he grants protection to some industry with people who may have better options than the cotton farmer or the wheat farmer or whatever other element of agriculture.

Mr. BENTSEN. Mr. President, I really question that it does that or does not have somewhat of a countereffective action but I am prepared to take the amendment to conference. I would suggest to my friend that he not read too much into it because it might make it more difficult to sustain it in conference. But I have no objection to the amendment.

The PRESIDING OFFICER. Do Senators yield back all their time?

Mr. PACKWOOD. If I have any time, I will yield it back.

Mr. BENTSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that further proceedings under the rollcall be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, we yield back the remainder of our time.

Mr. PACKWOOD. I yield back the remainder of our time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment offered by the Senator from Texas [Mr. GRAMM].

The amendment (No. 455) was agreed to.

Mr. GRAMM. I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 456

(Purpose: To improve the coordination and joint support of activities for the improvement of instruction in mathematics, science, and engineering, conducted or assisted by the Secretary of Education, the National Science Foundation, and the Secretary of Energy, and for other purposes)

Mr. DOMENICI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to setting aside the pending amendments to consider the amendment of the Senator from New Mexico?

Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 456.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 655, between lines 7 and 8, insert the following:

SEC. 2305. PROGRAM FOR THE COORDINATION AND JOINT SUPPORT OF MATHEMATICS, SCIENCE, AND ENGINEERING INSTRUCTION AUTHORIZED.

(a) IN GENERAL.—The title II of the Act is amended by adding at the end thereof the following new section:

"COORDINATION OF MATHEMATICS, SCIENCE, AND ENGINEERING EDUCATIONAL ACTIVITIES

"SEC. 214. (a) The Secretary shall coordinate the activities conducted under this Act (particularly section 212 of this Act) and under any other Act relating to the improvement of mathematics, science, and engineering instruction with similar activities assisted by the National Science Foundation and by the Department of Energy.

"(b)(1) In carrying out the provisions of this section the Secretary shall—

"(A) examine the operation of programs conducted for the improvement of instruction in mathematics, science, and engineering and the facilities used in such instruction conducted or assisted by the National Science Foundation and by the Department of Energy; and

"(B) evaluate and identify opportunities for the joint support, using the resources available to the Department of Education, with the activities being supported or conducted by the National Science Foundation or the Department of Energy.

"(2) The Secretary may, in carrying out programs identified and evaluated under subsection (a) of this section, with the approval of the Director of the National Science Foundation or the Secretary of Energy, or both, provide for the joint use of funds in order to improve the instruction in mathematics, science, and engineering.".

(b) SPECIAL RULES.—(1) Section 206 of the Act is amended by adding at the end thereof the following new subsection:

"(g) Each State educational agency receiving assistance under this Act may use the apportionment made under this section for creative programs designed to carry out any activity which the State education agency is otherwise authorized to carry out under this Act in cooperation with similar activities conducted or assisted by the National Science Foundation or by the Department of Energy, or both. In carry out the provisions of this subsection, the State educational agency shall examine ways to enhance the impact of the resources and educational programs conducted by national laboratories and science centers run or supported by the National Science Foundation or the Department of Energy. The State educational agency may use funds apportioned under this section to participate in any program or activity having a similar purpose supported or conducted by the National Science Foundation or by the Department of Energy, or both.".

(2) Section 207 of the act is amended by inserting at the end thereof the following new subsection:

"(e) Each State agency for higher education receiving assistance under this Act may use the apportionment made under this section for creative programs designed to carry out any activity which the State agency for higher education is otherwise authorized to carry out under this Act in cooperation with similar activities supported or conducted by the National Science Foundation or by the Department of Energy, or both. In carrying out the provisions of this subsection, the State agency for higher education shall examine ways to enhance the impact of resources and educational programs conducted by national laboratories and science centers run or supported by the National Science Foundation or the Department of Energy. The State agency for higher education may use funds apportioned under this section to participate in any program or activity having a similar purpose supported or conducted by the National Science Foundation or by the Department of Energy, or both.".

(c) EVALUATION AND REPORT.—Title II of the Act is further amended by adding at the end thereof the following new section:

"EVALUATION AND REPORT

"SEC. 215. (a) The Secretary shall evaluate the coordination and joint support of educational programs and activities conducted pursuant to this Act or any other Act supported or conducted by the Secretary for the improvement in the instruction of mathematics, science, and engineering with the National Science Foundation or with the Department of Energy, or both.

"(b) The Secretary shall not later than two years after the date of enactment of the Education for a Competitive America Act prepare and submit to the Congress a report on the evaluation required by subsection (a) of this section together with a statement of plans and proposed activities designed to carry out the objectives described in subsection (a).".

On page 13, in the table of contents, after item "Sec. 2304" insert the following:

"Sec. 2305. Program for the coordination and joint support of mathematics, science, and engineering instruction authorized.".

Mr. DOMENICI. Mr. President, this is an amendment to improve the quality of mathematics, science, and engineering education in our country. The amendment would strengthen coordination of educational activities supported by the Department of Education, the Department of Energy, and the National Science Foundation [NSF].

The changes I am proposing would increase access by the States and the Department of Education to educational opportunities under title 2 of the Education for Economic Security Act [EESA], a law that is reauthorized in this Omnibus Trade Bill.

Under title 2 of the EESA, the Department of Education makes funds available to improve the skills of teachers and instruction in math, science, computer learning, and foreign languages. Most of these funds are allotted to the States, which use the funds to strengthen their elementary, secondary, and higher education programs. A small proportion of funds are reserved for the Secretarys' discretionary fund for use in programs of national significance.

My amendment would add the following provisions to title 2. First, the Department of Education would be directed to investigate educational activities supported by the Department of Energy and the NSF, and to coordinate the Department of Education's mathematics, science, and engineering educational activities with similar activities supported by the Department of Energy and the NSF.

This amendment would also permit the Secretary of Education to assist educational activities supported by these other agencies, if the activities help accomplish the goals of the title 2 program.

Because much of the Department of Education's funds under this title go directly to the States, my amendment also would provide a similar directive to, and option for, the States. The State agencies administering these funds would be encouraged to explore—and they would be permitted to participate in—any program supported by these agencies that the States find would help to strengthen efforts to improve mathematics, science, and engineering instruction. This option would be made available for States' primary, secondary, and higher education programs.

The final part of this amendment would require the Department of Education to report within 2 years on its progress in coordinating efforts, and the prospects for the future. This reporting requirement should not provide a great burden for the Department of Education. Rather, the Department should make a general report simply describing what it and the States are doing and plan to do.

Mr. President, much of what is contained in this huge bill will offer little help in America's effort to be more competitive in the world. Yet these math and science programs, supported by the Department of Education, are extremely important. They bolster the very core of our economic capabilities. The success of our economy today and in the future will depend on a work force competently trained in mathematics and the sciences.

A few years ago, I came before the Senate to alert my colleagues that our Nation was facing a serious shortage of science and mathematics teachers. I offered proposals at that time to help correct the shortage. Some of these ideas were incorporated into the original EESA, which we are now seeking to reauthorize.

I have been greatly encouraged by the improvements that EESA has brought to teaching and instruction in these subjects. That is also the view of educators in New Mexico.

Since then, I have come before my colleagues several times to argue that we need to do more to improve America's mathematics and scientific capability. The world leader must have a technically competent work force, plus a healthy supply of the Nation's brightest talents working hard to push us across the frontiers of science. It is also critical that we convert quickly scientific breakthroughs into useful industrial applications.

We in the United States are fortunate as we are served by the world's greatest educational institutions and laboratories. But to solidify our competitive position within the world economy, we must draw upon all our resources, and work to accomplish all that is necessary to build a strong national scientific and technical capability.

The importance of math and science education has not been lost on those charged with the other tasks in our quest for a strong national scientific capability. The National Science Foundation is responsible for making sure that we continue producing first-rate scientists and scientific research. They know the importance of math and science education and how it is critical to their success. Toward this end, the NSF supports a number of science education activities intended to assure that our Nation continues to have a good supply of top-notch students who pursue careers in math, science, and engineering.

The NSF supports educational programs designed not only to advance the education of the most talented and promising students, but also to enrich math, science, and engineering education for all students. The activities they support include comprehensive efforts to improve pre-college education in science education, develop instructional materials and strategies, improve teacher training, generate new knowledge and understanding about teaching and learning, assess American science education efforts, and develop various opportunities for informal science education.

The Department of Energy is also responsible for maintaining our Nation's great scientific capability. It holds particular responsibility for assuring that we continue conducting first-rate energy research and development. It also has a direct impact on math and science education through its long history of cooperation with the Nation's universities and colleges.

The Department of Energy not only supports university-based research, but it utilizes its national laboratories and contractor research facilities to offer a wide range of activities benefiting science education as well. These activities include providing graduate and undergraduate students with valuable, hands-on research experience at the national laboratories.

In addition, the Department of Energy sponsors programs that bring in pre-college science teachers to work at the laboratories during the summer, and, recently, it has begun a new program for high school students that enables such students to participate in research activities at the national laboratories as well.

Mr. President, these educational activities are very special because they utilize the expertise and unique resources of the National Science Foundation and the Department of Energy; expertise and resources that help improve the educational process for students of such subjects, and that also help generate interest in careers in math, science, and engineering. These activities should prove quite valuable not only to those who will be scientists, but for those who will train those scientists.

Educators in New Mexico have gained much from opportunities offered by the Los Alamos National Laboratory. Los Alamos sponsored a program called Outreach, which brought in a number of New Mexico high school science teachers for a summer program that exposed them to state-of-the-art research and equipment. This program trained teachers on equipment they would not normally have the opportunity to use. This is so helpful in keeping these teachers on top of developments in their scientific fields.

Mr. President, it only makes sense that the Department of Education coordinate its activities with the educational work of the Department of Energy and the National Science Foundation. Surprisingly, little coordination has occurred between the three agencies. While some of our most important national resources are being used in creative ways to improve science education, knowledge of these programs is far from widespread. In particular, the resources of our national laboratories, and how they could be used to improve our Nation's competitiveness, may be one of this Nation's best kept secrets.

Coordination of these educational activities is necessary so that all agencies know what each is doing, how each program can complement another, what each agency should be doing separately and what they might do best together. Some coordination has begun between these agencies. But much can still be done, and these agencies can learn from each other's programs.

Mr. President, I believe that this amendment will help bring attention to the educational programs offered within the Department of Energy and the National Science Foundation and generate the coordination necessary to improve our education strategy.

Some of my colleagues may be concerned that this amendment could pose a threat to the current math and science education programs funded under the Education for Economic Security Act. Let me assure them that this amendment does not require the Department of Education or the States to spend their money any differently than under current law. Neither will this amendment change the purposes of the title 2 program.

What it does accomplish is to improve the options available to the Department of Education and the States. It directs them to coordinate their activities in a way that will mean those goals will be met more effectively.

Mr. President, our scientific and technical capability is vital to our long-term economic development and competitiveness. The Federal Government's approach should be well coordinated and enable the various branches of government to benefit from each other's expertise and resources. I encourage all my colleagues to support this measure.

Mr. President, this is a simple amendment, although in its effect it may have significant positive impact on our national effort which we call education for economic security.

Essentially, that act is 5 years old and is being reauthorized in this bill. It is a Department of Education program aimed directly and specifically at enhancing the capacity of our schoolteachers—that is, helping them become better math, science, and language teachers.

As we looked at it, we found that that act is being administered totally and exclusively within the Department of Education; and unless this amendment is adopted, they cannot coordinate their efforts with institutions like the National Science Foundation and other great American institutions that are doing similar things and have a capacity to enhance the educational opportunities for math teachers and for young students who have a tendency or propensity to want to be math, science, and language teachers.

All this does is authorize the Department of Education to coordinate their efforts with other departments of the Federal Government that have the capacity and are doing similar things.

Further, it authorizes each of the States that receive some grant money under this education for economic security—they get some grant money to help teachers enhance their capability and get excited about math, science, and language. Since they get this money and choose what to do, it permits them to choose the Department of Energy's laboratory as a place they might send these teachers to enhance their skills. It permits the National Science Foundation's programs to be used in that manner, also.

I thank the majority staff and the minority staff and Senator PELL for helping us with this. I think that although it is very logical and almost simple in nature, it will have a very significant effect on the effectiveness of this Science Education Program.

I yield the floor, and I hope the Senate will adopt the amendment. I understand that it has been cleared on our side.

Mr. PELL. Mr. President, I rise to support the amendment of the Senator from New Mexico. It is an excellent amendment, and it has been cleared on this side of the aisle from the viewpoint of education.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. DOMENICI].

The amendment (No. 456) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 457

(Purpose: To authorize the Secretary of Agriculture to make grants for the operation of private sector international trade development centers)

Mr. DOLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to setting aside the pending amendment for consideration of the Dole amendment?

Without objection, it is so ordered.

The amendment will be stated.

The bill clerk read as follows:

The Senator from Kansas [Mr. DOLE], for himself, Mr. EXON, Mr. KARNES, Mr. NICKLES, Mr. DASCHLE, Mr. PRESSLER, Mr. WALLOP, and Mr. SIMPSON, proposes an amendment numbered 457.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 538, between lines 19 and 20, insert the following new section:

SEC. . GRANTS FOR PRIVATE SECTOR INTERNATIONAL TRADE DEVELOPMENT CENTERS.

(a) IN GENERAL.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1458A (7 U.S.C. 3292) the following new section:

"SEC. 1458B. GRANTS FOR PRIVATE SECTOR INTERNATIONAL TRADE DEVELOPMENT CENTERS.

"(a) IN GENERAL.—The Secretary shall establish and carry out a program to make grants to existing private sector international trade development centers in the United States for the operation of the centers to enhance the exportation of United States agricultural commodities and agricultural, industrial, and other products.

"(b) MATCHING FORMULA.—The grants shall be based on a matching formula of Federal and non-Federal shares of funding that is determined by the Secretary, except that, over the 5-year period beginning on the date of enactment of this section, the Federal share of the grants shall average 50 percent.

"(c) Allocation of Funds.—

"(1) Eligibility.—To be eligible to receive a grant under this section, an organization must be an existing, nonprofit private sector international trade development center that is located in a predominantly agricultural State, as determined by the Secretary.

"(2) Preference.—In making grants under this section, the Secretary shall give preference to accredited world trade centers organized on a multi-State regional basis that focus on trade promotion in economically distressed inland States without major deep water ports.

"(d) Use of Funds.—

"(1) In general.—The centers may use funds provided under this section—

"(A) to enhance the exportation of United States agricultural commodities and agricultural, industrial, and other products, with particular emphasis on actual marketing, implementing business transactions, and providing technical assistance to local businesses; and

"(B) carry out such other activities relating to the exportation of United States agricultural commodities and agricultural, industrial, and other products as the Secretary may approve.

"(2) Augmentation of programs.—The centers shall use funds provided under this section to augment, not duplicate, existing efforts by State and local trade development entities.

"(3) Limitations.—

"(A) Capital purchases.—No more than 15 percent of the funds provided to a center under this section may be used for capital purchases.

"(B) Real property.—None of the funds provided to a center under this section may be used to purchase real property, except that this subparagraph shall not prohibit a center from using the funds to lease office space.

"(e) Authorization of Appropriations.—There are authorized to be appropriated $5,000,000 to carry out this section during the 5-year period beginning on the date of enactment of this section.

"(f) Termination.—The authority provided in this section shall terminate 5 years after the date of enactment of this section.".

(b) Conforming Amendment.—The table of contents of the Food and Agriculture Act of 1977 (7 U.S.C. prec. 3101) is amended by inserting after the item relating to section 1458A the following new item:

"Sec. 1458B. Grants for private sector international trade development centers.".

Mr. DOLE. Mr. President, I offer this amendment on behalf of my colleagues, Senators Exon, Karnes, Nickles, Daschle, Pressler, Wallop, and Simpson.

This amendment would modify existing language under section 1458a of Public Law 99-198, the 1985 farm bill, dealing with grants to States for international trade development centers by allowing private sector trade centers, based on a regional concept, to participate in the program. This new category of centers would be already accredited by the United Nations affiliated organization that provides the linkage to world trade centers around the globe. Currently, only trade development centers located at a land-grant college or university would be eligible to receive matching grants under this farm bill provision.

In the real world of international trade, it is important to highlight the efforts local people are making to develop the economies of their States. As my colleagues are aware, the Farm Belt continues to suffer from serious economic problems. These are not only related to the decrease in agricultural exports abroad, but related local industries and small businesses are collapsing as well. They are inextricably linked to the prosperity of the local economy.

Clearly we need to encourage private sector efforts to deal with the massive problems facing rural America. Six Midwest States have already banded together to combine resources that will enable them to achieve greater visibility with our trading partners abroad. The development of a major foreign business promotion center involves broad economic benefit to a large but depressed American region. This regional coalition recognizes that the small populations, depressed economies, and low international visibility of the individual Midwestern States are serious obstacles to the development of international trade opportunities. Further, the homogeneity of the region's economy makes these sites particularly vulnerable to the vagaries of global commodity trends.

The overriding mission of the Mid-America World Trade Center is to enhance regional economic and employment opportunities that will be created by a higher level of international business involvement in the six States represented. The goals will be achieved through two primary operating objectives: The stimulation of regional exports and the attraction of foreign business and industrial investment.

I ask my colleagues to support this amendment, which will contribute to a decrease in our overall trade deficit. Some of our trading partners have expressed the constructive criticism that American companies and businesses do not pursue a marketing strategy that is as aggressive as some of our major competitors. This type of professional organization will go far in emphasizing a marketing approach that would actually implement business transactions, and provide technical assistance to local businesses. In practice, satellite offices will be opened in participating States. These States are to be commended for pooling their resources, and trying to solve their problems together. I believe this amendment has been cleared on both sides of the aisle and will be accepted.

Mr. President, this is an amendment to the agricultural part of the bill. I have spoken with the chairman of the Agriculture Committee, Senator Leahy, and he has no objection. I have spoken with Senator Lugar, the ranking Republican member of the committee, and he has no objection to the amendment. I have just double checked with the staff of the Agriculture Committee, and they advise that the manager of the bill has no objections to the amendment.

Mr. DASCHLE. Mr. President, I join with the Senator from Kansas, Senator Dole, in supporting funding for the Mid-America Trade Center.

Every Member of the Senate understands the problems facing the rural economy. This segment of our economy is one of the most economically disadvantaged segments of our society. The depressed agricultural economy and the declining levels of agricultural exports have contributed to an economic crisis in both the agricultural and nonagricultural economies alike.

The establishment of the Mid-America World Trade Center in Witchita, KS, offers such an opportunity to assist not only the agricultural economies, but the economies of many Midwestern States, as well.

The center is a regional economic development partnership designed to strengthen the Midwest's ability to compete internationally. The primary objective of the trade center is to work with member States, including South Dakota, to increase employment and economic opportunities by increasing the level of international business involvement. The entire economic base of the Midwest will be enhanced by regionally increasing exports and attracting foreign industrial investment. This will be accomplished through a wide variety of trade center programs, including trade missions in both foreign countries and the member States, trade conferences, a worldwide business communication network and a host of other programs carefully designed to promote international economic development.

The trade center offers an aggressive, critically needed approach to increasing foreign trade. The center will be a vehicle for increasing exports of agricultural products while also working to increase exports in the areas that are not as adversely impacted by the agricultural crisis.

The Mid-America Trade Center is the only Midwestern accredited member of the World Trade Centers Association. Membership in the association guarantees communication with the 55 other trade centers in 29 countries as well as a foundation to receive and initiate reciprocal trade visits. The trade center offers the potential for increased international business involvement unavailable from other sources.

We have the opportunity to help solve a problem which has devastated both the residents of my State, and the surrounding Midwestern States by participating in this trade expansion effort. This approach is not a short-term emergency solution, but one that can restore a healthy economy in the Midwest. I strongly urge my colleagues to support this amendment.

Mr. BENTSEN. Mr. President, the manager for the majority has checked with the staff of the Agriculture Committee, and they assure me that there is no objection on this side. We have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. DOLE].

The amendment (No. 457) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I urge any Members on this side of the aisle who have amendments to offer them. The majority leader just entered the Chamber. I think he would be very happy to entertain them. We have disposed of about six amendments in the last 30 or 45 minutes. We are hopeful we can find some more on this side so we would not have any loss of time between now and say 7:30.

So I urge Senators on this side of the aisle if they have amendments, even though they might require a vote, the vote could come at that time.

Mr. BYRD. Yes.

Mr. DOLE. So hopefully we could have an amendment on this side, if not for the other side of the aisle.

Mr. BYRD. Mr. President, I thank the able Republican leader.

I make the same request of Senators on our side that if they have amendments if they would let us know about them and be prepared to call them up now is a good time. The managers of the bill are present and they might get their amendments considered.

The PRESIDING OFFICER. The Chair thanks the majority leader.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Mr. President, I ask unanimous consent to lay the pending amendments aside temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 458

(Purpose: To allow the President discretion to decline to take action under section 201 in order to promote U.S. employment)

Mr. GRAMM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM], for himself, Mr. DOLE, Mr. DURENBERGER, Mr. WILSON, and Mr. BOSCHWITZ proposes an amendment numbered 458.

On page 73, between lines 24 and 25 insert the following:

"(C) such action would result in a loss of United States jobs greater than the number of jobs preserved or created by such action or".

Mr. GRAMM. Mr. President, the hallmark of this whole bill has been jobs. The whole debate concerning trade has been an effort, whether rightheaded or wrongheaded, depending on your perspective, to try to promote employment in particular segments of the American economy or promote employment in general. The purpose of 201 is to protect industries that are threatened by foreign competition.

We now have the ability for the President to look at a range of items in determining whether to grant protection under 201.

This adds, so far as I am concerned, a final element that gives the President a broad range of options to look at in defining the public interest.

What this provision says is this: In looking at the jobs that would be saved by granting protection under 201, the President also has the ability to look at the jobs that will be lost due either to the right of offsetting compensation, which is allowed under GATT, or at the overall impact on the economy in terms of whether or not the benefits to the few who would gain directly from the 201 protections would be greater than, equal to, or less than those who would lose.

What this amendment says is that if the President determines that we are going to lose more jobs by granting protection than we are going to gain by granting it, the President can refuse to provide relief.

I think it is a straightforward and simple and common sense approach to the problem and I hope that it will be adopted.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, will the Senator from Texas yield for a question?

Mr. GRAMM. I am happy to yield.

Mr. PACKWOOD. This sounds to me, and I agree with it, like a slight and significant expansion of the copper import/copper fabrication case where the President decided not to grant relief on copper imports because he discovered more jobs would be lost in the copper fabrication industry than saved in the mining industry, that happened to be a downstream industry.

The Senator is saying forget the downstream argument. If you are going to lose more jobs because of some 201 relief than you are going to gain from the relief, the President can consider that in denying the relief.

Mr. GRAMM. That is exactly right.

Mr. PACKWOOD. I think it is a very good amendment.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. HEINZ].

Mr. HEINZ. Mr. President, I rise in opposition to this amendment. I do so because I think it threatens the entire 201 provision in this legislation. If it is adopted, the 201 process that we have established, namely where greater certainty of relief for the affected industry is premised on the industry having to do a good deal more to help itself than is now required under current law, would be compromised by giving the President an out that is not only broad but frankly, Mr. President, is one that nobody would ever know how to administer.

There is no way on Earth anybody can judge whether a specified act of import relief, coupled with the procompetitive provisions in the committee bill, could result in more or less jobs in the economy. We do not know how to measure that. Certainly it is a subject of speculation, and that is exactly the point. Somebody sitting down at the Council of Economic Advisors can speculate that a provision involving, say, import relief for the steel industry is going to have a deleterious effect on jobs in other sectors of the economy.

I would defy anybody to show me a model or show we a way of annually predicting the future like that. Our economy is so complex, its linkages are so involved, that that simply cannot be done.

I will give you an example. There is a model that does exist. It is used by a number of economists and it was used just last month by an economist, Arthur Denzau, who is with the Center for the Study of American Business and professor of economics at Washington University in St. Louis. He published a monograph entitled "How Import Restraints Reduce Employment." I assume this is the kind of study that would go on to a President's desk immediately, and that study would be the basis for changing, modifying, or denying any import relief, irrespective of the commitments that an industry might have made.

Let me tell you what study showed. Mr. Denzau looked at the steel voluntary restraint program, the one that is now in effect, as his example, and he concluded that the President's steel program, the one we have had in effect since 1984, had resulted in a net decrease of 35,600 manufacturing jobs, composed of a gain of 14,100 steel jobs and a loss of 52,400 jobs in steel-using firms.

Now, on the surface, Mr. President, this may seem to be and certainly would be used as a compelling case against steel import retraints. In reality, as it turns out, every assumption made by Professor Denzau, a distinguished and able economist, in fact is flawed. He simply is wrong in his assumptions and therefore comes to a wrong conclusion.

He begins by assuming that steel prices behaved as the Congressional Budget Office said they were going to in the summer of 1984. The Congressional Budget Office said that if the President put in a steel import restraint program prices would increase. Well, that study was based on an econometric model, and the problem is that that model bears absolutely no resemblance to the reality in the steel industry. It concluded that the 15 percent quotas would produce an increase in steel prices of 4.4 percent. That is what was predicted by the CBO model, a 4.4-percent increase.

How did that compare to what actually happened? Well, a small problem. First, we never had 15 percent quotas. I might add, we rarely get what the ITC recommends. That problem is something of an understatement. But in this case, the President's program from the beginning had a goal of a 20.2-percent import share. Even that has never been met. But in addition, far from having prices increase by 4.4 percent, prices during this period have actually dropped 4 percent. In other words, they went down just as much as they were supposed to go up, at least according to the best available price data.

I might add that that was not the only flawed assumption. Professor Denzau went on to assume that since imports had declined from 26 percent of the market to 22 percent of the market—by the way, both figures happen to be incorrect, but they are the ones in his article—there must have been a 4-percent gain in employment in the steel industry.

In other words, he assumes some kind of one-to-one relationship, and for each percentage share of our market the domestic industry gains, there must be an increase of employment of 1 percent.

I do not know what basis he uses for that assumption. It is never adequately explained, and it does not matter. It does not matter because it is so far off the mark there is no point in analyzing it.

The truth is that from 1984 to early this year, employment in the industry had not increased by 14,000. It had declined by 61,000, a reduction of 25 or 26 percent in that brief period.

You know, I guess all I can say is I wish that economists like Professor Denzau were right. In an industry that has lost 61 percent of its work force in 10 years, it really would be nice to have an additional 14,000 people at work. But the fact is that we do not. And, indeed, it is hard to conceive of any policy we might pursue that would bring many jobs back.

Mr. President, that leads me to my final point. My final point is that those who look at section 201 and try to measure its effects in terms of one or two of the presumed to be measurable indicators—like consumer prices or employment or unemployment—are making a fundamentally flawed assumption. And that is that the purpose of section 201, either on the books now or as it is in the committee bill, is or should be to preserve employment.

That is not the point. The point is that when an industry is affected by a substantial onslaught of imports, that industry needs time in order to either adjust or redeploy its assets, which are people and money, or to become more competitive and to make itself in the future, at some point, more successful, even larger, or, if necessary, more compact, smaller, and ultimately more competitive. And those kinds of changes simply cannot take place overnight.

The irony of the amendment of my good friend, the Senator from Texas, is that I think he, like I, would like to see American industry become more competitive. And the difficulty is that he looks at the glass and he sees that it is half empty. I look at it and I see that it is half full. He sees that any kind of import relief is going to retard adjustment.

I look and I see, in this legislation in particular, that, in order to get import relief, the industry has to come up with plans which it has to implement that are going to make it more competitive. I fear that as long as we look at other measures, consumer prices, unemployment elsewhere—which, by their nature are demonstrably not possible to predict; indeed, when we predict one thing we often get entirely the opposite result—we will be caught up in an Alice in Wonderland set of econometric arguments which lead God knows where except to, perhaps, debates about how many angels can stand on the head of a pin. What we ought to be looking at is how we make our industries more competitive.

I submit that the provisions in the bill as they stand are balanced; they are a vast improvement on what now exists. If we adopt the amendment of the Senator from Texas, we will undercut the process by which industries come before the U.S. International Trade Commission and pledge to make the improvements that they need to make in order to do a better job of competing in this internationally combative economy that we have got.

I say that because if the commitments that they make can be modified or simply ignored and rejected by the President, they will have been left in the lurch. They will have gone to an enormous among of time, cost, trouble, and energy. They will have gone to great effort to sit down with their employees, with their financiers, with their customers, with their suppliers—all of whom are part of the equation in making an industry more competitive—they will have spent months trying to get improvements in labor costs, in productivity, in product design, in all kinds of things. Then, having gone to all that effort, having been promised, at least as the legislation is now written—if they really make the effort they will get the legal help that they are entitled to now under the law, they will realize that at the end of this long journey there is a chief executive officer who, if some economist can get to him with a study that is wrong, as most of them are, they will get absolutely nothing.

Mr. President, that makes no sense at all. Even though I am convinced the Senator from Texas has the same objective as I do. And I urge him to rethink his amendment. You know, the irony, of course, is he is a distinguished economist himself. I suspect if there is anybody in the Senate who knows the limitations on econometric methodologies, it is the Senator from Texas. Indeed, I have heard him say a few things about the Congressional Budget Office and their ability to forecast spending and revenues and the deficit.

Indeed, my friend the Senator from Texas, Mr. President, has been one of the most effective spokesmen in this body at saying the problem with the estimators is they cannot estimate. That is why we have to have hard and fast targets, because the estimators are always wrong and they always give you a moving target.

It so happens that the Senator from Texas can claim a very important piece of legislation in his name: Gramm-Rudman-Hollings, which does set those targets.

I remember the debates that we had as to why those fixed targets were necessary, and I anticipate later this month when we confront the debt ceiling bill, that the Senator from Texas is going to insist on hard and fast targets.

There is going to be an effort on the part of some to say no, what we need is an annual improvement of $30 or $40 or $50 billion in the deficit. The Senator from Texas, I think, is going to resist that and is going to resist it, as I understand the way he approaches these problems, because if you give the estimators an out, you are way out. You are far out. You are no place close to reality.

Mr. President, I have generally sided with my friend the Senator from Texas in those arguments because I have very little faith in our ability to estimate. I must say I have even less faith in the ability of economists to estimate how action taken by a given industry will affect a country as large and dynamic as ours. It is almost ludicrous to me to think that an industry that may account, on a good day, for a tiny fraction of the gross national product in what is a $3, going on $4, trillion national economy, would be able—with some very small changes at the margin—to have any measurable impact on our economy.

I do not doubt that the economists can estimate it. Indeed, that is what economists are paid to do; estimate something, whether it makes any rhyme, reason, or not. That is their job. But that is not the basis, Mr. President, for legislating and in this case seeking changes in a part of our committee bill that will bring about improvements in competitiveness rather than undermine it.

So, I hope that my colleagues will object strongly to the amendment of the Senator from Texas. It is, I think, a flawed amendment. I think it undercuts the purpose of the section 201 amendments in the bill, and I hope that he will withdraw it. If he does not withdraw it, I hope we defeat it.

The **PRESIDING OFFICER.** Is there further debate on the amendment?

Mr. **GRAMM** addressed the Chair.

The **PRESIDING OFFICER.** The Senator from Texas.

Mr. **GRAMM.** Well, Mr. President, I listened with interest as our distinguished colleague from Pennsylvania told us there once upon a time was an economist who did a study that turned out to be wrong. In fact, it turned out that the protection granted ended up not saving any jobs in the industry it was supposed to protect to begin with. So, what it did in the feedback on other industries, I guess, would be relatively unimportant.

What I think is interesting is not that one economist does a study that is a mistake, but that economists for over 200 years have looked at this problem, and not since 1776, with the writing of a very famous book, "The Wealth of Nations," has any objective economist concluded that protectionism raised the number of jobs in a country.

In fact, the whole revolution that moved us away from the system of mercantilism, which is what this bill is aimed at reinstituting, was a recognition of the fact that trade created jobs; that restriction on trade destroyed jobs.

We do not have to get into a philosophical debate, it seems to me, on this important issue. I think what is at the bottom line here is that section 201 is not really about jobs. It is about the jobs of the privileged few. It is about the jobs of those who are well enough organized and who have enough political power and who are able to to out and hire lawyers and economists to do all these studies to make up whatever numbers they want to make up to protect them at the expense of the public.

All this amendment does, Mr. President, is this: it allows the President to listen to their economists, to listen to their lawyers, and then to listen to the other side.

If we have got a particular industry, or a particular union, that argues that they are losing and that the Government ought to come in and protect them from competition, then the President should have the right to listen to what they say and look at their studies and analyze it; but the President should also, as the ultimate protector of the public interest, have the right to listen to everybody else, to look at all their studies, to listen to all their lawyers. All this amendment says is that after having given due deliberation and consideration; after having looked at all the facts; after having heard all the experts; if the President determines that granting protection to one industry is going to cost the American economy more jobs in other industries than are going to be saved in the industry that is protected, then he has a right to deny that protection.

As I see it, this is about as straightforward as any amendment can be straightforward. If you want to protect jobs, you do not want to deny the President the ability to look at the job impact of protection. There ought to be a burden of proof on those who are saying, "Well, after all, we cannot compete today, but if you gave us 10 years of protection against the competition we would be just as competitive as anybody in the world."

It reminds me of a football coach who might come in who was 2-9 on the season last year who would say, "Well, we are not very competitive in football, but if we would suspend the season for 10 years, if we did not have to play football for 10 years, we would get serious about football around here and we would have a competitive program."

Well, everybody knows that is nonsense, but that football coach did not have all these lobbyists in the hall telling us. "Do not worry about these guys losing their jobs. They have no lobbyists, no PAC's. They will not be able to turn out people for phone banks when you run for reelection. They do not have organized groups to run against you. Forget them. Protect us."

This simple amendment says, "Listen to them. They have a right to be heard. They have a right to make their case. They have a right to make the argument that if they can get it for 10 years of protection they can be competitive. They have a right to show how many jobs can be saved and the President has to look at that. If the International Trade Commission finds that, in fact, they are losing in the world marketing competition, they find in their favor."

But the President also has the right to listen to the rest of the working people of America, has the right to look at the impact of this protection on other jobs, and, if the President concludes that we are going to lose more jobs by granting this relief than we are going to gain, the President can decide in the public interest not to do that.

(Mr. **DASCHLE** assumed the Chair.)

Mr. **BRADLEY.** Will the Senator yield for a question?

Mr. **GRAMM.** I will be happy to yield if I may complete this point.

Surely, we ought to allow the President to look at the small independent business person, to look at the independent contractor, to look at those who do not have political power but they have families—they have jobs, they have responsibilities. They are building America just like people who work for these big companies. Should we not give them an opportunity to make their case, even though they may not have a political action committee, even though they may not have a labor union?

I submit that we should, and I think logic dictates it.

That is exactly what this amendment requires. Look at the jobs saved, look at the jobs lost, and if the President determines, having looked at that, that it is not a good deal for America, he has a right to say no.

I would be happy to yield.

Mr. **BRADLEY.** I would like to ask the Senator, how would the President determine this?

Mr. **GRAMM.** The President would determine it exactly the same way that he determines when a 201 case is filed. He would look at arguments made by those who have submitted the 201 claim for protectionism, their economic studies, what they say they can achieve, and that would be the evidence of jobs saved.

Other people in the economy would have an opportunity, either directly or through those who might choose to represent their interests, to make their case about what jobs would be lost.

I submit that while the comments made by the distinguished Senator from Pennsylvania were right on target, economists make mistakes; lawyers, at least one in each case makes a bad case, can lose the case. The point is that it simply gives everybody their day in this regulatory process so that every person has a right to have the value of their job, their family, and their dream of America's future factored into the process.

Mr. BRADLEY. So that the International Trade Commission would make the analysis to determine how many jobs would be saved by the protection for 3 years or 5 years or 10 years, or however long. Then the International Trade Commission would, itself, do a study, or would it request interested parties and the public to submit their own analysis of what potential job loss might occur?

Mr. GRAMM. If I might respond, the International Trade Commission could comment on that, could forward that with their recommendation to the President. The President can ask the Council of Economic Advisers to do it. Under the national security provision, which we have in the law, the President seeks out advice, information, and studies from the departments of Government.

All this says is that the President shall try to use the information that is available. That information can come from the ITC itself; it can come from agencies of the Government; it can come from the private entities of the country, whether they are trading associations, labor unions, consumer groups, public advocates. They would all have an opportunity to have their input. The President would look at it and he would have the right, if he determines based on his ability to look at all the facts, that we are losing more jobs than we are gaining, he would have the right to say, "This is not a good deal for America and we ought not to do it."

Mr. BRADLEY. Is the Senator's intent to have all of those entities that he has mentioned participate in the process?

Mr. GRAMM. It is my intention to have access for participation just as we have it in the amendment of the distinguished Senator from New Jersey, where we have to look at the impact upon the poor. In that case, the Council of Economic Advisors, the Departments of Commerce, of Labor, the International Trade Commission, Consumer Advocates, Advocates of the Poor would have an opportunity to make their case.

My argument is, if we are concerned about the poor, as I am—I supported the amendment of the distinguished Senator from New Jersey—surely, we ought to be concerned about the people who are pulling the wagon that the poor people are riding in. If we are going to set up a law that says you can decide not to do something if it is going to hurt the poor, surely we ought to give him the opportunity to say we will not do it if it is going to hurt the working people of America because it will cost more jobs than would be saved.

It is the same procedure that would be used under your amendment. Under the amendment adopted with regard to agriculture, it would be within government analysis, or it could be outside groups that provide information.

It would be the combination of all sources of information that would be available to the President who, in the public interest, under the law as it is now written, determines whether protection is in the interest of national security? Does it hurt a downstream industry? He would gather information from exactly the same sources he would in this amendment. Does it hurt the poor? Exactly the same sources, public and private. Does it hurt the farmer? What we are here saying is, does it hurt the working people of America?

Mr. BRADLEY. Would the Senator be offering this amendment if the maximum length of relief was 3 years as opposed to 10 years?

Mr. GRAMM. I think the amendment would be less critical, obviously, because you are talking about dislocation, but we all know that what happens with dislocation is that resources shift; they may or may not come back.

My guess is that I would still be offering the amendment. I would not be perhaps as concerned about 3 years as I am 10 because the dislocation could be greater.

I guess my fear is not only if we fail to adopt this amendment would we force the President to institute protection that would cost us jobs, but we have no guarantee at the end of 10 years when this industry has to compete again that there will be any jobs there.

Mr. BRADLEY. Is the Senator aware that in the bill is a provision which says that after 3 years the President could very well pull away the relief?

Mr. GRAMM. I am aware that he has that ability, that 3-year turnover, and that relief can be up to 10 years. It is a question, obviously, at that point of where we are, what his assessments are. What I am saying here is let us look at the benefits as well. The concept again I submit to my colleagues in the Senate is a very simple one. If it is going to cost us more jobs than we are going to gain, let us not penalize the people who are going to lose their jobs because they are not organized, because they do not have all of these lawyers and economists doing their studies for them. Let us give them an opportunity to have their wellbeing, their future weighed right along with these very powerful political groups that are seeking to be protected.

Mr. BRADLEY. Can the Senator imagine a circumstance in which provision of some relief for a couple of years to allow a company or an industry to readjust to new economic circumstances would be merited?

Mr. GRAMM. I can imagine that if as part of the relief package that firm or industry could change the basic nature of its business. I would say, however, that the heavy burden of proof ought to be on that industry. If you look back at the history of 201, there have been successes. We all like to point to Harley-Davidson as an example. But there have been a lot of other 201 cases that have not been very successful.

All I am saying is the burden of proof ought to be on those who want special treatment, and in looking at what they are going to gain, we ought to look at what the rest of our society potentially loses, and that is what this amendment very sincerely tries to do.

Mr. BRADLEY. Harley-Davidson is a case, of course, where there was protection granted for a couple of years and Harley-Davidson after 3 or 4 years said, "We want to get out from under the relief, we don't want any more relief."

They did so because they thought they were better off taking a smaller share of the growing market than a bigger share of a shrinking market.

Now, under this amendment if such an analysis had been conducted 4 years ago and, for whatever reason, economists advised the President that there would be 5, 10, 20 more jobs lost than to be gained, is it the Senator's intention that Harley-Davidson in that circumstance should not have been granted any relief with which to reconstitute itself and grow again?

Mr. GRAMM. If I might respond, if we destroyed more jobs in other industries than we saved at Harley-Davidson, then I would argue that the President should have had a right to look at that.

Let us not get confused. Because Government intervenes and somebody benefits does not mean society benefits. We have to know what it cost. And if potentially we, as a result of that action, lost more jobs in other industries than were saved at Harley-Davidson, I believe the President should have had a right to look at that and determine whether it was in the public interest.

I would also note that in many other cases of 201 protection where there has not been a miraculous improvemen, we ended up losing other jobs without really gaining any. So the Harley-Davidson case is a good case. There were reactions saying, "Let us go back in the market." If I were driving motorcycles—I never have and I am too old now—I might be inclined to go out and buy one. But, on the other hand, I am not willing to conclude without looking at all the facts, that even the greatest success we have ever had concerning section 201—unless I could see what happened to other industries that were affected, unless I could look at the offset in compensation and see what happened, or penalties that were paid and who paid it, jobs that were lost in other elements that may or may not come back, I could not make a proper determination whether to grant relief.

Mr. BRADLEY. But the Senator does not reject article 19 of the GATT, does he? The Senator does not say that in no circumstance should no one be able to get temporary relief?

Mr. GRAMM. No.

Mr. BRADLEY. The Senator does accept adjustment as a helpful process of promoting open trade if it is time limited?

Mr. GRAMM. Adjustment may or may not be. I would say in the long history that adjustment, which is the code word for protection, has not promoted trade. I would say in the long history of mankind those who have cried for temporary protection have tried for long-term protection and the world is poorer in part because they have been successful. But I am not willing to say and do not argue that this amendment is no way depends on the thesis that all protection is bad.

All this says is, if the protection does everything it claims it will do, and it still cost you more jobs than you gain, maybe because the guys that want protection are wearing motorcycle jackets with menacing titles on their backs and the guys that are losing their jobs are all guys who get up early in the morning and go to work with baseball hats on and they seem like pretty nice guys, they are not going to knock you in the head at a four-way stop, you are going to do what the motorcycle people want.

I am just saying look at everybody's interests.

Mr. BRADLEY. One last question and that is the question of job loss or job gain or jobs saved should occur in the same time period. I assume that is what the Senator means by the amendment, that the Senator does not mean that a study is done which says a thousand jobs are saved if we give relief for 3 years and the President looks at it but over a 10-year period or 15-year period there will be many more jobs lost.

I assume what the Senator means by the amendment is that the time period is parallel for both jobs lost and jobs saved?

Mr. GRAMM. It would be my intention for them to be parallel, but I recognize that there will be a tendency to look at the claims made by those who want the protection, and those claims will often be inflated. And I would say that those who claim protection are better organized, understand the system better, are more politically powerful and they are going to tend to get a higher claim relative to those who are going to lose.

So I do not think we have to worry about them not getting a fair hearing, so to speak. But it is my intention in the amendment that there be comparable comparisons.

Mr. BRADLEY. So that if it is a 3-year period and the jobs saved are estimated to be 1,000, if your concern is compensation that might take effect in 7 or 8 years, that would clearly be outside the scope of this amendment, if I understand what the Senator has said. It has to be parallel in time.

Mr. GRAMM. I think you have to look at delayed compensation and do some measuring. I personally am more concerned about a job today than I am 7 years from now. So I would say to the degree you can put them into parallel, you can make a comparison.

Now, economists have a way of doing that and they do it by discounting future costs and benefits into the present so it could be made parallel if somebody wanted to do it.

Mr. BRADLEY. But you certainly could not guess what the compensation would be 7 years from now?

Mr. GRAMM. Well, you could look at interest rates and discount into the future. Obviously those who are claiming benefits are going to be trying to do it. But if the Senator is trying to say that the world is imperfect, that you are never going to have certainty as to whether the industry claiming protection has a plan that is going to work, or whether they are just simply trying to get protection because they do not want to compete, and that it is going to be difficult to estimate on the other side, he is correct.

But that ought not to change our determination to give the President the ability to look at all the facts and, based on his best judgment, determine if relief is going to create more jobs than we lose, before making his decision so this amendment does not say that he can not grant relief, even if you lose more jobs than you gain. It simply allows him to look at that in making the determination. I think that is so eminently reasonable that I cannot understand why anyone would oppose it.

Mr. BRADLEY. I thank the Senator. I was trying to clarify that we are talking about apples and apples, not apples and oranges.

The parallel time period is very important, because if 1,000 jobs were saved in a 3-year period, we do not want to figure the jobs lost over a 50-year period. The Senator has clarified and stated that his intention is parallel time periods, and I thank him for that clarification.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. BENTSEN. Mr. President, I think the amendment has some problems and concerns, because you get into the different types of jobs, different values of jobs.

The Senator from Texas has made some good points, and I am willing to take the amendment to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

The amendment (No. 458) was agreed to.

Mr. GRAMM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 459

(Purpose: To express the sense of the Senate that the prohibition on the importation of Soviet furskins should remain in effect)

Mr. DURENBERGER. Mr. President, I send an amendment to the desk on behalf of myself, Senators SYMMS, PROXMIRE, HATCH, BAUCUS, KASTEN, MCCLURE, BOSCHWITZ, GARN, SHELBY, EXON, STEVENS, LUGAR, MURKOWSKI, HELMS, WIRTH, BURDICK, and DIXON, and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to setting aside the pending amendments?

Without objection, the amendment will be stated.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. DURENBERGER], for himself and others, proposes an amendment numbered 459.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle B of title VIII, add the following:

SEC. . SOVIET FURSKINS.

(a) FINDINGS.—The Senate finds that—

(1) the United States has prohibited the importation from the Union of Soviet Socialist Republics of ermine, fox, kolinsky, marten, mink, muskrat, and weasel furskins since 1952;

(2) fur farming in the United States takes place on nearly 3,200 unsubsidized family farms primarily located in Wisconsin, Minnesota, Utah, Idaho, Washington, Oregon, Iowa, Illinois, Ohio, New York, Pennsylvania, Montana, Nebraska, and Alaska;

(3) all Soviet furskins are produced on State-controlled fur farms where all production costs are subsidized by the Soviet government;

(4) American fur farmers produced approximately 4.2 million mink furskins in 1984 at an estimated unsubsidized cost of production of $30 per mink;

(5) the Soviet Union, the world's largest producer of furskins, produces between 12 and 15 million pelts annually at a cost of less than $15 per mink;

(6) subsidies by the Soviet government could enable the Soviet State-controlled farms to drive down the domestic price of American furskins, and in the process, drive American fur farming families out of business; and

(7) if the United States lifts the prohibition on Soviet furskins, the United States fur deficit will rise.

(b) Sense of the Senate.—It is the sense of the Senate that the prohibition on the importation into the United States of furskins that are products of the Union of Soviet Socialist Republics should remain in effect, and that the Senate Conferees on the Omnibus Trade Act of 1987 should seek deletion of Section 815 of the Trade and International Economics Policy Reform Act of 1987.

Mr. DURENBERGER. Mr. President, this amendment expresses the sense of the Senate that the 35-year-old prohibition on the importation of certain Soviet furskins should remain in effect.

This resolution is necessary because the House trade bill would lift this embargo. And it is my hope that the Senate conferees will hold firm in their opposition to lifting the embargo.

Since 1952, the Soviet Union has been barred from exporting several types of furskins to the United States, including mink pelts. I believe that any action to lift the ban at this time would have severe economic consequences for the nearly 3,200 American family fur farmers and would contribute to the Nation's $170 billion trade deficit. Moreover, allowing the Soviets to export these furskins to the United States would encourage the Soviet Government to continue to hunt whales whose meat is used for fur animal feed in the Soviet Union.

Most American fur farms are located in the northern tier of States stretching from Massachusetts to Washington. Wisconsin, Minnesota, Utah, Idaho, Washington, Oregon, Iowa, Illinois, Ohio, New York, and Pennsylvania are among the largest producers of furskins. However, since fur farmers are substantial purchasers of eggs and the byproducts of fish, poultry, and beef industries, fur farms represent a primary outlet for many of these agricultural products.

American fur farmers produced approximately 4.2 million mink furskins in 1984. It is estimated that the average U.S. cost of production per mink in 1984 was approximately $30. By contrast, the Soviet Union, the world's largest producer of furskins, is estimated to produce between 12 and 15 million pelts annually at a cost of less than $15 per mink.

The reason Soviet furskins pose such a serious threat to United States fur farmers is that all Soviet furskins are produced on state-controlled fur farms where all production costs are subsidized by the State. Employee housing on such farms is provided by the Government, and fish feed for the animals is obtained from the Soviet Government-owned fishing trawler fleet. Through such subsidies, the Soviet state-controlled farms are clearly in a position to drive down the domestic price of American furskins, and in the process, drive American fur farming families out of business.

I would suggest to you that if this embargo is lifted, the immediate result will be a flood of Soviet furskins into the United States at prices far below commercial market levels. Some would suggest that the Soviets will likely be selling these products in the United States at dumped prices.

Mr. President, when we considered the trade bill in the Senate Finance Committee the experts from the Department of Commerce convinced us that we should not subject nonmarket economies such as the Soviet Union to the American countervailing duty laws because it is impossible to determine subsidies in such economies because everything is subsidized. And the experts told us of the extraordinary difficulty they have in trying to develop a so-called constructed sales prices to determine if imports from nonmarket economies such as the Soviet Union are being dumped in the United States.

You can be sure that if we lift this embargo, the small fur farmers of America will be forced to expend tens of thousands of dollars in a convoluted and complex dumping investigation. Is it our purpose here to enrich the pockets of the dumping attorneys in Washington at the expense of the small fur farmers of America?

Although the United States exports more than 55 percent of its mink pelts, we are a net importer of mink.

Just in the last 2 years, the U.S. net trade deficit in mink exceeded $64 million. If the United States ends the Soviet fur embargo, this trade deficit is certain to rise.

Finally, Mr. President I would note that since the Soviet Union does not have sufficient beef byproducts to use as feed for fur animals, the Soviets rely heavily on fish byproducts as animal feed. The Soviet estimate that nearly 9 percent of the feed composition for their fur animals is derived from marine animals, including whales.

For some time, the United States has been trying to encourage other countries to end commercial whaling, since whales have been placed on the endangered species list. Because the Soviets rely on whale meat for animal feed, I think it would undermine our international efforts to end commercial whaling if the United States were to lift the ban on Soviet furskins.

Mr. President, there is little or no legislative history to the action that the House took, and that is the reason why we have proposed this sense-of-the-Senate resolution.

Legislation to lift the embargo was introduced in the 99th Congress at the request of the administration. There were no hearings in the Senate. It was never introduced in the 100th Congress, neither in the House nor the Senate. So there have been no hearings on the issue in either body.

It was included, apparently, as a miscellaneous tariff matter in markup on the House side—no notice, no debate, no discussion. This, despite the fact that at the end of the 99th Congress, we had a prolonged discussion with the Secretary of Commerce on this very subject.

So I would suggest, Mr. President, that the House action is really antithetical to good trade policy in this country. It has no place, particularly on this bill that we are trying to carve out some good trade policy with.

I urge all of my colleagues to support our amendment to remove it.

Mr. President, I ask unanimous consent that Senator Pressler and Senator Melcher be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, I rise today to add my support for the amendment offered by my colleague, Senator Durenberger, related to the importation of Russian furskins. This amendment is a sense of the Senate resolution instructing the Senate conferees to the Omnibus Trade Act of 1987 to request the repeal of section 815 of the House trade bill.

As my colleagues may know, section 815 of the House trade bill lifts the 35-year-old embargo that currently exists on the importation of seven kinds of Soviet furskins into the United States. Two of these types of furskins—mink and fox—have been raised for many years on private ranches in Utah. The Utah Agricultural Statistics book for 1986 indicates that 487,500 mink pelts were produced in Utah, making Utah the third leading State in the Nation in total mink production and second nationally in the total number of mink farms in one State. Lifting the embargo will have serious negative effects on Utah ranchers and on the mink industry in my State.

I am very concerned about the possible effects lifting the embargo will have on the domestic mink industry. Figures provided by the industry reveal that 56 percent of the U.S. production is exported. The importation of Russian mink into the United States has the potential to eliminate the domestic market from access by U.S. fur producers.

At the same time, the costs to American farmers to raise one mink is significantly more than the costs associated with raising mink in Russia, which are subsidized by the Government. It costs nearly $30 to raise one mink in the United States; it costs just over half of this amount in Russia. Once again we have the situation where a U.S. industry could lose a hold on its domestic market to another country where production costs are lower and, more importantly, subsidized by a foreign government.

The Utah mink industry is stronger today than it has been in recent memory, having rebounded from several depressing years and now representing a $50 million industry for the State. The Fur Breeders Agricultural Cooperative in Midvale, UT consists of owners and operators of 273 fur ranches scattered throughout northern Utah and southern Idaho. The cooperative was organized in the 1930's and represents up to three generations of families that have been engaged in this type of production. The feed volume supplied to the cooperative's members was nearly 93 million pounds last year and consisted mainly of animal, fish, and poultry byproducts. The cooperative also utilizes cereal products and thereby supports other American agricultural products such as wheat and corn. It markets to its members an annual amount of approximately $1.25 million in fur ranch supplies, practically all of which is the result of American industry. The cooperative obviously plays a vital role in assisting many ranchers with their basic necessities as well as providing indirect support to other agricultural products.

Mr. President, lifting the embargo on Soviet furskins is an effort to improve trade opportunities between American and Soviet firms. I applaud these efforts. However, I believe the House provision is insensitive to the possible effects these new trade opportunities would do to the domestic mink industry. Fur farming is an important member of America's general agricultural economy and Utah's specific agricultural economy. The Utah Farm Bureau has indicated that a lifting of the embargo as contained in the House bill would dramatically affect this industry in Utah. The industry continues to suffer from the free importation of low cost mink and fox furskins from several free world sources. It has also been restricted in world markets due to high costs of production. For these reasons, I believe the embargo on Soviet furskins should be maintained and that the Senate should go on record opposing section 815 of the House trade bill.

Mr. President, I express appreciation to Senator DURENBERGER for his efforts on this issue, and I encourage my colleagues to support this resolution.

Mr. HATCH. Mr. President, today I join with other Senators in proposing an amendment which states that it is the sense of the Senate that the Senate conferees on the Omnibus Trade Act of 1987 give highest priority to continuing the present treatment on the importation of Soviet furskins.

Since 1952, the Soviet Union has been barred from exporting several types of furskins to the United States, including mink, fox, ermine, muskrat, kolinsky, marten and weasel pelts. Although Americans export more than 55 percent of our mink pelts, we are a net importer of mink. In the last 2 years, the U.S. net trade deficit in mink exceeded $64 million. This trade deficit is certain to rise if the United States ends the Soviet fur embargo. They have free access to all other markets, but we cannot sell even one furskin in Russia.

Most American fur farms are located in the Northern United States. Wisconsin, Utah, Minnesota, Idaho, Washington, Oregon, Iowa, Illinois, Ohio, New York, and Pennsylvania are among the largest producers of furskins. Our furbearing animals thrive on agricultural byproducts that are unfit for human consumption, and which would probably go unused if not for the demand created by fur farming. In the production of mink pelts, Utah farmers use scrap fish, reject eggs, packing house and poultry waste products and cereal valued at approximately $13.5 million annually.

The top U.S. furs are the best in the world, but most of a fur farm's production falls into lower grade categories. Only 500,000 of all mink pelts produced in the United States in 1986 fit into the best-grade, Blacklama, category that have the richest color with no flaws.

Quality black mink pelts, including the blacklama, amount to about 55 percent of a year's production while a slightly lower grade accounts for 30 percent to 40 percent of all pelts.

This lower-grade category is vital for economic survival of a fur ranch, and this is where the Soviets would compete most forcefully. The Soviet Union is the world's largest producer of mink pelts, selling 11 million of 16 million a year, compared with approximately 4.5 million from United States ranches.

There are about 200 family-owned fur farms in Utah, employing approximately 1,600 people. In 1986, 900,000 mink pelts were produced in Utah, the value of which in today's market would be nearly $43 million. I believe that any action to lift the ban at this time would have severe economic consequences for the nearly 3,200 American family fur farmers across America and would contribute to the Nation's $170 billion trade deficit.

Soviet furskins pose a serious threat to United States fur farmers. Their production costs are substantially lower than those in our country, due in large measure to Soviet Government subsidy. The Soviet state-controlled farms are clearly in a position to drive down the domestic price of American fur skins, and in the process, drive American fur farming families out of business.

Mr. President, I urge my colleagues to support this amendment. I yield the floor.

NEED TO CONTINUE BAN ON SOVIET FUR TRADE

Mr. PROXMIRE. Mr. President, I am pleased to cosponsor Senator Durenberger's amendment that urges the continuation of the 36-year-old ban on Soviet furs. Should we be foolish enough to end the ban on importing Soviet furs, we will, in effect, be supporting the state run Soviet fur industry to the fatal detriment of our own fox and mink fur farmers from Massachusetts to Oregon.

Currently, 2,400 American fur farmers produce 4.2 million mink pelts. Sales of these pelts generated $120 million and enabled many small, family-operated fur farms to eke out a living. If we allow the Soviets to introduce their furs into our country, domestic output could be cut in half, driving American families into bankruptcy. Mr. President, is this any way to help the family farm?

In this trade bill, we are trying to achieve trade relations which are based on two important principals. Simply put, trade must be both free and fair. Those who are advocating freer fur trade with the Soviet Union are forgetting the "fairer" part of the Senate's intent in this legislation. We must remember that Soviet furs are produced on Government-owned farms. The workers are housed in state-owned and subsidized housing. The animal feed is obtained by Government fishing fleets. Is this fair competition for our small, unsubsidized, family-owned fur farms? Is this the type of free trade that we are looking for? I do not believe it is.

I urge my colleagues to support this resolution to maintain a ban on Soviet furs. We all believe in the benefits of increased trade. However, allowing Soviet furs into the United States is not a case of free and fair trade—it is a case of stupid trade.

The PRESIDING OFFICER. Is there further debate?

The Senator from New Jersey.

Mr. BRADLEY. Mr. President, the amendment is acceptable on this side.

Mr. PACKWOOD. Mr. President, the amendment is acceptable on this side.

Mr. BRADLEY. All things considered Soviet minks are not things that I think we ought to import.

We will accept the amendment.

The PRESIDING OFFICER. With that profound comment the question is on agreeing to the amendment of the Senator from Minnesota.

The amendment (No. 459) was agreed to.

Mr. DURENBERGER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BRADLEY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. BYRD. Mr. President, the managers have been doing a very good job working on amendments during the last hour and a half. Several amendments will be disposed of and a good many of the Senators I think were off the Hill and were planning to be back by 7:30 and the managers are ready to continue with the bill. I think about the best thing to do is have a live quorum and have the Sergeant at Arms request the attendance of absent Senators, have a vote and get Senators back so that we can then proceed with further action on amendments.

So with that I suggest the absence of a quorum and it will be a live quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 18]

Bentsen
Breaux
Byrd
Cohen
Daschle
Heflin
McClure
Rudman

The PRESIDING OFFICER. A quorum is not present.

Mr. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia that the Sergeant at Arms be instructed to request the attendance of absent Senators.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Tennessee [Mr. GORE], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Arkansas [Mr. PRYOR], the Senator from Illinois [Mr. SIMON], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Missouri [Mr. BOND], the Senator from Missouri [Mr. DANFORTH], the Senator from Washington [Mr. EVANS], the Senator from Kansas [Mrs. KASSEBAUM], and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

The PRESIDING OFFICER (Mr. WIRTH). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 74, nays 15, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—74

Adams
Armstrong
Baucus
Bentsen
Bingaman
Boren
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Exon
Ford
Fowler
Garn
Glenn
Graham
Grassley
Harkin
Hatch
Hatfield
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Kasten
Kennedy
Kerry
Leahy
Levin
Lugar
Matsunaga
McCain
McClure
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nunn
Packwood
Pell
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simpson
Thurmond
Trible
Warner
Wilson
Wirth

NAYS—15

Boschwitz
Chafee
Gramm
Hecht
Karnes
McConnell
Nickles
Pressler
Proxmire
Quayle
Specter
Stevens
Symms
Wallop
Weicker

NOT VOTING—11

Biden
Bond
Danforth
Evans
Gore
Kassebaum
Lautenberg
Pryor
Simon
Stafford
Stennis

So the motion to instruct was agreed to.

The PRESIDING OFFICER. With the addition of those voting who did not answer the quorum call, a quorum is present.

Mr. BYRD. Mr. President, I apologize to all Members for having a vote on having the Sergeant at Arms instructed to ask absent Senators to be present, but I felt that this was the only way to get Senators here and to see if we could get some amendments up. I would hope that amendments would now be called up.

I would like to inquire whether any Senator is prepared to call up an amendment.

Do we have any Members on this side?

Mr. DASCHLE. Sir, at this time I do not. We are trying to work out some technicalities which we have not finished with at the moment.

Mr. BAUCUS. Mr. President, I have an amendment on which we are trying to work out a time agreement. The amendment has to do with giving the President discretion to allow exporting agricultural products to Cuba, on a cash basis.

I am in a position to agree to a time agreement. I do not think he is.

Mr. BYRD. Mr. President, I believe the Senator from Connecticut indicated he would not agree to a time agreement on that particular amendment.

Mr. WEICKER. To respond to the distinguished majority leader, I had indicated I would not agree to a time agreement on any amendment dealing with Cuba. This is the second amendment I have heard of, one by the distinguished Senator from Montana and one by the Senator from Florida, and I would not agree to any time limit on amendments dealing with Cuba.

Mr. BYRD. I think it is pretty clear to me and it should be to the Senator from Montana that there is not going to be any time agreement on his amendment.

Mr. BAUCUS. Mr. President, if I might mention to the Senator from Connecticut, the nature of this Senator's amendment I think would be 180 degrees from the nature of the amendment on Cuba to be offered potentially by the Senator from Florida. I am wondering if the Senator from Connecticut would still not agree to a time agreement.

Mr. WEICKER. Responding to my distinguished colleague from Montana, I appreciate his efforts in trying to work out a time agreement with the distinguished Senator from North Carolina when it comes to his amendment as it deals with Cuba.

I am not prepared, as much as I am very affectionate toward the distinguished Senator from North Carolina, to have him act as a traffic cop on amendments dealing with Cuba. Therefore, whether the Senator works out an agreement with the Senator from North Carolina is of no matter to the Senator from the State of Connecticut.

I think when it comes to this matter we rather best address a large subject on which heretofore the ground rules have been pretty well established by those who support the administration policy as compared to those who disagree with it. I think we can tackle the subject as a whole rather than in a piece-by-piece fashion, and therefore I appreciate the efforts of the distinguished Senator from Montana.

No doubt on the substance I would probably have little disagreement, but as a matter of procedure I am unwilling to have the flow of legislation channeled only through the good offices of the distinguished Senator from North Carolina.

Mr. BYRD. Mr. President, what is the intention of the Senator from Montana?

Mr. BAUCUS. Mr. President, I do not really see the purpose of bringing up my amendment at this time. It would just take the time of the Senate and I know the chairman of the Finance Committee would like to dispose of as many Finance Committee amendments as he possibly could.

I think we would be better served if I do not offer the Cuba amendment at this time in view of the comments of the Senator from Connecticut.

Mr. BYRD. Well, the Senator from Connecticut is exercising his rights and I am not so sure that he will not exercise them tomorrow just as he will tonight, and at some point, if the Senator has to call up his amendment, he just has to call it up.

Mr. BAUCUS. Mr. President, I understand the concern. I think in the meantime I might be able to work out some private agreement relative to the amendment to conserve time.

Mr. BYRD. Very well.

Mr. President, I ask unanimous consent that the amendment by Mr. BUMPERS be laid aside temporarily, that Mr. ARMSTRONG may call up an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered

AMENDMENT NO. 460

(Purpose: To place an aggregate limitation on the trade adjustment assistance program of $400,000,000)

Mr. ARMSTRONG. Mr. President, I may be slow on the trigger, but I know an open invitation to offer an amendment when I hear one. As I was leaving the Chamber a few minutes ago, the Senator from Oregon, the Republican manager of the bill, said, "Hey, how about offering your trade adjustment assistance amendment?"

And so I dashed over to my office and returned with the amendment in question, which I think, Mr. President, should occupy the body for only a very brief time—first, because it is a very simple amendment and, second, because I intend to explain it in such unequivocal and simple terms that I am confident it will quickly be adopted with a voice vote.

With that brief word of introduction, I do send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. ARMSTRONG] proposes an amendment numbered 460.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 286(d) of the Trade Act of 1974, as added by section 217(b) of the bill, strike out paragraph (3) and insert in lieu thereof the following:

"(3) If the Secretary of Labor and the Secretary of Commerce, in consultation with the Secretary of the Treasury, determine that the total amount of funds necessary to carry out chapters 2 and 3 for the fiscal year will exceed $400,000,000, the Secretary of Labor and the Secretary of Commerce shall, notwithstanding any provision of chapter 2 or 3, make a pro rata reduction in the assistance provided under chapters 2 and 3 to ensure that all workers and firms eligible for assistance under chapter 2 or 3 receive some assistance under chapter 2 or 3 and that the total amount of the expenditures made in providing such assistance does not exceed $400,000,000.

In paragraph (1) of section 287(b) of the Trade Act of 1974, as added by section 278(b) of the bill—

(1) strike out "or" at the end of subparagraph (A),

(2) strike out the period at the end of subparagraph (B) and insert in lieu thereof ", or", and

(3) insert at the end thereof the following new subparagraph:

"(C) the percentage that is sufficient to provide $400,000,000 of revenue in any fiscal year.

Mr. ARMSTRONG. Mr. President, I feel a certain poignant sense of futility about offering this amendment, not because it is unworthy, not because it may not be adopted, but because the President is going to veto this bill anyway. And so as we slog through this hour after hour, I find myself wondering whether or not it is really our task to try to prefect in small degree a piece of legislation which is already so dreadfully flawed that the President is, I think, essentially certain to veto it.

But I have come to the conclusion that I do want to offer this amendment because if the President vetoes this bill, as I expect he will, and if the veto is sustained, as I am confident it will be, then we will have set the stage for a second round of negotiations in which a responsible piece of trade legislation can be adopted.

I would be hopeful that in the second round, 1 month, or 2 months, or 3 months from now, when we really get down to serious business about the trade legislation, we would take a long, hard look at a new program which was inserted in this called trade competitiveness assistance. This is a new program which the Finance Committee dreamed up and inserted in this bill to help take care of workers whose jobs have been lost as a result of foreign imports.

We are all familiar I think with the current law which is a program called trade adjustment assistance in which the theory is that by providing some extra aid we permit workers to transition from an industry which is sunsetting or from a company which is unable to compete in international markets and therefore is forced to lay off or terminate its employees.

The notion of this in a sense is not unreasonable, but its actual functioning has not proven to be too reassuring.

Well, the new program, the so-called trade competitive assistance, builds on this idea. However, unlike the TAA Program, under which the funding was appropriated, this new program to help displaced workers is going to be funded by an across-the-board import fee at a rate sufficient to provide the necessary funding for the new TCA Program.

Now, that is the real departure we have. We are laying down on imported goods, up to 1 percent at least, a new fee up to 1 percent of the value, and that money will then be used to pay for the Trade Competitiveness Assistance Program.

When this was under consideration in the committee I asked about how much this program was going to cost. I was given a somewhat reassuring answer that the TCA Program of assistance to displaced workers would cost in round figures $300 million a year.

I was about to sort of let this thing slip past; after all, when there are billions of dollars on the table, it is pretty hard to focus on every $300 million item. But I could not help inquiring, what about the future? Would it only cost $300 million the next year and $300 million the year after that, $300 million the year after that, and so on? And I was assured by counsel—and I have not heard it disputed since—that $300 million is in fact the highest amount that it is estimated the TCA Program will cost at any point projected into the future.

So I was just ready to go back to sleep on this issue until I inquired of the sponsors of this how much would be raised by a 1-percent tariff on imported goods. And it turns out that it is not $300 million; it is $4 billion.

Now, Mr. President, that is the heart of my concern. In a different time and place I might argue whether or not the TCA Program was necessary and desirable, and I have real doubts that this is the best way to help persons whose jobs are lost or who are displaced as a result of imported merchandise. But that is not why I am here tonight.

I am here to say that if one thinks that the TCA Program is a good program—and I have some doubts about it—then certainly it will be wise to decide how much we are going to spend for it.

I am not interposing my judgment and saying we ought to spend $200 million, or $250 million, or $275 million. The highest figure that has been suggested as the total projected cost of this is $300 million. So I suggested in committee that we should put a cap on it at $300 million. There was so much resistance to that that I said, "What about $400 million?" That is the amendment I bring tonight.

Mr. President, for us to fail to put some cap on this, to say there is some outer limit beyond which we do not want to automatically go without bringing it before Congress for consideration, I think invites fiscal irresponsibility. It invites the size of the program to expand from $300 million, to $400 million, to $500 million, to $600 million, to $1 billion, to $2 billion, to $3 billion, and even up to $4 billion; because if there is a financing mechanism in place, an automatic mechanism which will provide up to $4 billion a year, there is not a Senator who can believe—surely, not one of us in this Chamber or anyone else who thinks about this—that the cost will be controlled at much less than $4 billion if the money is there, if the money is readily available.

My amendment, very simply, says let us put a ceiling of $400 million a year on this program, and if it looks like it is going to go over $400 million, the funds will have to be distributed on a pro rata basis; and if it looked like that was going to pinch, that it was going to prevent the program from fulfilling its intended need, the sponsors would have to come back to Congress and ask for some amendment or some adjustment in the amount of the program.

Mr. President, I think I have attracted the interest of at least two of my colleagues who will want to speak in support of this measure, or in some other way comment on it, but I should like to point out another reason why it would be a good idea to adopt this amendment.

This whole proposition is probably GATT illegal. I do not know for sure whether it is; nobody does; but the experts say it is. Our trading partners, therefore, are entitled under GATT to adopt a retaliatory tariff. I would like to hold the general level of that tariff retaliation as low as possible—to $300 million or $400 million—and not go up to $2 billion or $3 billion; or, under the present legislation, it could to up to $4 billion a year.

It is a big penalty for our exporters who are trying to sell in overseas markets to think that they would have to pay up to $4 billion a year in retaliatory tariffs imposed by other nations.

Aside from the fact that it is harmful to international trade—and this provision in the bill is harmful to American competitors—it makes it less competitive; it makes it harder for us to sell in international markets and invites retaliation. What we have in this bill is a provision which taxes the companies that are succeeding, that are able to export, that have found markets overseas. It makes it more difficult for them to do business, by inviting a retaliatory tariff in order, in effect, to subsidize those industries in this country which are unable to compete in the international market.

At a time when the issue is competition, when we are tyring to make it possible for our companies to sell overseas, to create new job opportunities, to open up international trading, it appears to me that we ought not do this, but certainly we ought to be careful about the extent to which we do it.

It is for that reason that I suggest the $400 million cap, and I hope my colleagues will see it that way. Since that exceeds the highest amount estimated, surely there is no harm, and there might be much good, in adopting such a limitation.

Mr. MOYNIHAN. Mr. President, I once again congratulate the distinguished Senator from Colorado on an able argument which he has presented before, to the Committee on Finance.

This measure, which I have the honor to be associated with, together with the distinguished Senator from Delaware, who will be speaking shortly, is a bipartisan measure. This matter was discussed carefully and earnestly; and, by more than a 2-to-1 margin, a bipartisan margin, the Committee on Finance decided to proceed as it has.

I make two points: First, trade adjustment assistance—which is to say, providing some transition for workers who lose their jobs in the aftermath of changes in tariff schedules—has been part of our trade expansion efforts for a quarter century.

I had the honor, the experience, of being involved in the long-term cotton textile agreement which President Kennedy needed to bring about the acceptance a quarter century ago of what became the Kennedy round of tariff reductions under GATT, which had great consequence. A quarter century later, we are on this floor to enable this President and his successor to carry forward another GATT round.

We ask the President to negotiate this trade adjustment fee arrangement in the GATT round. We want the fee to be GATT legal, and we certainly wish to see it negotiated under the GATT. We think it is a reassurance to American workers who have supported this program for a quarter century that this time their trade adjustment assistance will not be subject to the vagaries of appropriations by this Congress.

In the last round, the Tokyo round, the American labor movement supported that round of tariff reductions with the understanding that we would have this provision. An agreement was made—if I may use that word—in the Finance Committee, with the American labor movement, and we reneged on that agreement.

This provision, which the distinguished Senator from Colorado does not approve of—but the Senator from Delaware, my able and learned friend, has joined in presenting it as a bipartisan measure, first to the committee and now to this Chamber—is a guarantee for American workers. We think it is a proper thing, we think it is a necessary thing, and I hope the measure will be sustained.

Mr. President, I yield the floor.

Mr. ROTH. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Colorado.

I fear that the end result of that amendment is to effectively gut what we seek to do through trade adjustment assistance.

Before addressing the specific amendment of the distinguished Senator from Colorado, I think it is very important in today's debate that we focus on what we are trying to accomplish. What we seek to do through trade adjustment assistance is to help those individuals who are hurt by trade.

Now, the purpose of maintaining an open trading system is that most people will benefit from trade. Trade brings most people here and around the world a higher standard of living, lower prices, and a more diverse choice of available products.

Still there is no question that some people are hurt by trade, and let me point out that this is true in fact in times of trade surpluses as well as trade deficits, in time of general prosperity as well as in recessions.

Trade deficits or surpluses do not necessarily correlate with employment.

In 1975 we had a major recession with many people out of work. Yet that year we ran a trade surplus. In the last few years, we have all seen our trade deficit reach unprecedented levels. Yet during this same period millions of jobs were created in this country.

I might point out this has been the experience of my own State. In Delaware recently, we have been particularly fortunate. Last year the unemployment rate in Delaware was 4.2 percent for the year. In April, the most recent months for which data is available, Delaware unemployment was 2.9 percent, the second lowest unemployment rate in the Nation. But the fact is that despite this low unemployment rate, workers in Delaware from the steel, autos, and textile industries as well as others, have received assistance under the trade adjustment assistance program.

Mr. President, I believe it is critically important that we seek to help those people hurt by trade, who lose their jobs to imports. First, I would point out it is Government policy which results in these job losses, so there is a way to distinguish this situation from others. In other words, because of the conscious, deliberate policy of the Federal Government, some people are hurt. So it seems to me we do have a special responsibility to them.

Second, as the distinguished Senator from New York, with whom I have been very pleased to work in promoting trade adjustment has also mentioned, I would point out that in 1962, before the Kennedy round of trade negotiations, it was agreed by the Government to make a commitment to assist workers who lose their jobs to imports.

Now, I do not insist that because you once make that kind of commitment, it has to be kept forever and a day. But the basic reasons for that commitment in the 1960's are as true today as they were then. I am sure my distinguished friend and colleague, Senator MOYNIHAN, would agree that trade adjustment assistance is just as relevant under current conditions as it has been at any other time.

Third, I would point out the need for help is great today.

Fourth, it is most important to understand that by helping those hurt by trade, we can help sustain the benefits which trade brings to most Americans.

As I have already pointed out, I have been pressing for many years to strengthen assistance to workers who lose their jobs to imports. I would point out that as a result of this effort and with the strong support of the Senate Finance Committee, as well as both Houses of Congress, we saved the Trade Adjustment Assistance Program.

The program had expired in December 1985, and in March 1986, we were successful in the budget reconciliation bill in restoring the program with some of the improvements that Senator MOYNIHAN and I had heretofore proposed. I might say, as a matter of record, it is the second time I saved the trade adjustment program, for back in the 1970's, President Carter likewise proposed the termination of this program. It seems to be a disease of the White House to oppose trade adjustment assistance.

Mr. MOYNIHAN. Mr. President, will the distinguished Senator yield for a comment?

Mr. ROTH. I am happy to yield.

Mr. MOYNIHAN. He is exactly right. He has done this under two Presidents of different parties.

Mr. ROTH. I thank the distinguished Senator for his comment.

Now the bill before us includes major reforms to trade adjustment assistance that I was pleased to propose, not only with my good friend Mr. MOYNIHAN, but also with Mr. HEINZ, Mr. CHAFEE, and Mr. SYMMS, and I would point out that these reforms were reported unanimously by the Senate Finance Committee as part of the budget reconciliation package in 1985 and they were passed by the House and Senate several times during that reconciliation debate.

So there is nothing new about what is proposed here. It has been considered by the Senate on several occasions. Unfortunately, these major reforms were not in the final compromise on budget reconciliation with the administration.

Now the changes to TAA that I have been pressing are few in number but they are critically important. This legislation does not propose a complete revamping of the Trade Adjustment Assistance Program. In fact, all benefits now available to workers under TAA, additional unemployment compensation, known as trade readjustment allowance, job search, and job relocation allowances would continue. But, Mr. President, there is a most important new eligibility requirement and an important new benefit. The new eligibility requirement is that any worker receiving benefits must be enrolled in or have completed a retraining program, in other words, what we seek to do by trade adjustment is to give those who lose their jobs the opportunity to be retrained so that they can find other jobs of value. In doing so we, of course, provide trade adjustment allowance which provides compensation during that period of study or training.

But it is important to understand that one of the significant changes in this legislation is that in order to get the trade adjustment allowance the worker who has lost his job must be involved in a retraining program.

The new benefit would provide up to $4,000 for retraining for each worker. There would be certain exceptions to this requirement if it was found that training was not appropriate for an individual.

Now, Mr. President, this legislation is financially sound. We have incorporated as part of the proposal the means of paying for these reforms. My bill would fund trade adjustment assistance through a small fee on imports. CBO estimates the necessary fee to be less than one-tenth of 1 percent. But we do provide in the bill for a fee that is capped at 1 percent of import value.

Now, why do we propose a fee in excess of current needs?

Mr. President, there is a very important reason, because what we intend is for our negotiators at the next round of international trade negotiations in the GATT to negotiate the imposition of a fee of 1 percent or less.

Now, if we took the proposal of the distinguished Senator from Colorado and capped the fee at $400 million, it would mean that at a later date if we were spending more money than that, not only would we have to go to the Senate, but we would also have the need to go back to GATT and secure permission there.

So what we are proposing is that the administration negotiate the right to impose a 1-percent fee on imports even though at this time it is expected that the program with the reforms would cost less than one-tenth of 1 percent.

(Ms. MIKULSKI assumed the chair.)

Mr. ROTH. Madam President, I would point out also that this legislation is fiscally responsible because the benefits secured under it are not only paid by this import fee, but the fee is capped in the bill. No more benefits can be paid out than were actually secured in the trust fund resulting from the small fee on imports.

Let me point out also that I disagree that this fee is going to handicap American trade. In the first place, I am persuaded that other countries are going to need the same kind of fee for their workers who are adversely impacted by trade. For that reason, I feel confident that our negotiators at GATT will be successful in obtaining agreement that this kind of a fee can be imposed.

Madam President, I would point out that this legislation, including the 1-percent fee, has the full support of the Industrial Union Department of the AFL-CIO. In a letter to me from Howard Samuel, he says that the committee provisions of independent funding for TAA through a tax on imports of up to 1 percent by value is essential to the TAA program's ability to fulfill its mandate. Maintaining this source of funding is really our only assurance that the refurbished program will be able to meet the challenge of assisting the rapid reemployment and retraining, where necessary, for these workers who have lost their jobs through no fault of their own.

I have a similar letter from the United Steel Workers of America. I would also point out that the National Retail Merchants Association has endorsed legislation, including the fee.

Frankly, in closing at this stage, let me say I think there is no provision more important in the current trade bill than that on trade adjustment assistance.

As I said, if we really want to proceed on a course of an open trading system, I think it is critically important that we help those who are impacted negatively by trade. And to me it is perfectly fair, it is perfectly equitable, to expect those who benefit from the open trading system to pay a little more, as I say, just one-tenth of 1 percent, for the advantages they are gaining.

To me this is sound legislation. It is fiscally responsible. I think it is important to point out, Madam President, not only will this legislation pay the cost of training, which is new, but it will also pay all the other costs of the Trade Adjustment Program so that, in effect, it will help reduce the budget deficit over a 3-year period. Over a 3-year period, it would save roughly $500 to $600 million to the Federal Government.

The reason I say that is that the Trade Adjustment Assistance Program is now funded at about $150 million annually from general revenues. Under my legislation, these benefits would no longer be paid for by general revenues. This legislation would decrease the budget deficit by $172 million in 1990, $177 million in 1991, and $182 million in 1992. So for these reasons, Mr. President, I would urge the Senate to reject the amendment proposed by the Senator from Colorado.

Mr. PACKWOOD. Madam President, I rise to support the amendment of my good friend from Colorado. For the life of me, I cannot think of a valid argument against the amendment.

First, the argument is that is GATT illegal, and I think it probably is, but the authors of the provision in the bill would say, "Mr. President, you go to GATT to see if you can negotiate it legal." My hunch is he may succeed in that. What that will amount to is each of us putting tariffs on each others' exports to fund a program we would otherwise fund out of the budget.

That is protectionism, I would call it. They will raise their prices on their exports, we will raise our prices on our exports. Maybe we will all be happy we are making each other support each others' programs.

But that is if the President is able to negotiate it legal. At least in the House bill, this user fee, if you want to call it that—I will call it a tariff—does not go into effect unless GATT finds it legal. That is the first argument.

I think the President ultimately may succeed in getting all of our trading partners to all agree that we will all tax each others' exports. There is an unfortunate protectionist fervor growing throughout the world and growing in this country. I can, unfortunately, see the world coming to that conclusion.

Let us go to the second argument of the amount of money involved. I supported the Senator from Colorado in the committee. I think he would have been willing to go to any rational amount of cap that the most wondrous supporters of this bill would have thought they could have spent. I remember saying $500 million, $600 million, $400 million; let us put some figure on it.

There was no one in the committee, there was no witness, there was no person I heard of who talked about this that said it was going to cost over $300 million.

So the Senator from Colorado offered a cap of $400 million a year, beyond the most wondrous wishes of any amount that could ever be spent, the proponents say. And yet, at the very same time, they place a 1-percent limit on the tax that can be levied, which will raise $4 billion, when we cannot conceivably, to quote them, spend over $300 million.

Now, why? Well, I can see two things happening. One has been mentioned by the Senator from Colorado. This money can be only used for trade adjustment assistance, but there is still a potful of potential taxation that will produce $4 billion. And anything we can find under the rubric of trade adjustment assistance will be eligible for this.

That reminds me a bit of the old social service program we had in the midseventies where the Federal Government agreed to pay 90 percent of all the State's social service cost and they began to define highways and streetlights as social service programs and we were paying 90 percent.

We are going to have unemployment compensation, trade adjustment assistance, workers compensation, revenue sharing, all come out of there.

There is one other alternative, and I can see it coming as we get into reconciliation or elsewhere. We pass the 1-percent fee. Now we say the 1-percent fee is only to be used to advance trade adjustment assistance. But let us say the program is only costing $300 million a year, but we have the authority in law to go to 1 percent, and we get into a bind and we need $3 billion in taxes. All we have to do is take off the provision that this has to be used for trade adjustment assistance and without ever changing the law we have another $3 billion of taxes collected for whatever purpose we need.

Now, I am not saying the proponents of this amendment had any nefarious ideas in mind. The Senator from Delaware has been pushing this for a long time. I know he is very sincere about trade adjustment assistance. The same with the Senator from New York, Senator MOYNIHAN.

But if all they want is trade adjustment assistance, and if all of this could conceivably cost, under the most extraordinary of expectations, is $300 million a year, where is the harm in putting a cap of $400 million a year on the program?

I honestly, Madam President, cannot think of a valid argument against the amendment of the Senator from Colorado and I hope that the Senate would adopt it.

Madam ARMSTRONG. Mr. President, will the Senator yield to me before he yields the floor?

Mr. PACKWOOD. I am happy to yield.

Mr. ARMSTRONG. I just want to thank him for his statement. I am grateful, of course, for his support and hope, in due course, that we will adopt the amendment.

But, I had a related thought that I would just like to try out on the Senator from Oregon.

Has the Senator ever been to the great ice cream store out at the shopping center, the one, you know, where they wear the striped coats and they have the clowns and balloons. It is a favorite spot, especially with the kids, and also with adults who like ice cream and banana splits and other kinds of ice cream? Has he ever been there?

Mr. PACKWOOD. I do not know if I have been to that one. I have been to the one that has all the flavors, since I like good ice cream.

Mr. ARMSTRONG. The reason this particular retail establishment comes to mind, it is one where my family and I have visited a number of times. They serve practically everything. They serve hot fudge sundaes, they serve banana splits, they serve every exotic kind of ice cream treat that you can imagine.

But they have one particular thing which is so enormous that only those who are really extravagant, and, honestly, those who really eat to excess, would order such a thing. It is a giant tub of ice cream, covered with every known topping.

And every little while, some foolhardy customer will order this thing. When they do, then the whole kitchen staff comes running out to the dining room. One of them has a siren which he sets off and another has bells and some others have whistles and one of them has a slide whistle and they make a big racket and the lights flash and everybody applauds.

The thing I was thinking of, Madam President, was maybe we ought to have that kind of a celebration here every time the Senate adopts a new entitlement program, just to commemorate the occasion, because this is what this is, this is a new entitlement program.

You know the people who adopted entitlement programs in the past invariably estimated their costs at some miniscule amount. When I suggest that the cost of this particular entitlement program might rise above $300 million or above $400 million, that it might go to $1 billion a year on $2 billion, or it might go as high as $4 billion, since that is the amount of the pool of money that will be made available by the 1-percent import fee, I just want to make the point that this is not just some crazy pipe dream or some imagination but is in fact about the kind of ratio that has been borne out in the past when we have created self-financing, unfunded, unappropriated permanent entitlement programs.

I have not made those provisions for tonight, but I just wonder: May I ask the Senator from Oregon, does he not think that some sort of commemoration of that kind of event would be in order?

Mr. **PACKWOOD**. Not only a commemoration but now that you describe the large tub of ice cream—years ago in Portland, I think it was right after World War II, there was a place like that and if you ate it all you got it for nothing. They had pictures over the years of the people that attempted to eat it all. All but three got sick, and I think only three finished, and I think that is roughly the odds we are going to have of this bill staying within $300 million. We will have this huge dish of ice cream and we are all going to get sick, and we are not going to digest it, but we are going to try to eat it.

The **PRESIDING OFFICER**. The Senator from New Jersey.

Mr. **BRADLEY**. Madam President, I will resist all the puns and metaphors that would be available to the Senator from New Jersey after the colloquy between the Senator from Colorado and the Senator from Oregon concerning ice cream and ice cream sodas, and will, instead, try to talk about the amendment of the Senator from Colorado, which I hope the Senate will reject.

A couple of years ago I served on a panel that was convened by the Director General of GATT. The charge of the panel was to look at the world trading system and devise some suggestions as to how to keep it open; and how to resist the lurch toward protectionism.

I was the only politician on that panel. There were seven of us. I was the only American.

One of the individuals on the panel was an Indonesian who happened to be the Minister of Industry and Trade and happened to be at another time in his career the Finance Minister.

In the course of our sessions, which would take place over 8 or 12 hours at a time while we went back and forth about the trading system, he got into a very lengthy description about the problem in Indonesia to get industries that are no longer competitive phased out and moved to the next higher level of development. In other words, how to move to higher value industries.

In the course of the conversation his description of the difficulty in Indonesia to get industries to upgrade and move on to higher value-added production sounded very similar to the problems that we confront in this country with industries that have become uncompetitive.

In the course of these discussions, what became clear to me was that the world economy as a whole, in order to grow, must embrace change. But change, for some people, is invigorating. For other people it produces fear and they resist change, so that if you want to have the highest growth possible you have to deal directly with those individuals who are fearful of change.

That means you have to direct your attention to the human result of open trade, which is inevitably some people losing their jobs. That is the origin of this provision in the bill: for people who are going to lose their jobs because of change, because of open trade, to have some means to get over the rough times to another job in another industry.

We believe, the proponents of this provision in the bill, that trade adjustment assistance can help them do that. This particular trade adjustment assistance provision is in the form of a $4,000 voucher which would allow the displaced worker to go to another firm and ask for skills upgrading training and spend that voucher in part to offset the cost of the other firm's retraining efforts for a new job in higher value-added production.

I do not think that the proponents of the amendment of the distinguished Senator from Colorado would dispute that that is the goal of trade adjustment assistance or that facilitates open trade and resists protection.

We then come to the question: Well, how will we finance it? The argument that we should finance it by an import fee rests on the memory of that minister from Indonesia and the complaints that he made about modernizing his own economy. The argument is that a fee on imports that can be used for adjustment promotes open trade. It does not retard open trade. It is not protectionist; it promotes open trade. Therefore let us go to GATT, let us determine if the fee can be negotiated in the GATT. And my hunch is it will become GATT legal and, indeed, other countries would have the option to place an import fee on our exports to their country. But the result would be less protection in the world.

The Senator from Colorado asks: well, why not make it a $400 million cap as opposed to a 1-percent fee? The reason is that if you are going to go to GATT you need a standard that can be applied internationally and you need to make sure that a country in Europe or Asia or South America is not going to say: "to handle our import process, we need 10 percent."

The reason for a percent fee is to have an international standard. The $400 million looks like it might take care of the program this year, or maybe even next year. It might in a deep recession, be insufficient to take care of the program and thus require the Congress to act. But, as always in recessions, we act in a delayed manner and as more workers lose their jobs they come to Congress and demand more protection.

So I would argue that this amendment has been thought through in terms of its purpose for adjustment and that the funding mechanism has a direct relationship to our goal which is to have an open trading system worldwide.

Mr. President, I would hope that we would reject the amendment of the Senator from Colorado.

Several Senators addressed the Chair.

The **PRESIDING OFFICER**. The Senator from Texas.

Mr. **BENTSEN**. Madam President, I understand the concern of the Senator from Colorado, and I do not like an open-ended entitlement either. But you do not have it open-ended. You have a 1 percent cap on it.

I listened to my distinguished friend from Oregon saying he could not imagine any kind of a circumstance where you would spend over $300 million. Well, I certainly can.

I looked at what the retraining applications were in 1986 and you had about 7,700 employees. I looked at what the applications were back in 1981, the depth of a recession, and you had approximately 21,000. Those are the kinds of variables that you run into in this kind of a situation.

How does the CBO make its estimate? It makes a static analysis. We have seen that time and time again, static analysis, without considering some of the variables that happen in human behavior. You look at a recession coming to us again, and you see once more great numbers of people applying for retraining and you want to take care of them. You want to make them productive citizens of our society. You want to make us world competitive in trade.

Look at another problem that can face you, the problem of inflation. If we have recurring inflation and the kinds of numbers that we have had in some years past, the cost of these programs is going to escalate. But by the same token the 1 percent as attached to the trade that is coming in will reflect some of that inflation and take care of that kind of a situation. But if you get yourself into a cap of this kind of a limitation, then I think you run into trouble.

So I think this gives you the kind of flexibility that you need for retraining and that is why I go along with the decision of the committee.

This particular issue was debated at length within the committee and the amendment at that time lost on a vote of 13 to 6.

I would urge that the committee be supported on that and that the amendment be rejected.

Mr. **ROCKEFELLER** addressed the Chair.

The **PRESIDING OFFICER.** The Senator from West Virginia.

Mr. **ROCKEFELLER.** Mr. President, I strongly concur with the comments of the chairman of the Finance Committee and would urge that this amendment be rejected. I would simply make the comment that in the trade bill, one of the Finance Committee goals was to stimulate retraining of workers and helping our industry adjust so we could become more competitive.

Under the philosophy of section 201, to become competitive as a country, we cannot provide relief simply because for the asking. Industry must have a plan that they are going to follow to become competitive. For the first time, the Finance Committee bit the bullet and got tough about getting companies to be more competitive in the future. But it does not help if they become more competitive, if they invest in new machinery, et cetera., if, in turn, our displaced workers are not being retrained. It was not so many years ago, under another administration, that we had hundreds of thousands of people getting assistance under the TAA Program. This year, only 11,000 will receive such assistance. As the Senate Finance Committee chairman pointed out, times change. Adjustment requirements can be very large. I think that in the future our requirements for retraining will be enormous as our economy adjusts.

I want to offer one example which does not necessarily directly relate to trade adjustment assistance but which does indicate the problem we face.

There is a rather remarkable series of buildings in Gaithersburg, MD, known as the National Bureau of Standards. If you take the time to go out there, you will see something called the automated factory of the future. There is a computer talking to a robot which, in turn, talks to machine tools. You see very few workers on the floor.

This is what they are already doing in Japan. Factories like this are becoming common in Japan. It is beginning in this country, but it has not gotten very far yet. There are approximately 120,000 factories across this country where machine tools, could be operated in such a fashion but at present, the workers are still using older equipment.

Those plants are going to be automated gradually, over the next 5, 10, or 20 years, as we move to the factory of the future. There will be a lot of machinery, but very few workers. Hundreds of thousands of workers are going to be laid off—good workers, who have worked 15, 20, 25 years, putting their kids through colleges, paying off mortgages, people in their 40's, 50's, and early 60's, who will be without a job because the world is following a new technological path where, if you cannot compete either as an industry or as an individual, you are out of a job. That is our future unless we face it now.

Trade adjustment assistance S. 490 helps us face that future with the ability to make the necessary adjustments. Part of that ability is financial. I do not think that will use the full 1-percent import fee. But to put a cap of $400 million when the world is moving rapidly, change is coming quickly, and displacement will be considerable in this country, would be a serious mistake. We have to have this kind of financial flexibility.

We need to keep the financial flexibility in this bill. We want our workers to be retrained and to become competitive, just as we have built into this bill section 201 to assist injured industries to adjust to competition. We need to do that, and this bill is designed to do that job. I hope the amendment of the Senator from Colorado fails.

Mr. HEINZ addressed the Chair.

The **PRESIDING OFFICER** (Mr. FORD). The Senator from Pennsylvania.

Mr. **HEINZ.** Mr. President, I rise in opposition to the amendment sponsored by my colleague and friend, the Senator from Colorado. I do so for two reasons.

The first reason is that there is an objective that I think we all share. That objective is to create a climate in this country where the change that we need, that is forced upon us by events, by the march of technology, by progress, that change which is strongly linked both statistically and in every other way with both a dynamic economy and with heavy economic growth—that change, when the law of economics dictates it, is facilitated.

We talk a lot about free markets and we believe in free markets. We believe in the free enterprise system.

We believe that markets that operate with the highest degree of freedom from intervention operate best, and that is the greatest good to the greatest number.

One of the most contentious kinds of frictions in our free market system is what happens when people lose their jobs for reasons, at least insofar as they are concerned, that were not their fault.

Indeed it may very well be a cause from somebody else, because of a government subsidy in a foreign country or the failure of our Government to attack the protectionist practices of other couutries—any variety of reasons like that where someone is losing their job due to an action taken in another country over which they feel they have very little control and where they are on the receiving end.

We are unable to litigate every job lost as to whether or not it is because of a fair or unfair trading practice. We have tried to address as many unfair trading practices as we can. That was the purpose of the 1974 Trade Act. That was the purpose of the 1979 Trade Act. That is the purpose of this trade act, and it will be the purpose of any other trade act we pass because we know one thing: No matter how good an act we pass, we will not be able to stop all the unfair trade practices, and even if we did there would still be considerable economic dislocation as other people try to obtain a temporary success at our expense.

What we do know is after we have done our best job in combating unfair trade, after we have taken our best shot at trying to minimize the pain of adjustment, there are going to be casualties because that is the nature of economic give and take, or economic warfare, if you prefer.

We ought to recognize that to the person whose job, future, homes and dreams are on the block, they are in an extreme situation and under our political system if we do not find a way to address their reasonable expectations they will come to us, and they will say, "Help."

It is not the nature of our political system, and it is not the nature of the individual Senators or Congressmen to say, "You have asked for help; sorry, we are just going to ignore you."

The question, therefore, since we do not tell our constituents to get lost when they ask for help, is what is the best and most responsible kind of help to give them.

Now, we have a history in this country of not only trying to help with individual problems, but we have responded rather significantly, I might add, in ways that we think are going to protect people's jobs by restricting imports.

I come from a State that is a beneficiary of the voluntary steel restraint program that the President announced back in 1984, and it has been significantly helpful, although not as helpful as many of us would have hoped. But I will say this: it is protection for the steel industry. People who do not think it is justified are not going to like it, and people who believe there should be no protection will obviously be frustrated every time an industry comes to this body and successfully seeks what they consider to be a protectionist solution.

Steel is not the only industry that has won some measure of protection. The Multifiber Arrangement consists of a worldwide market sharing agreement to restrict apparel and textiles from low-wage producers going to developed countries. You can argue whether or not that is good, whether or not that is bad, but if you are a purist when it comes to free trade, you do not like that and, if you are a purist on free trade, you should want to discourage it.

The same is true on autos, probably the largest industry in the United States. We have had auto quotas. We call them voluntary agreements that we have nothing to do with; they are negotiated with the Japanese who, after all, have the major share of auto imports in this country—7 straight years of protection for the largest industry in the United States.

If you wanted to take a very pure view, the President of the United States earlier this year, with a great deal of fanfare, announced both a retaliation and protection for semiconductors, hardly an old line industry.

What I am saying, Mr. President—and I could go on and on with the list of industries that have sought and won protection either from the White House or from the Congress—is unless we have a policy that takes care of the casualties of a free trade policy, we are going to have exactly what the people who are skeptical about the extent of our commitment to the trade adjustment assistance program are saying. We will have in effect more protectionism, not less, if we do not make an adequate commitment.

Now, the Senator from Colorado has proposed a $400 million annual cap on the trade adjustment assistance, and $400 million is a lot of money. If we were to pile it up, it would look like a lot of money because it is a lot of money. But we ought to ask ourselves, what does $400 million annually in the trade adjustment assistance program buy? What kind of help does it provide to workers?

I do not know how much more training costs are going to increase between now and 1992, which is the date through which the amendment of the Senator from Colorado is effective. But I do know that the average cost per person now enrolled—now enrolled, not next year—in the trade adjustment assistance program is $4,000. And a little, very modest mathematics will show that $4,000 divided into $400 million is 100,000 people. In an economy where there are 110 million people employed, 100,000 people is a drop in the bucket.

One out of every seven jobs in the United States, one out of seven, or nearly 18 million jobs out of that 110 million jobs is trade related. About 15 percent of our gross national product is trade related. We have $400 billion worth of imports, $230 billion worth of exports, a total of some $630 billion in an economy approaching $4 trillion. About 15 percent.

What we have with one out of every seven jobs trade related, if we adopt the ceiling proposed by the Senator from Colorado, is a way to protect only a tiny fraction of all those people who are employed in trade, whose jobs will be affected adversely by what happens in trade.

Look at it another way. We have about 6 million unemployed persons on our unemployment roles as we count them. We have a lot more people who are discouraged workers who we do not count. About 1.7 million of those, a little less than 25 percent, are so-called dislocated workers. I suspect a very large fraction of those dislocated workers have lost their jobs not just because of technological change in this country, not just because businesses fail, new businesses start, not just because industries come and industries go, or levels of skill change. A substantial number, a good many more than 100,000 of the 1.7 million displaced workers have become displaced because of trade. One hundred thousand promises every year, no more than that, between now and 1992 simply is not a significant or big enough promise in a land where maybe 18 million jobs are trade related.

What the Senator from Colorado would have us do, therefore, is say to people, "Look, we can't make a promise to you beyond the lucky 100,000 that we take care of." If we do that, Mr. President, what is going to happen is that all the other people who think that their job might be jeopardized by a free and fair trade policy are going to say, "I don't want that policy. I want more protection."

Mr. President, we all agree that protectionism for protectionism's sake is bad. It is a bad policy. And yet it seems to me that were we to agree to the amendment of the Senator from Colorado by retracting, the promise that we all know we ought to make in principle to people as a means of easing their transition back into the work force in some productive job—trade assistance, of course, pays for retraining, reemployment—what we would be doing is asking for more trouble, more protectionism and a less dynamic economy.

Sometimes, as they say, you have to spend a little money to make a lot more. I think the trade adjustment assistance program is not only a good investment in people, I think it is a good investment in America for the sake of America.

I urge the rejection of the amendment of the Senator from Colorado.

Mr. BENTSEN. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ARMSTRONG. Mr. President, unless the Senator from New York or the Senator from New Jersey or someone else wishes to speak, I was just going to try to sum up and draw the debate to a close.

There has been a good and interesting discussion about a lot of subjects during the last hour, about protectionism and free trade, about human needs, about change, and even the fear of change which many people feel about whether or not we should or should not enter into voluntary agreements to restrain trade.

None of that, of course, really has a great deal to do with the amendment which is pending. The amendment which is pending simply says that until 1992 the amount spent on this new entitlement program shall be capped at $400 million a year.

Mr. President, it is important to keep in mind where that number came from; because when the Senator from Oregon asked the question, "Why would anybody want to go above this?" I do not think some Senators understood. That is not the number the Senator from Oregon thought up. It surely is not the number the Senator from Colorado thought up. Here is how we got the number $400 million.

We were sitting around the table, and suddenly somebody in the Finance Committee noticed that there was a new entitlement program in there.

Somebody asked, "What in the world is this going to cost?" The backers of it and the staff said it is going to cost $300 million.

I said, "No. I mean in the future what is it going to cost? What is the highest estimate out into the future?" Three hundred million dollars. That was the number that was given to us. That is not my number at all.

The reason why I suggested $400 million is to provide a margin of safety. I am skeptical of this program. I made that plain. But I am not arguing the case of whether we need such a program or the program suggested by the administration, which thinks this whole thing is not the way to solve the problem.

I am not arguing the basic premise. I am saying that there should be some dollar amount we set as the commitment to a new program, whether you think it is a worthy program or not.

For the first 45 minutes of this debate, I thought we would never join the issue, that we would be skating around it and we would never come to a conclusion. But in the last few minutes, we have really identified the problem; because when I raised this amendment in committee, basically I was ridiculed for suggesting that it could go as high as $4 billion.

The notion that somehow we were setting in place a tariff mechanism which would bring in $4 billion, and this money would be deposited in a trust fund and this might tempt spending on such a scale, was dismissed as an excessive dread of spending. I was accused of suffering from fiscal acrophobia. That is a fear of high spending.

In the last few minutes, the Senator from Texas, the Senator from New Jersey, and the Senator from Pennsylvania have shifted the ground of the debate exactly to the opposite point which was made in support of this proposal in committee. They are saying $400 million is too cheap; it is not enough money.

So, that is really the issue, and that is the only point I wanted to make. If you think a $4-billion program of this kind is justified, fine; vote down the amendment. If you think we ought to at the outset limit it to $400 million and leave it to a future Congress to raise it above that, vote for the amendment. I hope enough Senators will see it as prudent and thoughtful to put some limit on it.

If there is any Senator who is undecided, who might be swayed by another number, I am willing to negotiate. I would take $450 million, $500 million, $600 million, $1 billion.

If you want a truly unlimited program, fine; let us vote down the amendment. If you think at some point we ought to give concrete expression to our pious declarations that we care about the balance of trade and about how much things cost, then a good place to start with a new program, a new entitlement, would be to cap it at $400 million a year.

Mr. MOYNIHAN. Mr. President, I believe we have had an excellent debate.

Mr. PACKWOOD. Mr. President, I think we are about to vote. I would like to say one thing for the record.

I think the majority leader was unduly blamed for a vote earlier this evening. I was the one who suggested a window from 6 p.m. to 7:30 p.m. The Republicans had some functions tonight which I thought would be over, and by schedule should have been over. They ran late, as functions often do in Washington, and I think there was some ill feeling because of the vote, and we had to produce absent Members, and that was my fault.

Mr. MOYNIHAN. Mr. President, I am sure the majority leader would wish to respond.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Oregon for his very gracious remarks. I apologize if there was any misunderstanding created by me. But I believe that the Senator from Oregon has stated the matter correctly so far as we understood, and I thank him very much.

Mr. BUMPERS. Mr. President, the only way this country can regain its competitive edge is to adjust more rapidly and smoothly to changes in the international marketplace.

The Trade Adjustment Assistance Program—particularly as it is refined and targeted in this bill—can help. It can discourage rigidity and it can encourage flexibility on the part of our workers.

When a worker is laidoff, he or she often will respond with shock. He or she may hold out false hopes of being rehired. He or she may deny that times have changed.

The TAA Program may help to give that worker the means and the confidence to move on into the future. This is both smart and humane.

The amendment encourages change and that is the best approach we can take. It's the opposite of protectionism, which denies and avoids change.

This amendment will deny us the flexibility in funding the T.A.A. program which we need and I oppose it for that reason.

Mr. LEVIN. Mr. President, I will vote against the Armstrong amendment which would set a cap of $400 million on the amount that could be appropriated to pay for the Trade Competitiveness Assistance Program established by this bill.

I am well aware of the need for restraint in government spending, and I understand that this amendment is in part an attempt to take account of that need. But the Finance Committee bill, according to the committee report, provides that the across-the-board tariff by which the program is paid for would be set at a level sufficient to pay for the TCA Program—and not more than that. A 1 percent uniform tariff—the maximum tariff allowable under the bill—would bring in $4 billion. But the bill doesn't require us to raise $4 billion each year. Instead the bill provides that the tariff would be adjusted as necessary to fund the TCA Program. This implies flexibility for future years, a flexibility that may well be needed if our Nation suffers another recession, with its attendant plant closings and layoffs. It does not imply a license to spend freely, as the supporters of this amendment have suggested.

Because I believe that this is a good and valuable program, providing needed retraining benefits for workers laidoff due to imports—and because I believe that the funding mechanism adopted by the Finance Committee does not make the program open ended but rather flexible—I must oppose this amendment.

Mr. MOYNIHAN. Mr. President, I believe we are ready to vote on the matter.

Mr. ARMSTRONG. Mr. President, could we withhold that for a minute?

To my surprise, there was a little expression of interest about perhaps compromising on a number. So, perhaps if the Senator from Oregon and the Senator from New York would like to speak a moment and we have a quorum call, I would like to consult.

I am serious in saying that $400 million is not a magic number to me. It is the principle of an uncontrolled new entitlement program. I would be glad to compromise at another number, if there are those who could be persuaded.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, alas, I am saddened to report that while there was some interest in compromising this matter at a higher figure, there was not enough to really justify it.

The truth of the matter is that the issue is fairly drawn between those who would like to place a cap on it at some level and those who disagree. I was willing to go as far as $1 billion, simply to establish a principle of an annual limit. It is a choice between a new entitlement program that could cost $4 billion or some limitation.

I thank all Senators, and I hope some of them will vote "aye."

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Washington [Mr. ADAMS], the Senator from Delaware [Mr. BIDEN], the Senator from Tennessee [Mr. GORE], the Senator from Arkansas [Mr. PRYOR], the Senator from Illinois [Mr. SIMON], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE] would vote "nay."

Mr. SIMON. I announce that the Senator from New Hampshire [Mr. HUMPHREY] and the Senator from Vermont [Mr. STAFFORD] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 39, nays 53, as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—39

Armstrong
Bond
Boschwitz
Chiles
Cochran
D'Amato
DeConcini
Dole
Domenici
Durenberger
Evans
Exon
Garn
Gramm
Hatch
Hatfield
Hecht
Heflin
Helms
Hollings
Karnes
Kassebaum
Lugar
McClure
McConnell
Murkowski
Nickles
Packwood
Pressler
Proxmire
Quayle
Rudman
Simpson
Stevens
Symms
Trible
Wallop
Warner
Wilson

NAYS—53

Baucus
Bentsen
Bingaman
Boren
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Cohen
Conrad
Cranston
Danforth
Daschle
Dixon
Dodd
Ford
Fowler
Glenn
Graham
Grassley
Harkin
Heinz
Inouye
Johnston
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
McCain
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Reid
Riegle
Rockefeller
Roth
Sanford
Sarbanes
Sasser
Shelby
Specter
Thurmond
Weicker
Wirth

NOT VOTING—8

Adams
Biden
Gore
Humphrey
Pryor
Simon
Stafford
Stennis

So the amendment (No. 460) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. BENTSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from West Virginia, the majority leader.

Would the Senate come to order? The Chair asks the Senators to please come to order. The Chair is not going to recognize the majority leader until the Senate comes to order. It just extends the evening session as long as the Senators do not accede to the wish of the Chair.

The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the Chair for doing its duty and the duty is to secure order and maintain order without a point of order being made from the floor.

Mr. President, what I am trying to do at this moment is to ascertain what amendment may yet be called up tonight; what amendments we may be able to get time agreements on; and what amendments we may be able to start with tomorrow and get some idea of how many amendments there are remaining because it is conceivable, I suppose, there might be action on this bill tomorrow.

I wish to add that if the Senate completes action on this trade bill and on an extension of the debt limit by the close of next Wednesday evening, the Senate would not come back on next Friday, which would mean that there would be, after close of business next Wednesday, there would be no sessions on Thursday, Friday, Saturday, Sunday, and Monday.

So we need to know where we are going, how much work remains to be done and to try to establish some sequence in which we will call up amendments.

I wonder if there would be any amendments that we can dispose of this evening?

Mr. Metzenbaum?

Mr. METZENBAUM. Mr. Leader, I have two amendments that I am prepared to call up. It is my understanding that they are acceptable.

Mr. BYRD. Very well, we could certainly do those amendments. I would hope the manager is willing.

Mr. Riegle?

Mr. RIEGLE. Mr. Leader, we are putting the finishing touches on an amendment that will be offered by Senator Danforth and myself and others in the leadership on the issue of trade barriers in other countries. That is being finished and put in final legislative form and, if it is completed before we finish tonight, that might well be an amendment we could lay down tonight if we can achieve a time agreement on it and vote on it sometime early tomorrow.

Mr. BYRD. Mr. President, I am not sure we can achieve a time agreement on that amendment. Mr. Dole and I hope we will be in a position to jointly sponsor that amendment with the able Senator from Michigan [Mr. Riegle] and the equally able Senator Danforth and staffs working on this amendment. It is my hope, I have discussed this with Mr. Dole, that we would get consent that that amendment be ordered laid down tonight and the Senate would not have to remain in session to permit that being done.

We are working on that. There is some reason to believe that we may be able to lay that down tonight.

Beyond that amendment, are there other amendments?

Senator Dole?

Mr. DOLE. There is an amendment—as I understand it, we will get a time agreement. We wanted something laid down tonight. We would go to voting after 40 minutes of debate. It is on a tobacco export amendment to be offered by Senator Chafee. It would be to strike that provision in title XXI allowing export promotion programs for tobacco; there would be a 40-minute—20 minutes on a side at 10 a.m. Senator Ford would be recognized and move to table that amendment so that it would be something we would have a vote on at 10 o'clock.

If the motion to table fails, then, of course, there is no time agreement. It is much like the Angola amendment that we were working on this morning.

Mr. BYRD. Mr. President, I would like to put that request at this time so that Members will at least have that amendment to begin with tomorrow.

I am reading from the memo that the distinguished Republican leader has in his hand.

I ask unanimous consent that on an amendment to be offered by Mr. Chafee to strike the provision in title 21 allowing export promotion programs for tobacco to be operated at cost to the CCC there be 30 minutes equally divided for debate this evening, if they wish to take it; to provide further that at 9:30 a.m. tomorrow the Senate will resume the amendment by Mr. Chafee with debate thereon to be limited to 40 minutes to be equally divided in accordance with the usual form, and that at 10 minutes after 10 a.m. tomorrow, Mr. Ford be recognized to offer a motion to table without any intervening motion or point of order; if the motion to table is not agreed to, the amendment not be under any time limitations or amendment restrictions.

The PRESIDING OFFICER. Is there objection?

Mr. DeCONCINI. Mr. Leader, could the Senate vote at 10:30, or not before 10:30?

Mr. BYRD. That would be agreeable to me. We would have the vote on the tabling motion. Mr. Ford will be recognized at 10:30 to make his tabling motion and the vote will occur without any quorum call or any intervening motion or point of order.

Mr. DeCONCINI. I thank the leader.

The PRESIDING OFFICER (Mr. Breaux). Is there objection?

Mr. DOLE. Mr. President, I will not object, but in reading the agreement, "recognized to offer a motion to table without any intervening action." I think that was changed to "without any motion or point of order" which might permit somebody to offer an amendment at that point.

Mr. BYRD. Without any intervening motion, point of order, or amendment.

Mr. DOLE. Yes.

The PRESIDING OFFICER. Is there objection to the request? If not, without objection, it is so ordered.

Mr. BYRD. Mr. President, do we have any other volunteers?

Mr. DOLE. I have cased this side pretty well.

Mr. NICKLES. I have a sense-of-the-Congress resolution which will not require a rollcall vote.

Mr. BYRD. Would the Senator identify the nature of it?

Mr. NICKLES. I will be happy to. It deals with expressing the sense of the Congress regarding beef exports to South Korea.

Mr. BYRD. Would the Senator suggest a time limitation of 10 minutes?

Mr. NICKLES. 10 minutes is fine.

Mr. BYRD. Would there be any objection to a 10-minute time limitation?

Mr. BENTSEN. Mr. President, I see no objection to that.

Mr. BYRD. There is no objection by the manager.

Mr. MURKOWSKI. Mr. President, it is my intention to proceed at an appropriate time with an amendment on the reflagging, concerning U.S. flagging of existing tankers. I gather it will be appropriate to bring that up tomorrow?

Mr. BYRD. The Senator is certainly within his right if he can get consent from the other side to call it up. There is nothing to keep him from calling up his amendment at some point.

Mr. MURKOWSKI. That would be my intention.

Mr. BYRD. I thank the distinguished Senator for asking.

Mr. President, I ask unanimous consent that on the sense-of-the-Congress resolution by Mr. Nickles, there be a time limitation of 10 minutes to be equally divided in accordance with the usual form, that no amendments thereto be in order and no motion to recommit, whether with instructions or otherwise.

The PRESIDING OFFICER. Is there objection? If not, without objection, it is so ordered.

Mr. BYRD. Mr. President, are there other amendments?

Did the distinguished Republican leader have an amendment he wished to call up at some point?

Mr. DOLE. Yes, I will have an amendment related to Iran and the use of Silkworm missiles and a possible embargo. I am discussing that, I might say, with the distinguished majority leader. That would probably come tomorrow after the other amendments we have been working on. I am advised that the amendment he referred to earlier, also referred to by Senator Riegle and Senator Danforth, has not yet been drafted. We would like the opportunity, of course, to go over it with the staff on both sides.

I wonder if we might proceed with the tobacco amendment and make ours in order following that.

Mr. BYRD. I would be happy to do that. I would like to proceed with the drafting of that amendment, complete the drafting tonight, and have an order that it be entered. My staff is available. All staffs are available, I think, who are involved in that. I would rather we get an order that it be in order after the vote on the tabling motion by Mr. Ford, regardless of how that vote comes out, that the next amendment be the amendment by Messrs. Byrd, Dole, Riegle, and Danforth, to let that be the next one.

Mr. DOLE. Could the majority leader, before he gets an order, give us a chance to go over the drafting? We might have some misunderstanding on a word to two. They are going to be working, I assume, an hour or 2 this evening on it. We could order that the first thing in the morning.

Mr. CHAFEE. I would like to make it clear that there would not be any time limitation.

Mr. BYRD. That is correct. If we get the order, that would be the next amendment. That, as I understand it, is the only remaining big amendment. If we have a problem with it, we can modify it, hopefully.

Mr. DOLE. I think maybe we could agree that as long as the two leaders agree, if there was any misunderstanding we could work that out.

Mr. BYRD. All right.

Mr. President, I ask unanimous consent that on tomorrow, immediately following the vote on the motion to table by Mr. Ford, regardless of the outcome of that motion, the amendment that is being drafted, to be cosponsored by Senators Byrd, Dole, Riegle and Danforth, and any other Senator who wants to join, be the next order of business before the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Reserving the right to object. That would be after consultation and agreement with the leadership?

Mr. BYRD. Absolutely.

The PRESIDING OFFICER. Is there objection?

Mr. CHAFEE. Where would that leave the amendment that I might have? Where will we be then?

Mr. BYRD. It would be still out there to be disposed of before this bill passes. It falls in the category of the Gramm amendment, the Byrd-Moynihan amendment, the Bumpers-Hatfield amendment. It is in the same category. It has to be disposed of in one form or another.

Mr. President, let me venture out on an uncharted manmade lake.

I ask unanimous consent that the amendment by Mr. Bumpers be temporarily laid aside to allow for the disposition of the amendments, the tobacco amendment—up to the tabling motion point, and the disposition of the tabling motion—the joint-sponsored amendment of the two leaders et al, the Nickles amendment, and there were some amendments that could be disposed of this evening, I believe they could be accepted; there would be no rollcall votes on them.

May I ask the distinguished Senator from Arkansas, is there any objection to my taking that amendment down, with the understanding that before this bill is disposed of, his amendment, like the others that we have in the same category, will have to be disposed of one way or the other?

Mr. BUMPERS. The Senator is saying temporarily laying the Bumpers amendment aside?

Mr. BYRD. Temporarily laying it aside.

The PRESIDING OFFICER. Is there objection to the request of the majority leader?

If not, it is so ordered.

Mr. BYRD. Mr. President, there will be no more rollcall votes.

I thank all Senators.

AMENDMENT NO. 461

(Purpose: To express the sense of Congress regarding the elimination of Korean beef import barriers and the potential impact of such action on U.S. beef producers and Korean consumers)

Mr. NICKLES. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. Is there objection to the consideration of the amendment of the Senator from Oklahoma? Hearing none, the clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. Nickles], for himself and others, proposes an amendment numbered 461.

Mr. NICKLES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . UNITED STATES ACCESS TO THE KOREAN BEEF MARKET.

(a) Findings.—The Congress finds that—

(1) the 1986 United States trade deficit with the Republic of Korea as $7,600,000,000;

(2) the Republic of Korea has banned high quality beef imports since May 1985;

(3) this beef import ban is in contravention of Korea's General Agreement on Tariffs and Trade obligations and impairs United States right under such agreement;

(4) Korea imposes an unreasonably high 20 percent ad valorem tariff on meat products; and

(5) if the Korean beef import ban were removed, the United States due to comparative advantage, could supply a significant portion of Korean beef import needs, thereby increasing profit opportunities for the United States beef industry while benefiting Korean consumers.

(b) Sense of Congress.—It is the sense of the Congress that—

(1) the Republic of Korea should take immediate action to fulfill its obligations under the General Agreement of Tariffs and Trade and permit access to its market by United States beef producers;

(2) the United States Trade Representative should enter into negotiations to gain greater access to the Korean market for United States beef; and

(3) such negotiations, in addition to greater market access, should address the high tariffs set by the Republic of Korea and the means in which imported beef is distributed in Korea.

Mr. NICKLES. Mr. President, I have sent this amendment to the desk on behalf of myself and Senators Baucus, Wallop, Wirth, McClure, DeConcini, Grassley, Symms, Heflin, Burdick, Karnes, Exon, Hatch, Simpson, Domenici, Adams, Graham, Wilson, Garn, Conrad, Bingaman, Pressler, Hecht, Harkin, Bentsen, and Leahy.

This amendment is supported by the Oklahoma and National Cattlemen's Association.

The trade balance between the United States and Korea is heavily in favor of Korea. The United States maintains a relatively open and free trade policy for imports of Korean goods while they have banned high-quality beef imports since May 1985. The United States was the leading supplier of Korea's high-quality beef imports, capturing most of the $5 million quota allowed in early 1985.

Korea's Ministry of Agriculture and Fisheries has indicated it does not intend to approve any imports until prices and incomes improve. This import ban contradicts Korea's obligations under the General Agreement on Tariffs and Trade and impairs United States' GATT rights. Additionally, Korea imposes an unreasonably high 20 percent ad valorem tariff on meat products.

If the Korean beef import ban were removed, United States cattlemen could supply a significant portion of Korean beef import needs, thereby increasing profit opportunities for the United States beef industry while benefiting Korean consumers.

Mr. President, explosive markets lie in a state of dormancy in Korea and Japan. A separate measure addresses our demand for liberalization of the Japanese beef import market. Each year the Japanese and Koreans sell Americans billions of dollars of cars, electronic equipment, and other products. At the same time, United States cattlemen are being denied the chance to sell them American beef.

This is an important issue to my State. Oklahoma ranks fifth in beef production in the United States. Last year's beef production from the State's 65,000 ranchers was valued at $1.05 billion, virtually unchanged from 1985.

Given the current economic situation of American farmers and ranchers, Congress cannot tolerate the continuation of Japan's and Korea's market-blocking tactics. This will not only help ranchers in my State of Oklahoma, but will aid in the effort to increase profit opportunities for all United States cattlemen while benefiting Japanese and Korean consumers. With this in mind, I urge my colleagues to join in support of this legislation.

I think a strong statement by the Senate—there has already been a similar resolution passed in the House—stating our strong support for opening markets in South Korea for our cattle industry is very much needed and will help them in their efforts.

Mr. LEAHY. Mr. President, will the Senator from Oklahoma yield?

Mr. NICKLES. I will be happy to yield.

Mr. LEAHY. Mr. President, I too support the amendment of the Senator from Oklahoma. I think it makes a great deal of sense. I believe it is important to emphasize that the United States is not going to stand still while other countries maintain unreasonable trade practices.

I ask unanimous consent to be included as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, having examined the resolution, I am very much in support of it. I think it makes a contribution. There is no objection to it from the manager of the bill on this side.

The PRESIDING OFFICER. The question occurs on agreeing to the amendment of the Senator from Oklahoma.

The amendment (No. 461) was agreed to.

Mr. NICKLES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 462

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the consideration of the amendment by the Senator from Ohio?

If not, the clerk will report the amendment of the Senator from Ohio.

The legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 462.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

1. After line 24, page 72, insert the following:

(f) In the event that the Commission submits to the President a report required under subsection (a), which includes an affirmative determination under subsection (b)(1), the Commission may submit to the President, in addition to the report of the Commission, any findings or conclusions relevant to whether a merger or acquisition by members of the domestic industry, which is the subject of the report, would assist the domestic industry to make a positive adjustment, including:

(1) the extent of foreign competition relevant to a determination of the competitive effect of an acquisition or merger;

(2) the degree to which an acquisition or merger is likely to assist the domestic industry in making a positive adjustment by reducing costs, promoting efficiency or increasing sales; and

(3) the effect on domestic competition and American consumers.

The President may request the Attorney General or Federal Trade Commission, as appropriate under the circumstances, to consider the report, findings and conclusions of the Commission in considering enforcement action with respect to a merger or acquisition within the domestic industry, provided that the consideration of the submission by the Commission shall not be a subject of judicial review, and provided further that nothing in this section shall be construed as modifying the antitrust laws, including the Federal Trade Commission Act, or their application to mergers and acquisitions within the domestic industry.

2. Strike lines 8-12, p. 79 and line 1, p. 80 through line 8, p. 81.

Mr. METZENBAUM. Mr. President, this amendment strikes a provision in the bill creating a new antitrust exemption.

This first provision was never considered by the Judiciary Committee. It raises serious antitrust problems without offering any benefits.

This provision won't save jobs. It won't promote efficiency. It won't reduce the trade deficit. Instead, it will have opposite effect.

I urge the Senate to strike this provision to allow more thorough consideration by the Judiciary Committee.

The provision now in the bill does the following:

If the ITC finds a domestic industry is hurt by imports, the President can order an exemption from standard merger laws applicable to other industries. It creates a special, more permissive merger standard to allow an industry to consolidate.

The Reagan administration proposed this idea last Congress, but even it dropped it this year. It is a bad sign if this administration, no friend of the antitrust laws, abandoned the idea.

Furthermore, even the administration proposal last year was not so bad. It provided that, if an antitrust exemption is allowed, no other import relief is available. The current provision allows an antitrust exemption in addition to import relief. The result is to bar imports and at the same time allow massive mergers.

The whole idea of weakening the antitrust laws to reduce the trade deficit is suspect. The case has simply not been made.

A Federal Trade Commission study in 1985 concluded that weakening the antitrust laws to reduce the trade deficit would not save jobs; it would not increase competitiveness; instead, would make us less competitive.

The idea of import relief is to provide temporary protection; but mergers are permanent, not temporary. Allowing industries to shrink to two or three companies will hurt American consumers and make us less efficient.

The Judiciary Committee should have an opportunity to review this proposal closely.

The chairman and ranking minority member have expressed concerns in a letter dated June 25, 1987, to the chairman of the Finance Committee. I ask unanimous consent to include this letter in the RECORD.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on the Judiciary,
Washington, DC, June 25, 1987.

Hon. Lloyd Bentsen,
Chairman, Committee on Finance, U.S. Senate, Washington, DC.

Dear Lloyd: We have only just had an opportunity to review the report of the Finance Committee on S. 490, the Omnibus Trade Act of 1987. We congratulate you for your efforts in developing such comprehensive legislation.

There are two areas, however, which particularly fall within the antitrust expertise of the Judiciary Committee over which we have great concern. First, proposed modifications of Section 201 of the Trade Act of 1974, as reported by the Committee, would require firms or entire industries to submit "adjustment plans" in order to be eligible for import relief. As described in the Committee report, the plans would set forth "objectives and specific steps that members of the industry, both firms and workers, would undertake to improve the ability of the industry to compete with imports" after relief is terminated. Factors to take into consideration include research and development or marketing strategies, productivity improvements, diversification, capitalization and labor/management relations. In other words, the full range of competitive options available to either an individual business or an industry are to be part of the so-called "interactive process" of developing industry adjustment measures.

While this concept is intriguing, we believe that the kind of joint discussions and planning which would, by the very nature of the process, take place among direct competitors, is violative of the letter and intent of our most basic antitrust laws. Although the intention of these provisions is to improve the competitiveness of American firms in the face of unfair foreign trade practices, the inevitable effect would be to curtail competition at home. The kinds of domestic cartels which could result from such collaboration represent a grave risk to the welfare of American consumers. If anything, some feel we have gone too far in relaxing the enforcement of our antitrust laws in the name of competitiveness. The measures incorporated in this legislation would effectively nullify the Sherman Act, the statutory cornerstone of our laws against monopolization and other restraints of trade.

The link between trade law reform and antitrust policy was considered by the Judiciary Committee in hearings held a few weeks ago. At that time, we heard testimony from some of the nation's foremost experts on the competitiveness of American industry. Most conveyed the same message: there is no evidence that firms will compete more effectively aboard if the antitrust laws are weakened at home. International competitiveness does not derive from consolidation or collaboration but from strong domestic rivalry. There is little to be gained and a great deal at risk if the antitrust laws are discarded in the quest for enhanced American competitiveness against our trading rivals.

We are similarly concerned about the provisions of S. 490 which expand the import relief remedies available under Section 204 to include industry antitrust exemptions. The 1984 Merger Guidelines promulgated by the Department of Justice, as well as current case law, take international competition into account in determining whether a proposed domestic merger is anticompetitive. Testimony at the Judiciary Committee hearings revealed that few mergers are blocked if international competition in domestic markets is strong. Some believe that the relaxation of antitrust enforcement toward mergers has already gone too far. Beating competitors through superior quality, productivity and innovativeness is a far better approach and ultimately is the only way that industries adversely impacted by foreign competition will survive and prosper.

It is important that the full import of these proposals be understood. These two issues ought to be considered by the Judiciary Committee separately from the debate on the omnibus trade bill. However, it would be appropriate for the staff of the Judiciary Committee to work with you and the Finance Committee staff in explaining the impact of these proposals on the antitrust laws and in developing modifications which might address some of our most urgent concerns.

We look forward to hearing from you.

Best regards,

Strom Thurmond,
Ranking Member.
Joseph R. Biden, Jr.,
Chairman.

Mr. METZENBAUM. I would support the ITC providing views to the Justice Department and the Federal Trade Commission.

This substitute provides that, if the ITC makes a determination that a domestic industry has been injured, the ITC can forward findings and conclusions to antitrust agencies regarding factors relevant to merger analysis.

This report can include the ITC's views regarding the extent of foreign competition and the possibility that merger can enhance competitiveness.

The antitrust agencies will have the benefit of these views in deciding on enforcement actions.

Under the substitute no exemption can be ordered by the President and there is no change in existing antitrust standards.

However, the antitrust agencies would have userful analysis to consider as they deem appropriate and ITC's findings are, of course, not binding on the agencies or the courts.

It is my understanding that the managers of the bill are prepared to accept the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. BENTSEN. Mr. President, in this situation this amendment is one that relates to the actions that can be taken under section 201 and industries applying for antitrust exemptions to assist in a positive adjustment. Under the committee bill, if the ITC recommended such actions the President would direct expedited consideration of applications for antitrust exemptions.

Now, the Senator from Ohio has raised some concern that we might be impeding or undermining existing antitrust procedures with this particular provision. That was certainly not the intent of the committee. But the Senator has offered an amendment that continues to allow the ITC to consider and report to the President any findings relevant to considering whether a merger or acquisition would assist the injured industry to make a positive adjustment. The President could then direct the Attorney General or the Federal Trade Commission to consider this information in regard to those mergers and acquisitions.

I think that is a useful clarification to the committee's position and I have no objection to it.

The PRESIDING OFFICER. Is there further debate on the amendment of the Senator from Ohio? If not, the question is on agreeing to the amendment.

The amendment (No. 462) was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 463

(Purpose: To clarify regulatory review provisions of Sec. 204 as added by Sec. 201)

Mr. METZENBAUM. Mr. President, on behalf of myself, Senators Burdick, Leahy, Stafford, Mitchell, and Chafee, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the consideration of the amendment? If not, the clerk will please report the amendment of the Senator from Ohio.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. Metzenbaum], for himself and others, proposes an amendment numbered 463.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 79, line 16, delete the words "for alteration, easing, or elimination of" and insert in their place "to modify".

On page 81, lines 15-16, delete the words "for alteration, easing, or elimination of" and insert in their place "to modify".

On page 82, line 1, strike "(I)".

Strike on page 82, lines 5-10.

Replace the comma on line 4, page 82 with a period.

On page 82, strike subparagraph "(C)" and insert in lieu the following: "(C) if the determination made by the head of the department or agency under (B)(ii) is affirmative, the head of the department or agency may—

"(i) take any appropriate action that is within the scope of the authority of the head of the department or agency, "(ii) recommend that the President take any appropriate action that is not within the scope of the authority of the head of the department or agency, but is within the scope of the authority of the President or of any other head of a department or agency of the executive branch, and

"(iii) recommend to the Congress that legislation be enacted to effect any action that is not within the scope of the authority of the President or of any head of a department or agency of the executive branch."

On page 83, delete lines 14-22, and insert in their place:

(E) Nothing in this act—

(1) suspends, repeals, or modifies the provisions of any Federal law regarding the considerations, standards, requirements, or prohibitions in existing law regarding the promulgation, modification, or repeal of any Federal regulatory requirement;

(2) alters the standard for modifying any Federal regulatory requirement;

(3) affects the amount or type of evidence needed to modify any Federal regulatory requirement;

(4) alters the standard or scope of judicial review of agency action modifying any Federal regulatory requirement; or

(5) otherwise expands or contracts the scope of the authority of the President or any agency or department official.

Mr. METZENBAUM. Mr. President, section 204 could be interpreted as allowing the waiver of any Federal regulation if a firm is a member of industry seriously injured by foreign competition.

This would be a very broad change in current law. Such a waiver might cover Occupational Safety and Health [OSHA] regulations. Regulations concerning the dumping of toxic waste. Regulations preventing discrimination on the basis of skin color, national origin, creed, or sex. Fair Labor Standards Act regulations, or regulations concerning consumer protection.

It could also be read to allow the total elimination of these regulations in the name of competitiveness. It is important to be competitive—but it is also important to protect lives, the environment, and the equality of all persons.

The proponents of this provision claim it is not meant to make any changes in current law—only to highlight the ability to seek the modification of a regulation.

This amendment clarifies this intent. It highlights the ability under current law to seek modification of agency action. But it also makes clear that no change is intended in the type of modification possible or the process by which modification occurs. In particular, the amendment makes clear there is no change in any legal standard for adopting, modifying, or eliminating a regulation and that there is no change in the standard of judicial review or the factors that the courts will consider.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. BENTSEN. Mr. President, as a former member of the Committee on Environment and Public Works, I share very much the concerns and the objectives of the distinguished Senator from Ohio and the distinguished Senator from North Dakota [Mr. BURDICK], a cosponsor of the amendment.

Frankly, that was not the intent of the committee. In all candor, I question that it reads that way. But if there is thought that it does and the Senator's amendment strengthens it, I am happy to accept the amendment.

Mr. METZENBAUM. I thank the Senator.

I yield to the Senator from North Dakota.

Mr. BURDICK. Mr. President, this amendment offered by Senator METZENBAUM makes clear that current regulatory review and relief procedures will apply in the context of providing import relief to eligible industries.

It is my understanding that the authors of this title did not intend that this provision be used to excuse any industry from compliance with health, safety, environmental, or civil rights regulations. As written, however, that could be the effect. Strict interpretation of this section could have serious implications for carefully constructed programs designed to protect the public and the environment.

If an affirmative determination for import relief is made, the President is authorized to direct regulatory agencies to consider and respond to petitions for regulatory relief in an expedited process.

This amendment simply makes clear that all applicable administrative procedures will continue to apply to actions taken as the result of the expedited review.

A second important component to this amendment strikes the exemption from disclosure under the Freedom of Information Act accorded all actions taken under the regulatory relief provisions. It would be a grave mistake to conceal these actions from the public.

I urge my colleagues to support this amendment to assure that the protections provided by law and regulation are not circumvented.

I, of course, support the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment (No. 463) was agreed to.

Mr. BENSTEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM. Mr. President, I thank the manager and the comanager of the bill for their cooperation.

Mr. BYRD. Mr. President, I ask the distinguished acting Republican leader if he has any further statement or any further business to transact tonight.

Mr. CHAFEE. No. I inform the distinguished majority leader that we do not, and the only thing left now would be to proceed with the Chafee amendment and lay that down.

Mr. BYRD. If the Senator would like to proceed to do that now.

Mr. CHAFEE. I would.

The PRESIDING OFFICER. The Senator from Rhode Island.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with the consideration of S. 1420.

AMENDMENT NO. 464

(Purpose: To remove the section relating to uniform treatment of commodities under agricultural export programs)

Mr. CHAFEE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for himself, Mr. STAFFORD, Mr. BRADLEY, Mr. HATFIELD, Mr. BINGAMAN, Mr. SIMON, and Mr. GARN, proposes an amendment numbered 464:

On page 538, strike out lines 1 through 19.

Mr. CHAFEE. Mr. President, this is an amendment to strike from the trade bill a costly and ill-considered provision relating to the export of tobacco. Joining me as cosponsors are Senators STAFFORD, BRADLEY, HATFIELD, BINGAMAN, SIMON, and GARN. The amendment has the support of the American Cancer Society, the American Heart Association, the American Lung Association, and the U.S. Department of Agriculture.

The provision which we seek to remove would require the Federal Government to absorb any losses resulting from the export of tobacco under an export subsidy program. It was added as a so-called technical amendment during committee consideration—when in reality it makes a substantial and costly change in U.S. tobacco policy.

Its effect is to get the Federal Government back into the business of subsidizing tobacco—specifically, tobacco exports. This flies directly in the face of the policy we adopted in 1982—namely, that the tobacco program should be run at no net cost to the taxpayer.

This change would cost the American taxpayer $39 million over the next 5 years, according to the Congressional Budget Office, and up to $200 million according to the Department of Agriculture. Thus, it is in direct conflict with the existing requirement that the tobacco program be run at no cost to the Federal Government—the so-called no-net-cost system.

The no-net-cost system, as I mentioned, was adopted by Congress in 1982, in response to increasing concern that the Federal Government should not be subsidizing tobacco. Under no-net-cost, any losses associated with the tobacco price support program are paid out of a special fund to which tobacco producers contribute.

The new tobacco provision which is in this provision that is here and came through the Agriculture Committee would change this by shifting the cost of one portion of the tobacco program, namely, export subsidies, back to the taxpayer. Its proponents maintain that this simply puts tobacco on the same footing as other commodities that have an export subsidy. It is important to remember, however, that Congress deliberately distinguished tobacco from other commodities, by putting it into this no-net-cost system which does not apply to any other commodities and this move, the no-net-cost came at the request of supporters of the tobacco program.

The no-net-cost plan was the tobacco interests' end of a compromise under which the tobacco price support program would continue, but tobacco growers would have to pay its costs themselves. That was a 1982 compromise. The new tobacco export provision in the trade bill is an effort to sidestep that requirement—the latest in a series of attacks on the no-net-cost system.

Last year, as my colleagues will remember we bailed out the tobacco program, at a cost that will exceed $1 billion before all is said and done. I and 33 other Members of the Senate opposed that plan, but we were defeated. Now we are once again being asked to weaken the no-net-cost requirement in what is starting to look like a never-ending process.

Mr. FORD. Mr. President, will the Senator yield at this point for a question?

Mr. CHAFEE. I wonder if the Senator will be good enough to permit me to finish?

Mr. FORD. If the Senator will leave us alone, we will leave him alone, and we will go from there.

Mr. CHAFEE. If this provision were to become law, we could anticipate great pressure on the Federal Government to use every export subsidy tool at its disposal to get rid of huge stocks of surplus tobacco. In addition to the Export Enhancement Program [EEP] and the Targeted Export Assistance [TEA] Program, there is title I of Public Law 480, the Food for Peace Program. Under this program, developing countries can buy U.S. commodities at highly favorable terms.

Now, I think we recognize that here in the United States we are doing everything we can to reduce—and this is not solely the public, this is the Federal Government as well—as a result of the Surgeon General's uncontradicted reports—we are doing everything we can to reduce the consumption of tobacco. And so the question arises: What are we doing subsidizing exports into countries which can least afford the costly health effects of tobacco?

Now I certainly hope that we are not going to get back into this business of subsidizing tobacco, that the taxpayers do that. So I ask my colleagues for their support.

Mr. President, Congress has made its intent clear: the taxpayer should not be subsidizing tobacco.

This provision—namely the provision that was inserted in the agriculture part of this trade bill—if it were to remain there would be a sharp departure from that stated intent, namely, the intent that the taxpayer should not be subsidizing tobacco.

If we leave this in, it would start us down the costly and ill-advised path of subsidizing the export of tobacco, a substance that has clearly proven to be hazardous to health.

Now, is this really something that we want to embark upon with no consideration and no debate?

Those who were here from the Agriculture Committee can correct me if I am wrong. It is my understanding that there was no debate on this in the committee, that it was not totally understood, and that it was adopted quickly.

It would start us down the costly and ill-advised path of subsidizing the export of tobacco—a substance that has been proven hazardous to the health. Is this really something we want to embark on—with no consideration and no debate?

I certainly hope not, and I call on my colleagues for their support.

Mr. McCONNELL. Mr. President, will the Senator yield? I gather he was asking about the action in the Agriculture Committee. I am glad to fill him in.

Mr. CHAFEE. If I might continue there will be adequate time to respond.

The trade bill's tobacco export provisions move us in exactly the wrong direction. They are ill-conceived, hastily considered, and should be removed from the bill.

I want to thank the Chair.

The PRESIDING OFFICER. Who yields time?

The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair.

I shall take only a minute or so and will then yield and allow my colleagues to address this matter.

Mr. President, this is a kick the tobacco farmer in the seat of the pants amendment. It is inspired by the lobbyists who crowd the outer reaches of the Chamber here. It is a spiteful thing that is aimed at tobacco farmers who have children to educate and feed and house and clothe, just like everybody else.

All we are asking is that these farmers be treated like every other farmer no matter what the commodity they grow.

To set the record straight, this amendment was considered by the Agriculture Committee. It was cosponsored by Senator McCONNELL, Senator FOWLER, and myself. It was accepted unanimously and added to the agriculture title of the trade bill. It is strictly technical in nature and I can tell you that the USDA is not opposed to it because they understand fairness at the U.S. Department of Agriculture.

Simply said, Mr. President, denying the tobacco farmers the same export tools that are available for every other agricultural commodity does not discourage foreign countries from purchasing tobacco. It only encourages other countries to purchase elsewhere.

The only people who will be hurt by this amendment are the small farmers in the United States.

Our amendment was unanimously agreed to by the full Agriculture Committee, because tobacco farmers need the export tools available to all other farmers. Tobacco from Mali and Tanzania and Zimbabwe enter the EEC duty free. The EEC also has a quota for purchasing 135 million pounds of flue-cured tobacco at preferred duty rates, much of which is included in tobacco grown in India. Export subsidies for tobacco are used in Argentina, the EEC, Korea, and Canada.

So what the Senator from Rhode Island proposes to do in this amendment is to help the growers in all the other tobacco producing countries of the world and kick the American tobacco farmers in the seat of the pants, and I say that is wrong.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island has 6 minutes left, and the Senator from North Carolina has 10 minutes and 30 seconds.

Mr. McCONNELL. Mr. President, will the Senator from North Carolina yield?

Mr. HELMS. Yes, I yield to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. McCONNELL. Mr. President, in response to the observations and suggestions of my friend from Rhode Island I would say I was in the Agriculture Committee the day the distinguished Senator from North Carolina offered his amendment. As I recall the meeting was rather well attended. It certainly was unanimous. There was no lack of understanding of the amendment. The Senator from North Carolina explained the amendment to everyone who was there. The amendment was quite simply to treat tobacco as we do other commodities when it comes to export enhancement.

It was clearly understood and it was completely unanimous.

So I do not think there was any lack of awareness on the part of the members of the Agriculture Committee of what we were doing.

The issue as the distinguished Senator from North Carolina pointed out is the tobacco growers of America versus the tobacco growers everywhere else. You know you could eliminate the tobacco program, you could defeat the Helms amendment and there would still be tobacco out there in the world. That may not make my friend from Rhode Island very happy but in fact tobacco is a legal crop, it is grown in this country, and grown in other countries, and smoked widely throughout the world.

The issue is whether we are going to get a share of those markets. This is supposed to be a trade bill. This is supposed to be a bill in which we are reaching out to gather a new market abroad.

We grow the finest tobacco in the world in America. There is no consumer rejection of our product abroad. It is just extremely and highly discriminated against.

The amendment of the Senator from North Carolina to provide export enhancement opportunities for this product as we have for other commodities is simple justice and that is what it is and it gives 150,000 growers in Kentucky and 100,000 or so in North Carolina or more a chance to have a future growing a legal crop for foreign markets in which cigarette smoking is very, very prevalent.

I thank my friend from North Carolina for offering this amendment in committee and am confident we will prevail.

Mr. HELMS. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I yield such time as the distinguished Senator from Kentucky may require.

I might add that both Senators from Kentucky have been so helpful to America's tobacco farmers every time their interests have been threatened in this Chamber. And I will say to my friend from Kentucky, that the tobacco program is working. As a matter of fact, the program will save the taxpayers $450 million in the next 2 years.

I yield to the Senator such time as he may require.

The PRESIDING OFFICER. The Senator from North Carolina has 9 minutes 40 seconds remaining.

Mr. FORD. Mr. President, I thank my distinguished friend from North Carolina.

I say to my distinguished friend from Rhode Island, his arguments tonight are no different than the arguments he has made before. He is just against tobacco. And whatever he can do, along with those who support his position, he will do, and he will continue to do until such time as he and I both leave the Senate. And I hope that is a long time, I say to Senator CHAFEE, before we leave the Senate. But, this fight will continue.

And it is ironic that we cannot find something that belongs to the State of Rhode Island that we could, each time a bill comes up, to add to something or to knock something in the State of Rhode Island. I suspect that there will be a great deal of research done and I suspect that the distinguished Senator from Rhode Island is going to have to start defending some of these amendments that will be appearing from time to time as it relates to his individual State. I suggest when we start looking for money to balance the budget, we might find some products that are manufactured or grown in his State that will begin to have and feel the fire that he is trying to place on tobacco. And that is not a threat, Mr. President. That is a promise.

Mr. President, I rise in opposition to the pending amendment to the trade bill. This amendment strikes language that would allow us to promote exports of tobacco and tobacco products. By so doing, it strikes at the heart of the agricultural provisions of our trade bill. These provisions are designed to revive this Nation's farm economy by enhancing export markets for all commodities. This amendment would tell the world that we still aren't ready to resist unfair trade practices across the board. And that, Mr. President, would tell the world that we still don't have a very strong commitment to the principle of fair trade.

I think we can agree that farm-export programs can help us overcome the farm recession, which has been caused in part by a disastrous drop in farm exports. We can see that our export programs already are contributing to a promising upturn in those exports.

In this trade bill, we are expanding export enhancement and targeted export assistance for farm commodities. That is what it is all about—farm commodities; a legal crop. And, as the distinguished Senator from North Carolina said, if we stop the production of tobacco in this country, the free tariff tobacco will be imported into this country, except our country has said we are trying to help our domestic growers. And to protect what we have here, we will have tobacco grown. As my colleague said, it will be here, people are going to be smoking and the distinguished Senator from Rhode Island is not going to stop that.

We recognize that American farmers are the most productive and the most innovative in the world. And we are trying to promote exports of the U.S. farm commodities to countries that have erected unfair trade barriers, unfairly subsidized their own farm exports or otherwise victimized our farmers.

Mr. President, if we believe that this approach is right for the rest of agriculture, why is it not right for tobacco? Why is it not right for tobacco? Why should we single them out? A commodity, a group that has said to this country and to this Government, "We are going to try to pay our fair share. No net cost." You name some other commodity that is doing the same thing. They are getting better treatment under this bill, based on what the distinguished Senator from Rhode Island would do, than that group that is trying and attempting to pay their own way.

Why should our tobacco growing communities be left out of this very program we are trying to expand in this bill? Do we want to adopt this amendment and invite other countries to say that fair trade does not extend to tobacco? I say no, and I hope the Senate will say no.

We want to keep this bill intact by applying it to all commodities that can benefit from its provisions. By ignoring one aspect of the farm economy, we can only weaken the whole and undermine our efforts to achieve a more favorable balance of trade.

It is an irony that tobacco growers could be deprived of the benefits of this bill simply because they agreed a few years ago to start paying for their own price-support program. Clearly, this turn of events would defy common sense. But let me explain how it came about under this puzzling and ill-conceived amendment.

In our efforts to stabilize markets, we use Government loans to pay support prices to farmers whose leaf doesn't bring such prices in annual auctions. This leaf is pooled by grower associations and later sold to repay the loans. If pool sales fail to satisfy the loans, we are required to use money collected from farmers and tobacco companies to make up the losses, leaving no net cost to the Government.

So, Mr. President, our problem lies in an unfortunate perception, as the distinguished Senator from Rhode Island has, of our no net cost law. That perception is that growers must pay for losses on price support loans even if those losses come from selling tobacco at reduced prices in export promotion programs.

Tobacco associations can't be expected to take part in such programs with the idea of billing growers for losses incurred in foreign sales.

With any other commodity, such losses are treated as part of the Federal cost of export promotion. That's obviously the way it should be with tobacco. And that's why we must make it clear that export promotion costs won't be treated as losses on tobacco loans. Mr. President, I urge my colleagues to vote against the pending amendment to strike this clarifying language. I ask this in the name of fairness and, above all, in the name of agricultural recovery and an improved balance of trade for this entire Nation.

The PRESIDING OFFICER. The Senator from North Carolina has 4 minutes 13 seconds remaining, and the Senator from Rhode Island has 6 minutes 19 seconds remaining.

Mr. THURMOND. Mr. President, will the Senator yield to me?

Mr. HELMS. I yield to the distinguished Senator from South Carolina such time as he may require.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, it seems to me it would be very unfair to treat tobacco differently than the way any other crop is treated. That is all this is about.

The United States exports about 35 to 40 percent of its domestic crop, valued at between $2 and $3 billion. That is a lot of exports that we have in tobacco. That brings in a lot of money here. Tobacco makes a positive contribution of about $2 billion of the U.S. balance of payments each year. Now that means a great deal. If we go singling out tobacco, then it certainly means that we are going to harm our balance of trade situation.

Tobacco happens to be the number one money crop in South Carolina, and that means a lot to our people. Most of them are small farmers. They do not make much money, but they support their families. Anything we do here is going to affect the little farmer back in the different States of the Nation.

The industry employs over 1 million people in this country and it does help with the economy. It helps with the balance of trade and it gives employment to 1 million people. I think we make a great mistake here to single it out and say we are going to treat tobacco different from any other crop when it can help with the balance of payments just the same as any other crop. I would hope that the Senate would not adopt this amendment.

The PRESIDING OFFICER. The Senator from Rhode Island has 6 minutes and 19 seconds remaining.

Mr. CHAFEE. Mr. President, the point I want to make here is that, first of all, it has been determined by the Federal Government that smoking is hazardous to one's health. That is a fact. That is why it is required that there be labeling on cigarette packages, to notify the public, and the ads say that as well. That is the first point.

The second point, Mr. President—no one has argued this here tonight—is that tobacco, pursuant to an agreement made in 1982, is to be handled as a no net cost to the taxpayer. That is the way the agreement was and that is the way the program has operated.

Now, this is something different. This is a new program. This is a program where tobacco is attempting to be treated like other commodities. And yet the decision in the past has been that tobacco not be treated like other commodities.

Tobacco, as I pointed out, is not entitled to the export enhancement programs that I listed and the targeted export assistance program in title I of Public Law 480.

So what is being attempted here in this bill is to put tobacco in a situation where it has not been at the cost and expense of the taxpayer. That is what is wrong with this provision, Mr. President.

So I would hope that my colleagues would support me in this endeavor and, as the schedule calls for, there will be a motion to table in the morning and I would hope that my colleagues would vote against the motion to table.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Rhode Island has 4 minutes and 15 seconds remaining.

Mr. CHAFEE. I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Rhode Island yields back the remainder of his time.

Mr. CHAFEE. I would like to make that contingent upon the Senator from North Carolina yielding back the remainder of his time.

The PRESIDING OFFICER. Will the Senator from North Carolina yield back the 2 minutes remaining?

Mr. HELMS. Yes, Mr. President.

The PRESIDING OFFICER. The remainder of time has been yielded back. There is no time remaining. Debate on the Chafee amendment will resume tomorrow morning at 9:50.

The Senator from North Carolina.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERSIAN GULF—FLAGGING

Mr. SPECTER. I voted in favor of cloture because I believe it is important for the Senate to act on the important issues involving the Persian Gulf at the earliest possible time. The administration is now proceeding with its program for "flagging." Accordingly, if the Senate's position is to have any affect on U.S. policy, we must act promptly.

I am concerned that the administration's action in "flagging" may involve the United States in hostilities which will not have the support of the American people. We have learned the bitter lesson from Vietnam that the United States cannot carry on protracted military action without public support.

In my judgment, the American people do not understand or support the plan to "flag" ships in the Persian Gulf. I base that conclusion on what I perceive to be the national public mood including extensive discussions in open house/town meetings in Pennsylvania. During the past 6 weeks, I have held 12 such meetings. The relatively few comments in opposition to our policy are not necessarily significant, but what is significant is the lack of awareness of United States policy in the Persian Gulf among the interested citizens who attend such meetings.

There are valid arguments in support of a forceful United States position in the Persian Gulf including the undesirability of creating a vacuum for the U.S.S.R. to fill and the abhorrence of allowing Iran to dictate what sea lanes will be open.

To proceed with "flagging" the United States may be faced with a forceful response from Iran to which we may retaliate and so the escalation begins. Our experience in Lebanon suggests that we should anticipate what we are prepared to do to make a military action successful before we start down that road. We should formulate a policy which the Congress and the American people understand and support. While I appreciate the desirability of keeping Iran in suspense as to what our action will be, the collateral costs are too high.

I have doubts about the necessity for "flagging" as a prerequisite to limiting Soviet influence in the Persian Gulf. The administration has implied that the Soviets would protect Kuwaiti ships if we did not, but evidence for that proposition is necessary before we can act upon it. While we cannot make a public assessment of what the Soviets will do if hostilities with Iran escalate, we must take the potential Soviet response into account in any action we take in the Persian Gulf.

I question whether United States action to date has been sufficiently vigorous to get the support of our allies for our Persian Gulf policy. While assertions have been made by the administration that our allies are supporting our approach, there is little hard evidence to support that conclusion. The Japanese and some of our NATO allies are the principal beneficiaries of Persian Gulf oil. They have similar interests to ours in keeping those sea lanes open and in maintaining stability in that region. But to what extent are they willing to actively and concretely support our policy? The Congress and the American people are entitled specific answers to those questions.

Some of my colleagues contend that we must support the administration now that the President has announced the policy of "flagging." A similar argument had substantial force after the President had deployed the marines in Lebanon. But here, the policy of flagging has not begun. Moreover, if any policy by the President must be upheld by Congress because it has been articulated, then at what point can the Congress effectively express itself when the practice is for the President to proceed on his own? Of course, the President has the authority and right to proceed without consulting Congress in advance, but similarly Congress has the right to disagree with the President's action.

It is obviously difficult to decide on the correct United States policy in the Persian Gulf. The law gives the President extensive authority on the matter, but the Congress also has a significant voice under the War Powers Act where U.S. personnel are likely to be subjected to hostilities.

I have suggested to the Secretary of State that our policy in the Persian Gulf should be clearly articulated and have urged that the President communicate with the American people the administration's views on our key interests there, the action we are prepared to take and the sacrifices which may be involved in exercising our leadership role in that important region. In my judgment, that clear expression of U.S. policy and public support are indispensable prerequisites to placing the American flag on ships to be protected by the U.S. Navy. To take that course, we should understand the risks and decide, as a nation, that we are prepared to see the action through. On this state of the record, it is my judgment that we are not adequately prepared for that course of conduct.

JAPANESE BEEF TRADE RESOLUTION

Mr. NICKLES. Mr. President, 4 years ago, the United States and Japan negotiated the current United States-Japanese beef agreement which allowed for increased United States access to the Japanese beef market. This agreement expires March 31 of next year. That is why I am joining with Senator BAUCUS, Senator WALLOP and several other colleagues in offering legislation insisting on the removal of Japanese beef trade barriers.

In April of this year, United States Trade Representative Clayton Yeutter and Secretary of Agriculture Richard Lyng went to Japan as a first step toward liberalization of the Japanese beef market. The administration and United States cattlemen are united in their call for elimination of Japanese quotas and tariffs on United States beef imports. Through the legislation my colleagues and I offer, the Congress can formally join in this market opening effort.

Today, Japan's 113 million population has an average per capita annual beef consumption of approximately 10 pounds compared to average United States per capita annual consumption of 70 pounds. Clearly, Japan is the largest potential export market for United States cattlemen.

However, in 1986, Japan's beef import quota allowed a maximum of only 58,400 metric tons of high-quality United States beef imports. The Japanese Livestock Industry Promotion Corp., a quasi-governmental corporation, imports about 90 percent of Japan's beef and subjects imports to a 25-percent ad valorem tariff. This arm of the Japanese Government controls beef prices and made $140 million in profits buying and selling United States beef in 1985. LIPC makes an estimated 30 percent profit on imports. The remaining 10 percent of beef imports is traded through private handlers and is slapped with a 60-percent effective duty.

Mr. President, on behalf of U.S. cattlemen, I urge my colleagues to support our legislation.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

An in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting a nomination, which was referred to the Committee on Armed Services.

(The nomination received today is printed in the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 3:09 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 558. An act to provide urgently needed assistance to protect and improve the lives and safety of the homeless, with special emphasis on elderly persons, handicapped persons, and families with children.

The enrolled bill was subsequently signed by the President pro tempore (Mr. STENNIS).

At 4:44 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolutions, without amendment:

S.J. Res. 85. Joint resolution to designate the period commencing on August 2, 1987, and ending on August 8, 1987, as "International Special Olympics Week" and to designate August 3, 1987, as "International Special Olympics Day;" and

S.J. Res. 138. Joint resolution to designate the period commencing on July 13, 1987, and ending on July 26, 1987, as "U.S. Olympic Festival-'87 Celebration," and to designate July 17, 1987, as "U.S. Olympic Festival-'87 Day."

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 441. An act for the relief of the heirs of M. Sgt. Nathaniel Scott, U.S. Army, retired, deceased;

H.R. 525. An act for the relief of John M. Gill;

H.R. 712. An act for the relief of Lawrence K. Lunt;

H.R. 945. An act for the relief of Allen H. Platnick;

H.R. 1134. An act for the relief of Whiteworth Inc., of Gardena, CA;

H.R. 1275. An act for the relief of Joyce G. McFarland;

H.R. 1386. An act for the relief of Marsha D. Christopher;

H.R. 1387. An act for the relief of O. Edmund Clubb; and

H.R. 1477. An act for the relief of Beulah C. Shifflett.

The message also announced that pursuant to section 204 of Public Law 98-459, the Speaker appoints Ms. Mary Burdge of Spokane, WA, from the private sector, as an additional member of the Federal Council on the Aging on the part of the House.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 441. An act for the relief of the heirs of M. Sgt. Nathaniel Scott, U.S. Army, retired, deceased; to the Committee on the Judiciary.

H.R. 525. An act for the relief of John M. Gill; to the Committee on the Judiciary.

H.R. 712. An act for the relief of Lawrence K. Lunt; to the Committee on the Judiciary.

H.R. 945. An act for the relief of Allen H. Platnick; to the Committee on the Judiciary.

H.R. 1134. An act for the relief of Whiteworth Inc., of Gardena, CA; to the Committee on Finance.

H.R. 1275. An act for the relief of Joyce G. McFarland; to the Committee on the Judiciary.

H.R. 1386. An act for the relief of Marsha D. Christopher; to the Committee on the Judiciary.

H.R. 1387. An act for the relief of O. Edmund Clubb; to the Committee on the Judiciary.

H.R. 1477. An act for the relief of Beulah C. Shifflett; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute and an amendment to the title:

S. 724: A bill to amend the Federal Aviation Act of 1958 to advance the scheduled termination date of the Essential Air Service Program, and for other purposes (Rept. No. 100-104).

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Report to accompany the bill (S. 1452) to amend the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisors Act of 1940 to make certain technical, clarifying, and conforming amendments, to authorize appropriations to the Securities and Exchange Commission, and for other purposes (with additional views) (Rept. No. 100-105).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary:

Larry J. McKinney, of Indiana, to be United States District Judge for the Southern District of Indiana;

Charles F. Rule, of the District of Columbia, to be an Assistant Attorney General; and

David F. Levi, of California, to be United States Attorney for the Eastern District of California for the term of four years.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MELCHER (for himself, Mr. INOUYE and Mr. BURDICK):

S. 1475. A bill to establish an effective clinical staffing recruitment and retention program, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. DANFORTH (for himself and Mr. BOND):

S. 1476. A bill to designate the Federal Record Center at 9700 Page Boulevard, Overland, MO, as the "SSG Charles F. Prevedel Building"; to the Committee on Environment and Public Works.

By Mr. BINGAMAN:

S. 1477. A bill to amend title 5, U.S. Code, to authorize alternative personnel management systems for scientific, technical, and acquisition personnel in the Federal Government, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BAUCUS:

S. 1478. A bill to designate certain National Forest System lands in the State of Montana for release to the forest planning process, protection of recreation value, and inclusion in the National Wilderness Preservation System, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BOSCHWITZ (for himself and Mr. BOND):

S. 1479. A bill to provide funds and assistance to Farm Credit System institutions, to protect borrower stock, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MOYNIHAN:

S. Res. 246. A resolution to honor Irving Berlin for the pleasure he has given to the American people through almost a century of his music; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MELCHER (for himself, Mr. INOUYE, and Mr. BURDICK):

S. 1475. A bill to establish an effective clinical staffing recruitment and retention program, and for other purposes; to the Select Committee on Indian Affairs.

RECRUITMENT AND RETENTION WITHIN THE INDIAN HEALTH SERVICE

Mr. MELCHER. Mr. President, today I am introducing a bill on behalf of myself and Senators INOUYE and BURDICK to address the critical problem of staff recruitment and retention within the Indian Health Service. A large number of doctors, nurses, and technicians have left the Indian Health Service seeking better pay and working conditions. It is a crisis now.

The Indian Health Service must have more doctors before the year ends or sick, injured, and diseased Indians will not have treatment at Indian Health Service clinics and hospitals. Indian patients will then be referred to off-reservation hospitals and medical clinics. That will be worse for the patients, moving them far from their homes, and will be worse for the Treasury, costing much more. In addition, nurses are scarce and the shortage increasing.

In February, the Office of Technology Assessment [OTA] study, "Clinical Staffing in the Indian Health Service," chronicles in detail the shortage of IHS staffing now and the inability to function in the near future.

Presently there is a 10 to 15 percent staff shortage nationwide in the IHS, and areas where the shortage is much worse. In Montana, the IHS has been unable to fill nursing vacancies on the Fort Belknap and Blackfeet Indian reservations and is using circuit nursing services. Under this service, temporary nurses spend short periods—6 weeks or so—at an IHS clinic and are then rotated to another facility. These services are more expensive and not as effective as full-time permanent nursing staff and certainly should not be an alternative IHS should rely upon for staffing.

Why has this clinical staffing shortage occurred? The IHS is at present critically dependent upon the National Health Service Corp [NHSC] to staff its programs. Under the NHSC program, medical students are provided with scholarships in return for a specific period of obligated service in an area which has a shortage of medical staff. This program, coupled with the former Public Health Service alternative to the military draft has worked reasonably well for IHS over the years. One continuing problem, however, has been that NHSC physicians usually only stay for the period of obligated service—usually 2 years—and then leave. This creates a high turnover within the system and causes grave basic problems in the continuity of quality health care for Indian patients at IHS clinics and hospitals.

The stark numerical decline in NHSC scholarships in 1980 of 6,000 to less than 50 in 1986 is a severe crisis.

The result is a crippling effect on IHS staffing. OTA estimates that the number of NHSC physicians available to IHS will be a handful next year and there will be almost none available in 1991 and thereafter.

Other factors have always impeded IHS recruitment and retention: the geographic and rural isolation of reservations; poverty and other economic conditions on reservations; low IHS salaries and poor facilities; and uncertainty about appropriations and consistency within the IHS itself.

Unless the crises is resolved, now, the medical care for the 1 million Indians served by IHS will be so seriously hampered that a national disgrace will unfold. The health care status of American Indians is already significantly lower than other Americans, and consequences which would result from a severe shortage of clinical staff.

I believe that Indian health care is a trust responsibility of the Federal Government which compels the Congress to address the critical problem of clinical staff shortages in IHS. If we do not resolve this problem, the delivery of heath care will virtually come to a halt. There will be great suffering among a population that most urgently needs health care. This situation will compound other problems within IHS and could very well set the stage for a dismantling of the Indian Health Service.

The bill I am introducing today is an integrated and long-term approach to address the problems. Recruitment is only part of the answer because we also need to focus on retaining existing IHS medical staff for longer periods of time. The bill includes both immediate short-term solutions and long-term strategies.

Many provisions of the bill implement recommendations made by OTA. In addition, field staff from IHS and tribal health programs provided recommendations about the practical application of the bill. Finally, Dr. Emory Johnson, former director of the Indian Health Service, lent his expertise in preparing the bill.

The basic component is a loan repayment program which would authorize IHS to recruit students in their final year of professional school for service in those areas where the IHS has shortages. For each year of service, IHS would repay a certain amount of student loans. The bill would also authorize the following activities: Providing grants for tribal demonstration projects in recruitment and retention; providing training on Indian history and culture to IHS clinical staff; maintaining and expanding the Indians in medicine program; providing incentives for existing clinical staff to stay with IHS; clarifying that tribes who contract for IHS services qualify under the Federal tort liability for malpractice purposes; requiring IHS to investigate the possibility of using foreign medical graduates; and finally, it establishes an in-house review panel to evaluate IHS policy and procedure.

Enacting a bill with these provisions is urgently needed this year. An emergency situation for IHS staffing has already surfaced in many areas and a wholesale calamity is at hand. Shortages of physicians and nurses is already happening and the staff situation will be at a disaster within 48 months unless corrected.

I urge my colleagues to support this important legislation so that it will be enacted into law this year in time to avert the impending crises. This bill must be considered and passed by Congress within the next few months. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1475

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—LOAN REPAYMENT PROGRAM

INDIAN HEALTH SERVICE LOAN REPAYMENT PROGRAM

SEC. 101. (a) The Secretary, acting through the Service, shall establish a program to be known as the Indian Health Service Loan Repayment Program (hereafter in this Act referred to as the "Loan Repayment Program") in order to assure an adequate supply of trained physicians, dentists, and nurses for the Service (and for health facilities and health programs maintained by any Indian tribe, tribal organization, or urban Indian organization under a contract entered into with the Secretary) and, if needed by the Service or by such Indian tribe, tribal organization, or urban Indian organization) podiatrists, optometrists, pharmacists, clinical and counseling psychologists, graduates of schools of public health, graduates of schools of social work, graduates of programs in health administration, graduates of programs for the training of physicians assistants, expanded function dental auxiliaries, nurse practitioner (within the meaning of section 822 of the Public Health Service Act (42 U.S.C. 296m)), and other health professionals.

(b) To be eligible to participate in the Loan Repayment Program, an individual must—

(1) be enrolled as a full-time student and in the final year of a course of study or program in an accredited (as determined by the Secretary) educational institution in a State which is approved by the Secretary pursuant to the provisions of this title; or

(2) in a graduate training program in a course of study approved by the Secretary pursuant to the provisions of this title; or

(3) have a degree in medicine or other health profession which is approved by the Secretary pursuant to the provisions of this title.

(c) An individual applying for the Loan Repayment Program must be eligible for, or hold, an appointment as a commissioned officer in the Service or be eligible for selection for civilian employment by the Service.

(d) An applicant for the Loan Repayment Program must submit an application to participate in the Loan Repayment Program, and must sign and submit to the Secretary, at the time of the submission of such application, a written contract (described in subsection (h)) to accept repayment of educational loans and to serve (in accordance with this subtitle) for the applicable period of obligated service in the Indian Health Service.

(e) In disseminating application forms and contract forms to individuals desirng to participate in the Loan Repayment Program, the Secretary shall include with such forms a fair summary of the rights and liabilities of an individual whose application is approved (and whose contract is accepted) by the Secretary, including in the summary a clear explanation of the damages to which the United States is entitled under section 104 in the case of the individual's breach of the contract.

(f)(1) The Secretary shall only approve applications under the Loan Repayment Program that are made by individuals whose training is in a health profession or specialty determined by the Secretary to be needed by the Service.

(2) In determining which applications under the Loan Repayment Program to approve, the Secretary shall extend a preference to Indians.

(g)(1) An individual becomes a participant in the Loan Repayment Program only upon the Secretary's approval of the individual's application submitted under subsection (c) and the Secretary's acceptance of the contract submitted by the individual under subsection (c).

(2) The Secretary shall provide written notice to an individual promptly upon the Secretary's approving, under paragraph (1), of the individual's participation in the Loan Repayment Program.

(h)(1) In the written contract referred to in this subtitle between the Secretary and an individual, the Secretary shall agree to——

(a) pay loans in behalf of the individual in accordance with the provisions of this title, and accept the individual into the Service.

(b) In the written contract (referred to in this subtitle), the individual shall agree to—

(1) accept loan payments for the purposes described in this title; and

(2) in the case of an individual who is enrolled in an accredited institution as a full-time student or in a graduate training program, the individual shall agree to—

(A) maintain enrollment in the course of study until the individual completes the course of study or training; and

(B) while enrolled in such course of study or training, to maintain an acceptable level of academic standing (as determined under regulations of the Secretary by the educational institution offering such course of study or training); and

(C) to provide certification to the Secretary of the degree or diploma awarded to the individual in the health profession approved by the Secretary; and

(D) to serve for a time period (hereafter in this title referred to as the "period of obligated service" equal to 2 years or such longer period as the individual may agree to serve in a health program maintained by—

(i) the Service, or

(ii) any Indian tribe, tribal organization, or urban Indian organization under a contract entered into with the Secretary,

to which the individual is assigned by the Secretary;

(2) a provision that any financial obligation of the United States arising out of a contract entered into under this subtitle and any obligation of the individual which is conditioned thereon, is contingent upon funds being appropriated for loan repayments under this subtitle and to carry out the purposes of this subtitle;

(3) a statement of the damages to which the United States is entitled, under section 104 for the individual's breach of the contract; and

(4) such other statements of the rights and liabilities of the Secretary and of the individual, not inconsistent with the provisions of this subtitle.

(j)(1) A loan repayment provided for an individual under a written contract under the Loan Repayment Program shall consist of payment, in accordance with paragraph (2), on behalf of the individual of the principal, interest, and related expenses on government and commercial loans received by the individual for—

(A) tuition expenses;

(B) all other reasonable educational expenses, including fees, books, and laboratory expenses, incurred by the individual; or

(C) reasonable living expenses as determined by the Secretary.

(2) For each year of obligated service that an individual contracts under subsection (f) to serve, the Secretary may pay up to $25,000 on behalf of the individual for loans described in paragraph (1).

(k) Notwithstanding any other provision of law, individuals who have entered into written contracts with the Secretary under this section, while undergoing academic training, shall not be counted against any employment ceiling affecting the Department.

(l) The Secretary shall, by not later than March 1 of each year, submit to the Congress a report providing—

(1) the number, and type of health profession training, of individuals receiving loan

payments under the Loan Repayment Program;

(2) the educational institution at which such individuals are receiving their training or have completed their training;

(3) the total number of applications filed under this section during the preceding year;

(4) the number of such applications filed with respect to each type of health profession;

(5) the total number of contracts described in subsection (f) that are entered into during the preceding year;

(6) the number of such contracts entered into during the preceding year with respect to each type of health profession; and

(7) the amount of loan payments made in the preceding year.

RECRUITMENT

SEC. 102. (a) The Secretary may conduct at schools of medicine, osteopathy, dentistry, and, as appropriate, nursing and other schools of the health professions and at entities which train allied health personnel, recruiting programs for the Loan Repayment Program.

(b) Section 214 of the Public Health Service Act (42 U.S.C. 215) shall not apply to individuals during their period of obligated service under the Loan Repayment Program.

OBLIGATED SERVICE UNDER CONTRACT

SEC. 103 (a) Each individual who has entered into a written contract with the Secretay under section 101 shall provide service in the full-time clinical practice of such individuals' profession in the Indian Health Service for the period of obligated service provided in such contract.

(b)(1) If an individual is required under subsection (a) of this section to provide obligated service, the Secretary shall, not later than 90 days before the date described in paragraph (4), determine if the individual shall provide such service as a commissioned officer in the Regular or Reserve Corps of the Public Health Service or as a civilian employee of the Indian Health Service, and shall notify such individual of such determination.

(2) If the Secretary determines that an individual shall provide obligated service to the Indian Health Service as a commissioned officer in the Public Health Service or a civilian employee of the Indian Health Service, the Secretary shall, not later than 60 days before the date described in paragraph (4), provide such individual with sufficient information regarding the advantages and disadvantages of service as such a commissioned officer or civilian employee to enable the individual to make a decision on an informed basis. To be eligible to provide such obligated service as a commissioned officer in the Public Health Service, an individual shall notify the Secretary, not later than 30 days before the date described in paragraph (4), of the individual's desire to provide such service as such an officer. If an individual qualifies for an appointment as such an officer, the Secretary shall, as soon as possible after the date described in paragraph (4), appoint the individual as a commissioned officer of the Regular of Reserve Corps of the Public Health Service.

(3) If an individual provided notice by the Secretary under paragraph (2) does not qualify for appointment as a commissioned officer in the Public Health Service, the Secretary shall, as soon as possible after the date described in paragraph (4), appoint such individual as a civilian employee of the Indian Health Service.

(4)(A) With respect to an individual receiving a degree from a school of medicine, osteopathy, psychology, or dentistry, the date referred to in paragraphs (1) through (3) shall be the date upon which the individual completes the training required for such degree, except that the Secretary shall, at the request of such individual, defer such date until the end of the period of time (not to exceed 3 years or such greater period as the Secretary, consistent with the needs of the Service, may authorize) required for the individual to complete an internship, residency, or other advanced clinical training. With respect to an individual receiving a degree from a school of optometry, podiatry, or pharmacy, the date referred to in paragraphs (1) through (3) shall be the date upon which the individual completes the training required for such degree, except that the Secretary shall, at the request of such individual, defer such date until the end of the period of time (not to exceed 1 year or such greater period as the Secretary, consistent with the needs of the Service, may authorize) required for the individual to complete an internship, residency, or other advanced clinical training. No period of internship, residency, or other advanced clinical training shall be counted toward satisfying a period of obligated service under this subtitle.

(B) With respect to an individual receiving a degree from an institution other than a school referred to in subparagraph (A), the date referred to in paragraphs (1) through (3) shall be the date upon which the individual completes his academic training leading to such degree.

(C) With respect to an individual who has received a degree in medicine, osteopathy, psychology, dentistry, or other health profession and has completed graduate training, the date referred to in paragraphs (1) through (3) shall be the date on which the individual enters into a contract with the Secretary under section 101.

(c) An individual shall be considered to have begun serving the period of obligated service on the date such individual is appointed as an officer in a Regular or Reserve Corps of the Public Health Service under subsection (b)(2) or is appointed as a civilian employee of the Indian Health Service under subsection (b)(3).

BREACH OF CONTRACT

SEC. 104. (a) An individual who has entered into a written contract with the Secretary under section 101 and who—

(1) is enrolled in the final year of a course of study and fails to maintain an acceptable level of academic standing in the educational institution in which the individual is enrolled (such level determined by the educational institution under regulations of the Secretary) or voluntarily terminates such enrollment or is dismissed from such educational institution before completion of such course of study, or

(B) in enrolled in a graduate training program, fails to complete such training program,

in lieu of any service obligation arising under such contract shall be liable to the United States for the amount which has been paid on his behalf under the contract.

(b) If (for any reason not specified in subsection (a)) an individual breaches his written contract under section 101 by failing either to begin such individual's period of obligated service in accordance with section 103 or to complete such period of obligated service, the United States shall be entitled to recover from the individual an amount determined in accordance with the following formula:

$$A=2z\,(t-s/t)$$

in which 'A' is the amount the United States is entitled to recover, 'z' is the sum of the amounts paid under this subtitle to, or on behalf of, the individual and the interest on such amounts which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States, 't' is the total number of months in the individual's period of obligated service, and 's' is the number of months of such period served by him in accordance with section 103 of this title. Any amount of damages which the United States is entitled to recover under this subsection shall, within the 1-year period beginning on the date of the breach of the written contract (or such longer period beginning on such date as specified by the Secretary for good cause shown), be paid to the United States.

(c)(1) Any obligation of an individual under the Loan Repayment Program (or a contract thereunder) for service or payment of damages shall be canceled upon the death of the individual.

(2) The Secretary shall by regulation provide for the partial or total waiver or suspension of any obligation of service or payment by an individual under the Loan Repayment Program (or a contract thereunder) whenever compliance by the individual is impossible or would involve extreme hardship to the individual and if enforcement of such obligation with respect to any individual would be unconscionable.

(3) Any obligation of an individual under the Loan Repayment Program (or a contract thereunder) for payment of damages may be released by a discharge in bankruptcy only if such discharge is granted after the expiration of the 5-year period beginning on the first date that payment of such damages is required.

REPORTS

SEC. 105. The Secretary shall submit to the Congress on July 1 of 1988, and of each succeeding year, a report on the number of providers of health care who will be needed for the Indian Health Service during the 3 fiscal years beginning after the date the report is filed and—

(1) the number of scholarships, if any, the Secretary proposes to provide under the National Health Service Corps Scholarship Program during such 3 fiscal years, and

(2) the number of individuals for whom the Secretary proposes to make loan repayments under the Loan Repayment Program during such 3 fiscal years.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 106. There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this title.

TITLE II—OTHER RECRUITMENT AND RETENTION PROVISIONS

TRAVEL EXPENSES FOR RECRUITMENT

SEC. 201. (a) The Secretary, acting through health professionals seeking positions in the Service (including individuals considering entering into a contract under section 101) and their spouses for actual and reasonable expenses incurred in traveling to and from their places of residence to an area in which they may be assigned for the purpose of evaluating such area with regard to being assigned in such area.

(b) There are authorized to be appropriated for each fiscal year $100,000 for the purpose of carrying out the provisions of this section.

TRIBAL DEMONSTRATION RECRUITMENT AND RETENTION PROGRAM

SEC. 202. (a) The Secretary, acting through the Service, shall award grants to Indian tribes and tribal organizations for the purpose of enabling the Indian tribes and tribal organizations to develop and test, in cooperation with the Service, innovative techniques to recruit, place, and retain health professionals.

(b) The Secretary shall prescribe such regulations as are necessary to carry out the provisions of this section.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

TRIBAL CULTURE AND HISTORY

SEC. 203. (a) The Secretary, acting through the Service, shall establish a program under which all employees of the Service who serve particular Indian tribes shall receive educational instruction in the history and culture of such tribes and in the history of the Service.

(b) To the extent feasible, the program established under subsection (a) shall—

(1) be carried out through tribally-controlled community colleges, and

(2) be developed in consultation with the affected tribal government, and

(3) include instruction in Native American studies.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

INMED PROGRAM

SEC. 204. (a) The Secretary is authorized to provide grants to colleges and universities for the purpose of maintaining and expanding the Native American health careers recruitment program known as the "Indians into Medicine Program" (herein after in this section referred to as "INMED") as a means of encouraging Indians to enter the health professions.

(b) In addition to maintaining the INMED program at the University of North Dakota, the Secretary shall provide grants to at least two additional universities or colleges for the purpose of expanding the INMED program model.

(c) the Secretary shall develop regulations for the competitive awarding of the grants established in this section provided that the universities applying for such funds agree to provide a program which—

(1) provides outreach and recruitment for health professions to Native American communities including elementary, secondary and community colleges located on Indian reservations which will be served by the program,

(2) incorporates a program advisory board comprised of representatives from the tribes and communities which will be served by the program,

(3) provides summer preparatory programs for Native American students who need enrichment in the subjects of math and science in order to pursue training in the health professions,

(4) provide tutoring, counseling and support to students who are enrolled in a health career program of study at the respective college or university, and

(5) to the maximum extent feasible agree to employ qualified Native American staff for the program.

(d) By no later than the date that is 3 years after the date of enactment of this Act, the Secretary shall submit a report to Congress on the program including recommendations for expansion or changes to the program.

(e) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

ADVANCED TRAINING AND RESEARCH

SEC. 205. (a) The Secretary, acting through the Service, shall establish a program to enable health professionals who have worked for the Service for a substantial period of time to pursue advanced training or research at medical schools, or other professional schools or facilities, in areas of study for which the Secretary determines a need exists.

(b) The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section.

ADDITIONAL INCENTIVES FOR HEALTH PROFESSIONALS

SEC. 206. (a) The Secretary shall provide the incentive special pay authorized under section 302(b) of title 37, United States Code, by reason of section 208(a) of the Public Health Service Act (42 U.S.C. 210(a)), to—

(1) commissioned medical officers in the Regular and Reserve Corps of the Public Health Service who are assigned to positions for which recruitment or retention of personnel is difficult in the Indian Health Service, and

(2) civilian medical officers of the Service who are assigned to positions for which recruitment or retention of personnel is difficult.

(b) The Secretary shall establish and update on an annual basis a list of positions (other than medical officers) of health care professionals employed by or assigned to the Service for which recruitment or retention is difficult.

(2)(A) The Secretary shall pay a bonus to any person who is employed in or assigned to, a position in the Service included in the list established by the Secretary under paragraph (1)(b).

(B) The Secretary may not exceed $2,000 in total bonus payments made under this section to any employee within any 1-year period.

(c) The Secretary shall establish programs to allow the use of flexible work schedules, and compressed work schedules, in accordance with the provisions of subchapter II of chapter 61 of title 5, United States Code, for health professionals employed by, or assigned to, the Service.

(d) Notwithstanding any provision of law, no limitation imposed on amounts of premium pay paid for overtime shall apply to any individual employed by, or assigned to, the Service. The rate of overtime pay for such individual shall be computed as provided in section 5542 of title 5, United States Code.

RETENTION BONUS

SEC. 207. (a) The Secretary shall pay a retention bonus to medical officers employed by or assigned to the Service either as a civilian employee or member of the Commission Corps who—

(1) has satisfied one of the following criteria:

(A) has completed three years of employment with the Service; or

(B) has completed any service obligation incurred as a result of—

(i) acceptance of any Federal scholarship program; or

(ii) any Federal education loan repayment program.

(b) enters into an agreement with the Service for continued employment for a period of not less than 1 year.

(c) The Secretary shall establish specific rates for the retention bonus which shall provide for a higher annual rate for multiyear agreements than for single year agreements but in no event shall the annual rate be less than $12,000 per annum nor shall the annual rate be more than $25,000 per annum.

(d) The retention bonus for the entire period covered by the agreement in paragraph (2) shall be paid at the beginning of the agreed upon term of service.

(e) Any physician failing to complete the agreed upon term of service, except where such failure is through no fault of the individual, shall be obligated to refund to the government the full amount of the retention bonus for the period covered by the agreement plus interest as determined by the Secretary after consultation with the Secretary of the Treasury.

FOREIGN MEDICAL GRADUATE DEMONSTRATION PROJECT

SEC. 208. (a) The Secretary shall establish a 3-year demonstration project in the Indian Health Service which utilizes foreign medical graduates to assist in the delivery of health care in IHS hospital facilities.

(b) The Secretary shall conduct the demonstration project at not less than 2 IHS hospitals which have the staff capability to provide orientation, training and supervision to the foreign medical graduates selected to participate in the demonstration project.

(c) The Secretary shall develop a program which provides orientation, training and supervision to the participants in the demonstration project which—

(1) assesses the abilities of each foreign medical graduate participating in the demonstration project,

(2) provides individualized orientation and training to each participant, and

(3) provides individualized work assignments based upon the individual's training, experience and capabilities, and which are under the supervision of an IHS medical officer, and

(4) prepares each participant to obtain a license as a physician assistant.

(c) The Secretary shall select at least 10 individuals to participate in the demonstration project who satisfy the following criteria—

(1) had been licensed to practice medicine in his or her country of origin;

(2) had practiced medicine in his or her country of origin for at least 5 continuous years;

(3) are proficient in the oral and written use of the English language;

(4) have obtained citizenship or status of permanent residents of the United States; and

(5) originate from countries which are friendly with or allied with the United States.

(d) By the date that is no later than 3 years after enactment of this Act, the Secretary shall submit a report to Congress on the demonstration project which shall include recommendations for maintaining and expanding the demonstration project as a means of enabling the Service to more effectively deliver health care.

(e) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

REPORT ON RECRUITMENT AND RETENTION

SEC. 209. (a) The Secretary of Health and Human Services shall establish an advisory panel composed of—

(1) 10 physicians or other health professionals who are employees of, or assigned to, the Indian Health Service, and

(2) 3 representatives of tribal health boards, and

(3) 1 representative of an urban health care organization

for the purpose of conducting an investigation of administrative policies and regulatory procedures which impede the recruitment or retention of physicians and other health professionals by the Indian Health Service.

(b) By no later than the date that is 18 months after the date of enactment of this Act, the advisory panel established under subsection (a) shall submit to the Congress a report on the investigation conducted under subsection (a), together with any recommendations for administrative or legislative changes in existing law, practices, or procedures.

EARLY RETIREMENT

SEC. 210. Section 8336(j)(1)(B) of title 5, United States Code, is amended by striking out "December 21, 1972" and inserting in lieu thereof "December 5, 1979."

DEFINITIONS

SEC. 212. For purposes of this Act—

(a) The term "the Secretary" means the Secretary of Health and Human Services.

(b) The term "the Service" means the Indian Health Service of the Department of Health and Human Services.

(c) The term "Indian", "Indian tribe", "tribal organization", and "urban Indian organization" have the respective meanings given to such terms by section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1603).

By Mr. DANFORTH (for himself and Mr. Bond):

S. 1476. A bill to designate the Federal Record Center at 9700 Page Boulevard, Overland, MO, as the "SSG Charles F. Prevedel Building;" to the Committee on Environment and Public Works.

SSG CHARLES F. PREVEDEL BUILDING

● Mr. DANFORTH. Mr. President, today I am introducing legislation to name an Army Personnel and Record Center in Overland, MO, after Sgt. Charles F. Prevedel. Mr. President, Sgt. Charles F. Prevedel, like thousands of other young Americans, fought in the Vietnam war, making enormous sacrifices for his country. However, unlike so many others, this sergeant never returned home and there has been no record of his death. Until quite recently, our country seemed to have forgotten these men who are classified as "missing in action." Currently, there are over 2,400 MIA's from the Vietnam war, 18,000 from World War II, and 8,000 from the Korean conflict. In my own State of Missouri, 51 people may still be serving our country in Vietnam. By naming this building after Sgt. Charles F. Prevedel, I hope that Americans will continue to recognize the sacrifices that each of these men have made and may continue to be making for the honor of our country. We must not forget these men who have given so much to their country.●

By Mr. BINGAMAN:

S. 1477. A bill to amend title 5, United States Code, to authorize alternative personnel management systems for scientific, technical, and acquistion personnel in the Federal Government, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL SCIENCE, TECHNOLOGY, AND ACQUISITION REVITALIZATION ACT

Mr. BINGAMAN.Mr. President, I am introducing a bill today which I believe is urgently needed to improve the Federal agencies' ability to recruit and retain the top-quality people they need to carry out their scientific and technical research programs and their acquisition programs. I am pleased to note that a companion bill is being introduced in the House by my friend from Michigan, Congressman Hertel.

This bill responds to several concerns that have been raised in the past, and which still very much hold true today, about the quality of the people which the Federal Government is currently attracting and retaining in these critical fields. What I am proposing today is to permit Federal agencies to establish personnel management systems for their scientific, technical and acquisition employees similar to those currently utilized at the Naval Weapons Center in China Lake, CA, the Naval Ocean Systems Center in San Diego, CA, and at the Government-owned contractor-operated laboratories of the Department of Energy, Department of Defense, and NASA. This would be done under regulations issued by the Office of Personnel Management.

The Civil Service Reform Act of 1978 allowed the Navy to develop a merit-based personnel management system at their two California laboratories. I think that there is very broad agreement that these demonstration projects under the 1978 legislation have been very successful. In 1983, a White House Science Council Panel chaired by David Packard reviewed the Federal laboratories. One of the Panel's key recommendations was to broaden the China Lake personnel management approach to all Government laboratories and all Federal science and engineering personnel.

The Packard Panel very carefully documented the problems which the Federal Government was facing in attracting the scientists and engineers it needed to carry out our important research programs and to administer the $50 billion a year Federal research effort. The Packard Panel felt that if we could attract and retain better people in these critical jobs, we could significantly improve the Federal science and engineering work force's contribution both to our national security and to our economic competitiveness in world markets.

In response to the panel's recommendations, I introduced legislation in the last Congress to permit the Federal agencies to adopt alternative personnel management systems based on the China Lake model for their science and engineering personnel.

After that legislation was introduced, the President's Blue Ribbon Commission on Defense Management, again chaired by Mr. Packard, recommended last spring that the China Lake approach be applied not only to the Defense Department's scientists and engineers, but also to its acquisition personnel. Subsequent to that recommendation, I worked with Senator Quayle and the Packard Commission staff to modify my legislation. As a result, a provision was included in the fiscal year 1987 defense authorization bill reported by the Senate Armed Services Committee, which would have authorized the Defense Department to set up an alternative personnel management system for its science, engineering and acquisition personnel.

I regarded this provision as a first step in a process of Government-wide personnel management reform. I wanted to see the concept extended to science, engineering, and acquisition personnel in other agencies as rapidly as possible. But I felt at the time that Congress should respond to the urgings of the Packard Commission to start with vitally needed reform at the Defense Department. I thought that this first step would be a catalyst for action in other agencies, and thus that any advantage DOD accrued in recruiting and retaining scientists, engineers, and acquisition personnel would be short-lived.

Unfortunately, that provision was struck from the defense authorization bill as a result of a floor amendment offered by Senator Stevens, then chairman of the Civil Service Subcommittee of the Governmental Affairs Committee. The principal argument against the amendment offered at that time was that it did not provide for a comprehensive approach to solving the many problems which today beset the civil service system. Also, concerns were raised about the Department of Defense potentially gaining a competitive advantage compared to other federal agencies in recruiting key scientific, technical and acquisition personnel.

The bill which I am introducing today differs from last year's approach on the defense authorization bill primarily in that it does apply to all Federal agencies. DOD will have no advantage over other agencies. It is still not a comprehensive approach to the entire civil service reform problem. To be honest, I do not know how to structure that comprehensive solution. The personnel management approach which I believe will work for scientists, engineers, and acquisition personnel because of the positive track record at China Lake and elsewhere may not be appropriate for other civil service personnel. But perhaps this bill offers a first step toward a more comprehensive solution.

Mr. President, I believe the legislation is particularly timely because of the competitive challenge we are facing from abroad in many high technology fields. We clearly must strive to get the maximum value for every dollar we put into our Federal research enterprise. That can only be done if we have the best possible people managing those programs and carrying out that research. It is equally clear that, as we continue to deal with the problem of reducing our massive Federal deficit, we need to have the most efficient possible Federal acquisition system—a goal I might note we are very far from today. And to do that, we are going to need better acquisition personnel, especially in the Defense Department, which has by far the largest Federal acquisition program.

Mr. President, let me say just a few words about some of the key provisions in the bill. First of all, the main goal of this bill is to provide Federal managers more flexibility in managing their scientific, technical and acquisiton personnel. The classification of positions would be greatly simplified. Performance would be made the primary determinant pay in lieu of longevity. The agencies are allowed a great deal of flexibility in designing the specifics of their alternative personnel management systems to best serve their unique needs. For example, flexibility is provided for agencies to establish alternative personnel management systems on an occupational basis or an organizational basis. That means that an agency can choose to cover scientists, engineers, and acquisition personnel occupational group by occupational group, or organization by organization, provided the primary function of the organization is science, engineering or acquisition. In testimony last year before the Congress, arguments were put forward for both approaches. Under the bill I am introducing today, the decision on that question is left to the agencies.

Another key feature of the bill will also force Federal personnel managers to face hard choices as they manage their scientists, engineers and acquisition personnel. The bill provides that the alternate personnel management systems shall be implemented on a cost-neutral basis. That means that overall, the pay of the employees under the alternative personnel management system should be no higher than it would have been had the current civil service system remained in effect for these employees. The bill provides a great deal of flexibility for Federal managers in the pay area, but that flexibility will in fact only be available to the extent that hard tradeoffs are made.

If a manager wishes to increase pay to attract and retain top quality scientists, engineers, and acquisition employees, the total number of such employees will have to be decreased through attrition, or the pay of less productive employees in those categories will have to be frozen. I do not see this as a hardship for the Federal agencies or for the professional employees involved. Obviously such cost neutrality is an absolutely necessary feature of this legislation in today's budget environment. Last year we had very strong testimony from Mr. Packard that there was room in the Federal science, engineering and acquisition system to make such tradeoffs, and that we should attempt to move to a higher quality, if somewhat smaller, work force in these areas.

Let me also emphasize that this bill provides employees under alternative management systems with appeal rights comparable to those they currently enjoy in the civil service system. While I want Federal managers to be in a position to make the sort of tradeoffs I have discussed, employees obviously do need protection against arbitrary and capricious decisions.

Mr. President, let me conclude by emphasizing the urgency that we take action in this area. over a year has passed since the Packard Commission, in discussing personnel reform within the Defense Department, stated that its "recommendations in this critical area can and should be acted upon quickly and are of the highest priority." I believe that the problem is every bit as critical at NASA and other civilian agencies. Yet, the only action taken by the last Congress in this area was the initiation of a small China Lake-like demonstration project at the National Bureau of Standards in the Commerce Department. We can and must do better in this Congress. By doing so we will make a critical improvement in the effectiveness of our Federal acquisition system at a time of great budget stringency and we will increase the productivity of our Federal science and engineering enterprise at a time when we are facing ever stronger challenges from abroad. I hope my colleagues will give this bill serious consideration in the months ahead.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1477

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Science, Technology, and Acquisition Revitalization Act of 1987".

SEC. 2. AUTHORITY TO ESTABLISH ALTERNATIVE MANAGEMENT SYSTEMS FOR SCIENTIFIC, TECHNICAL, AND ACQUISITION PERSONNEL.

(a) IN GENERAL.—(1) Title 5, United States Code, is amended by inserting after chapter 55 the following new chapter:

"CHAPTER 56—ALTERNATIVE MANAGEMENT SYSTEMS FOR SCIENTIFIC, TECHNICAL, AND ACQUISITION PERSONNEL

"Sec.
"5601. Purposes.
"5602. Definitions.
"5603. Establishment.
"5604. Provisions of an alternative personnel management system.
"5605. Designations of covered positions.
"5606. Employment authority.
"5607. Special provisions relating to pay and benefits.
"5608. System approval; oversight.
"5609. Transition provisions.
"5610. Continuing professional qualification.

§ 5601. Purposes

"The purposes of this chapter are—

"(1) to enable the Federal Government to attract, retain, motivate, and improve the skills of scientific and technical employees of the Government and of the Federal Government acquisition work force;

"(2) to improve the quality of scientific, technical, and acquisition activities of the Federal Government and the quality of laboratories operated by the Federal Government; and

"(3) to improve the overall ability of the Federal Government to perform scientific and technical activities and to conduct its acquisition programs more efficiently.

"§ 5602. Definitions

"For the purposes of this chapter—

"(1) 'acquisition employee' means an employee assigned to perform duties relating to acquisitions, including an employee serving in a managerial or supervisory capacity who—

"(A) has considerable knowledge in acquisition program management, contracting, business management, financial management, production, logistics, quality assurance, or a related field; or

"(B) has completed or is currently pursuing a baccalaureate degree at an institution of higher education in an acquisition-related discipline;

"(2) 'agency' has the same meaning as provided in section 5721(1) of this title, except that the term does not include the government of the District of Columbia;

"(3) 'alternative personnel management system' means an alternative personnel management system established under section 5603 of this title;

"(4) 'Director' means the Director of the Office of Personnel Management;

"(5) 'employee' has the same meaning as provided in section 2105 of this title, but does not include a prevailing rate employee (as defined in section 5342(a)(2) of this title);

"(6) 'pay structure' means a range of basic pay consisting of minimum and maximum rates;

"(7) 'scientific and technical employee' means an employee, including an employee serving in a managerial or supervisory capacity—

"(A) who—

"(i) is required to have an advanced level of knowledge in one of the mathematical, computer, physical, or natural sciences or in chemical, electrical, mechanical, or other engineering and is usually expected to have acquired such advanced level of knowledge in an extensive program of specialized academic instruction and study in an institution of higher education (rather than in a program of general academic education, a program of apprenticeship, or a program of training in the performance of routine mental, manual, mechanical, or physical activities); and

"(ii) is engaged in the performance of work which consistently requires the exercise of discretion and judgment and is of such character that the output or other result of such work cannot be standardized in relation to any period of time; or

"(B) who has completed an extensive program of specialized academic instruction and study described in clause (A)(i) and is performing related work under appropriate direction or guidance to qualify under appropriate direction or guidance to qualify the employee as a scientific and technical employee described in clause (A);

"(8) 'senior scientific, technical, and acquisition employee' means a scientific and technical employee, acquisition employee, or other employee of an agency organization referred to in secion 5603(b)(2) of this title who is covered by an alternative personnel management system and is serving in a position in an agency equivalent to a position in the Senior Executive Service (as determined by the head of that agency), but does not include an employee whose position is required to be filled by an appointment by the President, by and with the advice and consent of the Senate; and

"(9) 'special award' means a nonmonetary award or a lump-sum monetary payment which is awarded on the basis of tangible savings or intangible benefits realized by the Federal Government as a result of special actions or services performed by the recipient outside normal job responsibilities, including suggestions and inventions, a scientific achievement, or an act of heroism.

§ 5603. Establishment

"(a) Under regulations prescribed by the Director in section 5604 of this title, the head of each agency may establish an alternative personnel management system or systems in that agency to carry out the purposes stated in section 5601 of this title.

"(b) The alternative personnel management systems in an agency may be established—

"(1) on an occupational basis to promote—

"(A) high quality performance by scientific and technical employees and acquisition employees of that agency; and

"(B) high levels of retention of such employees;

"(2) on an organizational basis to promote—

"(A) high quality performance by all agency employees who are serving in positions in agency organizations selected by the head of that agency which perform scientific, technical, or acquisition missions of that agency and whose performance is critical to the performance of those missions; and

"(B) high levels of retention of such employees; or

"(3) on both an occupational basis and an organizational basis to promote high quality performance by and high levels of retention of such employees.

"§ 5604. Provisions of an alternative personnel management system

"(a) The Director shall prescribe regulations for the operation of each alternative personnel management system established under section 5603 of this title.

"(b) In prescribing regulations for the operation of an alternative personnel management system, the Director shall provide for—

"(1) equal rates of pay for substantially equal work performed by employees under that system; and

"(2) pay distinctions under that system which reflect (A) substantial differences in skills, effort, responsibilities, and working conditions, and (B) performance appraisals.

"(c) The regulations prescribed pursuant to subsection (a) shall—

"(1) require—

"(A) the establishment of job evaluation plans which—

"(i) reflect internal job alignment determined on the basis of the level of skill, effort, responsibility, and working conditions required to perform the job; and

"(ii) recognize labor market factors as the primary basis for setting pay; and

"(B) the evaluation of jobs pursuant to such plans;

"(2) include procedures for the head of an agency—

"(A) to establish for positions of scientific and technical employees, acquisition employees, and other employees of agency organizations referred to in section 5603(b)(2) of this title, pay structures which (i) are competitive with pay structures applicable to similar positions outside the Federal Government, and (ii) reflect job evaluations made under a job evaluation plan established under clause (1); and

"(B) to adjust such pay structures annually;

"(3) provide for the rate of basic pay of an agency employee to be set and adjusted within pay structures based on such factors as the head of that agency may prescribe, including—

"(A) the experience and achievement of the employee;

"(B) labor market factors;

"(C) the position of such employee in a pay range before the rate of basic pay is changed;

"(D) job responsibilities;

"(E) rates of pay for similar jobs outside the Federal Government; and

"(F) consistent with section 5334 of this title, changes in positions or types of appointments;

"(4) provide for supervisory and managerial pay differentials (which shall be considered part of basic pay only for the purposes of chapters 81, 84, and 87 of this title and subchapter III of chapter 83 of this title);

"(5) include methods for determining appropriate total pay and benefits for an employee which are consistent with the purposes of this chapter and provide for consideration of such factors as those described in clause (3);

"(6) ensure that the total cost of the pay (including pay differentials) and benefits of personnel covered by an alternative personnel management system does not exceed the total cost of pay and benefits that such personnel would receive under the systems of pay and benefits that would apply to such personnel if they were not covered by the alternative personnel management system;

"(7) include a performance appraisal system which—

"(A) provides for peer comparison and ranking of agency employees when considered appropriate by the head of that agency;

"(B) affords appeal rights comparable to those afforded under chapter 43 of this title; and

"(C) is otherwise in accordance with section 4302 of this title;

"(8) authorize lump-sum performance awards and special awards not to exceed $25,000 under this chapter (which shall not be considered part of basic pay for any purpose);

"(9) authorize other forms of performance recognition determined appropriate by the head of the agency that is providing the recognition;

"(10) provide special direct hire procedures for recruiting personnel;

"(11) establish a Senior Scientific, Technical, and Acquisition Personnel Service and authorize the head of each agency to designate senior scientific, technical, and acquisition employees of that agency to be members of such Service; and

"(12) provide for an employee development program or programs.

"(d) The regulations prescribed under subsection (c)(11) for the operation of Senior Scientific, Technical, and Acquisition Personnel Service shall provide for benefits comparable to those provided for—

"(1) members of the Senior Executive Service under section 6304 of this title, relating to the accumulation of annual leave;

"(2) career appointees of the Senior Executive Service under section 3396(c) of this title, relating to sabbaticals;

"(3) career appointees in the Senior Executive Service under section 4507 of this title, relating to presidential rank awards;

"(4) newly appointed members of the Senior Executive Service under section 5723 of this title, relating to payment of the appointee's travel and transportation expenses to the appointee's duty station;

"(5) candidates for Senior Executive Service positions under section 5752 of this title, relating to payment of travel expenses of candidates for preemployment interviews; and

"(6) career appointees in the Senior Executive Service under section 3392(c) of this title, relating to retention of pay and benefits by an employee in such Service who receives a Presidential appointment to a position outside such Service.

"§ 5605. Designations of covered positions

"(a)(1) The head of an agency may designate the scientific and technical positions, the acquisition positions, and other positions held by employees of agency organizations referred to in section 5603(b)(2) of this title to be covered by an alternative personnel management system.

"(2) Each employee serving in a position at the time the position is designated to be covered by an alternative personnel management system shall be given written notice of the designation in accordance with procedures prescribed by the Director.

"(b)(1) The head of an agency may designate, under an alternative personnel management system, certain scientific and technical positions, certain acquisition positions, and certain positions held by employees of agency organizations referred to in section 5603(b)(2) of this title as positions which require specially qualified scientific and technical employees, specially qualified acquisition employees, or other specially qualified employees. Such positions may include managerial and supervisory positions.

"(2) The number of agency positions that may be designated under paragraph (1) may not exceed the number equal to 5 percent of the total number of positions covered by all alternative personnel management systems in that agency.

"§ 5606. Employment authority

"(a) Except as otherwise provided in this chapter, the procedures for the selection and appointment of any individual for a position of employment under an alternative personnel management system shall be consistent with the procedures that would apply to the selection and appointment of an individual for that position under other Federal civil service laws.

"(b)(1) Notwithstanding any other provision of law, except as provided in paragraph (2), an individual's examination for employment under an alternative personnel management system is complete, and selection for appointment to a position covered by that system is final, only when the individual has satisfactorily completed (in accordance with regulations prescribed by the Director) a 3-year probationary period of service.

"(2) An employee who has satisfactorily completed a total of 3 years of service in the competitive service, excepted service, or Senior Executive Service and, during such 3-year period, has completed any probationary period of service applicable to such employee, shall not be required to complete the probationary period of service under paragraph (1).

"(c) The head of an agency may appoint a person to an agency position designated under section 5605(b) of this title without regard to provisions of law requiring competitive examinations.

"§ 5607. Special provisions relating to pay and benefits

"(a) Under regulations prescribed pursuant to section 5604 of this title, the head of an agency may—

"(1) classify the positions of employees covered by an alternative personnel management system in that agency; and

"(2) set and annually adjust the pay and other benefits of such employees so as to be competitive with pay and other benefits provided personnel employed in similar positions outside the Federal Government.

"(b)(1) Except as provided in paragraph (2), the rate of basic pay of an individual employed under an alternative personnel management system may not exceed the rate of basic pay for level IV of the Executive Schedule under section 5315 of this title.

"(2)(A) The head of an agency may prescribe the maximum rate of basic pay for an agency position designated under section 5605(b) of this title without regard to the pay structure otherwise applicable to such position pursuant to section 5604(c)(2) of this title. The head of that agency shall prescribe such rate at a level which is competitive with the rates of pay for personnel employed in similar positions outside the Federal Government, including, in exceptional cases individually approved by that head of an agency, the rates of pay of scientific and technical personnel at national research laboratories of the Federal Government operated by persons or organizations other than the Federal Government.

"(B) The maximum rate of basic pay prescribed for an employee under subparagraph (A) may not exceed the maximum rate of basic pay prescribed for the head of a laboratory referred to in such subparagraph, except that the maximum rate of pay prescribed shall be at least equal to the rate of basic pay for level IV of the Executive Schedule under section 5315 of this title.

"(c) Notwithstanding sections 1341, 1342, 1349 through 1351 of title 31 and the provisions of subchapter II of chapter 15 of such title, whenever the rate of basic pay for level IV of the Executive Schedule is increased pursuant to section 5318 of this title or section 225 of the Federal Salary Act of 1967 (81 Stat. 642; 2 U.S.C. 351 et seq.), the rates of basic pay of scientific and technical, acquisition, and other employees serving in positions covered by an alternative personnel management system in an agency may be adjusted by the head of that agency if appropriate (as determined by the head of that agency) to maintain rates of basic pay of such employees at levels competitive with rates of basic pay paid scientific, technical, acquisition, and other personnel employed in similar positions outside the Federal Government.

"(d) A lump-sum performance award or special award authorized under this chapter may be paid to an employee without regard to any other provision of law limiting either the amount or the rate of basic pay that an employee may receive in a single year.

"(e) The rate of basic pay payable to an employee serving in a position on the day before the position becomes covered by an alternative personnel management system may not be reduced by reason of the position being covered by such system.

"§ 5608. System approval; oversight

"(a) The Director shall review each alternative personnel management system proposed to be established by the head of an agency under section 5603 of this title and determine whether the system meets the requirements of law and the regulations issued under this chapter.

"(b) The Director shall, on a continuing basis, monitor the establishment and administration of each alternative personnel management system under this chapter to ensure compliance with the provisions of this chapter, other applicable provisions of law, and the regulations prescribed under this chapter.

"§ 5609. Transition provisions

"(a) The Director shall prescribe procedures for converting positions to an alternative personnel management system.

"(b) The Director shall prescribe procedures for converting positions covered by an alternative personnel management system to the General Schedule, the performance management and recognition system under chapter 54 of this title, the Senior Executive Service, or another appropriate personnel management system in the event the alternative personnel management system is terminated.

"§ 5610. Continuing professional qualification

"(a) The head of each agency shall regularly review the level of professional competence of the scientific and technical work force of that agency and the acquisition work force of that agency. The head of each agency shall take appropriate actions for the improvement of such work forces, including actions to provide for additions to or modifications of the critical occupational skills needed by such work forces, if appropriate.

"(b) The head of each agency shall regularly review the professional training needs of acquisition personnel of that agency, including any need for postgraduate education.

"(c)(1) The head of each agency shall establish an appropriate acquisition training program to ensure that acquisition personnel of that agency receive adequate professional training. The training program shall be managed and funded by that agency.

"(2) Under a program established under paragraph (1), an employee in an agency may be selected and assigned for training for a purpose described in section 4107(c) of this title. The agency may pay the cost of such training directly or may reimburse an employee for the cost of such training.".

(2) The table of chapters at the beginning of part III of such title is amended by inserting after the item relating to chapter 55 the following new item:

"56. Alternative Management Systems for Scientific, Technical, and Acquisition Personnel .... 5601".

(b) Requirement for Issuance of Regulations.—The Director of the Office of Personnel Management shall issue regulations under chapter 56 of title 5, United States Code (as added by subsection (a)(1) of this section), not later than 180 days after the date of the enactment of this Act.

SEC. 3. CONFORMING AMENDMENTS

(a) Exception From the Competitive Service.—Section 2102(a)(1) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of subparagraph (B);

(2) by inserting "and" at the end of subparagraph (C); and

(3) by inserting after subparagraph (C) the following new subparagraph:

"(D) positions designated under section 5605(b) of this title.".

(b) Exclusion From Definition of "Preference Eligible".—Section 2108(3) of such title is amended by striking out "or the General Accounting Office," and inserting in lieu thereof "the General Accounting Office, or the Senior Scientific, Technical, and Acquisition Personnel Service referred to in section 5604(c)(11) of this title;".

(c) Inapplicability of Special Employment Authority for Scientific and Professional Personnel.—Section 3104(b) of such title is amended to read as follows:

"(b) The provisions of subsection (a) of this section shall not apply to any Senior Executive Service position (as defined in section 3132(a) of this title) or to any position designated under section 5605(b) of this title.".

(d) Exclusion From the Senior Executive Service.—Section 3132(a) of such title is amended—

(1) by striking out "or" at the end of paragraph (2)(E)(ii);

(2) by inserting "or" at the end of paragraph (2)(E)(iii); and

(3) by adding at the end the following:

"(iv) any position in an agency covered by an alternative personnel management system established under section 5603 of this title;".

(e) Prohibition of Certain Adverse Personnel Actions During Probationary Period.—Section 4303(f) of such title is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof: ", or"; and

(3) by adding at the end the following new paragraph:

"(4) the reduction in pay, the reduction from one pay range to another, or the removal of an employee who, pursuant to section 5606(b) of this title, is serving a probationary or trial period under an initial appointment to a position covered by an alternative personnel management system established under section 5603 of such title.".

(f) ELIGIBILITY FOR CERTAIN PERFORMANCE AWARDS.—Section 4501(2) of such title is amended—

(1) by striking out "and" at the end of subparagraph (A); and

(2) by inserting after subparagraph (B) the following:

"(C) an individual employed by an agency in a scientific and technical or acquisition position covered by an alternative personnel management system established under section 5603 of this title; and".

(g) INAPPLICABILITY OF POSITION CLASSIFICATION SYSTEM.—Section 5102(c) of such title is amended—

(1) by striking out "or" at the end of paragraph (27);

(2) by striking out the period at the end of paragraph (28) and inserting in lieu thereof "; or"; and

(3) by adding at the end the following new paragraph:

"(29) employees covered by an alternative personnel management system established under section 5603 of this title.".

(h) INELIGIBILITY FOR PAY RETENTION RIGHTS.—Section 5363 of such title is amended by adding at the end the following new subsection:

"(d) Subsections (a) through (c) of this section shall not apply to an individual covered by an alternative personnel management system established under section 5603 of this title. The pay retention rights applicable to such individual shall be the pay retention rights, if any, prescribed by the Director of the Office of Personnel Management pursuant to chapter 56 of this title.".

(i) EXCEPTION TO A LIMITATION ON PAY FIXED BY ADMINISTRATIVE ACTION.—Section 5373 of such title is amended—

(1) by striking out "or" at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; or"; and

(3) by adding at the end the following new paragraph:

"(5) chapter 56 of this title.".

(j) INELIGIBILITY FOR CERTAIN RIGHTS IN ADVERSE ACTION CASES.—(1) Section 7501(1) of such title is amended to read as follows:

"(1) 'employee' means an individual in the competitive service—

"(A) who is not serving a probationary or trial period under an initial appointment; or

"(B) who is serving in a position other than a position covered by an alternative personnel management system established under section 5603 of this title and has completed 1 year of current continuous employment in the same position or similar positions under other than a temporary appointment limited to 1 year or less; and".

(2) Section 7511(b) of such title is amended—

(A) by striking out the period at the end of paragraph (2) and inserting in lieu thereof: "; or"; and

(B) by adding at the end the following new paragraph:

"(3) who is serving a probationary period pursuant to section 5606(b) of this title in a position covered by an alternative personnel management system established under section 5603 of such title.".

SEC. 4. GENERAL ACCOUNTING OFFICE REVIEW AND EVALUATION

(a) The Comptroller General of the United States shall review and evaluate alternative personnel management systems established under chapter 56 of title 5, United States Code (as added by section 2 of this Act).

(b)(1) Not later than 5 years after the date of enactment of this Act, the Comptroller General shall transmit to the Congress and to the Office of Personnel Management a report on the review and evaluation carried out under subsection (a).

(2) The report required by paragraph (1) shall include an evaluation of the implementation and operation of the alternative personnel management systems referred to in subsection (a), an assessment of the acceptability of the systems to employees and managers of the Federal Government, and such recommendations for changes or improvements in the systems as the Comptroller General considers appropriate.

By Mr. BAUCUS:

S. 1478. A bill to designate certain National Forest System lands in the State of Montana for release to the forest planning process, protection of recreational value, and inclusion in the National Wilderness Preservation System, and for other purposes; to the Committee on Energy and Natural Resources.

MONTANA NATURAL RESOURCES PROTECTION AND UTILIZATION ACT

● Mr. BAUCUS. Mr. President, years ago my family settled north of Helena amidst the rugged landscape of Lewis and Clark Counties. Like many of their generation, my grandparents were solid, hard working people. They were challenged by the land and possessed an unwavering desire to build a good life for their family in Montana.

Today the true grit and pride of those early Montanans prevails. What makes us Montanans is the land. What makes us Montanans is Montana.

Montanan's feelings about the land run wide and deep. We love this land because it touches our lives in so many different ways. We are blessed with a State of uncommon beauty rich in natural resources. Both the beauty and the resources are important to Montanans.

These may seem to be competing values: The beauty of our land and our need to develop economically. That doesn't have to be.

For over a decade a fierce debate has raged on about how to reconcile these powerful issues: How to use the land, and how to preserve it.

Yet this is not a debate that has winners and losers. For if we do not make a decision, the only loser will be Montana.

Natural resources will remain unaccessible, tourism and commodity industries won't be able to plan for the future. Our economic development will be held hostage by our own indecision.

For over a decade, farmers, business people, government officials, loggers, campers, miners, snowmobilers, Indians, ranchers, rangers, and river runners each have lodged strong opinions on the future of our vast, roadless lands.

During the course of the debate three separate bills have been introduced in Congress, seven public hearings have been held in Washington and Montana, hundreds of man-hours have been invested in studies, thousands of pages of testimony have been recorded and read, and millions of words have been spoken.

The intensity and length of the debate is a reflection of us—of our concern for Montana and our commitment to our beliefs.

Well, we've debated long enough. Frankly, it's time to put this fight to an end. Montana wants a decision.

It's time to acknowledge that we can preserve our State's magnificent beauty without sacrificing Montana's economic opportunities.

It's time to put this issue to rest.

The wilderness debate has been a Montana debate. The issues that affect Montanans have been discussed by Montanans. We, in Washington, must make the final decisions. But those decisions won't be made without the advice and comments of many Montanans.

Therefore, today we must pull together for Montana's future.

I introduced legislation to strike a balance between responsible development of our national resources and necessary protection of fragile wilderness.

My legislation is a solid proposal that accomplishes two major goals:

It designates as wilderness nearly 1.3 million acres of Montana's most fragile and scenic lands;

And, it releases more than 4 million acres in the national forests for multiple use management—for mining, logging, oil and gas exploration and development, and recreation.

In preparing this bill I've sought the guidance of many concerned people. I've tried to craft a responsible compromise.

This bill will have little if any effect on Montana's available timber supply and respects legitimate mining claims. This bill allows continued exploration for minerals and oil in several important areas, including a promising new platinum deposit. And this bill tries hard to meet the needs of scores of Montanans who want our State preserved for future generations.

We have in Montana the greatest resource for tourism and recreation of the lower 48 States. Our Nation is hungry for wide-open spaces, clean air, and natural splendor. We are positioning ourselves well to capitalize on an important growth industry—tourism and recreation.

No single issue will be as important to our State, to our families, and to our future as the decisions we make on how we use our State's resources.

No single issue in my 12 years in Congress has been as intensely emotional as this one.

No single issue has generated more mail to my office than this one.

And no single issue cries out more for decisive leadership.

I did not run for office to hide from difficult decisions. On one side of this issue are people fighting for 2 billion acres of new wilderness, on the other side are those who want no new wilderness.

We have to find common ground.

What Montana needs now is not another decade of debate, another decade of disagreement, or another decade of indecision. What we need now is some security in knowing how we're going to chart our economic development.

Our timber industry needs to know what areas will be available for logging. Our oil and gas industry needs to know where exploration and development will be permitted. Our mining industry, which is showing some new vitality, must have assurance that its growth can continue in appropriate areas.

And all of us need to know that the land we love will be protected for generations to come.

We can't achieve prosperity in an atmosphere of indecision and confrontation. We can only reap the benefits of Montana's richness after we decide how best to use our resources.

This issue demands strong leadership. We have to be honest with ourselves—Montana needs a wilderness bill if Montana is to move forward.

I have thought about this issue long and hard. It is not going to be easy, but the questions before us will only become more difficult with time and indecision. Taking no action is not an option.

In short, this is not a bill about wilderness, or a bill about jobs. It is a bill about Montana's future. And I for one think that future is bright. Not everyone will be satisfied with what we do.

Our views are as wide and vast as our State. But our love for Montana is the same.

I'm calling today on everyone who has any interest in Montana's wild and scenic lands to work together to settle the wilderness issue. That includes conservationists, recreationists, industry people, the Forest Service, and all of us in the delegation. Let's resolve differences—put the debate behind us—and get on with the challenge of Montana's future.●

ADDITIONAL COSPONSORS

S. 11

At the request of Mr. CRANSTON, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 11, a bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Adminsitrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; and for other purposes.

S. 74

At the request of Mr. GRAMM, the names of the Senator from Kentucky [Mr. FORD], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 74, a bill to amend the Internal Revenue Code of 1986 to allow a charitable contribution deduction for certain amounts paid to or for the benefit of an institution of higher education.

S. 465

At the request of Mr. METZENBAUM, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 465, a bill to amend chapter 44, title 18, United States Code, to prohibit the manufacture, importation, sale or possession of firearms, not detectable by metal detection and x-ray systems commonly used at airports in the United States.

S. 567

At the request of Mr. DECONCINI, the names of the Senator from Kentucky [Mr. FORD], and the Senator from California [Mr. CRANSTON] were added as cosponsors of S. 567, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 849

At the request of Mr. CHAFEE, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 849, a bill to establish guidelines for timely compensation for temporary injury incurred by seaman on fishing industry vessels and to require additional safety regulations for fishing industry vessels.

S. 1009

At the request of Mr. MATSUNAGA, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 1009, a bill to accept the findings and to implement the recommendations of the Commission on Wartime Relocation and Internment of Civilians.

S. 1081

At the request of Mr. BINGAMAN, the name of the Senator from Florida [Mr. CHILES] was added as a cosponsor of S. 1081, a bill to establish a coordinated National Nutrition Monitoring and Related Research Program, and a comprehensive plan for the assessment of the nutritional and dietary status of the U.S. population and the nutritional quality of the U.S. food supply, with provision for the conduct of scientific research and development in support of such program and plan.

S. 1109

At the request of Mr. HARKIN, the name of the Senator from Florida [Mr. CHILES] was added as a cosponsor of S. 1109, a bill to amend the Federal Food, Drug, and Cosmetic Act to require certain labeling of foods which contain tropical fats.

S. 1188

At the request of Mr. SYMMS, the names of the Senator from Louisiana [Mr. BREAUX], and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of S. 1188, a bill to amend the Internal Revenue Code of 1986 to allow certain associations of football coaches to have a qualified pension plan which includes cash or deferred arrangement.

S. 1309

At the request of Mr. CRANSTON, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 1309, a bill to ensure economic equity for American women by providing retirement security, making quality dependent care available, ending discrimination in insurance and commercial credit, providing equal employment opportunity and pay equity, protecting welfare of spouses of persons institutionalized under the Medicaid Program, and for other purposes.

S. 1366

At the request of Mr. KENNEDY, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1366, a bill to revise and extend the programs of assistance under title X of the Public Health Service Act.

S. 1369

At the request of Mr. ROCKEFELLER, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 1369, a bill to strengthen the technological literacy of the Nation through demonstration programs of technology education.

S. 1397

At the request of Mr. CRANSTON, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 1397, a bill to recognize the organization known as the Non

Commissioned Officers Association of the United States of America.

S. 1402

At the request of Mr. Kennedy, the name of the Senator from New York [Mr. Moynihan] was added as a cosponsor of S. 1402, a bill to amend title VIII of the Public Health Service Act to establish programs to reduce the shortage of professional nurses.

S. 1408

At the request of Mr. Chafee, the names of the Senator from Pennsylvania [Mr. Heinz,] and the Senator from New York [Mr. Moynihan] were added as cosponsors of S. 1408, a bill to amend the Immigration and Nationality Act to waive the continuous residence requirement under the legalization program for spouses and children of qualified legalized aliens.

S. 1464

At the request of Mr. Cranston, the names of the Senator from Montana [Mr. Baucus], and the Senator from South Carolina [Mr. Thurmond] were added as cosponsors of S. 1464, a bill to amend title 38, United States Code, to provide eligibility to certain individuals for beneficiary travel payments in connection with travel to and from Veterans' Administration facilities.

AMENDMENT NO. 448

At the request of Mr. Murkowski, his name was withdrawn as a cosponsor of amendment No. 448 proposed to S. 1420, a bill to authorize negotiations of reciprocal trade agreements, to strengthen U.S. trade laws, and for other purposes.

AMENDMENTS SUBMITTED

OMNIBUS TRADE AND COMPETITIVENESS ACT

BUMPERS (AND OTHERS) AMENDMENT NO. 450

Mr. BUMPERS (for himself, Mr. Hatfield, and Mr. Adams) proposed an amendment to the bill (S. 1420) to authorize negotiations of reciprocal trade agreements, to strengthen United States trade laws, and for other purposes; as follows:

At the appropriate place in the bill add the following:

"Sec. . Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 89-day period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

HATFIELD (AND OTHERS) AMENDMENT NO. 451

Mr. HATFIELD (for himself, Mr. Bumpers, Mr. Adams, and Mr. Weicker) proposed an amendment to amendment No. 450 proposed by Mr. Bumpers (and others) to the bill (S. 1420) supra; as follows:

In the pending amendment, strike out all after the word "Sec." and insert in lieu thereof the following:

"Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 90-day period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

HECHT AND ADAMS AMENDMENT NO. 452

Mr. HECHT (for himself and Mr. Adams) proposed an amendment to the bill (S. 1420) supra; as follows:

At the appropriate place, insert the following:

(a) Study of Market Orientation of China.—The Secretary of Commerce shall undertake a study regarding the new market orientation of the People's Republic of China. The study shall address, but not be limited to—(1) the effect of the new orientation on Chinese market policies and price structure, and the relationship between domestic Chinese prices and world prices; (2) the extent to which United States trade law practices can accommodate the increased market orientation of the Chinese economy; and (3) the possible need for changes in United States antidumping laws as they apply to foreign countries, such as China, which are in transition to a more market-oriented economy. The Secretary of Commerce shall submit to the Congress within one year after the date of the enactment of this Act a report on the study required under this section.

BRADLEY (AND OTHERS) AMENDMENT NO. 453

Mr. BRADLEY, (for himself Mr. Matsunaga, Mr. Dodd, and Mr. Packwood) proposed an amendment to the bill (S. 1420) supra; as follows:

On page 74 beginning on line 2, strike the period and insert "or (c) would disproportionately burden the poor."

PELL (AND OTHERS) AMENDMENT NO. 454

Mr. PELL (for himself, Mr. Hatch, Mr. Stafford, and Mr. Kennedy) proposed an amendment to the bill (S. 1420) supra; as follows:

On page 670, beginning with line 1, strike out through line 7 on page 671.

On page 671, between lines 7 and 8, insert the following:

SUBTITLE B—DRUG-FREE SCHOOL PROGRAM

SEC. 2531. TECHNICAL AMENDMENT.

(a) Within State Allocations.—The second sentence of section 4124 of the Drug-Free Schools and Communities Act of 1986 is amended to read as follows: "From such sum, the State educational agency shall distribute funds for use among areas served by local or intermediate educational agencies or consortia on the basis of the relative enrollments in public and private, nonprofit schools within such areas.".

(b) Effective Date.—(1) The amendment made by subsection (a) of this Act shall take effect October 27, 1986.

(2) Notwithstanding paragraph (1), a State educational agency may allot fiscal year 1987 funds to local and intermediate educational agencies and consortia under section 4124(a) of the Drug-Free Schools and Communities Act of 1986 on the basis of their relative numbers of children in the school-aged population.

On page 688, line 9, strike out "or lease".

On page 701, between lines 3 and 4, insert the following:

SUBTITLE C—MISCELLANEOUS HIGHER EDUCATION PROVISIONS

SEC. 2821. INSURANCE PREMIUM RULE.

(a) General Rule.—(1) Section 428(b)(1)(H) of the Higher Education Act of 1965 is amended to read as follows:

"(H) provides for the collection of a single insurance premium which—

"(i) shall be applied uniformly to all loans; and

"(ii) is not less than 0.5 percent nor more than 3 percent of the principal amount of the loan (and, in the case of a multistate guaranty agency, may be set for each State for which it has received advances under section 422, with a single uniform rate set for the balance of the activity of the guaranty agency),

by deduction proportionately from each installment payment of the proceeds of the loan to the borrower, and insures that the proceeds of the premium will not be used for incentive payments to lenders;".

(2) Section 428(b)(1) of such Act is amended—

(A) by striking out "and" at the end of subparagraph (T);

(B) by redesignating subparagraph (U) as subparagraph (V); and

(C) by inserting after subparagraph (T) the following new subparagraph:

"(U) provides that, notwithstanding subparagraphs (S) and (T), a guaranty agency may after 60-days notice cease to guarantee loans for students at an otherwise eligible institution if the cumulative default rate of loans from such institution in repayment exceeds 25 percent of the amount insured by the guaranty agency which holds the preponderance of the value of the loans outstanding at such institution, unless the guarantor is the designated State guaranty agency in the State where the eligible institution is located and insures loans for the lender of last resort in that State under subsection (j); and".

(b) Effective Date.—(1) The amendments made by subsection (a)(1) of this section shall take effect with respect to loans made on and after 30 days after the date of enactment of this Act.

(2) The amendments made by subsection (a)(2) of this section shall take effect 90 days after the date of enactment of this Act.

SEC. 2822. UNITED STATES INSTITUTE OF PEACE.

Section 25 of the Higher Education Technical Amendments Act of 1987 is amended by striking out "Section 1703" and inserting in lieu thereof "Section 1705(b)(3)".

On page 687, line 5, after "Director" insert a comma and the following: "to such extent and in such amounts as provided in advance by appropriation Acts,".

On page 732, line 4, before the period, insert a comma and the following: "vocational educational centers and community colleges"

On page 732, line 12, strike out "and".

On page 732, line 15, strike out the period and insert in lieu thereof a semicolon and the word "and".

On page 732, between lines 15 and 16, insert the following:

"(C) the need to foster flexibility and assist students in meeting the challenge of a changing work place.".

On page 733, after line 24, insert the following:

"(13) Stressing basic remedial skills in conjunction with training and automation literacy, robotics, computer-aided design, and other areas of computer-integrated manufacturing technology.".

On page 13, in the table of contents, strike out the item relating to subtitle B of title XXV and section 2521 and insert in lieu thereof the following:

"SUBTITLE B—DRUG-FREE SCHOOLS PROGRAM

"Sec. 2531. Technical amendment.".

On page 14, in the table of contents, after item "Sec. 2811." insert the following:

"SUBTITLE C—MISCELLANEOUS HIGHER EDUCATION PROVISIONS

"Sec. 2821. Insurance premium rule.
"Sec. 2822. United States institute of peace.".

GRAMM (AND OTHERS) AMENDMENT NO. 455

Mr. GRAMM (for himself, Mr. Dole, Mr. Wilson, Mr. Fowler, Mr. Durenberger, and Mr. Boschwitz) proposed an amendment to the bill (S. 1420) supra; as follows:

On page 73, line 24, strike "or" and insert in lieu thereof or

(B) would disproportionately burden United States agriculture with regard to exports, employment, or income, or"

DOMENICI AMENDMENT NO. 456

Mr. DOMENICI proposed an amendment to the bill (S. 1420) supra; as follows:

On page 655, between lines 7 and 8, insert the following:

SEC. 2305. PROGRAM FOR THE COORDINATION AND JOINT SUPPORT OF MATHEMATICS, SCIENCE, AND ENGINEERING INSTRUCTION AUTHORIZED.

(a) In General.—The title II of the Act is amended by adding at the end thereof the following new section:

"COORDINATION OF MATHEMATICS, SCIENCE, AND ENGINEERING EDUCATIONAL ACTIVITIES

"Sec. 214. (a) The Secretary shall coordinate the activities conducted under this Act (particularly section 212 of this Act) and under any other Act relating to the improvement of mathematics, science and engineering instruction with similar activities assisted by the National Science Foundation and by the Department of Energy.

"(b)(1) In carrying out the provisions of this seciton the Secretary shall—

"(A) examine the opereations of programs conducted for the improvement of instruction in mathematics, science, and engineering and the facilities used in instruction conducted or assisted by the National Science Foundation and by the Department of Energy; and

"(B) evaluate and identify opportunities for the joint support, using the resources available to the Department of Education, with the activities being supported or conducted by the National Science Foundation or the Department of Energy.

"(2) The Secretary may, in carrying our programs identified and evaluated under subsection (a) of this section, with the approval of the Director of the National Science Foundation of the Secretary of Energy, or both, provide for the joint use of funds in order to improve the instruction in mathematics, science, and engineering.".

(b) Special Rules.—(1) Section 206 of the Act is amended by adding at the end thereof the following new subsection:

"(g) Each State educational agency receiving assistance under this Act may use the apportionment made under this section for creative programs designed to carry out any activity which the State education agency is otherwise authorized to carry out under this Act in cooperation with similar activities conducted or assisted by the National Science Foundation or the Department of Energy, or both. In carrying out the provisions of this subsection, the State educational agency shall examine ways to enhance the impact of the resources and educational programs conducted by national laboratories and science centers run or supported by the National Science Foundation or the Department of Energy. The State educational agency may use funds apportioned under this section to participate in any program or activity having a similar purpose supported or conducted by the National Science Foundation or by the Department of Energy, or both.".

(2) Section 207 of the Act is amended by inserting at the end thereof the following new subsection:

"(e) Each State agency for higher education receiving assistance under this Act may use the apportionment made under this section for creative programs designed to carry out any activity which the State agency for higher education is otherwise authorized to carry out under this Act in cooperation with similar activities supported or conducted by the National Science Foundation or by the Department of Energy, or both. In carrying out the provisions of this subsection, the State agency for higher education shall examine ways to enhance the impact of resources and educational programs conducted by national laboratories and science centers run or supported by the National Science Foundation or the Department of Energy. The State agency for higher education may use funds apportioned under this section to participate in any program or activity having a similar purpose supported or conducted by the National Science Foundation or by the Department of Energy, or both.".

(c) Evaluation and Report.—Title II of the Act is further amended by adding at the end thereof the following new section:

"EVALUATION AND REPORT

"Sec. 215. (a) The Secretary shall evaluate the coordination and joint support of educational programs and activities conducted pursuant to this Act or any other Act supported or conducted by the Secretary for the improvement in the instruction of mathematics, science, and engineering with the National Science Foundation or with the Department of Energy, or both.

"(b) The Secretary shall not later than two years after the enactment of the Education for a Competitive America Act prepare and submit to the Congress a report on the evaluation required by subsection (a) of this section together with a statement of plans and proposed activities designed to carry out the objective described in subsection (a).".

On page 13, in the table of contents, after item "Sec. 2304" insert the following:

"Sec. 2305. Program for the coordination and joint support of mathematics, science, and engineering instruction authorized.".

DOLE (AND OTHERS) AMENDMENT NO. 457

Mr. DOLE (for himself, Mr. Exon, Mr. Karnes, Mr. Nickles, Mr. Daschle, Mr. Pressler, Mr. Wallop, and Mr. Simpson) proposed an amendment to bill (S. 1420) supra; as follows:

On pages 538, between lines 19 and 20, insert the following new section:

SEC. . GRANTS FOR PRIVATE SECTOR INTERNATIONAL TRADE DEVELOPMENT CENTERS.

"(a) In General.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1458A (7 U.S.C. 3292) the following new section:

"SEC. 1458B. GRANTS FOR PRIVATE SECTOR INTERNATIONAL TRADE DEVELOPMENT CENTERS.

"(a) In General.—The Secretary shall establish and carry out a program to make grants to existing private sector international trade development centers in the United States for the operation of the centers to enhance the exportation of United States agricultural commodities and agricultural industrial, and other products.

"(b) Matching Formula.—The grants shall be based on a matching formula of Federal and non-Federal shares of fundings that is determined by the Secretary, except that, over the 5-year period beginning on the date of enactment of this section, the Federal share of the grants shall average 50 percent.

"(c) Allocation of Funds.—

"(1) Eligibility.—To be eligible to receive a grant under this section, an organization must be an existing, nonprofit private sector international trade development center that is located in a predominantly agricultural State, as determined by the Secretary.

"(2) Preference.—In making grants under this section, the Secretary shall give preference to accredited world trade centers organized on a multi-State regional basis that focus on trade promotion in economically distressed inland States without major deep water ports.

"(d) Use of Funds.—

"(1) In general.—The centers may use funds provided under this section—

"(A) to enhance the exportation of United States agricultural commodities and agricultural, industrial, and other products, with particular emphasis on actual marketing, implementing business transactions, and providing technical assistance to local businesses; and

"(B) carry out other activities relating to the exportation of United States agricultural commodities and agricultural, industrial, and other products as the Secretary may approve.

"(2) Augmentation of programs.—The centers shall use funds provided under this section to augment, not duplicate, existing efforts by State and local trade development entities.

"(3) Limitations.—

"(A) Capital purchases.—No more than 15 percent of the funds provided to a center under this section may be used for capital purchases.

"(B) Real property.—None of the funds provided to a center under this section may be used to purchase real property, except that this subparagraph shall not prohibit a center from using the funds to lease office space.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 to carry out this section during the 5-year period beginning on the date of enactment of this section.

"(f) TERMINATION.—The authority provided in this section shall terminate 5 years after the date of enactment of this section.".

(b) CONFORMING AMENDMENT.—The table of contents of the Food and Agriculture Act of 1977 (7 U.S.C. prec. 3101) is amended by inserting after the item relating to section 1458A the following new item:

"Sec. 1458B. Grants for private sector international trade development centers.".

GRAMM AMENDMENT NO. 458

Mr. GRAMM (for himself, Mr. DOLE, Mr. DURENBERGER, Mr. WILSON, and Mr. BOSCHWITZ) proposed an amendment to the bill (S. 1420) supra; as follows:

On page 73, between lines 24 and 25 insert the following:

"(C) such action would result in a loss of United States jobs greater than the number of jobs preserved or created by such action, or".

DURENBERGER (AND OTHERS) AMENDMENT NO. 459

Mr. DURENBERGER (for himself, Mr. SYMMS, Mr. PROXMIRE, Mr. HATCH, Mr. BAUCUS, Mr. KASTEN, Mr. BOSCHWITZ, Mr. MCCLURE, Mr. SHELBY, Mr. GARN, Mr. EXON, Mr. STEVENS, Mr. LUGAR, Mr. MURKOWSKI, Mr. WIRTH, Mr. HELMS, Mr. BURDICK, Mr. DIXON, Mr. PRESSLER, and Mr. MELCHER) proposed an amendment to the bill (S. 1420) supra; as follows:

At the end of subtitle B of title VIII, add the following:

SEC. . SOVIET FURSKINS.

(a) FINDINGS.—The Senate finds that—

(1) the United States has prohibited the importation from the Union of Soviet Socialist Republics of ermine, fox, kolinsky, marten, mink, muskrat, and weasel furskins since 1952;

(2) fur farming in the United States takes place on nearly 3,200 unsubsidized family farms primarily located in Wisconsin, Minnesota, Utah, Idaho, Washington, Oregon, Iowa, Illinois, Ohio, New York, Pennsylvania, Montana, Nebraska, and Alaska;

(3) all Soviet furskins are produced on State-controlled fur farms where all production costs are subsidized by the Soviet government;

(4) American fur farmers produced approximately 4.2 million mink furskins in 1984 at an estimated unsubsidized cost of production of $30 per mink;

(5) the Soviet Union, the world's largest producer of furskins, produces between 12 and 15 million pelts annually at a cost of less than $15 per mink;

(6) subsidies by the Soviet government could enable the Soviet State-controlled farms to drive down the domestic price of American furskins, and in the process, drive American fur farming families out of business; and

(7) if the United States lifts the prohibition on Soviet furskins, the United States fur deficit will rise.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the prohibition on the importation into the United States of furskins that are products of the Union of Soviet Socialist Republics should remain in effect, and that the Senate Conferees on the Omnibus Trade Act of 1987 should seek deletion of Section 815 of the Trade and International Economic Policy Reform Act of 1987.

ARMSTRONG AMENDMENT NO. 460

Mr. ARMSTRONG proposed an amendment to the bill (S. 1420) supra; as follows:

In section 286(d) of the Trade Act of 1974, as added by section 217(b) of the bill, strike out paragraph (3) and insert in lieu thereof the following:

"(3) If the Secretary of Labor and the Secretary of Commerce, in consultation with the Secretary of the Treasury, determine that the total amount of funds necessary to carry out chapters 2 and 3 for the fiscal year will exceed $400,000,000, the Secretary of Labor and the Secretary of Commerce shall, notwithstanding any provision of chapter 2 or 3, make a pro rata reduction in the assistance provided under chapters 2 and 3 to ensure that all workers and firms eligible for assistance under chapter 2 or 3 receive some assistance under chapter 2 or 3 and that the total amount of the expenditures made in providing such assistance does not exceed $400,000,000.

In paragraph (1) of section 287(b) of the Trade Act of 1974, as added by section 218(b) of the bill—

(1) strike out "or" at the end of subparagraph (A),

(2) strike out the period at the end of subparagraph (B) and insert in lieu thereof ", or", and

(3) insert at the end thereof the following new subparagraph:

"(C) the percentage that is sufficient to provide $400,000,000 of revenue in any fiscal year.

NICKLES (AND OTHERS) AMENDMENT NO. 461

Mr. NICKLES (for himself, Mr. WALLOP, Mr. BAUCUS, Mr. WIRTH, Mr. MCCLURE, Mr. DECONCINI, Mr. GRASSLEY, Mr. SYMMS, Mr. HEFLIN, Mr. BURDICK, Mr. KARNES, Mr. EXON, Mr. HATCH, Mr. SIMPSON, Mr. DOMENICI, Mr. ADAMS, Mr. GRAHAM, Mr. WILSON, Mr. GARN, Mr. CONRAD, Mr. BINGAMAN, Mr. PRESSLER, Mr. HECHT, Mr. HARKIN and Mr. LEAHY) proposed an amendment to the bill S. 1420, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . UNITED STATES ACCESS TO THE KOREAN BEEF MARKET.

(a) FINDINGS.—The Congress finds that—

(1) the 1986 United States trade deficit with the Republic of Korea was $7,600,000,000;

(2) the Republic of Korea has banned high quality beef imports since May 1985;

(3) this beef import ban is in contravention of Korea's General Agreement on Tariffs and Trade obligations and impairs United States rights under such agreement;

(4) Korea imposes an unreasonably high 20 percent ad valorem tariff on meat products; and

(5) if the Korean beef import ban were removed, the United States, due to comparative advantage, could supply a significant portion of Korean beef import needs, thereby increasing profit opportunities for the United States beef industry while benefiting Korean consumers.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Republic of Korea should take immediate action to fulfill its obligation under the General Agreement of Tariffs and Trade and permit access to its market by United States beef producers;

(2) the United States Trade Representative should enter into negotiations to gain greater access to the Korean market for United States beef; and

(3) such negotiations, in addition to greater market access, should address the high tariffs set by the Republic of Korea and the means in which imported beef is distributed in Korea.

METZENBAUM AMENDMENT NO. 462

Mr. METZENBAUM proposed an amendment to the bill (S. 1420) supra; as follows:

1. After line 24, page 72, insert the following:

(f) In the event that the Commission submits to the President a report required under subsection (a), which includes an affirmative determination under subsection (b)(1), the Commission may submit to the President, in addition to the report of the Commission, any findings or conclusions relevant to whether a merger or acquisition by members of the domestic industry which is the subject of the report would assist the domestic industry to make a positive adjustment, including:

(1) the extent of foreign competition relevant to a determination of the competitive effect of an acquisition or merger;

(2) the degree to which an acquisition or merger is likely to assist the domestic industry in making a positive adjustment by reducing costs, promoting efficiency or increasing sales; and

(3) the effect on domestic competition and American consumers.

The President may request the Attorney General or Federal Trade Commission, as appropriate under the circumstances, to consider the report, findings and conclusions of the Commission in considering enforcement action with respect to a merger or acquisition within the domestic industry, provided that the consideration of the submission by the Commission shall not be a subject of judicial review, and provided further that nothing in this section shall be construed as modifying the antitrust laws, including the Federal Trade Commission Act, or their application to mergers and acquisitions within the domestic industry.

2. Strike lines 8-12, p. 79 and line 1, p. 80 through line 8, p. 81.

METZENBAUM (AND OTHERS) AMENDMENT NO. 463

Mr. METZENBAUM (for himself, Mr. BURDICK, Mr. LEAHY, Mr. STAFFORD, Mr. MITCHELL, and Mr. CHAFEE) proposed an amendment to the bill (S. 1420) supra; as follows:

On page 79, line 16, delete the words "for alteration, easing, or elimination of" and insert in their place "to modify".

On page 81, lines 15-16, delete the words "for alteration, easing, or elimination of" and insert in their place "to modify".

On page 82, line 1, strike "(I)".

Strike on page 82, lines 5-10.

Replace the comma on line 4, page 82 with a period.

On page 82, strike subparagraph "(C)" and insert in lieu the following: "(C) if the determination made by the head of the department or agency under (B)(ii) is affirmative, the head of the department or agency may—

"(i) take any appropriate action that is within the scope of the authority of the head of the department or agency,

"(ii) recommend that the President take any appropriate action that is not within the scope of the authority of the head of the department or agency, but is within the scope of the authority of the President or of any other head of a department or agency of the Executive Branch, and

"(iii) recommend to the Congress that legislation be enacted to effect any action that is not within the scope of the authority of the President or of any head of a department or agency of the Executive Branch."

On page 83, delete lines 14-22, and insert in their place:

(E) Nothing in this Act—

(1) suspends, repeals, or modifies the provisions of any Federal law regarding the considerations, standards, requirements, or prohibitions in existing law regarding the promulgation, modification, or repeal of any Federal regulatory requirement;

(2) alters the standard for modifying any Federal regulatory requirement;

(3) affects the amount or type of evidence needed to modify any Federal regulatory requirement;

(4) alters the standard or scope of judicial review of agency action modifying any Federal regulatory requirement; or

(5) otherwise expands or contracts the scope of the authority of the President or any agency or department official.

CHAFEE (AND OTHERS) AMENDMENT NO. 464

Mr. CHAFEE (for himself, Mr. STAFFORD, Mr. BRADLEY, Mr. HATFIELD, Mr. BINGAMAN, Mr. SIMON, and Mr. GARN) proposed an amendment to the bill (S. 1420) supra; as follows:

On page 538, strike out lines 1 through 19.

SENATE RESOLUTION 246—TO HONOR IRVING BERLIN

Mr. MOYNIHAN submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 246

Whereas Mr. Berlin emigrated from Russia with his family to the United States in 1893 and became a resident of New York City;

Whereas Mr. Berlin began as a young boy singing on the streets of New York and worked all his life to become one of the most successful musical composers and publishers in American history;

Whereas Mr. Berlin had his first hit song in 1909, and wrote his first musical in 1916;

Whereas Mr. Berlin has composed the music and lyrics for over 900 songs, 19 Broadway musicals, and 18 films;

Whereas Mr. Berlin received the Congressional Gold Medal from President Eisenhower for his famous song "God Bless America" in 1955;

Whereas Mr. Berlin's music has been imprinted in the hearts and minds of Americans for over 70 years with songs such as, "White Christmas" and "There's No Business Like Show Business";

Whereas Mr. Berlin has contributed the proceeds from many of his songs to such esteemed organizations as the Army Emergency Relief Fund and the Girl and Boy Scouts of America; and

Whereas Mr. Berlin will be 100 years old on May 11, 1988, and deserves a national acknowledgment of appreciation for three quarters of a century of his talent: Now, therefore, be it

Resolved, That it is the sense of the Senate that Irving Berlin be recognized for his tremendous musical accomplishments and for the pleasure he has given to the American people.

● Mr. MOYNIHAN. Mr. President, I rise today to submit a resolution to honor Irving Berlin. Irving Berlin, who turned 99 years old this past May, has captured the hearts of the American people for over three-quarters of a century. While I realize that it is unusual to introduce a resolution honoring a living person, I believe that Irving Berlin deserves a national acknowledgment of our appreciation for his talent.

Mr. Berlin emigrated from Russia with his family at the age of 5, and became a resident of the Lower East Side of New York City. His father died when he was 8 years old and Mr. Berlin was forced to leave school to contribute to the support of his family. Because of his love for singing and music, Mr. Berlin began his career singing on the streets and collecting whatever change he could get. At the age of 17, Mr. Berlin obtained a job as a singing waiter at the Pelham Cafe in downtown New York. It was during his stint at the Pelham Cafe that Mr. Berlin's talent was first recognized and he was commissioned to write what would be his first hit song in 1909, "Dorando." His career escalated from there to make him the success he has become today.

Mr. Berlin is simply a musical genius. He has written the music and lyrics for over 900 songs, 19 musicals, and 18 movies. He had his first hit in 1909, wrote his first musical in 1916, and has not stopped writing since. As recently as 1962, he came out with the musical "Mr. President."

The number of hits Mr. Berlin has had is astounding. He has written songs such as "Oh, How I Hate to Get Up in the Morning," "Cheek to Cheek," and "Puttin' on the Ritz," among others. He has also written the scores for "Annie Get Your Gun," and "Top Hat." But perhaps the song he has received the most recognition for is "God Bless America," for which he received the Congressional Gold Medal from President Eisenhower in 1955. This song has become our unofficial national anthem.

Most astounding is that Mr. Berlin achieved all of this without ever having learned to read music.

Irving Berlin has entertained America with his songs for over three quarters of a century. His music has become symbolic of the American spirit just as his life is symbolic of the American dream—he is a success in the field he loves. Mr. Berlin has brought pure pleasure to the American people through his music. For this, Irving Berlin deserves national recognition. I urge my colleagues to support this measure.●

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will hold an oversight hearing on the Commodity Futures Trading Commission on Thursday, July 16, 1987, at 10 a.m. in SR-332. For further information, please contact John Podesta of the committee staff at 224-2035.

SUBCOMMITTEE ON NUTRITION AND INVESTIGATIONS

Mr. LEAHY. Mr. President, I wish to announce that the Subcommittee on Nutrition and Investigations of the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on the payment limitation issue on Tuesday, July 21, 1987, at 10 a.m. in SR-332. For further information, please contract Bob Andros of Senator HARKIN's staff at 224-3254.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. WARNER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, July 9, 1987, to consider the nomination of Martha O. Hesse to be Chairman of the Federal Energy Regulatory Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. WARNER. Mr. President, I ask unanimous consent that the Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Thursday, July 9, 1987, to conduct a hearing on the Office of Government Ethics' Review of the Attorney General's financial disclosure.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. WARNER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on July 9, 1987, to hold a business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. WARNER. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on July 9, 1987, to hold a hearing on part B of the Medicare Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. WARNER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 9, 1987, at 2:30 p.m. to receive a classified briefing on a possible arrangement with Egypt for the M-1 Abrams tank.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 9, 1987, to hold a hearing on ambassadorial nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. WARNER. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on July 9, beginning at 2 p.m., to conduct a hearing on the President's nomination of Kenneth C. Rogers to be a member of the Nuclear Regulatory Commission for the term of 5 years expiring June 30, 1992.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ANTITRUST, MONOPOLIES, AND BUSINESS RIGHTS

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust, Monopolies, and Business Rights of the Committee on the Judiciary, be authorized to meet during the session of the Senate on July 9, 1987, to hold a markup on S. 443 and S. 844.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

BUDGET SCOREKEEPING REPORT

● Mr. CHILES. Mr. President, I hereby submit to the Senate the budget scorekeeping report for this week, prepared by the Congressional Budget Office in response to section 308(b) of the Congressional Budget Act of 1974, as amended. This report was prepared consistent with standard scorekeeping conventions. This report also serves as the scorekeeping report for the purposes of section 311 of the Budget Act.

This report shows that current level spending is under the budget resolution by $0.3 billion in budget authority, but over in outlays by $15.9 billion.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 7, 1987.

Hon. LAWTON CHILES,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1987. The estimated totals of budget authority, outlays, and revenues are compared to the appropriate or recommended levels contained in the most recent budget resolution, Senate Congressional Resolution 120. This report meets the requirements for Senate scorekeeping of Section 5 of Senate Concurrent Resolution 32 and is current through July 1, 1987. The report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended. At your request this report incorporates the CBO economic and technical estimating assumptions issued on January 2, 1987.

Since my last report, Congress has completed action on H.R. 1827, making supplemental appropriations for 1987, changing budget authority, outlays, and loan levels in fiscal year 1987.

With best wishes,

Sincerely,

EDWARD M. GRAMLICH,
Acting Director.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 100TH CONGRESS, 1ST SESSION AS OF JULY 1, 1987

[Fiscal year 1987—in billions of dollars]

	Current level [1]	Budget resolution S. Con. Res. 120	Current level ± resolution
Budget authority	1,093.0	1,093.4	−.3
Outlays	1,010.9	995.0	15.9
Revenues	833.9	852.4	−18.5
Debt subject to limit	2,278.2	[2] 2,322.8	−44.6
Direct loan obligations	42.2	34.6	7.7
Guaranteed loan commitments	140.6	100.8	39.8

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval. In addition, estimates are included of the direct spending effects for all entitlement or other programs requiring annual appropriations under current law even though the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] The current statutory debt limit is $2,320 billion.

FISCAL YEAR 1987 SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, 100TH CONGRESS, 1ST SESSION AS OF JULY 1, 1987

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			833,855
Permanent appropriations and trust funds	720,451	638,771	
Other appropriations	542,890	554,239	
Offsetting receipts	−185,071	−185,071	
Total enacted in previous sessions	1,078,269	1,007,938	833,855
II. Enacted this session:			
Water Quality Act of 1987 (Public Law 100–4)	−4	−4	
Emergency Supplemental for the Homeless (Public Law 100–6)	−7	−1	
Surface Transportation and Relocation Act (Public Law 100–17)	10,466	−80	2
Technical Corrections to FERS Act (Public Law 100–20)	1	1	
Prohibit entrance fees at the Statue of Liberty Monument (Public Law 100–55)	1	1	
Total enacted this session	10,457	−83	2
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses:			
SBA Program and Authorization Amendments (H.R. 2166)	−43		
Supplemental Appropriations, 1987 (H.R. 1827)	4,212	3,018	
Total conference agreements	4,169	3,018	
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Special milk	2		
Veterans compensation	93		
Readjustment benefits	9		
Federal unemployment benefits and allowances	33	33	
Advances to the unemployment trust funds [1]	(3)	(3)	
Payments to health care trust funds [1]	(224)	(224)	
Medical facilities guarantee and loan fund	5	4	
Payment to civil service retirement and disability fund [1]	(33)	(33)	
Coast Guard retired pay	3	3	
Total entitlements	145	40	
Total current level as of July 1, 1987	1,093,039	1,010,913	833,857
1987 budget resolution (S. Con. Res. 120)	1,093,350	995,000	852,400
Amount remaining:			
Over budget resolution		15,913	
Under budget resolution	311		18,543

[1] Interfund transactions do not add to budget totals.

Note.—Numbers may not add due to rounding.

U.S. RELATIONS WITH ISRAEL

● Mr. BOSCHWITZ. Mr. President, I ask to have printed in the RECORD an article by Steven Spiegel that appeared in Orbis, entitled "U.S. Relations With Israel: The Military Benefits." It is one of the most comprehensive and best written articles I have read on the military benefits provided by our strategic relationship with Israel. It details the many ways Israel has repaid the assistance we provide. As only two examples, much of what we know about advanced Soviet weaponry we have learned from equipment captured by Israel. For that matter, much of what we know about the combat capability of sophisticated American arms we have learned from Israel's actual experience. As well, Israel has saved the U.S. defense industry millions in research and development by improving and refining our weapons.

Many of my colleagues point to our shared values with Israel and our joint commitment to democracy. Those aspects are indeed important and I believe enduring. But it is also important to realize that our assistance has a practical side and is in fact an economic and strategic bargain for this country. I heartily recommend this article to my colleagues. I am sure that after reading it they will agree with me what a bargain our strategic relationship with Israel really is.

The article follows:

U.S. Relations With Israel: The Military Benefits*

(By Steven L. Spiegel)

Discussions of the relationship of the United States to Israel regularly concentrate on one of two axes. Supporters of a closer relationship between the two nations focus on the moral obligation to a people that lost one-third of its number to the Nazis, the attraction of Israel as a Western-style democracy, and the importance of a reliable ally in a turbulent and unstable but crucial region of the world. Many in the national security bureaucracy believe that Israel has a right to exist in peace, but argue that an intimate relationship with Jerusalem is detrimental to U.S. interests. According to this view, the Israeli connection alienates Arab regimes, which would otherwise maintain closer cooperation with the United States to protect oil fields and supply routes. They argue that the Arabs would otherwise coordinate more closely with Washington's efforts to thwart Soviet expansion and to block the enhanced power of radical regimes. Advocates of this perspective often place the reasons for Soviet successes in the Middle East at Israel's doorstep. Many who take this position believe that the connection of the United States with Israel prevents the establishment of U.S. bases in the area. They argue that vulnerable conservative Arab regimes are afraid to associate too closely with the chief superpower sponsor of the Jewish state lest their radical Arab opponents retaliate against them.

In the 1980s, with the fall of the shah and the advent of the Reagan administration, it became fashionable for many politicians to begin talking about Israel as a "strategic asset." The meaning of this slogan was never clear, but it seemed to suggest that in an unstable region Israel's reliability and military prowess were advantages to U.S. interests in the area. Thus, Ronald Reagan claimed in an article in the Washington Post in the summer of 1979, "The fall of Iran has increased Israel's value as perhaps the only remaining strategic asset in the region on which the United States can truly rely."

Israel's ill-fated experience in Lebanon might have been expected to affect its reputation adversely, but as evidenced by the flowering of the Israeli-American relationship after 1983, America's own debacle in that tragic nation and the growing threat of international terrorism reversed the lessons drawn. At least to those who already held the position, Lebanon reinforced the notion that Israel is an advantage in a highly complex and dangerous region.

These discussions of the U.S. relationship to Israel have generally been conducted within the context of the Middle East. Yet Israel has had recurring experiences in the conduct of conventional warfare and the development of conventional arms. These experiences are applicable to U.S. interests. Instead of viewing Israel within the context of the Arab-Israeli dispute, this article will examine how Israel affects U.S. interests when seen in the global military context, which might yield important lessons for the ongoing debate concerning American conventional strategy.

Israel can be viewed in the global military context from five perspectives: its intelligence techniques, the implications of its battlefield experiences, the combination of a tight defense budget and a penchant for innovation, the effect of its activities on the calculations of Soviet planners, and the impact of its military performance on the reputation of U.S. arms.

ISRAEL'S INTELLIGENCE TECHNIQUES

Israel intelligence, widely regarded as the best in the Middle East, has consistently demonstrated its expertise and daring. American intelligence services have cooperated with their Israeli counterparts for more than three decades. Shared information has enabled the United States to save on training, deploying fewer intelligence operatives and utilizing fewer facilities.

On numerous occasions, Israeli intelligence has scored important coups regarding both the Middle East and the Soviet bloc. It is believed—and with good reason—that the Israelis have eyes and ears in most every Arab nation. Before 1967, for example, they successfully infiltrated one of their members into a high-ranking position with the Syrian government. Israeli agents also managed to convince an Iraqi air force officer to fly his never-studied-in-the-West MIG-21 to Israel. In the summer of 1977, the recently elected Begin government warned Anwar Sadat about an effort by Libyan-backed conspirators to overthrow him. The Israelis have also provided repeated secret warnings to the Saudis and have passed warnings to King Hussein about reputed plots to assasinate him.[1] As early as the mid-1950s, a former aide of Allen Dulles quotes him as saying, during an evaluation of "amateur" actions of Arab intelligence services, that Israel's intelligence operation was the "only one on which we can count. Not against the Arabs, of course, but against our common target, the Russians." In testimony to this statement, Mossad gained a copy of the famous Khrushchev speech to the Soviet Central Committee in 1956.[2]

Israel has long been at the forefront of the battle against international terrorism. Years ago the upper echelons of the Palestine Liberation Organization were penetrated.[3] In the Lebanon War, Israel captured a treasure of documents about terrorist activities worldwide. In 1985 it warned Italy that one of its cruise ships might be hijacked, and then taped radio transmissions from the ship when the *Achille Lauro* was later seized. When the hijackers were about to be flown out of Egypt, Israel's monitoring of radio communications enabled it to provide the United States with such data as when the plane would take off and what the registration number on its tail was. This supplement to American information was crucial in facilitating identification of the plane in the skies over the Mediterranean, which led to its being forced down in Sicily.[4]

Despite the continued popularity of cloak-and-dagger tales, in the 1980s intelligence gathered by electronic devices rather than by human spies has become central to the collection of intelligence data. Israel has become not only a provider of information, but also an important developer of instruments designed to collecting intelligence data. The Israelis have helped devise intelligence systems with U.S. corporations like Boeing, Sylvania, RCA, E-systems, Beechcraft, and 21st Century Robotics. In each of these cases, Israeli sponsorship saves dollars, because the Israelis assume the development costs, after which the United States either adopts the already refined product or benefits from the information acquired. For example, the Israelis spent over $100 million developing a small plane, "the Guardrail V," which serves as a tactical intelligence system. This effort saved the U.S. Army $70 million. On some systems the Israeli contributions to their own intelligence-gathering capabilities has implications for U.S. operations in other regions. An intelligence balloon developed by Israel for more than $100 million is now being used by the United States to monitor activities inside Cuba. Indeed, one expert estimates that 60 to 70 percent of high technology intelligence equipment developed in Israel is also being used by the U.S. intelligence community.

Israeli experiences contribute in other ways. In March 1985, the Israel Defense Forces (IDF), the U.S. Army, and NASA began testing the Wasp remote control mobile robot for antidemolition tasks. During the Summer Olympic Games in Los Angeles, an Israeli intrusion detection system (DTR) was used on the fences that protected the world's athletes.[5]

THE IMPLICATIONS OF ISRAEL'S BATTLEFIELD EXPERIENCES

The Israelis cannot contribute to such areas as strategic weapons systems or aircraft carrier technology, but Israel is the only nation recently to fight repeatedly on the front line against the authentic electronics, aircraft, and artillery of the Soviet Union. The lessons learned cannot be purchased, developed or simulated. The advantage Israel offers is not only data but experience, technique, and tactics that—with the rapidly changing technology of modern warfare—cannot be gained elsewhere.

The Israelis have provided crucial information about the latest Soviet weaponry, especially because much of the equipment recently gained by Damascus from Moscow is similar to that possessed by the Warsaw Pact nations and the Soviets themselves. One of the more spectacular items that Israel gained from the Egyptians in the 1969-1970 War of Attrition included an entire Soviet radar station. Similarly, the U.S. defense community learned many lessons from Israel's experiences in the 1973 war. Because weapons systems are designed according to performance objectives, Israeli military experiences reinforce and often contribute to research and development activities in the United States. In 1975, Dr. Malcolm Currie, then director of defense research and engineering, testified before Congress:

"The war has provided much evidence which helps to clarify our perspective on our own R&D programs. . . . For the most part, the war confirms that the United

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Footnotes at end of article.

States has been on the right track in developing and acquiring weapons. In some cases, the war has clarified our understanding and this has led . . . to acceleration of certain programs or assignment of high priority to certain characteristics in ongoing programs."[6]

In this manner the Israeli experience in the 1973 war highlighted the importance of antitank systems, air-to-air combat (the continued role of dogfighting in aerial conflict), and electronic jammers.[7]

Similarly, the Israelis helped the United States acquire knowledge about Soviet equipment and how American weapons performed in combat with that equipment. Initially in 1973, the Israelis were vulnerable to some of the new Soviet surface-to-air missiles used by the Arabs. This situation, although difficult for Israel, became a tactical bonanza for the United States: "The Israelis, using our equipment, learned to deal with those systems. . . . The intelligence we have obtained from that conflict will enable us to modify our electronic jammers and so on to take better account of what we know about the surface-to-air missile."[8] The myriad of specific details shared over the years have been similarly important, especially during involvement of the United States in Southeast Asia.

In the 1982 Lebanon War, the Israelis were able to inspect electronic equipment from the remains of several MiG-23s and one MiG-25, which has been shot down, providing the basis for adjusting operational tactics and improving American weaponry to counter equipment of Soviet design.[9] The Israelis also devised a method of destroying the T-72 tank, the Soviets' main battle tank, which is the principal weapon on which the Warsaw Pact relies for an offensive in Europe and which was hitherto considered difficult, at best, to penetrate. They did so by the relatively simple means of developing a modified 105mm shell that pierced the tank's composite armor.[10] Development of ways to protect their own men and to penetrate Soviet tanks was one important outcome of Israel's wars.

After the Yom Kippur War, six Soviet T-62s were sent to the United States; one was to be disassembled, one sent to Fort Knox, one sent to a location near Washington, and three used as "aggressors" for exercises. Israel's recent innovations and successes in antitank weaponry prompted the armies of several Western states (Canada, West Germany, Denmark, Sweden, and Switzerland) to adopt Israeli ammunition.[11] The Lebanon War also highlighted the vulnerability of light-armor vehicles and the need to provide improved protection systems.

In Europe, military experts have identified two other major Israeli innovations from the 1982 war, which will assist NATO commanders in the continent's defense. The first deals with packages of add-on armor that are attached to tanks and reduce the vulnerability of the vehicle to antitank missile and rocket fire. Second, and of greater importance, the Lebanon War provided lessons in the use of antitank helicopters deployed for extensive use in combat. This use has encouraged NATO defense planners, who are designing a 4.5 ton antitank helicopter for mass deployment in the 1990s along the Russian front, armed with a "fire and forget" missile with a range of 4,000 meters. This weapon is being developed to compensate for the lack of all-weather and day/night capabilities, some of the deficiencies in antitank helicopters discovered by the Israelis during the Lebanese engagement.[12]

As illustrated by these cases, Israeli experiences affect the timing and direction of large sections of the conventional research and development programs of the United States, thereby reducing expenditure on faulty programs. By demonstrating the relative utility or weaknesses of established weapons and revealing the latest innovations of the Soviets, years are saved by enabling unnecessary American programs to be terminated early and others to be initiated long before their importance might have been realized. Thus, the Israeli experience in the 1967 war strengthened the case for a highly maneuverable air superiority fighter, helping the development of the F-16. The 1973 war highlighted the new significance of electronic warfare, leading to intensified development of such weapons as air-to-ground, antiship, ground-to-air missiles, and electronic countermeasures. Both wars, in retrospect, demonstrated the continued viability of tanks, whose future utility many has questioned. For example, Israeli experiences significantly influenced the development of the M-1, the latest American main battle tank (MBT).[13]

Israeli combat experiences have led to (1) decreased use of searchlights, (2) increased use of thermal sights for night fighting, (3) greater use of tanks and armored personnel carriers (APCs) in tandem, (4) improvements in command, control, and communications facilitating the coordination of air, land, and sea operations down to the unit level, (5) use of electronic warfare in reconnaissance units, and (6) enhanced air-to-air missiles and electron countermeasures.[14]

It is not that the U.S. armed forces copy Israeli systems and approaches; each respective army and air force has its own particular concerns. Rather, the Israelis have identified problems and influenced solutions. They are affected by their experiences, especially because many technical challenges cannot be addressed conceptually until they are discovered in combat. It is the Israeli sharing of experiences gained and lessons learned which is especially valuable. In this period, when wars are shorter and attrition rates are progressively higher, the power of weapons has been enhanced and increased mobility is essential.

A particularly dramatic example of the value of Israeli experiences short of actual battlefield conditions occurred in 1975, when the Israeli army High Command began receiving reports that something was wrong with a critical type of ammunition its troops were using in training exercies. Upon investigation, the High Command discovered that Israeli-manufactured shells where operating adequately but that the majority of Israeli shells came from the United States and most of the ammunition was not performing. When informed, U.S. officials were incredulous but were ultimately convinced that, indeed, the American-manufactured munitions were not functioning properly. Finally, U.S. experts discovered that adjustments were required in most American shells that were in stockpile worldwide and immediately set about correcting the problem.

The process, however, took several months, until the new shells could be supplied. During this period the Israelis were placed in a dangerously exposed position in the event of an Arab attack, as had happended just two years earlier. The United States would have been similarly inhibited if a Warsaw Pact attack had occurred in Europe or a crisis had emerged in Korea. The Western powers were left without an effective way of confronting an armored onslaught both in the Middle East and in Europe. Only the Israelis had discovered the problem in the first place.[15]

It is obviously not in the interest of the United States or of Israel for periodic wars in the Middle East to occur. However, once conflicts have been initiated and battles have been fought, there is no reason—despite an aversion to war in both nations—not to admit the value for the United States in terms of the enhanced credibility of U.S. arms, the lessons learned, and the lost credibility of Soviet weapons.

THE COMBINATION OF A TIGHT DEFENSE BUDGET AND A PENCHANT FOR INNOVATION

The Israeli penchant for technological innovation helps to offset the effects of their tight defense budgets and creates intriguing solutions to conventional defense problems at lower costs. This propensity for innovation and their technical expertise helps to explain Israeli military successes. The persistent Arab-Israeli conflict, in conjunction with the nation's small population, creates an environment in which many of the most talented and able personnel in Israel must serve in the military. The need for reserves provides an additional large pool of civilian scientists, mechanics, and engineers who are acquainted with the technical requirements of the military. Because of the pressures of living with hostile neighbors, the Israeli public supports the military and its needs to an extent not found in other contemporary Western societies. Israel is the only Western nation where military requirements are seen as absolutely necessary by all strata of society. Consequently, there is a degree of cooperation between the military, civilian, scientific, and academic communities that is unparalleled in the West. This situation dramatically improves Israel's technological capacities, especially because a high percentage of Israel's civilians have military experience. Many in the defense-scientific area work on improving weapons that they will later use in combat.

In general, Israeli research and development procedures are quicker and cheaper than those in the United States—in part because the hard-pressed Israelis cut corners and are more flexible, since they live under the perception of imminent danger; in part because their small size limits inhibiting regulations; and in part because their small budgets impose greater cost constraints. Improvisation and shortcuts are the Israeli specialty, and they operate on a quick-reaction crisis basis that permits crash programs not possible with standard peacetime procedures in the United States. Therefore, the U.S. armed forces can and have benefited from Israeli developments whose licenses are later sold to U.S. companies for larger production. Recent examples include various types of mine- and obstacle-clearing equipment in which Israel is particularly advanced, the American SMAW (shoulder-launched multipurpose assault weapon) warhead matched with an Israeli-designed B-300 rocket launcher purchased by the Marines from McDonnell Douglas as an antifortification device, and newly developed air filters for helicopters to keep out sand particles and preserve the engines (an example of the dangers of working without filters is exemplified by the disastrous rescue raid over Iran in April 1980). A Counter Obstacle Vehicle for use by the Army Corps of Engineers is being developed in the United States to Israeli technical specifications in an unusual joint project. In cooperation with a Pennsylvania-based company, BMY, the Israelis are also assisting in the development of a Heavy Assault Bridge for the United States' newest main battle tank, the M-1.[16]

Israeli innovations have a wide application. The Israeli air force, faces a complex challenge. When an Israeli fighter takes off, the pilot does not know whether he will confront Soviet, European, or American equipment in hostile hands. This complicated threat drives Israeli developers and designers to search constantly for improvements and refinements and to produce or conceive of new operational systems because of the diversity of the challenges they face. Necessity forces them always to probe the fringes of the latest technical limits, to look forward to the next war rather than backward at the last one. Because of the close integration of Israeli inventors with U.S. corporations, the United States inevitably benefits in its larger programs from sharing Israeli concepts and ideas, helping American developers to enhance the future operational capability of U.S. weaponry by pressing for higher requirements.

American arms are generally the most sophisticated produced by any nation. There are still several examples of Israeli modifications of existing U.S. weaponry adopted by the U.S. armed forces. The following pattern has occurred repeatedly: (1) The Israelis receive permission to purchase an American weapon, for example, the F-15. (2) They then deal directly with the company producing the weapon. The Israeli team may request particular features in which the Pentagon is not interested, or it may be offered features the Defense Department was not prepared to develop. Often the Israelis are informed that if they will pay the research and development costs to build the feature for themselves, the American company will include the item in their model of the weapon. (3) The Israelis then approve the company proposal, the item is developed, and they deploy it. (4) Once the weapon has been built with the feature that the Israelis paid to have developed, the Pentagon may adopt it for versions of the weapon procured for American use. A few recent examples of this process include the conformal fuel tanks on the F-15, leading edge slats for the F-4E Phantom, an external fuel tank for the M-113A, modification of the M-109 self-propelled 155mm artillery piece, a Head-UP Display and a weapons delivery system for the A-4N Skyhawk, bomb racks for the F-16, certain types of FLIR night vision equipment, and a digital weapons delivery system for the F-4 Phantom.[17]

Similarly, Israeli experiences have become important to the improvement of U.S. equipment, potentially saving American lives and certainly cutting costs. Just realizing that a problem exists with a piece of equipment may be more critical than providing a solution. Several examples follow:

Israeli aircraft are operated under far more severe conditions than those of other nations; they suffer "fatigue damage" much earlier. When the Israelis expend funds refining their American-built aircraft, this knowledge is passed on to the United States. The same can be said for the operation of American air-to-air and air-to-ground missiles.

Because of budgetary constraints, the Israelis are forced to operate American planes more efficiently at lower cost than the United States itself, thereby providing ample lessons to be learned on maintenance and readiness.

Israel discovered problems in the fuel pumps of the F-100, the engines for the F-15 and F-16, and it provided American engineers with ideas on how to deal with the difficulties. In all, the Israelis have made *twenty seven substantial recommendations for changes in the F-15.*

The Israelis learned from combat use of the M-60 tank before the October 1973 war that its hydraulic fluid was highly flammable, thereby increasing casualties. This discovery led to the adoption of measures to prevent such casualties in the future. Over the years, Israel has made *114 modifications of the M-48 and M-60 main battle tanks*, many of which (such as improvements on tank air cleaners and the development of new cupolas for the M-48) have been adopted by the U.S. Army. Israel has also developed many of the armored protection systems in the British and other NATO armored vehicles, which in turn has influenced U.S. tanks.

The ideas of General Israel Tal, father of the Israeli Merkavah MBT, have influenced the further development of German, Swedish, and American tanks and armor tactics.[18] His main emphasis is on making the survivability of the crew the first priority, accomplished by increasing the vehicle's mobility and by leaving as small a target area exposed as possible.

The Israelis have successfully developed dry-clad storage for their tanks so that they can be kept in storage for years and can still be used quickly in a crisis.

When the United States built two new airfields in the Negev to replace Israel's Sinai facilities (returned to Egypt in April 1982), it became clear that Israeli methods were cheaper once Israeli developments in airfield construction were shared with the Army Corps of Engineers.

When the U.S. Army built a new combat training center at Fort Irwin near Barstow, California, the facilities and programs were based generally on Israeli methods.

Other Israeli innovations and advanced maintenance and repair technologies have been transferred to the United States, as well as to other nations from which Israel purchased weapons. Israel Aircraft Industries (IAI) has developed metallurgical heat treatments that increase the lifetime of turbine engine blades by reducing blade "creep," which is the slow deformation of these crucial jet engine components. In addition, the Israelis developed improved fuel-nozzle rings for the A-4 Skyhawk using electron beam welding techniques developed by IAI. These state-of-the-art maintenance adaptations have found their way into U.S. companies, including Pratt & Whitney, one of America's largest and most important jet engine manufacturers.[19]

During the Franco-Israeli entente, the Israelis made several modifications of French-made Fouga Magister jet-trainers and of the Mirage 3 combat aircraft. IAI improvements of the Fouga included plastic aircraft components and a radio compass for improved navigation capabilities; both features were innovations in military aircraft. These modifications turned the trainer into an attack and ground-support aircraft, several of which saw extensive action during the 1967 Arab-Israeli war. New avionic components were installed in the Mirage-3, improvements which were adopted by the French in their Mirage-5.[20]

The 1982 war revealed the utility of remotely piloted vehicles (RPVs). The Israelis had been the first in the world to deploy mini-RPVs as an antimissile system operationally and successfully. They also demonstrated that intelligence could be gained during battle more cost-effectively and at a dramatically lower risk to the lives of airmen.

By contrast, in 1976 the American RPV program was almost terminated because of early vehicle losses. Originally, the RPV was developed in the United States as an expendable warplane that would not need a pilot. Experts predicted unmanned aircraft capable of "dogfighting" by remote control and "carrying out strikes in support of ground troops with pinpoint precision."[21] Out of the 986 RPVs once built, however, only thirty-three still existed in the United States by 1982, and all those were is storage. Yet Israel's use of the mini-RPV in Lebanon has renewed United States interest in its own RPV programs. In fact, the most advanced American model, the Aquila, did not complete its first successful test flight with a stabilized TV camera until April 1984. A sense of urgency also surrounds the development of an effective American RPV; testimony indicates that the Soviet Union is already into its second generation of pilotless drone development.[22]

In addition to its having been battle-tested, the Israeli mini-RPV is far cheaper than the American Aquila, whose development cost, once estimated at $350 million, is now anticipated to cost the American taxpayer $2.17 billion. In stark contrast to this cost overrun of over 600 percent, the Tadiran Mastiff cost about $15 million to develop. The IAI's Scout is priced at less than $5 million for a system of five mini-RPVs, including spare parts and training.[23] Obviously, the American RPV, when completed, will be far more sophisticated, but it will also be far more expensive, and it is not yet available.

It is not Israel's development of the RPV so much as the unique way it was put to use that is of greatest significance. It is evident that the U.S. defense community did not conceive of using RPVs against Soviet missile emplacements. At most they perceived the RPV to be a reconnaissance craft or unmanned attack platform. Israel's use of the RPV will be a technique incorporated by the U.S. armed forces to their benefit. Indeed, one Technical Committee paper concluded that unmanned vehicles are now seen as offering a partial solution to many U.S. and NATO problems confronting the numerical superiority to the Warsaw Pact's military. Although the more expensive Aquila will be more complex than the Israeli RPVs, the utility of the latter to the U.S. military is demonstrated by the decision of the U.S. Navy to purchase them for maritime use. The Mastiff was used by the U.S. Marines for battlefield reconnaissance in Lebanon from the amphibious assault ship USS *Guam.*[24]

Israel's military ingenuity has impressed the U.S. Navy so much that in April 1985 the two nations entered an agreement to jointly develop a number of weapons systems, with the United States assisting Israel to pursue several projects. These include a new ship-to-ship missile, electronic decoys, submarines, and a corvette (the SAAR 5).[25] The navy also appreciates the performance of Israeli-designed piloted aircraft; it has leased twenty-five Kfir C-1s for its "Adversary and Aggressor" aircraft program. The Israeli aircraft will play the role of high performance Soviet fighters in combat simulations with navy interceptors. Israeli pilots are also in the United States training

U.S. pilots and passing on the fruits of their experiences.[26]

The Israelis are particularly adept at improving older weapons, making it worthwhile to keep them in production. This saves the United States new development costs and facilitates exports to nations that cannot buy the latest models. They also have contributed to maintaining competition in bids for Pentagon contracts, thereby keeping costs down by providing contracts to companies for particular types of equipment. Without these contracts, several companies would have removed themselves from a particular type of work, limiting the field of future competitors and costing American jobs. For example, Israeli improvements on the M-48 have made these thirty-year-old, Korean War-vintage tanks still reliable weapons platforms. According to Gerald Steinberg, "The Israelis have equipped the M-48s with new diesel engines, larger 105-millimeter guns, new armor, computers, laser range finders, and night-vision infrared systems. With these additions, the "obsolete" M-48 is superior to the newer U.S. M-60, and in many respects it is equivalent to the improved M-60A3 still used by the U.S. Army."[27]

In several other areas, Israeli innovative techniques are useful. The Israelis have pioneered in military medicine, providing means of saving lives in emergencies in an arena where the United States has had less recent experience. Israel's new fighter aircraft, the LAVI, which is being developed in conjunction with several American firms, especially Grumman, has aroused controversy in both nations. Yet, Israel's ability to undertake the project suggests the comparatively advanced state of its technical capabilities. Given the close and growing level of cooperation with the United States, any new technologies that emerge from this enterprise will necessarily be shared. Similarly, in 1986 Israel formally became part of the Strategic Defense Initiative program.

In sum, Israel is constantly feeding information back to American defense contractors and military services about the strengths and weaknesses of defense equipment, which leads to frequent changes in American systems. The information is also utilized so that the company involved is able to maintain the same or similar production lines, thereby lowering costs. Renovation of production lines can be extremely expensive, particularly if a major change is involved. Thus, by assisting in the prevention of major renovations, Israel helps individual American firms save funds that can be reinvested in research and development activities.

THE EFFECT OF ISRAEL'S ACTIVITIES ON THE CALCULATIONS OF SOVIET PLANNERS

Since Israel is both the most effective military power in the Middle East and closely aligned with the United States, Soviet planners must take into account the deficits created thereby. Israel regularly embarrasses clients using Soviet weaponry, provides intelligence to the West on the performance of these weapons, and provides practical assessments of Soviet bloc arms when they are captured.

As a further problem for the Soviets, the Israelis have even been particularly successful in modifying and upgrading captured Soviet tanks. Hundreds of Soviet T-54 and T-55 tanks captured during the 1967 war have been converted into totally new vehicles, improved sufficiently enough that one military analyst bluntly wrote, "No doubt, given the opportunity, both Soviet and Arab tank crews would gladly exchange their original tanks for the Israeli model." Among the improvements are enhanced firepower, upgraded powerpack, and greater regard for human engineering.[28]

An especially dramatic event occurred in 1982, when Israel proved that there was a means of breaking the antiaircraft missile wall that the Soviets thought they had developed against Western air forces. This development is bound to have cost Moscow heavily. Assuming the Soviets wished to keep their air defense concept viable, they would have had to make major adjustments and improvements in their entire air defense system, including changing production lines and developing new equipment. Of all of Israel's defeats of the Arabs, this victory is the most costly to the Soviets in technical terms because of the sophistication of the weaponry involved and the challenge to an entire defense concept. Since this system is similar to the Warsaw Pact air defense system currently deployed in Eastern Europe, the Israeli achievement affects the conventional balance between the United States and the Soviet Union as well. An impression of weakness in the Soviet air defense system revealed by Israel's action in Lebanon is reinforced by the apparent numerous errors made by Soviet personnel, which presumably led to the shooting down of Korean Air Lines Flight 007 in September 1983.

One Central Intelligence Agency estimate suggests that the Soviets regularly spend about 12 percent of their overall defense budget on air defense systems (primarily missiles, guns, and associated radar)—more than they spend on their strategic forces. Adding the cost of the MiG-21 and MiG-23 interceptors, which are part of the Soviet air defense complex, produces a total of about 20 percent of their entire defense budget—about the same as their navy.[29] That such a substantial percentage of their defense operations should be compromised must be seen as nothing less than a major blow to vital Soviet defense concerns. In this light, it is understandable that high-ranking Soviet intelligence and air defense experts began to swarm over Syria after June 1982. The initial batteries of SAM-2, -3s, -6s, -7s, and -9s were augmented first by SAM-8s and then, after the Israelis destroyed these, by the longer-range SAM-5s and short-range SAM-13s after the war. This time they were operated at first by larger numbers of Soviet technicians.[30]

This overwhelming evidence of the significance of Israeli technical victory has been met with three augments, all decrying its importance. The first is that the Israelis operated with impunity because they were in combat with the Syrians, not the Soviets. This is undoubtedly true, but the Syrians had been trained by Soviet advisers. Moreover, not counting Afghanistan, which is hardly comparable, the Soviets have not had serious combat experience in a major operational role (with the exception of "volunteers" in Korea) since World War II. In August 1970, when the Israelis surprised five jets piloted by Soviets near the Suez Canal, they were all summarily shot down. The Syrians, for their part, fought well in October 1973. They certainly acquitted themselves well on the ground. It would have been more difficult for the Israelis against the Soviets, but there is no reason to believe that the final results would have been different. The Syrians should not be underestimated.[31]

A second argument used against the significance of the military results of Israel's attack on Syria's missiles in Lebanon is that the Syrians do not receive first-line Soviet equipment. If the stand on the Soviet vs. Syrian personnel is debatable, this position is misleading. Between 1974 and the spring of 1982, the Soviets shipped arms worth $30 billion (not counting approximately 20 percent extra for auxiliary subsystems, spare parts, etc.) to the Arab states—primarily Syria, Iraq, Libya, Algeria, South Yemen, North Yemen, and, until 1975, Egypt. Actual deliveries included 8,800 tanks, 5,000 armored personnel carriers, 3,000 military pieces, 180 surface-to-surface missile launchers (including the Frog-7 and the Scud B), 1,300 combat aircraft (not including transports), 300 helicopters, 370 antiaircraft batteries of all kinds, and 90 naval vessels (including 46 missile boats, of which more than 75 percent were for use in the Mediterranean). These were not out-of-date weapons; rather, the Arab nations have been supplied with a more advanced mixture of hardware by the Soviets than many of their own units. Previously, the Soviets sent equipment that was five years old; now they are sending material that is perhaps two years old.[32]

Except for the first echelon of Soviet troops and the East Germans, the Arabs have regularly been the first to receive the latest in Soviet weaponry. For example, the second and third echelon units in the Soviet Union (mainly reserves) are still to a large extent equipped with T-54 and T-55 tanks, as are most East European countries (Poland and Czechoslovakia both produce the T-54 and the T-55). These are not good enough for the Syrians, who rely primarily on the T-62 and the T-72. Arab nations received the SAM-6s, -7s, and -8s before the East Europeans (except the East Germans). The SAM-5 was first deployed outside the Soviet Union in Syria. The Soviets only later deployed SAM-5s in Eastern Europe. Syria is today phasing out the MiG-21, which is still the backbone of the Soviet Tactical Airforce. In addition to possessing MiG-25s and -27s, it is about to receive the MiG-29. The 5,000 armored personnel carriers delivered to the Arabs from 1974 to 1982 would have enabled the Soviets to equip twenty to twenty-five divisions. many divisions in the Soviet Union today are still equipped with trucks.[33]

The problem the Soviets face is that they send much of their first-line equipment to the Arab states—otherwise, they cannot continue to compete politically or economically with the West in the Middle East. The Arabs are very quick to blame their poor military showing on Soviet equipment. In order to convince the Arabs that they are receiving weapons comparable to those received from the West by the Israelis, Moscow compensates by sending the latest materiel. This explains why the Arabs receive the most advanced weaponry earlier than such regular Soviet customers as North Korea and Cuba. Although they take cash when they can get it, the Soviets often agree to barter deals and even ship prior to payment. They prefer to be paid, but they will settle for influence; arms shipments constitute the main attraction they represent to those Arab states still prepared to align with them.

If the Soviets did not deliver thousands of weapons to the Arabs, they would still produce and supply them in greater quantity to their own units and to the East Europeans. In this case, they would not confront the risk of broken intelligence secrets, which is inevitable once they send weapons to the Middle East. Therefore, the argument that the Syrians suffered from inferior equipment in 1982 simply is not accurate. In most cases, the Israelis face the same type of equipment the United States would face in a conventional war with the Soviet Union, a condition that has intensified as a result of the even greater sophistication of the arms delivered to Syria since the June 1982 Lebanon conflict.

The most convincing argument against the significance of the war's developments from the West is that now the Soviets are forewarned of the deficiencies in their systems and they can adjust accordingly. The West, in turn, will have to counter these adjustments.[34] The argument is deceptive. First, it assumes that the Israeli-Syrian confrontation represented an East-West conflict. However, battlefield conditions in the Middle East are not similar to other arenas of East-West confrontation. For example, cloud cover is extremely rare in the Middle East; this is not the case in most other major crisis areas (particularly Europe and the Korean peninsula). The weapons used against the SAM sites in the Bekáa Valley were also built to Israeli specifications and did not precisely equal American systems. Similarly, the Israelis did not use all available American systems, so that several could not have been compromised. The Israelis were also able to learn what types of tactics to use in specific situations, which will help both the IDF and the U.S. armed forces in the future.

Indeed, the actions taken by the IDF indicate that they constantly change their tactics and approaches, so any information the Soviets may have gained from the battles of 1982 is now obsolescent. The Soviets are trying to determine how the Israelis were able to totally defeat their SAM umbrella through the deployment since 1982 of tactical electronic intelligence (ELINT) helicopters along the Syrian-Israeli border. They have installed in Syria improved countermeasure equipment and satellite links to Moscow, and they have deployed special teams to operate radar and communication links. They have also attempted to upgrade Syrian command, control, communications, and intelligence (C^3I) performance. These moves suggest that the Soviets have not been quite sure how to deal with Israeli advancements and consequently have used traditional Soviet tactics in order to deal with the threat.

It will take several years for the Soviet Union to prepare appropriate new systems and to make extensive renovations in existing systems. This process is very expensive and will rely on stagnant data, frozen in the tactics and technology of June 1982. While the Soviets alter their air defense system based on the lessons of 1982, the Israelis and the Americans are also adjusting. Even worse from the perspective of Soviet planners, one of their systems was breached. They can try to make it less vulnerable, but it is easier for the West to adjust to these changes than for the Soviet Union to develop them. Besides, since Israel exposed her secrets to the United States as well, the United States also now knows how to penetrate the system.

Thus, both sides learned valuable lessons in Lebanon, but the Western powers still have the advantage. Since the information is shared, only the Israelis and the Americans know why the Soviet equipment was soundly defeated. The Soviets are reduced to adapting, guessing, and hoping that the technical personnel they sent to Syria after June 1982 produced adequate answers. To the extent that they must renovate their air defense umbrella instead of expanding into new arenas or improving offensive weapons, the Western position is strengthened, both because of reduced Soviet offensive readiness and because of reduced Western costs to counter new Soviet equipment.

The 1982 war affected U.S. and Soviet fortunes in opposite directions. The credibility and reputation of Soviet arms were seriously damaged. It will take a major new confrontation for them to recoup lost prestige, which may be one reason they sent SAM-5s and twelve SS-21 surface-to-surface missile launchers to Syria, and why they continue to subsidize Assad's armed forces heavily. In this regard, they are rumored to be about to deliver SS-23s, SAM-11s, and SAM-14s. In addition, the failure of Soviet arms, especially the air defense umbrella, affects adversely the confidence of Soviet and East European military planners in the reliability and capabilities of their equipment.

On the other hand, the United States has gained immeasurably. The technical victory was a boost to the reputation of the reliability of American-made arms. For example, the much-maligned TOW antitank weapon had a 72 percent kill rate (99 hits out of 137 fired) in Lebanon in the hands of the Israelis, while the Cobra helicopter proved to be a highly effective antitank weapon as well.[35] In Europe, the Israeli performance alters the psychological atmosphere by proving the efficacy of American technology and raising nagging doubts for the armies of the Warsaw Pact.

In another unexpected area the Israelis also affect Soviet calculations. Although not noted for its naval prowess, Israel has become a major surface power in the eastern Mediterranean. Since relinquishing the Sinai in April 1982, the Israelis have concentrated the bulk of their Aliyah, Reshef, and Saar III missile boats off Israel's west coast. Coupled with her powerful air force, the IDF effectively dominates the seas for the 250-300 nautical miles off the Israeli shoreline. This area represents 12.5 percent of the Mediterranean, including ports and other facilities of crucial importance to the United States and the Soviet Union.

Israel is also becoming progressively important to the operations of the Sixth Fleet: to the maintenance of U.S. ships and aircraft and to the use of Haifa as a port of call for shore leave for American servicemen. These opportunities assume added importance in the light of worsening relations with Greece.

Since late 1983, officials from both nations have been meeting on a regular basis to discuss combined planning joint exercises, and prepositioning of U.S. equipment in Israel. Joint antisubmarine exercises have been held in the Mediterranean, and medical exercises have been held to simulate the evacuation of U.S. forces from navy ships to Israeli hospitals. The two nations have reached agreements concerning the use of Israeli facilities in emergencies.[36]

Despite the Reagan administration's naval buildup, combat vessels that were once routinely a part of the Sixth Fleet have been diverted to other theaters of operation. The single carrier that usually operates with the Sixth Fleet does not give the United States naval superiority in the Mediterranean because of the Soviets' dramatic buildup in surface combatants and long-range bombing capabilities. In addition to their Mediterranean squadron, the Soviets can utilize forces from their Black Sea fleet. This capability was demonstrated during the October 1973 war, when the Soviet squadron grew from 52 vessels to 95 warships (including 51 combatants) in one month. By contrast, even if the U.S. deployed a two-carrier American battle group it would have no more than 35 ships, only 19-22 of which would be combatants.[37]

The presence of Israel compensates for the diminution of American forces. For example, a few years ago it was reported that a U.S. Navy investigation determined that Israel's air force was capable of destroying the entire Soviet Mediterranean fleet.[38] Secretary of Defense Caspar Weinberger has stated that "the Soviets would dearly love control over the Middle East's resources and strategic choke points, but Israel stands determinedly in their way." [39]

Because the Israeli presence bolsters diminishing U.S. capabilities, the Soviets would have to hesitate before committing their Black Sea fleet's estimated 100 Tu-16 Badger, Tu-22 Blinder, and Tu-26 Backfire bombers to conflict with the West in the Mediterranean. Even the dozen Forger attack aircraft from the Soviet's only aircraft carrier, the *Kiev*, would hardly be a match for the American F-14s and Israeli F-15s and F-16s.[40] Since Israeli as well as American forces must be taken into account if the Soviet air force wishes to entertain operational activities in the vicinity, it must expend much greater forces, and its preparatory expenses must be a great deal higher, to confront not only the normal U.S. air cover over the Sixth Fleet, but the Israeli air force as well.

THE EFFECT OF ISRAEL'S MILITARY PERFORMANCE ON THE REPUTATION OF U.S. ARMS

Arms sales represent an ironic example of the effect of Israel's military successes. Since the War of Attrition in 1969-1970, Israel has advertised the proficiency of U.S. weaponry in combat. This process has been expanded considerably as a consequence of the Lebanon War in 1982.

U.S. arms sales worldwide from 1972 to 1982 nearly tripled from about $6.8 billion to $19.6 billion in constant 1982 dollars. Washington's efforts to strengthen regional proxies and reduce America's military commitments abroad, led to an expansion of military transfers after the late 1960s. After the 1973-74 oil crunch, arms sales were also seen as a way to recycle the petrodollars paid to oil producers back into the American economy. Consequently, by 1982, Arab states accounted for 50 percent of U.S. sales worldwide, compared with 11 percent in 1972. Sales increased tenfold, from $0.7 billion to $7.8 billion annually in the ten years in constant 1982 dollars.[41]

Even though Israel's American supporters have occasionally been able to restrain arms sales to Arab states, these sales have flourished. Ironically, Israeli weapons capability makes American arms attractive to Arab nations, precisely because the Israelis have succeeded so well with them. Even several of the weapons systems improved by the Israelis have been sold to Arab nations by the United States. Modifications in F-15s and F-16s suggested by the Israelis were then incorporated in the models sent to Arab countries. The conformal fuel tanks for the F-15 have been sold to the Saudis; E-Systems has had sales to Saudi Arabia and Egypt of equipment to which Israel contributed; about thirty helicopters with Israeli-improved designs have been sold to Jordan; and the updating of the Jordanian Centurion by Teledyne-Continental is based on Israeli improvements. An Israeli-improved version of the A-4 Skyhawk was sold to Kuwait after that nation insisted on receiving a version that contained the Israeli improvements.[42]

Even when wars are not being fought, the Israeli reputation for military prowess means that when they purchase a system the reputation of that weapon is enhanced. For example, the Japanese debated for more than a year whether to purchase the Grumman E-2C Hawkeye, the airborne command and control system that the Israelis used so effectively in the Lebanon War. After Israel decided to purchase it, the Japanese made their affirmative decision. Since the Lebanon War, Singapore and Egypt have purchased the Hawkeye, and several nations have expressed interest—including South Korea, Spain, Switzerland, and Australia; there have been reports that the Malaysian and Pakistani governments may also be interested. Grumman officials have estimated that this could lead to the sale of twenty to thirty planes abroad, meaning up to $4 billion in sales, including the ground support and training facilities.[43]

It is well known in the U.S. defense filed that many nations secretly send representatives to Israel to discuss weapons purchases. In the case of the Hawkeye, Grumman gained at the expense of the British equivalent, the Nimrod. What the Israelis once did for the French Mirage, they now accomplish for American aircraft such as the F-16 at the expense of the Mirage-2000. Once the Israelis purchased the MD-500 helicopter (which they had helped to improve), the Jordanians, South Koreas, and Kenyans moved to purchase it at the expense of the German-made BO-106 and the Franco-British Gazelle.

Why do so many nations seek F-16s? Because the Israelis have demonstrated their effectiveness from Osiraq to Tunis. Egypt, South Korea, Greece, Venezuela, Pakistan, and Turkey ordered them after the Israelis. Following long frustrations in attempts to sell its F-20 Tigershark, Northrop now wants Israel to co-produce the F-20 in order to make it more salable.[44]

The model of Franco-Israeli cooperation when France was Israel's major arms supplier in the 1950s and early 1960s is particularly instructive for understanding contemporary events. Israel's success with French aircraft facilitated French overseas sales, perhaps accounting for a reduction in the assembly-line price of French aircraft by one-third. In many instances, Israel helped modify equipment, a service it performs for the United States today. For example, by adopting the Israeli suggestion that a cannon should be added to the original Mirage design for low-level defense, "France widened the appeal of the aircraft for Switzerland, South Africa, and Australia, which bought the Mirage on Israeli advice." [45] A "technological symbiosis" emerged between the French and the Israelis, and Israeli suggestions were repeatedly proven successful on the battlefield. Indeed, "Israeli pilots sent continuous performance reports and flight photos to the Dassault company, producer of the Super-Mystere, and . . . many of their recommendations—especially on radar, electronics, and the use of the 30mm cannon—were to find their way into the Mirage." [46]

By contrast with the previous French and the present U.S. relations with the Israelis, the Soviet Union's trade with the Arab nations (excluding arms) accounts for only 5 percent of those nations' exports and imports. Moscow's stock in trade is in arms, yet the reputation of these arms has plummeted as a result of the Lebanon War. For example, both Iraq and Peru openly questioned the adequacy of their Soviet-supplied weapons after the debacle in Lebanon.[47] Thus, while Israel enhances the reputation of American arms, it lowers the status of Soviet weapons.

CONCLUSION

Viewing the relationship of the United States and Israel from these five perspectives leads to the conclusion that the United States has interests in Israeli military performance and capability beyond exclusive concern for the Arab-Israeli balance of power. The intelligence-gathering capabilities of the Israelis are superior. The Israelis are important to the refinement and development of the American conventional deterrent. They improve American arms and advertise their superiority. Their combat experience yields important lessons. They simultaneously create serious problems for Soviet military planners, who must adjust whenever the Israelis capture or destroy their weapons in the Middle East. The Soviets must also take the growing Israeli importance in the Mediterranean into account.

In broader terms, the Israeli experience suggests the importance of innovation and technical expertise. Their ability to squeeze an impressive product out of a limited defense budget provides elements of a model for those who would reform the Pentagon's development and procurement systems.[48] Their quick-paced and original research and development approach offers room for study and for possible enhanced cooperation in those areas in which they specialize.

Israel is not an oversized military laboratory. Like any other ally, it is a country with distinctive credits and debits. Yet in evaluating the nature of the relationship between Washington and Jerusalem, the military aspect of the connection that transcends the Middle East cannot be ignored. As uncomfortable as it may seem to both supporters and opponents of Israel, that country's conventional military expertise is a fact of contemporary international politics.

*This paper was written while the author was a Visiting Fellow at The Washington Institute For Near East Policy.

[1] Sidney Zion and Uri Dan, "The Untold Story of the Mideast Peace Talks," *New York Times*, January 21, 1979; David Shipler, "Terror: Americans are Targets," *New York Times, November 4, 1985.*

[2] Wilbur Crane Eveland, *Ropes of Sand: America's Failures in the Middle East* (London: W. W. Stewart Steven & Co., 1980), p. 95, 308n; Khrushchev speech in Stewart Steven, *The Masterspies of Israel* (New York: Ballantine Books, 1980), pp. 115-16.

[3] Steven, *Masterspies*, Chapter 21.

[4] Shipler, "Terror."

[5] "Jerusalem Exhibit Looks at Terrorism: MAGAL Security Systems Ltd.," *Jane's Defence Weekly*, March 16, 1985, p. 437.

[6] *Department of Defense Appropriations for 1975: Hearing Before a Subcommittee of the House Committee on Appropriations*, 93rd Cong., 2nd sess., Part 4, 1975, p. 465.

[7] See, e.g., *Department of the Air Force: Hearing Before a Senate Subcommittee on Tactical Air Power of the Committee on Armed Services*, 93rd Cong., 1st sess., 1974, pp. 4244, 4247, 4249, 4309-4311.

[8] Testimony of John L. McLucas, former secretary of the air force, March 7, 1975, in *Department of Defense Appropriations for FY 1975: Hearings Before the Subcommittee on Appropriations*, 93rd Cong., 2nd sess., 1975.

[9] See Benjamin S. Lambeth, *Moscow's Lessons from the 1982 Lebanon Air War* (Santa Monica, Calif.: Rand Corporation, R-3000-AF, 1984), p. 13.

[10] The Israelis were successful in destroying nine T-72 tanks during the Lebanese campaign. For an in-depth discussion of the development and capabilities of the Merkava, see Peter Hellman, "Israel's Chariot of Fire," *Atlantic Monthly*, March 1985, pp. 81-95; and "Israel's Merkava: A National Enterprise," *Defense and Foreign Affairs Digest*, September 1984, pp. 13-17, 34.

[11] See W. Seth Canus, *U.S. Procurement of Israeli Defense Goods and Services*, AIPAC Papers on U.S.-Israel Relations, American Israel Public Affairs Committee (Washington, D.C., 1984) pp. 14-15, 37; Karl Schnell, "Experiences of the Lebanon War," *Military Technology*, July 1984, pp. 28-29.

[12] Schnell, "Experiences," pp. 28-30.

[13] *International Defense Review*, February 1982, p. 171; Gerald M. Steinberg, "The Israeli Arms Industry," Paper prepared for the Stockholm International Peace Research Institute, August 1984, p. 26.

[14] See Carus, *U.S. Procurement*, pp. 9-10.

[15] Author's confidential interview.

[16] See Walter Andrews, *Washington Times*, December 2, 1983, p. 4; *House Committee on Appropriations: Department of Defense Appropriations for 1983*, Part 7, pp. 477-480; *Near East Report*, November 4, 1983, p. 192; and Carus, *U.S. Procurement*, pp. 27-28. The B300/SMAW is a good example of the mutual benefit derived from U.S.-Israel industrial cooperation. See *Armed Forces Journal*, November 1983, p. 21; "Interview with Mr. Vincent L. Jones, President BMY," in *Military Technology*, VII, October 1983, p. 86; *United Press International*, February 24, 1983; *Defense and Foreign Affairs Daily*, July 29, 1983, p. 1; and "BMY: expanded operations," *Military Technology*, VII, April 1983, p. 95; "U.S. Awards Bridge Contract to Israel Military Industries," *Jane's Defence Weekly*, July 7, 1984, p. 1093; and *Armed Forces Journal International*, December 1984, pp. 64-66. For information regarding the anti-mine mechanical lift plow purchased by the U.S. Army for M-60 and M-1 tanks, see *International Defense Review*, 1985, p. 518; *Army Research & Development & Acquisition*, December 1984, p. 26.

[17] See Marcelle Size Kraack, *Encyclopedia of U.S. Air Force Aircraft and Missile Systems, Volume I: Post World War II Fighters, 1945-1973* (Washington, D.C.: Office of Air Force History, 1978), pp. 277, 280, 282; and Joshua Brilliant, *Jerusalem Post*, May 6, 1984, p. 1. In a related example, Israel's Elbit computers manufactures displays and flight control equipment used in 60 percent of the world's F-16s. *Jane's Defence Weekly*, July 7, 1984, p. 1122.

[18] See Hellman, "Israel's Chariot of Fire," p. 86. *Defense Update International* 56, p. 3. For details on the Israeli Merkava Mk-2 tank, see *International Defense Review*, "Merkava Mark 2: New Version of a Remarkable Israeli Tank," 1985, pp. 311-17. See also "Israel's New Hedgehog," *Defense and Foreign Affairs Weekly*, December 16, 1984, p. 1.

[19] Gerald M. Steinberg, "Recycled Weapons," *Technology Review*, April 1985, p. 35.

[20] Ibid.

[21] "Planes Without Pilots—Coming Defense Weapon," *U.S. News and World Report*, February 28, 1972, p. 56.

[22] Benjamin F. Schemmer, "Where Have All the RPVs Gone," *Armed Forces Journal International*, February 1982, p. 38; Greg Easterbrook, "The Army's $800,000 Model Airplane," *Washington Monthly*, July/August 1984, p. 15. For Soviet achievements in RPV technology see *Newsweek*, October 5, 1984, p. 17.

[23] Phillip J. Klass, "Israel Demonstrates Mini-RPV Utility," *Aviation Week and Space Technology*, October 2, 1982, p. 28; David M. Russell, "Israeli RPVs: The Proven Weapon System DOD will Not Buy," *Defense Electronics*, March 1983, pp. 86-94; Tom Bates, ed., "A Hero of Israel," *California Magazine*. The figures are from Michael Cieply, "Paper Planes," *Forbes*, September 26, 1983, p. 34; see also "How Israel, U.S. RPVs Compare," *Electronics*, October 6, 1982.

[24] See *Aerospace Daily*, "Navy to Request Shipboard RPVs," January 11, 1985, p. 57. See also *Aviation Week and Space Technology*, "Isrelis form New Firm to Develop Pioneer 1 for U.S. Navy Program," April 12, 1985, pp. 149, 151; *Aerospace Daily*, "Boeing, Lockheed, Northrop Press RPVs for Navy Use," April 4, 1985, pp. 195-196; *Jane's Defence Weekly*, "U.S. RPV Program Delay," March 16, 1985, p. 434. The committee referred to is the Technical Committee of the Association of Unmanned Vehicle Systems; the paper was published in February 1982. See Benjamin M. Elson, "Cost Factor Key to Unmanned Vehicles," *Aviation Weekly and Space Technology*, August 9, 1982, pp. 65, 67. The sale of Israeli drones to the United States Navy was first reported by the *New York Times*, "U.S. Buys

Israeli Pilotless Planes," May 24, 1984. For a sample of other discussions, see "United States Buys Israeli Mastiff RPVs," *Jane's Defence Weekly,* June 9, 1984, p. 900; "U.S. Navy Buys Israeli Drone," *Flight International,* June 2, 1984, p. 1486; *Aerospace Daily,* August 1, 1984, p. 170; "Navy Planning RPV Development," *Defense Electronics,* September 1984, p. 25; "Navy Jumps for a New Drone," *Navy News & Underseas Technology,* July 19, 1985, p. 6; "What's Ahead in Aerospace: Samson and Strike Composition," *Aerospace Daily,* August 12, 1985, p. 225; "Bringing 'em Back Alive," *Defense and Foreign Affairs Digest,* May 1984, pp. 24-27; "Great Potential for a Small Craft—Tadiran Mini-RPV," *Armada International,* December 1983; pp. 55-57, 60; "Israeli Drones Fly Circles Around U.S.," *Cleveland Plain Dealer,* August 5, 1984; "Lebanon Lessons Raise Interest in RPVs," *Aviation Week and Space Technology,* August 20, 1984, pp. 44-46; "RPV Unit Activated at Lejeune," *Marine Corps Gazette,* November 1984, p. 14.

In early January 1986, the U.S. Navy awarded AA1 Corp., the U.S. partner of Mazlat, Ltd. of Israel, a $25.8 million contract to build three Pioneer 1 short-range RPV systems. Each Pioneer 1 consists of eight RPVs one ground control station, two portable control stations, two remote receiving stations, a launcher and associated maintenance support equipment. See "AA1 Corp. Receives Contract for Three Navy RPV Systems," *Aviation and Space Technology,* January 13, 1986, p. 28.

[25] See "U.S.-Israel Deal," *Navy News and Undersea Technology,* April 26, 1985, p. 10; *Aviation Week and Space Technology,* April 29, 1985, p. 47; "Lehman Agreement with Isreal Is Said to Include Samson Decoy," *Aerospace Daily,* April 22, 1985, pp. 290-91.

[26] *Jane's Defence Weekly,* August 13, 1985, p. 302. The $68 million contract with Isreal Aircraft Industries includes establishment of a support base at Oceana, Virginia, maintenance, and regular inspections. The U.S. Navy has redesignated the Kfir the F-21A. See Department of Defense News Release, April 15, 1985, p. 1; *Aviation Week and Space Technology,* "Israelis Forming U.S. Support Base for Navy's Leased Kfir Fighters," April 1, 1985, p. 57.

[27] Steinberg, "Recycled Weapons," p. 35.

[28] *Defense Update International* 56, "New Life for the T-55," p. 27; *Military Technology,* "The S Tank—An Upgraded T-54/55," February 1985, pp. 46-48.

[29] See International Institute for Strategic Studies, *Military Balance 1982/83* (London, 1983), p. 312; and National Foreign Assessment Center, "Estmating Soviet Defense Spending: Trends and Prospects," Central Intelligence Agency, SR 78-10121, June 1978.

[30] One of the reasons the Soviets augmented the Syrian antiaircraft system with SAM-5s was to boost sagging SAM sales. See "The SAM-5; Shifting the Middle East Air Defense Balance, 1963-83," *Air Defense Artillery Magazine,* April 1984, pp. 9-10. See also, "USSR Hands Over SAM-5," *Jane's Defence Weekly,* May 25, 1985, p. 401; "Syria Receives SA-13s" *Flight International,* January 19, 1985, p. 6.

[31] For testimony concerning American pilots' superiority to Soviet pilots see "Department of Defense Appropriations," 3rd ses., Part 1, 1983, p. 97. For skill of Israeli pilots, see Lambeth, *Moscow's Lessons,* pp. 28-29.

[32] Figures from author's confidential interview. For information regarding Soviet arms shipments to the Middle East, see *Stockholm International Peace Research Institute Yearbook* 1983, pp. 361-69. U.S. government figures for 1975-1982 show Soviet shipments of 7,040 tanks and self-propelled guns, 7,670 pieces of artillery, 9,450 APCs, 2,520 combat aircraft, 900 helicopters, 102 surface combatants (including 49 Guided Missile Boats) and over 15,000 surface-to-air missiles. See Kevin G. Nealer et. al., "Unconventional Arms Policy: Selling Ourselves Short: Promotion of Foreign Military Sales to the Developing World Under the Reagan Administration," Prepared for the Senate Democratic Policy Committee, Senate Special Publications, No. 25948-3, 1983, p. 85. As the Soviets do not reveal these details of their weapons transactions, statistics which cover dollar-value of Soviet arms export are estimations which should not be considered as precise reports of Russian arms export activity. Figures concerning numbers of weapons delivered also represent compilations of inexact data.

The Arms Control and Disarmament Agency estimates that between 1979 and 1983 the Soviet Union transferred $29.4 billion in weapons to its Arab clients. This total includes Libya ($5.8 billion), Algeria ($3.2 billion), Iraq ($7.2 billion), and Syria ($9.2 billion). See "World Military Expenditures and Arms Transfers, 1985," U.S. Arms Control and Disarmament Agency, ACDA Publications, April 1985, pp. 131, 134.

[33] Ibid., 1983, pp. 361-69; see also Lambeth, *Moscow's Lessons,* pp. 12-23.

[34] Anthony Cordesman, "Syrian-Israeli C^3I: The West's Third Front?" *Armed Forces Journal International,* March 1984, pp. 51, 87-90. For an effective counter to Cordesman, see Lambeth, *Moscow's Lessons.*

[35] Schnell, "Experiences," p. 30.

[36] Robert C. McFarlane, Speech to the Hadassah National Convention, San Francisco, August 28, 1984; and "U.S. and Israeli Interests Are Critical to Peace in the Middle East," ROA National Security Report, *The Officer,* January 1985, pp. 9-12; Vice-President George Bush, Speech at Yeshiva University, December 15, 1985.

[37] Clarence A. Robinson, "U.S. Retains Edge in Mediterranean Sea," *Aviation Week and Space Technology,* January 17, 1977, p. 48; the Robinson article refers to a technical rather than a numerical superiority. See also Bruce W. Watson, *Red Navy at Sea: Soviet Naval Operations on the High Seas, 1956-1980* (Boulder, Colo.: Westview Press, 1982), pp. 101-19.

[38] *Near East Report,* March 14, 1979, p. 50, based on news item reported by Ted Koppel on ABC News.

[39] See Caspar Weinberger, Speech to the American Jewish Congress, May 13, 1984, citied in *Washington Post,* May 14, 1984.

[40] John Moore, ed., *Jane's Fighting Ships 1982-1983* (London: Jane's Publishing Co., 1982), p. 460.

[41] *Foreign Military Sales, Foreign Military Construction Sales, and Military Assistance Facts, as of September 1981,* Data Management Division, Comptroller, Defense Security Assistance Agency, Washington, D.C. 1981, pp. 1-2.

[42] Carus, *U.S. Procurement,* p. 17.

[43] EW Won the Bekaa Valley Air Battle," *Military Electronics/Countermeasures,* January 1983, p. 106; "Elta Plays a Decisive Role in the EOB Scenario," ibid, pp. 135-37, Author's interview with Grumman officials.

[44] F. Clinton Berry, Jr., "The Revolutionary Evolution of the F-16XL," *Air Force Magazine,* November 1983, p. 52.

[45] Sylvia K. Crosbie, *The Tacit Alliance: France and Israel from Suez to the Six Day War* (Princeton: Princeton University Press, 1974) pp. 109-111, 216; *Aviation Week and Space Technology,* May 29, 1967, pp. 84-91, See also Steinberg, "Recycled Weapons," pp. 8-9.

[46] Crosbie, *Tacit Alliance,* pp. 155-57.

[47] On the effect of the Lebanon War of 1982 on Soviet arms sales, see Lamberth, *Moscow's Lessons,* p. 12, Ernest Conine, "Red Faces in the Kremlin: Soviet Arms Failures in Lebanon Could Lead to Danger," *Los Angeles Times,* October 4, 1982.

[48] Steinberg "Recycled Weapons."●

FREEDOM OF THE PRESS IN NICARAGUA

● Mr. **ARMSTRONG.** Mr. President, one of the most difficult problems the Senate faces when it addresses the issue of aid to the democratic resistance in Nicaragua is the lack of accurate information. As my colleagues know, press freedom is nonexistent in Nicaragua since La Prensa was shut down by the Sandinista government last year. Even one-page leaflets must be cleared through the government censors before publication.

Regardless of these circumstances, La Prensa has remained a symbol of freedom to the people of Nicaragua because its directors and employees continue to work for freedom of the press against enormous odds.

When the Senate debates the issue of aid later this year, we should keep in mind the words of Violeta Chamorro, publisher of La Prensa, as they appeared in the Washington Post on Monday. She said, "* * * this newspaper, even shut down, represents the Nicaraguans' hope of one day being able to express themselves freely again."

Clearly, the implication is that without freedom of the press, there is little chance of other freedom in Nicaragua—a circumstance that none of us wishes to see, but perhaps can be avoided by keeping the pressure on the Sandinista government to permit freedom of the press in Nicaragua. Only with a free press, will we be able to make informed decisions about Nicaragua.

I ask that Violeta Chamorro's article be printed in the RECORD.

The article follows:

THE SILENCE IN NICARAGUA

(By Violeta Chamorro)

MANAGUA.—The Sandinista government, not satisfied with having arbitrarily brought about the closure last year of the daily newspaper La Prensa for an indefinite period, has continued a series of aggressions against the newspaper which I think the whole world should know about.

In a note dated March 26, but for some unexplained reason not sent until April 13, the Labor Ministry ordered us to pay in full the wages of all the workers, whose work contracts inevitably were suspended—strictly in line with the current Labor Code—at the same time the newspaper was suspended on June 26, 1986.

It should be noted that La Prensa, on the decision of its directors and for humanitarian reasons, seeking to ease as much as possible the unemployment brought about by the Sandinista government, continued paying the wages for two months beyond the June 26 closure.

As can be imagined, La Prensa, after 10 months of receiving not one cent in income, has severe liquidity problems—despite which it has kept on a skeleton staff, in case it might be able to publish again.

To pay those costs, in the absence of any revenue, the directors of La Prensa have had to sell off some of the assets. Amid the pressure for the paper to meet its obligations, The Sandinista government now is trying to liquidate it completely to bankrupt La Prensa.

"Why this now?" ask the noble Nicaraguan people, all of whose freedoms—such as freedom of expression—have already been battered. Very simple. The closure of La Prensa was not done for this or that reason proclaimed by the Sandinistas (without their specifying one), but because this newspaper, even shut down, represents the Nicaraguans' hope of one day being able to express themselves freely again.

That is why for the "Sandinista Front" even the hopes of an innocent people in their tragedy have to be killed.

But despite all the outrages, we are continuing day in and day out to seek means to reestablish our right to appear again before the Nicaraguan public and respond to its demand to be able to be informed openly and impartially—and not solely in line with the local and international policy of the Sandinista government, as it is now by the revolutionary government's media. We do this because we consider it our strong moral obligation to hold on to the defense of the

Nicaraguans' rights at this historic moment in my country.

Based on that conviction, during the 77th World Interparliamentary Conference in Managua April 27, La Presna sought to raise its voice again and claim before representatives from around the world its rights to once again freely inform the Nicaraguan people about what is happening in this country.

To make our message known, La Prensa published a poster-style sheet bearing the newspaper's logo and calling for worldwide solidarity against the Sandinista government's decision to keep it silenced.

The poster had as a background an enlarged photograph of my late husband, the martyred editor of La Prensa, Pedro Joaquin Chamorro Cardenal. It declared that in Nicaragua there is no freedom and therefore no democracy, and that it cannot be said a parliamentary system exists here, such as is known in all the democratic nations of the world.

Our greeting was circulated at the World Interparliamentary Union conference, having been sent to the embassies of the various countries represented there.

The result was that on April 30 a platoon of 30 armed soldiers under the command of Capt. Oscar Lozo, from the Nicaraguan Interior Ministry's State Security, broke into the newspaper's plant and temporarily detained several La Prensa employees including directors. All were subjected to police interrogation and threats of being hauled off to jail for having published the poster.

Three hours later, the State Security military squad withdrew, after searching the entire building and seizing plates, film and other material used to print the poster. Many of the printed posters were also seized, along with thousands of wastage sheets.

The newspaper was also left with the threat of further action, supposedly stemming from the state of emergency in the country, under which the publication even of a one-sheet flyer is prohibited if its text has not been checked and approved by the Interior Ministry.

With these two Sandinista government actions against us, which I denounce herewith through my Inter American Press Association colleagues, I wish only to carry out a mission that I have taken upon myself: to explain to the world the defenselessness of the Nicaraguans in the principal struggle of this century—the ideological struggle. My mission is to make those who do not live in Nicaragua feel the ominous significance of the silence that has fallen over our Nicaraguan people, after having bled, after a heroic fight for their freedom, a fight in which I lost my loved one.

Nevertheless, I believe it is also my obligation to assert that despite the Sandinistas' flagrant injustice to La Prensa, bulwark and barometer of democracy in Nicaragua, the reaction from the free world—the great world press and the leaders who call themselves democrats—has been little.

What concerns me in this coolness is that all the debate is over whether armed struggle is good or bad. I, and La Prensa, do not want—and have never wanted—to take part in that discussion. It seems absurd to us that we look only at the here and now, and not ahead to the most dangerous outlook for our struggle in Nicaragua. We are fighting against a deceitful, seductive, false ideology that can trick exploited peoples. And against such a force we have no arms.

The barracks, the bulwark, of the ideological struggle in Nicaragua is La Prensa, but the loss of such a bastion does not seem to mean much to the free world.

The months go by and totalitarianism, with the outrage taken for granted, engages in new attacks against the people's right to be informed. The months go by and the new dictatorship continues taking positions and strangling a people's freedoms, won by blood and sacrifice.●

CHARLES GRAWEMEYER

● Mr. McCONNELL. Mr. President, I rise today to recognize and commend a truly remarkable man, Charles Grawemeyer, who has displayed vision and sensitivity, and has given of himself to make this Nation and world a better place to live.

Mr. Grawemeyer recently established two distinguished annual prizes to reward person's with creative and practical ideas in the fields of political science and education. Louisville's Courier-Journal and Lexington's Herald-Leader recently ran articles featuring this man's notable efforts, and I would like to take this opportunity to bring them to the attention of my distinguished colleagues.

Mr. Grawemeyer, with the University of Louisville, his alma mater, established there awards to recognize and encourage individuals to develop bold thoughts that, in a meaningful, positive sense, will work toward solving problems facing humankind. The University of Louisville Grawemeyer Award for Ideas Improving World Order and the University of Louisville Grawemeyer Award in Education, each worth $150,000, complement the University of Louisville Grawemeyer Award for Music Composition, created in 1985 to acknowledge internationally renowned composers.

It is possible that these awards may 1 day equal the Nobel awards in stature and prestige, and will be esteemed around the world for their recognition and association with the type of innovative thinking that enhances the quality of life in the international community of nations. I am very pleased that these awards are based in Louisville, and are connected with such a fine university and such a generous and visionary individual.

As the Courier-Journal notes, "Charles Grawemeyer's most recent gifts ignite the spirit and fill the mind with visions of great ideas." The progress of history and the elevation of culture ultimately depend on these great ideas, and, in recognizing those who too often go unheralded, Charles Grawemeyer has made a valuable, palpable contribution toward stimulating progressive thought. We should all be grateful to Charles Grawemeyer for his generosity, and for his efforts to make this a better world.

I ask that the articles to which I have referred be printed in the RECORD. I thank the Chair.

The articles follow:

[From the Lexington (KY) Herald-Journal, June 23, 1987]

MILLIONAIRE HOPES HIS GIFT WILL CREATE A BETTER WORLD

(By Mary Ann Roser)

LOUISVILLE.—At 74, H. Charles Grawemeyer is a self-made millionaire. The retired engineer is now spending his fortune to make the world a better place.

Grawemeyer, along with University of Louisville officials, announced yesterday he would provide two prizes of $150,000 each year as rewards for creative ideas in two fields—education and political science.

A prolific reader, Grawemeyer said one great idea can change the world.

"Maybe I'm bragging or being bold to think that's possible," he said. "If in the next 10 years we get just one good idea in both fields, it will be worth it."

The awards will be given for the first time this spring by U. of L., Grawemeyers' alma mater. He first handed out a $150,000 yearly cash award in 1985 for music composition, which has gone to three internationally recognized composers.

University officials hope the awards one day will rival a Nobel Prize. The music award already is being called "the Nobel Prize in music," U. of L. President Donald Swain said.

Grawemeyer wants to add two more $150,000 prizes, for a total of five. The next two probably would be in religion and psychology, he said.

Standing in front of the replica of Rodin's statute "The Thinker," Grawemeyer said, at the campus news conference that the awards, unlike the Nobel Prize, will recognize creative ideas, rather than individuals.

The education award will be given each year to the man or woman who has the best idea for improving teaching or the learning process. And the political science award will go to the person with the most outstanding idea that could lead to "more just and peaceful international relations."

"If we can find one good idea a year that will enhance world order, we will have made a monumental contribution to world peace and security and justice," said Paul Weber, a U. of L. political science professor.

Several years ago, when Grawemeyer was thinking about a major contribution to U. of L., Swain tried to convince him to donate directly to the school's music department. But the benefactor had a different vision.

Swain has been pleased by the results. "He thinks big," he said of Grawemeyer.

For his part, Grawemeyer said U of L put him on the road to success, and he wants to give something back, not only to the university, but to society as well.

"When I was able to accumulate more funds than I needed for our family needs, I sought out ways that I could contribute in a meaningful way to society in return for its goods to me," he said at the news conference.

He invested his money, and that income is what he is using to endow the prizes, which are payable in five annual installments of $30,000 each.

The son of a German immigrant shopkeeper, Grawemeyer was the fourth of six children. Born in Louisville, he attended the local public schools and studied chemical engineering at U of L's Speed Scientific School during 1930-34. He had hoped to go to an Ivy League school, but the Depression was in full swing, and Grawemeyer couldn't afford it.

"It was U of L or nothing," he said. "As it turned out, I have no regrets at all. Our Speed school here is just tops in the country. I didn't sacrifice anything."

After graduation, Grawemeyer wanted to travel the world, "bumming my way around." Instead, he took a job at a local paint company and later established a plastics plant in Shelbyville, Plastic Parts Inc. He became wealthy through his investments.

Grawemeyer, who served on the university's board of trustees, began thinking of ways to contribute to U of L. He now is retired but spends a great deal of time administrating the funds for the awards.

He also takes a U of L class every fall and spring semester to study the humanities—something he didn't do in engineering school.

Grawemeyer said he thought it was important to do something to promote the arts and humanities.

"I don't think the scientific world needs much help," he said in an interview. "They develop a new medicine, and it's millions and millions of dollars in return. But you develop a new idea in religion, and there's nothing you can get a job with, except maybe in a church."

Grawemeyer hopes that all five awards can be established in the next few years and grow above $200,000 each, comparable to the amount of a Nobel Prize.

The awards not only will inspire individuals and organizations around the world, but they will spotlight U of L, Swain said.

U of L will become known internationally, and "that's important in the world of ideas," Swain said.

U of L will be involved in screening award candidates, with the help of international experts.

Grawemeyer's wife, Lucy, said she thought the awards were a great way to recognize the university, along with recognizing achievement. She has no qualms about Grawemeyer endowing the awards, as opposed to leaving all his money to his three daughters and six grandchildren.

Mrs. Grawemeyer, 71, received a degree in fine arts from U of L and plays piano and organ. The couple's daughters play string instruments, and each one has performed in symphony orchestras. The daughters now are married and reside out-of-state.

The family has been very supportive of his U of L contributions, Grawemeyer said.

He is giving 90 percent of his money to U of L. That way, he can make the greatest impact on society, he said.

"Right or wrong, that's been my philosophy—to be a big duck in a little pond rather than a little duck in the ocean."

[From the Louisville (KY) Courier-Journal, June 24, 1987]

GIFTS TO IGNITE THE SPIRIT

Charles Grawemeyer's most recent gifts ignite the spirit and fill the mind with visions of great ideas. His generosity is making it possible for the University of Louisville to present annual prizes to persons who have developed ideas that could enhance the worldwide quality of life and education.

The two awards will be The University of Louisville Grawemeyer Award for Ideas Improving World Order and The University of Louisville Grawemeyer Award in Education. Each will be worth $150,000. They will be on the scale of the Nobel Prizes, but will honor ideas, rather than a body of work.

The kinds of ideas Mr. Grawemeyer and U of L officials seek are bold. Their premise is that throughout the world little-known people have ideas that could lead to major change if properly acclaimed by recognized scholars. The types of ideas they seek include a way to solve the Third World debt crisis, a mechanism for better regulating the balance of trade, or a feasible way of enhancing nutrition in the Third World.

In preparation for making the awards, U of L faculty will scout the world for promising ideas. In time, faculty members will select—and perhaps bring to the campus—internationally known experts to discuss the ideas, winnow the entries and nominate winners.

Mr. Grawemeyer and U of L officials hope the awards will bring fame to the university. Their aims are too modest—the awards should generate more than fame.

Like the University of Louisville Grawemeyer Award for Music Composition, the naming of recipients should become an event that annually puts Louisville on the international map in a positive way. The competition will bring a stream of world-renowned scholars to Louisville. And the opportunity to be around people of such intellectual achievement should make U of L a more attractive place to teach and entice students to think more creatively.

The community is grateful to Mr. Grawemeyer, whose devotion to U of L and capacity for thinking big know no bounds.●

ABM TREATY NEGOTIATIONS

● Mr. BOND. Mr. President, the Defense authorization bill continues to languish on the calendar because of the controversy surrounding the Levin-Nunn provision. The distinguished Senator from Indiana [Mr. QUAYLE] has written several informative letters which raise questions about the provision. Recently he circulated a letter providing information from the negotiations of the 1972 ABM Treaty. I believe it is important for all Senators as well as the general public to read these documents and consider the questions they raise and I therefore ask that they be inserted in the RECORD.

The letter follows.

U.S. SENATE,
Washington, DC, June 3, 1987.

DEAR COLLEAGUE: This is the third in a series of letters to explain why the Levin-Nunn provision (Section 233) should be dropped from the National Defense Authorization Act for FY 1988 and 1989.

Although proponents of this provision claim that the negotiating record supports their view, their analysis has extreme difficulty dealing with the attached documents.

The first of these is a declassified memorandum covering an exchange between Soviet negotiator A.N. Shchukin and our own negotiator, Paul Nitze. What is sketched in this December 10, 1971, exchange are the basics of the compromise the Reagan Administration itself claims was struck: No regulation of the testing or development of mobile futuristic ABM systems in exchange for a pledge to submit the issue of limiting their possible deployment before the Standing Consultative Committee.

The second document is a US/USSR Mini-Plenary Meeting memorandum dated December 30, 1971, in which Deputy Foreign Minister V.S. Semenov is cited at length arguing that the regulation of any futuristic ABM system was outside the scope of the negotiations. What Semenov urges here, again, sustains the Administration's position—that the Soviets only agreed to regulate futuristic ABM systems deployment and this only through the treaty's review and amending processes.

The last item is an excerpt from a study of the ABM negotiating history by ACDA's Historical Division, dated October 1972, which emphatically states that the American "future-systems provision" in Article V was not agreed to.

Each of these items is basically ignored by supporters of the Levin-Nunn provision. Each must be explained. Indeed, it's not enough for supporters of the narrow interpretation to claim their view is plausible, it must be compelling—compelling enough to enforce on the Soviets should they ever be caught violating the narrow interpretation themselves.

This case, however, has not yet been made. If you have any questions or would like to help oppose the Levin-Nunn provision, please feel free to contact me or my assistant, Henry Sokolski, at 224-5623.

Sincerely,

DAN QUAYLE,
U.S. Senator.

MEMORANDUM

Study of the ABM negotiating history by ACDA's Historical Division, dated October 1972, concluded that the Soviets had refused to agree on a ban on futures in Article V(1) during SALT V: They [the two sides] also agreed in article V to ban sea-based, air-based, space-based, and mobile land-based ABM systems, as well as automatic launchers; the American future-systems provision remained unagreed. (Fifth Session of SALT ix; see also *id.* at 115.)

Minister Semenov said that the Soviet Delegation has repeatedly asked what the U.S. side has in mind specifically under other ABM systems. This question has never been answered. He asked how then could an ABM treaty include a provision about whose content the sides do not have the vaguest notion? References had been made to the Outer Space Treaty and the Seabed Treaty. In the Soviet view these references were not convincing. The Outer Space and Seabed Treaties had as their subject obligations of a much more general nature than ABM systems. They dealt with a ban on emplacement in outer space and on the seabed of weapons of mass destruction, that is, nuclear, bacteriological, and chemical weapons. Could the sides include in an ABM Treaty the unknown without risk of making the treaty indefinite and amorphous? On December 10 the Soviet side had already noted the importance of avoiding the temptation to go beyond the scope of our negotiations. We should ask ourselves the question: By including other systems in an ABM Treaty, would we not be placing ourselves in the position that the people refer to in the saying "Go I know not where, bring I know not what?" The sides cannot and must not engage in discussion of questions not known to anyone. The task faced by the two sides is to erect reliable barriers against deployment of known ABM components in excess of the levels defined by the ABM Treaty. At the same time, the sides undertake obligations not to create a territorial ABM system and to limit ABM deployments around capitals by the limitations contained in the draft treaty.

Minister Semenov then asked what would be done if something appears in the future that the sides should talk about. He believed that the draft ABM Treaty envisaged provisions on this score. Both sides recognize that the Treaty on limiting ABMs would be of unlimited duration. This does not preclude the possibility of supplementary and regular review when the need arises. Articles XIII and XIV, which are preliminarily agreed to, provide for such review. If it should appear necessary to supplement the ABM Treaty by a provision prohibiting or limiting other ABM components in addition to those now known, this can be done in accordance with the procedures provided for in the provision on review.

SALT VI—U.S./U.S.S.R. MINI-PLENARY MEETING No. 10, SOVIET EMBASSY, 1100 HOURS, DECEMBER 20, 1971

Persons present: Ambassador Smith, Ambassador Parsons, Mr. Nitze, Dr. Brown, General Allison, Dr. Garthoff, Colonel FitzGerald, Mr. Krimer (Interpreter), Minister Semenov, Academician Shchukin, General Trusov, Mr. Grinevsky, Mr. Kishilov, Colonel Anyutin, Mr. Artemiev (Interpreter) and Mr. Novikov (Military Interpreter).

Minister Semenov said, in regard to other ABM systems, suppose that the draft treaty on limiting ABM systems had a provision of limiting systems other than those now known which use interceptors and launchers. What would result from such a provision? Undoubtedly, such a provision would create the grounds for endless arguments, uncertainties, and suspicions with all the undesirable implications for relations between the two countries. He asked if the sides could in working out a draft ABM Treaty advocate such a situation. He also asked if the goal of the two Delegations isn't just the opposite, that is, to reach agreement on limiting known ABM systems referred to in Article III of the draft ABM Treaty. Certainly such limitations on known ABM systems constitute a factor for relaxing international tension and curbing the race in strategic arms and limiting them. Such a responsible international document as a treaty on limiting ABMs must be precise as to the subject of the agreement to the maximum extent possible. This would ensure the viability of a treaty which has an important bearing on the national security of the sides.

Nitze said that the number of location of ABM components would be limited under Article III and other articles of the agreement. Specifically, in the case of an NCA defense, launchers and ABMs would be limited to 100. If a future system were to be deployed which performed the same function as existing launchers and ABMs, but without interceptor missiles, for example, the limit of 100 could be rendered meaningless. Shchukin suggested that were such future systems to reach a stage where they could be deployed, the question would be referred to the Standing Commission, through which the necessary regulations could be worked out.

Nitze said he wished to see whether he correctly understood what it was that Shchukin had said. Was he saying that the sides would agree in principle that the provisions of the agreement should not be undermined by the deployment of components capable of performing functions similar to ABM components; that, if such components reached a stage of development such that their deployment could be contemplated, the issue of the appropriate manner of their regulation would be referred to the Standing Comission; and that no such deployment would take place until such regulations had been agreed by Governments through the Standing Commission. Shchukin said that if it were necessary, they could agree to that, though it was not clear that he was holding out a commitment in the treaty to that effect.

MEMORANDUM OF CONVERSATION

Subject: SALT.

Participants: U.S.—Mr. Paul H. Nitze and Dr. Harold Brown. U.S.S.R.—Academician A.N. Shchukin.

Shchukin said he disagreed with Brown's statement on future systems. He thought general definitions where one couldn't even mention the specific system to which they applied were unhelpful. Brown referred to the general definition in the Outer Space Treaty. Shchukin responded, but in that case, one could specify systems which were within the meaning of "other weapons of mass destruction." These included chemical and bacteriological weapons. Brown said that, in fact, the use of such weapons from outer space was far from clear; similarly, one could specify systems which would be included within the general definition "future ABM systems." These would include lasers and particle accelerators.

Shchukin said he wished to get at the problem in another way; both sides agree that there should not be territorial defenses. The Soviet side has proposed specific language covering this in Article I; thus, the agreement would ban the deployment of future systems in a manner providing a territorial defense. If, however, new technology should make possible components carrying out the same tasks as existing components, but perhaps in a more efficient and less costly manner, why should those be prohibited? We are not prohibiting ABM components.●

TAKEOVERS

● Mr. GRAMM. Mr. President, I wanted to share with my colleagues an article by Irwin M. Stelzer, the director of the Energy and Environmental Policy Center of the John F. Kennedy School of Government, Harvard University. This article, which appeared in the June 1987 Edition of the American Spectator, presents an enlightened position on the current debate over corporate takeovers. I therefore ask that this article be printed in the RECORD.

The article follows:

THE TRUTH ABOUT TAKEOVERS—AND THE BEAUTY OF JUNK BONDS

(By Irwin M. Stelzer)

It has now been a full year since Dennis Levine decided to confess to the SEC about his insider trading activities, and about eight months since Ivan Boesky agreed to plead guilty to a variety of charges, and pay a $100 million fine. In between and since, other heads have rolled, with still more charges and arrests likely.

Despite the fact that these widely publicized arrests (who can resist a story about a tearful millionaire broker being dragged from his office in pin stripes and handcuffs?) created a public and congressional atmosphere not exactly favorable to the business community, the establishment leadership of America's corporations was delighted. Leaders of the National Association of Manufacturers and the Business Roundtable, long opposed to hostile takeovers, trooped to Washington to appear before their new allies, Senators Metzenbaum and Proxmire. Takeovers, testified the chairman of Schering-Plough, are "a sickness we must all work together to cure."

Not only must hostile takeovers be stopped, the leaders of corporate America contend, but the use of so-called junk bonds must be curtailed. "We are witnessing a real-life Monopoly game, still played with paper, but now called junk bonds," the chairman of Household International told the Senate Banking Committee. Only acquirers able to line up 100 percent of their financing before making a bid should be allowed to play the game, USX's chairman added, concluding in a tone that must have warmed populist hearts on the committee, "We need to find a way to eliminate the extravagant profiteering by the financial speculators, . . . takeover specialists, arbitragers, investment bankers and lawyers. . ."

The corporate establishment's effort to use the insider trading scandals as a lever to obtain anti-takeover legislation is understandable: they want to protect their jobs, perquisites, and easy lives. Certainly, there is little logic to their position. The recent arrests seem to show that the newly beefed-up and computerized surveillance systems are working well, catching the crooks. Supplemented by tighter internal controls on the number of people in each firm with access to sensitive information, and by the deterring effect of stiff sentences, the current system can be made sufficiently effective to keep violations of the law to a minimum.

Furthermore, takeovers have enormously and quite properly enriched shareholders. True, a few crooks have appropriated confidential information about such takeovers and used it to skim some of the profits. But to make takeovers more difficult would be to deprive shareholders of enormous legitimate profits in order to deprive insider traders of much smaller gains. This would be like closing the banks in order to foil an occasional robbery.

So the insider trading cases are not the real source of American business's discontent. That unhappiness springs from fear—terror—that a free market in companies will increase shareholders' ability to jettison nonperforming managers. Because managers are often beyond the control of widely dispersed shareholders, they have little incentive to maximize the return earned on the assets under their supervision. Lower earnings, corporate jets, and a quiet life seem to them a more desirable combination than the pressured existence of a profit-maximizer.

Enter the takeover artists, Boone Pickens, Lord Hanson, et al. Sensing that a company is not performing up to its potential, they seek control, with a view towards improving earnings of the target company, or selling off its constituent parts at prices that, in aggregate, exceed the pre-merger market value of the company as a whole. The very existence of these "predators," now backed by performance-oriented institutional investors and investment bankers prepared to market billions of dollars of so-called junk bonds, causes managers to work harder to increase returns to shareholders who, after all, own the company.

Enter also the LBO—the leveraged buyout. This is a technique whereby the managers of some underperforming division of a conglomerate buy that business, using borrowed money to finance their acquisition. About two-thirds of the approximately 300 LBO's announced in 1986 were just such transactions: division managers, often mortgaging their homes to raise their share of the needed capital, buying divisions of companies and thus acquiring a direct stake in improving the efficiency of these businesses.

Takeovers and LBO's rely heavily on "junk bonds," which explains corporate America's opposition to these debt instruments. These bonds have been attacked as "the peril behind the takeover boom," creating a "casino society" and an over-leveraged business community susceptible to collapse at the first sign of recession. This is nonsense. Junk bonds are not typically securities of companies that have fallen on hard times, although there are some such. Rather, they are generally IOU's of companies too small or too new to receive a technical "investment grade rating" by rating agencies.

As Drexel Burnham Lambert, the leading vendor of these securities, has pointed out: "Over 95 percent of all U.S. corporations with assets of more than $25 million, if they were to apply for a bond rating, would be rated below investment grade." This rating would be due to small size or lack of credit history, not to a lack of prospects. Indeed, these companies are often the most rapidly growing and innovative, and have been responsible for most of the new jobs created in America in the past decade. Long ignored by underwriters, they were forced to borrow from commercial banks, often at high rates. Junk bonds gave them a competitive alternative to the banks, prompting the latter to join their establishment brethren in the industrial sector in seeking restrictions on the use of such debt instruments.

Of course these newer, smaller firms must pay higher interest rates to borrow money than do older firms, since the danger of default is greater. But the risk of default has been more than offset by higher yields, leading most students of finance to conclude that net returns on junk bonds, after allowing for defaults, have been "very impressive." Morgan Stanley, in a 1985 study, found that the default rate on these bonds averaged 1.6 percent annually, about in line with the historic default rates for all corporate debt. And the 1986 junk bond default rate of 3 percent is still comfortably in line with the risk premium paid on these bonds.

Not only has the default rate been only a bit higher than blue chip bonds, and no higher than that on ordinary commercial loans made by banks, but it has had minimal effect because most of these bonds are held in large, diversified portfolios, by sophisticated professionals, quite capable of refusing to buy unattractive issues—witness the difficulties faced by Carl Icahn in refinancing TWA, by Ted Turner in raising money for his takeover of MGM-UA Entertainment Company, and by the managers of the retailer Macy's in obtaining funds for their eventually successful buy-out of that company.

So opposition to junk bonds is not based on fiscal prudence. It stems from banks' desire to eliminate a competitive source of borrowed funds, and establishment industrialists' desire to reduce threats to their jobs, and to make it more difficult for new competitors to obtain financing.

Before junk bonds became popular, notes the Federal Trade Commission, only large companies could play the takeover game. Restricting their use would "tilt the balance of power in favor of embattled target managements * * * and hamper the market forces that lead to the replacement of poor managements and the breaking up of inefficiently large or diversified companies."

Fortunately, opposition to takeovers and to junk bond financing is likely to prove ineffective in stopping efficiency-inducing takeovers. Despite the insider trading scandals, dealmakers—the U.S. equivalent of Gorbachev's less successful restructurers—continue to buy up and reorganize America's corporations. The value of such deals in 1986 almost reached 1985's record, according to Fortune. And on one day earlier this year, five major takeovers were announced, the largest being Chrysler's $1.5 billion proposed acquisition of American Motors Corporation.

While less overtly hostile than some of the big deals of 1985 and earlier years, these takeovers reflect the fact that the basic conditions prompting the restructuring of America's corporations are unchanged. The first of these is the failure of many managements to slim down their conglomerates, and to concentrate on businesses they understand.

When this slothful behavior forces the prices of their companies' stocks to fall below the value of the underlying assets, investors are saying that, in their view, those assets are worth more in the hands of other managers. This has provided and will continue to provide the Pickenses, Goldsmiths, Icahns, Hansons, and Perelmans with their opportunities. They can offer shareholders a premium for their stock, sell off portions of the companies to investors or managers who can run them better, and install their own teams to manage the core businesses more efficiently.

This was true before Levine and Boesky came to Wall Street and will remain true long after their departures, unless the business establishment cons Congress into passing anti-takeover legislation.

In the long run, these "corporacies" will continue to attract buyers who can more efficiently deploy their assets. The raiders will have little difficulty financing their takeovers and restructuring. Drexel Burnham Lambert did not successfully market billions of dollars of high-yield bonds only because its star, Michael Milken, is a super salesman. It succeeded because investors know a good thing when they see one: the return on these junk bonds is attractive even in light of their higher risk.

If Drexel does run into serious trouble with the Securities and Exchange Commission, First Boston and others will be delighted to increase their share of this lucrative market. Investors, aware that the default rate on these bonds has been more than offset by their attractive yields, and that risk can be diversified by holding a portfolio of these bonds, will continue to snap them up.

This leaves disinterested observers with two worries. The high levels of debt borne by the acquired companies may, they fear, cause those firms to concentrate on the short run. And it may make them more vulnerable to a business downturn.

Neither should be a serious concern. Shareholders are quite capable of taking the long view—witness the fancy prices they pay for the stocks of biotechnology and other high-tech companies.

They know that corporate debt is made to seem artificially high by the fact that it is stated in current dollars, while the value of assets such as plant and equipment is stated in historic preinflation dollars. Put them on a comparable basis, give appropriate weight to cash flow and earnings, and the apparently burdensome debt often becomes manageable. As Emory University's William Carney has pointed out, "Measured as a percentage of net worth, based on the replacement cost of assets, corporate debt at the end of 1984 was less than 60 percent of net worth—about where it was in 1958." All of this should make the strange new political alignments understandable. The supposedly conservative Republican administration has attacked entrenched managements. Richard Darman, who recently stepped down as deputy secretary of the Treasury, has called these businessmen "bloated, risk-averse, inefficient and unimaginative." Commerce Secretary Malcolm Baldrige blames a good part of America's trade deficit on the corporate establishment. "There is no one to blame," he says, "but American management—not labor, not government, but management." These critics of entrenched managers—they can only be found on the golf courses in the afternoons, according to Darman—want managers to remain under the raiders' pressure to perform or perish.

Supposedly liberal Democrats, on the other hand, are now siding with the business establishment. Senators Metzenbaum, chairman of the Antitrust Subcommittee, and Proxmire, chairman of the Banking Committee, are working with the Business Roundtable and the NAM to develop legislation to make hostile takeovers harder. For the sake of economic efficiency, let's hope these strange new bedfellows fail to consummate their marriage, or to produce legislation to permit corporate bureaucracies to resume the lush life of pre-raider days.●

STEEL INDUSTRY'S RESTRUCTURING DILEMMA

● **Mr. HEINZ.** Mr. President, on June 16 I spoke to the United Steelworkers gathered in Washington for their legislative conference and discussed with them the dilemma facing their industry—the need to reduce capacity but the inability to do so in the face of high closing costs. This is clearly a matter of vital interest to each steelworker, since jobs are at stake—even though the industry has already lost 56 percent of its workforce, but it is also a matter of great concern to the Government, because it is here that a substantial part of the financial liability will ultimately come to rest, whether we want it or not. As I have said on other occasions, Mr. President, in this situation, the Government's only real choice is whether to pay now or pay later. It will surely pay at some point, if not through participation in a restructuring program, then through the inevitable assumption of substantial pension liabilities when more companies go into chapter 11. Indeed, some $4 billion in pension liability has already been dumped on the Pension Benefit Guaranty Corp. by steel companies.

Making the true nature of this dilemma clear to the public, the administration, and the Congress is a formidable task, but a critical one. If I am right, and I believe most analysts as well as responsible administration officials agree with me, then the inevitability of the choice between paying now or paying later means that we must move promptly to analyze these options and to make the right choice—for the Government, for the industry, and for the workers.

This is a subject I will be addressing more frequently in the coming weeks, particularly as the administration begins to conclude its own work on the subject. I wish to bring to Senators' attention a recent article in "Industry Week" that explains the dilemma with a clarity few of us can muster, and my recent remarks to the United Steelworkers, which include my own proposed solution to this problem, which I will soon be introducing as legislation. I ask that the article and my remarks be printed in the RECORD.

The material follows:

CAN'T STAY, CAN'T LEAVE—HUGE "EXIT COSTS" MULTIPLY INDUSTRY'S WOES

(By Donald B. Thompson)

The U.S. steel industry inhabits a world of contradictions—dangerous contradictions.

But the CEOs of major steelmakers agree on the need to cut steelmaking capacity another 20 million tons—minimum. They already have achieved a 45% slash since 1974, to a current total of 112 million tons.

"It's fundamental that further restructuring of the domestic steel industry is essential if it is to achieve a position of acceptable competitiveness," says Frank W. Luerssen, chairman and CEO of Inland Steel Industries Inc., Chicago.

There are two problems with that:

Except for Inland and USX Corp.'s USS Steel division, steelmakers can't afford the "exit costs" of closing facilities that they can't afford to keep open.

Logically, capacity cuts should come from companies that have failed in the marketplace. That is not what is happening.

CIVIL WAR

Instead, steelmakers have gone into bankruptcy, but have not gone away. They still are competing for 100 million tons a year, along with imports, of steel business that is not enough to support everybody. They are able to compete courtesy of government subsidization, mainly in dumped pension costs.

It is, fumes the CEO of a still-solvent producer, "our greatest fear and frustration." Failed companies, in his viewpoint, should die.

David H. Hoag, president and CEO of LTV Steel, Cleveland, whose parent, LTV Corp., Dallas, is in Chapter 11, is sympathetic: "There's no question about it. It has them psyched." Is solvent firms' fear of Chapter 11 competitors justified? "Only if we cut prices," Mr. Hoag says, "which we have no intention of doing." LTV, it should be noted, has cut its share of capacity.

But a certain amount of "fear and frustration" remains among CEOs of solvent companies. The result is a sharp division about what steel—and its trade group, the American Iron & Steel Institute (AISI)—should do next.

One industry leader insists: "Chapter 11 and its nonmarket advantages may delay the day of reckoning, but over time the best-run companies will win in the market."

Until then, the bleeding is likely to continue. AISI reports that 1986 was the worst in history for the domestic industry, with losses of $4.2 billion—bringing the five-year total to $11.7 billion.

ON THE BRINK

If nothing changes, the odds are that more major steel producers will become bankrupt.

That's the conclusion of a report, "Government Policies and the Domestic Steel Industry," unveiled at the recent annual AISI meeting in Washington. Prepared by Putnam, Hayes & Bartlett Inc., Cambridge, Mass., it concludes:

"Excess capacity can be relieved only by a combination of increased demand, reduced imports, and the removal of exit barriers. There is comparatively little that individual steel producers can do to influence any of these areas. Therefore, in the absence of some government program, a continuation of the present situation and the bankruptcy of further producers is likely. Since increased demand is unlikely, at least in the short term, a sensible focus of any government program would be on policies to tighten the enforcement of trade laws, with respect to both direct and indirect exports, and policies to facilitate capacity reductions."

But the costs of shutting down—mostly pension costs and worker-shutdown benefits—are enormous. In 1983-85, the AISI report says, U.S. companies eliminated 17 million tons of capacity at total exit costs of $2.4 billion, or 47% of steel's pretax losses.

HANGERS-ON

This is what has come to be the scenario: Steel companies run out of cash, can't pay exit costs, and go into Chapter 11.

Pension costs are dumped on the federal Pension Benefit Guaranty Corp. (PBGC). About $4 billion to date has been dumped by 11 companies, with LTV Steel's $2.4 billion and Wheeling-Pittsburgh Steel Corp.'s $600 million the largest.

These bankrupt firms also renegotiate labor, raw-material, utility, and tax costs. That, AISI's report estimates, is worth on average $60 a ton in lower costs.

Such companies still invest. Wheeling-Pittsburgh is going ahead with a new steel sheet-coating line. LTV Steel has bankruptcy-court approval for $180 million in capital improvements at its Indiana Harbor (Ind.) Works. Facilities idled often are sold off, to be reborn as new and lower-cost competitors.

DOWNSIZING "CRITERIA"

Yet steel must downsize—but how?

Inland's Mr. Luerssen has presented "criteria" for downsizing that apparently solvent and nonsolvent firms can agree on: Restructuring measures must enhance competitiveness; they must not disadvantage more-efficient producers; closed facilities must be demolished, not be reborn to add to overcapacity; restructuring costs must place a minimum burden on taxpayers and have a minimum interference with market forces; restructuring funds are needed from the federal government; participating companies must use any restructuring "benefits" first for "human costs," then for modernization, never for expansion.

Overshadowing such suggestions: the huge deficit now confronting the PBGC from its paying steel pension costs (now 80% of its obligations) and, says Kathleen Utgoff, executive director, the real prospect of more to come of a size that could make the PBGC's collapse" a certainty."

Secretary of Labor William E. Brock adds: "There are substantial downsizes to every single proposal I've heard on this matter." The Administration, he says, has no interest in picking "winners and losers."

This is precisely the point steel CEOs are making in reverse: Market forces are not picking winners and losers. The government—through the bankruptcy code, pension law, and the PBGC—is superseding the market.

REMARKS OF SENATOR JOHN HEINZ, TO THE UNITED STEELWORKERS OF AMERICA, WASHINGTON, DC

It is truly an honor to address the National Legislative Conference of the United Steelworkers of America. Many of you are my friends and constituents from Pennsylvania. But I feel as though I know each of you.

Each of you here believes in a strong, productive, proud, and caring America. The banner of working people in this country—your banner—reads education and jobs, civil rights and women's rights, health care and retirement security. These enduring commitments—your commitments—mean a better America for all Americans.

Our ability to solve our problems, to make a better future for ourselves and our children is what sets Americans apart. It has been our strength and a beacon for the people of the world for more than 200 years.

Last month, over Memorial Day, I had an opportunity to visit the Soviet Union. I left Moscow just 2 days before the young West German landed in Red Square. I wish I could have congratulated him for having outwitted the world's largest air defense system. There were many Soviet citizens, of course, who found his journey to Moscow inconceivable. For them, the challenge is not how to get into the Soviet Union, but how to get out.

The Russian people themselves are wonderful people . . . but they have been cursed with the worst government of any developed nation on earth.

It is a nation where everything is in short supply: consumer goods, housing, privacy, and most of all, freedom. The only surplus in the Soviet Union is a human commodity—hostages. People who are imprisoned because they have been accused, tried, and convicted of doing things that we in America do, and take for granted—every day:

speaking our minds and criticizing our government;

organizing a community group to feed the unemployed;

reading the Bible and conducting Sunday school; and

joining or belonging to a union.

If any of us did what we are doing today in the Soviet Union, we would be on our way to Siberia tomorrow. And Lynn Williams and I would be doing 3-6 years at hard labor.

What I will never forget, what I hope that none of us ever forgets, is this: the freedom we have in this country, must be preserved, protected and defended. Of course, we must be preserved, protected and defended. Of course, we must be prepared to defend against external military threats. But we must also attack with equal vigor the threats here at home that deny the full measure of freedom—that to which all Americans have a right to including health safety and economic justice.

For a generation, our industries and our workers have been the undisputed champions of the world. We lifted the standard of living for all Americans and made our country the envy of all. We have been champions.

All championship teams share one strategy: when the game is on the line, put your best players into action.

Yet today, some 5 million industrial workers—steelworkers, autoworkers, textile workers, and others—have lost their jobs in recent years and are out of the action. In the steel industry there are half as many people working as there were 10 years ago.

Our first string is on the bench.

And why? Because this country has been flooded with imported steel as demand for domestic steel has flattened out. More than a quarter of a million steel jobs have been lost. The human costs have been staggering.

We are not a throw-away society, no matter what the fast food chains tell us. We strive to have more disposable income. We can not tolerate having disposable jobs.

Administration economists tell us new jobs have been created. They don't tell us that those new jobs pay 40 percent less than the ones we've lost. They don't tell us that our growing foreign debt is literally mortgaging our children's lives. My friends, we have to take bold action before working people in this country go from blue and white collar jobs to no collar.

Our trade and adjustment policies are failing. More importantly, they will continue to fail unless we change them. That is what the Congress will be debating within the next week, when we take up the trade bill.

The Senate trade bill is not everything I wanted-and certainly not everything you wanted—and certainly not everything you wanted—but it contains some items that will ing industries.

First, we have included a strong workers' rights provision sponsored by Don Riegle and myself.

Workers' rights also are human rights. This is an economic issue for some, but for me, as for you, it is a moral issue.

Second, we have imposed tough restrictions on the President's ability to deny import relief or not act against other countries' trade barriers. We've seen industry after industry denied relief because a foreign leader complained to the President or the State Department. Under our bill, American interests, not foreign interests, will come first.

Third, we have created a stronger trade adjustment assistance program.

The Finance Committee adopted Senator ROCKEFELLER's and my amendment first, to count a worker's most recent separation from work, rather than the first, in determining TAA eligibility; second to permit workers to receive more than the current maximum 104 weeks of training if they need it; and third to give workers one year to enter training. It is not just inexcusable to force workers to run a bureaucratic obstacle course in order to be retrained, it condemns first string workers to the sideline forever. In today's competitive marketplace allowing our most productive workers to be sent to the showers is tantamount to national economic suicide.

The trade bill does make important improvements in our trade law. But they will not be enough. Especially for steel. Because for steel the worst may be yet to come: more bankruptcies, more terminated pension plans, more plant closings, more jobs lost—more broken promises, because companies are turning to a new device, to chapter 11 of the bankruptcy code, to break those promises.

Going to chapter 11 to cut costs is like going to the butcher to lose weight. The companies come out looking leaner and trimmer, but all the important parts are hacked off and left behind. Potentially profitable plants are closed. Skilled workers are laid off. Retiree benefits are cut. Suppliers and their workers are jeopardized. Foreign and domestic markets are surrendered forever to the Japanese and others.

The problem is that, like lambs to the slaughter, steel companies are beginning to line up to follow one another through bankruptcy. It is not enough to simply make it harder for companies to duck their responsibilities through bankruptcy. Senator METZENBAUM and I are doing this—but it is not enough. We need to make it possible for the steel industry to reduce costs without going through chapter 11. We need to make it possible for steel companies to keep their promises to their workers and retirees.

We stand at an important crossroads. A rush to reorganize the steel industry in bankruptcy would be dangerous and inefficient—harmful to taxpayers, workers, and retirees. But without federal help some of the steel companies may have no choice. It is time to offer steel companies dragging their workers toward chapter 11 a more rational alternative. It is time to protect the futures of workers, retirees, families, and the steel industry from the lottery or bankruptcy courts.

And today I want to advance a plan to do this.

There are five principles on which I have based this plan, and should apply in any plan to assist the steel industry.

First, and most important, companies should restructure outside of bankruptcy. Bankruptcy is an all or nothing proposition. Companies in bankruptcy dump all of their obligations to retirees and creditors. The least efficient and most financially troubled producers get relief. The most efficient producers then find it harder to compete. Help for companies should be related to their costs and not to the aggressiveness of their bankruptcy lawyers.

Second, any solution should give retirees better benefit protection than they would get in bankruptcy. Right now, retirees' benefit cutbacks are paying most of the costs when companies go into bankruptcy. As little as one-third of steel retirement benefits may actually be insured by the Federal Government. The rest is unprotected. A final settlement may leave retirees with only 20 cents on every dollar owed them. This is no way to treat the people who built these companies and our country. They deserve better than this, and we, in Government, must see that promises made are promises kept.

Third, any Federal role should cost the Federal Government less than doing nothing. And doing nothing is expensive. Already two steel companies have dumped over $3 billion in unfunded pension obligations on the financially troubled Pension Benefit Guaranty Corp. Terminations by two more steel companies would more than double this amount. Eighty percent of the PBGC's total unfunded liability has come from steel plans—and this is only the beginning. If more steel companies go into bankruptcy, total costs to the Federal Government could run into the tens of billions of dollars.

Fourth, it must ultimately be the companies themselves that stand behind the promises they make. It is unfair to allow some companies to dump their retirement obligations, while others honor their commitments and end up paying for their competitors' pension liabilities as well. When companies return to profitability they should make good on their promises to retirees and not expect someone else to do it for them.

Fifth, Federal assistance should not become an incentive to shut down potentially profitable facilities and lay off workers.

I intend to introduce legislation consistent with these principles that will help the steel industry recover. It will encourage steel companies to continue their pension and health insurance plans. It will help retirees by providing Federal assistance to pay additional benefit costs created by the companies' adjustments.

My bill is called the Steel Industry Revitalization Act. It will assume responsibility for paying special supplemental and shutdown benefits in the steel industry and would be backed by stock warrants from the steel companies. Any supplemental pension obligations created within the last 5 years or within the next 2 in connection with a reduction in capacity in the steel industry could be transferred to the Federal plan. Participating companies would be required to continue paying their normal pension benefits to retirees.

The Steel Industry Revitalization Act will fully protect workers and retirees, prevent the chaotic adjustment of the steel industry, and discourage disastrous use of the bankruptcy courts to reorganize a vital industry. I hope you will study this plan carefully and will join with me to make it a reality. It is not just a matter of worker security, it is one of national security.

National security is not just a matter of so many weapons, so many missiles, so many rounds of ammunition. National security depends on a strong industrial base, it depends on a good education for all of our children; it depends on a workforce that's employed and providing for families and those less fortunate. And it depends on a secure retirement for those who spent their lives building up what we have today.

That's what it will take to keep America strong and free. That's what your union has always stood for. By fighting together we can help insure that hard won gains by working Americans will not be sacrificed in the name of false progress.

By working together, we can maintain our strong economic base and build for the future. We can invest in our most precious commodity—people—in our young people, our displaced workers, and our retirees. And by working together, we can ensure that America's interests are put first.

NAUM MEIMAN

● Mr. SIMON. Mr. President, the number of Soviet refuseniks wishing to emigrate from the Soviet Union is astounding. Today, the number nears 400,000.

As long as these individuals remain on Soviet soil they become pawns in their government's harassing activities. Their lives are in constant swing as their hopes for an exit visa are raised and then quickly lowered.

Each time these Soviet Jews apply for an exit visa they lose their jobs and become subject to religious and political persecution. The Soviet Government still refuses to allow the Soviet Jews to study Hebrew or practice their religion.

Naum Meiman has been a Soviet refusenik for over a decade. He has experienced much fear and anguish during his struggle for freedom. His only desire is to emigrate to Israel and finally live in peace.

The Soviet Union is one of 35 nations that signed the 1975 Helsinki accords. Those agreements were seen as guaranteeing reunification of families and obligates the signatories to grant exit visas to all individuals wishing to leave. It is time for the Soviet Government to take action. I strongly urge the Soviet Union to allow Naum Meiman permission to emigrate to Israel.●

JOINT REFERRAL OF S. 1415

Mr. BYRD. Mr. President, I ask unanimous consent that S. 1415, a bill dealing with the settlement of Colorado Ute Indian water rights, be jointly referred to the Select Committee on Indian Affairs and the Energy Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR FILING FINAL REPORT OF SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION

Mr. BYRD. Mr. President, I ask unanimous consent, pursuant to section 9(a)(1) of Senate Resolution 23, that the date for the filing of the final report of the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition be extended until not later than October 30, 1987.

It is my understanding that this request has been cleared on the other side of the aisle.

Mr. CHAFEE. It has.

The PRESIDING OFFICER. Without objection, it is so ordered.

SCHEDULE FOR TOMORROW—UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD. Mr. President, this request has been cleared with the able Republican leader. I note that the distinguished Senator from Rhode Island [Mr. CHAFEE] is the acting leader.

I ask unanimous consent that the convening time of the Senate tomorrow, which is presently set for 8:30 a.m., be moved to the hour of 9:15 a.m.; that following the two leaders under the standing order, there be a period for morning business, not to extend beyond the hour of 9:50 a.m., and that Senators be permitted to speak therein for not to exceed 5 minutes each; that at the hour of 9:50 a.m., the amendment by Mr. CHAFEE be called up. This will comport with the order previously entered, which allows for 40 minutes of debate, after which, at 10:30 a.m., the distinguished Senator from Kentucky [Mr. FORD] will be recognized to make his tabling motion.

The PRESIDING OFFICER. Is there objection to the request of the majority leader? The Chair hears none, and it is so ordered.

Mr. BYRD. Mr. President, the Senate will come in at 9:15 tomorrow morning. The first rollcall vote will occur at 10:30 a.m. sharp. There will be rollcall votes throughout the day. Senators may expect a late session. It is still hoped that the Senate might be able to complete action on this bill tomorrow.

I thank all Senators for their patience today and for the good work that has been done.

Does the distinguished acting Republican leader have any further statement or further business he wishes to transact?

Mr. CHAFEE. I have no further statements. I thank the distinguished majority leader.

Mr. BYRD. I thank my friend, the distinguished Senator from Rhode Island [Mr. CHAFEE].

RECESS UNTIL TOMORROW AT 9:15 A.M.

Mr. BYRD. There being no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 9:15 a.m., tomorrow.

The motion was agreed to, and, the Senate, at 10:52 p.m., recessed until Friday, July 10, 1987, at 9:15 a.m.

NOMINATIONS

Executive nomination received by the Senate July 9, 1987:

DEPARTMENT OF DEFENSE

Kathleen A. Buck, of Virginia, to be general counsel of the Department of Defense, vice H. Lawrence Garrett III.

EXTENSIONS OF REMARKS

THE AMERICAN JEWISH CONGRESS OPEN LETTER TO POPE JOHN PAUL II REGARDING KURT WALDHEIM

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. LEVINE of California. Mr. Speaker, 42 years ago the Second World War came to an end. In that war, the majority of Europe's Jewish population perished in the fiery furnaces of the Nazi death camps. Why? Because they were Jewish, and thus marked for extermination by a perversely racist ideology.

It is impossible to bring back the victims of the Nazi Holocaust. It is impossible to undo the agony perpetrated by the Nazis on so many millions of innocent people. It is possible, however, to remember. To this day, we remember the victims of the Holocaust so as never again to allow such unspeakable atrocities to occur. Memory is our principle weapon against these crimes against humanity.

That is why, Mr. Speaker, when Pope John Paul II agreed to meet with Austrian President Kurt Waldheim, so many people—Jews and non-Jews alike—reacted with shock and dismay. Here was the spiritual leader of the Catholic Church, who had recently visited a Nazi death camp and urged remembrance, agreeing to meet with an individual who has denied playing any role in the Holocaust. By now, the evidence is clear—Kurt Waldheim was a willing participant in atrocities committed against Jews.

The American Jewish Congress, an organization dedicated to fostering increased interfaith cooperation, sent an open letter to the Pope expressing the hurt, confusion, and anger of the Jewish and Catholic communities over his decision to meet with Mr. Waldheim. It is an extraordinarily eloquent statement on a subject of great importance. This letter was printed in the New York Times on June 26, 1987.

I insert this letter in the CONGRESSIONAL RECORD and commend it to the attention of my colleagues.

[Advertisement from the New York Times, June 26, 1987]

AN OPEN LETTER FROM THE AMERICAN JEWISH CONGRESS TO POPE JOHN PAUL II

(The following open letter was sent to Pope John Paul II to explain the deeply-felt reaction to the audience that he granted to Kurt Waldheim. Because we believe it is important to share this explanation with the widest possible audience, we reprint the letter below.)

YOUR HOLINESS: Many people, not only Jews, reacted with incredulity when they learned that you agreed to receive Kurt Waldheim at the Vatican. Even the National Conference of Catholic Bishops in the United States seemed disconcerted by your decision. At the same time there are many Catholic faithful and perhaps even Jews who are honestly puzzled by the reaction of Jewish leaders to your decision. After all, as your own spokesman has said, doesn't the Pope meet with all kinds of questionable heads of state?

We believe it is terribly important that we give clear and unambiguous witness to the central moral issue that was raised by your decision to receive Waldheim: it is the fact that you and the Vatican see Kurt Waldheim as just another head of state. Sadly, this indicates to us that despite the Church's pronouncement on this subject, the significance, of the Holocaust and the uniqueness of the evil it represents is not really part of the consciousness of the Church.

It is not Waldheim the man, but the symbol he has become, that is at issue.

We cannot undo the agony and suffering inflicted on mankind and most particularly on the Jewish people by the likes of this man, nor should we visit the sins of the murderers on their children. But surely the most sacred command of our generation is memory: not to forget how silence became indifference, indifference became complicity, and finally turned into a nightmare of slaughter for millions upon millions. Surely that much—that debt of memory—we owe not only the victims, but ourselves and our children.

Kurt Waldheim represents the antithesis of memory. He is the ultimate symbol of denial and evasion. He wishes to inflict on the victims of the Holocaust the final indignity of forgetfulness—to erase even the memory of the beastiality of the oppressors and of the suffering of their victims. So he insists, first, that he was nowhere near where the crimes were committed; then, when caught in the lie, that he was unaware that the Jews, one-third of the population of Salonika, Greece, were all rounded up and deported to the crematoria in Auschwitz; and, finally, although there is evidence of his own complicity in these atrocities—evidence sufficiently weighty for the U.S. Justice Department to bar him from this country as a suspected war criminal—that he was just a good soldier obeying orders.

Is it possible that this man, who has become the symbol not only of an evil Nazi paw, but of current efforts to diminish, falsify and forget the Holocaust, is just another unpleasant head of state for the supreme leader of the Catholic Church? That, incredibly, is what your spokesman has said, and that is what the welcome you personally extended this man inescapably implies. How is one to explain so profound an insensitivity to the meaning of the Holocaust, so painful a failure of the moral imagination, by the custodian of the Catholic conscience?

How paradoxical, and how deeply disquieting, that secular governments like the United States were determined to put politics aside to take a stand on moral principle by isolating Waldheim, while the Vatican was guided by political considerations and put moral principle aside!

Is it possible, Your Holiness, that in Waldheim's forgetfulness there is an echo, however distant, of the Church's forgetfulness as well? Has Your Holiness dealt with the indifference of the Catholic churches in Europe to the fate of the Jews during World War II? Not a word on the subject has been uttered in any of your Papal visits to various European countries and to the Death Camps. Despite the extraordinary heroism of so many individual Catholics, isn't it true that, along with so much of the rest of the world, the official churches were largely silent and abandoned the Jews in their agony? And if the Church, to which millions look for moral guidance, cannot yet come to terms with its past, if it cannot respond to the demands of sacred memory, what hope is there for others?

These are some of the painful questions that are raised by the audience you granted Kurt Waldheim. We have participated in the dialogue with the Catholic Church for the past 20 years, and we value its significant achievements. But this dialogue can no longer avoid urgent questions that so deeply agitate our consciences and souls. The meeting scheduled for September 11 in Miami is not where these questions will be addressed. It is therefore not where we can be.

It pains us to have to speak these words, for we are deeply respectful of your person and your office. But, were we not to do so, we would be betraying the memory of the six million, and it is now so sadly clear that if we do not bear this witness to their memory, no one else will.

THEODORE R. MANN,
President.
HENRY SIEGMAN,
Executive Director.

American Jewish Congress, 15 East 84th Street, New York, NY 10028.

CARROLL COMMANDS DAV

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. FLORIO. Mr. Speaker, in Toms River, NJ, lives a man who well served his Nation in the Vietnam war. In the course of his tour of duty, Charles Carroll was injured by enemy fire. For the bravery that he showed then and the leadership abilities that he has demonstrated since that time, he now rises to the post of commander of the Disabled American Veterans of New Jersey.

For the years of service given to his country, the thousands of veterans in the DAV, his fellow soldiers in wartime, are recognizing Charles Carroll and his dedication to the cause of the veteran not only on the front but also at home.

In his new capacity, Mr. Carroll will bring the years of concern that have shaped his life to improving the welfare of the millions of veterans who served in Vietnam, Korea, and World War II. These disabled vets have special needs, be they medical, be they a helping

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

hand from the Nation they protected in its time of need.

Mr. Carroll will bring his sensitivity to the needs of the disabled veterans in New Jersey and across the Nation in his new post. He had already identified areas where he can promote their welfare. His agenda is the agenda of a million individuals who gave of themselves when their country called.

He will bring a much needed focus to the needs of these veterans, including the improvement of medical care in VA hospitals, the reestablishment of travel allowances to VA hospitals for veterans seeking the medical attention they were promised years ago, and housing for needy veterans.

For his accomplishments then and now, the Newark Star-Ledger is recognizing Mr. Carroll as the Jerseyan of the Week in the article that follows:

[From the Newark Star-Ledger, July 5, 1987]

A DISABLED VIETNAM VET CONTINUES TO SERVE

(By Charles Q. Finley)

Charles Carroll, 48, of Toms River is not one to lose heart when the going gets rough.

"My world was my bed and reclining chair for three years, but I hung on," recalled Carroll, the new commander of the Disabled American Veterans (DAV) of New Jersey who was injured while serving in Vietnam. "When you start feeling sorry for yourself, remember there are people far worse off than you who haven't given up.

"There's one veteran, who has been in a Veterans Administration hospital for years, who can't move a muscle, yet he remains cheerful and operates his stereo using a straw.

"I wish the politicians who're pouring all this money into weapons could take a stroll with me through a VA hospital so they could see what war really is all about.

"Take adversity day by day and keep trying. I did, and now I can walk about and do things after being very close to death."

Carroll considers international tensions today "extremely ominous."

"The world today reminds me of a runaway express train. I can see the same dark clouds gathering as I saw prior to World War II.

"It's scary to me, and I just hope sanity takes over before it's too late. If there is another major conflict, this time there won't be anything left for us, or our children.

Carroll now heads an organization 32,000 strong in New Jersey, with a million members nationwide.

"The veterans of all our wars tend to be forgotten quickly by the public and with the World War II veterans now senior citizens, they're being ignored the most. When they go to a VA hospital with an ailment not directly service related, they're told if they do not have other health insurance they can't be treated there.

"The VA treats these older people as if they were welfare cases. They're not asking for anything they don't deserve.

"These senior citizens definitely are taking the worst rap. They also defended their country and now are being told, in effect, 'That was 40 years ago; forget it!' "

Born in New York City and a graduate of the Chelsea Vocation School in Manhattan, Carroll went on to earn an associate degree in business administration by taking evening classes at Rutgers University. He worked for the American Federation of Labor as a contract negotiator, then served in the Army from 1962 to 1965, including the stint in Vietnam.

Carroll and his wife, Mary, have five children—John, 23, of Brick, a subcontractor; Richard, 17, who lives at home and is employed by John; Mrs. Theresa Lockreia, 22, of Beachwood; Patricia, 18, who graduated from Toms River North High School last month, and three-year-old Charles.

Carroll said since the DAV was founded in the late '40s it has been dedicated to assisting the disabled veterans and their families.

"We have been representing them in the VA system, taking them through the maze of bureaucracy and paperwork to get their claims processed. We also have started our own political lobby.

"One of our first lobbying tasks will be to re-establish travel pay to and from the VA hospitals, which has been taken away from the disabled veterans. How can one of us on a fixed income afford to get to a distant VA hospital and return home?

"We are also organizing a transportation network. We already have obtained federal grants for this project."

Carroll is concerned about disabled veterans in senior citizen housing projects who are unable to go out on their own to obtain benefits to which they are entitled.

"As DAV commander in New Jersey, I want to establish outreach programs so the DAV can reach those who are confined, in need of our assistance but unable to come to us."

"There are many thousands of disabled war veterans all too ill or too old to leave their homes. DAV wants to reach them."

Carroll noted with pride the high degree of patriotism reflected in essays written by grammar and high school pupils on "What America Means to Me" in a recent DAV-sponsored contest.

"We hear so many bad things about the young people today that it was a very enlightening experience for me to hear just how aware they are of the freedom in America. I was amazed just how deeply they feel about their country and what it represents."

"I never was prouder than after hearing the winning essays read aloud. They brought tears to my eyes.

"They're very aware of the freedoms we have in this country, and also of the debt we owe to our forefathers. Actually, I believe Americans in general are very patriotic today.

"The country didn't fall apart during Watergate; it became bound even closer together. The same will hold true with our present problems because America does a very good job washing its own dirty laundry."

Carroll finds boating the best way to relax. He owns a 25-foot cabin cruiser.

He also has a penchant for stray dogs.

"I can never pass one by. Cookie, the little mutt I have now, was a stray."

SMALL TOWN AND RURAL AMERICA OPPOSED TO GAS TAX INCREASE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. ANDERSON. Mr. Speaker, it is becoming increasingly clear that though we do need to reduce the Nation's deficit, a gasoline tax increase would be perhaps the worst approach toward meeting this objective. At a hearing held last week by the Surface Transportation Subcommittee we received testimony from analysts, Government officials, and transportation leaders who were highly critical of a gasoline tax increase. Yesterday's mail brought the first letter and resolution I have received opposing such an increase from a group which speaks specifically on behalf of small town and rural America. The letter from the National Association of Towns and Townships [NATaT] should be of special interest to our nonurban colleagues, and I hope they give it every consideration. Because while I do not agree with every premise and assertion made, I wholeheartedly agree with the conclusion that Congress needs "* * * to find a more equitable way of raising needed Federal revenues to balance the Federal budget."

NATIONAL ASSOCIATION OF TOWNS
AND TOWNSHIPS,
Washington, DC, July 6, 1987.

Hon. GLENN M. ANDERSON,
Chairman, Subcommittee on Surface Transportation, Washington, DC.

DEAR MR. CHAIRMAN: The National Association of Towns and Townships (NATaT) is greatly concerned about proposals under congressional consideration which would raise the gasoline tax as a means to generate additional revenue for the Federal treasury.

Town, township and small community officials need no reminders of the great need to reduce the Federal deficit. We support such efforts, and we recognize that it may require additional revenues to do so. However, we strongly believe that raising the gasoline tax is inappropriate for this particular purpose, and we believe that it would only further discriminate againt small governments.

Small town America has already "taken it on the chin" in fiscal retrenchment efforts. We lost the only Federal aid program that most small governments received—General Revenue Sharing. Our small towns and rural counties have lost 80 percent of their Federal aid since 1980.

Revenues collected through the gasoline tax are presently earmarked for highway and transit purposes. Because there are few public transportation systems in small town America, our citizens generally pay more in fuel and gas taxes than their urban counterparts. At the same time, most of our local roads are ineligible to receive funding from the transportation and highway programs the gas tax supports. Consequently, the citizens who reside in small towns and communities do not receive a fair share of the gas taxes they presently pay.

Raising the gas tax only exacerbates the present discrimination against our small towns and rural communities. It will force them to pay more, and receive even less at a time when they least can afford it.

Our Board of Directors considered this issue very carefully at its June board meeting. The board unanimously adopted a resolution in opposition to the gas tax, and I have enclosed that resolution for your information.

It is our hope that you will give serious consideration to the problems an increase will create for small town America. Clearly, reliance on the gas tax for nontransportation purposes aggravates the equity problem. At the very least, Congress should be considering how to better target existing Highway Trust Fund dollars to the small communities which need them the most—rather than adding insult to injury be expanding the use of these funds to support programs that benefit our urban counterparts, but completely fail rural America.

Sincerely yours,

JEFFREY H. SCHIFF,
Executive Director.

RESOLUTION OF THE NATIONAL ASSOCIATION OF TOWNS AND TOWNSHIPS ON AN INCREASE IN THE FEDERAL GASOLINE TAX TO BALANCE THE FEDERAL BUDGET

Whereas, the House and Senate tax-writing committees are currently considering revenue raising measures in order to balance the Federal budget; and

Whereas, a proposal is currently under consideration to increase the Federal gasoline tax between 10 and 50 percent; and

Whereas, the gasoline tax was increased by 125 percent in 1982; and

Whereas, state fuel taxes have gone up by a third on the average since 1982; and

Whereas, rural areas currently bear a disproportionate burden for financing the interstate highway system through their contributions of tax dollars to the Highway Trust Fund, and receive very little in return for their contributions at the present time; and

Whereas, rural areas currently receive a disproportionately small distribution of Federal program dollars to the point where a real bias against rural areas is inherent in Federal policy.

Now thereof be it resolved that the Board of Directors of the National Association of Towns and Townships opposes any increase in the Federal gasoline tax that is not specifically targeted at redressing the inequity in current Highway Trust Fund formulas and urges Congress to find a more equitable way of raising needed Federal revenues to balance the Federal budget.

HOUSE JOINT RESOLUTION 328, RECOGNIZING THE NATIONAL FALLEN FIREFIGHTERS MEMORIAL IN EMMITSBURG, MD, AS THE OFFICIAL MEMORIAL TO FALLEN FIREFIGHTERS

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mrs. BYRON. Mr. Speaker, last week, I introduced a bill to recognize the National Fallen Firefighters' Memorial on the campus of the National Fire Academy in Emmitsburg, MD, as the official national memorial to career and volunteer firefighters who have died in the line of duty.

On October 4, 1981, the Fallen Firefighters' Memorial was formally unveiled and dedicated in memory of the Nation's fallen firefighters. Constructed with over $50,000 in Federal funds, and maintained by the Federal Emergency Management Agency at a cost of approximately $10,000 a year, this memorial is the first Federal monument in our history to honor the fallen firefighter who died while attempting to save the lives of others. It also celebrates current and future firefighters committed to protecting their communities' lives and property.

The highlight of the memorial is a sculptured bronze Maltese Cross, 2 feet high, 2 feet wide, and 6 inches deep. Throughout the centuries, the Maltese Cross has been adopted as a symbol by many groups who provide aid in times of distress. Models of fire badges from several major American fire companies were used in planning the design of the Fallen Firefighters Memorial Maltese Cross.

Unlike some memorials, constructed and later forgotten, the National Fallen Firefighters Memorial in Emmitsburg is the site of annual services in memory of the volunteer and career firefighters who have lost their lives in that year. The services are attended by family members and fellow firefighters from across the country who come to honor the courage and dedication of those men and women.

Within the shadow of the memorial, in the center of the National Fire Academy campus, firefighters from across the Nation attend classes to improve methods for handling fire and emergency disaster situations. It is with this knowledge, that these individuals hope to prevent future accidental deaths of their colleagues and reduce unnecessary destruction of their communities due to fire.

The National Fallen Firefighters' Memorial in Emmitsburg has become a national symbol to members of the fire service and their families. According to the Director of the Federal Emergency Management Agency, "Ten of the eleven members of the Joint Council of National Fire Service Organizations, who represent the preeminent fire service constituency organizations, have enthusiastically endorsed the National Fire Academy site in Emmitsburg, MD, as the most appropriate location for a National Fallen Firefighters' memorial."

With this support, it is evident that we must now legislatively recognize this memorial to those thousands of firefighters who courageously gave their lives for our safety. Mr. Speaker, I urge my colleagues to join me in the passage of this deserving and compassionate legislation.

SOVIET JEWS MUST NOT BE FORGOTTEN

HON. JAMES McCLURE CLARKE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. CLARKE. Mr. Speaker, General Secretary Gorbachev has attracted world attention by proposing far-reaching reforms in the Soviet Union. Americans are watching these developments with interest, hoping they will result in more peaceful and cooperative behavior on the part of our great adversary. We should keep Gorbachev's reforms in perspective, however, and maintain our concern about the widespread violations of human rights which continue in the Soviet Union.

One of the most basic of human rights is freedom of conscience and religion. Yet any religous believer in the Soviet Union faces a hard choice. He or she must either join an officially sanctioned religious body under KGB surveillance or go underground and risk penalties including terms in harsh labor camps. Faced with this choice, believers of many faiths have understandably sought to emigrate from the Soviet Union in order to practice their religion freely elsewhere.

At this point they face another obstacle. The Soviet Union does not recognize the basic human right to emigrate and seek a new life in a new land. This cruel denial is especially poignant for Soviet Jews, who look to a homeland—Israel—outside the Soviet Union. Gorbachev has allowed the tiny trickle of departing Jews to increase in recent months, but the flow is still a small fraction of what it was a few year ago, and remains insignificant compared to the thousands who have taken the first step in trying to leave.

Statistics can sketch the dimensions of the problem, but they do not reveal the suffering caused by callous administration of an inhumane policy. One Moscow woman saw her aged mother leave for Israel a few years ago. She pleaded with the authorities to allow herself and her husband to follow. An official refused, telling her "you should have thought of that when you let your mother go." Last year the mother died. Her daughter still waits in Moscow.

Another sad example is Alexander Kholmyansky, who was released last year after serving 3 years in a labor camp on a trumped-up change but in reality for teaching the Hebrew language. This year the authorities allowed his brother to go to Israel but told Kholmyansky he had to remain behind, separated once again from his closest relatives.

A great many more cases could be mentioned. All are victims of a system which requires would-be emigrants to undergo a difficult application procedure making them vulnerable to retribution should they be denied permission to leave. Soviet leaders should understand that their continuing violation of international agreements to respect human rights calls into question their reliability as partners in efforts to control the nuclear arms race and in other international treaties and agreements.

Mr. Speaker, we must continue to keep the plight of Soviet Jews before world opinion and to let the Soviet Government know of our deep concern for them.

VA EMPLOYEES VOICE STRONG SUPPORT FOR THEIR MEDICAL COMPUTER SYSTEM

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. MONTGOMERY. Mr. Speaker, a controversy over the effectiveness and cost of the Veterans' Administration's medical computer system, known as the Decentralized Hospital Computer Program [DHCP] system, has arisen in the Congress. As chairman of the Committee on Veterans' Affairs, I have scheduled many oversight hearings on this important medical computer system over the past several years and the reports on its effectiveness and costs have been uniformly very positive.

Since our hearing of April 8, 1987, on this important subject, I have received many letters from veterans and Veterans' Administration employees in support of the DHCP.

I would like to share with my colleagues a copy of a letter which I received from Dr. David Korn of the VA Medical Center at Palo Alto, CA, which demonstrates how the VA employees feel about "their" medical computer system. The letter follows:

STANFORD UNIVERSITY
MEDICAL CENTER,
Stanford, CA, April 7, 1987.

Hon. G. V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs, Washington, DC.

DEAR MR. CHAIRMAN: It has come to my attention that a switchover from the DHCP system to the McDonnell Douglas system is being contemplated for VA Medical Centers, and that there is an associated risk of funding cutoff for the DHCP while the ramifications of such a change are being weighed.

Dr. Franklin G. Ebaugh, Chief of Staff at the Palo Alto VA Hospital and Associate Dean for VA Affairs in the Stanford School of Medicine, has voiced to me his strong concern about the disastrous effects that such a cutoff would have on operations at his hospital. I write now to urge you and the members of your committee to protect and continue the funding of the system now in place until such time as a changeover is actually ready to be implemented, if that should be your decision. The damage resulting from a hiatus in the DHCP operations would be exponential and certainly would prove, in the long run, far costlier than the maintenance of support during reassessment of the system.

With all good wishes,

Sincerely,

DAVID KORN, M.D.

WELCOME TO FRIENDS FROM PORT ARTHUR, TX

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. BROOKS. Mr. Speaker, I take special pride in coming before the House today to speak about the good deeds and accomplishments of a unique group of people.

For many years now, I have had the privilege of representing in the U.S. Congress the people of Port Arthur, TX. As you may know, Port Arthur has a reputation for being a straight forward, dynamic, nonnonsense, and tough industrial port city. Now, Mr. Speaker, we have a number of fine, proud and solid communities and cities in the Ninth Congressional District, but the people of Port Arthur are unique in that they have maintained such a strong sense of identity.

With deep understanding, sensitivity, and compassion—as well as positive pride—Port Arthurans have demonstrated even after they have left Texas for other parts that they are competent and "a breed apart." Now as doctors, lawyers, businessmen and women, sports and entertainment figures, mothers and ministers, the sons and daughters of the solid working people of Port Arthur who live in other cities around the country have shown a desire to maintain the collective memory of their common origin.

They have maintained their history, culture, and heritage. They have established the city of Port Arthur alumni chapters across the country, and those chapters provide a forum for shared heritage, the establishment of scholarship funds for Port Arthur youth; and serve as vehicles for good citizenship in the new communities in which they reside.

Port Arthurans in the reunion movement come together on a national level every 2 years. They are scheduled to do so again in New York City this July. Let us congratulate them on their achievements and extend our best wishes for their continued success in the years ahead.

The lesson the Port Arthur Reunion Movement continues to teach us is clear. The strength of the culture of the people of Port Arthur has been a major plus for their offspring. In those sons and daughters, who are now dynamic citizens of new towns, Port Arthur's gift has been shared with all Americans.

KEY CONSUMER ISSUE NEARS DECISION POINT

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. FLORIO. Mr. Speaker, in recent years the public has become increasingly concerned about tobacco, alcohol, and other advertising encouraging young people and others to engage in harmful activity. Years ago, in order to help deal with this kind of promotion, Congress empowered the Federal Trade Commission to prohibit unfair advertising. Unfortunately, the Senate bill to reauthorize the Federal Trade Commission contains a provision to exempt unfair advertising from FTC power to issue industrywide rules. This highly objectionable provision is directly at odds with public sentiment. The House has repeatedly rejected efforts to put this exemption in the FTC reauthorization bill. Recently the Subcommittee on Transportation, Tourism, and Hazardous Materials again approved an FTC bill without the exemption, and action on the FTC bill in the full Energy and Commerce Committee is expected soon.

Mr. Speaker, as the House prepares to consider the FTC reauthorization, I urge all Members to consider the outpouring of concern by consumer, parent, and other public interest groups that oppose the effort to cripple the FTC's ability to protect young people and others from unfair advertising. The groups opposing the exemption include, among others, the National PTA, Public Citizen, the National Association of Attorneys General, the American Association of Retired Pesons, the Center for Science in the Public Interest, and Mothers Against Drunk Driving [MADD]. A letter from MADD follows:

MOTHERS AGAINST DRUNK DRIVING,
Hurst, TX, June 25, 1987.

DEAR CONGRESSMAN: The national organization of Mothers Against Drunk Driving wishes to express its concern regarding proposed exemption of advertisers from Federal Trade Commission rulemaking authority over unfair advertising practices.

Although MADD does not oppose alcohol advertising in and of itself, we do insist that the media and advertisers exercise responsibility with respect to promotion of alcohol products.

Advertising—and, for that matter, media programs in general—should not depict illegal or dangerous uses of alcohol. Service to minors and obviously intoxicated individuals is prohibited in every state. Liquor advertising which makes use of settings involving teenagers or individuals appearing to be under the influence is clearly inappropriate. Depiciting or implying illegal behavior offends public policy, whether or not it is possible to demonstrate that such ads actually promote illegal behavior. Any strategies which market alcoholic beverages on college campuses are, without a doubt, aimed at potential customers under the legal drinking age in many states.

Similarly, ads which depict or clearly imply dangerous behavior—such as drinking associated with the operation of any motor vehicle, including driving, flying, boating or other potentially hazardous activities are irresponsible. This is true whether or not a given ad can be shown to have led to an increase in crashes.

MADD believes the first line of defense against dangerous, inappropriate advertising should be the alcohol beverage industry itself. The beverage industry should develop a strong, enforceable set of advertising guidelines with which to regulate itself. Responsible advertisers can find ways to present their products outside of situations which lead to illegal acts or hazardous situations, just as responsible owners of drinking establishments will find methods for selling alcoholic beverages which minimize the risks to patrons and the public.

If the industry cannot act responsibly, then the media should be a second line of protection for the public. The media should develop a set of guidelines on the advertising of potentially dangerous products and police itself and beverage industry advertising, if necessary.

The government should be the public protector of last resort only if the two industries most concerned—beverage companies and the media—fail to show responsibility in their advertising or sales promotion. While government regulation should be the last resort, it should not be overlooked when needed. If imprudent, irresponsible ads and sales practices continue, the public will undoubtedly call for government regulation.

At present, Mothers Against Drunk Driving does not advocate government restrictions applicable to alcohol advertising. But we also recognize that adequate public policies may be potentially required to address unfair practices in the event alcohol advertisers fail to market their product in a responsible manner. FTC authority, in the event it should ever become necessary to evoke, must be retained to help assure future advertising methods will not encourage hazardous activities. The existence of such authority will also likely serve as a continued incentive for advertisers and the media to rely upon their own resources and sense of responsibility in their self-effort to promote responsible advertising.

We appreciate this opportunity to comment upon this legislation, and thank you for any assistance you can provide in defeating the proposed exemption of FTC policy making authority over potentially unfair advertising practices.

Sincerely,

STEVE LAWRENCE,
Executive Director.

A CONGRESSIONAL SALUTE TO THE KIWANIS CLUB OF LOMITA-HARBOR CITY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. ANDERSON. Mr. Speaker, I rise today to direct the attention of my colleagues to the achievements of the Lomita-Harbor City Kiwanis Club. This outstanding Kiwanis chapter was recently honored at the Kiwanis Club International Convention here in Washington, DC. The Lomita-Harbor City Kiwanians were well represented here in Washington by Past-President Ray Blinn, President Ed Willett, and President-Elect James Bone. The club was the recipient of the honor single service award, for the top annual service project among the over 8,000 Kiwanis chapters worldwide. The club also received the Outstanding Key Club Sponsorship Award, for providing exceptional service and financial support to the Narbonne High School of Harbor City, CA, Key Club, which itself has been recognized as the top service club in the Key Club International.

The Lomita-Harbor City Kiwanis' awards are well earned. These club members were the driving force behind the development of the Lomita Kiwanis Gardens, a $3.5-million senior housing project for low-income seniors. The club was responsible for many stages of the project's construction and helped secure a Federal grant toward the completion of the housing development, which was dedicated last December. The single service award is the highest distinction bestowed upon worthy Kiwanis chapters by the Kiwanis Club International.

The Lomita-Harbor City Kiwanis Club's sponsorship of the Narbonne High Key Club, for which it received the Outstanding Sponsorship Award, has reaped handsome dividends. The Key Club has excelled tremendously in recent years. The proud recipient of three international awards this year, Narbonne High School Key Club is counted among the top Junior Kiwanis Clubs. The Narbonne Kiwanettes, also benefiting from Kiwanis Club sponsorship, have emulated the success of their male counterparts. Their many voluntary service projects and civic contributions have propelled them to a position of leadership among the 85 Kiwi Clubs in California.

Among its many other accomplishments, the Lomita-Harbor City Kiwanians mirror those of the many other Kiwanis chapters which comprise the Kiwanis Club International. President Reagan attested to this fact when he awarded an official Presidential commendation to the Kiwanis organization for its outstanding record of voluntary public service.

Again, it is with great pride that I convey to you the notable achievements of the Lomita-Harbor City Kiwanis Club today. My wife, Lee, and I would like to extend our thanks to these conscientious men for their many good works, and wish them continued success in the years ahead.

TAXPAYERS WILL BENEFIT FROM IMPROVED ROYALTY COLLECTION

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. MILLER of California. Mr. Speaker, today I am introducing legislation to plug a hole in the Federal Treasury that is costing American taxpayers as much as $1 billion a year in lost revenues.

This legislation is a major reform of the way we collect royalties on the thousands of oil, gas, coal, and other mineral leases issued by the Federal Government. Income from those leases is one of the largest sources of revenue to the Federal Government each year, following income from taxation.

Yet through mismanagement, incompetence, and indifference, the Department of the Interior has failed to stop the flow of lost dollars, thereby contrtibuting mightily to our unacceptable Federal deficit. The record has been confirmed by the General Accounting Office, which has repeatedly condemned the Department's administration of the program.

We have tried for several years to improve upon the current system. We held hearing after oversight hearing, passed legislation in 1982—FOGRMA—directing the Department to collect royalty fees aggressively, created the Minerals Management Service, which operates more as the Minerals Mismanagement Service. We added inspectors. We added auditors. We added computers. Yet the problems continue, the losses grow, and the scandals reappear with dismal regularity.

If this abuse were to occur in a school nutrition program or a job training program, we know exactly what the response of the Reagan administration would be: budget submissions calling for the abolition of the program, criminal prosecutions of the perpetrators, and overblown rhetoric about a Government out of control. But when it happens at the Interior Department, there is a kind of quiet indifference.

Why? Is it because the administration doesn't want to offend its good friends in the resources industries? Because let's remember, every dollar that wrongly is kept from taxpayers goes wrongly into the pocket of the lessee.

Is it because, as he recently said—and recanted—the Secretary of the Interior views energy producers as his real constituency, instead of the people of the United States who own these resources?

I cannot account for why these abuses continue year after year, despite millions of dollars which are spent to correct the abuses. But I do know that the time for wholesale changes has finally come, and it is imperative that we act without further delay.

Congress and the American people have waited long enough for Interior to get its act together. We have been told, "Just wait until next year and we will have our computers working," or "Just wait until next year and we will have our rules and regulations in order," or "Wait until next year and we will have enough people."

It is always "wait until next year." But the fact is that Interior has not and will not give the royalty collection program a high enough priority to get the job done right. And in the meantime, we are losing perhaps $1 billion a year in public revenues.

The legislation which I am introducing today transfers the responsibility for royalty collection from the Department of the Interior to the Department of the Treasury, whose purpose is to aggressively collect moneys owed the U.S. Treasury.

My bill would establish a separate service within the Treasury Department to carry out this job. It would be akin to the Internal Revenue Service, but it would be separate so that there will be no question of conflicting or competing priorities.

My bill also establishes a valuation commission, comprised of non-Federal employees, to look at the difficult question of how minerals should be valued for purposes of collecting royalty payments.

Interior has attempted to develop new rules and regulations covering product valuation—largely at the urging and direction of my good friend and colleague, Congressman SID YATES. Interior's proposed regulations have proved to be so controversial that we, in the House, have already passed a moratorium on finalizing these rules for the upcoming fiscal year. An outside commission appears to be the best and most promising way of reaching an equitable solution.

My bill also amends the Federal Oil and Gas Royalty Management Act of 1982 [FOGRMA] to provide additional collection authorities to States and Indian tribes qualified to carry out the functions. Since they have a clear interest in ensuring that royalties are fully and expeditiously collected, giving them additional reponsibility in this area serves us all well.

My bill is not intended to discourage the necessary effort to expand energy independence at home, and to promote the safe and appropriate production of energy resources. We are not demanding a higher share of the proceeds from the development of the public resources: we are reforming the system in order to assure the taxpayers that the share which is theirs by law is returned to them.

Mr. Speaker, I urge my colleagues to join with me supporting this long overdue measure.

SPACE EXPLORATION DAY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. LAGOMARSINO. Mr. Speaker, I rise to call to the attention of the House a momentous anniversary which will occur on July 20. It was just 18 years ago, on July 20, 1969, that mankind first set foot on the moon. "The Eagle has landed," reported the crew of Apollo 11 on that memorable day. Soon afterward, the word of Neil Armstrong were flashed to television watchers around the world, "That's one small step for a man, one giant leap for mankind."

It's altogether fitting that we should observe this anniversary of one of the great moments of mankind. Neil Armstrong spoke for all of us on that day 18 years ago. His achievement on our behalf will be marked across the Nation through the observance of Space Exploration Day on July 20, as thousands gather in schools, libraries, and public halls for programs, lectures, and exhibitions commemorating the epic journey of Apollo 11. In fact, the period of July 16 through July 24 will be dedicated as Spaceweek, in honor of their flight.

In Lompoc, CA, the Friends of the Western Spaceport Museum and Science Center will gather in a 2-day seminar on America's Future in Space. This event will mark a watershed in our comprehension of the significance of space exploration for mankind. The benefits of the Apollo Program are still being felt to this day, and I hope we will take the opportunity to reflect on those benefits for mankind and rededicate ourselves to carrying out the legacy of Apollo 11.

One day mankind will reach the planets, and beyond, but it all started with one step on July 20, 1969.

DRIVERS EXCEEDING 65-MILE-PER-HOUR SPEED LIMIT

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. HOWARD. Mr. Speaker, one of the main arguments for relaxing the 55-mile-per-hour speed limit was the number of violations. It was said that an unreasonable speed limit was creating a nation of lawbreakers and that a higher speed limit would encourage respect for the law.

It has always been my contention that violating the speed limit is common. Speed limits are violated whether they are 20 miles per hour or 65 miles per hour. It was only logical to believe that those drivers who exceed the speed limit by 10 miles per hour would simply increase their speeds if the speed limit were raised.

Based on the New Mexico study conducted by the Insurance Institute for Highway Safety, that is exactly what happened when the speed limit was raised from 55 to 65 miles per hour on rural interstates. In fact, more drivers are violating the higher speed limit than exceeded the lower speed limit.

The following is an editorial from the Hartford, CT, Courant commenting on the New Mexico study:

[From the Hartford (CT) Courant, June 21, 1987]

STILL SPEEDING; JUST FASTER

One argument for raising the speed limit on America's rural interstate highways from 55 mph to 65 mph was that it would purify a nation of lawbreakers.

Well, New Mexico's experience suggests that it isn't exactly working out that way. What's more likely is that speeders will keep on speeding, perhaps because it's a habit.

A survey of New Mexico drivers on rural interstates a week after the state raised its speed limit to 65 mph showed that 37 percent of them were exceeding the new limit. Five percent were going faster than 70 mph.

But a survey at the same sites two months later showed that 49 percent of the drivers were exceeding 65 mph. The proportion of vehicles clocked at 70 mph or more had climbed to 12 percent.

In fiscal year 1985, by comparison, federal figures indicated that 47 percent of drivers throughout the state were violating the 55-mph limit.

So instead of moving toward compliance with the new speed limit, New Mexico motorists seem to be moving away from it—and fast.

It's too soon to say with certainty, but it's possible that relaxing the speed limit doesn't transform speeders into observers of the law after all. It may simply prompt them to step on the gas.

FLOOR STATEMENT ON THE CONFIRMATION OF BERYL DORSETT

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. DE LUGO. Mr. Speaker, I rise to commend Ms. Beryl Dorsett, a Virgin Islander who was just confirmed last night as Assistant Secretary for Elementary and Secondary Education in the Federal Department of Education.

Beryl's many relatives and friends in the Virgin Islands take great pride in her achievement. After 22 years as an educational professional, she truly has risen to one of the top positions in her field.

And she is prepared to do a fine job. Her resume shows an outstanding record as a teacher, librarian, principal, and school administrator in the tough, challenging schools of New York City. Her awards for excellence and community service are legion. Now, in her new national role, she can bring a special awareness of the distinct educational needs and potentials of all our people.

I also must say, she comes from a special family in the Virgin Islands. Her parents, Leona and Owen Lans, have long contributed to our islands and it is only fitting to see Beryl making a big contribution on the national level.

THIRTEENTH ANNIVERSARY OF CYPRIOT OCCUPATION

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. FLORIO. Mr. Speaker, on July 20, the Republic of Cyprus will mark the 13th anniversary of the Turkish occupation of that island nation. On July 10, 1974, Turkish soldiers launched an invasion of a country that had only recently begun to enjoy the fruits of its independence from the British colonial empire.

Thirteen years ago, Turkish paratroopers and Turkish tanks rolled into a Cyprus that in 1960 was given the guarantee of freedom from nations around the world. Thirteen years ago, a Turkey that has often been on the brink of confrontation with its neighbor, Greece, illegally occupied Cyprus, killing hundreds of Greek Cypriots and separating thousands of Greek Cypriot families.

Today, 13 years year later, half of the island republic is still occupied by Turkish forces. The other half lives in the constant shadow of the Turkish presence that has overrun the nation.

Yes; there have been talks and talks of peace talks, but in every conversation and dialogue, few except the people under the Turkish umbrella of occupation understand that the issue is when the Turkish soldiers will leave Cypriot soil, restoring the freedom and the security that the Cypriot peoples once enjoyed. Thirteen years after men, women, and their children were swept out of their homes, even shot for the questionable crime of treason against an invader, almost 20,000 troops bearing the Turkish flag of occupation continue to live in homes and to walk down streets that once belonged to a Cyprus based on self-determination, not foreign intervention.

In Cyprus, there is a wall that divides half of the island from the other half. Greek Cypriots, herded into the devastated half of the island, are kept in the dark from their relatives, many of whom still remain missing from the invasion of 1974. The Cyprus Wall is a stark reminder of the division that was brought upon this republic and the separation of many families.

I have visited Cyprus and seen the Cyprus Wall. I have met with the people and the leaders of the Greek Cypriot community, and I have seen the condition of a country beleaguered by the Turkish military and waves of Turkish colonists.

Congress has an opportunity to condemn the atrocities that have been undertaken by the Turkish Government against the Cypriot peoples. Yet in the same breath, we are being asked to increase aid to Turkey and to supply Turkey with even more of the same weapons that have been used to invade Cyprus and which are still being used to keep Cyprus half-divided under the Turkish flag.

On July 20, along with the many countries and peoples around the world who espouse and cherish the values of liberty of freedom, I call on us all to mark anniversary as a reminder of the Cypriot tragedy and as an impetus for a resolution to the conflict.

TWO HUNDRED YEARS AGO TODAY AT THE CONSTITUTIONAL CONVENTION (JULY 9)

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. SHARP. Mr. Speaker, on July 9, 1787, the special committee set up to decide how many seats each State should have in the House of Representatives reported to the Convention.

The committee's determinations were based on a rough estimate of each State's wealth and population. There was no up-to-date census information available so the group had to rely on surveys done 13 years before.

The committee's plan called for the House of Representatives to consist of 56 Members. Virginia would have the biggest delegation at nine while Rhode Island and Delaware would have only one Representative. The National Legislature would have the responsibility to determine when changes in the allotment should be made.

Delegates, however, were not satisfied with the proposal and—not surprisingly—formed yet another committee.

THE PERSONAL NEEDS ALLOWANCE: A SMALL AMOUNT FOR NURSING HOME RESIDENTS' DIGNITY

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. WYDEN. Mr. Speaker, 1.1 million nursing home residents in this country are Medicaid beneficiaries who, having impoverished themselves, are eligible for Government assistance. Most survive on modest Social Security or veterans pensions. This income must be turned over to the nursing home to supplement Medicaid's payment for nursing services. Nursing home residents receiving Medicaid are allowed to keep $25 a month for personal items and expenses.

The $25 is used for laundry, clothing, toothbrushes, books, newspapers, haircuts and even essential medical services such as glasses and hearing aids—items not paid for by Medicaid.

The $25 allowance, known as the Personal Needs Allowance [PNA], was established in 1972. It has never been adjusted.

Mr. Speaker, today I am introducing the Medicaid Residents Dignity Act to increase the PNA by $10 a month to $35. The bill will cost the Medicaid Program $42 million a year—money already set aside in the House budget resolution for fiscal year 1988.

This $42 million, will help Medicaid residents pay for these small purchases and services most Americans take for granted. In a survey conducted in northeast Ohio by the Nursing Home Ombudsman Program, Medicaid residents indicated that, were the PNA raised, they would use the extra money for underwear, new pillows, panty hose, clothing and ice cream.

The House Budget Committee, through the fine work of our colleague from New York, Mr. SCHUMER, has given the Congress the opportunity to make life a little happier for nursing home residents.

I hope my colleagues will join me and Mr. SCHUMER, in sponsoring the Medicaid Residents Dignity Act of 1987.

THE LIFE OF BARNABAS BIDWELL

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. CONTE. Mr. Speaker, as the Nation celebrated the 211th anniversary of our independence, it was a time for reflection and commemoration of those who have helped to build this Nation. One of those men was Barnabas Bidwell. I would like to take this opportunity to share my reflections on this former Congressman from western Massachusetts.

The accomplishments of Mr. Bidwell during his single term in Congress are remarkable. As a freshman Congressman, he took bold legislative initiatives, quickly earning the respect of his colleagues and becoming a confidant of President Jefferson. Barnabas Bidwell was also an equally talented writer and lawyer. His dedication to excellence combined with endless ideas and energy earned him respect not only in this country but also in Canada, where he eventually died in 1833.

Barnabas Bidwell was born to Reverend Adonijah and Jemimah Devotion Bidwell in Tyringham, MA, on August 23, 1763. At the age of 22, he graduated from Yale University. During his senior year at the University, Bidwell wrote, published and directed a tragedy titled "*The Mercenary Match.*" This was to be Bidwell's best known piece as it contains exceptionally smooth blank verse and innovative phrasing—qualities often uncharacteristic of eighteenth century American drama.

His career as a public official began with his appointment as Berkshire County Treasurer in September of 1791. Although he held the title for eighteen years, his career did not end with this position. Bidwell explained that the liberal minority of the county "found they could reelect me, but could not elect a new candidate of their politics . . ." During 10 of those years, the treasury was run by proxy as Bidwell was elected to the State senate in 1801 and subsequently assumed other positions.

Little is known about the 4 years that Bidwell served in the State Senate. However, his tenure with the legislature brought him sufficient notoriety to ensure his election to the U.S. House of Representatives in 1805. Here his oratorical skills and adept legislative capabilities earned him his colleagues' esteem and prompted President Jefferson to turn to him as his spokesman in Congress.

When the Ninth Congress convened on December 2, 1805, Mr. Bidwell received a disappointing committee assignment from the Speaker of the House Nathaniel Macon. Although the President had urged Bidwell's appointment to the chair of the Ways and Means Committee, a close friend of Mr. Macon's, John Randolph, was chosen. Bidwell used frequent floor appearances and his seat on the Select Committee on Naval Affairs to effect policy.

His close alliance with President Jefferson earned him the title of "sworn interpreter of executive messages." This was first demonstrated by his maneuvering in the President's attempts to acquire the territory of Florida from the Spanish. Jefferson was distressed with the remarkable bargain he received in the Louisiana Purchase—finalized 2 years earlier—because he felt the land could be of only minimal use to the rest of the country. The piece of land he would have preferred was a Spanish strip known as West Florida, which included the harbor of Mobile Bay. The President was prepared to pursue several avenues to obtain this parcel. However, he needed the collaboration of Congress to appropriate funds for any strategy that he might adopt. It was Barnabas Bidwell who realized the importance of this purchase and facilitated a $2,000,000 appropriation.

In response to alleged Spanish hostilities, Joseph B. Varnum introduced a bill authorizing the mobilization of 100,000 militiamen to guard against Spanish "inroad and insult." Noting that this would not allow for the acquisition of any territory, Bidwell led debate authorizing another $2,000,000 appropriation for undefined diplomatic purposes. Largely due to the efforts of Bidwell, the appropriation was authorized but never spent, as neither Congress nor the President could decide on the proper strategy for the acquisition. Although Florida did not become a U.S. possession until 1821, this was clearly a sign of the capabilities and power that Bidwell commanded.

In the second half of Bidwell's term, he applied his talents in the battle over the abolition of the slave trade. On December 12, 1805, Senator Stephen R. Bradley of Vermont introduced a bill to prohibit the introduction of slaves after 1808. Mr. Bidwell proposed a similar measure in the House as an amendment to a bill placing an import tax on slaves. In a subsequent amendment, Bidwell took the bill one step further by prohibiting the sale of slaves who were discovered to be imported illegally—thus making them free men. Speaker Macon once again foiled Bidwell's legislative ambitions by casting the deciding vote against the bill. This issue was finally resolved by leaving the question of disposal to the State legislatures.

Between sessions of Congress, President Jefferson engaged Bidwell in substantial correspondence in an attempt to persuade Bidwell to return to Congress. He mentioned that the House was in need of leadership and wrote to Bidwell stating, "It is only speaking a truth to say that all eyes look to you."

However, in 1807, Bidwell accepted the appointment as attorney general of Massachusetts. During 3 years, he groomed himself for appointment to the Supreme Court. However, in 1810, it was discovered that about $10,000 was missing from the Berkshire County Treasury. Although Bidwell's clerk actually embezzled the funds, a conspiratorial case was prepared to ensure that Bidwell would never arise again as a prominent public figure. Bidwell's wife had died 2 years earlier and Bidwell decided to take his sons to Kingston, Ontario, Canada.

Although his flight was seen as a confession of complete guilt by the residents in Berkshire County, it allowed Bidwell to continue his involvement with legal work. His status as a United States citizen prevented him from litigating cases in Canadian courts and serving in the Canadian Parliament. Yet, he was twice elected to represent his community in Parliament and his son finally assumed Canadian citizenship and his father's seat.

Mr. Bidwell was a man of much talent and drive. If it were not for the scandal that was constructed by his political opponents in Berkshire County, Bidwell would have surely earned a place alongside the Randolph and Macon of the era. However, he is now virtually forgotten. I hope that, with the circulation of this article, he will once again be remembered in our national history.

MOAKLEY CALLS MEESE PROPOSAL ON NICARAGUANS "BUREAUCRATIC DOUBLE-TALK"

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. MOAKLEY. Mr. Speaker, once again, the Reagan administration is playing politics with peoples' lives. What they have proposed as relief for Nicaraguans is nothing more than bureaucratic double-talk. It is a self-serving attempt to neutralize support for legislation which would offer both Nicaraguans and Salvadorans a more generous and fair status.

Based on the administration's press release, the situation for Nicaraguans today is no different than the situation for Nicaraguans yesterday. Anyone who applies for political asylum, under the law, is also eligible for work authorization. That is not unique to Nicaraguans. To assert that INS, which cannot convince undocumented aliens to come forward and apply tor legalization, will somehow be able to convince 200,000 Nicaraguans to apply for asylum is ridiculous. The administration's statement is not adequate and it is not enough.

There is a troubling aspect, however, about the administration's statement. They seem to imply that the political asylum process should be used as a route to work authorization. Clearly, anyone with a well founded fear of persecution should apply for this status. But, it was not the intention of Congress in the 1980 Refugee Act to turn the asylum process into a jobs program.

To ignore any mention of Salvadorans is to turn a cold and callous shoulder on thousands of refugees who have fled a violent civil war. It is also an insult to President Duarte who has publicly put his political reputation on the line by requesting extended voluntary departure from President Reagan.

The House will consider legislation at the end of the month to suspend Salvadoran and Nicaraguan deportation for at least 2 years—which will provide these people with the proper protection that they deserve. The Senate will consider a similar bill shortly after the House vote.

It will be up to the Congress to place the issue on human rights above the administration's desire to play political games.

AIDS AND THE DENTAL PROFESSION

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. GINGRICH. Mr. Speaker, the fear of AIDS in this country has spread from homosexuals and drug users to people in all walks of life. I recently received a letter from one of my constituents who is employed in the dental hygiene field. This letter clearly expresses the concerns of professionals in this new high risk area. I urge my colleagues to review this letter.

JONESBORO, GA, *June 15, 1987.*

Hon. NEWT GINGRICH,
Congressman, Georgia Sixth District, 2438 Rayburn H.O.B., U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN GINGRICH: Last week, the national media informed me and my fellow professionals that we are in a high risk group for contracting AIDS. I am not faulting the media as we have a need to know. But, we in the dental and dental related professions need to know more.

What protective measures are necessary? The media says we should wear masks and gloves. We thought a mask only filtered bacteria as a virus is to small to filter. Are masks now perfected to filter a virus? If so, what kind of mask is it and who manufacturers it? If not, is there another reason for the mask? Are standard rubber gloves adequate?

There are many sterilization techniques solutions. What should we do for sterilization to protect ourselves and our patients?

If we can get AIDS, then we can give AIDS.

Months ago, a newspaper article informed me that dental professionals were likely to be the first to diagnose AIDS due to a white patch on the tongue of an afflicted patient. Still, what size is the white patch, is it flattened or raised? Incidentally, many of my colleagues missed the article. Where is the technical pathological information?

AIDS has the potential to wipe out an entire species—ours.

Statistically, AIDS has beaten out cancer and heart disease to become the number one health concern of the American people. And, the professionals are not being given the needed technical information. We've not had a diagnosis to death disease of this scope hit us in modern times.

The AMA, ADA, ADHA and nursing associations cannot alert all the professionals as proportionally few professionals are members. CDC is not equipped to provide all professionals with the necessary technical information. The media service is not equipped to provide the technical information. State governments are equiped to contact all licensed medical, dental and related professionals and do so for license renewal.

A special emergency alert system needs to be established in each state to get the necessary information from CDC to each professional. It is the duty of the government to protect the people as it is our duty to protect the patient. The Secretaries of each state may obtain the needed technical information from CDC and then issue letters of alert to all licensed health professionals. We could then protect ourselves from an infected patient. And, more importantly, protect the patient.

If in fact CDC states that gloves and masks are necessary for all patient care and lab work involving contact with body fluids, then I would support legislation which makes it mandatory. It sounds bad but, believe me when I tell you, there are professionals that will not comply because of the added expense unless it's mandatory. They also do not consider media bulletins to be of technical merit as no scientific basis is given.

We will each have to make a major decision, even wearing gloves there is a risk of puncture. (Much like the astronaut on a space walk.) I predict most of us will remain dedicated to our respective professions.

Recently, an African physician who has treated many AIDS patients was quoted in the media as saying that in a few short years one-fourth of the world's population will be affected by AIDS.

I am told by a physician on the Georgia Council for Youth and AIDS the next major epidemic of AIDS is to be among our nation's youth.

We cannot and should not have to consider whether a patient is heterosexual, bisexual or homosexual prior to treatment. But, we need the technical information and an information network established to protect us all.

Sincerely,

NANCY P. ESTES, R.D.H.

DR. FERNANDO TORRES-GIL, STAFF DIRECTOR, HOUSE SELECT COMMITTEE ON AGING

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. ROYBAL. Mr. Speaker, it is my pleasure today to stand as chairman of the House Select Committee on Aging to recognize and extend my appreciation to Dr. Fernando Torres-Gil who has served as staff director of the House Select Committee on Aging for the last 2 years. Dr. Torres-Gil will be returning to academic life at the University of Southern California where he is assistant professor of gerontology and public administration. It is with reluctance but with much gratitude that I see Dr. Torres-Gil return to Los Angeles.

During his tenure at the committee, Dr. Torres-Gil has been an ardent advocate for the older persons of this Nation. He has demonstrated unflagging energy in carrying out the duties of staff director and in his service to all the members of the committee. He has been an invaluable steward of the committee's commitment to identifying and taking action on health, housing, long-term care, employment, minority and other issues facing our aging society—issues that can make the difference between deprivation and well-being for millions of older and younger Americans now and in the years to come.

Dr. Torres-Gil brought to the committee a strong understanding of the needs of older persons and their families and a long and excellent track record in developing appropriate public policy interventions. Of particular value to the committee's work has been his expertise in and personal commitment to the unique needs of special populations such as the oldest old, minorities, women, the disabled and persons with debilitating illnesses such as Alzheimer's disease.

Dr. Torres-Gil's professional expertise as a gerontologist began with his master's degree and doctoral work at Brandeis University. As a White House fellow he served as special assistant to Patricia Harris, Secretary of Health and Human Services and to Secretary Joseph Califano, Department of Health, Education and Welfare. He is also a member of several national organizations and State advisory boards including the Villers Foundation, the Council on Foundations and the National Council of La Raza. He has also authored and edited numerous publications and has given countless presentations on gerontology and intergenerational issues.

On behalf of the Committee on Aging, I extend my sincere appreciation for Dr. Torres-Gil's dedication and my wish for his continued success in his career. He will be missed, but we look forward to working with him in other capacities in the future.

THE OLD LEFTWING DOUBLE STANDARD: ALIVE AND WELL

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. MICHEL. Mr. Speaker, it is one of the tragic intellectual and moral scandals of our century that there is a double standard used by many—although by no means all—left-liberals when it comes to judging the evils of Communist dictators and the evils of non-Communist dictators.

This tendency to speak of Communist evils in generalizations, euphemisms or in tones of understanding of the many problems involved, is still with us. Two recent columns demonstrate that this sad practice is still with us.

At this point I wish to insert in the RECORD, "Giving Jackson Another Free Ride" by Ben Wattenberg, and "Visibly Standards" by Dorothy Rabinowitz, both in the Washington Times, Thursday, July 9, 1987:

GIVING JACKSON ANOTHER FREE RIDE

(By Ben Wattenberg)

Will the Rev. Jesse Jackson get a free ride again? Will the Democratic Party in 1988 commit ritual political suicide one more time? If the answer is "yes" to the first question, it's "yes" to the second. And if the recent seven-candidate debate in Houston sets a course, the answers will be enough of a "yes" to make Republicans smile.

Moderator William F. Buckley asked Mr. Jackson: "When in Havana in 1984 you toasted Fidel Castro, and . . . Che Guevara, specifically you said 'Long live President Fidel Castro.' Using data recently compiled by Amnesty International and Freedom House, Ambassador Vernon Walters has said that there are more political prisoners in Cuba per capita than anywhere else in the world. Did you mean while wishing a long life to Castro, to wish a short life for his prisoners?"

Now, that is a loaded question. But it is based on a real event, and on conditions that exist. Predictably, Mr. Jackson defended himself. His Cuban visit was productive, he said; Mr. Castro released 30 political prisoners. Mr. Jackson didn't say why he hailed Che Guevara, the late Cuban Communist whose goal was to turn all of Latin America communist.

What was unpredictable were the responses from the six other potential Democratic candidates on stage. Three of them (Sen. Joseph Biden of Delaware and Gov. Michael Dukakis of Massachusetts and Bruce Babbitt) used the occasion to denounce American foreign policy.

Specifically, they said stop the aid to the Nicaraguan Contras. Sen. Paul Simon said he did not like Mr. Castro, but we should stop aid to the Contras.

Sen. Albert Gore Jr. of Tennessee and Rep. Richard Gephardt of Missouri were tougher on Mr. Castro, but also said stop aid to the Contras. The only one to mention Jesse Jackson was Mr. Biden, who thought Mr. Jackson's toast was "positive" because Mr. Castro gave Mr. Jackson a payoff.

This is odd. The question concerned outrageous remarks made by Mr. Jackson, a not irrelevant politician. Everyone active in Democratic politics knows that the "Jackson problem" helped clobber Democrats in 1984. Mr. Jackson, recall, was far out: praising Mr. Castro, denouncing America, condemning the Democratic Party for racism, accepting support from a black anti-Semite. Yet in 1984, none of the other candidates publicly attacked him!

Why not? Because Mr. Jackson is black and to attack Mr. Jackson (so it was thought) would appear to be anti-black. And because Mr. Jackson wasn't regarded as a serious candidate. But patronizing Mr. Jackson proved to be a disaster. Voters, many of them Democrats, saw that Democrats wouldn't criticize an extremist; they fawned over him. On Election Day these voters remembered—and voted for President Reagan.

Now the novelty of a black candidate has worn off. Mr. Jackson is a major candidate. He has tried to moderate his positions somewhat—although not enough to change his mind about his toast, "Long live Che Guevara."

Millions of Democrats are waiting to find out if their party has returned to its senses. They want to know if it is still impossible to criticize extreme views such as Mr. Jackson's, past or present. (Mr. Jackson still calls for a bizarre 25 percent defense cut.) Such Democrats would support a candidate willing to publicly attack Mr. Jackson's views.

A smart candidate might have answered Mr. Buckley's question this way: "The Rev. Jackson's remarks hailing Mr. Castro were scandalous. Mr. Castro is a Communist. He has subjugated Cuba. He is a Soviet mercenary. He has abused human rights. Che Guevara was worse. If any other candidate said what Mr. Jackson said in 1984, or failed to recant in 1987, he would be savaged. This year Mr. Jackson must be subject to the same rules as the rest of us. I believe, that whatever errors America has made, the big trouble in the world is not of our doing. It is caused by the Soviets, and Fidel Castro is a Soviet puppet. If you want a foreign policy based on these ideas, vote for me."

But, alas, no one said it.

[From the Washington Times, June 19, 1987]

VISIBLY DIFFERENT STANDARDS

It is Tom Brokaw's view that his fellow journalists would do well to improve their capacities for self-criticism. Such, at any rate, is the opinion he offered recently in Dateline magazine (the magazine of the Overseas Press Club), in which he also urged colleagues to avoid instant judgments and be ever vigilant against distortions.

Excellent advice this—like much of the wisdom issuing on this subject of late. The question, "What's wrong with the media?"—a matter of concern that once was limited largely to critics—for some time now has clearly been preoccupying journalists themselves.

What is not clear is whether any of the resultant soul-searching has made a jot of difference: not from the evidence, anyway, of one random sampling—CBS's "Nightwatch," to be precise.

Here was Alexander Kluyev, third secretary of the Soviet Embassy in Washington, a pleasant young man, who dealt with one rapturous query after another on glasnost; on the wisdom and strength of its architect, Mikhail Gorbachev; on the magic of so wild a dream. And so forth.

Then, a harder query—on the Soviet economy. About this epic catastrophe with its blood-drenched history of collectivization through mass murder and starvation—host Charlie Rose was keen to know only how the Soviets had "got on the wrong track economically?" Stalin, maybe, host Rose ventured uncertainly.

He did not know, the third secretary murmured: These things were hard to know.

From this uneasy topic we hurdled back, fast, to glasnost and cheer: to Mr. Gorbachev's "determination," his will to confront and really "deal with taboos."

On the heels of this exchange came one altogether different—this concerning the fate of the "disappeared," as they are known in Argentina: a story of political opponents and others kidnapped under the old regime. Here was a bloody and exact detail of atrocity—of named victims and families tormented by uncertainty and cruel loss. No rosy reveries about democratic reform.

In these two interviews is encompassed most of what there is to know of political fashion in our times.

One—the one having to do with the crimes of a right-wing regime—focused, you might say, on the essentials. On the murder of innocents, on the moral nature of that government which punishes dissidents with prison and torture.

The other dealt with the Soviets, a regime whose briefest efforts in the above-mentioned category of oppression 300 Argentinas could not equal; and it, of course, yielded no such attention to essentials.

Is it possible, interview after interview, to continue celebrating glasnost, to toast the enterprise and courage of its principal architect, Mr. Gorbachev, all without evidencing the smallest reference to just those essentials of which we are reminded day in and day out in the coverage of right-wing "dictatorships"?

The furious concentration on the crimes of those dictatorships, to the neglect of those of the Marxist world, is, let us note, seldom unaccompanied by hostility to the United States—the ally, according to certain fashionable currents, of right-wing tyrannies the world over:

An interview on the disappeared ones in Argentina gave us, literally, samples of skulls, bones and teeth; evidence of victims and testimony from two guest experts on the vast cruelty and suffering represented by these relics.

In the interview dealing with the Soviets we saw, as we so often have seen in recent days (including CBS's "Journey to the

Soviet Union"), an equivalent of George Orwell's famous "Memory Hole"—something in this case better described as a consciousness hole.

What is exposed in this journalism, and evident daily on the evening news, is the distorting role which a politicized media continues to play: a bias which no amount of soul-searching and meditation has as yet managed to diminish.

KILDEE HONORS MR. MIKE SECREST

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. KILDEE. Mr. Speaker, I rise today to pay honor and tribute to Mr. Mike Secrest, a 34-year-old native of Flint, MI, and winner of the fifth annual McDonald's Race Across America. Mike, a participant in the four previous McDonald's Race Across America endurance contests, won the ultramarathon cycling endurance race while setting a northern transcontinental record of 9 days 11 hours 35 minutes. The difficult course of 3,117 miles stretched from San Francisco, CA to Washington, DC, traversing three major mountain ranges and endless expanses of sun parched soil. In addition to overcoming the physical demands of the course, Mike was forced to compensate for the bronchitis which he contracted as a result of riding through the cool desert nights, and a torn quadriceps muscle that forced him to peddle the last 60 miles of the course with only one leg. While averaging little more than 2 hours of sleep per night, Mike crossed the finish line at the base of the Washington Monument more than 2 hours ahead of the second place finisher. As I stood listening to Mike speak at 2:30 a.m. when he finally arrived in Washington, I could not help thinking of what a great role model Mike is in respect to people setting personal goals and then reaching them. Mike's endurance, persistence, and skill are a credit to himself, his country, and the city of Flint.

I also would like to mention the efforts of Mike's support crew led by his longtime friend Jeff Crane of Walkersville, MD. The continuous dedication exhibited by Jeff and other members of the support crew was a significant factor in establishing the record setting time. Other members of the crew include Lee Farntz of Swartz Creek, MI; Dave Friedman of Minneapolis, MN; Larry Humphries of Mt. Morris, MI; Lori Limbocker of Huntington Beach, CA; Greg Martin of Honolulu, HI; Betty Putz of Lansing, MI; Ron Schlis of Grand Blanc, MI; Jim Stevens of Phoenix, AZ; and Bill White, also of Phoenix. The efforts of Mike Secrest and these individuals should serve as a lesson that no challenge is too big to be successfully accomplished. They have proven that through hard work and dedication, the challenges of the day can be met and realized.

WHY THE CAMPAIGN REFORM EFFORT IS A FRAUD

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. FRENZEL. Mr. Speaker, yesterday it was a refreshing change to pick up the Washington Post and read a reasoned editorial on campaign financing. Mr. Robert Samuelson, a columnist for the Post and for Newsweek, has managed to destroy all the fallacious argumentation used by the Post's editorial board and its mouthpiece, Common Cause. The misguided notions that all money in politics is evil, and only if the taxpayers start financing our campaigns can our election process be saved, are examined and found wanting my colleagues attention to the article.

[From the Washington Post, July 8, 1987].

WHY THE CAMPAIGN "REFORM" EFFORT IS A FRAUD

The Founding Fathers are growling in their graves. The Senate is now debating campaign-finance "reform": a respectable-sounding idea that's a fraud. Campaign reform would cure problems that don't exist with solutions that would restrict free speech, smother elections in bureaucratic rules and hurt candidates' chances of beating incumbents. It's an odd way to celebrate the Constitution's 200th birthday.

Blame that on Fred Wertheimer of Common Cause. His crusade for reform—campaign-spending restrictions and public financing—is built on half-truths. He says that campaign contributions of "special interests" have corrupted politics. They haven't. The Founding Fathers knew that special interests were inevitable. Their government of checks and balances requires compromise; competing groups check each other. The system isn't perfect, but it curbs the undue influence of campaign contributors.

Wertheimer is a genius at obscuring this. He harps on the huge rise in congressional campaign spending—up from $195 million in 1978 to $450 million in 1986—and its simplest implication: that because congressmen need more money, they're more beholden to donors. The obvious answer is to limit dependence on the donors. The logic fits popular prejudices about special interests, and most editorialists and journalists accept Common Cause's claims uncritically. They shouldn't.

For starters, money doesn't determine who wins elections. Winning candidates are often outspent. In last year's Senate election, says political scientist Michael Malbin, six of the seven Democrats who ousted incumbent Republicans were outspent by an average of about 75 percent. There are too many other influences to make money decisive: the economy, party loyalties, personalities, issues, national mood. The 1986 election results, Brooks Jackson of The Wall Street Journal wrote later, suggested "that much . . . . . was spent with little practical effect."

Paradoxically, campaign reform could make it tougher for challengers to unseat incumbents. If money doesn't settle elections, serious challengers need adequate minimums to gain name recognition and project campaign themes. It's these threshold amounts that campaign reform threatens. The spending limits in the bill before the Senate are below what five of the winning Senate Democratic challengers spent. In North Carolina, Terry Sanford spent $4.17 million to beat former Senator James T. Broyhill. The bill would have allowed Sanford $2.95 million.

No one is smart enough to set "correct" spending limits based on population or anything else. States and congressional districts differ radically in political characteristics. California races require lots of media spending. That's less true in Chicago. Spending in hotly contested races is typically higher than average. Because Congress—that is, incumbents—would control spending limits, the bias would be against challengers.

Likewise, Wertheimer's assertion that campaign contributions corrupt the legislative press is similarly weak. You hear lots of talk about the dangers of political action committees (PACs). What you don't hear is:

PACs remain a minority of all contribution. In 1986 they were 21 percent for the Senate (up from 17 percent in 1984) and 34 percent for the House (level with 1984).

The diversity of the 4,157 PACs dilutes their power. There are business PACs, labor PACs, proabortion PACs, antiabortion PACs, importer PACs and protectionist PACs. Contributions are fairly evenly split between Democrats ($74.6 million in 1986) and Republicans ($57.5 million).

PACs give heavily to senior, powerful congessmen, who are politically secure and not easily intimidated. According to Common Cause, Democratic Rep. Augustus Hawkins of California is the most dependent on AC contributions (92 percent). First elected in 1962, he won last year with 85 percent of the vote.

Of course special interest mob Congress. That's democracy. One person's special interest is another's crusade or livelihood. To be influential, people organize. As government's powers have grown, so has lobbying by affected groups: old people, farmers, doctors, teachers. The list runs on. But PACs are only a minor influence on voting. Political scientist Frank Sorauf of the University of Minnesota reports that in 1984 the average PAC contribution to House incumbents was less than one-third of 1 percent of the average congressman's total receipts. Congressmen vote according to their political views, constituent's interests, party wishes and—yes—their consciences. Special interests were supposed to block tax reform. They didn't.

About half the rise in campaign spending since 1978 reflects inflation. Much of the rest stems from the emergence of younger politicians who use expensive campaign consultants, television and direct mail. In 1984 Democratic House Speaker Thomas P. O'Neill Jr. of Massachusetts spent $213,000 winning reelection. In 1986 Democrat Joseph P. Kennedy II spent $1.8 million to win the same seat. But the expense of modern communications makes it no less vital for the free speech.

That's why the Supreme Court held in 1976 that mandatory campaign-spending limits on candidates violate the First Amendment. Public financing of election spending aims to make "voluntary" limits more acceptable. But even if voluntary limits on candidates were enacted, the problem of "independent spending" remains: if I want to buy TV time to support Joe Blow, the Supreme Court says that's my right. Candidate spending limits would prompt special interests to raise independent spending. The Senate bill tries to deter this by subsidizing responses: my $10,000 praising

Joe Blow would entitle his opponent to $10,000 of public money to answer me.

Suppose this were judged constitution (unlikely), what's the point? In our diverse society, one role of politics is to allow the venting of different opinions and pent-up frustrations. Groups need to feel they can express themselves and participate without colliding with obtuse rules intended to shut them out. Our politics is open and freewheeling. Its occasional excesses are preferable to arbitrary restraints. Wertheimer's brand of reform is misconceived. The Senate would dignify the Founding Fathers by rejecting it.

IN HONOR OF BETH WHARTON MILFORD

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. PURSELL. Mr. Speaker, on this day, I wish to pay tribute to Beth Wharton Milford, who is being honored next week by Eastern Michigan University for her dedicated service to the university which recently culminated in her retirement from its board of regents, where she served with great distinction from 1975 to 1986. This service and lifelong commitment to quality education has spanned 50 years and it is especially fitting that her accomplishments be recognized in a significant way.

Having graduated from the University of Michigan, Beth began her career in education teaching courses in economics at Eastern Michigan University and later organizing the college of business at EMU. She continued her love of teaching in the social studies department at the Lincoln Consolidated Schools. But her efforts did not stop there, as she found time and energy to devote to the Ypsilanti Board of Education, where she served as a board member and officer. Additionally, Beth was also involved with local and State medical auxiliaries, the Ypsilanti Human Relations Commission and the Huron Valley Child Guidance Board, to name a few of her other activities. And it is important to keep in mind that during her career, she also managed a household that included her husband, Dr. Albert Milford and five children.

The Ypsilanti area is fortunate to have Beth Milford in its midst. She is a caring and energetic citizen, willing to devote long hours to the goals of public education and community service. The lives she has touched can be reflected in the numbers of students and colleagues who frequently call and remind her of their association in the past. The contributions she has made to her community will not soon be duplicated by another and for these reasons, it gives me pleasure to recognize the leadership of Beth Wharton Milford and express the sentiments of many in extending appreciation, love, and admiration for a life of achievement and service.

As Beth Milford enjoys the sunshine of the recognition she so richly deserves, I am sure the day will stand in her memory as one of the truly special ones in her life and it gives me great pleasure to ask my colleagues to join Eastern Michigan University in saluting my good friend on this special occasion.

LIE DETECTORS DO LIE

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. CLAY. Mr. Speaker, the Committee on Education and Labor has recently reported H.R. 1212, the Employee Polygraph Protection Act. I want to commend the sponsor of this legislation, the Honorable PAT WILLIAMS, and the chairman of the Subcommittee on Employment Opportunities, the Honorable MATTHEW MARTINEZ, for their efforts in moving this important legislation forward.

Every year, tens of thousands of employees and job applicants are subjected to polygraph examinations for the crime of doing no more than seeking to maintain or obtain gainful employment. These insidious examinations, completely lacking any scientific basis, result in the denial or loss of employment of thousands of honest employees. Nor do they further the interests of employers. Rather, the insulting nature of such examinations serve to antagonize honest employees, while the inherent inaccuracy of the examination allows dishonest employees to remain undetected. H.R. 1212 prohibits private employers from subjecting current and new employees to polygraph examinations. I urge the leadership to provide an opportunity for the full House to consider this bill as soon as possible. In anticipation of that event, I wish to share a recent editorial from the St. Louis Post-Dispatch with my colleagues regarding this important issue:

LIE DETECTORS DO LIE

> Congress failed during its last session to pass a bill prohibiting private companies from subjecting both current and new employees to polygraph examinations. This well-intentioned bill deserves a second chance. A House panel has cleared a new bill, and a Senate committee is now working on legislation of its own.
>
> The American Polygraph Association is, of course, fighting these measures. It argues that unskilled examiners, and not the machines themselves, are behind the polygraph abuses. It also argues that federal standards for examiners would correct the problem. But on this matter, Congress can take its cue from several more objective groups that oppose polygraph examinations in employment. These include the American Medical Association, whose spokesman, Dr. John F. Beary III, says the exam is based on the false scientific premise that there is "a body response unique to lying." Yet, he notes, lying may be only one of many reasons a person taking a polygraph examination may show changes in body responses, such as accelerated heart or blood pressure rates.
>
> As long as there are conflicting opinions about the validity of these examinations, Congress should be wary of permitting their use. Congress' own Office of Technology Assessment did a study three years ago and found that 29 percent of the subjects who were actually telling the truth were labeled as liars in polygraph tests.
>
> Drawing on that congressional study, New York's Attorney General, Robert Abrams, told a Senate panel recently that the findings meant a minimum of 400,000 honest workers had been branded as liars. Thse machines already have blemished the careers and reputations of far too many honest Americans. Congress should curb their use.

MEDICARE AMENDMENTS OF 1987

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. DUNCAN. Mr. Speaker, at the request of the administration, I have introduced H.R. 2864, the Medicare Amendments of 1987.

This is an omnibus bill including the administration's health care budget reduction proposals, and technical amendments to the medicare program.

It is important that, as the Congress considers reconciliation of the budget, the administration's recommendations receive full consideration.

This bill in its entirety does not necessarily represent my views. There are provisions in the bill which I support, and others which I might oppose.

MOUND BAYOU CENTENNIAL CELEBRATION

HON. MIKE ESPY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. ESPY. Mr. Speaker, this week the city of Mound Bayou is celebrating its 100th anniversary as the first all black community founded in the United States. I am honored to be able to participate in the Mound Bayou Centennial Celebration, entitled, "One Hundred Years in Retrospect." Mound Bayou has a proud history through its songs, dances, activities, and speeches, given by prominent black leaders from the State of Mississippi and other parts of the Nation.

Mound Bayou was founded in 1887 by Isaiah T. Montgomery and Benjamin T. Green. Mr. Montgomery, who would later be the only black delegate to Mississippi's Constitutional Convention of 1890 was a former slave of Joseph Emory Davis, brother of Jefferson Davis. Mr. Montgomery purchased the Davis plantation at Davis Bend after the Civil War and lived there with his family until he moved to Mound Bayou.

Mr. Montgomery and Mr. Green, accompanied by their cousin, J.P.T. Montgomery, and 12 families, most of whom came from Davis Bend, Warren County, MS, surveyed the site of Mound Bayou in Bolivar County and cleared it for occupation. The site was named after Indian mounds and a bayou. The population had reached 183 before the end of the first year of settlement. In February 1898 the residents petitioned the Governor to incorporate the village, and in August the charter was signed and sealed.

By 1910, Mound Bayou had grown to half the size of nearby Cleveland, MS. the business life of the community centered around the production of cotton, although timber provided a natural resource of income. An article written at this time listed over 50 businesses operating in the progressive town. In 1912, Mound Bayou citizens applied to the Governor and received the status of a town.

The town experienced periods of depressions and disasters and struggles for rebirth during its colorful history since 1910. When the results of the 1970 census revealed that Mound Bayou had an official population of 2,134, an increase of 57.6 percent over 1960, the governing officials proclaimed the municipality to be a "city" on May 12, 1972. During the decade between 1970 and 1980 U.S. census count, Mount Bayou was shown to be the fastest growing municipality in Bolivar County.

I am extremely proud to represent this city in the U.S. Congress and to participate in the 100th anniversary ceremonies honoring the city of Mound Bayou, MS.

TRIBUTE TO COL. LARRY G. SHOCKLEY

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. DELLUMS. Mr. Speaker, I rise to mark the occasion of the departure of Col. Larry G. Shockley, U.S. Air Force, after 6 years service in the office of the Secretary of the Air Force, Legislative Liaison. Without fear of exaggeration, it can truly be said that Larry Shockley casts a giant shadow in the field of military construction and military family housing. Those of us who must labor to translate the voluminous military construction requests of the Defense Department into yearly authorizations know that Air Force people owe more to Colonel Shockley than perhaps they will ever fully realize. His keen sensitivity to the need to house airmen with the dignity befitting their voluntary service to country in conjunction with his persuasive energies resulted in the construction of a solid consensus in the Congress, crossing party and ideological lines, on the importance of dormitory improvement. In just 5 short years, we have authorized nearly $1 billion to modernize and construct 194 dormitories housing over 63,000 airmen. Colonel Shockley used those same talents to persuade those of us on the Hill and those in the Pentagon as to the direct relationship between the satisfaction of the airman's family and retention. Consequently, military family housing has improved and will continue to improve across the board throughout the Air Force. More than words, the updated, attractive housing appearing at bases throughout the world—housing which would not have been there absent the prodigious energy and appetite for hard work exhibited by Colonel Shockley—speaks eloquently of the Air Force's commitment to its people. No Air Force skyline, no matter how remote, no matter how austere, has been left untouched by Colonel Shockley's zeal for excellence. As World War II facilities entered into their fifth decade, he was faced with the awesome task of maintaining the appearance and functionality of the Air Force's vast physical plant, while simultaneously having to accommodate construction necessary for new systems. Somehow, his genius resulted in getting 10 pounds out of the 5-pound bag. During his tenure, whole installations have been transformed as more money was appropriated for military construction in the last 5 years than for the previous 10. Air Force installations of the 21st century will bear the indelible mark of the singular dedication and talent of Larry Shockley. I wish him the best as he goes to the Air Force War College, and know that great things await him in the future.

SIMONE STEPHENS—MISS CALIFORNIA OF 1987

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. DORNAN of California. Mr. Speaker, I am extremely pleased to announce that Miss California of 1987 is Miss Simone Stephens of Cerritos, CA, located in my district. And what makes the accomplishment even more noteworthy is that Miss Stephens is the first black to be selected in the 64-year history of the California pageant.

A California State University communications major, Miss Stephens has all the makings of a winner. She is an aspiring comedienne; helps organize antidrug, anticrime, and senior citizens groups; and does volunteer lecturing to high school students who have given up. In short, she is an ideal role model for youngsters.

A fine example of the attitude Miss Stephens brought to the pageant is summed up in a quote she made after her victory. She said, "I hope I have shown how beautiful you can be on the inside." She certainly has.

So as Congressman of the 38th District of California, I would like to congratulate Miss Stephens on her outstanding victory. She can wear her crown with pride. I am sure she will represent our State well in the Miss America pageant at Atlantic City in September. All of California will be pulling for her to win a national victory.

CONGRATULATIONS TO DADE COUNTY COMMISSIONER HARVEY RUVIN

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. PEPPER. Mr. Speaker, today I rise in order to offer congratulations to an outstanding public servant from Dade County, Miami, FL, who is about to assume a leadership role as a national spokesman for local government.

Dade County Commissioner Harvey Ruvin will be sworn in as president of the National Association of Counties [NACo] on July 14, 1987 at its annual convention in Indianapolis, IN. Commissioner Ruvin's ascendency to this important position culminates 10 years of active service as Dade County's chief delegate and representative to NACo. As President, Harvey Ruvin will serve as national spokesman for over 3,000 county governments before Congress, the White House, and Federal agencies. His breadth of knowledge of local government makes him perfectly suited to lead NACo. He knows and understands the challenges that counties, big and small, face today. Indeed, Metropolitan Dade County has faced them all.

I am especially proud of Harvey because he is the first Floridian to serve as president of NACo. His distinguished career in public service reaches back to 1968 when, at age 29, he was elected mayor of the town of North Bay Village. He was elected to the Dade County Board of County Commissioners in 1972 and has continued to distinguish himself as an exemplary and committed public servant. As president of the National Association of Counties, Harvey Ruvin begins a new chapter of effective leadership.

Thus, it is with great pride and pleasure that I join with his colleagues on the Dade County Commission and all the people of Dade County in offering tribute and congratulations to Commissioner Harvey Ruvin as the new president of NACo.

LEGISLATION TO END FEDERAL SUBSIDIES FOR TOBACCO AND ALCOHOL PRODUCTS

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. DONNELLY. Mr. Speaker, last month, I introduced a bill to disallow a deduction for advertising expenses for tobacco and alcohol products. Unable or unwilling to debate this legislative proposal on its merits, the American Civil Liberties Union and the American Association of Advertising Agencies have advanced the unique proposition that such a proposal is unconstitutional.

The constitutional arguments raised by these and other organizations who apparently believe that the Federal Government should subsidize the promotion of these harmful products center around the first amendment's guarantee of free speech. Yet my bill doesn't restrict free speech: It only says that the Federal Government won't subsidize it.

It is well settled that restrictions on commercial speech are subject to less scrutiny than restrictions on, for example, political speech. Just recently, in Posadas versus Tourism Company of Puerto Rico, the Supreme Court ruled that a ban on advertising of gambling casinos does not violate the first amendment. It is also clear that deductions are a matter of legislative grace: What Congress gives, Congress can take away.

H.R. 2606 is not unconstitutional. Instead, it begins to put an end to Federal Government subsidies of harmful products; 22,500 Americans were killed in drunk driving accidents last year. The Federal Government spent $14 billion on illnesses attributable to drinking and smoking last year. That is intolerable, and my bill will help end Federal subsidies of these products. To the ACLU and AAAA, my message is: I'll see you in court.

PUERTO RICAN STATEWIDE PARADE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. RODINO. Mr. Speaker, on July 26, it will be my great pleasure to join my fellow New Jerseyites in tribute to the many contributions Puerto Rican-Americans have made to our Nation. As it has for the last 25 years, the Puerto Rican Statewide Parade Committee will sponsor a magnificent celebration, beginning at 2 p.m. at Broadway and Bloomfield Avenue in Newark. This year's grand marshal is Mr. Raymond Rosa, and the queen of the parade is Ms. Carina Santos. Among the dedicated members of the statewide committee, who have worked long and hard to make this celebration a success, are Mr. Frank Melendez, president; and Mr. Raul Lopez, parade coordinator; Hon. Sharpe James, mayor of Newark; Hon. Lewis Quintana, deputy mayor, Newark; Hon. Thomas Kean, Governor of New Jersey; Hon. Rafael Hernandez Colon, Governor of Puerto Rico; and Dr. Jose Rosario, executive director of FOCUS.

Mr. Speaker, our Nation is a vast mosaic of different ethnic and cultural strands. Our strength as a unified nation is drawn from our many different peoples and traditions. Puerto Rico is a vital part of our heritage, and the many great accomplishments of Puerto Ricans have enriched our land many times over. They have given us a unique perspective in the arts. They have enlivened the world of sports, and today they serve in the highest corridors of power—the courts and the Congress—as protectors of our Constitution.

Mr. Speaker, as the son of an immigrant, I am indeed proud to join my fellow citizens in Newark and throughout the great State of New Jersey in this special 25th anniversary salute to the beautiful Puerto Rican people.

THE REBIRTH OF BUFFALO

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. NOWAK. Mr. Speaker, as the representative of New York's 33d Congressional District which includes the city of Buffalo, NY, I would like to draw the attention of my colleagues to an article which recently appeared in the June 1987 issue of Piedmont Airlines' in-flight magazine entitled, "Buffalo: Back From Obscurity," by J.A.C. Dunn.

We in the Buffalo area have long been aware of our city's many positive attributes which far outweigh its winter weather image, often the brunt of comedians' jokes. I would like to mention a few of these attributes so that others may become more aware of the advantages Buffalo offers.

In recent years the city has had a renaissance of sorts, with a variety of new public and private improvements downtown. Phase one of our Light Rail Rapid Transit is complete, finishing touches are being put on a new downtown pedestrian mall, and a new baseball stadium is under construction. As heavy production industries, such as steel and automobile, have declined, thousands of new service industry jobs have developed in areas like finance, printing, medical instruments, and computers. Another aspect of this renaissance is Buffalo's rediscovery of its waterfront along Lake Erie and the Niagara River. With the decline of heavy industry has come enthusiasm from public and private sources for new commerical, industrial residential, and recreational uses of this valuable asset.

In addition, Buffalo has many recreational and cultural assets. The city supports three professional sports teams and the third oldest zoo in the country. It also is noted for its philharmonic orchestra, art galleries, and theater district which thrives year-round. The area is also blessed with an array of public and private colleges and universities.

Buffalo has been called the City of Good Neighbors and for good reason. The city has long been a home for a variety of ethnic groups, including American Indians, Irish, Italians, Poles, Germans, blacks, and more recently, Hispanics, Haitians, Indo-Chinese, and others. Amid this diversity, Buffalo has maintained ethnic harmony and has a crime rate lower than most cities of comparable size.

I would like to urge my colleagues to review the article below, which offers a balanced perspective of Buffalo, NY, a lively, invigorating place.

BUFFALO: BACK FROM OBSCURITY

(By J.A.C. Dunn)

They call Buffalo the "comeback city." Probably most Americans would wonder. back from what? That's not surprising, because Buffalo also is referred to these days as one of those best-kept secrets you keep hearing about.

As far as most of the nation is concerned, Buffalo's "comeback" makes it like the relative you haven't heard from in years and whose letter arrives to announce that he has recovered from hepatitis B, spent 18 months on unemployment and suffered a serious house fire, but he's all right now and not to worry.

So who was worrying?

Well, Buffalo did have that incredible blizzard back in whenever-it-was, and since then Johnny Carson's jibes about western New York weather have created the misimpression that Buffalo is a municipal igloo from October to May. Otherwise, Buffalo is widely assumed to be one of those gritty upstate New York towns, populated mostly by Archie Bunkers, whose history is too monotonous to be taught in school. When a corporate executive is transferred to Buffalo, his kids wonder sadly what Dad did wrong.

But they don't call it the comeback city for nothing. Archie Bunker might indeed have found his niche there, but that doesn't make Buffalo either Drabsville or unsophisticated. In fact, it's such a lively, invigorating place that you wonder who made the mistake of keeping it secret.

Buffalo was founded at the east end of Lake Erie in 1790 by the Holland Land Company, whose surveyor drew the town's original plan.

Noboby knows exactly where "Buffalo" came from. Buffaloes are not indigenous to New York. One of various theories is that Buffalo was an Indian mispronunciation of the French beau fleuve, or beautiful river, referring to the Niagara River. Another theory is that an Indian interpreter misinterpreted what was then known as Beaver Creek as Buffalo Creek, which flows into Lake Erie where the city is now.

For 20 years, Buffalo was a village that virtually existed only on Saturdays, and for a while after a big fire in 1813 it was hardly there at all. When the Erie Canal was dug in the 1820s, connecting Lake Erie with Lake Ontario, the place took off. It became a port of entry, a heavy manufacturing center, the biggest ship-to-rail grain transfer point in the country and the second largest city in New York State, which it still is: 1980 census, 357,870; but the statistical Buffalo population is more than 1.2 million.

America's immigrants went to Buffalo to find jobs and they still do. From the 1820s to the 1840s, refugees from the Irish potato famine swarmed there, accompanied by Germans, and later Poles and Italians came along as well.

Buffalonians call their town the "city of good neighbors," and considering the city's kaleidoscopic ethnic mix, that may be just as well. It is chilling to contemplate the crackle of hostility you might find in the air if Buffalo's blacks, Poles, Hispanics, Haitians, Irish, Italians, Indo-Chinese and American Indians didn't respect each other as they do.

Those early settlers established the local work ethic, which remains prevalent today. Grandfathers, fathers and sons all worked on the docks, in the grain mills, the steel mills and the auto assembly plants, and from that way of life emerged Buffalo's prevailing tradition of labor unions. For many years, the neighborhood bar was the social nexus, the boilermaker the local drink. Even today, you can find four or five small taverns to the block in many parts of the city.

When the St. Lawrence Seaway opened in the 1950s, making the western Great Lakes navigable for deep-draft shipping, Buffalo lost its dominance in the grain industry. The city began to "hit the skids," as Major Jimmy Griffin puts it.

Griffin is second-generation Irish. His parents came over from County Clare, and he was a grain-scooper himself and also served in the Korean conflict as a lieutenant in the 82nd Airborne Division before he went into politics. He is now in his third term as mayor and is known affectionately among his constituency as Jimmy "Tell-It-Like-It-Is" Griffin.

Buffalo, says Mayor Griffin, is in a phase of simultaneous transition out of—and recovery from—dependence on (and subsequent loss of) the giant steel companies.

"We've had tremendous help from bankers, government and developers," says Griffin.

"If he doesn't like what you say, he'll call you up and offer to punch you in the nose," says one of Griffin's supporters. "He yells at people when he gets mad, and he says exactly what he thinks. People love him."

In the early 1980s, the closing of the Bethlehem and Republic steel plants left a big hole in this citadel of industry and caused a dramatic change in Buffalo's quality of life. It is now rated the 14th best place to live in the country, but back then the importance of labor unions in Buffalo's economy was underscored when Erie County's median income declined more than 30 percent, 20,000 jobs were eliminated and 42,000 people left town.

"Amid the resulting social turmoil there was a sifting-out of labor and small business," says Bob Carr, vice president for marketing in the Greater Buffalo Chamber of Commerce.

Buffalo Police Captain George Loncar says he wouldn't agree with Carr's use of the word *turmoil*. "There was great concern after the steel mills closed," he says. "People knew they were going to have to adjust. But there was no real change in the climate of the city."

Good neighbors in prosperity remained good neighbors in adversity. Even when Buffalo was a predominantly blue-collar town, labor and management happily shared the city's many golf courses, says Carr, because they were, and still are, uninterested in class distinctions. And in a recent major labor contract negotiation both sides have agreed to the cross-training of workers, an expedient that would startle the ghost of Samuel Gompers.

The change in the city's human composition in the last 15 years has been marked by a gain of about 50,000 service jobs, many of them at Marine Midland Bank, America's fourth largest consumer bank, which services credit card transactions for about 600 other banks in the nation. Also in Buffalo is Golddome Savings Bank, now the largest savings and loan institution in the country. The city is shedding its old rust belt image and moving toward a high-tech, all-indoors-no-heavy-lifting way of work. Many of the people who moved away when the steel mills closed are now reportedly trying to return, drawn by industrial growth in printing, medical instruments and computers—Barrister Indormation Systems, for example, which produces computer software for lawyers, is in Buffalo. Unemployment is now down to about 7 percent, and, physically, the city is getting a face-lift and a tummy-tuck.

The 26 miles of Lake Erie waterfront once occupied by the steel mills are being transformed into a residential and recreational haven. ("Ten years ago nobody would even think of *living* down there," said one Buffalonian). New York State University at Buffalo, one of nine colleges in the city, is trying to become one of the nation's leading research centers, having won last year a $25 million federal grant for the establishment of an earthquake engineering center. Buffalonians report this coup of grantsmanship with great satisfaction at beating the University of California at Berkeley for the honor—although you also have to applaud the federal government's judgment in not sinking that much money into a proposed earthquake enterprise to be located on top of the San Andreas Fault.

Now Buffalo enjoys an enviable office space vacancy rate of 4 percent, and in its ubiquitous bars the boilermaker has moved over to make room for gentler libations. Among college students up and down the East Coast, the city many transfer-prone executives consider to be a sort of corporate coventry has acquired a solid reputation as a great party town.

Dan Nevereath, a disc jockey at WWKB in Buffalo, says the "young people in Buffalo go home from work and go to bed, and then about ten or eleven o'clock they'll get up and go out and party until two or three, and then go to work the next morning . . . Closing time? In Buffalo? We don't have one."

Ironically, Buffalo's valiant jockeying for position in the mainsteam of an increasingly service-oriented America is itself the secret not mentioned much outside western New York.

In the early 1980s a number of hotels and motels were constructed in Buffalo, says Bill Hart, who owns four Holiday Inns there. Hotels were a good tax shelter back then. A Hilton went up in 1981, a Marriott in 1982. The old Genessee office building was converted into a Hyatt Regency Hotel (and the old Statler Hotel was remodeled for offices), and with various other small independent and chain motels, the city now offers 6,400 hotel rooms with a remarkably low average cost-per-day for visitors of $105—a reflection in the city's lower-than-average cost of living.

At first, says Hart, no extra marketing effort followed the accommodations boom. But they're changing that now. A lot is happening in Buffalo.

Approaching by air in warm seasons, you notice two things: Buffalo is very green, and it seems to have more above-ground backyard swimming pools than anywhere else on earth, dotting the city like little blue poker chips shining among the trees and rooftops.

On the ground, the airport is less than 15 minutes from downtown. Buffalonians boast that their road system enables you to go from any point A to any point B in 20 minutes or less. Even if you have no car, you can ride Buffalo's urban rail transport system free in the city, where it's above ground, and pay only when the train goes underground, headed for the suburbs.

If you have business in Buffalo, it is tempting to cut your meetings short and get out to see the town. Your business associates may even aid you and abet a little hooky because a lot is there to be seen, and Buffalo isn't hung up on ceremony, work ethic notwithstanding.

"Buffalo," said one local journalist, "is the sort of place where a bank president wears galoshes to work and nobody even thinks about it. They're regular down-to-earth people, not stuffy. On the street, people say hello, and they don't avert their eyes. You can talk to joggers in the parks and they won't assume you're a mugger."

The city has a lot of parks—among them a fine zoo, the third oldest in the country; the nation's only inland naval park; and Artpark, an organized concentration of creative activities acclaimed here and abroad.

The Naval and Serviceman's Museum, on the waterfront at the foot of Main Street, includes the destroyer *The Sullivans*, named for five brothers lost when the cruiser *Juneau* went down in the Solomon Islands in 1942; and the light cruiser *Little Rock*, both on loan from the navy and open for inspection.

Artpark is actually in Lewiston, a 20-minute drive past Niagara Falls, which itself is a 20-minute drive from downtown Buffalo. Artpark is a group of facilities for a wide range of performing and visual artists who appear on stage and work in residence from June through late August.

Theater thrives in Buffalo's theater district. There you can find Shea's Buffalo Theater, which used to be on the traveling vaudeville circuit from Chicago to New York City—thus the expression, "shuffle off to Buffalo."

Buffalo's renowned Albright-Knox Art Gallery is usually recognized as one of the five best in the nation, having among its collection works by such artists as Jackson Pollack. The Buffalo Philharmonic has been acclaimed by The New York Times, and the city also offers memorable architecture: three Frank Lloyd Wright residences are here, along with a Louis Sullivan office building. President Theodore Roosevelt was inaugurated here, presidents Millard Fillmore and Grover Cleveland lived here (their homes have been torn down), and (in the dubious distinction department) President McKinley was shot here in 1901 (the site of the assassination is now beneath a freeway).

And in the rural area around the city are Christmas tree farms and logging operations, wineries and dairies, and orchards where apples and peaches thrive in the moderate climate created by Lake Erie.

One predictable characteristic of Buffalo is its preoccupation with sports. Buffalonians have a fairly ambivalent relationship with their own NFL football team, the Buffalo Bills.

"The Bills," says WBUF announcer Stan Roberts sardonically, "play professional football on their better days." Evidently, that bleak assessment is good enough for Buffalo, because despite the Bills' dismal record for the last three years (2-14, 2-14, 4-12), attendance has risen from 38,000 per game to 68,000 since Jim Kelly was signed last August.

The city is building a new stadium, hoping to attract a major league baseball franchise. And in the National Hockey League, the Buffalo Sabres are, like their home city, turning out to be a comeback team.

On the water, Buffalo excels in summer. You might say that Buffalonians are fanatical about boats. A breakwall protects the city's harbor from Lake Erie storms and affords sheltered water for summer sailboat races and the Buffalo Rowing Club's crew races. One resident said a marina slip cost him less for a year (about $500) than a month's rent on Chesapeake Bay.

And in winter, Buffalonians drive an hour south to what they call the "snow belt," a phenomenon created by the wind coming off Lake Erie, and ski. Often they go at night, after work, to both visit a nightclub and ski—maybe.

Of course, Buffalo is no thornless bed of roses. It has challenges, and one of them affects the city's ability to attract the people it wants: snow.

Buffalo handles winter positively, holding sleigh races in antique sleighs and a week-long winterfest to prove that it is not snowbound. But ever since the winter of 1977, when 199 inches of snow (about 16½ feet) fell on the city, its resulting North Pole image has been nearly ineradicable. Johnny Carson's jokes about snowbound Buffalo haven't helped, they say—Mayor Griffin warns that if you go into a bar and mention Carson's name, you'd better have a clear path to the door.

The mayor much prefers the work of NBC weatherman Willard Scott, who doesn't deny that a lot of snow falls on Buffalo (average 96 inches a year), but points out that Buffalo knows how to handle snow. Last winter, for example, nearly 60 inches had fallen by the end of February, yet the schools hadn't closed a single day because of snow. But the arctic reputation created by that freak blizzard of '77 persists, although weather statistics indicate that the city sees more days each year when the temperature is over 72 degrees than days when snow is on the ground.

Rampant crime is not among Buffalo's problems. Police Captain George Loncar says the city has a lower overall crime rate than most cities of like size, and in fact the rate has been declining for the last ten years.

Part of the reason for that, says Captain Loncar, could be the devotion to old-fashioned family values still prevalent in Buffalo, where one index of the quality of life is a line you hear often in conversation with Buffalonians about Buffalonians: "Grandma still speaks Polish at home."

But the city is becoming increasingly multilingual. American mobility is making possible an influx of ethnic groups from New York City, New Jersey, Puerto Rico and even from Central America and Southeast Asia, some brought by the Catholic Charities' resettlement program, others assisted by New York's liberal welfare programs. Many of the children who come live in single-parent homes, says Maria Belloch, assistant principal of Bilingual Magnet School 33 in South Buffalo. There Spanish is not merely taught: it is a working language in the school. And Spanish is only one of several tongues given more than just an academic lick-and-a-promise in Buffalo schools. Others are Russian, Italian, Indo Chinese and native American tongues.

Woven among its prevailing family feeling is Buffalo's tradition of giving. Nearly 50 percent of Buffalo is Catholic, and Monsignor Robert Williamson, associate director of Catholic Charities, which serves an eight-county region around Buffalo, says that Buffalo's is the largest Catholic Charities effort in the nation. More than 140,000 people contribute to it every year; its total effect touches about 140,000 people, by no means all of them Catholic; and 20,000 volunteers will work to reach this year's goal of $6,350,000.

"There is a correlation between the industrial changes and the urge to give," says Monsignor Williamson. "Even in high-unemployment areas, parishes have given. Most of the donations are small. It's the church and the people together that keep it alive."

Catholic Charities are not the only beneficiaries of Buffalonian concern. The Buffalo Children's Hospital, which handles 100,000 patients a year, annually raises funds with what is said to be the largest benefit telethon in America.

On one hand you hear of Buffalo's youth drain; on the other, new immigrants. It is hard to say whether the city is actually growing. But among all the reports of continual comings and goings, one observation is repeated often: "People who come to Buffalo feel better than they did where they came from."

Disc jockey Dan Nevereath explains: "When people are transferred by their companies to Buffalo, they usually don't want to come here. They think it's going to be cold and bleak. Then they find that a $95,000 house in Buffalo would cost them $150,000 in most other places. They find there's a lot to do here, that the population has not outstripped community services, and within about three months of living here they begin to think, Hey, this isn't so bad. And three or four years later, when they're up for transfer again, they don't want to go. You can't get 'em to go. Some will even resign and get another job here rather than leave."

CONGRESS HELPS IN THE FIGHT AGAINST INTERNATIONAL TERRORISM

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1987

Mr. BROOMFIELD. Mr. Speaker, I want to share with my colleagues an excellent article by the chairman of the House Foreign Affairs Committee, DANTE FASCELL, concerning the role of Congress in the important battle against international terrorism. Few of us in this body realize how much legislation concerning terrorism has been considered by the Congress in recent years.

I want to commend the fine work of Chairman FASCELL in forming a bipartisan staff task force to look into the problem of embassy security and related security issues. His leadership in bringing the terrorism issue to the attention of the House Foreign Affairs Committee has been instrumental in forming responsible legislative responses to combat terrorism.

I am proud to say that the committee has worked long and diligently to develop legislation to enable our Government to better combat international terrorism. Through the efforts of this committee and the Congress, legislation was passed which enhanced the protection of our diplomatic posts and personnel abroad, and expanded coordination with our allies in the area of combating terrorism. International airport and port security were also enhanced by our legislative efforts.

Unfortunately, international terrorism will continue to be a threat with which our Government must deal. I am certain that our committee will again look at ways to better combat this international menace and I look forward to working with the chairman on this issue.

With these thoughts in mind, I commend the following article from the Georgia Journal of International and Comparative Law (volume 16, 1986) to my colleagues in the House. In the interest of brevity, I have deleted the footnotes from the article.

COMBATTING INTERNATIONAL TERRORISM: THE ROLE OF CONGRESS

(By Dante B. Fascell)

I. INTRODUCTION

Although terrorism has existed for centuries, terrorist acts are increasingly prevalent in today's shrinking world. While power has diffused in the international system, dissaffected groups and "outlaw" states have used terrorism as a tool to attain political objectives.

International terrorist attacks frequently target the United States Government and its citizens. Recently, terrorists have bombed United States embassies, shot diplomats, hijacked airplanes, and machine-gunned airport passengers. In addition, on October 7, 1985, terrorists seized the cruiseliner *Achille Lauro* and murdered an elderly United States passenger aboard that ship. These attacks have resulted in the deaths of innocent men, women, and children. In his 1984 Report to Congress on International Terrorism, President Reagan wrote that "in the past fifteen years, terrorism has become a frightening challenge to the tranquility and political stability of our friends and allies. During the past decade alone, there have been 6,500 terrorist incidents and more than 7,600 people have been wounded. American citizens have been the victims of more than 2,500 terrorist incidents." These victims include members of the diplomatic service, military personnel, businessmen, and tourists. Thus, protection of United States citizens and property abroad has become a principal focus of United States foreign policy.

In recent years state-sponsored terrorism has become a disturbing and persistent part of interstate political relations. Frequently, heinous international terrorist events trace their origins to those states which support these acts as part of their foreign policy. For example, the tragedy of the West Berlin disco bombing on April 5, 1986, and the Vienna and Rome airport attacks on December 27, 1985, had their roots in Tripoli, Libya. Those states supporting terrorism often commit national resources to implement terroristic acts.

The United States Government has responded to repeated acts of international terrorism perpetrated by the Libyan Government through its abuse of diplomatic privileges. The United States has employed economic sanctions and military force against Libya and has undertaken an extensive diplomatic campaign in an attempt to persuade European allies to impose similar sanctions. Thus, the United States has demonstrated that it will respond to international terrorism through diplomatic, economic, and military channels.

The Reagan Administration clearly views the threat of international terrorism as an important foreign policy priority. As one manifestation of this concern, the Secretary of State instituted regular daily staff meetings to address the terrorism issue. Through these meetings the Secretary attempted to ensure full integration of the international terrorism issue into the State Department's strategic planning for diplomatic relations, and to deal with the security concern of United States embassies and official personnel abroad. The meetings involved both the Ambassador-at-Large for Counterterrorism Policy and the Director of Security.

At the same time the United States Government was elevating international terrorism as a priority item on the national security agenda, reports of terrorist acts were dominating the media and capturing the attention of United States citizens. Television, newspapers, and radio instantly report the occurrence of terrorist incidents. In some cases these news reports have subjected the media to intense criticism for providing terrorists with a forum for presenting their views. Critics believe the media attention encourages other terrorist activity.

Focusing attention on international terrorist acts has heightened public concern about personal safety. This heightened concern has resulted in a dramatic decline in American tourism to Western Europe and the Middle East. For example, following the hijacking of the TWA 847, the bombing of TWA 840, and the seajacking of the *Achille Lauro* cruiseliner, the traditional high level of American tourism in Greece fell dramatically during 1986. Thus, the Greek cruiseship industry lost much of its normal United States tourist business. By imposing this *de facto* economic sanction, United States citizens not only have created a major issue in Greek-American relations, but also have created an issue affecting relations with other Western European allies.

International terrorism presents a major challenge for the United States and other democratic countries. Democracies that face terrorist threats must balance respect for individual constitutional rights against the need to protect individuals. A related challenge is the pressure on the United States Congress to legislate authority for the President to combat terrorism. The question remains, however, whether United States foreign policy should aim to eradicate the sources of terrorism, or suppress terrorism's criminal manifestations. This question raises major foreign policy dilemmas. Thus, in the short term, a more manageable objective is the safety of United States diplomats, businessmen, and tourists abroad.

Combatting international terrorism also poses new challenges for international law and multilateral diplomacy. As the State Department's Legal Adviser, Judge Abraham Sofaer, wrote in Foreign Affairs, "[r]ecent terrorist incidents have led to many efforts to use the law, virtually all of which have failed. The law has a poor record in dealing with international terrorism." Unfortunately, the law is not being used to combat terrorism at the present time. To the contrary, judges have placed the law at the service of those who embrace political violence. Sofaer contends, however, that "civilized nations and peoples cannot give up on law." Surely without law we would live in a Hobbesian state of nature. To improve its present state, the law should be expanded and used together with bilateral relations and international institutions, to improve the capability of controlling the threat of terrorism. In addition, the United States should devise a system through which it can integrate its policy on international terrorism with international law.

The problems of international terrorism are complex. Unilateral actions by the United States alone cannot solve the problems; the problems of terrorism transcend national boundaries as do the solutions. The United States Congress already has initiated several significant legislative measures designed to stimulate greater bilateral and multilateral cooperation to combat international terrorism. The purpose of this Article is to discuss those recent measures and the proposed efforts now being considered to deal with international terrorism.

II. RECENT LEGISLATION

The Congress, in particular the House Committee on Foreign Affairs and the Senate Committee on Foreign Relations, continues to play a significant role in developing legislation which will enable the United States to combat international terrorism. Under the Constitution the Senate has the responsibility to give its advice and consent to the ratification of international treaties, including those treaties pertaining to international terrorism. Many of these treaties also require the passage of enabling legislation by both Houses of Congress. In addition to approving treaties, Congress authorizes and appropriates funding to support programs to combat international terrorism and to protect United States officials abroad. In response to the wave of international terrorism threatening the personal security of United States citizens in other parts of the world, Congress has exercised its authority during the last three years to develop new policies which I believe will make a difference.

As Chairman of the House Committee on Foreign Affairs, I established a bipartisan staff task force in 1984 to review diplomatic security, including a review of host government cooperation in protecting United States citizens and embassies, and to study the foreign policy implications of international terrorism. Moreover, in 1984 the Secretary of State asked Admiral Bobby Inman (Ret.) to chair a panel of prominent citizens to address the problem of diplomatic security and to make recommendations for enhancing the security of United States diplomatic missions overseas. Subsequently, the President charged the Vice President to create an interdepartmental task force to combat terrorism. The findings and recommendations of the Staff Task Force, the Inman Panel, and the Vice President's Task Force resulted in several legisaltive measures. In addition, certain measures have been implemented in response to executive branch requests to Congress for authorizations and appropriations.

On April 26, 1984, the President submitted several legislative proposals to Congress. The President requested the following: enabling legislation for the Convention Against the Taking of Hostages adopted by the United Nations on December 17, 1979, enabling legislation for the Convention on Suppression of Unlawful Acts Against the Safety of Civil Aviation adopted by the International Civil Aviation Organization (ICAO) on September 23, 1971 in Montreal, authority to pay rewards for information concerning international terrorist acts, and final authority to prohibit the training or support of international terrorist organizations. As Congress was considering these executive branch requests, the August 1985 bombing of United States personnel and property in Beirut resulted in another executive branch request for $366 million for security enhancement at United States diplomatic missions overseas. Subsequently, Congress approved legislation that authorized the enhancement of the security of United States diplomatic missions overseas, the payment of rewards for information on international terrorist acts, and danger pay for United States personnel serving in high threat posts. The legislation directed the President to seek more effective international cooperation to combat international terrorism in regard to the punishment and execution of terrorists who attack diplomats. Furthermore, Congress acted on the executive branch request to implement the Montreal Convention on Aircraft Sabotage and the United Nations Convention on Hostage Taking by incorporating into the continuing resolution for appropriations for fiscal year 1985, legislation adopting both Conventions. Congress, however, took no action in 1984 to prohibit training and services to terrorist organizations.

In 1985 the Committee on Foreign Affairs addressed international terrorism within the context of its authorization and oversight of the International Security and Development Cooperation Act of 1985 and the Department of State Authorization Act of 1985. Specifically, the Committee undertook three legislative initiatives which have impacted bilateral and multilateral responses to international terrorism: the Foreign Airport Security Act of 1985; the International Maritime and Port Security Act of 1986, and, the Omnibus Diplomatic Security and Antiterrorism Act of 1986.

III. FOREIGN AIRPORT SECURITY ACT OF 1985

The hijacking of TWA Flight 847, the bombing of Air India Flight 182, and the airport bombings in Tokyo and Frankfurt, underscored the need for security improvements at international airports and for stricter enforcement of existing standards. Following these airport tragedies, Congress enacted the Foreign Airport Security Act which responds to the growing number of terrorist acts directed against United States citizens traveling through foreign airports. Moreover, the Security Act addresses the international aviation industry's concern over the increasing number of airport; incidents. The House Committees on Foreign Affairs and Public Works and Transportation found that no formal mechanisms existed in the United States Government for identifying international airports having a serious security risk, for informing the public of those risks, or for taking the necessary preventive measures to correct security problems. The Foreign Airport Security Act sets out applicable guidelines for these problem areas.

Specifically, the Foreign Airport Security Act mandates that the Secretary of Transportation, through the Federal Aviation Administration (FAA), conduct periodic security assessments of foreign international airports used by United States carriers. The security assessments must be measured against the minimum airport security standards set by the ICAO. In carrying out these assessments, the Act requires the Secretary of Transportation to consult with the Secretary of State regarding the terrorist threat existing in each country, and to determine which foreign airports are not under the *de facto* control of their government. If an FAA assessment demonstrates that a foreign airport is substandard, the Secretary of Transportation shall notify that foreign government of the FAA assessment and recommend the necessary steps to bring the security measures at that airport up to the appropriate ICAO standards. If the foreign government fails to comply with this request within ninety days, the Secretary of Transportation may impose sanctions. In addition to these sanctions, the President may suspend all assistance under the Foreign Assistant Act of 1961 or the Arms Export Control Act to any recipient country operating a substandard airport. The Act also provides for immediate notification, issuance of travel advisories, and suspension of air service to any airport upon a determination by the Secretary of Transportation that an immediate condition exists which threatens the safety of passengers, aircraft, or crew traveling to or from such airport. Finally, the Act directs the Secretary of State to seek multilateral and bilateral agreements to strengthen enforcement measures and standards for compliance with respect to aircraft sabotage, aircraft hijacking, and airport security.

In the spring of 1985, the Committee on Foreign Affairs conducted extensive hearings on the implementation of the Foreign Airport Security Act. In addition, the Committee's Staff Task Force on International Terrorism and Diplomatic Security conducted two investigative trips to review the adequacy of foreign airport security at high risk foreign airports in Rome, Frankfurt, London, and Athens. As a result of this oversight activity, the Staff Task Force concluded that to ensure a universally high level of security at foreign international airports, foreign flag carriers should establish security procedures equivalent to the standards required of United States carriers under the Foreign Airport Security Act.

Following adoption of the Act, the Secretary of State and the Secretary of Transportation embarked on a two-fold strategy for implementation. First, the Secretary of State launched bilateral negotiations, either renegotiating existing aviation agreements or conducting separate efforts to reach specific agreement on aircraft and airport security. At the same time the Secretary of Transportation traveled to Montreal to seek an expanded multilateral aviation security agreement. Subsequently, ICAO produced a draft model aviation security article to be adopted by member states.

The Foreign Airport Security Act already has influenced the international community and United States foreign relations. As expressed by the Deputy Assistant Secretary of State for Transportation Affairs, Jeffrey Shane, "[t]his [Foreign Airport Security] Act has proved to be a powerful means of encouraging other countries to beef up security at their airports. The FAA has conducted assessments [as required by the Act] of more than 100 airports to date." Further, Mr. Shane notes that since January of 1986, the United States Government has begun negotiations with some eighty bilateral aviation partners for the adoption of an improved aviation security agreement based on the ICAO model. In fact, the United States already has signed or initialed agreements with thirteen countries, including the United Kingdom, the Soviet Union, the Netherlands, Argentina and Australia. These agreements commit each party to follow the provisions of the international anti-hijacking accords, to observe the other party's security regulations, and to provide assistance to thwart any threats that do arise.

In 1985 the ICAO reconsidered the issue of foreign airport security and, at the behest of the United States Government, adopted a major revision of the Chicago Convention's Annex 17 on aviation security. That revision, which became applicable in May 1986, establishes tough new standards and recommendations for airport and aircraft security. The revision requires countries to coordinate antiterrorism efforts in checking baggage and to impose strict controls over individuals allowed on the tarmac and in other restricted areas of airports. Moreover, in an effort to upgrade security screening standards, the ICAO revision requires the institution of a positive passenger baggage-match procedure in the international airports of all member states by late 1987.

In conjunction with the Foreign Airport Security Act, Congress enacted the Anti-Terrorism Training Assistance Program which has become an important tool in improving airport security. Through this Program Congress provided additional funding to upgrade security at foreign international airports, specifically in the areas of training and equipment as set out in the Foreign Airport Security Act. The Department of State currently is providing bilateral assistance to several high threat countries, including Greece and Egypt, in an effort to train airport security personnel and provide them with necessary security screening equipment.

IV. OMNIBUS DIPLOMATIC SECURITY AND ANTITERRORISM ACT OF 1986

Following approval of the Foreign Airport Security Act in 1985, the Committee on Foreign Affairs undertook further hearings which eventually resulted in approval of the Omnibus Diplomatic Security and Antiterrorism Act of 1986. This Act contained two additional Committee initiatives, the International Maritime and Port Security Act, patterned after the Foreign Airport Security Act, and a proposal to establish an International Antiterrorism Coordinating Committee.

A. International Maritime and Port Security Act of 1986

In response to the hijacking of the *Achille Lauro*, the Committee on Foreign Affairs conducted a series of hearings on international maritime security to assess the adequacy of existing security standards. The Committee found that neither domestic nor international law adequately addressed the problem of maritime security. Therefore, in collaboration with the House Committee on Merchant Marine and Fisheries, the Committee on Foreign Affairs drafted the International Maritime and Port Security Act of 1986. The purpose of this Act was to institute a regime for maritime security similar to the system established for aviation security under the Foreign Airport Security Act.

While the Maritime and Port Security Act was pending in Congress, the United States Government convened an Interagency Group on Maritime Terrorism to develop proposals to present at the 1985 International Maritime Organization (IMO) Assembly. The IMO Assembly agreed with the Group's proposals, and requested the Maritime Safety Committee (MSC) to further consider the United States proposals at the MSC's January-February meeting. Prior to the IMO's September meeting, the Greek cruiseliner industry took the lead in establishing extraordinary security measures on its passenger ships. Specifically, the Greeks unilaterally imposed those security measures contained in the IMO draft recommendations and, along with the United States, supported the adoption of the draft regulations at the IMO's September 1986 meeting. It should be noted, however, that the IMO measures are only recommended actions at the present time. Nonetheless, at the September 1985 session, the IMO members agreed to prepare an international convention on maritime security based on the ICAO airport model standards. Such a convention, if ratified by the required number of governments, would significantly increase maritime security standards among the signatory nations.

B. International Antiterrorism Coordinating Committee

The Committee on Foreign Affairs also supported the establishment of an international coordinating committee on antiterrorism as an additional tool to combat terrorism. Both the International Security and Development Cooperation Act of 1985, and the Omnibus Diplomatic Security and Antiterrorism Act of 1986, direct the President to seek the creation of such a committee among friendly governments. This concept was proposed almost one year ago when I met with some thirty-two permanent representatives at the United Nations General Assembly and with the Summit Seven ambassadors in Washington in April of 1986. The antiterrorism coordinating committee would focus the attention of like-minded governments on the problems and necessary responses to international terrorism.

Initially, the Executive Branch of the United States and foreign government representatives exhibited some apprehension toward this novel proposal. The magnitude of terrorist attacks in 1986, however, evidenced by the Libyan-supported attacks on the Vienna and Rome airports and the disco bombing in West Berlin, persuaded key governments to reevaluate this initial reaction. The disarray among Western allies regarding United States-backed economic, diplomatic, and military actions against Libya provided compelling evidence of the need for greater coordination. In addition, the confusion with NATO ally Italy, following the *Achille Lauro* hijacking, also illustrated the need for closer cooperation with United States allies in regard to the apprehension and prosecution of terrorists and other appropriate measures to combat international terrorism.

In response to the need for coordination, United States European allies have begun to cooperate more effectively among themselves within the framework of the European Economic Community. A need remains, however, for wider and more regular coordination among the Summit Seven and other like-minded governments. As a first step, the Omnibus Diplomatic Security and Antiterrorism Act of 1986 directs the President to seek the establishment of a standing political committee under NATO to examine all aspects of international terrorism, review opportunities for cooperation, and make recommendations to member nations. Following the establishment of such a committee, the Act instructs the President to invite other countries to participate. Thus, what will begin as a regional committee under the auspices of NATO, will hopefully evolve into a truly significant international body.

V. CONCLUSIONS AND RECOMMENDATIONS

Congress has established a strong domestic legislative foundation for combatting terrorism overseas and has laid the groundwork for coordination with United States allies. More, however, needs to be done. The growing evidence of the internationalization of terrorism accompanied by the ominous appearance of state-sponsored terrorism demands greater multilateral cooperation to defeat this menace. The internationalization of terrorism requires the use of multilateral mechanisms to administer many of the unilateral initiatives taken by the United States and other countries. These measures include: antiterrorism assistance and training to improve airport and port security; rewards for information leading to the arrest and conviction of international terrorists; improved passport and visa controls; an international convention making international terrorism a crime; enhanced enforcement of the Vienna Convention with respect to the sanctity of diplomats and diplomatic missions; and amendment of the Montreal Convention so that enforcement procedures, which are lacking in the current Convention, can ensure compliance with airport security standards. Finally, an international agreement is needed which would prohibit the provision of services and equipment to states which sponsor terrorism, and to individuals and groups that engage in terrorist activities

While progress toward such initiatives and agreements will be arduous and compromise will be required to accommodate individual nation-state interests, such agreements are possible. Several years ago I joined in an effort to establish a regime for safety of life at sea. Critics said that economic and political factors would make this an impossible effort. Nevetheless, the International Maritime Organization successfully concluded the benchmark Safety of Life at Sea (SOLAS) Convention which became the model for further cooperative undertakings of the member states of the IMO. Despite the far more difficult challenge posed by international terrorism, futher multilateral cooperation is not only achievable, but is indeed essential if civilized people are going to win the war against terrorists.

SENATE—*Friday, July 10, 1987*

(Legislative day of Tuesday, June 23, 1987)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the Honorable JOHN BREAUX, a Senator from the State of Louisiana.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Eternal God, our gracious Father in heaven, this morning we pray for the Iran/Contra hearings. Cover with Your grace the painful process of interrogation—painful for the questioner as well as the one who must answer. Painful as well for many not directly involved. Protect the Nation from the cynicism of those within and without our country who view the whole matter as an exercise in futility and mock those who take seriously the necessity and the burden of the difficult task. Help those Members of Congress who bear the burden, whose regular responsibilities are not diminished while they devote long hours in preparation, sitting and questioning.

Loving Lord, may all of us take comfort in the strong words of the Psalmist: *I will lift up mine eyes unto the hills, from whence cometh my help. My help cometh from the Lord, which made heaven and earth. The Lord is thy keeper.* * * * *The Lord shall preserve thee from all evil; He shall preserve thy soul. The Lord shall preserve thy going out and thy coming in from this time forth, and even for evermore.*—Psalm 121: 1–2, 5, 7–8.

Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

THE PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 10, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN BREAUX, a Senator from the State of Louisiana, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. BREAUX thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader.

Mr. BYRD. Mr. President, I ask unanimous consent that the time of the distinguished Republican leader and my own time be reserved until later in the day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Wisconsin.

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1987—CONFERENCE REPORT

Mr. PROXMIRE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 825, the Housing and Community Development Act of 1987.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BYRD. Yes.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. BYRD. Mr. President, I had been informed that this matter was to be called up. We have not cleared this with anybody. I hope the Senator will not mind waiting for a little while.

Mr. PROXMIRE. Of course I will wait. I only wanted to have the conferees appointed. I will wait and do that later in the day. I will follow the advice of my good friend.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of morning business not to extend beyond 9:50 a.m., with Senators permitted to speak therein for not to exceed 5 minutes. The Chair recognizes the Senator from Wisconsin.

LET THE UNITED NATIONS FLAG THE GULF VESSELS

Mr. PROXMIRE. Mr. President, Cyrus Vance is a former Secretary of State. Elliot Richardson is a former Secretary of Defense. Both have solid experience in this Nation's military and foreign policy. Both are highly respected. Vance served Democratic administrations. Richardson served Republican administrations. Both are top officials in the United Nations Association. On July 8, 1987, the New York Times carried an article by Vance and Richardson. The article constitutes a plea to let the U.N. reflag Persian Gulf vessels. Here is an excellent idea. A few weeks ago I proposed a similar idea in the Senate. The Vance-Richardson idea is better. I proposed cooperation between the United States and the Soviet Union together with other nations to form a multinational force. Vance and Richardson ask—why not use the United Nations? It is a good question. The answer is that we should. This is a far better alternative than what seems to be the present "go-it-alone" administration policy, that is: U.S. flagging of certain Kuwait vessels. Our present policy is very likely to provoke an attack. Here is how Vance and Richardson put it:

> United Nations reflagging would not wave a red flag before Iran, but American reflagging would fuel tensions in the Gulf. Iran would see the United States, which it considers an enemy, as inserting itself into the gulf on behalf of an ally of Iraq, the other belligerent in the 7-year war. * * * By contrast, United Nations reflagging would cool tensions by assuring commercial shipping of peaceful passage.

The U.N. reflagging proposal would provide a U.N. patrol boat that would be unarmed to accompany a U.N.-flagged oil tanker, for example, on request. The United Nations could authorize a naval vessel of a member state to carry out this function. Vance and Richardson argue that the guiding principle of U.N. flagging would be "diplomatic deterrance," instead of the military deterrance that would characterize superpower flagging. They contend that diplomatic deterrence would be more effective. They are right. Of course, the United Nations Security Council could kill the idea by a veto, but this would not serve the self interest of any of the permanent Security Council members who have the veto power. The Vance-Richardson idea would fly. All it needs is a proposal. So what are we waiting for?

Vance and Richardson argue that every nation involved would gain by this action. Kuwait would get more effective protection without relying on either the United States or the Soviet Union. The United States would win the peaceful transportation of oil without risking war. The Soviets would gain the same end. Iran would sharply improve the prospect for the safe transit of their oil exports. Iraq would gain a far greater opportunity to bring its tragic and immensely burdensome war with Iran to an end. The United Nations could achieve these goals at far less cost than any alternative. And as Vance and Richardson write: "It draws on what the United Nations does best—mediate impartially above the fray."

Mr. President, over the years the United Nations has served the cause of peace far better than the public or even Members of the Congress realize. U.N. reflagging of gulf vessels could constitute another example of the United Nations at its best. Here are some tangible examples of the U.N. peacekeeping initiatives in action: U.N. forces kept the peace in the Egypt-Israel dispute between 1956 and 1967, in the Congo from 1960 to 1964, in West Iran in 1963. There was also the U.N. emergency force in the Middle East in 1973, the U.N. disengagement force in the Middle East in 1974; and the U.N. interim force in Lebanon in 1978; the United Nations has also provided a force to keep the peace between the Turks and Greeks on Cyprus. In addition, U.N. observer forces succeeded in keeping the peace in Palestine in 1948, on the India-Pakistan border in 1949, in Yemen in 1963, and in the Dominican Republic in 1965.

Mr. President, that is an impressive record. When the United Nations has been put to the test, it has succeeded. When the United States fought hard and successfully to bring the United Nations into existence after World War II, it did so primarily for the purpose of helping to maintain peace in the world. The United Nations can play only a limited role in promoting peace between the superpowers. The veto provided for each of the five permanent members of the Security Council recognizes this fact. But in disputes involving other nations the United Nations has repeatedly demonstrated that it can win peaceful solutions. In spite of its consistent successes in its first 30 years of life, the United Nations has been ignored for the past 9 years as a peacekeeping force. As Vance and Richardson have written, the United Nations is made to order for the dangerous situation in the Persian Gulf. We should put it to work.

Mr. President, I ask unanimous consent that the article to which I have referred from the July 8 New York Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 8, 1987]

LET THE U.N. REFLAG GULF VESSELS

(By Cyrus R. Vance and Elliot L. Richardson)

The specter of a widened conflict in the Persian Gulf raised by prospective United States reflagging of Kuwaiti ships and provision of safe transit for Kuwaiti cargoes on Soviet vessels leased to Kuwait has created consternation in Congress, queasiness among our allies and concern even in the Administration.

Despite the risks, America feels compelled grimly to press on for fear that retreat, in Senate majority leader Robert C. Byrd's words, "Would further injure the already severely damaged credibility of the United States."

Without retreat or loss of credibility, however, America can attain its goal with substantially lower risk. It can meet its commitment to Kuwait and achieve its policy goals under the mantle of internationl sanction by supporting United Nations reflagging of nonmilitary vessels in the gulf.

This would not involve creation of a United Nations naval flotilla patrolling the gulf, as some have proposed. The United Nations is not an appropriate instrument of gunboat diplomacy. Rather, it is a unique instrument for peacemaking diplomacy: Its peacekeeping forces are widely respected and rarely attacked, even in zones of bitter conflict.

United Nations reflagging would not wave a red flag before Iran, but American reflagging would fuel tensions in the Gulf, Iran would see the United States, which it considers an enemy, as inserting itself into the gulf on behalf of an ally of Iraq, the other belligerent in the seven-year war.

By contrast, United Nations reflagging would cool tensions by assuring commercial shipping of peaceful passage. In other words, this approach provides the best guarantee for America's goal of securing peaceful passage.

A United Nations peace-building mission would begin after passage of a Security Council resolution that endorsed freedom of navigation for peaceful shipping in the gulf, noted the perils to it from the ongoing conflict and called on all member states to safeguard innocent traffic from attack while efforts at ending the Iran-Iraq war continued.

A Council resolution should authorize seafaring United Nations peacekeepers to place a United Nations flag on vessels entering the gulf that asked a United Nations guarantee of safe passage and that submitted to United Nations inspection to insure that no war material was on board.

Once under a United Nations flag, oil tankers and other peaceful vessels desiring an escort could request an unarmed United Nations patrol boat to accompany it, or a naval vessel from member states authorized by the Council to carry out this function.

The guiding principle of the United Nations reflagging plan is diplomatic deterrence, which is likely to be more effective than military deterrence furnished by a nervous superpower.

Most important, such United Nations peace-building is in the interest of all parties involved. (We recognize, of course, that our proposal would die stillborn if any permanent member of the Council vetoed it. We believe that this would not happen because to do so would be to vote against the self-interest of every permanent member.)

For Kuwait, which initiated the American reflaging imbroglio, United Nations reflagging would provide international guarantees for its vessels yet avoid overt dependence on America or the Soviet Union.

For America, it would achieve the aim of protecting innocent passage while substantially reducing the risk of stumbling into an unwanted war. It would allow America to return to a more even-handed and flexible position, permitting it to play a more active role in ending the bitter and bloody conflict.

For the Soviet Union, the plan would provide similar advantages. Further, it would reduce American pressure on gulf states for bases to support an enlarged American presence.

What about the belligerents themselves? Why should they respect the United Nations flag?

There is, of course, the general desire of third world countries to bolster the credibility of the United Nations. Moreover, Iran and Iraq would have to think twice before attacking vessels under the protection of the international community, including the major powers.

For Iran, the plan would make it more likely that international tankers going to Iranian oil ports would safety transit the gulf, thus removing an obstacle to Iran's oil exports. If Iran's oil traffic were safeguarded, Iran's incentive to deliver retaliatory strikes against the shipping of its Arab neighbors would diminish.

For Iraq, which initiated the attacks on tankers and remains the source of most of them, the United Nations offers the main hope of bringing the unwinnable war to an end. Nor can Iraq afford to ignore the wishes of the Arab gulf states that have been bankrolling Iraq and that want their shipping protected. Morever, Iraq has shown its willingness to step back from other face-offs with the United Nations.

Above and beyond all this, given the animosity between Iran and Iraq the United Nations must look to step-by-step peacebuilding. Thus, shielding shipping from attack could be a stepping stone toward a general cease-fire that halted the land war.

This month, an international panel of the United Nations Association of the USA will make recommendations on the conditions necessary for the United Nations to be successful in all security matters, as well as in economic and social development.

The recommendation presented here for a United Nations reflagging role in the Persian Gulf meets the panel's key criteria for likely success. It serves the common security interests of all concerned, it can be rapidly implemented (at modest cost) and it draws on what the United Nations does best—mediate impartially from above the fray.

Mr. PROXMIRE. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The absence of a quorum is noted. The clerk will please call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(Remarks of Mr. BOSCHWITZ are printed under Statements on Introduced Bills and Joint Resolutions.)

ACCESS FOR U.S. BEEF TO SOUTH KOREAN MARKET—AMENDMENT NO. 461

Mr. SIMPSON. Mr. President, I am very pleased to join with Senator

NICKLES and others of my colleagues in support of the amendment which seeks to gain access for U.S. beef to the South Korean market.

Since May 1985, Korea has banned all imports of high quality beef. Prior to this time, U.S. producers had been the leading supplier of a fine product to a consuming public which certainly liked it. It seems only fair that U.S. producers be permitted access once again.

The current ban is in direct contravention of Korea's obligations under the General Agreement on Tariffs and Trade [GATT]. Because Korea enjoys a significant trade surplus with the United States, such a ban seems particularly unwise. Removing the current policy would benefit both countries—increase profit opportunities for our beef industry and prove a pleasing benefit to Korean consumers.

I strongly urge my colleagues to support the amendment.

SAVING THE EARTH

Mr. INOUYE. Mr. President, in the July 3 Wall Street Journal there was an article, headlined "Saving the Earth," which detailed U.S. Government efforts to secure long overdue reforms in the World Bank and the regional development banks relative to environmental concerns.

The Foreign Operations Appropriations Subcommittee, most particularly the ranking Republican, my good friend BOB KASTEN, has provided the leadership and drive on this issue. I ask unanimous consent that the Wall Street Journal article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SAVING THE EARTH—UNITED STATES ASKS WORLD BANK TO MAKE SAFEGUARDING ENVIRONMENT A PRIORITY

(By Eduardo Lachica)

Treasury Secretary James Baker once went to Botswana to hunt elephants, but, he says, he didn't have the heart to shoot any pachyderms. A life-long hunter and angler, he was also a closet conservationist.

Recently, Mr. Baker has been able to take his environmental concerns public. Operating on instructions from Congress, he is pressing the World Bank to build environmental safeguards into its Third World development projects. "The environment is on the agenda," he says. "This is a matter we feel strongly about."

Now, partly because of pressure from the U.S., its largest contributor, the World Bank has set firm guidelines on how bank projects should avoid or minimize damage to tropical forests, watersheds and wildlands.

The bank has also expanded its environmental programs. It is turning its 12-person environmental staff into a full-scale department with as many as 100 professionals, most of whom will be posted in regional offices so that they can work hand in hand with lending officers. Bank President Barber Conable recently announced an "urgent" assessment of environmental threats in the 30 most vulnerable developing nations, including Brazil, Indonesia and Mali, and began programs to counter the spread of deserts, deforestation and pollution in the Mediterranean Sea.

PRESSURE ON OTHERS

The U.S. is pressing the African Development Bank, the Asian Development Bank and the Inter-American Development Bank to take similar steps. Together with the 151-nation World Bank, these institutions lend about $22 billion a year to developing countries.

The U.S. has also raised environmental concerns about a number of projects that are under World Bank consideration. Washington worries, for example, that Pakistan's $5 billion Kalabagh hydroelectric dam on the Indus River risks creating crop-killing salt deposits downstream and that a large hydroelectric project planned by India on the Narmada River will flood 150,000 acres of teak-covered valleys. A Delhi University team that surveyed the project called it "sheer madness—or at best a dangerous gamble."

U.S. conservation groups persuaded Congress to impose environmental conditions on the World Bank and other multilateral development banks. "It's not just birds and bunnies and having nice parks," explains Barbara Bramble, the international program director of the National Wildlife Federation. "We're talking about basic resources and how to use them wisely. That's something Middle America can understand."

UNACCEPTABLE PROJECTS

Robert Kasten, a Wisconsin Republican on the Senate Appropriations Committee, argues that "it's simply unacceptable that [development banks] should finance bad projects with U.S. taxpayer dollars."

And Claiborne Pell, the chairman of the Senate Foreign Relations Committee, insists that the environment is a "foreign-policy issue" and one that "doesn't stop at the frontiers of any one nation—even one as vast as our own. Forest destruction raises global temperatures, which in turn could melt the polar ice caps and flood coastal cities, the Rhode Island Democrat notes.

In financing the banks for the current fiscal year, Congress instructed the Treasury to promote the "rapid addition" of trained environmentalists to bank staffs, to vote against loans for projects that would hurt the environment and to demand that no less that 20% of development-bank loans be directed toward environmentally beneficial projects such as reforestation, small-scale farming and mini-hydroelectric dams.

FLAGGING PROJECTS

Finally, the law requires the U.S. Agency for International Development to establish an "early warning system" to flag projects that might harm the environment. Its latest report lists more than $10 billion in bank-financed projects that are facing delays, mainly for environmental reasons.

The list includes major hydroelectric projects in India, Pakistan and China. "Those mega-projects will have to undergo a greater degree of scrutiny for their environmental impact," Secretary Baker says.

Treasury officials insist that the U.S. isn't anti-growth. "We're simply saying that it makes more sense economically to design projects properly and avoid environmental destruction that would cost a lot more to fix later," says Jones Conrow, the deputy assistant secretary for developing nations. "We don't have to make a stark choice between development and the environment."

But the U.S. stance troubles some Third World developers. "They have yet to show us any practical alternatives—how, for instance, Indonesia can make up for the loss of foreign exchange if it agrees not to cut timber," says Al Binger, the president of the Biomass Users Network, based in Costa Rica. "Let's not forget that it's the need to repay debt that's forcing countries to deplete their own natural resources."

The Jamaican-born Mr. Binger believes that until donor countries look at underdevelopment in its totality, many debt-ridden developing countries will listen politely to Secretary Baker but continue their environmentally harmful practices.

The World Bank is having some effect. It has firm guidelines against financing projects that would overtax the borrowers' natural resources—fisheries projects that would overfish waters, for instance, or cattle projects that would overgraze the land. The bank's new environmental focus is to some extent in conflict with its more traditional goals, like fighting poverty and increasing food production. But Mr. Conable insists that ecology and economics can be "mutually reenforcing disciplines."

Despite its efforts, the World Bank's environmental loans last year amounted to $800 million, or 5% of total lending, well below the 20% the U.S. is advocating. Mr. Conable concedes that the bank has to "do more to ensure that environmental considerations play a central role in development strategies."

The development-bank community still has no answers for an environmental disaster like Haiti. The Caribbean nation, once rich in mahogany forests, is in danger of being reduced to a barren rock by desperately poor people who cut down trees for fuel. "You can't talk about environmental protection to a country that's on the margin of survival," says Gunter Koenig, who runs some of the World Bank's Caribbean programs.

INCREASED SENSITIVITY

Haiti's problems have made development agencies more sensitive to preventing or repairing deforestation and erosion in Nepal and other countries. The bank is beginning a broad effort to curb the destruction of tropical forests, as much as 11 million acres of which are lost every year to human settlement. It has already had a lot of experience in replanting denuded lands with fast-growing species and training farmers to manage tree nurseries. Mr. Conable says that the bank has made $1 billion in forestry-project loans over the past decade and that "we are ready to do more."

The World Bank is also working to repair environmental damage from earlier projects. Bank aides acknowledge that as much as $2.3 billion will have to be spent on a canal to divert the periodic flooding of the Indus River below Tarbela, a Pakistani hydroelectric project built in the early 1970s. The dam is causing waterlogging and salination in grain fields down-stream.

What is happening in Brazil illustrates the struggle to balance development with environmental protection. At one point, World Bank officials recall, Brazil was developing so fast that it transported timber on airplanes to build its new capital. Government officials also once seriously considered turning the Amazon into a Mediterranean-sized lake to create internal shipping routes where impenetrable jungles still stood.

BITTER AFTERMATH

This exuberance has been cooled by a mountain of debt and the bitter aftermath of too-hasty development. A five-year-old Brazilian effort to settle the Amazon basin has led to destruction of vast tracts of tropical rain forests in the state of Rondonia. It was unwittingly abetted by the World Bank, which helped pay for a road, BR 364, that penetrated the jungle and brought in hundreds of thousands of settlers. That did more to unleash the wrath of U.S. environmentalists on the development banks than any of the banks' other works.

The bank now concedes that it misjudged Brazil's ability to control the migration. "A tidal wave of humanity poured in, lured by TV reports that Rondonia is a green paradise where you can get rich quick," recalls John McKenna Jr., a World Bank resource planner. The bank reports that Rondonia, a state the size of West Germany, lost 15% of its forest cover to bulldozers and land speculators in less than five years.

Sen. Kasten asked the crew of a spaceshuttle flight to photograph the devastation and showed the pictures at congressional hearings to help build support for putting environmental conditions on U.S. contributions to development banks. "I'm not for going back to candles; we need electricity and development," Sen. Kasten says. "But I'm against thoughtless, short-term development that can't be sustained over the long term."

Disturbed by the environmental damage, the World Bank suspended payments to the project until Brazil changed its policies. Now the bank is working to ensure that its mistakes aren't repeated. It is buying remote-sensing satellite services to detect any further changes in Rondonia's tree canopy. It is also paying for a force of 85 forest rangers to keep settlers away from Indian lands and biological reserves.

And the bank is offering Brazil incentives to protect its remaining wilderness. Under one possible deal, if Brazil kicked in the same amount, the bank would provide a $100 million loan for protecting the wildlife-rich Pantanal area close to the Bolivian border and the mountain ranges on the South Atlantic coast.

The bank is also urging Brazil to change its tax system so that landowners can get a tax break for keeping their trees standing. Currently, the tax laws penalize owners for underusing the land.

In the meantime, Brazils own environmental movement has come to life. The National Environmental Council, made up of both public and private entities, is lobbying for a law that would identify all of the Amazon's ecosystems, declear half of each a protected area and open only a quarter of each to commercial use.

Brazilian officials warn, though, that tensions between the underdeveloped northern states and the more modern south continue to obstruct a national consensus on the environment. "The environment has to share resources with other priorities," says a Brazilian diplomat Sergio do Amaral. "We have to worry, too, about infant mortality and malnutrition, about all those children abandoned on the streets."

BICENTENNIAL MINUTE

JULY 10, 1861: RESOLUTION TO EXPEL SOUTHERN SENATORS

Mr. DOLE. Mr. President, 126 years ago today, on July 10, 1861, New Hampshire Senator Daniel Clark submitted a resolution calling for the expulsion of 10 Senators. Under normal circumstances, this would have been an unthinkable action. In July 1861, however, circumstances were anything but normal as the Senate and the Nation faced a constitutional and military cataclysm of unprecedented magnitude. Six months earlier, Senators from Florida, Alabama, and Mississippi had dramatically walked out of the Chamber as Southern States withdrew from the Union. In April, Fort Sumter had fallen and President Lincoln quickly issued a call for 75,000 volunteer militiamen. One regiment of Union soldiers had actually been housed in the Senate Chamber for several weeks prior to the July 4, 1861, convening of the 37th Congress.

Senator Clark's resolution named 10 Southern Senators: Two each from Arkansas, North Carolina, Texas, and Virginia, and one each from South Carolina and Tennessee. The New Hampshire Senator charged that all had participated in a conspiracy against the "peace, union and liberties of the people and government of the United States."

A few moderate voices opposed expulsion, arguing that the Senators had only followed the directions of their States. But the passions of war produced the more fervent arguments on the other side of the debate. Clark would hear none of the arguments for mitigation. He declared:

> They have taken up arms against the Government. Their guns are now within the sound of your Capitol; and shall we sit here in the Senate and deliberate and doubt whether we shall turn out of this Senate the very men who are ready to explode those guns against your Capitol? * * * Let them be ejected from the councils of the Nation.

Clark's arguments carried the day. On July 11, the Senate, by a vote of 32 to 10, expelled the 10 Southern Senators.

HOWARD BAKER'S SPEECH TO THE NAACP

Mr. DOLE. Mr. President, on July 9, White House Chief of Staff and our former colleague, Howard Baker, gave an excellent speech to the National Association for the Advancement of Colored People [NAACP].

In the speech, Senator Baker reflected a view which is shared by I think most every member of this body—that "a fundamental obligation of this Government and any government is to provide ultimately for the protection of our citizens against elements of discrimination, injustice, and threats from abroad."

The speech also touched upon the nomination of Judge Robert Bork to become an Associate Justice of the Supreme Court. And Senator Baker counseled wisely, that is to consider Judge Bork's full record before any final decisions are made.

Mr. President, I ask that the full text of Senator Baker's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR HOWARD H. BAKER, JR., TO THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE

My good friend, Ben Hooks, Chairman of the Board, Dr. William F. Gibson, President McMillan, Chairman of the Special Contribution Fund Board, Mr. Colley, my fellow Tennesseans, Sarah Greene, Jesse Turner, and Maxine Smith, members and friends of the Nation's oldest civil rights organization:

I am honored to join you today as you conclude your 78th annual convention.

Let me pay my respects, first of all, to the distinguished executive director of this organization, Ben Hooks, whom I've been proud to call my friend for more than 20 years.

Ben Hooks has probably done more good for more people—individually and collectively—than anyone else that I know, and I believe his union with this venerable and vital organization is a marriage made in heaven.

Let me hasten to add I feel the same way about his marriage to the remarkable Frances Hooks, in whose debt I shall always be for her leadership in advancing my political career in our home State of Tennessee.

And let me pay special tribute, as well, to the First Lady of the civil rights movement, Coretta Scott King.

Mrs. King and I have known each other a long time, and I recall with special fondness her frequent visits to my office in the United States Senate a few years ago when we were engaged in a joint venture of some consequence to this gathering.

I count it as one of the highlights of my legislative career to have worked with this gracious and tenacious lady to establish a national holiday honoring the Reverend Dr. Martin Luther King.

Over the past 78 years, the NAACP has been in the vanguard of the changes in civil rights that have occurred in this Nation.

Through your persistence in the courts, you have brilliantly made the point that a society cannot exist with dual citizenships: one privileged and one second-class. Through your Washington Bureau, headed by the legendary Clarence Mitchell, (now headed by the indefatigable Althea Simmons), this organization led the way in securing bi-partisan support for the civil rights actions of 1957, 1964, and 1965. Because of your tenacity and persistence, segregation is outlawed in this Nation.

We are all the beneficiaries, black and white, Republicans and Democrats, of a legacy of a society that has in large measure opened its doors to those who have been systematically excluded.

It goes without saying that much still remains to be done, that the civil rights agenda is incomplete. I hasten to add that the problems that we face are not Republican or Democrat problems. Not black or white problems, but American problems. No political party can have hung around its neck the albatross of responsibility for that which is still not right in this great land today.

By the same token, no party should be expected to accept the blame for conditions that have grown out of years of denial, abuse, and systematic exclusion. I am proud of the role that my party has played in bringing about change in this Nation. We need to analyze the current situation we face and, together, with mutual respect, go about the business of opening up doors to all Americans.

I came to Washington 20 years ago last January, and, to the extent that I was known at all then, I was known either as my father's son (my father having served seven terms in the House of Representatives) or as the son-in-law of the Senate Republican Leader, Everett McKinley Dirksen.

I was and I am a politician, and proud to be one, because I think politics is a noble profession. Indeed, it is the mechanism by which citizens of this country express the full range of their desire, demands, and dissent to the structures of government. And I am proud to be a politician who believes that this country's time of greatness is still before it—a country whose passion for fairness and enthusiasm for progess is unrivaled in this troubled world. I am proud to have served in a government whose social consience and whose concern for equal justice are so apparent. The machinery of government of this Nation was a marvelously inspired product of young founding fathers who could not have possibly understood all the challenges of the 20th and 21st centuries, but whose fundamental understanding of liberty, equality, and the blessings of freedom dedicated a republic that resonates to the will of the people. And it is in this context that we are all privileged to address our agreements and disagreements on great public issues.

Let me tell you something about my beliefs. Since I first came to public life, I have believed, and I still believe, that to be compassionate and caring and concerned the government need not be large, anonymous, and unresponsive. Indeed, a little government goes a long way, and we ought not to have any more government involvement in our national life than we absolutely need.

I believed, and I still believe, that a fundamental obligation of this government and any government is to provide ultimately for the protection of our citizens against the elements of discrimination, injustice, and threats from abroad. But I also believe that the government is the keeper of the public purse; that government sought not to spend more money than it receives in taxes; and taxes ought to be as low as possible. I believed when I came to Washington, and I still believe, that the best insurance of peace in this dangerous world is the strongest defense for our country. I believed, and I still believe, that the United States should not be a diplomatic doormat for the rest of the world and that it should stand firmly for its rights and interests.

I believe that these obligations and opportunities to the citizens of this great land are best served by an understanding of the adversarial nature of politics and its essential contribution to the formulation of public policy. And yet to be a public servant in this system means being a part of a system of ideas and beliefs that swirl and rush and sometimes threaten to overwhelm—about the most one can hope for is the approval of the majority of the people in the resolution of these conflicting ideas. So in my public career I have tried to understand the point of view of those who disagree with me, to assist those things that I believe are best for the Nation, and to face difficult and unpopular issues with the courage to believe that the country will understand.

And it is in this belief that one of the most important votes I gave in the United States Senate was a vote in favor of the Fair Housing Act that granted the government extraordinary powers to impose national standards of fairness throughout the land. I did it because I thought it was the right thing to do, and I did it proudly. As I began my second term in the Senate in 1973, I was called upon to investigate the scandal we know today as Watergate, to follow the facts of that tragic case wherever they led, to ask the central troubling question that ultimately removed a man I respected from an office I revered.

And then as I was campaigning for a third time in the Senate, the issue arose as to whether or not the United States should renegotiate the treaty governing its rights and responsibilities with respect to the Panama Canal.

I weighed both sides of this contentious issue for a very long time, and finally decided that the right thing to do was to re-negotiate those treaties and ensure that our rights were protected by something more substantial than a 75-year-old document signed under duress.

All of these were the right thing to do.

Such was the act of a great Senate leader, Everett Dirksen, when he helped Lyndon Johnson secure passage of the Civil Rights Act of 1964.

Such was the act of Strom Thurmond, who in 1984 led the fight to extend the Voting Rights Act.

And such were the acts of Justice Hugo Black, whose forceful championship of civil rights and civil liberties were scarcely foretold by his youthful membership in the Ku Klux Klan.

Comes now the case of Robert Bork, whom the President has nominated to serve as a Justice of the Supreme Court.

I have come today because I believe that the NAACP, with its long commitment to fairness and the give-and-take of honest, conscientious differences of opinion, is willing to hear arguments on the other side.

I am well aware of the fact that most members of this organization are opposed to the confirmation of Judge Robert Bork to the U.S. Supreme Court. Your opposition is based upon information that has been presented by the media and by speakers at this Convention.

One of the strengths of a democratic society is the right of the people to hold different views and to have them expressed. I understand that as an advocacy organization with a deep concern for the Supreme Court (an institution which has been of tantamount importance to you over the years), you are troubled by changes in the institution.

I ask you today not to judge Robert Bork upon a fragmented record, reflected in news clippings.

I ask you to consider the full record and Judge Bork's views as they emerge during the confirmation process.

As an organization that prides itself on fairness, as individuals who have been the victims of prejudice based upon race, I am sure that you understand the importance of allowing all the facts to be put forward and in a non-heated or emotional fashion, particularly as the Senate, the body of deliberation, affords Justice Bork an opportunity to be heard, examined, and confirmed.

So I ask you today not to precipitously oppose this man but rather to wait and let the confirmation hearings paint a portrait worthy of the man and worthy of your serious consideration.

I ask you not to commit the power and prestige of this organization to defeating the nomination of an honorable man who has demonstrated so clearly in his own life the power of redemption.

Now, beyond the Court we must together find ways to eliminate all forms of discrimination against persons regardless of race, creed, color or gender.

Let me pay special tribute to the NAACP that, since 1909 when you were founded here in New York, has kept watch on the ramparts of freedom for all Americans.

We must together find ways to end the vicious cycle of poverty that plagues too many of our citizens. We must together work to build a society where our senior citizens are secure in retirement and where our young people's mental skies are not clouded by stunted growth and the denial of hope.

My friends, the agenda before us is one that requires every able-bodied man, woman, and child to labor assiduously for a new day and "the bright sunlit uplands" of an America without racism or discrimination. I am optimistic that both conservatives and liberals will benefit by the creation of a society where opportunity is our creed and justice is an obtainable goal.

I want you to know—as Ben and Frances Hooks have known for a long time—that I am a soldier with you in the struggle that gives this convention its theme and this movement its life.

I hope the time will come when this power is manifest more fully in our Nation.

I hope the time will come when the divisiveness and discord and discrimination of our time will yield to greater understanding in a more perfect union.

That is easier than it sounds in a country like ours, for by our very nature we can never expect—and should never even hope—to be all one thing or all another.

People of every color, every religion, every nationality, every point of view have found a home and a haven here, and it is the glory of our Nation that this is so.

But for all our differences, there are strong ties that bind us together as Americans, and none is stronger than our fundamental national belief in liberty and justice for all.

That is a promise we have not yet fully kept, but it is a struggle worthy of a great people.

I am proud to be a soldier with you in this struggle.

And I share with you the confidence and the commitment that we shall someday overcome.

FARM CREDIT SYSTEM LOAN RESTRUCTURING ACT

Mr. BOSCHWITZ. Mr. President, I have introduced the Farm Credit System Loan Restructuring Act along with my colleague from Missouri, Senator BOND. This legislation requires the other 11 farm credit districts to restructure nonaccrual loans and cut operating expenses—along the St. Paul district model—in order to be eligible for financial assistance. In other words, there will be no financial assistance unless these moves with respect to restructuring and cutting overhead are achieved. I firmly believe that this self-help model should be the core of the farm credit legislation we pass in the Senate and which has worked in the St. Paul district, the largest district of the Farm Credit System.

The Farm Credit System continues to be burdened by its volume of nonperforming loans. Nationwide the System's overall loan volume of $52 billion is continuing to decline at the rate of a billion a month, so that these nonaccrual loans become an even larger percentage of the total volume. Farmers unable to make their entire payment, now make none of it, even though they might be able to pay 70 percent or 80 percent of the payments due. Yet, the bonds that FCS bought have interest payments that must be met. These nonearning assets of FCS are a heavy drag on the System. That is why the St. Paul district initiated an aggressive self-help program to get its nonearning assets paying again. Requiring loan restructuring so that these assets earn income and farmers stay on their land simply must be part of the farm credit legislation that we pass to bail out the Farm Credit System.

We have identified four components that are vital in a Farm Credit System assistance package. First, our bill abolishes the Capital Corporation and requires that loan restructuring be done at the local level with the assistance of a district special credit team. The special credit team would review all nonaccrual loans on a case-by-case basis to ensure that these loans would be restructured when the cost is less than foreclosure.

When a loan is foreclosed, there might be a 2- or 2½-year period in which no payments are made at all, during which large legal fees accrue. Nevertheless, the interest on the bonds continues to accrue. The restructuring gets the loan operating again and gets some payments—in most cases, 70 percent to 80 percent of the payments previously made.

Second, the bill requires districts to reduce operating expenses by 10 percent from their 1985 level. Third, our bill also ensures that borrower stock will be protected. We must make it clear to borrowers that their stock is safe to prevent them from fleeing the System.

Fourth, financial assistance would be provided through the issuance of federally guaranteed bonds. Recognizing that the System is already burdened with excessive interest obligations on its outstanding bonds, we would allow direct payments from Treasury to cover the interst payments on these federally guaranteed bonds if the System is unable to meet this expense during the first 5 years. However, financial assistance would be made available only to districts that complied with a plan to restructure loans and cut operating costs.

There is unanimous feeling among Senators I have talked to who are active in the business of seeking aid for the Farm Credit System that the B stock, the so-called investment stock, must be protected.

The St. Paul district, the largest in the Farm Credit System, has changed massive red ink to black ink—albeit tentative black ink. So it is no surprise that there is a great deal of interest in how the St. Paul district organized their restructuring program. Larry Buegler, the president of the St. Paul district, testified before the Senate Subcommittee on Agricultural Credit in February and explained their intensive restructuring program.

Mr. President, in February, he had only been on the board a number of months, but even in those 6 or 7 months, they had restructured more loans in the St. Paul district than the other 11 districts combined.

In the first 4 weeks of the program, they had negotiated, and reached informal settlements with 37 percent of their nonaccrual loan volume.

Several weeks ago I held a briefing for Senators and staff members to meet with Larry Buegler to discuss St. Paul's Debt Restructuring Program. Mr. Buegler has also testified before the House of Representatives Subcommittee on Conservation, Credit and Rural Development.

The St. Paul district has reached final settlements on 4,066 of the 8,400 nonaccrual loans. They are working on most of the balance. Only 3 percent of these loans went into litigation. Through restructuring they were able to realize a potential $47 million recovery of previous charge-offs and allowances on these loans. This recovery goes right to the bottom line as profit because it had previously been a charge off. Clearly, this approach minimizes the financial drain on this institution and may minimize the financial assistance needed from other sources. That really is what we are seeking to achieve. This approach also allows farmers holding troubled loans the chance to work out an agreement and remain on their land.

I continue to be impressed by the St. Paul district's aggressive and innovative self-help approach. Recently, the St. Paul district announced a novel plan to stabilize land values and to reduce their acquired property inventory. Their "Land Values Guaranteed" Program began on June 17 and extends through September 7. Farmers and ranchers who purchase land from Farm Credit Services in the Seventh District have the option of reselling the land to FCS at the purchase price after 3 to 5 years. The program features a 9-percent fixed rate of interest—with no interest due until January 1, 1988—and down payments as low as 20 percent. They are really merchandising the whole idea of moving this land back to farmers and making the loans productive again so that some payments are made on these loans. This special offer is offered exclusively to FCS member-borrowers until July 20 and will then be extended to other farmers and ranchers in the four-State area until September 7. I was informed that in the first 2 weeks of the program the district received over 2,300 inquiries about the 460,000 acres up for sale. So, it is taking hold and it is moving forward.

Again, I must stress that I am very concerned about the plight and survivability of the Farm Credit System. A strong agricultural sector needs access to financial resources. Many in the System may desire or are waiting for a dollar-for-dollar bailout, but without a self-help effort as we have required in our bill, I would not consider just a straight-out bailout advisable. I do not think the taxpayers money should be used unless there is going to be some effort made by the System itself and by the borrowers.

Our bill takes a commonsense approach to the financial problems facing the Farm Credit System. We must force the System to restructure loans and reduce its operating expenses as a condition of receiving financial assistance. In the next few years much of the System's high cost debt rolls over and rolls out, and by guaranteeing borrower stock and providing a capital infusion to districts that enact self-help measures, we will put the System in a more stable financial position enabling it to charge more competitive interest rates to its borrowers. I urge my colleagues to support the approach of the St. Paul district as presented in this bill that I have introduced with my colleague from Missouri, Senator BOND.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1479

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Farm Credit System Loan Restructuring Act".

SEC. 2. CENTRAL RESERVE FOR FARM CREDIT SYSTEM.

Section 4.9A of the Farm Credit Act of 1971 (12 U.S.C. 2161) is amended—

(1) in subsection (a), by striking out "may, effective January 1, 1991," and inserting in lieu thereof "shall";

(2) in subsection (d)(2), by striking out ", but not more" and all that follows through "such institutions"; and

(3) by adding at the end thereof the following new subsection:

"(g)(1) The Central Reserve Fund Board established under section 4.9B may use the reserve to issue bonds, notes, debentures, and similar obligations in an aggregate amount not to exceed $4,000,000,000.

"(2) The obligations shall be in such forms and denominations, have such maturities, bear such rates of interest, be subject to such terms and conditions, be issued in such manner, and sold at such prices as may be prescribed by the Reserve Fund Board, with the approval of the Secretary of the Treasury.

"(3) The obligations shall be fully and unconditionally guaranteed both as to principal and interest by the United States. Such guaranty shall be expressed on the face thereof.

"(4) If the Reserve Fund Board is unable to pay on demand, when due, the principal of, or interest on, the obligations—

"(A) the Secretary of the Treasury shall pay to the holder the amount thereof;

"(B) the amount is appropriated, out of any money in the Treasury not otherwise appropriated; and

"(C) to the extent of the amount so paid, the Secretary of the Treasury shall succeed to the rights on the holders of the obligations.

"(5)(A) The Secretary of the Treasury may pay on behalf of the Reserve Fund Board the annual interest charges on guaranteed debt obligations issued under this subsection for each of the fiscal years 1988 through 1992.

"(B) There is authorized to be appropriated to the Secretary of the Treasury such sums as may be necessary to carry out this paragraph.

"(6) The Secretary of the Treasury may purchase any obligations issued under this subsection. For such purpose, the Secretary of the Treasury may use as a public-debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, United States Code. The purposes for which securities may be issued under such chapter are extended to include any purchases of obligations issued under this subsection.

"(7) The Secretary of the Treasury may sell any of the obligations acquired by the Secretary under this subsection.

"(8) All redemptions, purchases, and sales by the Secretary of the Treasury of obligations issued under this subsection shall be treated as public-debt transactions of the United States.

"(9) The authority to issue such obligations as provided in this subsection shall terminate on December 31, 1990. This paragraph shall not affect the guarantee of an obligation issued before such date.".

SEC. 3. CENTRAL RESERVE FUND BOARD.

Part A of title IV of the Farm Credit Act of 1971 (12 U.S.C. 2151 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 4.9B. CENTRAL RESERVE FUND BOARD.

"(a) Establishment.—There is established a Central Reserve Fund Board.

"(b) Membership.—

"(1) In general.—The Reserve Fund Board shall be composed of three ex officio members as provided in paragraph (2) and two members appointed by the President as provided in paragraph (3). Each member shall be eligible to vote on all matters to be determined by the Board.

"(2) Ex officio members.—The following Federal Government officials shall serve as ex officio members of the Reserve Fund Board:

"(A) The Secretary of the Treasury.

"(B) The Secretary of Agriculture.

"(C) The Chairman of the Board of Governors of the Federal Reserve System.

"(3) Presidential appointees.—The President shall appoint two members of the Reserve Fund Board, of which—

"(A) one member shall be—

"(i) a citizen of the United States;

"(ii) a farmer or rancher;

"(iii) experienced in credit and financial services; and

"(iv) not a director, officer, or employee of any System institution; and

"(B) one member shall be—

"(i) a citizen of the United States;

"(ii) experienced in the agricultural sector of the United States;

"(iii) experienced in credit and financial services; and

"(iv) not a member-borrower, director, officer, or employee of any System institution.

"(4) Felons.—No person may serve as a member of the Reserve Fund Board if such person has been convicted of a felony.

"(5) Oath of office.—A person appointed under this subsection shall take an oath of office within 15 days after appointment.

"(6) Term of office.—Each appointed member shall serve a term of office of 3 years, or until a successor is duly appointed and qualified. Appointed members may succeed themselves.

"(7) Vacancy.—Any vacancy occurring on the Reserve Fund Board among appointed members shall be filled in the same manner as the position had been filled originally.

"(8) Compensation.—

"(A) In general.—The appointed members of the Reserve Fund Board shall receive no compensation for serving on the Board.

"(B) Exception.—The appointed members shall be compensated for the time devoted to meetings and other activities of the Board at a daily rate not to exceed the daily rate of compensation prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(C) Reimbursement for expenses.—Members of the Reserve Fund Board shall receive reasonable allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Board at a level not in excess of the maximum level fixed by title 5, United States Code, for officers and employees of the United States.

"(c) Chairman.—The Reserve Fund Board shall annually elect a chairman from among its ex officio members described in subsection (b)(2).

"(d) Meetings.—No business may be conducted at a meeting of the Reserve Fund Board except by majority vote of a quorum of the members of the Board. Three members shall constitute a quorum.

"(e) Operations.—The Reserve Fund Board shall begin operation on the date of enactment of this section.

"(f) Farm Credit Administration.—The Farm Credit Administration shall make available to the Reserve Fund Board such reasonable technical assistance and shall provide analysis of the financial condition of System institutions as is necessary for the Board to carry out the functions of the Board under this Act.

"(g) Miscellaneous.—

"(1) Agency status of the reserve board.—The Reserve Fund Board created under this section shall not be considered to be an agency of the Federal Government as under section 551(1) of title 5, United States Code, for purposes of carrying out the duties and responsibilities created in this Act, including the issuance of guaranteed debt obligations under section 4.9A(g) and the providing of payments or other forms of assistance to System institutions under section 4.9C.

"(2) Nonapplicability of administrative procedure requirements.—The Reserve Fund Board shall not be subject to chapter 5 of title 5, United States Code.

"(3) Judicial review.—Decisions of the Reserve Fund Board made in connection with the exercise of the duties and responsibilities created in this Act shall be final and conclusive and not subject to judicial review.

"(h) Sunset Provision.—The authority granted by this section shall terminate on the repayment of all obligations issued by the Reserve Fund Board.".

SEC. 4. ASSISTANCE TO FARM CREDIT SYSTEM INSTITUTIONS.

Part A of title IV of the Farm Credit Act of 1971 (12 U.S.C. 2151 et seq.) (as amended in section 3 of this Act), is further amended by adding at the end thereof the following new section:

"SEC. 4.9C. ASSISTANCE TO FARM CREDIT SYSTEM INSTITUTIONS.

"(a) Definition.—As used in this section, the term 'cost of foreclosure' includes—

"(1) the difference between the outstanding amount of principal due on a loan made by an institution and the value of collateral used to secure the loan, taking into consideration the lien position of the institution;

"(2) the estimated cost of maintaining a loan as a nonperforming asset;

"(3) the estimated cost of administrative and legal actions necessary to foreclose a loan and dispose of property acquired as the result of the foreclosure;

"(4) the estimated adverse impact of the sale of property acquired as the result of a loan foreclosure on the value of property held by other borrowers of institutions;

"(5) the estimated cost of changes in the value of collateral used to secure a loan during the period beginning on the date of the initiation of action to foreclose or liquidate the loan and the ending on the date of the disposition of the collateral; and

"(6) all other costs incurred as the result of the foreclosure or liquidation of a loan.

"(b) Payments to System institutions.—To enable System institutions to redeem stock at par value and to otherwise remain financially viable, funds from the Central Reserve Fund may, on terms and conditions prescribed by the Reserve Fund Board, be used to make payments to System institutions.

"(c) Eligibility Plan.—

"(1) In General.—In order for any System institution in a farm credit district to be eligible for payments under subsection (b), the farm credit district board of directors must have in place a plan that—

"(A) requires that all nonaccrual loans of System institutions in the district be reviewed on a case-by-case basis to determine whether the loans should be considered for forbearance, restructuring, or liquidation; and

"(B) describes the efforts of the district and System institutions in the district to reduce operating costs.

"(2) Requirements of plan.—The plan shall—

"(A) not later than 60 days after the date of enactment of this section, be submitted to the Reserve Fund Board in such manner as the Board may prescribe;

"(B) not later than 180 days after the date of enactment of this section, reduce the level of annual operating costs of the district and System institutions of the district by at least 10 percent below the level of the costs incurred during fiscal year 1985;

"(C) establish a special credit team in the district to provide for the review of—

"(i) all nonaccrual loans held by System institutions of the district within 30 days after approval of the plan; and

"(ii) all high-risk loans held by System institutions of the district, within 180 days after approval of the plan, to determine on a case-by-case basis what steps may be necessary to prevent the loans from becoming nonaccrual loans; and

"(D) demonstrate that—

"(i) the System institutions of the district will grant forbearance on nonaccrual and high-risk loans to the maximum extent possible to avoid losses to the institutions on the loans;

"(ii) nonaccrual or high-risk loans will be restructured whenever possible in cases in which—

"(I) the borrower has acted in good faith in the management of business affairs and has been cooperative with the institutions;

"(II) the borrower can present a plan containing reasonable assumptions that indicate a high probability that the borrower will regain financial viability as the result of the restructuring; and

"(III) the loan will be restructured in such a manner as to minimize any loss to the institutions; and

"(iii) nonaccrual loans will be liquidated by the institutions only after a determination that the cost of foreclosure would be less than the loss that would occur if the loans were restructured in a manner that would ensure the viability of the loans.

"(3) Modifications.—The Reserve Fund Board may require such modifications in any plan as the Board considers appropriate.

"(4) Approval of plans.—The Reserve Fund Board shall approve or disapprove a plan submitted by a district during the 45-day period beginning on the date of receipt of the plan by the Board. If the Board does not act on the plan during the period, the plan shall be considered approved by the Board.

"(d) Prerequisites to Payments.—Prior to granting any assistance to System institutions in a district, the Reserve Fund Board shall require that—

"(1) the restructuring of each loan be done by the System institution in the district that holds the loan; and

"(2) the district have in place a system for monitoring restructured loans to determine whether the restructuring has been successful.

"(e) Loan Foreclosure and Restructuring.—

"(1) Determination.—To be eligible for financial assistance under this section, a System institution shall, before instituting a proceeding to foreclose a loan made to a borrower, determine that the cost of foreclosure is less than the cost of restructuring the loan in accordance with this section.

"(2) Restructuring.—If the institution determines that the cost of foreclosure of a loan made to a borrower is equal to or exceeds the cost of restructuring the loan in accordance with this section, in lieu of foreclosure, the institution shall reduce the principal or interest, or both, due on the loan, or otherwise restructure the loan, in a manner that would enable the borrower to make payments of principal and interest due on the loan without unduly impairing the standard of living of the borrower.

"(f) Reports.—To determine the extent of compliance with plans developed and approved under subsection (c), the Farm Credit Administration shall prepare, and provide to the Reserve Fund Board, quarterly reports disclosing with respect to the System institutions in each Farm Credit district—

"(1) the number and volume of loans on which forbearance, debt restructuring, and liquidation were undertaken in the quarter;

"(2) the savings achieved, losses incurred, or concessions granted on the loans; and

"(3) the financial statements of each institution.

"(g) Reserve Fund Board Duties on Receipt of Report.—Following the receipt of a report under subsection (f), the Reserve Fund Board shall—

"(1) determine the extent to which each System institution is complying with plans developed and approved under subsection (c); and

"(2) use that information to determine whether additional payments shall be made under subsection (b).".

SEC. 5. PROTECTION OF BORROWER STOCK.

(a) In General.—Part A of title IV of the Farm Credit Act of 1971 (12 U.S.C. 2151 et seq.) (as amended by section 3 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 4.9D. PROTECTION OF BORROWER STOCK.

"(a) In General.—Subject to the other provisions of this section and notwithstanding any other provision of this Act, during the 5-year period beginning on the date of enactment of the Farm Credit Act Amendments of 1987, in the case of a loan made by a System institution to a borrower that is secured by borrower stock:

"(1) If the stock is retired, the stock shall be paid at par value.

"(2) If the borrower defaults on the loan, the stock may be canceled, if approved by the System institution and on written notice to the stockholder.

"(3) Under other circumstances provided for in this Act, the stock may be otherwise disposed of, if approved by the System institution and on written notice to the stockholder.

"(b) Application.—This subsection shall apply to—

"(1) stock outstanding on the date of enactment of the Farm Credit Act Amendments of 1987, including stock frozen, impaired, or retired at less than par after January 1, 1983, in connection with the liquidation of a System institution; and

"(2) stock that is—

"(A) required to be purchased as a condition of obtaining a loan made after the date of enactment of the Farm Credit Act Amendments of 1987; and

"(B) retired before the date that is 5 years after the date of enactment of such Act.

"(c) Financial assistance.—If a System institution is not able to retire stock at par value, financial assistance shall be provided to the System institution in accordance with section 4.9C.

"(d) Definitions.—As used in this section:

"(1) Borrower stock.—The term 'borrower stock' means voting and nonvoting stock, equivalent contributions to a guaranty fund, participation certificates, allocated equities, and other types of equities that—

"(A) are issued under this Act by a System institution; and

"(B) are held by individuals.

"(2) Par value.—The term 'par value' means—

"(A) in the case of stock, par value as specified in sections 1.5(d), 1.16(a), 2.2(a) and 2.13(a);

"(B) in the case of participation certificates and other equities, face value or the equivalent of the certificates and equities, in addition to the interest due on the certificates and equities; and

"(C) in the case of an equity, or interest that is subject to retirement under a revolving cycle, but applied against a loan in default or otherwise as provided in this Act, par value or face value discounted at a rate to be determined by the System institution to reflect the present value of the equity or interest at the date of retirement.".

SEC. 6. TERMINATION OF FARM CREDIT SYSTEM CAPITAL CORPORATION.

(a) Revocation of Charter.—Section 4.28A of the Farm Credit Act of 1971 (12 U.S.C. 2216) is amended by striking out the last two sentences and inserting in lieu thereof the following new sentence: "The Farm Credit Administration shall revoke the charter of the Farm Credit System Capital Corporation 90 days after the date of enactment of the Farm Credit Act Amendments of 1987 or, on the recommendation of the Board of Directors of the Capital Corporation, at such earlier date as the Administrator considers appropriate.".

(b) Repeals.—Sections 4.1, 4.28B through 4.28L, and 4.36 of the Farm Credit Act of 1971 (12 U.S.C. 2152, 2216a–2216k, and 2219a) are repealed.

(c) Future Actions of Corporation.—Notwithstanding any other provision of law, the Farm Credit System Capital Corporation established under section 4.28A of the Farm Credit Act of 1971 (12 U.S.C. 2216) shall—

(1) not enter into any new agreements or contracts, extend or amend any existing agreements or contracts, make any new commitments, or extend or modify any existing commitments; and

(2) commence all practical and reasonable steps to achieve an orderly termination of the affairs of the Corporation on or prior to the date of termination under section 4.28A.

(d) Corporate Duties.—The Corporation shall—

(1) resell, to the extent possible and at the value determined by an independent appraiser, all loans and real estate assets acquired and held by the Corporation to the System institution that the loans and assets were acquired from; and

(2) transfer the tangible assets of the Corporation, including any proceeds from the resale of loans and real estate under paragraph (1) to the Farm Credit Central Reserve established under section 4.9A of the Farm Credit Act of 1971 (12 U.S.C. 2161).

(e) Farm Credit Central Reserve.—

(1) In general.—On the revocation of the charter of the Capital Corporation, the Central Reserve of the Farm Credit System shall succeed to the assets and rights of, and be liable for and assume all debts, obligations, contracts, and other liabilities of, the Capital Corporation, matured or unmatured, accrued, absolute, contingent or otherwise, and whether or not reflected or reserved against on balance sheets, books , ac-

counts, or records of the Corporation. Nothing in this subsection shall be construed to affect any right or privilege accrued, any penalty or liability incurred, any criminal or civil proceeding commenced, or any authority conferred under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.), except as specifically provided in this section.

(2) OBLIGATIONS, ENTITLEMENTS, AND INSTRUMENTS.—The existing contractual obligations, security instruments, and title instruments of the Capital Corporation shall, by operation of law and without any further action by the Farm Credit Administration, the Capital Corporation, or any court, become and be converted into obligations, entitlements, and instruments of the Central Reserve.

(3) SURPLUS FUNDS.—On the extinguishing of liabilities assumed by the Central Reserve under this section, and full performance or other final disposition of obligations under contracts assumed by the Central Reserve under this section to the extent that, there remain surplus funds attributable to the obligations or contracts, the funds shall become the property of the Central Reserve, and shall be available to the Board to carry out this Act, and the amendments made by this Act.

(f) CONFORMING AMENDMENTS.—

(1) REVOLVING FUNDS.—Section 4.0 of the Farm Credit Act of 1971 (12 U.S.C. 2151) is amended by striking out the first sentence.

(2) LIABILITY OF BANKS.—Section 4.4 of the Farm Credit Act of 1971 (12 U.S.C. 2155) is amended—

(A) by striking out subsection (c); and

(B) by redesignating subsection (d) as subsection (c).

(3) ENUMERATED POWERS OF THE FARM CREDIT ADMINISTRATION.—Section 5.17 of the Farm Credit Act of 1971 (12 U.S.C. 2252) is amended—

(A) in paragraph (2), by striking out "and the board of directors of the Capital Corporation" in the last sentence; and

(B) by striking out paragraph (8).

(4) DEFINITIONS.—Section 5.35 of the Farm Credit Act of 1971 (12 U.S.C. 2271) is amended by striking out paragraph (3).

SECTION-BY-SECTION ANALYSIS

Sec. 1: Title: Farm Credit System Loan Restructuring Act of 1987.

Sec. 2: Authorizes the immediate start-up of a Central Reserve Fund and grants the Central Reserve Fund board the authority to issue up to 4 billion dollars' worth of federally guaranteed bonds. In addition, the section authorizes the Secretary of Treasury to assist in the interest payments on these bonds for 5 years.

Sec. 3: Sets up the Central Reserve Fund Board, a Board to be composed of 5 members: the Secretary of Treasury, the Secretary of Agriculture, the Chairman of the Federal Reserve Board and two private members appointed by the President. The Board's working quorum would be designated as 3, in order to allow it to begin work immediately.

Sec. 4: Provides a framework for federal assistance to the Farm Credit System institutions:

4(a): Defines the cost of foreclosure in order to determine whether it is cheaper to restructure or foreclose.

4(b): Allows federal assistance to be used to protect borrower stock, system capital and system collateral in order to keep an institution viable.

4(c): Requires a recovery plan to be submitted within 60 days of the date of enactment. District Banks would be required to develop and submit a recovery plan which describes: (1) the setting up of Special Credit teams to review all the non-performing and high risk loans; (2) how these teams plan to restructure rather than foreclose on troubled loans whenever it is cheaper for the institution to do so; (3) how the District will reduce its operating costs at least 10% below their 1985 levels.

4(d): Would also require that the restructuring of loans be done at the local level, and that the District have in place a system to monitor the success of their restructuring.

4(e): Sets forth procedure to determine whether a loan should be restructured.

4(f): Requires FCA to report quarterly to the Central Reserve Fund Board on the adherence to the Districts to their filed plans.

4(g): Central Reserve Fund Board then uses the FCA reports to determine whether or not the District should receive federal assistance (or should continue to receive aid).

Sec. 5: This section guarantees borrower stock for a 5-year period, and allows Districts to apply for assistance in order to retire stock at par value.

Sec. 6: Terminates the Capital Corporation and transfers all assets and liabilities to the Central Reserve Fund.

Mr. BOND. Mr. President, I am pleased to join with my distinguished friend from Minnesota in introducing the Farm Credit System Loan Restructuring Act of 1987. He and I have been putting this bill together for some time, and I believe our product is an excellent core solution to the problems of the Farm Credit System.

The Farm Credit System has been in financial difficulty for the past several years and Congress has repeatedly wrestled with proposed bailouts and rescue plans. Unfortunately, neither of the past two solutions has been successful—and many believe this is directly tied to the System's unwillingness to move aggressively to help itself, waiting instead for actual Federal dollars to arrive. Thus it is not surprising that the System has returned again to Congress for help.

This time however, both Senator BOSCHWITZ and I agree that we must forcefully set out a procedure for the System to follow before we hand out any tax dollars. In addition, we also require that the district banks and associations use these Federal dollars to assist their borrowers as much as possible—rather than use them simply to prop up the institution's operation.

Our bill is designed to accomplish three basic goals:

First, to provide incentives for local associations to restructure troubled loans rather than to foreclose whenever it is cheaper to do so.

Second, to end borrower flight by guaranteeing borrower stock, and putting the districts in a financial position such that they can charge competitive interest rates.

And third, to reduce the System's operating costs.

Our bill also holds down the total cost to the Federal Government by raising needed capital through the sale of up to $4 billion worth of federally guaranteed bonds. We then require that these funds only be made available to those districts that comply with a plan to restructure troubled loans and reduce their overhead costs.

Mr. President, much has been written and said about the Farm Credit System and its recent financial difficulties. I do not want to walk through the dizzying array of financial data available, however, there are a few points I would like to touch on.

In its simplest terms the FCS is suffering from the same problems as its troubled borrowers—that is, too little income to cover the cost of their overall debt. Currently our best estimates show that seven Federal land banks, and two intermediate credit banks are in this negative interest income position. Their interest income has dropped substantially because of the increasing number of nonperforming loans, while their interest expense remains high because of the high interest, nonrefinancable, long-term bonds they issued in the early 1980's.

These two factors, when taken together, have squeezed these banks into a position where they have been eating into their reserves. And now, after nearly 3 years of depleting these reserves, and with total systemwide losses of $4.8 billion, they are suffering a wide variety of difficulties.

In some banks, such as the St. Louis Federal Land Bank, their financial deterioration has meant that the value of their borrower stock has dropped from a $5 par value to only $3.71 today. In other banks, their declining capital base means that they are in danger of being prevented by the Farm Credit Administration from making any new loans. And in still other banks the declining value of their collateral means FCA may soon not allow them to roll over their existing debt.

Thus, we are faced with a complicated set of problems to sort through, and an equally large number of solutions.

However, the bill we are introducing today attacks the System's problems in a very basic way. We attempt to increase the System's interest income by turning their billions of dollars worth of nonperforming loans into paying loans. For example, the St. Louis Land Bank has approximately $700 million in troubled loans; while at the same time requiring the district's to reduce their actual operating costs.

We then buy them some time by a stock guarantee and capital assistance, which should allow a large percentage of their high cost debt to be rolled out of the System. Interestingly, nearly two-thirds of their high cost debt will be gone within the next 2 years—thus giving all the banks a shot in the arm.

Our plan is a simple one:

First, we require the individual districts to put together a recovery plan which describes how they will: Reduce their operating costs 10 percent below their 1985 level; review all their nonaccrual and high-risk loans, and how they will restructure all loans where the cost of restructuring is cheaper than foreclosure.

Second, in return we will provide Federal assistance to assure that: Borrower's stock will be redeemed at par value; banks will have adequate capital to make new loans; and the collateral base of needy banks will be bolstered to allow them continued access to the bond market.

And third, in order to provide funds for this assistance, we allow a newly created central reserve fund board to sell up to $4 billion worth of Federal guaranteed bonds. However, we recognize that the yearly carrying costs of these bonds will probably be too much for the System to pay, and thus we allow direct Treasury payments to cover the interest costs to be made as needed for a 5-year period.

Mr. President, I believe that this legislation creates the correct framework for the Farm Credit System to recover from its tremendous losses. By protecting borrowers stock and bolstering capital we can keep the System in business, and by using restructuring rather than foreclosure we can in many cases actually save the System money.

Our proposal requires the System to help itself before receiving any Federal assistance. We're not going to pour money into a sinking System without making sure the leaks are fixed first. Furthermore, this approach will allow framers, who have a fighting chance to make good on their loans, to stay on their land. And finally, the bill guarantees the value of borrower stock for 5 years to shore up farmers' confidence in the System.

This bill is the most humane and cost effective way to begin repairing the Farm Credit System, which is now teetering on the brink of collapse, and I urge my colleagues to support it.

CLOSING OF PLO OFFICES IN THE UNITED STATES

Mr. GRASSLEY. Mr. President, I come before this body at this time to ask consideration again of more than a majority of my colleagues who have not yet joined in cosponsoring S. 1203, the bill that would bring about the closing of the PLO offices in the United States. I should like to have my colleagues consider the following undisputed facts:

In 1974, a TWA jet was exploded in midair by the Palestine Liberation Organization. Eighty-eight people were killed, including many Americans.

In 1976, an aide to Senator Jacob Javits was murdered by an affiliate of the PLO.

In 1985, PLO terrorists took credit for the massacres in the Rome and Vienna airports.

Later in 1985, PLO guerrillas hijacked the *Achille Lauro* and killed an American passenger, Leon Klinghoffer.

Consider also the following astonishing fact: The PLO—the world's preeminent terrorist organization—has operated two offices within the borders of the United States for the past 10 years. Within the shadow of the White House, the PLO maintains an "information" office. They also maintain a U.N. "observer mission" in New York. For some time, Members of Congress have questioned the administration policy which permits PLO operations on our soil. Because the administration has not acted, several weeks ago I introduced legislation to shut down the PLO's safe harbor in the United States.

I introduced this legislation because I cannot support the hypocrisy of talking tough about terrorism while playing host to the world kingpins of terror.

PLO offices in Europe have long been used to support terrorist operations. Their European agents recruit, rent safehouses, provide identities and documents, choose potential targets, and collect operational intelligence. The New York Times reported on April 14, 1986, that each PLO mission in Europe has on its staff a "specialist in clandestine operations including terrorism."

Moderate Arab leaders, disgusted with the PLO and its commitment to terror, have responded. President Mubarak of Egypt and King Hassan of Morocco have acted decisively to close the PLO offices on their soil, joining King Hussein of Jordan who did so a year earlier.

Some have suggested that legislation to close the PLO offices violates the free speech guarantee of the first amendment. I disagree. No foreign entity has a constitutional right to operate on our soil. Our Government does not recognize the PLO and has committed itself not to do so until the PLO ends its policy of terror. Moreover, nothing in my bill would restrict the right of anyone in the United States to speak out in support of the PLO. We could not do that constitutionally, nor does this bill do it.

As Professor Robert Friedlander of the Ohio Northern University Pettit College of Law has written, the Palestine Information Office, which derives all of its funding and support from the Palestine Liberation Organization, and is in fact a PLO front, is not protected by the first amendment. The Supreme Court, in Scales versus U.S., held that there is "no reason why membership, when it constitutes a purposeful form of complicity in a group engaging in this same forbidden advocacy, should receive any greater degree of protection from the guarantees of that amendment."

With respect to the New York office in particular, the fact that it is loosely connected with the United Nations does not confer any automatic rights for the PLO nor create any absolute obligations on the United States. The U.N. Office of Legal Affairs has ruled that "Permanent Observer Missions (such as that of the PLO) are not entitled to diplomatic privileges or immunities. . . . If they are not listed in the U.S. diplomatic list, whatever facilities they may be given in the United States are merely gestures of courtesy by the U.S. authorities."

Those who allege that this legislation will hurt the peace process have it exactly backward. Egypt, Jordan, and Morocco have closed the PLO offices in those countries to send a clear message. That message is if the PLO wants to participate in the diplomatic process, the first step must be to renounce terror. It is this, and nothing more or less, that motivates my actions to close the PLO offices in the United States. Thirty-eight Senators have joined me in this effort and I speak this afternoon because I want the rest of my colleagues to consider joining in the cosponsorship of this legislation so that we can be better prepared when it comes to the floor of the Senate and maybe hopefully that the White House, the State Department and Justice will actually close that office in Washington, DC, without the necessity of legislation.

I thank my colleagues and I yield the floor.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 9:50 having arrived, the Senate will now resume consideration of the pending business which is S. 1420, which the clerk will now report.

The legislative clerk read as follows:

A bill (S. 1420) to authorize negotiations of reciprocal trade agreements, to strengthen United States trade laws, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Moynihan Amendment No. 367, to express the sense of the Congress with respect to the proposed protection by the United

States of reflagged Kuwaiti tankers in the Persian Gulf.

(2) Byrd Amendment No. 368 (to Amendment No. 367), in the nature of a substitute.

(3) Bumpers Amendment No. 450, to provide that no funds shall be available during the 89-day period following enactment of the Act to accomplish the reflagging of any Kuwaiti naval vessels. (By 42 yeas to 56 nays (Vote No. 183), Senate failed to table the amendment.)

(4) Hatfield Amendment No. 451 (to Amendment No. 450), in the nature of a substitute.

(5) Chafee Amendment No. 464, to remove the section relating to uniform treatment of commodities under agricultural export programs.

AMENDMENT NO. 464

The ACTING PRESIDENT pro tempore. Under the previous order, the pending question is on the Chafee amendment, No. 464, on which there will be 40 minutes of debate to be equally divided and controlled in the usual form.

Who yields time.

Mr. HELMS. Mr. President, I do not see the distinguished Senator from Rhode Island, who is the author of the pending amendment, on the floor but I assume that he will be here shortly.

I yield myself such time as I may require.

Mr. President, there is not a more decent Member of the Senate than JOHN CHAFEE. I have known him a long time. I know that he would not intentionally do harm to innocent people who, like most Americans, are trying to make a living and raise their families, send their kids to school and to college.

But that is precisely the effect of this amendment. Senator CHAFEE has been misled by the lobbyists into believing that his amendment somehow strikes at tobacco. It does not strike at tobacco. If Senator CHAFEE's intent is to reduce the consumption of tobacco, his amendment will not accomplish what he desires. It will just mean that the tobacco growers in this country will get it in the neck.

I might add that the tobacco growers, Mr. President, have done everything possible to reduce the cost of the program, and they have succeeded.

I would like for Senators to examine a graph. These are the Commodity Credit Corporation net outlays by commodities. The first one here is feedgrains. This program cost taxpayers $13,141 million. The wheat program costs over $3.7 billion, rice, nearly $900 million, and cotton costs slightly over $1.3 billion. Meanwhile, tobacco, in terms of net outlays by commodity, has a negative impact.

Now, I see that Senator CHAFEE is on the floor, and I will repeat for his benefit what I said at the outset of my remarks: that I have known him a long time, and I have never known a more decent, well-intentioned human being. The fact is that he is wrong in his well-intentioned assumption that his amendment somehow is going to have an impact on the smoking. What it will mean is a boost for tobacco growers in other countries, unless, Mr. President, Senator CHAFEE proposes to outlaw tobacco. I do not think he is going to propose that. I do not think those who are urging him to advance this amendment are going to propose that either.

But, in any case, this is a matter involving some of the best people I know in this country, the farmers who pull up their socks in the morning and go out and try to make a living like the rest of the American people. They just ask to be treated like every other farmer.

I do not think there is a commodity—I have looked to see if I could find one—I do not think there is a commodity, Mr. President, that cannot participate in export promotion programs, except for tobacco. And the reason that the Senate Agriculture Committee adopted the amendment, offered by the able and distinguished Senator from Kentucky, Mr. MCCONNELL, the Senator from Georgia, Mr. FOWLER, and me, is because the Agriculture Committee believes in fairness. Therefore the amendment, after due consideration, was adopted.

Mr. President, I reserve the balance of my time.

The PRESIDING OFFICER. The Senator from North Carolina has approximately 15 minutes remaining.

Who yields time? Does the Senator form Rhode Island seek recognition?

Mr. CHAFEE. Yes, Mr. President.

Mr. President, I just want to briefly comment on a statement that was made last evening. I can only assume it was made in the heat of the debate by the distinguished senior Senator from Kentucky, in which he said, and I quote from the RECORD:

> And it is ironic that we cannot find something that belongs to the State of Rhode Island that we could, each time a bill comes up, to add to something or to knock something in the State of Rhode Island. I suspect that there will be a great deal of research done and I suspect that the distinguished Senator from Rhode Island is going to have to start defending some of these amendments that will be appearing from time to time as it relates to his individual State. I suggest when we start looking for money to balance the budget, we might find some products that are manufactured or grown in his State that will begin to have and feel the fire that he is trying to place on tobacco. And that is not a threat, Mr. President. That is a promise.

Well, Mr. President, I just want to briefly comment on that. I just wonder what the people of my State think when they hear that from one of the Democratic leaders. And I might point out that my State is one of the most Democratic States in the Nation. There is an individual working in a high position there who formerly worked for the Senator from Kentucky. I wonder what he thinks when he hears about vindictive statements along that line, how our State would suffer.

Now, I just want to say I think it is an outrage, statements like that. I am offering this amendment not because I am against the people of Kentucky, North Carolina, Virginia, wherever it might be. I am doing it because I think the provision in there is wrong. It is objected to by the administration. It is objected to by the health associations, the Lung Association, the Cancer Society. And to somehow work it into a vindictive statement against Kentucky or those other sections is just foolishness.

I have been in this Senate now for 11 years and I call them as I see them. If I think it is right, I vote that way. If I think it is wrong, I vote that way. I am proud to represent the people from my State. And the comments of the senior Senator from Kentucky I just think were extremely ill-advised and certainly are not going to go down well in my section of the country.

Mr. President, there has been some confusion here about suggestions that the administration is not opposed to this. Well, Mr. President, I would like to read from a letter that was sent up on June 22 to the Republican leader. And I can only assume it was sent to the Democratic leader as well. It discusses a whole series of provisions that might be offered. It pertains to competitiveness and to the trade bill overall. It is signed by 14 Cabinet officials, including Secretary Lyng of the Department of Agriculture.

This is what they have to say about this particular provision, and they refer to it. They comment on a whole series of different provisions. This is item D:

> Losses on U.S. Department of Agriculture promoted tobacco exports shall not count against the "no-net-cost" requirements of the tobacco program.

Then they say:

> This could have a significant impact on realized losses of CCC. The tobacco program would no longer be "no net cost."

And that is what the problem is about here, Mr. President. We agreed in 1982 that tobacco be a no-net-cost program. We are changing the rules now. And we have been able to go back to our constituents, who have said, "What is the Federal Government doing subsidizing tobacco?" and we could report to them in the past that it is a no-net-cost program. I was not for it, but, nonetheless, those are the facts. It was not costing you, the taxpayers, any money.

But now this is a change in the ground rules. It is a cost program. There is some dispute. The administration says in the neighborhood of $200 million. Others say less. There is a wide discrepancy but there is no question it is going to cost taxpayers money.

Mr. President, this is a very, very fundamental discussion we have here. I see the charts about the other commodities and that there is assistance for them in their export programs. Those commodities are different. Those commodities qualified for a whole series of different programs that tobacco has not qualified for. The Surgeon General has determined that tobacco is injurious to one's health. We know this. We and the administration and the Congress have encouraged the Surgeon General to require labeling of tobacco products.

The down side, of course, is the harm to health. The defense of the support programs has been it does not cost the taxpayer any money. But that is different today.

Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator reserves approximately 14 minutes. Who yields time?

Mr. FORD. Mr. President, would the distinguished Senator from North Carolina yield me some time?

Mr. HELMS. Indeed, Mr. President. I am delighted to yield to my friend from Kentucky.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from Kentucky.

Mr. FORD. Mr. President, I appreciate the statement by my distinguished friend from Rhode Island based on what he recalled as the heat of debate as related to Rhode Island.

I just say to the distinguished Senator this morning, after a good night's sleep and a clear head and bright eyes, that he has never failed, I do not believe, any time in the 11 years that he has been here, to attack tobacco. That is my State. That is 105,000 small farm families where tobacco is the largest income those families have. We get the attacks every year, and he says he calls them as he sees them.

Well, I called it last night as I see it, and I told him also last night that if he had read the RECORD, that if he would stay off of us, we would stay off of him. It just seems illogical to me that after 12 years, going on 13 years in this Senate, that we find this continual bombardment of the tobacco program. Those farmers have done everything they can do in order to keep that cash income, to be a part of the farm economy, and to keep the small family farm in place.

I do not know whether the Senator from Rhode Island has gone to these small farms in North Carolina or Kentucky or Tennessee and talked to these people. There is a philosophy: The wife of the farmer is just as much a part of that unit as anyone else. The children are a part of it. Many, many children have been able to receive their college degree because there has been some cash income as it relates to this legal crop, a crop that has meant much to the promotion of small farmers; not only in my State, but throughout the various States.

The distinguished Senator's argument as it relates to his amendment is premised entirely on a compromise reached in 1982. He has not gone beyond that. He got a little bit into the health situation here this morning, but the no-net-cost legislation was passed. Circumstances have dramatically changed since 1982. It is just like not reading all of the paragraph about certain things. You only read part or a sentence that applies to your argument—just as the distinguished Senator a few moments ago did not finish the paragraph and it related to the ASCS and others. He just read the line or sentence that applied to him.

Let us look at what has happened since 1982 when the no-net-cost bill was introduced.

The trade deficit has worsened significantly and tobacco exports from 1982 to 1986 have fallen 12 percent, as imports of tobacco into this country have risen.

So what the distinguished Senator from Rhode Island wants to do is hurt domestic farmers while he helps foreign exporters.

Mr. President, the overall agricultural exports have fallen even further than tobacco. They have fallen 33 percent, and I think agricultural exports are a significant part of the overall trade picture.

Second, several major export programs did not even exist in 1982. For instance, the Export Enhancement Program and the Targeted Export Assistance Program, two major programs expanded by this bill, were created by the 1985 farm bill that this Senate passed.

In 1982, Congress did not contemplate the application of the no-net-cost program. In light of these changes in the trade picture since 1982 it is exactly what this omnibus trade legislation is all about, and the tobacco provisions are entirely consistent with the bill's intent.

Mr. President, all we are asking is that we be treated as fairly as other commodities are being treated. I do not think there is anything wrong with asking that. But, yet, we get an attack: "We want that removed from the bill." We would like to keep it in and I hope the Senate and my colleagues will see the fairness in what we are asking here and defeat the Chafee amendment.

I yield the floor.

Mr. McCONNELL. Will the Senator from North Carolina yield?

Mr. HELMS. Certainly. Mr. President, may I ask how much time remains?

The PRESIDING OFFICER. Nine minutes and 5 seconds.

Mr. HELMS. Nine minutes and 5 seconds? We have three Senators on this side who seek recognition. Suppose we divide up the time 3 minutes apiece and start—Senator McCONNELL I think sought to be recognized first.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. I thank my friend from North Carolina. Last night after most had gone home there was some discussion about the action of the Senate Agriculture Committee. I was there that day when Senator HELMS offered the amendment to treat tobacco like other commodities in terms of the Export Enhancement Program. There seemed to be some feeling on the part of the Senator from Rhode Island there might be some lack of enthusiasm or lack of information about what the proposal was all about.

I can say without any fear of contradiction, a, the meeting was reasonably well attended; b, the Senator from North Carolina made a full and complete explanation of what the proposal was about; and, c, it was adopted unanimously. The feeling obviously of the members of the Agriculture Committee was that tobacco, be it ever so controversial, should not be denied this fundamentally fair treatment when it comes to the implementation of export enhancement in this administration or any other administration to come.

The issue, as has been stated so well already this morning and was last night, is whether we are going to favor Kentucky and North Carolina and American tobacco growers or tobacco growers from Zimbabwe and a lot of other places because what we are talking about here is competing on the world market.

I know my friend from Rhode Island hopes that people will not smoke. I understand his feeling along those lines. Many Americans feel the same way.

The fact of the matter is in almost every country in the world, smoking is very common, very prevalent. People like to smoke, whether we approve of that or we do not.

This is a trade bill. We are talking about being able to compete for foreign markets for American products. We think the American tobacco grower is fully entitled to go out and try to capture those foreign markets.

It has not been easy. There are a lot of barriers to tobacco in foreign markets. The Koreans until last summer arrested Koreans for having on their person foreign cigarettes. That is real protectionism.

The Japanese until very recently doubled taxed American cigarettes and would not allow them into the distribution system. As of April 1, that is beginning to change. The point is, we are up against some real competition out there.

The amendment of my friend from Rhode Island is not going to have anything to do with smoking and health, nothing. It is going to have no impact on that whatsoever. All it is going to do is to make it less possible for American tobacco to be sold in foreign countries. For that reason, it is totally ill-advised. We certainly hope that the amendment of the Senator from Rhode Island will be tabled.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in opposition to the amendment by the Senator from Rhode Island. His amendment would delete a portion of the trade bill that is designed to ensure fair treatment for tobacco farmers.

American farmers export approximately 40 percent of all tobacco produced in this country. Our farmers have no choice but to depend on these export markets. As well, foreign competition has increased dramatically in recent years. Brazil, Argentina, Japan, and now China are expanding production of tobacco. Our most effective means of competing with these foreign countries is through the use of export promotion programs. If the United States cannot maintain these markets, thousands of small farmers may find the demand for their product dramatically reduced and may lose their livelihoods.

Mr. President, there are approximately 18,000 tobacco farms in South Carolina. Tobacco meant $112 million to these farmers in my State in 1986, even in a year of terrible drought. It is the No. 1 cash crop in South Carolina. Tobacco farming supports almost 12,000 jobs in South Carolina and pumps over $200 million into our State economy.

When Congress enacted the No-Net-Cost Tobacco Program Act in 1982, it was not the intent of the Congress that tobacco be excluded from participation in export and trade promotion programs, although the administration has intrepreted it as such. Language in this pending trade bill will rectify this misinterpretation. The current amendment is contrary to the prior congressional intent. I urge my colleagues to vote to treat tobacco farmers like all other farmers by voting in opposition to this amendment.

Mr. President, I want to say that it is essential that we export tobacco to these foreign markets. I have personally contacted several foreign countries myself and made engagements for some of our people to meet with them. That means more money to the farmers of this country and more balance in the trade.

We have a tremendous deficiency now in trade, a great trade imbalance. Tobacco is helping to correct that imbalance. I hope this amendment will be tabled. It is not in the best interest of the economy of this country and it is not in the best interest of the farmers of this country. All we are asking is to treat tobacco like any other crop.

Mr. SANFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. SANFORD. Mr. President, our very good friend from Rhode Island captured my attention when he cited as his authority for pleading for this amendment various organizations properly and legitimately concerned with health. Of course they are concerned with the conditions brought about by smoking. This is a proper and legitimate thing. But it does not have one thing to do with what we are talking about. The amendment we are talking about does not have one thing to do with improving health. It does not have one thing to do with causing people to make decisions to cut down on smoking, which is the objective of those organizations that my good friend cited as supporters of this amendment. What we are talking about is an amendment that would, very simply, prevent American farmers from selling more goods.

I think that the real question is that health is one matter than needs to be promoted by the health organizations, by the Surgeon General, by people who have that responsibility and have that desire. But we do not need to keep flogging American farmers, whipping them year after year because of that problem. That is not the problem we are addressing today.

The farmer of America, the tobacco farmer, is not the problem. It does not have anything to do with stopping smoking for us to put one more burden on farmers who are already overburdened.

You could carry this philosophy to extremes if you really wanted to damage parts of the economy that some of these organizations thought maybe were damaging the health of Americans. We could get on the egg farmers and the chicken farmers. We could get on the people who produce marbled steak, the people who produce butter and milk, because all of those things, used improperly or used in excess, maybe or sometimes, create cholesterol problems. But we certainly are not going to do that.

Health issues are not what we are talking about. We are talking about a farm problem.

Frequently I hear people talking about the great cost of the tobacco programs, and arguments that we are subsidizing bad health. Well, Mr. President, that is simply not true. In fact, the tobacco program costs the taxpayer nothing. Since 1982, the program has been required to operate at no-net-cost to the Federal Government. Tobacco is the only program crop that does not cost the Government money, but it has been denied access to a program that could assist greatly in opening up new markets, and provide large benefits to many struggling American farmers.

All agricultural products should be treated equitably, it seems to me. There is not any question that tobacco is a farm product and ought to be treated that way.

Program crops are all subject to minimum prices. Most have some kind of production controls, whether in the form of quotas, set-asides, or other measures. All of these programs last year cost the Government money, some $26 billion. But it is significant that the tobacco program alone does not cost any Federal money.

Mr. President, the tobacco program will actually return some $450 million to the Commodity Credit Corporation during the combined 1987 and 1988 fiscal years. During the same 2 years, other commodity programs will incur costs approaching $50 billion. And I have not even mentioned the billions of dollars in excise tax revenues that tobacco provides the Treasury with each year. So we certainly do not subsidize tobacco—if anything, the reverse is true.

The real issues here are American competitiveness, American export sales, and the situation of the American farmer. We all know we have an enormous trade deficit. But there are many who may not know about the particulars of American tobacco exports, and their place in the trade picture.

From 1975 to 1985, American exports of Flue-cured tobacco fell by 15 percent while world trade of this product grew by 31 percent. This situation has resulted in declining tobacco allotments and increasing stress on our producers. And, due to reduced tobacco usage in our own country, tobacco growers are unusually sensitive to changes in export sales.

Mr. President, U.S. tobacco faces some of the largest trade barriers of any American commodity. Many markets, especially in high-demand East Asia, have been essentially closed to us. We are making progress in opening markets, but must operate at a disadvantage without the benefits of the Export Enhancement Program.

Other nations subsidize their tobacco exports directly, including Canada, Argentina, Korea, and the European Economic Community. In addition, U.S. sales require hard currency for tobacco, while many competitors are able to accept "soft"currencies.

Yet despite all this, we still can sell tobacco overseas—because we produce the finest tobacco in the world. And I believe we can sell much more, if only tobacco is allowed an equal footing with all other commodities regarding the Export Enhancement Program. Our tobacco growers are highly stressed at present, but the Export Enhancement Program could provide great benefits at little cost to the Government.

Mr. President, I know there are many who do not think we should have any Government involvement in selling tobacco overseas. But in today's world, we need just a little bit of assistance to compete with other nations, because other governments are involved. And people are going to continue using tobacco overseas. If we hinder our producers from selling in these markets, other producers will take over these sales.

So this measure has nothing to do with the amount of tobacco that will be used, either in this country or overseas. This is not a health issue. It is an economic issue, and its outcome will help determine the competitiveness of an American product overseas, and the well-being of many farmers at home.

The PRESIDING OFFICER. All time of the opponents has expired.

Mr. SANFORD. Let me just conclude, then, by saying that farming has a hard enough way to go is it is, and, again, this export enhancement has nothing to do with health. It has everything to do with the American farmer. The tobacco farmer is an American farmer and ought to be treated like one.

Mr. HELMS. Mr. President, I thank the Senator.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, the fundamental question here is whether we are going to change the Tobacco Program from a no-net-cost program to a program that could cost substantial amounts of money. The U.S. Department of Agriculture estimates $200 million over the next 5 years. That is what this is all about.

In 1981, this Senate and the Congress came within a hair's breadth of eliminating tobacco price supports entirely. The Federal support for the Tobacco Program was going to be eliminated. But supporters of the Tobacco Program, many of whom are present here today, came forward and said, "Do not abolish it. Let us keep it. What we will do is we will pay for it ourselves. Tobacco will pay its own way."

That was how the no-net-cost law came to be developed.

Now there is a change. Now they want to change that. They do not any longer want to pay their own way. We have a provision in this trade bill to exempt tobacco exports from the no-cost law.

This is a big decision. What we are doing here is getting the Federal Government back into the tobacco business. There were no hearings; no debates. As I understand it, and I can be contradicted, there was not a full hearing of this issue. In a little understood provision in the middle of a 1,000-page bill comes this provision, as I noted, that once again gets the Federal Government back into paying for tobacco.

What is it going to cost?

As I mentioned earlier, the CBO says $39 million; the U.S. Department of Agriculture says $200 million. But the important point to note here is that CBO says its estimates are very conservative and estimates there would be a mass of sales under this. They have only applied their estimates to the 1985-86 crop. Of course, this would apply to all future crops—1987, 1987, without end.

So there is a snowballing effect of the cost here.

I think we are embarking on a vicious circle, a vicious circle by which the Federal Government can get back into a program. It does no good to say tobacco is a commodity and it ought to be treated like all other commodities. The decision has previously been made that it not be treated that way, that it be treated separately. And, that is why, as I noted last evening, it is not entitled to some of the other programs. This is the camel getting its nose under the tent, qualifying for this program, I presume, and then they will come back and try to qualify for the balance. I think the provision is a bad provision and I urge my colleagues to support my amendment.

I would be prepared to yield 3 minutes to the Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Senator from Rhode Island. The fact is that even the figure that the Senator has cited is about $250 million less than the tobacco program is going to produce for the taxpayer over the next 2 years through the interest being paid to the CCC by tobacco farmers on their loans. Again, Mr. President, if you look at this chart, CCC Net Outlays by Commodities, $13 billion of the taxpayers' money—and I do not think the Senator from Rhode Island said anything about that—goes for feedgrains—about $3.8 billion for wheat, and rice and cotton, and so forth and so on. But I say again he is not talking about tobacco. He is talking about tobacco farmers.

The distinguished Senator from Kentucky indicated a moment ago that he wished to engage in a colloquy.

Mr. FORD. Mr. President, I wish to discuss a little bit with the distinguished Senator from North Carolina some questions I have. Also, I might suggest to the distinguished Senator from Rhode Island that in President Reagan's budget for 1987 it shows a saving to the Treasury of $228 million in 1987 and $222 million in 1988 in tobacco outlays, totaling in savings to the Treasury $450 million in 2 years.

Mr. President, the amendment of the Senator from Rhode Island would prohibit our country's small family tobacco farmers from participating in export programs available to just about every other farmer in the country.

As the former chairman of the Senate Agriculture Committee, I was wondering if the Senator from North Carolina is aware of any other agricultural commodity which is prohibited from using USDA export promotion programs?

Mr. HELMS. None of which I am aware. In fact, targeted export promotion programs have already been used to promote even nonprogram crops such as wood products, wine, canned peaches, fruit cocktail, chocolate, pasta, pistachios, dried prunes, dry peas, and lentils, as well as other commodities.

The Export Enhancement Program has been used to promote sales of wheat, rice, poultry, barley malt, table eggs, dairy cattle, just to name a few commodities.

Mr. FORD. So, under the Chafee amendment, the taxpayers money can be used to promote exports of chocolate, dried prunes, poultry, and just about everything else except for tobacco.

Mr. HELMS. That is the way it appears. Mr. President, I ask unanimous consent that the USDA's most recent report on the use of the Export Enhancement and Targeted Export Promotion Programs be inserted in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Source: Foreign Agricultural Service.

The status of USDA's Export Enhancement Program as of Feb. 27, 1987, was as follows in metric tons:

EXPORT ENHANCEMENT INITIATIVES

Announced initiatives	Date announced	Quantity	Results
64. Iraq table eggs	Feb. 20, 1987	189,000,000	
63. Canary Islands frozen poultry.	Feb. 9, 1987	5,000	
62. Nigeria wheat	Jan. 28, 1987	500,000	
61. China wheat	Jan. 26, 1987	1,000,000	Sold 450,000.
60. Iraq wheat	Jan. 16, 1987	800,000	Sold 220,000.
59. Switzerland barley, sorghum.	Jan. 16, 1987	250,000	Sold 9,000.
58. Poland wheat	Jan. 7, 1987	500,000	Complete.
57. Poland barley, sorghum.	Dec. 31, 1986	200,000	Sold 102,000.
56. Romania wheat	Dec. 23, 1986	250,000	
55. Iraq frozen poultry	Dec. 22, 1986	60,000	Sold 25,000.
54. Dominican Republic table eggs.	Dec. 9, 1986	25,000,000	Sold 6.5 million.
53. Zanzibar (Tanzania) flour.	Dec. 9, 1986	20,000	
52. Tunisia barley	Dec. 1, 1986	150,000	

EXPORT ENHANCEMENT INITIATIVES—Continued

Announced initiatives	Date announced	Quantity	Results
51. Gulf Countries dairy cattle (Bahrain, Kuwait, Oman, Qatar, United Arab Emirates).	Oct. 30, 1986	[1] 1,500	Sold 359.
50. West Africa wheat (Cameroon, Cote d'Ivoire, Ghana, Togo).	Oct. 30, 1986	345,000	Sold 14,500.
49. Dominican Republic poultry.	Oct. 29, 1986	1,500	Sold 1,133.
48. Philippines barley malt.	Oct. 20, 1986	60,000	Sold 25,000.
47. Cameroon wheat flour.	Oct. 14, 1986	20,000	
46. Romania barley	Sept. 24, 1986	200,000	Sold 125,000.
45. Venezuela barley malt.	Sept. 4, 1986	100,000	
44. Cyprus barley	Aug. 26, 1986	150,000	Sold 100,000.
43. Canary Islands wheat.	Aug. 8, 1986	100,000	
42. Egypt semolina	Aug. 6, 1986	30,000	Sold 15,000.
41. Expired (U.S.S.R. wheat).			
40. Canary Is. dairy cattle.	July 28, 1986	[1] 3,000	
39. Hong Kong table eggs.	July 28, 1986	44,000,000	Sold 22 million.
38. Senegal wheat	July 17, 1986	100,000	Complete.
37. India vegetable oil	July 8, 1986	25,000	Do.
36. Jordan barley	June 17, 1986	60,000	
35. Israel barley	June 17, 1986	200,000	Sold 36,200.
34. Tunisia dairy cattle	May 29, 1986	[1] 4,000	Complete.
33. Algeria dairy cattle	May 29, 1986	[1] 5,000	
32. Sri Lanka wheat	May 16, 1986	125,000	Sold 110,000.
31. Saudi Arabia barley	May 7, 1986	500,000	Complete.
	Aug. 6, 1986	250,000	Do.
	Sept. 16, 1986	300,000	Do.
	Oct. 8, 1986	200,000	Do (Sold 201,000).
	Jan. 5, 1987	1,250,000	Complete.
30. Algeria barley	Apr. 17, 1986	500,000	
29. Morocco dairy cattle.	Apr. 16, 1986	[1] 4,000	Sold 3,987.
28. Turkey dairy cattle	Apr. 16, 1986	[1] 5,000	Complete.
27. Egypt dairy cattle	Apr. 16, 1986	[1] 6,000	Do.
	Sept. 12, 1986	[1] 10,000	Sold 1,855.
26. Yemen poultry feed	Apr. 14, 1986	150,000	
25. Yugoslavia wheat	Apr. 10, 1986	200,000	Complete.
	June 24, 1986	200,000	Do.
	Oct. 7, 1986	500,000	Sold 93,050.
24. Indonesia dairy cattle.	Apr. 9, 1986	[1] 7,500	Complete.
23. Cancelled (Syria/wheat—700,000).			
22. Benin wheat	Apr. 7, 1986	45,000	Sold 30,000.
21. Algeria table eggs	Apr. 4, 1986	500,000,000	
20. Iraq dairy cattle	Apr. 4, 1986	[1] 6,500	Sold 200
19. Jordan wheat	Mar. 19, 1986	75,000	Complete.
	June 20, 1986	75,000	Do.
	Dec. 31, 1986	225,000	Do.
18. Tunisia wheat	Mar. 22, 1986	300,000	Do.
17. Algeria wheat flour	Feb. 25, 1986	100,000	
16. Algeria semolina	Feb. 11, 1986	250,000	Sold 30,000.
15. Philippines wheat	Jan. 7, 1986	150,000	Complete (152,400).
14. Zaire wheat	Dec. 27, 1985	35,000	Complete.
	May 15, 1986	45,000	Do.
	Oct. 10, 1986	40,000	Sold 25,000.
13. Nigeria barley malt	Dec. 10, 1985	100,000	Sold 19,300.
12. Iraq wheat flour	Dec. 9, 1985	150,000	Sold 125,000.
	Jan. 7, 1987	175,000	
11. Egypt poultry	Nov. 26, 1985	8,000	Complete.
	Mar. 21, 1986	15,000	Do.
	June 18, 1986	5,000	Do.
	July 8, 1986	15,000	Do.
	Dec. 19, 1987	25,000	Sold 12,500.
10. Zaire wheat flour	Nov. 18, 1985	64,000	Complete.
	May 15, 1986	30,000	Sold 15,000.
9. Philippines wheat flour.	Nov. 15, 1985	100,000	Sold 50,000.
8. Jordan rice	Nov. 8, 1985	40,000	Sold 38,700.
	Jan. 13, 1987	60,000	
7. Turkey wheat	Oct. 16, 1985	500,000	Complete (506,600).
	May 8, 1986	500,000	Sold 248,000.
6. Morocco wheat	Sept. 30, 1985	1,500,000	Complete.
	Dec. 9, 1986	790,000	Sold 260,000.
5. Yemen wheat	Sept. 6, 1985	100,000	Complete
	Jan. 26, 1987	100,000	Sold 25,000.
4. Yemen wheat flour	Aug. 20, 1985	50,000	Complete.
	Apr. 14, 1986	100,000	Do.
3. Egypt wheat	July 26, 1985	500,000	Do.
	Oct. 30, 1985	500,000	Do (512,500).
	June 24, 1986	500,000	Complete.
	July 29, 1986	52,000	Sold 29,000.
	Oct. 8, 1986	1,000,000	Sold 406,000.
2. Egypt wheat flour	July 2, 1985	600,000	Complete.
	Aug. 6, 1986	600,000	
1. Algeria wheat	June 4, 1985	1,000,000	Complete.
	Apr. 10, 1986	1,000,000	Sold 354,000.
Algeria durum	Nov. 10, 1986	300,000	Complete.

[1] Head.

EXPORT ENHANCEMENT PROGRAM SUMMARY

[Status as of Feb. 26, 1987]

Announced to date: 22,693,730 grains and products (grain equivalent); 758 million table eggs; 140,500 tons frozen poultry; 52,500 head dairy cattle; and 25,000 tons vegetable oil.

Sold to date: 9,116,056 wheat; 1,378,376 flour (grain equivalent); 2,802,200 barley; 61,650 Semolina (grain equivalent); 59,065 barley malt (grain equivalent); 71,000 sorghum; 38,700 rice; 25,000 vegetable oil; 81,633 frozen poultry; 28,901 head dairy cattle; and 28,482,000 table eggs.

Total sales value: $1,313.8 million.

As of March 2, 1987, USDA's Targeted Export Promotion Program announcements were as follows:

TARGETED EXPORT PROMOTION PROGRAM

Dated announced	Commodity	Value	Country
Nov. 4, 1986	Canned peaches, fruit cocktail.	$0.5 million	Canada.
Oct. 30, 1986	Sunflowerseed and products.	$3.0 million	Japan, Mexico, Venezuela, Portugal.
Oct. 29, 1986	Chocolate	$2.5 million	Japan, Korea.
Oct. 9, 1986	Red meat	$7.0 million	Japan, Hong Kong.
Oct. 8, 1986	Processed foods	$3.2 million	Worldwide.
Oct. 3, 1986	Pasta	$2.1 million	Pacific Rim, Middle East.
Oct. 2, 1986	Cotton	$7.0 million	Asia, Western Europe.
Oct. 1, 1986	Pistachios	$0.2 million	Japan, Hong Kong, Singapore, Taiwan.
Sept. 30, 1986.	Soybeans	$8.5 million	European Community.
Sept. 29, 1986.	Peanuts	$4.5 million	Western Europe.
Sept. 19, 1986.	Processed foods	$0.3 million	West Germany.
Sept. 17, 1986.	Processed foods	$1.4 million	Pacific Rim.
Sept. 16, 1986.	Processed foods	$0.5 million	Pacific Rim, Western Europe, Middle East, Caribbean.
Sept. 16, 1986.	Wine	$2.5 million	Pacific Rim, Western Europe.
Sept. 12, 1986.	Rice	$3.5 million	European Community, Middle East, Africa, Southeast Asia, Caribbean.
Sept. 8, 1986.	Fresh pears	$0.3 million	Scandinavia, Arabian Gulf, and Pacific Rim.
Sept. 2, 1986.	Wheat	$2 million over 3 years.	Egypt, Algeria.
Aug. 12, 1986.	Canned peaches, fruit cocktail.	$5.1 million	Pacific Rim, Middle East.
Aug. 8, 1986	Feed grains	$2.1 million	To be announced.
Aug. 1, 1986	Walnuts	$2 million	Western Europe, Japan, Taiwan, Australia.
July 28, 1986.	Dry peas and lentils	$2.5 million	EC, Colombia, India.
July 25, 1986.	Table grapes	$0.35 million	Japan.
July 18, 1986.	Washington State apples.	$1.4 million	United Kingdom, Taiwan, Malysia, Hong Kong, Norway, Middle East.
July 17, 1986.	Wood	$0.65 million	United Kingdom.
July 16, 1986.	Wheat	$1.1 million	Developing countries.
July 14, 1986.	Poultry and eggs	$6 million	Pacific Rim, Middle East countries.
June 24, 1986.	Feed grains, soybean meal and dairy cattle.	$9 million over 3 years.	Algeria.
June 23, 1986.	Florida fresh and processed citrus.	$4.6 million	Western Europe and Pacific Rim.
May 20, 1986.	Dried prunes	$4 million	Western Europe.
Apr. 30, 1986.	Wood	$1.95 million over 3 years.	Japan.
Apr. 28, 1986.	Wine	$2.3 million	Japan, United Kingdom, Hong Kong, Singapore.
Apr. 25, 1986.	Almonds	$0.9 million	Western Europe, Japan, Korea.
Apr. 17, 1986.	Canned peaches, fruit cocktail.	$2.5 million	Japan, Taiwan.
Apr. 16, 1986.	Walnuts	$7 million	Western Europe, Japan.
Apr. 16, 1986.	Raisins	$6.3 million	Western Europe, Pacific Rim, Middle East.
Apr. 14, 1986.	Arizona and California fresh and processed citrus.	$8.5 million	Japan, Hong Kong, Singapore, Malaysia.
Mar. 27, 1986.	Frozen potatoes	$2 million	Japan, Hong Kong, Taiwan, Malaysia, Singapore.

Mr. HELMS. As if to justify this blatant discrimination against our country's small family tobacco farmers, there has been talk here about how this is going to break the no-net-cost provisions of the Tobacco Program.

I am not sure that is the case. Is the Senator from Kentucky aware of the cost projections for the Tobacco Program for the next couple of years?

Mr. FORD. According to the President's 1988 budget request, there is only one price support program that is operating in the black and that is the Tobacco Program.

Over the next 2 years, the Tobacco Program is estimated to save the taxpayer about $450 million—$228 million in 1988 and $222 million in 1989.

It is interesting to point out that while the Tobacco Program is saving money for the taxpayers, over the next 2 years, it is estimated that a total of nearly $50 billion will be spent on the other commodity programs.

It is indeed ironic that these commodities which are costing the taxpayer so much money can participate in export programs while the one farm commodity which is saving money for the taxpayer is prohibited from using export program.

I ask unanimous consent that the appropriate section from the President's 1988 budget request be inserted in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

CCC NET OUTLAYS BY COMMODITY

[In millions of dollars]

Commodity	Fiscal years—				
	1984	1985	1986	1987	1988
Feed grains	−758	5,211	12,211	13,141	10,367
Wheat	2,536	4,691	3,440	3,764	3,841
Rice	333	989	947	833	945
Cotton, Upland	244	1,553	2,142	1,439	740
Tobacco	346	455	253	−228	−222
Dairy	1,502	2,085	2,337	1,295	1,103
Soybeans	−585	711	1,597	819	158
Honey	90	81	89	72	62
Wool	132	109	123	131	143
Other	3,475	1,798	2,702	3,996	4,135
Total, CCC net outlays	7,315	17,683	25,841	25,262	21,272

Mr. HELMS. The Senator is right on target. This chart here which shows that for fiscal years 1987 and 1988, the Tobacco Program will be the only support program to operate in the black. Keeping in mind that the Tobacco Program is going to save the taxpayer nearly a half billion dollars over the next 2 years, does the Senator from Kentucky have any official reading for how much this technical provision permitting the use of tobacco in export programs is going to cost?

Mr. FORD. Yes. The Congressional Budget Office has costed out our provision and estimates that it would actually result in a savings of $26 million in 1988. For the 5-year period 1988-92, this provision is estimated to cost only $39 million.

If one was to subtract this $39 million from the savings of $450 million estimated to be created by the Tobacco Program over the next 2 years, it is clear that the taxpayer is still going to come out at least $400 million ahead in this deal. So the "no-net cost" provisions are not even at issue today.

Mr. President, I ask unanimous consent that the CBO estimates be printed in the RECORD.

There being no objection, the estimates were ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE

COST ESTIMATE

Estimated cost to the Federal Government:

Currently, scorekeeping by the Senate is based on the assumptions underlying CBO's preliminary baseline prepared in January 1987. The following table summarizes the direct spending effects of this bill relative to that baseline.

[By fiscal year, in millions of dollars]

	1987	1988	1989	1990	1991	1992
Direct spending—relative to January baseline:						
Marketing loan for wheat, feed-grains, and soybeans (sec. 301):						
Estimated budget authority				40	575	
Estimated outlays				40	575	
Export Enhancement Program expansion (section 305):						
Estimated budget authority		180	156	158	−19	
Estimated outlays		180	156	158	−19	
Tobacco (section 309):						
Estimated budget authority		−26	23	18	−9	33
Estimated outlays		−26	23	18	−9	33
Agricultural trade missions (section 402):						
Estimated budget authority		(1)				
Estimated outlays		(1)				
Marketing loan for sunflower-seeds and cottonseed (section 702):						
Estimated budget authority					25	
Estimated outlays					25	
Total:						
Estimated budget authority		154	179	216	572	33
Estimated outlays		154	179	216	572	33

[1] Less than $500,000.

Mr. HELMS. I thank the Chair. I thank the distinguished Senator from Rhode Island. I thank the distinguished Senator from Kentucky. I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, first, I want to say I am somewhat disappointed at the tenure of the remarks last evening that apparently have not been retreated from. I just do not think that is a very good way to conduct debate in this assembly, retaliate against somebody if they do not adhere to the position that one Senator wants. I do not think we are going to have a very open debate around this place if people in positions of certain power are going to go after somebody else because they do not like what they are doing. I do not think that we conduct business very successfully in this Chamber under those conditions. There have been suggestions that this is not a threat, it is a promise. So be it. If that is the way it is going to be, let it take place. I do not think we can retreat under threats or promises like that.

Second, Mr. President, I think we keep coming back to the fundamental point. Yes, tobacco is treated differently than dried fruit and chocolate and wheat and sorghum and everything else because the Congress has so determined. It has determined that they do not want the taxpayers' money to be used to encourage the production or the sale of tobacco.

Now, that is a decision that was made. That decision was made in 1982 with the support of those who are arguing against the provision today, arguing against my amendment. Tobacco is not entitled to a series of programs that do exist—the Export Enhancement Program, the Targeted Export Assistance Program. I suppose the next thing they will do is come in and try to have tobacco included in the Food for Peace Program, Public Law 480. That is a Federal program. All the commodities are included in it, but not tobacco. Why? Because it is a product that we feel is injurious to the health of Americans and we do not want to encourage the shipment of tobacco all over the world. Now, it is not outlawed, but, if they want to do it, they do it at their own costs, no net costs, and we can safely say to the taxpayers of the United States of America, "Your tax dollars are not being used for that. They are not being used to encourage sales of tobacco." I believe that has been a very fortuitous and beneficial stand for all of us, and certainly it is supported by the American people.

Mr. President, I urge my colleagues to support the amendment which I have proposed.

Mr. HATFIELD. Mr. President, my distinguished colleague from Rhode Island is to be praised for bringing this amendment before the Senate. Most Members of this body hoped we had seen the last attempts to subsidize the domestic tobacco industry when we passed the so-called no net cost legislation in 1982. The vigilance of Senator CHAFEE is appreciated greatly by those of us interested in seeing that our limited fiscal resources are spent only for life enhancing activities.

As Members of the Senate know, I long have supported efforts to expand agricultural trade which would benefit farmers in this Nation. The Export Enhancement Program enables Oregon farmers, and farmers across the Nation, to sell a good deal of their surplus abroad. I support committee efforts to expand this program and have encouraged USDA officials to further expand the program to include some of our longtime wheat customers on the Pacific Rim.

I also have supported humanitarian aid to countries which could not afford to purchase our surplus commodities at any cost. The history of Public Law 480, the Food for Peace Program, is a classic case of a nation of plenty sharing its cornucopia with a staving world. Our generosity has saved millions from starvation and turned the malnourished of less developed countries into healthy, productive citizens. This type of foreign assistance is unparalleled in world history and we are justifiably proud of this accomplishment. It would be a disgrace if we failed to continue to meet the needs of the world's hungry.

No Senator is more aware of the budget crisis facing this Nation than this Senator. As chairman of the Appropriations Committee for 6 years, I watched as we voted time and again to spend exorbitant amounts on the arms race while cutting back on nutrition programs for the needy in this country and abroad. For example, I believe we would experience peace quicker in Central America if we sent more butter than guns to the region; it is only by enhancing the quality of life of people in troubled areas of the world that we shall achieve real peace.

Our ability to provide food to a hungry world will be lessened if we fail to pass the amendment now before us. You have heard that the Congressional Budget Office estimates that subsidies paid to tobacco exporters will cost taxpayers $39 million over the next 5 years if the current language is enacted. Estimates from the Department of Agriculture are even more shocking—$200 million over 5 years. This money would be better spent on other commodities. By providing export assistance for tobacco, we are continuing the work of the arms merchant by exporting the instruments of death. In our own country, tobacco products are responsible for the deaths of nearly 1,000 individuals per day. It has been estimated that smoking-related diseases cost this Nation over $53 billion annually in lost productivity and health costs. These statistics are multiplied many times over when worldwide figures are taken into account. The American taxpayer should not be asked to subsidize the export of a commodity which brings so much suffering to its users.

There is no doubt that American tobacco is in demand by those who smoke. As a former smoker, I am aware of the superior quality of our tobacco. However, that quality alone should be the selling point for our tobacco, the taxpayer should not be asked to subsidize an industry which agreed to wean itself from Government support several years ago. The American tobacco industry continues to get support from the Government in the form of tax deductions for the $2 billion it spends annually on advertising. We should not increase that subsidy by diverting funds from valuable export programs which supply food to children only to watch them die as adults from the effects of subsidized tobacco from the United States. If the language in the bill stands, we will, in effect, be taking food out of the mouths of the needy and replacing it with a taxpayer subsidized American tobacco.

I urge adoption of the Chafee amendment.

Mr. STAFFORD. Mr. President, as a cosponsor of this amendment I am glad to have the opportunity to share with my colleagues the reasons for my strong support for this amendment. The provision of the trade bill abrogates the intent, if not the letter, of the "no-net-cost" Tobacco Program enacted 5 years ago with the strong support of the tobacco growing industry. It is not only that the estimated cost of this provision, for which estimates range from $39 to $200 million over 5 years, is an expense that in this era of Federal deficits we as a nation can ill afford, it is also that the subject of this provision, tobacco, is unique among all the agricultural commodities produced in this country. Its cost is far beyond any tally of dollars and cents.

Nicotine, one of tobacco's primary chemical constituents, is addictive. Whether the tobacco is smoked or chewed, its user is immediately dosed with this substance that scientists rank with heroin, morphine, and cocaine in its capacity to create physical and psychological dependency. Once hooked, the tobacco user starts to pay a price, at first perhaps mostly in expenditures for tobacco products, but eventually in physical disability, and often death.

In the United States alone, the health care and lost productivity costs associated with tobacco use come to $65 billion annually, according to the U.S. Office of Technology Assessment. Eighty-five percent of lung cancer deaths are caused by smoking, and 30 percent of all cancer deaths are smoking related. Smoking is the most prevalent modifiable risk factor for coronary heart disease, which accounts for one-third of all deaths nationally. Smoking is also responsible for 80 to 90 percent of the annual deaths due to chronic obstructive lung disease, such as emphysema and chronic bronchitis. In total, over 300,000 deaths annually, or close to 1,000 deaths every day, are caused by the use of tobacco products. And this is only in the United States. According to William Chandler of the Worldwatch Institute, worldwide tobacco annually kills 2.5 million people, or almost 5 percent of all deaths.

Every year our Government dedicates millions of dollars to smoking prevention and education programs, smoking-related research, and health care. It is wrong to then also subsidize the export of this product so that other countries will increase the burden they bear as a result of tobacco use. I urge my colleagues to support this amendment to strike the provision from the trade bill.

Thank you, Mr. President.

Mr. BRADLEY. Mr. President, I want to express my strong support for the amendment offered by the distinguished Senator from Rhode Island to strike from the trade bill an amendment to provide Government loan guarantees to tobacco producers for export promotion. This amendment has the support of the American Cancer Society, the American Heart Association, and the American Lung Association as well as the U.S. Department of Agriculture.

The provision I oppose today requires the Federal Government—which means the American taxpayer—to subsidize any losses to tobacco producers resulting from exporting tobacco under a Government export program.

Although the sponsors of the provision called it only a "technical" adjustment, the Department of Agriculture estimates that the cost of this "technicality" would be as high as $200 million.

This subsidy also violates the important no-net-cost policy that Congress set in 1982. We set that policy in place in response to growing concern that for health reasons the Federal Government should not subsidize tobacco. Under this policy, any losses associated with the tobacco price support program are to be met through a special fund to which tobacco producers contribute. The U.S. taxpayer was not to be taxed further to promote and undergird a commodity that causes such serious health problems. This provision flies directly in the face of that policy.

It is not reasonable to ask taxpayers to subsidize the tobacco industry, and certainly not to the tune of $200 million. I hope we will see the tobacco export promotion subsidy for what it is and pass this amendment to strike it.

Mr. BINGAMAN. Mr. President, I am pleased to be a cosponsor along with the Senator from Rhode Island and others of the motion to strike section 2139 of title XXI of the trade bill.

This provision would allow for any losses resulting from the export of tobacco under an export subsidy program to be absorbed by the Federal Government. The provision we seek to remove from the bill is bad policy for several reasons. First, it violates the consensus which Congress arrived at 5 years ago on the Federal Government's financial support for the production of tobacco. The "no-net-cost" program is not without its costs: Administrative costs run approximately $15 million annually, and as my colleague from Rhode Island has mentioned the 1985 buyout plan for stored surplus tobacco is expected to cost the Federal Government approximately $1 billion. However, the principle of a "no-net-cost" tobacco program has been enshrined in the law, and this provision is yet another attempt to subvert that purpose.

Second, whether the cost of this provision is $39 million over 5 years, as the Congressional Budget Office has estimated, or $200 million, as the USDA has found, it is too much. The Congress is agonizing over the fiscal year 1988 budget; spending on programs vital to our society, including our national defense, is being scrutinized and cut back. An expenditure which violates existing programmatic and policy structures should not even be considered.

Finally, this provision is especially irrational because of the nature of the product, tobacco, which it seeks to promote. Tobacco is responsible for the deaths of hundreds of thousands of Americans every year, and millions worldwide. To subsidize the export of tobacco with scarce taxpayer dollars is, to put it simply, wrong.

I thank my colleagues for the opportunity to voice my concerns, and urge them to support the effort to strike this provision of the bill.

Thank you, Mr. President.

Mr. LEVIN. Mr. President, I will vote against the motion to table the amendment offered by Senator CHAFEE to strike language in the omnibus trade bill that would eliminate the requirement that tobacco export programs operate on a no-net-cost basis. In other words, the language in the trade bill would allow tobacco export programs to operate at a cost to the Government.

In this era of Federal deficits, it seems to make little sense to change a program that has operated at no net cost so that it will operate at a cost to the Government.

Mr. CHAFEE. Mr. President, I suggest the absence of a quorum and that will be on my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, has all time been yielded back or has all time expired?

The PRESIDING OFFICER. All time has expired.

Mr. FORD. Mr. President, I move to table the amendment of the Senator from Rhode Island [Mr. Chafee], and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota [Mr. Daschle], the Senator from Tennessee [Mr. Gore], the Senator from Arizona [Mr. Pryor] and the Senator from Illinois [Mr. Simon] are necessarily absent.

Mr. DOLE. I announce that the Senator from Pennsylvania [Mr. Heinz] and the Senator from Wyoming [Mr. Simpson] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. Heinz] would vote "no."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 51, nays 43, as follows:

[Rollcall Vote No. 186 Leg.]

YEAS—51

Bond
Boren
Boschwitz
Breaux
Bumpers
Byrd
Cochran
Conrad
Cranston
D'Amato
DeConcini
Dodd
Dole
Domenici
Exon
Ford
Fowler
Glenn
Gramm
Grassley
Harkin
Hecht
Heflin
Helms
Hollings
Inouye
Johnston
Karnes
Kassebaum
Matsunaga
McClure
McConnell
Melcher
Murkowski
Nunn
Riegle
Rockefeller
Roth
Rudman
Sanford
Sasser
Shelby
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson

NAYS—43

Adams
Armstrong
Baucus
Bentsen
Biden
Bingaman
Bradley
Burdick
Chafee
Chiles
Cohen
Danforth
Dixon
Durenberger
Evans
Garn
Graham
Hatch
Hatfield
Humphrey
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
McCain
Metzenbaum
Mikulski
Mitchell
Moynihan
Nickles
Packwood
Pell
Pressler
Proxmire
Quayle
Reid
Sarbanes
Specter
Stafford
Wirth

NOT VOTING—6

Daschle
Gore
Heinz
Pryor
Simon
Simpson

So the motion to lay on the table amendment No. 464 was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. FORD. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. May we have order in the Chamber, please?

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, under the order, the amendment that is being proposed by myself, Mr. Dole, Mr. Riegle, Mr. Danforth, Mr. Bentsen, Mr. Roth, Mr. Chiles, Mr. Stevens, Mr. Simon, Mr. Helms, Mr. Proxmire, Mr. Metzenbaum, and others will be introduced at this point.

Mr. President, I ask unanimous consent that other Senators may add their names throughout the day as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Before I offer it, may I say, so that Senators may think in terms of the rest of the day, Mr. President, I believe there is some chance—perhaps not 50-50, but some chance—that the Senate may be able to complete action on this bill today.

This, I should believe, is the last major amendment. There may be other amendments that will be controversial, but, hopefully, a good many of the amendments that are listed will not be called up. The Senate will not come in tomorrow. However, I will not yet ask unanimous consent to go over until Tuesday.

There will be votes throughout the day. This is not a normal ante-July Friday. We are now into July and the business is at hand, and as we have been indicating for a long time, Fridays are going to have to be utilized and that means full days.

So, Mr. President, I hope, now, that we will have our staffs contact Senators on both sides to see if we may get time agreements on the remaining amendments. I hope that Senators will be as cooperative in this regard as possible. It is our desire that we might be able to get time limits on most remaining amendments.

I wonder if the time has come, while the distinguished Republican leader is here with me, that we might be able to get consent that there be a final vote on this bill no later than next Tuesday at 5 o'clock?

I wonder if the Republican leader would give that some consideration and if the two managers would do so likewise? Perhaps the distinguished Republican leader wishes to comment at this point?

Mr. DOLE. If the majority leader would yield?

Mr. BYRD. I will yield.

Mr. DOLE. I would be very pleased to work with Senator Packwood and others—there are a number of committees involved—to see if we can reach that kind of agreement. As I look over the amendment, the Finance Committee amendments are coming along quite well. There are not that many left. But there are Banking and also Governmental Affairs, another major amendment there.

But we will start shopping on this side to see if we can identify the amendments. Some might not want to agree with that because they might be left until the end and not have any time to debate, but we will work on it.

Mr. BENTSEN. Will the Senator yield?

Mr. BYRD. I yield.

Mr. BENTSEN. I certainly agree with the Senate majority and minority leaders, and we have found that the Members have been quite forthcoming on amendments insofar as the Finance Committee section of this piece of legislation. The amendment that you and the minority leader are proposing is the last major amendment of which I have knowledge on our side. I think, as far as finishing at a determined time on Tuesday, it should be quite achievable and I would certainly support that.

Mr. BYRD. I wonder, also, if the leader and I might join in saying that we oppose any further foreign policy amendments on this bill? We have had several of those already. I do not speak in denigration of such amendments, but this is a trade bill.

I say to the distinguished Republican leader that I was just suggesting we might join in opposing any further foreign policy amendments on this vehicle. I know the minority leader has an amendment which would fall into that category and I am ready to support him on that amendment. We discussed it yesterday.

But, beyond that, I have about had my fill of foreign policy initiatives on this vehicle. I am not talking about trade amendments. I am talking about foreign policy amendments that have nothing to do with this trade bill.

Mr. DOLE. Let me check that also. I am advised that there is at least one amendment—the Senator from Alaska has another version of a reflagging amendment. Then there is an amendment to Cuba that also—some of these do involve trade.

Mr. BYRD. Yes, they do. Let me try to identify what they might be on this side.

Could we also work to see if we could close out the Finance Committee section so that the Finance Committee can get on with its other important duties that involve it very much in respect to reconsideration?

Mr. President, might I suggest that the Cloakrooms inform Senators that after 12 o'clock today, any amendments that deal with the Finance Committee section that we do not then know about, may not be offered? Would that be a reasonable request?

Mr. PACKWOOD. We can live with it if we can get it.

Mr. DOLE. If we had an opportunity just to check and then make that request, maybe at noon or 1 o'clock?

Mr. BYRD. All right.

Would the Senator from Texas check on our side, also?

Mr. BENTSEN. Yes, Mr. Leader, if you would yield?

Mr. BYRD. Yes, I yield.

Mr. BENTSEN. I would like to say the assembled Senators that the Finance Committee has reported out unanimously House Joint Resolution 324, that involves the debt limit. We reported it out through September 30, 1988, by a unanimous vote. That is with the full knowledge that, once it is on the floor, obviously, there will be some attempts to amend it and probably put in so-called Gramm-Rudman fix, and I assume, too, changing the expiration date.

But, we also realize the importance of it and the reason to accelerate action. The temporary debt limit that we now have expires on a week from today. That debt limit then drops substantially below the actual indebtedness of the country. That would mean that we could no longer issue any debt securities, we would not be selling savings bonds; it would also mean that the Government would cease functioning once the cash ran out, which Treasury tells us would be some time before the end of the month. So it is an urgent piece of legislation and we have reported it without a written report to accelerate it and bring it to the Senate for its consideration.

In lieu of a written report, I ask unanimous consent that the following information be printed in the RECORD to explain what the resolution does, along with a letter I have received from Secretary of the Treasury James A. Baker III, which describes the urgency of prompt action on this matter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF H.J. RES. 324

H.J. Res. 324 provides for an increase of $454.1 billion in the permanent public debt limit from $2.111 trillion to $2.5651 trillion. The increase would go into effect on enactment, and it would remain in effect without an expiration date until Congress enacts a change in the limit.

The debt limit level in this joint resolution is the amount included in the most recently approved budget resolution as the appropriate level through fiscal year 1988.

THE SECRETARY OF THE TREASURY,
Washington, DC, July 8, 1987.

Hon. LLOYD BENTSEN,
Chairman, Committee on Finance,
Washington, DC.

DEAR LLOYD: I am writing to request that the Congress act by July 17 on legislation to extend the debt ceiling. The temporary debt limit enacted May 15 expires at midnight on July 17. The ceiling then reverts to the $2.1 trillion permanent ceiling—about $195 billion below the amount of debt that we estimate will be outstanding.

The Congress enacted only a two-month extension of the temporary debt limit in May to assure that there would be no other choice but to revisit the debt limit in mid-July. Enactment of a debt limit extension by July 17 is crucial to prevent disruptions in Treasury debt management that would begin immediately. As described below, in the absence of timely Congressional action the Government could well default on its obligations on July 30, and almost certainly will do so on July 31.

The following actions must be taken if the Congress delays enactment of a debt limit increase. On July 17, we would have to (1) notify the 44,000 savings bond issuing agents not to sell any more bonds and (2) notify the Federal Reserve Banks to stop issuing State and local government series (SLGS) Treasury securities. Interruption in the availability of SLGS will result in lost interest earnings and interest arbitrage rebate problems for municipal entities. Furthermore, Treasury will be unable to invest or roll over maturing investments of trust funds and other Government accounts. For many of these accounts, Congressional action will be required if any resultant losses of investment income are to be restored.

Disruptions in Treasury's normal market financing will begin on July 20 with the postponement of the weekly bill auction. On July 23, $13.7 billion maturing bills will have to be redeemed in full. We will notify the thousands of smaller investors who use the Treasury book-entry system that they may receive a check instead of their requested reinvestment of the redemption proceeds in new bills. This will be done so that they can plan alternative investments. Smaller investors in book-entry Treasury bills maturing July 30 would also have to be notified, with the additional warning that the checks may not be honored on July 30.

The Treasury may well not have enough cash to pay off $13.7 billion of maturing weekly bills on July 30. Even if the Treasury managed to get through July 30, our balance would be perilously small and we would almost certainly run out of cash the next day. On July 31, in addition to defaulting on $10.2 billion of maturing marketable Treasury notes, the United States would not be able to honor $2.1 billion of benefits payments to veterans and supplemental security income beneficiaries. Further, on August 3, $17.1 billion of social security benefit payments could not be honored, nor could $4.2 billion of benefit payments to railroad, military and civil service retirees.

I should stress that defaulting on already outstanding, validly incurred obligations has far graver effects than halting operations of the Government when spending authority is allowed to lapse, such as when there is a delay in action on appropriations. A failure to pay what is already due will cause certain and serious harm to our credit, financial markets and our citizens; it is not remotely similar to a lapse in authority to incur new obligations.

I urge you to seek the cooperation of your colleagues and to act quickly on a debt limit increase in order to prevent unnecessary problems and later default on the Government's obligations. We are requesting an increase in the current debt ceiling to: (a) $2,800 billion, an amount sufficient to get through May 1989, and avoid the burden of dealing with this time consuming issue in the midst of election year schedules; or (b) $2,578 billion, the amount estimated in the President's Budget to be necessary for FY 1988.

I cannot overemphasize the damage that would be done to the United States' credit standing in the world if the Government were to default on its obligations, nor the unprecedented and catastrophic repercussions that would ensue. Market chaos, financial institution failures, higher interest rates, flight from the dollar and loss of confidence in the certainty of all United States Government obligations would produce a global economic and financial calamity. Future generations of Americans would have to pay dearly for this grave breach of a 200-year old trust.

Sincerely,

JAMES A. BAKER III.

Mr. BYRD. Mr. President, on that point so that Senators will have a better understanding of the necessity of our working hard and perhaps through a long day today, I want to reiterate what I said last evening. If the Senate completes its business on this bill and on the debt limit extension by the close of business next Wednesday evening, the Senate will not be in on Friday of next week, which would mean that on Thursday, those who have to go to Philadelphia would go to Philadelphia and those who have to remain here, conduct hearings such as the Iran-Contra hearings, would do so and the Senate would not be in on Friday as is presently scheduled.

That would mean, then, that the Senate with the close of business next Wednesday, would not be in until the following Tuesday.

So that should, I think, explain to everyone that we cannot hope to complete our program by Wednesday evening if we get out midafternoon on this Friday or some such.

I would say that if we reach 7 o'clock this evening and the end is in sight then we ought to go on and reach the end. If we reach 7 o'clock this evening and the end is not in sight and we can get an agreement to put the final vote at a definite hour on next Tuesday, then we will go out at circa 7 o'clock today. I hope that all Senators will cooperate in getting their amendments up and working with the managers.

The two managers are here, they are working; the two managers of the finance section of the bill. We should cooperate with them. They have been willing to stay and work as long as other Senators will work.

I thank all Senators for listening, I am now ready to offer the amendment.

AMENDMENT NO. 465

(Purpose: To provide a market-opening initiative)

Mr. BYRD. Mr. President, on behalf of myself, Mr. DOLE, Mr. RIEGLE, Mr. DANFORTH, Mr. BENTSEN, Mr. CHILES, Mr. ROTH, Mr. SIMON, Mr. STEVENS, Mr. PROXMIRE, Mr. HELMS, Mr. METZENBAUM, Mr. MURKOWSKI, Mr. DURENBERGER, Mr. LAUTENBERG, Mr. DODD, Mr. KENNEDY, Mr. D'AMATO, Ms. MIKULSKI, and others, I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for himself and others, proposes an amendment numbered 465.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment is as follows:

Strike out section 303 of the bill, and insert in lieu thereof the following:

"SEC. . COUNTRIES MAINTAINING A CONSISTENT PATTERN OF TRADE DISTORTIONS.

(a) IN GENERAL.—Chapter 1 of title III of the Trade Act of 1974 is amended by adding at the end thereof the following new section:

"SEC. 307. COUNTRIES MAINTAINING A CONSISTENT PATTERN OF TRADE DISTORTIONS.

"(a) IDENTIFICATION.—

"(1) By no later than the date that is 30 days after the date in calendar year 1988, and also the date in calendar year 1989, on which the report required under section 181(b) is submitted to the appropriate Congressional committees, the Trade Representative shall—

"(A) identify those foreign countries that, on the basis of such report, maintain a consistent pattern of import barriers and market distorting practices;

"(B) identify the major barriers and trade distorting practices of each foreign country identified under subparagraph (A), the elimination of which are likely to have the most significant potential to increase United States exports, either directly or through the establishment of a beneficial precedent;

"(C) estimate the total amount by which United States exports of goods and services to each foreign country identified under subparagraph (A) would have increased during the preceding calendar year if the barriers and market distorting practices of such country identified under subparagraph (B) did not exist; and

"(D) submit to the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and publish in the Federal Register, a report which lists—

"(i) the foreign countries identified under subparagraph (A),

"(ii) the barriers and market distorting practices identified under subparagraph (B) with respect to each of such foreign countries, and

"(iii) the amount estimated under subparagraph (C) with respect to each of such foreign countries,

"(2) In making the determination of which foreign countries to identify under paragraph (1)(A), the Trade Representative shall take into account—

"(A) the acts, policies, and practices described in section 181(a)(1)(A), and

"(B) the level of United States exports of goods and services that would be reasonably expected from full implementation of existing trade agreements to which that foreign country is a party, based on the international competitive position and export potential of such products and services.

"(3) In making the determination of which barriers and market distorting practices of a foreign country to identify under paragraph (1)(B), the Trade Representative shall take into account—

"(A) the international competitive position and export potential of United States products and services,

"(B) circumstances in which the sale of a small quantity of a product or service may be more significant than its value, and

"(C) the measurable medium-term and long-term implications of government procurement commitments to United States exporters.

"(b) INITIATION OF INVESTIGATIONS.—By no later than the date that is 21 days after the date on which a report is submitted to the appropriate Congressional committees under subsection (a)(1)(D), the Trade Representative shall initiate under section 302(c) investigations under this chapter with respect to all of those barriers and market distorting practices identified in such report by reason of subsection (a)(1)(D)(ii).

"(c) AGREEMENTS FOR THE ELIMINATION OF BARRIERS.—

"(1) In the consultations with a foreign country identified under subsection (a)(1) that the Trade Representative is required to request under section 303(a) with respect to an investigation initiated by reason of subsection (b), the Trade Representative shall seek to negotiate an agreement which provides for—

"(A) the elimination of, or compensation for, the barriers and market distorting practices identified under subsection (a)(1)(B) by no later than the close of the 3-year period beginning on the date on which such investigation is initiated, and

"(B) the reduction of such barriers and practices over a 3-year period with the expectation that United States exports to the foreign country will, as a result, increase incrementally during each year within such 3-year period.

"(2) Any investigation initiated under this chapter by reason of subsection (b) shall be suspended if an agreement described in subparagraphs (A) and (B) of paragraph (1) is entered into with the foreign country before the applicable deadline (within the meaning of section 304(b)(2)).

"(3) If an agreement described in paragraph (1) is entered into with a foreign country before the applicable deadline (within the meaning of section 304(b)(2)) and the President determines that the foreign country is not in compliance with such agreement, the President shall direct the Trade Representative to continue the investigation that was suspended by reason of such agreement as though such investigation had not been suspended.

"(d) ANNUAL REPORTS.—

"(1) On the date on which the report the Trade Representative is required to submit under subsection (a)(1)(D) in calendar 1989, and on the anniversary of such date in the succeeding calendar years, the Trade Representative shall submit a report which includes—

"(A) revised estimates of the total amount determined under subsection (a)(1)(C) for each foreign country that has been identified under subsection (a)(1)(A),

"(B) evidence that demonstrates, in the form of increased United States exports to each of such foreign countries during the previous calendar year—

"(i) in the case of a country that has entered into an agreement described in subsection (c)(1), substantial progress during each year within the 3-year period described in subsection (c)(1)(A) toward the goal of eliminating the barriers and market distorting practices identified under subsection (a)(1)(B) by the close of such 3-year period, and

"(ii) in the case of a country which has not entered into (or has not complied with) an agreement described in subsection (c)(1), the elimination of such barriers and market distorting practices,

"(C) to the extent that the evidence described in subparagraph (B) cannot be provided, the actions that have been taken by the President under section 304 with respect to such barriers and market distorting practices of each of such foreign countries to eliminate or offset such barriers and market distorting practices.

"(2) The Trade Representative may exclude from the requirements of paragraph (1) in any calendar year beginning after 1993 any foreign country that has been identified under subsection (a)(1)(A) if the evidence submitted under paragraph (1)(B) in the 2 previous reports demonstrated that all the barriers and market distorting practices identified under subsection (a)(1)(B) with respect to such foreign country have been eliminated.

"(e) PETITIONS BY CONGRESSIONAL COMMITTEES.—If the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives determines (by a resolution adopted by such Committee) that an investigation under this chapter should be initiated with respect to any barriers and market distorting practices of any foreign country that such Committee determines to be a country that maintains a consistent pattern of import barriers or market distorting practices, such Committee shall be eligible to file a petition under section 302(a) and shall file a petition under section 302(a) with respect to such barriers and practices.".

"(c) CONFORMING AMENDMENT.—The table of contents for the Trade Act of 1974 is amended by inserting after the item relating to section 306 the following new item:

"Sec. 307. Countries maintaining a consistent pattern of trade distortions.".

On page 155, of the printed bill, line 1, strike out "307" and insert "308".

On page 157, line 24, strike out "306" and insert in lieu thereof "307".

On page 157, in the matter after line 24, strike out "307" and insert in lieu thereof "308".

Mr. BYRD. Mr. President, let me begin by mentioning Mr. RIEGLE and Mr. DANFORTH in particular. They have worked assiduously, arduously, and over a period of many weeks in the preparation of this amendment. They are entitled to great credit and recognition and the plaudits of all for the dedication with which they have applied themselves relative to this amendment. The work of Senator RIEGLE and Senator DANFORTH has been vital in the preparation of the amendment.

I also extend my personal thanks and compliments to the staffs of those two Senators, and other Senators, who have worked hard and who worked well into the morning of today, well past midnight last night in order to have this amendment ready for offering upon the conclusion of the vote on the motion to table by Mr. FORD.

Mr. President, I also thank Mr. DOLE, the Republican leader, and his staff. The Republican leader has joined wholeheartedly in this effort and has been involved in many of the discussions. His staff has been involved all along. He and his staff have made significant contributions to the amendment.

I say the same with respect to other Senators. I personally thank in particular Senator BENTSEN, the chairman of the committee, for his advice, for his counsel all along the way, and for his cosponsorship of this amendment. His cosponsorship carries with it great prestige and it means a great deal to those of us who are very supportive of this amendment.

Mr. President, I thank all other cosponsors of the amendment.

May I say now that this is not a Gephardt amendment. Let us get that straight right here and now. I do not say that with any intention of casting any aspersions on anyone. I have only the highest regard and respect for Mr. GEPHARDT. His amendment has a great deal of support, as we saw when it was adopted by the House of Representatives.

But to those who call this the son of Gephardt or just the Gephardt, they should not do that because they are misleading people if they do. This is the "World Markets Opening Initiative." It is not Gephardt. Those who think otherwise, I would suggest they study both the Gephardt amendment and this amendment and then, if they are so concerned, they can call it whatever they want. I personally call it the "Expanded American Opportunities Amendment." Either of these titles aptly describes this amendment.

So I hope we start out by getting a fair shake, the fair shake being that everyone take a careful look at this amendment and not denominate it a protectionist amendment, not denominate it as an amendment by someone else in the House of Representatives. Take a look at this amendment. Of course, those who do not want anything will call it protectionist. It is a good amendment. It is a world markets opening initiative. It is an attempt to address, responsibly and creatively, one of the most critical problems challenging the future of the American system—mercantilist practices and behavior.

The imbalances that currently afflict the world trading system, and which have emerged with alarming strength over the last decade or so, cannot remain for long a feature of the international landscape. They exact too much pain in those nations which are currently experiencing a deficit. There are many reasons for such imbalances, and this amendment addresses only one of them, but a critically important one, and that is the systematic erection of barriers to imports. The task is a difficult one—how to provide incentives, both positive and negative, for nations and societies to open their markets to competitive goods from other nations. Indeed, it is difficult in part because differences in cultural practices and in the ways societies and political systems make decisions is sometimes more deep seated than we believe, and needed change is extremely hard to achieve.

Mr. President, this amendment, as I indicated earlier, has been months of long labor in the making. The Senators, and their staffs, with continuous assistance from the chairman of the Finance Committee and his staff, have worked intensely to craft a flexible but workable mechanism to stimulate the expansion of open markets, and to turn nations away from the easy and tempting path of accumulating large trade surpluses and investments abroad at the expense of their trading partners through unfair means. This amendment is a key milestone, a beginning, a major step down the road toward a healthier trading system. It is an appropriate response to the growing pattern of mercantilist behavior which challenges the world trading system and challenges our own trading system. It is not a final answer, but it is a start which can be built upon. It levels the playing field for American business and the American worker.

The distinguished Senator from Missouri [Mr. DANFORTH] and the distinguished Senator from Michigan [Mr. RIEGLE], as I have already indicated, deserve the lion's share of our gratitude for this product. They have every reason to be proud of this fruit of their labors. I congratulate them.

Mr. President, this market opening initiative comes at a critical juncture in our economic history. Last year we ran a trade deficit of $170 billion while some countries with closed markets ran enormous surpluses. To restore trade balance with continued world growth, we must dramatically expand our exports. The best place to push for expansion of our exports is in those closed markets with large surpluses.

The United States has lost its first place position among the world's exporters. As our exports have dropped in recent years, Germany's exports have soared far beyond us. Just 6 years ago, Japan exported barely half as much as we did. Now Japan's exports are running neck and neck with our own. To get back in the export race, we must make every effort to pry open markets—closed markets—abroad.

Mr. President, the world economy has been changing dramatically, but our trade policy has failed to keep pace. We now face intense trade competition from countries that had almost no competitive exports just a decade or two ago. Many of them have adopted Japan's mercantilist approach to trade as their model. It is time to toughen our trade policy to cope with this new situation.

Our trade negotiations with Japan and its emulators have been very disappointing. I emphasize that our trade problems with Japan are not unique, because we face the same problems with the "New Japans." Japan has come to symbolize what we fear most in trade: namely, the challenge to our high-technology industries, the threat of government nurtured competition, and the multitude of stiff barriers—subtle though they may be, and they are—to our exports. We must find a way to come to terms with Japan over our trade problems. If we can do that, then managing our difficulties with many other countries will come much easier.

For much of the last decade, we have had a running series of negotiations on specific Japanese trade practices. Unfortunately, most of those negotiations have lacked credibility.

At the Finance Committee's first trade hearing this year, Senator DANFORTH asked whether Japan should take our threats seriously after watching the United States only bluff retaliation for 10 years. The witness, our trade representative in the late 1970's Robert Strauss, replied with a blunt "no."

This amendment is designed to make our negotiations credible on an ongoing basis. At least annually, particularly as the Congress considers trade legislation, United States and Japanese trade negotiators have touted major new initiatives favorable to United States exporters to Japan. For example, 3 years ago Japan agreed to work to increase its imports of United States coal. My own State of West Virginia is a major supplier of the type of coal that Japan was slated to import. Since that time, U.S. exports have fallen and our share of Japan's coal imports has shrunk from 21 to 11 percent.

General economic conditions have favored a rapid expansion of overall United States exports to Japan. Since 1980, the yen has strengthened and the Japanese economy has grown twice as fast as the United States economy.

Yet, despite these favorable conditions and a series of Japanese changes in specific trade practices, United States exports to Japan have remained flat for at least 6 years. During those same years, Japan almost tripled its exports to the slower growing United States economy. As a result, the bilateral trade deficit ballooned from a $12 billion deficit favoring Japan in 1980 to $62 billion last year. In other words, it quintupled, from $12 billion in 1980 to a $62 billion deficit last year.

Japan has ample resources to buy more of American exports. In its last fiscal year, Japan exported $102 billion more goods to the rest of the world than it imported. We all know that the U.S. trade deficit is far too large. Few people realize, however, that Japan's surplus is even larger when compared to the size of its economy.

As the trade deficit mounted, the Congress seemed to have fallen into a pattern of relying on resolutions and threats of legislation to influence trade policy. well, Mr. President, it is time to break out of that pattern. It is time to pass legislation that strengthens the hands of our negotiators as a matter of course. The bill before us already goes in that direction. This amendment goes further and puts particular focus and leverage on those countries with the biggest barriers and the biggest opportunities for our exports. And so it is time to end the policy of sitting on our hands while American export opportunities dwindle.

This amendment sets up to framework for intensive negotiations with a few countries that have the most extensive and pervasive barriers to our exports. The President must evaluate the cost of those barriers in terms of lost U.S. exports. His list of barriers must go beyond mere tariffs and quotas to include structural conditions that effectively bar imports. For example, he should count policies that prevent open and competitive distributional channels.

By next spring, the President must launch a "super 301" case against those countries to cover the value of the exports lost to barriers. By the summer of 1989, the next President would be expected to reach an agreement that either eliminates the barriers or provides alternative export opportunities equivalent to the barriers kept.

Mr. President, our trade negotiations with Japan have been plagued with the "peeling the onion" syndrome. Our negotiators have thought they have eliminated one barrier—one peeling from the onion—only to find that an equally effective barrier—another peeling on the onion—stands just behind it.

This amendment is intended to cut through those peelings on the onion. The agreements reached are to be results-oriented and closely monitored. If a foreign import barrier truly comes down but we find that our exporters cannot compete with other export competitors as well as we had expected, we have to take our lumps and accept that. What we cannot accept, however, is "peeling the onion." If a nominal barrier is eliminated but an equally effective barrier is found to be hiding behind it, then the President would be expected to use the sanctions available to him under section 301.

Under this amendment, the President would have to report annually on the progress in U.S. exports so as to validate that the barriers indeed have been eliminated and that there is not another barrier—another onion peeling—just behind it.

Mr. President, I am proud to join with the other cosponsors in offering this amendment. It walks a difficult line of giving our negotiators an ambitious goal and the leverage to achieve it, while still permitting ample flexibility for reaching a negotiated settlement. We owe the American people nothing less than our very best efforts to make America competitive in world markets once again. I urge the adoption of the world markets opening initiative—world markets opening initiative. I yield the floor.

Mr. DOLE. Mr. President, I thank the distinguished majority leader for his comments and also, of course, the distinguished Senators from Missouri and Michigan, Mr. DANFORTH and Mr. RIEGLE, the chairman of the committee, and many others who have been named by the majority leader who are cosponsoring this amendment. Again, I thank all the staff members who have been involved, and they were involved until the early hours of this morning. The last time I checked, they were hung up on one word, but they resolved that difference by rewriting certain provisions. I think we now have something on which we might be able to have a very substantial vote. I am not certain what the administration may say, but I know that there have been consultations with them. I hope to find out in the next few hours precisely what their views may be.

As I have said many times on the floor and everywhere else I have gone, the Gephardt amendment contained in the House bill is a monstrosity. Many of us have been afraid that the Senate might produce what some were calling the "son of Gephardt."

I believe we have avoided that. It seems to me that what we have here is an alternative to Gephardt, not a son or a cousin or a stepchild but a clear alternative.

We all know what the problem is. We all know what we are trying to deal with, so we might as well be candid about it. The problem is Japan. It is a country that does its best to push exports on the rest of the world and restrict imports into its own borders. I must say, they have been very successful, and I commend them for it—to some degree.

There may be other countries as well that do this. But there is only one country with whom we have a $60 billion trade deficit and which maintains such an obvious pattern of unfair trade practices.

Now the question is how to deal with that.

The Japanese are our friends, our allies. This is certainly not a hostile effort. We understand that they have been very successful. They are properly aggressive. They know how to be competitive. They have taught the rest of us, I think, many lessons on how to be competitive.

The Gephardt amendment went absolutely the wrong way.

It looked at the whole bilateral surplus—that $60 billion—and said the United States would close its own borders if necessary to get rid of it.

But we all know that $60 billion is not all a product of unfair trade barriers in Japan. It is largely the product of bigger economic factors—like the incredible U.S. budget deficit.

Gephardt's answer is to erect U.S. barriers, if necessary, to stop it, and to put up those barriers on a massive scale.

Today we have a new approach.

Again I commend the distinguished majority leader for his willingness to work this out and take the time, when he has 500 other things to do. We have a new approach, and I hope we will have almost a unanimous vote on this amendment in order to underscore our efforts—yes, with our friends.

Under this amendment, the President would identify countries that have a consistent pattern of trade abuses.

Then he would be required to determine which barriers are of greatest significance in expanding U.S. exports.

He would have to seek a negotiated agreement with those countries—either elimination of the barriers or some degree of compensation.

So the President has some flexibility, and that is important to the administration. It is elimination on one hand or some form of compensation on the other hand.

If the President does get an agreement—or they do not comply—he would have to launch so-called section 301 actions against them.

I have had two principal concerns about the process which I believe are satisfied under this proposal.

First, I believe we must have a far more aggressive plan of action against Japan than we have now. The next administration has to do more.

But, second, I believe the President has to retain some significant degree of discretion in the process. I think any administration would agree—

whether it's Democratic or Republican, liberal or conservative, or whatever.

I believe we have addressed those concerns in this amendment.

An administration would be able to pick out as many or as few "consistent pattern" countries as it wants. It would be able to identify as many "major barriers" as it wants. It would be able to accept either elimination of the barriers or some form of compensation. If it carried out section 301 actions to a conclusion, the President would have waiver authority if necessary, and a complete choice as to retaliatory methods and levels.

For those who might still doubt an administration's intentions, we have added a special feature. Either the Senate Finance Committee or the House Ways and Means Committee would be allowed to initiate a 301 petition if they are dissatisfied with an administration's determinations.

There may be some, I suppose, who believe this would create the potential for mischief. But these committees already have similar power with respect to section 201 investigations, and have used it most sparingly. Clearly, it is intended to be used only under the most extraordinary circumstances. But if we cannot trust our committees and our colleagues to exercise responsibility, then we ought to get out of the trade policy area altogether.

So I think we have reached a good conclusion. The American people are looking for action and results. I think we have both here.

I congratulate those who were working on this before Senator BYRD, I, and others became involved—Senator DANFORTH, Senator RIEGLE, and many others on both sides of the aisle.

I will add one observation: I believe that the American people want fairness. They want fair trade. They do not believe we have free trade. Many believe we are the dumping ground for other countries, that our markets are open and other markets are not open.

We understand the benefits consumers receive when we have open markets and when there is access to our markets. At the same time, there is a feeling almost everywhere I travel that if our markets are open and if other countries have access to our markets when they produce some competitive product, then that country's markets ought to be open and we ought to have access for our products which are competitive.

It seems to me that, in effect, we are saying that is what we want to achieve with this amendment—nothing radical, not trade barriers, not tariffs, not some wholly new approach that would do damage to our credibility around the world and cause us untold loss of credibility with our friends and allies and trading partners.

So it seems to me that we are on the right track. It is not complicated.

Mr. President, I should like to insert in the RECORD a point-by-point analysis of what happens.

I know that at least two of our colleagues—Senator DANFORTH and Senator RIEGLE—have committed a lot of time to this issue and will be explaining more details. I have given a sort of overview, along with the distinguished majority leader.

We believe we are on the right track. I hope that before the day is out, we can have some positive signal from the USTR and the administration, even though they might not be totally comfortable with this approach. It is not a Gephardt approach. It is reasonable. I think it addresses the concerns of the administration.

We are dealing with an amendment that probably will not be used by this administration, anyway. We are talking about the next administration, and whoever is going to occupy the White House will have some choices to make, and I believe this bill can be helpful.

Mr. President, I ask unanimous consent to have the point-by-point analysis printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MARKET OPENING INITIATIVE: THE "SUPER 301"

(Substitute for "Adversarial Trade" Section of S. 490/S. 1420)

1. The USTR identifies countries with a "consistent pattern of trade barriers and market distorting practices" [1].

2. For each "consistent pattern" country, USTR identifies: major barriers [2] (the elimination of which have the most significant potential for expansion of U.S. exports); aggregate value of the barriers.

3. USTR self-initiates 301 cases on barriers.

4a. In the absence of an agreement to eliminate the barriers: 301 cases processed to conclusion (15-19 months); S. 490 waivers available, as appropriate.

4b. If an agreement is reached, such agreement shall provide for the elimination of, or compensation for, the major barriers and practices during the course of a three year period.

Pending 301 cases would be suspended; to be reinstated in case of non-compliance.

Annual report to Congress to include: update aggregate value assessment; evidence of barrier elimination (progress on annual basis); in absence of evidence, action taken under (reinstated) Section 301 cases to enforce agreement (Section 301 "unjustifiable" waivers would apply).

5. Finance or Ways and Means Committees authorized to file "consistent pattern" petitions (eg. if dissatisfied with administration of 1-4).

Mr. BENTSEN. Mr. President, I am pleased to support this amendment.

As we started our hearings in the Finance Committee and tried to address this problem, one thing on which we had a consensus was trying to do something about countries that had a consistent pattern of trade barriers that denied products into their country, unfair trade barriers. Japan was a good example of that.

What we had difficulty in doing was achieving a consensus as to how to accomplish that. We looked at the Gephardt approach. We understand what the distinguished Congressman was trying to do and we share a concern for his objectives. But the more we studied it, the more some of us became concerned—this chairman in particular—that that was not the way to do it.

I stated I would oppose the Gephardt amendment in committee and would oppose it on the floor of the Senate.

We are fortunate to have in Senator DANFORTH and Senator RIEGLE two men who were ready to devote their time and their concern and their experience to this process.

What they have brought us is not the son of Gephardt. It is not a duplicate of that process. What I was urging on them was that they use the 301 process and by all means it had to be GATT legal and that the President be given some discretion in the process. That is what they have accomplished.

What we have seen as we return to mercantilism around the world, Japan has become successful in protecting domestic industry while encouraging their exports.

What we are seeing is a situation where other countries are prepared to emulate it because it has been succeeding. It has had a success pattern. This is what we want to head off if we possibly can.

I hear a lot of people say, "Well, when you take all those trade barriers in Japan to United States imports it only amounts to $10 to $15 billion. So what difference does that make?

First, I have not been here so long to think that $10 to $15 billion is a minimum amount. It is a very substantial amount of American exports.

What they fail to recognize is the multiplier effect. For example, if the Japanese, instead of paying 23 percent of consumer income on food, which has been brought about because of the kind of barriers they have on the importation of food products, if instead they were paying 18 percent of their income on food, as we are in this country, then the Joint Economic Committee says that if you took $2.5 billion more United States products if you were able to cut their cost by $2.5 billion they could buy as much as $5 billion in additional United States products. That is the multiplier effect, if those barriers were reduced. So we are not talking about $10 to $15 billion; we are talking about a great deal more. And obviously it is not just Japan. It is other countries around the world.

Then the second thing we are looking at is unfortunately when you make this agreement with Japan, as was commented on by the majority leader, the onion peeling effect, we run into continuing barriers that denude or undercut the kind of agreement that we have tried to achieve.

An example of that is when U.S. industry developed a high cube container. This was one that you could put on ships, take it off ships and put it on trucks and you save a great deal in transportation costs. They tried to get that into Japan, and they ran into a solid barrier and were unable to get it in. We had 2 years of negotiations, fighting to get that into Japan.

Finally, they said, "All right, you can bring in the high cube containers."

Then what did we run into? Then they put in their safety regulations. We found we could not transport it except after dark, that we had to give 10 days' notice, that the truck had to be preceded by a car and followed by a car, no right-hand turns, and ad infinitum, and we fought that fight for almost 2 years. We finally won it. And then what did we find out?

We found that those who tried to utilize it had to fill out almost 6,000 reports to get it into the country.

So when we tried to take in baseball bats they thought our baseball bats were dangerous. Then we tried to get skis into Japan and they said that they really did not work on Japanese snow.

Then I had a manufacturer in Texas that made a garbage disposal unit and sells it all over the world with no problem, until he gets to Japan, and for some reason their garbage is different and, therefore, you have a limitation on being able to take it in.

That is what we are addressing and that is what we are trying to knock down. We are not talking about protectionism. We are trying to break down protectionism, open up these world markets, put a positive spin on trade.

All through the seventies, world trade expanded at a rapid level. Through the eighties, it was cut about in half as we have seen further protectionism rise around the world, barriers to trade.

We look at the situation of Japan and Third World countries and this country and Europe. We take about 58 percent of the manufactured products of the Third World countries. Europe takes about 28 percent. The Japanese take less than 9 percent of the manufactured products of those Third World countries.

If the countries of Japan, Germany, France, and Western Europe would buy Third World country manufactured merchandise on the same per capita basis as does the United States, world trade would expand by over $200 billion and the entire world would prosper by it. Per capita income would rise around the world. Third World countries strapped in debt would be able to do a much better job of servicing those debts and, incidentally, hopefully, buy some more U.S. products.

So that is the thrust of this piece of legislation, trying to break down those barriers to world trade.

I think that Senators DANFORTH and RIEGLE have done an extraordinary job. I must say when this effort started out months ago it looked like it was almost an unattainable objective.

But with the diligence of staff working late hours and reflecting the wishes and concerns of their Members and the commitment of the Members they have been able to achieve that. I think it is an extraordinary effort and I congratulate them for it.

I am just delighted to add my name as a cosponsor of this effort and I wish them well in the adoption of the amendment.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BYRD. Mr. President, will the Senator yield to me for one modification?

Mr. DANFORTH. I yield.

Mr. BYRD. I have cleared this modification with the Republican leader and with the two managers, Mr. RIEGLE and Mr. DANFORTH, and with the chairman.

AMENDMENT NO. 465, AS MODIFIED

Mr. BYRD. Mr. President, I send a modification to the desk.

The PRESIDING OFFICER. The Senator has the right to modify the amendment.

The modification will be read by the clerk.

The legislative clerk read as follows:

> Between lines 2 and 3, add the following: SEC. . This section shall be known as the World Markets Opening Initiative.

Mr. BYRD. Mr. President, I thank the distinguished Senator for yielding.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, first, I ask unanimous consent that Senator GRASSLEY be added as a cosponsor of this amendment.

The PRESIDING OFFICER (Mr. FOWLER). Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I would like to express my appreciation to the large number of people who have participated in putting together this amendment. Especially I would like to express my appreciation to the two leaders, Senator BYRD and Senator DOLE.

Senator BYRD has taken a very deep personal interest in trade matters for some time and especially over a long period of time—weeks, perhaps, months. Senator BYRD and his staff have taken a very strong interest in the development of an approach that the Senate could take which would be an alternative to what the House did with respect to those countries with which we have very serious trade problems.

Senator DOLE also has seen this as an issue which is very, very important to American trade policy, an issue where we should be seeking some common ground, an issue which we should attempt to work out on a bipartisan basis, bridging what has heretofore been great philosophical gaps on questions of international trade.

These two leaders, offering the leadership amendment, I think have put exactly the right cast on this amendment. This is not just another trade amendment. It is very significant. It is very important. It is truly a milestone in American trade policy, and it is offered by Senator BYRD and by Senator DOLE as a leadership amendment underscoring its importance, underscoring the bipartisan nature and the cross-philosophical nature of the approach that is being taken in this amendment.

When we read the list of cosponsors, so far we see a long list of people and a very diverse list of people. Senators BYRD and DOLE, our two leaders, Senator RIEGLE, myself, Senator BENTSEN, Senator STEVENS, Senator CHILES, Senator ROTH, Senator SIMON, Senator HELMS, Senator PROXMIRE, Senator METZENBAUM, Senator MURKOWSKI, and Senator GRASSLEY, representing both parties, a wide geographical distribution.

Some of the people who are supporting this amendment would, I think, fairly be categorized as leaning toward the protectionist side in trade philosophy; others who are supporting this amendment would be categorized as leaning toward the free trade side of trade philosophy.

Some references have been made to the meetings that took place last night on this amendment. I had the privilege of being a party to those meetings and shuttling back and forth between the two leaders' offices.

What was interesting when I did that was to move from one room to another room and to talk to people in those two rooms who have very fundamental differences on matters of international trade and to make a common effort to work out something that was mutually acceptable to these two different groups and different philosophies.

One Senator asked me a short time ago:

> Well, if you reach a consensus like this and if everybody signs on and you have such a large list of cosponsors, doesn't that mean you have nothing? Doesn't that mean that there is really nothing here, that there is no substance here, that you have come up with a typical compromise where there really is nothing accomplished?

The answer to that question is, "No, that is not so." This is a very meaningful provision. It is a real provision. I have no doubt in my own mind that if this ends up becoming law it will improve our situation with respect to international trade. I think that it will improve the number in international trade. I think that it will create greater fairness and it will create a system for dealing with patterns of unfair trade practices. So this is a provision which has real content. It does something. It is not a simple a cosmetic type of compromise.

But the reason it does something, the reason it has broad appeal is that it adopts a philosophy of international trade which is neither protectionist nor what I would call free trade to a fault. It does not land on either side of the classical, philosophical division in trade matters.

It seeks a different kind of approach altogether. And that approach has been called reciprocity. Reciprocity is not a new concept. It is a very old concept, and it has been in a period of development certainly in recent years. And the trade bill that we passed in 1984, when we adopted the national trade estimates, that was a move in the direction of reciprocity. This bill furthers that move in the direction of reciprocity.

What we are saying by this concept, the reciprocity concept, is that we do not want to be protectionists in the United States. We do not want to avoid competition. We do not want to erect barriers. We want to do business in international markets. That is where the future is.

The future is in doing business in international markets, but we insist, we insist that that business be done according to rules and that those rules are applicable not only to protect our trading partners, but to protect our own people, as well; and that rules are negotiated within the General Agreement on Tariffs and Trade not for the purpose of being ignored by some parties, but by being adhered to by all parties. And, when they are not adhered to and when they are ignored, being enforced. And if there is never any enforcement, if there is never any insistence on the rules, then the rules themselves wither and become meaningless and become empty and public support for those rules deteriorates, falls away.

That is exactly what has happened, Mr. President. Public support for the concept of international trade has fallen away because so many people just do not believe in it any more. So many people say, "There is no such thing as free trade." How many times have we heard that, each one of us? They say, "There is no such thing as free trade."

Major blocks of constituents that I have, blocks of people who heretofore could be counted on to be bastions of free trade have turned against free trade.

I speak to rural Missourians, farm groups. Farmers, historically, have been the free traders of all free traders, dependent on international markets. Farmers tell me they do not believe in it any more. They all have horror stories; some tale of some abuse that they have heard about. We cannot maintain a constituency for free trade if there are no rules, if there is no enforcement.

So what the idea of reciprocity has attempted to do is to restore credibility to the international trading system, to recreate a system in which people do have confidence, a system that works, a system that works for the benefit of our people as well as people in other parts of the world. This is a reciprocity provision.

The majority leader and the minority leader have both pointed out in their statements that this is not the Gephardt amendment. My great fear in the months that we have been working on this proposal is that people who really do not want to get into this proposition, who do not want to read it, who do not want to look at it, who do not want to listen to the debate, would take solace in labels, in phrases. It is a wonderful substitute for knowing something to just find a label and paste that label on an idea. My fear always has been that labels would take over, that somebody would write an editorial which would call this concept "the Gephardt Amendment" or "The Son of Gephardt Amendment" and that, by that labeling, literally months of effort would go for nothing.

And so Senator **Byrd** was exactly right when he disabused people of the idea that this is the Gephardt amendment. And Senator **Dole** did the same thing.

I would like to say to the Senate that if this were the Gephardt amendment, I would be standing here to oppose it with everything within me. I am sure that some of the cosponsors of this amendment would rather have a Gephardt amendment. I not only would vote against a Gephardt amendment; if necessary, I would filibuster a Gephardt amendment. And, Mr. President, I say that as a Senator from Missouri, a Senator who represents the same constituents as **Dick Gephardt**, and a person who, frankly, has a great deal of regard for **Dick Gephardt**, but I do not agree with him in his amendment.

I think the Gephardt proposal is wrong. I think that it is bad policy. I believe it is protectionist. He does not agree with that. But I think the idea of setting out numerical targets for reduction of trade deficits must be protectionist; that the effect of that is not to open up international markets, but to close them; not to expand international trade, but to contract international trade.

Therefore, I say to the Senate, as clearly, even repetitiously, as I can say it: I am against the Gephardt proposal. I think the Gephardt proposal is wrong. I oppose the Gephardt proposal and I have all along. And I have not only here in Washington, but I have in my own State. A lot of us do not like to go back and do battle with our colleagues, whether they are in the other House or not, whether they are in the other party or not. I do not do that as a general matter. But I cannot avoid that in Missouri. Trade is a big issue in our State. Trade is a big issue with me.

I have spent a lot of time on it, and it is a big issue with **Dick Gephardt**, so I cannot avoid it. I go back to my State and I say: I am against the Gephardt amendment. I am opposed to it. I think it is bad policy.

So, Mr. President, if there was anything that could fairly be called the son of Gephardt amendment I would oppose it, I would oppose it with every ounce of energy I have.

This is not Gephardt. This is not an effort to close markets. This is not a guise for closing markets. This is an opportunity to open up markets and to do so in a very, very systematic way.

Mr. President, anytime when we talk about unfair trade practices, immediately somebody says: Well, it is really not such a big deal. The trade deficit is about $170 billion, and most people say only about 15 percent of the trade deficit is due to unfair trade practices and the rest has to do with the budget deficit or tax policy or our lack of get-up-and-go, or something else; 15 percent.

That is an arbitrary number. I do not happen to agree with it, incidentally. I think even if we had the best possible competition and even if we had a budget deficit of zero, we would still have serious problems in international trade. But for the sake of discussion, let us take this 15-percent figure. Let us just assume it. Let us just assume the sort of old saw that exists that 15 percent of the trade deficit is caused by unfair trade practices.

Fifteen percent of $170 billion is $25 billion—$25 billion of American business; $25 billion in sales; $25 billion of job opportunities is not small change.

So, if we can develop a consistent plan for dealing with unfair trade practices, even under the modest view of the effect of unfair trade on the total trade deficit picture, even with the most modest figures, still this is a significant issue.

Mr. President, I think the Senator from Kansas pretty well spelled out how this amendment works. It is not a long amendment. It is, I think, seven pages long and I am sure that during the time we have already been debating it, staff has had the opportunity to read it five times over and to analyze it and the debate will go on for a little longer and people will have plenty of opportunity to look at it.

But the notion is this: The notion of this amendment is to build on the national trade estimates, that listing of unfair trade barriers that was created by the 1984 act; to build on those specific items and other more generic, more sophisticated ways of keeping American exports from getting into other markets; to identify those countries that have been habitual in their ability to keep out what we make in the United States; to quantify the effect of the barriers of those countries and to make a special effort to negotiate with those countries that are particular problems and at the same time—if the negotiations do not get anywhere—to pursue cases under section 301 of the Trade Act as amended by the Finance Committee's bill.

That Finance Committee amendment to section 301 was authorized by Senator PACKWOOD. So, if anything, this proposal should be called son of Packwood. Not son of Gephardt, son of Packwood.

Every effort has been made in drafting this bill to make sure that the President of the United States is not put in a straightjacket. A double track of negotiating away barriers and pursuit of 301 cases is followed, so negotiations can always supplant section 301.

Where section 301 is used, all the waivers that are created in the bill that we have before us are available.

The President can select those cases which he brings. We expect him to use it. We expect him to bring 301 cases where there are significant impediments to U.S. exports. Where he does not bring cases, where he does nothing, he faces the music. He makes an annual report to Congress. He tells us how he is doing. He attempts to quantify how he is doing.

Mr. President, I would suggest that that is the soundest and most sensible way of holding the President of the United States to account. Not by filing lawsuits against him, but by setting up a standard which the Congress expects to have followed and then having to report back, in effect, how the President is doing. Then, if we are totally unsatisfied, then we provide that the Ways and Means Committee or the Finance Committee can initiate a 301 case itself. Not a specific 301 case. I do not think we want the Finance Committee in the business of fielding every complaint that anybody has on an unfair trade practice and initiating a specific 301 case. But I am talking about the more generic, the broad, the super 301 cases that are anticipated under this legislation.

That is, in essence, the bill, and I am sure we will be going into it in greater detail.

But my point is that this is not an effort to put the President in a straitjacket but it is an effort to set standards and hold the President to account. It is an effort to transform a sporadic, unpredictable, occasional, ad hoc use of section 301 of the Trade Act into a systematic attempt to get at those situations which Senator BYRD has aptly described as being like peeling layers off of an onion. It is an effort aimed not at closing markets, but at opening markets.

I just want to close by telling the Senate one experience that I had yesterday in my office. I was visited in my office by, among other people, a representative of the Chrysler Motor Co.

Chrysler wants to sell vans in Japan. Chrysler proposes to put in a right-hand drive car in order to sell vans in Japan. Chrysler feels that it is futile to attempt to do that because it is not possible now for an American auto company to buy into a distribution system in Japan.

Chrysler wants this provision in the law for the express purpose of allowing it to have the leverage to get a distribution system to sell American vans in Japan.

Mr. President, who could have imagined such a thing even a few months ago? Everybody has been singing the dirge for the American auto industry. Everybody has been complaining that Americans do not try hard enough, that we do not work hard enough, that we do not try to compete.

Why, we have our steering wheels on the left hand of the car, not the right hand of the car. We do not try.

Is it not amazing that the United States auto industry—Chrysler—now says, "We want to go to Japan and we want to compete in Japan if we can get a distribution system?"

Toyota has a distribution system in the United States. Nissan has a distribution system in the United States. Is it not only fair that Chrysler should be able to have a distribution system in Japan?

Mr. President, this country is not on the slippery slide to oblivion. There is absolutely no reason why the United States of America cannot fight the battle of international trade and win it. There is no reason to crawl into the hold of protectionism.

We can, as a country, compete in international markets. We can win that competition. This amendment is about winning that competition. This amendment is about giving us the leverage to get into Japan and into Korea and into Taiwan on a fair basis so that we can again make things here that are the pride not only of America but of the world.

Is not this the real option? Is this not the real alternative to the defeatism of the protectionist and the passivity of those who would turn our borders into a doormat?

I compliment Senator RIEGLE, Senator BYRD, Senator DOLE, and so many others for what I believe to be truly a landmark opportunity to change American trade policy.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. I thank the Chair.

I appreciate the kind comment of the Senator from Missouri. I join with him in acknowledging and thanking the leaders, Senator BYRD and Senator DOLE, for their great help in the final push to craft this package in a way that will accomplish the objectives which have been spoken about here this morning. And also their staffs. Very particularly I thank Senator BENTSEN who has guided this trade bill from the beginning, who has kept the debate open, and who has allowed those of us who wanted to try to develop additional aspects that would strengthen the bill to have the chance to do so.

We have come a long way with this provision. It is a little bit like starting out in your own end zone and having to go 100 yards down the field. I think today we are going to go into the end zone at the other end of the field. But that would not have been possible but for the great help of the leadership, the Members I have just mentioned, and their staffs, very importantly Senator DANFORTH and his staff.

I am very proud of the fact that we are able to come together on the floor today in a truly bipartisan manner, and in the general scope of the philosophy that this trade bill has tried to establish and reflect since its inception in the Finance Committee this year.

I think this amendment is fully within the philosophy that we set out to try to establish and maintain.

I think this provision may well be the most important provision to go into this trade bill in terms of its real effect in dealing with the problem of massive trade deficits, the loss of American jobs, the damage to American businesses. I think this provision—the way it is aimed, the way it is crafted, and the way it will work—will bite into this problem in a significant way and we will get results.

I think it is fair to say that this amendment marks a major breakthrough in stopping trade abuse that is hurting America, that is costing us millions of U.S. jobs, and that is hurting U.S. business firms and industries.

This amendment will bring down the trade deficit, and it is going to create jobs here in America. It is a market opening amendment that will move forcefully against persistent patterns of trade abuse practiced by foreign countries against the United States.

I want to take a minute to just set this problem in perspective.

I have here a chart that shows our trade deficit in recent years. It shows in the red area how extreme that trade deficit has become in the most recent years, just last year, 1986, being at a level of $170 billion, an extraordinary loss of American wealth, American strength, American jobs because of a deficit of that size.

The four red bars that I show are the totals for the first 4 months of this year on an annualized basis so that these lines can be compared with where we were last year.

What it shows is a continuation of this tremendous trade deficit.

Some have argued that it is getting substantially better. The data just does not show that.

Some have argued with the dollar falling dramatically we would see the trade deficit reverse itself, with something called the J curve effect, but it looks to me, based on the data we are seeing, we are seeing something that could more accurately be called an L curve. We have come down to this severe deficit level and we are holding more or less at that level.

The problem is that that continues to mean an enormous drain on the strength of this country and certainly on our financial capacity.

That is really measured by a look at our international balance sheet.

What it shows is that about 2½ years ago the United States became a debtor nation for the first time since 1914.

The line across the center of this chart is the zero line and it shows that in 1984, and going back in time all the way to 1914, the United States was a creditor nation because we had such strong international trading strength and financial strength.

But as can be seen by this chart, we began to lose that advantage. We crossed the line into the debtor nation status. We have gone rocketing down into this debtor nation category. We have passed every other nation on the debtor nation list. We are now the largest debtor nation in the world in terms of the amount we owe others. We are adding new international debt at the rate of $1 billion every 2½ days.

The New York Federal Reserve Board has estimated that by 1990, 2½ years from now, the United States will owe the rest of the world roughly $1 trillion. A trillion dollars is a thousand billion.

It is an enormous problem for our country.

If one imagines the breathtaking change in circumstance going from roughly 1982, 4 years later, at the end of 1986, to have gone from this position all the way down to this position shown on the chart and to be on the slope which takes us further in this direction, it is an extremely dangerous problem for this country. We cannot allow that to continue. A large part of it relates directly to the trade cheating being practiced against the United States, which our amendment goes directly at solving.

I want to show one other chart in relation to this.

Reference has been made to Japan, Taiwan, and Korea particularly as three nations with very substantial trade surpluses with the United States and who, in turn, have a persistent pattern of barriers in their countries which prevent us from being able to sell our products there even though, in a very large number of cases, we have products today which are cheaper and better and would be able to be sold in those countries but they will not allow our products to come in on a fair basis.

What this chart shows is our trade deficit by year starting in 1980 and coming up most recently to 1986. This being the whole trade deficit, the red area refects the deficit with Japan, the orange area reflects the part of the trade deficit that we have with Taiwan, and the brown area represents the trade deficit we have with Korea.

The reason I select these three is that these are the nations that have the enormous surpluses on a bilateral basis with the United States, and yet we have the persistent pattern of trade barriers which keep out our products.

If you add up the three, you will see that roughly half of the entire trade deficit is accounted for by just these three countries.

Now, there are obviously other countries involved, but you will also notice that not only do those three account for nearly half of the trade deficit, but if you go back to 1980, you can see that these trade deficits are growing with each of these nations. The exploitation and the unfairness and the crippling financial effect that it carries with it in terms of our international balance sheet is going on day after day after day, and it has to be stopped. Countries eventually have to act in their own self-interest and in behalf of the concept of an open world trading system to stop that kind of trade abuse.

Now, I have here a book that is put out by the U.S. Office of the Trade Representative. This is the 1986 official national trade estimate on foreign trade barriers—foreign trade barriers that block our products out of foreign markets.

This book is 299 pages long, and it lays out country by country the unfair barriers that exist which prevent us from selling products that we otherwise could be selling. There are 41 countries in here—Japan, Taiwan, and Korea being the worst offenders, but obviously out of a total of 41 there are 38 others on the list as well. It is spelled out here item by item, page by page, country by country. This is the official document of our Government that lays out the scale of this problem.

The amendment which is at the desk right now goes directly at this problem. It says we are not going to accept the kind of abuse and unfairness that is compiled in this national official trade estimate by our Trade Representative, who, of course, works for the President.

Now, what are some of the examples? In Japan, we cannot sell American auto parts even though we have auto parts today that are better and cheaper. They will not allow that to happen. We cannot sell supercomputers there, even though we have models that are more efficient and would otherwise be sold but for the barriers. In many cases we cannot do construction work. Many people are familiar with the hassle that we have had over the expansion of the big airport in Japan. We cannot sell car telephones although we have the best available in the world today. We grow cherries in the State of Michigan, and we ship them all over the world. Yet, we cannot get into Japan in any kind of fair way to sell that particular product. The Senators from Florida are aware of the fact that we cannot sell oranges grown in our country in Japan because of multiple barriers, and it goes on through a long list of agriculture products.

The Senator from Missouri has mentioned the issue of the Chrysler minivans. We are all set to sell Chrysler minivans with the steering wheel on the right-hand side in Japan. They are saying, "Sorry, we are not going to let you have a distribution network in our country to sell those cars," even though the Japanese will turn around and say, "But we expect you to let us sell some 2 million Japanese cars a year in the United States market." Their whole presumption is that we will accept the unfairness, that we will be either asleep about it or foolish about it or inattentive to it, and we will allow continued erosion in our financial position.

We cannot do that. We should not have done it before. We cannot afford to do it any longer.

In Taiwan we have McDonald's hamburger stands, but if you go to Taiwan and you go into the McDonald's hamburger stand and you order some french fries, the french fries cannot be made with American potatoes. They cannot be made with American potatoes because they prohibit it from being done.

A refrigerator today built in Taiwan sells for about $625. If an American producer wants to ship an American-built refrigerator over there, the tariffs boost the price of that refrigerator to more than twice that, to a figure of $1,257, but it is an artificial price increase. They force the price up so we cannot sell our refrigerators in Taiwan.

In the case of color TV sets, they must have a local content—50 percent of the color TV has to be produced in the country of Taiwan, so obviously we are not in a position to build it here and ship it there.

There is a 70-percent local content requirement by law in the case of heavy cars; it is 90 percent for motorcycles, also. So that is one other technique they use to keep us out and cheat an American worker out of a job and a chance to produce when we are in a position to produce a better product at a lower price.

The counterfeiting and the intellectual property theivery that is going on has been documented in committee after committee, by company after company, where they are pirating our inventions. We have tried in every conceivable way to get fair treatment in terms of protecting proprietary items that have been invented and paid for by Americans, businesses and individuals, and they laugh at us. We see the same abuse in terms of financial services on the banking side.

Let me tell you about Korea because that is one of the most extreme examples. We are seeing a lot of Korean cars coming into the United States, a vast number of them. Korea imposes a 300 percent tariff on American cars coming into Korea, and for all practical purposes that makes it impossible for us to send our cars to Korea because they are artificially priced out of the market. In our country we have a miniscule, 2.6 percent, tariff on Korean cars.

Their tariff is 115 times higher on our cars coming in there than we impose on their cars coming in here. That is an 11,500 percent higher tariff than ours. Any wonder we do not sell cars there.

Do you know why they have the tariff so high? Because they know we would be able to sell the cars there. That is why they establish the tariff that high, to make sure we cannot.

That is wrong. Frankly, for too long our Government has looked the other way. Whether it is for foreign policy reasons, thinking we are buying friendship or what have you, we have looked the other way. We have allowed the trade cheating to continue. This is the extreme that it has now come to.

Last year there were 202,000 Korean cars that came into the United States. That was 68 percent of all of the exported cars that came out of Korea. The annualized rate for this year has jumped up to 400,000 units, and they are saying by the year 1989, 2 years from now, it is estimated they are going to ship 1 million cars into the United States—1 million cars. Well, that is not only going to displace workers and businesses in this country, not just the auto firms but those that are suppliers to the auto companies and the indirect spillover in the value in our economy of those jobs in that economic activity. But by the same token they are saying, "Sorry, you can't sell in our country; we are really not interested in taking any of your products into our land."

We cannot have that any more because we have put ourselves now into a damaged international position and we have to turn it around. That is what this amendment will do.

Now, there are many other examples that might be cited in these three countries or any others. I will not review the mechanics of the amendment because it is available; people can read it. It is short in length and the functional description has been passed out. But I wish to say one other thing about it with respect to the overall position on trading in the world today.

I have not heard the statistics said on the Senate floor before, but I want to say it and hope that it will be weighed by all the Members and the others who are following this issue closely.

Today, the United States takes 63 percent of all the exports from the Third World. We read about the Third World problems, of countries that are really struggling. We do our part in the United States by buying goods from those countries so that they have some opportunity to get themselves moving. We take 63 percent of the total volume from the Third World. While we are taking 63 percent of the goods from the Third World, Europe, taken as a whole, which has essentially the same population as the United States, is buying 23 percent, far less than we are, only about a third. Japan, with half the population, is taking only 6 percent of the exports of the countries of the Third World.

So the cheating is not only cheating that is done with respect to the direct trading relationship between ourselves and the countries I have mentioned, but the trade cheating is going on, on a global scale, without any sense of fairness and balancing out the world trading and economic system.

We cannot be the only market in the world for the surplus production from the Third World, from the Japanese, the Taiwanese, the Koreans. We cannot let that go on, unless we want to bankrupt ourselves.

I refer again to this chart: We have become the No. 1 debtor Nation. We are on our way to a trillion-dollar national debt in 2½ years, adding new international debt at the rate of a billion dollars every 2½ days. A large part of it is because of the trade cheating, where we have products and services and agricultural items that could be selling around the world, because they are better and cheaper, but we are being prevented from doing so by unfair trade practices.

This amendment is going to make a real difference, and you had better read it carefully, because it has teeth in it. It has teeth in it for a reason: Because we have to reverse this problem. There will be action that follows from this amendment when it becomes law. The trade deficit will start to go down, and we will start shipping products into other places and putting Americans to work and strengthening American businesses in ways that have not happened until now. It is about time that happened.

We do not invite the President to take action. We lay out a way in which the action will take place. We require the action to take place, and we set into motion a process that will produce results.

I think it is fair to say, when all is said and done, that there are a lot of important provisions in this bill. This is the provision that is going to bite directly into the problem more than any other. That is why I think it enjoys the broad support it does.

So I thank the leaders, Senator BYRD and Senator DOLE, for their leadership and their willingness to come forward on this matter and to help bring it to the floor as a leadership amendment.

I thank Senator BENTSEN for creating the environment in which we can work and craft this package.

I thank Senator DANFORTH for his months of work on this issue and for his hard work as we have refined this package, with all the staff members involved.

I know this: We cannot afford to fail on this issue. I hope we will have the largest possible vote in the Senate.

Make no mistake about it: The Japanese and the Taiwanese and the Koreans and the people from other nations who are cheating us day after day in the trading relationship will be watching this vote, because this vote sends a big signal and a big message. We have to decide, as the message, whether what they are doing is fine, that they can continue the trade cheating, and we will look the other way. If you feel that way, vote no. If you think it is time to stop the trade cheating and put it on a fair basis and let the people of this country win the jobs and the business they can win in the international trading system, then support this amendment.

Mr. BAUCUS. Mr. President, like all of my colleagues, I have examined this amendment closely to try to determine what it is and what it is not.

It is obvious that the Senator from Missouri [Mr. DANFORTH] and the Senator from Michigan [Mr. RIEGLE] did work very hard to come up with what they regard as the most effective and the most responsible solution to the unfair trade practices of other countries, particularly those countries that seem to have a consistent pattern of unfair trade practices.

As I read the amendment and try to determine what it does and does not do and, further, try to determine whether this is a good idea, this is what I see: This amendment, I think, goes a long way in addressing some of the faults that some of us see in the so-called Gephardt language.

I have stood on this floor many times very much opposed to the Gephardt language that the House of Representatives passed. Like most of my colleagues, I have the utmost respect for the Congressman from Missouri. He has fought long and hard about trade. But it is my personal view, as apparently it is the view of the Senator from Missouri, that the Gephardt language is not a good idea.

That particular language mandated deficit reductions. The Gephardt language essentially provided that the President of the United States, in each of 4 years, must initiate action that reduces the trade deficit with Japan, for example, by 10 percent each year. That was a mandated result. I think that cannot be done. I believe it is too crude. It is faulty for many reasons. I have stood on this floor vehemently opposing that language.

It is clear in reading the amendment offered by the leadership and the Senators from Missouri and Michigan that this amendment does not have that mandated deficit-reduction language in it. This is not, as they say, the Gephardt amendment. This cannot be characterized as the Gephardt amendment because, in my view, in reading the amendment, it is not related to that language. There is no mandated deficit reduction in this proposal.

As I see it, this amendment is a refinement and a strengthening of the section 301 provisions that are in the committee bill. This amendment is essentially section 301 in the committee bill, but with a couple of changes.

The changes are that the President is required to self-initiate 301 actions against the major barriers of trade in a country that has established a consistent pattern of unfair trade practices.

The committee bill basically allowed the President to initiate certain section 301 actions on his own initiative, and allowed industry to petition to bring a section 301 action. Section 301 is the unfair trade practices provision of our current trade law.

So this amendment, as I read it, essentially directs the President to determine countries, first, that practice unfair patterns and, second, requires the President and the USTR to initiate section 301 action against that country and against those major barriers to foreign trade. That is what this does. I think it is an improvement upon section 301 provisions of the bill.

The only other change in this amendment, as I see it, compared with the committee bill, is the provision at the end, allowing the Senate Finance Committee and the House Ways and Means Committee, on passage of a resolution, to direct the USTR and/or the President to commence these section 301 actions—that is, the committees may initiate these actions if the committees determine that, for some reason, the President is not moving as aggressively as he should.

So this is essentially a modification and a refinement and a toughening up of the section 301 provisions of the bill, and I think those are improvements. However, we should not delude ourselves here. Even though this is an improvement, as I see it, it is not going to be the panacea that will suddenly eliminate the trade deficit with Japan, Taiwan, or other countries that we think have a consistent pattern of unfair trade practices.

Why do I say that? I say that, first, because most analysts agree that of the trade deficit with Japan only about 15 to 20 percent is due to unfair foreign trade practices. The remaining percent, roughly 80 to 85 percent, are due to other factors. They are due to our fiscal budget deficit, exchange rates, lack of American competitiveness, factors other than the establishment of barriers to trade in the foreign country and particularly in the country of Japan.

One could dispute those figures, and I think frankly that those figures are probably loose because there is a dynamic effect. In others once a country allows more American products in there, we could even sell more than the static figures might indicate.

But the main point is that we all agree that most of the trade deficit with Japan is due to factors other than trade barriers that Japan imposes on American products. That point is not in very much dispute.

The second warning here under section 301 as stated in the committee bill is that in initiating section 301 actions the President must determine whether those foreign barriers are unjustifiable or unreasonable. That is somewhat of a term of art.

But essentially that means that if the President determines that the other country is violating an agreement with the United States or is doing something that is GATT illegal, then it is unjustifiable. In that instance, the President's discretion is fairly severely limited. He still has waivers for national security, or in the event that it is politically impossible for the other country to open up. Those are exceptions under the unjustifiable provisions.

But the point is if the President determines there is an agreement which the other country is not living up to on a particular product, then it is unjustifiable and the President's discretion is fairly limited, but he still has outs.

Most people feel that of the trade deficit with Japan, or more precisely that of the unfair barriers that, say, Japan practices, less than half of that is unjustifiable and less than half of that is subject to an agreement with the United States. The other trade barriers are a little more amorphous and have to do with distribution systems and cultural past and other matters which are not subject to agreement and, therefore, they are in the other category of reasonable. That is important because the President's discretion in unreasonable cases is much broader. He can invoke the national economic interest, for example, and not retaliate.

The amendment we have before us utilizes those same procedures, because those are the procedures that exist under section 301.

The point I am making is simple. As I read this amendment, it is going to help. This amendment is really a refinement, improvement, on the current section 301 provisions in the bill insofar as it requires the President to bundle section 301's and self-initiate against a country that has a consistent pattern of unfair practices. But eventually the waivers, the outs that are available to the President are still there.

So the net bottom line is that if this amendment is fully implemented, it will probably reduce the trade deficit with Japan, given the discretion between unjustifiable and unreasonable provisions in the bill, about 15 to 20 percent. The point is that the burden is on us.

If this amendment passes, the burden is on us as Chrysler, for example, to make sure that they sell those vans in Japan. Chrysler is going to have to work hard to sell those vans in Japan. Other companies in America who want to sell more products in Japan are going to have to work very, very hard and do all the things we know we have to do; pay more attention to quality of product, learn Japanese culture and tastes, and design the kind of products that the people of Japan want.

I have talked to many Japanese, and I believe them when they say to me personally that they want to buy more American products but they do not know if American products are as good. That could be an excuse. That might be a myth. It might be a matter of perception, but the fact is that the burden is on us to destroy that myth to get over that perception and to make sure that we do sell products.

So the sum and substance of all this is I think this is an improvement but let us not delude ourselves into thinking that this amendment is going to do all that some would like to think that it is going to do. We still have the lion's share of the work ahead of us if we are going to reduce the trade deficit and be competitive in the world.

Mr. President, I yield.

The **PRESIDING OFFICER.** The Senator from Missouri.

Mr. **DANFORTH.** Mr. President, I wish to say the Senator from Montana has done a good job of analyzing the provisions.

There is one thing I would like to clear up, and that is about the initiation of a 301 case by the Ways and Means Committee or Finance Committee. It is true that under this provision either the Ways and Means Committee or the Finance Committee could file a petition or a super 301 case, but it is also true that the petition is filed with the U.S. Trade Representative. The U.S. Trade Representative is the appointee of the President and the U.S. Trade Representative could simply decline to accept the petition.

So what we have tried to do generally in this amendment is not give the administration the bum's rush. We have not tried to put the administration in something that is just totally a legal straitjacket but, on the other hand, to set up a process by which if the Congress feels that the administration is not pursuing trade remedies with sufficient force we can at least file a petition and force the USTA to decline the petition.

I wanted to make that clear because I think that the Senator from Montana has done a good job of describing the position that is taken in the amendment.

AMENDMENT NO. 466

(Purpose: To provide a market-opening initiative)

Mr. **DANFORTH.** Mr. President, I send a perfecting amendment to the desk and ask that it be considered.

The **PRESIDING OFFICER.** The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mr. DANFORTH] proposes an amendment numbered 466.

Mr. **DANFORTH.** Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

After the word Sec. on pages 1 to 3 strike all and insert in lieu thereof the following:

COUNTRIES MAINTAINING A CONSISTENT PATTERN OF TRADE DISTORTIONS.

(a) IN GENERAL.—Chapter 1 of title III of the Trade Act of 1974 is amended by adding at the end thereof the following new section:

"SEC. 307. COUNTRIES MAINTAINING A CONSISTENT PATTERN OF TRADE DISTORTIONS.

"(a) IDENTIFICATION.—

"(1) By no later than the date that is 29 days after the date in calendar year 1988, and also the date in calendar year 1989, on which the report required under section 181(b) is submitted to the appropriate Congressional committees, the Trade Representative shall—

"(A) identify those foreign countries and instrumentalities that, on the basis of such report, maintain a consistent pattern of import barriers and market distorting practices;

"(B) identify the major barriers and trade distorting practices of each foreign country identified under subparagraph (A), the elimination of which are likely to have the most significant potential to increase United States exports, either directly or through the establishment of a beneficial precedent;

"(C) estimate the total amount by which United States exports of goods and services to each foreign country identified under subparagraph (A) would have increased during the preceding calendar year if the barriers and market distorting practices of such country identified under subparagraph (B) did not exist; and

"(D) submit to the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and publish in the Federal Register, a report which lists—

"(i) the foreign countries identified under subparagraph (A),

"(ii) the barriers and market distorting practices identified under subparagraph (B) with respect to each of such foreign countries, and

"(iii) the amount estimated under subparagraph (C) with respect to each of such foreign countries.

"(2) In making the determination of which foreign countries to identify under paragraph (1)(A), the Trade Representative shall take into account—

"(A) the acts, policies, and practices described in section 181(a)(1)(A), and

"(B) the level of United States exports of goods and services that would be reasonably expected from full implementation of existing trade agreements to which that foreign country is a party, based on the international competitive position and export potential of such products and services.

"(3) In making the determination of which barriers and market distorting practices of a foreign country to identify under paragraph (1)(B), the Trade Representative shall take into account—

"(A) the international competitive position and export potential of United States products and services,

"(B) circumstances in which the sale of a small quantity of a product or service may be more significant than its value, and

"(C) the measurable medium-term and long-term implications of government procurement commitments to United States exporters.

"(b) INITIATION OF INVESTIGATIONS.—By no later than the date that is 21 days after the date on which a report is submitted to the appropriate Congressional committees under subsection (a)(1)(D), the Trade Representative shall initiate under section 302(c) investigations under this chapter with respect to all of those barriers and market distorting practices identified in such report by reason of subsection (a)(1)(D)(ii).

"(c) AGREEMENTS FOR THE ELIMINATION OF BARRIERS.—

"(1) In the consultations with a foreign country identified under subsection (a)(1) that the Trade Representative is required to request under section 303(a) with respect to an investigation initiated by reason of subsection (b), the Trade Representative shall seek to negotiate an agreement which provides for—

"(A) the elimination of, or compensation for, the barriers and market distorting practices identified under subsection (a)(1)(B) by no later than the close of the 3-year period beginning on the date on which such investigation is initiated, and

"(B) the reduction of such barriers and practices over a 3-year period with the expectation that United States exports to the foreign country will, as a result, increase incrementally during each year within such 3-year period.

"(2) Any investigation initiated under this chapter by reason of subsection (b) shall be suspended if an agreement described in subparagraphs (A) and (B) of paragraph (1) is entered into with the foreign country before the applicable deadline (within the meaning of section 304(b)(2)).

"(3) If an agreement described in paragraph (1) is entered into with a foreign country before the applicable deadline (within the meaning of section 304(b)(2)) and the President determines that the foreign country is not in compliance with such agreement, the President shall direct the Trade Representative to continue the investigation that was suspended by reason of such agreement as though such investigation had not been suspended.

"(d) ANNUAL REPORTS.—

"(1) On the date on which the report the Trade Representative is required to submit under subsection (a)(1)(D) in calendar year 1989, and on the anniversary of such date in the succeeding calendar years, the Trade Representative shall submit a report which includes—

"(A) revised estimates of the total amount determined under subsection (a)(1)(C) for each foreign country that has been identified under subsection (a)(1)(A),

"(B) evidence that demonstrates, in the form of increased United States exports to each of such foreign countries during the previous calendar year—

"(i) in the case of a country that has entered into an agreement described in subsection (c)(1), substantial progress during each year within the 3-year period described in subsection (c)(1)(A) toward the goal of eliminating the barriers and market distorting practices identified under subsection (a)(1)(B) by the close of such 3-year period, and

"(ii) in the case of a country which has not entered into (or has not complied with) an agreement described in subsection (c)(1), the elimination of such barriers and market distorting practices,

"(C) to the extent that the evidence described in subparagraph (B) cannot be provided, the actions that have been taken by the President under section 304 with respect to such barriers and market distorting practices of each of such foreign countries to eliminate or offset such barriers and market distorting practices.

"(2) The Trade Representative may exclude from the requirements of paragraph (1) in any calendar year beginning after 1993 any foreign country that has been identified under subsection (a)(1)(A) if the evidence submitted under paragraph (1)(B) in the 2 previous reports demonstrated that all the barriers and market distorting practices identified under subsection (a)(1)(B) with respect to such foreign country have been eliminated.

"(e) PETITIONS BY CONGRESSIONAL COMMITTEES.—If the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives determines (by a resolution adopted by such Committee) that an investigation under this chapter should be initiated with respect to any barriers and market distorting practices of any foreign country that such Committee determines to be a country that maintains a consistent pattern of import barriers or market distorting practices, such Committee shall be eligible to file a petition under section 302(a) and shall file a petition under section 302(a) with respect to such barriers and practices.".

(c) CONFORMING AMENDMENT.—The table of contents for the Trade Act of 1974 is amended by inserting after the item relating to section 306 the following new item:

"Sec. 307. Countries maintaining a consistent pattern of trade distortions.".

On page 155, of the printed bill, line 1, strike out "307" and insert "308".

On page 157, line 24, strike out "306" and insert in lieu thereof "307".

On page 157, in the matter after line 24, strike out "307" and insert in lieu thereof "308".

Mr. DANFORTH. Mr. President, this amendment simply makes some minor technical modifications to the bill.

The **PRESIDING OFFICER.** Is there further debate on the amendment offered by the Senator from Missouri?

The Senator from New Jersey [Mr. BRADLEY].

Mr. BRADLEY. Mr. President, if I could, I would like to propound some questions to the authors of the amendment so we can more clearly understand what the amendment does and also how it might differ from earlier versions.

I just had a chance to see the amendment in its final form this morning. I think, like many Members, that there are some questions I would like to propound.

The original Riegle-Danforth, as well as the Gephardt bill, required action against all barriers of target countries. This proposal appears to require action only against the major barriers. Is that correct?

Mr. DANFORTH. That is correct.

Mr. BRADLEY. The committee bill requires the USTR to self-initiate cases against foreign barriers likely to be unjustifiable, meaning barriers that will violate existing agreements. My only question is how is the requirement to address major barriers different from the existing requirement in the bill to self-initiate against unjustifiable barriers?

Mr. DANFORTH. There is a distinction. The Senator is talking about the Finance Committee bill?

Mr. BRADLEY. Yes.

Mr. DANFORTH. There is a distinction in the Finance Committee bill between unjustifiable and unreasonable, both being terms of art, one relating to trade barriers that are violations of agreement and one relating to trade barriers that are not violations of agreement.

This provision does not attempt to distinguish between those two. It does require the initiation of 301 cases in quantity and number to be determined by the administration. We do not say that the administration has to initiate 301 cases against every single barrier that exists. But we do expect the administration to take action against major barriers that exist and that have been created by countries which have a persistent pattern of unfair behavior.

But in doing so we do not draw a distinction between unreasonable and unfair trade barriers.

Mr. BRADLEY. The way it would be worded is that the USTR would identify the countries that have a consistent pattern of import barriers?

Mr. DANFORTH. Yes.

Mr. BRADLEY. And then the USTR would identify the major barriers in each identified country, is that correct?

Mr. DANFORTH. Correct.

Mr. BRADLEY. And then the USTR would be required to estimate the size of these barriers?

Mr. DANFORTH. Yes; quantify the effect of the barriers on exports.

Mr. BRADLEY. And then the USTR would initiate cases, 301 cases, against the major barriers?

Mr. DANFORTH. That is correct.

Mr. BRADLEY. Now, the degree of difficulty in assessing the total value of all the barriers was one of the things that concerned me greatly in the original version of this amendment. As I understand it, you have pared that down to say only the major barriers, and you do want action but you want action only against the major barriers, is that correct?

Mr. DANFORTH. We would be happy to have action against any barrier, but we think that it is not reasonable to expect the administration to file, say, 50 section 301 cases against a single country. Obviously, in any enforcement issue, you want some rule of reason. And this was a major source of the discussion that was going on, for example, last night. On the one hand, we do not want to write this bill in such a way that an administration that wanted to do absolutely nothing could say, "Hey, there is no country with no barriers," or "There is one little barrier and we can deal with that."

On the other hand, we do not want an administration swamped with dozens of cases, some of which would hardly be cost effective to pursue. That is the line we have attempted to walk in this bill, basically to establish a rule of reason.

Mr. BRADLEY. My concern is that, as 301 now works, the petitioning industry files a petition with the ITC. The industry also provides information, and in the process, determines the size of the barrier. To ask the ITC or the USTR to determine the total size of all barriers, I think would be beyond the economic forecasting capability of the USTR.

For example, how do you determine how much insurance you could sell in Taiwan if Taiwan did not prohibit the sale of insurance by a United States company? I was looking to see if it was pared down sufficiently so that it would be manageable by the USTR.

Mr. DANFORTH. I think that it is manageable by the USTR. Obviously, anytime you are asking for an economic estimate what you are going to get is an estimate based on the best judgments of the estimator.

We had for a while, in fact until yesterday, a provision that Congress could have a provision to second-guess the estimate of the administration. That was taken out and it was replaced by the idea of the Ways and Means and Finance Committees being able to initiate cases. I think the relationship between those two committees and the administration, the hearing process, the ability to communicate with the administration and the possibility of filing our own 301 cases is going to be what will keep the process honest. I think in the end what will keep this process honest is the openness that has been created, the fact that reports are going to be filed, that estimates are going to be made. And if an administration comes up with a ridiculous estimate, that will be a matter of public record that will be so identified.

Mr. RIEGLE. If the Senator will yield at that point, I would just like to add a thought or two on it. We clearly require the measurement of the aggregate of all the barriers. So that we know what the total figure is of all the patterns of unfair trade, as they would come through on all products and services. You then have that total number as the backdrop against which to sort out what you would call major barriers. We have not assigned a precise dollar value to that because we think there has to be some flexibility there in doing it. We do not want to get into the question of things that are so small that they are not worth pursuing. But I would say to you it is my view, and having gone through endless discussions on this, that if we are talking about items in the multimillion dollar category, $10 million, $15 million or higher, that those become, in my mind at least, figures that constitute a major problem. It would not have to be items in the billion dollar category, but clearly each one has to be looked at. We have a judgment to make.

The administration has a judgment to make, and we in a sense have an opportunity to reflect on that judgment ourselves if we feel they are using that as a dodge against going after the major problem. So if they came back, for example, and only moved on 5 percent of the problem, I imagine the Senator from New Jersey and myself and others would feel that that was not a good faith effort to deal with the problem. But it does not mean that they have to move on 100 percent of the problem, the other extreme.

Mr. BRADLEY. If the Senator would allow me, I understand what you are saying. You are saying, yes, the USTR is supposed to determine the total value of all the barriers and then it is only required to act on the major barriers. My problem is the virtual impossibility of determining the total amount of barriers and the value of the total amount of barriers. I do not think that the analysis, in terms of the total amount of barriers, is as important to the sponsors of the amendment as is action on the major barriers. Is that not correct? I mean, it is action on the major barriers that will supposedly open up the trading system.

Mr. DANFORTH. Mr. President, if the Senator will yield, I am sorry, I was distracted from the Senator's question. But as I understand it——

Mr. BRADLEY. Let me repeat it, because I thought I heard each of you say something different. As I understand it, it is the major barriers that the amendment is directed at.

Mr. DANFORTH. Correct.

Mr. BRADLEY. The question is whether, prior to acting on the major barriers, you have to have the total amount of barriers that a particular country has in effect.

Mr. DANFORTH. The answer is "No."

Mr. BRADLEY. The answer is "No." Thank you very much.

Let me now, if I could, ask you to explain once more why the Finance Committee and the Ways and Means Committee are allowed to petition the USTR? My concern is that suddenly the Finance Committee and the Ways and Means Committee are inundated by requests from each one of our separate constituencies that believe they have a problem on trade.

Mr. DANFORTH. Well, that is exactly what we want to avoid. In fact, that is not what we provide in the bill. In other words, we do not want every member of the Finance Committee to be a kind of an ombudsman for everybody's claim that some customs official in, say, Japan or Korea has looked crosswise at them. So the only 301 cases that would be in order would be 301 cases which are of the super cases, the all-embracing cases which are provided for in this bill.

Mr. BRADLEY. So that someone comes to a member of the Finance Committee, the committee member brings it up, the committee then makes an initial determination whether it is a major barrier? The committee then makes that determination? The committee petitions the USTR?

Mr. DANFORTH. What the committee would determine is, is this a consistent pattern case? Not is this——

Mr. BRADLEY. A major——

Mr. DANFORTH. The committee would not file a case, would not even consider, within the committee, a case that did not relate to a country with a consistent pattern of unfair trade practices.

Mr. BRADLEY. One last question——

Mr. RIEGLE. Would the Senator just yield on that point, because I think there is a point of confusion that does seem to exist. In terms of whether or not there is a requirement to do a sum total of all of the trade barriers, it becomes a benchmark.

In fact, in another area of the bill on page 133, separate and apart from our amendment, there is a requirement that there be a total valuation of all of the trade barriers, country by country. So, in fact, we have that as a backdrop against which to measure the sorting out of the major ones, country by country.

So, in fact, both items have to be done, but one is done in one place in the bill. The major items are culled out and required out under our amendment.

Mr. BRADLEY. So that what the Senator was referring to was the provision that was already in the bill that required the listing of trade barriers? Not a new process that had to take place prior to the measure? I think that is what the Senator from Missouri also stated.

Mr. RIEGLE. I think that settles it; yes.

Mr. BRADLEY. One last question, and that deals with the issue of compensation.

If the USTR has to allow compensation for a trade barrier, as I understand it under the amendment, rather than simply going for elimination of the trade barriers—if, for example, the United States wanted to eliminate trade barrier x and the Japanese came back and said, well, no, we do not want to eliminate trade barrier x, but we will, say, increase American imports or whatever—we would be allowed, under this amendment, to accept that compensation; is that correct?

Mr. DANFORTH. That is correct.

Mr. BRADLEY. OK. The question that I would have is, in your opinion: Would this allow a target country to determine which exports that we send to Japan will be accepted in Japan? If we want access to their market and they say, "No, you can't have it but we will buy more of x in your country," can they not then determine which of our export industries be winners or losers; which we will be allowed to export to Japan?

Mr. DANFORTH. But I think that is necessarily the case anyhow. In other words, I think that there are certain products, always, which it is going to be impossible to get into another country's market.

The point is: Then what happens? Is there any penalty that is attached to that? That is the reason for the compensation option.

Mr. BRADLEY. One last—this is the last—question.

Do you think that if a consistent pattern of trade barriers has been established, and let us say the country is Japan and we do respond against major trade barriers, do you have any concern that the Japanese might then respond in terms of maybe putting a tax on American denominated financial investments?

In other words, they would maybe buy more U.S. goods but, necessarily, they would then buy less U.S. securities, with the result being higher interest rates in this country?

Mr. DANFORTH. I am not sure that I understand. In other words, what you are saying is that——

Mr. BRADLEY. It gets back to the first question and that is whether the action is going to be targeted at a few major barriers? Or whether the action will hit a sufficiently large number of barriers so that the country in question might want to retaliate against the use?

Mr. DANFORTH. There is no effort to try to hit every conceivable barrier. I think that that would just not be effective administration of the trade laws. The effort is to attempt to focus on those barriers where focussing on them would have a positive effect on the overall trade relations between the two countries and be of net benefit to the United States.

Could there be a retaliation? That is always the case in trade. Of course, there was with respect to, for example, the problem with Europe in agricultural products with the acceptance of Spain and Portugal to the Common Market. You can, I suppose, get into that situation.

But it seems to me that what we have done here is to say that we are going to have a double track. We are going to have a track of negotiations which are going to be entered into and, at the same time, we are going to have a track of pursuing section 301 of the Trade Act in a very systematic way against those countries with patterns of unfair trade practices.

I do not see any better option than that, other than just sort of nonchalance about problems that exist.

Mr. BRADLEY. The amendment, however, does not state any particular country; is that not true?

Mr. DANFORTH. That is right.

Mr. BRADLEY. It only deals with a pattern of action that might be found in any number of countries, is that not correct?

Mr. DANFORTH. That is correct. We talked about, and had in previous drafts, the possibility of identifying five countries but taking action against three countries. In the process of negotiation, we decided we wanted much more flexibility than that.

The administration might think that, you know, there were seven countries. It might think that there were two countries. We did not want to put it in that kind of a straitjacket.

Mr. BRADLEY. So that the Senator does not have any particular country in mind but, rather, a pattern of action?

Mr. DANFORTH. We do not identify any country in the bill. If you would like my own opinion as to countries that have a pattern of unfair trade practices, I would be happy to share my ideas with you.

Mr. BRADLEY. I thank the Senator. Maybe we could do this at a later time.

Mr. RIEGLE. Would the Senator yield? Bear in mind that while we do not name any country we, in fact, require the naming of all countries with a consistent pattern of trade barriers and market-distorting practices. So, while we do not attempt to name them by name here, we know who a number of them are. The fact is that the USTR is required to identify each and every country on that list.

If I might just say, with respect to the whole question of retaliation, I think when a nation is running a $60 billion bilateral surplus with another nation and part of it is due to unfair trade practices, barriers to entry in the case, say, of Japan—I think the notion that somehow if we move properly, as we should, against the unfair trade barriers and then they find another way, whether it is through the manipulation of sales of government securities or whatever to, in effect, offset that or to practice a form of retaliation, I would think that our Government, our President, our Congress would really be very troubled by that. I would certainly be troubled by that.

If I saw a nation attempting to play by an unfair set of trade rules, and when we tried to make the trade rules fair they substituted some other device or some other way of trying to offset improvement that came for making the rules fair—you know, I cannot imagine that we would find that acceptable or that the Senator from New Jersey would find it acceptable.

Maybe that would happen hypothetically, but if it did, then it seems to me we face a new kind of challenge, and it would seem to me that is one we would have to try to find a way to respond to.

Mr. BRADLEY. It goes back to the first question I asked. I think any retaliation is largely determined by the size of the trade that you are dealing with.

In other words, if you are dealing with only a few major barriers and you want to make the point in order to get access to markets, and you want to deal with the one, two, three or four most significant barriers in a 301 action, then it would be unlikely, I would think, that a country would respond, and not all countries could respond effectively.

If you were taking action wholesale against 20, 30, or 40 existing trade barriers that would have a substantial disruptive effect on the economy of that particular country, it would be quite understandable that that country might retaliate. One of the ways a country that invested significantly in our own Government bond market could retaliate would be simply to put a tax on any interest derived from a U.S. Government security, meaning no one from that country would invest in U.S. Government securities. When they did not invest in U.S. Government securities, our interest rate would have to rise in order to finance our Government debt. That would be a potential retaliatory action that would be occasioned only because the action that we took under this particular provision disrupted a sufficiently large amount of their economic activity.

(Mr. ADAMS assumed the chair.)

Mr. RIEGLE. If the Senator will yield, I will respond by saying that we are only talking about the part of the deficit that relates to unfair trade practices, market distorting practices. We do not try to eliminate them all. We do not try to do it overnight. It is over a 3-year period. So it has flexibility.

I would hope we would not want the record to reflect that the part of the deficit due to trade cheating will be accepted because if we try to stop trade cheating, they will find some other way to punish us to make up for the elinination of trade cheating. Let us not send that signal out of here. I would hope the signal would be it is time to stop the trade cheating, not just the major cases which is what we are targeting here. All trade cheating ought to stop, especially with a nation running a $60 billion trade deficit with the United States.

It sounds to me like we are worrying about who we are offending. We should be offended by what is going on here.

Mr. BRADLEY. I thank the Senator for his comments. I do think this version of the amendment is much improved over the earlier version. It is significantly different than the amendment that everyone is interested in which passed the House. I think you have made major improvements in this amendment.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, I ask unanimous consent that Senators KASSEBAUM and MURKOWSKI be added as cosponsors to the amendment No. 465.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Washington is recognized.

Mr. EVANS. I thank the Chair.

Mr. President, a little later on in my remarks I will have a question or two to ask the sponsors. I hope they will be here to respond to those questions.

First, let me say that I have listened with care to the debate, both on and while I was off the floor, from its very beginning or inception this morning. I have tried to keep in contact with this amendment over the last several weeks as it has evolved, and have carefully read it, the amendment itself, and how it relates to the remainder of the bill.

I guess I would have to say first that I agree wholeheartedly with my colleague from Missouri. This is not the Gephardt proposal. It is not a son of Gephardt. It is not related to Gephardt. It is not an in-law of Gephardt. If I were DICK GEPHARDT, I would be ashamed to have any relationship at all to this proposal.

At least the Gephardt provision straightforwardly and with no bones about it says:

> We want to equalize trade between two nations and if there is a trade imbalance we are going to see to it that it is rebalanced.

So this amendment certainly does not deserve to be called a Gephardt amendment or to have anything to do with it.

I would stipulate to my good colleague from Missouri that I will not in any way attempt to categorize this as a Gephardt amendment.

Mr. President, before getting into the details of this particular amendment, I think it is important to once again realize why in the world we are here. There was no proposal for a trade bill in 1980 or in 1981 or in 1982. We are here in 1987 because of events of the last several years. I do not believe that it can be shown effectively that during these last half-dozen years the major change has been in an increased tightening of external markets.

Other nations have not made their trade practices more restrictive than they were 7 or 8 years ago. Something else has changed.

What has changed? I think we know, if we only thought about it, what the major, overwhelming reason is for the trade deficit we see today.

In remarks a few days ago I pointed out and read from the recent CED report, "The Twin Towers of Deficit." They were talking about trade and our fiscal deficit. That is a pretty prestigious group. They did a remarkably thorough study.

They pointed out what the real truth is, and the real truth is that between 1981 and 1987 the major, the overwhelming thing that has changed is not other nations' trade practices. Some of them may be restrictive, some may be terribly restrictive, but they are no more restrictive today than they were then and probably in a good many cases somewhat less restrictive.

The big thing that has changed is that we have a huge fiscal deficit. That is item A. Out of the huge fiscal deficit grows item B, which is that the dollar becomes stronger internationally and interest rates in this country have to reflect the need to compete with others and attract money here to finance our deficit.

So our dollar became more secure, more sound, as some would call it, more expensive others would call it, and the end result is that we plunged into the deep trading deficit in which we now find ourselves.

We drove ourselves out of those markets for the most part. We have not, as a result, tried to learn how to compete more aggressively and to recognize the circumstances in which we are in now. We, in this amendment, I suggest, as well as in many other amendments which have been adopted to this bill, or the bill itself, have acted like a nation frightened, a nation incapable of competing, a nation wishing to build some kind of trade barriers around itself but call them by any other name under the Sun, except what they really are.

I, for one, just simply do not believe that this Nation is in that circumstance. I do not believe that we are not competitive. I do not believe that we cannot do a better job. I do not believe that we cannot rebalance the trade imbalances that we have built up. But it will take some time to do so, and we are on our way to doing that right now.

We do not need the help or the hindrance of this bill and these amendments to accomplish that.

Let me, with that, speak directly to this amendment and some of its provisions.

On page 2 of the amendment, in section (a) (1)(A), it says:

> Identify those foreign countries that, on the basis of such report, maintain a consistent pattern of import barriers and market distorting practices.

Well, that is a pretty good idea. Why do we not just amend it slightly and eliminate the word "foreign" and say, "Let us identify those countries that on the basis of such report maintain a consistent pattern of import barriers"?

How do we stack up against our trading partners? Are we all that much better? Well, maybe we are, but we have engaged in the last few years in voluntary automobile restrictions that have to be concluded to be a significant trade barrier—significant enough to cost the consumers of this country over $5 billion.

In the farm bill we all passed just this last year and established a two-tier pricing system that clearly subsidizes our export commodities, and we do so for our own benefit, you cannot conclude that that is a free trading practice. And in this bill itself we add to sugar quotas. We add to lamb quotas. We make sure that the steel industry is protected a little more. We even go after fence panels that have the remarkable penetration in our market of one-half of 1 percent, and yet we want to protect them.

Let us be honest about it. Every nation on Earth has some set of protective trade legislation, and I am not sure that it is the right idea to just identify those foreign countries, because maybe if this amendment is to be an honest attempt to try to measure trade barriers one against another, we ought to do it on a net basis—on a net basis, and say OK, if you have trade barriers that ought to be reduced, measure those against the trade barriers we may have with that same nation in the other direction, or measure it against the cost to American consumers.

In our attempt to preserve American jobs on the one hand, which is a good thing to do, we ought to keep in mind the problems of our consumers on the other. Maybe we need to measure one against the other and get a net benefit of any such legislation.

And then it goes on and says in paragraph (B):

> Identify the major barriers and trade distorting practices of each foreign country identified under subparagraph (A) the elimination of which are likely to have the most significant potential to increase United States exports.

The way that is worded we do not aim only at the countries with which we have a negative trade balance. This applies equally to nations with which we may have a significant, positive trade balance. And it may include some nations with which we have significant trade balances, positive trade balances and also have some significant security concerns.

Let me mention just two—Turkey and Egypt. Is the next thing we want to do as a result of this proposed amendment put Turkey and Egypt as countries with which we have positive trade balances and which may well have some significant trade practices that we do not like and at the same time go to them hat in hand and say, "We have a little security arrangement that we would like you to do for us?"

> (C) Estimate the total amount by which United States exports of goods and services to each country identified under subparagraph (A) would have increased during the preceding calendar year if the acts, policies, and practices of such country identified under subparagraph (B) did not exist.

Mr. President, I suggest that this is giving to the U.S. Trade Representative a virtually impossible task:

> Estimate the total amount by which United States exports of goods and services to each foreign country would have increased.

It seems to me in some respect that is the height of American arrogance. If foreign countries were to reduce all of what we would consider their bad trade practices, their barriers, their prohibitions against imports, reduced them all and become an extraordinarily free trade country, freer than we are, who is to say who would fill those markets? Who is to say if Japan, for instance, were to reduce all barriers toward rice imports, that it would be the United States exporting rice to Japan or would it be Thailand or would it be Taiwan or would it be almost anyone else?

The U.S. Trade Representative and staff, I think, are remarkably intelligent and good people. I think they are smart enough to do many things, but I will bet if they were willing or able to do this accurately and to predict precisely where our exports would go and to what degree they would flow and quantify those exports, they would be wasting their time as staff members of the U.S. Trade Representative. They ought to be on Wall Street because they could make millions with that kind of knowledge.

Mr. President, as we go on to page 4, sub (a); at the top of the page—it says in preceding paragraphs, "In making the determination of which foreign countries to identify the Trade Representative shall take into account," and it says:

> (a) the international competitive position and export potential of the United States products and services.

Well, Mr. President, we have already done a good deal in this bill and in the rejection of Senator PACKWOOD's amendment on section 201 to help ensure that through retaliation, certain retaliation of other nations we will be less competitive internationally and less export-oriented in terms of our potential than we would be if we did not pass this darned bill.

Now, Mr. President, let me get to a question or two as we get to the agreements for the elimination of barriers. It say that:

> In consultations with foreign countries, the Trade Representative is required to request, with respect to an investigation, an agreement which at a minimum provides (a) for the elimination of or compensation for the acts, policies, and practices defined by no later than the close of a 3-year period; (b) the reduction of such barriers and practices over such 3-year period, with the expectation that United States exports to the foreign country will increase incrementally during each year within such 3-year period.

First, I would ask my colleague from Missouri, with the scratchings out and the changes and the inserts that I have, have I read accurately what the final words are, or what are they?

Mr. DANFORTH. In paragraph B.

Mr. EVANS. Paragraph B on page 5.

Mr. DANFORTH. The fourth line of that paragraph, line 13 of the page, "country will, as a result, increase incrementally."

Mr. EVANS. All right, I do see the "as a result" off to the right. I wrote over it. So if the Senator will listen to see if I have it accurately now, it says:

> The reduction of such barriers and practices over such 3-year period, with the expectation that United States exports to the foreign country will, as a result, increase incrementally during each year within such 3-year period.

Mr. DANFORTH. That is correct.

Mr. EVANS. Mr. President, that just gets me back to what I said a little earlier. Even after having reduced or eliminated all barriers, if a country fully lives up to sub (a); it says "The elimination of or compensation for"—well, let us say the country does not want any compensation; it eliminates all of these identified barriers to trade. And then the report as each year goes by shows that the U.S. exports to that nation have not increased, have not increased. Maybe they have decreased by 5 percent.

If they have decreased, I would ask my colleague from Missouri, what happens then? If they have eliminated all of their unfair trade practices and U.S. exports to that nation have not increased, have decreased, what happens then?

Mr. DANFORTH. As I understand the question, supposing that the trade barriers are eliminated, which is the negotiating objective, as the Senator read from paragraph (b) on page 5, but despite the efforts and the negotiations, in fact sales did not go up for reasons other than the barriers: we were not trying, we did not have sales forces in the field——

Mr. EVANS. Or other countries might have been more competitive than we.

Mr. DANFORTH. The value of the dollar changed. Other countries were more competitive than we. Is that what would happen?

Mr. EVANS. Yes.

Mr. DANFORTH. The answer is that nothing would happen.

Mr. EVANS. There are some people who seem to have a great misunderstanding about this bill.

I ask my colleague from Michigan: Does he have the same understanding?

Mr. RIEGLE. I answer the Senator's hypothetical question by saying that it is hypothetical and does not have much meaning. That is no disrespect to the Senator from Washington, when I say that.

We have the book I referred to earlier, the "Foreign Barriers Trade Estimate," 300 pages. We know what we can be selling today. So to assume that we would not be selling more in the future, when we know there are multibillion-dollar volumes we could sell today, I do not quite understand the meaning of that question.

Mr. EVANS. I want to clearly get this on the record: It seems to me that you have in this amendment, under this section, talked about agreements for the elimination of barriers. Then you say that the Trade Representative shall seek to negotiate an agreement which, at a minimum, provides for, first, the elimination and (b) a reduction of such barriers, with the expectation that U.S. exports to the foreign country will as a result increase incrementally.

Mr. DANFORTH. Will the Senator allow me to address the point I think he is raising?

Mr. EVANS. Yes. There are other words here which have been excluded: "can be expected to." That was eliminated, and it says, "will as a result," which, it seems to me, is a much stronger set of words. I do not see how you can worm out of that.

Mr. DANFORTH. I wish the Senator had been with me at 1 o'clock last night, when I was going from one room to another, negotiating those words, without any clear view in my own mind as to what the distinction was between the words so aggressively sought by the various negotiators. I think we did come up with a good consensus.

I will tell the Senator from Washington what we are getting at. We are getting at barriers, unfair trade barriers, to U.S. exports. We are not trying to create some trade balance, and we are not attempting to assure American success in international trade even where we are not competitive. We are attempting to set a negotiating standard—namely, the elimination of barriers.

The problem we are attempting to address is the case of what I call mowing the grass. If you mow down a trade barrier and a week later another trade barrier pops up, there is really nothing gained through the negotiations.

I think we have all been in that kind of negotiation. You think there are three identifiable problems you are trying to negotiate, and you get those three removed, and you breathe a sigh of relief and say, "Gee, we have won." Then a surrogate barrier, a surrogate problem, arises. Senator BYRD earlier called it peeling the onion.

Some countries have become so adept at developing unfair trade practices that you negotiate one—and this has been one of the problems with section 301—and you get another one behind that, and another one behind that, and you quickly lose patience with your efforts.

We are trying to say that where the problem is unfair trade practices, the solution to the problem does not rest so much with the precise nature of the unfair trade practice but with the generic unfair trade practices that have been created.

This bill does not—I repeat, not—attempt to create a market share or a guaranteed market share for American products. What we do say is that where America does have the comparative advantage, then the specific identity of the unfair trade practice should not be a kind of shelter behind which those who would use unfair trade can hide.

Mr. EVANS. I have listened carefully to that explanation, and I agree with my colleague from Missouri in everything he has said; but that is not really the aim of the question, nor do I believe that is the aim of subparagraph (b) which is listed here.

To use a mowing of the lawn allegory, that it is important to mow the lawn, to mow down those barriers, is perfectly good. But after the lawn is mowed, is it wrong for a lamb from some other field to come across and eat the grass?

Mr. DANFORTH. The answer is no.

Mr. EVANS. Then, why is subparagraph (b) in there at all?

Mr. DANFORTH. May I read to the Senator the preamble, when you get to the section on page 4, (c)(1):

> In the consultations with a foreign country identified under subsection (a)(1) that the Trade Representative is required to request under section 303(a) with respect to an investigation initiated by reason of subsection (b), the Trade Representative shall seek to negotiate an agreement which provides for—
>
> "(B) the reduction of such barriers and practices over a 3-year period with the expectation that United States exports to the foreign country will, as a result, increase incrementally . . .

In other words, what this says is that the trade representative is to enter into negotiations with the offending country and that the objective of the negotiations is to be the removal of unfair trade practices, with the exception that that removal of an unfair trade practice will not be supplanted by yet another unfair trade practice, but will show up in actual sales, provided we continue to have the comparative advantage.

That is the thrust, I think, and the intention of it.

Mr. EVANS. I have listened with great interest, and I also have read the words very carefully. That may be the thrust, but I do not think that is what the words say.

Mr. DANFORTH. I disagree with the Senator from Washington. I think that is precisely what the words say. We say in this provision what we expect the negotiating objective of the trade representative to be. The negotiating objective of the trade representative is the reduction of barriers, with the exception that the reduction of barriers will have a positive result, rather than just have the grass spring up again after you mowed it.

Mr. EVANS. You are still aiming at a different direction than I. We are not communicating very well, because it seems to me, from what the Senator has just said, that I may have to take back all of what I said at the very beginning in relation to your House colleague from Missouri, in relationship to your good House colleague from Missouri because it now begins to sound a little bit like at least a second cousin, if not the "son of Gephardt".

Mr. DANFORTH. No.

Mr. EVANS. Because in the consultation, the Trade Representative is required to request and on and on, but it gets down to the Trade Representative shall seek to negotiate an agreement which at a minimum, at a minimum provides for the elimination of the acts, policies, or practices, and I have no argument with that. I think that to the degree we can accomplish that kind of removal of trade barriers that may be a legitimate negotiating goal, but when you add to that the words that the reduction of such barriers and practices with the expectation, not with the hope, not with anything else, but the expectation that United States exports to the foreign country will as a result increase incrementally, those words, when you add them all together, at least as I understand the English langauge, sound an awful lot like a requirement that the U.S. exports to that nation increase.

Mr. DANFORTH. That is absolutely opposite to the agreement that we have reached in negotiating this language, absolutely opposite to my basic philosophy of international trade, and I can only say to the Senator that first I do not read this language in that way. I do not comprehend how it could fairly be read in that way.

But the Senator is a fair man and he has read it in that way and I would simply state that for the purpose of creating legislative history that is absolutely contrary to the meaning of the language as we have drafted it.

Mr. EVANS. Would the Senator be amenable to an amendment that said instead of "with the expectation", "with the hope that"?

Mr. DANFORTH. Of course, I would be. Why does the Senator not offer it?

Mr. EVANS. I may have several amendments to offer before I get through.

How about "the possibility"? I am trying to find out which level of adjective the Senator is getting here.

Mr. DANFORTH. It has just been pointed out to me, and I certainly have an interest in this amendment, but I cannot speak for Senators DOLE and BYRD in negotiating their language. I cannot count the number of hours that have been spent in an effort to put language together. I can only assure the Senator that to me "hope" and "expectation" are synonymous, and the intention here is not to create the assurance that in fact we are going to gain a certain market share or be successful if we do not deserve to be successful.

The intention is to see that removal of trade barriers has a practical consequence as opposed to the removal of the trade barrier simply being a kind of revolving door with yet another trade barrier zipping through right after the first one has been dispatched.

Mr. EVANS. I understand that perfectly.

Mr. DANFORTH. That is the sole exclusive only intention of this language. There is no other intention.

And I want to assure the Senator that his initial comments, which I greatly appreciated, about the distinction between this provision and the Gephardt provision, is a well-taken distinction and fully intended distinction on the part of this Senator.

Mr. EVANS. Let me just say that I think that I would have to disagree with my colleague on the belief that "hope" and "expectation" are synonymous.

Some years ago when my sons were small enough that I could expect something of them, there was a great difference if I hoped that they would go out and mow the lawn from the expectation that they would go out and mow the lawn, and to say that the two were synonymous, they might adopt that as a belief, but their parents certainly would not adopt that as a belief. I think there is a significant difference between the two.

Mr. DANFORTH. The Senator is a good Senator and I am sure a good father and I appreciate his comments.

I can only say that from the standpoint of a legal distinction it was not the intention of this participant in the drafting of this provision, and I can assure the Senator that I did participate quite closely in the drafting of this. It was not my intention to create anything that could conceivably be identified with the Gephardt type assurance of market share or a reduction in the actual trade deficit.

Mr. EVANS. I appreciate the exchange with the Senator from Missouri.

There is a significant difference, and I understand what he is trying to get at, a significant difference between lowering trade barriers only to have them replaced with other trade barriers and the lowering of trade barriers and keeping them down, but then having competitors rather than the United States moving into that market, and we find then unless we change some other things that we will be truly disappointed in the results of this or any similar legislation.

Let me with that, Mr. President, say as an example I had the opportunity last December to visit five of the ASEAN nations—the Philippines, Thailand, Indonesia, Malaysia, and Singapore. During the course of that visit, I had an opportunity to talk with the top trade and foreign affairs and heads of state of virtually every one of those nations but also interestingly enough had an opportunity to talk to the American chambers of commerce abroad in each of those five nations.

I gave more speeches to American chambers of commerce in 3 weeks than I would ever have a chance to do in the United States. Let me tell you what they told me about trade problems, and this was just 8 months ago. Their complaints were not about the host country in which they are located. Their complaints were not about the trade barriers which may exist that keep people out. After all, in each case they were Americans who were there and who were doing business. Their complaints were about their own American counterparts who could not or would not come over and compete.

They found the extraordinary situation where when currency starts following in our direction when it makes American products overseas less expensive and more competitive, it also at the same time makes it more expensive to keep American personnel in that particular country. So, do, too, many corporate treasurers. They look at the balance sheet and the cost of things, and they withdrew their own people from the foreign nation, just to the time the products they are trying to sell are becoming more competitive.

In one of those nations, I had the representative of a major American manufacturer and retailer tell me that some of the people in the country that they were representing or that they were in had risen to the point where they were consumers of small appliances, refrigerators, other similar appliances. They thought it was a good market. They got in touch with their American counterpart manufacturers, had them come over and take a look and they found to their astonishment that the American manufacturers were unwilling to set up a line for refrigerators that were small enough to deal with this nation, refrigerators that worked on 22 rather than 110 volts. For them it was not important enough to compete.

But I tell you one thing: The Japanese were in that country competing. They had people there and they were asking them what they wanted and what they needed and they produced what they wanted and what they needed and as a result they got the business.

Mr. President, it is time for us to recognize that the most important thing we can do is internal. It is to become more efficient, to become more competitive, to understand our foreign counterparts, to reduce dramatically our fiscal deficit and, of course, to do as we can do and I believe are consistently doing, working to reduce little by little but steadily the trade barriers which exist between us. And those trade barriers are being reduced without resort to the several canons of legislation that are included in this bill.

Let me finally, Mr. President, just refer to one final section, the last item on this amendment, which I find rather remarkable.

And that would be the opportunity, if the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives determine by a resolution adopted by that committee that an investigation should be initiated, then off we go, the committee can file a petition.

Mr. President, I cannot think of anything that would be less prudent than for us to imbue the 18 or 19 members of the Finance Committee with that extraordinary opportunity to wallow around in this field, initiating, left and right, the kinds of investigations that would almost certainly come. What in the world is that committee going to do when a constituent comes in and demands help? Each one will go to his or her colleagues and ask for their support for this particular petition so that when someone else has a petition, they would have your support.

Mr. President, I would suggest, if this amendment is ever adopted and put into law, that 82 of us in the Senate will be left outside looking in and the 18 newly tapped cardinals of the Finance Committee will have the opportunity to issue who knows how many of these petitions. But I will guarantee you, knowing a little bit about our procedures and our policies around here, the temptation to say yes is far, far greater than the restraint to say no.

We have seen a pretty good example of it in the course of this last week in the penchant of everyone here on the floor of the Senate to get involved in the work of the Foreign Relations Committee. We have spent more time on Foreign Relations activities than we have on trade. And I suspect if this is adopted it would lead to precisely what I fear most and that is an avalanche of new petitions overwhelming any U.S. Trade Representative's office and probably lead very shortly to the necessity of building congressional staff and all of the mechanisms necessary to become a miniature U.S. Trade Representative right here in the U.S. Senate.

Mr. President, as you can probably understand from my remarks, I think that this is not, as I said at the beginning, any relative to all of a Gephardt amendment, but on its own and individually and with whatever genesis it has it is still a very bad piece of legislation.

Mr. CHILES addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. DANFORTH. Will the Senator from Florida yield for 15 seconds?

Mr. CHILES. Yes.

Mr. DANFORTH. Mr. President, I ask unanimous consent that Senators DOMENICI and SPECTER be added as cosponsors of the underlying amendment.

The PRESIDING OFFICER. Is there objection?

Mr. RIEGLE. Mr. President, if the Senator will yield, I would also add Senators DASCHLE and BAUCUS as cosponsors.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Hearing no objection, it is so ordered.

The Senator from Florida.

Mr. CHILES. Mr. President, I rise in support of the proposed amendment. I compliment the Senator from Michigan and the Senator from Missouri for their work in regard to this amendment. It contains an approach to taking down foreign trade barriers that I have advocated for 3 years. If we are to succeed in opening markets to our products, we must take a bottom line, results-oriented approach. It is fine to negotiate about trade barriers, but we also need to see some results.

For this whole decade we have been negotiating with the Japanese to remove their trade barriers. And occasionally, the Reagan administration has declared victory in these industry talks. But even after the Japanese adjust this rule or that, we still find we are not increasing our sales in Japan—and that our trade opportunities haven't grown.

We all understand that our trade imbalance is primarily a matter of macroeconomic imbalances—the largest of which is the U.S. budget deficit. I find it sort of interesting that those who have brought this up in the trade debate are often the ones who have stood aside and "spectated" when it was time to deal with the budget deficit.

But even if our macroeconomic house were in order, the legitimate issue of foreign trade barriers would remain. We simply cannot permit nations to openly pursue predatory trade policies.

Last winter, a fascinating article appeared in Foreign Affairs. It was called "The Japan Problem" and was written by a European journalist who has lived in Japan for 35 years. He talks about Japanese trade barriers in the following way, and I quote,

> Freedom of the market is not considered a desirable goal in itself, but only one of several instruments for achieving the ultimate goal of industrial expansion. The economy is structurally protectionist in the sense that all kinds of informal, if not official, barriers to imports must ensure that foreign competition will not undermine its aim.

He goes on to tell us that we deceive ourselves if we think our market-opening initiatives have had a major impact. He says, and I quote,

> International trade legislation of the most general kind is unlikely to have enough effect on Japan. Only action that singles out Japan, in a carefully measured dose, will imbue the Japanese system with the sense that the situation has become intolerable to the United States.

He tells us that there is really no leadership over there that can, through the force of political or moral suasion, lead Japan toward more open markets. The only way to motivate the bureaucracy and the industrial leaders who control the Japanese economy is to give them a bottom line goal and demand that they meet it. Only when they see we are serious about market opening, can we expect the barriers to come down.

The Commerce Department has documented the extent of Japanese barriers to trade. In 1985, Commerce publicly stated the size of the barriers as exceeding $15 billion. These barriers range across a range of products and industries, including: beef, citrus, fish, wood, paper, telecommunications, semiconductors, computers, pharmaceuticals, medical equipment, financial services, aluminum, tobacco, chemicals, cosmetics, and machine tools. It's time for us to deliver the message to Japan and other countries that refuse to open their markets.

This amendment is not protectionist. There is a fundamental difference between this approach and that of the Gephardt amendment. In effect, the Gephardt amendment would trigger retaliation based on the size of the trade deficit. And because the trade deficit is determined by the amount of both exports and imports, countries could be penalized for their honest ability to market goods in America.

But goals based on bottom-line exports would trigger action only if U.S.

exports did not rise because of foreign trade barriers. Under this amendment, the President determines how much U.S. exports would increase if the barriers come down. Countries with trade barriers are encouraged to enter agreements to remove their trade barriers. But if the barriers don't come down, the President would retaliate under section 301 of our trade laws.

My only regret about this amendment is that it doesn't go far enough. Over the last 3 years, I have introduced legislation that would require the President to close access to the U.S. market by the extent that U.S. exports fell short of the bottom-line goals. And he would be empowered to restrict access to our market using the very nontariff barriers to trade that the Japanese and others use against us. Foreigners would remove those nontariff barriers or they would get a dose of their own medicine.

My hope is that in conference this amendment will be strengthened so that retaliation would be mandated by the extent of the shortfall. This simple, straightforward approach would motivate foreigners to begin dismantling their barriers so that we could have open and fair trade.

But I do believe that this amendment is a great step forward. It focuses on the bottom line and initiates a process through which barriers can be brought down. I urge my colleagues to support it.

The PRESIDING OFFICER. Does the Senator from Florida yield the floor?

Mr. CHILES. I yield the floor.

Mr. CHAFEE. Mr. President, I was seeking one of the proponents of the measure. In his absence, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I have looked over this new amendment and, first of all, I would like to make a parliamentary inquiry. Is it my understanding that the tree has been filled out and that there are no amendments to this amendment possible?

The PRESIDING OFFICER. The Senator is correct. The underlying text that is proposed to stricken can be amended, but the Senator is correct that other than that, the amending tree has been filled on the amendment itself.

Mr. CHAFEE. I thank the Chair.

Mr. President, first of all I want to say as I look this over, compared to its predecessors as I understand those predecessors, I think it is a great improvement and I do want to congratulate the distinguished Senator from Missouri for the hard work that he has put into this because this represents primarily his efforts.

I just want to say to everyone that there is nobody here who has worked harder than the Senator from Missouri, the senior Senator, to achieve market access for American goods into foreign countries.

I think it is safe to say that the whole doctrine of reciprocity flows from the efforts of the Senator from Missouri.

He has pursued these ever since he has been in this body. So, whatever success we have—never mind this particular provision, but through 301—is as a result of the continuous, persistent efforts of the Senator from Missouri who has been so deeply involved and conscientious in pursuing this effort. As he stated continuously, the Senator from Missouri is opposed to protectionism but he does demand that other nations open their markets to American goods. I want to commend him for what he has done.

I have a particular question, if I might, which I would like to direct to the Senator from Missouri.

As I look at this, and I think we are all working from the same script, as it were, I am referring to page 8(e), "Petitions by Congressional Committee." I look at this as a really freestanding section. When it talks about a consistent pattern of import barriers or market distorting practices, that there is no reference to the prior sections of this amendment—let us call it this amendment—there are no references to the prior sections of this amendment in which the special Trade Representative is to determine whether a nation has a consistent pattern of import barriers.

Am I correct in that?

Mr. DANFORTH. That is right.

Mr. CHAFEE. In other words, I think I am correct in saying that section (e), which I am now discussing, on page 8 could frankly be lifted right out and presented as an independent amendment—oh, yes, there is a reference to "file a petition under section"—but none of the other descriptions are dependent upon what was previously referred to in this measure. Am I correct in that?

Mr. DANFORTH. Could the Senator restate his point?

Mr. CHAFEE. Yes. As I look at this, this particular section could stand alone as a separate amendment in that it is not dependent on what has taken place previously or has been described previously in the amendment. I am talking about the references to distorting practices or import barriers and other matters that are here.

In other words, it is freestanding, if you would.

Mr. DANFORTH. I really do not agree with that. I think that the thrust of this particular subsection is to say how do we maintain some sort of accountability on the part of the administration? Is there some method of creating accountability for the administration in reaching the objectives that we seek in the amendment itself?

The objective in the amendment itself has been well described here, but suppose a case in which an administration says that it wants to do absolutely nothing; that it does not want to pursue any 301 cases; does not want to negotiate; does not want to identify countries with persistent patterns of barriers and so on. Then what does Congress do?

What we are saying here is that Congress, the Ways and Means Committee and the Finance Committee, would have the power to file a section 301 petition. However, where would we file the 301 petition? We would file the 301 petition with the USTR. The USTR is an arm of the President anyhow, so the USTR could refuse to accept the petition.

So what is the advantage of doing it? The advantage of doing this is to have some mechanism where the Ways and Means and Finance Committees, in effect, can say to the administration: Here is what we think you should be doing.

Mr. CHAFEE. Let me just, if I might, voice to the Senator from Missouri my deep concerns about this particular section.

First of all, this is a very powerful section and great powers are given to these individual committees. They do not have to work in concert. They do not have to have the approval of the full body. It is a power that resides within the respective committee. The Ways and Means Committee can do it without any approval from anybody else: No passage by the Congress; no potential veto by the President. They can take certain actions and the Finance Committee can do likewise.

Let us just stick with the Finance Committee, which the distinguished Senator and I are fairly familiar with. By resolution the Finance Committee can determine that an investigation should be initiated with respect to any barriers of any foreign country.

Mr. DANFORTH. No, that is not right.

Mr. CHAFEE. Then the language has been changed since I have received my copy.

They can determine that an investigation should be initiated with respect to any barriers and market distorting practices of any foreign country that the committee determines to be a country that maintains a consistent pattern of import barriers.

Mr. DANFORTH. That is right.

Mr. CHAFEE. So the committee says: We have decided that Uruguay has a consistent pattern of import barriers. we pluck it from the air. We are sitting around there, 20 stout-hearted, loyal citizens, and we determine that Uruguay, based on some methodology which certainly is not something we are familiar with and we do not have the capacity, I would not think, at least to my knowledge—we do not have the capacity to determine whether Uruguay has or has not a consistent pattern of import barriers; but we say so.

But we say so. So we get over that hurdle. We say, "That country has a consistent pattern of import barriers." Once we do that, we can then, by majority vote, initiate an investigation with respect to any barrier.

So this is a very, very sweeping power, if I understand it correctly.

(Mr. SHELBY assumed the chair.)

Mr. DANFORTH. I have two comments.

Mr. CHAFEE. I am here to learn. I am not here to attack. I am here to learn.

Mr. DANFORTH. I cannot conceive of Uruguay being viewed as a country that would fall under this definition, because if the Senator will turn to page 3, in the middle of the page, line 12, "in making the determination of which foreign countries to identify, the Trade Representatives shall take into account" and then we get into the meaning of countries with consistent acts. (A), the acts, policies, and practices described in section 181(a)(1)(A). You have the "National Trade Estimate" as your beginning benchmark in (A). And then (B), "The level of United States export of goods and services that would be reasonably expected from full implementation of existing trade agreements to which that country is a party, based on the international competitive position and export potential of such products and services."

You have to consider: Is our product competitive? What kind of market is it? Uruguay, as a matter of fact, is not even listed in the National Trade Estimate. I do not think that is going to happen.

The second point that I would make is, Is it a power? Yes. It is a way, basically, for the Finance and Ways and Means Committees to do something. But with respect to exactly what we are doing, we are initiating a case that could be dropped by the U.S. Trade Representative. I think what we are really doing is setting up a kind of a debate with the administration on whether or not this amendment, the provisions of this amendment, should or should not apply to a particular country on a particular occasion.

Mr. CHAFEE. The Senator is quite correct, that earlier in the measure there is a description of what goes into determination of a consistent pattern of import barriers. They are listed in the red book there. There is a series of hurdles to step through. But that is for the USTR. That is not for the committee. In this section I am dealing with on page 8, it just says a country that maintains a consistent pattern of import barriers. It does not say "as described" in previous subsection so and so. The committees are not constrained by that prior definition. Maybe that is the intent of the Senator, but it certainly does not say so. That is my first problem.

My second problem is one that we are all too familiar with. That is what we might call collegial deference.

A Senator comes into the Finance Committee and says, "I am being hounded by my constituents at home objecting to the import of ceramic flower pots and something has to be done about this."

The answer from the committee is, "Do not worry. We will take care of you. We will stall them off. Let us have an investigation."

I think everybody on the floor of this Senate knows if there is something that no Senator ever objects to, and we have seen it so often in the Finance Committee, is when they refer to so-and-so as just a study. Just a study? Thank goodness. OK. Have we done that 50 times in the past 5 years or have we done it 100 times? I do not know.

But there is not a study that I have ever seen turned down. If there was, that would really be great for the rules around here, to turn down somebody's request for a study.

So what do we say to this upset colleague of ours who comes in and says, "I have these people pestering me at home. Give me some kind of solace?"

The answer from the committee is, "Well, let us see. I think we can squeeze you in under this and what we will do is we will have an investigation."

I cannot imagine anybody objecting to that. All we are doing is saying to the USTR and his group, "This is a petition to initiate a study, and it will be accepted."

Am I on the wrong track?

Mr. DANFORTH. I think the Senator is on the wrong track, in all honesty.

First of all, this is patterned after the existing law with respect to section 201. I think we could expect section 201 cases to be even more abundant than section 301 cases because 201 provides for anybody who feels that he has been injured.

There is a provision in the law which has existed at least since 1964 and probably back to 1962, but I know for a fact at least since 1964. It provides that either the Finance Committee or the Ways and Means Committee can self-initiate section 201 cases. That has been used only once in that time, so it has not been used abusively.

I do not think this would be used abusively.

Second, this subsection is a part of the entire leadership amendment. It does refer to the leadership amendment. It is not designed to put either the Finance Committee or the Ways and Means Committee into the business of canceling a host of complaints every time somebody cannot get a forum process on a docket somewhere filing a 301 case.

That is absolutely not the intention.

The intention of this is confined to those types of super 301 cases that are encompassed within the underlying amendment. That is to say, cases involving countries that maintain a consistent pattern of barriers. That is the intention of it.

I think it would be clearly inappropriate for the Finance Committee and Ways and Means Committee to become kind of a second USTR processing any 301 cases that came through the door.

Mr. CHAFEE. Could I ask the Senator this question: Is it his belief, as one of the chief authors of this measure—and I previously said I want to give the Senator from Missouri credit for this; I think he is generous in saying it is a leadership amendment but I think it is a Danforth amendment—or is it the Senator's intention, that the definition of how one goes about determining whether a country maintains a consistent pattern of import barriers is meant to encompass the proceedings that take place on page 3?

Mr. DANFORTH. Yes. I believe that the meaning of consistent pattern of import barriers on page 8 is the same as on page 3.

Mr. CHAFEE. So the committee would be expected, before it could lightly say that country A, B, or——

Mr. DANFORTH. Uruguay.

Mr. CHAFEE. Uruguay, was having a consistent pattern of import barriers, they would have to go through the steps outlined on page 3.

Mr. DANFORTH. If somebody proposed that Uruguay be identified because of something it did with respect to flower pots, I think the answer would be that that is clearly not the intention of this amendment and inconsistent with the amendment and not the sort of business that we want these two committees to be in.

Mr. CHAFEE. And it is also the belief of the Senator that this is not a power that will be used in a casual manner, if I might say so, and indeed would rather rarely be used.

Mr. DANFORTH. Bearing in mind that it relates solely to these super 301 cases and bearing in mind that in the much more general availability of committee-originated actions under section 201, that it has only been used once in at least 13 years, it is my strong belief that this would be rarely used. It could be declined by the USTR if it were used, and I really think what it does is to provide a mechanism where Congress can in effect state to the administration if necessary that we do not believe the administration is doing its job.

Mr. CHAFEE. Could I pursue this point a little bit. The Senator mentioned something to the effect that the USTR could decline to use it.

Mr. DANFORTH. Right.

Mr. CHAFEE. I do not see that power in here. As I see it, when you file a petition, then the USTR by law is required to investigate for 45 days.

Mr. DANFORTH. The general law though is that the USTR can decline a petition after the 45 days.

Mr. CHAFEE. After the investigation. My concern is that we are going to send the USTR charging off in 55 different directions to satisfy the concerns of 20 members of the Finance Committee and I do not know how many in the Ways and Means Committee. There must be 50 members, are there?

Only 37. All right. So there are 57 people who can step forward and start this ball rolling.

Mr. DANFORTH. I think that the ball is very clearly defined and the distance which it rolls is also very clearly defined by this provision.

Mr. CHAFEE. It is interesting, the Senator's reference to 201, as I understand it, that this exact power now exists in the law in 201?

Mr. DANFORTH. That is correct.

Mr. CHAFFEE. I suspect most people did not know it, but after today they are going to know it and maybe there will be more action under it. I thank the Senator.

Mr. DANFORTH. I thank the Senator from Rhode Island for his questions and also for his very kind comments.

Mr. WILSON. Mr. President, I wonder if the distinguished Senator from Missouri would be kind enough to yield to a question.

Mr. DANFORTH. I will be happy to yield.

Mr. WILSON. First, Mr. President, let me say that I think that this is good legislation, and I think the Senator from Missouri very eloquently responded to the fears of some that this was in some fashion a Gephardt amendment. It is anything but that. To the contrary, it seems to me that he has adopted here a procedure that is not at all unknown to Members of this body.

In the Wine Equity Act, in a number of other pieces of legislation, we have used a similar procedure whereby the U.S. Trade Representative identifies a consistent pattern of trade barriers being erected by trading partners against U.S. exports, and then we have mandated that there be a process of negotiation, hoping to be able through those negotiations to eliminate such barriers. Finally, as we have seen in the recent history of the Japanese violation of the semiconductor agreement where there was a result of such negotiations an agreement reached, though it was subsequently breached. We have seen that the President of the United States, even as dedicated a free trader as he is, was moved to take retaliation it was so clearly justified.

Now, this goes a step further, but it is a small step and a well-advised step.

Having listened to the debate between the Senator from Rhode Island and the Senator from Missouri, I have some questions, though, on the new provisions that have been added, that relative to the petitions by congressional committees under section 302. I must say to the Senator from Missouri, he will be pleased to know that he has allayed the fears that I had and which were voiced by the Senator from Rhode Island. I am satisfied that there would not be an abuse by Ways and Means and that Finance, on our side, would not cavalierly and casually engage in these questions.

In fact, he was so persuasive that I am inclined to think that we might even do well to lessen whatever burden might fall to the Finance Committee. I note that the distinguished chairman of the Finance Committee and the ranking member wisely acceded to the request of a number of other committees that they be permitted not only to make input to this bill, but in fact to add whole new titles to it. Nine different committees, I think, have provided something like eight titles of this bill.

Now, what I am getting at is that if this is a good idea to be used sparingly, as I expect it would be, by the Finance Committee, might it also be a good idea to allow the Agriculture Committee to have similar jurisdiction, similar standing to file such an investigation in those matters where the trade barrier is being erected against agricultural trade?

Clearly, the chairman of the Finance Committee thought it wise to gain not just the input but the actual legislation, the title contained in this bill relating to agricultural trade. It was written by the Agriculture Committee. Similarly, if we are talking about Korea or Japan discriminating against American insurance brokerages or the efforts of American banks to enter the Japanese market, the effort of American securities firms to try to compete for those specific rare markets, it would seem to me that the committee having the most intense interest in that is the one whose normal oversight and jurisdiction has to do with those financial institutions providing such services, and that in our House is the Banking Committee.

Similarly, I would think that in an area of great interest to the Senator from Missouri, that having to do with telecommunications, the Commerce Committee, of which he has served so ably as chairman and now serves as ranking member, would possess the requisite expertise to deal with trading practices and unfair trading practices that are being erected in the part of fair exports of U.S. telecommunications.

In short, I would ask my friend from Missouri why if this is such a good ideal for the Finance Committee and the Ways and Means Committees, and if he is not afraid of the concerns that have been voiced so eloquently by the Senator from Rhode Island, then why would it not be an equally good idea, so as to allow the Agriculture Committee where we are dealing with a question of agricultural trade or the Banking Committee where we are dealing with a question of unfair trade in terms of financial services or the Commerce Committee in the area of telecommunications, to simply change this slightly and say a committee of the Senate or the House of Representatives will have such jurisdiction in a matter affecting commerce within its jurisdiction?

Mr. DANFORTH. My answer to that is that responsibilities in the Senate are divided among the various committees, and Agriculture has responsibility for, say, the development of farm programs. The Finance Committee does not involve itself in that. Similarly, the writing of trade legislation and the oversight of trade legislation is within the jurisdiction of the Senate Finance Committee. If someone wants to introduce a bill, for example, which would amend the Trade Act, that bill would be referred by the Parliamentarian to the Senate Finance Committee. That is just the way the jurisdiction is divvied up.

I think it is important to have some system if congressional committees are going to be involved in initiating actions under section 301 of the Trade Act. I think it is important for that responsibility to reside somewhere, rather than just be dispersed hither and yon throughout the various committees of the Senate.

Mr. RIEGLE. Mr. President, will the Senator yield so that I may add a comment?

Mr. WILSON. I yield.

Mr. RIEGLE. I thank the Senator for yielding.

I think that in the same way you are seeing the Finance Committee with primary responsibility to bring this bill to the floor, even though it does incorporate features from other committees, it is a way we would do this in the future. My thought would be that rather than go the route of allowing any committee to self-initiate, if you, on the Agriculture Committee, or a different committee, felt that there was a gap here and a 301 case was to be brought, I would feel that way as a member of the Finance Committee.

It seems to me that there should be a central point. Suppose, for example, you or the committee you were on felt that way, and then you came to the Finance Committee and said: "Look, we need action in this area. The administration has ducked the problem and it is serious, and we need to move on it." My view would be that if the committee wanted to act—the Agriculture Committee—and so stated, it would be my view and it would be my intention to see that the Finance Committee would then act.

In other words, I do think there needs to be a control point. Otherwise, you might run into a situation where your committee is attempting to develop a 301 case and the Finance Committee, itself, might be trying to develop a 301 case, and they would be overlapping in the same area. There should be a control point.

Why would not the Senator's needs be met if we were to establish—obviously, the other cosponsors have to agree with this—but the notion would be that if another committee which has a responsibility or an area that concerns trade wanted to move with a 301 case, they would come to the Finance Committee, and we would take it up and presumably move on it. It would be my intention to move on it.

Mr. WILSON. The Senator from Michigan was anticipating my next question to the Senator from Missouri, and it is this: By what means would the members of the Finance Committee, having this responsibility as the repository of concern for the entire Senate, seek to gain the input of their colleagues who are not privileged to sit on that committee?

A couple of things occurred to me, and the Senator from Michigan has gotten near to one. I assume that the Finance Committee would be impressed if a resolution were adopted by another committee urging them to exercise their responsibility under this section to file an investigation.

Another possibility might be some kind of sequential referral.

It seems to me that there is a need to involve the expertise of the other committees; because I can tell you that in my brief experience on the Commerce Committee this year, and in the more extensive experience I have had in 4 years on the Agriculture Committee, we are increasingly involved with trying to move in that direction. Whether we are talking about manufacturing or whether we are talking about agriculture, we are increasingly an export Nation.

I ask the Senator from Missouri if he has thought about how he would seek the expertise of other committees, other Members, and how those Members who are not on the Finance Committee would be able to avail themselves of the only legislative standing that will exist anywhere to file a 301 investigation.

Mr. DANFORTH. Let me reiterate what I said to Senator CHAFEE.

I do not think this use of 301 is going to be a willy-nilly use of 301. I think it is something that will be used very seriously in the cases of countries where there is a consistent pattern of abuse and relating to significant barriers to trade.

The members of the Finance Committee, I guess, more than any other committee, are used to dealing with our colleagues on a whole variety of matters. I know that the Senator from California has discussed from time to time tax-related matters with me, matters that are before the Finance Committee. I think our door is open.

We in the Finance Committee or the Ways and Means Committee are not going to be some kind of ombudsmen, fielding all the complaints that everybody might have with respect to very minute, very specific trade problems. But, clearly, the information that comes to members of the Finance Committee comes from all kinds of sources; and if people think there is a pattern of abuse and that the definitions and terms of this amendment are applicable with respect to some country, we would be delighted to hear from you and to hear the facts that you could bring to bear.

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. WILSON. I yield.

Mr. RIEGLE. To think about a procedure, I think you raise an important point, and it is important that these things be cross-connected.

If the Senate Finance Committee were going to consider initiating a 301 case in a given area—say it covered agricultural items—first we would have to have a hearing on that. Certainly, you and others who are active in that area would be expected to testify, would want to testify, and would be part of building the record.

As to the point you made a minute ago, it seems to me that a committee of jurisdiction—say, agriculture—seeing a major problem, should feel free to pass a resolution within the committee, based on some finding that has been done, and come to the Finance Committee and say: "Look, we have a major problem here and we would like to ask you to take it up, with the thought in mind of preparing a 301 case; and we want to participate in helping you define how that would be done."

I would expect and welcome that that would be done. Why would that not be a useful way to do it? In other words, I think the view would be that the Finance Committee would clearly want and need the expertise and want to incorporate the thinking and the ideas of committees that have jurisdiction in specific functional areas.

So I do not view this as something that is anything less than a cooperative effort.

Mr. WILSON. I hope my friend from Michigan is correct.

Let me point out, though, by way of a concern that a different result might obtain, the comments of the Senator from Rhode Island. The Senator from Rhode Island is concerned that, as a routine matter, there could be complaints made by a nonmember of the Finance Committee to a friend on the Finance Committee that would result in the filing of one of these investigations, to address some parochial concern of a constituent in a nonmember State. In fact, parochial obviously would be a subjective judgment.

But my concern is that, in contrast to the fears voiced by the Senator from Rhode Island, that this new power of the Committee on Finance might be used too sparingly.

The most aggravated example that I could think of, of the kind of unfair trading practices that were suffered much too long, is the 15-year history that preceded and someone has followed the so-called citrus pasta bar, a history of discrimination by the European Economic Community against citrus growers in this Nation that resulted in obvious discrimination of a kind that was finally confirmed by a GATT panel and I say "finally" because years and years went by and several such panels were mysteriously canceled and then when efforts were made to bring the finding of the panel before the GATT, that was blocked, pointing up the necessity for a real dispute resolution mechanism within GATT, among other things.

But the result, of course, was that for 15 years, until the President was finally moved by this egregious history of discrimination to move against the European Economic Community in retaliation, there was no respite, no relief and, as a result great hardship and great loss of market, great economic hardship resulted from a totally unfair competition, a denial of fair competition to American citrus growers.

What I am concerned about, I will say to my friend from Michigan and my friend from Missouri, that if the citrus industry as a case in mind were not represented by a Senator having a seat on the Finance Committee, their pleas would not enjoy the same standing as the shoe industry or the automotive industry, casting no aspersions on anyone. We are all human. We are all attentive to those concerns that press us most closely.

So, I am pleased to hear my friend from Michigan express the kind of openness that he has this afternoon, the willingness to not only seek redress but to seek action in the form of a resolution by another committee.

I am a little disquieted by the seeming reticence of my friend from Missouri. Perhaps his response to calm the fears of the Senator from Rhode Island have left him unable to comfort me by indicating the same openness I am hearing from Michigan.

Mr. DANFORTH. The Senator from Missouri not only reads resolutions, but reads his mail, and I am always happy to communicate with the Senator from California or anyone else about problems.

Mr. WILSON. He even reads mail from California?

Mr. DANFORTH. Certainly from the Senator from California.

But I would like to just reiterate that the function of this section is not to file a host of section 301 cases against any and all complaints about any and all unfair trade practices. This particular provision relates not so much to specific products as to countries which have a whole pattern of unfair trade practices, and so what we were going to try to identify and what the USTR will be trying to identify are a country's patterns and practices that we hope we can eliminate.

Mr. WILSON. Yes, I understand that.

Let me ask a question.

Mr. BENTSEN. Mr. President, will the Senator yield for a comment on this point?

Mr. WILSON. Without losing my right to the floor.

Mr. BENTSEN. Of course, I am not asking that.

I was working on some other matters. In fact, I was told we did not have a single Senator on the committee. So it sort of piqued my interest.

Mr. WILSON. I said I suppose there were not.

Mr. BENTSEN. Let me clarify that point for the Senator.

Mr. WILSON. This goes to Texas fair trade.

Mr. BENTSEN. Up until recently I was a substantial owner in an 1,100-acre orchard, oranges and grapefruits, and I became very involved in the citrus issues and have been before the Senator arrived in the Senate, and I will continue to be involved in it.

If the Senator had any concerns about them, I will be delighted to listen to them as a member of the Finance Committee.

I might further state that insofar as the initiation of the 301 cases, of course, those are within the jurisdiction of our committee, and what we have on the committee are Senators who are assigned to these negotiations in Geneva and other places and have developed some background and expertise in the field and have staff that have that kind of expertise, and we will be just delighted to have referrals from the appropriate committees on their concerns on section 301, and when it comes to the initiation of 301 cases to have their advice and counsel as we have had on this particular piece of legislation on that part within the jurisdiction of our committee.

We have consulted time and time again with members of other committees and their staffs concerning whatever they had in mind that fit within the jurisdiction of our committee. I think we have exemplified that in the conduct of this committee on this floor.

So, I understand the concerns, I want to share them with the Senator, and they will receive a very attentive audience from our committee and from the chairman in particular.

Mr. WILSON. Mr. President, in the chairman's absence, I commended him for his generosity and wisdom in seeking advice from the numerous other committees and he invited them to add titles to the bill. I have no doubt of the Senator's interest in citrus wholly apart from whatever personal interest he may have had.

I dare say that if this authority existed now or had in the past, it might have been such an investigation filed that would have greatly abbreviated that long, unhappy history of the 15-year discrimination against the citrus industry by the European Economic Community.

Let me just ask any of the Senators, since they are all qualified to answer this question. It is not clear to me at what time a petition for an investigation filed by the Finance Committee would be proper in this whole process.

Mr. DANFORTH. Would be prompt?

Mr. WILSON. Would be proper. In other words, when could such an investigation be filed?

Mr. DANFORTH. I would think at any time after the enactment of the legislation.

Mr. WILSON. The legislation, apart from this section, prescribes a procedure, one that I wholly support and I would join if I am not listed presently as a cosponsor.

But what I am asking is at what point in that pocedure may the committee on its own initiative file such an investigation?

Mr. DANFORTH. I think that the practical meaning of this is not that the Finance Committee or the Ways and Means Committee would instantly jump into the role of the USTR.

Mr. WILSON. I would not think so.

Mr. DANFORTH. I would think that what this would mean is that we would give the administration a reasonable time to utilize the provisions of this amendment. Maybe this is a backup. I do not view this as being something that is going to be standard function.

Mr. WILSON. No. I agree. I think it is a remedy of what is in fact a pattern of egregious behavior.

Mr. RIEGLE. Mr. President, will the Senator just yield further at that point?

Mr. WILSON. Yes.

Mr. RIEGLE. I agree exactly with what the Senator from Missouri said. In giving the administration a reasonable period of time in which to take action, having this as a backup mechanism, I think enables Senators like the Senator from California and others if it looks like an administration is dragging its feet to say to that administration, "Look, here's a real problem and you are not moving on it, please move on it; otherwise, I am going to launch an effort to have the Congress move on it," which it can do. I think it gives you more leverage in terms of getting an administration or succession of administrations to not stall for 15 years and then at a point where you and the majority of us felt that there was an unreasonable delay it was a grievous problem, nothing being done about it, that puts us in a position to self-initiate. So it seems to me it strengthens your hand anyway you look at it, and I know the Senator has been a leader on this particular issue, but it seems to me this gives him more to work with.

Mr. WILSON. I would agree. I think that the addition of this authority does give that additional leverage even to a nonmember.

Mr. President, I will watch with great interest. I had thought once the tree was unfilled to offer an amendment. But I think perhaps this deserves a fair chance. So I will not do that. I will be watching and hope that this works as do the sponsors of the legislation.

I do wish to reiterate, Mr. President, that I think that the entire bill is a very good piece of legislation and one that adds to the President's hand, one that adds to our congressional leverage in securing the kinds of equity for American exporters that has so long been a vain hope under really inadequate procedures.

It seems to me that it is a provision that wisely strikes a balance between the kinds of automatic overreaction that would be initiated by a finding of trade surplus as in the Gephardt legislation and a much more considered judgment, a much more focused attention to those who are actually engaged in unfair trading practices.

With that, I commend the Senator from Michigan and the Senator from Missouri. I think their collaboration has produced a very useful vehicle.

Mr. DANFORTH. Mr. President, I thank the Senator from California. Do I understand that the Senator from California would like to be a cosponsor of the amendment?

Mr. WILSON. Yes.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the Senator from California [Mr. Wilson] be added as a cosponsor to the underlying amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I wonder if I could inquire, I do not want to take over somebody else's role here, but I know that Senator Dole has an airplane to catch. I do not know who else wants to speak on this provision, but I just want to point out to the Senator that Senator Dole, who, of course, along with Senator Byrd, has offered the amendment, does have a 3:30 plane to catch and he would like to be on it.

Mr. STEVENS. Mr. President, I rise in support of the pending bipartisan amendment—the "Market Opening Initiative"—and compliment Senators Danforth and Riegle for working out this legislation to deal with our trade imbalances.

The Congress needs to address the question of significant trade imbalances.

Our United States trade deficit with Japan, alone, has grown from $12 billion in 1980 to $59 billion last year. Adding in our trade deficits with Canada, West Germany, and Italy accounts for well over $100 billion of our 1986 trade deficit—from just four countries.

I am not suggesting that we can expect to achieve perfect trade balance with each of our trading partners. That is not possible, nor should it be our objective.

But where we are suffering from a significant trade imbalance with a particular trading partner, year-after-year, we need to carefully examine whether those imbalances are due to unfair trade practices.

When such imbalances are determined to exist, we need to require that meaningful negotiations get promptly underway, based on the fundamental concept of reciprocity.

Mr. President, the trade legislation passed by the other body, deals with this issue in the Gephardt amendment.

That amendment would direct the U.S. Trade Representative to identify countries with large trade surpluses and to negotiate with those countries to reduce their trade surpluses by 10 percent per year for 4 years. If negotiations are not successful, the President would then be required to take unilateral action to achieve the 10 percent reductions.

Mr. President, the mechanistic formula of the Gephardt amendment uses the wrong approach to achieve the wrong objective.

Our objective should be to use the negotiating tools of section 301 as leverage to negotiate the elimination of trade barriers with our trading partners. In short, our objective should be open markets.

The Gephardt approach, instead of mandating negotiations to achieve open markets, seeks only a mechanistic reduction in trade imbalances, regardless of the many complex causes of those imbalances.

The pending amendment, on the other hand, moves in the right direction. It requires the USTR to identify countries with a "consistent pattern of trade barriers " and to enter into negotiations to eliminate the major barriers during the course of a 3-year period. Failing an agreement, we would use GATT rights to retaliate, where appropriate.

This is the kind of reciprocal approach to trade negotiation that we need to use. Unlike the Gephardt approach which would seek trade balance with artificial targets and trade barriers, the pending amendment is built on negotiation and reciprocity.

The pending amendment is in the tradition of our most successful trade policies of past years, all of which have emphasized the opening of markets through trade reciprocity, not the closing of markets to achieve an artificial trade balance.

Most notably, this amendment can be likened to the Reciprocal Trade Agreement Acts beginning in 1934 and extending through the Eisenhower and Kennedy administrations up to the present time. These Trade Acts have all emphasized the GATT process, a process based on successive packages of balanced trade concessions to open the markets of the world.

It is this objective of opening markets though negotiation, reciprocity, and balanced agreements which will be furthered by the adoption of the pending amendment.

This "Market-Opening Initiative" is export-oriented and likely to expand our economy, rather than choke off our own growth and the growth of the world economy through erection of trade barriers and artificial balances.

Mr. President, I thank my colleagues for their attention and urge them to support the pending bipartism amendment.

Mr. President, while I support the principle provisions of the amendment, I do have one concern about it which perhaps ought to be addressed in conference. I have serious questions about the constitutionality of authorizing the Finance, and Ways and Means Committees, to file petitions to initiate "consistent pattern" cases. My concern is that this provision might breach the separation of power doctrine, especially in light of the careful adherence to that doctrine by the Supreme Court last summer in the Synar case.

JAPAN AS A PROBLEM FOR U.S. TRADE POLICY

Mr. HEINZ. As we discuss these amendments to the trade bill on the Senate floor, we should keep the focus on one of the major trade problems we face today—adversarial trade, as exemplified by the application and consequences of Japanese unfair trading practices.

Much ado has been made that our focus on adversarial trade is mere "Japan bashing." I say it is not. Rather, we are engaged in catching up with many lost opportunities to address and resolve these unfair trade practices. Japan is not the sole practitioner whose actions merit careful analysis, but they are the biggest problem of this kind faced by us and the rest of our trading partners.

On numerous occasions in recent years, the United States has been hopeful that Japan would take meaningful steps to open its markets. These hopes have been frustrated time after time.

Most recently Prime Minister Nakasone did it again. He reneged on his promise to President Reagan that he would lower interest rates as a step to stimulate the Japanese domestic economy.

This measure, by itself, would not have corrected the fundamental imbalance in our trading relationship with Japan. It would have been an important first step, though, a sign of determination and good will.

The failure of the Prime Minister to make good on his promise to the President symbolizes the widespread disregard for our interests prevalent in Japan today. It is no surprise therefore that our patience is running out for the Japanese to undertake the appropriate reforms which a more balanced world economy requires.

Another example of frustrated hopes is the recent Japanese announcement of an economic package valued at $42 billion. Obviously intended to ward off summit pressure, the strategy worked at Venice. Looking at the numbers, the package appears promising. It is my fear, however, that in accepting packages like this at face value, we are forgetful of the many previous packages which came our way and never resulted in anything meaningful.

According to USTR estimates, 75 to 80 percent of each newly pronounced economic reform had already been introduced to the world with fanfare once before. The way the Japanese go about these reform packages reminds me of the Japanese art of beautifully wrapping packages. Yet, there seems to be little substance inside all the wrapping.

It is especially telling that a senior Japanese official admitted about the most recent package in un-Japanese frankness that "this time the element of so-called gimmicks is very much smaller."

For our part, we in the Senate have to be concerned that our Government is on the right track in trade negotiations. I have grave reservations about that now. It simply does not make sense to announce publicly how pleased we are with proposals which are conspicuously shallow. The time to score mere public relations victories with Japan is over. We need results now.

At the same time we seem unsure of our course, balancing our position between the fulfillment of America's vital self-interests and the responsibilities of world leadership. We cannot constantly put our economic self-interest in the backseat. We have to assert our position when it is necessary—and now is that time.

If the record of the past several years contains one clear message, it is that we need to carry a stick as well as a carrot in our basket if we want to make progress in our dealings with the Japanese. We cannot go on, one administration after another, one Congress after another, to see the same issues repeat themselves.

If you call together a panel of all of our trade negotiators with Japan from the last two decades, you will find a striking result: The cases they are working on today are largely identical to what was on the plate 20 years ago—lemons, leather, cigarettes, and the like. Indeed, not a sign of much progress over all that time.

This is a disastrous record. It also is deplorable that our most senior negotiators regularly go to work for Japanese clients, once they leave Government service, further undermining our Nation's ability to cope effectively with the Japanese challenge.

How, under these circumstances, are we supposed to build up a credible "deterrence strategy" for our trade policy—one that Japan takes seriously enough so that we are not forced to take action disruptive to the international trading environment? We cannot continue to sell out in this critical way. After all, while the Japanese apparently know all of our cards, how many of theirs do we know?

The dismal situation today, in the words of one of our most seasoned trade negotiators, is that the Japanese have their hands in virtually all the "in" and "out" baskets of our Government. They are often better informed about the positions of our various Government departments involved in negotiations with them than are our own chief negotiators. The unfortunate truth is that our departments often are more intent on fighting amongst themselves and keeping vital information from each other than on making a concerted effort vis-a-vis the Japanese.

I am afraid that the Japanese are missing the signals we have been sending them over the past several years. Perhaps they have been misled by the largest foreign lobbying machine this town has ever witnessed, estimated to be a $60 million industry. Such activities may delay political action, but it is an illusion to assume that they could prevent it. If anything, it may turn a stream of dissatisfaction into a flood that no dam can hold back.

If I have any advice to offer the Japanese, it is that they better start paying attention. They should know that our patience is running out.

We have been understanding for the past 40 years. We carried—as indeed we still do—their defense burden, and we generously provided much breathing space for the buildup of their economy. For much too long, we have entertained the ill-conceived notion that Japan was a feeble country that desperately needed our support. It is anything but feeble. It is, after all, the world's largest creditor and most successful trading nation. Yet, access to our markets is the foundation of its well-being. This provides us with considerable leverage.

There are those, though, who worry about the implications of a toughened stance on our part regarding the choices for security arrangements. Let us be clear on this issue. The Japanese would not make this fundamental choice in our favor if it were not in their own best interest.

While they can get our protection, we should employ as much business sense in the equation of mutual interests as they do. Otherwise we just continue to play into their hands.

Why should we concentrate on Japan? Because we are finally coming to terms with reality. Japan has posed the most serious trade barrier problems for us for many years.

Is it imprudent to single out Japan in light of charges of racism likely to be raised? We just cannot afford to hold ourselves hostage to this myth. The economic imbalances and systemic distortions are real and they are sound reason for us to act.

Are we then engaged in a blatantly protectionist action? I have always been troubled by the notion that cracking open the Japanese economy represents blatant protectionism. Think about it for a moment. Our intention is not to protect our domestic markets but to remove the extraordinarily high level of protection with which the Japanese have shielded their own markets.

Why don't we, finally, act with equal determination vis-a-vis Korea and Taiwan, the imitators of Japan? Well, they have shown themselves to be a little bit more responsive. And they will inevitably get the message that we are sending to Japan, because they realize that they are next on the list.

I hope that these arguments will prove to be helpful to my colleagues as we proceed with what will necessarily be a controversial debate on this issue. I am afraid the time has run out for those nations which procrastinate in the international trading system by maintaining systemic barriers to the free flow of trade.

For these reasons, Mr. President I urge the adoption of the Danforth amendment and the Byrd-Dole amendment now pending to the trade bill.

Mr. SPECTER. I am pleased to be an original cosponsor of this amendment which is aimed, first, at eliminating unfair trade practices and second, guaranteeing reciprocity or retaliation when offending countries refuse to cease their unfair trade practices.

On April 10, 1987, Senator LEVIN introduced S. 1037, of which I was an original sponsor. That legislation would accomplish very much the same things that this amendment would. It would require the President to take action to eliminate trade deficits due to unfair trade barriers. I am pleased to observe that the pending amendment takes such a balanced, targeted approach. This is not protectionism; it simply assures that free trade shall be fair trade.

The United States cannot tolerate countries erecting unfair barriers to market access such as unreasonable quotas, tariffs, customs valuation, and government procurement practices.

The U.S. Trade Representative's "National Trade Estimate 1986 Report on Foreign Trade Barriers," cites the following examples of unfair barriers:

Brazil has a "law of similars" whereby Brazil can withhold import licenses for any product in Brazil. Yet, Brazil can ship subsidized steel to the United States which takes away steelworkers' jobs.

Canada maintains tariff rates exceeding 10 percent on textiles, footwear, many paper products, and manufactured metal products. Yet, Canada enjoys a trade surplus with the United States, and high tariffs on American exports to Canada are part of the reason.

In 1985, Japan exported $74.4 billion to the United States. Yet, Japan refuses to allow real opportunities for American engineering companies to engage in airport construction projects, or for American telecommunications companies to sell in the Japanese market.

The examples provided are but an indication of the endemic problem of unfair foreign trade practices. We need this legislation to provide real teeth to negotiate the elimination of those practices, or assure that the United States will be able to retaliate or increase exports in an amount equal to the losses incurred by those barriers.

Mr. RIEGLE. Mr. President, let me ask unanimous consent that three additional cosponsors be added to the underlying amendment: Senator KENNEDY, Senator SANFORD, and Senator LEVIN of Michigan.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I am not aware of any other speakers waiting to speak on our side of the aisle. I will consult with the leadership in a moment.

First of all, I am wondering if this would be an appropriate time to ask for the yeas and nays.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RIEGLE. Mr. President, I am informed by the Republican manager that there are two Senators on his side who are coming over who wish to speak.

Mr. EVANS. That is correct. It is my understanding that Senator PACKWOOD and Senator STEVENS are both on their way over.

Mr. RIEGLE. I know Senator BRADLEY has a question he wanted to pose.

Mr. BRADLEY. Mr. President, if the Senator from Missouri would allow me, I would like to pose one more question to him, as we work our way down on this amendment, that relates to the Finance Committee's action in determining that a country is a consistent pattern country. If the Finance Committee determines that a country is a consistent pattern country, does that require the USTR to self-initiate cases against all major barriers of that country or does the USTR itself also go through an analysis to determine whether it is a consistent pattern country?

Mr. DANFORTH. The Finance Committee would determine on the basis of the language beginning on page 3, line 12, the same criteria, what constitutes a consistent pattern. The Finance Committee could self-initiate a case under section 302 of the Trade Act which triggers an investigation for 45 days by the U.S. Trade Representative. But the U.S. Trade Representative can then deny the petition and does not have to act.

So, in other words, the Finance Committee or the Ways and Means Committee cannot by themselves trigger some form of retaliation against another country. The USTR does have this role to play in that. I think the real meaning of this is that it sets up a process by which the Ways and Means and Finance Committees can raise questions about the priorities and the methods of the USTR.

Mr. BRADLEY. I thank the Senator very much.

(At the request of Mr. RIEGLE the following statement was ordered to be printed in the RECORD:)

● Mr. SIMON. Mr. President, it is my distinct pleasure to join my colleagues, particularly my colleague from Michigan, Senator RIEGLE, in introducing this amendment to S. 1420, the Omnibus Trade and Competitiveness Act of 1987.

It is time that the United States finally got tough on trade. I am tired of seeing vibrant manufacturers in my home State of Illinois and all across the country forced to close their doors because they are both inundated with imports and closed out of foreign markets. I am frustrated when I hear that manufacturers have been denied the right to bid on overseas Government contracts. And I am angry to see American workers on the unemployment lines due to the unfair trade practices of foreign nations, simply because this administration is too reluctant to use the most powerful economic tool in the world—access to the American market—to put them back to work.

These barriers come in all shapes and sizes. Some are cultural, some are societal, some are economic. There are a hundred reasons to explain their existence, and a thousand more why they would be "impossible" to remove. But all these excuses can not cover up their significant result—these barriers deny sales of U.S. exports. I believe it is irresponsible for government to allow our businesses to suffer without taking action.

Many point to the recent declines in the monthly calculations of the trade deficit, and wonder why, since it shows signs of decreasing, do we need to take action? The answer to this question is painfully simple. The recent declines in our trade deficit are directly linked to the change in the value of the dollar. It is irresponsible fiscal policy to base our entire trade policy on exchange rates. If we do so, then we will ride a roller coaster of exchange rates, and watch our trade deficit rise and fall without having any control over it.

I want our Nation to take control of our international economic position. I don't want to leave it up to the daily changes in the value of the dollar.

The opponents of this measure have called it protectionist. They have called it "son of Gephardt." They say it will trigger a "trade war."

Nonsense. The focus of this amendment is on the expansion of American exports, not on the limitation of foreign imports. I know that every cosponsor of this bill would be delighted if not one dollar of foreign imports was stopped. I think that we would then call this initiative an unqualified success.

The administration has tried to take action. They have negotiated and negotiated. I know of one small but representative example because I held hearings on it in the Subcommittee on Employment and Productivity. This administration began negotiations with Japan on the issue of auto parts trade. These market-oriented, sector specific [MOSS] talks were begun to explore several Japanese trade barriers to United States auto parts. A year of talks, and what do we have to show for it? The negotiators may be close to agreeing only on a mechanism for measuring auto parts trade.

To their credit, since we had no mechanism before, we will now be able to tell exactly how poorly we're doing there.

To their discredit, they have no plans on how they will increase U.S. sales when these numbers finally tell the Government what the industry has been saying all along—the Japanese market is virtually closed to United States auto parts.

We can no longer go after these barriers retail—industry by industry, barrier by barrier. This world market opening initiative is a wholesale approach to our wholesale trade problems.

As I have said a hundred times before and will a hundred times again, and I cannot stress enough, I believe in free trade but it must be fair trade. America believes in fair trade.●

Mr. LEVIN. Mr. President, when I go back to Michigan or meet with constituents here in Washington, I am often asked, "Aren't you mad at the Japanese and other countries who don't trade fairly? Don't you get really steamed at them for flooding our country with their goods, while not allowing us to sell American goods there?"

And my response is: "No; I'm not mad at the Japanese, or at any other country that trades unfairly. I don't blame them for taking full advantage of available opportunities. I'm not mad at them—I'm mad at us. I'm mad at our Government for not acting as strongly in our behalf as other governments act in their people's behalf. I am mad at my Government treating other nations better than they treat us."

It troubles me greatly that successive administrations—and I was critical of the previous, Democratic administration in this regard—have not seemed capable of comprehending and endorsing a basic principle of international trade—fairness and reciprocity. Isn't it simple, common sense that if other countries close their doors to our products, then we must try to open those doors? And given the competitive realities of world trade, doesn't common sense tell us that we might need to use a crowbar—retaliation—to pry those doors open?

A few months ago, Commerce Secretary Baldrige's statement after the administration announced the imposition of penalty duties on Japanese electronic goods in retaliation for the

Japanese failure to live up to the semiconductor agreement. "We tried talking and we got talked out," he said in explaining why the adminstration had retaliated. "Probably a good many Japanese as well as Americans who had made note of the fact that Uncle Sam had talked tough 50 times and never backed it up will be surprised."

Frankly I was surprised that the administration had actually retaliated and I was happy that Secretary Baldrige was so frank—and so on target—about our country's past record on trade. Talking about fair trade is fine to a point—and generally, we should try to achieve our goals by negotiation first. But there comes a time when talking is not enough. It has to be backed up with action. That time is long past due of negotiations that went into producing this proposal and I understand that it was a compromise and I also know that it will be going to conference where its House counterpart is considerably stronger. If the Senate adopts this amendment, I think that we will at least be in a good position to come out of conference with a meaningful approach to breaking down the barriers that have made our trade relations with most of the world so one-sided.

Before closing, I want to take issue with two of the arguments used by opponents of taking decisive action on unfair trade practices—whether it be through this amendment, or some other proposal.

First, there is the name-calling approach—labeling any trade proposal with teeth in it as "protectionist," in contrast to the pure "free trade" philosophy. The "free traders" accuse proponents of such proposals as being inward-looking, desiring to build a wall around the United States to keep out foreign goods. In my view, it is the "free traders" purists who are inward-looking. If they looked beyond the borders of the United States, they would see that virtually nobody else in the world practices free trade. Virtually all countries, and certainly all of our major trading partners, practice some form of protectionism—it's only a question of degree.

Our own Commerce Department says that the United States has long been the largest and most open market for the goods and services of other countries. Yet the United States has thousands of tariffs on goods ranging from cheddar cheese to bathrobes to porcelain plates. We also have quotas on things like stainless steel, milk, and clothespins. I wonder if those who take a pure "free trade" stance would suggest that all these tariffs and quotas be repealed? If they were, we might be able to say that we practiced "free trade." But we would also be completely ignoring the realities of international trade. We would be unilaterally disarming ourselves in the ongoing battle for world markets.

Maybe in the future, real free trade will exist. But if we continue to act as if fantasy is real, the trade barriers will not come down and millions of U.S. jobs will continue to be lost.

A second approach is to minimize the importance of unfair barriers to our overall trade deficit. "Unfair trade barriers account for only a small portion of the deficit," goes the argument—"certainly not more than 10 or 15 percent." I agree. An overvalued dollar and the enormous Federal budget deficit are surely a more significant cause, in dollar terms, of the overall trade deficit. And by all means, we ought to adopt decisive measures to tackle these problems.

But is the fact that there are other reasons for the trade deficit a reason not to take strong action against unfair practices? I would argue that even though unfair practices contribute only 15 percent of the total trade deficit, we ought to have a provision to eliminate those practices. If we are going to carry on trade with the rest of the world—and I think we can all agree that there's a great deal to be gained from doing so—it had better be on a fair and reciprocal basis. This amendment goes a way toward establishing that principal.

I would argue that even if unfair practices contribute only 15 percent of the total trade deficit, we ought to have a provision to eliminate those unfair trade practices.

Why should our rice farmers not be able to sell any rice in Japan? Why should our beef farmers be faced with quotas on American beef? Why should our citrus farmers be faced with quotas on American citrus, and on and on and on?

Why do we tolerate other countries that have huge trade surpluses with us placing quotas in writing, often, on our goods while they seek open access to our markets?

I say there is no excuse for this. The time is long past to say: No more; to say: Enough, to countries that want free access to our markets while they slam the doors in our faces when we go to sell in their markets.

If we are going to carry on trade with the rest of the world—and I think we can all agree that there is a great deal to be gained from doing so—it had better be on a fair and reciprocal basis.

This amendment goes a way toward establishing that principle and I congratulate its authors for proposing it to us.

The PRESIDING OFFICER (Mr. WIRTH). Is there further discussion on the amendment offered by the Senator from Missouri?

Mr. DANFORTH. Mr. President, I ask unanimous consent that the name of Senator HEINZ be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there any further discussion?

Mr. ROCKEFELLER. Mr. President, I rise in support of this amendment. I commend Senators RIEGLE and DANFORTH and the leaders for fashioning a creative and effective approach to the problem. In this amendment, we identify countries that have a consistent pattern of barriers and market distorting practices and negotiate with them to dismantle these barriers under our new section 301 procedures. If these negotiations don't succeed we take action under section 301.

We need to apply firm, sustained pressure to break down trade barriers to accelerate market opening, and, in some cases, to encourage necessary restructuring of other economies. We have the largest market in the world yet refuse to use the leverage of access to that market to blast open trade barriers everywhere and assure an expansion in world trade—something that is vital to the prosperity of us all. This proposal is a good start in that direction.

I only hope this administration would cooperate. Because frankly, we all know that there are clear limits to what Congress can effectively legislate in the trade policy area. We can legislate a framework and an approach, as this amendment does. But establishing the Nation's trade policy, and implementing that policy through bilateral and multilateral negotiations are things that only the President and his administration can do—hopefully, in effective consultation with the Congress. It is, inherently, an executive function. It remains, inevitably, for the President and the USTR to formulate a comprehensive approach, to set priorities, and to find the right combination of carrots and sticks. And this administration has to date failed completely to put together a comprehensive trade and economic policy toward the countries with which this amendment is most concerned.

I would like to spend a moment addressing the problem of the selection of those countries that have demonstrated a consistent pattern of barriers and market distorting practices. This choice is left up to the USTR. This is as it should be. However, it should be clear to anyone who has followed the trade debate in the Senate which countries are mentioned most frequently—Japan, Korea, and Taiwan. I would like to comment briefly on each of these.

As some of my colleagues know, I have been a student of Japan since 1957 when I arrived in Tokyo to pursue 3 years of Japanese studies. I consider the relationship between the United States and Japan to be the most important bilateral relationship in the world. But we have very, very serious problems with Japan on trade. Their economy is set up differently than most other countries and they pursue foreign trade in a very different manner. By any definition of the phrase "consistent pattern of barriers and market distorting practices," Japan fits it. There can be no doubt. The question is: How do we best deal with this pattern in Japan?

There are changes brewing within Japan, to move away from many traditional practices that simply will not serve them well in the world economy of the future. Some of the impetus for this change comes from internal forces, but much of it results from outside pressures, especially from the United States. This is known in Japanese as "gaiatsu"—foreign pressure. It has worked since Commodore Perry arrived in Japan over 130 years ago, and it still works today.

But this foreign pressure does not work in Japan if used like a hammer, and I am, frankly, worried about the type of response we will get if this amendment is used unwisely. If this provision applies to Japan, the administration would have to initiate section 301 investigations against each of the identified trade barriers. I don't know how many cases this will come to. I note that there are 30 subheadings in the Japan section of the most recent National Trade Estimate and it covers 20 pages. Some of these issues have been solved. I imagine we have found some other barriers we were unaware of. The point is that there are probably going to be a lot of cases—8, 12, 15—I don't know, but a lot.

I have no problem with this. But I want to warn every Senator in this Chamber that if he thinks this action, and this action alone, will resolve our trade problems with Japan and open up the Japanese market, he just does not understand. This set of actions must be part of a broader policy, a more strategic approach, to opening up the Japanese market and expanding America's access to it. This approach must include getting Japan to expand its domestic demand in a way that will stimulate imports of foreign products, getting them to follow the recommendations of the Maekawa Commission on restructuring the Japanese economy, expanding Japanese foreign assistance programs, encouraging them to recycle their current account surplus to the Third World, to name just a few. Only if what some call our new Super 301 action becomes part of this wider approach will we succeed. And only the President and his administration can do that. If he ignores the rest and simply unenthusiastically follows the directions we are giving him today, the markets just won't open. It is the combined weight of the entire United States Government that gives us our influence with the Japanese. Without this type of approach, we are doomed to fail. I call on the President to work with us, to cooperate with us, to look at this as part of a broader positive approach to get Japan's markets open and expand our exports.

Let's now look at Korea. I am convinced from my recent meetings with Korean Government and business leaders in Seoul that there is a genuine and long-term commitment to get the bilateral trading relationship with the United States back into its proper balance. There is a deep concern in Seoul that Korea not be viewed by the United States and the world as another Japan.

Several months ago, the Korean Government, at the highest levels, decided to make fundamental changes in its approach to trade with the United States. The Government established a special $2.5 billion facility to provide scarce foreign exchange at exceptionally low interest rates to Korean firms that want to buy products overseas, especially those focussed on procurement in the United States. Tariffs that have served as barriers to American exports are coming down. Korea's currency—the won—continues to appreciate in value. The Korean Government has announced that it will try to maintain its annual current account surplus at the $5 billion level which would have the effect of lowering its current account as a percent of GNP from 5 percent this year to 3 percent in 1991. They are committed to preventing any increase in Korea's trade deficit with the United States this year.

The decisions to which I just referred were made less than 3 months ago. Thus, it is simply too early to tell whether the Korean Government will succeed in institutionalizing these changes. Just as it takes 10 miles or more for a supertanker to stop in the ocean because of the built-up momentum, the Korean economy cannot simply redirect itself overnight. I believe that the Korean leadership is genuine in its proclamation of its intentions.

The United States can play a critical role in assuring that the Korean economy now moves in the right direction. This will require constant attention and pressure from Washington with a unified approach by the executive branch and the Congress. Putting Korea under the consistent pattern list and following the procedures of this amendment could do serious damage to the likelihood of success in this Korean policy change that is so important to us. This is a time when Korea needs American encouragement and support to make these profound changes in their approach to the trading system. If the Korean decisions are not implemented, then, at some point, we will have to reconsider our assessment and decide if Korea represents a consistent pattern country.

Turning to the third of our three major Asian trading partners, the Taiwanese, like the Koreans, recognize fully that the current state of the United States/Taiwan trade relationship is an unhealthy one and that there will have to be fundamental changes to assure that Taiwan's own long-term national interest is not damaged. Therefore, Taiwan has recently taken a number of measures—some short-term and some long-term—to address these problems.

First they have, at USTR's request, significantly reduced a large number of tariffs by an average of almost 50 percent. Furthermore, they have requested authority from the Taiwan legislature to reduce these tariffs even more. Second, they have changed rules in areas such as insurance, banking, and transportation to make it easier for foreigners, particularly Americans, to operate in these sectors in Taiwan. Third, Taiwan has strengthened its intellectual property laws, a key priority of the United States worldwide. Forth, Taiwan has appreciated its currency, the new Taiwan dollar, almost 25 percent over the past 15 months. Fifth, Taiwan has revised its foreign exchange control regulations to open the way to incerase investments overseas. With foreign exchange reserves of some $60 billion, they are trying to develop a much more liberalized system for use of this vast resource of capital. Finally, they continue not only to send procurement missions to the United States as in the past, but now they are also sending investment mission to scout out investment possibilities in this country.

When you look at all these measures, we are seeing a Taiwan that is opening its markets in an effort to develop a more balanced trading relationship with the United States and the rest of the world. I welcome these changes and applaud the Taiwanese authorities for their foresight in moving before things get out of control. In both the Congress and the executive branch, we should be encouraging Taiwan to move in the current direction. We want them to move faster, and we want them to institutionalize the changes so there will be no slippage in the future. There is no guarantee that the goals set out by Taiwan will be reached. But this is hardly the time to use the provisions of this amendment against Taiwan.

However, if it turns out that these changes promised by the Taiwanese Government do not come into effect and do not make a difference, then we will have to reevaluate the Taiwan situation and see if they should be considered a consistent-pattern country.

Mr. President, there are three ways in which the provisions of this amendment can be implemented. First, we can use them in a protectionist way and try to orchestrate our activities so that we can close our borders to imports from certain countries. This would be wrong, and I do not believe we will move in that direction.

Second, we can let the provisions of this amendment degenerate into harassment of trading partners with whom we are angry. This would serve no purpose.

Third, the administration can take this congressional message and incorporate these provisions into a broader and more comprehensive trade and economic policy toward Japan and, perhaps, others, who are either not playing by the proper rules or are not assuming the necessary level of responsibility in the world trading system. This third way is the responsible route. It is, in fact, the absolutely necessary route to prevent the spread of protectionism, to force markets to open around the world, to expand world trade, and to encourage global economic prosperity.

Mr. President, this is a good amendment, a good start, and I hope it receives the overwhelming support of this Chamber.

To summarize, Mr. President, I do support this amendment. I think it is very important to understand that with the passage of this amendment, and I hope it does pass overwhelmingly, we are not going to solve our trade problems with Japan, in particular, or with Taiwan or Korea.

I also want to say that none of this is going to work unless it is accompanied by a broad and comprehensive trade policy which is started, and then carried through, by the administration. Obviously, that means the President and USTR.

We are naive, as we pass this, if we think that a series of 301 actions is going to change Japan's habits.

What is going to change Japan's habits, in my judgment, as a long-time student of Japan, is concerted, overall, concentrated United States Government top-level effort. It has to be sustained, and it has to be for real.

Legislation will come and go, and it will help, but Congress cannot now force Japan to do what Japan over the years has never been willing to do. They have a definite way of doing business, and they have no internal reason to change. This amendment will substantially help. But it will not change Japan's habits without an overall, comprehensive approach on the part of the executive branch. I hope that the executive branch, if not this one, then the next one, will understand that and will deal with Japan in a such a comprehensive and consistent way.

I would also mention that I do not think that we should underestimate the recent changes in both Korea and Taiwan as they try to change their patterns of trading behavior. Although not defined by law, Korea and Taiwan, along with Japan, have been clearly identified by this body's members as consistent pattern countries. I think that we would be making a mistake if we include them, just at the time that they are trying to do so many things to deal with their trade problems.

The Korean Government, at the highest levels, has decided to make fundamental changes in its approach to trade. They have established a $2.5 billion facility to provide scarce foreign exchange at exceptionally low interest rates to Korean firms that want to buy products overseas, especially those that are focused on procurement in the United States. Tariffs have come down substantially. The Korean won continues to appreciate substantially in value. The Korean Government has announced that it will try to maintain its current annual surplus at $5 billion, which is what they had last year. That would have the effect, in fact, of lowering its current account as a percent of GNP from 5 percent this year to 3 percent in 1991. They are trying.

I believe that they need to be encouraged. This effort is only 3 months old. If we see a tendency on their part to walk away from their efforts in the next several months after this amendment passes, then we must revert and get tougher on them. But I think we would be making a mistake not to encourage those who are trying.

Taiwan has also gone through an extraordinary series of actions in the last several months, mainly because of the pressure that is coming out of this Congress with respect to trade. They have made a number of substantial efforts, very substantial efforts, not only in terms of their tariffs, lowering a large number of items of importance to us by almost 50 percent, but in terms of insurance, banking, and transportation, where they are making it much easier for foreigners, particularly Americans, to operate in these sectors in Taiwan. They have also strengthened their international property laws, which is a top priority for us. The new Taiwan dollar has appreciated almost 25 percent over the past 15 months. Very importantly, Taiwan has revised its foreign exchange control regulations to open the way to increased investments overseas, allowing easier use of their $60 billion foreign exchange reserve.

So I hope that we understand that Korea and Taiwan are trying to do things differently to avoid being considered another Japan.

We must use this amendment wisely. We must use it with strength, but with sensitivity.

Having said all that, I believe that it is a good amendment. I believe that our country could take a much more progressive, tougher, wiser approach to trade than we have. I believe S. 490, and with this amendment included in it, will help substantially. I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further discussion of the amendment? If not, the question is on agreeing to the amendment. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. Biden], the Senator from South Dakota [Mr. Daschle], the Senator from Tennessee [Mr. Gore], the Senator from Arkansas [Mr. Pryor], and the Senator from Illinois [Mr. Simon] are necessarily absent.

I further announce that, if present and voting, the Senator from Delaware [Mr. Biden] and the Senator from Tennessee [Mr. Gore] would each vote "yea."

Mr. DOLE. I announce that the Senator from Wyoming [Mr. Simpson] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 87, nays 7, as follows:

[Rollcall Vote No. 187 Leg.]

YEAS—87

Adams
Armstrong
Baucus
Bentsen
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Exon
Ford
Fowler
Garn
Glenn
Graham
Grassley
Harkin
Hatch
Hecht
Heflin
Heinz
Helms
Hollings
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Specter
Stafford
Stennis
Stevens
Thurmond
Trible
Warner
Weicker
Wilson
Wirth

NAYS—7

Evans
Gramm
Hatfield
Humphrey
McClure
Symms
Wallop

NOT VOTING—6

Biden
Daschle
Gore
Pryor
Simon
Simpson

So the amendment (No. 466) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DANFORTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, the next vote will probably be a voice vote, I would assume. It is the underlying amendment, jointly sponsored by the two leaders, the manager of the bill, Mr. RIEGLE, Mr. DANFORTH, and others.

However, before we do that, and while we have a good number of Senators on the floor, I am getting questions as to whether or not we are going on through the afternoon.

There were a good many Senators on the floor this morning when I spoke to this matter. A good many of those who are here now probably did not hear that. What I indicated was that it is my hope—and I have shared this with the Republican leader, and he joins with me in this—that we will be able to finish this bill today. I would say the chances are less than 50-50. But, even more than that, we hope we can complete this bill and the extension of the debt limit by the close of business on Wednesday next—the close of business Wednesday evening.

Some members have to go to Philadelphia on Thursday. Committees will be working on Thursday, nonetheless. So we would not come in on Friday. That would be Thursday, Friday, Saturday, Sunday, and Monday.

That is our hope, and that is why we have some reason to believe that if we work this afternoon, the more we do today, the less we have to do next Tuesday and Wednesday on this bill. If we do not finish this bill today, the more we have on next Tuesday before we do finish. That is our purpose in wanting to move ahead.

There are Senators who have amendments. Mr. HOLLINGS has one he is ready to call up. Mr. BAUCUS has one he is ready to call up. We have others on the list who are ready to call up amendments. Some are willing to have time agreements thereon. There are some amendments on the table on the minority side.

So I hope Senators would stay this afternoon. We have been buckling down hard. We have been having good amendments and good votes. I would hope we could continue that until about 7 o'clock, and then let us take a look at where we are, to see if we can go on for a while and get the bill done.

Hopefully, some Senators who have amendments will not call them up if they are not serious amendments. If they can be called up another day, let us not call then up today, so that we can get the bill of conference, so that the Finance Committee can get busy on the next matter, which is the debt limit, and on the reconciliation measure, in connection with which they have a big load.

I yield to the Republican leader if he would like to add something.

Mr. DOLE. I just concur with the distinguished majority leader. We are trying to complete action on the bill. We have been, as you know, shopping around to get agreement that we would have a vote on final passage no later than close of business on Tuesday.

There are some indications we are fairly close to that on this side with a couple of exceptions. We can get the majority leader the information we have on that.

Mr. BYRD. On that point, may I say that if we can get an agreement that we can have final passage on the bill next Tuesday, let us say, no later than 5 o'clock, that would be worth our getting.

But in order to get that kind of agreement, there are some other amendments that we have to get out of the way first. That is why I think we should try to move ahead this afternoon and get what we can done. There is fine attendance here now. The momentum is good, and maybe by 7 o'clock today we can have an agreement that will at least list the only remaining amendments that can be called up or have a final date and hour for a vote on this bill.

Mr. STEVENS. Mr. President, will the majority leader yield right there?

Mr. BYRD. I yield.

Mr. STEVENS. I want to urge the majority leader to follow that procedure. I have heard about a couple amendments around that will take an awful lot of time. As far as I am concerned, I am not sure they are going to be offered or not. I would very much like to see a list before we leave tonight if we are going to have a time agreement to vote by Tuesday night on the amendment that would be qualified and let us see if we can have a chance to look at those before we enter into this agreement.

I believe we should be able to vote by Tuesday night. I would like to see those amendments that might be offered.

Mr. BYRD. I thank the Senator.

There are a few Senators who have amendments but they want to hold them over to next Tuesday. This means the more we hold over to next Tuesday the more we are going to have to do next Tuesday before we finish this bill and the less likelihood we will be finishing this bill and the debt limit extension then by close of business Wednesday.

Mr. LEAHY. Mr. President, will the Senator yield for a question?

Mr. BYRD. I yield.

Mr. LEAHY. Mr. President, the distinguished Senator from West Virginia has I know put together a list of some of the amendments. I know we have three in my name from the Senate Agriculture Committee.

I have no desire to hold those over until Tuesday. I would be happy if we could set up the first one with a 10-minute time agreement. I do not even think it would require a rollcall, maybe even do it in 2 or 3 minutes. And on the other two have 5 to 10 minutes each. I am perfectly willing to take my chances with them this afternoon or this evening and get them on. I do not know how many people voted on this last rollcall. I am perfectly willing to do it and perfectly willing to do it even without a rollcall.

Mr. BYRD. Mr. President, I thank the Senator from Vermont, and I think it is a fine—I will use the word gesture just for a couple of reasons that I do not need to explain.

That is a fine effort and I think it gets us off to a good start.

One amendment by Mr. LEAHY reads on the list as follows: technical amendment concerning cheese quotas.

How much time does the Senator want on that?

Mr. LEAHY. I would be willing to do that in 10 minutes evenly divided.

Mr. METZENBAUM. Mr. President, will the majority leader yield?

Mr. BYRD. I yield.

Mr. METZENBAUM. I join with the Senator from Alaska in expressing hope that there be unanimous-consent request that we have a hotline on it and be given adequate notice. Some of the amendments being talked about are extremely controversial, I would guess it is so with him, as with me.

Mr. MELCHER. Mr. President, will the majority leader yield?

The PRESIDING OFFICER. If the leader would withhold momentarily again, the Chair would ask that the Senate be in order.

The Senate will please be in order.

The Chair recognizes the majority leader.

Mr. BYRD. Mr. President, I yield to the Senator from Montana for a question or statement.

Mr. MELCHER. I thank the distinguished leader for yielding.

I do have an amendment that we have been working on. It is called an agriculture dairy incentive amendment. It is cleared on our side. It is cleared by Senator LUGAR on that side. I am willing to offer it at any time. I do not think it will take more than 3 or 4 minutes to dispose of it.

Mr. BYRD. All right. Do we get a time agreement on it?

Mr. MELCHER. It will be fine to have a time agreement on it of 5 minutes.

Mr. BYRD. Five minutes equally divided.

Mr. MELCHER. Yes.

Mr. BYRD. Mr. President, I make that request.

Mr. STEVENS. Mr. President, may I ask the substance of that amendment, please?

Mr. MELCHER. A dairy incentive amendment dealing with generic certificates.

Mr. BYRD. I so ask unanimous consent.

Mr. MELCHER. It has been cleared by Mr. LUGAR.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. BYRD. Mr. President, I yield to the Senator from Florida.

Mr. CHILES. I have a similar amendment, an agricultural amendment. I think it has been cleared by both sides. It is on strawberries. I request 5 minutes to a side.

Mr. DOLE. Strawberries. I like strawberries.

Mr. BYRD. Mr. President, I ask unanimous consent that there be a time limit on Mr. CHILES' amendment of 5 minutes with, in both cases, no amendment to the amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, there are two over here.

Mr. PRESSLER. Mr. President, I have an amendment which is agreed by both sides. I think 4 minutes is all we need.

Mr. BYRD. Would the Senator identify the amendment?

Mr. PRESSLER. My amendment is to S. 1420, and involves the Secretary of Commerce and the small business recommendation of the White House Conference on Small Business involving the extension of the general agreement on GATT including copyrights, agriculture, and business products.

This amendment has been agreed to by both sides.

Mr. BYRD. By whom on this side?

Mr. BAUCUS. Mr. President, I am unaware of this on this side to clear it.

Mr. BYRD. Maybe we will withhold that momentarily.

Mr. ROTH. Mr. President, I have an amendment sponsored by Senator ROCKEFELLER and myself that would propose a summit conference including members of the Diet and Congress to seek to resolve the trade problems on a cooperative basis. It has been cleared on my side. I think it is satisfactory on the other side of the aisle although that remains indefinite. I would think we would not need a rollcall vote on that.

Mr. BYRD. Would?

Mr. ROTH. Would not.

Mr. BYRD. Would not.

How much time does the Senator recommend?

Mr. ROTH. I would suggest 20 minutes at the most.

Mr. BYRD. Will anyone respond to that on this side?

Mr. ROTH. Cosponsored by Senator ROCKEFELLER.

Mr. BYRD. Whose committee?

Mr. ROTH. This would be Finance Committee.

Mr. BYRD. Finance Committee.

Mr. BAUCUS. I am unaware of this.

Mr. ROTH. I think the staff has looked at it.

Mr. BAUCUS. So far at this point I must say to the Senator it has not been cleared. I do not see any problems down the road, but so far it has not been cleared.

Mr. BYRD. Withhold momentarily on that one.

Mr. LEAHY. Mr. President, will the Senator from West Virginia yield?

Mr. BYRD. I yield.

Mr. LEAHY. Mr. President, the Senator from West Virginia has on the list two other agricultural amendments I believe under my name. Is that correct?

Mr. BYRD. Three amendments, one dealing with cheese quotas, one clarifying the farmers are eligible for TAA, and tariff customs relief amendment.

Mr. LEAHY. Mr. President, I advise the distinguished majority leader has the most unenviable position having to work all these things out. I said before I am perfectly willing to go in extremely short time limit on the first one and will not call up the other two. So that takes two off the list right there.

Mr. BYRD. Mr. President, the Senator just struck a blow for liberty.

Mr. CONRAD. Mr. President, will the Senator yield?

Mr. LEAHY. The Senator wants to go to Vermont this week. That is why.

Mr. BYRD. Mr. President, eliminate the second and third amendment listed by Mr. LEAHY.

On the first one, how much time did he say?

Mr. LEAHY. Mr. President, I tell the distinguished Senator from West Virginia if we had 10 minutes evenly divided it would be fine. I do not think it will require a rollcall.

Mr. BYRD. Is there objection to 20 minutes on the first amendment by Mr. LEAHY?

Mr. DOLE. He indicated that had been cleared by Senator LUGAR.

Mr. LEAHY. It has been.

Mr. CONRAD. Mr. President, will the majority leader yield?

Mr. BYRD. Mr. President, I ask unanimous consent for 20 minutes equally divided, with no amendments in order thereto.

Mr. CHILES. He said 10 minutes.

Mr. LEAHY. Ten minutes is fine.

Mr. BYRD. Ten minutes, with no amendments in order thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, will the majority leader yield a moment?

Mr. BYRD. I yield.

Mr. CONRAD. I have an amendment I am seeking to have cleared on both sides. I do not know the status of it at this moment. I do not think it will take long, perhaps 20 minutes evenly divided, perhaps less than that. I have inquired. I do not know if that has been given to the other side as yet or not.

Mr. BYRD. Mr. President, I understand from the Republican leader that has not been cleared on the other side. We could be working on that and come back later.

Mr. BRADLEY. Mr. President, I would be willing to go to the amendment to amend the banking section of the bill that will take an hour and a half or 2 hours.

Mr. BYRD. An amendment by Mr. BRADLEY dealing with powers, dealing with the banking section of the bill. Is there objection to 2 hours on that amendment?

For the moment, I will withhold that request.

Mr. MATSUNAGA addressed the Chair.

The PRESIDING OFFICER. There is a unanimous-consent request pending regarding the amendment of the Senator from New Jersey for a 2-hour time limitation.

Mr. BYRD. Mr. President, I am withholding that momentarily.

Mr. MATSUNAGA. If the leader will yield, I have two amendments on which I am trying to work out an agreement. But, if not, I will need but 10 minutes on one, equally divided. This is with reference to the lithotripters.

Mr. BYRD. Ten minutes, equally divided?

Mr. MATSUNAGA. Yes. And then the other amendment, No. 425, relative to the initiation of negotiations on certain subsidies. I think a half an hour, equally divided, would be sufficient.

Mr. BYRD. All right.

Mr. MATSUNAGA. But I do hope to get an agreement on both sides.

Mr. BYRD. Mr. President, I ask unanimous consent that on the amendment by Mr. MATSUNAGA on lithotripters, there be a time agreement of 10 minutes, equally divided, with no amendments thereto.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that on the amendment by Mr. MATSUNAGA dealing with subsidy practices, there be a time limit of 30 minutes, equally divided, with no amendments thereto.

Mr. BAUCUS. The subsidies amendment has not been cleared yet.

Mr. DOLE. On either side.

Mr. BYRD. I withdraw that request.

Mr. HOLLINGS?

Mr. HOLLINGS. Mr. President, I am trying to enter into a time agreement with my distinguished colleague from Ohio—he is the chairman of the Governmental Affairs Committee—of whatever time he felt would be necessary. I have talked to Senator DANFORTH, Senator BAUCUS, and several of the other cosponsors. A half an hour to a side?

Mr. GLENN. Well, I would not be prepared to enter into a time agreement right now, Mr. Leader, because last night we thought this was coming up and we had everyone here. This morning, the staffs were talking and it was our understanding work was still being done on this. When I came over for this last vote, I understood that it was going to be called up. I have people off doing other things. I am trying to get them back. I would not be prepared to enter into any time agreement right now.

I do not want to delay the bill, but I would prefer to hold it over until next Tuesday. We do not have some of our people here right now. If we cannot do that, we are going to have to have certainly some discussion on it. I cannot agree to a time agreement right now. I would be happy, on Tuesday, to agree to an hour, evenly divided. That would be fine.

Mr. BYRD. Could we wait a little while on that and then perhaps the two Senators could work out something?

Mr. GLENN. I am trying to get people back right now. If there was a misconception on my part, I am very sorry. But that was my understanding this morning when staff talked to me. I am just not prepared to go ahead with it right now.

Mr. BYRD. Very well.

Mr. President, Mr. BAUCUS has an amendment that we can get an agreement on.

Mr. BAUCUS. Ten minutes, equally divided, on that is fine. This is a beef resolution.

Mr. BYRD. Ten minutes, equally divided?

Mr. METZENBAUM. I have no objection, but I would like to know what the amendment is.

Mr. BAUCUS. It is a resolution instructing our trade negotiator——

Mr. METZENBAUM. If it is a resolution, I have no objection.

Mr. LEAHY. It has been cleared by the Agriculture Committee.

Mr. BYRD. Ten minutes, equally divided, with no amendments thereto.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. PRESSLER. Mr. President, my amendment would require 5 minutes, equally divided. It has been cleared with several Senators. My staff is working with them now. It will not require a rollcall vote.

Mr. METZENBAUM. Would the Senator mind telling us what his amendment is?

Mr. PRESSLER. It is directed to study the effects on American small businesses of extending the General Agreement on Tariffs and Trade.

Mr. METZENBAUM. It is just a study?

Mr. PRESSLER. Yes, that is correct.

Mr. METZENBAUM. I have no objection.

Mr. BYRD. How much time does the Senator need?

Mr. PRESSLER. Five minutes.

Mr. BYRD. Equally divided?

Mr. PRESSLER. Yes.

Mr. BYRD. I make that request, and that, in addition, there be no amendments thereto.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BINGAMAN. Mr. President, I have an amendment. I do not think it will require a rollcall vote. I believe it is going to be cleared. It relates to portable pensions and a study of portable pensions. It would not take more than 5 minutes.

Mr. DOLE. Let me check on that. I do not see any problem, but let me check.

Mr. BYRD. Very well. The Republican leader will check and we will get back to that one shortly.

I thank all Senators.

If the staffs on both sides will work respectively with the Members on both sides during the next several minutes, perhaps we can get some additional amendments agreed to as to time and can advance the overall cause.

Mr. HOLLINGS. Mr. President, can we set this amendment for Tuesday and agree on a time?

Mr. GLENN. I would be happy to do that, if we could make it an hour and a half, 45 minutes on a side. We do not need more than that and will probably give some of that back, I would think. I do not think I will need that. We may have other people here that want to speak. But if other people want to speak on it, I might need a little more. We can make it an hour and a half, equally divided.

Mr. BYRD. Very well, the leader on the other side will attempt to clear that over there and we will put the request.

Mr. HOLLINGS. Senator DANFORTH is here. I am sure he would agree to that, or less time.

Mr. DANFORTH. I intend to speak about 3 minutes, maybe 4.

Mr. HOLLINGS. So we can agree on both sides to that.

Mr. BYRD. Very well.

I make the request, then, that on the amendment by Mr. HOLLINGS there be a time limitation of not to exceed 1 hour and a half, and that it be equally divided and controlled in accordance with the usual form, and that no amendments to the amendment be in order.

THE PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

AMENDMENT NO. 465, AS MODIFIED AND AMENDED

Mr. DURENBERGER. Mr. President, I rise in support of the amendment offered by the distinguished majority and minority leaders. I want to commend the distinguished Senator from Missouri and the chairman of the Senate Finance Committee who worked tirelessly in an effort to develop a workable compromise amendment.

I must admit that I could not join in cosponsoring this amendment earlier today when it was first introduced. I wanted to take the opportunity to closely study the details of this amendment and determine the international trade and foreign policy implications of this very important amendment.

I believe that this amendment will serve as a useful additional tool for this administration and future administrations in negotiating an opening of markets currently closed to American exporters. At the same time, this amendment directs the U.S. Trade Representative [USTR] to self-initiate cases under section 301 of the Trade Act against those countries which maintain a consistent pattern of unreasonable and unjustifiable trade practices.

Mr. President, in my view, this amendment does nothing more than prioritize both our negotiating objectives with our trading partners, and the utilization of our resources under section 301. It seeks to identify the major barriers and trading practices of those countries that have consistently made it impossible for American companies to sell in their markets, and directs the administration to focus its resources on eliminating those barriers which have the most significant potential to increase U.S. exports.

This amendment does not establish dollar targets for increasing U.S. exports. It merely recognizes that while many of our trading partners have agreed to eliminate certain barriers to U.S trade, too often U.S. exporters have found a whole new series of secondary barriers which effectively nullify the foreign country's orginal commitment to open its market.

None of us should assume that this amendment does not risk the possibility that the United States will, in some circumstances, have to retaliate against our trading partners if they refuse to eliminate certain of their unfair trading practices. Yet, Mr. President, that is a risk that all of the members of the Finance Committee recognized when we unanimously agreed to adopt the section 301 provisions of this bill.

In my view, we can no longer afford to shy away from taking risks when it comes to addressing foreign unfair trade practices, especially those practices which nullify trade agreements entered into in good faith with our trading partners. For too long, many of our trading partners have viewed trade with the United States as a one-way relationship—their industries can sell whatever they want in the United States, but through an elaborate system of tariff and nontariff barriers, they close their doors to American exports. As our trade deficit has risen to the extraordinary level of $170 billion, we can no longer afford to tolerate this one-way relationship.

Mr. President, although I support this amendment, I want to express my serious concern about the provision in the bill which authorizes the Senate Finance Committee and the House Ways and Means Committee to file petitions with the USTR with respect to foreign unfair trade barriers and practices. I fear this provision will serve as an open invitation to our constituents to politicize the section 301 process and place extreme pressure on members of these committees to redress their grievances against foreign trade practices.

I would prefer that this provision would be dropped from this amendment. However, since this amendment cannot be amended, the choice is simply whether or not we will take an affirmative step to fight a consistent pattern of unfair trade practices. I believe the benefit to be gained from adopting this amendment outweighs the risks associated with not adopting this amendment.●

● **Mr. SIMPSON.** Mr. President, I am most pleased to lend my very strong support to this resolution which seeks to gain much greater access to Japanese markets for high quality American beef. In fact, I continue to urge Japanese officials at every single opportunity to permit the import of more high-quality United States beef. The Japanese have developed a taste for it—and they enjoy it—and we should surely be permitted to provide their people with that product.

Beef to Japan has been a really tough one for us to crack over the years. Not only is beef one of the import products protected by the agriculture coalition in the Japanese Diet, but there is a strong beef marketing cartel within Japan and it is reported that there are unsavory elements involved.

Japanese quotas on beef imports have been illegal under GATT since 1963. We did manage to reach an agreement for limited imports in 1984, but the current beef agreement with Japan expires March 31, 1988. On April 1, 1988, the United States fully expects the total elimination of Japanese quotas on beef imports. We will all be watching closely.

Japanese consumers pay exorbitantly high prices for beef because of a severely restricted supply. Today, Japanese consumers are paying prices for beef that are above the maximum price support levels mandated by the Japanese Government. Japanese law provides for emergency measures such as increased imports to bring the price back down to the "maximum level." Japan must increase beef imports now in order to meet the demand of the Japanese consumer.

The American beef producer wants to provide the Japanese consumer with a wide variety of high quality cuts of beef at reasonable prices—and the Japanese Government is directly blocking that effort. The devaluation of the dollar should make American beef 40-percent cheaper to the Japanese consumers, but there has only been a 10-percent reduction to this date. That is unfair and absurd. Some have charged that the LIPC [Livestock Industry Promotion Corporation] is simply pocketing the profits from dollar devaluation.

Consumers in Japan should have the same rights as Japanese businessmen who love the opportunity to buy high-quality American beef in duty free shops. Let's get back to fairness. Here is a fine resolution.●

Mr. LEAHY. Mr. President, I rise today to support the bipartisan market opening amendment.

Mr. President, I congratulate Senator RIEGLE for the months of work he and others have put into forging this bipartisan effort to reduce unfair barriers to American exports.

Some have labeled this amendment the "Son of Gephardt," referring to the amendment narrowly passed by the House of Representatives on April 29, 1987. They could not be more wrong. This bipartisan amendment casts off the most protectionist provisions of the Gephardt amendment, while taking on four-square unfair foreign trade barriers.

The Gephardt amendment requires the President to unilaterally reduce the trade surpluses of our trading partners by imposing protective tariffs and quotas. That proposal makes no distinction between trade surpluses and unfair trade barriers. The Gephardt amendment invites a trade war. The amendment before the Senate invites compliance with international trade agreements.

The Byrd-Dole-Riegle amendment is aimed directly at unfair trade practices, especially those which clearly violate international agreements and treaties.

The most recent National Trade Estimate published by the U.S. Trade Representative identifies literally hundreds of barriers to U.S. trade—barriers which, by some estimates, cost the United States $20 billion in lost markets. A recent study by the Joint Economic Committee found that Japan, alone, maintains unfair trade barriers that cost American business people and farmers more than $1 billion in business every year.

Unfair trade barriers cost American workers and their families jobs and good incomes. They are protectionist. They distort trade and they must be eliminated.

This bipartisan proposal beefs up our efforts to combat these barriers.

By the end of this year, the President would be required to identify at least five countries with which the United States has trade agreements and which maintain the most costly barriers to U.S. trade. The President is required to determine exactly how much these trade barriers cost the United States. In this calculus the President is also required to determine whether removing those trade barriers would damage our foreign policy with each country.

In the first year following enactment, the President would be required to initiate section 301 unfair trade practices investigations against two of the five countries identified, and an investigation against a third country in the following year.

During the course of the investigation, the U.S. Trade Representative is directed to negotiate with these foreign countries to reduce their trade barriers or to seek compensation. The amendment defines an acceptable agreement as one which phases out trade distortions in annual increments or provides for compensation.

If the terms of the agreement to phaseout trade barriers are not met, the President is required to retaliate. The President may avoid such retaliation if: First, the GATT rules against the United States; second, the dispute is settled; third, U.S. national security would be threatened; or fourth, the President certifies that it would be impossible for the foreign country to remove the barriers and the country agrees to pay compensation. These are the four exceptions already provided in the omnibus trade bill.

If a negotiated agreement cannot be reached with the foreign country, the President is required to retaliate against the unfair trade barriers in a manner that will compensate U.S. firms in an equal dollar amount. As in the current provisions of the Senate trade bill, however, the President could avoid such retaliation. The President could site the four exceptions I mentioned earlier and a fifth exception that such retaliation would be contrary to the national economic interest.

I am pleased that this measure grants the President the necessary flexibility to ensure that the national interest is protected. It also forces the administration to get off the dime and take on unfair trade barriers in an aggressive manner.

Mr. President, we must resist protectionism. But, we must also exercise our rights under international law and international agreements to knock down the illegal, unfair trade barriers that cost American workers their jobs and American families their farms. I again congratulate Senator RIEGLE and I urge the adoption of the amendment.

START ENFORCING THE TRADE LAWS

Mr. BUMPERS. Mr. President, this amendment states the obvious—that the President of the United States should enforce the current trade laws and bargain effectively with out trading partners when they consistently violate the current trade laws.

Why do we need this amendment? Why do we need to adopt an eight-page amendment—drafted in exquisite legalese—simply to direct the President to enforce the current trade laws?

This amendment does not change the current trade laws. It does not define any new practice as an unfair practice. It doesn't impose any new penalties. It does not give anyone—in the Congress or in the private sector—any new rights.

This amendment also doesn't give the President any new power. It doesn't give him any new power to declare a trade practice as unfair. It doesn't give him any new power to negotiate forcefully with our trading partners.

All this amendment does is direct this President to enforce the current trade laws and stand tall for America when he negotiates with our allies.

If we in the Congress want the President to enforce the current trade laws, why don't we just adopt a sense-of-the-Senate resolution directing him to do so?

If we want him to stand tall in his negotiations with out trading partners, why don't we just say that?

Why do we have to establish all of these new procedures to try to achieve these results?

What we have is a problem of attitude at the White House, not a problem which can be handled with procedures.

Let's look at the procedures in this amendment.

Under current law the administration is required each year to submit to the Congress a report on significant foreign barriers to, and distortions of trade. This amendment does not change this requirement.

Well, we've had two of these reports. The last report ran 300 pages. It contained entries on foreign trade barriers in 42 countries. The section on Japanese trade barriers runs for 20 pages.

So, this amendment doesn't change this report or the timing of this report or the contents of this report.

The amendment then states that within 30 days of the time when this current report is submitted to the Congress, the U.S. Trade Representative must submit a second report to the Congress.

So, we've added another report to the number that are issued each year.

This second report is supposed to identify which of the countries in the first report "maintain a consistent pattern of import barriers and market distorting practices," and various other information.

Then—and here's the cuts of the amendment—21 days of the submission of this second report, the U.S. Trade Representative is required to initiate investigations of "all of those barriers and market distorting practices" which have the "most significant potential to increase U.S. exports."

Now, I ask you, what is the U.S. Trade Representative already doing on the basis of the trade barriers report?

Is the Trade Representative or the President incapable of identifying which of the countries listed in that report are the worst offenders?

Is the Trade Representative or the President incapable of indentifying which of the barriers of these countries are the most significant barriers?

Is the Trade Representative or the President incapable of taking action against these trade barrriers?

Do they have insufficient power to retaliate? Do they have insufficient power to demand that these barriers be eliminated?

And who among us feels that requiring that this second report be filed will make any difference?

Is the existence of the second report going to increase the pressure which already exists for the U.S. Trade Representative or the President to take action against the worst offenders?

Is the existence of this report going to increase the pressure on this administration to take action against the most significant trade barriers?

But, most important, does anyone think that the U.S. Trade Representative will list any trade barriers as "significant" unless he wants to investigate them—or is already investigating them?

I predict that in this report the U.S. Trade Representative will give Congress a summary of his existing trade priorities, of his existing cases and investigations, and will not identify any trade barriers as "significant" which he does not want to investigate.

There is nothing in the amendment which requires the U.S. Trade Representative to identify significant barriers which are not already subject to an investigation.

There is nothing in the amendment which requires that any specific number of significant barriers be identified, so it does not require that any specific number of investigations be initiated in any given year.

One could even interpret the amendment to imply that the Trade Representative need not pay any attention with respect to trade barriers which are not significant. At least, under this amendment, he can keep us happy and comply with the law if he only picks out a few significant barriers and starts an investigation.

And, of course, there is no procedure for challenging the determinations of the U.S. Trade Representative.

Let me be clear: I don't think we should use procedures to force the President's hand in the trade remedy area.

I recognize that the President needs discretion in this type of policy matter.

Our relations with other countries are complicated, involving trade issues, military alliances, and many other issues.

So, I would not have supported the so-called "Gephardt" amendment had it been offered here. It was so rigid that it would have required actions which would have been ill-considered.

But, this amendment goes in the opposite direction—it requires nothing of substance to occur.

There is no bottom line in this amendment. The bottom line in the Gephardt amendment was arbitrary but this amendment has no bottom line at all.

The problem on trade policy is the attitude of this administration.

This amendment would have Congress relying on changes in procedures to try to change attitudes.

I am sorry to say that I fear this effort is futile. I would find it hard to believe that this amendment will have any impact whatever on the trade deficits we are running.

I would doubt if the U.S. Trade Representative would undertake a single new 301 investigation based on this amendment.

I would think nothing would change in the President's statements to our trading partners.

I would think nothing new would happen in the GATT negotiations.

This President does not seem to care about the unfair trade practices of our competitors.

He does not seem to worry about the jobs that are being lost in the United States when unfairly traded imports are sold here.

And I think I know why this is his attitude on trade issues.

The President knows that his entire economic strategy will fall apart if we did not have these imports to dampen inflationary pressures in the United States.

In 1981 this President undertook a radical economic strategy. He proposed that our country puruse an expansionary fiscal policy that under normal circumstances would lead to ruinous inflation.

But, the deficits he proposed to run were so great that they created a drastic appreciation in the value of the dollar and a drastic increase in imports, which keeps inflation under control.

Basically, President Reagan has found an anti-inflation strategy which places the principal burden of the strategy on one sector of the economy—the sector which competes with imports.

We were bound to pay the price for the inflation we generated in the 1980's. A price had to be paid.

And by forcing only one sector of the economy to pay that price, the President has spared many businesses and many citizens from paying a share of the price.

This was a brilliant strategy in terms of politics.

We have one sector of the economy on the ropes, but there aren't enough of them to constitute a majority.

But, this economic strategy is going to ruin us all in time.

The damage which has been done to the trade sector will be visited on the rest of the economy. We cannot ruin our manufacturing sector without hurting our service sector.

We cannot run huge trade deficits forever. When the value of the dollar declines—and this is happening right now—interest rates and inflation will rise.

When interest rates and inflation rise, we will be back to where we began in 1981—only we will have accumulated budget and current account debts which we will have to repay.

How will we repay these debts? How will we repay them if rising interest rates and rising inflation lead us into a recession?

Indeed, how will we be able to work our way out of a recession if we go into it with huge debts?

This is why the President likes trade deficits. This is why he cannot bring himself to stand tall for American interests in bargaining with our trading partners.

So, here we have an amendment which places a Band-Aid over the trade problem.

The amendment gives the impression that we in Congress are doing something.

The amendment gives the impression that it will lead to changes in administration practices and policies.

The amendment gives the impression that it will have an impact on our trade deficits.

And worst of all, this amendment gives the impression that we here in Congress are the ones who need to take action.

This amendment puts the ball in our court on the trade issue and the issue becomes what we are doing on the trade issue, not what this administration is doing.

This amendment implies that we need changes in laws. It implies that the President needs more power. It implies that changing procedures will lead to different results.

What we need is not a new law. The President needs no more power. The U.S. Trade Representative needs no more reports to file.

This amendment distracts us all from the key policy problem—the refusal of this administration to exercise its current authority.

We can't expect much if we give the administration discretion to write a report and then we give them discretion in the report to recommend what it should do.

There's nothing in here which will force any action. There's no review. There's no minimum level of activity which is required.

Given the role of the trade deficits in the administration's economic strategy, it cannot believe that this amendment will have any impact at all.

But, there is one rationale for supporting the amendment: The amendment does require something of this administration. It requires it to do something, not much, but it requires it at least to file another report.

This is something.

So, I will support this amendment. The fact that it requires so little makes the point that even less is being done now by this administration.

Anything we require—however meaningless on the bottom line—is progress given what this administration is willing to do on its own.

I vote for this amendment for what it says about this administration's inactivity, not for what it will do to force it to act.

There is no solution to the trade problem until we have new persons administering the trade laws and negotiating with our trading partners.

Mr. ADAMS. Mr. President, I have stated that I could not support the Gephardt amendment if it were offered in the Senate. I have said that I would feel compelled to vote against this bill if Gephardt amendment were adopted by the Senate.

I have read the Byrd-Dole amendment. It is not Gephardt. The automatic retaliation called for under the Gephardt amendment is not present in this amendment. Washington State is more dependent on two-way trade than any State in the Nation. We have strong export industries who are faced with serious market access problems abroad. Unlike the Gephardt amendment, this amendment sets forth a constructive process, within the scope of section 301, to break down those unfair trading barriers abroad to help boost U.S. exports.

I am pleased that the authors of this amendment have recognized that trade measures which mandate retaliation will be counterproductive to improving the international trade system. I want to congratulate Majority Leader BYRD and Minority Leader DOLE in their leadership efforts to devise this amendment.

I believe this amendment will help expand, and not contract trade. It is a market opening devise. As a result of this amendment, for example, Washington State may be able to begin to sell apples, soda ash, high technology products, and aluminum in Japan, and wheat to Europe and other areas of the world. Because the amendment is not trade restricting, I do not believe that our trading partners will be on sound ground to implement retaliation against us for insisting that they eliminate their unfair trade practices.

At the same time, I think we have to realize that this amendment is not a panacea for our trade problems. Our trade deficit will not disappear even if we succeed in meeting the objectives of this amendment. Our trade deficit will not go away until we put our own economic house in order by reducing our budget deficit and boosting U.S. productivity so that we can be more competitive in the international marketplace.

The other point I would like to make with respect to this amendment is that we would not be standing here today debating it if we had been taking more seriously the job of pursuing the elimination of unfair trade practices throughout the world. But the fact of the matter is that throughout the 1970's and 1980's the United States has been asleep. We have been asleep at the trade switch while our international competitors have been manipulating the international trading system to make sure that they win international markets and preserve their high quality jobs. In the last decade, 8 out of 10 U.S. high technology sectors have lost world market shares. Last year, the United States ran the first monthly agricultural trade deficit in its history. These are the reasons we need to take action to identify foreign trade barriers and to eliminate them. Like it or not, we are in a battle with our international competitors for world markets—the outcome of which will determine the standard of living for our children.

There is one important concern I have with the Byrd-Dole amendment as we vote on it today. As we look toward a conference with the House on this bill, we must make clear that we in the Senate are not willing to compromise the market-opening advantages contained in the Byrd-Dole amendment with the trade contracting and destructive requirements of the Gephardt amendment.

I will vote for the Byrd-Dole amendment because I believe it can help us constructively address unfair trade practices and open export markets abroad.

(By request of Mr. BYRD the following statement was ordered to be printed in the RECORD:)

● Mr. GORE. Mr. President, the adversarial trade amendment proposed by Senators BYRD, DOLE, RIEGLE, and DANFORTH is a constructive addition to the omnibus trade bill, and to what is hopefully an emerging consensus in this country that protectionism must be rejected here, if it is to be fought elsewhere. It is time that America starts to reckon the costs of unfair trading practices, and time for the U.S. Government to take action to negotiate an end to all such barriers, not only through GATT, but bilaterally, using the authority and flexibility afforded the President under section 301 of the omnibus bill.

All of us should realize, however, that even were the last trade abuse to be swept away, the core of our international trade problem would remain untouched until and unless we get at its sources which are: First, the gross mismanagement of U.S. fiscal policy which accounts for our enormous Federal debt, and with it, much of the distortion in American economic life both at home and abroad during the last 6 years; and second, the need for a renovation of America's competitive skills.●

Mr. BYRD. Mr. President, if we could finalize the action on the underlying amendment?

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from West Virginia, from Kansas and other Senators. All those in favor signify by saying aye.

Those opposed, no?

The ayes appear to have it. The ayes do have it.

The amendment (No. 465), as modified and amended, is agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 469

(Purpose: To express the sense of Congress that the Japanese beef quota and other Japanese trade barriers to U.S. beef exports should be abolished)

Mr. BAUCUS. Mr. President, I send an amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Montana [Mr. BAUCUS] for himself, Mr. WALLOP, Mr. NICKLES, Mr. MCCLURE, Mr. DECONCINI, Mr. GRASSLEY, Mr. SYMMS, Mr. HEFLIN, Mr. BURDICK, Mr. KARNES, Mr. EXON, Mr. HATCH, Mr. SIMPSON, Mr. DOMENICI, Mr. ADAMS, Mr. GRAHAM, Mr. WILSON, Mr. GARN, Mr. CONRAD, Mr. BINGAMAN, Mr. PACKWOOD, Mr. LUGAR, Mr. ARMSTRONG, Mr. ROCKEFELLER, and Mr. BENTSEN, proposes an amendment numbered 469.

Mr. BAUCUS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . UNITED STATES ACCESS TO THE JAPANESE BEEF MARKET

(a) FINDINGS.—The Congress finds that—

(1) U.S. cattlemen depend increasingly on exports for their income;

(2) Japan is the largest potential export market for U.S. beef;

(3) the Japanese beef quota restricts U.S. high-quality beef exports to Japan to a maximum of 58,400 tons per year;

(4) Japan restricts beef imports through a state trading agency—the Japanese Livestock Industry Promotion Corporation (LIPC)—which controls 90% of all U.S. beef exports to Japan;

(5) the LIPC sells U.S. beef to Japanese consumers at a price far above its market value and makes $140 million in profits annually be reselling U.S. beef to Japanese consumers;

(6) Japan puts excessively high tariffs on U.S. beef exports;

(7) the Japanese trade barriers that restrict U.S. beef exports are unfair trading practices;

(8) if the Japanese trade barriers that restrict U.S. beef exports were removed, U.S. cattlemen could export, at minimum, an additional $400 million worth of U.S. beef to Japan;

(9) an open Japanese beef market is in the best interest of U.S. cattlemen and Japanese consumers; Now, therefore be it,

(b) SENSE OF CONGRESS.—It is the sense of Congress that the United States should press Japan to remove all trade barriers, including the Japanese beef quota, that restrict U.S. beef exports by the expiration date of the current bi-lateral agreement governing U.S. beef exports to Japan, March 31, 1988.

Mr. BAUCUS. Mr. President, this is a very simple resolution directing the administration to press the country of Japan to eliminate all trade barriers that restrict United States beef exports by March 31 of next year.

Presently the United States and Japan have entered an agreement under which Japan has a very tight quota, but relaxes that quota each year. By next year, Japan will allow only about 58——

Mr. WALLOP. May we have order?

The PRESIDING OFFICER (Mr. REID). We will have order. Please resume.

Mr. BAUCUS. Under this present agreement we have with Japan, Japan will allow about 58,000 tons of American beef to enter Japan. That amounts to about one 10-ounce steak per Japanese person per year. It is not a lot of beef.

Most observers, agree that if Japan were to totally eliminate the quota on American beef into Japan, the United States would export $400 million more beef to Japan. That is $400 million additional that would go into the pockets of the American cattle producers.

This is really another effort, in addition to the last amendment we passed, to help eliminate a trade barrier, so we can import more into Japan.

Mr. President, I ask unanimous consent that the amendment be in order.

The PRESIDING OFFICER. Is there objection?

Mr. WIRTH. Will the Senator yield?

The PRESIDING OFFICER. The Senator from Colorado objects?

Mr. WIRTH. No. I was asking if the Senator would yield.

Mr. BAUCUS. Time is divided. I would be happy to yield to the Senator from Colorado.

Mr. WIRTH. I would like to commend the Senator. Not only is this good trade practice, but it is good for the consumer in Japan. If these barriers are lifted and more beef comes into Japan, clearly the price of beef to the consumer in Japan is going to go down so everybody benefits; and I want to commend the Senator from Montana for offering this amendment and I hope that it is agreed to.

Mr. BAUCUS. I thank the Senator from Colorado. I have spoken many times with members from the Japanese Parliament who represent Tokyo, the city, who are actually in favor of more American beef coming into Japan. It is true that some members of Parliament in more rural districts in Japan are opposed, but I think it is important to underline that many members of the Japanese Diet who represent consumers, the cities of Japan, do want more American beef and would like this quota relaxed.

In addition, there are many other organizations in Japan—the most important being the Kaedendrein, the major big organization in Japan—that has pointed out that present agricultural subsidies in Japan total about $2 million annually. Included in that is the beef quota. Japan should relax that beef quota and import much more American beef.

Japanese organizations and the major business organizations publicly are calling for a relaxation of the barriers that Japan presently erects against American agricultural products. When our trade negotiators meet—and they are now meeting and will continue to meet with negotiators of Japan—I hope that by March 31 of next year, with the aid of this resolution, we will make it clear to Japan that we do want that quota eliminated so that more American beef can be shipped to Japan.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Are we under a time limitation on this amendment?

The PRESIDING OFFICER. Ten minutes evenly divided.

Mr. PACKWOOD. I would yield 5 minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wyoming.

Mr. WALLOP. I thank the Senator from Oregon and I thank the Senator from Montana with whom I cochair the Beef Caucus in the Senate. I think mention has been made of the benefit to the American beef producer of the possibility of an open market. Mention has equally legitimately been made of the benefit to the Japanese consumer.

It is interesting that a steak which costs an American worker $4 costs that same Japanese worker $24.

It would seem to be in the interests of the Japanese under any set of circumstances to open it. But they have a peculiar way of viewing things. They tell us that if they remove the quota that all the beef will go to Australia. We are here to say—the American beef producers, the Senate Beef Caucus—that we will take our chances. You open the markets and we will show you what we can do and how we will perform in your market. This is a ridiculous agreement that has existed. There is no excuse for it continuing to exist.

A country which has access to the wealth and strength of the American market surely can resolve a problem over beef. The most curious thing of all is this amazing statement that the Japanese make when you go there. I was there in February of this year. They say that they have a political problem.

Well, as anybody can plainly see, we have a political problem. But in reality the problem is not political in either country. It is just one of fairness and one which, in point of fact, can be resolved simply, it can be resolved cheaply and can be resolved to the benefit of American producers and the Japanese consumers.

Mr. President, I join in offering this sense of the Congress resolution calling for the elimination of Japanese unfair trade practices which restrict United States beef imports. I also joined in calling for the elimination of unfair trade practiced by Korea. This issue is of singular importance to my home State of Wyoming, as it is to all American cattle producers.

America's livestock industry has undergone difficult times. Last year cattle producers suffered the worst setback since the Great Depression. Prices dropped, banks failed, land prices collapsed, and American producers were forced to compete against highly subsidized foreign products. The industry is struggling to get back on its feet. It still has to confront a multitude of unfair trade practices with our trading partners.

The promising beef markets in Japan and Korea could be real bright spots for United States beef producers. However, Japan continues to restrict imports through various and sundry tariff and nontariff barriers and Korea has banned all beef imports for the past few years.

Japanese beef import barriers are as unfair to America's producers as they are to Japanese consumers. We keep a free trade policy for imports of Japanese goods and services, and our consumers benefit, but the Japanese consumer must now pay $24 to buy a steak for which we pay $4. Their Government denies the people a simple opportunity to have quality beef and quantities of beef.

The average beef consumption in Japan, less than 10 pounds per year, is considerably less than the United States' 70 pounds average annual beef consumption. It is due in large part to the Japanese beef import quotas, tariffs, and pricing policies which we seek to eliminate. Current sales of United States beef to Japan, which are strictly limited to 58,400 metric tons of high-quality beef, are worth approximately $480 million annually. This could increase many times if Japanese quotas are liberalized.

With the beef and citrus agreement between the United States and Japan expiring early in 1988 now is the time to negotiate the elimination of all tariff and nontariff barriers to American beef. The removal of those discriminatory trade barriers would boost United States beef exports considerably, raising returns to American cattlemen and easing our large bilateral trade deficit with Japan. However, when the U.S. Trade Representative and Secretary of Agriculture met with Japanese officials in April seeking open-door treatment for United States beef and other commodities, they were rebuffed, even rudely rebuffed.

The Japanese argue that opening up their markets would not help American beef imports since the market would be dominated by Australian beef. I am confident that United States producers could supply a substantial portion of increased Japanese beef import needs and they deserve the chance to increase their market opportunities. Most certainly, removal of the Japanese restrictions would increase global demand which could only benefit all beef producers. Whatever, the American beef producer is confident that, given the chance to compete, he will succeed.

Equally as frustrating as the Japanese barriers is the on-again, off-again market in the Republic of Korea. Exports to this country have been small to nonexistent in recent years. In fact, for the last 2 years the Government of Korea has banned totally all imports of beef in contravention of Korea's General Agreement on Tariffs and Trade obligations. Again, as they build or manufacture some things well and cheaply we grow beef well and cheaply. They can no longer justify the distinction.

Mr. President, there is simply no justification for Japan—or Korea—to have such restrictive quotas and barriers on beef. I urge my colleagues to support this resolution calling for the end of such unfair trade practices.

I urge the Senate to adopt this. I compliment the Senator from Montana and all others in the beef caucus who are cosponsors of it.

Mr. President, I am prepared to yield back the balance of our time.

Mr. BAUCUS. Mr. President, I yield my remaining time to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 2 minutes.

Mr. ROCKEFELLER. Mr. President, I would hope that this would pass. I support the Baucus amendment. It is an outrageous situation in Japan at this particular time. It is a problem that we have been working on with respect to beef for over a decade.

The price of beef over there is, in fact, 10 to 15 times what it would be were they willing to accept some of ours. It is a very frustrating problem. The fact of the matter is that the Japanese are gradually shifting in their diet more toward beef, but they are not able to shift in the way that we would like them to because they simply cannot afford to do it.

I think this is a good amendment and ought to be accepted.

The PRESIDING OFFICER. Mr. President, the Senator from Montana.

Mr. BAUCUS. Mr. President, I will not ask for the yeas and nays. I think the list of cosponsors on the amendment is sufficient evidence of how strongly the Senate wishes our negotiators to proceed to eliminate the quota.

I yield back the balance of my time.

The PRESIDING OFFICER. Does the Senator from Oregon yield back the remainder of his time?

Mr. PACKWOOD. Yes, he yields back the remainder of his time.

The PRESIDING OFFICER. All time has been yielded back. All those in favor signify by saying aye.

Those opposed, no?

The ayes appear to have it. The ayes do have it.

The amendment (No. 469) is agreed to.

The Senator from Montana.

AMENDMENT NO. 470

(Purpose: To improve the operation of the dairy export incentive program)

Mr. MELCHER. Mr. President, without objection I send an amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. Melcher] for himself, Mr. Burdick, Mr. Exon, Mr. Harkin, proposes an amendment numbered 470.

Mr. MELCHER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment is as follows:

On page 538, between lines 19 and 20, insert the following new section:

Sec. Dairy Export Incentive Program.

Subsection (d) of section 153 of the Food Security Act of 1985 is amended by revising subsections (2) and (3) to read as follows:

"(2) If payments in commodities are authorized, such payments shall be made through the issuance of generic certificates redeemable in commodities.

"(3) If generic certificates issued in accordance with the program provided for by this section are exchanged for dairy products owned by the Commodity Credit Corporation, the regulations issued by the Secretary shall ensure that such dairy products, or an equal amount of other dairy products, will be sold for export by the entity and that any such export sales by the entity will be in addition to, and not in place of, export sales of dairy products that the entity would otherwise make under the program or in the absence of the program, and, to the extent practicable, will not displace commercial export sales of United States dairy products by other exporters."

Mr. MELCHER. When we passed a farm bill in December 1985 it included a dairy export incentive program and we have found since then that there is a need to make an amendment to that particular program. That program sought to use our dairy surplus products and to provide the incentive to export them if certificates were allowed. But not generic certificates.

In other words, certificates for surplus dairy products were allowed.

What my amendment does, it will allow generic certificates to be used and that simply means that other certificates for commodities other than dairy products can be utilized: Grain, for example; corn or wheat.

It is essential to do this because in February of this year the Department offered this type of program to a number of countries. Thirty-three, as a matter of fact.

Out of those 33 metric tons, only 15 metric tons to the United Arab Emirates was accepted. We found that the problem is that the certificates were all right, except they had to be made out in dairy products which then again had to be exported. It was not attractive. What the amendment says is that they shall be generic certificates. Therefore, they could be certificates from CCC commodities. That will make the program work.

We are advised that we can probably anticipate that 20 million to 30 million or 50 million pounds of dairy products could be utilized in this manner.

It is a very good amendment. It is timely. It is necessary to make the dairy export incentive program work.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

The Senator from Oregon?

Mr. PACKWOOD. If nobody wants the time, I am prepared to yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 470) was agreed to.

AMENDMENT NO. 471

(Purpose: To permit marketing orders to provide for paid advertising for Florida-grown strawberries)

Mr. CHILES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Florida [Mr. Chiles] proposes an amendment numbered 471.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . PAID ADVERTISING FOR FLORIDA-GROWN STRAWBERRIES UNDER MARKETING ORDERS.

The first proviso of section 8c(6)(I) of the Agricultural Adjustment Act, reenacted with amendments by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608c(6)(I)), is amended by striking out "or tomatoes" and inserting in lieu thereof "tomatoes, or Florida-grown strawberries,".

Mr. CHILES. Mr. President, this is the amendment I described earlier in the time agreement of 5 minutes per side. This amendment is an agricultural amendment. It has been cleared on both sides. It allows Florida strawberries to have paid advertising.

In the Agricultural Marketing Act of 1937, they did not make provision for paid advertising as part of the order. However, since that time, they have added many, many other commodities but they did not add strawberries. This adds strawberries.

I urge adoption of the amendment.

Mr. LEAHY. Mr. President, on the Senate Agriculture Committee we have this intense scrutiny. We believe it is an excellent amendment.

Mr. CHILES. I yield back the remainder of my time.

Mr. PACKWOOD. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 471) was agreed to.

AMENDMENT NO. 472

(Purpose: To Express the Sense of the Congress Regarding Trade and Economic Relations with Japan.)

Mr. ROTH. Mr. President, I send an amendment to the desk on behalf of myself, and Senators Rockefeller, Bentsen, Riegle, Danforth, Symms, and Baucus.

The PRESIDING OFFICER. Is there objection to setting aside the committee amendment? Without objection, it is so ordered.

The clerk will report.

The bill clerk read as follows:

The Senator from Delaware [Mr. Roth], for himself and Mr. Rockefeller, Mr. Bentsen, Mr. Riegle, Mr. Danforth, Mr. Symms, and Mr. Baucus, proposes an amendment numbered 472.

Mr. ROTH. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle A of title III of the bill, add the following:

SEC. . TRADE AND ECONOMIC RELATIONS WITH JAPAN.

(a) Findings.—The Congress finds that—

(1) the United States is at a critical juncture in bilateral relations with Japan;

(2) the balance of trade between the United States and Japan has deteriorated steadily from an already large United States deficit of $10.4 billion in 1980 to an unprecedented United States deficit of $59 billion in 1986, a magnitude that is simply untenable;

(3) approximately 90 percent of the increase in total trade between the United States and Japan since 1980 has been in Japanese exports to the United States;

(4) United States exports to Japan have not significantly benefited from appreciation of the yen:

(5) the United States deficit in the balance of trade in manufactured goods is growing: in 1986 Japan exported $80.4 billion of manufactured goods to the United States, while the United States exported $12.4 billion in manufactured goods;

(6) Japan accounts for 51 percent of the worldwide deficit of the United States in the balance of trade in manufactured goods, calculated on a C.I.F. basis;

(7) our trade and economic relations with Japan are complex and cannot be effectively resolved through narrow sector-by-sector negotiations;

(8) the principle problem between the United States and Japan is the absence of a political will in Japan to import:

(9) Japan must establish an "import vision" that does not regard foreign imports as threatening to economic success;

(10) the situation between the United States and Japan will become increasingly dangerous without a set of facts, objectives, and a timetable for action that are agreed upon by the United States and Japan; and

(11) meaningful negotiations must take place at the highest level, at a special summit of political leaders from both countries.

(b) SENSE OF THE CONGRESS.—

(1) It is the sense of the Congress that the President should propose to the Japanese Prime Minister that a special summit be held between the leaders of the United States and Japan for the purpose of—

(A) addressing trade and economic issues, and

(B) establishing—

(i) an agreement that provides objectives for improvement in trade and economic relations, and

(ii) targets for achieving these objectives.

(2) The delegation of the United States to the summit meeting described in subsection (a) should include—

(A) Members of Congress from both political parties, and

(B) appropriate officers of the Executive Branch of the United States Government.

(3) The delegation of Japan to the summit meeting described in subsection (a) should include—

(A) representatives of all political parties in Japan, and

(B) appropriate officers of the Government of Japan.

Mr. ROTH. Mr. President, a few moments ago I voted for the amendment sponsored by my distinguished colleagues Senators BYRD, DOLE, DANFORTH, and RIEGLE. I thought this was an important step in eliminating unfair practices and barriers to U.S. exports. Now I am offering an additional amendment, with the Senators already named, which specifically relates to Japan.

I am offering this amendment because it is absolutely clear to me, as I am sure it is to most of my colleagues, that with Japan our trade and economic problems extend beyond the kinds of barriers that can be listed in the President's Report of Trade Barriers and thus covered by the amendment we have already adopted.

Our principal problem with Japan is the absence of a political will in Japan to import. Put another way, Japan needs an import vision, a vision shared by its leaders as well as its people. Japan cannot continue to regard foreign imports as a threat to its economic prosperity.

Three pervasive myths in Japan act as a significant psychological barrier to increases in Japanese imports. Like all myths they developed over the years and were originally based upon a kernel of truth.

These beliefs are outmoded and distort the Japanese view of their role in the world.

The first is the myth of vulnerability; that Japan cannot afford manufactured imports because it is a small island nation devoid of natural resources whose survival depends on importing raw materials, adding value and exporting final manufactured goods. Therefore manufactured imports are definition luxuries—hakurai hin. According to this view of the world, competitively priced imports have no legitimate place in the market.

Japan is no longer a poor country and this belief is no longer appropriate, yet this belief persists and acts to discourage imports from the United States and elsewhere.

Many Japanese now see Japan as an "overcrowded train"—man-in densha—with no room for imports: one often hears the expression that "Japan already produces everything we need and like an overcrowded train there is no room for more competition." So, for example, foreigners cannot play a role in construction of the Kansai Airport because of the belief that Japanese companies already face "too much competition."

The second belief that restricts imports is the myth of quality: "Maybe now we can afford imports but it doesn't make sense to import because everything we make is better than anything you make." This idea means that the Japanese are impoverishing their own economic choices. Superior United States and foreign products that enrich American lives are missing from Japanese store shelves and procurement processes. This myth reduces competition and contributes to high consumer prices in Japan—not just for food—but for manufactured goods as well.

For example, a recent survey of Japanese camera prices in new and fukuoka showed that prices of Japanese cameras and video equipment were lower in New York than in Japan.

The third belief that must change is the myth of the lazy foreigner: the idea that "foreigners don't sell more in the Japanese market because they don't try hard enough." Many U.S. businesses must try harder in the world's second largest market. But many highly competitive foreign firms have tried very hard to penetrate the Japanese market and have faced great protectionist obstacles that Japanese firms in the United States do not face. Some examples are tobacco, computers, wood products, medical equipment, and pharmaceuticals. It's a long list.

Moreover, this myth describes only a part of the picture. A great part of Japan's success in the United States is due not to the "dent of Japanese efforts" but to the work of United States importers.

The history of Japan's entry into the United States market vividly demonstrates this point. Other than textiles and ceramics, the first Japanese goods to succeed in the United States were optical goods—cameras and lenses. But it was not through the efforts of Japanese producers—Canon, Nikon, and others—that Japanese cameras succeeded in securing a firm place in the United States market.

Rather, it was the work of American importers—people like Burkey, Ehrenreich, Froelich, and others. They pulled these products into the United States. Without that import pull and the enormous import pull exerted by a vast number of United States importers from giants like Sears, J.C. Penney, Japanese goods would not be in our market in any way like the level they are.

The United States has an entrepreneurial class of importers that make a handsome profit by scouring the markets of the world seeking out products that will sell in the U.S. market. These importers bring a vast range of goods to the United States thereby increasing the variety of goods available to the consumer, lowering prices by increasing competition, and raising the prosperity of our trading partners.

These importers—often larger retailers—have no counterpart in Japan. Trade is a two-part process—involving both exports and imports. If foreigners must try harder to export to Japan, then Japan must try harder to import from overseas trading partners.

Success in changing this critical psychological block to United States exports, particularly with Japan, is more likely in a political content. What is needed is a political consensus broadly supported in both countries on objectives for improvement of our trade and economic relations and a firm political commitment broadly supported in both countries to meet these objectives.

To achieve this, meaningful negotiations must take place at the highest political level. Our trade and economic relations with Japan are complex and cannot be resolved, in my judgment, by narrow, sector-by-sector negotiations.

For this reason I am offering this amendment in the form of a resolution calling for an Executive Parliamentary Summit between the political leaders of both our countries, not just a summit between the President and the Prime Minister, but a summit which includes Members of Congress from both political parties, key Cabinet members, representatives of all political parties in Japan and of the key ministries such as the Ministry of Foreign Affairs, the Ministry of Finance, the Ministry of International Trade and Industry, as well as the Ministry of Agriculture.

This amendment is complementary to the general amendment on persistent barrier countries we have just adopted. My hope is that the United States and Japan can come together as the strong allies we are and resolve the festering problems in our trade and economic relationship to our mutual benefit.

Mr. President, I urge my colleagues to support this resolution for an Executive Parliamentary Summit between the United States and Japan.

I yield to the distinguished Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I support the amendment of the Senator from Delaware and would echo his words that if fundamental changes are going to be made in the trade patterns of Japan, it is not going to be caused entirely by pressure from the United States Congress or even from the United States executive branch. It is going to come in part from the acquiescence coming from various types of pressure from the Government of Japan's political government leaders.

The Senator from Delaware mentioned the Ministry of Finance. To give you an example of the political leadership in the Government in Japan, I believe I am correct in saying that since the end of the Second World War, of the executive budgets submitted by the Ministry of Finance to the Japanese Diet, there has only been 1 year in which one item in one budget was changed by the Diet. That is, their congress.

The power of the Ministry of Finance, the power of political leaders, the power of government in general is pervasive in Japan, and, therefore, if trade relations are going to improve, and if our trade balance is going to improve, with Japan, this is going to have to be done not only by legislation we pass through the Congress and strong leadership on the part of the executive branch in this country, but by a clear understanding between the leaders of both countries that this is a balance which has to be adjusted and brought into a fairer situation.

I think the amendment is a good one. It would bring the executive branch and the congressional branch of both countries together to discuss comprehensive approaches to trade policy. I hope the amendment will be accepted.

Mr. ROTH. Mr. President, I some time earlier wrote our distinguished Ambassador to Japan, former Senator Mike Mansfield, about this proposal for an executive parliamentary summit and in a letter he said to me:

> I want to compliment you on coming up with a proposal which has a great deal of merit and to express the hope that your letters to the President and the Prime Minister will be given the most serious consideration and their study of what must be done to face up to the present trade situation.

Mr. President, I yield the floor.

Mr. BENTSEN. Mr. President, I have examined the amendment. I am very pleased to be a cosponsor of it. I think Senator ROTH and Senator ROCKEFELLER have made a contribution with it. I have no objection to it. I support the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 472) was agreed to.

Mr. ROTH. I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The motion to lay on the table was agreed to.

AMENDMENT NO. 473

(Purpose: To make a technical change in the provisions in the Omnibus Trade Act of 1987 that concern the implementation of the United States and European Community agreement on citrus and pasta)

Mr. LEAHY. Mr. President, I ask unanimous consent that it be in order to set aside the pending amendment and to immediately consider the amendment I intend to offer.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 473.

Mr. LEAHY. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> The bill, S. 1420, the Omnibus Trade Act of 1987, is amended as follows:
>
> (a) On page 373—
>
> (1) strike lines 1 through 13; and
>
> (2) on line 14, strike "(k)" and insert in lieu thereof "(j)"; and
>
> (b) On page 374, line 1, strike "(1)" and insert in lieu thereof, "(k)".

Mr. LEAHY. Mr. President, I am offering this technical amendment to the Omnibus Trade Act of 1987 to prevent an unnecessary expansion of the import limitations that are currently in place with respect to cheese and other dairy products.

The provisions in the bill would require the President to increase the import quota on certain cheeses by 1,572 metric tons and by 353 metric tons for certain other cheeses. The purpose of these provisions are to implement agreements entered into by the United States with the European Communities concerning the accession of Spain and Portugal to the EC.

However, the provision is unnecessary because this provision of the overall agreement between the United States and the European Community has already been implemented. President Reagan, by proclamation No. 5618 of March 16, 1987, increased the cheese quota by these amounts to carry out this agreement.

If the provisions were allowed to remain in the bill, the President would have to increase the cheese quota by 3,000 metric tons, instead of just the 1,572 metric tons necessary to implement the agreement.

I believe that the dairy industry has been called upon to make a large enough concession under this agreement with the EC. I hope that my colleagues will accept this technical amendment without objection.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. LEAHY. I am willing to yield back the remainder of my time, Mr. President. I understand this amendment is acceptable.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 473) was agreed to.

Mr. LEAHY. I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 474

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask unanimous consent that it be in order to consider it at this time.

The PRESIDING OFFICER. Without objection, it is so ordered. The Clerk will report.

The bill clerk read as follows:

> The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 474.

Mr. PRESSLER. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> At the appropriate place in the legislation insert the following:
>
> The Secretary of Commerce is directed to study the effects on American small businesses of extending the General Agreement on Trade and Tariffs to include intellectual property rights, services, agriculture, aquaculture and agri-business products and to report the findings of such study to Congress within six months of enactment of this legislation.

Mr. PRESSLER. Mr. President, by now all of my colleagues are aware of the 60 recommendations made to the President and Congress by last year's White House Conference on Small Business.

High on the delegates' list of concerns, in fact their fifth recommendation, is international trade. The delegates called for the creation of a Cabinet level department of international trade. While my amendment does not speak to this point, it does call for a study of one of the issues raised by Conference recommendation No. 5.

Specifically, it directs the Secretary of Commerce to conduct a study of the effects of extending the General Agreement on Tariffs and Trade to include intellectual property rights, services, agriculture, aquaculture, and agribusiness products and to report the findings of the study to Congress within 6 months of enactment of this bill into law.

While the White House Conference on Small Business delegates asked that GATT simply be extended to include these items, I believe that we would be best served by a formal study of the issue before implementing the proposal. My amendment simply asks for a study.

On January 15 and 16, 1987, some of the Conference attendees met in Orlando, FL, for the 1986 White House Conference on Small Business Strategic Planning Conference. The purpose of the meeting was to discuss ways through which the Conference recommendations might be implemented. I would like to quote briefly from the findings section of their competitiveness report:

> Stronger and more informed representation of small manufacturing, agricultural, service and other businesses in international negotiations and the development in international negotiations and the development and execution of fair trade policies * * * are the highest priorities for small business in the international trade area.

Mr. President, my amendment is designed to begin the process of implementing this policy statement. I might add that it would be a mistake to treat such recommendations lightly. Two-thirds of the recommendations from the 1980 White House Conference on Small Business have been implemented.

Ideas nurtured at the 1980 Conference have taken life in such laws as the Regulatory Flexibility Act, the Equal Access to Justice Act and the Small Business Innovation and Research Program. Clearly, the White House Conference on Small Business has proved itself as an extremely valuable source of legislative initiatives.

As my colleagues know, the 1986 Conference was called as the result of an act of Congress. Delegates came from across the country to participate, at their own expense, in the week-long meeting last summer. These delegates were more than simply small business owners. Most of them were elected by their peers at the various State conferences. They are the leaders of the American small business community.

While I am not advocating that Congress blindly follow the Conference recommendations and enact them all into law, for the reasons I have just stated, I believe that we have a responsibility to carefully study the merits of each recommendation. That, Mr. President, is the purpose of my amendment.

This trade bill is designed to improve America's economic competitiveness. Year after year, our small businesses continue to outperform large industry. They have been rightfully called the engine that pulls our economic train. Therefore, it is wholly appropriate that we consider the views of the engineers of the train.

I urge all of my colleagues to join me in supporting this amendment. In so doing, we can begin to address what leaders of the small business community themselves have termed one of the "highest priorities for small businesses in the international trade area."

I move that my amendment be adopted.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, as manager for the majority, we have examined the amendment and find it acceptable. We have no objection to it.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I have no objection to the amendment. I think I have no time left, but if I do I will yield it back.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. 474) was agreed to.

Mr. PRESSLER. I move to reconsider the vote by which the amendment was agreed to.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 475

(Purpose: To add a sense of Congress on commercial relations with Mexico)

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the pending amendment be set aside for consideration of an amendment I will send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 475.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, add the following new section:

SECTION . COMMERCIAL RELATIONS WITH MEXICO.

(a) FINDINGS.—The Congress finds that—

(1) Mexico and the United States are major trading partners with a total two-way trade of approximately $30 billion in 1986;

(2) Mexico has been in the process of liberalizing its economy, as exemplified by Mexico's recent accession to the General Agreement on Tariffs and Trade;

(3) continued liberalization of the Mexican economy will benefit both Mexico and the United States;

(4) the United States and Mexico are close neighbors, sharing a 2,000 mile border and many common interests; and

(5) there are a large number of bilateral economic issues now confronting the two countries which merit frequent and close attention.

(b) FRAMEWORK AGREEMENT ON TRADE AND INVESTMENT.—(1) It is the sense of the Congress that—

(A) the United States and Mexico should strive for mutually beneficially economic liberalization;

(B) the United States and Mexico should enter into a bilateral agreement to provide a framework for the management of bilateral trade and investment relations based on shared objectives;

(C) such a framework agreement should establish procedures for consultation by the two countries on matters of bilateral trade and investment and for resolution of commercial disputes at an early stage; and

(D) such a framework agreement should be structured so as to facilitate ongoing negotiations between the United States and Mexico on issues of bilateral trade and investment.

Mr. BINGAMAN. Mr. President, this amendment adds sense of the Congress language that the United States and Mexico should enter into a framework agreement governing United States-Mexico economic relations.

United States-Mexico economic relations exemplifies, in many ways, the nature of the changing world economy. The United States is Mexico's largest trading partner, with over 60 percent of Mexico's exports. Mexico is the United States' fourth largest trading partner, behind Canada, Japan and West Germany, and tied with England. Yet, the United States and Mexico have not had a treaty of friendship, commerce and navigation since 1950.

This lack of a trade agreement is even more important given the changing nature of the Mexican economy and its impact on the United States. Last month, I held hearings through the Joint Economic Committee on United States-Mexican economic relations. At those hearings, we heard that Mexico's exports to the United States have shifted from agriculture and petroleum to chemicals and manufactured goods. At the same time, Mexico is gradually liberalizing its economy, as exemplified by Mexico's recent accession to the General Agreement on Tariffs and Trade.

As part of this gradual liberalization of the Mexican economy, the United States and Mexico have been conducting negotiations over a bilateral framework agreement to govern United States-Mexican economic relations. Starting with a joint statement of intent in April 1985 between then U.S. Trade Representative Bill Brock and Mexican Secretary of Commerce Hector Hernandez and announcements by Presidents Reagan and de la Madrid in August 1986, the negotiations began in earnest in November of that year. Since then, substantial progress has been made, raising hopes that an ageement can be reached this year.

Mr. President, this amendment simply affirms the Congress' support for these negotiations. The framework agreement would contain a statement of general principles establishing the basis for freer flow of bilateral trade and investment, procedures for handling trade and investment disputes and a process for continuing detailed discussions on specific issues.

Continued economic liberalization of the Mexican economy would benefit both Mexico and the United States. Trade between the United States and Mexico currently represents a vast untapped force for mutual economic growth and development. In my home State of New Mexico, a number of businessmen have told me of their efforts to expand United States-Mexican trade.

However, the liberalization of the Mexican economy is proceeding at a snails pace. Not everyone in Mexico supports the process, expecially those interests who have benefited from the protectionist barriers. A bilateral framework agreement would put both nations on the path to greater economic cooperation and prosperity.

Mr. President, earlier the Senate agreed to an amendment stating that the U.S. Government should enter into trade agreements for the purpose of promoting a North American Trade Expansion Area. The framework agreement would be a first step in that direction. We should support those efforts, as this amendment does. I urge its adoption.

Mr. PACKWOOD. Mr. President, the amendment is acceptable to this side. We yield back the time.

Mr. BENTSEN. Mr. President, the amendment is acceptable to the majority.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 475) was agreed to.

AMENDMENT NO. 476

(Purpose: To promote fair trade in financial services, and for other purposes.)

Mr. CHILES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to setting aside the pending amendment? Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. CHILES] proposes an amendment numbered 476.

Mr. CHILES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title XV, add the following new sections:

SEC. 1503. EFFECTUATING THE PRINCIPLE OF NATIONAL TREATMENT FOR BROKERS AND DEALERS.

Section 15(b) of the Securities Exchange Act of 1934 is amended by adding at the end thereof the following new paragraph:

"(11) With the prior approval of the President, the Commission may deny an application for registration under this subsection filed by a person of a foreign country if that foreign country does not accord to United States brokers and dealers the same competitive opportunities as it accords to their domestic counterparts. A person is a 'person of a foreign country' for purposes of this paragraph if that person, or any other person which directly or indirectly owns or controls that person, is a resident of that country, is organized under the laws of that country, or has its principal place of business in that country.".

SEC. 1504. BIENNIAL REPORTS ON FOREIGN TREATMENT OF UNITED STATES FINANCIAL INSTITUTIONS.

Not less than every 4 years, beginning December 1, 1990, the Secretary of the Treasury, in conjunction with the Secretary of State, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Securities and Exchange Commission, shall report to the Congress on the extent to which foreign countries deny national treatment to United States banking organizations and securities companies, and on the efforts undertaken by the United States to eliminate such discrimination. The report shall focus on those countries in which there are significant denials of national treatment which impact United States financial firms. The report shall also describe the progress of discussions pursuant to section 605.

SEC. 1505. FAIR TRADE IN FINANCIAL SERVICES.

(a) When advantageous the President or his designee shall conduct discussions with the governments of countries that are major financial centers, aimed at:

(1) ensuring that United States banking organizations and securities companies have access to foreign markets and receive national treatment in those markets;

(2) reducing or eliminating barriers to, and other distortions of, international trade in financial services;

(3) achieving reasonable comparability in the types of financial services permissible for financial service companies; and

(4) developing uniform supervisory standards for banking organizations and securities companies, including uniform capital standards.

(b) Before entering into those discussions, the President or his designee shall consult with the committees of jurisdiction in the Senate and the House of Representatives.

(c) After completing those discussions and after consultation with the committees of jurisdiction, the President shall transmit to the Congress any recommendations that have emerged from those discussions. Any recommendations for changes in United States financial laws or practices shall be accompanied by a description of the changes in foreign financial laws or practices that would accompany action by the Congress, and by an explanation of the benefits that would accrue to the United States from adoption of the recommendations.

(d) Nothing in this section may be construed as prior approval of any legislation which may be necessary to implement any recommendations resulting from discussions under this section.

Mr. CHILES. Mr. President, I am offering an amendment to title XV of the omnibus trade bill—which deals with the opportunities afforded our financial enterprises in foreign markets.

The bill reported by the Banking Committee is a good one, but it can be improved upon. My amendment would strengthen it in three ways.

First, the committee bill allows our bank regulators—with the approval of the President—to hold up foreign acquisitions of U.S. banks and bank holding companies if our institutions are denied national treatment in foreign markets. And Senator RIEGLE's amendment to that bill does the same thing in the case of primary dealerships. My amendment would expand the coverage to include securities dealers and brokers.

Earlier this year, the Budget Committee heard from some of our executives in Tokyo about the competitive problems we have over there. And about half the list of problems was in the securities area.

For example, we have documented the lack of fair opportunities for foreign participation on the Tokyo Stock Exchange; the problems in being allowed to compete in the securities rating business; the inability to do all facets of the swap business; the lack of input into securities rulemaking with the Ministry of Finance.

We need to demand national treatment for our securities firms as well as for banking enterprises.

Second, my amendment instructs the Treasury, in consultation with our other financial authorities, to report to Congress every 2 years on the treatment of U.S. financial enterprises abroad. The National Treatment Updates published by the Treasury have been extremely valuable in gauging our progress in opening foreign financial markets. My amendment requires this kind of report every 2 years.

Third and most significantly, my amendment instructs the President to enter into international discussions with the governments of countries that are major financial centers to reduce or eliminate barriers to trade in financial services.

One of the great concerns I have is that our financial enterprises aren't allowed to offer in foreign markets the services in which we have a competitive advantage. Japanese firms come into the New York market and learn very quickly from us how to offer the sophisticated financial services in which we excel. But the Japanese will not let us offer these same services in their markets. It's simply not acceptable to be denied the opportunity to do what we are best at.

The major money market centers must begin moving toward some uniformity in the financial services they allow to be offered. My amendment instructs the President to work with our trading partners and begin laying the groundwork for comparability in the types of financial services that are permissible.

This amendment has been negotiated with Senator Proxmire, and he has indicated his willingness to accept it. I appreciate his openness and responsiveness in dealing with the issues I have raised.

Mr. President, this amendment has been cleared by the Banking Committee members on both sides, and I urge the adoption of the amendment.

Mr. PACKWOOD. Mr. President, as the Senator from Florida has indicated, it has been cleared on this side. We have not been able to find the Banking Committee staff, and I have never found the Senator from Florida to be in error.

Mr. BENTSEN. Mr. President, I agree with the statement made by the manager for the minority, and I am delighted to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 476) was agreed to.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 477

(Purpose: To express the sense of the Congress regarding the supercomputer trade dispute between the United States and Japan)

Mr. BAUCUS. Mr. President, I ask unanimous consent that the pending amendment be laid aside, and I send an amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. Baucus] proposes an amendment numbered 477.

Mr. BAUCUS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle A of title III of the bill, add the following:

SEC. . SUPERCOMPUTER TRADE DISPUTE.

(a) Findings.—The Congress finds that—

(1) United States manufacturers of supercomputers have encountered significant obstacles in selling supercomputers in Japan, particularly to government agencies and universities;

(2) Japanese government procurement policies and pricing practices have denied United States manufacturers access to the Japanese supercomputer market;

(3) it has been reported that officials of the Ministry of International Trade and Industry of Japan have told United States Government officials that Japanese government agencies and universities do not intend to purchase supercomputers from United States manufacturers, or take steps to improve access for United States manufacturers;

(4) the United States Government on December 10, 1986, initiated an interagency investigation of Japanese supercomputer trade practices;

(5) The United States Trade Representative and other officials of the United States Government have made progress in negotiating an agreement on government procurement procedures with Japanese government representatives;

(6) there have been allegations that Japanese manufacturers of supercomputers have been offering supercomputers at drastically discounted prices in the markets of the United States, Japan, and other countries;

(7) deep price discounting raises the concern that Japan's large-scale vertically integrated manufacturers of supercomputers have targeted the supercomputer industry with the objective of eventual domination of the global computer market; and

(8) the supercomputer industry plays a central role in the technological competitiveness and national security of the United States.

(b) Sense of Congress.—It is the sense of the Congress that the United States Trade Representative and other appropriate officials of the United States Government should—

(1) give the highest priority to concluding and enforcing agreements with the Government of Japan which achieve improved market access for United States manufacturers of supercomputers and end predatory pricing activities of Japanese companies in the United States, Japan, and other countries; and

(2) continue to monitor the efforts of United States manufacturers of supercomputers to gain access to the Japanese market, recognizing that the Government of Japan may continue to manipulate the government procurement process to maintain the market dominance of Japanese manufacturers.

Mr. BAUCUS. Mr. President, this amendment is a sense-of-the-Senate resolution encouraging the USTR and the Department of Commerce to conclude an agreement with Japan allowing U.S. manufacturers of supercomputers greater access to the Japanese market.

Mr. President, no one will dispute the fact that supercomputers are the "crown jewels" of American technology. They are the fastest and most powerful computers in the world. They are critical to our international competitiveness and national security. They play an increasingly vital role in driving technological development in all areas of our economy.

All experts agree that American supercomputers are the best in the world. And yet, not one of the nearly 20 supercomputers installed in the Japanese public sector is an American machine.

Why would a country like Japan, that prides itself on its technological prowess, not buy the best supercomputers in the world? The answer is simple, and distressingly familiar: Japan has targeted this industry as a part of its long-term industries strategy.

Japan's pattern of industrial targeting is only too familiar. The Japanese have closed their home market to protect domestic producers. At the same time, those producers have engaged in a program of predatory pricing in foreign markets to gain market share.

Experience tells us that Japan's goal is to drive all foreign competitors out of the market to ensure the dominance of Japanese companies. We have seen it before in autos, semiconductors, and consumer electronics. We cannot afford to let supercomputers go the way of VCR's and DRAM's.

How do we know the Japan has targeted supercomputers? The Japanese, themselves, told us so. Japanese Vice Minister Kuroda told American negotiators last January that American companies should not expect to sell anything in Japan. In addition, he said the Japanese Government was unwilling to do anything to improve market access for United States manufacturers.

My good friend Ambassador Mike Mansfield has reported that:

> The Japanese authorities and industry are engaged in the early stages of a comprehensive long-term program of industrial and technological targeting aimed towards dominance of the computer industry * * *.

That is the bad news. The good news is that the USTR has had great success in negotiating an agreement on Japanese Government procurement practices for supercomputers. Under the terms of the proposed agreement, Japan will make its procurement procedures more transparent to United States companies, and more consistent with the GATT code on government procurement.

This is a good first step, but it is only a first step. Next, USTR must turn its attention to the predatory pricing practices of Japanese supercomputer companies. Reports suggest that Japanese companies are offering deep discounts, in the range of 70 to 80 percent, to seize market share in third markets. This type of dumping activity is an unfair trading practice, and should be addressed directly.

My resolution encourages the USTR to conclude an agreement to end the predatory pricing activities of Japanese companies. It also requests that the USTR monitor the efforts of United States producers to enter the Japanese market. This last point is important because our experience with the semiconductor agreement shows that we cannot always rely on agreements to gain market access.

I hope my colleagues will support this resolution. It sends a very important signal to Japan. It says that the Senate of the United States wants to see American supercomputer manufacturers get a fair shake in the Japanese market. It also says that we want to see Japanese manufacturers end their unfair trading practices.

This amendment has been cleared on both sides. I think it is noncontroversial, and I urge the Senate to adopt it.

Mr. BENTSEN. Mr. President, I have examined the resolution and find it worthy, and I have no objection to it.

Mr. PACKWOOD. Mr. President, the amendment is satisfactory.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 477) was agreed to.

The PRESIDING OFFICER. The Senator from West Virginia seeks recognition.

AMENDMENT NO. 478

(Purpose: To require a study of methods of expediting the certification of workers for trade adjustment assistance)

Mr. ROCKEFELLER. Mr. President, I send to the desk an amendment and ask for its immediate consideration and also ask unanimous consent that it be considered in order.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROCKEFELLER) proposes an amendment numbered 478.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 131 of the printed bill, between lines 4 and 5, insert the following:

SEC. 219. STUDY OF CERTIFICATION METHODS.

(a) IN GENERAL.—The Secretary of Labor, in consultation with the Secretary of Commerce, shall conduct a study of the methods (including, but not limited to, industry-wide certification) that could be used to expedite the certification of workers under subchapter A of chapter 2 of title II of the Trade Act of 1974.

(b) REPORT.—By no later than the date that is 6 months after the date of enactment of this Act, the Secretary of Labor shall submit to the Congress a report on the study conducted under subsection (a). The report shall include the recommendations of the Secretary of Labor regarding the methods that are the subject of the study conducted under subsection (a).

On page 131, line 5, strike out "219" and insert in lieu thereof "220".

On page 132, line 7, strike out "and 218(a)" and insert in lieu thereof "218(a), and 219".

Mr. ROCKEFELLER. Mr. President, this amendment I believe has been cleared on both sides.

It calls for a study by the Department of Labor working together with the Department of Commerce to try to get to the bottom of a very simple, but persistent, problem—the excessive delays in the process of certifying workers who have been laid off, because of imports from overseas, for trade adjustment assistance.

To give you an example—and this kind of thing occurs frequently in my home State of West Virginia—the USX Corp. owned coal mines which they closed down last July. The cause was directly related to competition from imports. The workers applied for TAA assistance but did not receive an affirmative response until 6 months later. In fact, that is a common amount of time. It should not take 6 months for an import-injured worker to get certified for TAA assistance. This cannot continue. There has to be a faster way of doing it.

This amendment will simply ask the Department of Labor to undertake, with the Department of Commerce, a study which would offer Congress recommendations on methods to expedite the petition and certification process for trade adjustment assistance.

As I indicated, I believe it has been cleared by both sides, and I hope the amendment will be accepted.

Mr. BENTSEN. Mr. President, I think the amendment is an excellent one and it has had an extraordinary long period of time on this certification and we ought to find ways to try to improve it.

I support the amendment.

Mr. PACKWOOD. The amendment has been cleared on this side.

The PRESIDING OFFICER. Is there further debate on the amendment?

There appears to be none.

The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment (No. 478) was agreed to.

Mr. ROCKEFELLER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I ask unanimous consent to set aside the pending amendment in order to consider an amendment that I will send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 479

(Purpose: To clarify congressional findings and policy concerning the stabilization of unpredictable agricultural markets)

Mr. CONRAD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Dakota (Mr. CONRAD) proposes an amendment numbered 479.

Mr. CONRAD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 262, line 8, insert after "with" the following: "the historical goal of stabilizing farm income and prices in cyclical and unpredictable agricultural markets, and with".

On page 262, line 20, insert after "production" the following: ", consistent with the United States policy of stabilizing farm income and prices in cyclical and unpredictable agricultural markets".

On page 512, line 19, strike out "and".

On page 512, between lines 21 and 22, insert the following new subparagraphs:

"(E) the slowdown in the growth of world food demand in the 1980's due to cyclical economic factors including, currency fluctuations and a debt-related slowdown in the economic growth of agricultural markets in certain developing countries; and

"(F) the rapid buildup of surplus stocks as a consequence of a beneficial weather cycle in the 1980's;".

Mr. CONRAD. Mr. President, this is an amendment that seeks to do two things. One, it seeks to clarify the objectives and goals of our negotiating team in the GATT round on agriculture.

No. 2, it seeks to add to the findings of why we have been losing agricultural markets so that we have a clear record of what has been causing us problems in the world community in terms of the loss of those agricultural markets.

With respect to the first part of this amendment, we simply seek to clarify the stated goals and objectives for our negotiating team so it is clear that those goals and objectives are consistent with the historical goal of stabilizing farm income and prices in cyclical and unpredictable agricultural markets.

This is consistent with the reporting language out of the Finance Committee.

I refer to page 250 of the committee report on title X of agricultural trade, which states very clearly that our policy is:

> It is the policy of the United States to reduce expensive agricultural programs consistent with efforts to reduce the Federal deficit, but indicates that the United States will not reduce price supports in export subsidies unilaterally to the disadvantage of American farmers and agricultural exporters.

The language that we are including here makes very clear to our negotiators that we want to be consistent with the historical goal of stabilizing farm income and prices and cyclical and unpredictable agricultural markets. We also add to the finding of why we have been losing agricultural products, two very simple elements. One that is partly due to the slowdown in the growth of the world food demand in the 1980's due to cyclical economic factors, including currency fluctuations and a debt-related slowdown in the economic growth of agricultural markets in certain developing countries, and also we had the point that the rapid buildup of surplus stock is a consequence of a beneficial weather cycle in the 1980's.

Mr. President, we have clearance on both sides of the aisle on this matter, and I ask for the favorable consideration by the Senate on this amendment.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, I was looking at the amendment. We have no jurisdiction over the Agriculture Committee. We conferred with them.

The majority has no objection to the amendment.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, the same on this side.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from North Dakota.

The amendment (No. 479) was agreed to.

Mr. CONRAD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CONRAD. Mr. President, I thank the Chair and I very much thank the managers on both sides, the manager on the majority side and the manager on the minority side, for their assistance in this matter.

SUPPORT FOR SMALL STATE MINIMUM FOR CHAPTER 1 BASIC GRANTS UNDER S. 406

Mr. MITCHELL. Mr. President, yesterday, an amendment was approved that strikes the small State minimum formula for chapter 1 education grants for disadvantaged students. However, I understand that an agreement was reached so that in striking the provision during consideration of the trade bill, the issue will be revisited during consideration of the elementary and secondary reauthorization bill later this year.

Chapter 1 provides funds to local school districts for the purpose of developing and implementing supplemental compensatory education programs, primarily in basic skills such as reading and math, to meet the special educational needs of low-achieving students who reside in poverty areas.

In Maine, the percentage of people living below the official "poverty line" is 13 percent. Another 25-percent live on the borderline of poverty. It is true that Maine's population barely exceeds 1 million, however 15.8 percent of the children in Maine are living below poverty, and the demand for compensatory education for children far exceeds the funds allocated through the current chapter 1 formula.

I fully understand that even nationally current funding for chapter 1 only reaches about 45 percent of eligible children. However, the formula change adopted by the Labor and Human Resources Committee merely establishes a floor of funding on a State-by-State basis. As reported by the committee, the small State minimum of one-half of 1 percent would not go into effect until appropriations for the chapter 1 program reach $4.2 billion. This ensures that appropriations for chapter 1 would have to increase by more than $250 million for the formula change to go into effect.

In addition, the provision included a cap so that no State would receive more than a 25-percent increase over the previous year as a result of the small State minimum.

Some of my colleagues have criticized the formula change by pointing to increases of 25 percent in 13 States compared to 7 percent or less in 37 States. But, 25 percent, as we all can agree, is misleading when its the dollar increase that really matters. It is true that under the formula change the majority of States would be held to below 7.5 percent increases while 14 States would receive increases above 20 percent. However, to be fair, the question should be posed as to 7 percent of what level or 25 percent of what level?

I would like to insert in the RECORD two tables based on estimates provided by the Congressional Research Service concerning an approximate increase of $258 million in chapter 1 funding. These tables show that Wyoming, for instance, would receive a 25-percent increase, 25 percent for Wyoming means $1.07 million. A 25-percent increase for Vermont means $1.9 million. A 25-percent increase for Nevada means $1.47 million. At the same time, other States would receive a 7-percent increase. Seven percent to Pennsylvania means $12.45 million. In Florida, 7.2 percent means $10.47 million. Texas, California, and New York would receive less than 7 percent. But, to Texas 6.8 percent means $15.92 million. To California, 6.7 percent means $22 million, and to New York, 6.6 percent $23.67 million.

The argument that some States would have huge increases in funding emphasizing 20 or 25 percent is simply specious. Under the small State minimum provision all States will receive an average $5 million increase. While the smaller States on average will receive about a $2 million increase, the larger States will receive an average of $6 million.

In recent years, several Federal education programs have been amended to include provisions to ensure that States with small populations receive minimum allocations under Federal law to ensure an adequate level of funds to carry out these programs, especially in rural areas—the hardest areas to reach in States with low populations. These programs include the chapter 2 Program, the Carl D. Perkins Vocational Education Act, the Education for Economic Security Act, and the Adult Education Act.

The amount of money in question represents less than $25 million out of a $4.2 billion appropriation. All States, regardless of whether they would be one-half percent States would benefit from the increase in funding approved under the fiscal year 1988 budget resolution. The central question concerning the proposed increase in funding is whether some States should enjoy a large increase or whether all States should be guaranteed at least a minimum increase.

In fiscal year 1987, Maine received about $15 million in chapter 1 funding. Under the small State minimum provision, Maine would receive about $18 million. This will go along way toward reaching the third of the State living near or below the poverty level.

It is important to ensure that small States receive adequate funds so that low income and disadvantaged children and families in rural areas receive the same type of educational assistance as their counterparts in metropolitan areas.

I regret that we could not retain the small State minimum formula in the education title of the trade bill. During the next several months, as members examine elementary and secondary education legislation, I hope we will agree to ensure a minimum floor for small States so that all children have the same opportunity for education regardless of the State in which they reside.

ESTIMATED CHAPTER 1 BASIC GRANTS UNDER S. 406, AS REPORTED STATES WITH AN INCREASE BETWEEN 20 AND 25 PERCENT

[Dollars in millions]

State	Fiscal year—			Percent change	Dollar change
	1987 grant	1988 grant	1988 with ½ percent min.		
Alaska	$5.57	$5.94	$6.96	25.0	$1.39
Delaware	9.92	10.64	12.40	25.0	2.48
Hawaii	10.55	11.31	13.18	25.0	2.63
Idaho	9.93	10.65	12.41	25.0	2.48
Maine	15.23	16.43	18.36	20.6	3.13
Montana	11.12	11.99	13.90	25.0	2.78
Nevada	5.88	6.37	7.35	25.0	1.47
New Hampshire	8.14	8.79	10.18	25.0	2.03
North Dakota	8.01	8.60	10.01	25.0	2.00
Rhode Island	13.17	14.16	16.46	25.0	3.29
South Dakota	10.09	10.81	12.61	25.0	2.52
Utah	11.79	12.62	14.74	25.0	2.94
Vermont	7.63	8.28	9.54	25.0	1.90
Wyoming	4.28	4.63	5.35	25.0	1.07
Total	131.31	141.22	163.45	[1] 24.6	[1] 2.2

[1] Average.

Numbers may not add exactly because of rounding. This table displays actual chapter 1 basic grants for 1987–88 with estimated basic plus concentration grants for 1988–89 under the provision of S. 406, as reported by the Senate Committee on Labor and Human Resources. It is assumed that the total appropriations for chapter 1 will rise to $4.2 billion for 1988–98 (fiscal year 1988 appropriations) compared to 1987–88 (fiscal year 1987 appropriations), and that all of the increase is devoted to basic grants. S. 406 provides that once this funding threshold is met, a 0.5 percent State minimum is applied to chapter 1 basic grants, with no State grant to increase by more than 25 percent over the fiscal year 1987 level. Estimated grants are based on chapter 1 population and per pupil expenditure data for 1987–88.

Based on a table prepared on June 11, 1987 by the Congressional Research Service.

ESTIMATED CHAPTER 1 BASIC GRANTS UNDER S. 406, AS REPORTED [1] STATES WITH LESS THAN AN 8 PERCENT INCREASE

[Dollars in millions]

State	Fiscal year—			Percent change	Dollar change
	1987 grant	1988 grant	1988 with ½ percent min.		
Alabama	$69.97	$74.82	$74.31	6.2	$4.30
Arizona	34.39	36.96	36.71	6.7	2.31
Arkansas	41.00	44.19	43.89	7.0	2.89
California	328.90	353.40	351.02	6.7	22.04
Colorado	32.54	35.00	34.76	6.8	2.21
Connecticut	37.73	40.59	40.31	6.8	2.58
Florida	145.70	157.20	156.10	7.2	10.47
Georgia	92.03	98.98	98.30	6.8	6.27
Illinois	160.20	172.50	171.30	6.9	11.06
Indiana	53.48	57.56	57.17	6.9	3.68
Iowa	29.93	32.17	31.95	6.8	2.02
Kansas	23.79	25.57	25.39	6.7	1.60
Kentucky	61.20	65.90	65.45	6.9	4.25
Louisiana	85.37	91.64	91.02	6.6	5.65
Maryland	59.44	64.10	63.66	7.1	4.21
Massachusetts	79.08	85.16	84.58	7.0	5.49
Michigan	134.60	144.65	143.66	6.7	9.04
Minnesota	42.30	45.65	45.34	7.2	3.04
Mississippi	64.70	69.52	69.05	6.7	4.35
Missouri	55.51	59.86	59.45	7.1	3.94
Nebraska	17.82	19.21	19.08	7.0	1.25
New Jersey	114.16	122.79	121.95	6.8	7.79
New Mexico	27.05	29.12	28.92	6.9	1.86
New York	360.70	387.01	384.37	6.6	23.67
North Carolina	81.75	88.07	87.46	7.0	5.71
Ohio	124.75	134.37	133.45	7.0	8.69
Oklahoma	35.18	37.88	37.62	6.9	2.44
Oregon	29.39	31.61	31.39	6.8	2.00
Pennsylvania	176.90	190.74	189.43	7.0	12.45
Puerto Rico	111.85	119.95	119.13	6.5	7.28
South Carolina	53.35	57.37	56.98	6.8	3.63
Tennessee	72.74	78.50	77.97	7.2	5.22
Texas	234.59	252.24	250.51	6.8	15.92
Virginia	66.64	71.76	71.27	6.9	4.62
Washington	44.29	47.53	47.20	6.6	2.91
West Virginia	31.90	34.29	34.06	6.8	2.15
Wisconsin	52.41	56.61	56.23	7.3	3.81
Total	3,267.33	3,514.47	3,490.44	[2] 6.8	[2] 6.02

[1] Numbers may not add exactly because of rounding. This table displays actual chapter 1 basic grants for 1987–88 with estimated basic plus concentration grants for 1988–89 under the provision of S. 406, as reported by the Senate Committee on Labor and Human Resources. It is assumed that the total appropriations for chapter 1 will rise to $4.2 billion for 1988–98 (fiscal year 1988 appropriations) compared to 1987–88 (fiscal year 1987 appropriations), and that all of the increase is devoted to basic grants. S. 406 provides that once this funding threshold is met, a 0.5 percent State minimum is applied to chapter 1 basic grants, with no State grant to increase by more than 25 percent over the fiscal year 1987 level. Estimated grants are based on chapter 1 population and per pupil expenditure data for 1987–88.

Based on a table prepared on June 11, 1987 by the Congressional Research Service.

[2] Average.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, this is a good moment for Senators to call up their amendments. This is an opportunity. I have indicated already two or three times today that I will be going a while longer. I hope we can continue to make progress. There has been good progress made in the last hour. Several amendments have been disposed of.

But I kind of have one of those instinctive, eerie, uneasy feelings that comes on about this hour on Fridays. As I look around, I do not see anybody on the floor and I think, well, there is kind of an unwritten, quiet whisper being passed around that perhaps there will not be any more rollcall votes and they can catch a plane. But it might come as a surprise that I have two amendments which I will call up myself.

Mr. FOWLER. Some of us ghosts are still around.

Mr. BYRD. Some of the ghosts are still around.

So I would much rather another Senator call up his amendment, and there are some on the list.

The two managers are here. Mr. Bentsen and Mr. Packwood are here at their posts of duty. I think they have been imposed on enough during the time this bill has been up. They have sat here and patiently waited and patiently waited and patiently waited again for a third time and fourth time. I think we perhaps impose on them and take advantage of them when they await the calling up of an amendment and Senators do not show up to call up their amendment. Then, suddenly, Senators want to wait until Tuesday. That is what we heard last week. They wanted to wait until Tuesday of this week. Now they want to wait until Tuesday of next week.

So I offer my colleagues a good opportunity here, with no Senators calling up amendments at this point. This is the time. This is the place. This is the hour and the day. They might get an amendment passed without a rollcall vote. Next week they may have to have a rollcall vote and they may lose it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. QUAYLE addressed the Chair.

The PRESIDING OFFICER (Mr. Harkin). The Senator from Indiana.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. QUAYLE. I ask unanimous consent to temporarily lay aside the pending amendments and offer an amendment.

Mr. BYRD. Mr. President, would the Senator withhold his amendment momentarily? Another Senator is coming to the floor. I would hope he would be on the floor when the Senator makes his unanimous-consent request.

Mr. QUAYLE. I would be glad to accommodate the majority leader and the manager of the bill if they would like me to withhold temporarily. I do not envision it taking a long time, Mr. President. It is very simply sense-of-the-Senate resolution discussing the issue of new employee benefits on the appointment of international—I will just read it without offering it.

> The Senate finds that in times of budgetary stringency, it is difficult to enact legislation providing new employee benefits at an additional cost to the taxpayer;
>
> there is an attractive theory that employee benefits can be provided at no cost to the taxpayer by requiring that the benefits be provided by employers; and
>
> requiring employers to provide new employee benefits imposes substantial costs on employers (especially small businesses), the economy (in terms of internatonal competitiveness), and employees (in terms of lost jobs).
>
> Sense of the Senate.—It is the sense of the Senate that each Senate committee that reports legislation requiring employers to provide new employee benefits—
>
> secure an objective analysis of the impact of the legislation on employers (especially small businesses), the economy (in terms of international competitiveness), and employees (in terms of lost jobs), before the committee report the legislation; and
>
> include an analysis of the impact in the report of the committee on the legislation.

My cosponsor is Senator Bumpers. Other cosponsors of S. 218, which is identical to this sense-of-the-Senate resolution, are Senator Dixon, Senator Bentsen, Senator Boren, Senator Pryor, Senator Johnston, Senator Melcher, Senator Symms, Senator Hecht, Senator Thurmond, Senator Helms, Senator Kasten, Senator Hatch, Senator Humphrey, Senator Lugar, Senator Cochran, Senator Grassley, Senator Murkowski, Senator McConnell, Senator Warner, Senator McCain, Senator Wilson, Senator Specter, and Senator Durenberger.

So we have a good bipartisan support of this sense-of-the-Senate resolution but I do think it is important that the Senate go on record concerning the whole issue of mandated benefits if we are going to get to this area to be able to secure an objective analysis on the impact of the legislation on employers, particularly in the small business area; the effects on the economy.

I would be more than happy to wait. Perhaps I will just go ahead and speak now. I know that the majority leader wants to move things forward.

Rather than saving my speech, perhaps I can reiterate or answer any questions for whomever is going to handle this.

Mr. President, basically this sense-of-the-Senate resolution will say that if we are going to get into having mandated, like mandatory plant closing legislation or minimum health benefits or occupational disease notification—things of that sort—that are going to place an additional cost on the employer, that we ought to really get an objective analysis of what this is going to mean in terms of the economy, in terms of competitiveness.

What is this going to mean in terms of where we are going to go, possibly, in terms of loss of jobs, before the committee reports its legislation? This is just a sense of the Senate saying that this is the way that we ought to function.

It is not a rule but I do think it would be a very strong expression that I hope this Senate would go on record. I would hope that the vote would be unanimous. There may be some Senators, I would hope not, but if there are dissenters, so be it.

I think as we go down this road of mandated benefits that it is very, very important that we have an understanding of what we are going to do. It is not enough just to call up a piece of legislation, pass it, and say we are going to pass these costs on to the employer and then say it is not going to harm the private sector. It is saying that this is a nice thing to do.

What we have, Mr. President, is a rather unique situation. What we have now is a situation where the government is broke. Everybody knows that. I guess that is not unique.

I would like to correct that statement. A typical situation, where the government has simply run out of money, but I mean it has literally run out of money.

It has literally run out of money. It is beyond anybody's expectations of how broke we really are. But since we are, in fact, broke, and there is no longer the political support, the political support to sort of create government programs and have them run because there is no money, no desire to raise taxes, therefore everybody is saying, "Gee, how are we going to regulate?"

The new way of legislating is to say, "Well, we are going to be able to do it in sort of a free lunch type of approach. We are going to make the employer do some of the things that we in the Congress used to do and we in the government used to do. We are going to sort of have the employers pick up the tab."

Well, that may be fine, to have the employer pick up the tab, but to have the employer pick up the tab we ought to know what that is going to do.

We need to know what, in fact, that is going to do to the employer and also to the economy as a whole.

I see the distinguished chairman of the subcommittee on the floor.

At this time, Mr. President, I ask unanimous consent to set aside the pending amendment so that I may send this amendment on behalf of myself and Senator **Bumpers** to the desk and ask that it be considered.

Mr. METZENBAUM. Reserving the right to object, and I probably will object, I will ask the Senator to withhold that request for a moment in order that we might have a brief discussion first.

Mr. QUAYLE. I will withhold.

Mr. METZENBAUM. This is a matter which falls directly within the jurisdiction and concern of the chairman of the Labor and Human Resources Committee. It is not a issue, as you know, which is new to the committee. We discussed it, but it has not been approved by the committee. The chairman is not here this afternoon. I am wondering whether or not the distinguished ranking member of the subcommittee which I chair would be good enough to withhold action in connection with this amendment until Tuesday when the chairman of the overall committee will be here. I think he has a right to participate in the debate in connection with it.

Rather than you and I engaging in a lengthy discussion on it in order to preclude it from coming to a vote this afternoon, I would like to request you, to save my time, strength, and effort, and yours as well, I would ask you to put it over until Tuesday and you would have an opportunity at that time.

Mr. QUAYLE. This does not affect the Labor Committee. This is for all the committees.

You are right, Senator, we did discuss this in the Labor Committee. It was an issue that I brought up. As a matter of fact, I thought at one time we ought to have a rule in the committee for it. That was not agreed upon. I tried to figure out another way, but it was finally tabled in the Labor Committee. This does not just involve the Labor Committee. Obviously, there are a lot of issues in the Labor Committee that this would impact upon. But there would be other committees. It would be general sense-of-the-Senate resolution that would affect all committees of the Senate. When we go into this area of mandated benefits, when we start passing on mandated benefits to the employer, we ought to get an objective analysis of what we are going to do.

The majority leader was looking for amendments to be called up. I am just trying to cooperate. I am always trying to cooperate. We cooperated with the Senator from Ohio for 2 weeks to get into a position to finally get an up-or-down vote on the plant closing legislation. Unfortunately, I do not have 2 weeks to work this.

Mr. METZENBAUM. That is the reason the Senator from Indiana is known as "Mr. Cooperation." There is no argument about not being cooperative. I am trying to be cooperative with you and save your efforts and mine as well.

Although you say it will be applicable to all committees, in connection with which there are employee benefits, in the main, we are talking about matters that are within the jurisdiction of the Labor Committee. While I certainly could object to setting aside the pending matter, I would prefer not to do that. I would prefer to ask you to bring it up on Tuesday when Senator **Kennedy** will be here and he and I can discuss the matter and decide whether or not it is only a sense-of-the-Senate resolution we would accept or would want to debate it.

Mr. QUAYLE. Mr. President, I wonder if I might be able to get a unanimous-consent agreement that when I bring it up on Tuesday, we would have 30 minutes debate or however long the Senator desires, and then get a vote on this sense-of-the-Senate resolution. I do not think to the Senator from Indiana one should say, "We can try to take this up Tuesday." Time is running out. I am here. I am prepared to go forward. I want to go forward. I do not think this is really a controversial issue. Let me read the cosponsors we have.

On his side of the aisle: Senators **Bumpers**, **Dixon**, **Bentsen**, the manager of the bill, **Boren**, **Pryor**, **Johnston**, and **Melcher**.

On our side of the aisle, we have Senators **Symms**, **Hecht**, **Thurmond**, **Helms**, **Kasten**, **Hatch**, **Humphrey**, **Lugar**, **Cochran**, **Grassley**, **Murkowski**, **McConnell**, **Warner**, **McCain**, **Wilson**, **Specter**, and **Durenberger**.

Those are cosponsors of S. 218, which is the same sense-of-the-Senate resolution that I desire to send to the desk.

If the Senator wants to object to setting aside the Persian Gulf, he is certainly within his rights, but then I would ask perhaps if we can get a unanimous-consent agreement to bring it up on Tuesday. I would need

10 or 15 minutes. Maybe 30 minutes, equally divided, and then an up-or-down vote. If that would be permissible, if the Senator from Ohio thinks that would be possible——

Mr. METZENBAUM. Will the Senator yield?

Mr. QUAYLE. I yield without losing my right to the floor.

Mr. METZENBAUM. I want to say to the Senator from Indiana that I am not in a position to agree to setting aside the present amendment or agree with the unanimous-consent request because I believe those to be prerogatives of the chairman of the overall committee.

You have a resolution that is in our committee having to do with just about the same subject. It is entirely likely you can get to a hearing on that and discuss the merits of it. But to bring it up at 5 o'clock in the afternoon when the chairman is not present? I would have to object. I prefer not to because I am not at all certain I feel that strongly about it. I would just strongly urge the Senator to set it over until Tuesday.

You are certainly not going to lose any of your rights. There is no final hour when the bill is going to come to a vote. The Senator can call up an amendment at any point. Certainly at some point you will have an opportunity to do so.

I am not trying to be difficult to get along with, but, rather, to suggest to you that if you want to go forward I would have to object to the unanimous-consent agreement or to setting aside the pending business.

I am certain on Tuesday we can make some headway.

Mr. QUAYLE. Mr. President, a similar resolution which has been before the Labor Committee has been tabled and it is therefore no longer to be considered. There are times, because of the situation in that particular committee, I must come to the floor. Here I am. I think I will prevail on the floor. That means we will be perhaps doing things a little bit differently, at least as far as mandated benefits, as far as an objective analysis, even within the Labor Committee.

The Senator is within his right to object. If he is going to object to me offering my amendment that has particularly this kind of bipartisan support, I do not know how I can sit here and not object to any other amendments. I would like to offer my amendment. I cannot get a unanimous-consent agreement to take this up next Tuesday.

Mr. METZENBAUM. I do not have any objection to the Senator's getting unanimous consent to take it up next Tuesday, but I do not want to agree to a time limit without the chairman of the committee having an opportunity. But I assume we can agree to bring it up at 12 o'clock, 1 o'clock, 2 o'clock next Tuesday, whatever the Senator wants, if the majority leader has no objection.

Mr. QUAYLE. I will be glad to yield to the majority leader.

Mr. BYRD. Mr. President, I have been asking for Senators to come over and call up amendments, and I have not said that chairmen of any committees should leave this afternoon because we are going to say school is out and everybody go home. It seems to me that if a Senator comes to the floor and wants to call up his amendment, somebody on the committee ought to be able to handle that amendment. We are all going to shut down because one chairman has to leave?

I am not criticizing any Senator for having to leave. I am sure they have perfectly good reasons for going. But there are other members on the committee, and instead of stopping the Senate from operating, why can we not move ahead?

Mr. METZENBAUM. This amendment comes as a complete surprise, Mr. Leader. We did not anticipate this.

Mr. QUAYLE. Mr. President, the Senator from Ohio was fully aware of this amendment. We have had it in the Labor Committee. As he just pointed out, we have discussed it in the Labor Committee. It has been tabled in the Labor Committee. The amendment is very straightforward. The occupant of the chair, I am sure, is aware of this amendment. It has been before the Labor Committee. That is why the majority leader asked me to wait, so someone from the Labor Committee could come over and handle this issue.

We ought to be able to debate this issue and have a vote on it. As a matter of fact, I think I am going to have overwhelming support, should have overwhelming support. I advise the Chair that I picked up three cosponsors just talking, Senators CHAFEE, KARNES, and BOND. So we have the momentum. Now Senator GRAMM. I will see if we have any others around. Maybe the Senator from Pennsylvania, who is sitting here, might want to cosponsor it. It is a very good amendment.

Mr. METZENBAUM. I find that time does help me in that respect.

Mr. QUAYLE. The problem is we are running out of time. The majority leader is absolutely right. He wants to conclude this bill next Tuesday.

Now, I would like to have 30 minutes equally divided. We can do that now. We can enter into a time arrangement now. I suppose I could go ahead. If the Senator from Ohio is going to object, he is going to object. I find that unfortunate. But I can tell you, if we are going to start objecting to good amendments then we on this side are not going to have any alternative but to start objecting to any amendment. That is the situation, unfortunately, into which we are going to get ourselves. That is not going to help the majority leader or anybody push this bill through. Therefore, since the Sentor is on the floor and prepared, I would ask unanimous consent to set aside the pending amendment in order that I can send this resolution on behalf of myself and Senator BUMPERS to the desk.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. QUAYLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Mr. President, we are now in a situation where I do not know how we are going to go forward. This is an amendment that has strong bipartisan support. It is an amendment that deals with a very important issue of mandated benefits. It is an issue that deserves to come before the Senate. It is a sense-of-the-Senate resolution that says when we start mandating employers to do things, we ought to know something about what we are doing; we ought to know something about the potential loss of jobs; we ought to know something about international competitiveness; we ought to know what this is going to do to the general economy. And the committees, before they report these bills, ought to have some sort of objective analysis of this.

Now, is that the kind of issue that we are going to object to taking up on the floor? This is a trade bill. We are talking about international competitiveness. And here I am trying to accommodate the Senator. We tried to accommodate on plant closing legislation. We did it for 2 weeks. We accommodated and accommodated and accommodated, and finally we got a straight up or down vote. There were a lot of gyrations we had to go through. We had to go through who was going to offer their amendment first. Finally, they were going to go ahead and offer the amendment, and then the majority leader, perfectly within his rights, fills up the proverbial tree, and so then we go through about 8 hours of debate and finally figure out a way to get an up or down vote on that.

Well, it looks like we are going to be in the same situation. We should not be. I do not think this is going to be a close vote. I think this will be a very lopsided vote, because I think we are going to find that the Senate overwhelmingly is going to support the idea that when the Senate mandates employers to do certain things, we ought to find our what we are going to do about it.

Mr. President, what we have right now is a situation where no longer can legislators go ahead and pass legislation, create government programs, raise taxes and spend a lot of money. As a matter of fact, we are going in the opposite direction. We are trying to figure out a way to contract those programs. We are trying to figure out how we are going to be able to reduce that Federal budget. But there is still the desire to legislate what we perceive to be socially responsible things to do. So how do we do it now? It is a different way. It is a different approach. Instead of creating that government program we say, "Ahah, we can't do it, we will just allow the employers, the private sector to do it." And guess what? Lo and behold, it is not going to cost the taxpayers 1 cent. Do you know what they call it? It is a freebie. And boy do we like freebies. We like things that appear to be free. This is not going to cost the taxpayer anything. But let me tell you something, Mr. President. We keep mandating benefits on the employer in the private sector, go down the road of Europe and everybody else, we will catch that European disease that they refer to over there where they are not creating any new jobs but losing jobs. That disease will come over here and it is going to cost us jobs. People are not going to get jobs. So I think that before the Senate goes on this rampage of just passing employer mandated benefits, we should have an objective analysis.

It is a very simple, straightforward, sense-of-the-Senate resolution. It should not be objected to. It ought to be unanimously accepted.

I do not know what to tell the majority leader or the manager of the bill, on something this simple and straightforward, as to why we have to have an objection to it. The Senator from Ohio says work it out on Tuesday. I do not know how to work it out on Tuesday. Perhaps we can work it out on Tuesday. Maybe I ought to go ahead and offer the sense-of-the Senate resolution and agree to set it aside and then on Tuesday it would come back.

I do not know if that would be agreeable with the Senator from Ohio or not, if we would go ahead and offer the amendment, not vote on it today, protect the rights of the chairman of the committee, if he is worried about the chairman of the Labor Committee to be here. I want to point out, it is not just the chairman of the Labor Committee, it is the chairman of all committees. I would go ahead and offer it, not get a time agreement; it will be pending so at least the Senator from Indiana would be certain that in fact the amendment is going to come up.

Mr. METZENBAUM. I think that is a reasonable position. The Senator would offer the amendment with the understanding that there would be no vote on it today and that whatever action, if any, the chairman of the committee or any of us wanted to take on Tuesday would be taken but the Senator would have an opportunity to offer it.

Mr. QUAYLE. It would be basically the same position as Senator BUMPERS.

Mr. METZENBAUM. With the assurance by the Senator from Indiana that he would not press for any vote today, I have no objection to his doing that.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the pending amendment be set aside. I further ask that the amendment, the sense-of-the-Senate resolution of the Senator from Indiana and the Senator from Arkansas be the pending business before the Senate, that there not be a vote on that amendment to occur today, that that be, after a brief discussion, temporarily laid aside, and then it would be the pending business before the Senate when we return Tuesday. I make that unanimous-consent request.

Mr. METZENBAUM. If the Senator is asking for unanimous consent to set aside the pending amendment, that the Senator would then offer his amendment, that that amendment would be the pending business when we commence business on Tuesday after such other matters as the leadership has taken care of, I have no objection to that.

Mr. HEINZ. Mr. President, reserving the right to object, I am not sure that my friend from Indiana is achieving only the objective he wants to achieve; because if he lays the pending amendment aside for the purpose of considering his amendment and debating it now, we may be on his amendment all night as well as on Tuesday. I do not think that is his intent.

Mr. QUAYLE. My intent, I say to the Senator from Pennsylvania, would be to get this before the Senate. It would be before the Senate. We would not have a time agreement, but it would be before the Senate, and then it would be the pending matter.

Mr. HEINZ. Would the Senator be agreeable to include in his unanimous-consent request that for today, debate be limited on his amendment to——

Mr. QUAYLE. Five minutes.

Mr. HEINZ. Whatever. Or 10 minutes, equally divided. Say, 5 minutes, equally divided, and that his amendment then go over to be the pending business on Tuesday.

Mr. QUAYLE. Yes. Let me try to restate the unanimous-consent request.

Mr. President, restating my unanimous-consent request, I ask unanimous consent that the pending amendment be set aside in order that a sense-of-the-Senate resolution by the Senator from Indiana and the Senator from Arkansas [Mr. BUMPERS] be offered.

I further ask unanimous consent that debate on that amendment be limited to 5 minutes, equally divided between myself and the Senator from Ohio, today.

I further ask unanimous consent that after that debate of 5 minutes, that amendment be temporarily laid aside until the first order of business on Tuesday, when that amendment would recur and come before the Senate.

Mr. METZENBAUM. Is it the understanding that part of his unanimous-consent request is that that amendment, when it does come up on Tuesday, would be subject to amendment, subject to motion, subject to any other action that might be possible if the amendment were called up this afternoon, and that there is no limitation with respect to time or the right to amend or to delete or to strike or to commit to committee or any other rights a Member of this body would normally have?

Mr. QUAYLE. I ask unanimous consent that no second-degree amendment or other amendment be in order.

Mr. METZENBAUM. I cannot agree to that. I can agree to let you get your amendment up and let it be the pending business and to have no further action today, and that all other rights be reserved until Tuesday.

Mr. QUAYLE. Mr. President, I do not think——

Mr. METZENBAUM. You just want to offer it today.

Mr. QUAYLE. Let me state my objective. My objective is to get an up and down vote on this resolution.

Mr. METZENBAUM. I am not in a position to give you that, because I think the chairman of the committee has a right to be a party to that decision.

I have no objection to your calling up your amendment, setting aside the present pending amendment, debating it for as long as you want this afternoon, and then setting it aside at your option and have it recur when we come back on Tuesday.

Mr. QUAYLE. Why not just go ahead and submit the amendment and start working on it and debate it, and if we do not conclude——

Mr. METZENBAUM. I am frank to say to the Senator from Indiana that I do not have any inclination to stand up here and debate this for 1 hour this afternoon. I do not have any inclination to deny you your right to offer the amendment, provided that there is no action taken in connection with it.

So, if the Senator from Indiana wants to speak for 5 minutes or 5 hours, the Senator from Ohio has no objection. I have no objection to the matter recurring and coming before the Senate when we return on Tuesday, with all rights reserved to you as well as to us.

Mr. QUAYLE. Mr. President, the Senator from Indiana desires to do what he probably is going to be unable to do so far as bringing it up today and getting a vote on it is concerned.

The Senator from Ohio is within his rights in objecting on the basis that the chairman of the Committee on Labor and Human Resources is not here, although I point out that it does not just affect the Labor Committee. It affects the Commerce Committee, the Armed Services Committee, and all the committees of the Senate.

I had anticipated that I would call this up, have a reasonably short debate—I said a limit of 30 minutes on each side—and have a vote on this resolution, not to get into all sorts of substitutes and amendments and things of that sort. It is a straightforward amendment. Either the Senate is for it or against it.

The Senator from Ohio indicates that the chairman would object to that.

The next possibility would be to get a unanimous-consent agreement that at least the amendment could be introduced and be pending and to have it come back on Tuesday. But then you have a situation where it is going to be open to all sorts of substitutes and amendments on 4 or 5 days—things that might be cooked up over the weekend.

I have no time agreement, and I have no certainty that we are going to get a vote on it. So I am in a parliamentary situation I do not like. If I cannot bring this up today, under the normal operation, I think probably others are going to object on this side to other amendments.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. QUAYLE. I yield, without losing my right to the floor.

Mr. HEINZ. Mr. Preisdent, I understand the dilemma of both the Senator from Indiana and the Senator from Ohio. The Senator from Indiana wants to offer an amendment. There are people on the other side of the aisle who are not here because they did not know this amendment would come up at this time. I think it is important that people whose jurisdiction and work are affected be represented.

I do not criticize the Senator from Ohio for objecting. He is within his rights. Were the shoe on the other foot, I would do the same. Indeed, I assume that I will do the same, because there may be amendments to the Finance Committee portion of the bill that the ranking member of the Subcommittee on Trade would want to be able to speak on, and if any amendments are offered to section 201 or 301 or other parts of the trade bill. Because some very important members on this side of the aisle and on the other side of the aisle are absent, I, too, will object in the same way as the Senator from Ohio has objected, because the point he makes is a valid one.

Mr. QUAYLE. I yield for a question to the Senator from Rhode Island, without losing my right to the floor.

Mr. CHAFEE. Mr. President, I think it is extremely unfortunate that the majority leader has not said that there would be no more votes today. He has said that we are going to press ahead with this legislation into the evening, or at least as far as we can go.

I, for one, have stayed here and missed a 4 o'clock plane going home for a very important engagement because I was prepared to vote.

I thought that was what we were all meant to be doing. Now we have a situation where some people have gone off and because they have gone home the place has ground to a halt.

I do not think that is quite fair. I am not at all sympathetic with the situation on the other side.

I believe that the Senator from Indiana is absolutely right in response to the call from the majority leader to come over and bring forth your amendments and he has done that.

Now we have the Senator from Ohio who gets up on behalf of his committee chairman and says, "We cannot do anything."

If we are going to follow that, why do we not close the place down and go home?

Mr. HEINZ. Good idea.

Mr. CHAFEE. I do not know where the majority leader is, but I see no point in us staying around here and we can consider it a disaster and call it quits, close shop.

Mr. QUAYLE. Does the Senator want to put that in the form of a unanimous-consent request? He better withhold that.

Mr. CHAFEE. Everybody within earshot, if we are not going to come over and do business, let us get out of here and quickly.

Mr. HEINZ. See you.

Mr. CHAFEE. If I had the power, I would do it myself. So I want to say I think the Senator from Indiana is exactly right, and I regret that the situation has transpired and everybody is so sympathetic about the Senator from Ohio being within his rights.

Sure he is. That is not the point. I do not know why he cannot act with the chairman of the committee not around on something on a Senate resolution. If we took every Senate resolution that passed this place, we could fill the dome and realize that they do not carry all that great significance.

I thank the Senator.

Mr. QUAYLE. I thank the Senator.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. GRAHAM). The Senator from Indiana has the floor.

Mr. QUAYLE. Mr. President, I thank the distinguished Senator from Rhode Island for his very good observations and also polite suggestions of what is going on around here and what we might do with it.

I really think we are probably at somewhat of a standstill because the only thing the Senator from Indiana is asking for—I do not ask for much; I do not even ask for it too often—a simple dinky nonbinding but important sense of the Senate resolution that says—let me read what it says. This is really heartrending, Mr. President. This is something we are going to filibuster on, Mr. President. This is something, Mr. President, by golly, we are going to get them all over here and to talk about this sense of the Senate resolution from the Senator from Indiana because, by God, it is important.

I do not want to underestimate the importance of my sense of the Senate resolution. I want the Chair to note that and the record to note that.

When the Senator from Indiana gets up to offer a sense of the Senate resolution, it is important. This is an important resolution. It is important. It relates back to plant closing legislation that we passed. It is going to relate to the occupation disease notification. I cannot wait to get back to that committee markup. We will finish that sometime this month. We will be on that probably on the floor sometime. It relates to minimum health benefits, that the Federal Government establish minimum health benefits. I cannot wait for that one, either. As a matter of fact, I think those pieces of legislation are perhaps much less important than this sense of the Senate resolution.

Let me just read the sense of the Senate resolution that is bringing this polite but firm objection from the Senator from Ohio.

Sense of the Senate: It is the sense of the Senate that each Senate committee that reports legislation requiring employers to provide new employee benefits, first, secure an analysis of the impact of the legislation on employers, especially small business.

What is wrong with that?

To secure an objective analysis of the impact of the legislation on employers.

Is there really something terribly revolutionary, dramatic as that?

To secure an objective analysis of the economy in terms of international competitiveness.

I do not know how many times I have heard the word "competitiveness" pronounced and mispronounced on this floor.

But competitiveness means how we are going to be able to compete with our competitors across the sea, particularly in the international arena, and to secure objective analysis on the employees in terms of loss of jobs before the committee reports the legislation.

Mr. President, many committees do that anyway. You might just think that that would be the standard mode of operation.

As I said, I have very strong bipartisan support. The Senator from Arkansas, Senator BUMPERS, is a primary cosponsor. The chairman of the Senate Finance Committee, the manager of bill, is a cosponsor. There are many members of the Finance Committee, a number of Senators on both sides of the aisle, cosponsors.

So I think when we finally get to vote on this we would in fact have overwhelming support.

The only thing I am trying to do, I tell the majority leader, is do what he has been encouraging us to do to bring up amendments. This is not that controversial. It is not that controversial an amendment.

The only thing I am trying to do is to get this before the Senate and be able to get some sort of a time agreement on when we are going to vote on it up or down, just like other Senators have done, because for some reason because some chairman is not here—I do not know, I do not think the majority leader announced there were not going to be any more votes today.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. QUAYLE. I am glad to yield without losing my right to the floor.

Mr. BYRD. Mr. President, I certainly can understand the frustration of the distinguished Senator from Indiana.

I did ask for amendments. I asked for Senators to come to the floor to call up amendments and the Senator from Indiana came and there has been objection to his offering his amendment. A Senator can object. He has a right to object.

The Senator from Indiana will certainly have an opportunity before this bill is disposed of to call up his amendment. He will have that opportunity.

There has been an objection and in view of the fact that the chairman and a very ranking member of the Committee on Banking are prepared to act on amendments to the Banking Committee section of the bill, would the Senator allow us to proceed with some amendments to that section? He can be sure he will have an opportunity to call up his amendment and I will protect his right to call it up.

I cannot say that it will be approved, but he will have that opportunity before this bill is disposed of. I make this appeal knowing that there are several Senators who are still waiting. The Senator to my immediate right has canceled plane reservations a time or two already today. Other Senators have done that. They have stayed on the understanding that we were going to continue and have business.

Now, I regret that a Senator has left town, perhaps for very good reasons, and because of that the objection has been made to offering the amendment by the distinguished Senator from Indiana.

There is no objection to his offering it but the objection is to laying aside the pending amendment.

Would the Senator allow us to proceed with other amendments because a good many Senators on both sides have canceled their engagements, have canceled their plane reservations, and are waiting, and I think we can still do some business this afternoon if the Senator would do that.

Several Senators addressed the Chair.

The **PRESIDING OFFICER.** The Senator from Indiana has the floor.

Mr. QUAYLE. Mr. President, let me say to the distinguished majority leader that certainly I want to continue to attempt to cooperate. But I really need some help from the majority leader, some kind of assurances that we might be able to sometime be able to get or agree to get a time agreement on this sense-of-the-Senate resolution and to get an up-or-down vote on the sense-of-the-Senate resolution of the Senator from Indiana which has this overwhelming bipartisan support.

Maybe we could set a certain time or at least to get an agreed-upon time of 30 minutes and we will bring it up Tuesday.

I have the floor right now. Without giving up that right, if Senators are going to object to my amendment, I would like it to be tit for tat, but at times Senators have to basically try to accommodate themselves as well as accommodate the full Senate, and I want to accommodate the Senate. That is why I was here prepared to offer the amendment.

I am surprised there is an objection because it is not a new issue—this amendment was in the Labor Committee. I wondered maybe the majority leader could help facilitate. I know his influence and prestige particularly with the distinguished Members on his side of the aisle and maybe he could facilitate some sort of a unanimous-consent agreement to do something with this amendment on Tuesday.

Mr. METZENBAUM. Mr. President, will the Senator yield?

Mr. QUAYLE. I yield to the Senator from Ohio without losing my right to the floor.

The **PRESIDING OFFICER.** Without objection, the Senator from Indiana yields to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the amendment of the Senator from Indiana may be offered now, that no action thereon occur on today, and that it be set aside upon the completion of that Senator's remarks and be the pending question when the Senate resumes consideration of this bill on next Tuesday.

Mr. BYRD. Mr. President, that would have to be changed, because the first order of business next Tuesday is going to be the vote on the cloture motion.

Mr. METZENBAUM. I would amend it accordingly to include such orders as have heretofore been entered, such as the order on cloture.

Mr. QUAYLE. May I just go ahead and perhaps suggest the absence of a quorum and confer with the majority leader, the manager of the bill, and the Senator from Ohio, and see if we could have some understanding of how this relatively noncontroversial amendment can be handled? Would that be appropriate to do at this time?

I really want to proceed, but I really think we ought to try to get this resolved one way or another. I do not have any kind of feel or understanding of whether I am going to be able to get an up or down vote or a time agreement. If I could have the assurance of the majority leader and managers of the bill that they will work with me, I think we will probably be able to work something out.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. QUAYLE. I yield.

Mr. BYRD. Mr. President, I certainly want to work with the Senator, and I will do everything I can to help him get his amendment up. I will assure him that he will have an opportunity to get his amendment up.

As to a time agreement, of course, that requires unanimous consent. I cannot assure him I can get a time agreement on it, but I will certainly work and try to do that.

I think that when the Senator from Massachusetts is here, the chairman of the committee, the Senator from Ohio, Mr. METZENBAUM, and Mr. KENNEDY would certainly discuss that with the Senator from Indiana. But I hope we do not go into a quorum now and keep these Senators waiting. Mr. HEINZ is here to handle the Banking Committee matter. Senator PROXMIRE is on his way. If that is any assurance that is worth the Senator's consideration I would appreciate it so that we could get on and get a little work done before the shades of night encompass us all around and we have to steal away to our homes under the cover of darkness.

Mr. DOMENICI. Reserving the right to object. Mr. President, might I address the distinguished majority leader?

The **PRESIDING OFFICER.** The Senator from Indiana has the floor.

Mr. QUAYLE. Without losing my right to the floor, I yield to the Senator from New Mexico.

Mr. METZENBAUM. I do not think anybody has the right to the floor. I have a unanimous-consent request pending. If somebody wants to object, of course, they can.

Mr. QUAYLE. I ask unanimous consent to be added to that that there be no second-degree amendments and again to get an up-or-down vote on this sense-of-the-Senate resolution.

Mr. METZENBAUM. I cannot agree to that.

Mr. QUAYLE. You object to that?

Mr. METZENBAUM. I do not object to that, I just cannot agree to that being made a part of the unanimous-consent request because it really relates directly to the rights of the chairman of the Labor Committee.

But I think that certainly you get yourself recognized with this, you get your amendment up and it will be the pending business when we return and nobody will have lost anything.

Mr. QUAYLE. But I have absolutely no assurances that we are going to at that time be able to get a vote on this sense-of-the-Senate resolution.

Mr. METZENBAUM. That is the name of the game around here. That is not unusual. You may get a vote. I am not saying you will not.

Mr. QUAYLE. What kind of assistance or help can the distinguished majority leader lend to the Senator from Indiana attempting to get an up-or-down vote on this sense-of-the-Senate resolution at some time? I really do not believe that it deserves that much attention. Maybe it is more important than I thought. I will go back and read my sense-of-the-Senate resolution. It is an important resolution. I do not want to underestimate that.

But to take all this time and objections, I wonder if the majority leader might be able to give the Senator from Indiana some assurances that he will try to work out a certain time arrangement and that we would be able to get a simple up or down vote on this straightforward, commonsense, logical, bipartisan proposal?

The PRESIDING OFFICER. The Senator from Ohio has asked for unanimous consent. Is there objection?

Mr. QUAYLE. I would have to respectfully object.

The PRESIDING OFFICER. There is objection to the unanimous-consent request.

The Senator from Indiana has the floor.

Mr. QUAYLE. Mr. President, I would ask the majority leader if, in fact, that would be some sort of a possibility?

The PRESIDING OFFICER. The Senator from Indiana has yielded to the Senator from West Virginia for the purposes of a question.

Mr. QUAYLE. Without losing my right to the floor, I simply ask the Senator for any assurances that he can give me. If not, the situation gets into these kinds of boxes that we really do not need to get ourselves into, particularly at 6 o'clock on Friday night.

Mr. BYRD. Mr. President, he who is slowest in entering into a promise is probably the most diligent in carrying out the performance of it. All I can do is try. That is all the Senator has asked me to do. And, of course, I will be glad to try to help.

I cannot promise more, even though my heart is pure and I, therefore, have the strength of 10. I do not promise more than that. I would be glad to try to help the Senator.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana has the floor.

Mr. DOMENICI. Mr. President, will the Senator from Indiana yield for a question?

Mr. QUAYLE. I am glad to yield for a question.

The PRESIDING OFFICER. The Senator yields for a question.

Mr. DOMENICI. The distinguished majority leader is here on the floor. I would like to ask if it might be possible at some time in the next few minutes, if we are at a stalemate, if the Senator from New Mexico, without imposing on anyone's rights, might have 5 minutes as if in morning business to introduce a bill and ask for its referral. I would like to do that without in any way infringing on your rights. It is just consent to introduce a statement, speak for a moment, and send a bill to the desk to be referred. If has nothing to do with the issue that you have on the floor.

I just am wondering if I might have an opportunity to do that.

Mr. QUAYLE. Mr. President, I ask unanimous-consent that I may yield to the Senator from New Mexico for a period of 5 minutes, without losing my right to the floor.

Mr. BYRD. Mr. President, reserving the right to object, and certainly I will not object to this request, but I think the rest of the Senators ought to be told by the distinguished Senator from Indiana as to whether or not we are going to be able to put this matter aside for the time being. I have indicated to the Senator that I would try to be helpful, and that is all I can do. But if we are not going to put this matter aside, I think other Senators ought to know it so that they can go home. Otherwise, the chairman of the Banking Committee has come to the floor. Mr. HEINZ, who is a very ranking member on the Banking Committee, is here. There are, I understand, some amendments that could be disposed of.

The Senators who are here, who stayed here on the strength of the indications that there were going to be votes, going to be work, going to be progress made, I think they should know. If we can get on with some additional work, they are entitled to be rewarded with a rollcall vote, if there is need for one.

Would the Senator allow us to move on?

Mr. QUAYLE. Mr. President, let me suggest to the distinguished majority leader that I go ahead and try to move ahead with this unanimous consent for 5 minutes. Let me confer privately with the majority leader and the manager of the bill and the Senator from Ohio to just try to get some understanding of where we really are on this. Then, hopefully, we would be in a position to move ahead.

Mr. BYRD. Mr. President, the Senator from Indiana is a reasonable man. He has made a reasonable request.

I ask unanimous consent that for 5 minutes Mr. DOMENICI may speak out of order and may transact some morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. QUAYLE. And that the Senator from Indiana not lose his right to the floor.

Mr. BYRD. Exactly.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico.

(Mr. DOMENICI's remarks appear later in the RECORD under Statements On Introduced Bills and Joint Resolutions.)

Mr. PELL. Will the Senator yield for just a minute? I would just like to say I spoke about the resolution with our chairman on the Subcommittee on Latin American Affairs and I can assure you of a hearing at a very quick date, that he would be kind enough to do that.

Mr. GRAHAM. I am very appreciative of the chairman's personal interest in this issue and the statement you just made and the expendition with which your committee and particularly the Subcommittee on Western Hemispheric Affairs will consider this matter. There is a sense of urgency. The matter now is in a very fragile state.

I believe a strong statement from this Senate, as there has been a recent strong statement from the administration, would give hope to those forces for democracy, stability, and the protection of human rights that are striving to establish themselves in Haiti.

I thank you very much, Mr. Chairman.

The ACTING PRESIDENT pro tempore. Does the Senator yield back his time?

Mr. GRAHAM. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from Iowa.

Mr. HARKIN. I ask unanimous consent to proceed as in morning business.

The ACTING PRESIDENT pro tempore. Hearing no objection, it is so ordered.

Mr. BYRD. I would like the Senator from Indiana to yield to me, but I would ask that he be recognized.

The ACTING PRESIDENT pro tempore. The Senator from Indiana.

Mr. QUAYLE. I yield to the majority leader without losing the floor.

Mr. BYRD. I discussed the matter which has long held the attention of the Senate—too long, as a matter of fact. This matter could have been disposed of earlier, I think.

I ask unanimous consent that upon the disposition of the cloture vote or, in the alternative, the clotured matter, the vote taking place on next Tuesday, that the Senator from Indiana be recognized to call up his amendment.

What this would mean then is that if cloture is invoked, then the Senate would operate under Senate rule XXII to the exclusion of all other business until the clotured matter is disposed of. Then the Senator would be recognized to call up his amendment.

If cloture fails, then the Senator would be recognized to call up his amendment.

So he is assured in either alternative that he will be the first Senator to be recognized to call up his amendment following the disposition of either the cloture vote, if it fails, or the clotured matter if the cloture vote succeeds.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the majority leader?

Hearing none, it is so ordered.

Mr. QUAYLE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Indiana.

Mr. QUAYLE. I thank the distinguished majority leader and the distinguished Senator from Ohio. I wish it could have gone today, but I understand what the rules are and thank them for the small accommodation.

Mr. BYRD addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader.

Mr. BYRD. Mr. President, I thank the Senator and I compliment him on his tenacity.

Mr. President, the bill is open to amendment and I hope that we can proceed with amendments to the Banking Committee's area of jurisdiction.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. PROXMIRE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I rise to introduce those titles of the Omnibus Trade and Competitiveness Act of 1987 which are within the jurisdiction of the Banking Committee which I chair. These are titles X thru XVI which are solely within our committee's jurisdiction and title XVII, the international debt title, over which we share jurisdiction with the Foreign Relations Committee. Most of these titles were reported by the Banking Committee on May 19 as part of the U.S. Trade Enhancement Act of 1987. Our committee's report on that bill was filed on June 23 and it fully explains the purposes and rationale of the various provisions in the Banking Committee's contribution to the omnibus trade bill.

Before giving a brief summation of the provisions in the titles we are now going to take up, I want to say a special word of thanks to Senator PAUL SARBANES who chairs the Banking Committee's International Finance Subcommittee. As you know, earlier this year Senator BYRD, our majority leader, asked each committee chairman to prepare appropriate items within his committee's jurisdiction for inclusion within the omnibus trade bill which Senator BYRD believed should be a very high priority for Senate action this year. In late February I asked Senator SARBANES to take on the job of preparing our committee's contribution. He responded by holding seven hearings in his subcommittee between March 12 and April 7 of this year, examining issues such as export controls, export trading companies, export promotion, exchange rates, and international debt. During those hearings the subcommittee heard from the most able witnesses available ranging from Secretary of Commerce Baldrige and then Assistant Secretary of Defense Richard Perle on export controls, to Chairman Volcker of the Federal Reserve on exchange rates and international debt.

As soon as the hearing process was completed Senator SARBANES oversaw the production by staff of a draft bill that was marked up on May 19. All six titles of that draft bill, some with amendments, were reported by the committee and are before us today. Despite his heavy involvement in the Iran/Contra hearings Senator SARBANES supervised the drafting of the committee report and took a personal hand in resolving some of the vexatious intercommittee disputes that needed settling before Senator BYRD was able to introduce the omnibus bill that is now before us. I salute him for his efforts and thank him very much for the conscientious manner in which he has carried out his responsibilities in relation to our committee's contribution to the trade bill.

I also want to thank Senator GARN, the ranking member of our committee, and Senator HEINZ, the ranking member of our International Finance Subcommittee. They have been most cooperative in helping us produce the titles we will now take up. While each of them may not favor every provision, they have helped the committee develop a thoughtful approach to the issues. All members of our committee worked hard on our trade bill. I want, however, to give special thanks to Senators DIXON, CRANSTON, DODD, and CHAFEE for their special contributions. Senator CHAFEE, took a major role in shaping the amendments to the Foreign Corrupt Practices Act [FCPA] that were reported by the committee. I was not always in agreement with the changes he wanted to make in the FCPA, but he proved flexible and we were able to make some compromises on proposed changes to that act so we now have amendments which I can live with. Let me now give a summary of the various Banking Committee titles of the omnibus bill.

Title X makes certain amendments to the Export Administration Act [EAA]. That is the law which gives the President the authority to control exports for reasons of national security, foreign policy and short supplies. Most of the committee changes to the EAA are in the national security area. They are designed to achieve a better balance between the need for U.S. exporters to be able to compete effectively in international markets and the need to prevent the Soviet Union and its Eastern bloc allies from acquiring militarily critical Western technologies.

Some years ago, the Banking Committee, which has jurisdiction over export control matters, learned from our intelligence agencies of the massive, well-managed program being run by the Soviet Union to acquire Western technologies. The Soviets need such technologies because their own inefficient, tightly controlled, planned economy is unable to keep up with the pace of technological innovation in the free world. In recent years, in order to stem Soviet military advances made possible by such acquisitions, the United States has tightened up its own export control program. Our Government has also worked within the Coordination Committee on Multilateral Export Controls [Cocom] to persuade our allies to do the same. Cocom membership consists of the NATO countries (except for Iceland) and Japan.

The Banking Committee during its hearings this year became convinced that our Government was trying to control too many items that were not militarily critical and that this was hurting the technological strength of important U.S. industries with no benefit to our national security. The committee thus decided there was a need to streamline our national security export control system. Title X attempts to do this by eliminating controls on many lower technology items so control efforts can focus on these items that really could benefit Soviet military efforts.

This title also calls on the executive branch to make a greater effort to improve the effectiveness of the export control programs of our allies within Cocom. The amendment passed last week in reaction to sales by the Japanese Toshiba Co. and the Norwegian Kongsberg Co. should help our efforts to obtain such cooperation from our allies and their companies. That amendment will permit the President to impose sanctions on foreign companies that choose to sell military-critical items to the Soviets, despite their own government's instructions not to do so. In effect foreign companies are now on notice that they will have to choose between illicit trade with the Soviets that threatens the security of the United States and its allies and access to the United States market. I expect it will go a long way in strengthening multilateral control efforts. It is essential to do so as the United States no longer has a monoply on militarily-critical technologies so we need the full cooperation of our allies if our control efforts are to be successful.

Title X will also strengthen our National Security Control Program by establishing clear procedures with specific time frames for resolving interagency disputes about whether a given export license should be issued or whether a given item should even be on the control list. Too often the concerned agencies have debated such issues endlessly and export sales may have been lost needlessly. The interagency dispute settlement mechanism in title X assures that disputes will be resolved in a timely fashion.

Title X also sets aside certain funds in the Commerce Department's budget to cover the startup and operating costs of the new Office of the Under Secretary of Commerce for Export Administration. This Office was established by section 15(a) of the 1985 Amendment to the Export Administration Act. The setting aside of funds in this title is to assure that the new Office is operating by October 1 of this year as required by current law.

On this issue I want to give my special thanks to Senators GLENN and ROTH, the chairman and ranking minority member of the Governmental Affairs Committee. Their committee reported out legislation that would have placed the Commerce Department's export administration functions in the proposed new U.S. Trade Administration. This, of course, would have frustrated our committee's longtime effort to have these functions carried out at a high-level Under Secretary position in the Commerce Department. There is, as I noted, already a provision in the law to accomplish this by October 1 of this year. After this matter was explained to the two Senators, they agreed that the bill reported by their committee could be modified before it was incorporated into the omnibus trade bill introduced by Senator BYRD. The conflict between our respective bills was thus removed.

Our committee is appreciative of this action by Senators GLENN and ROTH. We understand their action is not intended to signify in any way a lessening of their interest in eventually consolidating the trade functions of the U.S. Government.

Title XI amends the Export Trading Company Act of 1982. Congress passed that act to encourage exports by facilitating the formation and operation of exporting trading companies. The act did this by providing a limited exception to the prohibitions of the Bank Holding Company Act. That act enforces our long held national policy of keeping banks out of commercial ventures. The ETC Act made limited exceptions to that policy so that banks could help American exporters. To limit the potential adverse safety and soundness effects on banks affiliated with ETC's, Congress included a number of prudential safeguards in the 1982 act and charged the Federal Reserve to administer.

Title XI makes some changes in the 1982 ETC Act in order to further facilitate the development of both bank and nonbank affiliated export trading companies. Some banks wanted to have the special exemptions given them by the 1982 Export Trading Company Act even if they did not help exporters, other than themselves. The committee amendments do not adopt that approach. They ensure that banks must continue to aid nonbank exporters in order to enjoy the special privileges given them by the 1982 act. The Federal Reserve Board supports the amendments made by the committee.

Title XII is designed to strengthen the export activities of the Department of Commerce. Among other things the title directs Federal agencies to gather certain market information that could be useful to exporters, and to set up a system to disseminate that data to private sector businesses and State export promotion agencies. Presently about 250 companies account for most U.S. exports, and only 10 percent of our business firms export. We must do a better job of letting more American businesses know about sales opportunities abroad and provide help to them as they learn how to take advantage of such opportunities. This title is designed to prepare our Government to render such assistance to our exporters—large and small.

Title XIII deals with the need for international economic policy coordination to achieve exchange rates that do not make it impossible for our corporations to compete in foreign and even domestic markets as happened in the period of 1982-85. The high value of the dollar in that period made it most difficult for foreigners to buy our goods, and make it easy for Americans to buy foreign goods. This caused American businesses to fail and our workers to lose jobs through no fault of their own. Our Government must never again ignore, as it did in that period, the importance of exchange rates to our ability to compete in international and even domestic markets.

This title does not call for intervention in currency markets to cure exchange rate problems. It emphasizes instead that the President should seek greater coordination of national economic policies by America and its major trading partners in order to ensure balanced exchange rates, world economic growth, and stability. It also directs the President to initiate negotiations with countries which manipulate the rate of exchange between their currency and the dollar to gain an unfair trade advantage. Such manipulation is not fair to our companies and must be stopped. The Secretary of the Treasury is to testify annually on the results of the President's efforts in both areas. We must prevent exchange rates from becoming misaligned to the detriment of our export businesses and those working in such businesses. Greater congressional oversight in this important area will help ensure that will not happen in the future.

Title XIV amends the Defense Production Act to give the President discretionary authority to restrict, suspend, or prohibit foreign takeovers of U.S. companies that in the President's judgment would impair the national security or essential commerce which affects national security. This title was not the portion of the trade bill reported by the Banking Committee. Senator EXON is the author of this title and after very thorough hearings and discussions it was reported out by the Commerce Committee. The parliamentarian then ruled the subject matter was in the jurisdiction of the Banking Committee so we reviewed the amendment and found it made good sense. Senator BYRD, therefore, included it within the Banking Committee titles of the omnibus trade bill he introduced on June 24. I believe the President should have the authority provided by this title and congratulate Senator EXON on his initiative.

Title XV of the bill deals with the issue of national treatment of U.S. financial institutions in their operations in foreign countries. This bill seeks to encourage foreign countries to end discrimination against U.S. banking organizations and securities companies. It would amend the International Banking Act of 1978 by authorizing Federal banking agencies, with the prior approval of the President, to deny any application by a foreign banking organization from a country that discriminates against U.S. banking organizations. The title would also prohibit the Federal Reserve System from designating any person of a foreign country as a primary dealer in U.S. Government securities if that foreign country discriminates against U.S. companies in the underwriting or distribution of its Government securities. These provisions are designed to make clear to foreign countries that they cannot expect their financial institutions operating in this country to enjoy national treatment if that same treatment is not extended to our institutions in such countries. This provision is part and parcel of our overall effort to make sure that free trade is fair trade.

Title XVI of the omnibus bill contains amendments to the Foreign Corrupt Practices Act [FCPA] which were reported by the Banking Committee. I have a particular interest in this title as I was the author of the FCPA which was unanimously adopted by the Congress in 1977. That law, which has served our country well, was enacted in response to disclosures of questionable and in some cases illegal payments made to foreign officials in order to secure export business. Investigations into such matters, which began in 1973, revealed that many American corporations maintained off-the-books slush funds to make questionable or illegal payments both in the United States and abroad. The boards of directors of such corporations often pleaded ignorance about the misuse of corporate funds entrusted to them by public shareholders. The SEC reported to Congress that illegal payments and falsifications of books and records to conceal them were made possible because internal corporate accounting controls were ineffective or easily subverted. Congressional hearings also revealed that corrupt payments to foreign officials caused serious damage to America's national interest in critical areas of the world. Yet our ability to prosecute foreign bribes by our corporations was nonexistent.

The question before the Congress in 1977 was whether it should permit some dishonest corporations to harm U.S. foreign policy in their zeal for sales and profits. Congress answered "no" unanimously. It was the view of Congress then that bribes are bad for business because they distort free markets. Goods, we concluded, should be sold on the basis of price, quality, and service, not on the basis of bribes. Congress found in 1977 that bribes were not necessary to do business abroad. It discounted assertions that bribes were a way of life in some countries. It found instead they were not legal in most, if not all, foreign countries. Americans would rightfully resent foreign corporations bribing American officials, and so do people in other countries resent the use of bribery by foreign corporations in their countries. In 1977, we acted to stop American companies from engaging in such practices.

The FCPA attempts to prevent corporate bribery of foreign officials through three basic provisions:

First, it requires firms with securities registered with the SEC to keep detailed books, records, and accounts accurately reflecting corporate payments and transactions;

Second, these same firms are required to maintain an internal accounting control system to assure management's control, authority, and responsibility over the firm's assets. These two provisions working together were designed to prevent the maintenance of "off-the-books corporate slush funds";

Third, it specifically prohibits domestic firms, whether registered with the SEC or not, from corruptly bribing foreign officials either directly or through an agent, for the purpose of obtaining or maintaining business. This is the Act's antibribery provision.

The FCPA is a good law. Since its enactment almost a decade ago, the evidence suggests that most U.S. companies have not engaged in slush fund bookkeeping nor used bribery as a means to win sales abroad.

Nevertheless almost since the time the law was enacted some of its accounting provisions have been criticized for vagueness or for creating unnecessary and burdensome paperwork for businesses. A key antibribery provision governing a corporation's responsibilities for acts of an agent has been criticized as possibly making corporations criminally liable for acts of agents they knew nothing about. This, it was argued, caused American businesses to lose legitimate business abroad.

I have never been convinced that these concerns are meritorious. An article in the winter 1984 edition of the Journal of International Business Studies by assistant professor John Graham of the University of Southern California School of Business challenges contentions that the FCPA causes U.S. corporations to lose sales. In that study, Dr. Graham used published trade statistics and other Government reports to demonstrate that the FCPA was found to have no negative effect on the export performance of American industry. Exporters have never been able to counter that type of hard evidence with anything but anecdotal accounts of how the FCPA has caused them to lose business.

Nevertheless, the Banking Committee did report amendments to the FCPA in 1981 that passed the Senate in that same year. That bill never became law as the House did not act upon it. In 1983 and in 1986 the Banking Committee again reported similar amendments. I voted against each of these bills because of my concerns that various provisions in them would create loopholes in the FCPA's ability to deter bribery. The New York Times agreed with me saying of the 1983 bill that it contained loopholes for bribery "big enough to fly all of Lockheed through." Lockheed, it should be recalled, had, before the FCPA's enactment made $1.6 million in payments to the then Prime Minister of Japan. Revelations of these payments caused the Prime Minister to resign and eventually, he went to jail over the scandal.

It became clear to me this year that the Banking Committee planned once again to report the same amendments to the FCPA that it has reported in 1981, 1983, and 1986. Since I was not able to convince my colleagues not to do so, I decided to work to plug the loopholes in the bills previously reported. I believe for the most part I was successful in doing so and that the amendments to the FCPA in title XVI of the omnibus bill will not gut the effectiveness of that key antibribery statute.

For one thing the new bill, unlike those previously reported, does not subsume a corporation's obligation to keep accurate banks and records under a firm's obligation to have adequate accounting provisions. Mr. Arthur Matthews, a top corporate criminal lawyer with the prestigious law firm of Wilmer, Cutler, & Pickering at a 1986 hearing warned against that aspect of previously reported bills. He said the FCPA's books and records provision "had a more significant effect on corporate accountability than any statutory provision" that he had seen in 25 years of law practice. Subsuming that provision under the overall accounting control requirements, he warned, could introduce a materiality standard into that provision and thus inhibit its effectiveness. Large payments could be hidden, he warned, as they would not necessarily reach the level of materiality for SEC accounting purposes. I thus argued against that change and the committee decided to drop it. The title does make certain changes to the act's books and records and accounting provisions which are designed for the most part to reassure businessmen that an over-zealous prosecutor will not attempt to put them in jail for inadvertent errors in complying with those provisions. The 1977 committee report made clear the law was not meant to reach inadvertent errors, but businessmen wanted it in the statute. At my suggestion, however, the committee added a provision specifically providing that "No person shall knowingly circumvent a system of internal accounting controls or knowingly falsify books, records, or accounts established or kept pursuant to the provisions of the FCPA."

The amendments also make clear that businessmen can use a cost/benefit analysis in determining the level of detail required in their books and records. Similarly, the amendments provide that a company is not liable for violations of the FCPA's banks and records provisions by a subsidiary, it does not control, if it makes good faith efforts to cause the subsidiary to comply. These are changes that only clarify in the statute what are the actual enforcement practices of the SEC and Justice Department.

The committee's amendments also make changes to the act's antibribery provisions. They consolidate in the Justice Department all jurisdiction with regard to both civil and criminal enforcement of the antibribery provisions of the FCPA. The most important amendment to the antibribery provisions of the FCPA deals with the so-called reason to know standard. The FCPA currently prohibits corporate payments to agents when a company knows or has "reason to know" that all or a portion of the payment will be passed on to a foreign government official. Various business groups and the Secretary of Commerce expressed concerns that this standard is not clear. A witness for the public contract law section of American Bar Association stated that:

> The effect of the uncertainty in application of the 'reason to know' standard is that we of the Section cannot advise our clients that [inadvertent] conduct will be treated any less harshly than intentional bribery . . . .

While there was no evidence that the Justice Department ever abused the "reason to know" standard to prosecute inadvertent conduct, the committee approved changes in the standard to ensure against the possibility of any future abuse. The new standard would make it unlawful for any domestic concern corruptly to "direct or authorize, expressly or by a course of conduct" a third party to bribe a foreign official. The words "expressly or by a course of conduct" are meant to prevent management from adopting a "head-in-the-sand" approach to bribery in order to avoid liability by ignoring actual facts and circumstances underlying the subject transactions which would indicate the payment of a bribe. Under the standard, management could not consciously disregard that a payment to an agent would be offered as a bribe to foreign officials to help retain or obtain business. The committee's report notes that this change in the "reason to know" standard is meant to remove ambiguities surrounding the present standard and is not intended to change the present enforcement policy of the Department of Justice. The new standard is meant to continue to cover prosecution for conspiracy as well as liability for the acts of an agent within his scope of employment.

The committee's amendments also make changes in the current law's provisions concerning facilitating payments. These are payments exporters might need to make to minor government officials or clerks to get goods moved off the docks, to get planes loaded up, obtain adequate police protection, or the like. The present law specifically allows for such payments by excluding from the definition of the term "foreign official" an employees "whose duties are essentially ministerial or clerical". Payments to such officials are not covered by the bribery ban. The Banking Committee report on the 1977 bill, which became our present law, noted that the statute did not cover payments for expediting shipments, or obtaining adequate police protection, or other such matters.

Business groups testified, however, that the method chosen by Congress in the FCPA to exempt such facilitating payments has been tough to apply in practice. It is difficult, they argued, to determine whether a foreign official's duties are "ministerial or clerical". The committee's amendments to this portion of the FCPA, therefore, focus the facilitating payment provisions on the purpose of the payments rather than on the recipient. It sets forth four types of facilitating or expediting payments that are permissible such as: (1) for the performance of routine governmental actions; or (2) nominal payments or gifts that are a mark of courtesy; or (3) for reasonable and bona fide expenditures associated with selling or purchasing goods; or (4) for reasonable and bona fide expenses associated with the performance of a contract with a foreign government. The bill also establishes an affirmative defense for payments that are legal in the foreign country. The committee's report on these facilitating payment provisions states "The language in these exceptions and the defense is not intended to encompass corrupt payments either for the obtaining and retaining of business." The committee did, at my suggestion, tighten up the language in various of these exceptions. For example the bill defines "routine governmental action". I was not able, however, to get each exception phrased exactly as I wanted it. In their present form, while not perfect, I believe they can be enforced in a manner that will prevent them from becoming used as loopholes for bribery. The committee has certainly indicated its intention that they not be so used.

Title XVII of the Omnibus Trade bill deals with the issue of international debt. It finds that the international debt problem threatens the safety and soundness of the world financial system, the stability of the world trading system and the political and economic stability of the debtor nations. The title, among other thing, directs the Secretary of the Treasury to initiate discussions about the feasibility of establishing an international debt management authority to purchase debt from the banks at an appropriate discount and pass that discount on to the developing countries in return for their making reforms in their domestic economies.

The title also requires the Federal Banking agencies to report to Congress by January 15, 1988, on regulatory changes needed to encourage and facilitate the development of debt to equity as a means of reducing debt service burdens in heavily indebted developing nations.

Senator SARBANES, who is a member of both the Banking and Foreign Relations Committees, which share jurisdiction over this title, will manage the debate on any amendments dealing with the title.

I think the Banking Committee's titles will make a significant contribution to our efforts to strengthen the international trading position of the United States and I commend them to my colleagues.

Mr. President, I yield the floor.

Mr. HEINZ. Mr. President, I rise in support of the titles of the trade bill reported by the Banking Committee. While I will argue for changes in two portions of the committee language and have—namely the Export Trading Company and International Debt Titles—problems with investment language reported by the Commerce Committee, the vast majority of reported provisions will free our exporters from unnecessary regulatory burdens in current law and improve the climate for U.S. trade for years to come.

Most important among the committee's provisions is title X that would reduce the unnecessary burden on our exporters of excessive export licensing. I sponsored most of the committee's export control language and believe strongly that sensible reductions in the licensing burden are essential if U.S. high technology companies are to be competitive. The provisions of title X would, if fully implemented, reduce the 120,000 individual licenses required each year by one-quarter.

These reductions would not be achieved by sacrificing national security. Instead, our language would scrap controls on low-level technologies and controls that are ineffective because they are unilateral or cover technologies freely available abroad already. Such controls only harm our high-technology companies and limit our own ability to remain at the leading edge of technological innovation. Essential controls on high technology flows to the East would remain.

To be specific, individual licenses for low-level technologies would be eliminated—prior approval would no longer be required for shipments anywhere in the free world of technologies that can be freely shipped to the East bloc now with only notification to our allies. Roughly one-third of required licenses would be eliminated for shipments to countries that cooperate with us in controlling technology flows through the arrangement known as Cocom. Prior approval to ship would be eliminated for exports to, and reexports within, Cocom involving goods already freely available there.

At markup, Senator GARN expressed concern that these delicensing provisions could limit the government's ability to monitor and block Soviet targetting of technologies that are of military interest even though not the most sophisticated. In response to this concern, I will join in a managers' amendment to subject all covered shipments to basic reporting and notification requirements under a general license. In this way, exporters will not have to wait for prior approval and will have reduced paperwork, but the government will be able to maintain a paper trail on shipments that is essential to block Soviet targetting and support enforcement efforts if problems arise.

Title X would also improve and expand provisions in current law that permit decontrol of technologies that are clearly already available in the East bloc and other markets. The title would resolve problems with controls on U.S. component parts that have resulted in U.S. components being designed out of foreign products. Under our language, exporters would be able freely to ship U.S. components of larger systems that are not themselves controlled. Foreign suppliers would also be able to build up to 20 percent U.S. content into their products without worrying about reexport licenses. Other measures would trim the list of controlled items to eliminate unilateral controls, prohibit fees for export licenses, and improve procedures for resolving policy disputes within the executive branch.

Finally, this title also seeks to improve the multilateral basis for our controls through negotiations in Cocom and debarment from U.S. Government contracting for Cocom violators. I have been pursuing sanctions for Cocom violators since 1984 and proposed the language included in title X. However, as a result of recent revelations on diversion of technology by Toshiba Corp. and Kongsberg of Norway, Senator GARN has proposed and the Senate has overwhelmingly approved even tougher sanctions language as part of this trade bill. I joined Senators PROXMIRE, DIXON, and others in cosponsoring that amendment.

Taken together, the committee's export control amendments will greatly reduce the regulatory burden facing our exporters while enhancing our ability to protect the national security of the United States and our allies.

Second to the export control title in importance is title XVI which makes amendments of the Foreign Corrupt Practices Act. The committee reported essentially these same amendments in 1981, 1983, and 1986 and the Senate approved them in 1981. This year we have had action by the House and are finally in a position to resolve the problems with current law once and for all.

The FCPA is a good law and no member of the Banking Committee seeks to alter its basic intent. Nobody is in favor of bribery, but we are concerned that the law be improved so that it meets its goal of deterring international bribery without unnecessarily impeding legitimate exports. If the unscrupulous businessman needs a strong FCPA to keep him in check, the honest businessman deserves clear guidance on what is legal business and what is not. This goal of FCPA is to stop bribery, not stop exports.

The committee's amendments would remove the lack of clarity and duplicative requirements in current law that have unnecessarily increased the cost of doing business overseas. Title XVI would remove potential liability on the part of U.S. firms for unauthorized acts of agents that have caused smaller companies to give up legitimate business. These are changes vital to an expanded U.S. export effort.

Other titles propose less significant but still important improvements to the trade environment for U.S. producers. Title XII would make a number of modest enhancements to our export promotion effort, increasing trade information available to our exporters and expanding government services for them. Title XIII encourages the President to continue current efforts to improve international economic coordination and calls for negotiations to eliminate predatory manipulation of exchange rates for commercial gain. It also calls for an annual report and public debate of exchange rate and macroeconomic policy issues so that these key determinants of U.S. competitiveness become a central part of our national policy debate.

Title XV would make the principle of "national treatment" a lever to open foreign markets to U.S. financial service companies. This provision would deny foreign banks or primary dealers rights of entry and participation in U.S. financial markets unless U.S. financial institutions receive national treatment abroad. Application of a national treatment standard has been a committee priority for more than 10 years and national treatment has become a basic tenet of the U.S. approach to international financial services. This title would give it real teeth as a negotiating tool.

While five of the reported banking titles are entirely praiseworthy, the other titles in this portion of the trade bill have problems. Titles XI and XVII were reported by the committee without the type of consensus that has long characterized our approach to international issues, and simply fail to resolve problems facing our export trading companies and LDC debtors that the committee tried to address. Title XIV was not considered by the Banking Committee at all. It is an antiforeign investment provision reported by the Commerce Committee and added to the Banking titles as part of the jurisdictional negotiations on the omnibus trade bill.

The weakest of the problem titles is title XI relating to the Export Trading Company Act. The ETC Act was passed in 1982 to create the opportunity for aggressive United States trading companies able to compete with the giants of Europe and Japan. Unfortunately, since that time, Federal Reserve interpretation of the law has offered precious little opportunity to our ETC's to compete.

This title acknowledges problems with Federal Reserve interpretation of the ETC Act that the committee has long recognized. But instead of proposing real solutions to the problems worked out in committee over the last 2 years with near unanimous agreement, the bill includes flawed language from the House that simply does not do the job.

There are three basic problems with Federal Reserve interpretation of current law. First, the Federal Reserve applies a revenue test to qualify a bank ETC that effectively denies our ETC's opportunities to facilitate third-country trade. Such deals would result in new business contacts and additional U.S. export income. Title XI would permit third-country revenues to count as income but subject to conditions that negate the benefit of the amendment.

Second, the Federal Reserve denies ETC's the right to provide services for export, even though allowable services are enunciated in current law. Title XI does not even address this issue. Finally, ETC applications may be turned down by the Fed solely on the basis of a proposed debt-to-equity ratio even if the ratio is lower than a fully capitalized, mature parent bank. Title XI would raise the cutoff ratio for denying an application from 10:1 to 15:1, but still permit the Fed to deny an application solely on this basis where leverage remains below the 17:1 ratio permitted the parent bank.

In light of the committee's failure to fix these problems, I will propose an amendment to correct these flaws and give United States trading companies a fighting chance. You have all received a Dear Colleague letter on this issue on which I was joined by seven Senators, including a bipartisan coalition from the Banking Committee. I assure you that the European and Japanese ETC's with which the 1982 law intended we should compete are not being "nickeled and dimed to death" by their regulators. Neither must ours if we are going to increase our exports.

The second title that falls short is title XVII on the debt issue. The committee recognized both the shortcomings of the Baker plan and the importance of new measures to deal with the debt problem. Unfortunately, the only solutions this title offers to the debt problem are discussions and reports.

The discussions would focus on creation of a debt management facility to buy debt at a discount from banks and pass along the discount to LDC debtors. This is a vaguely formulated proposal with an unknown price tag that is opposed by both the administration charged with negotiating the facility and the banks asked voluntarily to participate in it. The Congress will not support it if it is shown to be costly. Even without all these hurdles, it would take years to put in place. It may make for interesting discussions, but it does nothing for today's problems.

The studies in the title would require examination by the administration and regulators of regulatory impediments to a broader range of financial options for creditor support, including debt-equity conversions and various forms of debt relief. The problem here is that the regulators are unlikely to find anything wrong with the job they are doing.

I will propose an amendment to the Bank Holding Company Act to permit U.S. banks greater use of debt-equity swaps both to increase bank safety by getting restructured loans off their books and to provide debt relief to LDC debtors. Many LDC's have established debt-equity programs and while they are no panacea, almost everyone agrees debt-equity swaps have a useful role to play in resolving the debt problem and should be expanded.

This issue has taken on some urgency since the Banking Committee reported its legislation. Most major and mid-sized banks have now set aside substantial reserves against LDC loans. They have built a "warchest" and are ready to move aggressively to make deals if not blocked by U.S. regulators. We cannot wait for U.S. regulators to report back that their policies represent no impediment to swaps. If we do, banks in Europe and Japan will already have grabbed all the good equity in Latin America.

Finally, title XIV would increase Presidential discretion under the Defense Production Act to screen foreign investment in the name of national security. While no one could quarrel with protection of our national security, the issues raised by this Commerce Committee provision clearly have more to do with market intervention than with national security. Though moderate in tone, this language is contrary to longstanding U.S. policy of providing national treatment to foreign investors and maintaining an open investment climate.

This title would place the United States in the same company as France, Canada, and developing countries whose rigorous screening deters foreign investment. This is totally inappropriate at a time when we are ourselves calling for national treatment and open investment abroad, and trying to attract foreign capital to the United States to finance a large current account deficit.

To sum up, all eight of the Banking Committee titles identify key problems facing the U.S. economy as we attempt to recover from an international trade "recession;" 5 of the 8 titles effectively address the problems facing our exporters and the international trade climate. The provisions on export controls, export promotion, international economic policy, national treatment of financial services, and the Foreign Corrupt Practices Act deserve the strong support of the Senate.

The other three titles on export trading companies, LDC debt and foreign investment either fall short of resolving problems the committee identified or would overturn longstanding U.S. investment policy that is a fundamental source of our economy's strength. I am confident that as we proceed through the legislative process, the committee and the full Senate will join me in correcting these problems. Only then can we restore our economy to balanced growth—a successful trading nation open to foreign investment with an export infrastructure that includes aggressive export trading companies and with LDC markets growing again as they recover from the lingering debt problem.

Mr. DIXON. Mr. President, the Banking Committee's contribution to the trade bill encompasses seven titles dealing with export controls, export trading companies, export promotion, exchange rates and international economic policy coordination, international debt, discrimination against U.S. financial institutions overseas, and clarifications of our foreign sales antibribery prohibitions. These seven titles, taken together, will make a major contribution toward improving our export performance.

I would like to concentrate my remarks at this time, however, on what I believe is the most significant part of the Banking Committee bill—title I, the Export Administration Act amendments. First, I want to congratulate the chairman of our committee, Senator PROXMIRE, and the chairman of the International Finance Subcommittee, PAUL SARBANES, for their leadership and for their efforts in negotiating the compromise package now before the Senate. I would also like to pay particular tribute to my colleague from Pennsylvania, Senator HEINZ. The Banking Committee provisions are based in no small part on a bill that he and I sponsored, S. 547. Senator HEINZ has been a long-time leader in the export control area; his hard work is evident in the measure before us.

While there are a variety of statutes which can be and are used to control exports, the Export Administration Act is the cornerstone of our export control strategy. Under the Export Administration Act, the President has the authority to control exports for national security, foreign policy, or domestic short supply purposes.

Let me state at the outset that there is no debate—not in the Banking Committee, not in the Senate or the House, and not in the export community—as to the President's legitimate need for authority in this area. Everyone understands that there are times and circumstances when controls on exports are necessary and desirable.

It is important to remember, however, that through most of its history, the United States had no controls on exports. American businesses were free to sell abroad with no regulatory constraints from the Federal Government. In fact, the first export control statute was not enacted until 1940, in the days leading up to World War II.

Our export control system has grown considerably since 1940. Last year alone, for example, the Commerce Department processed over 120,000 applications for individually validated export licenses. The current system now places significant handicaps on American business in its flight to make sales in an ever more competitive international marketplace. What is worse is that American business and the American economy that is the fundamental source of our strength are called on to make this sacrifice to maintain controls that, all too often, do not achieve their purposes.

The Export Administration Act needs reform. Increasingly, it does not deny the Soviet Union and its allies access to certain high technology that can add to their military capabilities. Instead, it effectively results in European, Japanese, and other foreign firms making sales in free world markets that should have gone to American businesses.

As a member of the Senate Armed Services Committee, I am well aware of the Soviet's efforts to acquire United States and other free world high technology. I know we must make strong and effective efforts to deny the Soviets access to the items they are seeking, or at least delay their ability to acquire them. The key word, however, is effective, and unfortunately, our export licensing and control regime has not been as effective as it should be.

I have stood on this floor before to complain that the United States has cast its net too broadly—that our Nation licenses far more than it needs to—and that the United States has all too often tended to go it alone, rather than working with other industrialized countries on a coordinated system of controls.

There was a time when the United States could afford to act alone. In many areas, U.S. technology was far better than anything available elsewhere. That advantage, however, is gone in most of the areas where American companies seek to export. Japanese products, German products, products from Taiwan and Singapore, and numerous other countries around the world are every bit the equal of those manufactured here. In fact, in a growing number of cases, technological leadership no longer belongs to the United States, but rests with one of our international competitors.

There was also a time when the United States could afford to ignore export markets. The U.S. economy was so large and so dominant internationally that American companies didn't have to worry about exporting. That time is also gone. Trade and export competitiveness are now vital to our future economic health.

We can therefore no longer afford a licensing and control system that not only impedes the ability of American companies to make sales abroad, but actually results in foreign companies designing our American components. We can no longer afford a control system that creates less harm to the Soviet Union than it does to our relationship with our own allies.

This is not a theoretical problem. It is happening. It hurts our economic growth. It costs our economy jobs. I would like to cite just a few of the many examples, Mr. President, that illustrate this point:

Last summer, a major British aerospace company sent out a letter to its suppliers telling them to avoid American parts whenever possible in order to avoid the uncertainties and delays inherent in the United States reexport control system;

One multibillion dollar European electronics company stated that it was deliberately avoiding American components for its products in order to avoid United States reexport controls; and

Another major multibillion dollar European electronics and capital goods company made the decision to design and build its own array processors in order to avoid the hassles and delays, particularly the reexport license requirement, that using American array processors would make inevitable.

As many of my colleagues know, Mr. President, the National Academy of Sciences completed a study last January entitled "Balancing the National Interest: U.S. National Security Export Controls and Global Economic Competition." That study concludes:

> The U.S. policy process for national security export controls lacks proper direction and affirmative leadership at the highest levels of Government. The result is a complex and confusing control system that unnecessarily impedes U.S. high technology exports to other countries of the free world and directly affects relations with the Cocom allies.

The study goes on to point out that the problems in our licensing and control system may have cost the U.S. economy over 180,000 jobs and foreign sales of over $9 billion annually.

There are those who may differ with the study and its conclusions. In my view, however, the study's conclusion are particularly creditable because the study was chaired by Lew Allen, former Chief of Staff of the U.S. Air Force, former member of the Joint Chiefs of Staff, and former Director of the National Security Agency, and because the panel responsible for the study also included former Secretary of Defense Melvin Laird, former Deputy Director of the Central Intelligence Agency B.R. Inman, and a number of other members of prior administrations with responsibilities in the trade, foreign policy, and national security areas.

The Banking Committee's export control reform title is, in no small part, an attempt to rectify some of the problems laid out in that study. It is designed to reduce the licensing burden where we can afford to do so, in order to allow the administration to concentrate its enforcement efforts on the areas where there is the most need.

As I stated earlier, our current licensing and control system is too broad. It picks up too many transactions involving exports of relatively low technology to countries that are coordinating their control efforts with the United States.

The result is that we are not able to put sufficient resources into covering exports of truly sensitive items going to destinations where there is a real chance of diversion of the items to the Eastern bloc.

One major focus of the provisions, therefore, is to reduce the licensing burden in areas where it can be reduced without adversely affecting our national security. The title makes a number of changes in the national security controls sections of the Export Administration Act, including:

First, eliminating license requirements for sales of items up to the so-called China green line level of technology to Cocom countries and countries with which we have bilateral export control agreements, the so-called 5(k) countries. This list includes almost all of our NATO allies and Japan. The China green line is the level of technology we are licensing for sale to the People's Republic of China that does not need approval from Cocom, the organization that administers multilateral export controls to Eastern bloc destinations. This will reduce by 20,000 the number of license applications the Commerce Department currently has to handle;

Second, eliminating license requirements to free world destinations up to the so-called AEN technology level. The AEN level is the level of technology that can be sold to the Eastern bloc without prior Cocom approval. This provision should reduce the licensing burden by another 24,000 applications;

Third, reforming foreign availability determinations to see that they are made more expeditiously. If the Soviets already have complete access to a product in sufficient quantity to meet their needs, then export controls that purport to deny them the product cannot succeed unless the availability can be eliminated. In those circumstances, controls make no sense and should be eliminated. Unfortunately, because of bureaucratic foot-dragging, foreign availability determinations simply are not being made. The result is controls remain on items where they are not effective, which disadvantages American business in its efforts to penetrate foreign markets;

Fourth, creating a new free world foreign availability section. Under current law, foreign availability is considered solely in East-West terms. If a United States company is seeking to sell an item to Brazil, therefore, it makes no difference, insofar as United States export controls are concerned, whether Brazil has access to the product from another source or not; it only matters whether the Soviet Union has access to the item. Frankly, that is absurd. If Brazil already has the item, or a comparable item, then it cannot make any sense to control the export of that item to Brazil;

Fifth, eliminating the license requirements for reexports of U.S. finished products from one Cocom country to another;

Sixth, eliminating the license requirement on the reexports of U.S. components incorporated into foreign finished goods shipped to any destination if the U.S. components are less than 20 percent of the dollar value of the final product; and

Seventh, reforming the mechanism used to resolve disputes between Commerce and the Defense Department over licensing issues. Current law provides that the President resolve any disputes, but requires the President to report to Congress any time he overrules the Defense Department. Now the last time I looked, the Secretary of Defense worked for the President, not the other way around. The committee provisions, therefore, eliminate this reporting requirement which will unbias the decisionmaking process and make it more likely any disputes will be resolved in a timely way.

The bill makes a number of other changes that will make the act work better for American exporters. For example, it prohibits charging fees for export licenses. Frankly, I cannot understand why anyone would want to put this kind of export disincentive in the way of the small- and medium-sized companies we are trying to encourage to export more. There are a number of other areas the bill covers that I will not comment on now. However, I would like to say a word about the title's judical review section, a subject I have taken an interest in for some time.

The Export Administration Act is not like most other law. As it now reads, the Secretary of Commerce can cut off a company's right to export, or impose other civil sanctions, without this decision being subject to any kind of judicial review. The Secretary essentially gets to act as prosecutor, judge, and jury. I do not think that is fair, Mr. President, and I do not understand how we ever let the law get to the point where a penalty could be imposed without a person ever having a right to go to court.

The provision in the Banking Committee export control title is an attempt to correct that outrageous deficiency. It allows for appellate review of the Secretary's decision to either impose civil sanctions, or to cut off a company's ability to export through what is known as a temporary denial order. Judicial review would not allow companies to challenge decisions to impose controls, nor would it allow companies to appeal decisions denying their export license application. Rather, it would allow them to contest the Secretary's finding that they had violated the act or controls imposed under the act. The bill uses legal standards widely used elsewhere in Federal law, the substantial evidence test for factual issues, and the arbitrary, capricious, or not otherwise in accordance with law test, for matters of law.

I should note that even without a specific right of judicial review, companies can go to court to suggest that the Secretary is acting outside his statutory authority, or outside the Constitution. Further, until 1985, the Secretary was required to go to court to attempt to collect fines. It seems to me, therefore, that the changes made by the judicial review provision are rather modest, and are the minimum that is required to restore some due process to the law in this area.

I would like to make two additional points before I close, Mr. President. First, I would again like to emphasize the importance of acting multilaterally rather than unilaterally in the export control area. It is always simpler to act unilaterally, and multilateral negotiations are usually long and extremely frustrating. The simple truth, however, is that unilateral U.S. controls do not work, and we cannot expect our trading partners to duplicate our actions simply because we have acted.

The case of the diversion of advanced milling machinery to the Soviet Union by Japanese and Norwegian firms that has received so much attention lately makes the point. As a member of the Armed Services Committee, I am acutely aware of just how seriously this sale has hurt our national security. Frankly, it is impossible to overstate the damage these two companies have done to the free world just to make another sale. Toshiba, I understand, made approximately $17 million on the 1983 sale of four milling machines, but it will cost the American taxpayer many billions to regain the edge in submarine technology that sale threw away.

It is vitally important, however, that we learn the proper lessons from this disaster. None of this technology was American. This case, therefore, gives us a chilling reminder that we cannot afford to go it alone. Controls, to be effective, must be multilateral. It makes no difference how tough the United States control regime is if other manufacturers of high technology are willing to make sales to the Soviets, or if they turn a blind eye to evasions of Cocom controls or their own export controls.

This case makes it clear that our priority shouldn't be adding items to the control list. The reason the Banking Committee is acting to reduce the number of items being controlled is that we already control too much to make good enforcement sense. Rather, this case points out that the first priority must be to effectively enforce, together with our allies, the limited controls that make sense. Without that kind of joint action, the Soviets will be able to get whatever technology they need.

This case is a powerful illustration to our allies of the cost of lax enforcement of export controls. The American Government will be able to make good use of it in encouraging the allies to beef up their enforcement efforts. It is also a powerful illustration to our own Government of the perils of not taking foreign availability considerations seriously enough in making export control policy. Congress and the executive branch need to take that lesson to heart.

The second point is, in the long run, our ability to stay ahead of the Soviets rests on the creativity of and productivity of American business. If export controls weaken our businesses, then they are less likely to be able to maintain the kind of research and development effort that will keep us at the leading edge of technology. If we tilt too far toward controls, without considering the need for adequate access to foreign markets that is increasingly critical to U.S. business, we will find ourselves increasingly having to buy our own defense technology abroad.

This is not an academic point. When export controls prevented Caterpillar from selling equipment to the U.S.S.R., the Soviets went to a Japanese firm—Kamatsu. That shift strengthened Kamatsu in all world markets, including the U.S. market, and weakened Caterpillar. It is also happening to our high-tech firms now. It is something we must keep in mind at all times while we consider export control issues.

Mr. President, there is much more I could say about the export control provisions and how strongly I believe they are needed. However, I will not take more of the Senate's time now. I will simply conclude by saying that the committee provisions are a reasonable, and well-balanced, package of reforms. They deserve the Senate's support.

Mr. SARBANES. Mr. President, I want to say just a few words about the titles 10 through 17 of the trade bill which are matters reported from the Banking Committee. Actually, title 17 includes matters affecting international debt that is under the joint jurisdiction of both the Banking and the Foreign Relations Committee.

First, I thank the distinguished chairman of the committee, Senator PROXMIRE, for his very kind comments about my effort and role in helping to shape this legislation. I appreciate that very much. As he observed, we did hold a lengthy series of hearings on export controls, export trading companies, on the export promotion programs of the Commerce Department, exchange rates and international debt. We had a number of very distinguished witnesses before the committee and probed these issues in depth and at great length.

I thank the chairman, Senator PROXMIRE, for his very strong leadership in this matter, for his cooperation in preparation of the legislation.

I thank Senator HEINZ, who is the ranking member of the International Finance Subcommittee, for his contributions and, of course, Senator GARN, who is the ranking minority member of the committee.

I also acknowledge the very effective work that was done by a number of the staff members of the committee in helping to resolve some of the matters that were in dispute and in framing the legislative language that is now before us.

Mr. President, many of the provisions in this legislation represent issues that in one form or another have been before the Congress a number of times in the past. I think this is a balanced legislative package. I think it is one that will be effective in addressing the objectives that we have set out to accomplish in the Trade and Competitiveness Act of 1987.

I think the process we are following here is one to be strongly commended, where the various committees with legislative jurisdiction over matters affecting trade and competitiveness have joined their proposals in one omnibus piece of legislation which is now before us on the floor.

We have, of course, been dealing over the past days with the Finance Committee's titles to this bill, and we are now about to turn to the titles coming essentially from the Banking Committee and, in the instance of title XVII, coming from the Banking Committee and the Foreign Relations Committee.

I would briefly like to review the bill that the Banking Committee reported out.

Title X of the Senate bill deals with the complex issue of export controls. In this title, the committee attempted to strike a balance between the need for U.S. exporters to be able to compete effectively in international markets and the genuine security requirements of the United States in controlling the sale to the Eastern bloc of high technology goods with military applications.

To summarize briefly, title X of the trade bill would:

Decontrol the sale of certain low technology goods to Cocom and non-Eastern bloc countries, while retaining in the Secretary of Commerce authority to require notice of sale to ensure that a paper trail for the goods is created. In the case of goods decontrolled to Cocom countries because they fall below the so-called PRC green line technology level, the Commerce Secretary would retain authority to require a license to such end users of an export as the Secretary may deem appropriate or to countries which do not comply with the Cocom agreement.

Decontrol the reexport to Cocom countries of U.S. goods, and of foreign goods containing U.S. components worth less than 20 percent of the value of the goods into which they are incorporated to any destinations. It would, however, give the Commerce Secretary authority to license the reexport of finished goods or components he deems to be highly critical.

Decontrol goods containing controlled parts or components worth less than 20 percent of the value of the goods, unless the Commerce Secretary determines that the goods as a whole would make a significant contribution to the military potential of a controlled country.

Decontrol goods to other than controlled countries if a foreign availability determination is made, but the President could delay decontrol for 18 months while he attempts to negotiate an end to the foreign availability.

Set a firm 120-day time limit on foreign availability determinations by the Commerce Department.

Set a firm 20-day time limit on the Defense Department's review of national security export license applications. If no recommendation is made within 20 days, the Commerce Secretary would have authority to approve or deny a license.

Give the Commerce Secretary greater authority to issue temporary denial orders for exports if it would facilitate enforcement of the Export Administration Act.

Give the Secretary authority to deny an export license not only to an individual who has prior convictions for certain specified crimes, but also to corporations or business organizations under the control of the convicted person.

Direct the President to enter into negotiations with the member governments of Cocom to improve cooperation with Cocom and obtain agreements with non-Cocom governments.

Grant parties the right of judicial review under the Export Administration Act when a civil penalty or other sanction would be imposed for violation of the act or when a temporary denial order is granted under the act.

Title XI of the bill is designed to give greater flexibility to bank affiliated export trading companies to facilitate the export of U.S. goods and services while safeguarding the safety and soundness of the banks and maintaining the focus of the ETCs on the export of U.S. goods and services. Title XI would:

Permit bank ETCs to earn up to 60 percent of their income from promoting third country trade. The rest would have to come from promoting U.S. exports. Bank ETCs may currently earn a maximum of 50 percent of their income from promoting third country trade.

Raise the minimum debt to capital ratio for bank ETCs to 15:1 from 10:1 to bring it in line with the minimum ratio required of U.S. banks.

Remove the $2 million inventory limit on bank ETCs, but give the Federal Reserve authority to impose inventory limits on a case by case basis.

Direct the Commerce Department to establish a program to encourage and assist the development of other export intermediaries including export management companies which are not bank sponsored.

Title XII of the bill strengthens the export promotion activities of the Commerce Department. The title would:

Require regular review of the number of Foreign Commercial Service Officers.

Authorize the Commerce Secretary to designate eight U.S. missions abroad at which the senior U.S. Foreign Commercial Service Officer would be able to use the diplomatic title of Minister-Counselor.

Direct the Commerce Secretary to gather information collected by Federal agencies on a country-by-country basis which would be useful to firms engaged in exports and set up an information system to disseminate the data to private sector businesses and state export agencies.

Title XIII of the bill addresses the issue of international economic policy coordination and exchange rates. The title would:

Encourage the President to negotiate with other countries to achieve better coordination of macroeconomic policies, an improved balance of trade, and greater coordination of the participation of central banks in international currency markets where necessary to reduce severe fluctuations in currency values.

Direct the President to initiate negotiations with countries which manipulate the rate of exchange between their currency and the dollar for the purposes of preventing effective balance-of-payments adjustments or gaining unfair competitive advantage in international trade.

Require the Treasury Secretary to submit an annual written report to Congress and to testify annually before the Congress on the conduct of international economic policy, much as the Chairman of the Federal Reserve Board is required to report and testify annually to Congress on the conduct of monetary policy.

Title XIV of the bill would authorize the Secretary of Commerce to initiate investigations to determine the effects on national security or on essential commerce which affects national security, or mergers, acquisitions, and takeovers undertaken by foreign companies of U.S. companies.

Title XV of the bill seeks to encourage foreign countries to end discrimination against U.S. banking organizations and securities companies. It would:

Amend the International Banking Act of 1978 by authorizing Federal banking agencies, with the prior approval of the President, to deny any application by a foreign banking organization from a country which discriminates against U.S. banking organizations.

Prohibit the Federal Reserve System from designating any person of a foreign country as a primary dealer in U.S. Government securities if that foreign country discriminates against U.S. companies in the underwriting or distribution of its government securities.

Title XVI of the bill makes amendments to the Foreign Corrupt Practices Act of 1977, which was enacted to prevent U.S. corporations from using bribery of foreign officials as a means of obtaining or retaining business abroad. The amendments would:

Alleviate concerns that criminal penalties might be brought for inadvertent errors in complying with the law's books-and-records or accounting-control provisions.

Allow businessmen to use a cost/benefit analysis in determining the level of detail required in their books and records accounting systems.

Consolidate in the Justice Department all jurisdiction with respect to civil and criminal enforcement of the antibribery provisions of the FCPA.

Change the standard by which a corporation is responsible for illegal payments by its agents from a "reason to know" standard to a "direct or authorize expressly or by a course of conduct" standard.

Provide certain exceptions and defenses to the law's antibribery prohibition for facilitating payments.

Title XVII of the bill addresses the issue of international debt. The title finds that:

The international debt problem threatens the safety and soundness of the world financial system, the stability of the world trading system, and the political and economic stability of the debtor countries.

Increasing growth in the developing world should be a major goal of U.S. international economic policy, and a broadened range of financing options should be considered in dealing with the debt problem.

The title would direct the Treasury to initiate discussions with industrialized and developing countries with the intent to negotiate the establishment of a multilateral financial authority which would be authorized to:

Purchase sovereign debt of less developed countries from private creditors at an appropriate discount.

Enter into negotiations with the debtor countries to restructure the debt.

Assist creditor banks in the voluntary disposition of their loans.

The title anticipates that:

Any loan restructuring assistance provided by such an authority would involve commitments by the debtor to economic policies designed to minimize capital flight and to preparation of an economic management plan calculated to provide sustained economic growth and to allow the debtor to meet its restructured debt obligations.

Support for the authority would come from the major industrialized countries, particularly from countries running strong current account surpluses.

The authority would have a close working relationship with the World Bank and the IMF.

The authority would be a self-supporting entity, requiring no routine appropriation from any member government, and that it should have a specified termination date.

The title also addresses the international debt issue from the standpoint of bank regulation. The title takes the view that commercial banks should have sufficient latitude, within regulatory constraints, to restructure the terms and conditions on their existing international loans so that additional new lending is not the only option available to U.S. commercial banks in responding to the financial needs of heavily indebted countries:

The Federal banking agencies are directed to study any regulatory or accounting barriers to exchange of foreign debt for equity.

The Treasury Secretary is directed to instruct the U.S. Executive Director of the World Bank to initiate discussions with other directors of the Bank on the appropriate role of the Bank and the IMF in supporting debt-to-equity swaps.

The Federal banking agencies are instructed to review other possible regulatory steps to encourage a reduction in the indebtedness of heavily indebted international borrowers in a way that would improve the overall asset quality of the banks.

Mr. EXON. Mr. President, I am pleased to rise to discuss the national security and essential commerce amendment which is found in title XIV of S. 1420, the Omnibus Trade and Competitiveness Act of 1987.

This provision was originally proposed and adopted in the Senate Commerce Committee. As a result of a committee jurisdictional negotiation, it was agreed that this particular title would be under the management of the Senate Banking Committee and made an amendment to the existing Defense Production Act.

The history of this provision is one of careful consideration and negotiation. It enjoyed unanimous support in the Senate Commerce Committee. The national security and essential commerce amendment provides the Secretary of Commerce discretionary authority to review and the President discretionary authority to act upon foreign purchases or efforts to gain control of U.S. companies which adversely affect the U.S. national security or essential commerce which affects national security.

Under this proposal, the Secretary of Commerce may initiate an investigation to determine whether a proposed merger within the United States, involving a foreign entity, adversely affects the national security or essential commerce which affects the national security of the United States. Once an investigation is initiated, the Secretary has 45 days to make a report to the President. The President would then have the authority to take necessary action to protect the national security or essential commerce which affects the national security of the United States.

To prevent Presidential abuse of discretion, the title also contains a provision for congressional review. The Congress has 15 days to disapprove Presidential action under this legislation.

I was very actively involved in pressuring the administration to intervene in the attempts by Fujitsu to acquire the semiconductor operations of Fairchild and earlier the attempt by Sir James Goldsmith to acquire and liquidate the assets of the Goodyear Tire & Rubber Co.

It was my judgment that both of these transactions threatened the national security. It was also my belief that the President possessed sufficient authority under the antitrust statutes, the securities statutes, the economic emergency statutes and his inherent powers as the commander in chief, to take action in a merger situation to protect the national interest.

To my disappointment, the administration suggested that they were powerless to take any action. It is that suggestion which primarily motivated my interest in this provision. I was not so concerned with the President's decision to not take action as I was with the implication that the President lacked the authority to protect the national interest. Title XIV explicitly grants the President that power.

The legislation does not compel action, it simply prevents future Presidents from throwing up their hands and saying "I can not do anything," while America's national security industries and technologies fall under foreign control.

As the value of the dollar continues to drop, there will certainly be a new wave of foreign takeovers of American companies and productive assets.

Many of the most vulnerable takeover targets could be in national security industries.

In this environment, the President should be appropriately prepared and possess the necessary tools to deal with the possibility of a foreign merger which would threaten the national security.

Title XIV is in no way intended to "chill" foreign investment. It simply arms the President with the appropriate authority to protect the national security.

The provision is carefully crafted and represents the product of hours of negotiations between Senators on both sides of the aisle and representatives of the business community. I strongly believe that title XIV represents a consensus position on this issue. As I mentioned, the Senate Commerce Committee approved this provision with a unanimous vote.

I thank the chairman and ranking member of the Senate Commerce Committee and the chairman and the ranking member of the Senate Banking Committee for their assistance and advice on this important provision.

Thank you, Mr. President.

Mr. HOLLINGS. I would like to discuss with the Senator from Nebraska several issues about his amendment on foreign acquisitions and mergers. This amendment was originally proposed and adopted in the Senate Commerce Committee. However, the bill language appears as title XIV in the Senate Banking Committee's portion of the omnibus trade bill, S. 1420. The report language clarifying various provisions is in the Senate Commerce Committee report.

Mr. EXON. That is correct. As a result of a committee jurisdictional agreement, the statutory language was agreed to be within the Senate Banking Committee's Defense Production Act. The applicable report language remains in the Senate Commerce Committee report which accompanied S. 907.

Mr. HOLLINGS. The principal intent of your amendment, as I appreciate it, is to establish a mechanism for investigation of mergers, acquisitions, and takeovers of any U.S. domestic corporation or entity by foreign persons that might endanger national security or essential commerce which affects national security. The report which accompanies S. 907 explains the term "foreign person" whose transactions are to be investigated because they might endanger national security.

Mr. EXON. That is correct. The report states that "foreign person" includes any person who is not a citizen under the laws of the United States and also an entity having its principal place of business in a country other than the United States. It would also include any foreign person who acquires a domestic corporation merely for the purpose of acquiring control of another domestic corporation in contravention of the purposes of this section.

Mr. HOLLINGS. It is also my understanding that the Senator did not intend title XIV to have an effect on routine commercial real estate transactions.

Mr. EXON. The Senator is correct. As I noted in my printed remarks presented to the Commerce Committee at its June 16 markup of the provision in question, a routine commercial real estate transaction is one example of a transaction that would generally be outside the realm of national security and therefore beyond the scope of title XIV. In that statement, I noted that the legislation—

> * * * is not intended to initiate investigations in noncontrolling foreign investments or to have any effect on transactions which are clearly outside of the realm of national security such as routine commercial real estate transactions.

The Commerce Committee's report to accompany S. 907 (S. Rept. 100-80), which includes the provision now denominated as title XIV of S. 1420, also states that this section is not intended "to have any effect on transactions which are clearly outside the realm of national security."

Mr. HOLLINGS. The report should have included a reference to routine commercial real estate transactions as an example of a transaction clearly outside the realm of national security. I understand this reference was inadvertently omitted from the report when it was printed.

Mr. EXON. That is also my understanding.

Mr. HOLLINGS. I would also like to discuss the June 4, 1987, effective date.

Mr. EXON. Certainly. That provision was added to provide the business community sufficient notice, to prevent triggering a rush of foreign mergers during congressional consideration of this provision and to provide companies which have transactions in progress assurance that the national security and essential commerce amendment would not disrupt those transactions.

Mr. HOLLINGS. Am I correct in understanding that where the board of directors of a parent corporation has agreed to the sale of the stock of a wholly owned subsidiary prior to June 4, 1987, that transaction would be exempt from the provisions of title XIV.

Mr. EXON. It appears that such a transaction would fall outside the scope of this section due to the June 4, 1987, effective date.

Mr. HOLLINGS. I thank the distinguished Senator from Nebraska for clarifying three important issues.

Mr. HEINZ. Mr. President, I rise in support of this amendment to the export control title of the trade bill. It represents the culmination of an effort by the committee to address concerns raised by Senator GARN with the provisions reported by the committee.

In considering this amendment, I think it is important to note that there is no disagreement on the committee that we must preserve the delicate balance between national security and the requirements of legitimate international trade. The committee amendments adhere to this principle and achieve reduction in required licensing by removal of counterproductive unilateral controls; licenses for low-level, noncritical technologies; and controls on goods that have become freely available abroad. By removing unnecessary controls, we hope better to focus the U.S. export control effort and the efforts of our allies on enforcement of an agreed list of critical technologies.

Despite the care taken in crafting these proposals, Senator GARN expressed concern at markup that outright decontrol of a broad range of technologies to Cocom and the free world would place U.S. enforcement efforts at risk since the so-called paper trail on these items could be lost. He was also concerned that the President have some "residual" authority to control potentially critical technologies.

In considering Senator GARN's concerns, the committee did not waiver in its determination to eliminate advance Government approval for shipments to reliable Cocom end-users, for all Cocom shipments up the PRC Green Line, for reexports within Cocom, and for free world shipments up to the AEN level. Nonetheless, we recognized the value of reinforcing our commitment to protect essential technologies and U.S. enforcement capabilities. Therefore, the managers' amendment makes three changes to the committee provisions.

The amendment excludes supercomputers from shipment under general license even to reliable end-users in Cocom. This one exception is in recognition of the absolutely critical nature of the U.S. lead in computer technology and our need to maintain close surveillance of that technology even for shipment to official entities in Cocom.

Second, the amendment specifies that shipments to Cocom and the free world that no longer require individual licenses will be made under a general license. This will ensure that our enforcement officials have access to basic specifications and end-user information to support necessary enforcement actions.

Finally, the amendment recognizes that there may be a small group of critical technologies affected by these changes that will require special treatment. The bill references them as "extraordinarily sophisticated or highly critical." In these few cases, 2 days' prior notification of shipment would be permitted so that U.S. officials would have the opportunity to conduct a basic screening of shipments for problem end-users and alert United States and foreign Customs officers to problems.

While special treatment of some technologies is therefore permitted, the committee categorically rejects widespread requirements for prior reporting or other conditions that are possible under a general license. Evidence presented at committee hearings indicates that highly critical goods affected by these amendments consist of one or two computers that have truly unique capabilities. These items should be specified in regulation and no others should be subjected to special requirements.

Addition of this amendment will clarify the intent of the committee that essential national security interests must be protected, while still permitting unfettered shipment of goods that now represent 25 percent of required licenses. I urge the support of the Senate for this amendment of the managers.

The ACTING PRESIDENT pro tempore. Who seeks recognition?

Mr. PROXMIRE. Mr. President, I just want to speak briefly on what the distinguished Senator from Nebraska has just brought before the Senate.

Title XIV amends the Defense Production Act to give the President discretionary authority to restrict, suspend, or prohibit foreign takeovers of U.S. companies that in the President's judgment would impair the national security or essential commerce which affect national security.

This title was not the portion of the trade bill reported by the Banking Committee.

Senator Exon, the distinguished Senator from Nebraska, is the author of this title, and after very thorough hearings and discussions it was reported out of the Commerce Committee.

The Parliamentarian then ruled that the subject was in the jurisdiction of the Banking Committee so we reviewed the amendment and found it made good sense. Senator Byrd, therefore, included it within the Banking Committee trade title of the omnibus trade bill he introduced on June 24.

I believe the President should have the authority provided by this title and I congratulate Senator Exon who obviously deserves the full credit for having taken this action.

Mr. EXON. Mr. President, I thank my distinguished friend and colleague from Wisconsin. I appreciate his total cooperation on this.

This grew basically out of my intimate involvement with national security matters on the Armed Services Committee and came over into the trade bill because of my service in the Commerce Committee. There was and is some possible dual jurisdiction. I felt that this measure properly should be managed by the chairman and the ranking member on the Banking Committee. Therefore, it was included by cooperation and agreement and understanding with my friend from Wisconsin.

He has agreed to endeavor to have me appointed as a conferee on this part of his bill to make sure that that is protected when we, hopefully, go to conference with the House.

I thank my friend from Wisconsin for his usual outstanding cooperation.

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside so that I may offer an amendment.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. HEINZ. Reserving the right to object, could we have a copy of the amendment?

Mr. BYRD. Yes.

The staff will supply a copy to the Senator.

While the staff is getting a copy of the amendment, I will send a cloture motion to the desk.

CLOTURE MOTION

Mr. BYRD. Mr. President, I send a cloture motion to the desk.

The ACTING PRESIDENT pro tempore. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the Bumpers amendment, No. 450, to S. 1420, a bill to authorize negotiations of reciprocal trade agreements, to strengthen United States trade laws, and for other purposes.

Senators Dale Bumpers, Alan Cranston, Patrick J. Leahy, Wendell Ford, Spark Matsunaga, Timothy Wirth, Quentin Burdick, John F. Kerry, William Proxmire, John Melcher, Max Baucus, Terry Sanford, Dennis DeConcini, Frank Lautenberg, Christopher Dodd, John D. Rockefeller, Jim Sasser, and Harry Reid.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with the consideration of the bill.

Mr. CHAFEE. Mr. President, if I might address a question to the majority leader, there is a cloture motion pending for a vote on Tuesday morning next?

Mr. BYRD. That is correct.

Mr. CHAFEE. Is this a cloture motion for Wednesday?

Mr. BYRD. This cloture motion I have been asked to enter would be to the Bumpers amendment. The cloture motion I have in for Tuesday is the Byrd-Moynihan amendment.

Mr. CHAFEE. Where exactly do we stand on the Bumpers amendment?

Mr. BYRD. The Bumpers amendment is presently pending before the Senate. That is the amendment we are constantly putting aside.

Mr. CHAFEE. We have about six things we keep putting aside.

Mr. BYRD. So this cloture motion which I was asked to enter would ripen on Wednesday of next week, if the bill is still before the Senate.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from West Virginia to temporarily set aside the pending business?

Mr. HEINZ. Mr. President, reserving the right to object, and I shall not object, there is no objection on our side.

AMENDMENT NO. 487

(Purpose: To amend section 2(e) of the Export-Import Bank Act.)

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. Byrd] proposes an amendment numbered 487.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. CHAFEE. Mr. President, I wonder if the majority leader will be good enough to withhold for 1 minute.

Mr. BYRD. Yes. Is the Senator objecting to dispensing with the reading of the amendment or is he objecting to setting aside the Bumpers amendment?

Mr. CHAFEE. I just want a little hiatus here where we can get a feeling for exactly where we are. Just hold things up for 1 minute. I will be very brief. I will not get into anything complicated.

Mr. BYRD. Very well.

Mr. President, let me proceed with reading my amendment. I think it is important that the Chair understands what is being held up. If the Senator objects to setting aside the Bumpers amendment so I can call up this amendment, that has already been done. The Senator's objection comes too late. However, I will be happy to vitiate. Being a fair and objective-minded man that I try to be, I will be happy to vitiate that request so I would have to start all over again.

Mr. CHAFEE. That may not be necessary. Let me just consult, if I might take 1 minute.

Mr. BYRD. Very well, Mr. President, let me proceed to explain the amendment, whether or not I am ever able to call it up today.

Mr. President, I offer this amendment that will clarify section 11 of the Export-Import Bank Amendments Act of 1986. This section prohibits the use of Export-Import Bank funds:

First, to establish or expand production of another nation's export commodities if such products are likely to be in surplus on world markets at the time the resulting producing capacity becomes operative;

Second, if such resulting production capacity is expected to compete with U.S. production of the same, similar, or competing commodity; and

Third, the Bank determines that the extension of such credit or guarantee will cause substantial injury to U.S. producers of the same, similar, or competing commodity;

Fourth, this prohibition shall not apply if in the judgment of the Board of Directors of the Export-Import Bank the short- and long-term benefits to industry and employment in the United States are likely to outweigh the injury to U.S. producers of the commodity.

Mr. President, I received a letter from the Export-Import Bank explaining their interpretation of section 11 based on the first case decided since its enactment. The Bank's interpretation clearly distorts the intent of Congress and clarification is needed.

First, in this case, the Bank considered the overcapacity situation not at the time the project becomes operative, but at the time the loan was to be repaid. The time of the loan repayment has no relevance to the decision. The relevant determination on whether or not an oversupply situation will exist is at the time sales begin in the marketplace. My amendment clarifies that the operative date of the foreign productive capacity is the year that the project begins sales.

Second, the Bank stated that given the need to respond to potential U.S. exporters in a timely fashion, it was necessary to develop a numerical standard for determining substantial injury to U.S. producers. I understand the personnel and time constraints facing the Bank and, therefore, the need for a numerical standard.

Therefore, this amendment will codify that should the assisted capacity equal or be greater than 1 percent of U.S. production of the same, similar, or competing commodity substantial injury has occurred. Mr. President, this standard was the numerical level used by the Eximbank in the first case determined under this section.

Finally, in the first case, the Bank considered all potential short-term, long-term, and speculative benefits for the equipment manufacturer, while only considering the short-term injury to the U.S. commodity producers. To ensure that the comparison of costs and benefits are balanced, my amendment will require that in determining benefits, indirect, future, or speculative benefits to industry or employment shall not be considered except to the extent that similar, indirect, future, or speculative injury to U.S. producers or employment is also considered.

Mr. President, I believe that this amendment will ensure that the intent of the Congress will be fully carried out in regard to funding—with our taxpayers' dollars—foreign commodity production, such as coal, copper, phosphates, or any other commodity, that will displace American commodities from their natural markets in this country, or abroad, and cause injury to American workers and industry.

Mr. PROXMIRE. Will the majority leader yield?

Mr. BYRD. Yes.

Mr. PROXMIRE. I commend the majority leader on this amendment. I think it is an excellent amendment. What it does is provide that the Export-Import Bank, which is financed by the taxpayers, will not take action that hurts American business. That is its purpose. It seems to me it is a logical amendment, and I would suspect, if there were a vote on it, it would pass overwhelmingly, maybe unanimously. But it certainly is a logical action. I think it improves the bill.

Obviously, the purpose of the bill is to benefit our trade. It does not hurt other countries, but it says if we take action ourselves in our own Export-Import Bank in a way that will injure American industry, that is wrong. We are not going to permit it. I think it is that simple.

Mr. BYRD. Mr. President, I thank the distinguished manager for his statement. I wonder if I might get consent now to set the pending amendment aside so that this amendment can be called up.

The ACTING PRESIDENT pro tempore. The Chair would note unanimous consent to offer the amendment has been approved.

Mr. BYRD. Yes, it has. Any objections would come too late but being a fair and considerate, very considerate gentleman of extreme understanding of the plight of my colleague, I am willing to start all over again.

Mr. CHAFEE. For the distinguished majority leader to label himself as fair is total redundancy. We know that fairness goes with the name ROBERT BYRD, Senator from West Virginia. So that is accepted. And if the Senator would be good enough to grant me a 1-minute quorum call, I would greatly appreciate it.

Mr. President, I suggest the absence of a quorum.

Mr. BYRD. Mr. President, I do not yield for that purpose.

Mr. President, I will reconsider. I will yield for that purpose.

The ACTING PRESIDENT pro tempore. The clerk will please call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT NO. 487

(Purpose: To amend section 2(e) of the Export-Import Bank Act)

Mr. BYRD. Mr. President, I now renew my request.

In the interest of carrying out my own commitment, which I need not make, I ask unanimous consent that the pending amendment be set aside for the second time, so that I may call up an amendment.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. ARMSTRONG. Mr. President, reserving the right to object, it is my understanding that upon the disposition of the amendment which the leader will call up, we would again have before us the current pending business, and that it is the leader's expectation that there would not be a rollcall vote on the amendment he intends to call up.

Mr. BYRD. I answer the distinguished Senator by saying no, it is not my intention to ask for the yeas and nays. However, there are a good many Senators here who have stayed on the strength of the indication that the Senate is going to stay in and do serious business, which sometimes requires rollcall votes. I am under no commitment to have no rollcall votes, but I say to the distinguished Senator that I do not intend to ask for a rollcall vote on this amendment.

Mr. ARMSTRONG. Let me just explain that a number of Members have communicated to me that they hope there will not be a rollcall vote. Before we act on this unanimous-consent request, I inquire of Senators on the floor if anyone will seek a rollcall vote on this matter.

I do not see anyone indicating that, and with that, I have no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 487.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 431, after line 23, add the following:

SEC. 1106. AMENDMENTS TO SECTION 2(e) OF THE EXPORT-IMPORT BANK ACT OF 1945.

(a) TIME FOR DETERMINING SUPPLIES.—Section 2(e)(1)(A)(i) of the Export-Import Bank Act of 1945 is amended by striking out "productive capacity is expected to become operative" and inserting in lieu thereof "commodity will first be sold".

(b) MAKING COMPARATIVE INJURY DETERMINATIONS.—Section 2(e)(2) of such Act is amended by inserting "short- and long-term" before "injury to United States producers" and inserting "and employment" before "of the same, similar or competing commodity."

(c) DEFINITION OF "SUBSTANTIAL INJURY" FOR EXPORT-IMPORT BANK DETERMINATIONS.—Section 2(e) of such Act is amended by adding at the end thereof the following:

"(3) DEFINITION.—For the purpose of paragraph (1)(B), the extension of any credit or guarantee by the Bank will cause substantial injury if the amount of the capacity for production established, or the amount of the increase in such capacity expanded, by such credit or guarantee equals or exceeds 1 percent of United States production.".

Mr. BYRD. Mr. President, I thank the distinguished manager of the bill for his statement earlier and an explanation of the amendment and in support of it. I thank both the chairman and the acting ranking manager for their clearance of the amendment. I hope it will be adopted by the Senate.

The ACTING PRESIDENT pro tempore. Is there further debate on the amendment of the majority leader? If not, the question is on agreeing to the amendment.

The amendment (No. 487) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I have another amendment. I ask unanimous consent that the pending amendment be laid aside so that I may offer an amendment.

Mr. ARMSTRONG. Mr. President, reserving the right to object, may I propound the same inquiry to the leader about the prospects for a rollcall vote on this amendment?

Mr. BYRD. Yes, it would be my intention to ask for the yeas and nays on this amendment.

Mr. ARMSTRONG. Mr. President, upon the direction of the Republican leader and at the request of other Senators, I am constrained to object. I regret doing so.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. BYRD. Mr. President, I certainly have no quarrel with the distinguished Senator for objecting. He is carrying out his commitments, as he says, to the Republican leader and other Senators.

When the Republican leader left the Senate earlier today, it was my understanding that he had no objection to continuing with having rollcall votes. But he may have changed his mind about that.

It is obvious, then, Mr. President, that if we cannot proceed to get the pending amendment set aside for the calling up of amendments, unless they are amendments that will be agreed to, there will probably be not much more progress made today.

I suggest the absence of a quorum, during which time I would hope our staffs would contact Senators to see if there are other amendments that can be cleared up and disposed of without rollcall votes occurring thereon.

Mr. PROXMIRE. Mr. President, will the majority leader withhold that request?

Mr. BYRD. Yes.

Mr. PROXMIRE. So that I can offer a manager's amendment that has been agreed to by Senator GARN.

Mr. BYRD. I yield the floor.

Mr. PROXMIRE. Mr. President, I am going to ask unanimous consent to lay aside the pending amendment.

Before I do that, however, I want to explain to my good friend from Rhode Island that this is a manager's amendment that I am going to offer. It is supported by Senator GARN, who is the ranking member of the committee, by Senator HEINZ, who is the ranking member of the subcommittee, and it is an amendment on which I will not ask for a rollcall.

Mr. CHAFEE. Does anybody else in the Chamber desire a rollcall?

Mr. PROXMIRE. I am sure there will not be a rollcall on this particular amendment. I will certainly do my best to discourage it.

Mr. CHAFEE. Is this some technical amendment to the measure or what exactly does it do?

Mr. PROXMIRE. I will explain it. I will explain it without asking unanimous consent for it to be laid aside. I will just explain the amendment.

This amendment does three important things. First, it excludes supercomputers from the list of goods that would be provided under general license to reliable end users in Cocom countries. Maintaining the U.S. lead in computer technology is extremely critical and we cannot afford to lose control over shipments of this technology even within official circles in Cocom.

Second, it replaces language requiring decontrol of a broad range of technologies to Cocom and the free world with a requirement for shipment under general license. This change will ensure that basic information on shipments is kept and reported to the Government, providing our enforcement officials with the "paper trail" necessary to track items if evidence of diversion requires enforcement action.

Finally, the amendment acknowledges that there may be a small number of "extraordinarily sophisticated or highly critical" technologies affected by these changes that should continue to receive careful attention. Though these goods would no longer be individually licensed, the amendment provides for prior reporting of shipment by 2 working days. This would allow a small window for standard screening of problem end users so that United States and foreign customs officials could be alerted in case of problems. Since it is also possible under a general license to place end user and other conditions on specific technologies by regulation, it is my understanding that such conditions could also be applied in the case of this short list of critical technologies.

What is the amendment.

Mr. CHAFEE. Part of the unanimous-consent request is upon the completion of the disposition of this measure we would go back to the other measure which would continue to be the pending business.

Mr. PROXMIRE. The only request is the amendment be laid aside for the purpose of this particular amendment.

Mr. President, I ask unanimous consent that the pending amendment be laid aside temporarily exclusively for taking up the amendment I have just described.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT NO. 489

(Purpose: To require prior notification in the case of exports of extraordinarily sophisticated or highly critical goods or technology, and for other purposes)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. PROXMIRE], for himself Mr. SARBANES, Mr. GARN, Mr. HEINZ, and Mr. DIXON proposes an amendment numbered 489.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 401, line 13, strike out "commodities" and insert in lieu thereof "goods and technology".

On page 401, line 15, before the period insert the following: ", except that nothing in this sentence or the preceding sentence requires the issuance of such a general license for supercomputers".

On page 402, lines 13 and 14, strike out "no authority or permission" and insert in lieu thereof "Only a general license under section 4(a)(3)".

On page 402, line 25, after the period add the following: "In addition, the Secretary may require any person exporting extraordinarily sophisticated or highly critical goods or technology under the provisions of this paragraph to notify the Secretary of Commerce 2 business days prior to export.".

On page 403, line 20, strike out "Department" and insert in lieu thereof "Secretary".

On page 404, strike out lines 15 and 16 and insert the following:

"(B) the reexporter shall transmit written notice to the Secretary and, in the case of extraordinarily sophisticated or highly critical goods or technology, shall transmit written notice to the Secretary 2 business days prior to export unless the Secretary determines that such notice is not necessary for the administration of this Act and waives the requirement.".

Mr. GARN. As I indicated at the Banking Committee markup of trade legislation, I become uneasy any time the Congress attempts to reduce licensing requirements by applying across-the-board formulas to the export control list. While I am sympathetic to the frustration of our high-tech exporters that low-level items or unilaterally controlled items are slow to move off the list, I have an overriding concern that broad legislative redrafting of the control process risks losing control of key technologies that are of national security interest to us.

Mr. PROXMIRE. I share the Senator's concern, and know that the rest of the committee does as well. It has certainly been our intention in redrawing licensing boundaries that we not risk loss of control over any highly critical technologies, or limit Presidential discretion over technologies that are truly militarily critical.

Mr. GARN. I thank the Senator for his assurances. The Banking Committee has traditionally worked hard to maintain an export control system that properly balances essential national security interests with our need to carry on legitimate international trade. I think the addition of the managers' amendment will ensure that this tradition is preserved in the export control amendments reported by the committee. It was on this understanding that I agreed to join the chairman, Senator HEINZ, Senator SARBANES, and other members of the committee in support of this managers' amendment. I would, however, like to review the content of the amendment to ensure that we agree on its intent.

Mr. PROXMIRE. I believe that we have common understanding of its intent, and would welcome your clarifying that intent for the record.

Mr. GARN. This amendment does three important things. First, it excludes supercomputers from the list of goods that would be provided under general license to reliable end users in Cocom countries. Maintaining the U.S. lead in computer technology is extremely critical and we cannot afford to lose control over shipments of this technology even within official circles in Cocom.

Second, it replaces language requiring decontrol of a broad range of technologies to Cocom and the free world with a requirement for shipment under general license. This change will ensure that basic information on shipments is kept and reported to the Government, providing our enforcement officials with the "paper trail" necessary to track items if evidence of diversion requires enforcement action.

Finally, the amendment acknowledges that there may be a small number of "extraordinarily sophisticated or highly critical" technologies affected by these changes that should continue to receive careful attention. Though these goods would no longer be individually licensed, the amendment provides for prior reporting of shipment by two working days. This would allow a small window for standard screening of problem end users so that U.S. and foreign customs officials could be alerted in case of problems. Since it is also possible under a general license to place end user and other conditions on specific technologies by regulation, it is my understanding that such conditions could also be applied in the case of this short list of critical technologies.

Mr. PROXMIRE. That is my understanding and, I believe, that of other members of the committee as well. I would like to clarify, however, that we are discussing a very short list of technologies. In examining the range of goods that would be shipped to Cocom under general license under the banking amendments, our hearings provided evidence of only a couple of U.S. computers that represent a unique capability not readily available in Cocom today. In acknowledging the need for appropriate conditions in these limited cases, we reject the use of such conditions in other cases and would consider such action a violation of the spirit and letter of this amendment.

Mr. GARN. I agree with the Senator's interpretation and thank you for that clarification. I believe that the managers are in full agreement on the intent of this amendment and I fully support it.

COMPROMISE "PAPER TRAIL" AND "GENERAL LICENSE" AMENDMENT TO THE EXPORT CONTROL TITLE OF THE TRADE BILL

Mr. DIXON. Mr. President, this amendment is the product of considerable discussion with the Commerce Department. As the Senator who led the negotiations with the Commerce Department, I would like to comment briefly on its provisions. The amendment has three major purposes.

First, it clarifies that certain extremely high-technology supercomputers may be required by the U.S. Government to be shipped to our Cocom-partner governments or other reliable end users under something other than a general license. The provision in the committee bill provides that all goods and technology can be shipped to parties designated as reliable end users by the Secretary of Commerce. It gives an extra measure of protection for supercomputers. It ensures that the Government knows when these crucial items are leaving our shores.

Second, the amendment substitutes a general license requirement for the provisions in the committee bill that remove the licensing requirement for exports below the so-called China green line technology level to Cocom countries, and exports below the so-called AEN technology level to free world countries. This change has virtually no effect insofar as U.S. exporters are concerned, in everyday circumstances, but it provides additional assurance and clarification that these exports are fully subject to Cocom controls and the controls of the Cocom-member countries, thus providing additional protection against any risk of diversion to the Eastern bloc.

Third, it permits the Secretary of Commerce to require any person exporting items the Secretary finds are extraordinarily sophisticated or highly critical to Cocom countries under the provision requiring only a general license for below China green line technology to notify the Commerce Department 2 business days before the items are shipped.

This is a very limited provision and it should be interpreted narrowly. It is designed to give Commerce an extra degree of protection as to technology the Soviets may be targeting.

The provision is not intended to be used to permit a preshipment "paper trail" requirement on all shipments to Cocom or 5(k) countries under the section of the committee title governing exports to members of the coordinating committee. Further, it should be noted that the provision does not require the exporter to wait for any action by the Commerce Department before shipping. It is a notification provision; it is not an additional licensing requirement.

Because it is a notification and not a licensing provision, it is again worth stating that the amendment does not require exporters to wait for any action by Commerce. Specifically, this means that exporters do not have to wait to be informed that Commerce approves the shipment under general license; that is a contradiction in terms. The whole purpose of general licenses is to avoid the need for specific approval of each individual shipment. It also means that exporters do not have to wait for Commerce to "log in" the notification paperwork. The 2-day requirement begins to run when the notification is sent to Commerce, not when Commerce logs it in.

The amendment also clarifies the "paper trail" requirement as it applies to the reexport of finished goods within Cocom. The provision in the committee export control title not requires that the Commerce Department be notified by the consignee—that is, the party receiving the reexported item—at the time the item is reexported. The amendment instead requires notification by the party doing the reexporting 2 business days in advance of the reexport. Again, it should be pointed out that this provision cannot be used to effectively establish another licensing requirement. It is a notification requirement. It does not require the reexporter to wait for any action from the Commerce Department—either approval of the reexport or "logging in" the notification.

This is a compromise amendment. It is designed to provide additional comfort to those charged with enforcing the Export Administration Act. Steve Bryen, Deputy Under Secretary of Defense with responsibility for export control matters, was asked during the June 17 hearing in the International Finance Subcommittee of the Banking Committee whether a paper trail rather than an entire validated licensing system would meet the Defense Department's concerns. He responded "I think it would if we had the enforcement in the other countries."

I think he is almost entirely correct. I agree that we need better enforcement from our allies, and the Banking Committee-reported bill tries to move us toward that objective. I also believe, however, that where there is foreign availability—where a comparable item is freely available abroad—our licensing system acts to shift sales from our businesses to their foreign competition. The notification requirements in the amendment meet our Government's legitimate concern for adequate records to meet legitimate enforcement objectives, while removing burdensome and time-consuming requirements that do not add to our national security.

I believe, therefore, that this amendment resolves any lingering ambiguities and provides any necessary reassurance that may be needed. It ensures that the Government will have the tools it needs to vigorously enforce the Export Administration Act and to prevent diversions of American technology to the Eastern bloc. I urge the adoption of the amendment.

The ACTING PRESIDENT pro tempore. Is there further debate on the amendment?

The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment (No. 489) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, are there any other amendments? May I ask our respective staff people whether or not any Senators have amendments that we could call up and get accepted by a voice vote?

Mr. President, I believe a Senator is contemplating calling up an amendment or attempting to get the pending amendment set aside. I, therefore, yield the floor.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SANFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SANFORD. Mr. President, I rise to offer an amendment to S. 1420 dealing with the study of debt to equity conversions.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from North Carolina.

Mr. ARMSTRONG. Is it the request of the Senator to set aside the pending business.

Mr. SANFORD. That was to be my next statement, that I would ask to have that set aside.

Mr. ARMSTRONG. Mr. President, with the indulgence of the distinguished Senator, may I ask if he would withhold that for a moment while I seek to find out if that has been cleared on our side?

Mr. SANFORD. Yes.

The ACTING PRESIDENT pro tempore. The Senator reserves the right to object.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SANFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SANFORD. Mr. President, I ask unanimous consent that the previous amendment be set aside so that I might propose an amendment.

Mr. ARMSTRONG. Mr. President, reserving the right to object, let me explain that, upon consultation with Members on our side, I find that I simply do not have the portfolio to clear this amendment. It is not objectionable to me, but there are others who have not been consulted and, therefore, and only for that reason, I am constrained to object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. SANFORD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The absence of a quorum is noted. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Mr. President, it is obvious there is not going to be any more progress on this bill today. Amendments that could be called up and disposed of without rollcall vote, I think, have been called up and I think several of those have been adopted, but there are objections coming from the Republican side of the aisle to setting aside the pending amendment if any amendment is to be called up in lieu thereof on which a rollcall vote would occur. I attempted on one occasion to call up an amendment myself on which I wanted a rollcall vote and the objection was lodged to my setting aside the pending amendment.

I could just call for the regular order on amendments and have the amendment set aside that would automatically come down, but I will not resort to that today.

MORNING BUSINESS

Mr. BYRD. I ask unanimous consent that there be a period for morning business not to extend beyond 10 minutes; that Senators may speak therein for not to exceed 5 minutes each.

There will be no more rollcall votes today. I thank all Senators who have faithfully stayed around, ready to answer rollcall votes and to call up amendments, and I hope they will have a good and pleasant weekend.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting a nomination, which was referred to the appropriate committees.

(The nomination received today is printed at the end of the Senate proceedings.)

REPORT ON DEVELOPMENTS IN EMERGENCY WITH RESPECT TO LIBYA—MESSAGE FROM THE PRESIDENT—PM 52

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

1. I hereby report to the Congress on developments since my last report of January 21, 1987, concerning the national emergency with respect to Libya that was declared in Executive Order No. 12543 of January 7, 1986. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c); section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c); and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c).

2. As set forth in detail in my July 30, 1986, report, in Executive Order No. 12543, I prohibited, with effect from February 1, 1986: (1) the import into the United States from Libya, and (2) the export to Libya, of any goods or services; (3) transaction relating to transportation to or from Libya; (4) the purchase by U.S. persons of goods for export from Libya to any country; and (5) the performance by U.S. persons of any contract in support of an industrial or other commercial or governmental project in Libya. I further prohibited, with immediate effect: (6) the grant or extension of credits or loans by U.S. citizens or permanent resident aliens to Libya, or activities within Libya, other than for the purpose of: (a) effecting such persons' departure from Libya, (b) performing acts listed in items (1) through (5) above, prior to February 1, 1986, or (c) travel for journalistic activity by professional journalists. On January 8, 1986, in Executive Order No. 12544, I augmented the transactional prohibitions contained in Executive Order No. 12543 by ordering the immediate blocking of all property and interests in property of the Government of Libya (including the Central Bank of Libya and other government-controlled entities) then or thereafter located in the United States, or then or thereafter coming within the possession of control of U.S. persons, including their overseas branches.

3. Since my January 21, 1987, report, there have been no amendments to the Libyan Sanctions Regulations, 31 C.F.R. Part 550, administered by the Office of Foreign Assets Control of the Department of the Treasury. Additionally, since January 21, 1987, there have been no amendments or changes to orders of the Department of Commerce or the Department of Transportation implementing aspects of Executive Order No. 12543 relating to exports from the United States and air transportation, respectively.

4. During the current 6-month period two licenses were issued to U.S. service contractors that were operating in Libya at the time the national emergency with respect to Libya was declared. Consistent with Administration policy, these licenses authorize the companies to sell assets in Libya only to Libyan-controlled entities. The extension of credit to Libyan purchasers was authorized in connection with the sales.

5. Also during the current 6-month period, several enforcement actions have been initiated for violations of the Libyan Sanctions Regulations. (a) On March 24, 1987, a Federal grand jury in Atlanta, Georgia, returned a five-count indictment charging a U.S. citizen with violations of the International Emergency Economic Powers Act and the Libyan Sanctions Regulations. The violations charged included engaging in unlicensed transactions with respect to travel to and from Libya and activities within Libya, as well as entering into an employment contract with a Libyan oil company to provide services as a pilot in Libya. (b) Another case involving travel to and from Libya and employment within Libya as a pipeline and tank system inspector was concluded by the United States Attorney's allowing the person involved to apply for a pre-trial diversion. The person was then ordered to perform community service in lieu of facing trial. (c) Three arrests have been made in a third case where petroleum equipment was allegedly transshipped from the United States to Libya through a European conduit.

6. The General Accounting Office, at the request of the Congress, recently completed a report assessing the effectiveness of the sanctions against Libya. In gathering information for the report, the GAO spoke to relevant officials at the Departments of the Treasury, Commerce, and State. The report, based on 1986 data, concludes that the Libyan sanctions have been successful in distancing the United States from contributing directly to the Libyan economy and virtually eliminating U.S. trade with Libya. In addition, foreign subsidiaries of U.S. firms, which are not required to comply with the restrictions, have decreased their Libyan business significantly. However, the report indicates that the impact of the U.S. trade sanctions on Libya has been lessened by the extensive foreign availability of oil field equipment, services, and supplies, as well as the reluctance of third countries to adopt sanctions similar to those of the United States.

7. Litigation is pending in an English court, involving a claim by Libya against the London branch of Bankers Trust Company for failure to release to Libya blocked assets in New York and London. The United States Government is not a party to the litigation but is closely monitoring it. A trial on the merits of this case began on June 8, 1987, and is expected to continue until mid-July 1987.

8. The expenses incurred by the Federal Government is the 6-month period from January 21, 1987, through the present time that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at $646,812. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Customs Service, the Office of the Assistant Secretary for Enforcement, the Office of the Assistant Secretary for International Affairs, and the Office of the General Counsel), the Department of State, the Department of Commerce, the Department of Justice, the Federal Reserve Board, and the National Security Council.

9. The policies and actions of the Government of Libya continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to apply economic sanctions against Libya as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

RONALD REAGAN.

THE WHITE HOUSE, *July 10, 1987.*

MESSAGES FROM THE HOUSE

At 10:57 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2782. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 156. A concurrent resolution providing for an adjournment of the House from July 15 to July 20, 1987.

At 12:24 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2342. An act to authorize appropriations for the Coast Guard for fiscal year 1988, and for other purposes.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 2782. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1539. A communication from the Under Secretary of Agriculture (International Affairs and Commodity Programs), transmitting, pursuant to law, the final quarterly commodity and country allocation table showing current programming plans for food assistance under titles I and III of Public Law 480 for fiscal year 1987; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1540. A communication from the Executive Associate Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on the reapportionment of an appropriation indicating a need for a supplemental estimate of appropriations; to the Committee on Appropriations.

EC-1541. A communication from the Secretary of Transportation, transmitting, pursuant to law, the Urban Mass Transportation Administration Quarterly Report for the second quarter of fiscal year 1987; to the Committee on Banking, Housing, and Urban Affairs.

EC-1542. A communication from the Deputy Associate Director for Royalty Management, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain overpayments of offshore oil lease revenues; to the Committee on Energy and Natural Resources.

EC-1543. A communication from the Deputy Associate Director for Royalty Management, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain overpayments of offshore oil lease revenues; to the Committee on Energy and Natural Resources.

EC-1544. A communication from the Deputy Associate Director for Royalty Management, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain overpayments of offshore oil lease revenues; to the Committee on Energy and Natural Resources.

EC-1545. A communication from the Acting Assistant Secretary of the Interior, transmitting a draft of proposed legislation to delete certain surface mining regulatory program requirements for Indian tribes, and for other purposes to the Committee on Energy and Natural Resources.

EC-1546. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, a report entitled "Indoor Air Quality Implementation Plan"; to the Committee on Environment and Public Works.

EC-1547. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation entitled the "Medicaid Reform Amendments of 1987"; to the Committee on Finance.

EC-1548. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to enable the Secretary of Health and Human Services to fund a program to demonstrate innovative methods to address the problem of high infant mortality among the Medicaid-eligible population, and other high-risk groups, through case-managed, comprehensive services, and for other purposes; to the Committee on Finance.

EC-1549. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report of demonstration activities under Public Law 96-265, section 505; to the Committee on Finance.

EC-1550. A communication from the Acting Director of the U.S. Information Agency, transmitting a draft of proposed legislation to amend the Cultural Property Implementation Act; to the Committee on Finance.

EC-1551. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the impact of the Medicare Hospital Prospective Payment System; to the Committee on Finance.

EC-1552. A communication from the Assistant Legal Advisor from Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into in the 60-day period prior to July 2, 1987; to the Committee on Foreign Relations.

EC-1553. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "University of the District of Columbia President's Discretionary Fund FY 1986 Annual Report"; to the Committee on Governmental Affairs.

EC-1554. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to require the President to submit to the Congress an annual report on the management of the executive branch of the Government; to the Committee on Governmental Affairs.

EC-1555. A communication from the Assistant Attorney General (Legislative Affairs), transmitting, pursuant to law, a report describing the activities and operations of the Public Integrity Section, Criminal Division, and reporting on the nationwide Federal law enforcement effort against public corruption; to the Committee on the Judiciary.

EC-1556. A communication from the Independent Auditor, transmitting, pursuant to law, a report on the audit of the records of the National Council on Radiation Protection and Measurements; to the Committee on the Judiciary.

EC-1557. A communication from the Secretary of Education, transmitting, pursuant to law, notice of final annual funding priorities for the Educational Media Research, Production, Distribution, and Training Program, and the Technology, Educational Media, and Materials Program; to the Committee on Labor and Human Resources.

EC-1558. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for Training Personnel for the Education of the Handicapped and Final Annual Funding Priority for the Training Personnel for the Education of the Handicapped Program; to the Committee on Labor and Human Resources.

EC-1559. A communication from the Secretary of Education, transmitting a draft of proposed legislation to make technical amendments to the Education of the Handicapped Act, and for other purposes; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-251. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Armed Services.

"SENATE JOINT RESOLUTION NO. 19

"Whereas, The 474th Tactical Fighter Wing was created in 1943 and has been located at Nellis Air Force Base since 1968; and

"Whereas, This wing served in World War II and also in Korea and Viet Nam receiving two Distinguished Unit Citations for its outstanding service in combat; and

"Whereas, The wing is combat-ready and is earmarked for immediate deployment to Europe in case of a crisis in our national defense; and

"Whereas, The disbanding or removal of the 474th Tactical Fighter Wing from Nellis Air Force Base would pose threatening consequences to the nation's security and the State of Nevada; and

"Whereas, The House Armed Services Committee has included within the Military Construction Authorization Act of 1987 provisions submitted by Congressman Bilbray which would forbid the Air Force from using any money to disband or move the wing from Nellis Air Force Base. Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly,* That members of the Nevada Legislature urge Congress to retain and support the language within the Military Construction Authorization Act of 1987 which requires that the 474th Tactical Fighter Wing remain intact at Nellis Air Force Base to protect the security of the nation; and be it further

"*Resolved,* That copies of this resolution be prepared and transmitted forthwith by the Secretary of the Senate to the President of the United States, the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives, and to each member of the Nevada Congressional Delegation; and be it further

"*Resolved,* That this resolution becomes effective upon passage and approval."

POM-252. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Banking, Housing, and Urban Affairs:

"SENATE CONCURRENT RESOLUTION NO. 30

"Whereas, H.R. 918 of the One Hundredth Congress, first session, entitled the

"Jesse Gray Housing Act", was introduced in the House of Representatives by Mr. Conyers, et al on February 3, 1987, to amend the United States Housing Act of 1937; and

"Whereas, H.R. 918 is based on findings that there is an insufficient number of rental dwellings available for lower income families throughout the nation; and

"Whereas, the number of homeless families and families who cannot afford to pay for housing is increasing significantly because of the poor condition of the economy and the high unemployment rate; and

"Whereas, as the demand continues to rise for additional low income housing, there does not seem to be much increase in or focus on increasing new construction of rental housing units for lower income families.

"*Therefore, be it resolved,* That the Legislature of Louisiana memorializes the Congress of the United States to pass H.R. 918 of the One Hundredth Congress, first session, requiring the Secretary of Housing and Urban Development to administer a program of construction and revitalization of public housing.

"*Be it further resolved,* That a copy of this Resolution be transmitted to the secretary of the United States Senate, to the clerk of the United States House of Representatives, and to each member of the Louisiana delegation to the United States Congress."

POM-253. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Energy and Natural Resources:

"SENATE JOINT RESOLUTION NO. 5

"Whereas, The Nuclear Waste Policy Act of 1982, 42 U.S.C. §§10101 to 10226, inclusive, established a procedure for the selection of a site for a facility for the disposal of high-level radioactive waste; and

"Whereas, The Secretary of Energy is considering an area near Yucca Mountain in Nye County, Nevada, for selection as the site for such a facility; and

"Whereas, If Nevada is chosen to be the location for the facility, it would severely strain the financial, environmental and human resources of this state; now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada jointly, That, if Nevada is selected as the site for a facility for the disposal of high-level radioactive waste, this legislature strongly urges the Federal Government to provide assistance to mitigate the adverse effects of such a facility in the following areas:

"1. Education, including facilities and personnel for elementary and secondary schools, community colleges, vocational and technical schools and universities.

"2. Public health, including the facilities and personnel for treatment and distribution of water, the treatment of sewage, the control of pests and the disposal of solid waste.

"3. Law enforcement, including facilities and personnel for the courts, police and sheriff's departments, district attorneys and public defenders and prisons.

"4. Fire protection, including personnel, the construction of fire stations and the acquisition of equipment.

"5. Medical care, including emergency services and hospitals.

"6. Cultural and recreational needs, including facilities and personnel for libraries and museums and the acquisition and expansion of parks.

"7. Distribution of public lands to allow for the timely expansion of existing or creation of new communities and the construction of necessary residential and commercial facilities.

"8. Vocational training and employment services.

"9. Social services, including public assistance programs, vocational and physical rehabilitation programs, mental health services and programs relating to the abuse of alcohol and controlled substances.

"10. Transportation, including any roads, terminals, airports, bridges or railways built for it in any way associated with the facility and the repair and maintenance of roads, terminals, airports, bridges or railways damaged as a result of the construction, operation and closure of the facility.

"11. Equipment and training for state and local personnel in the management of accidents involving high-level radioactive waste.

"12. Availability of energy.

"13. Tourism and economic development, including the loss of revenue and future economic growth.

"14. Other needs of the state and local governments that would not have arisen but for the search for the site and the construction, operation and eventual closure of the facility; and be it further

"*Resolved,* That the mitigation of these adverse effects should begin as soon as they become known; and be it further

"*Resolved,* That the Federal Government should provide whatever assistance is necessary, including equipment for data processing, to allow the state to establish appropriate methods to observe and assess the effects of the facility from the planning stages until the waste is no longer radioactive; and be it further

"*Resolved,* That the entity to be established to coordinate the requests for assistance from the state and its political subdivisions be recognized by the Federal Government as the final authority on the needs and priorities of this state and its political subdivisions in the mitigation of the adverse effects of the facility; and be it further

"*Resolved,* That the Federal Government should establish a special fund to be used to mitigate any adverse effects of the study of the site including, without limitation, the effects of physical exploration if the project is abandoned; and be it further

"*Resolved,* That the Secretary of the Senate shall forthwith transmit copies of this resolution to the President of the United States, the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives, each member of the Nevada congressional delegation and the Secretary of Energy; and be it further

"*Resolved,* That this resolution becomes effective upon passage and approval."

POM-254. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Environment and Public Works:

"SENATE CONCURRENT RESOLUTION NO. 162

"Whereas, recent increases in foreign oil imports place the United States in a vulnerable position similar to that which proceeded the Arab Oil Embargo of the 1970's; and

"Whereas, national security warrants the maintenance of a healthy and productive domestic oil and gas industry; and

"Whereas, Alaska accounts for twenty to twenty-five percent of United States crude production, the most productive region being Prudhoe Bay which is expected to face declining production in the early 1990's, necessitating replacement of reserves; and

"Whereas, according to the Department of the Interior, the Arctic National Wildlife Refuge coastal plain is clearly the most outstanding oil and gas frontier remaining in the United States; and

"Whereas, over eight million acres of the Arctic National Wildlife Refuge is reserved as wilderness and the coastal plain where oil and gas production would take place is outside of that wilderness area; and

"Whereas, development of Prudhoe Bay has demonstrated that oil and gas operations can be safely conducted along the Arctic coastal plain without adverse affect on the environment or wildlife populations; and

"Whereas, the secretary of the United States Department of Interior, the secretary of the United States Department of Energy and the United States Fish and Wildlife Service have recommended the permitting of environmentally sound energy exploration and development activities in the Arctic National Wildlife Refuge.

"Therefore, be it resolved, That the Legislature of Louisiana, recognizing the strategic importance of domestic crude oil reserves, memorializes the Congress of the United States to adopt the recommendations of the United States Fish and Wildlife Service and the secretaries of energy and the interior and approve exploration and production of oil reserves on the coastal plain of the Arctic National Wildlife Refuge in accordance with the terms of an environmentally-sound development plan.

"Be it further resolved, That the Congress preserve the rights of the state of Alaska to share in royalty revenues from such production.

"Be it further resolved, That a copy of this Resolution be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-255. A resolution adopted by the Senate of the State of New York; to the Committee on Environment and Public Works:

"SENATE NO. 1392

"Whereas, in New York State, Acid Rain has affected hundreds of lakes, particularly in the Adirondacks and has caused the destruction of many species of fish and their prey; it has also caused toxic trace metals to reach concentrations in surface and ground waters that are undesirable for human consumption; and

"Whereas, Stone buildings, monuments and other building materials are eroded by Acid Rain; and

"Whereas, in August, nineteen hundred eighty-four, the New York State Legislature passed and the Governor signed into law, the State Acid Deposition Control Act demonstrating a commitment to reduce state wide emissions of sulfur dioxide; and

"Whereas, This legislation, which calls for the limitation of 1.2 pounds of sulfur dioxide per million BTU and which is based on Federal proposals that would reduce sulfur dioxide emissions by 10 million tons per year nationally, puts New York State in the forefront of reducing sulfur dioxide and nitrogen oxide emission levels and sets an example for the Federal Government and neighboring States to follow; and

"Whereas, A Federal solution is the preferred method to implement corrective measures to prevent the continuing and alarming damage to human and animal health, vegetation destruction and property damage being experienced in New York State; and

"Whereas, Up to fifty percent of the sulfate depositions experienced in New York State and the Northeast originate outside the area from the midwest; now, therefore, be it

"*Resolved,* That this Legislative Body pause in its deliberations to memorialize the New York State Congressional Delegation to make Acid Rain a priority issue; and be it further

"*Resolved,* That this Legislative Body memorialize The Congress of the United States to implement legislation which will effectively reduce acid deposition on a National level; and be it further

"*Resolved,* That copies of this Resolution, suitably engrossed, be transmitted to President Ronald Reagan, the New York State Congressional Delegation, The Congress of the United States, and the Federal Environmental Protection Agency."

POM-256. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION NO. 11

"Whereas, the state of Louisiana is currently experiencing an economic depression; and

"Whereas, the state of Louisiana's unemployment rate is the highest in the nation; and

"Whereas, on March 14, 1987, Louisiana no longer qualified for federal participation in the extended benefits program under the Louisiana employment security law.

"*Therefore, be it resolved,* That the Legislature of Louisiana memorializes the Congress of the United States to support a formula that promotes federal government participation in the extended benefits program for unemployment compensation.

"*Be it further resolved,* That a copy of this Resolution be transmitted to the Secretary of the United States Senate and the Clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-257. Resolution adopted by the Common Council of the City of Park Falls, Wisconsin regarding treaty agreements with the Lake Superior Band of Chippewa Indians; to the Select Committee on Indian Affairs.

POM-258. Joint resolution adopted by the Legislature of the State of Nevada; to the Select Committee on Indian Affairs.

"ASSEMBLY JOINT RESOLUTION NO. 47

"Whereas, State and local regulation of public gaming is necessary to prevent the attraction of organized crime and other unsavory elements; and

"Whereas, Public support for gaming is based upon the comprehensive regulation of that activity by state and local authorities; and

"Whereas, The State of Nevada has more than 50 years of experience and acquired expertise in licensing and otherwise regulating public gaming; and

"Whereas, The various states have sufficient experience and expertise to regulate public gaming satisfactorily and in a more efficient manner than the Federal Government; and

"Whereas, The fact that public gaming is currently allowed on Indian land in an unregulated manner threatens the welfare of the Indian tribes and of the public as a whole by permitting organized crime and other unsavory elements to proliferate in that unregulated setting; and

"Whereas, The operation on Indian land of slot machines, mechanical gaming devices or mechanical-electrical video gaming devices, whether new forms of games or facsimiles of existing forms, are essentially alike and present the same threat to the public welfare; and

"Whereas, A recent decision of the Supreme Court of the United States clarifies the status of the law that, absent congressional action, public gaming on Indian land will remain unregulated; and

"Whereas, Recent Congressional debate appears to have resulted in a consensus that the forms of gaming other than bingo and traditional Indian games on Indian land should be subject to stringent regulation; and

"Whereas, The problem presented by unrestricted gaming on Indian land can only be resolved by permitting the application of the laws and regulations of each state where that gaming is conducted; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly,* That the Legislature of the State of Nevada hereby urges the Congress of the United States to enact legislation to authorize the states to regulate, without permitting unfair discrimination, the operation of games other than bingo and traditional Indian games on Indian land; and be it further

"*Resolved,* That the Legislature urges the Congress of the United States to authorize the states to prohibit the operation on Indian land of slot machines, mechanical gaming devices and mechanical-electrical video gaming devices, whether new forms of games or facsimiles of exising forms; and be it further

"*Resolved,* That copies of this resolution be transmitted by the Chief Clerk of the Assembly to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and the members of the Nevada Congressional delegation; and be it further

"*Resolved,* That this resolution becomes effective upon passage and approval."

POM-259. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Select Committee on Indian Affairs:

"SENATE CONCURRENT RESOLUTION NO. 163

"Whereas, an identifiable Choctaw Indian community has existed in the vicinity of Jena, Louisiana, since prior to the acquisition of Louisiana by the United States, as evidenced by the fact that this area was known as the "Choctaw District" in colonial times; and

"Whereas, the Choctaws of Louisiana were a constituent part of the Choctaw Nation which was recognized by and entered into treaty relationships with Spain, France, and the United States, and in particular, the Treaty of January 3, 1786 (7 Stat. 21) with the United States; and

"Whereas, federal officials in the first years after the Louisiana Purchase recognized the Choctaw Indians of Louisiana as a distinct self-governing Choctaw community; and

"Whereas, the Congress of the United States has heretofore appropriated federal funds which were earmarked for the education of the Choctaws at Jena, Louisiana, thus recognizing the Jena Choctaws as Indians eligible for special federal services for Indians; and

"Whereas, it is the policy of the state of Louisiana to recognize the Indian Tribes within the borders of the state, and to support their aspirations for the preservation of their cultural heritage and the improvement of their economic conditions, and to assist them in achieving their just rights.

"*Therefore, be it resolved,* That the Legislature of Louisiana formally recognizes the Choctaw Indian community at Jena, Louisiana, as an Indian Tribe.

"*Be it further resolved,* That the government of the United States of America, and particularly the Bureau of Indian Affairs, is hereby memorialized, requested, and urged to take such steps as are necessary to effect in the near future formal recognition of the Choctaw Indian community at Jena, Louisiana, and to acknowledge that the rights of the Choctaws are no less, if not indeed greater, than that of other Indian Tribes in the United States, and thereupon to take appropriate executive and/or congressional action.

"*Be it further resolved,* That copies of this Resolution be transmitted to the President of the United States, the presiding officers of the Senate and the House of Representatives of the Congress of the United States, and the Director of the Bureau of Indian Affairs, United States Department of the Interior."

POM-260. A joint resolution adopted by the Legislature of the State of California; to the Committee on the Judiciary:

"ASSEMBLY JOINT RESOLUTION NO. 30

"Whereas, During World War II, Filipinos fought courageously in the United States military efforts in the South Pacific; and

"Whereas, Filipinos were an integral part in regaining the independence of the Philippines for the United States during World War II; and

"Whereas, Filipinos served the United States military with honor and distinction as scouts and members of the resistance; and

"Whereas, Filipinos served the United States military with American soldiers under the command of General Douglas MacArthur; and

"Whereas, The Filipinos' courage and valor at Corregidor and during the Bataan Death March are the finest examples of the dedication of free men opposing and resisting tyranny; and

"Whereas, Filipinos' love of freedom and dedicated defense of the United States during time of war truly shows that their loyalty is a matter of heart and mind, not of race, creed, or color; and

"Whereas, Congress, in enacting the second War Powers Act of 1942, clearly intended to provide for overseas naturalization of noncitizen military personnel under the Nationality Act of 1940; and

"Whereas, Filipino veterans who fought in World War II have had to fight for their promised citizenship on a case-by-case basis because of delays imposed by the Immigration and Naturalization Service; and

"Whereas, Some Filipinos have won court decisions restoring the lost opportunity for citizenship that Congress offered them as a just reward for their military service in World War II; and

"Whereas, Many of these Filipino veterans who are most affected are passing away, never to attain the goal of U.S. citizenship; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the Congress of the United States to grant immediate United States citizenship to Filipinos who are of sound moral character and can demonstrate service in the United States armed forces during World War II; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-261. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on the Judiciary:

"Assembly Joint Resolution No. 42—Assemblymen Price, Dini, Fay, May, Tebbs, Brookman, Marvel, Myrna, Williams, Spinello, Wisdom, Kerns, Adler, Arberry, Banner, Bergevin, Craddock, DuBois, Evans, Garner, Haller, Kissam, Lambert, McGaughery, Sader, Spriggs, Swain, Thompson, Triggs, Carpenter, Freeman, Getto, Humke, Nevin, Nicholas, Sedway, Wendell Williams, Gaston, Callister and Thomas file number 146 ASSEMBLY JOINT RESOLUTION—Ceremonially ratifying the 26th amendment to the United States Constitution.

"Whereas, The 26th amendment to the United States Constitution is an important extension of the 15th and the 19th amendments; and

"Whereas, The right to vote, is a cherished privilege which we now share with our young patriots, those who give their lives for us during times of foreign conflict; and

"Whereas, The young, strong constituency is now given the opportunity to take its rightful place among those who create the future for the greatest country in the world; and

"Whereas, We welcome this amendment for it is only right and fitting that those recognized as adults in so many ways be allowed to exercise this perfect and complete franchise; now, therefore, be it

"*Resolved by the Assembly and the Senate of the State of Nevada, jointly.* That as three-fourths of the states of this union ratified the 26th amendment thereby making it a part of the United States Constitution, we celebrate its passage and hereby ceremoniously ratify it; and be it further

"*Resolved,* That a copy of this resolution be prepared and transmitted by the Chief Clerk of the Assembly to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations, with an amendment and an amendment to the title:

S. 1343: A bill to require that the use of United States Armed Forces to escort, protect, or defend certain reregistered vessels in the Persian Gulf comply with the War Power Resolution (Rept. No. 100-106).

By Mr HOLLINGS, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1487: An original bill to consolidate and authorize program support and certain ocean and coastal programs and functions of the National Oceanic and Atmospheric Administration under the Department of Commerce (Rept. No. 100-107).

By Mr. GLENN, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute:

H.R. 348: A bill to amend title 39, United States Code, to extend to certain officers and employees of the United States Postal Service the same procedural and appeal rights with respect to certain adverse personnel actions as are afforded under title 5, United States Code, to Federal employees in the competitive service.

By Mr. BENTSEN, from the Committee on Finance, without amendment:

H.J. Res. 324: A joint resolution increasing the statutory limit on the public debt.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOMENICI:

S. 1480. A bill to improve the integration of universities and private industry into the National Laboratory system of the Department of Energy in order to speed the development of technology in areas of significant economic potential; to the Committee on Energy and Natural Resources.

By Mr. JOHNSTON (for himself and Mr. McClure):

S. 1481. A bill to redirect the program for the disposal of spent nuclear fuel and high-level radioactive waste under the Nuclear Waste Policy Act of 1982 to achieve budget savings, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HEFLIN (by request):

S. 1482. A bill to amend title 18 and title 28, United States Code, to make certain improvements with respect to the Federal judiciary, and for other purposes; to the Committee on the Judiciary.

By Mr. HEINZ:

S. 1483. A bill to reestablish food bank special nutrition projects, to establish food bank demonstration projects, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr GRASSLEY:

S. 1484. A bill to provide permanent authorization for White House Conferences on Rural Development and the Family Farm; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. FORD (for himself, Mr. Hollings, Mrs. Kassebaum, Mr. Danforth and Mr. Gore):

S. 1485. A bill to amend the Federal Aviation Act of 1958 to provide various protections for passengers traveling by aircraft, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. LUGAR (for himself, Mr. Baucus, Mr. Dole, Mr. Dixon, Mr. McConnell, Mr. Karnes, Mr. Symms, Mr. Danforth, Mr. Boschwitz, Mr. Bond, Mr. Quayle, Mr. Wilson, Mr. Pressler and Mrs. Kassebaum):

S. 1486. A bill to amend the Farm Credit Act of 1971 to make the Farm Credit System financially sound and responsive to borrower needs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation:

S. 1487. An original bill to consolidate and authorize program support and certain ocean and coastal programs and functions of the National Oceanic and Atmospheric Administration under the Department of Commerce; placed on the calendar.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOLE (for himself, Mr. Stafford, Mr. Harkin, and Mr. Weicker):

S. Res. 247. A resolution to express the sense of the Senate concerning support for a change in United States Golf Association rules on the use of carts by disabled individuals in the sanctioned tournaments play of that organization; considered and agreed to.

By Mr. GRAHAM (for himself, Mr. Kerry, Mr. Sanford, Mr. Durenberger, and Mr. DeConcini):

S. Res. 248. A resolution supporting the people of Haiti in their efforts to obtain respect for human rights and the holding of free and fair elections in Haiti, and for other purposes; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI:

S. 1480. A bill to improve the integration of universities and private industry into the National Laboratory System of the Department of Energy in order to speed the development of technology in areas of significant economic potential; to the Committee on Energy and Natural Resources.

INTEGRATION OF LABORATORIES INTO THE NATIONAL LABORATORY SYSTEM OF THE DEPARTMENT OF ENERGY

Mr. DOMENICI. Mr. President, the world is on the threshold of a major scientific surge in several areas of science and technology. These include harnessing superconductivity and unlocking the diagnostic, prevention, and treatment secrets contained in the human genetic code known as the "human genome." It has been said that a year's worth of progress is now taking place everyday in the area of semiconductors. The United States is engaged in a race with Japan to manufacture faster, smaller semiconductors which are the brains of everything from computers to telecommunications to United States strategic weapons systems. They control the flight path of U.S. missiles and are the very heart of our most high speed computers.

Once these frontiers are crossed, and the knowledge is applied, there will be a new quality of life, countless new inventions, and enhanced prosperity.

The question is, Which country is going to get there first. Which country is going to discover the technology, develop the new applications and claim the lead—and benefit from the new prosperity? If we continue to do things the old way, I can guarantee you it won't be the United States.

That is why I believe we need to unleash America's greatest trade secret—the national laboratories. My bill sets the course for a new approach to meeting this "competitiveness challenge" by recruiting the laboratories. Japan has been using MITI to the optimum, but the United States has not been using the laboratories.

The Department of Energy's national laboratories represent a significant Federal research and development expenditure and a powerful national resource for making quantum breakthroughs in various technological areas. The laboratories have excellent scientific and engineering experts capable of solving complex, multidisciplinary problems. They have extensive research facilities and organizational structures that provide research teams to tackle complex problems. This bill puts the labs to work in a new direction.

The bill I am introducing today will expand the laboratories' mission in order to surpass our most aggressive competitors and to regain world leadership in three selected areas—superconductivity, mapping the human genome, and semiconductor manufacturing. Additionally, this legislation will create the Institute for Entrepreneurial Studies.

My legislation would put these laboratories in a leadership role in assisting U.S. industry. I have selected three areas and the Institute for Entrepreneurial Studies, but these "science projects" could serve as models for a more general role that the Department of Energy should be encouraged to pursue.

I am proposing Government-industry, university partnerships to tackle three initiatives that can benefit from the expertise we have established in the Federal Government.

I am proposing that we use the Department of Energy's national laboratories as centers for research on enabling technology for superconductivity. My legislation creates a human genome consortium and outlines a plan for the semiconductor manufacturing initiative. These are three areas where the national laboratories have a proven track record. My legislation builds upon that expertise and creates the mechanism to facilitate the commercialization of their outstanding work.

Each "center" and consortium would be structured a little differently but the objective is to have industry working together with the national laboratories and universities to achieve a national goal.

Centers would be located at laboratories which demonstrate expertise in the particular research and research in associated technologies.

The Secretary of Energy would coordinate the effort through an Interdisciplinary Council comprised of appropriate Government agencies, universities, and industry to provide guidance in setting goals and strategies for developing these critical enabling technologies.

The Secretary is authorized and directed to seek cost sharing in the establishment of the centers.

The consortia are provided tax-exempt status under section 501(c)(3) of the Internal Revenue Code. Additionally, industry contributions to the consortia are expressly made eligible for the research and development tax credit.

The bill makes changes in technology transfer statutes to make it easier for U.S. private industry to use knowledge developed as a result of the consortia. It covers the full range of intellectual property including trade secrets, trademarks, copyrights, and mask works. The objective is to cut bureaucratic redtape.

The intellectual property issues that were partially addressed in the Bayh-Dole legislation are further modified to apply to all Department of Energy national laboratories.

I would suggest that if we meet the competitive challenge by forming consortia with industry, the national labs, and universities—we will have a far greater chance of being the world leaders in these fields. The consequences of failing to act are enormous.

The "consortium approach" to managing a research effort is new to this country, but has shown significant promise among our world competitors.

Mr. President, I ask that a group of articles be sent to the desk and printed in the Record, as well as a section-by-section description of the bill. I also ask that the attached descriptions of the possible applications of superconductivity, mapping the human genome, semiconductor manufacturing initiative, and the Entreprenurial Institute be printed in the Record. I also send to the desk and ask that the text of the bill be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1480

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

At the end of the Federal Non-Nuclear and Energy Research Development Act of 1974 add the following new title:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Department of Energy National Laboratory Cooperative Research Initiatives Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) Findings and Purpose.—The Congress finds that—

(1) the Department of Energy has nine multiprogram National Laboratories with missions that include general science, energy science, and defense-related technology development;

(2) these laboratories have large and complex "user facilities", uncomparable research equipment, unparalleled computer facilities, and excellent research and support staffs;

(3) while each laboratory has a technology transfer program the results have only been modest because private industry has not been sufficiently involved with the laboratories;

(4) a new, national initiative is needed to increase the flow of energy related technology from these laboratories to the private sector; and

(5) the goal of this new initiative should be to link the Nation's capabilities for generating scientific and energy related technological innovations to its capabilities for commercial activities.

(b) Purpose.—The purpose of this Act is to improve the integration of universities and private industry into the National Laboratory system of the Department of Energy in order to speed the development of technology in energy related areas of significant economic potential.

TITLE I—ESTABLISHMENT OF UNITED STATES INDUSTRY AND DEPARTMENT OF ENERGY LABORATORY CENTERS FOR RESEARCH ON ENABLING TECHNOLOGIES FOR HIGH-TEMPERATURE SUPERCONDUCTING APPLICATIONS

SEC. 101. FINDINGS AND PURPOSE.

(a) Findings.—The Congress finds that—

(1) The Department of Energy has conducted extensive research in superconducting materials to support its programatic activities in High Energy Physics, Magnetic Fusion Energy, Energy Storage Systems, Electric Energy Systems, and Energy Conservation pursuant to the Federal Nonnuclear Energy Research and Development Act of 1974 (P.L. 93-577), the Energy Reorganization Act of 1974 (P.L. 93-483), and the Department of Energy Organization Act (P.L. 95-91).

(2) recent developments in high-temperature superconducting materials hold great promise for highly efficient energy storage and transmission, medical diagnostics, magnets for physics research and fusion reactors, and smaller supercomputers;

(3) the United States is a world leader in basic research on high-temperature superconducting materials and programs supporting this research at the National Science Foundation and the Department of Energy should be maintained and strengthened;

(4) international interest in the commercialization of high-temperature superconducting materials is high and the key to success lies in the rapid development of these materials and the identification of applications; and

(5) the National Laboratories of the Department of Energy have demonstrated expertise in superconductivity research and a proven record in research in enabling technologies which can benefit industrial efforts in product development.

(b) Purpose.—The purposes of this title are—

(1) to research critical enabling technologies to assist United States industry in the commercialization of high-temperature superconductors;

(2) to provide national organization and coordination in the research, development, and commercialization of high-temperature superconductors; and

(3) to encourage private industry, university, and Department of Energy National Laboratory interaction through Centers for Research on Enabling Technologies at the National Laboratories.

SEC. 102. FORMATION OF COUNCIL AND CENTERS FOR RESEARCH ON ENABLING TECHNOLOGIES.

(a) Council.—The Secretary of Energy shall form a council to be known as the "Council for Research on Enabling Technologies" (hereafter in this title referred to as the "Council") which shall be composed of representatives of appropriate government agencies, universities, and industry to provide guidance in setting goals and strategies for the timely research on critical enabling technologies in high-temperature superconductors. The Council shall set guidelines for the release of the technical findings and developments made by the cooperative research centers established pursuant to subsection (b).

(b) Cooperative Research Centers.—(1) The Secretary of Energy shall establish cooperative research centers in enabling technology for superconducting materials and applications (hereafter in this title referred to as "centers") at National Laboratories with appropriate university and private industry participants.

(2) The centers shall be located at National Laboratories which demonstrate expertise in—

(A) superconductivity research; and

(B) research in associated technologies including—

(i) thin film and bulk ceramic synthesis and processing; and

(ii) characterization of physical, chemical, and structural properties in materials.

SEC. 103. ANTITRUST MATTERS.

Each center created by the Secretary of Energy pursuant to the provisions of this title shall be considered a joint research and development venture within the meaning of section 2(a)(6) of the National Cooperative Research Act of 1984 (15 U.S.C. 4301 et seq.), for purposes of such Act.

SEC. 104. COST SHARING.

The Secretary of Energy shall seek cost sharing with participating private industries in the establishment of centers under this title.

TITLE II—MAPPING THE HUMAN GENOME

SEC. 201. FINDINGS AND PURPOSE.

(a) Findings.—The Congress finds that—

(1) The Department of Energy has conducted extensive research on the human health consequences of nuclear and nonnuclear energy technologies including the consequences for human genetic material, pursuant to the Federal Nonnuclear Energy Research and Development Act of 1974 (P.L. 93-577), the Energy Reorganization Act of 1974 (P.L. 93-438), and the Department of Energy Organization Act (P.L. 95-91).

(2) the major health and well-being of our Nation depends on the medical breakthroughs in hereditary diseases, cancer, cardiovascular disease, and the aging process that will flow from mapping the human genome;

(3) the knowledge gained, as well as the countless applications will bring economic health and physical well-being to the nation that accomplishes this goal;

(4) it is a compatible and essential part of the mission of the Department of Energy's National Laboratories' to participate in research and development projects in mapping the human genome; and

(5) the Secretary of Energy should augment and accelerate the ongoing genetic science research of the Department of Energy.

(b) Purpose.—The purposes of this title are—

(1) to establish a national policy board to coordinate the activities of the various government agencies involved in generic research relevant to the mapping of the human genome; and

(2) to establish a consortium under the direction of the Secretary of Energy, made up of industry, university and other government agencies to insure that the knowledge and intellectual property resulting from cooperative research are widely disseminated among the United States companies so as to enhance applications.

SEC. 202. ESTABLISHMENT OF THE NATIONAL POLICY BOARD.

(a) Establishment.—There is established within the Department of Energy a national policy board to be known as the "National Policy Board on the Human Genome" (hereafter in this title referred to as the "Board").

(b) Function.—The functions of the Board shall be to—

(1) identify the components of a successful national human genome strategy;

(2) develop research and development strategies, tactics, and plans whose execution will assure United States leadership in the genome area;

(3) recommend appropriate actions that support the national strategy; and

(4) evaluate the ethical considerations of the national human genome strategy; and

(5) oversee the operations of the Technical and Operational Board.

(c) Membership of the Board.—The membership of the Board shall consist of—

(1) the Secretary of Energy, who shall serve as Chairman;

(2) the Director of National Institutes of Health;

(3) the Secretary of Agriculture;

(4) the Director of the Office of Science and Technology Policy;

(5) the Director of the National Science Foundation;

(6) a member of the Human Genome Consortium representing private industry; and

(7) a member of the Human Genome Consortium representing the universities.

(d) Establishment of the Human Genome Consortium.—(1) The Secretary of Energy shall establish a consortium, to be known as the "Human Genome Consortium" (hereafter in this title referred to as the "Consortium"), to consist of universities, private industry, and appropriate government agencies the purpose of which shall be to—

(A) create a physical map of the human genome, consisting of a complete set of segments of the DNA, arranged in order;

(B) integrate information derived from government efforts in gene mapping into private industry;

(C) locate genes and other markers on the map;

(D) produce and distribute DNA sequences and other materials needed by the research community;

(E) develop automation and robotics techniques for large-scale DNA mapping sequencing; and

(F) establish computer facilities and develop computer data bases for the storage, retrieval, and dissemination of DNA segments, mapping, and sequence information.

(2) The Consortium shall have the following technical and operational functions:

(A) collecting and analyzing information on the needs and capabilities of industry, the Federal Government, and the scientific and research communities related to the human genome;

(B) collecting and analyzing information on the needs and capabilities of industry, the Federal Government and the scientific and research communities related to the human genome;

(C) analyzing options, establishing priorities, and recommending roles for participants in the national strategy;

(D) determining technical areas where United States biological and pharmaceutical industries are deficient relative to international competition; and

(E) establishing a technology board which shall be responsible for the management of the activities of the consortium as provided in paragraph (3).

(3) The Consortium shall establish a Technical and Operation Board which shall report to the Consortium and shall be responsible for—

(A) immediately establishing technology workshops to define technology roadmaps for the consortium;

(B) approving funding for projects carried out by the consortium;

(C) monitoring the progress of such projects; and

(D) handling the day-to-day operations of the consortium.

SEC. 203. OBJECTIVES.

(a) Research Initiative.—(1) The Secretary of Energy shall initiate and carry out a cooperative program of research on—

(A) developing new techniques and improving existing methods for large-scale DNA mapping and sequencing, including the applications of automation and robotics;

(B) developing new methods for characterizing and locating genes using both computational and cloning techniques;

(C) establishing computer facilities and developing computer data bases for the storage, retrieval and dissemination of cloning, mapping and sequence information (including cross-references to other relevant data bases). The project should improve and invent algorithms for analyzing DNA sequences, including methods for identifying coding regions, predicting protein structures and functions, and identifying genetic regulatory sites.

(2) The Initiative shall provide for temporary exchanges of personnel between any consortium referred to in subsection (b)(1)(B) and the national laboratories of the Department of Energy that are participating in such initiative. The exchange of personnel shall be subject to such restrictions, limitations, terms, and conditions as the Secretary of Defense or the Secretary of Energy consider necessary in the interest of national security.

(b) Other Department of Energy Resources.—The Secretary of Energy may make available, to any department or agency of the Federal Government, and to any consortium that has entered into an agreement under this section any facilities, personnel, equipment, services, and other resources of the Department of Energy for the purpose of conducting research and development projects under the Initiative.

TITLE III—SEMICONDUCTOR TECHNOLOGY MANUFACTURING EXCELLENCE INITIATIVE

SEC. 301. FINDINGS.

Congress makes the following findings:

(1) Semiconductors and related microelectronic devices are key components in computers, telecommunications equipment, advanced defense systems, and other equipment.

(2) Aggregate sales of such equipment, in excess of $230,000,000,000 annually, comprise a significant portion of the gross national product of the United States.

(3) The leadership position of the United States in advanced technology is threatened by (A) competition from foreign businesses which is promoted and facilitated by the increasingly active involvement of foreign governments, and (B) other changes in the nature of foreign competition.

(4) The principal cause of the relative shift in strength of the United States and its semiconductor competitors is the establishment of a long-term goal by a major foreign competitor to achieve world superiority in semiconductor research and manufacturing technology and the pursuit of such goal by that competitor by effectively marshalling all of the government, industry, and academic resources needed to achieve that goal.

(5) Although the United States semiconductor industry has invested 83 percent of its aggregate pretax profits in research and development and leads all other major United States industries in the percentage of pretax profits invested in research and development, such level of investment has been insufficient when judged by worldwide standards.

(6) Electronic equipment is essential to protect the national security of the United States, as is evidenced by the allocation of approximately 35 percent of the total research, development, and procurement budgets of the Department of Defense to electronics research.

(7) The Armed Forces of the United States will eventually depend extensively on foreign semiconductor technology unless significant steps are taken, and taken at an early date, to retain United States leadership in semiconductor technology research.

(8) It is in the interests of the national security and national economy of the United States for the United States to regain its traditional world leadership in the field of semiconductors.

(9) The most effective means of regaining that leadership is through a joint research effort of the Federal Government and private industry of the United States to improve semiconductor manufacturing technology and to develop practical uses for such technology.

(10) In order to meet the national defense needs of the United States and to insure the continued vitality of a commercial manufacturing base in the United States, it is essential that priority be given to the development, demonstration, and advancement of the semiconductor technology base in the United States.

(11) The national laboratories of the Department of Energy are a major national research resource, and the extensive involvement of such laboratories in the semiconductor research initiatives of the Federal Government and private industry would be an effective use of such laboratories and would help insure the success of such initiatives.

(12) It is vital to the interests of the United States that semiconductor technology developed as a result of the semiconductor research and development program established under this title be used exclusively by the United States semiconductor industry.

SEC. 302. SEMICONDUCTOR TECHNOLOGY MANUFACTURING EXCELLENCE INITIATIVE.

(a) Establishment of Initiative Program.—The Secretary of Defense shall initiate and carry out a cooperative program of research on semiconductor manufacturing technology and on the practical applications of such technology (such program hereinafter in this title referred to as the "Initiative"). The Secretary shall carry out such program in conjunction and coordination with—

(1) the Department of Energy and such other departments and agencies of the Federal Government as the Secretary of Defense determines appropriate for participation in such program; and

(2) any consortium which—

(A) is comprised of representatives of the semiconductor industry in the United States;

(B) is selected by the Secretary to participate in the program; and

(C) enters into an agreement with the Secretary to participate in the program.

(b) Program Features.—The Initiative—

(1) shall be designed—

(A) to stimulate increased development of semiconductor manufacturing technology in the United States and to stimulate development of new applications of such technology for various industries; and

(B) to promote research on and development of materials, devices, and manufacturing infrastructure for the production of semiconductors;

(2) shall include provisions for the consortium referred to in subsection (a)(2)—

(A) to conduct research on and development of advanced semiconductor manufacturing techniques, including techniques relating to submicron lithography, desposition, advanced materials, etching, cleaning and epitaxy, silicon process integration, and compound semiconductors and devices for use in optoelectronics and optical communication;

(B) to carry out tests and demonstrations of such techniques on production lines;

(C) to develop variations of such techniques, after testing and demonstrations confirm the usefulness of such techniques, in order to promote the use of such techniques for manufacturing a variety of products; and

(D to develop an automated and integrated process which could be used in the high volume manufacture of a variety of products; and

(3) shall include provisions for national laboratories of the Department of Energy to conduct activities described in section 303(c).

SEC. 303. INVOLVEMENT OF NATIONAL LABORATORIES OF THE DEPARTMENT OF ENERGY.

(a) In General.—The Secretary of Defense, in consultation and coordination with the Secretary of Energy, shall ensure that the national laboratories of the Department of Energy participate in the Initiative.

(b) Mission of National Laboratories of the Department of Energy To Participate in Initiative.—(1) It shall be an essential part of the mission of each national laboratory of the Department of Energy to participate in research and development projects under the Initiative in conjunction with the Department of Defense and any consortium referred to in section 302(a)(2), including any college or university carrying out any such project for or in cooperation with the consortium under such initiative.

(2) The Secretary of Energy shall enter into such agreements with the Secretary of Defense, with any consortium referred to in section 302(a)(2), and with any college or university referred to in paragraph (1) as may be necessary to provide for the active participation of the national laboratories of the Department of Energy in the Initiative.

(c) Work Program of National Laboratories of the Department of Energy.—The Initiative shall include provisions for one or more national laboratories of the Department of Energy, in conjunction with any consortium referred to in section 302(a)(2), to conduct research and development activities relating to silicon and compound semiconductors, including research on and development of such advanced semiconductor manufacturing technologies as ultra clean processing, processing for ultra-high-density silicon circuits, and improved compound semiconductors and devices. Such activities may include research and development relating to materials fabrication, materials characterization, design and modeling of devices, and new processing equipment.

(d) Personnel Exchanges.—The Initiative shall include provisions for temporary exchanges of personnel between any consortium referred to in section 302(a)(2) and the national laboratories of the Department of Energy that are participating in such initiative. The exchange of personnel shall be subject to such restrictions, limitations, terms, and conditions as the Secretary of Defense or the Secretary of Energy consider necessary in the interest of national security.

SEC. 304. OTHER DEPARTMENT OF ENERGY RESOURCES.

(a) In General.—The Secretary of Energy may make available to the Department of Defense, to any other department or agency of the Federal Government, and to any consortium that has entered into an agreement under this title any facilities, personnel, equipment, services, and other resources of the Department of Energy for the purpose of conducting research and development projects under the Initiative.

(b) Budgeting for Semiconductor Technology Research.—The Secretary of Energy, in preparing the research and development budget of the Department of Energy to be included in the annual budget submitted to Congress by the President under section 1105(a) of title 31, United States Code, shall provide for programs, projects, and activities that encourage the development of new technology in the field of semiconductors.

SEC. 305. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS AT NATIONAL LABORATORIES OF THE DEPARTMENT OF ENERGY.

(a) Authority of a Contractor Operating a National Laboratory—Any contractor operating a national laboratory of the Department of Energy that is participating in the Initiative may exercise, subject to the provisions of this section, the same authority with respect to research and development under such initiative as may be exercised by Government-operated Federal laboratories under section 11 of the Stevenson-Wydler Technology Innovation Act of 1980

(15 U.S.C. 3710a). The authority provided under this subsection includes the authority to make agreements relating to intellectual property rights in any semiconductor technology or device developed by an employee of such contractor.

(b) COST-SHARING AGREEMENTS.—The director of each national laboratory of the Department of Energy that is participating in the Initiative or the contractor operating any such national laboratory may include in any cooperative research and development agreement entered into with a domestic firm in connection with such initiative a requirement for the Department of Energy to pay a portion of the cost of the research and development activities carried out by that firm under such initiative. The Department of Energy's share of such cost shall be determined on the basis of such cost-sharing arrangement as may be agreed upon by the director or contractor and a representative of such firm and shall be specified in the agreement.

(c) AGREEMENTS NOT SUBJECT TO APPROVAL BY THE HEAD OF AN AGENCY OF THE FEDERAL GOVERNMENT.—Subject to subsection (d), no cooperative research and development agreement entered into under subsection (b) shall be subject to prior approval by the Secretary of Energy or the head of any other department or agency of the Federal Government.

(d) LIMITATIONS ON OBLIGATIONS OF THE DEPARTMENT OF ENERGY.—(1) No Department of Energy National Laboratory may receive more than $10,000,000 of non-appropriated funds under any cooperative research and development agreements entered into under this section in connection with the Initiative except to the extent approved in advance by the Secretary of Energy.

(2) Not more than the amount equal to 5 percent of any National Laboratory's annual budget shall be received from non-appropriated funds under the Initiative in any fiscal year except to the extent approved in advance by the Secretary of Energy.

SEC. 306. AVOIDANCE OF DUPLICATION.

In carrying out the Initiative, the Secretary of Defense shall ensure that unnecessarily duplicative research is not performed at the research facilities (including the national laboratories of the Department of Energy) that are participating in such initiative.

SEC. 307. ADVISORY COMMITTEE.

(a) ESTABLISHMENT AND RESPONSIBILITIES.—The Secretary of Energy shall establish an advisory committee which shall advise the Secretary on the following matters:

(1) Effective utilization of the facilities and technical personnel at the national laboratories of the Department of Energy in connection with the Initiative.

(2) How to avoid waste in utilizing such facilities and personnel in such initiative.

(3) How to minimize the duplication of effort between the research and development activities undertaken at such national laboratories and similar research and development activities undertaken by the Department of Defense.

(b) SIZE OF THE ADVISORY COMMITTEE.—The Secretary of Energy shall determine the number of members of such advisory committee.

(c) APPOINTMENT AND QUALIFICATIONS OF MEMBERS.—The members of such advisory committee shall be appointed by the Secretary of Energy from among persons employed by the national laboratories of the Department of Energy, persons employed by the United States semiconductor industry or semiconductor technology trade associations, and persons involved in semiconductor research activities at colleges and universities in the United States.

(d) TERM OF OFFICE; REAPPOINTMENTS.—Each member of such advisory committee shall be appointed for such term as the Secretary of Energy shall prescribe, but no member may be appointed for a term longer than 2 years. A member may be reappointed for one or more successive terms. A member who is reappointed shall be reappointed for a term equal to the term of the member's original appointment.

(e) MEETINGS.—The advisory committee shall meet at least 4 times annually at locations to be selected by a majority of the members of the committee.

(f) COMPENSATION PROHIBITED.—No compensation may be paid to the members of such advisory committee for service on the advisory committee.

(g) TRAVEL EXPENSES.—The Secretary of Energy shall reimburse members of such advisory committee for travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the advisory committee.

(h) COMMITTEE EXPENSES.—The expenses of such advisory committee shall be paid out of funds available to the Secretary of Energy.

(i) INAPPLICABILITY OF TERMINATION PROVISION IN THE FEDERAL ADVISORY COMMITTEE ACT.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App. 2) shall not apply to the advisory committee established under subsection (a).

SEC. 308. RELATIONSHIP TO OTHER LAWS.

Section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182), section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908), any other provision of law that provides for intellectual property rights in a manner inconsistent with section 406, or any other provision of law that provides for cooperative research and development agreements in a manner inconsistent with section 405 shall not apply with respect to the Initiative.

SEC. 309. LIMITATION ON FEDERAL SHARE.

Not more than 50 percent of the cost of the Initiative may be paid for with Federal funds.

SEC. 310. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to the Department of Energy for fiscal years 1988, 1989, and 1990 the sum of $25,000,000 for the activities of the Department of Energy under the Initiative.

(b) RELATIONSHIP TO FUNDS AVAILABLE TO THE DEPARTMENT OF DEFENSE.—Funds expended by the Secretary of Energy in connection with activities of the Department of Energy under the Initiative shall be in addition to amounts available to the Department of Defense for semiconductor manufacturing technology research and development.

SEC. 311. DEFINITIONS.

In this title:

(1) The term "domestic firm" means any business entity which is not a foreign firm.

(2) The term "foreign firm" means a business entity owned or controlled by one or more foreign nationals or a business entity in which more than 50 percent of the voting stock is owned or controlled by one or more foreign nationals.

(3) The term "funding agreement" means any contract, grant, or cooperative agreement entered into between the Secretary of Energy and a contractor operating a national laboratory of the Department of Energy that provides for such contractor to perform research and development at such national laboratory.

TITLE IV—INSTITUTE FOR ENTREPRENEURIAL STUDIES

SEC. 401. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) science and technology are critical to our country's future especially since competitor nations are investing heavily to improving their capabilities in this area; if our Nation is to remain in the competition, our Government must make a capital investment to enhance its science and technology capabilities;

(2) established companies and entrepreneurs can no longer keep pace with the rate technology is developing;

(3) restoring our competitiveness requires a Federal commitment to promote and foster research and entrepreneurial skills that will improve cooperative linkages between scientists, engineers, and industry;

(4) the National Laboratories Industry University partnership is fundamental to meeting these goals of fostering entrepreneurial superiority that will lead to economic competitiveness;

(5) a new generation of entrepreneurs is needed to properly take advantage of today's dynamic environment of technological innovation; and

(6) along with its specific areas of scientific research, the Department of Energy can contribute to economic competitiveness by establishing regional institutes of entrepreneurship chartered as work-study programs.

(b) PURPOSE.—The purpose of this title is to establish within existing universities, six regional Institutes for Entrepreneurial Studies chartered as work-study programs that would be affiliated with a Department of Energy National Laboratory.

SEC. 402. ESTABLISHMENT OF INSTITUTES FOR ENTREPRENEURIAL STUDIES.

(a) ESTABLISHMENT.—The Secretary of Energy shall establish six regional Institutes for Entrepreneurial Studies at six universities, each with an association with one of the National Laboratories, which shall conduct work-study programs for students in accordance with this title.

(b) SELECTION OF UNIVERSITIES.—The Secretary of Energy shall select the universities under subsection (a) based upon—

(1) the quality of the research and development being carried out at the university;

(2) the degree of commercialization potential for such innovative research and development;

(3) regional and geographic distribution of funds to insure Institutes throughout the States and regions of the country; and

(4) the economic stimulus to a State or region derived from the research and development.

(c) GOVERNING BOARD.—The Secretary of Energy shall establish a Governing Board of the Institutes of Entrepreneurial Studies to be composed of representatives of appropriate government agencies, universities, and industry. The function of the governing board shall be to coordinate and direct the activities of the Institutes for Entrepreneurial Studies.

SEC. 403. PROGRAM OF STUDY AT INSTITUTES FOR ENTREPRENEURIAL STUDIES.

The program of study for each student at an Institute for Entrepreneurial Study shall be established as follows:

(1) Each student shall pursue a specific project during their course of study.

(2) The curriculum for each student shall include—

(A) development and writing a business plan and establishment of a corporate structure;

(B) venture capital;

(C) management of technology, technologists, and technological change;

(D) international markets and competition;

(E) marketing and market reserve;

(F) manufacturing;

(G) licensing and intellectual property rights;

(H) crisis management; and

(I) ethics.

(3) Each student shall work on a specific project with the assistance of a mentor in one of the National Laboratories or private industry.

(4) A masters degree shall be available to students; however, candidates shall not be required to pursue a masters degree.

SEC. 404. AUTHORIZATION.

There are authorized to be appropriated such sums as are necessary to carry out the provisions of this title.

NATIONAL LABORATORY COOPERATIVE RESEARCH INITIATIVES SECTION-BY-SECTION ANALYSIS OF THE BILL AS AMENDED

GENERAL FINDINGS

The Department of Energy has nine multiprogram National Laboratories with missions that include general science, energy science, and defense-related technology development.

These Laboratories have large and complex "user facilities", uncomparable research equipment, unparalleled computer facilities, and excellent research and support staffs.

While each Laboratory has a technology transfer program the results have only been modest because private industry has not been sufficiently involved with the Laboratories.

A new, national initiative is needed to increase the flow of technology from these laboratories to the private sector.

The goal of this new initiative should be to link the nation's capabilities for generating scientific and technological innovations to its capabilities for commercial activities.

GENERAL PURPOSES

To better integrate university and private industry into the National Laboratory system of the Department of Energy so as to speed the development of technology in areas of significant economic potential.

U.S. industry and DOE laboratory centers for research on enabling technologies for high-temperature superconducting applications

FINDINGS

101(a)(2) Recent developments in high-temperature superconducting materials hold great promise for highly efficient energy storage and transmission, medical diagnostics, magnets for physics research and fusion reactors, and smaller supercomputers.

101(a)(3) The United States is a world leader in basic research on high-temperature superconducting materials and programs supporting this research at the National Science Foundation and the Department of Energy should be maintained and strengthened.

101(a)(4) International interest in the commercialization of high-temperature superconducting materials is high and the key to success lies in the rapid development of these materials and the identification of applications.

101(a)(5) The Department of Energy's Laboratories have demonstrated expertise in superconductivity research and a proven record in research in enabling technologies which can benefit industrial efforts in product development.

PURPOSE

101(b)(1) To research critical enabling technologies to assist U.S. industry in the commercialization of high-temperature superconductors.

101(b)(2) To provide national organization and coordination in the research, development, and commercialization of high-temperature superconductors.

101(b)(3) To encourage private industry, university, and Department of Energy Laboratory interaction through Centers for Research on Enabling Technologies at the Laboratories.

FORMATION OF COUNCIL AND CENTERS FOR RESEARCH ON ENABLING TECHNOLOGIES

102(a) The Secretary of Energy is authorized and directed to form a Council comprised of representatives of appropriate government agencies, universities and industry to provide guidance in setting goals and strategies for the timely research on critical enabling technologies in high-temperature superconductors. The Council should also set guidelines for the release of technical findings and developments.

102(b)(1) The Secretary of Energy is authorized and directed to establish cooperative research centers in enabling technology for superconducting materials and applications at National Laboratories with appropriate university and private industry participants.

102(b)(2) Centers should be located at Laboratories which demonstrate expertise in superconductivity research and research in associated technologies (e.g. thin film and bulk ceramic synthesis and processing; characterization of physical, chemical, and structural properties in materials).

COMMERCIALIZATION ENHANCEMENT

General objective: Provide intellectual property tools to the contractors operating the Department of Energy's National Laboratories in order to ensure that the fruits of the enabling technologies in high-temperature superconductors research flow exclusively to United States industry.

Apply the appropriate and beneficial provisions of 35 USC 200 et seq. to all Laboratory contractors.

Current law: Gives universities, non-profits and small, for profit business contractors for federally funded research and development work the right to elect title to inventions, subject to a nonexclusive, paid-up license to the Government.

Reason for change: Several of the largest DOE laboratories, including Sandia and Oak Ridge, are operated by large for-profit contractors; participation of these labs is key to the success of this research initiative.

Apply the appropriate and beneficial provisions of 35 USC 200 et seq. to the Department of Energy Government-Owned Contractor-Operated (GOCO) facilities primarily dedicated to weapons related and naval nuclear propulsion programs.

Current law: Gives eligible contractors the right to elect title to inventions, subject to a nonexclusive, paid-up license to the Government. The current law excludes, however, inventions arising under DOE weapons related and naval nuclear propulsion programs at GOCO facilities primarily dedicated to those programs.

Reason for change: Several of the largest DOE laboratories, including Lawrence Livermore, Los Alamos, Sandia and Oak Ridge, have facilities primarily dedicated to weapons related (and naval nuclear propulsion) programs of DOE. Technology arising under these programs will be a key to meeting the objectives of this research initiative.

Broaden the provisions of Section 35 USC 200 to include not only patents but all intellectual property such as trade secrets, trademarks, copyrights and mask works.

Current law: Applies only to patents. Other intellectual property tools, however, are needed to confer the benefits of this research initiative exclusively on U.S. industry.

Reason for change: Valuable technical information arises in a variety of forms, each requiring different tools for protection. Trade secrets, for example, protect know-how; Copyright, as well as patents, protects software; Trademarks protect the identification of the source of products and services.

Give Secretary of Energy discretion to waive the rights reserved where to do so would better promote the objectives of this research initative.

Current law: 35 USC 202(c)(4) reserves to the Government a license to use inventions in which the contractor has elected title.

Reason for change: This is a new concept intended to encourage private industry to develop products that only the government would purchase. Technical advances made at DOE laboratories may require further development to bring the advances to the point of commercialization. It is often advantageous from the Government viewpoint to call upon private risk capital to perform the requisite development and marketing. Without intellectual property protections, however, a competitor may reap rewards attributable to a market pioneer without commensurate investment. In some cases, the government's reserve license may be a disincentive to private industry to develop products and services which primarily address a government market. The reserve license, rather than saving the government the cost of royalties, may end up depriving the government of new products and services. (Note that under 28 USC 1498, the Government may authorize a competitor to use a patented invention, leaving the patent holder an action for reasonable compensation.)

Allow each DOE contractor participating in this research initiative to enter into collaborative agreements in an amount of up to $10 million on behalf of DOE with semiconductor consortia or U.S. firms in accordance with the objectives of this Act without approval from any Federal Agency.

Current law: Approval is a long and often cumbersome process.

Reason for change: Since Congress is recognizing the importance of this research initiative, it is consistent to provide the most expeditious method of approving Laboratory participation. Allowing the Laboratories to enter into the collaborative agreements is intended to streamline the process and make it responsive to industry needs.

Require the contractors taking title to licenses under this Act to expeditiously further license out the technology to private

U.S. industry. This section should be patterned after the March in Rights contained in 35 USC 203.

Require the Secretary of Energy, in renegotiating the operating contracts with its laboratory contractors, to use its best efforts to include provisions which will facilitate to the maximum extent possible timely and efficient technology transfer from the contractors to private U.S. industry.

Any royalty income earned as a result of intellectual property developed under this research initiative shall be used at the National Laboratory for furthering the objectives of this Act, subject to the sunset provisions set forth below.

Each funding agreement for the operation of a DOE National Laboratory participating in the Department's superconductivity research initiative shall contain appropriate provisions to effectuate the following:

Laboratories may incur costs to obtain intellectual property rights in furtherance of the Act.

Require that any royalties or income earned in respect to subject intellectual property be used to defray the costs of procuring intellectual property protections, payments to authors and inventors, and to support scientific research, development and education at the facility; and

Require that the management of the intellectual property, including procurement and licensing, shall be administered by contractor employees on location at the facility instead of in Washington.

Current law: 35 USC 202(c)(7) (C) and (E) are similar to the proposed section, however, current law only applies to the nonprofit and small business contractors and excludes facilities primarily dedicated to weapons related and naval nuclear propulsion programs of DOE.

Reason for change: These provisions for the purposes of the superconductivity research initiative need to be expanded to cover all national laboratories participating in this research initiative, therefore, Government-Owned, Contractor-Operated labs should be included in these "Bayh-Dole" provisions. There is no reason to exclude them.

Provide that in 10 years or when the objectives of this program are achieved, whichever occurs first, any royalties that previously went to the contractor to further the superconductivity program, would then go into general revenues of the federal government instead.

This Act shall take precedence over any other Act which would require a disposition of rights in intellectual property or treatment of collaborative agreements in a manner inconsistent with this Act, including but not necessarily limited to section 152 of the Atomic Energy Act of 1954 (42 USC 2182) and Section 9 of the Federal Nuclear Energy Research and Development Act of 1974 (42 USC 5901).

Nothing in this section shall be construed to limit the DOE National Laboratories from performing other human genome related research and development arranged for, or approved by the Secretary of Energy of this delegate. In such activities under this subsection, the Secretary of Energy is authorized to seek reimbursement from nongovernmental funds such portion of the laboratories' cost as the Secretary determines to be appropriate.

Provide that although DOE may promulgate regulations, the law shall apply immediately.

COST SHARING

104 The Secretary is authorized and directed to seek cost sharing in the establishment of the Centers for Enabling Technology.

INDUSTRY/NATIONAL LABORATORY PERSONNEL INTERCHANGE

105(a)(2) of bill as amended Visitations must be an important part of this program if it is to succeed, therefore, personnel from both the Laboratories and industry may participate in temporary assignments. U.S. industry personnel may have temporary assignments at the National Laboratories; and likewise, Laboratory personnel may have assignments with private industry on a rotating basis in order to maximize the exchange of knowledge. However, this activity should be carried out so as not to jeopardize security at the National Laboratories.

INTERNAL REVENUE CODE CONSIDERATIONS

106 Provide that cost sharing funds of private industry qualify for research and development tax credit.

Mapping the human genome

FINDINGS

201(a)(2) The major health and well being of our nation depends on the medical breakthroughs in hereditary diseases, cancer, cardiovascular disease and the aging process that will flow from mapping the human genome.

201(a)(3) The knowledge gained, as well as the countless applications will bring economic health and physical well-being to the nation that accomplishes this goal.

201(a)(4) It is a compatible and essential part of the Department of Energy's National Laboratories' mission to participate in research and development projects in mapping the human genome.

201(a)(5) The Secretary of Energy should augment and accelerate the ongoing genetic science research of the Department of Energy.

PURPOSES

201(b)(1) To establish a National Policy Board to coordinate the activities of the various government agencies involved in genetic research relevant to the mapping of the human genome.

201(b)(2) To establish a consortium under the direction of the Secretary of Energy, made up of industry, university and other government agencies to insure that the knowledge and intellectual property resulting from cooperative research are widely disseminated among the U.S. companies so as to enhance applications.

CREATION OF THE NATIONAL POLICY BOARD

202(a) A National Policy Board on the Human Genome with the following functions is created:

202(b)(1) Identify the components of a successful national human genome strategy.

202(b)(2) Develop research and development strategies, tactics, and plans whose execution will assure U.S. leadership in the genome area.

202(b)(3) Recommend appropriate actions that support the national strategy.

202(b)(4) Oversight of the Technical and Operational Board.

202(c)(1–7) Membership of the National Policy Board:

Secretary of Energy as Chairman, Director of National Institutes of Health, Secretary of Agriculture, Director of the Office of Science and Technology Policy, the Director of the National Science Foundation, a member of the Human Genome Consortium representing private industry, and a member of the Human Genome Consortium representing universities.

CREATION OF THE HUMAN GENOME CONSORTIUM

202(d)(1) The Secretary of Energy shall create a consortium of university, private industry and appropriate government agencies to:

202(d)(1)(A) Create a physical map of the human genome, consisting of a complete set of segments of the DNA, arranged in order.

202(d)(1)(B) Integrate information derived from government efforts in gene mapping into private industry.

202(d)(1)(C) Locate genes and other markers on the map.

202(d)(1)(D) Produce and distribute DNA sequences and other materials needed by the research community.

202(d)(1)(E) Develop automation and robotics techniques for large-scale DNA mapping sequencing.

202(d)(1)(F) Establish computer facilities and develop computer data bases for the storage, retrieval and dissemination of DNA segments, mapping and sequence information.

202(d)(2) Technical and operational functions of the Consortium include:

202(d)(2)(A) Collection and analysis of information on the needs and capabilities of industry, the Federal Government and the scientific and research communities related to the human genome.

202(d)(2)(B) Collection and analysis of information on the needs and capabilities of industry, the Federal Government and the scientific and research communities related to the human genome.

202(d)(2)(C) Analyze options, establish priorities, and recommend roles for participants in the national strategy; determine technical areas where United States biological and pharmaceutical industries are deficient relative to international competition.

202(d)(3)(A) Begin immediately with technology workshops to define the technology road maps for the consortium.

202(d)(3)(B) Assign a start-up team to continue development; approve projects for funding.

202(d)(3)(C) Monitor progress.

202(d)(4) Report to members on the progress.

202(d)(4)(D) Handle day to day operations of the consortium; report to the National Policy Board.

Provide an expedited review for the Human Genome Consortium under the National Cooperative Research Act.

COMMERCIALIZATION ENHANCEMENT

203 of the bill as amended General objective: Provide intellectual property tools to the contractors operating the Department of Energy's National Laboratories in order to ensure that the fruits of the human genome mapping initiative flow exclusively to United States industry.

Apply the appropriate and beneficial provisions of 35 USC 200 et seq. to all Laboratory contractors.

Current law: Gives universities, non-profits and small, for profit business contractors for federally funded research and development work the right to elect title to inventions, subject to a nonexclusive, paid-up license to the Government.

Reason for change: Several of the largest DOE laboratories, including Sandia and Oak Ridge, are operated by large for-profit contractors; participation of these labs is key to the success of the human genome initiative.

Apply the appropriate and beneficial provisions of 35 USC 200 et seq. to the Department of Energy Government-Owned Contractor-Operated (GOCO) facilities primarily dedicated to weapons related and naval nuclear propulsion programs.

Current law: Gives eligible contractors the right to elect title to inventions, subject to a nonexclusive, paid-up license to the Government. The current law excludes, however, inventions arising under DOE weapons related and naval nuclear propulsion programs at GOCO facilities primarily dedicated to those programs.

Reason for change: Several of the largest DOE laboratories, including Lawrence Livermore, Los Alamos, Sandia and Oak Ridge, have facilities primarily dedicated to weapons related (and naval nuclear propulsion) programs of DOE. Technology arising under these programs will be a key to meeting the objectives of the genome initiative.

Broaden the provisions of Section 35 USC 200 to include not only patents but all intellectual property such as trade secrets, trademarks, copyrights and mask works.

Current law: Applies only to patents. Other intellectual property tools, however, are needed to confer the benefits of the genome initiative exclusively on U.S. industry.

Reason for change: Valuable technical information arises in a variety of forms, each requiring different tools for protection. Trade secrets, for example, protect know-how; Copyright, as well as patents, protects software; Trademarks protect the indentification of the source of products and services.

Give Secretary of Energy discretion to waive the rights reserved where to do so would better promote the objectives of the genome initiative.

Current law: 35 USC 202(c)(4) reserves to the Government a license to use inventions in which the contractor has elected title.

Reason for change: This is a new concept intended to encourage private industry to develop products that only the government would purchase. Technical advances made at DOE laboratories may require further development to bring the advances to the point of commercialization. It is often advantageous from the Government viewpoint to call upon private risk capital to perform the requisite development and marketing. Without intellectual property protections, however, a competitor may reap rewards attributable a market pioneer without commensurate investment. In some cases, the government's reserve license may be a disincentive to private industry to develop products and services which primarily address a government market. The reserve license, rather than saving the government the cost of royalties, may end up depriving the government of new products and services. (Note that under 28 USC 1498, the Government may authorize a competitor to use a patented invention, leaving the patent holder an action for reasonable compensation.)

Allow each DOE contractor participating in the genome initiative to enter into collaborative agreements in an amount up to $10 million on behalf of DOE with semiconductor consortia or U.S. firms in accordance with the objectives of this Act without approval from any Federal Agency.

Current law: Approval is a long and often cumbersome process.

Reason for change: Since Congress is recognizing the importance of the genome initiative, it is consistent to provide the most expeditious method of approving Laboratory participation. Allowing the Laboratories to enter into the collaborative agreements is intended to streamline the process and make it responsive to industry needs.

Require the contractors taking title to licenses under this Act to expeditiously further license out the technology to private industry consortia such as one one created under this Act and other U.S. companies. This section should be patterned after the March in Rights contained in 35 USC 203.

Require the Secretary of Energy, in renegotiating the operating contracts with its laboratory contractors, to use its best efforts to include provisions which will facilitate to the maximum extent possible timely and efficient technology transfer from the contractors to consortia and private U.S. industry.

Any royalty income earned as a result of intellectual property developed under the genome initiative shall be used at the National Laboratory to further the objectives of this Act subject to the sunset provision set forth below.

Each funding agreement for the operation of a DOE National Laboratory participating in the Department's genome mapping initiative shall contain appropriate provisions to effectuate the following:

Laboratories may incur costs to obtain intellectual property rights in furtherance of the Act.

Require that any royalties or income earned in respect to subject intellectual property be used to defray the costs of procuring intellectual property protections, payments to authors and inventors, and to support scientific research, development and education at the facility; and

Require that the management of the intellectual property, including procurement and licensing, shall be administered by contractor employees on location at the facility instead of in Washington.

Semiconductor manufacturing excellence initiative—Sematech

FINDINGS

301(1) Semiconductors and related microelectronic devices are key components in computers, telecommunications, advanced defense systems and other equipment which together represent $230 billion in annual sales;

301(3) The leadership position of this country in high technology areas is threatened by the changing nature of foreign competition, which is often strongly supported by the national governments involved;

301(5) The United States Semiconductor industry leads all other principal U.S. industries in terms of its investment in research and development. The U.S. reinvested eighty-three percent of pretax profits however, this has been insufficient by worldwide standards;

301(6) Technological superiority is a vital battlefield advantage for United States military forces;

301(7) The critical role of electronics to our national defense is evidenced by the fact that the Department of Defense expends thirty-five percent of its research, development and procurement funds on electronics research;

301(4) A principal factor responsible for the relative shift in strength of the U.S. and its semiconductor competitors is the fact that the major competitor established a strategic, long term goal of world superiority in semiconductor research and manufacturing technology.

301(8) It is in the interests of the national security and national economy of the United States to create a partnership between private industry and the federal government to improve semiconductor manufacturing technology and to facilitate practical deployment of such technology in order to regain the United States' traditional world leadership in the field of semiconductors;

301(9) Priority should be given to the development, demonstration and advancement of the semiconductor technology base in order to meet the needs of our Defense Department and to insure the continued vitality of a commercial manufacturing base;

The Department of Defense is supporting the formation of Sematech to provide a national focus in assuring the vitality of the U.S. semiconductor industry in view of that industry's importance to national security. The Department of Energy's National Laboratories can provide essential support for this effort.

301(10) The Department of Energy's National Laboratories have large and complex "user facilities," uncomparable research equipment, unparalleled computer facilities, and excellent research and support staffs in the area of semiconductor technology.

301(11) It is in the national interest to ensure that the rights in intellectual property be used to commercialize this new technology rapidly and effectively by the U.S. semiconductor industry;

Interaction between industry and government in order to achieve program consensus is extremely important for the success of this initiative.

To facilitate an exchange of knowledge, certain National Laboratory personnel may be temporarily assigned to Sematech and U.S. industry personnel may be temporarily assigned to the National Labortaries.

PURPOSE

To establish and conduct a cooperative government/industry program of research on semiconductor manufacturing technology and on the practical applications of such technology. And to apply effectively the unique capabilities of the Department of Energy's National Laboratories in this effort.

ROLE OF DEPARTMENT OF DEFENSE

302(a) Instruct the Secretary of Defense to establish and conduct a cooperative government/industry program of research on semiconductor manufacturing technology and on the practical applications of such technology.

302(a)(1) Instruct the Secretary of Defense to consult, advise and coordinate with the Secretary of Energy and other departments as the Secretary of Defense deems appropriate.

ROLE OF THE DEPARTMENT OF ENERGY'S NATIONAL LABORATORIES

303(b) Provide that it is a compatible and essential part of the Department of Energy, and hence the National Laboratories' mission, to participate in research and development projects in advanced semiconductor manufacturing techniques in conjunction with the Department of Defense, Department of Commerce, private consortia such as Sematech, universities and others.

303(c) Instruct the Secretary of Energy to enter into agreements with Department of Defense, industry consortia such as Sematech and universities working with Sematech to use the National Laboratories' expertise to assist in the research and development of advanced semiconductor technology.

304(a)(b) Instruct the Secretary of Energy to include in his annual planning for the Research and Development budget such work as to encourage development of new technology in semiconductors.

310(a) or as amended (314) authorize an additional $25 million for additional research and development in this area; to accelerate and compliment ongoing research and to work in conjunction with U.S. industry in areas which are essential to manufacturing success.

308 as amended instruct the Secretary of Defense to consult, advise, and coordinate with the Secretary of Energy and other heads of appropriate government agencies to insure that the resources existing at the National Laboratories are used to enhance the semiconductor manufacturing technology program and to avoid duplication.

WORK PROGRAM FOR SEMATECH

302(b) Should follow the Sematech business plan. Areas to be developed in cooperation with U.S. industry should include research and development in such areas as advanced semiconductor manufacturing techniques, including sub-micron lithography, deposition, advanced materials, etching, cleaning and epitaxy, silicon process integration; new compound semiconductors and devices that are the basis for optoelectronics and optical communications; Test and demonstrate these techniques on an actual production line; develop techniques for adapting the processes which are proven on the demonstration line to provide flexible manufacturing so that the techniques can be applied to the manufacture of a wide variety of other products; create an automated and computer integrated manufacturing pilot emphasizing flexibility and high-volume.

WORK PROGRAM FOR DOE NATIONAL LABORATORIES PARTICIPATING IN THE SEMICONDUCTOR INITIATIVE

Program should complement the Sematech work program.

303 (c) Research and development in silicon and compound semiconductors should be performed in cooperation with U.S. industry. Program should emphasize advanced semiconductor manufacturing technologies including: ultra clean processing, processing technology for ultra high density silicon circuits, and improved compound semiconductors and devices. The program may further include materials fabrication, materials characterization, device design and modeling, working with industry to develop new processing equipment and related activities.

INTERAGENCY AND PRIVATE INDUSTRY ADVISORY COMMITTEE

307 or as amended 309. This should be patterned after the Governmental Affairs reported out Sematech board which would provide expertise on how to best utilize the National Laboratories. Members would include among others, Secretary of Defense, Secretary of Energy, lab personnel, semiconductor industry experts and university personnel as appropriate.

COMMERCIALIZATION ENHANCEMENT

306 as amended General objective: Provide intellectual property tools to the contractors operating the Department of Energy's National Laboratories in order to ensure that the fruits of the semiconductor initiative flow exclusively to United States industry.

Apply the appropriate and beneficial provisions of the 35 USC 200 et seq. to all Laboratory contractors.

Current law: Gives universities, non-profit and small, for profit business contractors for federally funded research and development work the right to elect title to inventions, subject to a nonexclusive, paid-up license to the Government.

Reason for change: Several of the largest DOE laboratories, including Sandia and Oak Ridge, are operated by large for-profit contractors; participation of these labs is key to the success of the semiconductor initiative.

Apply the appropriate and beneficial provisions of 35 USC 200 et seq. to the Department of Energy Government-Owned Contractor-Operated (GOCO) facilities primarily dedicated to weapons related and naval nuclear propulsion programs.

Current law: Gives eligible contractors the right to elect title to inventions, subject to a nonexclusive, paid-up license to the Government. The current law excludes, however, inventions arising under DOE weapons related and naval nuclear propulsion programs at GOCO facilities primarily dedicated to those programs.

Reason for change: Several of the largest DOE laboratories, including Lawrence Livermore, Los Alamos, Sandia and Oak Ridge, have facilities primarily dedicated to weapons related (and naval nuclear propulsion) programs of DOE. Technology arising under these programs will be a key to meeting the objectives of the semiconductor initiative.

Broaden the provisions of Section 35 USC 200 to include not only patents but all intellectual property such as trade secrets, trademarks, copyrights and mask works.

Current law: Applies only to patents. Other intellectual property tools, however, are needed to confer the benefits of the semiconductor initiative exclusively on U.S. industry.

Reason for change: Valuable technical information arises in a variety of forms, each requiring different tools for protection. Trade secrets, for example, protect know-how; Copyright, as well as patents, protects software. Mask works protect integrated circuit layouts. Trademarks protect the identification of the source of products and services.

Give Secretary of Energy discretion to waive the rights reserved where to do so would better promote the objectives of the semiconductor initiative.

Current law: 35 USC 202 (c) (4) reserves to the Government a license to use inventions in which the contractor has elected title.

Reason for change: This is a new concept intended to encourage private industry to develop products that only the government would purchase. Technical advances made at DOE laboratories may require further development to bring the advances to the point of commercialization. It is often advantageous from the Government viewpoint to call upon private risk capital to perform the requisite development and marketing. Without intellectual property protections, however, a competitor may reap rewards attributable to a market pioneer without commensurate investment. In some cases, the government's reserve license may be a disincentive to private industry to develop products and services which primarily address a government market. The reserve license, rather than saving the government the cost of royalities, may end up depriving the government of new products and services. (Note that under 28 USC 1498, the Government may authorize a competitor to use a patented invention, leaving the patent holder an action for reasonable compensation.

Allow each DOE contractor participating in the semiconductor program to enter into collaborative agreements in an amount up to $10 million on behalf of DOE with semiconductor consortia or U.S. firms in accordance with the objectives of this Act without approval from any Federal Agency.

Current law: Approval is a long and often cumbersome process.

Reason for change: Since Congress is recognizing the importance of the semiconductor initiative, it is consistent to provide the most expeditious method of approving Laboratory participation. Allowing the Laboratories to enter into the collaborative agreements is intended to streamline the process and make it responsive to industry needs.

Require the contractors taking title to licenses under this Act to expeditiously further license out the technology to private industry consortia suich as Sematech and other U.S. companies. This section should be patterned after the March in Rights contained in 35 USC 203.

Require the Secretary of Energy, in renegotiating the operating contracts with its laboratory contractors, to use its best efforts to include provisions which will facilitate to the maximum extent possible timely and efficient technology transfer from the contractors to private U.S. industry.

Any royalty income earned as a result of intellectual property developed under the semiconductor initiative shall be used at the National Laboratory for furthering the objectives of this Act, subject to the sunset provision set forth below.

Each funding agreement for the operation of a DOE National Laboratory participating in the Department's semiconductor technology initiative shall contain appropriate provisions to effectuate the following:

Laboratories may incur costs to obtain intellectual property rights in furtherance of the Act.

Require that any royalties or income earned in respect to subject intellectual property be used to defray the costs of procuring intellectual property protections, payments to authors and inventors, and to support scientific research, development and education at the facility; and

Require that the management of the intellectual property, including procurement and licensing, shall be administered by contractor employees on location at the facility instead of in Washington.

Current law: 35 USC 202(c)(7)(C) and (E) are similar to the proposed section, however, current law only applies to the non-profit and small business contractors and excludes facilities primarily dedicated to weapons related and naval nuclear propulsion programs of DOE.

Reason for change: These provisions for the purposes of the semiconductor initiative need to be expanded to cover all national laboratories participating in the semiconductor initiative, therefore, Government-Owned, Contractor-Operated labs should be included in these "Bayh-Dole" provisions. There is no reason to exclude them.

Provide that in ten years, or when the objectives of the program are achieved, whichever occurs first, any royalties that previously went to the contractor to use at the National Laboratory to further the semiconductor program would go into general revenues of the federal government instead.

This Act shall take precedence over any other Act which would require a disposition of rights in intellectual property or treatment of collaborative agreements in a manner inconsistent with this Act, including but not necessarily limited to section 152 of the Atomic Energy Act of 1954 (42 USC

2182) and Section 9 of the Federal Non-Nuclear Energy Research and Development Act of 1974 (42 USC 5901)

Nothing in this section shall be construed to limit the DOE National Laboratories from performing other semiconductor technology related research and development arranged for, or approved by the Secretary of Energy of his delegate. In such activities under this subsection, the Secretary of Energy is authorized to seek reimbursement from non-governmental funds such portion of the laboratories' cost as the Secretary determines to be appropriate.

Provide that although DOE may promulgate regulations, the law shall apply immediately.

COST SHARING

Require at least a 50% private industry cost sharing.

INDUSTRY/NATIONAL LABORATORY PERSONNEL INTERCHANGE

Visitations must be an important part of this program if it is to succeed, therefore, personnel from both the Laboratories and industry should participate in temporary assignments. U.S. industry personnel should have temporary assignments at the National Laboratories; and likewise, Laboratory personnel should have assignments at Sematech on a rotating basis in order to maximize the exchange of knowledge. However, this activity should be carried out so as not to jeopardize security at the National Laboratories.

INTERNAL REVENUE CODE CONSIDERATIONS

Provide tax-exempt status for Sematech.

Provide that contributions to Sematech shall qualify for the R&D tax credit.

Provide that there is no taxable event upon the transfer of technology from Sematech to the member companies.

ANTITRUST

Provide that all activities set forth in this Act undertaken by private industry shall be covered by the National Cooperative Research Act.

Provide an expedited review for Sematech under the National Cooperative Research Act.

Institute for Entrepreneurial Studies

FINDINGS

401. Science and Technology are critical to our country's future especially since competitor nations are investing heavily to improving their capabilities in this area; if our nation is to remain in the competition, our government must make a capital investment to enhance its science and technology capabilities;

Established companies and entrepreneurs can no longer keep pace with the rate technology is developing.

Restoring our competitiveness requires a federal commitment to promote and foster research and entrepreneurial skills that will improve cooperative linkages between scientists, engineers and industry;

The National Laboratories-Industry-University partnership is fundamental to meeting these goals of fostering entrepreneurial superiority that will lead to economic competitiveness;

A new generation of entrepreneurs is needed to properly take advantage of today's dynamic environment of technological innovation

Along with its specific areas of scientific research, the Department of Energy can contribute to economic competitiveness by establishing regional institutes of entrepreneurship charted as work-study programs.

PURPOSE

To establish within existing universities, six regional Institutes for Entrepreneurial Studies chartered as work-study programs that would be affiliated with a Department of Energy National Laboratory.

ROLE OF DEPARTMENT OF ENERGY'S NATIONAL LABORATORIES

Instruct the Secretary of Energy to create six regional Institutes for Entrepreneurial Studies, each with an association with one of the National Laboratories.

CRITERIA FOR SETTING UP THE INSTITUTES

402. The quality of the research and development being carried out at the university;

the degree of commercialization potential for such innovative research and development;

regional and geographic distribution of funds to insure Institutes throughout the States and regions of the country;

the economic stimulus to a State or region derived from the research and development;

404 PROGRAM AUTHORIZED

From the funds appropriated to carry out this program, the Secretary of Energy shall make grants to institutions of Higher Education.

FORMATION OF THE GOVERNING BOARD

The Secretary of Energy is authorized and directed to form a Governing Board of the Institutes of Entrepreneurial Studies comprised of representatives of appropriate government agencies, universities and industry.

403 PROGRAM

Each student would be expected to pursue a specific project during his/her course of study. The curriculum would include: Development and writing a business plan and Establishment of a corporate structure; Venture capital; Management of technology, technologists and technological change; International markets and competition; Marketing and market reserve; Manufacturing; Licensing and intellectual property rights; Crisis Management; and Ethics.

Each student would work on a specific project with the assistance of a mentor in one of the National Laboratories or private industry.

A Masters Degree would be available, however, candidates need not be degree seeking students.

SUPERCONDUCTIVITY

Recent breakthroughs in high-temperature superconductors have opened new vistas for commercial and defense applications of potentially great importance. The applications could reach from the depths of our oceans to outer space.

The United States continues to lead the world in basic research in this field. However, the process of transforming these ideas into successful products needs to be improved if we are to assure our leadership in the commercialization of this technology.

One of the first commercial applications for large superconducting magnets probably will be to purify water, mineral ores, and foods. Our environment could be the first beneficiary because polluted lakes and fivers could be purified with the help of superconductivity.

Consumers would be other beneficiaries because we would see our electricity bills actually go down. That would be quite a phenomenon in and of itself! As much as 30 percent of the electricity transmitted through power lines is lost by just traveling from the generator to our homes. Superconductive materials used by public utilities could potentially save customers $2 to $4 billion annually, just from the efficient transportation of electricity.

In addition to this "30 percent bonus" under which every kilowatt of electricity sent from the generator is consumed, new power plants could be sited in more environmentally acceptable locations because proximity to the users would no longer be a concern. Transmission loss would no longer be a problem. Efficient storage of electricity could also save consumers additional billions.

When I read about superconductivity I get excited. Some of the possible applications have a Buck Rogers ring to them but they are possible, and I think America should be the first to conquer these frontiers:

A supercomputer in a one-inch cube. That prediction is futuristic, but experts agree that we will see desk-top supercomputers by the 1990's. Spraying a film of superconducting material on microchips will make computers that process information faster.

Trains that ride like surfboards on waves of energy at speeds of more than 300 miles per hour. We will also see magnetically powered ships;

Magnetic bottles strong enough to hold a bit of starfire;

Wire that can carry all of New York City's electricity in a single cable:

Guns powerful enough to shoot a satellite into orbit;

Instruments that can sense magnetic changes in your brain while you read out of one of your favorite books or magazines. More powerful magents, operated more cheaply, will allow improved medical diagnosis using magnetic resonance imaging. Currently doctors use powerful electromagnets with coils of superconducting niobium-alloy wire in a process known as nuclear magnetic resonance [NMR] imaging. It works by pumping energy into atomic nuclei in the body and measuring their magnetic fields as they return to normal. NMR can view cross sections of the body, like x-rays, and also permits three dimensional mapping. NMR produces a detailed chemical analysis of the tissues. Doctors think NMR is much safer than x-rays. NMR scanners with superconduting magnets might give doctors a quick, simple way to identify cancer, heart disease, pneumonia, and even brain disorders. Such machines might trace the effect of drugs on human tissues and help locate the chemical causes of disease. Hand held NMR scanners might even allow doctors to check their patients' health routinely in their office.

We may soon see electric motors the size of a fist that could run an automobile. The ramifications are much more significant than more trunk space.

Solar energy may take a giant leap forward as superconductivity progresses.

Space travel may surpass Buck Rogers. It costs about $325 to put a pound of payload into orbit on the Space Shuttle. With superconducting magnets the cost might drop to about $1 per pound.

Then there is the Bussard Ramjet, which could use supermagnets to propel a spaceship to the depths of space. Supermagnets might also be used in space to shield crews from radiation or from particle-beam weapons. Military outposts in space could use superconducting storage units to supply the large pulses of power needed by plasma guns and lasers. Because it is so cold in space, temperature is not the problem it is here on earth.

Superconductive motors, generators, and power transmission could help submarine balance problems by reducing weight. It would also allow for the installation of additional weapons launchers, perhaps doubling the punch of each submarine. The size of the submarines could be cut in half, while doubling their speed. Electro-magnetic propulsion systems utilizing superconducting magnets would appreciably reduce noise at high speeds, thus making submarines harder to detect.

The new high-temperature superconducting materials will have a broad impact on such factors as operating costs, reliability, and safety. Therefore, they will have a major impact on commercialization of superconductivity in a wide range of applications.

According to Frank Press, president of the National Academy of Sciences, superconductivity has become the test case of whether the United States has a technological future. That future depends on our ability to comercialize our scientific discoveries.

I am proposing that we get the National Laboratories involved as the United States' approach to our Japanese competition. Two Japanese government agencies are already guiding the harnessing and superconductivity research in Japan. Special committees on superconductors were formed, bringing together top minds from Japan's universities, government and private companies to trade ideas and discuss commericialization and government aid. The Japanese government has arleady become to function as a facilitator and coordinator.

It is time to unleash America's trade secret—its National Laboratories. If we wait, if we hesitate, superconductivity could go the way of VCR's and televisions—our research and Japanese applications and Japanese jobs and Japanese profits.

Two Different Cadences in the Superconductor Race

JAPANESE SEEKING A UNITED FRONT

(By John Burgess)

TOKYO—Within weeks after researchers announced development of new superconducting materials that may revolutionize the use of electricity, two Japanese government agencies set about guiding and harnessing another form of energy—the Japanese competitive spirit.

Special committees on superconductors were formed, bringing together top minds from Japan's universities, government and private companies to trade ideas and discuss commercialization and government aid.

Officials in charge of government research funds began reassessing spending plans. Others conferred with laboratories and company executives to keep abreast of the burgeoning research under way in Japan.

"We are working to assure that all this will not be just a fad," said Mitsugi Chiba of the Japanese government's science and technology agency which oversees one of the two superconductor committees. "We want it to be a solid, feet-on-the-ground campaign."

While the United States government debates the extent of its participation in the superconductor revolution, the Japanese government has already begun to function as facilitator and coordinator, an activist role is has played repeatedly over the years in Japan's drive for preeminence in high technology.

The Japanese government no longer keeps the iron hand on economic decisions that it had through much of the postwar economic advance, and it spends far less in direct government funds on research than does the United States. But it does something that the United States as traditionally shied from as anticompetitive: it coordinates, cajoles and guides its country's industrial development, striving to avoid duplication and increase efficiency.

The Ministry of International Trade and Industry (MITI) controlled the postwar recovery with an authority that was reinforced by control of foreign exchange flows, which could mean life or death for companies. Today, much of that statutory authority is gone, but the ministry and its corps of technocrats retain major influence in the economy. They see it as their duty to decide what the future holds and move people toward it.

Licensing and research grants are prime tools. Important too is "administrative guidance," the formal expression of the ministry's will. Often it has no legal underpinning, but business leaders are loath to defy it. Many agree with MITI's approach, but MITI can find ways to make trouble for those who don't go along.

MITI officials don't like to talk about potential projects, but history provides many examples. From 1962 to 1980, for instance, MITI organized four major thrusts involving computer technology. By far the most famous and controversial was one meant to put Japan on par with the United States in VLSI—Very Large Scale Integration—production of advanced microchips.

In 1976, with MITI's blessings, the country's major electronics companies established the VLSI Technology Research Association. MITI provided some loans; the companies supplied the rest. The goal was to stop duplicative research and share findings among participants. After spending about $300 million and filing many patents, the project disbanded in 1980 and participants have gone their own ways.

Some studies credit MITI as key to the postwar "miracle." In some cases MITI leadership was clearly crucial—its strong-arming of foreign companies to license computer technology in the 1960s is commonly cited—but it has had notable failures too. The Japanese aerospace industry has never taken off despite years of MITI nurturing. MITI opposed the Sony Corp.'s initial licensing of the transistor and Honda Motor Co.'s expansion from motorcycles into cars.

The science and technology agency's committee has more than 100 member organizations. It is holding public symposiums and closed-door meetings between specialists. It is the first time the agency has tried to organize private companies this way, a measure of the awesome potential it believes superconductors hold.

Chiba says the purpose is to put research leaders together and decide what to do. The group might eventually agree to carve up research, perhaps with the government forcusing on basic research and companies on commercial development, he suggested.

A second committee, run by MITI, is smaller and less visible. More than 20 senior researchers from companies and government labs belong. So far, it has met in formal session just once, in April. The chief of Tokyo University's program, Shoji Tanaka, briefed the group on a conference in the United States, MITI officials said. Industry researchers expressed views on various materials, the potential for development and possible commercial uses. A working group has convened four times, and bureaucrats and researchers frequently talk informally.

The group keeps MITI informed and exposes top researchers in Japan to a few of their competitors' secrets. "We try to get the researchers to put a little bit of distance between themselves and their companies and to bring in the results of their studies," said Hirokazu Nakaima, an MITI deputy director general. "If they stick too much to the interests of their companies, they will just sit and listen and say nothing."

Direct government money has played a relatively small role in research. The Science and Technology agency put the equivalent of about $22 million at current exchange rates in superconductor studies between 1982 and the present. MITI claims not to know how much it has spent, but calls it small.

Like the rest of the world, Japanese superconductor research plodded along until late last year, after scientists at an International Business Machines Corp. laboratory in Switzerland published a paper concluding that superconductors could be made from ceramics and function at less-cold temperatures than metallic ones. Suddenly, even room-temperature superconductors seemed within range.

Tokyo University Associate Professor Koichi Kitazawa, a specialist in superconductors, recalls that he initially tossed the IBM paper aside, feeling its ideas were basically wrong-headed. But he passed it to a graduate student in physics, who one day approached him and asked for permission to try it out in the lab "and make a joke of it."

The student, 26-year-old Hidenori Takagi, found it was no joke at all. On Nov. 13, he and another student found signs of reduced magnetism in the material they were making, a crucial sign that the paper's findings were valid.

"I was astonished, deeply moved," Takagi recalled. "I doubt I'll ever have such a feeling again." Takagi reported his findings to a professor, who told him to buy a bottle for a celebratory toast. A half-dozen researchers raised glasses together.

Since then, the lab has been racing full-throttle, with Chiba and other researchers often passing the night there. "At the very busiest times, I'm not really sure where my home is," he said.

The university's announcement that it had confirmed the IBM study had touched off a frantic wave of research. The giants of the Japanese electrical industry jumped in with more personnel and money.

"We didn't have to apply the whip," said Minami Ichikawa, an MITI superconductor specialist. "The companies were off and running on thier own."

Records were set, only to have competitors report they had been broken a few days later. On April 2, for instance, Toshiba announced it had fashioned a superconducting wire that works at 93.7 degrees Kelvin, or minus 294 degrees Fahrenheit. The Kelvin scale is based on absolute zero at which all molecular motion stops, or minus 459 degrees F. On April 7, Mitsubishi Electric Corp. said it had found a material that worked at 95 Kelvin and would carry larger currents than previous materials.

"If you come to this lab at midnight, or 3 a.m.," said Kitazawa of Tokyo University, "you'll see students working." Estimates of 100 Japanese labs in the race are heard in the industry here, although no one knows. Many, however, are doing primitive work that simply tries to duplicate accomplishments of others.

April's edition of the English-language Japanese Journal of Applied Physics carried 84 articles on superconductivity. Several public conferences in large halls in Tokyo have become the same hectic sellouts seen at similar events in the United States.

In the long run, Japan's approach to superconductor development could be heavily influenced by attitudes common in society here that while competition is good, harmony, stability and predictability can be just as desirable.

As of last year, the government was overseeing 427 cartels, ranging from major industries in decline, such as aluminum, to barber shops (the government establishes a minimum price for a haircut). Japan has antitrust laws much like those of the United States, mostly put in place during the U.S. occupation after World War II. But they are enforced less vigorously and with no sense of moral crusading. Laws for promotions of specific industries often give antitrust exemptions.

Japanese offer their superconductor achievements in recent months as proof that their companies excel without government guidance. Japan has historically borrowed foreign technology, they say, but this time may be different. "In the United States, it is Bell Labs and IBM, the premier labs, that are working on superconductors," said Dr. Michihiko Nagumo, a Nippon Steel Corp. research director handling the materials. "It is an honor to be competing with them."

Many Japanese believe that even if they lose in the basic research, they can come from behind in a more important race—to commercialize the discoveries. Japan's list of achievements here is daunting—the VCR, the transistor, the color TV. So, too, in capital items like power generators, machine tools and broadcast equipment.

"By concentrating on the development of consumer technology and not wasting money and the country's best brains on military technology, Japan has been able to accomplish more than other industrialized nations in many areas," think-tank researcher Kishida Junnosuke has written.

Bred in an educational system that stresses memorizing and unshakable loyalty to teachers, Japanese researchers often falter in the creative leaps needed for breakthroughs in basic science. But they excel at the personal touch, and the trial-and-error drudgery, required to convert abstract processes into products. The Japanese also accord a greater status to engineers who choose manufacturing over research than does the United States.

Much of the Japanese corporate culture breeds success in commercialization. Companies here usually operate at low profit margins, with the paramount goal of long-term market share. They are quicker than American companies to modernize factory equipment, aided by low interest rates. Workers in big companies know they have lifetime job security and thus don't fight productivity-increasing automation as Americans often do. Universities graduate more engineers than the United States and companies are packed with them. Many Japanese chief executive officers are engineers.

The Japanese still believe they must fight their way to the top of the world order. They are taught that theirs is "a poor island nation with no resources." Despite burgeoning affluence, the country retains the feisty spirit of an upstart.

Now more than ever, Japan is on the lookout for new technology. The 70 percent rise of the yen since September 1985 has destroyed the world competitivity of many mainstay export industries. "The Japanese company is saying, 'Gosh, the iceberg we're standing on is melting,'" said James C. Abegglen, a consultant and author on the Japanese business world.

Still, the Japanese say that world domination in superconductors is not their goal; one country could not possibly control a field as vast as this one may be. "A type of nationalism is being injected since ceramics became the focus," said Dr. Hiroyasu Ogiwara of Toshiba Research and Development Center. "I don't understand it."

MITI said Japanese labs have been quick to share their findings in the new field. It called for a chain of conferences here and in the United States to stay in touch. And if a big foreign company can produce a Japanese-speaking researcher who can hold his or her own with those on the MITI committee, Nakaima said, there could be a seat waiting. But so far, he said, none has inquired.

U.S. MARSHALING FREE-MARKET FORCES

(By Dale Russakoff)

The nation that pioneered the videocassette recorder, the microwave oven, the color television and the memory chip—and then lost them to foreign competition—is once again staking its faith in free enterprise on the next great competitive struggle, the race to take high-temperature superconductors to the marketplace.

"Superconductivity has become the test case of whether the United States has a technological future," said Frank Press, president of the National Academy of Sciences. "[That] future depends on our ability to commercialize our scientific discoveries. If we lose this battle, it will wound our national morale. Everyone will be asking: Here we support science so well, why can't we get products out of it?"

As the competition unfolds this time, many of the Americans on the front lines doubt that free enterprise alone is up to the job. "Looking at it from Cambridge," said Kent Bowen, professor of engineering at the Massachusetts Institute of Technology, "it seems so obvious what has to be done. It's surprising that it hasn't been done already."

Bowen advocates a $100 million federal effort coordinated by one government agency, rather than the present system in which several departments pursue separate courses. Others have called for something like the Manhattan Project that produced the first atomic bomb.

Congress has asked the National Academy of Sciences, the most eminent body of American scientists, to assess the adequacy of the effort. A report is expected by midsummer. Meanwhile, a bipartisan coalition in the House and Senate has introduced legislation to create a Japan-style commission of leaders from government, industry and academia.

The proposed commission would oversee the American effort and study such drastic options as breaking down antitrust laws—an idea that alarms a wide range of legal experts—or vastly expanding federal funding in the name of winning the superconductor sweepstakes.

The White House stands firmly against a more centralized federal role in guiding research toward commercial products.

"We have a secret weapon that will overwhelm [the Japanese] process," said William Graham, head of the White House Office of Science and Technology Policy. "We call it the free market. It's far better to let industry make the investment decisions for profit and to let government devote its resources to the basic research and underpinnings. We let each sector operate where it's strongest."

William O. Baker, retired chairman of AT&T Bell Laboratories, was skeptical: "Our government has the attitude the lone inventor in an attic is going to be able to carry on in fine old colonial tradition in international competition. That's exactly backwards."

The American system is characterized by heavy federal aid for basic research, but little or no direct involvement as work moves out of the laboratory into production, except in the case of weapons systems. The system's contribution to basic science, in which the United States leads the world, is unquestioned. For example, a National Science Foundation grant funded the Feb. 16 breakthrough by scientists in Houston and Huntsville, Ala., that brought superconductors into the realm of the plausible—developing materials that conduct electricity without resistance at temperatures much warmer than previously believed possible.

Similarly, in the months since the Feb. 16 announcemnt, the Energy Department, Defense Department, Bureau of Standards, National Science Foundation and National Aeronautics and Space Administration have shifted $29 million of federal research money into studies of new superconducting materials—significantly more than Japan apparently has spent.

So many departments and subdepartments have joined the field since the Feb. 16 breakthrough that no one in the administration had a precise count last week of how much money was being committed by whom.

The Energy Department, whose national laboratories are conducting $10 million of research on the new materials, has taken responsibility for distributing information, and last week hosted a two-day conference for scientists from government, corporate and university labs. It is cohosting a major White House conference on superconductivity in July.

Energy Secretary John S. Herrington also has put up money for a newsletter reporting latest developments in public and private labs and cataloguing scientific publications from around the world. So far, it is available only to American subscribers. "We're not going to play Uncle Sap," a DOE official said.

While the United States leads the world in basic research, laboratory victories no longer carry the day, and U.S. policy has only begun to respond. "There's a twilight zone between basic research and its application in the marketplace, and it's in that zone that we need to learn to operate," said John H. Gibbons, director of the congressional Office of Technology Assessment.

Concern escalated here following reports from Japan of government-organized councils coordinating efforts by companies, universities and government agencies to find commercial uses for the new superconductors.

This approach, which fostered Japanese dominance of other markets, got under way last December and was in place 11 days after the Feb. 16 announcement that American scientists had broken the superconductivity barrier.

"I would suggest to those who put their ultimate faith in the ability of our private businesses to develop and market this technology that our nation cannot afford to risk losing a leadership role" in superconductivity, said Sen. David F. Durenberger (R-Minn.). "We have to make a serious commitment to reexamining the benefits that flow from coordinating" the private sector and the government.

Many advocates of more coordination in the United States, including some prominent corporate executives, believe the federal government should organize the dozens of companies seeking commercial uses of superconductors so that certain firms pursue certain potential products, thus avoiding duplication and sharing the high cost and risks of product development.

A range of corporate research directors and government scientists, favoring this approach, have complained in public hearings that federal antitrust laws impede cooperation that could help American firms compete with Japan.

However, corporate culture—not the government—appears to be a roadblock to more cooperation. Amendments to the antitrust laws in 1984 encouraged American companies to conduct joint research and development, all the way to crafting prototypes. The Commerce Department has taken a lead in organizing several consortia; a total of 66 are now operating in the United States.

Some experts believe the law even permits joint production, if necessary for American firms to compete internationally, although it forbids firms from dividing the market, as is occasionally done, with government blessings, in Japan.

"The case just cannot be made that there are significant antitrust impediments," said deputy assistant U.S. Attorney General Roger B. Andewelt.

"If American industry thinks it's getting beaten because they're not coordinated, let them coordinate themselves," said National Science Foundation Director Erich Bloch, a former vice president at IBM Corp. "On one hand they want to be entrepreneurs and they want to be independent. On the other hand, they want to be coordinated. I think they're a little schizophrenic."

Another barrier is the reluctance of competitors to pool information.

"If companies cooperate," said Bruce Hannay, former Bell Labs vice president for research, "they'll spend all their time working out rules to make sure nobody gets anything the others don't have. If they agree that when anyone breaks through, everyone breaks through, there's no incentive to push ahead. Competition is the basis of our system."

Officials and experts interviewed for this article agreed on the need for several changes in public policy; some already under way:

The yawning budget deficit, which has driven up interest rates, greatly discourages risk and investment, according to a range of economists, by raising the cost of borrowing and undermining confidence. The fiscal crunch also rules out a crash federal program, and breeds in-fighting over which technologies to support—superconductors versus semiconductors or atom-smashers, among others.

The White House and Congress are moving to revise a number of laws that hinder U.S. companies competing in high-technology areas. They seek to close a loophole allowing foreign manufacturers to pirate processes patented in the United States and to ease the antitrust threat to companies that license competitors to use certain patented discoveries. An amendment also is pending to encourage joint manufacturing efforts in the cause of "innovation."

In the last few years, the National Science Foundation and the Commerce Department have fostered cooperative research linking dozens of companies, universities and government scientists. An executive order by President Reagan last month further opened national labs, and their discoveries, to the private sector.

The theory behind these changes is that the way to move technology from labs to the marketplace is through people—another approach common in Japan.

"It's about time we changed our attitude," Bloch said. "The country is not going to survive if everyone does his own work and nobody talks to each other."

Confusion persists—in government, business, and academia—over the nature of American free enterprise. Many business and government leaders say a Japanese-style system would backfire here, because it conflicts with America's culture of independence.

But a cursory look at federal tax laws or government procurement patterns reveals that the U.S. government is not above nurturing an array of private activities. Said Press: "People like to say we don't have an industrial policy, but we do. We have 12," one for each Cabinet department.

Given the American culture of competition, former Bell Labs chairman Baker called government efforts to promote cooperation woefully inadequate. "Hopeful and well-intentioned and about 20 years too late," was the way he put it.

The race with Japan also is short-sighted in Baker's long view—"another narrow idea of mutual exclusion." If superconductivity has as much potential as most believe, he said why not develop agreements combining American science and Japanese engineering so that both countries share the vast new wealth and make new technologies available to the world more quickly?

"The human race hasn't really caught up with the idea of what cooperation in science and engineering can do for the general strength of the planet," he said. "That's what war is—the irrationality of the human race.

"Agony will be the main thing that changes it," he said. "If we keep burning the forests and tearing the ecology apart, contaminating air and oceans, the agony will build up enough so we'll have to cooperate. The trickle of rationality is what we all work for—to help the human condition."

Rapid Advances Point to the Mapping of All Human Genes

THE SCIENCE: NEW RESEARCH IN DECODING DNA IS LEADING TO DRUGS AND TREATMENTS

(By Harold M. Schmeck, Jr.)

A torrent of advances in diagnosis and an increasingly deep understanding of disease and the nature of life itself are emerging today from studies of DNA, the master chemical of heredity.

Scientists now routinely read the messages of heredity contained in the DNA of the genes, modify those chemical messages almost at will and even fabricate totally artificial genes that function in living cells.

The research has led to the development of new drugs, new strategies for treatment of disease and increasingly detailed knowledge of individual human development, the evolution of life on earth and the relationships between species.

"It is astonishing how much progress has been made," Dr. J. D. Weatherall of Oxford University wrote the concluding article in a series of articles on DNA in Medicine published in The Lancet, an international medical journal.

The genetic blueprint of all living things is embedded in the chemistry of DNA. The arrangement of the subunits that make up the long twisted strands of DNA constitute the language of heredity molecular biologists are increasingly able to interpret as genetic messages of health or disease, life or death.

Molecular biologists are moving so fast in understanding and translating the language of DNA that experts believe it is now possible to decipher and analyze, or sequence, all the messages of all the genes in the human body.

There are believed to be 50,000 to 100,000 genes in the human genetic archive. It has been estimated that this archive, carried in each living human cell, contains information equivalent to a library of 10,000 books. Individually and in groups, the genes govern all hereditary characteristics. Collectively these genes are called the human genome.

More than 500 human sequences—genes or portions of genes—have been analyzed to date; the first of them only nine years ago. Many more have been analyzed from other animal species, plants, microbes and viruses. The total store of DNA sequence information is believed to have multiplied by 25 times in the four years that the data has been collected to date. Major collections of DNA sequencing information have been established at the Los Alamos National Laboratory in New Mexico and at the European Molecular Biology Laboratory in Heidelberg, West Germany.

Dr. Norman G. Anderson of Proteus Technologies, a biotechnology company in Rockville, Md., said the library at Los Alamos was being overwhelmed with data. He said the facility was widely used and highly valued by the scientific and industrial communities.

Since the nature of the genetic code was first discovered in 1953 and the code itself was completely deciphered in 1966, scientists have often imagined sequencing all the human genes. Until now, however, the sheer magnitude of the task put it far beyond practicality.

But new advances in technique and understanding have changed that situation dramatically, raising questions, now the subject of sharp debate, about whether a large-scale, concentrated effort to sequence all the genes should be attempted.

Four Fundamental Subunits

Until recent years, genes were little more than a philosophical concept developed originally to explain the functioning and quirks of heredity. That has changed, however, notably because of work by Dr. James D. Watson and Dr. Francis H. C. Crick, who discovered the structure of DNA and shared a Nobel Prize in 1962 with Dr. Maurice H. F. Wilkins. Because of this and other research, scientists now know that genes are essentially pieces of DNA carrying the messages of heredity in the strands of the famous double helix.

DNA is composed primarily of four fundamental subunits, repeated in various combinations many thousands of times. These four bases, ademine, thymine, cytosine and guanine, are relatively simple chemicals that are usually called simply A. T. C. and G. They serve as the letters of a four-letter alphabet in which all the messages of heredity are written.

Sequences of three subunits served as codes for the formation of the roughly 20 amino acids that are, in turn, the subunits of all myriad proteins that make up, and are used by, all living organisms. For example, the A.T.G. sequence is the code that tells a cell to make the amino acid methionine. The sequence C. A. T. codes for the amino acid histidine. For some amino acids, there can be more than one sequence. Sequences of DNA also serve as start and stop signals for production of proteins. Other signals that control or influence gene activity have been discovered in growing numbers in recent years.

If scientists know the sequence of bases in a gene, they can deduce the sequence of amino acids that makes up the protein for which the gene is the blueprint. Conversely, if scientists know the sequence of DNA bases in the governing gene.

What scientists began translating the messages of the genes, the task was a difficult process. Technical advances have made the process much more manageable and have increased the possible rate of analysis by about 10 times in the last decade. Today, a molecular biologist at a technically advanced laboratory can sequence about 1,000 DNA subunits a day, scientists estimate. But a single gene is commonly composed of several thousand subunits, and the entire human genome contains more than three billion base pairs.

Automated equipment for analyzing genetic material and for stringing together segments of DNA have contributed greatly to scientists' ability to translate and analyze the messages of the genes.

A potentially significant advance in this area was announced June 11 by the California Institute of Technology where a group led by Dr. Leroy E. Hood reported successful development of the first automated DNA sequencing machine.

The institute said the equipment would "allow biologists for the first time to contemplate the gargantuan task of analyzing the structure of all human genes." Dr. Hood said the equipment would allow researchers to analyze the structure of DNA molecules far more quickly and less expensively than ever before. It is still unclear how much such automatic analysis would reduce the cost of sequencing. Some experts have estimated it might bring it down to the range of about $550 million.

But others question whether Dr. Hood's equipment, as it stands today, could live up to his expectations. Nevertheless, Dr. Hood is one of the leading practitioners of this field of research technology. Few doubt that his designs will be important in the long run.

Another recent key advance, according to scientists involved in the field, was a technique developed by Dr. Charles Cantor of Columbia University for separating large pieces of DNA so that they can be analyzed. The method is a new technique, electrophoreis, in which samples of DNA on a laboratory gel can be separated by passing an electric current through the gel. Dr. Cantor's technique employs rapid changes in the electrical fields to aid the separation of large molecules.

Dr. Richard P. Novick, director of the Public Health Research Institute of the City of New York, said the technique opens up to analytical study pieces of DNA that until now have been too large to analyze. Dr. Novick, himself a pioneer in DNA research, said DNA sequencing is an incredibly powerful tool that has already been central to recombinant DNA research, or genetic engineering.

Dr. Maxine Singer of the National Institutes of Health, who is a leading expert on genetic engineering, said another important recent advance has been the development of new ways to separate individual chromosomes. Every human has 23 pairs of chromosomes carrying the genes that govern that person's heredity. Dr. Singer said new techniques have made it possible to isolate a given chromosome readily. Such segregation is an important aid in studying the genetic material.

Other fields of study related to DNA sequencing are gene mapping and the search for genetic markers useful in diagnosis of disease. Work in both has brought major increases in scientists' understanding of the genetic factors in human disease.

Gene mapping is the process of locating specific regions of given chromosomes. It is much less precise than sequencing, but it establishes the locations of genes known to serve particular functions. Sequencing often does not explain the function of a piece of DNA.

Two leaders in gene mapping are Dr. Victor A. McKusick of Johns Hopkins and Dr. Frank H. Ruddle of Yale. The first human gene to be mapped was the one responsible for color blindness. Its place was found in 1911 through painstaking studies of families in which the defect was common. By 1973, using more advanced techniques, enough genes had been mapped to warrant a scientific conference to collate the data. Since then, Dr. Ruddle said, such a conference has been held every two years; the number of genes on the map has doubled every two years. About 1,400 genes have been mapped to date. While mapping and DNA sequencing are separate fields, experts say the scientific value of sequencing can be greatly enhanced by the information that is produced by mapping.

A practical field of medicine in which analysis of the human genetic material has already made a particularly powerful impact is the diagnosis of genetic diseases. Scientists estimate there are more than 3,000 different genetic diseases, each caused by an abnormality in a single-gene. Most of the diseases are rare, but many are fatal or cause grave mental and physical effects. Altogether they add up to a huge public health burden. Among the best known is cystic fibrosis, which affects an estimated 30,000 Americans. Other, rarer but well known, genetic diseases are muscular dystrophy and Huntington's disease. In recent years, scientists have made major advances in seeking ways to detect the genetic defects of these diseases in humans.

"Detailed knowledge of the genetic makeup of individuals, revealed by examination of their DNA, is emerging as a significant component in diagnosis," said Dr. Raymond L. White of Howard Hughes Medical Institute, Salt Lake City in a report in The Lancet.

Sometimes, he said, direct examination of a person's DNA can determine whether a suspected abnormal gene is present. In other instances, the patient's situation can be inferred from genetic markers, segments of DNA that are often inherited together with the defective gene because of their proximity on a chromosome.

Within the last several years, scientists at several institutions have used segments of DNA called restriction fragments that have proved extraordinarily useful in identifying genetic markers. The fragments are produced by using enzymes to cut DNA when the enzyme encounters a particular short sequence. Any abnormality in the DNA that changes that sequence will make it impossible for the enzyme to cut at that point.

In studies that would have been unimaginable just a few years ago, the causes of some cases of genetic disease have been pinpointed to a mistake in just one DNA subunit among the billions—equivalent to a typing error in one letter in one word of an encyclopedia. In other cases, the crucial abnormality has been traced to a deletion of one subunit or a group comprising a few of them; to the insertion of inappropriate extra subunits or other comparable "typographical errors" in a gene. In some diseases a whole gene segment may be missing.

"The applications of this new level of knowledge are far-reaching," said Dr. White. He said they extend far beyond disease caused by an abnormality in a single gene.

Scientists believe susceptibility to the most common and most debilitating diseases, such as heart disease, diabetes, arthritis and cancer, may well be influenced in complex ways by the functioning of an assortment of the person's genes. One of the aims of current research is to learn some of these complex relationships.

SEMICONDUCTOR MANUFACTURING EXCELLENCE INITIATIVE

The Semiconductor sections of this bill build upon the Defense Science Board Task Force Report recommendations and on the Sematech proposal made by the U.S. semiconductor industry. However, the important difference is that my legislation would use the National Laboratories as a key to meeting and surpassing the aggressive competition in the electronics area.

The bill provides that it is a compatible and essential part of the Department of Energy's National Laboratories' mission to participate in research and development of advanced semiconductor manufacturing techniques in conjuction with the Department of Defense and private industry consortia.

Ten years ago the U.S. Semiconductor industry had 100 percent of the market share in the most critical types of semiconductors. Today, it is less than 10 percent.

In discussions about semiconductors at the Pentagon, the same alternatives kept cropping up: "Either buy it from the Japanese, or we can't get it at all."

Disturbed by the National Security implications of such a statement, the Undersecretary of Defense called for an urgent study on the impact of U.S. military dependence upon foreign sources for semiconductors.

The Defense Science Board Task Force issued its report. It concluded that "while our current dependency on foreign sources is modest today, semiconductor manufacturing trends indicate that we will become highly dependent in the future if immediate actions are not taken."

According to Charles Fowler, the Chairman of the Defense Science Board, this report . . . "focuses on a critical national problem that at some time in the future may be looked upon in retrospect as a turning point in the history of our Nation. The implications of the loss of semiconductor technology and manufacturing expertise, for our country in general and our national security in particular, are awesome."

Since we cannot hope to match the Soviets tank for tank, or bomber to bomber, we must rely on technologically superior weapons. This is our defense strategy.

The report illustrates how important state-of-the art electronics are to U.S. weapons, whether you are talking about tactical aircaft, tanks, ships, or missiles.

There wouldn't even be a strategic defense initiative without state-of-the-art electronics.

Each one of these systems now rely, to some extent on foreign supplied semiconductors.

Electronics now represent over 35 percent of the U.S. defense budget.

These chips are vital to our national defense.

Semiconductors are also the basic building blocks of tens of thousands of consumer goods like VCRS, microwave ovens, automobiles, clocks, digital watches.

In fact, semiconductors are the building blocks of our modern way of life. Leadership in semiconductor technology is very likely to determine which nations will enjoy economic leadership in the next century.

Electronics accounts for 2.5 million American jobs—more than automobiles, steel and aerospace manufacturing combined.

In New Mexico, there are more than 13,000 jobs related to the semiconductor and electronics industry.

According to the Department of Commerce, the U.S. semiconductor industry represents 188,000 U.S. jobs and contributes $17 billion to U.S. GNP, but the significance of the industry extends far beyond these numbers. Microelectronic devices are the key components in computers, telecommunications equipment, instruments, and many other electronic products which together represent $230 billion in annual sales.

Semiconductor technology is making possible the revitalization of traditional manufacturing sectors, such as appliances and automobiles. Semiconductors underlie the development of automated, flexible-manufacturing "factories of the future" that will improve our productivity, efficiency, and product quality.

American companies founded the semiconductor manufacturing industry, but now the Japanese are close to dominating it.

The state of affairs include:

The U.S. microelectronics technology lead has significantly eroded in the past 5 years.

The National Academy of Sciences Materials Science Panel concluded that the Japanese are ahead of us in several technological areas that will be the key to future electronic and optical device development." Included in the list are electron and ion microbeams, compound semiconductor processing, and three-dimensional device structures.

The Japanese have formed a new consortium of 13 firms to develop the synchrotron x-ray fabrication system necessary to develop the 16 megabit and higher density drams.

Nippon Telegraph and Telephone, with its sophisticated Government-owned laboratories, is working on x-ray fabrication techniques, and when the technology is perfected, it will be passed on to Japanese firms.

What are we going to do about this very serious—to use the Defense Department's assessment—"awesome" crisis?

In Chinese the same word for "crisis" can also be translated into "dangerous opportunities."

My bill takes this crisis and puts forth a game plan to turn this state of affairs around. I would expect that this section of the bill will be modified and refined as the semiconductor industry proceeds with defining its sematech proposal. I look forward to working with the industry.

INSTITUTE FOR ENTREPRENEURIAL STUDIES

The Department of Energy's National Laboratories are an underutilized pool of science and technology expertise in the United States. It is available immediately for commercial application.

Established companies and entrepreneurs can no longer keep pace with the rate technology is developing. A new generation of entrepreneurs is needed to properly take advantage of today's dynamic environment of technology innovation.

Along with its specific areas of scientific research, the Department of Energy can contribute to economic competitiveness by establishing regional institutes of entrepreneurship charted as work-study programs. Each student would be expected to pursue a specific project during his/her course of study. The curriculum would include:

Development and writing a business plan and establishment of a corporate structure.

Venture capital.

Management of technology, technologists and technological change.

International markets and competition: Manufacturing; Marketing and market reserve; Licensing and intellectual property rights; Crisis Management; and Ethics.

The institutes would be part of existing universities, but close relationships must be established between the institute, our national laboratores and private industry. Each student would work on a specific project with the assistance of a mentor in one of the national labs or private industry. The complete course of study would lead to a Master's Degree. A shorter course would be available for those with limited time. Governing Boards of the Institutes would include representatives of private industry, academia, national laboratories and appropriate government agencies.

By Mr. JOHNSTON (for himself and Mr. McCLURE):

S. 1481. A bill to redirect the program for the disposal of spent nuclear fuel and high-level radioactive waste under the Nuclear Waste Policy Act of 1982 to achieve budget savings, and for other purposes; to the Committee on Energy and Natural Resources.

NUCLEAR WASTE POLICY ACT AMENDMENTS

● Mr. JOHNSTON. Mr. President, today I am introducing legislation to amend the Nuclear Waste Policy Act of 1982 to provide needed redirection for the civilian Nuclear Waste Program being carried out by the Department of Energy. The legislation is intended to modify current policy in order to accomplish much more effectively the goals set out in the 1982 act.

This bill would direct the Secretary of Energy to select a single candidate site for detailed testing for a first repository, direct the Department to construct a monitored retrievable storage facility in Tennessee, and direct the Department to provide benefit payments to the States chosen for a repository and an MRS.

The 1982 act was passed after many years of hard work. The process it set out for solving the problem of nuclear waste disposal was a good one. The Department of Energy has put a tremendous amount of work into the first three repository sites selected for characterization. The Department has also submitted to Congress a comprehensive proposal and program plan for construction and operation of an MRS. These programs for siting a repository and an MRS should be allowed to go forward.

Unfortunately, many people would like to shut down the entire Nuclear Waste Program and go back and study the problem of nuclear waste disposal for the next several years. Some in the States, now joined by some in Congress, are working to stop the process completely. People simply do not want the waste, and they are doing everything they can to prevent this program from working. Because of these obstructionist efforts, attention has been diverted away from the statutory goals of the program and progress toward those goals has been reduced.

Last week, bills were introduced in both the House and Senate that would place an indefinite moratorium on further site-specific activity and would establish a commission to study the problem of nuclear waste. All efforts to find a suitable repository or MRS site would be suspended until Congress took further action on the recommendations of the study commission. A new act of Congress would be required before any site-specific work could be resumed. Thus, the practical effect of these bills would to repeal the Nuclear Waste Policy Act. It would put off solutions for many years.

I believe we will be neglecting our duty in Congress if we do not have the political courage to solve this problem of disposal of nuclear waste once and for all. If we shut down the program, it will likely be many years before we develop a new one. I am convinced that the problems that confront the program are not technical, they are political.

The elements of my bill are quite simple. It would direct the Secretary of Energy to select by January 1, 1989, one of the three candidate respository sites for detailed investigation and testing. By carrying out this detailed test program at only one site at a time, the technical expertise of the Department and its contractors could be concentrated on that one site. If the site is found suitable after the 6 to 7 year testing program, a repository would be constructed at that site and licensed by the Nuclear Regulatory Commission. If not, the Secretary would be directed to select one of the remaining two candidate sites for detailed investigations and testing.

My bill would direct the Secretary of Energy to proceed with the final design and construction of a monitored retrievable storage facility in accordance with the proposal submitted to Congress in March 1987. The Secretary would be directed to proceed with a MRS in Tennessee unless an alternative site were selected by January 1, 1989. Under my bill, another State could come forward with a proposed MRS site. The Secretary would also be directed to study the feasibility of additional MRS facilities.

A State, affected Indian tribe, or local governments could receive substantial benefits if selected for a repository or MRS under my bill. A State or Indian tribe could receive benefits as great as $100 million a year in the case of a repository and $50 million a year for a MRS. Affected units of local government would be entitled to not less than one-third of these payments. These benefits would be in addition to those already envisioned by the 1982 act, such as grants in lieu of taxes, impact assistance, new jobs, and improved highway and rail systems.

My bill would establish a review panel to allow maximum oversight of the Department of Energy's work by State and local officials and other interested parties.

My bill would defer any search for a second repository, but it would require the Secretary of Energy to report to Congress on the need for a second facility. That report would be required to be submitted between January 1, 2007, and January 1, 2010.

I think my bill offers needed redirection for the process laid out in the 1982 act. That process was a good one, but with what we have learned it can be made better. One thing is clear—we must move forward toward a Federal solution to nuclear waste storage and disposal. We have spent fuel being generated at a rate of 3,000 metric tons a year and piling up at reactor sites in 36 States.

I think the course laid out in my bill will provide the needed redirection for the program and let us get on toward the statutory goals set out in the 1982 act.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1481

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the "Nuclear Waste Policy Act Amendments Act of 1987".

SEC. 2. The Nuclear Waste Policy Act of 1982 is amended at the end by adding a new title IV to read as follows:

"TITLE IV—PROGRAM REDIRECTION

"FINDINGS, PURPOSE AND DEFINITIONS

"SEC. 401. (a) Congress finds that—

"(1) redirection of the program under titles I and II of this Act to provide for the sequential characterization of repository sites and the construction of a monitored retrievable storage facility as part of an integrated nuclear waste management system will result in significant savings in Federal budget outlays in fiscal years 1988, 1989, and 1990;

"(2) such a redirection is required if the Secretary of Energy is to carry out in a timely fashion his responsibility under this Act to provide for the permanent disposal of spent nuclear fuel and high-level radioactive waste in a manner that protects the public health and safety and the environment;

"(3) it is appropriate that the Federal Government provide payments to Indian tribes, States and affected units of local government within whose jurisdiction a repository or monitored retrievable storage facility will be sited under this title.

"(b) It is the purpose of this title to—

"(1) direct the Secretary of Energy to select a single site that is suitable for characterization for the first repository and to proceed with characterization of that site;

"(2) direct the Secretary to proceed with the construction of a nonitored retrievable storage facility as part of an integrated nuclear waste management system in accordance with the proposal submitted by the Secretary to Congress in March, 1987; and

"(3) provide for benefits payments from the Nuclear Waste Fund to any Indian tribe, State or unit of local government within whose jurisdiction or reservation, as the case may be, a repository or a monitored retrievable storage facility may be sited under this title.

"(c) As used in this title the term 'affected unit of local government' means the unit of local government with jurisdiction over the site of a repository. Such term may, at the discretion of the Secretary, include units of local government that are contiguous with such unit.

"FIRST REPOSITORY SITE CHARACTERIZATION

"SEC. 402. (a) On or before January 1, 1989, the Secretary shall select as the preferred site for the first repository one of the sites previously selected for characterization as candidate sites for the first repository that the Secretary determines on the basis of available information to be the most suitable for characterization as a repository. In selecting the preferred site under this subsection, the Secretary shall consider—

(1) prospects for successfully licensing a repository at such site;

(2) the number and seriousness of potentially disqualifying factors at the site; and

(3) the quality and completeness of the information available with respect to the site.

In the period between the date of the enactment of this section and January 1, 1989, the Secretary shall carry out at the sites previously selected for characterization as candidate sites for the first repository such activities as the Secretary determines would provide information useful in making the determination required under this subsection.

"(b)(1) Effective on the date of selection of a preferred site for the repository under subsection (a), the Secretary shall take all those actions required or contemplated under this Act to assure that a repository will be constructed and operated at such site at the earliest practicable date.

"(2) Effective on such date of selection of a preferred site, the Secretary shall suspend work at other sites selected for characterization as candidate sites for the first repository.

"(c) If the Secretary determines that the preferred site for the first repository selected under subsection (a) is not suitable for a repository, the Secretary shall—

"(1) immendiately notify interested States and Indian tribes and Congress of such determination;

"(2) suspend all future benefits payments under this title with respect to such site; and

"(3) within 6 months after such determination select a new site as the preferred site for the first repository from the sites remaining of those considered under subsection (a).

"(d) Effective on the date of selection under this section of any site as the preferred site for the first repository, the State in which the site is located and any affected units of local government shall be eligible to enter into a benefits agreement with the Secretary under section 404.

"(e) Any determination of the Secretary under subsection (a), paragraph (b)(2), or subsection (c) shall be in writing, shall be available to the Congress and the public, and is not subject to judicial review.

"SITING OF MONITORED RETRIEVABLE STORAGE FACILITIES

"SEC. 403. (a)(1) Unless the Secretary selects a site for a monitored retrievable storage facility before January 1, 1989, under subsection (b), the Secretary, consistent with section 141, shall construct and operate, as part of an integrated nuclear waste management system, a monitored retrievable storage facility at either—

"(A) a site on the Clinch River in the Roane County portion of Oak Ridge, Tennessee; or

"(B) a site on the Oak Ridge Federal Reservation in Oak Ridge, Tennessee.

"For purposes of this subsection 'monitored retrievable storage facility' means the facility described in the Department of Energy document entitled 'Monitored Retrievable Storage Submission to Congress, Volume 1, The Proposal, March, 1987'.

"(2) In carrying out this subsection, the Secretary shall implement the monitored retrievable storage proposal and program plan submitted to Congress in March, 1987, except where such proposal or program plan is inconsistent with express provisions of this title.

"(3) Unless the Secretary selects a site for a monitored retrievable storage facility under subsection (b), the State of Tennessee and the affected units of local government in Tennessee are eligible to enter into a benefits agreement with the Secretary under section 404.

"(b)(1) The Secretary may, on or before January 1, 1989, select as the site for a monitored retrievable storage facility under section 141 any site that—

"(A) the Secretary determines to be suitable for a monitored retrievable storage facility; and

"(B)(i) is located in a State where the Governor and the legislature of such State request in writing such selection; or

"(ii) is located on the reservation of an Indian tribe where the governing body of such tribe requests in writing such selection.

"(2) Determinations of the Secretary under paragraph (1) shall be in writing, shall be available to Congress and the public and are not subject to judicial review.

"(3) If the Secretary selects a site for a monitored retrievable storage facility under this subsection, the Secretary, consistent with section 141, shall construct and operate such facility as part of an intergrated nuclear waste management system and in accordance with applicable agreements under this Act affecting such facility.

"(c)(1) The Secretary shall conduct a study of the need for and feasibility of one or more monitored retrievable storage facilities in addition to the facility authorized in this section. The Secretary shall report to Congress on or before June 1, 1989 on the findings of such study.

"(2) If the Secretary determines, on the basis of the study under paragraph (1), that one or more additional monitored retrievable storage facilities are in the public interest and are needed to fulfill the responsibilities of the Secretary under this Act, the Secretary shall notify Congress and potentially interested States and Indian tribes of such determination and shall submit to Congress site-specific proposals for the construction of the needed monitored retrievable storage facilities in accordance with the provisions of section 141 of this Act.

"(d) Effective on the date of selection under subsection (b) of any site as the site for a monitored retrievable storage facility, or the authorization by Congress of one or more sites for monitored retrievable storage facilities under subsection (c), the Indian tribe on whose reservation the site is located, or, in the case that the site is not located on a reservation, the State in which the site is located and any affected units of local government, shall be eligible to enter into a benefits agreement with the Secretary under section 404.

"BENEFITS AGREEMENTS

"SEC. 404. (a)(1) The Secretary may enter into a benefits agreement with a State or an Indian tribe concerning a repository or a monitored retrievable storage facility for the acceptance of high-level radioactive waste or spent nuclear fuel in that State or on the reservation of that tribe, as appropriate. The State or Indian tribe may enter into such an agreement only if the State Attorney General or the chief legal officer of the Indian tribe, as appropriate, certifies to the satisfaction of the Secretary that the laws of the State or Indian tribe provide adequate authority for that entity to enter into the benefits agreement. Any benefits agreement with a State under this section shall be negotiated in consultation with affected units of local government in such State.

"(2) Benefits and payments under this title may be made available only in accordance with a benefits agreements under this section.

"(b) A benefits agreements entered into under subsection (a) may be amended only by the mutual consent of the parties to the agreement and terminated only pursuant to section 407.

"(c) The Secretary shall offer to enter a benefits agreement with the Governor of the State containing the preferred site for the first repository. Any benefits agreement with a State under this subsection shall be negotiated in consultation with any affected units of local government in such State.

"(d) The Secretary shall offer to enter into a benefits agreement relating to a monitored retrievable storage facility—

"(1) unless the Secretary selects a site under section 403(b), with the Governor of the State of Tennessee in consultation with any affected units of local government in Tennessee; and

"(2) if the Secretary selects a site under section 403 (b) or (c), with the governing body of the Indian tribe on whose reservation the site is located, or, if the site is not located on a reservation, with the Governor of the State in which the site is located and in consultation with affected units of local government in such State.

"(e)(1) Only one benefits agreement for a respository under section 402 and only one benefits agreement for a monitored retrievable storage facility under section 403(a) or 403(b) may be in effect at any one time.

"(2) If Congress authorizes one or more additional sites for monitored retrievable storage facilities under section 403(c), then only one benefits agreement for each such additional monitored retrievable storage facility may be in effect at any one time.

"(f) Determinations made by the Secretary under this section are not subject to judicial review.

"CONTENT OF AGREEMENTS

"Sec. 405.(a)(1) In addition to the benefits to which a State, an affected unit of local government or Indian tribe is entitled to under titles I and III, the Secretary shall make payments to such State or Indian tribe that is a party to a benefits agreement under section 404 in accordance with the following schedule:

BENEFITS SCHEDULE

[In millions of dollars]

Event	MRS	Repository
Annual payments prior to first spent fuel receipt	20	50
Upon first spent fuel receipt	50	100
Annual payments after first spent fuel receipt until closure of the facility	50	100

"For purposes of this schedule, "MRS" means a monitored retrievable storage facility, "spent fuel" means high-level radioactive waste or spent nuclear fuel, and "first spent fuel receipt" does not include receipt of spent fuel or high-level radioactive waste for purposes of testing or operational demonstration.

"(2) Annual payments prior to first spent fuel receipt under this section shall be made on the date of execution of the benefits agreement and thereafter on the anniversary date of such execution. Annual payments after first spent fuel receipt until closure of the facility shall be made on the anniversary date of first spent fuel receipt.

"(3) If the first spent fuel payment under this section is made within six months after the last annual payment prior to receipt of spent fuel, the first spent fuel payment shall be reduced by an amount equal to ½ of such annual payment for each full month less than six that has not elapsed since the last annual payment.

"(4) Notwithstanding paragraph (1), (2) or (3)—

"(A) no payments under this section may be made before January 1, 1989, and any payment due under this title before January 1, 1989, shall be made on or after such date; and

"(B) the cumulative total of payments under this section with respect to any monitored retrievable storage facility that has not begun operation may not exceed $200 million.

"(5) Except as provided in this section, the Secretary may not restrict the purposes for which the payments under this section may be used.

"(6) Any State receiving a payment under this section shall transfer not less than one-third portion of such payment to affected units of local government. A plan for this transfer and appropriate allocation of such portion among such governments shall be included in the benefits agreement under section 404 covering such payments. In the event of a dispute concerning such plan, the Secretary shall resolve such dispute, consistent with this Act and applicable State law.

"(b) A benefits agreement under section 404 shall provide that—

"(1) a Review Panel be established under section 406;

"(2) the State or Indian tribe waive its rights under title I to disapprove a recommendation of its site for application for a facility construction authorization;

"(3) the parties to the agreement shall share with one another information relevant to the licensing process for the repository or monitored retrievable storage facility, as it becomes available; and

"(4) the State or Indian tribe participate in the design of the repository or monitored retrievable storage facility and in the preparation of documents required under law or regulation governing the effects of the facility on the public health and safety.

"(c) The Secretary shall make payments to the States or affected Indian tribes under this section from the Nuclear Waste Fund established by section 302(c). The signature of the Secretary on a valid benefits agreement under section 404 shall constitute a commitment by the United States to make payments in accordance with such agreement.

"REVIEW PANEL

"SEC. 406. (a) The Review Panel required to be established by section 405(b)(1) of this Act shall consist of a Chairman selected by the Secretary in consultation with the Governor of the State or governing body of the Indian tribe, as appropriate, and six other members as follows:

"(1) two members selected by the Governor of the State or governing body of the Indian tribe;

"(2) two members selected by units of general local government affected by the repository or monitored retrievable storage facility;

"(3) one member to represent persons making payments into the Nuclear Waste Fund, to be selected by the Secretary; and

"(4) one member to represent other public interest, to be selected by the Secretary.

"(b)(1) The members of the Review Panel shall serve for terms of four years each and, other than full-time employees of the Federal Government, shall receive a per diem compensation for each day spent in meetings or conferences, or other work of the Review Panel, including their necessary travel or other expenses while engaged in the work of the Review Panel.

"(2) Expenses of the panel shall be paid by the Secretary from the Nuclear Waste Fund.

"(c) The duties of the Review Panel are to—

"(1) advise the Secretary on matters relating to the proposed repository or monitored retrievable storage facility, including issues relating to design, construction, operation, and decommissioning of the facility;

"(2) evaluate performance, as it considers appropriate;

"(3) recommend corrective actions to the Secretary;

"(4) assist in the presentation of State or affected Indian tribe and local perspectives to the Secretary; and

"(5) participate in the planning for and the review of preoperational data on environmental, demographic, and socioeconomic conditions of the site and the local community.

"(d) The Secretary shall make available promptly any information in the Secretary's possession requested by the Panel or its Chairman.

"(e) The requirements of the Federal Advisory Committee Act do not apply to a Review Panel established under this title.

"SITING A SECOND REPOSITORY

"SEC. 407. (a) While there are in effect benefits agreements under this title with respect to a monitored retrievable storage facility and a first repository, the Secretary may not conduct site-specific activities with respect to a second repository unless Congress has specifically authorized and appropriated funds for such activities.

"(b)(1) Notwithstanding section 112(b)(1)(C), the Secretary is not required to nominate sites for a second repository or to recommend to the President sites for a second repository.

"(2) Notwithstanding section 114(a)(2), the President is not required to submit to Congress a recommendation of a site for a second repository.

"(c) The Secretary shall report to the President and to Congress on or after January 1, 2007, but not later than January 1, 2010, on the need for a second repository.

"TERMINATION

"SEC. 408. (a) The Secretary may terminate a benefits agreement under this title if—

"(1) the site under consideration is disqualified for its failure to comply with guidelines and technical requirements established by the Secretary in accordance with this Act; or

"(2) the Secretary determines that the Commission cannot license the facility within a reasonable time.

"Determinations of the Secretary under this subsection shall be in writing, shall be available to Congress and the public and are not subject to judicial review.

"(b) A State or Indian tribe may terminate a benefits agreement under this title only if the Secretary disqualifies the site under consideration for its failure to comply with technical requirements established by the Secretry in accordance with this Act or the Secretary determines that the Commission cannot license the facility within a reasonable time.

"MISCELLANEOUS PROVISIONS

"SEC. 409. (a) This title does not affect the provisions of titles I and III of this Act except to establish an alternative procedure for the characterization and development of repositories and the siting of monitored retrievable storage facilities.

"(b) The powers and duties of the Secretary under this Act are not affected by this title except as expressly stated in the title.

"(c) In implementing the authorities contained in this title, the National Environmental Policy Act of 1969 shall not apply.

"(d) Notwithstanding subsections (a) and (c), the requirements of title I with respect to the National Environmental Policy Act of 1969 shall apply to a repository or monitored retrievable storage facility covered by a benefits agreement under section 404, except that the provisions of the fourth and fifth sentences of section 114(f) of this Act requiring consideration of 3 sites for purposes of complying with the requirements of the National Environmental Policy Act of 1969 shall not apply.

"AUTHORIZATION OF APPROPRIATIONS

SEC. 410. For activities under the Nuclear Waste Policy Act of 1982—

"(a) in fiscal year 1988, no more than $435,000,000;

"(b) in fiscal year 1989, no more than $688,000,000; and

"(c) in fiscal year 1990, no more than $630,000,000."

SEC. 3. The Table of Contents of the Nuclear Waste Policy Act of 1982 is amended by adding the following at the end:

"TITLE IV—PROGRAM REDIRECTION

"Sec. 401. Findings, Purpose and Definitions.
"Sec. 402. First Repository Site Characterization.
"Sec. 403. Siting of Monitored Retrievable Storage Facilities.
"Sec. 404. Benefits Agreements.
"Sec. 405. Content of Agreements.
"Sec. 406. Review Panel.
"Sec. 407. Siting a Second Repository.
"Sec. 408. Termination.
"Sec. 409. Miscellaneous Provisions.
"Sec. 410 Authorization of Appropriations."●

● Mr. McCLURE. Mr. President, I am pleased to join my colleague, Senator JOHNSTON, in cosponsorship of the bill we are introducing today concerning the future of our Nuclear Waste Disposal Program.

A lot of uncertainty has been created regarding implementation of the Nuclear Waste Policy Act since it was enacted in 1982. The disruptions all started with the Department's indefinite postponement of second repository site selection work, which served to shift the entire burden of waste disposal to the West.

So far, the proposals that have been offered to restore the balance have, in my mind, only served to further polarize the issues and pit East against West. I am especially dismayed that some Members of Congress would have us totally abandon the act, while we study the problem yet again, and defer to some future Congress efforts to translate the study results into new legislation. This is no solution—such sheer cowardice would be unconscionable.

No matter how far we retreat, we will, at some point, find ourselves in the position we are in now, with criticisms of foul play, attempts by some States to get off the hook, allegations of technical and managerial incompetence, and every other political ploy in the book.

The bill we are introducing today is the only bill that doesn't further polarize the process. Rather, it restores balance, fairness, and credibility to the process. It allows first repository work to proceed, which I believe must happen, to preserve the investment of time and money, and to prove finally, one way or another, whether a site is truly suitable for acceptance of waste. I have not heard any experts declare that we should not move forward in this effort.

At the same time, this bill authorizes a monitored retrievable storage facility to be built either at the preferred site chosen by the Department, or at any suitable site offered by an interested State.

Furthermore, the bill contains incentives that States and localities properly deserve if they are to take on the responsibility for storage or disposal of nuclear waste. It also provides for the establishment of review panels to oversee and advise the Department of Energy in its siting and construction activities for a repository or a storage facility.

Finally, the bill recognizes, as did the original act, that Congress will have to deal with a decision on a second repository at some point. This bill would require that the Secretary report to Congress by the year 2010, not the present 1990 deadline, on the need for a second repository.

If this bill is enacted, we will be able to build on the solid foundation of the original act. If, instead, we simply avoid dealing with the problem and allow the present program to limp along as it has over the past year or 2, or worse yet, if we slap a moratorium on the entire program while Congress regurgitates, then we may never again find the will to deal with this national problem in a responsible manner.●

By Mr. HEFLIN:

S. 1482. A bill to amend title 18 and title 28, United States Code, to make certain improvements with respect to the Federal judiciary, and for other purposes; to the Committee on the Judiciary.

JUDICIAL BRANCH IMPROVEMENT ACT

● Mr. HEFLIN. Mr. President, today I am introducing, at the request of the Judicial Conference of the United States, a bill entitled "the Judicial Branch Improvements Act of 1987." This bill represents a number of positions taken by the Judicial Conference over recent years that affect the administration of the Federal courts. The Judicial Conference is the policymaking body of the judicial branch of government and the positions taken in this bill are the result of deliberations of the various committees and subcommittees of the conference, and final adoption by the conference of a position.

I would generally characterize the bill as a "housekeeping" bill and one that makes a series of noncontroversial amendments designed to improve court administration. However, the bill also contains provisions such as in title I—mandatory jurisdiction of the Supreme Court—that are of great importance and upon which it will be necessary to seek comment from the bench and bar.

I am introducing this bill on behalf of the Judicial Conference and as a courtesy to the judicial branch. I agree with many of the provisions in the bill, but other portions of the bill are sufficiently far sweeping and complex that I would prefer the benefit of hearings before I commit to supporting the entire bill.

I ask unanimous consent that the letter of transmittal from the Director of the Administrative Office of the United States, the text of the bill and the section-by-section analysis be printed in the RECORD.

Thank you, Mr. President.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1482

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Judicial Branch Improvements Act of 1987".

TITLE I—MANDATORY JURISDICTION OF THE SUPREME COURT

SHORT TITLE

SEC. 101. This title may be cited as the "Supreme Court Mandatory Appellate Jurisdiction Reform Act of 1987".

REVIEW OF DECISIONS INVALIDATING ACTS OF CONGRESS

SEC. 102. Section 1252 of title 28, United States Code, and the item relating to that section in the section analysis of chapter 81 of such title, are repealed.

REVIEW OF DECISIONS INVALIDATING STATE STATUTES

SEC. 103. (a) Section 1254 of title 28, United States Code, is amended by striking out paragraph (2) and redesignating paragraph (3) as paragraph (2).

(b) The section heading for section 1254 of such title is amended by striking out "appeal;".

(c) The item relating to section 1254 in the section analysis of chapter 81 of title 28, United States Code, is amended by striking out "appeal;".

REVIEW OF STATE COURT DECISIONS INVOLVING VALIDITY OF STATUTES

SEC. 104. Section 1257 of title 28, United States Code, is amended to read as follows:

"§ 1257. State courts; certiorari

"(a) Final judgments or decrees rendered by the highest court of a State in which a decision could be had may be reviewed by the Supreme Court by writ of certiorari where the validity of a treaty or statute of the United States is drawn in question or where the validity of a statute of any State is drawn in question on the ground of its being repugnant to the Constitution, treaties, or laws of the United States, or where any title, right, privilege, or immunity is specially set up or claimed under the Constitution or the treaties or statutes of, or any commission held or authority exercised under, the United States.

"(b) For the purposes of this section, the term 'highest court of a State' includes the District of Columbia Court of Appeals.".

REVIEW OF DECISIONS FROM SUPREME COURT OF PUERTO RICO

SEC. 105. Section 1258 of title 28, United States Code, is amended to read as follows:

"§ 1258. Supreme Court of Puerto Rico; certiorari

"Final judgments or decrees rendered by the Supreme Court of the Commonwealth of Puerto Rico may be reviewed by the Supreme Court by writ of certiorari where the validity of a treaty or statute of the United States is drawn in question or where the validity of a statute of the Commonwealth of Puerto Rico or of any State is drawn in question on the ground of its being repugnant to the Constitution, treaties, or laws of the United States, or where any title, right, privilege, or immunity is specially set up or claimed under the Constitution or the treaties or statutes of, or any commission held or authority exercised under, the United States.".

CONFORMING AMENDMENTS

SEC. 106. (a) The items relating to sections 1257 and 1258 in the section analysis of chapter 81 of title 28, United States Code, are amended to read as follows:

"1257. State courts; certiorari.

"1258. Supreme Court of Puerto Rico; certiorari.".

(b) Section 2101(a) of title 28, United States Code, is amended by striking out "sections 1252, 1253 and 2282" and inserting in lieu thereof "section 1253".

(c) Section 2103 of title 28, United States Code, is repealed.

(d)(1) Section 2104 of title 28, United States Code, is amended to read as follows:

"§ 2104. Review of State court decisions

"A review by the Supreme Court of a judgment or decree of a State court shall be conducted in the same manner and under the same regulations, and shall have the same effect, as if the judgment or decree reviewed had been rendered in a court of the United States.".

(2) The item relating to section 2104 in the section analysis of chapter 133 of title 28, United States Code, is amended to read as follows:

"2104. Review of State court decisions.".

(e) Section 2350(b) of title 28, United States Code, is amended by striking out "1254(3)" and inserting in lieu thereof "1254(2)".

AMENDMENTS TO OTHER LAWS

SEC. 107. (a) Section 310 of the Federal Election Campaign Act (2 U.S.C. 437h) is amended by repealing subsection (b).

(b) Section 2 of the Act of February 11, 1903, commonly known as the Expediting Act (15 U.S.C. 29), as amended, is amended—

(1) by striking out "(a)" immediately before "Except"; and

(2) by repealing subsection (b).

(c) The last sentence of section 203(d) of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1652(d)) is amended to read as follows: "An interlocutory or final judgment, decree, or order of such district court may be reviewed only upon petition for a writ of certiorari to the Supreme Court of the United States.".

(d) Section 209(e)(3) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 719(e)(3)) is amended—

(1) in the first sentence by striking out ", except that" and all that follows through the end of the sentence and inserting in lieu thereof a period; and

(2) in the second sentence by striking out "petition or appeal shall be filed" and inserting in lieu thereof "such petition shall be filed in the Supreme Court".

(e) Section 303(d) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743(d)) is amended to read as follows:

"(d) REVIEW.—A finding or determination entered by the special court pursuant to subsection (c) of this section or section 306 of this title shall be reviewable only upon petition for a writ of certiorari to the Supreme Court of the United States. Such review is exclusive, and any such petition shall be filed in the Supreme Court not more than 20 days after entry of such finding or determination.".

(f) Section 1152(b) of the Omnibus Budget Reconcilation Act of 1981 (45 U.S.C. 1105(b)) is amended—

(1) in the first sentence by striking out ", except that" and all that follows through the end of the sentence and inserting in lieu thereof a period; and

(2) in the second sentence by striking out "petition or appeal shall be filed" and inserting in lieu thereof "such petition shall be filed in the Supreme Court".

(g) Section 206 of the International Claims Settlement Act of 1949 (22 U.S.C. 1631e) is amended by striking out "1252, 1254, 1291," and inserting in lieu thereof "1291".

(h) Section 12(a) of the Act of May 13, 1954, commonly known as the Saint Lawrence Seaway Act (33 U.S.C. 988(a)), is amended by striking out "1254(3)" and inserting in lieu thereof "1254(2)".

(i) Section 25(a)(4)(E) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w(a)(4)(E)) is repealed.

(j) Section 21(f)) of the Federal Trade Commission Improvements Act of 1980 (15 U.S.C. 57a-1(f)) is repealed.

(k) Section 12(e) of the Coastal Zone Management Improvement Act of 1980 (16 U.S.C. 1463a(e)) is repealed.

EFFECTIVE DATE

SEC. 108. The amendments made by this title shall take effect ninety days after the date of the enactment of this Act, except that such amendments shall not apply to cases pending in the Supreme Court on the effective date of such amendments or affect the right to review or the manner of reviewing the judgment or decree of a court which was entered before such effective date.

TITLE II—JURY SELECTION AND SERVICE AMENDMENTS

SHORT TITLE

SEC. 201. This title may be cited as the "Jury System Improvements Act of 1987."

EXCUSE OF JURORS

SEC. 202. Section 1866(c)(1) of title 28, United States Code, is amended to read as follows: "(1) excused by the court, or by the clerk under supervision of the court if the court's jury selection plan so authorizes, upon a showing of undue hardship or extreme inconvenience, for such period as the court deems necessary, at the conclusion of which such person either shall be summoned again for jury service under subsections (b) and (c) of this section, or, if the court's jury selection plan so provides, the name of such person shall be reinserted into the qualified jury wheel for selection pursuant to subsection (a) of this section,".

JURY SELECTION PLAN AMENDMENTS

SEC. 203. Section 1863(b) of title 28, United States Code, is amended by—

(1) striking out the words "or clerk" in paragraph (3) and inserting in lieu thereof ", clerk or other persons authorized by the court"; and

(2) amending paragraph (6) to read as follows:

"(6) specify that the following persons are bared from jury service on the ground that they are exempt: (i) members in active service in the Armed Forces of the United States; (ii) members of the fire or police departments of any State, district, territory, possession, or subdivision thereof; (iii) public officers in the executive, legislative, or judicial branches of the Government of the United States, or any State, district, territory, or possession or subdivision thereof, who are actively engaged in the performance of official duties.".

MASTER JURY WHEEL AMENDMENT

SEC. 204. the second sentence of section 1864(a) of title 28, United States Code, is amended to read as follows: "The clerk or jury commission shall possess the capability to prepare upon order of the court an alphabetical list of the names drawn from the master jury wheel. Any list so prepared shall not be disclosed to any person except pursuant to the district court plan and to section 1867 and 1868 of this title.".

TECHNICAL AMENDMENT

SEC. 205. The second sentence of section 1865(a) of title 28, United States Code, is amended by deleting the words "the alphabetical" and inserting in lieu thereof the following, "in any alphabetical".

EXPERIMENTAL JURY SELECTION PROCEDURES

SEC. 206. (a) Chapter 121 of title 28, United States Code, is amended by adding at the end thereof the following section:

"§ 1878. Experimental use of new jury selection procedures

"(a) The Judicial Conference of the United States is authorized to permit district courts to experiment with new jury selection procedures, notwithstanding that such new procedures may be inconsistent with the provisions of this chapter. No such experiment shall be authorized, however, unless the Judicial Conference certifies that the experiment will not violate the policies and objectives set forth in sections 1861 and 1862 of this title, and no such experiment may be conducted for a period of longer than two years. The Judicial Conference must specify the exact number of district courts to participate in an experiment, but in no event shall the number of courts participating in any one experiment exceed ten. The Conference shall terminate any experiment immediately upon determining that the policies and objectives of section 1861 and 1862 are being violated, or whenever in its judgment good cause for such termination exists. Permanent implementation of any experiment may be effectuated only through an amendment to chapter 121 of this title.

"(b) No challenge under section 1867 of this title shall lie on the basis that a jury was selected in accordance with an experiment conducted pursuant to this section.".

(b) The chapter analysis of chapter 121 of title 28, United States Code, is amended by inserting at the end thereof, "1878. Experimental use of new jury selection procedures.".

EFFECTIVE DATE

SEC. 207. This title and the amendments made by this title shall take effect on the date of enactment of this Act.

TITLE III—COURT-ANNEXED ARBITRATION

SHORT TITLE

SEC. 301. This title may be cited as "The Court-annexed Arbitration Act of 1987".

AMENDMENT TO AUTHORIZE COURT-ANNEXED ARBITRATION

SEC. 302. Title, United States Code, is amended by—

(a) adding after chapter 175 the following new chapter

"CHAPTER 177—ARBITRATION

"Sec.

"3101. Establishment of an arbitration program.

"3101. Establishment of an arbitration program.

"A program of court-annexed arbitration may be established, on an experimental basis, in each judicial district by local rule with the approval of the judicial council of the circuit.".

(b) amending the chapter analysis for Part VI by adding the following:

"177. Arbitration.................................. 3101".

JUDICIAL CONFERENCE MODEL PROCEDURES

SEC. 303. The Judicial Conference of the United States may develop model procedures for the conduct of arbitration proceedings under this title.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 304. There are authorized to be appropriated to the judicial branch of Government such sums as may be necessary to carry out the provisions of this title. Such sums are to remain available until expended.

EFFECTIVE DATE

SEC. 305. The amendment made by this title shall take effect on the date of enactment of this Act.

TITLE IV—DISTRICT COURT EXECUTIVE

SHORT TITLE

SEC. 401. This title may be cited as the "District Court Executive Act of 1987".

DISTRICT COURT EXECUTIVE

SEC. 402. Chapter 49 of title 28, United States Code, is amended by redesignating section 756 as section 757 and inserting the following new section 756:

§ 756. District Court Executive

"(a) Each district court with eight district judgeships or more may, with the approval of the judicial council of the circuit, appoint a district court executive. The district court executive shall serve at the pleasure of the court.

"(b) A district court executive shall be certified as qualified by the Board of Certification provided by section 332(f) of this title before being appointed under this section.

"(c) The district court executive shall exercise, under the general supervision of the chief judge, such administrative powers and perform such duties as may be delegated to him by the district court, which may include, but need not be limited to:

"(1) Arranging and attending meetings, preparing agendas, and serving as secretariat to ad hoc or standing committees of the judges established for the administration of specific programs or to resolve procedural or policy issues.

"(2) Implementing and insuring compliance with any rules, regulations, or order of the court.

"(3) Reviewing and recommending changes in the local rules, the Jury Selection and Service Act plan, the Speedy Trial plan, the plan for representation of persons under the Criminal Justice Act, and other internal operating plans of the court.

"(4) Serving as public relations officer and representing the court as its liaison to the courts of the State, Bar associations, civic groups, the news media, and other public and private groups having an interest in the administration of the court.

"(5) Administering the court's personnel system in accordance with the Judiciary Salary Plan and rules and regulations promulgated by the Judicial Conference of the United States.

"(6) Serving as the court's equal employment opportunity coordinator and being responsible for supervising the processing of any discrimination complaints and grievances by court personnel.

"(7) Developing and implementing training programs for court personnel in conjunction with seminars and other education programs conducted under the auspices of the Federal Judicial Center.

"(8) Supervising court reporters and court interpreters and arranging for contractual services as necessary, subject to the approval of the Judicial Council and under such terms and conditions as may be prescribed by the Judicial Conference of the United States.

"(9) Formulating the annual budget of the court for submission to the Administrative Office and the appropriate committees of the Judicial Conference and reviewing and evaluating requests for additional personnel from each of the organizational units of the court to ensure compliance with standards adopted by the Judicial Conference.

"(10) Establishing and maintaining a space management program to ensure maximum utilization of courtrooms and other facilities and serving as liaison officer with the General Services Administration (GSA) and the Administrative Offices with respect to the acquisition of additional space and processing of work authorizations for tenant alterations and other reimbursable services by GSA.

"(11) Assisting in the formulation of the court's security program.

"(12) Serving as the court's furniture liaison officer and being responsible for the apportionment and allocation of funds made available for that purpose.

"(13) Establishing and maintaining property control records and processing requests for general office equipment, lawbooks, and other accountable property.

"(14) Administering the program for the admission of attorneys to the Bar and any disciplinary procedures that may be adopted by the court and maintaining a roster and arranging for dissemination of the local rules, opinions, and other material of interest to the Bar.

"(15) Conducting studies relating to the business and administration of the court and preparing appropriate recommendations and reports for the chief judge.

"(16) Performing such other duties as may be assigned by the court and the chief judge.

"(d) Each district court executive shall be paid at a salary to be established by the Judicial Conference of the United States not to exceed the annual rate of level V of the Executive Schedule (5 U.S.C. § 5316).

"(e) The district court executive may appoint, with the approval of the district court, necessary employees in such numbers as may be approved by the Director of the Administrative Office of the United States Courts. The district court executive and his staff shall be deemed to be officers and employees of the judicial branch of the United States Government within the meaning of subchapter III of chapter 83 (relating to Civil Service Retirement), chapter 84 (relating to the Federal Employees' Retirement System), chapter 87 (relating to Federal employees' life insurance), and chapter 89 (relating to Federal employees' health benefits) of title 5, United States Code.".

SECTION ANALYSIS

SEC. 403. The table of sections of chapter 49 of title 28, United States Code, is amended by deleting the item relating to section 756 and by inserting in lieu thereof new items as follows:

"756. District Court Executive.
"757. Power to appoint.".

EFFECTIVE DATE

SEC. 404. This title and the amendments made by this title shall take effect on the first day of the fiscal year immediately following the date of enactment of this Act.

TITLE V—FEDERAL JUDICIAL CENTER AMENDMENTS

PART A.—FEDERAL JUDICIAL CENTER FOUNDATION

SHORT TITLE

SEC. 501. This Part may be cited as the "Federal Judicial Center Foundation Act of 1987".

FEDERAL JUDICIAL CENTER FOUNDATION

SEC. 502. Chapter 42 of title 28, United States Code, is hereby amended by adding at the end thereof the following new section:

"§ 629. Federal Judicial Center Foundation

"(a) There is established a private nonprofit corporation which shall be known as the Federal Judicial Center Foundation (the "Foundation") and which shall be incorporated in the District of Columbia. The purpose of the Foundation shall be to have sole authority to accept and receive gifts of property, both real and personal, and services made for the purpose of aiding or facilitating the work of the Center. The Foundation shall not accept conditional or otherwise restricted gifts: *Provided, however*, that gifts that are designated for the support of specific projects previously approved by the Board of the Center may be accepted. The Foundation shall have no authority to administer or otherwise determine the use of gifts accepted pursuant to the authority granted in this section.

"(b) The business of the Foundation shall be conducted by a Board that shall have seven members, including a chairman. Three members, including the chairman, shall be appointed by the Chief Justice of the United States, two by the President Pro Tempore of the Senate and two by the Speaker of the House of Representatives. Terms of office shall be five years, except that the initial terms shall be five years for the Chairman, one member appointed by the President Pro Tempore and one member appointed by the Speaker, three years for the other member appointed by the President Pro Tempore and the other member appointed by the Speaker, and two years for the two other members appointed by the Chief Justice. Members of the Board shall serve without compensation, but, upon authorization of the Director of the Center, shall be reimbursed by the Center for actual and necessary expenses incurred in the performance of their official duties. No person who is a Federal or State judge, in regular active service or otherwise eligible to perform judicial duties, shall be eligible for membership on the Board. The Center shall provide all administrative support and facilities necessary to the operation of the Board.

"(c) The Center is hereby authorized to administer and utilize gifts received by the Foundation under the authority granted in this section. Subject only to the condition that gifts will be used to further Center goals, the Board of the Center shall have sole authority to determine the manner in which gifts shall be used.

"(d) Gifts of money and proceeds from sales of other property received as gifts shall be deposited in a separate fund in the Treasury of the United States and disbursed on the order of the Director of the Center, in accordance with policies established by the Board of the Center.

"(e) The Board of the Foundation shall prepare an annual report to the Committees on the Judiciary of the United States Senate and House of Representatives with respect to gifts received during the year covered by the report under the authority granted in this section, including the source of each such gift, the amount of each gift of cash or cash equivalent and a description of each other gift. The Center shall include in its annual report of the activities of the Center a description of the purposes for which gifts or gift funds were used during the year covered by the report.

"(f) For the purpose of Federal income, estate and gift taxes, property accepted under the authority granted in this section shall be considered as a gift or bequest to or for the use of the United States."

SECTION ANALYSIS

SEC. 503. The table of sections of chapter 42 of title 28, United States Code, is amended by deleting the item relating to section 629 and inserting in lieu thereof:

"629. Federal Judicial Center Foundation.".

EFFECTIVE DATE

SEC. 504. The amendment made by this Part shall take effect on the date of enactment of this Act.

PART B—HISTORY PROGRAM IN THE JUDICIAL BRANCH

DUTIES OF THE BOARD

SEC. 510. Section 623(a) of title 28, United States Code, is amended—

(1) by deleting "and" at the end of paragraph (5);

(2) by deleting the period at the end of paragraph (6);

(3) by adding "; and" at the end of paragraph (6); and

(4) by adding new paragraph (7) as follows:

"(7) conduct, coordinate, and encourage programs to collect, preserve, and make available materials relating to the history of the judicial branch of the United States government.".

EFFECTIVE DATE

SEC. 511. The amendments made by this Part shall take effect on the date of enactment of this Act.

PART C—TRAINING FOR NON-GOVERNMENTAL EMPLOYEES

FUNCTIONS OF THE FEDERAL JUDICIAL CENTER

SEC. 520. Section 620(b)(3) of title 28, United States Code, is amended to read as follows:

"(3) to stimulate, create, develop, and conduct programs of continuing education and training for personnel of the judicial branch of the government and other persons whose participation in such programs would improve the operation of the judicial branch, including, but not limited to, judges, United States magistrates, clerks of court, probation officers, and persons serving as mediators and arbitrators;".

EFFECTIVE DATE

SEC. 521. The amendments made by this Part shall take effect on the date of enactment of this Act.

PART D—POWERS OF THE BOARD AND COMPENSATION OF THE DEPUTY DIRECTOR

APPOINTMENT OF THE DEPUTY DIRECTOR

SEC. 531. Section 624 of title 28, United States Code, relating to powers of the Board of the Federal Judicial Center, is amended in paragraph (1) by inserting "and the Deputy Director" after "Director".

COMPENSATION OF THE DEPUTY DIRECTOR

SEC. 532. Chapter 42 of title 28, United States Code, is amended by—

(1) adding a new sentence at the end of section 626 as follows: "The compensation of the Deputy Director of the Federal Judicial Center shall be the same as that of the Deputy Director of the Administrative Office.";

(2) by amending the section title to section 626 to read "Compensation of the Director and Deputy Director"; and

(3) by amending the item relating to section 626 in the section analysis of chapter 42 of title 28, United States Code, to read as follows:

"626. Compensation of the Director and Deputy Director.".

EFFECTIVE DATE

SEC. 533. The amendments made by this Part shall be effective on the date of enactment of this Act.

TITLE VI—MISCELLANEOUS PROVISIONS

DIVISIONAL VENUE IN CIVIL CASES

SEC. 601. (a) REPEAL OF 28 U.S.C. § 1393.—Section 1393 of title 28, United States Code, which provides for divisional venue in civil cases, is repealed.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect 90 days after the date of enactment of this Act.

REGISTRATION OF FOREIGN JUDGMENTS

SEC. 602. (a) AMENDMENTS TO 28 U.S.C. §§ 1963 AND 1963A.—Chapter 125 of title 28, United States Code, is amended—

(1) by amending the first sentence of section 1963 to read: "A judgment in an action for the recovery of money or property entered in any district court or in the Court of International Trade may be registered by filing a certified copy of such judgment in any other district, or with respect to the Court of International Trade in any judicial district, when the judgment has become final by appeal or expiration of the time for appeal or when ordered by the court that entered the judgment for good cause shown.";

(2) by repealing section 1963A;

(3) by amending the title to section 1963 to read "Registration of judgments of the district courts and the Court of International Trade"; and

(4) by amending the chapter analysis relating to sections 1963 and 1963A to read—

"1963. Registration of judgments of the district courts and the Court of International Trade.
"[1963A. Repealed.]".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect 90 days after the date of enactment of this Act.

DIVERSITY IN CASES INVOLVING REPRESENTATIVE PARTIES

SEC. 603. (a) AMENDMENT TO 28 U.S.C. § 1332.—Section 1332(c) of title 28, United States Code, is amended to read as follows:

"(c) For the purposes of this section and section 1441 of this title—

"(1) a corporation shall be deemed a citizen of any State by which it has been incorporated and of the State where it has its principal place of business: *Provided further,* That in any direct action against the insurer of a policy or contract of liability insurance, whether incorporated or unincorporated, to which action the insured is not joined as a party-defendant, such insurer shall be deemed a citizen of the State of which the insured is a citizen, as well as of any State by which the insurer has been incorporated and of the State where it has its principal place of business; and

"(2) the legal representative of the estate of a decedent shall be deemed to be a citizen only of the same State as the decedent, and the legal representative of an infant or incompetent shall be deemed to be a citizen only of the same State as the infant or incompetent.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to claims in civil actions commenced in or removed to the United States district courts on or after the 90th day after the date of enactment of this Act.

BANKRUPTCY JUDGE, MAGISTRATE AND LAW CLERK EXEMPTION FROM FEDERAL LEAVE ACT

SEC. 604. (a) AMENDMENTS TO 28 U.S.C. §§ 153, 156, 631, 634, 712, 752, AND 794.—Title 28, United States Code, is amended—

(1) by adding a new subsection (d) to section 153 as follows:

"(d) A bankruptcy judge appointed under this chapter shall be exempt from the provisions of subchapter I of chapter 63 of title 5, United States Code.";

(2) by adding a new subsection (1) to section 631 as follows:

"(1) A United States magistrate appointed under this chapter shall be exempt from the provisions of subchapter I of chapter 63 of title 5, United States Code.";

(3) by adding at the end thereof the following sentence to sections 156(a), 712, 752 and 794:

"A law clerk appointed under this section shall be exempt from the provisions of subchapter I of chapter 63 of title 5, United States Code."; and

(4) by adding at the end thereof the following sentence to section 634(c): "A legal assistant appointed under this section shall be exempt from the provisions of subchapter I of chapter 63 of title 5, United States Code.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

COST-OF-LIVING ADJUSTMENT OF ANNUITIES PAYABLE UNDER 28 U.S.C. §§ 611 AND 627

SEC. 605. (a) AMENDMENTS TO 28 U.S.C. §§ 611 AND 627.—Sections 611 and 627 of title 28, United States Code, are amended by adding at the end thereof a new paragraph denominated as sections 611(e) and 627(f), respectively, reading as follows:

"Each annuity payable under this section shall be increased by the same percentage amount and effective on the same date as annuities payable under chapter 83 of title 5, United States Code, are increased as provided by 5 U.S.C. § 8340.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to cost-of-living increases that go into effect on or after the date of enactment of this Act with respect to any annuity being paid or becoming payable on or after such date.

MILITARY RETIREMENT PAY FOR SENIOR OR RETIRED JUDGES

SEC. 606. (a) AMENDMENTS TO 28 U.S.C. § 371.—Section 371 of title 28, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding subsection (c) of section 5532 of title 5, United States Code, if a regular or reserve member or former member of a uniformed service who is receiving retired or retainer pay becomes employed as a justice or judge of the United States, as defined by section 451 of title 28, or becomes eligible therefor while so employed, such retired or retainer pay shall not be paid during regular active service as a justice or judge, but shall be resumed or commenced without reduction upon retirement from the judicial office or from regular active service (into senior status) as such justice or judge.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to a justice or judge who retires, or has retired, from the judicial office or from regular active service (into senior status) as such justice or judge of the United States on or after the effective date of section 5532(c) of title 5, United States Code, and to whom section 5532(c) would otherwise be applicable.

CERTIFICATE OF PROBABLE CAUSE UNDER 28 U.S.C. SECTION 2255

SEC. 607. (a) AMENDMENTS TO 28 U.S.C. § 2255 AND FEDERAL RULES OF APPELLATE PROCEDURE.—Section 2255 of title 28, United States Code, is amended by adding the following new sentence to the end of the sixth paragraph thereof: "An appeal may not be taken from such order unless the justice or judge who rendered the order, or a circuit justice or judge, issues a certificate of probable cause.".

(b) Rule 22 of the Federal Rules of Appellate Procedure is amended by—

(1) striking the division title and inserting in lieu thereof "Rule 22. Habeas Corpus and Section 2255 Proceedings";

(2) inserting "and in a motion proceeding pursuant to section 2255 of title 28, United States Code," after "State court," in the first sentence in subdivision (b); and

(3) deleting "for the writ" in the fourth sentence of subdivision (b).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to section 2255 proceedings commenced in the United States district courts on or after the 90th day after the date of enactment of this Act.

EXHAUSTION OF STATE REMEDIES UNDER 28 U.S.C. SECTION 2254

SEC. 608. (a) AMENDMENT TO 28 U.S.C. § 2254.—Section 2254(b) of title 28, United States Code, is amended by adding the following new sentence to the end thereof;

"An application may be denied on the merits notwithstanding the failure of the applicant to exhaust the remedies available in the courts of the State.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect 90 days after the date of enactment of this Act.

AMENDMENTS TO CONFORM 28 U.S.C. SECTIONS 611 AND 627 TO THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM ACT OF 1986

SEC. 609. (a) AMENDMENTS TO 28 U.S.C. §§ 611 AND 627.—Title 28 of the United States Code is amended by—

(1) amending section 611(a) to read as follows:

"The Director may, by written election filed with the Chief Justice of the United States within six months after the date on which he takes office, waive coverage under 5 U.S.C. chapter 83, subchapter III (the Civil Service Retirement System) or 5 U.S.C. chapter 84 (the Federal Employees' Retirement System), whichever is applicable, and bring himself within the purview of this section. A Director who elects coverage under this section shall be deemed an 'employee' for purposes of 5 U.S.C. chapter 84, subchapter III, regardless of whether he has waived the coverage of chapter 83, subchapter III, or chapter 84. Waiver of coverage under chapter 83, subchapter III, and election of this section shall not operate to foreclose to the Director, upon separation for service other than by retirement, such opportunity as the law may provide to secure retirement credit under chapter 83 for service as Director by depositing with interest the amount required by 5 U.S.C. § 8334. A Director who waives coverage under chapter 84 and elects this section may secure retirement credit under chapter 84 for service as Director by depositing with interest 1.3 percent of basic pay for service from January 1, 1984 through December 31, 1986, and the amount referred to in 5 U.S.C. § 8422(a) for service after December 31, 1986. Interest shall be computed under 5 U.S.C. § 8334(e)."; and

(2) Amending section 627(b) following the words "*Provided, however,*" to read as follows:

"That the Director, upon written notice filed with the Director of the Administrative Office of the United States Courts within six months after the date on which he takes office, may waive coverage under 5 U.S.C. chapter 83, subchapter III (the Civil Service Retirement System) or 5 U.S.C. chapter 84 (the Federal Employees' Retirement System), whichever is applicable, and elect coverage under the retirement and disability provisions of this section. A Director who elects coverage under this section shall be deemed an 'employee' for purposes of 5 U.S.C. chapter 84, subchapter III, regardless of whether he has waived the coverage of chapter 83, subchapter III, or chapter 84. *And provided further,* That upon his nonretirement separation from the Federal Judicial Center, waiver of coverage under chapter 83, subchapter III, and election of this section shall not operate to foreclose to the Director such opportunity as the law may provide to secure retirement credit under chapter 83 for service as Director by depositing with interest the amount required by 5 U.S.C. § 8334. A Director who waives coverage under chapter 84 and elects this section may secure retirement credit under chapter 84 for service as Director by depositing with interest 1.3 percent of basic pay for service from January 1, 1984 through December 31, 1986, and the amount referred to in 5 U.S.C. § 8422(a) for service after December 31, 1986. Interest shall be computed under 5 U.S.C. § 8334(e).".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to persons holding the offices of Director of the Administrative Office of the United States Courts, Director of the Federal Judicial Center, and Administrative Assistant to the Chief Justice on the date of enactment of this Act.

JUDICIAL DISQUALIFICATION AMENDMENT

SEC. 610. (a) AMENDMENT TO 28 U.S.C. § 455.—Section 455 of title 28, United States

Code, is amended by adding a new subsection at the end thereof as follows:

"(f) Notwithstanding the foregoing provisions, if any justice, judge, magistrate, or bankruptcy judge to whom a matter has been assigned would be disqualified, after substantial judicial time has been devoted to the matter, because of the appearance, after the matter was assigned to him, of a party in which he individually or as a fiduciary, or his spouse or minor child residing in his household, has a financial interest (other than an interest that could be substantially affected by the outcome), a waiver of disqualification may be accepted from the parties; in the absence of waiver, disqualification is not required if the judge determines that the public interest in avoiding the cost of delay or reassignment outweighs any appearance of impropriety arising from his continuing with the matter to completion.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take affect on the date of enactment of this Act.

SERVICE OF ARTICLE III JUDGES ON TERRITORIAL COURTS

SEC. 611. (a) AMENDMENT TO 28 U.S.C. § 291.—Section 291 of title 28, United States Code, is amended by adding the following new subsection at the end thereof:

"(c) The chief judge of the United States Court of Appeals for the Ninth Circuit may assign any circuit or district judge of the Ninth Circuit, with the consent of the judge so assigned, to serve temporarily as a judge of any duly constituted court of the Marshall Islands, the Federal States of Micronesia, or Palau whenever an official duly authorized by the laws of the respective compact state requests such assignment and such assignment is necessary for the proper dispatch of the business of the respective court.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of enactment of this Act.

CIRCUIT JUDICIAL CONFERENCE AMENDMENTS

SEC. 612. (a) AMENDMENTS TO 28 U.S.C. § 333.—Section 333 of title 28, United States Code, is amended as follows:

(1) in the first sentence of the first paragraph by striking out "annually" and inserting in lieu thereof "biennially, and may summon annually,";

(2) in the last sentence of the first paragraph by striking out "the United States district court for the district of the Canal Zone,"; and

(3) in the last sentence of the first paragraph by striking out "annually" and inserting in lieu thereof "biennially, and may be summoned annually,".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

INCENTIVE AWARDS

SEC. 613. (a) AMENDMENT TO 28 U.S.C. § 604.—Section 604 of title 28, United States Code, is amended by inserting after the term "compensation" the first time it appears in paragraph (5) the following: ", including a program of incentive awards,".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

JUDICIAL IMMUNITY

SEC. 614. (a) AMENDMENT TO SECTION 722 OF THE REVISED STATUTES (42 U.S.C. § 1988).—Section 722 of the Revised Statutes, as amended, is amended by striking the period at the end thereof and inserting at the end the following language: "; provided that no such fees shall be awarded against a judge or judicial officer who would be immune from actions for damages arising out of the same act or omission about which complaint is made.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

WAIVER OF CLAIMS FOR OVERPAYMENT OF JUDICIAL PAY AND ALLOWANCES

SEC. 615. (a) AMENDMENT TO 5 U.S.C. § 5584.—Section 5584(g) of title 5, United States Code, is amended—

(1) in paragraph (4) by striking out "and";

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof ";and"; and

(3) by adding at the end thereof the following:

"(6) the Administrative Office of the United States Courts, the Federal Judicial Center, and any of the courts set forth in section 610 of title 28.

For purposes of this section, the Director of the Administrative Office of the United States Courts shall be the head of the agency in the case of those entities set forth in paragraph (6) of this section.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to erroneous payments made on or after the date of enactment of this Act.

IMPROVEMENT OF THE APPEALS PROCESS WITH RESPECT TO ARBITRATION

SEC. 616. (a) AMENDMENT TO TITLE 9.—Chapter 1 of Title 9, United States Code, is amended by adding at the end thereof the following new section:

"§ 15. Appeals

"(a) An appeal may be taken from—

"(1) an order—

"(A) refusing a stay of any action under section 3 of this title;

"(B) denying an application to compel arbitration under section 4 or 206 of this title;

"(C) confirming or denying confirmation of an award or partial award;

"(D) modifying, correcting, or vacating an award;

"(2) an interlocutory order granting, continuing, or modifying an injunction against an arbitration that is subject to this title; and

"(3) a final decision with respect to an arbitration that is subject to this title.

"(b) Except as otherwise provided in section 1292(b) of title 28, United States Code, an appeal may not be taken from an interlocutory order—

"(1) granting a stay of any action under section 3 of this title;

"(2) compelling arbitration under section 4 or 206 of this title; or

"(3) refusing to enjoin an arbitration that is subject to this title.".

(b) CONFORMING AMENDMENT.—The table of sections for chapter 1 of title 9, United States Code, is amended by adding at the end thereof the following new item:

"15. Appeals.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

SALARIES

SEC. 617. (a) AMENDMENT TO 28 U.S.C. § 603.—Section 603 of title 28, United States Code, is amended—

(1) by designating the existing paragraph as subsection (a) and striking out "level V" in the second sentence and inserting in lieu thereof "level IV";

(2) by adding a new subsection (b) as follows:

"(b) The Director may establish up to six positions to be paid in the same amount as the annual rate of basic pay for positions at level V of the Executive Schedule under section 5316 of title 5.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

COURT SECURITY

SEC. 618. (a) AMENDMENTS TO 28 U.S.C. § 603.—Section 604(a) of title 28, United States Code, is amended by redesignating the existing paragraph (17) as (18) and by inserting the following new paragraph (17):

"(17) Receive and expend, either directly or by transfer to the United States Marshals Service or other Government agency, funds appropriated for the procurement, installation, and maintenance of security equipment and protective services for the United States Courts in courtrooms and adjacent areas, including building ingress-egress control, inspection of packages, directed security patrols, and other similar activities;".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

TRAVEL REIMBURSEMENT

SEC. 619. (a) AMENDMENTS TO 28 U.S.C. § 604(a).—Section 604(a)(7) of title 28, United States Code, is amended by inserting a comma in lieu of the semicolon at the end thereof and adding thereafter the words, "without regard to the per diem allowances and amounts for reimbursement of actual and necessary expenses established by the Administrator of General Services under section 5702 of title 5, provided that the reimbursement of subsistence expenses may not exceed that authorized by the Director for judges of the United States under section 456 of this title;".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

REPORTS AND STATISTICS

SEC. 620. (a) AMENDMENT TO THE FINANCIAL INSTITUTIONS REGULATORY AND INTEREST RATE CONTROL ACT OF 1978 (12 U.S.C. § 3421).—Section 1121 of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 is amended by adding the following new subsection at the end thereof:

"(b) The report required by subsection (a) of this section shall not be required after the report is submitted in the year 1989.".

(b) AMENDMENT TO 28 U.S.C. § 2412.—Section 2412(d)(5) of title 28, United States Code, is amended by striking the words from "The Director" through "this title," and inserting in lieu thereof the following: "The Attorney General shall report annually to the Congress on".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

DISTRICT OF COLUMBIA PUBLIC DEFENDER AMENDMENTS

SEC. 621. (a) DISTRICT OF COLUMBIA COURT REFORM AND CRIMINAL PROCEDURE ACT AMENDMENT.—The District of Columbia Court Reform and Criminal Procedure Act, 84 Stat. 473, is amended by—

(1) striking "by a designee of the Administrative Office of the United States Courts" in section 306(b) (D.C. Code § 2-2226(b)) and inserting in lieu thereof "other designee of the Board"; and

(2) amending section 307(a) by—

(A) striking "appropriated for the judiciary to be" in the second sentence;

(B) striking "Administrative Office of the United States Courts" in the second sentence and inserting in lieu thereof, "Board of Trustees of the District of Columbia Public Defender Service"; and

(C) striking "Administrative Office" in the third sentence and inserting in lieu thereof "Board".

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective on October 1, 1988.

CLAIMS COURT FEES

SEC. 622. (a) AMENDMENT TO 28 U.S.C. § 2520.—Section 2520 of title 28, United States Code, is amended by striking out "$60" and inserting in lieu thereof "$120".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect 30 days after the date of enactment of this Act.

TEMPORARY EMERGENCY COURT OF APPEALS

SEC. 623. (a)(1) AMENDMENTS TO PHASE OUT THE TEMPORARY EMERGENCY COURT OF APPEALS.—Section 211 of the Economic Stabilization Act of 1970 (Pub. L. No. 91-379, as amended; 84 Stat. 799) is amended by deleting all after subsection (a) and inserting in lieu thereof the following:

"(b) Appeals taken on or after October 1, 1988 from orders or judgments entered by a district court of the United States shall be taken in accordance with the provisions of sections 1291 and 1292 of title 28, United States Code. Exclusive jurisdiction over appeals brought under this section shall be in the [United States Courts of Appeals for the respective geographical circuits] [United States Court of Appeals for the Federal Circuit].".

(2) Section 506(c) of the Natural Gas Policy Act of 1978 (Pub. L. No. 95-621; 92 Stat. 3350) is amended by striking in the first sentence the language "the Temporary Emergency Court of Appeals, established pursuant to section 211(b) of the Economic Stabilization Act of 1970, as amended," and inserting in lieu thereof "the [United States Courts of Appeals for the respective geographical circuits] [United States Court of Appeals for the Federal Circuit]"; and by striking the phrase "Temporary Emergency Court of Appeals" wherever it appears and inserting in lieu thereof, "[United States Courts of Appeals for the respective geographical circuits] [United States Court of Appeals for the Federal Circuit]".

(3) Section 1295(a) of title 28, United States Code, is amended by striking the word "and" at the end of paragraph (9) and by adding the following new paragraphs:

"(11) of an appeal under section 211 of the Economic Stabilization Act of 1970 (Pub. L. No. 91-379, as amended; 84 Stat. 799);

"(12) of an appeal under section 5 of Pub. L. No. 93-159, as amended, 87 Stat. 633 (15 U.S.C. § 754);

"(13) of an appeal under section 506(c) of the Natural Gas Policy Act of 1978 (Pub. L. No. 95-621; 92 Stat. 3350); and

"(14) of an appeal under section 523 of Pub. L. No. 94-163, 89 Stat. 962 (42 U.S.C. § 6383(b))."

(b) EFFECTIVE DATE.—The Temporary Emergency Court of Appeals shall be abolished effective at the close of business on September 30, 1988. All appeals pending in that court but not yet submitted to a panel on that date shall be assigned to the [appropriate court of appeals] [United States Court of Appeals for the Federal Circuit] as though they had originally been filed in that court. Any case that has been submitted to a panel of the Temporary Emergency Court of Appeals and as to which the mandate has not yet been issued shall remain with that panel for all purposes and, notwithstanding the provisions of 28 U.S.C. §§ 291 and 292, that panel shall be designated to the [appropriate court of appeals] [United States Court of Appeals for the Federal Circuit] for the purpose of deciding such case.

JUDICIAL COST-OF-LIVING INCREASES

SEC. 624. Section 140 of Public Law No. 97-92, 95 Stat. 1183, 1200, is hereby repealed.

SECTION-BY-SECTION ANALYSIS

TITLE I—MANDATORY JURISDICTION OF THE SUPREME COURT

This title would substantially eliminate the mandatory or obligatory jurisdiction of the Supreme Court. Under current law, certain cases may be appealed directly to the Supreme Court and the Court is obligated to review and decide those cases. In most instances, these cases do not involve important issues of Federal Constitutional Law. The net effect of this title is to convert the method of Supreme Court review to the discretionary, certiorari approach, that applies generally to court review of decisions of the United States courts of appeals and the highest courts of the States.

This change in appellate review is supported by all nine Justices of the Supreme Court because, as they have stated, "it is impossible for the Court to give plenary consideration to all the mandatory appeals it receives". Moreover, even though the summary dispositions of the Court in mandatory jurisdiction cases are binding on the lower Federal courts and state courts, such decision, according to the Court, "sometimes create more confusion than they seek to resolve"

SECTION 101

This section provides that this title may be cited as the "Supreme Court Mandatory Appellate Jurisdiction Reform Act of 1987".

SECTION 102

This section repeals section 1252 of title 28, United States Code, which provides for direct appeal from decisions invalidating Acts of Congress.

SECTION 103

This section repeals paragraph (2) of section 1254 of title 28, United States Code, which provides for direct appeal from the decisions of the courts of appeals invalidating a State statute on Federal grounds. In addition, this section redesignates paragraph (3) as paragraph (2).

SECTION 104

This section amends section 1257 of title 28, United States Code, to provide that the only means for obtaining Supreme Court review of State court decisions on the validity of a treaty or statute of the United States or a State statute on Federal constitutional grounds is by certiorari-type review.

SECTION 105

This section amends section 1258 of title 28, United States Code, to provide that the only means for obtaining Supreme Court review of decisions of the Supreme Court of Puerto Rico on the validity of a treaty or statute of the United States or of a statute of the Commonwealth of Puerto Rico on Federal constitutional grounds is by certiorari-type review.

SECTION 106

Subsection (a) of this section conforms the items in the sectional analysis for sections 1257 and 1258 of of title 28, United States Code, to the amendments made by sections 104 and 105 of this title.

Subsection (b) amends section 210(a) of title 28, United States Code, by striking out the references to direct appeals for sections 1252 and 2282 of title 28, United States Code.

Subsection (c) amends section 2104 of title 28, United States Code, to confine it to certiorari-type review and conforms the sectional analysis for section 2104.

Subsection (d) conforms section 2350(b) of title 28, United States Code, to the redesignation by section 103 of this title.

SECTION 107

This section amends various provisions of law to provide for certiorari-type review instead of direct appeal in the following cases:

(a) actions brought under the Federal Election Campaign Act (2 U.S.C. § 437h) (direct appeal had already been determined as unnecessary in *Buckley* v. *Valeo*. This provision codifes that decision.);

(b) actions brought under the Expediting Act (15 U.S.C. § 29);

(c) actions brought under the Trans-Alaska Pipeline Authorization Act (43 U.S.C. § 1652(d));

(d) decisions of the Special Railroad Reorganization Court (45 U.S.C. § 719(e)(3), § 743(d), and § 1105(b)); l

(e) actions brought under the International Claims Settlement Act (22 U.S.C. § 1631e);

(f) actions brought under the Saint Lawrence Seaway Act (33 U.S.C. § 988(a));

(g) actions brought under the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. § 136w(a)(4)(E);

(h) actions brought under the Federal Trade Commission Improvements Act (15 U.S.C. § 57a-1(f)); and

(i) actions brought under the Coastal Zone Management Act (16 U.S.C. § 1463a(e).

SECTION 108

This section provides that the amendments made by this title shall take effect ninety days after the date of enactment, except that this title shall not apply to cases pending in the Supreme Court on that date or affect the right to review or manner of reviewing the judgment or decree of a court which was entered before such effective date.

TITLE II—JURY SELECTION AND SERVICE

This title makes several technical amendments to the Jury Selection and Service Act of 1968, as amended (hereinafter referred to as the "Act"), for the purpose of improving the administrative operation of the jury system in the United States district courts. No change is made in the underlying policy that juries shall be selected at random from a fair cross-section of the community through the use of random and objective selection procedures.

SECTION 201

This section provides that Title III may be cited as the "Jury System Improvements Act of 1987".

SECTION 202

This section amends the provision governing the temporary excuse of jurors appearing in clause (1) of 28 U.S.C. § 1866(c) in two regards. First, it provides that temporary excuses on the grounds of "undue hardship or extreme inconvenience" may not only be granted by the court, but also, if the court so authorizes, by the clerk of court. Second, at the conclusion of a juror's temporary excuse period, courts are given the choice of either resummoning the person so excused or reinserting the name of such person back into the qualified jury wheel for possible resummoning. Either of these two changes may be implemented only by affirmative action of the district court; that is, the court's selection plan must specifically provide that the clerk may grant temporary excuses and that the names of excused persons are to be reinserted into the qualified jury wheel. In the absence of such provisions, only the court may grant temporary excuses, and persons so excused must automatically be resummoned.

The purpose of the first change is to promote administrative convenience and reduce unnecessary burdens placed upon the courts. It has long been recognized that a significant number of requests for excuse on the grounds of "undue hardship or extreme inconvenience" are clearly legitimate. Upcoming vacation plans, business travel, and medical operations are typical examples of such legitimate excuses. In these situations, obtaining judicial approval of each request for excuse is a needless and burdensome formality; it will enhance the administration of the jury system to permit clerks to grant such excuses in their discretion. In fact, some courts by practice already delegate this task to clerks of court, but the cases leave no doubt that this is technically improper under existing law. *See, e.g., United States* v. *Evans,* 526 F.2d 701 (5th Cir.), *cert. denied,* 429 U.S. 818 (1976); *cf., United States* v. *Maskeny,* 609 F.2d 183 (5th Cir. 1980). Although many decisions have been "liberal" in forgiving errors in this regard, in one case an indictment was dismissed where a clerk, without the knowledge of the chief judge, dismissed 31 out of 77 prospective members of a grand jury. *United States* v. *Hill,* 480 F.Supp. 1223 (S.D. Fl. 1979).

To avoid needless challenges and to enhance administrative convenience, this section thus permits, although it does not require, courts to authorize clerks to grant temporary excuses. It should be emphasized that any authority so delegated is to be exercised strictly "under the supervision of the court," thus preserving the court's ultimate control over the process. A court may, for example, impose limits on a clerk's discretion, only permitting him to grant excuses requested because of travel or illness, and requiring that all other requests be referred to the court. Even with a broad delegation of authority, however, a clerk would still look to the court for guidance in difficult situations. Furthermore, were a pattern of abuse to develop, such as a clerk granting too many excuses, the court is free to revoke the clerk's authority in the plan.

In a similar vein, this section also increases courts' discretion regarding the resummoning of persons so excused. Under current law, any person granted a temporary excuse must be summoned again at the conclusion of the excuse period. Many courts report, however, that this requirement imposes significant administrative burdens, and requires the use of complex tickler files to keep track of the many persons who are granted temporary excuses under this section. They believe it would be preferable (and not inconsistent with the policies of the Act) to simply reinsert the names of such persons into the qualified jury wheel, making them eligible for resummoning. This amendment gives courts this discretion.

As with the first change, courts retain sufficient control to ensure proper administration in this area. If a court were to find, for example, that too many persons were requesting excuses in the hope that they would permanently escape service after being reinserted into the qualified wheel, the court could simply amend its plan and reimpose automatic resummoning of such persons.

SECTION 203

Section 203(1) amends 28 U.S.C. § 1863(b)(3) to make clear that persons other than clerks or jury commissions may be authorized to perform selection procedures under a court's selection plan.

Under current law, the selection of the names of potential jurors is to be performed by the "jury commission or clerk," and presumably the jury commission or clerk may delegate this function only to the staff under his or her direct supervision. In many courts, however, it has been found that personnel outside the judiciary, such as GSA computer technicians, private computing firms, or employees of State governments which provide lists of registered voters, can perform these functions under the "detailed procedures" specified by the court more expeditiously and economically than court personnel. Accordingly, this amendment permits courts to authorize clerks or jury commissions to delegate jury selection functions in appropriate situations to such noncourt personnel. Although at least one court has approved of this type of delegation under current law, *United States* v. *Davis,* 546 F.2d 583, 590 (5th Cir.), *cert. denied,* 431 U.S. 906 (1977), this amendment resolves any ambiguity as to the propriety thereof.

Section 203(2) limits the classes of persons barred or exempt from jury service to the three categories specifically mentioned in section 1863(b)(6) of the Act: those in active service in the Armed Forces; members of fire and police departments; and public officers of Federal or State governments. [It should be noted that this provision differs from the specification of groups or classes whose members shall be excused on individual request under 28 U.S.C. § 1863(b)(5); this amendment concerns those groups whose members are barred from service even if they wish to serve.]

Currently, section 1863(b)(6) authorizes each district court to exempt other groups of persons or occupational classes if it is found "that their exemption is in the public interest and would not be inconsistent with section 1861 and 1862 of this title." Despite this language, the Judicial Conference Committee on the Operation of they Jury System in 1974 and in 1980 concluded that the three categories specified in section 1863(b)(6) should be considered exclusive, and should not be expanded upon by district courts in their plans. Although it appears that few, if any, courts specify any additional classes of exemptions, this amendment ensures that the classes of exempt persons will be limited to the three referred to in section 1863(b)(6). In this way, the responsibilities and burdens of jury service will be distributed more evenly, in accordance with the policy statement at 28 U.S.C. § 1861 that "all citizens shall have the opportunity to be considered for service on grand and petit juries . . . and shall have an obligation to serve as jurors when summoned for that purpose."

SECTIONS 204 AND 205

Pursuant to section 1866(a) of title 28, the clerk or jury commission is required to prepare an alphabetical list of the names drawn from the master jury wheel, although this list "shall not be disclosed" except as provided in the court's selection plan or as necessary in the event of a challenge. This alphabetical list is also referred to in section 1865(a), which requires the clerk to record all "unqualified" determinations both on the qualification questionnaires of individual jurors and on the alphabetical list.

Many courts report that no apparent good is served by the mandatory preparation of this list, in that it is rarely referred to and in fact is not permitted to be routinely disclosed. Furthermore, the preparation of this list is extremely burdensome, especially in those automated courts in which the master wheel itself is not alphabetized.

To ease unnecessary administrative burdens, these amendments eliminate the mandatory preparation of the list, and, in lieu thereof, merely require courts to possess the capability to generate an alphabetical list of names in the event access to such a list becomes necessary.

SECTION 206

This section adds a new section 1878 to the Act to authorize the Judicial Conference to experiment with new jury selection procedures on a limited basis. This amendment is needed because the Act currently does not tolerate any deviations from prescribed procedures, no matter how well-intentioned in the interest of research and improvement. As a result, the Act precludes the investigation and testing of possibly superior procedures. For example, it was recently proposed to the Judicial Conference Committee on the Operation of the Jury System that courts be authorized to experiment with combining qualification and summoning procedures into one step, so as to reduce both the clerical time and mailing expense inherent in the two-step qualification and summoning procedure currently provided for at law. This procedure has been effectively used in many State courts. While the committee was interested in learning what tangible benefits would result from this innovation in the Federal courts, it felt constrained against authorizing such an experiment because the Jury Selection and Service Act clearly requires separate qualification and summoning procedures and does not provide any latitude for technical deviations from these procedures. Despite the fact that this and other innovations may come to enhance the efficiency with which jurors are summoned for service in the Federal courts, they are now unlikely ever to be implemented because they can never be tested under present law.

To remedy this problem, section 1878 empowers the Judicial Conference to authorize the experimental use of new selection procedures notwithstanding their inconsistency with technical provisions of the Act. It must be emphasized that this section permits experimentation only with the technical or administrative provisions of the Act, and under no circumstances are the basic policies of the Act to be transgressed. To ensure that experiments do not have any adverse impact on randomness and cross-sectionality, it is required that the Judicial Conference certify that no violations of the Act's policies result from such experiments, that the number of courts authorized to participate in experiments be specified at a number no greater than ten, and that no experiment be conducted for longer than two years. The Conference is to terminate an experiment if it determines that any substantive policy of the Act is being violated or if there is other appropriate cause therefor. Furthermore, it is made clear in this new section that even a successful experiment may be permanently implemented only through formal legislative action, thus preserving to Congress the right to make the final judgment as to the efficacy of and need for revisions in statutory procedures.

Paragraph (b) of section 1878 provides that no challenge will lie due to the fact that a jury is selected pursuant to experimental procedures implemented under this section. This ensures that the actions taken by juries empaneled during experiments will possess full legal validity.

SECTION 207

This section provides that the amendments made by this title shall take effect upon enactment of this Act.

TITLE III—COURT-ANNEXED ARBITRATION

This title would statutorily authorize experimental arbitration programs in the district courts with the approval of the judicial council of the circuit. The pattern of ever-increasing workloads in the past two decades has greatly concerned the Judicial Conference of the United States. This crisis could be ameliorated by the abolition of diversity of citizenship jurisdiction. Although the House has twice passed legislation to eliminate diversity jurisdiction, there has been no action in the Senate. Therefore, the Courts have found it necessary to experiment with nonjudicial programs. Arbitration is one such alternative.

While the general concepts of court-annexed arbitration programs are known, few federal courts have experience with the specifics of how an actual program should be structured. Both the legislative and judicial branch need to know more about how such programs would work before incorporating them into standard court processes or mandating them by law. Experimenting with pilot programs can provide the foundation for well informed decisions in this area. Therefore, this title authorizes a program which would be flexible and experimental in nature, subject to the availability of funds, and in accordance with guidelines and procedures prescribed by the Judicial Conference of the United States.

SECTION 301

This section provides that this title may be cited as the "Court-Annexed Arbitration Act of 1987".

SECTION 302

This section amends title 28, United States Code, by adding, after chapter 175, the following new chapter 177—Arbitration. This section would authorize the establishment of an experimental arbitration program in any judicial district with the approval of the judicial council of the circuit.

SECTION 303

This section authorizes the Judicial Conference of the United States to develop model procedures for those courts establishing experimental programs.

SECTION 304

This section authorizes the appropriation of such sums as may be necessary to implement the experimental arbitration programs.

SECTION 305

The amendment made by this title shall take effect upon the date of enactment.

TITLE IV—DISTRICT COURT EXECUTIVE

This title is designed to permit the large district courts, those having eight or more permanent judges, to appoint a court executive with the approval of the judicial council of the circuit. The district court executive would exercise those administrative powers and perform those administrative duties delegated by the judges of the district court. The duties would be similar to those performed by the circuit executives.

SECTION 401

This section provides that this title may be cited as the "District Court Executive Act of 1986".

SECTION 402

This section amends chapter 49 of title 28, United States Code, by redesignating section 756 as 757 and inserting a new section 756 titled "District Court Executive."

Subsection (a) authorizes, but does not require, each district court with eight or more judgeships, with the approval of the judicial council of the circuit, to appoint a district court executive, who will serve at the pleasure of the court.

Subsection (b) provides that persons appointed as district court executive shall be certified by the Board of Certification provided for by section 332(f) of title 28 (circuit executive certification).

Subsection (c) provides that all duties delegated to the district court executive by the district court shall be subject to the general supervision of the chief judge of the district. This section also lists the types of duties illustrative of those which may be delegated to the district court executive.

Subsection (d) provides that the salary of each district court executive is to be established by the Judicial Conference of the United States but shall not exceed the annual rate for level V of the Executive Schedule (5 U.S.C. § 5316).

Subsection (e) authorizes the district court executive to appoint, with the approval of the district court, employees in such numbers as may be approved by the Director of the Administrative Office. This subsection also provides that the district court executive and his staff are deemed to be judicial officers and employees for purposes of civil retirement, the life insurance program, and the health benefits program.

SECTION 403

This section is a conforming amendment to redesignate sections of chapter 49 of title 28.

SECTION 404

This title will take effect on the first day of the next fiscal year following the date of enactment of this Act.

TITLE V—FEDERAL JUDICIAL CENTER AMENDMENTS

PART A. FEDERAL JUDICIAL CENTER FOUNDATION

Part A of title V creates a Federal Judicial Center Foundation to accept and receive gifts to be used by the Federal Judicial Center for the purpose of aiding or facilitating the work of the Center. In deciding to propose gift legislation for the Center, the Center Board was especially mindful of the need to safeguard both the independence and the appearance of independence of the Judiciary. The Board of the Center shares the concern expressed by Congress in creating the Center in 1967, that it would be improper for the Center to use gift funds as a means of paying of supplementing the salaries of officers or employees. (*See* S. Rep. No. 781, 90th Cong., 1st Sess. 21-22 (1967)). Receipt of such donations could adversely affect public perceptions of judicial independence.

Nonetheless, the Board of the Center believes that the Judiciary's independence would not be compromised if the Center were permitted to utilize gifts of personal property, such as books or papers from judges' or scholars' collections, or gifts of services from scholars or other experts who wished to donate their time. It would also be proper, the Center believes, to utilize gift funds that would not be used to augment the Center's appropriation, but to support specific programs or projects for which appropriated funds are not available. These projects might include, for example, having foreign or state judges-in-residence or scholars-in-residence; preparing oral histories of developments in the courts and judicial administration based on taped interviews with outstanding judges, scholars and administrators; presenting satellite educational programs for judges and lawyers; and expanding the audience served by the Center's video tape library to include lawyers, students and interested members of the public.

Having decided that the Center should be allowed to accept and use gifts for certain purposes, however, the Board concluded that the Center and its governing body must be sufficiently insulated from any procedure for accepting gifts from private sources to avoid any real or perceived problems that would adversely affect the public's perception of the independence and objectivity of the Judiciary.

Accordingly, the Board proposed that the authority to accept and receive gifts reside in a separate foundation, directed by a board, none of whose members would be sitting judges. The foundation would have sole authority to accept or reject gifts, while the Center would have responsibility for administering gifts and determining how they will be used.

SECTION 501

Section 501 provides that Part A of Title V may be cited as the "Federal Judicial Center Foundation Act of 1987."

SECTION 502

Section 502 amends chapter 42 of title 28, United States Code, by adding a new section 629 at the end thereof, entitled "Federal Judicial Center Foundation."

Subsection (a) of the new section establishes a "private nonprofit corporation" to be known as the Federal Judicial Center Foundation. The purpose of the foundation is to have sole authority to accept and receive gifts of property, both real and personal, and services made for the purpose of aiding or facilitating the work of the Center. The foundation is not authorized to accept conditional gifts, but gifts could be accepted to support specific projects previously approved by the Board of the Center. The foundation has no authority beyond acceptance and receipt of gifts.

Subsection (b) primarily deals with the composition, appointment, and tenure of the Foundation Board. The Board would consist of seven members, including a chairman. The Chief Justice would appoint three of the members, including the Chairman; the President Pro Tempore of the Senate and the Speaker of the House would each appoint two members. The basic term of office is five years, with the initial terms staggered to prevent turnover of the whole Board at the same time. No Federal or State judge, in regular active service or otherwise eligible to perform judicial duties, is eligible for membership on the Board. The members of the Board will serve without compensation, but may be reimbursed for necessary expenses. Administrative support and facilities will be furnished by the Center.

Subsection (c) provides authority for the Center to administer and utilize gifts received by the foundation. The Board of the Center is vested with sole authority to determine the manner in which gifts will be used.

Subsection (d) provides for money gifts and proceeds from the sale of property gifts to be deposited in and disbursed from a separate fund in the Treasury of the United States by order of the Director of the Center in accordance with policies established by the Board of the Center.

Subsection (e) provides that the foundation prepare an annual report to Congress on gift activity of the foundation. Similarly, the Center is required to report on the use of gifts in its annual report.

Subsection (f) provides that gifts under this section receive the same treatment for purposes of Federal income, estate, and gift taxes as other gifts to or for the use of the United States.

SECTION 503

Section 503 of this Part amends the table of sections at the beginning of chapter 42 to reflect the new section.

SECTION 504

Section 504 of this Part provides that the amendments made by this Part shall take effect on the date of enactment of this Act.

PART B. HISTORY PROGRAM IN THE JUDICIAL BRANCH

SECTION 510

Section 510 of Part B of title V of the bill amends section 623(a) of title 28, United States Code, dealing with the duties of the Board of the Federal Judicial Center, by adding a new paragraph (7) that directs the Board to "conduct, coordinate, and encourage programs to collect, preserve, and make available materials relating to the history of the Judicial Branch of the United States government." This amendment, in effect, confers upon the Federal Judicial Center the task of establishing a history program for the Federal Judiciary.

The extent of historical preservation in the Judiciary is not only very small, there is also extremely limited information available about the activities that do exist. A survey of circuit executives turned up only two such activities. A follow-up turned up several more projects at the district level that were not known at the circuit executive level. Doubtless, the total activity is still small, but it is larger than generally known. Material that cannot be found is almost as great a loss as material that has been lost or destroyed.

Preservation and use of historical material is a useful and valid service to contemporary work. Knowing how and why things came to be the way they are contributes substantially to any assessment of current effectiveness and to appreciating the promise of proposals for change. Though the utilitarian side of historical materials in the Judiciary may differ from applications in other public endeavor, there is nonetheless real need and real potential.

A history program for the Judicial Branch might extend to the following elements:

(a) A union catalog that would locate and identify existing materials, ongoing projects, and planned programs relating to Federal judicial history.

(b) An oral history program involving both support for others and activities carried on by the staff.

(c) An archiving program to obtain and maintain papers, manuscripts, and other materials.

(d) A written history project that might support work to cover neglected areas or coordinate work addressing specific needs.

(e) A judicial museum for collecting and displaying artifacts, manuscripts, portraits, and other objects.

A history program for the Judiciary is related to the proposal in Part A of this title to provide a mechanism for the Center to accept gifts. A history program would clearly need to be able to accept gifts of manuscripts, diaries, and other forms of records as well as artifacts.

SECTION 511

Section 511 provides that this Part shall take effect on the date of enactment of this Act.

PART C. TRAINING FOR NON-GOVERNMENT EMPLOYEES

SECTION 520

Section 520 of Part C of title V of the bill amends Section 620(b)(3) of title 28, United States Code, and permits the Federal Judicial Center to encompass within its training program non-government personnel whose participation in such programs would improve the operation of the Judicial Branch. A number of district courts now have programs under which members of the private bar serve as mediators or arbitrators in an effort to resolve litigation without the necessity of trial, but there is no authority to expend Judicial Center funds in programs to improve their mediation or arbitration skills. It would clearly be advantageous to the Judiciary if the Center were able to support such programs. There may also be limited situations in which it is appropriate to train members of the private bar who agree to represent indigent defendants but whose Federal court criminal experience is limited. This amendment would permit expenditure of Center funds in these types of situations clearly of benefit to the operation of the Judiciary

SECTION 521

Section 521 provides that the amendment made by this Part shall take effect on the date of enactment of this Act.

PART D. POWER OF THE BOARD TO APPOINT AND COMPENSATION OF THE DEPUTY DIRECTOR

SECTION 531

Section 531 of Part D of title V of the bill amends section 624 of title 28, United States Code, relating to powers of the Board of the Judicial Center, to authorize the Board to appoint, fix the duties of, and remove the *Deputy Director* of the Federal Judicial Center. This amendment conforms the Federal Judicial Center to parallel provisions in 28 U.S.C. § 601 making the Deputy Director of the Administrative Office of the United States Courts an express statutory position subject to removal by the Supreme Court.

SECTION 532

Section 532 of this Part amends section 626 of title 28, United States Code, to add a new sentence that would provide for compensation of the Deputy Director of the Federal Judicial Center at the same rate as that of the Deputy Director of the Administrative Office. This section also makes technical changes to the section title and appropriate chapter analysis.

SECTION 533

Section 533 provides that the amendments made by this Part shall be effective on the date of enactment of this Act.

TITLE VI—MISCELLANEOUS PROVISIONS

SECTION 601

Divisional Venue in Civil Cases

Section 601(a) would repeal 28 U.S.C. 1393, which presently provides for divisional venue in civil cases. Divisional venue in criminal cases was abolished in 1966 as a result of an amendment to Rule 18 of the Federal Rules of Criminal Procedure. The rationale for eliminating divisional venue for civil cases is essentially the same that underpinned the change in divisional venue in criminal cases. As noted by the Advisory Committee on Criminal Rules:

"The former requirement for venue within the division operated in an irrational fashion. Divisions have been created in only half of the districts, and the differentiation between those districts with and those without divisions often bears no relationship to comparative size or population. In many disricts a single judge is required to sit in several divisions and only brief and infrequent terms may be held in particular divisions. As a consequence under the original rule there was often undue delay in the disposition of criminal cases—delay which was particularly serious with respect to defendants who had been unable to secure release on bail pending the holding of the next term of court."

The Judicial Conference has concluded that the change in divisional venue for criminal cases has not resulted in adverse consequences to the litigants or to the fair and expeditious administration of justice. Accordingly, the Conference approved the recommendation to eliminate divisional venue for civil cases as well (Conf. Rept., March 11-12, 1980, p. 19).

Section 601(b) provides that the repeal of divisional venue would take effect 90 days after the date of enactment of the Act.

SECTION 602

Registration of Foreign Judgments

Section 602(a) amends 28 U.S.C. § 1963 to give the district court and the Court of International Trade, entering a judgment in an action for the recovery of money or property, the discretion to permit registration in a foreign jurisdiction pending appeal for good cause shown; merges section 1963A into section 1963; and repeals section 1963A.

28 U.S.C. § 1963 currently appears to authorize the registration of a judgment of a district court in a foreign jurisdiction only when the judgment has become final by appeal or expiration of the time for filing an appeal. The judgment is a lien on the property of the judgment debtor which is located with in the district. A judgment debtor, who is an appellant, may obtain a stay of execution under Rule 62(d) of the Federal Rules of Civil Procedure by giving a supersedeas bond. Section 1963A is a parallel provision to section 1963 covering judgments of the Court of International Trade.

If the property of the judgment debtor is located in, or is removed to, another jurisdiction pending appeal, the judgment creditor cannot obtain a lien in the foreign jurisdiction until after the appeal process is completed and thus may be effectively unable to enforce the judgment if assets have been dissipated. Some courts have read section 1963 literally and have refused registration in a foreign jurisdiction while an appeal is pending. Other courts have permitted registration in a foreign jurisdiction.

Although these circumstances do not often occur, the Judicial Conference concluded that a judgment debtor should not be permitted to hide assets in a foreign jurisdiction and that the district court entering the judgment should be given discretion to permit registration in a foreign jurisdiction pending appeal, but only upon a showing of good cause. This section amends 28 U.S.C. § 1963 to implement this recommendation. Since the rationale for changing section 1963 for district court judgments is equally applicable to judgments of the Court of International Trade under section 1963A, the proposed amendment merges section 1963A into the new section 1963 and repeals the current section 1963A.

Subsection (b) of this section provides that the changes to 28 U.S.C. §§ 1963 and 1963A will take effect 90 days after the date of enactment of this Act.

SECTION 603

Diversity in Cases Involving Representative Parties

Section 603(a) amends 28 U.S.C. § 1332(c) to provide that, for the purposes of 28 U.S.C. §§ 1441 (removal) and 1332 (diversity of citizenship), the legal representative of the estate of a decedent shall be deemed to be a citizen only of the same State as the decedent, and the legal representative of an infant or incompetent shall be deemed to be a citizen only of the same State as the infant or incompetent.

Under current law, the citizenship of a representative party in a civil action is the citizenship of the representative rather than the citizenship of the person represented. In some jurisdictions, attorneys seek the appointment of out-of-state representatives in order to create diversity of citizenship so that civil actions involving the interest represented may be brought in Federal, as well as State courts. The Judicial Conference sees no sound reason why the citizenship of a representative party should not be deemed to be the same as the citizenship of the party represented in an action involving an infant, an incompetent person, or an estate.

Without intending to detract in any way from the previous Judicial Conference action recommending the abolition of diversity jurisdiction (Conf. Rep., March 1977, p. 8), this section makes a modest and logical alteration in the determination of citizenship of a representative party for the purpose of diversity jurisdiction.

Subsection (b) of this section provides that the amendments to 28 U.S.C. § 1332 will apply to civil actions commenced in or removed to the district courts on or after the 90th day after enactment of this Act.

SECTION 604

Leave Act Amendments Relating to Bankruptcy Judges, Magistrates, and Law Clerks

Paragraphs (1) and (2) of section 604(a) of this title would amend 28 U.S.C. §§ 153 and 631 to make it explicit that bankruptcy judges and United States magistrates are exempt from the provisions of the Federal Leave Act (5 U.S.C. §§ 6301-6323).

Bankruptcy judges and United States magistrates have traditionally been considered judicial officers not subject to the Leave Act. The bases for this status are similar to those asserted for exemption of Presidential appointees or Congressional employees: Such officials are high-level government officials for whom hour-by-hour accountability is inappropriate and unnecessary; their hours and duties are not subject to a fixed schedule; or the type of position is such that they are never completely divested of their responsibilities and actually are on duty at all times. Bankruptcy judges and magistrates occupy positions meeting all of these criteria.

Following technical amendments to the Leave Act in 1978, a question has been raised whether the statutory exemptions are elastic enough to continue the prior practice whereby bankruptcy judges and magistrates are administratively excluded therefrom. Concluding that legislation is desirable to expressly ratify this long standing treatment of these judicial officers, paragraphs (a)(1) and (2) are included in the bill to accomplish that result.

Paragraph (a)(3) of section 604 would amend 28 U.S.C. §§156, 634, 712, 752, and 794 to explicitly exempt law clerks for judges on the circuit courts of appeals, the district courts, the Claims Court and the law clerks to bankruptcy judges and magistrates from the provisions of the Federal Leave Act. Traditionally, regulations promulgated on behalf of the Judicial Conference by the Director of the Administrative Office authorized each Article III judge to elect whether his or her personal staff would be covered by the Leave Act. Conference policy was established in September 1983 that all new secretaries to judicial officers be placed under the Leave Act, thereby reflecting legal opinions to the effect that prior amendments to the Act had the effect of applying the Leave Act to all employees of the judiciary, except judges. The appropriate status of law clerks was held for further study. After further study, the Judicial Conference revisited the issue. It determined that discretionary exemption of law clerks from the Leave Act could not be supported under present law, but the mandatory coverage of law clerks under the Leave Act was inappropriate. The Conference adopted the position that legislation be proposed to exclude law clerk from the Leave Act, unless specifically included by the appointing judge or by local rule of court. Proceedings, September 1986, p. 57. This paragraph implements this proposal.

Subsection (b) makes the changes made by this section effective on the date of enactment of this Act.

SECTION 605

Cost-of-Living Adjustment of Annuities Payable Under 28 U.S.C. §§ 611 and 627

Section 605(a) of this title amends 28 U.S.C. §§ 611 and 627 so as to apply the cost-of-living adjustment provisions applicable to regular civil service annuities under 5 U.S.C. § 8340 to annuities that may be elected by the Directors of the Administrative Office of the United States Courts and of the Federal Judicial Center, as well as the Administrative Assistant to the Chief Justice. The Judicial Conference has recognized for many years that the retirement provisions applicable to key positions should be upgraded to attract and hold the most qualified individuals. In 1974, the Conference made this observation (Conf. Rept., March 7-8, 1974, pp. 52-53):

"In approving those recommendations [to improve the retirement system for the Directors of the Administrative Office and of the Federal Judicial Center and the Administrative Assistant to the Chief Justice], the Conference noted that the present statute makes no provision for cost-of-living increases and that while the proposed legislation would not affect present incumbents of the positions, the retirement provisions are not geared to attract and hold qualified individuals who do not have long civil service retirement credit or other types of retirement benefits, and that the statute should be amended to bring the retirement benefits in line with similar benefits in comparable positions."

Protection of annuities elected under 28 U.S.C. §§ 611 and 627 from run-away inflation on the same basis as that of the civil service retirement system is a matter of fundamental fairness that should be addressed by the Congress.

Subsection (b) of this section provides that the amendments to 28 U.S.C. §§ 631 and 627 with respect to cost-of-living adjustments shall apply to such increases that go into effect on or after the date of enactment of this Act with respect to annuities being paid or becoming payable on or after such date.

SECTION 606

Military Retirement Pay for Senior Judges

Section 606(a) amends 28 U.S.C. § 371 to permit senior judges to receive military retired or retainer pay to which they would be entitled on the basis of regular or reserve military service. The Judicial Conference approved this proposal in September 1985 (Conf. Rept., p. 44). In considering the merits of the subject, the Conference noted:

"Since federal judges appointed to hold office during good behavior continue to occupy the office in the legal sense after retirement from regular active service under 28 U.S.C. § 371(b), 5 U.S.C. 5532(c) precludes senior judges from receiving any military retired pay to which they would otherwise be entitled. * * * [S]ection 5532 is inconsistent with 5 U.S.C. 8344(f) (which requires the suspension of civil service retirement annuities to active judges but authorizes their resumption upon judicial retirement), and could provide an incentive for retirement from the judicial office under 28 U.S.C. 371(a) rather than to senior status under 371(b), thereby depriving the judiciary of the invaluable services of senior judges."

Subsection (b) of this section makes it clear that this military retirement amendment will apply to any justice or judge who retires, or has retired, from the judicial office or from regular active service on or after the effective date of 5 U.S.C. § 5532(c), and to whom that section would otherwise be applicable.

SECTION 607

Certificate of Probable Cause Under 28 U.S.C. § 2255

Section 607(a) of this title amends 28 U.S.C. § 2255 to provide that an appeal from an order entered on a motion to vacate, set aside or correct a sentence thereunder may not be taken unless the justice or judge who rendered the order or a circuit justice or judge issues a certificate of probable cause. Subsection (b) encompasses appropriate conforming amendments to Rule 22 of the Federal Rules of Appellate Procedure.

This procedure parallels a similar requirement in 28 U.S.C. § 2253 for an appeal from the final order in a habeas corpus proceeding where the detention complained of arose out of process issued by a State court. The certificate requirement is designed to avoid the burden of a decision on the merits by an appellate panel in the absence of a prior determination by a district or appellate judge that some basis for the appeal exists. There appears to be a sound basis for applying such a requirement to 28 U.S.C. § 2255 motions, as well as State habeas corpus applications.

The Judicial Conference voted to support the creation of a certificate requirement for appeal of section 2255 motions at its March 1986 Proceedings. See Conf. Rept., March 12-13, 1986, pp. 29-30.

Subsection (c) provides that the amendments made by this section shall apply to section 2255 proceedings commenced in the district courts on or after the 90th day after the date of enactment of this Act.

SECTION 608

Exhaustion of State Remedies Under 28 U.S.C. § 2254

Section 608(a) of this title would amend 28 U.S.C. § 2254 to expressly provide that an application for a writ of habeas corpus may be denied on the merits, notwithstanding the failure of the applicant to exhaust the remedies available in the courts of the State. The Judicial Conference endorsed this proposal in its September 1985 Proceedings. See Conf. Rept., September 17-18, 1985, pp. 80-81.

While this approach is not literally precluded by the current language of 28 U.S.C. § 2254(b), the courts differ from case to case in their strict adherence to the exhaustion doctrine. Compare, e.g., *Trantino* v. *Hatrack,* 563 F.2d 86, 95-97 (3d Cir. 1977), *cert. denied,* 435 U.S. 928 (1978) (stricter view) with *Kelly* v. *Maroney,* 414 F.2d 1228, 1231 (3d Cir. 1969) (broader view). The strict view with respect to *denials* has significant costs without furthering any objective of the exhaustion doctrine. It is generally conceded that many State habeas corpus applications are frivolous. Consigning these cases to the round trip back to the States for exhaustion and ultimate return to the Federal system would waste substantial resources without serving any useful purpose. The policies supporting exhaustion—comity, deference to State processes, and to allow State courts to correct errors in State proceedings—are not infringed by the *denial* of *frivolous* petitions by the Federal courts prior to exhaustion. Thus, substantial savings in both the State and Federal systems can be accomplished without impairing the Federal-State interests protected by the exhaustion doctrine.

Subsection (b) provides that the amendment made by this section shall take effect 90 days after the date of enactment of this Act.

SECTION 609

Amendments to Conform 28 U.S.C. §§ 611 and 627 to the Federal Employees' Retirement System Act of 1986

Section 609(a) of this title makes certain changes to 28 U.S.C. §§ 611 and 627 needed to mesh these provisions with the newly enacted Federal Employees Retirement System Act of 1986 (Public Law 99-335, enacted June 6, 1986).

28 U.S.C. §§ 611 and 627 contain special retirement provisions for the Directors of the Administrative Office and of the Federal Judicial Center, as well as the Administrative Assistant to the Chief Justice. Both sections, as presently worded, permit a Director to waive coverage under 5 U.S.C. chapter 83, subchapter III (the Civil Service Retirement System) and to elect coverage under section 611 or 627, as appropriate. Sections 611 and 627 also state that a Director's election of the special retirement provision does not operate to foreclose any deposit right under 5 U.S.C. § 8334 in order to reclaim civil service retirement credit for years of service as Director if an incumbent does not serve long enough for annuity eligibility under sections 611 or 627. Because of the recent passage of the Federal Employees' Retirement System Act of 1986, the references in sections 611 and 627 to chapter 83 are no longer adequate. Depending upon the circumstances, a Director appointed after January 1, 1984 could fall either under chapter 83 or under the new Federal Employees' Retirement System in 5 U.S.C. chapter 84. Thus, a Director electing section 611 or 627 must properly waive either chapter 83 or chapter 84, whichever is specifically applicable to his or her situation.

In addition, the deposit right mentioned in sections 611 and 627 should be amended to refer to chapter 84 as well as to chapter 83. The sentences in this section concerning deposits under chapters 83 and 84 are worded differently because chapter 83 explicitly permits an employee to make deposits for any periods of Federal service for which retirement deductions were not made, while chapter 84 does not. Thus, the sentence concerning deposits under chapter 84 affirmatively states that a deposit right exists, and establishes the amount of deposit by reference to the amount that would have been withheld from a Director's pay as a retirement contribution if the Director had not elected the coverage of section 611 or 627.

Amendments made by this section also permit a Director electing section 611 or 627 coverage to participate in the Thrift Savings Plan established by chapter 84, which allows an employee to deposit up to 10 percent of his pay into the tax-deferred investment plan, with matching Government contributions of up to 5 percent of his pay.

Finally, the amendments to section 611 will apply to the Administrative Assistant to the Chief Justice. 28 U.S.C. § 677 provides a person in this position with eligibility to elect the retirement benefits offered by 28 U.S.C. § 611.

Subsection (b) of this section provides that the amendments made by the section shall apply to persons holding the offices of Director of the Administrative Office of the United States Courts, Director of the Federal Judicial Center, and Administrative Assistant to the Chief Justice on the date of enactment of this Act. This subsection indicates that the bill applies to incumbent Directors, to make it entirely clear that they have the right to make deposits in the event that they leave their positions before retirement, and that they may participate in the Thrift Savings Plan.

SECTION 610

Judicial Disqualification

This section would remedy a specific problem which has arisen as a consequence of existing disqualification requirements and their application in class action cases. Today, under section 455 of title 28, United States Code, a judge must "disqualify" himself or herself in any case in which he or she—or members of his or her family—are parties to the case or have a financial interest in a party to the case. In most cases determining whether a financial interest in a party to the case. In most cases determining whether a financial interest cognizable under the statute exists in not difficult. In complex multidistrict class action cases, however, a full list of all members of a class may not become available until long after litigation has commenced, and a judge will be unable to determine whether a cognizable interest exists until then. When that happens now, the case must be assigned to a different judge, an event which disrupts the efficient administration of the case and can be very costly to litigants.

In his introductory remarks on H.R. 3044 on July 18, 1985 the Chairman of the House Subcommittee on Courts, Civil Liberties and the Administration of Justice cited, as an example of the problem, the case of *In re Cement and Concrete Antitrust Litigation,* 515 F. Supp. 1076 (D Ariz. 1981). Because the judge's wife owned stock in 17 of 210,000 "class members," with a financial interest estimated at $4.23 to $29.70, the judge had to step out of the case in its sixth year, after having entered 75 pretrial orders. Obviously corrective amendments are desirable.

Subsection (a) would amend 29 U.S.C. § 455 to modify the automatic disqualification provisions to permit a judge to weigh the public interest in completing the litigation in determining whether to recuse himself or herself and also to permit a waiver of disqualification. Recusal would continue to be automatic and not waiverable if the judge, his or her spouse, or a minor child residing in the household had an interest in the controversy that could be substantially affected by the outcome.

Subsection (b) provides that the amendment made by this section shall take effect upon enactment of this Act.

SECTION 611

Service of Article III Judges on Territorial Courts

This section amends 28 U.S.C. § 291 to authorize the service of Article III judges by the local court of the Marshall Islands, the Federated States of Micronesia and Palau.

With the gradual termination of the trust known as the Trust Territories of the Pacific Islands, the United States has entered into compacts of free association with the governments of the Federal States of Micronesia, the Marshall Islands, and the Republic of Palau. These three compact states do not have enough full-time judges to staff their entire court structure.

In order to permit Ninth Circuit judges to sit by designation on such courts, as was done when the islands were administered by the United States under the trust territories government, the Judicial Conference at the March 1987 meeting endorsed enactment of legislation by the Congress which would permit judges of the Ninth Circuit, with the permission of the chief judge of the circuit, to serve on the courts of Micronesia, the Marshall Islands, and Palau, if so requested by an authorized official of the compact state.

SECTION 612

Circuit Judicial Conference Amendments

Section 612(a) of this title amends 28 U.S.C. § 333 relating to judicial conferences of the circuits to require the chief judge of a circuit to convene a conference of the circuit biennially (rather than annually) and to authorize a chief judge as a matter of discretion to convene judicial conferences on an annual basis as at present. This proposal was adopted by the Judicial Conference in March 1986 as one of a number of budget enhancing program adjustments that the judiciary could implement on a selective basis without undue detriment to the business of the courts.

Subsection (b) provides that the amendment made by this section shall take effect on the date of enactment of this Act.

SECTION 613

Incentive Awards

Section 613(a) of this title amends 28 U.S.C. § 604(a)(5) (Duties of the Director of the Administrative Office) to specify as one of those duties the establishment of a program of incentive awards for designated employees of the courts.

Personnel managers have long realized that recognition and reward of superior performance by an employee provide incentive for other employees to improve their performance and enhance morale. The effect is generally an improvement of productivity. The Executive Branch has a comprehensive program for agencies to recognize superior performance, to reward valuable suggestions, and to acknowledge special contributions among their employees. That program appears to have worked well, and the Judicial Conference believes that the Judical Branch would benefit from a similar program for its employees. The Office of Personnel Management reports that, for each dollar invested in awards in fiscal year 1985, almost $7 in savings and benefits were received. The benefit-to-cost ratio has consistently remained high year after year.

Currently, the judiciary has only a system for quality step increases in pay under the Judiciary Salary Plan. This program rewards an employee's sustained superior performance that is likely to continue. A quality step increase is an award of an increase in the employee's basic pay in advance of the time when the increase would normally become payable if the employee had merely maintained an acceptable level of performance. Thereafter, the employee continues to be eligible for further regular increases at the normal intervals—but measured from the date of the award of the quality step increase. Thus, this type of award has a long-lasting effect. Accordingly, its use is—and should be—limited to outstanding performance of the highest order.

Short of this type of award, there are many instances of performance which deserved special recognition but which cannot now be recognized under current provisions of law. A program similar to that in the Executive Branch, to be administered by the Administrative Office under regulations approved by the Judicial Conference, has real merit. The likely benefits of increased productivity and improved morale—as evidenced by the Executive Branch's program—would assist our continuing efforts in the Judicial Branch to handle the increasing workload fairly and expeditiously.

Subsection (b) of this section provides that the amendment made by this section shall take effect on the date of enactment of this Act.

SECTION 614

Judicial Immunity

This section amends 42 U.S.C. § 1988 (The Civil Rights Attorneys Fees Act) to preclude awards of attorneys fees against judges in the same instance when a judge could not be required to pay other money damages as a consequence of a lawsuit.

SECTION 615

Amendments to Waive Claims of Overpayment of Judicial Pay and Allowances

Subsection (a) of section 615 of this title would amend 5 U.S.C. § 5584(g) to authorize the Director of the Administrative Office of the United States Courts to waive a claim for erroneous payment of pay or allowances against an employee of the Administrative Office of the United States Courts, the Federal Judicial Center and any of the courts set forth in section 610 of title 28, United States Code. In addition the Director is defined as "head of an agency" for purposes of this section. This lack of waiver authority has caused undue hardships for employees of the judicial branch. For example, in 1979, the Personnel Division of the Administrative Office erroneously paid a former secretary to a United States magistrate a within-grade increase one year early. She was advised of the resulting overpayment only *after* she had retired, when she learned for the first time that instead of receiving approximately $3,000 in a lump-sum distribution for unused annual leave, she would get virtually nothing. This had a devastating impact upon the secretary in that she had planned to use her refund to pay for an operation.

As a legal matter, the secretary was not entitled to retain the overpayments she had received, although it is clear that the error was solely the fault of the agency and that she was perfectly justified in assuming it had computed her pay in an accurate manner. This would be an appropriate case for waiver, but the Administrative Office is not statutory permitted to waive this debt to the government, as are agency heads in the Executive Branch and officials of Congress.

A review of relevant authority reveals that the statutes authorizing waiver of claims for erroneous payments of pay and allowances are codified at 2 U.S.C. §§ 130c, 130d and at 5 U.S.C. § 5584. Section 130c of title 2, United States Code, deals exclusively with waiver of claims for erroneous payments by the Speaker of the House of Representaties in respect of payments made by the clerk of the House of Representatives. Neither has any applicability to the judicial branch of government.

Section 5584 of title 5, United States Code, invests the "head of an agency" with limited authority to waive a claim for erroneous payment of pay, or allowances, other than travel and transportation allowances and relocation expenses payable under 5 U.S.C. § 5724a, against an "employee of an agency." For purposes of this section, subsection (g) defines "agency" as:

(1) an Executive agency;

(2) the Government Printing Office;

(3) the Library of Congress;

(4) the Office of the Architect of the Capitol; and

(5) the Botanic Garden.

Accordingly, section 5584 of title 5, United States Code, has no application to the judicial branch of government.

Further, the Federal Claims Collection Act, 31 U.S.C. § 3701 does not apply to the judicial branch of government.

An officer of the federal government is without power to release or otherwise dispose of the government's rights and property except to the extent that such power has been delegated to him by Congress or may be implied from other powers with which he is invested. *Royal Indemnity Co.* v. *United States*, 313 U.S. 289, 294 (1941); 77 Am. Jur. 2d United States § 75(1975). The enactment by Congress of four independent laws for the waiver and compromise of claims is compelling authority for the proposition that similar authority cannot be inferred for the Director in the absence of express statuory authority.

While initially the judiciary considered the possibility that erroneous payments of pay could be remedied by retroactive adjustment, at least in respect of those officers and employees whose rates of pay are determined and fixed by the Director, that approach must be abandoned in light of the numerous decisions of the Comptroller General holding that an administrative change in salary may not be made effective retroactively in the absence of express statutory authority. 26 Comp. Gen. 706 (1947), 39 Comp. Gen. 583 (1960), 40 Comp. Gen. 207 (1960), B-168715 (January 22, 1970). This rule is subject to exception only when an error occurred because of failure to carry out nondiscretionary administrative regulations or policies, or where administrative error has deprived the employee of a right granted by statute or regulation. *See* 34 Comp. Gen. 360 (1955), 39 Comp. Gen. 550 (1960) 21 Comp. Gen. 369, 376 (1941), 37 Comp. Gen. 300 (1947), 37 Comp. Gen. 754 (1958).

This proposed amendment would statutorily permit the Director of the Administrative Office to waive claims of overpayment against judicial officers and employees and provide a uniform authority for the waiver of collection of erroneous payments of pay and allowances for employees of all three branches of government by extending this limited authority to the judicial branch.

Subsection (b) provides that the amendments made by subsection (a) shall take effect upon enactment and shall apply to any erroneous payment on or after the date of enactment.

SECTION 616

Improvement of the Appeals Process with Respect to Arbitration

In September 1986, the Judicial Conference approved support of an American Bar Association proposal to amend the United States Arbitration Act (9 U.S.C. § 1 et. seq) to add a provision dealing with appeal from judicial orders relating to arbitration (Conf. Proceedings, September 18-19, 1986, pp. 59-60). Section 616 of title VI incorporates this proposal into this bill.

Subsection (a) of the proposal, in effect, permits an appeal where the effect of the court order favors litigation over arbitration—e.g., refusal to stay judicial action on issue referable to arbitration; denial of an application to compel arbitration, et. seq—or where a final decision with respect to arbitration is involved. Subsection (b), on the other hand, would not permit an appeal in specified instances in which an interlocutory judicial order favored arbitration over litigation—e.g., granting a stay of the judicial action; compelling arbitration, or refusing to enjoin an arbitration.

In deciding to support the ABA recommendation as a "sensible approach", the Judicial Conference noted that the proposal would amend the Arbitration Act (1) to clarify the appeals doctrine in this area, which is confused and irrational, and (2) to respond to the needs of arbitration as a system of dispute resolution by generally denying immediate appeals from orders giving arbitration procedence over litigation and permitting immediate appeals from orders giving litigation precedence over arbitration.

Under present doctrine, appeal from orders with respect to arbitration depends not only on the final judgment rule, but also on antique distinctions arising from the days when law and equity were administered by separate courts. The appealability of orders that direct arbitration, stay arbitration, or stay judicial proceedings depends on accidents of procedure that do not respond to any rational needs of either appeals timing or arbitration. The rules as to appealability, moreover, often are obscure. Courts have struggled with those matters for so long that legislative relief would be welcome.

In addition, as noted by the Conference, the appeal rules recommended are designed to enhance the value of arbitration as a means of nonjudicial dispute resolution. Arbitration is highly regarded for its speed, relative cheapness, privacy, and expert knowledge of specialized areas. These values are protected by permitting arbitration to proceed without appeal if the district court orders that arbitration precede litigation, and by permitting immediate appeal if the district court orders that litigation precede arbitration. Denial of appeal when arbitration is given precedence should not often be costly: district courts usually will be correct, and the arbitration process is apt to produce considerable savings in the process of preparing for trial if the dispute is ultimately found nonarbitrable.

Moreover, under the proposed statute, appealability does not turn solely on the policy favoring arbitration. Appeal can be taken from final judgments, including a final judgment in an action to compel arbitration, a final judgment that refuses to enjoin arbitration, or a final judgment dismissing an action in deference to arbitration. These appeals preserve the general policy that appeal should be available where there is nothing left to be done in the district court. Orders of any type can be appealed under 28 U.S.C. § 1292(b), preserving the opportunity for immediate review whenever the district court and court of appeals concur that this course is desirable.

Subsection (c) of this proposal provides that the change will be effective on the date of enactment of this Act.

SECTION 617

Salaries

Section 617 of title VI of the bill amends section 603 of title 28, United States Code, to provide (1) that the salary of the Deputy Director of the Administrative Office shall be the same as the annual basic rate of pay for positions in level IV of the Executive Schedule, rather than level V and (2) that the Director of the Administrative Office may establish up to six positions to be paid at the annual rate or basic rate for positions in level V of the Executive Schedule. This proposal would permit the Director to elevate six positions in the Administrative Office from the top of the General Schedule (GS-18) to the entry level of the Executive Schedule (level V). It is contemplated that the positions affected would be the three Assistant Directors, General Counsel, Legislative and Public Affairs Officer and the Chief of Audit and Review. With the elevation of these six positions to level V, it is logical and consistent to raise the Deputy Director's position from level V to level IV.

The cost of these changes is modest. The GS-18 salary is currently capped at $72,500, the same rate for positions at level V of the Executive Schedule. The pay for the Deputy Director position would increase from $72,500 to $77,500.

The primary reason for this proposal is to enhance the ability of the Administrative Office to recruit and hold qualified persons, particularly persons with experience in the court system. For example, circuit executives are currently paid at level V. Not only would they absorb a significant diminution of perceived professional status by joining the Administrative Office, many circuit executives would, in effect, take a pay cut by moving to the high cost-of-living Washington, D.C. area. Moreover, these same considerations bear on effective recruitment from the cadre of persons serving in the Executive Branch of government at the lower levels of the Executive Schedule or in the Senior Executive Service, the compensation of which ranges up to Executive Level IV.

It is also worth noting that the new Trustee Program in the Department of Justice provides that all United States Trustees shall be up to level IV. The Attorney General is also authorized to pay United States attorneys at level IV.

In summary, for modest cost the Administrative Office could significantly enhance its competitive situation with respect to recruitment for and retention in the most sensitive positions in the agency by the changes recommended in this section.

Subsection (b) of this proposal provides that the change will be effective on the date of enactment of this Act.

SECTION 618

Court Security

This section provides explicit authorization for the Administrative Office to use appropriated funds to provide security for judicial facilities. While the Judicial Appropriation Act, 1986, Pub. L. No. 99-180, Title IV, 99 Stat. 1136, 1154-1155 appropriates funds for such purposes and the use of such funds for those purposes is implicitly authorized by 28 U.S.C. § 604(a)(10)(c), it was felt appropriate to have specific Congressional authorization for these expenditures. This section is limited to security services for facilities and obtaining, but not paying for, the personal judicial security the Marshals Service provides.

Subsection (b) of this proposal provides that the change will be effective on the date of enactment of this Act.

SECTION 619

Travel Reimbursement

This section authorizes the Administrative Office to set the travel reimbursement rate of bankruptcy judges and magistrates at the same rate as Article III judges (*see,* 28 U.S.C. § 456), United States Claims Court judges and territorial judges (*see,* 28 U.S.C. § 460(a)), and judges of the United States Tax Court (*see,* 26 U.S.C. § 7443(d).

Subsection (b) of this proposal provides that the change will be effective the date of enactment of this Act.

SECTION 620

Reports and Statistics

This section alters two reporting requirements now assigned to the Administrative Office by statute.

The first report is that required by 12 U.S.C. § 3421(a), the Right to Financial Privacy Act of 1978. The 1985 report described only 33 events under the Act. Much the same information is reported by administrative agencies under 12 U.S.C. § 3421(b). The section is repealed after the 1989 report. This would be the tenth annual report.

The second report involves requests for awards of fees and expenses under the Equal Access to Justice Act. these reports have been filed for seven years and require significant resources to produce. The Justice Department is the most efficient source of this data and the section transfers the reporting requirement to that agency.

Subsection (c) of this proposal provides that the change will be effective on the date of enactment of this Act.

SECTION 621

District of Columbia Public Defender Amendments

This section would transfer the responsibility for fiscal operations of the District of Columbia Public Defender Service from the Administrative Office of the United States Courts to the Board of Trustees of the Service. The Service is a District of Columbia Govenrment agency and the section would transfer these duties from the Federal Government to the District of Columbia Government.

Subsection (b) of this proposal provides that the change will be effective on the date of enactment of this Act.

SECTION 622

Claims Court Fees

Section 622(a) of title VI of the bill amends 28 U.S.C. 2520 to raise the filing fee in the United States Claims Court from an amount not to exceed $60 to an amount not to exceed $120. This brings the Claims Court fee into line with the filing fee in the United States district courts as increased by Public Law 99-500, the Judiciary's Appropriation Act for the Fiscal Year 1987.

Subsection (b) provides that the increased fee in the Claims Court may be imposed 30 days after the date of enactment of this Act.

SECTION 623

Temporary Emergency Court of Appeals

This section would make the appropriate changes to current law to phase out the Temporary Emergency Court of Appeals.

Paragraph (a)(1) provides for review of Economic Stabilization Act cases in the Court of Appeals for the Federal circuit instead of the Temporary Emergency Court of Appeals as to all appeals filed on or after October 1, 1988. The section it amends, section 211 of the Economic Stabilization Act of 1970, is by cross-reference, the basis for TECA jurisdiction under 15 U.S.C. 754 and 42 U.S.C. 6393(b). By changing section 211 and leaving the cross-references intact, such TECA jurisdiction is transferred to the Federal Circuit.

Paragraph (2) amends 15 U.S.C. 3416(c), the emergency review provision of the Natural Gas Policy Act of 1978. Since this section does not use cross-references to create the TECA jurisdiction, specific amendments to it are required to transfer the jurisdiction.

Paragraph (3) conforms 28 U.S.C. 1295(a) to show the new Federal circuit jurisdiction.

Subsection (b) distributes the existing and future TECA caseload. All cases which have actually been submitted to a panel, with or without oral argument, will remain with that panel which will be designated to the Federal Circuit for the purpose of that case. All other appeals whether not yet filed on September 30, 1988 or filed but not submitted to a panel, will be assigned to the Federal Circuit for disposition in the normal course.

ADMINISTRATIVE OFFICE OF THE
UNITED STATES COURTS,
Washington, DC, May 7, 1987.

Hon. GEORGE BUSH
President, U.S. Senate, Washington, DC.

DEAR MR. PRESIDENT: As Secretary to the Judicial Conference of the United States, I am today formally submitting a bill embodying a number of recommendations of the Judicial Conference as well as the Administrative Office of the United States Courts.

The bill is divided into six titles. The first four titles deal with specific items including the mandatory jurisdiction of the Supreme Court, jury selection and service, court-annexed arbitration and District Court Executives.

Title V contains several provisions concerning programs and salaries in the Federal Judicial Center.

Title VI contains more than twenty separate miscellaneous provisions concerning procedural matters, pay, retirement, judicial immunity and administrative matters.

A section-by-section analysis is also enclosed for your use.

We appreciate whatever consideration the Congress may give this proposed legislation. Representatives of the Administrative Office are available to assist the Congress in whatever way it may desire.

Sincerely,

L. RALPH MECHAM,
Director.●

By Mr. HEINZ:

S. 1483. A bill to reestablish food bank special nutrition projects, to establish food bank demonstration projects, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD BANK DEMONSTRATION PROJECTS

● Mr. HEINZ. Mr. President, in recent weeks several of my colleagues have discussed the distressing reality we face as surplus commodities build up in federally supported warehouses, while countless thousands of Americans have inadequate diets. Last summer, there were some 600 million pounds of cheese in these warehouses, all of which could have been distributed to the poor and to emergency feeding organizations around the Nation. But we have not used the efficient food bank distribution networks that could have helped do this.

We need to do far more to distribute surplus commodities to those in need. Today I am introducing legislation to do it. The legislation I am offering creates a demonstration project in each of the 11 Federal regions to provide and redistribute section 32 commodities to needy individuals and families through community food banks. The demonstration project will run from the date of enactment through 1990. In addition, this bill would reestablish the food bank special nutrition project. The authority for this project has not expired, but the U.S. Department of Agriculture has stopped running it.

Let me emphasize what we could do with these two projects. We would be able to use food banks as distribution centers for surplus commodities—cheese, butter, nonfat dry milk, flour, rice, and honey. These are all in surplus, and there are many individuals—some homeless, some barely able to subsist—who need these commodities desperately. It strikes this Senator as wrong to overlook the effective work our food banks can do for needy Americans. Some may be concerned about additional distribution costs under this legislation. I recognize this concern, but I must emphasize that $48 million in needless storage costs for these commodities is far more than the cost of efficiently distributing the food to those who are hungry.

We need to use food banks to do the job. Food banks do not distribute commodities directly, but are the centers of distribution for networks of emergency feeding organizations. Food banks can provide the management and storage skills, as well as the accountability, which have been lacking in the TEFAP program. In December 1985, I received a GAO study which Senator Eagleton and I had requested. It reported shocking incidents of surplus cheese and butter being left to rot in inadequately managed warehouses. Inventory management was poor, and some warehouses had no idea what commodities had been received, or where they had been distributed. Food banks provide far superior commodity management to ensure that needy families and individuals receive the commodities they need when they need them.

Mr. President, the provisions of this bill are very simple: Continuation of an existing project and creation of a small new demonstration project. Both will help us to achieve the goal of distributing surplus commodities to those in need. I hope my colleagues will join me in enacting this legislation in the coming weeks. I ask unanimous consent that the bill appear at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1483

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FOOD BANK SPECIAL NUTRITION PROJECTS.

The first sentence of section 211(d) of the Agricultural Act of 1980 (7 U.S.C. 4004(d)) is amended by striking out "a progress report on July 1, 1983, and a final report on January 1, 1984," and inserting in lieu thereof "an annual report".

SEC. 2. FOOD BANK DEMONSTRATION PROJECTS.

(a) IN GENERAL.—The Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") shall carry out at least one demonstration project in each of the standard Federal regions to provide and redistribute agricultural commodities or products made available under section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c), to needy individuals and families through community food banks designated under section 211(c) of the Agricultural Act of 1980 (7 U.S.C. 4004(c)).

(b) TRANSFER OF COMMODITIES.—The Secretary may use State agencies or any other food distribution systems to transfer the commodities or products to community food banks in accordance with the last sentence of section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935.

(c) FOOD TYPES.—The Secretary shall determine the quantities, varieties, and types of agricultural commodities and products to be made available to community food banks under this section.

(d) STATEWIDE COVERAGE.—To the maximum extent possible, the Secretary shall provide for Statewide coverage in each project carried out under this section.

(e) REPORT.—Not later than January 3, 1990, the Secretary shall submit a report to Congress describing the demonstration projects carried out under this section. The report shall include an analysis and evaluation of the distribution and redistribution of food under the demonstration projects and the feasibility of expanding the projects to other community food banks.

(f) TERMINATION.—The authority provided under this section shall terminate on December 31, 1990.●

By Mr. GRASSLEY:

S. 1484. A bill to provide permanent authorization for White House Conferences on Rural Development and the Family Farm; to the Committee on Agriculture, Nutrition, and Forestry.

WHITE HOUSE CONFERENCES ON RURAL DEVELOPMENT AND THE FAMILY FARM

Mr. GRASSLEY. Mr. President, I rise today to introduce a bill establishing a national forum for dialog and coordination of rural development. My bill would permanently authorize, once during each Presidential term a White House Conference on Rural Development and the Family Farm.

It is an ever-growing task to educate Congress and the administration of the needs and contributions that rural America makes to the culture and economy of our country. The benefits of a national focus on rural concerns, which are so vital to America, demand the attention and emphasis made possible by a White House Conference.

I, along with many of my Senate colleagues, have sponsored and supported many individual initiatives on behalf of rural America. These initiatives range from job creation, to research for alternative agriculture, to personal stress management. Such efforts are important and must continue. Many of our efforts have contributed to the gradual recovery that some rural areas are now beginning to enjoy.

I must suggest, however, that we could do an even better job if our efforts are harmonized and guided by the forum provided in my bill, the "White House Conference on Rural Development and the Family Farm." Such a forum is necessary in order to sharpen the focus of politicians, State and Federal Government agencies, farm organizations, colleges, universities, and churches. This forum will coordinate and enhance the contributions of these concerned groups and individuals.

Mr. President, I am pleased that the farm economy is improving and that, in general, the agricultural sector is beginning to recover from the beating it has taken over the past several years. I must, however, caution my Senate colleagues not to drift into the hazards of complacency. The family farmer continues to face very serious hardships. Congress must continue to assist farm families who are suffering.

We are in the midst of significant social and economic change. Congress must act to assist rural families with the transition that is already in progress. The Office of Technology Assessment has projected that the number of moderate-size farms could be cut in half by the year 2000.

It is well known that not only is the number of family farms decreasing, but so is the number of farmers as a whole. It may be easy for Federal Government officials to look at the shrinking farm population and dismiss it as insignificant, being only 2 percent of the population. But, Mr. President, the remaining 98 percent of the population relies on the agricultural 2 percent for much more than food and fiber, though that is certainly a very significant dependence. The nonfarming majority also relies on the agricultural minority for much of their economic vitality. In my State of Iowa, 7 out of 10 jobs directly depend on agriculture.

Progress is always accompanied by transition. Transition always results in at least some degree of adjustment and discomfort. Part of the adjustment experienced by agriculture is the concentration of farms. Concentration in farming has serious implications not only for farmers themselves, but also for residents of rural communities. Studies have repeatedly shown that the standard of living in rural communities is inversely related to the concentration and size of the surrounding farms. As farms get larger, the income level in rural communities gets smaller.

Reduction in population dramatically affects the economic base of rural communities. The rural community tax base erodes, property values decline, and employment opportunities diminish. Simply said, as the number of farms decreases, the population in rural communities also decreases, sapping the life blood from rural America. The effects reduce the amount of business available to local banks and grocery stores. The consequences stretch to local schools and churches.

Mr. President, these issues clearly point to the need for coordination and intensive study of the issues and concerns facing rural America. The ability of many rural communities to continue providing for the needs of their citizens depends upon the preservation of a health family farming system. Too often the needs of rural Americans and the farm sector are only given lip-service and not enough action.

Conferences similar to the one authorized in my bill have been conducted. In 1980 and 1986, several successful White House Conferences on Small Business were held. The impetus behind each of these conferences was the need to bring small business owners together to debate public policy issues.

Like small businesses owners, farmers have many different needs and concerns. And, like the owners of small businesses, farmers would benefit from a national forum in which to focus their initiative for progress and growth.

The success of the 1980 and 1986 small business conferences is noteworthy. Many substantive recommendations were formulated and subsequently implemented. I am certain that America's farmers are equally committed and capable to accept the challenge of setting their own policy objectives.

Farmers always have and will continue to provide the backbone of our country. Just as we have done for the small business community, we need to make the agricultural sector a priority. Therefore, we need a White House Conference on Rural Development and the Family Farm to assure a periodical educational process for the administration, for Congress, and for the other 98 percent of the population.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1484

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION OF A NATIONAL CONFERENCE.

(a) In General.—The President shall call and conduct a National White House Conference on Rural Development and the Family Farm (hereinafter referred to as the "National Conference") once during each 4-year period following a Presidential election, to carry out the purposes described in section 2.

(b) Participants.—

(1) In general.—In order to carry out the purposes specified in section 2, the National Conference shall bring together individuals concerned with issues relating to the development of rural communities.

(2) State and regional delegates.—Delegates, including alternates, to the National Conference shall be elected by participants at the State conferences.

(3) Federal representatives.—Federal participants to the National Conference shall include—

(A) the Secretary of Agriculture;

(B) the Under Secretary of the Small Community and Rural Development of the Department of Agriculture;

(C) the Director of the United States Extension Service of the Department of Agriculture; and

(D) the members of the National Advisory Council on Rural Development, in an advisory capacity.

(c) State and Regional Conferences.—

(1) In general.—The National Conference shall be preceded, to the extent practicable, by State and regional conferences, as described in this subsection, with at least one such conference being held in each State.

(2) Authorization.—Participants in the National Conference and other participants as described in paragraph (4) are authorized to conduct conferences and other activities at the State and regional levels prior to the date of the National Conference, subject to the approval of the Secretary of Agriculture.

(3) Purpose.—State and regional conferences shall be directed toward the consideration of the purposes of the National Conference described in section 2 in order to prepare for the National Conference.

(4) Participants.—Persons eligible to participate in the State and regional conferences shall be limited to—

(A) participants in the National Conference; and

(B) those persons who—

(i) reside on a farm or in a community with a population of less than 10,000;

(ii) in a county with a population of less than 50,000; and

(iii) are—

(I) a family farmer;

(II) a rural businessman; or

(III) any other person with a vested interest in rural community life.

SEC. 2. PURPOSES.

(a) In General.—The purpose of the National Conference shall be to preserve and stimulate economic and cultural vitality in rural communities.

(b) Issues.—In carrying out subsection (a), participants at the National Conference shall examine—

(1) the delivery of essential services to rural communities, including education, medical, financial, transportation, and postal services;

(2) the vitality and role of the family farm in rural communities;

(3) the economic development, including employment opportunities for displaced and part-time farmers, of rural communities;

(4) the maintenance and development of the rural infrastructure, including bridges, water and sewer works, schools, hospitals, jails, and parks;

(5) the interrelationship among Federal, State, county, city, township, and school district governments;

(6) the appropriate amount and type of government intervention and private sector alternatives; and

(7) any other relevant topics that address rural concerns.

SEC. 3. ADMINISTRATION.

(a) Administrator.—The Secretary of Agriculture shall act as the administrator of the National Conference.

(b) Federal Entities.—The heads of all Federal departments, agencies, and instrumentalities shall provide such support and assistance as may be necessary to facilitate the planning and administration of the National Conference.

(c) Secretary of Agriculture.—In carrying out this Act, the Secretary of Agriculture—

(1) shall provide such assistance as may be necessary for the organization and conduct of conferences at the State and regional levels as authorized under section 1(c); and

(2) may enter into contracts with public agencies, private organizations, and academic institutions to carry out this Act.

(d) Participant Expenses.—Each participant in the National Conference shall be responsible for the expenses of the participant related to attending the National Conference and shall not be reimbursed from funds appropriated pursuant to this Act.

(e) Executive Director.—The President may appoint and compensate an executive director and other such personnel for the National Conference as the President may consider advisable, without regard to title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

SEC. 4. REPORTS.

(a) National Conference Report.—Not later than 6 months from the date on which the National Conference is convened, the National Conference shall submit a final report to the President and Congress. The report shall include the findings and recommendations of the National Conference and proposals for any legislative action necessary to implement the recommendations of the National Conference.

(b) Implementation Report.—The Secretary of Agriculture and the Director of the Extension Service shall report to Congress annually following the submission of the National Conference report on the status and implementation of the findings and recommendations of the National Conference.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There is authorized to be appropriated such sums as may be necessary to carry out this Act, to remain available until expended.

(b) Department Funds.—No funds appropriated to the Department of Agriculture shall be made available to carry out this Act, other than funds appropriated specifically for the purpose of conducting the National Conference.

(c) Unexpended Funds.—Any funds remaining unexpended at the termination of the National Conference shall be returned to the Treasury of the United States and credited as miscellaneous receipts.

By Mr. FORD (for himself, Mr. Hollings, Mrs. Kassebaum, Mr. Danforth, and Mr. Gore):

S. 1485. A bill to amend the Federal Aviation Act of 1958 to provide various protections for passengers traveling by aircraft, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AIR PASSENGER PROTECTION ACT

Mr. FORD. Mr. President, I am today introducing legislation to address the problems being experienced by air travelers throughout the country. It is a bill designed to help ensure that when people fly, they will reach their destination safely, on time, and with their baggage.

The Air Passenger Protection Act of 1987 is the culmination of several weeks of work by the Aviation Subcommittee, which has held a number of hearings this year on the airline consumer issue, as well as the steps needed to expand the capacity of our air transportation system.

I am pleased to be joined in sponsoring this bill by the ranking member on the subcommittee, Senator Kassebaum, as well as the Commerce Committee chairman, Senator Hollings, the ranking member, Senator Danforth, and Senator Gore. Their input has been invaluable in our effort to develop a measure that will help improve air travel, without imposing too great of a burden on the airline industry.

It comes as no surprise to anyone in this Chamber when I state that the quality of commercial airline service has deteriorated substantially in recent months. Each one of us has experienced the record numbers of airline problems—whether it be firsthand, or through the massive volumes of complaints sent to us by our constituents. thus, we all know that something must be done to ensure that airlines develop more realistic schedules and that air travelers can make educated choices regarding which airline they want to fly.

This bill will accomplish that objective. It increases the amount of information that air carriers will be required to report to the Secretary of Transportation on their performance. It prohibits air carriers from publishing unrealistic schedules. It eliminates the incentive for those same airlines to schedule more departures at an airport at one time than it can accommodate. And it directs the Secretary of Transportation to work with the Federal Aviation Administration and the various aviation user groups to report on future levels of air traffic.

Mr. President, the level of interest in legislation of this type can be seen in the number of bills that have been introduced thus far this year. Senators Danforth, Metzenbaum, and Lautenberg each have sponsored bills dealing with increased reporting of delays and other service problems. In this bill, we have attempted to incorporate various concepts from these bills, in order to take before the Commerce Committee and the Senate a comprehensive and complete bill.

There is no question that any legislation which the Congress enacts must be comprehensive. Recent statistics illustrate the worsening problems that travelers are experiencing. In the first 3 months of this year, air traveler complaints to DOT totaled 4,893. Yet, according to DOT officials, the statistics which they will release today will show that for the month of June, some 5,759 people filed complaints about airline service with DOT! This is more than the combined totals for the first 3 months of 1987—by no means an exceptional time for the airline industry. Perhaps a better indicator of the extent of the problem we are now experiencing is the fact that only last year—June 1986—only 962 complaints were filed at DOT.

Let me remind my colleagues that when people lodge a complaint with the Consumer Affairs Office within DOT, they are doing so at their own cost. There is no toll-free telephone number. And they have done it only after working to uncover what the number is—as DOT does not advertise or promote that number. So these figures are likely only the tip of the iceberg.

I would like to now briefly summarize the specific provisions of the bill so that everyone can understand what we are proposing, as well as why we have proceeded in such a manner.

First, the bill requires the Secretary of Transporation to mandate the submission of monthly records on each carrier's on-time performance, lost baggage, canceled flights, as well as the number of passengers involuntarily denied boarding. The Secretary is then required to make this information available to the public—through airline computer reservation systems, the publication of summary information in the Federal Register, and the issuance of monthly reports.

Prior to the sunset of the Civil Aeronautics Board in 1984, information of this type was submitted to the Board and regularly used by the carriers as a means of establishing a competitive advantage. I believe that this is a healthy way of both improving the flow of information to the air traveler, as well as providing the needed incentives in a deregulated environment to ensure service competition.

The bill would also require that the Secretary establish a definition for "delayed flights." Currently, the FAA uses one definition for a delayed flight, while the airline industry uses another. The result is confusion that will continue unless changed. The bill also requres each airline to report, along with its on-time performance data, the cause of its delays. This provision will help us better understand the real causes of flight delays—whether they be bad weather, limitations in the air traffic control system, passenger service, maintenance problems, or any other safety-related factor that may cause a flight to take longer than its schedule states.

The bill also attempts to improve such scheduling. It requires the FAA to determine what the minimum elapsed flight time is between any two airports in the country. Once completed, the Secretary is then required to ensure that no airline flights are scheduled for a shorter duration. This will eliminate the current practice of shaving time off flight schedules, making them unrealistically optimistic.

Mr. President, our bill also attempts to encourage the airlines to apread out their flight schedules during peak travel hours by eliminating the incentive to schedule more flights at any one moment than the airport can handle. Because airlines know travelers prefer to depart at certain times, for example, 5 p.m., they schedule many of their flights at that precise minute. These computer systems encourage them to do that because those flights are given priority listing, which results is substantially more tickets sold by travel agents. This bill elimates any advantage that might currently be afforded a flight that is not precisely at the time a traveler requests, therefore encouraging the airlines to spread out their schedules.

Combined, these two provisions will result in more realistic airline scheduling—an objective sought by most passengers.

Other provisions in this legislation include the establishment of a 24-hour tollfree hotline at the Department of Transportation. This hotline will provide travelers with a central location—other than with the airline—to resolve their flight problems. This hotline will also help ensure the collection of more realistic figures about traveler complaints. As proposed, the toll-free number will be printed on all airline ticket jackets and located at various points throughout an airport—ensuring its widespread distribution.

The bill would address a number of other problems. It would require the development of a uniform designation symbol to be used by all airlines to denote the use of aircraft of 30 or fewer passenger seats. It requires the development of an industry-wide standard for controlling the size and amount of carry-on baggage. And it requires that when an airline advertises a discount fare that is limited, it be required to provide notice of that fact—that it is indeed limited.

Finally, the bill directs the Secretary of Transportation to establish an advisory committee that will look into the future to determine the safe and appropriate level of traffic in the air traffic control system. To be headed by the Administrator of the FAA and made up of users of the air traffic control system, this committee would be directed to report to the Congress and the Secretary by December 31, 1988, on what the airway system can safely handle, the pace at which that capacity should be increased, and what resources will be needed to assure long-term safety and system capacity.

Mr. President, this bill is not the cure-all for the problems currently facing the aviation industry. Much more is needed for that—the hiring of additional controllers, the modernization of the facilities and equipment used in the air traffic control system, and the development and expansion of our national system of airports. These are matters which we have addressed in separate legislation—S. 1184, the Airport and Airway Capacity Expansion Act—which we hope to take to the Senate floor before the August recess.

But there can be no denying the fact that we need to do something to improve the quality of commerical airline service currently being provided. And I believe that this bill will take the necessary steps to do that.

It is my intention to bring this bill before the Commerce Committee when it meets in executive session next week. And I believe that with the strong bipartisan support we now have, this will be a bill that will be before the Senate in the very near future.

Mr. President, I urge my colleagues to support this legislation, and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1485

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Air Passenger Protection Act of 1987".

SEC. 2 (a) Title IV of the Federal Aviation Act of 1958 (49 App. U.S.C. 1371 et seq.) is amended by adding at the end the following:

"SUBMISSION OF CERTAIN INFORMATION

"REQUIRED INFORMATION

"SEC. 420. (a) The Secretary shall, within 90 days after the date of enactment of the Air Passenger Protection Act of 1987, promulgate regulations requiring air carriers to submit to the Secretary on a monthly basis the following information relating to scheduled air transportation between any airports in the United States:

"(1) on-time performance, measured as the average time of actual departure or arrival past the scheduled departure or scheduled arrival time, as appropriate, for transportation between each two points served by each air carrier.

"(2)(A) The total number of passengers carried by each air carrier, (B) the number of such passengers who arrived at their final destination without one or more pieces of their checked baggage and who notify the air carrier that such baggage failed to arrive, and (C) what percent the passengers identified in subparagraph (A) of this paragraph are of the passengers specified in subparagraph (B) of this paragraph.

"(3)(A) The number of flights scheduled at each airport by each air carrier, (B) the number of such flights cancelled at each airport, and (C) what percent the flights identified in subparagraph (B) of this paragraph are of the flights identified in subparagraph (A) of this paragraph.

"(4) The number of passengers involuntarily denied boarding by each air carrier, and the compensation offered to such passengers.

"AVAILABILITY OF INFORMATION

"(b) The Secretary shall, with respect to information reported under subsection (a) of this section, take such action as may be necessary to make that information available to the public, including publication of summary information in the Federal Register and the issuance of monthly reports.

"COMPUTERIZED AIRLINE RESERVATION SYSTEMS

"REQUIREMENTS OF INFORMATION IN THE SYSTEM

"SEC. 421. (a) The Secretary shall, within 90 days after the date of enactment of the Air Passenger Protection Act of 1987, amend the regulations regarding computerized airline reservation systems offered to subscribers by an air carrier or any of its affiliates contained in section 255 of title 14, Code of Federal Regulations, to require that—

"(1) for scheduled air transportation between any airports in the United States, the elapsed time shown for each flight displayed in such computer system shall not be less than a minimum realistic time established by the Administrator for such transportation;

"(2) no such computer system shall, for purposes of ordering the display of flight information, assign a weight of displacement for any flight having a scheduled departure time 30 minutes or less after the departure time requested or 29 minutes or less before the departure time requested; and

"(3) each air carrier provide the Secretary with an average of the actual arrival times for each scheduled flight that it operates, based on the actual times of arrival for such flight during the previous month.

"SPECIFIC INFORMATION

"(b)(1) The Administrator shall determine the minimum realistic time under subsection (a)(1) of this section according to a formula to be developed by the Administrator and published in the Federal Register. Such formula shall be based on (A) the distance between the airports; (B) the standard cruise speed for the involved type of aircraft; (C) the typical taxi, landing, and take off times for the type of aircraft involved and, where the Administrator determines it to be appropriate, for the airport; and (D) where the Administrator determines it to be appropriate, meteorological factors.

"(2) The Secretary shall require that the information provided under subsection (a)(3) of this section is included in all schedules published in such computer reservation systems, and that such information is made available to the public.

"PROMULGATION OF CERTAIN REGULATIONS

"SEC. 422. The Secretary shall, within 90 days after the date of enactment of the Air Passenger Protection Act of 1987, promulgate regulations—

"(1) to establish a standardized definition of a delayed flight, as well as the causes of delays;

"(2) to establish a uniform designation symbol to be used by an air carrier in its schedules to identify aircraft having a passenger seating capacity of 30 seats or less;

"(3) to amend the final rule issued under section 121 of title 14, Code of Federal Regulations, relating to carry-on baggage programs to establish uniform standards for use by all air carriers in controlling the size and amounts of carry-on baggage; and

"(4) to require that any carrier who advertises a fare for particular air transportation but does not make that fare available for all passengers of such transportation must include in any advertisement for such transportation a notice that availability of transportation at the adverstised fare is limited.

The definition established under paragraph (1) of this section shall include considerations of weather, air traffic control, passenger service, maintenance, and any other safety factor. The Secretary shall require each air carrier, in reporting information under section 420(a)(1) of this Act, to report to the Secretary the cause of its delays. Such information shall be made available to the public.

"CONSUMER HOTLINE

"SEC. 423. The Secretary shall, within 90 days after the date of enactment of the Air Passenger Protection Act of 1987, establish a 24-hour toll-free consumer hotline to provide consumer information on air carrier performance records, information as to the rights of consumers and responsibilities of air carriers, and assistance in resolving disputes between consumers and air carriers. Information with respect to the availability of such hotline and its purpose, together with the telephone number of such hotlines, shall be printed on each ticket jacket, and prominently displayed in appropriate locations at airports.".

(b) Notwithstanding any other provision of this act, the Secretary of Transportation shall not implement any provision of this section, or any amendment made by this section, if the Secretary determines that such implementation will have an adverse impact on the safety of air transportation. If the Secretary makes such a determination, the Secretary shall publish notice of such determination the Federal Register.

(c) The table of contents of the Federal Aviation Act of 1958 is amended by inserting immediately after the item relating to section 419 the following:

"Sec. 420. Submission of certain information.
"(a) Required information.
"(b) Availability of information.
"Sec. 421. Computerized airline reservation systems.
"(a) Requirements of information in the system.
"(b) Specific information.
"Sec. 422. Promulgation of certain regulations.
"Sec. 423. Consumer hotline.".

SEC. 3. The Secretary of Transportation shall establish an Advisory Committee to determine the appropriate level of capacity in the air traffic control system. The Advisory Committee shall be headed by the Administrator of the Federal Aviation Administration, and shall include representatives of aviation user groups. The Advisory Committee shall submit to the Congress and the Secretary a report on the level of capacity not later than December 31, 1988. The Report shall include the levels of traffic which the air traffic control system is capable of handling safely and with a high level of dependability for each year within the 5-year period beginning on January 1, 1989, the speed with which the capacity can safely be increased, and what additional resources should be made available to assure maximum safety and system capacity.

● Mr. DANFORTH. Mr. President, I am very pleased to cosponsor S. 1485, the Air Passenger Protection Act of 1987, introduced today by the chairman of the Aviation Subcommittee. This bill will help eliminate airline delays resulting from overoptimistic airline scheduling practices, and will provide much-needed disclosure to passengers of information concerning flight delays, cancellations, overbooking, and lost baggage. It is the third, and final, component in a series of reforms that are needed if we are to address effectively the problems of airline delays.

Mr. President, near the end of last year it became clear to me that commercial airline delays and cancellations had increased dramatically. In talking with my constituents, I found that the level of frustration was very high. The time had come for the Federal Government to act.

Early in this Congress, I proposed a three-part plan to remedy the problem. That plan, embodied in S. 679, the Aviation Safety and Improvement Act of 1987, called for: First, expanding airport and airway capacity by increasing expenditures from the aviation trust fund to improve airport and air traffic control facilities; second, hiring additional air traffic controllers; and third, providing improved information to travelers regarding the likelihood of delays and cancellations.

Mr. President, I have not been alone in my concern or in my approach. Under the able leadership of Aviation Subcommittee Chairman FORD and his Republican counterpart, Senator KASSEBAUM, the Commerce Committee has moved swiftly and boldly to address the problem of airline delays. Legislation drafted by the committee reauthorizing major programs administered by the Federal Aviation Administration significantly increases spending for expanding airport and airway capacity. It also requires the hiring of an additional 1,000 air traffic controllers. This legislation, S. 1184, the Airport and Airway Capacity Enhancement Act of 1987, was favorably reported by a unanimous vote of the Commerce Committee on June 4, 1987. This bill is now awaiting action on the Senate floor.

Similarly, Secretary Dole has showed genuine leadership in this area. She recently alerted the Appropriations Committee to the need for 955 additional air traffic controllers, supervisors, and technical support personnel. She has also initiated an investigation into airline scheduling practices, and has begun a rulemaking aimed at improving the information available to consumers on flight delays and cancellations, among other things.

Mr. President, the Air Passenger Protection Act of 1987 supplements these efforts. It is the third element needed for the improvement of our air transportation system. The disclosure to airline passengers of the likelihood that their flights will arrive on time is essential to effective travel scheduling. My legislation, S. 679, limited required disclosures to flight delays and cancellations. The Air Passenger Protection Act of 1987 improves S. 679 by requiring information concerning overbooking and lost baggage as well.

This legislation will also improve airline scheduling practices by preventing airlines from publishing schedules showing unrealistic arrival times in order to gain better display positions on computer reservations systems. Finally, this legislation will aid consumers by directing the Transportation Department to establish a toll-free number to provide information about airlines' performance, rights of consumers, and to help resolve disputes between consumers and air carriers. Taken together, these measures should provide noticeable benefits to air travelers.

Mr. President, I am most pleased to cosponsor this legislation. I thank Senator FORD and Senator KASSEBAUM for working with me to address these concerns, and commend them for their perserverance on the airline delay problem by putting together both S. 1184 and this bill. I congratulate them on their fine work.●

By Mr. LUGAR (for himself, Mr. BAUCUS, Mr. DOLE, Mr. DIXON, Mr. MCCONNELL, Mr. KARNES, Mr. SYMMS, Mr. DANFORTH, Mr. BOSCHWITZ, Mr. BOND, Mr. QUAYLE, Mr. WILSON, Mr. PRESSLER, and Mrs. KASSEBAUM):

S. 1486. A bill to amend the Farm Credit Act of 1971 to make the Farm Credit System financially sound and responsive to borrower needs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL PRODUCER AND FARM CREDIT SYSTEM BORROWER ACT

Mr. LUGAR. Mr. President, I rise today to introduce legislation to provide financial assistance to the troubled Farm Credit System, which provides farm mortgage and operating loans to over 600,000 farmers and ranchers in the United States. This legislation provides a sufficient level of assistance at the lowest possible cost to the U.S. taxpayer. In addition, this legislation, as a condition of eligibility for assistance, requires the System to reform its lending practices and to streamline its business operations.

The System has suffered losses in excess of $4.2 billion in the last 2 years. Losses are expected to exceed $4 billion again in the 3 years of 1987 through 1989. Surplus capital has dropped from $6.2 billion in 1985 to less than $1.2 billion today. At the present rate of decline, several System banks will be unable to close out their books at the end of the year without some outside assistance.

Several interest groups have proposed costly and open-ended assistance bills. Virtually every bill introduced thus far proposes at least a $6 billion line of credit from the Federal Treasury.

I believe it is misleading to suggest that the Congress will appropriate $6 billion to assist the Farm Credit System this year. The Senate recently took action to approve the fiscal year 1988 budget resolution that reduces farm program costs by $1.2 billion in mandated reconciliation for fiscal year 1988.

At the same time that we are telling all farmers that the Budget Act requires a reduction in farm programs, we would be asked to vote to waive every rule under that same act in order to provide $6 billion of appropriation to a system in which less than one-third of U.S. farmers participate as borrowers. This would be perceived as an inequitable budgeting procedure.

Congress is unlikely to approve a $6 billion bailout of the Farm Credit System. My purpose in introducing this bill today instead of later in the year is to convey a message loud and clear to the district banks. A blank check is not on its way. We will be fortunate to pass any farm credit legislation in calendar 1987.

The System should be preparing today for some very tough times ahead. Difficult decisions with regard to nonaccrual loans, acquired properties, and excessively high overhead costs can no longer be postponed or avoided with any expectation that the U.S. Congress is prepared to devote the resources of the Treasury to make these problems go away.

The System presently has about $6 billion in nonaccrual loans that are not earning interest. These loans should be restructured where feasible in order to get interest income flowing again. The System should already be restructuring nonaccrual loans today. It is not. The System restructured only 3,741 of its 53,594 in nonaccrual loans last year. Forty-two percent of those loans were restructured in the St. Paul, MN district, which has made a remarkable effort to help itself.

The System should be making every effort to reduce its overhead costs. It is not. Quite to the contrary, the System's operating expenses will increase from $792 million in 1986 to an estimated $835 million in 1987. During this same period of time, loan volume is expected to drop by over $8 billion.

In the midst of Congress' problems with the Federal budget, and the System's lack of initiative in addressing problems, it is clear that parts of the System will fail in 1987 without some outside intervention. Without this $50 billion source of farm credit, our entire farm economy would face an uncertain future. There is strong sentiment to maintain a viable Farm Credit System.

The legislation that I am introducing today provides the System with needed capital and collateral assistance, but in a manner that limits direct funding from the U.S. Treasury. Unlike other proposals, it denies assistance to those district banks that refuse to restructure nonaccrual loans and reduce overhead costs.

The legislation authorizes creation of a farm credit reserve fund which is controlled by a Reserve Board comprised of the Secretary of the Treasury, the Secretary of Agriculture, the Federal Reserve Board Chairman, and two additional farmer/agri-business members appointed by the President.

The Reserve Board would be authorized to issue $2 billion of federally guaranteed bonds. These funds would be used to provide financial assistance to any district bank whose capital reserve falls below 2.5 percent of total outstanding loan volume.

The System is already overburdened with interest obligations on outstanding bonds. Additional debt at full rates of interest will not help solve the problem. My bill, therefore, requires the Federal Treasury to pay the interest on these bonds for a period of up to 5 years. Even assuming a relatively high rate of interest of 10 percent, the maximum outlays from the Treasury would be less than $200 million annually.

Unlike other proposals, this loan guarantee mechanism enables the System to obtain badly needed hard capital through the private funding markets. It does not require appropriate funds for the principal portion of the assistance.

In addition, the bill authorizes the Reserve Board to pool the $1 billion of acquired property currently held by the System as collateral to issue a shared appreciation security. This security could be marketed at a very low rate of interest, as low as 3 to 4 percent annually. Investors would speculate and benefit from the future land appreciation of the land collateral and would therefore be willing to accept a much lower annual rate of interest.

The legislation also authorizes the transfer of the Farmers Home Administration's acquired property to the reserve fund to be included in this shared appreciation program. The Department of Agriculture presently estimates that the FmHA has clear title to about $265 million in acquired property.

Aside from the need for low interest capital to improve its net income position, the System is likely to face a serious shortfall in collateral to back the issuance of bonds. Federal regulators require that all bond issuances be fully collateralized. Without this necessary collateral, the district banks will face liquidation.

A less desirable proposed solution to this problem, thus far, has been to suggest appropriating more funds from the Treasury that would be used by the System to collateralize all bonds. As an alternative, my legislation calls upon the Commodity Credit Corporation to set aside up to $2 billion of the $10 billion in CCC-owned commodities that could be used by the system to collateralize bond issuances. The Reserve Board would use this CCC collateral to issue net-worth certificates to any undercollateralized district bank in order to ensure their access to the bond market with a high degree of confidence among investors.

The commodities would continue to be owned by the CCC and would only be liquidated upon the complete failure of an institution. I do not expect this provision to have any impact upon the Federal budget, nor do I project any adverse effect upon farm prices of the commodities set aside for these purposes.

In addition to providing financial assistance, the legislation provides the Reserve Board with authority to monitor and in some instances to approve the business activities of those System institutions that receive outside assistance. This authority is similar to the Chrysler review board that managed the turnaround in that corporation's financial status.

The trigger for the Reserve Board to intervene gives every district bank full opportunity to resolve its own problems first. But, for banks that refuse to restructure nonaccrual loans and to take other such actions to maintain a viable business, the Reserve Board will be authorized to manage the System in a manner that reflects the best interest of the System as a whole and the farmer borrowers who depend on the System to meet their funding needs. The farm borrowers and the U.S. taxpayer cannot afford further delay by the banks in taking active steps to deal with their financial problems.

Aside from the funding issues and the general authorities of the Reserve Board, this legislation contains widely supported ideas that have been proposed in other bills such as the guarantee of borrower stock, incentives to restructure nonaccrual loans, and a secondary market for farm mortgages. In addition, a major change under this bill is to create an insurance corporation within the System, similar to the FDIC, to stand behind future bond issuances.

My proposal for the guarantee of borrower stock differs from other bills introduced thus far. I propose to guarantee the par value of the System's B-stock, but authorize the troubled district banks to delay payment of the full par value to the borrower for up to 5 years.

Others have suggested that any borrower should be eligible to retire his stock at a guaranteed par value and receive that payment immediately upon paying off the loan. But this would require troubled institutions to pay an artificially high value for stock with hard cash that they do not have. Their only means of paying par value immediately would be to issue additional bonds or to borrow more money from the Treasury which must be repaid.

I see no reason to exempt the current group of borrowers from all of the sacrifices that will be necessary to restore health to the System. These borrowers have benefited from the System's artificially low rates of interest that did not reflect interest expense. An effort to totally exempt the current borrowers from sharing this burden will only increase the ultimate cost to future generations.

Mr. President, regardless of what course of action we choose in farm credit legislation, we will impose substantial obligations upon future generations of borrowers from the System. It is these borrowers who will be responsible for paying the higher interest rates that will be necessary in order to rebuild loan loss reserves and to repay any outside assistance that may be given.

Finally, Mr. President, this legislation requires the district banks to restructure the $6 billion in nonaccrual loans presently held by the System. It requires each district bank to establish special credit units that will review each association's nonaccrual loan portfolio to determine whether or not that loan can be restructured to viable status.

If the special credit unit determines that the loan cannot be restructured, then the loan must be reviewed again by the Reserve Board for another independent review. If the Reserve Board disagrees with the special credit unit's recommendation, then the loan must be restructured according to the Reserve Board's recommendations. The Reserve Board may also sustain a decision by the special credit unit to liquidate the loan.

This plan enables the System to work through troubled loans and create earning assets out of a nonearning portfolio. It does so with maximum protection to the farmer borrower who is given several chances to prove his ability to regain profitability under a restructured situation.

As a substitute for the present shared liability provisions among district banks, this bill establishes a Farm Credit System Insurance Corporation patterned after the FDIC. The Insurance Corporation will enable the System to survive future downward trends in the farm economy without having to call upon the Federal Treasury to prop up troubled institutions.

The Insurance Corporation will be capitalized by issuing stock and by assessing premiums for the insurance coverage provided. System banks and other institutions that are authorized to participate in consolidated and systemwide debt obligations may apply for and be accepted as insured institutions. The Insurance Corporation will stand behind the debt obligations for insured institutions.

To the extent that funds of the corporation are insufficient to meet its obligations, it is authorized to borrow from the reserve fund until that fund is terminated and thereafter it is authorized to issue up to $1 billion in Government-guaranteed bonds to meet its liabilities. Insurance premium's will be applied to all insured institutions at a uniform rate and will be assessed on the basis of the volume of loans made or restructured.

Title 5 of the bill establishes a secondary market for agricultural mortgages which is very similar to the provisions of S. 1172, introduced by Senator David Pryor on May 8 and supported by the American Bankers Association, the American Council of Life Insurance, and the Independent Bankers Association of America. Enactment of this title will enable the pooling of agricultural mortgage loans for sale by lenders to investors. This will provide additional funds for long-term lending to farmers and will facilitate fixed rate farm loans at lower interest rates than would otherwise be the case.

Mr. President, I summarize this comprehensive bill by simply indicating that I believe this legislation recognizes the need for assistance in order to strengthen the System, but does so with strong recognition of the problems we face with the Federal budget deficits. My plan has been endorsed by the American Farm Bureau, the National Cattlemen's Association, the National Cotton Council, the American Soybean Association, the National Pork Producer's Council, and the National Corn Growers.

Mr. President, a great deal of staff work has gone into the final preparation of this bill. However, I want to make particular mention of two men who put in exceptional effort to help get the bill ready—Gary Endicott and Bill Baird in the Senate Legislative Counsel's Office. These two fine attorneys have worked closely with my staff and have sacrificed a great deal of their own personal time to help get this bill finished. They have my deepest thanks.

I urge my colleagues to give timely support to this bill, and I ask unanimous consent that a summary of the major provisions of the bill be printed in the Record.

There being no objection, the summary was ordered to be printed in Record, as follows:

[Summary of Major Provisions]

Agricultural Producer and Farm Credit System Borrower Act of 1987

TITLE I—LIABILITY OF FARM CREDIT SYSTEM BANKS, AND INSURANCE OF OBLIGATIONS

Title I of the bill (1) amends the provisions of the Farm Credit Act of 1971 that relate to the liability of the Farm Credit System banks on obligations issued by them, and (2) adds a new title VI to the Farm Credit Act of 1971 which establishes a new government corporation to insure the payment of the bank's consolidated and System-wide obligations issued by system institutions and payable after December 31, 1992.

The amendments to the liability provisions of the 1971 Act would provide, effective after December 31, 1992, for (1) the elimination of the responsibility of other banks to pay interest on obligations issued individually by a bank, and (2) the issuance of consolidated and System-wide obligations without application of the joint and several liability provisions in the Act. Termination of the joint and several liability provisions could be delayed by the Farm Credit Administration if it determines that the Insurance Corporation reserves are not adequate to cover the increased insurance risk at the time of termination. The Farm Credit System Insurance Corporation would insure the payment of the consolidated and System-wide obligations issued by system institutions and payable after December 31, 1992.

The major provisions relating to the Insurance Corporation are as follows:

(1) The Insurance Corporation would be operated by a board of directors as specified in the bill. The Farm Credit Reserve Fund Board (established in title II of the bill) would act as the Corporation's board until it is terminated; thereafter, the Farm Credit Administration Board would act as the board of the Corporation.

(2) Funding of the Insurance Corporation would be through the issuance of stock and the payment of insurance premiums by the insured institution and the Mortgage Corporation. Premiums would be assessed on (a) loans made or restructured by the banks and (b) consolidated and System-wide obligations issued by system institutions. In the case of the Mortgage Corporation, the premiums would be based on the number of credit enhancements issued. The level of premiums would be established by the Corporation and would apply at a uniform rate to all insured institutions.

(3) to the extent that the funds available to the Corporation are not sufficient to cover its insurance requirements, the Insurance Corporation would be authorized to borrow from the Farm Credit Reserve Fund until it is terminated. Thereafter, the Insurance Corporation would be authorized to issue up to $1 billion worth of bonds guaranteed by the U.S. government.

(4) The Insurance Corporation is authorized, pursuant to enumerated conditions, to terminate the insured status of an institution, to serve as a receiver for an insured institution in liquidation, and to assist an insured institution through loans or the purchase of assets therefrom in order to reopen a closed institution or to prevent the closing down of an institution.

(5) The Corporation would be required to insure the full payment of principal and interest on consolidated and System-wide obligations that the banks liable therefor are unable to make.

Title I contains other amendments to the 1971 Act that would (1) prohibit a system institution from joining with other institutions, in issuing consolidated or System-wide obligations payable after December 31, 1992, unless the institution is insured by the Corporation; and (2) require the Farm Credit Administration to establish for each system institution minimum capital adequacy levels to ensure that the Corporation would not assume any undue risks in insuring the obligations of the institution.

TITLE II—FINANCIAL ASSISTANCE THROUGH THE FARM CREDIT RESERVE FUND BOARD

Title II of the bill would add a new title VII to the Farm Credit Act of 1971 which would establish a temporary Farm Credit Reserve Fund Board (Reserve Board) which would administer the federal assistance to the Farm Credit System institutions and oversee the loan restructuring process. In addition, the Reserve Board would be authorized to exercise specified temporary emergency powers which would enable it to take strong action against banks that are in dire financial condition but whose management is not taking responsible and prudent action to improve conditions at the bank.

Under title II—

(1) The Reserve Board would be composed of the Secretary of the Treasury, the Secretary of Agriculture, the Chairman of the Board of Governors of the Federal Reserve System, or their designees, and two members appointed by the President. One of the appointed members would have to be a farmer or rancher who is experienced in credit and financial services but is not a director, officer, or employee of any system institution. Thus, a borrower from the system would be eligible for this position. The other person would be drawn from the agricultural sector and would have to be experienced with credit and financial services but could have no connection with the Farm Credit System.

(2) In addition to having responsibility to administer the assistance provisions of this title, the Reserve Board would be vested with temporary emergency powers—effective through the end of 1989—to deal with operational problems within any bank in cases where the bank management either can't or won't take the necessary steps to overcome its problems. Among other things, these powers include the authority to: hire someone to temporarily run the bank and to approve personnel actions at the bank including setting the levels of compensation; request that the FCA place the bank in receivership or to liquidate the assets of the bank itself if the cost of restoring the bank to economic viability would exceed the cost of liquidation; and approve a number of administrative operations and decisions affecting the operation of the bank.

(3) The Reserve Board would have available to it a Farm Credit Reserve Fund (Reserve Fund) which is also established under this title. The Reserve Fund would be initially capitalized by transferring to it the assets of the Capital Corporation and by requiring that any assessments due under the 1985 amendments and funds committed under the loss sharing agreements be made by the banks to the Fund. Additional funds would be made available to the Reserve Fund by: (a) authorizing it to issue up to $2 billion worth of government guaranteed bonds; (b) transferring the money in the existing reserve under the 1971 act; (c) transferring FmHA acquired clear title property and authorizing the Reserve Board to package this property with other system property and use it as collateral for a shared appreciation type security to be sold in financial markets; (d) authorizing the use of up to $2 billion worth of Commodity Credit Corporation surplus commodities as collateral to enable system institutions that become deficient in collateral to continue borrowing activity to support operations; and (e) authorizing appropriations as necessary to make the interest payments on any guaranteed bonds issued by the Reserve Board for a five year period.

(4) The federal assistance under this title II would be provided to system institutions by the Reserve Board in the following manner: (a) through payments to the Funding Corporation to be applied to interest expense on debt on the account of any bank as necessary to prevent the net capital level of a bank from dropping below an amount equal to 2.5% of the total outstanding loans on a GAAP basis (this is equivalent to supporting capital at one-half of the value of borrower stock); (b) through payments to any institution on a two to one matching basis for each dollar that the institution reduces its operating expenses by the end of 1988 below the reported level of such expenses at the end of the first quarter of 1987; and (c) by providing net worth certificates backed up by CCC surplus commodities, under certain conditions, to a bank experiencing a collateral deficiency to be used as collateral to allow the bank to continue borrowing to meet funding needs for its operations.

(5) The Reserve Fund would also be available to make payments to compensate stockholders whose stock was frozen, canceled, or retired at levels below par value due to the liquidation of certain system associations between January 1, 1983, and the date of enactment of this title.

(6) With respect to the restructuring of nonaccrual loans held by system institutions, within 30 days after enactment of this title each Farm Credit District would be required to establish a Special Credit Unit (SCU) which would be responsible for reviewing and making decisions on the restructuring or other disposition of the nonaccrual loans held by institutions within the district. 45 days after each unit is established, it would be required to prepare a plan for the disposition of nonaccrual loans. The plan would be developed in consultation with the district board but would be subject to approval by the Reserve Board. The plan is to give special emphasis to forbearance or restructuring rather than liquidation. In addition, before any district unit can foreclose on a loan under the plan for the district, its decision would have to be presented to the Reserve Board for approval. If the Reserve Board determines that restructuring the loan would be more advantageous than foreclosure, it will prepare a restructuring plan for the loan which the unit will be required to implement. To accommodate a particular institution within a district that is taking aggressive action to deal with its nonaccrual loans, the bill would allow the district unit, with the approval of the Reserve Board, to delegate the loan workout process to the institution subject to oversight by the unit.

(7) The Farm Credit Administration is to monitor the district restructuring process and report quarterly thereon to the Reserve Board. The reports will be used by the Board to evaluate each institution's aggressiveness in pursuing loan restructuring and to determine the level of assessments to be applied to the institution for repayment of the obligations of the Reserve Fund when they mature.

(8) All payments from the Reserve Fund are to be made within five years after the date of enactment of the bill. As soon as possible after such payments have been made, the Reserve Board is to establish a schedule for building up the Reserve Fund to a level adequate to meet any obligations it has in connection with the retirement of guaranteed bonds issued by the Reserve Board to generate funds to assist the system institutions.

(9) The repayment by system institutions of any assistance provided under this bill in the form of payments or claims against any of the guarantees authorized in the bill would be handled on the basis of a uniform systemwide assessment to cover up to 60% of the payments made to banks to support minimum capital levels and 100% of the matching payments to institutions in connection with the reduction of operating expenses. The remaining amount needed to retire all obligations of the Reserve Fund would be assessed against the institutions that received the payments. In determining the amount of the assessments against the institutions that actually received assistance payments, the Reserve Board would take into consideration the extent to which the district in which the institution is located complied with the loan restructuring requirements of the title.

(10) The Reserve Board would terminate upon the establishment of the assessment schedules, or upon the finding by the Board that the Farm Credit System Insurance Corporation is adequately capitalized, whichever is later (but not in either case earlier than five years after the enactment of the bill). The Farm Credit Admininstration would assume the responsibility of ensuring that the assessments are paid, and funds borrowed by the Insurance Corporation are repaid, and that all obligations of the Reserve Board are retired in full.

(11) The authority for the farm credit banks and associations to enter into loss-sharing agreements other than on a district basis would be terminated.

(12) The charter of the Farm Credit System Capital Corporation would be revoked within 90 days after the enactment of the bill. Upon enactment, the Corporation's authority to engage in business would terminate, and it would be required to immediately begin to wind down its affairs, including reselling the loans and real estate that it originally acquired from farm credit banks and associations.

TITLE III—STOCK PROTECTION AND CAPITALIZATION

Title III of the bill amends the Farm Credit Act of 1971 to (1) protect the stock of member-borrowers of Farm Credit System associations that is outstanding on the data of enactment of the bill (the guarantee will also cover borrower stock that is issued between the date of enactment and the implementation of the at-risk stock provisions which are established under this title to provide for capitalization of system institutions in the future) and (2) ensure that the institutions of the Farm Credit System will be adequately capitalized.

Under title III—

(1) During the five-year period following enactment of this title, whenever stock in an association owned by a member-borrower is retired, it is to be retired at par value. Payment for such retired stock is to be in the form of an interest-bearing note issued to the member-borrower. The note would become payable five years after the date of enactment and would accrue interest at a rate equivalent to the rate on United States obligations of comparable maturities. At the option of the borrower, cash equal to the book value of the stock would be paid in full settlement for the stock at the time the stock is retired. If a borrower elects to accept payment at par in the form of a note, the payment of principal and interest on such note would be guaranteed by the Reserve Board. The notes could be redeemed without discount by the borrower prior to the due date if the proceeds therefrom are used to purchase association stock to capitalize a loan of the member. Beginning with the sixth year after the enactment of the bill, the guaranteed stock would be retired at par value by the issuing institution at the time that a borrower pays off the loan.

(2) Each farm credit bank and association would be required to adopt a capitalization plan that meets the minimum capital adequacy requirements prescribed for the institution by the Farm Credit Administration. The minimum capital adequacy requirements of the Farm Credit Administration would be based on generally accepted accounting principles.

(3) Prior to adopting the capitalization plan, each farm credit association would be required to adopt bylaws providing for the issuance of at-risk participation stock and voting certificates. With respect to any loan made after the adoption of the bylaws, each borrower would be required to own, at the time the loan is made, at-risk participation stock in an amount of (a) not more than 5 percent of the loan in the case of federal land bank associations and (b) not more than 10 percent in the case of production credit associations. Participation stock would be retired at book value, not to exceed par, but only with the consent of the Farm Credit System Insurance Corporation, and not before the loan is repaid. If a loan is restructured, the amount of stock in excess of the amount required to capitalize the restructured loan would be forfeited by the borrower and cancelled by the association.

Each borrower entitled to vote in the affairs of the association would be issued one voting certificate that would entitle the member to one vote in the affairs of the association. Such certificates would not be transferable or assignable and would be cancelled by the association at the end of any two-year period in which the member had no outstanding loan from the association. No dividends would be paid on such certificates. With respect to any loan outstanding on the date the bylaws are adopted, the amount of stock owned by the borrower in excess of the amount required to capitalize the loan would be converted to at-risk participation stock.

TITLE IV—STRUCTURAL CHANGES IN THE FARM CREDIT SYSTEM

Title IV of the bill would amend the Farm Credit Act of 1971 by adding a new title VIII which provides for certain structural changes in the Farm Credit System. These structural changes include—

(1) Changes in the lending status of federal land bank associations and production credit associations that would permit such associations to borrow and lend money without the supervision or assistance of the federal land banks and federal intermediate credit banks.

(2) Authority for any federal land bank association and production credit association to have on the board of directors a person who is not otherwise connected with Farm Credit System institutions.

(3) Inclusion, on each farm credit district board of directors, of two persons who are not otherwise connected with Farm Credit System institutions.

(4) Authority for any Farm Credit System institution to operate outside the territory it normally serves.

(5) Special reconsideration of certain voluntary mergers of associations that would, under certain conditions, afford the stockholders of one of the merged associations the opportunity to organize themselves as a separate association.

(6) Authority for the merger of unlike Farm Credit System institutions. Except for the expansion of the district board of directors to permit the election of two outside directors (as noted in item 3), all of the structural changes would be subject to member-borrower approval.

TITLE V—SECONDARY MARKET FOR AGRICULTURAL MORTGAGES

Title V of the bill would amend the Farm Credit Act of 1971 by adding a new title IX to authorize a secondary mortgage market for agricultural mortgage loans.

Under this title—

(1) A federally-chartered corporation, the Federal Agricultural Mortgage Corporation, would be established to (a) in consultation with mortgage loan originators, develop uniform underwriting, security, appraisal and repayment standards for qualified agricultural mortgage loans, (b) determine the eligibility of agricultural mortgage marketing facilities to contract with the Corporation for credit enhancement of specific mortgage pools, and (c) provide credit enhancement for the repayment of principal and interest on pools of qualified agricultural mortgage loans by agreement with the Insurance Corporation.

(2) The Mortgage Corporation will be managed first by an initial board of directors composed of 11 members as follows: (a) four representing banks and insurance companies; (b) four representing the Farm Credit System; (c) one farmer/rancher who is not an official or employee of a system institution or a commercial financial institution; and (d) two members representing the general public. When the Corporation has issued at least $20 million worth of common stock a permanent board of directors would be established by the election of (a) four members representing common stock holders that are banks and insurance companies; and (b) four members representing common stock holders that are system institutions and by the appointment by the President of one farmer/rancher and two persons representing the general public.

(3) The Mortgage Corporation would, among other things, (a) provide credit enhancement only with respect to an individual pool of qualified agricultural mortgage loans on the application of a certified agricultural mortgage marketing facility; (b) provide credit enhancement only where a reserve is established by the participating loan originators; (c) require that the reserve be first exhausted before any demand is made by the certified agricultural marketing facility with respect to the Insurance Corporation's credit enhancement; and (d) provide credit enhancement only if each qualified mortgage loan is sold to the certified agricultural mortgage marketing facility without recourse to the agricultural mortgage loan originator.

(4) The mortgage Corporation is authorized to capitalize its operations through the issuance of stock to originators and certified facilities. In addition, the Mortgage Corporation is authorized to charge fees for providing the credit enhancements and to cover the cost of its operations. The Mortgage Corporation itself will be required to pay to the Insurance Corporation a fee for providing insurance on each credit enhancement.

TITLE VI—EXPORT FINANCING AND OFI AUTHORITIES

Title VI of the bill would (1) repeal section 4.20 of the Farm Credit Act of 1971 which provides for the termination of September 30, 1992 of the authority of the federal intermediate credit banks to lend to other financial institutions and the authority of the banks for cooperatives to finance certain imports and export transactions; and (2) provide authority for the Federal land banks to lend to other financial institutions on the same basis as the Federal intermediate credit banks are currently authorized to lend to such institutions.

TITLE VII—DISPOSITION OF ACQUIRED PROPERTY

Title VII of the bill contains provisions setting forth the sense of Congress that—

(1) The Farm Credit System institutions should offer for sale and sell property acquired through foreclosure unless placing the property on the market would have a detrimental effect on the value of farmland in the area; and

(2) The institution should endeavor to sell such acquired property located in the area. The Farm Credit Administration would be required to ensure that notice of pending sales is made public and previous owners are specifically informed of the pending sale and not precluded from purchasing the property.

Mr. DOLE. Mr. President, I am pleased to join with Senator LUGAR and others in sponsoring the "Agricultural Producer and Farm Credit System Borrower Act of 1987." I would also note that the legislation we are introducing today is supported by several of the major farm organizations, including the American Farm Bureau Federation, the National Corn Growers Association, the National Pork Producers Council, the National Cattlemen's Association, the National Cotton Council, and the American Soybean Association.

A DIFFICULT ISSUE

Mr. President, the Farm Credit System [FCS] as experienced major problems during the agricultural crisis of the 1980's. The farm credit issue is one that many of us have been trying to get a handle on for a long time. It's not an easy task to develop a comprehensive and far-sighted solution that addresses everyone's concerns once and for all.

We have passed legislation twice within the last 2 years to help the System work out of its problems. The Farm Credit Amendments Act of 1985 required that hard dollars be used to correct any impairment of borrower stock. Dollars were to come from surpluses and the sharing of resources throughout the System.

By last fall the System was in a litigation straight jacket, holding up over $1 billion in surpluses anticipated for use by the 1985 act.

In 1986 we passed new legislation that gave the system institutions the opportunity to use Regulatory Accounting Practices [RAP] to amortize losses over a 20-year time period to help the system buy a little more time.

A TIME FOR ACTION

Many of us feel it's time to get the system back on a sound footing. In the last 2 years the system has lost $4.6 billion. The system continues to experience deterioration in the credit quality of its loan protfolios, significant operating losses and reductions of its capital.

The system is plagued by a high level of nonaccruing loans and other high-risk assets, high-cost overhead, and a high cost of debt. These problems have caused tremendous borrower flight, with the result that the system's loan volume has decreased by more than $21 billion over the last 2 years and its share of the agricultural credit market has declined.

A STARTING POINT

I believe the bill being introduced today represents a good starting point. We are all aware the system needs assistance this year and perhaps before the August recess. But I have heard repeatedly during the past few months that we need to act on behalf of the farmers and not just the system. And while this bill may not be perfect, it is a sound effort to get the debate on farm credit underway.

IMPORTANT OBJECTIVES

Mr. President, the bill being introduced today would address many of the objectives that have been discussed during the past few months. The bill would use Government guaranteed bonds and Government assets rather than a direct infusion of Federal dollars. I am aware that several of my colleagues and many within the System would rather see a direct infusion of Federal dollars. I would simply state that we will have to look at all options for providing an infusion of capital into the System while being as fiscally responsible as possible.

The bill also meets the objective of not drawing upon existing agricultural programs in providing assistance to the System.

The bill would ensure protection of borrower stock in an effort to stem the widespread loss of borrowers now occurring. The measure recognizes that the System needs to take aggressive actions in working with troubled borrowers in restructuring farm loans. The System's view seems to be that we need to return the System to a sound and healthy entity before we mandate an across-the-board restructuring program.

Any final package will need to ensure that mechanisms designed to deal with problem loans do so in a businesslike and prudent manner.

By reducing the System's portfolio of nonperforming loans and restoring the system's viability, all farmers, not just the best farmers, should see a reduction in interest expense.

JOINT AND SEVERAL LIABILITY

Our proposal would establish an insurance corporation to ensure payment of systemwide obligations issued and payable after 1992.

Joint and several liability would be terminated in 1992 unless the farm credit administration determined the system's cost of funds would rise or that the corporation was undercollateralized. The System would like to maintain joint and several liability, and this is an issue we will need to examine carefully.

Mr. President, this legislation would ensure that the Farm Credit System remains a viable lender of agricultural credit and that member-borrowers have a greater voice in the decisions of their local institutions.

SECONDARY MARKET

We also believe that some form of a so-called secondary market for farm mortgages should be available to all lenders for farm real estate loans. This would inject greater liquidity into the farm real estate market and encourage greater competition, resulting in lower interest rates.

There is difference between the System and others as to the makeup of the board. This measure provides for an 11-member board of directors with four representatives from the banks and insurance companies and four members from the System. There would also be a farmer and two members from the general public.

The System's proposal would include a nine-member board consisting of six members from the System and three non-System members.

The administration has expressed its' opposition to any form of a secondary market being included in farm credit legislation.

CONCLUSION

Mr. President, I commend Senator LUGAR and the farm organizations for their effort to arrive at a plan that assures a long-term solution to the system's chronic problems. And they attempt to do so in a way that should not unduly prejudice the interests of commercial lenders. I look forward to working with Members of both sides of the aisle in the days ahead to develop a final package that will assure American farmers a dependable and reliable source of credit.

Mr. McCONNELL. Mr. President, when I first came to the Senate in 1985, one of the critical issues facing the Senate Agriculture Committee was the viability of the Farm Credit System. A package of "historical reforms" was quickly enacted by the Congress and signed by the President. The Farm Credit System was back on the road to recovery.

One year later, as the 99th Congress was winding down, the Senate found itself again considering farm credit issues. It seemed that unless we permitted the System to revise its own accounting practices, the entire System and its borrowers would be placed in serious jeopardy. Again, the Congress was assured that these changes would provide the System with the ammunition it needed to head off disaster.

And now, here we are again, for the third year in a row, considering Farm Credit System reforms. The goose has laid just about all of the golden eggs she has. Quite frankly, Mr. President, I don't know how much more farm State legislators like myself can ask from our colleagues. For that reason, it is imperative that a Farm Credit System reform package represent the kinds of comprehensive changes and exhaustive research which will correct the serious deficiencies within the System. We cannot come back to Congress again. This Senator believes that the System and its farmer-borrowers are in serious jeopardy unless we take the proper corrective action quickly.

I am delighted to be joining my distinguished colleague from Indiana, the ranking Republican member of the Senate Agriculture Committee, Senator LUGAR, in offering a comprehensive Farm Credit System restructuring proposal that is supported by many of the major commodity groups. It offers the kind of substantive structural changes which I believe are necessary to restore integrity to the Farm Credit System. But more importantly, it offers hope to farmer-borrowers.

The backbone of this bill, in my view, is its aggressive stance on the issue of debt restructuring for Farm Credit System borrowers who need help. If the Congress wants to target Federal dollars at the group of family farmers who need it the worst, then the best thing we can do is demand that the Farm Credit System follow an aggressive restructuring policy. The bill we are sponsoring will do just that.

Farmer-borrowers, whether their loans with the System are current or are in a nonaccrual status, are quite correctly concerned about interest rates they must pay. System interest rates must be competitive and affordable, and the System must be given the management tools it needs to make that happen. Some of these management reforms might include consolidation of System wide service, if approved by System borrowers. To be brutally honest, it seems to me that management overkill exists when a local PCA and a local FLB operate exclusive of each other. This bill also addresses this issue.

Just as the commodity groups who support this bill have some reservation about the funding mechanisms which Senator LUGAR has described, so do I. Every farm credit bill that I've seen, including this one, has a pretty price tag. However, I'm not convinced that the funding mechanisms included in this bill will be sufficient to meet the revenue shortfall which the Farm Credit System faces.

Failure on the part of the Congress to face up to this reality could well doom the System and its borrowers. The System is too important to America's agricultural machine to let it die. It is critical, in my view, that we provide a line of credit to the Farm Credit System which will permit it to work its way through its problems. We no doubt have serious budget problems which must be addressed in conjunction with this legislation, but I fear, as do several of my colleagues on the Agriculture Committee, that we must commit the Federal Government's resources now or we'll be faced with a much greater fiscal problem later. From the on-going work of the Senate Agriculture Committee, I think I can assure my colleagues that the farm credit bill that emerges from the committee will spend the taxpayer's money judiciously and wisely.

Mr. President, I commend Senator LUGAR for his outstanding work on this issue. He and I are in total agreement that the Farm Credit System must be held accountable for its management activities when the spigot of taxpayer's dollars is turned on. I believe there is a great opportunity here to fix the Farm Credit System once and for all. Failure to do so, Mr. President, would be disastrous for American agriculture.

Thank you, Mr. President.

Mr. BAUCUS. Mr. President, I am happy to join my good friend Senator LUGAR in sponsoring vital farm credit legislation.

Farm credit in America is in a crises!

That certainly is there in Montana.

We have seen many farmers lose farms that have been in their family for generations.

We have seen several farm credit banks go under. Those banks took with them the borrower's stock, better known as B-stock.

This bill is an excellent start at solving those farm credit problems.

The bill guarantees that borrowers will not lose their stock in the farm credit system. This assures farmers that they can borrow from the farm credit system without fear of losing their B-stock.

The bill provides strong incentives for member banks to restructure troubled farm loans, instead of foreclosing on them.

The bill also establishes a secondary market for farm mortgages. This will allow member banks to decrease their interest rates.

Perhaps most importantly, this bill provides for a responsible infusion of capital into the nearly bankrupt Farm Credit System.

It may not infuse as much capital as some would like, but I believe that it does provide enough to put the Farm Credit System back on the right track.

The bill also makes the changes in the Farm Credit System that are necessary to maintain a solution. It does not just throw good money after bad.

I am not saying that this bill has all the answers.

I am saying that this is a constructive start. And I believe that we badly need just that.

Farmers just cannot wait any longer.

Mr. BURDICK. Mr. President, bailing out Farm Credit has been compared to other Government bailouts, but Farm Credit is not like Chrysler or Continental Bank—Farm Credit is facing economic troubles not as a company, but as the main support for our entire farm economy. Farm Credit is an essential part of our agricultural system, lending money for land and operating expenses to farmers who then become part of the Farm Credit System.

FCS directors may have made some bad decisions, but they were based on national policy. It wasn't that long ago that farmers were being told by the Secretary of Agriculture to plant fencerow to fencerow. Almost everyone who made loans based on the high land values of the 1970's is having trouble making payments today. I don't know of a single individual farmer or ag-related business that has not been hurting in the last few years. We don't have time to place blame, it is time to find realistic solutions.

North Dakota falls in the St. Paul district of the Farm Credit System, the largest of the 12 districts. The St. Paul district has done many innovative thing, most recently offering money-back guarantees on farm land sales to its borrowers. If you look carefully at the bill introduced today, you see a nationwide expansion in the area of the St. Paul district's best work, which is in restructuring debts whenever it's cheaper than foreclosure. That makes sense.

It also makes sense to keep the districts separate, each controlling their own region. I support local control of agricultural programs. Farmers are close to the land, and their lenders should be close to the farmers.

The bill Senator LUGAR is introducing today is good, as are other proposals that are being discussed. I urge each and every one of my colleagues in the 100th Congress to give these proposals serious consideration so we can support Farm Credit Services in 1987, well before the 1988 planting season.

FCS deserves to be saved. FCS borrowers need to have their stock guaranteed.

Rural America has lost enough farmers. Those who are winning the fight against tough economic times should be able to count on FCS for the credit they need to keep operating. Let's work to keep our farmers on the land.

ADDITIONAL COSPONSORS

S. 581

At the request of Mr. PROXMIRE, the name of the Senator from Vermont [Mr. STAFFORD] was added as a cosponsor of S. 581, a bill to amend title 10, United States Code, to increase the combat support assignments open to women in the Armed Forces.

S. 808

At the request of Mr. MCCLURE, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 808, a bill to clarify the application of the Clayton Act with respect to rates, charges, or premiums filed by a title insurance company with State insurance departments or agencies.

S. 818

At the request of Mr. DOMENICI, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 818, a bill to provide permanent authorization for White House Conferences on Small Business.

S. 839

At the request of Mr. JOHNSTON, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 839, a bill to authorize the Secretary of Energy to enter into incentive agreements with certain States and affected Indian tribes concerning the storage and disposal of high-level radioactive waste and spent nuclear fuel, and for other purposes.

S. 931

At the request of Mr. BUMPERS, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 931, a bill to amend the Internal Revenue Code of 1986 to provide preferential treatment for capital gains on small business stock held for more than 4 years, and for other purposes.

S. 970

At the request of Mr. HARKIN, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 970, a bill to authorize a research program for the modification of plants focusing on the development and production of new marketable industrial and commercial products, and for other purposes.

S. 1076

At the request of Mr. KARNES, his name was added as a cosponsor of S. 1076, a bill to amend title XVIII of the Social Security Act to improve the availability of home health services under the Medicare Program, and for other purposes.

S. 1199

At the request of Mr. LAUTENBERG, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1199, a bill to prevent suicide by youth.

S. 1203

At the request of Mr. GRASSLEY, the names of the Senator from Delaware [Mr. ROTH], the Senator from Nebraska [Mr. EXON], and the Senator from Texas [Mr. BENTSEN] were added as cosponsors of S. 1203, a bill to amend title 22, United States Code, to make unlawful the establishment or maintenance within the United States of an office of the Palestine Liberation Organization, and for other purposes.

S. 1247

At the request of Mr. McCain, the name of the Senator from Montana [Mr. Melcher] was added as a cosponsor of S. 1247, a bill to designate the area of Arlington National Cemetery where the remains of four unknown service members are interred as the "Tomb of the Unknown."

S. 1267

At the request of Mr. Rockefeller, the name of the Senator from Nebraska [Mr. Exon] was added as a cosponsor of S. 1267, a bill to provide authorization of appropriations for the United States Travel and Tourism Administration, and for other purposes.

S. 1273

At the request of Mr. Byrd, the name of the Senator from Maryland [Ms. Mikulski] was added as a cosponsor of S. 1273, a bill to extend the Appalachian Regional Development Act of 1965 and to provide authorizations for the Appalachian Highway and Appalachian Area Development Programs.

S. 1333

At the request of Mr. McConnell, the name of the Senator from Utah [Mr. Garn] was added as a cosponsor of S. 1333, a bill to allow the 65 miles per hour speed limit on highways that meet interstate standards and are not currently on the National System of Interstate and Defense Highways.

S. 1370

At the request of Mr. Bumpers, the names of the Senator from Maryland [Ms. Mikulski] and the Senator from Indiana [Mr. Lugar] were added as cosponsors of S. 1370, a bill to provide special rules for health insurance costs of self-employed individuals.

S. 1371

At the request of Mr. Moynihan, the name of the Senator from California [Mr. Cranston] was added as a cosponsor of S. 1371, a bill to designate the Federal building located at 330 Independence Avenue, SW, Washington, DC, as the "Wilbur J. Cohen Federal Building".

S. 1397

At the request of Mr. Cranston, the names of the Senator from New Mexico [Mr. Bingaman], the Senator from Illinois [Mr. Dixon], the Senator from Alabama [Mr. Heflin], the Senator from New Jersey [Mr. Bradley], the Senator from Hawaii [Mr. Matsunaga], the Senator from Maine [Mr. Mitchell], the Senator from Montana [Mr. Melcher], the Senator from Oklahoma [Mr. Nickles], and the Senator from Rhode Island [Mr. Pell] were added as cosponsors of S. 1397, a bill to recognize the organization known as the Non-Commissioned Officers Association of the United States of America.

S. 1401

At the request of Mr. DeConcini, the names of the Senator from Florida [Mr. Chiles], and the Senator from Louisiana [Mr. Johnston] were added as cosponsors of S. 1401, a bill to restore, on an interim basis, certain recently amended procedures for determining the maximum attorney's fees which may be charged for services performed before the Secretary of Health and Human Services under the Social Security Act and to require a report by the Secretary of Health and Human Services regarding possible improvements in such procedures.

S. 1451

At the request of Mr. Heinz, the name of the Senator from Arizona [Mr. McCain] was added as a cosponsor of S. 1451, a bill to amend title 38, United States Code, to improve veterans' benefits for former prisoners of war.

S. 1464

At the request of Mr. Cranston, the names of the Senator from Alabama [Mr. Shelby], the Senator from North Dakota [Mr. Burdick], and the Senator from New Jersey [Mr. Bradley] were added as cosponsors of S. 1464, a bill to amend title 38, United States Code, to provide eligibility to certain individuals for beneficiary travel payments in connection with travel to and from Veteran's Administration facilities.

S. 1477

At the request of Mr. Bingaman, the name of the Senator from Indiana [Mr. Quayle] was added as a cosponsor of S. 1477, a bill to amend title 5, United States Code, to authorize alternative personnel management systems for scientific, technical, and acquisition personnel in the Federal Government, and for other purposes.

SENATE JOINT RESOLUTION 48

At the request of Mr. Hatch, the names of the Senator from Missouri [Mr. Danforth], the Senator from North Carolina [Mr. Sanford], and the Senator from Connecticut [Mr. Dodd] were added as cosponsors of Senate Joint Resolution 48, joint resolution designating the week of September 14, 1987, through September 20, 1987, as "Benign Essential Blepharospasm Week".

SENATE JOINT RESOLUTION 53

At the request of Mr. Cranston, the names of the Senator from Arkansas [Mr. Bumpers], the Senator from North Dakota [Mr. Conrad], the Senator from South Dakota [Mr. Daschle], the Senator from Michigan [Mr. Levin], the Senator from Alabama [Mr. Shelby], the Senator from Mississippi [Mr. Stennis], the Senator from California [Mr. Wilson], the Senator from Arizona [Mr. DeConcini], and the Senator from Illinois [Mr. Simon] were added as cosponsors of Senate Joint Resolution 53, joint resolution to designate the period commencing November 22, 1987, and ending November 28, 1987, as "American Indian Week."

SENATE JOINT RESOLUTION 141

At the request of Mr. Nickles, the name of the Senator from Florida [Mr. Graham] was added as a cosponsor of Senate Joint Resolution 141, joint resolution designating August 29, 1988, as "National China-Burma-India Veterans Appreciation Day."

SENATE JOINT RESOLUTION 154

At the request of Mr. Pell, the names of the Senator from Arkansas [Mr. Pryor], the Senator from South Carolina [Mr. Thurmond], the Senator from Florida [Mr. Graham], the Senator from Oklahoma [Mr. Nickles], the Senator from Vermont [Mr. Stafford], the Senator from Washington [Mr. Evans], the Senator from Oregon [Mr. Hatfield], the Senator from California [Mr. Wilson], the Senator from Pennsylvania [Mr. Heinz], the Senator from Connecticut [Mr. Weicker], the Senator from Missouri [Mr. Danforth], and the Senator from Alaska [Mr. Murkowski] were added as cosponsors of Senate Joint Resolution 154, a joint resolution to designate the period commencing on November 15, 1987, and ending on November 22, 1987, as "National Arts Week."

SENATE CONCURRENT RESOLUTION 15

At the request of Mr. Heflin, the name of the Senator from Iowa [Mr. Harkin] was added as a cosponsor of Senate Concurrent Resolution 15, a concurrent resolution expressing the sense of the Congress that no major change in the payment methodology for physicians' services, including services furnished to hospital inpatients, under the Medicare Program should be made until reports required by the 99th Congress have been received and evaluated.

SENATE CONCURRENT RESOLUTION 23

At the request of Mr. Cranston, the names of the Senator from Arkansas [Mr. Pryor], the Senator from North Carolina [Mr. Sanford], and the Senator from Mississippi [Mr. Stennis] were added as cosponsors of Senate Concurrent Resolution 23, a concurrent resolution designating jazz as an American national treasure.

SENATE RESOLUTION 176

At the request of Ms. Mikulski, the name of the Senator from Pennsylvania [Mr. Heinz] was added as a cosponsor of Senate Resolution 176, a bill calling for the immediate release of all the children detained under the state of emergency regulations in South Africa.

SENATE RESOLUTION 218

At the request of Mr. Quayle, the names of the Senator from Rhode Island [Mr. Chafee], the Senator from Texas [Mr. Gramm], the Senator from Missouri [Mr. Bond], the Senator from New Mexico [Mr. Domenici], the

Senator from Arizona [Mr. McCAIN], the Senator from California [Mr. WILSON], the Senator from Montana [Mr. MELCHER], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of Senate Resolution 218, a resolution to express the sense of the Senate that each Senate committee that reports legislation that requires employers to provide new employee benefits secure an objective analysis of the impact of the legislation on employment and international competitiveness and include an analysis of the impact in the report of the committee on the legislation.

SENATE RESOLUTION 247—EXPRESSING SUPPORT FOR A CHANGE IN USGA RULES CONCERNING USE OF A CART BY A HANDICAPPED INDIVIDUAL IN A SANCTIONED TOURNAMENT

Mr. DOLE (for himself, Mr. STAFFORD, Mr. HARKIN, and Mr. WEICKER) submitted the following resolution; which was considered and agreed to:

S. RES. 247

Whereas the sport of golf has a rich heritage, and is universally popular because it emphasizes fair play;

Whereas the sport of golf is enjoyed by millions of players with varied skills, including disabled persons;

Whereas disabled individuals are active and vital participants in all aspects of our society and should be encouraged to compete in the sport of golf;

Whereas we acknowledge and accept that in order for disabled individuals to be given an equal opportunity to compete, some accommodations may be necessary;

Whereas a disabled veteran attempted to play this week in the United States Senior Open being held in Farifield, Connecticut, a United States Golf Association-sponsored event, but was effectively prevented from doing so for lack of reasonable accommodations; and

Whereas the restriction against disabled individuals is inconsistent with the notion of an "Open" tournament and serves as a form of discrimination: Now, therefore, be it

Resolved, That it is the sense of the Senate that the United States Golf Association be encouraged to review its rules and procedures and consider nondiscriminatory flexibility in the imposition of such rules to allow qualified disabled individuals to effectively compete in its sanctioned tournaments.

Mr. DOLE. Mr. President, yesterday Charles Owens, a 57-year-old disabled veteran, was forced to withdraw from the U.S. Senior Open Golf Tournament after nine holes of play because he could not physically continue with the event.

Mr. Owens was eligible to compete in the Open because he was the eighth leading money winner on the senior tour last year. He was physically able to compete because the professional golf association which sanctions most of the events on the tour allows the use of carts.

The U.S. Golf Association which sanctions the Open permits the use of carts but the user suffers a two stroke penalty per hole that the cart is used thus effectively taking the individual out of the competition. Mr. Owens would have had 144 penalty strokes assessed if he was to have used the cart and finished the tournament.

That he needed the cart is borne out by the fact that he could not even complete one round. That this accommodation allows him to successfully compete is supported by the fact that he was the eighth leading money winner last year.

Disabled individuals like Charlie Owens are joining the mainstream of society including competitive sports. Sometimes in order for them to participate a little accommodation is necessary as is true in this case. There was no request made to have several strokes taken away from his score because he is disabled. No one requested that someone stroke his ball on the greens. There was a simple request that he be allowed to use a cart between shots. But it was disallowed.

The organization may argue that fatigue is part of the sport. But I also recognize that disabled individuals experience a disproportionate amount of fatigue in just walking around the green.

Golf is a very popular sport enjoyed by millions of people around the world. It prides itself on fairness. Would it not have been fair to Mr. Owens to allow him to use that cart?

Because I and many of my colleagues in the Senate are committed to making society accessible to the handicapped, Senator STAFFORD and I are going to introduce a resolution asking the association to reconsider their position. I ask unanimous consent that the resolution be held at the desk until the close of business Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 248—RELATING TO HUMAN RIGHTS IN HAITI

Mr. GRAHAM (for himself, Mr. KERRY, Mr. SANFORD, Mr. DURENBERGER, and Mr. DECONCINI) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 248

Whereas the people of Haiti have long suffered under the brutal and arbitrary rule of dictatorship rather than the democratic rule of law;

Whereas in 1986 Haitians from all sectors of society showed great courage in joining together to oust President-For-Life Jean-Claude Duvalier;

Whereas the Haitian people have reaffirmed through their brave actions their resolute and determined rejection of the Duvalier past and their commitment to democracy, human rights, self determination, and economic development;

Whereas an overwhelming majority of Haitians have declared themselves in support of democratic government by approving a new constitution establishing a legal framework for the return to elected civilian government;

Whereas the new Haitian constitution clearly establishes an independent civilian election council responsible for conducting local, legislative, and presidential elections;

Whereas the National Council of Government aroused great concern among the Haitian public as to its commitment to free elections by limiting the authority of the Provisional Election Council; and

Whereas public pressure on the National Council of Government and its welcomed decision to restore full authority to the Provisional Election Council underscores the determination of the Haitian people to break with the past and hold free and fair elections in the future: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the President should continue to make clear the unequivocal support of the United States for the people of Haiti in their efforts to establish a full and functioning democracy;

(2) Haiti's ruling National Council of Government should respect and abide by decisions made by the Provisional Election Council in conducting elections called for under the new Haitian constitution;

(3) the Haitian armed forces should respect human rights and exercise restraint in carrying out their duties; and

(4) the National Council of Government and the Provisional Election Council, having agreed that the Election Council must remain fully independent, all Haitians need to work to avoid further violence and allow the democratic transition to proceed in a peaceful atmosphere.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

● Mr. GRAHAM. Mr. President, the Republic of Haiti within the last several days has experienced widespread antigovernment protests. More than 20 protesters have been killed. Many more have been wounded. At great personal risk, Haitians from all sectors of society are trying to send their government a message. The message is a very clear one. Haitians want the opportunity to elect their leaders freely and fairly. They want democracy. Legitimate and credible democracy.

The Haitian people thought they had made that point, peacefully, when 99.8 percent of the those casting votes in a national referendum approved a new Constitution on March 29 of this year. But recent actions by the National Council of Government have called into question the willingness of the Government to permit free and fair elections called for under the Constitution.

The new Constitution establishes an independent civilian electoral council responsible for conducting local, legislative, and Presidential elections. Municipal elections are scheduled for August followed by presidential elections in November. The current government is scheduled to transfer power to the newly elected President on February 1988.

In a June 22 decree, however, the Government usurped the role of the provisional election council and rules that it would directly control the elections. We have seen the bloody results of this unilateral and constitutional action.

The Government has subsequently—and wisely—withdrawn its decree, restoring authority to the election council. Moreover, the Government has signaled its willingness to begin long overdue discussions with the Council. Finally, the Government has urged the armed forces to exercise restraint in dealing with protesters.

The people of Haiti want democracy. The Government now in place has a constitutional responsibility to respect those desires—not to frustrate them. It is time that the Senate acknowledge the deep frustration of the Haitian people. This resolution provides us an opportunity to do so. By calling for respect for the Constitution approved by an overwhelming number of Haitians, this resolution put us foursquare behind the people of Haiti. And that's exactly where we should be.●

AMENDMENTS SUBMITTED

OMNIBUS TRADE AND COMPETITIVENESS ACT

BYRD (AND OTHERS) AMENDMENT NO. 465

Mr. BYRD (for himself, Mr. Dole, Mr. Riegle, Mr. Danforth, Mr. Bentsen, Mr. Chiles, Mr. Roth, Mr. Simon, Mr. Stevens, Mr. Proxmire, Mr. Helms, Mr. Metzenbaum Mr. Murkowski, Mr. Grassley, Mr. Kennedy, Mrs. Kassebaum, Mr. Domenici, Mr. Specter, Mr. Baucus, Mr. Daschle, Mr. Sanford, Mr. Levin, Mr. Dodd, Mr. Wilson, Ms. Mikulski, Mr. Lautenberg, and Mr. Durenberger) proposed an amendment, which was subsequently modified, to the bill (S. 1420) to authorize negotiations of reciprocal trade agreements, to strengthen United States trade laws, and for other purposes; as follows:

Strike out section 303 of the bill, and insert in lieu thereof the following:

Sec. . This section shall be known as the World Markets Opening Initiative.

SEC. . COUNTRIES MAINTAINING A CONSISTENT PATTERN OF TRADE DISTORTIONS.

(a) In General.—Chapter 1 of title III of the Trade Act of 1974 is amended by adding at the end thereof the following new section:

"SEC. 307. COUNTRIES MAINTAINING A CONSISTENT PATTERN OF TRADE DISTORTIONS.

"(a) Identification.—

"(1) By no later than the date that is 30 days after the date in calendar year 1988, and also the date in calendar year 1989, on which the report required under section 181(b) is submitted to the appropriate Congressional committees the Trade Representative shall—

"(A) identify those foreign countries that, on the basis of such report, maintain a consistent pattern of import barriers and market distorting practices;

"(B) identify the major barriers and trade distorting practices of each foreign country identified under subparagraph (A), the elimination of which are likely to have the most significant potential to increase United States exports, either directly or through the establishment of a beneficial precedent;

"(C) estimate the total amount by which United States exports of goods and services to each foreign country identified under subparagraph (A) would have increased during the preceding calendar year if the barriers and market distorting practices of such country identified under subparagraph (B) did not exist; and

"(D) submit to the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and publish in the Federal Register, a report which lists—

"(i) the foreign countries identified under subparagraph (A),

"(ii) the barriers and market distorting practices identified under subparagraph (B) with respect to each of such foreign countries, and

"(iii) the amount estimated under subparagraph (C) with respect to each of such foreign countries.

"(2) In making the determination of which foreign countries to identify under paragraph (1)(A), the Trade Representative shall take into account—

"(A) the acts, policies, and practices described in section 181(a)(1)(A), and

"(B) the level of United States exports of goods and services that would be reasonably expected from full implementation of existing trade agreements to which that foreign country is a party, based on the international competitive position and export potential of such products and services.

"(3) In making the determination of which barriers and market distorting practices of a foreign country to identify under paragraph (1)(B), the Trade Representative shall take into account—

"(A) the international competitive position and export potential of United States products and services,

"(B) circumstances in which the sale of a small quantity of a product or service may be more significant than its value, and

"(C) the measurable medium-term and long-term implications of government procurement commitments to United States exporters.

"(b) Initiation of Investigations.—By no later than the date that is 21 days after the date on which a report is submitted to the appropriate Congressional committees under subsection (a)(1)(D), the Trade Representative shall initiate under section 302(c) investigations under this chapter with respect to all of those barriers and market distorting practices identified in such report by reason of subsection (a)(1)(D)(ii).

"(c) Agreements for the Elimination of Barriers.—

"(1) In the consultations with a foreign country identified under subsection (a)(1) that the Trade Representative is required to request under section 303(a) with respect to an investigation initiated by reason of subsection (b), the Trade Representative shall seek to negotiate an agreement which provides for—

"(A) the elimination of, or compensation for, the barriers and market distorting practices identified under subsection (a)(1)(B) by no later than the close of the 3-year period beginning on the date on which such investigation is initiated, and

"(B) the reduction of such barriers and practices over a 3-year period with the expectation that United States exports to the foreign country will, as a result, increase incrementally during each year within such 3-year period.

"(2) Any investigation initiated under this chapter by reason of subsection (b) shall be suspended if an agreement described in subparagraphs (A) and (B) of paragraph (1) is entered into with the foreign country before the applicable deadline (within the meaning of section 304(b)(2)).

"(3) If an agreement described in paragraph (1) is entered into with a foreign country before the applicable deadline (within the meaning of section 304(b)(2)) and the President determines that the foreign country is not in compliance with such agreement, the President shall direct the Trade Representative to continue the investigation that was suspended by reason of such agreement as though such investigation had not been suspended.

"(d) Annual Reports.—

"(1) On the date on which the report the Trade Representative is required to submit under subsection (a)(1)(D) in calendar year 1989, and on the anniversary of such date in the succeeding calendar years, the Trade Representative shall submit a report which includes—

"(A) revised estimates of the total amount determined under subsection (a)(1)(C) for each foreign country that has been identified under subsection (a)(1)(A),

"(B) evidence that demonstrates, in the form of increased United States exports to each of such foreign countries during the previous calendar year—

"(i) in the case of a country that has entered into an agreement described in subsection (c)(1), substantial progress during each year within the 3-year period described in subsection (c)(1)(A) toward the goal of eliminating the barriers and market distorting practices identified under subsection (a)(1)(B) by the close of such 3-year period, and

"(ii) in the case of a country which has not entered into (or has not complied with) an agreement described in subsection (c)(1), the elimination of such barriers and market distorting practices,

"(C) to the extent that the evidence described in subparagraph (B) cannot be provided, the actions that have been taken by the President under section 304 with respect to such barriers and market distorting practices of each of such foreign countries to eliminate or offset such barriers and market distorting practices.

"(2) The Trade Representative may exclude from the requirements of paragraph (1) in any calendar year beginning after 1993 any foreign country that has been identified under subsection (a)(1)(A) if the evidence submitted under paragraph (1)(B) in the 2 previous reports demonstrated that all the barriers and market distorting practices identified under subsection (a)(1)(B) with respect to such foreign country have been eliminated.

"(e) Petitions by Congressional Committees.—If the Committee on Finance of the Senate or the Committee on Ways and

Means of the House of Representatives determines (by a resolution adopted by such Committee) that an investigation under this chapter should be initiated with respect to any barriers and market distorting practices of any foreign country that such Committee determines to be a country that maintains a consistent pattern of import barriers or market distorting practices, such Committee shall be eligible to file a petition under section 302(a) and shall file a petition under section 302(a) with respect to such barriers and practices.".

(c) CONFRONTING AMENDMENT.—The table of contents for the Trade Act of 1974 is amended by inserting after the item relating to section 306 the following new item:

"Sec. 307. Countries maintaining a consistent pattern of trade distortions.".

On page 155, of the printed bill, line 1, strike out "307" and insert "308".

On page 157, line 24, strike out "306" and insert in lieu thereof "307".

On page 157, in the matter after line 24, strike out "307" and insert in lieu thereof "308".

DANFORTH (AND HEINZ) AMENDMENT NO. 466

Mr. DANFORTH (for himself and Mr. HEINZ) proposed an amendment to amendment No. 465 proposed by Mr. BYRD (and others) to the bill (S. 1420) as follows:

After the word Sec. on pages 1 to 3 strike all and insert in lieu thereof the following:

COUNTRIES MAINTAINING A CONSISTENT PATTERN OF TRADE DISTORTIONS.

(a) IN GENERAL.—Chapter 1 of title III of the Trade Act of 1974 is amended by adding at the end thereof the following new section:

"SEC. 307. COUNTRIES MAINTAINING A CONSISTENT PATTERN OF TRADE DISTORTIONS.

"(a) IDENTIFICATION.—

"(1) By no later than the date that is 29 days after the date in calendar year 1988, and also the date in calendar year 1989, on which the report required under section 181(b) is submitted to the appropriate Congressional committees, the Trade Representative shall—

"(A) identify those foreign countries and instrumentalities that, on the basis of such report, maintain a consistent pattern of import barriers and market distorting practices;

"(B) identify the major barriers and trade distorting practices of each foreign country identified under subparagraph (A), the elimination of which are likely to have the most significant potential to increase United States exports, either directly or through the establishment of a beneficial precedent;

"(C) estimate the total amount by which United States exports of goods and services to each foreign country identified under subparagraph (A) would have increased during the preceding calendar year if the barriers and market distorting practices of such country identified under subparagraph (B) did not exist; and

"(D) submit to the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and publish in the Federal Register, a report which lists—

"(i) the foreign countries identified under subparagraph (A),

"(ii) the barriers and market distorting practices identified under subparagraph (B) with respect to each of such foreign countries, and

"(iii) the amount estimated under subparagraph (C) with respect to each of such foreign countries.

"(2) In making the determination of which foreign countries to identify under paragraph (1)(A), the Trade Representative shall take into account—

"(A) the acts, policies, and practices described in section 181(a)(1)(A), and

"(B) the level of United States exports of goods and services that would be reasonably expected from full implementation of existing trade agreements to which that foreign country is a party, based on the international competitive position and export potential of such products and services.

"(3) In making the determination of which barriers and market distorting practices of a foreign country to identify under paragraph (1)(B), the Trade Representative shall take into account—

"(A) the international competitive position and export potential of United States products and services,

"(B) circumstances in which the sale of a small quantity of a product or service may be more significant than its value, and

"(C) the measurable medium-term and long-term implications of government procurement commitments to United States exporters.

"(b) INITIATION OF INVESTIGATIONS.—By no later than the date that is 21 days after the date on which a report is submitted to the appropriate Congressional committees under subsection (a)(1)(D), the Trade Representative shall initiate under section 302(c) investigations under this chapter with respect to all of those barriers and market distorting practices identified in such report by reason of subsection (a)(1)(D)(ii).

"(c) AGREEMENTS FOR THE ELIMINATION OF BARRIERS.—

"(1) In the consultations with a foreign country identified under subsection (a)(1) that the Trade Representative is required to request under section 303(a) with respect to an investigation initiated by reason of subsection (b), the Trade Representative shall seek to negotiate an agreement which provides for—

"(A) the elimination of, or compensation for, the barriers and market distorting practices identified under subsection (a)(1)(B) by no later than the close of the 3-year period beginning on the date on which such investigation is initiated, and

"(B) the reduction of such barriers and practices over a 3-year period with the expectation that United States exports to the foreign country will, as a result, increase incrementally during each year within such 3-year period.

"(2) Any investigation initiated under this chapter by reason of subsection (b) shall be suspended if an agreement described in subparagraphs (A) and (B) of paragraph (1) is entered into with the foreign country before the applicable deadline (within the meaning of section 304(b)(2)).

"(3) If an agreement described in paragraph (1) is entered into with a foreign country before the applicable deadline (within the meaning of section 304(b)(2)) and the President determines that the foreign country is not in compliance with such agreement, the President shall direct the Trade Representative to continue the investigation that was suspended by reason of such agreement as though such investigation had not been suspended.

"(d) ANNUAL REPORTS.—

"(1) On the date on which the report the Trade Representative is required to submit under subsection (a)(1)(D) in calendar year 1989, and on the anniversary of such date in the succeeding calendar years, the Trade Representative shall submit a report which includes—

"(A) revised estimates of the total amount determined under subsection (a)(1)(C) for each foreign country that has been identified under subsection (a)(1)(A),

"(B) evidence that demonstrates, in the form of increased United States exports to each of such foreign countries during the previous calendar year—

"(i) in the case of a country that has entered into an agreement described in subsection (c)(1), substantial progress during each year within the 3-year period described in subsection (c)(1)(A) toward the goal of eliminating the barriers and market distorting practices identified under subsection (a)(1)(B) by the close of such 3-year period, and

"(ii) in the case of a country which has not entered into (or has not complied with) an agreement described in subsection (c)(1), the elimination of such barriers and market distorting practices,

"(C) to the extent that the evidence described in subparagraph (B) cannot be provided, the actions that have been taken by the President under section 304 with respect to such barriers and market distorting practices of each of such foreign countries to eliminate or offset such barriers and market distorting practices.

"(2) The Trade Representative may exclude from the requirements of paragraph (1) in any calendar year beginning after 1993 any foreign country that has been identified under subsection (a)(1)(A) if the evidence submitted under paragraph (1)(B) in the 2 previous reports demonstrated that all the barriers and market distorting practices identified under subsection (a)(1)(B) with respect to such foreign country have been eliminated.

"(e) PETITIONS BY CONGRESSIONAL COMMITTEES.—If the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives determines (by a resolution adopted by such Committee) that an investigation under this chapter should be initiated with respect to any barriers and market distorting practices of any foreign country that such Committee determines to be a country that maintains a consistent pattern of import barriers or market distorting practices, such Committee shall be eligible to file a petition under section 302(a) and shall file a petition under section 302(a) with respect to such barriers and practices.".

(c) CONFORMING AMENDMENT.—The table of contents for the Trade Act of 1974 is amended by inserting after the item relating to section 306 the following new item:

"Sec. 307. Countries maintaining a consistent pattern of trade distortions.".

On page 155, of the printed bill, line 1, strike out "307" and insert "308".

On page 157, line 24, strike out "306" and insert in lieu thereof "307".

On page 157, in the matter after line 24, strike out "307" and insert in lieu thereof "308".

DANFORTH (AND HEINZ) AMENDMENT NO. 466

Mr. DANFORTH (for himself and Mr. HEINZ) proposed an amendment to amendment No. 465 proposed by Mr. BYRD (and others) to the bill (S. 1420) as follows:

TORT AND PRODUCT LIABILITY REFORM

McCONNELL AMENDMENT NOS. 467 AND 468

Mr. McCONNELL submitted two amendments intended to be proposed by him to a measure; as follows:

AMENDMENT No. 467

At the end of the pending matter add the following new title:

TITLE —FINDINGS AND SENSE OF THE CONGRESS REGARDING THE NEED FOR TORT AND PRODUCT LIABILITY REFORM

SEC. . FINDINGS.—The Congress finds that—

(a) the tort and product liability laws of the various States impose added costs and disincentives on American businesses which are not borne by foreign trade rivals;

(b) these laws deter American innovation and risk-taking in critical growth industries;

(c) these laws threaten vital research and development of new technologies at many universities and research institutions throughout the United States;

(d) these laws harm the ability of American businesses to compete with their foreign rivals; and

(e) the harmful and anti-competitive consequences of America's tort and product liability laws caused over 80 percent of the delegates to the White House Conference on Small Business to endorse comprehensive Federal reform of these laws.

SEC. . POLICY.—It is the sense of the Congress that meaningful reform of the country's tort and product liability laws should be achieved during the first session of the 100th Congress.

AMENDMENT No. 468

At the end of the pending matter add the following new title:

TITLE ____—TORT REFORM

SHORT TITLE

SEC. ____. This title may be cited as the "Tort Litigation Reform Act of 1987".

FINDINGS AND PURPOSE

SEC. ____. (a) The Congress finds and declares that—

(1) there are serious flaws in the civil justice system under which tort claims are filed and resolved;

(2) the cost of litigation has risen at a dramatic rate over the past 25 years and threatens to continue to rise at a similar rate for the foreseeable future;

(3) the rising cost of litigation has a direct and undesirable effect on interstate commerce and international competitiveness, and decreases the availability of products and services in commerce;

(4) the rising cost of litigation and the lack of predictability of the outcome of suits has greatly contributed to a nationwide crisis in the availability and affordability of insurance;

(5) there is a need for reasonable limits on the potential exposure of individuals and businesses to liability for damages resulting from the sale and use of products, the provision of services, or the ownership and use of property, all of which contribute to the net output of the Nation's economy, and to the general welfare; and

(6) because of the interstate nature of the commerce, the several States are unable to provide and maintain a just system of compensation without threatening to inflict disparate and potentially discriminatory burdens on interstate commerce, thereby diminishing the general welfare of the Nation and of the several States.

(b) It is the purpose of this title to establish uniform rules of tort law, to encourage alternate means of dispute resolution, to provide fair and reasonable compensation for accident or injury, and to promote the free flow of commerce and the availability and affordability of liability insurance.

APPLICABILITY

SEC. ____. (a) Except as provided in subsection (b), (c), or (d), the provisions of this title shall apply to any civil action against any person, in any State or Federal court, based on any cause of action, including, but not limited to, negligence, strict or product liability, breach of implied warranty, or professional malpractice, in which damages are sought for physical injury or for physical or mental pain or suffering or for property damage other than damage to the product itself.

(b) This title shall not apply to—

(1) a civil action for loss or damage to a product itself or for commercial loss which shall be governed by State commercial law; or

(2) a civil action for intentionally committed battery, assault, false imprisonment, trespass, or conversion.

(c) The provisions of this title shall preempt and supersede Federal or State law only to the extent such law is inconsistent with this title. Any issue arising under the provisions of this title that is not governed by the provisions of this title shall be governed by applicable State or Federal law.

(d) Nothing in this title shall be construed to—

(1) waive or affect any defense of sovereign immunity asserted by any State under any provision of law;

(2) waive or affect any defense of sovereign immunity asserted by the United States;

(3) affect the applicability of any provision of chapter 97 of title 28, United States Code, known as the Foreign Sovereign Immunities Act of 1976;

(4) preempt State choice-of-law rules with respect to claims brought by a foreign nation or a citizen of a foreign nation; or

(5) affect the right of any court to transfer venue or to apply the law of a foreign nation or to dismiss a claim of a foreign nation or of a citizen of a foreign nation on the ground of inconvenient forum.

JOINT AND SEVERAL LIABILITY

SEC. ____. (a) Except as provided in subsections (b) and (c), a person found liable for damages in any such action subject to the provisions of this title, shall be liable for damages only to the extent of such person's proportionate responsibility for the injury and shall not be jointly and severally liable.

(b) Notwithstanding the provisions of subsection (a), any person found liable for damages in an action subject to the provisions of this title may be jointly and severally liable therefore if such person's proportionate responsibility for the injury is found by the trier of fact to exceed 50 percent.

(c)(1) This section shall not apply to persons acting in concert where the concerted action caused the injury for which such persons are found liable.

(2) As used in this section, the terms "acting in concert" or "concerted action" shall mean the participation in joint conduct by two or more persons who consciously and deliberately agreed to jointly participate in such conduct.

LIABILITY STANDARDS

SEC. ____. Except as otherwise provided in the next two sections of this title, no person shall be found liable for any damages in any civil action subject to the provisions of this title unless the claimant proves by a preponderance of the evidence that such person was negligent, and such negligence was the proximate cause of the damages sought.

LIABILITY OF PRODUCT MANUFACTURERS

SEC. ____. (a) No manufacturer shall be liable for damages in any civil action subject to the provisions of this title, for harm allegedly caused by a product unless, claimant proves by a preponderance of the evidence that the manufacturer's product was the proximate cause of claimant's harm and was unreasonably dangerous because—

(1) the product deviated in a material way from the manufacturer's own design specifications at the time it left the manufacturer's control, and such deviation was a substantial cause of the harm,

(2) the product would not have been designed or formulated as it was if the manufacturer had been exercising reasonable care for the safety of all foreseeable users,

(3) the manufacturer did not provide warnings or instructions which would have been provided if the manufacturer had been exercising reasonable care for the safety of others, or

(4) the product failed to conform in a material respect to an express warranty of the manufacturer.

(b) A presumption shall arise that a manufacturer exercised reasonable care for the safety of others if the product design, formulation, warning, or instructions conformed, at the time of manufacture, with standards, conditions, or specifications established, adopted, or approved by the Congress or an agency of the Federal Government responsible for the safety of the design, formulation, labeling, or performance of the product.

(c) A manufacturer shall not be liable for damages in a civil action subject to this title for harm allegedly caused by a product if—

(1) in light of existing scientific, technological, or medical information, knowledge of the unsafe aspect of the product was not reasonably available or obtainable, or the ability to eliminate the unsafe aspect of the product was not technologically or practically feasible,

(2) plaintiff's harm would not have occurred but for an unreasonable or unforeseeable use or alteration of the product occurring after it left the manufacturer's control and without the manufacturer's consent, where, for the purposes of this paragraph, unreasonable or unforeseeable use or alteration includes, but is not limited to, any use or alteration of the product which the manufacturer specifically prohibited or warned against, in instructions printed clearly and visibly on the product itself, or

on an instruction sheet accompanying the product, or

(3) the unsafe aspect of the product that caused claimant's harm either was an inherent aspect of the product or was necessary to the products' utility: *Provided*, That—

(A) the inherently unsafe aspect of the product was either a matter of common knowledge or the subject of warnings or instructions adequate to permit an informed decision with respect to product use,

(B) the inherently unsafe aspect of the product was not significantly more dangerous than was reasonably to be expected, and

(C) the product resulted in more utility than harm to consumers.

LIABILITY OF PRODUCT SELLERS

SEC. ____. (a) Notwithstanding the provisions of the previous section, in any civil action for harm caused by a product, a product seller other than a manufacturer is liable to a claimant, only if the claimant establishes by a preponderance of the evidence that—

(1)(A) the individual product unit which allegedly caused the harm complained of was sold by the defendant;

(B) the product seller failed to exercise reasonable care with respect to the product; and

(C) such failure to exercise reasonable care was a proximate cause of the claimant's harm; or

(2)(A) the product seller made an express warranty, independent of any express warranty made by other written warnings or instructions received while the product was in the product seller's possession and control; or

(B) to make reasonable efforts to provide users with warnings and instructions it received after the product left its possession and control.

(3) A product seller shall not be liable in a civil action subject to this title, except for breach of express warranty by the seller, where there was no reasonable opportunity to inspect the product in a manner which, in the exercise of reasonable care, should have revealed the aspect of the product which allegedly caused the claimant's harm.

(c) A product seller shall be treated as the manufacturer of a product and shall be liable for harm to the claimant caused by a product as if the seller were the manufacturer of the product if—

(1) the manufacturer is not subject to service of process under the laws of any State in which the action might have been brought; or

(2) the court determines that the claimant would be unable to enforce a judgment against the manufacturer.

SANCTIONS

SEC. ____. (a) In any civil action subject to the provisions of this title, in which the court finds that any attorney or other person admitted to practice before the court has engaged in conduct intended to delay the proceedings or to impede the just, speedy, or inexpensive resolution of the action, then such attorney or other person shall be subject to pecuniary sanctions by the court. Such sanctions shall not be less than the total amount of court costs, fees and expenses, including attorney's fees, reasonably attributable to the conduct.

(b) In any civil action subject to the provisions of this title, in which the court finds that the action was initiated without a good faith belief by the attorney initiating the cause of action that a reasonable basis in law and in fact existed for recovery of the relief requested, or that the action was initiated merely for purposes of achieving a monetary settlement where there was no reasonable prospect for an award of damages, then such attorney shall be liable for the total amount of defendant's court costs, fees, and expenses, including double the attorney fees reasonably incurred to respond to or otherwise resist the action.

(c) In any civil action subject to the provisions of this title in which the court finds that the attorney defending the cause of action denied the substantive averments of the complaint without a good faith belief that there was a reasonable basis in law and in fact for the avoidance of liability for the relief requested, or that the actions taken in defense of the action were intended merely to postpone the imposition of a judgment for damages, then such attorney shall be liable for the total amount of court costs, fees, and expenses, including double the attorney fees reasonably incurred to prosecute the action.

UNIFORM STANDARDS FOR OFFSETTING WORKERS' COMPENSATION BENEFITS

SEC. ____. (a) In any civil action subject to the provisions of this title in which damages are sought for harm for which the person injured is or would have been entitled to receive compensation, payments, or benefits under any State or Federal workers' compensation or income disability law, or any other program which provides payments or benefits without cost to claimants, any damages awarded shall be reduced by the sum of the amount paid as benefits for such harm and the present value of all benefits to which the injured person is or would be entitled for such harm. The determination of benefits by the trier of fact in a civil action subject to this title shall have no binding effect on and shall not be used as evidence in any other proceeding.

(b) In any civil action subject to the provisions of this title in which damages are sought for harm for which the person injured is entitled to receive compensation, payments, or benefits under any program as provided in subsection (a), the action shall, on application of the claimant made at claimant's sole discretion, be stayed until such time as the full amount payable as such benefits has been finally determined.

(c) Unless the manufacturer or product seller has expressly agreed to indemnify or hold an employer harmless for harm to an employee caused by a product, neither the employer nor the workers' compensation insurance carrier of the employer shall have a right of subrogation, contribution, or implied indemnity against the manufacturer or product seller, or a lien against the claimant's recovery from the manufacturer or product seller, if the harm is one for which a civil action may be brought pursuant to this title.

(d) In any civil action subject to the provisions of this title in which damages are sought for harm for which the person injured is or would have been entitled to receive compensation under any State or Federal workers' compensation law, no third-party tortfeasor may maintain any action for implied indemnity or contribution against the employer, any coemployee, or the exclusive representative of the person who was injured.

(e) Nothing in this title shall be construed to affect any provision of a State or Federal workers' compensation law which prohibits a person who is or would have been entitled to receive compensation under any such law, or any other person whose claim is or would have been derivative from such a claim, from recovering for harm in any action other than a workers' compensation claim against a present or former employer, the workers' compensation insurer of the employer, a coemployee, or the exclusive representative of the person who was injured. Any action other than such a workers' compensation claim may be prohibited under State or Federal workers' compensation laws, except that nothing in this title shall be construed to affect any State or Federal workers' compensation law which permits recovery based on a claim of an intentional tort by the employer or coemployee, where the claimant's harm was caused by such an intentional tort.

MINIMUM STANDARDS FOR AWARDS OF PUNITIVE DAMAGES

SEC. ____. (a) Punitive damages, to the extent permitted by applicable law, may be awarded in any civil action subject to the provisions of this title to any claimant who at a minimum establishes by clear and convincing evidence that the harm suffered was the result of conduct manifesting a malicious and flagrant disregard for the safety of those persons who might be harmed by that conduct, and constituting an extreme departure from accepted standards. A failure to exercise reasonable care in choosing among alternative product designs, formulations, instructions, or warnings is not of itself such conduct. Except as provided in subsection (b), punitive damages may not be awarded in the absence of a compensatory award for actual damages.

(b) In any civil action in which the alleged harm to the claimant is death and the applicable State law provides, or has been construed to provide, for damages only punitive in nature, a manufacturer or product seller may be liable for any such damages regardless of whether a claim for compensatory damages is asserted. The recovery of any punitive damages shall not bar any other claim under this section.

(c) The trier of fact shall first determine whether compensatory damages are to be awarded. After such determination has been made, the trier of fact shall then determine whether punitive damages are to be awarded. Evidence relating to the manufacturer's or product seller's financial condition is not admissible in such proceeding and may not be considered by the trier of fact in determining whether or not punitive damages are to be awarded. If the trier of fact determines that punitive damages should be awarded, the court, and not the jury, shall separately determine the amount of such damages.

ALTERNATIVE DISPUTE RESOLUTION

SEC. ____. (a) Because the traditional litigation process is not always suited to the timely, efficient, and inexpensive resolution of civil actions, it is the policy of the United States to encourage the creation and use of alternative dispute resolution techniques, and to promote the expeditious resolution of such actions.

(b) In any action in which the provisions of this title apply, each attorney who has made an appearance in the case and who represents one or more of the parties to the action shall, with respect to each party separately represented, advise the party of the existence and availability of alternative dispute resolution options, including extrajudicial proceedings such as minitrials, third-party mediation, court supervised arbitration, and summary jury trial proceedings.

(c) Each such attorney shall, simultaneous with the filing of a complaint or a responsive pleading, file notice with the court certifying that the attorney has so advised his client or clients, and indicating whether such client will agree to one or more of the alternative dispute resolution techniques.

(d) If all parties to an action agree to proceed with one or more alternative dispute resolution proceedings, the court shall issue an appropriate order governing the conduct of such proceedings. The issuance of an order governing such further proceedings shall constitute a waiver, by each party subject to the order, of the right to proceed further in court.

DEFINITIONS

Sec. ____. As used in this title, the term—

(1) "claimant" means any person who brings a civil action pursuant to this title, and any person on whose behalf such an action is brought; if such an action is brought through or on behalf of an estate, the term includes the claimant's decedent, or if it is brought through or on behalf of a minor or incompetent, the term includes the claimant's parent or guardian;

(2) "clear and convincing evidence" is that measure or degree of proof that will produce in the mind of the trier of fact a firm belief or conviction as to the truth of the allegations sought to be established; the level of proof required to satisfy such standard is more than that required under the standard of a preponderance of the evidence, but less than that required for proof beyond a reasonable doubt;

(3) "commercial loss" means economic injury, whether direct, incidental, or consequential, including property damage and damage to the product itself, incurred by persons regularly engaged in business activities consisting of providing goods or services for compensation;

(4) "exercise of reasonable care" means conduct of a person of ordinary prudence and intelligence using the attention, precaution and judgment that society expects of its members for the protection of their own interests and the interests of others;

(5) "harm" means any harm recognized under the law of the State in which the civil action is maintained, other than loss or damage caused to a product itself, or commercial loss, with respect to which recovery is available under the commercial or contract law of the State;

(6) "manufacturer" means (A) any person who is engaged in a business to produce, create, make, or construct any product (or component part of a product) and who designs or formulates the product (or component part of the product) or has engaged another person to design or formulate the product (or component part of the product); (B) a product seller with respect to all aspects of a product (or component part of a product) which are created or affected when, before placing the product in the stream of commerce, the product seller produces, creates, makes, or constructs and designs or formulates, or has engaged another person to design or formulate, an aspect of a product (or component part of a product) made by another; or (C) any product seller not described in clause (B) which holds itself out as a manufacturer to the user of a product;

(7) "person" means any individual, corporation, company, association, firm, partnership, society, joint stock company, or any other entity (including any governmental entity);

(8) "preponderance of the evidence" is that measure or degree of proof which, by the weight, credit, and value of the aggregate evidence on either side, establishes that it is more probable than not that a fact occurred or did not occur;

(9) "product" means any object, substance, mixture, or raw material in a gaseous, liquid or solid state (A) which is capable of delivery itself or as an assembled whole, in a mixed or combined state or as a component part or ingredient; (B) which is produced for introduction into trade or commerce; (C) which has intrinsic economic value; and (D) which is intended for sale or lease to persons for commercial or personal use; the term does not include human tissue, blood and blood products, or organs unless specifically recognized as a product pursuant to State law;

(10) "product seller" means a person who, in the course of a business conducted for that purpose, sells, distributes, leases, prepares, blends, packages, labels, or otherwise is involved in placing a product in the stream of commerce, or who installs, repairs or maintains the harm-causing aspect of a product; the term does not include—

(A) a seller or lessor of real property;

(B) a provider of professional services in any case in which the sale or use of a product is incidental to the transaction and the essence of the transaction is the furnishing of judgment, skill, or services; or

(C) any person who—

(i) acts in only a financial capacity with respect to the sale of a product; and

(ii) leases a product under a lease arrangement in which the selection, possession, maintenance, and operation of the product are controlled by a person other than the lessor; and

(11) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States, or any political subdivision thereof.

EFFECTIVE DATE

Sec. ____. (a) This title and the amendments made by this title shall be effective on the date of enactment, and shall apply to all civil actions filed on or after such date, including any civil action in which the harm or the conduct complained of occurred before such effective date.

(b) If any provision of this title would shorten the period during which a person would otherwise be exposed to liability, the plaintiff may, notwithstanding the otherwise applicable time period, bring any civil action pursuant to this title within one year after the effective date of this title.

SEVERABILITY

Sec. ____. If any provision of this title or the application of any such provision to any person or circumstance is held invalid, the remainder of this title and the application of any provision to any other person or circumstance shall not be affected thereby.

BAUCUS (AND OTHERS) AMENDMENT NO. 469

Mr. BAUCUS (for himself, Mr. Wallop, Mr. Nickles, Mr. McClure, Mr. DeConcini, Mr. Grassley, Mr. Symms, Mr. Heflin, Mr. Burdick, Mr. Karnes, Mr. Exon, Mr. Hatch, Mr. Simpson, Mr. Domenici, Mr. Adams, Mr. Graham, Mr. Wilson, Mr. Garn, Mr. Conrad, Mr. Bingaman, Mr. Packwood, Mr. Lugar, Mr. Armstrong, Mr. Rockefeller, and Mr. Bentsen) proposed an amendment to the bill (S. 1420) supra; as follows:

At the appropriate place, insert the following new section:

SEC. . UNITED STATES ACCESS TO THE JAPANESE BEEF MARKET.

(a) Findings.—The Congress finds that—

(1) U.S. cattlemen depend increasingly on exports for their income;

(2) Japan is the largest potential export market for U.S. beef;

(3) the Japanese beef quota restricts U.S. high-quality beef exports to Japan to a maximum of 58,400 tons per year;

(4) Japan restricts beef imports through a state trading agency—the Japanese Livestock Industry Promotion Corporation (LIPC)—which controls 90% of all U.S. beef exports to Japan;

(5) the LIPC sells U.S. beef to Japanese consumers at a price far above its market value and makes $140 million in profits annually by reselling U.S. beef to Japanese consumers;

(6) Japan puts excessively high tariffs on U.S. beef exports;

(7) the Japanese trade barriers that restrict U.S. beef exports are unfair trading practices;

(8) if the Japanese trade barriers that restrict U.S. beef exports were removed, U.S. cattlemen could export, at minimum, an additional $400 million worth of U.S. beef to Japan;

(9) an open Japanese beef market is in the best interest of U.S. cattlemen and Japanese consumers; Now, therefore be it,

(b) Sense of Congress.—It is the sense of Congress that the United States should press Japan to remove all trade barriers, including the Japanese beef quota, that restrict U.S. beef exports by the expiration date of the current bi-lateral agreement governing U.S. beef exports to Japan, March 31, 1988.

MELCHER (AND OTHERS) AMENDMENT NO. 470

Mr. MELCHER (for himself, Mr. Burdick, Mr. Exon, and Mr. Harkin) proposed an amendment to the bill (S. 1420) supra; as follows:

On page 538, between lines 19 and 20, insert the following new section:

SEC. . DAIRY EXPORT INCENTIVE PROGRAM.

Subsection (d) of section 153 of the Food Security Act of 1985 is amended by revising subsections (2) and (3) to read as follows:

"(2) If payments in commodities are authorized, such payments shall be made through the issuance of generic certificates redeemable in commodities.

"(3) If generic certificates issued in accordance with the program provided for by this section are exchanged for dairy products owned by the Commodity Credit Corporation, the regulations issued by the Secretary shall ensure that such dairy products, or an equal amount of other dairy products, will be sold for export by the entity and that any such export sales by the entity will be in addition to, and not in place of, export sales of dairy products that the entity would otherwise make under the program or in the absence of the program, and, to the extent practicable, will not displace commercial export sales of United States dairy products by other exporters."

CHILES AMENDMENT NO. 471

Mr. CHILES proposed an amendment to the bill (S. 1420) supra; as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . PAID ADVERTISING FOR FLORIDA-GROWN STRAWBERRIES UNDER MARKETING ORDERS.

The first proviso of section 8c(6)(I) of the Agricultural Adjustment Act, reenacted with amendments by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608c(6)(I)), is amended by striking out "or tomatoes" and inserting in lieu thereof "tomatoes, or Florida-grown strawberries,".

ROTH (AND OTHERS) AMENDMENT NO. 472

Mr. ROTH (for himself, Mr. Rockefeller, Mr. Bentsen, Mr. Riegle, Mr. Danforth, Mr. Symms, and Mr. Baucus) proposed an amendment to the bill (S. 1420) supra; as follows:

At the end of subtitle A of title III of the bill, add the following:

SEC. . TRADE AND ECONOMIC RELATIONS WITH JAPAN.

(a) Findings.—The Congress finds that—

(1) the United States is at a critical juncture in bilateral relations with Japan;

(2) the balance of trade between the United States and Japan has deteriorated steadily from an already large United States deficit of $10.4 billion in 1980 to an unprecedented United States deficit of $59 billion in 1986, a magnitude that is simply untenable;

(3) approximately 90 percent of the increase in total trade between the United States and Japan since 1980 has been in Japanese exports to the United States;

(4) United States exports to Japan have not significantly benefited from appreciation of the yen;

(5) the United States deficit in the balance of trade in manufactured goods in growing: in 1986 Japan exported $80.4 billion of manufactured goods to the United States, while the United States exported $12.4 billion in manufactured goods;

(6) Japan accounts for 51 percent of the worldwide deficit of the United States in the balance of trade in manufactured goods, calculated on a C.I.F. basis;

(7) our trade and economic relations with Japan are complex and cannot be effectively resolved through narrow sector-by-sector negotiations;

(8) the principle problem between the United States and Japan is the absence of a political will in Japan to import;

(9) Japan must establish an "import vision" that does not regard foreign imports as threatening to economic success;

(10) the situation between the United States and Japan will become increasingly dangerous without a set of facts, objectives, and a timetable for action that are agreed upon by the United States and Japan; and

(11) meaningful negotiations must take place at the highest level, at a special summit of political leaders from both countries.

(b) Sense of the Congress.—

(1) It is the sense of the Congress that the President should propose to the Japanese Prime Minister that a special summit be held between the leaders of the United States and Japan for the purpose of—

(A) addressing trade and economic issues, and

(B) establishing—

(i) an agreement that provides objectives for improvement in trade and economic relations, and

(ii) targets for achieving these objectives.

(2) The delegation of the United States to the summit meeting described in subsection (a) should include—

(A) Members of Congress from both political parties, and

(B) appropriate officers of the Executive Branch of the United States Government.

(3) The delegation of Japan to the summit meeting described in subsection (a) should include—

(A) representatives of all political parties in Japan, and

(B) appropriate officers of the Government of Japan.

LEAHY AMENDMENT NO. 473

Mr. LEAHY proposed an amendment to the bill (S. 1420) supra; as follows:

The bill, S. 1420, the Omnibus Trade Act of 1987, is amended as follows:

(a) On page 373—

(1) strike lines 1 through 13; and

(2) on line 14, strike "(k)" and insert in lieu thereof "(j)"; and

(b) On page 374, line 1, strike "(1)" and insert in lieu thereof, "(k)".

PRESSLER AMENDMENT NO. 474

Mr. PRESSLER proposed an amendment to the bill (S. 1420) supra; as follows:

At the appropriate place in the legislation insert the following:

The Secretary of Commerce is directed to study the effects on American small businesses of extending the General Agreement on Tariffs and Trade to include intellectual property rights, services, agriculture, aquaculture and agri-business products and to report the findings of such study to Congress within six months of enactment of this legislation.

BINGAMAN AMENDMENT NO. 475

Mr. BINGAMAN proposed an amendment to the bill (S. 1420) supra; as follows:

At the appropriate place, add the following new section:

SEC. . COMMERCIAL RELATIONS WITH MEXICO.

(a) Findings.—The Congress finds that—

(1) Mexico and the United States are major trading partners with a total two-way trade of approximately $30 billion in 1986;

(2) Mexico has been in the process of liberalizing its economy, as exemplified by Mexico's recent accession to the General Agreement on Tariffs and Trade;

(3) continue liberalization of the Mexican economy will benefit both Mexico and the United States;

(4) the United States and Mexico are close neighbors, sharing a 2000 mile border and many common interests; and

(5) there are a large number of bilateral economic issues now confronting the two countries which merit frequent and close attention.

(b) Framework Agreement on Trade and Investment.—(1) It is the sense of the Congress that

(A) the United States and Mexico should strive for mutually beneficially economic liberalization;

(B) the United States and Mexico should enter into a bilateral agreement to provide a framework for the management of bilateral trade and investment relations based on shared objectives;

(C) such a framework agreement should establish procedures for construction by the two countries on matters of bilateral trade and investment and for resolution of commercial disputes at an early stage; and

(D) such a framework agreement should be structured so as to facilitate ongoing negotiations between the United States and Mexico on issues of bilateral trade and investment.

CHILES AMENDMENT NO. 476

Mr. CHILES proposed an amendment to bill (S. 1420) supra; as follows:

At the end of title XV, add the following new sections:

SEC. 1503. EFFECTUATING THE PRINCIPLE OF NATIONAL TREATMENT FOR BROKERS AND DEALERS.

Section 15(b) of the Securities Exchange Act of 1934 is amended by adding at the end thereof the following new paragraph:

"(11) With the prior approval of the President, the Commission may deny an application for registration under this subsection filed by a person of a foreign country if that foreign country does not accord to United States brokers and dealers the same competitive opportunities as it accords to their domestic counterparts. A person is a 'person of a foreign country' for purposes of this paragraph is that person, or any other person which directly or indirectly owns or controls that person, is a resident of that country, is organized under the laws, of that country, or has its principal place of business in that country.".

SEC. 1504. BIENNIAL REPORTS ON FOREIGN TREATMENT OF UNITED STATES FINANCIAL INSTITUTIONS.

Not less than every 4 years, beginning December 1, 1990, the Secretary of the Treasury, in conjunction with the Secretary of State, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Securities and Exchange Commission, shall report to the Congress on the extent to which foreign countries deny national treatment to United States banking organizations and securities companies, and on the efforts undertaken by the United States to eliminate such discrimination. The report shall focus on those countries in which there are significant denials of national treatment which impact United States financial firms. The report shall also describe the progress of discussions pursuant to section 605.

SEC. 1505. FAIR GRADE IN FINANCIAL SERVICES.

(a) When advantageous the President or his designee shall conduct discussions with the governments of countries that are major financial centers, aimed at:

(1) ensuring that United States banking organizations and securities companies have access to foreign markets and receive national treatment in those markets;

(2) reducing or eliminating barriers to, and other distortions of, international trade in financial services;

(3) achieving reasonable comparability in the types of financial services permissible for financial service companies; and

(4) developing uniform supervisory standards for banking organizations and securi-

ties companies, including uniform capital standards.

(b) Before entering into those discussions, the President or his designee shall consult with the committees of jurisdiction in the Senate and the House of Representatives.

(c) After completing those discussions and after consultation with the committees of jurisdiction, the President shall transmit to the Congress any recommendations that have emerged from those discussions. Any recommendations for changes in United States financial laws or practices shall be accompanied by a description of the changes in foreign financial laws or practices that would accompany action by the Congress, and by an explanation of the benefits that would accrue to the United States from adoption of the recommendations.

(d) Nothing in this section may be construed as prior approval of any legislation which may be necessary to implement any recommendations resulting from discussions under this section.

BAUCUS AMENDMENT NO. 477

Mr. BAUCUS proposed an amendment to the bill (S. 1420) supra; as follows:

At the end of subtitle A of title III of the bil, add the following:

SEC. . SUPERCOMPUTER TRADE DISPUTE.

(a) FINDINGS.—The Congress finds that—

(1) United States manufacturers of supercomputers have encountered significant obstacles in selling supercomputers in Japan, particularly to government agencies and universities;

(2) Japanese government procurement policies and pricing practices have denied United States manufacturers access to the Japanese supercomputer market;

(3) it has been reported that officials of the Ministry of International Trade and Industry of Japan have told the United States Government officials that Japanese government agencies and universities do not intend to purchase supercomputers from United States manufacturers, or take steps to improve access for United States manufacturers;

(4) the United States Government on December 10, 1986, initiated an interagency investigation of Japanese supercomputer trade practices;

(5) the United States Trade Representative and other officials of the United States Government have made progress in negotiating an agreement on government procurement procedures with Japanese government representatives;

(6) there have been allegations that Japanese manufacturers of supercomputers have been offering supercomputers at drastically discounted prices in the markets of the United States, Japan, and other countries;

(7) deep price discounting raises the concern that Japan's large-scale vertically integrated manufacturers of supercomputers have targeted the supercomputer industry with the objective of eventual domination of the global computer market; and

(8) the supercomputer industry plays a central role in the technological competitiveness and national security of the United States.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the United States Trade Representative and other appropriate officials of the United States Government should—

(1) give the highest priority to concluding and enforcing agreements with the Government of Japan which achieve improved market access for United States manufacturers of supercomputers and end predatory pricing activities of Japanese companies in the United States, Japan, and other countries; and

(2) continue to monitor the efforts of United States manufacturers of supercomputers to gain access to the Japanese market, recognizing that the Government of Japan may continue to manipulate the government procurement process to maintain the market dominance of Japanese manufacturers.

ROCKEFELLER AMENDMENT NO. 478

Mr. ROCKEFELLER proposed an amendment to the bill (S. 1420) supra; as follows:

On page 131 of the printed bill, between lines 4 and 5, insert the following:

SEC. 219. STUDY OF CERTIFICATION METHODS.

(a) IN GENERAL.—The Secretary of Labor, in consultation with the Secretary of Commerce, shall conduct a study of the methods (including, but not limited to, industry-wide certification) that could be used to expedite the certification of workers under subchapter A of chapter 2 of title II of the Trade Act of 1974.

(b) REPORT.—By no later than the date that is 6 months after the date of enactment of this Act, the Secretary of Labor shall submit to the Congress a report on the study conducted under subsection (a). The report shall include the recommendations of the Secretary of Labor regarding the methods that are the subject of the study conducted under subsection (a).

On page 131, line 5, strike out "219" and insert in lieu thereof "220".

On page 132, line 7, strike out "and 218(a)" and insert in lieu thereof "218(a), and 219".

CONRAD AMENDMENT NO. 479

Mr. CONRAD proposed an amendment to the bill (S. 1420) supra; as follows:

On page 262, line 8, insert after "with" the following: "the historical goal of stabilizing farm income and prices in cyclical and unpredictable agricultural markets, and with".

On page 262, line 20, insert after "production" the following: ", consistent with the United States policy of stabilizing farm income and prices in cyclical and unpredictable agricultural markets".

On page 512, line 19, strike out "and".

On page 512, between lines 21 and 22, insert the following new subparagraphs:

"(E) the slowdown in the growth of world food demand in the 1980's due to cyclical economic factors including, currency fluctuations and a debt-related slowdown in the economic growth of agricultural markets in certain developing countries; and

"(F) the rapid buildup of surplus stocks as a consequence of a beneficial weather cycle in the 1980's;".

SPECTER AMENDMENT NO. 480

(Ordered to lie on the table.)

Mr. SPECTER submitted an amendment intended to be proposed by him to the bill (S. 1420) supra; as follows:

Insert at the appropriate section the following:

Since, the United States is a contracting party to the General Agreement on Tariffs and Trade and a signatory to the Tokyo Round Antidumping and Subsidies Codes;

Since, many industries in the United States have suffered injury by reason of the unfair dumping and subsidization of goods imported into the United States;

Since, the existing remedies provided in the General Agreement on Tariffs and Trade and the Antidumping and Subsidies Codes have not deterred predatory foreign dumping and subsidization;

Since, a private damages remedy would effectively compensate U.S. industries for past harm and serve as a deterrent to predatory dumping;

Since, many exporters and importers have attempted to circumvent U.S. import laws and regulations through fraudulent actions designed to facilitate the entry of goods in violation of U.S. tariffs, import restraints, agreed quantitative limits, quotas, and antidumping and countervailing duty orders;

Since, on September 25, 1986, in Punta Del Este, the Trade Ministers of the Contracting Parties to the General Agreement on Tariffs and Trade launched the Uruguay Round of multilateral trade negotiations;

Since, the Uruguay Round offers an opportunity to strengthen the GATT rules and remedies against unfair dumping, subsidization, and customs fraud.

Now, therefore be it declared by the Senate that:

(1) the President should direct the United States Trade Representative to place the highest priority on negotiations to strengthen existing remedies against unfair dumping, subsidization, and customs fraud in the Uruguay Round of multilateral trade negotiations;

(2) the President should direct the United States Trade Representative to adopt as U.S. objectives the negotiation of international rules authorizing a private right of action against unfair dumping and customs fraud.

SEC. 2. The Secretary of the Senate will transmit copies of this amendment to the President, the United States Trade Representative, the Secretary of Commerce, and the U.S. International Trade Commission.

INTEGRATION OF LABORATORIES INTO THE NATIONAL LABORATORY SYSTEM OF THE DEPARTMENT OF ENERGY

DOMENICI AMENDMENT NOS. 481 THROUGH 486

(Ordered referred to the Committee on Energy and Natural Resources.)

Mr. DOMENICI submitted six amendments intended to be proposed by him to the bill (S. 1480) to improve the integration of universities and private industry into the National Laboratory System of the Department of Energy in order to speed the development of technology in areas of significant economic potential; as follows:

AMENDMENT No. 481

At the end of Title I, insert the following new section:

SEC. 105. COMMERCIALIZATION ENHANCEMENT.

(a) SUPERCONDUCTOR RESEARCH INITIATIVE.—(1) The Secretary of Energy shall initiate and carry our a cooperative program of research on enabling superconductor technology and on the practical applications of superconductor technology (such program hereinafter in this section referred to as the "Initiative").

(2) The Initiative shall provide for temporary exchanges of personnel between any domestic firm or university referred to in this title and the national laboratories of the Department of Energy that are participating in such initiative. The exchange of personnel shall be subject to such restrictions, limitations, terms, and conditions as the Secretary of Energy considers necessary in the interest of national security.

(b) Involvement of National Laboratories of the Department of Energy.—The Secretary of Energy shall ensure that the national laboratories of the Department of Energy participate in the Initiative.

(c) Cooperative Research and Development Agreements at National Laboratories of the Department of Energy.—(1) Any contractor operating a national laboratory of the Department of Energy that is participating in the Initiative may exercise, subject to the provisions of this subsection, the same authority with respect to research and development under such initiative as is provided for Government-operated Federal laboratories in section 11 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a) and subsection (d)(2) of this section. The authority provided under this subparagraph includes the authority to make agreements relating to intellectual property rights in any technology or device developed, regarding high temperature superconducting materials, and enabling technologies for the commercialization of superconductors, by an employee of such contractor.

(2)(A) The director of each national laboratory of the Department of Energy that is participating in the Initiative or the contractor operating any such national laboratory may include in any cooperative research and development agreement entered into with a domestic firm, or university in connection with such initiative a requirement for the Department of Energy to pay a portion of the cost of the research and development activities carried out by that firm under such initiative. The Department of Energy's share of such cost shall be determined on the basis of such cost-sharing arrangement as may be agreed upon by the director or contractor and the head of such firm and may be specified in the agreement.

(B) Subject to subparagraph (C), no cooperative research and development agreement entered into under subparagraph (A) shall be subject to the prior approval by the Secretary of Energy or the head of any other agency of the Federal Government.

(C) No Department of Energy National Laboratory may receive more than $10,000,000 of non-appropriated funds under any cooperative research and development agreements entered into under this subsection in connection with the Initiative except to the extent approved in advance by the Secretary of Energy.

(d) Intellectual Property Rights.—(1) It is the policy of Congress that intellectual property rights in technology or devices for superconducting materials and applications developed by a center, be controlled in a manner that promotes the use of such technology and devices exclusively by United States industries.

(2)(A) The authority provided in subsections (a) and (c) of section 202 of title 35, United States Code, subsections (a) and (b) of section 11 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a), and subsection (b)(1) with respect to patents shall also apply to copyrights, trademarks, trade secrets, mask works, and other intellectual property rights (protectable under any Federal law) that relate to superconducting technology or any superconducting device developed under the Initiative. Such authority may be exercised only in a manner consistent with the policy provided in paragraph (1) of this subsection.

(B) In the application of subsection (a) and (c) of section 202 of title 35, United States Code, to the Initiative under subparagraph (A), the definitions in section 201 of such title shall apply, except that for purposes of this section the term "invention" means any invention or discovery which is or may be patentable or otherwise protectable under any provision of law.

(3) Each contractor operating a national laboratory of the Department of Energy that is participating in the Initiative may, without the approval of the head of any agency of the Federal Government—

(A) retain title to intellectual property rights in superconductor technology and any superconductor device developed by such contractor under such Initiative; and

(B) license or assign any intellectual property right in such superconductor technology in accordance with the policy set out in paragraph (1).

(4)(A) The United States shall be entitled to receive from the owner of any intellectual property rights in superconductor technology or in any superconductor device developed under the Initiative a nonexclusive, nontransferrable, irrevocable, paid-up license to use such technology or device or to provide for the use of such technology or device on behalf of the United States.

(B) The Secretary of Energy may waive the entitlement to a license referred to in subparagraph (A) or in section 202(c)(4) of title 35, United States Code, in the case of any intellectual property right if the Secretary determines that a waiver of such entitlement would better promote the attainment of the objectives set out in this title and the implementation of the policy set out in paragraph (1).

(5) Each funding agreement entered into by the Secretary of Energy and a contractor operating a national laboratory of the Department of Energy that provides for such contractor to perform research and development at such national laboratory under the Initiative shall also provide—

(A) that the costs of obtaining legal protections for intellectual property rights in superconductor manufacturing technology or in superconductor devices developed by the contractor under such Initiative shall be paid for by the federal government under such agreement.

(B) that any royalties or income that is earned by the contractor with respect to any intellectual property rights in superconductor manufacturing technology or in superconducting technologies or any superconducting devices for superconducting materials and applications developed by the contractor under such Initiative and is received by the contractor in any fiscal year beginning not later than 10 years after the date of the enactment of this Act shall be used—

(i) to defray the costs of obtaining legal protections for such rights;

(ii) to pay any owner of intellectual property rights in information or equipment for the acquisition or use of such information or equipment for the activities of the contractor under such initiative; and

(iii) to support scientific research, development, and education in the field of semiconductors at such national laboratory;

(C) that the amount of any such royalties or income that is received by the contractor in any fiscal year referred to in clause (B) and is not used for a purpose described in subclause (i), (ii), or (iii) of such clause within such fiscal year shall be paid into the General Fund of the Treasury within such fiscal year, and the amount of any royalties or income that is earned by the contractor with respect to intellectual property rights referred to in clause (B) and is received by the contractor in any fiscal year beginning more than 10 years after the date of the enactment of this Act shall be paid into the General Fund of the Treasury; and

(D) that the management of intellectual property rights, including procurement of intellectual protections, and licensing, in connection with superconductor technology and superconductor devices developed by the contrator at such laboratory under such initiative shall be the responsibility of the contractor.

(6)(A) Each funding agreement referred to in paragraph (5) shall also contain a provision allowing a Federal agency to require the licensing to third parties of inventions owned by the contractor that are inventions subject to the provisions of this title.

(B) With respect to any subject invention in which a contractor has acquired title, the Federal agency under whose funding agreement the subject invention was made shall have the right, in accordance with such procedures as are provided in regulations promulgated hereunder, to require the contractor, an assignee or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the contractor, assignee, or exclusive licensee refuses such request, to grant such a license itself if the Federal agency determines that such action is necessary because the contractor or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use.

(7) Section 202(a) of title 35, United States Code, is amended by—

(A) striking out "or, (iv)" through "Department of Energy."; and

(B) inserting "or" before "(iii)".

(8) The requirements set out in paragraphs (5) and (6) and the amendments made by paragraph (7) shall apply with respect to activities of the Department of Energy and its National Laboratories occurring on or after the date of enactment of this Act.

(e) Facilitating Commercilization Enhancement.—The Secretary of Energy and any domestic firm or university which has entered into an agreement under this title shall provide for the timely and efficient transfer of superconductor technology developed under the Initiative and for the transfer of information with respect to the applications of such technology developed under such initiative (including any such technology and information that is developed by contractors that operate national laboratories of the Department of Energy) to State and local governments and private industries in the United States. The Secretary shall utilize, in consultation with the

Secretary of Commerce, the procedures and organizations established under section 10 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710).

(f) Definitions.—In this section:

(1) The term "domestic firm" means any business entity which is not a foreign firm.

(2) The term "foreign firm" means a business entity owned or controlled by one or more foreign nationals or a business entity in which more than 50 percent of the voting stock is owned or controlled by one or more foreign nationals.

(3) The term "funding agreement" means any contract, grant, or cooperative agreement entered into between the Secretary of Energy and a contractor operating a national laboratory of the Department of Energy that provides for such contractor to perform research and development at such national laboratory.

Amendment No. 482

At the end ot Title I, insert the following new sections:

SEC. 106 TAX TREATMENT OF CENTERS.

(a) Tax Exemptions.—Each center established under this title shall be treated as an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code with respect to the activities authorized by this title.

(b) Basic Research Payments.—Any amounts transferred to a center by a domestic firm participating in the Initiative shall be taken into account as basic research payments for purposes of section 41(a)(2) of such Code.

Amendment No. 483

At the end ot Title II, insert the following new subsections:

(c) Cooperative Research and Development Agreements at National Laboratories of the Department of Energy.—(1) Any contractor operating a national laboratory of the Department of Energy that is participating in the Initiative may exercise, subject to the provisions of this subsection, the same authority with respect to research and development under such Initiative as is provided for Government-operated Federal laboratories in section 11 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a) and subsection (d)(2) of this section. The authority provided under this subparagraph includes the authority to make agreements relating to intellectual property rights in any mapping of the human genome or any device developed by an employee of such contractor.

(2)(A) The director of each national laboratory of the Department of Energy that is participating in the Initiative or the contractor operating any such national laboratory may include in any cooperative research and development agreement entered into with a domestic firm in connection with such initiative a requirement for the Department of Energy to pay a portion of the cost of the research and development activities carried out by that firm under such initiative. The Department of Energy's share of such cost shall be determined on the basis of such cost-sharing arrangement as may be agreed upon by the director or contractor and a representative of such firm and may be specified in the agreement.

(B) Subject to subparagraph (C), no cooperative research and development agreement entered into under subparagraph (A) shall be subject to the prior approval by the Secretary of Energy or the head of any other agency of the Federal Government.

(C) No Department of Energy National Laboratory may receive more than $10,000,000 of nonappropriated funds under any cooperative research and development agreements entered into under this subsection in connection with the Initiative except to the extent approved in advance by the Secretary of Energy.

(d) Intellectual Property Rights.—(1) It is the policy of Congress that intellectual property rights in mapping the human genome and in devices developed under the Initiative be controlled in a manner that promotes the use of such technology and devices exclusively by United States industries.

(2)(A) The authority provided in subsections (a) and (c) of section 202 of title 35, United States Code, subsections (a) and (b) of section 11 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a), and subsection (e)(1) with respect to patents shall also apply to copyrights, trademarks, trade secrets, mask works, and other intellectual property rights (protectable under any Federal law) that relate to technology or any device developed under the Initiative. Such authority may be exercised only in a manner consistent with the policy provided in paragraph (1) of this subsection.

(B) In the application of subsections (a) and (c) of section 202 of title 35, United States Code, to the Initiative under subparagraph (A), the definitions in section 201 of such title shall apply, except that for purposes of this section the term "invention" means any invention or discovery which is or may be patentable or otherwise protectable under any provision of law.

(3) Each contractor operating a national laboratory of the Department of Energy that is participating in the Initiative may, without the approval of the head of any agency of the Federal Government—

(A) retain title to intellectual property rights in technology and any device developed by such contractor under such initiative; and

(B) license or assign any intellectual property right in such technology in accordance with the policy set out in paragraph (1).

(4)(A) The United States shall be entitled to receive from the owner of any intellectual property rights in technology or in any device developed under the Initiative a nonexclusive, nontransferrable, irrevocable, paid-up license to use such technology or device or to provide for the use of such technology or device on behalf of the United States.

(B) The Secretary of Energy may waive the entitlement to a license referred to in subparagraph (A) or in section 202(c)(4) of title 35, United States Code, in the case of any intellectual property right if the Secretary determines that a waiver of such entitlement would better promote the attainment of the objectives set out in subsection (b)(2)(A) and the implementation of the policy set out in paragraph (1).

(5) Each funding agreement entered into by the Secretary of Energy and a contractor operating a national laboratory of the Department of Energy that provides for such contractor to perform research and development at such national laboratory under the Initiative shall also provide—

(A) that the costs of obtaining legal protections for intellectual property rights in technology or in manufacturing devices developed by the contractor under such initiative shall be paid for by the federal government under such agreement.

(B) that any royalties or income that is earned by the contractor with respect to any intellectual property rights in technology or in manufacturing devices developed by the contractor under such initiative and is received by the contractor in any fiscal year beginning not later than 10 years after the date of the enactment of this Act shall be used—

(i) to defray the costs of obtaining legal protections for such rights;

(ii) to pay any owner of intellectual property rights in information or equipment for the acquisition or use of such information or equipment for the activities of the contractor under such initiative; and

(iii) to support scientific research, development, and education in the field of mapping the human genome at such national laboratory;

(C) that the amount of any such royalties or income that is received by the contractor in any fiscal year referred to in clause (B) and is not used for a purpose described in subclause (i), (ii), or (iii) of such clause within such fiscal year shall be paid into the General Fund of the Treasury within such fiscal year, and the amount of any royalties or income that is earned by the contractor with respect to intellectual property rights referred to in clause (B) and is received by the contractor in any fiscal year beginning more than 10 years after the date of the enactment of this Act shall be paid into the General Fund of the Treasury; and

(D) that the management of intellectual property rights, including procurement of intellectual protections, and licensing, in connection with technology and devises developed by the contractor at such laboratory under such initiative shall be the responsibility of the contractor.

(6)(A) Each funding agreement referred to in paragraph (5) shall also contain a provision allowing a Federal agency to require the licensing to third parties of inventions owned by the contractor that are inventions subject to the provisions of this title.

(B) With respect to any subject invention in which a contractor has acquired title, the Federal agency under whose funding agreement the subject invention was made shall have the right, in accordance with such procedures as are provided in regulations promulgated hereunder, to require the contractor, an assignee or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the contractor, assignee, or exclusive license refuses such request, to grant such a license itself if the Federal agency determines that such action is necessary because the contractor or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use.

(7) Section 202(a) of title 35, United States Code, is amended by—

(A) striking out "or, (iv)" through "Department of Energy."; and

(B) inserting "or" before "(iii)".

(8) The requirements set out in paragraphs (5) and (6) and the amendments made by paragraph (7) shall apply with respect to finding agreements entered into by the Secretary of Energy and contractors operating national laboratories of the Department of Energy on or after the date of the enactment of this Act.

(e) Facilitating Commercialization Enhancement.—The Secretary of Energy and the consortium which has entered into an agreement under this title, shall provide for the timely and efficient transfer of technology developed under the Initiative and for the transfer of information with respect to the applications of such technology developed under such initiative (including any such technology and information that is developed by contractors that operate national laboratories of the Department of Energy) to State and local governments and private industries in the United States. The Secretary shall utilize, in consultation with the Secretary of Commerce, the procedures and organizations established under section 10 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710).

(f) Definitions.—In this section:

(1) The term "domestic firm" means any business entity which is not a foreign firm.

(2) The term "foreign firm" means a business entity owned or controlled by one or more foreign nationals or a business entity in which more than 50 percent of the voting stock is owned or controlled by one or more foreign nationals.

(3) The term "funding agreement" means any contract, grant, or cooperative agreement entered into between the Secretary of Energy and a contractor operating a national laboratory of the Department of Energy that provides for such contractor to perform research and development at such national laboratory.

Amendment No. 484

At the end of Title II of the bill insert the following:

SEC. 204. INTERNAL REVENUE CODE TREATMENT.

(a) Tax Exemptions.—The Consortium established under this title shall be treated as an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code with respect to activities authorized by this title.

(b) Basic Research Payments.—Any amounts transferred to the Consortium by a participating member of such Consortium shall be taken into account as basic research payments for purposes of section 41(a)(2) of such Code.

(c) Capital Gains Treatment.—(1) No gain or loss shall be recognized in connection with the transfer pursuant to this title of any patent, copyright, trademark, trade secret, mask work, or other intellectual property by or between the Consortium and any participating member of the Consortium.

(2) If property is received in a transfer described in paragraph (1), the basis of the property in the hands of the transferee shall be the same as it would be in the hands of the transferor.

SEC. 205. ANTITRUST TREATMENT.

The Consortium created by the Secretary of Energy pursuant to the provisions of this title, shall be considered a joint research and development venture within the meaning of section 2(a)(6) of the National Cooperative Research Act of 1984 (15 U.S.C. 4301 et seq.), for purposes of such Act.

Amendment No. 485

At the end of Section 305 of the Title III of the bill insert the following new sections:

SEC. 306. COMMERCIALIZATION ENHANCEMENT.

(a) Policy.—It is the policy of Congress that intellectual property rights in semiconductor technology and in semiconductor devices developed under the initiative be controlled in a manner that promotes the use of such technology and devices exclusively by the United States semiconductor industry.

(b) Intellectual Property Rights for Private Research Under the Initiative.—(1) The authority provided in subsections (a) and (c) of section 202 of title 35, United States Code, subsections (a) and (b) of section 11 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a), and section 305(a) of this Act with respect to patents shall also apply to copyrights, trademarks, trade secrets, mask works, and other intellectual property rights (protectable under any Federal law) that relate to semiconductor technology or any semiconductor device developed under the initiative. Such authority may be exercised only in a manner consistent with the policy provided in subsection (a) of this section.

(2) In the application of subsections (a) and (c) of section 202 of title 35, United States Code, to the Semiconductor Research Initiative under paragraph (1), the definitions in section 201 of such title shall apply, except that for purposes of this section the term "invention" means any invention or discovery which is or may be patentable or otherwise protectable under any provision of law.

(c) Intellectual Property Rights for Research Conducted Under the Initiative by Contractors Operating National Laboratories.—Each contractor operating a national laboratory of the Department of Energy that is participating in the Initiative may, without the approval of the head of any agency of the Federal Government—

(1) retain title to intellectual property rights in semiconductor technology and any semiconductor device developed by such contractor under such initiative; and

(2) license or assign any intellectual property right in such semiconductor technology in accordance with the policy set out in subsection (a).

(d) Reservation of Rights for the United States Government.—(1) The United States shall be entitled to receive from the owner of any intellectual property rights in semiconductor technology or in any semiconductor device developed under the initiative a nonexclusive, nontransferable, irrevocable, paid-up license to use such technology or device or to provide for the use of such technology or device on behalf of the United States.

(2) The Secretary of Energy may waive the entitlement to a license referred to in paragraph (1) or in section 202(c)(4) of title 35, United States Code, in the case of any intellectual property right if the Secretary determines that a waiver of such entitlement would better promote the attainment of the objectives set out in section 302(b)(1) and the implementation of the policy set out in subsection (a).

(e) Provisions To Be Included in Funding Agreements for Contractors Operating National Laboratories.—(1) Each funding agreement entered into by the Secretary of Energy and a contractor operating a national laboratory of the Department of Energy that provides for such contractor to perform research and development at such national laboratory under the Initiative shall provide—

(A) that the costs of obtaining legal protections for intellectual property rights in semiconductor manufacturing technology or in semiconductor manufacturing devices developed by the contractor under such initiative shall be paid for by the federal government under such agreement.

(B) that any income or royalties that are earned by the contractor with respect to any intellectual property rights in semiconductor manufacturing technology or in semiconductor manufacturing devices developed by the contractor under such initiative and are received by the contractor in any fiscal year that begins not later than 10 years after the date of the enactment of this Act shall be used—

(i) to defray the costs of obtaining legal protections for such rights;

(ii) to pay any owner of intellectual property rights in information or equipment for the acquisition or use of such information or equipment for the activities of the contractor under such initiative; and

(iii) to support scientific research, development, and education in the field of semiconductors at such national laboratory;

(C) that the amount of any such income or royalties that are received by the contractor in any fiscal year that begins not later than 10 years after the date of the enactment of this Act and are not used for a purpose described in subclause (i), (ii), or (iii) of clause (B) within such fiscal year shall be paid into the general fund of the Treasury within such fiscal year, and the amount of any income or royalties that are earned by the contractor with respect to intellectual property rights referred to in clause (B) and are received by the contractor in any fiscal year that begins more than 10 years after the date of the enactment of this Act shall be paid into the general fund of the Treasury; and

(D) that the management of intellectual property rights including procurement of intellectual protections, and licensing, in connection with semiconductor technology and semiconductor devices developed by the contractor at such laboratory under such initiative shall be the responsibility of the contractor.

(2)(A) Each funding agreement referred to in paragraph (1) shall also contain a provision allowing a Federal agency to require the licensing to third parties of inventions owned by the contractor that are inventions subject to the provisions of this title.

(B) With respect to any subject invention in which a contractor has acquired title, the Federal agency under whose funding agreement the subject invention was made shall have the right, in accordance with such procedures as are provided in regulations promulgated under this section, to require the contractor, an assignee, or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the contractor, assignee, or exclusive licensee refuses such request, to grant such a license itself if the Federal agency determines that such action is necessary because the contractor or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use.

(3) Section 202(a) of title 35, United States Code, is amended by—

(A) striking out "or, (iv)" through "Department of Energy."; and

(B) inserting "or" before "(iii)".

(4) The requirements set out in paragraphs (1) and (2) and the amendments made by paragraph (3) shall apply with respect to activities of Department of Energy

and its National Laboratories occuring on or after the date of enactment of this Act.

SEC. 307. TECHNOLOGY TRANSFER.

(a) IN GENERAL.—The Secretary of Defense, in consultation with the Secretary of Energy and the consortium referred to in section 302(a)(2), shall provide for the timely and efficient transfer of semiconductor technology developed under the Initiative and for the transfer of information with respect to the applications of such technology developed under such initiative (including any such technology and information that is developed by contractors that operate national laboratories of the Department of Energy) to State and local governments and private industries in the United States. The Secretary shall utilize, in consultation with the Secretary of Commerce, the procedures and organizations established under section 10 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710).

(b) PLAN FOR COMMERCIALIZATION ENHANCEMENT.—(1) Not later than one year after the date on which funds are first appropriated to conduct the Initiative, the Secretary of Defense shall transmit to the committees of Congress named in paragraph (2) a plan for the transfer of semiconductor technology and information.

(2) The committees of Congress referred to in paragraph (1) are the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives, the Committee on Energy and Natural Resources of the Senate, and the Committee on Science and Technology of the House of Representatives.

Redesignate the subsequent sections.

In Section 305 of Title III, insert after (15 U.S.C. 3710a) the following: "and under section 306(b) of this Act".

AMENDMENT No. 486

At the end of Title III, insert the following new sections:

SEC. . TAX TREATMENT OF CONSORTIUM.

(a) IN GENERAL.—The consortium referred to in section 402(a)(2) shall be treated as an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and shall be exempt from taxation under section 501(a) of such Code with respect to the Initiative.

(b) CREDIT FOR RESEARCH ACTIVITIES.—Any amounts transferred to the consortium by a participating member of such consortium shall be taken into account as basic research payments for purposes of section 41(a)(2) of such Code.

(c) TECHNOLOGY TRANSFER: NONRECOGNITION OF GAINS AND LOSSES; CARRYOVER BASIS.—(1) No gain or loss shall be recognized in connection with the transfer pursuant to this title of any patent, copyright, trademark, trade secret, mask work, or other intellectual property by or between the consortium and any participating member of the consortium.

(2) If property is received as the result of a transfer described in paragraph (1), the basis of the property in the hands of the transferee shall be the same as it would be in the hands of the transferor.

SEC. . ANTITRUST MATTERS.

The Initiative, for the purposes of the National Cooperative Research Act of 1984 (15 U.S.C. 4301 et seq.), shall be considered a joint research and development venture within the meaning of section 2(a)(6) of such Act.

OMNIBUS TRADE AND COMPETITIVENESS ACT

BYRD AMENDMENT NO. 487

Mr. BYRD proposed an amendment to the bill (S. 1420) supra; as follows:

On page 431, after line 23, add the following:

SEC. 1106. AMENDMENTS TO SECTION 2(E) OF THE EXPORT-IMPORT BANK ACT OF 1945.

(a) TIME FOR DETERMINING SUPPLIES.—Section 2(e)(1)(A)(i) of the Export-Import Bank Act of 1945 is amended by striking out "productive capacity is expected to become operative" and inserting in lieu thereof "commodity will first be sold".

(b) MAKING COMPARATIVE INJURY DETERMINATIONS.—Section 2(e)(2) of such Act is amended by inserting "short- and long-term" before "injury to United States producers" and inserting "and employment" before "in the same, similar, or competing commodity."

(c) DEFINITION OF "SUBSTANTIAL INJURY" FOR EXPORT-IMPORT BANK DETERMINATIONS.—Section 2(e) of such Act is amended by adding at the end thereof the following:

"(3) DEFINITION.—For the purpose of paragraph (1)(B), the extension of any credit or guarantee by the Bank will cause substantial injury if the amount of the capacity for production established, or the amount of the increase in such capacity expanded, by such credit or guarantee equals or exceeds 1 percent of United States production.".

HOLLINGS (AND OTHERS) AMENDMENT NO. 488

(Ordered to lie on the table.)

Mr. HOLLINGS (for himself, Mr. DANFORTH, Mr. BAUCUS, Mr. EXON, Mr. RUDMAN, Mr. HEINZ, Mr. EVANS, Mrs. KASSEBAUM, and Mr. MCCAIN) submitted an amendment intended to be proposed by them to the bill (S. 1420) supra; as follows:

On page 752, strike all from line 3 through line 25 on page 882 and insert in lieu thereof the following:

SEC. 3701. OFFICE OF SMALL BUSINESS TRADE REMEDY ASSISTANCE.

(1) There is established in the Department of Commerce the Office of Small Business Trade Remedy Assistance. The Office shall be administered by a Director of Small Business Trade Remedy Assistance, who shall be appointed by the President, by and with the advice and consent of the Senate. The Secretary of Commerce, through the Under Secretary of Industry and Technology for Industry and the Director of Small Business Trade Remedy Assistance, shall carry out all functions transferred to the Secretary by paragraph (7).

(2) The Director of Small Business Trade Remedy Assistance shall—

(A) provide full information to small businesses concerning—

(i) remedies available to them under the trade laws; and

(ii) the petition and application procedures, and the appropriate filing dates, with respect to such remedies; and

(B) provide assistance to small businesses in preparing petitions and applications to obtain such remedies.

(3)(A) The Director of Small Business Trade Remedy Assistance shall establish and maintain a system for paying reasonable expenses incurred by an eligible small business in connection with any administrative proceeding conducted under any trade law if the Director determines that such small business is in need of assistance in paying such expenses.

(B) The Director shall prepare a written evaluation of any request for attorneys' fees, consultant fees, and other reasonable expenses incurred by an eligible small business in connection with an administrative proceeding conducted under any trade law. Such document shall contain an evaluation, for each such expense, of—

(i) the sufficiency of the documentation of the expense;

(ii) the need or justification for the underlying item; and

(iii) the reasonableness of the amount of money requested.

(C) Payments may be made to an eligible small business under subparagraph (A) with respect to only one administrative proceeding per fiscal year.

(D) With respect to any proceeding, payment for reasonable expenses under subparagraph (A) may be made—

(i) in any case in which the amount of such expenses does not exceed $200,000, in an amount not to exceed 50 percent of such expenses, and

(ii) in any case in which the amount of such expenses exceeds $200,000, in an amount not to exceed the sum of—

(I) 25 percent of the amount of such expenses in excess of $200,000 but not more than $400,000; plus

(II) the amount payable under clause (i).

(E) No payment shall be made under subparagraph (A) with respect to any proceeding which the Director of Small Business Trade Remedy Assistance determines to be frivolous or for purposes of harassment or delay.

(F) Payments may be made under subparagraph (A) with respect to any proceeding only after determinations made in such proceeding have become final and may not be appealed.

(4) For purposes of paragraph (3)—

(A) The term "reasonable expenses" includes attorneys' fees and expenses for data collection and the services of consultants.

(B) The term "eligible small business" means any business concern which, in the agency's judgment, due to its small size, has neither adequate internal resources nor financial ability to obtain qualified outside assistance in preparing and filing petitions and applications for remedies and benefits under trade laws. In determining whether a business concern is an eligible small business, the agency may consult with the Small Business Administration, and shall consult with any other agency that has provided assistance under subsection (b) to that business concern. An agency decision regarding whether a business concern is an eligible small business for purposes of this section is not reviewable by any other agency or by any court.

(C) The term "trade laws" means—

(i) chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq., relating to relief caused by import competition);

(ii) chapters 2 and 3 of such title II (relating to adjustment assistance for workers and firms);

(iii) chapter 1 of title III of the Trade Act of 1974 (19 U.S.C. 2411 et seq., relating to relief from foreign import restrictions and export subsidies);

(iv) title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq., relating to the imposition of countervailing duties and antidumping duties);

(v) section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862, relating to the safeguarding of national security); and

(vi) section 337 of the Tariff Act of 1930 (19 U.S.C. 1337, relating to unfair practices in import trade).

(5) To carry out paragraph (3), there are authorized to be appropriated not in excess of $3,000,000 for fiscal year 1989 and each succeeding fiscal year.

(6) The Director of Small Business Trade Remedy Assistance shall submit an annual report on the operation of the Office to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives. Such report shall include recommendations for legislation necessary to enable the Office to carry out its functions.

(7) There are transferred to the Secretary of Commerce all functions of the Trade Remedy Assistance Office of the United States International Trade Commission.

TITLE XXXVIII—INTERAGENCY COMMITTEES AND COMMISSIONS

Subtitle A—Council on Economic Competitiveness

PART I—ESTABLISHMENT OF COUNCIL

SEC. 3801. ESTABLISHMENT.

There is hereby established in the Executive branch of the Federal Government as an independent agency the Council on Economic Competitiveness (hereafter in this subtitle referred to as the "Council").

SEC. 3802. DUTIES OF THE COUNCIL.

The duties of the Council are to—

(1) collect, analyze, and provide information concerning current and future United States economic competitiveness useful to decision-making in government and industry;

(2) monitor the changing nature of research, science, and technology in the United States as well as the changing nature of the United States industrial economy and its capacity—

(A) to provide marketable, high quality goods and services in domestic and international markets; and

(B) to respond to international competition;

(3) create a forum where national leaders with experience and background in business, labor, academia, public interest activities, and government will—

(A) identify problems hindering the economic competitiveness of the United States;

(B) develop and promote recommendations to address such problems; and

(C) create a broad consensus in support of such recommendations;

(4) develop and promote a national vision and specific policies which enhance the productivity and international competitiveness of United States industries;

(5) serve as a clearinghouse that identifies and monitors—

(A) Federal and private sector resources devoted to increased competitiveness; and

(B) State and local government programs devised to enhance competitiveness, including joint ventures between universities and corporations;

(6) comment on private sector requests for governmental assistance or relief, specifically in order to determine whether—

(A) the applicant is likely, by receiving the assistance or relief, to become internationally competitive in the future; and

(B) any adjustment commitments should be entered into by relevant parties, such as management and employees of the applicant, shareholders, creditors, suppliers and dealers, and financial institutions, in order to ensure that the applicant is likely to become internationally competitive in the future;

(7) establish, when appropriate, subcouncils of public and private leaders to develop long-term forecasts and visions for sectors of the economy and to comment upon specific economic issues;

(8) review and evaluate specific policy recommendations developed by the subcouncils and transmit such recommendations to the Federal agencies responsible for the implementation of such recommendations;

(9) prepare and publish reports containing the recommendations of the Council;

(10) annually report to the President and the Congress on—

(A) the ability of the United States to be internationally competitive;

(B) the status of major sectors of the United States economy; and

(C) the effect that existing policies of the Federal Government are having on the ability of the sectors of the economy to compete internationally;

(11) evaluate and comment upon existing and future Federal policies, practices, and regulations, including fiscal and monetary policies and the budget of the United States Government, with respect to the impact on competitiveness of such policies, practices, and regulations; and

(12) review and comment upon any competitiveness impact statement required by any statute.

SEC. 3803. MEMBERSHIP.

(a) COMPOSITION.—

(1) The Council shall consist of 9 members, of which—

(A) 3 members shall be appointed by the President;

(B) 3 members shall be appointed by the majority leader and the minority leader of the Senate, acting jointly; and

(C) 3 members shall be appointed by the Speaker of the House of Representatives.

(2)(A) Members shall be appointed to the Council from among individuals who are—

(i) national leaders with experience and background in business, including small business and advanced technology industries;

(ii) national leaders with experience and background in the labor community;

(iii) individuals from academic institutions and individuals who have been active in public interest activities; and

(iv) representatives of State and local governments.

(B) All members of the Council shall be individuals who have a broad understanding of the United States economy and the United States position in the world economy.

(3) Not more than 5 members of the Council shall be members of the same political party.

(b) INITIAL APPOINTMENTS.—All of the initial members of the Council shall be appointed within 90 days after the date of enactment of this Act.

(c) TERM OF OFFICE.—The term of office of each member of the Council shall be 6 years, except that—

(1) of the members first appointed under subsection (a)(1)(A), 1 shall serve for a term of 2 years, 1 shall serve for a term of 4 years, and 1 shall serve for a term of 6 years, as designated by the President at the time of appointment;

(2) of the members first appointed under subsection (a)(1)(B), 1 shall serve for a term of 2 years, 1 shall serve for a term of 4 years, and 1 shall serve for a term of 6 years, as designated by the majority leader and the minority leader of the Senate at the time of appointment; and

(3) of the members first appointed under subsection (a)(1)(C), 1 shall serve for a term of 2 years, 1 shall serve for a term of 4 years, and 1 shall serve for a term of 6 years, as designated by the Speaker of the House of Representatives at the time of appointment.

(d) LIMITATION ON SERVICE.—No member of the Council may serve more than 2 consecutive terms, except, that any appointment to fill a vacancy for the remainder of a term in which remains a period of less than 2 years shall not be considered a term for purposes of this subsection.

(e) VACANCIES.—

(1) A vacancy on the Council shall be filled in the same manner in which the original appointment was made.

(2) Any member appointed to fill a vacancy on the Council occurring before the expiration of the term for which such member's predecessor was appointed shall be appointed only for the remainder of such term.

(3) A member of the Council may serve after the expiration of such member's term until such member's successor has taken office.

(f) REMOVAL.—Members of the Council may be removed only for malfeasance in office.

(g) CONFLICT OF INTEREST.—A member of the Council may not serve as an agent or attorney for, or performed any other professional service for or on behalf of, the government of any foreign country, any agency or instrumentality of the government of a foreign country, or any foreign political party.

(h) COMPENSATION.—

(1) Each member of the Council who is not employed by the Federal Government or any State or local government—

(A) shall be compensated at a rate equal to the daily equivalent of the rate for level II of the Executive Schedule under section 5315 of title 5, United States Code, for each day such member is engaged in duties as a member of the Council; and

(B) shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from such member's usual place of residence, in accordance with section 5703 of such title.

(2) Each member of the Council who is employed by the Federal Government or any State or local government shall serve on the Council without additional compensation, but while engaged in duties as a member of the Council shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from such member's usual place of residence, in accordance with subchapter I of chapter 57 of title 5, United States Code.

(i) QUORUM.—Five members of the Council shall constitute a quorum, except that a lesser number may hold hearings if such action is approved by a majority vote of the entire Council.

(j) CHAIRMAN.—

(1) The Council shall elect, by a majority vote of the entire Council, a Chairman.

(2) The Chairman of the Council shall serve on a full-time basis.

(k) MEETINGS.—The Council shall meet at the call of the Chairman or a majority of its members, except that the Council shall meet not less than 6 times during each calendar year.

(l) ALTERNATE MEMBERS.—

(1) Each member of the Council shall designate one alternate representative to attend any meeting that such member is unable to attend.

(2) In the course of attending any such meeting, an alternate representative shall be considered a member of the Council for all purposes, including voting.

(m) MAJORITY VOTE REQUIRED.—

(1) Except as provided in subsection (i), no action (whether involving administrative or personnel matters, establishing policy, or any other type of action) shall be taken by the Council unless approved by a majority of the entire membership of the Council.

(2)(A) If a consensus of the majority of the entire membership of the Council, as required under paragraph (1), cannot be reached on a matter referred to the Council by the President or either House of the Congress, the Council shall transmit a report to the President and both Houses of the Congress explaining why a consensus could not be reached on such matter.

(B) Any report by the Council under subparagraph (A) shall include the relevant information gathered by the Council on such matter and a list of potential policy options for addressing the concern involved.

(n) EXPERTS AND CONSULTANTS.—The Council may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay for GS-16 of the General Schedule.

(o) DETAILS.—Upon request of the Council, the head of any other Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Council to assist the Council in carrying out its duties under this subtitle.

SEC. 3804. EXECUTIVE DIRECTOR AND STAFF.

(a) EXECUTIVE DIRECTOR.—

(1) The principal administrative officer of the Council shall be an Executive Director, who shall be appointed by the Council.

(2) The Council shall consult with the President and leaders of the Congress before appointing an individual to the position of Executive Director.

(3) The Executive Director shall serve on a full-time basis.

(b) STAFF.—The Executive Director may appoint a staff for the Council in accordance with the Federal civil service and classification laws.

(c) ALLOCATION OF STAFF.—The staff of the Council shall be allocated by the Executive Director in such a manner that there is at least one staff person responsible for the affairs of each Council member.

SEC. 3805. POWERS OF THE COUNCIL.

(a) HEARINGS.—The Council may, for the purpose of carrying out the provisions of this subtitle, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Council considers appropriate. The Council may administer oaths or affirmations to witnesses appearing before the Council.

(b) AGENTS.—If so authorized by the Council, any member or agent of the Council may take any action which the Council is authorized to take under this section.

(c) INFORMATION.—

(1)(A) Except as provided in subparagraph (B), the Council may secure directly from any Federal agency information necessary to enable the Council to carry out the provisions of this subtitle. Upon request of the Chairman of the Council, the head of such agency shall promptly furnish such information to the Council.

(B) Subparagraph (A) does not apply to matters that are specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and are in fact properly classified pursuant to such Executive order.

(2) In any case in which the Council receives any information from a Federal agency, the Council shall not disclose such information to the public unless such agency is authorized to disclose such information pursuant to Federal law.

(d) CONSULTATION WITH THE PRESIDENT AND CONGRESS.—At the request of the President or the leaders of either or both Houses of Congress, the Council shall consult with the President or such leaders, or their representatives, on various issues related to United States economic competitiveness.

(e) GIFTS.—The Council may accept, use, and dispose of gifts or donations of services or property.

(f) USE OF THE MAILS.—The Council may use the United States mails in the same manner and under the same conditions as other Federal agencies.

(g) ADMINISTRATIVE AND SUPPORT SERVICES.—The Administrator of General Services shall provide to the Council, on a reimbursable basis, such administrative and support services as the Council may request.

(h) SUBCOUNCILS.—

(1) The Council shall convene an industry sector competitiveness subcouncil for each industry sector identified in the Council's annual report under section 3807(b) which (A) is of national significance by reason of its employment or capital resources, its impact on national defense, or its importance as a supplier to, or customer of, other United States industries and (B) the Council determines would benefit from the creation of a subcouncil. The Council may also convene an industry sector competitiveness subcouncil for any industry not so identified which the Council finds fulfills one or more of the criteria listed in section 3807(b)(2) or may convene such a subcouncil for any other purpose.

(2) Any such subcouncil shall include representatives of business, labor, government, and other individuals or representatives of groups whose participation is considered by the Council to be important to developing a full understanding of the situation confronting the industry with which the subcouncil is concerned.

(3) Any such subcouncil shall assess the actual or potential dislocation, challenge, or opportunity for the industry with which the subcouncil is concerned and shall formulate specific recommendations for responses by business, government, and labor—

(A) to encourage adjustment and modernization of the industry involved;

(B) to monitor and facilitate industry responsiveness to opportunities identified under section 3807(b)(2)(B); or

(C) to encourage the ability of the industry involved to compete in future markets identified under section 3807(b)(2)(C).

(4) Any discussion held by any subcouncil or any working group operating under its auspices shall not be considered to violate any Federal or State antitrust law.

(5) Any discussion held by any subcouncil or any working group operating under its auspices shall not be subject to the provisions of the Federal Advisory Committee Act.

(6) Any subcouncil shall terminate 30 days after making its recommendations, unless the Council specifically requests that the subcouncil continue in operation. If in a subsequent annual report by the Council, conditions which had previously required the creation of a subcouncil continue, or have recurred, the Council shall again convene a subcouncil, although the Council may, in its discretion, change the membership of the subcouncil as the Council considers appropriate.

(i) APPLICABILITY OF ADVISORY COMMITTEE ACT.—The provisions of section 14, and of subsections (e) and (f) of section 10, of the Federal Advisory Committee Act shall not apply to the Council.

SEC. 3806. EFFECTS OF FOREIGN COMPETITION AND TECHNOLOGY ON DOMESTIC INDUSTRIES.

(a) AVAILABILITY OF INFORMATION.—The Council shall examine and make available to the public on a routine basis all unclassified international agreements on trade, science, and technology to which the United States is a party.

(b) MONITORING.—The Council shall continuously monitor, and maintain public records regarding, the effect of international trade and foreign activities in science and technology on all major United States industries and on such other United States industries as may be specified by the Council.

SEC. 3807. REPORTS.

(a) REPORT ON COMPETITIVENESS POLICIES.—Within one year after the date of enactment of this Act, the Council shall transmit a report to the Congress and to the President containing recommendations of the Council for changes in any Federal policy necessary to implement effective, productive competitiveness policies, including the elimination, consolidation, or reorganization of government agencies. The Council shall pay particular attention to agencies specifically dealing with science and technology research and with international trade.

(b) COMPETITIVENESS GOALS.—

(1) The Council shall annually prepare and transmit to the President and to the Congress a report setting forth—

(A) the goals to achieve a more competitive United States economy;

(B) the policies needed to meet such goals;

(C) a summary of existing policies of the Federal Government affecting the competitiveness of the United States industries; and

(D) actual or foreseeable economic and technological developments, in the United States and abroad, affecting the competitive position of United States industry and of particular United States industry sectors.

(2) The report submitted under paragraph (1) shall identify and describe with particularity actual or foreseeable developments, in the United States and abroad, which—

(A) create a significant likelihood of a competitive challenge to, or of substantial dislocation in, an established United States industry;

(B) present significant opportunities for United States industries to compete in new geographical markets or product markets, or to expand their position in established markets; or

(C) create a significant risk that United States industries will be unable to compete successfully in significant future markets.

(3) The report submitted under paragraph (1) shall specify with particularity the industry sectors affected by the developments

described in the report pursuant to paragraph (2).

(4) The report submitted under paragraph (1) shall contain a statement of the findings and conclusions of the Council during the previous fiscal year, together with any recommendations of the Council for such legislative or administrative actions as the Council considers appropriate.

(c) REFERRAL OF REPORTS.—

(1) Each report submitted to the Congress under this section shall be referred to the appropriate committee or committees of each House of the Congress.

(2) The Council shall consult with each committee to which a report submitted under this section is referred and, following such consultation, each such committee shall submit to its respective House a report setting forth the views and recommendations of such committee with respect to the report of the Council.

SEC. 3808. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal year 1988 not to exceed $15,000,000 to carry out the provisions of this subtitle.

SEC. 3809. DEFINITIONS.

For purposes of this subtitle—

(1) the term "Council" means the Council on Economic Competitiveness established under section 3801;

(2) the term "member" means a member of the Council on Economic Competitiveness; and

(3) the term "United States" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, and any other territory or possession of the United States.

PART II—BUDGET IMPACT ON COMPETITION

SEC. 3810. ANALYSES REQUIRED.

(a) STATEMENT TO BE INCLUDED IN BUDGET.—(1) Section 2105(a) of title 31, United States Code, is amended by adding at the end thereof the following new paragraph:

"(26) an analysis, prepared by the Office of Management and Budget after consultation with the Chairman of the Council of Economic Advisers, of the budget's impact on the economic competitiveness of United States businesses and on the balance of payments of the United States, including a projection for the fiscal year for which the budget is submitted, based upon the best information available at the time the budget is submitted, of—

"(A) the amount of borrowing by the Government in private credit markets;

"(B) new domestic savings (including personal savings, corporate savings, and the fiscal surplus of State and local governments);

"(C) net private domestic investment;

"(D) the merchandise trade and current accounts;

"(E) the net increase or decrease in foreign indebtedness (defined as net foreign investment); and

"(F) the estimated direction and extent of the influence of the Government's borrowing in private credit markets on United States dollar interest rates and on the real effective exchange rate of the United States dollar.".

(2) The Council shall submit to the Congress an annual review of the budget submitted by the President under section 2105(a) of title 31, United States Code, and a review of the analysis prepared by the Office of Management and Budget of the budget's impact on the economic competitiveness of the United States included in such budget under paragraph (26) of such section.

(b) STATEMENT TO BE INCLUDED IN COMMITTEE REPORT ACCOMPANYING CONCURRENT RESOLUTION ON THE BUDGET.—Section 301(e) of the Congressional Budget Act of 1974 (2 U.S.C. 632(e)) is amended by striking out "and" at the end of paragraph (8), by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(10) an analysis, prepared after consultation with the Director of the Congressional Budget Office, of the concurrent resolution's impact on the economic competitiveness of United States businesses and the balance of payments of the United States, including a projection, for the fiscal year covered by the concurrent resolution, based upon the best information available at the time the report is made, of—

"(A) the amount of borrowing by the Government in private credit markets;

"(B) net domestic savings (including personal savings, corporate savings, and the fiscal surplus of State and local governments);

"(C) net private domestic investment;

"(D) the merchandise trade and current accounts;

"(E) the net increase or decrease in foreign indebtedness (defined as net foreign investment); and

"(F) the estimated direction and extent of the influence of the Government's borrowing in private credit markets on United States dollar interest rates and on the real effective exchange rate of the United States dollar.".

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall apply with respect to each of the fiscal years 1989, 1990, 1991, and 1992, and shall be carried out with respect to each budget submitted by the President under section 2105(a) of title 31, United States Code, for each such fiscal year and with respect to each concurrent resolution on the budget for each such fiscal year.

Subtitle B—National Trade Data Bank

SEC. 3811. DEFINITIONS.

For purposes of this subtitle—

(1) the term "Committee" means the National Trade Data Committee;

(2) the term "Data Bank" means the National Trade Data Bank; and

(3) the term "Executive agency" has the same meaning as in section 105 of title 5, United States Code.

SEC. 3812. NATIONAL TRADE DATA COMMITTEE.

(a) ESTABLISHMENT.—There is established the National Trade Data Committee.

(b) MEMBERSHIP.—The Committee shall consist of—

(1) the United States Trade Representative;

(2) the Secretary of Agriculture;

(3) the Secretary of Defense;

(4) the Secretary of Commerce;

(5) the Secretary of Labor;

(6) the Secretary of the Treasury;

(7) the Secretary of State;

(8) the Director of the Office of Management and Budget;

(9) the Director of Central Intelligence;

(10) the Chairman of the Federal Reserve Board;

(11) the Chairman of the International Trade Commission; and

(12) such other members as may be appointed by the President from full-time officers or employees of the Federal Government.

(c) CHAIRMAN.—The Secretary of Commerce shall be chairman of the Committee.

(d) DESIGNEES.—Except for the Chairman or a member appointed pursuant to paragraph (12) of subsection (b), any member of the Committee may appoint a designee to serve in place of such member on the Committee.

(e) MEETINGS.—

(1) Meetings of the Committee shall be at the call of the Chairman or upon written request of 50 percent of the members of the Committee.

(2) A majority of the Committee members shall constitute a quorum.

(3) Decisions of the Committee shall be by majority of the members present and voting at a meeting.

SEC. 3813. FUNCTIONS OF THE COMMITTEE.

The Committee shall—

(1) formulate and implement a comprehensive economic and trade information policy to assure the timely collection of accurate data on trends in international economics and trade;

(2) direct the Secretary of Commerce to establish a National Trade Data Bank in accordance with section 3816 in order to provide the private sector and government officials efficient access to economic and trade data collected by the Federal Government for purposes of policymaking and export promotion, and oversee the design and implementation of the Data Bank;

(3) develop and enforce guidelines for the collection, as may be otherwise authorized by law, of data relating to international economics and trade by Executive agencies in order to—

(A) ensure that such data is—

(i) timely;

(ii) accurate;

(iii) reasonably complete; and

(iv) easily accessible to users; and

(B) contribute to the establishment of international data collection and reporting practices;

(4) publish such reports and publications as the Committee finds necessary to carry out the purposes of this subtitle;

(5) formulate policies to encourage international organizations and foreign countries to adopt systems to report foreign trade statistics that include—

(A) standard classifications for products and services;

(B) standard valuation procedures; and

(C) accurate and timely reporting procedures; and

(6) present recommendations to Congress for legislative changes needed to improve the accuracy, timeliness, and relevancy of United States trade information.

SEC. 3814. COOPERATION AMONG EXECUTIVE AGENCIES.

(a) INFORMATION.—Each Executive agency shall furnish to the Committee, upon request of the Chairman, such information as the Committee considers necessary to carry out its functions.

(b) ADOPTION OF POLICIES.—Each Executive agency shall adopt and implement the economic and trade information policy formulated by the Committee under section 3813(1).

SEC. 3815. CONSULTATION WITH THE PRIVATE SECTOR AND GOVERNMENT OFFICIALS.

The Committee shall regularly consult with representatives of the private sector and officials of Executive agencies and State and local governments to assess the adequacy of United States trade information. The Committee shall seek recommendations on how trade information can be made more accessible, understandable, and relevant. The Committee shall seek recommendations as to what data shall be included in the export promotion data system in the Data Bank.

SEC. 3816. ESTABLISHMENT OF THE DATA BANK.

(a) ESTABLISHMENT.—After receiving instructions from the Committee, the Secretary of Commerce shall establish and manage the Data Bank. The Data Bank shall consist of two data systems. One such data system shall be a system containing economic and trade data collected by the Federal Government which is useful to policymakers and analysts concerned with international economics and trade, and one such data system shall be a system containing economic and trade data collected by the Federal Government which is useful to business firms and Federal and State government officials interested in export promotion.

(b) CONTENT OF DATA SYSTEMS.—

(1) One data system of the Data Bank shall include current and historical information determined useful (after the consultation required by section 3815) to policymakers and analysts concerned with international economics and trade which is compiled or obtained by all Executive agencies. Such information shall not identify parties to transactions. Such information shall include—

(A) data on merchandise imports and exports for the United States and other countries, including—

(i) aggregate import and export data for the United States and for each foreign country;

(ii) industry-specific import and export data for each foreign country;

(iii) product and service specific import and export data for the United States;

(iv) market penetration ratios for imports and country of origin ratios for imports; and

(v) foreign destinations for exports of the United States, classified in rank order of foreign countries;

(B) data on international service transactions;

(C) information on international capital markets, including—

(i) interest rates;

(ii) exchange rates; and

(iii) foreign direct investment in the United States economy;

(D) international labor market information, including—

(i) internationally comparable wage rates for major industries;

(ii) international unemployment rates; and

(iii) trends in international labor productivity;

(E) information on international government policies affecting the composition of international trade, including—

(i) import and export restrictions;

(ii) export financing policies;

(iii) tax policies; and

(iv) labor market policies;

(F) import and export data for the United States on a State-by-State basis, including—

(i) data concerning the country shipping the import, the State of first destination, and the original port of entry for imports of goods and services; and

(ii) data concerning the State of the exporter, the port of departure, and the country of first destination for exports of goods and services; and

(G) any other economic and trade data collected by the Federal Government that the Committee determines to be useful in carrying out the purposes of this subtitle.

(2) One data system of the Data Bank shall include information on those economies and foreign markets which are determined (after the consultation required by section 3815) to be of the greatest commercial value to private sector businesses firms engaged in export activities and Federal and State agencies that promote exports. Such information shall include—

(A) information on business activities in foreign countries, including information concerning—

(i) general economic conditions and demographics;

(ii) common business practices;

(iii) tariffs and trade barriers; and

(iv) other laws and regulations regarding imports and licensing;

(B) information on specific industrial sectors within foreign countries, including information concerning—

(i) size of markets;

(ii) distribution of products;

(iii) competition;

(iv) major applicable laws, regulations, specifications, and standards;

(v) appropriate government officials; and

(vi) trade associations and other business contacts;

(C) information on specific business opportunities in foreign countries;

(D) market research, including industry and demographic trends for each foreign country with lists of marketing contacts and lists of foreign firms;

(E) information on various forms of protection for intellectual property rights, including product and process patent, copyright, trademark, and mask work (as such term is defined in section 901(a)(3) of title 17, United States Code), for each nation for at least the 2 most recently completed calendar years;

(F) export financing information, including the availability of funds for United States exporters and foreign competitors;

(G) information regarding the trade actions of foreign governments; and

(H) any other similar information, that the Committee determines to be useful in carrying out the purposes of this subtitle, on these economic sectors and foreign markets which are determined to be of greatest interest to—

(i) business firms in the private sector which are engaged in activities relating to exports; and

(ii) Federal and State agencies that promote exports.

SEC. 3817. OPERATION OF THE DATA BANK.

The Secretary of Commerce shall manage the Data Bank to provide the most efficient data retrieval system or systems possible. Such system or systems shall—

(1) be designed to utilize appropriate data processing and retrieval technology in monitoring, organizing, analyzing, and disseminating the data and information contained in the Data Bank;

(2) use the most effective and meaningful means of organizing and making such information available to—

(A) United States business firms;

(B) United States workers;

(C) United States industry associations;

(D) United States agricultural interests;

(E) State and local economic development agencies; and

(F) other interested United States persons who could benefit from such information; and

(3) be of such quality and timeliness and in such form as to assist coordinated trade strategies for the United States.

SEC. 3818. INFORMATION ON THE SERVICE SECTOR.

(a) SERVICE SECTOR INFORMATION.—The Committee and the Secretary of Commerce shall ensure that, to the extent possible, there is included in the Data Bank information on service sector economic activity that is at least as complete and timely as information on economic activity in the merchandise sector.

(b) SURVEY.—The Secretary of Commerce shall provide a broad base of quarterly information on the service sector of the economy, and a new benchmark survey of unaffiliated service transactions, including transactions with respect to—

(1) banking services;

(2) computer software services;

(3) brokerage services;

(4) transportation services;

(5) travel services;

(6) engineering services; and

(7) construction services.

(c) INDEX OF HEADING INDICATORS.—The Committee shall provide an index of leading indicators which includes the measurement of service sector activity in direct proportion to the contribution of the service sector to the gross national product of the United States.

SEC. 3819. EXCLUSION OF INFORMATION.

The Data Bank shall not include any information—

(1) which is collected by the Federal Government in connection with any investigation;

(2) the disclosure of which to the public is prohibited under any other provision of law; or

(3) that is specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and are in fact properly classified pursuant to such Executive order.

SEC. 3820. NONDUPLICATION.

The Committee and the Secretary of Commerce shall ensure that information systems created or developed pursuant to this subtitle do not unnecessarily duplicate information systems available from other Federal agencies or from the private sector.

SEC. 3821. COLLECTION OF DATA.

Except as provided in section 3818, nothing in this subtitle shall be considered to grant independent authority to the Federal Government to collect any data or information from individuals or entities outside of the Federal Government.

SEC. 3822. FEES AND ACCESS.

The Secretary of Commerce shall provide reasonable public services and access (including electronic access) to any information maintained as part of the Data Bank and may charge reasonable fees consistent with section 552 of title 5, United States Code.

SEC. 3823. SCHEDULE FOR IMPLEMENTATION.

The Committee shall direct the Secretary of Commerce to complete the establishment of the Data Bank no later than two years after the enactment of this Act.

SEC. 3824. REPORT TO CONGRESS.

One year after the enactment of this Act, and annually thereafter for three consecutive years, the Chairman shall submit a report to Congress—

(1) assessing the current quality and comprehensiveness of, and the ability of the public and of private entities to obtain access to, trade data;

(2) describing actions taken pursuant to this subtitle, particularly—

(A) actions taken during the 3-month period beginning on the date of enactment of this Act to provide the new benchmark survey described in section 3818(b); and

(B) actions taken during the 1-year period beginning on the date of enactment of this Act to provide the information on services described in subsections (a) and (b)(2) of section 3818;

(3) describing all other actions taken and planned to be taken pursuant to this subtitle;

(4) recommending executive and legislative actions which would ensure that United States citizens and firms obtain access to the data banks of foreign countries that is similar to the access to the Data Bank provided to foreign citizens and firms;

(5) recommending other legislative actions which further the purposes of this subtitle; and

(6) including comments on the implementation of the Data Bank by the private sector and by State agencies that promote exports.

PROXMIRE (AND OTHERS) AMENDMENT NO. 489

Mr. PROXMIRE (for himself, Mr. SARBANES, Mr. GARN, Mr. HEINZ, and Mr. DIXON) proposed an amendment to the bill (S. 1420) supra; as follows:

On page 401, line 13, strike out "commodities" and insert in lieu thereof "goods and technology".

On page 401, line 15, before the period insert the following: ", except that nothing in this sentence or the preceding sentence requires the issuance of such a general license for supercomputers".

On page 402, lines 13 and 14, strike out "no authority or permission" and insert in lieu thereof "Only a general license under section 4(a)(3)".

On page 402, line 25, after the period add the following: "In addition, the Secretary may require any person exporting extraordinarily sophisticated or highly critical goods or technology under the provisions of this paragraph to notify the Secretary of Commerce 2 business days prior to export.".

On page 403, line 20, strike out "Department" and insert in lieu thereof "Secretary".

On page 404, strike out lines 15 and 16 and insert the following:

"(B) the reexporter shall transmit written notice to the Secretary and, in the case of extraordinarily sophisticated or highly critical goods or technology, shall transmit written notice to the Secretary 2 business days prior to export unless the Secretary determines that such notice is not necessary for the administration of this Act and waives the requirement.".

BOREN (AND JOHNSTON) AMENDMENT NO. 490

(Ordered to lie on the table.)

Mr. BOREN (for himself and Mr. JOHNSTON) submitted an amendment intended to be proposed by them to the bill (S. 1420) supra; as follows:

At the end of subtitle D of title IX, add the following new section:

SEC. . WINDFALL PROFIT TAX REPEAL.

(a) IN GENERAL.—Chapter 45 of the Internal Revenue Code of 1986 is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Sections 6050C, 6076, 6232, 6430, and 7241 of the Internal Revenue Code of 1986 are repealed.

(2)(A) Subsection (a) of section 164 of such Code is amended by striking paragraph (4) and redesignating the subsequent paragraphs as paragraphs (4) and (5), respectively.

(B) The following provisions of such Code are each amended by striking "44, or 45" each place it appears and inserting "or 44":

(i) section 6211(a),

(ii) section 6211(b)(2),

(iii) section 6212(a),

(iv) section 6213(a),

(v) section 6213(g),

(vi) section 6214(c),

(vii) section 6214(d),

(viii) section 6161(b)(1),

(ix) section 6344(a)(1), and

(x) section 7422(e).

(C) Subsection (a) of section 6211 of such Code is amended by striking "44, and 45" and inserting "and 44".

(D) Subsection (b) of section 6211 of such Code is amended by striking paragraphs (5) and (6).

(E) Paragrapah (1) of section 6212(b) of such Code is amended—

(i) by striking "chapter 44, or chapter 45" and inserting "or chapter 44", and

(ii) by striking "chapter 44, chapter 45, and this chapter" and inserting "chapter 44, and this chapter".

(F) Paragraph (1) of section 6212(c) of such Code is amended—

(i) by striking "of chapter 42 tax" and inserting "or of chapter 42 tax", and

(ii) by striking ", or of chapter 45 tax for the same taxable period".

(G) Subsection (e) of section 6302 of such Code is amended—

(i) by striking "(1) For" and inserting "For", and

(ii) by striking paragraph (2).

(H) Section 6501 of such Code is amended by striking subsection (p).

(I) Section 6511 of such Code is amended by striking subsection (h) and redesignating subsection (i) as subsection (h).

(J) Subsection (a) of section 6512 of such Code is amended—

(i) by striking "of tax imposed by chapter 41" and inserting "or of tax imposed by chapter 41", and

(ii) by striking ", or of tax imposed by chapter 45 for the same taxable period".

(K) Paragraph (1) of section 6512(b) of such Code is amended—

(i) by striking "of tax imposed by chapter 41" and inserting "or of tax imposed by chapter 41", and

(ii) by striking ", or of tax imposed by chapter 45 for the same taxable period".

(L) Section 6611 of such Code is amended by striking subsection (h) and redesignating subsections (i) and (j) as subsections (h) and (i), respectively.

(M) Subsection (d) of section 6742 of such Code is amended—

(i) by striking clause (i) in paragraph (1)(B) and redesignating clauses (ii) through (x) as clauses (i) through (ix), respectively, and

(ii) by striking subparagraphs (A) and (K) of paragraph (2) and redesignating subparagraphs (B), (C), (D), (E), (F), (G), (H), (I), (J), (L), (M), (N), (O), (P), (Q), (R), (S), and (T) as subparagraphs (A), (B), (C), (D), (E), (F), (G), (H), (I), (J), (K), (L), (M), (N), (O), (P), (Q), and (R), respectively.

(N) Subsection (a) of section 6862 of such Code is amended by striking "44, and 45" and inserting "and 44".

(O) Section 7512 of such Code is amended—

(i) by striking ", by chapter 33, or by section 4986" in subsections (a) and (b) and inserting "or chapter 33", and

(ii) by striking ", chapter 33, or section 4986" in subsections (b) and (c) and inserting "or chapter 33".

(3)(A) The table of contents of subtitle (D) of such Code is amended by striking the item relating to chapter 45.

(B) The table of contents of subpart B of part III of subchapter A of chapter 61 is amended by striking the item relating to section 6050C.

(C) The table of contents of part V of such subchapter is amended by striking the item relating to section 6076.

(D) The table of contents of subchapter C of chapter 63 is amended by striking the item relating to section 6232.

(E) The table of contents of subchapter B of chapter 65 is amended by striking the item relating to section 6430.

(F) The table of contents of part II of subchapter A of chapter 75 is amended by striking the item relating to section 7241.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to crude oil removed from the premises beginning after December 31, 1987.

MODIFICATION OF COVENANT TO ESTABLISH A COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS IN POLITICAL UNION WITH THE UNITED STATES

JOHNSTON AMENDMENT NO. 491

Mr. BYRD (for Mr. JOHNSTON) proposed an amendment to the bill (S. 1047) to modify section 301 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, and for other purposes; as follows:

In the Committee amendment S. 1047 delete the phrase:

"In the case of children under 13 years of age, the affirmation under oath may be given by a parent, guardian, or in person in loco parentis."

NOTICE OF HEARINGS

SPECIAL COMMITTEE ON AGING

Mr. MELCHER. Mr. President, I would like to announce for the public that the Special Committee on Aging has scheduled a hearing on prescription drug costs.

The hearing will take place on Monday, July 20, 1987, at 10 a.m. in room 628 of the Dirksen Senate Office Building in Washington, DC.

For further information, please contact Max Richtman, staff director at (202) 224-5364.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. BUMPERS. Mr. President, I would like to announce for the public that a field hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests.

The field hearing will take place July 27, 1987, beginning at 9 a.m. and concluding at approximately 12 noon. The hearing will be held in the R.F. Apodoca Hall, P.E.R.A. Building, Paseo de Peralta on Old Santa Fe Trail, Santa Fe, NM.

The purpose of the field hearing is to receive testimony on S. 850, a bill to amend the Wild and Scenic Rivers Act to designate a segment of the Rio Chama River in New Mexico as a component of the National Wild and Scenic Rivers System.

Those wishing further information about the hearing should contact Dolores Garcia, office of Senator JEFF BINGAMAN, 123 E. Marcy, Suite 207, Santa Fe, NM 87501 at (505) 988-6647 or Tom Williams of the subcommittee staff in Washington, DC at (202) 224-7145.

Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests.

The hearing will take place July 30, 1987, 2 p.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on the following measures currently pending before the subcommittee:

S. 578, a bill to amend the National Trails System Act to designate the Trail of Tears as a national historic trail;

S. 892, a bill to remove the right of reversion to the United States in lands owned by the Shriners' Hospitals for Crippled Children on lands formerly owned by the United States in Salt Lake County, UT;

S. 1012, a bill to increase the amount authorized to be appropriated for property acquisitioned, restoration, and developed, and for transportation, education, and cultural programs, relating to the Lowell National Historical Park; to continue the term of a member of the Lowell Historical Preservation Commission pending the appointment of a successor; to adjust a quorum of the Commission in the event of a vacancy; and to delay the termination of the Commission;

S. 1259, a bill to direct the Secretary of the Interior to permit access across certain Federal lands in the State of Arkansas, and for other purposes;

S. 1297, a bill to amend the National Trails System Act to provide for a study of the De Soto Trail, and for other purposes;

H.R. 242, a bill to provide for the conveyance of certain public lands in Oconto and Marinette Counties, WI;

H.R. 797, a bill to authorize the donation of certain non-Federal lands to Gettysburg National Military Park and to require a study and report on the final development of the park;

H.R. 990, a bill to direct the Secretary of the Interior to convey a certain parcel of land located near Ocotillo, CA;

H.R. 1205, a bill to direct the Secretary of Agriculture to release a reversionary interest of the United States in certain land located in Putnam County, FL, and to direct the Secretary of the Interior to convey certain mineral interests of the United States in such land to the State of Florida;

H.R. 1366, a bill to provide for the transfer of certain lands in the State of Arizona, and for other purposes;

H.R. 1744, a bill to amend the National Historic Preservation Act to extend the authorization for the Historic Preservation Fund.

Because of the large number of measures to be heard and the relatively noncontroversial nature of these proposals, oral testimony will be limited to administrative witnesses and the bill's sponsors. However, the subcommittee encourages written statements for the hearing record from those interested in commenting on one or more of the bills.

Those wishing to submit written statements should write to the Subcommittee on Public Lands, National Parks and Forests, U.S. Senate, room SD-364, Dirksen Office Building, Washington, DC 20510. For further information, please contact Beth Norcross at 224-7933 or Tom Williams at 224-7145.

Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests.

The hearing will take place August 4, 1987, 10 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on a measure currently pending before the subcommittee:

S. 1138, a bill to designate certain lands in the State of Nevada as wilderness, and for other purposes.

Those wishing information about testifying at the hearing or submitting written statements should write to the Subcommittee on Public Lands, National Parks and Forests, U.S. Senate, room SD-364, Dirksen Senate Office Building, Washington, DC 20510. For further information, please contact Beth Norcross at 224-7933 or Tom Williams at 224-7145.

SUBCOMMITTEE ON WATER AND POWER

Mr. BRADLEY. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Subcommittee on Water and Power of the Senate Committee on Energy and Natural Resources.

The hearing is scheduled for August 5, 1987, beginning at 2 p.m. in room SD-366 of the Dirksen Senate Office Building. Testimony is invited regarding S. 574, the Battle Mountain Pasture Restoration Act of 1987; S. 641, for the relief of the city of Minot, ND; and S. 649, to amend the Reclamation Authorization Act of 1976.

For further information regarding the hearing, you may wish to contact Russell R. Brown of the subcommittee staff at 224-2366. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Subcommittee on Water and Power, room SD-364, Dirksen Senate Office Building, Washington, DC 20510.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Finance by authorized to meet during the session of the Senate on July 10, 1987, to hold a hearing on Medicaid and the Maternal and Child Health Block Grant Programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MINERAL RESOURCES DEVELOPMENT AND PRODUCTION

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Mineral Resources Development and Production of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Friday, July 10, 1987, to discuss the proposal by the Department of the Interior to retroactively modify Notice to Lessees-5(NTL-5), relating the determination of the value of natural gas production from Federal and Indian onshore leases for royalty purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

EL MALPAIS NATIONAL CONSERVATION AREA

● Mr. JOHNSTON. Mr. President, on July 6, 1987, the Committee on Energy and Natural Resources filed the report to accompany H.R. 403, an act to establish the El Malpais National Conservation Area in the State of New Mexico, to authorize the Masau Trail, and for other purposes.

At the time the report was filed, the committee had not received an estimate of cost from the Congressional Budget Office. The committee has now received that report, and I ask unanimous consent that it be included in the RECORD for the use and information of the public and my colleagues of the Senate.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 8, 1987.

Hon. J. BENNETT JOHNSTON, Jr.,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 403, an act to establish the El Malpais National Conservation Area in the State of New Mexico, to authorize the Masau Trail, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

EDWARD M. GRAMLICH,
Acting Director.

CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE
July 8, 1987.

1. Bill Number: H.R. 403.

2. Bill Title: An act to establish the El Malpais National Monument and the El Malpais National Conservation Area in the State of New Mexico, to authorize the Masau Trail, and for other purposes.

3. Bill Status: As reported by the Senate Committee on Energy and Natural Resources on July 6, 1987.

4. Bill purpose: H.R. 403 would establish a national monument containing the El Malpais lava flow, a conservation area, and a wilderness area on lands near Grants, New Mexico. The National Park Service (NPS) would manage the national monument, and the Bureau of Land Management (BLM) would manage the conservation and wilderness areas. The act would also authorize the Secretary of the Interior to designate the Masau Trail along a series of public highways through several landmarks in New Mexico.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1988	1989	1990	1991	1992
Authorization level:					
Specific	16.0				
Estimated	1.1	0.6	0.6	0.9	1.0
Total	17.1	.6	.6	.9	1.0
Estimated outlays	6.8	7.0	3.2	2.0	1.0

The costs of this bill fall within budget function 300.

Basis of estimate: This estimate assumes that H.R. 403 will be enacted during fiscal year 1987 and that the full amounts authorized will be appropriated. The outlay estimates are based on typical spending patterns for the various activities.

H.R. 403 authorizes the appropriation of $16.0 million, which includes $14 million for land acquisition, and $2 million for development. The act does not specifically authorize any appropriations for designating and publicizing the Masau Trail and preparing management plans, which we estimate would result in one-time costs of approximately $600,000, based on information provided by the NPS. We estimate that the recurring costs associated with operating and maintaining the monument, conservation and wilderness areas would be approximately $600,000 per year from 1988 to 1990, and would rise to nearly $1 million in 1991 and 1992, based on information provided by the NPS and BLM.

6. Estimated cost to State and local governments: None.

7. Estimate comparison: In a letter to the House Committee on Interior and Insular Affairs, the Department of the Interior estimated that the total land acquisition costs associated with the original version of H.R. 403 would be $14.5 million.

8. Previous CBO estimate: On May 27, 1987, CBO prepared a cost estimate for H.R. 403, as ordered reported by the House Committee on Interior and Insular Affairs, May 20, 1987. The differences between the two estimates reflect the amendments of the Senate Committee on Energy and Natural Resources—including a specific authorization of appropriations, which was not in the House bill.

9. Estimate prepared by: Michael Sieverts and David Artadi.

10. Estimate approved by: C.G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis.●

MATT SMITH WINS JAVELIN COMPETITION

● Mr. ADAMS. Mr. President, I call to the attention of the Senate the accomplishments of a constituent, Matt Smith of North Kitsap High School in Poulsbo, WA. I ask that the article on this very successful athlete be printed in the RECORD.

The article follows:

SMITH SPEARS STATE TITLE AT STAR TRACK VI

When North Kitsap senior Matt Smith let the javelin fly for his final chance at a state AA title Saturday afternoon, he thought it was a good throw—but not as good as the measuring tape revealed.

After tying the North Kitsap record in the event over a year ago with a toss of 200'3", Smith's best this season marked the ground at 196'8". He was holding onto second place in the championship competition for Star Track VI with a 188'10" effort. Jim Watters of Hoquiam was in the lead with a toss of a little over 190'.

But there's something about state, something about competing with the best high school athletes around. Some call it an adrenalin rush, others call it psyching yourself. Whatever you call the force, on his final throw, Smith's javelin finally touched down at 202'1".

Taking home the first-place medal, and standing on the top step at the awards ceremony was a great way to end a fine season, and high school career, for Smith.

Smith was undefeated through the entire season with the spear, and found a new event to his liking—the 300-meter hurdles. After a couple of meets, Smith already had the school record in that event.

"I liked the distance [in the hurdle race]," Smith said. The Viking dropped the 400-meter dash from his event schedule during the season because he was acting "too worn out for the javelin."

That move must have taken some deep thought considering Smith made the finals in the state meet in the 400-meter race just last year.

Smith will transport his javelin skills to the University of Washington facilities next year, where he plans to compete.

Prior to receiving his award Saturday evening, Smith had a chance to speak over a walkie-talkie with Viking football coach Jerry Parrish. Parrish was working in the booth as a Star Track announcer.

After congratulating Smith—an athlete who Parrish worked with as a student and on the gridiron as a running back—Parrish said, ". . . if you're a good kid, I might even give you an 'A'."

Also competing for the Viking boys' team at Star Track VI, Dean Henderson made 11'6" in the pole vault, but went out at 12', and did not place; and Axel Huhle did not make the finals in the triple jump.

For the girls, Patti Nave, discus; Missy Piecuch, javelin; and Sivi Reynolds, javelin did not make the finals of their events. Aleta Jergenson made 5'2" in the high jump, but missed 5'3" , and did not place.●

THE CHILD CARE CRISIS: FORMATION OF AN ALLIANCE TO ADDRESS THE PROBLEM

● Mr. CRANSTON. Mr. President, in the last few weeks, I have on several occasions spoken of the child care crisis in this country. Today I would like to share some news about the formation of an effort to help resolve this crisis.

One thing is absolutely clear: Finding a solution to the child care crisis will take the concerted efforts of many individuals and organizations from a broad cross-section of interests. More than a year ago, a handful of concerned individuals and organizations began developing a plan of action. The result is the Alliance for Better Child Care.

The Alliance for Better Child Care—or ABC—is a coalition of nearly 70 national organizations that have come together to develop legislation to help create a national child care policy. These organizations seek, in their own words, "a Federal investment in the children of America's working families."

As both author and cosponsor of numerous bills devoted to expanding and improving child care services, I know the enormity of the task that ABC has set for itself. But it is a task we can—and will—succeed at.

ABC's goals are: Improving access to quality child care for all families; aiding low- and moderate-income families in paying for care; strengthening basic health and safety protections for children in care outside their homes; and increasing parents' access to and involvement in child care.

It is unfortunate that accomplishing these goals needs to be viewed as an enormous task. These simple, straightforward aims should have been incorporated into our national policy years ago. The fact that they haven't been has placed tremendous stress on our children, our families, and our Nation. But as bad as the situation has been, demographers project that it will get worse, not better, as the number of children with working mothers grows from today's 25 million to 50 million by 1995.

One of ABC's strengths is its firm recognition that there are—and should be—many partners in our efforts to find solutions to the child care crisis.

A. Sidney Johnson III, executive director of the American Public Welfare Association, and a founding member of ABC, notes that "ABC's goal is to bring the Federal Government into the child care partnership."

Yvonne Delk, executive director of the United Church of Christ, Office for Church and Society, and another of the founding members of ABC, points specifically to the segments of our society that are contributing to solving the problem and to the major "player" that is not:

> Employers are one of many players who, responding to the growing need for child care, have come forward with important but limited resources. Over the past several years there has been a significant increase in the role of private charities in child care. Churches remain the largest providers of child care in the country. A number of state and local governments are increasing their commitment to child care, but the missing player is the federal government.

I join my friends at ABC in saying that it's time for the Federal Government to get off the bench and on the team.

Because I believe that all my colleagues can benefit from learning more about ABC, I ask unanimous consent that the entire text of the statement announcing the formation of ABC be included in the RECORD.

The statement follows:

NATIONAL ALLIANCE FORMED TO INCREASE FEDERAL INVESTMENT IN CHILD CARE

Sixty-six national organizations announced the formation of an alliance which is developing legislation to create a national child care policy. The broad-based coalition will seek a federal investment in the children of America's working families.

The Alliance for Better Child Care (ABC) said today in Washington that the proposed legislation "would significantly expand and improve the child care options available to Americans."

According to the Children's Defense Fund (CDF), a member of ABC, the federal government's commitment to child care has diminished dramatically over the past six years. CDF figures indicate that the Title XX Social Service Block Grant—the largest source of direct federal child care funding—was reduced by 20 percent in 1981. CDF estimates that current dollar value of the Block Grant is only 50 percent of what it was in 1975.

"An increased investment in child care is one that Congress can no longer afford to defer," said Virginia Austin, President of the Association of Junior Leagues; "America's economic security—present and future—depends to a large degree upon whether there is an adequate supply of quality child care at prices our families can pay."

ABC released a set of guiding principles which require the federal government to assume responsibility for: Improving access to quality child care for all families; aiding low- and moderate-income families in paying for care; strengthening basic health and safety protections for children in care outside of their homes; and increasing parents' access to an involvement in child care.

According to Dr. Leonard Goodstein, Executive Director of the American Psychological Association, the child care legislation passed by Congress in the past ten years is "no more than a gesture and does not begin to approach a sensible pattern of child care services for American families."

Data provided by the New York based Child Care Action Campaign (CCAC) showed that in 1984, 58 percent of mothers with children under the age of six were in the labor force—four times the 1950 level. Twenty-five million children nationwide have mothers who work outside the home for some part of the day. If current trends continue, 50 million children will have working mothers by 1995.

"The number of children needing child care will double in the next eight years," said John J. Sweeney, President of the Service Employees International Union. "Our current chaotic and fragmented methods of providing child care are inadequate now and will not be able to respond to the projected increase in need. We need new child care answers now."

Nationally, only three thousand of six million employers offer any child care assistance to their employees. According to a 1987 Bureau of Labor Statistics Study; child care remains the least frequently offered employee benefit, received by only one percent of the labor force.

"While it is true that the number of employers offering child care assistance has increased dramatically over the past several years, employers are only meeting a fraction of the child care needs," said Millie Waterman, Vice President for Legislative Activity of the National Parent Teacher Association. "They can and should be looked to as a partner in the effort to meet the nation's child care needs, but they should not and can not provide the whole answer."

"Employers are one of many players who, responding to the growing need for child care, have come forward with important but limited resources," said Yvonne Delk, Executive Director of the United Church of Christ, Office for Church and Society. "Over the past several years there has been a significant increase in the role of private charities in child care. Churches remain the largest provider of child care in the country. A number of state and local governments are increasing their commitment to child care, but the missing player is federal government."

ABC's goal is to bring the federal government into the child care partnership" said A. Sidney Johnson III, Executive Director of the American Public Welfare Association.

David Liederman, Director of the Child Welfare League of America believes that "the time is ripe" to move child care to a priority position on the national public policy agenda.

"The perception of child care has changed a great deal over the past several years. Child care was viewed as a social service provided to poor or dysfunctional families. Now families at every income level are struggling to find and pay for child care. Employers are recognizing that lack of quality child care has an adverse impact on the productivity of employed parents—both male and female."

"A wide variety of groups including the Council on Economic Development are calling for investment in high quality early childhood programs as an integral part of a strategy to prepare the next generation of workers," said Marilyn Smith, Executive Director of the National Association for the Education of Young Children. "An increasing number of policymakers are beginning to understand that child care must be provided to recipients of Aid to families with Dependent Children (AFDC) if they are to get the training and jobs that will allow them to be self sufficient and escape welfare."

"According to an AFSCME public opinion poll of working people, 79 percent agreed that the country should be encouraging the development of more child care services and options," said Gerald W. Mc Entee, President of the American Federation of State, County, and Municipal Employees. "There is overwhelming support for a strategy which would meet the child care needs of millions of Americans."

"The challenge before ABC is to channel the diverse concerns and interests into broad support for a new federal involvement in child care", said Mary H. Futrell, President of the National Education Association. "If we can do that, Congress and the Administration will have to respond," said Albert Shanker, President of the American Federation of Teachers.

ABC MEMBERSHIP LIST

American Academy of Child and Adolescent Psychiatry, American Academy of Pediatrics, American Association for Marriage and Family Therapy, American Association of University Women, American Federation of State, County, and Municipal Employees, AFL-CIO, American Federation of Teachers, AFL-CIO, American Jewish Committee, American Psychological Association, American Public Welfare Association, Association of Junior Leagues, Inc., Bakery, Confectionery, and Tobacco Workers International Union, B'nai B'rith Women, Inc., and Camp Fire, Inc.

Center for Law and Social Policy, Child Care Action Campaign, Child Care Employees' Project, Children's Defense Fund, Child Welfare League of America, Christian Children's Fund, Inc., Coalition of Labor Union Women, Communication Workers of America, AFL-CIO, Family Resource Coalition, General Board of Church and Society of the United Methodist Church, Girls Clubs of America, Inc., and High/Scope Educational Research Foundation.

International Ladies Garment Workers' Union, Luteran Council in the USA, Mexican American Women's National Association, Na'Amat USA, National Association for Family Day Care, National Association for the Education of Young Children, National Association of Hospital Affiliated Child Care Programs, National Association of School Psychologists, National Association of Elementary School Principals, National Association of Working Women—9 to 5, National Black Child Development Institute, Inc., National Center for Clinical Infant Programs, National Coalition for Campus Child Care, Inc., National Council of Jewish Women, and National Council of La Raza.

National Council of Negro Women, National Council of the Churches of Christ, National Council on Farmily Relations, National Education Association, National Federation of Business and Professional Women's Clubs, Inc., National Organization for Women, National Women's Law Center, Now Legal Defense and Education Fund, Inc., Presbyterian Church (U.S.A), Save the Children, Service Employees International Union, AFL-CIO, Southern Association on Children Under Six, and The Children's Foundation.

United Church of Christ, Office for Church in Society, United Food and Commercial Workers Union, Women's Equity Action League, Women's Legal Defense Fund, Young Men's Christian Association, and YWCA of the USA, National Board.●

PANAMA

● Mr. D'AMATO. Mr. President, I rise to share with my colleagues information regarding further developments in Panama. Since June 9, the people of Panama have demonstrated their opposition to the autocratic rule of General Noriega and their insistence for democracy. On June 26, this body passed overwhelmingly a resolution of support for true democracy in Panama.

Since that time, Mr. President, our embassy has been attacked, the businesses of opposition leaders have been destroyed, and martial law has been reinstated. In each case, Mr. President this blatant intimidation by Noriega and his henchmen has failed. The United States Government remains committed to a democracy without military influence; the Panamanian opposition continues to be heard against the military rule of Noriega; and the people continue their protests.

Mr. President, the forces for democracy are too strong even for someone as repressive and resourceful as General Noriega. Yesterday, the democratic opposition issued a manifesto proposing a path toward a legitimate representative democracy and national unity in Panama. Mr. President, I ask that a translation of this manifesto and an article on Panama from today's Wall Street Journal be printed in the RECORD.

The material follows:

[From the Wall Street Journal, July 10, 1987]

PANAMA'S BUSINESS COMMUNITY WON'T TAKE IT ANYMORE

PANAMA CITY, PANAMA.—There was an urgent call from Panama last month asking me to return from Miami on the first available flight. At the Tocumen Airport. I was told that the National Caucus of Private Enterprise (CoNEP) already had convened, and that I should go directly to the meeting to participate in a most important decision. When I walked into the meeting, the usually very cautious and cool presidents of the 28 largest business associations in the country, which together constitute CoNEP, had drafted and were about to approve the most incredible and momentous resolution in CoNEP's history: We demanded that Gen. Manual Antonio Noriega, the feared head of the Panamanian Defense Forces, had to be "separated" from his office and investigated for a number of crimes, including electoral fraud, murder and drug trafficking. The accusations had been made public by the former second-in-command of the defense forces, Col. Roberto Diaz-Herrera.

All were keenly aware that voting for that resolution certainly would hurt their businesses, very likely could result in imprisonment, and in a nonassessable way would put their lives and those of their families at risk. Yet, the vote was the easiest I can remember and, to my surprise, was unanimous. That resolution just reflected the mood of the whole country, which, in a spontaneous and totally unexpected way, joined the next day with businessmen in what became the most complete and successful protest strike in the history of our country.

In a matter of hours, 63 organizations, ranging from Rotary Clubs, to the National Medical Association, and to the radical student ACTION group of the national university, organized into a National Civic Crusade, whose aim has been to try to restore effective and real democracy to our country. Even authorized members of the hierarchy of the usually cautious Roman Catholic Church signed the hastily drafted act of incorporation.

What followed was a stoic and unarmed resistance by the entire population against the military regime. Practically the whole country joined in peaceful demonstrations against the dictatorship. The retribution from the military was swift and harsh: More than 1,000 people were jailed, several hundred beaten, others blinded by buckshot and, according to the reports submitted by the Human Rights Commission, an undetermined number of people were shot to death. The Constitutional Rights were then "suspended" and the country went back to an apparent normalcy. During this period, the U.S. Congress passed a resolution supporting the objectives of the National Civic Crusade and of the National Council of Catholic Bishops.

The government then reacted violently to the U.S. protest; a campaign was begun somewhere among Panama's rulers against "intervention of Yankee imperialism," asking for international support against a possible invasion, and even inviting Nicaraguan communist leader Daniel Ortega for support. The Constitutional Rights were reinstated in order to allow a government-sponsored mob to attack the U.S. Embassy, Consulate and Library and make it appear as a spontaneous action by the people of Panama. It did not escape anybody's attention that the mob came from a rally attended by eight cabinet members, just a few blocks away.

But reestablishing the Constitutional Rights was an expensive mistake. As soon as the Rights were restored, peaceful demonstrations were resumed, and the regime could not very well suspend the Constitutional Rights again under the watchful eyes of the international press and foreign governments. Thus, the regime resorted to the use of intimidation. Government-affiliated paramilitary bands began roaming the streets, burning businesses and cars, beating and even shooting people (photographs and videotapes bear witness). My neighbor, Cesar Tribaldos, who coordinates the National Civic Crusade, had to watch as government thugs burned down his department store and machine-gunned his office while more than 100 riot policemen stood by, protecting the attackers. We sensed that the government wanted us to respond with violence in order to have an excuse to reimpose a state of siege. The National Civic Crusade instructed people to remain calm, and not to respond violently even if attacked, and to this day the protesters have responded to government violence with nonviolent protest.

On Tuesday, the local district attorney told me I could get one to two years in prison for "attempts against the security of the State," and all the presidents of the 63 original associations that started the National Civil Crusade face similar charges.

What has caused normally urbane and sedate businessmen, physicians and other professionals to join, and in many ways to lead the people in this struggle, and vow to continue it to the end? Because a system of governance based on the arbitrary whims of the corrupt individuals who hold the reins of power has reached the point where it is choking every aspect of our lives. Doing business in this environment is not covered in any of the courses taught in well-known Ivy League business schools.

Prior to last month's protest movement, a facade of normalcy was maintained and the "rules of the game" were that you could be in business provided your activity did not compete with any of the regime's favorites. You also had to pay your "dues" to the proper officials, and you didn't oppose the system politically in an open fashion. One who is favored by the regime is granted immunity to deal in contraband or default on government contracts. One who doesn't play ball, however, will find court rulings twisted against him, normal government permits delayed forever, and, in some extreme cases, businesses expropriated or bankrupted. When a businessman is confronted with these choices, year in and year out, in a never-ending nightmare, such words as values, integrity and democracy acquire their true meaning.

As we continue our peaceful resistance and protest, the regime continues to lose support. Some astounding developments are occurring: Last week, the usually radical and "anti-imperialistic" student factions voluntarily decided to go and help repair the damage done by the government-sponsored mobs to the U.S. Information Center Library. On Monday, the government employees union publicly declared that it would not attend a government-sponsored rally called for yesterday, and the government had to cancel it. And just two days ago, the vice president of the republic went on television and expressed his firm personal and party support for the principles of the National Civic Crusade. On occasions, we receive unverifiable messages supposedly from members of the military establishment, asking us to keep the pressure up until they can "do their thing."

Toppling a dictatorship is no easy task, and we realize that we still have a distance to go. As we continue to press on, we look for every sign of support, internal or external, while trying to maintain the spirit of the people. Perhaps the hardest part is trying to assess how far we should go every day without unduly endangering people's lives, but still maintaining the necessary pressure.

URGENT MANIFESTO TO THE NATION

The democratic opposition parties (Authentic Panamenista, Christian Democrat, MOLIRENA, Authentic Liberal, and Popular Action), address once again the Panamanian people, who are today peacefully protesting with tremendous courage and hope the state terrorism organized in the death throes of (their) regime by the Chief of the military forces and his accomplices.

The protest movement which began on June 8, one in which the vast majority of Panamanians are actors and witnesses, is producing a profound change throughout the nation. The nonviolent struggle, in its popularly mobilized form, including strikes of great effectiveness, represents an unquestionable moral victory of which we must feel proud. This mobilization has stated the unbreakable will of our people to liberate itself from the current military regime, in order to be able to live in a free, just and decent motherland with a legitimate government and an honest and capable public administration.

We reaffirm our support for the Civic Crusade as a movement that coordinates diverse forms of peaceful protest in favor of just and democratic goals which are shared by all decent and patriotic Panamanians. Whereas, Together with the Crusade, we reiterate that the protest movement must continue and intensify until we obtain the changes that will bring decency and democracy which will guarantee achievement of the original goals. Nothing should or will deter us from this path.

The democratic opposition parties state that:

1. Whereas, Immediate separation of the Chief of the military forces from his post is essential, together with those who have acted as his accomplices, and also an investigation of the very grave cimes of fraud, corrpution, murder and drug-trafficking of which he has been accused by many sources, is equally essential.

2. Whereas, Due to the current regime's radical lack of credibility, no effective possibility exists for the people's sovereign will to be expressed by means of an electoral process. In consequence, we cannot achieve a quick solution to the general crisis of our country by mere resort to elections.

3. Whereas, In order to avoid the moral, social, economic and political ruin of our motherland, the prompt establishment of a new government is required, the kind of government the people are crying for—one that will be completely free of the political structures of the militarist regime, and one whose legitimacy will be based on the known will of the majority of the people.

This Democratic Government must be based on the following fundamental principles: 3.1 Respect for human rights of all Panamanians regardless of their ideologies.

3.2 Full recognition of a state based on the law with a corresponding independence of the Judicial Branch, so that in a spirit of accord among Panamanians and with no measures of revenge, it may be possible to achieve national unity, and the sanctity of the ballot will be guaranteed.

3.3 Institutional integration of the military forces within the legal structures of the Government which will assure its professionalism, regularization of its chain of command and its dependence on the Executive Branch with no intervention on their part in any political activities. This will achieve the demilitarization of the civilian organs of the state.

Renovation of the high command of the military forces through institutional designation of a leadership committed, as the military forces themselves should be, to the tasks of democratizing our country and making it decent again, based on concepts of professionalism and respect for the Constitution.

3.4 Establishment of (a system of) career service with promotions based on merit that will guarantee public servants their job stability and respect for their dignity as citizens.

3.5 Establishment of an economic policy that subordinated fiscal considerations to the imperatives of national development, that will safeguard the productive agricultural and industrial activities of Panama and, above all, that responds by giving priority to the basic needs of our people—among them, the urgent need for new jobs that are well paid an secure.

3.6 Full Nationalization of the Canal is irreversible and requires effective preparation by the Panamanian government to assume total responsibility for its administration and the neutralization of the waterway.

3.7 In international affairs, (we need) positions consistent with national dignity and sovereignty together with joint promotion of peace and democracy in our region so as to make valid the principles of free self-determination of the peoples and of non-intervention. Also, adoption of policies of active solidarity with other peoples in the Americas that also strugggle for the eradication of dictatorial regimes that are oppressing them.

Dr. Arnulfo Arias Madrid, Partido Panamenista Autentico; Ledo. Alfredo Ramirez, Movimiento Liberal Republicano Nacionalista [MOLIRENA]; Dr. Ricardo Arias Calderon, Partido Democrata Cristiano; Dr. Arnulfo Escalona Rios, Partido Liberal Autentico; Dr. Carlos Ivan Zuniga, Partido Accion Popular [PAPO].●

THE "J" CURVE

● Mr. HEINZ. Mr. President, recently I came across an article written by David Ranson and Marc Miles which appeared in the Wall Street Journal. The theme of the article, that a shrinking dollar will not automatically solve all our trade problems, is something about which I have addressed this body on many occasions.

Previously, I have analyzed specific industries, demonstrating to my colleagues that more expensive foreign currency, relative to the dollar, does not always translate into higher prices for foreign products in the United States.

Those arguments apply as well to the entire U.S. economy. People in government, academic life, business, and the press seem to take it for granted that a cheaper dollar will eventually curb the trade deficit. But a close look at the actual numbers paints an entirely different picture. These statistics show that the J-Curve adjustment process is not working as planned. They show that the real world and the world of economic textbooks are two very different things. In fact, Ranson and Miles even conclude that the relationship may be reversed and that the trade imbalance could drive the dollar. They view it was a political and not an economic link. Second, the authors warn that a cheapened dollar may result in bringing inflation concerns back to center stage.

I urge all my colleagues to read this informative article. The analysis of the trade problem and the resulting conclusions are definitely worth a closer study.

I ask that the text of the article be printed in the RECORD.

The text follows:

[From the Wall Street Journal, July 1, 1987]

WHAT IF IT'S TRADE THAT DRIVES CURRENCIES!

(By David Ranson and Marc Miles)

Democrat or Republican, most people take it for granted that a sufficiently cheaper dollar will curb the trade deficit—albeit after a short delay. What economic belief is more widely held in government, academic life, business and the press?

During President Reagan's first term, the notion that the dollar drives the trade balance was used, as in the past, to blame the widening deficit on an appreciating dollar. This seemed to fit the facts at the time. To date, the exchange-rate policy of Mr. Reagan's second term has been just the flip side of the same view. Talk the dollar down, and the U.S. economy will somehow become more "competitive."

Some have even suggested that special-interest protectionist pressure can be eased by the across-the-board protection achieved by a cheaper dollar. This "devaluationist" mentality has been supported by expert recommendations for, or predictions of, further decline in the dollar—including those by the new Fed chairman himself, just prior to his being named.

CREDULITY STRAINED

The failure so far of the deficit to abate much in the face of an extraordinary depreciation in the dollar must ultimately raise doubts. But expert opinion continues to call for more of the same medicine. While conceding the lack of progress is puzzling, commentators for the most part ascribe it to longer than usual delays in the adjustment process (the "J-Curve").

How long could these delays reasonably be? One year? Two? Three? At some point, surely, credulity is strained. Only a belief so tenaciously held as this could ignore the body of evidence that has accumulated to the contrary.

Consider, for example, the country-by-country pattern of trade imbalances and currency changes. Thanks to the dollar's roller-coaster behavior in the past six years, events have given us two revealing back-to-back tests: a sharp increase from 1980 to 1984, a sharp decline since.

If the standard view is correct, the countries with which the U.S. encountered the largest bilateral deficit increases in 1980-84 should have been those against whose currencies the dollar rose the most—and so on down the line. But as the actual figures for six major countries demonstrate, the truth is almost exactly the opposite (see bar graphs for that period).

Since these figures cover a four-year period, it is difficult to see how any reasonable J-curve delay can explain how the relationship could go so badly wrong. Something else must be at work.

The standard view is also off to a bad start for the period of dollar decline since 1984. If it were correct, the countries with which the U.S. made the most progress in reducing its bilateral deficits should have been those against which the dollar fell the most.

Again, through the end of 1986, the latest such breakdown available, the opposite is more nearly true. The bar graphs for both time periods challenge the belief that the dollar drives the deficit in the way usually assumed.

(Despite recent optimism generated by monthly figures that we have reached the end of the J-curve, the overall trade gap for first-quarter 1987 was about as wide as for any quarter of 1986.)

How about a completely different way of looking at the figures? Maybe the boot is on the other foot. What if instead it's the trade imbalance that drives the dollar? This idea may appear upside down to some, yet it can explain the patterns shown in these country comparisons. And it makes more understandable the absence of a material reduction in the U.S. trade deficit currently.

The idea is simple enough. Countries tend to depreciate their currencies against those of the trading partners with which they have sustained worrisome deficits. The greater the worry, or the bigger the deficit, the greater the depreciation.

During the 1980-84 period, several countries, notably France and Italy, had trade-deficit concerns. It's no accident that their currencies declined sharply against strong currencies like the dollar. At that time, the U.S. was preoccupied with other matters, and the dollar was allowed to rise.

By 1984, the trade deficit of the U.S. itself had become the focus of worry. Although professing to let the dollar float according to market forces, the U.S. government responded in the classic fashion, and let the dollar fall.

The dollar's recent weakening is often justified as needed to correct the strengthening that improperly occurred a few years earlier. This doesn't fit either. Why, since 1984, has the dollar fallen most against the yen, a currency with which rough stability prevailed during 1980-84? Surely it was America's bilateral trade imbalance with Japan that drove policy on the dollar-yen ratio.

Other evidence is not hard to find. Close historical analysis indicates that changes in the dollar tend to follow, not lead, changes in the U.S. trade imbalance. Over the long haul, trade-deficit increases are usually associated in practice with a weakening, not a strengthening, dollar.

Past experience also fits the upside-down view. Over the decades, many strong-currency countries have been surplus-prone (Germany, Japan), whereas weak-currency countries have been deficit-prone (Italy, Britain).

In the last analysis mere evidence, however strong, will not completely refute the standard view. But it is clear enough that the power of currency changes to create or to alter trade imbalances has been much exaggerated. While depreciation may temporarily placate some vocal political forces, its ability to achieve its stated objective is, at best, questionable.

POLICY RESPONSES

Two conclusions follow. First, the link between the dollar and the trade imbalance is better seen as political rather than economic—a governmental knee-jerk rather than a result of natural economic forces. Ironically; policy responses to trade surpluses and deficits are much more predictable than the effects that those policy responses are supposed to produce.

Second, applying bad medicine is not necessarily harmless. Complacency about the U.S. inflation rate has until recently overridden the healthy intuition that currency depreciations of the present size can be highly inflationary. However ineffective America's cheapened-dollar policy has been in rebalancing its trade, it may yet be effective in bringing inflation back to center stage.●

NO MORE MR. NICE GUY

● Mr. HEINZ. Mr. President, as the Senate debates the trade bill, it is important for us to recognize various intelligent analyses of the trade problem. I want to bring to my colleagues' attention an article, "No More Mr. Nice Guy," which recently appeared in Forbes magazine. The author, Howard Banks, writes that our incredible trade deficit is, "the consequence of American willingness to open its borders to foreign goods even though elsewhere free trade has been modified to suit the imagined or real economic interests of individual nations."

I have addressed this same theme many times in this Chamber. Our trading partners are able to impose their double standards on us because they do not believe that we will retaliate. They are not afraid to restrict their markets because they cannot fathom American restricting her markets. This type of policy may have been acceptable 40 years ago, but the assumptions on which it is based are no longer applicable. We are simply not rich enough to continue this policy.

I urge all my colleagues to review this informative article. The analysis of the trade deficit and the resulting conclusions definitely warrant a closer look.

I ask that the text of the article be printed in the Record.

The article follows:

[From Forbes, Feb. 9, 1987]

"No More Mr. Nice Guy"

(By Howard Banks)

Get ready for yet more depressing trade numbers, no matters how low the dollar falls. The U.S. merchandise trade deficit will improve by much less in 1987 than was hoped. At best, last year's $170 billion deficit will decline by no more than $10 billion to $26 billion. The figures will be better in 1988—sufficiently so to produce an economic pickup—but still leaving a trade gap that is simply not sustainable.

This is the consensus view of half a dozen major international forecasting groups that gathered privately in Washington in mid-January. Consensus is often wrong, of course, especially in economic matters, but the essential point remains; Even if the dollar goes substantially lower, the U.S. seems doomed to run a huge deficit in its balance of merchandise trade as far out as the eye can see.

The public is hardened to horrifyingly big numbers and none of this might lead to political action for a long time if it weren't costing jobs in sensitive industries—a topic certain to grab any politician right where it hurts. "It [trade] is absolutely the number one issue." says Senate Finance Committee Chairman Lloyd Bentsen (D-Tex.), who will lead the political charge for protectionism in this session of Congress. "We need a tough, coordinated trade policy." Trade policy is, of course, a euphemism for protectionism.

Such statements make the blood run cold in the veins of free traders or those who believe that market forces, left to work their ways, will eventually bring trade back into balance. Whether the market alone could solve the problem in the long run is academic, in the long run, to paraphrase Lord Keynes, the politicians would all be defeated.

Why abandon the principles of free trade, which have served the world so well for the past 40 years? The answer is that free trade has been practiced, chiefly by the U.S., in the real sense of throwing its borders wide open to anyone who has anything to sell. Today's problems didn't just happen. They are the consequence of American willingness to open its borders to foreign goods even though elsewheres free trade has been modified to suit the imagined or real economic interests of individual nations.

Bluntly put, we have permitted foreign countries to use freely their advantages of lower wage rates, lower defense-spending burdens and domestic subsidies to bite off huge pieces of the U.S. market. They, in turn, have thrown up barriers to exercise by the U.S. of many of our natural advantages, such as our low-cost agriculture and advanced technology. We freely permit the import of Brazilian shoes, while the Brazilians keep U.S. small computers out of their market. We have coded our consumer electronics market to the Japanese and other Asian countries, while they keep for themselves markets like defense and high technology.

The wonder is it took so long for the situation to reach crisis point.

How much help will the cheaper dollar be in checking the crisis? A fair amount. The betting is the Fed will soon cut interest rates again and, maybe, pump out more money. Hence the current continued weakness in the dollar vis-a-vis the mark and the yen. Devaluation is, after all, the most practical trade weapon the U.S. has readily available. It requires no legislation, no painful negotiations and makes retaliation difficult. The cheaper dollar encourages foreigners to buy U.S. goods and services, makes imported goods dearer in the U.S.

But there are limits to devaluation. The Federal Reserve's Paul Volcker is likely to err, as usual, on the side of caution for fear of pushing the dollar off a cliff and undoing most of the progress made against inflation.

Paul Krugman, an MTT economics professor and editor of an excellent new book, "Strategic Trade Policy and the New International Economics", says: "This is one of those rare times when the U.S. can reduce its trade problems by printing money."

But Krugman dashes cold water on those who think that changes in exchange rates alone can close the trade gap to bearable dimensions: "No one sensible would say that the U.S. can restore its competitive position solely via the printing press. That would lead to overheating and eventually resumed inflation."

Still, forcing down the dollar seems the handiest weapon right now. It will help bludgeon the Germans and the Japanese, in particular, to stimulate their economies. This would relieve some of the pressure on the U.S. market, divert some goods that are now coming here to the German and Japanese markets, and would stimulate the demand for U.S. goods abroad.

In recent years, selling to the U.S. has been just about the only thing going for the world economy." In the 1982 through 1985 period, the U.S. absorbed 55% of the increase in nonoil LDC exports, while Japan took just 10% of the extra and the European Economic Community 20%," says Robert Strauss, the most effective trade representative the U.S. has ever seen (he was U.S. trade ambassador in the Carter Administration). A look at the numbers shows how exclusively the U.S. has borne the burden of keeping world trade flowing. Today the U.S. buys 55% of the manufactured goods exported by the developing countries, while Western Europe takes half that much and Japan a measly 9%. Expanding their share to the same per capita level as the U.S. would add an estimated 5250 billion a year to world trade.

Yet, for all their pious talk about helping the poorer countries, Germany and Japan reneged on earlier promises that it would get its economy growing again and then introduced its most austere budget since 1955. It did increase defense spending, to just over 1% of GNP, but will extra business go to U.S. suppliers? No, to Mitsubishi, even though its cost of building aircraft in Japan is simply outrageous. Why not buy American armaments, thus improving the balance of payments situation? National interest—or perceived national interest.

The Germans remain haughtily aloof, though, with luck, that may change after their national elections. The theory is that if their currencies rapidly appreciate against the dollar, they will have little choice but to lower interest rates and get their economy growing. Either that, or their economies sink from today's stagnation into deep recession.

But even if we get some help from Germany and Japan and from a weaker dollar, don't forget that half of U.S. trade now is with countries like Canada or Australia whose currencies haven't gone down against the dollar. Or with countries like South Korea that, for obviously sensible reasons from their point of view, peg their currencies to the dollar.

A major problem, and one that won't yield readily to the devaluation cure, involves the so-called structural elements to the overseas trade surplus—meaning trade flows that are built into the system. Take Japanese investment in the U.S. The 2-million-car-a-year Japanese-owned capacity that will be in place by 1990 may provide U.S. jobs, but it will suck in steady flows of Japanese components and machine tools and engineering consultancy and the rest—since they come from suppliers the owners know and trust. And, significantly, U.S.-controlled multinational companies are themselves a part of the problem (see page 78).

The simple truth is this: A pure market solution—depending on new exchange parties—would not close the gap sufficiently and fast enough to satisfy the voters. Or the politicians, come to that; hence the push for protectionism, which they believe will cut the trade deficit. "But the two are separate. Trade policy is a micro issue the deficit is a macro one. Politicians don't understand the distinction," says Fred Bergsten, director of the Institute for International Economics. The root cause of the trade deficit is the budget deficit, but neither White House nor Congress shows any stomach to tackle that.

The push is being led by what is called the Texas mafia, whose voice is said to have long dominated matters of trade. Today's ranking members: Senate Finance Committee Chairman Lloyd Bentsen (D-Tex.), Treasury Secretary James Baker III, House Majority Leader Jim Wright (D-Tex.), Representative Bill Archer (R-Tex.), and Bob Strauss.

What forms would U.S. protectionism take?

Some of what will be proposed will be what Harald Malmgren, president of Malmgren, Inc. and former trade negotiator in the Carter Administration, calls technical protection. This will include tightening the timetables on dumping and countervailing duty cases, and also limiting presidential discretion to sidestep cases for foreign policy reasons, despite complaints from the State Department.

Moreover, for better or worse, the Reagan Administration is becoming less doctrinaire in its support for free trade and is more willing than in the past to sacrifice foreign policy to domestic economic interests.

This change to an active stance on trade from the White House can be most clearly seen in the increasing number of so-called gray actions, like voluntary restraint agreements, used to redress trade grievances. In just the past few weeks there have been new deals to help U.S. machine tools and lumber. The chips deal with the Japanese, however, is so out of kilter with the marketplace that it is collapsing under its own weight. (This restraint also offends U.S. computer makers who want cheap chips, even if they are dumped, so as to stay competitive themselves—a typical trade policy conflict. Look for similar conflicts as many U.S. retailers face loss of their supplies of cheap foreign goods.)

The U.S. is increasingly frustrated by the ineffectiveness of the General Agreement on Tariffs & Trade. The treaty now covers just 5% or so of world trade, vs. 20% in 1950. Getting an answer from GATT to a problem "is like dropping a rose petal over the Grand Canyon and waiting for the echo," complains Senator Bentsen. And U.S. Trade Representative Clayton Yeutter is hanging tough in the talks leading to the new round of GATT talks. "Yes," he says, "we're going to be recalcitrant until we get the issues resolved in the right way in Geneva."

Agriculture is the hottest issue. The U.S.-European Common Market row over blocked U.S. exports to Spain and Portugal will go through its next state after this issue goes to press. Farm exports and subsidies will be a perpetual problem.

The U.S. is keen to open the telecommunications market worldwide but has just been slapped in the face by the French. They are blocking AT&T from buying more than a 20% stake (it wanted 60%) in CGCT, the moneylosing telecommunications group that was appropriated from ITT by the Mitterrand government. The Germans are said to have encouraged the French to limit competition in Europe. Meanwhile, and no surprise to anyone, the Japanese are hedging on opening their telecommunications market.

Our trading partners have been able to impose this double standard because the U.S. has failed to convince them that we will retaliate. Too much Mr. Nice Guy.

Next year, 1988, is a presidential election year. The pressure to "do something" about trade will be at the boiling point. One extreme possibility would be an across-the-board import surcharge of, say, 10%—or roughly $40 billion a year. It would be a tax increase or consumption, by another name, and could be applied to help bring down the budget deficit. It would also be likely to slow—or stop—the economy. But it would be permitted under GATT, because it would be applied for balance-of-payments reasons. In fact, it's just the prescription routinely proposed by the International Monetary Fund for less-developed countries in trouble.

Expect to hear such bizarre-sounding proposals as an official auction market for the import quotas. If it is determined, say, that 2 million Japanese cars should be allowed into the U.S. each year, Japanese carmakers would be allowed to bid for quotas. This would transfer to the U.S. some of the higher profits importers make when there are quotas—look what happened with Japanese cars, or steel—at the expense of higher consumer prices here. Such money could pay for retraining or relocating workers displaced by imports.

Will the U.S. go this far? Will it impose an auction system or an across-the-board import surtax? Only as a last resort. But the threat is real.

Where is all this leading us? The world economy and trading system is at a watershed of a sort not experienced since the Marshall Plan rescued the industrial economies from the ravages of World War II. The 40-year mix of mostly magnanimous economic policies here helped develop the rapid growth in world trade to $2 trillion a year. But now the assumptions on which U.S. trade policy has been based have been overtaken by events. In the U.S. merchandise imports were 4.1% of GNP in 1960, in 1985 they were 10.2% and rising.

The situation is complicated for the U.S. because, without a gold standard, our dollar is now the world's sole reserve currency. Oil is priced in dollars, investments flow in dollars, nations told their reserves in dollars. The volume of financial transactions is now roughly 25 times the volume of total world trade.

These fundamental shifts have stretched U.S. resources to the breaking point. This country is no longer rich enough to carry world trade and Free World defense unaided. In simplistic terms, Uncle Sam is mad, and he isn't going to take it any longer.

Consumer groups will cry over the reductions in availability of some cheap goods. Foreign governments will lecture us on our selfishness and lack of responsibility. But, remember: The only reason that countries like Germany, Japan, Taiwan, South Korea and the rest are as well off as they are is because of near free access to the U.S. market. Now they are going to have to pay something for that. That means: Revalue their currencies and reflate domestic demand to take the heat off the U.S. economy.

The Europeans and the Japanese especially can pay much more for their own defense. The Japanese say, "That would mean we'd have to adopt nuclear weapons," as though that's supposed to kill the debate. Maybe it's time to tell 'em to go ahead.

There will be screams from the banks about their LDC debt. But how far can we sacrifice U.S. industry to save the banks from hugh writeoffs?

And there'll be screams that the U.S.' hanging tough might risk South Korea, the Philippines, Brazil going communist. It's unlikely they would be that foolish; the world trend is in fact toward democracy. Take a chance.

Will all of this lead to a terrible trade war in which everybody suffers and developing countries default on their debt, and democracy is set back? Will the dollar go deep into the tank?

Probably not—although the air will turn blue with threats and confrontations. The problem will gradually yield, not to one but to several approaches. There will be more bilateral trade demands made by the U.S.: We'll buy your shoes only if you permit us to sell personal computers. You want to sell us cars? Then open your markets to American citrus fruits and American wheat.

The cheaper dollar, too, will make a big difference, especially as it spreads to exchange against currencies other than the yen and the mark.

The State Department will begin paying less attention to diplomacy and more attention to trade. "We must give up the outdated illusion of being the world's political and industrial leader. Acting as if we still are can only destroy us," says Andrew Grove, president and chief executive of chipmaker Intel Corp.

However reluctantly, Germany and Japan, and other countries, will begin to stimulate their economies.

All these things are likely to happen, not because the U.S. will turn aggressively protectionist, but because the possibility of its doing so would have consequences too horrible to contemplate. But the rest of the world must understand that the present situation cannot continue. So, it's no more Mr. Nice Guy—and our trading partners better believe it.●

ELIMINATE PLASTICS POLLUTION

● Mr. LAUTENBERG. Mr. President, today's New York Times included an article of extreme importance for New Jersey and the Nation. The article, "Invasion of Trash from Sea Overwhelming Coastal States," described the crisis of plastic and garbage pollution from ships and other sources.

As the sponsor of the Plastics Pollution Control Act of 1987 (S. 633), I believe it is essential that we enact legislation to curb coastal pollution and that we ratify annex V of the International Convention for the Prevention of Pollution from Ships.

Ten of my colleagues on the Senate Environment and Public Works Committee have joined me in asking the Foreign Relations Committee to move ahead with ratification of annex V.

On the domestic front, the Environment and Public Works Committee Subcommittee on Environmental Protection has been moving ahead on plastics pollution legislation. One field hearing was held last month in Rhode Island. And I just completed a very instructive hearing earlier this week in Asbury Park.

The witnesses—environmentalists, business representatives, fishermen's representatives, State, local, and Federal officials—all underscored the need for action. New Jersey and the Nation are at risk from plastics pollution. Our coastal economy and our environment pay the price of plastics disposal.

It's time to put an end to this. It's time to ratify annex V and enact domestic legislation to protect the Nation's waterways, beaches, marine life, and environment.

Mr. President, I ask that the text of the New York Times article as well as the letter to the Foreign Relations Committee be printed in the RECORD.

The material follows:

[From the New York Times, July 10, 1987]

INVASION OF TRASH FROM SEA OVERWHELMING COASTAL STATES

(By Robert Reinhold)

PORT BOLIVAR, TX, July 8.—This morning's tide swept a bountiful harvest from the sea over Bolivar's beach: faded plastic bags, tangled ropes, rubber gloves, egg cartons, thousands of six-packs and soda cans, a plastic container of "Milde Shampoo" from Euro Drogist in the Netherlands and a rusty refrigerator.

Almost all of it was refuse dumped by ships at sea, Texas officials said. While many states and localities struggle to find places to put their own garbage, coastal states from Rhode Island to Texas to Alaska are coping with tons of seaborne trash from merchant freighters, fishing vessels and even Navy and Coast Guard ships.

PROBLEMS IN NORTHEAST

The dumping is as legal as the practice is ancient. The problem is a 4,000-year-old tradition for vessels to dump their garbage offshore," said Garry Mauro, the land commissioner of Texas. "There's no law against it, but there should be." Last month, Mr. Mauro led a delegation to Washington asking Congress to ratify and carry out an international treaty that would tightly restrict the dumping.

The problem has intensified because of the worldwide trend toward plastic, for packing materials such as pallets and straps, for fishing nets and filaments and for food and chemical containers—objects that neither sink nor degrade.

In the Northeast the problem, though not as severe as that of the Gulf Coast, is compounded by the outflow of debris from storm sewers and landfills. New Jersey has assigned top priority to ridding its beaches of floating trash.

The overall problem has led to growing complaints by beachgoers on the Atlantic, Gulf and Pacific Coasts, where even remote pristine beaches are routinely fouled and where local cleanup costs are growing. But environmentalists say the consequences are more than esthetic for the millions of waterfowl and marine animals that each year strangle themselves on plastic debris or choke to death after swallowing plastic pellets and bags. The yokes that hold together beverage sixpacks are said to be a particular menace.

Federal rules now almost invite the dumping. Under Department of Agriculture regulations, all shipboard waste must be incinerated or steam-sterilized before it is unloaded in American ports. It is much easier and cheaper for ships simply to deep-six their refuse just outside American waters. Mr. Mauro said that of 65,000 foreign ships that docked in American ports last year, only 1,800 unloaded any garbage.

EVEN THE NAVY IS IMPLICATED

The National Academy of Sciences has calculated that merchant ships around the world generate 110,000 metric tons of garbage a year and fishing vessels produce about 340,000 tons. And the United States Navy, with 600 vessels generates more than three pounds a day for each of its 285,000 crew members.

The American shipping industry concedes it has contributed to the problem, but says international cooperation is necessary. "Most ships dump their garbage into the ocean," said Joseph Cox of the American Institute of Merchant Shipping. "But this is not all of the problem. We are supporting the treaty. The problem is international. You can't have each country using different rules."

The situation appears to be the worst along the Texas Gulf Coast. Prevailing currents scoop up the debris from all over the Gulf of Mexico and deposit it on Texas beaches from here in Galveston County to South Padre Island. In a beach cleanup last Sept. 20, volunteers picked up 92 tons of debris along 119 miles of beach. The worst spot is a 10-mile stretch of the Padre Island National Seashore, a major tourist area.

The Center for Environmental Education in Washington estimates that 90 percent of the Padre Island litter comes from merchant shipping and oil industry activities, despite strict laws banning dumping from offshore oil platforms. In all, Texas spends $14 million a year on beach cleanups, and officials fear that tourism, which is the second largest industry in Texas after oil and gas, will suffer.

On the populous East Coast, considerable debris is generated locally from overflowing storm sewers, landfills and pleasure boats. In addition, New York State officials say, there is a small amount of "floatable" material that should have been removed from the barges from New York and New Jersey that dump sewage sludge 12-miles out at sea.

Officials are uncertain how much of the litter on Long Island beaches comes from oceangoing vessels, according to Roberts Weisbrod, a special assistant to the state's Commissioner of Environmental Conservation. But she said it appeared that ship litter was relatively minor because the currents tended to carry it south toward New Jersey.

New Jersey officials have given the trash problem top priority. Lawrence Schmidt of the Department of Environmental Protection said officials suspected that much of the litter came from storm sewers in New York City and northern New Jersey. He said the worst-hit beaches appeared to be those in Monmouth County. A study is under way to determine how much comes from each source, including ships, along the state's 120-mile coast.

Tiny Rhode Island has a Texas-size garbage problem on its 430 miles of coastline and has been a pioneer in cleanup efforts. The state's Parks and Recreation Service recently invested $40,000 in a huge tractor-like beach cleaner and has begun a daily beach clean-up program this summer.

In Alaska most of the debris goes unnoticed on the vast remote coastline, but wildlife officials are concerned about its potential effect on birds and fish. Farther south in Oregon, with 360 miles of shoreline, volunteers in a third annual beach clean-up this year produced 14 tons of trash in three hours. Judie Neilson of the Oregon Fish and Wildlife Service, leader of the program, said at least 60 percent came from ships, particularly huge blocks of industrial styrofoam.

And in California, with 1,100 miles of coast, volunteers collected 60 tons of trash over 300 miles in just one morning last September in a second annual clean-up.

But officials of the coastal states say cleanup efforts are futile unless the garbage is attacked at the source. In February the White House recommended that the Senate ratify Annex V of the International Convention for the Prevention of Pollution from

Ships, an international treaty drafted in 1973.

The provision would prohibit the disposal of all plastics into the oceans, of dunnage and packing materials within 25 miles of land, and of food, glass, rags, bottles and paper within 12 miles unless they are first ground up. Legislation has been introduced in Congress to carry out the treaty.

The Annex would not go into effect until one year after it was ratified by 15 countries representing at least half the world's shipping tonnage. So far 27 countries that account for 41 percent of tonnage have signed it. The United States would add 4 percent.

Texas is also pressing to have the Gulf of Mexico designated as a "special area" in which all dumping is forbidden by the treaty.

At least one American line, the Lykes Brothers Steamship Company, based in New Orleans, says that in March it ordered officers on its 33 cargo ships to comply with the provisions of the treaty even though not yet ratified.

But the industry had resisted a proposal by Mr. Mauro to required ships to "present" their waste before being allowed to enter American ports.

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND
PUBLIC WORKS,
Washington, DC, June 9, 1987.

Hon. CLAIBORNE PELL,
Chairman, Foreign Relations Committee,
U.S. Senate, Washington, DC.

DEAR CLAIBORNE: We are writing to request that the Foreign Relations Committee act quickly to approve a resolution for the ratification of Annex V to the International Convention for the Prevention of Pollution from Ships, as modified by the 1978 Protocol. As you know, Annex V, which prohibits disposal of garbage at sea, has been submitted by the President for Senate consideration.

Plastic pollution of our oceans is a serious and pervasive environmental problem. Thousands of animals, including seals, sea turtles, whales, and other marine species die each year as a direct result of plastic pollution. Marine mammals and birds become entangled in or ingest plastic debris. This can cause drowning, prevent food absorption, or cause death by starvation. Nearly 250,000 birds die each year in the Northern Pacific as well as 30,000 fur seals, and hundreds of other species.

As you may know, Annex V must be ratified by 15 countries whose vessels comprise 50% of the world fleet's gross tonnage before it becomes effective. At present, 27 nations with 41.85% of the world's gross tonnage have ratified Annex V. The United States has 4.6% of the total tonnage.

Our oceans and the marine life which inhabit them are precious resources which must be aggressively protected from plastic wastes. Action is required if we are successfully to address this pressing environmental problem.

We hope that the Foreign Relations Committee can take favorable action on our request and approve a resolution in ratification of Annex V. Your consideration is deeply appreciated.

Sincerely,

Quentin N. Burdick, Robert T. Stafford, Dave Durenburger, Barbara Mikulski, Bob Graham, John W. Warner, Frank R. Lautenberg, George J. Mitchell, Daniel P. Moynihan, Max Baucus, and Harry Reid.●

THE HEBREW IMMIGRANT AID SOCIETY

● Mr. MOYNIHAN. Mr. President, not long ago, I had the honor of participating in the annual dinner of the Hebrew Immigrant Aid Society [HIAS]. HIAS has, since its inception in 1880, helped more than 4 million Jews and tens of thousands of non-Jews victimized because of religious or political beliefs in their native countries. HIAS has assisted these people in starting new lives in the United States and other democratic societies.

The proud achievements of this agency can be traced back to the turn of the century when thousands of Jews fleeing Russia's brutal czarist pogroms made the long voyage to America. In HIAS, they found a concerned friend, one who would provide food, shelter, assistance in finding a job and, most importantly, encourage them in pursuit of their dreams.

HIAS continued to provide such assistance throughout World War I when many thousands of European Jews escaped to America. Never was the agency's work more vital than prior to, during and after World War II when many Jews who otherwise would have been doomed by Hitler were rescued through its efforts. When the war ended, thousands of refugees were left homeless and destitute in Europe. HIAS again was there to help resettle these refugees in Australia, New Zealand, and Latin America. From 1935 to 1955, some 300,000 "displaced persons" became new Americans.

Throughout the next two decades HIAS and its unique services were called on again and again; to help Egyptian Jews fleeing in the wake of the Suez crisis, Hungarian and Cuban Jews escaping Communist rule and to assist Jews forced to leave Arab countries following the Six-Day War.

After 1968, HIAS turned its attention to the Soviet Union as that country's—temporarily—liberalized emigration laws brought massive waves of Jews to the West. Between 1968 and 1982, more than 100,000 such emigres were helped by HIAS to restart their lives in the West.

In 1972, HIAS began a new chapter and at the request of the U.S. Government, offered its humanitarian services to Ugandans and later to the Indochinese refugees fleeing conflicts in Southeast Asia. Again in 1980, the Government called on HIAS to assist in resettling 3,000 Cuban refugees.

Today, HIAS continues to offer the same highly specialized migration and resettlement aid to refugees from the Soviet Union, Iran, Syria, Lebanon, Ethiopia, Vietnam, Laos, Cambodia, Afghanistan and elsewhere who seek the liberty and hope that America has come to symbolize for so many.

In 1986, HIAS assisted a total of 2,586 migrants to move out of lives endangered by prejudice and discrimination and into freedom and safety. I can think of no greater gift to them or to their adopted homelands, for it is their accomplishments and contributions that will constantly enrich and invigorate the communities in which they resettle.●

NEWARK'S DEDICATED AIDS BABY DOCTOR

● Mr. LAUTENBERG. Mr. President, the AIDS epidemic has become familiar to all of us. But, children are too often the forgotten victims of this disease. More than 500 children under the age of 13 have developed AIDS. Most of these young patients contracted the disease from their mothers, before they were born.

Our hearts all go out to these innocent children, very likely sentenced to untimely deaths. But not all of us would have the strength to work with these children day after day, struggling to make them comfortable, to find some treatment for their symptoms, and hoping to prolong their lives until a cure is discovered.

One such dedicated person is Dr. James Oleske, director of the AIDS program at Childrens Hospital of New Jersey, in Newark. He is also director of the Childrens Hospital Department of Allergy, Immunology and Infectious Disease, and professor of pediatrics at the University of Medicine and Dentistry of New Jersey.

Mr. President, I was pleased to join in sponsoring legislation, the Abandoned Infants Assistance Act, which would help provide foster care for abandoned infants with AIDS. Yet, the kind of dedication Dr. Oleske brings to his work each day is something we cannot legislate. But, we can certainly commend it.

I would like to share with my colleagues an article about Dr. Oleske that appeared in the July 5, 1987, Sunday Press of Atlantic City, NJ.

I ask that the text of the article appear in the RECORD.

The article follows:

A NEWARK PEDIATRICIAN GIVES HIS LIFE TO CHILD VICTIMS

(By Jim Perskie)

NEWARK.—Dr. James Oleske walks into the hospital room, scoops up a toddler and hugs her tightly. "How you doing today?" he asks.

The little girl has AIDS. Oleske is her doctor.

"She's a toughie," Oleske had said before entering the room. "She's one to cry over."

The girl's mother also has AIDS and is beginning to exhibit the neurological symptoms common to the disease. Her behavior has become more and more erratic, and doctors doubt she will be able to care for her baby at home. No one else has come forward to take care of the little girl.

There are plenty of others to cry over here at the Childrens Hospital of New Jersey. More than 150 children with AIDS or AIDS-related complex have been treated at this one hospital since the epidemic began; 90 are still alive; eight are in the hospital on this particular day.

Oleske, 42 years old and the father of three sons, has been with it from the beginning.

By late 1981, when it was already clear that intravenous drug users and male homesexuals were becoming infected with the deadly virus, Okeske spotted the first AIDS cases in children.

Such is the geography of the AIDS epidemic that the first pediatric cases appeared in a grim, inner-city hospital in Newark and not at a major research institution like Harvard or Johns Hopkins Universities.

Nationwide, AIDS has killed more than 21,600 people, including 332 children under the age of 13—the great majority of whom had the single misfortune of being born to a woman who shot drugs or had sex with a man who did.

Most AIDS victims in New Jersey are intravenous drug users, not the male homosexuals or bisexuals who make up the majority of cases in every other state. Newark itself is "rich with drug users," says Oleske. The statistics have made New Jersey second in the nation in pediatric AIDS cases and given Newark more children with AIDS than most other cities in the United States.

The Childrens Hospital of New Jersey, a unit of the sprawling United Hospitals Medical Center on South Ninth Street, is where most of these children go for treatment. It is a place where security is tight, where the air-conditioning cannot quite keep up on a hot summer day, where the smell of antiseptic mingles with sweat.

"The geography has placed us in an area where there are large numbers of AIDS cases, and we accept it as our duty," says Deborah Rizi, a spokesman for the hospital.

Oleske says he now realizes that he was seeing babies with AIDS as far back as the beginning of 1979, two years before the federal Centers for Disease Control published the first reports of the condition that would soon be named acquired immune deficiency syndrome.

"By late '81 and '82, it was apparent that something serious was going on," Oleske says. "We had more immunodeficient, children than normal dying of things like PCP (Pneumocystis carinii pneumonia). At the same time, this new syndrome was being seen in adults."

About six months after one of Oleske's young patients died of PCP, her father reported the same symptoms—cough, pneumonia and a low count of T-cells that are destroyed by the AIDS virus.

"That case put it all together," says Oleska. "We went back to the records of the old immunodeficiencies and with that it was easy to see. It all fell into place." The children were all linked to either drug users or bisexual men.

"Then we started to see women. It just snowballed and became obvious we're dealing with an infectious disease," say's Oleske, who published the first reports of pediatric AIDS in a May 1983 issue of the Journal of the American Medical Association. While the method of transmission from mother to child was unclear at first, it is now believed that babies with AIDS are infected in the womb.

Today, Oleske moves through the hospital at a quick pace. On a recent afternoon—as he conducts what he calls "lightning rounds"—he gives his young patients one more check before hurrying off to a 4 p.m meeting. Drs. Donatella Graffino and Thomas Terndrup lead the way, filling in Oleske on the latest crises as they walk down the hall. It isn't unusual for Oleske to be talking to both of them at the same time—about at least two cases.

As director of the Childrens Hospital AIDS program, Oleske and his team work full time caring for children with AIDS and running at least two out-patient clinics a week for young AIDS patients who don't need to be hospitalized right now. The problem is, Oleske already had a full-time job as director of the hospital's department of allergy, immunology and infectious disease. He is also a professor of pediatrics at the University of Medicine and Dentistry of New Jersey.

"The problem is getting big enough that AIDS has just taken over all our time. These kids are chronically ill. They have lots of medical problems. Any organ system can be involved. But we still have our other patients, too," said Dr. Ed Connor, a former Brigantine resident who works closely with Oleske as the hospital's assistant director of allergy, immunology and infectious disease.

Oleske, who has a masters degree in public health and is a former fellow at the National Institutes of Health, is a sought-after speaker at AIDS conferences. He often tells his audience that he is thinking of leaving medicine and opening a hardware store in Maine.

He has gained 20 pounds and suffered bouts of insomnia since he began treating children with AIDS, but the threat to drop it all for an easier life seems empty. For example, the 4 p.m. meeting that Oleske is hurrying to this day is about the St. Clare's Home for Children in Elizabeth, a newly opened foster home for children with AIDS. Oleske is on the board of directors of the home, and he and Connor volunteer their time to examine the children before they are admitted.

"I've never been on a board of directors before. I expected a bigger board table," Oleske joked after the meeting.

On rounds, Oleske examines patients, changes medications, orders tests and consults on non-AIDS patients. The beeper on his belt adds another dimension, constantly summoning him to the phone.

Graffino tells Oleske that they are wanted on a consultation.

"Not another AIDS? he asks.

"No, he is told, this is not another AIDS case. A young boy developed a rash and a fever after playing outside, where he may have been bitten by an insect.

"Rocky," Oleske and Terndrup say simultaneoulsy, relieved that the apparent diagnosis—Rocky Mountain spotted fever—seems so easy.

After examining the boy, Oleske is even more relieved. The rash is gone already, ruling out the potentially fatal Rocky Mountain spotted fever.

It's a viral syndrome," Oleske pronounces. "He's the healthiest kid we've seen today."

Oleske wears neither gloves, mask, goggles nor gown as he conducts rountine examinations of his AIDS patients. And he unhesitatingly hugs them. When an infected child coughs on his bare hand, he walks over to a sink and calmly washes as he continues a stream of patter with the baby.

Of the doctors who say they would refuse to care for AIDS patients, Oleske says this: "It's unconscionable. People come into the health care profession with their eyes open. They have no right to pick and choose on the basis of disease."

Earlier in the day, as the social workers, nurses and doctors who work in the Childrens Hospital AIDS program held their daily 1 p.m. meeting, the news was not good.

None of the eight children hospitalized with AIDS can be sent home right now. Some are too sick. Others have parents who aren't able to care for their children, either because they are too sick themselves with AIDS or because they have not yet learned to cope with their very sick children and give them the at-home care they will need.

At the meeting, the discussion jumps from the medical to the social to the financial. The problems of the family, of teaching a mother or someone else to care for a child with AIDS, occupy as much of the team's time as do medical matters.

One mother comes in once a week, holds her baby for 20 minutes and leaves.

Another mother wants to move her child to a hospital closer to home. The staff doesn't think it's a good idea. The suburban hospital where she wants to take the child has already said they don't want her. And the mother doesn't appear to be ready to care for the child at home.

A patient, one not likely to leave the hospital any time soon, wants to go to Disneyland. Oleske asks a social worker to arrange a party for the little girl instead. Much discussion follows about where to get appropriate costumes.

Some of the parents want their children to die peacefully, without the use of any last-minute, high-tech heroics. But the mother of the little girl who wants to go to Disneyland has made it clear that she wants doctors to make every effort to keep her alive should she falter. The girl will get a "full code"—all available life-sustaining technology, including a ventilator, will be used to keep her alive.

"I've marked it on the chart," Graffino tells the group.

Turning to another patient's chart, Oleske asks if the parents have been told that their child has AIDS. Yes, they have been told, a nurse responds. "Good," says Oleske, "we're over the first hurdle there."

Another couple has not been told. "They're just not ready to hear the word AIDS yet," a nurse explains.

As the cases are reviewed, a startling finding comes up at the meeting. Some of the AIDS patients appear to be having kidney problems. Oleske raises the question of conducting renal biopsies.

"Do we learn enough to benefit the kids? We need a policy on this," he says.

It is agreed that the issues will be studied, but Oleske continues.

"Something's going on with the kidneys. Are we giving them something bad?" he asks.

Bactrim, the sulfa-based antibiotic given to many of the young AIDS patients, has been known to adversely affect the kidneys in some cases, Graffino says.

But Connor discounts this. "I've given it to thousands of patients. Why are we just getting this now?" he says.

"Maybe the virus is changing—becoming nephro-toxic," Graffino suggests, bringing the discussion to a sudden halt. If in fact the AIDS virus is changing, the implications could be frightening.

But Oleske has another hypothesis. "We didn't have (kidney problems) for a long time, and I can't think of anything we're using now that we haven't used in the past."

His theory—which the group adopts as a working hypothesis—is that maybe, because they are better able to treat the children and they are living longer, previously unseen complications like kidney trouble are likely to arise.

The discussion moves on.

Most of the children who were infected with the AIDS virus in the womb develop symptoms within the first few years of life. Right now, the oldest AIDS patient at Childrens Hospital who was infected in this manner is 10. And that's something of a success.

Oleske and Connor have developed a regimen that appears to cut down on the infections that are the immediate cause of death in most AIDS cases. Once a month, the children receive a three-hour intravenous infusion of gamma globulin, an antibody-rich component of blood serum that has been used in the past to provide some protection against infectious diseases, especially hepatitis.

While there is no widely accepted scientific proof that this therapy is effective, Connor says he and Oleske are convinced even if the medical community is not. The gamma globulin therapy has lowered the rate of bacterial infections among their AIDS patients from 45 percent to 2 percent, Connor says.

The Childrens Hospital AIDS program is also conducting so-called "phase one" trials of the antiviral drug ribavirin. Phase one trials are used only to determine the safety, not the efficacy of a drug, but Connor says he is encouraged by the early tests on 10 patients.

Oleske and Connor support more AIDS testing among some groups. Although they are concerned about the possibility of discrimination against people who test positive, this is not a political or social issue for them. It's a medical issue.

"You can't define and find a treatment if there is not some testing of risk groups," Oleske says.

While blacks and Hispanics combined make up only approximately 19 percent of the U.S. population, they account for almost 40 percent of the nation's AIDS cases. A pediatrician in predominantly black Newark can't help but be in favor of more AIDS testing, Oleske and Connor say.

"In an obstetrics service in Newark, every single woman needs to be tested. It's the reality that this is medically appropriate. It's not mass screenings—there's a medical rationale," Connor says.

"As a pediatrician, I'm not trying to save the world from AIDS. But the only way to impact future pregnancies is to identify the women at risk. We have to deal with the medical issues."●

CONCERNING THE DUBUQUE COUNTY BASEBALL HALL OF FAME

● **Mr. HARKIN.** Mr. President, I would like to take a moment to recognize six former players who will be inducted Saturday, July 11, 1987, into the newly formed Dubuque County Baseball Hall of Fame which is in the great State of Iowa. These individuals are Urban Faber, Joe Hoerner, Herbert Orr, Father John Moran, Charles Palmer, Sr., and Clarence Hipschen. The six charter members are all natives of Dubuque County, IA.

Mr. Faber, who was born in Cascade, pitched for the Chicago White Sox from 1914–33. Some of his accomplishments include winning three games in the 1917 World Series against the New York Giants and winning 20 or more games in a season four times, three of which were in succession. Urban was voted into the National Baseball Hall of Fame in 1964.

From the city of Dubuque, Joe Hoerner was a 17-year-old hard throwing lefthander when he signed up in 1956 also with the Chicago White Sox. Mr. Hoerner had several stops along the way to the major leagues, but got his first chance in the majors with Houston in 1963 and 1964. Joe also pitched for St. Louis, Philadelphia, Atlanta, and Kansas City.

Also from Cascade, Father John Moran, now a pastor, was a "can't miss" young player in the 1940's and early 1950's who opted instead to join the priesthood. Father Moran was the unique combination hitter who had tremendous power, yet almost always made contact which meant very few strikeouts for a power hitter. He also had great success as a catcher. Very few baserunners attempted to steal because he could pick off runners at first, second, and third.

Herbert Orr is one of the finest athletes to come out of Dubuque County. Mr. Orr played semi-pro baseball at Waukegan, IL, for 1 year before signing with Dubuque. He then played at Cedar Rapids and at Davenport before returning to Cascade. He was known as a slick-fielding infielder and a consistent hitter.

Clarence Hipschen was known to every semi-pro baseball fan because he always was a key figure in any game in which he played. Whether it was pitching a masterpiece, getting a big hit, or just taking one of his looping swings, Mr. Hipschen came to play. A native of Bellevue, IA, when not pitching, Clarence usually played first base where he was one of the better fielders at the position.

Last, but of course not least, there is Charles Palmer. Charles was born at Cascade, IA, where he began at age 15 to play for the town's team. He would continue to play into his 60's before deciding to turn it over to "younger" players. When he was 92, the late Mr. Palmer was quoted as saying, "I just loved to play baseball. I played whenever I could and always had fun."

These six Iowans inspired generations of baseball fans around the country with their talent, grace, and dedication to the sport. They are fine representatives of the great institution of baseball and the great State of Iowa. I am proud to note their induction in the Dubuque County Baseball Hall of Fame. I hope all my colleagues will join me in congratulating these men for their remarkable achievements.●

DONATION OF MEDICAL EQUIPMENT TO THE PEOPLE OF TRUK LAGOON IN THE FEDERATED STATES OF MICRONESIA

● **Mr. McCAIN.** Mr. President, I rise to express my deepest gratitude to several individuals whose generosity and kind assistance recently made it possible for several thousand pounds of critically needed medical equipment and supplies to be donated to the Truk hospital in the Federated States of Micronesia.

I became involved in this effort when my wife, Cindy, and I toured the hospital on this tiny island and became aware of the dire need of basic medical equipment and simple supplies. Upon our return, we contacted several individuals about the possibility of donating equipment and sending it to the Truk hospital. The response I met with was tremendously encouraging, and we were able to facilitate the delivery of several large pieces of equipment along with boxes of surplus supplies to the island hospital.

I would like to thank Dr. Richard B. Uhrich, senior vice president and chief executive, Office of Good Samaritan Medical Center in Phoenix, AZ, and J. Barry Johnson, president of Baptist Hospitals and Health Systems also of Phoenix, AZ, who donated all of the medical supplies to the people of Truk Lagoon.

In addition to obtaining the equipment, crating and transportation services were required. Mr. Frank D. Leedy, president of Precision Crating and Packaging Corp. of Tempe, AZ, contributed his services to crate the more delicate pieces of equipment to ensure safe shipping.

Finally, Mr. Dennis Bies, business manager of the Western Region of Cargo Development Group, a subsidiary of Continental Airlines, was gracious enough to provide the transportation of all of this equipment into Truk on behalf of Continental Airlines.

This venture would have been impossible without the generosity and unselfish assistance of each of these men and their respective organizations. I am proud to have been able to help facilitate such a worthwhile project. The delivery of this medical equipment to the Truk people on behalf of the people of Arizona and the United States represents the best in the hearts of the people of this country. It is through these men's generosity that we were able to respond to a human need and begin to solve a complex problem. It is not often that one can see so quickly the rewards of an action. Indeed, lives have been saved as a result of the dedication of these men. I thank each of them for their generous contributions to this humanitarian effort.●

THE CALENDAR

Mr. BYRD. Mr. President, I ask the distinguished acting Republican leader if the following calendar orders have been cleared on his side of the aisle: Calendar Order 215 and Calendar Order 221.

Mr. ARMSTRONG. Mr. President, if the majority leader will yield, both of these items have been cleared on our side.

Mr. BYRD. I thank my friend.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders 215 and 221 seriatim.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SECURITIES LAW TECHNICAL AMENDMENTS ACT

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1452) to amend the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and Investment Advisors Act of 1940 to make certain technical, clarifying, and conforming amendments, to authorize appropriations to the Securities and Exchange Commission, and for other purposes.

The Senate proceeded to consider the bill.

Mr. RIEGLE. Mr. President, today we are considering what I regard as an important bill to authorize funds for the Securities and Exchange Commission for 1988 and 1989. The Banking Committee approved this bill by voice vote with no debate and I strongly endorse the levels of funding provided in the legislation as entirely appropriate given the lack of resource growth at the Commission compared to the radical changes in its regulatory environment. I urge passage by the entire Senate as a message of our commitment to maintaining confidence in the integrity of our securities markets through a strong and vigorous SEC.

The SEC has requested an overall budget increase for 1988 of about 30 percent from its 1987 level. The request will result in a less than 10 percent increase in authorized staff positions for the Commission. This additional staff will be allocated primarily to the enforcement program and the full disclosure program. Very small increases, or no increase at all, are planned for the staffs of the market regulation, investment management, legal services, and other important programs. The balance of the requested increase is planned for nonpersonnel costs, largely for funding the "Edgar" project to automate the disclosure filing operation. This legislation provides for a 2-year authorization for the SEC at the level requested by the Commission prior to cuts made for 1988 by the Office of Management and Budget. The restored cuts will give the Commission some leeway in providing for clearly essential resources to regulatory programs which were not allocated sufficient levels following action by OMB.

This authorization comes at a time of staggering growth in both the volume and complexity of the securities markets. Virtually every measure of activity in the industry has reached record breaking levels in the past several years. Since 1982:

The number of shares traded on the New York Stock Exchange rose over 150 percent;

The number of registered broker dealers increased almost 90 percent;

Registered investment advisers multiplied by 180 percent and now control about $1.5 trillion in assets, representing around 15 percent of all financial assets owned by Americans; and,

Complaints received by the National Association of Securities Dealers jumped about 120 percent.

Moreover, this sweeping growth in activity has been accompanied by a host of new regulatory demands. An unprecedented wave of corporate takeover activity has resulted in questionable tactics by a host of market participants. Greenmail, poison pills, risk arbitrage, far-reaching illegal securities trading scandals, and other practices have resulted in increasing apprehension about the integrity and fairness of our securities markets. The introduction of new securities products has spawned programmed trading with its associated wide market swings. Dangerous abuses in the government securities market led to new legislation last year granting the SEC regulatory authority over government securities dealers. Finally, complex new regulatory issues are unfolding as a result of the rapid trend toward internationalizing the securities markets, wherein the need to keep our markets competitive must be balanced with the need to continue to adequately safeguard the interests of American investors and the integrity of U.S. securities markets.

There seems to be widespread agreement that the SEC has performed as well as might be expected in this turbulent environment considering the resource limitations which the agency has been operated under for the last several years. Yet at hearings in February and again in May before the Securities Subcommittee, a number of witnesses from the securities industry, including a former Commissioner and a former SEC general counsel, urgently supported increases of up to 100 percent in the SEC's resources. The executive officer of a major securities firm described some of the current problems in the markets as beyond the ability of the industry alone to resolve and called for regulatory assistance. However, based on some of the testimony presented in February and reiterated at our May hearing by GAO findings, the increases requested by the SEC for 1988 might be characterized as more of a restaffing of the agency rather than a real increase.

During this time of unparalleled growth and change in the securities markets, the SEC has basically had no staff increase since 1980 and has been constrained in its overall budget growth at a level which must call into question its ability to regulate markets which have changed dramatically since 1980. The budget level for 1988 and 1989 as originally requested by the Commission appears warranted under the regulatory circumstances. To my mind, the most significant issue associated with this authorization is why the increase has been so long in coming and, given the lack of growth for the past several years, whether it will be sufficient to move the agency into place with the industry it regulates.

These recent restraints on growth are even more curious in view of the fact that the agency is, in effect, self-funding through fee assessments to its users. Under the fee system, as the regulatory demands on the Commission rise due to an increased volume of activity in the securities markets, the resulting increased fee revenue logically supports more resources to adequately handle the new volume. Instead, the SEC has been generating revenue which exceeds its budget by more than 100 percent and turning the surplus over to the Treasury. I believe that the industry paying these fees deserves to have their funds used to improve the timeliness and regulatory responsiveness of the Commission and investors deserve the level of regulatory oversight this revenue was intended to support.

The results of the Commission's recent growth restraints were portrayed at recent subcommittee hearings:

In response to questions at our February hearings, Harvey Pitt, former SEC general counsel, told the subcommittee:

> I am concerned that the SEC is seriously understaffed, underpaid, and deprived of necessary facilities to perform up to its full potential * * * there can be little doubt that the Commission lacks both the resources and the remedies that are necessary if the agency is to deter securities law violations in the most efficacious manner;

Several witnesses questioned the ability of the industry's self-regulatory organizations to effectively assume the increased regulatory burdens which the agency has sought from the these organizations;

The need for more action by the Commission to develop and implement automated market surveillance systems was also emphasized by the witnesses;

Finally, at a recent subcommittee hearing on securities trading scandals, U.S. Attorney Rudolph Giuliani testified that the single most important thing to be done to stem illegal trading activites is to bolster the resources of the SEC.

In addition, the Commission itself has indicated in its budget submission that the growth in investment companies and investment advisers has far outstripped the agency's resources to maintain appropriate oversight in this area; as a result, the SEC is trying to persuade State regulators and the industry itself to take up the slack—while the agency's plans for its own staffing increase in this program for 1988 were slashed nearly 50 percent by OMB.

While the SEC may indeed be performing well enough considering its resource limitations, all of these factors indicate the need for this authorization in order to move the Commission more into line with the regulatory demands of today's securities markets.

The bill also includes technical amendments to the securities laws as requested by the SEC. These technical amendments were originally prepared at the request of Senator TIMOTHY WIRTH in 1983 when he was chairman of the House Subcommittee on Telecommunications, Consumer Protection, and Finance. The technical amendments were introduced in the 98th Congress as H.R. 4574, sponsored by Chairman WIRTH and Chairman JOHN D. DINGELL of the House Committee on Energy and Commerce. The technical amendments were again introduced in the 99th Congress by Chairman WIRTH as H.R. 1604 and Senator D'AMATO as S. 920. The amendments make technical, clarifying, and conforming changes to the securities laws.

The ACTING PRESIDENT pro tempore. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1452) was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

S. 1452

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Securities Law Technical Amendments Act of 1987".

TITLE I—AMENDMENTS OF SECURITIES ACT OF 1933

SEC. 101. Section 2(5) of the Securities Act of 1933 (15 U.S.C. 77b(5)) is amended by striking out "Federal Trade Commission" and inserting in lieu thereof "Securities and Exchange Commission".

SEC. 102. Section 2(6) of the Securities Act of 1933 (15 U.S.C. 77b(6)) is amended by striking out "Canal Zone,".

SEC. 103. Section 3(a)(1) of the Securities Act of 1933 (15 U.S.C. 77c(a)(1)) is amended by striking all that appears therein and inserting in lieu thereof "(1) Reserved."

SEC. 104. Section 3(a)(5)(A) of the Securities Act of 1933 (15 U.S.C. 77c(a)(5)(A)) is amended by striking out ", except that the foregoing exemption shall not apply with respect to any such security where the issuer takes from the total amount paid or deposited by the purchaser, by way of any fee, cash value or other device whatsoever, either upon termination of the investment at maturity or before maturity, an aggregate amount in excess of 3 per centum of the face value of such security".

SEC. 105. Section 6(e) of the Securities Act of 1933 (15 U.S.C. 77f(e)) is repealed.

SEC. 106. Section 9(a) of the Securities Act of 1933 (15 U.S.C. 77i(a)) is amended—

(1) by striking out "Circuit Court of Appeals" and inserting in lieu thereof "court of appeals";

(2) by striking out "Court of Appeals of the District of Columbia, by filing in such court" and inserting in lieu thereof "United States Court of Appeals for the District of Columbia, by filing in such Court"; and

(3) by striking out "sections 239 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 346 and 347)" and inserting in lieu thereof "section 1254 of title 28, United States Code".

SEC. 107. Section 19(c) of the Securities Act of 1933 (15 U.S.C. 77s(c)) is amended by adding at the end thereof the following new paragraph:

"(6) Notwithstanding any other provision of law, neither the Commission nor any other person shall be required to establish any procedures not specifically required by the securities laws, as that term is defined in section 3(a)(47) of the Securities Exchange Act of 1934, or by chapter 5 of title 5, United States Code, in connection with cooperation, coordination, or consultation with—

"(A) any association referred to in paragraph (1) or (3) or any conference or meeting referred to in paragraph (4), while such association, conference, or meeting is carrying out activities in furtherance of the provisions of this subsection; or

"(B) any forum, agency, or organization, or group referred to in section 503 of the Small Business Investment Incentive Act of 1980, while such forum, agency, organization, or group is carrying out activities in furtherance of the provisions of such section 503.

As used in this paragraph, the terms 'association', 'conference', 'meeting', 'forum', 'agency', 'organization', and 'group' include any committee, subgroup, or representative of such entities.".

SEC. 108. (a) Section 20(b) of the Securities Act of 1933 (15 U.S.C. 77t(b)) is amended by striking out the first sentence and inserting in lieu thereof the following: "Whenever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this title, or of any rule or regulation prescribed under authority thereof, the Commission may, in its discretion, bring an action in any district court of the United States, or United States court of any Territory, to enjoin such acts or practices, and upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond.".

(b) Section 20(c) of such Act (15 U.S.C. 77t(c)) is amended to read as follows:

"(c) Upon application of the Commission, the district courts of the United States and the United States courts of any Territory shall have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this title or any order of the Commission made in pursuance thereof.".

SEC. 109. Section 22(a) of the Securities Act of 1933 (15 U.S.C. 77v(a)) is amended—

(1) by striking out "United States, the" in the first sentence and inserting in lieu thereof "United States and";

(2) by striking out ", and the United States District Court for the District of Columbia"; and

(3) by striking out "sections 128 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 225 and 347)" and inserting in lieu thereof "sections 1254, 1291, 1292, and 1294 of title 28, United States Code,".

TITLE II—AMENDMENTS OF SECURITIES EXCHANGE ACT OF 1934

SEC. 201. Section 3(a)(6)(C) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(6)(C)) is amended by striking out "under section 11(k) of the Federal Reserve Act, as amended" and inserting in lieu thereof "under the authority of the Comptroller of the Currency pursuant to the first section of Public Law 87-722 (12 U.S.C. 92a)".

SEC. 202. Section 3(a)(16) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(16)) is amended by striking out "the Canal Zone,".

SEC. 203. Section 3(a)(22)(B) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(22)(B)) is amended—

(1) by striking out "association or any" and inserting in lieu thereof "association, or any"; and

(2) by striking out "own behalf in" and inserting in lieu thereof "own behalf, in".

SEC. 204. Section 3(a)(34)(C) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(34)(C)) is amended by striking out "state" each place it appears and inserting in lieu thereof "State".

SEC. 205. Section 3(a)(39)(B) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(39)(B)) is amended—

(1) by striking out "months, revoking" and inserting in lieu thereof "months, or revoking"; and

(2) by striking out "barring his" and inserting in lieu thereof "barring or suspending for a period not exceeding 12 months his".

SEC. 206. Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended—

(1) by inserting after paragraph (46) the following:

"(47) The term 'securities laws' means the Securities Act of 1933 (15 U.S.C. 77a et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Public Utility Holding Company Act of 1935 (15 U.S.C. 79a et seq.), the Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.), the Investment Advisers Act of 1940 (15 U.S.C. 80b et seq.), and the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.)."; and

(2) by adding at the end thereof the following:

"(49) The term 'person associated with a transfer agent' and 'associated person of a transfer agent' mean any person (except an employee whose functions are solely clerical or ministerial) directly engaged in the management, direction, supervision, or performance of any of the transfer agent's activities with respect to transfer agent functions, and any person directly or indirectly controlling such activities or controlled by the transfer agent in connection with such activities.".

Sec. 207. Section 4 of the Securities Exchange Act of 1934 (15 U.S.C. 78d) is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding any other provision of law, whenever any fee is required to be paid to the Commission pursuant to any provision of the securities laws or any other law, the Commission may provide by rule that such fee shall be paid in a manner other than in cash.".

Sec. 208. (a) The Securities Exchange Act of 1934 is amended by inserting after section 4 (15 U.S.C. 78d) the following new sections:

"DELEGATION OF FUNCTIONS BY COMMISSION

"Sec. 4A. (a) In addition to its existing authority, the Securities and Exchange Commission shall have the authority to delegate, by published order or rule, any of its functions to a division of the Commission, an individual Commissioner, an administrative law judge, or an employee or employee board, including functions with respect to hearing, determining, ordering, certifying, reporting, or otherwise acting as to any work, business, or matter. Nothing in this section shall be deemed to supersede the provisions of section 556(b) of title 5, or to authorize the delegation of the function of rulemaking as defined in subchapter II of chapter 5 of title 5, United States Code, with reference to general rules as distinguished from rules of particular applicability, or of the making of any rule pursuant to section 19(c) of this title.

"(b) With respect to the delegation of any of its functions, as provided in subsection (a) of this section, the Commission shall retain a discretionary right to review the action of any such division of the Commission, individual Commissioner, administrative law judge, employee, or employee board, upon its own initiative or upon petition of a party to or intervenor in such action, within such time and in such manner as the Commission by rule shall prescribe. The vote of one member of the Commission shall be sufficient to bring any such action before the Commission for review. A person or party shall be entitled to review by the Commission if he or it is adversely affected by action at a delegated level which (1) denies any request for action pursuant to section 8(a) or section 8(c) of the Securities Act of 1933 or the first sentence of section 12(d) of this title; (2) suspends trading in a security pursuant to section 12(k) of this title; or (3) is pursuant to any provision of this title in a case of adjudication, as defined in section 551 of title 5, United States Code, not required by this title to be determined on the record after notice and opportunity for hearing (except to the extent there is involved a matter described in section 554(a)(1) through (6) of such title 5).

"(c) If the right to exercise such review is declined, or if no such review is sought within the time stated in the rules promulgated by the Commission, then the action of any such division of the Commission, individual Commissioner, administrative law judge, employee, or employee board, shall, for all purposes, including appeal or review thereof, be deemed the action of the Commission.

"TRANSFER OF FUNCTIONS WITH RESPECT TO ASSIGNMENT OF PERSONNEL TO CHAIRMAN

"Sec. 4B. In addition to the functions transferred by the provisions of Reorganization Plan Numbered 10 of 1950 (64 Stat. 1265), there are hereby transferred from the Commission to the Chairman of the Commission the functions of the Commission with respect to the assignment of Commission personnel, including Commissioners, to perform such functions as may have been delegated by the Commission to the Commission personnel, including Commissioners, pursuant to section 4A of this title.".

(b) The Act of August 20, 1962 (Public Law 87-592; 76 Stat. 394) is hereby repealed.

Sec. 209. The first sentence of section 6(c)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(c)(2)) is amended by striking out "protection shall" and inserting in lieu thereof "protection of investors shall".

Sec. 210. Section 6(c)(3)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(c)(3)(A)) is amended by striking out "association" and inserting in lieu thereof "associated".

Sec. 211. Section 6(c)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(c)(4)) is amended by striking out "may (A) limit" and inserting in lieu thereof "may limit (A)".

Sec. 212. Section 6(e) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(e)) is amended—

(1) by striking out "paragraph (4) of this section" in paragraph (1) and inserting in lieu thereof "paragraph (3) of this subsection";

(2) by striking out paragraph (3) thereof and by redesignating paragraph (4) as paragraph (3); and

(3) in paragraph (3)(E) (as so redesignated)—

(A) by striking out "fixes" and inserting in lieu thereof "fixing";

(B) by striking out "paragraph (4)(A)" and inserting in lieu thereof "subparagraph (A) of this paragraph"; and

(C) by striking out "paragraph (4)(B)" and inserting in lieu thereof "subparagraph (B) of this paragraph".

Sec. 213. Section 11A of the Securities Exchange Act of 1934 (15 U.S.C. 78k-1) is amended—

(1) by striking out "transaction" in paragraph (2) of subsection (b) and inserting in lieu thereof "transactions"; and

(2) by striking out everything after the first sentence in paragraph (4) of subsection (c).

Sec. 214. Sections 11A(e) and 12(m) of the Securities Exchange Act of 1934 (15 U.S.C. 78k-1(e) and 78*l*(m)) are repealed.

Sec. 215. Section 13(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(c)) is amended by striking out "thereof of" and inserting in lieu thereof "thereof".

Sec. 216. Section 13(h) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(h)) is repealed.

Sec. 217. Section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78*o*(b)) is amended—

(1) by striking out "fiduciary, or any" in clause (ii) of subparagraph (B) of paragraph (4) and inserting in lieu thereof "fiduciary, transfer agent, or";

(2) by striking out subparagraph (C) of paragraph (4) and inserting in lieu thereof the following:

"(C) is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an investment adviser, underwriter, broker, dealer, municipal securities dealer, government securities broker, government securities dealer, transfer agent, or entity or person required to be registered under the Commodity Exchange Act, or as an affiliated person or employee of any investment company, bank, insurance company, or entity or person required to be registered under the Commodity Exchange Act, or from engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase or sale of any security.";

(3) by striking out "or seeking to become associated," in the first sentence of paragraph (6) and inserting in lieu thereof "seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated"; and

(4) by striking out "17A(b)(4)(B)" in paragraph (10) and inserting in lieu thereof "17A(b)(4)(A)".

Sec. 218. Section 15B(b)(2)(C) of the Securities Exchange Act of 1934 (15 U.S.C. 78*o*-4(b)(2)(C)) is amended—

(1) by striking out "security" and inserting in lieu thereof "securities";

(2) by striking out "or the securities"; and

(3) by striking out "burden or competition" and inserting in lieu thereof "burden on competition".

Sec. 219. Section 15B(c)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78*o*-4(c)(4)) is amended by striking out the first sentence and inserting in lieu thereof the following: "The Commission, by order, shall censure or place limitations on the activities or functions of any person associated, seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated with a municipal securities dealer, or suspend for a period not exceeding twelve months or bar any such person from being associated with a municipal securities dealer, if the Commission finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or bar is in the public interest and that such person has committed any act or omission enumerated in subparagraph (A), (D), or (E) of paragraph (4) of section 15(b) of this title, has been convicted by any offense specified in subparagraph (B) of such paragraph (4) within 10 years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in subparagraph (C) of such paragraph (4).".

Sec. 220. Section 15B(c)(6)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78*o*-4(c)(6)(A)) is amended by striking out "board" and inserting in lieu thereof "Board".

Sec. 221. Section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q) is amended—

(1) by striking out subsection (c)(2) and inserting in lieu thereof the following:

"(2) The appropriate regulatory agency for a clearing agency, transfer agent, or municipal securities dealer for which the Commission is not the appropriate regulatory agency shall file with the Commission notice of the commencement of any proceeding and a copy of any order entered by such appropriate regulatory agency against any clearing agency, transfer agent, municipal securities dealer, or person associated with a transfer agent or municipal securities dealer, and the Commission shall file with such appropriate regulatory agency, if any, notice of the commencement of any proceeding and a copy of any order entered by the Commission against the clearing agency, transfer agent, or municipal securities dealer, or against any person associated with a transfer agent or municipal securities dealer for which the agency is the appropriate regulatory agency.";

(2) by adding at the end of subsection (f)(2) the following: "Notwithstanding any other provision of law, in providing identification and processing functions, the Attorney General shall provide the Commission and self-regulatory organizations designated by the Commission with access to all criminal history record information."; and

(3) by striking out "paragraphs (1) and (2)" in subsection (f)(3)(A) and inserting in lieu thereof "paragraph (1)".

SEC. 222. Section 17A of the Securities Exchange Act of 1934 (15 U.S.C. 78q-1) is amended—

(1) by inserting after "concerning such transfer agent" in subsection (c)(2) "and any persons associated with the transfer agent";

(2) by striking out "thirty" in subsection (c)(2) and inserting in lieu thereof "45";

(3) by redesignating subparagraphs (B) and (C) of subsection (c)(3) as subparagraphs (A) and (B), respectively, of new subsection (c)(4);

(4) by striking out subsection (c)(3)(A) and inserting in lieu thereof:

"(3) The appropriate regulatory agency for a transfer agent, by order, shall deny registration to, censure, place limitations on the activities, functions, or operations of, suspend for a period not exceeding 12 months, or revoke the registration of such transfer agent, if such appropriate regulatory agency finds, on the record after notice and opportunity for hearing, that such denial, censure, placing of limitations, suspension, or revocation is in the public interest and that such transfer agent, whether prior or subsequent to becoming such, or any person associated with such transfer agent, whether prior or subsequent to becoming so associated—

"(A) has committed or omitted any act enumerated in subparagraph (A), (D), or (E) of paragraph (4) of section 15(b) of this title, has been convicted of any offense specified in subparagraph (B) of such paragraph (4) within ten years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in subparagraph (C) of such paragraph (4); or

"(B) is subject to an order entered pursuant to subparagraph (C) of paragraph (4) of this subsection barring or suspending the right of such person to be associated with a transfer agent.";

(5) by inserting after subsection (c)(4)(B) (as redesignated) the following new subparagraph:

"(C) The appropriate regulatory agency for a transfer agent, by order, shall censure or place limitations on the activities or functions of any person associated, seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated with the transfer agent, or suspend for a period not exceeding twelve months or bar any such person from being associated with the transfer agent, if the appropriate regulatory agency finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or bar is in the public interest and that such person has committed or omitted any act enumerated in subparagraph (A), (D), or (E) or paragraph (4) of section 15(b) of this title, has been convicted of any offense specified in subparagraph (B) of such paragraph (4) within ten years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in subparagraph (C) of such paragraph (4). It shall be unlawful for any person as to whom such an order suspending or barring him from being associated with a transfer agent is in effect willfully to become, or to be associated with a transfer agent without the consent of the appropriate regulatory agency that entered the order and the appropriate regulatory agency for that transfer agent. It shall be unlawful for any transfer agent to permit such a person to become, or remain, a person associated with it without the consent of such appropriate regulatory agencies, if the transfer agent knew, or in the exercise of reasonable care should have known, of such order. The Commission may establish, by rule, procedures by which a transfer agent reasonably can determine whether a person associated or seeking to become associated with it is subject to any such order, and may require, by rule, that any transfer agent comply with such procedures.";

(6) by striking out "clearing agency or transfer agent" in subsection (d)(3)(B) and inserting in lieu thereof "clearing agency, transfer agent, or person associated with a transfer agent"; and

(7) by striking out "or transfer agent" in subsection (d)(4), and inserting in lieu thereof ", transfer agent, or person associated with a transfer agent,".

SEC. 223. Section 21 of the Securities Exchange Act of 1934 (15 U.S.C. 78u) is amended—

(1) by striking out "Wherever" in subsection (d) and inserting in lieu thereof "Whenever";

(2) by striking out ", the United States District Court for the District of Columbia," in subsection (e); and

(3) by striking out the second sentence of subsection (g).

SEC. 224. Section 23(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78w(a)) is amended—

(1) by inserting "or" before "any self-regulatory organization" in the last sentence of paragraph (1); and

(2) by inserting "shall" after "section 19(b) of this title," in paragraph (3).

SEC. 225. Section 23(b)(4)(F) of the Securities Exchange Act of 1934 (15 U.S.C. 78w(b)(4)(F)) is amended by striking out "The" and inserting in lieu thereof "the".

SEC. 226. Section 27 of the Securities Exchange Act of 1934 (15 U.S.C. 78aa) is amended—

(1) by striking out ", the United States District Court for the District of Columbia,"; and

(2) by striking out "sections 128 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 225 and 347)" and inserting in lieu thereof "sections 1254, 1291, 1292, and 1294 of title 28, United States Code".

SEC. 227. Section 28(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78bb(c)) is amended by striking out "self-regulatory organization or a member thereof" and inserting in lieu thereof "self-regulatory organization on a member thereof".

SEC. 228. Section 28(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78bb(d)) is amended by striking out "change is beneficial" and inserting in lieu thereof "change in beneficial".

SEC. 229. Section 28(e)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78bb(e)(1)) is amended by striking out "Amendments in 1975" and inserting in lieu thereof "Amendments of 1975".

SEC. 230. Section 211 of the Securities Exchange Act of 1934 (15 U.S.C. 78jj) is hereby repealed.

TITLE III—AMENDMENTS OF PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

SEC. 301. Section 8 of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79h) is amended by striking out "otherwise, —" and inserting in lieu thereof "otherwise —".

SEC. 302. Section 18 of the Public Utility Holding Company Act of 1935 (15 U.S.C. 78r) is amended—

(1) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively; and

(2) in subsections (e) and (f) (as so redesignated), by striking out ", the district court of the United States for the District of Columbia,".

SEC. 303. Section 24 of the Public Utility Holding Company Act of 1935 (15 U.S.C. 78x) is amended by striking out "sections 239 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 346 and 347)" and inserting in lieu thereof "section 1254 of title 28, United States Code".

SEC. 304. Section 25 of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79y) is amended—

(1) by striking out ", the district court of the United States for the District of Columbia,"; and

(2) by striking out "sections 128 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 225 and 347), and section 7, as amended, of the Act entitled 'An Act to establish a court of appeals for the District of Columbia', approved February 9, 1893 (D.C. Code, title 18, sec. 26)" and inserting in lieu thereof "sections 1254, 1291, 1292, and 1294 of title 28, United States Code".

SEC. 305. Section 30 of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79z-4) is amended by striking out the last sentence thereof.

TITLE IV—AMENDMENT OF TRUST INDENTURE ACT OF 1939

SEC. 401. Section 303(4) of the Trust Indenture Act of 1939 (15 U.S.C. 77ccc(4)) is amended by striking out "undertaking" and inserting in lieu thereof "undertaking".

SEC. 402. Section 303(12) of the Trust Indenture Act of 1939 (15 U.S.C. 77ccc(12)) is amended by inserting "(including a guarantor)" after "person" each place it appears.

TITLE V—AMENDMENTS OF INVESTMENT COMPANY ACT OF 1940

SEC. 501. Section 2(a)(19) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(19)) is amended by inserting "completed" before "fiscal years" each place it appears.

SEC. 502. Section 2(a)(39) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(39)) is amended by striking out "the Canal Zone,".

SEC. 503. Section 2(a)(48)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(48)(B)) is amended by striking out "sections 55(a)(1) through (3)"and inserting in lieu thereof "paragraphs (1) through (3) of section 55(a)".

SEC. 504. Section 3(c)(3) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(3)) is amended—

(1) by inserting "or" after "therefor;"; and

(2) by inserting a period after "guardian" and striking out all that follows through "principal to another or others.".

SEC. 505. Section 3(c)(7) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(7)) is amended to read as follows:

"(7) Reserved.".

SEC. 506. Section 3(c)(11) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(11)) is amended—

(1) by striking out "Code of 1954" each place it appears and inserting in lieu thereof "Code of 1986";

(2) by striking out "or which holds only assets of governmental plans" and inserting in lieu thereof "; or any governmental plan"; and

(3) by striking out "trusts;" and inserting in lieu thereof "trusts or governmental plans, or both;".

SEC. 507. Section 5(a)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a-5(a)(2)) is amended by striking out "Close-end" and inserting in lieu thereof "Closed-end".

SEC. 508. Section 6(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-6(a)) is amended—

(1) by striking out "the Canal Zone," in paragraph (1); and

(2) by striking out paragraph (2) and redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

SEC. 509. Section 9 of the Investment Company Act of 1940 (15 U.S.C. 80a-9) is amended by striking out paragraphs (1) and (2) in subsection (a) and inserting in lieu thereof the following:

"(1) any person who within 10 years has been convicted of any felony or misdemeanor involving the purchase or sale of any security or arising out of such person's conduct as an underwriter, broker, dealer, investment adviser, municipal securities dealer, government securities broker, government securities dealer, transfer agent, or entity or person required to be registered under the Commodity Exchange Act, or as an affiliated person, salesman, or employee of any investment company, bank, insurance company, or entity or person required to be registered under the Commodity Exchange Act;

"(2) any person who, by reason of any misconduct, is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an underwriter, broker, dealer, investment adviser, municipal securities dealer, government securities broker, government securities dealer, transfer agent, or entity or person required to be registered under the Commodity Exchange Act, or as an affiliated person, salesman, or employee of any investment company, bank, insurance company, or entity or person required to be registered under the Commodity Exchange Act, or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security; or".

SEC. 510. Section 12 of the Investment Company Act of 1940 (15 U.S.C. 80a-12) is amended—

(1) by striking out "Treasury" in subsection (d)(1)(A)(iii) and inserting in lieu thereof "treasury";

(2) by striking out "it reasonably possible" in subsection (d)(1)(G) and inserting in lieu thereof "is reasonably possible"; and

(3) by striking out "only thereof" in subsection (f) and inserting in lieu thereof "thereof only".

SEC. 511. Section 15 of the Investment Company Act of 1940 (15 U.S.C. 80a-15) is amended—

(1) by striking out "(40)" in subsection (d) and inserting in lieu thereof "(42)"; and

(2) by striking out the period at the end of subsection (B) of paragraph (3) of subsection (f) and inserting in lieu thereof a comma.

SEC. 512. Section 17 of the Investment Company Act of 1940 (15 U.S.C. 80a-17) is amended by striking out the second sentence of each of subsections (h) and (i).

SEC. 513. Section 18(e) of the Investment Company Act of 1940 (15 U.S.C. 80a-18(e)) is amended by striking out paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

SEC. 514. Section 20 of the Investment Company Act of 1940 (15 U.S.C. 80a-20) is amended—

(1) by striking out the second sentence of subsection (b);

(2) by striking out the first sentence of subsection (d); and

(3) by striking out "at any time after the effective date of this title" in subsection (d).

SEC. 515. Section 21(b) of the Investment Company Act of 1940 (15 U.S.C. 80a-21(b)) is amended by striking out "to the extension or renewal of any such loan made prior to March 15, 1940, or".

SEC. 516. Section 22 of the Investment Company Act of 1940 (15 U.S.C. 80a-22) is amended—

(1) by striking out "subsection (b)(8)" in paragraph (1) of subsection (b) and inserting in lieu thereof "subsection (b)(6)";

(2) by striking out paragraph (2) of subsection (b) and redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively;

(3) by striking out "section 15A(k)(2)" in subsection (b)(2) (as so redesignated) and inserting in lieu thereof "section 19(c)";

(4) by inserting in the first sentence of subsection (e) a comma after the word "redemption" where it first appears and where it appears for the third time; and

(5) by striking out the last sentence of subsection (e).

SEC. 517. Section 24(d) of the Investment Company Act of 1940 (15 U.S.C. 80a-24(d)) is amended by inserting a period immediately after "issuer" in the second sentence thereof and by striking out all that follows in such sentence.

SEC. 518. Section 26(b) of the Investment Company Act of 1940 (15 U.S.C. 80a-26(b)) is amended by striking out "intend" and inserting in lieu thereof "intended".

SEC. 519. Section 26(c) of the Investment Company Act of 1940 (15 U.S.C. 80a-26(c)) is amended by striking out "contract of agreement" and inserting in lieu thereof "contract or agreement".

SEC. 520. Section 28(a)(2)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a-28(a)(2)(B)) is amended by striking out "subsection" and inserting in lieu thereof "paragraph".

SEC. 521. Section 28(d)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a-28(d)(2)) is amended by inserting "of" immediately before "subsection (a)".

SEC. 522. Section 36 of the Investment Company Act of 1940 (15 U.S.C. 80a-35) is amended—

(1) by striking out "loans" in paragraph (4) of subsection (b) and inserting in lieu thereof "loads";

(2) by redesignating subsection (d) as subsection (c); and

(3) in subsection (c) (as so redesignated), by striking out "through (c)" and inserting in lieu thereof "and (b)".

SEC. 523. Section 42 of the Investment Company Act of 1940 (15 U.S.C. 80a-41) is amended by redesignating subsection (e) as subsection (d).

SEC. 524. Section 53 of the Investment Company Act of 1940 (15 U.S.C. 80a-52) is amended by inserting a period in the first sentence thereof immediately after "1941" and by striking out everything that follows in such sentence.

SEC. 525. Section 54(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-53(a)) is amended by striking out "defined in sections" and inserting in lieu thereof "defined in section".

SEC. 526. Section 55(a)(1)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a-54(a)(1)(B)) is amended by striking out "described in sections" and inserting in lieu thereof "described in section".

SEC. 527. Section 57(i) of the Investment Company Act of 1940 (15 U.S.C. 80a-56(i)) is amended by striking out "sections 17 (a) and (d)" each place it appears and inserting in lieu thereof "subsections (a) and (d) of section 17".

TITLE VI—AMENDMENTS OF INVESTMENT ADVISERS ACT OF 1940

SEC. 601. Section 202(a)(19) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(19)) is amended by striking out "the Canal Zone,".

SEC. 602. Section 203 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3) is amended—

(1) by inserting "transfer agent," after "fiduciary," in subsection (e)(2)(B);

(2) by inserting "transfer agent," after "government securities dealer," in subsection (e)(3);

(3) by striking out "or seeking to become associated" in the first sentence of subsection (f) and inserting in lieu thereof ", seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated"; and

(4) by striking out "subsection (d)" in subsection (g) and inserting in lieu thereof "subsection (c) or subsection (e)".

SEC. 603. Section 205 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-5) is amended to read as follows:

"INVESTMENT ADVISORY CONTRACTS

"SEC. 205. (a) No investment adviser, unless exempt from registration pursuant to section 203(b), shall make use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, to enter into, extend, or renew any investment advisory contract, or in any way to perform any investment advisory contract entered into, extended, or renewed on or after the effective date of this title, if such contract—

"(1) provides for compensation to the investment adviser on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client;

"(2) fails to provide, in substance, that no assignment of such contract shall be made by the investment adviser without the consent of the other party to the contract; or

"(3) fails to provide, in substance, that the investment adviser, if a partnership, will notify the other party to the contract of any change in the membership of such partnership within a reasonable time after such change.

"(b) Paragraph (1) of subsection (a) shall not—

"(1) be construed to prohibit an investment advisory contract which provides for compensation based upon the total value of a fund averaged over a definite period, or as of definite dates, or taken as of a definite date;

"(2) apply to an investment advisory contract with—

"(A) an investment company registered under title I of this Act, or

"(B) any other person (except a trust, governmental plan, collective trust fund, or separate account referred to in section 3(c)(11) of title I of this Act), provided that the contract relates to the investment of assets in excess of $1 million,

if the contract provides for compensation based on the asset value of the company or fund under management averaged over a specified period and increasing and decreasing proportionately with the investment performance of the company or fund over a specified period in relation to the investment record of an appropriate index of securities prices or such other measure of investment performance as the Commission by rule, regulation, or order may specify; or

"(3) apply with respect to any investment advisory contract between an investment adviser and a business development company, as defined in this title, if (A) the compensation provided for in such contract does not exceed 20 per centum of the realized capital gains upon the funds of the business development company over a specified period or as of definite dates, computed net of all realized capital losses and unrealized capital depreciation, and the condition of section 61(a)(3)(B)(iii) of title I of this Act is satisfied, and (B) the business development company does not have outstanding any option, warrant, or right issued pursuant to section 61(a)(3)(B) of title I of this Act and does not have a profit-sharing plan described in section 57(n) of title I of this Act.

"(c) For purposes of paragraph (2) of subsection (b), the point from which increases and decreases in compensation are measured shall be the fee which is paid or earned when the investment performance of such company or fund is equivalent to that of the index or other measure of performance, and an index of securities prices shall be deemed appropriate unless the Commission by order shall determine otherwise.

"(d) As used in paragraphs (2) and (3) of subsection (a), 'investment advisory contract' means any contract or agreement whereby a person agrees to act as investment adviser to or to manage any investment or trading account of another person other than an investment company registered under title I of this Act.".

SEC. 604. Section 209 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-9) is amended by redesignating subsection (e) as subsection (d).

SEC. 605. Section 211(b) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-11(b)) is amended by striking out "the Federal Register Act" and inserting in lieu thereof "chapter 15 of title 44, United States Code,".

SEC. 606. Section 213(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-13(a)) is amended by striking out "sections 239 and 240 of the Judicial Code, as amended" and inserting in lieu thereof "section 1254 of title 28, United States Code".

SEC. 607. Section 214 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-14) is amended by striking out "sections 128 and 240 of the Judicial Code, as amended, and section 7, as amended, of the Act entitled, 'An Act to establish a court of appeals for the District of Columbia', approved February 9, 1893", and inserting in lieu thereof "sections 1254, 1291, 1292, and 1294 of title 28, United States Code".

TITLE VII—AUTHORIZATION

SEC. 701. Section 35 of the Securities Exchange Act of 1934 (15 U.S.C. 78kk) is amended—

(1) in the first sentence, by striking out "and" immediately after "1982,";

(2) by inserting immediately before the period at the end of the first sentence the following: ", $158,600,000 for the fiscal year ending September 30, 1988, and $172,200,000 for the fiscal year ending September 30, 1989"; and

(3) in the last sentence, by striking out "fiscal year 1983" and inserting in lieu thereof "fiscal year 1989".

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ARMSTRONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MODIFICATION OF COVENANT WITH THE NORTHERN MARIANA ISLANDS

The ACTING PRESIDENT pro tempore. The clerk will report the next item.

The legislative clerk read as follows:

A bill (S. 1047) to modify section 301 of the Covenant To Establish A Commonwealth Of The Northern Mariana Islands In Political Union With The United States Of America, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and insert in lieu thereof, the following:

That the Joint Resolution of March 24, 1976 (Public Law 94-241, 90 Stat. 263) "To approve the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America" be further amended by adding (effective November 3, 1986) the following new section at the end thereof:

"SEC. 6. (a) The phrase 'citizen of the Trust Territory' in section 301 of the above referenced Covenant includes a person born in the Trust Territory who has or had one parent born in the Trust Territory.

"(b) The phrase 'who on that date do not owe allegiance to any foreign state' in section 301 of the Covenant means that such persons have affirmed under oath that they do not consider themselves to have owed allegiance to any foreign state on November 3, 1986. In the case of children under 13 years of age, the affirmation under oath may be given by a parent, guardian, or person in loco parentis.

"(c) The reference to 'all persons' is said section 301 of the Covenant shall be construed to refer to any person and his or her child or children.".

AMENDMENT NO. 491

(Purpose: To amend Committee Amendment to S. 1047)

Mr. BYRD. Mr. President, I send to the desk an amendment on behalf of Mr. JOHNSTON.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. BYRD), for Mr. JOHNSTON, proposes an amendment numbered 491.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

In the Committee amendment to S. 1047 delete the phrase:

"In the case of children under 13 years of age, the affirmation under oath may be given by a parent, guardian, or person in loco parentis."

Mr. JOHNSTON. Mr. President, in 1976 Congress passed legislation approving the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (Public Law 94-241). Section 301 of the covenant defines those persons who, upon the effective date of the covenant, become citizens of the United States. However, following the effective date, November 3, 1986, many persons who assumed that they would become citizens pursuant to section 301 learned that they were ineligible for such citizenship. The reason for this is that the administration interpreted several phrases in section 301 differently than they are interpreted by persons in the Commonwealth of the Northern Mariana Islands [CNMI].

S. 1047 as amended by the committee, and with one change I am about to propose, resolves this problem by clarifying the interpretation of section 301. I would like to acknowledge the efforts of officials from both the U.S. and the Commonwealth governments in developing this consensus legislation and I would particularly like to acknowledge the effort of Mr. RON DE LUGO, Chairman of the House Subcommittee on Territorial and International Affairs, for his leadership in resolving this issue. This legislation will permit those persons who anticipated becoming U.S. citizens to do so, and it will do so in time to allow them to exercise their right to vote in this November's Commonwealth elections.

At this point I would like to offer an amendment making one final modification to the language of the committee amendment to which all parties have agreed. This amendment would strike one sentence from the committee amendment which had been added for administrative convenience.

At the time of the committee's markup of this legislation the administration and the Governor of the CNMI requested that a sentence be included reiterating the procedure required by current regulations (title 22 C.F.R. 51.27) regarding citizenship applications of persons under 13 years of age. Following the committee's reporting of the bill, however, objections were

raised by the Resident Representative that inclusion of this sentence would substantially change the nature of the bill. Putting aside the issue of whether-or-not the language makes a substantial change, and in the interest of getting the bill enacted quickly, it was agreed to delete the sentence. Following are the letters from the Governor and from the Resident Representative agreeing to this modification, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

OFFICE OF THE RESIDENT REPRESENTATIVE TO THE UNITED STATES, COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS,
Washington, DC, July 8, 1987.

Hon. J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: As I have notified your committee in my letter of June 25, 1987, I have severe reservations about both the legality and propriety of the language which was submitted by the Department of the Interior and incorporated in the text of S. 1047. The legislation which seeks to address certain problems regarding the interpretation of section 301 of the Covenant was adopted by the committee recently.

To assure that the final measure which will clear the Senate does not muddy the meaning of the Covenant language in section 301 and does not substantially change the nature of the proposed amendment, I respectfully request that you please move to delete the following sentence from Sec. 6(b) of S. 1047: "In the case of children under 13 years of age the affirmation under oath may be given by a parent, guardian or a person *in loco parentis.*"

While the intent of this subsection from the beginning was to clarify the treatment of those persons who will be covered by the amendment including children under 13 years of age, it cannot be overlooked that such language goes beyond the original intent of the Covenant and thus is inappropriate for inclusion of S. 1047. Deleting this language from the measure will obviate any serious challenges to the amendment in the Northern Mariana Islands.

Earlier in my letter of June 8, 1987, to the Honorable Ron de Lugo, I indicated my support for draft language as developed by the House Subcommittee on Insular and International Affairs with the Department of the Interior, this office and other officials from the Commonwealth. That language satisfied my concerns over the shortcomings of the two previous proposals and would have effectively addressed the problem before us.

In making this request, I do not believe that the deletion of this sentence will in any way adversely affect the measure since the language is purely advisory and is only duplicating administrative language governing the taking of oath, such as in the application of passports under Title 22, CFR 51.27.

Let me assure you in closing of my continued support for this measure and for your work on our behalf. We are in your debt for the assistance you and your staff have been to the Commonwealth over the years, and I do appreciate the time and energy you have put into this measure. Please feel free to call on me at any time if you have questions with regard to this letter.

Sincerely,

FROILAN C. TENORIO,
Resident Representative.

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS, OFFICE OF THE GOVERNOR,
Saipan, Mariana Islands, July 9, 1987.

Hon. J. BENNETT JOHNSTON,
Chairman, Subcommittee on Energy and Water Development, Senate Committee on Appropriations, Washington, DC.

DEAR SENATOR JOHNSTON: We want to thank you for your continuing patience with us in your effort to resolve the citizenship issue for our people.

We appreciate your Committee's prompt action in deciding to report favorably on S. 1047 to confirm that citizens of the Trust Territory of the Pacific Islands in Section 301 of the Covenant includes a person born in the Trust Territory who has or had one parent born in the Trust Territory of the Pacific Islands.

We understand that the Commonwealth of the Northern Mariana Islands's (CNMI) Representative to the United States has objected to the inclusion of the second sentence in Subsection (B) of Section 6 of the bill. That sentence reads, "in the case of children under 13 years of age the affirmation under oath may be given by a parent, guardian or a person in loco parentic."

As I indicated to you in my June 25, 1987 letter on this subject, I suggest that any objections that may be raised with regard to the language cited above can be dealt with, if necessary, on the Senate floor.

We consider the resolution of this issue on citizenship for our people as extremely important and critical and I, naturally, would not want to be involved in a debate which would delay passage of this much needed legislation. Regretfully, we think that the Resident Representative is greatly exaggerating the significance of the sentence. In our opinion, the language in question merely specifies how CNMI parents may secure U.S. passports for their children. For your information, Mr. Chairman, the Resident Representative seldom agrees with my office on issues. Nonetheless, in order to ensure timely action on the bill by Congress, we will not oppose deletion of the last sentence of Subsection (K) of Section 6 of the bill.

Once again, we appreciate your efforts and those of the Committee to achieve speedy enactment of this important bill.

Sincerely,

PEDRO P. TENORIO,
Governor.

Mr. JOHNSTON. I would like to emphasize that the deletion of this sentence would have no effect whatsoever on the procedure under which children under 13 would obtain citizenship. All the language would have done was include in the statute the current regulation. There is no need to do so and its elimination would not affect the regulation and its applicability in any manner.

Mr. President, this amendment to the committee amendment resolves the final outstanding issue regarding section 301 and I urge its adoption, adoption of the committee amendment as amended, and final passage of S. 1047, as amended.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (No. 491) was agreed to.

The ACTING PRESIDENT pro tempore. Are there further amendments? If not, the question is on agreeing to the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The ACTING PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

So the bill (S. 1047), as amended, was passed, as follows:

S. 1047

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Joint Resolution of March 24, 1976 (Public Law 94-241, 90 Stat. 263) "To approve the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America" be further amended by adding (effective November 3, 1986) the following new section at the end thereof:

"SEC. 6. (a) The phrase 'citizen of the Trust Territory' in section 301 of the above referenced Covenant includes a person born in the Trust Territory who has or had one parent born in the Trust Territory.

"(b) The phrase 'who on that date do not owe allegiance to any foreign state' in section 301 of the Covenant means that such persons have affirmed under oath that they do not consider themselves to have owed allegiance to any foreign state on November 3, 1986.

"(c) The reference to 'all persons' in said section 301 of the Covenant shall be construed to refer to any person and his or her child or children.".

The title was amended so as to read: "A bill to amend Public Law 94-241, the Joint Resolution approving the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, and for other purposes.".

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. ARMSTRONG. Mr. President, I move to lay that motion on the table.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consider-

ation of Calendar Order 232, H.R. 2782, the NASA authorization bill.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2782) to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the bill.

Mr. BYRD. Mr. President, I move that all after the enacting clause be stricken and that the text of Calendar No. 205, S. 1164, the Senate-reported NASA authorization bill, be substituted in lieu thereof.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion.

The motion was agreed to.

Mr. RIEGLE. Mr. President, I am pleased to lay the fiscal year 1988 NASA authorization, S. 1164, before the Senate for its consideration. The bill we have before us today will partially meet the true needs of NASA, but this is apparently all that is possible in light of the terrible budgetary constraints that we all must operate under.

Mr. President, the President submitted a fiscal year 1988 budget request for $9.481 billion to fund NASA's programs. These programs include the ongoing repair of the space shuttle, the start of the Space Station Program, and the multitude of activities in space science, aeronautics, and research and development that NASA performs.

The bill before the Senate today would authorize $9.621 billion, and is a more accurate reflection of NASA's needs, but it still falls short of what is needed for a sound, well-balanced Civilian Space Program. According to the Congressional Budget Office, NASA will require an increase of $14.2 billion above the CBO baseline over the next 5 years to implement the pre-*Challenger* Accident Program. This assumes no new proposals are initiated.

Despite these budget constraints, we look to NASA to maintain this Nation's leadership in space, to promote new technologies and space applications, to establish a permanent manned U.S. presence in space, to stimulate commercial space development and to carry out a wider range of initiatives. This ambitious set of goals cannot be met within existing budget constraints—and we face this hard fact.

The most vivid example of this is in the Aeronautics Program, which supports the development of commercial and military aircraft. It is this program which is responsible in large part for the U.S. lead in aircraft sales around the world and which produced an $11 billion addition to the trade balance.

The average age of the wind tunnels in the NASA aeronautics inventory is 33 years, and some wind tunnels are in use that predate World War II. The instrumentation used to validate aircraft designs is also in need of upgrading. Some aircraft manufacturers have indicated that to validate new designs, they may have to use foreign facilities. Can we imagine using Indonesian test facilities to design our new aircraft, both civil and military?

This authorization bill squarely addresses this problem. We provide $41 million for the rehabilitation and modernization of the 12-foot wind tunnel at the Ames Research Center. This is a long-overdue first step and won't be completed for several years, but we simply have no choice. If the United States is to compete with Japan, Brazil, Indonesia, and Europe and aircraft sales, our facilities must be upgraded and our computational capabilities enhanced.

In the Shuttle Program, additional funds will be necessary to complete the anomaly resolution activities and implement changes the Rogers Commission said had to be done. While the precise figures are not presently known, they are estimated to be in the range of an additional $300 to $400 million in fiscal year 1988 above the President's request. To accommodate these requirements, the committee has provided "such sums as may be necessary" with the expectation that an exact amount would be inserted during the conference. However, the fact that $300 million was included in the fiscal year 1987 supplemental, an action I strongly supported, may negate the need for any additional fiscal year 1988 funding.

Also, in the shuttle area, we have deferred funding for structural spares for a fifth orbiter due to the intense budget pressure we are under. Until this committee is better apprised of NASA's launch requirements and how ELV's and HLLV's will support these requirements, we have reserved judgment. When the picture is clearer, we may be able to proceed with the Structural Spares Program, a decision I would personally support.

The Space Science Program, long one of the most dramatic, the most successful and most productive elements of the Space Program, is also suffering from the effects of successive budget reductions and delays. Thirty-three priority science missions were taken off the space shuttle as a result of the *Challenger* accident, and are now waiting in line to be launched on expendable launch vehicles. The only problem is NASA has no expendable launch vehicles. The President's fiscal year 1988 budget request did not propose the purchase of ELV's for NASA, either through arrangements with the Department of Defense or through launch service contracts with commercial firms. That shows a lack of clear policy, is demoralizing to the science community and brings into question our long-term commitment to scientific exploration of space. Moreover, it is not fiscally prudent since it is costing us between $200 and $300 million a year just to store the payloads.

S. 1164 gives NASA the legal authority to procure expendable launch vehicles services and provides $100 million as a down payment to purchase expendable launch vehicles, two Delta-class vehicles, and two Titan IV-class vehicles. All four would be dedicated to NASA missions, such as the Mars Observer, the tracking data relay satellite, Rosat, Euve, Wind, and Polar, or a comet rendezvous mission. However, the committee sees the aquisition of these four vehicles as an exception to the rule and expects NASA to procure launch services in the future.

We are also providing a $4.7 million increase for a little known, but very productive Science Program in the suborbital area that provides balloons and sounding rockets for space science missions. This is a program which permits scientists and graduate students to gather useful data about the upper atmosphere of the Earth without having to fight for space on the shuttle. We also have increased support of the Explorer Program—low-cost, high-return space science—by $20 million to permit evaluation of the pending proposals and to initiate additional missions.

In the space applications area, the bill restores $108 million in funding for the Advanced Communications Technology Satellite Program. This is the next generation in communications technology, a quantum leap from today's systems, and one which promises to maintain our leadership in communications technologies. The Germans and the Japanese are very close behind us in the development of this technology and this program must stay on schedule if the United States is to maintain its leadership position.

With respect to Space Station Program, the bill provides $767 million. However, I want all of the Members to know the status of the program. There has been no final decision from the administration as to the cost, schedule, or configuration of the Space Station Program. The plans are not final and subject to change until the final OMB review and recommendation will be completed, presumably late this year, after submission of the National Research Council's Space Station Panel report.

The administration has now revised the design, principally for budgetary reasons. They are now proposing to build the space station in two phases, although the economics of full up program are less costly over time. At present, the administration's commitment is to fund the program for the next 3 years at the rate of spending of the original $8 billion program, despite the fact current estimates are in the range of $14.5 billion.

There also remain vital unresolved issues regarding the military uses of the station, the nature of our international partnership, and the basic design of the station. These issues must be resolved before the space station can really move forward.

If we are to have a vital Civil Space Program, maintain our technological leadership in space, protect our economic and national security interests, we need a space station. Therefore, $767 million, the administration's request, is provided despite the problems I have just noted.

There are four other items that I want to mention that are included in this authorization bill. First, we are authorizing $4.5 million for the Office of Commercial Space Transportation at the Department of Transportation. This Office provides the regulatory framework for the commercial ELV industry and licenses commercial launches.

Second, we have included the proposal to establish a National Space Grant College and Fellowship Program. This is something that has been proposed by Senator Bentsen, and cosponsored by many in the Senate. It will assist NASA in attracting top quality scientific talent to the space program. The committee has authorized $10 million in fiscal year 1988 to support this program that will increase substantially graduate fellowships under NASA and space research. Senator Bentsen is to be congratulated for this initiative and his perseverance.

Third, we are including a technical amendment to the Land Remote-Sensing Commercialization Act. This amendment was passed by the Senate last year in the NASA authorization. It will assist the dissemination of experimental remote-sensing data to the university and research community.

Fourth, the bill will make it possible for private donations to be given to NASA to construct a new space shuttle. It is my understanding that such conditional gifts are not permitted and that over $19,000 has been donated for this purpose, mostly from school children in the form of "nickles for NASA." This bill will make it possible to use that money for the new orbiter.

Finally, we are including a section to reestablish the National Aeronautics and Space Council. This Council served as the space policymaking body for the Government during the Apollo years. It was abolished in 1973, and since that time, we have not had an effective space policymaking apparatus in the Government.

It has become painfully clear that there is no one in charge of space policy within the administration. DOD, the Department of Transportation, the Department of Commerce, the Economic Policy Council, OSTP, OMB, NSC, the Senior Inter-Agency Group on Space, the Inter-Agency Group on Space, and perhaps others are involved in various ways in the U.S. Space Program. But, no one seems to be in charge of formulating U.S. space policy. There also is a serious problem in properly coordinating military and civil programs and requirements as evidenced by the recent space station conflicts and the advance launch systems debate.

The Space Council is a critical step toward rationalizing our space policy, putting things in order and on track. U.S. space policy must receive tightly controlled attention at the highest policy level; this Council will provide that focus.

Mr. President at this point, and without objection, I would like to request that a table be inserted in the Record that summarizes the recommendations of the Senate Commerce Committee for the fiscal year 1988 NASA authorization bill.

I also would request that a summary of the major provisions of the bill and a copy of a revised Congressional Budget Office cost estimate of S. 1164 be inserted in the Record. Based on the revised CBO cost estimate, I am pleased to report the outlay impact of S. 1164 has been reduced by $350 million over the period fiscal year 1988 to fiscal year 1990.

There being no objection, the material was ordered to be printed in the Record, as follows:

NASA AUTHORIZATION SUMMARY

[In millions of dollars]

	Fiscal year 1987 operating plan	Fiscal year 1988 request	Proposed fiscal year 1988 Senate authorization
Research and development	($3120.7)	($3623.2)	($3721.0)
1. Space station	420.0	767.0	767.0
2. Space transportation capability development	491.1	568.6	592.6
Spacelab	(73.9)	(73.5)	
Upper stages	(156.1)	(159.7)	(181.7)
Engineering and tech. base	(133.4)	(139.8)	
Payload ops and sup. equip	(44.5)	(83.4)	(85.4)
Advanced programs	(27.6)	(24.9)	
Tethered satellite system	(10.6)	(7.3)	
Orbital maneuvering vehicle	(45.0)	(80.0)	
3. Space science	983.4	949.0	973.7
A. Physics and astronomy	(552.8)	(567.1)	(591.8)
Hubble Space Telescope dev	101.3	98.4	
Gamma Ray Observatory dev	50.5	49.1	
Shuttle/spacelab payload dev	90.1	95.4	
Explorer development	56.7	60.3	80.3
Mission operation and data analysis	125.7	128.1	
Research and analysis	53.4	60.1	
Suborbital program	75.1	75.7	80.4
B. Life sciences	(72.2)	(74.6)	(74.6)
C. Planetary exploration	(358.4)	(307.3)	(307.3)
Galileo development	71.2	55.3	
Magellan	97.3	59.6	
Ulysses	10.3	10.8	
Mars observer	35.8	29.3	
Mission ops and data analysis	75.8	77.0	
Research and analysis	68.0	75.3	
4. Space Applications	569.2	559.3	651.4
A. Solid Earth observations	(75.6)	(76.8)	(80.8)
Shuttle/spacelab payloads	21.6	21.1	
Geodynamics	32.1	33.1	
Research and analysis	21.9	22.6	26.6
B. Environmental observations	(320.9)	(393.8)	(393.8)
Applied research, data analysis and related activities	142.8	141.3	
Shuttle/spacelab payload development	12.0	19.4	
Scatterometer	32.9	22.7	
Upper atmos. res. satellite (UARS)	114.2	95.4	

NASA AUTHORIZATION SUMMARY—Continued

[In millions of dollars]

	Fiscal year 1987 operating plan	Fiscal year 1988 request	Proposed fiscal year 1988 Senate authorization
Ocean topography experiment (TOPEX)	19.0	90.0	
Global geospace science	0	25.0	
C. Materials processing in space	(47.9)	(45.9)	(50.0)
D. Communications	(103.5)	(20.5)	(104.5)
E. Informaiton systems	(21.3)	(22.3)	(22.3)
5. Commercial programs	40.9	54.0	49.0
Technology utilization	(15.7)	(18.3)	(18.3)
Commercial Use of space	(25.2)	(35.7)	(30.7)
6. Aeronautical research and technology	374.0	375.0	375.0
Research and technology base		(285.2)	
Systems technology programs		89.8	
Rotocraft systems technology		5.0	
High-perf. aircraft systems technology		14.6	
Advanced prop. systems technology		30.5	
Numerical aerodynamic simulation		39.7	
7. Transatmospheric research and technology	45.0	66.0	66.0
8. Space resarch and technology	168.0	250.0	212.0
9. Safety reliability and quality assurance	12.0	16.2	16.2
10. Tracking and data advanced systems	17.1	18.1	18.1
II. Space flight control and data communications	(5799.5)	(4064.3)	(4981.3)
.1. Space shuttle productions/operations capability	1005.1	1229.6	1150.6
Orbiter operational capability		(403.2)	(324.2)
Launch and mission support		(249.3)	
Propulsion systems		(552.1)	
Changes and systems upgrading		(25.0)	
2. Replacement orbiter	2100.0		
3. Space transportation operations	1847.0	1885.8	1885.8
Flight operations	(557.7)	(561.1)	
Flight hardware	(936.0)	(923.1)	
Launch and landing operations	(353.3)	(401.6)	
4. Space tracking and data acquisition	845.4	948.9	944.9
Space network		(481.5)	
Ground network		(257.1)	
Communications and data systems		(210.3)	
5. Expendable launch vehicle operations	2.0	0	100.0
III. Construction of facilities	(166.3)	(195.5)	(210.7)
IV. Research and program management	(1460.5)	(1598.0)	[1] (1608.0)
Total NASA	10547.0	9481.0	9621.0

[1] Includes $10 million authorized in title II for Space Grant College and Fellowship Program.

SUMMARY OF MAJOR PROVISIONS

For fiscal year 1988, the Committee would authorize $9,621,000,000 for NASA, and $4,550,000 for the Office of Commercial Space Transportation. Of this, $3,721,000,000 is authorized for research and development, $4,081,300,000 for Space Flight Control and Data Communications. In addition, $210,700,000 is authorized for Construction of Facilities, and $1,608,000,000 for Research and Program Management, including the $10 million authorized in title II of the National Space Grant College and Fellowship Program.

The Committee provides $767,000,000 to initiate Phase C/D activities with the intent that actual hardware development activities will begin in this fiscal year. This represents no change from the fiscal year 1988 budget request of the Administration.

The Space Transportation Capability Development budget of $592,600,000 represents a $24,000,000 increase over the fiscal year 1988 NASA budget request. This increase will provide for the development of the upper stage and payload operations necessary to accommodate the Advanced Communications Technology Satellite (ACTS), which is scheduled for launch in November 1990.

The Committee authorizes $973,700,000 for Space Science activities, which is $24,700,000 above the Administration's budget request. $20,000,000 of this increase will provide additional funds for the Explorer Development Program. The additional $4,700,000 of the increase will be directed at the suborbital programs to increase flight opportunities in this productive area. The Planetary Exploration and Life Science programs are funded at the level of the President's budget request for fiscal year 1988, $307,300,000 and $74,600,000 respectively.

The Committee authorizes $651,400,000 for Space Applications programs compared with the President's budget request of $559,300,000. The Committee increases funding for Materials Processing in Space by $4,100,000 to increase the development of flight hardware. The Committee augments the Solid Earth Observations budget to establish capabilities for receiving directly from foreign remote sensing satellites data collected over the United States. The Committee also provides $84,000,000 for the Advanced Communications Technology Satellite (ACTS) program, for which no funding was requested by the Administration. Other programs, such as the Upper Atmosphere Research Satellite (UARS), the Ocean Topography Experiment (TOPEX), and the Global Geospace Science program (the only new start included in the budget request) are authorized at the levels of the President's budget request.

The Committee has authorized $49,000,000 for NASA's commercial programs, a $5,000,000 reduction from the requested level.

In the Aeronautical Research and Technology programs, the Committee authorizes $375,000,000 which is identical to the Administration's request.

Transatmospheric Research and Technology is also authorized at the requested level of $66,000,000.

NASA requested $250,000,000 for Space Research and Technology in fiscal year 1988, including $134,100,000 for the Civil Space Technology Initiative (CSTI). The Committee authorizes $212,000,000 for these programs. The $38,000,000 reduction anticipates that in fiscal year 1988 the Department of Defense will fund duplicative propulsion technology activities to be undertaken by NASA as part of the Advanced System program. This reduction is without prejudice since the Committee strongly endorsed the CSTI initiative.

The Committee authorizes $16,200,000 for Safety, Reliability and Quality Assurance, and $18,100,000 for Tracking, and Data Advanced Systems. Both of these programs are funded at the requested funding level.

The total Research and Development budget for fiscal year 1988 is $3,721,000,000, compared with a budget request of $3,623,200,000, and a fiscal year 1987 operating plan of $3,120,700,000.

The Committee authorizes $4,081,300,000 for Space Flight Control and Data Communications for fiscal year 1988 compared to the President's budget request of $4,064,300,000. Of this amount $1,150,600,000 is for Space Shuttle Productions and Operations Capability, $1,885,800,000 for Space Transportation Operations, $944,900,000 is for Space Tracking and Data Acquisition, and $100,000,000 is for Expendable Launch Vehicle Operations.

The Administration requested $1,229,600,000 for fiscal year 1988 for Space Shuttle Production/Operations Capability. The Committee authorizes $1,150,600,000 for these activities. The Committee deleted funding for Space Shuttle structural spares, which totals $79,000,000, until such time as NASA's use of expendable launch vehicles is resolved and the Nation's space transportation requirements are thoroughly identified.

The Committee authorizes $1,885,800,000 for Space Transportation Operations, the President's request. However, the Space Tracking and Data Acquisition request is reduced by $4 million to $948,900,000. This is a general reduction to be made at the discretion of the Administrator of NASA.

In addition, the Committee authorizes $100,000,000 to initiate the procurement of Expendable Launch Vehicles despite the fact these funds were not requested.

In fiscal year 1988, the Committee authorizes $210,700,000 for Construction of Facilities, compared to the requested level of $195,500,000. The Committee, without prejudice, defers initiation of Space Station Construction of Facilities activities until 1989, resulting in a reduction of $25,800,000, and authorizes Phase I of the repair and rehabilitation of the Ames Research Center 12 foot pressure wind tunnel which results in an increase of $41,000,000. The deferral of space station facilities projects adjusts this schedule to the most recent Administration proposal.

The Research and Program Management account be increased $10,000,000 over the NASA request of $1,598,000,000. This increase would accommodate initiation of the Space Grant Fellowship program contained in Title II. The total authorization for Research and Program Management would be $1,608,000,000 in fiscal year 1988.

The total authorization for NASA in fiscal year 1988 is $9,621,000,000, compared with the President's budget request of $9,481,000,000 and the fiscal year 1987 operating plan of $10,547,000,000.

The Committee also has included $4,550,000 in S. 1164 for the activities of the Office of Commercial Space Transportation. This meets fully the request submitted by the Administration and compares with $1,245,000 in fiscal year 1987.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 1, 1987.

Hon. ERNEST F. HOLLINGS,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached revised cost estimate for S. 1164, the National Aeronautics and Space Administration Authorization Act of 1988.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

ROBERT F. HALE
(For Edward M. Gramlich, Acting Director.)

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

JULY 1, 1987.

1. Bill number: S. 1164.

2. Bill title: National Aeronautics and Space Administration Authorization Act of 1988.

3. Bill status: As amended and ordered reported by the Senate Committee on Commerce, Science, and Transportation on May 14, 1987.

4. Bill purpose: The bill authorizes the appropriation of an estimated $9,961 million in fiscal year 1988 for the ongoing activities of the National Aeronautics and Space Administration (NASA). In addition, the bill initiates the National Space Grant College and Fellowship program within NASA and authorizes the appropriation of $10 million in each of fiscal years 1988 and 1989 and $15 million in fiscal years 1990 and 1991 for the making of grants under that program.

The fiscal year 1988 authorization specified in the bill for NASA totals $9,621 million. The bill also authorizes the appropriation in fiscal year 1988 of such sums as may be necessary to return the shuttle fleet to flight status. Of the specified authorization, $3,721 million is for research and development, $4,081 million is for space flight, control, and data communication, $211 million is for construction of facilities, and $1,608 million is for research and program management.

In addition to the NASA authorizations, the bill authorizes the appropriation of about $4.6 million for the Office of Space Commercialization in the Department of Transportation. The bill also amends the Land Remote-Sensing Commercialization Act of 1984.

5. Estimated cost to the Federal Government: The following table shows funding amounts specifically authorized by S. 1164 and estimated outlays based upon these amounts.

[By fiscal years, in millions of dollars]

	1988	1989	1990	1991	1992
Specified authorization level:					
Function 250 civilian space	8,854.9	10.0	15.0	15.0	
Function 400 aeronautics	766.1				
Commercial space	4.6				
Total specified authorizations	9,625.6	10.0	15.0	15.0	
Estimated outlays	6,261.1	2,682.6	657.3	47.0	16.1

In addition, the bill authorizes the appropriation of such sums as may be necessary in fiscal year 1988 to return the shuttle system to operational flight status. Based upon preliminary information, the estimated authorization level and estimated outlays associated with this requirement would be as shown in the table below.

[By fiscal years, in millions of dollars]

	1988	1989	1990	1991	1992
Estimated authorization level	350.0				
Estimated outlays	246.8	81.9	21.3		

The table below shows the total authorization and outlay levels for S. 1164.

[By fiscal years, in millions of dollars]

	1988	1989	1990	1991	1992
Total authorization level (specified and estimated)	9,975.6	10.0	15.0	15.0	
Total estimated outlays	6,507.8	2,764.5	678.6	47.0	16.1

Including outlays from previous years' appropriations, total NASA outlays in fiscal year 1988 are estimated to be $9,749 million, assuming appropriation of the amounts authorized in this bill.

The costs of this bill fall within budget functions 250 and 400.

Basis of estimate: The authorization levels in the first table are the amounts specified in the bill. The outlay estimates for ongoing programs assume that all funds authorized are appropriated prior to the beginning of fiscal year 1988 and that spending will reflect historical patterns. The outlay estimates for new programs assume that spending will follow historical patterns of similar government programs.

The fiscal year 1988 authorization level required to return the shuttle system to flight status is a CBO estimate based upon preliminary information. Estimated outlays are assumed to follow historical spending patterns for shuttle system operations.

6. Estimated cost to State and local governments: None.

7. Estimate comparison: None.

8. Previous CBO estimate: This estimate supersedes the previous CBO estimate of May 21, 1987. The only change is in the estimated outlays, which are lower by about $250 million in fiscal year 1988 and $80 million in fiscal year 1989.

9. Estimate prepared by: Paul M. DiNardo.

10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

Mr. RIEGLE. Finally, Mr. President, I would be remiss if I did not compliment the chairman and ranking member of the full committee and the ranking member of the subcommittee, for their cooperation in formulating this year's NASA authorization bill. I think the end product is an important step in restoring the Nation's Civil Space Program and I look forward to the continued interest and participation of my colleagues.

Mr. HOLLINGS. Mr. President, I rise in support of the fiscal year 1988 NASA authorization bill, S. 1164, and ask my colleagues to join me in supporting this measure.

Mr. President, since the *Challenger* tragedy of last year, the Congress and NASA have initiated a variety of programs to restore the U.S. Civil Space Program to its former preeminence and to return safely the space shuttle to flight status. This has not been an easy process and it has required a lot of time and attention. I would like to compliment the chairman and ranking member of the Subcommittee on Science, Technology, and Space for their efforts in this area and for their undying commitment to the Civil Space Program. The end result of their efforts is a fiscal year 1988 NASA authorization bill that goes a long way in putting our Civil Space Program back on track.

Mr. President, the bill before the Congress today does several things. Most notably, it indicates that the United States is willing and committed to maintain its leadership in space. The bill does this by supporting the hardware/development phase of the Space Station Program, by initiating a new Expendable Launch Vehicle Program that will give NASA a mixed fleet, by starting critical repairs on the Nation's wind tunnels—a resource of vital importance to continued U.S. leadership in aeronautics, by funding the civilian Space Technology Initiative, and by continuing to support the Advanced Communications Technology Satellite Program.

The bill recognizes the fact that qualified people are critical to the future of the space program. To ensure the availability of such skilled people, the bill includes a provision to establish a National Space Grant College and Fellowship Program to increase the understanding, assessment, development, and utilization of space resources by promoting a strong educational base, responsive research and training activities, and broad and prompt dissemination of knowledge and techniques.

Finally, the bill acknowledges the need for an improved space policymaking apparatus and provides for the re-establishment of the National Space Council in the White House.

Mr. President, I realize that the Space Council provision was the principal reason why the fiscal year 1987 NASA authorization bill was vetoed. I can assure each and every member of this body that it is not my intent to have the fiscal year 1988 NASA authorization bill vetoed. However, I want everyone to understand, including the members of this administration, that the current space policymaking apparatus is not working and that it is not in the best interest of the Nation or our space program to continue to operate under the current regime. I am, therefore, open to other legislative or administrative remedies to correct the current situation. However, this situation must be corrected before irreparable damage is done to the Nation's space program.

Mr. President, the fiscal year 1988 NASA authorization bill is an important step in putting the Civil Space Program back on track and I am hopeful that my colleagues in the Senate will join me in supporting this measure. I also hope that my colleagues will continue to work with me and the distinguished chairman of the subcommittee to forge a future space policy that responds to the interests of the Nation and that maintains U.S. leadership in space. The space policy-making process is much more complicated in 1987 than it has ever been and the degree of international competition is increasing annually. It also is clear that the Soviet Union is not content being No. 2 and that they intend to challenge United States leadership in space.

At this critical juncture, I would hope that the members of the involved committees and the members of the involved Federal agencies could start to work together to formulate a space policy and a space program responsive to these challenges, worthy of the support of the American public, and properly funded. S. 1164 is a step toward such a space program and I would hope it will be endorsed by all of my colleagues.

Mr. HEFLIN. Mr. President, I rise today in strong support of the fiscal year 1988 NASA authorization bill that is being considered today in the Senate. In my judgment, the Subcommittee on Science, Technology, and Space of the Commerce Committee has done an outstanding job of dealing with the incredible burden of funding and making policy for our civilian Nation's space program.

As we all know, these are difficult times because of the excessive Federal deficit and the budgetary pressure that exists for all programs. Each and every committee, as well as each and every Senator, has been called upon to do their fair share to reduce the Federal deficit and get our economy back on track.

With this thought in mind, the Commerce Committee has an even greater burden to bear—that is that we are still recovering from the tragic and numbing loss of the space shuttle *Challenger*. The loss of the *Challenger* is still fresh in our minds and weighs heavily on our hearts. However, this bill in conjunction with many of the plans NASA is currently undertaking, including implementing the recommendations of the Rogers Commission, should help correct deficiencies in the Agency's operations and thrust America's space program back on the leading edge of the world's space technology.

I must note that I am most pleased that the subcommittee was able to draft a bill that complies with the deficit reduction program while simultaneously protecting the civilian space program and our technological leadership in space in light of the *Challenger* accident. I salute my good friend, Senator RIEGLE, the chairman of the Subcommittee on Science, Technology, and Space, and the ranking member of the subcommittee, Senator PRESSLER, for another job well done.

I also salute my good friend, the chairman of the full committee, Senator HOLLINGS, for the individual input he has made to this bill. His knowledge of the appropriations, budget, and authorization processes, combined with his knowledge of the civilian space program, helped immensely with the formulation of this authorization bill being recommended for NASA in fiscal year 1988.

Mr. President, space is the greatest adventure of our time and any nation that sees itself as a world leader cannot and must not ignore it. Certainly, the United States has not ignored it. Space has been important to us in the past, and will become increasingly important in the future. We use space to ensure our national security, improve our standard of living, and broaden our scientific knowledge.

Mr. President, in April 1985, I made a statement which appears in the CONGRESSIONAL RECORD. In that statement, I indicated that

> The United States must vigorously pursue several space and technology areas if we are to remain strong economically and technologically. Our investment in these areas is an investment in the future of humanity's possibilities. We must continue to push the frontiers of space and technology, expanding humanity's horizon for the benefit of all.

In that regard, this NASA authorization bill which we are considering today is a step in the right direction.

Let me give you an idea of what I mean.

First, the bill before us today, despite extreme budgetary pressures, provides a strong support for the space station program—a permanently manned facility which would fly in low Earth orbit. There is no question that this program will do much to help with the development of materials science, biotechnology, electronic and chemical engineering advancements, as well as provide valuable information that will improve manufacturing processes and the quality of life here on Earth.

Mr. President, I will not take the Senate's time today explaining many of the benefits that our Nation will realize with a permanently manned space station. However, I would simply refer my colleagues to a statement which I made on June 18 of this year on the Senate floor in support of the space station program.

The bill authorizes $767 million for the space station for fiscal year 1988. This is equal to the President's request, and I commend the Commerce Committee for realizing the importance of this program by fully funding the administration's request.

Second, the bill recognizes the importance of the materials processing program by increasing the administration's request by $4.1 million—raising it to $50 million. Materials processing in space is a program which I have advocated for several years and with which I am pleased to say that several universities in my state are intimately involved.

The remarkable achievements possible through materials processing in space has only been hinted at by the limited number of experiments that have been conducted through the use of the space shuttle and related equipment. These include the preparation of ultrapure pharmaceuticals which may lead to a cure for diabetes, prevent anemia related to surgery, control dwarfism, and other important medical achievements. Other materials produced in space indicate the possibility of manufacturing very uniform semiconductor crystals which would enable building super fast computers, possibly provide a new generation of optical computers and other important advancements. Fully as important as these developments, have been the experiments in the area of basic material science. By taking advantage of the unique physical qualities of microgravity materials processing in space, we are able to better understand the basic nature of materials, such as cast iron, and in turn, improve our manufacturing of these materials on the ground. This, in turn, could give us better automobiles, farm machinery, and the like.

While I believe that the authorization provided in this bill is still not enough for our materials processing activities and that more support is required in the United States to be competitive with the Europeans and the Japanese in this critical area, not to mention the vast amount of materials research that is being conducted by the Soviet Union on their space station, Mir, I think the bill correctly establishes the priority nature of this activity with its funding authorization.

Third, once again, the bill correctly prioritizes NASA's activities. It also points out the basic reality that the research of today represents the discoveries and breakthroughs of tomorrow and that the United States must train its university students if we are to be competitive in future world markets.

It was for this reason that I cosponsored a bill introduced by my distinguished colleague from Texas, Senator **Bentsen**, and which has been incorporated by the committee into this NASA authorization bill, which establishes a Space Grant College Program. The program will provide financial and other assistance for space-related projects administered by a space grant university. This program will establish a system that will coordinate the national needs and the research efforts of our colleges and universities related to space. During the 99th Congress, the Senate did not have the time to take up this measure. In that regard, I am pleased that the committee has seen fit to incorporate it in this authorization bill.

Fourth, the bill provides full funding for the orbital maneuvering vehicle [OMV]. This initiative is critical to the developments of our space infrastructure which is required to do space science experiments and commercial space activities in low Earth orbit. The OMV will provide our space program with a new reusable extension of the shuttle for conducting orbital operations with spacecraft and payloads beyond the practical operational accessibility limits of the shuttle. Also, the OMV will be used to reboost vital spacecraft, such as the Hubble space telescope, one of NASA's most exciting programs.

Fifth, the committee bill has authorized $100 million for expendable launch vehicle [ELV] operations for fiscal year 1988. The intention here is to initiate the procurement of ELV's which is considered a new start. Once again, I commend the Commerce Committee members for their recognition of the need to expand the national launch capability and to preserve the space shuttle for missions which require its unique capabilities. It is absolutely critical that NASA take immediate steps toward establishing a robust mixed fleet of launch vehicles.

Sixth, and finally, the bill reestablishes the National Aeronautics and Space Council within the Executive Office of the President. While I have never advocated mircromanaging the Executive Office of the President, in my judgment, this provision is extremely important. Over the last several years, it has become increasingly clear that the current administration's commitment to the civilian space program is severely lacking. The committee included this provision in last year's NASA authorization bill. As a result, the bill was vetoed. I am pleased that it has been included again in this bill. In my judgment, the President needs a good, fast, reliable source of information on the civilian end of the space program. I do not believe he has that now. It is my hope that the Space Council remains in the bill after conference.

Mr. President, it is my hope that the United States will continue to push the frontiers of space and to expand our knowledge of the universe. In a like manner, we should continue to support necessary space applications experiments that represent the commercial markets of tomorrow. I am pleased to support this NASA authorization bill and urge my colleagues to do likewise.

Mr. LAUTENBERG. Mr. President, I rise to support the fiscal year 1988 National Aeronautics Space Administration authorization bill, S. 1164.

The past 17 months have been extremely difficult for NASA. Since the *Challenger* tragedy, the space shuttle program and the entire NASA budget have been closely scrutinized. NASA has had to take a long, hard look at the space shuttle program to determine what went wrong and how to restore the program to flight safety. They have had to answer countless questions about the space shuttle and other NASA programs. Since the accident, NASA has been working hard to restore the faith of the Congress, the Nation, and countless NASA employees in their space programs.

As NASA continues to recover from the *Challenger* accident, we must ensure that it is able to move forward with our Nation's extremely important space programs. This bill is a good step in that direction.

One program on which NASA needs to continue making progress is the advanced communications technology satellite [ACTS] program. Unfortunately, the administration continually excludes funding for ACTS from the NASA budget. In fact, in all but one of the last 4 years, the administration has proposed terminating this program. And every year I and my colleagues have had to restore its funding. This year is no different.

Recognizing the critical role ACTS plays in the world communications satellite market, this bill would authorize $84 million for the program. Development of ACTS is critical to maintaining America's leadership in communications satellite technology. It is no secret that the Europeans and Japanese are investing substantial public funds in research in this area. Both groups plan to launch their experimental satellites between 1990-1992.

In order to guarantee launch-readiness by 1990, the ACTS program requires $84 million for fiscal year 1988. Providing this amount will keep the program on track and keep the United States in the race for leadership of the global satellite communications industry.

Another important program authorized in this bill is the space station program. Developing a permanent presence in space is a high national priority. The Soviet Union has made great strides in the development of a space station program. We can afford to do no less with our own program. In recognition of the importance of the space station program, this bill would authorize $767 for the program.

We must adequately fund NASA to enable it to carry on with its extremely important mission of exploring space. NASA's programs have led to some of our finest discoveries. Millions of Americans have benefited from the knowledge of new technologies we have derived from exploration of space. Maintaining our support for NASA will enable the agency to continue advancing our knowledge and understanding of space.

I urge my colleagues to join me in supporting this bill.

Mr. HEFLIN. Mr. President, would the distinguished Senator from Michigan yield for a question?

Mr. RIEGLE. I would be pleased to yield to the Senator from Alabama.

Mr. HEFLIN. I notice that the Senate Commerce Committee has proposed that the civilian space technology initiative be reduced by $38 million, compared to the President's fiscal year 1988 budget request, and that this reduction would be primarily made in the area of propulsion technologies. I further note that the basis for this reduction was the fact that the fiscal year 1987 supplemental appropriations bill contained language that instructed the Department of Defense to transfer $38 million of the $75 million provided for the advanced launch system [ALS] program to NASA for propulsion activities. Is that correct?

Mr. RIEGLE. As always, the distinguished Senator from Alabama is correct in his interpretation of what the Commerce Committee has proposed in the fiscal year 1988 NASA authorization bill and the reasons why the committee made this reduction.

I also should note that there is a strong base of support on the committee for the civilian space technology initiative and for a NASA role in propulsion. However, due to the fact that the advanced launch system proposal surfaced after the formulation of the administration's fiscal year 1988 budget request, it was the opinion of the members of the committee that there was duplication between the civilian space technology initiative propulsion proposals and those incorporated into the advanced launch system program.

Mr. STENNIS. I would like to join my distinguished colleagues to discuss this initiative of mine to add funds to the Supplemental Act for NASA rocket propulsion research and testing as part of the Defense Department's advanced launch system program.

The Committee on Appropriations, and its Defense Subcommittee, recognized the major contribution that NASA could make to developing the advanced launch system, especially by NASA's unique research and testing facilities engaged in rocket propulsion work. We added the $38 million to NASA's rocket propulsion activities to accelerate and expand its contributions to the ALS program in both fiscal 1987 and fiscal 1988. I am confident NASA will recognize that our intention was to fund an enhanced—not duplicative—program in advanced rocket propulsion research and testing.

Mr. HEFLIN. If the Senator from Michigan discovered that the NASA propulsion activities included in the civilian space technology initiative were not duplicative of the advanced launch systems activities, would you be willing to restore the propulsion funding for this program in conference with the House?

Mr. STENNIS. I would urge my colleague from Michigan to restore those funds.

Mr. RIEGLE. I would be willing to increase funding for this program if that were the case or if the proposed reduction proved to be detrimental to the overall NASA propulsion technology capability. As the Senator from Alabama and the Senator from Mississippi know, the House Science and Technology Committee has proposed full funding of the civilian space technology initiative in its fiscal year 1988 NASA authorization bill. Therefore, there is room for negotiations in the conference, and I would be more than willing to indicate my willingness to cooperate with my two distinguished colleagues from Mississippi and Alabama and to restore funding for this initiative to the extent required.

Mr. HEFLIN. I thank my good friend from Michigan. Based on your commitments and your willingness to take care of this matter in conference, my colleague from Mississippi and I will not offer an amendment to restore the $38 million.

Mr. STENNIS. I join my friend from Alabama in thanking the distinguished chairman of the Space Subcommittee.

Mr. RIEGLE. I thank my good friends.

Mr. PRESSLER. Mr. President, as ranking member of the Subcommittee on Science, Technology, and Space, I rise in support of S. 1164, the fiscal year 1988 NASA authorization bill, that is now before the Members of the Senate. This bill authorizes for NASA $9,621 billion and strongly supports NASA's major areas of activity—aeronautical and space research and technology, space science and applications, space station development, and the space transportation system.

Mr. President, NASA continues to experience extreme budgetary pressures as it recovers from the impact of the *Challenger* accident. For example, this bill authorizes approximately $400 million, as requested by NASA, for the redesign of the solid rocket motor and implementation of other actions related to shuttle safety.

It is expected, however, that NASA will soon submit a fiscal year 1988 budget amendment to support activities beyond those accommodated by this bill. These additional funds are needed in order to return the shuttle to a safe flight status by the June 1988 target date. Because these budget requirements have not yet been precisely quantified, the Commerce Committee chose to authorize "such sums as may be necessary", until NASA submits an assessment of these requirements. At that time, the Commerce Committee will address these additional requirements in the context of this legislation.

The bill now before us is significant in that it authorizes the President's request of $767 million for space station development. I believe that this measure of support is critical and necessary, given the fact that the Soviet Union continues to make significant strides in its own space station program, which has been operational since 1971.

This legislation also authorizes $1.62 billion for NASA's Space Science and Applications programs. Included within this specific authorization are augmentations to the President's request of $20 million for the Explorer Program and $4.7 million for the Suborbital Program. Both of these augmentations are designed to partially compensate for the effects of the *Challenger* accident on our space science programs. This space science and applications authorization also provides full funding of $25 million for NASA's one new start in the space science and applications budget—the Global Geospace Science Program.

As in years past, the administration failed to submit for fiscal year 1988 a budget request for the Advanced Communications Technology Satellite [ACTS] Program. Just as in years past, the committee has authorized funding for this program—$845 million in this bill—to develop technologies that will help the United States remain competitive in the world communications market.

Our once-unchallenged superiority in aeronautical technology and sales continues to face growing competition from many corners of the globe. In recognition of this, the committee has authorized the President's request of $375 million in aeronautical research and technology. The committee has also authorized the President's request of $66 million for transatmospheric research and technology. This initiative is NASA's contribution to the National Aerospace Plane [NASP] Program. The NASP Program is a joint NASA/DOD program designed to identify technologies that could enable the development of new aerospace vehicles that would travel in the regimes of mach 5 to mach 23.

Finally, Mr. President, I would like to draw attention to two other authorizations in this bill that are special or unique for their own reasons. First, this bill authorizes $41 million for rehabilitation and modernization of NASA's 12-foot pressure wind tunnel at Ames Research Center, CA. Last fall, when major cracks were discovered in the welds of the pressure shell, it was determined that this wind tunnel had reached the end of its useful life.

Because this wind tunnel provides an important national capability that is not found anywhere else in the country, we have no choice but to restore and modernize it. For example, this wind tunnel is critical to several of our current national aircraft development programs, such as the Boeing 7J7, the McDonnell Douglas MD-11, and DOD's advanced tactical fighter. However, when the fiscal year 1988 budget request was submitted to Congress, NASA had not quantified the extent of the damage. Therefore, the administration's fiscal year 1988 budget request does not reflect the need for funding for the repair of this wind tunnel. Now, NASA has precisely identified the budget requirements for this wind tunnel repair; this wind tunnel rehabilitation and modernization program will cost $69 million. This bill's $41 million authorization accommodates the first installment of this effort.

The other authorization in this bill that warrants special attention is that of $100 million for NASA to initiate the procurement of expendable launch vehicle [ELV] services. The overwhelming consensus, in the aftermath of the *Challenger* accident, is that the United States can no longer rely on one means of access to space—in this case, the shuttle. ELV's are no longer a luxury; they are a necessity. The backlog of space science and other missions that are awaiting launches is staggering. NASA has no choice but to begin to utilize ELV's, and I am pleased that the Agency has recognized this requirement. To that end, this authorization of $100 million enables NASA to procure ELV's for certain crucial space science missions.

Consistent with the administration's space launch policy of August 1986, this bill would also give NASA the statutory authority to procure ELV services. Currently, NASA has the authority to procure ELV hardware, but not ELV services. To help promote our nascent commercial ELV industry, the administration has decided that NASA should procure ELV services from U.S. commercial ELV manufacturers. To provide NASA with a more flexible launch policy and to foster the development of our domestic commercial ELV industry, this bill provides NASA the statutory authority necessary to procure ELV services.

Mr. President, NASA has before it a number of difficult tasks to initiate and complete in order to restore our space program to its previous position of leadership. Yet, I am confident that NASA is back on track, and this legislation will provide the necessary resources and authority to reaffirm our Nation's leadership in aeronautical and space endeavors. I join the distinguished chairman of the Subcommittee on Science, Technology, and Space, Senator RIEGLE, in urging the support of our colleagues for this important and critical legislation.

The ACTING PRESIDENT pro tempore. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read the third time.

The bill was read a third time.

The ACTING PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 2782), as amended, was passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ARMSTRONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate companion bill, Calendar No. 205, S. 1164, be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HOUSING, COMMUNITY DEVELOPMENT, AND HOMELESSNESS PREVENTION ACT

Mr. BYRD. Mr. President, on behalf of Mr. PROXMIRE, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 825.

The legislative clerk laid before the Senate the amendment of the House of Representatives to the bill (S. 825) to amend and extend certain laws relating to housing, and for other purposes.

(The amendment of the House is printed in the RECORD of June 17, 1987 beginning at page H5106.)

Mr. BYRD. Mr. President, on behalf of Senator PROXMIRE, I move that the Senate disagree to the amendment of the House and request a conference with the House on the disagreeing votes of the two Houses and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore [Mr. BREAUX] appointed Mr. PROXMIRE, Mr. CRANSTON, Mr. RIEGLE, Mr. SARBANES, Mr. HEINZ, Mr. D'AMATO, and Mr. GRAMM as conferees on the part of the Senate.

U.S. GOLF ASSOCIATION RULES

Mr. BYRD. Mr. President, I inquire of the distinguished acting Republican leader if he has some business to transact or any further statement he wishes to make.

Mr. ARMSTRONG. Mr. President, I thank the distinguished leader for his courtesy. May I inquire if Senate Resolution 247 has been cleared on his side?

Mr. BYRD. Yes. Mr. President, that resolution has been cleared on this side.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that we proceed to the consideration of Senate Resolution 247.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 247) to express the sense of the Senate concerning support for a change in United States Golf Association rules on the use of carts by disabled individuals in the sanctioned tournament play of that organization.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. HARKIN. Mr. President, in today's Washington Post sports section, there is a story of a man who was effectively denied the opportunity to participate in the U.S. Senior Open in Fairfield, CT, because of his disability. Charlie Owens, after finishing the first nine holes in the tournament, was forced to withdraw from the tournament because the officials would not provide him with a golf cart. Mr. Owens, who was injured in a parachuting accident while serving in the Army in 1952, has a fused left knee and ankle, in addition to chronic arthritis, and has weathered numerous operations on his right knee.

Despite the requests of his doctor, four advocacy groups, and our distinguished minority leader that Charlie be given equal opportunity to fully participate in this tournament, he was not allowed the use of a golf cart on the grounds of a USGA rule which prohibits such use in tournaments.

Mr. President, it is interesting to note that the officials of the tournament followed the players through the course via carts. In response to this action, Mr. Owens stated:

> If the USGA makes me walk, they should officiate the tournament on foot, it would give them a taste of their own medicine.

I do not condone the medicine practiced by the USGA, and I firmly believe that such discrimination cannot be tolerated at any level. Reasonable accommodations must be provided to ensure that individuals with handicaps are not forced to be spectators only. Individuals with handicaps are not asking for special treatment, and they should not be barred from participation because of their disability. Furthermore, while such individuals have some limits in their abilities, as we all do, those limits should not have the power to decide which activities can or cannot be pursued.

Mr. WEICKER. Mr. President, I rise in support of the sense-of-the-Senate resolution offered by the minority leader, Senator DOLE. This resolution encourages the U.S. Golf Association to review its policies and consider nondiscriminatory flexibility to allow qualified disabled individuals to effectively compete in USGA-sanctioned tournaments.

We are introducing this resolution in response to a situation which arose this week when Mr. Charles Owens, a disabled veteran and professional golfer, sought a reasonable accommodation—in this case, the use of a golf cart—to allow him to compete in the U.S. Senior Open in Fairfield, CT. However, the policies of the USGA effectively precluded Mr. Owens from competing in the tournament by imposing a two-stroke penalty per hole for using a golf cart. Realizing such a penalty would be insurmountable, Mr. Owens valiantly attempted to walk the course with the aid of crutches, but was unable to go farther than the first nine holes, and reluctantly dropped out of the tournament.

Mr. President, we have made much progress over the last few decades to assist disabled Americans enter the mainstream of society—which includes participation in competitive sports. It is true that the action of the U.S. Golf Association violates no Federal laws or regulations prohibiting discrimination against disabled individuals, because the association receives no Federal financial aid. Nonetheless, discrimination against the disabled is unjust wherever it occurs, and Mr. Owens and others like him should not have to sit on the sidelines when they desire to compete—and are able to do so—if only a reasonable accommodation is made.

I urge the adoption of the resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 247) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 247

Whereas the sport of golf has a rich heritage, and is universally popular because it emphasizes fair play;

Whereas the sport of golf is enjoyed by millions of players with varied skills, including disabled persons;

Whereas disabled individuals are active and vital participants in all aspects of our society and should be encouraged to compete in the sport of golf;

Whereas we acknowledge and accept that in order for disabled individuals to be given an equal opportunity to compete, some accommodations may be necessary;

Whereas a disabled veteran attempted to play this week in the United States Senior Open being held in Fairfield, Connecticut, a United States Golf Association-sponsored event, but was effectively prevented from doing so for lack of reasonable accommodations; and

Whereas the restriction against disabled individuals is inconsistent with the notion of an "Open" tournament and serves as a form of discrimination: Now, therefore, be it

Resolved, That it is the sense of the Senate that the United States Golf Association be encouraged to review its rules and procedures and consider nondiscriminatory flexibility in the imposition of such rules to allow qualified disabled individuals to effectively complete in its sanctioned tournaments.

Mr. ARMSTRONG. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay the motion to reconsider on the table.

The motion to lay on the table was agreed to.

Mr. CHAFEE. Mr. President, I wonder if the majority leader would be good enough to state what he envisions happening Tuesday.

Mr. BYRD. Yes.

ORDER FOR RECESS UNTIL 8:30 A.M. ON TUESDAY, JULY 14, 1987

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 8:30 a.m. on Tuesday next.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PROGRAM

Mr. BYRD. Mr. President, in response to the inquiries by the distinguished Senator from Rhode Island, the Senate will come in at 8:30 on next Tuesday morning, after having been in recess through Monday, which carries out my commitment to all Senators.

One hour after the Senate comes in, the Chair will direct the clerk to call the roll to establish the presence of a quorum. Upon the establishment of a quorum, the Senate will then proceed to vote on the motion to invoke cloture on the Moynihan amendment, which deals with reflagging of the Kuwaiti ships. So there will be a rollcall vote that will occur in the neighborhood of, say, 10 a.m. on Tuesday next.

Following that vote, if cloture is invoked, then the matter before the Senate will be the Moynihan amendment, to the exclusion of all other business until that matter has been disposed of after which the Senator from Indiana would be recognized to call up his amendment.

In the alternative, if cloture is not invoked, then immediately upon the announcement by the Chair of the vote on cloture, which having failed in that alternative, the distinguished Senator from Indiana would be recognized to call up his amendment.

There will be other rollcall votes during the day.

I had hoped that the Senate might work later into the evening or at least we could have enough Senators around to get some agreements on amendments and possibly get an agreement to the effect that there would be no further amendments beyond those listed, but I have to say that too many have flown the coop, to use an old rural expression, and I think it would be impossible to get such an agreement today. So my hopes and aspirations for closing up on next Wednesday evening and thus not having to come back in on Friday of next week are to some extent dampened, but we will keep hoping and trying when we return on Tuesday.

I have gone on at considerable length in response to the Senator's question but that is the program for Tuesday.

Mr. CHAFEE. We will probably be in late Tuesday.

Mr. BYRD. Yes, we will be in late Tuesday, and at the close of business on Wednesday, we would go over until Friday. And the close of business on Wednesday means, hopefully, that we finish this bill by the close of business, and, hopefully, a temporary extension of the debt limit, in which case the Senate would not be in then on next Friday.

But in the alternative, if the Senate does not complete action on both of those measures, it seems to me that we have no choice but to come in on Friday, as is already scheduled. It is nothing new. It is already scheduled.

We have been on the trade bill several days now. There has been a good bit of business transacted this afternoon, even though we have not had rollcall votes for quite a little while.

But I close by thanking the chairman of the Banking Committee, Mr. PROXMIRE, for coming to the floor at this hour, staying at his post of duty, fulfilling his responsibility as the chairman and as a Senator. I thank the distinguished Senator from Pennsylvania who has come at some inconvenience to himself for having been on the floor and ready to do business. I thank the acting leader on the other side, Mr. ARMSTRONG, and the distinguished Senator from Rhode Island, who, by the way, canceled some flights in order to be here to do business and to answer the call of the roll.

Mr. President, I ask unanimous consent that the amendment by Mr. HOLLINGS and Mr. DANFORTH, on which there is a time limitation, I believe, of an hour and a half, the order having been entered earlier today, that Mr. HOLLINGS and Mr. DANFORTH be recognized to call up that amendment upon the disposition of the amendment by Mr. QUAYLE in regard to which an order was entered earlier today.

The ACTING PRESIDENT pro tempore. Is there objection? Hearing none, it is so ordered.

RECESS UNTIL TUESDAY, JULY 14, 1987, AT 8:30 A.M.

Mr. BYRD. Mr. President, does the distinguished acting Republican leader have any further statement he wishes to make or any business to transact?

Mr. ARMSTRONG. Mr. President, I thank the majority leader for his courtesy. I am going to go home and rest in dead earnest over the weekend because I heard the statement of the leader about our plans for next week. It appears to me that Senators need to fortify themselves with all of the healthful and restful activities they can for the task he has outlined for next week. Have a great weekend.

Mr. BYRD. Mr. President, I thank my friend. I certainly hope that he will have a good and restful, pleasant weekend.

Mr. President, there being no further business to come before the Senate, I move, in accordance with the order previously entered, the Senate stand in recess until 8:30 a.m. on Tuesday next.

The motion was agreed to; and the Senate, at 7:11 p.m., recessed until Tuesday, July 14, 1987, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 10, 1987:

THE JUDICIARY

James A. Parker, of New Mexico, to the U.S. district judge for the district of New Mexico, vice Howard C. Bratton, retired.

HOUSE OF REPRESENTATIVES—*Monday, July 13, 1987*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Our hearts are thankful, gracious God, for the gift of our heritage—for people of honor and great belief who were pioneers to this land and whose love of liberty helped create our beloved Nation. O God, may we be faithful in our day and time to the spiritual everlasting truths that have been our tradition and thus may we ever seek to do justice, to love mercy, and to walk humbly with You. This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 317. An act to amend the Wild and Scenic Rivers Act by designating a segment of the Merced River in California as a component of the National Wild and Scenic Rivers System.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 825) entitled "An act to amend and extend certain laws relating to housing, and for other purposes," and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PROXMIRE, Mr. CRANSTON, Mr. RIEGLE, Mr. SARBANES, Mr. HEINZ, Mr. D'AMATO, and Mr. GRAMM to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 744. An act to authorize the Environmental Protection Agency to assist States in development of radon programs, to conduct a study to determine the extent to which radon in the Nation's schools poses a threat to children and employees in such schools, and for other purposes; and

S. 1198. An act to authorize a certificate of documentation for the vessel F/V *Creole*.

TESTIMONY OF LIEUTENANT COLONEL NORTH

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LAGOMARSINO. Mr. Speaker, Mr. Arthur L. Starkey, USAF retired, a constituent of mine from Santa Barbara, has written to the Congress about Lieutenant Colonel North's appearance before the select committees. His letter expresses strong views both in support of Lieutenant Colonel North and in being critical of actions by the Congress. The letter is attached.

Lieutenant Colonel North has defended in an impressive manner his actions and those of the Reagan administration in attempting to improve United States relations with Iran, in seeking the return of American hostages in the Middle East, and in seeking to prevent the consolidation of another Communist totalitarian regime in our hemisphere.

From his testimony, it is easy to understand Lieutenant Colonel North's dedication to duty, his patriotism, and his understanding of the strategic interests of the United States.

Above all, the appearance of Lieutenant Colonel North has made evident, in a way that probably would not otherwise have been possible, the great division within the Congress over what U.S. policy in Central America should be and the constitutional conflict over which branch of Government has preeminent authority for American foreign policy.

I hope the result of Lieutenant Colonel North's appearance will be a change in the Congress toward a more bipartisan approach to U.S. policy in Central America and for U.S. foreign policy in general.

JULY 9, 1987.

OPEN LETTER TO CONGRESS

DEAR SIRS: If Oliver North, Lt. Col. U.S.M.C., is guilty of anything, it's trying to do his job to the best of his ability. Is this wrong? No.

Most Vietnam Veterans who have any knowledge of the Communist theory, realize that it must be stopped wherever, whenever and however, if lying is necessary, so be it.

You, Members of Congress, sent us to Vietnam, Korea, and WWII of which I am a veteran of all three, along with sending us to fight these wars, you brainwashed us, time and again that the reasons for fighting these wars is to suppress Communism and aggression and now when a man (Lt. Col. Oliver North) fights (Communism) and trys to save American lives (hostages) with a couple of dollars and a few lies, you want to crucify him.

You people lie and spend more money foolishly than anyone I have ever heard of, he who lives in a glass house shouldn't be so quick to throw stones.

Lt. Col. North is probably one of the few real men left in this country today and because he upsurged your authority, he's condemned by your standards, well I for one believe he just out did you and your jealous and that is petty in my eyes and not worthy of so called leaders of my country.

You politicians do more lying in 5 minutes than Lt. Col North did in 2 years trying to run a covert activity which by its nature does not go by any rules.

You are discrediting this nation in the face of the enemy and the rest of the world and in my book that is an impeachment offense, if not treason as well.

How can you expect anyone of good caliber to volunteer their services to this country under the situations you present to them and the nation.

Lt. Col. North should be given a "well done", if he had succeeded in his efforts, you people would be jumping on the band wagon for some of the glory.

I'm sure this letter won't be read by anyone or read in Congress, because the truth might hit home and I don't believe any of you can stand up to the whole truth.

Lt. Col. North was following orders to the best of his ability, his superiors (ie) Admiral Poindexter and ultimately the CINC (President Reagan) must assume the blame for anything that went wrong with the operation that was surely sanctioned by them as the superior officers in charge.

I write this under my constitutional rights I have as an American citizen and as a Vietnam vet, Korea vet, WWII vet.

If this letter seems harsh, its meant to be, I only wish I could use some good old G.I. slang to really put it into perspective. I am personally going to tell everyone I know to write Congress and express their sentiments.

I hope you get your acts together before this country goes down the tubes with the rest of the communist countries, gone because of your stupidity.

I am aware our nation is a nation of laws and they must not be broken but sometimes you fight fire with fire to keep it from spreading.

Stop the greed and power struggling and get back to basics before it is all lost.

I left intentionally the word Honorable off the heading because I don't feel your deserving of the title at this time.

I have never in almost 60 years been so angry, disappointed and ashamed with the leaders of my country as I am at this time.

Sincerely,

ARTHUR L. STARKEY, AA, AS, BS,
USAF, Retired,
Grand Jury Member 1987–88.
SANTA BARBARA, CA.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

LT. COL. OLIVER NORTH—AMERICAN HERO

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, I am back. Six days ago something very peculiar happened on this House floor. There was a peculiar hissing that sounded like some snakes were loose in the House, and I know you come from that same part of the country as a certain Lieutenant Colonel North who has been watched around the world this week, and that you have sidewinders and rattlesnakes in your part of the country. I think I have devised a way to make you like St. Patrick, the man who clears this House of any future snakes. I found the code words to flush them out, and I will try it today and see if there are any left.

Oliver. North. Hero.

Not a hiss, Mr. Speaker. What an amazing difference 6 days can make. Oliver North, bona fide American hero, and not a hiss in the House of Representatives, as there was last week.

We do not get a chance to play St. Patrick, Mr. Speaker, but then I assumed that. The reason even some conservatives on our distinguished panel investigating matters of state these last few months, the reason some of the conservatives even gave up on Lieutenant Colonel North is only one reason, not that I know any more than they do, but I happen to be his personal friend, and I understand and always had faith, as I think I told my distinguished chairman, the gentleman from Florida, DANTE FASCELL of the Foreign Affairs Committee last December, that given a chance to speak out, this fine 43-year-old Marine officer who has dedicated 20 years of his life and 4 at Annapolis serving his country, that he would show this country what he was made of and why he was honorable. I now predict the same thing for my good friend, Adm. John Poindexter. I can hardly wait to hear from him.

A BIASED MEDIA

(Mr. SWINDALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SWINDALL. Mr. Speaker, I think it is still premature to reach any firm conclusions with respect to the Iran-Contra hearings, except two. I do think that we can now firmly conclude that we have in the media in this country a situation that exists not only with respect to Oliver North, but probably with respect to many very important issues, and that is that by the time the relevant information gets down to the level of the people it has been so biased and so skewed that it is very difficult for them to reach any type of informed conclusion.

I say that because last Monday morning before Oliver North testified the following day he had been indicted and convicted by the American media to the point that 70 percent of the American people said they could not and would not believe him. Yet after only 3 days of testimony the American people, hearing the news unfiltered by the media, came to a radically different conclusion.

The second point I think we can definitely conclude is this Congress must bear responsibility for the foreign policy in Central America through covert operations, because this Congress has refused systematically to deal with communism in Central America. The American people applaud Ollie North for one reason. They understand that he has identified the source of our problem in Central America, and it is communism, and he is willing to do something about it. His methodology may be questionable, but certainly he at least understands the threat.

I am reminded of John Kennedy's book, "While England Slept," where he chronicled what England did from World War I to World War II when Nazi Germany built up to be a force to be reckoned with. I would suspect Ollie North could very well write a similar book that read, "While America Slept."

THE IRAN-CONTRA HEARINGS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, I was indicted and convicted by the media once myself, and I can empathize with what Colonel North is going through. If you take a pit bull and throw him in a dog fight, he is going to fight. If you throw a rooster into a cock fight, he is going to kill. If you take a combat Marine and throw him into a covert war, he is going to follow orders.

Colonel North followed orders. We should not be handling him, we should send him home and give him a pat on the back, but we should not overlook the people behind the scenes that have taken a 200-year-old great document called the Constitution and reduced it to a piece of worthless toilet tissue.

□ 1210

Mr. Speaker, someone has to answer. Dwight Eisenhower warned this country to beware of a $300 billion future far right military establishment that would set its own agenda and even turn its back on Congress and try to get public support to do that.

Congress has a job to do. Those people behind the scenes cannot use a hero yes, a hero like Colonel North, as a scapegoat.

Let us put this thing in perspective before we denigrate the basic freedoms that every American in this country has enjoyed for 200 years.

A REPORT FROM THE CONSTITUTIONAL CONVENTION OF JULY 13, 1787

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, I am reporting to you today from the floor of the Constitutional Convention. It is now July 13, 1787, and the Founding Fathers are walking into the Chambers. Ben Franklin has just walked in. He is beginning to fan himself already. James Madison is beginning to take notes even before the first utterance has been made.

On this day, the committee that was supposed to determine how the Congress was to be represented in the future affairs of the country reported that there should be representation by population.

Today I saw Edmund Randolph stand up and give a tremendous speech and he said that if we are going to have representation, that it ought to be by populous, not by wealth.

So the question now arises, what are these delegates going to do with respect to the slaves that are still part of some of the States who are part of this Union to be?

We are reporting to you from Independence Hall and we are fast approaching the time when Ben Franklin, Edmund Randolph, James Madison, and Alexander Hamilton and the others are going to be striking the great compromise which will allow the States to be apportioned in population for the House and two Senators for the State of Pennsylvania.

I am reporting to you from 200 years ago, from today, July 13, 1787.

DEMOCRACY

(Mr. COELHO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COELHO. Mr. Speaker, I find it interesting that several of our colleagues have spoken in regards to Lt. Col. Oliver North. I think the jury is out as to what it is to believe or not to believe in regard to the Iran-Contra hearings.

There is nobody questioning Lt. Col. North's sincerity. Those will be determined by a trial at some point, I am sure.

The real issue here is that for 200 years we have struggled as a nation to preserve the very thing that we fought so hard for, democracy.

It is very difficult to preserve democracy. It is easy to move into a totalitarian form of government.

I suggest that some of the things we have been involved with in the last few months is the deterioration, deliberate it appears, by some of our highest ranking political figures, deterioration of that very thing that we are trying to celebrate this year, the 200th anniversary of our Constitution. That is the subject for the American people to decide.

HOUR OF MEETING ON WEDNESDAY, JULY 15, 1987

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow, Tuesday, July 14, 1987, it adjourn to meet at noon on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

CHANGE IN RANK OF MINORITY MEMBERS APPOINTED TO SELECT COMMITTEE ON HUNGER

The SPEAKER. Pursuant to the provisions of section 103 of House Resolution 26, and without objection the Chair announces a change in the rank of minority members appointed to the Select Committee on Hunger on February 2, 1987, as follows:

Mr. Emerson of Missouri;
Mrs. Roukema of New Jersey;
Mr. Morrison of Washington;
Mr. Gilman of New York;
Mr. Robert F. Smith of New Hampshire;
Mr. Bereuter of Nebraska;
Mr. Upton of Michigan;
Mr. Brown of Colorado; and
Mr. Molinari of New York.

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, DC,
July 10, 1987.

Hon. Jim Wright,
The Speaker, House of Representatives, Washington, DC.

Dear Mr. Speaker: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House at 4:52 p.m. on Friday, July 10, 1987 and said to contain a message from the President on the Semiannual Report to the Congress on the Libyan Emergency.

With great respect, I am,
Sincerely yours,
Donnald K. Anderson,
Clerk, House of Representatives.

REPORT ON NATIONAL EMERGENCY WITH RESPECT TO LIBYA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 100-90)

The SPEAKER pro tempore (Mr. Kildee) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and the Committee on Ways and Means, and ordered to be printed:

To the Congress of the United States:

1. I hereby report to the Congress on developments since my last report of January 21, 1987, concerning the national emergency with respect to Libya that was declared in Executive Order No. 12543 of January 7, 1986. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c); section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c); and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c).

2. As set forth in detail in my July 30, 1986, report, in Executive Order No. 12543, I prohibited, with effect from February 1, 1986: (1) the import into the United States from Libya, and (2) the export to Libya, of any goods or services; (3) transactions relating to transportation to or from Libya; (4) the purchase by U.S. persons of goods for export from Libya to any country; and (5) the performance by U.S. persons of any contract in support of an industrial or other commercial or governmental project in Libya. I further prohibited, with immediate effect: (6) the grant or extension of credits or loans by U.S. citizens or permanent resident aliens to Libya, or activities within Libya, other than for the purpose of: (a) effecting such persons' departure from Libya, (b) performing acts listed in items (1) through (5) above, prior to February 1, 1986, or (c) travel for journalistic activity by professional journalists. On January 8, 1986, in Executive Order No. 12544, I augmented the transactional prohibitions contained in Executive Order No. 12543 by ordering the immediate blocking of all property and interests in property of the Government of Libya (including the Central Bank of Libya and other government-controlled entities) then or thereafter located in the United States, or then or thereafter coming within the possession or control of U.S. persons, including their overseas branches.

3. Since my January 21, 1987, report, there have been no amendments to the Libyan Sanctions Regulations, 31 C.F.R. Part 550, administered by the Office of Foreign Assets Control of the Department of the Treasury. Additionally, since January 21, 1987, there have been no amendments or changes to orders of the Department of Commerce or the Department of Transportation implementing aspects of Executive Order No. 12543 relating to exports from the United States and air transportation, respectively.

4. During the current 6-month period two licenses were issued to U.S. service contractors that were operating in Libya at the time the national emergency with respect to Libya was declared. Consistent with Administration policy, these licenses authorize the companies to sell assets in Libya only to Libyan-controlled entities. The extension of credit to Libyan purchasers was authorized in connection with the sales.

5. Also during the current 6-month period, several enforcement actions have been initiated for violations of the Libyan Sanctions Regulations. (a) On March 24, 1987, a Federal grand jury in Atlanta, Georgia, returned a five-count indictment charging a U.S. citizen with violations of the International Emergency Economic Powers Act and the Libyan Sanctions Regulations. The violations charged included engaging in unlicensed transactions with respect to travel to and from Libya and activities within Libya, as well as entering into an employment contract with a Libyan oil company to provide services as a pilot in Libya. (b) Another case involving travel to and from Libya and employment within Libya as a pipeline and tank system inspector was concluded by the United States Attorney's allowing the person involved to apply for a pre-trial diversion. The person was then ordered to perform community service in lieu of facing trial. (c) Three arrests have been made in a third case where petroleum equipment was a allegedly transshipped from the United States to Libya through a European conduit.

6. The General Accounting Office, at the request of the Congress, recently completed a report assessing the effectiveness of the sanctions against Libya. In gathering information for the report, the GAO spoke to relevant officials at the Departments of the Treasury, Commerce, and State. The report, based on 1986 data, concludes that the Libyan sanctions have been successful in distancing the United States from contributing directly to the Libyan economy and virtually eliminating U.S. trade with Libya. In addition, foreign subsidiaries of U.S. firms, which are not required to comply with the restrictions, have decreased their Libyan business signifi-

cantly. However, the report indicates that the impact of the U.S. trade sanctions on Libya has been lessened by the extensive foreign availability of oil field equipment, services, and supplies, as well as the reluctance of third countries to adopt sanctions similar to those of the United States.

7. Litigation is pending in an English court, involving a claim by Libya against the London branch of Bankers Trust Company for failure to release to Libya blocked assets in New York and London. The United States Government is not a party to the litigation but is closely monitoring it. A trial on the merits of this case began on June 8, 1987, and is expected to continue until mid-July 1987.

8. The expenses incurred by the Federal Government in the 6-month period from January 21, 1987, through the present time that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at $646,812. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Customs Service, the Office of the Assistant Secretary for Enforcement, the Office of the Assistant Secretary for International Affairs, and the Office of the General Counsel), the Department of State, the Department of Commerce, the Department of Justice, the Federal Reserve Board, and the National Security Council.

9. The policies and actions of the Government of Libya continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to apply economic sanctions against Libya as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

Ronald Reagan.

The White House, *July 10, 1987.*

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. Kildee). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on both motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such roll call votes, if postponed, will be taken on Tuesday, July 14, 1987.

H.R. 735

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES IN ACT.

(a) Short Title.—This Act may be cited as the "Naturalization Amendments of 1987".

(b) Amendments to Immigration and Nationality Act.—Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Immigration and Nationality Act.

SEC. 2. ADMINISTRATIVE NATURALIZATION.

Section 310 (8 U.S.C. 1421) is amended to read as follows:

"NATURALIZATION AUTHORITY

"Sec. 310. (a) Authority in Attorney General.—The sole authority to naturalize persons as citizens of the United States is conferred upon the Attorney General.

"(b) Administration of Oaths.—An applicant for naturalization may choose to have the oath of allegiance under section 337(a) administered by the Attorney General or by any District Court of the United States for any State or by any court of record in any State having a seal, a clerk, and jurisdiction in actions in law or equity, or law and equity, in which the amount in controversy is unlimited. The jurisdiction of all courts herein specified to administer the oath of allegiance shall extend only to persons resident within the respective jurisdiction of such courts.

"(c) Appeal to BIA; Judicial Review.—A person whose application for naturalization under this title is denied, after a hearing before an immigration officer under section 336(a), may seek review of such denial before the Board of Immigration Appeals (established by the Attorney General under part 3 of title 8, Code of Federal Regulations). The decision of such Board is reviewable by the United States district court for the district in which such person resides in accordance with chapter 7 of title 5, United States Code.

"(d) Sole Procedure.—A person may only be naturalized as a citizen of the United States in the manner and under the conditions prescribed in this title and not otherwise.".

SEC. 3. SUBSTITUTING 3 MONTHS RESIDENCE IN INS DISTRICT OR STATE FOR 6 MONTHS RESIDENCE IN A STATE.

Section 316(a)(1) (8 U.S.C. 1427(a)(1)) is amended by striking "and who has resided within the State in which the petitioner filed the petition for at least six months" and inserting "and who has resided within the State or within the district of the Service in the United States in which the applicant filed the application for at least three months".

SEC. 4. CONFORMING AMENDMENTS.

(a) Conforming Amendments to Section 310 Revision.—(1) The item in the table of contents relating to section 310 is amended to read as follows:

"Sec. 310. Naturalization authority.".

(2) Section 101(a)(36) (8 U.S.C. 1101(a)(36)) is amended by striking "(except as used in section 310(a) of title III)".

(b) Conforming Amendments to Change in Residence Requirement.—(1) Section 319 (8 U.S.C. 1430) is amended—

(A) in subsection (a), by striking "has resided within the State in which he filed his petition for at least six months" and inserting "has resided within the State or the district of the Service in the United States in which the applicant filed his application for at least three months",

(B) in subsections (b) and (d), by striking "within the jurisdiction of the naturalization court" and inserting "in a State or a district of the Service in the United States", and

(C) in subsection (c), is amended by striking "within the jurisdiction of the court" and inserting "district of the Service in the United States".

(2) Section 322(c) (8 U.S.C. 1433(c)) is amended by striking "within the jurisdiction of the naturalization court" and inserting "within a State or a district of the Service in the United States".

(3) Section 324(a)(1) (8 U.S.C. 1435(a)(1)) is amended by inserting "or district of the Service in the United States" after "State".

(4) Section 328 (8 U.S.C. 1439) is amended—

(A) in subsection (a)—

(i) by inserting "or district of the Service in the United States" after "State", and

(ii) by striking "for at least six months" and inserting "for at least three months";

(B) in subsection (b)(1), by striking "within the jurisdiction of the court" and inserting "within a State or district of the Service in the United States"; and

(C) in subsection (c), by inserting "or district of the Service in the United States" after "State".

(5) Section 329(b) (8 U.S.C. 1440(b)) is amended—

(A) in paragraph (2)—

(i) by inserting "or district of the Service in the United States" after "State", and

(ii) by inserting "and" at the end of paragraph (2);

(B) by striking paragraph (3), and

(C) by redesignating paragraph (4) as paragraph (3).

(c) Substitution of Application for Naturalization for Petition for Naturalization.—The text of the following provisions is amended by striking "a petition", "petition", "petitions", "a petitioner", "petitioner", "petitioner's", "petitioning", and "petitioned" each place it appears and inserting "an application", "application", "applications" or "applies" (as the case may be), "an applicant", "applicant", "applicant's", "applying", and "applied", respectively:

(1) Section 313(c) (8 U.S.C. 1424(c)).

(2) Section 316 (8 U.S.C. 1427).

(3) Section 317 (8 U.S.C. 1428).

(4) Section 318 (8 U.S.C. 1429).

(5) Section 319(a) and (c) (8 U.S.C. 1430(a), (c)).

(6) Section 322(a) (8 U.S.C. 1433).

(7) Section 324 (8 U.S.C. 324(a)).

(8) Section 325 (8 U.S.C. 1436).

(9) Section 326 (8 U.S.C. 1437).

(10) Section 328 (8 U.S.C. 1439).

(11) Section 329 (8 U.S.C. 1440), other than subsection (d).

(12) Section 330(a)(1) (8 U.S.C. 1441(a)(1)).

(13) Section 331 (8 U.S.C. 1442), other than subsection (d).

(14) Section 333(a) (8 U.S.C. 1444(a)).

(15) Section 334 (8 U.S.C. 1445).

(16) Section 335 (8 U.S.C. 1446).

(17) Section 336 (8 U.S.C. 1447).

(18) Section 337 (8 U.S.C. 1448).

(19) Section 338 (8 U.S.C. 1449).

(20) Section 344 (8 U.S.C. 1455).

(21) Section 1429 of title 18, United States Code.

(d) Substituting Appropriate Administrative Authority for Naturalization Court.—(1) Section 316 (8 U.S.C. 1427) is amended—

(A) in subsection (b), by striking "court" each place it appears and inserting "or the Attorney General",

(B) in subsection (b), by striking "date of final hearing" and inserting "date of any hearing under section 336(a)",

(C) in subsection (e), by striking "the court" and inserting "the Attorney General",

(D) in subsection (g)(1), by striking "within the jurisdiction of the court" and inserting "within a particular State or district of the Service in the United States", and

(E) in subsection (g)(2), by amending the first sentence to read as follows: "An applicant for naturalization under this subsection may be administered the oath of allegiance under section 337(a) by any district court of the United States, without regard to the residence of the applicant.".

(2) The second sentence of section 317 (8 U.S.C. 1428) is amended by striking "and the naturalization court".

(3) The third sentence of section 318 (8 U.S.C. 1429) is amended—

(A) by striking "finally heard by a naturalization court" and inserting "considered by the Attorney General", and

(B) by striking "upon the naturalization court" and inserting "upon the Attorney General" .

(4) Section 319 (8 U.S.C. 1430) is amended—

(A) in subsection (b)(3), by striking "before the naturalization court" and inserting "before the Attorney General", and

(B) in subsection (c)(5), by striking "naturalization court" and inserting "Attorney General".

(5) Section 322(c)(2)(C) (8 U.S.C. 1433(c)(2)(C)) is amended by striking "naturalization court" the first place it appears and inserting "the Attorney General".

(6) Section 324 (8 U.S.C. 1435) is amended—

(A) in subsection (a)—

(i) by inserting "and" at the end of paragraph (1),

(ii) by striking the semicolon at the end of paragraph (2) and inserting a period, and

(iii) by striking paragraphs (3) and (4);

(B) in subsection (b), by striking "naturalization court" and inserting "Attorney General"; and

(C) in subsection (c)—

(i) in paragraph (2), by striking "the judge or clerk of a naturalization court" and inserting "the Attorney General or the judge or clerk of a court described in section 310(b)", and

(ii) in paragraph (3), by striking "or naturalization court" each place it appears and inserting "court, or the Attorney General".

(7) Section 327(a) (8 U.S.C. 1438(a)) is amended—

(A) by striking "any naturalization court specified in section 310(a) of this title" and inserting "the Attorney General or before a court described in section 310(b)"; and

(B) by inserting "and by the Attorney General to the Secretary of State" after "Department of Justice".

(8) Section 328(c) (8 U.S.C. 1439(c)) is amended by striking "the final hearing" and inserting "any hearing".

(9) Section 331(b) (8 U.S.C. 1442(b)) is amended by striking "called for a hearing" and all that follows through "to be continued" and inserting "considered or heard except after 90 days' notice to the Attorney General to be considered at the examination or hearing, and the Attorney General's objection to such consideration shall cause the application to be continued".

(10) Section 332(a) (8 U.S.C. 1443(a)) is amended—

(A) by striking "for the purpose" and all that follows through "naturalization courts" in the first sentence, and

(B) by striking the second sentence.

(11) Section 333(a) (8 U.S.C. 1444(a)) is amended by striking "clerk of the court" and inserting "Attorney General".

(12) Section 334 (8 U.S.C. 1445) is amended—

(A) by amending the heading to read as follows:

"APPLICATION FOR NATURALIZATION; DECLARATION OF INTENTION";

(B) in subsection (a)—

(i) by striking "in the office of the clerk of a naturalization court" and inserting "with the Attorney General",

(ii) by striking "upon the hearing of such petition" and inserting "under this title";

(C) in subsection (b)—

(i) by striking "(1)",

(ii) by striking "and (2)" and all that follows through "Attorney General", and

(iii) by striking "petition for";

(D) by amending subsections (c) through (e) to read as follows:

"(c) Hearings under section 336(a) on applications for naturalization shall be held at regular intervals, to be fixed by the Attorney General.

"(d) Except as provided in subsection (e), an application for naturalization shall be filed in person in an office of the Attorney General.

"(e) A person may file an application for naturalization other than in the office of the Attorney General, and an oath of allegiance administered other than in a public ceremony before the Attorney General or a court, if the Attorney General determines that the person has an illness or other disability which—

"(1) is of a permanent nature and is sufficiently serious to prevent the person's personal appearance, or

"(2) is of a nature which so incapacitates the person as to prevent him from personally appearing."; and

(E) by striking the first sentence of subsection (f) and inserting the following: "An alien over 18 years of age who is residing in the United States pursuant to a lawful admission for permanent residence may file with the Attorney General a declaration of intention to become a citizen of the United States. Such a declaration shall be filed in duplicate and in a form prescribed by the Attorney General and shall be accompanied by an application prescribed and approved by the Attorney General.".

(13) Section 335 (8 U.S.C. 1146) is amended—

(A) by amending the heading to read as follows:

"INVESTIGATION OF APPLICANTS; EXAMINATION OF APPLICATIONS";

(B) in subsection (a), by striking "At any time" and all that follows through "336(a)" and inserting "Before a person may be naturalized";

(C) in subsection (b)—

(i) by striking "preliminary" each place it appears,

(ii) in the first sentence, by striking "to any naturalization court" and all that follows through "to such court",

(iii) by striking "any court exercising naturalization jurisdiction as specified in section 310 of this title" in the second sentence and inserting "any District Court of the United States"; and

(iv) by striking "final hearing conducted by a naturalization court designated in section 310 of this title" in the third sentence and inserting "hearing conducted by an immigration officer under section 336(a)";

(D) in subsection (c)—

(i) by striking "preliminary" each place it appears, and

(ii) by striking "recommendation" and inserting "determination"; and

(E) by amending subsections (d) through (f) to read as follows:

"(d) The employee designated to conduct any such examination shall submit to the Attorney General a determination as to whether the application be granted, denied, or continued, with reasons therefor.

"(e) After an application for naturalization has been filed with the Attorney General, the applicant shall not be permitted to withdraw his application, except with the consent of the Attorney General. In cases where the Attorney General does not consent to the withdrawal of the application, the application shall be determined on its merits and a final order determination made accordingly. In cases where the applicant fails to prosecute his application, the application shall be decided on the merits unless the Attorney General dismisses it for lack of prosecution.

"(f) An applicant for naturalization who moves from the district of the Service in the United States in which the application is pending may, at any time thereafter, request the Service to transfer the application to any district of the Service in the United States which may act on the application. The transfer shall not be made without the consent of the Attorney General. In the case of such a transfer, the proceedings on the application shall continue as though the application had originally been filed in the district of the Service to which the application is transferred.".

(14) Section 336 (8 U.S.C. 1447) is amended—

(A) by amending the heading to read as follows:

"HEARINGS ON DENIALS OF APPLICATIONS FOR NATURALIZATION";

(B) by amending subsections (a) and (b) to read as follows:

"(a) If, after an examination under section 335, an application for naturalization is denied or continued, the applicant may request a hearing before an immigration officer.

"(b) Where there has been a failure to make a determination under section 335 on an application or a failure to have a hearing under subsection (a) on a denial or continuance of an application, the Board of Immigration Appeals (established by the Attorney General under part 3 of title 8, Code of Federal Regulations) may, in its discretion, and shall, at the request of the applicant in extraordinary circumstances, require such a determination or hearing.";

(C) in subsection (c), by striking "court" and inserting "immigration officer";

(D) in subsection (d)—

(i) by striking "clerk of the court" and all that follows through "naturalization" and inserting "immigration officer shall, if the applicant requests it at the time of filing the request for the hearing",

(ii) by striking "final" each place it appears, and

(iii) by adding at the end the following: "Such subpenas may be enforced in the same manner as subpenas under section 335(b) may be enforced."; and

(E) in subsection (e)—

(i) by striking "naturalization of any person," and inserting "administration by a court of the oath of allegiance under section 337(a)", and

(ii) by striking "included in the petition for naturalization of such persons" and inserting "included in an appropriate petition to the court".

(15) Section 337 (8 U.S.C. 1448) is amended—

(A) in subsection (a)—

(i) in the first sentence, by striking "in open court" and inserting "in a public ceremony before the Attorney General or a court with jurisdiction under section 310(b)",

(ii) in the second and fourth sentences, by striking "naturalization court" each place it appears and inserting "Attorney General", and

(iii) in the fourth sentence, by striking "the court" and inserting "the Attorney General";

(B) in subsection (b)—

(i) by striking "in open court in the court in which the petition for naturalization is made" and inserting "in the same public ceremony in which the oath of allegiance is administered", and

(ii) by striking "in the court";

(C) in subsection (c)—

(i) by striking "being in open court" and inserting "attending a public ceremony", and

(ii) by striking "a judge of the court at such place as may be designated by the court" and inserting "at such place as the Attorney General may designate under section 334(e)"; and

(D) by adding at the end the following new subsection:

"(d) The Attorney General shall prescribe rules and procedures to ensure that the public ceremonies conducted by the Attorney General for the administration of oaths of allegiance under this section are in keeping with the dignity of the occasion.".

(16) Section 338 (8 U.S.C. 1449) is amended—

(A) by striking "by a naturalization court",

(B) by striking "the clerk of such court" and inserting "the Attorney General",

(C) by striking "title, venue, and location of the naturalization court" and inserting "location of the District office of the Service in which the application was filed and the title, authority, and location of the official or court administering the oath of allegiance",

(D) by striking "the court" and inserting "the Attorney General", and

(E) by striking "of the clerk of the naturalization court; and seal of the court" and inserting "of an immigration officer; and the seal of the Department of Justice".

(17) Section 339 (8 U.S.C. 1450) is amended to read as follows:

"FUNCTIONS AND DUTIES OF CLERKS AND RECORDS OF DECLARATIONS OF INTENTION AND APPLICATIONS FOR NATURALIZATION

"SEC. 339. (a) The clerk of each court that administers oaths of allegiance under section 337 shall—

"(1) issue to each person to whom such an oath is administered a document evidencing that such an oath was administered,

"(2) forward to the Attorney General information concerning each person to whom such an oath is administered by the court, within 30 days after the close of the month in which the oath was administered,

"(3) make and keep on file evidence for each such document issued, and

"(4) forward to the Attorney General certified copies of such other proceedings and orders instituted in or issued out of the court affecting or relating to the naturalization of persons as may be required from time to time by the Attorney General.

"(b) Each district office of the Service in the United States shall maintain, in chronological order, indexed, and consecutively numbered, as part of its permanent records, all declarations of intention and applications for naturalization filed with the office.".

(18) Section 340 (8 U.S.C. 1451) is amended—

(A) in the first sentence of subsection (a), by striking "in any court specified in subsection (a) of section 310 of this title" and inserting "in any District Court of the United States",

(B) by amending the second sentence of subsection (h) to read as follows: "The clerk of the court shall transmit a copy of such order and judgment to the Attorney General.",

(C) by striking the third sentence of subsection (h), and

(D) in subsection (j), by striking "any naturalization court" and all that follows through "to take such action" and inserting the following: "the Attorney General to correct, reopen, alter, modify, or vacate an order naturalizing the person".

(19) Section 344 (8 U.S.C. 1455) is amended—

(A) in subsection (a)—

(i) by striking "The clerk of the court" and inserting "The Attorney General",

(ii) in paragraph (1), by striking "final", and

(iii) in paragraph (1), by striking "the naturalization court" and inserting "the Attorney General";

(B) by striking subsections (c), (d), (e), and (f);

(C) in subsection (g)—

(i) by striking ", and all fees paid over to the Attorney General by clerks of courts under the provisions of this title,", and

(ii) by striking "or by the clerks of the courts";

(D) in subsection (h)—

(i) by striking "no clerk of a United States court shall" and inserting "the Attorney General may not",

(ii) by striking ", and no clerk of any State court" and all that follows through "charged or collected", and

(iii) by striking the second sentence;

(E) in subsection (i), by striking "clerk of court", "from the clerk,", "such clerk", and "by the clerk" and inserting "Attorney General", "from the Attorney General,", "the Attorney General", and "by the Attorney General", respectively; and

(F) by redesignating subsections (g), (h), and (i) as subsections (c), (d), and (e), respectively.

(20) Section 348 (8 U.S.C. 1459) is amended—

(A) by striking subsections (b) and (c); and

(B) by striking "(a)" in subsection (a).

(e) STRIKING MISCELLANEOUS MATERIAL.—(1) Section 311 (8 U.S.C. 1422) is amended by striking the second sentence.

(2) Section 316 (8 U.S.C. 1427) is amended by striking subsection (f).

(3) Section 329 (8 U.S.C. 1440) is amended by striking subsection (d).

(4) Section 330 (8 U.S.C. 1441(a)) is amended—

(A) by striking paragraphs (2) and (3) of subsection (a) and by striking "(a)(1)" in subsection (a), and

(B) by striking subsection (b).

(5) Section 331 (8 U.S.C. 1442) is amended by striking the second sentence of subsection (d).

(f) CORRECTIONS OF TABLE OF CONTENTS.—(1) The items in the table of contents relating to sections 334 through 336 are amended to read as follows:

"Sec. 334. Application for naturalization; declaration of intention.

"Sec. 335. Investigation of applicants; examination of applications.

"Sec. 336. Hearings on denials of applications for naturalization.".

(2) The item in the table of contents relating to section 339 is amended to read as follows:

"Sec. 339. Functions and duties of clerks and records of declarations of intention and applications for naturalization.".

SEC. 5. EFFECTIVE DATES AND SAVINGS PROVISIONS.

(a) EFFECTIVE DATE.—

(1) NO NEW COURT PETITIONS AFTER EFFECTIVE DATE.—No court shall have jurisdiction, under section 310(a) of the Immigration and Nationality Act, to naturalize a person unless a petition for naturalization with respect to that person has been filed with the court before the effective date (as defined in paragraph (3)).

(2) TREATMENT OF CURRENT COURT PETITIONS.—

(A) CONTINUATION OF CURRENT RULES.—Except as provided in subparagraph (B), any petition for naturalization which may be pending in a court on the effective date shall be heard and determined in accordance with the requirements of law in effect when the petition was filed.

(B) PERMITTING WITHDRAWAL AND CONSIDERATION OF APPLICATION UNDER NEW RULES.—In the case of any petition for naturalization which may be pending in any court on the date of the enactment of this Act, the petitioner may withdraw such petition and have the petitioner's application for naturalization considered under the amendments made by this Act, but only if the petition is withdrawn not later than 3 months after the effective date.

(3) EFFECTIVE DATE DEFINED.—As used in this section, the term "effective date" means the first day of the fourth month beginning after the date of the enactment of this Act.

(4) GENERAL EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this Act are effective as of the date of the enactment of this Act.

(b) INTERIM, FINAL REGULATIONS.—The Attorney General shall prescribe regulations (on an interim, final basis or otherwise) to implement the amendments made by this Act on a timely basis.

(c) CONTINUING DUTIES.—The amendments to section 339 of the Immigration and Nationality Act (relating to functions and duties of clerks) shall not apply to functions and duties respecting petitions filed before the effective date.

(d) GENERAL SAVINGS PROVISIONS.—(1) Nothing contained in this Act, unless otherwise specifically provided, shall be construed to affect the validity of any declaration of intention, petition for naturalization, certificate of naturalization, certification of citizenship, or other document or proceeding which is valid as of the effective date; or to affect any prosecution, suit, action, or proceedings, civil or criminal, brought, or any status, condition, right in process of acquisition, act, thing, liability, obligation, or matter, civil or criminal, done or existing, as of the effective date.

(2) As to all such prosecutions, suits, actions, proceedings, statutes, conditions, rights, acts, things, liabilities, obligations, or matters, the provisions of law repealed by this Act are, unless otherwise specifically provided, hereby continued in force and effect.

The SPEAKER pro tempore. Is a second demanded?

Mr. SWINDALL. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Kentucky [Mr. MAZZOLI] will be recognized for 20 minutes and the gentleman from Georgia [Mr. SWINDALL] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 735 provides for administrative naturalization. The bill was unanimously reported from the Judiciary Committee on June 30, 1987. This is legislation identical to that which passed the House last Congress. Because of time constraints, the other body did not have occasion to act.

H.R. 735 vests authority for naturalization with the Attorney General, and combines a two-step process, involving the executive branch and the judiciary, into one process. Currently, the Immigration and Naturalization Service processes all applications for naturalization. This involves an investigation of the applicant and test on English language and U.S. History and Government. After an interview with the applicant, INS then makes a preliminary decision and recommends disposition to the court. Traditionally, however, the court's role is of a ceremonial nature and very rarely does it overturn an INS decision. In fact, only 64 applicants out of 245,000 were denied by the courts in fiscal year 1985.

H.R. 735 allows the INS to perform—also—the ceremonial aspects of naturalizations. However, in cases where the applicant may wish to have a court ceremony, that will be arranged.

In my 6 years as Immigration Subcommittee Chairman, this issue has been one of the most frequently addressed during the oversight process. Each year, the increased volume of applications for naturalization (1981—171,000 applications filed; 1985—306,000 applications filed) had led to more personnel and funding (fiscal year 1984 an additional 140 positions and in fiscal year 1985 an additional 170 positions). In addition, new management techniques and computerization have been introduced to accommodate the workload. In 1981 legislation was enacted to reduce some of the paperwork requirements. But even with all these efforts, the system is unable to keep pace.

For instance, in some of the key cities, the total waiting period for naturalization can be as long as 2 years:

City	INS waiting time	Court waiting period
New York	4 months	3 months.
Miami	7 months	12 months.
Los Angeles	5 months	5 months.
Newark	8 months	8 months.
Houston	7 months	11 months.

With passage of H.R. 735, many of these processing timeframes can be cut in half.

The only persons to benefit from this legislation are those who have already been found qualified for citizenship—they already have gone through the legal immigration process to qualify as permanent residents; they have waited the 5-year period before filing an application for citizenship; and they have already passed the English language test and exam on U.S. History and Government. They need only to be sworn in as citizens.

This legislation encourages those among us to become an integral part of the fabric of our society. U.S. citizenship is a prized possession, and many of these people desire with all their hearts to take on the responsibilities of this country.

By granting authority to the Attorney General to perform the entire process of citizenship, including the ceremonial aspects, the hurdles which an individual now encounters on the way to citizenship will be removed or at least lowered.

I urge the House to pass this very important bill.

□ 1225

Mr. SWINDALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support this Administrative Naturalization bill (H.R. 735) which develops an alternative administrative process for naturalization. Under this bill, immigration judges in addition to Federal and State judges will be allowed to conduct naturalization ceremonies. The purpose of the bill is to help reduce the heavy backlog in the naturalization process which some areas in the country continue to experience.

This legislation is identical to legislation passed by the House unanimously last year. It vests the authority of naturalization of individuals becoming U.S. citizens with the Attorney General. In addition, it streamlines the process by allowing the Attorney General to adjudicate naturalization petitions.

Backlogs in the naturalization process have developed over a number of years due to an increased volume of applications. The two-branch, quasi-judicial process, has been an additional stumbling block. Paperwork trails in the executive branch and the judiciary make the road to citizenship a cumbersome and lengthy process. Currently, a person desiring citizenship files an application with the Immigration and Naturalization Service [INS]. After review of residence requirements and "good moral character" the applicant is interviewed on the third element of qualifying for naturalization and that is the test on English language and U.S. History and Government. Upon passage of the exam, the applicant must file a "petition" with the court and await a date for the ceremony for swearing-in. The total process can take as long as 2 years. This legislation will help alleviate these difficulties.

I might add that I have had the opportunity and privilege on a number of occasions to address naturalization ceremonies in my own district in Atlanta.

While it is a very beautiful ceremony, and one which I think is very beneficial and worthwhile, I can assure the gentleman from Kentucky [Mr. MAZZOLI] that in a comparison to waiting through the backlog for such a ceremony, that those individual immigrants that have passed all the necessary tests and prerequisites would much prefer to waive the particular format of that ceremony and get on with the business of becoming a U.S. citizen.

In addition, Mr. Speaker, the Congressional Budget Office estimates that enacting H.R. 735 would result in an annual savings to the Federal Government of approximately $1.5 million. The bill passed unanimously in the Subcommittee on Immigration, Refugees and International Law and the full Judiciary Committee.

I urge my House colleagues to support this legislation.

In closing, I would say this is an opportunity not only to expedite and streamline the process, but save the American Government $1.5 million.

Therefore, I would urge the Members on both sides of the aisle to pass this important measure.

Mr. Speaker, I submit for inclusion in the RECORD a letter dated June 30, 1987:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 30, 1987.

Hon. PETER W. RODINO, Jr.,
Chairman, Committee on the Judiciary, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 735, the Naturalization Amendments of 1987, as ordered reported by the House Committee on the Judiciary on June 30, 1987. CBO estimates that enacting H.R. 735 would result in an annual savings to the federal government of approximately $1.5 million.

H.R. 735 would amend the Immigration and Nationality Act to streamline the naturalization process. Under current law, the Immigration and Naturalization Service [INS] reviews all naturalization applications and makes a recommendation to the U.S. District Courts. A district court judge makes the final decision and administers the oath of citizenship. H.R. 735 would empower the INS to make the final decision; the applicant would then have the option of being sworn in as a citizen by a judge or by an official of the INS. H.R. 735 would require the INS to provide ceremonies that are "in keeping with the dignity of the occasion." The bill would also grant special immigrant status for certain officers and employees of international organizations and their immediate family members.

CBO estimates that enacting H.R. 735 would result in a savings to the government by reducing administrative costs for the INS and the district courts. Under current law, the INS must prepare a petition that the district court judge then reviews. Enacting H.R. 735 would eliminate the need for this petition, because the final decision would rest with the INS. These savings would be partly offset by the cost to the INS of securing proper facilities for the naturalization ceremonies.

The INS estimates that roughly 30 percent of the applicants accepted for citizenship would choose to be sworn in by a district court judge. Using this figure, we estimate that the district courts would save approximately $1.5 million and the INS would save approximately $1 million on the processing of petitions, based on information provided by the INS. Additionally, the INS would require approximately $1 million to rent facilities for the naturalization ceremonies. Therefore, the net savings to the federal government would be approximately $1.5 million annually if H.R. 735 were enacted.

State or local governments would incur no significant costs if H.R. 735 were enacted.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

Edward M. Gramlich,
Acting Director.

Mr. MAZZOLI. Mr. Speaker, I reserve the balance of my time.

Mr. SWINDALL. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. Fish].

Mr. FISH. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I compliment Chairman Rodino on his introduction of this administrative naturalization legislation that we have before us today, identical to legislation that passed the House last year. It recently passed unanimously in the Subcommittee on Immigration, Refugees and International Law as well as in the full Judiciary Committee. I urge my colleagues to support this legislation today.

As you know, Mr. Speaker, this country has been experiencing backlogs in the naturalization process for a number of years. Individuals who have completed all steps in becoming U.S. citizens must sometimes wait years for their final naturalization ceremony. The legislation that we have before us today will help alleviate these problems.

This bill streamlines the naturalization by allowing the Attorney General to adjudicate naturalization petitions. It also allows a naturalization applicant to have his swearing-in ceremony in State and Federal courts if he chooses. This legislation provides for administrative and judicial review of denied cases through the Board of Immigration Appeals and the district court.

Mr. Speaker, the Congressional Budget Office estimates that enacting H.R. 735 would result in a savings to the Government by reducing administrative costs for the INS and the district courts. State or local governments would incur no significant costs, if H.R. 735 were enacted.

Mr. Speaker, I understand the administration is in support of this legislation. I am hopeful that we will see it successfully passed by both Houses and signed into law this year.

Mr. SWINDALL. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. Lungren].

Mr. LUNGREN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I would like to take this opportunity to commend the gentleman from New Jersey [Mr. Rodino], the chairman of the Committee on the Judiciary, and the gentleman from Kentucky [Mr. Mazzoli], the chairman of the subcommittee, and the ranking members of both the full committee and the subcommittee for moving this important piece of legislation.

As important as it is to this country, it is perhaps most important in my area of the country.

In fiscal year 1985, the last year for which figures are available, California led the Nation with over 70,000 persons who were naturalized. Yet at the same time my part of the country has been particularly afflicted by lengthy backlogs in the naturalization process.

There has been a lot of effort made by the INS to try and take care of that problem, and it is now taking an average of about 5 months just to receive a disposition by the court.

That is far better than it was several years ago, when it was over a 2-year period of time, but a lengthy period of time for one to complete the naturalization process when they have completed all other aspects of the process and are entitled to be citizens of the United States. It is something we ought to be concerned about.

It is particularly burdensome, I think, in periods of time when elections are coming up, and people who are on the verge of becoming citizens, have done everything they should to become citizens, are interested in the political process enough to exercise their right as a citizen, and are denied that opportunity, because the court date was not available to them before the election.

It seems to me that many of us who have met these people who have become naturalized citizens recognize, for better or for worse, they take their citizenship more importantly and more seriously than those of us who have been born here. It is offensive to me to believe that those folks are denied the opportunity to express the most vital opportunity of citizenship; that is, voting, because of administrative delay.

Since the INS currently does almost all of the processing, and makes the relevant recommendations to the court anyway, judicial treatment of these cases is in most instances largely duplicative.

Administrative naturalization is therefore a most welcome legislative development. We have the opportunity to make some real headway in reducing unnecessary delays. In my area this reform in the procedures could cut this waiting period in half for those who choose to use it.

And I would like to emphasize that the use of these new procedures will indeed be a matter of choice. This legislation will in no way compromise the right of the applicant to choose the judicial forum for the naturalization ceremony if that is his or her desire.

It will not compromise the right of that applicant to choose the judicial forum for the naturalization ceremony.

It must be remembered that these are people who have already waited 5 years to even qualify to apply for citizenship. It is not consistent with what should be a meaningful experience to initiate these "would-be" citizens with further torturous bureaucratic delays.

The process of naturalization leads to the granting of a right that is envied by people throughout the world—the right to be called an American. By making these procedures more efficient the action we take here today can restore some of the dignity to that process and I ask you to join me in supporting H.R. 735.

Mr. SWINDALL. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. Gekas].

Mr. GEKAS. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the one aspect of this piece of legislation about which I was greatly worried has been largely dispelled by now; but I wanted for the record to emphasize that one of the greatest things about the induction ceremonies is the ceremony itself for new American citizens.

Nothing is more majestic than to see these new citizens raise their hands, and with their families gathered in the courtroom, take that final step to become American citizens.

If I had come to the conclusion that that kind of ceremony would be diminished in any way by this present legislation, I would not support it.

I would do everything I could to defeat it, but we were assured both by the language of the provisions entailed and by the assurances of all those who are involved, that that final great moment for each individual who becomes an American citizen and steps into the new world of democracy that our country symbolizes is preserved in this legislation, and we hope that it can pass unanimously.

Mr. SWINDALL. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, the gentleman from Pennsylvania [Mr. GEKAS] is exactly correct. In fact, one of the results of this piece of legislation is to allow those individuals that do want to go through the normal process to go through it more expeditiously, because there are so many people on the waiting list that will opt for more expeditious proceedings that are nonjudicial.

Mr. RODINO. Mr. Speaker, H.R. 735 provides for administrative naturalization by conferring authority for determinations on citizenship on the Attorney General. It is identical to legislation which passed the House unanimously last Congress.

The legislation is desperately needed in the areas of the country where fully qualified applicants for naturalization must wait as long as 2 years for judicial ceremonies to be sworn in as U.S. citizens.

For those immigrants adopting this country, U.S. citizenship is a priceless possession. In return, our country is enriched with their contributions and each nationality and heritage is woven into rich tapestry of American society.

These people wish to enjoy the rights of this great land, the right to practice religion freely, the right to participate in a democratic form of government, the right of life, liberty, and the pursuit of happiness. Yet the present system does them an injustice. Due to lengthy delays in the naturalization process, they are being denied employment opportunities, travel, the ability to confer immigration benefits on relatives, and most importantly they are denied the right to vote.

The system has impediments including administrative and logistical problems and has not kept pace with the exponential increase in applications for citizenship. The number of applications for naturalization has increased from 171,000 in 1981 to 306,000 in 1985. In my State alone the waiting period can be as long as two years and there is a current backlog of 20,000 applicants.

Today's bifurcated system provides that the Immigration and Naturalization Service does virtually all the processing and preliminary determinations and then makes recommendations on the cases to the courts. The courts, however, have the role of final disposition in the manner of swearing in the applicant.

It is generally recognized that the role of the court is almost exclusively ceremonial and that the recommendations of the Attorney General are rarely over-turned by the court.

H.R. 735 will streamline this two-step burdensome process by allowing the Attorney General to make the determinations on citizenship and perform the swearing-in of applicants. The bill specifically requires the Attorney General ensure the public ceremonies involving citizenship are in keeping with the "dignity of the occasion." An applicant still has the option of being sworn in before a district or State court judge, if he doesn't mind the lengthy waiting period.

Appeals from decisions by the Immigration and Naturalization Service are available through the Board of Immigration Appeals and the District Court.

This legislation simply provides a more cost-effective, efficient manner of obtaining citizenship while relieving the applicant of onerous paperwork burdens.

It is imperative that the system welcome its citizens in a timely and orderly fashion and with the dignity they deserve. My bill will accomplish this goal.

I believe this legislation is essential and I urge my colleagues' support.

□ 1235

Mr. MAZZOLI. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. KILDEE). The question is on the motion offered by the gentleman from Kentucky [Mr. MAZZOLI] that the House suspend the rules and pass the bill, H.R. 735, as amended.

The question was taken; and (two-thirds having voted in favor therof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read "An Act to amend title III of the Immigration and Nationality Act to provide for administrative naturalization, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAZZOLI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SUPPORTING A CEASE-FIRE IN THE IRAN-IRAQ WAR AND A NEGOTIATED SOLUTION TO THE CONFLICT

Mr. FASCELL. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 216) to support a ceasefire in the Iran-Iraq war and a negotiated solution to the conflict, as amended.

The Clerk read the joint resolution as follows:

H.J. RES. 216

Whereas the conflict between Iran and Iraq has resulted in more than 400,000 fatalities on both sides, including tens of thousands of adolescents since its beginning in September 1980;

Whereas both sides have resorted to periodic attacks on the civilian population of the other country, including Iranian missile attacks on Baghdad and Iraqi Air Force bombing raids on Iranian population centers;

Whereas more than 75,000 prisoners of war are being held on both sides;

Whereas Iraq has resorted to the use of chemical weapons, in violation of its obligations under international law not to use such weapons;

Whereas attacks on neutral shipping in the Persian Gulf threaten to limit the access of the United States and its allies to oil supplies from the region;

Whereas Iranian troops continue to occupy Iraqi territory;

Whereas the possibility of a decisive Iranian breakthrough cannot be precluded as long as the war continues;

Whereas such a breakthrough would be destabilizing to a number of friendly countries in the region, which would be increasingly vulnerable as a result of an Iranian victory both to direct Iranian attacks and to Iranian sponsored subversion and terrorist activities;

Whereas a continuation of the conflict will inevitably lead to tens of thousands of additional casualties, including large numbers of civilians; and

Whereas the Iraqi Government has called for an immediate ceasefire and a negotiated solution to the conflict, including a withdrawal to the internationally recognized border: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONSEQUENCES OF CONTINUATION OF IRAN-IRAQ WAR.

The Congress finds that continuation of the Iran-Iraq war—

(1) would produce unacceptable levels of death and destruction which would be incompatible with the humanitarian concerns and values of the American people; and

(2) could result in an Iranian breakthrough which would threaten the stability of the entire region and would not be in the strategic interests of the United States.

SEC. 2. SUPPORT FOR A CEASEFIRE AND A NEGOTIATED SOLUTION TO THE CONFLICT.

Accordingly, the policy of the United States Government shall be to support—

(1) a ceasefire and a negotiated solution to the Iran-Iraq conflict, including a withdrawal to the internationally recognized border, and

(2) the establishment of an international tribunal to investigate the origins of the conflict.

SEC. 3. INTERNATIONAL MEASURES IF NEGOTIATIONS AND CEASEFIRE REJECTED.

It is the sense of the Congress that if either party to the Iran-Iraq war rejects peace negotiations and an internationally sanctioned ceasefire, including a withdrawal to the internationally recognized border, the United States should support internationally approved political and economic measures against that country, and maintain existing limitations on trade.

The **SPEAKER** pro tempore. Is a second demanded?

Mr. GILMAN. Mr. Speaker, I demand a second.

The **SPEAKER** pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The **SPEAKER** pro tempore. The gentleman from Florida [Mr. FASCELL] will be recognized for 20 minutes and the gentleman from New York [Mr. GILMAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Joint Resolution 216, to support a cease-fire in the Iran-Iraq war and a negotiated solution to the conflict.

Mr. Speaker, we have had numerous discussions and debates in the course of the last few weeks on the very important questions of security and stability in the Persian Gulf region and the appropriate role of the United States in the Persian Gulf. I think it is important to focus attention on the real consequences of the continuation of the war between Iran and Iraq. This 7-year war has resulted in a human tragedy of immense proportions and its continuation only further contributes to the instability in this vital region.

More than 400,000 casualties have resulted from this bloody conflict, many of them civilians and adolescents. More than 75,000 prisoners of war are being held. Iranian troops continue to occupy territory in Iraq. A continuation of this war will undoubtedly lead to many more thousands of casualties, including more innocent civilians.

This resolution places the emphasis on negotiating a resolution to this conflict and therefore calls on the parties to the conflict to come to the negotiating table in order to try to put an end to this long and costly war. The resolution is even-handed in condemning certain aspects of the conduct of this war by both parties. In addition, it calls on the Government of the United States to vigorously support a cease-fire and negotiated solution to this conflict, and the establishment of an international tribunal to investigate the origins of the conflict.

Finally, House Joint Resolution 216 expresses the sense of the Congress that if either party to the war rejects negotiations for a settlement and an internationally sanctioned cease-fire, the United States should support any internationally approved political and economic measures against that country.

Mr. Speaker, this resolution enjoys broad bipartisan support and is supported by the administration. I urge the adoption of this resolution.

Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the subcommittee, the gentleman from New York [Mr. SOLARZ].

Mr. SOLARZ. I thank the gentleman for yielding.

Mr. Speaker, I want to express my appreciation to our very distinguished chairman for facilitating the consideration of this resolution in the Committee on Foreign Affairs and for bringing it to the floor today. This resolution in essence calls for a cease-fire and a negotiated solution to the conflict between Iran and Iraq, including a withdrawal by the forces of those countries to the internationally recognized boundary that separates Iraq from Iran. The resolution also calls for establishment of an international tribunal to investigate the origins of the conflict.

Finally, it expresses the sense of the Congress that if either party to this conflict rejects peace negotiations and an international sanctioned cease-fire, including a withdrawal to the internationally recognized border, that the United States should support internationally approved political and economic measures against that country.

Mr. Speaker, the war between Iraq and Iran has been going on for over 6 years now. During that period of time close to half a million people have been killed in one of the most brutal bloodlettings to take place on this planet since the end of the Second World War.

For humanitarian reasons alone our Nation would have a compelling interest in bringing this conflict to an end. But our stake in terminating hostilities between Iran and Iraq goes way beyond our very real humanitarian interests in bringing about a cessation of hostilities. If this conflict continues it could very easily escalate and spill over to involve other countries in the region. It is, in fact, entirely possible if the war continues that Iran could achieve a breakthrough and if it were to do so and were it in a position to terminate hostilities on terms favorable to Iran it could have potentially devastating consequences for the entire region.

An Iranian victory in the war against Iraq would shake moderate Arab regimes throughout the Middle East to their very foundations; it would probably spell the end of whatever slim chances may remain for a negotiated settlement of the conflict between Israel and its Arab neighbors. It would be a severe blow to Western interests in the region inasmuch as it would instantaneously legitimize the forces of Islamic fundamentalism in their most virulent incarnation. It may well be, Mr. Speaker, that there is little our Nation can do to bring this war to an end. But we can speak up, we can speak out, we can go on record as we will be doing today, so at least posterity knows that the U.S. House of Representatives did what it could to call upon the combatants to agree to a cease-fire, withdraw to the international boundaries and agree to a negotiated settlement of the conflict. Far better for this war to be resolved at the negotiation table than on the battlefield.

So today we take a significant step by adopting this resolution in lending the full weight of the United States House of Representatives to the effort now underway by the administration and supported apparently by most of the other permanent members of the Security Council of the United Nations, calling upon Iran and Iraq at long last to agree to resolve their differences at the negotiating table rather than on the battlefield.

The bloodletting has gone on long enough. Almost half a million have been killed. Hundreds of thousands of others have been maimed and wounded and some crippled for life.

Enough is enough.

This resolution expresses the sense of the Congress that we believe these hostilities should be terminated and that, if necessary, if either of these countries refuses to agree to reason we are prepared to back up our position with political and economic internationally approved measures against them.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the resolution, House Joint Resolution 216, to support a cease-fire in the Iran-Iraq war and a negotiated solution to the conflict.

Mr. Speaker, when this resolution was first introduced by the gentleman from New York [Mr. SOLARZ], the gentleman from New Jersey [Mr. TORRICELLI] and myself on March 30, 1987, there was little public awareness of the dangers the Iran-Iraq war posed to continuing destabilization in the entire region, which constitutes, in turn, a danger to the vital interests of the United States.

The United States had been trying to bring the Iran-Iraq war to an end through indirect means, such as Operation Staunch; and it took action to try to prevent the collapse of Iraq by helping to provide political support to Iraq's friends, such as Kuwait.

More action was needed, and the administration had, in late March, begun to outline the way forward that it has since taken—on the diplomatic front. This resolution supports the policy of the administration, to move in the United Nations for a cease-fire and negotiated solution, with withdrawal to internationally recognized borders. If either side refuses to negotiate, the resolution and the current American initiative both contemplate the application of internationally approved sanctions against the recalcitrant party or parties. The fact is, however, that Iraq has already indicated that it would be willing to accept a cease-fire and withdrawal.

Mr. Speaker, if nothing else moves us, the millions of injuries, the nearly half-million fatalities in this senseless war cry out for a rational solution to it. I commend the efforts of our administration, over the years, in trying to bring this war to an end. I hope that the strong support that I am confident that this resolution will attract will help strengthen the administration's position in the United Nations and elsewhere in the diplomatic community as it continues to work for a peaceful resolution of this conflict.

Mr. Speaker, I yield the balance of my time to the distinguished ranking minority member of the Committee on Foreign Affairs, the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the outset I want to indicate my strong support for this resolution and commend the gentleman from New York, Mr. SOLARZ, and Mr. GILMAN as well as Mr. TORRICELLI, the original sponsors, and join in support with the chairman of the full committee, Mr. FASCELL.

This resolution calling for a cease-fire and negotiated settlement of the Iran-Iraq war, as the gentleman from New York [Mr. SOLARZ] pointed out, this war has been going on for nearly 6 years. It is incredible. The United States must continue to work to bring a just and lasting peaceful resolution to this bloody conflict that has claimed nearly half a million lives.

The war between Iran and Iraq threatens to destabilize the entire Persian Gulf region. The ever-present risk of an expanded regional war threatens the interests of the United States and friendly nations in the region, demands that we renew efforts to achieve a settlement of the conflict. The resolution supports the ongoing diplomatic efforts of the United States to achieve peace in the region. The United States has held many discussions on a bilateral basis with the countries of the region and has initiated discussions among the permanent members of the U.N. Security Council.

I would like to say at that point I certainly hope the United Nations does something in that regard. It is an opportunity to show that they really can operate up there.

A cease-fire between Iran and Iraq coupled with a mutual withdrawal to internationally recognized borders as called for by this resolution would be an important first step toward a stable peace in the Persian Gulf.

Mr. Speaker, I urge my colleagues to support the resolution.

Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GEKAS].

The SPEAKER pro tempore. Without objection, the gentleman from Pennsylvania is recognized for 2 minutes.

There was no objection.

Mr. GEKAS. I thank the gentleman for yielding.

Mr. Speaker, I appreciate the comments made thus far by all the speakers on this particular subject. I just wanted to add to the record the impression that I have and I think that the public should have and that is that reflagging that the President has ordered here is not inconsistent with the objective of this resolution and, as a matter of fact, the directive for the reflagging was couched in a lot of the language that we are employing here today and the accompanying resolution in the Security Council of the United Nations is proof positive of that.

So while the President orders reflagging, he is unflagging in his support for a diplomatic political and geopolitical United Nations solution to this fracas.

Mr. SOLARZ. Mr. Speaker, will the gentleman from Michigan yield?

Mr. BROOMFIELD. I yield to the gentleman from New York, the chairman of the subcommittee.

Mr. SOLARZ. I thank the gentleman for yielding.

Mr. Speaker, I agree with the gentleman from Pennsylvania that the President is very much committed to a peaceful and negotiated settlement of the conflict between Iran and Iraq. Indeed, the administration strongly supports this resolution which in turn is consistent with the resolution the administration is seeking to get the approval of the security council for in the United Nations up in New York. Insofar as the reflagging is concerned, I agree with the gentleman that this resolution is in no way inconsistent with the reflagging. But the truth is whether you are for the reflagging. But the truth is whether you are for the reflagging or against the reflagging, you can still be for this resolution. In fact, if this resolution is adopted and it led in some way to end of the war there would be no need for the reflagging and I imagine the Kuwaitis would ask for their ships back and the issue would fade away.

So nobody need to be concerned that a vote for this resolution or the adoption of this resolution is inconsistent with our policy to reflag; it neither supports it nor opposes it.

Mr. BROOMFIELD. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. FASCELL. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. GALLO. Mr. Speaker, I rise today in strong support of efforts to gain a cease-fire in the Iran-Iraq war and a negotiated solution to the conflict.

Seven years ago the conflict between Iran and Iraq began and now fatalities on both sides are reported to be in excess of 400,000 people.

This conflict has now expanded beyond the territory of the belligerents and has included attacks on the ships of neutral countries, including our own and those of our allies. If this conflict is permitted to go unchecked I believe that in addition to the major problem of the loss of life it will disrupt the economy of the free world.

Throughout history, the United States has always strived to use its influence in the world community to help bring about peace in various regions of the world. It is time that the United States made a strong statement to both Iran and Iraq that this terrible conflict should end.

As members of the international community we should do everything possible to bring the leaders of both Iran and Iraq to the negotiating table. An internationally sanctioned cease-fire would be a first step toward a negotiated peace settlement.

I want to send a message to the President that Congress would support efforts undertaken by the executive branch to promote a cease-fire.

I want to send a message to Iran and Iraq, and to all other countries that might be tempted to use this war to satisfy their own ends, that the United States will do all in its power to obtain peace in the Middle East.

This war must be brought to a swift conclusion for the sake of the entire world and, most especially, for the young men, women, and innocent civilian populations of both countries who are at grave risk every day.

I think that it is the duty of Congress to do all in our power to see that this conflict ends with all possible speed.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. FASCELL] that the House suspend the rules and pass the joint resolution, H.J. Res. 216, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just passed.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1988

Mr. **MOAKLEY.** Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 221 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 221

Resolved, That all points or order for failure to comply with the provisions of section 302(c) of the Congressional Budget Act of 1974, as amended (Public Law 93-344, as amended by Public Law 99-177) and with the provisions of clause 2(l)(6) of rule XI and clause 7 of rule XXI are hereby waived against the consideration of the bill (H.R. 2890) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1988, and for other purposes. During the consideration of the bill, all points of order against the following provisions of the bill for failure to comply with the provisions of clause 2 of rule XXI are hereby waived: beginning on page 2, line 4 through page 3, line 22; beginning on page 5, line 4 through page 6, line 22; beginning on page 7, lines 6 through 20; beginning on page 9, line 12 through page 13, line 11; beginning on page 18, lines 11 through 18; beginning on page 19, lines 1 through 6; beginning on page 20, line 11 through page 22, line 16; beginning on page 24, line 2 through page 25, line 18; beginning on page 25, line 22 through page 29, line 14; beginning on page 33, line 11 through page 34, line 5; beginning on page 34, line 19 through page 35, line 3; beginning on page 35, line 19 through page 36, line 23; beginning on page 39 lines 18 through 24; beginning on page 40, line 9 through page 43, line 22; beginning on page 44, lines 6 through 22; beginning on page 45, line 1 through page 48, line 19; beginning on page 49, line 3 through page 50, line 11; and beginning on page 50, line 17 through page 51, line 16. It shall be in order to consider the amendment printed in section 2 of this resolution, by and if offered by Representative Durbin of Illinois, said amendment shall be debatable for not to exceed one hour, to be equally divided and controlled by the proponent and a Member opposed thereto, and all points of order against said amendment for failure to comply with the provision of clause 2 of rule XXI are hereby waived.

SEC. 2. At the end of the bill, add the following new section:

SEC. . (a) None of the funds appropriated by this Act to the Secretary of Transportation for airport development under the Airport and Airway Improvement Act of 1982 may be made available for airport development or airport planning at any airport which after the ninetieth day following the date of the enactment of this Act permits any air carrier to provide scheduled air transportation between such airport and any other airport with an aircraft (1) which in providing such transportation is scheduled to be in the air two hours or less, and (2) on which smoking will be permitted while such aircraft is being used to provide such transportation.

"(b) As used in this section—

"(1) the terms 'air carrier' and 'airport' have the meaning such terms have under section 101 of the Federal Aviation Act of 1958; and

"(2) the term 'air transportation' means intrastate air transportation, interstate air transportation, overseas air transportation, and foreign air transportation, as such terms as defined under such section.".

□ 1250

The **SPEAKER** pro tempore (Mr. KILDEE). The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. **MOAKLEY.** Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, because appropriation bills are privileged under the rules of the House this rule merely provides waivers of points of order against H.R. 2890, the Department of Transportation and related agencies appropriation bill for fiscal year 1988, and against an amendment to that bill. As is customary with appropriation bills, the debate time will be determined by a unanimous consent request made by the manager of the bill before the bill is considered.

The rule waives section 302(c) of the Congressional Budget Act against consideration of H.R. 2890. Section 302(c) prohibits consideration of a spending bill unless the committee reporting that bill has filed the subdivision of budget allocations required by section 302(b) of the Budget Act. This waiver was provided because the 302(a) budget allocation, which is the basis for the committee subdivisions was only filed in July 1, and when this rule was reported the Appropriations Committee has not yet been able to report its subdivision.

The rule also waives clause 2(l)(6) of rule XI and clause 7 of rule XXI against consideration of H.R. 2890. Clause 2(l)(6) prohibits consideration of a bill unless copies of the committee report on that legislation has been available for at least 3 days. Clause 7 of rule XXI requires that copies of committee hearings on a general appropriation bill be available for 3 days before consideration of that bill. These waivers are provided to ensure that any delay in the availability of theses materials would not prevent the House from moving ahead with consideration of H.R. 2890.

The rule also waives clause 2 of rule XXI against specified provisions of H.R. 2890. Clause 2 of rule XXI prohibits unauthorized appropriations or legislative provisions in a general appropriation bill. This waiver is necessary because the authorizations for some of the programs funded by this bill have not yet been enacted and because some of the provisions in the bill are legislative in nature. The specific provisions of H.R. 2890 which are protected from the points of order under clause 2 of rule XXI are detailed by page and line number in the rule we are considering.

In addition, the rule waives clause 2 of rule XXI against an amendment printed in section 2 of this resolution, to be offered by Representative DURBIN of Illinois. This waiver is necessary because the amendment could be construed as legislative in nature. The Rule provides that debate on the Durbin amendment shall be limited to 1 hour, with the time evenly divided and controlled by Representative DURBIN and an opponent of the amendment.

Mr. Speaker, H.R. 2890 appropriates $11.1 billion in new budget authority for fiscal year 1988 for the Department of Transportation and related agencies. It also includes obligation limitations on the Highway Trust Fund and the Airport and Airway Trust Fund that would allow spending of $15.7 billion from those trust funds.

House Resolution 221 is a straightforward rule which will allow full and open consideration of this important legislation. I urge the adoption of the resolution.

Mr. **QUILLEN.** Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I congratulate the gentleman from Massachusetts [Mr. MOAKLEY] on the fine job he did in explaining the rule.

Mr. Speaker, this is an unusual rule and the Rules Committee did something that they very seldom do. Despite the fact that the Appropriations Subcommittee opposed an amendment, despite the fact that the main Appropriations Committee, and the chairman of the Committee on Public Works and Transportation opposed the amendment, the Rules Committee made it in order. I think that is a slap in the face to the two committees. Historically, the Rules Committee listens to the chairman of the full legislative committee when legislation on an appropriation bill is brought before the Rules Committee.

The amendment I mentioned is the Durbin amendment which prohibits smoking on airline flights of 2 hours or less. The chairman of the Committee on Public Works and Transportation opposed the amendment. By a vote in the Appropriations Subcommittee it was voted down, and I think this is not the way to bring legislation to the floor of the House.

I offered an amendment in the Rules Committee prohibiting this amendment from being offered and by a recorded vote my amendment lost. The Durbin amendment will be debated on the floor of the House, and I am sure that a vote will be requested on the amendment. I urge Members to vote against the Durbin amendment and support the chairman of the Committee on Public Works and Transportation. This is absolutely an infringement on individual rights to prohibit smoking on airplanes, in commercial travel that goes for less than 2 hours. When people travel, as I do, sometimes there are great delays, layovers, and changes of planes. While each individual flight may last a little less than 2 hours, overall flight time sometimes may be as long as 4 hours or more. I am not a smoker myself. I have never smoked in my life, but I protect the people who desire to do so. Their right is the right of any individuals to do what they would like to do, and it is not up to this Congress to pass that amendment to say that they cannot smoke when, as I understand it, the FAA permits the rules to be changed for the benefits of the pilots.

We have heard about fire on aircraft. Sure, there are hazards anywhere, but they are so small. When the no-smoking sign is on, people do not smoke and they are cautioned not to smoke in the rests rooms. I do not see any hazard whatsoever.

I think this amendment is supported by those who are out to destroy the tobacco industry and its freedom of choice, the freedom of the individual to do as he would like to do, whether he wants to smoke or whether he does not. I believe the amendment should be defeated.

We know that the Transportation appropriation bill is important. Many items in this should be passed and become law.

I shall ask for a vote on the rule.

Mr. Speaker, I have no requests for time and I reserve the balance of my time.

□ 1305

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time and I move the previous question on the resolution.

The previous question was ordered.

The **SPEAKER** pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. QUILLEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 198, nays 118, not voting 117, as follows:

[Roll No. 254]

YEAS—198

Akaka
Anderson
Andrews
Annunzio
Anthony
Applegate
Atkins
Beilenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Boggs
Boland
Boner (TN)
Borski
Boucher
Brooks
Bruce
Campbell
Carr
Chapman
Clarke
Coelho
Coleman (TX)
Collins
Conte
Cooper
Coughlin
Coyne
Davis (MI)
de la Garza
DeFazio
Derrick
Dicks
Dingell
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Erdreich
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flippo
Foley
Ford (TN)
Frank
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hamilton
Hansen
Harris
Hayes (IL)
Hochbrueckner
Hoyer
Hughes
Hutto
Jacobs
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jontz
Kanjorski
Kastenmeier
Kennedy
Kennelly
Kildee
Kolter
LaFalce
Lancaster
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lowry (WA)
Lujan
Luken, Thomas
MacKay
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McHugh
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Mrazek
Murtha
Nagle
Natcher
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (UT)
Panetta
Parris
Patterson
Pease
Penny
Pepper
Perkins
Pickett
Pickle
Price (IL)
Price (NC)
Pursell
Rahall
Rangel
Ravenel
Regula
Richardson
Roth
Roybal
Russo
Sabo
Saiki
Sawyer
Sharp
Sikorski
Sisisky
Skaggs
Skeen
Slattery
Slaughter (NY)
Smith (IA)
Smith (NE)
Smith (NJ)
Solarz
Spratt
Stark
Stenholm
Stokes
Stratton
Swift
Synar
Torres
Towns
Traficant
Traxler
Vento
Visclosky
Watkins
Waxman
Wheat
Whittaker
Whitten
Williams
Wise
Wolf
Wolpe
Wyden
Yates
Yatron
Young (FL)

NAYS—118

Archer
Aspin
Ballenger
Barnard
Bartlett
Bateman
Bilirakis
Boehlert
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Callahan
Chandler
Cheney
Coble
Coleman (MO)
Courter
Crane
Daniel
Dannemeyer
Darden
Davis (IL)
DeWine
Dickinson
Dreier
Emerson
Fields
Frenzel
Gallegly
Gallo
Gekas
Gingrich
Gradison
Gregg
Gunderson
Hammerschmidt
Hastert
Hefley
Hefner
Henry
Herger
Hiler
Holloway
Hopkins
Houghton
Hubbard
Hunter
Inhofe
Ireland
Kasich
Kolbe
Konnyu
Kyl
Lagomarsino
Leach (IA)
Leath (TX)
Lewis (CA)
Lewis (FL)
Lightfoot
Lungren
Mack
Madigan
Marlenee
Martin (IL)
McCollum
McGrath
McMillan (NC)
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morrison (WA)
Neal
Olin
Packard
Pashayan
Petri
Porter
Quillen
Rhodes
Roberts
Robinson
Rogers
Rose
Roukema
Rowland (CT)
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Sensenbrenner
Shumway
Shuster
Slaughter (VA)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Stangeland
Stump
Sundquist
Sweeney
Swindall
Tauke
Thomas (CA)
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Weber

NOT VOTING—117

Ackerman
Alexander
Armey
AuCoin
Badham
Baker
Barton
Bates
Bentley
Biaggi
Bliley
Bonior (MI)
Bonker
Bosco
Boulter
Boxer
Brennan
Brown (CA)
Bryant
Bustamante
Byron
Cardin
Carper
Chappell
Clay
Clinger
Coats
Combest
Conyers
Craig
Crockett
Daub
DeLay
Dellums
DioGuardi
Dixon
Edwards (CA)
Edwards (OK)
English
Espy
Flake
Florio
Foglietta
Ford (MI)
Frost
Gephardt
Goodling
Grandy
Hall (TX)
Hatcher
Hawkins
Hayes (LA)
Hertel
Horton
Howard
Huckaby
Hyde
Jeffords
Jones (TN)
Kaptur
Kemp
Kleczka
Kostmayer
Lantos
Latta
Lehman (CA)
Lent
Livingston
Lloyd
Lott
Lowery (CA)
Lukens, Donald
Manton
Martin (NY)
McCandless
McEwen
Michel
Morrison (CT)
Murphy
Myers
Nielson
Owens (NY)
Oxley
Pelosi
Ray
Ridge
Rinaldo
Ritter
Rodino
Roe
Roemer
Rostenkowski
Rowland (GA)
Savage
Scheuer
Schumer
Shaw
Skelton
Smith (FL)
St Germain
Staggers
Stallings
Studds
Tallon
Tauzin
Taylor
Thomas (GA)
Torricelli
Udall
Volkmer
Walgren
Weiss
Weldon
Wilson
Wortley
Wylie
Young (AK)

□ 1320

The Clerk announced the following pairs:

On this vote:

Mr. Hawkins for, with Mr. Boulter against.

Mr. Florio for, with Mr. Craig against.

Mr. Daub for, with Mr. Taylor against.

Mr. ROBINSON and **Miss SCHNEIDER** changed their votes from "yea" to "nay."

Mr. TORRES and **Mr. WHITTAKER** changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 221, the resolution just passed.

The **SPEAKER** pro tempore (Mr. KILDEE). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GENERAL LEAVE

Mr. LEHMAN of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2890, and that I may be permitted to include tables, charts, and other extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. LEHMAN of Florida. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2890, making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1988, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that the general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Pennsylvania [Mr. COUGHLIN] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Flordia?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

□ 1331

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2890, with Mr. PANETTA in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Florida [Mr. LEHMAN] will be recognized for 30 minutes and the gentleman from Pennsylvania [Mr. COUGHLIN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Floirda [Mr. LEHMAN].

Mr. LEHMAN of Florida. Mr. Chairman, I yield myself such time as I may consume.

□ 1330

Mr. LEHMAN of Florida. Mr. Chairman, we submit for your consideration and for the consideration of the Committee of the Whole the bill, H.R. 2890, making appropriations for the Department of Transportation and related agencies for fiscal year 1988.

Before I get into the details of this particular bill, I first want to express my appreciation to the Members who serve on the transportation appropriations subcommittee. The gentleman from Pennsylvania [Mr. GRAY], the gentleman from Michigan [Mr. CARR], the gentleman from Illinois [Mr. DURBIN], the gentleman from New York [Mr. MRAZEK], and the gentleman from Minnesota [Mr. SABO] all provided insight and perspective during the 3-month indepth review we gave to Federal transportation programs and policies during our hearing process. It is a real pleasure to serve with them.

The subcommittee minority members have been equally diligent. They never made enough adjectives to describe the gentleman from Massachusetts [Mr. CONTE], and the gentleman from Virginia [Mr. WOLF], and the gentleman from Texas [Mr. DELAY] are also to be commended for the spirit of cooperation they have displayed and the commitment they have shown to developing a safe and effective transportation system for this Nation.

I want to make special mention of the ranking minority member, the gentleman from Pennsylvania [Mr. COUGHLIN], who has spent long hours in committee hearings and has displayed a broad knowledge of our transportation programs and policies. I pay tribute to his knowledge, dedication, and character, and I want him to know of my great appreciation for his sound judgment and cooperation. He is a special friend. As in past years, we have tried to work as a team on this bill, rather than on a partisan basis. And I think that has been to the benefit of this country.

I must also recognize the major contribution of our staff who have worked long and hard to develop a reasonable bill within extraordinary constraints.

Mr. Chairman, in preparation for this bill the committee developed a hearing record contained in seven volumes amounting to 6,759 pages. Testimony was received from more than 250 witnesses including 39 Members of this body.

The committee, I believe, has carefully reviewed the programs of the Department of Transportation and related agencies, and is recommending what we consider to be sufficient funds in light of current budgetary constraints to enable these agencies to help meet the requirements of our Nation's transportation system.

SUMMARY OF THE BILL

Mr. Chairman, the bill before you provides for total spending on Federal transportation programs of about $26.845 billion—of which approximately $11.104 billion is new budget authority and $15.741 billion is comprised of various limitations on contract authority obligations.

In addition, the bill appropriates $15.738 billion to liquidate contract authorizations.

Mr. Chairman, in terms of new budget authority, the bill is $722.1 million, about 7 percent, above the amount provided for similar activities in fiscal year 1987.

BUDGET RESOLUTION TARGET

I think the Members would also be interested to know that this bill is about $35 million under our section 302(b) allocation for budget authority and is also $142 million under our outlay allocation. With regard to just discretionary authority, we are $30 million below our section 302(b) budget authority allocation and $189 million below our outlay allocation. As the Members know, under the Budget Act, the Budget Committee provides a lump sum allocations to the Appropriations Committee pursuant to section 302(a), and the Appropriations Committee then subdivides that among its 13 subcommittees. Our target for discretionary budget authority that was provided to us by the Committee on Appropriations is $10.685 billion and we are within that amount.

SELECTED MAJOR RECOMMENDATIONS

With respect to the major recommendations in this bill, I would call the attention of the Members to pages 2 and 3 of the report. A table comparing the bill to fiscal year 1987 and the President's request appears beginning on page 138 of the report. The major bill highlights are as follows:

First, the appropriation of $3.258 billion for operations of the Federal Aviation Administration, an increase of $474.55 million over the fiscal year 1987 level;

Second, a general provision requiring by September 30, 1988, a minimum air traffic controller work force of 15,900 controllers, including 12,250 operational controllers and 10,350 full performance controllers;

Third, a provision providing for obligations of not to exceed $12.5 billion for federal-aid highways;

Fourth, the appropriation of $1.849 billion for operating expenses of the Coast Guard;

Fifth, a continuation of funding for the existing urban mass transportation formula grant program at a level of $1.965 billion, including $100 million in section 9(B) funds;

Sixth, the appropriation of $614 million for grants to the National Railroad Passenger Corporation [Amtrak];

Seventh, a provision providing for obligations of not to exceed $1.72 billion for airport development and planning grants;

Eighth, the appropriation of $1.17 billion for facilities and equipment of the Federal Aviation Administration;

Ninth, a provision providing for obligations of not to exceed $1.1 billion for the discretionary grants program of the Urban Mass Transportation Administration, excluding funding for section 9(B) formula grants;

Tenth, the appropriation of $161.5 million for the research engineering, and developing activities of the Federal Aviation Administration—an increase of approximately 8 percent over fiscal year 1987;

Eleventh, a continuation of funding for the construction of the Washington, DC metrorail system at the fiscal year 1987 level of $201 million, and

Twelfth, a major air safety provision withholding 5 percent of Office of the Secretary, salaries and expenses appropriation until final rules are issued concerning first, flight recorders and cockpit voice recorders in commuter air carrier aircraft; and second, mode C transponders in aircraft in controlled airspace. This is to ensure that the administration issues these widely supported safety rules promptly.

OFFICE OF THE SECRETARY OF TRANSPORTATION

Mr. Chairman, for salaries and expenses of the Office of the Secretary of Transportation, the bill provides a total of $54.85 million, of which $16 million would be derived by transfer. This amount is $3.85 billion above the current level and $2.141 million below the budget request. In addition, office-by-office statutory dollar breakdowns are specified in the bill for the Office of the Secretary. The bill also provides $38 million for payments to air carriers, $5 million for transportation planning and research, and $2 million for the working capital fund.

COAST GUARD

With respect to the Coast Guard, a total program level of $2.712 billion is recommended. this is $21.467 million less than the budget request and $135.2 million less than the fiscal year 1987 program level. The amounts in the bill would provide for a 4.3-percent increase in operating expenses for fiscal year 1988 assuming that certain sums are made available to the Coast Guard from funds appropriated in the Department of Defense Appropriations Act, 1988.

We believe the total Coast Guard funding level provides for a balanced program with emphasis on maritime law enforcement—especially drug interdiction; national defense commitments; search and rescue capabilities; dependability and safety of Coast Guard ships, boats, aircraft, and shore facilities; and the welfare and safety needs of Coast Guard personnel.

For Coast Guard operating expenses, the bill provides a program level of $1.95 billion for fiscal year 1988—assuming that $100 million is provided in DOD 1988 appropriation bill. This total amount is $155.4 million more than the amount provided for similar activities in fiscal year 1987. It is also $15 million below the budget request. The reduction from the budget is primarily reductions in GSA rent and FERS payments as well as normal slippages in the operational dates for new vessels, shore facilities, and other equipment.

The bill would also require that not less than $447 million of the operating expenses appropriation be available for drug interdiction activities. This is more than a 10-percent increase over last year, and is in keeping with the committee's strong commitment to such activities. I invite the members' attention to the drug interdiction section of the report beginning on page 19. Put simply, I think we must have a more coordinated and balanced approach if we are going to make headway in fighting the battle against drugs.

The operating expense funding level of $1.95 billion will support 38,036 military positions and 4,709 civilian positions including reimbursable positions. These levels are the same as the budget request and represent increases of 383 military and 131 civilian positions over the fiscal year 1987 level.

For acquisition, construction, and improvements, we are recommending an appropriation of $260 million. This appropriation plus an estimated $13.8 million in unobligated carryover funds will provide for a total program level of $273.8 million. The total program level is comprised of $192.4 million for vessels; $51 million for shore facilities; $3.4 million for aids to navigation; $2 million for command, control and communications, and related systems; and $25 million for administration. This level should provide sufficient funding to continue the large procurement projects that have been initiated in prior years.

The bill also includes $1 million to alter or remove two bridges that may be unreasonable obstructions to the waterborne commerce of the United States.

The sum of $386.7 million, as requested in the 1988 budget, is provided for the pay of retired military personnel of the Coast Guard and Coast Guard Reserve. This is based on an average of 25,139 pesonnel on the retired rolls.

For reserve training, $66.3 million is recommended. This will provide for a ready reserve of 18,000 including a selected reserve of 13,000.

The bill includes $20 million for the basic and applied scientific research, development, test, and evaluation projects necessary to maintain and expand the technology required for the Coast Guard's operational and regulatory missions. This amount is the same as the fiscal year 1987 level.

For the State recreational boating safety assistance program, we approved the budget request of $15 million.

FEDERAL AVIATION ADMINISTRATION

For the Federal Aviation Administration, we are recommending a total program level of $6.357 billion, including a $1.72 billion limitation on the use of contract authority for fiscal year 1988. This is $1.54 billion—or 32 percent—more than the fiscal year 1987 level, and $492 million—or 8.4 percent—more than the budget request. I think this large increase is absolutely necessary to continue the restoration of the air traffic control system, continue modernization of the national airspace system, improve our airports, and continue important safety regulatory and research initiatives.

For FAA operations, we recommend a total program level of $3.305 billion, including $37.5 million for headquarters administration. This represents an increase of $476 million over the fiscal year 1987 program level of $2.829 billion. This would provide for 46,711 positions including 20,750 controllers, supervisors and support personnel for air traffic centers and towers, and 4,410 flight service station personnel.

With respect to the air traffic control system, we recommend $1.135 million and 20,750 positions for the operation of ATC centers, terminal radar approach control facilities, airport traffic control towers, and certain ancillary facilities. Under the committee recommendation, air traffic controller employment would increase to a level of 15,900 personnel by September 30, 1988. This is 675 controllers above the revised level currently projected for September 30, 1987, and 1,097 controllers above the September 30, 1986, level.

Our committee remains concerned about air traffic controller work force staffing. While the administration's recently proposed increase in controller staffing is a step in the right direction, we believe additional actions are necessary. Operational errors are increasing, full performance level staffing is still below 60 percent at some critical centers, and the percentage of eligible controllers who choose to retire remains considerably higher than it was just 2 or 3 years ago.

I want to stress that while the overall number of controllers is important—and we have taken steps to address these needs—the Secretary must also work harder to correct the fundamental management problems that still exist in this system. Those problems are well documented in study after study. Yet, as evidenced by the east coast plan experience, such basic and longstanding deficiencies such as consulting controllers about changes in operational practices still have not been corrected.

Moving on to trust fund contributions, of the $3.305 billion provided for FAA operating expenses in fiscal year

1988, the bill specifies that $786.250 million, or 24 percent of the total, be derived from the Airport and Airway Trust Fund. In my view, this is an artificially low level that is caused by an ill-conceived formula contained in authorizing legislation. It is one of the causes for the high trust fund balance that we currently have. I would hope that the authorizing committee would change this provision to reflect a straight percentage of the amount appropriated.

For facilities and equipment, the bill contains $1.17 billion for fiscal year 1988. This is an increase of $363.5 million from the fiscal year 1987 level. This account finances the multiyear $16 billion national airspace system plan to modernize and automate our air traffic control system. This level will continue NAS plan implementation at the pace that the FAA has demonstrated that it can efficiently use these funds. I want to stress that, although the NAS plan is behind schedule, those delays are due to technology and contractor deficiencies—not to lack of funding.

With respect to FAA research, engineering, and development, we recommend $161.5 million, which is an increase of $11.5 million over the budget request. This includes $6 million over the budget request for TCAS-III implementation and $5.5 million over the budget for airport capacity research.

The bill also includes a $1.72 billion obligation limitation on airport development and planning grants. This is the highest funding level ever provided for this program.

We have also recommended reducing the FAA's authority to borrow from the Treasury to pay defaulted aircraft purchase loans from $75 to $60 million. Testimony indicates that the FAA has paid approximately $171 million as a result of defaulted loans. The amount of these defaults is alarming and we believe that the FAA should fully explore other alternatives with the creditors, such as rolling over the loan or extending the payment period before it agrees to pay for a default. The amount of borrowing authority has been reduced to $60 million to give added incentive to employ such options.

FEDERAL HIGHWAY ADMINISTRATION

Under the Federal Highway Administration, the bill provides for a total fiscal year 1988 program level of $13.919 billion in highway aid. This includes a limitation of Federal-aid highway contract authority obligations of $12.5 billion. The total FHWA program level is $447.356 billion more than the budget request and almost $188 million more than that provided in fiscal year 1987.

The highway programs are authorized by the Surface Transportation and Uniform Relocation Assistance Act of 1987—Public Law 100-17. Under the provisions and assumptions in this bill, we estimate that fiscal year 1988 outlays attributable to the highway account of the trust fund will be about $14.2 billion. This compares to estimated total fiscal year 1988 income credited to the highway account of approximately $13.8 billion. The $400 million difference will serve to reduce the estimated $9.7 billion balance in the highway account by more than 4 percent.

The bill provides a total of $215.35 million for FHWA administrative expenses, $4.79 million below the budget request.

The bill also contains an appropriation of $14 million for railroad-highway crossings demonstration projects in five different cities.

A $10 million limitation on highway-related safety grants is also contained in the bill for fiscal year 1988, the same as the budget request, and an appropriation of $7 million is recommended for highway safety research and development, which is the same as the amount provided in fiscal year 1987.

We recommend funds for 10 additional items not in the budget request: $10 million for an intermodal urban demonstration project, $15 million for reconstruction of the Baltimore-Washington Parkway, $8.3 million for an expressway gap closing project, $10 million for highway safety and economic development demonstration projects, $2 million for a highway safety improvement demonstration project, $10 million for a highway-railroad grade crossing safety demonstration project, $7 million for a vehicular and pedestrian safety demonstration project; $2.6 million for a highway bridge relocation demonstration project, $2 million for a highway bypass demonstration project; and $2.5 million for a highway widening and improvement demonstration project.

For motor carrier safety, the bill includes $24 million, $744,000 less than the budget estimate, to continue the activities of the Office of Motor Carrier Safety. The bill also provides $50 million to liquidate past contract authority obligations and a $50 million limitation on obligations for the Motor Carrier Safety Grant Program.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

For the National Highway Traffic Safety Administration, the bill includes a total program level of $243.4 million for operations and research. This is $20.742 million more than the program level proposed in the budget request.

The bill also reserves $10 million of this appropriation to continue the implementation of the recommendations contained in the National Academy of Sciences' report Injury in America. The committee is hopeful that the research recommendations in that report can produce large payoffs in the injury-related research work currently funded by the NHTSA.

We have also initiated several new studies and research programs that are described on pages 85 through 92 of the report.

We also recommend a limitation on obligations for the State and community highway safety grant program of $121 million, an increase of $11 million over the budget request.

For the alcohol safety incentive grant program, we have established a limitation on obligations of $14.4 million in fiscal year 1988. This is $3.5 million less than the budget request.

FEDERAL RAILROAD ADMINISTRATION

Mr. Chairman, for the Federal Railroad Administration, major recommendations include a program level of $28.825 million for railroad safety, $10 million for railroad research and development, and a program level of $21.7 million for office of the adminstrator expenses—which includes $6 million for local rail service assistance grants.

We are recommending $614 million for Amtrak operating and capital expenses in fiscal year 1988. Of course, the President again proposed deleting all Amtrak funds and the Congress has overwhelmingly rejected this proposal year after year. We expect that all existing routes and services will be maintained at this funding level. Bill language is also included continuing the statutory conditions for rehabilitating and operating a new route between Philadelphia and Atlantic City, and establishing a 60-percent Federal match for the Westside connector project in New York City.

In addition, the bill includes $27 million for Northeast Corridor capital improvements. This sum will be of direct benefit to Amtrak.

URBAN MASS TRANSPORTATION ADMINISTRATION

For the Urban Mass Transportation Administration, a total program level of $3.45 billion is recommended for fiscal year 1988. This is $1.946 billion more than the budget request, but $1.9 million less than the fiscal year 1987 program level.

Under the formula grant program, we recommend an appropriation of $1.87 billion, including $5 million for 18(h) rural transportation grants. In addition, another $100 million would be made available for the formula grant program under the new section 9(B) program. The President's budget did not request any new general fund appropriations for this program in fiscal year 1988. Instead, the budget assumed enactment of new legislation to establish a formula transit grant program funded from the mass transit account of the highway trust fund. I think this approach amounts to almost a complete abandonment of mass transit in this country and I am glad to see that such an approach was discarded by the authorizing committee.

The operating assistance component of the formula grant appropriation is authorized by the Surface Transportation and Uniform Relocation Assistance Act of 1987. Information provided by UMTA indicates that $912,598 million will be available for operating assistance in fiscal year 1988.

The bill also includes language limiting obligations for transit discretionary grants and section 9(B) formula grants to $1.2 billion. This is $197.5 million more than the fiscal year 1987 limitation. Public Law 100-17 continues to provide contract authority for the discretionary grants program from the mass transit account of the highway trust fund.

I invite the Members' attention to pages 111 through 117 of the report for a detailed description of how these funds are to be distributed.

The bill also includes $130 million for transit projects that have been substituted for interstate highway projects. Of this amount, 50 percent is to be distributed on a formula basis and 50 percent on a discretionary basis. The discretionary funds will be distributed as outlined on pages 118 and 119 of the report.

The bill appropriates $201 million as authorized by Public Law 96-184, the Stark-Harris legislation, to continue construction of the Washington, DC, Metrorail system.

The bill also provides a total of $49 million for research and administrative expenses of UMTA.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The bill limits the administrative expenses of the St. Lawrence Seaway Development Corp. to $2.1 million, $36,000 less than the budget request.

In addition, the bill includes an appropriation of $11.5 million from the harbor maintenance trust fund to fund seaway operations and maintenance that the Corporation is responsible for.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

For the Research and Special Programs Administration, the bill contains an appropriation of $22.1 million, $543,000 less than the budget request. Of this amount, $9.2 million is provided to continue pipeline safety operations, research and development, and State grants-in-aid. The pipeline safety appropriation includes funds to increase inspector travel from 9 to 12 days per month. This increase in productivity will reduce the inspection interval by 6 months for each pipeline unit, from once every 27 months to once every 21 months.

INSPECTOR GENERAL

For the Office of the Inspector General, the bill includes an appropriation of $29.3 million. This is $800,000 less than the budget request.

TITLE II—RELATED AGENCIES

Title II of the bill contains $591.23 million in new budget authority for six transportation-related agencies and commissions. This is $11.9 million below the cumulative budget requests, and $30.3 million above last year's level.

More specifically, we recommend $2 million for the Architectural and Transportation Barriers Compliance Board, $24 million for the National Transportation Safety Board, a total of $47.1 million for the Interstate Commerce Commission, $456.2 million for the Panama Canal Commission, $10.7 million for the Department of the Treasury to rebate St. Lawrence Seaway tolls, and $51,663,569 for the Federal share of interest payments for the bonded indebtedness of the Washington Metropolitan Area Transit Authority.

TITLE III—GENERAL PROVISIONS

Mr. Chairman, there are several general provisions in this bill that will be of interest to the members, including section 323 that limits rental payments to GSA to 104 percent of the fiscal year 1987 level. The general provisions are summarized on pages 128 and 129 of the report.

Mr. Chairman, the bill before the body is a fiscally responsible bill which I believe provides adequate funding for our transportation programs. I say again that it is under ceiling for both budget authority and outlays. I ask for its favorable consideration and approval.

□ 1345

Mr. Chairman, I reserve the balance of my time.

Mr. COUGHLIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, for any Member who may have become jaded or cynical, this bill is the proof that miracles do indeed happen. Feeding the multitudes with barley loaves and fishes was nothing compared to the task of trying to make a very limited amount of transportation money stretch far enough to cover the very many requests we have. The chairman of the committee, the gentleman from Florida [Mr. LEHMAN], has indeed displayed the wisdom of Solomon. The gentleman from Florida has done just that. He is the salt of the Earth. He is a great guy, and he brings to the floor a bill that is responsible to the needs and the requests of the Members and the administration.

Mr. Chairman, I want to commend in particular some of the other Members on the minority side, the gentleman from Massachusetts [Mr. CONTE], the gentleman from Virginia [Mr. WOLF], and the gentleman from Texas [Mr. DELAY], who has certainly added a great deal of hard work and given many long hours to this bill. To the other Members on the majority side I extend my congratulations for bringing this bill here. In particular, of course, I give my thanks to the staff who worked on this bill: Jeff Jacobs and Kenny Kraft for the minority; Tom Kingfield, Greg Dahlberg, Lucy Hand, Linda Muir, and Maggie Baker for the majority. They have done a yeoman's job.

As the subcommittee chairman has explained, the committee recommends $11.1 billion for transportation programs. The committee has recommended—and I hope that those Members who are listening out there will pay attention to this—essentially a freeze at last year's levels except for places such as the Coast Guard and the Federal Aviation Administration, where the administration has asked for more money. The bill is a freeze level bill except where the administration has asked for more.

The highlights of the bill have been pointed out by the chairman of the subcommittee, but just let me make a couple of specific points. The bill provides for $1,849,400,000 for the operating expenses of the Coast Guard. This is indeed $55 million over last year's level, but it is still not as much as requested by the administration.

The bill provides $3,275,550,000 for operations of the Federal Aviation Administration. This is indeed $474,550,000 over last year's level.

The bill recommends $1.170 billion for facilities and equipment for the Federal Aviation Administration. That is indeed $365,416,000 over last year's level, but it is still not as much as requested by the President.

The bill contains a general provision requiring a minimum air traffic controller work force of 15,900 controllers by September 30, 1988.

It contains a provision for obligations of not to exceed $1.720 billion for airport development and planning grants.

There is a provision providing for obligations of not to exceed $12.500 billion for Federal-aid highways.

It provides $614 million for grants to Amtrak, and also $1.965 billion to continue formula grants for the Urban Mass Transportation Administration. It has a limitation on obligations not to exceed $1.100 billion for discretionary grants for the Urban Mass Transportation Administration.

There were places in this bill where the administration made either a no budget request or a low budget request. Most notable of these are Amtrak and mass transit, and once again the committee was able to keep these important programs whole.

As I mentioned, there were places where the administration made increased budget requests, notably for the Coast Guard and the Federal Aviation Administration. The committee supported increases in these important areas.

Let me stress again that we are under our expected 302 allocation in both budget authority and outlays. The reason that we are $722 million over last year's levels is due to increases requested by the administration. Some accounts are frozen at last year's level, and some accounts received increases as requested by the President.

This is a good bill, but it needs the active support of every Member of this House to ward off any unfair or meat-ax kind of cuts. We have all seen letters from the Office of Management and Budget and from the Department of Transportation objecting to every single instance in which we have made any change in the President's budget. I think it is not responsible to expect that the committee is not going to make some changes. We have come very close to giving the Department everything it wants. The bill is a freeze at last year's levels except for those places where there are requested increases.

Mr. Chairman, I urge support of the bill.

Mr. Chairman, I reserve the balance of my time.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise to address a question to my good friend, the chairman of the subcommittee. I find in the committee report accompanying this bill language pertaining to transit properties that can document that they purchased charter bus rights without Federal assistance. It is my understanding that this language was written, at least in part, with Long Beach Transit in mind. Am I correct in this assumption?

Mr. LEHMAN of Florida. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON. I yield to the subcommittee chairman.

Mr. LEHMAN of Florida. The gentleman from California is correct.

Mr. ANDERSON. And am I reading the language correctly in assuming that it is the committee's intention that UMTA will allow Long Beach Transit—and any other qualifying public transit authority that applies—to continue their charter bus service through September 30, notwithstanding the April 13 regulation or any subsequent charter regulations?

Mr. LEHMAN of Florida. The gentleman is correct; that is the committee's intention.

Mr. ANDERSON. Finally, Mr. Chairman, the report directs UMTA to provide the committee, by September 1, with a listing of any public transit operators that purchased their charter rights entirely with non-Federal funds. Was it the committee's intent that this listing would make a further distinction between those properties that purchased their charter authority prior to the enactment of the 1964 Urban Mass Transportation Act and those that purchased their authority subsequent to that law's enactment?

Mr. LEHMAN. We would expect UMTA to cover that in describing the purchase arrangements.

Mr. ANDERSON. Mr. Chairman, I thank the chairman of the subcommittee.

Mr. COUGHLIN. Mr. Chairman, I yield 3 minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for the opportunity to speak in support of the pending measure, H.R. 2890, making appropriations for the Department of Transportation. The distinguished chairman, the distinguished ranking minority member, the gentleman from Pennsylvania [Mr. COUGHLIN], and other distinguished members of the subcommittee are to be commended for their work on this important measure.

I would like to focus my remarks on one particular aspect of the legislation—the section providing demonstration program funds to communities with dangerous railroad/highway grade crossing problems. The community of Lincoln, NE, which is the major city in my congressional district, is again the recipient of funds as prepared under this program. The Transportation appropriations bill for fiscal year 1988 earmarks a total of $4 million, from a total appropriation of $14 million, for completion of the K and L Streets extension and overpass.

The subcommittee, the full Appropriations Committee, and this body have long recognized the seriousness of the transportation problems facing selected cities like Lincoln, NE. This body has never ducked its responsibilities in meeting the Federal commitment to provide demonstration assistance to those communities struggling to alleviate safety and community problems caused by very major railroad facility barriers located in the business and residential areas of cities.

Because of the special leadership of the Nebraska congressional delegation in the early 1970's, Congress authorized demonstration railroad/highway crossing projects through section 163 of the Federal Aid Highway Act. Lincoln was one of the original 12 project cities selected for funding. Due to a number of local delays caused primarily by litigation, however, the actual receipt of grant funds by Lincoln were not forthcoming in a timely fashion.

Thus far, two of the four separation structures which make up the Lincoln demonstration program have been completed. The $4 million recommended in the pending bill is what is needed to complete the K and L Streets extension overpass. If that figure can be sustained through the legislative process this year, the Lincoln program will be completed. And, the Federal Government can point with pride at its contribution to improving safety and community conditions in Nebraska's capital city.

The K and L Streets improvement entails the construction of a two-lane railroad overpass on the southwest side of the central business district of Lincoln. The two paved lanes will be built on a four-lane grade, allowing for eventual expansion to a four-lane divided highway.

Southwest Lincoln is currently isolated from the central business district, major public safety and service facilities, and other areas of the city by railroad tracks which serve the high-volume traffic of the Burlington-Northern coal trains and numerous other freight trains. At present, street travelers must cross over five sets of tracks, which carry an estimated 36 trains per day and are expected to carry 90 trains per day in the year 2005. Trains crossing over this grade into or out of the Burlington Northern yard are generally traveling at speeds of 5 to 10 miles per hour and average 100 cars in length. Delays to travelers are, thus far, very long. The lack of convenient and safe access to this sector of the city has severely hindered its economic development.

The crossing has also posed a serious problem for emergency police and fire vehicles which need to traverse the tracks to get to the residents in the area. The police department estimates that at least one police vehicle per day on an emergency call is delayed by a train blockage. The fire department, with a one-truck station within the boundaries of the southwest section, experiences major train-created delays one to two times per month. Ambulance services personnel quoted an average of five calls per week which are held up train crossings. The need for this project is indeed clear.

The city of Lincoln and the State of Nebraska have together contributed approximately 63 percent of the funds expended thus far on railroad/highway crossings, a contribution which equals 32 percent of the total estimated project costs. Local and State officials and the congressional delegation may well seek other funding for rail crossing projects, but the substantial investment of financial and personnel resources that the city has already made warrants that Congress fulfill the original commitment of the Federal Government to support those demonstrations project elements.

Mr. Chairman, on behalf of the citizens of Lincoln, NE, I offer my sincere appreciation to you, the distinguished ranking minority member, the gentlemen from Pennsylvania [Mr. Coughlin] to you, and the members of your subcommittee you recognize our need, to have recommended for Lincoln the attention and assistance that is required to complete this last phase of Lincoln's demonstration rail transportation system.

Beyond that special note of appreciation this member commends the subcommittee on its usual diligence and excellent work which resulted in H.R. 2890 which is before this body today. I urge my colleagues to support it.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 1 minute to the gentleman from New Mexico [Mr. Richardson].

Mr. RICHARDSON. Mr. Chairman, I would appreciate the opportunity to engage in a short colloquy with you. As you know, Mr. Chairman, Amtrak arbitraily removed two ticket agent positions at the Gallup, NM, train station. These remaining two positions are vital not only to tourists visiting northwestern areas of my State but Amtrak serves as one of the only transportation alternatives for many of my constituents. A grant is included in the fiscal year 1988 Transportation appropriations bill for the National Railroad Corporation of $614 million. Mr. Chairman, it was my understanding that the committee intended that within the available grant funds the two Amtrak ticket agent positions at the Gallup train station would be maintained. Is that your interpretation?

Mr. LEHMAN of Florida. Mr. Chairman, if the gentleman will yield. The gentleman from New Mexico is correct.

Mr. RICHARDSON. I thank the gentleman from Florida.

Mr. COUGHLIN. Mr. Chairman, I yield 7 minutes to the gentleman from Washington [Mr. Chandler].

Mr. CHANDLER. Mr. Chairman, over the past few weeks, a bipartisan group of Members has been working together to achieve modest deficit cuts by reducing the rates of increases in the various appropriations bills. This group's effort has had a mixed reception, ranging from anger to enthusiastic support. Actually, the level of support has been steadily increasing, and I truly hope Members realize that this bipartisan group has no intention of attacking the fine work and signs of fiscal restraint shown by the Appropriations Committee. I would also like to express my appreciation to Chairman Bill Lehman for his courteous and understanding attitude toward the efforts of this bipartisan group. Also Larry Coughlin the ranking Republican.

The bill before us today, the fiscal year 1988 Transportation appropriation, is an example, for the most part, of a committee trying to restrain growth while recognizing situations where our society is faced with a crisis. Transportation appropriation spending would increase $722 million, or 7 percent over fiscal year 1987, but approximatley $820 million is attributed to an increase for the Federal Aviation Administration. While I'm uncomfortable with so large an increase in just 1 year, I doubt any Member would question the urgent need to make our skies safer. The increase in near midair collisions is a frightening reminder of the possible accidents which must be prevented. This is one of the reasons the increase in funding for the FAA will not be included in any of our group's amendments offered today.

The amendments offered today by task force members will pinpoint specific programs where it is believed further reductions can be absorbed without crippling or affecting the viability of the programs. An across-the-board reduction amendment also will be offered, in the area of 3 percent, but will only apply to those programs which have seen increases over fiscal year 1987. As I mentioned earlier, this amendment will exclude the FAA. I would like to assure my colleagues, that these proposals are limited in nature.

Even though these cuts are modest, there will be opposition. I understand the frustration of members who may be seeing spending cuts which affect a specific interest of his or her district. I also greatly respect the members of the Appropriations Committee who have done their best to reduce spending. The challenge we are facing in reducing the deficit began long before June 24, when the first fiscal year 1988 appropriations bill was considered on the floor.

I am certain many Members share my view that the budget process would be a better place to attack spending. It is regrettable that the budget process itself is in large part why we are where we are today, and why I stand here proposing reductions in an appropriations measure. It seems the distortions—the "smoke and mirrors"—which are now part of the budget process make achieving real deficit reduction next to impossible. This is not the time to debate how the process should be reformed, but rather to point out that using unrealistic economic assumptions, tying defense money to taxes, and claiming questionable savings from Rural Electrification Administration loan sales, are just a few of the tactics used to avoid the tough job of making true reductions. These practices led our group to look at other ways for achieving the desperately needed savings.

The bigger issue before us today is our Nation's staggering budget deficit, and the critical need to get it under control. Making these small reductions now is a way to start today, not next year or after the next election, to achieve the needed savings.

I urge your support of these amendments.

□ 1400

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER. I am happy to yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I want to commend the gentleman. What the committee has done is provided a freeze level in this bill except for the areas of the Federal Aviation Administration, the Coast Guard, where the administration has requested increases, and where Congress generally agrees that we need some additional help. In aviation there is a big problem right now. The Coast Guard has the drug interdiction, and other very important missions. What the gentleman has done is exempted areas where there were increases and said that even where we were holding things basically at a freeze level we were going to cut those still further. Is that correct?

Mr. CHANDLER. The gentleman is precisely correct. The only way to justify that is this: It seems to me that while I have not found any constituency for sacrifice in this country, that Members of Congress are going to have to provide some leadership to say we cannot have our lunch and eat it too. We cannot fund these programs with borrowed money from our children's future and say all is well, because all is not well.

Mr. COUGHLIN. It seems to me is very difficult.

My problem is that the gentleman is taking out great big pieces of money leaving only small or relatively small, sums for other programs. The committee has frozen programs at last year's levels, in some cases making reductions, and in some cases making increases. However, overall the bill is a freeze except where requested by the administration. I have to say I hope the gentleman's amendment will not be successful.

Mr. CHANDLER. I know the gentleman feels that way and I respect him. We tried to talk a little bit before today's session, and to my colleagues with whom I had no chance to talk before I would say these amendments were offered and I apologize that I have not had that opportunity. Obviously, we are always facing this conflict between Members when we appropriate and authorize. We have tried not to be arbitrary, we have tried not to select anything in particular, but simply to achieve some savings so that down the road some day when John and Amy Chandler are up here paying these bills they are going to have some money to do it with.

Mr. COUGHLIN. I thank the gentleman.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. CARR], a member of the subcommittee and a very hard working and very able member of the full committee.

Mr. CARR. Mr. Chairman, I want to bring to the attention of the gentleman from Florida [Mr. LEHMAN] and the gentleman from Pennsylvania [Mr. COUGHLIN] a matter where I hope we can get some agreement.

Last year we passed legislation allowing the States to increase the speed limit from 55 to 65 on certain portions of rural interstates. This bill contains $250,000 to study the effects of this piece of legislation across our land.

According to a DOT interpretation, the basic law which established the national maxium speed limit prohibits States from adopting a speed differential for cars and trucks if they did not have a speed differential in effect to some extent in 1973. As a result, six States have now established a 65-miles-per-hour limit for cars and a lower limit for trucks on rural interstates and 23 States have adopted a uniform 65-miles-per-hour limit for all vehicles. Experts differ over the safety effects of dual speed limits versus uniform speed limits for cars and trucks.

Mr. Chairman, will you agree with me that it is the committee's intent that in addition to assessing the general impact of the higher speed limits on trucks as well as car safety, the National Highway Transportation Safety Administration should also assess the relative truck safety impacts of dual versus uniform speed limits for cars and trucks?

Mr. LEHMAN of Florida. Mr. Chairman, will the gentleman yield?

Mr. CARR. I yield to the gentleman from Florida.

Mr. LEHMAN of Florida. Mr. Chairman, the gentleman's assumption is absolutely correct. NHSA is directed to incorporate those details into its evaluation, and we will work closely with NHSTA to ensure that this intent is followed.

Mr. CARR. I thank the gentleman for his comments and for clearing this particular matter up.

Mr. COUGHLIN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, could I have the attention of the chairman of the subcommittee and also the ranking member. I would like to call their attention to page 34 of the report language and read some language and ask for an explanation. The last paragraph of that page reads:

"The Committee remains concerned about whether the type of service being provided by the consolidated flight service stations is consistent with section 528(c) of the Tax Equity and Fiscal Responsibility Act of 1982. Under that section, flight service stations may be closed 'only if the service provided to airmen after the closure of such station is as good as, or better than the service provided when the station was open * * *,'" and it goes on.

Mr. Chairman, to say because of the continuing concern about what constitutes as good as or better service, the committee is directing the FAA to halt any further closures unless the affected service area will be served by an automated flight station with model 1 or model 1 full capacity equipment.

I call your attention to what has happened in the Adirondack Mountains of New York State because, Mr. Chairman, the House passed the supplemental appropriation bill containing this same language directing that no stations be closed after July 15 of this year, and in so doing, after March 23 it took all of this time right up until today for the President to sign the supplemental appropriation bill.

What the FAA did in the meantime was to take all of the stations in northern New York, which includes Albany, the State capital, and Glen Falls, NY, where I live, 50 miles north of there and close them, and right up through the Adirondack Mountains into Watertown, some of the most rugged territory in all of the Northeastern United States and deliberately rush the closings before the President signs the supplemental when they knew the intent of the law that was pending. They went ahead and helter-skelter rushed to close those stations in violation of the intent of this same language that appeared in the supplemental. I think that is disgraceful. I hope that no accident happens now after the action they took.

I would like to ask both gentlemen if there is some way that they could see to it that the Burlington station, which has become the consolidation station, and which does not even have model 1 or model 1 full capacity equipment, to handle this kind of flight up there now, be immediately equipped with the model 1 full capacity required by law.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I am happy to yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, let me say to my colleague that I will be happy to work with him and with the FAA to get that Burlington station upgraded and get model 1 equipment in there as quickly as is humanly possible. I certainly agree with the gentleman that they should not be closing down flight service stations until they provide equal or better service.

I will be happy to work with the gentleman in any way I can to assure that in his area.

Mr. SOLOMON. I wish the gentleman in his capacity would pose the question as to why they closed them down when the existing law, even before the supplemental, states, according to your report language, that they must have that kind of service before they can close them down, and yet they went ahead and did it. That is what is disgraceful.

Mr. LEHMAN. of Florida. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Florida.

Mr. LEHMAN of Florida. Mr. Chairman, I thank the gentleman for bringing this to our attention. Until today we were not familiar with this situation.

The subcommittee does remain concerned about the flight service stations service and the quality of service and we will be looking into this, I am sure with the help of the gentleman from Pennsylvania [Mr. COUGHLIN], and myself, working together that this situation can be resolved.

Mr. SOLOMON. I certainly thank both gentleman for their cooperation in this matter.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I think I have 30 seconds left, and I am glad to yield to the gentleman from Michigan, my good friend, who I think has a similar problem.

Mr. CARR. I thank the gentleman for yielding. I merely wanted to say that the record of testimony before our subcommittee reflects that Admiral Engen, who was then the FAA Administrator, put himself and his agency foursquare behind the policy the committee has been announcing and enunciating. I think we all have a concern that it was not in fact implemented in spite of what the leadership of the FAA said at our hearings, and even further that Admiral Engen is no longer there. We now have a new FAA Administrator, so we will all be redoubling our efforts. We appreciate the work of the gentleman.

Mr. SOLOMON. I certainly thank the gentleman for his support and would hope that the committee, if they should fail in getting this matter expedited to get the model 1 service into Burlington, VT, that they demand that these stations be reopened if there is going to be any kind of period of time coming, especially the winter months will be on us in spite of this awful heat we have here, before we know it.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Chairman, I would like to engage the distinguished chairman of the Transportation Appropriations Subcommittee in a colloquy regarding a very important bridge project in my district.

Mr. LEHMAN. If the gentleman will yield, I would be pleased to join my friend in a discussion of this project, with which I'm familiar.

Mr. GARCIA. I thank the gentleman. It is my understanding that the highway reauthorization bill which was enacted into law earlier this year authorized $225 million annually for the Discretionary Highway Bridge Replacement and Rehabilitation Program.

Mr. LEHMAN. The gentleman is correct.

Mr. GARCIA. It is also my understanding that historically, the Federal Highway Administration is generally responsive to the views of Congress in allocating these discretionary funds.

Mr. LEHMAN. The gentleman is again correct.

Mr. GARCIA. As the chairman is aware, the Macombs Dam Bridge, which spans in Harlem River between Manhattan and the Bronx in New York City, is badly in need of rehabilitation. The bridge carries over 40,000 vehicles a day and services a major thoroughfare, the Major Deegan Expressway. Do you agree that FHWA should give this project priority treatment in the allocation of discretionary funds next fiscal year?

Mr. LEHMAN. I understand and share the gentleman's concerns with this project and I believe it deserves priority treatment by FHWA. I hope that the Secretary accords it priority consideration.

Mr. Chairman, I would like to say at this point that the gentleman from New York [Mr. RANGEL], my colleague who represents the other side of that bridge, I represent the Bronx side and he represents the Manhattan side, wanted very much to participate in this colloquy between myself and the chairman. The problem is he has a markup going on of his subcommittee and he could not be with us, but he is very much concerned with this project, as I am.

Mr. Chairman, I thank the gentleman from Florida for his support and for his views.

Mr. LEHMAN of Florida. I appreciate the gentleman from New York bringing this to the attention of the subcomittee.

Mr. COUGHLIN. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. I thank my good friend from Pennsylvania for yielding me this time. I want to compliment him and all of the Members of the subcommittee for the tremendous job they have done.

With respect to the transportation appropriation bill for fiscal year 1988 I of course commend them very much for their work. Further, I would like to address a question on this important issue to my colleague, the gentleman from Pennsylvania [Mr. COUGHLIN], who is the ranking minority member of this subcommittee. The committee report language, which appears on page 58, cites the airport at Appleton. I would like to clarify the intent was to provide that the FAA fund and maintain the instrument landing system at the Appleton Airport. My further understanding is that sums of money have been set aside in the appropriation for this purpose. Is my understanding correct?

□ 1415

Mr. COUGHLIN. The gentleman is correct. The language on Appleton Airport was inserted as a result of an amendment that I offered in the full committee. The report directs the FAA to give priority consideration to several airports, including Appleton, for funding for instrument landing systems.

Mr. ROTH. Mr. Chairman, I thank the gentleman very much for his answer and I thank my colleagues for their response.

Mr. LEHMAN of Florida. Mr. Chairman, will the gentleman yield?

Mr. ROTH. I yield to the gentleman from Florida.

Mr. LEHMAN of Florida. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Pennsylvania.

Mr. ROTH. I thank my good friend, the chairman of the subcommittee, for his response, and I want to thank all the members of the subcommittee again for their work and their help.

In Outagamie Airport in Appleton has experienced substantial growth in passengers and is currently expanding its runway. Northeast Wisconsin is a dynamic part of these United States is developing tremendous economic base. The airport at Appleton must be developed even further if we are going to be able to adequately help this expanding and prosperous area in northeastern Wisconsin.

I thank the members of the committee for their help.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 2 minutes to my colleague, the gentleman from Florida [Mr. HUTTO].

Mr. HUTTO. Mr. Chairman, will the distinguished chairman of the Transportation Subcommittee agree to engaging in a colloquy?

Mr. LEHMAN of Florida. Yes; I would be pleased to.

Mr. HUTTO. Mr. Chairman, as the members of the Appropriations Committee are aware, I am very concerned, as the chairman of the Coast Guard Subcommittee, about the funding level for the Coast Guard contained in this bill. As I stated in testimony before the Transportation Subcommittee on April 30, the Coast Guard is at a disadvantage by having to compete with FAA, mass transit, and other programs in the function 400 account. This combined with inadequate requests from OMB, is why Congress has deemed it necessary for the past several years to allocate additional funds to the Coast Guard from Defense appropriations. I can tell the gentleman that DOD does not like it and neither does the Coast Guard. We, as Coast Guard's authorizing committee, do not like it; the Armed Services Committee, on which I also serve, does not like it; and, I am confident the distinguished chairman of the Defense Appropriations Subcommittee does not like it, either.

Nevertheless, because we once again are faced with woefully inadequate funding for the Coast Guard in the Transportation Appropriations bill, it is my understanding that the chairman of the Transportation Appropriations Subcommittee and the chairman of the Defense Appropriations Subcommittee have reached an understanding that the Defense bill will contain an additional $100 million for the Coast Guard operating expenses account. Is that correct?

Mr. LEHMAN of Florida. That is an assumption that right now is correct.

Mr. HUTTO. Well, I appreciate very much the gentleman's concern and his assistance on this matter. We look forward to working with him and getting proper funding for the Coast Guard.

Mr. DAVIS of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HUTTO. I am happy to yield to the ranking minority member of the Coast Guard Subcommittee, the gentleman from Michigan [Mr. DAVIS].

Mr. DAVIS of Michigan. Mr. Chairman, I thank the gentleman from Florida for yielding.

I want to join in this colloquy on this particular issue and perhaps to our friend, the gentleman from Florida [Mr. LEHMAN]. I am concerned, as is the chairman, about what we are doing with the Coast Guard budget this year. As I understand it, this bill, the Coast Guard portion of this bill right now is about $275 million under the President's request. If we subtract the $100 million that we hope to get from the Defense Department, that still leaves us short $175 million, or thereabouts. If that is in fact true, and from everything that I have been able to determine it is, that is a considerable amount of money which is going to cause a great deal of harm to the ability of the Coast Guard to carry out its appropriate functions.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 1 additional minute to the gentleman from Florida [Mr. HUTTO].

Mr. DAVIS of Michigan. Mr. Chairman, will the gentleman yield further?

Mr. HUTTO. I am happy to yield to the gentleman from Michigan.

Mr. DAVIS of Michigan. Mr. Chairman, I just think that we need to address that problem because we are talking now about the very things that everyone in this country depends upon the Coast Guard to do. They are not going to be able to carry out their normal everyday function. You are going to be cutting back on spare parts. You are going to be cutting back on search and rescue and, frankly, the Coast Guard will not be able to operate, to do the functions that we charge them to do, with this budget as it is.

I would hope, Mr. Chairman, that we would be aware of that and the chairman would be aware of that, because I am very concerned about it.

If there is some time left, Mr. Chairman, I yield to the gentleman from Florida.

Mr. LEHMAN of Florida. Mr. Chairman, I am sure the gentleman realizes the subcommittee knows the importance of the Coast Guard, especially in the problems of drug interdiction. We have tried under severe budgetary restraints to treat the Coast Guard as fairly as we possibly could and will continue to do so should other moneys become available.

The CHAIRMAN. The time of the gentleman from Florida has again expired.

Mr. COUGHLIN. Mr. Chairman, I yield 2 additional minutes to the gentleman.

Mr. DAVIS of Michigan. Mr. Chairman, will the gentleman yield further?

Mr. HUTTO. I yield to the gentleman from Michigan.

Mr. DAVIS of Michigan. Mr. Chairman, let me just talk about some numbers. It is my understanding that the administration does not support the Coast Guard portion of this budget, either, that they do not believe that there is enough money in here to carry on the appropriate functions for the Coast Guard.

I know that you folks on the Appropriations Subcommittee do your best in the area of transportation, but I am concerned that what you have done, when you needed to make some appropriate cuts, that you did not take a hard enough look at the Coast Guard and you made disproportionate cuts in the Coast Guard for the budget.

As a matter of fact, in my opinion, you did, and hopefully when this bill goes to conference, and some of us are going to have some amendments to offer, some small amendments, I know maybe the gentleman from Florida will, I know I am going to have an amendment, to put a little bit of money back into this bill; but if we do not clean this bill up as far as the Coast Guard is concerned between now and the time this bill goes to the President, the Coast Guard is going to be in deep, deep trouble.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Michigan. I am pleased to yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, the distinguished ranking member of the Appropriations Committee, the gentleman from Massachusetts [Mr. CONTE], just last week had an amendment to the Coast Guard authorization that would have established a user fee to provide $100 million to the Coast Guard. That would have solved the problem really. If that user fee had passed for $100 million, the Coast Guard would have had the money that the gentleman says it needs today.

Mr. DAVIS of Michigan. Well, I might say, that is not an appropriate argument to make in this particular case, because a user fee as defined by this Congress must relate to the need for that user fee and the money must be allocated in areas where it is designated. If you are going to collect the user fee, you must see that that money is used for that purpose for which the user fee was allocated. The money we are talking about now has no relationship to it. You are talking about buying spare parts. You are talking about search and rescue stations, the manning levels, and all those kinds of things.

Mr. COUGHLIN. If we could have freed up $100 million, I think we could have taken care of the gentleman's concerns.

Mr. DAVIS of Michigan. Well, it would help, but I would hope that the subcommittee did not look at this as, well, Congress has turned down the user fee, ergo, we will just cut that much out of the Coast Guard budget, and if you folks want to fund the Coast Guard to the extent that it should be, then you are going to have to come along and support a user fee. I do not think that is an appropriate way to do business.

We all say the Coast Guard does a great job. We all want the Coast Guard. Everybody in the country wants the Coast Guard to do their job. We never give them enough money and this year we are even under what the President asked for and we think the President was wholly inadequate in what he asked for.

We on the Authorization Committee spent a great deal of time working on this bill, coming up with the necessary dollars, just to keep the Coast Guard operating and, frankly, this Appropriation bill falls way short of the money that they need.

Mr. LEHMAN of Florida. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, in the continuing supplemental appropriations, I offered an amendment that would stop the funds used to close the flight service station at Youngstown Municipal Airport. I did so, and thank the House for supporting me, because in 1973 there was a court case where it was determined that the closing of the flight service station at the Youngstown Municipal Airport would increase safety problems in and around that volatile weather region of the near Lake Erie region and it would take special action by Congress to in fact facilitate that closing.

There was some question as to whether or not recent actions taken by Congress were enough authorization for such action. In my colloquy in past legislation, Chairman LEHMAN has stated that it is his opinion, and the opinion of the House, that further authorization from Congress would be necessary to close that flight service station.

Today I will be offering an amendment that will in essence stop the closing of the 56 flight service stations in America that are targeted to be closed in the new modernization program offered by FAA.

I do not mean to take on the committee, but I mean to say this to you. We are now putting into place a computer system that will be doing all that previously hands-on human intelligent trained flight service station workers provided.

There are tremendous safety implications in place. I do not want to cut the budget of $67½ million to stop modernization. I believe that Congress should be going on with the modernization, but should still be keeping these flight service stations, which are so necessary to the pilots of small aircraft, the different firms that use aircraft for their business, and the small commercial hubs that have developed in these particular areas.

Now, recently, and I will be getting into this, recently in New York the U.S. district court—and I agree with the gentleman from New York [Mr. SOLOMON] 100 percent, he is absolutely correct, they issued a temporary restraining order prohibiting the agency from closing five stations in New York and Vermont.

In fact, a hearing on the permanent injunction that would keep these stations open is scheduled for later on.

Mr. Chairman, I believe before we close and think we may reopen if we should find some revelation, that is not the policy Congress should take. Today we can cut $67½ million, keep those 56 flight service stations in operation, maintain safety and give an opportunity to see how the new modernization programs work, while having both in effect.

I think it should behoove the committee and Congress with all the near midair collisions we have had and with the computer shutdown in this country, St. Louis International, one of our greatest airports, on occasions had 4 hours of computer malfunction and had their computer down.

So it makes sense. Watch for my amendment. I appreciate your support and I will offer further information at that time.

Mr. GRAY of Illinois. Mr. Chairman, I rise in support of the pending bill making appropriations to the Department of Transportation and to thank the distinguished gentleman from Florida [Mr. LEHMAN] and the ranking minority member, Mr. COUGHLIN of Pennsylvania for their outstanding work in bringing out a bill that is below the President's budget request and at the same time allowing for a well funded National System of Highways in this country. Mr. Chairman, when Speaker WRIGHT and I first came to Congress in 1955 there were 50 million vehicles on the roads of America; today we have 150 million vehicles using our roads. A 300-percent increase. This bill allows $13 billion for our needs in the next fiscal year.

I also want to thank the committee for allowing funds to start construction on the badly needed Carbondale, IL, railroad relocation project and funds to reopen the Williamson County, IL, regional airport tower in the interest of safety.

Mr. DOWNEY of New York. Mr. Chairman, the Appropriations Committee has done an excellent job in putting together the fiscal year 1988 transportation bill which will provide funding for transportation programs across the country. I am especially pleased that the committee accepted my recommendation that $5 million be included in this legislation for protective barriers for the Long Island Railroad's mainline.

Clearly, the committee understands that we simply cannot allow open access to electrified rail lines, such as the Long Island Railroad's mainline. Without fences or pedestrian overpasses, the risks would far outweigh the benefits that Long Islanders would receive from an electrified line. As a result of the $5 million earmarked for fences in each community between Ronkonkoma, NY, and Farmingdale, NY, the electrified line will help meet Long Island's transportation needs without compromising safety.

This is a bill that recognizes that safety must come first. This is a bill that is good for Long Island. That is why I urge my colleagues to support it.

Mr. RAHALL. Mr. Chairman, I strongly support the passage of H.R. 2890, transportation appropriations for 1988, not only because it provides critical funding for programs administered by the Department of Transportation, but also because it includes specific provisions of utmost importance to my home State of West Virginia.

The report accompanying H.R. 2890 includes language which directs the Secretary of Transportation to give priority to the Sixth Street Bridge in Huntington, WV, in the allocation of discretionary bridge funds. This bridge is in serious need of replacement, as is demonstrated by its extremely low rating factor of 3.83 and the fact that it has been the West Virginia Department of Highway's highest bridge priority for the last several years.

The Sixth Street Bridge is the major link between Huntington, which is the largest city in West Virginia, and the State of Ohio. It is vital to the transportation needs of the people in the area and to interstate commerce in the economically depressed tri-State region. It is safe to say that if this bridge is not replaced in a timely manner, the result will be a further loss of jobs and commerce in an area that has been struggling desperately to maintain its economic health.

Additionally, the report directs the Secretary to give priority consideration to Raleigh County Airport's grant application for airport development funds. This airport, which is located in southern West Virginia, is in great need of added capacity, specifically additional hangars, not only to increase usage of the airport but also to ensure that the facility remains a viable entity in Raleigh County and its surrounding areas.

As West Virginia continues to suffer inordinately high levels of unemployment, those of us who are concerned with the welfare of our State are actively seeking to broaden its economic base and to promote the growth of new businesses. One of the most promising areas of development is the State's tourism industry and I view the Raleigh County Airport as a critical component in the further promotion and expansion of this industry in West Virginia.

Specifically, the airport is in need of a 60 foot by 60 foot hangar which would have the capacity to house six airplanes—$50,000—and four T hangars which would each house one single engine plane—$50,000. The total cost of this expansion effort is minimal and the project will allow for greater private aircraft usage of the facility and will encourage increased commercial traffic to the area.

Another component in the bill of critical importance to the State of West Virginia is the $614 million appropriated for Amtrak operating and capital expenses. It is indeed fortunate that we in the Congress continue to rebuff the administration's seemingly tireless efforts to end all Federal funding for this crucial link in our Nation's transportation network. Amtrak is of special importance to the elderly and handicapped, not only in my congressional district but throughout the United States, who do not have ready access to other modes of transportation that many of us take for granted. The termination of Federal assistance for Amtrak would in effect contribute to the elimination of all intercity rail passenger service in the United States. This would mean that in West Virginia, and throughout the country, many communities would be without any form of scheduled transportation. We in Congress must not allow that to happen—the funds contained in this measure will ensure that it does not.

I am also pleased that the bill contains appropriations for the Urban Mass Transportation Administration, not withstanding the administration's budget request. The bill provides a total of $2.2 billion for various mass transit programs for fiscal year 1988, including $1.9 billion for the formula grant program which provides mass transportation capital and operating assistance in both urban and nonurban areas.

Funding contained in H.R. 2890 for UMTA is of vital importance to the operations of the Tri-State Transit Authority which is based in Huntington, WV. This transit authority provides accessible, reliable and professional bus service to the people of the tri-State region. As is the case with Amtrak, the service provided by tri-State is in many instances the only mode of transportation for handicapped and elderly citizens who have a fundamental right to a safe and reliable source of transportation. This service is also important to the many financially disadvantaged citizens in the Huntington area who do not have the resources to take advantage of other means of transportation.

Again, for the reasons I have just stated, and for many others, I strongly support this much needed appropriations measure and urge its adoption by my colleagues.

Mr. BONER of Tennessee. Mr. Chairman, I rise in strong support of the transportation appropriations for fiscal 1988 and I would like to commend subcommittee Chairman BILL LEHMAN, ranking member LARRY COUGHLIN, and the other members of the subcommittee.

As my colleagues know, few federally funded programs touch the lives of our citizens as does the Nation's transportation network. Whether it be by aircraft, automobile, or railroad, many Americans judge the efficiency and responsiveness of their Government by the quality of the air service, the roadways, and the rail tracks on which they travel.

The bill recommended by the House Appropriations Committee recognizes the importance of a well-constructed transportation network. It recognizes not only the current needs of this network, but also the future growth required to bring us smoothly into the 21st century.

Within that context, I would like to thank the subcommittee for its assistance to the citizens of Davidson County, TN. The committee has included several specific capital improvements for the Metropolitan Nashville airport. In addition, as part of the national strategic transportation planning study, the committee has recommended funds to assist Davidson County officials plan the transportation needs of the next 25 years.

Middle Tennessee and, in particular, Davidson County, has been affected by rapid economic growth caused, in part, by the expansion of the metro airport and the confluence of six interstate arteries. Given this growth, and the traffic congestion that has resulted, I and other local officials believe that an updated assessment of road improvement needs and funding mechanisms will provide a basis for accurately evaluating Davidson County's road system capacity needs. This results of this study will provide State and local officials with the information necessary to make planning decisions and allocate efficiently Federal and non-Federal transportation funds.

Again, I thank the subcommittee for giving local officials the opportunity to anticipate and respond to the future demands placed on the county's transportation network. When incorporated into the national strategic transportation plan, both Federal and local officials will be able to clarify their respective roles, responsibilities, and options for continuing the development and improvement of our Nation's transportation network.

I urge my colleagues to support this important measure.

Mr. ROYBAL. Mr. Chairman, I rise in support of the $150 million appropriation for the Los Angeles Metro Rail project. This project is an excellent investment of Federal funds.

The $150 million contained in this bill will be matched almost equally by non-Federal funds—twice the amount required under Federal law. For example, California has already pledged $400 million in State funds for future matching purposes. The private sector will contribute more than $170 million through the creation of benefit assessment districts along the alignment.

Los Angeles County taxpayers will contribute the revenue from a half percent sales tax increase approved in 1980 specifically to construct a rapid transit system. Furthermore, this local tax will provide 100 percent of the cost of an extensive light rail network which will connect with metro rail in downtown Los Angeles.

I was particularly pleased that the Appropriations Committee, in its report on the bill, has included language that it

> Directs that, out of the funds made available by the Los Angeles County Transportation Commission, the Southern California Rapid Transit District, or a successor agency, for a study of extensions of the Los Angeles Metro Rail project east of the Union Station (Metro Rail East Study), in order to serve the urgent public transportation needs of the L.A. County/USC Medical Center, Boyle Heights/East Los Angeles, Cal State L.A., and other areas in the eastern part of Los Angeles County. The Metro Rail East Study shall be completed by September 30, 1988.

This study of the eastern extension of Metro Rail will finally give firm assurances to millions of citizens living in the eastern part of Los Angeles County that they will also share in the benefits of rapid transit in the Los Angeles metropolitan area.

Mr. Chairman, I strongly support H.R. 2890, the fiscal year 1988 transportation appropriation bill, and the $150 million in it to help fund the Los Angeles Metro Rail project.

Mr. BIAGGI. Mr. Chairman, I want to express by support for this legislation, which provides fiscal year 1988 appropriations for the Department of Transportation. I am particularly pleased to note that this legislation will help to combat a potentially critical problem facing our Nation—the development of undetectable plastic firearms.

Simply put, firearms technology has far surpassed the limits of our weapon detection systems and unless that gap is closed, law enforcement will be waging a losing battle against terrorism. Our Nation's airports are particularly vulnerable to this problem. Since mandatory security screening procedures went into effect at U.S. airports in 1973, more than 33,000 firearms have been detected; almost 14,000 related arrests have been made; and 113 hijackings have been prevented. But, what has become a very effective security system against terrorists will soon become totally obsolete if we do not do two things: First improve our weapons detection systems; and second, place reasonable controls on plastic handguns until those improved weapon detection systems are in place.

Mr. Chairman, in early 1986 I authored legislation calling for this two-pronged solution to what the law enforcement community considers to be one of the most serious terrorist threats facing our Nation's airports and other security-conscious facilities. I reintroduced this legislation—H.R. 1785—this Congress and just recently was proud to join the distinguished Crime Subcommittee Chairman, Mr. HUGHES, in sponsoring a similar bill—H.R. 2845—that is expected to see action in the near future. As far as I am concerned, that action cannot come soon enough, and I know the law enforcement community supports my view.

However, it is important to note that the Federal Aviation Administration also has a critical role to play in the process. They are now involved in efforts aimed at developing improved airport weapon detection systems, and this bill will help allow that vital work to continue.

Earlier this year I received a report from the FAA entitled, "Weapons Detection—Executive Summary." The report states, in part, that,

> A potentially serious threat to concourse security has been identified in the form of handguns made of plastic and composite materials that may prove much more difficult to detect with current x ray and metal detection systems * * * to counter these threats, the FAA has initiated studies on new technology and concepts for detecting nonmetallic weapons and explosive devices in carryon luggage and on passengers. Several of the methods being explored, including x ray, infrared, and acoustics, show some promise of neutralizing the threat of nonmagnetic weapons.

Finally, let me say that while I commend the FAA for their concern, and for initiating these much needed studies, and while I support continued funding for that research, I believe we can do more and I believe the FAA can do more. Specifically, I would urge that the following actions be taken: First, establish a Federal testing program to ensure that only those firearms that are detectable by current airport security devices are available to the general public; second, direct the FAA to aggressively continue to work toward improved weapon detecton systems; and third, have the FAA require that, over a reasonable period of time, the new backscatter x-ray devices, which can detect plastic handguns, be installed in place of the existing systems.

Mr. Chairman, we have legislation before this august body that would accomplish the first two objectives, and the FAA could accomplish the third through already existing regulatory authority. There is certainly reason for more study and development of improved weapon detection systems as provided for in this bill. But, we would be doing a great disservice to our law enforcement community and the flying public if we were to ignore the short-term problem while looking for a long-term solution.

Mr. FAZIO. Mr. Chairman, I rise today in strong support of the Department of Transportation appropriations bill for fiscal year 1988—H.R. 2890. I would like to take this opportunity to commend the chairman of the Subcommittee on Transportation, Mr. LEHMAN and the ranking minority member, Mr. COUGHLIN for the time and effort they spent on developing this balanced and much needed bill. I realize that all the members of this subcommittee worked extremely hard to formulate a bill that meets the fiscal year 1988 budget resolution allocation. As a member of the Appropriations Committee, I understand the difficult decisions that must be made during this time of severe fiscal constraint.

H.R. 2890 provides $10 billion in new budget obligation authority for the programs of the Department of Transportation and related agencies. This funding level is within the 302(b) allocation of the fiscal year 1988 budget resolution.

H.R. 2890 recommends an appropriation of $3 billion for operations of the Federal Aviation Administration which includes a much needed increase of $474 million over last year's appropriation. This bill also includes a provision requiring a minimum air traffic controller work force of 15,900 controllers, including at least 12,250 operational controllers and 10,350 full performance level controllers by September 30, 1988.

I am pleased that this bill rejects the President's recommendation to eliminate funding for Amtrak. H.R. 2890 funds Amtrak at $614 million. The loss of Amtrak to California would be severe. In 1986, the total ridership in California was 4.6 million people including almost 150,000 people from my district. In California, Amtrak employs 1,741 individuals at 54 stations with a total payroll of $38,000.

In a more local instance, H.R. 2890 provides for and also appropriates the final allotment of moneys to complete an extremely important project in my district.

The bill allows $8.3 million to complete Highway 113 which, contrary to a prior statement, is an authorized project. Highway 113 is a dangerous 10-mile stretch of road between Davis and Woodland connecting I-5 and I-80 west of Sacramento. Over 22,000 vehicles a day use the highway. The four-lane highway narrows to two extremely congested lanes for 4 miles. It is so hazardous that all vehicles are required to put their headlights on during this narrow stretch, known locally as Blood Alley. When completed, it will not only improve the safety of this congested roadway, it will reduce the time of travel to the Sacramento Metro Airport from Yolo and Solano County quite substantially, and thus facilitate increased traffic flow in the David-Woodland corridor. Also, the area is currently being considered as a site for the superconductor supercollider [SSC]. Therefore, completion of this important roadway is essential should the SSC be sited here.

In addition, H.R. 2890 designates the Sacramento Metropolitan Airport a "priority" facility for funding in fiscal year 1988. This designation is vital as the demand for airline flights to and from Sacramento has increased over 35 percent in the last 2 years alone. The increase in population and industry has placed a heavy burden upon Sacramento's transportation facilities. The Sacramento Metropolitan Airport was designed to accommodate 3 to 3.5 million passengers each year. Officials report the airport is presently servicing more than 3.8 million.

The priority designation will steer Federal funds to facilitate construction of the following projects:

A new east terminal, scheduled for construction next summer, which will include eight new gates and is expected to accommodate an additional 1.75 to 2 million passengers each year.

A new aircraft parking apron for the east terminal is the airport's first priority. Each terminal requires an apron to provide access from the taxiways to the aircraft parking ramps. Presently, this land area is undeveloped. Cost for the new aircraft parking apron is estimated at $7.7 million of which Federal funding would amount to $6.2 million.

A new access road to the east terminal. The road should alleviate auto traffic congestion, once the new terminal is completed. Cost for the road is estimated at $10.2 million of which Federal share is $8.2 million.

Additional paving of the taxiway systems which connect to the new runway. This will provide easier access to the runway and, in turn, increase the runway's capacity. Funding for this project would also include moneys for the new instrument landing system [ILS] to help ensure safe landing conditions in adverse weather conditions. Cost for this project is estimated at $3.3 million of which Federal funding would amount to $2.6 million.

Extension of the new runway from 8,600 to 10,500 feet. The lengthened runway would allow for a greater number of nonstop, coast-to-coast flights through Sacramento. Costs for the extension are estimated at $5.3 million of which the Federal share is $4.2 million.

Construction of additional taxiways and roads to the parking areas. These facilities will be essential as the airport continues to expand. Cost for these taxiways and roads are estimated at $1.4 million of which the Federal funding amounts to $1.1 million.

The total cost for the Sacramento Metropolitan Airport projects is estimated at $27.9 million of which the Federal share is $22.3 million.

Another airport project which will aid air safety in the Sacramento area is the replacement of an airport surveillance radar at McClellan AFB. This radar should be installed in February 1988.

As Sacramento is the largest growing metropolitan area in the country, these transportation projects will go a long way toward meeting the region's increased travel needs.

H.R. 2890 is a fiscally responsible bill. I urge my colleagues to support the Department of Transportation's fiscal year 1988 appropriations bill.

Mr. PANETTA. Mr. Chairman, I rise today in support of H.R. 2890, the fiscal year 1988 Transportation appropriations bill. I believe that the legislation is fiscally responsible and at the same time responsive to the needs of the citizens of the Nation. I commend the committee and particularly Chairman LEHMAN for producing a bill which addresses the serious problems created by the ever increasing burden placed on our transportation infrastructure while complying with the budget targets set by the House.

While I certainly understand the budgetary concerns of those of my colleagues who wish to reduce the scope of this bill, the fact is that the measure includes vital projects which would be unfairly eliminated by some amendments which may be offered to the legislation. This funding is important because it will help address crucial transportation and safety needs in communities all across the Nation.

Among those is the Prunedale-Highway 101 Bypass in Monterey County, CA. This is a project which should have been built over a decade ago and which has been plagued by a series of delays due to State priorities which emphasize transportation construction in urban areas, and obligational limits on Federal highway aid. These delays have produced an accident rate well above the State average and several unnecessary fatalities. We simply cannot afford any further delays with regard to this project, and I commend the committee for including funding in the bill which will help accelerate its construction.

After years of delays I am pleased to note that the State of California has indicated its intention to obligate $3 million in fiscal year 1988 to complete the preliminary environmental and design work on the Prunedale Bypass. Mr. Chairman, I want to make it absolutely clear that the money included in the measure now before the House is intended to augment State funding, and not to act as a substitute. The intention is that the full amount included in this legislation will be used in addition to the 20 percent State share and the $3 million which the State has set aside for this purpose.

Again, I want to express my support for the Transportation appropriations bill and to commend the committee and Chairman LEHMAN for their efforts.

Mr. HANSEN. Mr. Chairman, after more than 6 years in Congress, I still have a difficult time trying to understand the sometimes conflicting action of the U.S. Government.

After an 18-month study for the Federal Aviation Administration, the National Science Foundation recommended a Federal ban on smoking on all domestic airline flights. This study concluded that smoking should be banned for four major reasons: First, to lessen irritation and discomfort to passengers and crew, second, to reduce potential health hazards to cabin crew associated with tobacco smoke, third, to eliminate the possibilities of fires caused by cigarettes, and fourth to bring the cabin air quality into line with established standards for other closed environments.

Apparently Secretary Dole was unconvinced by the report and meanwhile, nonsmoking passengers and crew members are forced to continue flying and working in an environment that exceeds levels allowed by environmental and occupational regulations. We now have a chance to correct this and vote for the amendment to prohibit smoking on domestic flights of 2 hours or less.

The Federal Government certainly has reason to warn Americans about the dangers of smoking and secondhand smoke. During this past year, scientific proof of the adverse effects of secondhand or passive smoke have accelerated. No objective person can argue that tobacco does not pose definite health dangers to its users and those exposed to its smoke.

People do not purposely buy an airplane ticket just to have a place to smoke. Even the most addicted chain smoker can go several hours without smoking if necessary. Consideration and concern for the rights of the nonsmoker is long overdue. It is hard to understand why the right to clean air is constantly ignored to allow 20 percent of the people to smoke on airlines.

A study conducted by a National Science Foundation committee for the Federal Aviation Administration concluded that tobacco smoke inhaled by airline passengers and flight attendants was, "potentially hazardous to the health of airline crew and passengers." The study found that careless smoking was the cause of 6 percent of inflight fires. There have been some instances where oxygen mask doors have been glued in the closed position by tobacco tars. The airlines must wash the matting surfaces of the doors periodically. Fortunately, these occurrences were found during ground tests.

Some in this great body feel there is inconclusive evidence to support the conclusion that secondhand smoke is dangerous to the nonsmoker and therefore we should do nothing about it. When it comes to protecting the public health, Government officials are duty bound to take action when there is good reason to believe that innocent people are being harmed.

Recent studies show that secondhand smoke has been linked to increased lung cancer in nonsmoking women married to smoking men. The study showed that a nonsmoking woman was 10 percent to 30 percent more likely to develop lung cancer if she was exposed to secondhand smoke than a woman who was not so exposed. Furthermore, the risk increases with the amount of smoke to which the nonsmoker is exposed. Children of smoking parents have an increased prevalence of reported respiratory symptoms, an increase in frequency of bronchitis and pneumonia early in life, and small but measurable differences in tests of pulmonary functions.

Although I support the right of individuals to smoke, I also support the right of those who choose not to smoke not to be exposed to secondhand smoke in domestic flights of 2 hours or less. With more than 350,000 people dying each year from tobacco use, which is the equivalent to three, fully loaded jumbo jets crashing every day in the United States killing all aboard, it is imperative that the Federal Government do everything in its power to educate and be an example to the public. I firmly believe that the Federal Government should send a solid and unified signal to the public that smoking and the use of tobacco products can kill—not only the users, but those around them that are exposed to their lethal smoke. The present Federal tobacco double standard is just too costly—in human and dollar terms—for Americans to maintain.

Mr. FRENZEL. Mr. Chairman, the Appropriations Committee has done a better job this year of reviewing transportation programs for next year, of holding down costs in most programs, and of responding to the need for increased air traffic safety. Still, it is 7½ percent more than last year. Partly, because these are not fiscally healthy times, I oppose the bill strongly.

While most activities are not lavished, nothing substantial is reduced or eliminated. At a time of gargantaun deficits, simply holding the line is not enough. We need real reductions. This bill doesn't have them.

We continue to lavish Amtrak with heavy subsidies so it can serve a small pool of users. We continue to resist returning the burden of urban mass transit to the areas served by that transit.

All these programs are desirable. None, at least at current funding levels, should be a sacred cow.

Until Congress accepts the necessity of making serious reductions in spending, we will be plagued with high deficits and the drag they place on our economy. I cannot support legislation that fails to break our current cycle of spending and deficits as usual.

Mr. MCMILLEN of Maryland. Mr. Chairman, I rise today in strong support for funding at the committee recommended level of $201 million for the Washington Metro system.

The amendment offered by the gentleman from Washington would reduce Metro funding by $10 million. This amendment will come back to haunt us in several ways.

First, a disruption of funding causing the delay of the construction program will ultimately result in higher costs. Funding at the committee recommended level of $201 million will prevent delay in construction schedule, and allow Metro to take full advantage of a favorable bidding climate. By maintaining momentum in the construction program, Metro can better utilize cost control methods, such as putting expensive construction equipment and laborers time to best use at multiple sites, and acquiring farecard machines in greater volumes. There is no question that a dragged out piecemeal construction program will prove more costly in the long run.

Second, the requirements of the full funding agreement make a level of no less than $201 million necessary to proceed to the next operable segment without further jeopardizing essential bus and rail reliability projects, and dangerously increasing the risk to the local jurisdictions.

To any who has ridden on the Washington Metro system, and if anyone has not they should, the harm to be caused by such disruption is obvious. Metrorail ridership reached 115.9 million trips in fiscal year 1986, an increase of 15 percent over the previous year. Recently, on the Fourth of July, the Metro system moved more people in 3 hours than it usually moves in an entire day. Furthermore, even with tremendous increase in ridership, Metro has one of the best safety records in the Nation.

Mr. Chairman, the economic, social, and transportation advantages of this model Metro system in our Nation's Capital are obvious. The reduction of Metro funding would be detrimental to its health and vitality. I, therefore, strongly oppose this amendment.

Mr. RANGEL. Mr. Chairman, today we are considering H.R. 2890, the appropriations bill for the Department of Transportation and related agencies for fiscal year 1988. Among the agencies included in this legislation is the U.S. Coast Guard. It is the Coast Guard appropriations provisions that I rise to address.

As chairman of the Select Committee on Narcotics Abuse and Control, I am very concerned that our drug interdiction efforts are effective and make the most efficient possible use of our resources. In recent years the role of the Coast Guard in drug interdiction has been expanded. In 1980, we recognized this fact, when we, the Congress, passed the Coast Guard High Seas Drug Law Enforcement Act. This legislation revised the laws relating to the importation of drugs to facilitate increased enforcement by the Coast Guard.

Under the Anti-Drug Abuse Act of 1986 we further expanded the responsibilities of the Coast Guard in the area of drug interdiction. In March and April of this year, the Select Committee on Narcotics Abuse and Control held hearings on the impact of the Anti-Drug Abuse Act on our drug interdiction efforts. It was evident at that time that the Coast Guard was putting forth the maximum effort possible with their existing resources.

Just last week we approved the Coast Guard's fiscal year 1988 authorization. That legislation provided $2.006 billion for operating expenses and $373 million for acquisitions, construction, and improvements [AC&I). These funds are essential to the drug interdiction efforts of the Coast Guard.

Yet, today we are considering an appropriations bill that provides almost $300 million less than the authorization bill for the operating and AC&I accounts. This troubles me.

What troubles me even more is that the appropriations bill provides more than $200 million less for the operating and AC&I accounts than the Coast Guard received last year from all sources. This difference assumes, however, that $100 million will be transferred to the Coast Guard from the Department of Defense. If the money from Defense is not forthcoming, then we are in effect funding the Coast Guard at a level $300 million less than last year.

The authorization bill is not excessive. It represents a funding level slightly less than what was appropriated last year. At a time when we are expanding the role of the Coast Guard, this is, I believe, not too much to ask.

Although the proposed reductions are not directed specifically at the Coast Guard's drug interdiction responsibilities, the cutbacks must impact those efforts. Given that the Coast Guard is a multipurpose agency, all of its functions will be affected by cuts in the agency's budget. We are forcing them to weigh one vital function against another.

We must ensure that the Coast Guard is funded at a level that will guarantee that it can carry out its drug interdiction mission, as well as its search and rescue responsibilities. We in the Congress cannot afford to reduce the Coast Guard's role in the war on drugs. That would not only be penny wise and pound foolish, but irresponsible and an affront to the American people.

Our Nation is in the midst of a drug epidemic. The drug traffickers are well equipped and have abundant resources at their disposal. The American people have demanded that we respond to this problem. We must meet the challenge and provide our frontline agencies with adequate resources to carry out their offensive.

I would urge you to weigh these considerations, as we deliberate on the Coast Guard's appropriations this afternoon.

Mr. COUGHLIN. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

Mr. LEHMAN of Florida. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 2890

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Transportation and related agencies for the fiscal year ending September 30, 1988, and for other purposes, namely:

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of the Secretary of Transportation, including not to exceed $30,000 for allocation within the Department of official reception and representation expenses as the Secretary may determine; $1,100,000 for the Immediate Office of the Secretary; $570,000 for the Immediate Office of the Deputy Secretary; $6,100,000 for the Office of the General Counsel; $8,000,000 for the Office of the Assistant Secretary for Policy and International Affairs; $2,300,000 for the Office of the Assistant Secretary for Budget and Programs; $2,475,000 for the Office of the Assistant Secretary for Governmental Affairs; $23,275,000, of which $16,000,000 shall be derived from unobligated balances of "Payments to air carriers", for the Office of the Assistant Secretary for Administration; $1,525,000 for the Office of the Assistant Secretary for Public Affairs; $835,000 for the Executive Secretariat; $450,000 for the Contract Appeals Board; $1,300,000 for the Office of Civil Rights; $400,000 for the Office of Commercial Space Transportation; $2,000,000 for the Office of Essential Air Service; $670,000 for Regional Representatives; and $3,850,000 for the Office of Small and Disadvantaged Business Utilization, of which $3,000,000 shall remain available until expended and shall be available for the purposes of the Minority Business Resource Center as authorized by 49 U.S.C. 332: *Provided,* That, notwithstanding any other provision of law, funds available for the purposes of the Minority Business Resource Center in this or any other Act may be used for business opportunities related to any mode of transportation: *Provided further,* That 5 per centum of each sum provided under this head shall not be available for obligation until on or after the date that final rules are issued by the Department of Transportation that: (1) expand existing requirements for installation and carriage of cockpit voice recorders and flight data recorders to smaller sizes of commuter air carrier aircraft and to require cockpit voice recorder and flight data recorder retrofits on certain types of existing commuter air carrier aircraft to be determined by the Federal Aviation Administration; and (2) require in-

stallation and carriage of operating altitude-encoding radar transponders for all aircraft operating in terminal airspace where air traffic control service is provided and in all controlled airspace above a minimum altitude to be determined by the Federal Aviation Administration.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

(TRANSFER OF FUNDS)

For necessary expenses for conducting transportation planning, research, and development activities, including the collection of national transportation statistics, and university research and internships, to remain available until expended, $5,000,000, to be derived from "Payments to air carriers".

WORKING CAPITAL FUND

Necessary expenses for operating costs and capital outlays of the Department of Transportation Working Capital Fund not to exceed $135,000,000 shall be paid, in accordance with law, from appropriations made available by this Act and prior appropriation Acts to the Department of Transportation, together with advances and reimbursements received by the Department of Transportation; for necessary expenses associated with the development of the Department-wide Accounting and Information System, $1,785,000, to remain available until expended; and for the Department of Transportation office space reduction initiative, $215,000.

PAYMENTS TO AIR CARRIERS

For payments to air carriers of so much of the compensation fixed and determined under section 419 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1389), as is payable by the Department of Transportation, $38,000,000, to remain available until expended.

COAST GUARD

OPERATING EXPENSES

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for; purchase of not to exceed eight passenger motor vehicles for replacement only; and recreation and welfare, $1,849,400,000, of which $30,000,000 shall be expended from the Boat Safety Account: *Provided,* That, of the funds available under this head, not less than $447,000,000 shall be available for drug enforcement activities: *Provided further,* That the number of aircraft on hand at any one time shall not exceed two hundred and fourteen, exclusive of planes and parts stored to meet future attrition: *Provided further,* That none of the funds appropriated in this or any other Act shall be available for pay or administrative expenses in connection with shipping commissioners in the United States: *Provided further,* That none of the funds provided in this Act shall be available for expenses incurred for yacht documentation under 46 U.S.C. 12109 except to the extent fees are collected from yacht owners and credited to this appropriation.

AMENDMENT OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEHMAN of Florida: On page 5, line 9, strike "$1,849,400,000" and insert "$1,879,400,000".

☐ 1430

Mr. LEHMAN of Florida. Mr. Chairman, this amendment would add $30 million to the Coast Guard operating expenses account.

As the Members know, the committee assumed that $100 million of the amount needed for this account would be derived from the Defense appropriations bill. This was based on precedents established in previous years.

However, since then, I now expect that we will receive a slightly higher budget allocation, and we can replenish 30 percent of this shortfall. Meeting this shortfall is my top priority, and I think this amendment, combined with the understanding I have reached with the gentleman from Florida [Mr. CHAPPELL], will provide these essential funds.

I want to stress that this amendment is within our expected budget ceiling—in terms of both new budget authority and outlays.

Mr. Chairman, I urge its adoption.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN of Florida. Mr. Chairman, I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I thank the gentleman for yielding.

I know how hard the gentleman from Florida has fought to try and provide the maximum amount of funding for the Coast Guard.

I congratulate the gentleman from Florida [Mr. LEHMAN] on this amendment, and am delighted that we are able to provide this additional assistance. I certainly support the amendment.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN of Florida. Mr. Chairman, I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, the gentleman knows I had thought about offering an amendment to the amendment to reduce the level of increase in half in order to fund some research and development functions within the FAA that were funded at lower levels than the FAA made in its request to the Office of Management and Budget.

I have chosen not to do that, because I believe the Coast Guard does need the money, and therefore, will not make the transfer.

At the same time, I want to alert the Members that I believe there are very serious air safety problems affecting this country, and I will be offering two amendments to try to deal with those at the appropriate section of this bill.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN of Florida. I yield to the gentleman from Florida.

Mr. HUTTO. Mr. Chairman, I thank the gentleman for yielding.

Did I hear the gentleman from Florida [Mr. LEHMAN] say that the $30 million that was being added would be deducted from the $100 million from the Department of Defense?

Mr. LEHMAN of Florida. Yes, the DOD assumption of $100 million for operating expenses has now been reduced to a sum of $70 million.

Mr. HUTTO. Why would we want to do that when the shortfall is so great?

In other words, I am grateful to the gentleman for offering the $30 million, but I would hope if DOD is going to help us, that they would not reduce the $100 million.

There is no requirement that it would be reduced, is there?

Mr. LEHMAN of Florida. I agree with the gentleman's assumption; if the gentleman from Florida [Mr. CHAPPELL] wants to provide an additional $100 million instead of the $70 million, we will be delighted.

We are not limiting the gentleman. I am trying by this amendment, to assume the responsibility for the Coast Guard operating expenses in the proper bill.

Mr. DAVIS of Michigan. Mr. Chairman, I move to strike the last word.

I wanted to comment on the same thing that the gentleman from Florida [Mr. HUTTO] commented on; and if either the gentleman from Florida [Mr. LEHMAN] or the gentleman from Pennyslvania [Mr. COUGHLIN] will answer, and as I understand it, this really will not give the Coast Guard any more money under the agreement that the gentlemen apparently think is going to happen?

In other words, we were talking about $100 million from the Department of Defense for the Coast Guard.

Mr. LEHMAN of Florida. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Michigan. Mr. Chairman, I yield to the gentleman from Florida.

Mr. LEHMAN of Florida. Mr. Chairman, the ball is in the court of the Defense Appropriations Subcommittee. We are putting $30 million more of DOT money into the Coast Guard.

We were assuming before this started that they would have $100 million from DOD. We now assume that we will get at least $70 million; but if the DOD subcommittee wants to provide us the $100 million as I explained to the gentleman from Florida [Mr. HUTTO].

I would be willing to accept it under this assumption.

Mr. DAVIS of Michigan. First of all, I support the amendment. It still is wholly inadequate, because we are still going to be $145 million short, even if we get the $70 million from the Department of Defense.

It is a very small step in the right direction, and I would hope that we could get $100 million from the Defense Department instead of the $70 million, but I do have to say that, realistically, and maybe the gentleman agrees or does that, realistically, and maybe the gentleman agrees or does not agree with me, that is not the way we should fund the Coast Guard.

We ought to decide how much the Coast Guard needs, and give them the money and without going over to the Defense Department, because they have got this great big pot of money, and try to siphon off $100 million from them.

We ought to be forthright right up front and say, the Coast Guard needs this much money, and we ought to do it right here in this bill.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Michigan. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I thank the gentleman for yielding.

It indicates the esteem in which this subcommittee holds the Coast Guard, to say we are taking every penny of what we have been able to find under our expected 302 allocation, and giving it to the Coast Guard. The Department of Defense has normally assumed responsibility for some kind of funding of the Coast Guard, because the Coast Guard indeed does perform a defense function.

To the extent that we can get them to contribute the full $100 million to the Coast Guard, we will have $30 million more. To the extent they cannot, at least we kept them whole.

Mr. DAVIS of Michigan. I appreciate that. It still is not enough money for the Coast Guard to carry on their normal operating procedures, and we are going to have to give them some more money before this bill comes out of conference and goes to the President, or the Coast Guard will be in deep trouble.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. LEHMAN].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities vessels, and aircraft, including equipment related thereto, to remain available until September 30, 1992, $260,000,000: *Provided*, That the Secretary of Transportation shall issue regulations requiring that written warranties shall be included in all contracts with prime contractors for major systems acquisitions of the Coast Guard: *Provided further*, That any such written warranty shall not apply in the case of any system or component thereof that has been furnished by the Government to a contractor: *Provided further*, That the Secretary of Transportation may provide for a waiver of the requirements for a warranty where: (1) the waiver is necessary in the interest of the national defense or the warranty would not be cost effective; and (2) the Committees on Appropriations of the Senate and the House of Representatives are notified in writing of the Secretary's intention to waive and reasons for waiving such requirements: *Provided further*, That the requirements for such written warranties shall not cover combat damage.

AMENDMENT OFFERED BY MR. HUTTO

Mr. HUTTO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HUTTO: Page 6, line 15, insert ", the Committee on Commerce, Science, and Transportation of the Senate, and the Committee on Merchant Marine and Fisheries of the House of Representatives" after "Representatives".

Mr. LEHMAN of Florida. Mr. Chairman, will the gentleman yield?

Mr. HUTTO. Mr. Chairman, I yield to the gentleman from Florida.

Mr. LEHMAN of Florida. Mr. Chairman, we are familiar with the amendment of the gentleman from Florida, and we have no objection to the amendment.

Mr. HUTTO. Mr. Chairman, I appreciate very much the gentleman from Florida agreeing to that.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. HUTTO. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, we have looked at the amendment, and certainly have no objection to it, and agree it is a good amendment.

Mr. HUTTO. I appreciate that. This amendment simply provides that the Secretary of Transportation also notify the Coast Guard authorization committees in the other body and the House of any intention to waive, and the reasons for waiving any written warranty requirements under this section of the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. HUTTO].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. JONES OF NORTH CAROLINA

Mr. JONES of North Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of North Carolina: Page 5, line 9, strike "$1,849,400,000" and insert in lieu thereof "$1,864,813,000".

Mr. LEHMAN of Florida. Mr. Chairman, I reserve a point of order against the amendment of the gentleman from North Carolina.

The CHAIRMAN. The gentleman from Florida reserves a point of order.

Mr. JONES of North Carolina. Mr. Chairman, I offer an additional amendment, and I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Clerk will report the additional amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of North Carolina: Page 6, line 3, strike "$260,000,000" and insert in lieu thereof "$277,893,000".

Mr. JONES of North Carolina. Mr. Chairman, I ask unanimous consent to withdraw the amendment now being read.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes on his initial amendment.

□ 1440

Mr. JONES of North Carolina. Mr. Chairman, I have offered this very important amendment because I consider the amounts contained in the transportation appropriations bill to be woefully inadequate when viewed in light of the many duties which we in Congress have thrust upon the U.S. Coast Guard.

The CHAIRMAN. If the gentleman will suspend, it is the understanding of the Chair that the amendment which the gentleman intends to offer is the second amendment that he offered.

Mr. JONES of North Carolina. The gentleman is correct.

The CHAIRMAN. Without objection then, the first amendment is withdrawn and the Clerk will report the second amendment.

There was no objection.

Mr. LEHMAN of Florida. Mr. Chairman, I reserve a point of order against the second amendment also.

The CHAIRMAN. The Clerk will report the second amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of North Carolina: Page 6, line 3, strike "$260,000,000" and insert in lieu thereof "$277,893,000".

Mr. JONES of North Carolina. Mr. Chairman, I have offered this very important amendment because I consider the amount contained in the Transportation appropriations bill to be woefully inadequate when viewed in light of the many duties which we in Congress have thrust upon the U.S. Coast Guard.

Just last week, this body passed the fiscal 1988 Coast Guard authorization bill. That bill was bare bones. This appropriation doesn't even come close to the authorization. It is even considerably less than the President's own budget.

Time and time again, I am dismayed by the number of duties which we expect the Coast Guard to perform while simultaneously, some in this body would ask that they function on less than a bare bones budget. Mr. Chairman, the Coast Guard is always there at our beck and call to respond to whatever assignment we heap upon it. Its duties are as diverse as breaking ice for scientific researchers in Antartica to intercepting vessels teeming with illegal immigrants heading for our shores; from searching for overdue pleasure boats on the Great Lakes to fighting to halt the flow of illegal narcotics into this great Nation; from responding to an oil spill in Long Island Sound to enforcing fisheries laws off the coast of Alaska. To continue this multiplicity of duties, it is mandatory that this vital service be funded in an adequate manner.

The amendment which I am offering would raise the amount prescribed for the Coast Guard's second largest expenditure category to the minimal figure set out in the administration's budget. The increase would amount to roughly $18 million in the capital account. These figures do not accept the Transportation Subcommittee's assumption that unspent funds which were appropriated for fiscal year 1987 can be used to increase the amount appropriated for the Coast Guard in fiscal year 1988. These moneys have already been obligated for certain projects but not yet spent in the truest sense of the word but it would be an erroneous assumption to take unspent funds back only to give them back in a succeeding year.

Although this amendment will serve to increase the Coast Guard's funding for fiscal year 1988 by a bare $18 million, it will help to ensure that this valuable, multipurpose organization has the funds and the ability to perform its many essential duties.

In summary, my amendment would restore the Coast Guard's appropriation for this expense category to the low level sought by the President's budget.

Mr. LEHMAN of Florida. Mr. Chairman, I agree with my friend in his statement, in principle. I understand his concern for the Coast Guard but not only does his amendment exceed the expected 302(b) allocation, but the point of order I make on the amendment is because we have passed that section of the bill. Mr. Chairman, I ask my point of order be sustained.

The CHAIRMAN. The gentleman makes the point of order. Does the gentleman insist on his point of order?

The point of order is that the Clerk has read beyond that paragraph, is that the gentleman's point of order?

Mr. LEHMAN of Florida. The point of order is made because we have read past that portion in the bill to which the gentleman from North Carolina offers his amendment.

Mr. JONES of North Carolina. Mr. Chairman, there has been no budget allocation approved at this time. Therefore, I reject the gentleman's argument.

The CHAIRMAN (Mr. PANETTA). Is there anyone else who wishes to be heard on the point of order? If not, the Chair is prepared to rule.

The Clerk did not read the next paragraph and, therefore, the gentleman from North Carolina was able to offer his amendment to the pending paragraph.

The point of order is overruled.

Are there any additional comments with regard to the amendment?

Mr. DAVIS of Michigan. Mr. Chairman, I move to strike the last word and I rise in support of the amendment.

Mr. Chairman, I do rise in support of this amendment. What this amendment does is it raises the acquisition, construction and improvements account from $260 million, by about $18 million to $277 million or almost $278 million.

Now that figure is the administration's original recommendation. In our subcommittee and in our full committee we went beyond this recommendation. So the authorization bill which has already passed this House and which this body passed has a higher figure than this figure that we have in this amendment.

So in effect what we are saying is the House has already said that we support going further than this amendment does. So all we are doing is rolling it back. We are raising the appropriation amount by about $18 million. But what happens, if you do not adopt this amendment, is that many of the facilities that the Coast Guard now has will not be able to be repaired or a lot of the construction will not be able to go forward. As a matter of fact, there may have to be some contracts which have already been tentatively reached and some of them may be permanently reached that will not be able to be fulfilled if you do not go along with this amount. Probably this amendment will not even allow all of those to be honored but certainly it is a small step to try to get this bill back into a position where the Coast Guard receives the kind of dollars that it needs.

I can tell you that all of the Members are going to receive lots of complaints from their constituency when they find out, if we do not adopt this amendment, if we do not increase the Coast Guard budget they are going to have a lot of complaints from their constituents because a lot of the things that they thought were going to be done at their Coast Guard facilities all over the country, search and rescue facilities mainly, they will find out that what they thought was going to be able to be accomplished is not going to be able to be accomplished. So I strongly urge support of this amendment and hope we adopt it.

Mr. JONES of North Carolina. Mr. Chairman, will the gentleman from Michigan yield to me?

Mr. DAVIS of Michigan. Mr. Chairman, I yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. I thank the gentleman for yielding.

As I recall, the authorization called for $370 million.

Mr. DAVIS of Michigan. That is correct.

Mr. JONES of North Carolina. Now we are only asking a total of $270 million or $100 million less than was authorized? Is that too much to expect?

Mr. DAVIS of Michigan. That is correct. And in that $100 million we had lots of places, lots of needs where the Coast Guard needed to make all kinds of repairs all over the country in these stations. So what we are doing is we are $100 million less than the Coast Guard Authorization Committee gave and the full committee thought was where we should be. All you are doing is adding on $18 million which, incidentally, is the President's request. So even the administration would support this.

Mr. Chairman, I yield back the balance of my time.

Mr. LEHMAN of Florida. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, the effect of this amendment would be to exceed and break our tentative budget resolution allocation by about $17 million. Right now this bill is at the exact ceiling. And I stressed the commitment to the full appropriations committee that I would live within these ceilings. I think if we vote for additions that exceed our expected 302(b) allocations, whether for Coast Guard or for FAA, we are just setting ourselves up for the kind of across-the-board cut that will damage not only the appropriations process but the various administrative offices for which we are responsible.

Mr. Chairman, I strongly urge that we proceed with the bill that we have crafted as fairly as we could under the severe budgetary restraints not only for Coast Guard but for all parts of our bill, and vote down this well-meaning amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. HUTTO. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the Jones amendment.

Mr. Chairman, I rise in support of the amendment offered by the distinguished chairman of the Committee on Merchant Marine and Fisheries, and to express my very deep concern about the level of funding for the Coast Guard contained in the fiscal year 1988 transportation appropriations bill being considered today.

Just last week, this House approved my committee's Coast Guard authorization bill with a total in new budget authority of $2.787 billion. The necessity of that funding level was not questioned during the debate. As I stated at that time, the authorization bill we brought to the floor was a very lean budget that is adequate—but certainly not excessive—for the Coast Guard in fiscal year 1988. That budget does not provide funds for major acquisitions or new programs. It simply provides the basic amounts necessary to pay personnel, buy fuel and spare parts, perform critical maintenance, and continue current programs, including drug interdiction operations originated by the omnibus bill. And I want to again point out that the amount contained in our authorization bill is less than the total funds provided to the Coast Guard in fiscal year 1987 from all sources.

Yet, despite the fact that our authorization level is below current funding, the Appropriations Committee has recommended an even lower level of funding for the Coast Guard. In the two major accounts of the Coast Guard budget—operating expenses and acquisition, construction and improvements—this bill contains $300 million less than this House authorized last week. The distinguished chairman of the Defense Appropriations Subcommittee indicated in our colloquy earlier today that his committee will provide $100 million in the Defense appropriations bill for the Coast Guard operating expenses account. This will help somewhat, and I thank the gentleman for his offer of assistance. However, even this additional amount will leave the Coast Guard $200 million short of the funds it needs in its two major accounts.

As I stated earlier in my colloquy with the chairman of the Defense Subcommittee, I strongly believe that the Coast Guard should be properly funded in the Transportation appropriations bill and should not have to hope that additional funding will be provided through other sources. I do not like to be in a position of disagreeing with the distinguished chairman of the Transportation Appropriations Subcommittee. He is a good friend as well as a member of my State's delegation. However, a majority of the members of the Merchant Marine and Fisheries Committee signed two letters to the gentleman from Florida [Mr. LEHMAN] asking that adequate funds be added in the full committee markup of the transportation bill. I will submit letters for the RECORD.

Mr. Chairman, the Coast Guard has a long and distinguished record of service to the American people since its beginning as the Revenue Cutter Service in 1790. While the Coast Guard's role as the "Good Samaritan of the Seas" is widely recognized, the Coast Guard really is a multimission agency. It is responsible for patroling the waters out 200 miles from our shores to enforce fisheries laws, as well as for national defense purposes under the Maritime Defense Zone agreement with the Navy signed in 1983. It's responsible for investigating major maritime casualties, such as the collision last week of two ferries in Long Island Sound. It's responsible for marine environmental pollution control, particularly the cleanup of oil spills such as the large spill the Coast Guard is now working on off the coast of Alaska. It plays a major role in drug interdiction, and does it very well, as proven by the May 8 interception of nearly two tons of cocaine—the second largest cocaine "bust" ever made by a Federal agency.

Last August 13, the Miami News ran an editorial entitled "Rescue the Coast Guard So It Can Do Its Job." In that editorial was the following statement: "Congress is fast with ideas for new things the Coast Guard could do but slow with the money to do them." There is entirely too much truth in that statement, Mr. Chairman. Despite the fact that we continue to increase the missions of the Coast Guard, in constant dollars there has been no growth in the Coast Guard budget over the last 5 years. And, to literally add injury to insult, the bill before you today actually cuts Coast Guard funds by 10 percent from current funding levels.

Mr. Chairman, all Americans benefit from the services of the Coast Guard, whether it be directly as the result of a search and rescue mission, or indirectly through port security, the safe transport of consumer goods made possible by the Coast Guard's maintenance of aids to navigation, the cleanup of an oil spill, or the interdiction of the illegal drugs plaguing our Nation. The Coast Guard is one Federal agency that truly gives the taxpayers the most value for money spent. It is not unusual for Coast Guard personnel to put in 96-hour work weeks, without overtime pay, if that's what it takes to get the job done.

The many missions we have assigned to the Coast Guard are critical to the health and safety, as well as the national security, of our Nation. I realize there is not much room in this bill for additional funding to be added for the Coast Guard, and that is too bad. The frustration of our Merchant Marine and Fisheries Committee is evident by the amendment offered by our distinguished chairman, the gentleman from North Carolina. When I saw an increase of more than $800 million in this bill for the Federal Aviation Administration, I considered offering a motion to recommit with instructions to provide more funding to the Coast Guard, but I will not do so.

However, for the Congress to continue to expect the Coast Guard to do more jobs while we give them less money flys in the face of plain common sense. The dedicated personnel of the Coast Guard do not deserve the shameful treatment they are receiving from this Congress.

The letters referred to are as follows:

COMMITTEE ON MERCHANT
MARINE AND FISHERIES,
Washington, DC, June 24, 1987.

Hon. WILLIAM LEHMAN, *Chairman,*
Hon. LAWRENCE COUGHLIN,
Ranking Minority Member, Subcommittee on Transportation, Committee on Appropriations, House of Representatives, Washington, DC.

GENTLEMEN: We were distressed to learn that the FY 1988 Department of Transportation Appropriations bill recently approved by your Subcommittee contains a funding level for the Coast Guard that is woefully inadequate if the Coast Guard is to be expected to perform its many missions. Therefore, we respectfully request that the appropriations figures for the Coast Guard be reconsidered and that the Coast Guard be fully funded at the modest levels contained in our authorization bill, H.R. 2342.

Your Subcommittee proposes only $85 million in new budget authority for the Coast Guard's Acquisition, Construction and Improvements (AC&I) Account, the lowest level for this account since 1974. In the two major accounts—Operating Expenses and AC&I—the funding level of $1.9044 billion proposed by your Subcommittee is $474.6 million less than the $2.379 billion authorized in our bill, and $513.6 million less than the $2.418 billion appropriated from all sources in FY 1987 for these two accounts (these amounts do not include funds from the Boat Safety Account). We realize your bill assumed that $275 million would be provided for the Coast Guard through the Department of Defense. However, the FY 1988-89 Defense Authorization bill that passed the House, H.R. 1748, contains no such provisions for the Coast Guard.

As you know, our Committee's authorization bill for the Coast Guard contains funding levels totaling $2.787 billion. This is a lean budget. It provides a level of funding we believe will be adequate—but certainly not excessive—for the Coast Guard in FY 1988. As stated by the Chairman of the Coast Guard Subcommittee, Representatives Hutto, and our Ranking Minority Member, Representative Davis of Michigan, when they appeared before your Subcommittee on April 30th, our Committee strongly believes that the Coast Guard should be properly funded through Function 400 and should not have to hope that additional funding will be provided from other sources, such as the Department of Defense.

All Americans benefit from the services of the Coast Guard, whether it be directly as the result of a search and rescue mission, or indirectly through port security, the cleanup of an oil spill, the safe transport of consumer goods made possible by the Coast Guard's maintenance of aids to navigation, or the interdiction of the illegal drugs plaguing our nation. In constant dollar terms, there has been no real growth in the Coast Guard budget in the last five years. It is unfair for the Congress to continue to assign new or expanded missions to the

Coast Guard without providing the funding necessary to accomplish those missions.

The agreement reached by the conference committee on the budget resolution includes $11.945 billion in the Section 302(a) discretionary appropriations allocation for Function 400, an increase of $1.141 billion in budget authority over the amount provided for Function 400 in the House-passed budget resolution. We realize that, following acceptance of the conference report by the House and Senate, the Appropriations Committee must subdivide the total funds approved in the budget resolution. However, anticipating that the Section 302(b) subdivision will equal the level of increase assumed in Section 302(a) allocation of the conference report, we trust that appropriate adjustments will be made to the Coast Guard funding levels in order that it can successfully perform its many missions so critical to the health and safety, as well as the national security, of our nation.

Sincerely,

Walter B. Jones,
Chairman.
Robert W. Davis,
Ranking Minority Member, and 28 other committee members.

Congress of the United States,
House of Representatives,
Washington, DC, June 25, 1987.

Hon. **William Lehman,** *Chairman,*
Subcommittee on Transportation, Committee on Appropriations, House of Representatives, Washington, DC.

Dear Chairman Lehman: We are writing to add our names to the list of our colleagues who have written in support of the Coast Guard authorization levels contained in H.R. 2342. We are most concerned that the FY 1988 Department of Transportation Appropriations bill recently approved by your Subcommittee funds the Coast Guard at a level that is seriously inadequate if the Coast Guard is expected to perform its many missions.

We realize that the Department of Transportation Appropriations bill assumes that $275 million would be provided for the Coast Guard through the Department of Defense. However, as you know, the FY 1988-89 Defense Authorization bill that passed the House contains no provision for the Coast Guard. The authorization levels recommended by H.R. 2342, are less than what was appropriated in Fiscal Year 1987 from all sources.

The Coast Guard continually makes a commendable effort in meeting the increasing demands placed upon them. The Coast Guard's multi-mission responsibilities require adequate funding in order to meet their missions so critical to the health, safety, and national security of our nation. We are requesting that the appropriation figures for the Coast Guard be reconsidered and that the Coast Guard be fully funded at the levels included in H.R. 2342, the Coast Guard Authorization Act.

With kind personal regards,

Sincerely,

William J. Hughes.
Thomas R. Carper.
Glenn M. Anderson.
Carroll Hubbard, Jr.

□ 1455

Mr. COUGHLIN. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I have the highest regard for the U.S. Coast Guard and I have the greatest respect for the distinguished chairman of the Committee on Merchant Marine and Fisheries and the members of that committee.

However, Mr. Chairman, this is the open-the-barn-door amendment. If we open the barn door, the animals are going to escape from the barn and we are going to have a bill that will not meet our 302(b) allocation. We are going to have an open season on everything that comes along in this bill.

All agree that these are good causes and good programs. However, we have done the best job that we can in the subcommittee to provide for funds for a number of wonderful, beneficial, good programs. We have an evenhanded bill. If we start opening the bill up and passing amendments like this, amendments that are open-the-barn-door amendments, we are going to be in deep trouble.

Mr. Chairman, I urge defeat of the amendment.

Mr. TRAFICANT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, last year we passed an omnibus drug bill that called for, among other things, duties to interdict drugs at our borders. Involved with that piece of legislation was a real stalwart political move in the House where many Members were waving the banners of support for eradicating drugs from America.

We all know what happened to the great war against drugs. We have taken in the appropriations and reduced it to a raid on some local pharmaceutical stores. In other words, we did not back up the legislative intent of Congress, the directive of the President, which we agreed with and still do, and the Senate action.

Now, today we are talking about additional duties for the personnel of the Coast Guard. This amendment would add $18 million to ensure that one of their new duties would be to help stop drugs from entering this country.

Mr. Chairman, with every benefit there is a corresponding cost factor. We are not going to lump additional burdens, through new legislative initiatives, on the Coast Guard without compensating them for this in the first place.

Mr. Chairman, I will be offering an amendment later that would cut $67.5 million to stop the closing of 56 flight service stations. It is absolutely a safety amendment. I think it is good sense to cut that $67.5 million, leave the 56 flight service operations in existence for safer skies, and see what the modernization with these new computers does at these 61 sites throughout the country. While we are doing that, there would be a modest addition of $18 million by this amendment offered by the gentleman from North Carolina [Mr. Jones], which not only makes sense but I think it cries out for a favorable vote.

Let us keep in mind that the Jones amendment is far short of the barebones authorization approved by the House just last week. In addition, we must say that it is a little bit of a contradiction to keep talking about stopping drugs and at every turn of the road, when we get a chance to help in that cause, we continue to wield the axe.

So, Mr. Chairman, I am asking that we support the Jones amendment. It makes sense.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. Jones].

The question was taken; and on a division (demanded by Mr. Jones of North Carolina) there were—ayes 6, noes 10.

Mr. JONES of North Carolina. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 255]

Akaka
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Berman
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Borski
Boucher
Boulter
Brennan
Brooks
Broomfield
Brown (CO)
Bruce
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clarke
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Crockett
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Emerson
Erdreich
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flippo
Florio
Ford (TN)
Frank
Frenzel
Gallegly
Gallo
Garcia
Gaydos

Gejdenson
Gekas
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Hall (OH)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Hughes
Hunter
Hutto
Hyde
Inhofe
Jacobs
Jeffords
Johnson (CT)
Johnson (SD)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay

Madigan
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Regula
Rhodes
Richardson
Rinaldo
Roberts
Robinson
Rodino
Rogers
Rose
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo

Saiki
Savage
Sawyer
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Taylor
Thomas (CA)
Torres
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wise
Wolf
Wolpe
Wortley
Wyden
Yates
Yatron
Young (AK)
Young (FL)

□ 1510

The CHAIRMAN. Three hundred seventy-four Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from North Carolina [Mr. JONES] for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 91, noes 287, not voting 55 as follows:

[Roll No. 256]

AYES—91

Anderson
Aspin
Atkins
Bateman
Bentley
Bilirakis
Boggs
Borski
Brennan
Brooks
Callahan
Clarke
Collins
Conte
Daniel
Davis (MI)
de la Garza
DeFazio
Donnelly
Dornan (CA)
Duncan
Dymally
Dyson
Eckart
Evans
Fields
Florio
Frank
Garcia
Gaydos
Gejdenson

Gilman
Gonzalez
Gregg
Hansen
Hefner
Hertel
Hochbrueckner
Hughes
Hutto
Jones (NC)
Kanjorski
Lagomarsino
Lantos
Leath (TX)
Lewis (CA)
Lewis (FL)
Lipinski
Lowry (WA)
Lukens, Donald
Lungren
Markey
Matsui
Mavroules
McCollum
McMillen (MD)
Moakley
Molinari
Murtha
Nowak
Oakar
Oberstar

Ortiz
Pepper
Pickett
Price (NC)
Rangel
Ravenel
Rodino
Rose
Saiki
Schneider
Sikorski
Sisisky
Spence
Studds
Sweeney
Tallon
Traficant
Traxler
Upton
Valentine
Vander Jagt
Weiss
Weldon
Wheat
Wortley
Wyden
Yatron
Young (AK)
Young (FL)

NOES—287

Akaka
Andrews
Annunzio
Anthony
Applegate
Archer
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Beilenson
Bennett
Bereuter
Berman
Bilbray
Bliley
Boehlert
Boland
Boner (TN)
Boucher
Boulter
Broomfield
Brown (CO)
Bruce
Buechner
Bunning
Burton
Bustamante
Byron
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clinger
Coats
Coble

Coelho
Coleman (MO)
Coleman (TX)
Combest
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Crockett
Dannemeyer
Darden
Daub
Davis (IL)
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
DioGuardi
Dixon
Dorgan (ND)
Dowdy
Downey
Dreier
Durbin
Dwyer
Early
Edwards (CA)
Emerson
Erdreich
Espy
Fascell
Fawell
Fazio
Feighan
Fish
Flippo
Foley
Ford (TN)

Frenzel
Gallegly
Gallo
Gekas
Gibbons
Gingrich
Glickman
Goodling
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Henry
Herger
Hiler
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Hunter
Hyde
Inhofe
Jacobs
Jeffords
Jenkins
Johnson (CT) •

Johnson (SD)
Jontz
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kyl
LaFalce
Latta
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lightfoot
Lott
Lowery (CA)
Lujan
Luken, Thomas
Mack
MacKay
Madigan
Marlenee
Martin (IL)
Martin (NY)
Martinez
Mazzoli
McCloskey
McCurdy
McDade
McGrath
McHugh
McMillan (NC)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)

Mrazek
Murphy
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Obey
Olin
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Perkins
Petri
Pickle
Porter
Price (IL)
Pursell
Quillen
Rahall
Regula
Rhodes
Richardson
Rinaldo
Roberts
Robinson
Rogers
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Savage
Sawyer
Saxton
Schaefer
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shumway
Shuster

Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spratt
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Stratton
Stump
Sundquist
Swift
Swindall
Synar
Tauke
Taylor
Thomas (CA)
Torres
Towns
Udall
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Whittaker
Whitten
Williams
Wise
Wolf
Wolpe
Yates

NOT VOTING—55

Ackerman
Alexander
Armey
AuCoin
Bates
Bevill
Biaggi
Bonior (MI)
Bonker
Bosco
Boxer
Brown (CA)
Bryant
Clay
Conyers
Dingell
Edwards (OK)
English
Flake

Foglietta
Ford (MI)
Frost
Gephardt
Hall (TX)
Hawkins
Howard
Huckaby
Ireland
Jones (TN)
Kemp
Konnyu
Kostmayer
Lancaster
Lent
Livingston
Lloyd
Manton
McCandless

McEwen
Owens (NY)
Ray
Ridge
Ritter
Roe
Roemer
Rostenkowski
Scheuer
Shaw
Smith (FL)
St Germain
Tauzin
Thomas (GA)
Torricelli
Wilson
Wylie

□ 1525

The Clerk announced the following pair:

On this vote:

Mr. Shaw for, with Mr. Armey against.

Mr. THOMAS of California changed his vote from "aye" to "no."

Mr. SIKORSKI changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. VENTO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of H.R. 2890, the Transportation appropriations bill for fiscal year 1988.

I am particularly pleased that this bill includes an increase of $677,000 for Federal pipeline safety programs over the amount of the fiscal year 1987 Transportation appropriations bill. The bill provides an additional $66,000 to increase pipeline inspector travel from 9 to 12 days per month and will allow these inspectors to spend more time in the field where they should be.

I have had a longstanding interest in the issue of pipeline safety. I have sponsored legislation in the 98th and 99th sessions of Congress to improve our Federal activities in this area. Most recently, during this session, I have sponsored H.R. 262, the Safe Pipeline Act, which calls for increased Federal inspections of hazardous liquid and natural gas pipelines and for community notification so that citizens and their local public safety agencies—police and fire departments—will have access to useful information about where hazardous pipelines are located. The authorizing committees in the House, the Public Works and Transportation Committee and the Energy and Commerce Committee, are currently in the process of moving forward with the reauthorization of this vital program, which is set to expire in September this year and I've been working closely to incorporate new policy direction and an enhanced role of RSPA pipeline safety capacity.

Last year, the Appropriations Subcommittee on Transportation, led by my colleague, Mr. SABO and chairman, Mr. LEHMAN, was successful in strengthening the Pipeline Safety Program by providing funding for the hiring of two additional inspectors in the Office of Pipeline Safety [OPS]. It is my understanding that these two additional inspectors have recently been hired and have been assigned, as directed by last year's legislation, to the OPS central region office in Kansas City. It is my hope that these additional personnel along with other OPS personnel will continue to pursue the activities which they were directed to undertake in last year's legislation, particularly with respect to a thorough examination of the operations of the Williams Pipeline Co. in the State of Minnesota.

The Williams Pipelines Co. has had a particularly poor record and has repeatedly been involved in significant spills, leaks and other accidents, including a tragic leak and explosion of a gasoline pipeline in Mounds View, MN, in my district in July 1986 which killed two people. This record prompted the Appropriations Committee to assign two additional inspectors to the central regional office last year with the specific charge to examine the operations of the Williams Pipeline Co. In light of the fact that the second of these two positions was only recently filled by OPS, I am certainly hopeful that OPS and the Research and Special Projects Administration will continue to pursue the charge they were given in last year's legislation.

The recent OPS decision to fine Williams Pipeline $115,000 related to violations of Federal regulations which were involved in the Mounds View accident gives some significant reason for OPS to continue to monitor Williams' systemwide operations with a special focus.

Finally, Mr. Chairman, I want to congratulate the chairman of the subcommittee, Mr. LEHMAN, and the members of the subcommittee for their work on this legislation, which moves in the direction of improving and strengthening the Federal role in pipeline safety.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ALTERATION OF BRIDGES

For necessary expenses for alteration or removal of obstructive bridges, $1,000,000, to remain available until expended.

RETIRED PAY

For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefits Plans, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act (10 U.S.C., ch. 55), $386,700,000.

RESERVE TRAINING

For all necessary expenses for the Coast Guard Reserve, as authorized by law; maintenance and operation of facilities; and supplies, equipment, and services, $66,300,000.

AMENDMENT OFFERED BY MR. DAVIS OF MICHIGAN

Mr. DAVIS of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Michigan: Page 7, line 10, strike "$66,300,000" and insert "$71,142,000".

Mr. DAVIS of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DAVIS of Michigan. Mr. Chairman, this amendment would improve or increase the Reserves for the Coast Guard.

Let me give you a little background why we need this amendment and what the Appropriations Subcommittee has done.

First of all, in the Defense authorization bill this year, we added an amendment that would require the Coast Guard Reserves to be at the level of 13,500—I am sorry, 14,000.

The President requested 13,500 and the Appropriations Committee has cut it down to 13,000.

Now, when you look at the other branches of the service, all branches of the service are at 95 percent of their personnel required for wartime mobilization, but the Coast Guard is only at 49 percent.

You may or may not remember last week on Wednesday we adopted an amendment which said that sometime within 90 days after the authorization bill should be signed into law by the President, the Department of Transportation must come back with a plan to show how the Coast Guard is going to be up to 95 percent of their Reserve personnel requirement in 10 years.

Mr. Chairman, it is absolutely necessary that we get the Coast Guard Reserve up to the same level that some of the other branches are. As I have indicated, they are only at 49 percent, when all the other branches are at 95 percent.

The administration recognizes this. The Coast Guard recognizes this, and so they asked for a manning level of 13,500. As I have indicated, we have in the Coast Guard authorization bill and in the Defense authorization bill requested 14,000. The Appropropriations Committee cut it back to 13,000.

Now, if we continue at the level that the Appropriations Committee has appropriated money for, we are never going to get up to the 95-percent level that we need to; so it is absolutely essential that we add this approximately $4.8 million to bring another 500 people on board in Reserves in order to be able to get us started on the road to get the level back up to where it should be. Even if we do this, it is going to take us a minimum of 10 years in order to get there.

The Coast Guard, frankly, has spent already this year 99 percent of their total 1987 allocations, so they have spent almost all their money to try to bring new recruits into the Coast Guard Reserves.

This is just a move to try to get the Coast Guard Reserves on the road back up to where they should be.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Michigan. I am pleased to yield to the chairman of the Coast Guard Subcommittee, the gentleman from Florida.

Mr. HUTTO. Mr. Chairman, I appreciate the gentleman yielding.

Is it not true that the Coast Guard Reserves more or less do not differentiate from the regulars. They perform a vital service, and with all the commitments that the Coast Guard has and the things that have been mandated for them, it is necessary for us to have increased Reserve strength.

Mr. DAVIS of Michigan. It is absolutely necessary, and the gentleman is right. I frankly was kind of surprised that this got kind of lost in the shuffle in the Appropriations Subcommittee. If there is one area where I think we ought to have solid support, it would be in this area.

All we are trying to do is bring it back up to the administration's level of 13,500. As I have indicated, we have already said in the Defense authorization and in the Coast Guard authorization that we want it to be at the 14,000 level; so we are compromising between the 13,000 that the Appropriations Committee said and the 14,000 that the authorization committee said.

Mr. LEHMAN of Florida. Mr. Chairman, I rise in opposition to the amendment. The thrust of this amendment will be once again to try to break our anticipated 302(b) allocation. As my colleague from the subcommittee, the ranking member, the gentleman from Pennsylvania [Mr. Coughlin] said, this is another "open the barn door" amendment.

We are at the present time right at our anticipated ceiling. I expressed, as I said, a commitment to maintain these allocations.

The House just voted 287 to 91 not to exceed our expected 302(b) allocations.

I urge that in the same spirit this amendment be rejected and that we maintain our fiscal responsibility.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Davis].

The question was taken; and on a division (demanded by Mr. Davis of Michigan) there were—ayes 9, noes 20.

So the amendment was rejected.

Mr. OWENS of Utah. Mr. Chairman, I move to strike the last word.

Mr. Chairman, if I may respectfully have the attention, briefly, of my distinguished friend from Florida, the chairman of the subcommittee [Mr. Lehman], I would like to briefly mention a situation and problem which exist in my district in Salt Lake County in reference to a planned light railway system of mass transit, and to request his assistance.

Because it did not earlier appear that the Utah Transit Authority could begin work next year on this project, which is of vital importance to Utah's economic vitality, we made no request for Federal grant funds for fiscal year 1988.

□ 1540

I will not attempt to offer an amendment today.

The gentleman from Utah in the other body, Senator Garn, is attempting to add an amendment to this bill when it is considered by the other body, directing that $3.75 million as a discretionary grant, new systems projects money, be made available to the Utah Transit Authority for engineering studies and other planning purposes during the next fiscal year.

The grant will supplement matching funds which are being raised locally, in the amount of at least 25 percent of the needed $5 million. If Senator Garn is successful in adding those funds, I would like to ask the gentleman from Florida, chairman of the Transportation Appropriations Subcommittee, if the gentleman would make every effort to acquiesce in that initiative.

Mr. LEHMAN of Florida. Mr. Chairman, will the gentleman yield?

Mr. OWENS of Utah. I yield to the gentleman from Florida.

Mr. LEHMAN of Florida. Mr. Chairman, I appreciate the gentleman from Utah, bringing this to the attention of our subcommittee.

The gentleman has worked very hard on this project. It seems to be a very worthwhile project.

Unfortunately, it came in after we had already introduced our bill; but the gentleman may be assured, as the subcommittee chairman, I will do all that I can to help the gentleman in the conference.

Mr. OWENS of Utah. I cannot overstate how important the development of a mass transit system along the Wasatch front is to Utah's economic well being, as well as to our health. Salt Lake County sometimes becomes pollution laden due to its unique geographic location, a phenomenon really. We are located in a basin surrounded on all sides by high mountains; low pressure inversions often times result in Salt Lake County being overcast, during some winters for weeks at a time. The primary cause of air pollution in Salt Lake County is exhaust from the 250,000 automobiles which ply the highways every working day.

So the building of a mass transit system along the narrow band of land between the mountains and the Great Salt Lake, the Wasatch front, will have critical importance for the health as well as the economic well being not only of the Wasatch front, but for all of Utah. This grant, if we can obtain it, will mark the historic beginning of a vital long-term project which is critical to Utah's future. I am very grateful for the Chairman's willingness to lend assistance at this critical time.

I am grateful for the gentleman's consideration of our project.

Mr. NIELSON of Utah. Mr. Chairman, will the gentleman yield?

Mr. OWENS of Utah. I yield to the gentleman from Utah.

Mr. NIELSON of Utah. Mr. Chairman, I thank the gentleman for yielding.

I support the gentleman from Utah in his observations concerning Salt Lake County and the mass transit system in that area.

I would ask the gentleman from Florida [Mr. Lehman], the subcommittee chairman, to give every consideration to Senator Garn's attempts.

I represent about one-third of the area, one-fifth of the population, and much of the transportation extends into my district as well; and I fully support the gentleman from Utah.

I hope that the gentleman from Florida [Mr. Lehman] and the ranking member will also support the request in the other body.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. OWENS of Utah. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I thank the gentleman for yielding.

We are sympathetic and want to work with the gentleman.

Mr. OWENS of Utah. I thank the gentleman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RESEARCH DEVELOPMENT, TEST, AND EVALUATION

For necessary expenses, not otherwise provided for, for basic and applied scientific research, development, test, and evaluation; maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law, $20,000,000, to remain available until expended: *Provided*, That there may be credited to this appropriation funds received from State and local governments, other public authorities, private sources and foreign countries, for expenses incurred for research, development, testing, and evaluation.

OFFSHORE OIL POLLUTION COMPENSATION FUND

The Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations in such amounts and at such times as may be necessary to the extent that appropriations are not adequate to meet the obligations of the Fund: *Provided*, That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $60,000,000 in fiscal year 1988 for the "Offshore Oil Pollution Compensation Fund".

DEEPWATER PORT LIABILITY FUND

The Secretary of Transportation is authorized to issue, and the Secretary of the Treasury is authorized to purchase, without fiscal year limitation, notes or other obligations in such amounts and at such times as may be necessary to the extent that available appropriations are not adequate to meet the obligations of the Fund: *Provided*, That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $50,000,000 in fiscal year 1988 for the "Deepwater Port Liability Fund".

BOAT SAFETY

(LIQUIDATION OF CONTRACT AUTHORIZATION)

For payment of obligations incurred for recreational boating safety assistance under Public Law 92-75, as amended, $15,000,000 to be derived from the Boat Safety Account and to remain available until expended: *Provided*, That none of the funds in this Act shall be available for the planning or execution of programs the obligations for which are in excess of $15,000,000 in fiscal year 1988 for recreational boating safety assistance: *Provided further,* That no obligations may be incurred for the improvement of recreational boating facilities.

POINT OF ORDER

Mr. HUTTO. Mr. Chairman, I raise a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. HUTTO. Mr. Chairman, I make the point of order against the proviso found on lines 1 through 3 of page 9 of the bill. The language is legislative on an appropriations bill, and violates rule XXI, clause 2.

Mr. LEHMAN of Florida. Mr. Chairman, we concede the point of order.

The CHAIRMAN (Mr. PANETTA). The gentleman from Florida [Mr. Lehman] concedes the point of order, and the point of order is sustained.

The proviso is, therefore, stricken.

The Clerk will read.

The Clerk read as follows:

FEDERAL AVIATION ADMINISTRATION

HEADQUARTERS ADMINISTRATION

For necessary expenses, not otherwise provided for, of providing administrative services at the headquarters location of the Federal Aviation Administration, including but not limited to accounting, budgeting, legal, public affairs, and executive direction services for the Federal Aviation Administration, $37,500,000.

OPERATIONS

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including administrative expenses for research and development, and for establishment of air navigation facilities, and carrying out the provisions of the Airport and Airway Development Act, as amended, or other provisions of law authorizing obligation of funds for similar programs of airport and airway development or improvement, purchase of four passenger motor vehicles for replacement only, $3,257,550,000, of which not to exceed $786,250,000 shall be derived from the Airport and Airway Trust Fund: *Provided,* That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the maintenance and operation of air navigation facilities: *Provided further,* That none of these funds shall be available for new applicants for the second career training program or for a pilot test of contractor maintenance: *Provided further,* That the immediately preceding proviso shall not prohibit the augmentation of the existing field maintenance work force if it is determined to be essential for the safe operation of the air traffic control system: *Provided further,* That section 5532(f)(2) of title V, United States Code, is amended by striking "December 31, 1987" and inserting "December 31, 1988" in lieu thereof: *Provided further,* That section 8344(h) of title V, United States Code, is amended by striking "April 1, 1986" in paragraph (2) and inserting "December 31, 1986" in lieu thereof: *Provided further,* That in the event that the Federal Aviation Administrator employs annuitants subject to section 8344(h) of title V, United States Code, not to exceed $10,000,000, to be derived from the unobligated balance of any appropriation available for obligation by the Federal Aviation Administration as of the effective date of this Act, shall be available through December 31, 1988, for the purpose of funding such employment: *Provided further,* That any such funding shall be reported to the Committees on Appropriations of the Senate and the House of Representatives.

FACILITIES AND EQUIPMENT (AIRPORT AND AIRWAY TRUST FUND]

For necessary expenses, not otherwise provided for, for acquisition, establishment, and improvement by contract or purchase, and hire of air navigation and experimental facilities, including initial acquisition of necessary sites by lease or grant; engineering and service testing including construction of test facilities and acquisition of necessary sites by lease or grant; construction and furnishing of quarters and related accommodations of officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available; and the lease or purchase of one aircraft; to be derived from the Airport and Airway Trust Fund and to remain available until September 30, 1992, $1,170,000,000: *Provided,* That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment and modernization of air navigation facilities: *Provided further,* That of the funds available under this head, $4,000,000 shall be available for the Secretary of Transportation to enter into grant agreements with universities or colleges having an airway science curriculum recognized by the Federal Aviation Administration, to conduct demonstration projects in the development, advancement, or expansion of airway science curriculum programs, and such funds, which shall remain available until expended, shall be made available under such terms and conditions as the Secretary of Transportation may prescribe, to such universities or colleges for the purchase or lease of buildings and associated facilities, instructional materials, or equipment to be used in conjunction with airway science curriculum programs.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: Page 11, line 15, strike "$1,170,000,000" and insert "$1,102,500,000".

Mr. TRAFICANT. Mr. Chairman, this is the amendment that would strike $67½ million.

It would cut $67½ million and would stop the closing of 56 smaller flight service stations throughout the country.

The FAA will be consolidating, if this measure is not passed, 311 flight stations nationwide into 61 major modernized centers.

I am not against the modernization and the FAA plans that they are about to undertake.

What I do oppose, though, is that by closing these smaller flight service stations, we can technically in the House here today authorize a computer to take hold in removing people from these 56 flight service stations.

We are talking about after deregulation, many of these smaller airports have been economically depressed as it is. No. 1, the economic consequences will be there. Pursuit of cargo shipments may be damaged, but more importantly, the safety issue is the most important.

There are several outstanding court cases already in this Nation, which bring about the cause for tremendous litigation that will be ensued by many of these communities if this legislation is allowed to proceed.

Specifically in the State of Ohio, only two flight service stations would remain, Cleveland and Dayton. There is already an outstanding court case that states the FAA cannot close the Youngstown Municipal Flight Service Stations because of safety ramifications due to the unusual volatile weather conditions that erupt around Lake Erie.

We are taking the small corporation aircraft and private pilots that use these flight service stations and forcing them to rely upon a computer hundreds of miles away.

Let us not be mistaken, what looks like an attempt to add money for safety purposes is in fact the closing of these flight service stations, jeopardizing the safety in the skies. I do not believe the courts of America should decide on the safety in the skies issue. I think Congress should.

That is not saying anything negative about the committee. I believe the committee has received an awful lot of testimony. It has taken its position, but if they would be apprised of the fact that there are court cases now beginning to develop, we are opening our doors to continuing litigation, hundreds of thousands of community taxpayer dollars that need not occur.

I would like to see the modernization take hold, and I think that we can have both; and we should leave these flight service stations open and see what the effect will be with this new modernization plan.

Be advised that in Cleveland already, the congestion is such that they rely on the Youngstown Municipal Flight Service Station to about the tune of 25 calls a day for updated flight service information.

There is no easy answer, but I think a U.S. district court in New York recently issued a temporary restraining order prohibiting the FAA from closing five flight service stations in New York and Vermont.

I am asking Congress to take a very close and careful look at those developments.

Finally, I think we have to take a look at the commercial aircraft, the small commuter lines, the private aircraft and those pilots who rely on people at flight service stations.

What we are doing now is, we are going to have pilots communicating with computers. One of the largest international airports in America, St. Louis International, has been on record as having had their computers shut down in excess of 4 hours on different occasions because of malfunctions with that system.

While I know everybody is looking to cut around here, my amendment, by the way, would cut $67½ million. It would force the FAA to go ahead with a different progam of modernization, but leave intact those 56 smaller flight service stations a part of the aviation industry that in my opinion be woefully damaged and injured by the action we would be taking here.

I think we should cut, and we should cut for the purpose of safety. I further am going to ask, since we cannot legislate on this bill, that the committee after a positive vote to cut this $67½ million, and to leave these 56 stations open, would then move toward a policy with the FAA to provide the money necessary to modernize, and then evaluate in conjunction with these 56 stations being open.

With that, I ask for your successful support for this amendment.

□ 1550

Mr. LEHMAN of Florida. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment of the gentleman from Ohio.

Mr. Chairman, I would like to read just a few lines from the report accompanying our bill. It says, "Because of the continuing concern about what constitutes 'as good as or better' service, the committee is directing the FAA to halt any further closures and/or consolidations of flight service stations unless the affected service area will be served by an automated flight station with Model 1 or Model 1 Full Capacity equipment."

Now the gentleman from Ohio knows in his own Youngstown area we have taken special consideration and tried to work with him on special situations. But the gentleman's motion to deduct $67 million from this bill, I believe, we would have to consider to be pennywise and pound foolish because the flight service station automation project will save the taxpayers over $750 million a year when completed. The consolidation plan has been underway for 5 years. And to date, we have spent over $350 million on this automated flight service consolidation plan.

The comments that we have heard from pilots and aircraft owners to date have been positive. Their comments overwhelmingly outweigh any negative comments. Already some communities have spent millions of dollars in anticipation of this consolidation.

I strongly urge my colleagues to defeat this amendment and not see the $320 to $350 million that was already spent go down the drain. Give us an opportunity to have equal or better flight service and save the taxpayers $750 million.

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN of Florida. I yield to the gentleman from Washington.

Mr. CHANDLER. I thank the gentleman for yielding.

Mr. Chairman, I rise to support the position of the chairman on this issue. I agree, we would be very pennywise and pound foolish to adopt this amendment. On Saturday, I flew a Cessna 182 into Wenatchie, WA. The difference between the service that I received through the flight service station, which is now manned and would not be in the future, is simply that the person talking to me over the radio would be remote as opposed to on the ground. Yes, for a private pilot it is nice to talk to somebody in person. But we are talking about a period of time when we do not have the money for that kind of luxury.

As far as the safety is concerned, there is no difference. I announce my position in the pattern, so does everybody else. That is how we know where we are. There is nobody in the tower looking out to keep us separated now. There would not be in the future.

As far as safety is concerned, I do not see that we are sacrificing anything. The FAA is trying to proceed with a sensible way of bringing about some cost reductions here while maintaining safety. It is in Cleveland where the gentleman has a problem with traffic separation. Frankly, that is where the chairman's bill is placing the emphasis on funding.

So I think the chairman is to be commended for his effort here, not to be condemned. Also what you are doing here is you are striking the modernization money which would go to Cleveland and away from these other centers.

So I want to support the chairman and I oppose the amendment.

Mr. LEHMAN of Florida. I thank the gentleman for his support. He is certainly worthy.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN of Florida. I yield to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. I thank the gentleman for yielding.

No. 1, we do not want to stop the modernization program at Cleveland, let us be perfectly clear about that. No. 2, who are all these airline pilots who are coming in bragging about this new program? We have seen suits developing by the Aircraft Owners and Pilots Association of America and they have already brought litigation in several district courts. In my opinion, $750 million a year in savings, we are talking about that, how do you equate that with the final statistical numbers of what the safety risks might be in the sky? We do not know. We really do not know.

Mr. CARR. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I would like to tell my friend from Ohio that we appreciate his local dilemma in Youngstown. Our committee is going to be looking very hard at this and other specific circumstances throughout the United States. Where the phasing from the old flight service station to the new flight consolidated service stations have not been doing smoothly, that is.

Our committee is very sensitive to that. Our chairman has been most solicitous of the members' views on those particular circumstances.

But the simple fact is that the gentleman's amendment, while being of sincere intent, is equivalent to that statement that was made by a military officer sometime during the Vietnam war that, "You have to bomb the village to save it."

Put a different way, this is going after a sparrow with an antiaircraft gun.

The fact of the matter is the money in this bill, the very money that the gentleman from Ohio would seek to eliminate is money that can be used to attack the problem.

Now the General Accounting Office is not known for being a lap dog of the FAA. The General Accounting Office has issued many, many, many critical reports of the FAA and its NAS-PLAN programs. However, there is one program that the FAA is undertaking right now which the General Accounting Office has given rave reviews and that is the flight service station consolidation program. I would like to underscore the statement of my good friend, Mr. CHANDLER, that this is not a safety issue. Well over 90 percent of the pilots in this country who make use of the flight service stations do so by telephone. They do so by computer. In fact, today one might even wonder why some flight service stations are even needed. Flight service stations began decades ago when pilots did not have the availability of the weather channel, computer graphics via network television, much less through personal computers in their own homes. The fact of the matter is that today that weather information dissemination which is the key and one of the primary roles of the flight service stations has been augmented both in the private sector and through the pubic services that have been offered.

Furthermore, there are very few pilots today who are willing to call a flight service station to speak in person to a flight service station personnel for the purpose of filing flight plans. It is done much more expeditiously, in a timely and accurate fashion for the pilots to use fastfile, that is filing with a recorded device to be later transcribed at the appropriate time.

As the chairman of the subcommittee has said, this program which is underway and not completely without some difficulties, as we have talked about here on this and probably many more occasions to come, it will nonetheless save $750 million. We are 5 years into this program. I suspect that every year we go into this program we are going to have a couple of more flight service stations which have good, well meaning personnel on the ground who do not want to have their facility closed or move their families to some other consolidated location. But the fact is we have set this course. We have been on it for 5 years and we really should continue.

I ask for defeat of the amendment.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. CARR. If I have time, I yield to the gentleman from Ohio.

Mr. KASICH. I thank the gentleman for yielding.

Mr. Chairman, let me ask the gentleman is it not true that in the real world if a pilot, a private pilot is going to take off and he needs to be able to get his flight plans filed, in many cases they really want to call the operations people in those flight service stations and I am told that there has been difficulty in pilots being able to get through to make contact with people just because the system has not been able to accommodate the flow of traffic.

A number of pilots have just gone and taken off without even having permission, because it has become such a difficult thing for them to make the kind of contacts that they are used to making.

Mr. Chairman, I wonder if the gentleman would comment on that.

Mr. CARR. I would be glad to comment on that.

First and foremost, Mr. Chairman, if you are flying VFR in this country, you do not have to file a flight plan. It is recommended and almost every pilot will do so.

No. 2, when you call a flight service station personnel you are not calling them——

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent Mr. CARR was allowed to proceed for 2 additional minutes.)

Mr. CARR. The purpose of the call is to really get what is perhaps the weather if they have not gotten it from some other means, but to file that flight plan. The flight plan is a sequence of data which are quickly coded. You do not really need to talk to a person on the other end to file your flight plan.

Obviously if you are flying IFR you have to file a flight plan.

Now to the gentleman's question about congestion, it is manifest that at many flight service stations particularly the unconsolidated flight service stations, there is tremendous congestion. There is not the modern phone lines, there are not the modern automated equipment to receive your flight plan before there is an available person on the phone.

As a result, many pilots, myself included, I have many times called flight service stations hundreds of miles away from my location to find a flight service station where I could get something filed, because the modernization had not progressed.

I would submit to you, my good friend, that if we allow this consolidation to go forward, yes, we are going to have difficulties, yes we are going to have people walking into courts and getting automatic TRO's.

Yes, there will be flight service station personnel who will not want to be dislocated; but private pilots in this country are committed to the consolidation. We want this money to go forward. We want to hold the FAA's feet to the fire to make sure that it is funded with the utmost of quality. That is what this bill does, that is what this committee report does. I would appreciate the gentleman's support in opposing the amendment.

Mr. KASICH. If the gentleman will yield further, I have had personnel in my district tell me that even though they have tried to consolidate, for example, the flight service station with their modern apparatus in Hartford, CT, for example, many pilots who need to file their flight plans in Hartford, CT, for their return flight to Columbus are actually calling Columbus because they are not able to deal effectively with Hartford, CT. So they are out there in Connecticut and they are calling Columbus even though the new equipment is already in Connecticut.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CARR] has expired.

(By unanimous consent, Mr. CARR was allowed to proceed for 2 additional minutes.)

Mr. CARR. My good friend is absolutely accurate. But the flight plans are dumped into a central computer. Where they are filed, what physical location around the country is really immaterial. The flight plan needs to be filed someplace. It would be nice to do it with a local phone call. That is going to be happening with the consolidation. So the gentleman really does not need to worry. It is right now a massive inconvenience if he cannot find enough phone lines available at the unconsolidated flight service station, you have to incur long distance charges to get someone on the phone to file. But this is all going to be taken care of.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. CARR. I yield to the gentleman from Ohio.

Mr. TRAFICANT. I thank the gentleman for yielding.

Mr. Chairman, in the 2½ years I have been here I have followed the gentleman very carefully on the floor. The gentleman has a very pragmatic approach and I agree right now he is being very pragmatic.

I believe the interests of the appropriations committee are top notch. I believe this chairman has done everything possible to protect the skies in America.

The question I would have to ask the gentleman is twofold: what if the computer malfunctions, No. 1; and No. 2, I think very importantly, why do we have to improve safety by modernizing one system at the expense of throwing out a system that has been proven to work for the smaller aircraft at municipal airports in this country? I think we can do both. I think we should set up a priority on safer skies, inclement weather conditions and we should make those improvements at the major airports, absolutely. But it should be part of an integrated system that would be intertwined with those local systems that even maximize further their safety opportunities.

I cannot for the life of me believe we would deregulate in the first place and damage many of these small flight service stations and then, second of all, take their flight service stations away and threaten their skies.

In the Youngstown case, we are talking about seven employees.

Ladies and gentlemen, that is not a lot of employees.

□ 1605

I am talking about the safety issue. Perhaps with this modernization, I say to the gentleman from Michigan [Mr. CARR], we could have maybe a reduced staff in the future with three to four people, but we could have both. I think when it comes to the skies, we should have our cake and eat it too.

I have one statistic that I would like to close with, and that is that nobody can deny the propensity for midair collisions in the skies.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CARR] has expired.

(On request of Mr. CHANDLER, and by unanimous consent, Mr. CARR was allowed to proceed for 2 additional minutes.)

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. CARR. I am glad to yield to the gentleman from Washington.

Mr. CHANDLER. Mr. Chairman, I hope we do not get emotional on this issue. The question was raised, what if the computer goes down in the remote flight station? With or without personnel, they are shut down. That is the whole point the gentleman from Michigan was making.

Mr. CARR. Mr. Chairman, if I could say this, I think there is a fundamental misunderstanding by some here about what flight service stations are all about.

Mr. CHANDLER. That is obvious.

Mr. CARR. In the early days and now, even in the unconsolidated flight service stations, a pilot will call the flight service stations personnel, take down the information, and the flight station personnel will then put it into the computer.

Mr. CHANDLER. That is right.

Mr. CARR. The computer is already a fact of life in either the consolidated or the unconsolidated. What in fact the consolidation will do, however, is bring the computer more to the real time of the pilot. If the pilot has a personal computer in his home, he is going to be able to access the computer directly from home, not having to go through a person standing there. If they want to have a person standing there, there will still be some people there, but most of these pilots are people who are familiar with technology and who want the information. They do not care how it is delivered or by what means flesh and blood might be delivering it.

Mr. CHANDLER. Mr. Chairman, if the gentleman will yield once more for one moment, on the other point about the delays the gentleman from Ohio raised, yes, there have been some delays in being able to access by telephone these flight service specialists at the remote centers or at the consolidated centers. That is something the FAA is working very hard to try to improve, and this committee has appropriated money that the gentleman wants to strike to further improve that capability. So if we are trying to improve the situation as it exists today, then we should oppose this amendment because this amendment would be used to improve the system.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CARR] has again expired.

(On request of Mr. TRAFICANT, and by unanimous consent, Mr. CARR was allowed to proceed for 2 additional minutes.)

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. CARR. I am glad to yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, No. 1, let us consider safety just briefly here. Why do we have to talk about safety at the expense of a system that has worked for a part of that needy public out there? That is No. 1.

No. 2, most of the language that is coming out of these airport managers at these 56 airport stations is saying that they are worried that the pilots will begin taking risks, moving off without adequate weather information and necessarily filing their flight plans. These are the types of litigation problems that are going to ensue from this.

I assure the Members that Youngstown will go to court on this issue. The northern district of New York already has five of these stations before the court. We are opening up Pandora's box here, and all of the safety talk is not necessarily about safety.

I think we should modernize, absolutely, but I do not think we should shut down those flight service stations for that part of the aviation consuming public who relies on them. I think it is time that we have some people with hands on. Computers are great. We have the greatest computers in the world on our airplanes. Do we have pilots in them? Absolutely; we do.

Mr. Chairman, I think my amendment would force that type of a quality decision.

Mr. KASICH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to relate the concern I have. I have a station in my district in Columbus that may in fact be closed. We are a major operation, with the largest airport in the State of Ohio, and we may be consolidated with an operation in Dayton that has less traffic than we have in Columbus.

I had an opportunity, along with the gentleman from Ohio [Mr. WYLIE], to meet with the people who are out there doing this job, and I have also met with some people in the Government to talk about our concerns and share our concerns about what would happen if our place is consolidated.

I say to the gentleman from Michigan that it is very difficult for me to understand how we would consolidate our operation which is bigger than it is anywhere in the State in Columbus, which is the largest city in the State and a growing city, the only city east of the Mississippi and north of the Mason-Dixon line with growth in the last decade; it is difficult to understand why we would have our facility shut down.

This decision was made in the early 1980's. We did not do everything we should have done in the city of Columbus to keep this facility open, but now I look at it, and I am the Congressman. I am now the Congressman, and I understand they are going to maybe close this facility down.

My pilots in Columbus are going to have to call Dayton. My pilots in Columbus feel more comfortable, and honestly we can understand why they would feel more comfortable, to be able to deal with the local flight service station right in Columbus rather than having to get on the phone and call Dayton to inquire about weather conditions or whatever.

Now they tell me that people who are in these consolidated modern facilities are still calling Columbus, and to me it does not make an awful lot of sense. I know that the FAA is going to do everything it can to provide for safety. Sure, they are going to try to do that, but I would feel better, I would feel more comfortable if my pilots in the largest city in my State, in the largest operating airport in my State, had a flight service station they could communicate with and feel as good as they need to feel in order to operate their aircraft.

I suppose I am going to have to support this move that is slowing this whole thing down. I know that the gentleman from Washington [Mr. CHANDLER] said that the FAA is doing everything they can to try to get this thing on line, but I do not know that that makes me feel very comfortable. Again we have the Government involved here, and it seems to be removed. This is at a time when every time you pick up the newspaper you are reading about close calls and tragedies.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I am glad to yield, because I want to be responsible on the issue.

Mr. CARR. Mr. Chairman, the gentleman is responsible and he represents his community well.

I would relate my own personal circumstances. Pontiac, MI has the largest general aviation field in all of the State of Michigan. It has flight operations that are akin to Detroit Metropolitan Airport, and it is only general aviation. Yet all of our pilots must place a phone call and that phone call is answered in Lansing, MI, up in the district of the gentleman from Michigan [Mr. SCHUETTE], at the airport up there.

The fact of the matter is, I tell my friend, that we have a problem that I think is transient. Airports have a sense of community about them, so naturally the pilots at the gentleman's airport are going to want to call there and speak to their good old friend, Joe, over at the flight service station, and they are going to feel a common bond there.

Let me say to the gentleman that most of the pilots only want the information. They do not care where it comes from. It is just like when you call a computer reservation service for one of the airlines to get your seat to go home; you do not know where that phone is answered. It could be answered in Seattle, WA. You care about getting your reservation and having it accurate. You do not care where the person on the other end of the line is located physically.

It is the service we are keying in on here. It is the service that this bill contains the money to improve. We want to improve service. Yes, that will mean that some of the sort of good old boys around some of the airports in the country just are not going to be able to call old Fred over in the flight service station anymore, but we are going to improve service, and that is what is going to improve safety.

Mr. KASICH. Mr. Chairman, let me say this, though, to the gentleman from Michigan: if you are going to have a big family picnic in Pontiac—is that where you said it was?

Mr. CARR. Right.

Mr. KASICH. Where are you going to call for the weather? If you are going to book a reservation on an airplane, it does not matter whether you call Detroit or Chicago because you are all going to be booked on the same plane, but if you want to get the weather for your family picnic this weekend, are you going to call Pontiac, MI, or are you going to call somebody else's hometown which is 400 miles away?

Mr. CARR. Mr. Chairman, if the gentleman will yield further, I would be glad to explain this to the gentleman. Each and every airport has weather reporting. That, too, is fed into a computer, and that, too, is printed out no matter where it occurs in the United States, where anybody is asking for it. Somebody in Seattle might call up flight service and ask, "What is the weather in Pontiac?" And they could get it.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. KASICH] has expired.

(By unanimous consent, Mr. KASICH was allowed to proceed for 2 additional minutes.)

Mr. CARR. Mr. Chairman, will the gentleman yield further?

Mr. KASICH. I am glad to yield to the gentleman from Michigan.

Mr. CARR. In other words, Mr. Chairman, the presence of the flight service personnel is not the driving factor in whether weather is reported at all.

Mr. KASICH. Let me say this to this gentleman. If we are going to have four flight service stations in Ohio, Cleveland, Youngstown, Columbus, and Dayton, and we then consolidate the four stations down to two, does it not make common sense that that is going to pose difficulty with an incredible influx of calls into the remaining two facilities? Particularly when we have more planes in the air, why would we want to consolidate a great number into a few when we have a growth in aircraft?

Mr. CARR. Because the capacity of the computers and the technological installation at the consolidated flight service stations is going to be vastly superior to all of the individual stations.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, let us be advised that Akron's would be closed as well.

I have two points I want to make. We say naturally the pilot wants to call Joe because he knows Joe. Yes, he knows Joe, and there is that feeling of communication and safety that is built into this system.

Second of all, let us talk about all the great computers in the aviation industry. Show me one major commercial airline that does not have the greatest up-to-date computers known to man. You do that and then try to find your luggage.

I think we are talking about the fact that there are no systems that are totally perfect.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I am glad to yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, on that last point, again I would like to emphasize that even under the old unconsolidated system, computers were the heart of it. There were many times flying back and forth from Washington to my district when I called to get my flight plan and it was not there because a computer went down someplace and we had to reconstruct it.

But the system has integrity. Pilots and controllers work around these problems. Laying the whole consolidation on to some new-fangled computer is simply not the case.

Mr. DYSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. DYSON. Briefly, I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, I appreciate the gentleman's yielding.

I just want my friend, the gentleman from Michigan, to understand my concern about this, and I appreciate his answers. I am not settled on this, this has not solved my problem but I am glad the gentleman answered my questions directly. But I want the gentleman to understand where I come from on this whole issue because it is something that I am deeply concerned about.

Mr. DYSON. Mr. Chairman, I, too, have concerns about this amendment, and the subcommittee knows very well that I have discussed this issue of the consolidation of flight service stations with them over the last 2½ years.

I heard my colleague, the gentleman from Michigan, talk about calling up Fred or Joe for information back at the airport. That is not a bad idea. Just a couple of weeks ago, sitting in this Chamber, when we were about to experience a very heavy thunderstorm, I walked out of here and received a weather report indicating that in my area of the Eastern Shore and southern Maryland, we were to expect high winds and hail. Eventually what touched down was a tornado, a very unusual phenomena in Maryland's First Congressional District. It was something that the weather bureau did not anticipate.

This is what we are talking about. This is what I think the gentleman from Ohio is talking about in his amendment.

What they propose to do on the Eastern Shore of Maryland is this: In Salisbury, which is the second largest airport in the State, the FAA would consolidate the flight service station and merge it with Leesburg, VA. In essence we would have somebody at the Leesburg Air Route Traffic Control Center telling a pilot arriving in Salisbury, MD, what kind of weather to expect on Maryland's Eastern Shore. This airport is located between the Atlantic Ocean and the Chesapeake Bay, a region of unpredictable weather patterns.

I do not believe we are going to be able to get anybody in a place like Leesburg, VA, that is going to be able to give the kind of on-the-spot weather information that we are going to need in Salisbury, MD.

I feel this situation has been muddled just a bit when Members have talked about filing flight plans. I think if one is going to take a flight to New York, you could probably file your plan in Los Angeles. That would not make a whole lot of difference. But, if you are going to be arriving in an airport where there is an existing flight service station, those individuals on the ground can tell you what kind of weather and what kind of environmental conditions you are going to face.

The issue of jobs keeps coming up. I do not want to lose any more people in my district to unemployment, but we are only talking about, in some districts, I think, seven or eight people, and I will even have less than that. Let me emphasize that every one of those jobs is very important. But that is not our reason for being here. Our real reason is safety!

I have a lot of confidence in this subcommittee. I do not have that same kind of confidence in the FAA. They have just not done a good job. These airports and these flight service stations in rural areas also mean something in economic development.

□ 1620

We are not going to have economic development if these things are moved and consolidated in another location, in my case in another State, Leesburg, VA.

Mr. Chairman, I think the consolidation plan is a very bad idea, because I feel the FAA is trying to rush into it prematurely.

I endorse the amendment of the gentleman from Ohio.

I feel we should look very closely at what the gentleman is proposing after taking into account the present state we find the FAA. I for one do not feel that air travel is any safer, or will become any safer with the closing of the 345 flight service stations throughout this Nation. A week does not go by, Mr. Chairman, when I can pick up a newspaper or turn on the television and see an air traffic accident or "near miss."

Mr. TRAFICANT's amendment will remove $65.5 million from the Department of Transportation's budget for fiscal year 1988. The FAA has embarked on a consolidation program which would eventually close 345 stations and combine them into 61 automated stations. This amendment would prevent the FAA from carrying out its proposed schedule.

I have serious reservations about this program of the FAA. I have reservations about this because I think what they are doing will be placing in jeopardy those general aviation pilots who use airports in mostly rural communities and need the services of the individuals at the flight service stations.

I feel by closing the flight service stations prematurely, without first having the fully automated systems in place is a great mistake. I think I, like a majority of my colleagues, have developed some anxiety over the ability of the FAA to protect us in the skies. We can ill afford to be reducing services to pilots at a time when airway safety is becoming increasingly unsafe.

A flight service station provides irreplaceable services to general aviation aircraft pilots who usually fly their own planes. Flight service stations are primarily located at rural airports and airstrips throughout America. The flight service station in Salisbury, serves pilots who fly through the Eastern Shore and southern portions of Maryland. Farmers, small business people, military pilots, beach goers, and the Maryland State Police Medevac Unit are just some of the groups who depend on the information provided by this flight service station. This air corridor is one of the busiest in the country and it is important that the FAA provide pilots in this region with the most current and accurate information available.

Mr. Chairman, I want to make it perfectly clear that I do not oppose the concept of the automated flight service station, but I do oppose the method in which the FAA has been closing these stations. Recent hearings in Congress have pointed out the serious lags in service to pilots caused by the consolidated process. It is apparent that some communities will never have the service they have come to trust. I realize that there are always going to be a few problems that will have to be worked out of a new system; however, the FAA has compounded these problems by closing stations too hastily.

The rural communities are the ones who are most affected by lags in service. These are the pilots who most depend on the flight service station. When services to these pilots are reduced, we are compromising air safety. I do not believe we should be reducing an important element of safety by limiting information to pilots. Make no mistake, the hasty closing of these stations will have an impact on businesses, farmers, and medical services to rural communities.

We have an opportunity to once again prevent the FAA from proceeding with the consolidation effort without sufficient attention to the needs of those communities which most depend on the services provided by the FAA personnel. Repeatedly, the FAA has been asked if there was any criteria in the selecting which sites will close last. The former FAA Administrator, Donald Engen, has testified that he would give consideration to stations where unusual weather was a factor. Mr. Engen stated that between two major bodies of water would be such a station to be considered because of unusual weather patterns. Well, the Salisbury Flight Service Station is scheduled to close this fiscal year, and it is located between the Atlantic Ocean and the Cheseapeake Bay.

This amendment is still needed to prevent unnecessary closings and disruption in service. The FAA needs to pause briefly to establish a logical order on "last-to-close" stations and pay more attention to the impact on safety and economic development in rural areas.

If automation is the best service, then I wholeheartedly support it; but, at this time, it is proving to be disruptive to air safety at a time when we can least afford it. I realize that significant investments have been made toward automation; however, we must be assured it is implemented properly. When the FAA recognizes the importance of this service to rural communities and proceeds without disrupting it, then I will support a consolidation effort.

Mr. Chairman, I hope this amendment sends a strong, clear message to the FAA that we in Congress want a better and much safer air traffic service. We would like to see the best possible service provided to the thousands of pilots and their passengers that fly this Nation's skies every day.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. DYSON. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I would like to make just a couple of points about what the gentleman has said. I know the gentleman fought very hard for his area and should be commended by the people he represents. But I think the gentleman also knows that the FAA is planning to have a satellite flight service station in areas where surface weather is particularly a problem.

There has been a lot of discussion, and the gentleman has contributed to some of it, about weather observations. Weather observations can be made by automated mechanisms, they can be made by human observation. Flight service station personnel frequently make weather observations.

Also, we have contract weather observers who are highly trained and can do the job at very, very low cost. I would tell the gentleman the portion of time that the flight service station personnel actually observe the weather is a very, very small part of their duties. It is done once every hour and it takes but a very few short minutes.

But I would also tell the gentleman that what they observe is surface weather phenomena. They do not observe weather at altitude and surface weather is very important to pilots who are about to land at an airport say with ground fog. But I would also tell the gentleman in the years that I have been flying, the weather observations of flight service personnel, while being very accurate, are largely immaterial to the aloft weather situation that the pilot is confronting until just before he lands.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. DYSON] has expired.

(On the request of Mr. CARR and by unanimous consent, Mr. DYSON was allowed to proceed for 1 additional minute.)

Mr. CARR. If the gentleman will yield further, I would not oversell the portion of weather observer function of a flight service station person. They are there essentially to disseminate weather nationwide, not just locally. They are there to take and file flight plans.

(By unanimous consent, Mr. DYSON was allowed to proceed for 2 additional minutes.)

Mr. DYSON. Mr. Chairman, the gentleman from Ohio, the offerer of the amendment, has talked about approximately 56 closures in the upcoming fiscal year. We are also eventually looking at what the FAA would like to do, which is to close approximately 345 of these stations in almost every State of this country.

Again, I do not think I can emphasize enough how concerned I am that these closures would result in greater risk to the flying public. I would prefer to have somebody on the ground telling me and the pilot what to expect. I know wind sheer is something that a pilot is going to face closer to the runway than he is up at some higher altitude. That immediately is something that ought to be considered.

I believe that the FAA has gone into this in a haphazard way and has not given the kind of consideration to it that a situation like this demands.

I am impressed that the committee and the gentleman from Michigan have offered satellite adjunct stations as a substitute. At this time, we have only received promises. Aside from the few people who will lose their jobs, which is a concern of mine, I am more concerned about the people that fly in and out of the airport. For instance, Members of Congress going to Ocean City, MD, for a vacation, are no longer going to have available to them the use of those facilities. Instead, they are going to be using a facility out of Leesburg, VA, and receiving information from that center.

I just do not think that is the way we ought to be running this show.

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I do not plan to take my 5 minutes, but let me say that I sympathize with my colleague from Ohio, my colleague from New York and my colleague from Maryland. But this is not the way to do it.

Let me just say what the gentleman from Ohio [Mr. TRAFICANT] has done in his amendment is to eliminate the money for facilities and equipment to provide for automatic service. The FAA's budget assumes under operations that a certain amount of flight service stations that are not automated will be closed down. So what the amendment will do is nothing to provide for the continuation of those flight service stations, but eliminate the automated facilities and equipment from being provided, and have the worst of both worlds. We will have neither the funds for the existing flight service stations nor the funds for the automated equipment to replace them.

So that is the worst of both worlds. That is certainly something we do not want to do.

I say that although I sympathize with what the gentleman is thinking, I certainly think this is the wrong way to do it. It would be a disaster, and I urge defeat of the amendment.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I am happy to yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, there is no other way at this time, without an authorization bill, that we can legislate on an appropriation bill. It would be out of order. So it is necessary to take the action that is brought forward today, but through authorization and the review process we can thus authorize and handle the matter of updating this with modern equipment at the major airports and continuing on with the solid program we had at the local level.

Mr. COUGHLIN. If the gentleman will allow me to reclaim my time, I agree with the gentleman. This is an authorization question. The gentleman should take this to the authorizing committee.

But the worst thing we could do, because the FAA's funds under operations do not provide the funds for operating all of the existing flight service stations, the worst thing we could do is eliminate the money for the automated equipment to replace those, and I suggest to the gentleman that he take his question to the authorizing committee.

Mr. MONTGOMERY. Mr. Chairman, I rise in support of the Traficant amendment.

This amendment would prevent the closing, I believe, of the Meridian, Jackson, and McComb FAA stations.

The FAA wants to consolidate these stations into one big station in each State.

This amendment would not only save the small FAA stations over the country but saves over $65 million of building new facilities.

I ask my colleagues to support this reasonable amendment.

Mr. HARRIS. Mr. Chairman, I rise in support of the Traficant amendment.

The closing of the flight service stations will adversely affect my district and I believe that the safety of the traveling public will be jeopardized.

I urge my colleagues to support the Traficant amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. TRAFICANT. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names.

[Roll No. 257]

Akaka
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Borski
Boucher
Boulter
Brennan
Broomfield
Brown (CO)
Bruce
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clarke
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Crockett
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Emerson
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flippo
Florio
Ford (TN)
Frenzel
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Hall (OH)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Panetta
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Rogers
Rose
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Schumer
Censenbrenner
Sharp
Shaw
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Taylor
Thomas (CA)
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer

Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wise
Wolf
Wolpe
Wortley
Wyden
Yates
Yatron
Young (AK)
Young (FL)

□ 1635

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). Three hunderd eighty-four Members have answered to their names, a quorum is present, and the committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Ohio [Mr. TRAFICANT] for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. The Chair will state this is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 99, noes 292, not voting 42, as follows:

[Roll No. 258]

AYES—99

Applegate
Bennett
Bentley
Bereuter
Biaggi
Boggs
Boucher
Bruce
Byron
Campbell
Carper
Chappell
Clarke
Coats
Cooper
Craig
Daniel
Daub
Davis (MI)
DeFazio
Dellums
DeWine
Dorgan (ND)
Dowdy
Duncan
Durbin
Dymally
Dyson
Eckart
Emerson
Erdreich
Espy
Evans
Fish
Flippo
Gonzalez
Gordon
Gray (IL)
Harris
Hatcher
Hayes (IL)
Hayes (LA)
Hefner
Hopkins
Hoyer
Hubbard
Huckaby
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kasich
Kolter
LaFalce
Lancaster
Latta
Lipinski
Lott
Lujan
Manton
Martin (NY)
Matsui
McGrath
McHugh
McMillen (MD)
Miller (OH)
Montgomery
Moody
Morrison (WA)
Murphy
Nelson
Nichols
Nielson
Nowak
Oakar
Oxley
Quillen
Rahall
Regula
Robinson
Rogers
Russo
Savage
Sawyer
Skeen
Smith (NE)
Smith, Robert (OR)
Solomon
Staggers
Stallings
Stratton
Stump
Towns
Traficant
Valentine
Vucanovich
Wheat
Wise
Young (AK)

NOES—292

Akaka
Anderson
Andrews
Annunzio
Anthony
Archer
Aspin
Atkins
AuCoin
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Beilenson
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boland
Boner (TN)
Bonior (MI)
Borski
Boulter
Brennan
Brooks
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Bustamante
Callahan
Cardin
Carr
Chandler
Chapman
Cheney
Clinger
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Coughlin
Courter
Coyne
Crane
Crockett
Dannemeyer
Darden
Davis (IL)
de la Garza
DeLay
Derrick
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Downey
Dreier
Dwyer
Early
Edwards (CA)
Fascell
Fawell
Fazio
Feighan
Fields
Florio
Foley
Ford (TN)
Frank
Frenzel
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Gingrich
Glickman
Goodling
Gradison
Grandy
Grant
Gray (PA)
Green
Gregg
Guarini
Hall (OH)
Hamilton
Hammerschmidt
Hansen
Hastert
Hefley
Henry
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Horton
Houghton
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Konnyu
Kostmayer
Kyl
Lagomarsino
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Lewis (FL)
Lewis (GA)
Lightfoot
Lowery (CA)
Lowry (WA)
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Markey
Marlenee
Martin (IL)
Martinez
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McMillan (NC)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (WA)
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Mollohan
Moorhead
Morrison (CT)
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Owens (UT)
Packard
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Parris
Pashayan
Patterson
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Pelosi
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Price (IL)
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Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
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Tauke
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Thomas (CA)
Torres
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Vander Jagt
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Weber
Weiss
Weldon
Whittaker
Whitten
Williams
Wolf
Wolpe
Wortley
Wyden
Yates
Yatron
Young (FL)

NOT VOTING—42

Ackerman
Alexander
Armey
Bates
Bonker
Bosco
Boxer
Brown (CA)
Bryant
Clay
Conyers
Dornan (CA)
Edwards (OK)
English
Flake
Foglietta
Ford (MI)
Frost
Gephardt
Gunderson
Hall (TX)
Hawkins
Howard
Jacobs
Kemp
Lent
Livingston
Lloyd
McCandless
McEwen
Morella
Owens (NY)
Ray
Roe
Roemer
Rostenkowski
Scheuer
St Germain
Tauzin
Thomas (GA)
Wilson
Wylie

□ 1650

Mr. HERTEL changed his vote from "aye" to "no."

Mr. HOYER and Mr. HAYES of Illinois changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for research, engineering, and development, in accordance with the provisions of the Federal Aviation Act (49 U.S.C. 1301-1542), including construction of experimental facilities and acquisition of necessary sites by lease or grant, $161,500,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for research, engineering, and development.

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: On page 12, line 15, strike "$161,500,000" and insert in lieu thereof "$175,000,000".

Mr. WALKER. Mr. Chairman, I reserve a point of order against the amendment.

Mr. GLICKMAN. Mr. Chairman, I would hope that the gentleman from Pennsylvania would not raise a point of order.

We have previously had a couple of amendments offered similarly to mine that no point of order was raised.

They were voted down by the committee, and I had not intended to ask for a rollcall vote on this amendment. I have been cooperating with the committee in terms of previous discussions on previous amendments, and so I would feel constrained to object to the point of order, if it is in fact offered.

This amendment concerns air safety. I offer this amendment along with the gentleman from Illinois [Mr. RUSSO], the gentleman from Oklahoma [Mr. MCCURDY], and others who are concerned that we are building an enormous balance in the airport trust fund and that money is not being used to do the kinds of air safety-related activities that the public demands every time they fly on an airplane and pay a ticket tax.

Hardly a day goes by without reports on midair collisions, scheduling and delay hassles.

Last week we almost lost 600 people over the Atlantic Ocean.

□ 1700

That is when the Delta Airlines and Continental Airlines plane nearly collided over Newfoundland.

As the Washington Post put it today, "Air travel has become a flightmare." It is time we in Congress take some real action to turn this situation around. My amendment would add $13.5 million. These are dollars requested by the FAA, requested but not approved by the Office of Management and Budget nor by this committee.

I would say the Committee on Appropriations headed by Mr. LEHMAN did a fine job in adding some moneys back that the administration cut but we are still below the FAA's requested levels in aviation weather, in wind shears, in terminal weather radar, in cabin fire safety, in human factors involving aviation including controller interaction with advanced aircraft and control system, with navigation, with airport capacity.

My amendment would add $13.5 million into this bill, all funds that were requested by the FAA when they made their budget presentation to the Office of Management and Budget.

I am very open and candid with my colleagues. This is not a cutting amendment. This is one of the first addition amendments that has been added on this floor since I have been in Congress this year. But when I go home my constituents say to me, "We want you to cut everything but please spare us further cuts in the safety of our airways. Please save us from midair collisions. Please save us from airports which are so crowded that the safety of the flying public is jeopardized."

There is no parochial gain for any of us in supporting this additional money except gains in the lives of our constituents and the lives of the flying public in America.

Now the committee has done a good job in keeping the funds as high as they believe that they can. I just do not believe that they are high enough to protect the flying public, particularly in the area of aviation weather, particularly in the area of navigation of airplanes.

So I have sought to add this additional money which will protect the public of the United States and the world against future airport and airways accidents.

The other thing I would say to my colleagues is this: Every month we accumulate $250 million in the airport trust fund, every month; $3 billion a year. That money should be spent on safety. It is not being spent. The airport trust fund really ought to be off the unified budget onto its own budget so that money will be spent on safety-related things. But our constituents are nervous and scared about flying. It is time that we put our money where our mouths are, it is time we fund the future of aviation safety, weather, navigation, airport capacity and the like. This amendment merely adds money that the FAA requested in their submission to the Office of Management and Budget.

I offer it with a goal of trying to increase safety in America. I also offer it with the goal to vent my frustration about this airport trust fund; $7 billion, $8 billion, $9 billion in there and we cannot get it spent on safety things because of the way the trust fund operates.

So I would appreciate my colleagues' support on this amendment. I offer this as a way to try to focus national attention on the issue of air safety which our overwhelming majority of Americans believe is a high enough priority to deserve more spending, not less.

POINT OF ORDER

Mr. WALKER. Mr. Chairman, I insist on my point or order.

The CHAIRMAN. Does the gentleman persist with his point of order?

Mr. WALKER. I do, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized on his point of order.

Mr. WALKER. Let me say to the gentleman from Kansas first it is my understanding this is the first time that this point of order would be available in the course of the deliberations today. Some of the other amendments did not have the point of order raised against them. In this particular case I make an objection to the amendment, it is in violation of section 302(c) of the Budget Act.

The CHAIRMAN. Does the gentleman from Kansas wish to respond?

Mr. GLICKMAN. Mr. Chairman, I am not going to concede the point of order, because I think that we may be establishing a precedent here and I would like to see the Chair work for his money today and rule on this issue.

As I understand it, the Appropriations Committee has not made an allocation pursuant to section 302(b) of the Budget Act and this particular subcommittee has no such allocation before it and as a matter of fact I am told that this morning they voted down an allocation reflecting the transportation portions of this bill. Inasmuch as there is no pending allocation pursuant to section 302(b), I submit to you there is no reason why I cannot offer this amendment to add funds under the general bill. Second of all, the rule waives points of order under the Budget Act. I would submit that since it waives points of order under the Budget Act itself it also waives points of order with respect to amendments offered under the Budget Act. Third of all, Mr. Chairman, there have been previous amendments offered that would increase funding including Mr. LEHMAN's own amendment to increase the Coast Guard authorization appropriation by $30 million together with Mr. JONES of North Carolina. So for the following reasons I would urge the Chair to reject, overrule the point of order raised by the gentleman from Pennsylvania.

The CHAIRMAN. [Mr. PANETTA]. Is there anyone else who wishes to be heard on the point of order? If not, the Chair is prepared to rule.

The gentleman from Pennsylvania makes a point of order that the amendment offered by the gentleman from Kansas violates section 302(c) of the Budget Act. That section of the Budget Act prohibits consideration of bills, resolutions, or amendments that provide new budget authority within the jurisdiction of a committee until that committee has made the allocations required by section 302(b) of the Budget Act. Although the Appropriations Committee has received an allocation of new budget authority following adoption of the budget resolution, the committee has not filed its report subdividing that allocation among its subcommittees as required by section 302(b). Thus it was necessary for House Resolution 221 to waive the point of order under section 302(c) in order to permit consideration of this bill. House Resolution 221, however, which is the rule, does not apply to amendments providing new budget authority. The amendment offered by the gentleman from Kansas by increasing the amount of new budget authority in the bill provides new budget authority prior to the Appropriations Committee reporting its allocations as required by section 302(b). The amendment thus violates section 302(c) and the Chair sustains the point of order.

The Chair would add that with regard to other amendments that points of order were not raised. The Budget Act applies to each amendment separately. The mere fact that other amendments did not receive a point of order does not argue against a point of order with regard to this amendment.

So for those reasons the Chair sustains the point of order.

Mr. GLICKMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to take just a couple of minutes because I am sorry that the gentleman from Pennsylvania offered a point of order on an issue involving air safety, which I think is the number one priority in America with respect to the function of government. But this problem will not go away. It has been raised by Mr. RUSSO, Mr. MCCURDY, Mr. MOLINARI. The fact of the matter is that we are underfunding the research, engineering and development which are going to prevent crashes, through bad weather, which are going to prevent midair collisions. They affect everyone of our constituents.

The committee has done a good job, but just not good enough as far as I am concerned in terms of the funding level. And we face a trust fund which is brimming with dollars and it is not being spent on safety. That is a crime against the American public.

So even though Mr. WALKER's point of order was sustained, I do not think we as a Congress should let this issue die. I would hope that my colleagues would continue their efforts to do whatever we can to deal with these long-range air safety related issues.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Michigan.

Mr. CARR. I thank the gentleman for yielding.

Mr. Chairman, the gentleman's interest in aviation safety is well known. He is a good friend of all of ours. But I would just like to bring the tone of the debate down here a little bit. Number one, the gentleman made several references to the near-miss over the mid-Atlantic. If all of this money in the trust fund were spent it would not have had an impact on that. That was miles away from controlled air space by the U.S. Government and I think is a red herring.

The gentleman himself knows that one of the reasons there is this huge surplus in the aviation trust fund is because the FAA is not on target, not on their planned targets with respect to the NASMPLAN, the National Air Space Modernization Plan. If they were, most of this surplus would disappear. So it is not an artificial surplus that has been held back by Congress in the face of dangerous flying. It is I think owing to FAA's mismanagement.

I would remind the gentleman that this bill we are presenting to the Congress today is 14 percent higher than last year in the account that he is talking about, research and development. And for FAA overall it is 32 percent higher than last year. And the point again about near misses and midair collisions, this committee has fully funded the TCAS program which as the gentleman knows is collision avoidance system. So we are pursuing that as fast as we can.

So I would hope that we would all keep the FAA's feet to the fire. But I would plead to the gentleman not to create mass hysteria among the flying public about who is right and who is wrong in terms of aviation safety.

Mr. GLICKMAN. The gentleman knows more about aviation safety than most Members of Congress, but if you were on that Delta airplane leaving LAX that just about went into the ocean, you would be hysterical. If you were on an airplane in the midocean, in the Atlantic Ocean that just about collided with a Boeing 747 you would be hysterical. The fact of the matter is the monies that we have got in this bill and in the trust fund will move these solutions along faster. I know the committee is keeping on top of it. I just think we can make a more accelerated movement in that respect.

Mr. CARR. I will tell the gentleman he references another incident now where the pilot erroneously cut the fuel switches to both engines over LAX. That would not have been assisted by spending all the money in the surplus. That is a pilot error that would not have been touched by any funds here.

Mr. GLICKMAN. I would take my time back for a moment. That is not true, because the FAA funds human factors, efforts involving a relationship between a pilot and instrumentation. Those are the kinds of things we are trying to augment funding on. I do not disagree with everything the gentleman has said. I just think we could do more in aviation safety.

Mr. RUSSO. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I will be glad to yield to my colleague from Illinois [Mr. RUSSO].

Mr. RUSSO. I thank the gentleman for yielding.

I want to commend the gentleman from Kansas for raising this issue.

As individuals who fly more than the average American does, we ought to be extremely sensitive about the problems that exist in the air today. Let me just read some statistics. It is not a question of making some people nervous. If you read the statistics we all should be nervous.

Near collisions have increased by almost 100 percent since before the air traffic controllers' strike, from 395 in 1981 to 777 in 1985 and 812 in 1986. Near collisions involving commercial jetliners have increased from 240 in 1985 to 340 in 1986, a 42 percent increase. These are serious problems and we need to address them. You have situations where planes are being stressed to the limit, where preventive maintenance is not being done. There are not enough inspectors out there watching what is happening. Airlines are growing. There are more and more carriers. We do not have the manpower to do all the inspections that are necessary to keep the skies safe.

We have been lucky so far. There has not been a fatal crash as yet. Does that mean we have to wait until we have one before we do more for safety. We do not need to wait. We need more air traffic controllers and we need them now.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

(On request of Mr. RUSSO and by unanimous consent, Mr. GLICKMAN was allowed to proceed for 3 additional minutes.)

Mr. RUSSO. Mr. Chairman, will the gentleman continue to yield?

Mr. GLICKMAN. I yield to the gentleman from Illinois [Mr. RUSSO].

Mr. RUSSO. I thank the gentleman for yielding further.

Mr. Chairman, prior to the air traffic controllers strike we had 13,000 well-trained air tafffic controllers. Today at best we have 10,000. We have some serious problems in that area.

But believe me, your own personal experience with the number of delays, with the cancellations because of mechanicals or the slowdowns because of mechanicals are increasing every day. Free enterprise is working. It is "make the buck first" and safety is second. If we do not do anything about it, God help us. Our constituents want action. This is $13.5 million. It is not a lot of money in a $1 trillion budget.

□ 1715

Let us put it all in perspective here. I know the arguments of the gentleman from Michigan. They are excellent arguments. We gave 14 percent before, yes, but we cut it by 35 percent over the last several years.

We need to deal with safety. The American people demand that the skies be safe. We keep talking about having another study. We talk about having more hearings. It is time to act. Let us not wait until we have a real collision. Maybe some of us might be on that airplane and we will have a memorial in Statuary Hall for us, and then Members will say, "We know we goofed. We should have put the Doppler in. We should have put all these safety devices in."

Mr. Chairman, I say, why wait?

Mr. Chairman, I thank the gentleman for yielding.

Mr. WALKER. Mr. Chairman, I move to strike the last word.

Sometimes, Mr. Chairman, there are conflicts between those things that we want to do and obeying the law. That is exactly what we find ourselves with here. I am sure that what the gentleman from Illinois has just said and what the gentleman from Kansas has just stated is absolutely correct, that more money in this area might be able to be used very successfully, and I am sure that we could find ways of enhancing air safety.

But the fact is that we have committed ourselves to something, a public law, and we said very carefully in that budget law that we were going to try to prevent Members who have good things in mind from simply coming to the floor and arguing those good things and thereby violating that which we have committed ourselves to. That is the reason why we put section 302 in the act. It was, first of all, to assign limits on the Appropriations Committee and then to assure ourselves that we would stay within those limits. That is the objection I raised. I did not raise an objection to the substance of the gentleman's amendment. I raised an objection because the gentleman's amendment just decided that for this purpose it was fine to break the law.

I do not think it was fine to break the law. I think we ought to live by that which we have committed ourselves to, and if we want to have amendments like the gentleman's, let us change the law. Let us change the law, and maybe we ought to change the way we fund the trust fund. Maybe we ought to have a capital account. Maybe we ought to do a variety of things, but let us change the law.

But during a time when we are hearing so much from this body and from the other body about obeying the laws of the land, I think it is about time that we commit ourselves to obeying the law of the land. The point here was exactly that the attempt was to do an end run around the law, and this gentleman just decided that maybe it was time we stop that kind of end run.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, the gentleman was notably absent when the law was being bent in connection with the Coast Guard, adding $30 million.

Mr. WALKER. Mr. Chairman, if the gentleman will allow me to reclaim my time, I apologize to the gentleman for that. This gentleman does get called off the floor from time to time, too. I assure the gentleman that I have checked, and that $30 million can be knocked out when we get back into the whole House, and I assure the gentleman I am going to try to be able to do that.

Mr. GLICKMAN. The other thing is that I resent the use of the words, "breaking the law." First of all, we are not talking about breaking the law.

Mr. WALKER. Mr. Chairman, if the gentleman will allow me to reclaim my time, it is the budget law we are breaking, and that is the law of the land. It was passed by this Congress and signed into law by the President of the United States. This is not merely a rule of the House; it is the budget law.

Mr. GLICKMAN. Mr. Chairman, the fact of the matter is that the application of the law is applicable if somebody raises it. If somebody did not raise it, it would have been waived. But I point out to the gentleman that he is correct. I have been voting for most of these cuts, these 2- and 3-percent cuts, but this is an issue involving the public safety and health of the American people, and I just view this as an extraordinary type of issue that needed to be raised in this context.

Mr. WALKER. Mr. Chairman, I thank the gentleman.

We have had in the country the discussion of a number of extraordinary types of issues that involve the national security and that involve the ability of this country to conduct its foreign policy. There have been a number of major issues raised that are of an extraordinary nature where we saw attempts to bend the law.

What I am suggesting to the gentleman is that there are extraordinary issues, but if we are going to commit ourselves to the law, then we ought to be committed to the law.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Grants-in-Aid for Airports

(Liquidation of Contract Authorization)

(Airport and Airway Trust Fund)

For liquidation of obligations incurred for airport planning and development under section 14 of Public Law 91-258, as amended, and under other law authorizing such obligations, and obligations for noise compatibility planning and programs, $1,030,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: *Provided,* That none of the funds in this Act shall be available for the planning or execution of programs the commitments for which are in excess of $1,720,000,000 in fiscal year 1988 for grants-in-aid for airport planning and development, and noise compatibility planning and programs, notwithstanding section 506(e)(4) of the Airport and Airway Improvement Act of 1982.

Aviation Insurance Revolving Fund

The Secretary of Transportation is hereby authorized to make such expenditures and investments, within the limits of funds available pursuant to section 1306 of the Act of August 23, 1958, as amended (49 U.S.C. 1536), and in accordance with section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program set forth in the budget for the current fiscal year for aviation insurance activities under said Act.

Aircraft Purchase Loan Guarantee Program

The Secretary of Transportation may hereafter issue notes or other obligations to the Secretary of the Treasury, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury may prescribe. Such obligations may be issued to pay any necessary expenses required pursuant to any guarantee issued under the Act of September 7, 1957, Public Law 85-307, as amended (49 U.S.C. 1324 note). None of the funds in this Act shall be available for the implementation or execution of programs under this head, the obligations for which are in excess of $60,000,000 during fiscal year 1988. Such obligations shall be redeemed by the Secretary from appropriations authorized by this section. The Secretary of the Treasury shall purchase any such obligations, and for such purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force. The purposes for which securities may be issued under such Act are extended to include any purchase of notes or other obligations issued under the subsection. The Secretary of the Treasury may sell any such obligations at such times and price and upon such terms and conditions as he shall determine in his discretion. All purchases, redemptions, and sales of such obligations by such Secretary shall be treated as public debt transactions of the United States.

FEDERAL HIGHWAY ADMINISTRATION

Limitation on General Operating Expenses

Necessary expenses for administration, operation, and research of the Federal Highway Administration, not to exceed $215,350,000, shall be paid, in accordance with law, from appropriations made available by this Act to the Federal Highway Administration together with advances and reimbursements received by the Federal Highway Administration: *Provided,* That not to exceed $38,243,000 of the amount provided herein shall remain available until expended: *Provided further,* That, notwithstanding any other provision of law, there may be credited to this account funds received from States, counties, municipalities, other public authorities and private sources, for training expenses incurred for non-Federal employees.

Highway Safety Research and Development

(Highway Trust Fund)

For necessary expenses in carrying out provisions of sections 307(a) and 403 of title 23, United States Code, to be derived from the Highway Trust Fund and to remain available until expended, $7,000,000.

Highway-Related Safety Grants

(Liquidation of Contract Authorization)

(Highway Trust Fund)

For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 402, administered by the Federal Highway Administration, to remain available until expended, $10,000,000, to be derived from the Highway Trust Fund: *Provided,* That not to exceed $100,000 of the amount appropriated herein shall be available for "Limitation on general operating expenses": *Provided further,* That none of the funds in this Act shall be available for the planning or execution of programs the obligations for which are in excess of $10,000,000 in fiscal year 1988 for "Highway-related safety grants".

Railroad-Highway Crossings Demonstration Projects

For necessary expenses of certain railroad-highway crossings demonstration projects as authorized by section 163 of the Federal-Aid Highway Act of 1973, as amended, to remain available until expended, $14,000,000, of which $9,333,333 shall be derived from the Highway Trust Fund.

Federal-Aid Highways

(Limitation on Obligations)

(Highway Trust Fund)

None of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $12,500,000,000 for Federal-aid highways and highway safety construction programs for fiscal year 1988.

Federal-Aid Highways

(Liquidation of Contract Authorization)

(Highway Trust Fund)

For carrying out the provisions of title 23, United States Code, that are attributable to Federal-aid highways, including the National Scenic and Recreational Highway as authorized by 23 U.S.C. 148, not otherwise provided, including reimbursements for sums expended pursuant to the provisions of 23 U.S.C. 308, $13,400,000,000 or so much thereof as may be available in and derived from the Highway Trust Fund, to remain available until expended.

Right-of-Way Revolving Fund

(Limitation on Direct Loans)

(Highway Trust Fund)

During fiscal year 1988 and with the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $47,850,000.

Motor Carrier Safety

For necessary expenses to carry out the motor carrier safety functions of the Secretary as authorized by the Department of Transportation Act (80 Stat. 939-9400, $24,000,000, of which $2,000,000 shall remain available until expended, and not to exceed $300,000 shall be available for "Limitation on general operating expenses".

Motor Carrier Safety Grants

(Liquidation of Contract Authorization)

(Highway Trust Fund)

For payment of obligations incurred in carrying out the provisions of section 402 of Public Law 97-424, $50,000,000, to be derived from the Highway Trust Fund and to remain available until expended: *Provided*, That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $50,000,000 for "Motor carrier safety grants".

Baltimore-Washington Parkway

(Highway Trust Fund)

For necessary expenses, not otherwise provided, to carry out the provisions of the Federal-Aid Highway Act of 1970, for the Baltimore-Washington Parkway, to remain available until expended, $15,000,000, to be derived from the Highway Trust Fund and to be withdrawn therefrom at such times and in such amounts as may be necessary.

Expressway Gap Closing Demonstration Project

For necessary expenses to carry out a highway construction project along State Route 113 in north-central California that demonstrates methods of reducing motor vehicle congestion and increasing employment, $8,300,000, to remain available until expended.

AMENDMENT OFFERED BY MR. CRANE

Mr. CRANE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Crane: Page 18, strike line 19 and all that follows through page 22, line 3.

Mr. CRANE. Mr. Chairman, the adverse effects of the deficit on our economy are well documented. But we have not made sufficient progress toward reaching the Gramm-Rudman target for fiscal year 1988 of $108 billion. CBO, using the rosey economic assumptions of OMB, estimates that the deficit will reach $113 billion this fiscal year. This is $25.8 billion over the Gramm-Rudman target. Some economists have even projected that the deficit could go over $170 billion.

Hence, it is high time that we show the American people that we have the political courage to make the cuts necessary to help us reach our target of $108 billion. I believe that we should start this process by identifying the most abusive examples of wasteful spending. We have all heard the shocking reports about $600 toilet seats and $300 screwdrivers being purchased by the Department of Defense. We must take steps to stop wasteful military spending, but at the same time we should not ignore wasteful domestic spending. I can think of few better examples of wasteful domestic spending than the demonstration projects which the Committee on Appropriations has included in this bill.

These 10 projects will cost taxpayers $59.4 million in fiscal year 1988, but many of these projects have not even been authorized by the Committee on Public Works and Transportation. This clearly violates one of the most important rules of the House, rule XXI, clause 2, which prohibits general appropriations bills from containing appropriations for any expenditure not previously authorized by law, except to continue public works projects already in progress. It will be a sad day if we allow this bill to pass without striking projects which violate the very rules which govern this body. We should not send a message to the American people that we are willing to ignore our own rules which were designed to protect the integrity of the democratic process in the House of Representatives.

Technically speaking, demonstration projects are supposed to demonstrate advanced design and construction methods that can be applied to wider use. These projects, however, only demonstrate the ability of specific Members to bring pork back to their districts. These projects, by and large, employ few advanced design or construction methods. For instance, the highway safety improvement project, and I quote from the bill, "demonstrates methods of enhancing safety and promoting economic development through widening and resurfacing highways." The highway safety improvement project demonstrates "the safety and economic benefits of widening and improving highways in mountain areas." Do we really need to spend hard earned money from taxpayers to demonstrate things we already know? I think it is an insult to the American people for Members to hide pork-barrel projects in programs which were intended to further our understanding of construction methods.

There is virtually no hearing record and related analysis regarding the merits of these projects since they have not been selected through the established Federal-aid highway mechanism that relies on the expertise of State and local officials. Demonstration projects such as these, are typically rejected by the usual selection process employed by States to determine which projects should be funded. Many State governments and associations oppose demonstration projects. According to Francis B. Francois, executive director of the American Association of State Highway and Transportation Officials, "Many of these projects are simply projects that failed in the selection process in the States * * * and we do not think that's the right way to do business."

Thus, these projects waste money which should be spent on truly needed projects such as the Highway Administration's bridge repair and replacement program. More than $4 billion are needed to repair the thousands of unsafe bridges throughout the country. We should eliminate funding for these demonstration projects and use the money to fund high-priority projects.

Unless we act now and strike funding for these demonstration projects, more and more Members will jump on the bandwagon and ask for their own demonstration projects. The 1982 highway authorization bill contained 10 demonstration projects. The 1987 bill contained 170 projects which will eventually cost $8 billion. Now the Committee on Appropriations is joining in on the fun and requesting their own demonstration projects. Some analysts with the Department of Transportation argue that if this trend continues unchecked, taxpayers could be handed a bill well over $25 billion in 1990 to pay for demonstration projects.

In conclusion, I ask that my colleagues consider my arguments and vote to strike funding for these 11 demonstration projects. Let's show some leadership to our constituents and start making progress toward our goal of balancing the budget.

Mr. LEHMAN of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as we have stated, we do have a balanced bill, and as we also know, we are within our tentative 302(b) allocations for both budget authority and outlays.

With the exception of the funding for the Federal Aviation Administration, the new budget authority we are recommending in the total bill is actually $100 million less than the fiscal year 1987 level. This is not a budget-busting bill.

And with respect just to highways, which the gentleman from Illinois has raised, the total new budget authority recommended for the Federal Highway Administration and the total funding recommended for all highway demonstration projects is below the level Congress approved for 1987.

There are Members who can speak in more detail about each of these projects. I can assure the Members that most of these projects are already authorized. Five out of nine are already authorized and have received funding in prior fiscal years. There are four new projects for which funds are recommended. Each of these new projects has been discussed with the chairman of the authorizing committee, the gentleman from New Jersey [Mr. HOWARD], and he has no problem with these unauthorized projects.

I might also point out that most of these new projects are in the districts of non-Appropriations Committee members. We are not feathering our own nests with these highway demonstration projects.

Mr. Chairman, virtually every one of these projects will enhance highway safety, and I believe the level we are recommending is modest and appropriate and essential. I urge that the amendment offered by the gentleman from Illinois [Mr. CRANE] be defeated.

Mr. CHANDLER. Mr. Chairman, I rise in support of the amendment.

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, I thank my distinguished colleague for yielding.

I want to reassure the distinguished chairman of the subcommittee that I was not suggesting that any member of the Appropriations Committee having jurisdiction over this piece of legislation was feathering his own nest. What I am suggesting is that there is pork here, and there is enough pork to go around for every Member of this body many times over, especially if one looks at the authorizations for these demonstration projects contained in earlier legislation. With 170, that would only accommodate about half the House, but at this rate, by the year 1990 we will be able to accommodate every Member of the House and the Senate.

Let me add one other thing, if the gentleman will permit and if the gentleman will yield further, and that is that the concept behind these demonstration projects was to demonstrate—and I ask the Members to listen to this language—"advanced design and construction methods that can be adapted for wider use."

□ 1730

That would be wonderful.

If my colleagues look at this one highway safety improvement demonstration project, it is numbered 4, and it is to demonstrate methods of enhancing safety and promoting economic development through widening and resurfacing of highways. That is marvelous.

No. 10 is another beaut. Highway widening and improvement demonstration project. A highway project between Paintsville and Prestonsburg, KY. With all due respect to my distinguished colleagues from Kentucky, and I do not know whose district that is, and I am not questioning him in securing this important demonstration grant, but it is to demonstrate the safety and economic benefits of widening and improving highways in moutainous areas. That is marvelous, but I do not think it conforms to the objectives that were initially stated, and I thank my colleague for yielding.

Mr. CHANDLER. Mr. Chairman, I would like to point out that this is the first of a series of either four or five amendments by what is becoming now the well known self appointed bipartisan, and I think somebody said insufferable once, committee, and I am a task force leader on Transportation. I want to point out that what we are attempting to do is not to say that the committee did not know what it was doing, because it did. We are not trying to be punitive to any of the Members. One of the Members affected by this amendment is from my State and a good friend of mine.

What we are simply trying to do is reduce some spending so that when we go home and give our speech to the Rotary Club and say I am against big deficits, we will also have something on the record to say and we also went out on the floor and put our projects in our State and our taxpayers on the line to say we are doing something about it.

This amendment, yes, calls for some sacrifice, and I do not find in the United States today a very great constituency for sacrifice. But that is what reducing the deficit is all about, not spending. That is all we are trying to accomplish here.

The amendment of the gentleman I think is one that could easily be justified simply from the standpoint of suggesting that when we do not have the money to pay for something instead of borrowing from our children or our grandchildren we wait a while until we can afford it. That is the spirit in which this amendment and others today will be offered.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. CRANE].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CRANE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 129, noes 264, not voting 40, as follows:

[Roll No. 259]

AYES—129

Archer
Armey
Baker
Ballenger
Bartlett
Barton
Bentley
Bereuter
Bilirakis
Bliley
Boulter
Brown (CO)
Buechner
Bunning
Burton
Byron
Callahan
Carper
Chandler
Clarke
Coats
Coble
Combest
Craig
Crane
Daniel
Dannemeyer
Daub
Davis (IL)
DeWine
Dreier
Emerson
Fawell
Fields
Fish
Frenzel
Gallegly
Gekas
Gilman
Gingrich
Gradison
Grandy
Gregg
Hamilton
Hansen
Harris
Hastert
Hayes (LA)
Hefley
Herger
Hiler
Holloway
Hopkins
Houghton
Hubbard
Huckaby
Hunter
Inhofe
Ireland
Jeffords
Johnson (CT)
Johnson (SD)
Kasich
Kastenmeier
Konnyu
Kyl
Lagomarsino
Lancaster
Leach (IA)
Lightfoot
Lott
Lujan
Lukens, Donald
Lungren
Mack
Marlenee
Martin (IL)
McCollum
McMillan (NC)
Michel
Miller (OH)
Miller (WA)
Montgomery
Moorhead
Morrison (WA)
Neal
Nichols
Nielson
Olin
Oxley
Petri
Pickett
Price (NC)
Regula
Rhodes
Ritter
Roberts
Robinson
Roth
Roukema
Rowland (CT)
Saiki
Schaefer
Schneider
Schuette
Schulze
Sensenbrenner
Shumway
Sisisky
Slaughter (VA)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spratt
Stallings
Stenholm
Stump
Sundquist
Sweeney
Swindall
Tauke
Taylor
Upton
Vucanovich
Walker
Weldon

NOES—264

Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Badham
Barnard
Bateman
Beilenson
Bennett
Berman
Bevill
Biaggi
Bilbray
Boehlert
Boggs
Boland
Bonior (MI)
Borski
Boucher
Brennan
Brooks
Broomfield
Bruce
Bustamante
Campbell
Cardin
Carr
Chapman
Chappell
Clinger
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Coughlin
Courter
Coyne
Crockett
Darden
Davis (MI)
de la Garza
DeFazio
DeLay
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flippo
Florio
Foley
Ford (TN)
Frank
Gallo
Garcia
Gaydos
Gejdenson
Gibbons
Glickman
Gonzalez
Goodling
Gordon
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hall (TX)
Hammerschmidt
Hatcher
Hayes (IL)
Hefner
Henry
Hertel
Hochbrueckner
Horton
Hoyer
Hughes
Hutto
Hyde
Jacobs
Jenkins
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lantos
Latta
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lipinski
Lowery (CA)
Lowry (WA)
Luken, Thomas
MacKay
Madigan
Manton
Markey
Martin (NY)
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDade
McGrath
McHugh
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Mineta
Moakley
Molinari
Mollohan
Moody
Morella
Morrison (CT)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Nelson

Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (UT)
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Pickle
Porter
Price (IL)
Pursell
Quillen
Rahall
Rangel
Ravenel
Richardson
Ridge
Rinaldo
Rodino
Rogers
Rose
Rowland (GA)
Roybal
Russo
Sabo
Savage
Sawyer
Saxton
Schroeder
Schumer
Sharp
Shaw
Shuster
Sikorski
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Snowe
Solarz
Spence
St Germain
Staggers
Stangeland
Stark
Stokes
Stratton
Studds
Swift
Synar
Tallon
Thomas (CA)
Torres
Torricelli
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weber
Weiss
Wheat
Whittaker
Whitten
Williams
Wise
Wolf
Wolpe
Wortley
Wyden
Yates
Yatron
Young (AK)
Young (FL)

NOT VOTING—40

Ackerman
Bates
Boner (TN)
Bonker
Bosco
Boxer
Brown (CA)
Bryant
Cheney
Clay
Conyers
Cooper
DioGuardi
Edwards (OK)
Flake
Foglietta
Ford (MI)
Frost
Gephardt
Gunderson
Hawkins
Howard
Kemp
Lent
Livingston
Lloyd
Mavroules
McCandless
McEwen
Owens (NY)
Ray
Roe
Roemer
Rostenkowski
Scheuer
Tauzin
Thomas (GA)
Towns
Wilson
Wylie

☐ 1745

The Clerk announced the following pairs:

On this vote:

Mr. Cheney for, with Mr. Howard against.

Mr. Gunderson for, with Mr. Towns against.

Mr. CAMPBELL and Mr. SKAGGS changed their votes from "aye" to "no."

Mrs. ROUKEMA, Mrs. VUCANOVICH, and Messrs. GALLEGLY, JOHNSON of South Dakota, and NICHOLS changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. SWIFT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to engage the distinguished gentleman from Florida, the chairman of the committee, in a colloquy.

Mr. Chairman, I would like to thank the gentleman from Florida, and the members of the committee for their part in providing funds for the return of a mobile air traffic control tower at Bellingham International Airport, in Washington State.

As you know, the air traffic has increased at Bellingham 270 percent in the last 2 years and shows every sign of continuing this growth well into the future.

Mr. Chairman, I further appreciate the gentleman's commitment to work with me to obtain a permanent air traffic control tower at Bellingham International Airport when the criteria is met.

Mr. LEHMAN of Florida. Mr. Chairman, if the gentleman will yield, the gentleman has raised an important point with the committee and I am pleased to continue to work with him on this matter.

AMENDMENTS OFFERED BY MR. MC MILLAN OF NORTH CAROLINA

Mr. McMILLAN of North Carolina. Mr. Chairman, I offer amendments, and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. McMILLAN of North Carolina: Page 18, strike lines 19 through 24.

Page 20, strike lines 11 through 20.

Page 21, strike lines 8 through 14.

Page 21, strike lines 15 through 21.

Strike page 21, line 22, through page 22, line 3.

Mr. McMILLAN of North Carolina. Mr. Chairman, I will be brief.

These five amendments relate again to five special demonstration projects that are included in this bill that are to be funded out of the general fund, rather than out of the highway trust fund.

The gentleman from Illinois offered an amendment previously that included those, that would have been funded out of both operations and in the aggregate would have amounted to funding of $59 million.

The five amendments that I offer would delete five projects that are funded out of the general fund, totaling $20.4 million.

Those that are funded out of the highway trust fund total $39 million, and I repeat, the five demonstration projects that are the subject of my amendments would total $20.4 million.

So that there be no misunderstanding, let me identify what they are, briefly:

State road 113 in California, $8.3 million.

Bridge improvements in Florida, $5 million.

Road relocation in the State of Washington, $2.6 million.

Environmental engineering in the State of California, $2 million, and a mountainous area study in the State of Kentucky, $2.5 million.

I do not offer these amendments with the intention of either challenging the committee or the merits of these specific projects. My point is simply this, that at a time when we are struggling as a Congress to live within our stated goal of achieving $36 billion in deficit reductions, we are going to have to adopt some amendments that reduce our appropriation levels even below the 302 allocations that we are dealing with in this legislation.

Now, granted, this is not a large amount of money, but if we are not going to reduce any funding for the FAA within this bill, and I hope that we do not, then we are going to have to find some areas elsewhere in the budget that we are going to be able to find reductions in.

So I offer this as something not to challenge the merits of these projects, but simply to say, let us defer them at a time we are facing $170 billion budget deficits and begin to make some strides in behalf of real deficit reductions.

Mr. Chairman, I urge my colleagues to favorably consider the adoption of these amendments.

Mr. LEHMAN of Florida. Mr. Chairman, I rise in opposition to the amendments.

As we know, we just had a very similar amendment to delete nine projects. Four of the projects that we voted on had been previously authorized. Now we have five projects. They duplicate what was in the previous amendment.

I do not have to make the same points all over again, but I urge my colleagues to reject the amendment of the gentleman from North Carolina.

Mr. PENNY. Mr. Chairman, I move to strike the last word.

I would ask if the gentleman from North Carolina would enter into a colloquy with me.

Mr. McMILLAN of North Carolina. Yes.

☐ 1800

Mr. PENNY. I am curious to know if the gentleman is aware which of the projects affected by his amendment have been authorized, and which have not.

Mr. McMILLAN of North Carolina. It is my understanding that we are both authorizing and appropriating in this process.

Mr. PENNY. I think that is a crucial point.

Mr. McMILLAN of North Carolina. My understanding is, they have not been previously authorized.

Mr. PENNY. And these are general fund projects?

Mr. McMILLAN of North Carolina. Correct.

The CHAIRMAN. The question is on the amendments offered by the gentleman from North Carolina [Mr. McMILLAN].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. McMILLAN of North Carolina. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 177, noes 217, not voting 39, as follows:

[Roll No. 260]

AYES—177

Andrews
Archer
Armey
Badham
Baker
Ballenger
Bartlett
Barton
Bentley
Bilirakis
Bliley
Boehlert
Boulter
Brown (CO)
Buechner
Bunning
Burton
Byron
Callahan
Carper
Chandler
Clarke
Coats
Coble
Coleman (MO)
Combest
Craig
Crane
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
DeLay
Dickinson
Dorgan (ND)
Dornan (CA)
Dreier
Dyson
Emerson
English
Fawell
Fields
Fish
Frenzel
Gallegly
Gekas
Gilman
Gingrich
Glickman
Goodling
Gordon
Gradison
Grandy
Green
Gregg
Hall (TX)
Hamilton
Hansen
Harris
Hastert
Hayes (LA)
Hefley
Henry
Herger
Hiler
Holloway
Hopkins
Houghton
Huckaby
Hughes
Hunter
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Kaptur
Kasich
Kastenmeier
Kolbe
Konnyu
Kyl
Lagomarsino
Lancaster
Latta
Leach (IA)
Lewis (FL)
Lightfoot
Lott
Lujan
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCollum
McCurdy
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Montgomery
Moody
Morella
Morrison (WA)
Neal
Nichols
Nielson
Olin
Owens (UT)
Oxley
Parris
Patterson
Pease
Penny
Petri
Pickett
Price (NC)
Pursell
Ravenel
Regula
Rhodes
Ridge
Ritter
Roberts
Robinson
Rose
Roth
Roukema
Rowland (CT)
Saiki
Sawyer
Saxton
Schaefer
Schneider
Schuette
Schulze
Sensenbrenner
Shumway
Sisisky
Skelton
Slattery
Slaughter (VA)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Spratt
Stallings
Stenholm
Stump
Sundquist
Sweeney
Swindall
Synar
Tallon
Tauke
Taylor
Thomas (CA)
Upton
Volkmer
Vucanovich
Walker
Weldon
Wortley

NOES—217

Akaka
Alexander
Anderson
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Bateman
Beilenson
Bennett
Bereuter
Berman
Bevill
Biaggi
Bilbray
Boggs
Boland
Bonior (MI)
Borski
Boucher
Brennan
Brooks
Broomfield
Bruce
Bustamante
Campbell
Cardin
Carr
Chapman
Chappell
Clinger
Coelho
Coleman (TX)
Collins
Conte
Coughlin
Courter
Coyne
Crockett
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Frank
Gallo
Garcia
Gaydos
Gejdenson
Gibbons
Gonzalez
Grant
Gray (IL)
Gray (PA)
Guarini
Hall (OH)
Hammerschmidt
Hatcher
Hawkins
Hayes (IL)
Hefner
Hertel
Hochbrueckner
Horton
Hoyer
Hubbard
Hutto
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lipinski
Lowery (CA)
Lowry (WA)
Luken, Thomas
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McDade
McGrath
McHugh
McMillen (MD)
Mfume
Mica
Miller (CA)
Mineta
Moakley
Mollohan
Moorhead
Morrison (CT)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Nelson
Nowak
Oakar
Oberstar
Obey
Ortiz
Packard
Panetta
Pashayan
Pelosi
Pepper
Perkins
Pickle
Porter
Price (IL)
Quillen
Rahall
Rangel
Richardson
Rinaldo
Rodino
Rogers
Rowland (GA)
Roybal
Russo
Sabo
Savage
Schroeder
Schumer
Sharp
Shaw
Shuster
Sikorski
Skaggs
Skeen
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Solarz
St Germain
Staggers
Stangeland
Stark
Stokes
Stratton
Studds
Swift
Torres
Torricelli
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Walgren
Watkins
Waxman
Weber
Weiss
Wheat
Whittaker
Whitten
Williams
Wise
Wolf
Wolpe
Wyden
Yates
Yatron
Young (AK)
Young (FL)

NOT VOTING—39

Ackerman
Bates
Boner (TN)
Bonker
Bosco
Boxer
Brown (CA)
Bryant
Cheney
Clay
Conyers
Cooper
DeWine
DioGuardi
Edwards (OK)
Flake
Foglietta
Frost
Gephardt
Gunderson
Howard
Kemp
Lent
Livingston
Lloyd
McCandless
McEwen
Owens (NY)
Ray
Roe
Roemer
Rostenkowski
Scheuer
Smith (NE)
Tauzin
Thomas (GA)
Towns
Wilson
Wylie

□ 1810

The Clerk announced the following pairs:

On this vote:

Mr. Cheney for, with Mr. Howard against.

Mr. Gunderson for, with Mr. Towns against.

Mr. ATKINS changed his vote from "aye" to "no."

Mr. FIELDS and Mr. BOEHLERT changed their votes from "no" to "aye."

So the amendments were rejected.

The result of the vote was announced as above recorded.

Mr. CONTE. Mr. Chairman, I move to strike the last word.

Mr. CONTE. Mr. Chairman, I rise in support of this bill making appropriations for the Department of Transportation and related agencies for fiscal year 1988. Before I mention some of the specific items in the bill, I would like to take a moment to pay special tribute to the leadership of the Transportation Subcommittee, Chairman BILL LEHMAN of Florida and ranking minority member LARRY COUGHLIN of Pennsylvania.

Thanks to their efforts, as well as the hard work of all the subcommittee members, this bill responds to our national transportation needs while remaining fiscally responsible. This is a carefully crafted, balanced bill, and one that I hope will receive the support of all of my colleagues.

Mr. Chairman, let me just mention a few particular items. For the FAA, which has been so much in the public eye of late, we have provided $3.3 billion for operations, almost $475 million above last year's level, the largest portion of which is for the safe operation of the air traffic control system.

For the Coast Guard, we have recommended slightly under $2.6 billion in new funding. This is more than $100 million below this year's budget request, and assumes that $100 million for the operating expenses account will be made available from the Defense appropriations bill. As I said last week when I attempted to have recreational boaters pick up some of the Coast Guard's cost of providing special services to those boaters, the Coast Guard is in a heck of a bind with the funding level in this bill.

Although I have taken the lead in supporting transfers of funds from the Navy to the Coast Guard, I don't think that this is a healthy situation, and I wish that we could provide adequate funding up front in this bill. I understand that there may be an amendment to address at least $30 million of this shortfall later on today.

For the Federal Aid Highway Program, the committee has recommended a limitation on obligations of $12.5 billion, which will result in a highway program that is slightly above both last year's level and the budget request.

For Amtrak, the committee has recommended $614 million, an amount that will permit the continued operation of Amtrak's national route system while also permitting some much-needed capital improvements. This amount includes $4 million for a test and revenue service demonstration of tilt and turbo technologies that are currently in revenue service in North America and Europe.

For urban mass transportation, the committee has provided $3.45 billion, approximately the same amount as last year. This amount includes the fully authorized level of $912.6 million for operating assistance.

In short, Mr. Chairman, this bill is both responsive and responsible. It is within the tentative targets set by the recently adopted budget resolution. I strongly urge its adoption.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

INTERMODAL URBAN DEMONSTRATION PROJECT

(HIGHWAY TRUST FUND)

For necessary expenses to carry out the provisions of section 124 of the Federal-Aid

Highway Amendments of 1974, $10,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

Highway Safety and Economic Development Demonstration Projects

(Highway Trust Fund)

For necessary expenses to carry out construction projects as authorized by Public Law 99-500 and Public Law 99-591, $10,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

Highway Safety Improvement Demonstration Project

(Highway Trust Fund)

For the purpose of carrying out a coordinated project of highway improvements in the vicinity of Pontiac and East Lansing, Michigan, that demonstrates methods of enhancing safety and promoting economic development through widening and resurfacing of highways on the Federal-air primary system and on roads on the Federal-aid urban system, as authorized by Public Law 99-500 and Public Law 99-591, $2,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

Highway-Railroad Grade Crossing Safety Demonstration Project

(Highway Trust Fund)

For the purpose of carrying out a coordinated project of highway-railroad grade crossing separations in Mineola, New York, that demonstrates methods of enhancing highway-railroad grade crossing safety while minimizing surrounding environmental effects, as authorized by Public Law 99-500 and Public Law 99-591, $10,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

Bridge Improvement Demonstration Project

For 80 percent of the expenses necessary to carry out a highway project in the vicinity of Jacksonville, Florida for the purpose of demonstrating methods of reducing traffic congestion and improving efficiency in the trans-shipment of military and civilian cargo, by construction of a bridge to Blunt Island, widening State Highway 105 (Heckscher Drive) and constructing an interchange at the intersection of Heckscher Drive and the new Blount Island Bridge, $5,000,000, to remain available until expended.

Vehicular and Pedestrian Safety Demonstration Project

(Highway Trust Fund)

For the purpose of carrying out a demonstration of methods of improving vehicular and pedestrian safety on roads on the Federal-aid urban and Federal-aid secondary systems, involving Route 66 in Northampton and Huntington, Massachusetts, $7,000,000, to be derived from the Highway Trust Fund and to remain available until expended: *Provided*, That all funds appropriated under this head shall be exempt from any limitation on obligations for Federal-aid highways and highway safety construction programs.

Highway Bridge Relocation Demonstration Project

For 80 percent of the expenses necessary to carry out a highway project involving the relocation of U.S. Highway 101 and the Queets River Bridge in the State of Washington that demonstrates methods of improving highway safety, $2,600,000, to remain available until expended.

Highway Bypass Demonstration Project

For 80 percent of the expenses necessary to carry out a highway project in the vicinity of Prunedale, California that demonstrates methods of accelerating the environmental studies and preliminary engineering for the construction of a highway bypass, $2,000,000, to remain available until expended.

Highway Widening and Improvement Demonstration Project

For 80 percent of the expenses necessary to carry out a highway project between Paintsville and Prestonburg, Kentucky, that demonstrates the safety and economic benefits of widening and improving highways in mountainous areas, $2,500,000, to remain available until expended.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Operations and Research

For expenses necessary to discharge the functions of the Secretary with respect to traffic and highway safety under the Motor Vehicle Information and Cost Savings Act (Public Law 92-513, as amended), and the National Traffic and Motor Vehicle Safety Act, $65,140,000, of which $30,553,000 shall remain available until expended: *Provided*, That, of the funds available under this head, $7,000,000 shall be available to implement the recommendations of the 1985 National Academy of Sciences report on trauma research.

Operations and Research

(Highway Trust Fund)

For expenses necessary to discharge the functions of the Secretary with respect to traffic and highway safety under chapter 4, title 23, United States Code, to be derived from the Highway Trust Fund, $31,610,000, to remain available until expended: *Provided*, That, of the funds available under this head, $2,000,000 shall be available for light truck and van safety research and analysis: *Provided further*, That, of the funds available under this head, $3,000,000 shall be available to implement the recommendations of the 1985 National Academy of Sciences report on trauma research.

Highway Traffic Safety Grants

(Liquidation of Contract Authorization)

(Highway Trust Fund)

For payment of obligations incurred carrying out the provisions of 23 U.S.C. 402, 406, and 408, and section 209 of Public Law 95-599, as amended, to remain available until expended, $133,000,000, to be derived from the Highway Trust Fund: *Provided*, That none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which are in excess of $121,000,000 in fiscal year 1988 for "State and community highway safety grants" authorized under 23 U.S.C. 402: *Provided further*, That none of these funds shall be used for construction, rehabilitation or remodeling costs, or for office furnishings and fixtures for State, local, or private buildings or structures: *Provided further*, That none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which are in excess of $14,400,000 for "Alcohol safety incentive grants" authorized under 23 U.S.C. 408: *Provided further*, That not to exceed $4,850,000 shall be available for administering the provisions of 23 U.S.C. 402.

FEDERAL RAILROAD ADMINISTRATION

Office of the Administrator

(including transfer of funds)

For necessary expenses of the Federal Railroad Administration, not otherwise provided for, $19,400,000, of which $8,650,000 shall remain available until expended; and in addition, all unexpended balances in "Rail service assistance" after September 30, 1987, shall be transferred to this account, to remain available until expended: *Provided*, That none of the funds in this Act shall be available for the planning or execution of a program making commitments to guarantee new loans under the Emergency Rail Services Act of 1970, as amended, and that no new commitments to guarantee loans under section 211(a) or 211(h) of the Regional Rail Reorganization Act of 1973, as amended, shall be made: *Provided further*, That none of the funds in this Act shall be available for the acquisition, sale, or transference of Washington Union Station without the prior approval of the Committees on Appropriations of the Senate and the House of Representatives: *Provided further*, That notwithstanding any other provision of law, of the funds available under this head, $6,000,000 shall be available for necessary expenses for rail assistance authorized by section 5(q) of the Department of Transportation Act, as amended, to remain available until expended: *Provided further*, That $3,500,000 of the fiscal year 1988 funds made available under section 5(h) shall be made available for use directly under sections 5(h)(3)(B)(ii) and 5(h)(3)(C) of the Department of Transportation Act, as amended, notwithstanding any provisions therein to the contrary: *Provided further*, That each State shall be entitled to, and no more than, $50,000 under the combined provisions of section 5(h)(2) and section 5(i), notwithstanding any provisions therein to the contrary: *Provided further*, That no State may apply for fiscal year 1988 funds available under section 5(h)(2) until such State has obligated all funds granted to it under section 5(h)(2) in the fiscal years prior to the beginning of fiscal year 1983, other than funds not expended due to pending litigation: *Provided further*, That a State denied funding by reason of the preceding proviso may still apply for and receive funds for planning purposes.

Railroad Safety

For necessary expenses in connection with railroad safety, not otherwise provided for, $28,825,000.

Railroad Research and Development

For necessary expenses for railroad research and development, $10,000,000, to remain available until expended.

Northeast Corridor Improvement Program

For necessary expenses for improvements to the Communication and Signal Systems at locations between Wilmington, Delaware, and Boston, Massachusetts, on the Northeast Corridor main line and between Philadelphia, Pennsylvania, and Harrisburg, Pennsylvania, on the Harrisburg line; improvements to the Electric Traction System between Wilmington, Delaware, and Newark, New Jersey; installation of baggage rack restraints, seat back guards and seat lock devices on 348 passenger cars operating within the Notheast Corridor; installation of 44 event recorders and 10 electronic warning devices on locomotives operating within the Northeast Corridor; acquisition of cab signal test boxes and installation of 9 wayside loop code transmitters for use on the Northeast Corridor; and North Philadelphia Station platform refurbishments, building renovations, and site improvements; $27,000,000, to remain available until expended.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

To enable the Secretary of Transportation to make grants to the National Railroad Passenger Corporation for operating losses incurred by the Corporation, capital improvements, and labor protection costs authorized by 45 U.S.C. 565, to remain available until expended, $614,000,000: *Provided*, That none of the funds herein appropriated shall be used for lease or purchase of passenger motor vehicles or for the hire of vehicle operators for any officer or employee, other than the President of the Corporation, excluding the lease of passenger motor vehicles for those officers or employees while in official travel status: *Provided further*, That the Secretary shall make no commitments to guarantee new loans or loans for new purposes under 45 U.S.C. 602 in fiscal year 1988: *Provided further*, That the incurring of any obligation or commitment by the Corporation for the purchase of capital improvements prohibited by this Act or not expressly provided for in an appropriation Act shall be deemed a violation of 31 U.S.C. 1341: *Provided further*, That no funds are required to be expended or reserved for expenditure pursuant to 45 U.S.C. 601(e): *Provided further*, That none of the funds in this or any other Act shall be made available to finance the rehabilitation and other improvements (including upgrading track and the signal system, ensuring safety at public and private highway and pedestrian crossings by improving signals or eliminating such crossings, and the improvement of operational portions of stations related to intercity rail passenger service) on the main line track between Atlantic City, New Jersey, and the main line of the Northeast Corridor, unless the Secretary of Transportation certifies that not less than 40 per centum of the costs of such improvements shall be derived from non-Federal sources: *Provided further*, That, notwithstanding any other provision of law, the National Railroad Passenger Corporation shall not operate rail passenger service between Atlantic City, New Jersey, and the Northeast Corridor main line unless the Corporation's Board of Directors determines that revenues from such service have covered or exceeded 80 per centum of the short term avoidable costs of operating such service in the first year of operation and 100 per centum of the short term avoidable operating costs for each year thereafter: *Provided further*, That none of the funds provided in this or any other Act shall be made available to finance the acquisition and rehabilitation of a line, and construction necessary to facilitate improved rail passenger service, between Spuyten Duyvil, New York, and the main line of the Northeast Corridor unless the Secretary of Transportation certifies that not less than 40 per centum of the costs of such improvements shall be derived from non-Amtrak sources.

AMENDMENT OFFERED BY MR. MC MILLAN OF NORTH CAROLINA

Mr. McMILLAN of North Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McMILLAN of North Carolina: Page 26, line 22, strike "$614,000,000" and insert in lieu thereof "$594,791,000".

Mr. McMILLAN of North Carolina. Mr. Chairman, this is the third, you might call, amendment offered by the bipartisan group seeking to achieve some reductions and outlays in 1988 in order to achieve a true $36 billion deficit reduction for 1988. This basically is designed to freeze the level of funding for Amtrak in 1988 as compared with 1987.

To refresh your memory, in 1986 in the House budget resolution we adopted a 10-percent reduction in Amtrak subsidies. In that same year the Senate also retained subsidies but approved reductions of 12 percent for 1986, 25 percent for 1987 and 40 percent for 1988. Neither of those separate budget provisions was adopted in the 1986 continuing resolution. The amount then appropriated was $562 million. Now that is 1986.

However, in that year due to so-called transfer of funds, the actual amount spent in 1986 was increased by $23 million to that, the total spent in 1986 was $585 million.

In 1987, $594,791,000 was appropriated, an increase of 5.9 percent over 1986. It is apparent that we are going to spend approximately that amount, it is my understanding, in 1987.

We are beginning to move in a different direction as far as Amtrak subsidies, than was intended by our budget actions going all the way back to 1985. While many have proposed that we should phase out Amtrak subsidies altogether, this House has not even been willing to consider a proposal by Secretary Dole to appoint a Commission to take an indepth study of Amtrak funding.

It is therefore unlikely that this House will adopt an amendment that would seriously reduce subsidies for Amtrak at this time.

But in a year in which we are struggling to find real savings in order to achieve our expressed goal of minimum $36 billion per year deficit reduction, it seems to me reasonable to ask to seek a freeze level of Amtrak funding for 1988 at 1987 levels, instead of the 3.7-increase proposed in this bill. This amendment proposes to substitute a funding level of $594 million instead of the $614 million that is included in this bill. It would amount to a savings of $22 million. I urge my colleagues to make this reasonable approach to deficit reduction.

□ 1825

Mr. PENNY. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN of North Carolina. I yield to the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, I rise in support of the amendment.

Again the key point to stress here is that this is a freeze on Amtrak appropriations. We are not talking about cutting back in this area. Amtrak serves my district, as it does the districts of many Members of this House. It is a popular program, and it provides an alternative mode of transportation for many, many Americans.

But in a time of huge budget deficits, we want to take the approach of targeting some reductions as a way of reducing that deficit. A freeze on Amtrak seems to be an appropriate judgment to make.

Mr. Chairman, I urge adoption of the amendment.

Mr. McMILLAN of North Carolina. Mr. Chairman, I thank the gentleman from Minnesota [Mr. PENNY].

Mr. LEHMAN of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to remind my colleagues that Amtrak is an operating concern. It is not like another grant program. You cannot freeze an operating concern and maintain the kind of quality service that you need. You have increased labor costs, you have to replenish capital equipment, and you have other expenses that must be met. All you do if you vote for this cut is diminish the service that the public needs from Amtrak.

Over the last 2 years we have reduced Amtrak from $716 million to $614 million. We are bringing down the cost of Amtrak and gaining more at the fare box.

Mr. Chairman, this body has voted time and time again to continue Amtrak. I do not note any change in that sentiment. We have provided an acceptable level to continue Amtrak's operation in 1988, and we have done so within the tentative budget resolution allocation. It is a responsible level. It is a level that will save money in the long run for Amtrak.

Mr. Chairman, I urge a no vote on the amendment.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the amendment. I have great affection for the author of this amendment. It is, however, a bad amendment and should be rejected.

Let us look at Amtrak. In 1986 revenues at Amtrak were up. Expenses in 1986 were down. Its revenue-to-expense ratio was the best ever. Yet Amtrak last year lost a half million passengers. Its ontime performance was the worst in years. What that means is that management is doing as well as they possibly can with what we give them, but that Amtrak is at the point where it can absorb no more cuts of this kind.

The expenses in this appropriation bill are within the limits prescribed by the budget. This amendment would mean a $20 million cut in Amtrak. Some of the critics of Amtrak think that we are spending too much on the system; in point of fact, we are spending too little. Amtrak was authorized for fiscal year 1988 at the level of $630 million. The bill before us provides $614 million.

The amendment before us would cut that to about $594 million. Amtrak has been making a massive struggle to move forward in service, to reduce its losses, and to reduce the subsidy. This kind of amendment is enormously counterproductive to that effort. As a result of this amendment, together with the cuts of the past several years, there will be a significant adverse impact on service, on safety, and upon the earning capacity of the system.

As a result of budget cuts now—and it will be exacerbated by this amendment—Amtrak has been forced into deferred maintenance and other operating practices that can only have negative effects.

Let us look at what is already happening. Equipment failures on the road have increased. Ontime performance has suffered. As Amtrak's locomotives and rolling stock are aging, periodic overhauls, and other maintenance must be increased in order to avoid deterioration of service. This is not happening. Maintenance is being deferred. A lack of capital funds has limited the company's ability to upgrade obsolete maintenance facilities and is significantly adversely affecting the reliability of the system.

If this trend continues, complaints about efficiency and loss of passenger confidence will continue. The railroad will be accused of operating poorly and being a drain on the Treasury. In point of fact, the blame here lies not on the system, which has performed wonderfully well and made massive efforts to improve, but, rather, on the Congress and on the administration because the budget cutters are responsible. What is going to happen is that safety will be jeopardized, service will be reduced, and the effort of the Congress to see to it that we have a meaningful program of public rail passenger transportation will be significantly jeopardized.

Mr. Chairman, I urge my colleagues to reject this amendment. There have been cuts aplenty in Amtrak already, and I believe that it would be extremely unwise to reduce it further.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to my good friend, the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I want to associate myself with the remarks of the chairman of the committee, the gentleman from Michigan [Mr. DINGELL], and with the remarks of the chairman of the subcommittee.

This is not the place to make a cut in Amtrak. This is an operating agency that is not in a position to reduce costs further. They have become more efficient each year. I think we want to continue that effort and continue to have a strong, viable passenger railroad.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, the gentleman from Michigan [Mr. DINGELL] has made a very eloquent defense of the necessity of continuing the subsidization of the Amtrak system. This amendment does not speak to that. It leaves $590-plus million in the budget in order to continue the operation of Amtrak. What this amendment attempts to do in a small way is to deal with the increased spending of this Congress. It has nothing to do with the Appropriations Committee, absolutely nothing.

I accept again the defense of the gentleman from Florida [Mr. LEHMAN] of the job he has done and the job his committee has done. That is not the issue. The overall issue is that we are making eloquent arguments to spend money that we do not have. Twenty-two million dollars is not a lot of money to this Congress, but it is a lot of money to the American people. If we cannot ask Amtrak to do a better job to correct those deficiencies that the gentleman from Michigan has stated occurred with $594 million, is $22 million going to do the job?

That is the argument. That is the debate. That is the way we ought to focus on these little piddling amendments that keep getting brought up. As we bring them up one at a time, Members say, "Hey, this is one area that is important." But can we not freeze? Can we not tell Amtrak to get by with the same amount of money this year as they had last year?

Is that too much to ask when we are asking so many of the American people, as we hear the debate shift from time to time, to try to get by with less?

The bottom line is that in this budget both the President and the Congress were spending more than we got. Now, if we cannot do something about trimming it, $22 million here and $22 million there, for Heaven's sake, when we come to the time here when across-the-board cuts have to be made and we do it to everybody, let us not hear again that that is not the way to do it.

So surely it is not too much to ask of each and every one of us, all 435 of us, to begin prioritizing and trying to deal with the spending habits that we have grown accustomed to. That is the argument. I would suggest that with $594 million, the outright grant, that Amtrak can do the job that needs to be done and this $22 million can be saved.

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I am happy to yield to the gentleman from Washington.

Mr. CHANDLER. Mr. Chairman, I would just like to associate myself with the gentleman's remarks. I thought they were most eloquent.

I agree, yes, there is a great benefit to Amtrak customers, probably low fares being among them, but those low fares mean borrowing from the next generation and the generation beyond that. But the sacrifice is not ours when we operate that way, it is our children's and our grandchildren's.

What the gentleman from Texas is telling us is that we are going to have to sacrifice some today if we do not want to sacrifice tomorrow.

Mr. THOMAS A. LUKEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Texas makes a point based upon philosophy, about the spending of this Congress, but he ignores the fact that the slight increase here is 3.5 percent for inflation and $61 million for capital.

I cannot overemphasize the importance of funding these projects, especially with regard to the capital expenditures. The general demise of rail passenger service that took place during the 1960's can be attributed in large part to the inability of many of the leading railroads to maintain their physical plants. Only through continued maintenance and improvement can Amtrak continue to make the strides—and it has made strides—toward reducing its dependence upon general support.

In these days, when the United States has already achieved a number of dubious distinctions, the transformation of the greatest creditor nation to a debtor nation, exporting jobs to the extent that we have by far the greatest trade deficit in the world, and having a colossal national debt, do we want to add to this list the dubious distinction of being the only great nation without a viable passenger rail system?

If Amtrak ceases to exist, 21 million passengers will have to find other means to get to work, if they can. The ideology expressed here today will not replace the 5 billion miles of passenger service that were rendered last year. The Federal Government has made a substantial investment in Amtrak since it was established in 1970. I say that it would be tragic to pull the rug out from under the riders who rely on Amtrak at this time when the most productive system has been accomplished. We have been reducing that dependence, and this budget will enable us to continue to reduce that dependence.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. THOMAS A. LUKEN. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, my support of this amendment was to say that we can do the job with the same amount of money we had last year, $594 million. I am not making the argument, if the gentleman was referring to any argument or statement that I made, concerning what the gentleman just said. The question of rail service for the United States is a separate issue. This amendment deals specifically with whether we should do the job with the same amount of money we had last year, which was $594 million. That is my point.

Mr. THOMAS A. LUKEN. Mr. Chairman, that is the gentleman's argument, that the response is that there is a slight amount for inflation, an appropriate amount, a slight amount for capital. I did understand the gentleman from Texas, but he did get into the philosophical argument about spending by this Congress. That is what I was addressing myself to, that kind of general, nonspecific argument.

Mr. McMILLAN of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. THOMAS A. LUKEN. I yield to the gentleman from North Carolina.

Mr. McMILLAN of North Carolina. Mr. Chairman, as I understand it, when Congress did create Amtrak in 1971, it was done with the intention that it would ultimately become self-funded. That is 1971. We are now talking about 1988.

We are not talking about cutting back Amtrak or eliminating Amtrak. We are simply talking about freezing the appropriation level in 1988 at the 1987 level, and if Amtrak is, in fact, making progress toward self-sufficiency, as the gentleman from Michigan has indicated and as the gentleman from Texas has indicated, then I really do not think this is a very harsh amendment to simply request that they operate at the same funding level of last year.

Mr. THOMAS A. LUKEN. Mr. Chairman, reclaiming my time, what is happening is that we are nibbling away at the system, and we are denying it the capital to refuel, to refurbish, and to keep it going. That is exactly what happened to rail services in the first place. That is what got them started on this slippery slope, and if we want to recover, we are going to have to put something back in the system and keep it on an even keel.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. THOMAS A. LUKEN. I am glad to yield to the committee chairman.

Mr. DINGELL. Mr. Chairman, in constant dollars, we have reduced Federal support for Amtrak by more than 52 percent since 1979.

□ 1840

In terms of passenger miles per dollar of Federal support, the United States in 1986 got almost 9 miles of passenger carriage per dollar spent. In 1983 we got less than 6 miles, a 50-percent improvement, so the efficiency and the costs have gone in exactly the right directions. Efficiency up; costs are down.

Let us not interfere with that very sensible progression. If my colleagues want to keep the subsidy for Amtrak under control, the direction in the committee bill is the direction to take.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairmam, I rise in opposition to this amendment that would reduce funding for Amtrak by some $22 million. This cut would have a serious impact on Amtrak's ability to continue its efforts to improve service and reduce its long-term dependency on Federal assistance. Over the past 5 years, Amtrak has continued to fund an increasing portion of its operating needs from fares and other non-Federal funds. But an amendment of this sort would force a reduction in needed capital improvements, force the deferral of much-needed maintenance, and inevitably lead to a reduction in service frequency and quality.

These types of consequences could only have a detrimental effect on Amtrak's long-term financial condition. We can't cut back on capital needs without reducing service quality. And if we see declining service, that will adversely affect ridership and the ability of Amtrak to continue to improve its coverage of operating expenses from passenger fares.

Mr. Chairman, we can ill-afford cuts in needed safety improvements, nor in capital items to improve operating efficiency and service. Declining service and deferred maintenance will adversely affect ridership and the ability of Amtrak to continue to improve its operating performance.

The amounts currently provided in this bill are necessary for Amtrak's continued operation of the national route system, and I urge the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. McMILLAN].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. McMILLAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 171, noes 221, not voting 41, as follows:

[Roll No. 261]

AYES—171

Andrews
Archer
Armey
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bereuter
Bilbray
Bilirakis
Bliley
Boulter
Brennan
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Callahan
Chandler
Chapman
Coats
Coble
Coleman (MO)
Combest
Craig
Crane
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
de la Garza
DeLay
Derrick
DeWine
Dickinson
Dornan (CA)
Dreier
Duncan
Early
English
Erdreich
Espy
Fawell
Fields
Flippo
Frenzel
Gibbons
Gingrich
Goodling
Gordon
Gradison
Grandy
Gregg
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hefley
Herger
Hiler
Holloway
Hopkins
Houghton
Hubbard
Huckaby
Hunter
Hutto
Hyde
Inhofe
Ireland
Jenkins
Johnson (CT)
Johnson (SD)
Kasich
Kolbe
Konnyu
Kyl
Lagomarsino
Latta
Leath (TX)
Lewis (CA)
Lewis (FL)
Lightfoot
Lott
Lowery (CA)
Lujan
Lukens, Donald
Lungren
Mack
MacKay
Martin (IL)
McCollum
McCurdy
McMillan (NC)
Meyers
Mica
Michel
Miller (OH)
Miller (WA)
Montgomery
Moorhead
Morrison (WA)
Neal
Nelson
Nichols
Nielson
Olin
Oxley
Packard
Patterson
Penny
Petri
Porter
Price (NC)
Quillen
Ravenel
Rhodes
Ritter
Roberts
Robinson
Rogers
Rose
Roth
Rowland (CT)
Rowland (GA)
Saiki
Schaefer
Schneider
Schroeder
Schuette
Sensenbrenner
Shaw
Shumway
Skaggs
Slattery
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Spence
Spratt
Stallings
Stenholm
Stump
Sundquist
Sweeney
Swindall
Synar
Tauke
Taylor
Thomas (CA)
Thomas (GA)
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Watkins
Weber
Weldon
Young (FL)

NOES—221

Akaka
Alexander
Anderson
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bateman
Beilenson
Bennett
Bentley
Berman
Bevill
Biaggi
Boehlert
Boggs
Boland
Bonior (MI)
Borski
Boucher
Brooks
Bruce
Bustamante
Byron
Campbell
Cardin
Carper
Carr
Chappell
Clarke
Clinger
Coelho
Coleman (TX)
Collins
Conte
Coughlin
Courter
Coyne
Crockett
Davis (MI)
DeFazio
Dellums
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Eckart
Edwards (CA)
Emerson
Evans
Fascell
Fazio
Feighan
Fish
Florio
Ford (MI)
Frank
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gilman
Glickman
Gonzalez
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hawkins
Hayes (IL)
Hayes (LA)
Hefner

Henry
Hertel
Hochbrueckner
Horton
Hoyer
Hughes
Jacobs
Jeffords
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lowry (WA)
Luken, Thomas
Madigan
Manton
Markey
Marlenee
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McGrath
McHugh
McMillen (MD)
Mfume
Miller (CA)
Mineta
Moakley
Molinari
Mollohan
Moody
Morella
Morrison (CT)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (UT)
Panetta
Parris
Pashayan
Pease
Pelosi
Pepper
Perkins
Pickett
Pickle
Price (IL)
Rahall
Rangel
Regula
Richardson
Ridge
Rinaldo
Rodino
Roukema
Roybal
Russo
Sabo
Savage
Sawyer
Saxton
Schulze
Schumer
Sharp
Shuster
Sikorski
Sisisky
Skeen
Skelton
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NJ)
Solarz
St Germain
Staggers
Stangeland
Stark
Stratton
Studds
Swift
Tallon
Torres
Torricelli
Traficant
Traxler
Udall
Vento
Visclosky
Volkmer
Walgren
Waxman
Weiss
Wheat
Whittaker
Whitten
Williams
Wise
Wolf
Wolpe
Wortley
Wyden
Yates
Yatron
Young (AK)

NOT VOTING—41

Ackerman
Bates
Boner (TN)
Bonker
Bosco
Boxer
Brown (CA)
Bryant
Cheney
Clay
Conyers
Cooper
DioGuardi
Edwards (OK)
Flake
Foglietta
Foley
Ford (TN)
Frost
Gephardt
Gunderson
Howard
Kemp
Livingston
Lloyd
McCandless
McDade
McEwen
Owens (NY)
Pursell
Ray
Roe
Roemer
Rostenkowski
Scheuer
Solomon
Stokes
Tauzin
Towns
Wilson
Wylie

☐ 1855

The Clerk announced the following pairs:

On this vote:

Mr. Cheney for, with Mr. Howard against.

Mr. Gunderson for, with Mr. Towns against.

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING FUNDS

The Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the guarantee of the principal amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding: *Provided*, That no new loan guarantee commitments shall be made during fiscal year 1988: *Provided further*, That, notwithstanding any other provision of law, the Government shall sell all securities or promissory notes held by the Department of Transportation under authority of sections 502, 505-507, 509, and 511-513 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended: *Provided further*, That such securities or promissory notes authorized to be sold in the immediately preceding proviso shall be sold only for amounts greater than or equal to the net present value to the Government of each loan as determined by the Secretary of the Treasury and, if such sale is to a party other than the issuer, such sale shall be made only by the Secretary of the Treasury.

SETTLEMENTS OF RAILROAD LITIGATION

For the settlement of promissory notes pursuant to section 210(f) of the Regional Rail Reorganization Act of 1973 (Public Law 93-236), as amended, $38,950,246, to be derived from the proceeds of settlements of railroad litigation, to remain available until expended.

URBAN MASS TRANSPORTATION ADMINISTRATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses of the urban mass transportation program authorized by the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), and 23 U.S.C. chapter 1, in connection with these activities, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, $33,850,000, of which not to exceed $625,000 shall be available for the Office of the Administrator.

RESEARCH, TRAINING, AND HUMAN RESOURCES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for research, training, and human resources as authorized by the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), to remain available until expended, $15,150,000, of which $4,000,000 shall be derived from unobligated balances of "Urban Mass Transportation Fund": *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for training.

FORMULA GRANTS

For necessary expenses to carry out the provisions of sections 9 and 18 of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), $1,865,000,000, together with $5,000,000 to carry out the provisions of section 18(h) of the Urban Mass Transportation Act, as amended, to remain available until expended.

AMENDMENTS OFFERED BY MR. CHANDLER

Mr. CHANDLER. Mr. Chairman, I offer amendments and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. CHANDLER: Page 30, line 21, strike "$1,865,000,000" and insert in lieu thereof "$1,775,000,000".

Page 32, line 3, strike "$201,119,500" and insert in lieu thereof "$191,119,500".

Mr. CHANDLER. Mr. Chairman, I know the hour is late. I will be brief.

Mr. Chairman, and my colleagues, I thank you for your patience and indulgence with this series of amendments. We have combined two and to save some time, let me describe them for you.

The first is a 5-percent reduction in the Urban Mass Transportation Administration, title IX, spending, which would reduce spending by $90 million from the operating and capital fund.

Now, I must tell you that due to authorizing legislation this money, the $90 million, would come from capital improvements in public transportation systems across the country; however, let me point out that while in 1987 we spent $2 billion on these systems, in 1988 the proposed committee bill would spend $1.8657 billion, about $130 million less.

The Urban Mass Transportation Authority discretionary grants are up $200 million for capital programs, which means you really only have about a $2 million cut.

Now, lest anybody say that this is somebody doing it to somebody else, I can tell you that our own King County Metro has informed me that this would cost a park and ride lot in my district. Well, so be it, because it is time for us to volunteer to do some sacrificing if we are going to get spending under control in this country.

Now, the second amendment would reduce funding for the D.C. Metro. It would reduce funding by 5 percent, reducing the amount in dollars that D.C. Metro receives above four milligrants, which no other community in the United States receives. It would reduce from $201 million down to $191 million for funding from this source.

Now, I want to point out that these funds are in addition to the interstate transfer and the formula grants. No other community in the United States gets that money.

Mr. Chairman, if I could have the attention of the people from New York, you might be interested to know that your legislature has just approved legislation to rebuild the New York City Transit System. I guess you probably are aware it needs it. You do not have money like this coming from the Federal Government to help you. You do not have authority to get money like this from the Federal Government to help you. Only the D.C. Transit does and we are only suggesting that we cut that by a mere $10 million.

Already Federal appropriations of this type total $4.9 billion from the Federal Government, estimated to go to $7.7 billion by the time you finish the near 90 miles of this system.

Mr. Chairman, I appeal to my colleagues one last time. Please help us in at least a small way to reduce the spending by this Congress, to say no to ourselves even a little way, so that we can stop borrowing money today for the things that we ought to be willing to pay for today.

Mr. LEHMAN of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as I have stated before, and I have to say again, we have a carefully crafted, well-balanced bill. It's fiscally responsible and under our anticipated section 302(b) allocations in both budget authority and in outlays. There is no need for this amendment.

As to mass transit formula grants, they are essential to maintaining and improving existing public transportation systems, not only in our big cities, but even more so in our smaller towns and rural areas. This program has already taken its fair share of reductions. Any further reductions could result in the loss of or reduction of public transportation in some of these areas.

Congress when it recently voted to override the President's veto on the highway transit, authorization bill expressed its strong support for continuing the formula grant program. This is an important program that affects hundreds of communities throughout the country.

As to Washington Metro, the funding we are recommending this year for Washington Metro construction is the same as the level provided in the current fiscal year. We are not proposing any increase in funding for the Washington Metro.

Mr. Chairman, Congress has debated the issue of funding for the Washington Metro many times. Congress has debated the issue of the funding of the section 9, formula grants, program many times, and I strongly urge my colleagues to vote "no" on this block of amendments.

Mr. SABO. Mr. Chairman, will the gentleman yield, please.

Mr. LEHMAN of Florida. I yield to my friend, the gentleman from Minnesota.

□ 1900

Mr. SABO. Mr. Chairman, I thank the gentleman for yielding.

Am I not correct, Mr. Chairman, the funding for Washington Metro in this bill is frozen at last year's level?

Mr. LEHMAN of Florida. That is exactly right. We are at exactly last year's level.

Mr. SABO. The formula grant for transit, which is for both urban mass transit, rural mass transit, and for handicapped transportation is actually reduced from last year's funding?

Mr. LEHMAN of Florida. The gentleman is correct.

Mr. SABO. Mr. Chairman, I commend the gentleman for his statement, and would hope that the House would defeat the amendment.

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN of Florida. I yield to the gentleman from Washington.

Mr. CHANDLER. Mr. Chairman, following up on the point of the gentleman from Minnesota, yes, I agree that the committee did reduce the UMTA title IX grants, but is it not also true that the discretionary grants were increased by an amount sufficient to make it virtually the same amount as the year before?

Mr. LEHMAN of Florida. The gentleman is correct. The transit part essentially is a freeze.

Mr. CHANDLER. We want to make sure we are calling apples apples and oranges oranges.

We get close to a freeze, and this would reduce that amount by $90 million.

Mr. LEHMAN of Florida. The gentleman is correct.

Mr. CHANDLER. I am not criticizing the gentleman. I am commending the gentleman.

I want to put forth to the Members, we have not cut the grants going to those local transit districts. This amendment would do that by $90 million.

Mr. ANDERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the gentleman's amendment. When this House overwhelmingly approved H.R. 2, reauthorizing the Nation's highway and transit programs earlier this year, we approved $2.1 billion for the sections 9 and 18 formula programs, plus an additional $100 million which would be distributed by formula through the new section 9(b) blending program. Thus, we were providing a total of $2.2 billion in formula funding.

Because of hard budgetary choices which need to be made, the Appropriations Committee has reduced the formula programs to $1.87 billion which, with the additional $100 million from the blending program, total up to $1.97 billion. So, this bill actually cuts these formula program by 10 percent from the levels we approved just 3½ months ago.

While I am not happy with these cuts, I respect my good friend, the gentleman from Florida [Mr. LEHMAN] and the committee members, and know that they have cut what was needed, without cutting so deeply as to be counterproductive.

These formula programs have been called the bread and butter of public transit around the country, in big cities and small towns alike. And as they are reduced, local transit properties are faced with the difficult decision of either curtailing service or raising fares. Either choice results in a direct impact on transit users in our communities. Either choice takes transit users out of buses and rail cars and puts them back into their single passenger automobiles with the attendant increases in congestion and pollution which they engender.

Of course, as fares increase, ridership drops, and so those buses kept in service run with fewer passengers and a resultant decline in farebox receipts. It is not difficult to envision the vicious cycle of fare increases begetting reduced ridership and so further fare increases, that this amendment could stimulate.

Mr. Chairman, the gentleman's amendment is well-intentioned, addressing the very real macroeconomic conditions our country finds itself in. But believe me, the amendment offers only a mirage. It offers only a false economy.

Mr. Chairman, transit ridership is on the rise in this country. That is the good news. The bad news is that this amendment, if adopted, will reverse that trend. I urge its defeat.

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON. I yield to the gentleman from Washington.

Mr. CHANDLER. Mr. Chairman, I thank the gentleman for yielding.

I would like to ask the gentleman, and correct me if I am wrong, because of the authorizing legislation, we are not able with this amendment to cut any operating funds from the mass transit systems.

Therefore, whatever is cut would come from capital; and yes, there would be reductions, I agree with you on that, but the likelihood of fare increases is much less if we have not cut operating grants than if we cut capital?

Would the gentleman agree?

Mr. ANDERSON. I have been told that this amendment, if it would pass, would hit the transit not only in the big cities like where I am from, but probably even more so in rural America.

They keep telling me this is the area we have got to protect. We have to protect our transit if we want to keep the one person to a car or automobile syndrome.

Mr. PARRIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from Washington, which in my judgment is unrealistic and ill conceived. There can be no question that the amendment would have a devastating effect on the Washington metropolitan area, a portion of which I am privileged to represent.

The gentleman's amendment would cut the funding for Washington's Metrorail system from the $201 million currently in the bill to approximately $190 million. While the gentleman's goal to reduce the deficit is a noble one, the benefits of his amendment toward that end are negligible. The proposed cut of $11 million would result in outlay savings of only about $500,000. Given the fact that the deficit is measured in outlay dollars, the reduction is miniscule at best.

Clearly, the benefits of the amendment would be barely measurable—particularly in the face of the devastating impact passage of this amendment would have on this critically important component of Washington's transportation network.

Metro construction is unique—independently authorized—carried out under the contracting rules and programs of the Federal Urban Mass Transportation Administration which require that construction of a particular segment construction cannot be started until 100 percent of the funds necessary to complete that segment are available—this is known as the so-called operable segment theory. If we were to reduce funding to levels suggested by my friend from Washington, segment construction would be delayed until such time as the rest of the money becomes available. The bottom line here, Mr. Chairman, is that the $500,000 initially saved by the gentleman's amendment would undeniably cost many times that amount through construction delays. Specifically, the delays would result in inflationary degradation of the contracting dollar and, more importantly, would result in the projected loss of what is now considered to be a very favorable bidding climate.

There are lots of reasons to reject this amendment. Let me just give you one more.

We recently sent out budget questionnaires to our constituents. In a cold solicitation in my congressional district right across the river, asked the question, "What is the most important local issue?" Seventy-four percent of the people in this area said transportation; and we are going to save $500,000.

All things considered, Mr. Chairman, I would respectfully suggest to my friend from Washington that the result of his amendment would be directly contrary to its stated purpose. For the benefit of the budget and for the benefit of all of the residents and visitors who attempt with significant difficulty to get around this city, I would urge my colleagues to summarily reject this ill-conceived amendment.

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. PARRIS. I yield to the gentleman from Washington.

Mr. CHANDLER. Mr. Chairman, I thank the gentleman for yielding.

I had no idea that I was going to bring the entire Metropolitan Washington, DC, area to its very knees with this 5-percent reduction in their funds.

Mr. PARRIS. Wait until the gentleman sees my amendment for the Seattle system.

Mr. CHANDLER. We do not get this money in Seattle. No other community in the country does.

Mr. PARRIS. Mr. Chairman, reclaiming my time, the reason you do not get this money in Seattle is because Seattle does not happen to be the Nation's Capital.

Mr. HOYER. Mr. Chairman, I move to strike the requisite number of words.

I rise quite obviously in opposition to this amendment. The gentleman from Virginia has expressed well the negative impact that this would have on the Washington Metropolitan Transit System and the Washington metropolitan area.

However, we are in a fiscal crunch. We all know that.

What I want to speak to is not to add to what the gentleman from Virginia has said, although the gentleman has said it well. I wish to point out the financial situation of the Washington Metropolitan Transit System.

The gentleman from Virginia mentioned operable segments. That is in effect the negotiations we had with UMTA on how to build this system.

I wish the Members would listen to this letter from Ralph Stanley, a very fiscally prudent individual, dated June 1984.

> Therefore, I reiterate the position taken during my testimony at the WMATA hearing before the House Appropriations Subcommittee that it would be fiscally imprudent for the Department of Transportation, and WMATA, to exhaust the remaining authorization to partially construct additional mileage in anticipation of such future, unspecified authorizations or appropriations as may be necessary to complete these lines.

□ 1920

Therefore, this administration said you have got to have enough money to complete whole segments. Now if I might, I will yield at the end, but let me make my point here. He then goes on to say in the same letter in June 1984, and I might say again this letter is from UMTA to Mrs. Carmen Turner, the administrator:

> For our planning guidance, we suggest that cost estimates be based on an assumed annual federal appropriation level of $250 million through the end of the present Stark-Harris authorization.

In other words, ladies and gentlemen of the House, the UMTA administrator said that WMATA ought to count on $250 million in order to fund this system and build it out efficiently and effectively. Now that is Ralph Stanley.

Now, ladies and gentlemen, 2 years ago this House funded at the level of $237 million. Last year this House funded at the level of $217 million. It was reduced to $201 million. This year's appropriation under the plan would have been $275 million.

Now the purpose for giving you all these figures ladies and gentlemen is to point out clearly that the Washington Metropolitan Transit System has not gotten away without participating in the fiscal, responsible efforts to cut spending. In fact, this request is $74 million below what was projected and $49 million below what UMTA said WMATA could rely on until Stark-Harris was spent out.

Stark-Harris was not being spent out. So it is $49 million less than that. And it is a freeze, a freeze on last year's figures.

Ladies and gentlemen, this is a responsible figure, it is not last year's figure and it is the essential bottom line if we are to continue to build within the constraints placed upon us, fiscally responsible, by the administration. I would urge, ladies and gentlemen of the House, the defeat of this amendment.

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. HOYER. I yield to the gentleman from Washington.

Mr. CHANDLER. I thank the gentleman for yielding.

I would like to point out that on April 30, before the Subcommittee on Transportation of the Committee on Appropriations, Ralph Stanley, who the gentleman just quoted, said $130 million of Federal appropriation for this year would be adequate and phase 3 of the funding could go forward and the project could be completed with that amount of money.

Mr. HOYER. Reclaiming my time, this administration is very flexible, I will say to the gentleman. I am glad the gentleman pointed that out. Ralph Stanley said that I could rely on $250 million. Last year the administration provided zero for this program. The Congress rejected that proposal out of hand.

What I point out to the gentleman is that Ralph Stanley, before we were playing what, in my opinion, was a fiscal game with WMATA, from $250 million to zero, said this year $130 million.

My opinion, I will say to the gentleman, is that that figure was a political figure and not a fiscally responsible figure.

Mrs. MORELLA. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I commend the chairman and ranking minority member of the committee and the chairman and ranking minority member of the subcommittee for their support of the Metrorail system that means so much to the residents of and visitors to the

Washington metropolitan area—our U.S. Capitol.

In 1960, the U.S. Congress established the National Capital Transportation Agency to study the future of transportation in the Washington area and to develop an appropriate plan. In 1962, the Agency concluded that:

> The region's * * * population is rapidly expanding * * * most people working downtown have no satisfactory alternative to using their automobiles. The result is serious congestion of streets and highways and this will become steadily worse unless a decided improvement is made in transportation facilities.

The Agency's chief suggestion for improving transportation between the suburbs and downtown was a subway system. The Federal Government, concerned that its employees would find it more and more difficult to battle through traffic to the jobs, was very supportive of the proposal. The local jurisdictions were also supportive but unable to afford construction of such a system. Thus was born a partnership between State, local, and national government that aimed to create a subway system that, as President Johnson put it, should "set an example for the Nation, and take its place among the most attractive in the world."

Twenty-five years later the Washington area's population, 2.2 million in 1960, has ballooned as expected, to 3.2 million. But luckily, the dream of a clean and efficient subway system has also become a reality, at least partially.

Metrorail is fast, carrying passengers from the Montgomery County border at Friendship Heights to the U.S. Capitol in just 29 minutes.

Metrorail is reliable, its trains coming by during rush hour at the marvelous rate of one every 2 minutes. Overall, the on-time rate is a remarkable 98.5 percent.

Metrorail is safe. Crime in the stations is almost unknown, and passengers are 1,000 times safer in a Metrorail train than in their own vehicle.

Metrorail is clean. The platforms are nearly spotless and the walls and trains graffiti-free.

For the Eighth Congressional District of Maryland, which I represent, and in which 10 present and 3 future stations are located, the Metrorail system has been very important. Trips to and from Montgomery County on Metrorail total 90,000 every workday, well over the projected 70,000.

For the Washington area as a whole, Metrorail has been good for business, has dramatically reduced traffic congestion, and has significantly cut air pollution.

The Council of Governments estimates that, without Metro, an additional 90,000 private automobiles would enter the central business district during peak hours every workday. Metrorail has also been described as the single largest contributing factor in the D.C. area's increased ability to control its air polution problem.

But Metrorail is more than a subway for the Washington area. It is the transportation keystone of the Nation's Capital. Federal workers, the American taxpayer's employees, get to work faster, safer, and in better spirits because Metrorail exists.

The American taxpayer, him or herself, who may come to town with a cynical view of Washington, will leave impressed by the safe, clean, and efficient system he will use to get to his Representative's office and to the historical monuments and museums that this country holds dear.

I think it is safe to say that Metrorail is even more successful than any of us dared imagine. But it is not complete. The plan calls for 103 miles of track and 86 stations. The system currently is 70 miles long with 64 stations.

The appropriations bill before us today includes $201 million to keep Metrorail construction on track. This represents a freeze of last year's figure. It is also a reduction from the $250 million upon which Metro's full funding agreement was predicated, and is the least Metro can receive and still proceed to the next operable segment without further jeopardizing essential bus and rail reliability projects. The amendment at hand does not make the savings that it appears to make. Because only 5 percent of Metro funding is actually spent the first year, this $10 million cut would really only reduce this year's deficit by $500,000. This cut would also actually cost money in the long run, necessitating a stretching out of construction schedules as well as causing less efficient operations.

Local jurisdictions have always met their funding commitments—there has never been a delay in the provision of county or State moneys. Metrorail has met its commitment—it managed to cut its cost per scheduled mile between 1986 and 1987 and has one of the highest revenue-to-cost ratios of any mass transit system in the country. Indeed, Metrorail is particularly anxious to receive the full amount recommended by the committee this year because the superb bidding climate will allow it to make especially good use of every dollar spent in fiscal year 1988.

Now, it is time for the Federal Government to meet its commitment to the Metrorail system. I hope that my colleagues will do so, and support the full $201 million that the committee has requested.

Mr. WOLF. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Washington. The transportation appropriations bill is the finely crafted product of many months of diligent work by Chairman LEHMAN, Vice Chairman COUGHLIN, my other distinguished colleagues on the subcommittee and the Appropriations Committee staff.

The bill represents a finely balanced effort to provide for the many compelling and competing needs of transportation programs across the country. The figures in the bill come after months of hearings and careful analysis of all programs and projects involved.

While I realize there are many difficult choices to be made in light of current funding restraints, it is of great concern to me that an amendment is being offered to reduce funding for the Washington Metropolitan Area Transit authority by 5 percent.

The committee recommended level of $201 million is the same level as last year—a freeze. This level already represents a cut of nearly $500 million from what WMATA was told to budget for each year until the remaining Stark-Harris authorization funding is expended. The Full Funding Agreement signed 1 year ago, was predicated on a construction program which envisions the need for annual appropriations of $250 million.

Because of the additional cut being proposed today, it appears that we are being penalized for being prudent in committee. The $201 million level is the amount considered to be the very lowest responsible level. In this figure, there is no allowance for "bargaining" or cushion to protect Metro from subsequent attacks.

We must maintain an optimum level of momentum in the Metro construction program. Any additional cut will delay the construction schedule, and prevent Metro from taking full advantage of the current favorable bidding climate.

By maintaining momentum in the construction program, Metro can better utilize cost control methods, such as putting expensive construction equipment and laborers time to best use at multiple sites, and acquiring farecard machines in greater volumes. A dragged out, piecemeal construction program will prove much more costly in the long run.

Washington Metro is not a new start. Over two decades ago, the Federal Government entered into a commitment with the Washington region. The local governments have consistently met their contractual obligations with the expectation that the entire system would be built.

I hope my colleagues will consider the merits of maintaining the level of funding approved by the Appropriations Committee, which is already severely reduced, so that we can meet the needs of this vital rapid rail system and fulfill the Federal part of the agreement.

Mr. Chairman, I yield back the balance of my time.

Mr. SISISKY. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. SISISKY. Mr. Chairman, I rise today to ask that we not change the amount of money the Congress has committed to the Nation's Capital metrorail system—especially since the appropriations bill we are now discussing has met the Gramm-Rudman limits.

Remember this is the rail system that moved 440 thousand people on the Fourth of July without any problems. This is the rail system that day-in, day-out moves thousands of people throughout the metropolitan area. This is the rail system that your constituents and mine use everytime they visit Washington.

What we are talking about today is a partnership—a partnership that brings together the Federal Government, the Commonwealth of Virginia, the State of Maryland, the District of Columbia, local jurisdictions, and fare-paying passengers.

This is a delicate balance, and we should not destroy it by supporting this amendment.

In 1952 Congress mandated a plan for the movement of people in the Washington metropolitan region. By 1967, after many years of struggle and negotiation, the Washington Metropolitan Area Transit Authority was born to resolve some of the jurisdictional problems between Federal, State and local governments.

I can assure you, State legislators in Virginia were not all that happy with the prospect of supporting an expensive transportation system for just the northern Virginia area. However, since 1964 when the Commonwealth created the Northern Virginia Transportation Commission, all of Virginia has been committed to this cooperative effort to solve the transportation problems of this region.

In fact, in 1980, one of the most controversial pieces of legislation that was fought in the Virginia General Assembly was a 2-percent gas tax levied on the citizens of northern Virginia to meet the Commonwealth's commitments to create a stable and reliable source of funding for Metrorail.

At the time I served in the Virginia General Assembly, on the finance committee. I represented an area of the Commonwealth that was some 100 miles away from northern Virginia. Most of my constituents would seldom use Metrorail.

But I was pursuaded that northern Virginia and the entire Metropolitan Washington area desperately needed metrorail. The Stark-Harris Act provided $1.7 billion for metrorail and required the States to come up with a stable source of funding.

Ladies and gentlemen, Virginia kept its part of the bargain. And that's all we ask in return—for the Federal Government to keep its promise. This is not the time to renege, this is not the time to rewrite the rules.

Agreements have been signed based on the legislation passed in 1979. These agreements would be very expensive to break.

Construction schedules have been agreed to. Commitments have been made to local governments. They have paid into the metro fund based on these agreements.

Redoing these agreements and revising these timetables are very impractical and extremely costly.

I urge you to vote against this amendment and for Congress to live up to its end of the bargain.

Mr. CARDIN. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. CARDIN. Mr. Chairman, I rise in strong opposition to the amendment. The Washington metropolitan area is served today by one of the most successful mass transit systems in the world. We have made significant investments in the system and those investments have been more than paid back—ridership has surpassed expectations and nearly a third of the region's population is served by the subway and bus system each day; economic development throughout the region and especially in the corridors closest to metro stations has boomed; and the quality of the service provided, as measured by safety, reliability, and comfort, is exemplary.

Completion of metro construction as provided for through the committees' recommendation of $201 million appropriations deserves our support. Due to budget constraints at the Federal level compromises have been made in the construction plans originally agreed to. These compromises have been extremely difficult to reach as so many jurisdictions are effected and metro service directly correlates to regional development. Once commitments have been worked out, with the full participation of the Federal Government, it is our responsibility to fund those commitments. The funding we are considering today will take the metro into Prince Georges County and Anacostia; two areas where the economic development potential of metro service will be most welcome.

Metro service to Greenbelt, Maryland will provide two key benefits beyond simple extension of service. It will provide a direct connection to a communter rail station being built by the State of Maryland. This will allow the most convenient access to the Washington area for commuters from Baltimore and much of the Baltimore-Washington corridor. The Greenbelt station will also have access ramps directly to and from I-95 allowing commuters and those traveling from throughout the Northeast to enter and travel throughout the Nation's capital much more easily.

Washington's metro system does not even come close to serving my district and only a very limited number of my constituents utilize the system on a daily basis. But I see it as a critical component of Washington's development, a most important factor in the growth of the Baltimore-Washington corridor, and a great asset to the Nation and the hundreds of thousands of citizens who visit their capital each year. I believe the system deserves our support and that the investments we make in the system today will be more than returned in the future.

Mr. McMILLEN of Maryland. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. DeLAY. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, I would like to point out a way that you could probably save this $10 million that we are talking about just through procurement procedures that are taken by Metro. I will give you a perfect example. Earlier this year we all remember the snow storms that hit the Washington area and brought Metro to its knees because the rails froze up. So Metro deemed it necessary to buy a system of heating the rails and they wrote the specs to buy the system to heat the rails but they wrote the specs in such a way that only one person could provide the process by which you heat the rails.

Now there was a company in Texas, not in my district I have to say, that raised objections to this because they had a system that has been used in Boston, by the way, and saved the company in Boston 50 percent of the cost of money in heating their rails. They were upset because they were precluded because of the bid specs from bidding on this process.

We raised the issue in subcommittee when we had Metro before us. We asked them about this and about other systems that may be used to heat the rails. Well, I was assured that this company in Texas would be able to test the product under Metro's supervision and be able to have an influence on the bid specifications so that they could bid.

Well, we went along, and this was in March, we went along for a long time. Just last week Metro put bid specifications out that were changed again. Now they claim two companies can bid. That brings in competition.

In actuality, only one company can bid still. Then they called the company in Texas the Wednesday after they submitted the specifications and told them to come in and test their product. I was informed today that they have no intention of looking at other ways of heating rails, that on the phase 1 they are going to buy the old system that they have specifications for and they are going to put that in and test the other system over the winter, because under today's technology you cannot test things except in conditions out in the wild.

Well, we know anybody can, with the kind of engineers we have, we can test anything.

So what I am telling you Members is that the procurement procedures in Metro are such that we need to really look into them. I will bet you any amount of money that by cutting their budget 5 percent it will force them to look into it. They are talking about $10 to $20 for every mile of phase 1 of 30 miles, to the tune of $3.5 million to $4 million on the first procurement. Now if this other system, or through competition as was evidenced in Boston comes into effect, we could save them 50 percent of that money. They are talking about 68 miles total heating of rails. That works out to a total anywhere from $6 million to $9 million under their specifications. If we could save them 50 percent of that we are talking about $3 million to $4.5 million. That is almost half of what the gentleman from Washington is talking about. And that is just one system.

My goodness, how do they procure things in other more expensive systems in Metro? I think that we seriously have to look at this. It concerns me that the gentleman is taking these amendments en bloc because I do not support the cutting of UMTA but I do support the cutting of Metro.

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But I do support the cutting of Metro. Maybe when we get back into the full House, we could ask for a separate vote on that particular amendment. I think Metro has to look inhouse before it comes to this House asking for money. When they are spending the money of taxpayers in Tennessee, money of the taxpayers in Nevada, and money of taxpayers in Texas on the Metro system in Washington, DC, they ought to be spending it better than they are.

The CHAIRMAN. The time of the gentleman from Texas [Mr. DeLay] has expired.

(On request of Mr. Pickle, and by unanimous consent, Mr. DeLay was allowed to proceed for 1 additional minute.)

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. DeLAY. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, I think the gentleman in the well is making a very good point, and the Members of the House should hear it. I am familiar with the frustration in the bidding and procurement procedures that he has outlined to us.

I do not wish to cut funds from the Metro system, and I do not wish to take away funds from UMTA, because UMTA is a very responsible agency.

But I say to the gentleman and the members of the committee that these procurement procedures ought to be looked into because they are full of frustration and doubt and misgivings about who can bid and when they can bid. I would ask, Mr. Chairman, that the committee look into these procedures. I am not trying to take funds out of their appropriations but I do think it has gotten to the point where more light should be shed on it, and I do hope an overview will give us more light on that aspect of it.

Mr. PARRIS. Mr. Chairman, will the gentleman yield?

Mr. DeLAY. I yield to the gentleman from Virginia.

Mr. PARRIS. Mr. Chairman, just for the record, I want to make sure that the gentleman understands that his amendment that is addressed to section 14, Public Law 96-184, goes to construction and construction alone. It would not impact on the heating problem, the specifications of heating the rails to which the gentleman alludes.

Mr. DeLAY. Mr. Chairman, I understand the gentleman, but if we save $10 million in procurement, then they could probably take that $10 million and put it into the $10 million the gentleman from Washington is trying to cut.

The CHAIRMAN. The time of the gentleman from Texas [Mr. DeLay] has again expired.

(On request of Mr. Hoyer, and by unanimous consent, Mr. DeLay was allowed to proceed for 30 additional seconds.)

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. DeLAY. I am glad to yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, I appreciate the gentleman's concern. The gentleman and I have had the opportunity of discussing this, and I know he has some folks who apparently can do the job that he feels have not been given a fair shot at procurement. I do not have any formal representation, but I want to assure the gentleman that we will look into this question because we want to spend our money efficiently and effectively. It is his money and the people's money. We want to build the finest system in the world, but we want to do it in the best possible way. I want to assure the gentleman that I will work with him and make sure his constituents and others get a fair shot at the competition.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Washington [Mr. Chandler].

The amendments were not agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

DISCRETIONARY GRANTS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the implementation or execution of programs in excess of $1,200,000,000 in fiscal year 1988 for grants under the contract authority authorized in section 21 (a)(2) and (b) of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.).

MASS TRANSIT CAPITAL FUND

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out section 21 (a)(2) and (b) of the Urban Mass Transportation Act of 1964, as amened (49 U.S.C. 1601 et seq.), administered by the Urban Mass transportation Administration, $1,100,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

INTERSTATE TRANSFER GRANTS—TRANSIT

For necessary expenses to carry out the provisions of 23 U.S.C. 103(e)(4) related to transit projects, $130,000,000, to remain available until expended.

WASHINGTON METRO

For necessary expenses to carry out the provisions of section 14 of Public Law 96-184, $201,119,500, to remain available until expended.

Saint Lawrence Seaway Development Corporation

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to the Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Corporation's budget for the current fiscal year except as hereinafter provided in the "Limitation on administrative expenses".

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $2,100,000 shall be available for administrative expenses, which shall be computed on an accrual basis, including not to exceed $3,000 for official entertainment expenses to be expended upon the approval or authority of the Secretary of Transportation: *Provided*, That Corporation funds shall be available for the hire of passenger motor vehicles and aircraft, operation and maintenance of aircraft, uniforms or allowances therefor for operation and maintenance personnel, as authorized by law (5 U.S.C. 5901-5902), and $15,000 shall be available for services as authorized by 5 U.S.C. 3109.

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

For necessary expenses for operation and maintenance of those portions of the Saint Lawrence Seaway operated and maintained by the Saint Lawrence Seaway Development Corporation, $11,500,000, to be derived from the Harbor Maintenance Trust Fund, pursuant to Public Law 99-662.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

RESEARCH AND SPECIAL PROGRAMS

For expenses necessary to discharge the functions of the Research and Special Programs Administration, and for expenses for conducting research and development, $12,900,000, of which $2,020,000 shall remain available until expended: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training.

PIPELINE SAFETY
(PIPELINE SAFETY FUND)

For expenses necessary to conduct the functions of the pipeline safety program and for grants-in-aid to carry out a pipeline safety program, as authorized by section 5 of the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979, $9,200,000, to be derived from the Pipeline Safety Fund, of which $5,150,000 shall remain available until expended.

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, $29,300,000.

TITLE II—RELATED AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

For expenses necessary for the Architectural and Transportation Barriers Compliance Board, as authorized by section 502 of the Rehabilitation Act of 1973, as amended, $2,000,000.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the National Transportation Safety Board, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS-18; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902), $24,040,000, of which not to exceed $500 may be used for official reception and representation expenses.

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: On page 35, line 2, strike "$24,040,000" and insert in lieu thereof "$25,400,000".

Mr. GLICKMAN. Mr. Chairman, I offer this amendment on behalf of myself, the gentleman from Illinois [Mr. RUSSO], the gentleman from New York [Mr. MOLINARI], and the gentlewoman from Illinois [Mrs. COLLINS].

The purpose of this amendment is to add enough money to provide an additional 23 full-time inspectors at the National Transportation Safety Board whose job it will be to investigate near misses and midair collisions by aircraft in the skies. The reports indicate that there is at least one near midair collision of aircraft every day. There were twice as many in 1986 as in 1985. Given the poor state of our aviation infrastructure, I am not surprised. Something needs to be done.

My amendment would provide about $1.3 million in additional funding. That is the amount requested by the National Transportation Safety Board to the Office of Management and Budget for additional employees to investigate near misses and midair collisions by aircraft, aviation accidents, and to evaluate the effectiveness of the transportation safety programs of various agencies.

Mr. Chairman, in discussions with the National Transportation Safety Board people, they indicated that they need this money to investigate the midair collisions we have been having. They went to OMB to get the money, and they were turned down. The committee did give them some additional funding, but not as much as they needed to investigate these accidents.

Mr. Chairman, I would make a couple of points. We just about lost a thousand people over the Atlantic Ocean last week due to a midair collision. Reports of midair collisions are increasing all the time in this country. This board, the NTSB, has been the real lever on the FAA to make sure they are doing their job. I want to repeat that. The NTSB has been the real lever on the FAA to make sure that air safety is as high a priority in this country as it should be, and the additional $1.3 million that I am talking about-and quite candidly, it is an increase in spending—that money that has been requested by the NTSB just could save 200 lives, 500 lives, or a thousand lives in terms of telling the FAA what to do.

Recently the NTSB has been the one which has gotten the FAA to slow down the flow control system in this country to try to prevent airline accidents around America. So I truly believe that this amendment will save lives. The public wants it. It is a responsible amount of money to spend. The NTSB has asked for this money to spend to investigate midair collisions and to try to prevent a catastrophe from happening in the skies.

So, Mr. Chairman, I would urge my colleagues to support this modest increase in order to preserve and protect the flyng public in this country and to increase air safety in America.

Mr. LEHMAN of Florida. Mr. Chairman, I rise in opposition to the amendment.

The effect of this amendment would be to exceed the expected or tentative budget resolution allocation. It is not a lot of money, but it does exceed the allocation limitations.

We are right at the ceiling, and I expressed a commitment before and to the full committee that the subcommittee would live within these ceilings that will be allocated to us.

We have already added 14 positions over the budget. And there is an additional amount provided for NTSB in case they have more accidents to investigate, amounting to half a million dollars in a contingency fund which can be used for emergency situations.

Mr. Chairman, I think NTSB is adequately funded at this time, and I would have to oppose the amendment and ask my colleagues also to oppose the amendment.

Mr. MOLINARI. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, this amendment is an extremely important amendment. I think perhaps it is one of the most important to be offered today.

We are not talking about big money. We are talking about a little over a million dollars.

The issue of the National Transportation Safety Board and its ability to do the job is something that has been articulated by the gentleman from Kansas. The simple fact is that they do not have the money today to investigate most near midair collisions. They investigate near midair collisions on the basis of discretion.

The gentleman from Kansas pointed out what happened in the past few days. We are going to hear tomorrow or the day after the tapes of that incident. The Air Force pilot tapes will be released tomorrow or the day after, and they are going to hear two pilots, one from Continental and the other from Delta, talk about not filing a near midair collision that almost took a lot of lives. And it is not the only one. And under FAA's new reporting system—and this is important—even though the passengers had taken pictures of what had happened and even though the Air Force pilot saw what had happened, this would not have been reported if neither pilot of the offending planes took the action to report that incident.

Now, let us talk a moment about figures. I ask the Members to listen to these figures. They are very, very recent. For the first 6 months of last year we had 390 near midair collisions. Of those 390, 155 involved air carriers. For the first 6 months of this year, there were 501, and of that amount 213 involved air carriers. There has been a 22-percent increase in the last 6 months over the year before and a 27-percent increase in those involving air traffic carriers.

We are reaching a point where our luck is going to run out. Those figures are dramatic. They do mean something. They are the same figures FAA was quoting back in 1984 to justify the fact that the system was allegedly safe when they thought these figures were going down.

This is a very modest sum. It is critically needed, and I agree with the gentleman from Kansas that it is not going to solve all the problems, but I believe it is a solid, substantive step for air traffic safety, and it could well result in the saving of many lives.

Mr. Chairman, I beg of the Members to pass this amendment on a voice vote, and I think that next year we will not regret that move.

Mrs. COLLINS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think it is critically important that we pass this particular amendment. As the chairman of the Government Activities and transportation Subcommittee, which has held a large number of hearings on FAA and safety, we have done report after report and have had all kinds of hearings indicating how vitally important it is to have the kind of assistance we have for the National Transportation Safety Board. We have had figures quoted to us just now and also by the gentleman from Kansas about the number of near misses we have had. There has been a tremendous increase in the number of near misses that we have seen. But those are only the recorded near misses. All we need to do is talk to people who are pilots and flight engineers and people who are frequent flyers and we will find that there are even more than have been indicated today. Those are only the ones that appear on the record.

The National Transportation Safety Board is not asking for much. They are only asking us to make sure that the flying public is safe. It seems to me that we cannot measure the element of safety by a few million dollars. Sure, money is important, but I happen to believe that human life is more important than mere dollars.

Mr. Chairman, I hope that we will support this amendment. It is a good amendment. It is a needed amendment. We all should be proud to support this amendment.

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the subcommittee chairman has indicated that this amount for the National Transportation Safety Board in the bill is already $1.8 million above last year, and it is $480,000 above the budget. It has everything in here that is necessary.

Mr. Chairman, I am for the subcommittee at this late hour of the night. When things get frayed here, I suggest that the Members stick with the committee that has fought this thing through.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. GLICKMAN].

The amendment was agreed to.

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The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

INTERSTATE COMMERCE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Interstate Commerce Commission, including services as authorized by 5 U.S.C. 3109, and not to exceed $1,500 for official reception and representation expenses, $46,625,000: *Provided,* That joint board members and cooperating State commissioners may use Government transportation requests when traveling in connection with their official duties as such.

PAYMENTS FOR DIRECTED RAIL SERVICE

(LIMITATION ON OBLIGATIONS)

None of the funds provided in this Act shall be available for the execution of programs the obligations for which can reasonably be expected to exceed $500,000 for directed rail service authorized under 49 U.S.C. 11125 or any other Act.

PANAMA CANAL COMMISSION

OPERATING EXPENSES

For operating expenses necessary for the Panama Canal Commission, including hire of passenger motor vehicles and aircraft; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); not to exceed $10,000 for official reception and representation expenses of the Board; operation of guide services; residence for the Administrator, disbursements by the Administrator for employee and community projects; not to exceed $4,000 for official reception and representation expenses of the Secretary; not to exceed $25,000 for official reception and representation expenses of the Administrator; and to employ services as authorized by law (5 U.S.C. 3109); $422,950,000, to be derived from the Panama Canal Commission Fund: *Provided,* That there may be credited to this appropriation funds received from the Panama Canal Commission's capital outlay account for expenses incurred for supplies and services provided for capital projects.

CAPITAL OUTLAY

For acquisition, construction, replacement, and improvement of facilities, structures, and equipment required by the Panama Canal Commission, including the purchase of not to exceed 42 passenger motor vehicles for replacement only (including large heavy-duty vehicles used to transport Commission personnel across the Isthmus of Panama, the purchase price of which shall not exceed $14,000 per vehicle); and to employ services authorized by law (5 U.S.C. 3109); $33,250,000, to be derived from the Panama Canal Commission Fund and to remain available until expended.

DEPARTMENT OF THE TREASURY

REBATE OF SAINT LAWRENCE SEAWAY TOLLS

(HARBOR MAINTENANCE TRUST FUND)

For rebate of the Unite States' portion of tolls paid for use of the St. Lawrence Seaway, pursuant to Public Law 99-662, $10,700,000, to remain available until expended and to be derived from the Harbor Maintenance Trust Fund, of which not to exceed $300,000 shall be available for expenses of administering the rebates.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

INTEREST PAYMENTS

For necessary expenses for interest payments to remain available until expended, $51,663,569: *Provided,* That these funds shall be disbursed pursuant to terms and conditions established by Public Law 96-184 and the Initial Bond Repayment Participation Agreement.

TITLE III—GENERAL PROVISIONS

SEC. 301. During the current fiscal year applicable appropriations to the Department of Transportation shall be available for maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; purchase of liability insurance for motor vehicles operating in foreign countries on official department business; and uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902).

SEC. 302. Funds appropriated for the Panama Canal Commission may be apportioned notwithstanding section 3679 of the Revised Statutes, as amended (31 U.S.C. 1341), to the extent necessary to permit payment of such pay increases for officers or employees as may be authorized by administrative action pursuant to law that are not in excess of statutory increases granted for the same period in corresponding rates of compensation for other employees of the Government in comparable positions.

SEC. 303. Funds appropriated under this Act for expenditures by the Federal Aviation Administration shall be available (1) except as otherwise authorized by the Act of September 30, 1950 (20 U.S.C. 236-244), for expenses of primary and secondary schooling for dependents of Federal Aviation Administration personnel stationed outside the continental United States at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and (2) for transportation of said dependents between schools serving the area that they attend and their places of residence when the Secretary, under such regulations as may be prescribed, determines that such schools are not accessible by public means of transporation on a regular basis.

SEC. 304 Appropriations contained in this Act for the Department of Transportation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS-18.

SEC. 305. None of the funds appropriated in this Act for the Panama Canal Commission may be expended unless in conformance with the Panama Canal Treaties of 1977 and any law implementing those treaties.

SEC. 306. None of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this Act.

SEC. 307. None of the funds appropriated in this Act shall remain available for obligation beyond the current fiscal year nor may any be transferred to other appropriations unless expressly so provided herein.

SEC. 308. None of the funds in this or any previous or subsequent Act shall be available for the planning or implementation of any change in the current Federal status of the Transportation System Center; and none of the funds in this Act shall be available for the implementation of any change in the current Federal status of the Turner-Fairbank Highway Research Center.

SEC. 309. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title, 5, United

States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

SEC. 310. (a) For fiscal year 1988 the Secretary of Transportation shall distribute the obligation limitation for Federal-aid highways by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways and highway safety construction that are apportioned or allocated to each State for such fiscal year bear to the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction that are apportioned or allocated to all the States for such fiscal year.

(b) During the period October 1 through December 31, 1987, no State shall obligate more than 35 per centum of the amount distributed to such State under subsection (a), and the total of all State obligations during such period shall not exceed 25 per centum of the total amount distributed to all States under such subsection.

(c) Notwithstanding subsections (a) and (b), the Secretary shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways and highway safety construction that have been apportioned to a State, except in those instances in which a State indicated its intention to lapse sums apportioned under section 104(5)(A) of title 23, United States Code;

(2) after August 1, 1988, revise a distribution of the funds made available under subsection (a) if a State will not obligate the amount distributed during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year giving priority to those States having large unobligated balances of funds apportioned under section 104 of title 23, United States Code, and giving priority to those States which, because of statutory changes made by the Surface Transportation Assistance Act of 1982 and the Federal-Aid Highway Act of 1981, have experienced substantial proportional reductions in their apportionments and allocations; and

(3) not distribute amounts authorized for administrative expenses, the Federal lands highway program, the strategic highway research program and amounts made available under sections 149(d), 158, 159, 164, 165, and 167 of Public Law 100-17.

(d) The limitation on obligations for Federal-aid highways and highway safety construction programs for fiscal year 1988 shall not apply to obligations for emergency relief under section 125 of title 23, United States Code, obligations under section 157 of title 23, United States Code, projects covered under section 147 of the Surface Transportation Assistance Act of 1978, section 9 of the Federal-Aid Highway Act of 1981, subsections 131 (b) and (j) of Public Law 97-424, section 118 of the National Visitors Center Facilities Act of 1968, section 320 of title 23, United States Code, projects authorized by Public Law 99-500 and Public Law 99-591, or projects covered under subsections 149 (b) and (c) of Public Law 100-17.

(e) Subject to paragraph (c)(2) of this General Provision, a State which after August 1 and on or before September 30 of fiscal year 1988 obligates the amount distributed to such State in that fiscal year under paragraphs (a) and (c) of this General Provision may obligate for Federal-aid highways and highway safety construction on or before September 30, 1988, an additional amount not to exceed 5 percent of the aggregate amount of funds apportioned or allocated to such State—

(1) under sections 104, 130, 144, and 152 of title 23, United States Code, and

(2) for highway assistance projects under section 104(e)(4) of such title,

which are not obligated on the date such State completes obligation of the amount so distributed;

(f) During the period August 2 through September 30, 1988, the aggregate amount which may be obligated by all States pursuant to paragraph (e) shall not exceed 2.5 percent of the aggregate amount of funds apportioned or allocated to all States—

(1) under sections 104, 130, 144, and 152 of title 23, United States Code, and

(2) for highway assistance projects under section 104(e)(4) of such title,

which would not be obligated in fiscal year 1988 if the total amount of the obligation limitation provided for such fiscal year in this Act were utilized; and

(g) Paragraph (e) shall not apply to any State which on or after August 1, 1988, has the amount distributed to such State under paragraph (a) for fiscal year 1988 reduced under paragraph (c)(2).

SEC. 311. None of the funds in this Act shall be available for salaries and expenses of more than one hundred thirty-eight political and Presidential appointees in the Department of Transportation.

SEC. 312. Not to exceed $700,000 of the funds provided in this Act for the Department of Transportation shall be available for the necessary expenses of advisory committees.

SEC. 313. None of the funds in this or any other Act shall be made available for the proposed Woodward light rail line in the Detroit, Michigan, area until a source of operating funds has been approved in accordance with Michigan law: *Provided*, That this limitation shall not apply to alternatives analysis studies under section 21(a)(2) of the Urban Mass Transportation Act of 1964, as amended.

SEC. 314. The limitation on obligations for the Discretionary Grants program of the Urban Mass Transportation Administration shall not apply to any authority under section 21(a)(2) of the Urban Mass Transportation Act of 1964, as amended, previously made available for obligation.

SEC. 315. Notwithstanding any other provision of law, none of the funds in this Act shall be available for the construction of, or any other costs related to, the Central Automated Transit System (Downtown People Mover) in Detroit, Michigan.

SEC. 316. None of the funds in this Act shall be used to implement section 404 of title 23, United States Code.

SEC. 317. (a) SAFETY ENFORCEMENT PROGRAM PERFORMANCE.—The Secretary of Transportation shall on or before January 1 of each year transmit to the Congress a comprehensive report on the Federal Aviation Administration's prior fiscal year safety enforcement activities. The report shall include:

(1) a comparison of end-of-year staffing levels by inspector category (operations, maintenance, avionics) to staffing goals and a statement as to how staffing standards were applied to make allocations between air carrier and general aviation operations, maintenance and avionics inspectors;

(2) schedules showing the range of inspector experience by various inspector work force categories, and the number of inspectors in each of the categories who are considered fully qualified;

(3) schedules showing the number and percentage of inspectors who have received mandatory training by individual course, and the number of inspectors, by work force categories, who have received all mandatory training;

(4) a description of the criteria used to set annual work programs, an explanation of how these criteria differ from criteria used in the prior fiscal year and how the annual work programs ensure compliance with appropriate Federal regulations and safe operating practices;

(5) a comparison of actual inspections performed during the fiscal year to the annual work programs disaggregated to the field locations and, for any field location completing less than 80 percent of its planned number of inspections, an explanation as to why annual work program plans were not met;

(6) a statement of the adequacy of Federal Aviation Administration internal management controls available to ensure that field managers are complying with Federal Aviation Administration policies and procedures including those regarding inspector priorities, district office coordination, minimum inspection standards, and inspection follow-up;

(7) the status of the Federal Aviation Administration's efforts to update inspector guidance documents and Federal regulations to include technological, management, and structural changes taking place within the aviation industry, including a listing of the backlog of all proposed regulatory changes;

(8) a list of the specific operational measures of effectiveness—"best proxies" standing between the ultimate goal of accident prevention and ongoing program activities—that are being used to evaluate progress in meeting program objectives, the quality of program delivery, and the nature of emerging safety problems;

(9) a schedule showing the number of civil penalty cases closed during the two prior fiscal years, including total initial assessments, total final assessments, total dollar amount collected, range of dollar amount collected, average case processing time, and range of case processing time;

(10) a schedule showing the number of enforcement actions taken, excluding civil penalties, during the two prior fiscal years, including total number of violations cited, and the number of cited violation cases closed by certificate suspension, certification revocations, warnings, and no action taken; and

(11) schedules showing the aviation industry's safety record during the fiscal year for air carriers and general aviation, including the number of inspections performed where deficiencies were identified compared with inspections where no deficiences were found and the frequency of safety deficiencies per carrier as well as an analysis based on the data of the general status of air carrier and general aviation compliance with Federal Aviation Regulations.

(b) LONG-RANGE NATIONAL TRANSPORTATION STRATEGIC PLANNING STUDY.—The Department of Transportation shall undertake a long-range, multi-modal national transportation strategic planning study. This study shall forecast long-term needs and costs for developing and maintaining facilities and services to achieve a desired national transportation program for moving people and goods in the year 2015. The study shall include detailed analyses of tranportation needs within six to nine metropolitan areas that have diverse population, development, and demographic patterns, including at least one interstate metropolitan area. This study shall be submitted to Congress on or before October 1, 1989.

Sec. 318. Within seven calendar days of the obligation date, the Urban Mass Transportation Administration shall publish in the Federal Register an announcement of each grant obligated pursuant to sections 3 and 9 of the Urban Mass Transportation Act of 1964, as amended, including the grant number, the grant amount, and the transit property receiving each grant.

Sec. 319. None of the funds appropriated in this Act may be used to prescribe, implement, or enforce a national policy specifying that only a single type of visual glideslope indicator can be funded under the facilities and equipment account or through the airport improvement program. *Provided*, That this prohibition shall not apply in the case of airports that are certified under part 139 of the Federal Aviation Regulations.

Sec. 320. (a) The Federal Aviation Administration shall satisfy the following air traffic controller work force staffing requirements by September 30, 1988:

(1) total air traffic controller work force level of not less than 15,900;

(2) total operational air traffic controller level of not less than 12,250;

(3) total full performance level air traffic controllers of not less than 10,350; and

(4) at least 70 percent of the air traffic controller work force, excluding common screen students, at each center and level 3 and above terminal shall have achieved operational controller status;

(b) The Secretary may waive any requirement of this section by certifying that such requirement would adversely affect aviation safety: *Provided*, That such a waiver shall become effective 30 days after the Committees on Appropriations of the Senate and the House of Representatives are notified in writing of the Secretary's intention to waive and reasons for waiving such requirement.

Sec. 321. Notwithstanding any other provision of law, funds appropriated in this or any other Act intended for studies, reports, or research, and related costs thereof including necessary capital expenses, are available for such purposes to be conducted through contracts or financial assistance agreements with the educational institutions that are specified in such Acts or in any report accompanying such Acts.

Sec. 322. The Secretary of Transportation shall permit the obligation of not to exceed $4,000,000, apportioned under title 23, United States Code, section 104(b)(5)(B) for the State of Florida for operating expenses of the Tri-County Commuter Rail Project in the area of Dade, Broward, and Palm Beach Counties, Florida during each year that Interstate 95 is under reconstruction in such area.

Sec. 323. None of the funds provided by this Act for any appropriation shall be available for rental payments to the General Services Administration which exceed such rental payments made during the fiscal year ending September 30, 1987, by more than 4 percent.

Sec. 324. Notwithstanding any other provision of law, section 144(g)(2) of title 23, United States Code, shall not apply to the Southside Bridge in Charleston, West Virginia.

Sec. 325. The portion of Oklahoma State Route 99 between the United States Highway 377 and Interstate Route I-44 which portion is on the Federal-aid primary system shall hereafter be designated as "United States Highway 377". Any reference in a law, map, regulation, document, record or other paper of the United States to such highway shall be held to be a reference to "United States Highway 377".

Sec. 326. Within 12 months of enactment, the Federal Aviation Administration shall adopt regulations requiring the installation and carriage of operating automatic altitude reporting equipment for all aircraft operating in terminal air-space where air traffic control radar service is provided, and in all controlled airspace above a minimum altitude to be determined by the Federal Aviation Administration. This regulation shall be effective on the earliest feasible date.

Sec. 327. None of the funds appropriated or made available by this Act or any other Act shall be made available to the New York Metropolitan Transportation Authority unless, within 30 days after the date of enactment of this Act, such authority prohibits all smoking on the Long Island Railroad.

Mr. LEHMAN of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title III down through and including line 16 on page 51 of the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CHANDLER. Are there any points of order?

AMENDMENT OFFERED BY MR. PENNY

Mr. PENNY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Penny: Page 51, after line 16, insert the following new section:

Sec. 328. Each of the amounts appropriated by this Act not required to be appropriated by law shall be reduced by 3.3 percent.

Mr. PENNY. Mr. Chairman, on each appropriation bill that has been brought to the floor so far there have been a variety of line item amendments to reduce spending. Most of those amendments have been rejected. One exception to that rule occurred during the consideration of the legislative appropriation bill where two of the three line item amendments were accepted by this House, and because of that no across-the-board cut was offered to the legislative appropriation bill.

In all other instances, on Commerce, Justice and State Departments, on Energy and Water, on Interior, we have offered at the tail end of the bill an across-the-board cut to reduce by one-half the rate of increase in spending in that particular appropriation bill. Again, that has been offered because line item appropriation cuts have not been adopted to those measures by this House.

The strategy again, for those who need to be reminded, is to reduce the rate of increase in each spending bill by 50 percent, still allowing half of the Appropriation Committee's recommended increase for those budget items so that overall we could cut back spending by $7 billion.

Most of us are still familiar with the details of the budget resolution which called for $19 billion in tax increases and $17 billion in what was called spending reductions. But $7 billion of those so-called spending reductions were attributable to REA loan refinancing, which is really a one-time income for the Government and it was used to mask higher spending levels to the tune of $7 billion, which will then be built into our spending base line.

So we are offering these amendments to cut the rate of increase by one-half on each appropriation bill to save that extra $7 billion in spending, and to better meet and honestly meet our budget target of at least $17 billion in spending cuts.

This Transportation appropriation bill appropriates for fiscal year 1988 $11.1 billion. That represents a $722 million increase over fiscal year 1987. In other words, a 7-percent increase.

Most of that growth is attributable to a huge increase for the Federal Aviation Administration, which admittedly is a high priority item. That part of the budget would increase from $3.8 billion in fiscal year 1987 to $4.6 billion in fiscal year 1988.

Our amendment would simply cut the 7-percent increase in this bill back to 3.3 percent. It would be an across-the-board cut affecting all items within this measure.

For example, in those areas like the FAA that are considered to be high priority the amendment would only reduce the rate of increase, still allowing for growth in the FAA budget.

Let me conclude my remarks in support of this amendment by drawing to the Members' attention an article that appeared in the Saturday edition of the Washington Post. The headline in that article is: "Reagan orders new cuts as '88 deficit rises." It begins: "President Reagan has ordered Federal departments to come up with another $10 billion to $15 billion in budget cuts to offset rising estimates in the next year's deficit." It goes on to point out that at the same time the "House Budget Committee chairman, William Gray, released a new analysis of the fiscal 1988 budget deficit that predicts an $11 billion increase in the deficit over what was projected earlier this year."

In other words, we are now at least $11 billion farther behind, and all we are asking in these amendments is to make some progress toward making up that difference.

If adopted, this amendment would cut the rate of increase from 7 percent to 3.3 percent and would save us $361 million in this particular budget category. I urge its adoption.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. PENNY. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, as I understand it, the contemplation of the gentleman's amendment is that it is affecting each and every program in the Transportation bill, irrespective of whether or not that program has had an increase or has been frozen or, in fact, had a decrease.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. PENNY] has expired.

(On request of Mr. HOYER and by unanimous consent, Mr. PENNY was allowed to proceed for 20 additional seconds.)

Mr. PENNY. The amendment would be across the board, it would affect every item within the bill, every program within the bill. So those areas that have received increases would get a lesser increase; those areas that the gentleman's committee has chosen to reduce would be reduced slightly more, so the committee's priorities would be retained.

Mr. LEHMAN of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as I said before, the bill is essentially within our subcommittee's discretionary 302(b) allocation. We have a responsible and well balanced bill.

The bill is somewhat above the 1987 amount, as the gentleman has indicated. But this increase is almost entirely related to the FAA. We are recommending an increase over fiscal year 1987 of $820 million for the FAA.

The rest of the bill is $100 million less than the 1987 appropriations. Therefore, if we exclude the funding for FAA or exclude the increase for FAA, the bill is actually below the 1987 level.

A 3.3-percent reduction sounds like a relatively insignificant sum, but I just want Members to know how this impacts on three particular programs, because two-thirds of the money the gentleman is talking about is in the FAA and the Coast Guard.

The amendment would make about a $107 million cut in FAA operations. This is money that we need to run the FAA air traffic control system, and a cut of that size will virtually eliminate the committee increase for additional air traffic controllers, flight service specialists and maintenance technicians.

Mr. PENNY. Mr. Chairman, will the gentleman yield on that point?

Mr. LEHMAN of Florida. I yield to my friend, the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, when you describe a $107 million cut, that is a cut from the committee's recommendation which allows for a roughly $800 million increase in that part of the budget.

Mr. LEHMAN of Florida. The gentleman is correct.

Mr. PENNY. So we would still leave that part of the budget with somewhere close to $700 million in additional money next year as compared to this year?

Mr. LEHAM of Florida. The gentleman is correct. But I want Members to realize that we are rebuilding our air traffic control system. The amount of air traffic has escalated significantly in recent years. If Members enjoy sitting for 2 hours on a taxi strip, if they vote for this amendment they can love sitting for 4 hours, because that is what it will do, because we will not have the money to properly operate the air traffic control system.

This amendment would also require about a $75 million cut in the Coast Guard needed for search and rescue, marine safety and drug interdiction. If my colleagues do not like the way we interdict drugs now, they are certainly not going to like the way we interdict drugs when we cut another $75 million.

This amendment will also require about a $70 million cut in mass transit. These grants are for public transportation. We just voted down cuts in those funds just a short time ago.

These are but a few of the programs that will be hurt by this amendment. Mr. Chairman, this bill is basically within our expenses of the 302(b) budget authority and outlays. The major increase over fiscal 1987, I repeat, is in the FAA. Lord knows we need it there. I believe this increase is essential if we are going to avoid increasing the number of and the length of air traffic delays.

I urge a no vote on the amendment.

Mr. SABO. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN of Florida. I yield to my friend, the gentleman from Minnesota.

Mr. SABO. Mr. Chairman, did I understand correctly if we take this appropriation bill and subtract from it the Federal Aviation Administration, the balance of the appropriation is less than it was in 1987?

Mr. LEHMAN of Florida. The gentleman is correct. To the best of our calculations, if we take out the FAA we are $100 million under the previous year's level.

Mr. SABO. So the balance of the bill is approximately $100 million less than last year's, and the increase in the bill comes almost exclusively from an increase in funding for the Federal Aviation Administration, where throughout the day and evening we have heard regularly from members of the authorizing committee that they would have preferred that we would have been able to do more for the FAA rather than less.

Mr. LEHMAN of Florida. The gentleman is correct.

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN of Florida. I yield to my friend, the gentleman from Oregon.

Mr. AuCOIN. Mr. Chairman, I appreciate the gentleman yielding. I hope Members have paid attention to the colloquy between my friend from Minnesota [Mr. SABO] and the chairman of the Transportation Appropriations Subcommittee, the gentleman from Florida [Mr. LEHMAN]. What they have just told the membership is a very important fact.

The CHAIRMAN. The time of the gentleman from Florida [Mr. LEHMAN] has expired.

(On request of Mr. AuCOIN and by unanimous consent, Mr. LEHMAN of Florida was allowed to proceed for 1 additional minute.)

Mr. AuCOIN. If the gentleman will continue to yield, what my colleagues were just told is that if it were not for the increase in the funding this year that the committee has written into this bill for the FAA, this bill would be under last year's funding level. I want to make sure that no Member is confused as to what has just been stated. We are not talking about the entire FAA budget. We are talking about the increase. This committee, responding to very real needs identified by the National Transportation Safety Board, has identified in response to that real need for air traffic safety, and the committee has voted an increase for the FAA for air controllers. Were it not for that increase, this bill would be under last year's spending level.

There are times to freeze budgets, there are times to cut budgets, but I want to say to my friends there are times to increase certain functions of Government. If anyone thinks it is not appropriate to increase funding for air safety and air traffic safety, I say they are sadly mistaken.

Mr. DeLAY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will not take the 5 minutes. I do want to point out, as the chairman so eloquently has, and especially to my conservatives, I voted for some of these freezes. But this is not a freeze, and an amendment to an amendment is going to follow this that will exempt the FAA.

The increase in funding for the FAA was requested by our administration. If we take that out with the amendment to the amendment that will be offered, then we are talking about cutting 3 percent below last year's level, because this committee, and I am very proudly associated with this committee, this committee, other than FAA, has cut $100 million below last year's level on all other spending. It has only increased FAA because it was requested by my administration.

So if we take the 3.2-percent cut that the amendment I believe calls for, then we are cutting, not freezing, but cutting below. This is cutting below last year's level.

Mr. LEHMAN of Florida. Mr. Chairman, will the gentleman yield?

Mr. DELAY. I yield to the gentleman from Florida.

Mr. LEHMAN of Florida. Mr. Chairman, the gentleman is correct. At the present time we are talking about an across-the-board cut.

Mr. DELAY. Mr. Chairman, that is correct, and I yield back the balance of my time.

AMENDMENT OFFERED BY MR. CHANDLER TO THE AMENDMENT OFFERED BY MR. PENNY

Mr. CHANDLER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. CHANDLER to the amendment offered by Mr. PENNY: At the end of the amendment offered by the gentleman from Minnesota [Mr. PENNY], insert the following new subsection:

— Subsection — shall not apply to amounts appropriated or made available for the Federal Aviation Administration.

Mr. SHAW. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER. I am glad to yield to the gentleman from Florida.

Mr. SHAW. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I have an amendment at the desk and I ask unanimous consent that it be considered en bloc with the amendment of the gentleman from Washington [Mr. CHANDLER].

The CHAIRMAN. The gentleman cannot add an amendment to another Member's amendment. Only that Member can ask for an amendment en bloc.

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Mr. CHANDLER. Well, Mr. Chairman, in that case I ask unanimous consent that the two amendments, the one by me and the one by the gentleman from Florida [Mr. SHAW], which would exempt the Coast Guard from the across-the-board cuts, be considered.

The CHAIRMAN. Is the gentleman from Washington offering a second amendment?

Mr. CHANDLER. On behalf of the gentleman from Florida [Mr. SHAW], Mr. Chairman, I do that.

The CHAIRMAN. The Clerk will report the second amendment. The gentleman from Washington [Mr. CHANDLER] is offering that amendment. Both of these, the Chair understands, are amendments to the amendment.

PARLIAMENTARY INQUIRY

Mr. LEHMAN of Florida. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LEHMAN of Florida. Mr. Chairman, what amendment is now before the House?

The CHAIRMAN. Only one amendment is before the House. The gentleman has asked unanimous consent that a second amendment be considered en bloc.

We are now going to read the second amendment and then consider taking them up en bloc.

Mr. LEHMAN of Florida. The amendment to the amendment is to be considered en bloc?

The CHAIRMAN. That is correct.

Mr. SABO. Reserving the right to object, Mr. Chairman, what is the current unanimous-consent request?

The CHAIRMAN. The unanimous-consent request is that the second amendment be considered en bloc and as part of the amendment to the amendment.

Mr. SABO. Mr. Chairman, if I might inquire, what is that second amendment?

The CHAIRMAN. The Clerk will read the amendment.

Mr. SABO. Mr. Chairman, I am continuing my reservation of objection.

The CHAIRMAN. The Clerk will report the amendment.

AMENDMENT OFFERED BY MR. CHANDLER TO THE AMENDMENT OFFERED BY MR. PENNY

Mr. CHANDLER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. CHANDLER to the amendment offered by Mr. PENNY: In the matter proposed to be inserted, insert ", other than amounts for the Coast Guard," after "appropriated by law".

Mr. CHANDLER. Mr. Chairman, I will be very brief.

Due to the objection, what we have before us here is an amendment to the amendment, that instead of freezing across the board, including the FAA, the freeze would exclude the FAA. It would be unaffected by the freeze amendment, if my amendment is adopted.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER. I am happy to yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, again I want to ask the question. That, I understand, excludes how much money the $800 million at the 3.3 percent?

Mr. CHANDLER. That is correct.

Mr. HOYER. I understood it was about a $100 million cut, through, according to the gentleman from Minnesota.

Mr. CHANDLER. Well, the difference is about $100 million. This would result in savings of about $214 million from the total $11 billion expenditure.

Mr. HOYER. Am I correct then that the exemption, the $100 million, would not be saved by cutting more deeply the balance of the programs left in the bill?

Mr. CHANDLER. That is correct. We would still have a 3.3-percent cut from all the other affected programs.

Mr. HOYER. Mr. Chairman, I thank the gentleman for yielding.

Mr. CHANDLER. Mr. Chairman, I just simply want to say that I know the FAA is going to be the most sensitive issue that we face out here today. We did not offer any amendments earlier to cut it for the obvious reason that it is not going to win. This is not going to win, either, if we leave the FAA in, so let us exempt it and then try to achieve at least some savings. If we could not do it with these specific amendments which we have been urged to do on the other appropriation bills, then let us do it like we have done with the other appropriation bills and do it with an across-the-board cut. This would result in a savings of $214 million, or 3.3 percent of those still affected programs.

Mr. Chairman, I urge Members to vote for my amendment to the amendment and then the amendment, as amended.

Mr. LEHMAN of Florida. Mr. Chairman, I rise to oppose the amendment to the amendment.

Mr. Chairman, I oppose the amendment of the gentleman from Minnesota [Mr. PENNY] and the amendment to the amendment of the gentleman from Washington [Mr. CHANDLER].

By eliminating the FAA, this amendment simply places a 3.3-percent reduction against the rest of the bill, which is already under the 1987 appropriation. So you are cutting the remainder of the bill that is already under the budget. In addition, you would be cutting the Coast Guard, which we do not want to do unless you want to have more and cheaper drugs; you would be cutting Amtrak, which you have already refused to cut; you would be cutting public transit, which we have already voted not to cut; and you would be cutting highways. You would be revisiting the same cuts that we have refused to approve before.

Mr. Chairman, I urge my colleagues to vote against the amendment to the amendment of the gentleman from Minnesota [Mr. PENNY] and that we go on and try to pass a responsible and reasonable bill.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise in support of the amendment to the amendment.

Mr. Chairman, I rise with all due respect to the committee and to the good work that it has done. I appreciate the fact that you have stayed within your 302(b) allocations and made really some very serious and tough decisions.

The difficulty is that the 302(b) allocations this year are faulty. We said in our budget resolution that we would achieve the $36 billion in deficit reductions. We promised to the American people a $36 billion deficit reduction package that would consist one-half of new revenues, that is taxes, and the other half would be spending reductions; but the half that we gave them, that we entitled spending reductions, is in fact only $7 billion in savings, defense and domestic, and $7 billion in asset sales.

What those of us who are out here proposing these across-the-board cuts are doing is not criticizing the work of the committee members, which we see to be diligent, to be dedicated and to be rigorous; but we are saying that the 302(b) allocations do not reflect the promise that we, this House, made to the American public, that we would propose a $36 billion deficit reduction package that would be balanced and equitable, $18 billion in revenues and $18 billion in spending cuts.

We are saying as we stand here budget after budget and we are calling upon our colleagues to recognize that meeting that goal, that making good on that promise, is a matter of small sacrifices, a matter of small efforts.

I would remind you that even with the FAA excluded here as we cut across the board, we are looking at budget increases of 14.9 and 10.7 and 7.7 and 5.8 percent, some of them in small agencies like the Architectural and Transportation Barriers Compliance Board. I do not doubt that that Board could use a 5.8-percent increase in spending, but I do say that we cannot afford it in today's world with a $200 billion deficit.

I also say, Mr. Chairman, that we owe it to the American people to make good on the promise that we have made them of a balanced deficit reduction package that balances revenue increases with spending cuts.

So when we look at this bill, which is a total 7.7-percent increase, we are asking you to modestly reduce that increase, recognizing the crisis that we face in air traffic management and to move forward with increasing spending about $500 million, rather than $722 million.

It is a modest amendment. It is an amendment that if we are going to make our overall approach an honest and rigorous one, I urge you to support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. CHANDLER] to the amendment offered by the gentleman from Minnesota [Mr. PENNY].

The amendment to the amendment was rejected.

AMENDMENT OFFERED BY MR. SHAW TO THE AMENDMENT OFFERED BY MR. PENNY

Mr. SHAW. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. SHAW to the amendment offered by Mr. PENNY: In the matter proposed to be inserted, insert ", other than amounts for the Coast Guard," after "appropriated by law".

Mr. SHAW. Mr. Chairman, my amendment to the Penny amendment is very simple. It exempts the Coast Guard from any across-the-board cuts in its programs. If I understand correctly, the Penny amendment does not include cuts in entitlement programs or those that are required to be funded by law.

However, all of the programs under the Coast Guard are considered under new budget authority and, therefore, would be subject to the cuts. The total appropriations for the Coast Guard for fiscal year 1988 is $2.7 billion. A 3.3 percent cut would be a cut approximately $89 million.

Mr. Chairman, we have heard from several of our colleagues today about the importance of the Coast Guard's functions and a $89 million cut would certainly be substantial.

By reducing Coast Guard's funding, we would be hampering their ability to maintain a high degree of effectiveness in its most important missions of search and rescue, marine safety and law enforcement. Those of you who represent coastal areas, recognize the importance of the Coast Guards' search and rescue missions for the safety of recreational and commercial boaters. But in my south Florida district, I also realize how vitally important the Coast Guard is to our Nation's "war on drugs."

One of the Coast Guard's principal law enforcemet activities is the tactical interdiction of drugs at our Nation's borders. Under the Anti-Drug Abuse Act of 1986, which most of you tonight voted for, the Coast Guard was given many additional responsibilities in the coordination of an intensified program for drug interdiction and enforcement. In 1986 alone, the Coast Guard seized 1.5 million pounds of marijuana and 10,000 pounds of cocaine. Unfortunately, statistics show that despite these large seizures, more drugs than ever are being smuggled across our borders because of increased trafficking in south Florida and other coastal areas of our Nation.

The Coast Guard has been working tirelessly with the other Federal agencies involved in drug interdiction to improve and coordinate our continuing "war on drugs." By passing the Omnibus Drug Act of 1986, we reaffirmed our continuing commitment to this war—we will not be successful if we do not support those, like the Coast Guard, who are on the battlefront every day.

I would like to urge my colleagues to support the Shaw amendment to the Penny amendment to exempt the Coast Guard from this across-the-board cut to DOT programs.

This is a vital program to our success. It has been operating on a shoestring for years. We cannot afford to cut this vital program. The Coast Guard funding must be maintained at its present level.

Mr. LEHMAN of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as the saying goes, "All God's children got shoes."

Well, to me all the agencies in our appropriation bill need shoes. I do not think that we should exempt any one agency, because I think that the money that goes to the Coast Guard is very important. The money that goes to the FAA is just as important. The money that goes to transit to carry handicapped people is just as important. The money that goes to Amtrak is just as important. Even the money that goes to the Secretary's office is important.

Therefore, in my opinion, the amendment of the gentleman from Minnesota is bad medicine, but if it is going to be bad medicine, let all the children take a dose of the bad medicine in an equal way.

Mr. Chairman, I oppose the amendment to the amendment by the gentleman from Florida [Mr. SHAW].

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. SHAW] to the amendment offered by the gentleman from Minnesota [Mr. PENNY].

The question was taken; and on a division (demanded by Mr. SHAW) there were—ayes 20, noes 50.

Mr. SHAW. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the amendment was rejected.

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Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

The amendment that was just defeated is one that a lot of Members have mixed emotions on, but again the offerer of the amendment fails to recognize the hard choices that are facing this House.

The problem is that we are spending money we do not have for all purposes. The gentleman that just offered the amendment to exempt the Coast Guard, I would venture to say, voted against the House-Senate conference budget, because it had taxes in it.

If we are going to have amendments that are going to increase spending or exempt spending, there used to be a term in the House called "pay as you go."

It had a lot of support on my side of the aisle. I am hoping, and I expect it will come back very, very soon, because CBO just reestimated our budget; and our deficit is worse than it was when Penny-Tauke started trying to make this year's budget honest.

We are now worse off, not better off. If we are going to spend more for any purpose, we either are going to have taxes raised to pay for it, have spending cuts, so we do not have to spend it or borrow it.

The rhetoric is getting pretty high on both sides of the aisle on both sides of the question, but next week we are going to have to increase our debt ceiling one more time.

I like what I hear coming from both sides of the aisle, that we are now going to make Gramm-Rudman-Hollings real again, no cheap imitation, but make it real.

The only real cut I have observed since Gramm-Rudman-Hollings started out a year ago is Hollings. That is the only real cut that I really observed the House doing.

Now, the bottom line is, if we cannot cut 3.3 percent out of the Coast Guard, out of the FAA with an $800 million increase, how many times have we said we cannot throw money at a problem and solve it, depending on the issue, whether it is defense or social problems?

How many times have we said we cannot throw money, but yet here we are throwing money, because we have a problem. Do we really believe the FAA can efficiently spend $800 million more in 1 year; and that is going to cause a pilot that punched the wrong buttons flying across the Atlantic Ocean that got 60 miles off course, that $800 million will correct that? If so, then worry about cutting FAA's $800 million increase by 3.3 percent.

This is a very simple amendment that we have to vote on now. It is whether or not we cut 3.3 percent out of every program, including those in the wisdom of the committee which we take no quarrel with, should have had increases and just trying to do as we did on Energy and Water, just say that everybody's program takes a little bit of a cut in order that we can begin to make some of the necessary steps toward bringing fiscal responsibility back to our country.

That is the issue. Vote yes on this amendment. Tell everyone in this appropriation bill on the transportation side, do a better job with 3.3 percent less.

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

We have gone through a process here now where we have said that we are not going to cut the FAA, because we believe in aviation safety, and we need the money for aviation safety.

We have gone through the process of saying we are not going to cut the Coast Guard. In fact, we need more money for the Coast Guard, because we are not going to cut down on drug interdiction, marine safety.

Then we have taken practically every other major item in this bill, and we have said that those were at last year's level or below, and we are not going to take them and cut them even further.

We are now down to having reviewed everything individually and said, we are about where we want to be, and now we are going to say we are going to take the old meat ax to everything.

I beg the Members not to do that. We considered this carefully as a body. We considered this carefully in subcommittee, and then this full House has acted on each and every item going down the line.

We have said that this is where we want to be. Let us hold the bill where it is, because it is where this House has indicated its will that it wanted to be.

I urge a vote against the amendment.

Mr. CARPER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

I suspect to the Americans viewing these proceedings on their television sets across the Nation, it may seem strange that we are stuggling so hard over a 3-percent cut in a proposed spending increase. It is not strange to me.

The programs that we are talking about here are important to me, and I know they are important to just about every Member who is gathered in this Chamber.

In my own State of Delaware, a major employer in my State is Amtrak. One thousand people work for Amtrak in my State.

In my State, for every 1 person who flies by commercial aviation, dozens travel by Amtrak. Under this amendment, we are going to take one of my favorite programs and reduce the increase in that favored program from 3.8 percent to almost zero. I do not like doing that. It is not easy.

Another favorite program of mine in this bill is the Coast Guard. I have spent over 18 years in the Navy, and I have a real affinity for the Coast Guard.

I serve on the Subcommitee on Coast Guard and Navigation. I have a great respect for the Coast Guard and the work that they do with modest resources, in search and rescue, in enforcing fishing regulations and in providing drug interdiction.

We are proposing in this amendment to trim back the very modest increase in this bill for the Coast Guard, and I do not like that either.

Finally, with regard to the FAA, I have a wife who travels almost every week by commercial aviation, much as many of the Members travel throughout this country.

I am a naval flight officer. I have flown almost 3,500 hours in Navy aircraft. I am still in the reserves. I flew just last Friday.

I did not want that flight to be my last any more than any of you want your next flight to be your last.

I am not about to support an amendment that cuts spending for the FAA. I am not about to support an amendment that freezes spending for the FAA. I am not about to support an amendment that even provides just a small increase for the FAA. Look closely at what the Penny amendment does. It provides for an 18-percent increase for the FAA next year, 18 percent. It provides for a $700 million increase in the FAA next year, $700 million.

Let me just conclude by saying I know this is not an easy vote for me. When the Members pull out the voting cards, it will be a difficult vote for many of them, as well.

A tougher vote, however, is going to be the vote we have this week or next when we vote on raising the debt ceiling. And, the toughest vote is going to be the one we have in 2 months when we have the opportunity to vote on taxes. If we do not like voting to trim back by this 3 percent, half of the increase in this bill, we will like even less voting on 19 billion dollars' worth of taxes, 19 billion dollars' worth of taxes.

I will not like it, and the Members will not like it. To the extent that we support the Penny-Johnson amendment, we make those upcoming tough votes a great deal easier.

□ 2030

The **CHAIRMAN.** The question is on the amendment offered by the gentleman from Minnesota [Mr. PENNY].

The question was taken and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. PENNY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 189, noes 198, not voting 46, as follows:

[Roll No. 262]

AYES—189

Andrews
Archer
Armey
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bates
Bentley
Bilirakis
Bliley
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Byron
Callahan
Carper
Chandler
Chapman
Clarke
Clinger
Coats
Coble
Coleman (MO)
Combest
Courter
Craig
Crane
Daniel
Dannemeyer
Darden

Daub
Davis (IL)
Derrick
DeWine
Dickinson
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Dreier
Dyson
Eckart
Emerson
English
Fawell
Fields
Fish
Flippo
Frenzel
Gallegly
Gallo
Gekas
Gingrich
Goodling
Gradison
Grandy
Gregg
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harris
Hastert
Hatcher
Hefley
Henry
Herger
Hiler
Hochbrueckner
Holloway
Hopkins
Houghton
Hubbard
Huckaby
Hunter
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Jones (TN)
Jontz
Kasich
Kolbe
Konnyu
Kyl
Lagomarsino
Latta
Leach (IA)
Leath (TX)
Lent
Lewis (FL)
Lightfoot
Lipinski
Lott
Lowry (WA)
Lujan
Lukens, Donald
Lungren
Mack
MacKay
Marlenee
Martin (IL)
Martin (NY)
McCollum
McCurdy
McGrath
McMillan (NC)
Meyers
Miller (WA)
Montgomery
Moody
Moorhead
Morrison (WA)
Murphy
Neal
Nielson
Olin
Oxley
Packard
Pashayan
Patterson
Penny
Petri
Pickett
Porter
Pursell
Ravenel
Rhodes
Ridge
Ritter
Roberts
Robinson
Roth
Roukema
Rowland (CT)
Rowland (GA)
Saiki
Saxton
Schaefer
Schneider
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Skelton
Slattery
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Spratt
Stallings
Stenholm
Stump
Sundquist
Sweeney
Swindall
Tallon
Tauke
Taylor
Thomas (CA)
Thomas (GA)
Upton
Valentine
Vander Jagt
Volkmer
Vucanovich
Walker
Weber
Weldon
Whittaker
Wortley
Yatron
Young (FL)

NOES—198

Akaka
Alexander
Anderson
Anthony
Applegate
Atkins
AuCoin
Bateman
Beilenson
Bennett
Bereuter
Berman
Bevill
Biaggi
Bilbray
Boehlert
Boggs
Boland
Bonior (MI)
Borski
Boucher
Brennan
Brooks
Bruce
Bustamante
Campbell
Cardin
Carr
Chappell
Coelho
Coleman (TX)
Collins
Conte
Coughlin
Coyne
Crockett
Davis (MI)
de la Garza
DeFazio
DeLay
Dellums
Dicks
Dingell
Dixon
Downey
Duncan
Durbin
Dwyer
Dymally
Early
Edwards (CA)
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Florio
Foley
Ford (MI)
Frank
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Grant
Gray (IL)
Green
Guarini
Hammerschmidt
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Horton
Hughes
Hutto
Johnson (SD)
Jones (NC)
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lowery (CA)
Luken, Thomas
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McDade
McHugh
McMillen (MD)
Mfume
Mica
Miller (CA)
Mineta
Moakley
Molinari
Mollohan
Morella
Morrison (CT)
Mrazek
Murtha
Myers
Nagle
Natcher
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (UT)
Panetta
Parris
Pease
Pelosi
Pepper
Perkins
Pickle
Price (IL)
Price (NC)
Quillen
Rahall
Rangel
Regula
Richardson
Rinaldo
Rodino
Rogers
Roybal
Sabo
Savage
Sawyer
Schroeder
Sikorski
Sisisky
Skaggs
Skeen
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Solarz
St Germain
Staggers
Stangeland
Stark
Stokes
Stratton
Studds
Swift
Synar
Torres
Torricelli
Traficant
Traxler
Udall
Vento
Visclosky
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wise
Wolf
Wolpe
Wyden
Yates
Young (AK)

NOT VOTING—46

Ackerman
Annunzio
Aspin
Boner (TN)
Bonker
Bosco
Boxer
Brown (CA)
Bryant
Cheney
Clay
Conyers
Cooper
DioGuardi
Edwards (OK)
Flake
Foglietta
Ford (TN)
Frost
Garcia
Gephardt
Gray (PA)
Gunderson
Howard
Hoyer
Kemp
Livingston
Lloyd
Madigan
McCandless
McEwen
Michel
Miller (OH)
Owens (NY)
Ray
Roe
Roemer
Rose
Rostenkowski
Russo
Scheuer
Schumer
Tauzin
Towns
Wilson
Wylie

☐ 2045

The Clerk announced the following pairs:

On this vote:

Mr. Cheney for, with Mr. Howard against.

Mr. Gunderson for, with Mr. Towns against.

Mr. MARKEY and Mr. LANCASTER changed their votes from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

This Act may be cited as the "Department of Transportation and Related Agencies Appropriations Act, 1988".

AMENDMENT OFFERED BY MRS. JOHNSON OF CONNECTICUT

Mrs. JOHNSON of Connecticut. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. JOHNSON of Connecticut: Page 51, after line 16, insert the following new section:

SEC. . All amounts appropriated or otherwise made available by this Act not required to be appropriated or made available by law, shall be reduced by 2 percent.

Mrs. JOHNSON of Connecticut. Mr. Chairman, this is a very simple amendment. This is an across-the-board amendment cutting this bill by 2 percent.

We will not go through what we did on the last amendment, trying to exempt any agency. This is a flat 2-percent cut across the board, as opposed to the last amendment that was a 3.3-percent cut.

We have in many instances proven ourselves equal to reducing the rate of growth in spending by 2 percent. It is much needed.

As we heard our colleague, the gentleman from Texas [Mr. STENHOLM], say earlier, we are spending money that we do not have for programs that we cannot afford.

The deficit is higher now than it was 2 months ago when we began to consider appropriation bills. If we do not want Gramm-Rudman and its quick fix to go into effect, we should act now.

I understand that the hour is late, but some of us have been sitting on the floor for 4, 5, or 6 hours simply waiting to have the opportunity to propose these amendments because we feel it is so extremely important that we evidence the discipline to reduce the rate of growth in spending in our budget in order to make a reality of the $36 billion in deficit reductions that the Members of this body committed themselves to some months ago. If we do not take the actions that are necessary to achieve that goal, it will not just happen, and the deficit will continue to increase as it has even over the last 2 months.

Mr. GEKAS. Mr. Chairman, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, I support the gentlewoman's amendment 100 percent and wish to add to this that the President of the United States just last week ordered every agency to try to do exactly what she wants us to do here in this basic way; namely, to cut across the board. So what we are doing is being consistent with what the President would like to do so we can avoid other troubles down the line.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. GEKAS] for his comments.

Mr. PENNY. Mr. Chairman, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, the amendment just considered would have cut the rate of growth in this bill in half. Instead of a roughly 7-percent increase, we would have allowed about a 3½-percent increase by cutting 3.3 percent across the board. That amendment came within 8 or 9 votes of being adopted. It would have, if adopted, achieved a saving of $60 million.

The amendment offered by the gentlewoman from Connecticut [Mrs. JOHNSON] would simply say, if we cannot do that, at the very least, let us adopt a 2-percent, across-the-board amendment and save somewhere in the neighborhood of $250 million.

Mr. Chairman, I urge the adoption of the amendment.

Mr. LEHMAN of Florida. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, it is said that "there ain't no free lunch." Let us not talk about dollars for a minute. Let us talk about people.

If we pass this amendment, we will lose about 500 people from FAA, and I ask rhetorically, where are these 500 people going to come from? Are they going to come out of the control towers? Are they going to come out of the inspectors? Are they going to come out of the maintenance people? Wherever they come from, it's going to hurt, and we will be sitting on those runways and those taxiways longer and longer hours.

This is a responsible bill that we have brought to the floor. I hope that we can defeat this amendment. I hope that we do not have to defeat this amendment and then vote on a 1-percent cut.

Mr. Chairman, I say again that this is a responsible bill. I hope this amendment is defeated, not only for the FAA, but for the Coast Guard and for the other items in the bill. Let us think of people as well as dollars.

Mr. HUTTO. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, the hour is late, and I know the Members want to get home, but I do not believe the Members know some of the things that this amendment would do.

Our distinguished subcommittee chairman has pointed out some of the things with the FAA, but let me point out that the Coast Guard is going to be decimated if we delete any more money from it. It is already $300 million below last year's appropriations, and, yes, it is below what the President has recommended. They have already combined some Coast Guard districts to try to get some people out into the operation from administration.

The Coast Guard is really suffering because we have mandated drug interdiction, and I do not think we want to go home and tell people that we voted against the Coast Guard's trying to do a job to interdict drugs.

In addition to that, there is funding here for harbor safety and terrorist activities and coastal defense that we have mandated for the Coast Guard. The gentleman mentioned that this would save part of the growth of this bill, but let me tell the Members that the U.S. Coast Guard has had no real growth in 5 years.

So, Mr. Chairman, I urge the Members to vote no on this amendment and not decimate the Coast Guard.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the House is being treated to a rather unusual Monday night session, which reminds us of the management style of the two previous Speakers based largely on whimsy and not on the amount of business to be done nor on the amount of business actually completed.

Mr. Chairman, in addition to working under procedures about which the House was not notified for a rather unusual session tonight, we are also witnessing the even more depressing spectacle of the House rejecting any and all amendments. This most perfect bill seems to defy any change whatsoever.

And we are seeing Members not only unwilling to meet the budget that they themselves voted for but, in rejecting all these amendments, telling the world that they cannot wait to vote for new taxes on the American people because all this spending is so essential. To meet our budget we will then have not only the taxes that are in the budget, but a little bit more, as well.

Mr. PENNY. Mr. Chairman, will the gentleman yield on that point?

Mr. FRENZEL. I yield to the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, I think this point is crucial to the debate on these reduction amendments. There is some doubt around here whether a tax bill can be passed. There is also some concern that if it is passed, it may be vetoed. That makes it all the more important that we find what we can throughout this appropriation process to cut back, because it may be that the only deficit reduction we achieve this year is those cuts we now make in spending levels.

If I might take the liberty to also respond to the comments previously made about the Coast Guard, in a DSG report which all of us have received it states that the Coast Guard appropriation level for fiscal year 1987 was $2,542,000,000, and for fiscal year 1988, by this Committee report, it would be $2,583,000,000. That is a $40 million increase. It has not been cut.

□ 2100

Mr. FRENZEL. I thank the gentleman for his observation and would observe that all spending in here has been described as essential, but it still amounts to 7 percent more than we spent last year.

If we cannot approve this little love tap, having defeated all of the other attempts to reduce spending in this bill, this House of Representatives, as far as I am concerned, will have again proved itself unwilling to make spending sacrifices. It is only willing to make tax sacrifices for all its constituents.

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to my distinguished friend, the gentleman from Oregon.

Mr. AuCOIN. Mr. Chairman, I appreciate my friend yielding. The gentleman has indicated with some degree of ridicule and sarcasm I think in his voice that this was somehow a perfect bill and could not be touched.

Mr. FRENZEL. With as much as I could muster, I will tell the gentleman.

Mr. AuCOIN. I would ask the gentleman how many times or when was the last time that the gentleman's committee, the Ways and Means Committee, came to the floor with an open rule allowing Members to amend his committee's handicraft?

Mr. FRENZEL. If the gentleman would like to raise taxes, I will be delighted to allow him to do so.

Mr. Chairman, I would conclude by saying that if this procedure is indicative of what the House is going to do for the future, I for one will be interested in providing many amendments so that we can fully debate these bills. That is the very least that is required on the very difficult attempt to try to come up with a responsible budget.

But if this House cannot even vote for a 2 percent cut, than I say to all my colleagues that we have flown the white flag and are unworthy of the jobs that our constituents entrusted to us.

I yield back the balance of my time.

Mr. MINETA. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, as I understand it, this is a 2 percent across-the-board cut. From the perspective of the Federal Aviation Administration's bailiwick, this amounts to above a $90 million cut in terms of operations, facilities and equipment and research and development. When it comes to operations, my colleagues have to realize that since 1981, the 3d of August, when we had the PATCO strike, we have had a 21-percent increase in traffic, and yet at that time we had 16,850 air traffic controllers and today we have roughly about 15,800.

In 1981, we had 82 percent of the air traffic controllers who were full performance level air traffic controllers. Today 64 percent are full performance level air traffic controllers. So if we cut, operations is going to be affected.

Another part that will be affected is that referred to as Facilities and Equipment. On the 3d of June at the Seattle Air Traffic Control Center we just dedicated the brandnew host computer and radar system that will give us productivity increases so that we will be able to handle the air traffic much more efficiently and much more safely than we are under the present system. It is said that the FAA is the largest purchaser of vacuum tubes in the United States. I believe that, and what we are trying to do is to modernize that equipment, and we will be doing it through the NAS, the National Airway System Plan.

The other part of it that is a major increment is that dealing with research and development. One of the major things we are doing under research and development right now is development of the doppler radar technique or technology. This is for adverse weather detection; namely, for wind shear. There are two kinds of weather radar systems that are being developed, the NEXRAD, the next generation radar, as well as the terminal doppler radar and again these are two critical needs that we are facing. I would hope that the Members will not vote for this cut because we cannot afford to have this kind of a $90 million cut, and at the same time have a $5.7 billion unobligated surplus in the aviation trust fund.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. MINETA. I am pleased to yield to my colleague and friend, the gentleman from Iowa.

Mr. TAUKE. Mr. Chairman, I thank the gentleman for his points. The gentleman made excellent points and certainly indicated that money is being spent for a good cause.

The gentleman continually refers to this as a cut. Is it not true that even with the Johnson amendment the FAA would have over a 19-percent increase over last year? That is, if the amendment is approved, those of us voting for the amendment are not voting for a cut in the FAA spending from last year's level or current level, we will be voting for a 19-percent increase in FAA spending?

Mr. MINETA. Not only is there that need in terms of the FAA's increases because of the air traffic control and the fact that the present NAS program, the National Airway Systems Plan is approximately 2 years behind and about $1.6 billion behind in terms of the moneys where we ought to be in terms of the acquisition of the equipment, but I think all of us have also seen the report of the National Transportation Safety Board in terms of the capacity of the airway system. I hope the House will turn down this amendment, and I yield back the balance of my time.

Mr. ARMEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I want to make one point. With the Johnson amendment, this appropriation bill will have a 5.2-percent increase in funding. The gentlewoman from Connecticut reduces from a 7.2-percent increase to a 5.2-percent increase.

The time is now where we must make the decisions to cut. I say vote, vote now, and vote yes.

I yield back the balance of my time.

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, let me just say very briefly there are two big ticket items in this bill. The first is the Coast Guard, in which we have appropriated less than asked for by the President, and this amendment will cut that even further.

The second big ticket item is in the FAA for aviation safety, where we have appropriated less than requested by the President substantially, and this would cut that further.

So on the two big ticket items in this bill we will be going below the President's budget request very substantially.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Connecticut [Mrs. JOHNSON].

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mrs. JOHNSON of Connecticut. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 218, noes 166, not voting 49 as follows:

[Roll No. 263]

AYES—218

Andrews
Archer
Armey
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bates
Bentley
Bereuter
Bilbray
Bilirakis
Bliley
Boehlert
Boulter
Broomfield
Brown (CO)
Bunning
Burton
Byron
Callahan
Campbell
Carper
Chandler
Chapman
Clarke
Clinger
Coats
Coble
Coleman (MO)
Combest
Courter
Craig
Crane
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
Derrick
DeWine
Dickinson
Donnelly
Dorgan (ND)
Dornan (CA)
Dreier
Duncan
Dyson
Eckart
Emerson
English
Erdreich
Fawell
Feighan
Fields
Fish
Flippo
Frenzel
Gallegly
Gallo
Gaydos
Gekas
Gingrich
Goodling
Gordon
Gradison
Grandy
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hefley
Henry
Herger
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hubbard
Huckaby
Hunter
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Jones (TN)
Jontz
Kaptur
Kasich
Kennelly
Kolbe
Kolter
Konnyu
Kyl
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Lott
Lowery (CA)
Lowry (WA)
Lujan
Lukens, Donald
Lungren
Mack
MacKay
Marlenee
Martin (IL)
Martin (NY)
McCollum
McCurdy
McGrath
McMillan (NC)
Meyers
Mica
Miller (WA)
Montgomery
Moody
Moorhead
Morrison (WA)
Murphy
Neal
Nichols
Nielson
Olin
Oxley
Packard
Panetta
Pashayan
Patterson
Penny
Petri
Pickett
Porter
Pursell
Ravenel
Regula
Rhodes
Ridge
Roberts
Robinson
Rogers
Rose
Roth
Roukema
Rowland (CT)
Rowland (GA)
Russo
Saiki
Sawyer
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Spratt
Stallings
Stangeland
Stenholm
Stratton
Stump
Sundquist
Sweeney
Swindall
Tallon
Tauke
Taylor
Thomas (CA)
Thomas (GA)
Upton
Valentine
Vander Jagt
Volkmer
Vucanovich
Walgren
Walker
Weber
Weldon
Whittaker
Wortley
Yatron
Young (FL)

NOES—166

Akaka
Alexander
Anderson
Anthony
Applegate
Atkins
AuCoin
Bateman
Beilenson
Bennett
Berman
Bevill
Biaggi
Boggs
Boland
Bonior (MI)
Borski
Boucher
Brennan
Brooks
Bruce
Bustamante
Cardin
Carr
Chappell
Coelho
Coleman (TX)
Collins
Conte
Coughlin
Coyne
Davis (MI)
de la Garza
DeFazio
DeLay
Dellums
Dicks
Dingell
Dixon
Dowdy
Downey
Durbin
Dwyer
Dymally
Early
Edwards (CA)
Espy
Evans
Fascell
Fazio
Florio
Foley
Ford (MI)
Frank
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Grant
Gray (IL)
Green
Guarini
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hoyer
Hughes
Hutto
Johnson (SD)
Jones (NC)
Kanjorski
Kastenmeier
Kennedy
Kildee
Kleczka
Kostmayer
LaFalce
Lancaster
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Luken, Thomas
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McDade
McHugh
McMillen (MD)
Mfume
Miller (CA)
Mineta
Moakley
Molinari
Mollohan
Morella
Morrison (CT)
Mrazek
Murtha
Myers
Nagle
Natcher
Nelson
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (UT)
Parris
Pease
Pelosi
Pepper
Perkins
Pickle
Price (IL)
Price (NC)
Quillen
Rahall
Rangel
Richardson
Rinaldo
Ritter
Rodino
Roybal
Sabo
Savage
Sikorski
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Solarz
St Germain
Staggers
Stark
Stokes
Studds
Swift
Synar
Torres
Torricelli
Traficant
Traxler
Udall
Visclosky
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wise
Wolf
Wolpe
Wyden
Yates
Young (AK)

NOT VOTING—49

Ackerman
Annunzio
Aspin
Boner (TN)
Bonker
Bosco
Boxer
Brown (CA)
Bryant
Buechner
Cheney
Clay
Conyers
Cooper
Crockett
DioGuardi
Edwards (OK)
Flake
Foglietta
Ford (TN)
Frost
Garcia
Gephardt
Gray (PA)
Gregg
Gunderson
Hawkins
Howard
Kemp
Livingston
Lloyd
Madigan
McCandless
McEwen
Michel
Miller (OH)
Owens (NY)
Ray
Roe
Roemer
Rostenkowski
Scheuer
Schumer
Sharp
Tauzin
Towns
Vento
Wilson
Wylie

☐ 2115

The Clerk announced the following pairs:

On this vote:

Mr. Cheney for, with Mr. Howard against.

Mr. Gunderson for, with Mr. Towns against.

Mr. BOULTER and Mr. LOWERY of California changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. DURBIN

Mr. DURBIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Durbin:

Sec. 2. At the end of the bill, add the following new section:

"Sec. . (a) None of the funds appropriated by this Act to the Secretary of Transportation for airport development under the Airport and Airway Improvement Act of 1982 may be made available for airport development or airport planning at any airport which after the ninetieth day following the date of the enactment of this Act permits any air carrier to provide scheduled air transportation between such airport and any other airport with an aircraft (1) which in providing such transportation is scheduled to be in the air two hours or less, and (2) on which smoking will be permitted while such aircraft is being used to provide such transportation.

"(b) As used in this section—

"(1) the terms 'air carrier' and 'airport' have the meaning such terms have under section 101 of the Federal Aviation Act of 1958; and

"(2) the term 'air transportation' means intrastate air transportation, interstate air transportation, overseas air transportation, and foreign air transportation, as such terms as defined under such section.".

Mr. DURBIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Pursuant to House Resolution 221, the gentleman from Illinois [Mr. Durbin] will be recognized for 30 minutes and a Member opposed to the amendment will be recognized for 30 minutes.

Mr. COUGHLIN. Mr. Chairman, I oppose the amendment.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. Coughlin] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. Durbin].

Mr. DURBIN. Mr. Chairman, first let me say I regret that an issue of this complexity and controversy should come at this late an hour. Many of us interested in this amendment have waited all day. I hope that we can telescope the debate on this issue to a much shorter time period than that specified by the rule for 30 minutes on each side, but there are an abundant number of our colleagues who have asked for the opportunity to speak on this issue.

I will try to be very brief at the outset to summarize what I consider the important aspects of this amendment and the important arguments in favor of the amendment.

Let me say at the outset that the net effect of the Durbin-Young amendment will be to require air carriers across this Nation to ban smoking on air flights of 2 hours or less if they wish to use the facilities of the airports of the United States.

The enforcement mechanism which we have used many times, for instance in the enforcement of speed limits on interstate highways, as well as the drinking age, minimum drinking age in the States across the Nation, says to the airports that if the air carriers using your airport do not have such a smoking regulation in force on their airplanes, your airport does not qualify for Federal funding.

This is universal. It would provide no competitive advantage to any single airline. In fact, every airline across the country would be affected similarly.

Airports are required to treat all carriers the same and in this instance I think we will find uniformity.

Now, what is the reason for it? All of us as the consuming public on airlines know that there are regulations in place which limit the smoking on airlines, but we have found since those regulations were promulgated in 1984, there have been significant breakthroughs and determinations in science that we need not be concerned just with the person smoking, but with something known as passive smoke, environmental tobacco smoke, side stream smoking.

In effect, we are looking to the effect of smoke on the person who is not smoking, the one who is sitting next to the person smoking. What we found as a result of a report by the National Academy of Sciences in 1986 was clear and unequivocal. It spoke to the American people and Members of Congress and said that there is definitely a health hazard involved to the nonsmoker who must sit in the company of someone smoking.

In addition, the National Academy of Sciences came to the conclusion that they would prohibit the use of smoking on all airlines across the country because of this passive smoking hazard. That same year the Surgeon General of the United States reached the same conclusion, passive smoking creates a health hazard.

The American Cancer Society has gone on to say that a nonsmoker exposed to smoking is going to increase the likelihood of that nonsmoker contracting lung cancer or respiratory disease by 13 to 31 percent.

☐ 2130

Let me tell the Members that we have had in our gallery today, and visiting us, many people interested in this issue, but one of the groups particularly interested and represented this evening are the flight attendants.

Think for a minute, those of us who choose the nonsmoking area are somewhat directly removed from the smokers. The flight attendants as a condition of employment must serve everyone on the plane.

One of the flight attendants this afternoon told me that a friend of hers with an asthmatic condition was forced to leave her job because of the exposure to smoke on an airplane. It is not uncommon to find bronchitis and sinus problems among the personnel that serve us on these airplanes.

Their work environment is a hazardous environment because of the health hazards which I have described. The ventilation on today's airplanes was not designed to take care of smoking.

I ride a DC-9 from time to time from Chicago to Washington, a plane which was built 22 years ago, before any regulation was in place in terms of smoking on this aircraft.

We have found as a result of scientific study that there is no way to adequately clear the air in the confined environment of the aircraft cabin, and as a result, we are subjecting everyone in an aircraft, not only the smokers, but everyone, the flight attendants and the nonsmokers, to the possibility of endangering their health.

In addition to those supporting the amendment, Dr. Otis Bowen, the Cabinet Secretary of the Department of Health and Human Services, in a conversation 2 weeks ago, advised me that he supported this approach. He felt that a prohibition was in order.

What it tells everyone is that every scientific agency which we rely upon for health information has told us unequivocally that we should put an end to smoking on aircraft. There is a safety concern beyond a health concern, a fire hazard that is obvious. We can recall in 1983 the Air Canada episode where 23 people lost their lives, and a decision by that airline to suspend smoking on all flights between New York and Canada.

The Members can contact, if they like, flight attendants who can go on and tell them many of the stories, fires put out in lavatories by people who carelessly use cigarettes; and that is where we have smoke detectors today.

Many people ask why the Federal Government or the U.S. Congress should be attempting to regulate this. The first chart I presented demonstrates it graphically. We spend literally billions of dollars each year as a government through our Environmental Protection Agency to clear the air of pollutants which might harm the health of American citizens.

The report of the Surgeon General suggests that environmental tobacco smoke causes more problems of lung cancer and death each year than all of the environmental hazards from air pollution.

If we are genuinely concerned about the effect on the health of American citizens from this type of health hazard, we have to move forward.

If I could move to the next chart here, I also want to demonstrate to the Members that this proposal this evening is not just my creation. Two-thirds of the general public support a ban of smoking on airplanes. Eighty percent of the physicians have recommended against smoking on airlines, and the Members might be surprised to learn that 40 percent of the smokers have suggested that they could live without smoking on airplanes.

Many people raise the questions about the rights of smokers. I would like to conclude my opening statement by saying that the rights of smokers to smoke and where their smoking affects the health, the well-being, and the safety of others.

It is a smoker's responsibility to ensure that they do not expose nonsmokers to potential harmful effects of tobacco smoke.

Mr. Chairman, I reserve the balance of my time.

Mr. COUGHLIN. Mr. Chairman, for the purpose of debate only, I yield 1 minute to the distinguished chairman of the subcommittee, the gentleman from Florida [Mr. LEHMAN].

Mr. LEHMAN of Florida. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in reluctant opposition to the amendment. I support strongly the gentleman's goal of eliminating smoking on airplanes, but both the subcommittee and the full Committee on Appropriations have voted approximately 2 to 1 against this way of accomplishing this goal.

The authorizing legislation is to come before this House this summer, and would certainly be a much more appropriate vehicle, and a straight ban would be a more appropriate method.

I pledge my support in the authorizing process to the gentleman from Illinois [Mr. DURBIN].

I just wanted to make my position clear that, although I support this gentleman in spirit, I do oppose it from the standpoint of jurisdiction.

Mr. COUGHLIN. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky [Mr. NATCHER], a member of the Committee on Appropriations.

Mr. NATCHER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, the distinguished gentleman from Illinois [Mr. DURBIN] who offers this amendment is one of the good members of our committee. The gentleman has been on our committee now for about a year or 2 years.

During the markup of this bill, Mr. Chairman, the gentleman offered the amendment before the subcommittee, and the gentleman was turned down 5 to 3.

As the gentleman from Florida [Mr. LEHMAN], the distinguished chairman of the subcommittee, will tell you, and the gentleman from Pennsylvania [Mr. COUGHLIN], the distinguished minority member, they said to the gentleman from Illinois [Mr. DURBIN], "What is wrong with going to the authorizing committee, the Public Works Committee? Make your case, and then bring your amendment out here."

The subcommittee voted the gentleman down 5 to 3, Mr. Chairman. Then the gentleman brought his bill to the full Committee on Appropriations; and the gentleman from Mississippi [Mr. WHITTEN], my chairman, said to the gentleman, "Regardless of who says it is not legislation on an appropriation bill, it is, and you know it."

Mr. Chairman, it was voted down in the full committee 23 to 11. We have here with the Members tonight the subcommittee chairman of the Committee on Public Works and Transportation, one of the best committees in this House, who will speak on this amendment.

The gentleman from New Jersey [Mr. HOWARD], the chairman of the full committee, is unable to be here tonight. I know how the gentleman feels about it.

When I served on this committee, Mr. Chairman, for just about a month, I was sitting here in the House Chamber when one of the senior members on one of the authorizing committees went to the well and pointed out to the Committee on Appropriations 46 instances where our committee had carried legislative provisions in our bill; and he said, "I do not like it."

We have had a former Member of this House, Mr. Chairman, write a book, House out of order.

This House is not out of order. Regardless of how the Members personally feel about amendments like this, why not take it to the authorizing committee and give the Committee on Public Works and Transportation a chance to say yes or no.

The gentleman from Illinois [Mr. DURBIN] was voted down in the full Committee on Appropriations, 23 to 11.

The gentleman from Florida [Mr. LEHMAN] has worked hard on this bill. The same applies to the gentleman from Pennsylvania [Mr. COUGHLIN], and all of the other subcommittee members. The subcommittee has an excellent staff. They brought out, Mr. Chairman, a bill that we can send to the other body and say to the other body, "It is a good transportation appropriation bill."

I say this to my colleagues, as long as I am a member of the Committee on Appropriations, and chairman of the Subcommittee on Labor, Health and Human Services, and Education, we will not carry these legislative provisions in our bill. The gentleman knows this.

The gentleman from Illinois was turned down twice. We say to the gentleman, "Go to the authorizing committee, go to the proper Committee and ask them to bring out what the gentleman wants in an amendment."

Mr. Chairman, this amendment should be defeated.

Mr. DURBIN. Mr. Chairman, for purposes of debate only, I yield 2 minutes to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Chairman, I believe all the arguments we are going to hear against this excellent amendment are going to be technical in nature, or finding some other way to divert the Members from the issue itself.

For all of our good colleagues who have a viable and strong tobacco industry in their district, we all understand what the Members have to do, whether they smoke or not, even though it is a life-or-death issue.

This is Monday, so I get my statistics from Health and Human Services every Monday. How many people have died of AIDS? We are now pushing 23,000, but 300,000 will die of cigarette smoking this year, and yet that is not the principal focus of this issue.

I know what a lot of Members in this House want to do, buy a condominium, put a condominium on it.

You can do that with cigarettes, too, cut down tar and nicotine; but you will not get any smoke.

This is not the health aspect, why I am taking the well. What I am talking about here is civility and decency, to people who do not want to breathe contaminated air.

The other night on the Red Eye from L.A., a stewardess was talking to me about this provision.

□ 2140

I was complaining about the smoke in the middle section of a DC-10 where I did not even have a jet, an air jet to turn and blow air across my face to get the smoke away. I said, "Where are these jets? Why is the smoking section so close to the middle?" The stewardess said, "The air-conditioning system on the DC-10 for United spreads the smoke evenly around the whole airplane." She said, "But, Congressman, the reason we need your help is because I have to go back and serve people in the smoking section. At the level of walking around and bending down in the smoke, it has come to the point in my life where I have to go into the latrine and vomit because I am become allergic so badly to the smoke."

My youngest daughter could not be a stewardness because she is allergic to smoke.

And I do not know whether it is the aging process, but I am telling my colleagues I have now become allergic to smoke. I smoked a pipe, I smoked a cigar. Please, for decency and civility, vote this up. This is an excellent amendment.

Mr. COUGHLIN. Mr. Chairman, for the purpose of debate only, I yield 2 minutes to the gentleman from North Carolina [Mr. HEFNER], a member of the committee.

Mr. HEFNER. Mr. Chairman, I will not take the full 2 minutes.

Mr. Chairman, there are all kinds of statistics that come out and all kinds of polls and surveys.

But I would just like to read to you; the Airline Pilots Association commissioned a survey on the public's concerns on the deregulation. With regard to the smoking issue, 87 percent to 12 percent feel that the "current practice of separating smoking and nonsmoking passengers is a reasonable policy that respects the rights of each." In the same survey, respondents overwhelmingly agree the most negative aspects are flight delays, crowded conditions, and poor service in general.

The National Transportation Safety Board has investigated 65 United States carrier fire investigations between 1970 and 1984. TriData of Arlington, VA, reviewed those 65 cases and concluded that none were positively determined to be smoking related. TriData's further conclusion is that with current FAA regulations, the chances of fires from smoking are very low.

The last known in-flight fire aboard a commercial airline occurred in June 1983, when an Air Canada flight was forced to make an emergency landing in Cincinnati. The National Transportation Safety Board spent well over a year investigating the incident and smoking was not determined to be the cause.

So you can get all kinds of statistics and all kinds of surveys, but ladies and gentlemen, simply this is not the place. This is legislation clearly on appropriations. This calls for a tremendous administrative headache for the people at the airports.

So I beg you and I beg Mr. DURBIN to go back to the proper committee, have the hearings, have the experts come in and bring us a bill that we can debate on the floor, not legislation on an appropriations bill.

Mr. DURBIN. Mr. Chairman, I yield 2 minutes, for the purposes of debate only, to the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Chairman, I rise in support of the Durbin amendment. To nonsmokers, particularly those who must travel frequently by air, this is an amendment whose time has truly come.

Last year, the Subcommittee on Health and the Environment conducted extensive hearings into the health effects of smoking on nonsmokers. These hearings and reports by the National Academy of Sciences and the U.S. Surgeon General have documented the adverse health effects of tobacco smoke on nonsmokers.

When a nonsmoker breathes the smoke from a smoker's cigarette it's called involuntary smoking. The Surgeon General and the National Academy of Sciences have warned that involuntary smoking can result in a wide and disturbing range of adverse health effects. In adults it can increase the risk of cancer. Children and infants can experience respiratory infection and retarded lung development.

No one has the right to impose smoking on another. But by allowing smoking on commercial aircraft, nonsmokers become involuntary smokers for the duration of the flight.

It is well established that cigarettes present a genuine and predictable risk to the health of smokers. But allowing smoking on airplanes compounds this risk by extending the risk to nonsmokers and increasing the risk of fire.

Scientists and the public have only recently come to the realization that the smoke from a cigarette can injure the nonsmoker. But anyone who has ever flown knows that the division between smoking and nonsmoking sections is a symbolic partition. We all know or have heard stories from our constituents about how unpleasant it is to sit in or close to the smoking section.

Airspace in a plane cabin is shared airspace. We must be respectful of the rights of the flying public to safety and comfort. These rights do not extend to the combustion of tobacco products in a closed airspace.

In fact, the scientific evidence reviewed by the National Academy of Sciences presents a compelling case for a total smoking ban on all commercial flights. The gentleman's amendment, which bans smoking on flights of 2 hours or less, represents a reasonable compromise which, regretfully, will not make my flights back to California any easier.

Mr. Chairman, no one has a right to smoke in public if the smoke from their cigarette places another person at risk.

I commend the gentleman for his amendment and his concern for the safety of the flying public. Although a total ban on all flights is justified by the scientific evidence, the gentleman's amendment strikes a reasonable middle ground. By banning smoking on short flights the smoking public will not be unduly inconvenienced, while nonsmokers will be protected and grateful.

Mr. Chairman, allow me to close with an anecdote. I heard recently of an episode last year in which reservation errors forced the captain of a commercial airliner to prohibit smoking throughout the aircraft. The captain's announcement was greeted with cheers and applause from the passengers. That is the reaction the flying public will give to passage of the Durbin amendment.

Support of the Durbin amendment is a vote for public health and aircraft safety. It is a vote of respect for the rights of the nonsmoking public. I urge its adoption.

Mr. COUGHLIN. Mr. Chairman, for purposes of debate only, I yield 2 minutes to the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, I rise in strong opposition to the amendment. In addition to this being legislation on an appropriations bill, we are here late at night on an amendment that has received no hearings, either in the Appropriations Committee or in the authorizing committee. You are being asked to vote on a rather serious modification of American life without any evidence other than what you hear in the oratory tonight. No hearings. The Transportation Subcommittee on Appropriations rejected the amendment, as Mr. NATCHER has said; the full Committee on Appropriations rejected it better than 2 to 1 and yet it comes to the floor of the House without any hearings, having been rejected by the Appropriations Subcommittee and full Committee and yet here we are.

The Department of Transportation says the subject needs further study. During the last exhaustive review of the question in 1984, the Civil Aeronautics Board specifically rejected a proposal just like this to ban smoking on flights lasting 2 hours or less, citing the enormous administrative problems it would create for the airlines.

In addition to that, this amendment could very well increase the safety risks for airline passengers. If smoking is prohibited on airline flights think of those who are going to be lining up to get into the bathroom for purposes other than what it was designed for. We all know that smoking in the bathroom on the airplane poses enormously increased risks than smoking in the cabin in a smoking section. And if your concern is based on air quality in the aircraft cabins you might be interested to learn that DOT has called for further research on that subject, including consideration of technological solutions in ventilation modification systems to address that issue. Mr. Chairman, 87 percent of the airline passengers think things are perfect just the way they are.

"If it ain't broke, don't fix it."

Mr. DURBIN. Mr. Chairman, for purposes of debate only I yield 3 minutes to the gentleman from Florida, [Mr. YOUNG], cosponsor of this amendment and one of the pioneers on this issue.

Mr. YOUNG of Florida. I thank the gentleman for yielding the time and I want to compliment the gentleman for taking the initiative on such a controversial issue and to bring it all the way to the floor of the U.S. House of Representatives.

Mr. Chairman, I rise in support of the amendment offered by my colleague from Illinois, Mr. DURBIN, because I believe we must provide relief for nonsmokers abroad our Nation's commercial airlines.

This has long been a matter of great concern to me. During the 92d Congress, I introduced legislation to mandate the creation of separate smoking and nonsmoking sections aboard U.S. commercial aircraft. Prior to this time, nonsmokers were afforded no protection from smokers aboard aircraft. The outcry of public support for my legislation was so great in 1971, that one commercial airline after another began voluntarily separating smokers from nonsmokers aboard their flights. And it was in response to my legislation that the Civil Aeronautics Board in 1973 issued regulations mandating all airlines to provide separate seating for smokers and nonsmokers.

There were many people, including the U.S. Surgeon General who at the time urged me to require that all smoking be prohibited aboard commercial aircraft. In an effort to be fair, however, I proposed separate seating because I sought to provide relief for nonsmokers without placing a burden on smokers.

Since that time, however, scientific studies and analyses have documented that even though smokers and nonsmokers are separated aboard aircraft, smoke from the rear of the aircraft still endangers the health of all nonsmokers aboard the flight—including passengers and crew members. The National Academy of Sciences recommended in a 1986 report on this very subject that for health and safety reasons smoking be prohibited aboard commercial flights.

Airplane ventilation systems have proven unable to adequately filter the confined cabin airspace to protect nonsmoking passengers and crew members from the consequences of second hand smoke. Officials of National Airlines, prior to its merger, invited me to Miami to show me the inside of an airline ventilation system—a system that was so clogged with tar and nicotine that the maintenance crew was unable to get it clean. The residue clogging this system is indicative of the quality of air nonsmokers must breathe when confined to a small air space with smokers.

This type of concern about the effect of noxious tobacco fumes on nonsmokers has led a number of U.S. cities to ban smoking in public buildings, offices, and restaurants. In fact, this very body has strict rules prohibiting smoking of any kind in this Chamber.

Finally, Mr. Chairman, I would like to comment on some of the issues raised earlier in the debate.

First, on the safety issue. I just listened to my friend and colleague from Kentucky about safety and how passengers might be lining up in the bathrooms to smoke.

Well the bathrooms on airplanes are very, very small and I can tell you that it would not take a very sensitive smoke alarm to alert the crew or the flight attendants or anyone on board with jurisdication to the fact that someone is smoking in that little bathroom.

And on the administrative problem: when I line up, as I do, and as we all do almost every week to get a ticket and a seat assignment, the gate attendant has to ask the question of everyone coming up, "Do you want the smoking section or do you want the nonsmoking section? Then they have to check the computer to see if there are seats in the smoking or nonsmoking section available.

I would suggest that this amendment would actually cut down on the administrative time involved in boarding a flight.

And let me say this: We are not breaking any new ground here because cities and communities all over this great Nation of ours are already making decisions like this. Ordinances and local laws prohibit smoking in restaurants and theaters and stores and in enclosed shopping centers. That is no news. It is happening all over the country.

And as I said earlier, although on occasion it is violated, there is a very strict rule against smoking in this Chamber and this Chamber is not confined at all. The ceiling is some 50 feet high. It is a very large room. The confinement here is nothing like being confined in the cabin of an airplane.

Finally, Mr. Chairman, on the health issue, I have the privilege of representing a district in Florida that has a very large elderly population. A lot of those people fly from Florida to visit their families in the northern States because many of them have come to Florida to retire after living in your States.

Many elderly people have respiratory and cardiac medical problems that are severely affected by the smoke whether it is coming directly from a cigarette or whether it is coming through a filtration system.

Finally, there are those who believe that it is an inconvenience to a smoking passenger. We are only talking about 2 hours on the airplane. If it goes beyond 2 hours this amendment does not apply. Pipe smokers are prohibited, as are cigar smokers prohibited altogether on airplanes. So what is fair for one should be fair for the other.

Mr. Chairman, Congress has directed our Nation's cigarette producers to place health warnings from the Surgeon General on each package of cigarettes sold in the United States and Congress has banned television advertisements for these products because they threaten the health and safety of smokers and nonsmokers. The amendment we are considering today would go one step further in protecting nonsmokers by banning smoking aboard domestic commercial flights of less than 2 hours.

No one should have to be captive to the discomfort caused by someone else's smoke, especially in the limited confines of aircraft cabins. This is consistent with the past actions of this body which appropriates millions of dollars annually to warn the American people of the dangers of cigarette smoking and to study and prevent the incidence of heart and lung disease among smokers and nonsmokers alike.

The CHAIRMAN. The Chair would indicate that the gentleman from Pennsylvania [Mr. COUGHLIN] has 22 minutes remaining and the gentleman from Illinois [Mr. DURBIN] has 16 minutes remaining.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the very distinguished chairman of the full Appropriations Committee, the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I will not talk to the merits of the amendment at this time, but rather I would like to talk about procedure. Our Committee on Appropriations works very hard trying to stick to the rules and trying to keep down legislation. Ninety-nine percent of the legislation we include in our various bills is at the instance of the legislative committees. Any study of procedure here will show that anybody with a viewpoint wants to underscore it with a law to strengthen their side of the argument.

Now we all know, that regardless of how controversial this amendment is, you can prove anything by statistics. We should have an overall hearing, and review the pros and cons. In a time when we are worried about the safety on airplanes and many, many other things let us not load this down with another law that in all likelihood will be ignored. Certainly let us not do it in an appropriation bill without hearing and all these other things.

I have handled EPA appropriations for many years and folks who feel very strongly about how many of these things forget about what is all involved. I have read all these statistics. They tell me enough salt will give you cancer, enough Coca-Cola will give you cancer, and enough of a whole lot of other things. We do not know anything about the quantity.

Let us not load down an appropriation bill with a statute that would tie up all the air transportation in this country when we have a legislative bill coming down the road where you could hear all sides of it. Let us do that which is best. I hope you will defeat this amendment, not to stop this issue, but to put it where it should be, where you can hear all sides of it.

Mr. DURBIN. Mr. Chairman, for purposes of debate only, I yield 1 minute to the gentleman from Texas [Mr. LELAND].

Mr. LELAND. Mr. Chairman, I know it is a long evening tonight and I did not come prepared to make a statement on this issue, but I think it is important that the Members know that one of their colleagues gets very much affected in an adverse way by sitting on airplanes where there is smoking allowed. I have been affected. I have certain allergies that cannot stand to be imposed with smoke. My physiology is very much suffering when I sit next to people who smoke or I sit in proximity of smoke.

I have to use a medicine in this little container just to relieve me to some extent and it takes awhile for it to actually work. It hurts me and I hope that my colleagues understand that while I might not suffer from a lung disease or cancer in the long term that indeed it does disrupt my health at a time when I am suffering from the inhalation of smoke.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. DELAY], a member of the committee.

□ 2155

Mr. DELAY. Mr. Chairman, let me say that I am not from a tobacco State, and nothing is grown in my district that relates to tobacco. I hesitate to come before the Members on this, but I am trying to bring a little common sense back to this Chamber, because this, as many have already said, is not the way to legislate.

First, those Members who are for local control look at this amendment and say that it makes policemen out of our airports. The amendment says it is only for 2-hour flights. Are we going to have a smoking patrol at the airport to go out to the airplane and make sure they did not allow smoking during that 2-hour flight, but on the 3-hour flight from, say, Houston to California they will allow it for that time, and they are going to check to see and they will interrogate passengers on the plane?

Is this the way to do business? Is this the way to affect airports that are owned by local entities, increasing the cost of enforcing this law by local entities?

If we want a no smoking amendment, then we should bring one to the floor. If we want to stop smoking on airlines, then we should bring it through the proper process, but let us not attack our airports and make them the enforcers of something that should be done straight up by this House.

I hesitate to bring this up because there are going to be Members—there has already been one—who disagree about the effect of smoking. I do not know if passive smoking hurts people or not, but I do not know that the studies that have been done and the studies that have been quoted by the gentleman from Illinois are not conclusive. They even admit it in their own studies. The Natoinal Academy of Sciences studies are not conclusive.

Mr. Chairman, I ask that the Members not pass legislation based on inconclusive evidence.

Mr. DELAY. Mr. Chairman, in support of my contention that the available studies on the health effects of environmental tobacco smoke are insufficient to make a scientific determination that ETS is of a significant health hazard, I offer the following list of quotes from the Surgeon General's report. Additionally, I am submitting a critique of the National Academy of Sciences report which shows that it too is flawed and based on a scientifically inadequate database.

ENVIRONMENTAL TOBACCO SMOKE [ETS]

IS THERE A RISK?

The Surgeon General's conclusion that ETS is harmful to nonsmokers is directly contradicted by his own report and research.

Studies which tend to show statistical correlation and thus, conclude ETS is a health hazard, have serious research and design flaws.

Because tobacco smoke is visible, it receives virtually total, yet unjustified, blame for poor indoor air quality. Without exception, professional inspection of office buildings show minimal or no problems from tobacco smoke. Serious air quality problems result primarily from fungi build-up in poorly maintained ventilation systems.

IS ETS HARMFUL TO NONSMOKERS?

Surgeon General's own scientific report does not support conclusion that ETS is harmful to nonsmokers.

EXAMPLE 1

SG's conclusion.—"Involuntary smoking is a cause of disease, including lung cancer, in healthy nonsmokers." (SG's report, Dec. 16, 1986, p. vii.)

SG's research.—Lung Cancer.—"Risk associated with involuntary smoking exposure is uncertain. Important questions related to (ETS) exposure require further research. More accurate estimates for the assessment of exposure in the home, workplace, and other environments are needed." (SG's report, Dec. 16, 1986, p. 101.)

"(L)ittle is known about the magnitude of the (ETS) exposures that occur in different segments of the U.S. population. A better understanding of the exposures that are actually occurring in the United States, and of past exposures, would be needed to accurately assess the risk for the U.S. population." (SG's report, Dec. 16, 1986, pp. 96-97.)

Acute Respiratory Illness.—"There are no studies of acute respiratory illness experience in adults exposed to environmental cigarette smoke." (SG's report, Dec. 16, 1986, p. 60.)

Pulmonary Function.—"The physiologic and clinical significance of the small changes in pulmonary function found in some studies of adults remains to be determined. The small magnitude of effect implies that a previously healthy individual would not develop chronic lung disease solely on the basis of involuntary tobacco smoke exposure in adult life." (SG's report, Dec. 16, 1986, p. 62.)

Bronchoconstriction.—"The magnitude of these changes is quite small, even at moderate to high exposure levels, and is unlikely that this change in airflow, per se, results in symptoms." (SG's report, Dec. 16, 1986, p. 63.)

Asthmatics.—*"Pulmonary Function Was Not Influenced By (ETS) Exposure.* Nonspecific bronchial responsiveness decreased significantly, rather than increasing, as would be anticipated following an irritant exposure. . . . Studies of large numbers of individuals with measurement of the relevant physiologic exposure parameters will be necessary to adequately address the effects of environmental tobacco smoke exposure on asthmatics." (SG's report, Dec. 16, 1986, p. 65.)

Ear, Nose, and Throat.—"There are no studies of chronic ear, nose, and throat symptoms in adults with involuntary smoking exposure." (SG's report, Dec. 16, 1986, p. 65.)

EXAMPLE 2

SG's conclusion.—"Simple separation of smokers and nonsmokers within the same air space may reduce, but does not eliminate, exposure of nonsmokers to environmental tobacco smoke." (SG's report, Dec. 16, 1986, p. 318.)

SG's research.—"There are no controlled studies in which smoking behavior has been tracked over time in the states or communities that have enacted smoking legislation." (SG's report, Dec. 16, 1986, p. 14.)

"Validated questionnaires are needed for the assessment of recent and remote exposure to environmental tobacco smoke in the home, work place, and other environments." (SG's report, Dec. 16, 1986, p. 14.)

"To the present, there has been relatively little systematic evaluation of policies restricting smoking in public places or at the workplace." (SG's report, Dec. 16, 1986, p. 16.)

ARE THERE SERIOUS FLAWS IN THE RESEARCH WHICH TEND TO SUPPORT THE SURGEON GENERAL'S CONCLUSIONS?

Selection bias, the choosing of an unrepresentative group of subjects for research, misclassification, putting people in the wrong categories, and confounding variables such as diet and occupation are present and unaccounted for in a number of studies.

SG's research.—"Misclassification of exposure to environmental tobacco smoke is inherent in epidemiological studies of involuntary smoking." (SG's report, Dec. 16, 1986, p. 72.)

"Misclassification of smokers or ex-smokers as nonsmokers may produce the appearance of an involuntary smoking effect when, in fact, the true relationship is with active smoking." (SG's report, Dec. 16, 1986, p. 66.)

"Most studies of lung cancer to date have used the number of cigarettes smoked by spouses as a measure of exposure to involuntary smoking, and thus have disregarded duration of exposure, exposure from other sources, and factors that influence exposure, such as proximity to the smoker of size and ventilation of the room where the exposure occurred. Moreover, all of the published studies have based involuntary smoking exposure measures on questionnaires without validation of these data with biochemical markers or environmentally measured concentrations of tobacco smoke constituents. Misaclassification of involuntary smoking exposure is likely to be random and *to bias the effect measures toward the null.* (SG's report, Dec. 16, 1986, pp. 67–72.)

"The exposure variables employed in epidemiological studies do not separate nonexposed from exposed subjects; instead they discriminate more exposed groups from less exposed groups." (SG's report, Dec. 16, 1986, p. 72.)

"Information bias is an added concern in case-control studies since neither interviewer nor respondent bias can be ruled out." (SG's report, Dec. 16, 1986, p. 73.)

"The direction of the information bias may be dependent on the type of respondent. Self-respondents may be more apt to interpret their disease as related to exposure to tobacco and thus overreport the exposure." (SG's report, Dec. 16, 1986, p. 73.)

"Surrogate respondents may minimize the reporting of their own smoking because of guilt, or may overreport about involuntary smoking exposure in an attempt to explain their relative's illness." (SG's report, Dec. 16, 1986, p. 73.)

"Relative risks ranging from 2 to 3 were generally reported for the highest level of exposure based on the spouses' smoking habits, but since sample sizes in most studies are not large, the point estimates of effect are unstable, and confidence limits are broad and generally overlap from one study to another. An index of involuntary smoking based on the smoking habits of the spouse is simplistic and convenient measure." (SG's report, Dec. 16, 1986, p. 101.)

"Misclassification of the lung as the primary site and the lack of pathological confirmation are repeated concerns. Misclassification of exposure to ETS cannot be dismissed, since an index based solely on the smoking habits of a current spouse may not be indicative of past exposure, cumulative exposure, or the relevant dose to the respiratory tract." (SG's report, Dec. 16, 1986, p. 101.)

CRITIQUE OF NAS AIRLINER CABIN ENVIRONMENT AIR QUALITY AND SAFETY REPORT

The purpose of the Committee on Airliner Cabin Air Quality was to determine whether air quality and standards aboard commercial aircraft are adequate for health and safety of all who fly. The major difficulty faced by the Committee, emphasized throughout the report, is the lack of necessary data on which to base conclusions. This is true for exposure assessment as well as health outcome evaluation. Thus, the Committee concludes:

The available empirical evidence is of insufficient quality and quantity for a scientific evaluation of airliner cabin air or of the probable health effects of short or long exposure to it.

The lack of appropriate dats is recognized in most of the Committee's recommendations. These recommendations generally deal with re-evaluating or developing new standards and establishing programs for the measurement of air quality parameters and health outcomes in crew and passengers. However, the lack of appropriate data notwithstanding, the Committee does "unanimously and forcefully" propose that smoking be totally banned on all commercial flights within the United States. In view of the force with which this recommendation is made it is of interest to examine its scientific basis. In addition, it is useful to consider the strength of evidence and proposed action with respect to environmental tobacco smoke within the context of the same information for other pollutants identified in the airliner cabin.

In the absence of a relevant and reliable data base, the Committee based its various exposure assessments on calculated values derived from theoretical mathematical relationships between aircraft design and pollutant emission and decay properties, or on actual measurements of selected air contaminants made in the airliner cabin. Unfortunately, these measurements have not been made systematically and, by and large, consist of random data, collected in an unverified manner. Since virtually none of the data have been reported in peer-reviewed publications, we have no basis for assessing their reliability.

There are several approaches to evaluating the quality of airliner cabin air and its relationship to health and comfort of the passengers and crew. All rely on exposure assessment. The most direct approach is to collect data aboard aircraft on exposure and health outcomes, as recommended in the Committee's report. However, no such data currently exist. If we can estimate the individual exposure to a given contaminant aboard aircraft, then we can attempt to predict its relationship to health and comfort using exposure-response relationships which have been derived from similar exposures in other settings. In some cases, a recommended standard may exist, presumably based on such exposure-response relationships.

The sections of the report dealing with tobacco smoke rely on experimental or epidemiologic studies of environmental tobacco smoke and health or comfort outcomes in evaluating the impact of tobacco smoke on cabin air quality. This evaluation is limited not only by the lack of exposure data, but also by the inconclusive nature of the experimental and epidemiological literature. The discussion below critically reviews the section of the NAS Report dealing with tobacco smoke, from the point of view of exposure, relevance of existing standards, and strength of existing data on health and comfort outcomes.

Exposure.—The discussion of exposure to environmental tobacco smoke (ETS) relies exclusively on carbon monoxide and respirable suspended particulates (RSP) as surrogate measures. However, neither of these markers is specific for tobacco smoke. Thus, both carbon monoxide and RSP have several sources which could account for their presence in air. For example, a common source of RSP is physical activity in the area. It is possible, therefore, that elevated levels of RSP measured in the smoking section may reflect, in addition to tobacco smoke as a source, the increased levels of activity associated with traffic to and from the labatories and the preparation of the food service. The relative contributions of various sources of RSP to the levels measured can be determined by carefully designed experiments. However, to measure RSP in the smoking section, and attribute them solely to tobacco smoke, is not scientifically supportable.

The limitations associated with using carbon monoxide and RSP as surrogates for environmental tobacco smoke are well recognized. A more commonly used surrogate is nicotine, which is specific for tobacco smoke. The Committee report fails to cite the published findings of Muramatsu on nicotine levels aboard aircraft. In addition, the Committee had been given a manuscript of a paper, submitted for publication, which reported extensive measurement of nicotine concentrations in the smoking and nonsmoking sections of commercial aircraft. It is difficult to understand why this data were not included in the Committee's report. While it is true that the data were unpublished, and not subjected to peer-review, the same is true of virtually all of the data on carbon monoxide and RSP measurements made aboard aircraft, reported in Table 5-3. Thus the Committee report states: ". . . the data supporting these values [for carbon monoxide and RSP] are sparse, and most have not been subjected to peer-review." [Of the five cited sources of data in the Table, only one is a published, peer-reviewed reference].

In spite of the lack of adequate data, the Committee comes to a number of conclusions regarding ETS exposure in the airliner cabin. For example, on page 132, it is suggested that some aspects of source generation are unique to the airline cabin environment. For example, the temporal pattern of smoking is likely to be less random, with the majority of smokers tending to smoke at approximately the same time. It is reasonable to *assume* that this pattern of smoking will result in high transient concentrations of cigarette smoke components in the smoking area. In spite of the lack of data to support this assumption, the Committee concludes:

The pattern of smoking results in higher transient concentrations of cigarette smoke than occur in other public place where smoking is permitted. High transient concentration occur not only in the smoking section but also in other parts of the cabin.

The Committee's report provides no citation or data to support the statement that high transient concentrations of tobacco smoke components occur in the nonsmoking section of the cabin.

The data presented in Table 5-3 provide no information on the number of measurements made or the variability associated with these measurements. As recognized later in the report, isolated measurement are likely to be highly variable even if they are made with accurate instruments. This inherent variability, coupled with the high transient concentrations suggested to occur, make it difficult, if not impossible, to interpret the data presented in Table 5-3 without much more information on the sampling, analysis and reporting protocols used in the various studies.

In the absence of adequate data to assess exposure, the Committee commissioned the development of a mathematical model for airliner cabin air quality. The rationale for the expenditure of the Committee's resources in this way is unclear. Models can be extremely useful in predicting the effects of changes in design or operation of ventilation systems, or changes in patterns of source emissions, on air quality. However, before a model can be useful, it must be validated. In other words, the model predictions must be shown to be consistent with actual measurements. Since there is essentially no data available from actual measurements either aircraft ventilation systems or concentrations of air contaminants, it is impossible to assess the validity of the model. This further is complicated by the fact that many of the assumptions incorporated in the model and parameter values used are unreferenced and unsupported. Many of the limitations of the model are recognized in the Committee's report. However, the report does not acknowledge the large discrepancy between the model's prediction of RSP concentrations in the smoking sections and the actual measurements reported in Table 5-3.

A peripheral issue with respect to exposure is the impact of air recirculation on the exposure of individuals in the non-smoking section to tobacco smoke generated in the smoking section. The language used throughout the report gives the impression that recirculation of cabin air occurs routinely. For example, on page 59, the report states "Cabin recirculation systems on most airplanes results in partial or complete mixing of air in the smoking and non-smoking sections." The executive summary contains the following statement:

> Smoke exposure can become significant in aircraft with outside-airflow rates as low as 7 cfm/passenger. Even the ventilation (airflow) rate of 14-15 cfm/passenger consists of as much as 50% recirculated, and possibly smoky, cabin air.

However, according to the information presented in Chapter 2 of the report, recirculation of cabin air may be the exception rather than the rule. In 1985, it was estimated that 30% of the seat-hours flown by U.S. airlines were on aircraft with recirculation systems. This percentage is estimated to increase to 40% by 1990. Therefore, the majority of the time, individuals in the nonsmoking section will receive no exposure to environmental tobacco smoke through air recirculation. The Committee's report states:

> In aircraft without air recirculation, passengers well into the non-smoking sections, flight crew members, and cabin crew members whose duties do not take them into the smoking sections are relatively unexposed."

In aircraft with ventilation systems designed to include recirculated air, it is possible that treatment of the recirculated air, through filtration, may reduce or eliminate the recirculation of tobacco smoke components. This possibility is discussed in several different sections of the Committee's report, and there is significant inconsistency between the statements made in the various sections. In Chapter 2, it is stated that 80% of models B-757 and B-767 with recirculation systems filter recirculated air through particle filters that remove particles as small as 0.3 um. In addition, these aircraft have charcoal filters available as an airline option. Later in the report, it is stated that gaseous contamination will be substantially reduced by the use of the optional charcoal absorption beds. Finally, on page 141, it is stated:

> Filtration of 80% of particles with Cambridge filters, which are currently in use on aircraft that have recirculation systems, has reduced irritation [due to ETS] substantially.

In the section of the Committee's report dealing with prevention of exposure to ETS it is recognized that filter systems that effectively remove gases and particles from ETS could eliminate many of the problems of and objections to onboard smoking. However, the Committee goes on to state:

> Such systems that are compatible with requirements for installation on airplanes have not yet been developed.

This statement is inconsistent with the data presented in earlier sections of the report. Not only do such filtration systems exist, but there is data supporting the fact that they are effective in reducing the irritation associated with ETS exposure due to recirculated air.

Existing standards.—The impact of environmental tobacco smoke on airline cabin air quality is considered in the context of existing standards for ventilation and for particulate matter. Ventilation standards are designed to produce air in which there are no known contaminants at harmful concentrations, and which is rated as acceptable by 80% of occupants. Standards developed in other environments are not necessarily applicable to the airline cabin. As documented in the Committee's report, the air quality in the airliner cabin may be rated as unacceptable on the basis not only of the presence ETS, but also due to the very low relative humidity, and the presence of ozone and possibly other contaminants at levels which produce irritation. However, of the many possible causes of unacceptable air quality, the one that is most recognizable by the occupant is tobacco smoke, which can be detected by sight and smell. Thus, it is not suprising that ETS is commonly cited as the cause of unacceptable cabin air quality.

In applying the existing ventilation standards to the airliner cabin, the Committee report states:

> Ventilation standards for smoking areas in other places are designed to produce acceptable air in which there are no known contaminants at harmful concentrations and with which a substantial majority (80%) of the occupants do not express dissatisfaction. These standards led to the ASHRAE suggestion of ventilation at 20-50 cfm/person for a variety of settings where smoking is allowed. The maximal flow of ventilation distribution in 1985, shown in Figure 2-6, indicates that about 80% of the flights had airlow of less than 40 cfm/passenger. By the above guidelines, it is apparent that aircraft ventilation would not meet the criterion of acceptability to at least 80% of non-smokers if the non-smokers were forced to work in, traverse or wait in an active smoking section.

There are a number of difficulties associated with this line of reasoning, not the least of which is the application of these standards to accommodate the non-smoker who is just passing through or waiting for a brief period in the smoking section. The relevance of the ASHRAE ventilation standard depends upon whether the "variety of settings" for which they were developed are comparable to the conditions encountered in the airliner cabin. Assuming that a recommended ventilation rate can be validly extrapolated from another setting, it then must be compared to existing ventilation rates aboard aircraft. The Committee's report cites Figure 2-6 as the source for the data on the distribution of ventilation rates aboard aircraft. However, it should be pointed out that the data in this figure are derived from calculations based on engineering design, and assumptions concerning operating procedures, rather than actual measurement of ventilation rates within the cabin. The use of unverified data such as these for the purpose of comparison to a standard should be undertaken cautiously.

With respect to the applicability of ventilation standards developed for other settings to the airliner cabin, one must consider the unique problems associated with airliner cabin air quality, as discussed above. In particular, the relationship between relative humidity and ETS acceptability may be significant. The Committee report cites conflicting data. In one study, odor sensitivity was reported to increase with increasing relative humidity, while in the other, both odor and irritation were perceived to be more intense at lower humidities. Neither of these studies examined odor or irritation associated with ETS at the very low relative humidities commonly found in the airliner cabin. However, these data do suggest that the airliner cabin is a unique environment for which a separate standard should be developed.

It is suggested in the Committee report that removal of tobacco smoke from the aircraft environment would reduce the cabin ventilation requirements. This statement represents an overly simplistic and narrow-minded view which fails to consider the ventilation required to maintain acceptable air quality with respect to non-tobacco smoke related contaminants. For example, in another section of the report, the Committee recommends that maximal ventilation be used with full passenger complements in order to decrease the potential for microbial exposure. In addition, high ventilation rates may be necessary in order to maintain the level of other contaminants, including CO_2, within an acceptable range.

The standard for particulate matter is also used as a basis for evaluating the contribution of ETS to unacceptable air quality. For this purpose, the Committee arrives at a figure of 250 $\mu g/m^3$ as the average concentration of particulate matter in the smoking section of an aircraft. The basis for the choice of this figure is not given. It appears to have been chosen on the basis of the very limited data which were collected and presented in Table 5-3. The limitations of this data have been discussed previously. The use of $250\ \mu m/m^3$ is based on such tenuous data that its consideration in the context of existing standards for particulate matter is inappropriate.

In addition, the standards which are cited are not directly applicable to the concentation of RSP in aircraft cabin air. As pointed out in the Committee report, the EPA and ASHRAE standards are based on total suspended particulate matter (TSP) and not RSP. Furthermore, the EPA and ASHRAE standards are for average annual and 24-hour exposures. The 24-hour standard represents the permissible integrated exposure over the course of 24 hours. This may include periods of exposure to concentrations considerably in excess of the standard, balanced by periods of exposure at concentrations below the standard. Therefore, exposure to RSP concentrations exceeding the standard for several hours during an airplane flight, does not necessarily violate the standard.

Health effects.—The estimation of the health effects associated with ETS exposure are derived exclusively from data collected in other environments. For non-smoking passengers and crew working in the non-smoking section, a consideration of the effects of short exposure is appropriate. For flight attendants working in the smoking area, a consideration of the effects of chronic or long term exposure to ETS must also be considered.

With respect to acute exposure, the Committee considers the endpoints of discomfort, irritation and effects on individuals with pre-existing pulmonary or cardiovascular disease. The difficulties associated with interpreting the studies on irritation have already been discussed. In discussing the effects of ETS on groups at increased risk, the Committee report presents the conflicting, and therefore inconclusive, results of several studies examining the effects of ETS on individuals with asthma. Similarly, the effects of ETS exposure on patients with angina are described as "suggested but never proved." The statement in the summary section that "Patients with severe asthma or angina are at higher risk from exposure from ETS than other exposed people, because of the increase likelihood of acute symptoms" is inconsistent with the Committee's analysis of the data as discussed in the body of the report.

Flight attendants working in the smoking section receive a more chronic exposure to ETS. Therefore the Committee undertook an evaluation of the literature which deals with the relationship between ETS exposure and lung cancer and respiratory disease in non-smokers. These studies all involve exposure in non-airline cabin environments and, as indicated in the Committee's report, extrapolation from these studies to the experience of a person in an aircraft cabin is not straightforward. The literature on ETS and lung cancer is characterized in the report as being consistent between studies, and across designs and cultural settings. This characterization overstates the strength of the epidemiologic literature. A number of studies fail to find a statistically significant increase in lung cancer associated with ETS exposure. In some studies, internal inconsistencies, including a lack of a dose-response relationship or effects limited to a single sex or source of exposure have been noted. The presence of such inconsistencies caution against interpretation of the study as demonstrating an association based on a single, statistically significant finding.

The most significant and pervasive problem with the studies on ETS exposure and lung cancer is the lack of valid exposure data. The Committee's report states:

> Exposure values in these studies were developed from questionnaire data that indicated that the non-smoking subjects were chronically and regularly exposured to ETS at home.

This is an unequivocally *false* statement. In the majority of studies, ETS exposure was estimated solely on whether or not the spouse of the cancer patient was a smoker and, if he were, how many cigarettes a day or year he smoked. Only one study further defined exposure in terms of the number of cigarettes smoked by the husband in the home. However, even in this study, it was not ascertained that the non-smoking spouse actually was exposed in the home.

It is generally recognized that the use of spousal smoking habits as a surrogate estimate of ETS exposure has significant limitations. An extensive questionnaire survey of an American population found that almost half of non-smoking women married to smokers reported no ETS exposure in the home. Conversely a similar proportion of non-smoking women married to non-smokers reported significant ETS exposure outside of the home. The few studies which have examined lung cancer incidence in non-smokers as a function of ETS from *all* sources, not just from spousal smoking, have failed to find a relationship. This suggests the possibility that the association found in some studies between lung cancer incidence in non-smokers and being married to a smoker may have nothing to do with ETS exposure. Several alternate explanations exist; including differential misclassification of the non-smoking status of the lung cancer patient and confounding variables associated with marriage to a smoker.

The section of the Committee's report on lung cancer makes the mistake of equating marriage to a smoker with chronic exposure to ETS. This mistake apparently arises from an incorrect understanding of the exposure data used in the epidemiologic studies.

As indicated in the Committee report, the findings of studies examining the effects of ETS exposure on lung function in adults are inconsistent and inconclusive. Furthermore, as recognized by the Committee, the decrements in pulmonary function reported in some of the studies may or may not have any impact on health.

The recommendation for a ban on smoking aboard aircraft is based on a desire to reduce the *potential* health hazards to the cabin crew associated with ETS. Thus, the Committee recognizes the weaknesses of existing data with respect to establishing a cause and effect relationship. In the summary of Environmental Tobacco Smoke section (pp. 150-151) the Committee states:

> Health effects data from other environments do not permit us to present reliable quantitative risk estimates related to the health impact of present concentrations of ETS on exposed non-smokers in an aircraft environment.

In spite of this, however, the paragraph goes on to report the results of one risk assessment calculation. No reference for this calculation is given, nor was it discussed in the body of the section on health effects of ETS. It's inclusion in this manner is inappropriate.

Basis for the Proposed Ban on Smoking Aboard Domestic Commercial Flights.—The basis for the Committee's recommendation to ban smoking aboard domestic commercial flights was:

> To lessen irritation and discomfort to passengers and crew, to reduce potential health hazards to cabin crew associated with ETS, to eliminate the possibility of fire caused by cigarettes, and to bring cabin air quality into line with established standards for other closed environments.

It is of interest to examine the scientific basis of the Committee's recommendations in the context of the scientific data and Committee recommendations on other aspects of the airliner cabin environment.

The ban on smoking is recommended in order to lessen irritation and discomfort to passengers and crew in spite of a total lack of scientific data on the extent to which environmental tobacco smoke is a cause of irritation and discomfort to occupants of the airliner cabin. Although ETS can under some situations cause irritation to some individuals, several other aspects of the cabin environment including low relative humidity, carbon dioxide, ozone and volatile organic compounds could also be the cause of discomfort. The reports of passengers and crew indicating that tobacco smoke is the source of their discomfort must be considered in light of the fact that of the various possible sources, tobacco smoke is the only one which can be readily detected by the senses. By comparison, the literature on the relationship between low relative humidity and reports of discomfort, irritation and health effects is more or less comparable to that dealing with ETS. That is, although no direct data exist on the effects of low relative humidity on passengers and crew aboard aircraft, low relative humidity, in the range normally seen in aircraft, is associated with discomfort and irritation, with respect to health effects, some of the literature suggests that low relative humidity may be associated with effects on the respiratory system, but this data are inconsistent and inconclusive. In spite of the similarities between the relevance and conclusiveness of the data on relative humidity and ETS, the Committee's recommendation with respect to relative humidity is:

> The Committee could find no conclusive evidence of extensive or serious adverse health effect of low relative humidity on the flying population that would justify recommending regulation.

The ban on smoking is also recommended in order to reduce potential health hazards to cabin crew associated with ETS. The language of the recommendation acknowledges that the literature is, at best, suggestive but not conclusive with respect to health effects of ETS. The same can be said of the literature on relative humidity, yet the Committee concluded that in the face of lack of *conclusive* evidence, regulation was not warranted. In the case of ozone, where the health effects are far better documented, the Committee recommends establishing monitoring programs to insure that cabin ozone concentration comply with Department of Transportation regulations, but does not comment on the fact that this standard (0.25 ppmv at sea level) is within the range where health effects are predictable based on the ozone studies reviewed in the report.

A further basis for the ban on smoking is that it will bring the cabin air quality into line with established standards for other closed environments. The scientific basis for this recommendation is unclear. As recognized by the Committee, there is inadequate data for assessing the impact of environmental tobacco smoke on levels of specific cabin air contaminants and, therefore, no basis for comparing them to existing standards. Furthermore, the standards which do exist are not necessarily applicable to the cabin air environment. In contrast, the relative humidity of the airline cabin air, both measured and predicted, is well below the standard recommended by ASHRAE. Similarly, the Committee report suggests that a crew member might receive up to 1,000 mrems/yr from flying, an exposure which is above the 500 mrem/yr recommended maximum for any member of the general public. The Committee conservatively recommends that radiation exposure should be monitored and that flight attendants and crew be educated on the potential health effects of radiation exposure.

In conclusion, the Committee's unanimous and forceful recommendation that smoking be banned on all commerical flights within the United States is based on weak scientific data which are for the most part, inconclusive and, in some cases, not relevant. It may be argued that the Committee erred on the side of being conservative in order to provide maximal protection of the public health. However, such an attitude was not consistently applied. This is clearly seen when one considers the lack of aggressive recommendations for other aspects of the airliner cabin environment in situations where scientific data on the effects on comfort and health are far more conclusive.

Mr. DURBIN. Mr. Chairman, for the purposes of debate only, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RITTER].

Mr. RITTER. Mr. Chairman, I would like to commend the gentleman from Illinois [Mr. DURBIN] for his leadersip on this issue. We have heard that this is not the vehicle with which to legislate on a passive smoking issue, but we also know it is impossible to legislate anything in this House the way Members are distributed on this very difficult issue.

So I want to commend the gentleman for his creativity in finding a vehicle to get something done on the issue of passive smoking. Passive smoking is the biggest air pollution problem that the American people face. The country spends $50 billion a year to regulate corporate America's polluting of the atmosphere of the American people. Yet perhaps the single most egregious exposure to air pollution can be done away with free.

Tobacco smoke has some 4,000 chemical constituents. Forty of these are known carcinogens or tumor initiators. In addition, every air-polluting substance, as defined and regulated by EPA, is contained in tobacco smoke. Several investigators have shown that certain hazardous chemical constituents are present in far greater volume in passive smoke than they are in the direct smoke taken in by the active smoker.

We have a bill that we have introduced in a couple of Congresses that prevents smoking in public buildings except in designated areas. The reason we have done this is to confine the smoke so that those who do not want to smoke are not exposed to it. But if you are in an airplane, it is not like a public building or it is not like a restaurant; you just cannot walk out, you cannot leave.

The National Academy of Sciences report found that separating the nonsmokers from the smokers did not work. The air space within the airplane was simply too small for such sectioning off.

Mr. Chairman, this amendment is not a radical amendment. It is a commonsense amendment. We have heard a lot about flying the friendly skies. Well, let us let passengers enjoy flying the smokeless skies.

Mr. Chairman, I urge my colleagues to support the Durbin-Young amendment. Substantial hearings have been held on this subject.

Our country spends some $50 billion per year on cleaning up our environment to protect our health and welfare. Yet the single, most egregious exposure to air pollution is avoidable at no cost.

Tobacco smoke has approximately 4,000 chemical constituents. Some 40 or so of these are known carcinogens, or tumor initiators. In addition, every air-polluting substance as defined and regulated by EPA is contained in tobacco smoke. Several investigators have shown that certain hazardous chemical constituents are present in much greater concentration in the passive smoke inhaled by the nonsmoker than in the filtered smoke inhaled by the active smoker.

For the past two Congresses, I have introduced bills to protect the health of nonsmokers working and visiting in U.S. Government buildings from the hazards of involuntary smoking by restricting smoking to designated areas.

The purpose of those bills is to prevent second-hand smoke from reaching nonsmokers in enclosed spaces. Well, the cabin of an airplane is a very small, enclosed space where nonsmokers are forced to passively smoke. Unlike a public building or a restaurant, they can't just walk out.

The National Academy of Sciences report of August 1986 found that separating smokers and nonsmokers in the airplane, did not prevent passengers and flight attendants from being exposed to significant amounts of cigarette smoke. The air space within an airplane is too small for such sectioning-off to do the job of protecting nonsmokers. The Academy recommended that smoking aboard domestic commercial flights be prohibited for health and safety reasons.

The Durbin-Young amendment is not a radical approach. In fact, it is quite reasonable to require smokers to refrain from smoking for 2 hours and thereby protect nonsmokers from, not only the general feelings of discomfort such as the irritation of itching, burning eyes, coughing, and headache, but also the dangerous health consequences that may result from exposure to tobacco smoke.

Surgeon General Koop released a study last year concluding that exposure to "second-hand smoke" substantially increases the risk of lung cancer and respiratory diseases in nonsmokers by 13 to 31 percent.

Preliminary data also suggests that exposure to tobacco smoke increases the risk for death from coronary heart disease.

More than three dozen States, hundreds of municipalities, and numerous private companies already have enacted policies to limit smoking both in public places and in the workplace.

We've heard about flying the friendly skies. Well, let's let passengers enjoy flying the smokeless skies.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the distinguished committee chairman, the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, this is a bad amendment. It is offered in an improper fashion, and it should be rejected.

What has happened here is that a member of the Appropriations Committee lost in the committee. He then went to the Rules Committee and he got an amendment approved for offering at this time, and this is supposedly a piece of legislation which is a limitation on appropriations. Be that as it may, there are a number of defects.

Since 1798 this body has had a rule of germaneness. It was modified in 1822. The purpose has been to see to it that Members got a sufficient notice of the character and the quality and the type of legislative proposals that were coming before the body. There has never been a charge that the legislative committee which had jurisdiction over this matter has been dilatory in considering the legislation before us.

This is not a matter which was subject to any hearings in the Appropriations Committee. It is a matter on which no testimony has been heard. No health information has been received, and none of the official functions of this body have been applied to the consideration of this particular piece of legislation.

Now, lest there be any misunderstanding, I do not smoke, I do not like to smoke, and I do not like to travel on aircraft where smoking takes place.

Our committee, the Committee on Energy and Commerce, probably does not have jurisdiction over this matter. I believe it is something that would probably be referred to the Committee on Public Works and Transportation. Let it be clearly understood, however, that this legislation has never been considered in that particular part of the House, and it is something that should be considered there. The function of this legislation is to avoid the regular practices of this body and allow this body to decide whether or not it should rise rather than consider matters which, while perhaps not germane, are in fact not appropriate to consider in connection with this particular piece of legislation. The committee which would have jurisdiction over this matter is open and sitting. It is ready to do business on this matter.

A precedent is being established tonight that is extremely unwise in permitting the Rules Committee, in a very high-handed and arrogant fashion, to place on this floor before this body a piece of legislation which has never been properly or fairly considered in a committee of proper jurisdiction.

Mr. DURBIN. Mr. Chairman, for purpose of debate only, I yield 1 minute to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS. Mr. Chairman, I want to commend the gentleman from Illinois [Mr. DURBIN] for offering this amendment. It is, I think, a fine amendment.

It has been said tonight that there are those who do not want to smoke, and that is indeed true. I wonder how many Members here in this House have had the experience of going to the window, to the agent, and asking for a nonsmoking seat and found that they are all gone. I wonder how many Members have gotten on an airplane and seen the nonsmoking section just jammed with people sitting all over, with very few people sitting in the back. I think that is an indication that most Americans do not want to smoke when they are traveling. We need only look at the results. We can see what has already happened. The movement is already there. It is time for us to do something about this.

I used to smoke, and I think that I could do without a cigarette for 2 hours. Two hours is not a long period of time. It is fair for those who do not want to smoke on short trips, like going to Chicago or Cleveland or something like that. It would be a different thing entirely if we said there would be no smoking whatsoever.

Mr. Chairman, this is just a step. It is a good step, and we ought to vote for it.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Chairman, I rise in strong opposition to this amendment.

Let me say at the outset that I personally support a limitation on smoking on airline aircraft. I lost my left lung to cancer in 1983. Second-hand smoke is a threat to the health of many people, and it should be dealt with in the context of airline travel.

The Subcommittee on Transportation of the Committee on Appropriations and the full Committee on Appropriations have turned this amendment down. The approach embodied in this particular amendment perfectly illustrates what happens when we attempt to legislate on an appropriations bill without the benefit of committee hearings or committee process. The Committee on Public Works and Transportation has jurisdiction and the expertise in airline regulation, and it is totally inappropriate to address this important issue in this catch-as-catch-can approach of a floor amendment to this appropriations bill.

In order to attempt to establish a veneer that this legislation is a condition and germane on an appropriations bill, the amendment says that none of the funds appropriated by this act may be made available for airport development and airport planning at any airport which permits any air carrier to provide scheduled air transportation between any such airport and any other airport; and it makes the director of your airport the regulator of smoking on aircraft.

In practice, this is unworkable and unenforceable, and it would not accomplish the protection of the public health that the offerer of the amendment seeks.

This amendment would require airports to find out flight schedules and determine which flights would be subject to the smoking regulations. How would an airport find out which flights take more than 2 hours? How would an airport find out whether an airline has been enforcing a no smoking rule?

Since we can hold hearings on this, we will hold hearings on the matter this fall. I hope the Members will reject this amendment offered by the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I yield myself 30 seconds.

The gentleman from California [Mr. MINETA] who just spoke is well versed, but I think when it comes to this issue, the bloom is off the rose.

How many times have we passed legislation compelling action by States and individuals by threatening to withhold Federal funds?

Let me add also that all the information necessary to enforce this act is readily available and presently on file. There are no new duties imposed, there are no new burdens on airports other than the requirement to file the contract of carriage with the Department of Transportation, which they already do.

Mr. Chairman, I yield 2 minutes, for the purpose of debate only, to the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Chairman, I thank the gentleman for yielding this time to me.

There was certainly a time when this amendment and this issue was not appropriate for this House. That was before we learned some things, and now this House or this Congress has no choice but to act, because all we need to know is this: we need no studies, no reports, simply this, which we already know: cigarette smoking kills, and now we know that passive smoking kills.

What else matters? Committee jurisdiction? Committee prerogatives? Let us weigh that against the scientific evidence, the deaths we are already experiencing.

Mr. Chairman, I say to my colleagues that no vote could be more simple. Any Member of this House that walked onto an airplane and saw a small child or infant puffing on a cigarette would be appalled. Any member of this House that walked onto an airplane and saw an elderly citizen, someone stricken with disease, puffing on a cigarette would go up and warn them, tell them the consequences.

Vote against this amendment, and the consequences are just the same. Do not warn the child, do not tell the citizen, because you are telling them the same thing in just as simple terms. The success of this amendment is inevitable, perhaps not tonight, maybe not tomorrow, but we know that we are going to do it because we know the facts, we know the costs, and we have seen the suffering.

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So why not do it now, why not save all of the lives and all of the suffering that is going to happen in between. Let us do the right thing.

I commend the gentleman for his leadership. There are lives to be saved.

Mr. COUGHLIN. Mr. Chairman, for purposes of debate only, I yield 2 minutes to the gentleman from Kentucky [Mr. HOPKINS.]

Mr. HOPKINS. Mr. Chairman, I do not smoke and I do not promote smoking, but 57 million people in this country do smoke. I urge this body to reject this amendment because it goes about addressing the question of smoking in the wrong way.

The gentleman from Kentucky [Mr. NATCHER], the dean of our delegation, stated that this amendment was rejected in the Appropriations Subcommittee by a vote of 5 to 3. It was rejected by the full Appropriations Committee by a vote of 23 to 11. The same proposal was rejected by the Department of Transportation in February of this year, Mr. Chairman. And the gentleman from Kentucky, [Mr. ROGERS] stated that the Committee on Public Works and Transportation, which has jurisdiction over the issue, has not held hearings or taken any votes on this issue.

Mr. Chairman, the Congress ought to have a full airing of the issue and hear from the industry and the regulators before this House acts. The most compelling reason, in my view, for the House to reject this amendment, is simly because it is unworkable.

The gentleman from Texas [Mr. DELAY] said earlier that the issue is between the airlines and the regulator. What the gentleman's amendment succeeds in doing is putting airport administrators in the middle, people who have nothing to do with regulating airlines, and making them into policemen of the airlines. That is the FAA's job. I suggest we let them do it. Do not put people who have nothing to do with this quesiton in the middle.

We owe our constituents better than this, and I think we can solve the airliner smoking question. I urge my colleagues to reject this amendment. Let us do our job properly, hold the hearings and decide the issue, Mr. Chairman.

Mr. DURBIN. Mr. Chairman, for purposes of debate only, I yield 2 minutes to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Chairman, I concede the arguments on germaneness and on legislating in an appropriation bill and the appropriateness of the amendment in this kind of legislation. That is true, but those arguments miss the point.

The point is we are here to debate an issue of major national significance, and the only time often that we get to debate an issue of this kind is when an appropriation bill comes to the floor every year for our approval. We may not get the opportunity in authorizing legislation to deal with issues of this kind.

So the gentleman from Illinois has given us a rare opportunity to debate a major, major national health issue.

A study by the National Research Council under the National Academy of Sciences found eight major problems in the airliner cabin environment. Environmental tobacco smoke is just one of them. But it is the biggest and it is the most significant.

It is uncontestable that smoking causes cancer, heart disease, stroke and a range of other illnesses. It is all right if a person chooses to smoke on his or her own time, but it is wrong for this individual to inflict that health risk upon other people, particularly when they are trapped in an airliner cabin.

Thirty percent of the airliners in this country as late as 1985 used recirculated air. The rest used a mixture of recirculated air and air from the outside, cleansing it and expanding it and adding oxygen to it. By 1990 and beyond, more than 60 percent, maybe 70 percent, of all aircraft will use recirculated air. That means that tobacco smoke is going around and around in the cabin in which you are sitting, slightly cleansed, but not completely, and you will be subjected to more damaging effects of environmental tobacco smoke.

A flight attendant told me recently that this is my workplace, this is where I make a living. She should not have to be subjected to environmental tobacco smoke against her will.

Mr. COUGHLIN. Mr. Chairman, for purposes of debate only, I yield 2 minutes to the gentleman from Minnesota [Mr. STANGELAND].

Mr. STANGELAND. Mr. Chairman, I rise to oppose the amendment offered by the gentleman from Illinois. This amendment would ban smoking on airline flights of less than 2 hours by use of one very large Federal stick: Federal funding to an airport would be prohibited if that airport provided service to commercial aircraft which permitted smoking on flights longer than 2 hours. I can think of many reasons to oppose the amendment but would like to mention just a few.

First, the issue is a complex one that should not be legislated through the appropriations process or before further analysis is undertaken. The Public Works and Transportation Committee, which has jurisdiction on this issue, has not looked at the proposal in depth. Until congressional review is complete, actions such as those proposed by the Durbin amendment are premature.

In addition, the Department of Transportation, recognizing the complexity of the issue, in February 1987 called for more study, including consideration of technological solutions and ventilation system modifications. Since then, DOT has requested funding for such a study, and is circulating a request for proposals to conduct one.

Many who have looked extensively at this issue oppose the gentleman's amendment. As you know, the Transportation Appropriations Subcommittee and the full Committee on Appropriations have rejected this amendment. In 1984, the Civil Aeronautics Board considered and rejected a similar proposal. The Board also noted concern that a smoking ban could create an onboard fire hazard, by encouraging surreptitious smoking, especially in lavatories.

Finally, that amendment could present serious and unnecessary administrative problems to airlines and airport administrators, who would be forced to hire additional personnel to ensure compliance or risk loss of $613 million in airport development funds. The Civil Aeronautics Board cited similar administrative problems in its 1984 report.

Mr. Chairman, for these and other reasons, I urge my colleagues to reject this amendment.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. STANGELAND. I am happy to yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, I could not pass up the opportunity to join with the distinguished chairman of the Appropriations Committee in insisting that an appropriation bill is not the place to enact legislation, that legislation should be considered in its proper forum with due and proper consideration in the legislative committees. So I would urge my friends that tonight, and on every appropriation bill hereafter, that we heed the words of our distinguished chairman of the Appropriations Committee and that we work with the legislative committees in enacting legislation that properly should be in the legislative committees.

Therefore, I would hope that this issue be considered in due form and in proper order in the committee whence it belongs.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. HUBBARD].

Mr. HUBBARD. Mr. Chairman, I ask my colleagues to consider the results of a poll conducted by the Airline Pilots Association on the issue of smoking aboard aircraft.

By a margin of 87 to 12 percent, the respondents agreed that the current practice of separating smoking and nonsmoking passengers is a reasonable policy that respects the rights of each.

While some argue here tonight about procedure, let us not ignore the fact that this amendment is another direct attack upon the tobacco farmers and the tobacco industry which gives an income to hundreds of thousands of Americans and in turn provides multimillions of dollars in tax dollars to our Federal and State governments.

Just 3 years ago, the Civil Aeronautics Board decided against a smoking ban on flights of 2 hours or less because it would pose an administrative nightmare for airlines and passengers.

There is no reason to believe the administrative problems would be any less severe today. In fact, they could be worse because airline delays on the ground now are stretching "2-hour" scheduled flights into trips of 4 or more hours.

I ask my colleagues to vote "no" on the Durbin-Young amendment.

Mr. DURBIN. Mr. Chairman, for purposes of debate only, I yield 2 minutes to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, in 1986 lung cancer became the No. 1 killer in America replacing breast cancer. That was for the first time in the history of our country, and it is going to go up every single year.

The bills that we consider here with regard to catastrophic health insurance, long-term medical health insurance for the people of our country are largely being considered so that we can pay for the cancers that people are going to contract, lung cancer, because the bulk of the diseases which we are contracting in this country in this modern era are behavioral diseases. We have been able to cure most of the diseases which we all knew in our childhood. Now it is diseases which we give to ourselves.

The Surgeon General's report last year on passive smoking shows that people who are in homes or workplaces with substantial exposure have a higher rate of lung cancer, and their children have a higher rate of colds, bronchitis and other respiratory problems than other people in our society. People are at risk for increased susceptibility to these diseases, and it has been confirmed by the Surgeon General's report.

It is our responsibility to act and to act responsibly to ensure that we do not expose those who do not want to be exposed to it or have their families exposed to it to have these types of diseases brought upon themselves. For those who want to run the risk, that is their choice. For those who do not, and that is two-thirds of all the people who fly, they and their families should not have to run that risk.

I believe that 2 hours is not an unduly long period of time to ask a smoker to refrain from smoking. They can do it if they want. They can do it if they have the willpower.

If they do not have that kind of willpower, then it is an unfortunate, an unnecessary and an unconscionable burden for them to place upon others to have to, in fact, shoulder the responsibility of their own health and their families' health and to, in fact, have those long-term health consequences visited upon those families.

Mr. COUGHLIN. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Chairman, I rise in strong opposition to the Durbin amendment. This amendment should be rejected for several reasons. First, this amendment represents an attempt to legislate on an appropriations bill concerning a subject that the authorizing committee has not held hearings on. This amendment was rejected by both the full Appropriations Committee and the Transportation Appropriations Subcommittee. We shouldn't even be considering this amendment. The waiver under which this amendment is made in order was opposed by both the chairman of both the Appropriations Committee and the authorizing committee.

Second, the amendment will present serious administrative problems to airlines and to airport administrators, who would be forced to hire additional airport personnel to ensure compliance or risk loss of $613 million in airport development funds. Mr. Chairman, not only does this amendment use the procedural back door, it uses the substantive back door. What this amendment would do is place the burden of enforcing this ill-conceived provision on the airports by directing the Secretary to withhold airport development funds from any airport that does not enforce its provisions.

Third, in 1984 a Civil Aeronautics Board considered and rejected a similar proposal, citing administrative problems. The Board also expressed concern that a smoking ban could create an onboard fire hazard, by encouraging surreptitious smoking, especially in lavatories. National Transportation Safety Board [NTSB] records of U.S. airline fire investigations indicate that none have been positively determined to have been smoking related. As TriData Corp., a noted fire safety consulting firm, noted "With current FAA regulations the chance of fires from smoking is very low. In our opinion, there is no reason to curtail smoking on board aircraft as a fire prevention method."

Finally, the sponsors of this amendment like to point to the Surgeon General's Report on Involuntary Smoking to support their call for a ban.

Mr. Chairman, the press statements, conclusions, and the research in the Surgeon General's report say two different things. The Surgeon General's Report concludes "Involuntary Smoking is a cause of disease, including lung cancer, in healthy nonsmokers." [SG's Report, Dec. 16, 1986, p. vii.] Yet, what does the Surgeon General's own research show? On page 101, the Surgeon General's own report, in discussing lung cancer, says, and I quote, "Risk associated with involuntary smoking exposure is uncertain. Important questions related to [ETS] exposure require further research. More accurate estimates for the assessment of environments are needed."

Five pages earlier, "(L)ittle is known about the magnitude of the [ETS] exposures that occur in different segments of the U.S. population. A better understanding of the exposures that are actually occurring in the United States, and of past exposures, would be needed to accurately assess the risk for the U.S. population." [SG's Report, Dec. 16, 1986, pp. 96–97.]

On the subject of acute respiratory illness, "There are no studies of acute respiratory illness experience in adults exposed to environmental cigarette smoke." [SG's Report, Dec. 16, 1986, p. 60.]

Mr. Chairman, the list goes on and on. The bottom line is that there is no significant scientific evidence to support the assertion that environmental tobacco smoke is harmful to nonsmokers.

According to a survey by the Airline Pilots Association, by a margin of 87 to 12 percent, the respondents agreed that the "current practice of separating smoking and nonsmoking passengers is a reasonable policy that respects the rights of each."

Mr. Chairman, I agree, and I urge my colleagues to reject this amendment.

The CHAIRMAN. The Chairman will note that the gentleman from Pennsylvania [Mr. COUGHLIN] has 7 minutes remaining and the gentleman from Illinois [Mr. DURBIN] has 5½ minutes remaining.

Mr. COUGHLIN. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. COBLE].

Mr. COBLE. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I probably fly as frequently on flights less than 2 hours in duration as any Member in the House. During the last 2½ years that I have flown these flights not one person has complained to me about smoking being permitted during these flights.

No pun intended, but smoking during flights is not a burning issue. Airline passengers, as has been pointed out earlier, are concerned about crowded circumstances, irregular service and flight delays.

Mr. Chairman, it seems clear to me that airline smoking bans already have been thoroughly considered and rejected by the Federal Aviation agencies and by airline passenger surveys. This field has been previously plowed. It does not need to be plowed again tonight.

This is an amendment whose time has not come, and I urge my colleagues to defeat it this evening.

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Mr. DURBIN. Mr. Chairman, for purposes of debate only, I yield 15 seconds to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding.

Because of the controversy over the 2-hour time limit, I will be proposing an amendment to the gentleman's amendment to increase that time span to 4 hours at the conclusion of the debate.

Mr. COUGHLIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky [Mr. BUNNING].

Mr. BUNNING. Mr. Chairman, I rise in strong opposition to the Durbin amendment. Not only is it an attempt to legislate on an appropriations bill but what is worse is that it is horrible legislation.

There is no need for this legisltion and if there were a need for it, this would not be the way to do it.

All major inflight tests of tobacco smoke conducted since 1971 have concluded that the amount of cigarette smoke detected in actual commercial flights is extremely small, posing no demonstrated risk to nonsmoking passengers or flight personnel. The vast majority of airline passengers feel that the current policy of separating smokers from nonsmokers is a reasonable policy.

There is, obviously, no need for this amendment outlawing smoking in flights under 2 hours in duration. It is simply another ill advised kick at the tobacco industry.

And even if there were any justification for legislation to further restrict smoking on airlines, this would be the worst way possible to do it. This amendment would require airports to become law enforcement agents, policing the aisles of the airplanes enroute to and from their airports.

I don't know about the airports around the country but I do know that the airports in northern Kentucky and Louisville do not have the personnel to send out smoke sniffers on every airline coming into and leaving their facilities to make sure that airlines are complying with some new nonsmoking rule.

Mr. Chairman, this is bad legislation. It is totally uncalled for and I urge my colleagues to reject it out of hand.

Mr. COUGHLIN. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. Daniel].

Mr. DANIEL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I grew up on a tobacco farm, but I never smoked a cigarette in my life. I do not know whether tobacco smoking is harmful to ones health or not.

Let me give you two examples. I am the only member of my family who never smoked and the only one who ever had lung trouble.

My grandmother, on the other hand, smoked all her life. She lived 99 years and 11 months. I do not know whether cigarette smoking killed her or not. It may have been fat meat that she was eating.

But that is not the issue so far as I am concerned. The issue is individual rights. It seems to me that under our Constitution, under our form of government, our philosophy, that if a person wants to smoke, they have the right to do that.

Mr. Chairman, I hope very much that this amendment will be defeated.

Mr. DURBIN. Mr. Chairman, for purposes of debate only, I yield 1 minute to the gentleman from Ohio [Mr. Donald E. Lukens].

Mr. DONALD E. LUKENS. Mr. Chairman, I hope that Congress catches up with the people of the United States. I rise in strong support of the Durbin amendment.

Standing before you is a victim of other people's smoke. I had classic cancer, smoker's cancer, six times. I have a 16-inch scar, a 14-hour operation. It is not a pleasant experience to go through, but I know, and all my surgeons agree, that I caught cancer through other people's smoke.

I tell you tonight, the best thing you can do, because the people of America are already doing it, is to follow the leaders out there.

Now, you may defeat this on this day, but it is coming and its time is due. We must have no smoking at all some day in airplanes, but I will settle for 2 hours now.

Mr. COUGHLIN. Mr. Chairman, I yield one minute to the gentleman from North Carolina [Mr. Valentine].

Mr. VALENTINE. Mr. Chairman, if I had known that I would be cut to 1 minute, I would have been close to the front when they called my name.

I know just about everything that can be said on this issue has been said and it is late at night. I know you get tired probably of hearing, "Well, here come the tobacco boys again."

We are defending people who grow this weed that is so controversial.

All I am here to ask of my colleagues is that we have our day in court, that we have an opportunity to hear the evidence, and all the evidence, because what this amendment will do is to put us in the absurd situation where you can go to an airport and you can smoke all the cigarettes you want as you are waiting for the airplane, but you cannot drink any whiskey. You get on the airplane and you cannot smoke any cigarettes, but you can drink all the whiskey that you want.

Now, if we are going to start controlling everybody's habits, let us take the time to make an inquiry really about this business of passive smoking and let us get down to some of these other things that offend people.

Mr. TOWNS. Mr. Chairman, I must rise in opposition to this amendment. First, this issue has not been addressed by the committee with jurisdiction over this matter. As a member of the Subcommittee on Aviation, I strongly believe that this issue should be the subject of extensive hearings prior to any legislative floor action.

Second, this amendment would require that the Nation's airports control the policies of individual airlines. Clearly, this is an inappropriate function for our airports. Finally, this initiative was raised in the Appropriations Subcommittee and full committee. The Civil Aeronautics Board also considered this issue. On all the above occasions, this effort was rejected. I urge my colleagues today to oppose this amendment because it is unfair to our Nation's airports and because it is an issue which should be the subject of hearings in the Subcommittee on Aviation.

Mr. DURBIN. Mr. Chairman, in closing the debate, first let me thank my cosponsor, the gentleman from Florida [Mr. Young]. It has been an honor to work with him on this important issue, and my chairman, the gentleman from Florida [Mr. Lehman], who has shown I think extraordinary patience with this debate.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to my colleague, the gentleman from New York.

Mr. WEISS. Mr. Chairman, I thank my friend for yielding to me.

Mr. Chairman, I rise in support of the amendment offered by my colleagues Representative Durbin and Representative Young. The dangerous effects of passive smoke are well documented. The Surgeon General has reported that passive smoking is responsible for approximately 2,400 lung cancer deaths annually. Yet, the Federal Government has done virtually nothing to protect the health and indeed the lives of these innocent victims of other peoples' smoking habits.

It is common sense that the deadly effects of passive smoking are pronounced on board airplanes, where both space and ventilation are limited. However, if common sense is not enough to provoke action, there are studies which clearly demonstrate that smoke-polluted airplane cabins jeopardize the health of all passengers and employees on board.

An August 1986 report of the National Academy of Sciences recommends for both health and safety reasons, that all smoking aboard domestic commercial flights be prohibited. The report found that the separation of smokers and nonsmokers aboard airplanes does not prevent smoke exposure to all passengers and flight attendants. Smokers may comply with restrictive seating regulations—but their cigarette smoke knows no boundary.

Despite overwhelming evidence and public protest, DOT has refused to take regulatory action. Therefore, we must act to protect the rights and the health of all travelers—smokers and nonsmokers alike.

I urge my colleagues to support this amendment.

Mr. DURBIN. Mr. Chairman, I hope my colleagues have listened closely to this debate, because if you have listened closely, you have found what I found in the subcommittee and in the full committee.

It was very difficult to focus the debate on the merits of the issue. We have heard a lot said about committee jurisdiction, about the need for study, about the fact that this is the wrong time, the wrong place, and if we could just get some more research, if we had another committee look at it, if we could wait a couple more years; but what you did not hear was anyone standing before you in this House Chamber attempting to refute the obvious.

As the gentleman from New Jersey [Mr. Torricelli] said, passive smoking kills. It has been said by our Surgeon General. It has been said by the National Academy of Sciences.

Are we going to stand here in this spacious Chamber, where smoking is prohibited, and say to those Americans who use the airlines, "It's safe for you to sit in that airline chamber, smoky as it might be, with poor ventilation."

We know better, and tonight we can do something about it.

Let me just suggest to you that this is a deadly serious issue. The flight attendants who have sat through this debate and who 60,000 strong stand behind this amendment, have told me stories which if they affected your daughters or sons would be enough for you to vote yes on this amendment, stories of people crippled and burdened and diseased because we failed to act.

Take that story about jurisdiction to the bedside of someone gasping for breath and tell them, "We just need a little more time."

We do not need more time. We need determination and will and we need to pass this amendment this evening.

Mr. Chairman, I yield back the balance of my time.

Mr. COUGHLIN. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. Lancaster].

Mr. LANCASTER. Mr. Chairman, I rise in opposition to this amendment.

In a very few short days tobacco farmers in the South will be selling their tobacco. Passage of this amendment will depress that market significantly, resulting in many more pounds of tobacco being bought by the Stabilization Corp.

This is not the time to pass such legislation, but rather it should go the normal route of all legislation and go before the authorizing committee for consideration. Otherwise, we will have a situation where the farmer will not get this year for his crop what he should, on top of the already serious problems caused by drought.

Mr. Chairman, I urge, therefore, a vote against this amendment.

Mr. COUGHLIN. Mr. Chairman, I think it is obvious at the end of a long night that this amendment is in the wrong place. It has had no hearings. It is clearly legislation. This is the wrong way to do it. All the procedural questions that have been brought up here that need to be explored, the factual questions that need to be explored before adopting an amendment like this.

The author of the amendment said that there were no substantive reasons to oppose the amendment. Well, indeed, there are. The airline pilots are violently opposed to this amendment because they very much fear that some passenger would dispose of a cigarette in the waste can in the washroom or otherwise cause an incident aboard a plane.

Mr. Chairman, this amendment was rejected in the subcommittee. It was rejected in the full committee and it should be rejected by this body because we do not know enough about it to do it in this way at this time.

Mr. Chairman, I urge the Members to reject the amendment, to treat this in the proper way, through the proper committee structure, through the proper hearings, and craft an amendment and craft a system that will indeed protect the public and protect the public in a myriad of ways as this Congress can do.

Mr. Chairman, we should reject the amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

AMENDMENT OFFERED BY MR. BURTON OF INDIANA TO THE AMENDMENT OFFERED BY MR. DURBIN

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. Burton of Indiana to the amendment offered by Mr. Durbin: In the proposed amendment on line 17, strike "two hours" and insert in lieu thereof "four hours".

Mr. BURTON of Indiana. Mr. Chairman, there are some Members of this body who think that if we are going to do the job correctly, we should make sure that Transcontinental flights are covered as well, and 4 hours would take care of that.

There have been a number of issues raised tonight. I want to start off by telling a little story. Last week during the 4th of July recess, I took my son and a neighbor boy on a trip down to Florida. Our flight out of National Airport was canceled for 6 hours, which I guess is becoming quite a common occurrence, and they had to put a bunch of people that were on two planes on one plane. So my son and his friend and his father had to take seats where we could get them on the plane. That meant we had to sit in the smoking section. None of us smoked and one of them had a lung condition, and for 4 hours we sat on the runway and flew to Miami and had to breathe that smoke.

Now, do not tell me that was not hazardous to their health and to my health and it certainly was a discomforting experience.

Now, another thing. It has been brought up here that people drink on airplanes and that could cause problems, but that is not endangering somebody else's health on the airplane. You may not like their breath, but it certainly is not going to kill you.

Now, I have a lot of friends from tobacco States. My wife is from Kentucky, a big tobacco State. I was just down there this weekend. I certainly do not want to do anything to hurt the economies of those States, but I cannot honestly believe that people not smoking on a plane is going to hurt those States' economies. When they get off the plane, the first thing they are going to do is light up a cigarette and probably two or three in a row to make up for what they missed on the plane, so it is not going to hurt the economies of those States.

Now, let me just point out tonight that a lot of my honorable colleagues who have spoken in the well speak because their hearts are in a tobacco package. They smoke. A lot of them are from tobacco States and they are concerned about their constituents, and I understand that, and a lot of the committee chairmen who are concerned about their power base do not want us to infringe upon their jurisdiction by having this come out in an appropriation bill; but the bottom line is, this is a health issue. People are dying from cancer of the lung. They are dying from emphysema. They are dying from heart disease caused by smoke and secondary smoke and we have to do something about that.

I care about my son and when I go on a trip with him, I want him to breathe fresh air, if possible. I certainly do not want to sit in the smoking section; but even if we sat in the front of the plane, he would be breathing that smoke, because the ventilating systems simply are not adequate to get all those contaminants out of that tube that we have to fly in.

Now, I think that we ought to have a total ban on smoking on airplanes because of the confined area that we have to live in during that 2, 3, 4 or 5 hour flight, so my amendment simply expands the time period from 2 hours to 4 hours.

Mr. Chairman, I hope all of you will think about this. Search your hearts and minds and think about your fellowman. If you want to smoke, if you want to endanger your life, that is your prerogative, but do you have the right to endanger the lives and health of other people, other human beings who do not want to breathe that stuff?

I do not think you sincerely feel that you have that right. If you really believe that in your hearts, you should vote for this amendment.

Mr. THOMAS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is not a memorable night in the House of Representatives. I hope some of you will read the Congressional Record tomorrow. This night has been filled probably with more cliches and tokenism than we have seen in a long, long time. We had the cliche of the camel's nose under the tent that was brought up in a number, paraphrasing from some of my colleagues; the abhorrence to legislating on appropriation bills from some of my colleagues who have made careers out of legislating on appropriation bills; the idea that the substantive concern is such that technology today cannot solve the problem. We can give them nicotine gum. We can give them nicotine liqueur. We can give them a cold tar sandwich. There are plenty of things that we can do from a technological point of view to meet that craving, other than have them smoke on an airplane.

Frankly, I am sorry to say that the amendment of my colleague, the gentleman from Illinois, is also tokenism.

□ 2240

Two hours does not do much good. It seems to me that the jury is not out.

If you will examine a flight of 2 hours, it does not really provide the American people with what I consider the absolute minimum in terms of an acceptable amendment; and that is, someone ought to be able to fly from coast to coast with minimum inconvenience to themselves, and I would say that would constitute one stop.

The amendment of the gentleman from Illinois would require four stops to be able to go from coast to coast on a plane that was designated nonsmoking, so I think the gentleman's amendment is an excellent amendment.

It will not ban transcontinental smoking, but it will allow someone, with some inconvenience to themselves, to be able to fly coast to coast with nonsmoking.

That nose under the camel's tent, if he were in the airplane I flew last night, the smoking would have been banned, because we do not allow animals in that kind of an environment.

The antivivisectionists would be out there in the lobby screaming at the Members in terms of the way we treated that animal, but we treat our relatives and our loved ones with total indifference.

I say, support the amendment of the gentleman from Indiana.

Mr. DELAY. Mr. Chairman, I move to strike the last word.

I just have to tell some of the Members that are so concerned about being placed in smoking sections, you may require that that section be made nonsmoking if you complain; and it is to be made so. If they do not, you should turn them in to the FAA, so the gentleman from Indiana could have complained about it. If they did not do it, they would have been brought before the FAA.

There are a couple of studies in my presentation; I did not get to present them. I want the Members to know that, and it is not that I am saying that passive smoke is dangerous or not dangerous. I am saying take a look and try to be objective and look at the studies that have been done.

The gentleman from Illinois and other Members have. If the Members read these studies from the Surgeon General and the National Academy of Sciences, I would like also to quote from the National Academy of Sciences:

> The available empirical evidence is of insufficient quality and quantity for a scientific evaluation of airliner cabin air or of the probable health effects of short or long exposure to it.

That is from the National Academy of Sciences study, and they admit that they make conclusions based on bad data.

From the Surgeon General with regards to lung cancer, on page 101 it says:

> The risk associated with involuntary exposure are uncertain and requires further research. More accurate estimates for effects in the home, workplace and other environments is needed.

Page 96,

> Little is known about the magnitude of exposure that occur in different segments of U.S. population. Better understanding of exposures that are actually occurring in the U.S. and of past exposures would be needed to accurately access the risk for the U.S. population.

With regard to acute respiratory illness, on page 60, "There are no studies of the acute respiratory illness experience of adults exposed to environmental cigarette smoke."

With regard to pulmonary function, on page 62, "The physiologic and clinical significance of small changes in pulmonary function found in some studies of adults remains to be determined."

So all these studies that have been quoted saying it is a terrible hazard to their health care based upon data that yet needs to be determined.

We need to study this. We need better data. We need data that can ultimately give us reason to act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON] to the amendment offered by the gentleman from Illinois [Mr. DURBIN].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DURBIN].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DURBIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 198, noes 193, not voting 42, as follows:

[Roll No. 264]

AYES—198

Alexander
Anderson
Andrews
Archer
Atkins
AuCoin
Baker
Barnard
Bates
Beilenson
Bennett
Bereuter
Berman
Boland
Boulter
Boxer
Brennan
Broomfield
Burton
Byron
Campbell
Cardin
Chandler
Coleman (MO)
Collins
Courter
Dannemeyer
Daub
Davis (IL)
Davis (MI)
Dellums
DeWine
Dicks
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Durbin
Eckart
Edwards (CA)
English
Erdreich
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Florio
Ford (TN)
Frank
Frenzel
Gallegly
Gejdenson
Gekas
Gibbons
Gilman
Glickman
Goodling
Gradison
Gray (IL)
Guarini
Hall (OH)
Hansen
Hayes (IL)
Hefley
Henry
Hertel
Hochbrueckner
Hoyer
Hutto
Hyde
Ireland
Jacobs
Johnson (CT)
Johnson (SD)
Jontz
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kostmayer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Lehman (CA)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (FL)
Lipinski
Lowery (CA)
Lowry (WA)
Luken, Thomas
Lukens, Donald
Lungren
MacKay
Markey
Marlenee
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McHugh
Meyers
Mfume
Mica
Miller (CA)
Miller (WA)
Moakley
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Nelson
Nielson
Nowak
Oberstar
Owens (UT)
Packard
Panetta
Pease
Pelosi
Penny
Pepper
Petri
Pickett
Porter
Price (IL)
Pursell
Rangel
Ravenel
Regula
Richardson
Ridge
Rinaldo
Ritter
Rodino
Roukema
Rowland (CT)
Roybal
Russo
Savage
Sawyer
Schaefer
Schneider
Schroeder
Sensenbrenner
Shumway
Sikorski
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Robert (NH)
Solarz
Stallings
Stark
Stenholm
Stratton
Studds
Swindall
Synar
Tauke
Thomas (CA)
Torres
Torricelli
Udall
Visclosky
Walgren
Waxman
Weber
Weiss
Wheat
Whittaker
Wolf
Wolpe
Wyden
Yates
Yatron
Young (FL)

NOES—193

Akaka
Anthony
Applegate
Armey
Badham
Ballenger
Bartlett
Barton
Bateman
Bentley
Bevill
Biaggi
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Bonior (MI)
Borski
Boucher
Brooks
Brown (CO)
Bruce
Buechner
Bunning
Bustamante
Callahan
Carper
Carr
Chapman
Chappell
Clarke
Clinger
Coats
Coble
Coelho
Coleman (TX)
Combest
Conte
Coughlin
Coyne
Craig
Crane
Daniel
Darden
de la Garza
DeFazio
DeLay
Derrick
Dickinson
Dingell
Dixon
Dowdy
Duncan
Dwyer
Dymally
Dyson
Early
Emerson
Espy
Fields
Flippo
Foley
Ford (MI)
Gallo
Gaydos
Gingrich
Gonzalez
Gordon
Grandy
Grant
Green
Gregg
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hayes (LA)
Hefner
Herger
Hiler
Holloway
Hopkins
Horton
Houghton
Hubbard
Huckaby
Hughes
Hunter
Inhofe
Jeffords
Jenkins
Jones (NC)
Jones (TN)
Kanjorski
Kastenmeier
Kolter
Konnyu
Kyl
Lancaster
Leath (TX)
Lehman (FL)
Lewis (CA)
Lewis (GA)
Lightfoot
Lloyd
Lott
Lujan
Mack
Manton
Martin (IL)
Martin (NY)
McDade
McGrath
McMillan (NC)

McMillen (MD)
Michel
Mineta
Molinari
Mollohan
Murtha
Myers
Nagle
Natcher
Neal
Nichols
Oakar
Obey
Olin
Ortiz
Oxley
Parris
Pashayan
Patterson
Perkins
Pickle
Price (NC)
Quillen
Rahall
Rhodes
Roberts
Robinson
Rogers
Rose
Roth
Rowland (GA)
Sabo
Saiki
Saxton
Schuette
Schulze
Sharp
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter (VA)
Smith, Denny (OR)
Smith, Robert (OR)
Snowe
Solomon
Spence
Spratt
St Germain
Staggers
Stangeland
Stokes
Stump
Sundquist
Sweeney
Swift
Tallon
Taylor
Thomas (GA)
Traficant
Traxler
Upton
Valentine
Vander Jagt
Volkmer
Vucanovich
Walker
Watkins
Weldon
Whitten
Williams
Wise
Wortley
Young (AK)

NOT VOTING—42

Ackerman
Annunzio
Aspin
Boner (TN)
Bonker
Bosco
Brown (CA)
Bryant
Cheney
Clay
Conyers
Cooper
Crockett
DioGuardi
Edwards (OK)
Flake
Foglietta
Frost
Garcia
Gephardt
Gray (PA)
Gunderson
Hawkins
Howard
Kemp
Livingston
Madigan
McCandless
McEwen
Miller (OH)
Owens (NY)
Ray
Roe
Roemer
Rostenkowski
Scheuer
Schumer
Tauzin
Towns
Vento
Wilson
Wylie

☐ 2250

The Clerk announced the following pairs:

On this vote:

Mr. Scheuer for, with Mr. Howard against.

Mr. Vento for, with Mr. Boner of Tennessee against.

Mr. Cheney for, with Mr. Gunderson against.

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. LEHMAN of Florida. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. Coelho] having assumed the chair, Mr. Panetta, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 2890) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1988, and for other purposes, had directed him to report the bill back to the House with sundry amendments with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment?

Mr. WALKER. Mr. Speaker, I ask for a separate vote on the Lehman of Florida amendment on page 5 of the bill.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: On page 5, line 9, strike "$1,849,400,000" and insert "$1,879,400,000".

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 282, noes 108, not voting 43, as follows:

[Roll No. 265]

AYES—282

Akaka
Alexander
Anderson
Andrews
Anthony
Applegate
Atkins
AuCoin
Barnard
Bateman
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilbray
Boehlert
Boggs
Boland
Bonior (MI)
Borski
Boucher
Boxer
Brennan
Brooks
Bruce
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Clarke
Clinger
Coats
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Coughlin
Courter
Coyne
Darden
Daub
de la Garza
DeFazio
DeLay
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flippo
Florio
Foley
Ford (MI)
Frank
Gallo
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gordon
Grant
Gray (IL)
Green
Guarini
Hall (OH)
Hamilton
Hammerschmidt
Harris
Hatcher
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hochbrueckner
Horton
Hoyer
Huckaby
Hyde
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lantos
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lowery (CA)
Lowry (WA)
Luken, Thomas
MacKay
Manton
Markey
Marlenee
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McGrath
McHugh
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Regula
Richardson
Ridge
Rinaldo
Ritter
Rodino
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Schneider
Schroeder
Sharp
Shaw
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Snowe
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stokes
Stratton
Studds
Swift
Synar
Tallon
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Udall
Upton
Vander Jagt
Visclosky
Walgren
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wise
Wolf
Wolpe
Wortley
Wyden
Yates
Yatron
Young (AK)
Young (FL)

NOES—108

Archer
Armey
Badham
Baker
Ballenger
Bartlett
Barton
Bilirakis
Bliley
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Coble
Combest
Craig
Crane
Daniel
Dannemeyer
Davis (IL)
Davis (MI)
DeWine
Donnelly
Dornan (CA)
Dreier
Duncan
Dyson
Emerson
Fawell
Fields
Frenzel
Gallegly
Gingrich
Gradison
Grandy
Gregg
Hall (TX)
Hansen
Hastert
Hefley
Herger
Hiler
Holloway
Hopkins
Houghton
Hubbard
Hughes
Hunter
Hutto
Inhofe
Ireland
Jacobs
Konnyu
Kyl
Lagomarsino
Lancaster
Latta
Leach (IA)
Leath (TX)
Lewis (FL)
Lightfoot
Lipinski
Lloyd
Lott
Lujan
Lukens, Donald
Lungren
Mack
Martin (IL)
McDade
McMillan (NC)
Michel
Moody
Moorhead
Natcher
Neal
Nielson
Oxley
Petri
Rhodes
Roberts
Robinson
Rogers
Rose
Schuette
Schulze
Sensenbrenner
Shumway
Skelton
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Stenholm
Stump
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Valentine
Volkmer
Vucanovich
Walker

NOT VOTING—43

Ackerman
Annunzio
Aspin
Boner (TN)
Bonker
Bosco
Brown (CA)
Bryant
Cheney
Clay
Conyers
Cooper
Crockett
DioGuardi
Edwards (OK)
Flake
Foglietta
Ford (TN)
Frost
Garcia
Gephardt
Gray (PA)
Gunderson
Hawkins
Howard
Kemp
Livingston
Madigan
McCandless
McEwen
Miller (OH)
Owens (NY)
Ray
Roe
Roemer
Rostenkowski
Scheuer
Schumer
Tauzin
Towns
Vento
Wilson
Wylie

☐ 2320

The Clerk announced the following pairs:

On this vote:

Mr. Howard for, with Mr. Roemer against.

Mr. Gunderson for, with Mr. Cheney against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR SUBCOMMITTEE ON ECONOMIC STABILIZATION OF THE COMMITTEE ON BANKING FINANCE AND URBAN AFFAIRS TO SIT TOMORROW DURING THE 5-MINUTE RULE

Ms. OAKAR. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs be allowed to sit tomorrow during the 5-minute rule. We have approval from the minority, and we make that request.

The SPEAKER pro tempore (Mr. Coelho). Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 2906, MILITARY CONSTRUCTION APPROPRIATION, 1988

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 100-217) on the resolution (H. Res. 222) waiving certain points of order against consideration of the bill (H.R. 2906) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1988, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 2907, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION, 1988

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 100-218) on the resolution (H. Res. 223) waiving certain points of order against consideration of the bill (H.R. 2907) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1988, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. Howard] is recognized for 5 minutes.

Mr. HOWARD. Mr. Speaker, on rollcall votes 254 through 258 I was unable to be present due to personal business elsewhere. Had I been present I would have voted "yea" on rollcall vote 254, "present" on rollcall vote 255, "aye" on rollcall vote 256, "present" on rollcall vote 257, "nay" on rollcall vote 258.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. Annunzio] is recognized for 5 minutes.

[Mr. ANNUNZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. Dornan] is recognized for 5 minutes.

[Mr. DORNAN of California addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

PHYSICIAN RETESTING: A WAY TO HELP IMPROVE THE QUALITY OF MEDICAL CARE AND REDUCE THE COSTS OF MALPRACTICE INSURANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. Stark] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, one of the best ways we could reduce the cost of malpractice insurance is to have less malpractice in this country—and one of the best ways to do that is to periodically retest physicians to ensure that they are up-to-date on the latest practice and have retained their competency.

Enclosed is a portion of a recent article by Benjamin Shimberg, Ph. D., in the June, 1987 issue of The Federation of State Medical Boards. The following portions of the article, entitled "Assuring the Continued Competence of Health Professionals," makes a telling case for the idea of retesting:

ASSURING THE CONTINUED COMPETENCE OF HEALTH PROFESSIONALS

(By Benjamin Shimberg, Ph.D.)

I had a strange experience the other night. I had been reading Alice in Wonderland to my granddaughter. Somehow, Alice managed to get inside of my head after I had gone to sleep. I was surprised to hear her speaking to me.

"I hear you are an expert on licensing. Tell me, why do we have licensing anyway?"

I did not have to think long for an answer. "Everyone knows that we have licensing to protect the public from incompetents, crooks, and charlatans," I replied.

"And how, exactly, does licensing protect the public?" she asked.

"That is easy," I replied. "There are boards that screen people who want to practice an occupation. They check such things as the people's education, training and experience. They also require the people to pass a test. In that way they can be sure the people have met a standard."

"Now tell me about certification" said Alice. "What good does that do?"

"It helps the public identify qualified and competent practitioners," I replied. "You see, to become certified you must meet certain training, experience and examination requirements—just as in licensing. But you realize, of course, that certification is usually non-governmental, while licensing is always required by a law."

"That is interesting," said Alice. "You are telling me that the public can have more confidence in a practitioner who is certified than in one who is not."

"Yes. That is right." I responded.

"How often do these people have to be reexamined to keep their licenses and certificates?" asked Alice.

"Oh, they never need to be reexamined," I explained. "In order to keep their license or certificate, they merely pay a renewal fee."

Alice looked perplexed. "You mean that once a person is licensed or certified, no one ever checks to see if the person is in good health and is still able to perform in a competent fashion? What if the licensee's vision or coordination is impaired? What if a person has become senile?

I did not like the tone of her question, so I reminded her that professionals have an obligation to keep up to date. And if they become impaired in some way, they are ethically bound not to practice.

"But suppose an individual does not keep up to date?" persisted Alice. "Suppose the person keeps on practicing although his or her physical capabilities have deteriorated? Isn't there a possibility that the public might be harmed?"

"I suppose there is," I replied, "but in certain professions we seek to protect the public by requiring continuing education."

"What is that?" asked Alice.

"Well in order to get a license or certificate renewed, one has to take approved courses—or meet the continuing education requirement in some other way."

Alice was interested. "Tell more," she urged.

"It is quite simple. Professional organizations, colleges and even entrepreneurs offer courses tailored to the needs and interests of the professional. Quite often these courses are offered in conjunction with vacation travel—which makes at least part of the vacation tax deductible.

"What is the connection between the continuing education courses one takes and areas of weakness—or areas of needed growth—that a person may have?" Alice asked.

"There really is not any," I had to admit. "Presumably a professional is aware of his or her needs and will take appropriate courses."

"But what if that person is unaware of his or her weakness? What if the person elects to take courses dealing with trendy stuff and ignores or neglects basic material on which he or she is rusty?" Alice persisted.

I thought it was time to tell Alice about professional discipline, so I said, "If a person does not maintain his or her competence, sooner or later he or she is likely to get into trouble. They may hurt someone and that may bring them to the attention of the board, and then the board can subject them to discplinary action."

"Oh, I see," said Alice. "The Board would get the complaint, investigate and if there is adequate cause, revoke or suspend the license. Is that correct?"

"That is right," I said. "At least in theory. In practice very few licenses are ever suspended or revoked for incompetence."

"For what reason are they revoked" asked Alice.

"Most disciplinary actions are for breaking the law—for drug abuse, drug diversion, medicare fraud. In order to take disciplinary action because of incompetence, you have to have strong evidence of gross incompetence or a pattern of repeated acts of incompetence. That is why few people ever lose their licenses because of incompetence."

Alice looked perplexed, "Let's see if I understand what you are telling me. Licensing is supposed to protect the public against incompetents, yet the licensing agency never reexamines people to see if they are still competent or in physical condition to render safe and effective service."

"Right so far," I said.

"Many boards require continuing education, but such education is not necessarily linked to areas of incompetence."

"Correct," I said.

Alice continued, "The board does not routinely check its licensees to see if they are practicing at the state-of-the-art? Instead, it waits for complaints—and acts only if the complaint is of a very, very serious nature. In the meantime, the public assumes that the practitioner is competent because he or she is being regulated by an agency or the government."

I agreed. Alice continued, "That seems like a pretty shaky assumption in view of the fact that there is no systematic review of the practitioner's level of knowledge or skill or of his ability to apply his knowledge appropriately." At this point Alice turned away and said to a big white rabbit who was standing nearby, "This whole situation gets curiouser and curiouser all the time. I wonder which of us is in Wonderland?"

I have shared this disquieting dialog with you because in her own way, Alice has put her finger on what has become the most troublesome aspect of professional regulation. More and more people are beginning to realize that, contrary to the assertion that licensing protects the public, the system of regulation, as presently constituted, is incapable of keeping that promise. It simply makes no sense to pretend that lifetime licensure or certification can be depended on to provide dependable assurances of competence * * *.

TEMPORARY SAFE HAVEN LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. FISH] is recognized for 5 minutes.

Mr. FISH. Mr. Speaker, I would like to speak on behalf of "temporary safe haven legislation" that Congressman MAZZOLI introduced today. I am an original cosponsor of this legislation.

In speaking in support of this legislation, I would like to make reference to an editorial in the New York Times, dated June 29, 1987, entitled "Make America a Fair Safe Haven" which I am inserting in the RECORD. This editorial specifically addresses the need for legislation which adopts formal procedures for granting temporary refuge for a national group whose homeland conditions are racked by armed civil conflict, environmental disaster, or other extraordinary and temporary conditions.

The Attorney General has discretion to grant extended voluntary departure allowing individuals from certain countries to remain in the United States because of political persecution, chaos, and civil strife at home. However, no criteria is now available which specifies when extended voluntary departure can be granted and why certain countries qualify. Just recently, the administration announced its extension of voluntary departure to foreign nationals from Poland.

The Refugee Act of 1980 was passed by Congress to establish a uniform process by which we accept refugees, that is, those individuals having a "well-founded fear of persecution based on race, religion, nationality, membership in a particular social group or political opinion." With the passage of the Refugee Act, the use of extended voluntary departure decreased. However, even after passage of this act, the administration continued to use its executive authority to grant extended voluntary departure in special circumstances for certain countries, such as Uganda, Poland, Ethiopia, and Afghanistan.

I think the present ad hoc usage of EVD demonstrates a clear need for congressional action to establish formal procedures for granting EVD by the Attorney General. The purpose of the Refugee Act was to establish a formal and orderly process for accepting refugees and to supplant the ad hoc use of parole and nation-specific procedures. We need the same for EVD. I believe this legislation makes much more sense than granting a stay of deportation just for El Salvador and Nicaragua, pending completion of a GAO report. That legislation has been introduced during the past several Congresses with unsuccessful results.

However, having just recently visited both countries, I can certainly sympathize with the need for a solution. I am very troubled by the concerns that the President of El Salvador, President Duarte, expressed in his recent letter to President Reagan requesting EVD for his country. As you will recall, President Duarte describes the devastating economic impact the Immigration Reform Act will have on El Salvador because, of the return of hundreds of thousands of Salvadorans who do not qualify for legalization under our new law.

At the same time, I sympathize with all the other countries around the world that suffer from economic hardship or some form of civil strife or national catastrophe. It is important, therefore, that a rationale, freestanding legislative approach be developed to allow individuals to remain here temporarily until conditions in their country improve. The legislation introduced today establishes the criteria for such action and replaces the ad hoc approach currently being used with EVD. I think the legislation introduced today fills a gap between our Refugee Act and our immigration laws and urge my colleagues to support this legislation.

MAKE AMERICA A FAIR SAFE HAVEN

Which foreigners should be allowed safe haven in the United States when there's trouble back home? Using informal authority, the Reagan Administration now will allow more than 7,000 Polish citizens who would be eligible for deportation to remain in this country at least through 1987.

The Poles have been in the U.S. since before July 1984, after fleeing martial law in their homeland. They are like citizens of a dozen other countries who have been granted what is called extended voluntary departure. But the same Administration that now says yes to Poles seeking safe haven continues to say no to Salvadorans who fear returning to turmoil in their country.

The contradiction offers new reason to write safe haven status formally into law.

The United States has opened its arms to refugees who satisfactorily prove a "well-founded fear of persecution" back home. But for visitors who need a port in a sudden storm like civil strife or natural disaster in their homeland, U.S. law can be casual and inadequate. Many countries have formal procedures for granting temporary refuge but in America, the decision is left to the discretion of the Attorney General.

Under that discretion, the Administration recently refused a request from President Duarte of El Salvador for "extended voluntary departure" for half a million Salvadorans living here illegally.

The double standard of extending temporary refuge for Poles but denying it to Salvadorans could be justified in this case. Mr. Duarte based his case not on humane principle but on expediency arguing that sending home thousands of undocumented Salvadorans would create an economic crisis. Nevertheless, a case could be made that if forced to return home, many Salvadorans would face the chaos and danger of continuing civil strife.

The way to insure that judgments to grant safe haven are not skewed by politics is to incorporate humanitarians criteria into law. That's an approach favored by Representative Romano Mazzoli. He has proposed formalizing safe haven status under existing immigration law. The idea is to allow the Attorney General to grant emergency protection to a national group whose homeland is racked by armed civil conflict, environmental disaster or other "extraordinary and temporary conditions."

The Attorney General's decision would take into account "immigration, humanitarian and international concerns," with at least an annual review of homeland conditions to determine whether refuge should be extended.

Setting down formal standards for any national group seeking temporary safe haven would eliminate the need for special legislation to address the plight of individual groups like Salvadorans and Nicaraguans that have failed to win Administration sympathy. The Mazzoli approach offers a sound way finally to get from here to there.

THE TEMPORARY SAFE HAVEN ACT OF 1987

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Kentucky [Mr. MAZZOLI] is recognized for 5 minutes.

Mr. MAZZOLI. Mr. Speaker, today, I, along with the distinguished gentleman from New York [Mr. FISH] and the distinguished gentleman from Georgia [Mr. SWINDALL], am introducing legislation designed to fill a major gap in current immigration law.

This gap exists because between full-fledged refugee status and the status of being an undocumented alien there lies—nothing. Under existing law an alien abroad who can demonstrate a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion can be admitted to the United States as a refugee, which in effect means as a lawful permanent resident alien, with full rights to become a U.S citizen after a few years. Similarly, an alien already in the United States who can demonstrate that same type of well-founded fear can be granted asylum. Again, this puts the individual on the road to United States citizenship.

But the "well founded fear of persecution" test is not, and was never intended to be, a standard readily met. Under our refugees laws, an individual must show a personalized fear; as is a fear that he or she has been, or may be, singled out for harsh treatment on the basis of the prescribed grounds. Moreover, the concept of persecution entails the notion that the persecutor is acting knowingly and intentionally against an individual. There is no such thing as negligent or unintended persecution.

This is not to imply that there is anything wrong with the 1980 Refugee Act, the basis for our refugee and asylum laws. Under that act, hundreds of thousands of individuals fleeing persecution have been admitted to the United States; and this year we will admit approximately 70,000 more. The Refugee Act, which has served our Nation and the world well, is entirely consistent with our international obligations under the 1951 Convention Relating to the Status of Refugees and the 1968 Protocol.

Clearly, the fact that an individual is not, and will not, be persecuted provides no guaranty that he or she will be allowed to lead a life of peace and prosperity. If there is random violence or civil warfare in a country it is of little consolation to an individual struck by a stray bullet that the person who pulled the trigger was not really aiming at him.

Similarly, environmental disasters, such as earthquakes and floods, are indiscriminate in their impact. They persecute no one, but their dangers may be as real as the actions of the most nefarious dictator.

Today, aliens fleeing armed hostilities enjoy no special protection in the Untied States. Indeed, if they arrived without documentation—which usually is the case—they are simply deportable aliens. That they may be deported to a nation in which their lives and safety may be in jeopardy is not, itself, a basis for remaining in the United States.

This gap in current law has been recognized—and to a limited extent, corrected—by an executive action known as Extended Voluntary Departure (EVD). Since 1977, EVD has been granted administratively to Ethiopians, Ugandans, Poles, Afghans, Iranians, and Nicaraguans. Quite simply, the process is one whereby the Attorney General allows individuals of a particular nationality to remain indefinitely in the United States. According to Elliot Abrams, who, as Assistant Secretary of State for Human Rights and Humanitarian Affairs, testified on this matter in 1984, the decision to grant EVD is based on "a balancing of judgments about their foreign policy, humanitarian, and immigration policy implications."

Though the EVD mechanism represents a bona fide attempt to fill an obvious and ongoing need, it presents a number of problems of its own. First, it has only the shakiest of legislative foundations, and indeed is arguably outside the scope of current law. Second, the process by which EVD grants are made, extended, or terminated is utterly mysterious, since there exist no statutory criteria to guide the administration in its actions. Third, EVD decisions are neither publicized nor accompanied by an explanation of how and why they were made. For example, when EVD was recently extended for Poles the action was accomplished by means of an internal directive to Immigration Service officer. No notification or explanation accompanied the action. Fourth, neither statutes nor regulation describe the rights and responsibilities of individuals who are in EVD status. What documents are issued to such individuals? Are they allowed to work in the United States? Can they travel abroad? Are they entitled to welfare benefits? Answers to these and similar questions are difficult, if not impossible, to find.

Given there obvious defects in current practice, and recognizing the compelling humanitarian arguments on behalf of allowing endangered aliens who are not refugees to remain in the United States, we have crafted the legislation I am now introducing: The Temporary Safe Haven Act of 1987. The basic features of our bill are as follows:

SUMMARY OF TEMPORARY SAFE HAVEN ACT OF 1987

Establishes three criteria for authorization to remain temporarily (ART): (1) physical danger due to armed conflict; (2) environmental disaster; or (3) U.S. national interest, taking into account international, humanitarian, and immigration concerns.

Requires foreign state to request ART only in environmental disaster cases.

Permits no judicial review.

Allows the Attorney General to establish cutoff dates.

Requires all eligible aliens to register with INS, and then reregister annually, providing the INS with such information as it may require.

Permits aliens in lawful nonimmigrant status to receive ART only if and when their visa expires.

Requires continuous physical presence in United States, but permits brief casual and innocent departures.

Disqualifies ART recipients from public welfare.

Removes from the Attorney General his present powers to grant EVD.

Requires Attorney General to report annually on why each country in the world was, or was not, given ART treatment.

Does not grandfather in El Salvador, Poland, or any other country.

Requires the Attorney General to publish findings of fact in the Federal Register whenever he: (1) grants ART to a country; (2) revokes ART; or (3) extends ART for an additional year.

Mr. Speaker, just 2 weeks ago the full Judiciary Committee favorably reported out H.R. 618, a bill to grant, in essence, EVD to Salvadorans and Nicaraguans. I could not support that bill, believing that an ad hoc, country-specific approach is not the answer. Nonetheless, I recognize that H.R. 618 is well along in the legislative process, and it is not my intent to promote The Temporary Safe Haven Act as a substitute for that measure. On the other hand, it is my hope that if a generic bill of the type we are introducing today is enacted into law there will be need in the future for this body to consider legislation like H.R. 618.

Mr. Speaker, at this point I would like to have printed in the RECORD two recent New York Times editorials strongly supportive of the approach reflected in our bill:

[From the New York Times, May 16, 1987]

AMERICA AS SANCTUARY

In times of turmoil in their homelands, foreign visitors need temporary sanctuary; to send them away would be cruel. Many countries have formal procedures for granting temporary refuge. But visitors to the United States who need a port in a sudden storm are left to the discretion of the Attorney General, whose humanitarian impulses may be constrained by politics. It's time for Congress to formalize safe haven status by law.

Immigrants can enter if they meet legal requirements. Refugees who document a "well-founded fear of persecution" back home are entitled to permanent sanctuary. But there is a spectrum of people in between. For instance, what of those who come as visitors and are turned into refugees, while here, by civil strife at home? Forcing them to return would subject them to chaos, or worse. Consider the Iranian students in colleges here when the Shah was deposed.

American law is not heartless about people in such a bind but it is casual. The Attorney General can grant safe haven in the form of "extended voluntary departure." In the last 25 years, that has been done for 13 nationality groups. Currently, nationals from Afghanistan, Ethiopia and Poland are covered.

Using its discretion, the Administration this week refused a request from President Duarte of El Salvador to grant extended voluntary departure to half a million Salvadorans living here illegally. He argued sending so many undocumented Salavadorans home under the new Immigration Reform Act could create an economic crisis. But that has little to do with the need for safe haven.

A case can be made that they would face, if not persecution, at least chaos if forced to return home. That's a judgment best made objectively, unsalted by political considerations. A formal process for granting temporary refuge would make these decisions on less fickle grounds.

Congress is considering a bill, co-sponsored by Representative Joe Moakley of

Massachusetts and Senator Dennis DeConcini of Arizona, to confer extended voluntary departure status for two years on undocumented Salvadorans and Nicaraguans who might be deportable under the new law. That goes too far and not far enough.

To give the Salvadorans and Nicaraguans living and working here a free pass for two years undermines the new immigration law, intended to discourage sneaking into the country. Yet the bill stops at those two groups and does not address the plight of the next people whose plea for emergency protection fails to win Administration sympathy.

What's needed is a temporary refuge law that formally incorporates humanitarian criteria into the decision process. Such legislation could provide safe haven, for an unspecified time, to any national group whose homeland is racked by civil strife or, perhaps, natural disaster. Individual claims could receive more generous consideration. America can be tough on gate-crashers and yet remain reliably compassionate to people cut off from their homes.

[From the New York Times, June 1987]

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The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

[Mrs. BENTLEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. OBEY] is recognized for 60 minutes.

[Mr. OBEY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. MOLINARI] is recognized for 60 minutes.

[Mr. MOLINARI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 60 minutes.

[Mr. PANETTA addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DANNEMEYER] is recognized for 60 minutes.

[Mr. DANNEMEYER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ALEXANDER (at the request of Mr. FOLEY), for today, on account of death in family.

Mr. ROSTENKOWSKI (at the request of Mr. FOLEY) for today on account of illness.

Mr. ROE (at the request of Mr. FOLEY) for today, July 14 and 15, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. MORELLA) to revise and extend their remarks and include extraneous material:)

Mr. DANNEMEYER, for 60 minutes, today.

Mr. DORNAN of California, for 5 minutes, today.

Mr. DORNAN of California, for 5 minutes, on July 14.

Mr. FISH, for 5 minutes, today.

Mr. BEREUTER, for 30 minutes, on July 14.

Mr. FISH, for 10 minutes, on July 14.

(The following Members (at the request of Mr. MOAKLEY) to revise and extend their remarks and include extraneous material:)

Mr. HOWARD, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. STARK, for 5 minutes, today.

Mr. MAZZOLI, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, on July 14.

Mr. ROYBAL, for 60 minutes, on July 21 and 22.

Mr. EDWARDS of California, for 60 minutes on July 22 and 23.

Mr. MOODY, for 60 minutes, on July 15 and 16.

Mrs. BOXER, for 60 minutes, on July 14 and 15 and 30 minutes on July 21 and 22.

Mr. FLORIO, for 60 minutes, on July 22 and 23.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. MORELLA) and to include extraneous matter:)

Mr. DANNEMEYER in two instances.

Mr. MARLENEE.

Mr. DREIER of California.

Mr. CRANE.

Mr. LEWIS of Florida.

Mr. SHUMWAY.

Mr. LEWIS of California.

Mr. SLAUGHTER.

Mr. SAXTON.

Mr. LAGOMARSINO in two instances.

Mr. COURTER.

Mr. HENRY.

Mr. YOUNG of Alaska.

Mr. GINGRICH.

Mr. BEREUTER.

Mr. PORTER.

Mr. DONALD E. LUKENS.

(The following Members (at the request of Mr. MOAKLEY) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. MONTGOMERY.

Mr. TRAFICANT.

Mr. GARCIA.

Mr. HOWARD.

Mr. ASPIN.

Mr. HOCHBRUECKNER.

Mr. PEASE.

Mr. CARDIN.

Mr. KENNEDY.

Mr. STOKES.

Mr. LELAND.

Mr. DONNELLY.

Mr. FRANK.

Mr. DORGAN of North Dakota.

Mr. LANTOS.

Mr. SHARP in three instances.

Mr. FLORIO in two instances.

Mr. RANGEL.

Mr. PANETTA.

Mr. WEISS.

Mr. DELLUMS.

Mr. AUCOIN.

Mr. LEVIN of Michigan.

BILL PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present, to the President, for his approval, a bill of the House of the following title.

H.R. 558. An to provide ugently needed assistance to protect and improve the lives and safety of the homeless, with special emphasis on elderly persons, handicapped persons, and families with children.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 744. An act to authorize the Environmental Protection Agency to assist States in development of radon programs, to conduct a study to determine the extent to which radon in the Nation's schools poses a threat to children and employees in such schools, and for other purposes; to the Committee on Energy and Commerce.

S. 1198. An act to authorize a certificate of documentation for the vessel F/V Creole; to the Committee on Merchant Marine and Fisheries.

SENATE ENROLLED JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled joint resolutions of the Senate of the following titles:

S.J. Res. 85. Joint resolution to designate the period commencing on August 2, 1987, and ending on August 8, 1987, as "International Special Olympics Week," and to designate August 3, 1987, as "International Special Olympics Day", and

S.J. Res. 138. Joint resolution to designate the period commencing on July 13, 1987, and ending on July 26, 1987, as "U.S. Olympic Festival—'87 Celebration," and to designate July 17, 1987, as "U.S. Olympic Festival—'87 Day."

ADJOURNMENT

Mr. MOAKLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 27 minutes p.m.), the House adjourned until tomorrow, Tuesday, July 14, 1987, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1733. A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to authorizie the Secretary of Agriculture to recover costs of carrying out certain animal and plant health inspection programs, and for other purposes; to the Committee on Agriculture.

1734. A communication the President of the United States, transmitting an amendment to the requests for appropriations for fiscal year 1988 for the legislative branch, and general provisions language to help implement the Productivity Improvement Program, pursuant to 31 U.S.C. 1107 (H. Doc. No. 100-91); to the Committee on Appropriations and ordered to be printed.

1735. A letter from the Commander, Naval Facilities Engineering Command, Department of the Navy, transmitting a final environmental impact statement [FEIS] for the gulf coast strategic homeporting, pursuant to 33 U.S.C. 1344(r); to the Committee on Armed Services.

1736. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend chapter 157 of title 10, United States Code, to authorize the Secretary of Defense to provide transportation for next of kin of certain persons who are unaccounted for, to attend annual national meetings sponsored by the National League of Families of American Prisoners and Missing in Southeast Asia; to the Committee on Armed Services.

1737. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-45, "D.C. Sales Tax Amendment Act of 1987," and Report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1738. A letter from the General Counsel, Legal Services Corporation, transmitting the 1986 report of activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1739. A letter from the Secretary of Transportation, transmitting the National Airway System annual report—fiscal year 1986, pursuant to 49 U.S.C. app. 2203(b)(1); to the Committee on Public Works and Transportation.

1740. A letter from the Assistant Secretary (Tax Policy), Department of the Treasury, transmitting a draft of proposed legislation to amend the Internal Revenue Code of 1986 to provide an exemption from withholding tax for certain interest payments to Netherlands Antilles companies and their creditors and thereby to protect investor confidence in international bonds of U.S. issuers and for other purposes; to the Committee on Ways and Means.

1741. A letter from the Director, Office of Civilian Radioactive Waste Management, Department of Energy, transmitting the fifth annual fee adequacy report evaluating whether the revenues collected from nuclear waste disposal fees are sufficient to offset program costs, pursuant to 42 U.S.C. 10222(a)(4); jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

1742. A letter from the Director, Office of Personnel Management, transmitting notification of a proposed national Bureau of Standards demonstration project which addresses the Government's problem of attracting and keeping qualified personnel, especially in high-technology fields, pursuant to 5 U.S.C. 4703(b)(4)(B), (6); jointly, to the Committees on Science, Space, and Technology and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RODINO: Committee on the Judiciary. H.R. 618. A bill to provide for a General Accounting Office investigation and report on conditions of displaced salvadorans and Nicaraguans, to provide certain rules of the House of Representatives and of the Senate with respect to review of the report, to privide for the temporary stay of detention and deportation of certain Salvadorans and Nicaraguans, and for other purposes. (Rept. 100-212, Pt. 1). Ordered to be printed.

Ms. OAKAR: Committee on House Administration. H.R. 60. A bill to authorize the Architect of the Capitol to accept gifts and bequests of personal property and money for the benefit of the Capitol Buildings Art collection; with amendments (Rept. 100-213). Referred to the Committee of the Whole House on the State of the Union.

Ms. OAKAR: Committee on House Administration. H.R. 2249. A bill to change the title of employees designated by the Librarian of Congress for police duty and to make the rank structure and pay for such employees the same as the rank structure and pay for the Capitol Police; with an amendment (Rept. 100-214). Referred to the Committee of the Whole House on the State of the Union.

Ms. OAKAR: Committee on House Administration. House Joint Rresolution 291. Joint resolution conferring the honorary status of Librarian of Congress Emeritus on Daniel J. Boorstin (Rept. 100-215). Referred to the Committee of the Whole House on the State of the Union.

Mr. FROST: Committee on Rules. House Resolution 222. Resolution waiving certain points of order against consideration of H.R. 2906, a bill making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1988, and for other purposes (Rept. 100-217). Referred to the House Calendar.

Mr. GORDON: Committee on Rules. House Resolution 223. Resolution waiving certain points of order against consideration of H.R. 2907, a bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1988, and for other purposes (Rept. 100-218). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. de la GARZA: Committee on Agriculture. H.R. 1340. A bill to improve the administration of the Department of Agriculture Commodity distribution activities, and for other purposes; with an amendment; referred to the Committee on Education and Labor for a period ending not later than July 31, 1987, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(g), rule X (Rept. 100-216, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROE (for himself, Mr. Walgren, Mr. Boehlert, Mr. Brown of California, Mr. Scheuer, Mrs. Lloyd, Miss Schneider, Mr. Glickman, Mr. Volkmer, Mr. Nelson of Florida, Mr. Hall of Texas, Mr. McCurdy, Mr. Mineta, Mr. Henry, Mr. MacKay, Mr. Valentine, Mr. Bruce, Mr. Stallings, Mr. Traficant, Mrs. Morella, Mr. Chapman, Mr. Hamilton, Mr. Perkins, Mr. Price of North Carolina, Mr. Nagle, Mr. Skaggs, and Mr. Boucher):

H.R. 2916. A bill to amend the Act of March 3, 1901, and the Stevenson-Wydler Technology Innovation Act of 1980 to further U.S. technological leadership, and for other purposes; to the Committee on Science, Space, and Technology.

By Mr. CARPER:

H.R. 2917. A bill to suspend for a 5-year period the duty on Bendiocarb; to the Committee on Ways and Means.

By Mrs. COLLINS:

H.R. 2918. A bill to amend title XVIII of the Social Security Act to permit direct payment under the Medicare Program for services of registered nurses as assistants at surgery; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. HAMMERSCHMIDT:

H.R. 2919. A bill to amend title II of the Social Security Act to eliminate the 5-month waiting period which is presently required in order for an individual to be eligible for benefits based on disability; to the Committee on Ways and Means.

By Mr. LEWIS of Florida:

H.R. 2920. A bill to amend the Federal Meat Inspection Act to require that meat, and meat food products containing meat, be labeled as to country of origin even if further prepared after entry into the United States, and to provide for administrative sanctions for failure to so label or mark; to the Committee on Agriculture.

By Mr. MAZZOLI:

H.R. 2921. A bill to amend the Immigration and Nationality Act to improve the administration of the immigration and nationality laws, and for other purposes; to the Committee on the Judiciary.

By Mr. MAZZOLI (for himself, Mr. Fish, and Mr. Swindall):

H.R. 2922. A bill to amend the Immigration and Nationality Act to provide to aliens who are nationals of certain foreign states in crises authorization to remain temporarily in the United States; to the Committee on the Judiciary.

By Mr. MOODY (for himself and Mr. DeLay):

H.R. 2923. A bill to require certain actions by the Secretary of Transportation regarding certain drivers of motor vehicles and motor carriers; to the Committee on Public Works and Transportation.

By Mr. SOLOMON (for himself, Mr. Stratton, and Mr. Martin of New York):

H.R. 2924. A bill to amend the Airport and Airway Improvement Act of 1982 relating to operation of flight service stations; to the Committee on Public Works and Transportation.

By Mr. SUNDQUIST:

H.R. 2925. A bill to amend title 10, United States Code, to repeal the Social Security offset applicable to certain annuities for surviving spouses paid under the survivor benefit plan for retired members of the Armed Forces to the extent that such offset is due to social security benefits based on the surviving spouse's own earnings or self-employment; to the Committee on Armed Services.

By Mr. TRAFICANT:

H.R. 2926. A bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to authorize grants for closed circuit televising of the testimony of children who are victims of abuse; to the Committee on Judiciary.

H.R. 2927. A bill to designate the Federal courthouse being constructed at 129 Market Street, Youngstown, OH, as the "Thomas D. Lambros Federal Courthouse"; to the Committee on Public Works and Transportation.

By Mr. SCHUETTE (for himself, Mr. Anderson, Mr. Annunzio, Mr. Applegate, Mr. Archer, Mr. Atkins, Mr. Badham, Mr. Barnard, Mr. Bennett, Mrs. Bentley, Mr. Berman, Mr. Bevill, Mr. Biaggi, Mr. Bilirakis, Mr. Blaz, Mr. Bliley, Mr. Boland, Mr. Boner of Tennessee, Mr. Bonior of Michigan, Mr. Borski, Mrs. Boxer, Mr. Brennan, Mr. Broomfield, Mr. Bustamante, Mrs. Byron, Mr. Campbell, Mr. Carper, Mr. Carr, Mr. Chandler, Mr. Chapman, Mr. Clay, Mr. Clinger, Mr. Coelho, Mrs. Collins, Mr. Conyers, Mr. Coughlin, Mr. Courter, Mr. Coyne, Mr. Crockett, Mr. Daub, Mr. Davis of Illinois, Mr. Davis of Michigan, Mr. de la Garza, Mr. de Lugo, Mr. DeWine, Mr. Dingell, Mr. DioGuardi, Mr. Dornan of California, Mr. Dwyer of New Jersey, Mr. Dymally, Mr. Dyson, Mr. Emerson, Mr. English, Mr. Erdreich, Mr. Espy, Mr. Fauntroy, Mr. Fazio, Mr. Feighan, Mr. Fields, Mr. Fish, Mr. Flake, Mr. Flippo, Mr. Florio, Mr. Foley, Mr. Ford of Michigan, Mr. Frank, Mr. Frenzel, Mr. Frost, Mr. Fuster, Mr. Gallegly, Mr. Gallo, Mr. Garcia, Mr. Gephardt, Mr. Gingrich, Mr. Gonzalez, Mr. Gordon, Mr. Gradison, Mr. Grandy, Mr. Grant, Mr. Gray of Illinois, Mr. Gray of Pennsylvania, Mr. Green, Mr. Gunderson, Mr. Hammerschmidt, Mr. Hansen, Mr. Harris, Mr. Hastert, Mr. Hatcher, Mr. Hayes of Louisiana, Mr. Hefner, Mr. Henry, Mr. Hertel, Mr. Hochbrueckner, Mr. Horton, Mr. Howard, Mr. Hoyer, Mr. Hubbard, Mr. Hughes, Mr. Hunter, Mr. Hutto, Mr. Hyde, Mr. Inhofe, Mr. Jeffords, Mr. Jenkins, Mr. Jones of Tennessee, Mr. Kasich, Mr. Kastenmeier, Mr. Kemp, Mr. Kennedy, Mrs. Kennelly, Mr. Kildee, Mr. Kolter, Mr. Kostmayer, Mr. LaFalce, Mr. Lagomarsino, Mr. Lancaster, Mr. Lantos, Mr. Latta, Mr. Lehman of California, Mr. Lehman of Florida, Mr. Leland, Mr. Levin of Michigan, Mr. Levine of California, Mr. Lewis of California, Mr. Lewis of Georgia, Mr. Lewis of Florida, Mr. Lipinski, Mr. Livingston, Mr. Lott, Mr. Lungren, Mr. MacKay, Mr. Madigan, Mr. Manton, Mr. Markey, Mr. Martin of New York, Mr. Martinez, Mr. Matsui, Mr. Mazzoli, Mr. McCollum, Mr. McDade, Mr. McEwen, Mr. McGrath, Mr. McHugh, Mr. McMillan of North Carolina, Mrs. Meyers of Kansas, Mr. Mfume, Mr. Miller of Ohio, Mr. Mineta, Mr. Moakley, Mr. Molinari, Mr. Montgomery, Mr. Moorhead, Mr. Morrison of Connecticut, Mr. Morrison of Washington, Mr. Mrazek, Mr. Murphy, Mr. Murtha, Mr. Natcher, Mr. Neal, Mr. Nielson of Utah, Ms. Oakar, Mr. Oberstar, Mr. Ortiz, Mr. Owens of New York, Mr. Parris, Mr. Pashayan, Mr. Pepper, Mr. Perkins, Mr. Porter, Mr. Pursell, Mr. Quillen, Mr. Rahall, Mr. Rangel, Mr. Ravenel, Mr. Richardson, Mr. Rinaldo, Mr. Roberts, Mr. Rodino, Mr. Roe, Mr. Roemer, Mr. Rose, Mrs. Roukema, Mr. Rowland of Georgia, Mr. Russo, Mr. Sabo, Mr. Savage, Mr. Sawyer, Mr. Scheuer, Mr. Schumer, Mr. Shumway, Mr. Skelton, Mr. Smith of New Jersey, Mr. Smith of Florida, Mr. Smith of Iowa, Mr. Solarz, Mr. Spratt, Mr. Stallings, Mr. Stangeland, Mr. Stark, Mr. Stump, Mr. Sundquist, Mr. Sunia, Mr. Tallon, Mr. Tauke, Mr. Tauzin, Mr. Taylor, Mr. Thomas of Georgia, Mr. Torricelli, Mr. Towns, Mr. Traficant, Mr. Traxler, Mr. Upton, Mr. Valentine, Mr. Vander Jagt, Mr. Vento, Mr. Walgren, Mr. Watkins, Mr. Waxman, Mr. Weber, Mr. Weiss, Mr. Weldon, Mr. Whittaker, Mr. Whitten, Mr. Wilson, Mr. Wolf, Mr. Wolpe, Mr. Wortley, Mr. Wyden, Mr. Wylie, Mr. Yatron, Mr. Young of Florida, and Mr. Young of Alaska):

H.J. Res. 335. Joint resolution designating the week of September 13 through September 19, 1987, as "National Reye's Syndrome Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. SOLARZ (for himself, Mr. Leach of Iowa, Mr. Atkins, Mr. Blaz, Mr. Sunia, Mr. Feighan, Mr. Dymally, Mr. Studds, Mr. Wolpe, Mr. Crockett, Mr. Torricelli, Mr. Ackerman, Mr. Udall, and Mr. Gejdenson):

H. Con. Res. 158. Concurrent resolution concerning the establishment of a South Pacific nuclear free zone; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

162. By the SPEAKER. Memorial of the House of Representatives of the State of Michigan, relative to the Low Level Radioactive Waste Policy Act of 1980; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

163. Also, memorial of the General Assembly of the State of Colorado, relative to increased Federal fuel taxes; jointly to the Committees on Public Works and Transportation and Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 17: Mr. Manton, Mr. Studds, and Mr. Richardson.

H.R. 18: Mr. Torres.

H.R. 38: Mr. Gunderson and Mr. Moody.

H.R. 39: Mr. Downey of New York.

H.R. 67: Mr. Kennedy.

H.R. 80: Mr. Wheat and Mr. Weiss.

H.R. 345: Mr. Wilson.

H.R. 353: Mr. Flake.

H.R. 371: Ms. Pelosi.

H.R. 382: Mr. Weiss.

H.R. 388: Mr. Ridge and Mr. Dyson.

H.R. 537: Mr. Dellums.

H.R. 541: Mr. Foglietta, Mr. Conyers, and Mrs. Collins.

H.R. 544: Mr. Aspin.

H.R. 618: Mr. Kildee.

H.R. 625: Mr. Marlenee and Mr. Sweeney.

H.R. 639: Mr. Lantos and Mr. Brown of California.

H.R. 722: Mr. Martinez and Mr. Wolpe.

H.R. 792: Mr. Mica, Mr. Fazio, and Mr. Sawyer.

H.R. 810: Mr. Wortley, Mr. Pursell, and Mr. Scheuer.

H.R. 916: Mr. Upton.

H.R. 933: Mr. Swift and Mr. Wortley.

H.R. 1016: Mr. Chappel and Mr. Grant.

H.R. 1017: Mr. Clinger.

H.R. 1032: Mr. Hochbrueckner.

H.R. 1037: Mr. Bennett, Mr. Hutto, Mr. Young of Alaska, Mrs. Bentley, Mr. Miller of Washington, Mr. Hughes, Mr. Manton, Mr. Lipinski, Mr. DioGuardi, Ms. Kaptur, Mr. Borski, and Mr. Hochbrueckner.

H.R. 1076: Mr. Weiss.

H.R. 1213: Mr. Torres, Mr. Ackerman, and Mr. Swindall.

H.R. 1313: Mr. Nowak, Mr. Cheney, Mrs. Schroeder, Mr. Hastert, and Mrs. Byron.

H.R. 1452: Mr. Bateman.

H.R. 1492: Mr. Nichols, Mr. Bustamante, Mr. Fuster, Mrs. Collins, Mr. Rahall, Mr. Dornan of California, Mr. Roe, Mr. Garcia, Mrs. Bentley, Mr. Daub, Mr. Udall, and Ms. Kaptur.

H.R. 1516: Mr. Ackerman, Mr. Gray of Illinois, Ms. Pelosi, Mr. Robinson, Mr. Borski, Mr. Porter, Mr. Petri, Mr. Horton, Mr. Guarini, Mr. Foglietta, Mr. Weldon, Mr. Upton, Mr. Campbell, Mr. Hughes, and Mr. Swindall.

H.R. 1546: Mr. Howard and Mrs. Collins.

H.R. 1624: Mr. Ballenger and Mr. Coble.

H.R. 1641: Mr. Fauntroy and Mr. Panetta.

H.R. 1647: Mr. Carper.

H.R. 1727: Mr. Traxler, Mr. Hatcher, Mr. Oberstar, Mr. Kastenmeier, Mr. Downey of New York, Mr. Wilson, Mr. Owens of New York, Mr. Robinson, Mr. Brennan, Mr. Sunia, Mr. Bonior of Michigan, Mr. Frost, Mr. Atkins, Mr. Barnard, Mrs. Bentley, Mr. Frank, Mr. Towns, Mr. Lancaster, Mr. Fazio, Mr. Donnelly, Mr. Robert F. Smith, Mr. Grant, Mr. McCollum, Mr. Mavroules, Mr. Berman, Mr. Martinez, Mr. Livingston, Mr. Akaka, Mr. Andrews, Mr. Traficant, Mr. Schuette, Mr. Gray of Illinois, Mrs. Boggs, and Mr. Biaggi.

H.R. 1729: Mr. McMillan of North Carolina and Mr. Dyson.

H.R. 1737: Mr. Roe, Mr. Kostmayer, Mr. Darden, Mr. Pursell, Mr. Biaggi, Mr. Rowland of Connecticut, Ms. Snowe, Mr. Sabo, Mr. Upton, Mr. Weldon, and Mr. Chandler.

H.R. 1742: Mr. Edwards of Oklahoma.

H.R. 1787: Mr. Herger.

H.R. 1794: Mr. Bereuter, Mr. Kildee, and Mr. Robinson.

H.R. 1815: Mr. Biaggi, Mr. Scheuer, and Mr. Edwards of California.

H.R. 1885: Mr. Duncan.

H.R. 1961: Mr. Smith of New Jersey, Mr. Garcia, and Mr. Foglietta.

H.R. 1962: Mr. Smith of New Jersey, Mr. Garcia, and Mr. Foglietta.

H.R. 2038: Mr. Martinez.

H.R. 2051: Mr. Robinson and Mr. Weiss.

H.R. 2057: Mr. Stump.

H.R. 2114: Mr. Nichols and Mr. Tallon.

H.R. 2141: Mr. Clay, Mr. Miller of Washington, and Mrs. Boxer.

H.R. 2191: Mr. Edwards of California and Mr. Fazio.

H.R. 2210: Mr. Cardin and Mr. Carper.

H.R. 2248: Mr. Spratt.

H.R. 2251: Mr. Kastenmeier, Mr. Obey, Mr. Weber, Mr. Craig, and Ms. Slaughter of New York.

H.R. 2260: Mr. Lent, Mr. Feighan, Mr. Gallegly, Mr. Daub, Mr. Aspin, and Mr. Edwards of Oklahoma.

H.R. 2272: Mr. Wilson.

H.R. 2273: Mr. Wilson.

H.R. 2279: Mr. Wolpe, Mr. Biaggi, Mr. Kennedy, Mr. Stokes, and Mr. Weiss.

H.R. 2320: Ms. Pelosi.

H.R. 2398: Mr. Jontz.

H.R. 2399: Mr. Robert F. Smith, Mr. Bosco, and Mr. Lagomarsino.

H.R. 2401: Mr. Schuette.

H.R. 2491: Mr. Rahall.

H.R. 2517: Mr. Fazio and Mrs. Collins.

H.R. 2521: Mr. Berman, Mr. Dixon, Mr. Bates, Mr. Frank, Mr. Stark, Mr. Edwards of California, Mr. Mavroules, Mr. Solarz, Mr. Rodino, Mr. Mrazek, Mrs. Boxer, Mr. Garcia, Mr. Dellums, Mr. Ackerman, Mr. Owens of New York, and Mr. Vento.

H.R. 2530: Mr. Blaz.

H.R. 2565: Mr. de la Garza, Mr. Bevill, and Mr. Nichols.

H.R. 2606: Mr. Bates, Mr. Owens of New York, Mr. Conyers, Mr. Mavroules, Mr. Smith of New Jersey, and Mrs. Collins.

H.R. 2625: Mr. Dicks.

H.R. 2643: Mrs. Johnson of Connecticut, Mr. Oxley, Mrs. Bentley, and Mr. Kolbe.

H.R. 2647: Mr. Howard.

H.R. 2666: Mr. Ravenel, Mr. Solarz, Mr. Gilman, Mr. St Germain, Mr. Blaz, Mr. Sunia, Mr. Markey, Mrs. Saiki, Mr. Yates, Mr. Smith of New Hampshire, Mr. Kennedy, Mr. Studds, and Mr. Donnelly.

H.R. 2669: Mr. Bateman, Mr. Dornan of California, Mr. Wolf, Mr. Owens of Utah, Mr. Lagomarsino, Mr. Davis of Illinois, Mr. Roe, Mr. Neal, Mr. Towns, Mr. Tallon, Mr. Hutto, Mr. Espy, and Mr. Parris.

H.R. 2686: Mr. Dellums, Mr. Dwyer of New Jersey, Mr. Eckart, Mr. Martinez, Mr. Bevill, and Mr. Kanjorski.

H.R. 2724: Mr. Towns, Mr. Weiss, Mr. Mfume, Mr. Sunia, Mr. Fawell, Mr. Torres, Mr. Gray of Illinois, Mr. Martinez, Mr. Frank, Mr. Rodino, Ms. Pelosi, Mr. Mavroules, and Mr. Smith of Florida.

H.R. 2727: Mr. Kastenmeier.

H.R. 2733: Mr. Davis of Illinois, Mr. Kyl, Mr. Lagomarsino, Mr. Vander Jagt, Mrs. Saiki, Mr. Skeen, Mr. Gallo, Mr. Frenzel, Mr. Ballenger, and Mr. Gunderson.

H.R. 2736: Mr. Gingrich, Mr. Stallings, Mr. Eckart, and Mr. Darden.

H.R. 2773: Mr. Towns, Mr. Conyers, Mr. Foglietta, Mr. Ford of Michigan, Mr. Wilson, Mr. Kolter, Mr. Sabo, Mr. Mfume, and Mr. Feighan.

H.R. 2785: Mr. Weldon.

H.R. 2787: Mr. Fazio and Mrs. Collins.

H.R. 2801: Mr. Pease and Mr. Kostmayer.

H.R. 2844: Mr. Lipinski.

H.R. 2859: Mr. Anderson, Mr. Lipinski, and Mr. Miller of California.

H.R. 2879: Mr. Jontz and Mr. Perkins.

H.R. 2880: Mr. Lewis of Georgia, Mr. Kostmayer, Mr. Eckart, Mr. Wolpe, Mr. Kildee, Mr. English, and Mr. DeFazio.

H.R. 2891: Mr. Swift, Mr. Horton, Mr. Jeffords, Mr. Miller of California, Mr. Dorgan of North Dakota, Mr. Biaggi, Mr. Smith of Florida, Mr. Chapman, Mr. Penny, Mr. Eckart, Mr. Gunderson, and Mrs. Boxer.

H.R. 2911: Mr. Wolpe, Mr. Coelho, and Mr. Bonior of Michigan.

H.J. Res. 50: Mr. Hatcher, Mr. Rinaldo, Ms. Pelosi, Mr. Towns, Mr. Rodino, Mr. Feighan, Mr. Davis of Illinois, Mr. Carper, Mr. Green, Mr. Roe, Mrs. Bentley, Mr. Thomas of Georgia, Mr. Petri, Mr. Grandy, and Mr. Bilbray.

H.J. Res. 140: Mr. Florio, Mr. Daub, Ms. Pelosi, Mr. Hyde, Mr. Cardin, and Mr. Lewis of Georgia.

H.J. Res. 144: Mr. Rowland of Connecticut, Mr. Dannemeyek, Mr. Daub, Mrs. Morella, and Mr. Moody.

H.J. Res. 180: Mr. Molinari, Mrs. Byron, Mr. Mfume, Mr. Young of Florida, Mr. Hiler, and Mr. Borski.

H.J. Res. 195: Mr. Hayes of Louisiana, Mr. Torres, Mr. Hochbrueckner, Mr. Dorgan of North Dakota, Mr. Kildee, Mr. DeFazio, Mr. Chappell, Mr. Ireland, Mr. Broomfield, Mr. Carr, Mr. Lujan, Mr. Hertel, Mr. Walgren, Mr. Porter, Mr. Coelho, Mr. Dingell, Mr. Synar, Mr. Pepper, Mr. Bonior of Michigan, Mr. Dellums, Mr. Berman, Mr. Smith of New Hampshire, Mr. Neal, Mr. Derrick, Mr. Pickett, Mr. Natcher, Mr. Bunning, Mr. Taylor, Mr. Murtha, Mr. Dicks, Mr. Hefley, Mr. Hutto, Mr. Shumway, and Mr. Ballenger.

H.J. Res. 208: Mr. Pepper, Mr. Hiler, Mr. Olin, Mr. Skelton, Mr. Swindall, Mr. Burton of Indiana, Mr. McCollum, Mr. Dwyer of New Jersey, Mr. Rowland of Georgia, Mr. Ravenel, Mr. Perkins, Mr. Spratt, Mr. Feighan, Mr. Murphy, Mr. Owens of New York, Mr. Coughlin, Mr. Martin of New York, Mr. Matsui, Mr. Hunter, Mr. Thomas of Georgia, Mr. Markey, Mr. Neal, and Mr. McMillen of Maryland.

H.J. Res. 240: Mr. Ritter, Mr. Gray of Pennsylvania, Mr. Bennett, Mr. Wolf, Mr. Smith of Florida, Mr. Dornan of California, Mr. Brown of California, Mr. Roe, Mr. Foglietta, Mrs. Bentley, Mr. Florio, Mr. Dwyer of New Jersey, Mr. Morrison of Connecticut, Mr. Levine of California, and Mr. Kostmayer.

H.J. Res. 249: Mr. Neal.

H.J. Res. 255: Mr. Upton, Mr. Parris, Mr. Shaw, Mr. Lehman of California, Mr. Wise, and Mr. McMillen of Maryland.

H.J. Res. 300: Mr. Dymally, Mr. Stallings, Mr. Rinaldo, Mr. Beilenson, Mr. Boland, Mr. Lehman of Florida, Mr. Anderson, Mrs. Boxer, Mr. Wolf, Mr. Conyers, Mr. Green, Mr. Smith of Florida, and Mr. Towns.

H.J. Res. 304: Mr. Lantos, Mr. Gallegly, Mr. Brown of California, and Mr. Matsui.

H.J. Res. 313: Mr. Carr, Mr. LaFalce, Mr. Daub, Mr. Hughes, and Mr. Shaw.

H.J. Res. 314: Mr. Dwyer of New Jersey, Mr. Buechner, Mr. Badham, Mrs. Bentley, Mr. Coyne, Mr. Dymally, Mr. Feighan, Mr. Lowery of California, Mr. Kostmayer, Mr. Matsui, Mr. Owens of New York, Mr. Studds, Mr. Schumer, Mrs. Martin of Illinois, Mr. Sikorski, Mr. Sabo, Mr. AuCoin, Mr. Bonker, Mr. Burton of Indiana, Mr. Pepper, Mr. Donald E. Lukens, and Mr. Frost.

H.J. Res. 326: Mr. Horton, Mr. Kostmayer, Mr. Feighan, Mr. Dornan of California, Mr. Wolf, Mr. Sabo, Mr. Conyers, Mr. Fuster, Mr. Howard, Mr. Fazio, Mr. Bryant, Mr. Gray of Illinois, Mr. Sunia, Mrs. Boxer, Mr. Foglietta, Mr. Lehman of Florida, Mrs. Bentley, Mr. Traxler, Mr. Crockett, Mr. Valentine, Mr. Daniel, Mr. Gray of Pennsylvania, Mr. Smith of Florida, Mr. Jones of North Carolina, Mr. Bates, Mr. Lantos, Mr. Young of Alaska, Mr. Sisisky, Mr. Clay, Mr. Thomas of Califonia, Mr. Roe, Mr. Carr, Mr. Henry, Mr. Lehman of California, Mr. Wolpe, Ms. Kaptur, Mr. Dwyer of New Jersey, Mr. Rahall, Mr. Kildee, and Mr. Hayes of Illinois.

H. Con. Res. 68: Mr. Archer, Mr. Biaggi, Mr. Coelho, Mr. Conyers, Mr. Darden, Mr. Dyson, Mr. Frost, Mr. Fuster, Mr. Garcia, Mr. LaFalce, Mr. Lancaster, Mr. Thomas A. Luken, Mr. McEwen, Mr. Nowak, Ms. Pelosi, Mr. Pashayan, Mr. Scheuer, Mr. Sunia, and Mr. Wolpe.

H. Con. Res. 83: Mr. Moody, Mr. Bates, and Mr. Shaw.

H. Con. Res. 99: Mr. Lipinski.

H. Res. 146: Mr. Martinez.

H. Res. 199: Mr. Blaz, Mr. Buechner, Mr. DioGuardi, Mr. Durbin, Mr. Eckart, Mr. Fawell, Mr. Feighan, Mr. Frenzel, Mr. Gilman, Mr. Howard, Mr. Lightfoot, Mr. Donald E. Lukens, Mr. Moody, Mr. Schuette, Mr. Synar, Mr. Towns, Mr. Udall, and Mr. Wilson.

H. Res. 208: Mr. Torres, Mr. Akaka, Mr. Neal, Mr. Moody, Mr. Mrazek, Mr. Applegate, Mr. Lewis of Georgia, Mr. Conyers, Mr. Udall, Mr. Towns, Mr. Ford of Michigan, Mr. Bustamante, Mr. Garcia, Mr. Kolter, Mr. Fuster, Mr. Howard, Mr. Edwards of California, Mr. Hochbrueckner, Mr. Eckart, Mr. Wolpe, Mr. Dymally, Ms. Pelosi, Mr. Fazio, Mr. Studds, Mrs. Collins, Mr. Dellums, Mr. Dixon, and Mr. Berman.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2907

By Mr. JACOBS:

—Page 36, line 24, strike out "$1,328,000" and insert in lieu thereof "$318,500".

EXTENSIONS OF REMARKS

LONG-TERM CARE INITIATIVE

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DREIER of California. Mr. Speaker, as the House begins consideration of misguided legislation to saddle elderly Americans with a prohibitive tax increase to pay for catastrophic health care benefits, I want to bring to the attention of my colleagues some private sector alternatives that were offered during an April 30 Republican Study Committee hearing on catastrophic and long-term health care protection. Today, my colleagues PHIL CRANE and FRENCH SLAUGHTER have presented some of the comments made by expert witnesses at the hearing. I want to submit for the RECORD some questions, and subsequent answers, that arose as a result of those recommendations.

Mr. DREIER of California. Thank you very much, Dr. Drew. We appreciate the testimony and I apologize. Chairman Volcker was testifying downstairs before the Banking Subcommittee on which I serve and that is why I had to leave.

I see that we have been joined by two of my colleagues, a new member of Congress, Cass Ballenger of North Carolina and my friend, Dan Lungren from California.

We are under time constraints but I would like to ask my colleagues if they would like to take a moment and ask any questions of the panelists. Dan.

We recognize on the Study Committee by seniority and, of course, the chairmanship of the Republican Study Committee certainly should entitle you to ask questions first.

Mr. LUNGREN. Doctor Drew, you have presented a very intriguing proposal here. How would you see this proposal phasing itself in with the existing private sector approaches that are already available, the various insurance—even with their shortcomings, the ones that are presently in existence, do they somehow complement your approach or do they wither and die as far as this particular program?

Dr. DREW. No. As a matter of fact, one of the things that we worked on very extensively in this approach was to try and integrate all the financial institutions who would be selling these instruments. Our only concern was if you try to sell a private sector, you have a private sector solution, how do you accomodate this lower end of the market. So, to the extent that these insurance companies, banks, whomever would sell these instruments, these IRA's or IMA's or whatever you want to call them, health care savings accounts, the critical component of this would be to set up—it would have to be a joined organization, kind of a holding company.

I have an extensive outline of this proposal and how this would work in detail with me today. I would be happy to share it with you, but in view of the time, I did not do it. It would not supplant the private sector alternatives, but it does rely heavily on the utilization of an IMA or health care savings account instrument.

It seems to be, if I may take this opportunity, to be the most viable form of carrying through the private sector initiative.

Mr. LUNGREN. The concern I have is that I have got people in my district who feel strongly the way you do, as to the private sector, and the encroachment of the federal government. They are either of the baby boom generation or they're parents of the baby boom generation and they are now being confronted with the tremendous prospects of health costs. They don't know a way out and they're basically saying, Congress of the United States, throw me a lifeline and save me. I don't care what it is, just make sure I'm taken care of.

Dr. DREW. This would be an approach, sir—an initial approach to begin to phase this thing in and give people an option.

Mr. LUNGREN. You predicated part of this on the statistics that are presently available, I think you said 5 percent of those would be utilizing the nursing homes.

Dr. DREW. Yes, although I would like to again qualify that, typical academic back pedaling. Five percent of the elderly population, at anyone point in time, are in nursing homes, only 5 percent. However, that is age graded. As you move up the age scale, those people who are 65 plus, those people who are 85 plus, the probability or the percentage increases to 23 percent, so while you may feel confident that my chance of being in a nursing home is one in 20 at age 65, when you become 85, your chances drop down to 1 in 4—1 in 5.

Mr. LUNGREN. And as the older element of those over 65 become the larger proportion of those over 65, a larger percent age of the total elderly would be——

Dr. DREW. In nursing homes.

Mr. LUNGREN. In nursing homes.

Dr. DREW. And if I might also state, that is directly related to the cost of this care. Why? Because those people who become older require higher levels of care and we will have more of them.

Mr. LUNGREN. I visited a nursing home in my district and I think in the 15 years, when it was first in existence, the average age was somewhere between 69 and 70 and when I visited it recently, I believe, the average age was 81.

Dr. DREW. Yes, and it will continue to go up.

Mr. LUNGREN. In a 15 year period of time they have had the average age go up 11 years. And, you're right, in terms of the necessity for care increasing as well.

Dr. DREW. The dilemma, of course, was how to reconcile these private sector alternatives with this criticism that I think that we're all going to confront, you know, some how that we are pernicious, we're evil, we don't have any concern for the elderly, for those who cannot afford these alternatives, and I think there are mechanisms in the private section to do that, if we construct these holding accounts—these holding companies with this notion of an aggregate account. It's just an alternative. It's an illustration, if you will. There's another one that is very very brief. I can say it in 10 seconds.

Mr. LUNGREN. If you can say it in 10 seconds, all right.

Dr. DREW. I can say it in 10 seconds. Is the clock running? We could take the similar notion of a long term care IRA and not use it to build up a total amount of accumulated reserves, but we could link up with the insurance industry and say, look, let's build up a cumulative amount, give people a tax credit for a fixed number of years and then let them build up money into an IRA or health care savings account and use that money, that pool fund to purchase an annuity from the insurance industry, and pay for the premiums, the policy. There's another option, but again each of these require a holding company or some mechanism that would take care of those who cannot afford to pay for this care.

Mr. DREIER of California. Thank you very much, Doctor Drew.

Now, I would like to call on my colleague, French Slaughter for a question.

Mr. SLAUGHTER. I am very much interested in your proposal, but I gather from it though that those who would be making the investments in to individual medical accounts say, would, in effect, indirectly be paying the cost to provide a net coverage to the people who did not use that mechanism?

Dr. DREW. Yes, sir, you're correct. It's going to have to be some fund set aside for that and the question is, what is the best way to do that. Should we do that through taxes, which is certainly one way to do it or should we do it through this investment instrument.

Mr. SLAUGHTER. Well, I think it's a very interesting proposal. I would like to mention though, as far as the proposals that have been made for health care savings accounts and individual medical accounts and so on, one virtue it has for the people at the lower end of the economic scale is that it will keep Medicare solvent and will be able to pay the benefits provided by law. If we don't do something, that's not going to be possible either, so there is a very valuable benefit to people at the lower end of the scale in this approach that we have put into legislative form.

Dr. DREW. Again, if I may, Congressman, my research has indicated that of all the trade offs in the cost and benefits of all these alternatives, that that one, with all deference to the one you gentlemen have come up with, I think is clearly the closest to addressing the major issues to the private sector. Thank you.

Mr. DREIER of California. Thank you very much.

Mr. LUNGREN. Mr. Chairman, I was just struck by the fact that we are confronted with problems in most states. I know in California, with some people who are not insurable under normal circumstances for purposes of driving a car and we could have set up a system where the state actually provides the insurance, but we do in California, as many other states, is we require the insurance companies to, in effect, take a certain percentage of those people, so we, in essence, the good drivers, do pay for the poorer drivers and maybe that's kind of a

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

model we ought to, at least take a serious look at as we approach that problem.

Mr. DREIER of California. That certainly happens in a wide range of areas and the Banking Committee, we're looking at strong institutions lifting up the weaker ones, it's happened all the way across the board. Go ahead French.

Mr. SLAUGHTER. I have just one more question.

Ms. Van Gelder, with insurance companies, do you know whether any of the insurance companies are looking seriously at the possibility of people being able to convert their life insurance and use the value of their paid up life insurance for medical care?

Ms. VAN GELDER. I think some of the companies have shown great interest and the Office of Personnel Management in their announcement of such an option, it's a competitive industry and in a trade association, it's often difficult because you're the last to know. They don't want to tell the people, where you're in a position like I'm in, so their competitors don't know. I know there is a lot of interest though.

Mr. SLAUGHTER. Thank you.

Mr. DREIER of California. Now, I would like to call on Mr. Ballenger who has a question.

Mr. BALLENGER. Ms. Schofield, I was reading on your Page 3 about the plan that you all have, it says: "Our plan is fully portable. Premiums are level and determined at the age of purchase." And then Dr. Drew raised the question in his statement, and when you say "premiums are level and determined at age of purchase," do they increase as time passes?

Ms. SCHOFIELD. No. If you buy it at age 30, for example, and it's $17.00, it's like whole life insurance, it stays $17.00 for the rest of your life. Whatever your original purchase price is, that's the level—it's level and it stays that way for the rest of your life.

Mr. BALLENGER. Does the health of the individual who takes out the insurance have an effect as to whether you sell it to him or not?

Ms. SCHOFIELD. We will do underwriting. Certainly we won't sell a policy to somebody who is already in a nursing home, just as we don't sell flood insurance or fire insurance——

Mr. BALLENGER. In other words, do they take a physical of some sort?

Ms. SCHOFIELD. No. We have a questionnaire. We just ask a one page questionnaire and do underwriting based on that.

Mr. DREIER of California. Thank you very much, Mr. Chairman and thank you all for your excellent testimony. We are, as I am sure those of you who have seen the schedule can see, we're running quite a bit behind but we have some extraordinarily patient health care providers who have endured all of our questions and listened to all of the testimony, so now I would like to call on them.

First, Mr. Harley Tabak who is the Administrator of the Annaburg Manor Nursing Home of Manassas, Virginia, a constituent of Mr. Slaughter's. Dr. Bedford Berrey who is a member of the Cobra Task Force on long term care policies, Midlothian, Virginia. Dr. George Ross Fisher, practicing physician, Chairman, Council of Medical Economics of the Pennsylvania Medical Society, from Philadelphia, Pennsylvania.

We thank you all very much. I have asked the others to try and consolidate their testimony, if possible, to 5 to 7 minutes. They are not under the same constraint that you all are because we may be thrown out of this room and so the exigencies here are greater than they have been. So we would appreciate it very much, gentlemen, if you could possibly keep your testimony as cogent as possible and then we will proceed with questions.

Mr. Slaughter, do you want to introduce your constituent here?

Mr. SLAUGHTER. I certainly do. Mr. Tabak is the Administrator of Annaburg Manor Nursing Home in Manassas. He is also connected with a home for the aged there and has served on a number of study committees within the industry on long term care, so he is well qualified to speak to us this morning.

WELFARE REFORM

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DANNEMEYER. Mr. Speaker, I commend the following article by Gary Bauer to my colleagues:

I do not think, nor does the working group I headed believe, that there is any doubt that poverty and weak family life is related. But there is a common misconception about which is the cause and which is the effect. Some have asserted that poverty leads to family breakup. That was not the statistical experience of this country during the Great Depression, however, and it certainly does not explain why our worst period of family dissolution coincided with a period of tremendous prosperity. I believe, and our working group believes, that welfare contributes to the failure to form the family in the first place by enabling the creation of family fragments and households headed by mothers dependent on public charity. And that process, the easy availability of welfare in all of its forms, has become a powerful force for the destruction of family life through the perpetuation of the welfare culture. One can only imagine what more could happen to low-income intact families if the centrifugal force of public assistance were applied to them in the same manner that it has been applied to other groups in our society.

No one disputes the fact that changes in family composition have had a crucial effect on poverty rates during the last ten years. If the rate of family fragmentation had not increased, there would have been 4.2 million households below the poverty level in 1980 instead of the 6.2 million that were actually in poverty then. For Black families, the poverty rate adjusted for this factor, would have been 19.9 percent, a full 9 points lower than it actually was. For white families, the adjusted poverty rate would have been 5.2 percent, about 2 points lower than the published estimate, if you adjust for this factor of family breakup.

I believe that it is clear that poor Americans, particularly minorities, have become the principal victims of the new relativism in family values. Back in 1965, Rev. Martin Luther King, Jr. affirmed that the nuclear family, the group consisting of mother, father and child, was the main educational agency of mankind, and in his words, "the foundation for stability, understanding and social peace on which the whole of society rested." Even in 1965, King labeled the prevailing levels of divorce, illegitimacy and female-headed families found in Black communities a social catastrophe. Today the frequency of these social pathologies in the Black community have increased by a factor of three.

Interestingly, the trend toward the failure of families to form accelerated during the period when the nation was committing an increased portion of its national wealth to helping the most disadvantaged. In 1959, 23 percent of poor families were headed by females. By 1982, this figure was 48 percent. This represents an unprecedented destruction of families.

Why has this happened? What took place over the last twenty years that contributed to this? I think that over the last twenty years, in a well-intentioned effort to help poor families, there is evidence that we have encouraged self-defeating patterns of behavior that destroy poor families and undermine the acquisitions of character traits most likely to lead them out of poverty. Research clearly shows that character traits and work habits make a difference in escaping poverty.

A recent study by the National Bureau of Economic Research compared minority youths who were able to find work with those who were unsuccessful. The survey found a significant correlation between such things as church-going, right attitudes and aspirations in enabling youths to escape inner-city poverty. In fact, church-going reduced socially deviant activities such as crime and drug use and increased school attendance and employment. In addition, several analyses of this study came to the following conclusions or findings that I think are the most depressing if you are a public policy analyst looking at this area.

Persons whose families are involved with major public programs for the disadvantaged do worse in the job market. Youth from welfare homes with the same family income and other attributes as those from non-welfare homes do far worse in the job market. Youths living in public housing projects do less well than youths living in private housing, even if you hold all other factors constant.

The relationship of poverty and family is most easily seen when looking at the status of America's children. For children in this country, the key determinant of poverty is whether or not they are in an intact family. Between 1960 and 1985, poverty among children in two-parent families decreased by almost half. Among minorities, intact families have now attained incomes much nearer the national average. But at the same time, the percentage of children living in female-headed families more than doubled. It is this factor, not economic trends, not lack of compassion, not official unfairness, that is at the root of child poverty in America. The formation of households without a breadwinner, usually through illegitimacy, often through desertion: this is brutal fact. Only one-fifth of our children are in single-parent families, but they make up one-half of all children in poverty. Births out of wedlock, as a percentage of all births, increased more than 450 percent in just thirty years. For whites, the rate went from 1.7 percent to 10 percent in just thirty years; for nonwhites from 16.8 percent to 48.5 percent. We know that women who receive Aid to Families with Dependent Children benefits when they are less than 25 years old remain dependent on AFDC for long periods of time. In fact, 70 percent receive AFDC for at least five years; more than one-third get it for at least ten years. Raised in an environment in which fathers do not provide for their young and dependency on government is assumed, few children will develop the group skills of self-sufficiency or even the concept of personal responsibility. Young men will not strive to be good providers, and young women will not expect it of their men. Family breakdown becomes cyclical; out-of-wedlock birth becomes cyclical; poverty and dependency become cyclical. The culture of poverty grows.

With those as some main thoughts, let me summarize what I think are the main issues that we face in welfare reform, with an eye on its relationship to the family. First, the current welfare system discourages work and self-reliance. It seduces too many Americans to a life to dependency. In too many cases, welfare offers more usable income than many entry-level jobs. Second, in spite of John F. Kennedy's goal in 1962, which was that welfare programs ought to stress the integrity and preservation of the family unit, today's welfare system makes a mockery of that goal. It destroys poor families. In too many cases, welfare benefits increase when parents divorce or never marry. There is little incentive for young women to marry the father of their children, particularly if these young men have poor long-term job prospects. And, finally, public money is wasted. Much of what Americans willingly spend on welfare never reaches the poor, because it is distributed inefficiently or, in many cases, goes to individuals already above the poverty lines.

I think that many in Washington would rather not focus on these basic facts. They would rather insinuate that the only thing that is wrong with the welfare system is that it has been underfunded by a greedy White House. However much such rhetoric may be politically advantageous, I believe that it ill serves the poor on whose behalf it is spoken. The battle is not between the compassionate and the greedy, but between those who believe that basic reform is needed and those who still resist that fact. Any welfare reform must be directed in such a way that we are not inadvertently robbing the poor of the motivations, aspirations, family loyalties, values and character traits that are ultimately the only engine that drives people out of poverty.

BLOODSHED IN SRI LANKA

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. KENNEDY. Mr. Speaker, I would like to make my colleagues aware of the present Sri Lankan situation. The editors of the Boston Globe express dismay at the lack of attention paid to the suffering and bloodshed of Tamil civilians in that nation.

We are a nation which possesses solid beliefs in representation and equal rights for all citizens of a democracy. Therefore, I believe the United States should become more aware of the brutality of civil war in Sri Lanka. In addition, we should consider this newspaper's suggestion and urge the Sri Lanka Government to halt human rights violations and allow the International Red Cross to enter the nation. The violence in Sri Lanka is unnecessary and a mutually acceptable political situation must be facilitated in order to prevent further bloodshed.

I urge my colleagues to read the following editorial which provides a good synopsis of the Sri Lanka situation.

[From the Boston Globe, June 19, 1987]

BLOODSHED IN SRI LANKA

The outside world has paid scant attention to the suffering of defenseless civilians in Sri Lanka. While governments and opinion makers fret over the carnage on the Iran-Iraq battlefields, in Lebanon, or Central America, Tamil plantation workers are bombed and strafed by the Sri Lankan government of President J. R. Jayewardene.

The bloodletting in Sri Lanka comes as a consequence of decades of discrimination against the Tamil minority by the Sinhalese Buddhist majority. Sinhalese governments dispossessed, disenfranchised and deceived the Tamils.

While refusing to permit the predominantly Hindu Tamils to have provincial autonomy, the government imposed Buddhism as a state religion, and Sinhalese as the official language. Ethnic quotas were set at the island's sole university, drastically curtailing educational opportunities for young Tamils.

The Tamils' sense of oppression and futility has engendered an extremist secessionist movement. Terrorist militants comprise but a tiny fraction of the Tamil population—.01 percent, according to the government's statistics—and the extremists have become as much a menace to Tamil moderates as to the Sinhalese majority. Yet Jayewardene has used the terrorist threat as a pretext for his brutal military assault on unarmed Tamil civilians.

If the bombing and the strafing continue, and if Jayewardene persists in trying to expunge the Tamil demand for civil rights and limited political autonomy, Indian Prime Minister Rajiv Gandhi may be forced to intervene to placate the 50 million tamils who live in India. Regional intervention could then lead to superpower intervention, as both Washington and Moscow appreciate the strategic value of Sri Lanka's deep-water ports.

For both moral and strategic reasons, Washington should use its influence in Sri Lanka to end the bloodshed. A first step would be for Jayewardene to permit the Red Cross to enter the war zone. Then the central government should be encouraged to implement a federal constitution that would preserve the unity of the nation while granting partial autonomy to the Tamils.

ARTSCAPE

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. MFUME. Mr. Speaker, in 1982, the Baltimore Arts Festival, Inc., held its first celebration of the arts, called Artscape. The purpose of the 3 days event was to bring to Baltimore, the highest quality visual and performing arts. Over the past 6 years, this annual event has provided the citizens of Baltimore with the opportunity to explore and enjoy the finest in invitational and juried art exhibits; classical, modern, and ethnic dance; classical, jazz, gospel, and country music; traditional and avantgarde theatre; film, poetry, arts, and crafts; and children's activities.

Artscape is also significant because it is a project that involves the entire community. People from all levels of government, the corporate and private sectors, the arts community, and hundreds of dedicated volunteers have formed a partnership to create what has become one of the finest and largest arts festivals on the eastern seaboard.

Since Artscape began 6 years ago, in the Mount Royal corridor, Baltimore has seen the expansion of the Maryland Institute College of Art, the renovation of the Lyric Opera House and the opening of the Meyerhoff Symphony Hall, in that area. It is a most fitting setting for the festival's rich variety of artistic experiences.

And so, to celebrate the sixth anniversary of Artscape, I ask my collegues to join me in acknowledging and commending the Baltimore Arts Festival, Inc., and Artscape '87 for fostering an appreciation of the arts and for inspiring interest and participation in this essential part of the American culture and our artistic heritage.

WARNING—OIL SHORTAGE LOOMS IN THE FUTURE

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. MARLENEE. Mr. Speaker, a distinguished petroleum engineer by the name of Howard R. Lowe—a former Montana resident—has issued a frightening warning that should be read by every Member of Congress. Mr. Lowe looks at the future and sees trouble, trouble in the name of an international oil shortage that could lead to worldwide catastrophe.

Mr. Lowe, an oil expert who lived in Saudi Arabia in the 1940's as a geologist, has written a brilliant article entitled "Oil Glut" which outlines our energy policy folly of the past, and suggests if that folly is repeated in the future a possible armed confrontation may be a reality in the 1990's.

Here is a sampling of excerpts from Mr. Lowe's masterful article:

The Western industrial powers are on the brink of disaster unless they solve their long term energy problems. Time is running out; perhaps only three or four years are left. An oil shortage of enormous proportions is in the making * * *.

The real blame lies with American politicians and diplomats, past and present, who have mishandled and miscalculated almost every Middle East situation since the end of World War II * * *.

Those who know the Middle East and its people invariably express the opinion that the U.S. diplomat corps is unimaginative, and exhibits only a superficial knowledge of Islam and the native people. Few diplomats can speak Arabic * * *.

During three Presidential administrations, starting in 1984, an uncomprehending Congress, based on the advice of emotionally motivated environmentalists and conservationists, passed one piece of misguided legislation after the other directed at the petroleum industry. Most of the members of Congress did not realize what long term implications these actions might have on America's future * * *.

> The U.S. government's misguided, and sometimes irrational, energy policy actually created the 1979 energy shortage * * *.
>
> The coming crisis will result from inadequate oil supplies to meet world demand, evolving from the inability of oil producing states, OPEC and non-OPEC alike, outside the Middle East to maintain their oil reserve bases and productive capacities. In other words the Middle East countries will control oil prices and supplies. The next shortage will not be contrived * * *!
>
> The pattern of America's energy future is set, and only drastic measures can change it. The Oil and Gas Journal predicts an energy crisis of serious consequences by 1991-1992 * * *.
>
> The major world powers will be jockeying for position within the next three to five years in an attempt to obtain preferential treatment from the only source capable of satisfying their petroleum requirements—the Middle East. Ominously, they will be trying to buy the same barrel of oil * * *.

Mr. Lowe concludes his article thus:

> America, the home of the free and the brave. America the home of free enterprise, blessed with the world's largest reserves of fossil fuel committed national suicide. Her realm as the greatest power the world has ever seen lasted just over two centuries. She, like Rome and other great nations of history, leaped into oblivion.

Mr. Lowe's warning should be heard loud and clear throughout the Halls of Congress and the White House. It is uncertain at this time which national magazine will publish Mr. Lowe's article, but when the article is made public America will take notice and demand from Congress a comprehensive and positive reversal of energy policy to prepare us for the 1990's.

We need to utilize our energy wealth, and we must protect ourselves from an international oil crunch.

A CONGRESSIONAL SALUTE TO MARY JO WALKER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to Mary Jo Walker, who was honored at an installation ceremony of the women's division of the San Pedro Peninsula Chamber of Commerce dinner on June 19, 1987.

Mary Jo Walker was born on December 31, 1931, in Minneapolis, MN and grew up in Minnetonka Beach, MN. Mary first became interested in nursing as a junior in high school, and worked as a volunteer nurse's aide at Wayzata Hospital. After graduating from Wayzata High School, Mary was accepted to both Kahler School of Nursing and St. Joseph's School of Nursing, but could not attend due to an ongoing illness. She became a flight attendant for 5 years with Northwest Airlines, but due to her strong desire and commitment to helping others, Mary became a volunteer with the Red Cross.

In 1958, Mary was married to an army officer and had one child, James. Their military travels took them to Texas and Washington State. During this time Mary continued her volunteer work for the Red Cross as a "Grey Lady." Her duties as a "Grey Lady" were to set up EKG's for female cardiology patients, help with records, and set up the patients room for the doctors. In 1962, as a single parent, Mary moved to San Pedro.

As a parishioner of St. Peter's Episcopal Church, Mary is co-chairman of the Reception Committee. She served two terms as a vestry member and taught Sunday school for many years. On occasion she substitute teaches. Other past volunteer work has included the P.T.A. and the Boy Scouts of America.

Presently, Mary's volunteer activities consist of being treasurer for the Seamen's Church Institute of L.A., a member of the board of directors for the YMCA, advisory board of Salvation Army, board of directors of San Pedro Peninsula Chamber, board of directors of the women's division San Pedro Chamber, and 2 years as president of the women's division of the San Pedro Peninsula Chamber of Commerce. Mary worked over 21 years for Motor Hotel and Restaurants, and is currently working for N.A.R. Properties.

Mr. Speaker, Mary Jo Walker has truly made San Pedro a better place to live and work. My wife, Lee, joins me in congratulating Mary on her many accomplishments. We wish her and her son, James, happiness and all the best in the years ahead.

FIREWORKS AT THE CONSUMER PRODUCT SAFETY COMMISSION

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DANNEMEYER. Mr. Speaker, as the ranking Republican member of the Energy and Commerce Subcommittee on Commerce, Consumer Protection and Competitiveness, which has oversight over the U.S. Consumer Safety Commission [CPSC], I am happy to see that CPSC's efforts in protecting the public from unsafe consumer products is getting some positive publicity.

A recent July 3, 1987, Christian Science Monitor press account points out that the CPSC and other Federal agencies are working successfully in enforcing laws and regulations on illegal fireworks that pose a threat to consumers and, in many instances, to children. CPSC Chairman Scanlon as well as CPSC Commissioners Dawson and Graham are to be commended for their activities in this area.

I commend the Christian Science Monitor news clip to my colleagues at this time.

FEDERAL AGENCIES TAKE AIM AT MAKERS AND SELLERS OF ILLEGAL FIREWORKS

(By Barbara Bradley)

WASHINGTON.—This year's Fourth of July is bringing a government fusillade against people who manufacture and sell illegal fireworks.

Law enforcement officials have launched a two-pronged attack to snuff out the use of fireworks like M-80s, cherry bombs, and silver salutes, which make an explosion but cannot be seen. These "bombs" have resulted in scores of deaths and more than 30 blown-up factories in the last eight years.

The Consumer Product Safety Commission (CPSC) is going after companies that sell components of banned fireworks. Their task has become more difficult as companies set up new distribution networks. The Bureau of Alcohol, Tobacco, and Firearms (ATF) is concentrating on those who mix the chemicals to make the fireworks. In a way, the ATF's task is simpler: they often find clandestine factories when the factories explode.

Both agencies have met with considerable success in the courts over the last two years. They are currently working on cases, and one in particular, that could cut off the largest supplier of illegal chemicals, which "will affect a large number of manufacturers and assemblers," says Thomas Lambert at the AFT.

Successful prosecutions and injunctions against the sale of banned fireworks is upping the ante for dealing in illegal fireworks, says Bruce Zoldan, president of B.J. Alan Fireworks Company, one of the largest distributors of legal fireworks. The government means business," he says, noting that many people have received "$10,000 fines and five years in prison." And it's having an effect in the marketplace, he says. "I don't think a day goes by when someone doesn't call up and ask if we make M-80s" or other illegal products.

Still, fireworks injuries are on the rise, which is why the government is trying to get at the small group of distributors and manufacturers running the show. According to the CPSC, 12,600 people were injured by fireworks last year, up from 8,300 in 1983.

Getting those people has been frustrating for the CPSC, says lawyer John Rogers. "We catch them, we get an injunction, they go out of business, then they appear the next year under a new name," he says. But the overall effect has been to reduce the number of sellers, he adds.

After a series of successful injunctions against distributors, such companies are trying more complex ways to conceal their sales. Instead of selling the fireworks, they are forming two or more companies and selling components. For example, the CPSC alleges that two mail-order companies in Logan, Utah, were together selling banned products like M-80s. Square Lake Enterprises was selling the chemicals and instructions to make banned fireworks, and Keller Sales Company was selling the tubes and fuses. When CPSC investigators requested products from one of the companies, it sent along a catalog for the other company's product.

Thus the US attorney handling the case for the CPSC hopes to show an association between the two and thus a "conspiracy" to sell illegal fireworks. The case will be heard later this month. US attorney Brent Ward says he believes the companies will agree to provisions making it impossible for the two to sell the products. The CPSC has three other such investigations under way.

The ATF is conducting more than a dozen investigations against people who buy the chemicals and then put them together. As opposed to the targets of CPSC suits, which are generally civil suits and involve a fine, the ATF brings criminal charges involving jail sentences. That, in part, is because of the danger involved with manufacturing the fireworks—a danger often unknown to the people hired to do the manufacturing.

"It's only a matter of time before the factories blow up," says John Conkling, executive director of the American Pyrotechnics Association.

Fireworks manufacturers go to remote areas of the country where unemployed workers are looking for money—the Southeast is the current favorite, says Dr. Conkling—and hire these inexperienced people to mix chemicals. The chemicals are so unstable that static from clothing can light a spark that explodes an entire building; in fact, professionals mix them without any clothes on.

An explosion last year in San Francisco destroyed an industrial park the size of a city block, killed nine people, injured 16, and caused $10 million in damages. Since 1979, the AFT has investigated 32 illegal factories that have blown up. One in Tennessee four years ago gave ATF investigators their biggest break yet. They prosecuted the owner and got information to prosecute 20 other manufacturers.

Given the enormous profit margins for banned fireworks—M-80s cost a few pennies to make and sell for a dollar—prosecutors believe that people will continue to find new ways to avert the law.

FARMERS DESERVE INTEREST ON LATE PAYMENTS

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DORGAN of North Dakota. Mr. Speaker, last week, I introduced H.R. 2908, the Agricultural Prompt Payment Act of 1987, to provide that farmers who have contracts with the Government receive the same consideration that other contractors get when the Government fails to make its payments promptly.

I'm sure most of my colleagues are aware that since May 1 the Commodity Credit Corporation of the Department of Agriculture has been out of money and unable to make payments to farmers. We recently broke the congressional logjam that was blocking the supplemental appropriations in conference and sent the bill to the President for his signature. As of this morning, he still hadn't signed it, and farmers are still waiting for their payments.

Farmers and grain elevators are owed money by the CCC for storage of grain and other commodities. Some cheese-processing plants are near bankruptcy because of the funding delay. There are thousands of farmers who agreed to idle their land in the Conservation Reserve Program, with an agreement to share the cost of planting grass, but the Government hasn't lived up to its part of the deal. Other farmers who participated in the dairy herd buyout program have slaughtered their cows, thereby loding their source of income, but have not received payment from USDA. How can we expect them to feed their families?

I've been getting a dozen calls every day from farmers who want to know when they are going to get paid. They signed contracts with the Government, and made financial commitments based on those contracts, and they had every right to expect those payments to be made on time. Now many have had to take out loans to cover their financial commitments, and of course, they are paying interest on those loans.

If a farmer owes the Government $25 and is 2 days late in paying, the Government starts charging the farmer interest. It is only fair that the Government now pay farmers interest on these late payments. USDA has the authority to do so, but has indicated that it will not. I think this is wrong.

Let's make no mistake about it. Congress is to blame for this long delay. We failed to appropriate enough money for the Department of Agriculture last year, and we have failed to act quickly on this supplemental appropriations bill. To make matters worse, this is the fifth time in 2 years this has happened.

It is up to Congress to solve the problem, and that's why I've introduced this bill. Starting on October 1, 1987, if USDA is ever late in making payments again, for whatever reason, they will have to pay interest to farmers who have been inconvenienced by the delay.

All contracts authorized under the Agricultural Act of 1949, as amended, which includes all of the commodity programs, and all contracts related to the Conservation Reserve Program, would have to include a precise payment date. USDA could avoid interest by making payment within 10 days of the payment date, but after that interest would accrue from the contractual payment date.

This will apply to situations when payments are late due to administrative failures as well as delays caused by a lack of funds.

This bill will not cost any more money than would normally be the case if USDA made all payments promptly. If all payments were paid promptly, obviously there would be no interest penalties and this bill would cost nothing. When the CCC is late making payments, it does not have to borrow from the Treasury and thus realizes savings on its own interest expense. This bill would simply transfer these interest savings to farmers, so again there is no more expense than would normally be the case had payments been made promptly.

Let me finally point out that most other businesses that sign contracts with the Government already benefit from this protection from late payments. The Prompt Payment Act, passed in 1982, requires agencies to pay interest penalties when payments are late by more than a few days.

Contracts with farmers have not been covered by these provisions because the Department of Agriculture has been clever in drafting the contracts so they do not come under the provisions of the Prompt Payment Act. USDA has also taken the position, contradicted by the General Accounting Office I might add, that the Prompt Payment Act does not apply when the reason for late payment is a lack of funds.

This bill would remove all ambiguity on both counts, and give farmers the same protection that other businesses have when they sign contracts with the Government. I think our farmers deserve that much, after all they have gone through these past 2 months waiting for payments owed to them. If we are going to force farmers to wait beyond the promised payment date, the least we can do is reimburse them for the interest expense they incur as a result of Government's failings.

I ask my colleagues for their support on this important legislation which would instill some basic fairness in the way Government handles payments to farmers.

PROJECT EXCELLENCE

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DYMALLY. Mr. Speaker, Mr. Carl Rowan, the noted journalist, has initiated a program called Project Excellence "to inspire black youngsters to learn to speak and write the English language."

I believe that this is a significant contribution Mr. Rowan is making to this whole question of communication with young people, and I bring it to the attention of the Members, and include it for the CONGRESSIONAL RECORD:

A CALL TO "PROJECT EXCELLENCE"

(By Carl T. Rowan)

Rarely during my 39 years as a journalist have I been as proud as I am now to report that my black colleagues in the profession have responded magnificently to my recent call to inspire black youngsters to learn to speak and write the English language.

Every black TV anchor person, correspondent, TV or newspaper executive, middle-grade reporter or editor I have been able to contact has said: "Tell me what I must give." And the media superstars have made it clear that they will give not just their money, but their presence at schools to hand out $4,000 prizes to high schoolers who believe there is a pot of gold at the end of a well-written article, as well as in the end zone of a football field.

We are going to try to convince black teenagers that becoming a marvelous user of the language of William Shakespeare, Bryant Gumbel and Bill Cosby has nothing to do with proving either that you are "black" or that you want to be white. We want youngsters to understand that speaking and writing well only prove that you know where the routes to success, the levers of power, are in this country.

Washington School Superintendent Floretta McKenzie and I have met and agreed on a program called Project Excellence. The monies collected for Project Excellence—and there will be a lot—will go into the tax-exempt D.C. Public School Foundation. None of the money will go for salaries or any other kind of "overhead."

A committee composed of three or four journalists, a school administrator, an English teacher and a renowned teacher of public speaking will select for prizes annually:

(A) A few youngsters who have excelled as writers and speakers.

(B) An equal number of youngsters who have made the greatest progress in learning to write and speak.

(C) High-achieving black high schoolers from suburban counties as well as the District of Columbia.

We will be able to honor children from all school jurisdictions because leaders of a couple of foundations and wealthy individuals have telephoned me to say, "We'd like to give money to this undertaking."

McKenzie says of Project Excellence: "Today too many young people believe that the obstacles to rewarding futures loom too large, and the journey may appear to lead nowhere.

"One of our most important missions is to show our children that the trek is worth the effort. This scholarship campaign can help to sound the call. By giving this support to achieving students we can begin to convey to all children that their adults are behind them with both encouraging words and substantive actions."

Some self-styled experts on "blackness" argue that the resistance of black teen-agers to standard English "is a way of establishing themselves as black."

Now there is the problem that Project Excellence seeks to address. Kids who associate blackness with being inarticulate, being unable to really read and write, being jobless, being hopeless are in desperate need of new definitions of "blackness."

Deprived black children do not need the destructive nonsense of adults, white or black, telling them that incompetence can become a symbol of racial pride. Since no newspaper, black-owned or white-owned, no radio or television station, no magazine or advertising agency will pay anyone to dispense "black English," where is black English "useful, valuable, even beautiful," as a few deluders of black children are saying?

Some argue that we black journalists can't change a thing, because only the families of black kids and their neighbors in their impoverished neighborhoods can get to them.

Well, I don't believe that. Nor does McKenzie. Nor do my colleagues who are so prominent in journalism in the nation's capital. We are going to prove that we can make a difference, and that, once we do, we are going to provoke, or shame, proud black journalists in other cities to rescue millions of black teen-agers from the peer group trap of defeatism.

MEAT LABELING LONG OVERDUE

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. LEWIS of Florida. Mr. Speaker, today I introduced legislation requiring country of origin labeling on meat and meat food products, a measure I believe to be long overdue.

Currently, the labeling of meat and meat food products sold in this Nation fails to provide the American consumer and the American meat producer with the consideration they are entitled.

Under present law, the U.S. Department of Agriculture [USDA] does require country of origin labeling of imported meat. Unfortunately, the labeling requirement does not address the issue of imported meat which is processed or blended once in the United States. According to the USDA, imported meat makes up approximately 23 percent of this Nation's entire beef processing supply. Slightly more than 50 percent of the imported beef is used in sausages, hotdogs, chili, stews, soups and frozen dinners. Thus while we require such labeling, the interpretation of the law and its contribution toward informing the consumer are minimal at best.

The American meat producer has invested much of his time and money to produce and promote a quality domestic meat product. American meat producers are proud of their product and believe the lack of proper identification is unfair to producers and consumers nationwide.

My bill requires labeling on wholesale and retail meat or meat food products, whether it be imported or domestic. I believe this provision removes concern that such a labeling law imposes an unfair trade barrier given its application on both imported and domestic producers.

In addition, the bill does not require the labeling of meat products at restaurants but rather requires that meats received by eating establishments be labeled as to the country of origin. Such a provision allows the restaurant the choice of advertising as to their meat product's country of origin.

And finally, my bill takes a tough stand against those who knowingly continue to violate the labeling requirement by withdrawing inspection services to those importers who have been found to have committed a third violation of the labeling law. Such a provision sends a firm, fair and decisive message regarding our intent.

Mr. Speaker, myself, farm organizations such as the National Cattlemen's Association and the American Farm Bureau, as well as consumer groups believe labeing laws are long overdue. American consumers continue to unknowingly purchase meat and meat products, assuming they are domestically produced. My bill addresses this problem in an equitable fashion. Clearly the American consumer and the American meat producer deserve no less.

THE PERSIAN GULF SHUTTLE—AND ITS IMPLICATIONS FOR US

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. ASPIN. Mr. Speaker, a 12-member delegation of Armed Services Committee members has just returned from the Persian Gulf after 5 days spent meeting with Americans and Arab officials in Bahrain, Kuwait, Saudi Arabia, and Iraq. We learned a great deal on this trip—although the White House appears confused on that point.

In this the sixth in a series of speeches I have been making on the Persian Gulf, I would like to review two aspects of what we learned about Kuwait's tanker plans. Kuwait plans to run an extensive shuttle service moving its oil shipments from its main terminal at Mina al-Ahmadi in Kuwait to Khor Fakkan, just outside the Strait of Hormuz. There the oil would be transferred from the shuttle ship to other vessels, which would carry the oil to its ultimate destinations. The shuttle will take about 10 days round trip versus four or five times as much if the ship were going to Europe. This means two things. First, a shuttle ship will be in the Persian Gulf much more often than a nonshuttle ship, which could then require much more escort service from the U.S. Navy. Second, the use of the shuttle means that Kuwait can move much more of its oil in American-flagged ships than previously anticipated.

The first aspect is the one of lesser importance—but greater attention-getting capacity—the issue of whether Kuwait's plans to shuttle oil imposes any greater burden on the United States Navy. The second aspect is the more important issue of the political implications of our protecting a much greater portion of Kuwait's oil output—a point that seems to have been lost in the hassle over the lesser issue.

I announced on our return that we had received new information on Kuwaiti tanker plans. The White House and State Department have since said there was nothing new at all in what I said. That's interesting. It was news to the United States Embassy in Kuwait. It was news to the military command running the operation. But it wasn't news to the White House. Is the White House once again conducting operational matters outside normal channels? I will be generous and say that I expect what is really afoot is that the White House went into its damage control mode and sought to do everything it could to prevent my comments from having any impact on Wednesday's votes on reflagging.

Is the shuttle plan old or new? The White House is now saying, I am told, that only one ship will be used to shuttle oil down the gulf and that that isn't new. The staff of the U.S. Embassy in Kuwait was with the delegation when it met with the Kuwaiti oil minister and cabled a long message back to the State Department. The message commented:

> On the frequency of transits and the use of KOTC tankers, the minister provided new information. . . . As recently as July 1, KOTC operations officials told us that the 11 reflagged tankers would continue to serve their normal destinations.

In addition, the committee staff debriefed the U.S. Embassy staff the night before we met with the oil minister and specifically asked about the possibilities of a shuttle operation. We were told the Kuwaitis have often talked vaguely about sometime perhaps shuttling oil with some of the 11 tankers, but that no such shuttle was currently scheduled.

Further, I point out that the Kuwaitis did not tell us they planned to use only 1 of the 11 tankers as a shuttle. What they said was this. They planned to use the largest tanker, an ultra large crude carrier [ULCC], as a shuttle immediately; they expected "within a few weeks" to sign charter agreements for two American-flagged, very large crude carriers [VLCC's] that they would immediately put into shuttle service; they are looking at the charter of a third American-flagged vessel to use in the shuttle; and they are reserving the option to use four of their soon-to-be reflagged product carriers—that is, tankers that carry refined oil products—on a shuttle.

So the White House is technically right when it says that only 1 of the 11 tankers will be used on a shuttle when the reflagging begins. But it might more accurately say that, in the immediate future, 3 of the 13 Kuwaiti tankers under the United States flag will be on shuttle duty, and that the possibility exists that as many as 8 of 14 Kuwaiti tankers under the United States flag will be used on shuttle service.

That's a jumble of technical facts. But what does it all mean? Really, it means two things.

First, it raises the possibility that more convoys will have to be run than the five monthly round trips that have been planned over the last several weeks. That could require more U.S. Navy ships. This is a technical matter. It can be easily resolved. We could, for example, delay the reflagging until more U.S. Navy assets are in place. Or we could tell the Kuwaitis that they will simply have to bunch more of their ship transits so that they are all confined to the planned five round-trip convoys each month. There are a number of possible ways to address this technical matter. As chairman of the House Armed Services Committee, I am watching this because of my concern over the use of Navy assets.

This technical issue has gotten most of the attention in recent days. But it really isn't the key issue that I think should be the focus of our attention.

The second and more important point is that when we started the reflagging exercise we anticipated escorting about one-third of Kuwait's oil exports. Virtually everyone who looked at this issue seriously said, "No big deal." The Iranians have spent most of the last several months attacking ships that called at Kuwait but did not fly the Kuwaiti flag. They could still do that.

Here are the exact numbers covering the period from last September—when the Iranians first began concentrating on Kuwaiti ships—through June 30. During that 10-month period, 38 vessels have been hit by Iran. Of those, 29 were calling at Kuwaiti ports. Of the 38, 5 flew the Kuwaiti flag. Of the 5, 1, the *Al-Funtas,* is 1 of the 11 tankers to be flagged; 2 others are among the 11 tankers that will retain the Kuwaiti flag; and the remaining 2 were Kuwaiti-flag freighters. Kuwait has a merchant marine of more than 200 vessels.

As one naval officer told our delegation when he was asked what the Iranians would probably do in response to the reflagging: "The same thing they've been doing." In other words, they can continue to attack vessels that call at Kuwait but which do not fly the American flag. If Iran were to repeat in the next 10 months what it has done in the last 10 months, it would only have to change one action to avoid a confrontation with the United States. The only thing it couldn't do all over again would be to attack the *Al-Funtas,* which is about to become the American-flag ship *Middleton.*

In other words, folks in the know figured the reflagging really didn't amount to much.

All that has now changed, however. Instead of carrying, one-third of Kuwait's oil, we could see 100 percent of Kuwait's oil protected. As a result, Iran would not be able to do "the same thing they've been doing." They would have to do something different.

What?

This can be purely speculative. One immediate thought is that Tehran would strike American-flag tankers bound for Kuwait. That's possible, but for the reasons I have outlined in previous speeches in this series, I really do not consider that to be a serious outcome. The Iranians simply are not eager to give us an excuse to go to war.

My first reaction was that the Iranians would shift the focus of their ire to Saudi-bound tankers. While visiting with King Fahd of Saudi Arabia in Taif last Monday, I specifically asked him if he was concerned that the Iranians, if they were denied the Kuwait option by our flag, might attack Saudi-bound vessels. He didn't pause an instant. He simply said, "No." He didn't explain. Perhaps he was simply overconfident. However, the fact that he responded so swiftly, when most of his statements were delivered carefully and slowly, hinted to me that this was something he had already considered. Perhaps he has a deal with Iran. It is no secret that Saudi Arabia and Iran have worked very closely at the last two OPEC ministerial meetings, last December and last month. In both cases, the final OPEC compromise was worked out by the Iranian and Saudi oil ministers while they met privately for extended periods.

It may not be the easiest relationship—for example, last month it took 5 hours for the two oil ministers to work out an agreement. But they did work one out. Clearly, there is a substantial level of serious cooperation between the two countries on oil policies. Perhaps there is some other component to the Iran-Saudi relationship of which we are not aware. Again, however, that is but speculation, albeit serious speculation.

I cannot answer with any definitiveness the question: What will the Iranians do if most of Kuwait's oil exports are protected? I do know one thing with certainty: Iran will want to take some action. It will not simply stop the tanker war because its favorite targets—unprotected vessels bound for Kuwait—have disappeared from the seas. The challenge for us is to prepare for that unknown future action and not be caught napping.

I need to go over some numbers to explain how Kuwait might arrange to have all its oil exports protected by foreign flags.

Under the original plan, with the 11 reflagged tankers plying the same routes as before reflagging, we would have been convoying about 35 percent of Kuwait's exports. Another 15 percent would have moved on tankers flying the flag of Gibraltar that Kuwait has long had under charter for some time. The Gibraltar flag assures that the tankers will be accompanied by Royal Navy warships. Thus, half of Kuwait's oil exports would be protected under the original plan.

Some oil will be carried on the three small tankers leased from the Soviet Union. The Kuwaitis described that as a negligible proportion of their total exports, however.

Under the new plan outlined to us by the Kuwaitis—with the ULCC shuttle, the two chartered VLCC's on the shuttle, and assuming that the option for the four-ship shuttle of refined products is exercised—the proportion of Kuwaiti oil exports protected by the United States flag will rise to 70 percent. Add the Gibraltar-flag vessels, and the covered portion of Kuwaiti exports rises to 85 percent.

Kuwaiti officials told us that another two or three ships were all that would be required to cover 100 percent of Kuwait's exports. They also said they were looking at additional charters of American- and British-flag vessels.

Neither the Kuwaitis nor the United States Navy are forcing anyone to take oil from the shuttle terminus at Khor Fakkan. That is the choice of Kuwait's customers, some of whom already take oil at Khor Fakkan. Incidentally, the Liberian flag vessel under Swedish charter that was attacked by the Iranians recently was on the shuttle run from Mina al-Ahmadi to Khor Fakkan.

As the reflagging begins, more customers are likely to gravitate to the shuttle. The more customers using the shuttle, the fewer unprotected tankers sailing to Mina al-Ahmadi. This raises the odds that an unprotected ship will be attacked by Iran. Whereas before, a vessel hit by Iran might be 1 of 100 sailing to Kuwait, now it might be but 1 of 10. With the odds of being hit rising, there is a certain inevitability about a gravitation toward the protected shuttle.

When Kuwait asked us to reflag 11 of its tankers, we should have thought more about the implications, as I said in an earlier speech in this series. The Kuwaitis have certainly been thinking about it. And let me tell you, forget those stereotypes about the desert Arab in his burnoose. The men who run the Kuwaiti oil industry are smart. That is the most prestigious part of Kuwaiti society. It attracts the best they have. And their best is very, very good.

When the Kuwaitis approached us asking to reflag 11 of their tankers, we should have posed a rather basic question: Why would they want protection for only one part of their oil exports—especially when it was the part that wasn't being hit? We failed to work that question. I suggest that the answer is now beginning to emerge. The answer is that the Kuwaitis don't want us to protect a mere portion of their oil shipments.

Yet, while the answer is emerging, the White House doesn't even understand the question. It simply wants to haggle over details.

PROTECTED TANKERS IN KUWAITI TRADE

Old name and new name	Tonnage	Type	Shuttle
Kuwaiti vessels reflagged American:			
Ar-Rekkah—Bridgeton	401,000	ULCC	Yes.
Al-Funtas—Middleton	290,000	VLPC	No.
Kazimah—Townsend	295,000	VLPC	No.
Umm Casbah—Ocean City	80,000	Product	Maybe.
Umm Matrabah—Chesapeake City	80,000	do	Do.
Umm Al-Aish—Surf City	81,000	do	Do.
Umm Al-Maradem—Sea Isle City	81,000	do	Do.
Gas Al-Kuwait—Gas Queen	47,000	LPG	No.
Gas Al-Ahmadi—Gas Princess	47,000	LPG	No.
Gas Al-Burgan—Gas King	47,000	LPG	No.
Gas Al-Minagish—Gas Prince	47,000	LPG	No.
Chartered from United States:			
Unknown—expected in "few weeks".	265,000	VLCC	Yes.
Do	265,000	VLCC	Yes.
(Under consideration)		VLCC	Yes.
Chartered from United Kingdom:			
Unknown			Yes.
Do			Yes.
Chartered from Soviet Union:			
Marshall Chuikov	c.39,000	Product	No.
Marshall ?	c.40,000	do	No.
Do	c.40,000	do	No.

ADVANCING DEMOCRACY

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. SHUMWAY. Mr. Speaker, earlier this year I had the pleasure of meeting with Armando Valladares, the well-known Cuban poet who spent 22 years in Castro's prisons. His prison memoirs, "Against All Hope," ignited the conscience of the international community with the horrors of life in Castro's Cuba.

I commend to my colleagues' attention the statement of Mr. Valladares at the recent Conference on Advancing Democracy sponsored by the National Endowment for Democracy which I am including in the Congressional Record.

I would like to share with you a brief excerpt from his statement:

The repression of Cuba, the police state established by Castro, has no precedent in the history of this continent. The dictatorship is maintained by terror, bayonets, executions, and concentration camps. Nonetheless, during 28 years Castro has enjoyed the sympathy of many. It is only now that criticisms are scarcely beginning to be voiced and the truth begins to be known. It is becoming known that the Cuban government has been very agile in hiding its terror, in silencing the clamor of its victims by secretly burying their cadavers.

The full text of the statement follows:

Remarks of Armando Valladares

My name is Armando Valladares and I am here this morning because I preside over the European Coalition of Committees for Human Rights in Cuba, a project supported by the National Endowment for Democracy.

For 22 years I was a victim of the tortures of the Cuban dictatorship. In principle, for ethical reasons, I think no dictatorship is good—they all put an end to freedom and all must be rejected.

Nonetheless, just as there are varying degrees of suffering and gravity of one same illness, dictatorships come in varying degrees of oppression and repression.

It would not be historically correct, nor just, nor realistic, to equate the material results of all dictatorships, and their devastation, because in comparative terms of horror the genocide committed by Pol Pot in Cambodia with two and one half million murdered cannot be the same as those deaths produced by the Sandinista or the Paraguayan dictatorships.

One also cannot equate, in statistical terms, the realities of Pinochet's regime with that of Fidel Castro's. Cuba, with approximately the same population as Chile, has 1,700,000 exiles, Chile has only 3,000. In Chile there are opposition political parties who can meet and make public plans to remove a dictator. Their leaders travel abroad, they attack the dictatorship, and return to Chile.

Chile allows inspections by the United Nations to verify human rights violations, and also allows demonstrations in the streets where the people shout their repudiation of the dictator. In Cuba, the degree of repression is such that nothing like that can happen. But despite their differences, both are dictatorships, both are unjustifiable, and both should be repudiated.

I want to say that I have denounced the violation of human rights in Chile, because I am opposed to the torture of a communist. Human dignity is above being a communist, an anticommunist, a white or a black. If I were to accept torture as a means to fight against my political antagonists, I would immediately lose my moral strength to denounce those who torture my comrades, to denounce those who tortured me.

Military dictatorships are local, they are confined within their borders. Pinochet or Stroessner, for example, do not aspire to established branches of their dictatorships in other countries, on other continents. They do not support or train guerrillas, they do not foment terrorism in neighboring countries, nor do they have occupation troops to sustain revolutions in Africa or in Latin America.

In the same way, these military dictatorships are severely criticized by liberals, by conservatives, by the left and by the right. They are internationally repudiated. These dictatorships, with a capitalist economic base, are not supported by a defined philosophy, they have not even formulated a battle tactic, nor do they have a dictatorial force that supports them. They can and do disappear and make room for democracy.

The Marxist dictatorships, on the other hand, belong to a transnational of terrorism, to a brotherhood of dictatorships, with the support of the Soviet Union. They have a defined philosophy, a battle tactic, the constant objective of establishing new dictatorships, and the support of extremist groups and parties from around the world, even democratic governments, the press, certain churches and intellectuals.

That is why the dissolution of military regimes of the right has been easier to achieve. They have established dictatorships with their doors semi-ajar. They are not completely closed societies, and it is precisely this accessibility by the press, politicians, and intellectuals that has made it possible for world public opinion to know the horrors of the violations of human rights, to express their disapproval, and to organize campaigns for the freedom of these peoples.

Herein lies the danger which dictatorships of the left see in half-opening their doors. The communist models are the most completely closed of all dictatorships. The free exchange of people and ideas weakens these regimes.

When Radio Marti began its transmissions to Cuba, Castro was infuriated. He invested dozens of millions of dollars in this country to try to impede it. He threatened, he shouted, because it is easier for him to subjugate an uninformed rather than an informed people.

Radio Marti and other radio stations that transmit to Cuba are slowly changing the Cuban situation in many respects. It is now more difficult to fool and disinform the Cubans who have an open window to the outside world, a window through which they can see that other ideas, other social models exist. This has forced the Cuban government to provide a little more information.

The repression of Cuba, the police state established by Castro, has no precedent in the history of this continent. The dictatorship is maintained by terror, bayonets, executions, and concentration camps. Nonetheless, during 28 years Castro has enjoyed the sympathy of many. It is only now that criticisms are scarcely beginning to be voiced and the truth begins to be known. It is becoming known that the Cuban government has been very agile in hiding its terror, in silencing the clamor of its victims by secretly burying their cadavers.

It is necessary to destroy this false image of the Cuban revolution with the truth of what happens there. Totalitarian dictatorships fear nothing more than the truth because they are sustained by lies. Public opinion in these times plays a decisive role in this objective. It cannot remove dictatorships, but it can force them to take care of their image, to loosen their taloned grip, to semi-open their doors.

In the case of Cuba we have proven this. Organized and documented denunciations of human rights violations have achieved the liberation of dozens of prisoners and, confronted by public opinion, Castro has tried to repair a little the damage done to the revolution's prestige by accusations of torture in Cuba.

Because of our denunciations, the Cuban embassies around the world are distributing information, pamphlets and articles which tend to present the country as one respectful of human rights. They are expending tons of paper and money, demonstrating that they are not insensitive to public opinion. Indeed, they have admitted in Italy, in articles distributed by the Cuban Embassy, that the testimony which I offer in my memoirs *Against All Hope*, is true in some respects, but only up until 1968. Now they admit I was mistreated, but only up until that year.

I think that the tribunals which we held in Denmark and Paris, where a group of torture victims from Cuban jails were presented before the press and public opinion, made the practice of torture in Cuba so evident that we forced the Cuban government to admit these facts for the first time.

The periodic publication of information pamphlets, distributed in Western European countries, has also contributed, and perhaps, if we have the necessary resources, we may be able to force Castro to admit that the abuses and violations existed not only until 1968, but until yesterday.

I would like to say that with our work we have managed to sensitize the countries of Western Europe. Indeed, all those which participated in the last U.N. meeting on Human Rights in Geneva voted in favor of an investigation of Castro.

Now the Cuban government is preparing a conference to demonstrate that at present there are no human rights violations. This means that a continuous campaign against human rights violations can obtain results, even in a society as closed as Cuba is, and can force a country to be more careful and to respect the lives of prisoners. The freedom of political prisoners can depend on our work abroad, and our work can also serve to foster and encourage democracy in these closed societies.

HON. BRIAN DONNELLY ON THE BEER INSTITUTE

BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DONNELLY. Mr. Speaker, I am submitting for the Record today an article from the Dedham, MA, Daily Transcript, concerning the outrageous techniques used by the Beer Institute to lobby against excise tax increases.

I was one of the select members of the Ways and Means Committee deluged with mail after the Beer Institute took out misleading and inaccurate ads in newspapers in my district. As this article points out, "beer distributors and retailers" are interested in profits first and consumers second. The Beer Institute is not concerned about regressive excise taxes: They are concerned about their own pockets.

Mr. Speaker, shame on them. In the past 10 years, the average cost of a six pack of beer has increased 67 percent. But the Federal excise tax on beer hasn't been increased since 1951. You won't see that in any Beer Institute ads.

Like all of my colleagues on the Ways and Means Committee, I am concerned about regressive taxes too. But we are required to raise $19.3 billion in revenue next year. Unlike the Beer Institute, we will act responsibly.

[From the (Dedham, MA) Transcript, June 5, 1987]

TROUBLE BREWING

(By Jeff Peterson)

The malt beverage industry is at it again. Led by the Washington-based Beer Institute, a powerful lobbying group, the industry is in a lather over a congressional proposal to raise the excise tax on suds. A full-page ad running in newspapers across the country last week claimed the measure could add more than $1 to the cost of each six-pack.

"Unless you contact Congressman Donnelly," the ad in the Boston area read, "your next beer could cost a lot more."

U.S. Rep. Brian Donnelly, D-Dorchester, is a member of the House Ways and Means Committee, which will hold hearings on the legislation. In other areas of the country, Donnelly's name was replaced with local legislators.

What the ad copy conveniently failed to mention is that your next beer could well cost a lot more anyway—mainly because brewers, distributors and retailers are interested in profits first and consumers second.

To think the Beer Institute cares even remotely about the consumers—other than how fast he can part with a hard-earned sawbuck—is naive.

In news reports concerning the proposal, Beer Institute president James Sanders characterized Congressional supporters of the measure as somehow trying to put one over on beleaguered consumers.

"It's a sneaky way of making beer drinkers pay," Sanders was quoted as saying. "The beer drinkers of America should know about (this legislation)."

Yeah. We should know about it. But I trust beverage industry flunkies about as far as I can toss a case of Bud—which is to say about 10 feet. Their track record is right up there on a par with lobbyists for the prestigious Tobacco Institute for contributing to the commonwealth weal.

And why not? The Miller Brewing Co., after all, is owned by Phillip Morris. You know, the same Phillip Morris which fought every attempt by the government to toughen health warnings on cigarette packages.

After all that's happened, we in Massachusetts should know better.

Remember the brouhaha prior to the enactment of the bottle bill? Bay State voters were warned—no, threatened is more accurate—that beer prices would spiral crazily upward if we dared enact the proposal.

We were told the beverage industry would have to hire thousands of additional employees to collect, sort and transport the empties. We were told Bay State retailers would have to set aside part of their sales space to temporarily store the empties. We were told the legislation would never reduce the trash heaped on Massachusetts highways.

"Human nature is human nature," the lobbyists patronized. "And people are going to toss those empties out their car windows whether there is a 5-cent return or not."

Finally, in a parting shot worthy of Clark Gable, we were told the empties wouldn't be recycled anyway—they would be collected, sorted and trucked off to landfills.

Well, guess what. The bottle bill—while hardly being a paragon of administrative efficiency—has worked. The containers are being recycled. Litter is down on our roadways.

I run 30 miles weekly. Five years ago my leisurely jog was more like a steeplechase, so heavily were the roadways cluttered with discarded beverage containers. There simply is no comparison between roadside litter now and in the pro-bottle bill days.,

Now, any number of cases can be made for raising the excise tax on malt beverages. Some would argue it might put a crimp in the numbers of alcoholics and alcoholic-related deaths on our highways—especially involving teens.

Of course, the industry would holler that raising the over-the-counter price would not increase society's sobriety one iota.

And that's just the point. The industry blowhards who are doing all the shouting about Congress sneaking one over on the beer drinkers of America would be the first to boost prices at a moment's notice.

Remember, retail prices don't necessarily reflect production costs. An old marketing trick is to outlandishly boost the price of a product, re-package it and then market it as a high-quality item. Prior's "Double Dark" brand is one successful example.

I'm not saying I'd particularly relish the thought of another jump in beer prices. In the short 10 years since I became of legal age, the cost of a six-pack has increased on average from $2.10 to $3.50.

That hurts. But let's be realistic.

Does anyone really think the Beer Institute is taking out full-page ads in newspapers across the country to spare their loyal customers the agony of spending an extra 50 cents on a six-pack?

Fat chance.

I've got a suggestion. Why don't the brewing moguls take the $1 million-plus they're spending on this ad blitz and use it to modernize their facilities, upscale aging equipment and increase the efficiency of their distribution and marketing systems. Then take all the savings they'd realize and pass them on to the customer.

But, after all that's happened, we in Massachusetts should know better.

WORLD PEACE AND BROTHERHOOD

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. CARDIN. Mr. Speaker, a constituent of mine by the name of Father Joe Breighner came to me with a plan which I believe deserves our note and consideration. His plan has the ambitious goals of world peace and brotherhood.

According to this plan, each nation of this planet would set aside a small tract of land to be sold in even smaller parcels to persons all over the world in exchange for contributions to UNICEF. That way, millions of people of other nations across the world would own small parts of each nation.

The benefits of this plan would be twofold. First, foreign nations would no longer be foreign to each participant in this plan. The ownership of even the minutest lot would change the owner's perspective of foreign land; the land would be partly their own. This would provide an excellent educational opportunity to learn about the foreign lands with which we share the Earth. It would also provide an opportunity for each citizen to analyze his national as well as his international consciousness, fostering a vested interest in, as well as a greater desire for world peace.

Second, this plan, if implemented by a worldwide agency like UNICEF, would serve as an excellent opportunity to further the causes of saving impoverished children worldwide. This program, in seeking to bring people of foreign countries together, both children and adults, drives toward world peace without which such meaningful goals are all but useless.

In implementing this program, the deeds for the land sold would be drafted by UNICEF in such a manner that any attempt to claim the land sold would be forgone to protect national sovereignties and territorial rights.

Mr. Speaker, in our bipartisan and national interests, I hope that we can find support for Father Joe Breighner's plan for world peace.

FINANCING LONG-TERM CARE: AN ADMINISTRATOR'S PERSPECTIVE

HON. D. FRENCH SLAUGHTER, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. SLAUGHTER of Virginia. Mr. Speaker, with legislation designed to protect our Nation's elderly from the costs associated with a catastrophic illness requiring hospitalization nearing consideration on the floor of the House, I would like to share with my colleagues the remarks made by a nursing home administrator from my district, Mr. Harley Tabak, on the subject of long-term care. These remarks were made during a hearing held by the Republican Study Committee on this topic.

Mr. Tabak, who has been the administrator of Annaburg Manor Nursing Home in Manassas, VA, since 1979, is the vice president of the Virginia Health Care Association and serves on that agency's long-term care insurance task force. As a result of his experience and expertise in this area, I believe my colleagues will find his comments helpful.

I am Harley Tabak, Vice-President for Long Term Care for Prince William Hospital Corportation, and Administrator of Annaburg Manor in Manassas, Virginia, a 245 bed skilled and intermediate care nursing home. I am also the Vice-President of the Virginia Health Care Association and serve on that organization's Long Term Care Insurance Task Force as well as the American Health Care Association's Task Force on Long Term Care Insurance.

I am deeply committed to the development of private insurance for long term care as a result of my nearly ten years experience as a nursing home administrator. I know of the emotional trauma which patients and their families experience when they come into my nursing home and discover that neither Medicare nor Medigap policies pay for their stay in my facility. I also know of the frustration of trying to provide quality patient care when most of the revenue in a nursing home budget comes from Medicaid. Limited government funding inevitably hampers providers who are trying to offer the care our chronically ill patients deserve and which the American public expects.

Political leaders such as yourselves are finally giving national attention to an issue which few Americans like to think about but which a growing number of American families will confront at some point in their lives—how to pay for the cost of a relative living in a nursing home. President Reagan and Secretary Bowen have taken a courageous first step to providing catastrophic protection for the elderly. However, the Bowen report to the President emphasizes that "long term care is the most likely catastrophic illness risk faced by individuals and families." Nursing home providers know this not only as an actuarial risk, but as a daily tragedy for thousands of Americans. Many are quickly forced to spend down to impoverishment to qualify for the only existing catastrophic protection—the Medicaid program for the poor.

While I do not expect any catastrophic plan to fully resolve the financing of long term care, we must begin to make improvements in long term protection not only for the present, but for the future as well. Every demographic trend shows that the need for long term care will only increase. By the year 2000, the number of Americans over the age of 85 will have doubled. Life expectancy has improved so rapidly that today's 65-year-old can expect to reach an average age of 81. However, although medical advances have contributed to extended longevity, there have not been comparable breakthroughs in the treatment of chronic disabilities associated with old age. Nursing home utilization among those age 85 and over remains 14 times the rate of those age 65-74.

The lack of private long term care insurance and adequate personal resources will continue to force individuals to risk financial devastation in the event of long term care. Although personal savings are the first line of long term care defense, approximately one-third of our population would be impoverished after only 13 weeks in a nursing home. Two-thirds of our elderly would exhaust their financial resources within the first year of a nursing home stay. The Bowen report notes that an estimated one half of Medicaid recipients were not initially poor, but "spent down" their income and resources before becoming eligible. Once institutionalized, such individuals seldom return to the community even if the person's condition improves because of lack of personal resources and the difficulty associated with readmitting a Medicaid patient to a nursing home. Medicaid, originally intended to protect the poor, perversely forces impoverishment, this ensuring dependency on public assistance.

Secretary Bowen's report places great emphasis on the development of private long term care insurance. Congressman Slaughter's "Health Care Savings Account Act of 1987," H.R. 955 is an example of the type of legislation needed to achieve this goal. The funds in these accounts could be used to purchase long term care insurance. Insurance carriers would also be given additional incentive to more aggressively develop and market long term care insurance knowing that individuals had special funds available to purchase their products.

Proposals such as Congressman Slaughter's which promote the private sector's involvement to help solve the growing problem of paying for long term nursing home care are urgently needed. I do not believe that government can afford to pay the total nursing home bill of the nation. But with government incentives and greater consumer awareness about the financial risk which nursing home care represents to most Americans, I believe that solutions can be found to this complex problem. I appreciate your interest in this vital issue and look forward to helping you in whatever way I can in the future.

SALUTE TO SIOUX CITY STOCK YARDS

HON. FRED GRANDY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. GRANDY. Mr. Speaker, today it is my honor to pay tribute to an organization that has played a vital role in the agriculture and livestock industry of northwest Iowa for 100 years.

In 1887, Sioux City, IA, boasted a population approaching 40,000 residents. In following years, more settlers would be drawn to the area, enticed by the growing industrial city and surrounding countryside of rich soils and flowing prairie grasses.

It was in this year that the Sioux City Stock Yards was formally established. In honor of its contributions and its place in the region's economy, the 100th birthday of the huge stockyards will be celebrated this week.

Early receipts indicate just how rapidly the stockyards grew. Only 10 years after the business was founded, the number of cattle sold doubled from one year to the next, from 142,238 in 1896 to 294,166 in 1897.

The yards continued their amazing record of growth, even through latter years of depression and volatile ag markets. In fact, in 1973 the Sioux City Stock Yards grabbed the title of No. 1 stockyard in the United States based on its annual receipts. At that time more than 2.6 million head of livestock were processed there.

The award came at the beginning of a difficult time for the yards. New and more stringent Government regulations were enacted. The beef industry as a whole was also suffering from low prices at the markets and high prices at the grocery store.

But the Sioux City Stock Yards came bouncing back. It has managed to cultivate an active market and often yields prices higher than those in nearby cities. The auction ring is filed to capacity most every day and recent improvements in prices has helped booster interest in cattle, hog, and sheep production.

Clearly the stockyards' contributions to northwest Iowa farmers and producers has been and will continue to be an important one. Let us pay tribute to these contributions and wish it all our best for another 100 years of success.

HATCHET MEN APOLOGIZE TO LEGAL SERVICE VICTIMS

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. FRANK. Mr. Speaker, 3 years ago, appointees of the Reagan administration to the central office of the Legal Service Corporation, as part of the administration's unrelenting and unjustified war on a program to provide legal assistance to poor people, unjustifiably fired Paul Newman and David Gilbert from the responsible positions they held in the Legal Services Corporation network. Mr. Newman and Mr. Gilbert were dedicated, able, and conscientious public servants who were guilty of nothing other than trying to do the best possible job of delivering legal services to the poor—a mandate given to them by the Congress and continued by Congress despite the Reagan administration's efforts to wipe out the Corporation.

Because of their dedication to their duty, they were fired by rightwing ideologues sicced on the Legal Services Corporation by the extremists within the Reagan administration. The Subcommittee on Courts of the Judiciary Committee, ably chaired by the gentleman from Wisconsin [Mr. KASTENMEIER] held hearings on this subject and it became quite clear to the members of the subcommittee that no valid basis existed whatsoever for the firings. While the Reagan administration refused to relent in its attack on the integrity and careers of these two very dedicated men, the courts were available to them for redress.

Recently, a settlement was reached in a lawsuit which Paul Newman and David Gilbert filed against the Legal Services Corporation as an entity, and Donald Bogard and Gene Potack as individuals. Mr. Bogard and Mr. Potack were respectively the President and the director of Field Services of the Legal Services Corporation by virtue of the Reagan administration's appointments.

Shortly before the trial was to begin in this case, settlement negotiations began. Because the Legal Services Corporation and the other defendants obviously understood that they were in a very weak legal position because there was no justification for their firing of Mr. Gilbert and Mr. Newman, a settlement very favorable to those two gentleman was achieved. They received a monetary award, and also received letters of apology for their having been fired.

Mr. Speaker, it is not rare that the rightwing ideologues in this administration have erred. What is rare is for them to be forced to acknowledge that error as a result of judicial action. I ask that the three letters of apology sent to Messrs. Newman and Gilbert be printed here.

LEGAL SERVICES CORPORATION,
Washington, DC, April 22, 1987.

PAUL NEWMAN, Esq.
Lexington, MA.

DEAR MR. NEWMAN: The Legal Services Corporation regrets the circumstances surrounding your termination in 1984, including any implied criticism of your overall performance. The Corporation acknowledges your years of long and professional service to the Corporation.

Yours truly,

TIMOTHY H. BAKER,
Secretary.

LAW OFFICES OF GENE M. POTACK,
SUITE 201, 414 FIRST STREET
Menominee, MI, April 8, 1987.

PAUL NEWMAN,
Lexington, MA.

DEAR PAUL: I regret the circumstances of your termination from the Legal Services Corporation in 1984. To the extent that this termination implied any criticism of your integrity, that implication is removed.

Very truly yours,

GENE M. POTACK.

MAY 28, 1987.

DEAR MR. NEWMAN: I regret the circumstances of your termination from Legal Services Corporation in 1984. To the extent that this termination implied any criticism of your integrity, that implication is removed.

Very truly yours,

DONALD BOGARD.

NATIVE SONS OF THE GOLDEN WEST, ARROWHEAD PARLOR NO. 110 CELEBRATE THEIR 100TH ANNIVERSARY

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. LEWIS of California. Mr. Speaker, I would like to take this opportunity to recognize a truly remarkable group of dedicated citizens. On the 18th of July of this year, the Arrowhead Parlor No. 110 of the Native Sons of the Golden West will celebrate the 100th anniversary of its formation.

The Arrowhead Parlor has been an integral part of the city of San Bernardino. Indeed, throughout its history, numerous business, professional and civic leaders of the city of San Bernardino have been members. Known for its dedication to the preservation of the great heritages and traditions of San Bernardino, Arrowhead Parlor No. 110 has dignified dedicatory ceremonies of public buildings and have been ardent supporters of innumerable charitable and civic activities.

Mr. Speaker, it is clearly evident that the Arrowhead Parlor No. 110 of the Native Sons of the Golden West should celebrate their 100th anniversary with great pride. I ask that my fellow Members of the House of Representatives join me in saluting this outstanding organization's many fine achievements. I wish them continued success for another 100 years of meaningful service to their community.

KURT WALDHEIM—WE MUST NOT FORGET

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. LANTOS. Mr. Speaker, I was saddened and appalled by a report in the New York Times last week that Austrian President Kurt Waldhheim will visit West Germany at the invitation of Richard von Weizaecker, the presdient of the federal republic. It would be a tragic and unfortunate decision for the President of the Federal Republic of Germany to ignore the justified outrage of American citizens and the citizens of many nations about Kurt Waldheim.

As my colleagues know, Mr. Speaker, Dr. Waldheim's name has been placed on the watch list by the Department of Justice, which means he will be denied entry into the United States by the Department of Justice for his role in Nazi atrocities in the Balkans during World War II.

Just a few weeks ago, my dear friend Rachel L. Gottstein wrote an excellent letter to the editor of the Anchorage (Alaska) Times in response to an article published earler in the Anchorage Times by Tom Fink criticizing the Justice Department's decision to place Dr. Waldheim's name on the watch list. I urge my colleagues in the House and my friends in the Federal Republic of Germany to read her letter.

COULD YOU FORGET?

DEAR EDITOR: Mr. Waldheim himself can tell us best where he was and when during the second World War. Until he decides to be honest with his own conscience, people like Mr. Fink, will be able to blame Mr. Waldheim's war actions on "Jewish Investigators." The atrocities perpetrated by the Nazis during World War II were not only against the Jews. They were against Christians and all nationalities as well. They were crimes against humanity.

Many Nazis fled Germany after the war to escape punishment. They fled to Argentina, to Brazil to the U.S.A. etc. To become citizens of these countries, they changed their names and their identities so as to live as everyone else. People from all walks of life, from different countries and religions seeking justice have banded together in order to find these Nazis. To quote Mr. Fink "We have delivered nearly half a dozen naturalized American citizens to different foreign countries for trials based upon allegations of Nazi atrocities. We ought not to be delivering U.S. citizens to foreign governments to be tried on actions which occured 40 to 50 years ago." Mr. Fink, I want to ask you a question, if someone killed your mother and father in a crematoria, burned them alive, at the age of 28, could you forget? Even after 40 or 50 years?

If someone took your little cousins 6 and 7 years old and started cutting pieces off their bodies to see how long a child can suffer pain before dying, and you stood by and had to watch, could you forget even after 40 or 50 years?

If someone took your young brother and started throwing him against the wall to see how long it takes for the skull to crack and all the insides to spill out, while you mother and father stood watching. Mr. Fink could you forget, even if it was after 40 or 50 years?

If they took all the young teenage girls in your family and daughters of your best friends and raped them sadistically in front of your eyes, then cut off their breasts, and when they were done with them, threw them into a pit, poured kerosene and ignited this human torch whose screams pierced the air, and your flesh curled, and you felt as though you were going to explode, but they made you stand there and watch, and listen, till the last scream stopped. Mr. Fink, could you forget?

Maybe you could. Mr. Fink, I have been trying to forget for 42 years. I have not succeeded in erasing these memories from my mind; not for one day, not for one night, not for one moment. I have run the world from one country to another to forget. I have come to this beautiful country of the U.S.A.—the home of the free, the land of the brave, the kind, the fair, the compassionate. The U.S.A. soldiers came and liberated us, General Eisenhower said he will never forget what his eyes saw and his ears heard. So I came to look at the U.S.A. government as my saviour.

Now I read your article and find out that a man who wants me to forget is a former member of the state legislature. My Alaskan friends can you explain this to me? Rachel L. Gottstein.

VA EMPLOYEES VOICE STRONG SUPPORT FOR THEIR MEDICAL COMPUTER SYSTEM

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. MONTGOMERY. Mr. Speaker, a controversy over the effectiveness and cost of the Veterans' Administration's medical computer system, known as the Decentralized Hospital Computer Program [DHCP] system, has arisen in the Congress. As chairman of the Committee on Veterans' Affairs, I have scheduled many oversight hearings on this important medical computer system over the past several years and the reports on its effectiveness and costs have been uniformly very positive.

Since our hearing of April 8, 1987, on this important subject, I have received many letters from veterans and Veterans' Administration employees in support of the DHCP.

I would like to share with my colleagues a copy of a letter which I received from Dr. Sam A. Threefoot, chief of staff at the VA Medical Center in New Orleans, LA, which demonstrates how the VA employees feel about "their" medical computer system.

The letter follows:

NEW ORLEANS, LA,
March 20, 1987.

Hon. G.V. (SONNY) MONTGOMERY,
House of Representatives,
Washington, DC.

DEAR SONNY: It is rumored that there are pending proposals to withhold funds intended for the Veterans Administration Decentralized Hospital Computer Program (DHCP). Such a move would set the V.A. health care back for years. The V.A. has been behind other health care systems and is only now getting its programs activated on-line with considerable improvement in patient care management. Any cessation or delay would have a serious impact on direct patient care.

Now, with DHCP it is possible to control and expedite patient scheduling; permit physician determination of all medications a patient is receiving and thus control duplication and costs; transmit laboratory results to clinics and wards without extended delays; track patient admissions and clinic appointments for both patient care and response to inquiries from Congress or other legitimate sources; determine eligibility; calculate appropriate lengths of stay for each diagnosis as a guide to most efficient and quality care; compare cost data and use to correct inefficient procedures, and many other uses to improve patient care and hospital management.

Interruption in the use or expansion of the DHCP would have a drastic negative impact on management and morale after waiting so long for a functioning system and then to have it placed in a stagnant or regressive state.

Thank you for taking the above benefits into consideration and for your assistance in the progression and expansion of the V.A. Decentralized Hospital Computer Program.

Sincerely,

SAM A. THREEFOOT, *M.D.*

UNION CORRUPTION OR UNION BUSTING

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. STOKES. Mr. Speaker, as many Members are aware, the press has recently revealed that the Reagan administration is preparing a suit that seeks to place the International Brotherhood of Teamsters under the control of the Federal Government. Shortly after this news became public, our colleague, WILLIAM CLAY, chairman of the Subcommittee on Labor-Management Relations, House Education and Labor Committee, has the opportunity to participate in a dinner honoring Robert Sansone, an official of the International Brotherhood of Teamsters and a distinguished citizen of St. Louis. Chairman CLAY's remarks at that dinner have since attracted some attention and merit the consideration of the Members of this body. I wish to share those comments with my colleagues.

STATEMENT OF HON. WILLIAM L. CLAY AT A DINNER HONORING ROBERT C. SANSONE, PRESIDENT OF LOCAL UNION 682, JOINT COUNCIL 13 AND THE MISSOURI-KANSAS CONFERENCE OF TEAMSTERS, AS THE NATIONAL COMMITTEE FOR LABOR ISRAEL (HISTADRUT) "MAN OF THE YEAR," JUNE 11, 1987

If you are like me, you were touched during the singing of our national anthem, especially recalling the words "our flag was still there." Those words cause me to reflect about my concern and worry about this flag and this country. I am shocked to read that the U.S. Government is preparing to place 1.7 million members of the International Teamsters' union under federal control. I have never heard of anything so preposterous in my lifetime. It's one of the most outlandish, most incredible schemes ever devised to subvert the rights of working men and women to be effectively represented in collective bargaining. This issue has very little to do with corruption and racketeering. It's basically an attempt to destroy an integral part of organized labor.

The Justice Department is also in the process of preparing the same kind of takeover of three other unions—the International Longshoremen, the Hotel and Restaurant Workers and the Laborer's International. President Reagan has used every means at his disposal to destroy unionism—now it's the courts.

The only governments to my knowledge who control, operate and dictate to union members are those governments behind the iron curtain and under the influence of the Soviet Union. That's a sordid indictment of the world's longest continuous democracy to engage in, while celebrating the 200th year of its birth.

As an excuse for this gross invasion into affairs, which by law, custom and tradition should be left to management and workers, our government offers a lame excuse that in the last five years more than 100 Teamster officials and consultants have been convicted or indicted for embezzlement, mail fraud, bribery or racketeering. Since there is a total of 1.7 million Teamsters and approximately 15,000 Teamster Union officials, I suggest this ratio of convictions and indictments is the same as in every other sector of American society. If it is to become the standard for the federal government to assume control, then certainly the city of New York should be in trusteeship. And Lord knows that every brokerage house in Wall Street is in line to be taken over by the U.S. government.

I am voicing my opinion on this subject, not only as a member of the United States Congress, but also as a life-time member of Teamsters' Local 688—and a dues-paying member of Bill Stoghill's service employees' local.

AFTER 15 YEARS IN REFUSAL, RELEASE THE BRAILOVSKY FAMILY

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. HOCHBRUECKNER. Mr. Speaker, I request the assistance of the House of Representatives on behalf of a Soviet refusenik family which has been waiting for permission to emigrate for over 15 years.

Dr. Viktor Brailovsky, his wife, and their family first applied for permission to emigrate on March 10, 1972. They received the first official notification of their refusal in January 1973. Their youngest daughter, Dalia, born in 1974, has lived her entire life as a refusenik.

Eleven years ago, in 1976, the Brailovskys requested an official explanation for their refusal. They were told that the Moscow State University had objected to Irina's departure due to her alleged access to secret information. This allegation has been contradicted by the former rector of the university, Prof. Anatoly Lugunov. In October 1976, Viktor was given permission to go to Israel, but not with his wife or children. Permission, however, was conditioned on Viktor giving testimony against Anatoly Scharansky. Viktor refused to do this and so he and his family remain in the Soviet Union—15 years after their initial application.

As is the case with all the people who have applied for exit visas from the Soviet Union, the Brailovskys instantly lost their jobs. Whatever contact Irina may have had 15 years ago with "State secrets" while working with computers, a field where 1 week's breakthrough is outmoded the next, can surely no longer be of any significance.

On July 6, I sent the following draft letter to all Members of this body. I hope that my colleagues will join me in sending this letter to Secretary Gorbachev on behalf of the Brailovsky family.

General Secretary MIKHAIL GORBACHEV,
The Kremlin, Moscow 103132, RSFSR, U.S.S.R.

DEAR MR. SECRETARY: We are writing to request that you allow Dr. Viktor Brailovsky, who has been invited to speak as a guest lecturer at the State University of New York at Stony Brook, his wife Irina, and their children Leonid and Dalia, along with Irina's mother Fania Feffer, to emigrate and rejoin Viktor's brother Mikhail in Israel.

The Brailovsky family first applied for permission to emigrate over fifteen years ago, on March 10, 1972, and received notification of their refusal in January, 1973. Eleven years ago, in 1976, Viktor and Irina requested an official explanation for their refusal. At that time, they were told the reason was that Irina had access to secret information through her job at the Computing Centre of the Moscow State University.

Permission to emigrate has been denied despite the fact that Professor Anatoly Lugunov, the former University Rector, has confirmed that Irina's work had not been secret and despite your statements during an interview on French television in October, 1985, that no one would be denied an exit visa due to state security reasons for a period longer than five years, ten at the most. This promise was reiterated at your April meeting with Speaker of the House Jim Wright and his delegation. Viktor and Irina Brailovsky both lost their jobs after they first applied for exit visas in 1972. Neither has worked in any capacity which would give them access to secrets in the past fifteen years.

Granting the Brailovsky's request to emigrate would add to the growing momentum of improvement in relations between our two countries. We hope you will review the Brailovsky's long standing case and grant their request for exit visas.

Sincerely,

GEORGE J. HOCHBRUECKNER.

MOZAMBIQUE: ORIGINS OF A FAMINE

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. LELAND. Mr. Speaker, Mozambique has become an issue of growing interest and importance to the United States Congress in recent weeks. The United States Government, in response to a food crisis in Mozambique that threatens the lives of 4.5 million people, has pledged $75 million of food and nonfood assistance. Other measures are being discussed to provide for expanded humanitarian and infrastructure assistance.

The factors which have caused this famine are complicated and show no signs of abating. In order to meet the needs of the people of Mozambique in an effective manner, it is necessary to understand the causes of the famine. I commend the following piece, prepared by the House Select Committee on Hunger, as a useful background for understanding the tragedy taking place in Mozambique.

MOZAMBIQUE: ORIGINS OF A FAMINE

Mozambique, strategically located on the Indian Ocean and rich in natural resources, is crossed by three major rail lines and an oil pipeline which provide essential trade links for the landlocked nations of Zimbabwe, Zambia, Malawi and Botswana. The central provinces of Tete and Zambezia are prime agricultural regions fed by the Zambezi River whch have the potential of making Mozambique a food exporter. Rather than benefiting from location and resources, however, Mozambique today stands on the brink of a human catastrophe of massive proportions as an estimated 4.5 million people, in a nation with a total population of 14 million, face acute malnutrition and starvation. Ironically, it is the country's potential importance to the economic vitality of Southern Africa which places so many people in peril as Mozambique has become a primary target of the regional economic and military sabotage campaign being waged by the minority government in the Republic of South Africa. South Africa, as an integral component of its desperate struggle to maintain apartheid, seeks to retain and deepen regional dependence on its economic, energy and transport facilities. RENAMO, the anti-government insurgency force within Mozambique, is thus supported and largely directed by South Africa.

RENAMO and its campaign of terror bear overwhelming responsibility for the human crisis within Mozambique today. RENAMO forces are killing peasant farmers, destroying schools and health clinics, burning crops, pillaging villages amd on occasion murdering international relief workers. RENAMO has wreaked havoc on Mozambique's infrastructure, blowing up rail lines and bridges, destroying irrigation systems. RENAMO's activities in combination with lingering drought in several areas of the country now imperal more than a third of the population of the country. Mozambique has the highest infant mortality rate in the world, with 325 of every 1,000 children dying before age five. 1.8 million people have been internally displaced, another 420,000 are refugees in bordering countries.

The government of Mozambique is solidifying its relations with Western governments and institutions as it dismantles Marxist economic systems. The British government has begun a military training program with the Mozambican armed forces, and other Western European nations are providing significant relief and economic assistance. The U.S. Government has expanded its support of the government and has consistently labeled RENAMO as an illegitimate terrorist group funded and directed from outside Mozambique. U.S. relief assistance is a significant portion of the donor community's response of the humanitarian crisis in Mozambique.

The following pages provide a brief background on the recent history of Mozambique and outline the origins of the famine now stalking the country. The situation in the country, already grave for millions, is likely to worsen over the next several months. The political complications of the Southern African region and Mozambique's particular role in the evolution underway in that region ensure that this crisis will require the attention of the outside world for the foreseeable future. This document provides context of the evolving crisis.

MOZAMBIQUE'S COLONIAL LEGACY AND EARLY YEARS OF INDEPENDENCE

Mozambique achieved its independence on June 24, 1975, after an eleven year struggle against Portuguese colonial rule. The Front for the Liberation of Mozambique (FRELIMO), the dominant liberation force in the country, quickly came to power. FRELIMO's victory led to a mass exodus of the Portuguese who had run the country for nearly five hundred years and whose departure left the economic and administrative structures in shambles. Many Portuguese property owners set fire to farms and factories as they left. The colonialists left behind a country hardly prepared for nationhood. Literacy among Mozambicans stood at only seven percent, the number of college graduates was negligible, the labor force was largely unskilled, the industrial base weak, the infrastructure poorly developed, and the foreign exchange reserves depleted.

The FRELIMO government responded to the situation by adopting a Marxist economic strategy of seizing all private land, abolishing private medical and legal practices, and setting up collective state farms and factories. The government also suspended most civil liberties, and many dissidents were sent to "re-education" camps. FRELIMO turned to the East for assistance, partly because of the perception that the U.S. and NATO allies had supported Portugal during the independence struggle. In 1977, Mozambique signed a Treaty of Friendship and Cooperation with the Soviet Union and for several years received large amounts of mostly military aid from the Soviets and Eastern bloc countries.

RECENT CHANGES IN MOZAMBICAN POLICY

In the years that followed independence, FRELIMO presided over a gradual economic decline due to its own economic policies, to worsening drought conditions and to a growing counter-insurgency. At Frelimo's Fourth Party Congress in April, 1983, the government acknowledged its economic policy mistakes and vowed to move Mozambique in a new direction. The emphasis shifted from state farms and large government projects to private sector initiatives and support for peasant and private farmers. The government demonstrated a commitment to a more pragmatic economic approach, joined the World Bank and the International Monetary Fund in 1984, and agreed to reschedule its large external debt payments. Earlier this year, the government devalued the currency by over 80 percent as part of its efforts to address an overwhelming foreign exchange deficit.

The other significant policy development in recent years was the signing of the Nkomati Accord with South Africa in March, 1984. Largely at the urging of the U.S., Mozambique entered into an agreement with South Africa to deny the use of either nation's territory as a base for "violence, terrorism, or aggression" against the other. While Mozambique largely lived up to the Accord by expelling African National Congress (ANC) guerrillas, the South African government admitted that it continued providing aid to RENAMO forces in Mozambique after the agreement was signed; the Mozambican government asserts that this aid continues.

RENAMO—THE INSURGENCY

RENAMO, also known as the Mozambique National Resistance (MNR), is the insurgent movement opposing the FRELIMO government. RENAMO was established in 1977 by Portuguese exiles, disaffected FRELIMO members, and the Rhodesian Central Intelligence Organization. With the fall of the minority regime in Rhodesia, the South African Military Intelligence began funding RENAMO and has since used RENAMO as a key element in its strategy of regional destabilization.

The efforts of RENAMO are focused on destabilizing the government and making large regions of the country ungovernable. The insurgency has been highly effective in disrupting civil administration in several provinces of Mozambique. RENAMO's primary targets have been the transport and power infrastructure—which serve several Southern African nations in addition to Mozambique—resulting in increased regional dependence on South Africa and additional transport costs to the region of at least $300 million per year.

The more vicious side of RENAMO's efforts is manifested in its attacks on peasant farmers, food production and distribution systems and social services. These attacks have directly resulted in lower levels of primary health care such as vaccination coverage rates, decreased primary school attendance, declining food production, and increased malnutrition and starvation. According to the UN, the 1983-84 famine in Mozambique that took over 100,000 lives was caused not primarily by drought or poor agricultural policies, but was instead the result of RENAMO's disruption of rural life and food production, destruction of Mozambique's ability to raise export earnings to purchase food, and outright prevention of food relief operations. The famine that now threatens 4.5 million lives in Mozambique is also directly attributable to RENAMO.

As well as staging raids on food production and food relief operations, RENAMO has destroyed 484 health posts since 1982 (42 percent of the total) depriving over two million people access to health care. Insurgent attacks have also resulted in 40 percent of the primary schools being destroyed or abandoned, leaving 300,000 children without education. Local health workers have been killed, wounded, and kidnapped by RENAMO, halting vaccination programs throughout the country. Relief workers have also been attacked and killed, and as a result many areas are completely inaccessible to the emergency relief effort.

Outside observers state that RENAMO has unrestricted freedom of movement in only 10-15 percent of the country, contrary to its claim of command over 80 percent of the nation. U.S. Ageny for International Development and international development and relief officials have said that in the areas RENAMO is active, it does not appear to exercise any administrative control.

REGIONAL AND INTERNATIONAL COMPLEXITIES

1. Mozambique's Regional Importance

Mozambique plays a pivotal role in the development of Southern Africa. As one of the nations that border on South Africa, it is directly affected by South Africa's efforts at regional destabilization. Mozambique is an important target for the South African regime due to the routing of regional transport arteries through the country—transport routes essential for reducing the dependence of Southern African nations on the Republic of South Africa; three of the most essential routes run through Mozambique—the Beira Corridor, the Limpopo Line, and the Nacala Line.

Zimbabwe, which previously used Mozambican rail lines to transport the majority of its imports and exports, now depends on

South Africa to move from 60 percent to 90 percent of its trade depending on the conditions of the Mozambican lines. Other landlocked states of Southern Africa are similarly dependent on South Africa for transportation, creating a situation which has several negative implications. Routes through South Africa are usually much longer, making transportation costs higher. Also, South Africa receives the revenues for carrying the goods that Mozambique and others would receive if they handled the transportation. Most importantly, by controlling the region's vital transportation links—their lifelines to the outside world—South Africa keeps the region in a stranglehold. In order to counter this dependence on South Africa and to foster regional development, the nine majority-ruled nations of Southern Africa have joined together to create the Southern African Development Coordination Conference (SADCC). The primary objective of SADCC is to improve the transportation infrastructure by rehabilitating the railroads which run through Mozambique, Angola, and Zimbabwe.

2. Mozambique and the East Bloc

In the first decade of independence, Mozambique relied heavily on technical and military assistance from the Soviet Union and other Communist bloc countries. A large number of Soviet, Cuban and East European personnel, military as well as technical advisors, were stationed in Mozambique. In 1980, Samora Machel, president of Mozambique, asked to join the Council for Mutual Economic Assistance (COMECON), the Soviet bloc's economic alliance. The request was turned down and, along with a growing disillusionment with the inadequate technical assistance being provided by the East bloc countries, led Machel to explore openings with Western nations. By 1981, Mozambique was pursuing a policy of non-alignment, permitting the return of some private enterprises, and was seeking Western investment and economic assistance.

Mozambique retains ties to the Soviet Union. The Treaty of Friendship and Cooperation with the Soviet Union is still in effect, and it is believed that hundreds of advisors from the East bloc are currently in Mozambique. The Soviet Union, however, provided very little assistance for the 1984-85 famine emergency and is providing little to meet the current needs. This fact has not escaped the notice of the government of Mozambique. At a emergency donors' conference in Geneva in March, the Soviets pledged $282,000 for humanitarian assistance to Mozambique against total pledges of over $200 million. The United States pledged $75 million and is perceived and recognized as a major provider of humanitarian assistance by the government.

3. Mozambique and the United States

FRELIMO's ties to Marxist ideology and to the East bloc obviously resulted in poor relations with the U.S. in the early years after independence. Relations were further strained by reports of human rights abuses, including the detention of political opponents in "re-education" camps, and by Mozambique's criticism of U.S. policy towards South Africa. As a result, Congress imposed a ban on all non-food assistance to Mozambique in 1977.

By 1980, a combination of events led to a warming of relations between the U.S. and Mozambique. Machel's disillusionment with Soviet aid, his subsequent turn to the West for assistance, discussions of economic liberalization, the release of political prisoners, and a greater appreciation by U.S. policymakers of the regional importance of Mozambique all led to closer ties between the two nations. Congress attached a waiver to the Mozambique aid ban, and in 1981, with the onset of the drought, the U.S. provided food aid and technical assistance. In 1983, an economic assistance program was launched to support private sector agricultural development, and the program is still being funded at approximately $10 million annually.

More recently, Mozambique's decision to join the World Bank and the IMF have favorably impressed the Reagan Administration as signs of genuine commitment to economic reform. Further, the signing of the Nkomati Accord between Mozambique and South Africa and Mozambique's subsequent expelling of South African opposition forces led to closer U.S.-Mozambique ties. In January 1985, the Administration announced that it would propose a small amount for military training and non-lethal military equipment to Mozambique, but the request was dropped under Congressional pressure. President Machel visited Washington in September 1985 and was warmly received by President Reagan. In May of this year, Secretary of State George Shultz assured visiting Mozambican officials that the U.S. Government was committed to supporting the Mozambican government and had no intention of recognizing RENAMO.

The European allies of the U.S. have also been supportive of Mozambique in recent years and have provided significant amounts of aid and foreign investment. Italy is the second largest donor of assistance to Mozambique this year after the U.S., and the European Economic Community is the third. Great Britain has begun to provide military training to Mozambican soldiers in Britain and in Zimbabwe and plans to expand this program to train soldiers in Mozambique. The Thatcher Government is currently exploring ways to expand development assistance to Mozambique as well.

Certain outside groups, however, are pressuring the U.S. Congress to oppose the Administration's policy of establishing closer relations with the government of Mozambique. Some groups have advocated that the Administration open a dialogue with RENAMO and use them to assist in the relief effort, ignoring the fact that it is RENAMO that has basically created the current crisis and has exacerbated it by its deliberate attempts to hinder the delivery of relief supplies.

THE EMERGENCY

Mozambique is facing a famine of historic proportions: of a total population of 14.2 million, it is estimated that 4.5 million are currently at risk of starvation. The cause of this crisis is not drought. Precipitation in 1985-1986 was within levels considered normal or above normal for most of the country. The southern provinces—Gaza, Maputo, and Inhambane—have been abnormally dry, but the major food producing regions have had adequate rains. According to the U.N., the primary cause of the food crisis is terrorism being carried out by RENAMO. Attacks on farmers and rural communities have forced many to abandon food production and to leave their land altogether. By cutting the main transportation arteries inside Mozambique, particularly the rail lines, RENAMO has made the distribution of food within the country difficult or impossible in many regions. An estimated 1.2 million people are inaccessible due to RENAMO activity, and many of the others can only be reached by armed convoy, by sea, or by air.

Conditions within Mozambique today are desperate. 1.8 million people have been internally displaced, and another 420,000 have become refugees in bordering countries. The mortality of children under five in Mozambique is over 325 per 1,000, along with Angola's rate the highest incidence in the world. Only 30 percent of the population has access to health services partially as a result of attacks on health facilities by RENAMO, and only 13 percent of Mozambicans have access to safe water. Meanwhile, food production in Mozambique has fallen far below the already low expectations. It was originally estimated that domestic food production would be roughly 90,000 metric tons in the 1987/88 crop year, but officials now expect only 60,000 tons and outside observers as little as 40,000 tons. The result is a food deficit of between 650,000 and 750,000 metric tons.

In order to meet this emergency food need, as well as the equally important non-food relief needs of Mozambique, the U.N. in February of this year launched an urgent appeal for $243 million in assistance to Mozambique. Representatives from donor nations met in Geneva on March 31 and collectively pledged $209 million in humanitarian assistance. The U.S. pledged $75 million in relief aid, including 150,000 metric tons of P.L. 480 emergency food commodities and 43,000 metric tons of food aid from the Section 416 program. Through AID's Office of Foreign Disaster Assistance, the U.S. will provide $3.4 million to UNICEF to procure and deliver vital medicines, as well as funds to assist CARE and World Vision in organizing and carrying out the distribution of food and other operations.

The major problem in Mozambique, however, remains the distribution of the food and non-food emergency assistance. The offtake capacity at the ports is limited and must be expanded if sufficient supplies are to be delivered. Due to RENAMO's attacks on Mozambique's transportation infrastructure and on relief workers, internal distribution is both difficult and dangerous; and in many areas there are not enough trucks to distribute the food. The World Food Programme is coordinating the UN response and is detailing plans for an expanded rail, air, and sea distribution. In May of this year, WFP launched the first of 35 planned airlifts to inaccessible regions.

Along with the need for more trucks, there remains a food deficit of over 200,000 metric tons, as well as a requirement of $4.7 million for health projects, $5.7 million for the provision of water, $5.8 million for relief and survival items and $8.4 million for agricultural inputs. The UN is currently reviewing the needs in Mozambique in light of the pledges made at the Geneva conference, and it is expected to issue another appeal this summer.

PROVIDING SHELTER FOR THE HOMELESS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. GARCIA. Mr. Speaker, this House has passed a multimillion dollar homeless housing assistance bill that will help alleviate some of the problems of homeless individuals and families. However, it is unfortunately not enough, because the problem continues to grow, and our budget for such programs continues to diminish. The housing bill now awaiting a House-Senate conference is a necessary step in the cure for our Nation's housing ills. It, too, is a good bill, yet the administration threatens a veto, thereby ensuring that the homeless problem will be exacerbated. It is plain that the problem has grown as the funds for housing have dwindled in the last 5 years. The situation is shameful, but the States have put in their fair share to hold down the number of homeless by being creative, and certainly by being more realistic and generous than the Federal Government has been.

New York City has been at the forefront in terms of providing shelter for the homeless and housing for low-income families. The city is again proving its seriousness in this uphill battle. I am enclosing an article from the July 10 New York Times, outlining the city's program to house 1,750 homeless families and individuals. It is important that we remember that this Nation's housing problem is not simply a once a year debate on the House floor. It is an ongoing one, faced daily by our cities, and one they deserve our help with.

1,750 HOMELESS OFFERED CHANCE FOR NEW HOMES

(By Alan Finder)

Sixteen nonprofit groups have been selected to develop and operate housing for about 1,750 homeless people, the Koch administration said yesterday.

The groups will renovate vacant, city-owned buildings to provide temporary and permanent housing, both for individuals and families. The city will spend $31 million of its capital funds to finance the renovations, and $8 million more in state and Federal money will be made available to the local, non-profit groups.

The announcement yesterday at a City Hall news conference began the third year of the program, under which the city sells the vacant buildings to the groups for $1 each and pays for the reconstruction. The city also has promised to provide social and medical services to the homeless people who will eventually live in the buildings.

In the first two years, 25 nonprofit groups were selected to participate, city officials said. Three project approved in 1985 are under construction and two others will begin construction soon, officials said.

VARIED GROUPS SELECTED

Most of the 20 sites selected last year are undergoing the city's land-use review procedure, under which they must be approved by the Planning Commission and the Board of Estimate.

The groups selected yesterday included churches, settlement houses, foundations, local housing corporations and other nonprofit agencies. Some of the renovated buildings will be used for temporary housing; others will house residents permanently. Many will be set aside for people with special needs, including battered mothers, children in need of foster care, graduates of drug treatment programs, the elderly, the mentally disable and pregnant teenagers.

"The people who enter these facilities require the special care that is provided," Mayor Koch said. "The organizations, that have been designated are making an important contribution to the solution of the homeless problem. I would like to congratulate the groups and thank them for the help they will provide."

FATAL MISSION IN NICARAGUA

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. HOWARD. Mr. Speaker, there has been a good deal of talk about heroes in the current hearings on the Irangate investigation. I would like to share with my colleagues a commentary by the writer Jimmy Breslin which appeared in the July 9 editions of the Daily News of New York. Mr. Breslin, in his inimitable style, helps put the kind of heroism we are witnessing in Central America in perspective. The current Irangate hearings won't give us a portrait of Father Dan Driscoll or of the horrors he and his parishioners face, so it is well that we attend ourselves to Mr. Breslin's commentary.

[From the Daily News, July 9, 1987]

FATAL MISSION IN NICARAGUA

(By Jimmy Breslin)

"When they hit the land mine, the truck was thrown 20 yards in the air and landed upside down," Dan Driscoll, the Maryknoll priest, was saying on the phone from Managua.

"And he lived?"

"He did. Father Ignacio came out alive. But Brother Tomas was killed right away. Father Ignacio was on his back and Brother Tomas was dead. Brother Tomas was on top of him. Brother Tomas' legs were stuck in the wreckage. The legs had been severed, I think. I know that Father Ignacio couldn't move."

This was yesterday morning, and Driscoll was in Managua for a funeral. He is the pastor of a parish out in the poor rural areas north of the city. He was talking of a land mine that had blown away the life of a member of the Catholic Franciscan Order, Brother Tomas Augustin Zavaleta, 40, and injured Driscoll's friend, Father Ingnacio Urbina, who is 31 and the Franciscans' superior in Nicaragua. They hit the land mine on July 3.

"Whose land mine was it?" Driscoll was asked.

"Only one side puts land mines on the roads in Nicaragua," Dan Driscoll said.

As I spoke to him on the phone, here in front of me on television was Oliver North, who spoke so earnestly about Nicaraguan freedom fighters.

"What were they doing out there?" I asked Driscoll.

"This is a case of the church accompanying the people," Driscoll said. "Many Nicaraguans riding trucks to work have hit these land mines. It is the job of the church to be with them. That was what Father Ignacio and Brother Tomas were doing."

The last time I saw Driscoll was in May, when he came up from Nicaragua for rest and he was in a doctor's office in Manhattan. On television that afternoon they had Robert McFarlane, once the national security adviser; the hearings have been on for that long. That day, Driscoll didn't want to watch McFarlane because of what he represents, which is death. "America says we have to stop communism and all I'm doing is burying Catholics," Driscoll said that day. Driscoll, 4-feet-11 and with white hair, then talked about going back to his parish in the Diocese of Matagalpa.

"It's a fine life for a priest," he said. "There is so much to do."

"It could be a little dangerous," somebody said to him.

Driscoll stared with his blue eyes and said nothing. And then he went back to Nicaragua, because, of course, he doesn't know any other way to do it.

And now yesterday, another witness on television, this time Oliver North, and another day of hearings, with the talk centering on who said what and when and who took orders or didn't, here was Driscoll on the phone again and he could see North on television in Managua, but of course he didn't want to, and, again, he was talking about more Catholics killed while America tries to stop Communists. In this case, Brother Tomas, dead on a road.

Earlier this year, somebody in the Franciscan office asked Brother Tomas if he wanted to be stationed in California for awhile.

"I think I'd rather stay here," Brother Tomas said.

Brother Tomas took a parish in Matiguas, which was perfect territory for him. There was fighting in the area that made it almost impossible for the poor to farm or do much to help themselves. On the other hand, Brother Tomas knew there was a farming cooperative in Matiguas that is funded by the Catholic Relief Services, part of the American Bishops' Conference.

And then on July 3, in the evening, Brother Tomas and Father Ignacio were in a truck and riding with them were two women who worked for the parish, Emperatriz Martinez, 45, and her sister-in-law, Digna Martinez, 40, and at 5:30 p.m. they hit a land mine and now all this patriotism and hard-guy talk that you hear on the television came down to what it always does: Somebody else does the dying.

"When Father Ignacio tried to move, his back hurt so much, he screamed and soldiers came," Driscoll was saying yesterday. "He said that he was afraid that they were Contras and that they would kill him before he could announce what they had done. But The Sandinistas put Father Ignacio on a mule, and put Brother Tomas' body on another mule and then they carried Emperatriz on a stretcher. Her sister-in-law only had some shrapnel, I guess. They got Father Ignacio and Emperatriz to the hospital in Managua."

"How is Father Ignacio?"

"He is having surgery tomorrow. He has broken vertebrae."

"And the woman?"

"She died."

There was silence. Then Driscoll said, "She was a widow who was dedicated to the church. This is a terrible blow to the Franciscans."

"Did you bury him?" I asked Driscoll.

"They had three Masses for him here," he said. "They bured him back in El Salvador."

"Now what do you do?"

"I go out to my parish."

"Watch yourself."

He didn't answer. He never really does when you talk to him about getting hurt.

On the television now, here was North talking with the counsel, Nields, and everybody kept telling me that North was putting on a great show, but I found there was very little thrill to looking at a man who tells me how important it is to do things like put land mines on country roads in Nicaragua so that democracy flourishes.

BLACK WORLD JOURNALISM AND ADVERTISING AWARDS

HON. GUS SAVAGE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. SAVAGE. Mr. Speaker, on June 19 of this year, Capital Spotlight publisher R.E. "Ike" Kendrick, WOL-AM general manager Cathy Hughes, and restaurateur Mickey Lewis were honored by the Black Journalism Review as Journalists and Advertiser of the Year at Woodies Hilltop Pub.

The Black World journalism and advertising award were given to the honorees in recognition of their individual contributions, and in commemoration of the 100th anniversary year of Hon. Marcus Garvey's birth. Mr. Garvey published a newspaper called the Black World, which helped spread the message of self-sufficiency, racial pride, and self-help to the more than 500,000 members of Garvey's Universal Negro Improvement Association [UNIA] in the early 1920's—at the dawn of Harlem's black cultural renaissance.

According to Black Journalism Review editor Askia Muhammad,

> Publisher Ike Kendrick is the undisputed "Dean" of black newspaper publishers in the Nation's Capital. Since October 2, 1953 his weekly the Capital Spotlight has illuminated the goings and comings of Washington's black society which boasts of having more blacks holding college degrees, masters, Ph.D's, more black professionals, top government officials, educators, diplomatic personnel and journalists than any other city in America. There is no other journalist anywhere in the country more deserving of recognition than this pioneer.

Last September, the Broadcaster of the Year Cathy Hughes led a 13-week community boycott of the Washington Post magazine which has resulted in much improved sensitivity to news stories that reflect positive black images in the magazine and the newspaper. Ms. Hughes has built WOL-AM, as the general manager and owner, into one of Washington's more powerful radio voices.

Advertiser of the Year Mickey Lewis is the proprietor of Woodies Hilltop Pub. He has "contributed to the revitalization of Georgia Avenue near Howard University by presenting first-quality jazz entertainment, and then creatively advertising his cultural creation," Muhammad said. Mr. Lewis, a bail bondsman, formerly managed "Torts" and other jazz clubs in his long career of presenting quality entertainment to Washington audiences.

Mr. Kendrick is a veteran of more than 45 years in the newspaper business, when he began as an assistant to W.A. Graves, publisher of Washington's Gailey News and the Nightlife. Since 1942 his byline has detailed the glory days of brilliant social events, and allowed him to rub shoulders with guests that included the wives of two presidents—Mrs. Eleanor Roosevelt and Mrs. Bess Truman—as well as many stars of stage and screen including Shirley Temple. In those days, when some guests attended benefits for worthy charities such as the Polio Foundation at Washington's elegant Lincoln Colonnade, they were venturing across the "color line" because of segregation, even in the Capital City.

Performers that Ike Kendrick chronicled include all the legends of his time: Count Basie, Duke Ellington, Cab Calloway, Louis Armstrong, Louis Jordan, Charlie Barnett, Tiny Bradshaw, Jimmie Lunceford, Ella Fitzgerald, Sarah Vaughn, Billy Eckstine, Roy Hamilton, Ruth Brown, James Brown, Jackie Wilson and Jackie "Moms" Mabley. And while many talented writers have been associated with him, his most memorable associates will always be the colorful socialites from a bygone era.

There were more than 75 organizations that made up the Metropolitan Area Council of Social Clubs that Mr. Kendrick formed. Members of the council included groups such as: Elite Mesdames, Toppers, Club D'Accurd, Club Entre-Nous, Jack and Jill, Guardsmen, Continentals, Tall Girls, Jolly Beggars, The Moes, the Sweethearts of Distinction, and of course the predominantly black Greek-letter fraternities and sororities. They sponsored elegant events, and their group recited one motto—"Eat, drink and do your thing. And, read Spotlight to find out where."

In his popular column, "Spotology," Ike Kendrick once wrote,

> Each generation has to eventually admit that "the good old days are gone forever." But they will long be remembered.

In his tribute to Mr. Kendrick BJR Editor Muhammad said,

> June 19 is a day for remembering. We remember the date as "Juneteenth," the anniversary of the Emancipation Proclamation officially ending slavery in Texas, and we at Black Journalism Review remember the accomplishments of Advertiser of the Year Mickey Lewis, Broadcaster of the Year Cathy Hughes, and a lifetime of journalistic contributions by the "Dean" of Washington black publishers, Black World Publisher of the Year, Robert E. Kendrick—"Ike." We Remember, and we call upon all Americans to join us in saluting these distinguished citizens.

Founded in Chicago in 1976, the Black Journalism Review is a quarterly periodical which focuses on the news, communications, and entertainment media from a positive black perspective.

LEGISLATION TO PROVIDE FEDERAL FUNDS TO STATES FOR CLOSED-CIRCUIT TESTIMONY IN CHILD ABUSE CASES

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. TRAFICANT. Mr. Speaker, today I am introducing legislation that will authorize up to $20 million in Federal funding for States that have laws permitting the use of closed-circuit testimony in child abuse cases. Under my bill, States with such laws will be allocated a minimum of $50,000, with additional funds being provided based on the population of the State.

These funds could only be used to initiate or expand facilities and training of personnel for the implementation of closed-circuit testimony in child abuse cases. States would distribute the Federal funds to local governments and the grants would be made on a matching basis with the States paying 25 percent of the grant. Eligible States would apply to the Bureau of Justice Assistance for funds under this new program. Under the bill, States receiving Federal funding under this program would be required to submit a yearly report to the Bureau of Justice Assistance summarizing the impact of the activities carried out with the Federal grant. States would also have to file similar yearly reports to Congress.

Mr. Speaker, I believe that this legislation is an important measure that will encourage States to initiate and expand the use of closed-circuit testimony in child abuse cases. I recognize the sixth amendment requirement that a defendant be able to confront his accuser. That is why my legislation deals only with live closed-circuit testimony—not videotaped testimony. The grant program authorized under the legislation I am introducing today will apply only to those States that have in effect a law that permits: the closed-circuit televising of testimony of children 17 years of age or younger in criminal proceedings for the violation of laws relating to the abuse of children; and that counsel for defendants in such proceedings to be physically present in the room throughout the period during which such children testify.

Mr. Speaker, I offer this legislation today because I believe that the expansion of closed-circuit testimony will greatly assist in the prosecution of those vile individuals who sexually, physically or mentally abuse children. The evidence in child abuse cases usually centers wholly on a child's testimony. Prosecutors are often frustrated because a child becomes terrified when confronted with his or her abuser and "freezes" on the stand. In cases where a child cannot tell his or her story, the judge has the option to declare that child incompetent to testify. In most instances the judge does exercise this option. In addition, young children who have been through the traumatic experience of being abused are often unable to effectively relate details of sexual encounters. Most disturbing is the fact that evidence shows that psychological harm can occur to abused children who testify in open court.

Courts have recognized that closed-circuit testimony is a solution to this problem. In State of New Jersey versus Sheppard, a New Jersey court allowed closed-circuit testimony to lessen the child's stressful emotions. The courts have also ruled that the use of closed-circuit testimony is not in violation of the sixth amendment—if defense counsel is able to cross-examine the witness. Sixth amendment problems are also addressed by my bill in that the defendant will be able to watch the child's testimony on closed-circuit television and convey his or her observations to counsel by audio.

Finally, Mr. Speaker, in United States versus Benfield, the Eight Circuit Court of Appeals ruled that a videotape deposition was in violation of the confrontation clause—however the court found that closed-circuit testimony would be constitutional. Clearly, closed-circuit testimony has proven to be a constitutionally acceptable way to better prosecute child abuse cases—without violating the rights of the accused. The use of closed-circuit testimony is a reasonable and effective way to lessen the trauma to the tragic victims of child abuse. Most importantly, closed-circuit testimony will assist prosecutors in getting more convictions.

This legislation is a balanced and reasonable measure that demonstrates congressional support for the use of closed-circuit testimony in child abuse cases. I urge all my colleagues to support this important legislative initiative.

LONG-TERM CARE INITIATIVES

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. CRANE. Mr. Speaker, during the current debate about the problem of catastrophic care for the elderly, we must continue to look to the private sector for a viable solution. Prof. Joseph Drew, during the Republican Study Committee's April 30, 1987, hearing on long-term care, presented an important overview of the various private sector solutions for long-term care for the elderly. I urge my colleagues who wish for a better understanding of what role the private sector can provide in offering workable solutions to the question of long-term care to read Professor Drew's testimony below:

Honorable Members of Congress, good morning. My name is Joseph Drew. I am an associate professor of public administration in the Department of Political Science at Kent State University in Kent, Ohio.

I would like to preface my remarks this morning by expressing my appreciation to the committee for extending to me an invitation and permitting me the opportunity to testify before you on this most critical matter—the financing of long term care. I would ask the indulgence of the committee this morning by permitting me to address my arguments to the most impaired subgroup within the total long-term care population—the elderly in nursing homes.

In the time permitted I will contain my comments to two basic themes. First, I would like to outline in summary form, the basic private sector alternatives being put forth on the national agenda which seek solutions to the problems of financing long term care for the elderly in nursing homes.

Second, I will address the fundamental criticism typically lodged against proponents of private sector alternatives and the erroneous conclusions which typically follow because of this criticism. This point will be underscored by an illustration of how the private sector can dispel this fundamental criticism.

At the combined federal and state levels we are currently spending a total of $9.3 billion dollars per year for the long term care nursing home patients who are elderly. The amount spent exclusively by the states is $4.1 billion. As our society ages, our elderly nursing home population will virtually double in the next thirteen years. The net financial impact of this doubling will mean that by the year 2000 we will be supporting a nursing home population equal to the total number of elderly now in nursing homes. Moreover, we should expect these expenditures not to double, but to perhaps triple, from $9.3 billion to $27 billion dollars as the elderly who will require this level of care will be older and sicker and as health care costs continue to escalate.

If no alternatives are found to the current method of financing long term care in nursing homes, we will have a system which takes middle class Americans, who have worked and saved all their lives, and forces them to deplete their personal resources, impoverish their remaining spouses, liquidate their estates and live on $25 per month as wards of the state. For $27 billion dollars per year, this constitutes a national disgrace. How to avoid this tragedy is the subject of my second theme this morning, a summary of the major private sector alternatives proposed to finance long term care.

SUMMARY OF PRIVATE SECTOR ALTERNATIVES TO LONG TERM CARE

For the past several years I have been involved in researching and writing a book on the various alternatives being put forth to finance long term care in America. While these alternatives are numerous, I have assembled for this presentation today, a summary of those which are dominant. Additionally, for purposes of clarification, I have grouped these alternatives into five major categories: Insurance Policies, Home Equity Conversions, Individual Medical Accounts, Continuum of Care Communities, and Tax Incentives. Because tax incentives are often included as subsections of the alternatives proposed, in the interest of time, I will not discuss tax incentives.

Below, you will see the range of major private sector alternatives presented as solutions to financing long term care in America.

MAJOR PRIVATE SECTOR ALTERNATIVES GROUPED BY CATEGORY

Insurance Policies: Extension of the current "Medigap" policies; Traditional Whole Life Policies with a Long-Term Care Rider (Convertible Life); and Specific Long-Term Care Policies.

Home Equity Conversions: Reverse Annuity Mortgages (RAM's); Deferred Interest RAM and RAM with Interest; Sales/Leaseback Agreements (SLA's).

Individual Medical Accounts: Individual Retirement Accounts for Long Term Care; Modifications of Existing IRA's; and Health Care Savings Accounts.

Continuum of Care Committee

Tax Incentives: Deductions for Premiums Paid to Insurance Companies; Removal of State Premium Taxes; Elderly Dependent Deductions; and Elderly Care Credits.

INSURANCE POLICIES FOR LONG TERM CARE

The first of these are the insurance group alternatives. This is the attempt to expand the concept of life and/or health insurance to long term care. Specific policies for long term care are only one option offered through the insurance industry. Other variations, such as extensions of the Medicare Part B supplementary policies, convertible life policies or health insurance policies with long term care riders exist, as well. Since there are others testifying today from the health insurance industry, I will defer to those panelists for a discussion of the other insurance options and focus on policies specific to long term care.

A number of insurance companies have already begun marketing long term care policies. The entrance and departure of insurance companies from the market has been fluid. Our research indicates that, at this time, there are currently some 35 companies across the United States selling these types of policies.

There have been attempts at developing comprehensive prototype policies. The policies currently on the market, however, vary considerably in terms of limits on period of coverage, per diem reimbursement rates, deductibles, and whether home health care may be substituted on a ratio basis for nursing home care or not. Additionally, they all require medical underwriting for purchase. A rapid expansion of this market would help to narrow the variation in the area both of premium and benefit these areas and cause some standardization.

Premiums generally are age graded. Given that the risk of institutionalization increases with age, premiums are pro-rated accordingly. To illustrate this point, AIG, one of the insurance companies aggressively marketing long term care insurance, will sell one of its policies to an individual, age 65, for approximately $725 per year. This premium jumps to $1,000 if the same policy is purchased at age 66-69.

There are three major disadvantages associated with the use of insurance policies. First, because of the cost of premiums, there is not equal access to this option. For a husband and wife to each purchase a long term care policy at age 66-69 would require a $2,000 per year premium.

Second, given that policies are highly varible in their premium and benefit levels, Americans will have to accept variation in quality of care in nursing homes.

A third problem has to do with the viability of many of the firms currently selling these policies. Where companies are driven out of the market based on competition, we have an immediate prescription for a future catastrophe under this alternative. Imagine if you will, the case of an individual in a nursing home in his second on third year who receives a notice that his/her insurance company is in default. The premium is returned benefits cancelled. Since these policies all require medical underwriting, what is the elderly person to do?

HOME EQUITY CONVERSIONS

The second group of alternatives have to do with home equity conversions. Basically, these alternatives argue that for persons who need to finance nursing home care, the existence of a sizable portion of dollars exists in the equity the elderly have in their homes. Statistically, some 75% of all elderly homes are owner-occupied and, of these, 80% are mortgage-free. Research has shown that approximately fifty percent of the elderly have equity in their homes of $50,000. However, the conclusion should not be drawn that these are wealthy individuals. In fact, two thirds of the elderly poor are homeowners. What has occurred is that while their homes have increased in value over the years, their incomes have decreased to the point where they are income poor. As such, their only real asset is their home.

There are two major variants of home equity conversions, Reverse Annuity Mortgages, commonly called RAM's, and Sales and Leaseback Agreements, referred to as SLA's. While both of these major options have variations, essentially they function as follows: each requires an elderly homeowner to enter into an arrangement with a financial institution—normally a mortgage banker. The elderly borrow against the accumulated equity in their homes to receive a monthly cash income, or a lump-sum to purchase an annuity. Under the RAM options, the homeowner retains title of the property. RAM's may be structured so that equity can be drawn down at a fixed or variable rate of interest over a fixed term. The RAM is payable on the sale of the property, or death of the borrower.

Under SLA's, the title transfers to the financial institution. The elderly in turn are given a lifetime lease option. Monthly payments are provided to the elderly. Upon their death, disposition of the property is at the discretion of the financial institution.

While home equity conversions do afford a considerable base of funds, the viability of this alternative, in my estimation, has been greatly exaggerated. The average long term care patient is in a nursing home for 2.4 years, or 30 months. At $2,000 per month, this already constitutes $10,000 over the amount that the one half of the elderly, who do own their homes, have as equity. Therefore, for the average long term patient who attempts to utilize this device, there is an immediate $10,000 shortfall.

Even if the elderly utilize other savings on investments to offset the costs of nursing home care, selling the equity in their home means that the remaining spouse, usually a woman, will have depleted her savings and now has no home in which to live, nor money to live on. After a lifetime of homeownership and savings, this family, with resources depleted, would be forced to go on welfare.

As mechanisms to purchase long term care insurance by covering the costs of premiums, Home Equity Conversions have limited utility. The available research has shown that the total percentage of persons who would spend 5% of their income for such policies would only be 30–35%. Despite what proponents argue, to quote the findings of a major study which looked at this use of Home Equity Conversions, "the two major current forms of home equity conversions do not easily provide increased financing for long term care".

Additionally, home equity conversions as an alternative would be unacceptable to a majority of the elderly population in behaviorial terms. Research indicates that the elderly are reluctant to convert the equity in their homes for purposes of financing long term care. In San Francisco, California and Buffalo, New York where home equity conversions have been marketed and offered for over two and one half years under pilot projects, the total number of conversions have been one hundred. Additionally, monies generated from these conversions were utilized by the elderly specifically for the purpose of supplementing their monthly incomes for consumption needs rather than for long term care insurance permiums or direct payment of long term care services.

INDIVIDUAL MEDICAL ACCOUNTS

The third set of alternatives are those classified as Individual Medical Accounts or IMA's. These are basically of three types: Modifications of existing IRA's which would permit a portion of their accumulated funds to be used for health care; LTC/IMA's, which are IMA's to be used exclusively for long term care; and Health Care Savings Accounts, which could be used specifically for acute or long term medical care needs. The latter two could exist in addition to Individual Retirement Accounts (IRA's).

IMA's were designed to work similarly to traditional IRA's, but to be specifically utilized for health care or long term care needs of the elderly. IMA's could be purchased from a host of financial institutions. The funds put into these accounts would, in turn, be invested and a certain return provided to the investor in the form of reinvested dividends. The account would, after a sufficient number of years, have resources adequate to cover the health care needs of the elderly person. When needed, the individual would draw down on his/her account. If not needed, the accumulated funds in the account would return to the estate upon the death of the individual. As an incentative to purchase these IMA's, proponents have urged that some percentage of the amount committed be treated as a direct dollar credit against current tax liability.

A major advantage of the IMA's is that they not only provide immediate reflief for the problem of long term care financing, but that they can provide a vast stream of funds into the capital markets for other forms of expansion in the domestic economy. This is so because IMA's, if utilized for long term care exclusively, mean that huge reserves will be built up as virtually everyone pays in but only five percent of the population will ever be drawing down on their accounts.

The principal disadvantages of IMA's, like the insurance options, is that affordability is dependent on the availability of discretionary income. For a large group of individuals, their current taxable income is insufficient to make tax credits or deductions a sufficient inducement. It should be recalled that three fourths of America's taxpaying households have combined incomes of under $30,000 per year. While the regular IRA notion of deferring income attracted only a small percentage of this group, almost 60% of those households with combined incomes over $50,000 purchased IRA's. The proposed tax credit, in contrast to the deduction, appears to be a very favorable inducement, and could alter these percentages. Independent of this possibility, for a sizable portion of the population, coverage would simply be unattainable under this alternative.

Additionally, while the notion of a tax credit would function as an inducement to purchase IMA's at the individual level, it would have a deleterious effect on the size of federal revenues. One suggestion to overcome this negative effect might be to limit the size of the aggregate credits in a fiscal year to an amount equal to that which would otherwise have to be paid out for long term care in a given fiscal year under existing programs.

CONTINUUM OF CARE RETIREMENT COMMUNITIES (CCRC'S)

A fourth and final group of alternatives are those which propose the utilization of continuum of care communities (CCRC's) or life care communities. These are communities which provide a hierarchy of levels of care on a single campus. As the level of impairment increases for an individual, they may move within the same community, from living independently in a separate apartment, to assisted living, to a skilled nursing care facility. This movement can be accomplished with a minimum of disruption in their social environment. Thereby, the pain of change and accompanying physical impairment is not compounded by the usual isolation from friends. Additionally, for the elderly living alone, this arrangment provides a sense of security, in that no matter what befalls them, they will be taken care of at whatever level of need they may require or elect.

There are currently over 300 CCRC's in the United States with approximately 90,000 residents. Most are located in the southwestern or western parts of the United States. Recently however there has been a growing market in the midwest. The majority of CCRC's are organized on a not-for-profit basis and are owned by religiously based organizations.

CCRC's generally require an entrance fee or accommodation fee. Generally this fee is used to defray the capital costs of construction, and consequently is often substantial. Median entrance fees in 1981 were $45,000 for a one bedroom apartment, $63,000 for a two bedroom apartment. For luxury CCRC's the accommodation fee can be upwards of $100,000 or more. It is important to note that these accommodation fees do not include ownership or any real property rights, but are strictly entrance fees. Should an elderly person or couple choose to leave the CCRC, entrance fees are sometimes refundable on a pro-rated basis, but this is not universal.

The CCRC's provide a basic package of services for a set monthly fee. More intensive services are offered on a menu basis. The cost of these monthly services, on average, range from approximately $900–$1,200 per month. For CCRC's where there is no entrance fee, the monthly service charges are normally higher.

The profile of a typical resident of a CCRC is as follows: a median age of 76 for men and 78 for women, a median monthly income of $1,200; personal assets valued at between $70,000 and $200,000 and, approximately 70% of the residents move to a CCRC from residences within 25 miles of the facility.

There are three major shortcomings of CCRC's. First and foremost is their limitation to access for everyone due to the entrance fees. Research has estimated that only 25% of single individuals and 40% of couples would be able to afford this type of long term care environment. Other research findings have argued these percentages to be substantially lower.

Second, it is questionable whether CCRC's that require an entrance fee are really a good investment. Had the principal of $45–50,000 been invested in some other financial instrument and drawn interest, the interest could be used to purchase a safer neighborhood or guarded apartment complex, maid service, or better health insurance. This could be done while individuals maintained their original principal for themselves or their estates.

However, the third and most critical findings concerning CCRC's is the lack of financial viability of these enterprises. Many CCRC's have failed due to: underestimation of future operating costs; related to this, a tendency to expand for purposes of increasing cash flow—thereby increasing capital debt; inadequate capital financing or entrance fees, insufficient demand, or for a combination of these reasons. Since the residents who have paid entrance fees are not owners, should a CCRC go into default, the resident has little or no claim on the resources of the defunct corporation.

A CRITICISM COMMON TO THE ALTERNATIVES DISCUSSED

For each of the private sector alternatives discussed so far, I have noted their relative advantages as well as their disadvantages. But as they currently stand, there is a fundamental criticism of them as a group. This criticism, of course, comes from those who propose a solution aimed at expanding, not limiting the role of government in this policy arena. At this point let me say that from my perspective, the assumptions upon which the critics make their claims are accurate. However, the solutions derived by the critics are not necessarily the correct ones. As an advocate of the free market in this policy arena, please permit me to elaborate on this point for it is perhaps the most significant point I will make today.

The critics view the private sector solutions as functioning for only a limited group of persons—those with the economic resources to make purchases in the market. This market of consumers has at its disposal various levels of resources which permit them to be segmented vertically along economic lines. When the free market or private sector alternatives are applied to this vertically segmented group of consumers, the goals of the free market—to provide choice, liberty, and to do so efficiently begins to work—but only for some.

At this juncture, the argument pivots on the fundamental principles of finance—risk and return. Specifically, the market alternatives do not work because suppliers are constantly trading off risk and return. From the perspective of suppliers, the lower economic segments of the consumers have something in common with the upper end of the market—namely, the risk of institutionalization. Yet, the inability of the lower stratum to provide any return, under any of the private sector alternatives is a fact. Therefore, for a group at the bottom of the economic scale, there is no viability of coverage by the private sector, and certainly the issues of choice and liberty become moot points. The critics, then, conclude that this demonstrates the failure of the private sector, and then arrive at the erroneous conclusion that the solution is to be found in the public sector! This would mean an expansion of government intervention, universal taxation, expanded regulation, increased bureaucracy, and rationing.

CONCLUSION

If the arguments of the critics of the private sector are valid then what should be done?

From my perspective, the critical role of government is to create organizational structures which permit individuals to have choices and provide them with a guaranteed return on the their investment beyond psychological security. This can be done through the private sector. The challenge, however, is to merge this philosophy of public choice with the concerns of equity. To do this requires modifications of basic private sector alternatives. Specifically, the organizational designs developed and promoted must attempt to insure that persons at the lower economic levels have the same opportunities as others when they confront the market. How can organizational arrangement be developed to accomplish this goal? Perhaps a brief illustration will help.

My colleague, Mr. John Allen, and I, are currently revising a draft of just such a solution under the aegis of the CATO Institute. Our solution is a complete private sector alternative to the financing of long term care in nursing homes. We are excited about this proposal because it illustrates one way in which government can increase choice through the private sector.

Our preferred vehicle is the long term IMA account which we have merged with industry wide standardized vouchers to act as the currency of exchange in long term care. To address the problem of those at the lower end of the market, to afford them choice they cannot afford, we have proposed the creation of a holding company composed of those companies licensed to sell IMA's in America. A portion of the return from funds invested by traditional market purchasers of long term care IMA's would be placed in something called the aggregate account which is administered by the holding company specifically for those persons unable to purchase long term care IMA's.

When persons from this subgroup require nursing home care, they would draw down on the industry-wide voucher from the holding company, and purchase their services in the market—making their choices as individuals. Since our proposal requires that an industry-wide voucher be the currency of exchange, nursing home proprietors would neither care nor be interested in knowing the background of the client. The voucher would act as a guarantee that payment would be made, as well as guaranteeing the right of every individual to make choices about relocation from one nursing home to another should the quality of care be unsatisfactory.

For individuals who do not utilize nursing homes during their lifetime (or other long term care arrangements), the funds accumulated in their long term care IMA's revert back to their estates upon their deaths. Simply put, either you get the benefits or your estate gets the benefits, but the government doesn't! For those who utilized the holding company account, nothing reverts to their estate, as they contributed nothing.

Now let us contrast this solution with virtually any of the public sector proposals which rely on taxation and regulation for viability. Our alternative calls for a reduction of taxes not an increase. It provides both psychological security as well as a financial return on the investment, something that taxes do not. Since it deals with a market, it is self-regulating both in terms of quality and costs. As important as these other points are, however, this proposal not only addresses the instrumental needs of the elderly who require help in financing nursing home care, it provides a huge pool of revenues to financial institutions and in turn to the capital markets to help finance and expand our domestic plant and equipment and thus decrease unemployment. This is what I mean by the challenge that confronts us as we search for organizational solutions which expand our choices while we solve our problems. I am optimistic that this can be done. Thank you.

ADDRESS OF ASSISTANT SECRETARY OF STATE ELLIOTT ABRAMS TO WASHINGTON WORLD AFFAIRS COUNCIL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. LAGOMARSINO. Mr. Speaker, recent events in Panama and Haiti have caused concern among Members of Congress and the Administration and have called into question the prospects for a prompt and orderly transition to democracy in both those nations. Assistant Secretary of State Elliott Abrams addressed the Washington World Affairs Council last night on the issue of movement toward democracy by Panama, Haiti, Suriname, Paraguay, and Chile.

Because of space limitations, I have had to take the liberty of editing Secretary Abrams' remarks, thus removing his discussion of Suriname and Paraguay, as well as several other paragraphs. I urge my colleagues to obtain the full text of Secretary Abrams' remarks. His timely comments place in clear perspective the administration's commitment to promoting democracy in all those nations in the Western Hemisphere where it is not functioning fully and freely.

I urge my colleagues to read carefully Secretary Abrams' thoughtful analysis and to give their full support to his statements of U.S. commitment to promoting democracy and to showing as he says, "in this matter there is no partisanship, there are no divisions between legislative and executive: here, truly, politics stops at the waters' edge."

REMARKS OF THE HONORABLE ELLIOTT ABRAMS

Events in Panama this month have highlighted a dilemma central to U.S. foreign policy. It is the challenge of how to support democratic change—not against the will of a closed communist dictatorship tied to the Soviet Union, but with a friendly people with whom we have a record of cooperation and a base of common democratic values on which to build. This challenge creates a genuine dilemma because change in friendly countries may in the short run entail some risks—of instability, polarization, and uncertain relations with the United States. We know that. But we also know that the risks will become much larger—unacceptably large in the long run—if there is no opening toward a democratic political order.

I want to speak today about this issue, not only in Panama but also in four other countries in this hemisphere—Chile and Haiti, Paraguay and Suriname—where the transition to democracy is in trouble or in doubt. I want to put to the side for a moment the very different problems in Nicaragua and Cuba, and concentrate on states which do not define themselves as Soviet allies, and which claim to adhere to our own democratic ideals. Since my three and a half years as Assistant Secretary for Human Rights, this has seemed to me a central issue in U.S. foreign policy.

I would like to begin with Panama, where the foremost public issue today is quite simply democracy.

Panama and the United States share deep historical ties and important commercial and strategic interests. The Panama Canal is the source of a unique relationship. In 1979, after many years of negotiations under four U.S. presidents, the U.S. and Panama were able to reach agreement on two treaties that establish a twenty-year blueprint to transfer the Canal to Panama and which provide a regime for its permanent neutral operation. The commitment of the United States—of our government, of both major parties, and with them of the American people—to those agreements is firm. The Panama Canal Treaties are in no way affected by this month's events in Panama.

What these events do affect is Panama's position in the growing community of democratic nations. The 1984 national elections, the first since 1968, suffered from glaring imperfections but seemed to help propel Panama into the flow towards democracy that is powerfully moving the hemisphere and, indeed, the world. But in 1985, Panama's civilian President was forced to resign. Constitutional procedures were followed, at least formally, and Panama remained an open society consistent with its position as a world crossroads. Nevertheless, the setback to democracy was real. This month's events are a second major setback.

There is no one model for democracy, and there is no one path all countries must follow to get there. Panama's solutions must be home-grown. But the resurgence of democracy, in Latin America and throughout the world does more than inspire the many Panamanians now calling for their own democracy. It also establishes standards of freedom and tolerance that must be met if the outcome of a democratic transition is to earn the respect and support of democrats around the world.

The calls for democracy in Panama have already prompted some curious reactions. Fidel Castro's press has rallied to support the Panamanian military leaders against the people of Panama. Last week Nicaragua's Comandante Daniel Oretega even went himself to Panama to praise the "brave and decisive" actions taken to repress opposition. I imagine everyone here saw that photo of Gen. Noriega in happy comradeship with his Sandinista visitors. Praise from the Communist dictators of Cuba and Nicaragua is a telling sign that Panama needs international democratic support.

The protests in Panama followed allegations of wrongdoing levelled by the former second-ranking military officer shortly after he was forcibly retired. The officer charged widespread corruption and involvement by the Panamanian Defense Forces in electoral fraud in 1984 and in the 1985 murder of a prominent government opponent, Hugo Spadafora. These are not new accusations, but it is the first time they were made by a member of the Panama Defense Forces.

These charges touched a raw nerve. There were several days of demonstrations in Panama's major cities. Opposition activities were spearheaded by a group called the Civic Crusade, a coalition of business and civic groups, political parties and the Catholic church. At the height of the protest, the Civic Crusade called for the removal of the commander of the Panama Defense Force; for immediate national election; and for the military to get out of politics. The coalition urged non-violent opposition to the government and called for a general strike; from the banging of the pots and pans to respecting that general strike, the people of Panama responded. Protests reached a peak by June 12; it was not until June 16 that the Civic Crusade announced suspension of the general strike.

On June 11, in response to these activities, the Panamanian government imposed a nationwide state of emergency which suspended many constitutional guarantees. There were violent incidents, and hundreds of persons were arrested, most of them for a few hours or overnight. To protest government censorship rules, major opposition newspapers—traditionally vocal, outspoken and irreverent in their criticism of the government—stopped printing. Until then, their ability to publish had helped keep Panama from being more widely perceived as a dictatorship.

After several days of unrest, business activity returned to normal. But one fundamental thing has not returned to normal. The old complacency inside and outside of Panama over the inevitable dominance of the Panamanian Defense Forces in the nation's politics is gone. As Panama's Catholic Archbishop described it, "This crisis really shook the country. If we simply close our eyes, we're going to have deeper and deeper rifts."

An extensive and previously underestimated political opposition has emerged, with the participation of the Catholic church, a broad cross-section of the business community and civic associations, and people from a wide economic and social spectrum. These newly active groups, together with the political parties already in opposition, will continue to press for democracy.

These events occur in a mixed context. In recent years many nations of Latin America have worked hard to escape the classic cycle of unstable alternation between civilian governments that lack the authority to govern and military governments that lack the legitimacy to last. While Panama's 1984 elections were its first direct elections for president in more than 16 years, the lack of sustained progress towards democratic rule has been a growing disappointment. The 1984 elections succeeded only partially in moving the country away from military dominance. Many Panamanians believed they had been manipulated to favor the regime's preferred candidate, Nicolas Ardito Barletta, who was an honorable man and a capable economist but inexperienced in politics. In 1985, even this tenuous democratization suffered a strong setback when President Barletta was pressured into resigning after reports that he intended to name an independent body to investigate the Spadafora murder. He was succeeded as by Eric Arturo Delvalle, the civilian vice president.

Panama's human rights record has been a relatively even one. The 1985 murder of regime opponent Hugo Spadafora—a crime which, to our regret, remains unsolved—still stands out as an aberration, not as part of an established trend. Similarly, the recent limits on press freedoms have been particularly disturbing because Panama has generally experienced substantial press freedom. This failing is especially disappointing in a country which has such close historical ties with the United States. Let me state flatly that we view the recent press censorship in Panama as utterly indefensible.

How can Panama move toward democracy? Panamanians alone can answer that question. But, as President Reagan has said, the United States can and must "foster the infrastructure of democracy—the system of a free press, unions, political parties, universities—which allows a people to choose their own way, to develop their own culture, to reconcile their own differences through peaceful means."

At this key moment in the history of Panama, we are making our views clear—in our private discussions with President Delvalle and General Noriega, and in our public statements. Our starting point is that freedom of expression and an end to press censorship are essential prerequisites if the people of Panama are to resolve their problems by democratic means.

Freedom of expression is in turn a critical step towards democratic reforms that will lead to free, fair, untarnished elections in which all political parties may participate. The timing of elections is a matter for the people of Panama themselves to decide, and we are and will remain impartial in the struggle among the candidates in those elections. But we are not neutral on democracy, and Panama needs to hold free elections to satisfy its people's demand for democracy.

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In the long run, of course, democracy in Panama will depend on more than just elections, even regular and competitive elections. It will require changes in the relationships between the military and civilians. Civic organizations in Panama, and indeed many in the United States, should remember that the Panama Defense Force has provided unique services in those rural sections of Panama often ignored by the urban elites. Its contributions to national security and rural development make the PDF a vitally important part of the fabric of Panamanian society. For their part, military leaders must remove their institution from politics, end any appearance of corruption, and modernize their forces to carry out their large and important military tasks in defense of the Canal.

In this last endeavor, the Panamanian military can count on the support of the United States. Strict adherence to the canal treaties by both partners is a fundamental part of Panama's democratic future. Deep military involvement in politics neither supports civilian rule nor helps Panama fulfill its role as defender of the Canal.

Over the years, the Panama Defense Forces have made substantial progress in these areas, and we are proud of the support provided to these ends by the United States. We look forward to the day when the Panamanian military has earned a new basis of respect—respect based on enhanced professional military capacity to guard national borders, defend the Canal, and to continue to fight drug traffic and maintain public order; national respect based on the defense of a democracy which serves the hopes and aspirations of all of Panama's citizens.

Friendly countries other than Panama are also having their troubles in achieving the democratic transitions to which they are committed.

In Haiti, General Namphy's calendar for transition to democracy—intended to bring about the inauguration next February of a freely elected president after a generation of despotism—has hit an obstacle. At issue is the relationship between the government and the provisional electoral commission created by the new constitution adopted with strong popular support just last March. The impasse, which we hope will be promptly resolved, could put at risk the many accomplishments of the transition to date.

General Namphy's government has made a commitment to a successful democratic transition. Haitian democrats have invested a year and a half of hard work to make it happen. The integrity of the provisional election commission is the best guarantee of a result that the Haitian people will respect. Haitians, not Americans, must decide upon the proper balance. Fortunately, the government, the election commission, the political parties, the churches, and other responsible democratic bodies have all expressed a willingness to keep the process moving forward through dialogue and a spirit of common effort.

The vast majority of Haitians want democracy. And they want successful, well-prepared elections. In these objectives, they have the unqualified support of the United States. Of that no-one should have any doubt.

The Haitian military did not seek, but has accepted, its responsibility to guide Haiti to free elections. To date it has fulfilled this responsibility admirably, and we congratulate them for their efforts and General Namphy for leading these efforts. But some, including some within the military and some representing the deposed clique, seek to manipulate events in a way that would return Haiti to the feudal form of government that existed under its Duvalier Presidents-for life. Just as no one should doubt our support for dialogue and democracy, no one should doubt our willingness to terminate aid to any government that abandons, thwarts or prevents this transition to democracy. Our assistance to Haiti will continue, and will continue to enjoy bipartisan support, only as long as Haiti remains on the democratic path. We will do all we can to assist this transition to democracy and all we can to defeat the scheming by Duvailierists, Macoutes, and their henchmen to restore the old order.

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In Chile, since the armed forces deposed the Marxist government of Salvador Allende in 1973, President Pinochet and his military colleagues have made repearted promises to return the country to civilian, democratic rule. Fourteen years of military rule later, Chile's democratic future is still very much in doubt.

Escalating polarization, armed conflict, severe repression, further international isolation—all are likely if the Chilean people's democratic aspirations remain blocked indefinitely. The new democracies among Chile's neighbors are already grappling with critical national problems such as military-civilian relations and achieving sustainable economic growth. Instability next door can only sap energies best directed elsewhere.

There is another dimension as well: Chile remains a special target for foreign Marxist-Leninists. The discovery last summer of massive quantities of terrorist arms, which US experts determined were smuggled into Chile with the help of Cuba, has removed all reasonable doubt. The Communists' strategy is long-term. Their secret arsenals were stored in a way that made clear their design for future use. Chile's Communists and their foreign backers are betting that Chilean armed forces will not fulfill the promise to restore democracy, that President Pinochet will not step down when his current term ends in March 1989. They reason, and with some logic, that their strength and popular appeal will rise if the democratic opposition is unsuccessful in bringing about a transition through dialogue, as was sought by Chile's National Accord.

The Pinochet government has put into place a framework for an institutionalized transition to what it calls "a protected democracy". According to the controversial constitution adopted in 1980, no later than March 1989 there is to be a plebiscite on a presidential candidate selected by the military junta, which includes President Pinochet. If this candidate is not approved, open, competitive elections are to be held within a year.

Many within Chile have urged a constitutional change to replace this single-candidate plebiscite with the type of free, competitive election used in democracies to elect leaders. Some have urged selection of a consensus figure to lead the country back to democracy. President Pinochet has not announced his candidacy, but officials of his government have made clear that he is running.

Chile is thus approaching a crucial turning point. It could go either way, toward democracy or toward protracted confrontation, toward a government based on a popular consensus or toward the chaos that would accompany a government whose legitimacy is broadly questioned at home and abroad. Whether election or plebiscite, some test at the polls is set to occur, perhaps as early as September 1988.

What is clear now is that if the next government of Chile is to have the legitimacy necessary to move the country to full democracy, it is essential that the electoral and political process in Chile be fair, honest and transparent. The public must have access to views of peaceful political opponents of the Pinochet government, through all means of communication, including television. As the Chilean Catholic Church recently made clear, the voter registration process, which has begun but is proceeding very slowly, needs the active support of all Chileans to ensure broad participation in the critical choice Chileans will face.

What can we do to help? Recognizing that our leverage is limited—we provide no military and no developmental aid to Chile—we can still do a great deal to provide encouragement to those working for democracy. Although we are barred by Congress from providing training, we can try to enhance contacts with the Chilean armed forces, who have the key role in a democratic transition. The Chilean military has a long and proud history of professionalism, which many would like to revive. We can continue to make clear, as we have, that the United States supports democracy and human rights in Chile. To be most effective, we need to tailor our actions to individual circumstances—and to not undercut those in Chile who are working toward a democratic outcome. This means endorsing and publicly supporting steps by the democratic opposition toward flexible and pragmatic positions—as in the National Accord. It also means speaking out against the violent communists, and urging the government to agree to political dialogue, and to curb human rights abuses, especially by prosecuting those responsible for human rights violations. We can translate these concerns into action: as we did by sponsoring and joining consensus on fair human rights resolutions on Chile in the United Nations Human Rights Commission in 1986 and 1987, and by continuing to withhold our support of international development bank lending to Chile.

Our goals are clear: it is our policy to support a transition to a fully functioning democracy in Chile as soon as possible.

* * * *

In all of the countries I have discussed today, the military has a large role to play and a special choice to make. Their decision is of historic importance for their own institutions and for their countries.

They can decide to follow one kind of advice—the advice to "maintain order" or to "keep a strong hand"—by remaining in power or by designating a civilian government of their choice. In this case, as protectors of their own narrow interests and of one political faction, they would be not the guarantors of but the roadblock to national development.

This path is well travelled in Latin American history, and it has sometimes provided stability in the short run. Under today's circumstances, however, it cannot end internal pressures for democracy, and it certainly cannot be the basis of support from this hemisphere's democracies, including the United States.

The other decision the military can make is in favor of a true democratic opening. Because election results are unpredictable, this choice may appear to entail some risks. But this is shortsighted—free, regular and open political competition is an essential asset in their nation's quest for security and development. A military establishment that leads the way to such a solution will be a truly national institution, protecting the nation as a whole in its exercise of political freedom. This is the best guarantor of long-term stability; it will earn the military the respect of its citizens and the support of the United States.

The civilian and military leaders of Panama, Haiti, Suriname, Paraguay and Chile who are seeking democracy have our support. They have that support not because we seek to intervene in internal politics or because we are playing favorites. Quite the contrary. Respect for human rights and for democratic procedures is the best guarantee of nonintervention and self-determination in the face of abuse and aggression from the communist world and the far left as well as the far right. And it is the only path to smooth, respectful, productive relations with the United States.

In the words of the National Bipartisan Commission on Central America, recent events have "destroyed the argument of the old dictators that a strong hand is essential to avoid anarchy and communism, and that order and progress can only be achieved through authoritarianism."

Those who believe the United States will countenance disruption of the movement toward democracy, who believe we will accept self-appointed spokesmen for "order" against popular cries for democracy, misread both the Congress and the Administration. In this matter there is no partisanship, there are no divisions between Legislative and Executive: here, truly, politics stops at the waters' edge.

AIRLINE WAR OVER RESERVATION SYSTEMS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. FLORIO. Mr. Speaker, consumers are up in arms over the decline in the quality of airline service. Instead of concentrating on improving their basic airline service, however, the major airlines seem to be putting their time and money into a war over airline reservation systems. And travel agents are being put in the middle.

What follows is a recent article from Business Week describing this airline war.

A Shoving Match in the Travel Agency

John C. Noble, president of Minneapolis-based Northwestern Business Travel, made a bundle for United Airlines Inc. last year. Even though fewer than 5% of the 180,000 airlines tickets sold by his 12 offices were for United flights, the other 95% were booked through United's computerized reservation system, called Apollo. So, United was able to charge other airlines $1.85 for every leg of each trip booked. The bottom line: In 1986, United got almost $1 million in fees from Noble's bookings and Apollo equipment rental. This year, Allegis Corp. (page 42), the renamed parent of United, expects the system to generate $360 million in revenues.

With airlines in their eighth year of cutthroat pricing since deregulation, providing information and transaction processing has become a lot more profitable than selling seats: Market leader Sabre, the system owned by AMR Corp., American Airlines Inc.'s parent, produced pretax margins of 30% last year vs. 5.2% from tickets. Now other airlines are applying more financial muscle to beef up their smaller systems, and American and United are finding themselves in a dog-fight with TWA and Northwest, which jointly own the PARS system; Delta, the owner of Datas II; and Texas Air, whose service is called System One.

The two leaders expect to hold their own, partly by spending billions over the next five years to upgrade their systems. But the three challengers are shoveling huge amounts into their systems, too—and asking Congress and the Transportation Dept. to rein in the front-runners. Observes aviation consultant George James, president of Washington-based Airline Economics Inc.: "There's a huge battle going on, with three on the offense and two on the defense."

MONEY AND GUMPTION

Indeed, the basis of competition has shifted markedly since Apollo and Sabre took off in the mid-1970s. Then it was a question of having the vision and the technical expertise just to create a system. Since then, the other carriers have narrowed the technological gap and developed information strategies of their own. Now, to help attract and lock in agencies, all five are offering not just reservation systems but more in-depth data processing services as well. System One, for example, has bought a leading supplier of accounting and management-information systems for travel agents. United and American are revamping their systems with International Business Machine Corp.'s new PS/2 personal computers, which are powerful enough to handle all the front- and back-office chores of a typical agency. Such value-added products will help "maintain market share and profit margins," says Barry A. Kotar, who heads Apollo.

The carriers are also banking on more aggressive marketing to gain share, and the weapons are money and gumption. "Cash incentives are all over the ballpark," notes Vincent E. Vitti, president of VTS Travel Enterprises Inc., a metropolitan New York agency. "You can negotiate for cash up front, lower automation costs, additional compensation over the years—a variety of terms." Insiders at American already expect Sabre's pre-tax margins to plummet from a high of 40% in 1985 to 20% this year.

The reason the competition is so heated is that it's essential to provide competitive reservation systems to protect ticket profits. With all the mergers and acquisitions deregulation has inspired, the top five airline companies—Texas Air, AMR, Allegis, Northwest, and Delta—now serve about 80% of the flying public. If the average fare for each leg of a trip is $100, and an airline has to pay almost $2 for a booking on someone else's system, the slim profits at most carriers can quickly get eaten up.

BIDDING WAR

Such numbers are particularly important to Frank A. Lorenzo, whose Texas Air Corp. is the largest U.S. airline holding company and the leader in cheap fares. Chairman Lorenzo, whose empire was founded out Continental Airlines Inc. and New York Air, acquired System One when he bought Eastern Air Lines Inc. in 1986. As Texas Air continued to grow last year by acquiring People Express and Frontier Airlines, System One expanded, too. The wholly-owned information subsidiary says it has increased its installed base of terminals by 47%, to 20,000 worldwide, in the past year.

Among the challengers, Texas Air has been the most aggressive, offering travel agents cash incentives to switch to System One. Continental and Eastern are now forking over "several million dollars" to agents, says Richard E. Murray, president of System One. "You have to have the critical mass to generate the revenue stream," he explains.

By enticing agencies to switch, System One is forcing some legal issues that could blow the reservations game wide open. For instance, Texas Air has accused American and United of putting travel agencies into "economic bondage." It is encouraging agents to challenge two standard clauses in each company's contracts: One states that if an agency adds any new equipment to its system, its contract is automatically extended to five years again. The other says that if an agency breaks its contract it must pay the equipment rental fees for the life of the contract plus "liquidated damages" equal to 80% of the estimated booking fees that the agent would have generated. The amounts can be staggering. Northwestern business Travel's Noble estimates that he would have to pay almost $4 million in liquidated damages to get out of the four years left on his contract.

To get the issues into court, System One promised in early June to pay all legal costs for agencies that switch to its system. It hired David Boies, a prominent lawyer with New York-based Crayath, Swaine & Moore, to handle the litigation for five agencies that have been sued, two by United and three by American. In one suit, filed against Long Island's Austin Travel on Feb. 26, United is seeking $408,495 for equipment-leasing costs plus $900,000 in punitive damages for breaking contracts at three agency locations. Austin is claiming that the liquidated-damages clause is illegal.

Suits such as Austin's are seen as pivotal by many travel agents, who predict a bidding war if Austin wins. PARS, the TWA-Northwest Airlines system, would "buy us out tomorrow," Northwestern Business Travel's Noble contends, and "even give us a little percent of our bookings" because some of his agencies are located in Minneapolis, Northwest Airlines' principal hub. Already, he notes, American, Northwest, and Eastern have called on him to switch. But they weren't willing to pay his hefty $4 million in liquidated damages. "That's why it's been pretty fixed."

THE LINEUP IN AIRLINE RESERVATION SYSTEMS

Company, System	As of May, 1987	
	Suscriber locations	Terminals installed
American Airlines	12,467	52,397
Sabre (percent)		38
United Airlines	8,944	40,688
Apollo (percent)		30
Texas Air	6,289	20,000
System One (percent)		15
TWA and Northwest	4,264	13,814
PARS (percent)		10
Delta	3,100	9,300
Datas II (percent)		7

Data: Travel Weekly

REASONABLE DAMAGES?

Vitti of VTS Travel Enterprises thinks liquidated damages will be "thrown out as a restraint of trade." But not everyone is so sure. Mark Pestronk of Pestronk & Associates, a travel law firm in Fairfax, Va., that handles contract negotiaitons and other legal matters for some 100 travel agencies, thinks such damages "are reasonably related to the damages suffered by the airline."

Even if the liquidated-damages clause remains, it is likely that more and more agents eventually will switch to reservation systems run by the biggest airlines in their areas. Pestronk says. It's in the agency's interest to use the system of the dominant airline, he explains, because agents tend to book the most flights on those airlines. And by subscribing to the systems of these carriers, agencies can negotiate special privileges—such as higher commissions for volume purchases, faster service, or better access to the last available seats.

As a major part of their information strategies, PARS, Datas II, and System One already are wooing customers in their major hubs. Delta Air Lines Inc. says it has converted 88 agencies since last October. System One and PARS says they're signing 100 a month.

The fight for growth is pushing into other areas as well. All five systems, for example, are looking abroad. Already, some 400 travel agents in Europe lease Sabre and Apollo directly, while 1,500 agencies in Japan will soon find Sabre's data bases added to the reservation system of All Nippon Airways Co., Japan's No. 2 carrier.

Congress and the Transportation Dept. may also have a say in which way the reservation system battle goes. Encouraged by Congress, Transportation announced on Feb. 2 that it would investigate airline-owned systems, their effect on competition, and their pricing tactics. The investigation is ongoing, and some analysts wonder whether the government might eventually require airlines to get out of the information business altogether. But that won't happen soon. In the meantime, the battle will continue over the one really profitable business the major airlines can boast.

WOODLAND TOWNSHIP: PAST GENERATIONS—FUTURE ASPIRATIONS

HON. PAUL B. HENRY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. HENRY. Mr. Speaker, in this year of Michigan's sesquicentennial celebration, we cannot overlook the small community of Woodland Township as its citizens gather together to celebrate the 150th anniversary of the township's first settlers.

Located in northern Barry County is a heavily wooded area, the township has a rich historical heritage which began in autumn 1837, when three young bachelors settled on land which heretofore had only been known by local Indians. The silence of the forest was broken by the sound of the pioneer's ax as the settler's cleared the land for the first three farms. Soon other families followed and in late 1841 the Michigan Legislature passed a law declaring the area a township called Woodland. An election was held, and in April 1842, the first township supervisor was elected.

Still heavily wooded, the village of Woodland sprang to life with the building of the first business—a blacksmith shop. Connected only by paths through the woods, other businesses slowly came into being. In the late 1840's. German immigrants began to settle in the township, clearing and draining undesirable waste land and through their efforts developed some of the finest farms in southern Michigan. Many descendants of the German settlers live in the township today.

The first settlers in the region saw in addition to the heavy forests, many swamps. Suffering from a variety of illnesses caused by the mosquito infested waters, the pioneers over a period of 20 years worked hard to drain the swamps and clear the land to plant crops. Taking advantage of the rich groves of trees, maple sugar became the major source of income in the predominately agricultural community. In fact, entire farms were paid for from maple sugar.

Other businesses had a more difficult time getting started in the sparsely populated area. Churches were a different story, however, and the settler's strong Christian faith was evidenced by the number of churches—of all denominations—built in the second half of the century; 966 men, women, and children resided in Woodland Township at the beginning of the Civil War in 1860. When the war ended 5 years later, 25 had laid down their lives for the Republic and life as it had been known prior to the war was gone forever. In the next 30 years, a township hall was built and is still used today. Fraternal organizations were formed, the first brick building was built, other businesses started up, including the Woodland Exchange Bank and the Woodland News. And in 1889, the Chicago, Kalamazoo and Saginaw Railroad began service and eventually provided four trains daily. Small settlements cropped up along the rail line and brought new businesses to the township as well.

Numerous schools were built in the middle 1800's. One of the original schools stands today in historic Charlton Park—a renovated village, located in Barry County, which brings 19th century rural Midwestern culture back to life. The township was also the site of one of Michigan's first consolidated school districts when township schools merged in 1923 and the cornerstone was laid for a new 12-grade school. In 1961, Woodland Township School District merged with Lake Odessa School District and became the Lakewood School District. A new high school was constructed and the former Woodland Township School is now used as an elementary and junior high school.

One hundred and fifty years after the arrival of the first three young pioneers, a number of the churches still exist, and some of the businesses have remained open for nearly 100 years. Gone are the railroad tracks and with them a few of the original settlements. And the farms are fewer, but larger. Yet, with the exception of one section of land, the woods have been preserved throughout the township and the area continues to be a "woodland."

As evidenced by the fact that descentants of many of the first settler's live in the township today, residents are proud of their community. Setting aside August 14, 15, and 16, 1987, township citizens and visitors alike will celebrate a weekend filled with historical recollections, music, dance, old fashioned meals, and dedications. Mr. Speaker, please join with me in offering congratulations to the citizens of Woodland Township as they celebrate their 150th birthday, a time—as the theme of the celebration suggests—to reflect on "past generations—future aspirations."

A CONGRESSIONAL TRIBUTE TO THE WHITESBOG VILLAGE

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. SAXTON. Mr. Speaker, it is with great pride that I come before the House today to honor Whitesbog, where some of New Jersey's famous cranberries and blueberries are grown. Whitesbog has recently celebrated its third annual blueberry festival.

Not only is the Whitesbog Blueberry Festival an exciting event, which attracts over 5,000 people, it is also an opportunity to learn and experience the rich history of New Jersey's blueberry culture. This event is sponsored by the Whitesbog Preservation Trust, a group dedicated to preserving the turn-of-the-century agricultural settlement. The main function of the festival is to activate interest in the village and the Pinelands.

Whitesbog was acquired by the State of New Jersey with Green Acres funds in 1966. The land was incorporated into Lebanon State Forest and fell under the jurisdiction of the Division of Parks and Forestry, Department of Environmental Protection, and in 1982 was nominated to the National Register of Historic Places by the New Jersey Conservation Foundation. Whitesbog is part of the New Jersey Pine Barrens, which is an area of over 1 million acres and stretches across seven countries in central and southern New Jersey. This whole region is rich in natural and cultural resources.

Of special importance to the region's economy are the Atlantic white cedar, the native cranberry and the high bush blueberry. Because of this active blueberry industry, hundreds of workers used to live in Whitesbog for 6 months out of the year, adding significantly to the Pineland economy. However, inventions intended to ease some of the burdens of these migrant workers, such as the cranberry scoop of the 1930's and the wet harvesting of the 1960's, have replaced the hundreds of seasonal pickers once needed.

Another interesting note is that the blueberry, which came into being as a result of cranberry farmers looking for a crop to grow during their off-season, has now surpassed the cranberry in population.

Many of those who attended the festival saw a documentary depicting the vivid history of Whitesbog. Others chose to listen to the bluegrass music provided by five local bands, or to run in the 10-kilometer race. What was the award for the winners? Twelve pints of native New Jersey blueberries.

Again, I congratulate the Whitesbog Village in their efforts to preserve this turn-of-the-century agricultural settlement.

"OMINOUS" TRADE BILL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. LAGOMARSINO. Mr. Speaker, with the Senate currently working on its version of a trade bill I would like to bring to the attention of my colleagues an editorial from the July 7, 1987, edition of USA Today regarding this legislation's effect on consumers.

I hope this will be found useful.

PROTECT CONSUMERS FROM THIS TRADE BILL

If the Senate trade bill debate were a B movie, the script would have the hero plunge all 1,013 pages into cold water. That's how Hollywood disposes of a bomb.

The timing could not be worse for this ticking bundle of protectionist legislation, which seeks to shield U.S. firms from foreign competition.

Just as the country's massive trade deficit—$170 billion last year—shows signs of easing the Senate bill, and an earlier House version, could blow up any progress.

Government statistics and the best barometer of all, stacks of business orders, shows that we are selling more products abroad that were made in the USA:

Our exports improved for the second consecutive quarter for the first time since the 1981-82 recession.

Last year, for the first time since 1950, the USA led other nations in improving manufacturing efficiency.

And, for the first time ever, an Ohio industrial components firm is selling air-conditioning equipment to Japan and refrigeration products to Europe. A Wisconsin maker of gasoline engines is recapturing lost Japanese markets.

But the trade bill before Congress ignores this progress and dwells instead on punishing foreign competitiors and babying industries that need a swift kick, not protection.

Crammed into the work of nine Senate committees, and further bloated by 125 amendments, are sweetheart deals for everything from textiles to shoes to wheat gluten.

While some provisions in the bill might be positive, they're buried in an avalanche of shortsighted selfishness. One proposal even seeks federal relief for businesses smarting from fair trade practices by aggressive foreigners.

Presidential discretion to cope with sensitive trade matters would be hopelessly compromised by language requiring negotiations and demanding retaliation against foreigners if talks fail.

Who will be hurt by this congressional machismo and special-interest largess? Consumers denied the choice between competing products and workers who lose their jobs when other nations respond with tougher quotas and tariffs.

As the Senate continues debate, some critics are whining because it does not provide even more unabashed protection for U.S. businesses. They want legislation over plant modernization, insulation over product innovation.

While Congress gropes for ironclad protectionist language, foreign engineers design better products. While lawmakers haggle over subsidies, the foreign firms invest in research and development. While too many domestic companies grind out the same old goods, the Japanese turn out new product lines.

Worse yet, when foreign sales reps come to the USA, they are ready to do business in English. Our side fumbles with menu French, mumbles "dos-cervezas-por-favor" Spanish, and has trouble saying "hello" in Japanese.

But this bill is written in a language many of our companies understand: protectionism. That makes it a real bomb.

Defuse it before it blows up in the economy.

TRAVEL SCAMS ARE A MAJOR CONSUMER RIPOFF

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. FLORIO. Mr. Speaker, travel scams are now a major consumer ripoff. Scam artists are calling and offering consumers phony $29 trips to Hawaii. If consumers ever get a trip, it costs them far more than $29, and likely more than comparable packages from reputable travel agents or airlines. But most consumers never get a trip and are out $29. But the scam artists have pocketed the $29—from thousands of bilked consumers.

What follows is an article discussing this increasing fraud:

[From the Fairfax (VA) Journal, July 2, 1987]

TRAVEL FRAUD: YOU WANNA $29 TRIP TO HAWAII?

(By Derald Everhart)

It was about this time last year, in the heat of the summer vacation season, when a New Carrollton, MD man got a call from a travel company in Texas.

Did he want to buy a Vacation Passport Certificate good for a trip for two to Hawaii, including air fare and lodging, the caller asked.

The certificate would cost only $229.90, plus the names and phone numbers of five other people who might also be interested in the promotion, the caller offered.

The man accepted the offer, and gave the caller his credit card number and the five names.

He got the certificate, and the charge showed up on his card billing, but he never got the trip. And because the company has gone bankrupt, he won't be getting his money back either, according to Donna Crocker, executive director of the Prince George's County Consumer Protection Commission.

This man's problem one of 11 travel scam complaints filed with the county's consumer commission during the past two months, Crocker said. She believes there are many more that haven't been reported.

"We see only a very small number of the complaints," she said. "Some people may only be out $39 or $49, and don't report it. They think, 'Well, they got me that time,' and let it go. That keeps us from getting to the people sooner."

Consumer affairs offices in Northern Virginia are receiving the same types of complaints. Pam Cole, an investigator for Arlington's Office of Citizens and Consumer Affairs, said offering a free round trip and accommodations for two for the price of a second round trip plane ticket is a common scam.

"The actual round trip fare will be more than it would have cost the consumer to purchase two round trip fares and accommodations," Cole said.

Telephone solicitors can be running a scam when they promise you a free vacation if you verify your identity by giving them your credit card number over the phone.

"We strongly suggest to the consumers that they don't do this," said Larry Breeden, assistant chief of the investigation and licensing division of Fairfax County's Department of Consumer Affairs.

Giving your credit card number over the phone is an open invitation for someone to make fraudulent purchases using your card number, he explained.

Cole said Virginians who buy over the phone have three days by law to cancel their purchase. Like other consumer advocates, they recommended doing business with a firm you know, asking a lot of questions and paying nothing in advance.

Three of the Prince George's County complaints are considered open cases; the rest have been referred to the appropriate attorneys general offices in the states from which the companies operated, Crocker said.

But none of the victims has recovered the money they were charged for the travel promotions. The losses reported ranged from $99 to several hundred dollars, though none was more than $1,000, she said.

In most cases, the county's consumer agency is able to do little more than refer complaints to the attorney general's office in the state from where they called, since the actual crime was committed there, she said.

With the New Carrollton man's case, when the commission filed a complaint against the company with the Texas attorney general's office, they found Texas authorities had "two cardboard boxes" full of similar complaints, she said.

"By the time we've heard about them, they're out of that state," Crocker said.

The vacation spots mentioned most often in scams are Hawaii and Florida. The states from which many of the scams originate include Florida, Illinois, California and Texas, she said.

"It's giving a bad name to the industry. The industry is very concerned," Crocker said.

The travel industry is so concerned about travel scams that the American Society of Travel Agents in April sponsored a seminar in Washington called "What is a Travel Scam?" for government investigators from numerous agencies, including the Federal Trade Commission and the U.S. Postal Service.

"We've been getting hundreds of calls a week," said Ray Greenly, director of consumer affairs for the travel agent association, based in Alexandria. "People still believe they can go to Hawaii for $29."

The scams have came to the travel industry, Greenly said, because even bona fide travel agents sell a product—travel—you can't see or sample before you buy.

"They're painting a picture for you," with brochures and other promotional devices, he said.

Greenly sees only one way to fight it. "The best we can do is to educate people."

Greenly suggests consumers ask the caller to send additional written information concerning the offer, such as costs and accommodations, before agreeing to purchase. Reputable travel firms will be happy to do so, he said.

Also, be aware of the date of the travel package. Greenly said the scams sell packages more than 6 days in advance so as to avoid involving the credit card companies in the recovery of the individuals' money. Most card companies will not allow customers to dispute charges more than 60 days from the billing date, he said.

THE CHINESE SILKWORM AND THE ARCTIC CARIBOU

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. YOUNG of Alaska. Mr. Speaker, with all the discussion about trading arms with Iran, reflagging vessels, and oil tankers being attacked in the Persian Gulf, it is sometimes difficult to see the forest for the trees.

Toward an end which I hope will include the stirring of Members' thought processes about U.S. goals, I submit for the RECORD the following article, which appeared in the Washington Times, July 7.

The article, entitled "The Chinese Silkworm and the Arctic Caribou," sheds some much-needed light on our present dilemma, and while I do not necessarily embrace it in its entirety, it represents how our raging debates must appear outside of the beltway.

Thank you, Mr. Speaker.

THE CHINESE SILKWORM AND THE ARCTIC CARIBOU

Question: What do Chinese Silkworm missiles and Arctic caribou have in common?

Answer: They are both threatening America's energy security.

Iran is said to be installing Chinese-made Silkworm cruise missiles near the entrance to the Persian Gulf, thereby threatening to cut off a significant portion of world oil shipments. America may very well strike at the Iranian missile installations before they can begin sinking oil tankers.

How did we get this close to a war with Iran, when kidnapping our entire embassy staff in Tehran didn't start one?

While in international waters and far outside the declared "war zone," the USS Stark has hit by two Iraqi Exocet missiles, and 37 U.S. sailors lost their lives. America's response has been to increase our "presence" in the Gulf region. In other words, the United States is going to rattle its sabers to ensure the flow of oil from the Persian Gulf.

Halfway around the globe, the Arctic National Wildlife Refuge serves as a breeding ground for about 150,000 caribou on the North Slope of Alaska. It is also considered to have an enormous potential for oil production, much like North America's largest oil field, Prudhoe Bay, only 70 miles away. But radical environmentalists consider any threat to the caribou's environment more critical than U.S. energy security.

In 1986 America imported approximately 7 percent of its oil from the Persian Gulf. About 10 percent of our total supply of oil now comes from Alaska. Without immediate action, we can expect to see these numbers reversed as declining Alaskan production is replaced by Persian Gulf crude. Unwilling to increase domestic production, America must protect the Gulf's tanker routes or risk another oil shortage. Of course, America's dependence on Middle Eastern oil is negligible compared to that of Western Europe and Japan. But it will continue to grow without efforts to avoid increased dependency.

Besides the fear of an oil shortage, American "strategists" worry that the Soviets will finally achieve the czarist dream of warm-water, year-round port. While there can be no doubt that the Russians seek to dominate the entire Eurasian landmass, they could hardly increase their present threat to international shipping with a navy sailing out of the bottle-necked Persian Gulf.

Except for oil, the Persian Gulf would be no more significant than that "Russian Lake," the Black Sea. Much greater threats to world shipping exist in the Soviet naval bases already built in many Third World harbors—such as Cam Rahn Bay, Vietnam. It lies next to the shipping lanes between Japan and the major oil-producing regions of Asia. The Soviet navy can already cut off Japanese oil, not just from the Persian Gulf, but from Indonesia as well. So the year-round port theory just doesn't hold water.

Until the Stark attack, the United States practically ignored the indiscriminate attacks on neutral shipping in the Persian Gulf. Iran and Iraq have both attacked defenseless merchant vessels outside the declared war zone. Ironically, Iran has been more careful in picking its naval targets than Iraq. Iran is known to identify ships visually before launching an attack, while Iraq has always attacked blips on radar screens.

So freedom of navigation and respect for international rights are not the primary factors behind America's "presence" in the Persian Gulf. Even a Soviet-inspired takeover of Iran would not require greater American involvement than in, say Afghanistan—were it not for oil.

The final argument in favor of U.S. intervention is the specter of Moslem fundamentalism dominating the Middle East and possibly destroying Israel. But Islamic fundamentalism poses a new threat to the Soviet Union, not to Israel. The Moslem minority along the Soviet's southern border grows increasingly restive under the atheistic rule of communism. Israel was at war with its Arab neighbors long before the Ayatollah Khomeini took power, and Israel will be surrounded by belligerent states long after Mr. Khomeini dies.

Strategically, Iran is obviously the "pick of the litter" in the Gulf and our long-range policy should prepare for a return of U.S. influence in future Iranian governments. America's support of our traditional adversary—Iraq—at the expense of our traditional ally—Iran—simply opens the way for long-term Soviet gains. We will lend credence to the mullah's charge of being the "Great Satan" by supporting Iraq so blatantly. And we concede post-Khomeini Iran to Soviet domination.

The bottom line is that we stand ready to go to war in the Persian Gulf because of the Gulf's huge petroleum reserves. Yet Congress delays action on oil exploration in the Arctic National Wildlife Refuge until after its August recess.

Is this an example of our national priorities? We let American boys die to protect Japan's oil supplies, but refuse to risk the loss of a single caribou. It's hard to believe, but it's true. America's energy policy is being dictated by Mr. Khomeini and caribou.

If the Iranians were smart, they would surround their Silkworm missile sites with caribou. We wouldn't touch them.

THE LACK OF AN ENERGY POLICY

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. RICHARDSON. Mr. Speaker, this country does not have an energy policy. Many States in the Southwest, especially New Mexico, are suffering from huge energy dislocations, particularly in the oil and gas area.

Recently, Mr. William Decker of Horizon Gas Co. of New Mexico and Texas provided me with these newspaper articles which highlight the predicament of the oil and gas industry. Several articles, contain some very good suggestions, such as decontrol of natural gas, that I commend to my colleagues for perusal and examination.

In the absence of an energy policy from the administration, the Congress should fill this policy vacuum.

[From the New Mexico Business Journal, July 1987]

NOT ANYMORE: PRODUCING AND SELLING OIL AND NATURAL GAS USED TO BE EASY

(By Anthony Gardella)

Last year New Mexico's natural gas production dropped 23 percent, the lowest since 1956. And in April of this year, for the first time in anyone's memory, no drilling rigs were digging holes anywhere in the San Juan Basin. The days of high prices, low competition, long-term contracts and monopoly pipeline companies have passed, maybe forever. The business of finding, selling and buying natural gas will never be the same.

The energy business is famous for its boom/bust cycle. Craggy speculators once laughed when they went bust; they knew it would turn around if they could just hold on long enough. But optimism and meek bankers may not be enough this go 'round. Decontrol demands fundamental readjustment.

Consider just a few of these changes:

The Gas Company of New Mexico now faces stiff competition from third-party, cut-rate providers in the interstate market.

Major interstate pipelines have lost their monopoly status, leaving some producers who never had to market their product scrambling for customers.

The scramble has created an unprecedented spot market; long-term contracts are gone and distributors now accept bids good for only 30 days.

It's a buyer's market now, which lowers the cost for industrial natural gas users. This could mean that the big users in California could well become bankers for New Mexico producers.

A WHOLE NEW GAME

"We're going to have to get into a whole new way of doing business in the oil and gas industries," says Bob Grant, a petroleum geologist, former state legislator and head of Gov. Garrey Carruthers' energy and minerals transition team. "The day is over when a pipeline would put a meter on your well and pay you according to a long-term contract. It's (now) an uncontrolled, chaotic spot market."

John Ackerman, president of the Gas Company of New Mexico, calls the changes "radical."

"It's pretty radical for bigger customers to go third party," Ackerman says. "Historically, Gasco did everything under its tariff. I found the gas for you. I processed it. I transported it to your home. I read the meter. If you had a leak, I'd come out and fix it."

Not anymore. Throughout 1985 and 1986, under the Natural Gas Policy Act and the New Mexico Natural Gas Policy Price Protection Act, price controls on much of the state's gas were lifted and the breakup of pipeline and distributor monopolies began The Public Service Commission forced distributors under its authority to open their systems to gas owned by other companies. Contract carriage was born, which meant that producers and users could make their own deals and pipeline companies had to carry their gas, like it or not. (Interstate carriers were similarly affected, but the transition has been slower.)

"The new rules have created choices," Ackerman says. "You can go somewhere else to buy your gas. There's a company in Colorado that's supplying several New Mexico hospitals. They use our lines to transport it. I think it's resulted in lower total costs to customers, but the risks have changed, too. Not everyone understands who has the risk, or for what."

Gasco is the largest interstate distributor and its corporate policy, says Ackerman, is to move New Mexico gas first (as long as costs are competitive). But in-state consumption of gas is only 10 percent of total New Mexico production. The remaining 90 percent is piped to other states, chiefly California.

New Mexico natural gas competes with other forms of energy, as well as other producers of gas. And the biggest energy users, like California utilities, are getting smarter and more flexible. Southern California Edison, for example, has the ability to switch from gas to fuel oil at the push of a button. They base their buying decisions, then, on which fuel delivers the cheapest btu.

In effect, California is our only natural gas customer of consequence, and the Golden State has gone shopping.

SPOT MARKET

Last April, California's Public Utility Commission moved to take advantage of the energy glut and the new open access rules. The PUC told local distribution companies (LDCs) to abrogate long-term supply contracts. Pipelines holding "take-or-pay" contracts with San Juan Basin suppliers found themselves bidding for 30-day contracts from three large LDCs: San Diego Power and Light, Southern California Edison, and Pacific Gas and Electric. California now buys 60 percent of its gas on the spot market and competition, especially from Canadian producers, is strong. The California PUC is now moving to free other LDCs and even its larger industrial users to contract directly with the gas producer who has the lowest price.

For example, say a San Juan producer is able to nail down a West Coast contract. If it's "dry" gas (that is, gas not produced along with oil), then it's labeled "prorated," or in a common pool. The lucky producer with a contract will be pumping the gas right out from under other well owners who have no customers, or who don't want to sell to anyone at today's prices.

"In today's marketplace," Ackerman says, "the rules seem to be (in) contradiction. It amounts to trying to solve both an economic problem and a legal problem with one stroke of the pen. I'm not so sure we can do that."

Neither are producers, who seem to be about evenly split; some want to hold on to the old rules while some want to freely compete.

"Many producers feel that if they can hold on, things will get better," says David Cohen, a former chairman of the New Mexico PUC. "I don't see it that way. The industry has changed radically, and producers can't just assume that they will have a market anymore."

NEW RULES, NEW PLAYERS

The cliche is that one man's downfall is another's opportunity. Under the new rules of this segment of the energy game, pipelines that once controlled gas from wellhead to wholesale customer are reduced to common carriers. Pipelines such as El Paso Natural Gas are abandoning their marketing function and realigning themselves as transport companies. And although California can, in theory, shop for the best price month-to-month, the administration is a nightmare.

"It's been an absolutely dramatic change from long-term contracts to deals made on the phone and a handshake." Grant says. "Companies we've never seen in New Mexico will emerge to handle the details."

"There is a whole network of relationships between producer and end user," says Cohen. "(Someone) has to nominate the gas into the pipeline, do the billing, insure quality. I think a whole new industry will emerge—a service industry responsible for contract management."

"Cohen is now a Santa Fe lawyer who represents nationwide gas marketing companies. He predicts another fundamental change—the demise of the smaller, independent producer. The nature of financing drilling deals is changing. People used to invest in speculative drilling ventures. Today, except for those who drill because they have to protect a lease, practically no one is drilling, especially on spec.

"What's beginning to emerge," Cohen says, "is the end user, who needs the gas, finances the drilling. If they can lock in a price and get control over the variable cost of gas, they're going to do it. As more decentralized purchasing of natural gas occurs, it's going to get harder for the small producer to take part. Large producers will be favored and courted."

A CAPITOL RESPONSE

The state's take in direct taxes on oil and gas has plummeted—from $367 million in 1985 to $235 million in 1986, mostly due to a 22.4 percent decrease in natural gas production (by comparison, oil production only fell by 3.5 percent). The 1987 Legislature recognized that the 11 cent (per mcf) fixed tax tended to make New Mexico natural gas noncompetitive.

Lawmakers changed the tax to 3.75 percent on "new" gas, aligning our rates with Texas and Oklahoma. In 1990 the percentage tax will apply to all interstate gas produced in New Mexico.

New legislation also encourages producers to form marketing cooperatives, according to Darwin and Van De Graaff at the New Mexico Oil and Gas Association, but he says that changes at the state legislative level will probably have limited impact.

"The biggest threat is the encroachment of Canadian gas," Van Graaff says. "We've asked the governor and the congressional delegation to make sure Canadian gas isn't being unfairly subsidized. It's sure coming in cheaper than we can afford to produce it, and it's beating us up in the marketplace."

Effective this month, the Energy and Minerals Department, created under the Jerry Apodaca administration, will be absorbed by the National Resources Department in accordance with Gov. Carruthers' reorganization. Grant and Cohen are eyeing the reorganization anxiously.

"As transition team chairman I took the position that now is not the time to do away with the Energy and Minerals Department," Grant says, "and I dont mean that as a criticism of Garrey Carruthers. He's governor. But traditionally the secretary of Natural Resources is more accustomed to dealing with state parks and with game and fish than the economic forces that drive New Mexico. We've got to be out there represented at every meeting of the California PUC. We have to face it. At least in the near term our future is in California."

"I don't see any signs that the Governor's office is evolving any kind of energy policy or anything indicating a strong focus," Cohen says. "We're moving into a significant new era, and the state needs to take a leadership role in trying to deal with those issues."

MARKETING—THE KEY

At the Oil Conservation Division, Bill LeMay will be the man in charge of oil and gas policy for the Carruthers administration. A geologist, he's been in the oil and gas business and represented small producers for 30 years.

"The state's involvement is going to continue, if not accelerate," he says. "We're the only state that has been giving testimony in PUC hearings in California. We'll continue that, and we'll explore some other markets—Utah, for instance, and Arizona. But I don't know anyone today who fully understands natural gas marketing.

"The Legislature created two new positions for a new gas marketing department, and while we don't intend to fill the role of a broker for gas producers, we can identify markets and analyze them for producers."

Still, LeMay admits that the biggest obstacle to developing new markets is a physical one. Our pipelines all go west—to California. Only a limited number of paper transfers, essentially accounting transactions between producers, has ever resulted in a sale to eastern markets. Even if demand rose suddenly. LeMay says that producers would have a hard time bouncing back. The game has changed too much.

"The muscle is out of the industry. In 1981 we had about 4,500 rigs operating (statewide)—now we're under 1,000. So a lot of the good, qualified geologists, engineers and land men are leaving. I don't think we could respond to a severe gas shortage next winter. We couldn't put 1,500 rigs in the field, and that's only a third of our previous capacity.

"Its a whole new thing," LeMay says, "because we're talking about the complete dismantling of what used to be a turnkey operation. The New Mexico producer used to just a drill a well, sign a contract, and forget about it."

Not anymore.

FIRING UP GAS DECONTROL

Decontrol of natural gas may be right around the bend. The Energy and Justice departments have already proposed easing some of the more onerous federal controls on natural-gas prices. And President Reagan is expected to call once more for complete deregulation of natural gas in his State of the Union address later this month. The only real impediment left is Congress, where many members have been wont to listen to "consumerist" soothsayers instead of economic reason.

The past 12 months of partial decontrol have seen natural-gas prices decline sharply, not "fly up" like some Naderites and the Citizen/Labor Energy Coalition predicted. The most expensive category of gas has dropped almost a dollar per thousand cubic feet, and major gas pipelines variously report declines ranging from 9% to 31% in their average gas costs over the past two years. "Partial decontrol has resulted in lower natural-gas wellhead prices, despite the claims by many that a partially free market environment would lead to higher prices," says Nicholas Bush, president of the Natural Gas Supply Association.

Last month, the departments of Energy and Justice recommended a further easing of controls. They proposed that the "vintaging" of so-called old gas discovered before 1974 be eliminated. The current ceilings on old gas range from 31 cents to $2.52 for a million British thermal units. The DOE plan would allow all this gas to be sold at prices up to $2.52. The Federal Energy Regulatory Commission now has the proposal open for comment, and action is expected by June.

Experts don't believe, however, that all old gas necessarily will be sold at the top price of $2.52 per million BTUs, which is around the current market clearing level. Instead, much old gas could be sold economically at $1.50 to $1.75, with producers increasing their revenues on higher volume sales and consumers benefiting from more plentiful supplies at lower average prices. Indeed, one estimate predicts that so much additional old gas production—perhaps 34 trillion cubic feet—will come on stream that the economy will benefit by more than $25 billion during the next decade.

With the move toward further natural-gas price and transportation deregulation under way, there really isn't any sound reason to retain controls. "Full deregulation of wellhead prices would bring significant benefits to consumers," says Mr. Bush. "There is simply no rational argument not to eliminate the remaining wellhead controls on natural gas as a way of eliminating the distortions that have plagued this industry—and consumers—for more than 30 years."

It is to be hoped that Mr. Reagan, in his State of the Union address, can light a fire under Congress to act quickly on complete decontrol of naural gas. As long as controls continue, relatively inexpensive forms of natural gas will remain shut in the ground, while consumers are forced to accept other higher-priced gas. This system has never made any economic sense, for either producers or consumers. Perhaps now, looking at the heartening experience of partial decontrol, Congress will see the light at the end of the pipeline.

[From the Wall Street Journal, Apr. 17, 1987]

TURNING ON THE GAS

Congress is finally treating the U.S. energy industry as an adult, letting it make its own decisions. Soon gone may be the federal rules that tell utilities and large companies what fuels they can burn in new power-generating facilities. Coal, natural-gas and oil producers could then compete freely for new customers, based on price and availability, rather than being fettered by federal rules.

Before it recessed the Senate moved by unanimous consent to repeal the key provisions of the Power-plant and Industrial Fuel Use Act of 1978—a regulatory nightmare left from the "energy crisis" days when the U.S. was said to be "running out" of indigenous fuel sources. It prohibits the use of natural gas and oil in most new industrial and power-plant boilers, leaving coal as the only major option besides nuclear energy. The House Energy Committee is expected to take up a similar measure after the Easter recess, following unanimous approval by a House subcommittee.

The coal lobby had been blocking repeal of the legislation for years, despite the efforts of the Reagan administration. The coal industry had come to accept that oil and natural gas would be allowed to compete for new electricity-generating contracts. But it insisted that new plants be "coal capable." That meant hefty investments in equipment and extra land to handle future coal use. "National security," the coal people argued, was at stake in case of another shortage.

Recently, Sen. J. Bennett Johnston (D., La.), chairman of the Energy and Natural Resources Committee, struck a compromise. New power plants need only have "sufficient inherent design characteristics" to permit future coal use. The utilities aren't required to buy any additional land or equipment. The Johnston compromise won the key support of Sens. Wendell Ford (D., Ky.) and James McClure (R., Idaho), as well as the National Coal Association, American Gas Association and Natural Gas Supply Association.

A fight still looms, however, over decontrol of natural-gas prices. The Senate measure includes repeal of the "incremental pricing" requirements of the Natural Gas Policy Act of 1978—another legislative offspring of the "energy crisis." Incremental pricing places a federal surcharge on natural gas for boiler use. The program makes it hard for interstate pipelines to respond competitively to other fuel-price changes. The House energy subcommittee has rejected an amendment to abolish incremental pricing.

It's taken six years since complete oil decontrol for Congress to learn that the federal government doesn't belong in the energy business. We guess that's progress. Members of Congress are recognizing that both consumers and producers benefit from a free market in energy. To achieve this goal, Congress should do away with the remaining controls on natural-gas prices.

[From the Dallas Morning News, May 18, 1987]

MYTHS ABOUT CURRENT ENERGY SITUATION

(By George P. Mitchell)

My parents were Greek immigrants, and when I was little they would tell me fanciful *paramithia*, grandmothers' tales. Here are a half-dozen *paramithia* about the current energy situation.

The oil import fee is a dead issue. Controversial, yes. Dead, no. The Energy Department's new interagency study is badly flawed, but at long last the administration seems to agree that the United States faces a national security risk because of our dependence on imported oil.

Most of the options discussed in the study have Catch-22 features: They would be of benefit after world oil prices rise, but if prices rise, the options aren't essential. The domestic industry has been badly battered. It will take four years to restore its infrastructure and another 10 for the United States to become 75 percent energy self-sufficient. Of all the measures being discussed to revive the domestic oil industry, only a variable import fee would stimulate domestic exploration and development right now. For that reason, the support for an import fee remains strong. Don't count it out.

Decontrol of natural gas will give a big boost to the natural gas industry. Natural gas prices should be decontrolled because they warp the market in a part of the energy industry where there is adequate domestic supply. But the main beneficiaries would be the major oil companies, who own most of the gas that would be affected; decontrol will do little for, and it might even hurt, the independents, who drill nine out of every 10 wells in the United States.

Currently, of all the gas now being produced in the United States, an estimated 17 percent is sold at an average price in the range of 70 cents per thousand cubic feet. That's half the going price for gas offered on the depressed spot market, somewhat more than one-third of the average price of all gas. With decontrol, that 17 percent would trend up toward the spot market price while the higher-priced gas would head down. The new prices won't revive drilling for natural gas, which was down by one-third last year.

Eighteen-dollar oil is a fair compromise between the $25 when the price slide started and the $8.50 low reached last summer. American oil companies can produce and sell already-discovered oil at $18 and still make money. But they can't afford to look for oil at that price. A study by the accounting firm of Arthur Anderson & Co. showed that the average cost of finding and producing oil in the United States from 1981 through 1985 was more than $15 per barrel. By contrast, Saudi costs, including transportation, are only one-fifth as much as ours. Selling American oil for $18 is equivalent to liquidating the domestic industry.

Quit worrying; the United States really is energy rich. We're very rich in coal and quite rich in natural gas. Assuming better incentives become available, we've got enough oil—supplemented by a large increase in natural gas production—so that we can supply 75 percent of our needs for a while. Even though we are the Saudi Arabia of coal reserves, environmental and other costs will prevent that fuel from taking the place of oil and gas until there is great technological advance in controlling acid rain and other pollution problems.

The government needs to invest far more than it does in research aimed at fully developing our oil and natural gas resources in order to see us through the 15 to 20 years before coal's problems are defeated and other fuels are made more practical.

A half-billion barrels in the strategic petroleum reserve insulates the U.S. from any significant security problem. Don't set national policy based on that half-fact. True, if we went to war, our own domestic production plus that available from friends and from the reserve would provide for military and, to some extent, civilian needs. That assumes a polite war, with conventional weapons. However, the greatest danger is the confrontation that would arise if an antagonist nation tried to interrupt our oil supply from the Persian Gulf.

Two other points about security: First, under the agreement on an international energy program, the United States is obligated during a supply disruption to share its oil with other nations, so there's less in our pot than you might think; and second, the long-term impact on our already-critical balance-of-payments deficit of importing 8 million or 9 million barrels of oil daily, at steadily increasing prices, is a painful prospect.

Don't worry—the Organization of Petroleum Exporting Countries never will get its act together. OPEC will be the winner in spite of itself. At present, the world's excess production capacity is about 12 million barrels daily, and if that were all that matters, we'd have nothing to worry about. But two-thirds of that excess capacity rests in the Persian Gulf minicartel of Saudi Arabia, Kuwait, Qatar and the United Arab Emirates. Meanwhile, the productive capacities of other oil nations, OPEC and non-OPEC alike, are gradually shrinking and worldwide consumption is increasing. It's clear then that in just a few years all the excess capacity except that within the mini-cartel will be sopped up, and prices will go skyward.

Look for oil to be between $30 and $35 per barrel in 1990 or 1991, compared with about $19 now. Look for gasoline lines to start reforming. And that's no *paramithia*.

TWO HUNDRED YEARS AGO TODAY AT THE CONSTITUTIONAL CONVENTION (JULY 10)

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. SHARP. Mr. Speaker, when the new special committee reported its deliberations on the issue of representation in the House of Representatives, a new split—this time between northern and southern delegates—developed in the Convention.

General Pinckney and John Rutledge of South Carolina challenged the committee's report which allotted 35 spots in the House to the Northern States and only 30 to the Southern States.

In a speech on the Convention floor, Pinckney said,

> I do not expect the Southern States to be raised to a majority of representatives, but wish them to have something like an equality.

Primarily because the Northern States had a significantly greater population than the Southern States, the Convention voted to accept the committee's recommendation.

PUBLIC REMAINS CONCERNED REGARDING INSURANCE ISSUES

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. FLORIO. Mr. Speaker, the liability insurance crisis remains a reality for many businesses, professionals and others throughout the country. Congressional deliberations on insurance have made progress, but the issues remain complex. A recent article in the New Jersey Star-Ledger by Herb Jaffe does an excellent job of summarizing the current situation. Given the complexity of the issues, it is fortunate that the subject has received the kind of high caliber coverage provided by Mr. Jaffe. His article follows:

JERSEYANS IN VANGUARD OF EFFORTS TO REFORM FEDERAL INSURANCE REGULATIONS

(By Herb Jaffe)

WASHINGTON.—Four public officials from New Jersey have become key players in a battle shaping up in the hearing rooms of Congress that could substantially alter every aspect of the insurance system.

Fueled by public dissatisfaction over the nature of practices by a number of insurance companies in all lines of coverage, the fight has brought the state insurance commissioners to Washington defend their regulatory role.

One of the commissioners is Kenneth D. Merin of New Jersey, an admitted "nonconformist" who is neither defending his role as an insurance regulator, nor being averse to a limited form of federal regulation.

Furthermore, Merin doesn't care whether the McCarran-Ferguson Act is amended, despite a position paper which the National Association of Insurance Commissioners (NAIC) said has the "unanimous approval of the commissioners—in opposition to modifying the McCarran act."

The 42-year old law, which is the basis of state regulation of all forms of insurance, has become a subject of consternation in the House Judiciary Committee, and specifically with its chairman, Rep. Peter W. Rodino Jr. (D-10th Dist.).

The McCarran-Ferguson Act specifically grants the states the authority to regulate and tax insurance. But it also exempts the insurance industry from certain provisions of the federal antitrust laws, which Rodino said has worked to the disadvantage of the public.

Two other congressmen from New Jersey, Rep. James J. Florio (D-1st Dist.) and Rep. Matthew J. Rinaldo (R-7th Dist.) have been involved with hearings in the House Commerce Committee's subcommittee on consumer protection and competitiveness.

Florio, chairman of the subcommittee, wants to know whether there should be a role for the federal government in regulating any aspect of insurance.

Rinaldo has taken the position that in view of the liability crisis which left many without insurance and others with exorbitant premiums, Congress should thoroughly review the insurance procedures to see what is needed in the regulatory code to prevent any such recurrence.

The liability crisis, which specifically hit businesses, municipalities and recreation entities, has left a bad taste that still annoys many officials.

But Merin is the only member of the NAIC to urge significant reforms that include some extent of federal participation.

"One of the reasons the insurance crisis occurred was due to the lack of a strong regulatory system," said Merin, who has remained here for several days after testifying at a hearing in Florio's subcommittee on Wednesday.

Merin said he believes the "liability crisis" is waning. "The insurance industry is in the midst of a recovery, and it seems to be going back to business as usual.

"But in light of the devastating effect the crisis had on commercial insurance buyers, I don't think we want to go back to business as usual," he asserted.

Referring to what he called a "dramatic turnaround" in "ideology" by some insurers, Merin said he is certain "there will be a major change in insurance regulation within the next few years."

"I think the insurance industry will ask for federal regulation," he said "In the next five to 10 years, you'll get pleas from the industry to relieve them of state regulation," Merin predicted.

He said that while the industry has little difficulty with the relatively mild regulatory procedures prevalent in most states, "they're getting fed up with New Jersey because of the data we're always asking them to provide."

"I think they're also getting fed up with New York, California, Texas, Illinois and Florida for the same reasons," he added.

Merin explained that almost every state has its own major insurance differences, such as auto insurance in New Jersey, workers compensation in Maine, medical malpractice in Florida and West Virginia, and granery problems in some of the western states.

"Someone in the industry will wake up some day and say, 'Let's create a federal agency, with uniformity, and then we can go out and dominate it.'

"Of course if they do that, we might be right back where we were before passage of the McCarran act, when industry practices were really bad," Merin said. Florio, whose subcommittee will conduct another hearing Tuesday on the need for long-term health care insurance for the elderly, said last week's hearing on the effects of the liability crisis "produced a consensus that there is a need for uniformity within the regulatory framework."

His reference was to the fact that each state is regulated by its own set of insurance rules and, without uniformity, the system is unable to function properly, since insurance is a form of interstate commerce.

Florio also noted financial factors which state insurance departments use to determine the solvency of companies are particularly in need of a uniform system of analysis to protect consumers. He said the latest NAIC information showed that more than 400 insurance companies are on "the NAIC's list of financially troubled companies."

"I think some degree of federal action will evolve in the solvency area, because sooner or later someone is going to start saying that something has got to be done in that area," the South Jersey congressman said.

"As a result of the hearings, my goal is to have packages of responses ready and available when the public starts insisting that something has to be done," Florio added.

He said that another hearing by his subcommittee later this year will bring in representatives from the National Association of State Attorneys General.

They, like the National Association of State Legislators and a long list of other state government agencies, trade associations and consumer organizations, have gone on record in favor of eliminating the antitrust exemption under the McCarran act.

"They're going to be advocating more federal regulation in different areas, such as airline scams and insurance fraud," Florio said.

"I think Commissioner Merin is correct, that the industry people are starting to say that maybe the federal government is the lesser of two evils, that maybe we should have a federal regulatory system.

"Either way, there's a whole new dynamic at work, and the states may ultimately have to share some of their regulatory responsibilities," Florio said,

Rinaldo, who is one of the ranking minority members of Florio's subcommittee, said the industry "must bear some of the responsibility for the crisis" which, he added, caused great consternation among the public.

Referring to the industry's argument that the proliferation of tort lawsuits and higher jury awards is forcing up premiums, Rinaldo stated:

"All too often insurance companies are ready to settle out of court. They're ready to settle quickly and, as a result, pay out for frivolous and nuisance suits that don't even belong in the courts."

Rodino has been the leading voice in search of insurance reform for most of his 39 years in Congress. In recent years, he has focused his attention on the industry's immunity from provisions of the antitrust laws.

"I believe something has to be done to assure that the insurance industry, like all other industries, is subject to the antitrust laws," Rodino stated.

"I endorse the concept," he said of a bill introduced last month by Rep. Don Edwards (D-Calif.), that would remove the antitrust exemptions from the McCarran-Ferguson Act.

"We'll have hearings on the bill later this fall. We'll give the companies the opportunity to tell us how they would be able to function without the exemption.

"This is a very important issue to consider. The industry has prospered with the exemption, unlike many other industries which do not have antitrust exemptions," Rodino said.

But the most outspoken opponent of any effort to alter the McCarran law is the NAIC. Among other things, the state insurance commissioners openly fear they would lose some of their regulatory authority if the act is modified.

In a position paper released last week, the NAIC stated:

"Proposals to modify McCarran are based on the unsupported belief that such action would solve or rectify the liability insurance crisis and the unexamined assumption that the industry should be treated in the same manner as others in the free market sector.

"Clearly, those advocating such a change have a heavy burden to modify federal policy which has permitted states to regulate effectively the insurance industry in excess of 40 years.

"After careful evaluation, state insurance regulators have determined that the reasons advanced do not justify modification of McCarran. Rather, such action would further exacerbate the problems in availability and affordability and impair effective state regulation."

MOUND BAYOU CENTENNIAL CELEBRATION

HON. MIKE ESPY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. ESPY. Mr. Speaker, this week, the city of Mound Bayou is celebrating its 100th anniversary as the first all black community founded in the United States. I am honored to be able to participate in the Mound Bayou Centennial Celebration, entitled "One Hundred Years in Retrospect." Mound Bayou has a proud history, and this celebration will reflect that proud history through its songs, dances, activities, and speeches given by prominent black leaders from the State of Mississippi and other parts of the Nation.

Mound Bayou was founded in 1887 by Isaiah T. Montgomery and Benjamin T. Green. Mr. Montgomery, who would later be the only black delegate to Mississippi's Constitutional Convention of 1890, was a former slave of Joseph Emory Davis, brother of Jefferson Davis. Mr. Montgomery purchased the Davis plantation at Davis Bend after the Civil War and lived there with his family until he moved to Mound Bayou.

Mr. Montgomery and Mr. Green, accompanied by their cousin, J.P.T. Montgomery, and 12 families, most of whom came from Davis Bend, Warren County, MS, surveyed the site of Mound Bayou in Bolivar County and cleared it for occupation. The site was named after Indian mounds and a bayou. The population had reached 183 before the end of the first year of settlement. In February 1898 the residents petitioned the Governor to incorporate the village, and in August the charter was signed and sealed.

By 1910, Mound Bayou had grown to half the size of nearby Cleveland, MS. The business life of the community centered around the production of cotton, although timber provided a natural resource of income. An article written at this time listed over 50 businesses operating in the progressive town. In 1912, Mound Bayou citizens applied to the Governor and received the status of a town.

The town experienced periods of depressions and disasters and struggles for rebirth during its colorful history since 1910. When the results of the 1970 census revealed that Mound Bayou had an official population of 2,134, an increase of 57.6 percent over 1960, the governing officials proclaimed the municipality to be a "city" on May 12, 1972. During the decade between 1970 and 1980 U.S. census count, Mound Bayou was shown to be the fastest growing municipality in Bolivar County.

I am extremely proud to represent this city in the U.S. Congress and to participate in the 100th anniversary ceremonies honoring the city of Mound Bayou, MS.

VINCENZO A. CRIVELLO—STRENGTHENING THE TIES BETWEEN THE UNITED STATES AND ITALY

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. PANETTA. Mr. Speaker, I would like to inform my colleagues of the excellent work of Vincenzo A. Crivello, a citizen of Italy who has dedicated his life to helping his fellow countrymen as well as his former countrymen who have come to this country to live.

Vincenzo A. Crivello was born in 1910 in San Vito Lo Capo, in Sicily. His parents were Nino V. and Esperanza Crivello.

Although he remained in Italy, members of his family immigrated to the United States and have distinguished themselves in a number of fields.

Mr. Crivello became an attorney in Italy and was subsequently elevated to judge. He was later named an inspector general for the Judicial Department of Sicily. He worked on important post-war projects involving both Italy and the United States.

In 1966, he visited family members in Monterey with his wife, Enzina, and their children, Nino, and Esperanza. He and his father shared in a tribute from Italian-American communities for assisting Americans of Italian heritage who were having difficulties of various kinds with the Italian Government.

Through the years, Mr. Crivello has offered his assistance to countless United States and Italian citizens. In doing so, he has helped strengthen the ties between our two great countries.

200 YEARS AGO TODAY AT THE CONSTITUTIONAL CONVENTION (JULY 11)

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. SHARP. Mr. Speaker, on July 11, 1787, the Convention tried to determine how in the future to adjust the number of places each State would be allotted in the House of Representatives.

The Framers foresaw the expansion of the Nation beyond the original 13 States. Therefore, they believed, the Constitution must be able to adapt to the changing dimensions of the country.

Virginia's Edmund Randolph proposed requiring the national legislature to provide for both a census and an estimate of wealth for each State and to adjust future apportionments of the House of Representatives according to the results.

That plan initially faced resistance from some delegates who feared instituting a strict formula would eventually work against the existing States when the western territories were settled and became heavily populated.

Thus, for now, the proposal was defeated.

ANTITRUST AND THE SUPREME COURT NOMINATION

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. FLORIO. Mr. Speaker, the pending nomination of Judge Robert H. Bork to the Supreme Court will give rise to a thorough examination of his views. Judge Bork's views on a number of subjects are controversial. One such subject is antitrust. The following article from the Washington Post discusses the debate concerning Judge Bork's views on antitrust and the contention that his approach is at odds with the congressional intent underlying the antitrust laws.

[From the Washington Post, July 8, 1987]

BACKERS OF TOUGH ANTITRUST ENFORCEMENT HIT BORK

(By Morton Mintz)

Leaders of the National Association of Attorneys General and others advocating tough enforcement of federal antitrust laws have sharply criticized President Reagan's nomination of U.S. Appeals Court Judge Robert H. Bork to the Supreme Court.

New York Attorney General Robert Abrams, the association's president-elect, has called Bork "a radical judicial activist" and said "the only type of restraint [he] has favored is the restraint of trade."

In Bork's scholarly and judicial writings on antitrust, he has "advocated complete abandonment of the clear intention of the framers of the antitrust laws" and "both disregarded and sought to distort [the] historical record," Abrams said in a statement.

Michigan State University economist Walter Adams, coauthor of "The Bigness Complex," which was published early this year, said. "To picture Judge Bork as a conservative who believes in judicial restraint is madness."

Bork is "a radical of the right" and "a committed and articulate ideologue—a true believer in the tenets of 19th century social Darwinism," Adams said in an interview and a statement.

Bork's posture on antitrust "reflects judicial activism *ad extremis*"—an inclination to "substitute an ideological belief in what the laws ought to be for what the laws enacted by Congress are and were intended to be," Adams said.

West Virginia Attorney General Charles G. Brown, who succeeded Abrams as chairman of the association's antitrust committee, said in an interview that Bork's antitrust positions "are often inconsistent with the principles of those who drafted our antitrust laws. His confirmation would only serve to weaken the laws that were designed to safeguard our free marketplace."

Bork has a "distorted view of competition [that] denies the values of diffusion of power, economic opportunity, and innovation," Brown said. "Bigness isn't badness, but it isn't goodness, either, and Judge Bork thinks it is."

But Abrams' comments drew fire from New Mexico Attorney General Hal Stratton and a spokesman for Utah Attorney General David L. Wilkinson.

Stratton accused Abrams of trying "to bash President Reagan and the Justice Department." In Salt Lake City, Associate Deputy Attorney General Paul M. Warner said that Wilkinson is "much more comfortable with Bork's position than with Abrams'."

Wilkinson "strongly supports" Bork, whom Reagan called "the most prominent intellectual advocate of judicial restraint."

And Oregon Attorney General Dave Frohnmayer, a Republican who is now president of the association, said in an interview, "Everything I know about judge Bork leads me to believe that he would not try to be a superlegislator."

Bork consistently has argued—in his book, "The Antitrust Paradox," in other scholarly writings, and in his opinions as a judge of the U.S. Court of Appeals for the District of Columbia—that Congress enacted the antitrust laws to enhance "consumer welfare" and the "business efficiency" that underpins welfare. The laws have no worth "other than economic efficiency," he told the U.S. Chamber of Commerce in a 1984 speech.

Bork also has criticized the law prohibiting mergers where the effect "may be substantially to lessen competition or tend to create a monopoly," has urged no government interference with mergers of competitors so long as no more than 60 to 70 percent of a relevant market is affected, and has called for the removal of obstructions to mergers by conglomerates.

By an overwhelming vote last March, while Abrams was chairman of the attorneys general antitrust committee, the association adopted a set of uniform guidelines for efforts to block the kinds of mergers that nearly all of the state attorneys general view as anticompetitive but that the Reagan administration probably would allow.

New Mexico's Stratton and Utah's Wilkinson were the only recorded dissenters. Both said that some states were unrepresented when the vote was taken.

Justice Department antitrust chief Charles F. Rule and Federal Trade Commission Chairman Daniel Oliver opposed the guidelines.

The guidelines "do not adequately take into account the dynamic nature of competition, and the ability of market forces to forestall most attempts to restrict output and elevate prices to the detriment of consumers," Oliver said.

Frohnmayer, who had defended the guidelines as "an example of cooperative federalism," said that at the upcoming Senate Judiciary Committee hearings on the nomination the questioning should focus on the issue of "judicial competence and integrity," rather than be "a searching ideological examination."

But he also said that whether Bork joins with the administration in opposing the association's guidelines would be "a fair question."

Adams, a former president of Michigan State, and New York's Abrams argued that for 90 years—starting with the Sherman Act of 1890 and continuing until the first Reagan administration—the framers of the antitrust laws and of their bipartisan enforcers were deeply concerned about concentrations of economic power.

They feared that such concentrations "would lead to undue political power in the hands of the corporate elite," Abrams said. But, he said, Bork substitutes for "this historical record . . . his own narrow vision of antitrust, one which holds that the law is only concerned with the single issue of maximizing allocative efficiency, which means nothing more than maximizing production.

"Under this view of the law, the extortion of consumers by monopolists and price-fixers does not violate the law unless industrial output is thereby reduced," Abrams said.

Adams said that Bork's claim "that the purpose of the antitrust laws is to promote 'efficiency' and 'consumer welfare' " is not to be found in the texts of the Sherman and Clayton acts.

1988 WHEAT FARM PROGRAM

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. BEREUTER. Mr. Speaker, the Secretary of Agriculture recently announced the wheat program for the 1988 crop year that required a 27.5-percent acreage reduction—the same amount required under the 1987 wheat program. For over a month the USDA has wanted wheat farmers to idle 27.5 percent of their acres to qualify for Federal farm programs, while the Office of Management and Budget has insisted that the Secretary use his authority to require the maximum allowable reduction of 30 percent in order to reduce initial program expenditures.

This Member applauds the Secretary of Agriculture's aggressive stance and his annoucement to hold the line at 27.5 percent for acres idled under the 1988 wheat program. As the United States attempts to recover lost agricultural export markets, it is important that we continue to send a strong indication to our grain, export competitors that we are determined to keep our agricultural products competitively priced in the world market and these our share of the export markets. It would send the wrong signal to our grain export competitors if the United States unilaterally reduces its export competitiveness, which is the effect of what OMB's proposal would have done.

This Member would like to share with his colleagues an Omaha World-Herald editorial discussing why it was important to keep our wheat program's idle acres the same. Larger set-asides are ill-advised because foreign competitors would be tempted to resume their expanison of grain production if they believed the United States will impose larger and larger acreage reductions to eliminate world surpluses and keep program costs down. The farm policy of the United States must allow our farmers to compete in world markets. This editorial makes several good points on this issue: I commend it to the attention of my colleagues.

[From The Omaha World-Herald, July 8, 1987]

WHEAT POLICY STAYS ON TRACK

For months, the U.S. government has been sending a clear, strong signal of its determination to make sure that American farm products are priced competitively in the world market. A contradictory signal might have gone out if the Office of Management and Budget had won a recent interagency dispute with the Department of Agriculture.

Fortunately, the White House sided with the Agriculture Department. OMB wanted to force wheat farmers to idle 30 percent of their acres to qualify for govenment farm payments in 1988. Budget office officials said they wanted the higher number of acres taken out of production to save the government $200 million in farm program payments.

Agriculture Department officials favored a 27.5 percent figure. The White House decision constituted, in effect, a victory for continuity over short-term savings.

The OMB approach would have taken an additional 1 million acres out of production, reducing the U.S. wheat harvest by about 35 million bushels. Agriculture Department analysts said the reduction could have caused prices to increase, making American wheat less competitive in the export market.

Secretary of Agriculture Richard Lyng said: "Think what that would be telling our competitors. For two year, we move toward more competitive prices and then we all of a sudden would be reversing our position."

A recent report for the National Association of Wheat Growers contained this statement: There are significant advantages to the U.S. wheat economy and to the government from larger wheat production and more competitive wheat prices." The White House decision to maintain a competitive pricing policy could help bring about those advantages.

ARI VOLVOVSKY DAY

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. PORTER. Mr. Speaker, I recently joined Highland Park, IL, Mayor Daniel Pierce to declare Soviet refusenik Ari Volvovsky an honorary citizen of that city. Under the leadership of Chicago Action for Soviet Jewry, the Highland Park based human rights organization, more than 200 persons gathered to honor this courageous man.

The Volvovsky's have waited 14 years to emigrate. They have been harassed, imprisoned, and exiled to the closed city of Gorky solely for their desire to study their religion and live in Israel. Trained as a computer scientist, Ari cannot find work in the Soviet Union.

Mr. Speaker, despite recent encouraging steps taken by the Soviets, thousands of Soviet Jews like the Volvovsky's languish in trepidation that the policy of glasnost will never give them freedom. The message must go forth from this body and from the American people that the Ari Volvovsky's must be given the right to emigrate and to live in freedom.

THE BICENTENNIAL OF THE NORTHWEST ORDINANCE

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. SHARP. Mr. Speaker, 200 years ago today, the Confederation Congress took a monumental step for the State of Indiana as well as the future of our Nation. On July 13, 1787, the Congress, meeting in New York City, enacted a law entitled "An ordinance for the government of the territory of the United States northwest of the river Ohio."

The law, which became known as the Northwest Ordinance, established a governmental framework for all or parts of Indiana, Illinois, Michigan, Ohio, Wisconsin and Minnesota. The document guaranteed that those areas would be admitted as States on the same basis as the existing 13.

But even more remarkable about the Northwest Ordinance were the concepts that it embraced. The law called for religious freedom and individual rights in the Northwest Territory even before the U.S. Constitution was completed. The Ordinance also encouraged public education and prohibited slavery in the area almost 100 years before slavery was made illegal in the United States.

I would like to call attention to this anniversary and stress its importance not only to the area that I represent but to the development of this Nation.

NO EXCUSE FOR LACK OF ACTION ON ATV'S

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. FLORIO. Mr. Speaker, the all-terrain vehicle [ATV] death and injury toll continues to mount. There are an estimated 20 deaths and 7,000 injuries a month related to ATV's.

In December, the Consumer Product Safety Commission voted to ask the Justice Department to bring a suit in U.S. district court to declare certain ATV's an imminent hazard and provide remedies for consumers. It is now July, and the Justice Department has yet to indicate what action, if any, it will take.

What follows is an editorial from the June 23 edition of the Gloucester County Times which calls for an end to this inexcusable footdragging:

NO EXCUSE FOR LACK OF ACTION ON ATV'S

Perhaps it never occurred to the bureaucrats and legal experts in Washington that a problem is not solved merely by making a study and issuing a report. Some *action* has to be taken to stop the killing of children. But that's where the Consumer Product Safety Commission and the U.S. Justice Department draw the line.

The killing is taking place on all-terrain vehicles, popularly known as ATVs—those three- or four-wheel motorized "bikes" made for flying across fields and whizzing through the woods. The safety commission reports that from 1982 through 1986 a total of 559 people were killed and 271,300 injured in accidents involving ATVs. Children 12 and under accounted for 135 of those deaths.

Rep. James J. Florio, D-1st Dist., of Pine Hill, who has criticized both the commission and the Justice Department for their lack of action, says ATV accidents continue to claim about 20 lives a month.

Admittedly the Consumer Product Safety Commission did follow up its $2.2 million, 18-month study of ATVs, and 14,000-page report, by asking the Justice Department to declare ATVs an imminent hazard. This action would allow the department to require manufacturers to offer recalls and refunds, and to provide free training to ATV owners.

Interestingly, Terrence Scanlon, chairman of the safety commission, voted against even these modest measures. And perhaps the people in the Justice Department noted his opposition, because after four months, the nation's top law enforcement agency has done nothing to implement the recommendation of the two safety commission members.

Meanwhile the injuries and deaths continue.

The safety commission's study concluded that children under 12 cannot operate ATVs safety, and the children between 12 and 15 cannot safely handle adult-size vehicles. And it said that education and safety equipment, especially helmets, save lives.

Fortunately for the children of New Jersey, it is illegal for anyone under 14 to operate an ATV in the state. State law also requires operators of all ages to wear helmets.

More can be done to make ATV use safer in New Jersey. But nothing has been done at the federal level where the head of the commission responsible for consumer safety apparently thinks 20 deaths a month is a reasonable price to pay for an industry with $1.5 billion in annual sales.

There is no substitute for personal caution, whether driving a car or riding an ATV, and no substitute for parental responsibility when it comes to the safety of children. That is no excuse for the safety commission to shirk its responsibilities or for the Justice Department to drag its feet while 20 people a month are killed partly as a result of their inaction.

TRIBUTE TO LESLIE H. ARPS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DOWNEY of New York. Mr. Speaker, I am delighted to pay tribute to and offer best wishes to Leslie H. Arps, a founding partner of the law firm of Skadden, Arps, Slate Meagher & Flom, on the occasion of Mr. Arp's 80th birthday today.

The law firm cofounded by Arps with two colleagues almost 40 years ago has grown to be the largest law firm in New York City and the Nation, having New York City as its base with over 700 attorneys located there and in 6 other cities throughout the country. Over the last few decades it has risen rapidly in prominence to a position of preeminence not only in size but in its standards of excellence and professionalism.

The firm's ascendancy is a tribute to the vision and dedication of the founders of the firm, including Mr. Arps. During his 40 years as a senior partner, Arps gave the firm leadership and direction as a public servant and a private practitioner always aiming for and achieving the highest standard of professional excellence and integrity.

Leslie H. Arps was born July 14, 1907. His father, George F. Arps, a noted educator, was prior to his death dean of the graduate school at the Ohio State University, Columbus, OH. Upon graduation from high school, Arps attended the Ohio State University for 3 years and then transferred to Stanford University where he was elected to Phi Betya Kapa and received his A.B. degree in 1928. He obtained his LL.B. from Harvard Law School in 1931, serving as a member of the Legal Aid Bureau.

On October 1, 1931, Arps became an associate at Root, Clark, Buckner & Ballantine where he specialized in litigation. While at Root, Clark, he worked for a number of years as an assistant to John M. Harlan, who later became a Justice of the U.S. Supreme Court. From the outset of his career, Arps learned the importance of hard work and professional integrity.

In the spring of 1942 Arps enlisted in the U.S. Army and was sent to Fort Jackson, Columbia SC, for basic training. In the summer of 1942, however, Harlan informed Arps, then a sergeant, that the U.S. Army Air Force was going to form an Operations Analysis Section [OAS] modeled after the British Royal Air Force Operations Research Section, and asked Arps to join the section as his assistant. Arps was commissioned a major and joined Harlan in England, where from October 1942 through August 1944, they acted as liaison between the U.S. Military Command and a staff of approximately 50 leading U.S. civilian scientists.

The activities of the OAS proved to be of great assistance to those conducting combat operations in Germany. Altogether, the OAS issued over 300 reports on topics such as bombing accuracy, results of combat missions, and effectiveness of aircrew gunning, many of which were also sent to Washington for circulation to other Army Air Force commands.

During this period Harlan was asked by Generals Arnold and Spaatz to make a study of how the separation of the British Air Force from the British Army was accomplished. Before and during World War I the British Air Force was a part of the British Army. Shortly after World War I the British Parliament separated the Air Force from the British Army and created it as an independent branch of the British Military Service. The separation was accomplished after careful study and after a great deal of effort on the part of the members of the British Air Force.

Arps played a major role in the process of reviewing all the relevant papers, transcripts of the parliamentary debates, interviewing many of the persons directly involved in the separation including Lord Trenchard, and drafting a report. The results were embodied in a "Memorandum concerning the creation of the Air Ministry and the Royal Air Force as a separate branch of the British military service" dated May 1, 1944. This memorandum was one of the many used in making the U.S. Air Force a separate and independent branch of the U.S. military service.

After the war Arps cofounded the Skadden, Arps firm in New York and continued his service to the country and the bar. He served as assistant chief counsel to the New York State Crime Commission during its investigation of the crime activity of the waterfront in the Port of New York, and was a recipient of an award of the New York State Crime Commission for his performance in said investigation. Thereafter, he was associate general counsel to the New York State Commission to study, examine and investigate State agencies in relation to parimutual harness racing, and a consultant to New York State Moreland Commission on the alcoholic beverage control law. He also served as chairman of the executive committee of the Association of the Bar of the City of New York.

For these achievements, and the leadership and inspiration he has given to countless young lawyers, we honor Leslie H. Arps on his 80th birthday, and wish him continued success in his career. And although Arps has had many distinguished law partners over the years, one partner deserves special recognition on this occasion. Ruth Arps, Les's devoted wife and constant companion for over 25 years, has with Les helped inspire a host of young men and women. Her grace and guidance is inseparably bound up in the love and respect his colleagues have for Leslie Arps.

AIDS TESTING

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. GINGRICH. Mr. Speaker, mandatory testing for AIDS has been the topic of much heated debate. I recently enjoyed an article that I feel puts the subject into perspective. I hope my colleagues enjoy it.

The article follows:

[From the Washington Times, June 8, 1987]

Perplexed by Their Booing

(By Mike Royko)

Booing politicians is part of our tradition of free expression. But it seems to me that if people must boo, they ought to explain at some point what the heck they're angry about.

For example, President Reagan made a speech the other day to a large group that was raising money for AIDS research.

The speech was about what a terrible menace AIDS is, how important it is to educate people on it, but that ultimately it is up to science to find a solution.

Then Mr. Reagan recited a few immediate steps that the federal government is going to take.

He said that he would ask that immigrants and aliens seeking permanent residence in this country be tested for AIDS. If they have it, they will be denied entry.

This drew a chorus of boos.

He also said he would ask the federal prison authorities to test federal inmates.

And this drew more boos.

I happened to hear this booing segment on my car radio and the first thought that crossed my mind was: "Ah, there must be a new special-interest group in America—Friends of Aliens, Immigrants and Federal Convicts Who Have AIDS."

But I haven't been able to find any record of it, so I've asked some leaders and spokesmen for what is known as the gay community if they knew why Mr. Reagan was booed.

They gave me several reasons, none of which make a great deal of sense.

One said that it's unfair to the aliens. Why is it unfair? Because if they are found to have AIDS, they will not be able to enter this country.

When I pointed out that we already test aliens for all kinds of diseases—from tuberculosis to lymphogranuloma venereum to dope addiction and a booze habit—I was told that it isn't the same thing, since they can be cured. And when they are cured, they can get in this country.

But since AIDS is currently incurable, the alien would forever be denied entry. And that, they said, was unfair.

Well, I'm all for fairness. But I don't think it is unreasonable to say to someone: "I'm sorry, but you have this incurable disease, and if we let you in this country and you have sex with someone, it is quite possible that they will get this disease. And if they have sex with someone, it is possible that still another person will get that disease. And if that person, etc., etc."

I'm sure that if the Statute of Liberty could talk, she'd say: "There are some limits to my hospitality."

And why not testing for federal prison inmates? The only objection they could provide was that if tests show that a prisoner *doesn't* have AIDS, he'll then be a more likely candidate for rape.

Of course, for that to happen, I would assume the test results would have to be posted on the prison bulletin board, which seems unlikely.

Beyond these specific objections, though, it all boiled down to a hospitality toward any mandatory testing of any kind.

Everyone I talked to said the same thing: Testing can be inconclusive, it is a waste of time, a waste of money, and an intrusion on an individual's privacy.

The money could be more wisely and productively spent on research and "education."

I'm all for research, but I don't see how there can be comprehensive research if there isn't some kind of testing. At least that's what some reputable scientists say.

As for "education," one of the things it means is how homosexuals can have "safe sex." But at this point, if there are any practicing gays who are so dumb they still don't know about AIDS and how to avoid it, then maybe what they need is brain surgery or the removal of the necessary appendage.

And how does one go about "educating" a drug addict who is so mentally addled that he'll shove a needle in his arm that's been used by someone else? That's the second most common way AIDS is transmitted.

Do we put catchy public service messages on TV telling heroin users: "Hey, drug user, wise up—don't you know it isn't smart to poke yourself in a vein with a used needle?"

Or maybe we'll send out social workers who will say: "Excuse me, sir, but I notice that you have just borrowed that needle from the fellow lying in that doorway? Can I speak to you for a moment about AIDS?"

The fact is, some people aren't very educable—especially those with glassy eyes and needle tracks on their arms and legs.

So I'm not convinced that "education," a word that is tossed around by most of the anti-testing spokesmen, is going to do much besides generate advertising and public relations budgets.

And until research does something about AIDS, I don't think testing—with the results private—is such a terrible thing.

Apparently a lot of gays don't think so, either. If you look in gay publications, you'll see ads from people seeking sex partners. Many of the ads include the claim that they have been tested and have been medically certified as safe to frolic. Some world we live in.

So if testing is OK under those circumstances, what's so intrusive about tests for couples getting married? Is a stranger responding to a post office box number worthy of more consideration than a bride?

THE LAW ENFORCEMENT ASSISTANCE FOUNDATION

HON. MIKE ESPY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. ESPY. Mr. Speaker, I am pleased today to be able to point out the significant accomplishments of two distinguished citizens from my congressional district. Paul L. Barrett, the sheriff of Warren County in Mississippi and Col. J.C. Herbert Bryant, Jr., have established the Law Enforcement Assistance Foundation, a highly qualified group of law enforcement officials, specially trained to deal with narcotics abuse, special crises, and terrorism.

In conjunction with many State and Federal officials from across a seven-State area, these dedicated Americans have provided a significant service to the State of Mississippi and the surrounding area. The Law Enforcement Assistance Foundation was established in 1985 to assist law enforcement agencies in their increasingly costly fight against narcotics, special crises, and terrorism by providing them the use of needed armored specialized vehicles and equipment.

Day-to-day operations are handled by a director and one assistant. Additional sworn police personnel required are assigned and paid by the various State and Federal law enforcement agancies which LEAF serves. This group of personnel operates under the name of ARGUS [Armored Response Group United States].

In summation, LEAF was founded to provide new capabilities to all police agencies throughout the country. These capabilities are designed around the use of highly specialized equipment previously unavailable to individual police departments because of its extremely high cost.

We are all aware of the problems caused by narcotics, special crises, and terrorism. Providing the special means to deter these problems is the goal of the Law Enforcement Assistance Foundation. I am proud, Mr. Speaker, of their contribution.

PIXLEY KA ISAKA SEME

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. RANGEL. Mr. Speaker, in the face of the ever-increasing international struggle to wrest South African blacks from the grip of apartheid, I have taken this opportunity to renew the memory of Pixley ka Isaka Seme in the minds of my colleagues.

Seme was the first black South African to attend Columbia College, where he won the Curtis Medal for Oratory with his speech on "The Regeneration of Africa," and the second black South African ever to obtain a law degree from Oxford University.

Pixley ka Isaka Seme's exceptional, Western education served him well. His outstanding abilities in oratory and political activism were ultimately acclaimed worldwide, ranking Seme among the first generation of Africans who were able to play hardball in the white ballpark. The African National Congress, a mass movement dedicated to intertribal unity and multiracial democracy which has been a driving force in South Africa since its conception in 1912, is one of the most noteworthy of Seme's accomplishments.

I have submitted an article on Pixley ka Isaka Seme, a highly insightful exposé by Craig Charney, which probes further into the details of Seme's example and into the groundwork that he laid during his life for the ongoing movement toward a free South Africa. I trust that it will be read with all the interest and appreciation that Seme's life and legacy clearly merits.

PIXLEY SEME '06: FATHER OF THE AFRICAN NATIONAL CONGRESS

(By Craig Charney)

"The giant is awakening," he said in a prize-winning student oration, and his career helped make it so.

Although the imprisoned leader of South Africa's African National Congress (A.N.C.), Nelson Mandela, is well known, few people are aware that his movement was founded by a Columbia College graduate: Pixley ka Isaka Seme '06.

The creation of the organization leading the fight against apartheid was, however, but one of many milestones in Seme's remarkable life. After becoming the first black South African undergraduate at Columbia 85 years ago, he achieved renown as a prize-winning orator. In the 1930's, he served as A.N.C. president for a controversial seven years. Towards the end of his life, he became a father figure to a group of young black South African activists, many of whom are among the A.N.C.'s leaders today.

Yet, while Seme (pronounced Seh-May) was a major historical actor in his own right, his career also underlined the ambiguous role played by the first wave of Western-educated African leaders. The African elite of Seme's day saw itself as dedicated to national progress and unity. But its education and interests left it subservient to colonial values and isolated from the masses, while its political practice often fell short of its ideals. Seme's arrival at the Morningside Heights campus opened a key part of the overseas interlude which helped instill in his character the contradictory complexity typical of his time.

Seme belonged to the first generation of Africans determined to play the game in a world where whites made the rules. He was born into a rich Christian family in southeastern South Africa on October 1, 1881, just after the proud Zulu kingdom to which his ancestors had belonged was conquered by Britain. (He later said he was a Zulu aristrocrat, though some historians dispute this.)

His brilliant performance at Inanda Mission School in his native land attracted the attention of the American clergymen running it. In the late 19th and early 20th centuries, American missionaries arranged for several dozen young black South Africans to study in the U.S., and Seme was one. They sent him to the Mount Hermon prep school in Massachusetts, where he received a classical education. There he also acquired a reputation as nobody's fool: the 1902 school yearbook said he was "a born musical instrument agent—does others just a little before they do him."

During the four years at Columbia which followed, Seme focused on subjects related to Africa, black people and the modern world. He took courses in anthropology, history and political science, like other African students anxious for scientific responses to the racist theories then current in both colonial Africa and overseas white society.

In addition to his college courses, Seme studied stenography, typing, photography and auto mechanics. He spent several summers working on farms and even learned how to can fruit. He was also deeply interested in Booker T. Washington's vocational education programs for black Americans. Seme visited Washington's Tuskegee Institute in 1906, attended a speech he gave to black businessmen in Atlanta the following year, and wrote two admiring letters to the American educator after leaving this country.

Seme's living arrangements also served to put him in touch with black reality in the U.S. Like many classmates, he lived in rented rooms off-campus (there were no dorms when he entered the College), and he spent his four years here living in Harlem, two on West 134th Street and two on West 135th—the first two blocks in the area where blacks settled.

"My ambition," Seme said at the end of his college days, has been to study the broad features of American life. I have tried to learn those things that will benefit my people and enable me to help them as I should. I enjoy hard work, and I have always desired to be in the center of things.

"This is why I came to Columbia. New York City is the cynosure of all American life; the greatest interests of the country are directed from this center. A glance through the city's records is enough to convince any mind that Columbia is a force behind the throne in the greater movements of New York life."

Outside the classroom, Seme was elected vice president of the Freshman Debating Society and belonged to the Barnard Literary Society during his sophomore and junior years. As a senior, he won the prestigious Curtis Medal for Oratory with a speech on "The Regeneration of Africa," which received national note. The oration was republished in both The Columbia Monthly and the Colored American magazine, and earned him an interview in The New York Times. Seven years after its delivery, black writer William Ferris termed it "the noblest exhibition of the Negro's gift of speech" in his book, The African Abroad.

Seme declared in his speech that the glories of Africa's past proved the potential for greatness in its future, despite the subjection if knew in his time. "Oh, for that historian who, with the open pen of truth, will bring to Africa's claim the strength of written proof. He will tell of a race whose onward tide was often swelled with tears, but in whose heart bondage has not quelled the fire of former years. He will write that in these later days when Earth's noble ones are named, she has a roll of honor, too, of which she is not ashamed. The giant is awakening."

In ringing words which anticipated those of Senegalese poet Leopold Senghor and others in the Parisian Negritude movement of the 1930's, he concluded, "The regeneration of Africa means that a new and unique civilization is going to be added to the world. The most essential departure of this new civilization is that it shall be thoroughly spiritual and humanistic—indeed a regeneration moral and eternal."

Seme combined a commitment to the enlargement of the horizons open to black South Africans with a faith in its attainment through persuasion of loyalty to Britain, rather than confrontation. His ideal (much like Booker T. Washington's) was the participation of African elites as junior partners in the white state and economy, not their overthrow in the name of the black majority as a whole.

To the Times, he declared that his people "do not clamor for social equality, for that is an impossibility, but their aim and ambition is to be permitted to engage in international trade." He also said he believed "the rule of the English to be a good thing for the African, bringing civilization and higher development."

Seme's intellect and accomplishments profoundly impressed his classmates. In the 1906 Columbian, his picture carries the legend, "His face dark, but his mind brilliant." Some 60 years later, one of his college friends, the Chinese diplomat V.K. Wellington Koo '09, still recalled the "100 percent Negro from Zululand" who had carried off an oratory prize.

After Columbia, Seme went to England to study law at Oxford. He was an Oxford contemporary of Alain Locke, the first black American Rhodes Scholar, who later became a leading light in the Harlem Renaissance movement of the 1920's. While in Britain, he was also named to represent his people in South Africa by the Transvaal Province Native Congress, a black political organization. Working with a delegation of liberals sent from South Africa, which included Mahatma Gandhi, he vainly attempted to persuade the British government to veto a bill granting his country a constitution barring blacks from sitting in Parliament.

On top of his studies and activism, in Britain he also had to cope with money problems. A rinderpest epidemic had devastated his family's cattle wealth, while vacation work was harder to find than in America. Nevertheless, Seme perservered, becoming the second black South African to qualify as an attorney.

In 1910, just as South Africa was becoming an independent dominion, Seme returned home, "able, ambitious, impatient, humorous, but a bit of snob," as South African historian Mary Benson wrote in 1963. Though Africans numbered three-fifths of the country's population, in Johannesburg, where he settled, they were not allowed to walk on the sidewalks, much less vote. More discrimination lay in store: in the new all-white Parliament, proposals were soon afoot to close skilled mining jobs and prohibit land sales to blacks.

While quickly achieving repute in the legal profession (his first case, in which he secured a rare acquittal of a black accused of a crime against a white, was widely noted), Seme threw himself into politics with characteristic energy. During 1911 he organized a series of meetings aimed at fusing the existing African political groupings, divided by provincialism and personalities, into one body, for which he drafted a constitution.

Seme's greatest triumph came on January 8, 1912, when dozens of leading Africans from all around the country assembled in Bloemfontein. Before a hall filled with black men formally dressed in suits, frock coats and top hats, umbrellas at their sides, he delivered the keynote address. Seme roared, "In the land of their birth, Africans are treated as hewers of wood and drawers of water. The white people of this country have formed what is known as the Union of South Africa—a union in which we have no voice in the making of laws and no part in their administration. We have therefore called this conference so that we can together devise ways and means of forming our national union for the purpose of creating national unity and defending our rights and privileges."

At the end of his speech he moved the creation of a South African Native National Congress. Cheers filled the hall, and the motion passed unanimously. The 32-year-old Seme became the first treasurer of the organization. (Another American-educated figure, Oberlin alumnus John Dube, was elected president.)

The establishment of the Congress, which changed its name to African National Congress in 1923, was a remarkable achievement. It was the first national organization to give a voice to indigenous leaders in African country and served as a model for others elsewhere. However, unlike later movements, it was neither militant nor mass-based. It was an alliance of African *petits bourgeois* and aristocrats who favored a "qualified franchise" permitting only the propertied minority of blacks to vote.

While Seme's great achievement was the creation of the A.N.C., his term as its president (1930-37) nearly destroyed it. He was elected by conservatives alarmed by the Congress's swing to the left in the late 20's, when the growth of black trade unions and the Garveyite movement stirred the black masses. A.N.C. president James Gumede (1927-30) and his followers favored militant tactics, one man-one vote and an alliance with the Communist Party (then the only political party to admit blacks or favor majority rule). Making waves in this fashion was anathema to the old-timers behind Seme's candidacy. Seme's opponents charged that they preferred drinking tea in the parlors of white liberals to demonstrating in the streets.

Seme's victory turned the A.N.C. away from the African workers and peasants, the vast bulk of the black population, and launched it into a self-destructive spiral of petty politicking. He revealed a disturbing will to dominate, sacking four colleagues on the national executive committee and stacking an A.N.C. convention to ensure his reelection. "I must command all under me," he wrote to a colleague. While autocratic within his organization, towards the authorities he displayed a fawning attitude which infuriated government opponents, black and white. Of the chief administrator of discriminatory legislation, the Minister of Native Affairs, he declared, "We all love him and respect his person and his position." The collapse of A.N.C. structures during his presidency, both at grassroots and national levels, led other leaders to insist on his replacement at the 1937 Silver Jubilee convention of the organization he had founded.

However, in the 1940's, when a revitalized A.N.C. became more assertive, Seme adapted to the times. He contributed to a 1942 manifesto in which the congress came out for majority rule for the first time. Though a pillar of the black community as a well-established lawyer, he also became friendly with the rising stars of the A.N.C. Youth League. He hired one, Anton Lembede, and bought out the financially troubled business of another, Walter Sisulu (today Mandela's cellmate). The Youth Leaguers often held meetings in Seme's law office, where one could have glimpsed the likes of Oliver Tambo (now A.N.C. president-in-exile) and Nelson Mandela himself.

When Seme died in 1951, it marked the end of the germinal phase of African politics in South Africa, and the opening of a period of popular mobilization. His funeral, conducted by the Anglican Bishop of Johannesburg, Ambrose Reeves, drew a crowd of 2,000, including the entire A.N.C. national executive committee. After the service, the committee met to plan a campaign of civil disobedience which in 1952 was to transform the congress from an elite coterie into a mass movement. Tom Karis, the CUNY political scientist who edited a four-volume documentary history of South African black politics, has written, "the old, exclusive Congress had been buried with Seme."

Nevertheless, with hindsight, Pixley Seme may well prove to have been one of Columbia's most influential sons. Though the A.N.C. has changed in ways which probably would have startled him, in important ways it remains the organization he founded. Despite its ups and downs and changes of line over eight decades, since Seme's day it has established a record of organizational continuity, commitment to inter-tribal unity and faith in multiracial democracy unrivaled elsewhere in Africa. Although it was banned by the South African authorities in 1960, it has rebuilt its guerrilla army and internal support, and today is regarded by many leading experts as the heir apparent to the internationally condemned apartheid regime. Even those who are not particularly favorable to the movement—such as the South African business community, the British Foreign Office and the U.S. State Department—all regard the A.N.C. as a central factor in the South African political equation. Mary Benson's appraisal of Seme's legacy thus appears on the mark: "If Seme failed personally in the 1930's, his earlier achievement is what matters more. The foundation of the A.N.C. was a positive act of unification rare in South African history."

. . . FOR GOD AND THE ZULU PEOPLE

In a letter supporting Pixley Seme's application to the Mount Hermon School, the Reverend C.S. Pixley, a missionary who knew the young man in Natal, predicted that "Seme Isaac . . . will be a man who may do much for God and the Zulu people. Try him for one year—have faith that his bills will be paid."

The problem of paying tuition was solved by a combination of scholarships and earnings from Seme's summer jobs as a gardener and hotel porter. The issue of his later achievements is a matter of record. Little has been written about Seme's years in the U.S., but letters, applications for admissions and news clippings contained in archives at the Northfield Mount Hermon School give us an idea of what the formative years of the future leader of black South Africa's liberation movement were like. The archive materials have never been published.

We learn, for example, that the young man who would become a prize-winning Columbia orator came to the U.S. in 1898 with a rudimentary knowledge of English. He spent several months perfecting his language skills in New York before enrolling at Mount Hermon, In Massachusetts.

Among his patrons at the school (including Mr. Pixley, whose surname Seme adopted as a first name), was a New Jersey woman who offered to buy him new clothing if the school would provide measurements. The school obliged: in the archive is a page with Seme's shirt, jacket, vest and trouser sizes.

"Mount Hermon will always have a dear spot in my heart," Seme wrote to school principal Henry F. Cutler not long after he was graduated. "I pray that her blessed influence may still be possible for poor boys like us." He enclosed $1.00 for a subscription to Record of Christian Work, to be given to a scholarship student.

After prep school, Seme hoped to attend Yale, and Yale's registrar wrote to Mr. Cutler, "It goes without saying that especial consideration will be given to the fact that he would be a pioneer at Yale, of his race, and I am sure we shall be glad to extend the influence of Yale in South Africa."

Seme failed Yale's admissions test, however, and though he was encouraged to try again, he set his sights on Columbia. He later wrote to Mr. Cutler that Columbia "is a very fine college. I could not have made a better choice. The students as well as the professors make it very pleasant for me."

Toward the end of his freshman year, Seme was profiled in The Boston Journal. Headlined "Royal Zulu Willing to Become a Valet," the article highlighted Seme's search for summer work as a "useful man to a gentleman." Then planning to become a physician, he told the Journal, "There are no native doctors who understand native medicine. And as the Zulus are distrustful of foreigners, it is only one of their own race who can teach them the value of modern medicine and surgery."

The 1906 Curtis oratory contest, whose judges included Dean John Howard Van Amringe and Professor Brander Matthews, propelled gold medalist Seme to local fame, with writeups in many New York newspapers. One clipping in the Mount Hermon file recounts how the news of the prize resulted in an invitation to Seme from the New York Board of Education to deliver a series of lectures entitled "Life in Zululand." The talks were to be accompanied by stereopticon views of actual scenes from life among the Zulus.

—MYRA ALPERSON.

OUR MOST SUCCESSFUL SDI EXPERIMENT

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. COURTER. Mr. Speaker, plans for the defense of our country against strategic nuclear weapons know no greater obstacle than the ill-founded view that SDI technology would be impossibly complicated. Some scientists and politicians hold to that view, and some citizens are ready to believe them. But there is nothing bizarre or implausible at all about shooting down an incoming ICBM. It can be done and, as the following article by Ralph Bennett shows, it all but has been done.

Science made the intercontinental missile a danger, and science can also make it obsolete. If even 30 or 40 percent of an enemy salvo were destroyable, most foes would not be foolish enough to risk U.S. retaliation by launching at all.

Those of my colleagues who have not yet read a detailed account of the Strategic Defense Initiative Organization's test last September in which an Aries rocket intercepted a Delta rocket over the Kwajalein Atoll will be interested in Mr. Bennett's article.

[From Reader's Digest, July 1987]

TRIUMPH AT PAD 17

(By Ralph Kinney Bennett)

Everyone hopes it will never happen, but hope may not be enough. A Soviet SS-18 intercontinental ballistic missile (ICBM) blasts out of its launch silo, headed for the United States. Could it be stopped in its "boost phase," the first ten minutes before it releases its cargo of nuclear warheads? Does this country have the technological potential to build a defense against Soviet ICBMs?

Wherever he went, Lt. Gen. James A. Abrahamson, director of the Strategic Defense Initiative Organization (SDIO), heard a routine "Star Wars" litany. Disarmament activists ridiculed SDI; some scientists insisted it wouldn't work; some members of Congress seemed determined to condemn it to a limbo of endless "studies."

Abrahamson knew that the American aerospace community was not intimidated by the challenge of detecting, tracking and destroying ICBMs. But their research was gripped by bureaucratic caution and routine, typified by some plodding Air Force studies for a space intercept of an ICBM In the 1990s.

"Why should it take so long?" he asked his deputy, Brig. Gen. Malcolm O'Neill, one January day in 1985. "Well, sir," O'Neill answered, "they want to solve all the technical issues with a high degree of certainty."

"There comes a time," Abrahamson said, "you have to start doing something. Then you learn things you'll never learn in a laboratory."

Abrahamson felt it was time for a challenge—a real space intercept. Both men were familiar enough with the physics of the thing to know it wouldn't be easy. Indeed, it would be like driving a golf ball off a tee in New York and hitting it with a rifle shot fired from an airplane flying somewhere over Maryland. "See what you can do," Abrahamson told O'Neill. "And see if it can be done in one year."

One year. To do what had never been done.

ROUGH AND TUMBLE

General O'Neill began exploring the problems with Mike Griffin and John Daassoulas, two aerospace engineers at the Applied Physics Laboratory (APL) of Johns Hopkins University. The interceptor's task would be especially difficult since ICBMs climb at varying rates of acceleration mainly because of weight changes as fuel is burned off. There was also the plume problem. While in earth's atmosphere, the mass of fiery gases blossoms out behind the ICBM. But when it reaches the relative vacuum of space, the plume spreads out until it envelops the missile. Could an interceptor's sensors find the "hard body" of the rocket within the gassy camouflage?

Not easy problems to solve in three years, let alone one. But possible. And engineers love possibilities. Dassoulas and Griffin gathered some of the best APL minds in rocket power, telemetry, radar and guidance, and went to work.

The one-year deadline was typical of General Abrahamson's theory of "rough and tumble research" that breaks the confines of bureaucratic procedure and ignites innovation. "It made us change our usual way of thinking," recalls Dassoulas. APL couldn't wait for anticipated technological breakthroughs. "We had to use what we could get off the shelf and adapt it to our purposes," Griffin says.

Dassoulas, whose experience with missiles dates back to the mid-1950s, went "rocket shopping." He chose the McDonnell Douglas Delta, which had been carrying payloads into space since 1960 with an enviable record of success—in 177 launches it had failed only 11 times.

The ideal target would have been a real ICBM. But the 1972 U.S.-Soviet Antiballistic Missile Treaty prohibits testing an air- or space-based weapon against a real ICBM. Aware that the Delta rocket's second (middle) stage has its own engine and would go into orbit with the third (upper) stage, Griffin had a brilliant thought? "Why don't we shoot down our own second stage?" he suggested. While the Delta is not an ICBM, its second stage could pose as one.

Griffin's elegant idea underwent fierce scrutiny on February 20, 1985, at a Washington meeting of top engineers, analysts and managers from the Air Force, the Army and major aerospace firms. Some were reservedly optimistic about an "eventual" space intercept, perhaps within three to five years and at a cost of a half-billion or more. Many were openly pessimistic. One warned that an attempt to accomplish an intercept in a short time would fail and "embarrass" SDI, the President and the country.

Then Mike Griffin went to a blackboard and sketched out APL's scheme: a Delta launch; the second and third stages separate and perform a series of maneuvers to gather data on ICBM characteristics; then a climatic intercept in which the third stage seeks out its second-stage prey.

There was momentary silence; a few technical questions; but no one could find a flaw in the basic concept. Some admired its genius, but knew it entailed massive technological challenges. Few believed it could be done in a year and within APL's $150-million estimate.

NO BUCK-PASSING

Abrahamson and O'Neill ordered APL to move ahead. Overseeing the project: Michael Rendine, an Air Force lieutenant colonel from New Jersey with a strong background in engineering management. "Your charter is to make this thing work," O'Neill had said. "If I'm not around, call Abe. If he's not around, make a decision. If this goes down in smoke, you will be in the cockpit."

Rendine was being told to lead, not just manage.

As the mission developed, it became apparent that both the second and third stages could act at various times as an ICBM. The APL team assembled an array of cameras, radars and electronic sensors to help achieve the difficult intercept, as well as paint a detailed picture of how an ICBM would appear from space. They included an ingenious laser radar to achieve exact distance measurements, built by McDonnell Douglas in record time. To detect and chart the hot missile exhaust plume and isolate a missile body within it, they selected one of the most reliable infrared sensors in the world—the front end of a Hughes Maverick antitank missile. They also turned to Hughes for their interceptor—the tiny electronic brain and radar "eye" from a Phoenix air-to-air missile to guide the third stage to its target. Hughes engineers performed the exacting task of adapting these devices to operate in space in less than a year.

Innovation abounded. Hughes people, for instance, calibrated the Maverick sensor for the intense cold of space by aiming it into a $5 Styrofoam picnic cooler filled with liquid nitrogen. McDonnell Douglas formed a "bullpen" at its Huntington Beach, Calif., plant where engineers and craftsmen worked side by side fabricating the two unique upper stages of the rocket, now dubbed Delta 180.

Paper work was cut to a minimum; the more than 20 forms usual for a major defense contract shrank to six. Meetings on problems involved only those who could make decisions. No buck-passing; no "I'll look into it."

Rendine constantly reminded engineers and technicians of the deadline. Moving his clenched fists up and down like pistons, he would imitate the relentless "dun-dun, dun-dun" music from the film "Jaws." Then he'd smile, offer help, deliver a pat on the back or ask what red tape he could cut.

A SETBACK

By the spring of 1986 activity shifted to Cape Canaveral and the twin launch sites at Pad 17, from which McDonnell Douglas had launched most of its Delta rockets. In April the first stage of Delta 180 began the checkout process prior to being erected on Pad 17B.

On Pad 17A, another Delta, 178, was being readied for a weather satellite. Everyone was anxious about this launch. The Challenger disaster of January 28 had been followed by the failure of an Air Force Titan rocket on April 18.

On May 3, Delta 178 was launched. It failed on takeoff. (The 178 failure was later attributed to a power surge caused by an electrical short.) Depression fell over Pad 17. NASA impounded all Delta hardware, including the 180. Colonel Rendine assembled the launch team. "We picked the best rocket and the best people for this mission," he told them. "Nothing has changed our minds."

General Abrahamson posted a large sign in the launch facilities: "When the going gets tough, the tough go to Pad B."

A NASA failure board met at the Cape to determine what had happened to Delta 178. Colonel Rendine soon proved to be a combined diplomat, lawyer, cheerleader and "obnoxious s.o.b.," goading the board to move through the investigation and "release my hardware."

On May 16, the huge first stage of Delta 180 was erected on 17B. McDonnell Douglas technicians had worked around the clock to make 80 modifications to the rocket to avoid a failure like 178's.

By late July the two upper stages had been joined to the first. At the top of the launch tower, a dust-free, air-conditioned "clean room" enclosed the upper stages. There, technicians made final fixes. Towering above them in the fluorescent light, festooned with a variety of sensors and topped by the Phoenix radar seeker, Delta 180 looked like a pile of sporting goods with a barber pole perched on top.

Soon a smooth aluminum fairing covered the odd shapes, and they stood ready for space—a testament to the calculations and craftsmanship of people across the United States who, despite grueling schedules, had delivered the goods on time.

On the Phoenix was a Chiquita Banana sticker, a talismanic tradition ever since a technician stuck one on the first Phoenix before its successful flight in 1966. Affixed to a bracket on the third stage, at Mike Rendine's request, was a St. Christopher medal.

In the end, the Delta 178 failure cost the 180 program only three weeks' delay. Launch was finally set for September 5, 1986.

THE MISSION

At exactly 11:08 a.m., Delta 180 left Pad 17B in a flawless liftoff. At NASA Mission Directors Center (MDC), Rendine, Griffin and Dassoulas sat side by side at consoles. Behind them, in back of a glass partition, sat Generals Abrahamson and O'Neill.

Forty-five minutes later, the second and third stages were in 17,500-m.p.h. orbit, still attached, 138 miles above the Indian Ocean. They then separated; the second stage fired its engine briefly, while the array of sensors on board explored the mysteries of missile exhaust plumes.

Then, engines-off, the two stages, like racing roller coasters, traveled separate orbital paths in the same direction. Now the third stage had a brief opportunity to play the role of a Soviet ICBM—in this case, a "cold body" coasting in space just prior to release of its warheads.

The sensor equipment on the second stage watched it, pouring data back to earth in an unprecedented torrent of radio signals. These were recorded by 38 radar installations, six airborne observation posts and 31 satellite links. Not even the moon or shuttle missions had involved such a feat of communication.

Some experts had said that infrared sensors would not be able to "see" a rocket coming up from the earth in daylight. The theory was tested one hour and 32 minutes into the flight, as the two stages were flying in formation over New Mexico. At that point an Aries rocket was launched from the White Sands missile range.

The Maverick's "eye" spotted the Aries the second it left the earth and tracked it until the missile's fuel burned out.

Now the two Delta stages were over the Pacific, approaching the remote Kwajalein Island Missile Range, and it was time for the intercept. In the MDC, Mike Rendine pulled on a black jacket and a blue baseball cap with "Top Gun" printed on it.

When their orbital paths had taken them exactly 138 miles apart—a plausible distance between a Soviet ICBM in its boost phase and an orbiting defensive missile—the "End Game" began. Tiny jets on each stage coaxed them until they were almost facing each other. Their main engines fired. The second stage held a steady course, but the third came looking for it in the black fastness of space. It was the most difficult kind of intercept. The television camera on the second stage saw doom approaching, at first as a small white dot against the blackness. The dot quickly grew to a ball of white fire as the Phoenix seeker, like some cosmic bulldog, fastened on its target.

As the telemetry numbers streamed in, everyone in the control room waited tensely for the abrupt cutoff of information that would mean a hit. Over Kwajalein 8000 miles away, a brilliant flash lit up the sky. Mike Rendine heard the words: "We have loss of data." The room exploded. Men who had seen missile engineering move from the slide rule to the fourth-generation computer tried, but failed, to hold back tears. General Abrahamson jumped up, clapping his hands, and ran into the control room to congratulate "the players."

It would take months to evaluate all the data produced during the mission—it turned out the Phoenix had hit within 30 inches of dead center. But it was immediately apparent that exceptional successes had been achieved in all four critcial functions of missile defense: detection, tracking, interception and electronic management of the "battle." "And we did this with existing technology," noted General O'Neill, "without the tremendous advances in guidance and high-speed computing that are now beginning to come on line."

By no means did Delta 180 surmount all the challenges involved in building a missile defense. Formidable problems remain, such as making interceptors small enough, synchronizing their complex orbits and controlling the vast system. But the mission answered many questions which will speed the development of an effective system, whether it employes missiles or laser and high-energy beams.

Louis Raburn, senior director of Delta programs for McDonnel Douglas, summed up the most important lesson: leadership and inspiration can unleash America's technological potential. "We in the industry hear SDI critics constantly say it can't be done," he said. "All we ask is, let us try."

A TESTIMONIAL TO NAYTHINUEL EVERETT

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DELLUMS. Mr. Speaker, I call your attention to a celebration of the distinguished public service career of Mr. Naythinuel Everett, one of the truly dedicated and committed community leaders who resides in the city of Oakland, CA. He will be honored in a gala evening tribute on July 17, 1987. I would like to sketch briefly some of the outstanding accomplishments that Mr. Everett has made, in order to share them with my colleagues.

Mr. Naythinuel Everett was born on July 18, 1920, in Butler, AL. His formal education ended at the sixth grade. His additional education included some junior college courses but mostly he learned through experience and participation.

Mr. Nate Everett is a political establishment not only in the east bay; his contributions are known throughout the United States. Mr. Everett and the Reverend Martin Luther King, Jr. organized the first civil rights March in Birmingham, AL. Throughout his life Nate Everett has concentrated his activism and organizing in poorer communities. Mr. Everett has been a political fixture in the bay area for many of his 67 years. Many of our bay area elected officials owe their current political status to the organizing skills of Mr. Everett. Mr. Everett has participated in, or served in some elected capacity to, a number of organizations: the Muleskinner Democratic Club, the Alameda County Democratic Central Committee, the Emergency Health Board, the East Oakland Health Alliance, the Oakland Tenants Union, the National Tenants Union, Welfare Rights Organization, the Oakland Black Caucus, the Black Unity Council, the NAACP local chapter, and the Citizens for Political Representation, to name only a few.

For the last several years, he has spearheaded Democratic precinct activities in east Oakland. Nate Everett has served on my executive—advisory—committee since its formation, and has always participated in the ongoing discussions which have at times led to difficult decisions which I have taken under consideration when deciding on which issues and candidates to support or not. I have often sought his counsel on important issues.

It pleases me to join in this impressive celebration of Mr. Nate Everett's magnificent career as a community leader; to congratulate him on his extraordinary accomplishments; and to wish him the very best of success for the future. I hope that he will continue his advocacy of activism.

LESSONS FROM COLONEL NORTH

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. AuCOIN. Mr. Speaker, reactions from public and press to the testimony of Lt. Col. Oliver North have included everything from accolades to accusations. Eventually, however, we will have to get beyond the question of whether Oliver North deserves a medal or a sentence and reach the policy implications of this extraordinary affair.

Among the most judicious observations I have seen about North and his conduct in this affair were those published by the Oregonian of Portland, OR, in an editorial July 10. I commend it to my colleagues and to the administration in the hope that a little wisdom can go a long way.

AS THE SPIT TURNS * * *

Final judgments await further testimony, but as Lt. Col. Oliver North is turned slowly on the spit of congressional investigation, his presentation produces initial reactions. Among them:

North has admitted to lying so often, about so many things, to so many people that it is a wonder that the Iran-Contra fiasco did not self-destruct earlier. Building national policy on layer after layer of lies is as self-deceptive and dangerous as building the supports of one's house out of water-soluble cement.

For all North's air of earnestness and sincerity, his testimony underscores again that truth is an early and frequent victim of the zealot.

Zealots are misplaced in the sensitive policy making arenas of our government because they willingly evade checks and balances to advance their visions of Revealed Truth. The single-minded Oliver North would be well-placed in the next foxhole, but not at the next desk at the National Security Council.

The amount of self-confessed lying at North's level is shocking. Yet, it is not surprising. Deceit also has been a standard item on the menu at higher levels. See the Richard Cohen column on the previous page for examples.

North's testimony is revealing tawdry symptoms of the the so-called Nuremberg defense; that is, the notion that any behavior can be condoned if the subordinate was following orders. That defense must be spurned and rejected as immoral and hostile to the standards under which Americans govern themselves—and that is what these hearings are all about.

SEEING THROUGH THE LIBERAL LEFT'S POLICY OF RETREAT AND SURRENDER

HON. DONALD E. "BUZ" LUKENS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DONALD E. LUKENS. Mr. Speaker, once again the liberal left is sounding the call for the retreat and surrender of American interests in a vital region of the world, the Persian Gulf. I oppose this call for retreat and voted against the amendments to prohibit the reflagging of Kuwaiti tankers and to delay the reflagging for 90 days.

The liberal left's siren song of retreat and surrender has become the disease of American foreign policy on Capitol Hill. Establishing a set of preconditions—which the liberal left knows can never be met—before the United States is allowed to act to protect its interests, the liberal left disguises is policy of retreat and surrender as multilateralism.

Charles Krauthammer wrote an excellent article for the June 22, 1987, issue of Time magazine. His article strips away the camouflage of rhetoric used by the liberal left and lays bare its real intentions, the retreat and surrender of American interests throughout the world. I call this article to the attention of my colleagues and insert it in the RECORD.

IF NECESSARY, A SUPERPOWER ACTS ALONE

Since Viet Nam, Congress has muscled its way into the formulation of American foreign policy, first with the War Powers Resolution and then with a baroque assortment of Boland amendments. Now Congress is determined to pronounce on the Persian Gulf. But Congress does not know what to say. In the past two weeks it has been toing and froing, its actions best summarized by Congressman George Gekas, who said on the floor of the House, "We are confused. If you are not confused, I am, and I am willing to admit it. That may be the difference between me and most of you."

Congress will not, however, allow confusion to deter, Instead, it is trying to legislate its confusion with a series of stalling actions. First the Senate, then the House voted to block Administration plans to put Kuwaiti tankers under U.S. Navy protection unless they got a report from the President on the risks and dangers. A report is due soon, which means Congress might actually have to make a decision on a plan that the Administration first presented to the Senate Armed Services Committee and the House Foreign Affairs Committee in March. At which time, pre-Stark, congressional leaders showed little interest in the issue. Post-Stark, they discovered that the Persian Gulf is a dangerous place and went into a frenzy of directionless activity. Except for Claiborne Pell, chairman of the Senate Foreign Relations Committee. He knows where he is headed. He introduced a bill (S1327) that prohibits the Administration from reflagging Kuwaiti vessels but urges a "United Nations peacekeeping force to protect nonbelligerent shipping in the Persian Gulf and to seek an early and to the Iran-Iraq war." (It would, of course, be a late end, the Secretary-General having tried for years for an early one.)

The reactions to the President's reflagging plan are many, and they generally fall along party lines. For example, among presidental candidates, Democrats (with the notable exception of Senator Albert Gore) are trying to restrain him. Republicans (with the notable exception of Robert Dole and Alexander Haig) are supporting him.

Democrats begin every call for retreat with the ringing assertion that the Persian Gulf is indeed a vital American interest and the United States will not be run out of the region. But they then set conditions for U.S. action in the gulf that are impossible to meet. The favored technique for doing this is to demand that the United States not act alone. Where are the allies? they complain. After all, it is their oil and not ours that is flowing through the gulf. They should join us in any military action. If they don't act, why should we?

This objection fails on four counts. First of all, it is "their oil" in only a technical sense. It is true that the Europeans and Japanese import more gulf oil than the U.S. does. But oil is fungible, and the U.S. imports almost half its oil. Were the gulf shut down, our allies would have to get it elsewhere, thus bidding up the price. If this resulted in a panic, as happened in the oil shock of 1979, all oil importers, including the U.S. would be badly damaged.

Second, this scenario—"their oil" in the gulf, "ours" safely elsewhere—is not just false, it is beside the point. The reason for reflagging Kuwaiti tankers has little to do with securing Western oil supplies. There is no new threat to world oil supplies. Iran has long threatened to close the Strait of Hormuz and long desisted, for the simple reason that nearly all its own oil flows through the strait. And the tanker war in the Persian Gulf has been raging for almost four years, during which time the world has seen the greatest oil glut and sharpest price collapse in history. The Administration wants to protect Kuwaiti oil not because the West needs to buy Kuwaiti oil, but because Kuwait needs to sell it.

Third, the British and the French, who have powerful navies, are in fact on patrol around the gulf. As for the West Germans and the Japanese, they have no global navies to send. (We arranged for that after World War II.) Shall America wait then for the Canadians and Italians before venturing back into the gulf? As Secretary Shultz points out, the British have two frigates and a destroyer in the area, which is more, proportionately, than the U.S. has. The French also have warships in the region protecting their own vessels. Shouldn't they be acting with the United States to protect American-flagged ships? The answer is that they did join the U.S. in a similar action in Lebanon four years ago and woke up one morning to find that the U.S. had "redeployed" its Marine force to the Mediterranean and left the French high and dry. They have learned that American ambivalence about the use of force abroad is such that it is unwise, indeed reckless, for any ally to risk a joint venture with the U.S.

Fourth, even if all of the foregoing were not true, the idea that a superpower does not act except in conjunction with allies has become the disease of American foreign policy. Central America is without a doubt a vital American interest, but we hear, America must not act unless Contadora or the OAS or Costa Rica—a country with no army—leads the way. Since it is impossible to imagine that weak countries will go where a superpower fears to tread, this requirement of allied support is a guarantee of American inaction. This is isolationism disguised as multilateralism. It betrays a fundamental misunderstanding of what superpower status means. It means acting to protect allies even when they are too weak or too cowed to do so on their own. In most foreign policy crises, such is the case. The only country in a position to act is the U.S. To fob off the responsibility on allies, who we know in advance are in no position to act, is to declare, in the most pious multilateral tones, an American retreat.

The highest form of multilateral nonsense, however, is to pretend to fob off the responsibility on the U.N., as Senator Pell proposes. And Pell is not alone. Presidential

Candidate Michael Dukakis spoke for much of the Democratic Party when he expressed opposition to American use of "armed forces in the gulf unless it does so in concert with other nations, preferably under the aegis of the U.N. Security Council."

When Cordell Hull, F.D.R.'s Secretary of State, talked of the U.N. as a panacea for world problems, of bringing an end to the era of power politics, he could be forgiven because the U.N. did not yet exist.

Forty years later, one cannot be forgiven. What exactly do Pell, Dukakis and the Democrats have in mind? Perhaps they think of the U.N. as some independent world actor. Jeane Kirkpatrick, who spent some time there, had a crisper view. She called it a "Turkish bath" where the Third World can let off steam, denounce the West, air resentments and demand transfers of wealth. Its principal achievement is to generate a billion pages of paper every year. This U.N. is not even able to field peacekeeping forces in precisely the areas, like the Sinai, where they are most needed. When Egypt and Israel signed a peace treaty that effectively ended the possibility of a major war in the Middle East, the U.N. called its peacekeepers home, since this was not a peace that it approved. The U.S. had to field a makeshift substitute force. This U.N. is hardly capable of any action. It is certainly not going to do the West's dirty work in the Persian Gulf.

What about the Security Council? If Pell really wants the Security Council tp protect the gulf, what he means is for the U.S., Britain, France, China and the Soviet Union to act together. But this is absurd. China, for example, is supplying Iran with the very missiles it would use to target any peacekeeping flotilla. And even if united action were possible, it would not be desirable. What the "U.N. route" really means, after all the disguises are removed, is that the U.S. should act in the gulf only with the permission not just of allies but also of the Soviet Union. This amounts to ending Western control of the gulf, which the British maintained for a century and which the United States has been keeping for the past 15 years, and turning it over to a joint partnership with the Soviet Union. Because of what? Because in an accidental attack one Iraqi plane hit one American ship that was asleep in a war zone.

To invite the Soviets to share the responsibility, and thus the rewards, of controlling the Persian Gulf would amount to the almost astonishing voluntary abdication of a Western position in the postwar world. At least when the British ran out on their responsibilities in the gulf in 1971, they turned it over to an ally. But now Pell and others would like to offer the Soviets, who have been lusting for the gulf since Romanov days, a share of it. Gratis.

But the Democrats are not alone. Among the others warming to this idea is Howard Baker. "It's a unique arrangement that the Kuwaitis chose to invite both the United States and the Soviet Union to share the responsibility for assuring the passage of oil tankers to the Persian Gulf," he offered. "That's a real first . . . . I think it is clearly not a bad thing." If this was an off-the-cuff remark, it shows an amazing lack of seriousness by the vaunted new Administration team. And if what Baker enunciated was a decided change in American policy, it constitutes a far-reaching and gratuitous American capitulation.

Have the Democrats or the Administration thought through the implications of a "U.N. action" or of cooperation with the Soviets? One suspects they have. Congress is obsessed that the Persian Gulf may be a new Gulf of Tonkin. The Administration is obsessed that it may be a new Lebanon. Everybody is looking for a way out.

But if the United States is not going to defend its allies and interests in the Persian Gulf, then where? The gulf is the one area declared by the last Democratic President to be such a vital American interest that he pledged—this is the Carter Doctrine—American military action, if necessary, to secure the gulf.

Those advocating retreat, in its various camouflages, ought not to be debating whether our defense budget should be $303 billion or $289 billion. Thirty billion ought to be quite enough to maintain all that their foreign policy would require: a few nuclear missiles and a Coast Guard to patrol the Florida Keys.—Charles Krauthammer.

SPACE CHASE POSES THREAT TO NEW YORK CITY ARTISTS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. WEISS. Mr. Speaker, as the representative of a district in which perhaps the greatest concentration of our Nation's artists work and reside, much of my work in Congress has been focused on assisting and promoting the arts community.

Today, soaring real estate costs in New York City have drastically reduced the availability of space for artists and arts organizations, threatening our ability to remain the cultural capital of the country. I have been very active in efforts to secure affordable space for our city's cultural institutions.

I would like to share with my colleagues an article which appeared in a recent edition of Dance/USA's Update. Dance/USA is the national service organization for nonprofit professional dance.

This article chronicles the efforts of the Feld Ballet and the American Ballet Theatre, with the support of the Alvin Ailey American Dance Theater, to purchase the building located at 890 Broadway for rehearsal, performance, and office space. It is a good example of the tremendous obstacles facing arts organizations trying to stay in the city, as well as the important relationship between all levels of arts funding—private, corporate, and governmental.

The text of the article follows:

BROADWAY DRAMA: THE SCRAMBLE FOR 890

HOW TWO COMPANIES SAVED A BUILDING FOR DANCE

(By Garth Tate)

It was mid-September, 1986, and Cora Cahan, executive director of the Feld Ballet, was sitting in her office at 890 Broadway preparing for the Company's upcoming home season. Her office, a cleanly designed, high-ceilinged room in a well-lit corner of the building's eighth floor, has large square windows that offer abundant southern light and a panoramic view of lower Manhattan. The Feld company had moved into this building ten years earlier in 1976, and with very little money, and a lot of sweat and elbow grease contributed by Company staff and volunteers, several floors of the former department store had been transformed into some of the finest dance studios and offices in the city.

The building at 890 Broadway is legendary for its remarkable transformation into an edifice infused with the dancer's muse. In its heyday, the building was one of several large stores along a shopping corridor that stretched along Broadway from Union Square to Herald Square. After its conversion in the middle of the 20th century to light industrial use, and as the neighborhood around it deteriorated, little of its former elegance was retained. It did, however, offer wide expanses of floor space unobstructed by columns.

Michael Bennett, a well-known dancer and Broadway producer, purchased 890 Broadway in 1978 for $750,000. Bennett was motivated by the idea of creating a multi-purpose dance center for New York's thriving dance community. His plan was to remodel the building into a facility that would include rehearsal studios for public rental, a commissary, and a small 250 seat theater.

After purchasing 890, Bennett subsequently poured millions of dollars into renovations, and on several levels, his efforts proved to be quite successful. So successful, in fact, that in 1981 American Ballet Theatre, one of the largest classical ballet companies in the country agreed to move in. ABT was attracted by the reasonable rent and excellent potential of the facilities. By mid-1986, the Alvin Ailey American Dance Theater has also been attracted to the building, and considered joining ABT and Feld as the third major tenant. The idea of having three very different dance companies, Feld Ballet, American Ballet Theatre and Alvin Ailey American Dance Theater in the same building was at once exciting and irresistible.

But as Cahan reflected on the Feld Ballet's upcoming season that mid-September afternoon, an unexpected phone call arrived that would change forever the operations and outlooks of the three companies.

THE PHONE CALL

When Cahan lifted the receiver and placed it to her ear, the familiar voice of Bernard Gersten, Cahan's husband and executive producer of Lincoln Center Theater was on the line. He told her that someone had telephoned him with some news, and he wanted to verify it. According to his source, 890 Broadway had been put on the market, and the owner was looking to sell immediately, or at the very latest by year-end in order to take advantage of 'last chance' tax benefits. Cahan, suddenly in shock, had heard no such thing.

The selling price was rumored to be around $15 million. Furthermore, there was speculation over the reasons Bennett had decided to try and sell.

Cahan immediately made phone calls to determine just what was going on. One week later Gersten was the source of more news. He'd learned from Bennett's broker that a buyer for 890 was about to be announced. A contract would be signed within a week to ten days, and new plans for 890 would be implemented.

Although ABT and Feld had occupied the same building for at least five years, the executive directors of both companies, Charles Dillingham at ABT and Cahan at Feld, had rarely come into contact with each other. According to Cahan, it was only after they became acquainted with each other as members of Dance/USA's Board of Trustees that communication between them flowed more regularly. Dillingham was elected chairman of Dance/USA's Board of Trustees and Cahan vice chair in June 1986.

Cahan was scheduled to meet Dillingham for lunch on September 26 to discuss the upcoming Dance/USA 1988 National Roundtable. Before they could get to Dance/USA business however, Cahan shared with Dillingham the news that the sale of the building was imminent. Now Dillingham was taken by surprise. The spectre of having to search for new facilities loomed before them.

Almost every dance-related person in New York is aware of the space crisis in that city. Every week more casualties are counted as dance companies are forced to relinquish their homes, as studios close, as venues for performance opportunities simply disappear. But who would think that a building so finely adapted to dance and inhabited by two major companies and some related dance businesses would also face such a crisis?

Dillingham was optimistic—surely a way could be found to stay in 890 Broadway. By the time lunch had ended, they'd decided to buy the building.

MONEY IS EVERYTHING

Cahan and Dillingham arranged an emergency meeting that occurred two days later with Robin Wagner, noted theatrical designer, to discuss the finances of the building. The objective was to determine how much money was needed to save the building as a home for dance and assorted dance related organizations and businesses.

They learned that the estimated costs of maintaining the eight story, late 19th century building were approximately $1.8 million a year. When added to the projected costs of buying the building and paying legal fees, Cahan and Dillingham were looking at a project that would ultimately cost nearly $20 million. That amount was higher than ABT's total yearly budget, and eight times the annual budget of the Feld Company.

The next step was to rally the forces. Mikhail Baryshnikov, artistic director of American Ballet Theatre and Alvin Ailey, founder and artistic director of the Alvin Ailey American Dance Theater, dashed off letters to Bennett pleading for time. Cahan and Dillingham, along with selected members of their respective boards of trustees, went to the New York City Council and the Mayor's office to lobby for assistance.

Meanwhile the first monies arrived in the form of a $50,000 emergency grant from the National Endowment for the Arts Dance Program. A check from the New York State Council on the Arts for an additional $50,000 followed, and although the combined total of the checks was only a drop in the bucket, both Cahan and Dillingham admit that symbolically those first checks from public sector funders were very important.

Raising funds from private sector foundations, however, proved to be much more difficult. Cahan states that no one familiar with the real estate situation in New York was shocked at the prospect of two, maybe three major dance companies being set out on the street. But because of their missions and mandates, some foundations were in a position to help, some were not, and others could only offer concern for the companies' well being.

Many foundations are restricted from contributing money to "brick and mortar" projects. When approached by Cahan and Dillingham, however, these organizations expressed a keen interest in helping to offset the cost of building operations after the purchase. Most hoped to be able to help the companies in other ways.

The boardmembers of ABT and Feld did what they could, but were under pressure to uphold their general operating obligations to the companies. Even boardmembers have finite resources. The issue of the building was necessarily separated from that of the survival of the companies.

OCTOBER: THE CRUELEST MONTH

On the morning of October 1, as the Feld season was in progress, a reporter from the New York Times called Cahan to verify facts for a story on the imminent sale of the building. Somehow word had gotten to the media that something significant was about to take place. The story appeared the next day and the tone of the article was not good.

In desperation, Cahan placed a call to Kitty Carlisle Hart, chairman of the New York State Council on the Arts. During the course of the conversation, Hart referred Cahan to Lawrence Wein, a prominent New York attorney and philanthropist who has a strong interest in real estate and the arts. Wein is known for his purchase of the Empire State Building in 1961 for $33 million. Cahan immediately called Wein, but heard nothing for several days.

On October 7, Wein called Cahan, and made what in retrospect was an incredible offer: if ABT and Feld could raise $5 million by mid-December, he would give the companies one bank mortgage at 8% interest, and one mortgage from himself at 5% interest, for a total of $10 million. He would put $1 million down on the building to buy the contract, but he didn't want title to the facility—that, he said, should go to the companies. The only catch was that the companies had to agree to those terms within two days.

By October 9, both ABT and Feld had signed on to Wein's offer, and had begun the break-neck, hair-raising capital campaign that would hopefully accrue $5 million by December 15.

Mid-October was electric with activity, as the staff of the Feld Ballet was quickly transformed into a fundraising organization, and Dillingham prodded and encouraged his board of trustees to find needed dollars. The Ailey company, which had been negotiating with Bennett before the announcement of the sale, was anxious to come into the deal with ABT and Feld, but several obstacles sat squarely in the way.

One obstacle was the Company's lease with the owners of its offices and studios at 1515 Broadway. The school, studios and offices occupy approximately 20,000 square feet in the Times Square building. Under the terms of their lease agreement, the Ailey company pays $20 a square foot, or approximately $400,000 a year. A provision in the agreement however, would permit the price per square foot to rise to $30 by 1988.

The result of that kind of increase on the Company, says Bill Hammond, executive director would be that more operating money would go into rent than into the school and artistic sides of company operations. Therefore, the thought of partially owning a building with ABT and Feld was very attractive. The problem was whether or not his current lessor would let the Company out of the original agreement.

Another obstacle to the Ailey company's participation was the fact that all fundraising activities had to be put on hold while the Company presented its season. In order to meet their responsibilities as potential partners in the purchase of 890, they would have to redirect the entire focus of the organization away from the implementation of a home and touring season and toward fundraising for the building. As a result, the Ailey company was forced to sit on the sidelines and offer moral and some tactical support to the embattled protagonists in this drama.

Rumors were flying everywhere. Newspapers in New York called Cahan and Dillingham constantly, trying to verify the unsubstantiated or trying to scoop their competitors. One day, Dillingham, Cahan and Hammond met with a group of people at Lincoln Center to discuss the crisis. The next day, articles appeared in several papers announcing that Feld, ABT and Ailey were moving to Lincoln Center.

A seemingly endless number of meetings occurred between Dillingham, Cahan, city officials, lawers, funders, and others. The Boro President of Manhattan was buttonholed, as was the city controller. Both expressed concern and promised to help influence the city council to act. The City of New York eventually pledged $25,000 to help the companies, but because no municipal body like an arts council exists in the city to handle such matters in an expeditious manner, the money could not be granted in mid-October, and as late as the end of March has not yet been disbursed to the companies.

These October activities, spilling over into the month of November, were supplemented by a growing interdependence and negotiation between the two companies. Dillingham and Cahan, with lawyers from their respective organizations, hammered out a difficult, 19 page tenancy agreement which defines the relationships between the two partners, their financial responsibilities, strategies for the long-term financial stability of the building, etc. An organization, to be separate from both companies but controlled by both companies was established to run the building.

The month of November sped by. Time seemed to be running out.

DEADLINE

Suddenly, it was December 14, and the scheduled meeting with Wein was only a day away. One basic question rolled off the lips of practically everyone in the New York dance community: had Cahan and Dillingham been able to raise the $5 million as required by Wein?

As of early December, the two companies had commitments that totaled $4.2 million. Each company had contributed $1.1 million, and another $2 million was pledged by a donor. However, two days before the meeting with Wein, the $2 million pledgee pulled out, leaving the companies with a grand total of $2.2 million, substantially short of their goal.

Cahan and Dillingham decided to take the money they had to Wein and beg. When they arrived at his office, however, they found that begging wasn't necessary. Wein accepted the $2.2 million as fulfillment of the agreement, and executed a $12.3 million mortgage for the partners at 5% interest to be repaid within three years. A net saving of $500,000 due to the nonprofit, tax-exempt status of the companies reduced the total purchase price of the building to $14.5 million. Wein also expressed an eagerness that the Ailey company move in.

After what Cahan describes as an incredible roller coast ride, and Dillingham describes as an experience very much like the uncontrolled mayhem of the silent movie clasic, "The Perils of Pauline," their respective companies took title to 890 Broadway on December 19, 1986. It was a merry Christmas and a happy Chanukah for some very tired people.

WHAT NEXT?

Although the new partnership must raise a great deal more money to pay off the mortgage within three years, Cahan and Dillingham are optimistic about the future. Already Wein has contributed another $1 million to the groups, which reduces the mortgage to $11.3 million. The Ailey company is in the process of escaping from their lease, and according to Bill Hammond, may be free as soon as May 1987. Hammond reports that the Company is prepared to take on the challenge of raising $1.1 million so that they can become the third equal partner in the venture.

ABT is already renting some of its studio space to outside groups, including the Brooklyn Academy of Music, Broadway and off-Broadway producers, and dance companies. Dillingham and Cahan are presently attempting to rent the 299 seat theater on the first floor, as well as the commissary/restaurant. The rental income provided by the theater and commissary has the potential of offsetting nearly one half of the estimated $1.8 million operating budget of the building.

There are also plans to expand the number of tenants in the building. Most of the present occupants are essentially nonprofit organizations, some related to dance. Said Dillingham, "We are making an effort to keep dance-related organizations here."

Perhaps the most exciting and energizing result of this drama is the way that three distinctly different dance companies have forged new relationships with each other. This is especially evident with ABT and Feld, who now have more mingling of staffs, and a new sense of cooperation.

Cora Cahan, in ruminating over the results of the exercise, said "We were forced to come together in order to survive. Now there is a newly developed trust that I hope will grow and develop." Both Dillingham and Cahan agree that it was more difficult to forge a relationship on paper, a tenancy agreement, than it was for the companies to come together in a physical sense.

The Ailey company is looking forward to becoming the third anchor in the building. As Hammond points out, "Its wonderful. It means stability as opposed to being at the mercy of landlords and short leases." The Alvin Ailey American Dance Center, the official school of the Company, is projected to open at 890 Broadway in September, 1987. Hammond also endorsed the idea that the three companies have grown closer as a result of buying the building.

Cahan summed it up neatly when she said, "You couldn't have found three stranger bedfellows. If we were more alike than different, it might've been even more difficult. Now we're on each other's direct dial."

UNKNOWN HEALTH CONSEQUENCES OF CHILD LABOR

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. PEASE. Mr. Speaker, as is often the case, human progress in one dimension raises new concerns and potential hazards in another. Modern medicine has made it possible for many more children in developing countries to live beyond their first birthdays. The quality of their existence is very much cause for concern for those children who are forced to work at a very young age. Following is the next installment of the Cox Newspaper series entitled "Stolen Childhood" which ran on June 21, 1987. It reveals just how little is now known abut the potential harmful health effects of very young children working at various occupations.

The article follows:

[From the Atlanta Journal and Constitution, June 21, 1987]

MANY WORKING CHILDREN FOUND MALNOURISHED AND DISTURBED

(By Marcia Kunstel)

NAIROBI, KENYA.—The child maids studied by Philista Onyango often appeared healthy, but their looks hid tangles of emotional trauma.

"They are very unhappy. They have nightmares. They are 15 and still wetting the beds," Ms. Onyango said.

Five hundred domestic servants ages 6 to 15 were surveyed in this east Africa capital city. About 90 percent showed signs of severe emotional distress, by Ms. Onyango's preliminary calculations.

In Bombay, India, Usha Naidu also has been examining the effects of work on children.

She found striking contrasts among jobs in Bombay. Nearly half the children working in construction were severely malnourished, while children working in auto repair shops were found to be slightly better nourished than non-working children.

"Certain occupations are harmful to children, and the problem becomes manifested with the increase in the number of years the child has worked," Ms. Naidu said.

The studies in Kenya and India break new ground.

"The health consequences of child labor are largely uninvestigated," said Dr. P.M. Shah, a medical officer of the World Health Organization's Maternal and Child Health Unit.

Most reports, he said, "appear to be founded on impressions and common sense rather than on clinical or epidemiological findings."

The World Health Organization funded the Nairobi and Bombay studies; they are to be published later this year.

OPINIONS ARE MIXED ON EFFECT OF WORK

The issue of how work affects child health is increasingly important as modern medicine carries more and more children in poor Third World families past the critical first year of life.

Nearly every type of work by children has its advocates and opponents. Even in the United States, some farmers want to hire children under 12 to pick crops. But no one knows if pesticides hurt children more than adults, so the courts have refused permission until it can be proven the work does not harm pre-pubescent children.

The United States can afford to be protective, even in the absence of sure evidence that pesticides damage children's maturing reproductive systems.

In developing nations, people often feel constrained by economics to take the opposite tack: Don't ban something unless you know it's bad.

Studies such as those being concluded by Ms. Onyango and Ms. Naidu are among the most precise examinations on work effects on children.

Ms. Naidu, director of the Unit for Child and Youth Research at the Tata Institute of Social Sciences in Bombay, has gone beyond other studies that simply compared working children with school kids, who are likely to come from wealthier families.

In her survey, the control group often consists of non-working children from the same family as the worker. All the children, workers and non-workers, were picked from the same economic backgrounds to reflect more exactly the effects of work and neutralize the effects of different incomes.

The research team checked 1,100 working and 500 non-working children in Bombay. It found work itself was less important to a child's nutritional status than the kind of work performed.

Construction workers were in the worst shape. They labor at rock quarries, on road gangs and at building sites in dust-choked air under the searing Indian sun.

Children working in restaurants and hotels are better off, because they get more food more regularly than they would at home, Ms. Naidu said. So 60 percent had reached the normal size for Indian children of their ages; their size showed they were not malnourished.

Their condition surpassed non-working children of the same socioeconomic group, of whom fewer than half were considered normal size.

"We don't want to say their health is improved by working, but at least they may have a higher nutritional level," Ms. Naidu said of the restaurant workers. "These children get into another set of problems which are not so visible."

She cited the adverse psychological impact of long hours of monotonous work such as washing dishes in restaurants, where children sleep in a corner for a few hours every night.

The children surveyed also received medical examinations if they complained of ailments. Most common were respiratory complaints. The diagnoses showed working children suffered an 84 percent higher occurrence of respiratory infections indicative of tuberculosis than did non-working children.

Once again, construction workers suffered the most. Medics found at least one in six had a respiratory illness.

Besides helping governments estimate which jobs should be banned or better regulated, studies such as this one can point inspectors to areas within occupations that need more attention.

YOUNG SERVANTS SUFFER EMOTIONAL SCARS

In the Kenya survey of maids, for example, Ms. Onyango's team from the University of Nairobi discovered the youngest and most disturbed house servants worked in lower-income neighborhoods where families could not afford experienced maids.

In middle-income areas, the domestics commonly were ages 14 to 17 and did not show symptoms of severe psychological ailments seen in girls who began work when they were 5 or 6.

As happens throughout the Third World, the small girls are sent to the city to work because their parents split up, die or cannot afford to support them.

They find it hard to cope with separation from their families, being treated as low-grade servants, or even worse, mistreatment by employers who beat or even sexually abuse them, Ms. Onyango said.

The girls typically bear backbreaking responsibility, working from breakfast, which they prepare, until they have cleaned up after dinner at night. They watch children, wash clothes, clean the house and shop. They often are not permitted to eat with the family, and they may be roughed up by the children of the house, the survey showed.

Some child maids seen by a reporter at Dandora, a low-income housing development in Nairobi, fit Ms. Onyango's profile.

Elizabeth, a serious 10-year-old whose dirty pink dress was held together with a safety pin, was walking from the store with her 7-year-old charge, who was dressed in a ruffled plaid frock. Elizabeth said she works from 7 a.m. to 8 p.m. and makes about $20 a month.

"It's hard when there are too many clothes to wash, and the woman of the house doesn't help," she said.

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THE LABOR OF CHILDREN

The United Nations last year estimated that 88 million children between the ages of 11 and 15 around the world were working outside the home. Most nations in the Third World restrict child labor, but often the laws are weak, ignored or unenforced. Here are examples of those laws, and in some case, a child whom Cox Newspapers reporters discovered at work in that country.

UNITED STATES

Federal law permits 16-year-olds to work and allows 14- and 15-year-olds to work before or after school if the job is not hazardous. However, with parental permission, children as young as 12 are permitted to work on farms while not in school.

BRAZIL

By decree in 1970, the government does not allow the employment of children under 12. However, children 12 to 14 can do light work if they are attending school.

MOROCCO

The 1947 Labor Code forbids children younger than 12 from being employed or entering workplaces. Children 12 to 16 must have government permits to work, and labor inspectors can require medical exams to ensure the work does not exceed their physical abilities. Hiyat, an 11-year-old carpet maker, was found at a Rabat factory of Mocary SA, working 48 hours a week for the equivalent of about 15 cents an hour.

KENYA

The Employment Act of 1976 prohibits children under 16 from working in industry or on ships, except in the case of family businesses.

SOUTH KOREA

The Labor Standards Law of 1953 requires that children under 13 must have work permits, and children under 18 must have their parents' permission. Also, employers of more than 30 children must provide schooling. Chang June Keun, 13, works 90 hours a week as a waiter in the Kyungin Soup Shop in Seoul, earning 1 cent a hour plus tips, room and board.

PHILIPPINES

The 1973 Labor Code restricts children under the age of 15 from being employed except when supervised by their parents and if the work doesn't interfere with school. Eliza Lualhati, 15, works 90 to 110 hours a week for about 13 cents an hour at her sewing machine in War Win's Style shirt factory in Taytay.

THAILAND

The Interior Ministry decreed in 1958 that children under 12 not be hired. Employers can apply for licenses to employ 12- to 15-year-olds if the work is not harmful to their health or physical development. Boon Mee Norakot, 13, works in a small nameless rattan factory in Bangkok. He earns about 4 cents an hour for an 85-hour week.

INDIA

The nation's 1950 constitution forbids the employment of children under 14 in a factory, mine or other hazardous workplace. Mohammad Batsin, 12, works in the Emkay Glass Works in Firozabad. He is paid 11 cents an hour for his 40-hour week.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, July 14, 1987, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 15

9:00 a.m.

Rules and Administration

To hold hearings on the nominations of Lee Ann Elliott, of Illinois, and Danny Lee McDonald, of Oklahoma, each to be a Member of the Federal Election Commission.

SR-301

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

9:30 a.m.

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on S. 747, to establish a motor carrier administration in the Department of Transportation, and S. 861, to require certain actions by the Secretary of Transportation regarding certain drivers of motor vehicles and motor carriers.

SR-253

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

10:00 a.m.

Agriculture, Nutrition, and Forestry

To hold oversight hearings on certain activities of the Commodity Futures Trading Commission.

SR-332

Finance

To hold hearings to review certain spending reductions and revenue increases.

SD-215

10:30 a.m.

Business meeting, to consider pending calendar business.

SD-226

11:00 a.m.

Foreign Relations

Terrorism, Narcotics and International Operations Subcommittee

To hold hearings to review drugs, law enforcement, and foreign policy relating to the situation in Central America.

SD-419

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions With Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

JULY 16

8:00 a.m.

Judiciary

Courts and Administrative Practice Subcommittee

To hold hearings on S. 953 and S. 954, bills to provide certain guidelines with respect to the examination of prospective jurors.

SD-226

9:00 a.m.

Energy and Natural Resources

To hold hearings on proposals to resolve certain problems relating to the storage of high-level radioactive waste, including S. 1007, S. 1141, S. 1211, and S. 1266.

SD-366

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions With Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
National Ocean Policy Study Subcommittee
To hold joint hearings on global climate change.
SR-253

10:00 a.m.

Finance
To continue hearings to review certain spending reductions and revenue increases.
SD-215

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on S. 373, authorizing funds for fiscal years 1988 through 1993 for elementary education assistance.
SD-430

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

JULY 17

8:00 a.m.

Energy and Natural Resources
To continue hearings on proposals to resolve certain problems relating to the storage of high-level radioactive waste, including S. 1007, S. 1141, S. 1211, and S. 1266.
SD-366

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

9:30 a.m.

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 1277, to revise certain provisions of the Communications Act of 1974 regarding the responsibilities of broadcasting licensees.
SR-253

10:00 a.m.

Energy and Natural Resources
Research and Development Subcommittee
To hold oversight hearings on environmental and safety issues at the Department of Energy's defense materials production reactors.
SD-366

Finance
To continue hearings to review certain spending reductions and revenue increases.
SD-215

Labor and Human Resources
To resume hearings on S. 837, to provide for specified annual increases in the minimum wage and for annual indexing of the minimum wage.
SD-430

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

JULY 20

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To resume joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
SR-325

10:00 a.m.

Special on Aging
To hold hearings to review the costs of prescription drugs.
SD-628

2:00 p.m.

Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings on S. 1277, to revise certain provisions of the Communications Act of 1974 regarding the responsibilities of broadcasting licensees.
SR-253

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
SR-325

JULY 21

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
SR-325

Office of Technology Assessment
The Board, to meet to consider pending business.
EF-100, Capitol

10:00 a.m.

Agriculture, Nutrition, and Forestry
Nutrition and Investigations Subcommittee
To hold hearings to review the limitation on direct price support payments that may be made annually to one person.
SR-332

Finance
Taxation and Debt Management Subcommittee
To hold hearings to examine the impact of the use of master limited partnerships on the corporate income tax base.
SD-215

2.00 p.m.

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 7, to provide for protection of the public lands in the California desert.
SD-366

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert. Arms Transactions with Iran on matters relating to the Iran/Contra affair.
SR-325

JULY 22

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
SR-325

9:30 a.m.

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Water Resources, Transportation, and Infrastructure Subcommittee
To hold hearings to review infrastructure issues.
SD-406

Finance
Taxation and Debt Management Subcommittee
To hold hearings on S. 1350, to make technical corrections to the Tax Reform Act of 1986, and other related issues.
SD-215

10:00 a.m.

Agriculture, Nutrition, and Forestry
Business meeting, to consider pending calendar business.
SR-332

2:00 p.m.

Commerce, Science, and Transportation
To hold hearings on the nominations of Darrell M. Trent, of Kansas, Robert D. Orr, of Indiana, and Charles Luna, of Texas, each to be a Member of the Board of Directors of the National Railroad Passenger Corporation.
SR-253

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
SR-325

JULY 23

9:00 a.m.

Rules and Administration
Business meeting, to consider the nominations of James H. Billington, of the District of Columbia, to be Librarian of Congress, and Lee Ann Elliott, of Illinois, and Danny Lee McDonald, of Oklahoma, each to be a Member of the Federal Election Commission, and pending legislative and administrative business.
SR-301

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
SR-325

9:30 a.m.

Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Veterans Affairs
Business meeting, to mark up S. 6, Veterans' Health Care Improvement Act, S. 9, Service-Disabled Veterans' Benefits Improvement Act, S. 1443, VA

Medical Inspector General Act, S. 1444, VA Assistant Inspector General for Health Care Quality Assurance Review Act, S. 1464, Veterans' Beneficiary Travel Reimbursement Restoration Act, proposed Veterans' Readjustment Counseling Preservation Act, proposed legislation providing for disability payments based on nuclear-detonation radiation exposure, and other related measures.
SR-418

2:00 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To resume hearings on S. 7, to provide for protection of the public lands in the California desert.
SD-366

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
SR-325

JULY 24

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
SR-325

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
SR-325

JULY 27

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To resume joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

JULY 28

9:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for export financing programs.
S-126, Capitol

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed legislation to create an independent Federal Aviation Administration.
SR-253

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

JULY 29

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings in conjunction with the National Ocean Policy Study to examine plastic pollution in the marine environment.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

JULY 30

9:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1988 for foreign assistance programs.
S-126, Capitol

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 582 and S. 876, bills to provide for improved air transportation to small communities.
SR-253

10:00 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on S. 1382, to improve the Federal Energy Management program.
SD-366

2:00 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on miscellaneous proposals.
SD-366

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

JULY 31

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 889, to provide for fair marketing practices for certain encrypted satellite communications.
SR-253

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

AUGUST 3

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To resume joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

AUGUST 4

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

10:00 a.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 1138, to designate certain lands in Nevada as wilderness.
SD-366

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

AUGUST 5

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

10:00 a.m.

Small Business

To hold hearings on the impact of section 1706 of the Tax Reform Act of 1986 (P.L. 99-514) relating to technical service workers as independent businesses.

SR-428A

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

AUGUST 6

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

AUGUST 7

9:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for foreign assistance programs.

SD-192

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

CANCELLATIONS

JULY 14

10:00 a.m.

Governmental Affairs

Federal Services, Post Office, and Civil Service Subcommittee

To hold hearings on S. 508, to strengthen the protections available to Federal employees against prohibited personnel practices.

SD-342

JULY 16

7:00 p.m.

Labor and Human Resources

Business meeting, to consider pending calendar business.

SD-430

JULY 17

10:00 a.m.

Labor and Human Resources

Business meeting, to consider pending calendar business.

SD-430

HOUSE OF REPRESENTATIVES—*Tuesday, July 14, 1987*

The House met at 12 noon and was called to order by the Speaker pro tempore [Mr. FOLEY].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC.,
July 13, 1987.

I hereby designate the Honorable THOMAS S. FOLEY to act as Speaker pro tempore on Tuesday, July 14, 1987.

JIM WRIGHT,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray, O God, that as we confront old problems we may do so filled with new vision and renewed spirit. Increase our resolve to face the recurring pain of alienation—between nations and peoples, between families and groups, between enemies and sometimes between friends, and remind us each day that You have made us as one people to share the eternal bond of Your loving spirit. Amen.

THE JOURNAL

The SPEAKER pro tempore (Mr. FOLEY). The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. MILLER of Washington. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MILLER of Washington. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 298, nays 103, answered "present" 2, not voting 30, as follows:

[Roll No. 266]

YEAS—298

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Baker
Barnard
Bartlett
Bateman
Bates
Beilenson
Bennett
Bereuter
Berman
Bevill
Biaggi
Bilbray
Boggs
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chapman
Chappell
Clarke
Clinger
Coelho
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Coyne
Craig
Crockett
Daniel
Darden
de la Garza
DeFazio
Derrick
DeWine
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foley
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gradison
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hutto
Hyde
Jeffords
Jenkins
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Lowry (WA)
Lujan
Luken, Thomas
Lungren
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McEwen
McHugh
McMillen (MD)
Meyers
Mfume
Mica
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Panetta
Patterson
Pease
Pelosi
Pepper
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Rahall
Rangel
Ray
Regula
Rhodes
Richardson
Rinaldo
Ritter
Robinson
Rodino
Rose
Roth
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Sawyer
Schneider
Schulze
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Snowe
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stokes
Stratton
Studds
Sweeney
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Weldon
Wheat
Whitten
Wilson
Wise
Wolpe
Wortley
Wyden
Yates
Yatron
Young (FL)

NAYS—103

Armey
Badham
Ballenger
Barton
Bentley
Bilirakis
Billey
Boehlert
Boulter
Buechner
Bunning
Burton
Chandler
Cheney
Coats
Coble
Crane
Dannemeyer
Daub
Davis (IL)
DeLay
Dickinson
DioGuardi
Dornan (CA)
Dreier
Emerson
Fields
Frenzel
Gallegly
Gallo
Gekas
Gingrich
Goodling
Grandy
Gregg
Hansen
Hastert
Henry
Hopkins
Hunter
Inhofe
Ireland
Jacobs
Kolbe
Konnyu
Kyl
Lagomarsino
Latta
Leach (IA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lott
Lowery (CA)
Lukens, Donald
Mack
Madigan
Martin (IL)
Martin (NY)
McCandless
McCollum
McGrath
McMillan (NC)
Michel
Miller (OH)
Molinari
Moorhead
Nielson
Parris
Pashayan
Penny
Quillen
Ridge
Roberts
Rogers
Roukema
Saiki
Saxton
Schaefer
Schroeder
Schuette
Sensenbrenner
Sikorski
Skeen
Slaughter (VA)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Stangeland
Stump
Sundquist
Swindall
Tauke
Thomas (CA)
Upton
Vucanovich
Walker
Weber
Whittaker
Wolf
Young (AK)

ANSWERED "PRESENT"—2

Courter
Gordon

NOT VOTING—30

Boland
Boner (TN)
Clay
Coleman (MO)
Davis (MI)
Dellums
Edwards (OK)
Foglietta
Ford (MI)
Gephardt
Howard
Hughes
Johnson (CT)
Johnson (SD)
Kemp
Leath (TX)
Livingston
Marlenee
Miller (CA)
Mrazek
Ravenel
Roe
Roemer
Rostenkowski
Savage
Scheuer
Schumer
Stenholm
Williams
Wylie

☐ 1225

Mr. DORNAN of California changed his vote from "yea" to "nay."

So the Journal was approved.

The result of the vote was announced as above recorded.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested. A bill of the House of the following title:

H.R. 2782. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development; space flight, control and data communications; construction of facilities; and research and program management; and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1047. An act to amend Public Law 94-241, the Joint Resolution approving the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, and for other purposes; and

S. 1452. An act to amend the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisers Act of 1940 to make certain technical, clarifying, and conforming amendments, to authorize appropriations to the Securities and Exchange Commission, and for other purposes.

ORDER OF BUSINESS

Mrs. BOXER. Mr. Speaker, I ask unanimous consent that my special order replace the special order of the gentleman from California [Mr. STARK] at the end of the session today. He has agreed to this request.

The SPEAKER pro tempore (Mr. FOLEY). Is there objection to the request of the gentlewoman from California?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON CRIMINAL JUSTICE OF COMMITTEE ON THE JUDICIARY TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. EDWARDS of California. Mr. Speaker, I ask that the Subcommittee on Criminal Justice of the Committee on the Judiciary be permitted to sit on Wednesday, July 15, 1987, while the House is reading for amendment under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

THE LEGACY OF THE IRAN-CONTRA HEARINGS

(Mr. BUSTAMANTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUSTAMANTE. Mr. Speaker, the testimony we all have heard from the Iran-Contra hearings over the past week disturbs me very deeply. I have voted for Contra aid. I am a Korean veteran.

We have been saying over and over in this bicentennial year of the Constitution that we are a nation of laws, not men. This administration clearly pays no attention to that principle.

I am a firm anti-Communist. To varying degrees, so is every Member of this body. But our beliefs must be subservient to the Constitution and to the checks and balances of representative government.

What legacy do we leave our children by a policy which consists of lies, deceptions, shredding, fictions and disregard for the law? I will answer, no legacy at all.

None of us should be blind to the lessons these hearings offer. As an institution this Congress must insist on full disclosure and full accountability. We must do our best to see to it that such policies of deceit and contempt are never attempted again.

NAPAP REPORT

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, last week the House Energy and Commerce Subcommittee on Health and the Environment held 2 days of hearings and proposed amendments to the Clean Air Act.

While no witnesses from the National Acid Rain Precipitation Assessment Program were testifying at the hearing, I thought Members would be interested to know what some of the preliminary results from their interim report issued July 2 were.

Man-made sulfur dioxide emissions have decreased 28 percent since 1973. Electric utility emissions are down 10 percent since 1975, even though coal consumption is up 70 percent during that same period.

The report also shows no correlation between acid rain and yields of agricultural crops. In fact, there might even be a slightly positive impact, according to the report, on soil as nitrogen and sulfur are added.

No negative effects of acid rain on forests or tree seedlings was found by NAPAP.

No evidence of western lake acidification and some evidence to suggest that Eastern lake acidification may have more to do with unique watershed characteristics than originally thought.

Research is bringing us answers to this question. Congress has mandated this group to provide us with the answers from a scientific basis. Let us receive those answers and act accordingly, and not do something on the basis of politics as we address this critical question of acid rain.

THE STATE OF DEMOCRACY IN THE LATE 20TH CENTURY

(Mr. JACOBS asked and was given permission to address the House for 1 minute.)

Mr. JACOBS. Mr. Speaker, in connection with the administration's secret plan to use weapons as ransom to release hostages and ship those weapons to terrorists, Robert McFarlane is quoted by Newsweek as having said to Colonel North: "But the country won't know, and would complain if they did know."

Such is the state of democracy in the late 20th century. Orwell's 1984 was also the state of democracy in the late 20th century, and one wonders how newspeak overlooked the term "project democracy."

It has been said that there is that corporation government, and if it shall go astray who shall control it, that corporation which can make the populace its playthings in an hour and its victims forever.

OLIVER NORTH'S TESTIMONY

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, last week Lt. Col. Oliver North let the Nation know what was on his mind—and the people of the Ninth Congressional District of Florida let me know what was on theirs.

Cards, letters, and phone calls began pouring into my office—and from what I hear my experience wasn't unusual. Do you know what they had to say, Mr. Speaker?

Let me take a moment to read some of their comments:

"I'm sure our enemies are grinning from ear to ear." "Our country, the President and the people are embarrassed." "Stop the witch hunt!" "When this hearing is over I doubt if any country in the world will join us in covert activity of any kind."

Mr. Speaker, I believe these people—and thousands more like them across the country—see in Colonel North a leader dedicated to his country and willing to stand up and be counted. More than anyone in recent memory he has energized the debate on what our foreign policy should be.

If his testimony brings us to clearly define what role the President and the Congress should play in setting and carrying out foreign policy, where the authority and responsibility of each begins and ends, then he truly will have served his country well.

UP TO THE MINUTE REPORT ON CONSTITUTIONAL CONVENTION OF JULY 14, 1787

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, I am reporting to you today from the floor of the Constitutional Convention in Philadelphia. It is July 14, 1787. There is a break in the action.

Ben Franklin has just come in and is conferring with James Madison on the side. Madison is about to take notes on the ferocious debate that has just taken place where the delegates were arguing about whether or not to support a motion to limit the number of Western States that could come into the Union.

There was some philosophy on the part of the small States that to allow any new States to come in would simply rob them even further of the power that they felt they should have. That motion was defeated, and so now the Members and the delegates at the Convention are poised for the next couple of days to finalize the issue of what composition the Congress of the United States shall have.

I will report more as the delegates begin to confer. I will report from the floor of the Convention during a hot summer here in Philadelphia.

ON EXCELLENCE IN GOVERNMENT MANAGEMENT ACT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, there has been considerable discussion about two of Ronald Reagan's legacies: a far right wing judiciary and a crushing, overwhelming national debt. There is another legacy which should concern us as much. Ronald Reagan has done a great deal to destroy the ability of the Government to do its work.

Start with a decade of pay and benefit cuts, add a huge dose of incompetent and unethical political appointments, and spice with venomous attacks on the bureaucracy by the President and his buddies, and you have a recipe for dismantling the Government.

The symptoms of the crippling of the Government are beginning to show. The best college and graduate students are not interested in working for the Federal Government. Top senior managers are bailing out to go work for employers who respect and value them. Agencies cannot hire the scientists, engineers, and other professionals necessary to deal with our complex society.

Ronald Reagan may believe his own rhetoric about making the Government disappear. But, most of the rest of us know that the Government will continue to have difficult functions to perform in the future and we will need a civil service capable of performing those tasks.

That is why I introduced H.R. 2882, the Excellence in Government Management Act on July 1. It would give us the tools to attract and retain the best to Government.

One provision which I think is of special interest would create a ROTC-style program for the civil service. Excellent college students specializing in fields which the Government needs could get the last 2 years of their college paid for by the Government in exchange for a service commitment.

The Subcommittee on Civil Service, which I chair, will begin hearings on H.R. 2882 this fall.

TESTIMONY OF OLIVER NORTH VERSUS BUD McFARLANE

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, just an afterthought for my colleague from Colorado. I beg to differ with the gentlewoman. At $89,500 a year pay for Members of Congress there are many young college graduates of both genders that would be thrilled to come here and serve for a few terms. Maybe it is the myriad of other jobs in the Federal bureaucracy that they are avoiding. All those leaks perhaps.

Mr. Speaker, everyone's favorite female candidate for President on the majority side is the distinguished prior speaker. Mine too. But on the male side, my favorite democratic candidate is the distinguished Senator from Georgia [Mr. NUNN], who just did something very fair, very decent at the Iran-Contra hearings. Mr. Bud McFarlane is going to testify again late this afternoon. The distingished Senator from Georgia walked the very distinguished young Lieutanent Colonel North through every alledged contradiction that Bud McFarlane is reported in the press to be worried about. Colonel North has stuck to his earlier testimony on every single point where these two friends and fellow marines seem to disagree.

I visited three times this week with Colonel North over at the hearings during breaks. He is obviously an emotionally solid person and natural leader as we have all seen. Bud McFarlane is a figure of great tragedy. We all like him a great deal. He is an admirable man. His father served with distinction in this Chamber as a U.S. Congressman, and Bud of late years also has thought of elective office.

I do not know why he demanded to testify. I hope it is for some understandable fine tuning. But I believe it was in poor taste for the committee to accept his request to run the gamut again. Bud McFarlane was as steady as a rock when he was serving our country but he hated resigning from that superb and unique position of National Security Advisor. He has had very depressing periods ever since, and I think that it hurts him to see his excellent career temporarily ground to a halt. He also sees the folk hero status that Colonel North has achieved over the last 6 days of the hearings. He is deeply hurt by some inconsistencies. Honest men do disagree. Memories do vary. Ask judges. Remember "Rashomon."

Mr. Speaker, I thank the Senator from Georgia and it is with much sorrow that I will be watching Bud McFarlane's return to the pressure cooker this afternoon. I hope that it is over with as quickly as possible.

ARMY SHOULD NOT TAKE A BACK SEAT IN ARMED FORCES STRUCTURE

(Mr. McCURDY asked and was given permission to address the Houses for 1 minute and to revise and extend his remarks.)

Mr. McCURDY. Mr. Speaker, since 1981, the administration has been putting increasing emphasis on funding for the Navy and Air Force. Some necessary improvements have been made, but they have come at the expense of the backbone of our conventional forces, the Army.

There is now a real possibility that the United States will reach a zero-option agreement with the Soviet Union. If such an agreement were to materialize, the United States could be left in a position of extreme force imbalance in Western Europe.

Currently, Warsaw Pact forces outnumber NATO forces by up to a 2 to 1 margin. Although the United States leads the Soviets in a few limited areas, the U.S.S.R. still far outnumbers us in main battletanks, fighting vehicles, artillery, antitank weapons, mortar, armored personnel carriers, and division equivalents. These weapons, coupled with Soviet tactical air advantages, paint a grim picture for our conventional forces in Western Europe.

With a 600-ship Navy, our maritime forces should be well prepared in the event of a superpower conflict. But if NATO loses the war on land, winning the war at sea will not matter. The Army must be well equipped and well trained if we are to achieve total Armed Forces modernization.

Unfortunately, I am afraid that we are headed in the wrong direction. The Army has been getting a steadily decreasing percentage of the DOD budget for procurement, R&D, and operations and maintenance. This has lead to a "readiness crunch" for the Army that must be addressed.

In the words of the former Army Chief, General Wickham, "the Army contributes strongly to deterrence because it is forward deployed; because it can rapidly reinforce our NATO commitment; and because it can quickly deploy anywhere in the world to meet contingencies."

Mr. Speaker, we can no longer let our goals of modernization and readiness be undercut by making the Army take a back seat in our Armed Forces structure.

□ 1240

TAXPAYER DEFICIT REDUCTION ACT OF 1987

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remaks.)

Mr. SMITH of New Jersey. Mr. Speaker, I rise today to introduce legislation to make more readily available an avenue by which each taxpayer may contribute to our Nation's overall fiscal health through deficit reduction.

Mr. Speaker, the Taxpayer Deficit Reduction Act of 1987 provides for a checkoff, of sorts, on Federal tax returns which allows taxpayers to designate any part of a refund for deficit reduction.

Most Members of the House are probably already aware that there currently exists an office known as the Bureau of the Public Debt under the Department of the Treasury to which contributions can be sent for use in mitigating Federal debt and thereby moving toward elimination of the deficit.

How many of my colleagues are aware, however, that last year only $245,000 in voluntary contributions were received toward that purpose? Over the 4 years during which private contributions to the Bureau have been allowed some 9,659 donations have been received averaging $145 each and bringing the total contributions to $1,400,000. Mr. Speaker, I don't believe the lackluster response is an indication of unwillingness on the part of the American people. Instead, I feel that we have simply not provided easy access to the program.

Through my bill, then, I am providing the mechanism by which we can alert the American public to this excellent avenue for deficit reduction, and at the same time we will be able to encourage participation in the program by providing accessibility.

Perhaps my colleagues would be interested to know that for the tax year 1986, a total of $94,425,007,000 was refunded to American taxpayers. Of that total only $18,297,299,000 was refunded to corporations. The remaining $72,077,589,000 was refunded to individuals who had overpaid their tax liability.

Mr. Speaker, the use of a tax form checkoff has proved very effective in New Jersey. Of the number of New Jersey State taxpayers 4 percent make use of one or more checkoffs available on the forms. Extrapolating from New Jersey's example alone, similar participation in a deficit/debt reduction checkoff could result in an additional $45 million in Federal revenues designated strictly for use to eliminate Federal indebtedness.

But clearly, Mr. Speaker, those who have already made use of contributions to the debt have shown a willingness to donate more than just $5 to stop the deficit. As I mentioned earlier, these people have given an average of $145, fully 19 times the amount used for our extrapolation. It is evident, then, that the dollar estimate of participation is by all means a conservative one.

I urge by colleagues in the House to support this measure with their cosponsorship and approval on the House floor.

GENERAL NORIEGA: "START PACKING"

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, a political tragedy of global dimensions seems certain in Panama where a military dictator, Gen. Manuel Noriega, is fighting ruthlessly, almost insanely to retain power. He controls the puppet government that was elected fraudulently. The people of Panama are clamoring for free elections, democratic institutions and an end to Noriega's repression.

Recently Noriega has incited riots against the U.S. Embassy and continues to play up to the Castros, the Ortegas and the Qadhafi's of the world. There is strong evidence that Noriega is deeply involved in torture, murder, drug trafficking and corruption. Other than these problems, he seems okay.

General Noriega claims that his problems with the United States stem from reactionary forces that want to take back the Panama Canal, Noriega is wrong. Liberals, moderates and conservatives all cannot stand him and want him out. Luckily it seems that the U.S. Government is sending these signals too. The Panamanian people like those of South Korea, Haiti, and Philippines want democracy.

So, General Noriega, start packing, the Baby Doc's and Marcoses await you.

LET US HONOR AND RESPECT OUR MILITARY SERVICES

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, last week, while Colonel North was giving testimony, John Chancellor, a television commentator, pointedly referred to the colonel's uniform as a costume.

Mr. Speaker, my veterans' organizations understandably are incensed, as am I, about Mr. Chancellor's cynicism.

The veterans not only have worn those uniforms with pride but bravely on the fields of battle. They have seen their buddies wearing that uniform die on the fields of battle so that we can continue to enjoy the freedom which our Founding Fathers provided for us 200 years ago.

That uniform which Chancellor so derogatorily calls a costume also has been worn with honor and distinction by more than half the Presidents of this Nation. Both the uniform and the services which wear it are the work of the Congress. Its wearers have defended this Nation in a dozen wars and thousands of engagements. Despite anyone's personal feelings about Colonel North's actions, Colonel North earned his right to wear the Marine uniform in Vietnam in the service of his country. No one who has served this country and who is still on active duty should have to apologize to an armchair pundit for wearing his work clothes.

I do not believe that this body should remain silent when craven slurs are made against those who pay with their lives for our freedoms.

I, for one, will not be silent. John Chancellor deserves to be rebuked.

ON THE NOMINATION OF ROBERT BORK TO THE SUPREME COURT

(Mrs. COLLINS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. COLLINS. Mr. Speaker, the President has nominated Judge Robert Bork to serve on the Supreme Court.

Although some argue that Judge Bork is a well-respected judical scholar, that alone does not qualify him to be a Supreme Court Justice.

A Justice must have compassion for all people. Judge Bork's writings show no sensitivity toward any disadvantaged group.

A Justice must demonstrate an ability to listen to all points of view. Judge Bork's opinions fail to demonstrate a balancing of competing viewpoints.

A Justice must see the Constitution as a document which adapts to the changing circumstances of American society. Judge Bork's statements indicate he sees the Constitution as a rigid, static document which has not changed in 200 years.

As a woman and as a black, I am afraid he sees the Constitution of 1987 as the one of 1787. In that world, women had no legal standing. Worse, blacks were counted as only three-fifths of a human being.

If Judge Bork is seated, this myopic viewpoint could drastically shift the delicate balance which currently exists on the Court.

On a 5-to-4 vote this year, the Court upheld a temporary racial quota plan for Alabama State troopers. On a 5-to-4 vote this year, the Court affirmed the first amendment rights of a woman to make a disparaging remark about the President. And on a "soft" 6-to-3 vote, the Court approved an affirmative action program which recognized women had been the victims of past discrimination.

Next year, the Court will decide the validity of a woman's right to an abortion, the employment rights of gays, and a reverse discrimination case. If Judge Bork is confirmed, we already know the outcome of these cases.

Clearly, this is wrong. The next Justice must be a person of independence, impartiality, and integrity. Judge Bork does not possess these qualifications.

For this reason, I urge our colleagues in the other body to reject his nomination to the Supreme Court.

REHABILITATION OF SALVADORAN CHILDREN, VICTIMS OF THE WAR

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, I just wanted to bring two points to the attention of my colleagues. First, as you will be seeing articles in the newspaper, the Communist guerrillas in El Salvador have put an offensive together to destabilize the Duarte government. And in the process of doing this, many of the arms that are coming into El Salvador are coming from the Communist government of Nicaragua. Second, the Communist guerrillas in El Salvador are mining the fields, the coffee fields and places like that and blowing up young children, blowing off their hands and their arms and their feet. We have a project whereby we will be bringing up 25 young Salvadoran children who have been injured by the Communist guerrillas hopefully later this month to refit them, put artificial arms and limbs on them. We are looking for hospitals that are willing to treat these children. TACA Airlines has donated and agreed—and Eastern Airlines also—to bring 25 up per month.

Arlington Hospital in my congressional district will be treating the first two children. Anyone who has any hospitals, orthopedic hospitals in their district that are willing to treat these young people, we would appreciate it if you would contact our office.

ALL WITNESSES BEFORE CONGRESS SHOULD BE SWORN

(Mr. KANJORSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KANJORSKI. Mr. Speaker, there is a new game in town and that game is "come on up and tell the people's representatives, the Members of Congress, falsehoods and lies."

For the last several weeks I have been amazed to watch high administration officials including most recently a decorated soldier of the United States, Colonel North, openly admit to the American electorate that he felt deception and lying to Congress was an acceptable operative method of carrying out his program.

In order to avoid this type of activity in the future I think this Congress has to take firm action and that action is to require all witnesses that appear before the people's body to take an oath to tell the truth, the whole truth, and nothing but the truth. We require nothing less than that of witnesses in courts of law; why should we require anything less of witnesses before the Congress of the United States?

I am preparing legislation now that will be introduced tomorrow and I ask my colleagues to join me, that would require every witness before a congressional committee to take an oath to tell the truth when they testify before that committee. Anything less is to assist in the distortion and deception that we have witnessed over the last several weeks.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1950

Mr. HASTERT. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1950.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Illinois?

There was no objection.

SOUTH CAROLINA PEACH: MORE PRECIOUS THAN VOTES, SWEETER THAN A BUDGET VICTORY AND JUICIER THAN A WASHINGTON SCANDAL

(Mrs. PATTERSON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. PATTERSON. Mr. Speaker, I have here in my hand something more precious than votes, sweeter than a budget victory and juicier than a Washington scandal—I hold in my hand a South Carolina peach.

The South Carolina congressional delegation and the South Carolina Peach Council and Promotion Board today are proud to be able to present each Member of Congress with a basket of the cream of our crop of peaches!

The peach industry is of vital importance to the economy of South Carolina. In addition to being a principal source of farm income, the industry is an important employer for many of our rural workers. Many small enterprises, such as packers, truckers, fertilizer and chemical distributors, and farm implement dealers depend on our annual peach crop for a considerable portion of their income.

We have more than 40,000 acres of peaches in cultivation and expect a crop this year in excess of 390 million pounds. South Carolina peaches are, perhaps, the perfect fruit. They are an excellent source of vitamin C, calcium, iron and fiber and contain only 38 calories.

At a time when farmers all over the United States are struggling, the peach farmers of South Carolina are proud to provide the Members of Congress with an example of American agriculture at its finest.

LET US STOP THOSE LEAKS

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, one of the previous speakers mentioned that we ought to have all witnesses before the various committees sworn in. I think that might not be a bad idea. But one of the reasons why some of the problems have occurred with the Iran-Contra problem as far as that is concerned is because there are leaks in the committees of the House.

I sit on the Committee on Foreign Affairs and we had Mr. Casey, head of the Central Intelligence Agency before he passed away and Bud McFarlane and Secretary Shultz. Some of these hearings were top secret. The documents that were given to our committee were given to us and they were numbered so that we had to return them back in before the committee adjourned. And every member of the committee was admonished not once, not twice, but three times not to divulge any of the contents or any of the things that took place during that hearing. And three of my colleagues, three of my colleagues went right outside the door before the television cameras and divulged secret information to the American people that were involved in these covert operations in these hearings.

Now we cannot allow that to go on. I think the Congress of the United States and these committees in particular—and this was a Foreign Affairs Committee I am talking about right now—need to be taken to task. Anyone who violates the rules, violates the rules of secrecy when those hearings are confidential should be taken to task and censured by this House. If we start doing this we will eliminate the problem once and for all.

TRIBUTE TO GOV. A.B. "HAPPY" CHANDLER

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, Kentuckians love, admire, and are very proud of Albert Benjamin "Happy" Chandler, our former Governor and U.S. Senator whose 89th birthday is today.

Yes, the people I represent in western Kentucky, where Governor Chandler was born on July 14, 1898, want to express happy birthday wishes to this outstanding American.

Thousands of Kentuckians are paying tribute to Governor Chandler today, including those at a party tonight in Lexington at which my longtime friend, Dr. Floyd Poore, of Florence, KY, is the chairman of the event.

The public career of Governor Chandler includes the following: member of Kentucky State Senate, 1929-31; Lieutenant Governor of Kentucky, 1931-35; Governor of Kentucky, 1935-39; U.S. Senator, 1939-45; commissioner of baseball, 1945-51; again Governor of Kentucky, 1955-59; founded A.B. Chandler Medical Center, 1959; and inducted into Baseball Hall of Fame, 1982.

Again, happy birthday, "Happy" Chandler, upon your 89th birthday.

My wife Carol and I, who are so very proud that Governor Chandler was a soloist at our wedding years ago, wish for him, his lovely wife Mildred, their children, and large family God's richest blessings.

□ 1255

RELIGIOUS REPRESSION OF BAHA'IS

(Mr. MILLER of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of Washington. Mr. Speaker, last week members of the Baha'i faith commemorated the anniversary of the martyrdom of the Bab, the young Persian whose teachings laid the foundation for the Baha'i religion.

Just as that young man was executed by Persian authorities because of his religious views, today the Government of Iran has executed more than 200 members of the Baha'i faith, and has jailed and tortured thousands of others.

Spokesmen for the American Baha'i community have appeared before congressional committees, including the International Organizations and Human Rights Subcommittee upon which I serve, testifying to the savage actions of the fundamentalist Islamic regime against this religious group. Congress has responded with two resolutions in support of religious freedom for Iranian Baha'is.

I am glad to report that the resolutions and appeals which we have adopted over the past 5 years have—together with expressions of concern by leaders in other countries and by the United Nations—had some positive effect. Although Iranian Baha'is still suffer cruel repression and severe economic and social discrimination, fewer Baha'is have been executed in the past 2 years than in the early years of the Islamic revolutionary regime.

At the same time, I was disturbed to learn recently that a number of Egyptian Baha'is have been convicted on religious charges.

We must continue to speak out against religious repression of Baha'is, whose faith teaches respect and toleration for all religions, the harmony of all races and the equality of men and women.

I hope that the U.S. Congress will keep the Baha'i case high on the agenda of our concern for human rights.

CONGRATULATIONS TO DANIELLE DAVIS, U.S. CONSTITUTION ESSAY WINNER

(Mr. WISE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WISE. Mr. Speaker, Congress leaves Thursday for Philadelphia to celebrate the Constitution's bicentennial.

I would like to share the thoughts of Danielle Davis, a 9-year-old third grader from Ford Elementary, Charleston, WV.

From over 1 million entries, Danielle was one of the national winners of an essay contest, "What the Constitution Means to Me and Our Country."

Danielle writes:

> The U.S. Constitution means that I don't have to drink from a separate water fountain that says, "Colored," and that I won't have to work for people that want me as a slave, or sit in certain places on buses and trains. It means that I can worship the way I wish, and that I have a right to privacy.
>
> The U.S. Constitution stands for liberty. It means that neither I nor my country are to be ruled by a president, a governor, or any other person, but that "we the people" rule while they lead us. It means that when I am 18 years of age or older, then I can vote for people that I can trust. It means that I can say or write ideas even if the government doesn't agree with them.
>
> The U.S. Constitution is for all American Citizens. It gives us rights but we have to obey its rules and laws in order for it to work for us.

A third grader, Mr. Speaker, Danielle Davis, words for us all on the Constitution's bicentennial.

COLONEL NORTH'S TESTIMONY BEFORE IRAN-CONTRA INVESTIGATING COMMITTEE

(Mr. PENNY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENNY. Mr. Speaker, Colonel North's appearance before the Iran-Contra Investigating Committee is to conclude today.

Under tough questioning he carried himself well.

He proved himself to be a true patriot;

He proved himself to be a true marine; and

He proved himself to be a true believer.

To his credit, he accepted full responsibility for his own actions.

He also gave a lengthy and eloquent defense of the administration's policy toward the Mideast and Central America.

In the afterglow of Colonel North's appearance it is important to remember the purpose of the committee's investigation—to get the facts out and to determine if laws were broken.

Trading arms to Iran may likely have been a violation of the Arms Export Control Act.

Diverting funds to support the Contras may likely have been a violation of the Boland amendment.

Shredding documents may likely have been an obstruction of justice.

Many Americans may admire Colonel North's performance this past week.

Some may even agree with his spirited defense of the administration's policy to aid the Contras while fewer would agree with their approach of trading arms for hostages.

But no American would agree that laws should have been broken to carry out these policies.

That's the bottom line.

The real value of Colonel North's testimony is in helping us to sort out the Iran-Contra affair and in identifying which laws may have been broken by whom.

THE SHREDDING OF DEMOCRACY

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONIOR of Michigan. Mr. Speaker, long after the camera lights of the Iran-Contra hearings have faded, Americans will have an opportunity to reflect more soberly on the lessons of the history of Col. Oliver North.

In the past week, Colonel North has acknowledged that:

He supervised and implemented a private aid network that helped the Contras and had designs on aiding covert operations worldwide;

He lied repeatedly to Congress and to the American people; and

He altered and shredded official documents in NSC files to cover up his activities.

As Chairman Fascell has pointed out, it appears that under the guise of saving democracy, we have shredded our own democratic fabric.

Under our Constitution, Government officials obey and uphold the law.

They are accountable to the majority—no matter how much they philosophically disagree.

No individual may assume responsibility for deciding the course of the whole.

These are the qualities that set the American system apart from the totalitarian governments that Lt. Col. North has so stridently opposed.

TO HONOR PROF. ARTHUR JAMES KRAUS

(Mr. HOCHBRUECKNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOCHBRUECKNER. Mr. Speaker, I rise today to pay tribute to a great American from my district. I ask my distinguished colleagues to join me in honoring Dr. Arthur James Kraus, whose lifelong commitment to academic freedom and universal justice deserves national recognition. Professor Kraus has displayed tremendous courage and perseverance in his struggle to protect the inalienable rights of the American people.

As a professor at City College of New York, Dr. Kraus ardently condemned fascism as early as 1932, and he predicted that the isolationist foreign policy of the day would result in a second world war. Professor Kraus began a hunger strike to protest the fascism which was spreading throughout Europe, drawing worldwide attention to his views. In the first student march in the history of America, 2,000 students marched to support his strike. The professor received letters of commendation from the president of City College for his "heroic deed" and the chairman of the philosophy department. He ended his hunger strike after defeating the opposition to the march.

When Professor Kraus returned to City College, he was asked to resign. He refused, and was told that he would only be permitted to resume his post after a physical examination. After he submitted to a grueling exam, the college administration dismissed him in January 1933 without a hearing.

Professionally disgraced for espousing his unpopular convictions, and publicly humiliated for his beliefs, Dr. Kraus began his struggle to vindicate himself. A professor without a chair, he wandered the country, and the world, and his worldwide support grew. He fought for freedom of information and academic freedom, advancing the cause of universal and individual justice. Finally, in 1970, New York City officially apologized to Professor Kraus, and New York State restored his pension in full. He had won his case, and he continues to lead the battle against America's greatest enemies—poverty and injustice. The counties of Suffolk and Nassau have petitioned for congressional recognition of the "heroic life" of Professor Kraus. His long life of struggle embodies in Gov. Nelson Rockefeller's words; "One of the most remarkable odysseys in the history of * * * free man's dedication to the cause of justice, academic freedom, individual liberty, personal dignity, and the struggle against repression." Today the Nation pays homage to this venerable American, at the age of 91.

WHAT IS AMERICA TO THINK?

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, whether we like to think so or not, what we say and do here does have consequence.

Recently we have heard much talk about government policies formulated and conducted in secrecy. That has been vehemently criticized in the Iran Contra committee hearings and on this floor.

What is America supposed to think when what we say and what we do also is sometimes done in secret? What is America to think when we see those complaining about that kind of policy going behind closed doors themselves to do business?

What about the committee that today went behind closed doors to decide whether or not Colonel North should be able to give his presentation about Nicaragua, hardly a matter of great national consequence, they went into secret session.

What about the committee in this House when it investigates the goings on of this body, where the Committee on Standards of Official Conduct cannot even say who it is they are investigating, we are in so much secret.

Much has been said about lies and deceptions. What about the misstatement of fact about what the National Security Agency had to say about leaks?

Was that a lie, a little deception for political effect? What is America to think? What about the bald misstatement of facts about the content of the testimony before the Iran Contra hearing? Was it a lie, a little deception for political effect?

What is America to think? If Congress is willing to engage in the conduct it says to deplores, what is America to think?

1305

TIME FOR McFARLANE TO TELL IT LIKE IT IS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, something just does not add up. Last November Attorney General Meese said that Colonel North illegally—let me say that again—Attorney General Meese said that Colonel North illegally diverted profits from arms sales to Iran to the Contras.

He further said that this action warranted a criminal investigation.

The President then fired Colonel North. We now know that the President himself had solicited funds from foreign leaders for the Contras, but he still maintains that he and the National Security Council were not covered by the Boland amendment.

Now, Mr. Speaker, think about it. If the President of the United States really believed that, why did he fire Colonel North?

Why did Bud McFarlane attempt suicide and try to kill himself?

Mr. Speaker, Bud McFarlane knows an awful lot more and he is coming before that committee today. It is time for McFarlane to tell it like it is.

It is beginning to appear, Mr. Speaker, that the President knowingly sold arms to a terrorist nation in Iran and he knowingly and with intent attempted to hide that from the American Congress.

That is telling it like it is. Let us get off this unhappy business.

CONGRESS OUT OF CONTROL

(Mr. LOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, there is one thing that is coming through from these Iran-Contra hearings that most of us are ignoring or choosing to forget. These hearings are showing as well as I have seen in the past 15 years a Congress that is totally out of control.

The Congress is also on trial at these hearings.

What do you see in this select committee? You see lawyers who are hired to do the job that the Congressmen and the Senators ought to be doing. For 3½ days last week we witnessed two lawyers in an inquisition. And how were they doing it? By repeating the same questions over and over and over again.

Is there any doubt that one of the things they are trying to do in these hearings is just drag it out? At a time when we have many important legislative areas we ought to be working on, the members of this select committee are over there with lawyers doing their work, while they drag out this whole process.

It has been pointed out that Congress cannot get its act together during the hearings. We have had on again, off again legislation, including even the Boland amendment. We passed it, we changed it, we have eliminated it.

How can any administration know what to do when Congress has got its snout stuck in every foreign policy issue imaginable. This discredits the Congress and this makes it impossible for the President to do his job.

Congress generally is trying to run foreign policy and arms control in such a way that it is damaging to our country.

Mr. Speaker, who are we in the Congress to say, "We the people," like only we have a monopoly on what the American people want? The President of the United States was also elected by the people.

I think these hearings are showing very clearly so many of the problems with the U.S. Congress.

WHAT IS DEMOCRACY?

(Mr. TORRICELLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRICELLI. Mr. Speaker, in French they call it a coup d'etat. In Spanish the word is junta.

In America, perhaps because of the blessings of our own history, we have never had a word of our own, but we understand the concept. It is the interruption of democratic government, the exercise of power without the consent of the government. It is the decision to make major foreign policy decisions without a single elected official participating. It is the Iran arms scandal.

This week's testimony taught us much, but mostly it taught us about the fragility of our own democratic institutions. It taught us that the enemy of freedom may reside more in our own ignorance of our system, more in our failure to adhere to democratic principles, more in our lack of tolerance for each other's belief than in any foreign enemy.

We are reminded in this 200th anniversary of our Constitution of many things, but perhaps nothing more than our commitment, our need to understand our systems of government.

Mr. Speaker, let us remind ourselves and our Nation before pledging allegiance to any flag, support for any leader, that our oath is to our Constitution. It is that which has made our Nation special. It is that which is in peril in these days.

MILITARY CONSTRUCTION APPROPRIATIONS BILL, 1988

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 222 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 222

Resolved, That all points of order for failure to comply with the provisions of section 302(c) of the Congressional Budget Act of 1974, as amended (Public Law 93-344, as amended by Public Law 99-177) and with the provisions of clause 2(l)(6) of rule XI and clause 7 of rule XXI are hereby waived against the consideration of the bill (H.R. 2906) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1988, and for other purposes. During the consideration of the bill, and points of order against the following provisions of the bill for failure to comply with the provisions of clause 2 of rule XXI are hereby waived: beginning on page 2, line 1 through page 11, line 6.

Sec. 2. The resolution (H. Res. 216) waiving certain points of order against H.R. 2783, making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1988, and for other purposes, is hereby laid on the table.

The SPEAKER pro tempore. The gentleman from Texas [Mr. Frost] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Mississippi [Mr. Lott], pending which I yield myself such time as I may consume.

Mr. Speaker, section 1 of House Resolution 222 waives three specific points of order against the consideration of H.R. 2906, the military construction appropriation for fiscal year 1988 and also waives points of order against specified provisions of the bill. As Members know, bills reported from the Committee on Appropriations are privileged and, therefore, section 1 of the rule only waives specific violations of the rules of the House and the Budget Act.

First, the rule waives section 302(c) of the Congressional Budget Act against consideration of the bill. That section provides a point of order against the consideration of a bill providing new budget authority in a fiscal year if the committee reporting that bill has not filed its 302(b) allocations. While the Committee on Appropriations has not yet formally filed its 302(b) allocations with the House, the budget authority provided in H.R. 2906 is within the preliminary calculations for budget authority and outlays to be provided to the Subcommittee on Military Construction, and for that reason, the Committee on Rules has recommended this waiver of section 302(c).

Second, the rule waives clause 2(l)(6) of rule XI and clause 7 of rule XXI against consideration of H.R. 2906. Clause 2(l)(6) of rule XI requires that it shall not be in order to consider any bill reported from a committee until it has been available for 3 days to the Members of the House. While H.R. 2906 was reported on July 9 and was available on Friday, July 10, a waiver of the rule is still required in order that it may be considered today. Clause 7, rule XXI requires a 3-day availability of the accompanying report and relevant printed hearings. Again, since the report was available on Friday, it is the recommendation of the Committee on Rules that the waiver be granted in order that H.R. 2906 be eligible for consideration today.

Finally, the rule waives clause 2 of rule XXI against specified provisions of the bill, which are detailed in the printed rule. Clause 2 of rule XXI prohibits the consideration of unauthorized appropriations or legislative provisions in an appropriations bill. However, as Members know, the House on May 20 passed H.R. 1748, the Department of Defense authorization for fiscal year 1988, which contained the authorizations for military construction projects in the coming fiscal year. Since the Senate has not yet passed the bill, it is necessary that this point of order be waived against the specified provisions in the bill in order that this important defense-related appropriation be able to be considered at this time.

Mr. Speaker, section 2 of the rule contains a provision which lays on the table House Resolution 216 which waives certain points of order against H.R. 2783, making appropriations for the Department of Housing and Urban Development and sundry independent agencies in fiscal year 1988. House Resolution 216 was reported from the Committee on Rules on June 29 but has not, to date, been called up for consideration.

The resolution has not yet been considered by the House because the manager of the relevant bill, the gentleman from Massachusetts, the chairman of the Subcommittee on HUD and Independent Agencies, Mr. BOLAND, is a distinguished member of the Iran Select Committee, and has not been available to manage his bill due to the heavy schedule of the Iran Select Committee. For this reason, the Committee on Rules recommends that the resolution waiving points of order against H.R. 2783 be laid upon the table until such time as the gentleman from Massachusetts has completed his extraordinarily difficult duties on the Iran Select Committee. It is the intention of the Committee on Rules to meet again to report a rule waiving points of order against H.R. 2783 once Mr. BOLAND is available to manage the bill.

Mr. Speaker, H.R. 2906 provides $8.1 billion in new budget authority for high priority military construction projects in fiscal year 1988. This amount is $1.8 billion below the President's request and is $77 million below fiscal year 1987 appropriations. Total appropriations for fiscal year 1988 will be $8.3 billion when the $221 million in prior year advanced appropriations which were provided in the fiscal year 1987 military construction appropriation are added to the budget authority provided in H.R. 2906.

Mr. Speaker, House Resolution 222 is a straightforward rule and the Committee on Rules believes the waivers recommended in the resolution are justifiable and necessary in order that the House have the opportunity to consider this most important appropriation so vital to the conduct of our national defense. I urge adoption of the rule and the bill.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman for yielding me the customary time.

Mr. Speaker, as the gentleman has pointed out, this is the rule that makes in order consideration of the military construction appropriations bill, H.R. 2906, and like almost all appropriations bills this year, with one exception, maybe two at the most, this rule is replete with waivers.

I mean, do you have a problem with the bill? If you are from Appropriations or an Authorization Committee, whatever you might have a problem with, we will waive any and everything, just bring it to the Rules Committee and we will flush you right on through.

□ 1320

Let me tell my colleagues what this rule waives. It waives the Budget Act, it waives legislation on an appropriations bill, it waives availability of the bill for 3 days. I mean we really do not want to know what is in these appropriation bills, do we? Why should we need 3 days or 3 hours? Three minutes is probably all we really need.

Of course, we waive the rule that requires that hearing committee reports be available for 3 days. We waive the 302(c) which prohibits the rule because it prohibits consideration of legislation from a committee that has not filed its 302(b) suballocations.

I do not know what is going on in the Appropriations Committee. I thought they were ready to file those suballocations days or weeks ago. Apparently there is some wrangle up there, but do not worry about it, the Rules Committee will take care of it. We will waive any requirement of that nature that might be imposed by 302(c).

It also waives, of course, the fact that we have numerous instances of unauthorized appropriations. In fact, it was interesting, as I looked over the bill, the committee apparently pays no attention to what was requested, what was authorized. They go up in some areas, down in others. I could not figure out what the rhyme or reason to it was. But that is all right, we waive that too.

Then also in section 2 of the rule we lay the HUD, Housing and Urban Development, appropriation bill on the table. I do not see any great damage being done with that. We lay the rule on the table. I have not seen it done before in all of the years I have served on the Rules Committee. I guess it is so that a member of the Rules Committee will not call up that rule after a certain number of days, and since the gentleman that is chairman of that subcommittee is involved in hearings over across the Capitol that we did not want it just sitting there until he could come back and handle the rule.

So I do not have any big objection to it, except it is unusual, and now the Rules Committee will have to go back and have another hearing and grant another rule.

Let me talk about the bill itself.

This subcommittee of the Appropriations Committee, the Military Construction Subcommittee, as is the usual case, does a better job than any of the other subcommittees of the Appropriations Committee. Their level of spending would be $8.1 billion, and that is $1.8 billion below what the President asked for, and very close to last year's level. There is some dispute over that. I had seen a figure that it was actually $70-some million under last year's level and I have seen a figure now that says it is $140-something million over last year's level. It is very close, and I guess it depends on whether you count the previously appropriated funds as to whether or not it is right on it, right above it, or right below it. But, overall, the subcommittee did a good job. In fact, this subcommittee probably did too good a job.

This is the only subcommittee of appropriations that I have seen that has kept spending down. It is probably the only one that should have allowed some spending to go up. The rest of the bills have been $1.2 billion, $1.8 billion, $2 billion, several hundred million over everybody's request and everything else that we are supposed to be using as a guidepost, but this one is within range of what was asked for.

So I must say to the subcommittee they have done their job and done it well. So I do not mean this criticism of the rule to be aimed at the appropriators in this particular instance. I just think the Rules Committee is too quick to pass out waivers for everything, and so therefore I oppose this rule.

I do hope to be able to support the legislation itself.

Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, over the last several months we have had a number of interesting debates on the floor over the question of budget waivers. I have received a bunch of interesting answers from the Rules Committee over that period of time about why budget waivers are in there. I have heard that it is an authorization bill and that the budget should not really apply until we get to the appropriation bills, or where we get to the real spending. I have heard that, after all, they are only doing it because the committee requested a waiver and they are going along with the committee's request.

I have heard explanations that the Rules Committee is very, very reluctant about these matters, that they do not like to waive the Budget Act, but, after all, there comes those times when we have to look at these things in light of what the committees are bringing before the Rules Committee.

This one puzzles me. I would like to ask the gentleman from Texas [Mr. FROST], if I could, was there an Appropriations Committee request for this waiver?

Mr. FROST. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Texas.

Mr. FROST. Mr. Speaker, my response is that they asked for all necessary waivers for the bill to be considered.

Mr. WALKER. But, specifically, if I read the letter correctly that I saw a copy of, the chairman of the Appropriations Committee did not ask for a waiver of the Budget Act, is that correct?

Mr. FROST. Not specifically, that is correct.

Mr. WALKER. Not specifically? Was there a Budget Committee request or permission granted for the granting of this particular waiver?

Mr. FROST. No.

Mr. WALKER. No, so we do not have either the Appropriations Committee or the committee of jurisdiction asking for a budget waiver, nor do we have the Budget Committee authorizing in this case the waiver to be granted, something which we have consistently said on the floor are a couple of things that we ought to have, because we have always been told that the Rules Committee is very, very reluctant to ever issue a budget waiver.

I have to conclude, therefore, that this was done by the Rules Committee on its own, that that very reluctant committee has finally decided that waivers to budgets are in fact automatic, and that we ought not worry very much about the law of the land when it comes to this matter. The law of the land has no meaning in our Rules Committee, our Rules Committee has decided that the law of the land as passed by Congress and as signed into law by the President does not apply to the U.S. House of Representatives, and when we commit ourselves to a Budget Act we can waive that Budget Act whenever we so desire. We do not have to have the approval of committees which do not have to have the approval of the Budget Committee, which just goes to the Rules Committee and says the law of the land does not matter.

I find that appalling, and I think that after all of the explanations over a period of some months here that the law of the land ought to have some applicability, that maybe this is the one time that the House ought to say no. The Appropriations Committee did not request this waiver, the Budget Committee does not want it, and we ought to vote it down.

Mr. FROST. Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, as the ranking member on the majority side of the committee, I am somewhat puzzled by the statement from the other side of the gentleman from Pennsylvania and the gentleman from Mississippi. I am inclined to conclude from their statements that their recommendation to the Appropriations Committee for military construction would be to wait until and at such time as the authorization bill is signed into law before we take action on the appropriation bill for military construction.

I would ask both gentlemen, is that what they are recommending?

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I am glad to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I do not think the gentleman is familiar with what section of the Budget Act is being waived. The budget being waived is section 302(c) that deals with the fact that the gentleman's committee has not yet done its appropriate 302 allocations, and so the problem rests with the gentleman's committee, not with the authorization committee in this case. The waiver the gentleman's committee in this case. The waiver the gentleman's committee is asking for is a 302 waiver, which is purely within the jurisdiction of the gentleman's committee, so what this gentleman would suggest is that we ought not bring the bill to the floor until the gentleman's committee has decided on what the appropriate 302 levels are for his committee.

Mr. ALEXANDER. I reclaim my time. We also are asking for an authorization waiver because there is no authorization bill. We are trying to appropriate in a timely fashion in order to go through the process of providing to the executive what it has requested, and there is no way to proceed if we wait until the authorization process has been completed. That will be September or October before that occurs.

Mr. WALKER. Will the gentleman yield further?

Mr. ALEXANDER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman, because I made no complaint whatsoever about the authorization process. I said simply that we had the law of the land on the line here with regard to the Budget Act. It is not just a rule of law we are dealing with, it is the law of the land in the Budget Act, and that is what we are deciding to break here. It has nothing to do with the authorization process. It has only to do with the appropriations process.

Mr. ALEXANDER. I am sure if we had complied with the 302(b) provision of the Budget Act the gentleman would be complaining about the authorization process. I think the gentleman is just complaining. I want to congratulate the strategy of the gentlemen over there. They come here in 1981 with a defense spending plan that authorizes multibillions, more than a trillion dollars for defense. The reduce taxes thereby creating an enormous deficit. They come back each year and try to pick away at their own deficit as if to reduce spending, alleging to the American people that they are saving money. You are not fooling many by this tactic, this strategy. It is one that I suppose you are going to continue notwithstanding what the situation.

This committee has the job of appropriating funds for military construction. We are trying to go about it in a timely fashion, meeting the deadline set forth by this House so that we can provide the military with the funds needed to do the job.

I thank the gentleman from Texas for yielding me this time.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. SABO].

Mr. SABO. Mr. Speaker, I would ask the gentleman from Texas is the waiver of the Budget Act related solely to the fact that the 302(b) allocations have not been filed?

Mr. FROST. Mr. Speaker, will the gentleman yield?

Mr. SABO. I yield to the gentleman from Texas.

Mr. FROST. Mr. Speaker, the gentleman is correct.

Mr. SABO. I think it is clearly within the authority of the House to make that waiver. That is not breaking any law. It is an act we do quite often, and clearly is within the normal procedures of this House.

Let me just speak to the substance of what has the gentleman so excited. I think it is fair to say the Appropriations Committee was about to make a decision on 302(b) within this week. We had some disagreements. We are now involved in making adjustments and in part to accommodate the requests of the administration and to deal with some of their concerns.

My understanding is that the tentative 302(b) allocation for this bill likely will remain the same. This bill is well within the allocation, both budget authority and outlays, and within the next day or two I expect the disagreements that occured can be resolved and 302(b) will be able to be filed.

Frankly, it has no impact on this bill which is within those allocations in both budget authority and outlays.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. SABO. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, why did not the Appropriations Committee do what is standard procedure and request of the committee this waiver?

Mr. SABO. Mr. Speaker, I suspect when the request was made it was assumed that 302(b) allocations would have been made and would have been filed.

Mr. WALKER. If the gentleman will yield further, that is the assumption that the House ought to be able to make too so that we operate within the constraints of the Budget Act.

I would dispute the gentleman's contention that the Budget Act is not the law. It is in fact the law of the land. Section 302 is a part of that law.

The Boland amendment is one little piece of an entire continuing resolution that is about yea thick. This is a bigger section of the Budget Act.

Mr. SABO. Mr. Speaker, I have no desire to go at length on this. Clearly, the House is governed by both law and rules. We have the power by rule to deal with our own procedures, something fairly inherent in legislative bodies.

So what the gentleman is getting excited about is nothing to get excited about. The 302(b) will occur. This bill will be within those limits in both budget authority and outlays, and I would suggest the gentleman relax and consider the bill on its merits.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume to make just a couple of observations.

It is true that we waive the rule against authorization legislation on appropriation bills. So you cannot make a point of order against some provisions. All I am trying to get across here is that the denial of this waiver would not stop this bill. Even if we did not not have that waiver, the bill could go forward and be considered and be debated and be voted on. It is just a point of order would be in order. So Members would have that opportunity to make a point of order against authorizations and unauthorized activities in this particular bill on an appropriation bill. That is what we should have done.

If Members or a Member felt very strongly about these programs that had not been authorized, they could have knocked them out.

The other point with regard to wanting to go forward with the President has asked for, I want to point out again this bill, unlike all other appropriation bills that we brought up, is $1.8 billion below what the President asked for. So while I think we have to commend the committee for trying to hold spending down, I would think that there are several areas where probably there should have been more spending in this particular bill.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 260, nays 150, not voting 23, as follows:

[Roll No. 267]

YEAS—260

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Badham
Bates
Beilenson
Bennett
Berman
Bevill
Biaggi
Bilbray
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Campbell
Cardin
Carper
Carr
Chapman
Chappell
Clarke
Coelho
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coyne
Crockett
Daniel
Darden
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gibbons
Glickman
Gonzalez
Goodling
Gordon
Grant
Gray (IL)
Gray (PA)
Green
Hall (OH)
Hamilton
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hochbrueckner
Horton
Hoyer
Hubbard
Hutto
Jacobs
Jenkins
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Lowery (CA)
Lowry (WA)
Luken, Thomas
MacKay
Manton
Markey
Martin (NY)
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDade
McHugh
McMillen (MD)
Mfume
Mica
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Panetta
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Pickett
Pickle
Price (IL)
Price (NC)
Quillen
Rahall
Ravenel
Ray
Richardson
Robinson
Rodino
Rose
Rowland (GA)
Roybal
Russo
Sabo
Savage
Sawyer
Schroeder
Sharp
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron
Young (AK)
Young (FL)

NAYS—150

Archer
Armey
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Callahan
Chandler
Cheney
Clinger
Coats
Coble
Coleman (MO)
Combest
Courter
Craig
Crane
Dannemeyer
Daub
Davis (IL)
DeLay
Dickinson
DioGuardi
Dreier
Duncan
Edwards (OK)
Emerson
Fawell
Fields
Frenzel
Gallegly
Gallo
Gekas
Gingrich
Gradison
Grandy
Gregg
Gunderson
Hall (TX)
Hammerschmidt
Hansen
Hastert
Hefley
Herger
Hiler
Holloway
Hopkins
Houghton
Huckaby
Hunter
Hyde
Inhofe
Jeffords
Johnson (CT)
Kasich
Konnyu
Kyl
Lagomarsino
Latta
Leach (IA)
Lent
Lewis (CA)
Lightfoot
Lott
Lujan
Lukens, Donald
Lungren
Mack
Madigan
Martin (IL)
McCandless
McCollum
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Nielson
Oxley
Packard
Parris
Pashayan
Petri
Porter
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Rogers
Roth
Roukema
Rowland (CT)
Saiki
Saxton
Schaefer
Schneider
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Slaughter (VA)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Stangeland
Stenholm
Stump
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Upton
Vander Jagt
Vucanovich
Walker
Weber
Weldon
Whittaker
Wolf
Wylie

NOT VOTING—23

Boner (TN)
Clay
Coughlin
Foglietta
Gephardt
Gilman
Guarini
Henry
Howard
Hughes
Ireland
Kemp
Lewis (FL)
Marlenee
Mavroules
Pursell
Rangel
Roe
Roemer
Rostenkowski
Scheuer
Schumer
Wortley

□ 1350

The Clerk announced the following pair:

On this vote:

Mr. Howard for, with Mr. Lewis of Florida against.

Mr. DELAY changed his vote from "yea" to "nay."

Mr. BILBRAY and Mr. SKEEN changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. HEFNER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2906) making appropriations for military construction for the Department of Defense for the fiscal year ending September

30, 1988, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that the general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from California [Mr. Lowery] and myself.

The SPEAKER pro tempore (Mr. Gray of Illinois). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. Hefner].

The motion was agreed to.

□ 1358

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2906, with Mr. Leland in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from North Carolina [Mr. Hefner] will be recognized for 30 minutes and the gentleman from California [Mr. Lowery] will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. Hefner].

Mr. HEFNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is my pleasure to present to you today the fiscal year 1988 military construction and family housing appropriation bill. The committee has worked very hard in reviewing the administration's request of $9.9 billion, and as a result we are bringing forward a bill containing $8,079,000,000 for fiscal year 1988. This level is a $1.8 billion reduction from the amount requested which represents an 18-percent reduction and is slightly less than the level of funding provided last year. Not included in this bill is a prior year appropriation of $221 million for fiscal year 1988, which, when added to the bill, amounts to $8.3 billion. The combined total of $8.3 billion is used for scorekeeping purposes in comparing the bill against our section 302(b) allocation. I will state that we are right at our tentative section 302(b) allocation.

In order to meet this level of reduction, the committee developed a number of guidelines that were applied very strictly to all items in the bill. Our goal was to fund the highest priority military requirements and yet respond to the need for fiscal restraint.

In order to achieve the reductions mandated, the committee followed these guidelines:

First, conformance for the most part with the authorization reductions recommended by House;

Second, restore House authorization reductions for quality of life projects such as barracks and housing but recommend them subject to authorization;

Third, restore House authorization reductions which the committee believes to be of high priority;

Fourth, defer projects of low operational utility;

Fifth, defer many projects overseas because of the currency problem that is dramatically affecting the cost of our construction program;

Sixth, deny funding for projects that can or should be funded through NATO or other host nations; and

Seventh, stretch out major initiatives in order to make room for other high priority projects

This year's budget request contains some 1,500 projects. The committee has recommended changes to about 400 or so projects. There are undoubtedly Members who will question our reasoning for project reductions at specific installations. Let me emphasize again for their benefit that this level of funding requires that we cut one out of every four projects requested. Our choices were difficult but I believe the projects included for funding are of a highest priority.

At this point, I would like to highlight the major items of interest in the bill. The authorization bill as passed the House reduced the President's request by $1.7 billion; thus most of the reductions were made in conformance with the authorization bill.

The committee has recommended deferring many projects overseas for fiscal reasons and because of the serious currency exchange problem that is affecting the construction program. For example, the Department of Defense estimates that it will cost an additional $700 million to buy out the entire ongoing military construction program overseas because of currency losses. To help relieve this problem temporarily, the committee has recommended $125 million for the currency fluctuation fund.

The committee has generally gone along with the House Armed Services Committee in stretching out many of the major new initiatives such as the Light Infantry Division in Alaska and strategic homeporting at 10 different locations throughout the United States. With regard to strategic homeporting, the committee is recommending funding $173 million of the $273 million requested for homeporting at 8 of the 10 sites proposed. This would constitute the third year of funding for northeast and northwest sites and initial funding for the six sites on the gulf coast.

About $83 million is provided for the initial beddown of the advanced technology bomber at Whiteman Air Force Base, MO. This is the first location identified for the beddown of the Stealth bomber.

All the requested funds in the amount of $87 million associated with the ground-launched cruise missile sites in Europe have been deferred pending the outcome of the Geneva negotiations. It should be emphasized that the deferred GLCM facilities requested in fiscal year 1988 are not critical operation-type facilities but are morale, welfare, and support-type facilities.

The committee has deferred initial planning and design funds for the MX rail garrison mode at F.E. Warren Air Force Base in Wyoming. The funds are deferred without prejudice because it is premature to begin design when the Congress has not committed itself to 50 additional deployable MX missiles as a part of this new initiative.

The committee has deferred without prejudice the first phase of a project to relocate the entire Naples Command Control Communications Intelligence Complex to a location inland of the current site in Italy. Since the total cost for relocation could be in excess of $400 million, we are deferring this project without prejudice and asking the Navy to evaluate the alternative of moving to Comiso, Sicily, as possibly a more economical alternative.

With regard to Central America, the committee has deferred $55 million in projects for Panama consistent with the House Armed Services Committee recommendations. The deferral is made in context of a 5-year Department plan to spend about $150 million over 5 years in facility construction with this year being the year of initial funding. The committee has reservations about providing such funds when our agreement with Panama expires in 1999 and such facilities will have to be turned over to the Panamanian Government according to a certain timetable.

The committee continues to stress the need for our allies to share more of the financial burden for projects overseas especially when common market countries and Japan reap many economic benefits from our defense investments and commitments.

The committee is recommending $475 million for barracks projects which is $105 million above the House authorization level. The committee feels strongly about funding barracks projects when it is estimated that about 200,000 service men and women still live in World War II structures.

The committee is recommending $3.4 billion for family housing programs which is an increase of $113 million over last year and will substantially improve the quality of life of our military personnel.

In conclusion, the bill we have brought out is fair and is bipartisan, it is balanced, it provides for the highest priority military construction requirements; and it meets the tentative section 302(b) target of $8.3 billion.

I would just like to express my appreciation to all the members of the Military Construction Subcommittee. I would like to particularly thank our ranking Republican, BILL LOWERY, for his diligence and help in pulling together this bill. We have had to work with a difficult set of parameters this year, and with his help the result has been a bill which provides for the highest priority military requirements, yet meets the reduction mandated by the budget resolution.

I reserve the balance of my time.

□ 1405

Mr. LOWERY of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the military construction appropriation bill for fiscal year 1988.

To begin with, I would like to commend the chairman of the Military Construction Appropriations Subcommittee, the gentleman from North Carolina, for his diligence in bringing this bill to the floor. He has made every possible effort to ensure that this bill has been crafted in a bipartisan manner. He has made sure that each member of the subcommittee, without regard to what side of the aisle they are on, was able to participate in crafting this bill. The outcome of his efforts represent a balanced bill.

Mr. Chairman, H.R. 2906 provides an $8.1 billion appropriation for military construction and family housing during fiscal year 1988. This represents an 18 percent reduction or $1.8 billion under the President's request. Let me repeat, $1.8 billion under President Reagan's request. Not included in this bill, but scored against it, is a $221 million advance appropriation, mandated in last year's bill, which brings the total to $8.3 billion. Currently, it is $144 million over the fiscal year 1987 appropriation. However, if the committee were not required to have included the $221 million advance appropriation; which was scored against the bill, this bill would be right at the fiscal year 1987 level. When comparing it to our 302(b) allocation—it is right at the allocation of $8.3 billion.

Mr. Chairman, the Department of Defense's physical plant—all buildings, hangars, maintenance facilities, administrative facilities, with the exception of family housing, all bricks and mortar in the continental United States and overseas—is worth some $450 billion. Military construction receives about 3 percent of each year's total defense budget to renew or replace this investment. In fact, the current rate of replacement is every 77 years, well above the Department of Defense's policy to renew or replace these facilities every 50 years. We're not even close. Were we to replace facilities every 50 years. This would cost $9 billion per year and this doesn't include family housing nor new weapons systems. As my colleagues can see the military construction requirements for our country are immense, the resources scarce. At $8.3 billion we don't even come close to a reasonable replacement schedule.

The chairman of our subcommittee has done an excellent job in outlining the content of this bill and explaining how we are maintaining this $450 billion investment. I would like to reiterate that it was not easy to review some 1,500 projects and reduce $10.1 billion to $8.3 billion. There are projects not included in this bill that I would have liked to see funded. However, we are not exempt from budget constraints.

In order to reach a level of $8.1 billion, the subcommittee carefully deferred or delayed some new initiatives; eliminated projects of low operational utility; deleted and deferred numerous projects failing authorization; eliminated projects that should be funded by NATO or host national support; and, reduced the number of overseas projects.

We gave priority to projects which we believe are important for: Quality of life; replacement of dilapidated structures; and projects of high operational utility. Examples of these would be barracks to get our troops out of World War II structures or quonset huts, any Member who has been to Germany or Korea has seen the deplorable conditions our combat ready front-line troops are expected to live in; hardstands and maintenance shelters in Europe to help get 90,000 soldiers out of working in the mud, snow, and ice; consolidation of functions which are spread out in numerous buildings to improve efficiency; maintenance hangars; firefighting training facilities; and, family housing. In reviewing this bill, you will find that some projects which fall in these categories are subject to final authorization.

Some of the major components of H.R. 2906 include:

$173 million of the $273 million requested for strategic homeporting at 8 of the 10 sites proposed. Although, personally I oppose the homeporting concept—my role is not to be obstructionist when the Congress and the committee have supported the strategic homeporting initiative.

$221 million in advance appropriations for the Light Infantry Division at Fort Drum, NY, and $69.7 million of the $98.9 million requested for Fort Wainwright, AK.

$83 million to initiate the beddown for the advanced tactical bomber.

$23.2 million to support the strategic defense initiative. This does not include $100 million for the National Test Facility in Colorado Springs due to lack of authorization, however, the remaining six projects are funded.

Deferral without prejudice of $87.5 million for support facilities and $35.5 million for family housing associated with the ground-launched cruise missile sites due to the pending outcome of negotiations in Geneva.

$4.15 million for troop support facilities at Palmerola, Honduras, consistent with the House authorization. In addition, the committee has deferred some $54.7 million in projects for Panama due to the lack of a definitive plan for our future in Panama.

$125 million for the foreign currency fluctuations, construction fund, to help ease the construction backlog experienced by the services due to the instability in exchange rates.

$3.875 billion or 47.8 percent of this entire bill for barracks and family housing to house our soldiers, sailors, airmen, and marines and their families. Housing is a top priority—in fact, it is consistently given as a major reason for reenlistment.

Mr. Chairman, these major components are necessary, but I would like to remind my colleagues what this 3 percent of the total defense budget really provides for. While there are many projects in this bill that are important to our national defense—the majority are important to the men and women of our Armed Forces. While we invest billions of dollars for weapons systems—many of which are more glamorous than a hardstand, a concrete slab, to relieve our soldiers from working in the mud, snow, and ice—we tend to forget the most important factor to our defense—those men and women who put our systems to use. That men and women who put systems to use. That is what the military construction appropriation bill is about. We don't have the constitutency of support those glamorous weapons systems have—our constitutency is the men and women of our Armed Forces and their families—we provide for their working environment; their housing; their hospitals and clinics; their chapels and their child care centers.

Finally, Mr. Chairman, I would like to reemphasize what the chairman has said—we are right at our 302(b) allocation and because of that, I will join him in opposing any amendment which will cause this bill to exceed its allocation. Or, because of the overwhelming needs of our armed services personnel and the fact that we are $1.8 billion under the President's request, I will join the chairman in opposing any amendment which will reduce spending below the $8.3 billion 302(b) allocation.

In conclusion, this bill represents a balanced well-crafted bill—it provides the necessary military construction and family housing projects to protect and enhance our investment. It is a bipartisan bill and within the budget. I urge my colleagues to join us in supporting this measure today.

Mr. Chairman, I reserve the balance of my time.

□ 1415

Mr. HEFNER. Mr. Chairman, I yield such time as he may consume to the gentleman from Arkansas [Mr. ALEXANDER]

Mr. ALEXANDER. Mr. Chairman, I rise in strong support of this bill. Probably there are Members in this House who are not happy with the levels in this bill. There are certainly members of the committee who would have supported more funding in certain areas.

As usual, during the past several years, we have had to put this bill together on faith. We have done that before, when the authorization bill had passed the House, but had not been enacted into law which is the case this year. This year, the problem facing the committee is made more difficult because the prospects for actual enactment of the authorization law appear to be more dim this year than in the past.

Nevertheless, it is the committee's responsibility to recommend a bill and we have done that.

I want to thank our subcommittee chairman, Mr. HEFNER, ranking minority member, Mr. LOWERY, and the staff for the hard work they have done in helping the subcommittee and full committee put these recommendations together.

In preparing this bill, we have been working within a tight budget, as are all the appropriations subcommittees. The funding total is within the budget authority and outlay allocations for the bill. Compared to the 1987 level, the amount recommended in the bill is an increase of $142.2 billion—or 1.76 percent. It is $1,772,957,000 below the President's budget request.

Adjustments to the budget request which are reflected in this bill include:

Deletion or deferral of 1.4 billion dollars' worth of projects which have failed authorization.

Cuts totaling $580 million in projects in foreign nations due to budget constraints.

Delays or deferrals of $500 million in projects related to new initiatives.

Elimination of $300 million in projects with low operational utility; and

Cuts of $120 million of projects which should be financed through NATO or host nation support.

As in previous years, the committee has again drawn attention to its continuing concern about the failure of our allies—particularly in NATO and Japan—to finance a fair share of the burden of their own defense.

Our allies benefit in terms of increased defense from U.S. military investments within their boundaries they enjoy substantial economic benefits flowing from the presence of U.S. military forces, their families, and U.S. military activities.

Our allies also benefit from U.S. military investments in foreign areas other than their own nation. For instance, the United States has invested about $1.2 billion in facilities in the Persian Gulf region, in addition to other military costs to ensure the export of oil through the gulf. Nearly eight times as much of the oil exported from the Persian Gulf goes to European Economic Community nations and Japan as comes to the United States.

For the past several years the committee has repeatedly requested the Department of Defense to explore realignments of U.S. facilities and activities in foreign nations which can be undertaken without damaging our commitments to U.S. allies. The information available to committee shows little progress has been made in reducing the U.S. financial commitments.

To help underscore the committee's position, we have not recommended funding requested for projects at RAF Fairford in the United Kingdom and have not recommended funding for the Air Force munitions storage alteration projects in Europe.

Additionally, the committee has requested the Department to provide a report, not later than February 15, 1988, on progress it has made in obtaining increased burden sharing by our allies. The report deadline will give the Congress an opportunity to review the burden sharing situation during next year's hearing cycle.

The committee has long felt that the quality of living and working conditions for members of the military and their families are important to the level of readiness and to retention of military personnel. There is a serious backlog in construction of such projects. This year, as in past years, we have recommended funding for improvements in working and living conditions. We know more needs to be done, just as we know the budget constraints limit the resources available for doing the job.

The bill that is before us is a good bill. It is within the funding restrictions under which the committee has had to work. I urge passage of this bill.

Mr. LOWERY of California. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of H.R. 2906, the military construction appropriations bill for 1988. Although I would have supported additional spending in some areas, I wish to commend the chairman and the ranking minority member, along with the members of the committee and staff for their work on this measure.

Few things are as essential to the security of our Nation as the infrastructure of our national defense forces. Infrastructure is the sinew for the muscle of our Armed Forces. Without it, we would have no foundation on which to build our defense.

The projects included in this measure have been deemed essential to the readiness of our Armed Forces. In my own district in California, for example, this bill will provide essential training facilities at Vandenberg Air Force Base for the men and women charged with control of our intercontinental ballistic missiles, as well as needed facilities for our Reserve Forces in the Air National Guard and support facilities for the Naval Construction Battalion Center and Civil Engineers Corps at Port Hueneme. In one instance, the committee has approved a project for Vandenberg which was deferred by the authorizing committee, subject to final action on H.R. 1748.

I appreciate the constraints under which both committees have had to operate, and hope that now that there is a more definite target in the budget resolution, some of these items can be moved forward as requested. In conclusion, Mr. Chairman, I support this bill as the minimum which can be appropriated for this essential defense function, and urge my colleagues to vote "aye."

Mr. LOWERY of California. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. MARTIN], the ranking minority member on the military construction authorizing committee.

Mr. MARTIN of New York. Mr. Chairman, I would like to take the opportunity to salute and commend the gentleman from North Carolina, the chairman, and the gentleman from California, the ranking member, for their efforts in bringing this bill to the floor and, indeed, to salute the entire Appropriations Committee.

When I see some of the amendments that are in store for us today, I think sometimes we lose sight of the fact of just exactly what this military construction appropriation legislation is all about.

Mr. Chairman, at the start of the year when the President and the Secretary of Defense submit their budget, they are talking about how much money they think they need to support the some 2½ million young men and women that we have around the world defending this Nation, and providing them with an adequate place to work and an adequate place to live, providing for their dependents, and indeed, remember them when they are out there defending this country, so that we can do our thing back here in the continental United States. When you start talking year after year about cutting some 20 percent from the President's request, you see substantial results out there in the field. Those are not some faceless group of people that we have never met before. They happen to be your sons and daughters, nephews and nieces, neighbors, cousins and brothers and sisters who are defending this country. When we talk about "just" a 20-percent across-the-board cut, we are talking about having a substantial impact on their lives and their quality of life.

My chairman on military construction on the authorization side, Chairman DELLUMS of California, and I have worked very hard in concentrating on the quality of life and what we are going to be able to provide for our men and women who are in the armed services.

I want to say to our colleagues on the Appropriations Subcommittee how much we appreciate their hard work in concert with the authorization committee. We do not always agree on every project, but the cooperation this year and last, and hopefully in future years, is narrowing the difference.

I want to say that we respect the differences that we have between authorizations and appropriations and those things can be worked out and priorities set.

When you try to cut 20 percent out of authorizations and appropriations year after year, and all of those projects are worthy projects in support of our men and women in uniform, obviously you are going to have disagreements. Reasonable men and women can disagree, and we do from time to time; but we have come a long way in setting those priorities. I want to commend the subcommittee, the gentleman from California [Mr. LOWERY], and the gentleman from North Carolina [Mr. HEFNER].

I want to point out that I will support their opposition to the amendments which I think are very shortsighted.

Mr. HEFNER. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN of Texas. Mr. Chairman, I rise in support of H.R. 2906, the fiscal year 1988 military construction appropriation bill.

I want to commend my chairman, the gentleman from North Carolina, Mr. HEFNER, and the ranking member, the gentleman from California, Mr. LOWERY, for a job well done in crafting this bill. I also want to commend our fine staff who help us make the tough decisions. Our subcommittee goes beyond partisan politics, as I believe the entire Appropriations Committee does. We have worked to craft a bill given the constraints of the budget crisis we presently face.

The committee conducted 12 different hearings on individual function areas. We reviewed the administration's budget request with a fine-toothed comb. Next, we reviewed the authorizing committee's bill, H.R. 1748. We then took into account the fiscal constraints imposed by fiscal year 1988 congressional budget resolution. Taking all of this advice Mr. Chairman, the committee then crafted a bill which we believe meets the needs of the Nation's physical defense plant and military family housing. We did not always agree with the administration or the authorizing committee, but then that is not our responsibility. Our responsibility to craft a spending bill based upon the recommendations of the administration and the authorizing committee which also meets the fiscal policy imposed by the Budget Committee and the Armed Forces.

For fiscal year 1988, the committee has recommended a bill providing for $8,079,000,000 in new budget authority for military construction and family housing. When the $221 million advance appropriation for Fort Drum, NY, of is added, the bill totals $8.3 billion. This amount is $1,772,957,000 below the fiscal year 1988 request and $144,226,000 over the amount provided in fiscal year 1987.

In order the meet the limits imposed by the congressional budget resolution the committee deleted and deferred projects totaling $1.4 billion which failed authorization. We reduced overseas projects totaling $580 million because of budget constraints. The committee deferred or delayed $500 million of new initiatives. Finally, the committee eliminated $300 million of low operational utility projects and eliminated projects which could or should be funded by NATO or host nation support saving $120 million.

The committee took exception with some of the recommendations of the authorizing committee particularly with respect to quality of life projects. Therefore, the committee has recommended funding for several quality of life projects subject to authorization. Let me say, that it would be unwise for the House to drop these projects based on that criteria. First, we still do not know if there will be an authorization bill and it would be unfair to our military personnel and their families that they be held hostage to congressional indecision. Second, when the House considered the authorization bill, that bill was based upon the House budget resolution. Now we are working on the congressional budget resolution which has a higher defense number. If we were to constrain ourselves to the lower authorizing number, the House would be at a disadvantage in conference with the other body.

Finally, let me address the issue of across-the-board cuts. To those Members who intend to offer amendments to cut this bill across the board, I ask that you first look at the bill. See what the funding is for. Then, if you think we can further cut family housing, cut child care centers, cut out barracks to replace the quonset huts that house our troops, then vote for that cut. This is a meager bill in terms of what needs to be done. We have worked hard to keep up with the necessary capital investment to maintain our military physical plant. We have done what we can, given the funds available. To cut further would be wrong. Just as you cannot have strong industry without capital investment, you cannot have a strong military without maintaining that investment. All of our tanks, missiles, fighter jets, carriers, and battleships must be maintained somewhere. Finally, those brave men and women who put their life on the line for our freedom must be housed. Don't let the politics of across-the-board cuts cloud those issues.

Mr. HEFNER. Mr. Chairman, I yield 4 minutes to the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Chairman, this bill which is brought to the floor of the House by the Appropriations Committee is one that recognizes Missouri's continuing contribution to the national defense of our country.

□ 1430

I compliment the gentleman from North Carolina [Mr. HEFNER], the chairman of the Appropriations Subcommittee, and the gentleman from California [Mr. LOWERY], the ranking member, and other members of the subcommittee that worked so hard and so well on all of these projects.

Missouri is fortunate in that it has some military installations that, as a result of their being in our State, now are challenges to Missourians and to us who represent that State to do the best we can in making additional contributions to our national security.

Whiteman Air Force base at Knob Noster, MO, has been named as the first base to have the advanced technology bomber, that is, the Stealth bomber, which will be the premier weapons system for the 1990's and beyond for the U.S. Air Force. This committee and this bill that is before us funds 19 projects at Whiteman Air Force Base for the Stealth bomber for a total of $83 million. This enables us to move ahead with the project, to keep it on line so that when the time comes for the bomber to be fully produced and operational, Whiteman Air Force Base will be ready.

I might also add that as a result of this designation there will be some 2,400 additional military and civilian personnel at Whiteman, plus families, and we in Missouri are anxious to give them a good old-fashioned Missouri welcome.

Another area that I wish to discuss is that of Fort Leonard Wood. Three projects are funded in this bill which total some $10 million. Last year this committee and the Armed Services Committee, on which I serve, began the authorization and funding for the new Army Engineering School, which will be transferred from Fort Belvoir, VA, to Fort Leonard Wood, MO. This bill keeps the projects on line and fully funded. I compliment the committee for allowing this project to move ahead. This has the prospect of being the finest military engineering school in the free world, and we in Missouri look forward to that as a reality.

A final note, Lake City Army Ammunitions Plant is the recipient of $21 million for a waste water treatment facility, which is much needed, and we know that it is important that this committee has funded it.

Again, a special compliment to the committee for recognizing the importance of these military bases, for recognizing the fact that our national security depends upon these facilities, Whiteman, Fort Leonard Wood, moving ahead.

With that, I urge adoption of this bill.

Mr. HEFNER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Mississippi [Mr. MONTGOMERY], the chairman of the Veteran's Affairs Committee.

Mr. MONTGOMERY. Mr. Chairman, I want to thank the chairman of the Subcommittee on Military Construction Appropriations for giving me this time, and I do rise in support of H.R. 2906, the military construction appropriation bill. I want to commend the gentleman from North Carolina [Mr. HEFNER] as well as the gentleman from California [Mr. LOWERY] for bringing this legislation to the floor.

I am also privileged to serve with the gentleman from California [Mr. DELLUMS], the chairman of the Military Construction Committee of the House Armed Services Committee, so naturally we are interested in military construction.

Let me ask the gentleman from North Carolina a question. First I would say that in the military construction authorization bill we included a statement that says that we would strongly recommend that Fort DeRussey, in Honolulu, HI, not be sold, nothing be done to it, and we had a special select committee of the gentleman from California [Mr. DELLUMS], the gentleman from Virginia [Mr. DANIEL], and the gentleman from Alabama [Mr. NICHOLS], of the Armed Service Committee, that held public hearings about 6 months ago in Hawaii, on Fort DeRussey and they came back with a strong report that Fort DeRussey not be disposed of.

Could the gentleman tell me, is there anything in this bill that might have an effect on Fort DeRussey?

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, I can assure the gentleman that there is absolutely no language, nothing that could be construed as our advocating the disposal of Fort DeRussey, nor will there be until such time as the authorizing committee takes the steps for such movement. I can assure the gentleman of that.

Mr. MONTGOMERY. I thank the gentleman for his explanation. I think I can assure the gentleman that it will be a long, long time before the House Armed Services Committee recommends that we give away or sell or do anything with Fort DeRussey.

Mr. HEFNER. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. BUSTAMANTE] for the purposes of a colloquy.

Mr. BUSTAMANTE. Mr. Chairman, I want to engage the gentleman from North Carolina [Mr. HEFNER] in a colloquy.

The Appropriation Committee did not fund an $8.6 million access road project at Brooke Army Medical Center which was authorized by the House. Is it correct that the committee intended to defer funding the project without prejudice due to the present level of design for the road?

Mr. HEFNER. Mr. Chairman, if the gentleman will yield, the gentleman is absolutely correct.

Mr. BUSTAMANTE. I thank the gentleman for his answer.

Mr. HEFNER. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, I am pleased to have this opportunity to thank the distinguished chairman of the Military Construction Subcomittee, BILL HEFNER and the distinguished chairman of the Military Installations and Facilities Subcommittee, RON DELLUMS for their diligent work as well as the work of all members of the subcommittees for their consideration and support for the military construction for the 16th Congressional District of California for fiscal year 1988. Under the leadership of Chairman HEFNER and DELLUMS, the subcommittees have produced a bill that acknowledges both the need for fiscal restraint and the continued requirement for a strong national defense. I have enjoyed working closely with both chairmen in past years to ensure that the military construction appropriation provides needed facilities for our military personnel and their families and I look forward to continuing this relationship.

I would like to take this opportunity to review the various military construction projects proposed for the 16th Congressional District. I can assure you that each of these projects is badly needed and will contribute substantially to the effectiveness of these posts and the well-being of their populations.

The first two projects I would like to mention fall within the family housing category. As Members of this body know, I have been a strong proponent for adequate housing for military personnel. The need for onpost housing is particularly acute for Armed Forces personnel serving on bases in my district. The per capita income of the Monterey Peninsula is 123 percent above the national average and there is an off-post housing vacancy rate of less than 2 percent. The cost of off-post housing is extremely high, especially for service personnel. While local governments and officials have worked closely with military leaders to alleviate the problem, the shortage of suitable, affordable housing still remains.

To alleviate this problem, the President has requested an appropriation of $19 million for fiscal year 1988 to permit the construction of 211 new housing units. Officials plan to contract for the construction at both bases at once, so that economies of scale will be achieved and the per-unit cost of constructing the Fort Hunter Liggett facilities will be greatly reduced.

I cannot overemphasize the importance of these projects. Fort Hunter Liggett only has eight units on base now and they are in terrible condition. The 24 new units will permit the replacement of the 8 existing units and the building of 16 units for personnel who are assigned to Fort Ord but who work at Fort Hunter Liggett.

The project at Fort Ord is also essential because it will bring the total number of housing units available to service personnel at the base close to a level matching the number of service families. It represents another step in the effort to provide adequate housing for our service personnel and their families which the subcommittee has spearheaded. I urge the House not to stop short of this vital goal.

Another project closely related to the effort to improve the lives of our service personnel and their families—and one with particular importance to Fort Ord—is the President's request for an appropriation of $6.4 million for fiscal year 1988 for the construction of a child development center on that base.

This request will provide for the construction of two separate facilities at two locations to provide full-time child care to a total of 606 children. The center will replace the single facility now used for this purpose. The existing building dates from the Second World War; it is dilapidated and poses a serious risk of fire and other dangers to its young population. The center will improve the safety and convenience of the base's child care operation and will operate to support the Army family with ours from 6 a.m. to 7 p.m.

The availability of a child development center with full-time service is especially important to the personnel at Fort Ord. As Members of the House may know, Fort Ord is the home of the 7th Infantry Division (Light), a rapid deployment force. Personnel at Fort Ord are subject to quick mobilization orders in cases of national emergency, and may need to be at Travis Air Force Base with only 4 hours' notice. While service personnel are required to make provision for care of children in the event of a rapid mobilization, the center will give parents—especially single parents—an extra degree of flexibility and will help to lower the anxiety many of them experience about the care of their children in such a situation.

The President has also requested an appropriation of $1 million in fiscal year 1988 to upgrade the water distribution system at Fort Hunter Liggett. The infrastructure of the water distribution system on the base is 20 to 30 years old and in very poor condition. Each year, the Army spends money repairing the system but the system is now just about past the point of repair. Indeed, the old well shows signs of going bad and officials are putting an abandoned well on standby, in case of complete failure. The appropriation request will permit the drilling of a new well and the laying of about 4.5 miles of distribution pipes to carry water to the base. This project is essential to ensure the provision of adequate, safe water to the base and its personnel.

The President has made a request which will help save both money and energy. For fiscal year 1988, he has requested an appropriation of $490,000 for an energy monitoring and control system at Fort Ord. The energy monitoring and control system requests for Fort Ord for fiscal year 1988 is part of the Army's normal energy conservation program. Funding will provide for the retrofitting of base buildings with energy monitoring systems, weatherstripping. setback thermostats and similar equipment. Past experience with this program has proven that it has a positive cost/benefit relationship and will pay for itself.

Before concluding, I would like to draw the House attention to another worthy project which is in the President's budget request. The construction of a regional training maintenance center site at Camp Roberts. For fiscal year 1988, he has requested $1.729 million to ensure that members of the National Guard and Army Reserve who train at Camp Roberts will be properly prepared to work with advanced and updated defense systems. This funding is urgently needed to ensure the quality of these forces who are taking on a great role in our Nation's readiness efforts.

As I did last year, I would like to assure the House that the appropriation request for fiscal year 1988 for projects in the 16th Congressional District of California represents only the bare essentials needed to keep these facilities operating and to provide safe and livable conditions for the service personnel at these installations. As I have noted in my statement, many of these projects have been delayed for years, if not decades. Other important and badly needed projects, such as the Presidio's multiyear master plan to replace classrooms at the Defense Language Institute which were built as far back as 1903, have been put on hold. The projects in the 16th Congressional District for which appropriations have been requested represent careful prioritization and consideration. They deserve to be funded.

In closing, I would like again to commend the both subcommittees for its accomplishments in the area of improving the lives of military personnel. The tragic suicide of young Danny Holley a few years ago focused our attention on the need to ensure that our service families have adequate housing, and much has been done since that time to reach that goal. There is still work ahead of us, however, and I urge the House to approve the family housing and military construction appropriation requests for the 16th Congressional District, as an important step forward.

Mr. HEFNER. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Chairman, I rise in opposition to H.R. 2906, the military construction appropriations for fiscal year 1988.

I do so chiefly because of my strong and continuing objections to the Navy's plan to disperse the homeporting of ships at various U.S. port cities, including New York City.

I recognize that the funding for homeporting has been stretched out by the committee in the pending bill, primarily because of the high cost of the Homeporting Program. However, I believe that if the Congress really understood the costs and benefits of the homeporting scheme, we would not be stretching it out, we would be canceling it out.

In a June 1986 report, the General Accounting Office [GAO] urged that Congress require "a demonstration of the strategic benefits and more definitive and complete cost estimates before approving funds for the new homeports." More than 1 year later, no such demonstration has been made. Rather, the observations of former Senator Barry Goldwater continue to apply. He called homeporting "one of the biggest political boondoggles I ever heard of," and predicted that the program will cost over $10 billion before we are through with it.

Thus, the pending bill stretches out a program that is fabulously expensive and that serves no legitimate military purpose. And it does so at a time when monstrous budget deficits continue to cast a pall over our Nation's economic and social future.

The case of the New York homeport is instructive. The Navy estimated a cost of $188 million to reach an initial operating capability. But GAO contends that the figure will exceed half a billion dollars.

Cost is not the only reason why the New York homeport should not be built. There are currently three lawsuits pending concerning construction of the New York homeport. These lawsuits raise serious and disturbing questions about the adequacy of the environmental disclosures that have been prepared by the Navy and by New York State. They also contend that the Navy has failed to fulfill its obligation to obtain certain required State environmental permits and that the State has improperly issued some environmental permits.

The Navy has now obtained the first two State permits that are required before construction can begin. However, Navy officials did not acknowledge that they are required to comply with State law in obtaining these permits. And they have not indicated whether they will seek other permits that are required under the law. At a time when many of our Nation's highest leaders are under investigation for alleged violations of the law, I find it deeply disturbing that the Navy does not recognize that it is required to comply with State law.

The issue of where to house homeport personnel has also been of significant concern. The Navy's current plan calls for construction of new units at South Beach in Staten Island. Yet the Navy's environmental impact statements ignore the fact that South Beach is an area of wetlands protected under Federal and State law. The Navy is now attempting to devise other plans for housing homeport personnel, but no plausible plan has yet been presented to Congress.

I believe that it is highly improper to initiate construction at the New York site while significant legal questions remain about this project, and no plausible plan has been developed to house the personnel needed for the facility.

Finally, a public report issued by the General Accounting Office in February 1987 confirms my longstanding fears that basing nuclear weapons in the harbor of our Nation's most populous city is a dangerous mistake. According to GAO, the Navy has experienced a significant number of "nuclear incidents"—unexpected incidents that do not qualify as accidents, but involve nuclear weapons, components, test weapons or nuclear facilities. In fact, the Navy reported 630 such incidents between January 1965 and December 1985.

Before approving additional funds for the New York homeport, we must ask ourselves whether we can risk an accident involving radiological contamination in New York harbor. In every poll taken on this subject, the residents of New York have spoken out against the basing of ships that may be carrying nuclear weapons in New York City. I join with them in calling for an end to this project, which endangers the health and safety of millions of Americans.

Mr. Chairman, the Navy's homeporting plans are fundamentally flawed and outrageously wasteful. And the Navy's plan to construct a homeport in New York endangers the environment and threatens the safety of New York residents.

In my view, this appropriation should not contain a single cent for homeporting. I urge my colleagues who are concerned about an adequate national defense and a sound fiscal posture to join me in voting against this measure.

Mr. HEFNER. Mr. Chairman, may I inquire how much time we have remaining?

The CHAIRMAN. The gentleman from California [Mr. LOWERY] has 17 minutes remaining and the gentleman from North Carolina [Mr. HEFNER] has 5 miuntes remaining.

Mr. HEFNER. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Chairman, I thank my colleague for yielding me this time.

Mr. Chairman, I would like to address myself to a potential proposed amendment that may or may not be offered a little later in these proceedings as regards the issue of base closures. One of our colleagues will offer an amendment that says to cut all projects at any bases that were on a base closure list or realignment list during the past 3 years.

Mr. Chairman, I would like to address myself to that. In the 99th Congress, as many of my colleagues are aware, a gentleman from the other body suggested to the Department of Defense that they establish a potential base closure list. A list was developed. Twenty-two facilities ended up on that list.

I would like to in my capacity as a Member of the authorizing committee and the chairman of the Subcommittee on Military Facilities and Installations, assure my colleagues that the Department of Defense, when we called hearings on the issue of these 22 bases, stated, and it is in the written document that they presented, this list does not constitute, and I repeat for the purposes of emphasis, does not constitute a request for relief. It should not be considered an official DOD representation.

The point that I am making here is that the Secretary of Defense, through his surrogates, stated to the Armed Services Committee and the subcommittee upon which I serve, and this gentleman chairs, that the so-called list of 22 were a notional or nominal list that did not present the Congress with a fait accompli with respect to base closures. So the list of 22 in practical terms died in the 99th Congress, so we do not present the list.

In fact, they stated, upon careful reconsideration, they chose not to present any base closing list in the military authorization bill for the fiscal year 1986.

I would now like to call my colleagues' attention to the request of the Department of Defense with respect to fiscal year 1987. We were not presented with any official or formal base closure list, but if one could loosely construe base closure, there were two facilities that might be construed as potentially being on a list. One was Mather Air Force Base, and another was an applied research facility, Army facility, at Watertown, MA

In the first instance, that is with respect to Mather Air Force Base, in my capacity as the chairman of the subcommittee, I received a letter from the Secretary of the Air Force.

The CHAIRMAN. The time of the gentleman from California [Mr. DELLUMS] has expired.

Mr. HEFNER. Mr. Chairman, I yield the gentleman from California 1 additional minute.

Mr. DELLUMS. Mr. Chairman, I would ask my distinguished colleague from California [Mr. LOWERY], the ranking minority member, if he would be willing to yield me 1 or 2 additional minutes on his side?

Mr. LOWERY of California. Mr. Chairman, I yield 2 additional minutes to the gentleman from California [Mr. DELLUMS].

The CHAIRMAN. The gentleman from California [Mr. DELLUMS] is recognized for 3 additional minutes.

Mr. DELLUMS. Mr. Chairman, I thank my distinguished colleague from California for his generosity, and in a moment I will yield to the ranking minority member, the gentleman from New York [Mr. MARTIN].

Mr. Chairman, with respect to what I was mentioning, Mather Air Force Base, the Secretary of the Air Force sent a letter saying, based upon reconsideration, the economics involved, that they had reconsidered the decision to enter into a study with respect to the closure of Mather and backed off of that for economic reasons.

In the second instance, that is with respect to the Army Applied Research Facility at Watertown, MA, the Assistant Secretary of the Army stated after they found out that there was a nuclear reactor facility that needed to be cleaned up, that might cost as much as $200 million or more, that in order to save a handful of dollars they may end up spending somewhere in the neighborhood $300 million, that they decided for economic reasons that they would withdraw that.

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So the point that I make, Mr. Chairman is, while my colleagues are well intended in this amendment, that there is no base closure list and that the practical effect of the amendment is nil. There was no list of 22, there is no list in this budget and the military has backed off of even nominal consideration.

With that explanation I yield to my distinguished colleague, the ranking minority member of the Subcommittee on Military Installations and Facilities.

Mr. MARTIN of New York. I thank the gentleman for yielding to me. Going back the 2 or 3 years that we have been dealing with this subject, perhaps there is something I missed. Mr. Chairman, right to this day has any rhyme or reason been given to you or to our committee that you know of as to where this notional list of 22 even came from and whether or not it made sense 2 or 3 years ago much less now in the face of the amendment we face? Is there something I missed? Or is there some rhyme or reason to that list was provided first through the press and then ultimately to us?

Mr. DELLUMS. I appreciate the thrust of my colleague's remarks. The point is that it is nonsensical, it makes no sense whatsoever.

Without violating the rules of the House I might just in referring to one of our colleagues the former chairman of the Committee on Armed Services from the other body who is no longer in the body asked the Department, the Secretary of Defense to come up with a notional list. They came up with a notional list. But when we held hearings asking them was this a formal list with respect to base closures their response was, "No, this is simply an example of what you might do if you decide to do it." And they withdrew it so there is no list.

Mr. MARTIN of New York. Mr. Chairman, will the gentleman yield to me for just 10 seconds more?

Mr. DELLUMS. I would be pleased to yield to the gentleman from New York.

Mr. MARTIN of New York. I thank the gentleman for yielding.

I point out that no one who has ever served in this body had more respect for our former colleague, the gentleman who has since retired. But it is my understanding as well that that list was notional and notional only and here we are talking to an amendment that relates to what was a notional list some three years ago and certainly has no bearing on the priority as to the uses of those bases as of 1988.

Mr. DELLUMS. The gentleman speaks with great clarity and eloquence and is very articulate with respect to the futility of the proposed amendment.

I thank the gentleman for yielding and thank my colleague for his time.

The CHAIRMAN. The Chair will state that the gentleman from California [Mr. LOWERY] has 15 minutes remaining and the gentleman from North Carolina [Mr. HEFNER] has 1 minute remaining.

Mr. HEFNER. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. LOWERY of California. Mr. Chairman, I yield 6 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES. I thank the gentleman for yielding to me.

I thank the gentleman from California for his remarks. The purpose of the amendment which has been proposed for consideration later on during the amending phase of this legislation is, among other things, in order to bring to the attention of the House the general issue of excess bases and base closings. I think it is no secret to anybody in this House that there are considerable excess bases within the Military Establishment and bases that can and should be closed. My point is, if I could suggest to the gentleman from California, our point is that we do not have a process in place to study the methods by which bases can be considered for closure. Regardless of the validity of the list that the gentleman from California is talking about, the fact is that we should be considering which bases within our military collection are available for closure and which ones are obsolete, which ones no longer serve an economic or military purpose. Those studies should be conducted on an objective basis, not based on whose congressional district they belong in, but based upon whether or not these bases are fulfilling their originally intended military purpose.

We would like very much to have the opportunity to call to the attention of the House this fact, and to get the House to agree to begin to pursue the establishment of a process whereby we can make an orderly transition into a leaner and meaner, if you will, military establishment.

I would like to take this opportunity to recall for the House the amendment offered by the gentleman from Texas [Mr. ARMEY] earlier this year which failed very, very narrowly but since I believe has gathered some support, which offered an orderly process by which the Congress could consider the wisdom of closing certain bases and leaving certain others open.

Our purpose in bringing this amendment forward was to make the point that first of all there are bases that need to be closed; second, it is folly for us to be spending capital on bases that are likely candidates for closure and that the House should be considering very carefully and very quickly what we should be doing in this regard and establishing a process by which we consider rationally and orderly the closure of the bases.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from California.

Mr. DELLUMS. I thank the gentleman for yielding.

Mr. Chairman, I appreciate the gentleman's remarks. This gentleman concurs with my distinguished colleague. Let me make three quick points. First of all, with respect to the Armey amendment, the only concern that this has with respect to the Armey amendment is as follows: We live in the context of a very delicate and fragile form of government, checks and balances. What this gentleman was simply saying was that the executive branch should never be able to use base closures as a mechanism by which to intimidate the legislative branch of Government. That is item No. 1.

Item No. 2, there is a procedure in place for the orderly closure of bases. My colleague may argue and I may join him, that sometimes it may not be effective but the point is that it is in place.

Third, let me make this observation with respect to the law as it stands now and with respect to base closures and realignment. Right now, notwithstanding any other provision of law, no action may be taken to affect or implement the closure of any military installation at which at least 300 civilian personnel are authorized to be employed. Any realignment with respect to any military installations referred to in paragraph 1 is involving 1,000 or more workers. The point is that from 300 down right now, the military can close a base without even talking to the Congress of the United States. Where it affects employees above and beyond 300, there is a mechanism in place that establishes a study and on the basis of that objective study they did make a specific recommendation to the Congress and it is accompanied by the fiscal year military budget authorization with the appropriate funds appropriated in order to accommodate the base closure. At that time in the colloquy and the comity between and among the Members, the two sides of the Congress and the executive branch, base closures can be affected. I do not know how you can do it within the context of a democratic society without that kind of check and balances. I join my colleague and I think my colleague would agree that this gentleman stands virtually without peer in challenging the military budget and wanting to cut it. So you are not talking about someone who is trying to increase the budget. I have spent my life in this Congress trying to challenge an ever increasing military budget and base closings make sense to me. I am simply trying to say to my colleague there is no list at this time. The Congress was never presented with a list in the 99th Congress nor in the 100th Congress. So the amendment is really futile in that regard.

I want to thank the gentleman for yielding and I appreciate this exchange.

Mr. RHODES. I will conclude by saying to the gentleman from California our purpose in putting forward this amendment was twofold. One was to call to the attention of the House that, in fact, little or nothing is being done concerning the study of potential base closings. Second, that we all know that there are bases out there that are ripe for closure and that we should be very careful that we do not expend new capital and new resources on bases that shortly will be closed.

I thank the gentleman and I yield back the balance of my time.

Mr. FAZIO. Mr. Chairman, I rise in support of the military construction appropriations bill for fiscal year 1988. As a member of the Subcommittee on Military Construction, I would like to commend my chairman, Mr. HEFNER, and the ranking minority member, Mr. LOWERY, for their efforts on this balanced and much needed bill. During subcommittee consideration of the bill, we tried extremely hard to fund all vital projects with an emphasis on readiness and quality of life for our soldiers. In order to retain our best and brightest volunteers, we must let them know that adequate housing is as important as state-of-the-art weapon systems. This bill reflects the belief of the committee that the men and women of our Armed Forces are our best defense and, as such, improving their living and working conditions is an essential factor in improving overall military readiness.

The Appropriations Committee has recommended $8 billion for fiscal year 1988 military construction and family housing in the United States and overseas. The total fiscal year 1988 appropriations is $1.8 billion less than the request by the administration and within the fiscal year 1988 budget resolution allocation.

H.R. 2906 provides $26 million to the local installations in my district and $33 million to bases in the Sacramento region.

Under H.R. 2906, the following projects are funded at McClellan AFB:

First, sound suppressor support facilities: $1.4 million for two noise-suppressed jet engine runup enclosures for functional check of engines from idle to full power. Currently, the majority of fighter aircraft ground runups are performed in open shelters. Without the sound suppressor support facilities, the noise level will continue to disturb numerous private residences, churches, schools, and businesses.

Second, alter the electric distribution system: $3.6 million to alter the existing primary electrical distribution system, in order to provide reliable and adequate power to each base facility. The electric distribution system will have switching capability for peak load demands.

The increased power demands that have developed over the years have generated a need for an upgraded electrical distribution system to accommodate the current load with a uniform voltage system. Currently, one of the two major switch stations serving McClellan AFB has insufficient capacity to serve base needs and cannot be expanded from present configuration. Maintenance and repair of distribution cables often require extended power outages to multiple facilities.

If McClellan is unable to obtain these alterations, the primary electrical distribution system will not provide the necessary dependability and flexibility to adequately support the base's industrial mission.

Third, depot warehouse: $19.5 million for a replacement warehouse. Over the last few years, McClellan has lost 7 of their 10 existing depot warehouses to other missions designated as priority.

There is a significant shortage of adequate depot warehouse space at McClellan. Facilities are saturated, resulting in spill-over storage in aisles and outdoor open storage areas, increasing the risk of fire and weather damage. These overcrowded conditions are the result of steadily increasing numbers of line items and the quantities for each line item being stored. In addition, over one-third of the existing warehouse space is substandard. The new depot warehouse will replace two of the remaining warehouses with a new facility complete with a computer system that would tie it in with the base's computer system.

Finally, the new warehouse is essential because over 1 million square feet of material is sitting outside due to the lack of warehouse space. As the ultraviolet rays of the summer Sun and the cold and rain of winter contribute to the deterioration of the materials, base personnel are forced to repair the materials and then either try to store them inside an existing facility or put them back outside until space is available.

The bill today also includes $1.5 million for a telecommunication facility for Travis Air Force Base for the renovation of an existing facility in order to become a telecommunications center [TCC].

The TCC will provide adequate facilities to support the Inter-Service/Agency Automated Message Processing Exchange [I-S/A AMPE] system, a new communication system designed to modernize and replace the DOD service's and agencies' existing automated message processing exchange. The I-S/A AMPE will also replace the Autodin switching centers and provide connections to the Defense Data Network.

Without this facility, the deterioration of the communication mission will continue and it is anticipated that based on increased maintenance costs, the loss of equipment responsiveness, security, and survivability will result in a rapid reduction of effective communication serviced to the USAF mission.

As I mentioned earlier, one of the goals of the committee is to promote quality-of-life projects. During hearings before the committee, testimony indicated that about 192,000 service men and women are still residing in World War II-type structures. Since this situation exists at Travis AFB, report language in H.R. 2906 directs the Air Force to expedite design of a dormitory modernization project at Travis AFB and include construction funds for the project in a fiscal year 1989 submission.

If funded in fiscal year 1989, this project will alter four of the unaccompanied enlisted personnel housing [UEPH] dormitories currently on base at a cost of $10.4 million. Each dorm will cost $2.6 million to modernize and each will house 267 military personnel.

Upgrading the existing dorm facilities will include converting the central shower configuration into a room-bathroom arrangement. It will also eliminate the central hallways which are conducive to noise and disruption. Planning includes insulation of doors and windows to enhance energy conservation. Also, as there are a number of summer days in which the temperature rises above 100 degrees, central air-conditioning will be installed.

Presently, only 5 of the 40 UEPH's meet the latest DOD criteria on enlisted personnel housing. The communal showers, noisy hallways and intense heat in the summer have all been cited as the worst problems with the existing dorms. This modernization is vital to the quality of life necessary for our enlisted personnel.

In the Sacramento region, H.R. 2906 also provides funds for military construction projects at Mather AFB:

First, base flight operations facility: $2.3 million for a facility of adequate size and configuration to house the functions of base operations, transient alert and weather station. The base weather station needs to be collocated with base operations to allow flight crews immediate access to the latest weather forecasts. The functions which are to be accommodated include flight operations, inflight kitchen, waiting room, briefing rooms, weather services, and administration support space.

Without this project, base operations services will be forced to continue in inadequate facilities resulting in an adverse impact on the flying mission.

Second, add to and alter electronic warfare flight training facility: $1.3 million for additions and modifications for the existing electronic warfare flight training facility. A facility of adequate size and configuration, with proper environmental and security controls, is required to accommodate electronic warfare [EW] flight training. The conversion of USAF navigator and EW officer training into a new specialized undergraduate navigator training track program significantly increases the demands on classroom space at the existing secret level EW flight training facility. A shortened entry cycle and course raises the daily intraining class number from five to seven. Additionally, the fighter-attack-reconnaissance navigator track EW phase expands from a 5-day to a 20-day schedule, and the tanker-transport-bomber navigator track EW phase increases from a 2-day to an 8-day schedule. The proposal to establish an electronic combat coordinator [EEC] training program will require additional classroom space capable of higher classification instruction. The increased depth of intelligence training and sensitivity of sources dictates the use of a sensitive compartmented information [SCI] facility.

Failure to increase the size of the EW flight training facility will significantly detract from the training mission and will restrict the timely implementation of future programs critical to success on today's electronic battlefield. The existing facility cannot support the expanded training function.

Third, fuel systems maintenance dock: $3.4 million for a facility to perform fuel system repair on assigned T-43 and T-37 aircraft. Environmental controls are necessary to provide proper ventilation for personnel safety and maintain the temperature and humidity levels required for the proper curing of sealants.

Currently, there is no facility for fuel system maintenance. This work is performed outside, when weather permits. Consequently, repair times are nearly triple. The location of the outdoor fuel maintenance area is close to an existing taxiway and the noise from taxiing aircraft presents a hazard, particularly in T-43 repair where the need for ear protection complicates the requirement for constant audio contact between members of the repair team.

Without this project extra downtime will continue to be required for curing sealants and coatings. Aircraft taxiing will continue to cause work stoppages on fuel cell repairs. This situation will deteriorate further as the T-37 and T-43 fleets age.

And at Sacramento Army Depot the bill provides funds for the following projects:

Electronics training facility: $2.1 million to provide year-round maintenance training on high-technology equipment to Reserve component personnel assigned to units west of the Mississippi River. This project will provide the facilities needed for quality hands on technical training to a maximum of 200 reservists at any given time. Personnel are to be trained on equipment not available at home station and, therefore, do not have the opportunity to familiarize themselves with equipment they would have to maintain upon mobilization.

Without this facility, reservists will continue to be trained in a piecemeal fashion in inadequate facilities. The ability of Sacramento Army Depot to provide for the planned increase in training over the next 5 years cannot be sustained without a dedicated training facility.

Mr. Chairman, I would like to reiterate my support for a family housing project at Fort Ord in California. Fort Ord is located on Monterey County where there is a critical shortage of adequate affordable economy housing. Military families compete with civilians in an area where the per capita income is 123 percent of the Nation's and an off-post vacancy rate of approximately 1.5 percent. Off-post new construction of rental units is severely limited due to the high cost and lack of available land. Almost 2,500 families are on the waiting list for Government quarters with an average wait of 5 to 12 months.

H.R. 2906 provides $19 million to construct 211 two- and three-bedroom dwelling units. Construction will consist of variously configured multiunits and/or single buildings. The moneys will also cover the costs of supporting roads, utilities, walks, parking areas, and landscaping.

The committee developed a bill which enhances both readiness and quality of life programs. I urge support of the bill.

Mr. RAHALL. Mr. Chairman, I rise today in support of H.R. 2906, military construction appropriations for fiscal year 1988.

This legislation appropriates $8.1 billion in fiscal year 1988 for military construction and family housing in the United States and overseas. This is in addition to $221 million appropriated last year for Army military construction in fiscal year 1988 for a light infantry division at Fort Drum, bringing the total of available funds for fiscal year 1988 to $8.3 billion. The bill's funding supports the active forces, National Guard and Reserve components, defense agencies, and NATO.

In achieving a responsible appropriations measure that is $1.8 billion less than the administration request, the committee took steps to preserve quality of life programs such as housing, maintenance shops, hospitals, barracks, and child care centers which are needed desperately to maintain the quality of military life that is at least acceptable to the service members in today's All Volunteer Armed Forces. The committee also endeavored to stretch out other programs, rather than undertaking major new initiatives.

I applaud the efforts of the committee and would like to make special note of Chairman HEFNER'S efforts to bring this bill before us today. The committee's effort to maintain the quality of life programs in this measure are most appreciated and will go far to provide an acceptable standard of living for America's military personnel.

Mr. LOWERY of California. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1988, for military construction functions administered by the Department of Defense, and for other purposes, namely:

MILITARY CONSTRUCTION, ARMY

(INCLUDING RESCISSIONS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Army as currently authorized by law, and for construction and operation of facilities in support of the functions of the Commander-in-Chief, $908,160,000, to remain available until September 30, 1992: *Provided,* That of this amount, not to exceed $133,120,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further,* That of the funds appropriated for "Military Construction, Army" under Public Law 98-473, $6,800,000 is hereby rescinded: *Provided further,* That of the funds appropriated for "Military Construction, Army" under Public Law 99-173, $28,000,000 is hereby rescinded.

Mr. HEFNER (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The text of the balance of the bill is as follows:

MILITARY CONSTRUCTION, NAVY

(INCLUDING RESCISSIONS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, facilities, and real property for the Navy as currently authorized by law, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes of this appropriation, $1,380,855,000, to remain available until September 30, 1992: *Provided,* That of this amount, not to exceed $148,655,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further,* That of the funds appropriated for "Military Construction, Navy" under Public Law 98-473, $6,800,000 is hereby rescinded: *Provided further,* That of the funds appropriated for "Military Construction, Navy" under Public Law 99-173, $19,400,000 is hereby rescinded.

MILITARY CONSTRUCTION, AIR FORCE

(INCLUDING RESCISSIONS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Air Force as currently authorized by law, $1,115,950,000, to remain available until September 30, 1992: *Provided,* That of this amount, not to exceed $121,036,000, shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further,* That of the funds appropriated for "Military Construction, Air Force" under Public Law 98-473, $6,300,000 is hereby rescinded: *Provided further,* That of the funds appropriated for "Military Construction, Air Force" under Public Law 99-173, $18,500,000 is hereby rescinded.

MILITARY CONSTRUCTION, DEFENSE AGENCIES

(INCLUDING TRANSFER OF FUNDS)

(INCLUDING RESCISSIONS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, installations, facilities, and real property for activities and agencies of the Department of Defense (other than the military departments), as currently authorized by law $564,886,000, to remain available until September 30, 1992: *Provided,* That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to such appropriations of the Department of Defense available for military construction as he may designate, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided further,* That of the amount appropriated, not to exceed $62,800,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further,* That of the funds appropriated for "Military Construction, Defense Agencies" under Public Law 98-473, $1,900,000 is hereby rescinded: *Provided further,* That of the funds appropriated for "Military Construction, Defense Agencies" under Public Law 99-173, $5,300,000 is hereby rescinded.

NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

(INCLUDING RESCISSION)

For the United States share of the cost of North Atlantic Treaty Organization Infrastructure programs for the acquisition of personal property, for the acquisition and construction of military facilities and installations (including international military headquarters) and for related expenses for the collective defense of the North Atlantic Treaty Area as authorized in military construction Acts and section 2806 of title 10, United States Code, $376,000,000, to remain available until expended: *Provided,* That of the funds appropriated for "North Atlantic Treaty Organization Infrastructure" under Public Law 99-173, $8,000,000 is hereby rescinded.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

(INCLUDING RESCISSION)

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $158,052,000, to remain available until September 30, 1992: *Provided,* That of the funds appropriated for "Military Construction, Army National Guard" under Public Law 99-173, $2,500,000 is hereby rescinded.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

(INCLUDING RESCISSIONS)

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $126,475,000, to remain available until September 30, 1992: *Provided,* That of the funds appropriated for "Military Construction, Air National Guard" under Public Law 98-473, $200,000 is hereby rescinded: *Provided further,* That of the funds appropriated for "Military Construction, Air National Guard" under Public Law 99-173, $3,300,000 is hereby rescinded.

MILITARY CONSTRUCTION, ARMY RESERVE

(INCLUDING RESCISSION)

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army Reserve as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $95,100,000, to remain available until September 30, 1992: *Provided,* That of the funds appropriated for "Military Construction, Army Reserve" under Public Law 99-173, $1,800,000 is hereby rescinded.

MILITARY CONSTRUCTION, NAVAL RESERVE

(INCLUDING RESCISSION)

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components of the Navy and Marine Corps as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $67,637,000, to remain available until September 30, 1992: *Provided,* That of the funds appropriated for "Military Construction, Naval Reserve" under Public Law 99-173, $1,200,000 is hereby rescinded.

Military Construction, Air Force Reserve

(INCLUDING RESCISSIONS)

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $69,620,000, to remain available until September 30, 1992: *Provided*, That of the funds appropriated for "Military Construction, Air Force Reserve" under Public Law 98-473, $200,000 is hereby rescinded: *Provided further*, That of the funds appropriated for "Military Construction, Air Force Reserve" under Public Law 99-173, $1,800,000 is hereby rescinded.

Family Housing, Army

(INCLUDING RESCISSIONS)

For expenses of family housing for the Army for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, $316,090,000; for Operation and maintenance, $1,267,277,000; for debt payment, $2,906,000; in all $1,586,273,000: *Provided*, That the amount provided for construction shall remain available until September 30, 1992: *Provided further*, That of the funds appropriated for "Family Housing, Army" under Public Law 98-473, $900,000 is hereby rescinded: *Provided further*, That of the funds appropriated for "Family Housing, Army" under Public Law 99-173, $19,400,000 is hereby rescinded.

Family Housing, Navy and Marine Corps

(INCLUDING RESCISSIONS)

For expenses of family housing for the Navy and Marine Corps for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, $244,914,000; for Operation and maintenance, $534,223,000; for debt payment, $2,022,000; in all $781,159,000: *Provided*, That the amount provided for construction shall remain available until September 30, 1992: *Provided further*, That of the funds appropriated for "Family Housing, Navy and Marine Corps" under Public Law 98-473, $400,000 is hereby rescinded: *Provided further*, That of the funds appropriated for "Family Housing, Navy and Marine Corps" under Public Law 99-173, $8,800,000 is hereby rescinded.

Family Housing, Air Force

(INCLUDING RESCISSIONS)

For expenses of family housing for the Air Force for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, $166,120,000; for Operation and maintenance, $694,809,000; for debt payment, $1,584,000; in all $862,513,000: *Provided*, That the amount provided for construction shall remain available until September 30, 1992: *Provided further*, That of the funds appropriated for "Family Housing, Air Force" under Public Law 98-473, $2,400,000 is hereby rescinded: *Provided further*, That of the funds appropriated for "Family Housing, Air Force" under Public Law 99-173, $12,300,000 is hereby rescinded.

Family Housing, Defense Agencies

For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, leasing, and minor construction, as authorized by law, as follows: for Construction, $1,186,000; for Operation and maintenance, $19,514,000; in all $20,700,000: *Provided*, That the amount provided for construction shall remain available until September 30, 1992.

Homeowners Assistance Fund, Defense

For use in the Homeowners Assistance Fund established pursuant to section 1013(d) of the Demonstration Cities and Metropolitan Development Act of 1966 (Public Law 89-754, as amended), $2,800,000.

Foreign Currency Fluctuations, Construction, Defense

For foreign currency fluctuations, construction, Defense, $125,000,000, to remain available until expended.

GENERAL PROVISIONS

Sec. 101. None of the funds appropriated in this Act shall be expended for payments under a cost-plus-a-fixed-fee contract for work, where cost estimates exceed $25,000, to be performed within the United States, except Alaska, without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor.

Sec. 102. Funds herein appropriated to the Department of Defense for construction shall be available for hire of passenger motor vehicles.

Sec. 103. Funds appropriated to the Department of Defense for construction may be used for advances to the Federal Highway Administration, Department of Transportation, for the construction of access roads as authorized by section 210 of title 23, United States Code, when projects authorized therein are certified as important to the national defense by the Secretary of Defense.

Sec. 104. None of the funds appropriated in this Act may be used to begin construction of new bases inside the continental United States for which specific appropriations have not been made.

Sec. 105. No part of the funds provided in this Act shall be used for purchase of land or land easements in excess of 100 per centum of the value as determined by the Corps of Engineers or the Naval Facilities Engineering Command, except; (a) where there is a determination of value by a Federal court, or (b) purchases negotiated by the Attorney General or his designee, or (c) where the estimated value is less than $25,000, or (d) as otherwise determined by the Secretary of Defense to be in the public interest.

Sec. 106. None of the funds appropriated in this Act shall be used to (1) acquire land, (2) provide for site preparation, or (3) install utilities for any family housing, except housing for which funds have been made available in annual military construction appropriation Acts.

Sec. 107. None of the funds appropriated in this Act for minor construction may be used to transfer or relocate any activity from one base or installation to another, without prior notification to the Committees on Appropriations.

Sec. 108. No part of the funds appropriated in this Act may be used for the procurement of steel for any construction project or activity for which American steel producers, fabricators, and manufacturers have been denied the opportunity to compete for such steel procurement.

Sec. 109. No part of the funds appropriated in this Act for dredging in the Indian Ocean may be used for the performance of the work by foreign contractors: *Provided*, That the low responsive and responsible bid of a United States contractor does not exceed the lowest responsive and responsible bid of a foreign contractor by greater than 20 per centum.

Sec. 110. None of the funds available to the Department of Defense for military construction or family housing during the current fiscal year may be used to pay real property taxes in any foreign nation.

Sec. 111. No part of the funds appropriated in this Act may be used to pay the compensation of an officer of the Government of the United States or to reimburse a contractor for the employment of a person for work in the continental United States by any such person if such person is an alien who has not been lawfully admitted to the United States.

Sec. 112. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

Sec. 113. None of the funds in this Act may be used to initiate a new installation overseas without prior notification to the Committees on Appropriations.

Sec. 114. None of the funds appropriated in this Act may be obligated for architect and engineer contracts estimated by the Government to exceed $500,000 for projects to be accomplished in Japan or in any NATO member country, unless such contracts are awarded to United States firms or United States firms in joint venture with host nation firms.

Sec. 115. None of the funds appropriated in this Act for military construction in the United States territories and possessions in the Pacific and on Kwajalein Island may be used to award any contract estimated by the Government to exceed $1,000,000 to a foreign contractor: *Provided*, That this section shall not be applicable to contract awards for which the lowest responsive and responsible bid of a United States contractor exceeds the lowest responsive and responsible bid of a foreign contractor by greater than 20 per centum.

Sec. 116. The Secretary of Defense is to inform the Committees on Appropriations and Committees on Armed Services of the plans and scope of any proposed military exercise involving United States personnel 30 days prior to its occurring, if amounts expended for construction, either temporary or permanent, are anticipated to exceed $100,000.

(TRANSFER OF FUNDS)

Sec. 117. Unexpended balances in the Military Family Housing Management Account established pursuant to section 2831 of title 10, United States Code, as well as any additional amounts which would otherwise be transferred to the Military Family Housing Management Account during fiscal year

1988, shall be transferred to the appropriations for Family Housing provided in this Act, as determined by the Secretary of Defense, based on the sources from which the funds were derived, and shall be available for the same purposes, and for the same time period, as the appropriation to which they have been transferred.

SEC. 118. Not more than 20 per centum of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year.

(TRANSFER OF FUNDS)

SEC. 119. Funds appropriated to the Department of Defense for construction in prior years are hereby made available for construction authorized for each such military department by the authorizations enacted into law during the first session of the One Hundredth Congress.

SEC. 120. The Secretary of Defense is to provide the Committees on Appropriations of the Senate and the House of Representatives with a report by February 15, 1988, containing details of the specific actions proposed to be taken by the Department of Defense during fiscal year 1988 to encourage other member nations of the North Atlantic Treaty Organization and Japan to assume a greater share of the common defense burden of such nations and the United States.

SEC. 121. For military construction or family housing projects that are being completed with funds otherwise expired or lapsed for obligation, expired or lapsed funds shall be used to pay the cost of associated supervision, inspection, overhead, engineering and design on those projects and on subsequent claims, if any.

SEC. 122. Notwithstanding any other provision of law, the Secretaries of Defense, Army, Navy and Air Force are required to maintain legislative liaison to the House and Senate Appropriations Subcommittees on Military Construction in a manner identical to the method employed as of September 30, 1986.

SEC. 123. Notwithstanding any other provision of law, including the certification requirements provided in section 210 of title 23, United States Code, the Secretary of the Army is directed to provide funds for the design of access roads for the New Cumberland Army Depot, Pennsylvania and for the Tobyhanna Army Depot, Pennsylvania, within funds provided in this Act.

The CHAIRMAN. Are there any points of order against the bill?

If not, are there any amendments to the bill?

AMENDMENT OFFERED BY MR. HOUGHTON

Mr. HOUGHTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOUGHTON: Beginning on page 2, line 8, strike the amount $908,160,000 and insert in lieu thereof $871,390,000. And on line 10, strike the amount $133,120,000 and insert in lieu thereof $96,350,000.

On page 3, line 3, strike the amount $1,380,855,000 and insert in lieu thereof $1,362,545,000. And on line 5, strike the amount $148,655,000 and insert in lieu thereof $130,345,000.

On page 3, line 21, strike the amount $1,115,950,000 and insert in lieu thereof $1,093,320,000. And on line 23, strike the amount $121,036,000 and insert in lieu thereof $98,406,000.

On page 8, line 3, strike the amount $69,620,000 and insert in lieu thereof $66,770,000.

Mr. HOUGHTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOUGHTON. Mr. Chairman, I rise to propose an amendment to H.R. 2906 and in sum and substance, Mr. Chairman, it is to save money by not adding brandnew construction to bases which may be, which may be considered vulnerable. I do not suggest that any bases be closed. Any such decisions should be made by those far more understanding of their merits than I.

Mr. Chairman, this is not a wild amendment. It is careful and moderate in its approach. It does not affect the readiness of our personnel. It does not affect the quality of our equipment. It does not put at risk any of our military commitments. It merely shows that this 100th Congress recognizes the precarious state of our country's finances and wants to turn over any stone, go to any extra mile and seek any extra saving it can.

The reason is quite simple: because Mr. and Mrs. Taxpayer, we are spending 20 percent more than you are giving us. We make up the difference by borrowing on your credit card which some day you will have to pay back.

So we say we ought to be able to look afresh at the $1,001,100,000 budget we are facing. Specifically, we have identified approximately $80 million and it comes basically from this report which is in question now that Mr. Barry Goldwater, then Senator Goldwater requested in 1985 from Secretary Weinberger. It focuses on several military bases which have been targets potentially for closing.

We do not suggest that they be closed. This distinction is important. What we do propose is that no more construction be done at those bases until their mission in life is resolved.

If this amendment does not pass, $81 million earmarked in the 1988 budget will be spent in places that may be obsolete. This amendment asks for the elimination of that $80 million-plus from this year's budget. If the bases next year assume a new life, then fine, put the money back in. But do not waste it, do not waste it now.

What this does is it represents about 200ths of 1 percent of the Department of Defense budget, hardly an Earth-shaking figure that would bring down the wrath of even the most ardent defense proponent.

I am sure there are objections and I am sure probably valid ones. For example, the conditions have changed, the list is in question since the 1985 DOD report. And even Senator Goldwater has different views.

Investments have been made, some should be stopped, some should be considered. But no matter what you hear, remember one thing, our mission is to save expensive dollars. The United States has 5,600 bases worldwide and they cost $25 billion to operate every year. We have bases in every State other than Vermont. Many of them are as a result of World War II activity. And every Secretary of Defense since Bob McNamara all the way through Secretary Weinberger has suggested some of these bases be considered and virtually anyone who has ever looked at this, from the GAO, the OMB, the Secretary of Defense, the Grace Commission, of which I was a part, Senator Goldwater, feel that something should be done to consider these bases. So we ask only that no new money be spent and if it is not on this particular list it will be on other lists, on construction where the demise of certain bases is still unresolved. It will close no bases, it will not reduce current activity in any base, it will not produce any military stink. It will not weaken our defense posture. It will only save expensive dollars.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. HOUGHTON. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. I thank the gentleman for yielding.

Mr. Chairman, may I ask the gentleman, I have a list here, so-called notional list of base realignment candidates. I would like to read to the gentleman and ask him if that is the list he is referring to.

In Arkansas it is Blytheville Air Force Base, in California the Naval Air Rework Facility at Alameda, in Illinois the Chicago-O'Hare International Airport, the naval complex at the Great Lakes, in Kansas it is McConnell Air Force Base, in Massachusetts it is Fort Devens, in New Mexico Fort Wingate, in Pennsylvania the New Cumberland Army Depot, in Maine the Loring Air Force Base, the Letterkenny Army Depot in Maine, the Naval Air Development Center and in Virginia the Cameron Station. Is this the list the gentleman refers to?

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Mr. HOUGHTON. Mr. Chairman, this is a list which I referred to.

The CHAIRMAN. The time of the gentleman from New York [Mr. HOUGHTON] has expired.

(On request of Mr. ALEXANDER, and by unanimous consent, Mr. HOUGHTON was allowed to proceed for 2 additional minutes.)

Mr. HOUGHTON. Mr. Chairman, if I could just reply to that for a minute, certainly this is the list. I have it right here. That is absolutely right. It involves nine States and 11 different bases, but we recognize that we have to start someplace.

I was on the Grace Commission, and at that time, 5 years ago, although maybe the list is out of date, we had 4,000 bases in this country. The military felt we only ought to have 325 bases. But there was no way of getting at it. Even the Grace Commission was not able to get figures which were meaningful. These probably are not meaningful, but they are a beginning, and all I am saying is that someplace within that huge military construction basis, if not here, someplace else, there must be an opportunity to save less than 1 percent of that military construction figure.

Mr. ALEXANDER. Mr. Chairman, if the gentleman will yield for one further question, I see that in Texas the Goodfellow Air Force Base is included. Is that also on your list?

Mr. HOUGHTON. Yes, it is.

Mr. ALEXANDER. Mr. Chairman, I thank the gentleman for yielding.

Mr. HEFNER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman refers to this giant military construction bill. This amendment has a very poor foundation, as the gentleman from California has pointed out.

This list has been read for everybody here, and I would hope that Members, if we have a vote on this, would not be told that this is money that is going to be saved because it is going to be spent at bases that are going to be closed, because that is just simply not the case. If you look at the list of bases targeted by this amendment, you will see that many of them or all of them are viable bases and they are proposed for expansion by the services themselves.

If you are going to close bases, maybe you ought to talk about bases overseas where we do not get the support from the host nation. That is where we should be looking if we want to save some bucks, at bases where we do not get the necessary support from the host nation. But when we say we are going to take a notional list that is 2½ years old, I am not saying you are going to mislead Members, but Members will be coming on this floor, and Members may say, "I want you to vote yes on this amendment because it just takes money away from bases that are going to be closed anyway." But that is just not the case.

This is a bill that we have worked very hard on. We have spent many hours on it. We have had many hours of hearings. We put it together on a bipartisan basis, and we have got a bill that even OMB did not send us the customary letter on saying that "You guys are over the budget and you need to cut some of this fat out of it." They sent us a letter and said, "You guys are a billion dollars short."

What we have tried to do is stress projects here that have a quality of life for our servicemen who are living in World War II barracks, not just in this country but overseas.

I appreciate the fact that Members want to cut the budget. I served 6 years on the Budget Committee, I serve on the Defense Subcommittee, and some of these notional lists that come out are absolutely and totally political lists and we know they are not going to do anything with the list of notional candidates. They come out and say, "All right, what you can cut is a division in California," but they know we are not going to do that. They say, "We can cut the ammunition supply from 25 to 23 days," but they know we are not going to do that.

But if you want to construe something from that, you can say, "Here is what the Pentagon wants to cut. They want to cut out a division in California, and they want to cut out 2 days from our ammunition supply for our people that are in training."

So I would, Mr. Chairman, urge the Members, although this a well-meaning amendment, to reject this amendment because it is not a viable amendment. I would also like to point out that the amendment as it is crafted takes $80 million out of planning and design funds and not construction as was intended. They take it all out of design money. I just think that this is not a good amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. LOWERY of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the subcommittee chairman makes a very good point. Of the $85.6 million only $2.8 million is for Air Force Reserve construction. The remainder, $77.71 million, cuts only study, planning, design, architect, and engineering services.

My question is, where in the amendment does it say what bases and how much is specified for each base? That appears nowhere in the amendment.

Mr. HOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. LOWERY of California. I yield to the gentleman from New York.

Mr. HOUGHTON. Mr. Chairman, there is nothing specific in the amendment, but in terms of formulating the amount of dollars, we have to begin at some point, and there was a point where we said that this particular list had a good foundation because at some point a couple of years ago people said that this was something we ought to look into.

Now, it does not mean that this is the end-all and the be-all, but I must believe, having been around budgeting a few years, that although this may not be the targeted list, there ought to be similar situations where moneys could be saved in terms of the total amount which we are talking about of $80 or $81 million.

Mr. LOWERY of California. Mr. Chairman, let me reclaim my time.

I could not agree more with the gentleman, but the appropriate place to make those decisions is in hearings within the authorizing committee, and that does not take place with this list. We wanted to have the DOD not just send over some arbitrary list, a notional list, but a true prioritization, because we should be looking at where we could save costs.

But this amendment, cutting $36.7 million from Army planning, $18.3 million from Navy planning, and $22.6 million from Air Force planning, not targeted to any particular location, not stating where the reductions would occur, I would just say is not the way to proceed.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. LOWERY of California. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, I appreciate the gentleman's yielding.

Mr. Chairman, I rise in strong opposition to this amendment which seeks to cut military construction funds, and which forbids any new construction or expenditures at any facility which Senator Goldwater targeted for elimination in 1985.

Mr. Chairman, I am somewhat surprised to be here today speaking against the so-called Goldwater hit list. This amendment seeks to revive and give new life to the discredited, now 2½-year-old list of 22 potential base closures which Secretary Weinberger provided Senator Goldwater in April 1985.

Mr. Chairman, my district and the Warminster Naval Air Development Center would be directly impacted by this amendment, as would several other districts in Pennsylvania, including the city of Philadelphia and the Philadelphia Naval Shipyard.

But I do not rise for parochial reasons. I recognize that the Department of Defense must periodically review its missions and the suitability of its facilities throughout the country to meet those missions. And the Congress must be responsible in reviewing recommendations of the Defense Department.

But this amendment is based on the Goldwater hit list of 1985, a list which was terribly suspect at the time, and is thoroughly discredited now.

In 1985 at the time former Senator Goldwater first proposed closing the 22 facilities on the list, the naval air development center in Warminster was being considered for a new $4.2 million laboratory for important new navigation research. I fought for that $4.2 million appropriation then, and succeeded in seeing that project through to completion.

Ironically, Mr. Chairman, just yesterday, Monday July 13, I was in Warminster to cut the ribbon on that laboratory for the Navy.

Now today I return to Washington, and again the NADC is under attack.

The amount in the 1988 bill is not as significant for NADC—just $300,000 for various maintenance and safety projects—but the potential impact should this amendment pass would be devastating, and devastatingly unfair to the nearly 3,000 men and women who work there.

I invite any of my colleagues in Congress to visit the NADC with me, just as the distinguished chairman of the Armed Services Committee, LES ASPIN did in 1985 and again in 1986. They would see the only nonweapons naval air research laboratory in the country. This is a one-of-a-kind facility, one that would just have to be rebuilt someplace else were it to close.

I ask the proponents of this amendment, if their amendment passes, would they support the expenditure of an additional $4.2 million to replace the laboratory which I cut the ribbon on just yesterday? Is that any way to save money?

And I point out to my colleagues just two examples of the folly of this particular amendment. First, Secretary Weinberger himself says in his cover letter to Senator Goldwater dated April 1, 1985:

> I caution again that the list is illustrative, and that no closures or realignments are proposed in the fiscal year 1986 budget. I am particularly concerned that programmed military construction at these installations not be cut simply because the installation appears on the notional list.

Even Secretary Weinberger, therefore, acknowledges that the list is hypothetical in nature, and projects not be cut based on the list.

Secretary Weinberger also states in that same letter:

> Base realignments are very time sensitive. A list of sites drafted at any point in time must be regarded as temporary because the conditions influencing its formulation are themselves temporary * * *. Additionally, once a major construction program to accommodate a realigned mission is undertaken at a location, termination is uneconomical.

Yesterday a major new laboratory was dedicated for a new mission at the NADC. This list is over 2 years old, is dated, and is obviously of no relevance to the current situation at NADC.

Mr. Chairman, I urge defeat of this amendment.

Mr. LOWERY of California. Mr. Chairman, let me go on.

On that list that was submitted 2½ years ago, right on the list DOD stamped it, meaning that the list should not be considered an official DOD representation. It was a disclaimer, meaning that the Department of Defense never intended to be official in nature. In fact, the White House has never endorsed such a proposal.

Let me reiterate what the chairman of the subcommittee has said. We have a letter from Jim Miller, Director of OMB, and I will just read a couple of sentences from it:

> As the House Appropriations Committee prepares to mark up the fiscal year 1988 military construction appropriation bill, I would like to outline the administration's position on House action to date. The bill as reported by the subcommittee is $1.6 billion below the administration's request of $9.8 billion by OMB scoring. The administration is concerned with the low level of funding recommended by the subcommittee. The reductions will result in cancellation or delay of construction of modernization of many urgently needed facilities. The administration urges the Appropriations Committee to fund the requested $9.8 billion.

We are under the figure. We have been doing the job. I commend the gentleman from New York for attempting to find ways to close down those facilities that are no longer required or needed, but I would suggest that the method we are using in this appropriation bill is not the proper way to proceed.

Mr. ALEXANDER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to this amendment, and I will state as briefly as I can my opposition, hoping not to consume the time allotted, by summarizing the reasons for that opposition.

The Air Force testified last year, 1 year after the so-called notional list, which includes Blytheville Air Force Base in Arkansas, that it would not wish to close Blytheville Air Force Base. It listed a number of reasons for its support of the continuation of that base, which shows the folly of this amendment.

It lists in its report No. NSIAD-86-19BR the fact that the GAO confirmed the Air Force's recommendations, giving reasons for keeping Blytheville Air Force Base in operation through the Strategic Air Command. Here are some of the things it lists:

The presence of newly constructed air-launched cruise missile facilities; Blytheville's contribution to the survivability of the Nation's strategic assets; the positioning of a primary mission; a nuclear strike base which targets targets inside the Soviet Union; Blytheville's high quality location in relationship to heavily used KC-135 tankers' refueling and Air Force training routes; the higher percentage of good weather flying days at Blytheville Air Force Base; the lack of urban encroachment in the area around the base; Blytheville Air Force Base would be needed in the event of redeployments of overseas aircraft to the United States and in association with realignments to deploy the B-1B.

In addition, the personnel at Blytheville Air Force Base in operations have won numerous awards within the last couple of years. The 97th Supply Squadron has earned the George C. Kenney Trophy for the best operational readiness inspection in the Strategic Air Command. And this base is listed on this so-called notional list. The 97th Bombardment Wing won first place in the second annual "Midget Sword" loading competition. The wing has won first place in the bomber crew-chief postload section of the Strategic Air Command's annual weapons loading competition.

In 1984 the Air Force chose a woman lieutenant from Blytheville Air Force Base as the first female instructor for the KC-135A.

The Blytheville Air Force Base is listed for some reason on this notional list of possible closures. I assert that the list is entirely political in nature. I am told that it arises out of a conversation that was had with the junior Senator from Texas and members of the White House who for various reasons wanted to target bases, maybe some with justification and maybe some just for political reasons. Nonetheless, it is a spurious attempt on the part of some forces within the Congress to politicize the process which we have tried to maintain in a very bipartisan way.

I think all the bases that are included here are justified in every way for economy and efficiency. I have just listed in summary a very few of the reasons that Blytheville Air Force Base should not be included and certainly not targeted for closure by the gentleman's amendment.

Mr. Chairman, I could go on. I could consume much more time, but for the sake of brevity, I will not, because I think that the summary speaks to the issues.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, if I may have the attention of my distinguished colleague who is the author of the amendment, I would like to try to place this debate in proper perspective, because I understand the motive of my distinguished colleague, the gentleman from New York.

It seems to me that the gentleman is raising two issues: The procedure by which we attempt to close bases and the question of whether that is efficient and effective, and second trying to find economies and where to cut funds.

□ 1515

Against that backdrop, this gentleman would like to make four points.

First of all, to place this entire base-closure discussion in proper context, the Department of Defense at this very moment has 5,000 properties, 5,000 installations and facilities.

Of that 5,000, 900 of them are major facilities, which means at this very moment, the Department of Defense could close 4,100 facilities without ever coming to the Congress of the United States, because they are not considered major facilities.

Of the 900, 200 bases have no civilian personnel, so those 200 bases can be closed by the Department of Defense without ever coming to the Congress of the United States, so we are now down to 700 facilities.

Of the 700 facilities, I would say to the gentleman from New York, 250 of them have civilian employees in excess of 300, which means that of the 700, 450 of the remaining 700 can be closed without the Department of Defense coming to the Congress of the United States, so we started out with 5,000 facilities. We are now down to 4,750 facilities that can be closed by the Department of Defense without ever coming to the Congress, so now let us deal with the 250.

This gentleman was charged with the responsibility in fiscal year 1986, in comity with the other body in the conference for fiscal year 1986 dealing with the military. We came to the following points in order to tighten up the base-closure legislation.

The conference report proposal which is now statutory law states the following:

First, that we would eliminate the advance-notice requirement that a study be undertaken at a facilitiy, so that you did not make people in a given community paranoid by making this announcement of a study before you could determine whether or not you wanted to close the base.

Second, require that all submissions come to the Congress with the annual budget submittal. That is now law. It comes to the Congress.

Third, permit the Department of Defense to use design operational funds without a special request of Congress, but not construction funds, in order to make their life a lot easier.

Fourth, provide the same thresholds as in current law for the legislative impediments to take effect, again trying to make it easier for the Department of Defense to close bases, the 250 left from the 5,000, I might add.

Fifth, require that Congress act within the budget cycle on the administration request (a) for authority to close or realign an installation, (b) for funds with which to shift missions to other installations, and (c) for any economic assistance package for the community to be vacated; and finally, to minimize the options for individuals—I am now particularly talking about Members of Congress—to delay action indefinitely through redress to the courts.

Here we have six points negotiated in a House-Senate conference in order to tighten up the legislation with respect to base closures making it easier for the Department of Defense to close any one or several of the 250 remaining from the 5,000 facilities that they can close, most of them without any action from the Congress.

Having made that comment, I would like to move on to my third point. I stated earlier that this amendment is without foundation, Mr. Chairman, because there is no list before us. The Department of Defense did not notify the Congress of the United States with respect to any list, so the amendment seeks a remedy where there is no issue.

The CHAIRMAN. The time of the gentleman from California [Mr. DELLUMS] has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. With respect to the economies in the military budget, my second point, I might say to the gentleman from New York, while we are here wrestling with the issue of closing a base here and a base there that may save $1 million here, $2 million there, right before our very eyes, hocus-pocus, Mr. Chairman, one branch of the military service; namely, the Navy, is about the business of expanding facilities.

Does the gentleman understand that strategic homeporting is a mega-hundred-million-dollar, and I would suggest would become a multibillion-dollar, program to expand military facilities costing the country and the taxpayer hundreds of millions of dollars, so if the gentleman really wants to deal with constricting facilities and installations, why does not the gentleman join this gentleman in opposing the absurdity of the concept of strategic homeporting which has us expanding military facilities at megamillions of dollars as we play around with an amendment that this gentleman can state without equivocation, at its finest moment, might save the American taxpayers $7 million in the Air Force where the Air Force does not want to close the base.

Mr. Chairman, this amendment cries out to be withdrawn, because it does not speak to any economies. We have spoken to efficiencies and effectiveness, and I would certainly join my distinguished colleague in closing facilities and installations, let us join in stopping the Strategic Homesporting Program.

Let us talk about nuclear facilities that we do not need in this country as we attempt to pursue peace.

I can show the gentleman not where we can save $7 million, but where we can save $30, and $40, and maybe even $50 billion to make the world a safer place to live in and create greater economies to solve the human problems of this country.

Mr. HEFNER. Mr. Chairman, I ask unanimous consent that all debate on the amendment offered by the gentleman from New York [Mr. HOUGHTON] and all amendments thereto be limited to 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for 40 seconds each.

The Chair recognizes the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, last evening I called the author of the amendment to make sure that, as a matter of fact, we did not go back to the 1985 Goldwater list, because in my case, the New Cumberland Army Depot, they were not talking about closing the depot. That was a misunderstanding.

They were talking about closing the petroleum part of it which employs about 8 or 11 people. What would happen now if we would give the last third of their development money, we would have the largest building in the world to supply NATO forces without a roof, because it has done everything else, and now this payment this year will complete it and put the roof on the building.

It will supply all of the U.S. NATO forces out of that particular operation, and so it would be a real mistake to use that list which is no longer valid in any way, shape or form.

Mr. GEKAS. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Chairman, I thank the gentleman for yielding.

Is it the idea of the gentleman from Pennsylvania now or a formed conclusion that this amendment as now constituted would suspend construction in midair?

Mr. GOODLING. I think it could.

The CHAIRMAN. Does the gentleman from California [Mr. LOWERY] yield back the balance of his time.

Mr. LOWERY of California. Mr. Chairman, I do not yield back the balance of my time; but I reserve my time.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Chairman, I rise in opposition to the amendment.

I have the privilege of serving on the subcommittee with the gentleman from California [Mr. DELLUMS], and I serve as the ranking majority member on that committee.

As the gentleman from California spoke, the list that we are talking about was submitted in 1985. It is illegal, nothing to the list; and I hope that the amendment would be withdrawn.

If it is not withdrawn, then I hope that it would be defeated.

However, I commend the gentleman from New York for offering the amendment to bring attention to the committee to discuss base closures.

□ 1525

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, I would like to make two things clear. First of all, there is no list of bases in my district that are on this list.

Second, we need to find a way to close major bases when they are obsolete, when they do not fulfill any military objectives or meet the missions the military has set out for them, but this is not the way to do that.

As has been already pointed out, this list is old. It is obsolete. It was not an official DOD representation. It is not really a list. It does not include what is there in the way of what needs to be closed today. In fact, one of the bases is now a major B-1 bomber base, so this is not the way to proceed with this. We have to find a way to do it, but not in this fashion.

Mr. Chairman, I oppose this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, let me quickly in 40 seconds point out that this was not a base closing amendment. This was an attempt to focus the House regarding whether or not we should have continued new construction on bases that had been proposed to be closed.

We now accept the fact that that list that was worked from was not in fact the best list to work from.

It is very disturbing to this Member to find out that a list that was put out that gained so much credibility was done purely for political reasons and it came from the Pentagon. That is disturbing.

Why I was wanting to support this amendment, in my district 10 years ago two bases were closed, only a few hours after major construction had started and completed on those bases. That is what we hope to avoid with this amendment today, but obviously, we are on the wrong track today.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I rise in opposition to the amendment, but in doing so I want to commend the gentleman for his intent to try to reach excessive spending. It is simply that this list was a political list from the very beginning. I bet that if you went down it and looked to see what was marked on the list, you would find facilities that could not possibly be closed, but are located in the districts of the States of Members and Senators who simply were not known as strong supporters of maximum increases in the DOD authorization or appropriation. For that reason, were put on the list.

So I commend the gentleman for offering the amendment but I think it is the wrong list. We need to find the right list and pursue it.

This list was also never supposed to represent a final judgment on which bases should or should not be closed. This was clearly stated in a letter written by Deputy Secretary of Defense William Taft to STROM THURMOND, the former chairman of the Armed Services Subcommittee on Military Construction. In the letter Mr. Taft wrote that the list's purpose "was solely as an illustration of the types of installation that might be considered for closure if Congress would pass expediting legislation and if required funds were added to the defense request" to pay for any closings and subsequent relocation expenses.

Since the list was issued, we have done nothing to continue the process. For example, during consideration of this year's DOD authorization bill, this Chamber unfortunately defeated an amendmemt which would have provided a commission to review this issue and make recommendations as to which bases should be closed.

I voted in favor of this amendment and the responsible procedures it proposed. But we should not jump the gun and start eliminating programs before we know which bases should actually be closed. Thus, this amendment takes a backward and irresponsible approach. It would allow funding for bases that may close, while cutting off moneys for bases that will continue to function. That is the opposite of responsible budgeting.

The Great Lakes Naval Training Center located in North Chicago is the U.S. Navy's largest training facility. It supports the fleet by providing basic and specialized training to more than 65,000 enlisted men and officers each year. Actually, Great Lakes provides intensive instruction to 40 percent of all Navy recruits. Yet the authors of this amendment want to cut a program in this bill that would provide all of these recruits with important support; because Great Lakes was on the Goldwater list. Its inclusion was obviously spurious and politically motivated. If Great Lakes were closed, it would simply have to be rebuilt elsewhere at a cost estimated at nearly $3 billion. This is not savings. This list was supply hard ball politics aimed at insuring unquestioned support for a larger military budget for fiscal year 1986. I urge the gentleman from New York to withdraw his amendement at this time but persue his intent. His purpose is good and should be recognized. But his list is faulty and not representative of the fact.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MARTIN].

Mr. MARTIN of New York. Mr. Chairman, I do not know whether or not the gentleman is going to withdraw his amendment, but I think the gentleman ought to be saluted because he has given the chairman of the committee, myself and everyone here the opportunity to underscore the importance of it. We are obviously not going to keep 5,600 bases, whether in demand or not, open in perpetuity, but I think we all owe the gentleman a debt of gratitude for giving us an opportunity, as my chariman says from time to time, to articulate our problems, the problems we face as far as base closures are concerned.

So I thank the gentleman. I know that next year he is going to be involved with us as we try to come up with a procedure that does this in an orderly, credible fashion, in an effort to insure that we do not waste defense dollars that are so important.

The Chair recognizes the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I want to commend the gentleman from New York for bringing this issue before the House. He is on the right track in terms of trying to cut back spending on any projects that might be slated for bases or facilities that are subject to closure.

I think it is an issue that we need to continue to pursue. There was one attempt in this bill to try to trim back the $150 million increase in military construction appropriations by 50 percent. Obviously, in this bill on these bases it is not going to be an amendment that achieves our objective, but it is one that I think ought to be pursued in the future to make sure that we do not build on a base that may be closed.

Mr. Chairman, I thank the gentleman for offering the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. HOUGHTON].

Mr. HOUGHTON. Mr. Chairman, I thank my friends for supporting me in my hour of need. I feel like I have been through a buzz saw. I am overwhelmed with emotion. I am overwhelmed with figures from people who know far more about this than I.

Let me just say one or two things. First of all, this is not a notional list. This was always a qualified list. As a matter of fact, I am not sure there is ever going to be a list which will be accepted, that there will not be objections to it.

Second, it seems to me that the point has been missed. No base closing was suggested, only lack of construction on those bases which might be vulnerable or might be exposed to reconsideration.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. HOUGHTON was allowed to proceed for 2 additional minutes.)

Mr. HOUGHTON. Mr. Chairman, if not this list, maybe there are other lists. All I was trying to do with this amendment, which I would like to ask unanimous consent under the circumstances to withdraw, was to point up the need for a very minor reduction in military construction spending on those vast numbers of bases, many of which we do not need.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Mr. LOWERY of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, now that the amendment has been withdrawn, maybe this is a little superfluous, but I would just like to make a comment.

Mr. Chairman, I do not quarrel at all with the intentions or the effort to try to make our armed services more efficient and to close some of the facilities that we have, but let us do it on a far more orderly basis, where we are holding hearings and where we do know where the priorities are.

Mr. Chairman, this so-called base-closure list being used was provided in March of 1985 by the Secretary of Defense in response to a request by Senator GOLDWATER. I served on the Military Construction Subcommittee of Appropriations in 1985 and remember quite well the situation. Senator GOLDWATER's main intent was to get the Department of Defense to move on closing bases no longer efficient or required. There were none in fiscal year 1986 budget requests. DOD anteupped, if I may use the term, a notional or "an arbitrary list."

This arbitrary list was released and immediately above the initial list of potential base closures, there was a Department of Defense disclaimer which read:

> It (meaning this list) should not be considered an official DOD representation.

This disclaimer meant that the Department never intended this list to be official in nature and, on top of it, the White House never proposed such a proposal.

Let me share with my colleagues a further quotation from the official statement which was attached to the list:

> If the legislation should fail, proposed base closures would make less sense and be mush less attractive economically for three reasons: they could be easily blocked by parochial interests, they would take too long to accomplish and to pay back their costs, and they would be easy targets for budget cuts that would keep the Department from getting the modern facilities it needs to carry out the Defense mission.

The authors of this amendment have picked out of the sky, a 2½-year-old base closure list—they have picked some $80.5 million at random without scrutiny of the individual projects—they claim it will not weaken our defense posture, I beg to differ.

This amendment does exactly what the Department of Defense, the White House and the Congress feared it would do back in 1985: These installations have become easy targets for budget cuts and these cuts can keep the Department from getting the modern facilities it needs to carry out the Defense mission the chairman of our subcommittee has outlined the exact projects this amendment would delete:

Included on this list is $2.35 million for a Security Police Operations Facility at McConnell Air Force Base, KS. My colleagues should know that at the same time the base closure list came out recommending McConnell for closure, the administration requested $71.5 million for the initial beddown of the B-1B bomber at McConnell. Congress approved $71.5 million in fiscal year 1986 and in fiscal year 1987 Congress approved an additional $32.16 million for the beddown. After this investment, I would hope my colleagues would not want to delete a project that is so necessary to the beddown of the B-1B bomber.

Another example of an installation that was on the base closure list is the New Cumberland Army Depot, PA, which serves as the Army's Eastern Distribution Center. The same year the depot was on the base closure list, the Department was requesting $15 million for land acquisition. Congress approved the land acquisition funding. Last year Congress approved $41 million for the second phase of this project. This year, the Department is requesting $34 million for the final phase—are my colleagues proposing to throw away a $55 million investment made in the last 2 years, by deleting the $34 million request to complete the final phase of this important project?

At the Naval Air Rework Facility, Alameda, CA, in 1985 when it was listed on the proposed closure list, $20.78 million was requested and approved for two projects at the base. Last year, Congress appropriated $17.7 million for a new berthing pier and utilities. This year, my colleagues are proposing to cut $16 million for a plating shop. While doing this, I think they should know the situation at the current facilities: Work flow is delayed due to contaminated chemicals, lines shut down because of pollution and environmental violations, and a lack of modern plating equipment. Without this project, workers will be subjected to hazardous environments and we will have to continue to pay them environmental hazard pay.

Mr. Chairman, what concerns me is that this amendment attacks projects based on a list that is 2½ years old—a list that was arbitrary with no substantial backing—my colleagues' intention is to cut $72 million from this bill, while I don't agree with that intention, it is their prerogative.

The subcommittee has been through a tedious process to bring this bill to the floor in an equitable manner. We have reviewed 1,500 projects, approximately 400 projects totaling $1.8 billion have already been deleted. We used strict guidelines to get where we are. The projects being proposed for deletion are of importance and I thank my colleague for withdrawing the amendment.

AMENDMENT OFFERED BY MR. PENNY

Mr. PENNY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. PENNY: Beginning on page 2, line 8, strike the amount $908,160,000 and insert in lieu thereof $824,510,000. And on line 10, strike the amount $133,120,000 and insert in lieu thereof $114,483,000.
>
> Beginning on page 3, line 3, strike the amount $1,380,855,000 and insert in lieu thereof $1,186,960,000. And on line 5, strike the amount $148,655,000 and insert in lieu thereof $127,843,000.
>
> Beginning on page 3, line 21, strike the amount $1,115,950,000 and insert in lieu thereof $993,342,000. And on line 23, strike the amount $121,036,000 and insert in lieu thereof $104,091,000.
>
> Beginning on page 4, line 17, strike the amount $564,886,000 and insert in lieu thereof $485,802,000. And on line 26, strike the amount $62,800,000 and insert in lieu thereof $54,000,000.
>
> Beginning on page 6, line 7, strike the amount $158,052,000 and insert in lieu thereof $153,052,000.

Mr. PENNY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PENNY. Mr. Chairman, the amendment I have offered is really a list of several line item amendments which are now offered as one amendment. Our attempt in this amendment is to single out those projects in this appropriation bill that have not been authorized by the standing committee.

We on a number of occasions in the past have rejected provisions in appropriation bills that have not been formally authorized by the House standing committee. It is only those projects in this bill that we are attempting to affect by this amendment.

All in all, the spending levels in this military construction appropriation bill stand at $8.3 billion. That compares with an appropriation level of $8.15 billion in fiscal year 1987. In other words, the increase from 1987 to 1988 is $150 million.

We will offer if necessary at the end of the debate an amendment to cut the rate of increase in this spending bill by 50 percent. In other words, the 1.8 percent increase would be reduced to 0.9 percent. That constitutes about $72 million and by going after these unauthorized projects we could achieve that same kind of reduction in a line item fashion by cutting back the unauthorized projects 14 percent.

It seems that in setting priorities around here, we have already made a determination about which projects are important in passing the Defense Authorization bill some weeks ago and now we have an appropriation measure on the floor which not only funds the projects authorized in that bill, but identifies a variety of other projects that were not authorized.

We could offer an amendment to simply strike all the unauthorized projects. That has been done before and those amendments have been successful before. In the case of this bill, that would represent $510 million. Our amendment is more modest than that. We will allow the Appropriations Committee to establish a priority for these projects, but simply cut back the appropriation for each of these unauthorized projects by 14 percent.

Last night the Appropriations Committee members vehemently opposed the Durbin amendment on the grounds that it legislated in an appropriation bill. Well, we have some legislation here in this appropriation bill, and rather than try to strike it entirely we are simply saying that it ought to be trimmed back by 14 percent.

If this amendment is adopted, there will be no need to pursue an across-the-board cut of 0.9 percent in this bill, so I urge the Members to give serious consideration to this modest and sensible approach to budgeting.

Mr. HEFNER. Mr. Chairman, I rise in opposition to this amendment which reduces, by 14 percent, or about $70 million, projects that were recommended by the committee subject to authorization. Let me first say that there are many sound reasons why this committee felt strongly about recommending projects subject to authorization. As most of you may know, the authorization bill has passed the House and is stalled in the Senate. That raises the question as to whether we will have an authorization bill this year. Second, it is this Member's understanding that many cuts made to the authorization bill would be restored in conference if there is relief in the budget numbers.

When the subcommittee analyzed the authorization mark it found that the Marines were cut by 37 percent and that many quality-of-life projects such as barracks were cut. We understand that the authorization committee has its own set of priorities; likewise, this committee has its own priorities. I can tell you that this committee's priorities are quality of life for our service men and women. We added back quality of life and other high priority projects, subject to authorization, assuming the projects may be restored in conference. We did this to protect the prerogatives of this committee in the event authorization for those projects is restored in conference.

I have to oppose this amendment because it targets reductions to the highest priority projects in this bill. The committee has already cut $150 million in terms of a general reduction. The general reduction is the most the services can expect to absorb without the program becoming unmanageable. If we layer an additional across-the-board cut as is proposed by this amendment, we will probably have to eliminate over 10 projects at conference, to be consistent with the impact of this amendment.

The gentleman's amendment is based on a comparison with last year's level. One can argue that this bill is under last year's funding level. And if you were to compare it with the 1985 level you will see that the bill is substantially under the level of 3 years ago, by about $100 million, implying that we have experienced at least 10 percent real negative growth since that time.

As I said in my opening statement, this bill cuts $1.8 billion from the President's request. This bill is also under the authorized level that passed this House. We have cut 18 percent which is deeper than any reduction to any appropriation bill this year.

This is not the bill to be looking at for more cuts. This bill does not fund the glamorous weapons systems that cost billions of dollars. This is a bill that attempts to get our service men and women out of World War II barracks and quonset huts. Over 200,000 service men and women are still living in substandard facilities. This is a bill that provides better medical care for our service people and their families. It provides housing that is desperately needed because we have more married people in the service today than we had yesterday. Remember, every time we provide housing, that means that we don't have to pay a variable housing allowance. This is a bill that attempts to modernize a $450 billion physical plant which has been ignored to fund glamorous sophisticated weapons systems. This bill is only 3 percent of the total Defense budget. I repeat—only 3 percent of the entire Defense budget. This is the bill that deals with readiness and retention. Unlike the Defense bill, $70 million in this bill goes a long way.

□ 1540

Mr. Chairman, having said that, we have had these amendments to cut a certain amount and to get us under Gramm-Rudman and under the mandate of the Budget Committee. But a 14-percent cut in this particular bill does bad damage to us. We have fought very, very hard to bring this budget in at a level that is responsible, that is under our 302 allocation, that supports the Members of this House by funding high priority projects for our services, for our Marines, for all of the services, and I would ask the Members not to look at this as an authorization on an appropriation because it clearly is not.

Mr. Chairman, I would make the same argument as I made last night about authorizing on appropriation bills. This is not authorizing on an appropriation bill. We have only recommended projects subject to authorization, and we have the authorization bill that is languishing in the other body, and we are acting in a responsible way.

I would beg the Members not to vote for this amendment.

Mr. MARTIN of New York. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would like to embrace the comments made by the gentleman from North Carolina [Mr. HEFNER]. I think the key words that make this different from some of the other pieces of legislation which have been on the floor recently is that these appropriations are made "subject to authorization."

Why did the committee do that? We, of course, are the first of the blocks in this process. As we were trying to draft our authorizing legislation, and as the Appropriations Subcommittee was spending months and months studying their priorities, we were all shooting at a moving target; namely, the budget process.

If my colleagues talk about the difference between the authorization and the appropriation process and some $500 million, yes, that is indeed a lot of money. But one can only make sense out of the argument if you recall that $1.8 billion was cut out of the President's request, as was a like sum in the prior 2 years.

Naturally there will be questions of priorities as far as the authorizing and appropriating committees are concerned. So rather than concentrate on where there are differences, and keeping in mind that they took this action, subject to authorization, why not concentrate on the overwhelming number of projects where our priorities are the same?

Why should this body find itself, because we are trying to act prudently and in a timely fashion, going to conference with the other body with our arms tied behind our backs—not just our hands, but our arms as well.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of New York. Certainly I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, we thought this amendment cut only $72 million, but we have just gotten a copy of the amendment and it totals about $480 million in further reductions. So with this amendment we would not cut $1.8 billion from the budget request, but we would cut $2.3 billion. This absolutely, totally boggles our minds. We were thinking in terms of $72 million, which is atrocious, but when we talk about $480 million, this absolutely devastates and does irreparable harm to our efforts.

Mr. MARTIN of New York. Reclaiming my time, I thank the chairman for making that point.

I would also like to point out, Mr. Chairman, that it is perhaps worse even than those figures would indicate. As we leave here with an authorization bill and with an appropriation bill and deal with the appropriate bills from the other body, we are going to find out where those projects do not match up. We are talking about larger cuts than even those latest figures might indicate.

So I would ask my colleagues to keep in mind that we are talking about those appropriations subject to authorization and giving this body some flexibility.

Mr. LOWERY of California. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of New York. I yield to the gentleman from California.

Mr. LOWERY of California. Mr. Chairman, I have a question for the author of the amendment.

First I want to be sure that I am looking at the right amendment. It starts out:

Beginning on page 2, line 8, strike the amount $908,160,000 and insert in lieu thereof $824,510,000.

Is that correct?

Mr. PENNY. Mr. Chairman, could I ask the Clerk to read the Penny amendment again? I think that might help.

The CHAIRMAN pro tempore (Mr. GRAY of Illinois). Without objection, the Clerk will again report the amendment.

Mr. MARTIN of New York. Mr. Chairman, may I inquire of the Chair is this being charged against my time?

Mr. PENNY. Mr. Chairman, could I make a parliamentary inquiry that would ask for the use of the time?

The CHAIRMAN pro tempore. The gentleman could ask unanimous consent to extend his time.

Mr. MARTIN of New York. Mr. Chairman, I ask unanimous consent that the time taken for the Clerk to read not be charged to my time.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN pro tempore. Without objection, the Clerk will report the amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. PENNY: Beginning on page 2, line 8, strike the amount $908,160,000 and insert in lieu thereof $824,510,000. And on line 10, strike the amount $133,120,000 and insert in lieu thereof $114,483,000.

Beginning on page 3, line 3, strike the amount $1,380,855,000 and insert in lieu thereof $1,186,960,000. And on line 5, strike the amount $148,655,000 and insert in lieu thereof $127,843,000.

Beginning on page 3, line 21, strike the amount $1,115,950,000 and insert in lieu thereof $993,342,000. And on line 23, strike the amount $121,036,000 and insert in lieu thereof $104,091,000.

Beginning on page 4, line 17, strike the amount $564,886,000 and insert in lieu thereof $485,802,000. And on line 26, strike the amount $62,800,000 and insert in lieu thereof $54,000,000.

Beginning on page 6, line 7, strike the amount $158,052,000 and insert in lieu thereof $153,052,000.

Mr. LOWERY of California. Mr. Chairman, will the gentleman yield?

The CHAIRMAN pro tempore. The time of the gentleman from New York [Mr. MARTIN] has expired.

(By unanimous consent, Mr. MARTIN of New York was allowed to proceed for 3 additional minutes.)

Mr. MARTIN of New York. Mr. Chairman, I yield to the gentleman from California [Mr. LOWERY].

Mr. LOWERY of California. Mr. Chairman, I appreciate the gentleman yielding.

This is the same amendment, and as the gentleman from North Carolina [Mr. HEFNER] has brought out, this does not cut $70 or $72 million, it cuts $484,957,000. It we used simple math, $824 million from $908 million is $83 million in the first paragraph from construction money, of which $18 million is planning money, in the second paragraph it is $193 million in construction money, of which $20 million is planning money, and in the third paragraph $122 million in construction, including $16 million in planning money. The whole total is almost half a billion dollars, $65 million from the Army, $173 million from the Navy, $105 million from the Air Force, $5 million from the Army and $71 million from defense agencies.

Was that the gentleman's intent in the amendment?

Mr. PENNY. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of New York. I yield to the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, the intent of the amendment is to only take 14 percent out of the unauthorized.

Mr. LOWERY of California. That is 14 percent from the total bill?

Mr. PENNY. Of the unauthorized portion, but it appears in the drafting of the amendment it was drafted in a manner to take 14 percent out of each of those titles which adds up to 14 percent of the total bill. That is not what we set out to do.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of New York. I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, I can appreciate trying to make the cuts, to get our numbers, and I realize the gentleman is not obligated to furnish us with an amendment in advance. But somebody is obligated when they tell us in good faith that we are talking about $72 million. Theoretically we could have adopted this amendment and it could have cost our bill $500,000, which would have been totally devastating to this bill.

Mr. MARTIN of New York. Mr. Chairman, if I might reclaim my time briefly, we have had an interesting discussion.

Again I would ask my colleagues to keep in mind that all of this money that is appropriated or wished to be appropriated by the committee is again subject to authorization. I would ask this body not to tie the hands of our colleagues as we go into conference and give us the flexibility that we need. Keep in mind we have cut $1.8 billion out of a $10 billion request and have done the same thing for 2 years prior to this.

We are taking this not out of some gaudy defense weapons system but out of the hides of the men and women who serve this country in uniform around the world.

There is one other point I would like to make. From time to time throughout the course of the years some of the projects that we authorize for one reason or another have to fall by the wayside, because bids do not come in at the right price or because the planning is not complete, and we get the opportunity, with the consent of the committees, to reprogram.

Give us that flexibility and vote down this amendment.

Mr. COLEMAN of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is my intention, of course, to oppose this amendment.

Mr. PENNY. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Texas. I yield to my colleague, the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, it was an inadvertent mistake in the drafting of the amendment and we were not aware of that in submitting the amendment. The gentleman is correct, this strikes 14 percent from the various aggregates within the bill and not just those unauthorized projects.

If we can get the amendment corrected before completion of consideration of the bill, we may offer it at some later point.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The **CHAIRMAN** pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The **CHAIRMAN** pro tempore. The amendment is withdrawn.

AMENDMENT OFFERED BY MR. RHODES

Mr. RHODES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RHODES: Page 16, after line 25, insert the following:

SEC. 124. Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act which is not required to be appropriated or otherwise made available by law shall be reduced by 0.9 percent.

Mr. RHODES. Mr. Chairman, as my colleagues well know, the bipartisan group to which the gentleman from Minnesota [Mr. PENNY] and I and others belong, have attempted with each and every appropriation bill to reduce the amount by which the bill exceeds last year's funding by 50 percent. The committee report states that this particular piece of legislation is $144 million in excess of the amounts made available for fiscal year 1987.

The amendment being considered cuts 0.9 percent from the total amount of this bill to reduce the amount of this appropriation by $72 million.

Please, my colleagues, in debating this, do not accuse me of cutting your appropriation or of cutting your bill or of cutting military construction. The purpose of this amendment is to reduce the amount by which this bill increases appropriations over the last fiscal year by 50 percent. Stated another way, if this amendment passes, then the appropriation for fiscal year 1988 will be increased over the appropriation for fiscal year 1987 by $72 million. That, my colleagues, is the way I think we should look at this.

Military construction appropriations, if this amendment passes and the bill passes, will be increased in fiscal year 1988 by $72 million.

I want to speak on behalf of all of the Members of the group that have been working on this and my admiration for the work of this subcommittee on both sides. I personally have gone through this report on three separate occasions, and I stand in awe of it.

□ 1555

And I stand in awe of the work that you did. There is no question but that you put in considerable time, effort and energy to spread the resources that you had available to you into as many quality, worthwhile projects as you could, and to make the life of our military services, our uniformed men and women as comfortable and as full of quality as you possibly could. I also hope that our amendment will not be attacked in some way as being antimilitary or antidefense. I do not think that I will be forced to stand second behind any promilitary, prodefense Member of this House when it comes time to average up the votes at the end of this session. This is not antimilitary. This is not antidefense. This is not a cut in spending. What this is is an attempt to take a small step but I think an important step toward restoration of fiscal responsibility and fiscal sanity. This is not an antidefense bill. It is not an antimilitary bill. It is a pro-United States bill. It is a "let's get our economy back under control" bill. It is an attempt to take one of those several, I hope, small steps necessary for us to begin to get our deficits under control, to begin to move toward a balanced budget and to begin to restore the strength and vigor to our economy that we have worked so long and so hard to restore to our military.

I urge your favorable consideration.

Mr. SHAW. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Florida.

Mr. SHAW. I thank the gentleman for yielding.

Mr. Chairman, I compliment the gentleman from Arizona for his most splendid statement. I think all of us who are big defenders of the defense budget—and I do not know of anything or any responsibility that we have here in Government that is more important than defending our shores—however, that does not mean that we cannot put certain economies in place where we see good opportunity to do so.

The gentleman correctly pointed out this is not going to compromise any weapons system, it is not going to compromise the defenses of the United States. We cannot and must not have sacred cows when we are talking about balancing the Federal budget. I compliment the gentleman for his amendment and I urge all Members to support him.

Mr. RHODES. I thank the gentleman very much.

Mr. Chairman, may I observe this is less than 1 percent, less than 1 percent of this appropriation. I cannot believe that in any place in this Government 1 percent cannot be spared.

Mr. HEFNER. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

Mr. Chairman, I do not doubt if we have 1, 1½ percent or 2 percent or 3 percent and it passed, that we would manage. But I have to remind you that this amendment cuts $70 million out of this bill. In contrast, we have some small cost overruns in one weapons system and, just because somebody made a little bit of a goof, it cost $70 million in a multibillion-dollar weapons system. I have supported most of them because I sit on the Defense Subcommittee. In oversight hearings we find cost overruns, when they come in for reprogramming, average some 30 or 40 percent.

For $70 million, 1 percent, anyone would say—if you went to the corner store in my district and you said to the folks who were sitting around there. "Well, I believe they can cut 1 percent out of the military construction budget of $8.9 billion or $8.3 billion." And everybody would say, "Why, sure you can." Sure you can and you will manage. But I have been to these bases all over the country. What we are trying to get back to—and we are not accusing anybody of being soft on defense—is that we have focused on quality of life. I have been to these bases at Fort Hood and Fort Sill and Fort Bragg and many other places. I have seen the situations there for the day care centers and how these people live and how they cannot afford to live on the economy. We have worked at this thing. We have sent Members all over this country. We have gone through these bases, we have had walk-throughs, we have had slide shows from all the services showing how these young men and women live in World War II quonset huts, unpaved roads. And sometimes I accuse them of giving us the worst scenario.

But nevertheless we need to have a fighting force that is going to be able to man those most sophisticated weapons and the most sophisticated fighting force that man could ever imagine. And if we mandate and force these people to have to live in some of these conditions, I think it is absolutely atrocious.

Our focus has been on quality of life. Now, 0.9 percent is not a big cut. When we are talking about $1 trillion overall budget, $70 million is not a spit in the stream. But $70 million out of this budget that we are offering can do an awful lot of good things for an awful lot of good service men and women who are trying to do a good job for the citizens of this country.

So I would urge people not to just say very casually and cavalierly, "It is only less than 1 percent, everybody can absorb that." This is a responsible bill. A lot of time has gone into it. We have already cut into it; we have already cut in excess of a billion dollars over what the President asked for. We even got a letter of reprimand from the OMB, which is unheard of, saying, "You guys ain't got enough money in your bill.'

We have come in with a bill that is responsible. We have funded the things for the defense of this country.

So I would urge Members, do not be taken in, do not vote for this cut because this is a good bill and it merits your support just as we reported it.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I would like to point out that earlier discussions were had about the 302(b) allocation by the Committee on Appropriations.

We were forced to wait for a long time because the law called on us to wait until we have a budget resolution conference report agreed upon.

Not only that, but we reached an agreement. We met to approve it but we decided to wait because of a letter from the administration wanting us to increase foreign aid.

We just got through with the supplemental appropriations bill. Four hundred thirty-seven amendments were added on the Senate side. And the only thing that was asked to be increased by the administration was $126 million additional for foreign aid.

May I say here that your Appropriations Committee has a wonderful record. The Budget Committee was not set up for any reason relating to the Appropriations Committee's failure; it was set up at the instance of the Appropriations Committee because entitlements and backdoor spending were out of control, bypassing the Appropriations Committee.

Since January of 1981, we have sent the President a total of 85 appropriations bills; he has signed 79, and we worked the others out. Your committee, I want to commend them here, they have done a marvelous job. But if after doing a marvelous job, after 5,000 witnesses, a wonderful experience, we are going to have our friends over here who are very bright and very smart and who want to make a record for cutting whatever we bring them we will have to make changes. And do you not know that we know if we are going to have to deal with that we will deal with it before we get here. And what you cut here will be identified as specific items in the conference, not just a general cut where the real impact of it is lost.

I am asking this Congress to show its responsibility and reward those who work on our committees. No committee can do a better job. And you want to cut it, and whatever we brought you would still want to cut it, so that you can tell the country "I am for saving money at the expense of the men and women in the services."

This is not right.

Mr. KOLBE. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition, reluctant opposition to the amendment.

Mr. Chairman, I rise reluctantly in opposition in part because my good friend and colleague from Arizona offered this amendment. Also reluctantly because I do support and have supported in many, no indeed most of the instances that he and the other gentleman, the gentleman from Minnesota [Mr. PENNY] and the other gentleman in that group have offered I think some constructive amendments to try to hold down spending and reduce Government deficits and I have supported those.

I have done that even in the case of my other subcommittee on which I serve. But I really think in the case of this bill, this military construction bill, this $72 million cut is simply not justified.

We are talking about an increase in spending here that is 1.8 percent increase over last year's spending, but more specifically it is 18 percent lower than the President requested.

We have not, of course, gotten to the defense appropriations bill but we have been through the authorization process.

It is a foregone conclusion that the kind of spending that we are talking about in the military budget this year will certainly exceed by 1.8 percent what was actually spent last year.

Now if you think there is any relationship and I think there is one, a relationship between military spending, between our defense budget and military construction then I think one has to try to arrive at some kind of parity, some kind of continuity or similarity in the kinds of spending we do on both sides.

What happened, of course, is that for the last several years while we have had a tremendous and I think much-needed increase in defense spending to increase our defense establishment, we have simply not kept up with that in the military construction side. Over and over again on this subcommittee as we had people in uniform and from the civilian side come before us and tell us about their construction plans I would ask the question, "What is the replacement cycle you have got for the facilities that the military owns and operates in behalf of our armed services?" Over and over again we were told the goal is a 50-year replacement. That is 2 percent per year. In reality, Mr. Chairman, we are well beyond, in most cases, 100-year replacement cycle. Imagine a private sector, imagine companies replacing their facilities less than every 100 years. No wonder we have an inefficient facility, no wonder we have people who are living in housing that is simply unacceptable. And that, of course, is the result. I know that the author of this amendment does not intend to be as he said, to be antimilitary and I know he is a strong supporters of a strong national defense. He and I have talked about that. I know his statements clearly reflect that.

But the fact is we are talking here about something that is really at the heart of the muscle of our military; we are cutting out people. We are talking about things having to do with the quality of life, how the people in our Military Establishment live, the kind of housing that they live in, the barracks, the World War II barracks that were built to last 4 or 5 years and now 45 years later are still being occupied. We are talking about day care centers that are being cut. We are talking about instruction facilities where people have to learn and have training, to have those be adequate to do that kind of training. When we talk about an across-the-board cut for a construction project it is very difficult when you are talking about construction projects of this magnitude, relatively small amounts, take 1 percent or nine-tenths of 1 percent out of each item. Of course, the reality is that you do not do that. What you do do is you cut from those things that have to do with rehabilitation of housing. You cut from things that have to do with maintenance of facilities, the kind of thing we need to be doing to maintain our Military Establishment as it needs to be maintained. So I would urge this body not to accept this amendment. It is the wrong amendment to be offered at the wrong time.

Mr. COLEMAN of Texas. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I thank the chairman for recognizing me.

Mr. Chairman, I would say that as a member of this subcommittee, I do have to take issue with some of the statements that have been made with respect to the so-called savings.

We get into these arguments, often times and we say "Well, it is penny-wise and pound foolish," and all the rest. Let me tell you a personal experience that I had recently in going through a barracks modernization program located at Fort Bliss, TX. I had the opportunity to not just talk with the commanding general of the air defense facility located at Fort Bliss, but also with a squad sergeant, a battery commander, and a private, located in barracks that we finally completed after a number of years of trying. Military construction dollars are hard to come by. I think that the chairman, Mr. HEFNER, of North Carolina, has eloquently described to you what we have been through as a subcommittee to deal with that. But I want to say to you that if you believe that slowing down or stopping a barracks modernization program such as the one at Fort Bliss saves us money, I have to say to you that is not the case. Because what you are going to do is lose something in recruitment and retention.

So I ask my colleagues not to support an across-the-board cut, without understanding that when you make that cut you indeed are going to cost the American taxpayer a lot, a lot more than any savings of $73 million, because when we put a soldier through the complete training that is required, basic, advanced and the rest, to become an expert in firing a Pershing II, or another missile system and that individual soldier decides to leave because he or she does not believe that his or her Government, the military, the Congress, or the American people, do not care enough about them to really want them to stay in the Service, we have lost a great deal.

Let me tell you, it is easy to get that impression if you see some of the living conditions that members of this subcommittee have seen throughout the United States.

We will have lost a good deal more than you are putting into the equation after an across-the-board cut is made such as is proposed by this amendment. I say to you that you should harken to the words that I was told by a private at Fort Bliss after living in one of the new barracks that we had modernized. It was not even new, it was one that we had modernized. We finally got the funds to tear out the trash and get rid of all the bad parts of an old barracks and just modernize it. He said, "You know, I think I will stay in, because I really do believe the American people care about me." And that is what this is all about.

So I submit to you that when you vote for an across-the-board cut in an amendment on military construction and family housing, that we say we are not willing to pay, for those Americans who are supporting us bravely all around the world day to day. We have a very real responsibility in this Congress to not take the meat ax approach and start slashing away at programs that this committee quite truthfully has spent a good deal of time on, as has the authorizing committee, in trying to determine where our priorities really should be.

□ 1610

So, Mr. Chairman, it is for that reason that I rose to oppose this amendment.

Mr. DELAY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I want to talk to the conservative Members of this body. I do not think there is a Member of this body that is more conservative than I am. I think most of us understand that. I have voted for cuts in some of these appropriations bills. I come along on that with other Members, and I think I have done my duty in cutting spending where I thought it was appropriate.

But I am saying to those Members who are prodefense, who are conservative Members of this body, that we ought to be spending twice as much money than we are spending in this bill, and I want to tell the Members why. If we are interested in building up the strength of America, then this appropriations bill is more important or as important as the defense appropriation bill, even though it amounts to $8.3 billion.

We cannot ask for a buildup of conventional Forces and ask someone to fight to defend our country and live under the conditions we are asking them to live under. If this were a court of law, we would probably be claiming that our service families are living under conditions that are cruel and unusual punishment. I have seen some of their living conditions. I have seen windows nailed shut because the windows cannot be fixed. I have seen pipes exposed, I have seen wiring exposed in living facilities, and I have seen leaking roofs that we are asking our service people to live under.

Almost 50 percent of this bill is for housing for our service personnel. We could spend a whole lot more to upgrade and just bring to a minimum the kinds of conditions that our people ought to live in.

Let me say to the Members of this body that some prisoners, some criminals in the United States are living better than our service people, and I think that is a disgrace. We are asking people to fight to defend freedom, to defend freedom across this world, and we are asking them to live under these conditions.

Mr. Chairman, I hesitate to bring this up because it may raise the ire of the subcommittee chairman, but we have even created—and a lot of Members of this body voted for it—a bill for the homeless, a brand-new program for the homeless that in the outyears will require more money than we are talking about spending here for our service people. That is incredible to me. And then we are talking about cutting back. We are asking our service people to live in terrible facilities, and I think that is not the way we ought to be going.

We ought to have an amendment on this floor to double the amount of money appropriated for housing for our service people. I am very proud of this committee, I am very proud of the chairman, and the vice chairman of this committee. I have had the pleasure of working on this committee, and I know they are looking for ways to save even more money. I have a provision in this bill where we are going to do some studying to look at ways we are wasting money, and hopefully we can save more money to put back into the quality of life for our service men and women by upgrading those living conditions. We are trying to do what we can to save.

Mr. Chairman, this is not a bare-bones budget. This is a bare-marrow budget. This is not even adding flesh to the bone or bone to the marrow. I am a little embarrassed to even bring a bill like this to the floor, but we knew what the House would be doing. We know how much money they gave us, and we have done the best we could under the conditions given to us.

Mr. Chairman, I would even ask that the gentleman from Arizona withdraw this amendment for the sake of the service families.

Mr. HEFNER. Mr. Chairman, I ask unanimous consent that the debate on the amendment offered by the gentleman from Arizona [Mr. RHODES], and all amendments thereto, be limited to 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. TAUKE. Mr. Chairman, reserving the right to object, how many Members are interested in speaking?

The CHAIRMAN. The Chair will inquire, does the gentleman include himself?

Mr. TAUKE. Yes, Mr. Chairman, I am interested in speaking, and I would like to have my 5 minutes. I do not know about the rest of the Members.

The CHAIRMAN. The Chair observes five Members standing.

Mr. TAUKE. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. TAUKE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I, too, as my colleague, the gentleman from Texas [Mr. DELAY], did, ask my colleagues, particularly on this side of the aisle, who label themselves conservative to listen carefully.

It is great for Members of Congress to come to the floor and say, "I am all for cutting spending," but it is always to cut someplace else. They say, "Don't cut the program that I think is important or that is important to my constituents program," This military construction program is one which many of my colleagues think is very important, and it is important to each constituent that they might have who benefits from the program. But I can assure the Members, those who think that this is the most important program and the one that needs more money, that every other Member in the Chamber has some other program that they think is equally critical and that they think has already been cut to the marrow. They will point to the welfare programs and say that there are those who have great needs who are not being served. They will point to the environmental programs and say that despite the expenditures we have made, we are not spending enough to meet the needs of the environment. They will point to the farm programs and point out that we have more farm bankruptcies in the first 4 months of this year than we did in the first 4 months of last year or during any comparable time in recent history. And they will say in each of those instances or in dozens of others that the need is great. And, oh, yes, they will also argue that if we just spend a little more, we will actually save in the long run.

My goodness, how often have we heard that? It seems to apply to every program. If we just spend a little bit more for welfare now, we will help people and we will spend less later on. If we spend more for the environment now, we will help people and that will save money later on. If we spend more for farmers now, we will save some money and we will spend less later on. And so it goes.

All of these causes are good causes, but the bottom line is that somewhere along the line there is a higher priority, in my view, and that is the priority of preserving our vitality so that we can do things next year and the year after and the year after that. And whether we like to recognize it or not, we are now charging every man, woman, and child in this country $700 a year just to pay the interest on the national debt, and if we do not do something to get this deficit under control, that amount will go up in the years ahead.

That is why, when every appropriation bill comes to the floor, when every expenditure comes to the floor, we have to do our best to hold the line. This amendment is consistent with that. It says that, while this is a good cause, there is something else that is even more important, and that is that we live within our means or at least begin to take steps to do that.

This is a very small step, but it is a very critical step, because if we cannot get the votes on this particular amendment to this bill, then everybody is left off the hook on similar amendments to every other bill.

So that is why I say to the Members, those who say they are conservative and want to hold the line on spending, that this is the time to be conservative and this is the time to hold the line on spending so we do not let everybody else off the hook later on.

Mr. Chairman, I urge the Members of this House to vote yes on this very modest amendment.

Mr. LOWERY of California. Mr. Chairman, will the gentleman yield?

Mr. TAUKE. I yield to the gentleman from California.

Mr. LOWERY of California. Mr. Chairman, I do not think it is hardly a fair comparison, because although I am sure all the committees have worked hard, I do not know of any committee that has worked as hard as this one and had numbers as low as this one. We are at last year's level. We have $221 million that gets factored in from a previous year's appropriation, which gets us up $144 million above last year's level. But what we appropriated this year is at the previous year's level.

We are $1.8 billion below the President's request. In fact, in the last 4 years this has been the situation.

Mr. TAUKE. Mr. Chairman, if I may reclaim my time, the same standard is being applied to all bills. We have some that are above the President's request and some that are below the President's request. What we are doing is taking the priorities that have been set by this body in the budget and that have been allocated to the various appropriation bills, and we are cutting the rate of increase in half. Maybe those priorities do not reflect the gentleman's priorities. They might not reflect my priorities; in fact, I will confide that they do not.

Nevertheless, we have some standard to go by, and if we are not able to follow that kind of standard, then the bottom line is that we are not going to have any kind of pattern for holding the line on spending.

Mr. LOWERY of California. Mr. Chairman, will the gentleman yield?

Mr. TAUKE. I yield further to the gentleman from California.

Mr. LOWERY of California. Other committees have not held the spending down to last year's level. This committee has.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. TAUKE] has expired.

Mr. HEFNER. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. Without objection, the gentleman from North Carolina [Mr. HEFNER] is recognized for 5 minutes.

There was no objection.

Mr. HEFNER. Mr. Chairman, I was hoping that we would not get into these emotional debates. This committee, not to be singled out as the most prestigious committee or the best committee in the House, is being asked to take a cut. The gentleman has asked, if we cannot hold the line here, where can we go to hold the line?

I would state to the gentleman that we have held the line. We have held the line for 3 years, since 1985. We have been at the same level in this committee for 3 years. We have not been able to do the things we need to do for retention and to support our men and women in the services.

The gentleman alluded to the fact that I did vote for aid to the homeless. I hope the good Lord, as Mr. North refers to Him, makes a mark down for me for that, if it helps somebody. But in this bill we are trying to do a good job for the men and women in our armed services. We did not even fund some of the money for GLCM sites pending what happens in the talks that are still going on. We did not fund swimming pools, we did not fund auditoriums, we did not fund all the frills. We funded the bare necessities.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to say to the distinguished chairman of the subcommittee that I think he has done an outstanding job on this bill. What we are doing is we are being penalized by this ad hoc group for having cut back the budget last year and the year before, because under their system of analysis, if we had just cut $1 billion last year instead of $2 billion, then we could have frozen the budget at a higher level and spent more money and they would not be out here dogging us.

We are being dogged because we have held this bill down in previous years. We are penalizing the service people of this country in terms of housing and facilities and everything else because we did not do the job last year. I wish I would not have voted for that bill last year because under this theory, if you do a good job the year before, then you have a little increase and you are going to have Members come out here and question the job that this committee has done.

Mr. Chairman, I appreciate the gentleman's yielding.

Mr. HEFNER. Mr. Chairman, let me say that we get a little bit tired of having to dodge the stigma of being a big spender when we vote for things we believe in. On some of this, I am not accusing Members of doing that sort of thing, but there are an awful lot of press releases that go out that say, "I voted to cut $70 million out of the appropriation bill." It makes no difference about the merits, they say, "All the big spenders were there to add the money to the appropriation bill."

It makes no difference that you are under the budget. I spent 6 years on that Budget Committee, and for the last 2 years I was there we have gone over it in detail. We went back not to get billions of dollars but to get a few million here and a few million there to save UDAG and REA and Medicare and all these other things. If you brought them in here, you would not have enough votes in this House to cut them.

□ 1625

The President sent up a budget that would have devastated some of these programs, and got 27 votes.

We have a budget. And we will get our 302 allocation, and we will be under it. Our Members have done a good job, and we have come in under budget. Then here on the floor someone says "that is not enough, why not 10 percent less, or 5 percent?" Nine-tenths of 1 percent is a little bit ludicrous, to come in and offer that kind of cut on this budget when we have had hell to pay for 3 years.

I have visited these bases, and we are not wasting money. We have got experiments going on where the soldiers and the folks do things themselves, and the Air Force people come in on weekends, and they work to rebuild their barracks. They do the work themselves, and save tax money on contracting. So I take it as an offense to this committee to come in and suggest that the Members would cut even further when we have done a magnificant job.

Had we known we were going to be cut 1 or 2 percent, we could have easily added the money and accepted the amendment.

We can defend every dime that is in this budget, and I would urge the Members to reject this nine-tenths of 1 percent cut.

Mr. LOWERY of California. Mr. Chairman, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman from California.

Mr. LOWERY of California. Mr. Chairman, I thank the gentleman for yielding.

I want to reiterate the point of the gentleman from North Carolina [Mr. HEFNER], my chairman.

In fiscal year 1985 we were $1.9 billion below the President's request. In fiscal year 1986, we were $2.6 billion. In 1987, we were $2.4 billion, and today, $1.8 billion below the President's request.

Over the last 4 years we are $8.7 billion below what the President has requested.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. HEFNER] has expired.

(By unanimous consent, Mr. HEFNER was allowed to proceed for 2 additional minutes.)

Mr. LOWERY of California. Mr. Chairman, will the gentleman yield further?

Mr. HEFNER. I yield to the gentleman from California.

Mr. LOWERY of California. Mr. Chairman, I thank the gentleman for yielding.

For the last 4 years, $41 billion has been requested. We have appropriated $33 billion, $8.7 billion below the President's request.

This committee has done the job and been responsible, absolutely responsible.

In fact, the Director of OMB sent a letter that the administration is concerned with the low level of funding recommended by the subcommittee. The administration urges the Committee on Appropriations to fund the requested $9.8 billion. We are below that.

I would ask a question of the authors of the amendment. Do the authors believe that our soldiers and sailors, our airmen and marines are overpaid?

Do the authors of the amendment believe that they are overhoused, because a total of 49 percent of this money goes for housing; 42 percent for family housing; and another 5 percent for the barracks.

What do the authors propose that we do with the declining dollar in the construction required around this globe? One hundred and twenty-five million dollars is put in for the currency fluctuations that we must face.

That is to fund projects previously appropriated, but because the dollar is down against other international currencies, we have got to deal with it.

The committee has been most responsible in how it has brought this bill to the floor. It has been most responsible.

There are a number of new necessary starts, beddown for the new tactical bomber; for the light infantry divisions, Alaska, New York; SDI, related construction, ability to provide for medical care.

We stretch out further the needed modernization to support the requirements dictated by the changing technology in new weapons systems, and we put in as much as we can for improved quality of life and for deteriorating structures.

With that improved quality of life, morale, retention, the readiness of our Armed Forces are all going up.

I just cite one example for a project we provided the San Francisco Bay area of California, sailors are today driving 60 to 70 miles each way every day, just so they can go to work and live in a place that is affordable for their families. The committee provides $38.4 million to fund family housing in San Francisco.

That is what this bill is all about, and trying to deal with it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HEFNER. Mr. Chairman, I ask unanimous consent that all debate on the amendment offered by the gentleman from Arizona [Mr. RHODES] and all amendments thereto be limited to 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair observes three Members who are standing.

Mr. MARTIN of New York. Mr. Chairman, I move to strike the requisite number of words, and I will not take the 5 minutes of the 10 minutes; but I will limit myself to 2 minutes.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MARTIN].

Mr. MARTIN of New York. Mr. Chairman, the gentleman from California [Mr. LOWERY] spoke to the cuts that we have made every year in military construction from the request of the President, something in excess of $8 billion over the last 3 years.

I want to point out that that requirement does not go away; the backlog gets larger year after year.

Those dilapidated buildings and barracks and housing; they are all still there, and our troops and their families are living in those facilities.

I would recommend to the Members, and I would suggest that it is the responsibility of each and every Member, whether or not you are on the Committee on Appropriations, or whether or not you are on the Committee on Armed Services, just being Members of Congress, we have the responsibility and certainly the right to go aboard any of these military installations throughout the country, and see how our people in uniform live. In fact the Army has a program that allows Members to tour the United States base in Germany. Nearly every week a C-5 loaded with supplies goes to Germany and it doesn't cost a penny extra for you to ride along and over the course of a very busy 72 hours learn how our young people live and what they do as they stand ready to defend us, many Members are embarrassed and rightfully so when they see where our people work and live.

Each and every year we get our allocation. This year, as in the last 3 years in total defense, there are going to be real cuts. We on the Subcommittee on Military Construction make the argument to the full committee that Milcon is taking too large a share of the cuts. You are talking about quality of life facilities for our troops around the world.

They say, sorry about that, maybe next year we can take that into account, and you can get at some of the backlog.

Each and every year we take the cut. It is never the appropriate time to catch up and the backlog gets bigger and bigger, and the facilities get older and older.

I do not know what incentive there is for the gentleman from California [Mr. DELLUMS], or the gentleman from North Carolina [Mr. HEFNER], or the gentleman from California [Mr. LOWERY] to try to make these legitimate drastic cuts knowing full well that if we cut $1.9, $2 billion, or even if we cut 25 percent, there is going to be an amendment offered calling for across-the-board cuts line item by line item.

No across-the-board cut is going to relate in rational or educated terms to any number of buildings or projects that have been designed across this country and around the world to serve our young men and women in the armed services.

I would ask the Members, please come to our subcommittee when we have our hearings. I invite every Member of Congress, particularly those who offer up these kinds of amendments, come see the hard work we do, the difficult choices we make and the backlog that grows.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words.

Mr. CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. DICKS] for 3 minutes.

Mr. DICKS. Mr. Chairman, I have the honor of serving on both the Subcommittee on Defense and on the Subcommittee on Military Construction; and the gentleman from Texas [Mr. COLEMAN] was mentioning earlier, and we find this to be a prevalent fact, if we cut back on military construction funds, and we do not replace facilities, what we wind up with is having to spend a lot of additional money on operation and maintenance, O&M, to paint, to fix up, to rehabilitate, so we are going to pay for this thing one way or the other.

What offends me is, I thought this so-called ad hoc group that was going to be the watchmen over the Committee on Appropriations was going to use some judgment, be a little bit discerning and look at how the committee has dealt with a bill.

□ 1635

Now, when you have a bill that is being cut on the average about 20 to 25 percent each year below what the President of the United States requests and we are dealing with a very important subject of military construction, I think these people would be on the floor applauding what this committee has done, rather than trying to come out for public relations purposes, I think, and add an additional little cut just so they can put out a press release and say we are doing something to reduce Government spending.

I think this committee has done its job. I am telling you that when I first came here, the biggest cry from the military was that we had a problem with retention, that we could not keep good people in the military.

The No. 1 concern of these young men and women who were serving in the military was the quality of life, that they were living in substandard housing.

So what I see here again is another one of these penny-wise and pound-foolish attempts to make a reduction for symbolic purposes that actually is going to hurt our national interests, hurt our national security. It is going to mean that somewhere out there a chief petty officer or somebody that we need, a skilled technician, is going to leave the military and then we are going to have to go out and pay additional money in the defense bill to train new people to replace these people because we were not farsighted enough to realize that this is the bill that keeps them in the service. This the quality of life bill.

I really regret the fact that after having cut about $2 billion out of the President's budget request that we are now going to try to go another step further for public relations purposes.

Mr. BADHAM. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from California.

Mr. BADHAM. Mr. Chairman, I would just like to say that I had not intended to speak on this bill, but I just want to commend the gentleman and I would like to associate myself with his remarks, because as a member of the Armed Services Committee I know what dire straits a lot of the people are in who are in the military.

This is one small effort to make life livable for the people who wear this country's uniform in pride. It is the least we can do for them to have the proper construction and maintenance for our people, and I commend the gentleman for his remarks.

Mr. DICKS. Mr. Chairman, I want to commend the chairman and the ranking member for the good job they have done.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, there is a good reason not to cut every appropriation bill that is brought to the floor. What we need to focus on, however, is the compelling reason to trim spending wherever we can. That reason is a huge Federal deficit which current projections now indicate will grow even larger in future years unless we begin to trim back spending.

Every appropriation measure slated for floor consideration this year will carry an increased spending level. Some are quite modest. In the case of military construction, it is only about 2 percent. In the case of education, health, and human services, it is somewhere in the neighborhood of 9 percent or more. Others are 6 or 4 or 8 percent.

We know full well that the budget resolution we adopted included an assets sale worth $7 billion and we are spending that $7 billion in the appropriations process. That spending will continue in future years when the income from the assets sale is gone; so we are setting ourselves up for an even larger deficit down the road unless we trim back about $7 billion piece by piece as appropriation measures are considered. One way to do that is to cut the rate of increase in half in each of the 13 appropriation bills. We have been consistent in offering that kind of amendment on every bill.

This is only a 2-percent increase, so that cut is only about 1 percent across the board, but that is our attempt, and collectively these modest cuts add up to about $7 billion in additional savings.

We preserve the priorities established in that budget resolution in terms of which accounts get which allocation and we preserve the priorities established by these individual appropriation subcommittees. We are just saying that those priorities will be trimmed by a modest amount in order to add up to a signficiant budget savings of about $7 billion.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. PENNY. I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I have worn the uniform of this country with pride, not only worn it during time of war, but in war. The effort that we are undertaking here is to ask the House of Representatives to take a step.

We are not elected to represent the Department of Defense or the Department of the Interior or the Department of Agriculture, but the American people, the United States of America. We are bleeding the United States of America dry; if we do not begin to take these painful and small steps across the board and across the gamut of the U.S. Government, our country is in for a long, cold winter.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Arizona [Mr. RHODES].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. RHODES. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 140, noes 281, not voting 12, as follows:

[Roll No. 268]

AYES—140

Andrews
Applegate
Archer
Armey
Baker
Ballenger
Barnard
Bartlett
Barton
Bates
Bereuter
Bilirakis
Bosco
Broomfield
Brown (CO)
Buechner
Bunning
Carper
Chandler
Clinger
Coble
Collins
Conyers
Cooper
Craig
Crane
Crockett
Dannemeyer
Davis (IL)
DeFazio
DioGuardi
Donnelly
Eckart
Fawell
Feighan
Fields
Frenzel
Gallegly
Gallo
Gingrich
Gradison
Grandy
Gregg
Gunderson
Hall (TX)
Hamilton
Hastert
Henry
Herger
Hopkins
Houghton
Hubbard
Huckaby
Hughes
Inhofe
Ireland
Jacobs
Jeffords
Johnson (CT)
Kaptur
Kastenmeier
Konnyu
LaFalce
Latta
Leach (IA)
Lent
Lewis (FL)
Lightfoot
Lipinski
Lott
Lowry (WA)
Mack
MacKay
Markey
Martin (IL)
McCandless
McCollum
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (WA)
Moody
Nielson
Olin
Owens (UT)
Oxley
Patterson
Penny
Petri
Pursell
Ravenel
Rhodes
Ridge
Ritter
Roberts
Robinson
Rogers
Roth
Roukema
Russo
Schaefer
Schneider
Schroeder
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Sikorski
Skaggs
Slattery
Slaughter (NY)
Smith (NE)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Stallings
Stenholm
Stump
Swindall
Tallon
Tauke
Thomas (CA)
Traficant
Udall
Upton
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Walker
Weiss
Weldon
Wyden
Wylie

NOES—281

Ackerman
Akaka
Alexander
Anderson
Annunzio
Anthony
Atkins
AuCoin
Badham
Bateman
Beilenson
Bennett
Bentley
Berman
Bevill
Biaggi
Bilbray
Bliley
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Boucher
Boulter
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carr
Chapman
Chappell
Cheney
Clarke
Coats
Coelho
Coleman (MO)
Coleman (TX)
Combest
Conte
Coughlin
Courter
Coyne
Daniel
Darden
Daub
Davis (MI)
de la Garza
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
Dixon
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fazio
Fish
Flake
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gordon
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hammerschmidt
Hansen
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Hertel
Hiler
Hochbrueckner
Holloway
Horton
Hoyer
Hunter
Hutto
Hyde
Jenkins
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Kyl
Lagomarsino
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Livingston
Lloyd
Lowery (CA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Madigan
Manton
Marlenee
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McHugh
McMillen (MD)
Mfume
Mica
Miller (CA)
Miller (OH)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Packard
Panetta
Parris
Pashayan
Pease
Pelosi
Pepper
Perkins
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Quillen
Rahall
Rangel
Ray
Regula
Richardson
Rinaldo
Rodino
Rose
Rowland (CT)
Rowland (GA)
Roybal
Sabo
Saiki
Savage
Sawyer
Saxton
Shumway
Shuster
Sisisky
Skeen
Skelton
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (TX)
Solarz
Spence
Spratt
St Germain
Staggers
Stangeland
Stark
Stokes
Stratton
Studds
Sundquist
Sweeney
Swift
Synar
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traxler
Valentine
Vucanovich
Watkins
Waxman
Weber
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Yates
Yatron
Young (AK)
Young (FL)

NOT VOTING—12

Aspin
Boner (TN)
Clay
Foglietta
Gephardt
Howard
Kemp
Roe
Roemer
Rostenkowski
Scheuer
Schumer

☐ 1650

Messrs. LUJAN, PERKINS, HEFLEY, SMITH of Texas, HOLLOWAY, NEAL, and DERRICK changed their votes from "aye" to "no."

Mr. CONYERS, Mr. TALLON, and Mrs. PATTERSON changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. HEFNER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

☐ 1705

Accordingly the Committee rose; and the Speaker pro tempore [Mr. FOLEY] having assumed the chair, Mr. LELAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2906) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1988, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was order to be read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. LOWERY of California. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 371, noes 48, not voting 14, as follows:

[Roll No. 269]

AYES—371

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Atkins
Badham
Baker
Barnard
Bartlett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clarke
Clinger
Coats
Coelho
Coleman (MO)
Coleman (TX)
Combest
Conte
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Daniel
Dannemeyer
Darden
Daub
Davis (MI)
de la Garza
DeLay
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dyson
Early
Eckart
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gallegly
Gallo
Gaydos
Gejdenson

Gekas
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Horton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lipinski
Livingston
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Pepper
Perkins
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Robinson
Rodino
Rogers
Rose
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Schroeder
Schulze
Sharp
Shaw
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Robert (NH)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stokes
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NOES—48

Armey
AuCoin
Ballenger
Bates
Brown (CO)
Buechner
Coble
Collins
Crockett
Davis (IL)
DeFazio
Dellums
Dorgan (ND)
Dymally
Edwards (CA)
Fawell
Frenzel
Garcia
Gradison
Grandy
Gregg
Hall (TX)
Henry
Houghton
Johnson (CT)
Kastenmeier
Lightfoot
Martin (IL)
McMillan (NC)
Miller (CA)
Moody
Oxley
Penny
Petri
Rangel
Ritter
Roberts
Schneider
Schuette
Sensenbrenner
Smith, Denny (OR)
Smith, Robert (OR)
Stenholm
Tauke
Upton
Volkmer
Weiss
Wyden

NOT VOTING—14

Aspin
Boner (TN)
Clay
Conyers
Foglietta
Gephardt
Hopkins
Howard
Kemp
Roe
Roemer
Rostenkowski
Scheuer
Schumer

□ 1720

Mr. CHENEY and Mr. TAYLOR changed their votes from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HEFNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the bill just passed.

The SPEAKER pro tempore (Mr. McHugh). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 2907, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1988

Mr. GORDON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 223 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 223

Resolved, That all points of order for failure to comply with the provisions of section 302(c) of the Congressional Budget Act of 1974, as amended (Public Law 93-344, as amended by Public Law 99-177) and with the provisions of clause 2(l)(6) of rule XI and clause of rule XXI are hereby waived against the consideration of the bill (H.R. 2907) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1988, and for other purposes. During the consideration of the bill, all points of order against the following provisions of the bill for failure to comply with the provisions of clause 2 of rule XXI are hereby waived: beginning on page 5, line 11 through page 7, line 12; beginning on page 21, lines 11 through 15; beginning on page 33, line 16 through page 34, line 25; beginning on page 46, line 24 through page 47, line 3; and beginning on page 72, lines 8 through 25.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. Gordon] is recognized for 1 hour.

Mr. GORDON. Mr. Speaker, I yield the customary 30 minutes, for the purpose of debate only, to the gentleman from Missouri [Mr. Taylor], and pending that, I yield myself such time as I may consume.

Mr. GORDON. Mr. Speaker, House Resolution 223 is a rule providing for consideration of H.R. 2907 making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President and certain independent agencies for fiscal year 1988.

Since general appropriations bills are privileged, the rule does not provide any special procedures for consideration of the bill. The bill will be considered under the normal legislative process for appropriations bills. The time devoted to general debate will be determined by unanimous consent request. Additionally, the bill will be open to amendment under the 5-minute rule. Any amendment which does not violate the rules of the House will be in order.

All points against the bill for failure to comply with section 302(c) of the Congressional Budget Act are waived. This provision requires filing a 302(b) allocation before consideration of the bill. However, the funding level for this bill is well within the draft 302(b) allocation now being considered by the Appropriations Committee.

Mr. Speaker, the rule also waives clause 2(l)(6) of rule XI, as well as clause 7 of rule XXI, which require that committee reports and printed hearings be available to members 3 days prior to floor consideration.

Finally, Mr. Speaker, the rule waives clause 2 of rule XXI which prohibits unauthorized appropriations and legislative provisions in general appropriations bills. The precise provisions of H.R. 2907 for which the waivers are provided are detailed in the rule by reference to page and line numbers in the appropriations bill.

I might add, Mr. Speaker, that the chairman of the Ways and Means Committee supports the waiver relating to the Customs Service provisions of the bill.

Mr. Speaker, H.R. 2907 privide appropriations for the Treasury Department, the Postal Service, the Executive Office of the President and certain independent agencies including the Federal Election Commission, General Service Administration and National Archives.

All of us are concerned about the continued entry of illegal drugs into the United States and the Federal Government's response to this growing threat. This legislation provides the additional tools for the U.S. Customs Service to combat the drug problem in our Nation. As the lead agency for drug interdiction, this legislation provides the Customs Service with new mobile x-ray systems, increases in the number of Customs inspectors and improved air surveillance capabilities.

In addition, Mr. Speaker, this bill provides increased funding to strengthen the tax collecting and processing responsibilities of the Internal Revenue Service. This program will not only increase Federal revenues, but will also place refunds in the hands of taxpayers more quickly.

Mr. Speaker, I want to commend the distinguished chairman of the Subcommittee on Treasury, Postal Service and General Government, Mr. ROYBAL, and all of the subcommittee members for their fine work and urge the House membership to join me in adopting House Resolution 223.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 223 is a rule waiving various points of order against consideration of bill which appropriates $15.4 billion in new budget authority in fiscal 1988 for the Treasury Department, the Executive Office of the President and for several independent agencies.

The rule waives points of order against the bill, H.R. 2907, and it also waives points of order against certain specified provisions of the bill.

The rule is necessary in order to allow timely consideration of the bill, which is scheduled for today and tomorrow. General debate on the bill will be taken today, and Members should prepare for amendments under the 5-minute rule tomorrow.

Mr. Speaker, the rule waives section 302(c) of the Budget Act against consideration of H.R. 2907, because the Committee on Appropriations has not filed its subdivision of its budget allocations, the figures we call 302(b) allocations.

The chairman of the Committee on Appropriations, the gentleman from Mississippi [Mr. WHITTEN] anticipates that the 302(b) allocations will be resolved in the next few days. I do want to point out that this bill, H.R. 2907, is within the amounts contained in the conference agreement on the budget resolution.

It is my understanding that Chairman WHITTEN plans a series of meetings this week with the subcommittee chairmen in order to file the necessary budget allocations as soon as possible.

These are very important items and are necessary in order to comply with the Budget Act, and the distinguished gentleman from Mississippi should be commended for his efforts.

Mr. Speaker, the rule also waives the points of order that would otherwise lie against the bill for failure to comply with the 3-day layover rule. The printed committee report and the hearings have been available for the required time, and this waiver is necessary to avoid a potential problem.

A new 3-day waiting period would be triggered if the committee were to file its 302(b) budget allocations before this rule is adopted. Since there was a possibility that the 302(b) budget allocations would be filed before this resolution is adopted, the waiver is included.

The rule also waives points of order that would otherwise lie against specified provisions of the bill for failure to comply with clause 2 of rule XXI.

Clause 2 of rule XXI prohibits unauthorized appropriations and prohibits legislative language on an appropriations bill.

Mr. Speaker, H.R. 2907 appropriates $15.4 billion in new budget authority for the Treasury Department, the Executive Office of the President, the U.S. Postal Service, and 11 Government agencies, including the General Services Administration and the Office of Personnel Management.

The bill is $779.9 million higher than the administration's budget request and is $1.6 billion above the amounts appropriated for these accounts in fiscal 1987.

Most of the difference between the amounts in the bill and the budget request is due to the committee's inclusion of funds for "revenue foregone" of the Postal Service and higher amounts for various law enforcement agencies.

Mr. Speaker, there is one particular item for which I want to congratulate the gentleman from California [Mr. ROYBAL], the chairman of the Treasury and Postal Appropriations Subcommittee, as well as the gentleman from New Mexico [Mr. SKEEN], the ranking Republican member of the subcommittee.

Mr. Speaker, the bill includes $556.5 million for the U.S. Postal Service, $71 million of which is to provide free mail for blind persons, and $485 million of which is to provide reduced rate mail for nonprofit organizations, such as veterans groups and charitable groups, and for small rural newspapers.

Mr. Speaker, I appreciate the efforts of the Committee on Appropriations in bringing this bill to the floor in a timely manner, and I urge adoption of this rule so the House can proceed to consider the bill.

Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in opposition to the rule, largely because of the budget waiver that is contained in the rule, and I would like, if I may, to ask a couple of questions of the gentleman from Tennessee [Mr. COOPER], who is handling the rule.

Did the Rules Committee receive a letter from the Appropriations Committee asking for this 302 budget waiver that is in the rule?

Mr. GORDON. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Tennessee.

□ 1735

Mr. GORDON. Mr. Speaker, I thank the gentleman for yielding.

No, it did not. As the gentleman from Pennsylvania well knows, the Committee on Rules was well within its authority to go forward with this type of waiver.

If this body does not feel like it is justified, then let it work its will.

The gentleman has already abundantly made the point. We all know the procedural matters.

Mr. WALKER. This gentleman is coming and arguing the issue before the House, that the committee well may be within its rights.

It seems to me that we are talking about something which is the law of the land. We are talking about the Budget Act, which is a law that was passed by this Congress, signed into law by the President.

We are used to the Committee on Rules waiving our rules. We are a little less used to the fact that the Committee on Rules comes to the floor and decides to waive the laws that we have committed ourselves to.

I have been told in the past that the Committee on Rules is very reluctant to do that. We are finding that reluctance is not something that we see very often on the floor.

Time after time, they come to the floor with these waivers, and it is about time we protest.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Speaker, I thank the gentleman for yielding.

I heard the arguments and realize it might be taken as criticizing our Committee on Appropriations. We have to wait for the 302 allocation under the budget, for the budget to get agreed upon.

We met on the 302(b) allocation, and at that time we thought we would have it by the time this bill came up. In the meantime, Mr. Shultz wrote and asked that we add money in the 302(b) allocation, additional money for foreign aid, so what has tied this up is a recent request by the administration.

I wanted to explain why we are delaying.

Mr. WALKER. I understand what the gentleman is telling the Members.

I have limited time, and I want to make a couple of points.

Let me say to the gentleman, these are all nice technicalities; and we have heard a lot of talk in recent days about how technicalities, people, and so have good reasons for evading the law.

That is what we are doing here. We are figuring out a way to weasel around the law, because we think we have good reasons.

I am suggesting that maybe that ought not be the standard that we set for others. If we are going to hold others in this country accountable to the law, it seems to me that it is high time we become accountable to the laws we pass, too.

It is a legitimate criticism of this Congress that we tell others they ought to obey the law; and when they look to us, we are not confident about obeying the law ourselves.

We do not comply with those things that become inconvenient for us to do.

Mr. WHITTEN. The gentleman has been an active participant here. I was just telling the gentleman we are obeying the rules in that it is the adoption of the rule which determines the rules we are governed by.

Mr. WALKER. The gentleman is absolutely wrong. We have before us a rule.

It reads that all points of order for failure to comply with provisions of section 302 of the Congressional Budget Act of 1974 are waived.

That means that what we are doing is, we are waiving the law of the land. A waiver of the law of the land is in fact an evasion of the law of the land, and that is the complaint that this gentleman is bringing before the body.

Mr. WHITTEN. It is within the rules, or it would not be here. That is a part of the rules, too.

Mr. WALKER. The gentleman makes my point. The Congress has set up rules by which what we do is find ways that we can get around the law, and then we say to other people, we are holding you accountable, but we want to get around it.

Mr. CRAIG. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Idaho.

Mr. CRAIG. Mr. Speaker, I thank the gentleman for yielding.

What the gentleman from Mississippi [Mr. WHITTEN], the chairman, has said, well, that is the rule, and we can change the rule, and the Committee on Rules.

Mr. WHITTEN. What we do is provided by the procedure adopted by the Members of this House.

Mr. WALKER. Regular order, Mr. Speaker.

I have yielded to the gentleman from Mississippi. The gentleman now has decided that he can take the law in his own hands and stand up and interrupt whenever the gentleman wants.

Mr. Speaker, I continue to yield to the gentleman from Idaho.

PARLIAMENTARY INQUIRY

Mr. GORDON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. McHUGH). The gentleman will state his parliamentary inquiry.

Mr. GORDON. Mr. Speaker, how much time does the gentleman from Pennsylvania have left?

The SPEAKER pro tempore. The gentleman from Pennsylvania has the time, and he has 20 seconds remaining.

Mr. WALKER. Mr. Speaker, I have yielded to the gentleman from Idaho.

Mr. CRAIG. Mr. Speaker, the law when we craft it, if it does not fit this body, we can change it.

Mr. WALKER. That seems to be exactly what we are doing here.

Mr. CRAIG. Or we write a new law to cover our tails.

Mr. WALKER. We are saying that this law does not apply to us, and I would think that what we should do is be a little bit more faithful to the laws we say should be executed.

Mr. GORDON. Mr. Speaker, I yield 3½ minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Speaker, I thank the gentleman for yielding me this time.

I want to congratulate the gentleman from Idaho for discovering the Constitution of the United States. It is 200 years old. It is about time.

The gentleman has made the startling statement that when the elected legislative body of a country in full and public open debate decides to change the law, it can change the law. I congratulate the gentleman.

Yes, it does say that when we have passed a law and subsequently we decide in full and open debate with Members being afforded a rollcall, and people having a full chance to watch it, it being reported in the media, we may change the law.

The gentleman from Pennsylvania seems unclear as to the distinction between breaking the law in secret and amending it in public. That seems to me an important distinction.

I am surprised others do not think it is equally important.

Mr. CRAIG. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Idaho.

Mr. CRAIG. Mr. Speaker, I thank the gentleman for yielding.

The gentleman is a little mistaken. We are not changing the law here. We are just waiving it.

The law is still on the books. Everybody else has to adhere to the law; but in this circumstance, in this case we are saying it will not pertain.

I do happen to know about the Constitution.

Mr. FRANK. Mr. Speaker, reclaiming my time, maybe the gentleman ought to go look at the Declaration of Independence. The gentleman only deepens his misunderstanding.

I do not doubt the gentleman's capacity to continue to do that. The point is, when we act on this budget proposal before the House, it is a law.

The danger is, when people in secret, and I understand the sensitivity on that side of the aisle about breaking the law. We have got an administration which seems to specialize in it in some ways. We have an Attorney General who is the least examplar of upholding the law that I have seen in a long time, and there is a great deal of sensitivity; but if the gentleman wants to defend lawbreaking, let the gentleman not compare it to an openly adopted amendment in the law.

The gentleman says we are not amending the law, but we are waiving it.

We are waiving the rule by adopting, and if a majority wants to adopt it, amending the law, and there is absolutely a big difference.

There is a big difference between a public debate in which people can see who is doing what. Some think we ought to vote money for medical care, housing, and transportation; that will require us in public to change the Budget Act, and we do that, and that is very different than privately or secretly breaking the law.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

The gentleman has a rather unique interpretation of the Constitution where the gentleman suggests that we amend the law by passing rules in this body.

It only becomes law with the President's signature. This will not have the President's signature on it.

Mr. FRANK. Mr. Speaker, the gentleman from Pennsylvania was quite indignant when the gentleman from Mississippi spoke on the gentleman's time before.

Reciprocity is not one of the gentleman's principles. We have seen that in the trade bill.

We are not just waiving a rule. We are taking before us a bill that will come up. The rule is in and of itself not going to effectuate anything.

The rule simply prepares the way for the House of Representatives and the other body, and the President if he signs it, to pass the law.

The point is, the understandable effort to obfuscate the lawbreaking going on in the executive branch, nothing will change unless and until a majority of the House and a majority of the other body pass a law.

We are not breaking the law. We are invoking a rule that will waive something, and only if the House passes a bill, and the other body passes a bill and it becomes law, will it be changed, so the point is, as we began, the gentleman has got confusion between breaking the law in secret, because we do not like it, and amending the law in public.

I am not surprised at the confusion on that side.

Mr. GORDON. Mr. Speaker, I yield myself such time as I may consume.

I think every Member in this body well knows that this is a procedural matter, and that the Committee on Rules is certainly within its right and authority to make a recommendation of such waiver.

This body now in open public can determine whether or not it thinks it is appropriate, and I think it is time to vote.

Mr. TAYLOR. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. LUNGREN].

Mr. LUNGREN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I would like to say that all three of the gentleman who spoke before me are correct in a sense.

Also, the gentleman from Illinois [Mr. HYDE] was very correct when the gentleman articulated this point of view yesterday in the hearings that everybody seems to be so concerned about.

The Congress is not breaking the law. We are not putting this body above the law. We exempt the Members from the law in many cases, OSHA being one, Equal Employment Opportunity Act being another, and then we waive the law when the budget comes around.

We have all the sound and fury in this House and in the other body about coming up with a budget. The press looks at the budget. The stock markets look at the budget.

The American people look at the budget; and as soon as we adopt a budget, we rush helter-skelter onto the floor to waive the budget each and every time we have an appropriations bill, and that is what we are talking about here.

No, it is not lawbreaking. What we are doing is waiving the law to make sure it does not apply to us, because we have made a decision of convenience. We spend all of that time and effort dealing with the budget, and then the budget does not matter in this place.

□ 1745

We waive it. If we are waiving it, why do we have a rule before us that says we waive section 302(c) of the Budget Act? Why? Because we have not complied with section 302(b) of the Budget Act. Maybe we ought not to have those sections. Maybe we ought to just throw the budget away, but that would be a more open approach to it than what we do here.

How do we manage to come up with appropriation bills time and time again that are in excess of the budget that we promised the American people we were going to follow? Precisely because we have rule after rule which does not break the law. We are not so crass in this institution as to break the law. We exempt ourselves from the law. We waive the law. It has a sweeter notion to it. It sounds better. It trips off the lips a little bit better. We waived the law. We exempt ourselves from it, so what we are talking about is truth in legislating, truth in spending, not what we are doing here.

Mr. FRANK. Mr. Speaker, will the gentleman yield?

Mr. LUNGREN. I am happy to yield to my good friend from the great State of Massachusetts.

Mr. FRANK. Well, Mr. Speaker, I thank the gentleman for agreeing with us that we are not breaking the law and for disagreeing with his colleagues.

The point I would like to make, though, is that I think there is a very real difference between in a public way changing the law in the legislative body and having individuals take it on themselves to do that.

Mr. LUNGREN. Well, I agree with that; however, I would just point out——

Mr. FRANK. Mr. Speaker, does the gentleman want me to finish?

Mr. LUNGREN. I only have a few seconds probably left.

We are talking about a bill here that is $15.4 billion. That may be small in the State of Massachusetts or somewhere else. Where I come from, that is a lot of money.

I remember the great Senator from the State of Hawaii lambasting someone who had testified before him because he had risen above the law by not complying with a 48-hour rule. Can you imagine that?

Here we are waiving the Budget Act because it only refers to a small thing like $15.4 billion.

Mr. FRANK. Mr. Speaker, if the gentleman will yield further, I am disappointed that the gentleman attributes to me this comment about small, which I never made.

Mr. TAYLOR. Mr. Speaker, I yield 5 minutes to the gentleman from New Hampshire [Mr. SMITH].

Mr. SMITH of New Hampshire. Mr. Chairman, there have been some comments made here about confusion over the Budget Act. There is no confusion. We are waiving the Budget Act and we are rewriting the law, if you will, and I believe violating the law.

What does it mean? We are waiving points of order in this Budget Act, $15.4 billion.

We heard a lecture, we have been hearing lectures from certain members of a certain committee for the last 4 or 5 days lecturing to a certain individual about the law. Well, frankly, I am a little tired of hearing the lectures, when we ignore the law here. We waive the Budget Act and then we say confusion. There is no confusion.

The rule that we are talking about here prepares the way to violate the budget, pure and simple. Why not be honest about it? Why not be honest to the American people. That is what we are doing. We are not sticking to the rule of law here. We are not abiding by it at all. We are simply refusing to obey the law. We are ignoring the budget.

Why have a budget? What is a budget? What does it mean? It does not mean anything.

I think it is time that we looked inside this Chamber and looked in the mirror at ourselves and take a good hard look at what we are doing, because we are not being honest with the American people, that is for sure.

So I say, Mr. Speaker, let us vote the rule down.

Mr. TAYLOR. Mr. Speaker, I yield such time as he may consume to the gentleman from New Mexico [Mr. SKEEN], the ranking member of the subcommittee.

Mr. SKEEN. Mr. Speaker, I think we have had a tremendous amount of enlightenment—well, maybe just a little—more in the way of entertainment. If we do not quit watching television programs around here where a lot of lawyers are involved, we are all going to be talking crazy and doing some of the things involving this rule of law. I have heard it referred to more this afternoon, and we understand it; but if we went strictly by the House rules, I am sure this body would have a very difficult time operating.

Mr. Speaker, I support the rule. We have waived various provisions. We do this all the time. Maybe it is right, maybe it is wrong, but this body operates on unanimous-consent requests in many instances.

Let us get down to the business of debating this bill, because I know there is a long evening ahead of us on general debate. I think we have had a lot of entertainment with this. I do appreciate the contributions made by our legal scholars throughout this body.

Mr. Speaker, I think it is time to get to a vote.

Mr. TAYLOR. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. COOPER. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 266, nays 148, not voting 19, as follows:

[Roll No. 270]

YEAS—266

Ackerman
Akaka
Alexander
Anderson
Andrews
Anthony
Applegate
Aspin
Atkins
AuCoin
Beilenson
Bennett
Berman
Bevill
Biaggi
Bilbray
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Campbell
Cardin
Carper
Carr
Chapman
Chappell
Clarke
Coelho
Coleman (TX)
Collins
Conte
Cooper
Coyne
Crockett
Daniel
Darden
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foley
Ford (MI)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hochbrueckner
Horton
Hoyer
Hubbard
Hughes
Hutto
Jacobs
Jeffords
Jenkins
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Lowery (CA)
Lowry (WA)
Luken, Thomas
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McHugh
McMillen (MD)
Mfume
Mica
Miller (CA)
Miller (OH)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Panetta
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Pickett
Pickle
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Richardson
Rinaldo
Ritter
Robinson
Rodino
Rose
Roukema
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Sharp
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Snowe
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Wilson
Wise
Wolf
Wolpe
Wyden
Yates
Yatron
Young (AK)

NAYS—148

Archer
Armey
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bentley
Bereuter
Bilirakis
Bliley
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Callahan
Chandler
Cheney
Clinger
Coats
Coble
Coleman (MO)
Combest
Coughlin
Courter
Craig
Crane
Dannemeyer
Daub
Davis (IL)
DeLay
DeWine
DioGuardi
Dornan (CA)
Dreier
Edwards (OK)
Emerson
English
Fawell
Fields
Frenzel
Gallegly
Gallo
Gekas
Gingrich
Goodling
Gradison
Grandy
Gregg
Gunderson
Hansen
Hastert
Hefley
Henry
Herger
Hiler
Holloway
Hopkins
Houghton
Huckaby
Hunter
Hyde
Inhofe
Ireland
Johnson (CT)
Kasich
Kolbe
Konnyu
Kyl
Lagomarsino
Latta
Leach (IA)
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lott
Lujan
Lukens, Donald
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCollum
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (WA)
Molinari
Moorhead
Morrison (CT)
Morrison (WA)
Nielson
Oxley
Packard
Parris
Petri
Porter
Regula
Rhodes
Ridge
Roberts
Rogers
Roth
Rowland (CT)
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Slaughter (VA)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Stangeland
Stenholm
Stump
Sundquist
Sweeney
Swindall
Tauke
Thomas (CA)
Upton
Vander Jagt
Vucanovich
Walker
Weber
Weldon
Whittaker
Wylie
Young (FL)

NOT VOTING—19

Annunzio
Bateman
Bates
Boner (TN)
Clay
Conyers
Foglietta
Ford (TN)
Gephardt
Hall (OH)
Howard
Kemp
Roe
Roemer
Rostenkowski
Scheuer
Schumer
Williams
Wortley

□ 1800

Mr. KYL changed his vote from "yea" to "nay."

Mrs. ROUKEMA changed her vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GEOGRAPHY AWARENESS WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 88) to designate the period commencing November 15, 1987, and ending November 21, 1987, as "Geography Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore (Mr. McHugh). Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I do not object, but I would like the House to know that the minority has no objection to the legislation now being considered.

Mr. PANETTA. Mr. Speaker, will the gentlewoman yield?

Mrs. MORELLA. Mr. Speaker, I yield to the gentleman from California [Mr. Panetta], who is the chief sponsor of House Joint Resolution 195.

Mr. PANETTA. Mr. Speaker, I rise today in support of House Joint Resolution 195, which would declare the week of November 15 to November 21, 1987, as "Geography Awareness Week." This resolution, which I introduced in March, is another expression of my strong belief in the importance of foreign language and international education. I am delighted that an identical resolution introduced in the Senate by Senators Bradley and Stafford was passed on June 9.

To commence, I would like to thank my many distinguished colleagues who have lent their support to House Joint Resolution 195, and also to thank Representatives Ford, Dymally, and Morella, for allowing this resolution to be brought up for consideration in a timely manner. It would indeed be good for this body to act on the resolution soon after the Senate. In addition, as least as important, the sooner this resolution is passed, the more time educational and other institutions around the country will have to prepare for Geography Awareness Week. At this time, I would also like to commend the National Geographic Society and its president, Willard Grosvenor, for their strong interest in this resolution. For many years, as you know, the society has produced top-quality materials and programs that have significantly enhanced our Nation's knowledge of the rest of the world. The society is planning many actitivies in connection with Geography Awareness Week to help increase Americans' focus on this important discipline.

As we all know, there is much evidence for the need to increase our attention to this fundamental subject.

In 1946, only 46 percent of college students tested in a nationwide survey at one top State university could name all of the Great Lakes. In 1984, the news was even worse: only 12 percent of students surveyed at one top State university could name all of the Great Lakes. In 1950, 84 percent of these college students knew that Manila was the capital of the Philippines; by 1984, this number had shrunk to 27 percent. Furthermore, almost 70 percent of these students could not name a single country in Africa between the Sahara and South Africa.

This news is not only shocking; it is frightening. We depend on a well-informed populace to maintain the democratic ideals which have made and kept this country great. When 95 percent of some of our brightest college students cannot locate Vietnam on a world map, even after our extensive involvement in that country, we must sound the alarm. When 63 percent of the Americans participating in a nationwide survey by the Washington Post cannot name the two nations involved in the SALT talks, we must acknowledge that we are failing to sufficiently educate our citizens to compete in an increasingly interdependent world.

This ignorance of geography, along with a comparable lack of knowledge of foreign languages and cultures, places the United States at a significant disadvantage with other nations economically, politically, and strategically. We cannot expect to remain a world leader if our populace does not even know who the rest of the world is.

In 1980, a Presidential commission found that U.S. companies fare poorly against foreign competitors partly because Americans are often ignorant of things beyond our borders. As Gov. Gerald Baliles said in a Southern Governors Association report,

> Americans have not responded to a basic fact: the best jobs, largest markets, and greatest profits belong to those who understand the country with which they are doing business.

Japan's remarkable recovery since the end of the war has been the greatest economic success story of the century, much to the chagrin of many of her competitors. The success can be attributed to a number of factors, but I do not think we can underestimate the importance of Japan's international marketing strategies, including especially its strong emphasis on other languages and cultures. The Japanese have deliberately prepared their businessmen and other professionals to operate in a global marketplace, with multicultural customers. They have learned the language, analyzed the needs, grasped the culture, and tried to understand the basic psyche of all potential consumers. It is estimated, for example, that there are 10,000 Japanese businessmen who speak English in the United States, while less than 1,000 Japanese-speaking American businessmen are in Japan.

One of the key themes and tasks for this Congress is restoring America's competitiveness in a highly complex, rapidly changing world. Improving our knowledge of the geography, language, and culture of other lands is a concrete, attainable, and important goal in the context of international trade and our place in the world economy. It is a substantial way to give content to the buzzword of competitiveness.

The understanding necessary to accomplish this, as I have said, can come only from knowledge of the peoples, cultures, resources, and languages of other nations. This is the sort of knowledge that the study of geography seeks to impart. However, the discipline of geography is seriously endangered in this country. Departments of geography are being eliminated from many institutions of higher learning, and less than 10 percent of elementary and secondary school geography teachers have even a minor in the subject.

Mr. Speaker, we are a nation with worldwide involvements. Our global influence and responsibilities demand an understanding of the lands, languages, and cultures of the world. It is for this reason that I strongly urge my colleagues to support this resolution focusing national attention on the integral role that the knowledge of world geography plays in preparing our citizens for the future of our increasingly interdependent, interconnected world. It is my hope that this will be just one step in a revitalization of the study of geography in this country. All of our citizens should have access to the type of education that will help them appreciate the great beauty and diversity of this Nation, and its place in an even more diverse world. The passage of House Joint Resolution 195 will be an important step in this direction.

Mrs. SAIKI. Mr. Speaker, I rise today to speak on behalf of House Joint Resolution 195, a measure declaring the week of November 15, 1987, through November 21, 1987, as "Geography Awareness Week." Over 200 Members have cosponsored this resolution, thereby expressing a widespread commitment to focus attention on the study of geography in our country's schools.

Nations throughout our world are becoming increasingly interdependent. Our goals for U.S. competitiveness in the changing global marketplace must include providing our students with the geography curriculum they need to gain the requisite knowledge of the world's peoples, cultures, resources, and languages. Unfortunately, evidence reveals that students are becoming less geographically aware. For example: 95 percent of an incoming class of college students could not locate Vietnam on a map; 25 percent of a class of high school seniors did not know that Mexico is the country south of the United States; and less than half the students tested at a national university could identify Texas and Alaska as the largest U.S. States.

Once a staple of the American school curriculum, the study of geography inexplicably has been deemphasized. Only 14 percent of American secondary school students took geography courses in the early 1960's. By the midseventies, this figure had slipped to 9 percent. By 1982, the decades of neglect threatened to become an irreversible crisis: Between 20 and 30 percent of the country's geography teachers had never taken a course in geography, and only 10 percent of the teachers had majored in the field.

To combat the growing trend of geographic illiteracy, we need to reestablish the importance of the study of geography at all levels of our schools. House Joint Resolution 195 is a first step in the process. I urge all of my colleagues to give this measure their wholehearted support.

Mr. MANTON. Mr. Speaker, I rise in support of House Joint Resolution 195, which designates the period commencing November 21, 1987, as "Geography Awareness Week." I also want to compliment the gentleman from California [Mr. PANETTA] for sponsoring this resolution.

I would like to call my colleagues attention to some sobering statistics on Americans' lack of geographical knowledge. Various tests reveal that roughly 73 percent of the college freshmen at a top state university could not identify Manila as the capital of the Philippines, and fewer than 25 percent of these same students could not locate either Vietnam or Nicaragua on a world map. Yet these three countries are in the news almost daily. Ferdinand Marcos, Richard Nixon, and Oliver North have virtually transformed them into common household words.

We are facing an educational crisis. Our schools are producing students who are geographically illiterate, unable to effectivtly compete with their foreign counterparts in matters of international business, politics, and trade. How can we expect America to be a major force in world affairs if Americans do not even know who populates the rest of our global village? We must remedy this sitution and focus our attention on a geographically aware public. That is why I ask my colleagues to join me in supporting House Joint Resolution 195, "Geography Awareness Week."

Mr. LEVIN of Michigan. Mr. Speaker, I would like to draw my colleagues' attention to some startling and distressing news. A recent survey found that one-quarter of Dallas high school students could not identify the country bordering ours to the south. Only 12 percent of students polled at a top State university could name all five of the Great Lakes, and less than 28 percent knew that Manila was the capital of the Philippines. In a world where Mexico, Lake Superior, and the Philippines are as close as a satellite hookup, this information is truly frightening. How can we expect future generations to be a major force in world affairs if Americans don't even know who populates the rest of our global village? We must remedy this situation. That is why I ask you to join me in supporting House Joint Resolution

195, which designates the period commencing November 15, 1987, and ending November 21, 1987, as "Geography Awareness Week."

Simply put, geography is the study of people, their environments, and their resources. This knowledge is crucial to our understanding of global interdependence. Ignorance of geography places the United States at a distinct disadvantage with relation to other countries in matters of international business, politics, and trade. As a world leader with unparalled influence and responsibilities, America can not afford to be ignorant. Yet over 20 percent of our geography teachers are not accredited to teach basic geographical concepts, and geography departments are being eliminated from American institutes of higher education at an alarming pace. National "Geography Awareness Week" will help focus attention on this endangered discipline and put it back on the map.

Mr. ESPY. Mr. Speaker, I am a cosponsor of the resolution introduced by my friend and colleague, Mr. LEON PANETTA, and I am glad that the passage of the resolution is imminent. By most accounts, people understand geography as maps, mountains, and the places around the world without considering the value and necessity for accurate information on these elements of geography and how they affect our lives.

When we think with a geographical perspective, we must think in terms of distances and time, and of cultures that are different and divergent. When we appreciate the full meaning of geography, we gain a greater understanding of our world and its people.

Mr. Speaker, on March 19, 1987, when Mr. PANETTA introduced this resolution he noted the powerful economic resurgence of the Japanese people and attributed much of it to their desire to learn and understand foreign languages and cultures. Mr. PANETTA is right. Our world is much smaller and our interdependence more pronounced than it was a generation ago, and it will become more so.

I believe our general focus must include a fresh new understanding of geography and its affects on people and cultures around the world. This effort must begin with our youngest citizens and renewed time and again. Geography Awareness Week will be an excellent opportunity to highlight this focus.

Mr. GREEN. Mr. Speaker, we depend on a well-informed populace to maintain the democratic ideals which have made this country great. The widespread lack of geographic literacy among our Nation's students and citizens is shocking and sobering. Recent surveys have found that 95 percent of our best college students have no idea where Vietnam is on a world map; 64 percent of the participants in a CBS/Washington Post poll could not name the two nations involved in the SALT talks, and one-quarter of Dallas high school students could not name the country bordering the United States to the south.

These frightening results do not only indicate that students cannot locate landmarks on a map, but more importantly, it shows a lack of knowledge and understanding of cultures and people beyond our borders. This illiteracy places the United States at a distinct disadvantage in international and political affairs. How can this coming generation make any sense of a world increasingly tied together by communications, transportation, trade, and international relations without the basic knowledge of geography that so many of them lack.

It is for these reasons that I urge all of my colleagues in Congress to support House Joint Resolution 195, which designates November 15 to 21, 1987, as "Geography Awareness Week." It is my hope that this resolution will help revitalize attention to other lands, languages, and cultures so that our future leaders can competitively participate as informed world citizens.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 88

Whereas the United States of America is a truly unique nation with diverse landscapes, bountiful resources, a distinctive multiethnic population, and a rich cultural heritage, all of which contributes to the status of the United States as a world power;

Whereas geography is the study of people, their environments, and their resources;

Whereas, historically, geography has aided Americans in understanding the wholeness of their vast nation and the great abundance of its natural resources;

Whereas geography today offers perspectives and information in understanding ourselves, our relationship to the Earth, and our interdependence with other peoples of the world;

Whereas 20 percent of American elementary school students asked to locate the United States on a world map placed it in Brazil;

Whereas 95 percent of American college freshmen tested could not locate Vietnam on a world map;

Whereas 75 percent of Americans responding to a nationwide survey could not locate El Salvador on a map, while 63 percent could not name the two nations involved in the SALT talks;

Whereas over 20 percent of American teachers currently teaching geography have taken no classes in the subject and, therefore, do not have the training necessary to effectively teach geographic concepts;

Whereas departments of geography are being eliminated from American institutes of higher learning, thus endangering the discipline of geography in the United States;

Whereas traditional geography has virtually disappeared from the curricula of American schools while still being taught as a basic subject in other countries, including Great Britain, Canada, Japan, and the Soviet Union;

Whereas an ignorance of geography, foreign languages, and cultures places the United States at a disadvantage with other countries in matters of business, politics, and the environment;

Whereas the United States is a nation of worldwide involvements and global influence, the responsibilities of which demand an understanding of the lands, languages, and cultures of the world; and

Whereas national attention must be focused on the integral role that knowledge of world geography plays in preparing citizens of the United States for the future of an increasingly interdependent and interconnectted world: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period commencing November 15, 1987, and ending November 21, 1987, is designated as "Geogrpahy Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Joint Resolution 88, the Senate joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. GARCIA. Mr. Speaker, during rollcall Nos. 249, 250, 251, 252, 253, 264, and 265, had I been present I would have voted "yes."

TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1988

Mr. ROYBAL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2907) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1988, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that the general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from New Mexico [Mr. SKEEN] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

☐ 1813

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2907.

The Chair designates the gentleman from California [Mr. BEILENSON] as chairman of the Committee of the Whole, and requests the gentleman from Illinois [Mr. GRAY] to assume the chair temporarily.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore. Under the unanimous consent agreement, the gentleman from California [Mr. ROYBAL] will be recognized for 30 minutes and the gentleman from New Mexico [Mr. SKEEN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. ROYBAL].

Mr. ROYBAL. Mr. Chairman, I yield myself such time as I may consume.

□ 1815

Mr. Chairman, it is a very great pleasure and privilege for me to present this bill to the House. I want to take this opportunity to express my appreciation and thanks to those who helped make this presentation possible. We have been working on this bill now since last January and have held many hours of committee hearings. It has been due to the diligence and the effectiveness and efficiency and, may I say, also the dedication of committee members that we are here today.

I especially appreciate the assistance of the gentleman from New Mexico [Mr. SKEEN]. He has been of invaluable assistance to all of us in the committee, participating in all of our hearings, being present at all times, showing the patience that only comes with knowledge, for he is a very knowledgeable individual.

I also wish to thank other members of the committee, for I want each and everyone of them to know I greatly appreciate their help.

Mr. Chairman, the Committee on Appropriations presents a bill for the consideration of the House which provides $15.4 billion in recommended appropriations for 1988, an increase of $780 million over the budget, $1.6 billion over 1987. This is $40 million under the proposed 302(b) allocation for discretionary budget authority and $49 million under the proposed budget ceiling for discretionary outlays. I would also like to point out that the bill is $23 million below the total proposed 302(b) allocation for budget authority and $32 million under the proposed total in outlays. The departmental amounts are as follows: For the Treasury Department we have appropriated $7.4 billion, an increase of $248 million over the budget and $1.1 billion over 1987. For the Postal Service, $556 million, an increase of $485 million over the budget and a reduction of $93 million below 1987.

For the Executive Office of the President, $107.9 million, the amount of the budget request and $6.6 million over 1987. For independent agencies convered by this bill such as GSA, the Office of Personnel Management, the Tax Court and others, $7.3 billion, an increase of $47 million over the budget and $593 million over 1987.

Now I would like to review for the House the matter of being over the budget and how it happens that we find ourselves $295 million over the budget which does not include revenue foregone.

I think in this review we must make it very clearly known that there are 61 departments under the jurisdiction of this subcommittee and that the subcommittee, after long hearings, hearings which started in February but after long hearings, agreed with or reduced the President's recommendation or budgetary recommendations on 51 of those 61 agencies. In other words, we appropriated the exact sum recommended by the President in his budget on almost all of those agencies. But there was some disagreement on 10 of those departments. There was not really a disagreement; what actually did happen was that in the President's budget certain things were left out that we decided to include. Regardless of the situation, we in the committee, again after these extensive hearings, came to the conclusion that in the Customs Service, that we had to add 1,998 positions that had been left out of the budgetary recommendation. And that required an increase of $104 million. These are approximate figures, the $104 million. We looked at that very carefully and came to the conclusion that we should not be reducing the Customs Service by almost 2,000 inspectors, particularly in view of the fact that the Customs Service No. 1, is a revenue producing agency. It does, in fact produce revenues in excess of $15 billion every year, not millions, but billions of dollars every year. And then second it is a department that actually does a great deal with regard to the interdiction of narcotics, narcotics that come into this country on almost a daily basis.

To decrease that department by 2,000 employees, people who actually work out in the field would only result, first, in the decrease of moneys coming into the Treasury and, second, which is worse than anything else in my opinion, that is that more narcotics will be slipping into this country, going into our schools, into our neighborhoods, touching the lives of almost every family in the United States.

It was important, therefore, for the committee to carefully consider all of this and we came to the conclusion that it was important to put back the moneys and the personnel that were needed but to also add an additional 800 in personnel at a cost of an additional $56 million.

So we added back to the Customs Service $160 million in total.

Please do not forget we were $295 million more than the President had recommended. We have already explained then $160 million that was added to the Customs Service, $160 million of the $259 million that we were over.

Then we went into the other departments. Please do not forget there were 10 additions altogether. We very carefully examined the Secret Service. We found out that the Secret Service had for a long time not only had under consideration but started the construction of a building in Beltsville that needed to be completed, needed to be finished and therefore an additional $6 million was needed for that particular purpose. We saw no percentage in not doing anything about this so we put in $6 million for that specific purpose.

Then we examined another department which I believe to be one of the best departments in the Federal Government and that is the Bureau of Alcohol, Tobacco, and Fire Arms. This is an agency that is also revenue producing, not quite as much as Customs, of course, but it is also a revenue-producing organization. It is an organization that has been very busy lately, particularly when we find that various clinics throughout the country have been bombed by terrorists. These are abortion clinics, clinics that perform abortions in different parts of the country have been bombed and these are the people that conduct the investigations and do the necessary work to, No. 1, find out who did it, but above all to do the preventive work necessary so that it will not happen again.

We restored to the Alcohol, Tobacco, and Fire Arms the total sum of $21 million which, incidentally, had already been cut out in previous appropriations. So we just put back then an additional $21 million. Then we examined also another department, and I want to go through all 10 of them. The Federal Law Enforcement Training Center. This is most important to the various law enforcement agencies of the Federal Government because they have to train somewhere and this is where they train. And they also train in antiterrorist activities. They also provide basic training for various law enforcement facilities or organizations in the Federal Government and provide also basic training for other organizations outside of the United States.

So what was needed for this particular agency was $3 million in addition. But we also were very mindful of the fact that this organization does, in fact, train personnel from various other agencies and we know now for a fact that these other agencies sometimes reimburse this organization for the training that they provide. And we will have language in the bill now to that effect so that this then will be for the basic training that is provided to not all, but some organizations in the Federal Government. But that was only $3 million.

Now we come to one of the big items and that is the Internal Revenue Service. The proposal that was made in the budget first of all that money was needed to provide more help for Internal Revenue Service. But it was necessary to provide even more than was recommended. The committee came to the conclusion that since the Internal Revenue Service is actually the organization that produces the funds for the Treasury of the United States, that we should be putting into this bill an additional sum of money for taxpayers' assistance.

It seemed to me that in the administration's recommendations that were made that increases in the taxpayers' assistance program was almost left out of the recommendation.

Well, it seems to me that the people of the United States, we who pay the bills as we go along, should get some assistance from the Internal Revenue Service. But IRS could not give the assistance that is required without the necessary personnel and without the necessary money.

So we put back into that department an additional sum of $58 million and 1,500 additional personnel.

Now we have given again through this total amount that will finally add up to $295 million.

Now in the Federal Property Resources Services which is responsible for the management of the stockpile for the Federal Government, we put in $31 million which was definitely required and not recommended under the budget.

In the General Services Administration we provided $10 million for strategic material research and various facilities, which was also requested and needed, which then added an additional $10 million to the recommendations made by the committee.

Then we also dealt with smaller sums. We dealt with Critical Materials Council in which we, provided an additional $172,000 in this particular instance.

In the Archives, the National Archives of this Nation, is an organization that is going to be growing even more. They need a new building. They are running out of space. We put into this appropriation an additional $6 million for that purpose.

In the Administrative Conference for the United States, we put in an additional $200,000. The committee also deleted funding for the advisory committee on Federal Pay.

□ 1830

Once you add all these together, you come to a figure of $295,168,000, which is the exact amount that we are over the President's recommendation But it does not include revenue forgone.

Now, what is revenue forgone? Revenue forgone, as we all know, is a subsidy that is made available to the Postal Service of the United States for mailing privileges for nonprofit organizations. In other words, a nonprofit organization is like the Red Cross, the United Way, and other organizations. They can and do use the privilege and get reduced mailing rates as they go about making whatever solicitation is necessary. For that purpose the committee appropriated an additional fund of almost $485 million.

Now, this is an amount that was not recommended by the President at all. In other words, the President's budget left it out completely. What the President did do, however, is to recommend an appropriation of $71.8 million that included funds to take care of mailings for the blind. That is quite commendable, and it was well done, but it did not include the rest of the nonprofits, and we were unable in the original markup to include this amount because we did not have the proper 302(b) allocation. Now, as we present this bill to the Members today, we have a proposed 302 allocation which brings us well below the required amount, both in 302(b) allocation in budget authority and also in outlays.

This is, I believe, an excellent bill. May I say that it took some time to present because we were ready some time back, but we did not have the proposed 302(b) allocation. Therefore, we could not present it to the House, and we did not. But now that we do have that proposed 302(b) allocation, it is now a subject matter before the House to finally make a determination.

I realize that we are going to have a great deal of debate, maybe even amendments, before this bill is finally ready for a vote. But whatever the situation may be, the departments under our jurisdiction are important departments. The reason that we are above the President's recommendation again is because we have restored funds for two agencies of the Federal Government, revenue-producing funds that were left out, funds that were necessary so that we can bring money into the Treasury of the United States.

Mr. Chairman, I recommend this bill to the Members of the House, and I ask for their consideration and for their vote.

Mr. SKEEN, Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to say something that is not pro forma. We talk about these bills and the work that is done by the various members of these committees, and many times I think it becomes something of a pro forma matter, and it should not be that.

The gentleman from California [Mr. ROYBAL] has been one of the most outstanding chairmen I have had the good fortune to work with in this Congress. We have many fine Members and many fine chairpersons, but this is one of the most outstanding. He keeps the committee going. He keeps it very bipartisan, and he is very fair. I want to tell him that I appreciate his plaudits to me, and I return the same to him, because he has made it a real pleasure to work with him. Of course, the fact that he is a native-born New Mexican who traveled out to California does not hurt anything at all. We are still holding down the fort out there, and I say to the gentleman, "Anytime you want to come back to New Mexico, Ed, you are certainly welcome."

I also want to extend my comments and plaudits to members of the committee who worked very hard. They know who they are. They made great contributions. Along with them, I want to commend the staff, both minority and majority staff, because I think they do excellent work.

We have a very unusual committee. There are some 64 agencies that we deal with. We hold large numbers of hearings, and I think that we do an excellent job given the diversity of context that we have to cover, the diversity of subject matter that we have to cover in dealing with all these agencies.

Now we have a good bill here, and I am going to recommend its passage. I have a lot of problems with it because it does involve a great deal of money, more than we would like to see, but there is one responsibility we have on this committee, and when you take on the job of working with these committees, you have to take on the responsibility. Even though we would like to cut out all government spending, we know that there has to be spending done and it should be done in the right manner. I think this committee handles it in exactly that way.

But the most responsible position you have is that you have got to let these agencies work. If we do not spend the money, they do not do the work that the voters and the taxpayers of this country expect to be done by the agencies and the bureaus that make this Federal Government work. That is the bottom line.

I know that the driving force and the fire underlying all of the work in this Congress is to reduce deficits. Yes, we want to reduce deficits, but we still have got to make this system work. I think our committee is exemplary in this regard, because that is foremost in our mind, that is, to keep the expenses down and to remember that we have got to make it work.

There are three big items, of course, that always turn up in this committee, and one is the IRS, the Internal Revenue Service. Let me say right here that we must keep funding the IRS. There is a point of diminishing returns, I know, so I do not want to hear the old gag that if we just pour enough money in the IRS, we will get ourselves out of debt. In this case there is some truth in that because increased funding for IRS is absolutely essential because in this case, in this year alone, we are going to leave $150 billion uncollected if we do not increase the expenditure for the Internal Revenue Service. That means more auditors and more data processing. I think that is a consideration that we have made and given credence to and provided for in the expenditures that we have allowed in the increase in the budget that we have allowed for IRS.

Another one is Customs, and I think the chairman of the subcommittee covered that topic very well.

Revenue forgone is one of the most troublesome of the items we consider in this committee because it is a subsidy to the Postal Service for mailings, nonprofit mailings. Not very many people understand it, and I did not understand what it was all about until I got on this committee and began to appreciate the tussle we have to go through each time to find the funds. But let me point out something to the Members: That we have decreased the overall spending for revenue forgone since I have been on this committee. It has gone down by a substantial amount, because at one time we were spending $879 million, almost $1 billion, on revenue forgone. This year we are talking about something in the neighborhood of over $500 million. Of course, I know there were some extenuations involved in part of that budget process some 2 years ago. We had to pick up $200 million, and that was an adjustment that had to be made.

Along with that, we have the Bureau of Alcohol, Tobacco and Firearms, and I think the chairman of the subcommittee covered that.

The Secret Service is going through the election process. It is necessarily going to have an extension of expenses to cover their activities during this period of time.

I think that this budget or this appropriation was well done and has been well handled. We are going to invite a lot of scrutiny from those who want to deal with the deficit. I think that is healthy, and it is good. I hope that some suggestions that come out of those folks who want to cut these expenses are good ones, and I hope they are considered. We are going to give them every consideration possible. I am sure we will have some amendments in that regard. I do not dissuade them or shirk our responsibility on those, but I would have to say that across-the-broad cuts in this particular committee are very difficult to justify because so many of these bureaus and agencies have already been rendered out, and to get an across-the-board cut works a very tremendous hardship on some of these smaller agencies. If we are going to do that, let us take a look at the big ones. We have outlined them, and we know where they are.

We know that suggestions are going to be made. I see the "auditor" is back there. I am glad he is here. He is good to work with. He is a great Member of Congress. That is the gentleman from Texas [Mr. STENHOLM], and he is dedicated. We are all dedicated to getting a good bill. I hope we are able to come up with a bill that covers the job that I have to do, and that is, as I said, that we have a responsibility to make it work.

So, Mr. Chairman, I recommend the bill to the Members. I look forward to the debate and the amendment process with some vigor.

Mr. Chairman, I reserve the balance of my time.

Mr. DAUB. Mr. Chairman, I rise in strong support of the revenue forgone provisions contained in the bill being presented to the committee this evening.

Mr. Chairman, I rise in strong support of the revenue forgone subsidy which provides a reimbursement to the Postal Service for revenues lost from free delivery of mail to the blind and for subsidized rates for preferred-rate mailers. I am pleased that the Appropriations Committee includes $517 million for this function in this bill (H.R. 2907).

The $517 million is the bottom line funding needed to maintain current postal rates for nonprofit organizations and to avoid eliminating the free mailing privileges for the blind. Raising these postal rates would have an onerous effect on the blind and on nonprofit organizations. Many of these organizations provide services which we, in our attempts to reduce Government spending, are asking the private sector to supply.

Another important function of revenue forgone is the subsidy for rural newspapers. Many of these papers have had to increase their postal budgets to a level that may put them out of business if they are increased any further. In our democracy, it is absolutely essential that those in rural areas are allowed the opportunity to have optimum access to information, and we thus must maintain the viability of rural print mediums.

Now is not the time to further burden these rural news operations and nonprofit organizations. They have already suffered much difficulty with regard to postal rates and many cannot deal with further postal rate hikes.

Mr. COLEMAN of Texas. Mr. Chairman, I rise in support of H.R. 2907, the fiscal year 1988 Treasury, Postal Service, and general Government appropriation bill. I want to commend my chairman, the gentleman from California [Mr. ROYBAL], and our ranking member and my neighbor, the gentleman from New Mexico [Mr. SKEEN], for the leadership they have provided in crafting this bill. I also want to commend the staff of the committee for a job well done.

Mr. Chairman, this bill provides $15,385,729,000 in new budget authority for the Department of the Treasury, the U.S. Postal Service, the Executive Office of the President, the General Services Administration, the Office of Personnel Management, and related agencies. The amount is $1.577 billion over the fiscal year 1987 level and $779 million over the administration's request. The bill is within the allocations provided for by the congressional budget resolution. Although I am sure many of you will argue with those figures and may seek cuts, I would ask that you first consider what is funded in this bill.

Mr. Chairman, this bill provides the necessary funding for some very crucial operations of Government. The programs contained in this bill are not as exciting as those contained in some of the other appropriations bills, but they are at least as important, if not more. It is really a question of which came first, the chicken or the egg? Well, you cannot get one without the other, and in the case of Government, you cannot get the other programs without the functions of the agencies contained in this bill.

This bill provides funding for the Internal Revenue Service, the Customs Service, and the Bureau of Alcohol, Tobacco, and Firearms which this Congress assumes will raise virtually all of the $933 billion in fiscal year 1988 in to pay for 90 percent of Government. The committee approved the President's request for the IRS and then added $58 million based upon the assumptions made in the budget resolution that increased collection would result in lower deficits. The committee provided $160 million more than the President requested for the Customs Service, rather than cut the 2,000 personnel proposed in his budget. Had we acquiesced to the President on this matter, not only would we have lost revenues from tariffs and duties, but we also would have reversed the position taken by the 99th Congress to fight the war on drugs. Instead, the committee, under the wise leadership of the chairman, added 800 new positions on top of the current level. Furthermore, we included a legislative floor to ensure that the Customs Service will hire and maintain those positions. And, the committee provided an additional $21 million to the Bureau of Alcohol, Tobacco, and Firearms to ensure efficient collection of revenues from sales of these products, as well as the enforcement of our weapons and explosives laws, and alcohol and tobacco regulations.

Now, given that we have tried to provide the necessary funding to collect nearly all of 90 percent of revenues assumed by the fiscal year 1988 congressional budget resolution, Congress assumes that the other 10 percent will be raised through the issuance of debt obligations in the credit markets so that we may meet our commitments to defense, international security, education, health, and the public well-being. This bill provides for the funds necessary to operate the Treasury which is responsible for printing and minting our currency and issuing bills, notes, and bonds to finance the day to day operations of the Federal Government. While not as a glamorous as the Court of St. James or as exciting as SAC Headquarters in Omaha, this bill provides the necessary funding for the operations of the Financial Management Service, the Mint, the Bureau of Engraving and Printing, the Bureau of Public Debt, and the U.S. Savings Bonds Division. These are the financial agents of the U.S. Government, under the leadership of the Secretary of the Treasury. And, before anyone starts to demagogue about the Bureau of the Public Debt, try to remember first how the Government finances its operations. We do not simply raise revenues from taxes and pay our bills. Instead, we have complex mechanism of issuing bills, notes, and bonds in anticipation of revenues in order to ensure a smooth operation of Government. Revenues are then used to retire these obligations. These financial instruments are the cornerstone of the world's financial markets. To take the knife to these agencies ignoring such factors would be ill-advised.

This bill contains the funding for the Secret Service and the Federal Law Enforcement Training Center. These are important functions of Government—to protect important Federal and foreign officials, combat currency counterfeiting, and train Federal law enforcement officers. A nation cannot conduct its affairs if it cannot ensure the safety of its top officials, official foreign guests and diplomats, and the protection of its entities.

This bill also contains the funding for the General Services Administration and the Office of Personnel Management. In order that we might determine whether to lease public lands for oil exploration, protect the Caribou in Alaska, or develop the strategic defense initiative, we need manpower and a physical plant. You simply cannot run a successful organization if you do not provide the necessary capital investment. In the case of Government, that is investment in human capital potential and the physical plant. For all of those who say we can cut Government expenditures, and thus the deficit through increased productivity and efficiency must realize that cutting back the workspace and management of our employees, the Federal work force, who by the way are American citizens too, will result in less, no more, productivity and efficiency.

This bill also contains the funding for the Executive Office of the President. That means everything from the President's salary and residence to the National Security Council to OMB to the Council of Economic Advisers. The committee provided the full amount requested by the President, and an additional $172,000 to the National Critical Materials Council for additional positions for Research and Development as mandated by law. I do not believe I need to explain to the members the importance of the Executive Office of the President, and I believe the committee has acted fairly in providing the request.

Finally, the bill provides $556 million for the payment of the Federal liability stemming from the old Post Office Department and for the revenue forgone subsidy. The administration had requested only $72 million to provide for the liability and free mail for the blind. The committee acquiesced to the will of the Congress as assumed by the congressional budget resolution which provided for the maintenance of current rates for free and reduced rate mailers. This program provides for free and reduced rate mail for the blind, nonprofit organizations, schools, and libraries, and in-county rural newspapers. It is something that the Congress has said it believes is necessary and therefore the committee has provided funding.

The committee has crafted a fair bill which is under our budget allocation and provides for the smooth operation of Government. Make no mistake about it, without the operations funded by this bill, there would be no national defense, there would be no Health and Human Services, there would be no State Department. Before you take out the budget cutting knives, look at the functions this bill provides. If you want to cut the deficit, don't vote to cut the IRS, the BATF, or the Customs Service. If you want to ensure the efficient operation of Government, don't cut the Financial Management Service, or the GSA, or OPM. If you think terrorism in America is a threat, don't cut funding for the Secret Service or the Federal Law Enforcement Training Center. If you think drug abuse in America is a real problem and supported passage of the omnibus drug control bill last year, don't vote to cut the Customs Service.

Mr. ROYBAL. Mr. Chairman, I yield 5 minutes to the gentleman from Hawaii [Mr. Akaka].

Mr. AKAKA. Mr. Chairman, I rise in support of the Treasury-Postal Service appropriations bill for fiscal year 1988 and ask unanimous consent to revise and extend my remarks.

First, let me take the opportunity to commend all my colleagues on the Treasury Subcommittee for their hard work. In particular, I want to thank our fine chairman, Ed Roybal, and our ranking member, Joe Skeen, for their leadership throughout our subcommittee's deliberations. It is through their efforts, as well as the efforts of our subcommittee staff, Tex Gunnels and Bill Smith, that we are able to bring to the floor of the House a fair and responsible bill that deserves every Members' support.

I know that much of the rhetoric during today's debate will attempt to characterize this bill as a "budget buster." Members will stand in the well of the House and tell you that our subcommittee's bill has an 11½ percent increase over last year's appropriation. Well, I am prepared to defend our bill and demonstrate that it is not the big, bad, budget buster it is made out to be.

Our bill funds the operations of the two greatest revenue-producing agencies in the Federal Government—The Internal Revenue Service and U.S. Customs Service. I caution every Member against tampering with the budget for these two agencies. If IRS and the Customs Service are not given sufficient funds to carry out their responsibilities—if we cut the appropriations provided in this bill—then it will seriously impair the collection of revenue owed to the Federal Government.

I can assure you that if these agencies are not given the funds necessary to do their job, then revenues will suffer and the deficit will rise. Like it or not, it is a fact of life that the Federal Government has to spend money to collect taxes and Customs revenues. And I can assure you that many dollars will be lost for every dollar that is cut.

Yes; our bill contains a sizable increase for the IRS compared to last year. We recommend an appropriation of $5.1 billion for the coming fiscal year. This appropriations will enable the IRS to collect $840 billion in tax revenues, including $49 billion resulting from enforcement actions taken by the IRS. All but $58 million of the $5.1 billion contained in our bill was requested by the President.

In fact, the appropriation we have recommended is insufficient to do the job. It will only allow the IRS to achieve an 80-percent compliance level. This means that $100 billion in taxes owed to the Government will not be collected. If you cut this budget, it is inevitable that tax compliance will drop and more revenue will be lost.

The Customs Service is another leader in the field of revenue collection. In the coming fiscal year, the Customs Service will collect $15.3 billion. To accomplish this, our committee has recommended an appropriation of $830 million.

Any Member of this House who is serious about doing something to address our Nation's drug problem should support this appropriation. Here is where we get the chance to put our money where our mouth is. You cannot be in favor of fighting a war on drugs at the same time that you vote against the appropriations necessary to wage this battle. It takes dollars and not rhetoric to keep drugs off the streets and out of our schools.

I want to remind my colleagues in the House that earlier this summer the Customs Service was designated as the "lead agency" within the Federal Government to prevent drugs from entering our borders. This bill provides the additional funds necessary to carry out this enhanced responsibility.

It is a tragic fact that illicit drugs are destroying the youth of our Nation. The illegal drug trade is an insidious plague that infects our society and causes pain and anguish in every city and town throughout America.

Only if we are prepared to provide the Customs Service with the manpower and resources they need can we stop drugs at our borders. Drug runners do not fire popguns and do not ride bicycles. They carry Uzis and other advanced weapons. They move their illicit cargo in high powered cigarette boats and advanced jet aircraft which have the most sophisticated radar systems money can buy. Unless we provide the Customs Service with the funds necessary to compete with their opponents on an equal footing, we should not expect them to succeed.

While drugs may be the most important responsibility for the Customs Service, we should not lose sight of the fact that the Customs Service enforces over 400 laws and regulations. Some of these laws are very important to our basic industries. Time and time again Members have written our subcommittee and testified at our hearings that the Customs Service must be given adequate resources to fight illegal imports. I know how important this responsibility is to the textile and steel industries. Industry representatives and veteran Customs personnel agree that $35 billion to $40 billion in goods enter this country each year which should be subject to duty but somehow escape the collection process.

Finally, I would be remiss if I did not recognize the special needs of the Secret Service that are provided for in our bill. We are 17 months away from the next Presidential election. The Secret Service faces a challenge for the 1988 election which will exceed all past experience. The campaign has begun much earlier, it will be more rigorous, and it will be carried out under circumstances which are far less secure than in previous years.

Unless Congress provides the funds necessary to allow the Secret Service to carry out its protective responsibility we could have a disaster on our hands. Agents must be trained, equipment must be purchased, and intelligence must be gathered so that the Secret Service is able to do an effective job. I dread the thought of any cuts in the Secret Service's budget in the face of their election-year responsibility.

I urge support for the bill.

□ 1845

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise to make the body aware of an amendment that will be offered by the gentleman from Virginia [Mr. WOLF], an amendment that I think shows true creativity and responsibility in how we actually get at the waste in the Federal Government, how we can actually make meaningful savings, savings that can be used elsewhere, or savings that can be turned back to the taxpayer.

I call the attention of the Members to the ad hoc committee that is proposing across-the-board cuts. This, as well as many of their ideas, is probably the most important amendment that will be offered, I think, in a long time.

The amendment says and recognizes that at the end of a fiscal year, agencies go on spending binges, so that they can make sure that when they come back to the Committee on Appropriations the next year, that their budgets will have been spent, therefore, giving them backup for more spending.

The amendment by the gentleman from Virgnia [Mr. WOLF] attacks that spending burnout, as they call it.

What it does is, it says that if you have savings at the end of a fiscal year, the agency can take the 50 percent of that savings, and hopefully put it back in bonuses and come up with ideas to save money, rewarding creativity, and the other 50 percent will go back into the general fund.

This is an incredible amendment, one probably better than the Grace Commission recommendations. It has been estimated in the first year alone that over $700 million can be saved with this program alone, and I hope that Members will look at this amendment, will support it, will talk about it, and that the House will send this bill to conference knowing that we will make savings in waste and fraud in this Government.

Mr. ROYBAL. Mr. Chairman, I have no further requests for time.

Mr. SKEEN. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I will be very brief, and hopefully not use my entire 5 minutes.

I rise in support of the bill. I think other Members have made the case with regard to revenue-producing agencies, IRS and Customs and others.

Let me say one caveat to that. I must express concern over the fact that we are over the budget, and it troubles me. It troubles me very, very deeply.

Many will say perhaps across the Nation and in this country, we are living beyond our means, and how we deal with that is something we have to look at.

Overall, the gentleman from California [Mr. ROYBAL], the chairman, should be commended for the work that the gentleman has done; and the gentleman from New Mexico [Mr. SKEEN] should be commended for the work that the gentleman has done.

While commending both of the gentleman, I commend the staff, Tex Gunnels, who has done an outstanding job, and who has probably forgotten more about many of these issues than many of the Members will learn over the years, and Bill Smith, who is in the same mode, and on the Republican side, John Barela, who works for the gentleman from New Mexico [Mr. SKEEN] and Tim Shea, who works for the gentleman from Massachusetts [Mr. CONTE], and lastly, Sara Boney, who has done the staff work for this Member.

I want to commend all of these people for the days, the hours, and in some respects the years of dedicated work that they have put in to craft legislation which all of us in this Nation, those of us who deal with the IRS, or if we do not, we should be dealing with them, and Customs with regard to keeping drugs out of our country, and many other of the agencies.

The last issue I wanted to mention is the amendment that I will offer tomorrow on the "shared savings" concept.

It is a concept which the Office of Management and Budget has said could save potentially up to $720 million.

The purpose of the amendment is twofold. One is to obviously save money; and this is, as the gentleman from Texas [Mr. DELAY] said, in many Federal agencies at the end of the year, there is the concept or the feeling of use or lose.

When I was a Federal employee for 5 years at the Department of the Interior, I can still remember people coming up at the last month saying, "We have all this money to spend. Do you need new draperies, new carpet, chairs, trips, or whatever?"

This way they will put an incentive in whereby they will save the money and do not have to turn it back, but 50 percent will go for deficit reduction, and 50 percent for productivity programs and also bonuses for Federal employees, hard-working Federal employees who deserve these bonuses.

Frankly, all the Federal employees deserve to be treated well by this Congress. Equally important, though, it would also increase productivity in the Government. It would help bring about creative ideas whereby Federal employees who come in with ideas that could make the Federal Government work in a better way to find out ways whereby they could carry out their agency's mission more effectively, and the key word is "effective" without altering the quality of services to the American people.

I think we are making it more effective, saving money by doing it in a way that does not have any negative impact on the service to the American people but as a positive effect.

Again I wish to commend the gentleman from California [Mr. ROYBAL], the chairman, and the gentleman from New Mexico [Mr. SKEEN], the ranking member, and the staff and all the members of the committee for their work.

SUPPORT "SHARED SAVINGS" AMENDMENT TO TREASURY APPROPRIATIONS BILL

Put Congress clearly on record in support of deficit reductions through innovative productivity improvements.

Provide incentives to eliminate the year end "use or lose" spending policies prevalent in many agencies.

WHAT IS "SHARED SAVINGS"?

A gain-sharing plan designed to promote productivity improvements in the Federal Government to achieve budget savings to reduce the Federal deficit, reward groups of employees with meaningful bonuses and fund additional productivity improvements.

A voluntary program involving productivity improvements only. It does not involve changes in agency functions or staffing changes.

A savings program designed for employees to find ways to carry out their agency missions more effectively, without altering quality of services to the American public.

HOW DOES "SHARED SAVINGS" WORK?

If productivity improvements result in $1 million in savings, $500,000 will go to the Treasury and the other $500,000 will remain with the agency for funding employee bonuses and additional productivity enhancement measures.

Congress can maintain oversight and stop the program at any time.

Program is authorized by 5 U.S.C. chapters 45 and 54 and by the fiscal year 1986 DOD appropriations act, Public Law 99-190.

Program is supported by the administration and by the General Accounting Office.

WHAT ARE "SHARED SAVINGS" BENEFITS?

Improve productivity and quality of service to American public by finding ways to provide those services more effectively and efficiently while maintaining current programs and standards of timely operation.

Produce budget savings—OMB has estimated the 108 programs identified to participate the first year could produce savings of up to $720 million. Existing productivity programs in only 38 programs has produced savings of $122 million.

Improve moral by "sharing savings" with employees.

Mr. CONTE. Mr. Chairman, I rise in support of H.R. 2907, the Treasury-Postal appropriations bill for fiscal year 1988.

At the outset, I want to commend the chairman of the subcommittee, ED ROYBAL and the ranking member, JOE SKEEN, for their leadership and for their courage to make some tough decisions. As the unforgiving noose of Gramm-Rudman strangles already weakened programs, Chairman ROYBAL and JOE SKEEN have been willing to stand up and take the heat when cuts were forced on this subcommittee. In this general debate and during the amendment process, I hope the Members listen carefully and appreciate the rationale behind the committee's recommendation.

Mr. Chairman, the committee has presented the House with a responsible bill. It's within the budget allocation for both outlays and budget authority. However, for some very good reasons, the committee has recommended spending $842 million more than the amount appropriated last year for discretionary programs.

Over the past several weeks, the so-called shadow group has raised a very legitimate question during the consideration of appropriations bills. They've asked the committee and the House: If our goal is deficit reduction, how can we keep on spending more than last year? Well, I've always felt that each case should be considered on its merits, and the Treasury bill as presented here today can be justified on it's merits.

In general terms, there are two reasons why this bill provides more spending this year than the amounts appropriated in fiscal year 1987.

First, the President presented the Congress with unrealistic budget cuts. In the middle of our war on drugs, the budget proposed a $130 million cut for the Customs Service. The budget proposed the elimination of the revenue forgone program, the subsidy for nonprofit groups and rural newspapers. I haven't spoken to anyone in this House who agrees with this reduction. And the President proposed no funds for the operation of our national defense stockpile. He proposed to use money from the transaction fund, a move prohibited by existing law.

A second reason for the increase is a direct result of the President's budget. About 90 percent of the increase in this bill can be attributed to increases requested by the President. The President's budget proposed an 11-percent increase for the Financial Management Service; a 8.3-percent increase for the Mint; a 9-percent increase for the Secret Service; a 21-percent increase for the Bureau of the Public Debt, and a 14-percent increase for the IRS. That increase alone amounts to $627 million.

Mr. Chairman, it's clear that the committee was faced with unpleasant choices. Unrealistic budget cuts and increases requested by the President forced this bill over the fiscal year 1987 level. I urge the Members to consider the reasons why spending was increased, and if anyone has a better plan, please come down to the floor and justify it. The subcommittee hashed this bill out for days, and there are not very many acceptable alternatives.

Finally, I will include for the RECORD the administration's position on this bill. Needless to say, OMB is not enthusiastic about these recommendations. Director Miller has written to me and promised that he "would have to recommend veto of the bill in its present form."

Despite these objections, I urge my colleagues to support the committee bill.

[Statement of Administration Policy, July 14, 1987]

H.R. 2907—TREASURY/POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATIONS BILL, FISCAL YEAR 1988

(Sponsors: Whitten, Mississippi, Roybal, California.)

The bill is unacceptable to the Administration as reported by the Appropriations Committee because it contains excessive funding and many objectionable language provisions. The President's senior advisers would have to recommend veto of the bill in its present form.

For discretionary programs, the Appropriations Committee has increased budget authority by $780 million over the President's request of $8.1 billion and reduced obligation limitations by $21 million from the President's request of $3. billion, for a net increase of approximately three-quarters of a billion dollars. As previously stated, in considering the acceptability of congressional action on appropriations bills, the Administration will use as its benchmark the budgetary resources (i.e., budget authority, obligation limitations, and loan limitations) requested by the President for discretionary programs. Therefore, the bill is unacceptable on this basis alone.

Of particular concern among the increases in budget authority, the Administration strongly opposes:

The Postal Service increase of $485 million in the revenue forgone appropriation, which continues subsidies for preferred mailers at the expense of the taxpayer;

The increase of $160 million for the Customs Service, salaries and expenses and the establishment of an FTE floor of 15,897; and

The $21 million (405 FTE) increase for the Bureau of Alcohol, Tobacco, and Firearms.

The Administration also objects to several language provisions included in the bill.

Section 615 prohibits the Customs Service from consolidating regions and districts throughout the country. This provision unduly contains executive branch authority in establishing proper agency management.

Exempting the Veterans' Administration medical care from Section 607 requirements, which prohibits using for other purposes funds appropriated for agency contributions to Federal Civil Service retirement plans, is very objectionable. Since this activity is the single largest civilian agency employer, with 18 percent of civilian agency employment, creating this exemption weakens greatly the fiscal restraint intended by Section 607.

Section 606 prohibits the payment of funds "to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person." This provision raises substantial constitutional concerns as an infringement on the President's appointment authority.

Section 612, which states "None of the funds made available pursuant to the provisions of this Act shall be used to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States" is unconstitutional under *Chadha* as well.

General and Administrative provisions in violation of *Chadha*. There are a number of such provisions, as listed in the enclosure.

The enclosure discusses these and other funding and language provisions that are objectionable to the Administration.

The Administration urges the House to pass a bill that is free of unnecessary spending increases and objectionable language provisions, one that the President's senior advisers could recommend that he sign.

Finally, the Administration would support amendments to help implement the Administration's Shared Savings Plan and to give the Secretary of the Treasury authority to set pay rates for the uniformed Secret Service. The Shared Savings Plan would provide incentives and rewards for Federal employees, produce savings, and increase productivity in the Federal workforce. The discretion on uniformed secret service pay would permit their pay to be competitive with that of other uniformed police officers in the Washington, DC area.

JULY 13, 1987.

H.R. 2907—TREASURY/POSTAL APPROPRIATIONS BILL, FISCAL YEAR 1988, OBJECTIONABLE PROVISIONS

I. FUNDING LEVELS

Postal Service Fund.—The Administration opposes strongly the Postal Service increase of $485 million. This continued subsidization of preferred mailers burdens the American taxpayer unfairly. The proposal submitted by the Administration offers a sound approach and applies the burden of cost properly to the mailers.

U.S. Customs Service.—The Administration opposes strongly the increase of $160 million and 2,798 FTEs for Customs Service salaries and expenses.

Bureau of Alcohol, Tobacco and Firearms.—The Administration opposes the increase of $21 million and 405 FTE for the Bureau. Even recognizing the important role of the Bureau in enforcing tax and various criminal enforcement statutes, the staffing increases are clearly excessive. They represent a 14-percent increase over the President's FY 1988 Budget.

National Defense Stockpile Transaction Fund.—The Administration does not support the direct funding of $31.1 million for the management of the National Defense Stockpile, preferring instead to finance these costs from balances previously appropriated. The Administration also opposes the earmarked funding increase for research grants.

National Archives and Records Administration.—The Administration opposes the increase of $6 million over the President's request. The Administration also does not support the inclusion of $4 million for the funding of the grants for the historical publications and records program.

U.S. Secret Service.—The Administration opposes the increase of $6 million over the President's request for continued construction at the Rowley Training Center. Since FY 1986, Congress has appropriated $12 million in unrequested funds for the Rowley Training Center.

National Critical Materials Council.—Funding for the Critical Materials Council nearly doubles (97 percent increase), going from $178 thousand to $350 thousand. The Administration strongly opposes this increase. Funding increases for the council are unwarranted and are contrary to the goal of reducing the Federal deficit.

Advisory Committee on Federal Pay.—The Administration objects to the deletion of an appropriation for the Advisory Committee. This Administration has requested funds for the operation of the statutorily established Advisory Committee because the Committee performs an important function in giving impartial and sound advice on pay matters. The Advisory Committee should be allowed to continue advising the President in this way, and thus serving the public interest.

Administrative Conference of the United States.—The Administration opposes the increase of $200 thousand for this program. The President's budget provides sufficient funds to achieve the program objectives for this agency.

II. LANGUAGE PROVISIONS

Consolidation of Customs Offices.—The Administration strongly opposes Section 615, which prohibits the Customs Service from consolidating regions and districts throughout the country. The section constrains unduly executive branch's ability to manage properly. Given this prohibition, Customs will not be able to realize efficiency improvements through re-assigning responsibilities and duties among offices.

U.S. Customs Service, Personnel Floor.—The Administration opposes strongly the legislative requirement establishing a Customs FTE floor level of 15,897. This action disregards completely the Administration's emphasis on automation and technology as a means of improving import and passenger processing operations.

Title V, Section 520.—The Administration opposes language forcing the GSA to acquire commodities in line with old legislated goals, which are not consistent with the President's newly approved goals.

Title V, Section 526.—The Administration opposes language directing the upgrading of cobalt. The Administration is currently assessing the need for upgraded materials. There are currently ample supplies of chromium, cobalt, manganese, and platinum group metals to meet national defense needs. Use of the Office of Technology Assessment report is contrary to the Stockpiling Act since it is an economic, not a national security assessment.

Title VI, Section 607.—The Administration strongly opposes the exemption of the Veterans' Administration for the requirements of this provision. Section 607 of the bill specifically prohibits using for other purposes funds appropriated for agency contributions to Federal civil retirement plans. All veterans who apply for care are being treated, and ample funding is available to meet the care, treatment, training, and other objectives of this activity. Providing a special exemption can only lessen the efficiency with which the program is operated. Because this activity is the single largest civilian agency employer, with 18 percent of non-Defense employment, creating this exemption weakens greatly the fiscal restraint intended by the section.

General Services Administration, Lease-Purchase Arrangements.—The Administration opposes language authorizing the Administrator of GSA to acquire a building in Chicago, Illinois and buildings for the Environmental Protection Agency and the Department of Transportation through lease-purchase arrangements. The Administration also opposes language directing the Administrator of GSA to acquire the Union Station in Tacoma, Washington through a lease-purchase arrangement.

General Services Administration.—The Administration objects to sections 525, 528, and 529, which place restrictions on excessing and other uses of land and properties at the Beltsville Agricultural Research Center, Phoenix Indian School, and Shoals Lake properties, respectively.

Combined Federal Campaign.—The continued ban on changing the rules of the CFC is unnecessary.

Pay Cap.—The Administration opposes the exception added that would waive application of the pay cap to any negotiated contract entered into before the date of enactment of the appropriations bill. The affected employees have been under notice for a number of years that they will be subject to this pay cap. Putting this exception in for another year will only serve as an invitation for these blue collar employees to circumvent the pay cap by entering into new contracts.

General and Administrative provisions in violation of Chadha.—The Supreme Court ruled in 1983 (in *INS* v. *Chadha*) that legislative vetoes of executive branch actions taken pursuant to law are not permitted under the Constitution. Such vetoes include not only actions by one House, but also actions by Committees. The House has included the unconstitutional requirement for approval from the House and Senate Appropriations Committees in the following cases:

Secret Service activities (beginning on line 25, page 11);

transfer of funds for the Department of Treasury between appropriations (beginning on line 12, page 13);

increases in project funding within the Federal Buildings Fund for repairs and alterations (beginning on line 22, page 23);

the funding of additional projects for which prospectuses have been fully approved within Federal Buildings Fund (beginning on line 4, page 27);

emergency repairs funded by the Federal Buildings Fund (beginning on line 8, page 29);

transfer of funds for the General Service Administration between appropriation (beginning on line 15, page 38);

transfer of funds within the Federal Buildings Fund (beginning on line 5, page 38) and;

renovation of offices in excess of $5,000 (beginning on line 8, page 70).

Section 612.—This section, which states "None of the funds made available pursuant to the provisions of this Act shall be used to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States" is unconstitutional under *Chadha* as well.

Mr. RAHALL. Mr. Chairman, I rise today in support of H.R. 2907, Treasury, Postal Service, and General Government Appropriations for fiscal year 1988.

Of particular interest to my fellow West Virginians are the provisions which provide funding for the U.S. Postal Service. The President's budget for fiscal year 1988 did not request any funds for revenue forgone. The appropriation of $556,507,000 recommended in this bill includes $485 million to maintain current rates for preferred-rate mailers. The committee has also inserted a provision which prohibits the Governors of the Postal Service from raising rates charged to preferred rate mailers and mandates that the rates be maintained at the current level for all of fiscal year 1988. The bill also continues certain provisions carried in previous appropriations acts mandating free mail for the blind and for overseas voting. In addition, the bill allows for the continuation of 6-day delivery and rural delivery mail. The bill also continues the provisions prohibiting the closing or consolidation of small post offices. These areas of the Postal Service have been of grave concern to my fellow West Virginians, and I am pleased to see them included in this measure.

The bill also appropriates $58 million more than the administration's request for the Internal Revenue Service to provide better service to taxpayers seeking information about the new tax law. The Tax Reform Act of 1986 will have an impact on all taxpaying Americans. It is only reasonable that we follow such an extensive revision of the tax law with adequate information and assistance to the public in this regard. I am pleased that these funds were provided for in the bill.

I applaud the efforts of the committee and would like to make a special note of Chairman ROYBAL's efforts to bring this bill before us today. The programs provided for by this legislation are of grave importance to my fellow West Virginians and affects the lives of all Americans. The committee has acted with diligence to assure that these programs are adequately funded to accomplish the functions for which they are designed. The committee's efforts in this regard are to be commended.

Mr. FORD of Michigan. Mr. Chairman, I rise in support of the bill and, particularly to express my appreciation to Chairman ROYBAL, Chairman WHITTEN, and the members of the committee for the fine job they have done in allocating scarce resources among a number of very worthy programs.

During the markup process on this bill it appeared that there may not be enough funds available to the subcommittee to fully fund the so-called revenue forgone appropriation for the U.S. Postal Service. Failure to fund this appropriation would have, in the long run, ensured substantial rate increases for various preferred mailers. For example, the cost of mailing a charitable solicitation would increase 51 percent. The rate for incounty newspapers would increase 63 percent. And the rate for classroom publications would increase by 50 percent.

These increases would occur October 1 of this year, and the adverse effects of these increases would be further exacerbated by additional increases sometime next year which will go into effect as a result of the pending postal rate case.

There is often confusion as to the purpose of the revenue forgone appropriation, and perhaps some background would be helpful to Members. The term itself—"revenue forgone"—derives from the policy set by Congress long ago that certain types of "preferred mailers" are not to be charged the regular postal rates that most mailers are charged. The Postal Service "forgoes" collecting this revenue from the "preferred" mailers. The Congress then provides this forgone revenue by means of an annual appropriation to the Postal Service.

It is important to note that this appropriation is not an operating subsidy for the Postal Service. Rather, it is necessary to futher congressional policy that certain mailers should not pay the full rate.

If Congress does not provide a sufficient appropriation in any particular year, the Postal Service is empowered by law (39 U.S.C. 3627) to raise the preferred rates to the level necessary to make up the difference. This has happened in the past. Because of appropriation shortfalls in fiscal year 1986, the Postal Service raised preferred rates in January 1986 by an average of about 30 percent. Still another rate increase became effective on March 9, 1986.

The overwhelming majority of "revenue forgone" dollars each year goes to the benefit of nonprofit organizations, many of which have not recovered from the financial blows of the calendar year 1986 rate increases. If the revenue forgone appropriation is eliminated, the cumulative effect on preferred rate of the 1986 increases and the additional increases which would occur on October 1, 1987, according to the U.S. Postal Service, would be as follows:

Types of mail—Postage increase since December 31, 1985 with revenue forgone appropriation eliminated for fiscal year 1988

In county:	*Percent*
Rural newspaper	193.0
Second-class nonprofit:	
Veterans' magazine; church bulletin; university publication; labor press	109.7
Classroom:	
Classroom publication	155.2
Third-class nonprofit:	
Fundraising letter (for example, Salvation Army; Crippled Children's Society; American Cancer Society)	144.1
Fourth-class library rate:	
Book between libraries	74.1

Preferred mailers should not be made to suffer such enormous rate increases over such a short period of time. For this reason, it is essential that revenue forgone fund be appropriated this year.

I would be remiss if I did not advise members that the administration has proposed legislation which it claims would eliminate the need for the revenue forgone appropriation while at the same time holding down rates for certain preferred mailers. This proposal involves "separate subclass pricing" for preferred mailers. In essence, nonpreferred mailers would be required to pay higher rates in order that the preferred mailers could continue to mail at reduced rates. This proposal is similar to one in an earlier version of this appropriation bill, a proposal which was intended to "freeze" fiscal year 1988 rates for preferred mailers, eliminate the revenue forgone appropriation, and require the Postal Service—and eventually the nonpreferred mailers—to "eat" the lost revenue.

This proposal is extremely controversial and complex. It is pending before the Committee on Post Office and Civil Service, which I chair, and it will be given serious consideration. In reality, however, even if this proposal were enacted today, it could only be implemented in the context of a general rate proceeding before the Postal Rate Commission and the Postal Service Board of Governors. It is probably too late for such a proposal to be implemented as part of the pending rate case, so we are looking several years into the future before the administration's proposal could have any effect. And this assumes the Congress agrees with the administration that the proposal has merit.

In closing, I repeat I am very pleased the revenue forgone funds are contained in this bill. I support the bill, and I urge my collegues to do likewise.

Mr. STARK. Mr. Chairman, I would just take 1 minute to thank the committee for its support of the Federal office building in Oakland, CA.

The data is clear that this will be a good buy for the Federal Government, and it will be a major shot in the arm for the improvement of downtown Oakland.

The committee's support is deeply appreciated by the entire community.

Mr. LOWERY of California. Mr. Chairman, one of the fundamental duties of the Federal Government is to provide services for the Nation that cannot be effectively carried out by the States. The Treasury/Postal appropriations bill before the House today contains funding for several of these essential Federal programs.

In particular, the committee took action to enable the U.S. Customs Service and the Internal Revenue Service to meet their rapidly growing responsibilities. Customs has a major role to play in controlling our borders and to fight the flow of illegal drugs into the country. We believe that the duties of the Customs Service are increasing in number and difficulty and that additional resources are needed to meet these new duties.

In addition to the war on drugs, Customs must be able to handle the constant flow of foreign visitors and U.S. citizens returning from abroad. Further, the Customs Service has the task of processing foreign goods imported into the United States, as well as the critical function of preventing the illegal export of our high-technology products to our adversaries.

As the lead agency for drug interdiction, the performance of the Customs Service will be the focal point for judging our success in steamming the flow of illicit drugs. This daunting task, combined with the other important duties assigned to the Customs Services were the motivation for the committee to recommend a funding level above the President's request.

Mr. Chairman, the need to provide more cost-effective service to the taxpayer was also the motivation behind the committee's actions on funding for the Internal Revenue Service. Over the past several years, it has become apparent that the IRS needed to improve its performance in tax processing and tax collection. The administration has acknowledged the importance of improving tax enforcement to collect revenues due the Federal Government. Improvements in tax collection can help to reduce the deficit. In addition, it is important that the IRS have the funds necessary to provide good service to the taxpayer. As a result of tax reform, taxpayers have more questions than ever for the IRS. This bill is intended to provide the IRS the resources it needs to improve its overall service to the Government and the taxpayer.

Mr. Chairman, the committee was faced with many difficult choices, particularly because of the understandable desire to preserve the subsidy for mailing privileges for nonprofit organizations. This is by no means a perfect bill. I have serious reservations about the overall spending levels. Nevertheless, we must consider the important Federal duties that these appropriations are intended to support. The committee bill funds essential services that only the Federal Government can provide.

□ 1855

Mr. SKEEN. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

Mr. ROYBAL. Mr. Chairman, I yield back the balance of my time, and I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. STENHOLM] having assumed the chair, Mr. GRAY of Illinois, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2907) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1988, and for other purposes, had come to no resolution thereon.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

July 14, 1987.

Hon. JIM WRIGHT,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to notify you, pursuant to Rule L(50) of the Rules of the House of Representatives, that I have received requests for testimony by Ray Boyum and Robert Cantor, two official reporters, in *United States* v. *Michael K. Deaver*, Cr. No. 87-96, pending in the United States District Court for the District of Columbia. Upon consultation with the General Counsel to the Clerk, the testimony of these two official reporters, assuming it is provided on matters which are material, and on appropriate terms, appears consistent with the privileges and rights of the House of Representatives.

With great respect, I am,
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

DEFENSE SCIENCE BOARD EVALUATION OF STATUS AND PLANS OF STRATEGIC DEFENSE INITIATIVE

(Mr. OLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. OLIN. Mr. Speaker, last week a special task force of the Defense Science Board presented a report requested by the Defense Acquisition Board which evaluated the status and plans of the strategic defense initiative. The document clearly states it is far too early to consider early deployment of any type of SDI system. It concludes that there are significant gaps in systems design and key technologies. This document was written to help the Defense Acquisition Board in making its recommendations to the Secretary of Defense and the Joint Chiefs of Staff on the topic of SDI.

A portion of the report that was edited out of the final version said there is no way of assessing three important aspects of the proposed early deployment: how the system will perform against the requirements of the Joint Chiefs of Staff, the cost of the system and how long it will take to research, develop, and deploy.

I am inserting in the RECORD the full text of the report because it is the best short summary of progress on SDI that I have seen to date. Particularly on the critical issue of early deployment.

I urge all my colleagues to read the full recommendations of the Defense Science Board Task Force.

The Defense Science Board Task Force was assigned the job of assessing the progress made so far on SDI research. Their report was to summarize the progress and problems of the SDIO and to help the Defense Acquisition Board [DAB] make their recommendations to the Secretary of Defense and the Joint Chiefs of Staff [JCS] on how to proceed with SDI.

According to recent news articles, the chairman of this task force deleted the "Milestone Decisions" section of this report before it went to the DAB. This deletion removed the most damaging conclusions of the task force—that SDI is not ready for any early deployment decision.

I would like to make further comments about this report and some of the major points made in its text.

The summary that was kept in the final version of the report states that, "* * * much needs to be done before a confident decision can be made to proceed with the implementation of an initial phase of a ballistic missile defense."

There are two points that I feel are extremely important.

"The design concept for a first phase is in an early stage and still quite sketchy. It takes the form more of a list of components than of a consistent design.

"As a consequence of the current goals in systems design and technology, none of the current cost estimates can be relied upon."

These quotes support the recent House action to hold SDI funding at last year's House-passed authorization level—$3.1 billion. They are a further indication that the SDI should continue a vigorous program of research and development but should not be making any moves toward an early deployment.

It is important to note that this report does not cast serious doubt on the possibility of resolving the technical difficulties of a ballistic missile defense program. The Defense Science Board Task Force seems confident of its ability to overcome most of the technological problems they raise in the report.

The $3.1 billion will fund a strong R&D program. It will fund a program that is adequate to resolve the remaining technological breakthroughs necessary. It will also give us time to consider the implications of ending our compliance with the ABM Treaty. I think we should continue to hold the line at this level of funding. I will be working toward that end.

The full text of the report follows:

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE [ACQUISITION]

Subject: Letter Report of the Defense Science Board Task Force Subgroup Strategic Air Defense—Strategic Defense Milestone (SDM) Panel.

As per your instructions in the Terms of Reference, you have asked the SDM Panel to review the SDI program and to give you our comments on the state of the technology, system design, costing, organization, management and readiness for Milestone I. We have met 8 times over the last 3 months, primarily with SDIO personnel but also with many of the contractors, and have concentrated on Phase I. Our comments on the different aspects of the program follow:

SUMMARY

A great deal of progress has been made, but much remains to be done before a confident decision can be made to proceed with the implementation of an initial phase of a ballistic missile defense. System design is still in an early stage and subject to substantial modification. A number of significant technology problems remain to be solved. Cost estimates are, therefore, highly uncertain. The design of the organization to carry out an activity of the size and complexity of the SDI is still in an early stage. In particular, the relationship between the SDIO and the Service Project Offices has yet to be worked out. The SDIO badly needs and does not yet have the support of a strong competent systems engineering organization without which we do not see how the enterprise can be managed.

On the other hand, the concept of a phased program is appropriate for any major defensive system such as this, much good work has already been done, and plans are being made to begin to solve the problems listed above. We strongly support continued work on SDI, and also strongly support an increased emphasis on system design and on coming to grips with the problems that will be presented by any future deployment.

THE REQUIREMENT

The draft JCS statement of joint ballistic missile defense requirements for Phase I Ballistic Missile Defense if approved, will fill an important gap in the program by providing a framework against which proposed systems can be assessed. Therefore, it is of critical importance for the DAB to review and validate, and the Secretary to approve these requirements (modified, if appropriate).

At the same time the requirements process should be broadened to include an analysis of the desirability of deployment which includes a consideration of a two-sided BMD deployment. This question might be posed as follows: If the U.S. has a choice between:

1. No further BMD deployment on either side; or

2. U.S. BMD system meeting JCS requirements on the U.S. side, plus an equivalent system on the Soviet side, which of these two alternatives more effectively enhances U.S. security?

It is not clear, of course, that we will have such a choice, which is reason enough to proceed with a vigorous U.S. R&D program. If we do have a choice, it would be well to have analyzed the consequences of alternatives. It is clear that such an analysis has not been satisfactorily done.

PHASED PROGRAM

Military systems, particularly defensive systems, are never built as a single step and then left unmodified for a long period. Enemy reactions, new technology, and changing requirements all lead to continual evolution. The plan to build SDI in phases is therefore reasonable and customary.

TECHNOLOGY

A great deal of work has been done on the components for the first phase and much of the technology needed is either in hand or well along. The principal pieces of missing technology appear to us to be the following:

1. The technology for the survivability of the SBKKV Bus is still uncertain. Vulnerability to attack by ground-based ASATS and lasers during peacetime is particularly disturbing.

2. Precision targeting of the rocket hard body in the presence of the rocket plume is uncertain at this time. Before this problem can be addressed with confidence, extensive data gathering is needed on various types of US and USSR boosters.

3. Serious questions remain unanswered about the ability of the passive IR sensors on Probe and SSTS to carry out discrimination against anything but the most primitive decoys and debris. In addition, the presence of cooled RVs would greatly reduce the range of the proposed sensors. Once again, the needed data base on US and USSR reentry systems and decoys is lacking.

4. The technology for the manufacture of very large IR focal planes is not yet in hand. The availability of sufficient material for substrates may be a problem if yields are very small.

There is a major need to create an adequate data base of the phenomenology involved in SDI. There is very little available information on how objects look in space or how rockets look in boost phase. Component and system design are proceeding on the basis of assumptions and calculations which may or may not prove reliable. Some measurements are being planned and some instruments are being built but the responsibility and resources necessary for so demanding and important a task are yet to be assigned.

SYSTEM DESIGN

The design concept for a first phase is in an early stage and still quite sketchy. It takes the form more of a list of components than of a consistent design. Many tradeoffs have yet to be completed including those between ground based and space based defense, between sensors on BSTS and CV's and KKV's, between SSTS and GSTS, between discriminating against and killing decoys, between active and passive defense of CV's, etc.

A much more thorough and unified attack on the system design problem is necessary before a design can be confidently selected. The same quality of effort is needed on preliminary system design as is now being applied to component technology.

COST ESTIMATES

As a consequence of the current goals in systems design and technology, none of the current cost estimates can be relied upon. They vary widely, even assuming that the current Phase I concept holds. By the time the necessary system and underlying technology work is complete, the design may change considerably and costs change as well. There are also sizable uncertainties in such matters as learning curves for space hardware produced in modest quantities, launch costs, and production costs for IR focal planes and hardened high speed data processing.

SCHEDULES

In view of the sketchy nature of the current system concept and the considerable uncertainty about Congressonal support and funding, existing schedule estimates are uncertain as well. Current plans calling for a development decision in the early 1990's and an ICC in the mid to late 1990's are really no different than they have been; the term early deployment, which is sometimes heard, appears to mean only that a first phase would necessarily be earlier than later phases and not earlier than previously suggested. In any event current plans and decisions deal only with continued research and development. Decisions about full scale development and deployment will come later.

MILESTONE DECISIONS

As a consequence of the current gaps in system design and key technologies, there is presently no way of confidently assessing:

1. System performance against JCS requirements;
2. System cost; or
3. Schedule

Therefore, SDIO effort for the next year or two should focus on filling these gaps. A Milestone 1 decision can be considered whenever sufficient progress is made to formulate with confidence a system concept. In the meantime, a Milestone 0 decision can be made on the whole program, and Milestone I decisions can be made on certain of the subelements, such as BSTS, which are necessary to any approach to BM defense. A Milestone 2 decision can be considered whenever sufficient progress is made to confidently assess the cost, schedule, and performance of the system concept approved at Milestone 1. By that time, sufficient progress should also have been made to define a system concept (Milestone 1) for Phase II of the system deployment.

THE ABM TREATY

If a Strategic Defense System is deployed, we will in time have to withdraw from the ABM treaty. The point in the development process when such a withdrawal is necessary depends, of course, on the interpretation of the meaning of the treaty; the narrower the interpretation the sooner a withdrawal is required if progress is to continue. The activities that must be carried out over the next couple of years however should not be seriously affected even if the United States adheres to the narrow interpretation.

BM/C3

The design of the BM/C3 components is in a very early stage, reflecting the sketchiness of the system design as a whole. Current flaws place very high demands on the performance and hardening of the spaceborne data processing elements but such demands can probably be met. Software demands are also high but can be met as well. The BM/C3 presents many difficulties but does not, in our opinion, constitute the most determining problem facing SDI provided an adequate effort is mounted as early as possible.

PROGRAM PLANS AND FUNDING

As a part of the Milestone I process, planning for the next steps is underway. Funding requirements for the plans we have seen, however, exceed the FYDP and greatly exceed the amounts currently under discussion in the Congress. Relative priorities should be established so that the most fundamental needs in the most effective order can be met independent of how the funding turns out. The system development activities for a first phase must begin if there is ever to be deployment, but the technology base research program for the follow on must also continue.

If necessary, the more expensive system demonstrations may have to be delayed in order to provide resources for such programs as gathering data on rocket plumes and on objects in space.

ORGANIZATION AND SUPPORT

The management resources available to the SDIO for system development are not adequate to the immediate task, let alone the demands of a full scale development. For example, a full-time program manager should be appointed for Phase I, reporting to the Director and responsible for all aspects of Phase I.

Additional government personnel with a background of success in large systems are necessary but the greatest and most urgent need is for a system design contractor. We recommend that the SDIO put together a group of experienced systems people from the FCRC's and similar organizations which are already involved in the program. The DOD has on previous occasions made effective use of such ad hoc groups and the basic procedures are understood. One organization could be chosen to host the group. The heads of a number of these organizations are willing to participate. There should not be any conflict between such an action and the possible formation of the new FCRC, the SDI Institute. When and if the SDII becomes available some or all of the ad hoc groups could be transferred to it. Meanwhile, the necessary functions could get underway.

The SDIO is considering hiring a Systems Integration contractor who will also be the BM/C3 contractor. In our opinion, these functions are needed but are quite different and require different skills. The apparent purpose of combining them is to help deal with the overall system design problem. It seems to us that it would be better to clarify the responsibilities for design, integration, and BM/C3, whether they are given to one contractor or several, and then to choose the most appropriate organization in each case.

ACQUISITION STRATEGY AND RELATIONSHIP TO THE SERVICE PROGRAM OFFICE

The multi-service development of such a large and complex system is unprecedented. It is unreasonable to expect the SDIO to manage all system components themselves; the resources of the services must be made available. It is also unreasonable to expect the SDIO to maintain control and handle tradeoffs if it must work through the layered staff structures of the services. It is not at all clear however, that the SPOs can report directly to the SDIO without the services playing some understood role.

The present organizational structure and management procedures are adequate to manage research and development projects being pursued within the military services, but are not adequate to successfully manage the acquisition of an integrated, interconnected strategic defense system. The SDIO Director and his program office level must have direct and responsive control of projects being managed by the military services. Current efforts to implement the structure of acquisition executives and program management within OSD and the military services as mandated by recent legislation are complicating the task of developing the organizational structure and management procedures that the SDS requires.

It is a difficult organizational design problem, and is best solved with the understanding and cooperation of all and not by administrative fiat. It should be considered an element of the SDI design, worked on now and not deferred until some later decision point.

Effort is required to ensure that contractors perceive SDIO as the government customer as opposed to the service organization that contracts with them.

LAUNCH VEHICLES

The United States needs the Advanced Launch System or Heavy Lift Launch Vehicle, not just for the space segment of an SDS but for many other purposes as well. Identification of ALS with SDI alone, however, implies that a delay in SDI would justify a delay in ALS. Conversely, since ALS is a major program and subject to delays of its own, the SDIO should recognize the possibility that Phase I may have to be launched with existing vehicle types.

Plans for ALS as briefed to us, include reusables and predict launch costs and launch rates which appear highly unlikely. We would urge a much more conservative approach.

We hope these brief comments are useful. We stand ready to discuss any or all of them with you at your convenience or to look more deeply into aspects of the SDI program if you so desire.

ROBERT R. EVERETT,
Task Force Chairman.

HAROLD FORD'S SIDE

(Mr. CONYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CONYERS. Mr. Speaker, the gentleman from Tennessee, Mr. HAROLD FORD, is presently being denied his basic right of speech by an unusually broad gag order issued by a judge.

Quite apart from the question of merit, if any, concerning the U.S. attorney's charges against Mr. FORD, this stricture against speech is an alarming precedent. The court has not simply issued a gag order against Mr. FORD, it has denied him the first amendment right to disseminate information to his constituents and colleagues about a charge which has been nationally promulgated by the U.S. attorney. The effect is not too different from the court simply expunging statements by Mr. FORD from the CONGRESSIONAL RECORD, something that would not be tolerated by any of us.

What makes this restriction all the more significant is the existence of essential factual information that has been largely overlooked by news organizations and omitted in public statements by the U.S. attorney. William Raspberry, in a recent Washington Post column, helps put the case in perspective:

[From the Washington Post, June 4, 1987]

HAROLD FORD'S SIDE

(By William Raspberry)

Forgive me for backing into this one, but what follows is difficult for me to write. Maybe I shouldn't write it at all. You see, Harold Ford, the Tennessee congressman under a 19-count, 34-page indictment for bank fraud and conspiracy, is a friend: not a bosom buddy, but still a friend. He has been charged with crimes which, if true, could—and ought to—discredit him. He has pleaded not guilty, and presumably will have his day in court.

Those are among the reasons why, after a couple of long conversations with his administrative assistant, Jay Cooper, shortly after the indictment was handed up, I decided not to write about the case.

There are two reasons why I changed my mind. The first is that Ford's side of the story, as told to me by Cooper nearly a month ago, is interesting and credible. The second is that Ford is now under a gag order that, at least temporarily, keeps him from telling his side, which means that the crucial pretrial public opinion would be shaped entirely by the prosecutor. What follows—unsubstantiated and unendorsed by me—is the other side.

The Ford family business, the N.J. Ford & Sons Funeral Home in Memphis, borrowed some $800,000 to modernize its facility, only to be hit by a recession. Interest rates, which were pegged to the prime rate, soared from a manageable 8 percent to a devastating 21 percent, and the business was in trouble.

Ford's father, N.J. Ford, now deceased, asked his son for help. The congressman borrowed against his homes (in Washington and Memphis) and congressional salary, taking out personal loans of some $750,000 to help the business through its crisis.

When the funeral home's banker finally told him that what he needed was not more loans but investors, Harold Ford turned to a longtime friend—the multimillionaire godfather and namesake of his second child. That friend, Jake Butcher, agreed in 1982 that he and his brother, C.H. Butcher (both bankers), would invest $350,000 in exchange for a one-third interest in the funeral home. Without any involvement on the part of the congressman, they created the Tenn Ford Corp. as the vehicle for that investment.

Meanwhile, Harold Ford, still on the line for the loans he had made to the business, was feeling a financial pinch. He asked the Butchers either to expedite the investment arrangement or make him a bridge loan pending completion of the deal. That was done, with Ford pledging his own funeral-home stock as security.

The investment was made, the Butchers were repaid, and that might have been the end of the story. But in the meantime, the Butchers' own banking empire collapsed under the weight of fraud charges. The U.S. attorney then went after Ford, in essence alleging that every loan he had obtained since roughly 1976 was a sham, notwithstanding the fact that every loan had been made at market rates and had been repaid or was being repaid on schedule.

The Butchers' investment was lost, except for seriously devalued funeral-home stock they then held. Lawyers for the bankruptcy trustees for the Butcher empire and the funeral home negotiated an agreement in 1983 that the funeral home would buy back the stock for $25,000—some 7 percent of its original value.

The prosecution alleges that the entire deal was a fraudulent scheme by which the Butchers would in effect purchase themselves a congressman. Ford's position is that the arrangement was, from his point of view, wholly legitimate. He also claims he is a victim of a feud with the U.S. attorney that goes back a number of years.

Ford and his supporters make another allegation that leaves me unmoved: that the prosecution of the congressman is in fact persecution, an attempt to discredit a strong black leader and, in effect, deny blacks generally the fruits of their civil-rights advances.

I buy none of that. It smacks of what Robert Woodson, head of the Council for a Black Economic Agenda, said of other black politicians charged with abuse of their position: "Far too often, when [they] are caught with one hand in the public till, they reach with the other for their civil-rights credit cards."

But Ford is not charged with abusing his office or converting public funds to his own use. He is charged—unfairly, he insists—with bank fraud, and his alternative explanation of what transpired is not, on its face, unbelievable.

That is the other side, and I thought you ought to hear it.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. HOWARD] is recognized for 5 minutes.

Mr. HOWARD. Mr. Speaker, on rollcall votes 266, 268, and 269 I was unable to be present due to personal business elsewhere. Had I been present I would have voted "yea" on rollcall vote 266, "no" on rollcall vote 268, and "yea" on rollcall vote 269.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. GILMAN] is recognized for 5 minutes.

Mr. GILMAN. Mr. Speaker, I was unavoidably detained earlier today at an important meeting at the White House, and as a result I was not able to cast my vote on rollcall 267, on agreeing to the House Resolution 222, the rule providing for consideration of H.R. 2906, the Military Construction Appropriations Act for fiscal year 1988. Had I been present, I would have voted "aye."

THE CONSTITUTIONAL AMENDMENT FOR A BALANCED BUDGET

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Idaho [Mr. CRAIG] is recognized for 60 minutes.

GENERAL LEAVE

Mr. CRAIG. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my special order tonight.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. CRAIG. Mr. Speaker, I have taken out this special order this evening to discuss a matter that is now before the House in legislative form that I think is of critical nature to all of us and to nearly all Americans who support the issue. I am talking about a resolution that would come before this House to offer a constitutional amendment to our Federal Constitution requiring a federally balanced budget.

For the last 5 months, a group of us, myself, Congressman CHARLIE STENHOLM of Texas, Congressman TOM CARPER of Delaware, Congressman BOB SMITH of Oregon, have worked to craft a compromise balanced budget amendment that we could bring before this body that we would hope to gain the necessary two-thirds vote to pass and ultimately be sent to the American people for their approval. That resolution has now taken shape. That resolution and House Joint Resolution 321 is now before this body for appropriate hearings, for appropriate markup, with the sponsorship of over 234 of my colleagues.

For years this body has in one form or another addressed the issue of a balanced budget. It has struggled over decades to try to arrive at the appropriate legislative tool, legislative process, that would ultimately lead us to and maintain us in a consistent balanced budget over an extended period of time.

In May of this year the New York Times in a poll discovered that nearly 85 percent of the American people feel it is necessary that this Congress balance the Federal budget and that we attempt to live under a federally balanced budget.

Now, I have served in this body, not as long as a good many of my colleagues have, but I have become convinced over the years that the only way we will ever arrive at a balanced budget is in a manner that this body cannot violate, or as in the discussion early today, that this body cannot upon their decision waive when they find it at their convenience or when they find it difficult to adhere to the processes mandated by law or by the rules of the House. That has been a difficulty that I and others have tried to cope with over the years.

When it becomes nearly impossible, or certainly when it becomes politically impossible to make the tough choices, this body by a majority vote can simply waive the rules or by law change the law that ultimately sets us in a different course or direction.

There has been a tremendous amount of frustration on the part of the American people over the years, because in 1979 and again in 1980 this Congress passed a law and that law said that by a given date we would balance the Federal budget, and yet, of course, we know that through this early decade or the early portion of the decade of the eighties, we have seen the building of a phenomenal deficit and a substantial increase in our national debt which now leads a lot of Americans to believe that this Congress can never approach a federally balanced budget.

In 1986, our Federal deficit was $220 billion. In 1987, $173 billion.

This year, under very difficult odds, with substantial cuts and possibly a demand for substantial revenue increases, we will not even come close to balancing the Federal budget.

It is in that frustration that I tell my constituents in Idaho, we have arrived at an ultimate crisis in this country. That crisis is the Federal budget, because it is the size of the Federal budget, the amount of money that it pulls from the gross national product of this country, to spend in areas that we feel necessary to manage and operate our Federal Government that in all ways adjusts, directs or diverts the economy of this country, that cause recessions, that cause depressions, that cause movement in our economy, that lay people off, that create unemployment and that generally drives the economy force of this country.

That is why a good many of us, now 234 of us in this House, believe that if we can strive for and ultimately arrive at a constitutional amendment that will require a federally balanced budget, that that would set in motion for a long term a fiscally responsible Congress, a budget that is determinable, that is predictable on an annual basis for our Federal Government, that not only will set levels of expenditures, but certainly will set levels of predictable taxation, that will build consistency and understanding on the part of the constituency out there, the taxpayer, the individual that drives the economy by their hard work and by their enterprise, that will build the type of general well-being in this country that I think all of us seek.

I and the members of this House play a very important role in that process. That is why we have come together to build a compromise that we will now reach out to other Members of Congress and to the American people to support us in an effort of building for a vote here on the House floor before we adjourn in late October or early November, to pass a resolution required by the Constitution of our country to send forth to the States for ratification an amendment that will say over a given period of time that we must live under a constitutionally balanced Federal budget and in so doing will set forth the kind of economy motion and activity that I think all of us believe can happen in this country.

Tonight I am privileged to be joined by the sponsor, a colleague of mine, a gentleman who I have worked with over the last several years to craft this kind of an amendment. He works on the Democratic side, I work on the Republican side, to build what is clearly necessary in this kind of effort, and that is a bipartisan coalition of like-minded Members of Congress who believe that the ultimate and most important item that this historic 100th Congress can pass would be an amendment to our Constitution to balance the Federal budget.

Mr. Speaker, I yield to Congressman CHARLIE STENHOLM of Texas.

Mr. STENHOLM. Mr. Speaker, I thank my colleague from Idaho for yielding to me. I appreciate very much the time and the effort that he has put forth regarding the question that we begin the discussion of tonight. I say begin, because over the next several weeks as we build toward September 17, when it is my hope and I know the gentleman from Idaho [Mr. GRAIG] shares that hope, that we will have the opportunity to vote upon this proposed constitutional amendment on or about September 17.

The significance of the date is the fact that 200 years ago our present Constitution was proposed for ratification to the States.

I stand here tonight as a Democrat, recounting the words of the originator of my party, Thomas Jefferson, when he wrote on November 26, 1798:

> I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for the reduction of the administration of our government to the genuine principles of its Constitution. I mean an additional Article taking from the government the power of borrowing.

Now, that is what we begin discussing tonight.

□ 1910

To those who have in the past been critics of this area, and I have been one of those because I did not support this manner of dealing with the Federal budget when I was first elected in 1978, I believed at that time that the Constitution of the United States was not the proper vehicle to deal with something as mundane as the spending and borrowing habits of the United States. I listened to those economists, those students of our Constitution who made very good sense in saying this cannot be done constitutionally. I agreed with them at that time but I have now 8½ years experience, and the frustration that I, and I believe the overwhelming majority of my colleagues today, are having in dealing with the current impasse on our budget, which has prompted us to move in this direction, and that is why, as my colleague from Idaho has pointed out, we have 234 original sponsors of this legislation.

It is a much improved version. I think most will agree, when they begin to look at what we propose tonight, that it is a much improved version. But I also would like to take a few moments at this time to discuss some of the overall strategy of where we need to be. We have been trying over the last several days to deal with expenditure reductions and we have been soundly whipped time and time again for all the very good and valid reasons why we cannot cut this, we cannot do that, we cannot reduce this spending, it is too much to ask of our own constituencies to cut 1.7, even today 0.9 percent, in attempting to gain an additional $7 billion in expenditure reductions, which is just a drop in the bucket.

I think if anything is going to begin to build the support for this amendment as more or less recognized the futility that we have of attempting to deal with our deficit problem, without having some kind of a restraint on the Congress and on the President of the United States, because quite frankly this President has not submitted a balanced budget or one that is capable of being balanced in his entire almost 7 years in office. That is part of the frustration that we feel tonight. That is why in this amendment that we propose we propose that all future Presidents, because this President will be gone before this can possibly be ratified, we are talking about future Presidents and future Congresses that cannot do to this Nation what this President and this Congress and those that preceded it, the ones that CHARLIE STENHOLM has served in, the 96th, 97th, 98th, 99th, and 100th Congress, what we have done to our children and grandchildren should not be able to be done constitutionally again in the future.

That is one of the provisions of the amendment that we have today. To those that suggest that they take something besides a constitutional amendment, you are going to find as we further develop debate on this issue, that yes, it takes more. We are going to have an opportunity next week to decide whether we want to put teeth back into Gramm-Rudman, or Gramm-Rudman-Hollings-Chiles-Rostenkowski, I suggest that we are going to be talking about that next week, and whether or not we are going to put a little discipline on our budget process.

I wish that I could be optimistic at this time that something is going to happen. I suggest if we had a constitutional restraint that we would have a little more encouragement, incentive, by all parties, including the President, to deal, as Thomas Jefferson said, with the genuine principles of the Constitution of the United States concerning our spending habits.

I think at this moment, since we have other colleagues that are looking to participate in this first night, that I will pause at this time and give them a chance to talk about this proposed amendment but in so doing I want to reiterate what my friend from Idaho said in the beginning concerning the people. I am encouraged by the polls that are showing that 85 percent of the American people want to see a constitutional requirement, an amendment, if you please, to balance our budget. Eighty-five percent.

It takes 290 to get two-thirds vote, we have 234. We and those of my colleagues on both sides of the aisle that are going to mount this massive undertaking as we begin the celebration of the 200th anniversary of the Constitution of the United States, we intend to fully mount the force of the American people to tell this Congress that they in fact want to see a constitutional restraint.

I believe that if 85 percent of the American people want this amendment or an improved version thereof, because even though we think we have done a good job, it could very well be that there are those among this body that can make improvements, that can make it better, and we will welcome that, but in the spirit of that debate I just happen to believe that if 85 percent of the American people want it done, somehow, some way we are going to find the courage, the political wherewithal, to get the job done, because that is what we are elected to do.

I thank the gentleman for yielding at this time.

Mr. CRAIG. I thank my colleague from Texas for his tremendous leadership on this issue in taking it not only to our Members here but to the American people. As I said earlier, in introduction of the gentleman from Texas [Mr. STENHOLM], he brings the very necessary bipartisan flavor to this resolution that ultimately will cause its passage in this House.

He mentioned September 17 as a critical time, a time when he would like to have a vote on the floor of this most important issue. Two hundred years ago, September 17, our Founding Fathers, who had met for well over 38 months in the crafting of this Constitution, finally were able to sign off and say, job well done, and pass it out to the States for ratification. There were several who did not sign, and the reason there were a good many who chose not to sign was because they were afraid that that Constitution failed to articulate certain basic rights and understandings that might be violated by some government. For example, freedom of speech, right to bear arms.

Those were not in the original Constitution that was sent to New York from Philadelphia for purposes of sending out to the States for ratification because it was so deeply believed by our Founding Fathers that none of those rights would ever be violated, that they were never included. Then our Bill of Rights, our first 10 amendments to the Constitution, ultimately had to be crafted and attached to the Constitution before it would be ratified by all of the States and ultimately become the law of the land.

That is why that quote from Thomas Jefferson that my colleague from Texas mentioned. That was one of those basic beliefs that this central government would never live beyond its means, that it would always balance its budget. That was common sense. That is what 85 percent of the American people are saying today. It is fundamentally common sense. Yet it is that common sense that we cannot lead a majority of this House, of the Senate, of this Government, to follow on a regular basis. The statistics are well there. From 1789 to 1894 we had balanced budgets. We did not need a constitutional amendment, and on down through the years, except in time of war and major crisis within this country, we had balanced budgets because Members of this body at that time said that was the responsibility, that was something that was never questioned and something that was never violated. Of course, now we know that that is substantially not the case.

Since 1931 we have had only 7 years in which the Federal Government has chosen to balance the Federal budget. Of course, we know what happened in the last 7 years. We had allowed, we and the administration, have allowed in large part this government to run wild, mounting phenomenal deficits and adding to our national debt.

Mr. Speaker, I would like to call on my colleague from California [Mr. LAGOMARSINO] who has introduced balanced budget amendments, who has one currently before this House, who has been an outspoken leader in fiscal responsibility, and who believes, as we believe, that the only way we can really arrive at this is to place this requirement in the Constitution that will ultimately force the Congress to comply and live within our means.

Mr. Speaker, I yield to the gentleman from California, BOB LAGOMARSINO.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for yielding and want to commend him as well as my colleague from Texas, CHARLIE STENHOLM, for taking out this special order, but more importantly for introducing this legislation on which the gentleman now has some 234 cosponsors.

When a balanced budget amendment is discussed in the press and in public places, one of the things we always hear is that gee, we should not tamper with the Constitution, we should not amend it. The gentleman from Idaho has already pointed out the Constitution has already been amended many times, 10 times right off the bat, so to speak, and the Constitution itself provides for amendments, so it obviously was intended that it be changed as conditions warranted. It is not the Ten Commandments. It is a great document, but it is not a document that never needs to be changed.

Mr. Speaker, anniversaries celebrate events that happen once in a lifetime. 1987, for example, is the 200th anniversary of our Constitution. The Constitution has been the cornerstone of our democratic foundation since 1787. 1987 is also the 18th anniversary of the last time this country had a balanced Federal budget.

Unlike the hoopla and festivities that surround the celebration of the Constitution, no one seems interested in rejoicing over the 18-plus years of Federal deficit spending. In fact, many of us in Congress are doing everything we can to keep the balanced budget year of 1969 from being a once in a lifetime event. 1987 is a year when another special event can begin, the passage of a balanced budget amendment. Many in Congress who oppose the balanced budget amendment will vote against it in hopes of celebrating the silver or even golden anniversary of deficit spending.

The last time we enjoyed a Federal budget surplus was under the leadership of a Republican, and may I add a Californian, Richard Nixon. Californians are currently enjoying a healthy economy. Part of the credit is due to the fact that the State of California is prohibited from running up unlimited debts. In fact, 41 other States also have constitutional requirements for a balanced budget. The time is now for the Federal Government to follow the States' lead and adopt a balanced budget amendment.

Mr. CRAIG. I thank my colleague from California for participating with us and for providing the kind of leadership he has consistently over the years on this issue, and leading at most difficult times to cast the hard votes that are required in fiscally responsible situations.

I mentioned a poll taken by the New York Times. My colleague from Texas referenced that poll in which 85 percent of the American people now support the concept of a constitutional amendment requiring a balanced budget. That is 8 out of every 10 Americans. That is a phenomenal number.

But as we all know in this body, polls, no matter how large, are oftentimes nameless and faceless statistics and are very easily objected to. So that is why my colleagues from Texas, Oregon, and Delaware and I and others have worked to build a coalition not only in Congress but outside Congress. We have worked with the National Taxpayers Union and the National Tax Limitation Committee, organizations that have been strongly leading over the years these kinds of issues, and especially this issue, have taken it to the American people to encourage their support. Citizens for a Sound Economy and Eagle Forum join with us, along with the National Association of Bankers and Realtors, and wholesale distributors, homebuilders, the Farm Bureau, the National Federation of Independent Businessmen, the U.S. Chamber of Commerce and the National Association of Manufacturers and the National Association of State Legislatures.

On the outside of Congress, through those groups that now represent over 6 million Americans, we believe we can tell our story to the constituents that will ultimately convince the legislators who serve in this body that the necessary two-thirds vote is obtainable and that more than just 234 who are now original cosponsors will work with us in the passage of this historic legislation.

Mr. Speaker, I would like to call on my colleague from Oklahoma [Mr. INHOFE] who has in his limited time here in this House demonstrated phenomenal leadership on this issue and issues of fiscal responsibility.

□ 1925

Recently he held a press conference in his State to dramatize the importance of a constitutional amendment requiring a federally balanced budget. Early on in the final drafting of the resolution that we now have before this House, he became an original sponsor leading the way with other colleagues in his freshman class to become sponsors.

Mr. Speaker, I am now privileged to recognize my colleague from Oklahoma [Mr. INHOFE].

Mr. INHOFE. I thank the gentleman for yielding and I thank the gentleman from Texas and the gentleman from Idaho for permitting a little time on this, the most crucial issue facing the American people today.

I think it is appropriate that I make a couple of remarks from a different perspective, because as was mentioned in the introduction, I do acknowledge I am the new kid on the block. There are several of us in Congress as freshmen who have been here such a short period of time that we do not know that it cannot be done. You see, we will go to some of the more senior Members and say, "Why is it that everybody in America wants a balanced budget, over 99 percent of the people want a balanced budget, 85 percent of the people" as has been said several times by the gentleman from California and the gentleman from Texas and the gentleman from Idaho, that they all want it, so why can we not have it? I have gone to many senior Members on both sides of the aisle, Republicans and Democrats since I came here in January only to find that they say, "Well, that is all right. It is something to talk about, you can campaign on it but it is not going to pass."

Well, again, I have not been here long enough to know that it cannot be done.

I look at this and I see everybody asking, and people who are watching this at home, virtually everyone watching it wants a balanced budget.

You know if everybody wants it and we are a House of Representatives and we are representing those people who want it and 85 percent come out in a poll and say how they want it, then why can we not do it? Let me tell you I have discovered why we cannot do it and I am embarrassed to say that we do not balance the budget because over 50 percent of the Members of Congress do not want to balance the budget. Their constituency wants to balance the budget but they do not.

Why is this? Because those people who come into visit me, and I am sure you senior Members have the same situation, 90 percent of those who come across our threshold into my congressional office are people who are there on behalf of the cause that they want more funding for.

You know, they want it, whether it is veterans, regardless of what kind of cause comes through that door, they want a greater funding.

I have watched my colleagues respond to those people by saying, "Yes, you deserve it. Your cause is worthwhile. I want you to go back and my name is going to be coauthoring that bill to give you money," knowing full well that we are broke and we cannot do that.

You see, that is being dishonest and insincere with these people. Yet they go back and they are carrying the banners saying, "My Congressman 'X' has said he is going to coauthor this and we need to have this money."

Now that is the reality of the situation. The visitors in the office generally are the ones who are keeping score.

You know, I would only mildly disagree with one of the statements of the gentleman from Texas when he said that the president has not submitted a balanced budget. That is true. However, when the report came out establishing the targets for the Gramm-Rudman targets to ultimately balance the budget by 1991, our President has tried to come up with a budget that would meet those targets. He has made the effort. I think back and remember in 1965 a speech that was made by Ronald Reagan. It was his first political speech called "A Rendezvous With Destiny." In this speech he had the answer for it, and I address this to both the gentlemen who are the authors of this, as maybe a reason for it. He said, "There is nothing closer to immortality on the face of this Earth than a government agency once formed."

You see, problems come up, people are concerned with pollution problems so we establish an EPA or something to deal with that. Then when the problem goes away the agency stays.

I had a little personal experience with this as mayor of my city of Tulsa and I was able to set a record over a 6-year period of keeping the size of government the same and the number of employees the same over a 6-year period when most major cities were doubling their size of government because of the insatiable appetite that politicians have to say, "Yes" to everyone who wants money.

This week I have the youngest of our four children, Katie up here. She is 20 years old. That kind of reminded me today I was thinking back 20 years ago when she was conceived was when I was involved in my first political office. At that time there was a television campaign put on by the Tax Limitation Committee or someone who is offended by what is happening to the deficit. Twenty years ago they were trying to let the American people see how significant that horrible deficit of $100 billion was. So they took thousand-dollar bills and stacked them up and they ended up being as high as the Empire State Building.

Now 20 years later that $100 billion is up to $2.3 trillion. It is inconceivable. We cannot conceive of how bad that is.

You know the gentleman from California talked about the budget balancing amendment and the fact that 85 percent of the people wanted it. I will be very honest with you, there are other ways I would rather do it. I would have preferred to have the Gramm-Rudman sequestration come in to automatically make the cutbacks across the board. That is a personal preference. Unfortunately, the courts came along and took that vehicle away from us.

So I can say in looking around we only have one vehicle left and that vehicle is what we are talking about here today. These two gentlemen had the foresight along with many coauthors, including myself, to come along with this.

This budget balancing amendment is a moderate one. I would prefer one that is tighter than this. But unfortunately this is it. This is an opportunity we have. I will tell the gentleman from Idaho that in a press conference back in my home district in Oklahoma last week the people were rejoicing that we do have this vehicle.

I would hope that we hold up the names of those 240 people or so who are on this and let those people at home know who is not and if their Congressman is not on this then I think they should let him know by whatever means they have that they want him to be on this.

Again, 99 percent of the people in this country want to balance the budget, 85 percent of the people accepted this bill, this budget balancing amendment as a way of doing it.

I also, many years ago, served in the State Legislature of Oklahoma.

The gentleman from California talked about their budget balancing amendment. We had one out in Oklahoma. I will never forget, every legislative session the people, the State legislators tried to figure out some way to circumvent that because they wanted to spend that money to buy more votes with.

But they are unable to do it. A budget balancing amendment works. It is an easy out if some of the liberals would stop and look at it that way. They could say, "Well, we can't help it, there is a budget-balancing amendment, it is in the Constitution so we have to do that."

So there is a vehicle to be used. I want both gentlemen to know that every fiber of my being is going to join in and try to put together this thing so that the people of this country can be heard. They have spoken loudly and clearly and I think what we can do is reflect those wishes by passing this budget balancing amendment to the Constitution.

Mr. CRAIG. I certainly would like to thank my colleague from Oklahoma for those statements and for the leadership that he is assuming on this issue here in Congress.

An interesting conversation I had a couple of days ago with a colleague of mine from Idaho who said, "You know, I guess probably deficits do not matter as much as I thought they used to." We now have run nearly a $200 billion deficit, higher or lower to some extent, for the last several years. Yet the economy of this country in general except in certain areas seems reasonably good. Therefore, apparently it does not make much difference.

Well, sometimes it does not make much difference in the short term but the cumulative effect of long-term deficit spending and the constant building of a national debt I have to believe, with a lot of my colleagues, it does make a difference.

Let me give you some very interesting statistics: Interest payments now, that is interest on the national debt account for 14 percent of the annual Federal expenditure. Fourteen percent of the budget that we are debating here right now that my colleague from Texas referred to earlier as off limits, cannot be debated, has got to be paid, interest on debt. If we did not pay it we would be defaulting on our debt. Somebody would want to come and collect from us.

Interest payments account for the third largest single expenditure of the Federal budget behind defense which is 29 percent and behind direct payments to individuals which is 42 percent.

Interest, 14 percent, growing very, very rapidly. Interest payments, now that is interest payments on the debt, account for $1,537 per American household.

In 1986 the deficit accounted for $3,198 per household. Total Federal debt of $2.1 trillion-plus that we are now talking about is more money than was spent by the Federal Government in the first 177 years of this Nation's history.

That is a phenomenally unbelievable figure but it is true. So when that gentleman from Idaho and I were talking and he said, "Apparently deficits do not make that much difference," in the short term they may not but in the long term if it is not corrected and deficits pass through to debt, as we do every time we lift the debt ceiling of this Government, that is the kind of thing that happens, that cumulative effect that ultimately drives the budget out of control and dominates our debate here.

In 1986 alone the Federal debt grew at a rate of $418,000 per minute. In 1987 the Federal deficit consumed approximately 4.5 percent of all the money that was generated in this country, the gross national product of this country.

Federal debts and Federal deficits are significant and their long-range impact on this country can be devastating.

I would now like to yield to my colleague from Texas for further remarks.

Mr. STENHOLM. I thank my friend for yielding.

As the gentleman was mentioning interest on our national debt being 14 percent of the budget, I could not help but observe that in the bill that we debate tomorrow in which we have to pay the interest, there is no cutting, we cannot have a percentage cut, we cannot reduce that amount, we have to pay it or default on our country's obligations; the total amount of interest on the national debt in the 1988 budget is $198.4 billion.

Now the effort that the Penny-Tauke group have been trying to make is a beginning, the first small steps toward a balanced budget 4 years from tonight, that is the most ideal we could ever hope to accomplish——

Mr. CRAIG. If the gentleman will yield, why does the gentleman say 4 years from tonight? If we were to pass a constitutional amendment requiring a balanced budget resolution out of this House and it were to pass the other body to be sent to the people for ratification, why not walk us through that process and the time that the gentleman believes would be necessary to take before we can actually arrive at a balanced budget.

Mr. STENHOLM. From the standpoint of logistics and the fact that three-fourths of the States must ratify that which the Congress submits to them, I would anticipate that some States would take it up, ideally possibly in the fall of this year, should it be possible for the House and Senate to concur.

Very doubtful, so I assume that the first States would take it up for consideration in 1988.

Some States do not meet in their regular legislative years during this period of time. Therefore, we must acknowledge it would take at least 1989 in which all of the 50 States would have an opportunity to ratify this proposed amendment.

Then I add another year of the necessary paperwork which must occur.

So I am saying 4 years is a reasonable time from the standpoint of just physically getting it done. It is also a reasonable period of time because I am not one of those who believe, as some do, that all we have to do is wave the magic wand and we could balance the budget this year. It is physically impossible to balance the budget this year. Physically impossible is defined by the current administration and the current makeup of this Congress and the fact that if I were made king it would be difficult, if not impossible, to balance our budget with the current economic situation that we have. It is too far out of balance.

So what I am saying is let us set a reasonable timetable. There are certain things that we are going to have to do this year whether it is Gramm-Rudman-Hollings, Chiles, Rostenkowski, Foley, whoever is going to be involved in doing those necessary things to begin cutting down this deficit. We have to do certain things this year and they are not going to be easy to do. For example, I mentioned $198.4 billion interest costs. That is up $6.7 billion from last year.

Now the frustration I feel, as we have been trying to cut $7 billion in spending, we have lost it all in interest and that is why I marvel at some in this Congress who say deficits do not matter. We still have those few among us who believe the answer to this deficit is to cut taxes. There are still some true believers that that is the answer.

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But how in the world do the facts bear that out?

Let me quickly point out what we are talking about in this amendment. We are saying that the President would be required to submit a balanced budget. We acknowledge that the President has to be a player in this effort. We also say that the Congress and the President would be required to establish by joint resolution a single revenue estimate which total outlays for that fiscal year may not exceed, unless Congress so provides by a rollcall vote of three-fifths of the total membership of both Houses. That is important. How often have we heard the debate of whether it is OMB or CBO or whose numbers we are going to use? And how easy it is to jiggle that.

We are saying that the Congress must provide for this under the Constitution of the United States with the full concurrence of the President. We also require the Congress to provide by law for the repayment of any actual deficit incurred during the previous year. This has been one of the changes we have put into this to answer some of the valid charges we have heard.

Mr. CRAIG. Mr. Speaker, let me ask the gentleman a question at this point.

The gentleman is saying that, under our amendment, under our proposed resolution, under certain circumstances, there could be a deficit, but if a deficit occurred as the result of a recession or as the result of certain economic circumstances or a failure to effectively estimate revenue, the Congress would have to come back next year and deal with that deficit?

Mr. STENHOLM. Absolutely, in a balanced budget format in which we recognize, as the gentleman said, that our national economy is different from the economy of Idaho or Texas. We have national obligations under the Constitution to provide for the general welfare of the United States, and, therefore, it is impossible for us to deal to the penny on what is going to occur or not going to occur since we are now in a worldwide economy and we have to learn how to deal with that. We recognize that, and we say that if the budget is out of balance despite the best efforts of the Congress and the President, we acknowledge that that can happen, but we say we will deal with it in the following year.

Mr. CRAIG. Mr. Speaker, my colleague also said something else that I found very interesting. He mentioned that the President must submit a balanced budget along with the Congress, working also to submit and ratify a balanced budget. This is a first, is it not, in the Constitution?

Mr. STENHOLM. Yes, it is in fact a first, and it comes as a result of the frustration that a lot of us feel with the current dilemma that we face.

I liken it to what occurred 200 years ago again. Patrick Henry was an interesting personality. He fought this Constitution with all of the might and soul that he could muster because he did not wish to see a supreme Federal Government. So he fought this Constitution. He carried it to the States, as we have talked about. That is what has to happen with this, also. If the Congress approves it, the States have to ratify it. In the Virginia legislature, he carried that fight up until the bitter end, when the Virginia legislature voted 89 to 77 to ratify the Constitution of the United States.

That night, there was a crowd that gathered waiting for him to make another of his firebrand speeches, expecting that he was going to lead the charge to Washington or wherever this newly created United States of America and its Constitution thereof would be, but he surprised them that night. He made one of the shortest speeches of his life, in which he acknowledged this:

> I have fought this Constitution with every means that I possibly have because I believe it not to be in the best interest of Virginia and the United States thereof. But we have fought it in the proper place and we have lost. Go home, and let's make it work.

Now, that is part of the problem we have today, and we in a bipartisan way have said that when we have a President that continues on a certain economic game plan that is or is not working, he should not be allowed under the Constitution to submit an unbalanced budget to the Congress and then say to the American people, "It's the Congress' fault."

We say, let us quit playing that game. Let us, both of us, get in it and play by the same assumptions and rules and let the Constitution say to both branches of Government what they should do and let the third one judge us accordingly. I think that makes eminently good sense.

Mr. Speaker, I see that our colleague, the gentleman from Delaware [Mr. CARPER], has arrived.

Mr. CRAIG. Mr. Speaker, I thank my colleague, the gentleman from Texas [Mr. STENHOLM].

I now wish to yield time to my colleague, the gentleman from Delaware, Mr. TOM CARPER, who has joined with us in this bipartisan coalition that I spoke of earlier to build the momentum that has brought this resolution to the floor with its 234 cosponsors.

Mr. Speaker, in saying that, I do not want the RECORD to show that the gentleman from Delaware [Mr. CARPER] has not led on the issue of a balanced budget amendment. In the last Congress, when the gentleman from Texas [Mr. STENHOLM] and I offered an amendment and were able to build considerable support, the gentleman from Delaware [Mr. CARPER] also introduced his own balanced budget amendment and got considerable cosponsorship.

I think his presence here tonight demonstrates how important we in a bipartisan sense believe this issue to be, how critical it is that it be brought to this floor, to the well in which I stand, for the appropriate debate and for the appropriate up-and-down vote. His presence in joining with us in this coalition that has crafted the balanced budget amendment was critical in broadening our base of support.

So, Mr. Speaker, I not only welcome our colleague here tonight, but I thank him for his direct and aggressive participation in this critical issue. I now yield to the gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Speaker, I want to thank my friend, the gentleman from Idaho, for yielding to me and giving me the opportunity to participate with him and with our colleague, the gentleman from Texas [Mr. STENHOLM], in bringing to the American people some of the reasons why we think this issue is so important and perhaps sharing with them some of the reasons why we think the issue has progressed as far as it has in the 100th Congress.

I, as the gentleman suggested, was one of several Members who offered balanced budget amendments in the last Congress. In fact, I suppose balanced budget amendments to the Constitution have been around for about as long as any of us have been around, not only on Capitol Hill but literally on the face of this Earth. There have been a lot of balanced budget amendments proposed over the years.

I think what we are getting to in this particular issue of a balanced budget amendment—and this, I suppose, was discussed earlier in this special order—is not an amendment that mandates a balanced budget every single year. We realize, or we are smart enough, I hope, to realize that that is not appropriate. In fact, it is probably not only bad politics but bad economics. Personally, I feel there are times when an unbalanced budget is appropriate. For example, in times of economic recession or deep depression or in a time of war or perhaps of a national emergency, I think it may be appropriate for the Federal Government to spend more than it takes in. The real problem that we have seen in at least the last 10 or 15 years is that during periods of rather strong sustained economic growth we have not had balanced budgets. I go back to a couple of years, during the Ford and Carter administrations, from 1976 to 1989, when we had very strong economic growth for the 4-year period. We have had sustained economic growth for the last 5 years, and yet during that period of time, during the 1970's and certainly during this period in the 1980's we have not come very close to a balanced budget. In fact, at this point in time, we are even further away now than we were 10 years ago.

The amendment that is before us that we will hopefully be voting on later this year is not one that says, let us balance the budget next year. It is not one that says, let us balance the budget in 1989 either. What it is designed to do is to say, let us set a date certain, 1991 or 1992, by which time we expect our President to offer at least one budget that is in balance.

This President that we now have—and I do not say this in a partisan sense because his predecessors did not do a whole lot better—this President has never offered a budget that is in balance. He talks about it, but he has not offered one that is in balance. And again his predecessors did not do a great deal better.

We would like to see, starting in the 1990's Presidents who offer at least one budget each year that is in balance. We would like to have the opportunity to correct what I think is a real flaw in a basic building block of our budget process. We do not do a very good job of agreeing on a sound, solid revenue number on which to build a budget.

If we look at all the problems we have had with budget deficits in the 5 years I have been here in the Congress, a large part of the problem is that we simply overestimate economic growth and we overestimate revenues, and then we end up with a bigger deficit than we had hoped for. Our amendment, the one that we have sponsored collectively, borrows a little bit from what we have done in Delaware and also borrows some of what has been done in other States. What we say is that we want the President and the House of Representatives and the Senate to agree by a joint resolution at the beginning of the budget process to say that this is what our revenue number is going to be. We would try to take the politics out of it, if we can, and we would try to say that this is a good solid revenue number on which we shall build this budget.

The third aspect of this balanced budget amendment is one that I think is quite different from some of the others, and it has to do with the fact that we give ourselves some flexibility in unbalancing that budget. But in doing so, we still say that unless three-fifths of the House and three-fifths of the Senate are going to agree to unbalance the budget, we are not going to unbalance it.

Those are the facts. We are going to make it a little tougher to raise taxes. Right now, with as many Members as we have here on the floor tonight, under the current law and the current procedure in Congress, we could raise taxes. If we were in a normal session of the legislature, we could do it on a voice vote. I do not think that is right. We are going to make it tougher, and we are going to require, as my colleagues know, a minimum of 218 in the House and 51 in the Senate to raise taxes in the future.

These are some of the things we are doing. We are not making it impossible to raise taxes. We are not making it impossible to unbalance the budget, but we are going to make it more difficult.

We have been battling here over the last couple of weeks on spending bills as they come to the floor, and my colleague, the gentleman from Texas [Mr. STENHOLM] has led the charge on a number of issues. We are trying to limit the deficits by limiting spending. We are trying to cut in half the increases—and they are relatively modest increases—in spending by reducing by half the modest growth in the spending bills coming to the floor. But it is not easy. To the extent that we could have the moral force of the Constitution behind those efforts, I think we will enhance those efforts and help bring the day closer on which we may operate in a fiscally responsible way that we can all be proud of.

Mr. Speaker, I thank my colleague, the gentleman from Idaho [Mr. CRAIG], for taking out this special order. I thank him for the leadership he has shown, not just in this year and last year but in the year before that and the year before that on this issue. I salute my colleague, the gentleman from Texas [Mr. STENHOLM], as a Democrat who is giving us the full measure of his bipartisan participation in this effort.

Mr. CRAIG. Mr. Chairman, I thank the gentleman from Delaware.

Mr. STENHOLM. Mr. Speaker, will the gentleman yield further?

Mr. CRAIG. I yield to my colleague, the gentleman from Texas.

Mr. STENHOLM. Mr. Speaker, I want to follow up what my colleague, the gentleman from Delaware [Mr. CARPER], said when he talked about increases in revenues.

The bill that the gentleman from Idaho [Mr. CRAIG] and I were on a couple of years ago, and again last year contained provisions in which we were trying to make it more difficult to raise taxes. We were saying at one time that it would take a 60-percent or a three-fifths vote to raise taxes. But it suddenly occurred to many of us that raising taxes is the most difficult vote any of us can cast. We are going through that today, and we are going to prove it over the next several weeks.

Therefore, we provide that revenue may be raised by a majority vote provided you have a rollcall, so that if in the judgment of the House or the Senate collectively the feeling is that we must raise revenue in order to balance this budget by 1991, we provide that it can be done, but it must be done publicly, the reasoning being that if we are going to vote those taxes, we can be darned sure that that which we spend it for will be defensible rather than what we have in our current situation. I think that is a very key point in this debate, particularly as it affects those who have opposed this process called the constitutional process for arriving at this point, because they say it hamstrings us.

But my colleague, the gentleman from Delaware, has already pointed out another key improvement that I readily acknowledge comes as a result of his work and the work of those that he has brought into this collective process in pointing out that sometimes it is not good politics or good economics for us to have a balanced budget in any particular year, but we provide that we make it up instead of passing it on to our children and our grandchildren in the form of debt.

Mr. Speaker, I thank the gentleman for yielding.

Mr. CRAIG. Mr. Speaker, I thank my colleague, the gentleman from Texas, for those observations.

We believe that the 100th Congress of the United States is the appropriate place and this is the appropriate time to debate and to vote upon a constitutional amendment requiring a federally balanced budget.

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As I mentioned earlier, I am not talking about a law that we would pass, we, Members of the U.S. Congress, because the Constitution does not allow us to do that.

It is not our law. We can only propose to the American people a constitutional change which ultimately becomes constitutional law.

Once in place, of course, we must live with it. We must abide by it as Members of Congress; but we cannot pass it out, and that is the uniqueness of a constitutional law.

It is the people's law. They alone by three-fourths of the States so ratifying can change the Constitution of the United States.

We can only by a two-thirds vote of this body and of the other body propose for ratification that change, so in other words, when we have a constitutional amendment requiring a balanced budget, we here in the Congress cannot change it overnight.

We cannot say that it is no longer appropriate. We cannot live with it, and we will waive the provision.

Only the American people can make that decision; and as we know on numerous occasions, some 26 occasions in the history of this country, have we chosen to change the Constitution, to either add or delete amendments changing the nature in which this Government will operate, changing the nature in which this Congress will operate.

To me that is critically important, not only for the Members of the House, but for the American public to understand, so tonight we are in essence beginning a debate and a discussion that will propose to the American people a change in their law, their Constitution; and if that so changes by a three-fourths ratification vote of the 50 States, then it becomes the law that will govern us.

As the gentleman from Delaware said, and the gentleman from Texas, then a process will start which will lead us to a balanced budget by the early 1990's, 1991, 1992, as is so mandated.

I think that is the essence of what we do here tonight, and I think it is most important that we understand that, because I have numerous people saying, "Congressman, why don't you balance the budget? Why don't you pass a law?"

We have done that, as I said earlier. On at least three occasion since the mid-1970's, this body has passed a law requiring a balanced budget; but there is one real and fundamental difference.

Those laws we passed we can change by a majority vote of this House at any time we can gain that vote of those Members present and voting, but once in the Constitution, only States can change it. Only the people of the United States can ratify or reject, and that is the very real difference that will drive the process that will move us toward fiscal responsibility.

Mr. LENT. Mr. Speaker, there has been a tremendous amount of rhetoric and grandstanding over the need to reduce our Federal budget deficit—and yet, no meaningful action has been taken on this critical issue.

We all recognize the importance of balancing the budget to ensure continued economic growth. Sadly, however, we are letting our words speak louder than our actions—all at the expense of the American public. Our failure to resolve the debt crisis is threatening not only our generation but future generations as well, leaving them a legacy of fiscal irresponsibility and massive deficits.

We in Congress have both the opportunity and an obligation to restore fiscal responsibility to the budget process and effectively resolve the debt crisis. Support for House Joint Resolution 321, the balanced budget amendment will steer us from our current reckless spending course and put us back on the road to economic prosperity by establishing much-needed budgetary constraints.

The President has mandated a balanced budget, but perhaps more importantly, the American people have made clear their support for this constitutional amendment. In fact, a recent New York Times poll found that 85 percent of the American public favors an amendment to the U.S. Constitution requiring a balanced Federal budget. Clearly, we have been commissioned by the people to enact this legislation and end the debt crisis.

The President recently stated that the deficit problem presents "an opportunity to construct a new, leaner, better focused, and better managed Federal structure supporting a more productive and more competitive America". Such an opportunity must not be missed and I urge my colleagues to support this Balanced Budget Amendment.

Mr. ROBERT F. SMITH. Mr. Speaker, I take great pride in joining my friends and colleagues from Texas, Idaho, Delaware, and elsewhere in offering today's remarks about one of the most important issues we'll face in this historic 100th Congress, the balanced budget amendment to our Constitution.

I'm delighted that I can stand here today as a coauthor of House Joint Resolution 321, which now boasts total sponsorship of 234 Members of this House—Democrat and Republican alike—more sponsors than any in this House's history.

I think there are at least three good reasons why House Joint Resolution 321 can and should be successful this year: the Nation's desperate need for this legislation; the language changes in the bill; and our amendment's overwhelming public support.

I don't think I need to remind every Member of this House of the critical need to put our fiscal house in order. As this Nation celebrates its 200th anniversary as a constitutional republic, a public debt amounting to more than $2 trillion and climbing, today casts its gloomy shadow over the future of our Nation and the generations of Americans who will follow us.

If we don't do something about that debt—and more to to the point—about the shared financial irresponsibility which has caused it, I fear that we'll violate one of the most basic principles of this Nation, one that has guided Americans since before there was an America: the principle that it's up to us to leave our children in a better world than we inherited.

Second, our amendment this year is unique in its language and considerably more appealing to a broad political spectrum than any before it. Working from the successes of past amendments and discarding the failures, we fashioned a solidly responsible and innovatively flexible legislation.

We closed the loops where statistical and judgmental opinions other than those of elected officials had taken precedent in past amendments.

We demanded for the first time that the President and the Congress reach agreement on revenue projections—by law—before the budget process starts.

We added a "next-year payback" provision in recognition of the fact that even the best and most honest of budgets must be flexible enough to withstand the rigors of the unexpected. Should events beyond our control force a deficit in any single year, repayment of that deficit will automatically become the first priority of the very next year's budget process.

We closed the debating loophole in our war provision, making suspension of this article automatic in cases of a declared war.

And we recognized reality in making the amendment effective in 1991, the same time we still hope that deficits will be eliminated if we stick to the Gramm-Rudman schedule.

Which brings me to the third point: the phenomenal support enjoyed by this amendment.

A New York Times/CBS poll released in May of this year showed that 85 percent of the American people now want this amendment in the Constitution. Let me repeat that: 85 percent; more than 8 out of every 10 of our constituents.

But we realize that polls—however large—are nameless, faceless statistics and easy to reject. That's why we're so pleased that a coalition of more than 6 million people around this Nation, with names and faces, is pledged to help us pass House Joint Resolution 321.

They include the National Taxpayers Union, the National Tax Limitation Committee, Citizens for a Sound Economy, and the Eagle Forum.

They also include national associations for bankers, realtors, wholesaler-distributors and homebuilders; the Farm Bureau; NFIB; the U.S. Chamber of Commerce, and National Association of Manufacturers. Even the national association for State legislators.

A knock on your door urging your support, by someone important to you or important to your district, is virtually inevitable.

I urge any of our colleagues in this House who aren't already cosponsors of House Joint Resolution 321 to join us now.

This bill will pass this House in this Congress. Join our growing majority now.

Mr. SCHAEFER. Mr. Speaker, our immense national debt, presently exceeding $2 trillion, poses a serious threat to the economic well-being of this country. Repeatedly Congress has vowed to make deficit reduction its primary goal, yet Federal spending continues to reach unprecedented proportions. It has become apparent that Congress lacks the commitment to fiscal responsibility necessary to bring the deficit under control.

I am proud to be an original cosponsor of House Joint Resolution 321, which would begin the process to amend the Constitution to require a balanced Federal budget. It is unfortunate that we must force Congress to balance the budget through a constitutional amendment, but for too long Congress has shirked its responsibility to provide fiscal order in the Federal budget.

Every year since 1982 Government receipts have increased over the previous year, but spending levels have increased more. The budget for the next fiscal year does not eliminate even 1 of the 1,500 spending programs funded by the Federal Government. In fact over half the savings will come from the single largest mandated tax increase in our history. Over 75 percent of the $93 billion in savings in the next 3 years will come from new taxes, and accounting gimmicks through loan refinancing.

I call on my colleagues to join me and over 230 other Members in cosponsoring this legislation. I also urge you to contact Congressman RODINO, chairman of the House Judiciary Committee, and ask him to expedite consideration of this legislation. Both a majority of the American people and of Congress support this amendment, and it is time we impose external discipline on the Federal budget process and reign in excess Federal spending.

Mr. BOULTER. Mr. Speaker, I want to thank Mr. CRAIG and Mr. STENHOLM for their work and courageous effort with House Joint Resolution 321, the balanced budget constitutional amendment.

Congress has tried before, through the passage of balanced budget laws, to call for a balanced budget at some magical point in the future; but it has never worked.

For instance in 1978 Public Law 95-435 mandated a balanced Federal budget by 1981. In April of 1979, Congress, facing the need to again raise the Nation's, quote, "temporary debt ceiling," added language to Public Law 96-5 providing for Congress to balance the Federal budget for 1980 through 1983. In 1980, Public Law 96-389, quote, "reaffirmed the commitment of the Congress that beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts."

Yet still, we continue to be faced with the problem.

Recognizing this pattern, as I think most every Member of Congress does, one of my first official acts as a Member of Congress was to become an original cosponsor of the balanced budget amendment which was introduced during the 99th Congress.

We consistently hear, in floor speech after floor speech, of how we, Congress, need to buckle down, make those difficult decisions, and just try to even cut a little spending. This was again debated here on the floor today. But after all this jabber, we all know that nothing has, or I venture to say will, be done.

As both Mr. CRAIG and Mr. STENHOLM know, I just this morning presided over a meeting of the Grace caucus, which I founded and now chair with my good friend from Louisiana, BUDDY ROEMER. You both are 2 of the 160 congressional Grace caucus members, from both sides of the aisle, who have been trying now for 3 years to just cut, not eliminate, but cut inefficiency and duplication out of the system we now call our Federal Government.

Even though we did have 80 Grace caucus recommendations pass during the 99th Congress, and even though these measures are saving $37.8 billion during 1987 alone, which is what we are talking about here today—saving money and reducing the budget deficit; the problem still remains. That problem is no measure of enforcement to restrain or limit the level of congressional spending. And while I am the first to admit that it is our job, as Members of Congress, to make those oh so often referred to "difficult choices", it's unfortunate that, as a body, we just can't do that.

I have always been one to say that while politics is always a principle element of history, it's a shame that the study of history is rarely an element of politics. We all know that there are two sides to every coin, and that politics is mostly a matter of opinion, however not even politics can ignore facts.

The fact of this matter is that history has consistently, and very clearly, proven that Congress cannot control its own spending habits. This inability, and the continuing pressure from interest groups that propel this spending, are jeopardizing the future for our children, and their children.

That is why I have been, and will remain, a supporter of the balanced budget amendment and the efforts of Messrs. CRAIG, STENHOLM, SMITH, CARPER, and the many others who are now one of the approximately 215 Members, who have given and enlisted their support, by becoming cosponsors of this resolution.

GENERAL LEAVE

Mr. CRAIG. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order tonight.

The SPEAKER pro tempore (Mr. BERMAN). Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. CRAIG. Mr. Speaker, in closing tonight, it has been well said by the gentlemen from Delaware, Texas, and Oklahoma, who were with us earlier, that this is an important time and place to be discussing this most critical issue.

Not only is it the bicentennial of our Constitution and the 100th session of this Congress, but it is a time when this Nation is embroiled in the greatest budget crisis, I believe, in the history of our country, since the ratification of that Constitution and the formation of this present form of government.

We have said tonight why we believe it is critically important that we change the process, that we move in a new direction that ultimately brings us to a balanced budget; and, in the coming days, there will be additional special orders, and we hope a debate, a most important debate on the floor of this House, and an opportunity by the 15th of September, as the gentleman from Texas has said, to vote up or down, to show the American people where this body stands on this most important issue, a constitutional amendment to the U.S. Constitution requiring a federally balanced budget.

COLONEL OLIVER NORTH'S TESTIMONY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Mrs. BOXER] is recognized for 60 minutes.

Mrs. BOXER. Mr. Speaker, I don't believe I've ever been as proud to be a Member of Congress as I am today. The eloquent statements given today by Senator INOUYE and the gentleman from Indiana [Mr. HAMILTON] at the Select Committee investigating the Iran-Contra scandal brought home what our democracy is all about. Today, I take this time to present my views on Colonel North's testimony in response to the hundreds of telegrams and letters I have received.

Colonel Oliver North raises many serious questions in his testimony—questions which go far beyond whether he is a sympathetic, idealistic, tough American. These questions reach to the very heart of our democracy and are key to the essence of the Constitution.

Are we a Nation of laws, not men?

Do the ends justify the means?

Have the checks and balances built into our Government by our founders to guard against a tyrannical executive branch outgrown their usefulness?

Should there be a privatization of foreign policy?

Colonel North talks of the importance of covert operations. Few question the need for covert operations and such operations are not new. The point is that they must be undertaken with the approval of the appropriate committees of the House and Senate. When the covert activities become open they move into the light of day with the entire Congress having the obligation to endorse or oppose. That is what happened with the Contra war in Nicaragua.

In 1985 the Congress said no. After long and difficult debate the Congress said no and passed the Boland amendment. Boland suspected that the administration would try to ignore it, so the amendment outlawed any type of aid to the Contras, overt or covert, direct or indirect. That law got the goat of the President of the United States and the administration set out to ignore Boland, get around it—even to raise private funds as "private" citizens. Imagine anyone believing that the President can ever be a "private" citizen as he welcomed donors to the White House.

When Congress speaks it is the people speaking. So failing to respect the laws that Congress passes is the ultimate disrespect of the people.

Colonel North felt that his ends—freeing the hostages and supporting the Contras in Nicaragua—were so important that he engaged in lies and shredding and law breaking and coverups. Only because he knew that criminal penalties might ensue did he choose to admit these things. There is no question that the handsome Marine admitting all these no no's inspires sympathy. But we must get beyond this image and look at what he did.

To free the hostages—and he admitted he wanted to do that before the President's reelection in November 1984—he sold American arms to the Government of the biggest terrorist—the Ayatollah Khomeini who has tormented Americans since the Embassy seizure under Carter. Imagine selling arms to this man, and imagine directing the profits of that arms sale—profits which rightly belong to the American people—to a private network of businessmen.

So while the President was chastising others not to sell arms to Iran, there was Albert Hakim, private arms dealer posing as President Reagan's interpreter, making foreign policy with Colonel North at his side.

Two hostages were released out of seven. Several more were taken then and more have been taken since; the Iranians leaked the story; our Government was humiliated in the eyes of the world, the Arms Export Control Act was no doubt violated; the Neutrality Act was no doubt violated; and Iraq felt we had taken the side of Iran, since word got out that our Colonel North had pledged to Iran the full force of the United States in case the Government of Iran was falling, in addition to the comment that the head of the Iraqi Government must go. When questioned on all this, the Colonel said he lied and lied and lied some more to the Iranians. Was that before or after he said the real goal was to open up a dialog with them?

So it is no wonder that Iraq felt we had taken the side of Iran and don't be surprised to see that the fallout of the Colonel's actions could well be more of our young people in harm's way, as the President embarks on a plan to reflag Kuwaiti ships. Kuwait is Iraq's ally and the President must prove he is not on the side of Iran.

Aid to the Contras brings passionate words from Colonel North despite the fact that the leadership of the Contras is in disarray; that many of the Contras leaders who believe in democracy are gone; that may of those who remain are former Somocistas, who were part of Somoza's hated national guard, eventually thrown out by the Nicaraguan people; that the Contras have gotten support for 5 years and have failed; that the democracy in the Philippines and the emerging democracy in South Korea have come about by the will of the people in those countries—not by the sword—their own or America's.

Colonel North said when he looked around for his covert operation he couldn't call on Mother Teresa so he picked a man he said was a liar, a cheat and a man making enormous sums of money—Mr. Ghorbanifar. It is interesting that North cited a religious leader like Mother Teresa. Just ask the nuns in the Philippines about the moral force of their bodies as they faced the Marcos tanks. The point is Colonel North overlooks the true force of morality and truth and humanity and turns to blood and guts—a code name he used.

Those dedicated to democracy should learn from history and endorse peace initiatives in the region like the Contadora process or the Arias proposal. Colonel North's beloved military solution in Nicaragua has led to bloodshed and death—death and torture of men, women and children. Colonel North's eyes well up with tears when he talks about fallen marines and indeed they should. Where are his tears for the thousands of deaths in Central America? Where are his tears for the true victims of the Contras war—the women and children and helpless, the innocents without ideology.

And even if you think Colonel North's Contra war is the best way, it is not up to him to choose it. It is up to his Congressman and Senator through the democratic process—through laws passed by both Houses of Congress and signed by the President. That is the way our founders saw it 200 years ago and it's worked very well, thank you. No, not perfectly, but the best there is in the world.

Let's take Colonel North's view of this role further than it has been taken.

Suppose we agree with Colonel North that the ends justify the means. That if, in our democracy, Congress does not support a policy that he considers crucial, it is fine for an elite secret super agency to carry it out anyway.

Now let us suppose further that this policy is to do away with newspapers that oppose aid to the Contras. Let us suppose in Colonel North's mind that this is a valid objective because he thinks aid to the Contras is being jeopardized by liberal or moderate news editors. So, with his super-secret private agency, funded by private arms sales and donations, he starts a program to buy out these newspapers or maybe secretly harass editors and owners by lying to them about threats on their lives or their families' lives. Lies certainly are part of North's repertoire.

The super secret agency could "target" certain Members of Congress for defeat by pouring money into opponents' campaigns, and if that doesn't work, spreading disinformation about these Members and their families. Disinformation is certainly part of North's repertoire. I can see him saying: "Aid to the Contras was so important to the national security of my country that I lied every time I had a chance to beat this or that Member of Congress."

Outrageous? Yes, but certainly not impossible if you listened to Colonel North's statements about CIA Director Bill Casey and his dream of an expanded "free-standing" CIA, separate from the Government, funded by the arms sales.

The line between domestic and foreign policy is quite thin. If it appeared that elected officials were blocking the will of this super secret agency, the Joe McCarthy era would look like a birthday party.

So behind the blue eyes and the articulate voice and the expression of deeply felt ideals, lies some very troubling notions. What is to stop other secret organizations from springing up based on their own strongly held beliefs? These organizations could be on the fringes of the right or the left.

And they might use assassinations to fulfill their goals? What would we have? Chaos and anarchy. Maybe followed by martial law. Kind of like the governments of some nations that Colonel North is so anxious to bring democracy to.

In this year of the Constitution let us not lose the greatest democracy on Earth because we have failed to see what has made it great. Let us not put any man or woman above the law, for ours is a Government of, by, and for the people. Not a Government of, by, and for Ollie North or Bill Casey or even Ronald Reagan. Government of, by, and for the people—let us never forget.

USAIM IS NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. FISH] is recognized for 5 minutes.

Mr. FISH. Mr. Speaker, I would like to announce the recent formation of the U.S. Association for International Migration [USAIM], a new private organization committed to helping refugees, displaced persons, and migrants. I am proud to be one of four congressional colleagues joining 11 other committed Americans on its board of directors. Mr. Speaker, I believe USAIM deserves the wholehearted endorsement of Congress.

The gentleman from Wyoming, Senator ALAN SIMPSON, and the gentleman from New Jersey, Congressman PETER RODINO, have accepted the joint honor of being cochairmen of the board. Senator PAUL SIMON has also been named to the board.

This innovative, nonpolitical organization will seek to raise money from the private sector in the United States to meet the unfulfilled needs of refugees, migrants, and displaced persons around the world. In particular, the new effort is intended to complement the work of the Intergovernmental Committee for Migration [ICM], an organization of 33 member governments which has been providing resettlement assistance to refugees and migrants for over 35 years.

At the opening board meeting, the director general of ICM, James L. Carlin, an individual I have worked with and respected for many years, welcomed the plan of USAIM to seek new resources when governments resources are unavailable. At the meeting, Mr. Carlin stated "the unfulfilled needs of refugees and migrants are well known. Governments, international organizations, and private agencies are hard pressed to cope with the myriad of humanitarian problems arising from the dislocation and resettlement of people."

USAIM will focus its initial activities on the needs of these individuals not currently being helped by governments or other sources of funding. These include such priorities as handicapped refugees who have been difficult to resettle, unmet medical needs of refugees and displaced persons, experimental and innovative programming to seek solutions to migrant and refugee pressures in Central America, and problems of refugee and migrant women.

Additional support will also be sought for ICM's successful "Return of Talent" programs, which assist countries in Latin America and Africa to get highly qualified professionals and specialists to return home and help in development.

ICM's regional and international seminars, important for international discussion of problems in the resettlement of migrants and refugees, will also be supported. On various occasions I have been privileged to attend these meetings in Geneva. At these meetings, experts from many countries come to share their individual experience in hopes of finding more universal and innovative solutions.

A reserve fund will also be established to make money immediately available to ICM or other relevant assistance organizations in case of emergencies—a frequent occurrence when dealing with refugees and displaced persons.

These are ambitious plans. None of us expect the new organization to meet its goals overnight. Nor can USAIM replace the necessary and basic funding of refugee relief and resettlement, and assistance to displaced persons in critical situations, areas which are rightly the responsibility of governments. But USAIM is off to an auspicious start, and, not to overwork the metaphor, it is aiming in the right direction.

Many of USAIM's board members have worked for many years to find workable solutions to the problems of refugees and displaced persons. The president of the new association, Edwin Shapiro of New York, was chairman of HIAS (the Hebrew Immigration Aid Society) for many years. The vice president, former Ambassador Francis Dale, served as U.S. Ambassador to the U.N. missions in Geneva in the 1970's and, following his term of service, took a trip to Southeast Asia to examine the refugee situation for the State Department.

Gretchen S. Bolton, secretary of the new association, has represented ICM in Washington since 1980, and Phylis Eisen, the association's treasurer, have worked with us on immigration and refugee policy from positions in several organizations in Washington since the 1970's.

The other founding board members, represent a cross-section of American interests and experience on this subject. They include Carlos J. Arboleya from Miami, Barbara Herzberg from Washington, Ambassador Ignacio Lozano from Los Angeles, George B. Reid, Jr., also from Washington, James P. Rice from Chicago, George L. Warren, Jr., from Geneva and Washington, and Richard W. Wheeler from New York.

THE NEED FOR CONGRESS AND THE ADMINISTRATION TO DISTINGUISH APPAREL MANUFACTURERS FROM APPAREL CONTRACTORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. RITTER] is recognized for 30 minutes.

Mr. RITTER. Mr. Speaker, we can anticipate that H.R. 1154—Textile and Apparel Trade Act of 1987—will be on the floor of the House in the near future as the Trade Subcommittee favorably reported the bill to the full Ways and Means Committee this morning. However, it has been emphasized by a number of our colleagues that additional protection for textile and apparel products through legislation is unwarranted and unwise.

The Members who express this attitude, even though H.R. 1154 has the full support of the entire Congressional Textile Caucus and 240 cosponsors, should not be "steamrolled" but enlightened to focus on a major distinction in our apparel industry. This distinction dramatizes the need for and the economic soundness of H.R. 1154.

Opponents of the bill have pointed to the rise in textile profits as an indication of the industry's health and resiliency. They fail to mention that while textile industry profits were up slightly in 1986 over 1985, 1985 saw the textile and apparel industry in one of its worst years ever, caping a 6-year period in which more than 1,000 plants were shut down and hundreds of thousands of people laid off, many in the Lehigh Valley of Pennsylvania, which I represent.

Also, at a time when short-term textile industry profits are up, opponents of the bill seem to forget the present plight of the apparel industry. Many of these points were dramatically brought forth by Arnold Delin, executive director of the Atlantic Apparel Contractors Association, before the Ways and Means Committee on May 18. Mr. Delin pointed out that the "degree to which the apparel industry has been chilled by the cold winds of economic failures is directly traceable to the flood of apparel imports from low-wage countries."

But one of the major points clarified by Mr. Delin is the distinction between the textile and apparel industries. He stated:

> The apparel business is usually lumped together with the textile industry and apparel manufacturers and apparel contractors are often viewed as one and the same. Actually, the textile and apparel industries are separate entities, each with its own problems, each with a life of its own.
>
> The textile industry makes the fabrics for the apparel industry. The apparel manufacturers in turn style various garments from the fabrics for the retail trade or the consumer. Because many manufacturers do not have the facilities for producing finished garments, they ship the fabric and trimmings to the contractor who performs the cut, sew and trim operations and then ships the garments back to the manufacturer for sales distribution.

It is clear then that a great number of my constituents are, in effect, selling their labor to manufacturers and therefore are selling their labor against the most intense kind of labor competition in the entire world.

Mr. Speaker, is it any wonder that I stood up to fight for these families, voting to override the President's veto. I believe that the objections raised by the administration have successfully been met in our new bill and it is my fervent hope that I will not again have to cast a vote to override.

H.R. 1154 establishes import quotas on textiles and apparels and allows for 1-percent growth per year which is reasonable because textile and apparel imports have grown approximately 17 percent a year since 1981 resulting in a $21 billion trade deficit. Moreover, the administration has complete flexibility to allocate the 1-percent growth rate however it sees fit.

The need for restraint is clear, and I make three points in favor of H.R. 1154. First, the labor intensive and low wage nature of the textile and apparel industry has made it very attractive to developing countries. These countries have successfully used a combination of 25-75 percent tariffs, quantitative restrictions and even prohibition of our products to the United States from competing in their domestic markets.

Second, the devastating impact of nontariff barriers has not kept the U.S. textile and apparel industry from making production improvements necessary to enhance its global competitiveness. The industry invests an average of $1.5 billion per year in new plants and equipment. Productivity in apparel assembly has surpassed the manufacturing average between 1975 and 1985. On the horizon, new technologies in robotic sewing have the potential to substantially increase sewing productivity. Other steps in the production process can also be streamlined through automation and improved management. There is also the potential, through "quick response" information technology, to unite the textile and apparel network, making the whole system more efficient.

In the Lehigh Valley of Pennsylvania, the Ben Franklin Partnership Program and Lehigh University are assisting the American apparel industry to improve productivity via the application of advanced technology. They are currently working on three different areas. Initially they are applying technology with the help of start-up companies. On-Line Data Systems, Inc.—a start-up company housed at the Ben Franklin Business Incubator at Lehigh's Mountaintop Campus—has been named as a participant in IBM Corp. industry marketing assistance program.

Also, industry improvement involves the transfer of government developed technology to the public. Therefore, the center and the university have led an initiative in response to a request from the Department of Defense to create a demonstration site where representatives from all aspects of the apparel manufacturing industry can observe state-of-the-art technology and manufacturing methods at work. In addition, Frankel Engineering Laboratories and Albright College received a Ben Franklin grant to develop a system within their plant to computer control all the sewing machines by programming each operation of each machine so that the number of stitches is controlled by the program, thus improving efficiency and simultaneously monitoring the work flow.

Finally, Mr. Speaker, this leads to my third point that the textile and apparel industries have exhibited the potential to compete in global markets with the aid of a fair trade environment vital to textile and apparel industries in America. In fact, it is important to note that Harley-Davidson recently asked the International Trade Commission to drop the very tariffs that saved the company from collapse. This policy, after only 4 short years, allowed the industry to make the changes necessary for global competition.

But at this point with respect to textiles and apparels, I must agree with my friend and colleague BUTLER DERRICK of South Carolina who, at a symposium at Lehigh University on the problems of free trade and the apparel industry, stated that "The costs in terms of wasted human potential, lost tax revenues, unemployment costs, and a setback to our military readiness capabilities have been enormous; allowing the current trade policy to continue at this rate would be disastrous."

Mr. Speaker, I urge prompt enactment of H.R. 1154, and, since Mr. Delin's testimony is so vital to this issue, I include his statement at this point in the RECORD.

I am Arnold Delin, Executive Director of the Atlantic Apparel Contractors' Association and President of the Keystone Apparel Association, based in Wind Gap, Pennsylvania. I requested this time to testify in support of the passage of H.R. 1154.

I am here on behalf of small entrepreneurs in small rural communities throughout the Commonwealth of Pennsylvania who employ people whose futures depend on the survival of the apparel industry.

When I testified before the subcommittee two years ago, I provided extensive statistics to demonstrate the degree to which the apparel industry had been battered by foreign imports. Today, however, I will touch only briefly on statistics because I am certain that the members of this subcommittee have already been bombarded by them. I am also certain that the subcommittee knows the degree to which the apparel industry has been chilled by the cold winds of economic failures directly traceable to the flood of apparel imports from low-wage countries.

But first, I wish to make a distinction in order to keep the facts of my testimony in proper focus. The apparel business is usually lumped together with the textile industry and apparel manufacturers and apparel contractors are often viewed as one and the same. Actually, the textile and apparel industries are separate entities, each with its own problems, each with a life of its own.

The textile industry makes the fabrics for the apparel industry. The apparel manufacturers in turn style various elements from the fabrics for the retail trade or the consumer. Because many manufacturers do not have the facilities for producing finished garments, they ship the fabric and trimmings to the contractor who performs the cut, sew and trim operations and then ships the garments back to the manufacturer for sales distribution.

My constituency is composed of apparel contractors. This means that the members of our trade association are, in effect, selling labor to manufacturers. We are selling labor against the most intense kind of unfair labor competition in the entire world.

For the past decade, American contractors have been trying their utmost to compete with low-wage Far East countries such as South Korea, Taiwan, Hong Kong, Bangladesh, Sri Lanka and since 1983 the Peoples Republic of China has emerged as the United States' number one source of apparel imports. I wish to note here that wages in China are as low as twenty-five cents to thirty cents per hour!

As if this unfair competition from the Far East were not enough, domestic apparel contractors have, in the last few years, become faced with another set of low-wage competitors. Under the provisions of Title 807 of the U.S. tariff code, we now must also compete with some 25 emerging nations of the Caribbean Basin. 807 provides that fabric must be produced in the United States, cut here before it is shipped to the Caribbean Basin contractors to be sewn into a finished product, and shipped back to the U.S., and the importing manufacturers pay only a small import tax based on value added which in the case of the Caribbean region is small indeed.

The requirement under 807 that textiles be made in the U.S. is fine for the textile business. But it militates sharply against domestic apparel contractors who cut and sew.

So now, here in 1987, apparel contractors are locked in a two-front labor-competitive war with the usual Far East countries and now with the Caribbean Basin nations.

Little wonder that our ranks have been so terribly decimated!

To demonstrate more specifically how the U.S. free trade policy has battered us, a decade ago when imports first bacame a problem, the Atlantic Apparel Contractors' Association had a membership of about 570 members, all of whom were employers. This means, of course, that there were about 570 employers, collectively providing over 40,000 jobs, paying their taxes on every government level, contributing to local charities and, through the multiplier effect, providing revenues for ancillary community businesses of every kind.

Today, here in 1987, our membership has dwindled to only 190 members—a loss of two-thirds of our members and a loss of over 27,000 jobs in Pennsylvania alone. Virtually all these losses can be directly attributable to the impact of imports from low-wage foreign countries.

In effect then, these figures dramatically demonstrate that due to imports, the apparel contracting business has been deported to off-shore apparel contractors.

As you can imagine, the contractors who make up the Atlantic Apparel Contractors' Association—and hundreds of other contractors around America—feel bitter and betrayed. They feel bitter at the turn of events and they feel betrayed by their government.

Many of our members have not only lost their businesses but their life savings, and the hundreds of their employees who have worked for them for years have also been left out in the cold with no place to go for employment because factory after factory has suffered a similar fate and small communities like Roseto, Wind Gap, Minersville, Tatamy have empty buildings and unemployed apparel workers with no future. They are bitter—bitter because they question a free trade policy that favors businessmen in the Far East and Caribbean Basin over them . . . a free trade policy that has resulted in the virtual loss of America's manufacturing base throwing many companies into bankruptcy ruin . . . a free trade policy that has made the United States a debtor nation . . . a policy of monumental trade deficits . . . a policy that concerns itself with the economic welfare of our trading partners at the expense of U.S. industries and their employees.

Just two additional points: First, the Atlantic Apparel Contractors' Association did not seek help from the U.S. government without first trying to help themselves. Over the years, they have desperately tried to compete against impossible odds. They have re-engineered their factories, borrowed money from their rapidly dwindling resources to buy high-tech equipment to speed productivity, attended scores of association-sponsored seminars in modern business techniques, and put into place speedier production procedures and labor incentive programs. So they have tried very hard to help themselves first before seeking help elsewhere.

Second, based on this effort, we know that we can compete with foreign competitors with respect to producing a quality garment. The charge that, somehow, imported garments are better than those produced domestically is just not factually true. We have the equipment to produce any garments that domestic manufacturers want. We have the desire and the initiative, perhaps born of desperation, to effectively compete in these area.

But since the business of apparel contractors is selling labor, there is just no way that we, based on our labor costs, can compete with wages paid in the Far East and Caribbean nations.

The easy answer to this problem, as articulated by some free traders, is that Americans will have to take sharp pay cuts and reduce their standard of living in order to be competitive. Reduce the apparel worker's standard of living? In an industry where the average wage paid to our employees is only between $5.50 and $6.00 an hour, with many of them single household providers, they now live at either the poverty level or slightly above it. How much further could their cost of living be reduced?

The evidence of the harmful impact on the industry and its employees has been dramatically demonstrated. The loss of literally thousands of apparel jobs and the bankruptcy of so many hundreds of contractors is proof that we just cannot meet this unfair competition no matter how hard we try . . . no matter how hard we work!

If the policy of the Administration and/or the U.S. Congress is to sacrifice the apparel contracting business on the altar of an unworkable free trade policy, then there is not the slightest doubt that there will be more bankruptcies, more unemployment of apparel workers, more disillusionment, more bitterness.

There is only one way that can hold out any promise of circumventing the rapid slide to oblivion among apparel contractors of Pennsylvania and the nation . . . and that way is for the members of this subcommittee to approve the Textile and Apparel Trade Act of 1987 without delay and see that it is enacted into law at the earliest possible time.

Once again I want to thank you for giving me the opportunity to testify.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Rostenkowski (at the request of Mr. Foley), for today and July 15, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Craig) to revise and extend their remarks and include extraneous material:)

Mr. Inhofe, for 60 minutes, on July 15.

Mr. Miller of Ohio, for 10 minutes, today.

Mr. Gilman, for 5 minutes, today.

Mr. Ritter, for 30 minutes, today.

Mr. Molinari, for 60 minutes, on July 21.

Mr. Molinari, for 60 minutes, on July 22.

Mr. Molinari, for 60 minutes, on July 23.

Mrs. Bentley, for 60 minutes, on July 22.

Mrs. Bentley, for 60 minutes, on July 23.

Mrs. Bentley, for 60 minutes, on July 28.

Mrs. Bentley, for 60 minutes, on July 29.

Mrs. Bentley, for 60 minutes, on August 5.

Mrs. Bentley, for 5 minutes, on July 15.

Mr. Bereuter, for 30 minutes, on July 20.

Mr. Bereuter, for 30 minutes, on July 21.

Mr. Gingrich, for 60 minutes, on July 14.

Mr. Gingrich, for 60 minutes, on July 15.

(The following Members (at the request of Mr. Roybal) to revise and extend their remarks and include extraneous material:)

Mr. Alexander, for 5 minutes, on July 14.

Mr. Alexander, for 5 minutes, on July 15.

Mr. Howard, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Panetta, for 60 minutes, on July 21.

Mr. Miller of California, for 60 minutes, on July 21.

Mr. Miller of California, for 60 minutes, on July 22.

Mr. Frank, for 60 minutes, on July 21.

Mr. Frank, for 60 minutes, on July 23.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Daub, following Mr. Skeen on H.R. 2907 in the Committee of the Whole today.

Mr. Coleman of Texas, following Mr. Skeen on H.R. 2907, in the Committee of the Whole today.

(The following Members (at the request of Mr. Craig) and to include extraneous matter:)

Mr. Gunderson.

Mr. Dornan of California.

Mr. Miller of Ohio in three instances.

Mr. Michel.

Mr. Ritter.

Mr. Green.

Mr. Coats.

Mr. Lagomarsino.

Mr. Daub.

Mr. Hansen.

(The following Members (at the request of Mr. Roybal) and to include extraneous matter:)

Mr. Skelton.

Mr. Montgomery.

Mr. Torres.

Mr. Hertel.

Mr. Kostmayer.

Mr. Lantos.

Mr. Kanjorski.

Mr. Conyers.

Mr. Downey of New York.

Mr. Pelosi.

Mr. Bonior of Michigan.

Mr. Ray.

Mr. Wise.

Mr. Dellums.

SENATE BILL REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1452. An act to amend the Securities Act of 1933 the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisers Act of 1940 to make certain technical, clarifying, and conforming amendments, to authorize appropriations to the Securities and Exchange Commission, and for other purposes; to the Committee on Energy and Commerce.

ADJOURNMENT

Mrs. BOXER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 14 minutes p.m.), under its previous order, the House adjourned until Wednesday, July 15, 1987, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1743. A letter from the Director, the Office of Management and Budget, transmitting a cumulative report on rescissions and deferrals as of July 1, 1987, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 100-92); to the Committee on Appropriations and ordered to be printed.

1744. A letter from the Secretary of the Interior, transmitting the department's report on a violation of an overobligation of a fiscal year 1983 appropriation, pursuant to 31 U.S.C. 1351; to the Committee on Appropriations.

1745. A letter from the Secretary of Education, transmitting a copy of final regulations for the Christa McAuliffe Fellowship Program, pursuant to 20 U.S.C. 1485; to the Committee on Education and Labor.

1746. A letter from the Secretary of Education, transmitting a copy of final annual funding priority for production, distribution, and training programs, pursuant to 20

U.S.C. 1485; to the Committee on Education and Labor.

1747. A letter from the Secretary of Education, transmitting a copy of final funding regulations for the Research Institute on Placement of Severely Handicapped Children, pursuant to 20 U.S.C. 1485; to the Committee on Education and Labor.

1748. A letter from the Secretary of Education, transmitting a copy of final funding regulations for the Early Childhood Research Institute, pursuant to 20 U.S.C. 1485; to the Committee on Education and Labor.

1749. A letter from the Secretary of Education, transmitting a copy of final funding regulations for the Special Projects and Demonstrations for Providing Vocational Rehabilitation Services to Severely Disabled Individuals Program, pursuant to 20 U.S.C. 1485; to the Committee on Education and Labor.

1750. A letter from the Administrator, Environmental Protection Agency, transmitting a report evaluating the emissions of polychlorinated dibenzo-p-dioxins from resource recovery facilities burning municipal solid waste, and any health risks, as well as practices controlling the emissions, pursuant to 42 U.S.C. 6905(b)(2); to the Committee on Energy and Commerce.

1751. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting copies of reports of political contributions by Theresa Anne Tull; of New Jersey; James B. Moran, of Virginia; Stephen J. Ledogar, of Connecticut; and Leonard Rochwarger, of New York; Ambassador-designates, and members of their families, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1752. A letter from the Comptroller General, General Accounting Office, transmitting a list of all reports issued or released by GAO during the month of June 1987, pursuant to 31 U.S.C. 719(h); to the Committee on Government Operations.

1753. A letter from the Acting Assistant Administrator for Administration and Resources Management, Environmental Protection Agency, transmitting the Agency's notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1754. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to provide for expanded voluntary private alternative coverage for Medicare beneficiaries, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

1755. A letter from the Secretary of Agriculture, transmitting the Department's second annual report on agricultural trade consultations with representatives of other major agricultural producing countries, pursuant to 7 U.S.C. 1736r(c); jointly, to the Committees on Agriculture, Foreign Affairs, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 82. A bill to amend the Merchant Marine Act, 1920 to require vessels used to transport sewage sludge to be built in the United States; with an amendment (Rept. 100-219) Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAKER:

H.R. 2928. A bill to amend the Federal Food, Drug, and Cosmetic Act to increase the criminal penalty for the sale of anabolic steroids without a prescription; to the Committee on Energy and Commerce.

By Mr. DAUB (for himself and Mr. Frenzel):

H.R. 2929. A bill to amend the Internal Revenue Code of 1986 to provide that the issuance of charitable gift annuities shall not be taken into account in determining whether certain organizations are treated as providing commercial-type insurance; to the Committee on Ways and Means.

By Mr. DioGUARDI (for himself and Mr. Lantos):

H.R. 2930. A bill to amend the National Housing Act to increase the principal amount for which the Secretary of Housing and Urban Development may provide insurance for mortgages secured by single-family residences; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DioGUARDI (for himself and Mr. Marlenee):

H.R. 2931. A bill to identify, commemorate, and preserve the legacy of historic publicly owned parks of Frederick Law Olmsted, and for other purposes; to the Committee on Interior and Insular Affairs.

By Ms. KAPTUR:

H.R. 2932. A bill to amend the Internal Revenue Code of 1986 to discourage short-term investments by pension plans and welfare benefit funds by taxing capital gains from such investments; to the Committee on Ways and Means.

By Mr. LATTA:

H.R. 2933. A bill to provide for the safeguarding of taxpayer rights, and for other purposes; to the Committee on Ways and Means.

By Mr. MARTINEZ (for himself, Mr. Evans, Mr. Fazio, Mr. Lancaster, Mr. Brown of California, Mr. Roe, Mr. Hutto, Mr. Dyson, Mr. Fuster, Mr. Hochbrueckner, Mr. Price of Illinois, Mr. Kolter, Mr. Ortiz, Mrs. Lloyd, and Mr. Bustamante):

H.R. 2934. A bill to amend title 10, United States Code, to provide for payment under the CHAMPUS program of certain health care expenses incurred by certain members and former members of the uniformed services and their dependents to the extent that such expenses are not payable under Medicare, and for other purposes; to the Committee on Armed Services.

By Ms. OAKAR:

H.R. 2935. A bill to amend title XVIII of the Social Security Act to provide for coverage of an annual mammogram under the Medicare Program; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. SMITH of New Jersey:

H.R. 2936. A bill to amend the Internal Revenue Code of 1986 to allow taxpayers to designate that part or all of any income tax refund is to be used to reduce the public debt of the United States; to the Committee on Ways and Means.

By Mr. UDALL:

H.R. 2937. A bill to make miscellaneous technical and minor amendments to laws relating to Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CARR (for himself, Mr. Jeffords, Mr. Coelho, Mr. Green, and Mr. Boehlert):

H.J. Res. 336. Joint resolution to designate the period commencing on November 15, 1987, and ending on November 22, 1987, as "National Arts Week"; to the Committee on Post Office and Civil Service.

By Mr. DioGUARDI:

H. Con. Res. 159. Concurrent resolution relating to tax-exempt 501(c)(3) bonds; to the Committee on Ways and Means.

By Mr. LOWERY of California:

H. Con. Res. 160. Concurrent resolution expressing the sense of Congress concerning the terrorist activities of the Sendero Luminoso [Shining Path] guerrillas in Peru; to the Committee on Foreign Affairs.

By Mr. MARTINEZ (for himself, Mrs. Schroeder, Mrs. Boggs, Mrs. Boxer, Mr. Brown of California, Mr. Buechner, Mr. Cardin, Mr. Coleman of Texas, Mrs. Collins, Mr. Conyers, Mr. Downey of New York, Mr. Dymally, Mr. Evans, Mr. Fazio, Mr. Fuster, Mr. Garcia, Mr. Hayes of Illinois, Mr. Howard, Mr. Jontz, Ms. Kaptur, Mr. Kastenmeier, Mr. Kildee, Mr. Kolter, Mr. Lehman of Florida, Mr. Leland, Mr. Levin of Michigan, Mr. Matsui, Mr. Mfume, Mr. Murphy, Mr. Nagle, Ms. Oakar, Mr. Owens of New York, Mr. Panetta, Ms. Pelosi, Mr. Rangel, Mr. Rodino, Mr. Robinson, Mr. Roe, Mr. Sawyer, Ms. Slaughter of New York, Mr. Smith of Texas, Mrs. Morella, Mr. Owens of Utah, Mr. Visclosky, Mr. Richardson, and Mr. Hawkins):

H. Res. 224. Resolution expressing the sense of the House of Representatives regarding the importance of working women to our economy and our Nation as a whole; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. THOMAS of Georgia introduced a bill (H.R. 2938) for the relief of Meliha Cooks and Gorkhan Cooks; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 8: Mr. Lewis of Florida.

H.R. 20: Mr. Hoyer, Mr. Alexander, Mr. Nichols, Mr. Foglietta, Mr. Gaydos, and Mr. Lehman of California.

H.R. 21: Mr. Hoyer, Mr. Alexander, Mr. Nichols, Mr. Foglietta, Mr. Gaydos, and Mr. Lehman of California.

H.R. 77: Mr. Lewis of Florida and Mr. Kolter.

H.R. 81: Mr. Gilman, Mr. Solarz, Mr. Biaggi, Mr. Ford of Tennessee, Mr. Brown of California, and Mr. Martinez.

H.R. 111: Mr. Shumway, Mr. Smith of New Hampshire, Mr. Craig, and Mr. Solomon.

H.R. 378: Mr. Sunia.

H.R. 442: Mr. Owens of Utah.

H.R. 622: Mr. Lagomarsino, Mr. Inhofe, and Mr. Thomas of California.

H.R. 925: Mr. Hawkins.

H.R. 1018: Mr. Gejdenson.

H.R. 1201: Mr. Hertel.

H.R. 1410: Mr. Valentine, Mr. Jones of North Carolina, Mr. Rose, Mr. Neal, Mr. Ballenger, Mr. Coble, Mr. McMillan of North Carolina, Mr. Hefner, and Mr. Bates.

H.R. 1561: Mr. Vento, Mr. Kennedy, Mr. Martinez, Mr. Gejdenson, Mr. Owens of Utah, Mr. Akaka, Mr. Lowry of Washington, Mr. Garcia, and Mr. Gray of Pennsylvania.

H.R. 1601: Mr. Edwards of Oklahoma.

H.R. 1604: Mr. Edwards of Oklahoma.

H.R. 1638: Mr. Hochbrueckner, Mrs. Collins, Mr. Towns, Ms. Pelosi, Mr. Ackerman, Mr. Weiss, and Mr. Owens of New York.

H.R. 1646: Mr. Evans, Mr. Dellums, Mr. Garcia, and Mr. Frost.

H.R. 1766: Mr. Weldon.

H.R. 1770: Mr. DeFazio and Mr. Moakley.

H.R. 1811: Mr. Bryant and Mr. Martin of New York.

H.R. 1832: Mr. Parris and Mr. Bateman.

H.R. 1865: Mr. Biaggi.

H.R. 1873: Mr. Hutto, Mrs. Bentley, Mrs. Saiki, and Mr. Young of Alaska.

H.R. 1874: Mr. Hutto, Mrs. Bentley, Mrs. Saiki, and Mr. Young of Alaska.

H.R. 1987: Mr. Howard, Mr. Hughes, and Mr. Richardson.

H.R. 2041: Mrs. Schroeder.

H.R. 2059: Mr. Lightfoot.

H.R. 2113: Mr. Lancaster and Mr. Boehlert.

H.R. 2121: Mrs. Lloyd.

H.R. 2191: Mr. Levine of California and Mr. Owens of New York.

H.R. 2202: Mr. Kolter, Mr. Jones of North Carolina, Mr. Saxton, and Mr. Edwards of Oklahoma.

H.R. 2214: Mr. Hutto.

H.R. 2241: Mr. Bereuter, Mr. Buechner, Mr. Daniel, Mr. Eckart, Mr. Gallegly, Mr. Gingrich, Mr. Herger, and Mr. Rhodes.

H.R. 2318: Mr. Mollohan.

H.R. 2383: Mr. Lowry of Washington, Mr. Mfume, Mr. Bates, Mrs. Collins, Mr. Konnyu, and Mr. Kleczka.

H.R. 2476: Mr. Richardson and Mr. Dellums.

H.R. 2482: Mr. Owens of New York and Mr. Atkins.

H.R. 2486: Mr. Bartlett.

H.R. 2507: Mr. Bates, Mr. Fascell, Mr. Lehman of Florida, and Mr. Swift.

H.R. 2522: Mr. Kolter, Mr. Kildee, Mrs. Collins, and Mr. Dymally.

H.R. 2640: Mr. Eckart, Mr. Lewis of Georgia, Mr. Fazio, Mr. Mavroules, Mr. Daniel, Mr. Aspin, Mr. Robinson, Mr. Kildee, Mr. Williams, Mr. Denny Smith, Mr. Sawyer, Mr. Tallon, Mr. Morrison of Connecticut, Mr. Parris, Mr. Florio, Mr. Spratt, Mr. Barnard, Mr. Torres, Mr. Conte, Mr. Kennedy, Mr. Sisisky, and Mr. Ravenel.

H.R. 2641: Mr. Towns, Mr. Lagomarsino, and Mr. Garcia.

H.R. 2642: Mr. Emerson.

H.R. 2662: Mr. Vander Jagt, Mr. Dreier of California, Mr. Marlenee, and Mr. Livingston.

H.R. 2670: Mr. Hertel, Mr. Foglietta, Mr. Wolpe, and Mr. Sawyer.

H.R. 2673: Mr. Ackerman, Mr. Blaz, Mrs. Collins, Mr. Dornan of California, Mr. Daub, Mr. Frank, Mr. Fazio, Mr. Goodling, Mr. Green, Mr. Hughes, Mr. Lipinski, Mr. Mfume, Mr. Mrazek, Mr. McHugh, Mr. McGrath, Mrs. Martin of Illinois, Mr. Robinson, Mrs. Roukema, Mr. Scheuer, Mr. Smith, of Florida, Mr. Wolpe, Mr. Wilson, Mr. Wortley, Mr. Williams, and Mr. de la Garza.

H.R. 2690: Mr. Durbin, Mr. Price of North Carolina, Mr. Marlenee, Mr. Wolpe, Mr. Leath of Texas, and Mr. Schaefer.

H.R. 2692: Mr. Russo, Mr. Wortley, Mr. Kolter, Mr. Edwards of Oklahoma, Mr. Sikorski, Mr. Broomfield, Mrs. Martin of Illinois, and Mr. Yatron.

H.R. 2717: Mr. Evans and Mr. Carper.

H.R. 2727: Mr. de Lugo and Mr. Atkins.

H.R. 2733: Mr. Roberts and Mr. Boulter.

H.R. 2750: Mr. Scheuer, Mr. Biaggi, Mr. Martinez, Mr. Kleczka, Mr. Leach of Iowa, Mr. Berman, Mr. Fazio, Mr. Edwards of California, Mr. Bustamante, Mr. Beilenson, and Mr. Stark.

H.R. 2776: Mr. Bevill, Mr. Kolbe, and Mr. Lagomarsino.

H.R. 2837: Mr. Brennan.

H.R. 2858: Mr. Dannemeyer, Mr. Swift, Mr. Garcia, Mr. Studds, and Mr. Atkins.

H.R. 2869: Mr. Hatcher.

H.R. 2881: Mrs. Byron, Mr. Lipinski, Mr. Olin, Mr. Daub, Mr. Gordon, Mr. Gingrich, Mr. Visclosky, Mr. Lehman of California, and Mr. Rowland of Connecticut.

H.R. 2915: Mr. Schumer.

H.J. Res. 8: Mr. Hefley.

H.J. Res. 23: Mrs. Boxer, Mr. Chapman, Mr. Garcia, Mr. Horton, Mr. Lagomarsino, Mr. Martinez, Mr. McMillen of Maryland, Mr. Skelton, and Mr. Wilson.

H.J. Res. 112: Mr. Moody.

H.J. Res. 195: Mr. Coyne and Mr. Kennedy.

H.J. Res. 221: Mr. Hayes of Illinois, and Ms. Slaughter of New York.

H.J. Res. 228: Mr. Martinez, Mr. Rodino, Mr. Lantos, Mr. Evans, Mr. Ackerman, Mr. Grant, Mr. Roberts, Mr. de la Garza, Mr. Pursell, Mr. Denny Smith, Mr. Lehman of California, Mr. Kolter, Mr. Jenkins, Mr. Davis of Illinois, Mr. Walgren, Mr. Jontz, Mr. Boucher, Mr. Mavroules, Mr. Bryant, Mr. Frenzel, and Mr. Baker.

H.J. Res. 268: Mr. Bates, Mr. Barnard, Mr. Berman, Mr. Bevill, Mr. Blaz, Mr. Broomfield, Mr. Conyers, Mr. Daniel, Mr. Dixon, Mr. Dowdy of Mississippi, Mr. Dwyer of New Jersey, Mr. English, Mr. Ford of Tennessee, Mr. Gekas, Mr. Hayes of Illinois, Mr. Coelho, Mr. Lewis of Florida, Mr. Matsui, Mr. Morrison of Washington, Mr. Miller of Washington, Mr. Owens of New York, Mr. Rangel, Mr. Rodino, Mr. Skelton, Mr. Smith of New Jersey, Mrs. Collins, Mr. Traficant, Mr. Wise, Mr. Young of Alaska, Mrs. Kennelly, Mr. Carper, Mr. Flippo, Mr. Lehman of Florida, Mrs. Lloyd, Mr. McHugh, Mr. Espy, Mr. Gordon, Mr. Jones of Tennessee, Mr. McCloskey, Mr. Owens of Utah, Mr. Porter, Mr. Bustamante, Mr. Frenzel, Mr. Leland, Mr. Ritter, Ms. Kaptur, Mr. MacKay, Mr. Florio, Mr. Ravenel, Mr. Manton, Mr. Kleczka, Mr. Sawyer, Mr. Wilson, Mr. Weiss, Mr. Weldon, Mr. Yatron, Mr. Grandy, Mr. Torricelli, Ms. Snowe, Mr. Montgomery, Mr. Waxman, Mr. Lancaster, Mr. Coyne, and Mr. Regula.

H.J. Res. 287: Mr. Solomon and Mr. Lent.

H.J. Res. 307: Mr. Boland, Mr. Hughes, Mr. Hochbrueckner, Mr. Clinger, Mr. Coughlin, Ms. Slaughter of New York, Mr. Daniel, Mr. Wortley, Mr. Green, Mr. Hall of Ohio, Mr. Hayes of Louisiana, Mr. DeWine, Mr. DioGuardi, Mr. Garcia, Mr. Henry, Mr. Kanjorski, Mrs. Collins, Mr. Udall, Mr. Moakley, Mr. Upton, Mr. Vander Jagt, Mr. Schumer, Mr. Murphy, Mr. Stangeland, Ms. Oakar, Mr. Weiss, Mr. Wolf, Mr. Hoyer, Mrs. Lloyd, Mr. Weber, Mr. Anderson, Mr. Sawyer, Mr. Bilbray, Mr. Atkins, Mr. Broomfield, Mr. McDade, Mr. Leland, Mr. Lewis of Georgia, Mr. Gordon, Mr. Schuette, Mr. Molinari, Mr. Roth, Mr. Torricelli, Mr. Montgomery, Mr. Bosco, Mr. Owens of Utah, Mr. Morrison of Washington, Mr. Oberstar, Mr. Vento, Mr. Beilenson, Mr. Derrick, Mr. Russo, Mr. Downey of New York, Mr. Gejdenson, Mr. Watkins, Mr. Dellums, Mr. Ireland, Mr. Kastenmeier, Mr. LaFalce, Mr. Brown of Colorado, Mr. Kolbe, and Mr. Mfume.

H.J. Res. 315: Mrs. Bentley and Mr. Weiss.

H.J. Res. 316: Mr. Akaka, Mr. Alexander, Mr. Andrews, Mr. Anthony, Mr. Atkins, Mr. Ballenger, Mr. Barnard, Mr. Bartlett, Mr. Beilenson, Mrs. Bentley, Mr. Berman, Mr. Bevill, Mr. Biaggi, Mr. Bilbray, Mr. Bliley, Mr. Boehlert, Mrs. Boggs, Mr. Boner of Tennessee, Mr. Boucher, Mrs. Boxer, Mr. Brennan, Mr. Brooks, Mr. Brown of California, Mr. Bruce, Mr. Bryant, Mr. Bunning, Mr. Bustamante, Mr. Callahan, Mr. Campbell, Mr. Cardin, Mr. Carper, Mr. Carr, Mr. Chapman, Mr. Clay, Mr. Coelho, Mr. Coleman of Texas, Mr. Cooper, Mr. Craig, Mr. Daniel, Mr. Darden, Mr. Davis of Illinois, Mr. DeFazio, Mr. DeLay, Mr. Dellums, Mr. Derrick, Mr. Dingell, Mr. Dornan of California, Mr. Dowdy of Mississippi, Mr. Dymally, Mr. Eckart, Mr. Erdreich, Mr. Espy, Mr. Evans, Mr. Feighan, Mr. Fish, Mr. Flake, Mr. Foley, Mr. Ford of Michigan, Mr. Frank, Mr. Frenzel, Mr. Frost, Mr. Gallo, Mr. Garcia, Mr. Gejdenson, Mr. Gonzalez, Mr. Gordon, Mr. Grant, Mr. Gray of Illinois, Mr. Green, Mr. Gunderson, Mr. Hall of Texas, Mr. Harris, Mr. Hatcher, Mr. Hayes of Illinois, Mr. Hayes of Louisiana, Mr. Hefley, Mr. Henry, Mr. Hochbrueckner, Mr. Holloway, Mr. Hopkins, Mr. Horton, Mr. Hoyer, Mr. Hubbard, Mr. Hughes, Mr. Hunter, Mr. Hutto, Mr. Jenkins, Mrs. Johnson of Connecticut, Mr. Johnson of South Dakota, Mr. Jones of Tennessee, Mr. Jontz, Mr. Kanjorski, Ms. Kaptur, Mr. Kennedy, Mr. Kildee, Mr. Kleczka, Mr. Kolbe, Mr. Konnyu, Mr. Kostmayer, Mr. LaFalce, Mr. Lagomarsino, Mr. Latta, Mr. Leath of Texas, Mr. Lehman of California, Mr. Levin of Michigan, Mr. Levine of California, Mr. Lewis of California, Mr. Lewis of Georgia, Mr. Lewis of Florida, Mr. Lightfoot, Mr. Lipinski, Mr. Livingston, Mrs. Lloyd, Mr. Lowry of Washington, Mr. Lujan, Mr. Donald E. Lukens, Mr. Lungren, Mr. MacKay, Mr. Madigan, Mr. Manton, Mr. Markey, Mrs. Martin of Illinois, Mr. Matsui, Mr. McDade, Mr. McHugh, Mr. McMillen of Maryland, Mrs. Meyers of Kansas, Mr. Mfume, Mr. Mica, Mr. Miller of Washington, Mr. Mineta, Mr. Montgomery, Mrs. Morella, Mr. Morrison of Connecticut, Mr. Nelson of Florida, Mr. Nichols, Mr. Nielson of Utah, Ms. Oakar, Mr. Oberstar, Mr. Obey, Mr. Olin, Mr. Owens of New York, Mr. Owens of Utah, Mr. Oxley, Mr. Packard, Mr. Panetta, Mrs. Patterson, Mr. Pepper, Mr. Perkins, Mr. Pickett, Mr. Pickle, Mr. Price of Illinois, Mr. Pursell, Mr. Quillen, Mr. Rahall, Mr. Ravenel, Mr. Rhodes, Mr. Richardson, Mr. Ritter, Mr. Roberts, Mr. Robinson, Mr. Rodino, Mr. Roe, Mr. Roemer, Mr. Rogers, Mr. Roth, Mr. Rowland of Georgia, Mr. Sabo, Mr. Savage, Mr. Sawyer, Mr. Saxton, Mr. SHARP, Mr. SHUSTER, Mr. SIKORSKI, Mr. SKAGGS, Mr. SKELTON, Mr. SLATTERY, Mr. SLAUGHTER of Virginia, Ms. SLAUGHTER of New York, Mr. ROBERT F. SMITH, Mr. SMITH of New Jersey, Mr. SMITH of Texas, Mr. SMITH of New Hampshire, Mr. SPENCE, Mr. SPRATT, Mr. ST GERMAIN, Mr. STAGGERS, Mr. STALLINGS, Mr. STENHOLM, Mr. STOKES, Mr. SWEENEY, Mr. SYNAR, Mr. TALLON, Mr. TAUKE, Mr. TAYLOR, Mr. THOMAS of Georgia, Mr. TORRICELLI, Mr. TORRES, Mr. TOWNS, Mr. TRAFICANT, Mr. UDALL, Mr. UPTON, Mr. VANDER JAGT, Mr. VENTO, Mr. VOLKMER, Mr. WALGREN, Mr. WATKINS, Mr. WAXMAN, Mr. WEISS, Mr. WHEAT, Mr. WILSON, Mr. WISE, Mr. WOLF, Mr. WOLPE, Mr. WYDEN, and Mr. YOUNG of Florida.

H.J. Res. 328: Mr. YATRON, Mr. WORTLEY, Mr. WELDON, Mr. SWIFT, Mr. DORNAN of California, Mr. BUSTAMANTE, Mr. HAYES of Louisiana, and Mr. FLORIO.

H. Con. Res. 122: Mr. VENTO, Mr. MURPHY, and Mr. ANNUNZIO.

H. Res. 158: Mrs. MARTIN of Illinois.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1950: Mr. HASTERT.

SENATE—*Tuesday, July 14, 1987*

(Legislative day of Tuesday, June 23, 1987)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by the Honorable William Proxmire, a Senator from the State of Wisconsin.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Behold, how good and how pleasant it is for brethren to dwell together in unity.—Psalm 133: 1.

Eternal God of our fathers, we are unspeakably grateful for our founders who in their passion "for a more perfect union" conceived and crafted the Constitution. We praise You for this law of the land by which we have lived and grown and prospered for 200 years. We thank You for the unity in diversity guaranteed and enjoyed by that law. May the words engraved on the Dirksen Senate Office Building be real in this Chamber. "The Senate is the living symbol of our Union of States."

In the light of that truth, enable the Senators to find unity in these troublesome days—not at the expense of diversity nor at the sacrifice of principle and political realities which obtain and compete as a national election approaches. Remind the Senators that divide and conquer is the master strategy of evil. Grant them grace midst serious and conflicting differences to will and to find the unity in diversity which is the hallmark of this land we love and serve. In the name of the Prince of Peace. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. Stennis].

The bill clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, DC, July 14, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable William Proxmire, a Senator from the State of Wisconsin, to perform the duties of the Chair.

John C. Stennis,
President pro tempore.

Mr. PROXMIRE thereupon assumed the chair as Acting President pro tempore.

QUORUM CALL

The ACTING PRESIDENT pro tempore. The Chair, in his capacity as a Senator, suggests the absence of a quorum.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized, under the standing order.

Mr. BYRD. Mr. President, I yield 5 minutes of my time to Mr. Proxmire.

(Mr. BYRD assumed the chair.)

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 5 minutes.

SHOULD THE INF ACCORD INCLUDE AGREEMENT ON LIMITING CONVENTIONAL ARMS?

Mr. PROXMIRE. Mr. President, recently, the Los Angeles Times carried an article that states the most convincing case I have read for the superpower agreement to reduce intermediate nuclear weapons in Europe. In the judgment of this Senator, however, this presentation—like the proposed agreement—is seriously flawed. The agreement is flawed because we should seriously consider coupling the INF agreement with a mutual reduction of conventional arms. Without such a coupling, NATO is giving up more than it is getting. But it is worse. The diminution of the NATO flexible nuclear response potential to a Soviet invasion of Western Europe makes such a Soviet initiative more not less likely.

The Los Angeles Times article is written by two respected experts: Jack Mendelsohn and Leon Sigal. Mendelsohn has served with NATO. He was a member of the SALT II delegation. He is deputy director of the Arms Control Association. Sigal is the authority of "Nuclear Forces in Europe." He teaches international politics at Wesleyan.

They offer these six reasons why the INF agreement represents positive progress: First, they argue the agreement would leave more than 4,000 United States nuclear warheads in Europe plus British and French nukes. And NATO is considering whether to add new missiles to its nuclear arsenal. So how about that? If the agreement means NATO will come back with as many or more nuclear weapons as the agreement removes, where's the arms control progress? Even if NATO does come in with more nuclear weapons, the flexibility to respond at gradually increasing levels of nuclear power would be diminished by the removal of all nuclear weapons that have a range between 300 and 3,300 miles. What's wrong with that? Plenty. It is precisely the ominous presence of these intermediate weapons that puts the will behind the capability. It is the will to use the nuclear power, not the nuclear power itself, that deters Soviet aggression. The intermediate weapons show the will is there.

Second, Mendelsohn and Sigal contend that the INF agreement will not decouple the United States protection from Western Europe. As they put it:

> The site from which United States nuclear strikes would be launched against the Soviet Union would hardly affect calculations in the Kremlin * * * whether a President would be willing to risk retaliation against the United States.

Are they right? No. The Kremlin might very well conclude that United States intermediate nukes in Europe means the United States does mean business about defending Western Europe with nuclear weapons if necessary. That intermediate presence by itself signifies the United States willingness to take this step for freedom. A President might be unwilling to attack from the U.S. homeland. But from advanced military bases in Europe? That's something else.

Third, these experts argue that an INF agreement would make "a modest but useful contribution to military stability." But would it? Isn't it more likely that the Soviets would be far more tempted to use their conventional military superiority if the United States had reduced its flexible response capability? That spells less not more stability.

Fourth, Mendelsohn and Sigal argue that the INF agreement will lead to more significant limitations on nuclear weapons because without those additional limitations, the treaty will have little meaning. The treaty cannot succeed if other nuclear weapons move in from both sides from the sea and the air to fill the new gap. So they reason that the accord will lead to other accords. This is an appealing rationalization. But experience teaches us pre-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

cisely the opposite. When the superpowers agreed to limit missiles, what happened? Both sides went big for MIRVD missiles with more warheads per missile. The agreement became meaningless. It is true that a later agreement embraced all ICBM missiles and warheads alike. But then what happened? Both sides moved big into cruise missiles that have no limit now and no limit is in sight.

Fifth, these experts contend that the agreement would be a significant political achievement. As they put it, it "could compensate in political punch what it lacks in military meaning." The argument runs that it would make this Reagan administration, more likely to limit SDI deployment and to do nothing that would jeopardize the framework for future arms control agreements. This senator's political instincts suggest exactly the opposite political reaction from the Reagan administration. Once the administration buttons up this arms control agreement, they will contend that they have now met their arms control agenda. So then what do they do? Then it will be time for them to "get serious" about building up strategic weapons, including as early as possible a deployment of SDI.

Sixth, and finally, Mendelsohn and Sigal claim that a comprehensive agreement controlled all strategic forces including SDI would logically follow the INF accord, with the details to be worked out in a subsequent administration. And this would leave President Reagan a bright place in history. Dream on, gentlemen. No President has more consistently or effectively opposed arms control than this President. Here is a President who has refused to keep this Nation's treaty-ratified promise to negotiate an end to nuclear weapons testing. He has allowed the SALT II offensive nuclear arms limitation treaty to lapse without raising a finger to renegotiate or extend it. With his championing of SDI, he has taken dead aim on the only other significant arms control treaty between the superpowers, the ABM Treaty.

The fact is that the proposed INF agreement might, indeed, become the basis for significant further arms control agreements. Or it might not. That depends on how we build on it. And the logical way to build on it is with two quintessential ingredients: First, an agreement for a mutual limitation on conventional arms and personnel with the Soviet Union; second, a comprehensive—and I mean comprehensive—total strategic arms control of the kind the President has consistently opposed.

Mr. President, I ask unanimous consent that the article to which I referred from the Los Angeles Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A STEP FORWARD ON ARMS CONTROL—ACCORD WOULD MEAN MORE POLITICALLY THAN MILITARILY

(By Jack Mendelsohn and Leon Sigal)

Seven years of fitful negotiations may finally have brought the United States and the Soviet Union to the brink of concluding an agreement to limit intermediate-range nuclear forces. Even though the Soviets have accepted the "zero option" first proposed by the United States and will be dismantling many more warheads than the United States, the prospect of an agreement has aroused anguish in Helmut Kohl's West German government, opposition from Reps. Jack Kemp (R-N.Y.) and Les Aspin (D-Wis.) and the Olympian criticism of Richard M. Nixon and Henry A. Kissinger.

Amid the clamor of contending voices, six points should be kept in mind.

An INF agreement will not mean the denuclearization of Europe. Under terms of the zero option, the United States would have to remove 208 ground-launched cruise missiles and 108 Pershing 2 ballistic missiles from European soil. That would still leave more than 4,000 U.S. nuclear warheads in place, not to mention those of the British and French or on U.S. carriers offshore. Even if the 1,000 or more battlefield nuclear weapons were removed, more than 2,000 U.S. nuclear weapons would remain. As if that were not enough, the North Atlantic Treaty Organization is considering whether to add new missiles and bombs to its nuclear arsenal.

An INF agreement will not decouple Western Europe from U.S. protection. The ties that bind America to Europe are those of interest and sentiment, not the physical presence of U.S. nuclear weapons. The site from which U.S. nuclear strikes would be launched against the Soviet Union would hardly affect calculations in the Kremlin or the White House about whether an American President would be willing to risk retaliation against the United States for the first use of nuclear weapons on Europe's behalf—"coupling," in NATO parlance.

An INF agreement will not affect the military balance. What deters a deliberate attack on Western Europe continues to be the conventional balance of power, which is not nearly as one-sided as the Pentagon likes to pretend, plus the risk of escalation to nuclear war. The elimination of INF warheads from Europe does not change that. Even if all 1,500 INF warheads now deployed in Europe are removed, it will reduce the nuclear arsenals of the superpowers by less than 3%.

An INF agreement would make a modest but useful contribution to military stability. It is the threat of war, not the number of weapons, that arms control above all seeks to reduce. Thus stability, not reduction, is the ultimate test of any agreement. By that standard, the zero option does not diminish the deterrence of premeditated war. And it somewhat reduces the risk of inadvertent war in a crisis by eliminating the Pershing 2, which—by virute of its range, accuracy and short flight time—can attack Soviet command and control facilities in a matter of minutes. That gives the Soviets an incentive to preempt in a crisis, which puts both sides at risk of becoming embroiled in a nuclear war that neither sought. For stability to be greatly enhanced, the superpowers would have to agree to reduce their strategic nuclear weapons, not just INF.

An INF agreement will be truly meaningful if it leads the way to other, more far-reaching, arms-control measures. The draft INF treaty is based on a rather simple concept: Eliminate a class of weapons defined by range (300 to 3,300 miles) and characteristics (land-based missiles). Nuclear weapons with ranges below 300 miles or above 3,300 would not be covered by an INF accord. Nor would those based at sea or launched or dropped from bombers. An INF accord would thus be both lonely and exposed. If subsequent agreements limiting strategic weapons and conventional forces are not reached in due time, inevitable quantitative and qualitative developments will undercut the value and jeopardize the viability of an INF accord—especially so in view of the Administration's repudiation of SALT I and SALT II, a repudiation that leaves no limits on strategic nuclear forces.

An INF agreement could be a significant political achievement. The accord could compensate with political punch for what it lacks in military meaning. It would oblige an Administration, avowedly hostile to any arms control, to defend a bilateral security arrangement with the Soviet Union before Congress and the people. That would make it more difficult for the Administration to proceed unilaterally with programs, like the premature deployment of a primitive SDI, that do nothing for U.S. security and jeopardize the very framework required for future arms-control agreements.

An INF accord could point the way to further advances on the arms-control front. Agreement on the outline of a more comprehensive accord controlling strategic offensive forces and SDI is still possible, provided the United States is prepared to scale back its intention to develop and deploy strategic defenses. The framework could be concluded by a summit meeting this fall, with the details to be negotiated in 1988 and ratification to await a new Administration. That would be an arms-control achievement worthy of strong bipartisan support. And it would earn President Reagan a bright place in history.

NOW THEY'LL SIGN THE DECLARATION OF INDEPENDENCE

Mr. PROXMIRE. Mr. President, 36 years ago my predecessor, Senator Joe McCarthy was riding high in this body and in this country. He was undoubtedly the best known U.S. Senator throughout the world. Exactly 36 years ago last July 4, an imaginative young reporter for the Madison Wisconsin Capital Times dramatically demonstrated the effect of Senator McCarthy's anti-Communist crusade on our home State. He circulated a document that consisted exclusively of sections from the Declaration of Independence, the Bill of Rights and the 15th amendment that gave blacks the right to vote. Reporter Hunter asked 112 Madison persons to sign the petition. How many agreed to sign? Exactly one. An astonishing 111 refused to sign. President Harry Truman called attention to this failure in a speech in Detroit a few days later. President Truman blamed the lies and smears and fear campaign of Senator McCarthy.

A few days ago the same John Hunter tried again with the same petition. Again he asked 112 persons to sign his Bill of Rights, Declaration of Independence petition. What a difference. This time I am happy to report 102—or more than 90 percent—signed the petition.

Mr. President, this is good news for all of us. I ask unanimous consent that a copy of the petition and the story by John Patrick Hunter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THIRTY-SIX YEARS LATER, CITIZENS SIGN CONSTITUTION

(By John Patrick Hunter)

Out of 112 people interviewed on the Fourth of July in Madison, only 10 refused to sign a Capital Times "petition."

The document consisted exclusively of sections from the Declaration of Independence, the Bill of Rights, a portion of the Preamble to the Constitution and the 15th Amendment, which gave blacks and former slaves the right to vote.

The results were a startling contrast to a similar effort made 36 years ago when only one person among 112 people approached on July 4, 1951, agreed to sign a similar petition circulated by the same reporter.

Nearly all of last Saturday's signers appeared eager to add their names to the petition, and only a handful failed to recognize the familiar phrases of the historic documents.

Sections of the city in which signatures were sought Saturday closley paralleled areas covered in the 1951 attempt—the downtown Capitol Square, Vilas Park, and the Memorial Union Terrace on the University of Wisconsin-Madison campus.

The earlier story, published on the front page of this newspaper on July 5, 1951, drew national attention, especially after President Harry Truman mentioned it in a major speech.

Truman cited the failure of Madisonians to sign the Capital Times Fourth of July petition as proof of the damage being done in the United States by McCarthyism and "all those lies and smears and fear campaigns" referring to an anti-communist witch hunt conducted by the late Sen. Joseph R. McCarthy, R-Wis.

"Think of it, in the capital of the state of Wisconsin, on the Fourth of July in this year 1951, good Americans were afraid to sign their names to the language of the Declaration of Independence," Truman said in a speech in Detroit.

But not this time. Where before some refused to sign the petition out of fear or because they failed to recognize the language of the Founding Fathers, nearly everyone approached told this circulator that the segments were part of the Constitution, the Bill of Rights and the Declaration of Independence.

"This is easy to recognize," said 12-year-old Sabrina Holmquist, who will enter the eighth grade at Jefferson Middle School this fall.

"It's the Bill of Rights and the Preamble to the Constitution," Sabrina added.

Sabrina's signature followed those of her mother and father, Albert and Laurie Holmquist.

One of the persons who refused to sign it, a woman who identified herself as "Kathy K." but declined to give her last name, said she would not sign it because the Declaration of Independence was "sexist."

Standing in the shade of a Capitol Square oak tree, Kathy pointed to the well-known sentence in the Declaration: "We hold these truths to be self-evident, that all Men are created equal . . ."

She took exception to the word "Men."

"No, I won't sign it, because I disagree with the first line. I am a feminist and I don't think this applies to me," Kathy said.

In contrast, dozens of others appeared eager to sign the petition.

In 1951, it was late afternoon before this petitioner found the only person approached willing to sign it—Wentworth A. Millar, 527 Toepfer Ave. Saturday morning, Jane L. Boltz, of Madison, the first person approached, quickly recognized the familiar language of the petition and willingly signed her name.

"This is what we are supposed to believe in—these words of long ago," said Boltz.

In 1951, several people who refused to sign asked this reporter if he were a communist. "Get the hell out of here with that communist stuff," said a Vilas Park picknicker in 1951.

Saturday, another Vilas picknicker, Dennis MacIntyre, also refused to sign the document. He said he disagreed with that segment of the First Amendment that says "Congress shall make no law respecting the establishment of religion or prohibiting the exercise thereof."

"I don't agree because of the way the First Amendment has been interpreted," MacIntyre said. "Some say the Bill of Rights denies the people the right to practice their religion."

"No thank you," said a man seated on the steps of the State Street Capitol entranceway. "It's a holiday and I don't sign things on the Fourth of July." He was the only person in the course of a long day who expressed outward annoyance at being asked for his signature.

"I'll sign it, it is the basis of our ideals," said James J. Meili, of McFarland.

Gregory Volz, of Evansville, another signer, said: "It is a good time to remind the people of our heritage." Volz said the Declaration of Independence "does sound revolutionary, doesn't it?"

One person, who read the petition with care but handed it back without his signature, was asked if he recognized the words of the document. "No, not really."

Suellen Albrecht, of Oregon, at the Farmers Market Saturday morning, signed the petition without hesitation. "It's part of the Constitution, isn't it?" Albrecht chairs the Wisconsin Democratic Party.

Another signer added his name after being assured the petitioner was not a "fundamentalists preacher." He pointed his finger to the Bill of Rights segment that said "Congress shall make no law respecting the establishment of religion, or prohibiting the free exercise thereof."

"It looks very good to me," said another, P.J. Eagan of Madison. "This is something we all believe in."

"I think I recognize it," said a smiling Joyce Davidson, Sioux Falls, S. Dak., as she added her name.

"It is pretty strong language, but sure, I'll sign it," said Sharon Chasser, Madison.

Tim Wadlington, signing, said: "I have no problem supporting the Constitution."

"Yes, I'll always support the First Amendment," said Joel Green, Minneapolis.

"That is not hard to sign," said Helene Lovell at a picnic in a west-side Crestwood park.

Lea Zeldin, another Madisonian, crossed out the word "Men" in the Declaration of Independence and wrote "people" in its place before signing the petition.

She also added her own proposed constitutional amendments calling for rights to a job, rights to health care, and rights to food and shelter.

"Don't you think we ought to improve the Constitution? It's not a static document, you know."

"What a perfect day for this—the Fourth of July," said Mary Michie as she signed.

"Sure, I'll sign it, it is a part of our past," said Deb Packard, shouting to be heard above the pulsating sound of the Piper Road Spring Band, playing to a packed audience Saturday afternoon on the Memorial Union Terrace.

"There goes your name on the old mailing list," said R. Kupp to Packard. But he added his own name after reading the document.

The sun had started to slide down the horizon toward Middleton as people gathered at twilight to witness the Shorewood Hills fireworks displays. Rita and Bob Malinowski, seated in the back of a new Toyota pickup truck behind the Sheboygan Avenue State Office Building, both added their names. "That's our Constitution, sure I'll sign it," he said.

Darkness called off the search for other signatures.

THE STAR WARS HEAVY-LIFT LAUNCH VEHICLE

Mr. PROXMIRE. Mr. President, on Saturday, July 12, President Reagan signed into law the fiscal year 1987 supplemental appropriations bill. I would like to comment on section 5 of the Department of Defense portion of that supplemental appropriations bill. This section, which I'm pleased to see is now enacted, deals with the advanced launch system [ALS] that was formally known as the heavy-lift launch vehicle.

The administration has claimed that it urgently needs money to develop an advanced launch system to transport large quantities of materials into space.

It claims that this advanced launch system is a national priority.

It claims that the Air Force urgently needs an advanced launch system, and that NASA urgently needs an advanced launch system.

Well, Mr. President, nothing could be further from the truth.

Yes, the Air Force and NASA have said that the advanced launch system would be a nice heavy-lift vehicle if it were dumped in their laps. And yes, the Air Force and NASA could find uses for an advanced launch system.

But both the Air Force and NASA have admitted that they had no pressing need for an advanced launch system before the administration announced it wanted one. Both the Air Force and NASA have admitted that the current fleet of rockets and shuttles could carry all the payloads they planned to put into space.

So why the sudden urgency for an advanced launch system? I can give you the answer in two words: star wars.

In order to put the hundreds of millions of pounds into space that star wars would require, the strategic defense initiative needs an advanced launch system to haul this cargo. And in order to begin an early deployment of a partial star wars system, SDI is rushing money now into the advanced launch system.

That's why the administration requested an urgent supplemental appropriations for the advanced launch system, and that's why the administration wants funding for SDI space transportation to grow tenfold in fiscal year 1988.

Presently, it costs about $3,000 to lift a pound of material into space. That's too expensive for a star wars system.

For that reason, SDI last year said it would have to develop a space transportation system that by the end of the century would lift material into space for $300 a pound.

But with the big push for a near-term development of star wars in the 1994-95 timeframe, SDI is proposing a hurry-up schedule for space transportation.

SDI wants to build an advanced launch system by 1994 instead of waiting until the end of the century so it can orbit the space-based rockets for the near-term deployment. And in addition to a far-off cost goal of $300 per pound, SDI wants to build an advanced launch system for the near-term 1994-95 deployment with an interim cost goal of $1,000 per pound.

In other words, Mr. President, SDI wants to build two advanced launch systems: One in the 1994 that lifts at a cost of $1,000 per pound, and another by the end of the century that lifts for $300 a pound.

Proceeding with this type of schedule for the advanced launch system would have a number of serious consequences for the future of U.S. space transportation.

First, SDI's near-term deployment would have to rely on a transportation system that cannot meet the original goal of a tenfold reduction in launch cost to $300 a pound. At best SDI could only achieve a threefold reduction in launch costs by 1994. This would put the near-term deployment at a severe launch cost disadvantage from the beginning.

Second, rushing into a hurry-up program to build an advanced launch system with a 1994 deadline poses additional risks for our space program. If the shuttle tragedy has shown us anything, it has shown us that hurry-up and unrealistic schedules can have tragic consequences. But that's exactly the kind of crash program SDI is proposing with the advanced launch system.

Finally, this rush to build an interim advanced launch system will hurt NASA's future civilian space program. In the past, America's giant rockets have been developed by NASA. However, SDI wants the Defense Department to dominate the development of the advanced launch system. If that is allowed to happen, we will end up with a tremendously wasteful misallocation of resources and talent.

Mr. President, the House in its supplemental appropriations bill zeroed out all funds for the advanced launch system. The Senate in its supplemental included $131 million for the ALS.

The conference more or less split the difference and agreed to provide $75 million for the advanced launch system.

Mr. President, I would have preferred that the conference had adopted the House position and not appropriated any funds for the ALS. There's really no pressing need for the advanced launch system at this time. There seems to be a majority consensus in both the Senate and the House that a near-term deployment of strategic defenses would not enhance U.S. national security.

I was pleased, however, that this conference, on which I served, approved legislative language concerning the development of an advanced launch system.

This legislative langauge, whose drafting I was involved with as a member of the Defense Appropriations Subcommittee, originated in the Senate's supplemental appropriations bill.

The language that was approved in the conference report places three requirements on the development of the advanced launch system.

First, the conference report requires that before any money beyond the $12 million is spent, NASA and the Department of Defense put together a plan for jointly developing an advanced launch system.

Second, the conference report mandates that any ALS we build be able to lift material into space for $300 per pound—not for $1,000 per pound as proposed for the interim goal. In other words, any advanced launch system that is built must reduce launch costs tenfold, not threefold. The conferees specifically prohibited funds from being used for the interim launch cost goal.

Finally, the conference report specifically prohibits the advanced launch system from being developed for use in a near-term deployment of strategic defenses. None of the funds appropriated can be used to facilitate any early deployment of ballistic missile defense.

Mr. President, the conference has established sound requirements for the development of an advanced launch system.

These requirements will make the ALS development the national program the administration says it should be.

These requirements force the ALS development to achieve the ultimate goal of lifting material into space for $300 per pound, instead of the interim goal of $1,000 per pound.

And finally, these requirements prohibit the advanced launch system from being used for early deployment of strategic defenses, which most of us agree would be an unsound and dangerous step for this Nation to take.

I yield the floor.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I ask unanimous consent that the time between now and 9:30 a.m. today be equally divided and controlled by the two leaders or their designees.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that Senators may speak out of order during the first hour and that they may introduce bills and resolutions as in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. BYRD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that it be equally charged.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS SUBJECT TO CALL OF THE CHAIR

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

There being no objection, the Senate, at 8:42 a.m., recessed subject to the call of the Chair.

The Senate reassembled at 8:55 a.m., when called to order by the Acting President pro tempore [Mr. PROXMIRE].

Mr. BURDICK addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized.

(The remarks of Mr. BURDICK will appear later in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

Mr. BURDICK. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WIRTH). Without objection, it is so ordered.

INTELLIGENCE OPERATIONS

Mr. MELCHER. Mr. President, there is no wonder the Central Intelligence Agency and other secret operations add up to nearly $20 billion a year from the U.S. Treasury.

Lieutenant colonels should not be in charge of far-reaching, continuing secret operations. No amount of sincerity and earnestness by Lieutenant Colonel North can replace the experience that is necessary to justify the decisions in developing policy actions that are just short of war but can result in involving the U.S. Naval and Air Force placements.

The joint committees questioning North have burrowed into the substance of his actions prior to the time President Reagan discharged him from the National Security Council.

Those hearings revealed that he is a true believer in secret operations and has not hesitated to set U.S. foreign policy on dangerous grounds, ignoring the need for better experience and consultation with superiors to check him out.

North is young, handsome, and obviously dedicated to covert operations, and he reveres the deceased Director of Central Intelligence, William Casey.

But the purpose of intelligence gathering is to provide accurate information to military commanders, including the President, so that the President, upon consultation, can set foreign policy.

North should be just part of the operation, but it is clear that he believes history has placed him as a linchpin to execute secret operations so bizarre as to sell arms to Khomeini and Iran and plow the money back into supporting the Contras in Nicaragua.

Although North displays the silver and bronze stars for his service in Vietnam, below which he dangles the larger medals to designate his expertise with rifle and pistol, does he believe the chain of command is so short as to put him in charge of contriving to sell armaments around the world and to shovel both tax and private dollars in and out of secret accounts in hostage and Contra deals?

The substance of the secret operation which he espoused so earnestly is an operation that sold arms to Iranian officials with the idea that it might open the door to discussions of releasing American hostages held in the Middle East. That immediately creates chaos since swapping arms for hostages was not and is not U.S. policy.

Second, dealing with the middlemen placed North in the position of representing the U.S. Government in secretly turning over U.S. armaments in profitmaking ventures with the money being hidden in Swiss bank accounts accruing to private operators who spent the money as they saw fit, some of it going to their own uses such as a protective fence for North's home and some going to other profiteers who bought goods for the Contras. That has not been and should not be U.S. foreign policy.

Although the President is in charge of all of this, and probably knew very little about it, the point is, Why was North ever allowed to be in charge?

Generals and admirals do not make policy; they execute it. CIA Directors do not make policy; they gather information.

Youngish, middle-level officers have never been allowed, up until North, to set the course of the country.

The committees hearing this testimony are made up of Congressmen and Senators who are divided on how they individually voted on Contra aid. There never was a vote in Congress, indeed no one ever foolishly suggested, that we sell armaments to Khomeini's intermediaries. And no one ever foolishly suggested that we contrive deals in selling U.S. armaments abroad and take the profits to Swiss bank accounts to enrich gunrunners, and peel it off here and there to help those who believe in the Contra cause.

The debates in Congress and the President's discussion on his position on Iran, the hostages and the Contras, are a matter of public record. I personally oppose, as the President does, trading arms for hostages or providing arms to Iran, but I differ with the President and many of my colleagues in Congress on Contra aid. I do oppose it. Perhaps I am more gung ho than the President, Colonel North, or my colleagues in Congress who support Contra aid in that I believe our first step should be shutting off Cuban-Soviet arms shipments into Nicaragua.

But I remind you, Mr. President, that all of those discussions in debating and considering what is our policy, what is the U.S. position on this, is done in public as far as the position of Congress and as far as the President's position, being made known to the people of the United States.

But whatever U.S. policy is now or is going to be, the secret operations of intelligence gathering are used only by the President and those military commanders he designates. The public must have confidence that the President as Commander in Chief has control of foreign policy. There can be little public confidence if the rampant, diverse, secret intelligence operations are in charge of lieutenant colonels, no matter how earnest and sincere they may be.

No wonder we are spending nearly $20 billion per year through U.S. intelligence agencies.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from Colorado, without objection, dispenses with further proceedings under the quorum call.

CLOTURE MOTION

The PRESIDING OFFICER. One hour having passed since the Senate convened, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the Moynihan amendment, No. 367, relating to the Persian Gulf, to S. 1420, a bill to authorize negotiations of reciprocal trade agreements, to stengthen United States trade laws, and for other purposes.

Senators J.J. Exon, Robert C. Byrd, John Glenn, Paul Simon, Jim Sasser, Daniel P. Moynihan, J. Bennett Johnston, Terry Sanford, Kent Conrad, Wendell Ford, Claiborne Pell, Carl Levin, Alan Cranston, Bob Graham, Dale Bumpers, and Brock Adams.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The legislative clerk called the roll, and the following Senators answered to their names:

[Quorum Vote No. 19]

Adams
Byrd
Chiles
Moynihan
Roth
Warner
Wilson

The PRESIDING OFFICER. A quorum is not present.

Mr. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

Mr. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia [Mr. BYRD] to instruct the Sergeant at Arms to request the attendance of absent Senators. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from South Dakota [Mr. DASCHLE], the Senator from Tennessee [Mr. GORE] and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I also announce that the Senator from Arkansas [Mr. PRYOR] is absent because of death in the family.

Mr. SIMPSON. I announce that the Senator from Wisconsin [Mr. KASTEN] is necessarily absent.

The PRESIDING OFFICER (Mr. SHELBY). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 84, nays 10, as follows:

[Rollcall Vote No. 188 Leg.]

YEAS—84

Adams
Armstrong
Baucus
Bentsen
Bingaman
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Graham
Grassley
Harkin
Hatch
Hatfield
Hecht
Heflin
Heinz
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Packwood
Pell
Pressler
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Warner
Wirth

NAYS—10

Bond
Gramm
Helms
Murkowski
Nickles
Proxmire
Quayle
Wallop
Weicker
Wilson

NOT VOTING—6

Biden
Daschle
Gore
Kasten
Pryor
Simon

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the Moynihan amendment No. 367 relating to the Persian Gulf, S. 1420, Omnibus Trade and Competitive Act of 1987, shall be brought to a close.

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from South Dakota [Mr. DASCHLE], the Senator from Tennessee [Mr. GORE] and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I also announce that the Senator from Arkansas [Mr. PRYOR] is absent because of death in the family.

Mr. SIMPSON. I announce that the Senator from Wisconsin [Mr. KASTEN] and the Senator from Idaho [Mr. MCCLURE] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 53, nays 40, as follows:

[Rollcall Vote No. 189 Leg.]

YEAS—53

Adams
Baucus
Bentsen
Bingaman
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Conrad
Cranston
DeConcini
Dixon
Dodd
Exon
Ford
Fowler
Glenn
Graham
Harkin
Hatfield
Heflin
Hollings
Humphrey
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Proxmire
Reid
Riegle
Rockefeller
Roth
Sanford
Sarbanes
Sasser
Shelby
Specter
Stennis
Weicker
Wirth

NAYS—40

Armstrong
Bond
Boren
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Danforth
Dole
Domenici
Durenberger
Evans
Garn
Gramm
Grassley
Hatch
Hecht
Heinz
Helms
Karnes
Kassebaum
Lugar
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Quayle
Rudman
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson

NOT VOTING—7

Biden
Daschle
Gore
Kasten
McClure
Pryor
Simon

The PRESIDING OFFICER. On this vote, the yeas are 53, the nays are 40. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

Mr. BYRD. Mr. President, there were five Senators on this side of the aisle who were absent. Had they been here, they would have voted for cloture, so we would have had 58 votes for cloture.

I should say in that regard that Senator PRYOR is absent because of a death in the family, and I think that should be stated on the record. Otherwise, he would be here.

The Senate has voted for the third time on the conduct of American policy in the Persian Gulf with regard to the reflagging of Kuwaiti tankers.

This vote, like the previous two votes, is again another signal of the great concern that the U.S. Senate has with regard to the President's announced policy.

We may be going down the road to another Beirut. We are raising the stakes in the Persian Gulf as a result of the failure of the Iran-hostage gambit. A majority of the Senate has again gone on record as saying that this announced policy is one more dangerous step toward conflict with Iran. We are going pellmell down the road. We have absolutely no idea as to what may be around the bend.

This vote, like the other two votes, is a vote of caution. We need to think through the policy to understand the full consequences of what we are about to do by reflagging the Kuwaiti tankers. The American people should not be caught by surprise. This vote, like the other two votes, has failed to invoke cloture. Nevertheless, it is a clear signal of the concern and caution. It should be recognized for that, and I hope the White House is getting the signal.

Mr. President, I yield the floor.

Mr. DOLE. Mr. President, let me indicate that the U.N. Security Council is going to be meeting, not on this very issue of reflagging, but on a cease fire in the Persian Gulf area, maybe today, maybe tomorrow, but sometime this week.

It seems to me that that would be a big step in the right direction, and that would ease the concerns that many have—not just in this Chamber, but many Americans have—about our ventures in the Persian Gulf, whether it is reflagging or whatever.

In the meantime, it seems to me that it is in our interests to see what happens in the United Nations. As I have indicated, I think reflagging is a done deal. I think that agreement has been made. I am not very comfortable with it myself, but to undo it or delay it would further erode our credibility in that part of the world. I hope we can work out some arrangement, and there have been efforts to put together a bipartisan resolution which would call upon the administration to continue consultations with Congress and, at the appropriate time, to convene a conference, or at least to suggest a conference, of exporters and importers of oil, to see if we can reach some agreement with all the exporting and importing countries.

Finally, I point out that there were two Members on this side who did not vote; and had they been here and voted, they would have voted against invoking cloture.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with the consideration of the bill (S. 1420).

Pending:

(1) Moynihan Amendment No. 367, to express the sense of the Congress with respect to the proposed protection by the United States of reflagged Kuwaiti tankers in the Persian Gulf.

(2) Byrd Amendments No. 368 (to Amendment No. 367), in the nature of a substitute.

(3) Bumpers Amendment No. 450, to provide that no funds shall be available during the 89-day period following enactment of the Act to accomplish the reflagging of any Kuwaiti naval vessels.

(4) Hatfield Amendment No. 451 (to Amendment No. 450), of a perfecting nature.

A motion was entered to close further debate on Bumpers Amendment No. 450 and, pursuant to the provisions of Rule XXII of the Standing Rules of the Senate, the cloture vote will occur on Wednesday, July 15.

Mr. BYRD. Mr. President, we are back on the trade bill. I believe there will be an amendment by Mr. QUAYLE which will be called up, and then, upon the disposition of that amendment, there will be an amendment by Mr. HOLLINGS. Those two are sequenced into the order, as of Friday.

I have talked with both managers, Mr. BENTSEN and Mr. PACKWOOD, and they are very desirous of getting on now with the bill and trying to finish it today.

Let me say what I have said upon a number of occasions; namely, if the Senate finishes its work on the trade bill today and tomorrow, including the extension of the debt limit—in other words, if the Senate can complete action on the extension of the debt limit and the trade bill by the close of business tomorrow evening—the Senate will not be in session on this coming Friday.

On Thursday of this week, the Senate will not be in session because of the special event that is occurring in Philadelphia in connection with the writing of the Constitution which occurred there, in the City of Brotherly Love, 200 years ago this year. So the Senate will not be in session on Thursday.

But the Senate will be in session Friday if action is not completed on the trade bill and on the debt limit extension.

It seems to me that it behooves us to do everything we can to work hard to try to complete action on these two matters, not just that the Senate would not be in on Friday in the event we complete action on them but because we have been on the trade bill now for close to 3 weeks and the members of the Finance Committee which, of course, includes the two managers, have to give their attention to the reconciliation measure which will be coming along shortly and they need to get both the trade bill and the debt limit through the Senate because they are very much involved in both. Then they will be involved in the reconciliation measure, as I have indicated.

So it is very important to get the trade bill finished—they have to go to conference at some point on that—and get the debt limit extension acted upon. That has to go to conference. I think it is clear that we have our work cut out for us.

Senators who have amendments who are bound and determined to call them up should do so today. We have had difficulty in getting Senators to come to the floor and call up their amendments. The managers have been here dutifully at their posts of responsibility and they have been wanting to act on amendments and a good many amendments have been acted upon.

As I understand it, there is not a great number of amendments that remain, some of which would be acceptable, I am told, to the two managers.

I yield to the distinguished Senator from Texas, the chairman of the Finance Committee, for any comment he may have and I ask unanimous consent none of the time that I have taken here will be with prejudice to the Senator from Indiana [Mr. QUAYLE].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, we see listed approximately 20 amendments yet to be taken care of and amongst those there are quite a number that I think we could work out that would not require a vote. If we could get the Members to come forward and do that with staff now we could move along on that.

But here is what we are facing in the Finance Committee. We start our hearings tomorrow morning insofar as reconciliation, and we will be having them Wednesday, Thursday, and Friday.

I certainly understand the necessity for being back here Friday to try to finish this up if we cannot finish it up tonight. I would hope we could avoid it and if the Members with those amendments will come forward, I think that we can finish it up. It may be a bit late tonight, but I think we could put this one to bed and get it passed.

I strongly urge our colleagues to come over and offer their amendments as soon as we have some disposition of the amendment of the Senator from Indiana [Mr. QUAYLE].

But we really are in conflict insofar as our own committee and the demand on our time and the pressures to get reconciliation resolved.

So I urge we move ahead with them if we can.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

The PRESIDING OFFICER. Under the previous order, the Senator from Indiana is recognized to call up an amendment.

AMENDMENT NO. 495

(Purpose: To express the sense of the Senate that each Senate committee that reports legislation that requires employers to provide new employee benefits secure an objective analysis of the impact of the legislation on employment and international competitiveness and include an analysis of the impact in the report of the committee on the legislation.)

Mr. QUAYLE. Mr. President, I send an amendment to the desk on behalf of myself and Senator BUMPERS.

The PRESIDING OFFICER. The clerk will read the amendment.

The bill clerk read as follows:

The Senator from Indiana [Mr. QUAYLE], for himself and Mr. BUMPERS, proposes an amendment numbered 495.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 643, between the end of the table of contents and line 1, insert the following new section:

SEC. . IMPACT OF NEW EMPLOYEE BENEFITS ON EMPLOYMENT AND INTERNATIONAL COMPETITIVENESS.

(a) FINDINGS.—The Senate finds that—

(1) in times of budgetary stringency, it is difficult to enact legislation providing new employee benefits at an additional cost to the taxpayer;

(2) there is an attractive theory that employee benefits can be provided at no cost to the taxpayer by requiring that the benefits be provided by employers; and

(3) requiring employers to provide new employee benefits imposes substantial costs on employers (especially small businesses), the economy (in terms of international competitiveness), and employees (in terms of lost jobs).

(b) SENSE OF THE SENATE.—It is the sense of the Senate that each Senate committee that reports legislation requiring employers to provide new employee benefits—

(1) secure an objective analysis of the impact of the legislation on employers (especially small businesses), the economy (in terms of international competitiveness), and employees (in terms of lost jobs), before the committee reports the legislation; and

(2) include an analysis of the impact in the report of the committee on the legislation.

The PRESIDING OFFICER. The Senator from Massachusetts.

AMENDMENT NO. 496

(Purpose: To express the sense of the Senate that each Senate committee that reports legislation that requires employers to provide employee benefits or otherwise affects employment levels and conditions shall secure an objective analysis of the costs and benefits of the legislation to employees, employers, and international competitiveness, and shall include an analysis of these effects in the report of the committee on the legislation)

Mr. KENNEDY. Mr. President, I send a perfecting amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 496 to Amendment No. 495.

On page 1, beginning with line 6, strike out all through the end of the amendment and insert in lieu thereof the following:

(1) legislation requiring employers to provide new employee benefits or otherwise affecting employment levels and conditions may impose both benefits and costs on employers, employees, and taxpayers; and

(2) such legislation may also benefit or hinder the international competitiveness of United States firms.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that each Senate committee that reports legislation requiring employers to provide employee benefits or otherwise affecting employment levels and conditions should—

(1) secure objective analysis of the benefits and costs of the legislation to employees, employers, and the international competitiveness of the economy before the committee reports the legislation; and

(2) include an analysis of the matters described in clause (1) in the report of the committee on the legislation.

The PRESIDING OFFICER. Who seeks recognition?

Mr. QUAYLE. Mr. President, I do.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. I am seeking recognition, Mr. President. Thank you.

Mr. President, I have not seen this perfecting amendment. I have asked my staff to read it and give me comments. I hope to be able to read it during the debate of the Senator from Massachusetts.

I would only say that on our resolution, which was Senate Resolution 218, we had strong bipartisan support in the Senate for that resolution dealing with the issue of mandated benefits. If the perfecting amendment is one that is to be constructive and add help to Senate Resolution 218, so be it. I welcome that help and assistance. If it not and it is to be destructive or to go in a different way, then I obviously will have a different viewpoint.

I do not know the desire of the Senate from Massachusetts.

I point out to the Senator that on Friday afternoon I had an amendment that I was prepared to call up. There was an objection heard to calling this amendment up on behalf of the chairman of the committee and, therefore, after debate it did not go forward.

Obviously, over the weekend the chairman and staff have taken a look at this and now have offered a perfecting amendment. We just got it. We would be in somewhat of a disadvantaged position to talk about it, but I will talk about what Senate Resolution 218 is and what the desire of the Senator from Indiana has been all along.

Mr. President, what we have is an issue on this sense-of-the-Senate resolution offered by myself, Senator BUMPERS and many other cosponsors of Senate Resolution 218 to try to address the very important issue of mandated benefits.

Mandated benefits are really benefits that will be mandated by the Federal Government to the employer. As to the sense-of-the-Senate resolution that I was offering that was rather direct, very straight-forward, I would just like to state what the resolve clause of that sense-of-the-Senate resolution is.

It says:

Resolved, it is the sense of the Senate that each Senate committee that reports legislation requiring employers to provide new employee benefits, one, to secure objective analysis of the impact of the legislation on employers, especially small businesses, the economy and in terms of international competitiveness and employees in terms of lost jobs before the committee reports the legislation and include analysis of the impact of the report of the committee on the legislation.

What we are attempting to do, Mr. President, is to say that if we are going to get into this whole area of mandated benefits we ought to know what we are doing, and right now we are sort of in a lost world as far as what the impact is on jobs, what the impact is on small business, what the potential impact is on international competitiveness.

We do not have any objective analysis that have been rendered on that, and I think we should.

Sometimes mandated benefits may in fact be a good thing. I know that I have supported mandated benefits in the past and probably will support some in the future. I know that this Congress has in fact passed mandated benefits along the lines of providing extended health insurance for the unemployed. That was a good idea. The Senator from Massachusetts was involved in that as I was and a number of others and it was put in the reconciliation and passed and became law.

We do not know what the actual impact of that is and probably should have looked at it at the time we passed it.

Since passing that, there are going to be others—I can think of three of them that are in the Labor and Human Resources Committee. We have the occupational disease notification, the minimum health benefits package and parental level and all these are in the area of mandated benefits of where the Government is going to mandate the employer to do something that was going to cost the employer money.

This is really a new way to have the employer basically pick up the tab for what Uncle Sam used to do. The old way and the old school of doing things was sort of tax and spend.

Well, the tax and spend philosophy has been fairly well repudiated. So we are going to have to be a little more subtle about how we go about, in legislating, to doing things that perhaps the Congress wants to do. Instead of taxing, raising the revenues and then returning it and spending it, what we in fact are doing is to say to the employer that, "You will do these things that we used to do." "We" being the Federal Government. So this in essence is a substitute for the idea of tax and spending.

Everyone knows, for all practical purposes, the Federal Government is broke. We have huge Federal budget deficits. And in lieu of having the huge Federal budget deficits, you cannot go about doing things that you did in the past, and that is just to create a Government program, create a Government program to fulfill some social obligation that is perceived or is there in reality. And, therefore, what we are going to do is come along and say, "OK, we cannot do it, but the desire is still out there and, therefore, the employer, the employer, is going to do it."

Well, if we are going to load up the employer—and basically, mandated benefits is an indirect tax. Any time you, being the Government, require an employer to do certain things that are going to cost money, it, in effect, is a tax, an indirect tax, but it is an additional tax of doing business. As we raise the cost of capital, if we raise the cost of conducting business, obviously we ought to see how this is going to play in our whole international competitive arena, how this is going to impact on potential jobs and unemployment and particularly on what the impact is going to be to small businesses in this Nation.

Obviously, big business can afford and perhaps do a lot of the mandated benefits already. Whatever the Congress may deem from time to time should be done, the bigger businesses do not have that much of a problem. They say, "We do not mind doing that, or we can do it. It won't cost that much money in terms of our gross sales."

But if you take the same attitude and look at the small businessman, the mom and pop shop, the retail outlet, the grocery store, that small businessman or woman, they really are getting in a pinch, Mr. President. They are getting in a pinch when the Government says you are going to do this and you are going to do that and you have to pay for that. These costs add up. And, instead of just being a small percentage of their gross sales, adding these employee-mandated benefits on can become quite a significant increase.

So, the sense-of-the-Senate resolution is one that we ought to have just an objective analysis on as to the impact on jobs, impact on international competition and small business, and how our economy is going to operate. I do not think that is too much to ask.

I suppose that the Senator from Massachusetts will tell us what is wrong with Senate Resolution 218—I look forward to the debate—and why Senate Resolution 218 is not going to be helpful and see where, in fact, we may go.

If there is a sincere desire to try to work something out, that is fine. If there is a desire just to sabotage what is incorporated in Senate Resolution 218 and to take the Senator's amendment and perfect it, well, that will not be satisfactory and I can only say we will probably be on this for quite some time.

I do not believe that we should be. I think that I was prepared to go on Friday. We received this latest amendment 2 minutes ago. It was unexpected. We did not know it was going to come. Quite frankly, I do not think it was necessary. We were willing to enter into a 20-minute time agreement or a 30-minute time agreement. That was unacceptable.

I am ready to proceed. So, at some time the Senate is going to come to a disposition of this amendment. Maybe it will not be right now. I do not know. I have to sit down and read this amendment offered by the Senator from Massachusetts to see what it says.

As I said, if it is a desire to facilitate and help along and to complete Senate Resolution 218, perhaps there is something that can be worked out. If it is not, then, so be it.

The only thing I can say is that this amendment, I think, is very important. I think it is very important that the Senate go on record in saying that we are concerned about the impact of this potential legislation that is going to be coming down the pike. It is legislation that has been introduced. It is legislation that has had hearings. It is legislation that is going to be before this Senate very soon. And this Senate, being the great deliberative body that it likes to think of itself as, ought to take a little time to at least look at some of the analysis that will focus upon some of the very, very important parts of our economy.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the Senate has nearly completed its work on its package of trade and competitiveness measures. Considering the significance of these measures, an apparently modest proposal such as that offered by the Senator from Indiana should not consume a great deal of our time.

We have, as the distinguished majority leader takes pains to remind us, many important matters on which we must act after we vote on the trade bill. And so, I will take just a few moments to comment upon Senator QUAYLE's proposal, to explain to my colleagues why the Labor and Human Resources Committee tabled a similar proposal offered by Senator QUAYLE earlier this year, and to offer an amendment to Senator QUAYLE's amendment.

Like all committees, the Labor Committee considers the potential costs and benefits of all the legislation it considers. And we are always interested in studies or analyses from objective sources. But, as we found out during the many weeks we considered Senator QUAYLE's original proposal, objective sources are not easy to come by. The chamber of commerce, for example, is surely not an objective source of analysis on these subjects.

We looked for some competent, disinterested analysts to see what kind of analysis they might be able to perform. At Senator QUAYLE's suggestion, our staffs met with representatives of the Congressional Budget Office, the Bureau of Labor Statistics, and the General Accounting Office. Each of the three agencies expressed skepticism that anyone could perform an analysis of the sort we had in mind in the time that would be available before a committee was ready to report out legislation.

Moreover, CBO and BLS told us that they were not in a position to perform such a service for the committee.

We pursued the matter further with the GAO. Senator HATCH and I sent a letter to GAO asking about their capacity and willingness to perform such an analysis. In a letter dated June 1, 1987, Mr. Richard Fogel, Assistant Comptroller General, wrote a response, which I ask unanimous consent to be printed in the RECORD in its entirety.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. GENERAL ACCOUNTING OFFICE,
Washington, DC, June 1, 1987.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, U.S. Senate.

Hon. ORRIN G. HATCH,
Ranking Member, Committee on Labor and Human Resources, U.S. Senate.

DEAR SENATORS: This letter is in response to your April 24, 1987, letter asking whether GAO could provide the Committee with employment impact estimates for legislative proposals requiring employers to provide certain compensation or benefits.

We will try to respond to any specific request from the Committee for analysis of legislative proposals, but we are reluctant to agree to continuing work requirements because of the resulting need to set aside specialized staff who are then unavailable to respond to other congressional needs. We are also concerned about the timing issue. It is difficult for us to estimate the length of time needed to perform this kind of analysis without some additional research, however, it is likely that the 60- to 90-day timeframe would limit our ability to fully answer your questions. We could identify factors likely to affect employment, the sectors affected, and possibly provide a broad-range estimate. However, a longer timeframe to perform analyses and more experience in doing them would allow us to provide better and more precise estimates.

With respect to the methodology to be used, benefits mentioned (minimum wage, parental leave, and mandatory health benefits) would each require a somewhat unique methodology and require a study of a unique set of literature and modeling techniques. Estimates such as those requested are subject to some considerable uncertainty and are sensitive to the specific provisions of the proposal and a wide variety of analytical assumptions. We would, therefore, suggest that if you wish to proceed with this work that we agree on the general nature and timing of the output required.

Our staff is available to further discuss the Committee's needs and can be reached by calling William Gainer, our Associate Director for Education and Employment, on 275-5365.

Sincerely yours,
RICHARD L. FOGEL,
Assistant Comptroller General.

Mr. KENNEDY. In the letter, Mr. Fogel told us that the task of identifying and modeling the factors that would affect employment would be subject to lots of assumptions and would be different in each case. He also said that any estimates would be "subject to some considerable uncertainty." He also indicated that the magnitude of the task made GAO reluctant to agree to continuing work requirements of this sort.

Mr. President, I am all in favor of objective studies on the effects of legislation. But we must confront the facts. First, the kind of study that would be reliable may be impossible to perform without making many debatable assumptions. Second, it may be impossible to perform an analysis that takes account of all relevant factors in the space of a few months.

Third, none of the normal sources of assistance to Congress will be available on an ongoing basis. It is far more reasonable for us to seek out and compile whatever objective analyses and studies may be available.

A further concern I have with the current language in Senator QUAYLE's proposal is that it focuses only on the possible detrimental effects of proposed legislation. There may be positive effects as well.

Obviously, the employees who are protected benefit. But there are also benefits to employers and to our international competitiveness. A good example of these beneficial effects can be found in our recent hearings on my minimum health benefits proposal.

During that hearing Senator QUAYLE asked some of the business witnesses whether our proposal would impede the international competitiveness of their business.

These witnesses—top executives of Chrysler, American Airlines, and Baxter Travenol Laboratories—replied that the legislation would have just the opposite effect. They testified that it would enhance their competitiveness by ensuring that all businesses paid their fair share of health insurance premiums for workers and their families.

This proposal would reduce the premiums of companies that do provide health insurance, because those premiums now pay for family members who work for employers that do not have health insurance and because the prices charged insurers include the costs of providing care to the uninsured. If it is objectivity we are after, I think we should be sure to consider the positive effects such as these, as well as consider possible costs.

The amendment I now offer would make several changes in Senator QUAYLE's proposal. First, it would make clear that the objective analysis need not be a single analysis from a single source. My amendment simply calls for objective analysis to be secured. Thus, as we are doing with our minimum wage proposals, we may secure studies from academic sources and from groups that do econometric analyses, or from whatever sources are available.

Second, my amendment calls for objective analysis of both the benefits and the costs of proposed legislation.

Third, because my amendment makes this analysis less formal and more balanced, the amendment extends the call for such analysis to all measures with significant impact on employment levels or conditions. Of course, many committees already consider these effects.

I offer this change in the spirit of objectivity, in recognition of the fact that employment and competitiveness can be affected by a variety of means.

The amendment calls for the committee to provide its analysis of the costs and benefits in its report on the legislation. Again, this need not be in any particular form. This provision is meant to encourage committees to address and analyze these costs and benefits in whatever ways are practicable.

As the expert agencies emphasized to us, it is not possible to do a respectable economic analysis that produces a single estimate of costs, or of jobs lost or gained. All legislators must balance for themselves the costs and benefits of proposals on the basis of all they hear, from interested as well as disinterested sources.

In conclusion, let me say that I have no quarrel with the idea of encouraging committees to consider the effects of proposed legislation on employees, employers, and international competitiveness. I simply ask that the Senate not create artifical procedures that might delay consideration of proposed measures by committees. I also ask that the Senate not adopt a one-sided call for supposedly objective analysis. I urge adoption of my amendment.

Mr. QUAYLE addressed the Chair.

The PRESIDING OFFICER (Mr. REID). The Senator from Indiana.

Mr. QUAYLE. Mr. President, I would state to the Senator from Massachusetts that I had a quick reading of this and at least we are getting closer, probably, to some sort of an understanding of what the desires of the Senator from Indiana are. I think that some headway, particularly from where we were as far as saying we do not need any analysis on the idea of international competitiveness or small business or jobs or the economy—at least I sense that the direction of the Senator's perfecting amendment to Senate Resolution 218 goes in my direction.

There are some concerns that we probably do have with this. We are just trying to figure out the impact.

As the Senator knows, there are a lot of times that words can mean different things. I would suggest that perhaps, either we can do it on the floor or privately, we see if there is any way to try to come to an agreement between these two versions. I do not think that it is a difference between night and day. I do think that there are some fundamental differences that can probably be worked out if the Senator from Massachusetts is desirous of doing that.

I have no intent and I do not desire to hold up the Senate. We have as I said, broad, bipartisan support. We have 8 Democrats and 24 Republicans who support this Senate Resolution 218.

So this sense-of-the Senate resolution that I have offered has fairly deep support.

If the Senator is desirous of trying to work something out without really unduly affecting what I am trying to do, I think I would be perfectly willing to accommodate him on that and perhaps we can work something out in a fairly short period of time.

If we cannot, we cannot. But I think it would certainly be going in the direction of what I have been trying to do. We just got this amendment—however long I have been speaking, 7,8,10 minutes ago. He has had my resolution since May and had it over the weekend.

I think perhaps it might be fruitful to go ahead and see if we can work something out, if that is the desire of the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Carolina.

Mr. THURMOND. Mr. President, I am pleased to be a cosponsor of this resolution, expressing the sense of the Senate that committees reporting legislation requiring employers to provide new employee benefits must secure an objective analysis of the impact that legislation will have on employment and international competitiveness. In addition, the results of this analysis would be included in the report from the committee on the particular legislation involved.

This resolution does not prejudge the merit of any bill. Rather, its purpose is to give us an opportunity to consider the employment and competitive impact of proposed increases in labor costs when individual bills are reported to the floor. I think it is vital that we make these key assessments regarding our employment and our international competitive position.

Mr. President, the United States plays an important role in the global economy. However, recently, Americans have come to perceive that we may be at a serious competitive disadvantage in comparison to such nations as Japan and Korea, and that imports from such development nations as the Philippines, Mexico, and Brazil are hurting both our economy and our manufacturing base. Dislocated workers, who may never return to their old jobs in the textile, steel, auto, or electronics industries, would be justified in blaming our inability to compete on excessive Federal regulations and increased labor costs imposed on American business by Congress. Surely we should not enact more legislation imposing additional labor costs on business without first seriously and objectively assessing its impact on our international competitiveness. This is all this resolution requires.

Mr. President, the Federal Government is broke. There is no money for new Federal programs, and opposition to more taxes is strong. Because we are running a deficit, many of my colleagues have proposed an indirect method of financing new benefits for current workers. Several Members of Congress have resolved to establish a Federal mandate that new benefits for current workers will be paid in full, not by the Federal Government, but directly by employers.

Proposals have been advanced to remedy a number of perceived social ills. All of the proposals have good intentions. Legislation has been introduced to provide for parental leave and mandated health insurance, and soon we may see federally mandated occupational disease compensation.

While mandated benefits offer a benefit to employees at little cost to the Federal Government, they are not free. They cost money—and they cost jobs. Ultimately, the price of benefits for currently employed workers is paid for by those who cannot get jobs because higher labor costs reduce job growth.

Increased labor costs have some adverse impact on employment. While economists differ about the extent the impact of mandated benefits have on employment, most would agree that they have some adverse effect on employment. This resolution is designed to help us measure that impact in an objective manner. Since we measure inflation, unemployment, interest rates, the stock market, housing starts and many other key economic factors, we should begin to take a look at another key factor in the economy—benefit mandates.

An objective analysis of the impact that mandated benefits legislation may have on employers, especially small business, must be an essential part of the legislative process. Small businesses have created a majority of the jobs in our economy, and these job-generating establishments are particularly sensitive to changes in labor costs. In addition, we have a duty to forecast the impact that new benefit mandates will have on workers through lost jobs, and on our economy—particularly their effect on the competitive stance of this Nation.

Mr. President, I just want to say that small business is having a rough time, and to mandate these benefits on small business will run a lot of them out of business. We should take the proper steps to protect small business that means so much to the economy of this Nation.

I urge my colleagues to support this resolution.

Mr. President, I yield the floor.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, it was only 10 years ago today that Jack Kemp and myself introduced our legislation proposing that the marginal rates of taxation be cut by 30 percent over a 3-year-period. I might say that at that time the proposal did not bring about much attention or interest. I think in our press conference we had two reporters, one from my State of Delaware and one from Buffalo, NY.

But, as is well known, this proposal ultimately became the centerpiece of the Reagan economic package. In 1981, Congress did adopt legislation reducing the marginal rates of taxation by 25 percent over a 3-year period.

Mr. President, I think that legislation is the cause for the economic growth that this country has been enjoying in the period since then. As a matter of fact, we are currently in the 56th month of economic expansion, the second longest peacetime upswing since World War II.

I think the Roth-Kemp legislation can also take great credit for helping create new jobs. It is too little understood that since 1982, over 13 million new jobs have been created. In contrast, the entire continent of Europe has had virtually no job creation since 1974.

The economic outlook remains positive, with no signs of recession. It is anticipated that in 1987 the real GNP growth will be about 3 percent. It is also interesting to note that with this creation of 13 million new jobs, they are not, as some have claimed, low-paying jobs, but, rather, they are middle-class or high-paying jobs.

The record shows that despite the mythology to the contrary, since 1981 high- and middle-pay jobs have each accounted for 47 percent of the new jobs. Only 6 percent of the jobs were in the low-paying category.

I might also say that the myth that the American economy is deindustrializing is not borne out by the facts. Manufacturing accounts for around 22 percent of GNP, roughly the same as 20 years ago.

I might say in my own State of Delaware our unemployment rate is 2.9 percent, the second lowest State unemployment rate in the Nation.

I am pleased that the Kemp-Roth legislation has sparked the revitalization of the American economy—real growth rather than the inflation, high interest rates, and high unemployment which characterized our economy in the seventies. I find it somewhat ironic, Mr. President, that just 10 years later, after the economy has turned around, when this Nation once again faces a future bright and prosperous, this Congress is talking once again about raising taxes. As a matter of fact, the $64 billion tax increase proposed in the budget resolution adopted by the House and Senate is exactly the wrong way to go. Higher taxes will not help this economy grow. It will not help create jobs. It is my understanding that this tax increase proposed by the congressional budget resolution would on average raise taxes for each working individual $643.

Mr. President, instead of raising taxes, we should be continuing to look at ways of simplifying and reducing taxes. I hope that Congress will have the good sense in the days, weeks, and months ahead not to vote for the kind of tax increase proposed by the majority party.

I recently released a study which shows that whenever Congress raises taxes, it raises spending even more. This study concluded that for every dollar of increase in revenue, Federal spending goes up $1.58. So it is foolish to try to argue that by raising taxes we are going to reduce the deficit, when everybody knows what it will really do is increase spending.

Mr. President, over the 10 years since my distinguished friend and colleague, JACK KEMP, and I proposed a major, across-the-board reduction in marginal rates of taxation, this tax cut program became the centerpiece of Mr. Reagan's economic package, and most importantly it has worked. It has worked well by creating new jobs, new opportunities. As a result of this tax reform, contrary to what the critics were saying, today the wealthy are paying more taxes than they were before. The record shows that the richest 1 percent of taxpayers, those with 1985 incomes above $108,000 paid almost 20 percent more in taxes in 1985 than they did in 1981, while middle-income Americans are paying less taxes because of the changes through Roth-Kemp.

The tables below provide IRS data showing that both the amount and share of taxes paid by the wealthiest Americans have increased sharply since 1981. As the second table shows the tax burden of the wealthiest 1 percent has increased 4 percentage points since 1981, lifting some of the tax burden of low- and middle-income Americans.

TABLE I.—TAX PAYMENTS OF PERCENTILE

[Constant 1985 dollars/millions]

Year	Wealthy top 1 percent	Upper income top 5 percent	Middle class 5 to 50 percent	Lower income under 50 percent
1981	60,273	116,686	192,356	24,882
1982	59,955	111,295	174,939	22,696
1983	58,192	108,728	162,326	20,945
1984	64,940	118,955	166,236	22,639
1985	72,063	131,416	171,079	23,125
1981–85 percent change	+19.6	+12.6	−11.1	−7.1

TABLE II.—SHARE OF TAX BURDEN BY PERCENTILE

[In percent]

Year	Wealthy top 1 percent	Upper income top 5 percent	Middle class 5 to 50 percent	Lower income under 50 percent
1981	18.05	34.94	57.61	7.45
1982	19.41	36.03	56.62	7.35
1983	19.93	37.24	55.59	7.17
1984	21.10	38.64	54.01	7.35
1985	22.13	40.36	52.54	7.10

Thank you, Mr. President.

Mr. DURENBERGER. Mr. President, I rise in support of the resolution offered concerning mandated benefits. It is especially appropriate that the Senator has offered this amendment in the context of our debate on overhauling our trade laws.

The impetus for the Omnibus Trade Act has been driven by America's extraordinary deficit in international trade. Much of that deficit is directly attributable to the Federal Government's profligate spending policies which led to extraordinary budget deficits and an artificially inflated dollar. But it is not just direct spending policies of the Federal Government that have harmed our ability to compete in the global marketplace.

In recent years, Washington has discovered a "backdoor spending" policy known as mandated benefits. As we have devolved social responsibilities away from Washington, we have shifted the burdens of paying for these responsibilities onto local governments and small employers who do not have the resources to pay for them.

Mandated benefits legislation is the closest thing I can think of as the legislators' free lunch. Today, we cannot afford to create a new social spending program without finding a way to tax the people to pay for the program. So, instead of raising taxes to pay for these programs, we simply create a new legal obligation that business must comply with.

We all know, however, that there is no free lunch. Companies stuck with the direct and indirect costs of social legislation have no choice but to pass on the additional costs to consumers in the cost of the products and services they sell. This not only contributes to inflation but also lessens our international competitiveness. Moreover, for the hundreds of thousands of small business in America—the incubators of American creativity and the generators of the greatest number of new jobs—these Federal mandates can cripple their efforts to grow and survive.

I do not want to suggest that such indirect spending programs are never justified. When businesses pollute, the Government is clearly justified in requiring such industries and their customers to bear the costs of reducing emissions. And it is clearly appropriate for the Government to mandate occupational safety standards that protect workers from the hazards of the workplace and provide social insurance.

It is also important to note that the idea of having companies provide many of these benefits originally resulted from agreements entered into between corporations and labor unions. The benefits concept is not a government invention. But the Federal Government did recognize in 1954 the importance of such benefits and permitted many of them to be granted to employees tax free.

However, in 1954, the demand for these benefits was not very great and the cost of providing them was not terribly expensive. Today, we have an almost unlimited demand for these benefits, and as the demand has multiplied, the costs of providing these benefits have skyrocketed. The result has been that many smaller employers are not able to provide these benefits and remain competitive.

In my view, there are some instances where the costs to business of the social policy obligations we place on them cannot be justified for those in an internationally competitive marketplace. Nor can we justify imposing many of these costs on small companies involved in seasonal or cyclical industries. In some instances, these additional costs can be the decisive factor in determining a company's ability to survive.

In my view, employers should have the right to choose among the competing needs and desires of their employees in fixing benefits packages. Employees must have the right to decide the mix of their compensation package. Whether the package trades off higher wages for broader health insurance, or parental and medical leave, companies and employees should have greater flexibility in developing the appropriate benefit package.

Yet, it is clear that Congress will, in the future, endeavor to consider legislation mandating benefit costs on business. I believe that when we consider such bills, we in the Senate have a responsibility to better understand that the costs of providing those benefits will be. That is precisely what this resolution does.

It requires that before a Senate committee reports legislation requiring employers to provide new employee benefits, the committee must provide an analysis of the impact of the legislation on employers, especially small businesses. This analysis must also assess both the impact of the proposed legislation on our international competitiveness, as well as the potential number of jobs that might be lost as a result of the legislation.

I think it is only fair that we require such reports when Congress adopts back door spending legislation. There is clear precedent for such reports. Section 252(a) of the Legislative Reorganization Act of 1970 and sections 308 and 403 of the Congressional Budget Act require congressional committees to assess the Federal budget costs of all legislation. I see no reason not to apply a similar standard to legislation that will impose additional costs on American business.

Mr. WALLOP. Mr. President, my colleague from Indiana [Mr. QUAYLE] has proposed a simple but very important resolution which reaches to the very heart of the American economic success story. The United States has the strongest, most resilient economy in the world. One reason for the boldness of our economy is that we have avoided the mistakes of our European trading partners. Country after country in Western Europe has rigid requirements applied to the private sector. The ability to start a new business, the incentives to excel in one's craft or trade are stymied by an incredible array of labor laws and practices.

Here in the United States, we have maintained a free and open economy. It is no wonder that American entrepreneurs are viewed as heroes in Europe. It is not surprising that America has created 9 million new jobs in just the past 7 years, while there has been no new job creation in Western Europe for over a decade. In fact, they have experienced a net loss of 1 million jobs.

The trade bill currently being debated should be a vehicle for expanding markets and opportunities. Unfortunately it does neither. If its worst provisions, such as the plant closing provisions, were to become law, the United States would be setting a course which would leave us as dead in the water economically as are our European competitors.

I can understand how Europe has followed business-labor policies leading to stagnation. The mercantilist and guild traditions go back for centuries in Europe. It is hard to give up practices that people are comfortable with. However, government regulation and management of business practices is totally alien to America.

A survey of legislation introduced in the 100th Congress indicates that there is an urge by some to have the Federal Government micromanage business and labor activities. We have legislation to mandate private employers to provide health insurance. Legislation is pending to provide labor protection provisions which guarantee a workers wages at a specified level even when they are not working. There are several notification bills which duplicate existing programs or dictate to employers how they will manage their business.

In the remarks I made when we began debate on the trade bill, I described a recent critical development in our economy. As we have adjusted to competition in the international marketplace, we have made progress in controlling our labor costs. Unit labor costs is one of the key determinants of competitiveness. For 1987, it appears that the relative unit labor costs of the United States will be less than Japan and our European trading partners. As of last month, unit labor costs in Japan and West Germany were 42 percent and 93 percent higher respectively than unit labor costs in the United States. These two countries are our most aggressive trading partners, yet we are now beating them in terms of labor costs. Unfortunately, this advantage will be destroyed if we willy-nilly mandate increased labor costs through the current barrage of labor legislation.

The end result of this avalanche of labor legislation will be a stagnant, managed economy. There could be nothing more disastrous to free markets and economic progress than the Europeanization of our economy. We need to stop and reflect on what we are doing with this massive intervention by government. This resolution is a simple proposal to allow us at least to analyze the cost in terms of employment and international competitiveness of legislation requiring employers to provide certain benefits to employees.

My view is that such independent, objective analysis will bring us to our senses. We may even develop a legislative reluctance to take what one Nobel laureate economist has described as the road to serfdom. I am proud to be a cosponsor of the Quayle amendment, and believe that this is one item in the trade bill which should become public law.

Mr. KARNES. Mr. President, I take the floor today to offer my support for the pending amendment of Mr. QUAYLE. Judging from my experience as a private businessman, I think that this amendment makes good sense from both an economic and a business perspective.

This amendment sends a very simple message to the leaders of the various Senate committees. The message is, "Look at the total impact of legislation to mandate employee benefits, weigh the benefits against the costs and try to determine the net result of new employment policies before giving them the force of law." If the U.S. Senate is going to mandate business policy and create burdens which usurp and supersede the judgments of business owners and managers, then the Senate should, at the very least assess the impact of its action prior to taking such action.

Frankly, I find it hard to believe that the process that this amendment advocates is not already the standard committee procedure. Common sense dictates that the Senate should take the time and put forth the effort to determine whether a particular measure will achieve the overall positive result that it is setting out to achieve for our Nation's work force. This amendment does not make a statement about the merits of any legislative concept which mandates employee benefits.

Clearly, employment concerns are important. However, we must recognize that there are two sides to the coin. In order to enhance competitiveness and give American business, especially small business, the ability to regain our position of strength in world markets we should not enact broad Federal mandates that act contrary to these goals. Although mandated employee benefits may not effect the international competitiveness of some businesses, the mandates could have a dramatic adverse impact upon the competitiveness of many others. Without an objective analysis of the implications of these mandates, Congress will be shooting in the dark and will very likely miss their target.

As we continue the debate over the U.S. international trade policy and talk about adopting a get-tough competitive attitude toward our foreign trading partners, we don't want to enter this vast arena shadowed by a failure in setting a proper domestic business climate. American business is already burdened by the ominous shadows cast by the looming Federal deficit, expanded governmental spending, and the prospect of the single largest tax increase in our Nation's history. If mandated employee benefits will in fact impose additional burdens upon our businesses' ability to compete on an international scale, then Congress should use all reasonable methods available to make this determination before the proposal is enacted into law.

I urge my colleagues to support this amendment and send a message to our business leaders that we are conscious of all the problems they are facing and that we will do our best to consider all factors that may affect competitiveness.

Mr. GRASSLEY. Mr. President, I am a cosponsor of this bill, and I support the resolution as amended.

I will do so primarily because I think that, in the interest of responsible policymaking, we should have available, when acting on legislation, the kind of information we would have on hand if this resolution is accepted.

There are a number of bills working their way through the Congress which would require employers, including public employers, to provide certain employee benefits and to pay for them, or, at least share their cost. Our at least that is the intention of their sponsors.

It is no great secret as to why we have a flowering of such legislation. Our Federal deficit is so large that it effectively makes it difficult to launch such programs as Federal initiatives.

Unfortunately, although it appears on the surface that it would be employers who would pay for the benefits contemplated by the legislation to which I am referring, it is not so clear that that is the case. They could as well be paid for in the form of foregone other benefits, lower wages, fewer jobs, or decreases in the competitive position of American firms vis-a-vis foreign firms.

My concern here is not to indicate disapproval of any legislation on employee benefits which might be working its way through the Congress. My concern is to stress that all legislation involves tradeoffs, and we should know as best we can who is going to pay for such legislation, and how much they will be asked to pay.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. QUAYLE. Mr. President, I believe that we may have this worked out between myself and Senator Kennedy. Senator KENNEDY objected to Senate Resolution 218 on two grounds as I understand it. One, he wanted to make sure that any resolution which dealt with the objective analysis dealing with employment, international competitiveness, impact on small business, also get objective analysis on the benefits on the legislation. So we would not only have the objective analysis on the costs to the employer to provide for the employee but we also have an objective analysis of the benefits that the employee is going to gain from the passage of legislation like occupational disease notification or minimum health benefits, parental leave, things along those lines. He wanted to make sure that the analysis could include what the benefits were going to be.

I have no problem with that. As a matter of fact, I think that is going to be the debate that we will have on these issues and I think the more information we have, whether it is on the benefits side or on the costs side, and that impact particularly to employment, the language that we are actually going to use on this, levels and condition of employment, will make sure that we get both sides on it. We have corrected that part per the concern of the Senator.

The other concern I think was just a typographical error on our part where by a literal reading he is absolutely correct; we did say secure an objective analysis. That could be read to say you are only going to get one. We do not want to leave it that way. We will leave that free; if you want to go to GAO, CBO, or one of the think tanks, Brookings, AEI, Hudson, an objective analysis would be part of it.

I think what we have is an understanding of that. Perhaps to get out of the parliamentary situation at some time very soon, I would simply ask unanimous consent to withdraw both my amendment and the perfecting amendment and have this new amendment agreed to. My own personal opinion at this juncture is that there would be no need to have a rollcall vote. The Senator from Indiana and the Senator from Massachusetts are in agreement on this amendment. We would simply agree to it. I think if we had a vote, it would be 100 to nothing. There is no reason in view of the time constraints to have everyone come over and vote and delay things. I know Senator HOLLINGS and Senator GLENN want to get an amendment up.

So if that is permissible, I would go ahead, Mr. President, and ask unanimous consent to withdraw the amendment.

The PRESIDING OFFICER. The Senator need not have unanimous consent. He has a right to withdraw the amendment.

Mr. QUAYLE. Parliamentary inquiry. Will the Kennedy perfecting amendment also come with it?

The PRESIDING OFFICER. That is true.

Mr. QUAYLE. Mr. President, I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. The amendment is deemed withdrawn.

AMENDMENT NO. 497

Mr. QUAYLE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Indiana (Mr. QUAYLE) proposes an amendment numbered 497.

Mr. QUAYLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 643, between the end of the table of contents and line 1, insert the following new section:

SEC. . IMPACT OF NEW EMPLOYEE BENEFITS ON EMPLOYMENT AND INTERNATIONAL COMPETITIVENESS.

(a) FINDINGS.—The Senate finds that—

(1) in times of budgetary stringency, it is difficult to enact legislation providing new employee benefits at an additional cost to the taxpayer;

(2) employee benefits can be provided at no direct cost to the taxpayer by requiring that the benefits be provided by employers; and

(3) requiring employers to provide new employee benefits may impose substantial costs on employers (especially small businesses), the economy (in terms of international competitiveness), and employees (in terms of levels and conditions of employment) and may also provide substantial benefits in these and other areas.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that each Senate committee that reports legislation requiring employers to provide new employee benefits—

(1) secure objective analysis of the impact of the legislation on employers (especially small businesses), the economy (in terms of international competitiveness), and employees (in terms of levels and conditions of employment), before the committee reports the legislation; and

(2) include an analysis of the impact in the report of the committee on the legislation.

Mr. QUAYLE. Mr. President, this is the agreed-upon amendment between the Senator from Indiana and the chairman of the Labor and Human Resources Committee. I think I have outlined the concerns of the chairman that have been taken care of and I have no further debate.

Mr. KENNEDY. Mr. President, I urge the Senate adopt the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Indiana.

The amendment (No. 497) was agreed to.

Mr. QUAYLE. I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. QUAYLE. Mr. President, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from South Carolina is recognized to call up an amendment.

AMENDMENT NO. 488

Mr. HOLLINGS. Mr. President, I call up amendment No. 488 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS], for himself, Mr. DANFORTH, Mr. BAUCUS, Mr. EXON, Mr. RUDMAN, Mr. HEINZ, Mr. EVANS, Mrs. KASSEBAUM, and Mr. MCCAIN proposes an amendment numbered 488.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 752, strike all from line 3 through line 25 on page 882 and insert in lieu thereof the following:

SEC. 3701. OFFICE OF SMALL BUSINESS TRADE REMEDY ASSISTANCE.—

(1) There is established in the Department of Commerce the Office of Small Business Trade Remedy Assistance. The Office shall be administered by a Director of Small Business Trade Remedy Assistance, who shall be appointed by the President, by and with the advice and consent of the Senate. The Secretary of Commerce, through the Director of Small Business Trade Remedy Assistance, shall carry out all functions transferred to the Secretary by paragraph (7).

(2) The Director of Small Business Trade Remedy Assistance shall—

(A) provide full information to small businesses concerning—

(i) remedies available to them under the trade laws; and

(ii) the petition and application procedures, and the appropriate filing dates, with respect to such remedies; and

(B) provide assistance to small businesses in preparing petitions and applications to obtain such remedies.

(3)(A) The Director of Small Business Trade Remedy Assistance shall establish and maintain a system for paying reasonable expenses incurred by an eligible small business in connection with any administrative proceeding conducted under any trade law if the Director determines that such small business is in need of assistance in paying such expenses.

(B) The Director shall prepare a written evaluation of any request for attorneys' fees, consultant fees, and other reasonable expenses incurred by an eligible small business in connection with an administrative proceeding conducted under any trade law. Such document shall contain an evaluation, for each such expense, of—

(i) the sufficiency of the documentation of the expense;

(ii) the need or justification for the underlying item; and

(iii) the reasonableness of the amount of money requested.

(C) Payments may be made to an eligible small business under subparagraph (A) with respect to only one administrative proceeding per fiscal year.

(D) With respect to any proceeding, payment for reasonable expenses under subparagraph (A) may be made—

(i) in any case in which the amount of such expenses does not exceed $200,000, in an amount not to exceed 50 percent of such expenses, and

(ii) in any case in which the amount of such expenses exceeds $200,000, in an amount not to exceed the sum of—

(I) 25 percent of the amount of such expenses in excess of $200,000 but not more than $400,000; plus

(II) the amount payable under clause (i).

(E) No payment shall be made under subparagraph (A) with respect to any proceeding which the Director of Small Business Trade Remedy Assistance determines to be frivolous or for purposes of harassment or delay.

(F) Payments may be made under subparagraph (A) with respect to any proceeding only after determinations made in such proceeding have become final and may not be appealed.

(4) For purposes of paragraph (3)—

(A) The term "reasonable expenses" includes attorneys' fees and expenses for data collection and the services of consultants.

(B) The term "eligible small business" means any business concern which, in the agency's judgment, due to its small size, has neither adequate internal resources nor financial ability to obtain qualified outside assistance in preparing and filing petitions and applications for remedies and benefits under trade laws. In determining whether a business concern is an eligible small business, the agency may consult with the Small Business Administration, and shall consult with any other agency that has provided assistance under subsection (b) to that business concern. An agency decision regarding whether a business concern is an eligible small business for purposes of this section is not reviewable by any other agency or by any court.

(C) The term "trade laws" means—

(i) chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq., relating to relief caused by import competition);

(ii) chapters 2 and 3 of such title II (relating to adjustment assistance for workers and firms);

(iii) chapter 1 of title III of the Trade Act of 1974 (19 U.S.C. 2411 et seq., relating to relief from foreign import restrictions and export subsidies);

(iv) title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq., relating to the imposition of countervailing duties and antidumping duties);

(v) section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862, relating to the safeguarding of national security); and

(vi) section 337 of the Tariff Act of 1930 (19 U.S.C. 1337, relating to unfair practices in import trade).

(5) To carry out paragraph (3), there are authorized to be appropriated not in excess of $3,000,000 for fiscal year 1989 and each succeeding fiscal year.

(6) The Director of Small Business Trade Remedy Assistance shall submit an annual report on the operation of the Office to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives. Such report shall include recommendations for legislation necessary to enable the Office to carry out its functions.

(7) There are transferred to the Secretary of Commerce all functions of the Trade Remedy Assistance Office of the United States International Trade Commission.

TITLE XXXVIII—INTERAGENCY COMMITTEES AND COMMISSIONS

Subtitle A—Council on Economic Competitiveness

PART I—ESTABLISHMENT OF COUNCIL

SEC. 3801. ESTABLISHMENT.

There is hereby established in the Executive branch of the Federal Government as an independent agency the Council on Economic Competitiveness (hereafter in this subtitle referred to as the "Council").

SEC. 3802. DUTIES OF THE COUNCIL.

The duties of the Council are to—

(1) collect, analyze, and provide information concerning current and future United States economic competitiveness useful to decision-making in government and industry;

(2) monitor the changing nature of research, science, and technology in the United States as well as the changing nature of the United States industrial economy and its capacity—

(A) to provide marketable, high quality goods and services in domestic and international markets; and

(B) to respond to international competition;

(3) create a forum where national leaders with experience and background in business, labor, academia, public interest activities, and government will—

(A) identify problems hindering the economic competitiveness of the United States;

(B) develop and promote recommendations to address such problems; and

(C) create a broad consensus in support of such recommendations;

(4) develop and promote a national vision and specific policies which enhance the productivity and international competitiveness of United States industries;

(5) serve as a clearinghouse that identifies and monitors—

(A) Federal and private sector resources devoted to increased competitiveness; and

(B) State and local government programs devised to enhance competitiveness, including joint ventures between universities and corporations;

(6) comment on private sector requests for governmental assistance or relief, specifically in order to determine whether—

(A) the applicant is likely, by receiving the assistance or relief, to become internationally competitive in the future; and

(B) any adjustment commitments should be entered into by relevant parties, such as management and employees of the applicant, shareholders, creditors, suppliers and dealers, and financial institutions, in order to ensure that the applicant is likely to become internationally competitive in the future;

(7) establish, when appropriate, subcouncils of public and private leaders to develop long-term forecasts and visions for sectors of the economy and to comment upon specific economic issues;

(8) review and evaluate specific policy recommendations developed by the subcouncils and transmit such recommendations to the Federal agencies responsible for the implementation of such recommendations;

(9) prepare and publish reports containing the recommendations of the Council;

(10) annually report to the President and the Congress on—

(A) the ability of the United States to be internationally competitive;

(B) the status of major sectors of the United States economy; and

(C) the effect that existing policies of the Federal Government are having on the ability of the sectors of the economy to compete internationally;

(11) evaluate and comment upon existing and future Federal policies, practices, and regulations, including fiscal and monetary policies and the budget of the United States Government, with respect to the impact on competitiveness of such policies, practices, and regulations; and

(12) review and comment upon any competitiveness impact statement required by any statute.

SEC. 3803. MEMBERSHIP.

(a) Composition.—

(1) The Council shall consist of 9 members, of which—

(A) 3 members shall be appointed by the President;

(B) 3 members shall be appointed by the majority leader and the minority leader of the Senate, acting jointly; and

(C) 3 members shall be appointed by the Speaker of the House of Representatives.

(2)(A) Members shall be appointed to the Council from among individuals who are—

(i) national leaders with experience and background in business, including small business and advanced technology industries;

(ii) national leaders with experience and background in the labor community;

(iii) individuals from academic institutions and individuals who have been active in public interest activities; and

(iv) representatives of State and local governments.

(B) All members of the Council shall be individuals who have a broad understanding of the United States economy and the United States position in the world economy.

(3) Not more than 5 members of the Council shall be members of the same political party.

(b) Initial Appointments.—All of the initial members of the Council shall be appointed within 90 days after the date of enactment of this Act.

(c) Term of Office.—The term of office of each member of the Council shall be 6 years, except that—

(1) of the members first appointed under subsection (a)(1)(A), 1 shall serve for a term of 2 years, 1 shall serve for a term of 4 years, and 1 shall serve for a term of 6 years, as designated by the President at the time of appointment;

(2) of the members first appointed under subsection (a)(1)(B), 1 shall serve for a term of 2 years, 1 shall serve for a term of 4 years, and 1 shall serve for a term of 6 years, as designated by the majority leader and the minority leader of the Senate at the time of appointment; and

(3) of the members first appointed under subsection (a)(1)(C), 1 shall serve for a term of 2 years, 1 shall serve for a term of 4 years, and 1 shall serve for a term of 6 years, as designated by the Speaker of the House of Representatives at the time of appointment.

(d) Limitation on Service.—No member of the Council may serve more than 2 consecutive terms, except, that any appointment to fill a vacancy for the remainder of a term in which remains a period of less than 2 years shall not be considered a term for purposes of this subsection.

(e) Vacancies.—

(1) A vacancy on the Council shall be filled in the same manner in which the original appointment was made.

(2) Any member appointed to fill a vacancy on the Council occurring before the expiration of the term for which such member's predecessor was appointed shall be appointed only for the remainder of such term.

(3) A member of the Council may serve after the expiration of such member's term until such member's successor has taken office.

(f) Removal.—Members of the Council may be removed only for malfeasance in office.

(g) Conflict of Interest.—A member of the Council may not serve as an agent or attorney for, or performed any other professional service for or on behalf of, the government of any foreign country, any agency or instrumentality of the government of a foreign country, or any foreign political party.

(h) Compensation.—

(1) Each member of the Council who is not employed by the Federal Government or any State or local government—

(A) shall be compensated at a rate equal to the daily equivalent of the rate for level II of the Executive Schedule under section 5315 of title 5, United States Code, for each day such member is engaged in duties as a member of the Council; and

(B) shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from such member's usual place of residence, in accordance with section 5703 of such title.

(2) Each member of the Council who is employed by the Federal Government or any State or local government shall serve on the Council without additional compensation, but while engaged in duties as a member of the Council shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from such member's usual place of residence, in accordance with subchapter I of chapter 57 of title 5, United States Code.

(i) Quorum.—Five members of the Council shall constitute a quorum, except that a lesser number may hold hearings if such action is approved by a majority vote of the entire Council.

(j) Chairman.—

(1) The Council shall elect, by a majority vote of the entire Council, a Chairman.

(2) The Chairman of the Council shall serve on a full-time basis.

(k) Meetings.—The Council shall meet at the call of the Chairman or a majority of its members, except that the Council shall meet not less than 6 times during each calendar year.

(l) Alternate Members.—

(1) Each member of the Council shall designate one alternate representative to attend any meeting that such member is unable to attend.

(2) In the course of attending any such meeting, an alternate representative shall be considered a member of the Council for all purposes, including voting.

(m) Majority Vote Required.—

(1) Except as provided in subsection (i), no action (whether involving administrative or personnel matters, establishing policy, or any other type of action) shall be taken by the Council unless approved by a majority of the entire membership of the Council.

(2)(A) If a consensus of the majority of the entire membership of the Council, as required under paragraph (1), cannot be reached on a matter referred to the Council by the President or either House of the Congress, the Council shall transmit a report to the President and both Houses of the Congress explaining why a consensus could not be reached on such matter.

(B) Any report by the Council under subparagraph (A) shall include the relevant information gathered by the Council on such matter and a list of potential policy options for addressing the concern involved.

(n) Experts and Consultants.—The Council may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay for GS-16 of the General Schedule.

(o) Details.—Upon request of the Council, the head of any other Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Council to assist the Council in carrying out its duties under this subtitle.

SEC. 3804. EXECUTIVE DIRECTOR AND STAFF.

(a) Executive Director.—

(1) The principal administrative officer of the Council shall be an Executive Director, who shall be appointed by the Council.

(2) The Council shall consult with the President and leaders of the Congress before appointing an individual to the position of Executive Director.

(3) The Executive Director shall serve on a full-time basis.

(b) Staff.—The Executive Director may appoint a staff for the Council in accordance with the Federal civil service and classification laws.

(c) Allocation of Staff.—The staff of the Council shall be allocated by the Executive Director in such a manner that there is at least one staff person responsible for the affairs of each Council member.

SEC. 3805. POWERS OF THE COUNCIL.

(a) Hearings.—The Council may, for the purpose of carrying out the provisions of this subtitle, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Council considers appropriate. The Council may administer oaths or affirmations to witnesses appearing before the Council.

(b) Agents.—If so authorized by the Council, any member or agent of the Council may take any action which the Council is authorized to take under this section.

(c) Information.—

(1)(A) Except as provided in subparagraph (B), the Council may secure directly from any Federal agency information necessary to enable the Council to carry out the provisions of this subtitle. Upon request of the Chairman of the Council, the head of such agency shall promptly furnish such information to the Council.

(B) Subparagraph (A) does not apply to matters that are specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and are in fact properly classified pursuant to such Executive order.

(2) In any case in which the Council receives any information from a Federal agency, the Council shall not disclose such information to the public unless such agency is authorized to disclose such information pursuant to Federal law.

(d) Consultation With the President and Congress.—At the request of the President or the leaders of either or both Houses of Congress, the Council shall consult with the President or such leaders, or their representatives, on various issues related to United States economic competitiveness.

(e) Gifts.—The Council may accept, use, and dispose of gifts or donations of services or property.

(f) Use of the Mails.—The Council may use the United States mails in the same manner and under the same conditions as other Federal agencies.

(g) Administrative and Support Services.—The Administrator of General Services shall provide to the Council, on a reimbursable basis, such administrative and support services as the Council may request.

(h) Subcouncils.—

(1) The Council shall convene an industry sector competitiveness subcouncil for each industry sector identified in the Council's annual report under section 3807(b) which (A) is of national significance by reason of its employment or capital resources, its impact on national defense, or its importance as a supplier to, or customer of, other United States industries and (B) the Council determines would benefit from the creation of a subcouncil. The Council may also convene an industry sector competitiveness subcouncil for any industry not so identified which the Council finds fulfills one or more of the criteria listed in section 3807(b)(2) or may convene such a subcouncil for any other purpose.

(2) Any such subcouncil shall include representatives of business, labor, government, and other individuals or representatives of groups whose participation is considered by the Council to be important to developing a full understanding of the situation confronting the industry with which the subcouncil is concerned.

(3) Any such subcouncil shall assess the actual or potential dislocation, challenge, or opportunity for the industry with which the subcouncil is concerned and shall formulate specific recommendations for responses by business, government, and labor—

(A) to encourage adjustment and modernization of the industry involved;

(B) to monitor and facilitate industry responsiveness to opportunities identified under section 3807(b)(2)(B); or

(C) to encourage the ability of the industry involved to compete in future markets identified under section 3807(b)(2)(C).

(4) Any discussion held by any subcouncil or any working group operating under its auspices shall not be considered to violate any Federal or State antitrust law.

(5) Any discussion held by any subcouncil or any working group operating under its auspices shall not be subject to the provisions of the Federal Advisory Committee Act.

(6) Any subcouncil shall terminate 30 days after making its recommendations, unless the Council specifically requests that the subcouncil continue in operation. If in a subsequent annual report by the Council, conditions which had previously required the creation of a subcouncil continue, or have recurred, the Council shall again convene a subcouncil, although the Council may, in its discretion, change the membership of the subcouncil as the Council considers appropriate.

(i) Applicability of Advisory Committee Act.—The provisions of section 14, and of subsections (e) and (f) of section 10, of the Federal Advisory Committee Act shall not apply to the Council.

SEC. 3806. EFFECTS OF FOREIGN COMPETITION AND TECHNOLOGY ON DOMESTIC INDUSTRIES.

(a) Availability of Information.—The Council shall examine and make available to the public on a routine basis all unclassified international agreements on trade, science, and technology to which the United States is a party.

(b) Monitoring.—The Council shall continuously monitor, and maintain public records regarding, the effect of international trade and foreign activities in science and technology on all major United States industries and on such other United States industries as may be specified by the Council.

SEC. 3807. REPORTS.

(a) Report on Competitiveness Policies.—Within one year after the date of enactment of this Act, the Council shall transmit a report to the Congress and to the President containing recommendations of the Council for changes in any Federal policy necessary to implement effective, productive competitiveness policies, including the elimination, consolidation, or reorganization of government agencies. The Council shall pay particular attention to agencies specifically dealing with science and technology research and with international trade.

(b) Competitiveness Goals.—

(1) The Council shall annually prepare and transmit to the President and to the Congress a report setting forth—

(A) the goals to achieve a more competitive United States economy;

(B) the policies needed to meet such goals;

(C) a summary of existing policies of the Federal Government affecting the competitiveness of the United States industries; and

(D) actual or foreseeable economic and technological developments, in the United States and abroad, affecting the competitive position of United States industry and of particular United States industry sectors.

(2) The report submitted under paragraph (1) shall identify and describe with particularity actual or foreseeable developments, in the United States and abroad, which—

(A) create a significant likelihood of a competitive challenge to, or of substantial dislocation in, an established United States industry;

(B) present significant opportunities for United States industries to compete in new geographical markets or product markets, or to expand their position in established markets; or

(C) create a significant risk that United States industries will be unable to compete successfully in significant future markets.

(3) The report submitted under paragraph (1) shall specify with particularity the industry sectors affected by the developments described in the report pursuant to paragraph (2).

(4) The report submitted under paragraph (1) shall contain a statement of the findings and conclusions of the Council during the previous fiscal year, together with any recommendations of the Council for such legislative or administrative actions as the Council considers appropriate.

(c) Referral of Reports.—

(1) Each report submitted to the Congress under this section shall be referred to the appropriate committee or committees of each House of the Congress.

(2) The Council shall consult with each committee to which a report submitted under this section is referred and, following such consultation, each such committee shall submit to its respective House a report setting forth the views and recommendations of such committee with respect to the report of the Council.

SEC. 3808. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal year 1988 not to exceed $15,000,000 to carry out the provisions of this subtitle.

SEC. 3809. DEFINITIONS.

For purposes of this subtitle—

(1) the term "Council" means the Council on Economic Competitiveness established under section 3801;

(2) the term "member" means a member of the Council on Economic Competitiveness; and

(3) the term "United States" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, and any other territory or possession of the United States.

PART II—BUDGET IMPACT ON COMPETITION

SEC. 3810. ANALYSES REQUIRED.

(a) Statement to be Included in Budget.—

(1) Section 2105(a) of title 31, United States Code, is amended by adding at the end thereof the following new paragraph:

"(26) an analysis, prepared by the Office of Management and Budget after consultation with the Chairman of the Council of Economic Advisers, of the budget's impact on the economic competitiveness of United States businesses and on the balance of payments of the United States, including a projection for the fiscal year for which the budget is submitted, based upon the best information available at the time the budget is submitted, of—

"(A) the amount of borrowing by the Government in private credit markets;

"(B) new domestic savings (including personal savings, corporate savings, and the fiscal surplus of State and local governments);

"(C) net private domestic investment;

"(D) the merchandise trade and current accounts;

"(E) the net increase or decrease in foreign indebtedness (defined as net foreign investment); and

"(F) the estimated direction and extent of the influence of the Government's borrowing in private credit markets on United States dollar interest rates and on the real effective exchange rate of the United States dollar.".

(2) The Council shall submit to the Congress an annual review of the budget submitted by the President under section 2105(a) of title 31, United States Code, and a review of the analysis prepared by the Office of Management and Budget of the budget's impact on the economic competitiveness of the United States included in such budget under paragraph (26) of such section.

(b) Statement to be Included in Committee Report Accompanying Concurrent Resolution on the Budget.—Section 301(e) of the Congressional Budget Act of 1974 (2 U.S.C. 632(e)) is amended by striking out "and" at the end of paragraph (8), by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(10) an analysis, prepared after consultation with the Director of the Congressional Budget Office, of the concurrent resolution's impact on the economic competitiveness of United States businesses and the balance of payments of the United States, including a projection, for the fiscal year covered by the concurrent resolution, based upon the best information available at the time the report is made, of—

"(A) the amount of borrowing by the Government in private credit markets;

"(B) net domestic savings (including personal savings, corporate savings, and the fiscal surplus of State and local governments);

"(C) net private domestic investment;

"(D) the merchandise trade and current accounts;

"(E) the net increase or decrease in foreign indebtedness (defined as net foreign investment); and

"(F) the estimated direction and extent of the influence of the Government's borrowing in private credit markets on United States dollar interest rates and on the real effective exchange rate of the United States dollar.".

(c) Effective Date.—This section and the amendments made by this section shall apply with respect to each of the fiscal years 1989, 1990, 1991, and 1992, and shall be carried out with respect to each budget submitted by the President under section 2105(a) of title 31, United States Code, for each such fiscal year and with respect to each concurrent resolution on the budget for each such fiscal year.

Subtitle B—National Trade Data Bank

SEC. 3811. DEFINITIONS.

For purposes of this subtitle—

(1) the term "Committee" means the National Trade Data Committee;

(2) the term "Data Bank" means the National Trade Data Bank; and

(3) the term "Executive agency" has the same meaning as in section 105 of title 5, United States Code.

SEC. 3812. NATIONAL TRADE DATA COMMITTEE.

(a) Establishment.—There is established the National Trade Data Committee.

(b) Membership.—The Committee shall consist of—

(1) the United States Trade Representative;

(2) the Secretary of Agriculture;

(3) the Secretary of Defense;

(4) the Secretary of Commerce;

(5) the Secretary of Labor;

(6) the Secretary of the Treasury;

(7) the Secretary of State;

(8) the Director of the Office of Management and Budget;

(9) the Director of Central Intelligence;

(10) the Chairman of the Federal Reserve Board;

(11) the Chairman of the International Trade Commission; and

(12) such other members as may be appointed by the President from full-time officers or employees of the Federal Government.

(c) Chairman.—The Secretary of Commerce shall be chairman of the Committee.

(d) Designees.—Except for the Chairman or a member appointed pursuant to paragraph (12) of subsection (b), any member of the Committee may appoint a designee to serve in place of such member on the Committee.

(e) Meetings.—

(1) Meetings of the Committee shall be at the call of the Chairman or upon written request of 50 percent of the members of the Committee.

(2) A majority of the Committee members shall constitute a quorum.

(3) Decisions of the Committee shall be by majority of the members present and voting at a meeting.

SEC. 3813. FUNCTIONS OF THE COMMITTEE.

The Committee shall—

(1) formulate and implement a comprehensive economic and trade information policy to assure the timely collection of accurate data on trends in international economics and trade;

(2) direct the Secretary of Commerce to establish a National Trade Data Bank in accordance with section 3816 in order to provide the private sector and government officials efficient access to economic and trade data collected by the Federal Government for purposes of policymaking and export promotion, and oversee the design and implementation of the Data Bank;

(3) develop and enforce guidelines for the collection, as may be otherwise authorized by law, of data relating to international economics and trade by Executive agencies in order to—

(A) ensure that such data is—

(i) timely;

(ii) accurate;

(iii) reasonably complete; and

(iv) easily accessible to users; and

(B) contribute to the establishment of international data collection and reporting practices;

(4) publish such reports and publications as the Committee finds necessary to carry out the purposes of this subtitle;

(5) formulate policies to encourage international organizations and foreign countries to adopt systems to report foreign trade statistics that include—

(A) standard classifications for products and services;

(B) standard valuation procedures; and

(C) accurate and timely reporting procedures; and

(6) present recommendations to Congress for legislative changes needed to improve the accuracy, timeliness, and relevancy of United States trade information.

SEC. 3814. COOPERATION AMONG EXECUTIVE AGENCIES.

(a) Information.—Each Executive agency shall furnish to the Committee, upon request of the Chairman, such information as the Committee considers necessary to carry out its functions.

(b) ADOPTION OF POLICIES.—Each Executive agency shall adopt and implement the economic and trade information policy formulated by the Committee under section 3813(1).

SEC. 3815. CONSULTATION WITH THE PRIVATE SECTOR AND GOVERNMENT OFFICIALS.

The Committee shall regularly consult with representatives of the private sector and officials of Executive agencies and State and local governments to assess the adequacy of United States trade information. The Committee shall seek recommendations on how trade information can be made more accessible, understandable, and relevant. The Committee shall seek recommendations as to what data shall be included in the export promotion data system in the Data Bank.

SEC. 3816. ESTABLISHMENT OF THE DATA BANK.

(a) ESTABLISHMENT.—After receiving instructions from the Committee, the Secretary of Commerce shall establish and manage the Data Bank. The Data Bank shall consist of two data systems. One such data system shall be a system containing economic and trade data collected by the Federal Government which is useful to policymakers and analysts concerned with international economics and trade, and one such data system shall be a system containing economic and trade data collected by the Federal Government which is useful to business firms and Federal and State government officials interested in export promotion.

(b) CONTENT OF DATA SYSTEMS.—

(1) One data system of the Data Bank shall include current and historical information determined useful (after the consultation required by section 3815) to policymakers and analysts concerned with international economics and trade which is compiled or obtained by all Executive agencies. Such information shall not identify parties to transactions. Such information shall include—

(A) data on merchandise imports and exports for the United States and other countries, including—

(i) aggregate import and export data for the United States and for each foreign country;

(ii) industry-specific import and export data for each foreign country;

(iii) product and service specific import and export data for the United States;

(iv) market penetration ratios for imports and country of origin ratios for imports; and

(v) foreign destinations for exports of the United States, classified in rank order of foreign countries;

(B) data on international service transactions;

(C) information on international capital markets, including—

(i) interest rates;

(ii) exchange rates; and

(iii) foreign direct investment in the United States economy;

(D) international labor market information, including—

(i) internationally comparable wage rates for major industries;

(ii) international unemployment rates; and

(iii) trends in international labor productivity;

(E) information on international government policies affecting the composition of international trade, including—

(i) import and export restrictions;

(ii) export financing policies;

(iii) tax policies; and

(iv) labor market policies;

(F) import and export data for the United States on a State-by-State basis, including—

(i) data concerning the country shipping the import, the State of first destination, and the original port of entry for imports of goods and services; and

(ii) data concerning the State of the exporter, the port of departure, and the country of first destination for exports of goods and services; and

(G) any other economic and trade data collected by the Federal Government that the Committee determines to be useful in carrying out the purposes of this subtitle.

(2) One data system of the Data Bank shall include information on those economies and foreign markets which are determined (after the consultation required by section 3815) to be of the greatest commercial value to private sector businesses firms engaged in export activities and Federal and State agencies that promote exports. Such information shall include—

(A) information on business activities in foreign countries, including information concerning—

(i) general economic conditions and demographics;

(ii) common business practices;

(iii) tariffs and trade barriers; and

(iv) other laws and regulations regarding imports and licensing;

(B) information on specific industrial sectors within foreign countries, including information concerning—

(i) size of markets;

(ii) distribution of products;

(iii) competition;

(iv) major applicable laws, regulations, specifications, and standards;

(v) appropriate government officials; and

(vi) trade associations and other business contacts;

(C) information on specific business opportunities in foreign countries;

(D) market research, including industry and demographic trends for each foreign country with lists of marketing contacts and lists of foreign firms;

(E) information on various forms of protection for intellectual property rights, including product and process patent, copyright, trademark, and mask work (as such term is defined in section 901(a)(3) of title 17, United States Code), for each nation for at least the 2 most recently completed calendar years;

(F) export financing information, including the availability of funds for United States exporters and foreign competitors;

(G) information regarding the trade actions of foreign governments; and

(H) any other similar information, that the Committee determines to be useful in carrying out the purposes of this subtitle, on these economic sectors and foreign markets which are determined to be of greatest interest to—

(i) business firms in the private sector which are engaged in activities relating to exports; and

(ii) Federal and State agencies that promote exports.

SEC. 3817. OPERATION OF THE DATA BANK.

The Secretary of Commerce shall manage the Data Bank to provide the most efficient data retrieval system or systems possible. Such system or systems shall—

(1) be designed to utilize appropriate data processing and retrieval technology in monitoring, organizing, analyzing, and disseminating the data and information contained in the Data Bank;

(2) use the most effective and meaningful means of organizing and making such information available to—

(A) United States business firms;

(B) United States workers;

(C) United States industry associations;

(D) United States agricultural interests;

(E) State and local economic development agencies; and

(F) other interested United States persons who could benefit from such information; and

(3) be of such quality and timeliness and in such form as to assist coordinated trade strategies for the United States.

SEC. 3818. INFORMATION ON THE SERVICE SECTOR.

(a) SERVICE SECTOR INFORMATION.—The Committee and the Secretary of Commerce shall ensure that, to the extent possible, there is included in the Data Bank information on service sector economic activity that is at least as complete and timely as information on economic activity in the merchandise sector.

(b) SURVEY.—The Secretary of Commerce shall provide a broad base of quarterly information on the service sector of the economy, and a new benchmark survey of unaffiliated service transactions, including transactions with respect to—

(1) banking services;

(2) computer software services;

(3) brokerage services;

(4) transportation services;

(5) travel services;

(6) engineering services; and

(7) construction services.

(c) INDEX OF LEADING INDICATORS.—The Committee shall provide an index of leading indicators which includes the measurement of service sector activity in direct proportion to the contribution of the service sector to the gross national product of the United States.

SEC. 3819. EXCLUSION OF INFORMATION.

The Data Bank shall not include any information—

(1) which is collected by the Federal Government in connection with any investigation;

(2) the disclosure of which to the public is prohibited under any other provision of law; or

(3) that is specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and are in fact properly classified pursuant to such Executive order.

SEC. 3820. NONDUPLICATION.

The Committee and the Secretary of Commerce shall ensure that information systems created or developed pursuant to this subtitle do not unnecessarily duplicate information systems available from other Federal agencies or from the private sector.

SEC. 3821. COLLECTION OF DATA.

Except as provided in section 3818, nothing in this subtitle shall be considered to grant independent authority to the Federal Government to collect any data or information from individuals or entities outside of the Federal Government.

SEC. 3822. FEES AND ACCESS.

The Secretary of Commerce shall provide reasonable public services and access (including electronic access) to any information maintained as part of the Data Bank and may charge reasonable fees consistent with section 552 of title 5, United States Code.

SEC. 3823. SCHEDULE FOR IMPLEMENTATION.

The Committee shall direct the Secretary of Commerce to complete the establishment of the Data Bank no later than two years after the enactment of this Act.

SEC. 3824. REPORT TO CONGRESS.

One year after the enactment of this Act, and annually thereafter for three consecutive years, the Chairman shall submit a report to Congress—

(1) assessing the current quality and comprehensiveness of, and the ability of the public and of private entities to obtain access to, trade data;

(2) describing actions taken pursuant to this subtitle, particularly—

(A) actions taken during the 3-month period beginning on the date of enactment of this Act to provide the new benchmark survey described in section 3818(b); and

(B) actions taken during the 1-year period beginning on the date of enactment of this Act to provide the information on services described in subsections (a) and (b)(2) of section 3818;

(3) describing all other actions taken and planned to be taken pursuant to this subtitle;

(4) recommending executive and legislative actions which would ensure that United States citizens and firms obtain access to the data banks of foreign countries that is similar to the access to the Data Bank provided to foreign citizens and firms;

(5) recommending other legislative actions which further the purposes of this subtitle; and

(6) including comments on the implementation of the Data Bank by the private sector and by State agencies that promote exports.

The **PRESIDING OFFICER**. The time for debate on this amendment is limited to 90 minutes to be equally divided and controlled in the usual form with amendments in order thereto.

The Senator from South Carolina.

Mr. **HOLLINGS**. I thank the distinguished chairman.

Mr. President, the Hollings-Danforth-Baucus amendment, cosponsored by numerous Senators—Exon, Rudman, Heinz, Evans, Kassebaum, McCain, and others—was drafted after very, very deliberate consideration of the proposals made in this particular trade bill by the Governmental Affairs Committee.

What we have in essence, Mr. President, is a reorganization of the Commerce Department in a rather dramatic fashion with respect to instituting a trade administration, on the one hand, turning the Commerce Department into a department of industry and technology, on the other hand, and an outlay of some $480 million.

Necessarily, we in the Commerce Committee last year and this year have been dealing with our Nation's trade problems. Historically, the fundamental of the Commerce Department and the Commerce Committee has been domestic commerce and foreign trade.

Our committee used to be known as the Interstate and Foreign Commerce Committee. We later took on the responsibilities in science, technology, and space and thereafter the Department of Transportation. Now we are known now as the Committee on Commerce, Science, and Transportation.

But in our primary responsibility for trade policy, we have studied in an ongoing fashion the organization of our Government with respect to trade and what would be necessary to highlight some of the endeavors we have. As a result, we put out a unanimous bill by the 20 Senators on our committee, in bipartisan fashion, S. 907, which is included in this particular trade bill in sections 40 through 45.

Now, I know of no objections to those sections, save the conflicting approach of the Governmental Affairs Committee. In reviewing titles XXXVII and XXXVIII of the trade bill, we propose in our particular amendment, to delete the provisions for the Department of Industry and Technology, delete the advanced civilian technology agencies, the U.S. Trade Administration, Economic Policy Council provisions and the provisions for the Commission on International Trade in the 1990's.

Our amendment, however, would leave in place the Governmental Affairs titles relative to Center Tech. The Armed Services Committee of the U.S. Senate has already approved 1988 funding for this project, the Office of Small Business Trade Remedy Assistance. This simply transfers an existing office to the Department of Commerce, the National Trade Data Bank, the Council on Economic Competitiveness, studies on barriers to export, industrial resources needs and the Committee on Symmetrical Access to Technological Research. This complements existing activities of the Department of Commerce.

There is no question that the distinguished Senator from Ohio, the chairman of our Governmental Affairs Committee, has in mind similar concerns that our committee has had over the past several years. We put in the Stevenson-Wydler bill. We have upgraded U.S. technology and we have advanced it.

The fact of the matter is that, as the chairman of the Commerce Committee, we have ongoing now what we call the RAMP, the rapid acquisition of manufactured parts project. This program is a combination of the Stanford Institute, on the one hand, and a private endeavor with Grumman, McDonnell Douglas, on the other hand, and the South Carolina Research Authority, the State entity. So we have, in reality, those things working in advanced technology. We just have not commercialized enough of that kind of technology that has been developed in our own Bureau of Standards.

Many people look upon the Bureau of Standards as something like the Good Housekeeping Award. They assume that the Bureau tests only for the durability and the scientific soundness of a particular manufactured item or component. But they also have a tremendous wealth of talent in research and engineering.

It is our idea, then, instead of just reorganizing the department with more titles and everything else, to actually take that Bureau of Standards, without much disruption, and highlight and finance its endeavors the best we can afford at this particular time by transforming it into the Institute of Technology.

So, Senator Glenn and I have the same idea in mind. Our two committees have the same idea in mind. We have conferred with the administration and with the various entities involved in this particular endeavor. I am led to believe very strongly, of course, and I think that will come out, that the administration—the Secretary of Commerce and others—strongly opposes these Governmental Affairs provisions, which our amendment would strike, and favor, in contrast, our particular measure. And they have so informed me.

Otherwise, we have the Academy of Engineering, the Deans' Group involved in this particular endeavor, the American Society for Engineering Education, and many other groups who have not only appeared but have had their input, and more particularly the National Academy of Sciences.

As chairman of the Committee on Commerce, Science, and Transportation, our committee has a joint responsibility with the Committee on Labor with reference to the National Academy of Sciences and we have worked very closely with them to develop this particular measure. We find that the effort, as submitted now by the Governmental Affairs Committee, would, rather than foster the efforts that we have in mind for advanced technology, actually be a hindrance and, ergo, our amendment. That is why we are striking it at this particular time.

I want my counterpart, the chairman of the Governmental Affairs Committee, at least to have a chance for a word. We are going out, under the order, I think, for a recess at 12 o'clock.

So I yield the floor and reserve the remainder of my time at this moment.

The **PRESIDING OFFICER**. The Senator has yielded the floor.

ORDER FOR RECESS FROM 12 NOON TO 2 P.M.

Mr. **BYRD**. Mr. President, I ask unanimous consent that the Senate stand in recess between the hours of 12 noon today and 2 o'clock today, to accommodate the meetings of the party conferences.

The **PRESIDING OFFICER.** Is there objection? Hearing none, that is the order.

Mr. **GLENN.** Mr. President, I rise to say at the outset that I am opposed to this amendment. We had a number of days of hearings on this bill, which was carefully crafted out of the Governmental Affairs Committee. We did it pursuant to the instructions of the leadership or the wishes of the leadership that the omnibus bill that was farmed out to the different committees be brought back and put together with all the compromises being worked out as much as possible between the different committees that had jurisdiction on the bill. And that is exactly what we did.

Now, I appreciate fully and certainly honor the comments of the distinguished Senator from South Carolina regarding the Commerce Committee, the work that they have done through the years, their concerns in all areas of commerce, their interests in trade, and all the other facets of it. But the Governmental Affairs Committee does have the jurisdictional oversight for organizational changes of Government. And those organizational changes of Government are what we address with this legislation that we brought back.

From the instructions we had and what we have worked out at the committee chairman's level, and so on, we worked for through repeated comments from the leadership about getting together and working out the differences between committees. And we have done that. And we had some comments after we brought the bill back out on June 11, reported it to the floor on June 11. We worked out differences that we had with the Banking Committee. They had some concerns that we honored and made some changes in the bill. But, as far as the organizational aspect, that does come under the Governmental Affairs Committee's jurisdiction.

The administration, as the distinguished Senator from South Carolina has said, does oppose the legislation, as naturally they would. They have been working under, and they are happy working under, the organization they have had. They have been happy with that and have not tried to change on their own. But that does not mean that this is necessarily the best way to address our problems for the future.

We are in a different competitive situation now than we have ever been in the past. We no longer have the option of just having new things invented in this country and see them move into production, see them move into the creation of jobs and employment and new industries. Right now, what we have seen is a time warp, a time compression, if you will, where we invent things in this country and they, in turn, are acted upon by other nations, particularly the Japanese, the West Germans, the French, the British, and sometimes others. They act before we do because they have organized to do it. It is a cooperative effort between government and business and industry, and banking and investment, and they take the lead. They provide government leadership.

And where our organizations in times past may have been adequate to move this Nation from a primitive nation, way back in the colonial days, that we celebrate this year with our celebration of the Constitution, where we were able to move along with our education, with our basic research into the finest nation of the world, setting standards of living for the rest of the world, we no longer find that possible because other nations are taking the fine research we do in this country and they are beginning to jump ahead of our Nation in commercializing. And that, Mr. President, is what we stress.

Now, I know that we are coming up on 12 o'clock within 30 or 40 seconds, so we are going to have to stop now. We will take up this debate later on, but at least the amendment has been laid down and we will address it more fully when we come back.

I yield the floor.

The **PRESIDING OFFICER.** The Senator from South Carolina is advised he has 37 minutes remaining and the Senator from Ohio has 41 minutes remaining.

RECESS UNTIL 2 P.M.

The **PRESIDING OFFICER.** Pursuant to a previous order, the Senate stands in recess until 2 o'clock this afternoon.

Thereupon, the Senate, at 11:59 a.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. DODD].

The **PRESIDING OFFICER.** The Senate will come to order. Who yields time?

Mr. **DANFORTH** addressed the Chair.

The **PRESIDING OFFICER.** The Senator from Missouri.

Mr. **DANFORTH.** I would ask the Chair who is controlling the time on each side?

Mr. **HOLLINGS.** I would yield such time as is necessary to the Senator.

The **PRESIDING OFFICER.** The Senator from Missouri is recognized for such time as he desires.

Mr. **DANFORTH.** I thank the Senator from South Carolina. I will not take long.

Mr. President, first I ask unanimous consent that the names of Senator PACKWOOD and Senator BOND be added as cosponsors of this amendment.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **DANFORTH.** Mr. President, it has already been pointed out in the debate that the reorganization provision in the bill is opposed by the administration, and I would say that it is strongly opposed by the administration. With respect to the international trade aspect of the reorganization, I can say that Secretary Baldrige, the Secretary of Commerce, has been the leading advocate within the administration, probably the leading advocate within the country, for trade reorganization.

Immediately after the action by the Governmental Affairs Committee, the Secretary of Commerce called me on the telephone to voice his view that the provision that came out of the Governmental Affairs Committee was a disaster. He believed that it would cause real chaos with respect to the operation of a trade policy by the United States.

I agree with him in that regard. It is my understanding that in addition to Senator HOLLINGS, the distinguished chairman of the Commerce Committee, Senator BENTSEN, the chairman of the Finance Committee, also opposes this amendment. It is also opposed by, I think it is fair to say, every business organization that deals with the subject of international trade. Among other groups, it is opposed by the Emergency Committee on American Trade. It is opposed by the Business Roundtable, and it is opposed by the U.S. Chamber of Commerce. These business groups, plus the administration, take the position that the provision currently in the bill is not in the best interests of American trade policy and that the amendment that is offered by the Senator from South Carolina should be adopted.

Mr. President, what is the situation today in the administration of our trade policy? The situation is that trade negotiations and trade policy coordination have been placed by Congress in the hands of the U.S. Trade Representative.

The U.S. Trade Representative is a Cabinet-level officer, a member of the President's Cabinet, and he is physically located in the U.S. Trade Representative's Office, across the street from the Old Executive Office Building.

He has in his office approximately 140 people. By any governmental standard, that is a lean operation. One hundred and forty people working with the U.S. Trade Representative.

The Office of the U.S. Trade Representative is widely respected by people who deal with it. These people are real professionals. They are professional negotiators. They are professionals with respect to trade policy. The U.S. Trade Representative, among other things, has been charged with the job of being the honest broker, trying to work out in a common policy the varied and conflicting interests that various segments of our economy have in international trade.

This bill, in its present form—unless the Hollings amendment is adopted—would do the following things to the U.S. Trade Representative.

First, it would split off from the USTR approximately 15 top people. It would take the U.S. Trade Representative himself, now Clayton Yeutter, and the top policy people within the USTR and it would remove them from the Trade Representative's Office and place them over in the White House.

In other words, it would take from this very professional group of about 140 people, approximately 10 percent of the personnel, the leadership of that agency, and remove them from the agency and it would put them somewhere else: in the White House.

Second, after it takes the leadership of the USTR out of USTR, it then reaches over into the Department of Commerce and it plucks out of the Department of Commerce those people within that Department who have line responsibility for the administration of our antidumping and countervailing duty laws. It takes these people from the Commerce Department and puts them over with those people left at USTR, about 125 or so in number, thereby creating a new agency with a new name, now called the U.S. Trade Administration. This USTA would be involved in trade policy coordination and trade negotiations and also in the day-to-day enforcement of antidumping and countervailing duty laws.

One thing that has been, I think, admirable in the administration of our antidumping and countervailing duty laws is that they have not been involved in the question of trade policy. Our view so far has been that trade policy is one thing and law enforcement is something entirely different and that we do not use law enforcement as a hammer to attain negotiating objectives, and vice versa. We do not use negotiations as a way to vitiate the enforcement of the law.

What this would do, again—this proposal that is in the bill—is remove the top officials from the U.S. Trade Representative's Office, and then create a fairly extensive bureaucracy. Instead of 140 people, there would be a group of about 700 people who would be a combination of administrators and technocrats, most of whom would have been brought over to the new U.S. Trade Administration from the Department of Commerce.

Therefore, it is fair to say that this bill in its present form has the following effects: First, it downgrades the U.S. Trade Representative by splitting off the leadership from that office and placing it in the White House. It severs the head from the body as far as trade policymaking is concerned.

It might be added that as far as foreign governments doing business with the Trade Representative's Office, who is going to go to the new Trade Administration after this reorganization? Everybody is going to insist on going to the White House because the new Trade Administration Office will be viewed as basically a group of administrators and technocrats.

Second, in addition to downgrading what is now the U.S. Trade Representative, this new reorganization would create a new, isolated agency, an orphan agency, existing all by itself, combining who knows what that is left of negotiations within the administration of the antidumping and countervailing duty laws.

It would be a freespinning shell somewhere out in the limbo of the bureaucracy, detached from those who have basic responsibility for trade policy.

Third, it would expand what is now a lean, highly regarded, highly professional Trade Representative's Office consisting of 140 individuals, roughly, into a new body consisting of some 700 individuals.

As I say, it would confuse policy making in negotiations which are now the function of the Trade Representative's Office with the day-to-day administration of specific laws relating to dumping and subsidies.

Finally, Mr. President, let us say that a Member of the Senate believes that this reorganization scheme is a good one. I do not agree with that. The administration does not agree with that. Business people in this country who deal with international trade do not agree with that. But let us say that a Senator felt that this is a good idea and that we should have this kind of reorganization effort and put it in place. Even under that assumption, I would urge a vote against the provisions in the bill and for the Hollings amendment.

Why is this so? It is so because under the bill the reorganization would take place in 1989. Now, we have just commenced a new round of trade talks, a new multilateral trade negotiation. It is going to be a very extensive trade negotiation, and it is going to last over a long period of time. Trade negotiations last a number of years. The bill in its present form would say that right in the midst of trade negotiations, right in the midst of ongoing talks between the United States and our trading partners, our negotiators are going to be distracted by a major effort to try to reorganize boxes on the organizational chart.

Therefore, Mr. President, I think that for timing reasons in addition to all the other reasons, this reorganization proposal is really a very, very bad idea. If we are ever going to reorganize, let us not barge into the midst of ongoing, important, sometimes very delicate negotiations and distract those who are responsible for the trade policy of this country by involving them in a bureaucratic shuffle which is bound to be a major diversion of time and attention from what they should be doing.

I cannot underscore enough my very serious objections to the provisions that are in the bill, and I would hope that the Hollings amendment would be adopted by a very substantial majority.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. Mr. President, I yield myself such time as I might require.

The PRESIDING OFFICER. The Senator from Ohio is recognized for such time as he may use.

Mr. GLENN. Before going into my statement, I would say to the distinguished Senator from Missouri that I prefer not to see this amendment happen but I realize the concerns over the trade reorganization portions of the bill. I have discussed it with a number of Senators, and there are many reservations on it. I have already offered to delete all of that portion of the bill that deals with trade reorganization and also to reduce the funding for ACTA, which was another concern of the distinguished Senator from South Carolina. So I think we are willing to address these concerns in our consideration of the whole bill. It is quite a step backward.

I am unequivocally opposed, Mr. President, to this amendment for quite a number of reasons. There is a fundamental disagreement about the substance of what Mr. HOLLINGS is trying to accomplish, although we have tried to work together on this. This bill was reported to the floor on June 11. We could not even get a copy of the amendment until 5:15 last Friday evening, and we worked through the weekend on this.

Our Governmental Affairs hearings were held on competitive problems. We had 7 days of hearings. We made no secret of the fact we intended some reorganization of the Commerce Department, and we are trying to also define the technology policy for this country. We were not aware that there was anything other than a benign interest shown in the work of our Governmental Affairs Committee until this amendment came upon us last week.

Let me say that in our part of the trade legislation, the Governmental Affairs Committee does have jurisdiction over organizational aspects of Government. The approach we took on this was that times have indeed changed. We no longer can see research and development just by osmosis expanded into commercialization in this country. That is no longer good enough because the research that we are very good at in this country, the Nobel laureates, advanced research that we conduct in this country and that we do better than anyone else in the world is now being preempted so rapidly by other nations that are organized for this using technology that we develop and the new industries wind up centered in other nations—Japan in particular.

Now, we tried to address this problem. We do not think we should any longer see research drift to commercialization. Research will indeed be critical in the future and how we respond with that research and how we organize to take advantage of it in commercialization is going to be absolutely critical.

We set about in the Governmental Affairs Committee to try to do exactly that. We said, OK, the Department of Commerce has served its time. We will make it into a Department of Industry and Technology, but with two very key Under Secretaries—an Under Secretary for Industry, who would take care of all the old, traditional aspects of what the Department of Commerce does, and the other very important and most important one for the future, the Under Secretary for Technology. This would put a science policy czar into our Government, where science policy now is spread out all over, and key under the Under Secretary for Technology would be ACTA [Advanced Civilian Technology Agency], which could best be described as a counterpart to DARPA [Defense Advanced Research Projects], that has been so very effective in the Defense Department.

Now, we did those two things. We reorganized, and we put ACTA in there to put some teeth into our trade policy in the form of converting research into commercialization. That is the function that ACTA is supposed to perform. It would be a lean, mean group. It is not a huge outfit of hundreds of thousands of people. It is like DARPA. We would propose that some of the leading scientists and science leaders in this country would move in and out of ACTA, much as they do in DARPA, so that we keep that cross-pollination between business, industry, and Government. That would be a key function of ACTA.

Now, I know there were two very controversial concerns regarding the original bill, and I alluded to them a moment ago. Moving the trade functions around was a very controversial item, and I agree that it is controversial. I think it is necessary, but I know it has not sold, not caught on that well, perhaps, with the majority of people here, and while I think we will move to it at some time, I am willing in the interest of getting this bill through and seeing that ACTA in particular gets formed, to move to do away with all the trade functions in this bill. Now, if the Senator from South Carolina would wish to yield on that, I would be happy to go ahead and make that amendment and get it through—with the secondary proviso, also.

It was stated earlier that information was put around that this bill which the Governmental Affairs Committee put out is a $1.3 billion bill. Well, that is just not so. That $1.3 billion figure comes from a 5-year totaling of all expenses under this bill, some ACTA, some others. But I would be willing to pull back on the ACTA portion which was originally $480 million, pull that back to $80 million, to get the principle established that we want a center of science policy for this Nation of ours in the competitive world in which we live. We would pull back to only $80 million and even that would not come into effect until 1989 and 1990, $30 million of it in FY 1989 $50 million in FY 1990.

I would be willing to have those two amendments, and if we could get agreement to do those now I would be happy to do them if it would take care of the concerns of others in this body. If not, I would hope that we could get those passed somehow because the main thing I want to establish are these two functions. It would be changed under the industrial functions and under the technology functions that are not addressed anywhere else. I have those two amendments, incidentally, ready to go if we had agreement to do exactly that.

The agreements we worked out with the Banking and Finance Committee showed that we have been willing to lend an ear to concerns that they raised. And the procedure that was to be followed on this bill was we knew, since so many committees were involved with this, that there would undoubtedly be differences from one committee to another. We were to get together and address those once each individual committee had worked its will and reported its portion of the omnibus bill and we did exactly that. We were not aware that there was any real disagreement between us and the other committees, except the Banking Committee and Finance Committees, and we worked those problems out.

Now, let me be clear about the purpose of the Governmental Affairs Committee's contribution to this trade bill. It is to promote U.S. competitiveness by establishing a government framework for the development of coherent long-term technology, trade and economic policies. And to achieve this our bill creates a Department of Industry and Technology and, as I said, ACTA, the Advanced Civilian Technology Agency. The other initiatives were developed to complement these new organizations and to assist them in meeting their mandates. The general objective is to assure that there is a strong advocate in the Federal Government to address policymaking perspectives each of the main dimensions of the Nation's competitiveness problem and to see that the problem is approached in an effective, efficient, and focused manner.

Now, there are six key principles that underlie the approach taken by our portion of the bill. They are, first, to provide a clear mandate for the development of critical trade technology and commercial promotion policies; second, to integrate commercial promotion activities with technology development and application policies and practices; third, to reorganize the Federal Government along actual functional lines in the above areas; fourth, to strengthen decisionmaking capabilities; fifth, to improve the collection, analysis and dissemination of data and information; and, sixth, to enable the development of consensus on solutions to the Nation's competitiveness problem.

The reorganization of the Commerce Department is predicated on two assumptions: First, that the Department's economic functions are artificially divided between domestic and international concerns; and, second, that the technology concerns are scattered all over the Department, in fact all over our Government, with no persons or office capable of coordinating or unifying these concerns. As I said, we would have an Under Secretary for Industry and an Under Secretary for Technology, and that we would have a realignment of that Department that I think would be to the good.

ACTA is important, I repeat again, for continued economic and technological success. America leads the world in basic scientific advances. We just do not apply them; we do not commercialize them; we no longer have the luxury of just saying somehow they will drift into use in our country. The problem is a pervasive one. Today we are running a $13 billion trade deficit in electronics. And in electronics in the early 1960's the United States accounted for 90 percent of world sales of colored TV's. Now it is Japan; the video tape recorders invented here, but Japan now controls more than 90 percent of the VCR market.

I was reading a little while ago the statement of Senator CHILES and I wanted to quote from his statement. He says in part:

> Now is the time to institute this sort of program. The Japanese already have a "key technologies" program which they are funding at $250 million a year.
>
> While we sit here and debate whether we should adopt a similar—but smaller—program, the Japanese equivalent of ACTA is funding projects in areas such as superconductivity, opto-electronics, bio-technology, ultra-large scale integrated chip production, computer architecture, surface science, medical electronics, genetic engineering, and advanced materials.
>
> Our industries cannot be expected to respond on their own to this challenge from a

powerful State-industry partnership. Especially not while market forces are acting to reduce real R&D spending.

Increased merger activity among our industrial leaders has led to consolidated R&D budgets in the private sector. Decreases in R&D spending have been reported by companies such as Phillips Petroleum, Crown Zellerbach, AMF, Uniroyal, Gulf, and RCA.

Change is never easy. Roy H. Pollock, a retired vice-President for Technology with RCA, says of public and private efforts to restore our lost competitiveness: "With the exception of the Civil War, it is doubtful that America has ever faced such an awesome trauma."

Mr. Pollock continues: "But the alternative is to accept continuing economic decline and the end of America's greatness."

Mr. President, I do not think that overstates the problem one bit. I think it is a problem of whether we are going to have America's greatness into the future as we have had in the past.

Mr. President, our competitors have government structures in place which help their companies facilitate the transition to the market. The most visible example is that 11 days after the February 16 announcement that American scientists had broken the superconductively barrier, the Japanese Government had organized a variety of councils to coordinate efforts by companies, universities, and government agencies to find commercial uses for the new superconductors.

So the United States cannot afford to be the only major industrial country without a technology policy. We will waste a great deal of money and time through reduplication of our rivals' efforts if we do not act now on certain key areas of emerging technologies.

A reporter following the superconductively story for the Washington Post had to call scientists at six Federal agencies and the White House to get a full accounting of the $29 million now being spent by our Government on R&D in superconductivity. We need to change our ad hoc policy of dealing with technological problems as they arise and move toward a more thoughtful, goal-oriented policy. We have a good military technology policy. DARPA, the Defense Advanced Research Projects Agency, has about a billion dollars. They created networks of scientists and engineers in the public and private sectors to turn imaginative ideas into reality.

Some projects fail, some succeed. The result has been steady, and occasionally spectacular, progress into new military technology—progress that has kept the United States in the forefront of military technological innovation. The same was true of our space program through the NASA R&D effort, and we have received valuable commercial spinoffs from both the military and space technology programs. But spinoffs cannot be the answer to our technology competitiveness problems. Neither can half-hearted, timid attempts to beef up existing programs.

We need a fresh start, a recognition that to compete with the rest of the world, and particularly the Japanese, a new agency is needed—specifically tasked with supporting applied, long-term, high-risk, potentially high-payoff research that, if successful, will move technology more quickly to the marketplace. That agency is the Advanced Civilian Technology Agency [ACTA].

ACTA could be the focal point for a revitalized Government/industry partnership in bringing technological advances to the point of commercialization; not through spinoffs of programs designed to do something else, but through a program designed to ensure that our leads in basic research are translated eventually into commercial advantage.

The Governmental Affairs Committee has received many positive comments and support regarding ACTA and the new Department of Industry and Technology. I have a sheaf of letters here, if anyone wishes to see them—from, among others, Dr. Lewis Branscom, former chief scientist of IBM and former head of the National Science Board. Moreover, testimony in favor of ACTA and the new Department was heard in hearings before the committee from a wide range of individuals and groups, including William Lilley III, president, American Business Conference; Dr. Craig Fields, Deputy Director of DARPA; Dr. Jordan Baruch, former Assistant Secretary of Commerce for Science and Technology; Dr. Arden Bement, Jr., vice president for technology, TRW, Inc.; and Dr. Robert Noyce, vice chairman, Intel Corp.

Some people obviously think we have gone too far in our bill. I should point out that the President's own Commission on Industrial Competitiveness went further and recommended that a Department of Science and Technology be set up. Frankly, I would personally be in favor of such a department. But recognizing the limitations on time and serious jurisdictional problems that would have to be resolved, we went with the present, more modest proposal.

Let us understand the gravity of not moving ahead with the proposal for establishing ACTA. We are the only industrialized nation without a substantial government mechanism to catalyze the production of new technology for commercial purposes, except through spinoffs of military and space programs. And even there, if additional research is needed to make the spinoff a reality, we depend on the private sector to do it. This may have been acceptable in the past; but we can no longer afford this hands-off attitude. If we do not make this change, the Japanese will continue to beat our brains out in the commercial marketplace.

Now, some people have charged that ACTA will duplicate work done elsewhere in the Government. I would like to firmly state that ACTA's functions are not being carried out by any other Federal agency. The National Science Foundation, for example, undertakes basic research, and mostly at the university level. ACTA, in contrast, will bridge the gap between that ray of inspiration that goes off in someone's head and the development of a new product or process, and it is in this gap that we are constantly being beaten by our competitors. ACTA will fund applied as well as basic research, and do so in a way geared toward commercialization by industry.

Clearly, funding by the private sector in these applied research areas is inadequate. It is a significant factor in the decline of U.S. competitiveness. But ACTA would not carry the burden alone. ACTA projects will be funded on a cost-sharing basis.

Virtually all the technology experts that testified before the Governmental Affairs Committee not only supported the creation of ACTA, but felt that the level of funding should be at least 5 to 10 times higher than what is specified in the legislation. However, to assuage concerns about cost, the committee included a provision that will allow for the recovery of Government funding through profits earned on ACTA-sponsored research. In addition, ACTA has a 3-year sunset provision.

Another criticism I have heard of ACTA is that it is "industrial policy"—that it will substitute decisions by Government bureaucrats for those best left to the marketplace. Now, I am as firm a supporter as anyone of private enterprise, and I would like to emphasize that ACTA is not industrial policy—it will provide funding for research projects. It will not pick "winners" and "losers" any more than the National Science Foundation does. ACTA will work with the private sector on projects they have identified as being critical. ACTA funding will be provided after a rigorous peer review-type of evaluation process. Moreover, it will leave market-based decisions to those who know the market best—the private sector. ACTA will have a Board of 21 members, including the Directors of NSF and DARPA, to advise the Administrator of ACTA with respect to the overall policies, programs, and activities of the Agency.

Finally, the concept behind ACTA mirrors that in a recent administration report requested by the Deputy Secretary of Commerce, Bud Brown. The report, "The Status of Emerging Technologies," identified seven major groups of new technologies that Commerce believes ought to be developed further. ACTA would merely carry this initiative by the Commerce Department to its logical conclusion.

For example, ACTA could be involved in the following areas: First, ceramics; second, polymer composites; third, advanced microelectronics; fourth, opto-electronics; fifth, millimeter wave technology; sixth, computer integrated and flexible systems; seventh, biochemical processing; eighth, supercomputer development; ninth, artificial intelligence techniques; and so on.

The need for ACTA cannot be overstated. America has always been able to rely on an absolute technological advantage over other countries to retain our competitive edge. Today that is no longer true. So I would say, mark my words here today: If ACTA or something absolutely like it is not contained in the final version of S. 1420 we stand the chance that the Japanese will be the first to commercialize high temperature superconductivity. All the rhetoric in the world will not alter the morass of mediocrity that the United States now finds itself in regarding its ability to adapt technological advances to commercial applications. And cosmetic changes to the Commerce Department is sort of like putting a new coat of paint on a car with no transmission—it is just not going to take us anywhere.

Now, Mr. President, the amendment before us not only would strike the technology reorganization provisions of title 37 but also other critical provisions in that title as well as in title 38.

The Governmental Affairs Committee trade reorganization proposal addresses two fundamental problems in our trade policymaking structure. First, today trade concerns are spread over two executive departments; as a result, there is no clear trade spokesperson for the administration. Second, we need a tougher trade czar; one who can make our trading partners stick with the agreements he negotiates with them.

Gary Horlick, former Deputy Assistant Secretary of Commerce for Import Administration, who was responsible for antidumping and countervailing duty measures while in the administration, told the committee at a hearing last month the following:

> What you have, really, is two agencies in the U.S. Government of Cabinet level that both get involved in trade policy making and administration. You have the Department of Commerce * * * almost 2,000 employees involved in this, but the Secretary of Commerce, it should be emphasized, cannot think solely about trade policy. He literally has to worry about whether to close weather stations in Oklahoma and whether there are too many fish being caught off of New England. It is part of his job.
>
> On the other hand, you have the USTR, which is officially 133 people—probably a few more with detailees. * * * With that many people inevitably it starts doing its own analysis and staff work. It also administers trade laws such as section 301 and the generalized system of preferences. Quite frankly, it just does not have the resources to do it.
>
> Now, S. 1233 * * * would result in one coordinated trade agency, and that is going to result in a savings in duplication of effort.
>
> * * * So one particular point worth noting in this duplication is that I do not think you would lose anything in terms of the administration of laws such as antidumping, countervailing duty, or export controls. As Deputy Secretary Brown already pointed out, those are already run on a fairly routine basis and I think fear of politicization is misplaced there.
>
> Moving these agencies together * * * will have the effect of preventing foreign governments from exploiting the differences in agencies as has happened and preventing the agencies themselves from fighting in ways which are not productive.

It was clear to me as I listened to Mr. Horlick's testimony that we had at least two different trade policies competing for the President's attention. A question I asked Mr. Horlick about the time he spent in Commerce coordinating with the Office of the USTR elicited the following response:

> We had one view of what should be done with respect to steel, and USTR had a slightly different view. I am not saying one was right and one was wrong, just that inevitably our resources were devoted to our view. We had 80 people working on it. They had 4 people working on theirs, and did a very good job with it.
>
> But first, you should not have that duplication of effort. Second, a coordinating body should not have four people working on one industry. That should be done as one agency with a coordinator upstairs and the staff down below doing the work.

Let me ask my colleagues this question: If the Japanese had known when they made their semiconductor antidumping agreement with us that our USTR not only had the power to negotiate agreements, but also was responsible for enforcing them, is it likely that they still would have flagrantly broken that agreement? Of course we cannot hope to know what was going through the minds of the Japanese negotiators as they sat across the table from Mr. Yeutter. But I'd be willing to bet that the agreement would have been taken much more seriously if the Japanese had known that Mr. Yeutter had the power to take swift and sure steps if that agreement were violated.

Bob Strauss, who has sat in Mr. Yeutter's chair, stated quite strongly that:

> I think you can make a better case * * * that you give that negotiator some additional leverage and he will negotiate a hell of a lot better and stronger for you. I do not care who is negotiating for you. I have negotiated in the private and in the public sector for a long time and I think I know something about negotiation, and I do not care how good a fellow is, if he does not have any cards in his hand, he cannot negotiate very well. * * * As for me, if I was going out to negotiate around the world, I would like a little leverage and I would like something to trade with.

In the committee's legislation, the transfer of the Office of the Deputy Assistant Secretary for Import Administration would consolidate within one agency import enforcement with trade negotiation. Thus, it would strengthen the position of the USTR in the eyes of our trading rivals. It is important to note, however, that this enforcement office would be an independent office within the U.S. Trade Administration to ensure that these enforcement functions remain as apolitical as they are today. To repeat what Gary Horlick said:

> * * * I do not think you would lose anything in terms of the administration of laws such as antidumping, countervailing duty, or export controls. As Deputy Secretary Brown already pointed out, those are already run on a fairly routine basis and I think fear of politicization is misplaced there.

I would like to quote Bob Strauss again here because I think he speaks with great authority on this issue:

> If I had a magic wand I would vest more authority and more power in the STR [USTR]. * * * repeat here what I said earlier * * * giving the STR leverage to trade negotiate, giving him the tools, that does not bother me. I like the idea of putting power in his hands. * * * I would like to see the STR have more standing in court. That is what I would like to see him have as he went about the discharge of this responsibilities.

The committee's bill also provides for the transfer of the Office of International Economic Policy, which will fill a much-needed gap by giving the USTR the direct access to the intelligence on foreign countries he needs to negotiate more effective trade agreements. In recent years, the flow of this information between Commerce and the USTR has been anything but smooth.

The creation of the U.S. Trade Administration would go a long way toward eliminating the tension which currently exists within Commerce's four trade offices. Despite the appearances of a close-knit group, the trade offices actually serve two masters—the Secretary of Commerce and the USTR, as Mr. Horlick pointed out in his testimony. This legislation resolves that conflict. It clearly delineates the responsibilities of the trade offices. The Department of Industry and Technology will focus on what it does best—trade promotion—while the U.S. Trade Administration will handle what it should—import enforcement, intelligence, and negotiation.

In response to concerns voiced by several members of the Governmental Affairs Committee, the USTA would be brought outside of the Executive Office of the President so that the size of the Executive Office would not be expanded, and to avoid locating enforcement activities there.

However, the U.S. Trade Representative, as head of the USTA, will retain his current Cabinet-level status and rank as Ambassador. Moreover, he will retain his seat in the Executive Office of the President as head of the White House Office of Trade Policy Coordination. Hence, his stature will not decrease. In addition, the "honest broker" status of the USTR is preserved. He will continue to coordinate the trade interests of all Cabinet departments.

I would like to emphasize again that the original bill which was reported out of the Governmental Affairs Committee contained several provisions which are not contained in the omnibus bill. At the request of the Banking Committee, several offices which were transferred to the USTR from the Commerce Department in S. 1233 were not transferred in the omnibus bill. The bill now leaves export enforcement functions in the Department of Industry and Technology; hence, export enforcement functions retain their status quo. I might add that I feel that the bill was much stronger in its previous state, but that in the interests of expediency and to aid the smooth passage of the bill I acquiesced to the Banking Committee's request.

As I point out in my June 30 "Dear Colleague" to you, the Governmental Affairs Committee considered in its markup a number of proposals which did varying amounts of trade reorganization, including a proposal to do no trade reorganization. This proposal was defeated 8 to 3. In contrast, the trade reorganization proposal which the committee ultimately reported out was approved 13 to 0.

I would like to say that this is not something that the committee just rushed into. Senator ROTH has, over at least the last 6 years, built up a substantial hearing record in favor of trade reorganization. In 1983, for example, Senator ROTH held a total of 8 days of hearings on this issue. And in this Congress, the committee held 7 days of hearings on trade reorganization and competitiveness.

Finally, I think we all need to recognize that sooner or later, we will embrace some form of trade reorganization. Too many people, on too many occasions, have said that the current structure of our trade policymaking and negotiating apparatus hampers our efforts to ensure a fair and competitive trading situation for the United States. Voting for trade reorganization now is the first step toward a smoothly functioning trade apparatus—voting against it will merely prolong the length of time that the United States takes to dig itself out of the morass we now find ourselves in. Government reorganization is never a pleasant thing to do. It is disruptive, and there is inevitably a period in which it seems that things will never settle down. However, I think it is high time that we bite the bullet of trade reorganization, for the longer we delay, the harder it will be for us to face the problem we will have created.

Mr. President, I believe the Governmental Affairs Committee provisions in the omnibus trade bill, were they to be adopted, would move our government organization in a direction needed for us to be more competitive in both technology and trade.

But I recognize that there is considerable opposition to going as far as we have, particularly in the area of trade reorganization. I also recognize that there is concern about the cost of ACTA, even though we have included cost-payback provisions in our bill as well as a sunset provision.

Accordingly, I am prepared to accept an amendment to titles 37 and 38 that would eliminate all the provisions relating to the creation of the U.S. Trade Administration and would significantly reduce the funding for ACTA to a total of $80 million for the 2 years beginning January 20, 1989. This would keep trade organization in our government as the status quo, but would significantly improve our focus on the development of technology for commercial applications.

I would have been prepared to offer this amendment as a substitute for the Hollings amendment if the time agreement had allowed. As it is, I will offer it provided the Hollings amendment fails. Hence, my colleagues should understand that this vote will not be on trade reorganization. I am prepared to eliminate that. Rather, this vote is on a commitment to create a bona fide U.S. technology policy. I am not prepared to eliminate that because I believe it is vital for the future economic health of the United States.

Even though the parts that I am defending here I have already agreed would be stricken from the original bill, if it was desired, in the original bill we would redraft the trade functions that are controversial. We reduce the funding to ACTA. I think that addresses the two major concerns I have heard against the bill.

I urge defeat of the Hollings amendment.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. I yield 3 minutes to the Senator from Pennsylvania. Then my intent is to yield 5 minutes to the Senator from Montana and 5 minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 3 minutes.

Mr. HEINZ. Mr. President, I strongly support the amendment of the Senator from South Carolina, which retains the proper role of the U.S. Trade Representative and the Department of Commerce.

I am specifically concerned that title 37 of the trade bill would establish a new Cabinet-level agency—the U.S. Trade Administration. In creating this new agency, the trade bill would dismember the Commerce Department's International Trade Administration by moving its key trade bureaus—Trade Administration, trade development and international economic policy. The bill would mix these bureaus with the current USTR to make a most unsavory goulash.

The Hollings amendment would strike this provision, among others, and thus prevent the creation of USTA. The amendment retains both the International Trade Administration and the International Economic Policy Bureau within the Department of Commerce. The amendment would leave in place the Governmental Affairs Committee's authorization for Sematech, the creation of the Office of Small Business Trade Remedy Assistance, the National Trade Data Bank, the Council on Economic Competitiveness, and several studies of our international standing. Thus, much of the committee's work remains in the bill.

We are told that the purpose of establishing USTA is to improve the trade policy making process and ensure effective government action.

To the contrary, combining USTR with the key components of the International Trade Administration will have the opposite effect. Indeed, the proposal is not reorganization, it amounts to trade disorganization. The bill would diminish the Office of USTR by removing the trade negotiation from his special place in the Executive Office of the President, reporting directly to the President, and reduce the USTR's role to that of just one more departmental level, bureaucratic player in the already far too complicated trade policy game.

I am sure that all my colleagues agree that we want to give trade policy greater prominence and coherence. However, removing USTR from the Executive Office of the President hardly seems the best way to ensure that trade policy has greater visibility and prominence. As an independent agency, USTA will no longer have unique access to all levels of government, and will instead be vying for position against many others.

I think that many of my colleagues have heard the stories about how foreign negotiators often have a better idea of what is in the in basket of U.S. negotiators than their colleagues do. U.S. trade policy bureaucracy need to spend less time competing against one another and more time aggressively pursuing our negotiating objectives. Creating a new independent trade agency hardly seems the best way to minimize intramural competition.

An additional shortcoming of the bill's provision is that by combining these key Commerce bureaus with USTR we run the risk of having extremely sensitive enforcement decisions—on antidumping and countervailing duty laws—becoming a bargaining chip in the poker game of trade negotiation.

This Senator believes that the stakes are too high. The United States cannot afford to ante up with enforcement of our trade laws in exchanges for fleeting concessions elsewhere. Making our trade laws inoperative is not the way to open foreign markets.

If my colleagues want to avoid further bureaucracy in our already overburdened trade policymaking process, and prevent trade laws from becoming bargaining chips and talking points, this amendment will meet that need. The Senator from South Carolina would significantly improve this trade bill, and I urge the passage of his amendment.

Mr. President, there are a number of features of this particular part, title XXXVII of the trade bill, that I have reservations about. But above all, what I have reservations about is the reorganization or in my judgment the fragmentation, bureaucratization, and destabilization of the Office of U.S. Trade Representative.

What this bill does, of course, is to take that agency out of the White House, make it not a department, but an administration, and then assign to it two duties now performed by the U.S. Department of Commerce, namely, the administration of the Antidumping Act and the countervailing duty authority, and there are three problems with that.

The first is that by making an administration and taking it out of the White House, the Trade Representative is reduced in stature because he no longer reports directly to the President, he is no longer a part of the White House, and he is indeed, although technically still retaining Cabinet rank, reduced to a subdepartmental level of an administration. This cannot but help weaken the position of the Administrator.

As to leaving or putting into this new administration countervailing duties and antidumping administration in the Commerce Department, there is a tremendous danger in that. The danger is that a special trade negotiator in order to make a deal in some international bilateral or multilateral negotiation will be asked by some of the people he is negotiating with to give some ground to back off on the tough enforcement and administration of our Countervailing Duty and Antidumping Act. That is the last thing that we should want to have happen, and it is the last kind of pressure we should ever want on the U.S. special trade negotiator, and in this case as he would be called an administrator.

What we are doing is making U.S. Trade Representative into a person whose responsibilities become not trade but trading off and trading off the rights of one industry that they have sought and won under antidumping and countervailing duty laws for the benefit of another industry. That cannot be right.

Finally, we will pay a heavy price if the Hollings amendment is not adopted to strike this part of the bill by subjecting the U.S. Trade Administrator to the departmental and subdepartmental infighting that takes place at the interagency level.

So, Mr. President, I urge the support of the Hollings amendment.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. GLENN. I yield myself 20 seconds to reply to the Senator from Pennsylvania.

In my Dear Colleague letter, I stated the willingness to pull back from all the provisions he referred to and also referred to this on the floor. So I am prepared to make an amendment to that effect at the appropriate time if we can.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, I yield 5 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized for 5 minutes.

Mr. BAUCUS. Mr. President, I think this provision of the trade bill reported out by the Committee on Governmental Affairs is well intended. It attempts to reorganize the American Government to more effectively deal with America's trade deficit. Even though it is well intended, in my view it does not begin to accomplish the results for which it is intended. In fact, it will cause many more problems than it attempts to solve. Why do I say that?

First, I think that the USTR, our present trade negotiator, has achieved some effectiveness, because essentially it is a small agency. It is a lean, mean agency.

The Government Affairs provisions in this bill will dilute the effectiveness of the USTR, because it would add to the size of USTR. It will quadruple the size of the USTR and make it more of a bureaucracy. The functions that it transfers to USTR are functions that have very little to do directly with the present USTR. The functions to be transferred to the USTR from the Department of Commerce are, first, offices involved in export promotion. The USTR is not engaged in export promotion. It is engaged in negotiations and coordination of policy, not export promotion.

So, first, the transfer of export promotion to negotiation and trade policy will dilute the effectiveness on the USTR.

The second function to be transferred from Commerce to USTR is the offices in charge of countervailing and dumping determinations which presently are made by the Department of Commerce. Why will that further dilute the effectiveness of USTR? Very simply, because of this: in 1979, after the Tokyo round, the United States Government, established a special procedure in the Department of Commerce to administer a quasi-judicial proceeding to determine whether or not a foreign company had dumped in the United States. Since 1980 there have been 620 countervailing and dumping tariffs levied by the Department of Commerce agency and not one of them has resulted in retaliation by a foreign government. I submit this is in part because in fact we do have a quasi-judicial proceeding in the Department of Commerce.

So if we move that over to the USTR, an Office of the President, it will dilute the apolitical nature of the quasi-judicial determination, further diluting not only the effectiveness of the USTR but further diluting the propriety and the judiciousness of the present countervail and dumping determinations presently made by the Department of Commerce.

Let us be frank. I think most of us in this town do not believe that the Department of Commerce is the world's most efficient Department. It tends to be too bureaucratic. At least in the experience of this Senator, it tends to be too bureaucratic. This committee bill transfers too much redtape from the Department of Commerce. Why bring that bundle and barrel of redtape and bureaucracy and bring it over in the USTR? I think it is a bad idea.

Another problem is simply that we are presently negotiating trade agreements as part of a new round of GATT. There is going to be a new President elected in November 1988. If we retain the Governmental Affairs Committee provisions, we are going to be in this turmoil of trying to reorganize a not-thought-through proposal, an ill-thought-through proposal, something basically put together with Band-Aids and Scotch tape.

I do not think this is a good idea.

Finally, Mr. President, I and Senator CHAFEE from Rhode Island are working with a group called the congressional competitiveness caucus. I would be the first person in the world who wants the United States to be more competitive. One of the reasons the

United States is less competitive than it otherwise would be is because of high U.S. capital costs, which are basically three times that of Japan. In real terms, U.S. capital costs are higher.

If we contribute to the budget deficit with an ill-thought-through proposal, we are going to impede the competitiveness of U.S. companies.

Sure, the superconductivity research fellows would like some more Federal funds, but they are not rushing to the Congress asking for more aid. It is more a matter of coordination. We have to remember we Americans are not the Japanese. We are a different culture. There are lessons we can adopt from the Japanese. We have to do it more thoughtfully.

So it is with deep regret that I support the amendment cosponsored by Senator HOLLINGS because I think the Senator from Ohio and the Governmental Affairs Committee have done what they could with the very short time assigned to them.

With all due respect, I do not think that the proposal is sufficiently thought through. They have not had a time to think it through.

I urge we do not adopt it.

I urge, therefore, the adoption of the amendment of the Senator from South Carolina.

The PRESIDING OFFICER. The 5 minutes of the Senator from Montana have expired.

Who yields time?

Mr. GLENN. Mr. President, I yield 5 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 5 minutes.

Mr. BINGAMAN. Mr. President, I rise in opposition to the amendment. In my view the amendment is an effort to deal with two serious problems which we have, and I support the efforts of the Senator from Ohio through the Governmental Affairs Committee to deal with these serious issues.

First of all, the area of our trade policymaking in the Federal Government, I think it is clear to anybody who has studied this subject over the last several years that we have had a minimum of direction or coherent policy from the administration on this subject.

I can remember coming to the Senate in 1983, and one of the first bills I was lobbied on by the administration at that time was a trade reorganization bill which the administration was then pushing. Secretary Baldrige, whom I have great respect for, came to my office and urged me to support the reorganization effort. Because of the essential importance of getting on with that, I did so. We reported a bill out of the Governmental Affairs Committee. The administration withdrew its support for the reorganization before the bill was acted upon.

Therefore, nothing was done.

Now we see another very conscientious effort being made to deal with the problem of lack of policy on trade issues and, again, although everyone concedes that some reorganziation is needed, we cannot get any consensus on exactly what should be done.

There is an excellent article in the National Journal this month, dated the 19th of July, which is entitled "Feeling the Strain." It talks about some of these problems.

I would just like to point out a provision in that article. It says:

> There is widespread concern among many trade lawyers and lobbyists, trade specialists on Capital Hill and staffers at USTR that the international economic interests of the United States are suffering because there are too many pots on the trade policy front burners, not enough chefs and no coherent menu.

They go on to point out that they have an official from the White House saying:

> My sense is that USTR is stretching a bit. [But] events will take care of themselves.

Their view is that if they can just get past this trade bill, the problem will be behind them.

Another USTR official is saying:

> There is no fundamental planning anymore. . . . It never occurs to anyone to do a [policy] paper, because they are so overworked. You can see it in a vacuum of speaking on the specificity of our suggestions for the [upcoming multilateral trade] round.

Mr. President, it is clear that something must be done. I commend my colleague from Ohio for a very conscientious proposal here to try to move from a general discussion to something specific in reorganizing our trade efforts. I also commend him for his efforts to set up an agency and give it some authority to pursue commercial application of our technology.

It is clear to me that we have a major deficiency here. It has been clear to me for a long time that our efforts toward promoting defense-related research are significantly more sophisticated and more effective than our efforts to promote commercially relevant research.

With the Advanced Civilian Technology Agency, which is proposed here, I think we make a major step in trying to deal with this very real problem.

So I want to lend my support to the Senator from Ohio in his very genuine effort to deal with these serious problems. I hope that we will not miss the opportunity which is presented by this trade bill to deal with these very serious issues.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. I yield 5 minutes to the distinguished Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 5 minutes.

Mr. ROTH. Mr. President, I rise in support of the amendment offered to strike the provisions of the omnibus trade bill based upon legislation reported out of the Committee on Governmental Affairs.

My support for the Governmental Affairs bill in committee was predicated on the creation of a new U.S. Trade Administration composed of the Office of the U.S. Trade Representative from the Executive Office of the President and the International Economic Policy and Trade Administration functions—including export administration functions—currently located in the Commerce Department. I viewed this as an appropriate step toward the creation of a Federal level Department of Trade.

The bill before, us, however, does not reflect the Governmental Affairs Committee product. That the proposal was altered as it was made part of the omnibus bill in a manner that diminishes the trade reorganization element. I disagree with the change and, therefore, have withdrawn my support for the provision of the bill based upon the Governmental Affairs Committee action.

In my view the original Governmental Affairs Committee approach to the creation of a new Trade Administration represented a step toward consolidation of the principal elements of our Government's trade policy process. It would have provided the base for the creation of a Cabinet-level Department of Trade which I believe is the desirable approach to our governmental trade organization. As I have said many times in the past, the consolidation of these trade policy functions is a step we must take in order to expand trade and remain competitive internationally.

I want to underscore for my colleagues that my support for the proposed amendment is not a signal that I have diminished my desire to see the creation of a new Department of Trade. I truly do believe that eventually—maybe in this Congress, maybe in the next—we will realize the need for a focused trade organization and will move to create a trade department.

Mr. President, I would like to take a few minutes to explain why I think the creation of the Trade Department is so important. We are engaged now in a great debate about policies to help improve the international competitiveness of the Nation. Competitiveness has moved to the top of the national policy agenda. No matter how clever or forward-looking these policies are, however, their eventual impact will be diminished if the mechanisms for implementing them are flawed. This is the case in the trade area. The limited trade reorganization passed in 1979 secured not order but chaos in the trade arena as it left trade responsibility divided between the Office of the U.S. Trade Representative and the Department of Commerce.

The USTR is responsible for trade negotiations and policymaking while Commerce is to handle data collection and analysis in support of negotiations as well as the actual administration of the trade laws. In reality, however, these roles merge in a tangle of competing interests and management overlap. USTR, our top policy coordinator, increasingly finds itself bogged down in time consuming administrative matters while some Commerce resources are underutilized and rarely given recognition for the work that is performed.

Into this situation of uncertain power and responsibility have moved other interests including the Department of State, occasionally the Department of Defense and in recent times the Treasury Department. In this "who's on first?" environment it is little wonder that confusion reigns, trade policy is weakened and our trading interests suffer.

Moreover, the management inefficiencies of our current trade organization are becoming more and more apparent. The small staff of the USTR is not sufficient to handle all of the detailed work required for aggressive action on 301 cases or for the long list of objectives to be pursued in the new round of trade negotiations.

We may continue to add incremental staff positions to the USTR to ease the workload, but the simple fact is that the USTR will always draw on the resources of the other key trade agency, the Department of Commerce in order to get its job done. And that of course is where the problems develop. Bifurcated trade organization, unclear responsibility, duplication, lack of accountability and turf disputes all translate into a management muddle requiring excessive amounts of coordination while trade opportunities are lost.

Consolidation of the principle elements of trade policy in a new department of trade will link negotiation to policymaking to administration. It will remove much of the incentive for destructive bureaucratic turf battles and will give trade the organizational prominence it merits as a national priority.

I am opposed to the reorganization proposal in the legislation before us because it does not go far enough toward the creation of a department of trade. It does not link trade law administration to trade policy negotiations. It does not bring trade promotion into the new organization. It leaves out important data collection responsibilities integral to the policy process. And it does not provide Cabinet-level status to the new trade organization.

The alteration of the Governmental Affairs Committee bill as reflected in this omnibus legislation undercuts the purpose and effect of the proposed U.S. Trade Administration. It causes further fragmentation instead of unification of important trade functions. And it strays further from my ultimate goal of the creation of a Cabinet-level U.S. Department of Trade.

For these reasons I no longer view this legislation as a step forward on trade reorganization and I cannot support it. I support the amendment now before the Senate with the clear understanding that I intend to return to the issue of trade reorganization in the coming months to seek the creation of the Department of Trade.

Mr. President, in order for the effort to create a Cabinet-level department of trade to succeed, it is imperative that the initiative have the active support of the administration. I am pleased, therefore, that the U.S. Trade Representative and the Secretary of Commerce in a letter written to me on July 1, 1987, have indicated the willingness of the administration to work with me to develop an appropriate reorganization for trade within the executive branch. This is an important and constructive development and I look forward to working with representatives of the administration to design and advance a trade reorganization proposal in the coming months. I ask unanimous consent that the text of this letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ROTH. Mr. President, in the last year a number of key national trade leaders have stated publicly that we need to reorganize the trade functions of our Government. For example, in a National Press Club speech earlier this year, Congressman DAN ROSTENKOWSKI stated "every other industrialized nation has a minister of trade and we need one, too. In international trade, we need one person who will articulate our policy, provide our answers and take the heat."

Similarly, in a speech delivered late last year before the Center for Strategic and International Studies, former U.S. Trade Representative Robert Strauss stated that he had come to the conclusion that "part of any comprehensive, bipartisan trade legislation should be the creation of a department of trade." In Mr. Strauss' view, the new trade department "would be the centerpiece of a sensible, aggressive U.S. trade policy based upon self-interest and also committed to global responsibility."

Mr. President, I believe support for this amendment is important also in order eliminate the funding provision for the Advanced Civilian Technology Administration [ACTA] proposed in this legislation.

The proposed ACTA is funded at the unacceptably high level of $480 million over 3 years, with authorizations of $80 million in fiscal year 1988, $160 million in fiscal year 1989 and $240 million in fiscal year 1990. Mr. President, this is money we do not have. At this point in June 1987, we have already overspent the fiscal year 1987 budget resolution by $13.3 billion and are $18.5 billion lower in revenues than called for by the resolution.

We are taxing at a historically consistent rate of 19 percent of GNP, but are spending at a rate of 23 percent of GNP. We have made progress at reducing the deficit, but we have a long way to go before we get the budget back into balance. The funding for new programs such as the proposed ACTA will result in the movement away from a balanced budget and back toward troublesome deficits in the $200 billion range.

If the ACTA concept has merit, it should be attempted on a trial, or demonstration basis. The current funding levels are unacceptable and I, therefore, support the amendment to the ACTA provisions from the bill.

Mr. President, title 38 of this legislation creates a new agency of the Federal Government, new committees, a new council, a costly new trade data system, and numerous study initiatives. Many of these items duplicate activities already carried out by Government agencies or are not appropriate for Government action in the first place.

For example, the title creates a new permanent council on economic competitiveness that would be funded at the level of $15 million in its first year of operation. Mr. President, this $15 million is only $100,000 less than the entire annual funding for the Office of the U.S. Trade Representative. I cannot conceive of what this new council could contribute in the way of analysis or research that is not already being done by agencies of the Government that would merit this sort of expenditure of public funds.

Beyond its cost, however, the mission assigned to the council raises troubling questions about the appropriate role of Government agencies in developing policies affecting private enterprises. My concern on this point is best reflected in the stated mandate of the council to "develop and promote a national vision and specific policies which enhance the productivity and international competitiveness of United States industries." I do not think that any governmental unit can adequately produce a vision of what course that private sector interests should take to remain competitive internationally. This to me, Mr. President, moves the council foursquare into issues that are the domain of private sector decisionmakers, not a governmental bureaucracy.

The proposal would also create a national trade data bank with another new bureaucracy in the proposed National Trade Data Committee. While I strongly support improvements in trade data, this initiative is duplicative of efforts now well underway in the Commerce Department and, if implemented, would be extremely expensive. The proposed data bank would be expensive to create and to maintain, with estimated authorizations at $19 million for data bank and committee for the first 5 fiscal years alone. There is little prospect, I might add, that any user fees charged could come close to covering the costs of the system.

Much of the proposed data in this system would compete directly with information provided by the private sector economic and commercial services. It is likely that the data bank could provide a competitive product only if it offered a highly subsidized price structure. These private sector services would be sure to protest a competitor product subsidized by the Government.

A large and growing inventory of commercial and economic information useful to U.S. exporters is being provided through the International Trade Administration's Commercial Information Management System [CIMS], now nearing completion, will provide substantial amounts of information on foreign business opportunities, business contacts, and market characteristics.

The administration's export promotion data system should be permitted to come fully on line and be given the opportunity to prove its adequacy before we launch off on another new and costly data program.

The title also calls for a new commission on U.S. trade in the 1990's and a series of competitiveness studies. The commission is pegged at $1 million and the studies would cost in the neighborhood of $5 million. These efforts are duplicative of efforts already underway or are unnecessary and excessively costly. These provisions should be eliminated with the remainder of the title.

Mr. President, I feel strongly that our competitive position internationally will be restored faster by budget restraint and reduction of the deficit than by giving the green light to massive new Government spending initiatives. It has been pointed out that the omnibus trade bill as a whole authorizes at least 81 Federal and State agencies, offices, advisory panels and commissions. It calls for 165 new reports, studies and evaluations by the Federal agencies. And it creates between 500 and 1,000 new positions in the Federal Government, depending upon how the language is interpreted. Unfortunately, title 38 of the bill makes a strong contribution to this expansion of government expense and reach.

I conclude, therefore, that the omnibus trade bill will be improved by the elimination of portions of titles 37 and 38 as reflected in the proposed amendment.

EXHIBIT 1

THE U.S. TRADE REPRESENTATIVE,
Washington, DC, July 1, 1987.

Hon. WILLIAM V. ROTH, Jr.,
U.S. Senate,
Washington, DC.

DEAR BILL: We are writing you concerning trade reorganization proposals currently in S. 1420, and amendments to those proposals that may be offered on the Senate floor.

Like you, Bill, we have thought long and hard about how best to organize the Executive Branch to develop and implement an effective trade policy. Each of us has had somewhat different views on this subject. The main view on which we hope you now agree with us is that the proposals currently in S. 1420 have *not* been adequately considered and would not improve the organization of government. Particularly after our long and thoughtful debate on trade reorganization, it would be a shame for half-baked ideas to be hastily passed by the Congress simply to get something—anything—on trade reorganization accomplished through S. 1420.

The current proposals would dismember the International Trade Administration, undermining its internal coordination and effectiveness. They would move into the new U.S. Trade Administration Import Administration, thus calling into question the *non*political basis for antidumping and countervailing duty decisions; and International Economic Policy, thus denuding ITA of regional expertise needed to make informed decisions about trade activities. It would transform a small, mobile negotiating policy team (USTR) into a middle-sized bureaucracy, while leaving a second middle-sized bureaucracy in place. This transformation would cripple one of USTR's chief assets: its ability currently to respond quickly to developments and to use efficiently the resources of other agencies. Time critical issues would languish because of delay caused by additional bureaucratic layers in USTR between staff and the Trade Representative. The proposed reorganization would also disrupt the current balance of interests between the industrial and agricultural sectors.

Bill, we believe that enactment of trade legislation and developments in pending trade negotiations warrant serious consideration of trade reorganization. We want to work with you closely to develop a reorganization plan we can all agree upon, and with which we can proceed at an appropriate time.

But the S. 1420 proposals are inappropriate and undesirable, and now—with the press of everything else in S. 1420—is not the time. We hope you will join with the Administration, first in supporting an amendment to strike trade reorganization proposals from S. 1420; and second in developing a plan to organize trade policymaking within the Executive Branch more effectively and efficiently.

The Office of Management and Budget advises that from the standpoint of the President's program, there is no objection to the presentation of these views.

Sincerely,

CLAYTON YEUTTER.
MALCOLM BALDRIGE.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. HOLLINGS. Mr. President, I yield 1 minute to the distinguished Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. D'AMATO. Mr. President, in view of the time constraints, I will be brief and simply say I rise today to join my distinguished colleagues from South Carolina and Missouri in opposing a massive and unnecessary reorganization and expansion of the U.S. Government trade agencies.

The Office of the U.S. Trade Representative is today a lean, flexible, and responsive arm of the executive branch. Its relatively small, dedicated staff is responsible for the execution of our trade laws as well as the herculean task of negotiating all bilateral and multilateral trade agreements. A reorganization would require the U.S. Trade Representative to become more involved in administrative matters and less attentive to the intricate details of negotiations at a time when this Nation must maintain a "full court press" on its trade agenda. I do not think for a moment that anyone of us believes that our trade deficit of $170 billion will disappear without extracting concessions from our trade partners to open their own markets. That effort will not be at all aided by the dilution of responsibility, duplication of effort, and inefficient bureaucratic bloat that would result from this proposal.

This amendment also proposes funding for a semiconductor manufacturing and research facility, Sematech. A joint venture between the private and public sectors, this innovative proposal will help the domestic semiconductor industry regain its global leadership position. In 1986, the United States semiconductor industry lost its lead in the world semiconductor market to Japan. U.S. share of the world market has declined from 60 percent in 1975 to 42 percent in 1986. During this same period Japan's share has increased from 20 percent to 44 percent.

I commend my good friends for their support of this unique and vital effort.

Mr. President, I urge my colleagues to support this important amendment.

Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, I yield 3 minutes to the distinguished Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 3 minutes.

Mrs. KASSEBAUM. Mr. President, I rise in support of the motion to strike titles XXXVII and portions of XXXVIII from S. 1420. In fact, I am concerned that we are not going far enough in eliminating all of title 38. Although I appreciate the work of the Governmental Affairs Committee, and would support some of the concepts and ideas embodied in this legislation, I am very concerned about the bureaucracy this legislation will create and the costs associated with many of the new programs included in the bill.

Mr. President, there are portions of the first title of this bill that I find very interesting. For example, I agree with the committee's contention that the Commerce Department could do with a little consolidation in order to better implement trade policy. There would be a direct link between our trade policymaking authority and trade analysis and implementation. I agree with that argument.

I also like the concept of promoting domestic industries in international marketplace. The committee bill, however, creates a separate body, the Department of Industry and Technology, to disseminate and collect trade information, to promote trade and industry, and to analyze the effects of trade policy. This provision forces our trade negotiators to rely on a completely separate Department for pertinent trade information. I do not see this as a way of streamlining the bureaucracy—rather I see it as more confusing and a duplication of existing programs.

Another new program which would be housed in the DIT is an agency, the Advanced Civilian Technology Administration [ACTA], to promote the development and application of advanced technologies. Mr. President, I do agree that U.S. industries will only be successful in the international marketplace if they can compete in highly technological fields, however, I see the promotion of U.S. industries and technology abroad as a major responsibility for trade policymakers.

Mr. President, this bill does not consolidate trade policymaking, nor does it clarify existing lines of authority. Rather it is authorizes new programs at a cost of almost $1.4 billion over the next 4 years without eliminating any existing and duplicative programs. The largest expenditure is the creation of the ACTA within the DIT. This single agency is authorized for $480 million over a 3-year period.

Mr. President, the second title of the bill authorizes the creation of several new Federal agencies, which would exist in addition to the remaining entities of the current Commerce Department. The largest would be an independent Council on Economic Competitiveness [CEC], authorized at almost $15 million—the USTR, responsible for developing and negotiating U.S. trade policy, is authorized for only slightly more. The role of this Council would be to review Federal proposals which affect the ability of the United States to compete internationally. However, after reading the provisions of the legislation, I am convinced that the Council is not well defined and that a number of questions are not addressed. For example, are corporations and manufacturing companies not in a better position to determine whether they can compete internationally? What exactly will happen after proposals are reviewed? Will the Council make recommendations about various industries? Will industries be compelled to follow those recommendations?

Included in the legislation is a temporary Commission on U.S. Trade in the 1990's, authorized for such sums as may be necessary, which would study and report on future trade problems the United States may encounter. It seems to me this responsibility is handled adequately by the International Trade Administration in the Department of Commerce and the office of the USTR. How many commissions and studies can the American taxpayer afford? And furthermore, how can we determine our long-range trade problems if we are having trouble getting a handle on our current trade problems?

I must admit to some reservations about preserving the National Trade Data Committee proposal, whose primary responsibility would be to establish and maintain a national data bank of trade information. I would like to see us streamline and centralize data and information collection programs within the Department of Commerce whenever possible. I cannot believe that the data bank is entirely necessary when the Bureau of Economic Analysis, the National Technical Information Service, the Bureau of the Census, the Economic Development Administration, the International Trade Administration, the Trade Administration, and Office of Trade Development, the National Bureau of Standards, and the Office of International Economic Policy already exist. Mr. President, is it necessary to authorize an additional $13 million in 3 years for services that are already provided, probably several times over?

While reorganization of the Department of Commerce may well be in order, I am concerned that an unthoughtful reorganization of this magnitude, which will cost hundreds of millions of dollars, only adds to our trade problems and our budget deficit. Establishing a number of new programs—many of which duplicate existing efforts—does not make us more competitive, they only make our procedures more cumbersome and duplicative.

It is time we realized, Mr. President, that the trade deficit will continue until the budget deficit is lowered, until U.S. productivity is increased, and foreign barriers are removed. All the reorganizations in the world will not affect those simple truths. For these reasons, Mr. President, I hope the Senate will vote to strike titles XXXVII and XXXVIII of S. 1420.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. The distinguished Senator from Ohio has postured himself as having discovered the problem, and the distinguished Senator from New Mexico says: "I hope we don't miss an opportunity."

Inferentially, they would assume that nothing has been done.

I have been working. My own record here is some 20 years in commerce, trade, and technology, and more recently we have passed various acts. Some 7 years ago we passed the 1980 Technology Innovation Act. Then we and the Labor Committee passed the 1985 engineering amendments to the National Science Foundation. In 1986, Senator DANFORTH and I joined together on the Federal Technology Transfer Act.

I can tell you right now we are not missing the opportunity, if the Members will only read titles XL through XLV. We have therein, in those particular titles: the National Institute of Technology, the Technology Extension Services, the 12 regional centers, the advanced technology program, and on down the list of a well-conceived, unanimously supported particular program.

In all candor, the distinguished Senator from Ohio never mentioned anything about his proposal to me or anybody on the Commerce Committee, and I asked around. I said I had never received all the details on this until last week.

Similarly, I asked the Finance Committee whether they had been contacted, last week when they had the amendments. The idea now is to get together on the finance side and not the commerce side.

We on the Commerce Committee, the Secretary of Commerce, the administration, and all of us working with respect to this particular problem oppose the Governmental Affairs proposal. We believe we ought to emphasize and work upon our strengths, and that strength is in the Bureau of Standards.

You know, they say necessity is the mother of invention. Already we have a Navy rapid acquisition of manufactured parts program going on now with the Bureau of Standards' technology and with SRI, Grumman, McDonnell Douglas, the South Carolina Research Authority. We are trying to formalize in statute a similar program for civilian industry, a version of what we really have been forced to do to meet this competition.

We did not wait on the Senator from Ohio to come running with ACTA, ACTA, ACTA. What happens with ACTA is he leaves the Bureau of Standards, all the strengths we have there, and starts a new agency, goes through a new Secretary. We considered that. But we decided that our particular head of the proposed Institute of Technology should report directly to the Secretary of Commerce, building on those strengths. We also have a program that is widely supported—not in his bill, in our bill. That is what you really have in the amendment.

We are not trying to stop the solution to the problem. In contrast, what we are doing is working with the National Society of Professional Engineers and others. Different organizations that have come forward now in support of this particular thing, including the Engineering Deans Council, the National Academy of Engineering, the president of the National Academy of Sciences—I could go on listing the organizations who endorsed our bill, 907, which is now titled XL through XLV in this particular measure. So we are not missing the opportunity.

So the Governmental Affairs proposal is not moving forward, as the Senator says.

I would retain the balance of my time.

The PRESIDING OFFICER (Mr. Adams). The time of the Senator has expired. The Senator from Ohio.

Mr. GLENN. Mr. President, I yield myself such time as I may need.

Mr. President, I cannot believe what I just heard on the floor here from the Senator from South Carolina, that the Commerce Committee never heard of these changes, just a short time ago. The arrangements for the omnibus bill were that parts were to be sent to different committees and those committees were to report back as soon as possible. Then we were supposed to get together and work out any changes as each committee went through the bill and saw what might conflict with their jurisdictions or their interests. If there were disagreements we were to take care of that.

The Governmental Affairs Committee reported their part of this bill on the 11th of June. We questioned others. We went through the bill. We had some disagreements. The Banking Committee brought up some problems they had. We worked with them, worked that out and comprised the change and it was quite satisfactory to them.

The trade bill was on the floor last Wednesday. I heard a rumor that Senator Hollings was, indeed, going to move to strike a good part of this bill. I even called and got no return to my call.

On Thursday last, all at once I got word in my office that the amendment of the Senator from South Carolina was going to be called up. I came to the floor immediately. I requested a copy of the amendment. I was given a set of talking points; no amendment.

By mutual agreement, it was put over to Friday with a time agreement even though I could not get a copy of the amendment and on Friday, as the Senator well remembers, I sat back here with him, wanting a copy of the amendment. We could not even get it then. It was 5:15 that afternoon in my office before I finally got a copy of it and we went to work over the weekend.

We wanted to work out our differences. All day yesterday, I called repeatedly to the Senator's office so we could get together and talk out some of these compromises we wanted that addressed the trade reorganization and reduction of funding to a more acceptable level for the Senator. I understand the Senator did return my call last night after I left the office. He called about 5:40 last night. So I find it a little disingenuous to say that we set out and sprung this on everybody when that is just the opposite of the truth. It has been open, published for weeks now; open to committee.

If the Senator wishes to pursue this I would be willing to go into details of what staff contacted what staff and when. We have a number of different dates here going back, clear back to May 6 at which time staff had discussion on this. So this is not anything, I would submit to my colleagues in the Senate, that was just sprung today. This is something that has been out in public to be questioned, to be looked at as we have looked at portions of the Commerce Committee bill, as the staff did.

So, this is not something that was suddenly sprung and I repeat, I would be quite happy to amend it right here—I have the amendments with me. If it were parliamentarily possible for me to submit these amendments I would, which would take care of the concerns that I had expressed to me about the bill. I did not come yelling ACTA, ACTA, ACTA. We put this in because we think it is very, very necessary to make the transition from research in this country over to commercialization which keeps jobs and employment in this country and that has been our main concern.

I reserve the balance of my time.

The PRESIDING OFFICER. The Senator reserves the balance of his time. Who yields time?

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. We did on last Friday discuss it. Obviously, when this was reported in June, as the distinguished Senator has related, I, for several weeks, sought to discuss it with the Finance Committee. In fact, members of the Finance Committee told me they were going to put in an amendment to knock out these portions of the bill. Finally, as you well can see, the Senator from Montana who is on the Finance Committee, and the other Senators, have joined, including Senator Roth, the distinguished ranking member of the Governmental Affairs Committee as well as an outstanding member of our Finance Committee.

So, when I discussed my amendment on Friday with the distinguished Senator and we had the Xerox machine making him a copy of the amendment—after I had talked to several members on his committee with respect to keeping Sematech, with respect to keeping competitiveness studies and otherwise—I related to the distinguished Senator from Ohio that we could not compromise on reorganizing the Department of Commerce.

He keeps on saying he has an offer. That offer was refused on Friday. I did call him back yesterday. I talked to him again this morning when I declined, again, the offer. He acts like we had just somehow had a problem missing each other, where we did not get together. That is not the case.

Numerous Senators testified on our particular bill in the Commerce Committee. I just could not imagine reorganizing a particular department of Government where a committee had the primary function over it and never discuss it with a Senator on that particular committee, particularly the chairman. He never did, never discussed this.

So, it is a matter of not being open and public in that context. Once the final details were made public we just opposed it and that is what my amendment intends to do. It is not that we cannot get along and compromise. That is the life of the law, to compromise. I know that better than any. But I cannot get the administration to approve this. I can tell you that right now. I cannot get, perhaps, a majority of the Senate to go along with this idea of a separate agency rather than build on the strengths of our own existing Bureau of Standards.

The Governmental Affairs plan proposes to divide technology functions. Instead of really organizing like we are trying to do in order to compete, instead of doing that, what we have done now is to disorganized by putting competing agencies within a Commerce Department that has already been accused of overwhelming bureaucracy.

So that is why we do not agree to it. I reserve the balance of my time.

The PRESIDING OFFICER. Who yield time?

Mr. GLENN. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. Mr. President, we had a number of distinguished Americans come before our committee in the firm support of what we are trying to do with regard to reorganization at ACTA. Let me say that I want to also pay tribute to the distinguished minority leader on our committee, the ranking minority member, Senator ROTH, who through the years, has had repeated hearings going clear back to 1981 on this very subject and a lot of excellent background work. We built on some of that this year and I know that one of his difficulties with the bill all this year was we did not go far enough.

He wanted to go whole-hog on this and make a Department of Trade, as such. He has been an advocate of that for a long time. I think if we were truly serious about the reorganization problem, we probably would go to a Department of Trade and at the same time a Department of Science and Technology.

Most nations of the world have some combination like that, most of the major industrialized nations, at least, and it seems to serve them in good stead.

I do not disagree, necessarily, with this approach. It is just that we have tried to take a more modest bite of the apple. I know that he was disappointed when some of these things did not come out. I want to give him full credit for keeping this issue alive all through the years when it was not that popular, when he was a lone voice sometimes out there crying in the wilderness on trade matters.

I know from working with him in the committee that his disenchantment with what we have here before us today is not necessarily with the bite of the apple, but it is the size of the bite of the apple more than anything else. In fact, it is the whole apple that is missing.

He wants to move to stronger measures in trade than we have provided here. I appreciate the position that he is in.

Mr. President, I will mention some of the distinguished people who have come before our committee. People such as Bob Noyce. I read some of his testimony. He said:

> A suggestion for a Government agency like ACTA is very, very good because it has its primary focus on efficiency and commercial application. Second, because of the swapping of people, it will be sensitive to industrial needs and carry information back to industry. It minimizes the cost to the taxpayer because of the cost sharing and recovery of investments in that technology were it successful, and I believe it is a necessary response to the institutional technology of developed programs of our national rivals, namely people like Japan and West Germany.

Further, he said:

> Your bill to reorganize the Commerce Department as the Department of Industry and Technology, particularly the Office of Under Secretary of Industry, I think will help us create coherent efforts to promote those exports.

Later:

> America can only meet the challenge of international competitiveness by intensifying its efforts to increase our technical development in the commercial sphere, thus increasing our exports. I think your bill offers a sound way of accomplishing that.

Bob Kahn said:

> First, the problems of competitiveness, trade and technology in the global economy are really sufficiently complex that I believe no single action by itself is likely to provide a solution. I wish to, therefore, explore many different avenues and expect that a combination of factors may ultimately be required. I think the idea of an ACTA to deal with these problems characterized as a civilian counterpart to DARPA, could very well be one of these factors. I am personally in support of the concept. In fact, I believe the concept is sufficiently important that I believe it has merit independent of the disposition of the rest of the bill. I hope it does not get lost in the debate.

We could go on with page after page of the testimony of those who favored it.

I have a letter here from the science, technology and public policy program at Harvard, Dr. Lou Branscomb, the ex-chief scientist at IBM and now at Harvard. He said:

> I have read your proposed legislation, S. 1233, to establish a Department of Industry and Technology, with great interest. As a former Director of the National Bureau of Standards, this proposal would bring a most welcome emphasis on technology to the Department of Commerce, which has long been ambivalent about its scientific and technological role.

Later on he said:

> The activities under the Under Secretary for Technology could provide an industrially-oriented counterbalance to the NSF allowing the two areas to be developed through management arrangements suitable to their purposes.

They would be complementary to each other.

He said he noted an interesting contrast between our proposal and those of 2 years ago to change the Department of Commerce into a Department of Trade and Industry.

> This measure which received administration endorsement, if not active support, would have shorn the Department of all of its technical activities, and added to its trade responsibilities.
>
> Your measure, it seems to me, accomplishes the same purpose of coordinating trade policy while strengthening a concern for civil technology and capabilities.

Mr. President, I will summarize. We were given a chunk of this trade legislation to consider and looked at whether organizational changes were necessary. We felt indeed they were. We felt that no longer can we just look at trade as being a matter that we let in because we made a breakthrough in this country in a scientific way and it got used in our industry, we developed new industries, and that led us to new trade.

What we find now is that we do the basic research. We have more Nobel laureates than anywhere on Earth. Then someone else takes our idea and because they are faster on their feet, because they are organized Governmentwise, Government, industry, investment, they move technologies into common use before we do and they reap the benefit of our research.

That is not going to change. It will become more critical into the future.

What we have tried to do is to reorganize, to move research and commercialization more rapidly. We did that by saying that in the present Department of Commerce, which would be changed to the Department of Industry and Technology, we would create an Under Secretary for Industry which would basically be the outfit that would assume the functions of the present Department of Commerce but that we would also create an Under Secretary for Technology. Under that person we would have ACTA, the Advance Civilian Technology Agency, which would be the civilian counterpart of DARPA, which has been so successful in the military area. That would become the focal point of science policy for our Government.

How much time have I remaining?

The PRESIDING OFFICER. The Senator has 3 minutes 9 seconds.

Mr. GLENN. As I said when I started, there are two controversial concerns in this bill. One, the original bill moves trade functions to the USTR and does change some of the trade functions. I am willing to forego that. Maybe we will get back to what Senator ROTH has proposed, the Department of Trade. Maybe we have to develop more consensus for that. I am aware that many Senators have concerns over that and I would be happy to make that change.

Second, there was concern about the money spent on ACTA, whether it was going to be too much. We reduce that to only $80 million in this bill, $30 million in fiscal year 1989 and $50 million in fiscal year 1990. I would be happy to propose those amendments.

Mr. President, I think we would like to have a way of doing that. I do not know whether the Senator from South

Carolina would agree to let us propose those amendments now or whether he would object to them.

Would the Senator comment briefly on my time?

Mr. HOLLINGS. The Senator knows I would object to that. We discussed it on Friday and again this morning.

Mr. GLENN. We did not discuss it on Friday and only briefly this morning. On Friday I said we would be willing to make some concessions, but we did not get into detail on Friday.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, the distinguished Senator is correct. He had many distinguished Americans appear before his committee. The fact is they are distinguished in two regards. They appeared before other committees also, like Lewis Branscomb who headed up the National Bureau of Standards, who now is at Harvard and was chief scientists for IBM. In House testimony he endorsed our bill, titles XL through VL.

Other distinguished witnesses, like the Deputy Trade Representative and the Deputy Secretary of the Department of Commerce, distinguished themselves by opposing his particular measure and later endorsing ours. That is where we are on this particular measure.

We cannot go in two different directions. We either have to go the Commerce Committee way, which has been figured out by those working in this discipline and by the administration, to work on the strengths that we have in the Bureau of Standards, or we have to start a new agency and a new Under Secretary and new bureaucracy and everything else and disorganize what we are trying to do in advanced technology.

Mr. President, today several of us are offering an amendment to strike many of the provisions of the two trade bill titles authored by the Governmental Affairs Committee. I proposed the amendment last Friday. Cosponsors include Senators DANFORTH, BAUCUS, EXON, RUDMAN, HEINZ, EVANS, KASSEBAUM, MCCAIN, KASTEN, D'AMATO, PACKWOOD and BOND. Our amendment would strike the proposed trade and technology reorganizations, the proposed Advanced Civilian Technology Agency [ACTA], and two smaller provisions.

The amendment would leave in place several other provisions, including the Sematech subtitle, the National Trade Data Bank, the Office of Small Business Trade Remedy Assistance, the Council on Economic Competitiveness, several studies, and the Committee for Symmetrical Access to Technological Research.

Mr. President, I agree with the Governmental Affairs Committee that trade and technology issues are of the greatest importance. In recent years the Senate as a whole has not given them the attention they deserve. I do not agree, however, with the particular reorganizations and the new agency that they propose in their bill.

The Governmental Affairs proposal is large, drastic, and expensive. Their approach has enormous ramifications for U.S. trade and technology programs. It would completely reorganize the Department of Commerce, create a huge new technology program, and authorize over $1 billion in new expenditures. Most of these expenditures are in the hard-pressed Commerce Department account. In the technology area, the Commerce Committee's approach is far superior.

I do believe, however, that several provisions of the Governmental Affairs titles should be kept. One is the subtitle dealing with "Sematech"—the proposed semiconductor manufacturing technology project. Congress as a whole will need to examine this ambitious proposal closely, but the fiscal year 1988 authorization for this particular program has already been examined and approved by the Senate Armed Services Committee.

I understand that the National Trade Data Bank also has received broad support, including from some members of the Finance Committee.

The Office of Small Trade Remedy Assistance already exists in a slightly different form in the International Trade Commission; the relevant provision in S. 1420 simply transfers it to the Commerce Department.

The Committee on Symmetrical Access to Technological Research complements existing Commerce Department activities, including the new Japanese Technical Literature Program enacted by Congress last year.

The Council on Economic Competitiveness is a sometimes controversial proposal, but one that has been carefully crafted during 4 years of work.

In the remainder of my statement, Mr. President, I would like to focus on two aspects of the Governmental Affairs proposal—the trade reorganization and the technology programs.

TRADE REORGANIZATION

As chairman of the Commerce, State, Justice Appropriations Subcommittee, I have long pushed for a more coherent, less fragmented Federal trade effort. I do not see, however, how a new, separate U.S. Trade Administration would meet that goal. By creating yet another Federal trade agency, this proposal further diffuses responsibility and programs. It creates more fragmentation, not less. I also question the wisdom of making the U.S. Trade Representative into an administrator as well as a negotiator. The Trade Representative has more than enough to do at present, and I would not like to see that official's attention diverted to other matters.

TECHNOLOGY

Technology programs are also of great interest to me, both as chairman of the Commerce Committee and chairman of the Commerce, State, Justice Appropriations Subcommittee. Here, too, I believe that many of us share the common goal of improving Federal technology programs, particularly those of the Department of Commerce.

But, Mr. President, I also know that the Commerce Committee's technology proposals—incorporated in titles 40 through 45 of the trade bill—are far superior to those proposed by Governmental Affairs. We have a well-targeted proposal based on years of experience with Federal science and technology agencies. Their proposal, while seeking to advance similar aims, would create unnecessary new bureaucracy at the Commerce Department and create a large, unfocused, and very expensive organization—the Advanced Civilian Technology Agency [ACTA].

The Commerce Committee has jurisdiction over the technology programs of the Department of Commerce. Along with the Labor Committee, it also has jurisdiction over the Nation's principal civilian science agency, the National Science Foundation. The Commerce Committee has been actively involved in technology and innovation issues since 1978. Among the resulting laws are the Technology Innovation Act of 1980, the 1985 engineering amendments to the National Science Foundation Act, and the Federal Technology Transfer Act of 1986.

Work on this year's technology initiative—now incorporated in the trade bill—actually began last fall. Three days of full committee and Science Subcommittee hearings on technology needs and options followed. Then on April 3 Senator RIEGLE and I introduced S. 907, our Technology Competitiveness Act, a bill that would strengthen existing Commerce Department technology programs. In particular, it would upgrade the existing National Bureau of Standards into a National Institute of Technology, with an explicit mission to provide more of the research American industry needs to improve both general manufacturing and the production of new types of products. It also would provide well-designed technology extension activities and encourage additional research efforts by the private sector.

Two more days of hearings followed introduction, with broad support voiced for the legislation. After those hearings we held frank and constructive discussions with the Department of Commerce. They pointed out some difficulties with our original bill, particularly regarding some proposed reorganizations and our initial approach to Federal aid to private research. Some of their points were good ones, and we made adjustments. We also persuaded them to accept the key parts of the bill. On June 16 the Commerce Committee voted 20 to 0 to report S. 907 favorably.

Around the same time, we received several unsolicited but much-appreciated endorsements. The American Society of Mechanical Engineers wrote to each Senator supporting the bill. The Engineering Deans Council of the American Society of Engineering Education—the umbrella group for deans of American engineering schools—passed a resolution endorsing the concepts and purposes of the Technology Competitiveness Act. Dr. Robert White, president of the National Academy of Engineering, and Dr. Frank Press, president of the National Academy of Sciences, wrote to me saying, "Strengthening the National Bureau of Standards must be a key element of any legislation seeking to enhance the U.S. industrial technology base."

In short, the Commerce Committee has worked hard on this legislation, and we now have a sound bill with a broad political consensus behind it.

By contrast, serious questions continue to be raised about Senator GLENN's alternative approach, which he introduced over a month after I introduced our bill. To begin with, they are highly controversial, both within this body and within the administration. When Governmental Affairs held 2 days of hearings on the bill, both the Commerce Department and the Office of the U.S. Trade Representative strongly opposed the legislation.

The Glenn bill proposes to add new layers of bureaucracy to the Commerce Department, particularly a new Under Secretary for Technology. We in the Commerce Committee considered that idea and rejected it; we found that the present arrangement, in which technology agency heads report directly to the Secretary and Deputy Secretary, works well. Governmental Affairs also proposes the creation of a large and expensive organization—the proposed Advanced Civilian Technology Agency [ACTA]. The price tag for ACTA alone is $480 million over 3 years, starting in fiscal year 1989. That is a great deal of money to find within the Commerce Department budget.

In terms of substance, my colleague from Ohio may argue that the Governmental Affairs proposal and the Commerce Committee's titles complement each other. I disagree. At best, the proposed ACTA is an alternative to the Commerce Committee bill—an alternative way to pursue the common goal of helping American industry to improve manufacturing and the commercialization of new scientific discoveries. However, I argue that it is clearly not the better alternative.

Four hundred and eighty million dollars might be an appropriate price to pay if we were buying something of value, but the proposed ACTA is the wrong way to go. By drawing upon an expensive Pentagon model, the Defense Advanced Research Projects Agency [DARPA], the ACTA proposal fails to build on existing Commerce Department programs or to address the specific needs of civilian industry.

In general, the proposed Advanced Civilian Technology Agency is not only expensive but also lacks a clear philosophy—a clear idea of what it wants to accomplish and how it will get there. The bill simply says that ACTA "shall make grants and enter into contracts and cooperative agreements with research and development organizations in order to support long-term projects" for new civilian technologies and the commercial adaptation of such technologies. There is no sense of specific needs or major priorities or the best mechanism.

In short, ACTA is an underdeveloped proposal. It may be well-intentioned, but it needs a great deal more work before we should consider committing scarce taxpayer dollars to it.

Mr. President, I can best illustrate this point by comparing the main provisions of the two plans.

COMPARISON OF THE TWO APPROACHES

First, there is the issue of research focus. What kinds of research will each of the two alternatives emphasize? What kinds should each emphasize, given industry's actual needs?

ACTA's charter is very vague. The report speaks of funding research all the way from "idea exploration" to "prototype development." Apparently it will fund basic research, generic research to help industry improve manufacturing, and perhaps even large-scale demonstration projects.

However, we found in our Commerce Committee work that industry does not need expensive, across-the-board Federal spending. The United States continues to lead the world in basic scientific research; that is not our weak spot. At the other end of the research and development spectrum, industry is the appropriate actor to develop new products. But there are three distinct problems between basic research and product develoment.

We need additional "generic research"—fundamental research which gives industry the basic tools and techniques it needs to make products reliable. The most sensible and cost-effective way to provide much of that research, for both manufacturing and the production of new products such as advanced ceramics and biotechnology, is to build upon the existing National Bureau of Standards [NBS]. This is the one Federal laboratory with a mission to aid industry, and it specializes in working with companies to develop quality control techniques and advanced production technologies. So S. 907 upgrades NBS into a full-fledged National Institute of Technology, with an even more explicit mission to help industry improve manufacturing and product commercialization.

We also need to get Federal expertise in these areas out to small and medium-sized companies. Large companies can afford to send engineers to the Bureau of Standards and other federally supported research groups. Smaller companies cannot. Yet smaller companies, particularly in manufacturing, face stiff foreign competition and need this Federal technology. So S. 907 has several well-designed technology extension programs to address this very real problem, with an emphasis on working with the States.

Next, we face that problem that some industries—not all, but some—have been slow to boost their own corporate research and to develop new basic technologies. The National Cooperative Research Act of 1984 allows American firms to form multicompany joint research and development ventures—a very powerful way for companies to pool their research dollars and improve competitiveness. American companies have formed over 60 of these research consortia. But not all industries have done so. Some older industries have difficulty getting started. At the other extreme, some technologies are so new that companies are reluctant to invest in necessary levels of research. So the Commerce Committee's bill has an Advanced Technology Program which would direct the Secretary of Commerce to encourage additional private sector research—a role the Secretary already performs—and in certain cases to provide "seed money" to help start research ventures. The bill also allows the Secretary, in certain cases, to support valuable research projects in small businesses. Awards would be similar to those made under the existing Small Business Innovation Research Program, but more focused on solving generic problems blocking the commercialization of new discoveries.

In short, the Commerce Committee approach focuses new Federal funding and activities on three very specific needs. ACTA, on the other hand, suggests a broad and expensive across-the-board approach.

Second, there is the issue of program organization. As mentioned above, the Commerce Committee bill relies on using proven approaches to conduct research—the National Bureau of Standards, extension activities in connection with existing State efforts, joint research and development ventures, and small business awards similar in operation to those made under the Small Business Innovation Research Program. Funds are targeted to organizations with a proven ability to help improve American industrial technology.

The Advanced Civilian Technology Agency proposal speaks only of funding "research and development organizations." Which kinds of organizations will give the taxpayers the best return on their investment never becomes clear.

Third, important program details in the ACTA proposal remain unclear. For example, the Governmental Affairs proposal is unclear about cost-sharing requirements; the Commerce Committee is explicit about this matter. In addition, patent rights under their proposal are not clear. Does their bill proposal to give all "research and development organizations" receiving ACTA grants the rights to any inventions developed with ACTA funds? The Commerce Committee proposal would give such rights to recipient groups, but these would only be small businesses and multicompany research consortia, not individual large companies.

Mr. President, these are important issues. In every case, I believe that the Commerce Committee proposal is better formulated, more focused on specific needs, and a better investment of the taxpayer's dollar.

CONCLUSION

In conclusion, I want to emphasize that I oppose the Governmental Affairs proposal. I remain unconvinced about the wisdom of trade reorganization, and I feel certain that the Commerce Committee's technology proposal is a better one than the large, unfocused Advanced Civilian Technology Agency proposed by Governmental Affairs.

I urge my colleagues to support this amendment.

Also, I ask unanimous consent that the attached three letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN SOCIETY FOR
ENGINEERING EDUCATION,
Washington, DC, July 8, 1987.

Hon. ERNEST F. HOLLINGS,
Chairman, Committee on Commerce, Science and Transportation, Washington, DC.

DEAR MR. CHAIRMAN: On behalf for Engineering Deans Council of the American Society for Engineering Education, I would like to submit for your consideration the enclosed resolution recently approved by the Council expressing its support for S. 907, "The Technology Competitiveness Act of 1987." We greatly appreciate your leadership in addressing this issue vital to the nation's economic future.

The Engineering Deans Council of ASEE represents the more than 200 deans of engineering in the United States.

As you will see, the engineering deans of ASEE strongly support the concepts and purposes of the legislation, and support maintaining the traditional functions of the National Bureau of Standards and a cooperative, noncompetitive relationship with the National Science Foundation.

If we can provide you with any technical assistance or information as the provisions of S. 907 work their way through the Congressional process, please feel free to call on us.

Sincerely,

GEORGE E. DIETER, *Chairman,*
Engineering Deans Council.

Enclosure.

RESOLUTION ON "THE TECHNOLOGY COMPETITIVENESS ACT OF 1987"

Whereas, the Engineering Deans Council (EDC) of the American Society for Engineering Education (ASEE) has been briefed on "The Technology Competitiveness Act of 1987," as proposed in the Senate of the United States as S. 907; and

Whereas, the engineering colleges of the United States play a critical role in restoration of technological competitiveness and economic development, specifically including the role of manufacturing in that effort;

Whereas, certain parts of the bill are supportive of, and could be supported by, the engineering colleges; Now, therefore, be it

Resolved, That the EDC endorses the concepts and purposes of The Technology Competitiveness Act; and

That the EDC supports the maintenance and strengthening of the functions historically performed by the National Bureau of Standards (NBS); and

That the EDC supports the Act with the understanding of a complementary and oncompeting role with the National Science Foundation (NSF) and encourages cooperative efforts such as those included in the existing Memorandum of Understanding between NSF and NBS: and

That the EDC offers a technical advisory service for further refinement of the bill to the end of ensuring the desired outcomes.

THE AMERICAN SOCIETY OF
MECHANICAL ENGINEERS,
Washington, DC, June 25, 1987.

Hon. ERNEST F. HOLLINGS,
U.S. Senate, Washington, DC.

DEAR SENATOR HOLLINGS: As the Senate begins consideration of the Trade and International Economic Policy Reform Act of 1987, we would like to bring to your attention one section of the bill which we feel deserves your consideration.

This section embodies the content of S. 907, the "Technology Competitiveness Act of 1987," which was passed by the Commerce, Science and Transportation Committee on June 16, 1987. Briefly, the major provisions include:

1. Upgrading the National Bureau of Standards to the National Institute of Technology with the responsibility of supporting a greatly expanded research program to improve manufacturing technologies.

2. Initiating regional "Cooperative Centers for the Transfer of Research in Manufacturing." The program would be administered by the new National Institute of Technology, with costs being shared by Federal and state governments and industry.

3. Providing commercialization assistance awards to small business and seed money for the formation of multi-company joint research ventures.

4. Establishing within the National Bureau of Standards an Office of Extension Services to provide technical and financial assistance to the States to enable them to create, improve or expand their technical services to small and medium-sized businesses.

5. Establishing within the Department of Commerce a Center on State and Local Initiatives on Productivity, Technology and Innovation. The Center's function would be to serve as a clearinghouse on the competitiveness initiatives of state and local governments, university and private sector initiatives and public-private sector partnerships.

As a technical society committed to the continued strength of the American industrial sector, the American Society of Mechanical Engineers (ASME) strongly endorses these initiatives to strengthen the National Bureau of Standards. On behalf of the 114,000 members of ASME, I would urge you to support these initiatives during consideration of the omnibus trade bill.

Sincerely,

RICHARD ROSENBERG, P.E.,
President.
DANIEL T. KOENIG,
Vice President,
Manufacturing Technical Group.
NATHAN H. HURT, Jr.,
Vice President,
General Engineering Technical Group.

NATIONAL ACADEMY OF SCIENCES,
NATIONAL ACADEMY OF ENGINEERING,
Washington, DC, June 15, 1987.

Hon. ERNEST F. HOLLINGS,
U.S. Senate, Washington, DC.

DEAR SENATOR HOLLINGS: We welcome the opportunity to comment on your legislation S. 907, the Technology Competitiveness Act. Our comments relate to Title I with regard to the National Bureau of Standards and Title IV, Sections 402 and 403, with regard to the advisory role of the Academies.

Strengthening the National Bureau of Standards must be a key element of any legislation seeking to enhance the U.S. industrial technology base. The Bureau is an underutilized national resource, a potential focal point within government for the kind of concentration and refinement of technological know-how and capabilities necessary for an effective U.S. response to the global competitive challenge. The NBS has a long tradition of successful interaction with industry, and possesses the basic structure for building within the government the scientific, engineering and technological components of modern industrial development.

As you know, the Academies have been chartered by the Congress to advise the Federal government. We welcome this opportunity to be of service and, in particular, the studies proposed in Sections 402 and 403. As a private entity, the Academies require flexibility in the composition of the panels it establishes to conduct studies. Stringent standards are applied to all Academy studies in order to insure the comprehensiveness, objectivity, and credibility of results. Over the years, these standards have evolved into a set of procedures for the selection of participants in work conducted under the Academy auspices. Recognizing that the intent of your legislation is to bring the highest levels of expertise and a comprehensive range of viewpoints to bear on the studies, and that work undertaken by the Academies must be conducted according to established procedures, we would respectively suggest that the provision affecting panel composition be deleted or modified to accommodate both these objectives. The studies will require no less than 18 months to complete from time of contract completion with the designated agency, and the language needs to be modified to reflect this requirement.

We will be happy to discuss such modifications with you should you require that text addressing panel membership be included in the legislation, or if further consideration of the implications of an 18-month time requirement is necessary.

Yours sincerely,

FRANK PRESS,
President,
National Academy of Sciences.
ROBERT M. WHITE,
President,
National Academy of Engineering.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLINGS. I ask for the yeas and nays on the amendment.

I withdraw that.

Mr. CHILES. Mr. President, I rise in support of title XXXVII of S. 1420—the reorganization of the Commerce Department's industry and technology functions. I would especially single out the new Advanced Civilian Technology Agency—or ACTA—for praise. It is the centerpiece of a fine effort to strengthen our industrial and technological foundations.

A fact that we must face—and title XXXVII of S. 1420 does face it—is that we in Government have not paid enough attention to industry and technology.

In a hearing before the Senate Budget Committee, the Dr. Lester Thurow expanded on this theme. He said that if the President offered someone the choice between becoming Secretary of Treasury or Secretary of Commerce, there would be no contest.

But, and I quote, "if you were in Japan, and the Prime Minister offered you the job of Minister of Industry and Trade or Ministry of Finance, you would take Industry and Trade—it is the more powerful job."

Dr. Thurow raises an important point. The present organization of the Commerce Department scatters offices dealing with industry and technology among offices specializing in subjects like economic analysis or trade administration. No one Department, no one group of administrators, no one person is responsible for overseeing and coordinating our industry and technology efforts. It is no wonder Government officials don't take industry and technology policy as seriously as they do in Japan.

S. 1420 will do something to change this state of affairs. Title XXXVII places all of Commerce's industrial promotion functions—both international and domestic efforts—under an Under Secretary of Industry. We in Congress will have one man we can hold accountable for our efforts to capture markets abroad and win back markets at home.

Commerce's technology functions—including the National Bureau of Standards and the new Advanced Civilian Technology Agency—are grouped under an Under Secretary of Technology. This amounts to more than the reshuffling of a few "boxes" on the Commerce Department's organizational chart. It is a commitment to a focused, coordinated, and effective technology program.

The centerpiece of this program is the new Advanced Civilian Technology Agency—or ACTA. ACTA is an office designed to spearhead a long-range national effort in advanced technology development and application. It uses mechanisms we have all heard about—matching grants, cooperative agreements—to fund the sort of high risk, commercial research we've all been clamoring for.

ACTA is not about industrial policy and it is not about picking winners and losers. It is focused on technology—not industry. It is designed to stimulate the sort of commercial research and development from which industries of all sorts will profit.

Now is the time to institute this sort of program. The Japanese already have a "key technologies" program which they are funding at $250 million a year.

While we sit here and debate whether we should adopt a similar—but smaller—program, the Japanese equivalent of ACTA is funding projects in areas such as superconductivity, optoelectronics, biotechnology, untra-large scale integrated chip production, computer architecture, surface science, medical electronics, genetic engineering, and advanced materials.

Our industries cannot be expected to respond on their own to this challenge from a powerful State-industry partnership. Especially not while market forces are acting to reduce real R&D spending.

Increased merger activity among our industrial leaders has led to consolidated R&D budgets in the private sector. Decreases in R&D spending have been reported by companies such as Phillips Petroleum, Crown Zellerbach, AMF, Uniroyal, Gulf, and RCA.

Change is never easy. Roy H. Pollock, a retired vice-president for technology with RCA, says of public and private efforts to restore our lost competitiveness: "With the exception of the Civil War, it is doubtful that America has ever faced such an awesome trauma."

Mr. Pollock continues: "But the alternative is to accept continuing economic decline and the end of America's greatness."

I hope you will agree with me that this is a powerful argument for focusing our old industry and technology programs and initiating innovative new ones. That is exactly what title XXXVII does, and I urge you to support it by voting against the amendment to strike.

Mr. MITCHELL. Mr. President, restoring America's international competitiveness is a challenge which must be met on many fronts. Part of that challenge involves trade policy. But part of it also means helping provide American industry with the necessary wherewithal to move boldly—competitively—into the future.

The Governmental Affairs Committee unanimously approved a proposal drawn up by Senator GLENN which addresses these two concerns.

As contained within the trade bill, the committee reorganization legislation would strengthen the Federal Government's trade policymaking structure; and also, reinforce research and development of advanced technology on which the Nation's competitive edge depends.

The legislation will ensure that international trade and technological competitiveness will exist as a sustained, concentrated, high priority concern of the Federal Government.

Besides creating a separate U.S. Trade Administration, the legislation reorganizes the Department of Commerce into a Department of Industry and Technology. It will join the technology development assistance with both domestic and international commercial promotion activities. Within the Department, a new Advanced Civilian Technology Agency [ACTA] will work closely with industry groups to stimulate development of new technologies with commercial applications.

The trade consolidation in the legislation is critically important. The Commerce Department's four existing trade offices today serve two masters: The Secretary of Commerce, and the U.S. Trade Representative. The Glenn reorganization will more clearly delineate responsibilities. The new Department of Industry and Technology will focus on commercial promotion—both at home and abroad. The new U.S. Trade Administration will handle trade enforcement, intelligence and negotiation.

Although trade enforcement functions will be located within USTA, they will be inside a statutorily independent office—so as to insulate trade law enforcement from ongoing negotiations.

USTA will be an independent agency. Its head will be the U.S. Trade Representative, who will retain separate Cabinet-level status and Ambassador rank. This consolidation will strengthen American trading policy in the eyes of our trade rivals.

Within the new Department of Industry and Technology, ACTA also is an essential part of moving the Nation forward into the future. It addresses a dimension of the competitiveness problem which too often is ignored or neglected.

From a broad, national perspective, American companies are not moving fast enough to transform scientific research into commercial applications. There are various reasons. Chief among them are the high risks involved and the lack of immediate financial incentives.

It is an appropriate role of the Federal Government to share some of the risk, and alleviate any short-term financial disincentives.

The Federal role through ACTA will represent an investment for the future. It is a public investment. It is an investment necessary for keeping the United States competitive on the "cutting edge" of technology.

It is the kind of investment which can make the difference between being a dynamic first-class economic power within the world economy, or simply sliding into second- or third-class status.

The Federal Government also will recover its cost-share from profits achieved by ACTA-sponsored projects. It is a prudent investment. With a prudent opportunity for return.

ACTA-sponsored projects will range from idea exploration to prototype development, leading to commercialization by private industry.

ACTA will not constitute an "industrial policy," whereby the Federal Government will seek to pick "winners and losers" among industries. ACTA will not make marketplace choices. It will not substitute bureaucratic government decisions for private sector initiatives.

Initiative will remain with the private sector. The ACTA Advisory Board will consist of 21 representatives of representing various interests: manufacturing, advanced technology, technology-related services, transportation, telecommunications, energy, medicine, and small, medium, and large firms.

At least two-thirds of the ACTA Board members will be from industry directly; the rest from academia, government, or the nonprofit sector.

ACTA is an essential part of a comprehensive trade and competitiveness strategy. It is a modest proposal. But there is a critical need for it. And the stakes for the future of the United States are great.

The Government Affairs Committee reorganization legislation is the product of an extensive series of hearings. It has received broad support: Including from former USTR Robert Strauss; William L. Lilley III, president of the American Business Conference; Dr. Robert Noyce, vice president of Intel Corporation; Dr. Arden Bement Jr., vice president of Technology for TRW, Inc.; Dr. Jordan Baruch, former Assistant Secretary of Commerce for Science and Technology; and Gary Horlick, former Deputy Assistant Secretary of Commerce for Import Administration.

Throughout the hearings, the message was clear: Reorganization of the status quo is needed. The present system is not adequate. We can—and must—do better.

Interestingly enough, support for reorganization as a general proposition is easy. The hard part is in specifics. As soon as specifics are proposed, there is a tendency for generalized support to slink off stage, while specific opposition arises. It is a natural tendency. There is always an entrenched, bureaucratic status quo to generate specific opposition. It is much harder to get anyone to stand up and speak in support of something for which there is no entrenched status quo: That is, simply, a better idea.

Nonetheless, broad support exists for the reorganization. I congratulate Senator GLENN, as chairman of the Government Affairs Committee, for his leadership in sitting down and doing the hard work of coming up with specifics.

The Glenn reorganization plan was approved unanimously by the Government Affairs Committee.

I am a member of the committee. I voted for the reorganization. In the context of strengthening the Federal Government's overall trade policy, the reorganization is as important and integral to the whole as any of the parts of the omnibus trade bill approved by the Senate Finance Committee, of which I also am a member.

The reorganization helps to achieve all the other goals which the other parts of the trade bill address. It is a centralizing, unifying thrust to legislation which is essential to the future of the Nation.

Mr. SASSER. Mr. President, I rise to state my firm objection to the Hollings amendment to strike the Committee on Governmental Affairs portion—particularly the technological concerns—of this omnibus trade bill.

During the past 2 weeks of debate on this trade bill, we have repeatedly heard that America is losing her technological edge, that our industries are no longer able to compete worldwide.

The need for improvement in America's technology base is clear.

Unfortunately, it has become widely accepted that America is losing some of her competitive edge. While it is often easy to blame foreign nations for our decline, we must accept the fact that U.S. productivity growth, expenditures for technological research and development, and investment in new plant and equipment lag far behind those of our principal competitors.

Furthermore, the United States does not have a single national policy for the development and application of technology. While there are various policies and programs in place which affect technological advance, the approach has been ad hoc and loosely coordinated.

In the United States, the public and private sectors each fund about half the R&D endeavor while in Japan industry provides almost two-thirds of the total funding. In addition 98 percent of funding for industrial R&D in Japan is generated by industry compared to only 68 percent in this country.

Thus, much of the technology-related work performed within the United States is responsive to Federal needs—such as defense—rather than those of the civilian marketplace.

One of the most far-reaching components of this omnibus trade bill calls for the creation of Advanced Civilian Technology Agency [ACTA].

While I appreciate the concerns over the cost expressed by some of my distinguished colleagues, we should not lose sight of the basic intent of this provision of the trade bill.

ACTA would be a commercial counterpart to the Defense Advanced Research Projects Agency [DARPA]. DARPA, created in 1958 in response to the Soviet launching of sputnik, quickly became known as "a Manhattan project for space." Its successful mission has been to pursue high risk, high impact research and development.

Inasmuch as the pursuit of excellence in space exploration became a battlecry some 20 years ago, the call for excellence in this Nation's technological workplace should be our mission today.

The Advanced Civilian Technology Agency [ACTA] program could provide an answer. ACTA would encompass the entire range of technological development and application, from idea exploration to prototype development, leading to commercialization by private industry.

It would, as Dr. Robert Kahn, president for National Research Initiatives stated in testimony before the Governmental Affairs Committee on June 9, "contribute to our economic growth and stimulate industry to carry out long range technological investments."

And unlike proposals for "industrial policy," ACTA will not be in the business of substituting decisions by Government agencies for decisions better made by private industry.

Regarding the cost estimate for the Agency, among the technical experts who testified in June before the Governmental Affairs Committee, not one believed the Federal Government's share would be too high. In fact, many thought it too low.

Further, this new agency could prove to be a self-sustaining effort. Contained in the language of this bill is a provision allowing the Government to recover its cost-share from profitable projects.

The Advanced Civilian Technology Agency is a deserving item in this omnibus trade bill which deserves our support. I urge Members of this body—like the members of the Government Affairs Committee—to support the concern for technological improvement in the United States and to oppose this amendment to strike this vital program.

The PRESIDING OFFICER. The Senator from Ohio.

The Senator has 45 seconds remaining.

Mr. GLENN. Mr. President, Mr. Branscomb who was referred to earlier also endorsed the position of the Governmental Affairs Committee and points out one thing. That is, that the proposals of the Commerce Committee and the Governmental Affairs Committee are not in conflict.

They are basically complementary, and I think we should be doing both of them. I do not think we should be taking up one or the other. I think it should be both of them. They would be complementary to each other. I still say that I would like to make the proposals to withhold the trade reorganization from the bill. I would like to reduce ACTA to funding of $80 million over a 2-year period and that would be $30 million in fiscal year 1989, $50 million in fiscal year 1990. That would take care of the major objections that I have heard to the bill. Those are the main things we would like to change on this so we could get more support for it and establish ACTA, which we think is a very fundamental part of this.

The National Academy of Sciences and the National Academy of Engineering, Dr. Frank Press and Dr. Robert White, I might add, said in a letter to me that:

> The Academies support the general thrust of your bill to strengthen the Commerce Department so that it can become a stronger institution for advancing the technological capabilities of the Nation as a means of increasing the competitiveness of U.S. industry.

That is exactly what we are trying to do.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 seconds left.

Mr. GLENN. About all I can do is say hello in 4 seconds. We still oppose the Hollings amendment.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. HOLLINGS. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

AMENDMENT NO. 498

(Purpose: To delete provisions relating to the reorganization of trade functions and to reduce the authorization of appropriations for the Advanced Civilian Technology Agency)

Mr. GLENN. Mr. President, I send to the desk a perfecting amendment to the language to be struck by the Hollings amendment and ask for its immediate consideration.

The PRESIDING OFFICER. First, is there a sufficient second on the yeas and nays?

There does not appear to be a sufficient second.

Mr. HOLLINGS. Do we want to have a voice vote or do I have it?

Mr. GLENN. Mr. President, I sent to the desk a perfecting amendment, perfecting the language to be struck by the Hollings amendment. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment and then the Chair will consider it.

Mr. HOLLINGS. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from South Carolina will state his parliamentary inquiry.

Mr. HOLLINGS. I thought we had a unanimous-consent agreement——

The PRESIDING OFFICER. Prior to that, if the Senator will suspend, the Chair had ordered that the amendment be read.

Mr. HOLLINGS. Very good.

The PRESIDING OFFICER. And then the Chair will recognize the Senator from South Carolina for a parliamentary inquiry. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 498.

Mr. GLENN. Mr. President, I ask unanimous consent that we dispense with reading of the amendment.

The PRESIDING OFFICER. Is there objection? Is there objection to dispensing with reading of the amendment? Without objection, the reading of the amendment is dispensed with.

The amendment is as follows:

On page 788, beginning with line 19, strike out through line 19 on page 838 and insert in lieu thereof the following:

SEC. 3725. AUTHORIZATION OF APPROPRIATIONS.

To carry out this part, there are authorized to be appropriated $30,000,000 for fiscal year 1989, $50,000,000 for fiscal year 1990, and such sums as may be necessary for fiscal year 1991.

PART IV—TRANSFERS TO THE DEPARTMENT

SEC. 3731. TRANSFERS FROM THE DEPARTMENT OF COMMERCE.

There are transferred to the Secretary—

(1) all functions of the Secretary of Commerce;

(2) all functions of the Department of Commerce; and

(3) all functions of, and all functions performed under the direction of, all officers and employees of the Department of Commerce.

SEC. 3732. TRANSFER FROM THE UNITED STATES INTERNATIONAL TRADE COMMISSION.

There are transferred to the Secretary all functions of the Trade Remedy Assistance Office of the United States International Trade Commission.

PART V—ADMINISTRATIVE PROVISIONS

SEC. 3741. PERSONNEL PROVISIONS.

(a) APPOINTMENTS.—The Secretary may appoint and fix the compensation of such officers and employees, including investigators, attorneys, and administrative law judges, as may be necessary to carry out the functions of the Secretary and the Department. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5, United States Code.

(b) SENIOR EXECUTIVE SERVICE.—

(1) At the request of the Secretary, the Director of the Office of Personnel Management shall, under section 5108 of title 5, United States Code, provide for the establishment in each of the grade levels GS-16, GS-17, and GS-18, and in the Senior Executive Service, of a number of positions in the Department equal to the number of positions in that grade level which were used primarily for the performance of functions transferred by this subtitle and which were assigned and filled on the day before the effective date of this title.

(2) Appointments to positions provided for under this subsection may be made without regard to the provisions of section 3324 of title 5, United States Code, if the individual appointed in such position is an individual who is transferred in connection with the transfer of functions and offices under this subtitle and, on the day before the effective date of this title, holds a position and has duties comparable to those of the position to which appointed under this subsection.

(3) The authority under this subsection with respect to any position established at the grade level GS-16, GS-17, or GS-18 shall terminate when the person first appointed to fill such position ceases to hold such position.

(4) For purposes of section 414(a)(3)(A) of the Civil Service Reform Act of 1978, an individual appointed under this subsection shall be deemed to occupy the same position as the individual occupied on the day before the effective date of this title.

(c) EXPERTS AND CONSULTANTS.—The Secretary may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate such experts and consultants for each day (including traveltime) at rates not in excess of the rate of pay for grade GS-18 of the General Schedule under section 5332 of such title. The Secretary may pay experts and consultants who are serving away from their homes or regular place of business travel expenses and per diem in lieu of subsistence at rates authorized by sections 5702 and 5703 of such title for persons in Government service employed intermittently.

(d) VOLUNTEER SERVICE.—

(1)(A) The Secretary is authorized to accept voluntary and uncompensated services without regard to the provisions of section 1342 of title 31, United States Code, if such services will not be used to displace Federal employees employed on a full-time, part-time, or seasonal basis.

(B) The Secretary is authorized to accept volunteer service in accordance with the provisions of section 3111 of title 5, United States Code.

(2) The Secretary is authorized to provide for incidental expenses, including but not limited to transportation, lodging, and subsistence for individuals who provide volun-

tary services under subparagraph (A) or (B) of paragraph (1).

(3) An individual who provides voluntary services under paragraph (1)(A) shall not be considered a Federal employee for any purpose other than for purposes of chapter 81 of title 5, United States Code, relating to compensation for work injuries, and chapter 171 of title 28, United States Code, relating to tort claims.

SEC. 3742. DELEGATION AND ASSIGNMENT.

Except where otherwise expressly prohibited by law or otherwise provided by this subtitle, the Secretary may delegate any of the functions transferred to the Secretary by this subtitle and any function transferred or granted to the Secretary after the effective date of this subtitle to such officers and employees of the Department as the Secretary may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions by the Secretary under this section or under any other provision of this subtitle shall relieve the Secretary of responsibility for the administration of such functions.

SEC. 3743. SUCCESSION.

(a) IN GENERAL.—Subject to the authority of the President, and except as provided in section 3712(b), the Secretary shall prescribe the order by which officers of the Department who are appointed by the President, by and with the advice and consent of the Senate, shall act for, and perform the functions of, the Secretary or any other officer of the Department appointed by the President, by and with the advice and consent of the Senate, during the absence or disability of the Secretary or such other officer, or in the event of a vacancy in the office of the Secretary or such other officer.

(b) PERIOD OF SERVICE.—Notwithstanding any other provision of law, and unless the President directs otherwise, an individual acting for the Secretary or another officer of the Department pursuant to subsection (a) shall continue to serve in that capacity until the absence or disability of the Secretary or such other officer no longer exists or a successor to the Secretary or such other officer has been appointed by the President and confirmed by the Senate.

SEC. 3744. REORGANIZATION.

(a) IN GENERAL.—Except as provided in subsection (b), the Secretary is authorized to allocate or reallocate functions among the officers of the Department, and to establish, consolidate, alter, or discontinue such organizational entities in the Department as may be necessary or appropriate.

(b) EXCEPTION.—The authority of the Secretary under subsection (a) does not apply to any office established in the Department by this subtitle or any other function which this subtitle specifies shall be performed by a particular officer or employee of the Department.

SEC. 3745. RULES.

The Secretary is authorized to prescribe, in accordance with the provisions of chapters 5 and 6 of title 5, United States Code, such rules and regulations as the Secretary determines necessary or appropriate to administer and manage the functions of the Secretary or the Department.

SEC. 3746. WORKING CAPITAL FUND.

(a) ESTABLISHMENT.—The Secretary is authorized to establish for the Department a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as the Secretary shall find to be desirable in the interest of economy and efficiency, including—

(1) a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its components;

(2) central messenger, mail, and telephone service and other communications services;

(3) office space, central services for document reproduction and for graphics and visual aids;

(4) a central library service; and

(5) such other services as may be approved by the Director of the Office of Management and Budget.

(b) CAPITAL.—The capital of the fund shall consist of any appropriations made for the purpose of providing working capital and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations. The fund shall be reimbursed in advance from available funds of agencies and offices in the Department, or from other sources, for supplies and services at rates which will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payment for loss or damage to property owned by the fund. There shall be covered into the United States Treasury as miscellaneous receipts any surplus of the fund (all assets, liabilities, and prior losses considered) above the amounts transferred or appropriated to establish and maintain the fund. There shall be transferred to the fund the stocks of supplies, equipment, other assets, liabilities, and unpaid obligations relating to those services which the Secretary determines will be performed.

SEC. 3747. CONTRACTS, GRANTS, AND COOPERATIVE AGREEMENTS.

(a) AUTHORITY.—Subject to the provisions of the Federal Property and Administrative Services Act of 1949, the Secretary may make, enter into, and perform such contracts, leases, cooperative agreements, grants, or other similar transactions with public agencies, private organizations, and persons, and make payments (in lump sum or installments, and by way of advance or reimbursement, and, in the case of any grant, with necessary adjustments on account of overpayments and underpayments) as the Secretary considers necessary or appropriate to carry out the functions of the Secretary or the Department.

(b) LIMITATION.—Notwithstanding any other provision of this subtitle, the authority to enter into contracts or to make payments under this subtitle shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts. This subsection does not apply with respect to the authority granted under section 3751.

SEC. 3748. PUBLICATIONS.

Subject to such procedures of the Director of the Office of Management and Budget may prescribe, the Secretary may disseminate in the form of reports or publications such information as the Secretary considers appropriate.

SEC. 3749. USE OF FACILITIES.

(a) USE BY SECRETARY.—With their consent, the Secretary, with or without reimbursement, may use the research, services, equipment, and facilities of—

(1) an individual;

(2) any public or private nonprofit agency or organization, including any agency or instrumentality of the United States or of any State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States;

(3) any political subdivision of any State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States; or

(4) any foreign government,

in carrying out any function of the Secretary or the Department.

(b) USE BY OTHERS.—The Secretary, under terms, at rates, and for periods that the Secretary considers to be in the public interest, may permit the use by public and private agencies, corporations, associations or other organizations, or by individuals, of any real property, or any facility, structure or other improvement thereon, under the custody of the Secretary. The Secretary may require permittees under this section to maintain or recondition, at their own expense, the real property, facilities, structures, and improvements used by such permittees.

SEC. 3750. FIELD OFFICES.

The Secretary may establish, alter, consolidate, maintain, or discontinue State, regional, district, local, or other field offices as the Secretary finds necessary or appropriate to perform any function of the Secretary or the Department.

SEC. 3751. GIFTS AND BEQUESTS.

(a) GENERAL AUTHORITY.—The Secretary is authorized to accept, hold, administer, and utilize gifts and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts and bequests of money and the proceeds from sales of other property received as gifts or bequests shall be deposited in the United States Treasury in a separate fund and shall be disbursed on order of the Secretary. Property accepted pursuant to this paragraph, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gift or bequest.

(b) TAX STATUS.—For the purpose of Federal income, estate, and gift taxes, and State taxes, property accepted under subsection (a) shall be considered a gift or bequest to or for use of the United States.

(c) INVESTMENTS.—Upon the request of the Secretary, the Secretary of the Treasury may invest and reinvest in securities of the United States or in securities guaranteed as to principal and interest by the United States any moneys contained in the fund provided for in subsection (a). Income accruing from such securities, and from any other property held by the Secretary pursuant to subsection (a), shall be deposited to the credit of the fund, and shall be disbursed upon order of the Secretary.

SEC. 3752. SEAL OF DEPARTMENT.

The Secretary shall cause a seal of office to be made for the Department of such design as the Secretary shall approve. Judicial notice shall be taken of such seal.

SEC. 3753. ANNUAL REPORT.

The Secretary shall, as soon as practicable after the end of each fiscal year, prepare and transmit a written report to the President for transmission to the Congress on the activities of the Department during such fiscal year.

SEC. 3754. AMENDMENTS.

(a) ORDER OF SUCCESSION.—Section 19(d)(1) of title 3, United States Code, is amended by striking out "Secretary of Commerce," and inserting in lieu thereof "Secretary of Industry and Technology,".

(b) DEFINITION OF EXECUTIVE DEPARTMENT.—Section 101 of title 5, United States Code, is amended by striking out the item relating to the Department of Commerce and inserting in lieu thereof the following:

"The Department of Industry and Technology.".

(c) SALARY OF SECRETARY.—Section 5312 of such title is amended—

(1) by striking out the item relating to the Secretary of Commerce; and

(2) by adding at the end thereof the following:

"Secretary of Industry and Technology.".

(d) OFFICIALS AT LEVEL II.—Section 5313 of title 5, United States Code, is amended by adding at the end thereof the following:

"Deputy Secretary, Department of Industry and Technology.

"Under Secretary of Industry and Technology for Industry.

"Under Secretary of Industry and Technology for Technology.".

(e) OFFICIALS AT LEVEL III.—Section 5314 of such title is amended—

(1) by striking out the item relating to the Under Secretary of Commerce, the Under Secretary of Commerce for Economic Affairs, and the Under Secretary of Commerce for Travel and Tourism;

(2) by striking out the item relating to the Under Secretary of Commerce for Oceans and Atmosphere;

(3) by adding at the end thereof the following:

"Under Secretary of Industry and Technology for Export Administration.

"Under Secretary of Industry and Technology for Oceans and Atmosphere, who shall serve as Administrator of the National Oceanic and Atmospheric Administration.

"Under Secretary of Industry and Technology for Travel and Tourism.

"Director of the Office of Economic Analysis, Department of Industry and Technology.

"Director of the Office of Trade Development, Department of Industry and Technology.

"Director General of the United States and Foreign Commercial Service, Department of Industry and Technology.

"Administrator of the Advanced Civilian Technology Agency, Department of Industry and Technology.

"Director of the National Bureau of Standards, Department of Industry and Technology.".

(f) OFFICIALS AT LEVEL IV.—Section 5315 of such title is amended—

(1) by striking out the item relating to the Assistant Secretaries of Commerce;

(2) by striking out the item relating to the General Counsel of the Department of Commerce;

(3) by striking out the item relating to the Assistant Secretary of Commerce for Oceans and Atmosphere;

(4) by striking out the item relating to the Director of the National Bureau of Standards of the Department of Commerce;

(5) by adding at the end thereof the following:

"Assistant Secretary of Industry and Technology for Economic Development.

"Assistant Secretary of Industry and Technology for Technology Information.

"Assistant Secretary of Industry and Technology for Communications and Information.

"Assistant Secretary of Industry and Technology for Oceans and Atmosphere, who shall serve as Deputy Administrator of the National Oceanic and Atmospheric Administration.

"Additional Assistant Secretaries of Industry and Technology (2).

"Commissioner of Patents and Trademarks, Department of Industry and Technology.

"General Counsel, Department of Industry and Technology.

"Inspector General, Department of Industry and Technology.".

(g) OFFICIALS AT LEVEL V.—Section 5316 of such title is amended—

(1) by striking out the item relating to the Commissioner of Patents, Department of Commerce;

(2) by striking out the item relating to the Director of the Bureau of the Census, Department of Commerce;

(3) by striking out the item relating to the National Export Expansion Coordinator, Department of Commerce;

(4) by striking out the item relating to the Director, United States Travel Service, Department of Commerce;

(5) by striking out the item relating to the Inspector General, Department of Commerce;

(6) by adding at the end thereof the following:

"Director of the Bureau of the Census, Department of Industry and Technology.

"Director of Small Business Trade Remedy Assistance, Department of Industry and Technology.

"Director of the Office of International Technology Monitoring, Department of Industry and Technology.".

(h) INSPECTOR GENERAL.—The Inspector General Act of 1978 is amended—

(1) by striking out "the Department of Commerce," in section 2(1);

(2) by inserting "the Department of Industry and Technology," after "Urban Development," in such section;

(3) by striking out subparagraph (B) of section 9(a)(1);

(4) by redesignating subparagraphs (C) through (E) of such section as subparagraphs (B) through (D), respectively;

(5) by inserting before subparagraph (F) of such section the following:

"(E) of the Department of Industry and Technology, all functions of the Inspector General of the Department of Commerce and the Office of the Inspector General of the Department of Commerce relating to the functions transferred to the Secretary of Industry and Technology by section 3731 of the Economic Competitiveness, International Trade, and Technology Development Act of 1987;";

(6) by striking out "Commerce," each place it appears in section 11; and

(7) by inserting "Industry and Technology," after "Urban Development," each place it appears in such section.

SEC. 3755. REPEALS.

(a) TERMINATION OF DEPARTMENT OF COMMERCE.—

(1) The first section of the Act entitled "An Act to establish the Department of Commerce and Labor", approved February 14, 1903 (15 U.S.C. 1501), is repealed.

(2) The first section of the Act entitled "An Act to create a Department of Labor", approved March 4, 1913 (15 U.S.C. 1501), is amended by striking out beginning with "and the Department of Commerce and Labor" through "accordingly".

(b) TERMINATION OF UNDER SECRETARY OF COMMERCE.—Subsection (a) of the first section of the Act entitled "An Act to authorize an Under Secretary of Commerce for Economic Affairs", approved June 16, 1982 (96 Stat. 115; 15 U.S.C. 1503a), is repealed.

(c) TERMINATION OF ASSISTANT SECRETARY OF COMMERCE.—The Act entitled "An Act to provide for the appointment of one additional Assistant Secretary of Commerce, and for other purposes", approved July 15, 1947 (15 U.S.C. 1505), is repealed.

(d) CONFORMING AMENDMENT.—The first sentence of section 304 of the Department of Commerce Appropriation Act, 1955 (15 U.S.C. 1506), is repealed.

(e) TERMINATION OF ASSISTANT SECRETARY OF COMMERCE.—The Act entitled "An Act to authorize an additional Assistant Secretary of Commerce", approved February 16, 1962 (15 U.S.C. 1507), is repealed.

(f) CONFORMING AMENDMENT.—Subsection (a) of section 9 of the Maritime Appropriation Authorization Act for Fiscal Year 1978 (15 U.S.C. 1507b), is repealed.

(g) TERMINATION OF SOLICITOR.—

(1) The first section of the Act of March 18, 1904 (33 Stat. 135, chapter 716; 15 U.S.C. 1508), is amended by striking out the paragraph relating to the Office of the Solicitor of the Department of Commerce and Labor.

(2) Section 2 of the Act of July 17, 1952 (66 Stat. 758, chapter 932; 15 U.S.C. 1508), is repealed.

(h) OTHER TECHNICAL AMENDMENTS.—

(1) Sections 4 and 12 of the Act entitled "An Act to Establish the Department of Commerce and Labor", approved February 14, 1903 (15 U.S.C. 1511), are repealed.

(2) The first section of the Act of August 23, 1912 (37 Stat. 407, chapter 350; 15 U.S.C. 1511), is amended by striking out the paragraph relating to the Bureau of Foreign and Domestic Commerce.

(3) The first section of the Act of January 5, 1923 (42 Stat. 1109, chapter 23; 15 U.S.C. 1511), is repealed.

(4) The first section of the Act of May 27, 1936 (49 Stat. 1380, chapter 463; 15 U.S.C. 1511), is repealed.

(i) CONFORMING AMENDMENT.—Section 8 of the Act entitled "An Act to establish the Department of Commerce and Labor", approved February 14, 1903 (15 U.S.C. 1519), is repealed.

(j) TERMINATION OF WORKING CAPITAL FUND.—Title III of the Act entitled "An Act making appropriations for the Departments of State, Justice, and Commerce for the fiscal year ending June 30, 1945, and for other purposes", approved June 28, 1944 (15 U.S.C. 1521), is amended by striking out the paragraph relating to the working capital fund of the Department of Commerce.

(k) CONFORMING AMENDMENT.—Sections 1, 2, and 3 of Public Law 88-611 (15 U.S.C. 1522, 1523, and 1524) are repealed.

Subtitle B—Economic Policy Council

SEC. 3785. ESTABLISHMENT.

(a) ESTABLISHMENT.—The President shall establish in the Executive Office of the President a council to be known as the Economic Policy Council (hereafter referred to in this section as the "Council"). The Council shall be the interagency organization required to be established by the President under section 242 of the Trade Expansion Act of 1962.

(b) MEMBERSHIP.—The Council shall be composed of—

(1) the President;

(2) the Vice President;

(3) the Secretary of State;

(4) the Secretary of the Treasury;

(5) the Secretary of Defense;

(6) the Secretary of Agriculture;

(7) the Secretary of Industry and Technology;

(8) the Secretary of Labor;

(9) the United States Trade Representative; and

(10) such heads of other Federal agencies which the President may designate.

(c) Presiding Officer.—The President shall preside over meetings of the Council. In the President's absence, the President may designate a member to preside for the President, except that, in the absence of the President, the President shall designate the United States Trade Representative to preside over meetings of the Council regarding international trade or meetings of the Council to carry out the duties described in section 242(b) of the Trade Expansion Act of 1962.

(d) Duties.—

(1) The Council shall advise the President with respect to national and international economic policies and the integration of such policies in order to enable the President and Federal agencies to cooperate more effectively in matters involving economic policy, including advice with respect to—

(A) trade policy;

(B) monetary policy;

(C) fiscal policy;

(D) international financial policy;

(E) foreign aid policy; and

(F) investment policy.

(2) In addition to performing such other functions as the President may direct concerning economic policy in general, for the purposes of more effectively coordinating the policies and functions of Federal agencies relating to international trade and making recommendations to the President, the Council shall, subject to the direction of the President—

(A) assess and appraise the international trade policies (including commodity and direct investment matters) and international trade objectives of the United States;

(B) consider policies on matters of common interest to the Federal agencies concerned with international trade;

(C) consider the relationship between the standard of living in the United States and the international trade policies of the United States; and

(D) evaluate the effects of the international trade policies and objectives of the United States on the national security.

(3) The duties of the Council under paragraphs (1) and (2) are in addition to the duties prescribed by section 242(b) of the Trade Expansion Act of 1962.

(e) Personnel.—The President shall provide such personnel for the Council, including an Executive Secretary, as are necessary to enable the Council to carry out the functions of the Council. The Executive Secretary shall direct activities by the staff of the Council, and shall coordinate, on an ongoing basis, such activities with the activities of the staffs of the members of the Council.

(f) Consultation.—In carrying out the functions of the Council, each member of the Council shall consult with—

(1) committees established to advise the Federal agency of which such member is the head;

(2) advisory committees established under section 135 of the Trade Act of 1974; and

(3) other representatives of the private sector.

(g) Recommendations and Reports.—The Council shall, from time to time, make such recommendations and such reports to the President as the Council considers to be appropriate or as the President may request.

(h) Termination of Trade Policy Committee.—The Trade Policy Committee shall terminate on the effective date of this title.

Subtitle C—Transitional, Savings, and Conforming Provisions

SEC. 3791. TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.

Except as otherwise provided in this title, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred to the Secretary by this title, subject to section 1531 of title 31, United States Code, shall be transferred to the Secretary. Unexpended funds transferred pursuant to this section shall be used only for the purposes for which the funds were originally authorized and appropriated.

SEC. 3792. INCIDENTAL TRANSFERS.

(a) Authority of OMB Director.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, is authorized to make such determinations as may be necessary with regard to the functions transferred by this title, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this title. The Director shall provide for the termination of the affairs of all entities terminated by this title and for such further measures and dispositions as may be necessary to effectuate the purposes of this title.

(b) Authority of OPM Director.—After consultation with the Director of the Office of Personnel Management, the Director of the Office of Management and Budget is authorized, at such times as the Director of the Office of Management and Budget may provide, to make such determinations as may be necessary with regard to the transfer of positions within the Senior Executive Service in connection with the functions transferred by this title.

SEC. 3793. EFFECT ON PERSONNEL.

(a) Preservation of Personnel Status.—Except as otherwise provided by this title, the transfer pursuant to this title of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for one year after the date of transfer of such employee under this title.

(b) Senior Official.—Any person who, on the day preceding the effective date of this title, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in a Federal agency to which functions are transferred by this title to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(c) Terminations.—Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred by this title, shall terminate on the effective date of this title.

SEC. 3794. SAVINGS PROVISIONS.

(a) In General.—All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges that—

(1) have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred by this title; and

(2) are in effect when this title takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Secretary, a court of competent jurisdiction, or by operation of law.

(b) Effect on Administrative Proceedings.—

(1) The provisions of this title shall not affect any proceedings, including notices of proposed rule making, or any application for any license, permit, certificate, or financial assistance pending on the effective date of this title before the Department of Commerce, or any office thereof with respect to functions transferred by this title; but such proceedings or applications, to the extent that they relate to functions transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made under such orders, as if this title had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Secretary, a court of competent jurisdiction, or by operation of law. Nothing in this subsection prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this title had not been enacted.

(2) The Secretary of Commerce and the Secretary are authorized to issue regulations providing for the orderly transfer of proceedings continued under paragraph (1).

(c) Effect on Legal Actions.—Except as provided in subsection (e)—

(1) the provisions of this title do not affect actions commenced prior to the effective date of this title, and

(2) in all such actions, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this title had not been enacted.

(d) No Abatement of Actions or Proceedings.—No action or other proceeding commenced by or against any officer in his official capacity as an officer of the Department of Commerce with respect to functions transferred by this title shall abate by reason of the enactment of this title. No cause of action by or against the Department of Commerce with respect to functions transferred by this title, or by or against any officer thereof in his official capacity, shall abate by reason of the enactment of this title. Causes of action and actions with respect to a function transferred by this title, or other proceedings may be asserted by or against the United States or the Secretary, as may be appropriate, and, in an action pending when this title takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(e) SUBSTITUTION.—If, before the date on which this title takes effect, the Department of Commerce or any officer thereof in his official capacity, is a party to an action, and under this title any function of such Department or officer is transferred to the Secretary, then such action shall be continued with the Secretary substituted or added as a party.

(f) EXERCISE OF TRANSFERRED FUNCTIONS.—Orders and actions of the head of a Federal agency in the exercise of functions transferred to the head of such agency by this title shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the Department of Commerce or any office or officer thereof, in the exercise of such functions immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this title shall apply to the exercise of such function by the Secretary.

SEC. 3795. SEPARABILITY.

If a provision of this title or its application to any person or circumstance is held invalid, neither the remainder of this title nor the application of the provision to other persons or circumstances shall be affected.

SEC. 3796. REFERENCE.

With respect to any function transferred to the Secretary by this title and exercised after the effective date of this title, reference in any other Federal law to any department, agency, office, or officer the functions of which are so transferred shall be considered to refer to the Secretary.

SEC. 3797. TRANSITION.

With the consent of the Secretary of Commerce, the Secretary is authorized to utilize—

(1) the services of such officers, employees, and other personnel of the Department of Commerce, with respect to functions transferred to the Secretary by this title; and

(2) funds appropriated to such functions or offices for such period of time as may reasonably be needed to facilitate the orderly implementation of this title.

SEC. 3798. TERMINATION.

The Department of Commerce is terminated.

SEC. 3799. EFFECTIVE DATE; INTERIM APPOINTMENTS; AUTHORIZATION

(a) EFFECTIVE DATE.—

(1) This title shall take effect on January 20, 1989, except that—

(A) section 3797 shall take effect on the date of enactment; and

(B) at any time after the date of enactment of this title—

(i) the officers provided for in this title may be nominated and appointed, as provided in this title;

(ii) the Secretary of Commerce and the Secretary may promulgate regulations under section 3794(b)(2).

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I ask unanimous consent that we provide 20 minutes equally divided for debate on this amendment.

Mr. HOLLINGS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. GLENN. Mr. President, I request the yeas and nays on the amendment.

The PRESIDING OFFICER. The Senator has requested the yeas and nays.

Mr. HOLLINGS. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. For a parliamentary inquiry, the Senator is recognized.

Mr. HOLLINGS. We had our unanimous-consent agreement, and under the unanimous-consent agreement I thought we had stopped these monkeyshines and ruled out all amendments. That is what we agreed to last Friday. We would have no parliamentary maneuvers, that there would be no amendment in order. That is what I thought we agreed to.

Mr. GLENN. Mr. President, it is my understanding of the parliamentary situation that, after all time has expired, another amendment to the original language is in order.

The PRESIDING OFFICER. The Chair will state in answer to the parliamentary inquiry that the amendment proposed by the Senator from Ohio is to the underlying text and not to the Hollings amendment. Therefore, the amendment proposed by the Senator from Ohio to the underlying text is in order since the unanimous-consent request and the time limit applied to the Hollings amendment.

The Chair will further rule that the time has expired on the Hollings amendment and there is no time available, since it is a striking of the text, to the Senator from Ohio to argue the amendment. So all time has expired. The amendment is in order to the underlying text.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio has then proposed a unanimous-consent request and the Senator from South Carolina has objected to the unanimous-consent request and therefore at this moment in time what is pending is the amendment to the underlying text and the Chair will recognize whoever seeks recognition

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. Did the Senator ask for the yeas and nays on the amendment by the Senator from Ohio?

Mr. GLENN. I did. I am not sure what the situation was at that time. But I ask for the yeas and nays.

The PRESIDING OFFICER. The Chair has not determined that yet but wanted to be certain that that was the request that has been made.

Mr. GLENN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, a parliamentary inquiry. Is there any time remaining on any of the amendments?

The PRESIDING OFFICER. All time has expired.

Mr. HOLLINGS. I move to table the Glenn amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina to table the perfecting amendment of the Senator from Ohio. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from South Dakota [Mr. DASCHLE], the Senator from Tennessee [Mr. GORE], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I also announce that the Senator from Arkansas [Mr. PRYOR] is absent because of death in the family.

I further announce that, if present and voting, the Senator from West Virginia [Mr. ROCKEFELLER] would vote "yea."

The PRESIDING OFFICER (Mr. FOWLER). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 73, nays 21, as follows:

[Rollcall Vote No. 190 Leg.]

YEAS—73

Adams
Armstrong
Baucus
Bentsen
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
DeConcini
Dixon
Dodd
Dole
Domenici
Evans
Exon
Ford
Fowler
Gramm
Grassley
Hatch
Hatfield
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kerry
Lautenberg
Lugar
McCain
McClure
McConnell
Murkowski
Nickles
Packwood
Pell
Pressler
Proxmire
Quayle
Riegle
Roth
Rudman
Sanford
Shelby
Simpson
Specter
Stafford
Stennis
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Wirth

NAYS—21

Bingaman
Chiles
Durenberger
Garn
Glenn
Graham
Harkin
Kennedy
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Reid
Sarbanes
Sasser
Stevens

NOT VOTING—6

Biden
Daschle
Gore
Pryor
Rockefeller
Simon

So the motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, the next order of business, I guess, is an up-or-down vote on the Hollings-Danforth amendment. I would be willing to vitiate that request.

Mr. GLENN. Mr. President, I will not require the yeas and nays.

Mr. HOLLINGS. The question is on the adoption of the amendment, then.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from South Carolina. The question is on agreeing to the amendment.

The amendment (No. 488) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROTH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 499

(Purpose: To extend the effective date for the provision on fictitious markets to certain antidumping reviews)

AMENDMENT NO. 500

(Purpose: To modify the factors that are to be considered in determining material injury and threat of material injury in countervailing and antidumping duty investigations)

AMENDMENT NO. 501

(Purpose: To include certain articles within the scope of the telecommunications trade provisions)

Mr. DANFORTH. Mr. President, I have a series of amendments which will take virtually no debate which I would like to offer.

I would like to offer them at this time.

Mr. President, I ask unanimous consent to lay aside the pending amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I will offer three amendments en bloc and ask unanimous consent that they be considered en bloc.

First, let me just read a short explanation of the three amendments. I think they are noncontroversial. They are three technical amendments to the Finance Committee portion of S. 1420.

I offered these amendments on July 1 and I believe all three have been cleared on both sides of the aisle.

Mr. President, could we have order in the Chamber?

The PRESIDING OFFICER. The Senator is correct. The Senate will be in order.

The Senator from Missouri.

Mr. DANFORTH. The first amendment, a modified version of amendment 372, pertains to section 336 of the bill. This provision concerns the elimination of "fictitious market prices" in the determination of dumping margins, and the amendment would clarify the effective date of the provision.

The second amendment, originally numbered 373, clarifies the language of section 330 of the bill. This provision concerns the threat of material injury in antidumping and countervailing duty cases.

Finally, the third amendment clarifies section 903 of the bill which deals with telecommunications trade. It is a modified version of amendment No. 374. The amendment ensures that certain telecommunications components inadvertently left out of the product coverage section are included.

In addition, the amendment eliminates one TSUS item from the list of products covered. This particular item, which is included in the House trade bill, may encompass certain products that should not be covered by the telecommunications provisions. By eliminating it from the Senate bill, we ensure sufficient flexibility to modify this provision in conference, if necessary.

Mr. President, I send these three amendments to the desk and ask that they be reported and I further ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, it is so ordered. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri [Mr. DANFORTH] proposes amendments numbered 499, 500, and 501.

Mr. DANFORTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT No. 499

On page 228 of the printed bill, line 24, strike out "335, and 336" and insert in lieu thereof "and 335".

On page 229, after line 24, insert the following:

(g) FICTITIOUS MARKETS.—The amendment made by section 336 shall only apply with respect to—

(1) investigations initiated after the date of enactment of this Act,

(2) reviews initiated under section 736(c) or 751 of the Tariff Act of 1930 after the date of enactment of this Act, and

(3) reviews initiated under such sections—

(A) which are pending on the date of enactment of this Act, and

(B) in which a request for revocation is pending on the date of enactment of this Act.

On page 228 of the printed bill, line 2, strike out "733" and insert in lieu thereof "773".

AMENDMENT No. 500

On page 218 of the printed bill, line 9, insert "actual and potential negative effects on" after "(IV)".

On page 218, beginning on line 10, strike out "the technology necessary to" and insert in lieu thereof "and".

On page 219, line 5, insert "actual and potential negative effects on" after "(X)".

On page 219, beginning on line 6, strike out "the technology necessary to" and insert in lieu thereof "and".

AMENDMENT No. 501

Strike out section 903 of the bill and insert the following:

SEC. 903. TELECOMMUNICATIONS PRODUCT DEFINED.

For purposes of this subtitle, the term "telecommunications product" means—

(1) any power supplies provided for under item 682.60 of the Tariff Schedules of the United States,

(2) any paging devices provided for under item 685.70 of such Schedules,

(3) any microwave tubes provided for under item 687.66 of such Schedules, and

(4) any article classified under any of the following item numbers of such Schedules: 684.57, 684.58, 684.59, 684.65, 684.66, 684.67, 684.80, 685.10, 685.12, 685.16, 685.24, 685.25, 685.28, 685.30, 685.39, 685.48, 688.17, 688.41, and 707.90.

Mr. BENTSEN. Will the Senator yield?

Mr. DANFORTH. I yield.

Mr. BENTSEN. Mr. President, the manager for the majority has examined the amendments and sees no objection and, in fact, urges their adoption.

Mr. PACKWOOD. Mr. President, I have also talked with the Senator from Missouri about the amendments and we find them acceptable.

The PRESIDING OFFICER. The question recurs on the amendments offered en bloc by the Senator from Missouri.

The amendments (Nos. 499, 500, and 501) were agreed to.

Mr. DANFORTH. I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 502

(Purpose: To require the additional reporting of monthly trade statistics that are adjusted for inflation or deflation)

Mr. DANFORTH. Mr. President, I send another amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside and the clerk will report.

The bill clerk read as follows:

The Senator from Missouri [Mr. DANFORTH] proposes an amendment numbered 502.

Mr. DANFORTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle D of title IX of the bill, add the following:

SEC. . ADJUSTMENT OF TRADE STATISTICS FOR INFLATION AND DEFLATION.

Subsection (e) of section 301 of title 13, United States Code, is amended by adding at the end thereof the following new sentence: "The information required to be reported under this subsection shall be reported in a form that is adjusted for economic inflation or deflation (on a constant dollar basis consistent with the reporting of the National Income and Product Accounts), and in a form that is not so adjusted.".

Mr. DANFORTH. This amendment is designed to fill a gap in the monthly U.S. trade data. It has been suggested by a number of people, including Fred Bergstrom of the Institute of International Economics. The amendment would require the Department of Commerce to issue monthly trade data in nominal and constant dollars. At present, constant dollar data is only issued on a quarterly basis in the National Income and Product Accounts. If issued on a monthly basis, this information would enable us to see earlier the effect of exchange rates on the volume of U.S. exports and imports.

Mr. PACKWOOD. Mr. President, again I have looked at the amendment and especially Karen Phillips approves of it and therefore we accept it.

Mr. BENTSEN. Mr. President, as manager for the majority, we have examined the amendment and have no objections to it.

The PRESIDING OFFICER. Any further debate on the amendment? If not, the question is on agreeing to the amendment offered by the Senator from Missouri.

The amendment (No. 502) was agreed to.

Mr. DANFORTH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 503

(Purpose: To require the President to maintain a list of agricultural commodities and products that may be exported to Cuba and to permit exporters to export the commodities and products to Cuba)

Mr. BAUCUS. Mr. President, I ask unanimous consent that the pending amendments be laid aside so that I might offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment of the Senator from Montana [Mr. BAUCUS].

The bill clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for himself, Mr. PELL, Mr. PRYOR, and Mr. CONRAD, proposes an amendment numbered 503.

Mr. BAUCUS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 562, between lines 18 and 19, insert the following new section:

SEC. . EXPORT OF AGRICULTURAL COMMODITIES AND PRODUCTS TO CUBA.

(a) LIST OF PERMITTED AGRICULTURAL EXPORTS.—

(1) PUBLICATION.—Not later than January 2 of each year, the President shall publish in the Federal Register a list of the types of United States agricultural commodities and products that may be exported to Cuba during the year.

(2) CONTENTS.—The President shall place on the list each United States agricultural commodity and product that—

(A) may be exported to Cuba without harming the national security interests of the United States; and

(B) is freely available to Cuba from other suppliers in the world market.

(3) EXCLUSIONS.—If a major United States agricultural commodity or product is not placed on the list, the President shall provide Congress with a detailed writen explanation of the reasons the commodity or product does not meet the criteria prescribed in paragraph (2).

(4) MODIFICATION.—Subject to paragraphs (2) and (3), the President may modify the list at any time.

(b) EXPORT OF PERMITTED AGRICULTURAL COMMODITIES AND PRODUCTS.—Notwithstanding any other provision of law:

(1) IN GENERAL.—A person shall be permitted to export to Cuba any of the commodities or products on the list.

(2) AGRICULTURAL EXPORT PROGRAMS.—None of the credit, subsidy, or barter agricultural export programs conducted by the United States may be used to assist the export of an agricultural commodity or product to Cuba under this section.

(3) OTHER LAWS.—Subject to paragraph (2), no other provision of law that would prohibit, hinder, or impede the export of an agricultural commodity or product shall apply to the export of an agricultural commodity or product under this section.

Mr. BAUCUS. Mr. President, I ask for the yeas and nays on the underlying amendment.

The PRESIDING OFFICER. Is there a sufficient second?

The Chair is in doubt and will count.

There is now a sufficient second.

Mr. BAUCUS. Mr. President, I ask that the perfecting amendment——

The PRESIDING OFFICER. The Senator now has a right to amend his own amendment.

AMENDMENT NO. 504

Mr. BAUCUS. I send a perfecting amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for himself, Mr. PELL, Mr. PRYOR, and Mr. CONRAD, proposes an amendment numbered 504 to amendment 503.

Mr. BAUCUS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, strike all after the word "PUBLICATION" on line 6, and insert the following:

Not later than January 1 of each year, the President shall publish in the Federal Register a list of the types of United States agricultural commodities and products that may be exported to Cuba during the year.

(2) CONTENTS.—The President shall place on the list each United States agricultural commodity and product that——

(A) may be exported to Cuba without harming the national security interests of the United States; and

(B) is freely available to Cuba from other suppliers in the world market.

(3) EXCLUSIONS.—If a major United States agricultural commodity or product is not placed on the list, the President shall provide Congress with a detailed written explanation of the reasons the commodity or product does not meet the criteria prescribed in paragraph (2).

(4) MODIFICATION.—Subject to paragraphs (2) and (3), the President may modify the list at any time.

(b) EXPORT OF PERMITTED AGRICULTURAL COMMODITIES AND PRODUCTS.—Notwithstanding any other provision of law:

(1) IN GENERAL.—Any person shall be permitted to export to Cuba any of the commodities or products on the list.

(2) AGRICULTURAL EXPORT PROGRAMS.—None of the credit, subsidy, or barter agricultural export programs conducted by the United States may be used to assist the export of an agricultural commodity or product to Cuba under this section.

(3) OTHER LAWS.—Subject to paragraph 92), no other provision of law that would prohibit, hinder, or impede the export of an agricultural commodity or product shall apply to the export of an agricultural commodity or product under this section.

Mr. BAUCUS. Mr. President, this is a very simple amendment. It allows the President of the United States to draw up a list of agricultural products that United States exporters could sell on a cash basis to the country of Cuba. The President is directed to draw up this list of agricultural products which in the view of the President, can be exported to Cuba without threatening American national security and which are freely available to Cuba from other countries.

That is very simply the amendment. It is a narrow, surgical carve-out to the present trade embargo that exists against Cuba. This amendment does not allow imports from Cuba; it only allows agricultural products to be sold on a cash basis. There are to be no subsidized sales to the country of Cuba.

The present embargo is an anachronism. The present embargo on any sales of products to Cuba is just like the Soviet grain embargo. As Senators, we all know very well that the United States has repealed that embargo and sells a massive amount of agricultural products to the Soviet Union. Most sales to the Soviet Union now are subsidized. It is my belief that the present embargo against Cuba is an anachronism. It is dated; it is outmoded; it does not serve any useful purpose, and, therefore, should be repealed.

Now, we all know that the original intent of the embargo on agricultural sales to Cuba was to put pressure on Cuba to topple the Government of Cuba because it has been unfavorable to the United States. It has been involved in various activities around the world which are not exactly friendly to the causes of the United States.

Today, Mr. President, no other country has a trade embargo against Cuba. When we do not sell products of the United States, whom are we hurting? On whom are we putting pressure? Not Cuba at all. The only persons we are hurting are ourselves, that is, the American farmers. The fact is that Canada freely sells agricultural products to Cuba, as does Argentina, as does Brazil, and others. They say sell products to Cuba. Those sales help farmers in those countries to the detriment of ours.

The fact is, Mr. President, that Cuba imports a lot of agricultural products: about $150 million annually of wheat, $120 million of meat, $60 million worth of cotton annually, $35 million worth of corn annually, etc.

It does not make sense for we Americans to deprive American farmers of those sales. In total, about $1.3 billion in agricultural sales a year are made to Cuba. Mr. President, this amendment is supported by a whole host of groups, particularly agricultural groups, which also do not think the present embargo makes much sense.

I must also say that many Latin Americans presently trade with Cuba. We Americans do not trade with Cuba, but Latin American countries, the countries that we Americans think Cuba is somehow going to unduly influence and overthrow, do trade with Cuba. Let me list those Latin American countries which presently trade with Cuba: Argentina, Brazil, Mexico, Venezuela, Panama, Bahamas, Barbados, Bolivia, Ecuador, Nicaragua, Peru, and Uruguay. It seems to me that if they trade with Cuba, if they buy and sell products with Cuba, why should we not as Americans ask a narrow, surgical carveout on the present embargo. We should allow cash-only sales of agricultural products to the country of Cuba.

In addition, Mr. President, let us ask ourselves, who is Cuba's largest trading partner today? The fact is, it is Japan. Now, that might give us a couple of messages. No. 1, maybe we should retaliate against Japan because Japan trades with Cuba. But, of course, that does not make much sense. Japan trades with Cuba. It is Cuba's largest trading partner. Japan sees a good deal. I think that Japan's close trading relations with Cuba at some point suggest maybe we Americans are missing something. There are reasons why Japan is a growing, prosperous economic power in the world today. It is because it trades and trades very aggressively. We Americans, I think, could learn a lesson and trade more aggressively ourselves. There are a lot of lessons we can learn from Japan, but one minor lesson might be in this area: agricultural exports to Cuba where the President finds that there is no national security threat and where the President finds these are products freely available to Cuba from other countries.

Mr. President, I have listed all the countries that really export agricultural products to Cuba—Argentina, Canada, and so forth.

We export millions or billions of dollars of wheat or feed grains to the Soviet Union, massive exports to the Soviet Union. Why do we not embargo completely agricultural sales to the Soviet Union? Because it does not make any economic sense.

It seems to me that the same argument applies here: It makes no economic sense whatsoever to continue the embargo on agricultural products to Cuba—no sense whatsoever.

Again, I underline the long list of Latin American countries which trade with Cuba: Argentina, Brazil, Mexico, Venezuela, Bolivia, Ecuador, Uruguay. Are those bastions of communism? Sure, they are worried about Fidel Castro and are worried about the Soviet Union, just as we are. But they know they are better off and probably are more stable as a country if they trade with Cuba.

Mr. President, I think this is a good amendment, it makes sense, and I urge the Senate to adopt it.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I yield the floor.

Mr. GRAHAM. Mr President, I ask unanimous consent to speak against the amendment.

The PRESIDING OFFICER. The Senator has that right.

Mr. GRAHAM. Mr. President, I can understand and respect the motivations that are behind the amendment of the distinguished Senator from Montana, but I suggest that this amendment comes at probably the historically worst time in the history of United States-Cuban relations since Fidel Castro came to power.

The reality today is that Cuba is under the greatest economic pressure it has been for the last quarter of a century. A combination of factors, including the declining price of basic commodities, the lessened willingness of the Soviet Union to support its surrogate through the subsidized sale of petroleum products, and the almost total loss of hard currency to make purchases from foreign nations, has resulted in severe economic hardship for Cuba.

We are beginning to see this in terms of the rising number of refugees who are beginning to leave that country—indeed the largest numbers we have had since the spring of 1980 and the Mariel boatlift.

This afternoon, a reception is being held—ironically, on the day we consider this amendment—for a person who has been recognized as a world figure in human rights, Armando Valladares, who has written about his 22 years of imprisonment in a Castro jail. The fact that Castro has begun to release some individuals like Armando Valladares is another indication of the social and economic pressure which that island nation is now feeling.

This is not the time for the United States to send signals that we are going to contribute to a relaxation of those economic pressures. Rather, we should be dealing aggressively with countries like Japan to encourage them to join us in effective economic measures which will further isolate and increase the pressure on Cuba.

This is not just an issue of a country which denies the basic values upon which this Nation is founded. Cuba is actively and aggressively in the business of exporting its revolution.

Last week, we debated a proposal relative to Angola. One of the reasons we are concerned about Angola is not just Africa, but it is what Angola represents in terms of financing revolution in our own hemisphere. Next to the sale of its sugar products., the major source of Cuba's income is generated through the sale of its people, its military personnel, who are engaged in warfare in places like Angola.

We do not at this time need to be giving any signals that we are in any way accepting of a nation which is engaged in activities that are so detrimental to our country in this hemisphere as well as around the world. I believe that this measure would send exactly the wrong message and would blunt our efforts to ask other nations to join us in further isolating and eventually eliminating this Soviet surrogate in our own hemisphere. Doing so would send a clear message to those nations threatened by the expansionist activities of Fidel Castro.

Mr. President, this is not a time, in exchange for a few coins from this impoverished nation that might be available to American agriculture, when we should change a fundamental and an increasingly effective policy of economic pressure against Cuba. So I urge that this amendment be rejected.

I urge, further, that we look for opportunities in which we can advance an intelligent policy that will lead to the day when we will have a free Cuba and when the Western Hemisphere will be free of surrogate states responsive to foreign powers that are inimical to the interests of the United States.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, this amendment would renew trade with Cuba. That is what we are talking about here today—breaking the U.S. embargo against perhaps the most notorious country in this hemisphere, an embargo that has been unchallenged for 25 years.

The United States currently has defacto embargoes against four countries—Cambodia, Cuba, North Korea and Vietnam. The amendment before the Senate would effectively break the embargo for one of these countries, permitting the export of agricultural commodities for cash to Cuba for the first time since 1962.

Mr. President, this amendment would benefit Cuba a great deal more than it would benefit United States farmers. In fact, the benefit of our Nation's farmers would be very small indeed. The Department of Commerce has estimated that if the embargo on all products were lifted, United States exports to Cuba—of all products, not just agricultural products—would not exceed $100 million in the first year. In future years, the Department estimates that Cuba would buy—of all products—no more than $300 million annually from the United States.

Why should the United States violate its moral principles—especially for so little benefit?

Why will Fidel Castro's Cuba never be a good market for our farmers? Because it would require substantial export earnings as well as massive foreign investment to stimulate its moribund economy in order to pay for imports from the United States. Such export earnings and foreign investments simply could not occur in Cuba's closed and tightly controlled economy.

While lifting the embargo will not do much good for our farmers, it would be of great benefit to Castro—both economically and politically.

Economically, this amendment stands to save Castro valuable foreign exchange and reduce the effects of the overall embargo upon the Cuban economy. The amendment would allow Cuba access to the world's largest seller of agricultural commodities and products—a supplier only 90 miles away. With a much greater supply of agricultural commodities to choose from, basic economics tells us Cuba would be able to get lower prices on this supply. In addition, the proximity of Cuba to the United States would also result in savings to Castro.

Having literally bankrupted Cuba with his repressive Communist policies, Castro could use any economic benefit he could get his hands on. He could especially use the benefits created by this amendment.

The Cuban economy is a "basket case" if there ever was one. According to the U.S. Commerce Department, Cuba last year experienced its most difficult economic conditions since shortly after Castro seized power. Cuban citizens must contend with widespread shortages of most goods. Those goods which are available are of minimal variety and of low quality. The Commerce Department reports that these shortages are due to the inefficiencies of the Cuban economy, plus the impact of the economic embargo—the very same embargo the author of this amendment would like to break.

Unless this amendment passes, the situation for Castro is predicted to get even worse. For 1987, Cuban imports are expected to be about half of those for 1986. This reduction will cut into the country's productive capacity and further deteriorate the economic situation in the country.

So just as the economic situation is beginning to squeeze Castro, this amendment would let up on him.

Furthermore, the embargo serves as a moral signal to the world that the United States finds Castro's government to be repulsive and unacceptable—on par with the similarly repressive and vicious Governments of North Korea, Vietnam, and Cambodia. To break this embargo—as is envisioned by this amendment—would indicate that the United States sees some kind of improvement on the part of Castro, when, in fact, none exists.

Castro has done nothing to deserve a breaking of this embargo. Rather, his activities, both at home and abroad, justify nothing more than tightening the embargo. Life in Cuba today is characterized by an aggressive, systematic, and institutional denial of human rights in virtually every form. The Communist party, tightly controlled from above, dominates all aspects of life.

There is no freedom of expression in Cuba; no criticism of the government's policies or Marxist/Leninist orientation is allowed. Telephone calls are routinely monitored and mail opened.

There is no freedom of assembly or association in Castro's Cuba. Sure, there are some associations—but they are government controlled. The few private associations which are permitted, operate only under close government scrutiny.

There is no freedom of religion in Cuba. Rather, repression of religion in Cuba is thorough and pervasive. Religious broadcasts are totally prohibited—except for news of foreign clergy defending the Castro regime which are routinely shown to prisoners of conscience to demoralize them. The construction of new churches is severally restricted. Many churches have been closed, and some have been desecrated. The few still open are closely monitored by Communist front groups.

Of course, there is no freedom of the press in Cuba. All media outlets are strictly controlled by the state. The only kinds of foreign publications permitted are those from other Communist countries.

There is no economic freedom in Cuba. The right to choose one's occupation is practically nonexistent as priority is given to collective or state needs over individual choice. Just as nonexistent is a private sector. Although self-employment is legal in certain trades and professions, less than 1 percent of Cubans are self-employed, and they are subject to continuous government harassment.

Castro's foreign ventures are just as notorious as are his measures at home. Castro proudly wears the badge of "Gorbachev's waterboy" in Latin America and Africa.

There are now about five times as many Cuban soldiers in Africa alone as there were in the Cuban Armed Forces when Castro seized power in 1959. Since 1975, Castro has dispatched his thugs to Angola, Ethiopia, Mozambique, South Yemen, Congo, Ghana, Mali, Grenada, and Nicaragua. Castro has had 3,000 troops in Nicaragua, 400 in Congo, more than 700 in Mozambique, 500 in South Yemen, more than

5,000 in Ethiopia, and 37,000 in Angola.

Castro also has the distinction of being the head of one of the five countries officially designated by our Government as providing repeated support for international terrorism. Joining Cuba on this distinguished list are Iran, Libya, Syria, and South Yemen.

The State Department's most recent report on global terrorism, confirms that Castro maintains a large and complex apparatus for subversion that supports a whole range of leftist revolutionaries and terrorism. He provides arms, safe haven, and training to a variety of guerrilla movements and terrorist groups in Latin America.

So, it is clear, Mr. President, that Fidel Castro has done nothing to justify granting him the economic benefits inherent in lifting this embargo. At the same time, it is clear that our farmers will have little to gain from having access to this economically bankrupt market. This amendment should be defeated.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I have a parliamentary inquiry. I must make this because I have been in a meeting with the Secretary of Defense and the Secretary of State about another problem. Is the Senator from North Carolina correct in understanding that the distinguished Senator from Montana has in the parlance around this place, "filled the tree" as to amendments?

The PRESIDING OFFICER. The Senator's interpretation of the parlance is correct.

Mr. HELMS. I thank the Chair. In other words, as I understand it, Senator BAUCUS has offered a second-degree amendment changing only one figure; is that correct?

The PRESIDING OFFICER. The Chair's impression is the underlying effect of the amendment offered by the Senator from Montana changes only the date.

Mr. HELMS. Correct. That means——

The PRESIDING OFFICER. The yeas and nays have been ordered on the amendment in the first reading.

Mr. HELMS. That means, then, Mr. President, when the second amendment offered by the able Senator from Montana [Mr. BAUCUS] is disposed of one way or another, then the underlying amendment will be subject to amendment?

The PRESIDING OFFICER. The Chair is advised and believes that the underlying amendment will be amendable only where it is not yet amended.

Mr. HELMS. So the Chair is saying that an amendment adding to the underlying amendment would be in order?

The PRESIDING OFFICER. The Chair believes the Senator's interpretation is correct.

Mr. HELMS. I am sorry, I did not understand the Chair.

The PRESIDING OFFICER. The Chair believes the Senator's interpretation is correct. It is not in a position to advise the Senator.

Mr. HELMS. I understand, but I wanted to lay the predicate for something we are going to do or try to do a little later on.

I thank the Chair and, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. MIKULSKI). Without objection, it is so ordered.

Mr. PELL. Madam President, I commend the Senator from Montana for attempting to put some logic into U.S. agricultural trade policy which for too long has made the American farmer pay the price for an antiquated political policy toward Cuba.

As the Senator has pointed out, the United States embargo on Cuba has not hurt the Castro government. In fact, many of our major trading partners, namely, Japan, Spain, West Germany, and Canada, trade with Cuba and have helped to fill the gap that back in the 1960's was thought to be the way to weaken and destroy the Castro government. This policy was proven wrong quite a long time ago.

Farmers of the United States have been going through very difficult times and if there is a market in Cuba for their products, why not permit them to sell their goods there so they can improve their economic situation?

The American farmer should be able to sell the Cubans wheat, corn, cotton, rice, and other products that the Cubans are now purchasing from Canada and other countries. The American farmer would benefit from a change in policy toward Cuba, which is desperately in need of updating.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Madam President, I just simply do not feel that the U.S. Government at this time ought to become involved with a terrorist country, one of the five countries officially designated by our Government as supportive of international terrorism. Everybody in the Senate knows Fidel Castro's activities all over Central America and Africa.

This amendment should be defeated. No more time need be spent on it and for that reason, Madam President, I move to table the amendment and I ask for the yeas and nays.

Mr. PACKWOOD. Will the distinguished Senator from North Carolina withhold for a minute?

Mr. HELMS. I will be glad to withhold.

The PRESIDING OFFICER. The Chair would like to ask the Senator from North Carolina a question. Do you wish to table the first-degree amendment or the second-degree amendment?

Mr. HELMS. The underlying amendment.

The PRESIDING OFFICER. What amendment?

Mr. HELMS. The underlying amendment.

Madam President, I understand the distinguished Senator from Connecticut [Mr. WEICKER] is on his way. He is going to have some comments on this and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WEICKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Madam President, I want to commend the distinguished Senator from Montana for the amendment which he has brought to the floor. I suspect that there will be other amendments of a negative nature offered, so I would like to only spend a few minutes addressing some remarks to what has been proposed by the distinguished Senator from Montana.

If there is anything that cries out for revision, it is the U.S. policy in the Caribbean as it relates to several countries, most particularly its policy toward Cuba. The cries for revision on the simple basis that it has failed. Indeed, we are seeing part of that failure debated over in the Senate Caucus Room in the Russell Buildng.

These are not acts separate and apart; Nicaragua, Cuba—all are part of Central America, the Caribbean Basin, with other nations in South America. But all should be foremost in our mind in developing a policy, a foreign policy, appropriate to our hemisphere.

What has the foreign policy consisted of insofar as Cuba is concerned? The foreign policy has consisted of name calling. It has consisted of placing the United States in a vacuum to where it cannot respond to the threats of communism or in the case of Cuba the presence of communism on that island. Some satisfaction is to be drawn simply by Americans sitting at home watching their television sets as their leaders yell invectives across the Florida straits.

Nothing, however, is achieved in removing the Communist presence on that island.

I realize we are coming upon a Presidential election year and everybody is desirous of having the delegates from Florida. I have no doubt there are those who represent the State of Florida that will offer a point of view difference to this Senator. But the foreign policy of this Nation should be decided with the leadership of all 50 States.

I think it is now that all 50 States should say that the present policy is bankrupt and it has failed.

The Communists are still on the island. I would suggest that a little more interaction between Cuba and the United States is called for. Rather than yelling words across the Florida Straits and pandering to particular political constituencies, let us provide something that is logical in the interests of the United States.

I am sure, because of the nature of information that comes to the American people, most Americans are still out there with what I call the wait till they run out of spare parts philosophy, that is, Cuba sits in isolation from everybody; that its infrastructure still relies on the support of the United States.

Well, let me use this occasion to inform everybody, everybody is there except the United States. Not only the Soviet Union but France is there, Spain is there, Japan is there, Great Britain is there, Germany is there, Italy is there. There is not a nation in the world that does not engage in extensive commerce with Cuba.

Now, it would seem to be as a matter of common sense that if, indeed, we want to establish our influence in the hemisphere and particularly on the island of Cuba, then we have to be there to do it.

What the Senator from Montana suggests in no way establishes diplomatic relations. It does not relieve the isolation of which I have spoken. It in no way allows Cuban exports into the United States. It very simply permits the export of agricultural products from the United States to Cuba. What a modest first step.

So everyone understands the position of this Senator, which is not the position of the Senator from Montana, my feeling is we will deal with that Communist threat and will get the Communists off the island much faster if we do establish diplomatic relations, if we do permit American tourists, if you will, to invade Cuba, not the CIA.

That is a far cry from what is being presented. Now, sooner or later this placing ourselves into a vacuum is going to evolve into something a good deal more serious than the isolation of these two neighbors and the permanent residency of the Soviets on the island of Cuba. Then there will be a real price to be paid.

I hope that this amendment will mark the beginning of a sensible foreign policy as between the United States and Cuba. Nobody is here to speak for the transgressions of the Cuban Government. That is not the issue. The issue is what is in our best interests. It is as if in this debate I chose not to come to the floor to debate my friends, Senators HELMS, CHILES, and whoever else might be with them, but, rather, chose to make radio addresses from my office in the Russell Building. It is an exact parallel. If you do not like the Soviet presence, if you do not like the policies of the Cuban Government, then get into the fight there and compete with them.

I have no doubt that the Cuban people themselves far prefer the United States and the American people than they do the Soviet Union or the Soviets that reside on the island. But so far we have so manufactured it that the only people they see are the Soviets.

I am sure there will be further debate on this matter. I do not mean to take any more time. The Senator from Montana deserves a vote on this amendment. But this very modest, small step, which actually is, I might say again, in our financial interests—the exportation of our agricultural products—I think does carry with it a little opening, which hopefully might be expanded, into a normal relationship between these two nations.

Now, if the final resolution of the problem is going to be military and is going to be conflict, fine, just keep going the way we are going. But I think something else is deserving of being tried. But what I think also is just as important is that the foreign policy of the United States not be made subject to a particular brand of politics, be it philosophical or regional.

Mr. President, I support the amendment of the distinguished Senator from Montana.

I want to make one further statement. If there are other amendments that are going to fly on the heels of this one, then we are going to have ourselves a good old-fashioned debate. I think we are at the end of the line at this Cuban-bashing routine. Somebody has got to start to explain the alternatives to the American people. It is not the present policy or nothing. Is there anybody in this body or outside of it that is afraid to compete either in terms of agricultural products or pharmaceutical products or education know-how or medical know-how?

Is anybody afraid to compete with the Soviets? I am not. But to this point the competition does not take place because the United States does not come on the playing field, all so that we can satisfy our angers and our frustrations relative to our neighbors to the south.

So I want to make it clear that, as others have indicated, this will not be the last word to be said on the matter of Cuba, and I would hope that the whole matter, very frankly, does not impede the passage of this trade bill. I think we ought to be through with this and let us get on to other things. I hope everybody has noted that we injected ourselves I think about in every single nation in the world in the course of this bill. I thought we were here to try to remedy some of the problems we had instead of trying to go ahead and impose ourselves on everybody else.

But be that as it may, the policy of food exportation I think is a small but an important first step and I hope the amendment would pass. Indeed, if the reasoning that opposes the amendment of the Senator from Montana is valid, then we should not be sending food anywhere in the world, not to Poland, not to the Soviet Union, not anywhere. But, of course, we do. All of a sudden this has become a litmus test, the issue of United States relations. It has nothing to do with reality. As I say, the facts prove that. It is a litmus test for certain philosophies and certain politics. That is not sufficient for what I consider to be a bad foreign policy and I hope the amendment of the Senator from Montana passes.

Mr. CHILES. Madam President, I rise to speak against the amendment.

My good friend from Montana usually exhibits great wisdom, and I respect his wisdom in many areas with respect to trade, in which he has worked very hard, in areas of fiscal matters having to do with the budget, and in many other areas. But I think he has a misguided policy in this amendment.

I listened to the remarks of my good friend from Connecticut and know that he holds strong views on this subject.

Madam President, to say that because our embargo has not brought Cuba to its knees, we have to lift it or that we have to say that it is a failed policy, really takes a little examination. If we carry that a little further, we might look at an agreement that we came to with Cuba at the time of the missile crisis. The basis of that agreement was that we would not use military force against Cuba in an attempt to topple the Cuban Government, if the Cuban Government, in turn, would not export revolution.

What has happened to that agreement? Has it been honored? Has it been followed? Well, hardly. Cuban troops have been introduced in numerous nations. Terrorists and revolutionaries are trained in Angola, and in Nicaragua. We see a country that has totally dishonored an agreement. Yet, the United States has not tried to use its military force.

We find, on the other hand, that Cuba tends to subvert its own people. We need only look at the human rights violations—one of the worst records of any country in the world in that regard; political prisoners held for 25 and 30 years. There is a reception being held in the Capitol today, I believe, for Armando Valladares, who was held in prison for over 20 years as a political prisoner. We see that happening constantly.

What will an amendment like this say? It says: "We are going to reward you for your conduct. We are going to give you a little badge. You have done so well in what you are doing, in sending your troops, your military advisers, your arms, your weapons, and your subversion into other lands that we are going to turn around and say we made a mistake in saying that we were going to quarantine or impose an embargo on Cuba. That is all a mistake."

Why are we saying that? Because we want to sell a little wheat to Cuba. We are not talking about something that is going to enrich the American farmer. It will make very little difference, if any at all. But it will send a tremendous signal the other way.

Yes, the Senator from Connecticut is right: The Senator from Florida and others are trying to make that embargo work a little better, and we do have an amendment we are going to pose, to make it work a little better. We are going to try to say to some of our trading partners: "Don't bring your ships to trade with us at the same time you call on a country like Cuba. That is what we are attempting to do, bring Cuba back into the community of nations, to act like a civilized nation, to give some kind of human freedoms, to allow some kind of plurality within its own country, some kind of freedom of the press and religion and assembly, some basic human rights, and treat its neighbors properly. Those are the things we are trying to say.

Is that wrong? Is that a bad policy for the United States to pursue? If it has not totally worked to date, do we throw it out the window and say that we scrap it and now we are going to reward Cuba? That is the signal this amendment would send. Because we want to sell a little wheat, we would now say: "We will open a little hole in the embargo and we will sell you a little wheat. That is just a little reward we give you because of the troops you sent to Angola, because of the subversion and the havoc you work in Nicaragua, because of the military advisers you send down there, because you have opened your harbors at times for a safe haven for some drug smugglers who could slip away from our Coast Guard and go into those harbors, because we see documents where high Cuban officials have even participated in the narcotics trade and in the weapons trade. We are going to give you a little reward for that. We are going to let you have a little grain. We are going to ship a little more grain to you."

Is that a good signal to send? That is not the kind of thing a leading democracy like the United States should do. Because our policy has not toppled the government, should we say it is a failed policy? I say let us tighten the noose a little. Let us try to do something that would set that policy more right. Let us not signal that we are going to give some kind of reward, a badge of honor, by allowing grain to be shipped to Cuba.

I do not believe that when you really get down to it, that is the kind of policy that agriculture in the United States wants to follow. I do not think it is going to make any great difference in the amount of grain they are going to ship. I hope this amendment will not be adopted. I hope, in turn, that the Senate will follow on and try to see that we make this policy work, by tightening up a little on some of our trading partners and showing them that we do not totally welcome their commerce with a nation that we are trying to bring back into the fold, that we are trying to get to allow some kind of freedoms, trying to get to respect basic human rights and treat political prisoners in a proper way.

I hope we will take my amendment and see if we can send a little better message.

I think information is now getting to Cuba. There is some truthful news going in there. We are seeing a ranking officer of Cuba who thinks there are plenty of problems in Cuba now, as people are beginning to understand. They are afraid to bring bodies back from Angola. They do not want to have those bodies coming back in. They do not want to show those caskets. They do not have their war on television, as we had in Vietnam. They do not show what happened. For the first time, some of that information is beginning to get back, as to what is going on there.

It is not the time for us to cut and run. It is not the time for us to say we are going to weaken our policy, that we are going to open it up, that we are going to give a little reward.

I hope we will not accept this amendment, and that, in turn, we will adopt an amendment that is going to be offered that would strengthen our policy.

The **PRESIDING OFFICER**. The Senator from Montana.

Mr. **BAUCUS**. Madam President, before we move to a vote, I suspect the Senator from North Carolina at the appropriate time might move to table the amendment.

Before we move to a vote, I think it is important that we clean up a misconception left on the floor that this amendment, if adopted, is going to reward Cuba.

The fact is, as I mentioned earlier and as the Senator from Connecticut mentioned today, no other country embargoes trade with Cuba. Today the United States deprives itself of sales of agricultural products to Cuba. Cuba buys those same agricultural products from Canada, those same agricultural products from Argentina, those same agricultural products from a whole host of other countries. The United States is the only country which embargoes agricultural exports to Cuba.

So, today, when Canada sells wheat at $2.74 a bushel to Cuba, when Argentina sells wheat to Cuba at $2.74 a bushel because $2.74 is the world price today, the only people who are hurt are American farmers who are deprived of sales at $2.74 a bushel to Cuba.

This amendment has no economic effect on Cuba. The present embargo has no economic effect on Cuba. The passage of this amendment would have no economic effect on Cuba because this amendment addresses only those agricultural products which the President determines not to threaten the United States security if sold to Cuba and also which are freely available to Cuba from other countries.

So there cannot be by definition any reward if this amendment passes because all of these products are already freely available to Cuba. The only effect of present policy is to hurt American farmers. Boy, we know how American farmers need help and desperately need to sell more products overseas.

I have not heard one Senator on the floor yet dispute that underlying fact, that no other country embargoes sales to Cuba. The United States is the only country. That fact is undisputed.

I think it is important to underline the point of the Senator from Connecticut that there are a few very vocal people who have made this a litmus test that has absolutely no bearing to reality or to the facts, zero.

It is important, I think, to recognize that and to, therefore, not hurt American farmers.

There are many agricultural groups that support this.

Madam President, I wish to say that the Senator from Indiana, Senator LUGAR, supports this amendment. The Senator from Indiana is the ranking member of the Agriculture Committee and has had very extensive service on the Foreign Relations Committee. He supports this amendment because it is a sensible amendment.

I urge the Senate to take this small step in favor of facts and reality and not stick our heads in the sand as ostriches and maintain a present policy that prohibits exports of agricultural products to Cuba.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Madam President, I thank you very much for recognizing me.

Senator CHILES has made the case eloquently. He gave all of the right reasons for tabling this amendment.

Madam President, I move to table and ask for the yeas and nays on the underlying amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Carolina to lay on the table the amendment of the Senator from Montana.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Tennessee [Mr. GORE], and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I also announce that the Senator from Arkansas [Mr. PRYOR] is absent because of death in the family.

The PRESIDING OFFICER [Mr. ROCKEFELLER]. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 71, nays 25, as follows:

[Rollcall Vote No. 191 Leg.]

YEAS—71

Armstrong
Bentsen
Bingaman
Boren
Bradley
Byrd
Chafee
Chiles
Cochran
Cohen
D'Amato
DeConcini
Dixon
Dole
Domenici
Durenberger
Evans
Ford
Fowler
Garn
Glenn
Graham
Gramm
Grassley
Hatch
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Kassebaum
Kasten
Kerry
Lautenberg
Levin
Lugar
McCain
McClure
McConnell
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Proxmire
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson

NAYS—25

Adams
Baucus
Bond
Boschwitz
Breaux
Bumpers
Burdick
Conrad
Cranston
Danforth
Daschle
Dodd
Exon
Harkin
Hatfield
Karnes
Kennedy
Leahy
Matsunaga
Melcher
Metzenbaum
Pell
Pressler
Weicker
Wirth

NOT VOTING—4

Biden
Gore
Pryor
Simon

So the motion to lay on the table amendment No. 503 was agreed to.

Mr. CHILES. Mr. President, I move to reconsider the vote by which the motion to table the amendment was agreed to.

Mr. GRAHAM. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Senators will please take their seats or retire to the Cloakrooms.

The majority leader.

Mr. BYRD. Mr. President, I do not see the Republican leader but the assistant Republican leader is here.

Mr. President, I asked the chief whip, Mr. CRANSTON, and the chief deputy and others on this side to assist in trying to get some Senators to come to the floor and call up their amendments and also get a list of the amendments that really are still to be called up. It might be possible to get some idea of possible time agreements that might be entered into with respect to each or all of the amendments.

I would hope that everyone will cooperate with our whips because I think if we are going to be able to finish this bill at all this week—if not tomorrow night—we will have to make better progress than we have made today, though we have had one or two amendments that were quite controversial and I guess we had to vote on them at some point or other.

I also express the hope that Senators who are not absolutely bound to call up amendments would simply not call their amendments up. It is obvious that if those amendments are going to be surrounded in controversy and take up a lot of the time, in the final analysis they may not be going anywhere anyhow. I express the hope that Senators will give some thought to not calling up such amendments and letting the Senate get on with action on this bill and complete action on it.

For those who have not heard me already say so, I will say again that if the Senate completes its action on the trade bill and the extension of the debt limit by the close of business tomorrow evening, and that will probably be late, then the Senate will not be in this coming Friday. The Senate is not going to be in Thursday because some Senators and the leadership on both sides of the aisle and both sides on the Hill are going to Philadelphia on Thursday to participate in an event related to the Constitution of the United States. We are scheduled to be in on Friday.

In any event, I am simply saying that if we can complete action on those two items by the close of business tomorrow night, we will not be in on Friday.

Mr. DIXON. I wanted to report to the majority leader that I felt pessimistic about getting to the end of this roll. In my duty as deputy whip, I called all in my section and may I advise the leader that we had six Senators listed with a good number of amendments. If my information is accurate, however, it may very well be there will only be one contested amendment among my group in my section. The sponsor of that is willing to limit debate to about 40 minutes on each side if he can get an up-or-down vote.

I am saying that it looks like one of the sections on our side of the four sections is really down to one contested amendment. The rest have been either agreed to or dropped. I feel optimistic that others may be getting this kind of report on our side—and I see the assistant minority leader—it might be better than one may anticipate and we can begin to talk about it here.

Mr. BYRD. I thank the Senator for his report. It is a good one.

Let me yield to the assistant Republican leader.

Mr. SIMPSON. I thank the leader. I am certainly ready to report from our deputy whips. I am glad to have this system. It is a dazzling system that we are using this year. It works. It gives us a better opportunity to find the lay of the land.

When I visited with Senator CRANSTON I can tell you that we are prepared to give you a list of the amendments and those that can be closed off and locked away. I think the principal thing for us to state is that we would hope that we do not go into diversion on Kuwaiti reflagging, which we think should be handled separately from the trade bill. We are ready to present you with a list of amendments. I have every reason to feel, as with each major bill, many will fall away as we proceed and you set a timetable for us.

We are prepared to accommodate and prepared to do the work. I will get to the majority whip a list of those people who are really ready to go. We will round them up and see that they are ready, knowing there is an opportunity to exit and enjoy the constitutional activity in Philadelphia.

We are ready and I can present you with that list, with the assurance that we just do not go into diversions such as taking place before.

Mr. BYRD. Mr. President, I thank the assistant Republican leader for his prognosis of what is being done on the other side and what his expectations are. I thank him for his cooperation. I feel in this way we can make progress.

I wish to express appreciation for his efforts.

The chief whip on this side of the aisle shortly will be able to present me, hopefully, with the amendments that we can present to the Senate and hopefully get some kind of agreement in relation thereto.

I yield to the Senator from Texas.

Mr. BENTSEN. So far as the jurisdiction of the Finance Committee, we see 11 amendments that we think Members are serious about, Democrats and Republicans. Most of those have been worked out to where I think there will be no objection to them and we will accept them. We have made substantial progress since the major amendments are out of the way.

Mr. CRANSTON. Mr. Leader, I want to add that we have not completed our work over here yet but we are working very hard to narrow down the number of amendments. We have eliminated many. We will have a list very shortly.

Mr. BYRD. I thank my friend.

I yield to the Senator from Alaska.

Mr. MURKOWSKI. I would like to direct this to the assistant minority leader since the question of Kuwaiti reflagging was brought up. I wonder if there has been any agreement between the assistant minority leader and the majority leader on a time more or less certain to address the issue of reflagging in the Persian Gulf or is that to take place at some necessarily indefinite time?

Mr. SIMPSON. Mr. President, I think we agreed to an accommodation where that could be a freestanding amendment. It has not been discussed between myself and the majority leader, but perhaps the minority leader and majority leader have discussed it. That would be something I would hope we could try to arrange in a freestanding mode.

Mr. MURKOWSKI. Will that necessarily be on some piece of priority legislation?

Mr. SIMPSON. Mr. President, I cannot respond. I do not know of the timing of that particular amendment.

Mr. BYRD. May I say to the able Senator from Alaska that the cloture vote will occur tomorrow under the rules at around 10:30. I would be happy to enter into any agreement with the leadership on the other side to set that vote at 10:30 if it would be agreeable to the leadership on the other side. The cloture motion was entered last Friday. The only way that the Senate can avoid that vote would be by unanimous consent. That is the hour I have in mind for the vote, at 10:30.

Mr. MURKOWSKI. Would the Senator entertain a freestanding amendment?

Mr. BYRD. I have not thought about it and I have not discussed it.

Mr. MURKOWSKI. It is not my intention to object, but it would be my intention to bring that up at that time to obtain a unanimous consent for the amendment. I notify the leaders of my intent to do that.

Mr. BYRD. I thank the Senator. I believe we have now had four or five votes in relation to the reflagging. We will have another one tomorrow.

It has been my hope that we could desist insofar as the trade bill is concerned and get on with the trade bill. We will have had a sufficient number of votes, I think. That may not be the will of the Senate but I am still hopeful that we can do that and avoid getting into a good many other amendments that are really not related to this trade bill.

I have been guilty of calling up an amendment myself. Others have called up other amendments. But I think there comes a time when we really need to get down to business on the trade bill and try to wind it up. That is my thought.

Mr. MURKOWSKI. If I may respond to the majority leader, I certainly agree. The discussion has been whether we should or should not reflag. We have been into the 90-day period. My proposal is a very simple one, that we use U.S. merchant tankers in the same manner that the Soviets have chartered their vessels in Kuwait, the same manner in which the British have, so it is a new twist, if you will, Mr. President, to provide another alternative that I think warrants some consideration. I thank the majority leader.

Mr. BYRD. I thank the Senator. I would be one who would probably support his proposal. I do think we are going to have to, however, settle down on this bill at some point and stop offering amendments that are not related. But it is the right of any Senator to do otherwise.

Mr. President, there have been some questions as to whether or not we should provide a window this evening. I do not think we should. I recognize the inconvenience it will cause to Senators and the managers of the bill, but it might be better if we could stay close and get a bowl of soup or a few crackers or look at a little brown paper bag that some may bring and stay close so we can make progress as much as possible. We usually do try to provide a window when we are in late, but in this instance when we are trying to complete the business tomorrow evening, hoping that we can also complete action on the debt limit, I hope that I will have the understanding and cooperation of all Senators in staying.

Now, I cannot keep somebody from getting the floor and talking and creating a window.

Mr. SIMPSON. May I ask the majority leader, so we try to get to the timetable and before we get to our crackers and milk and maybe watery gruel, that if cloture were obtained tomorrow on this, where do we go from there?

Mr. BYRD. If cloture is obtained, under the rule the matter that is clotured will be the business that is before the Senate until it is disposed of.

Mr. SIMPSON. Mr. President, under those circumstances I do not see how it is possible to attain the objective of the majority leader on that particular issue. So if we could maybe see that the Senator from Alaska is accommodated with this tanker amendment on the debt extension or some other vehicle—and that may be quite a remarkable train with a lot of additional cars on it when it goes through—the issue is we are ready to proceed with the trade bill to accommodate these two managers and the majority leader. We really are. And we present this list of amendments. We have canvased these people who are submitting them to see when they are ready to go—tonight, late, if that is the wish, but hopefully to direct our energies to the trade bill and not these diversions which have come not from our side with very minor ability over here to do that.

So that is I guess our expression.

Mr. BYRD. Well, they have not all come from this side, but a good many have. I will have to say that. Certainly I am ready at some point to join with the Republican leader, if we may, and move to recommit this bill and bring it back with instructions to strike all of these unrelated amendments. I do not know whether or not we will be able to agree on that. But we have to find some way of getting action on this bill, else may I say I would suggest to all my friends that we do not schedule very many engagements in October. I would want us to go home for Thanksgiving and have a few hours with our families. But in any event, that is the prospect, because the work of the people will be done, and it may be that we will just have to stay here longer to do it.

Mr. DOLE. Will the majority leader yield?

Mr. BYRD. I believe the able assistant leader has the floor.

Mr. SIMPSON. I would certainly yield to the minority leader.

Mr. DOLE. I wanted to confirm what I have been hearing. I think it is time we actually did pass the trade bill. We have reached a point where the leadership may want to join and offer a motion to recommit to clean off some of these nongermane amendments and maybe complete action that way. Otherwise, we counted, I do not know how many, 70 amendments on this side. I am certain they are not all going to be offered, but even if you offered 10, 15, that would be too many to do in 1 day. I think if we want to get a trade bill passed, A; B, we want to leave for the August recess; C, we want to be home for Thanksgiving, there are a lot of incentives—in addition to the fact we have been on it 3 weeks. That is another. So I think there are a number of Senators on both sides who may have about reached the point where we want to strip all those extraneous amendments and I would be happy to discuss that with the majority leader.

Mr. BYRD. And perhaps the two leaders could join in tabling amendments that are unrelated, or at least moving to table. I do not know if we could table them but moving to table a number of those amendments.

Well, anyhow, this has been a good discussion. I am ready to yield the floor.

Mr. BOREN. Mr. President, in the hope that this would not cause us to be here until Thanksgiving but in the feeling that in one part of the country that is very hard pressed, it would make for a better Thanksgiving by far, very shortly it is my intent on behalf of myself and Senator GRAMM and several other Senators, Senators JOHNSTON, BENTSEN, DOLE, DOMENICI, BINGAMAN, NICKLES, PRYOR, SIMPSON, BUMPERS, STEVENS, BREAUX, BAUCUS, WALLOP, MURKOWSKI, and MELCHER to offer an amendment that would correct what has been a serious mistake in the law and a serious mistake in tax policy. That amendment would repeal the so-called windfall profit tax. This tax has been on the books now and has proven to be a mistake. For the past several years it has simply increased the paperwork burden, the bureaucratic burden both to the private sector, which is struggling for its very existence, and to the Government itself without collecting any revenues whatsoever.

During the period of time in which it was collecting revenues, it succeeded in making less capital available for energy exploration and the development of additional reserves in this country and as a result our production today is 800,000 barrels per day of crude oil less than it would have been if the tax had never been imposed. I do not need to explain to my colleagues the devastation that is now taking place in the domestic energy sector or the impact that it is having on the security of this Nation.

In July 1985, the price of oil was around $31 per barrel and we had over 2,000 rigs looking for oil and natural gas in the United States. As a nation in July 1985 we were importing approximately 24 percent of our energy needs from foreign sources, with only 45,000 barrels per day from Saudi Arabia. Now the United States is importing almost 45 percent of our energy needs from foreign sources, including over 700,000 barrels per day from Saudi Arabia—over a 1,500-percent increase. The price of crude oil fell to a low of $9.75 and is now struggling to maintain some stability over $19. We have seen unemployment jump into the double digits in Oklahoma, Texas, and Louisiana. These, however, are not the most important indicators. The most ominous figure I can imagine for the United States' energy future is our domestic rig count. From a high of over 4,500 just a short 6 years ago, the U.S. rig count fell to an all time low of 663 on July 14, 1986. Today the rig count is barely over 860.

What then does the future hold? Our ability to produce over the next 3 or 4 years has already been determined. If we could barely replace reserves with 4,500 rigs operating, it should be obvious what will happen to our production with only 820 rigs actively looking for oil and natural gas. Our ability to produce beyond the short term must be questioned. Four years ago there were over 7,000 students pursuing degrees in geology, petroleum engineering, and geophysics. Last fall that number had dropped to 3,000. This fall that number is expected to drop again. Where will the next generation or technicians come from? Are we even willing to spend the money necessary to develop the next generation of technology? If we are not careful, as a nation we will soon find ourselves in the very same trap that was laid for us during the Arab oil embargo in 1973.

And so Mr. President where does that leave us? In my opinion we have but one option for the short term. We must preserve existing domestic production. We are not proposing today that we establish new incentives to drill for more oil. Rather, we are only suggesting ways that might keep the stripper well in Kansas, the heavy oil well in California, or even the natural gas well in Michigan operational and flowing.

During a recent hearing before my Subcommittee on Energy and Agricultural Taxation I asked the question "what will happen to future production if the windfall profit tax is not repealed"? Under a conservative price scenario the so-called windfall profit tax will result in the loss of over 800 million barrels of domestic crude oil reserves over the next decade. If prices were to rise $10 per barrel, then it is estimated that over 2.4 billion barrels of reserves will not be developed.

As a result of this tax U.S. production today is over 800,000 barrels per day of crude oil less than it would have been if the tax had never been imposed. Nevertheless, repeal of the tax will have significant positive effects on the development of future domestic production capacity. Even in cases where price recovery is modest, repeal would induce significant reductions in the rate decline in domestic oil production, with the significance of this effect increasing with the price of oil. Far more importantly, however, repeal of the tax would remove a serious impediment to the development of an effective domestic supply response to the expected tightening of world oil markets in the 1990's.

Mr. President, it is going to take years for the domestic energy industry to recover from the devastation and destruction of the last 3 or 4 years. The supply industry has been totally crippled. It is barely able to continue to exist. It has been more than cut in half. It is going to take years to rebuild the supply and service sector and the drilling sector, which are badly needed if this country is going to meet the energy challenge in the future.

It is going to take hundreds of millions of dollars to restore any degree of health to the independent producing sector of the energy industry. We must not deprive that sector of the ability to recoup that the prices do stabilize.

It is important that we send at this time a signal to the domestic industry, particularly those who give credit and make capital investments, that the independent producing sector and the supply and service sector of that great industry will have some opportunity in the future to regain health, after the period of time through which they have just passed.

That is why I will make a motion shortly, on behalf of Senator GRAMM, myself, and others I have named, to allow us to present this amendment, to put aside the pending amendment, so that this important matter can be considered by the Senate and so that the Senate can work its will. The Senate has gone on record in the past in favor of repeal of the windfall profit tax. My colleague from Oklahoma offered such an amendment to the debt limit measure previously. It was adopted by the last Senate.

I am optimistic that the Senate, seeing the situation we now face, the alarming dependence upon foreign sources, will decide that it is time to take a tax off the books that is applied not on production by the major international oil companies, on production offshore, but only on production by those companies that are struggling to stay in operation, especially those in the independent sector in the United States.

It is time for this trade bill to strike a blow for trade equity by taking away a tax that we simply imposed on domestic producers. It is time we stop encouraging those in the industry to move their production offshore.

Mr. President, I will be happy to yield for comments by my distinguished colleague from Texas, before I lodge this request.

Mr. GRAMM. Mr. President, I thank the distinguished Senator from Oklahoma for yielding. I am happy to join him in this bipartisan effort to repeal the windfall profit tax. I should like to make several points relative to the proposed amendment.

First, there may be some who say: "What does repealing the windfall profit tax have to do with the trade bill?"

I hope that people will look at the fact that 20 percent of the trade deficit, which is the problem we wish to address here, comes from oil alone; that we have seen a 7.5-percent increase in oil imports during the first 6 months of 1987. By repealing the windfall profit tax, we take a cold, wet blanket off incentives for increased domestic oil production.

Second, I should like to make the point that we are not talking about any budget impact. I have a letter from the Congressional Budget Office, signed by Acting Director Edward Gramlich, that responds to my question as to whether or not a budgetary impact would arise due to the adoption of the amendment that will be pending when it is offered by the Senator from Oklahoma, for himself, for me, and for others.

In response to my question, the Acting Director of the Congressional Budget Office says:

> We believe that under current economic assumptions, this amendment would have no revenue effect relative to the CBO baseline.

Mr. President, I ask unanimous consent to have this letter printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Congress,
Congressional Budget Office,
Washington, DC, July 14, 1987.

Hon. Phil Gramm,
U.S. Senate,
Washington, DC.

Dear Senator: This letter is in response to your request of July 10, 1987 for the Congressional Budget Office to estimate the budget effects of your amendment to S. 1420, the Omnibus Trade Bill of 1987.

Your amendment would repeal the windfall profit tax, effective on the day of enactment. We believe that under current economic assumptions, this amendment would have no revenue effect relative to the CBO baseline.

If you have any questions, please feel free to call me or you may wish to have your staff contact Marianne Page at 226-2720.

Sincerely,
Edward M. Gramlich,
Acting Director.

Mr. GRAMM. Mr. President, we are basically talking about an action that does not cost any money because the windfall profit tax is not collecting any revenue. We have estimates of Government expenditures on paperwork to keep records for the imposition of a tax that, because of the low price of oil, is not being collected. In fact, I think a case could be made that we could lower the deficit by repealing this tax and thereby eliminate not just the cost to the taxpayer for keeping these records, but also eliminate the cost to the producers, to the royalty owners as well, costs that are estimated to total nearly $100 million a deadweight burden cost of over $100 million on the American economy for recordkeeping, paperwork, accountants, lawyers; all spent in the name of a tax that is not being collected.

Finally, I wish my colleagues to think about the fact that this tax is a disincentive to produce oil. In looking at trying to keep old oil in production longer, to maintain stripper wells, to maintain our ability to produce oil here at home, repeal of this tax will have a positive incentive. Even though prices today are not high enough so that we affect the CBO baseline, by repealing this tax, when an operator is looking at drilling a well, projecting into the future, hoping for better days, looking at the potential for higher prices in the future; today, he has to take into account that if prices go up, there will be a confiscatory excise tax on that increase in prices. The imposition of this tax has to be factored into the decision as to whether or not a well is drilled today.

I think there is unanimity of opinion that we want to produce more American oil. With our dependence on Persian Gulf oil having tripled in the last 2 years, I think it is important that we do all we can to encourage the production of oil here at home.

There is great debate in this body and throughout the country as to what we ought to do to stimulate domestic oil production. The debate asks whether we ought to approach the problem from the point of view of an oil import fee or whether we ought to have tax incentives. On one issue there is no real disagreement. There is unanimity of opinion among those who want to increase domestic oil production that the one thing we ought to do—and we ought to do it soon—is to repeal the windfall profit tax.

I think it is important that this amendment be adopted. I commend my distinguished colleague from Oklahoma for joining me in this bipartisan effort, and Mr. President, I ask unanimous consent to add, Steve Symms as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Texas.

Mr. BENTSEN. Mr. President, I commend my colleagues, Senator Boren and Senator Gramm, on the work that we have done together on this issue. I have been fighting for repeal of the windfall profit tax ever since the words were first uttered. I realize that, at the time in 1979 when oil prices shot up and the industry was making a lot of money, there were those who saw this as the right response, but I also remember the market's response to those prices. You saw the industry respond by drilling a lot more wells. You saw unprecedented conservation efforts in this country. You saw our country become more independent insofar as oil production is concerned and less dependent on foreign oil.

The real issue today, it seems to me, is whether this industry should have the same incentives for investment and risk taking as other industries or whether it should be treated differently from other industries. You now have an industry that from a domestic standpoint is in financial trouble. You see over 80 percent of the drilling rigs in this country stacked on the ground. You have a situation where, as my friend from Oklahoma stated, you have fewer students studying geology and petroleum engineering. You do not turn these things around overnight. It is not just a matter of turning on valves that have been turned off.

I was talking to a member of the Cabinet the other day and he said, "Senator, it really is not a serious problem. All you have to do is go back out there and turn on those valves again." But it is not true. You do not just go back and turn on the valves on stripper wells. Once they are capped it is gone forever. An enormous loss of the reserves of this country is taking place.

The problem you run into is that this is a high-risk business, a business in which we have seen prices go as low as $10 a barrel over the last 2 years. Then we turn around and say "Go out and take that high risk in the hope that prices go up—but if they go up, we are going to treat you differently from any other industry. We are going to put a 70-percent tax on you. We are going to take away the incentive for you to take those risks."

What we are asking for today is that this business be treated the same as any other international business, whether you are talking about steel, or whether you are talking about copper, or whether you are talking about orange juice or anything else traded internationally. Why is this industry, of all industries, supposed to be discriminated against and treated differently when we are talking about the lifeblood of the economy of this country—what keeps its industry running? We are looking at a situation where in the late 1985 we were down as low as 27 percent in our dependence on foreign oil. Then we saw oil imports go to 36 percent and in some months this year as high as 40 percent, and we hear renowned scientists like Dr. Fisher at the University of Texas telling us that it is going over 50 percent in the next 2 or 3 years. That is the kind of dependence on foreign oil we are talking about.

My distinguished colleague from Texas, Senator GRAMM, has said that the repeal of the windfall profit tax is revenue neutral, and that is true. We have checked and confirmed that the repeal of the windfall profit tax has no effect on the budget. But there certainly is an effect on drilling in this country and I tell you it's not good.

The accounting losts alone of the windfall profit tax have a negative effect on drilling. It costs producers approximately $100 million in accounting costs in trying to decide whether it is tier 1, tier 2, or tier 3 oil, whether it is or isn't a stripper well, whether you have the right lease involved and so forth. The money now paying for those accounting costs, $100 million of it, could be spent on enhanced recovery, could be spent on exploratory drilling. That would help oil reserves of this country. That is what we are trying to bring about.

My deep concern, and what always worries me about this issue, is that it is looked on as a regional issue instead of a national issue. It ought to be a concern to every Member of the Senate regardless of the State and regardless of whether there is or is not production in his State.

Sure, you can get a short-term result that maybe is beneficial to a consuming State and not a producing State, but I promise you in the long term we are in this fight together and we are together in our concerns for overdependence on foreign oil and Persian Gulf oil. That's where you have all the surge capacity for additional production. It is not in Mexico, it is not in Canada, and it is not in Venezuela. It is the Persian Gulf where we are going to see at least 70 percent of our increased imports come from. That's why increased dependence on foreign oil means increased dependence on Persian Gulf oil. That is why it is important that we try to say: "If someone is willing to take the risk, if he is willing to go out and try to find the new reserves in a mature oil-producing country, then do not take all the profit away if the fellow happens to hit it." If you do, he's not going to take that risk.

It is tough enough to get capital involved in drilling for oil and gas in this country now. It is only going to get much worse if we let this situation continue to deteriorate. Mr. President, repeal of the windfall profit tax is revenue neutral and it eliminates, a tax that is an unfair burden and a discriminatory burden on this particular industry. That's why I say that the time has come to repeal the windfall profit tax.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, in the Senate Committee on Energy and Natural Resources we have held a series of hearings around the country and in Washington on the coming energy crisis. There is no doubt that it will be a crisis. There is no doubt that it will inflict severe financial pain on Americans of all classes, all geographic sections. The real question is how much deprivation in addition to financial crisis will there be?

The question also is the degree of the financial pinch, of the economic pinch to this country.

Mr. President, as part of our hearings we have examined the figures about drilling in this country. These figures are available to everyone and are undisputed, and that is that the rig count in this country is now only a fraction of what it was 7 years ago. It is, if I recall the proportion, about one third the number of rigs are working today that were working just in 1981.

Now, the implications of that are, Mr. President, that if we do not change things the direction will continue downward and the ability of the country to produce oil and gas when needed will not be there.

What it means in human terms, Mr. President, is bankruptcies abounding all throughout the oil country. Companies that are now in what we call the service industry, that produce drilling bits, drill pipe, drilling mud, board, roads, helicopters, the whole vast panoply of service industries, are being dismantled bit by bit and piece by piece. That came out in such graphic and strong terms when we were in Lafayette, LA, Mr. President. Thousands of people in an indoor dome were present at the noon hour, most of them unemployed.

Now if this were a question, Mr. President, of the buggy whip industry going out of business or the whale oil business being replaced by the petroleum business, we would say that is too bad, but in a free enterprise system we must let economic Darwinism work because that is how we renew ourselves in a free enterprise system. We get rid of those businesses which fall by the wayside. We replace them with new businesses.

Anybody who thinks, Mr. President, that oil and gas is going the way of the buggy whip or going the way of whale oil has not looked at technological developments or nondevelopments lately. There are no plans on the horizon to do away with gasoline for the motor vehicle. Oh, in the last energy crisis, we looked at everything from battery-operated cars—aluminum batteries were a favorite of mine—and indeed maybe we will look at that again. Synthetic fuels are another favorite of this Congress. We passed that legislation and have since repealed it, I think improvidently so. But we still relied upon gasoline. We will be relying upon gasoline for decades.

There simply is no substitute.

Now, the question is, so we want to dismantle this industry that is now quickly being dismantled so that when OPEC oil is no longer available at a reasonable price, we can at least rely upon our domestic industry to keep the slide from getting deeper, from getting more pronounced? That is the real question.

Now we held hearings, Mr. President, on the question of what price would it take to renew domestic drilling. The figure that we have come up with is $24 a barrel. At $24 a barrel, the consensus is that you begin to start domestic drilling again. Those wells, by the way, that are being drilled now are, by and large, must-drill wells, wells, that you must drill in order to hold the lease or wells that are developed wells, that is, you already discovered your field and you are just putting another straw down the same soda.

But wildcat wells today are almost unknown. And in order to begin to drill those wells, you must have a price of about $24 a barrel. The spot price today of oil is less than $20. So we have got a good ways to go.

Where does the windfall profit tax figure into this whole thing? Well, it figures in in the sense that we are not collecting a dime of windfall profix tax and yet it is inhibiting not just the drilling of wells, it is inhibiting the survival of the domestic oil and gas industry.

I had a man in the drilling business from my home town in my office last week. He said about 5 years ago his business, drilling business, worth $100 million. He said he could have sold it easily. He said today he cannot give it away. All he is able to do is take in such little jobs as he can get without making a profit, hoping that he can hold this business together, which has been in business for decades, hoping that he can hold it together so that when he is called upon later when the prices go up that perhaps he will be able to make a profit again and keep the business going. It is much in doubt whether he can survive.

There is no doubt that a large percentage of people similarly situated have already gone broke and are forever lost; if not forever, then these particular men are lost and they cannot be recalled quickly.

So the question is: do we want to take a step that cost zero dollars, has no impact on today's budget, is questionable when, if ever, it would ever be collected again, at least not for the foreseeable future, whether we want to repeal that law that collects no revenue in order to actually give an additional incentive? Or, to put it another way, to remove a disincentive. It is a major disincentive, Mr. President, because, as the oil people sit in their rooms collectively to decide whether to drill a well, they will say, "Well at today's price we cannot make money. But if we hit here maybe that well will produce for 10 years. And if it produces for 10 years we could look at this kind of projected price level that will go up."

And unquestionably it will go up over time. But if they have to figure into that equation the windfall profit tax, which will take away not the windfall but the real profit in the business, then the chances are that many of these wells will not be drilled. And with the nondrilling of these wells, then people are simply going to go out of business and the domestic oil business is simply not going to have the ability to respond when next we have the crunch from OPEC. And the crunch will come from OPEC.

So, Mr. President, I think we ought to get a resounding vote on the repeal of a tax that is not being collected, but which is a major disincentive for drilling for oil and gas and a major disincentive for the survival of the oil and gas business. It is a very simple question. It is a very fundamental question. I hope the Senate will see it in that way and that we will overwhelmingly repeal this disincentive for the domestic oil and gas industry.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. JOHNSTON. Yes, indeed.

Mr. DOMENICI. I might say to my good friend from Louisiana that he might recall I was down in his State with him for a hearing on this issue, not on this particular amendment, but on what had happened to the oil and gas industry, what had happened to those who used to be out in the field drilling for oil and gas. And I just wanted to ask you if you recall the testimony given that day with reference to an issue that some Senators might not equate with the precipitous drop in price, the rig count that went almost to nothing? That related to a comparison of how much steel was used in 1 year in drilling oil and gas onshore and offshore by American drillers as compared with Ford Motor Co. in all of its automobile production. Does the Senator remember that?

Mr. JOHNSTON. I remember the testimony and the impact it made, but I do not remember the figures. I wish the Senator would tell us.

Mr. DOMENICI. I thought it was some of the most startling evidence I ever heard, and they documented it. If you recall, the expert on assessing what had happened to the use of steel in oil fields, he said that the 1 year following the precipitous drop to $9 a barrel, we used as much less steel in 1 year, that year, as all of Ford Motor Co., which we equate with a great steel user, as they use in all of their production lines in the United States of America. That was the testimony.

Now, if that is not living evidence that anything that does not get this development back into the field what is? If it is not an appropriate part of the trade bill that is aimed at putting people to work, that is aimed at American steel and the lack of our capability to assume and buy it, to assimilate it and buy it and use it, nothing is.

I believe some might say this amendment does not belong on this bill. It belongs on this bill. In a few moments, when the Senator from Wyoming and others who seek the floor have finished, I will show the Senator an absolute relationship between price and what happens in the field. And obviously, if you raise the price and take 70 percent of the price and give it to the Government under windfall profit, obviously you are not going to increase the drilling out there in the field that is directly related to price. I will discuss that a little later. I thank the Senator for yielding for a question.

Mr. JOHNSTON. I thank the Senator very much for bringing out those figures, which are startling and very realistic. It is not just the steel industry, it is industries all over this country that are dependent on oil and gas and that will be again dependent on the oil and domestic gas industry.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Mr. President, I thank the Chair.

I compliment the Senators from Oklahoma and Texas and others and I am glad they saw fit to bring this up. It is a matter of competitiveness. It is a trade bill matter.

The argument was made—and I think with some credibility—that the amendment that the Senator from Texas and I offered with regard to the trigger point might have made the cost of energy in America more expensive and therefore was, at least from the standpoint of the trade bill, anticompetitive. But in point of fact this one provides an incentive in the most extraordinary way, simply by eliminating an enormous cost of compliance with a tax that raises no money.

The industry figures that there is somewhere around $100 million a year spent just in filling out the forms to pay no tax. The IRS has some 355 paid employees who are involved in compliance, auditing and other sections, at a cost of $15 million in order to administer a tax that collects no money.

Anybody that knows anything about horses, if there is any law of diminishing returns it is short people and tall horses. The shorter you are, the shorter your leg is, the higher from the ground your stirrup is and that is what this amendment is at this point in time.

The windfall profits tax was enacted out of a sense of vengeance and it has long since, if it ever had a purpose, served it. As a matter of fact, it was never related to profit and it is not yet related to profit. It is an excise tax, misnamed in order to add a little sort of public sense of revenge to the tax itself.

Windfall profit. It sounds so evil, but whatever it costs anybody to lift a barrel of oil from the ground was never considered. Only the price that was received for it was considered.

So, if it costs you $24 to lift that barrel and the price you receive for it was $25, your tax was assessed on the differential between, I think it was, a $19 base price and $25. Effectively you could end up paying more than 100 percent.

So what it did was close down wells at the same time it discouraged the development of new wells. That is no way to achieve anything.

What we are looking at here is a provision that is an incentive to the industry that does not raise the price of a barrel of oil to the consumer of that barrel. This is a pretty good bonus compared to most of the things that are contained in this bill.

It is not a protectionist provision. It is an incentive for production and a competitive provision.

What we are trying to do here is increase the return, and increase the return by decreasing the cost of production of a barrel. It is every bit as good as and probably better than simply increasing the price. The consumer pays that as well.

In this instance, we are picking up a double-barreled bargain. It fits under the idea of competitiveness. It fits under the idea of good tax policy. What we have now has been bad tax policy.

Mr. President, from its inception I opposed the windfall profits tax and have fought over the years for its repeal. The windfall profits tax was passed in an environment of hysteria caused by the specter of ever escalating oil prices and "obscene" oil company profits.

When the final bill was passed, I was able to mitigate some of the effects of the tax by providing for the deductibility of State severance taxes from the windfall profit tax calculations, the exclusion of State and Indian oil production, and a phaseout period for the tax. This phaseout period is still some years away, and I fear that the damage caused by this tax is too great to allow us to wait for its natural demise.

Let me dispel a myth surrounding the windfall profits tax. The windfall profits tax, despite its name, has nothing to do with windfalls or profits and never has had. It is nothing more than an excise tax on the production of oil.

The tax is not dependent on or concerned with profits; the tax is calculated solely on the price of oil.

Mr. President, I can already hear the critics wail that repeal of the windfall profits tax is a giveaway to "big oil." This claim is nonsense and ignores the fundamental issue at hand.

Simply put, the issue for us to decide is if it is in our national interest to keep on the books a tax policy that actually discourages development of domestic oil reserves, and worse still, requires the premature abandonment of production.

Mr. President, the Senate knows of the decline in domestic reserves. We lost approximately 700,000 barrels per day in production between the first and fourth quarters of 1986. This year, we can expect to lose another 300,000 to 350,000 barrels per day. This decline in reserves was caused to a large degree by the decline in the price of oil. Low prices make exploration and development activities economically unsound. As a result, drilling and exploration plans are canceled and exhanced recovery projects are shelved.

We now see some rise in oil prices. This is an important and encouraging development. When the price of oil increases, oil companies have an incentive to increase production. They drill new wildcat or new development wells. Successful wildcats lead to new fields and new reserves. Development well drilling expands the boundaries of proven fields and often leads to substantial upward revisions in estimates of proven reserves. Developmental drilling also prolongs the life of existing fields by replacing production lost through natural depletion.

I can't stress enough the importance of maintaining adequate development drilling activity. In point of fact, development well drilling accounts for 80 percent of all wells drilled in the United States and almost 90 percent of all additions to U.S. crude oil reserves. Adding to our domestic reserves lessens dependence on foreign sources. Given a tumultuous, unstable Middle East, the war in the Persian Gulf, and our national inability to develop sound energy policy, developing domestic reserves is crucial to our Nation's security, and perhaps the only thing we will collectively do in our own interest.

Yet, we have a tax that labels any price increase as windfall and subjects that increase to as much as a 70 percent tax. The tax rate soars to 86 percent when other taxes are included. This leaves little to no capital incentive for exploration and production.

Repeal of the windfall profits tax will provide some modest encouragement to efforts to increase domestic reserves without cost to consumers. Indeed, retention of windfall profits tax adds to the consumers burden at the pump.

Critics may state that the oil companies will not reinvest their profits in drilling. This is not supported by the facts. A study by Arthur Andersen & Co. of 375 publicly traded companies indicated that the industry plowed 70 percent of production revenue back into upstream activity at a time when some level of profitability remained.

An internal study by Shell Oil indicated that $68 billion was paid from 1980 to 1986 by the industry in windfall profits tax. Had there been no windfall profits tax, they estimated that $48 billion of that money would have been invested in exploration and development. They estimate that more than 3 billion barrels could have been added to proven reserves. All this at a price far less costly than SPRO. The study estimated that domestic production would have increased by 800,000 barrels per day in 1986. Also, the study indicated that this amount is equal to 75 percent of the volume oil and product imports from Arab OPEC nations in 1986—a substantial proportion of which went to fill SPRO.

Another reason to repeal the windfall profit tax is the burdensome administrative and reporting requirements imposed on producers. The American Petroleum Institute estimates that it costs producers approximately $100 million per year to comply with the tax. The cost to the Government is substantial: the IRS estimates that in 1987, program administration will cost $15 million and require 355 people. The paperwork volume is staggering. The IRS estimated that it processed 4 million forms relating to windfall profit tax in 1986 alone and little, if any, tax was owed.

To continue the windfall profit tax is poor tax policy, poor energy policy, poor incentive to domestic production and worse to the national interest.

I thank the President and yield the floor.

Mr. NICKLES. Mr. President, I rise in support as a cosponsor of this amendment with my good friend and colleague, Senator BOREN as well as Senator GRAMM from Texas, Senator WALLOP and others.

Mr. President, it is high time, it is past time that we repeal the windfall profit tax.

There is really no such thing as windfall profit in the oil industry. They are not making any windfall profits.

Senator WALLOP so ably described it. It is not a tax on profits anyway since it does not take into account your cost of production. This industry is not making any profit and should not be the only industry in the United States singled out in a punitive manner with the imposition of an unfair, unjust tax, so-called windfall profit tax.

No other industry in the United States pays such a tax. None. None. None pay such a tax and this industry, as everyone in this room should be well aware of, is hurting and is hurting substantially.

The oil industry has gone through some very difficult times. I heard the Senator from Louisiana say he thought about one-third of the oil rigs were running today. It is actually less than that.

As of June 29, we have 813 rigs running in this country. A few years ago we had over 4,000. So actually we have less than one-fifth of the number of the available rigs actually running in this country and that has wreaked economic havoc, certainly in the oil producing States. But it is really wreaking havoc on this country because we are becoming so much more dependent on unreliable sources, sources that can at some time be curtailed and then you will see havoc wreaked as we did in 1973 and in 1979.

You will see price escalations at that time. The pain is real. The bank failures are real. The havoc is real. What can we look for? All we are looking for is a little equity.

No other industry pays this tax. Why do we not repeal it?

Let's talk about trade. This is a very real issue for the trade bill because the oil imports that we are paying for are a very significant portion of our trade imbalance. This year we will pay approximately $40 billion, about one-fourth of our negative trade balance, which comes from the purchase of oil. One-fourth.

You say, well, what does this tax have to do with that? You realize that we have this very heavy excise tax on domestic production of oil.

We have no excise tax, I will tell my good friend, the Senator from Ohio, on imported oil. We never had. We did not put a windfall profit tax on imported oil. We only put it on domestic oil.

Basically, we place domestic producers at a disadvantage to imports. That is absurd, but that is still current policy and until and unless we repeal the windfall profit tax, it will still be our policy.

That is not good tax policy. That is not good energy policy. That is a policy, I tell my friend and colleague from Ohio, that encourages imports.

It says no tax on imports but we are going to tax domestic production. In other words, we want to encourage imports and we want to discourage domestic production and that is exactly what we have had in effect since 1980 when this tax was enacted into law.

Think of that. This tax has raised $77.8 billion from domestic producers. It has raised zero on imports. So we encourage imports and we discourage domestic production.

We now see our domestic production floundering because prices are down and we see imports rising and rising substantially.

I said the cost of imports will be $40 billion this year. In a couple of years, as the Presiding Officer is well aware, I think the price of oil is going to be substantially higher. If it goes up to last year's level or the year's before that, the cost of imports will not be $40 billion, it will be $60 billion or $70 billion.

Those that made statements on the floor about how bad this trade deficit is, we better start doing something to reduce our dependency on unreliable sources of oil.

You are going to see this deficit figure rise substantially, just from the oil prices alone. This industry is making no profits. It is time to repeal this tax.

Some of my colleagues have mentioned the onerous burden that it places on domestic producers just to comply with the tax. It is totally absurd. It really should not have passed in the first place. At least the industry was making profits then. It is not making profits today.

This industry is hurting today, and yet is still the only industry in the United States—no other industry, period, pays anything comparable, has anything comparable on the books as a windfall profit tax.

You might say, well, what is this tax? It has a name that implies windfall profits. So, sock it to big oil.

It says if the price of oil exceeds a certain amount, a base price, then for every dollar increase the Federal Government will get 70 cents if you are a major producer and 50 cents if you are an independent producer. If we keep this disincentive when we do have price increases we are going to have Federal Government benefit more than private industry. Probably the most anti-free-enterprise piece of legislation that has ever passed Congress is the windfall profits tax.

Again, we go back to the trade issue and I think trade impact of this tax is awfully important. Let us not give imports a competitive advantage over domestic production. Let us at least treat them equally. Let us tax imports as much as we tax our domestic producers or, if we are not going to have the tax on imports, let us take this punitive tax off the domestic production. It is only fair.

Let us not encourage imports. Let us not give unstable Middle East oil a better deal than we do an Oklahoma or Texas producer. Let us not encourage more and more imports from the Middle East than we have to because we see the cost of protecting that oil today in the Persian Gulf.

The time is now. I compliment my good friend and colleagues, the Senator from Texas and the senior Senator from Oklahoma, for introducing this amendment. I just hope that we will have the sense, the common sense to pass it.

We should not place heavy punitive taxes, 70 percent taxes on oil. That is not a marginal tax. That is not the 7 percent, it is 70 percent on each dollar increase which goes to the Federal Government. That makes no sense.

That makes no sense. Let us not place that kind of tax on domestic producers and not even have a tax on our imported oil. Let us repeal the tax. I yield the floor.

(Mr. BREAUX assumed the chair.)

Mr. BOREN. Mr. President, I thank all my colleagues who have spoken on this matter, beginning with Senator GRAMM in offering this amendment, with the other cosponsors of this proposal. Each one has made a very valuable contribution to this debate. They have pointed out the dangers confronting this country if we do not do something to encourage energy independence. They have talked about the unfairness. Senator NICKLES just spoke about the unfairness of imposing this tax on our domestic producers when it is not being imposed on foreign production.

I would like to indicate for the RECORD that Senator GORE of Tennessee has also asked that he be added as a cosponsor to the amendment which has been available.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. With Senator SYMMS having been added, this has 19 Senators almost equally divided along party lines. This is a true bipartisan proposal, approximately one-fifth of the Members of the Senate joining in sponsoring it. I hope we will have bipartisan consideration of this matter. I know my colleague from Ohio wishes to present some remarks before I propound our unanimous-consent request on behalf of myself, Senator GRAMM, and our cosponsors. I yield the floor at this time.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, somebody made a speech before in one of those excellent speeches concerning this proposed amendment that we are in this fight together. Indeed, I understand that well. I think the fight has to do, to begin, with whether or not the trade bill is going to become a tax bill. I must confess that I am very tempted to offer my own amendments on the subject of taxes, but I do not believe those amendments belong on this bill. One of them probably does, but the manager of the bill asked me not to offer it and we decided not be because it is in the area of taxes. It is that dumping duties and countervailing duties are now tax deductible. I do not think that is the way it ought to be.

I do not think when you have a dumping duty or countervailing duty that the U.S. Treasury or the U.S. taxpayers should be called upon to subsidize those duties. The fact is that is the way it is at the moment.

I might also say that there is an issue that I would like to get into. It has to do with estate taxes and ESOP's. I am told that this issue and this matter the way it is developing has the potential to drain the Treasury of billions of dollars.

I would like to bring that issue to the floor of the Senate, but I am persuaded that it does not belong on a trade bill.

Mr. NICKLES. Will the Senator yield for a moment?

Mr. METZENBAUM. No. I sat back very patiently when each of you spoke out very eloquently about repealing the tax. I think I ought to be heard for a little bit. I will be very happy to yield the floor to you later. I do not intend to hold it long.

There is another issue I would like to get into if we are going to have a tax bill. That is the transition rules.

I saw those transition rules come over on the last tax bill and I attacked a number of them. The Senate saw fit to change a number of them. But after a while I concluded that I might wear out my welcome and I decided that I would not just keep bringing up more and more on these egregious transition rules.

I think there were something like 450 or 470. But there are some of them I would like to revisit.

I would like to say to you, Mr. President, that I think it would be inappropriate for me to attempt to offer tax amendments and I think it is inappropriate for those who are proposing this to offer a tax amendment on the trade bill.

When this tax was first enacted into law, it was a deal but like so often around here we forget a deal. There were controls on at that time on the price of oil. So a deal was made that oil prices would be decontrolled and that there would be a windfall profits tax on the windfall profits that were made as a consequence of the decontrol.

The argument had been made that the main reason for doing this was to eliminate much of the paperwork.

Who is kidding whom? We know that today the price of oil is about $18.75 to $19.50. That is the posted price. We know that the trigger price with respect to the windfall profits tax is $19.44. We have seen oil prices gradually gain and gain and gain to the point that realism makes us recognize that at some point very soon it is going over that $19.44 figure.

There is no reason to repeal the windfall profit tax. All the arguments that are made about all the new oil that could be brought in and everything that would happen if there were no windfall profit tax just do not ring out factually, as this Senator sees it.

I might say that when and if it is time to debate this issue on a tax bill the Senator from Ohio will be prepared to debate it and discuss it at length. My feeling is that this is not the time to bring this matter to the floor. Therefore, when unanimous consent is requested in order to set-aside the pending amendment and bring up this amendment the Senator from Ohio expects to object.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, has the unanimous-consent request been made?

The PRESIDING OFFICER. The unanimous-consent request has not been made.

Mr. DOMENICI. Mr. President, my good friends from Ohio and Kansas make the point that this amendment does not belong on this bill because it affects the tax laws of the United States.

Mr. President, I cannot assimilate in one package the trade bill that is before us. I did see it introduced and I remember the distinguished majority leader carried it. I am just going to give my recollection that it was about so big. I assume now with all the amendments it is about so-so big.

Let me say to the U.S. Senate I think that equals about my best guess, even deleting the Government operations section today. I would say 1,100 pages are in the so-called trade bill, the competitiveness for America bill.

Mr. President, if ever there was a part of the Tax Code that belonged on this bill, regardless of what one thinks about the tax reform provisions of the United States that we just passed last year, it is this provision. Let me just suggest why there is probably no provision in this 1,1000-page bill more important to the trade situation than this amendment.

First, we are trying to affect the trade deficit. Mr. President, the trade deficit happens to be tremendously adversely affected by oil imports. As a matter of fact, I believe it is fair to say that today, 20 percent of the trade deficit that we are trying to resolve comes from imported oil. I regret to say that we were at one point in time only 27 percent dependent. We are 40 percent dependent today.

I assume this means that if we do not do whatever we can to increase domestic production, we will soon be 41 percent, 42 percent, and before long 50 percent dependent. I submit that that will become more and more significant in terms of the total trade deficit. Instead of 20 percent, if we keep on the way we are, it will be 22 percent of the total trade deficit. If we do well with our currency and nonetheless worse with reference to production at home, it will probably go up to 25 and 30 percent of the trade deficit.

Now, Mr. President, what in the world could be more important than to leave the price of oil in the hands of the producers of oil, large and small, as compared with taking 70 percent of the price when it hits a certain level? Why are we taking it out of the hands and pockets of the producers and developers of oil and putting it into the pockets of the U.S. Government and diminishing our chance of increasing production? Now, there are some who just have difficulty believing this.

Mr. President, I will show you an authenticated chart that is so startling that if anyone does not believe that taking 70 percent at a point in time—shortly, shortly, with the gradual rise in oil, very shortly we are going to put 4.5 million barrels of production under the windfall profit tax. Now, Mr. President, this is a very simple chart. Anybody who wants to look at what is going to happen to the production of oil if we leave the windfall profit tax on, just look at it. Very simple. The black line represents dollars per barrel. Now, Mr. President, look at that point and look at the red line which represents billions of dollars invested in oil and gas production. Just look at that. As the price went up, look where the development money went. Now, Mr. President, look at what happens to the red line as the price comes down. Here it comes and now we are at a point where we have billions and billions of dollars less being invested in oil and gas production than we did just a few years ago.

Now, Mr. President, it does not make one bit of difference whether or not the red line, the drop in the price, is the result of the actual drop in price or if we take it from the people who are going to invest it and put it in the coffers of the U.S. Government. They are exactly the same thing. You could draw another line and you could clearly say, taking 70 percent of the price and putting it in the coffers of the Federal Government, how much will that adversely affect this red line of exploration, research, and development? Dollars are dollars. I submit it is absolute lunacy to keep a law this old, that has not been adjusted to the cost of producing oil and gas in the field, that has not been adjusted in the years that it has been on the books and to leave it there while the investment in development of oil and gas in the field has dropped as shown by this chart.

Mr. President, if ever there was a tax amendment that belonged on the trade bill, it is this one. You are going to get direct additions to the trade deficit almost in the same proportion the first day that this windfall profit tax goes into effect to any significant extent across this country. That many less dollars are going to be invested. That much less is going to be developed. That much more the trade dependence which we purportedly are trying in this 1,100 page bill to resolve. I hope, if the Senator from Ohio does not consent to our voting on this, the sponsor considers it important enough that there will not be any more consents to anything in terms of voting. We ought to have a chance to vote up or down on this.

Mr. BOREN. Mr. President, I ask unanimous consent that the pending amendment be set aside so that I might send to the desk for consideration an amendment by Senator GRAMM and myself and 17 other sponsors, including the distinguished Presiding Officer, repealing the windfall profit tax and have that amendment considered as the pending business before the Senate.

Mr. METZENBAUM. Objection. Objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? Objection is heard. The amendment is not in order.

Who seeks recognition?

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, let me say that I am very sorry that the distinguished Senator from Ohio objected. We have systematically set aside the pending amendment to allow votes on varying subjects that had not any degree of comparability in terms of relevance to the trade issue that this amendment has. And in the process of objecting, if that stood, we would be denied an opportunity to consider repealing the windfall profit tax and affect our ability to produce oil here at home when 20 percent of the trade deficit comes from oil.

MOTION TO RECOMMIT

I therefore, Mr. President, move to recommit S. 1420 to the Committee on Finance with instructions to report back forthwith with all amendments agreed to and all amendments now pending in status quo and with the following amendment added.

The PRESIDING OFFICER. The clerk will report.

Mr. GRAMM. I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are requested. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will report the amendment.

Mr. METZENBAUM addressed the Chair.

The legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM] proposes a motion to recommit.

Mr. GRAMM. Mr. President, I ask unanimous consent that further reading of the motion may be dispensed with.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

The text of the motion follows:

At the end of subtitle D of title IX, add the following new section:

SEC. . WINDFALL PROFIT TAX REPEAL.

(a) IN GENERAL.—Chaper 45 of the Internal Revenue Code of 1986 is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Sections 6050C, 6076, 6232, 6430, and 7241 of the Internal Revenue Code of 1986 are repealed.

(2)(A) Subsection (a) of section 164 of such Code is amended by striking paragraph (4) and redesignating the subsequent paragraphs as paragraphs (4) and (5), respectively.

(B) The following provisions of such Code are each amended by striking "44, or 45" each place it appears and inserting "or 44":

(i) section 6211(a)
(ii) section 6211(b)(2),
(iii) section 6212(a),
(iv) section 6213(a),
(v) section 6213(g),
(vi) section 6214(c),
(vii) section 6214(d),
(viii) section 6161(b)(1),
(ix) section 6344(a)(1), and
(x) section 7422(e).

(C) Subsection (a) of section 6211 of such Code is amended by striking "44, and 45" and inserting "and 44".

(D) Subsection (b) of section 6211 of such Code is amended by striking paragraphs (5) and (6).

(E) Paragraph (1) of section 6212(b) of such Code is amended—

(i) by striking "chapter 44, or chapter 45" and inserting "or chapter 44", and

(ii) by striking "chapter 44, chapter 45, and this chapter" and inserting "chapter 44, and this chapter".

(F) Paragraph (1) of section 6212(c) of such Code is amended—

(i) by striking "of chapter 42 tax" and inserting "or of chapter 42 tax", and

(ii) by striking ", or of chapter 45 tax for the same taxable period".

(G) Subsection (e) of section 6302 of such Code is amended—

(i) by striking "(1) For" and inserting "For", and

(ii) by striking paragraph (2).

(H) Section 6501 of such Code is amended by striking subsection (m).

(I) Section 6511 of such Code is amended by striking subsection (h) and redesignating subsection (i) as subsection (h).

(J) Subsection (a) of section 6512 of such Code is amended—

(i) by striking "of tax imposed by chapter 41" and inserting "or of tax imposed by chapter 41", and

(ii) by striking ", or of tax imposed by chapter 45 for the same taxable period".

(K) Paragraph (1) of section 6512(b) of such Code is amended—

(i) by striking "of tax imposed by chapter 41" and inserting "or of tax imposed by chapter 41", and

(ii) by striking ", or of tax imposed by chapter 45 for the same taxable period".

(L) Section 6611 of such Code is amended by striking subsection (h) and redesignating subsections (i) and (j) as subsections (h) and (i), respectively.

(M) Subsection (d) of section 6724 of such Code is amended—

(i) by striking clause (i) in paragraph (1)(B) and redesignating clauses (ii) through (x) as clauses (i) through (ix), respectively, and

(ii) by striking subparagraphs (A) and (K) of paragraph (2) and redesignating subparagraphs (B), (C), (D), (E), (F), (G), (H), (I), (J), (L), (M), (N), (O), (P), (Q), (R), (S), and (T) as subparagraphs (A), (B), (C), (D), (E), (F), (G), (H), (I), (J), (K), (L), (M), (N), (O), (P), (Q), and (R), respectively.

(N) Subsection (a) of section 6862 of such Code is amended by striking "44, and 45" and inserting "and 44".

(O) Section 7512 of such Code is amended—

(i) by striking ", by chapter 33, or by section 4986" in subsections (a) and (b) and inserting "or chapter 33", and

(ii) by striking ", chapter 33, or section 4986" in subsections (b) and (c) and inserting "or chapter 33".

(3)(A) The table of contents of subtitle (D) of such Code is amended by striking the item relating to chapter 45.

(B) The table of contents of subpart B of part III of subchapter A of chapter 61 is amended by striking the item relating to section 6050C.

(C) The table of contents of part V of such subchapter is amended by striking the item relating to section 6076.

(D) The table of contents of subchapter C of chapter 63 is amended by striking the item relating to section 6232.

(E) The table of contents of subchapter B of chapter 65 is amended by striking the item relating to section 6430.

(F) The table of contents of part II of subchapter A of chapter 75 is amended by striking the item relating to section 7241.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to crude oil removed from the premises beginning after December 31, 1987.

Mr. GRAMM. Mr. President, what I have done is simply made a motion to recommit to bring back the bill with its status quo preserved, all the amendments that have been adopted will still be adopted, all the amendments pending will still be pending, except the amendment that the Senator from Oklahoma offered with me and with 17 other Members of the Senate will be attached to it.

I am sorry we had to do it this way, Mr. President, but I thought that what we would generate into here would be a situation where the Senator from Ohio would deny us an opportunity to deal with this important issue, inducing someone who felt strongly about it to object to setting aside the pending amendment so that other amendments would be held up. And since it is already 7:30, the supper is on the stove in a lot of homes around Washington, and a lot of people would like to go home—if they are not going to go home, they would like to be trying to do work here—I thought this was an effective way to deal with the problem.

I hope Members will not be confused by this parliamentary maneuver. It simply was used to try to speed up the business of the Senate, to try to address this important issue, and I hope that Members will vote for this motion to recommit which in essence is simply a vote for the Boren amendment, cosponsored by 18 Members of the Senate. This simply brings the bill back in its current form with all amendments that have been adopted still present, with all amendments that are pending still pending, so the issue is pure and simple the Boren-Gramm amendment, do we want to repeal the windfall profit tax and get on with the job of producing energy here at home. I believe we do. I commend this motion to Members of the Senate.

The PRESIDING OFFICER. Is there further debate?

Mr. METZENBAUM. Mr. President, the Washington Post addressed this issue well in January of this year, when they wrote an article saying, "Don't repeal the oil tax." In that editorial, they pointed out exactly what this issue is all about. Let me read that editorial to my colleagues:

> While his administration struggles desperately to find revenue, there's one tax that President Reagan wants to repeal—the oil windfall profits tax. But repealing it would be a mistake, not only because the government needs money. The tax was part of the political bargain in which price controls were lifted from the oil industry. Those controls were misconceived and harmful; President Carter was right when he decided to lift them. But a deal was struck under which some of the profits resulting from decontrol were to be taxed. It would be, in a minor way, a betrayal to abolish the windfall profits tax prematurely.
>
> The tax probably won't raise much more money. Through most of last year it raised none, for it is levied only when oil goes above certain base prices. That's the administration's case for repealing it—that it is doing nothing for the Treasury, while its presence is an irritant to the oil industry and may even deter some exploration.
>
> But that's a reversible argument. If oil prices go no higher than the present level, the oil producers pay nothing. And if, contrary to most people's expectations, they go significantly higher, an oil tax would not be a bad thing.
>
> Mr. Reagan ought not to assume that repeal would be costless. The recent increases have brought oil very close to one of the base prices. For oil reserves discovered and brought into production before 1979, the base price at which taxes begin to be collected is around $19 a barrel. A lot of American oil is now selling for $18.50 a barrel, and it wouldn't take much more of a rise to start a modest but welcome trickle of revenue into the government.
>
> But when Congress wrote the tax law, it wanted to avoid discouraging new exploration, and it set the base price for newly discovered oil much higher. It's on an escalating scale that currently puts it up around $27.50 a barrel. If actual oil prices should ever get that high again, the industry will be able to afford the tax, and collecting it would not be unfair. Short of that price, new production won't be touched by the windfall tax.
>
> The tax was never intended to be permanent. The law was enacted in 1980, and it will be phased out in the early 1990s. But

there's no reason—other than the gratification of the oil producers—for speeding its demise. Mr. Reagan's resistance to new taxes is well known. But as long as he's got a budget deficit on the scale of the present one, he'd be wiser not to talk about abolishing taxes already on the books.

The difficulty facing the oil industry is not a windfall profit. tax. It is low prices created by OPEC's manipulation of world production. So, why this amendment?

I might say parenthetically that I had indicated that the posted prices were $18.75 to $19.50. I am told that on the TV shows they indicated recently that oil had reached a price of $21 a barrel. I do not know the price of oil, but if it has reached a price of $21 a barrel, then the windfall profit tax is in place and will bring revenues into the country.

The Finance Committee in the Senate and the Ways and Means Committee in the House are trying to find a very modest amount of money—I think $19 billion. Yet, here we are talking about a revenue source and talking about repealing it.

A deal was made. Decontrol took place. Once you make a deal, it seems to me that you live by your deal. You give your word. That was the commitment that was made. You decontrol the price of oil and there will be a windfall profit tax on the excess profits, and the oil companies accepted it.

If the purpose of this proposal is to save the paperwork for the industry, then the amendment ought to address itself to that issue. But that is not what the issue is all about.

The requirement for paperwork if the price is low is one issue. We are talking about a tax, and what we are doing is allowing the oil companies, large companies which have not been exempted from the windfall profit tax, to reap the benefits of any future price hike. It does not make good sense. Although there are no windfall profit taxes paid at this time, that is no reason to repeal the windfall profit tax. None of us here can predict what the price of oil will be next year or even next week. If prices do rise dramatically, then windfall profit may occur, and taxes will be paid. This was a wise policy when the law was enacted; it is still a wise policy.

I am frank to say that I am going to put in a quorum call in the not far distant future, at which time I intend to consider what kind of additional amendments ought to be added to this proposal when it is sent back to the committee and recommitted. Maybe we ought to just start talking about some of the other tax proposals that are available to us, some of the tax loopholes that exist.

Let us not kid ourselves. The oil industry has not been booming with profits, but the fact is that time and time again, the Congress of the United States has rolled over and played dead for the oil industry. They already get excellent treatment from Congress.

In the 1981 tax reduction bill, there was a tax reduction of $3.8 billion. For example, from 1981 to 1985, Texaco paid no taxes. Texaco paid no taxes on $1.6 billion of income.

What is there about the oil companies that always makes us want to feel so sorry for them? They do not pay their taxes. They get away with an unfair advantage as compared to the rest of the community, and then they come back and say, "We want more and more."

I make no bones about it: Certainly, the oil industry has been on hard times the last year or two. But that does not mean that the U.S. Senate ought to roll over and play dead and give away billions of dollars that will have to be borne by other taxpayers in this country.

Is it right to increase cigarette taxes in order to repeal the windfall profit tax on the oil companies? Is it right to increase the tax on telephone calls in order to repeal the windfall profit tax on oil companies? Is it right to increase the tax on so many other items? Is it right that we increase the tax on liquor in order to give the oil companies a special break?

The Ashland Oil Co. got a tax reduction of $34 million. Tenneco paid $31 million on $2.9 billion in profits. That is a pretty good rate. That is a very good rate. It is about 1 percent—an income rate of 1 percent for an oil company—and here we are crying about the poor oil companies.

Last year's tax bill had, as a price of the package, favorable treatment for the oil industry. We are always giving favorable treatment to the oil industry. We recently heard of the recommendation of the Secretary of Energy for yet more tax breaks for the oil industry.

Mr. NICKLES. Mr. President, will the Senator yield?

Mr. METZENBAUM. I yield, without losing my right to the floor.

Mr. NICKLES. The Senator alludes to the fact that the oil industry gets these breaks. In 1980 through 1986, the oil industry alone paid $77.8 billion in windfall profit tax. In addition—and I am sure Texaco was included in that figure, although the Senator said they paid no taxes—they paid excise taxes, and I am sure they paid a windfall profit tax that the Senator possibly overlooked.

Mr. METZENBAUM. Excise taxes are not the same. We are talking about income taxes. That is what other businesses pay. Let us not confuse the issue.

I always hear the issue about how much they pay in employee taxes and excise taxes. Let us stay with the facts; let us stay with income taxes.

Mr. NICKLES. If the Senator will yield for a question, is there any other industry in the United States that has paid anything comparable to what the oil industry has paid in its payment of windfall profit tax and corporate income tax? I will answer that question, that no industry has paid as much tax as the oil industry has.

One final question. The Senator mentioned all these favorable things that the oil industry receives. It is the only industry, is it not, that has imposition of a tax that is punitive, that says after it reaches a certain level the Federal Government is going to get 50 or 70 percent of any price increases? Is there any other industry—correct me if I am wrong, but I believe, is it or is it not a fact that the oil industry is the only industry that has this type of a punitive tax in addition to whatever other taxes might be imposed?

Mr. METZENBAUM. Is it not the fact that the oil industry is the one that had prices controlled and then there was a reason for that because otherwise prices would have shot through the sky and it would have disturbed our entire economy? So there were controls on the price of oil. It is also the fact that when there was not even a shortage in 1973, if my recollection serves me right as to the date, the oil industry let their tankers sit offshore rather than bring them in so they could drive up the price of oil? The oil industry has really not treated the American people nearly as well as many other industries have, and they have a product that is an absolute must for the American economy.

Mr. NICKLES. Mr. President, if the Senator will yield for one final comment, I think I heard the Senator more or less agree with me it is the only industry that has the windfall profit tax and then he is making my final point which is it is the only industry that still has price controls.

In the 1970's we had price controls on everything from beef to oil, and so on. But the oil industry is the only one—correct me if I am wrong—that still today under this free market, is it not, that has a major commodity that still has mandatory price controls on a specific portion of a major commodity, that is, natural gas?

That argument that the oil industry had all this special treatment, would the Senator not agree with this Senator, is totally nonsense? It has price controls on natural gas, on almost 50 percent of natural gas produced, and it still is the only industry that has a windfall profit tax imposed.

So I do not think it has received favorable treatment or preferential treatment in any way.

Mr. METZENBAUM. Mr. President, I want to continue on.

The repeal of the windfall profit tax will not substantially alter the oil industry's current economic problems. What it will do in the event of dramatic price increases is deprive the Federal Government of an important potential source of revenue.

Now, oil companies like to talk about what they would do if they had these dollars. They would have more drilling going on. They would use the profits to expand oil exploration and development. History shows, however, that they will in fact be exploring and developing oil company mergers.

I remember when the oil companies ran around the country looking to buy up everything under the Sun and, oh, what a host of mistakes they did make. They went into the copper business. They failed in that respect. They came into Ohio and they bought Reliance Electric, and they failed in that respect. And that one company that takes all those wonderful ads in the newspapers telling you how to run the Government and how to run the economy, Mobil Oil, went into the merchandising business. They bought Montgomery Ward. What a laugh that was. What a failure that was. Instead of sticking to their own knitting and going on about their own business of producing oil, drilling for oil, distributing oil, oh, no, they wanted to get into the retailing business, so they bought up Montgomery Ward and they failed in that respect.

And other oil companies have done the same thing. Almost with no exception, all of these acquisitions that they have used all these dollars for have not proven profitable to the companies nor to their shareholders. They have not used their dollars for the purpose of exploring and drilling. No. They have used their dollars to buy up other companies. They have used billions of dollars to add to our economy's unending appetite for borrowing.

I might say to my colleagues that I would recommend to you that you get a good insight into the oil industry by reading a book that I have enjoyed recently having to do with the acquisition of Getty Oil by Pennzoil and then not being able to make the acquisition and Texaco winding up with it and the litigation in connection with it. That is a very interesting book. It gives you a pretty good insight into the rapaciousness of some of the leaders in the oil industry and into the quesiton of whether or not some of the oil industry leaders were prepared to live up to their contracts.

But the fact is when you read it you come to the conclusion that although they talked about honor and talked about living up to their contracts, the fact is that is not the way it was done.

What occurred caused a big lawsuit to be filed, caused a tremendous verdict to be brought in against Texaco Corp. and has practically destroyed or almost destroyed one company.

But let me go back a little bit to talk about some of the mergers.

For example, the Gulf Oil and Standard Oil merger cost $13.2 billion. What did it do for the economy? Not one single thing. It did not add a barrel of oil. It did not produce a new job. It did not produce any new industry. It made some of those who put the merger together a lot richer. But it did not do anything else for the free enterprise system in this country.

Then the Texaco and Getty merger cost $10.1 billion and we now see a verdict for $11.2 billion in connection with that case. I think the lawyers have done extremely well so far in that case. I do not think the stockholders have done well at all and certainly it has not helped Texaco or Getty or Pennzoil bring in any more oil

Then there was the Mobil and Superior merger that cost $5.7 billion.

In addition to mergers, these companies have been buying up so many different kinds of companies in an effort to diversify. We have no guarantee that higher profits will mean more oil. All we have a guarantee of is the fact that we just have more and more of the same.

To me it does not make sense. It is illogical, and I believe that this amendment certainly does not belong on this bill. It should not be there, and I hope that the Senate will see fit to keep this bill as a trade bill and not make it into a tax bill.

Mr. President, it is my understanding that one of my colleagues is seeking to come to the floor to inquire of the Senator from Ohio with respect to some questions. I intend to hold the floor until such time as he arrives.

I understand the Senator from New Jersey is here and does have some questions. I am happy to yield to him for such questions as he may have.

Mr. BRADLEY. Mr. President, I would like to ask the Senator from Ohio some questions if he would respond.

Mr. METZENBAUM. I would be very happy to attempt to do so.

Mr. BRADLEY. It is my understanding that the windfall profit tax was enacted in the wake of removal of price controls, and the removal of price controls was a decision taken by then-President Carter and the reason the windfall profit tax was enacted was to indeed catch the windfall primarily for oil that was discovered before 1979 and use that windfall to protect consumers, poor people in particular, against the effect of higher oil prices that came from the decontrol decision.

Does the Senator think that the basic rationale for the windfall profit tax is still valid?

Mr. METZENBAUM. I do indeed believe that because we are talking about old oil. We are talking about oil that is flowing up through the ground. The question was if you get the controls on you would not have had a situation where the consumer would be gouged for this old oil.

They wanted to take off the controls, and the controls were taken off with the understanding that they would not just shoot the price up and because if they did shoot the price up, then what the bottom line would be is that the Federal Government would take away those excess profits, the windfall profit that they would receive.

And that was the whole understanding, the entire concept that was involved at that time. So indeed it was the intention to have a windfall profit tax as a part of the decontrol arrangement. At that time, the oil companies agreed. Now they want us to forget about that and to make it possible to raise prices and raising prices to let all of those profits come down to the bottom line without any windfall profit tax at all.

Mr. BRADLEY. If the Senator would allow me to ask another question.

Mr. METZENBAUM. I certainly will.

Mr. BRADLEY. Is it not true that the windfall profit tax was a tax on only the difference between a base price, which in 1979 for old oil was as I recall about $16 a barrel, and whatever the market price was. And when we devised the windfall profit tax, that base price rose over time. So that today, we have a base price of about $19 a barrel for old oil.

As a result of that base price going to $19, the fact of the matter is last year there was no revenue raised by the windfall profit tax. But now, we have a market price for some old oil of $18.50 a barrel which means that in the coming months, if the price of oil would go up to $19 a barrel, there would be windfall profit tax revenue. So one of the results of this motion to recommit would be to increase the deficit. Is that not the Senator's reading of the amendment?

Mr. METZENBAUM. Unquestionably, it would result in a greater deficit. And it is interesting that those who have talked the most about balancing the budget are the ones who are advocating this amendment. Because it is irrefutable that if you have less money coming in, you are certainly going to have a greater deficit. And the repeal of the windfall profit tax, simply stated, means that there will be less dollars coming in and it means that the deficit would be that much greater.

Mr. BRADLEY. Would the Senator allow me to ask him another question? What would be the Senator's impression of the impact of an oil import fee and this particular amendment? As I understand its effect, an oil import fee would raise the price of the domestic oil. It would move up to the level of the world price plus the import fee.

That would take it, if it were old oil, far above $19 a barrel. And just at a time when the windfall profit tax would be kicking in, if there were an oil import fee that raised the price above $19 a barrel, this amendment would have the effect of saying, "If you raised the price of the oil import fee, there would be no revenue derived to the Government because we would have eliminated the windfall profit tax."

So my concern is—and I think I would be interested to know if the Senator from Ohio shares that concern—that not only are we looking at the threat that market prices go above $19 a barrel and kick in on the windfall profit tax, this amendment denying any revenue coming from the windfall profit tax and thereby increasing the deficit, but we are also facing the prospect at some time of an oil import fee that puts the price of oil very much higher above $19 a barrel. So there could be significant dollars lost in the deficit. And the deficit could be increased by a significant margin with the interaction of the oil import fee and this amendment to recommit. The Senator has, I think, probably considered that.

Mr. METZENBAUM. The Senator from New Jersey is exactly on target. If you have an oil import fee, the domestic prices go up exactly the same amount as the taxes on the imported oil. That money becomes subject to the windfall profit tax. But if you repeal the windfall profit tax, you find that you are now getting more money in from the import tax, but you are losing money at the same time because those dollars which otherwise would flow to the Government will not be forthcoming.

Mr. BRADLEY. I would like to ask one further question to the Senator from Ohio. It seems to me that if you pass an oil import fee that raises the price of oil, if you raised the price of oil by an oil import fee, that all Americans would have to pay that higher price, including the poor. And if the poor had to pay the higher price of oil, my guess is that the Congress might want to respond to cushion the impact of that higher price.

My only question to the Senator is, if you did raise the oil import fee and you left the windfall profit tax in place, you would have a mechanism to derive revenue that could be used to cushion the impact of the higher prices caused by the oil import fee. But if you remove the windfall profit tax, you get a much higher price because you would have an oil import fee and no revenues to cushion the impact of that higher price on the lives of the people in this country who could not afford to pay the higher price of oil. Would the Senator agree that that not only would it increase the deficit, but it would also put a disproportionate burden on the poor?

Mr. METZENBAUM. It absolutely would put a disproportionate burden on the poor. But, in addition to putting a disproportionate burden on the poor, I would like to point out to my esteemed colleague that the U.S. Chamber of Commerce said that the oil import fee will siphon retained earnings for new business investment and cost hundreds of thousands of existing jobs. The Bethlehem Steel Co. said an oil import fee of $4 per barrel would cost Bethlehem Steel $30 million in higher energy prices each year and the steel industry in its entirety would pay $230 million. And the Department of Energy said that a $10 fee would reduce the gross national product by $30 to $45 billion a year, raise the inflation by 2 to 3 percentage points, and cost the United States over $200 billion over the next decade.

It is interesting to me that the very same people who are for the oil import fee are the very ones who want to repeal the windfall profit tax. And I just feel that repeal of the windfall profit tax breaks a commitment heretofore made, turns our back on the American consumer, turns our back on the American taxpayers, and opens this trade bill up to a host of additional tax amendments.

As far as this Senator is concerned, I believe that, if you repeal the windfall profit tax in this bill, many of us would be constrained to vote against the trade bill. I think it is a killer amendment. I have been hearing all the time about this amendment will cause the President to veto the bill and that amendment will cause the President to veto the bill. I think this amendment, if adopted, will cause many Senators to be disinclined to vote for the bill and they will have no reservations in voting against the bill.

Mr. BRADLEY. If I could ask the Senator yet another question. I can tell from the Senator's answers to the previous two questions that he believes, as I do, that this recommittal motion and elimination of windfall profit tax would increase the deficit substantially; and that, second, it would put a disproportionate burden on the poor. What I would like to ask the Senator now is what is his opinion of its effect on new exploration, because that is an argument that is frequently made, that the windfall profit tax as it is now in place discourages new exploration. The thing that puzzles me is that new oil under the windfall profit tax was treated differently than so-called old oil. In other words, oil that was discovered after 1979 had a higher base price than did oil discovered before 1979.

Indeed, if you carried it through to today, new oil would have a base price of $27.50 a barrel. Now the world price of oil is $18.50 a barrel. My question to the Senator is, How does it discourage new exploration if the new oil that comes from the exploration is not taxed until the world oil price goes over $27.50 a barrel?

My sense is that it is unlikely to discourage new exploration, because we are nearly $10 below where the price of oil would have to be before the windfall profit tax even began to kick in.

Does the Senator share my opinion?

Mr. METZENBAUM. I totally share the opinion of the Senator from New Jersey in that respect. I think what those who are advocating this measure are contemplating is that one of these days, there is suddenly going to be some cutoff of oil and they are going to be able to increase the price of oil to whatever they want. They will have a monopoly and they will not have to pay any windfall profit tax.

I think it is just the wrong way to go and I just do not think it serves the American economy. I think it would reverse the whole economic activity that is in place in this country. It would make steel companies pay more. It would make auto manufacturers pay more. It would be inflationary. It would be a reversal of the economy and it would be most hurtful.

I think it would provide an incentive for oil companies to push up the price, and certainly we are talking about a very monopolistic industry.

When you push up the price it would mean that they would be able to retain 100 percent of it.

Mr. BRADLEY. If the Senator would yield, I have yet another question. I think through the series of questions that you have been so kind to respond to, according to the Senator from Ohio, the Senator from New Jersey would agree that this motion to recommit would have the effect of eliminating the windfall profit tax, which, by the way, is scheduled to expire in 1991 anyway. But the effect of it being eliminated tonight would be to increase the Federal deficit.

Mr. METZENBAUM. That is correct.

Mr. BRADLEY. The effect would be to increase the Federal deficit. The second effect would be to put a disproportionately high burden on the poor, particularly if this is done in connection with an oil import fee.

Mr. METZENBAUM. That is correct.

Mr. BRADLEY. It would not be an incentive for new exploration because the price of oil has to go up nearly $10 before we get to the time where the windfall profit tax would even kick in on newly discovered oil?

Mr. METZENBAUM. That is correct.

Mr. BRADLEY. Then I wonder if the Senator would care to comment about the appropriateness of putting a tax measure on a trade bill.

I am sure the Senator has his own favorite loophole that he would like to close. You know, we can still look at certain things in the code that, indeed, have been very generous to the oil industry. I am sure the Senator has thought of any number of provisions in the code that are still very generous to the oil industry.

This is a trade bill, though. This is not a tax bill. Would the Senator consider it appropriate, if this motion to recommit were successful, for a further motion to recommit which removed various incentives for oil now in place? Would that be appropriate? It seems to me that if there is a motion that says we are going to recommit to raise the deficit, put a disproportionate burden on the poor, and to provide no new incentives for new exploration, that there would likewise be reasonable opportunity to amend the bill with various other tax provisions—maybe tax provisions totally unrelated to oil.

I wonder if maybe the Senator would not agree that this is one of those threshold votes. This is one of those threshold votes where a bill deals with a particular substance area seriously, with deliberation. We have had a lot of amendments. Some of those amendments have succeeded. Some have failed. Some amendments have been extraneous, relating to foreign policy measures. Some have been tangentially related to trade. But this is really a threshold amendment.

This is to say that any bill that comes on the floor of the Senate should be amendable with a tax amendment.

Would not the Senator be able to think of five or six of his favorite loopholes about which subsequent to the passage of this amendment to recommit, if it was passed, the Senator could think of a couple of other additional amendments?

Mr. METZENBAUM. Indeed, I can. As a matter of fact, I am standing here thinking about some that ought to be offered as a second-degree amendment to this motion to instruct and recommit. It seems to me that one of them that I mentioned when the Senator from New Jersey was not on the floor was the fact that, if you pay countervailing and dumping duties, you may deduct that from your taxes.

How can that be fair? Why, if you are paying duties, dumping duties, why should you be able to get the American taxpayer to subsidize you? That just does not make sense.

Mr. PACKWOOD. Would the Senator from Ohio yield for a question?

Mr. METZENBAUM. I certainly will.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Last week, as the Senator from Ohio recalls, we were debating the so-called oil security amendment.

Is it not true that the premise of the supporters of the provision in the bill were arguing that our dependence on foreign oil was going to go up and that was going to force the price up and, of course, it would force the domestic price up as the imported price went up?

Mr. METZENBAUM. Right.

Mr. PACKWOOD. They were, therefore, arguing that not only to protect our industry but to attempt to keep our prices down, we would have to have an oil import fee? Or that is in essence what they wanted to go to, was an oil import fee.

Mr. METZENBAUM. Right.

Mr. PACKWOOD. But there is no question in this entire debate we were having on the trade bill that any kind of quotas or tariffs we put on would in all likelihood have the domestic price rise to what the foreign price is, whether we import the product or do not import the product? If we put a total embargo on oil, did not bring any oil in and the world price went up to $25 or $30, we can fully expect the domestic price to go up to $25 or $30?

Mr. METZENBAUM. Absolutely. Whatever the world price is, that will be the domestic price.

Mr. PACKWOOD. What is an ironic twist is the principal opponents of this amendment are the ones that were the proponents of the oil security provisions that were in the bill. Last week they were arguing: Inevitably, unless we do something for domestic security or anything else, that the oil prices are going to go up. That was the argument last week.

This week I seem to hear them saying that the oil prices are not going to go up because clearly if they do we are going to gain something from the windfall profit tax that we thought all along we were going to gain. I was in the Senate in the Finance Committee when we put this in. I remember our projections, what we expected to collect.

Here I find the proponents of repeal of the windfall profit tax sort of stuck on the horns of a dilemma. Either they are saying the prices are not going to go up—I am not sure if that is what they are saying—or they are saying they are going to go up. They can only do one of two things, either they do or they do not.

If they do go up there is going to be a windfall and the Government is entitled to part of that windfall.

Mr. METZENBAUM. Right.

Mr. PACKWOOD. If they do not go up they do not need this amendment.

Mr. METZENBAUM. If they do not get up it is totally irrelevant.

Mr. PACKWOOD. They do not need this amendment if it does not go up. It seems to me they cannot have it both ways and I am very much in sympathy with the Senator from Ohio. I would support him. I would encourage you to allow this to go to a vote as soon as possible. I hope he has the votes. I think he has the votes but I understand the Banking managers are ready to go on to the banking provisions of this bill and I would just as soon we go on and dispose of this as soon as we can in hopes that you win.

Mr. METZENBAUM. I thank the minority member of the Finance Committee. Mr. President, I want to speak to my colleagues for just a minute and then I want to make a motion.

There may be different points of view on this subject as there obviously are and I think that there are some who feel very strongly against repealing the windfall profit tax and I know there are some who feel very strongly that the windfall profit tax should be repealed. But I believe that that is an issue that ought to stand on its own. It ought to be in the tax bill or it ought to be a separate bill. All we are going to do if we keep it on the trade bill is tie this Senate up for many hours tonight and tomorrow as well.

I do not think that makes good sense. I believe that there is a time and a place for legislation around here.

There is a time and place for a tax bill. There is a time and a place for a trade bill.

Mr. THURMOND. Mr. President, I rise today in support of the amendment to repeal the windfall profit tax offered by the distinguished Senator from Oklahoma. This is not a new issue to us. Since 1980, our domestic oil producers have been saddled with this so-called windfall profit tax, which in reality amounts to an excise tax.

In 1980, I opposed passage of the windfall profit tax conference report because, in my judgment, it would not contribute to a solution of our energy problems. In fact, this tax has not contributed to solving our energy problems. In fact, this tax has not contributed to solving our energy problems—it has done just the opposite. The complex and burdensome tax it has imposed on independent producers has actually compounded energy problems.

Our concern, and indeed our obligation to the American people, is to operate an energy program that will insure adequate fuel resources in the short term, while we undertake a viable program of developing long-term energy alternatives.

This tax has hampered those efforts. The bottom line is that this is not an excess profits tax at all, but merely an excise tax, to be ultimately paid by the American consumer. It has amounted to a complex taxing scheme which redistributes resources from oil producers to the Federal Government, rather than being an integral part of a fair, responsible and effective energy program. For these reasons, I urge repeal of this tax.

Mr. BINGAMAN. Mr. President, I am pleased to join my distinguished colleagues in proposing an amendment to repeal the windfall profit tax. The tax was passed in 1980, at a time when oil prices had skyrocked, following actions of the OPEC cartel.

Today we have an entirely different set of circumstances. The oil industry is not paying a windfall profit tax, because the price is not high enough to trigger the tax and they do not have any profits. Additionally, there are significant costs associated with the paperwork required to meet the administrative requirements of the tax. It is ridiculous to require companies to spend millions of dollars on paperwork to report to the Government that they do not owe anything. Now is the time to repeal this tax.

The tax has done nothing to help us combat imports. It is only a tax on domestic producers. It is not a tax on imports. And it is these imports that have displaced domestic production and contributed to our negative balance of payments and the negative balance of trade we currently are experiencing in this country—last year, over a $50-billion deficit in oil.

NEW MEXICO

New Mexico is the fifth largest oil and gas producing State in the Nation in terms of total quantity and has suffered from the decline of oil and gas prices. Oil prices have declined from $26 per barrel in January 1986 to $11 in July 1986, with a gradual increase since then to $19 per barrel. Revenues generated by the industry showed a 25-percent drop in 1986. The total value of New Mexico's oil and gas activity has dropped 46 percent in the past year. Employment by the industry dropped from a low of 13,200 in 1985 to 9,000 in October 1986. The number of drilling rigs are down to an average of 29 compared with 71 last year. And of the State's bankruptcies, estimated to be 2,500 for 1986, one-fourth occurred in those counties where most of the State's oil and gas is produced. Clearly, effective action is needed to correct the decline of the industry.

CONCLUSION

I don't have to describe in great detail the current condition of our struggling oil industry. One can easily evaluate the status of this industry in which 86 percent of its drilling rigs are not pumping oil, and the only profits come from refining and distributing imported oil. Our independent producers, the backbone of our exploration efforts in this country, are in severe financial straits. These problems threaten our ability to meet future energy needs domestically. We must acknowledge that the future of the industry is bleak unless we in the Congress take some positive steps to help this important industry recover. The repeal of the windfall profit tax is one such step.

I ask my colleagues to vote for this important step to help revitalize the oil industry that is so critical to our future.

(By request of Mr. BYRD, the following statement was ordered to be printed in the RECORD:)

● Mr. GORE. Mr. President, I support this amendment to repeal the windfall profit tax on domestic crude oil. As a cosponsor of this legislation, I believe repeal would greatly increase our energy security by reducing oil imports. In addition, the amendment is revenue neutral. Repeal of the windfall profit tax is the most responsible way to boost domestic oil production.

This legislation would help the oil industry revive itself. Not only would the elimination of the tax encourage exploration and development of domestic oil resources, but it would also reduce burdensome compliance and administrative costs. Increased U.S. production translates into reduced dependence on foreign sources of oil.

In 1980, I supported the measure, imposed on a domestic industry which was in a position to profit unreasonably on the heels of OPEC tactics. Now, oil prices hover around their lowest level in years. According to a Joint Committee on Taxation report, the inflation-adjusted price of oil is now less than half of what it was when the windfall profit tax was enacted. So now we must act to redress the balance.

Moreover, according to a 1986 Congressional Research Service report, the windfall profit tax is not expected to produce any revenue for fiscal years 1988 through 1993 when it is scheduled to be fully phased out. And, repeal of the tax would stimulate the oil industry which would in turn generate more revenue for the Federal Government.

If in the future we find ourselves faced with skyrocketing oil prices, we can review this issue. I realize that oil prices, like Middle Eastern politics, can be volatile. For now, however, the best course is to repeal the tax.

Economic problems in Texas, Louisiana, Oklahoma, Kansas, Pennsylvania, Alaska—in all States that depend on the oil industry for their economic well-being—are not simply regional problems. The decline of the domestic oil industry affects all of us, and we must craft a national solution to reverse that decline.●

Mr. DOLE. Mr. President, once again I am privileged to cosponsor an amendment to repeal the so-called windfall profit tax, and I commend Senator BOREN for offering the amendment.

I opposed this egregious tax when it was first approved, and have fought for its repeal ever since.

There never was any windfall to tax and there is certainly not much profit in the production of crude oil today.

Actually, in the last year alone domestic production of crude oil fell by 800,000 barrels of oil per day and our dependence on foreign oil increased from 27 percent to over 40 percent in a little over 1 year. Much of our lost production is from stripper wells. Last year, 97,000 stripper wells were capped as opposed to 18,000 wells in the year before.

As the Congress sits idly by, marginal production continues to be capped and lost forever, our dependence on imported foreign oil skyrockets to near record levels, and domestic producers, their bankers and other dependent businesses continue to fail.

During earlier consideration of this bill, we removed a provision that, while not perfect, would have focused our attention on a severe national and economic security problem—the loss of current oil production and inability to search for new reserves. This was the so-called peril point provision which had been inserted by the distinguished chairman of the Finance Committee with my support. We can at least take this small step to improve the situation.

No one here will argue the windfall profit tax is singularly responsible for the industry's problem. But it is certainly a detriment to new exploration at a time when producers are already at or past the margin.

Several of my colleagues have already stated that the tax brings in no revenue, so there can be no objection to repealing it on budgetary grounds. However, it does impose costly recordkeeping requirements on the industry, inflicting a punishment on an already crippled segment of our economy.

Our trade deficit isn't only from Honda's or television sets. In a little over 1 year, our dependence on imported crude oil has risen from 27 to 40 percent and our trade deficit has risen accordingly. Yet we apparently cannot see what other effect it is having. In the 3 years following the 1973 Arab oil embargo our gross national product fell by 2.5 percent which, according to the domestic petroleum council, is directly attributable to the oil crisis. Similarly, the council found a 3.5-percent reduction in GNP in the 3 years following the 1979 oil crisis.

It is simply time to repeal this ill conceived tax, and I thank my colleagues who have joined me in the effort.

Mr. CHILES. Mr. President, as we vote on this amendment, I think it is important to note for the record that the repeal of the windfall profit tax would have a budgetary impact.

There is no official Budget Act point of order against this amendment. But that's only because CBO's February oil price projections were so low that they projected no revenue at all from the windfall profits tax. So, based on the February baseline, there would be no revenue loss from repealing the tax.

As we all know, however, oil prices have risen since that baseline was calculated. I hear from CBO now that they will use new oil price assumptions to calculate their August baseline. Measured against this, the repeal of the oil windfall profit tax would result in a revenue loss.

I repeat, there is no Budget Act point of order against this amendment. The proposed amendment violates only that act's spirit, not its word.

Mr. SIMPSON. The windfall profit tax is one of the few remaining legacies of the misguided and bizarre Federal energy policies of the 1970's. These policies included price controls and entitlements and imposition of punitive taxes on the crude oil production industry when oil prices were high. During this current time when our domestic energy industry is in a severe economic crisis, the least the U.S. Congress should do is eliminate one of the most discouraging policies and repeal the windfall profit tax.

No other single industry or commodity in the United States has a windfall profit tax. The continuation of the windfall profit tax is a devastating disincentive to investment in domestic production and it also carries with it a severe administrative burden.

The windfall profit tax still imposes these heavy administrative costs even though it is generating little or no revenue right now. The current annual administrative cost of compliance is nearly $100 million.

Repealing the windfall profit tax would send a vital and positive signal to our domestic energy industry at a time when positive signals are dramatically very few and far between. In the long run, outright repeal would buoy up an industry that employs millions of Americans, it would regain lost ground and place domestic producers on an even footing with foreign producers.

The windfall profit tax has certainly hurt the American consumer by increasing our reliance on foreign oil. Since the tax discourages production from marginal wells and discourages exploration and development there is little incentive to replace our declining oil reserves. Thus domestic production is reduced and imports go up.

The windfall profit tax was an untimely idea that has now lost all possible reasons for its existence. I therefore urge my colleagues to vote for the repeal of the windfall profit tax.

Mr. METZENBAUM. Mr. President, I move to lay the motion to recommit on the table.

The PRESIDING OFFICER (Mr. GRAHAM). The question is on the motion to table.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate?

There being no further debate, the question is on the motion to lay on the table the motion to recommit.

The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Washington [Mr. ADAMS], the Senator from Delaware [Mr. BIDEN], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Georgia [Mr. NUNN], and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I also announce that the Senator from Arkansas [Mr. PRYOR] is absent because of death in family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 36, nays 57, as follows:

[Rollcall Vote No. 192 Leg.]

YEAS—36

Bradley
Byrd
Chafee
Chiles
Cohen
Cranston
D'Amato
Danforth
DeConcini
Dodd
Durenberger
Ford
Fowler
Glenn
Graham
Grassley
Harkin
Heinz
Kerry
Lautenberg
Leahy
Levin
Metzenbaum
Mikulski
Mitchell
Moynihan
Packwood
Pell
Proxmire
Reid
Riegle
Rockefeller
Sarbanes
Sasser
Specter
Weicker

NAYS—57

Armstrong
Baucus
Bentsen
Bingaman
Bond
Boren
Boschwitz
Breaux
Bumpers
Burdick
Cochran
Conrad
Daschle
Dixon
Dole
Domenici
Evans
Exon
Garn
Gramm
Hatch
Hatfield
Hecht
Heflin
Helms
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Murkowski
Nickles
Pressler
Quayle
Roth
Rudman
Sanford
Shelby
Simpson
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson
Wirth

NOT VOTING—7

Adams
Biden
Gore
Kennedy
Nunn
Pryor
Simon

So the motion to lay on the table the motion to recommit was rejected.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

AMENDMENT NO. 505

Mr. BRADLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY] proposed an amendment numbered 505.

Mr. BRADLEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection?

Mr. BENTSEN. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue reading the amendment.

The bill clerk read as follows:

Strike everything after line 2 and insert in lieu thereof the following:

SEC. . CIGARETTE EXCISE TAX INCREASE.

Section 5701(b) of the Internal Revenue Code is amended by striking "$8" and inserting "$16" in lieu thereof and by striking "$16.80" and inserting in lieu thereof "$33.60".

AMENDMENT NO. 506

Mr. CRANSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from California [Mr. CRANSTON] proposed an amendment numbered 506 to amendment No. 505.

Strike everything after Sec. and insert in lieu thereof the following:

——. CIGARETTE EXCISE TAX INCREASE.

Section 5701(b) of the Internal Revenue Code is amended by striking "$8" and inserting "$16" in lieu thereof and by striking "$16.80" and inserting in lieu thereof "$34.60".

Mr. ADAMS. Mr. President, I will vote to table these amendments which seek to rewrite tax law on this trade bill. A lot of Members have spent a lot of time trying to deal with the trade problem we face and amendments of this type only threaten our ability to complete action on this vitally important bill.

What I find particularly frustrating is the fact that there is no need to address tax issues on this bill. In a few short weeks, we will have a reconciliation bill before us, a bill which will deal with tax related issues. If people feel strongly that the windfall profit tax ought to be eliminated, that is the time to raise the issue. If people feel that cigarette taxes ought to be raised, that is the time to raise the issue. After all, the windfall profit tax has been around for almost 10 years; surely we can wait 10 days before we make a decision about whether or not we want to keep it.

I want there to be no misunderstanding about the meaning of my vote on these tax provisions, Mr. President. When we consider the reconciliation bill, I may well end up voting for some of the excise taxes I am now voting to defeat—indeed, if we eliminate the windfall profit tax, the need to increase other excise taxes will be even more urgent. But tonight, my vote is not determined by the merits of the particular tax before us; rather my vote is determined by the fact that no tax issues ought to be associated with this bill. We need a trade bill and these amendments threaten our ability to get one.

I will not support efforts which have the effect of threatening our ability to achieve the sort of reform in trade law which we need. In my mind, these amendments do threaten that goal—and they do so needlessly since we will get to consider all tax related questions when we get to the reconciliation bill in the next few weeks.

Mr. GRAMM. Mr. President, I move to table the Cranston amendment.

CLOTURE MOTION

Mr. BYRD. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The clerk will report the cloture motion.

The bill clerk read as follows:

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on S. 1420, a bill to authorize negotiations of reciprocal trade agreements, to strengthen United States Trade laws, and for other purposes. Senators Robert C. Byrd, Claiborne Pell, Bob Packwood, Alan Cranston, Spark Matsunaga, William Proxmire, Jay Rockefeller, Jeff Bingaman, Pat Leahy, Bob Graham, John Glenn, Jim Sasser, Paul Sarbanes, Wendell Ford, Harry Reid, Don Riegle, Dennis DeConcini, Carl Levin, and Daniel P. Moynihan.

Mr. BRADLEY and Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The pending business is the motion to table, which has been submitted by the Senator from Texas, which is not debatable.

Mr. BRADLEY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment offered by the Senator from California [Mr. CRANSTON]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I also announce that the Senator from Arkansas [Mr. PRYOR] is absent because of death in family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 74, nays 20, as follows:

[Rollcall Vote No. 193 Leg.]

YEAS—74

Adams
Armstrong
Bentsen
Bond
Boren
Boschwitz
Breaux
Bumpers
Byrd
Chiles
Cochran
Cohen
Conrad
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Graham
Gramm
Grassley
Hatch
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kerry
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Mikulski
Mitchell
Murkowski
Nickles
Nunn
Pressler
Proxmire
Quayle
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simpson
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson

NAYS—20

Baucus
Bingaman
Bradley
Burdick
Chafee
Cranston
Dodd
Glenn
Harkin
Hatfield
Lautenberg
Leahy
Metzenbaum
Moynihan
Packwood
Pell
Reid
Rockefeller
Specter
Wirth

NOT VOTING—6

Biden
Gore
Kennedy
Pryor
Riegle
Simon

So the motion to table the amendment No. 506 was agreed to.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, I am going to send an amendment to the desk. I do not like to do this. We are getting nowhere on this bill. I have already sent a cloture motion to the desk. That vote on the cloture motion will be on Friday. The cloture motion will be on the bill and if we adopt cloture on this bill, of course, that will cause the nongermane pending amendments to fall, and if cloture is invoked, of course, we will not have any more nongermane amendments, hopefully.

This is a serious bill. We have been on it now 3 weeks day after tomorrow. The two managers have been here all the time. We had one Saturday session, I believe, on it. We are not getting anywhere.

This can go on all night with tabling motions. Table the second-degree amendment and another amendment can be offered over and over and over.

This is not a tax bill. I realize there is no rule of germaneness in the Senate but I would assume that there are enough Senators in here who are opposed to the windfall profit tax, not to let it come to a vote. I do not know.

I do not know whether it would survive in conference if it got to conference.

I just voted to table the cigarette tax. Now I am going to send the cigarette tax increase to the desk. Why? Because the distinguished Republican leader is going to seek recognition in his own right. He has a right to do that. He has as much right to offer a second-degree amendment as I have.

But I just want to show the futility of this. I can stand up here all night and get second-degree amendments in. But what does that get us on this bill? We do not get anywhere and if we quit at this moment we are not going to finish this bill tomorrow.

So what we are doing is just prolonging the agony of those who have a responsibility to get this bill through. I am for wiping everything off the bill other than those amendments which have been adopted already. So, I am going to send this amendment to the desk. I do not favor it. I may favor it in a reconciliation bill but that is the place to discuss taxes. I might favor amendments in that bill, which I might not otherwise. We are going to have to raise revenues, but this is not a revenue-raising measure.

I think we ought to quit playing games at this point. We have all had our fun, myself included. Let us just agree that we are going to get on with the amendments that relate to trade.

This bill has to be passed at some point. I hope that my motion to table the underlying amendment will carry. I hope it will just wipe them both out.

The PRESIDING OFFICER. The clerk will read the amendment.

AMENDMENT NO. 507

Mr. BYRD. Mr. President, I send an amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 507 to amendment No. 505.

Strike everything after Sec. and insert in lieu thereof the following:

CIGARETTE EXCISE TAX INCREASE

Section 5701(b) of the Internal Revenue Code is amended by striking "$8" and inserting "$16" in lieu thereof, and by striking "$16.80" and inserting in lieu therefor "$35.60".

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, I will yield to the Republican leader.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I do not disagree with the majority leader. I do not know how we are going to resolve this dilemma. It seems to me the trade bill was rather important to us when we started. I think all of us maybe stepped over the line. I know we spent a number of hours on reflagging, which is not germane either. Probably a couple of days were spent on that one issue.

We will have a cloture vote again tomorrow. If cloture is invoked, there are several amendments to be filed and we can spend 30 hours on that. It seems to me that is not in the interest of certainly the managers or anybody else. If we do not want a trade bill this year, I assume this all would be productive, if that is the goal, not to have a bill.

I certainly want to work with the majority leader. I think he has already made the first step, the cloture motion. I do not know whether we can get unanimous consent that no more nongermane amendments be added to the bill or not. Probably not.

Mr. BYRD. Mr. President, if the distinguished Republican leader will yield, I ask unanimous consent that the vote on cloture on this bill occur tomorrow.

The PRESIDING OFFICER (Mr. KERRY). Is there objection?

Mr. DOMENICI. Reserving the right to object.

Mr. Leader, I do not want to object, but I will now because I have two amendments pending and I would want to be sure that they are germane. I am not quite sure. I think they are, but because I am not sure, I object.

The PRESIDING OFFICER. Objection is heard.

Does the minority leader yield the floor?

Mr. DOLE. Yes.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, the amendment before us by the Senator from Texas contains a motion to recommit and report back without the windfall profit tax. It has been amended by two degrees by amendments that would raise the cigarette tax to 35 cents a pack. In order to expedite the vote, because the Senator from Texas admitted he made an error, and that his real intent was to propose a motion to table his own motion to recommit—if I misunderstood the Senator from Texas, I will stand to be corrected after I complete my remarks—I ask unanimous consent that the amendment of the Senator from Texas be modified to move the effective date earlier, to December 1, 1987, instead of December 31, 1987.

The PRESIDING OFFICER. The question is on a unanimous-consent request to obtain a modification of the Gramm amendment.

Mr. GRAMM. Would the Senator from New Jersey tell us why he is interested in this date? I reserve the right to object.

Mr. BRADLEY. I think it is very important. I think by moving it earlier we will get a clear will of the Senate on this amendment.

Mr. GRAMM. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BRADLEY. Mr. President, I ask for the yeas and nays on the underlying motion to recommit.

The PRESIDING OFFICER. It requires unanimous consent to order the yeas and nays on a proposition which would not be in order. Is there objection?

Mr. HELMS. I object.

The PRESIDING OFFICER. Objection is heard.

The yeas and nays had previously been ordered but this is not the pending business. Does the Senator from New Jersey yield the floor?

Mr. BRADLEY. I yield the floor.

Mr. GRAMM. I would like to remind everybody how we got to where we are, Mr. President. The distinguished Senator from Oklahoma, Senator BOREN, offered with me an amendment to repeal the windfall profit tax and that amendment had 17 cosponsors. We are debating a trade bill having to do with the trade deficit. Twenty percent of that trade deficit comes from oil. I submitted during the debate a letter from the Congressional Budget Office making note of the fact that there were no deficit impacts from repealing the windfall profit tax and yet it is clear that repealing that tax takes the dead weight, cold, wet blanket of disincentive off domestic production.

I believe, and obviously the Senator from Oklahoma believes, 17 cosponsors believe, and the majority of the Senate believes by their vote, that this is a relevant amendment, that it is a worthy amendment.

I certainly believe that when you are talking about 20 percent of the trade deficit being oil, this is a germane amendment. In fact, this is about as germane as you can get an amendment.

I object, Mr. President, to the fact that when people do not support allowing the will of the majority to work, then they suddenly want to put amendments on, which they have a right to do, but because those amendments are extraneous, they seek by that process to take the underlying amendment. I submit that repealing the windfall profit tax to provide incentives for domestic production, to lower oil imports, to reduce the trade deficit, is relevant to this trade bill.

I wish this issue could be voted on, on its merits. Let us come to a vote. I think the will of the Senate was expressed on the Metzenbaum motion to table. I believe the majority of the Members are willing to repeal the windfall profit tax as part of the trade bill.

We can let our will be exercised here, go to conference, hopefully the House will see the wisdom of this position, and it will become part of the bill.

But while I am certainly willing to say that a tax on cigarettes is extraneous to the trade bill while other provisions may be extraneous, repealing the windfall profit tax is not extraneous. I would hope that we could deal with it on its own merits.

The final point, and I will then yield the floor: the only way we got into the motion to recommit with instructions was because the distinguished Senator from Ohio objected to something that we have allowed to happen here for several days. That is he objected to setting aside the pending amendment on reflagging. That is something consistently we have done to amendment after amendment after amendment.

But the distinguished Senator from Ohio, totally within his rights, objected.

It would have been easy for one of us who feels very passionately about the amendment before us to have simply said, "I am going to object to setting that amendment aside or any other amendment if my amendment is not going to be considered." There might have been sympathy for that view but it would have hardly been productive.

Instead, we went around the Metzenbaum objection by having a motion to recommit, my point being that was a motion to try to expedite the business of the Senate, to deal with the substance of this issue rather than allowing the will of the Senate to be held up.

So I hope, I am confident, given the vote before, that we are going to table or defeat this cigarette tax. I am hopeful the same will happen with the other underlying amendment. I simply want to express my hope that we can vote on repealing the windfall profit tax. That is a trade issue. It is a relevant issue. I think the Senator from Oklahoma and our 17 cosponsors have a right to have their amendment voted on.

If the Senate is for it, as they indicate they are, on the Metzenbaum motion to table, then it will prevail. If people change their mind, it will not prevail but then we can go on to another issue. I yield the floor.

Mr. BOREN. Mr. President, I have to agree with the comments that have just been made by the Senator from Texas. I want to quote from a Congressional Research Service report made by the Economics Division in analyzing the windfall profit tax. A part of this report says as follows:

> The second fundamental criticism of the windfall profit tax is that it is a tax on oil

produced domestically in the United States. This tax, therefore, reduces domestic oil production and increases oil imports both in the short run and the long run.

Now, we are talking about a trade bill. We are trying to confront a trade deficit, as has just been said, 20 percent of which has to do with the importation of oil. We are talking about taking an action that is desperately important to an important segment of the economy, to a region of the country that has been hard hit, that finds itself in more than an economic recession, in a virtual depression. That is why I offer this amendment. I think it is relevant to this trade bill. I think it is an action that is long overdue.

The Senate expressed itself very clearly on that tabling motion. It failed by a vote of 57 to 36. There were in fact two cosponsors of this actual proposal who were not present for that vote. That would make 59 Members of the Senate expressing themselves either by vote or cosponsorship of this proposal. This is a strong bipartisan expression of the Senate that something should be done. There are 19 authors altogether, 17 others in addition to the Senator from Texas and myself, 10 of them are on this side of the aisle. Ten Democrats and nine Republicans have joined together in an absolutely bipartisan proposal which has clearly commanded a majority vote here in the Senate tonight.

I want us to move ahead. I think this proposal will strengthen this bill. I think it will help us decrease the trade imbalance if it is passed, and we can do so in a very simple and expeditious fashion by simply tabling the Bradley amendment that is now pending and moving to an up or down vote on the motion to instruct. The Senate has already expressed its will, and we will then be ready to move on with this trade bill. It should not take any time at all if those who have not been on the prevailing side would simply let a majority of the Senate work its will. It could be done in less than an hour. We are ready to do that. We are ready to have a vote on the Bradley amendment and then we are ready to go to vote on the underlying amendment which has been offered by almost one-fifth of all the Members of this Senate on a bipartisan basis and which has commanded a very clear majority on the Senate floor tonight.

So I urge my colleagues to let us move ahead expeditiously to consider this matter that is of extreme importance I believe to our national security and the national trade policy and is of desperate importance to a part of the country that has been hurting and hurting badly for the last 3 to 4 years.

I am encouraged by this vote. It shows clearly how the Members of the Senate feel, and I think the Senate should have an opportunity for the majority to work its will tonight.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, this is one of those situations the Senate gets itself into ever so often. Every time we get into this kind of situation it is when somebody takes an important piece of legislation, whether it is a continuing resolution or supplement appropriations bill or debt ceiling bill or any one of a host of other measures, and goes afield in order to bring in a subject that is not pertinent to it. This is not a tax bill. There will be a tax bill before this session is concluded. In the tax bill this amendment would be entirely relevant. At that time we would be in a position to talk about the dollars involved.

There is a rather interesting commentary that should be made in connection with this subject. First they argue that if you repeal the windfall profit tax, it will cause more oil to flow, and that therefore it will be good for the economy. But at the same time they say if you leave the tax in, it is not going to produce any more money anyhow.

Well, if it is not going to produce any more money, then why do you have to repeal it? It is not going to be applicable to anybody.

It is just one of those horns of a dilemma you talk about where you meet yourself coming back around the corner. If it does not produce any more money, then why are you asking to repeal it? And if it does produce more money, then it means that oil prices are going to increase and the commitment which was made when we repealed the price controls in now being reneged upon.

If we would permit this bill to be the trade bill that it is not try to confuse the issue with a windfall profit tax repeal, the Senate would move ahead. But time and time again we look for a vehicle—I have done it myself and I do not deny it, but the fact is the Senate does not acquit itself well, it does not stand 10 feet tall when it uses a trade bill in order to make it into a tax bill.

So, Mr. President, let me inquire of the Chair, have the yeas and nays been ordered.

The PRESIDING OFFICER. The yeas and nays have not been ordered on the Byrd amendment.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. I move to table the Byrd amendment.

Mr. HELMS. I ask for the yeas and nays.

Mr. GRAMM. And I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. GRAMM. I withdraw my request for the yeas and nays.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there is a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. The yeas and nays have been ordered. The clerk will call the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Illinois [Mr. SIMON], are necessarily absent.

I also announce that the Senator from Arkansas [Mr. PRYOR], is absent because of death in family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 77, nays 18, as follows:

[Rollcall Vote No. 194 Leg.]

YEAS—77

Adams
Armstrong
Baucus
Bentsen
Bond
Boren
Boschwitz
Breaux
Bumpers
Burdick
Byrd
Chiles
Cochran
Cohen
Conrad
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Graham
Gramm
Grassley
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kerry
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Mikulski
Mitchell
Murkowski
Nickles
Nunn
Pressler
Proxmire
Quayle
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simpson
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson

NAYS—18

Bingaman
Bradley
Chafee
Cranston
Garn
Glenn
Harkin
Hatch
Hatfield
Lautenberg
Leahy
Metzenbaum
Moynihan
Packwood
Pell
Reid
Specter
Wirth

NOT VOTING—5

Biden
Gore
Kennedy
Pryor
Simon

So the motion to table Amendment No. 507 was agreed to.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia, the majority leader, is recognized.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senator's request is correct. The

Senate will be in order. Senators will please cease their conversations in the aisles.

The Senate will not proceed until the Senate is in order.

The Senator from West Virginia, the majority leader is recognized.

Mr. BYRD. Mr. President, I thank the Chair.

As we just demonstrated, this thing can go on and on and on. And some of us are getting sleepier and sleepier and sleepier. I would like for us to sober up, myself included.

I voted to table my own amendment. As I said, I may vote for it if it is attached to a legitimate fundraising measure when it comes to having to raise revenues. But this is not a tax bill, nor is this a foreign policy bill.

I am to offer an amendment on reflagging and then I am going to move to postpone the whole kit and caboodle. I hope that, Mr. President, we will postpone indefinitely the motion to recommit so it will carry with it all of the amendments that are on it, including the reflagging.

AMENDMENT NO. 510

Mr. BYRD. Mr. President, in order to save time, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 510 to amendment No. 505.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment reads as follows:

Strike all after "Sec." and insert in lieu thereof the following:

2010. POLICY TOWARD PROTECTION OF REFLAGGED KUWAITI TANKERS IN THE PERSIAN GULF.

(a) FINDINGS.—The Congress finds that—

(1) the United States has a vital strategic interest in the export of oil from the Persian Gulf region;

(2) the United States has long-term important strategic and geopolitical interests in the Persian Gulf region, including the security and stability of the states in the region, the pursuit of which requires the freedom of navigation in the Persian Gulf and adjacent waters and the prevention of hegemony in the region by either Iran or Iraq;

(3) the continuation of the Iran-Iraq war constitutes a grave threat to these interests;

(4) the expansion of the Iran-Iraq war threatens the territorial integrity and sovereignty of the Persian Gulf states, and, in particular, the pattern of intimidation practiced against noncombatant states, recently focused on Kuwait, has raised serious and legitimate concerns;

(5) the President has proposed the protection, through the use of convoy escorts by United States Navy ships, of Kuwaiti-owned tankers flying the United States flag;

(6) the Congress has examined the rationale for this proposal and the specific manner in which it would be implemented, including a careful review of the report entitled "Report On Security Arrangements In The Persian Gulf", which report was submitted by the Secretary of Defense to the Congress at its request; and

(7) the threat assessment, strategic justification, and security arrangements described in the Secretary of Defense's report to the Congress are inadequate to justify the reflagging or the convoying of merchant vessels in the Persian Gulf by United States naval forces, until, at a minimum, further assessments have been made regarding the threat of terrorist attacks, mine warfare detection and defense, and the need for any required facilities for land-based aircraft.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should seek a settlement of the Iran-Iraq war through all diplomatic means;

(2) the United States should pursue, through the United Nations Security Council and other international diplomatic channels, efforts—

(A) to effect mandatory sanctions, including an arms embargo, against any combatant state which fails to cooperate in the establishment of a negotiated cease-fire; and

(B) to promote a cessation by Iran and Iraq on attacks against shipping in the Persian Gulf;

(3) the United States should deploy such naval forces in, or proximate to, the Persian Gulf as may be necessary to protect the right of free transit through the Strait of Hormuz, and should work closely with the Persian Gulf states to reestablish stability, security, and peace in the region;

(4) in implementing the policy described in paragraphs (1) through (3), the President should take such steps as he deems necessary to achieve the cooperation of interested parties, particularly naval powers among the major importers of Persian Gulf oil and the nations of the Gulf Cooperation Council;

(5) the President should seek the convening of a conference within ninety days of the exporters and importers of Persian Gulf oil to assess means for ensuring the free flow of oil, promoting freedom of navigation, deescalating tensions and hostilities, contributing to the search for a negotiated end to the Iran-Iraq war, and developing a long-term policy which advances the strategic interests of the West and of the states in the region;

(6) the proposed reflagging of Kuwaiti tankers should be placed in abeyance pending the outcome of the initiatives and other measures described in this section; and

(7) the United States should preserve its military flexibility in the Persian Gulf, and should not commit itself rigidly and exclusively to any narrow protection regime, such as convoying, for one country or one specific group of ships, and should explore further cooperative efforts, involving other naval powers and the regional states, to ensure the free transit of oil.

Mr. BYRD. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I move to postpone indefinitely the motion to recommit with instructions, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The minority leader, the Senator from Kansas.

Mr. DOLE. Mr. President, I understand the motion to postpone indefinitely is debatable.

The PRESIDING OFFICER. The leader is correct.

Mr. DOLE. Mr. President, if the motion to postpone indefinitely carries, it takes, of course, this reflagging amendment. There is still reflagging. We have a cloture vote tomorrow morning on the Bumpers-Hatfield reflagging amendment, and I assume then the repeal of the windfall profit tax could be offered again.

I do not know quite how to help the majority leader. But I think we are getting near the point if we are going to have a trade bill, we are going to have to all vote for some of these things and see if we cannot cooperate. We have about reached a point where I assume the majority leader is getting somewhat frustrated. You do not look frustrated, but I have a feeling you may be frustrated or near that point.

Would it be possible, if we get unanimous consent to have the cloture vote on the bill tomorrow and if cloture were invoked, that we would not be in on Friday? Would that be tempting?

Mr. BYRD. No, it would not, because we would not be finishing this bill. My previous statement still holds. If the Senate completes actions on this bill and the extension of the debt limit by the close of business tomorrow night, we will not be in on Friday. Otherwise, the vote on the cloture motion on this bill will occur Friday. And, at the rate we are going, I think we are going to have to offer more than one cloture motion to get that done.

Let me say that I think that the leadership on the other side is trying to help us get this bill finished. If reflagging were holding up the passage of this bill right at this minute, I would adopt the same tactics that I am adopting now. But reflagging is not holding up this bill. When it gets to the point where reflagging is holding up this bill, then I will be moving that aside, because I want to get this bill passed. We are not doing a thing.

I want every Member now who votes against postponing this motion to recommit indefinitely to remember what I am saying. The longer we delay the passage of this bill, the longer we delay getting out in August. And if that does not trouble us too much, the longer we delay getting out at the end of the session. Adjournment sine die will be later and later and later.

Now we all know that we are playing a game here right now. That is not to question the sincerity of those Senators who want to repeal the windfall profit tax. I do not question their sincerity. But on this bill, I question that that is the wisest course to follow on this bill.

So what I am doing, I am attempting to do to expedite action on this bill. As I say, I voted against my own amendment on the cigarette tax, which I say I may vote for one day, but not on this bill. So I hope that Members will vote to postpone this motion to recommit indefinitely so that we can get on with some of the other amendments. I would like to have a vote on cloture on this bill tomorrow. But that would not relieve us of the Friday session unless we can complete action on this bill tomorrow. And maybe we could complete action on it tomorrow.

Now, this motion is debatable, so I will yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I would like to remind Members how we got into this situation. The distinguished Senator from Oklahoma, with 17 cosponsors, tried to offer an amendment dealing with a commodity that composes 20 percent of the trade deficit of the United States of America. The distinguished Senator from Ohio objected to setting aside the reflagging amendment, something that we have done on dozens of amendments previously. In order not to delay the Senate—where any Senator who felt passionately about this amendment could stand up and say, "If the distinguished Senator from Ohio is not going to let us set aside the reflagging amendment to consider an amendment dealing with 20 percent of the trade deficit, then I am not going to let any other amendments be offered,"—we did not do that, Mr. President. Instead, we offered a motion to recommit with instructions to bring the bill and all of its amendments and all of the pending provisions back into the status quo with the Boren-Gramm amendment attached. The distinguished Senator from Ohio then moved to table that amendment and seven Members of the Senate voted against that motion.

Now, the same Senator from Ohio put plant closing provisions in this bill that I object to at least as strenuously as he objects to repealing the windfall profit tax. The Senate debated it. The distinguished Senator from Indiana offered an amendment. That amendment failed. At that point, this Senator did not jump up and offer the line-item veto or poison pill IV or any other amendment. We had voted. The position I believe in lost.

I viewed the plant closing provision as being antitrade, antijobs. Yet, the same people that offered those amendments that are antitrade and antijobs now deny us the ability to vote on an amendment that deals directly with 20 percent of the trade deficit.

It seems to me that while everybody has a right to do whatever they choose to do, there is a tremendous inequity and disparity as to how different subjects are being treated here. People can impose restrictions on the functioning of free enterprise and property rights, hurting the deficit, and we vote on it. They win. Nobody comes up and says this is a nongermane provision, it never should have been on here to begin with, therefore we are going to offer an amendment on line-item veto and move to postpone indefinitely.

We had a vote. One side won, one side lost. We went on.

We are frustrated, Mr. President, because an amendment has been offered that deals with 20 percent of the trade deficit and all we want to do is vote on it.

Instead we suddenly have all kinds of amendments on cigarette taxes and reflagging and then people talking about the bill being delayed.

Our amendment does not delay the bill. We are willing to vote on it. In fact, the Senate has already spoken very clearly on it. I do not understand why we cannot simply have an up or down vote on this provision and let the Senate work its will.

I also believe that while I understand the position of the distinguished majority leader and feel for his position, we are not going to save time by simply adding reflagging and then postponing indefinitely because any Member of the Senate tomorrow morning can rise and be recognized and can offer an amendment to repeal the windfall profit tax.

Out of the 18 or 19 cosponsors, I am certain that that will be done and we will be exactly back here where we are because dealing with 20 percent of the trade deficit in one amendment is relevant and obviously something of great significance.

It simply frustrates me that we cannot vote on something that is vitally important to the whole country, certainly important to my particular State, but I believe important, too, to every working person in America that is concerned about the trade issue.

People may disagree with my position, but they get to vote no. What I do not understand is this unwillingness to vote on an issue that is directly related to the trade issue. Trying to put that off over and over and over again, simply keeps us here and delays the date when we are going to finish this bill.

I intend to vote against this motion to postpone indefinitely. If that motion prevails, I intend, when and if I can get the floor again—unless some other cosponsor works out in advance to offer it—to offer repeal of the windfall profit tax again tomorrow. Then we will be right back where we are tonight on a relevant, trade-related amendment. We will find out then if someone wants to load it up with a bunch of amendments that are not relevant, that are not germane, so that we can postpone it again.

Simply stated, I think we will get to where we want to go quicker if we will go ahead and vote on this issue. Let the majority will prevail and then we can go on to another issue.

I think that that is a wise course to follow. I hope it can be followed and I yield the floor.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. I know our leader is trying to move this legislation along and I sympathize with his efforts. It has been a very difficult burden for him as he has tried to move not only this bill but many other bills through the legislative process and has found the forward motion very, very difficult. I think all of us sympathize with that task and with that responsibility which he is exercising and which is reflected in the motion which he has made. I understand why he has made it. But I would hope he would not indefinitely postpone consideration of this matter which, as has been said by the Senator from Texas, is a bipartisan proposal. There are 19 cosponsors of this proposal. Ten of them are from this side of the aisle. Nine of them are from the other side of the aisle. The Senate has voted 57 to 36 not to table this amendment which is a clear indication that the majority want to consider this amendment, want to have an opportunity to vote on this amendment.

We have had hearings on the repeal of the windfall profit tax in the Finance Committee. We have heard expert testimony on this proposal. This is not new. It has had an opportunity to be fully discussed in the committee. It has been a matter that has been before this body for some time. This issue is well understood.

It does have great bearing on the trade deficit, the imports of energy products, of oil in particular that contribute 20 percent to our total trade deficit. It is an area where we should take action. There is a simple way for us to move this bill along and yet have an opportunity to vote on this very important issue. That is simply to proceed, to have those who oppose it—simply allow an opportunity for the Senate to work its will—they would have an opportunity to vote against it, but to move at this time and just give us a chance to vote on this proposal.

At the very least if that does not happen I think some agreement should be attempted that would give an opportunity to those who feel very strongly about this issue. It is important to our country as a whole, I am convinced. It is important to our national security. It is important as a component of trade policy and of course it is extremely important to a whole region of the country that has been economically devastated for the past 3 or 4 years. If we cannot find a way to vote on this immediately tonight, which is my hope, I would hope at the very least we would have an opportunity to have a vehicle for allowing the Senate in a timely fashion to express its will on this matter so that we can move consideration of repeal of windfall profit tax to the other body.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, my State is one-fifth the size of the United States and it has but one operating oil rig working at this time, in terms of a wildcat operation. We believe that we have a chance to increase the total reserves of the United States substantially. But the windfall profit tax is still an impediment to the recovery of the oil industry, nationally and particularly in our State.

There is not much in this trade bill that I can vote for. As a matter of fact, I am rather committed to oppose the bill, but I have not been out here filibustering against it.

I do not see anything in the bill, as a matter of fact, that is consistent with what I believe in, in terms of free trade. But the majority leader said that there are games being played here and I would say to the Senate: If there is any lesson from the North syndrome that we better catch up with, it is that the people of this country are tired of politicians playing games.

I think the distinguished Senator from Texas has made quite a point.

A suggestion has been made here to increase the cigarette tax substantially, eightfold. That is playing games.

This concept of not allowing this amendment to come to a vote, that is playing games. It is time we faced up to letting the votes fall where they may.

I tell you, Mr. President, in my judgment, unless we realize the distinguished majority leader is right, that we have got to get on with the business of this country, we are going to be in real trouble institutionally. I think we are in trouble already and I, for one, believe that a vote that says it is time to repeal the windfall profit tax and make it part of this bill, when it passes by a vote of 57 Members in favor of it, ought not to be subject to games.

I hope we all start to think a little bit about getting on with the business of the country because, in my opinion, that is really what the people are telling us. They are watching these programs and responding to them. They are saying: Get on with the business of the country. And I think we ought to listen to the Senator from Texas in this matter.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER (Mr. LAUTENBERG). The majority leader.

Mr. BYRD. First of all, I suppose I am the one who said that we were playing games. I recall having said it, not once, not twice—perhaps three times. But I also said that I did not question the sincerity of any Member of this Senate who was offering an amendment or who supports an amendment to repeal the windfall profit tax.

It may be at some point that I would vote for such an amendment. I am not ruling that out, just as I did not rule out my support of an increase in the cigarette tax at some point. I may do it because we are going to have to raise some revenues.

I am not ruling out my support of repeal of the windfall profit tax at some point. But not here. This is not the bill. It will not be long until there will be some legislation that will be on this Senate floor that may have that item in it, or to which it would certainly be germane.

So I merely plead with my colleagues to get on with the work on this bill. Let us come to our senses. This is not the last day of time. There is a tomorrow and there is a day after tomorrow. There is another bill. There is another time. There is another opportunity to fight the windfall profit tax battle.

I hope that Senators will listen and will support me in my motion to postpone this motion to recommit. Let it carry with it for now the windfall profit tax. Let it carry with it for now the cigarette tax. Let it carry with it for now, the reflagging proposal.

There will be another day. There is always another vote. I have been here 29 years and I have seen many votes on the same subject matter. There will be another vote on this one. But let us stop fooling around with this bill on this item and get on with some of the other amendments.

Mr. President, I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I certainly will not speak very long but I did want to remind the Senate in addition to the arguments made by the distinguished Senator from Texas and the distinguished Senator from Oklahoma, as a matter of fact, Mr. President, I say to the distinguished majority leader, on a debt limit bill not too many months ago repeal of the windfall profit tax occurred by an affirmative vote of the U.S. Senate. It went to conference and did not survive. But those who opposed it did not take the position that we were not going to get it passed on that bill, but, rather, permitted an up-or-down vote. It was a very lengthy debate. I remember the distinguished Senator from Ohio was very opposed.

I did not hear all of his argument today. I assume there was a similar argument that day with reference to the windfall profit tax. I think with his same excellent attack on the oil industry that he has made today, I assume he made it then.

But the point is, he let the U.S. Senate vote on it. Frankly, Mr. President, I can guarantee you that in what is now 1,100 pages as my guesstimate of the bill that is left, even after we took out most of the governmental operations section, including everything we added. I am back up guessing about 1,100 pages, I do not think there is any doubt that repeal of the windfall profit tax is as relevant to the trade deficit and our economic future as 90 percent of the provisions that are in this bill. As deferential as I am to all the wonderful amendments that have been added—four of mine or five of mine and a couple from my good friend, fellow Senator from New Mexico—they are all great amendments but we put them on this bill. They were controversial and nobody said, "You are just not going to put that on this bill because we are not going to let you vote on it".

I think that is really the point that is trying to be made here tonight. It is not playing games. It is no more playing games than 30, 40, 50, or 60 of the amendments that are in this bill. Forgive me, I have looked at some of that which was reported out of committees and I will even be bold enough to say that it is no more irrelevant to competition and trade than 70 or 80 percent of the language reported out by the respective committees. It is just as relevant.

I note that my good friend from New Jersey, who comes down here and more times than not wins—he is having a mild losing streak lately—I think even he would understand that when you do not change a windfall profit tax base for as many years as we have left that base intact, and the cost of producing oil has not even been looked at in terms of how has that changed with reference to what even those who favor a windfall tax feel is required, not this Senator, clearly it is no longer relevant. We were talking about the cost of producing oil in those days, a much different cost than today, and that has not even been adjusted.

Is there any argument to the fact that we ought not take 70 percent of the price over $21 a barrel for much of the production and put it in the coffers of the Federal Government instead of back in the field?

I am positive that even the Senator from New Jersey, who does not want us to vote on this, knows that that is no energy policy for the future. At least some substantial changes in that law ought to occur. They are never going to occur if we insist that on every bill, because somebody does not want it to happen, they are going to hold it up and not let the Senate work its will.

I think that is really the point. Is this any more unreasonable a request, that we just get a chance to vote, to take it to conference? You have to go out this door and you have to meet with the House. You have a trade bill that is 1,100 pages long, that will not be signed unless changed. Is it too much to accommodate the overwhelming majority of the Senators and say, "Let us vote on it here"? It seems to me that is the only issue.

Mr. METZENBAUM. Will the Senator yield for a question?

Mr. DOMENICI. I will not only yield but I yield the floor.

Mr. METZENBAUM. Just for a question. In your remarks did you not indicate that there were no changes in the windfall profits as far as price is concerned, and is it not a fact that there is an escalator that takes up the price and has taken it up for the last 8 years?

Mr. DOMENICI. There is an escalation in it, I say to my friend. That had to do with the contemplated escalation in the price of oil.

I am talking about the contemplated base of the cost of producing oil. They are not going at the same rate. They have changed dramatically from what we thought, how much it costs to produce oil.

I showed the Senate, and I do not want to bore them again, that there is no more direct relationship in the production of oil in the United States and investment in production—there is nothing, not one, not one single thing that is more relevant—than price. As the price changes upward, the amount of billions invested in holes in the ground to produce oil is directly related. When it dropped precipitously to $9, it turned right around the other way and down comes the investment.

I ask the U.S. Senate, when we are going up and up in dependence if we ought not seriously consider that when the price starts to go back up who should get the money so that we put some more money in the ground?

We are saying, for much of the oil above $21, 70 percent of that money goes to the Federal Treasury. I submit to you none of that in that absolute graph that I showed you, just as clear as it can be. Up goes the red line of investment in the ground right up along with the black line of price; down comes the black line of price and down comes the investment. Where will we do more good? To take the 70 percent and put it in the Government coffers or to put it into the ground?

It just seems to me that at least you ought to start over. You ought to wipe this one off the books and if you are interested in a windfall profit tax in a new world, then look at it. But it is a new world, a total new energy world.

I yield the floor.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, just a few facts. Last year the windfall profit tax raised zero, no revenue. The windfall profit tax addresses old oil and new oil. There are a few other complicated categories, but those are the two major categories. You have to get to $19 a barrel on old oil before you are subject to the windfall profit tax. The present price of oil is about $18.50 a barrel. The windfall profit tax would apply only to the difference between $19 and the market price.

On new exploration, new oil, when windfall profit tax was passed, new oil was given a much higher base. You have to get to $27.50 a barrel price before you trigger the windfall profit tax on new oil. The windfall profit tax applies only to the difference between $27.50 and whatever the market is for new oil.

I think it stretches the point a little bit to say that what we do on a windfall profit tax, even though it has raised no revenue, even though it touches not a whole lot of the oil, is going to make any difference in the next 3 years. So, Mr. President, I have debated this for a number of years and maybe the windfall profit tax has lost some of its usefulness. With the ingenuity of the proponents of this amendment, however, I do not doubt that they will find another vehicle, so I think that supporting the majority leader's amendment to postpone consideration of this amendment indefinitely will not set back the cause of the windfall profit repeal advocates. I have great confidence in their ingenuity, that they will yet again bring the issue before the Senate, and then we can have the debate with windfall profit tax repeal.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I do not wish to get into all the merits and demerits of the windfall profit tax. However, after hearing so many comments from my friends on the other side about letting the Senate work its will and not holding up the Senate, I am reminded that we have a bill that has been set aside now called S. 2, the campaign finance reform bill which, if I am not mistaken, has received at least 55 votes on cloture—not enough but at least 55, a majority of the Senate. I would ask why we cannot let the Senate work its will on that bill. So I would just hope that my friends on the other side, who are at this late hour making some rather injudicious statements about letting the Senate work its will, remember that statements made at this hour may come back to bite them in the not too distant future.

Mr. McCLURE. Mr. President, I am sorry that I have not been able to be on the floor during the debate on this matter during the day, but those of us who have duty of serving on the Select Committee are somewhat distracted from the normal pursuit of duties on the floor on issues of this kind.

I have been waiting a long time for the opportunity to vote on the floor of the Senate for a repeal of the windfall profit tax, a measure which was faulty when it was enacted, was wrong and counterproductive throughout its entire life, and ought to be removed at the earliest possible time. We have never been able to get it here in the clean manner that somebody is suggesting now we should.

As former chairman of the Energy and Natural Resources Committee, we tried to put together a package of which this would be one element, and we failed in the committee to get agreement on that package. We are going to make other attempts—and I am certain that the Senator from New Jersey knows we will make other attempts—to get this matter to the floor if not resolved on this bill. That would have a great deal of appeal to me if it were not for two facts. One, it has been a long time until we got it here. We eventually did it by this strategem on this bill at this time, tardy as it is in my estimation. Second, I would be more persuaded if I really believed that the opponents of the windfall profit tax would not do precisely the same thing the next time we bring it up. In my judgment, if there is one thing that is wrong with what we are trying to do it is that we are trying to take a fundamental issue that has been around for a long time and push its resolution off to some other time at some other place on some other bill. It has been too long reaching this point. The Senator from New Jersey has said, and quite correctly, there are two major classes of oil, and as a matter of fact, under the provisions of the windfall profit tax, the tax levied and collected last year was zero. I think the implication from that is it did not affect anything.

Nothing could be further from the truth. And if that was the implication, let us lay that to rest immediately because the presence of a windfall profit tax on the books affects investment judgment. If there is one thing we need today, it is increased production of oil in the United States. In order to get that, you have to have increased investment in oil production. You are not going to increase production in this country as long as you slow or stifle investment in exploration and development of new wells. You cannot get that kind of stimulus as long as you have on the books the law that says, "If you guess right and you invest your money and the price of oil goes up, the Government gets the windfall."

That is precisely what the message is now. There could be nothing more counterproductive than the current law and it ought to be changed.

Mr. BOREN. Mr. President, I think this is a matter that should be clarified. I felt, listening to the Senator from New Jersey, that he felt the definition of new oil was such that it would really apply to most drilling that is ongoing. In other words, there is no danger that drilling would be discouraged as we are at borderline levels as far as the windfall profit tax is concerned on old oil because all results from new drilling would be treated as new oil.

That simply is not the case. Much of the drilling that is going on in the country right now is what we call infield development drilling. It means you are going into a reservoir that has already been proved and continuing to develop it. About 80 percent of the operating drilling rigs in my State are doing what we would call development drilling. Now, when you get close to the borderlines, even though the tax is not collected, you discourage going forward with that kind of drilling because there is the possibility that the tax might trigger at some future date, especially in an industry which has been devastated, which has almost no financial resources remaining, at least as far as the small independent producers are concerned. So we are talking about a rig count that has a very direct bearing on where the rig count is going. The rig count is down from 4,500 to approximately 800 at the current time. The rigs are stacked. They are deteriorating. The number of students going into petroleum-related fields of study at our universities across the country has gone from 7,000 to 3,000. Eighty percent of the supply and service industry—and I repeat that figure, 80 percent—has closed its doors. I could drive you around my State and show you building after building that used to be occupied by supply and service companies which are simply no longer there, with the grass growing up in the front driveway. Eighty percent are closed and gone.

Now, if we allow this to go on much longer, we are going to be dismantling the domestic energy industry, particularly the independent sector. It would be a tragic mistake for our country. This signal from the Congress is badly needed at this time. Repeal of the windfall profit tax is badly needed. I hope that we will have an opportunity for the Senate to work its will, and I hope we will have an opportunity, which I agree is long overdue, to do something about this particular problem.

This is a proposal that should be implemented. This is an amendment that should be passed not only in the Senate but all the way through the legislative process and placed on the President's desk. There is a desperate need for it. This Senator is exceedingly encouraged by the fact that a majority of the Members of this Senate tonight have gone on record in demonstrating their understanding of the problem we face. Let us not do something which would further discourage drilling and let us clearly understand that developmental drilling, which is extremely important in keeping this meager rig count that we have up to some reasonable level, is definitely impacted by what we decide to do about repeal of the windfall profit tax.

Mr. STEVENS. Mr. President, I do not want to prolong this too much, but the Senator from New Jersey does stimulate my thinking a little bit. We have been producing oil in Alaska and sending it to the south 48 at a loss because the pipeline is so big and it has so much fixed investment that it is just not easy to stop when the oil price gets down so low. Now the price is coming back. But if the windfall profit tax stays on, there is no way to recoup those losses.

Maintaining the windfull profit tax will not stimulate investment in the areas that have a possibility of increasing our reserve. We have the lowest oil reserve now in the history of the United States, since we started the oil era. The oil is so low that we are buying oil and putting it in salt domes to try to prepare for the emergency that might come. And as the Senator from Idaho says, it will come if things keep up. You know what the man said: Things might get worse, and they do get worse.

I say to the Senator from New Jersey that at the time the Senator voted the windfall profit tax, which I opposed then and still oppose—what was the aid to the farm industry at that time? About $4 or $5 billion a year. How much is it now?

Mr. DOMENICI. Twenty-six.

Mr. STEVENS. Almost $30 billion now. The whole economy is changed, but not this windfall profit tax, so far as the oil industry is concerned.

I was reading reports today from my State that in one city there are 200 to 300 home loans being foreclosed a month. Put that in New Jersey terms and you are talking about 20,000 a month. I am willing to bet there are more oil industry foreclosures in the United States that have gone on in the last year than have gone on in the whole period of the farm problem.

The U.S. oil industry is in bad shape, and this windfall profit tax is the symbol that it is not going to get any better. There is not going to be a recovery. There is not going to be money coming back to the industry to replace these losses and go into more exploration. It is regressive legislation. It was when it was conceived and it still is now.

I do not know how it is going to happen, but, with due respect to my great friend from West Virginia, I say that this is the time, now, to put this amendment on this bill, because it will do some good now. It will do some good. It will make some money available to invest in exploration, to start developing domestic production; and the time will come when you will pray that we had it.

If everything continues as we have heard about the Persian Gulf and the great crisis that exists over there—not one, but several crises exist, in my opinion—we will need every drop of oil we can produce.

The windfall profit tax is a disincentive to producing oil in the United States and it should be eliminated now.

Mr. NICKLES. Mr. President, we have debated this windfall profit tax amendment, and it is not my purpose to rehash the debate that has already been made.

We have heard from the majority leader and others that this is not the right vehicle. I offered an amendment last year on the debt limit bill, and some people said it was not the right vehicle. Fortunately, last year a majority of the Senate passed it. Unfortunately, it did not pass in conference. That may well be the case tonight.

I discussed with the Senator from Texas and my colleague from Oklahoma whether or not this was the right vehicle. I question whether or not it is. I happen to be fairly confident that the President will veto this bill. I do not think this trade bill we have been spending weeks on, despite the valiant efforts of countless Senators and 1,100 pages, is going to become law. So maybe a lot of our actions are in vain. But the persistence will prevail. We will continue working to repeal the windfall profit tax because it is right to do so.

It makes no sense, if the price of oil goes up another dollar, for the Federal Government to get 70 percent of it, and that is on the books today.

People talk about oil. I am sitting here reading my clips, and I have one that says: "Economic study shows Oklahoma still plagued by oil price decline." Another one: "Oil problems hurting national economy."

So these problems are continuing.

The Senator from Ohio is not here at this time. He did not get his way on one amendment. It so happens that this Senator did not get his way on the plant closing amendment. I am vigorously opposed to that, but 60 Senators voted in favor of it, so it is part of this package. There are a lot of things I disagree with, and I would imagine a majority of Senators have some provisions in this bill they do not particularly like. Since it is 10:35 p.m. and we have had three rollcall votes in which 57 Senators spoke in favor of this amendment, I think it is timely. It is pertinent. I believe it is relevant.

The Senator said that oil is now 20 percent of the trade deficit. It is closer to 30 percent. We are importing about 2.1 billion barrels of oil per year. The price of oil now is about $19. That is $40 billion. So a major part of our problem is coming from oil, and that is cheaper oil. Those prices can increase, and I guess they will be much higher in the future. I think this is timely. The Senate has spoken, and I hope we will adopt this amendment and not continue to waste the Senate's time.

Mr. MURKOWSKI. Mr. President, I am not going to repeat a good deal of what has been said here, but I think it should be evident to all of us that the oil industry is probably the most sophisticated industry in this country. They understand the basic economic philosophy of return on investment, and it certainly is evident by the activity to date—the number of drill rigs that are active in this country and the exploration that is taking place—that the incentive simply is not there.

It is an obligation of the Congress of the United States to address the reality associated with that fact. Obviously, the windfall profit repeal will be a substantial addition to the incentive necessary that will cause the industry to go out and spend dollars because the return potentially is there.

We are all aware of the reality between investment and risk. But make no mistake about it: This industry will do other things with their available cash reserves unless the incentive is there.

We go back to some of the factual figures that have been presented before this body. Certainly, one of the reasons why the industry does not have the revenue to explore for new reserves has been the windfall profit tax. The figures I have for 1980 to 1986 indicate that the oil industry has paid some $68 billion in windfall profit tax. The oil industry's historical reinvestment pattern has averaged in excess of 70 percent. So it is safe to assume that the additional $48 billion would have and could have been invested in exploration and development in the U.S. oil and energy reserves if we had not had the windfall profit tax. You get right down to the simple economics that the incentive has to be there.

I think a number of my colleagues who have addressed the issue this evening and in other debates before this body recognize the significance of the decline of the domestic oil industry. We are using up our reserves faster than we are finding new reserves. This is a fact. We are not doing anything about encouraging the incentive necessary for the reinvestment.

Mr. President, this is something we can do, something we can do now. I think it is appropriate that we take advantage not only of the opportunity presented to us but also the obligation that we have, and the time is now.

Mr. President, I support this amendment and believe the entire Senate should support it.

Just last month, the people of Alaska celebrated the 10th anniversary of the Trans-Alaska pipeline [TAPS]. During the 10 years that TAPS has been in operation, the oilfields of Alaska have supplied over 5 billion barrels of crude oil to the consumers of this Nation. This is a very significant quantity of oil and it is something to celebrate and be proud of.

Along with the celebration, Mr. President, there was a note of sobriety. That sobering thought concerned the fact that Prudhoe Bay crude oil production will soon be declining. Once that decline begins, it will continue unless new oil reserves are discovered. And, it should come as no surprise to the Members of this body that we are not discovering new oil reserves sufficient to offset the decline in production from the North Slope.

Why are we not discovering new oil reserves, Mr. President? Because we are not exploring for those reserves? Why are we not exploring for those reserves? Because that takes money, Mr. President. Lots of money. Money that the oil industry does not have.

One of the reasons why the industry does not have the revenue to explore for significant new reserves is the windfall profits tax. From 1980 to 1986, the oil industry paid some $68 billion in windfall profits tax. The oil industry's historical reinvestment pattern has averaged in excess of 70 percent. It is safe to assume then, Mr. President, that an additional $48 billion would have been invested in exploration and development of U.S. oil and energy reserves if we had not had the windfall profits tax.

A recent study indicates that an additional investment of $48 billion would have added an 4 billion barrels of crude oil to our proven reserves. In addition, it would have increased U.S. domestic production by approximately 800,000 barrels per day. 800,000 barrels per day, Mr. President, is equal to the amount of domestic production we lost last year and is equal to the 75 percent of the volume of petroleum products that we receive from Arab OPEC States.

Mr. President, 2 weeks ago we debated and voted on an amendment that was designed to ensure the energy security of this country. That amendment was opposed by the Senators from Ohio and New Jersey and some of the other Members who also oppose this amendment. I have to ask these Members: What do they propose to do about energy security?

Every time the Senate considers a proposal to provide for a more secure energy supply, these Senators rise in opposition. I submit Mr. President, that there comes a time when mere opposition is not enough. These Members have an obligation to offer constructive solutions to our energy problems. If they cannot support any of the solutions offered by the Members from energy producing States, then they should present a few of their own.

I urge my colleagues to support repeal of the windfall profits tax.

Mr. BENTSEN. Mr. President, repealing the windfall profit tax in one matter that this Senator worked on for a long time. Frankly, I was thinking about trying to include it in the reconciliation bill. I thought that would be an appropriate vehicle.

But as the debate has progressed on this trade bill, I have seen other amendments added, amendments that I did not think were as relevant to trade as the windfall profit tax is. Consider that our country has had as little as a 27-percent dependence on foreign oil in the last 5 years, but that now our dependence is up to 36 percent and has reached 40 percent in some months. I have listened to Dr. Fisher, who is a very renowned scientist at the University of Texas, a distinguished and able man who says our dependence will go to 50 percent within 2 or 3 years. That is where we are headed.

I have listened to the plant closing issue being debated. I heard the serious and emotional arguments of Members who did not think it was relevant to this bill. But nevertheless the time was worked out and the vote was taken and the matter was dealt with. The will of the majority prevailed.

We burned up a lot of time on this windfall profit tax amendment, but the Senate has spoken and we ought to be able to put the amendment into the legislation.

What I get deeply concerned about and what I do not understand is why the oil industry is supposed to have a penalty tax placed on it. Tell me what the difference is between oil and steel or oil and other commodities that are traded internationally. Why pick this one out?

Oh, I understand. I understand the profits that were being made back in 1979, but this is a different era and a different situation. We have an industry that is in deep and serious trouble. Over 80 percent of the drilling rigs in this country stacked. Fly up and down the Gulf Coast, look in those coves and see the offshore rigs stacked, millions and millions of dollars rusting away.

Look at the number of young people trying to get a degree in geology and petroleum engineering; look at the enormous cut in enrollment. You do not turn that around overnight.

There is a national security reason to have a stable oil industry in this country.

You have seen the oil price in the last 2 years go as low as $10, far below lifting costs in this country for new wells. That is one of the reasons the banks do not want to loan money to drill; they see the volatile prices, and then if a driller happens to time it right and the price does happen to go up, the Government is going to take 70 percent of the increase in the price above $19 away. The driller is risking millions and millions of dollars trying to bring a well in, a high-risk business.

That is what you are up against and that is why it is difficult to get people to go into that business now and that is why it is almost impossible to raise the necessary capital.

The automobile industry operates on quotas now, protection, from the Japanese producers by an agreement. Cars are traded internationally. The automobile industry is making a lot of money these days. I do not hear anybody saying let us put a windfall profit tax on that industry. They have made enormous capital investments to modernize and to bring out better automobiles, and they are beginning to make some headway on it. We need that kind of a capital investment in the oil industry if we are going to have a stable industry in this country.

But there is another thing that concerns me on the issue. When we talk about this it is viewed up here as regional. You are from a producing State or you are not from a producing State.

It is not that simple. We are all in this one together. In my own State, a lot of people thought they were not in the oil business. Today my State is suffering severe economic problems and dislocations and they found out they were all in the oil business. Whether they are running a cleaning shop or a restaurant or a hotel, they are part of the economy of that State and, I say to my friends, we are all part of the economy of our country. We are not segregated and apart. What happens in those energy producing States spills over. We need stability and capital investment in our industry.

The Senate has spoken at least once today in support of repealing the windfall profit tax. Let the action be carried through; let the majority will prevail. Yes, I think it will be on this floor another time if it does not succeed on this bill, and I will surely be bringing it up in the Finance Committee on reconciliation. But we have been through the fight today, and the same forces will be out the next time whether it is this bill or reconciliation or one of many others.

So I urge this body to go ahead and let the will of the majority prevail and let us repeal this tax.

The **PRESIDING OFFICER**. The Senator from Idaho.

Mr. **McCLURE**. Mr. President, I apologize for taking this floor the second time this evening on this subject but the Senator from Texas reminded me of something I had intended to say which perhaps has been obvious and perhaps is obvious to many. The distinguished Senator from Texas has made reference to the fact that there is criticism of some because they come from producing States. The Senator from Idaho does not come from a producing State, although we would like to be a producing State, and there have been some dry holes poked into the overthrust belt in my State, and so far they have produced neither oil nor gas. But my concern does not lie for the welfare of my State in the sense of an oil industry domiciled in my State. Nor do I believe that that is the sole motive of those who come from producing States who have spoken this evening.

They have spoken certainly because they have an interest in their own States but they also have a credibility because they know the industry about which they are speaking and they know full well that that industry will not recover and will not make the contributions to our Nation's security that it might with the presence of a windfall profit tax that in effect says if prices go down, that comes out of the industry, and if prices go up, the Government gets the benefit.

Let us take the analogy the Senator from Texas used about the auto industry. Let us take the time when the auto industry was at its worst crisis in this country. Under the flood of imports the auto industry was reeling and the economy of a dozen or more States was very directly affected adversely and dramatically.

Let us stop and think what would have happened to the auto industry if at that point, instead of negotiating a quota on imports as we did, we had slapped a windfall profit tax on them that said if you recover we get all the increase in your profits or 70 percent of it.

Let us stop and think for a moment whether or not the investment that was made in plant modernization and to turn out new lines of automobiles would improve quality control to do all the things that the auto industry did to reform itself, regenerate itself, which required the investment of hundreds of millions of dollars to accomplish. Let us ask ourselves right now how much of that investment would have been made if the people who had to make the investment knew that if the price of automobiles went down the industry would eat the loss and that if the price of automobiles went up the Government would get 70 percent of the profits.

I think, Mr. President, the question answers itself.

Yet that is precisely what we have asked the oil industry to labor under during this period of very great economic distress for them.

Mr. President, as I said a moment ago, the Senator from Idaho does not come from a producting State, but I was very pleased in a recent visit in my State when a farmer said to me, "Senator, you've got to do something to help the oil industry."

And that is the last place I would look for it, because if the price went up, he is going to pay more for his oil and gas and grease supplies and all the things that he as a consumer must buy to be a farm producer. But he was concerned about this country and about his ability to continue to farm with a stable, predictable supply of oil and diesel and grease supplies that he must have. And he knew that unless the oil industry was profitable enough to provide those to him, there would not be as predictable and dependable supply of something that was essential to him.

So it is not just a producer State concern about the profits of that industry directly that motivates any one of who has tonight spoken in favor of the repeal of the windfall profit tax. The windfall profit tax is wrong as a matter of policy. It is bad tax policy. It is textbook bad with respect to economic policy. You cannot write a more perverse policy if you tried.

So I am amazed when people of intelligence and concern for this country stand up on the floor of this Senate and try to obstruct the Senate from taking the action which they must deep down in their own minds know is the only plausible economic policy for our country. I say it is time for us to get on with doing what we should have done long ago, reversing a mistake that was made by the Congress at a time of prior stress, at a time when we have no stress now.

Thank you, Mr. President.

Mr. **GRAMM** addressed the Chair.

The **PRESIDING OFFICER**. The Senator from Texas.

Mr. **GRAMM**. Mr. President, let me review where we are and then I will make a motion. We have an underlying motion to recommit with instructions to repeal the windfall profit tax. We have a Bradley amendment to that. We have a Byrd amendment to that. And then we have a Byrd motion on top of that.

Mr. President, I move to table the Bradley amendment.

The PRESIDING OFFICER. The question is on the motion.

Mr. GRAMM. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. BRADLEY. Point of order. Does the motion to table the underlying amendment take precedence over the motion to postpone?

The PRESIDING OFFICER. That is correct.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the Bradley amendment. The question is not debatable. The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. PELL], and the Senator from Illinois [Mr. SIMON], are necessarily absent.

I also announce that the Senator from Arkansas [Mr. PRYOR] is absent because of death in family.

I further announce that, if present and voting, the Senator from Rhode Island [Mr. PELL] would vote "nay."

Mr. SIMPSON. I announce that the Senator from New Hampshire [Mr. RUDMAN] is necessarily absent.

The PRESIDING OFFICER (Mr. BREAUX). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 75, nays 19, as follows:

[Rollcall Vote No. 195 Leg.]

YEAS—75

Adams
Armstrong
Baucus
Bentsen
Bingaman
Bond
Boren
Boschwitz
Breaux
Bumpers
Burdick
Byrd
Chiles
Cochran
Cohen
Conrad
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Graham
Gramm
Grassley
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kerry
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Mikulski
Mitchell
Murkowski
Nickles
Nunn
Pressler
Proxmire
Quayle
Roth
Sanford
Sarbanes
Sasser
Shelby
Simpson
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson
Wirth

NAYS—19

Bradley
Chafee
Cranston
Garn
Glenn
Harkin
Hatch
Hatfield
Kennedy
Lautenberg
Leahy
Metzenbaum
Moynihan
Packwood
Reid
Riegle
Rockefeller
Specter
Weicker

NOT VOTING—6

Biden
Gore
Pell
Pryor
Rudman
Simon

So the motion to lay on the table amendment No. 505 was agreed to.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, I voted for the motion to table.

Mr. LEAHY. Mr. President, may we have order please.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, I voted for the motion to table. It is obvious we are not going to get any work done on this bill tonight.

MAKING COUNTERVAILING DUTY LAW APPLICABLE TO NONMARKET ECONOMIES

Mr. ROCKEFELLER. Mr. President, I rise to join Senator GLENN in urging the Senate conferees to accept the House trade bill provision to make countervailing duty law applicable to nonmarket economies. The Commerce Department contends that, because of the nature of these economies, they can neither identify nor measure subsidies. This view was upheld in a recent court case, as Senator GLENN just described. I believe that the court's interpretation was wrong.

If we look at the legislative history, there was never an intention to exclude nonmarket economies from the countervailing duty laws. Why should we hold nonmarket economies to a lesser standard than we hold Japan, West Germany, or Mexico? Why should we tell nonmarket economies that they don't have to play by the rules we have set up to prevent our industries from being unfairly damaged?

I agree with the Commerce Department that it is often impossible to find a subsidy in a nonmarket economy. But this is not always true, and Senator GLENN has provided us with several good examples where it is not. There can be clear export subsidies that are both identifiable and measurable.

This provision does not attempt to impose an impossible burden on the Commerce Department. It only applies countervailing duty law where the Commerce Department can reasonably identify and determine the amount of a subsidy in a nonmarket economy. This is a highly technical area of our trade law, and this provision leaves the decision as to whether a subsidy is identifiable and measurable up to the experts in the Commerce Department.

I do not believe that it is unreasonable to ask the Commerce Department to make a good-faith effort to investigate when an American industry believes it is being unfairly injured by a subsidy. If the Commerce Department cannot measure the subsidy, then there would be no finding.

I can find no good reason why a country, because it has a nonmarket economy, should have its unfair trade practices excluded from our laws. I urge approval of this provision.

Mr. SPECTER. Mr. President, today as the Senate considers extensive revisions of our trade laws, I urge my colleagues to support two vital provisions in H.R. 3, the omnibus trade bill, which passed the House of Representatives on April 30, 1987.

Specifically, section 166 of H.R. 3 modifies the private right of action provision of the Antidumping Act of 1916, which has been ineffective because of its insurmountable burdens of proof. This statute currently permits companies injured by dumped imports to recover damages only if they can prove that there were common and systematic importations of dumped goods with substantial price discrimination and that the defendant intended to destroy or injure a U.S. industry by these imports. H.R. 3 modifies this provision by establishing a rebuttable presumption of "intent to injure" when there are three affirmative findings of dumping by a foreign manufacturer of products in the same product category. If a plaintiff takes advantage of this rebuttable presumption, however, the treble damages provided in existing law are reduced to single damages.

In addition, section 167 of H.R. 3 contains provisions which would permit U.S. companies to receive compensation for the economic injury caused by dumped imports if they can prove, to the satisfaction of the Department of Commerce and the International Trade Commission, that dumped imports have caused material injury to their industries. The ITC would establish procedures to evaluate the damage claims of individual manufacturers, and the moneys to "make whole" these domestic firms would come from the dumping duties collected after the issuance of a dumping order.

Mr. President, I have long been an avid supporter of an effective private right of action to enforce the dumping laws. It has been my view that domestic companies that have been injured by unfair trade practices should be compensated for their losses. In addition, a viable damages remedy would provide an effective deterrent to foreign producers who contemplate such activity and thus hopefully obviate the need for actual litigation.

My legislative proposal, the Unfair Foreign Competition Act, would give American industries direct access to the Federal courts to halt promptly the injurious import of products which are dumped, subsidized, or in violation of our customs laws, and to recover monetary damages for such abuses. I introduced the Unfair Foreign Competition Act as S. 2167 in the 97th Congress, S. 418 in the 98th Congress, S. 236 and S. 1655 in the 99th Congress, and S. 361 and S. 1396 in the 100th Congress. I also introduced S. 1104 on April 28, 1987, which would amend the Antidumping Act of 1916 to enhance the act's private right of action provision by changing the "intent to injure" standard to a knowledge requirement—a claim would be established by showing that the defendant knew or had reason to know he was engaged in substantial dumping.

Although Senate action has not yet resulted in passage of this much-needed legislation, the problem remains: U.S. companies and their workers continue to suffer injury because current law provides neither compensation nor deterrence. The seriousness of the problem was fully developed during extensive hearings. Witnesses testifying in support of this legislation included representatives of the steel, textile, and apparel industries, unions, mayors, county commissioners, and international trade lawyers.

During the hearings, witnesses testified that the bill's damages provision for injury from illegal imports would provide a more effective deterrent than current law, would provide retroactive relief to fill the gap under existing law which imposes duties on only future imports, and would provide compensation directly to the injured American industries. International trade lawyers also testified during the hearings that the provision of damages for injury sustained from illegal dumped or subsidized imports or customs fraud violations would be consistent with the General Agreement on Tariffs and Trade [GATT].

The current regulatory scheme rarely imposes retroactive duties; it merely restricts future dumping. The availability under this bill of damages to U.S. companies, if dumping and injury are ultimately found to have occurred, will remove the illegally obtained profits from, and increase the cost of dumping for, importers and foreign exporters and producers. Foreign enterprises, like any domestic company, would be held responsible for the economic consequences of their anticompetitive actions.

Given that the problem remains, I urge my colleagues to support these crucial provisions contained in H.R. 3. While I have taken a different approach in the past to resolving the problems in this area of law, I do believe that the amendments contained in H.R. 3 will improve existing law and help redress the wrongs suffered by American companies from unfair foreign competition. I therefore urge the Senate conferees on the omnibus trade bill to recede to the House's multiple offender/damages remedy as contained in sections 166 and 167 of H.R. 3.

PROVISION TO MAKE THE COUNTERVAILING DUTY LAW APPLICABLE TO NONMARKET ECONOMY COUNTRIES

Mr. GLENN. Mr. President, I rise to express my support for section 157 of the House trade bill and to urge the Senate conferees to accept the House provision in conference. This provision is similar to a bill I have introduced, S. 770, and ensures that the countervailing duty law applies to all countries, including those with nonmarket economies—also known as State-controlled economies.

This provision is necessary to reverse the recent U.S. Court of Appeals decision in Georgetown Steel versus United States, which ruled that our subsidy law does not apply to nonmarket economy countries. I believe this decision was wrong, and misinterpreted Congress' legislative intent. Until we clarify the law by enacting this provision, our countervailing duty statute is totally ineffective in combating unfairly subsidized imports from nonmarket economy countries.

This provision simply provides that the countervailing duty law shall apply to any nonmarket economy country to the extent that a subsidy can reasonably be identified and measured by the administering authority. This section does not ask our Government's trade administrators to do the impossible—that's why this provision recognizes that there may be some subsidies that are difficult to identify and measure in a nonmarket economy. However, some subsidies—such as export subsidies employed by Poland and Czechoslovakia in the Georgetown Steel case—are easy to identify and measure, and should be "countervailable." In fact, the two export incentives employed by the Polish and Czech Governments in that case are specifically identified as export subsidies in the GATT Subsidies Code and in U.S. law. Under the House provision, the administering authority would be required to make a good-faith effort in every countervailing duty investigation to determine whether a subsidy can be identified and measured. This is a reasonable approach.

Let me briefly review the history of this issue for the benefit of my colleagues. The Georgetown Steel case originated from two countervailing duty petitions filed on behalf of domestic producers of carbon steel wire rod. The petitions alleged that rod imported into the United States from Czechoslovakia and Poland was subsidized and therefore subject to countervailing duties under U.S. law.

The Department of Commerce denied the petitions on the ground that the countervailing duty law was inapplicable to nonmarket economy countries. The case was appealed to the Court of International Trade, which reversed the Department of Commerce position and held that the law does apply to nonmarket economy countries (Continental Steel Corp. versus United States). The Department of Commerce then appealed to the U.S. Court of Appeals for the Federal Circuit, which upheld the Department's position that the law does not apply to nonmarket economy countries (Georgetown Steel Corp. versus United States).

The court of appeals decision is the current state of the law. Therefore, all pending countervailing duty cases brought against nonmarket economy countries have been dismissed and no more may be filed. Alternative trade remedies to address the nonmarket economy import problem are inadequate.

Throughout the Georgetown Steel case, the Department claimed that subsidies, by definition, must be actions that distort market processes and thus could not occur, or be identified in nonmarket economies. Second, the Department claimed that congressional intent was to exclude nonmarket economies from the subsidy law. This is the reasoning that was validated by the court of appeals.

I believe the court of appeals decision is wrong and should be corrected by enactment of the House provision for the following reasons:

First, the statutory language of the countervailing duty law clearly applies to all countries, including those with nonmarket economies. In fact, it would be difficult to conceive of statutory language which would be more comprehensive. On its face, the law shows an intention to cover all possible variations of the acts sought to be countervailable. The language is indifferent to the type of economy involved. The law uses 10 exhaustive alternatives to describe the possible giver of the subsidy. In short, the law applies to all countries and describes subsidies in the broadest possible terms.

Second, the court's reasoning that bounties or grants by definition require a market economy is simply wrong. Subsidies are subsidies whether they are bestowed in market or nonmarket economies and should be countervailed to the extent they can be calculated in either type of economy. For example, export subsidies considered by the court in the Georgetown Steel case included income tax exemptions for export earnings and currency retention accounts that give exporters a bonus for hard currency earnings. Each of these practices is identified as an export subsidy in the GATT Subsidies Code, which the United States adopted in 1979. These were, in fact, special subsidies that neither the Polish nor Czech Governments gave to other, similarly situated, companies.

Third, subsidies, particularly export subsidies, in nonmarket economies can be measured. Enterprises in nonmarket economies pay income taxes and if taxes are reduced because of export earnings, the difference in taxes paid and what would have been paid without the exemption is easily measured. These tax savings increase the funds available for management and employee bonuses and thus are a very real incentive to export. It is also clear that currency retention accounts give export enterprises access to hard currency without going through the expense of borrowing such funds from the central bank. These and similar subsidies are no different in purpose or effect than the benefits that are available under comparable programs in a host of countries throughout the world. On the other hand, if a nonmarket economy program, particularly a domestic program, cannot be identified or measured, then it simply would not be countervailed under this provision.

Fourth, it is unwise to exempt nonmarket economy countries from the countervailing duty law at the very time that we are encouraging countries to eliminate subsidies and other unfair trade practices. The GATT Subsidies Code, incorporated as part of U.S. law, defines the programs used by Poland and Czechoslovakia in the wire rod cases as export subsidies that the United States and other signatories have pledged not to use. By exempting such programs when used by nonmarket economies, the Department of Commerce, with the concurrence of the court, has made it all the more likely that the use of GATT-prohibited export subsidies will increase in those countries. In fact, Poland participated in the drafting of the GATT Subsidies Code along with several other nonmarket economy countries. No nonmarket economy countries have signed the Code, and of course, they are not likely to sign the Code if Congress agrees to exempt those countries from the countervailing duty law.

Fifth, this provision is consistent with GATT, and therefore it meets one of the Senate Finance Committee's criteria for acceptance into the trade bill. As I said before, some of the subsidies employed by nonmarket economises are specifically identified in the GATT Subsidies Code as prohibited subsidies, and nonmarket economy members of GATT helped in drafting the Code.

Sixth, the law as it currently stands yields absurd results. The world simply isn't clearly divided into market countries, on the one hand, and nonmarket countries, on the other hand, except in the eyes of this statute. Instead, there is really a spectrum of ways a government can run its economy, from the most open economies of countries like ours to the most closed economies of countries like the Soviet Union. But what about countries like Iran—is that a market or a nonmarket economy? It is considered by the administration to be a market economy—and they just slapped a countervailing duty on Iranian pistachio nuts for having the same identical type of subsidy that they said they could not identify in Poland!

Mr. President, the technical nature of this provision should not distract us from the basic issue which is raised here. It is inconceivable to me that our Nation should bend over backwards to avoid applying our unfair trade laws against Communist and Socialist countries. At a time when we are trying to level the playing field with our economic partners, the administration is content to allow noncapitalist countries engage in trade on a different field altogether. I thought that it was U.S. policy to promote open market practices abroad, not to encourage the continuance of nonmarket practices. This section of the House trade bill would restore some rationality to our trade policy by treating Communist and Socialist economies the same as Capitalist economies when it comes to flooding our shores with subsidized goods.

In summary, it is clear that the countervailing duty law should be applied to all countries, including those with nonmarket economies. This provision does not ask our Government to do the impossible—but we should go after unfair subsidies if the subsidy can reasonably be identified and measured. There is simply no sound reason why we should provide a blanket exception to the subsidies law for nonmarket economies.

I urge the Senate conferees to support this provision and include it in the final trade bill.

PRESHIPMENT INSPECTION

Mr. ROTH. Mr. President, a number of governments of developing countries have employed private preshipment inspection companies to perform customs inspection and valuation functions that are normally the responsibility of the government themselves.

These preshipment inspection companies carry out inspections of price, quantity and quality in the exporting country prior to shipment.

The purpose of these inspections is to prevent customs fraud and currency flight. However, in fact, the activities of the preshipment inspection companies have in many cases become nontariff barriers to trade. In particular, U.S. companies object to the price comparisons conducted by these companies.

These price comparisons constitute an important form of trade restriction. Dutiable values have in some cases been substantially inflated through the use of arbitrary valuation methods, resulting in higher duty payments and increased costs to the U.S. exporter. In other cases, the preshipment inspection companies have insisted upon a reduction in price, despite the existence of a valid contract. Because this assessment often comes after the goods have been shipped, the U.S. exporter has little choice but to accept a lower price.

Finally, in conducting their price comparisons, the inspection companies request business confidential information from exporters, often with inadequate assurances of protection from disclosure.

These activities—particularly the pricing practices and resulting uncertainties—have serious effects on trade. U.S. exporters are having difficulty meeting contractual delivery requirements in countries which require preshipment inspection and financial settlements are being delayed. Some companies have discontinued exporting to these countries entirely.

The activities of preshipment inspection companies are not now specifically regulated in the United States. The House has tried to address this issue in its trade bill. However, in my view, the House bill (H.R. 3) provides an inadequate means to regulate the pricing activities of the preshipment inspection companies. In fact, section 325 of the House bill virtually sanctions those activities that are the most troubling to U.S. industry.

I believe that any customs classification and valuation activities should be conducted in accordance with the General Agreement on Tariffs and Trade [GATT] and the Customs Valuations Code, which set out standard procedures for determining customs value. The Customs Valuation Code establishes a system to ensure that goods are neither undervalued nor overvalued for customs purposes. Adherence to the standards established under the code should result in a uniform international standard that will allow exporters and importers to accurately predict the valuation of their goods and import duties.

I will urge my colleagues in the House/Senate trade conference to fully consider the preshipment inspection issue.

Mr. MURKOWSKI. Mr. President, first I wish to recognize the great efforts of Senator DANFORTH to draft subtitle A, Telecommunications Trade, of title IX of this bill. The distinguished senior Senator from Missouri has been a pioneer in this field and deserves enormous credit for developing the legislation.

I would like to ask Senator DANFORTH about one particular situation. As the Senator knows, two competing consortia have developed to compete rival Kokusai Denshin Denwa [KDD], Japan's existing international telecommunications monopoly. International Digital Communications [IDC] is led by the Japanese trading firm of C.

Itoh and includes Toyota, Cable and Wireless of Great Britain and Pacific Telesis of the United States. Its all-Japanese rival, International Telecommunications Japan [ITJ] is sponsored by the Ministry of Telecommunications [MPT] and includes Matsushita Electric as well as a number of major trading companies—Mitsubishi, Matsui and Sumitomo.

IDC wishes to be a true competitor of KDD and build a state of the art fiber optics cable from Japan to my home State of Alaska and thence to the lower 48 States of the United States. The U.S. Department of Defense is strongly in favor of the cable for national security reasons. ITJ is opposed to laying its own trans-Pacific cable and merely wishes to lease from KDD.

As part of its commitments under the Market Oriented, Sector Specific [MOSS] telecommunications trade agreements with the United States, Japan amended its law to permit such competition including foreign equity participation up to 33 percent. At the June 1987 Venice Economic Summit Japanese Prime Minister Nakasone pledged to both British Prime Minister Thatcher and President Reagan that he would ensure that Japan lives up to this commitment. Nevertheless, the MPT has decided that the market cannot support two competitors to KDD and is trying to force a merger of the two consortia in a way that would severely limit foreign equity participation and would not lead to the construction of a trans-Pacific cable as I have described.

My question to the distinguished Senator from Missouri is this: would such an attempt by the MPT to force a merger be a violation of the MOSS telecommunications trade agreements?

Mr. DANFORTH. The Senator from Alaska is quite right, forcing such a merger to limit foreign participation would be a violation of the telecommunications MOSS agreements and therefore subject to action by the U.S. Trade Representative under section 906 of this act.

Mr. MURKOWSKI. I thank the distinguished Senator from Missouri and I would ask another question: Normally, in cases such as this there is a requirement of foreign government action. Suppose that instead of a transparent Japanese Government action, the MPT used a private firm or firms to do its bidding as stalking horses, as it were. Would such a situation also be a violation of the MOSS agreements?

Mr. DANFORTH. The Senator from Alaska needs not reminding, since he was the chief sponsor, that on March 19 of this year the Senate by a vote of 93 to nothing demonstrated its opposition to the forced merger of the two competing consortia. Shortly thereafter, the House responded by a similar margin. In the face of such united resolve it would be foolhardy in the extreme for a foreign or even American firm to join the MPT in a conspiracy against another American firm.

Nevertheless, the Senator from Alaska's interpretation is again correct. Our goal is an open, transparent international telecommunications regime but at present many foreign government actions are opaque. If it could be shown that the Japanese MPT is behind the forced merger, the United States Trade Representative would pierce the private sector vail.

Mr. ROCKEFELLER. I agree with Senator Danforth that the Senator from Alaska is correct in his understandings.

Mr. MURKOWSKI. I thank the Senators.

TITLE XXXIX OF THE OMNIBUS TRADE BILL, THE SMALL BUSINESS INTERNATIONAL TRADE AND COMPETITION ENHANCEMENT ACT

Mr. BUMPERS. Mr. President, I am pleased to be a cosponsor of this legislation, formerly the Small Business International Trade and Competition Enhancement Act as introduced by my colleague, Senator Sasser. The ability of small business to expand and realize its potential in international markets is of the utmost importance in coming to grips with our overwhelming deficit in trade. We, both in the legislative branch as well as in the executive branch, need to do all we can to facilitate this process and encourage small business to become more involved in marketing their products overseas.

SMALL BUSINESS TRADE ISSUES

Small businesses in particular have concentrated on the domestic market, and most have not as yet taken advantage of the opportunities offered as exporters. The strength of small businesses in generating employment and innovation, however, indicates that small businesses can become successful competitors in the international marketplace if and when they shift their focus.

In absolute numbers, many small businesses are exporters but their exports are not large in quantity. According to the U.S. Department of Commerce, only an estimated 30,000 out of a total of 376,000 manufacturing companies—8 percent—were exporting their products in 1983. Of these 30,000 exporters, 70 percent were small- or medium-size firms with fewer than 500 employees, but the bulk of the goods exported—fully 70 percent—came from 1,000 larger-sized firms. The remaining 92 percent of the manufacturing firms did not export to any significant extent.

Clearly there are many other small firms which are capable of exporting. Indeed, in 1978 the Department of Commerce estimated that an additional 18,000 firms, most of them small businesses, were capable of exporting. In 1983, the General Accounting Office estimated that firms with 250 or fewer employees which did not export could generate exports of $4.2 billion annually. There is a great potential for small businesses to close the trade deficit gap for their own benefit and that of the Nation as a whole.

There are, however, many good reasons why small businesses have been slow to enter the export market. Becoming an exporter involves costs and risks which can be borne more easily by a larger business. Small firms must set priorities and, as with most larger businesses, the U.S. domestic market has in the past offered enough opportunities and challenges. It is difficult enough for a firm to succeed in a domestic market, and even more difficult to do so in a distant foreign market.

Small firms should be encouraged by Federal policy to explore export markets. The strengths of small businesses in the domestic market—flexibility, innovation, quality, and adaptability—are also strengths in the international marketplace. The Small Business Administration has found that "the resilience and diversity of the Nation's small businesses can make an important contribution to the growth of the U.S. share of world trade," and the committee agrees with this assessment. However, the committee believes that the Small Business Administration needs both additional resources and direction from Congress to assist small businesses in reaching their potential as exporters. S. 1344 was drafted and reported by the committee with the affirmative goal of broadening opportunities for small business exporting by sensible and affordable Federal policies to assist those businesses in finding foreign markets.

PROVISIONS OF TITLE XXXIX

I think it is fair to say that there was already many programs to help the small business man get into exporting at both the State and Federal level. The problem lies in, one, getting the information to the small businessman and, two, coordinating the activities of the relevant Federal agencies. The Small Business title to the House trade bill takes steps in the right direction to address both of these problems. Still, there is room for improvement. I feel that the bill we are considering today makes positive modifications to the House proposal, as well as incorporating many suggestions by the administration, and is a necessary step in improving the export potential of small business.

The current trade situation demands action. Our bill incorporates a number of positive measures to more effectively use existing structures and programs. This bill is based on the two hearings held in our Subcommittee on Export Expansion, which is chaired by

Senator Sasser, as well as the House-passed Small Business title to the trade bill, H.R. 3, and many hours of negotiations and discussions among the staff of the Small Business Committee, both majority and minority and Senator Sasser's staff. The report to accompany S. 1344, Senate Report 100-84, analyzes this bill in detail.

The bill authorizes the Office of International Trade within SBA to become more involved in export promotion activities, and authorizes $5 million in fiscal year 1988 and $10 million in 1989 and 1990 for a trade education initiative through Small Business Export Assistance Centers. The $5 million is included as an assumption in the Senate budget resolution recently passed by this body, as is $3.5 million for the trade initiative within SBA.

The basic idea of this proposal is, generally, to get SBA more involved in export promotion and, specifically, to use the existing SBDC network, or other similar structure, as a one-stop shop to disseminate information about exporting and existing programs to small businesses; in other words, an information center for small businesses on how they can get service from the EX-IM Bank, the Department of Commerce, SBA or OPIC. We do not intend for SBA to displace the Department of Commerce, but rather SBA's extensive public network of district and regional offices as well as Small Business Development Centers would serve as information resources and delivery vehicles for other government programs.

The bill also increases the maximum amount of a 7(a) guaranteed bank loan from $500,000 under existing law to $750,000 and it makes a similar increase in the section 504 economic development program. The House has proposed increasing this loan limit to $1,000,000, through the creation of a new type of guaranteed loan but does not increase the total guarantee authority. We felt that there would be some hazard of crowding out smaller borrowers, and thus limited the increase to $750,000. There has been no adjustment in the loan limit in over a decade for either of these two loan programs.

Among other things, the act will also mandate that SBA conduct a National Conference on Small Business Exporting in 1988, require a report by the SBA on possibilities for simplified export licensing and trade remedy procedures for small business, and also look into the prospect of expanding the scope of the Small Business Innovation and Research [SBIR] Program.

The legislation has been a bipartisan effort from the beginning and I would like to express my appreciation for the cooperation and input from the administration in developing this bill. I would also like to acknowledge the time and effort put into this proposal by Senator Sasser's and Senator Weicker's staffs.

As I said before, this legislation incorporates many positive ideas for improving the export potential of small business and is a positive addition to the omnibus trade bill. I am pleased to be an original cosponsor of this bill. Mr. President, I yield the floor.

SOUTH AFRICAN WIRE PRODUCT IMPORTS

Mr. GLENN. Mr. President, I rise today to bring a serious matter to the attention of my colleagues regarding imports of certain wire products from South Africa.

As my colleagues know, the Anti-Apartheid Act of 1986 included a ban on the importation of "iron or steel produced in South Africa," (Pub. L. 99-440, Title III, Sec. 320). The Department of Treasury regulations implementing this provision included prestressed concrete wire strand and some other categories of advanced steel products, such as barbed wire, other wire strand and wire rope, in the list of banned articles. I believe that the inclusion of these advanced steel wire products was consistent with congressional intent for the legislation and necessary to prevent a large import surge of these South African products.

The U.S. Court of International Trade recently ruled that the Treasury regulations regarding advanced steel products were "ultra vires," or beyond the scope of the statute. Springfield Industries Corporation versus United States (slip op. 87-56). The Court ruled that the legislation covered only basic steel forms. It also rejected the Government's argument that the regulations were an authorized exercise of the President's foreign policy power.

The Court granted a permanent injunction against the prohibition of prestressed concrete wire strand imports from South Africa. Although the case was specifically brought only for the prestressed concrete wire strand, the Court's reasoning could cover other advanced steel wire products as well, and invalidate the ban against them.

Officials of the Departments of Justice and Treasury are currently considering whether to appeal the Court's decision to the Court of Appeals for the Federal Circuit. Nevertheless, the Court's decision raises the possibility that prestressed concrete steel wire strand—as well as certain other wire products, such as barbed wire, wire rope, and other wire strand—may be permitted to enter the United States when imported from South Africa.

Fortunately, a voluntary restraint arrangement [VRA] on steel imports, negotiated between the United States and South Africa before the Anti-Apartheid Act was enacted, is still in effect. The VRA covers some, but not all, of these wire products. Accordingly, shipments of these products will be governed by the export ceilings established by article 4 of the VRA, the product category export ceiling adjustment provisions of article 7, and the antishift provisions of article 11.

I ask my colleagues to join me in urging the Department of Commerce to closely scrutinize any imports of steel wire products allowed entry from South Africa for strict compliance with the terms and conditions of the VRA.

Mr. METZENBAUM. Mr. President, I wish to join my friend and colleague in this important discussion regarding wire imports from South Africa, and I would like to elaborate on the VRA provisions which are affected by these imports.

Article 4 of the VRA establishes the export ceiling on the category of "Wire and Wire Products" at 0.99 percent of U.S. apparent consumption. The February 1987 forecast prepared by DRI estimates U.S. apparent consumption of this category at 2,323,000 net tons, resulting in an export ceiling for South Africa of 22,998 net tons. In addition, there is a subcategory of "Wire Rope" with an annual export ceiling of 1,102 net tons. Therefore, the remaining products of the "Wire and Wire Products" category would be limited to an export ceiling of 21,896 net tons pursuant to the February 1987 forecast.

It should be noted that the category of "Wire and Wire Products" includes carbon, alloy and steel wire which is prohibited entry by the Comprehensive Anti-Apartheid Act of 1986 and which is not affected by the Court's ruling. Wire is classified under item Nos. 609.20 through 609.76 of the Tariffs Schedules of the United States [TSUS]. All of these item numbers fall within subpart B, part 2, schedule 6, under the heading of "Iron and Steel."

Article 7 of the VRA provides for adjustments in export ceilings of product categories under certain circumstances. Generally, the export ceiling of one product category may be increased by up to 5 percent if there is a corresponding decrease in the export ceiling of another product category. With the potential exception of steel wire strand and other wire products, virtually all of the steel products covered by the VRA are now prohibited entry into the United States by the Comprehensive Anti-Apartheid Act of 1986. Since South Africa is not allowed to ship these other products to the United States, it should similarly not be permitted to use article 7 to increase the export ceiling of steel wire strand and other wire products by making a corresponding adjustment in the export ceilings of products which it is prohibited to ship to this country.

Finally, article 11 of the VRA prohibits "significant" shifts in the product mix within categories on the basis of the average U.S. market share of the individual product during 1983-84. A report from the Department of Commerce indicates that the average U.S. market shares for steel wire strand and other wire products were as follows during the base period of 1983-1984: Wire nails, 0.01 percent; wire products, 0.24 percent; wire strand, 4.23 percent.

Therefore, under the terms of the VRA, South Africa cannot divert shipments of wire strand and other wire products into the export ceiling reserved for steel wire. I ask unanimous consent that the report from the U.S. Department of Commerce on Imports of Steel Products from South Africa, dated March 12, 1987 be inserted in the RECORD.

On the basis of the share of the category of "Wire and Wire Products" held by each individual product during the base period of 1983-1984, the following rough calculation of the export ceiling available to steel wire strand and other wire products can be made. The following chart is based upon the report from the Department of Commerce:

Product	Net tons	Percentage of total
Carbon and alloy wire	11,189	46.03
Stainless wire	6	0.02
Wire nails	49	0.20
Wire products	449	1.85
Wire strand	12,616	51.90
Total	24,309	100.00

Based on the February 1987 forecast, the export ceiling for the category of "Wire and Wire Products" will be 22,998 net tons during 1987. From this total, one must subtract the allocation for the subcategory of "Wire Rope"—1,102 net tons—with the result that the export ceiling for the remaining products is 21,896 net tons. Applying the share of the entire category of "Wire and Wire Products" held by wire strand during the base period—51.90 percent—the export ceiling for wire strand should be approximately 11,364 net tons for 1987.

Mr. HEINZ. Mr. President, I join my colleagues from Ohio in expressing my concern about imports of wire strand and other wire products from South Africa.

In addition to strictly enforcing the provisions of the VRA, the Department of Commerce must exercise its vigilance to prevent shifting of South African steel shipments from products which are prohibited entry under the Comprehensive Anti-Apartheid Act of 1986 to those which may now or in the future be permitted entry. Based on South African shipments of wire strand during the past 2 years, the United States Government must be particularly vigilant to prevent shifting into wire strand and other wire products. Imports of South African strand increased from 10,963 net tons in 1985 to 12,337 net tons in 1986, an increase of 13 percent. This increase occurred at a time when there was no prohibition against the importation of steel wire from South Africa. South Africa must not now be permitted to shift its exports from wire into wire strand or other wire products.

Mr. President, you may wonder why I feel a special urgency to be watchful of South African steel imports at this time. The reason is quite simple. It is my understanding that steel imports from South Africa surged during December 1986, in an attempt to beat the December 31 deadline established by the Comprehensive Anti-Apartheid Act of 1986. Statistics prepared by the Office of Agreements Compliance in the Department of Commerce indicate that steel imports from South Africa reached the unprecedented figure of 86,000 net tons during December 1986. This December figure compares with 39,000 tons during November 1986, and 26,000 tons during October of that year. Further, the 86,000-ton figure for December 1986 is substantially greater than the historic pattern of 49,000 tons during December 1985, 15,000 tons during December 1984, and 28,000 tons during December 1983.

There is the possibility that part of this surge in steel shipments from South Africa during December 1986 included prestressed concrete steel wire strand and the other steel wire products mentioned above. Thus, South Africa may have already exhausted part or all of its 1987 allocation for these products under the VRA. I understand that the Department of Commerce is carefully reviewing these imports in order to determine whether this is the case. In the event that South Africa has already used part or all of its 1987 export ceiling, I expect that the terms of the VRA will be strictly enforced.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

IMPORTS OF STEEL PRODUCTS FROM SOUTH AFRICA—SHIFT CATEGORIES FROM CENSUS SURVEY DATA—JAN. 1, TO DEC. 31, 1986

[Imports (net tons)]

Product	1986 1st quarter		1986 2d quarter		1986 3d quarter		1986 4th quarter		Total year 1986		Base period 1983-84	
	Tons	I.P.	Tons	I.P.	Tons	I.P.	Tons	I.P.	Tons	I.P.	Tons	I.P.
Carbon structurals	28,416	1.86	13,382	0.97	16,058	1.14	25,857	1.77	83,713	1.45	15,962	2.38
Alloy/stain, structurals	0	0	0	0	0	0	0	0	0	0	0	0
Sheet piling	0	0	0	0	0	0	0	0	0	0	0	0
Rails	0	0	137	.08	0	0	0	0	137	.02	0	0
Rail and track accessories	0	0	0	0	0	0	0	0	0	0	0	0
Wheels and axles	0	0	0	0	154	.77	97	.50	250	.30	155	.16
Carbon wire rods	7,371	.64	548	.05	4,383	.37	2,669	.23	14,971	.32	11,215	.27
Alloy wire rods	0	0	0	0	0	0	0	0	0	0	0	0
Carbon hot finished bars	0	0	0	0	0	0	0	0	0	0	82	0
Alloy hot finished bars	0	0	0	0	0	0	0	0	0	0	0	0
Carbon cold finished bars	1,103	.35	607	.21	498	.18	51	.02	2,258	.20	4,204	.34
Alloy cold finished bars	0	0	0	0	17	.03	0	0	17	.01	8	0
Bar shapes under 3"	0	0	351	.09	223	.06	12	0	585	.04	2,366	.19
STD P&T Incld. conduit	8,787	1.93	9,044	2.19	6,628	1.83	5,865	1.76	30,324	1.94	29,129	1.60
Structural pipe and tube	1,216	.80	1,229	.94	2,789	2.21	998	.89	6,232	1.20	6,667	1.00
Line pipe	455	.09	613	.14	555	.17	1,282	.72	2,904	.20	1,383	.09
Octg	1,277	.21	448	.22	293	.21	2,074	1.47	4,091	.37	5,137	.21
Mechanical tubing	113	.05	61	.03	149	.07	166	.10	489	.06	1,764	.18
Pressure tubing	595	2.31	0	0	19	.08	0	0	614	.64	311	.23
Stainless pipe and tube	0	0	0	0	0	0	0	0	0	0	0	0
Carbon/alloy drawn wire	4,549	1.29	2,296	.62	1,931	.58	3,391	1.23	12,167	.92	11,189	.75
Stainless drawn wire	0	0	0	0	0	0	0	0	0	0	6	.01
Wire nails	0	0	0	0	0	0	1	0	1	0	49	.01
Wire products	399	1.16	268	.77	266	1.42	106	0.63	1,039	.99	449	.24
Carbon plate	20,954	2.32	11,926	1.18	15,420	1.98	14,763	2.00	63,063	1.84	62,349	1.54
Alloy plate	0	0	0	0	0	0	0	0	0	0	99	.01
Stainless plate	199	.55	0	0	0	0	0	0	199	.15	278	.25
Carbon hot rolled sheet	23,576	.68	10,920	.33	17,566	.57	18,574	.57	70,637	.54	97,748	.70
Alloy hot rolled sheet	0	0	0	0	0	0	0	0	0	0	0	0
Stainless hot rolled sheet	116	2.18	0	0	0	0	0	0	116	.27	35	.12
Carbon cold rolled sheet	18,689	.48	12,769	.33	12,388	.35	24,139	.71	67,984	.46	90,841	.57
Alloy cold rolled sheet	0	0	0	0	0	0	0	0	0	0	0	0
Stainless cold rolled sheet	2,270	1.17	88	.05	0	0	0	0	2,358	.34	.6	0

IMPORTS OF STEEL PRODUCTS FROM SOUTH AFRICA—SHIFT CATEGORIES FROM CENSUS SURVEY DATA—JAN. 1, TO DEC. 31, 1986—Continued

[Imports (net tons)]

Product	1986 1st quarter		1986 2d quarter		1986 3d quarter		1986 4th quarter		Total year 1986		Base period 1983–84	
	Tons	I.P.	Tons	I.P.	Tons	I.P.	Tons	I.P.	Tons	I.P.	Tons	I.P.
Galvanized sheet	15,517	.59	12,258	.46	9,897	.38	24,181	.96	61,853	.60	73,133	.83
Other coated sheet	0	0	0	0	0	0	0	0	0	0	12,121	.99
Electrical sheet and strip	0	0	0	0	0	0	0	0	0	0	0	0
Carbon/alloy HR strip	0	0	0	0	0	0	0	0	0	0	0	0
Carbon/alloy CR strip	0	0	0	0	0	0	0	0	0	0	11	0
Stainless strip	0	0	0	0	0	0	0	0	0	0	0	0
Black plate	0	0	0	0	0	0	0	0	0	0	376	.08
Tin plate	0	0	0	0	0	0	0	0	0	0	188	.01
Tin free steel	0	0	0	0	0	0	0	0	0	0	0	0
Fabricated structurals	717	.86	914	1.25	491	.53	4	0	2,126	.65	402	.17
Wire strand	2,308	3.11	2,232	3.44	3,031	4.43	4,766	7.18	12,337	4.50	12,616	4.23

Prepared by: International Trade Administration, Import Administration, Office of Agreement Compliance.

TESTIMONY OF COL. OLIVER NORTH BEFORE SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION

Mr. BYRD. Mr. President, Col. Oliver North, testifying before the Select Committee this morning asserted that Members of Congress following a Presidential briefing "seriously jeopardized" the safety of airmen flying the bombing raid against Libya in retaliation for the Achille Lauro hijacking. This is a strong assertion that has no merit or foundation based on fact.

Chairman Inouye went to great lengths to set the record straight in his closing remarks with regard to Col. North's assertion. Senator Inouye went to great detail to establish that this air strike against Libya was undertaken after weeks of public comment by administration officials that such a strike would occur.

Chairman Inouye was absolutely correct in proving that there was nothing covert or secret about the Administration's intention to punish Libya. No more apt statement could sum up this widely heralded raid than the comment made by Sam Donaldson on ABC evening news on April 9th, 5 days before the raid occurred. I quote, "The understanding now is that a strike against Libya is in the works. If it comes to that, seldom will U.S. military action have been so widely and publicly advertised in advance."

Mr. President, no Member of Congress jeopardized the safety of American fighting men. The record is very clear that the administration showed its hand in remarkable and disturbing detail time and time again prior to the raid. Col. North's remarks were inappropriate and wrong.

I made no public reference to the raid until after the President's speech to the Nation. Press reports to the contrary are inaccurate.

Mr. President, I ask unanimous consent to place in the Record what Colonel North said in his testimony this morning before the Select Committee.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Colonel North

Lt. Col. North. There were revelations immediately after the Achille Lauro capture of the terrorists that very seriously compromised our intelligence activities which allowed us to conduct the activity itself. The operation could not have been done without the availability of certain intelligence, and the statements made by a number of members of Congress thereafter seriously jeopardized that effort and compromised those intelligence-gathering means. And I don't think we need to speak in further detail about that, but that is precisely the kind of thing we're talking about. In the case of the Libya raid, there was a detailed briefing provided at the White House in the Old Executive Office Building which was hosted by the President. Members of the Cabinet were there that were part of the National Security Council and the National Security Planning Group. The President several times in the course of that briefing on what we were planning to do that evening noted the sensitivity and the fact that the lives of Americans were at risk. Nonetheless, when the briefing concluded at about five or five thirty, two members of Congress proceeded immediately to waiting microphones and noted that the President was going to make a heretofore unannounced address to the nation on Libya. I would tell you that the volume of fire over the Libyan capital was immense that evening. Two American airmen died as a consequence of that antiaircraft fire as best we can determine. And I will also tell you that in my military experience nobody keeps that volume of ammunition sitting around in their guns, they need a half hour or an hour to break it out, get it ready. And any one of the magazine photographs that you look at shows—or the gun camera films themselves, show an enormous volume of fire that would indicate that while we may have had tactical surprise, strategic surprise was probably sacrificed by the comments made about the fact that the President was going to address the nation that evening on the issue of Libya. If I were Muommar Qadhafi hearing those words, and there's no doubt that he did—this very session is being broadcast all over the world, as you all know. The words that I am saying are instantly available in Moscow, the same thing happens on all of our network news. Those kinds of things alert our adversaries.

Mr. BYRD. Mr. President, I supported the military action against Libya on April 14, 1986, in retaliation against Libyan state-sponsored terrorism. I nevertheless deplored the hemorrhaging of vital military information and planning by various elements of the administration that dominated the news for a full week prior to the raid.

The military action was undertaken only after a full week of news reports that quoted administration officals revealing the nature of the mission, against whom the raid would take place, roughly when it would occur, what targets would probably be struck, and which countries might or might not assist in it. Reports indicate that the leaks were so damaging to our planned action that the raid had to be postponed at least once.

This kind of undisciplined chatter might be dismissed as a clever series of trial balloons, designed to affect Qadhafi or our allies, or both, in various ways. However, the paramount goals in any operation must be the safety of our own fighting men and women and the success of the mission itself. We are fortunate that Qadhafi did not act, apparently on the information or at least sufficiently on the information that was readily available to him to complicate the raid, or even to cause us to abort it.

Mr. President, I think it is very important that the historical record concerning this episode in our foreign relations fully show and accurately show the way in which, and the degree to which, the administration through statements by its various spokesmen contributed to the spreading of advance notice of the anticipated Libyan raid literally around the world via the news media, allied governments, and other means during the week preceding the raid.

I ask unanimous consent that a detailed chronology of what the administration spokesmen said to and through these various channels during those several days be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

"The understanding now is that a strike against Libya is in the works. If it comes to that, seldom will U.S. military action have been so widely and publicly advertised in advance."—Sam Donaldson, ABC "World News Tonight", April 9, 1986 (5 days before the raid).

"By Friday (April 11), says a top intelligence official, 'we knew that we were doomed. Too many people were talking freely about the operation and too many operational details were already out. We had to postpone.' About noon on Friday NSC hastily convened again in the Oval Office and got the President's agreement for a postponement of indefinite duration. Reagan, says one participant, 'was furious. He realized that the operation had to be put off but wanted to make sure that in the future no more leaks will get around.'"—Time, April 21, 1986.

The Not-So-Secret Raid Against Libya—The Administration Ignores the Principles of Secrecy and Surprise

On April 14, 1986, the United States retaliated against Libyan state-sponsored terrorism by bombing military and terrorist activity support targets in the Tripoli and Benghazi areas.

This military action was undertaken after a full week of news reports that quoted Administration officials revealing the nature of the mission, against whom the raid would take place, roughly when it would occur, what targets would probably be struck, and which countries would and would not assist in it, and after our allies had been told of the planned military raid.

The military strike against Libya has been widely supported in the Congress and the United States as a necessary and defensible action.

But the Administration's inability to contain the Nation's most vital military secrets—secrets upon which the lives of the men and women in our armed forces depend and upon which the success of the mission depends—is a different matter.

What follows is a chronology of what the Administration told the news media and allied governments during the week before the raid.

Chronology of Events

SATURDAY, APRIL 5

1:49 a.m. Berlin Time: A bomb exploded in the La Belle discotheque in West Berlin killing a U.S. soldier and a Turkish woman and injuring 204 people, including 64 Americans.

SUNDAY, APRIL 6

New York Times: "President Reagan was asked before boarding Air Force One for the return trip to Washington if he would 'hit' Libya and responded, 'No comment.'" (New York Times, April 7)

Secretary of Defense Caspar Weinberger: "We don't have the hard evidence [against Qaddafi] . . . but when there is evidence, we wouldn't hesitate to act for a moment." (NBC "Nightly News," April 6)

MONDAY, APRIL 7

U.S. Ambassador to West Germany Richard Burt: "There are very clear indications that there was Libyan involvement [in the Berlin bombing]. . . ." When asked whether he would like to see the President take military action against Qaddafi, Burt replied: "I'm not going to close the President's options. . . . He's studying this issue right now. . . ." (NBC "Today Show," April 7)

Washington Post: "The White House yesterday [April 7] privately rebuked Richard Burt, U.S. Ambassador to West Germany, for saying in a television interview that the United States has 'clear indications' of Libya's involvement in the weekend bombing of a West Berlin nightclub. U.S. officials confirmed, however, that Burt's statements were correct. . . . The officials, who declined to be identified, said Burt had been warned to be more circumspect in public statements, not because he had spoken incorrectly but because, as one official put it, 'he got too far out in front of what the administration wants to say publicly at this point.'" (Washington Post, April 8)

CBS "Evening News": "Reagan Administration officials say they have intelligence reports strongly linking the Libyan People's Bureau in East Berlin with the bombing of the La Belle discotheque in West Berlin. The evidence includes intercepted messages dispatched from Libya to its operatives in East Berlin. . . . Top U.S. officials acknowledge that detailed military contingency plans for retaliation already exist. Said one source, they involve five targets in Libya." (White House Correspondent Lesley Stahl, CBS "Evening News," April 7)

ABC "World News Tonight": "U.S. intelligence sources say that after the [Berlin] bombing, there were messages from Libya to its embassy in East Berlin which indicated clear knowledge of details of the terrorist attack and which in essence offered praise for a job well done." (National Security Correspondent John McWethy, ABC "World News Tongit," April 7)

Wall Street Journal: "U.S. officials are putting out the word that they are laying the groundwork for possible retaliatory actions against Libya for its suspected involvement in the bombing of a West Berlin discotheque. . . . U.S. officials said they won't decide on any of several possible retaliatory measures now being studied by President Reagan until investigators in Berlin make more progress. . . . Options that U.S. officials have discussed include striking unmanned planes on an airfield, Libya's two SAM-5 missile sites, or missile-storage areas. . . . Other retaliatory options are aimed at striking at the heart of Libya's economy, by bombing oil lines or transportation." (Wall Street Journal, April 8)

TUESDAY, APRIL 8

White House Press Briefing: "Q: So, just to reiterate, you have not now at this time made a conclusion as to the extent of Libyan involvement in either of the two incidents of last week? [White House deputy press secretary Larry] Speakes: That's right." (White House afternoon press briefing, April 8)

Wall Street Journal: "Reagan and his advisers are united in wanting to respond militarily against Qadhafi . . . but haven't agreed on a time or place to strike back, a senior Administration official said." (Wall Street Journal, April 9)

New York Times: "One State Department official, who was openly skeptical about the evidence used to link Libya to last December's Rome and Vienna airport attacks, said today [April 8] that 'I have absolutely no doubt this time. We have the goods.'" (New York Times, April 9)

CBS "Evening News": "Forty-eight hours after the bombing in West Berlin, the Reagan Administration had reached a consensus for military retaliation against Libya. But, officials are still trying to decide exactly what to do and when. Sources tell CBS News that the evidence, most of it from communications intercepts, seems to implicate Libya beyond much doubt. . . . What are the options? The easy targets are on the coast—the Libyan missile battery already hit during the operation in the Gulf of Sidra, a submarine base, other port facilities and artillery positions. More risky: terrorist training camps. Military planners say daylight action inland would probably mean the loss of some pilots and aircraft. But the White House believes there is public support as do many in Congress. (White House Correspondent Bill Plante, CBS "Evening News," April 8)

WEDNESDAY, APRIL 9

EVENTS OF THE DAY THAT WERE KNOWN AT THE TIME

USA Today: "By 3 p.m., two U.S. aircraft carrier battle groups were ordered to remain in the Mediterranean." (USA Today, April 10)

New York Times: "Several of the [Administration] officials said sensitive information was being shared with West Germany, Britain, France, Italy and a few others, but that not all were being shown the same raw evidence." (New York Times, April 10)

CBS "Evening News": "According to a highly-placed source President Reagan has approved another possible military strike against Libya. . . . The White House denied rumors today that a military response was already underway, but a well-placed intelligence source said that a military response has been approved." (White House Correspondent Lesley Stahl, CBS "Evening News," April 9, and USA Today, April 10)

ABC "World News Tonight": "The understanding now is that a strike against Libya is in the works. If it comes to that, seldom will US military action have been so widely and publicly advertised in advance." (Sam Donaldson, ABC "World News Tonight," April 9)

Asked directly whether he had already authorized military retaliation against Libya, the President said: "This is a question that, as I say, is like talking about battle plans or something." Stating that the Administration was still looking for proof, he concluded that "if there's identification enough to respond, then I think we'd respond." (President Reagan, News Conference of April 9. Transcript in Washington Post, April 10)

EVENTS OF THE DAY THAT WERE SUBSEQUENTLY REPORTED

Washington Post: "At about the middle of last week [April 6-12], officials from Reagan's National Security Council contacted their counterparts in Thatcher's Cabinet Office. The Americans said that the Administration had decided to take military measures against Libya, and wanted both British backing and approval for use of Royal Air Force bases where U.S. Air Force F111s and some aerial refueling tankers are stationed. . . . Her staff requested that the NSC provide specific information on the types of bombs that were to be used, and on the intended targets." (Washington Post, April 16)

New York Times: "The discussions [with the British] began late on Tuesday [April 8], almost a week before the raid. . . ." (New York Times, April 16)

On Wednesday, April 9, five days before the raid, the President was authoritatively reported to have approved in principle the decision to retaliate militarily against Libya.

Washington Post: "Sources said that a formal national security decision directive was signed last Wednesday [April 9] in which Reagan approved an attack on Libya in principle. . . . By Wednesday [April 9] . . . Shultz and Poindexter were ready with their recommendation for a military strike. Reagan approved the decision in principle at a National Security Council meeting in the Oval Office after hearing a recommendation from Adm. William J. Crowe, Jr., chairman of the Joint Chiefs of Staff, who called for adding firepower to U.S. forces before any strike was made." (Washington Post, April 15)

Sam Donaldson on ABC "Nightline," April 14: "Officials here [Washington, D.C.] say the President decided on a military option at the middle of last week, say Wednesday, Wednesday morning, and from that moment on, they insist there was never any doubt that it would be used." (ABC "Nightline," April 14)

THURSDAY, APRIL 10

EVENTS OF THE DAY THAT WERE KNOWN AT THE TIME

NBC "Today Show": "Administration officials say that intense planning is under way for retaliation against Libya. At his news conference the President only hinted at it. . . . And when given the facts the President did not deny that he has already ordered military retaliation. Afterwards officials said that omission was very significant and said pointedly that when the time is right the United States will respond." (White House correspondent Andrea Mitchell, NBC "Today Show," April 10)

Washington Post: "The United States . . . now has 'indisputable evidence' that Libyan leader Muammar Qaddafi was behind the [Berlin discotheque] attack, according to NATO commander Bernard W. Rogers. . . . Gen. Rogers, speaking in Atlanta Wednesday [April 9], said, 'We have indisputable evidence . . . I can't tell you how we get it. But it's there.'" (Washington Post, April 11)

At the White House, deputy press secretary Larry Speakes was asked if reporters could assume that Rogers "knows what he is talking about." Speakes replied: "I'm sure you can." (White House afternoon press briefing, April 10)

New York Times: "An Administration official said that Libyan military sites are the prime options under consideration for retaliation, and that among the key possibilities are Libyan air bases near the coast. . . . The official said that coastal electronic listening posts, including early-warning radar sites as well as units that pick up airplane and ship traffic, are also key targets. . . . Although oil fields and oil depots are also under consideration, one United States official said that destruction of such sites could create problems for the United States because friendly nations, particularly Italy and West Germany, buy oil from Libya. Moreover, a number of Americans are believed working in or near these sites, despite Mr. Reagan's recent order for Americans to leave Libya." (New York Times, April 11) New York Times: "Administration officials conceded that, if President Reagan orders a military strike, 'clearly the surprise won't be there.' The official added. . . . 'The Libyans know as well as we do what the major targets are.'" (New York Times, April 11)

NBC "Nightly News": "At the President's direction the Pentagon is making final plans for a retaliatory strike against Libyan military bases and perhaps industrial sites. That according to defense officials who told NBC News that the President has approved in principle an attack of short duration which would destory many targets. The sources said the carriers Coral Sea and the America, currently within 24 hours of the Libyan coast, would not be ordered into action until the President reviews the battle plan with his top advisers. They would include Vice President Bush, who is due back from the Middle East late Saturday, and Defense Secretary Weinberger who returns from Asia Sunday.

. . . Defense officials said the President's military options are all keyed to the four main air defense missile sites along the Libyan coast. Those batteries would have to be destroyed first. Only then would bombers be sent to attack three large military airfields. The F-111 bomber is one of the weapons the President could use together with carrier jets. The F-111 is based in Britain and it is not known if the British government would go along with that use of its territory. But the largest burden of the airstrike would go to the attack jets on the two carriers. Pentagon sources said they would be used against Libyan naval facilities and military bases along the Libyan coast. . . .

. . . It is not clear tonight whether the attack plan to be presented to the President will include a strike against Libyan oil facilities. One Pentagon source said that would expose attack jets to more ground fire than is acceptable, and there is that same concern with striking Libya's many terrorist camps—the majority of which are in the Libyan interior out of safe bomber range. But one official said there are several near shore which could be attacked.

. . . Those are most of the options for the President and according to defense officials, it is no longer a question whether he will employ one or all of them, but when." (Fred Francis at the Pentagon, NBC "Nightly News," April 10)

FRIDAY, APRIL 11

EVENTS OF THE DAY THAT WERE KNOWN AT THE TIME

NBC "Today Show"; "The issue isn't if the US will strike, but when." (Bryant Gumbel, NBC "Today Show", April 11)

NBC "Today Show"; "Defense department sources say the plan would be for a quick strike that could hit the following targets. Military bases near the coast to knock out missile sites and missile storage areas. Military airfields near Tripoli, to hit unmanned jet fighters on the ground. . . . The goal is to strike as many targets as possible as close to the coast to reduce the danger to American aircraft." (Correspondent Jamie Gangel, NBC "Today Show," April 11)

Reuters: "Pentagon officials said yesterday [April 11] the Coral Sea and America, carrying 170 planes and escorted by battle fleets of more than 10 ships each, had edged closer to Libya."(Reuters, April 12)

New York Times: [White House chief of staff Donald] Regan was asked by reporters. . . whether there now was 'indisputable' evidence linking Libya to the West Berlin disco attack. 'As far as most people are concerned, yes,' Mr. Regan replied. . . . 'We haven't reached a final conclusion, but we're coming close.'" (New York Times, April 12)

EVENTS OF THE DAY THAT WERE SUBSEQUENTLY REPORTED

AP: "On Friday, when the ships were still about a day's sail from the Gulf of Sidra. . . one Pentagon source said, 'There doesn't seem to be anything imminent at this point,'" (AP, April 13)

Washington Post: "According to French and American sources, the United States first broached the question of overflight rights with France on Friday, April 11, via the military attache's office in the U.S. Embassy here [in Paris]." (Washington Post, April 24)

Washington Post: "[Paris daily] Le Monde said that Reagan sent a second private message to Mitterrand on April 11, announcing his intention of using the F111s to attack 'terrorist camps' in Libya and requesting overflight rights." (Washington Post, April 29)

SATURDAY, APRIL 12

EVENTS OF THE DAY THAT WERE KNOWN AT THE TIME

UPI: "'As part of our continuing consultations on the threat of terrorism, Ambassador Vernon Walters, the U.S. representative to the United Nations, has undertaken a mission to Europe,' said State Department spokesman Deborah Cavin. 'He is now in the United Kingdom, where he has met with Prime Minister Margaret Thatcher and he will be visiting several other countries in the next few days.'" (UPI, April 12)

New York Times: "Administration officials speculated that the Walters trip placed in abeyance, at least for the moment, a retaliatory strike against Libya, but officials declined to rule out a raid even in the next 48 hours." (New York Times, April 13)

AP: "The [British] Mail on Sunday newspaper said Mrs. Thatcher had 'cleared the way for President Reagan to use British bases to launch a massive new air attack on Libya.'" (AP, April 13)

AP: "Speculation . . . that the United States might be planning to use its F-111 fighter-bombers based in eastern England for a punitive strike against Libya . . . was heightened by the arrival Saturday [April 12] of several KC-10 tanker planes at the U.S. Air Force base in Mildenhall, eastern England. The KC-10, a military version of the DC-10, is capable of in-flight refueling and could be used to enable up to 40 F-111s to make roundtrip flights between Britain and Libya." (AP, April 13)

AP: "Italian Premier Bettino Craxi told reporters Saturday [April 12] in Milan . . . 'I don't believe there will be a military intervention there [Libya] before Monday,' the day of the Common Market meeting." (AP, April 12)

NBC "Nightly News": "By Monday, the diplomatic lobbying tour will be complete, and Administration sources indicate that means a strike could come as early as Tuesday. . . . Administration sources say the president is committed to a retaliatory strike, but might be willing to hold off if European allies agree to strong political and economic sanctions. Short of that, said one official, it's just a matter of time until the president picks a plan and gives the go-ahead." (Correspondent Jamie Gangel at the White House, NBC "Nightly News," April 12)

EVENTS OF THE DAY THAT WERE SUBSEQUENTLY REPORTED

Washington Post: "After consulting conservative Prime Minister Jacques Chirac by telephone, Mitterrand decided to reject the U.S. request [for overflight rights], and the French refusal was communicated to Washington the following morning [Saturday April 12]." (Washington Post citing Le Monde, April 29)

ABC "Nightline": "Officials here [Washington, D.C.] say . . . General Walters . . . was not sent to try to solicit allied support for this . . . but had been sent to inform the allies that a military option would be used." (Sam Donaldson, ABC, "Nightline," April 14)

Washington Post: "By the time Walters arrived Saturday, most of these details had been ironed out. His meeting with Thatcher, along with [Foreign Secretary Geoffrey] Howe and Defense Secretary George Younger, sources said, concentrated primarily on the 'publicly revealed and the legal justification for it." (Washington Post, April 16)

New York Times: "According to Spanish sources here [Washington, D.C.] and in Madrid. Mr. Walters, at a previously undisclosed meeting with Mr. Gonzalez on Saturday [April 12], hinted at the possibility of overflights or use of the bases in the event of a hypothetical American military action against Libya. Mr. Gonzalez, the sources said, gave a throughly discouraging response about both." (New York Times. April 16)

SUNDAY, APRIL 13

EVENTS OF THE DAY THAT WERE KNOWN AT THE TIME

Deputy Secretary of State John Whitehead said: ". . . prospective military action is something that only the President will decide on. He has not yet made that decision. . . ." "No, there really isn't a time table, but . . . the time is getting short." (CBS "Face the Nation," April 13, and New York Times, April 14)

Director of the State Department's Office of Counter-Terrorism Robert Oakley said: "I can't tell you exactly what General Walters is talking about, but he is indeed consulting our allies." (ABC "This Week with David Brinkley," April 13)

Walters met with West German Chancellor Kohl and Foreign Minister Genscher Sunday morning and that evening with French Prime Minister Chirac. (Washington Post, April 14)

Jiji (Tokyo) Press Service: "When they met at the Presidential Retreat of Camp David . . . last Sunday, Reagan hinted the possibility of attacking Libya. [Japanese Prime Minister] Nakasone said at a plenary session of the House of Councillors. Reagan said that the United States has firm evidence linking Libya to the recent bombing of a West Berlin nightclub. . . . On Wednesday [April 16] Deputy White House press secretary Larry Speakes said Japan expressed its support for U.S. attacks against Libya prior to . . . [the] air raids on Tripoli and Benghazi. But this was denied by Nakasone Thursday." (Jiji [Tokyo] Press Ticker Service, April 18)

NBC "Nightly News": "Administration officials say the President is moving toward a decision about whether to make a retaliatory strike against Libya; and White House officials confirm the President will have a special National Security meeting tomorrow to evaluate the situation. . . . Today, the President conferred with Vice President Bush and Secretary of State Shultz, both of whom are believed to favor a military strike. Noticeably absent from the Camp David meeting was Defense Secretary Weinberger, who is believed to oppose such action." (Jamie Gangel at the White House, NBC "Nightly News," April 13)

EVENTS OF THE DAY THAT WERE SUBSEQUENTLY REPORTED

Washington Post: "The [Le Monde] newspaper said the White House then sent another urgent message to Mitterrand asking him to reconsider [France's decision made Saturday, April 12, to refuse American overflight rights]. The French refusal was confirmed at a meeting on the morning of April 13 between Mitterrand, Chirac, and Foreign Minister Jean-Bernard Raimond." (Washington Post, April 29)

New York Times: "Mr. Walters said the United States was ready to act, said a ranking aide of the American envoy, 'and Kohl told him, "Force is not our method."' . . . A senior adviser to the Chancellor said Mr. Kohl was 'furious' when he read that Reagan Administration officials had described him as willing to condone military action against Libya in private while publicly opposing such a step. 'He said nothing like this,' the adviser insisted." (New York Times, April 25)

New York Times: "Mr. Craxi's aides too, were shocked to hear him described by Washington officials as having privately endorsed the American raid." (New York Times, April 25)

The April 21 issue of Newsweek, which was available on newsstands before the raid, contained a lengthy lead article on the possibility of military action against Libya. Using accumulated leaks from Administration officials, it offered a detailed and remarkably accurate analysis not only of what had happened, but also of what would happen.

This time the casus belli with the La Belle discotheque bombing in West Berlin. The President's counselors said they had worked up an 'indisputable' trail of evidence connecting Libyan agents to the murderous blast. Two U.S. aircraft carriers took up positions within striking distance of Libya. Reagan suggested he was only waiting for clear battle conditions and a complete dossier on the Berlin case before striking. * * *

With the USS Coral Sea and the USS America both in the Mediterranean, one plausible scenario was that Reagan would send Navy jets from the carriers to bomb airfields, missile batteries, radar towers or other military targets along the Libyan coast. * * * United Nations Ambassador Vernon Walters also left on a trip to London, feeding speculation that Washington might try to launch a raid with U.S. Air Force FB–111 bombers based in Britain. The President's advisers were leaning against two other options: trying to take out Libya's oilfields or hitting suspected terrorist training camps. * * *

* * * This time, senior U.S. officials said, the Joint Chiefs of Staff laid out a full range of military options for Reagan and the National Security Council immediately after the Berlin bombing. Over the next three days new reconnaissance photos were reviewed and the list of targets was narrowed; then Reagan approved an attack 'in principle.'

* * * Pentagon officials were determined to stick to the criterion of 'proportionality'—and they read that as meaning an attack on limited targets such as the radar array around Tripoli. Then, according to Defense Department officials, the President and his other advisers decided to consider larger targets such as Libya's airfields. The military brass went back to the drawing board. * * *

Of all the options, the most likely to meet Reagan's guidelines was sending jets from the carriers to hit Libyan military positions. * * * The Administration had also not ruled out a longer range hit. From the start the Pentagon had liked the option of dispatching the British-based FB–111s, which can move fast, fly low and carry a bomb-load. At first, according to British officials, Prime Minister Margaret Thatcher was cool toward the proposal. But the sources said she warmed up after U.S. officials let the British see their full file on Kaddafi's links to the La Belle blast. * * * In another sign the Administration might be leaning toward the Britain scenario, several U.S. tanker aircraft, which could be used for inflight refueling, took wing for American air bases in the United Kingdom.

The President's advisers rejected other possibilities as too dangerous. The CIA had identified some three dozen camps where it suspected the Libyans of training terrorists. But top U.S. officials argued that strikes on those targets might also hit civilians. Senior planners pointed out that an attack on Libyan oilfields, pumping stations and loading docks could endanger innocent oil workers, including Americans and Europeans. * * *

* * * Senior officials in Washington echoed reports that U.S. intelligence had intercepted messages between Tripoli and the Libyan People's Bureau in East Berlin. In late March, they said, Tripoli instructed the bureau to carry out an undisclosed 'plan.' On April 4 the bureau informed its capital that the operation would take place soon. Hours later—after the attack on the discotheque—the Libyans in East Berlin reported that they had executed the plan. Then on April 6 Tripoli exhorted other People's Bureaus to follow East Berlin's example. * * *

In the campaign to rally allied support, the State Department sent cables on Kaddafi's links to terrorism to major West European capitals. But only the British were shown raw transcipts of the intercepted Libyan messages. The other allies saw paraphrases. That appeared to explain why the West Germans sounded circumspect about the evidence in the La Belle case, even though they verified the thrust of Washington's allegations. * * *" ("Targeting a 'Mad Dog,'" Newsweek, April 21, 1986—released April 13, 1986.)

MONDAY, APRIL 14

THE DAY OF THE RAID

NBC "Today Show": "A high official said in Moscow this morning the Soviet government is in contact with Washington in efforts to prevent a U.S. attack on Libya. . . . At the White House, President Reagan meets today with his top advisers in what could be a crucial meeting on the Libyan crisis." (News Anchor John Palmer) "Many observers believe—even those who originally thought that a military response would be a mistake—that the President has now talked so tough that he almost has to do something, in order to preserve American credibilty on this issue." (White House Correspondent Andrea Mitchell, NBC "Today Show," April 14)

12:13 p.m., EST: 18 US F-111s depart from Britain.

4 p.m., EST: The President consults with Congress for the first time as top congressional leaders are told of the military operation which is already in progress. (Washington Post, April 15)

Representative Robert Michel, who attended the briefing, said: ". . . we got a complete briefing on the nature of the strike and how it was to be deployed and the purpose for taking that kind of action. . . . There certainly were some serious questions asked by members, and I think rightfully so, particularly for those of us who, while hearing reverberations that there might be some kind of strike of this nature but not knowing for sure and having not been counseled or asked for our comments before that meeting. . . . (ABC "Nightline," April 14)

Asked whether this constituted proper consultation with Congress under the War Powers Act, Representative Dante Fascell, who also attended the briefing, responded: "Well, we were informed of a decision." (ABC "Nightline," April 14)

6:30 p.m. ABC "World News Tonight": "A debate at the highest level of the Reagan Administration raged through the weekend about how best to deal with Qadhafi. Officials say arguments were so intense that the President late last week was unwilling to order a military strike until differences among his top advisers could be narrowed. They now have, officials say, and plans have been set into motion to order a military strike.

One major reservation expressed late last week was the need to more fully consult with America's allies. Over the last two days, U.N. Ambassador Vernon Walters has done that consulting. . . . There were other concerns about not having enough military muscle on the scene. Two aircraft carrier task forces with 160 planes on board are standing by just north of Sicily—a quick run from Libya. Additional KC-10 tankers, used in air-to-air refueling, have been flown to bases in Britain—available for duty should the Administration decide to use Air Force F-111s in a strike.

Another concern was the lack of secrecy. Today Defense Secretary Caspar Weinberger issued a tough new order for no one to talk about details of ship or plane movements. Other reservations, many of them said to be raised by Weinberger, include concern that civilian casualties—Libyan, European, and American—be minimized and that American pilots be exposed to the lowest possible risk. Though differences among high-level advisers still exist, officials say once the President signed off on a plan for action the debate stopped. Now all attention is focused on making sure the plan works." (National Security Correspondent John McWethy, ABC "World News Tonight," April 14)

7:00 p.m. EST: American planes bomb Libya.

9:00 p.m. EST: President Reagan discusses the attack on Libya in nationally televised address.

11:30 p.m. EST: On ABC "Nightline," Ted Koppel declared: "It has been in the wind for days. For a time, in fact, the move toward military action was so blatant that it looked like a bluff." (ABC "Nightline," April 14).

THE AFTERMATH

A statement released by the office of Canadian Prime Minister Mulroney: "The government of Canada has been fully consulted by the United States all along and was notified in advance of its intentions with respect to Libya." (NEWSCAN [newsletter of the Canadian Embassy], week of April 18, datelined Ottawa, April 15, 1986)

White House Morning Press Briefing:

Question: "Was his [President Reagan's] decision] made Wednesday, April 9] at all contingent on diplomatic and congressional consultations? Or was the military option, once chosen at mid-week, to go forward irrespective . . . ?"

White House deputy press secretary Larry Speakes: "It was to go forward, because we sent General Walters on Saturday and Sunday and Monday to visit with the allies. They were told that the President had decided on the military option, and we'd go from there." (White House morning press briefing, April 15)

LET US BE DONE WITH THE MYTH OF HAWLEY-SMOOT

Mr. HOLLINGS. Mr. President, the advocates of so-called free trade have confected an elaborate and colorful mythology. They sing hallelujas to the "invisible hand," and genuflect before the altar of "comparative advantage," as though these concepts were relevant in today's world of MITI's and government-orchestrated export offensives.

Of course, the "free traders" also have a demonology. And the Mephistopheles and Lucifer of that hyperimaginative demonology are Representative Willis Hawley and Senator Reed Smoot, coauthors of the famous tariff act that bears their names. For decades, we have been regaled with the fable of the dastardly Hawley-Smoot tariffs, and how they precipitated the Great Crash of 1929.

Well, Mr. President, let the record show that the economic crash allegedly precipitated by Hawley-Smoot happened in 1929. It is an inconvenient fact that Hawley-Smoot was passed and took effect in 1930.

There are many other inconvenient facts about Hawley-Smoot—facts that fail to conform to the popular mythology. For instance, it is fact, not myth, that Hawley-Smoot was essentially a modest rewriting of the Tariff Act of 1922, also known as Fordney-McCumber. Yet so damaging was the stiff-tariff regime of Fordney-McCumber that, from 1922 through 1929, economic growth in the United States averaged a robust annual rate of 3.3 percent. Indeed, in the first year of Fordney-McCumber, U.S. economic growth soared by 10.2 percent.

As Prof. Frank Taussig, an authority on tariffs and generally considered an opponent of protectionism, has written:

> Regarded as a whole, the act of 1930 must be characterized as futile. The new duties on manufactured goods were mostly of a petty sort. . . . This or that article was more heavily taxed, and doubtless some domestic producers got an advantage. On the important branches of these industries, the protective system had already been carried so far that no considerable further displacement of imports could be expected [under Hawley-Smoot].

Mr. President, a more complete debunking of the myth of Hawley-Smoot is contained in a forthcoming book by B. Bruce Briggs, formerly of the U.S. Army War College and the Hudson Institute. Mr. President, I ask unanimous consent that this book's chapter titled "The Myth of the Hawley-Smoot Tariff" be printed in the CONGRESSIONAL RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

THE MYTH OF THE HAWLEY-SMOOT TARIFF

(By Mr. Bruce-Briggs)

[From a forthcoming USIC Educational Foundation book entitled "Putting the U.S. Back On Top: The National For A National Interest Trade Policy."]

The Hawley-Smoot Tariff is one of those rare historical events that has become a popular metaphor. The term "Smoot-Hawley" is meant to remind the listener of the evil consequences of economic protectionism against foreign goods. The Hawley-Smoot Tariff of 1930 is claimed to have exacerbated or perhaps even caused the Great Depression of the 1930s; the high American tariff supposedly ignited trade wars which disrupted international commence and reduced economic efficiency, generating world-wide poverty and instability which had terrible political consequences, particularly in Central Europe and in the Far East, promoting the rise of fascism and the outbreak of World War II. "Smoot-Hawley" stands in our consciousness in rank with the political and military metaphors of "Munich." "The Maginot Line," and "Pearl Harbor."

Hawley-Smoot stands especially tall in the demonology of "supply-side economics." According to its most enthusiastic advocate. "The stock market Crash of 1929 and the Great Depression ensued because of the passage of the Smoot-Hawley Tariff Act of 1930." A more conventional evaluation is that of a *New York Times* writer, "Today's protectionism stirs memories of the infamous Smoot-Hawley Tariff of 1929 (sic), which, most economists agree, helped tumble the world in Depression. Smoot-Hawley's high tariff barriers generated retaliatory barriers from Europe, which helped cripple trade and industry and helped take the roar out of the Twenties." Senator D.P. Moynihan has written of * * * "the Smoot-Hawley Tariff of 1932 (sic). We were in a Depression * * * Congress decides to discourage foreign imports. At first moderate enough, the bill got out of hand on the floor. In a frenzy of logrolling, tariffs were raised to impossible heights. Ignoring the pleas of the economics * * * States has said, "the most constructive trade bill in history, the Smoot-Hawley Tariff Act, helped plunge this nation and the world into a decade of depression and despair."

As shall be demonstrated, the metaphor "Hawley-Smoot" is a political and economic myth. For the record, the official name is Public Law 71-361, "The Tariff Act of 1930", named for Representative Willis Hawley (Republican. Oregon), chairman of the House Ways and Means Committee, then as now responsible for initiating tax legislation, and Senator Reed Smoot (Republican, Utah), chairman of the Senate Finance Committee, with the tax responsibility in the other house of Congress. (Over the years the tariff's appelation has been transposed to "Smoot-Hawley"—perhaps because it sound more ludicrous and contemptible?) And discussions of the metaphor of "Smoot-Hawley" are specific to the duty schedules that went into effect in 1930, because the Tariff Act of 1930 remains the fundamental U.S. trade law, albeit amended out of recognition, although most of the original duties still apply to nations not participating in the multilateral "most-favored nation" tariff reductions since World War II—in particular, to communist nations.

The Highest Tariff in American History?

It is claimed that Hawley-Smoot was the highest tariff in American history. In one way this is true and in another way it is not, but either way the claim is irrelevant. True, the H-5 average duty on items *subject to duty* were the stiffest imposed, but nearly two-thirds of all imports were admitted free of duty, so the average duty on imported goods was lower than in many years in the late 19th Century, none of which are claimed to have provoked economic cataclysm.

TABLE 1.—SELECTED HIGH TARIFF YEARS

	Duties as percent of dutiable imports	Duties as percent of all imports, free and dutiable
1868	48.70	46.56
1885	46.05	30.75
1894	50.29	20.56
1899	52.58	29.48
1909	43.19	22.99
1932	59.06	19.59

Indeed, every year from 1862 to 1911 had a higher overall tariff rate than H-S. What had occurred during the late 19th and early 20th centuries was a shift in the purpose of the American tariff, from fiscal to economic. Tariffs were originally primarily intended to raise revenue for the federal government, so practically all imports were taxed, and the level of duties was influenced by the desire to maximize revenues. But the late 19th century saw a move toward a protective policy which sought to almost eliminate imports that would compete with domestic producers, yet to admit imports, especially raw materials and tropical products, that would benefit American producers and consumers.

This policy was explicit in the writing of the Tariff of 1930 and its predecessors. It was "the protective theory—the historic policy of the Republican Party," and was the cause of bitter partisan debate with the more free-trading Democratic opposition. The Republicans employed tariff legislation to appeal to the interests of industrial capital and labor by protecting U.S. manufacturing from assault by lower-wage foreign competition. Surely this Republican policy was one reason why trade unions were then unhostile to what was blatantly a businessman's party. All involved in the tariff dispute knew exactly what was being done and why.

While comparative data are impossible to generate, it is possible that the United States in the 1920s had the highest tariff walls in the world. If so, the reason is easy to explain. The United States had the largest and most varied economy in the world. The United States occupied the better part of a continent. It had less need to trade than any other nation. A large part of its trade was in those natural goods that fit the classic economists' model of comparative advantage—the U.S. imported bananas, cocoa, coffee, natural rubber, and tea, and the U.S. exported coal, cotton, petroleum, and tobacco. Half of imports were raw materials, as was a third of exports. Trade in manufactured goods was kept small by policy.

The long-protected economic regime is the reason why whether or not H-S was the highest tariff is irrelevant. This point is best made by hypothetical examples: To protect the domestic widget industry by barring foreign widgets, set the tariff at a level to keep them out. If the tariff is already high enough to keep them out, doubling the tariff doesn't matter. Similarly, if foreign widgets are beginning to creep in, and the tariff is raised to restore effective protection, that matters very little. Conversely, if domestic industry has such competitive advantage that tariffs can be safely cut without fear of a foreign influx, that doesn't matter either. Further, a zero individual tariff rate in a general protective regime can mean either no significant demand for the commodity or that domestic industry is protected by its own overwhelming competence. To make the point with a reducto ad absurdum: no economic effects, positive or negative, will be felt by doubling the tariff on cotton from Greenland, or halving it, or reducing it to zero.

In fact, the Hawley-Smoot tariff was but a minor modification of an existing well-established high-tariff regime going back to the Civil War.

The Second Highest Tariff?

Whenever we are told that some action or event had beneficial or adverse consequences, we are wise to ask what was the previous policy and what were its consequences. And when we hear that something was/is/will be the highest/largest/best/worst, we do well to reply with a request for identification of the second highest . . . The Tariff of 1930 did not spring virginally from the brows of Mssrs. Hawley and Smoot. It was a revision of the Tariff of 1922 (the Fordney-McCumber Tariff), which was itself a revision of previous tariffs. Reading the two tariffs side-by-side (which this writer has done but does not recommend—they are excrusiatingly dull reading) shows that they are almost identical in wording—and in numbers. H-S was the result of what legislators call "mark-up"; the solons took the 1922 F-M tariff and marked it up as needed to address the perceived economic and political requirements of the 71st Congress.

According to Tariff Commission analyses presented in President Hoover's announcement of his signing of the H-S tariff act, some 3300 commodities were specified in the bill, of which duties approximately on 2170 were unchanged from the 1922 tariff, 890 were raised, and 235 were lowered.(7) Most of the changes were modest—say, from 20% to 25% ad valorum. Apart from agricultural goods, the overall change was not impressive.

TABLE 2.—COMPARISON OF THE TARIFFS OF 1922 AND 1930

	F-M	H-S
Estimated duties as percent of imports:		
Dutied agricultural goods	31.10	48.92
Dutied nonagricultural goods	31.02	34.31
All goods, dutied and free	13.8	16.0

According to Tariff Commission data presented by the tariff historian Frank Taussig:

Table 3.—Comparison of Tariff Schedules in 1922 and 1930—not supplied.

Apart from agricultural products, the Tariff of 1930 does not look very different from that of 1922.

Yet those data seem to be contradicted by the following set, which indicates a 50% increase in overall tariff rates.

TABLE 4.—ACTUAL DUTIES UNDER 1922 AND 1930 TARIFFS

	Duties as percent of dutiable imports	Duties as percent of all imports, free and dutiable
1923	36.17	15.18
1924	36.53	14.89
1925	37.61	13.21
1926	39.34	13.39
1927	38.76	13.81
1928	38.76	13.30
1929	40.10	13.48
1930	44.71	14.83
1931	53.21	17.75
1932	59.03	19.59

This apparent inconsistency is resolved by consideration of the relationship between the commodity distribution of imports and the structure of the tariffs with the economic catastrophe that swept the world in the early '30s. Two-thirds of imports in the '20s and early '30s were free of duty. But, as shall be demonstrated later, the price of these collapsed, and the value of free imports declined precipitously. At the same time, many tariff rates were specific values per unit (e.g., 1.7125 c/lb of sugar) rather than percent of value ("ad valorum"); because prices declined sharply in the early '30's the fixed tariffs per unit became a larger percentage of the value of the imports.

Still, although the exact proportion cannot be estimated from the materials at hand, some significant part of the increase of overall duty rate must be attributed to the 1930 tariff revisions. But it is more important to note that in 1930 the U.S. already had sky-high tariff walls, and the supposedly decisive effects of raising them still higher must be considered incredible by any open-minded analysis. According to Professor Taussig, the guru of free-trade economics:

"Regarded as a whole, the act of 1930 must be characterized as futile. The new duties on manufactured goods were mostly of a petty sort; most noticeably so in such schedules as the cotton, silk, chinaware schedules. This or that article was more heavily taxed, and doubtless some domestic producers got an advantage. On the important branches of these industries the protective system had already been carried so far that no considerable further displacement of imports could be expected."

Taussig was a leader of an agitation which plays a major role in the H-S mythology. In May of 1930, a statement signed by 1,028 members of the American Economic Association (among them Paul Douglas, Irving Fisher, Wesley Mitchell, Frank Tannenbaum, Taussig, and Rexford Tugwell) vigorously opposed the passage of H-S, using the conventional free-trade arguments that it would raise prices to consumers and would hurt exports.

The economists predicted that higher tariffs would "raise the cost of living and injure the great majority of our citizens." Of course, the cost of living declined by 22% in the following three years, and reflation was one of the goals of the New Deal political economy.

Further, the worthy economists noted with approval that "The report of the President's Committee on Recent Economic Changes has shown that industrial efficiency has increased, that costs have fallen, that profits have grown with amazing rapidity since the end of the World War." This would seem to be an endorsement of the regime of the Ford-McCumber Tariff, which as has been noted, was rather less than free trade.

Worth remarking is the wonderful economic performance of the U.S. during the period when the Tariff of 1922 was in effect:

TABLE 5.—GROWTH RATES UNDER THE FORD-MC CUMBER TARIFF

[In percent]

	Real GNP/capita	Real disposable personal income/capita
1922–23	10.2	11.6
1923–24	−2.2	2.7
1924–25	6.8	−1.8
1925–26	4.5	3.6
1926–27	−1.5	.5
1927–28	−.1	.2
1928–29	5.5	6.2
Average of years	3.3	3.3

And if raising tariff rates should have ill economic effects, the imposition of Ford-McCumber Tariff of 1922 should have had disastrous consequences. It boosted about five of every six duties with an average increase of about a quarter, somewhat more than the raises of H-S. Similarly, one can search American history in vain for other awful results of substantial tariff increases. The only glaring relationship between tariff reform and economic conditions can be seen in the 19th century. In 1857, tariffs were reduced, and a crash occurred that year. In 1872, tariffs were cut more than 10%—and the Panic of 1873 followed.

The Origins of the Tariff of 1930.

The common popular version of the H-S myth implies that the tariff in some way was an incohate attempt to deal with the economic decline already apparent in 1930. Appropriately, let us let Congressman Hawley tell us the background:

"During the campaign of 1928, the Republican Party proposed to the country that a readjustment of the tariff would be effected, and special reference was made to a readjustment of the tariff as a part of the program of relief for agriculture. The country responded by the election of President Hoover with a tremendous vote and by a greatly increased Republican membership in this body. Construing the result of the election as an authorization and direction to this Congress to readjust the tariff duties, upon its assembly in December, 1928, it was decided to begin promptly this work."

Historians of all stripes endorse this statement. In the 1920s, the weak sector of the American economy was agriculture, a much larger and politically puissant sector than today. Farm prices were down, and agricultural exports were shrinking—and the Republicans promised relief. In early 1929, the House Ways and Means Committee held its hearings, boosted many agricultural tariffs and also made some adjustments to duties on manufactured goods and reported out in May of 1929. The Senate then took up the bill. Its deliberations and the arbitration of the versions of the two houses were delayed by agitation of farm interests for even more positive action. The Republican majority felt it had to oblige in order to head off more drastic steps prompted by farm-belt radicals, such as export subsidies. The legislative record stinks of cynicism and lack of leadership. Additional tariffs could do practically nothing for the farmers, nor could relief of import duties—almost alone among machinery, agricultural tools were undutied. President Hoover's requests that the Congress get a bill out promptly were dismissed with contempt. Final passage took a year after the draft bill from Ways and Means.

In spite of all these fireworks, the resulting law was substantially unchanged from the bill reported out of Ways & Means in the first place. The final version had more increases than decreases, raising the duty level slightly, but both increases and decreases were mostly symbolic sops in the form of adjustments to rates on items that were hardly imported.

In the summer of 1929, the American economy faltered. In October the stock market crashed and the economy went into a nose dive. The Hawley-Smoot tariff went into effect in late June 1930. The national and world economies continued to slide until 1933 when they bottomed out and began to recover (either aided or retarded by the national economic policies, depending on whether you are a defender or a critic of the New Deal.) In the mid-1930s, a series of reciprocal trade agreements to roll back tariffs to Ford-McCumber levels were negotiated by Mr. Roosevelt's Secretary of State, Cordell Hull, (who not incidentally had been a minority member of Hawley's Ways and Means Committee, and had sniped at its proceedings.)

Obviously, the chronology is a poor fit to making much of the tariff in causing or responding to the Depression. The numbers are a worse fit. If the new levies were perceived as a significant barrier to trade, there should have been a spurt of imports in 1929 and early 1930 to beat the customsmen. No such spurt occured. Not only did the tariff not increase duties very much, but they did not affect trade very much.

The Hawley-Smoot Tariff Provoked Reprisals?

Indeed it did. The following several years saw the raising of tariff barriers around the world. Our premier trading partner, Canada, responded immediately and effectively. England abandoned its remnants of free trade. A particularly opposite response was by Switzerland, which replied to higher duties on watch movements by laying a prohibitive duty on U.S. typewriters to protect the infant Hermes company in order to reemploy laid-off watchmakers—and by the way, taking advantage of the fact that typewriters were on the U.S. free list.

But a concentration on reprisals distorts the history of the international political economy circa 1930. In fact, tariff barriers were being raised long before the U.S. action. In 1927, France and Cuba raised tariffs against the United States. In June of 1929, Brazil raised its duty on imported cars. In the late 1920s, the situation in Europe was so severe that in February, 1930, representatives of 11 nations met in Geneva and signed a tariff freeze—which was as ineffective as the arms control agreements of the period—France, having agreed to freeze tariffs, ingeniously resorted to import quotas.

Of course, all the nations were responding to their internal needs. Italy nicely illustrates how domestic influences were more vital to trade policy than were international events. Two high-tech products of the 1920s were radios and automobiles. The Marelli company began to produce radios in 1930 and obtained protection that year. Early in 1929, there began an agitation in Italy against American automobiles, supposedly organized by the Automobile Club of Milan. Of course, this was Mussolini's Italy, and no political activity was possible without the approval of the Fascist authorities, and the FIAT company was in trouble, and its owners the Agnellis were exceedingly well connected. In 1931, U.S. cars were banned from the Italian market altogether. That this was retaliation for H-S is brought into question by the continued success of Italian imports in the Amerian market place—of the 12 leading Italian imports, seven showed substantial increases by volume, although H-S raised tariffs on six of the seven.

Yes, there were reprisals, and probably harmful ones. Yet it must be remarked that the U.S. did not initiate the "trade wars" and because of its tariff-insulated economy had less to gain or lose in trade wars than any other nation. And, as we shall see, the domestic effects of the international trade competition are devilishly difficult to detect.

The Collapse of Trade?

Until very recently, the United States was not much of a trading nation. It had a national economy. By policy it had a national economy. Imports and exports were only 4-5% of gross national product in 1928 and at about that level throughout the decade.

U.S. international trade did drop like the proverbial stone in the early 1930s, but that should not surprise us. There was a sharp deflation—25% from 1929 to 1933—so almost everything dropped in price. Furthermore, there was a world-wide depression, less was being produced and consumed, so it would be astounding if imports and exports maintained their prosperity levels. And the decline of sales permitted companies to stretch out pre-crash inventories of imported goods. So we should disregard as specious comments such as, "U.S. imports, $5.9 billion in 1929, fell to 4.4 billion, $3.1 billion and $2.1 billion in the next three years."

A better measure of the level of trade is imports and exports as percentages of gross national product and of moveable production:

TABLE 6.—TRADE AND PRODUCTION

	Imports as percent of		Exports as percent of	
	GNP	Production of moveable goods	GNP	Production of moveable goods
1927	4.3	8.7	5.1	9.9
1928	4.2	(1)	5.2	(1)
1929	4.2	8.2	5.0	9.6
1930	3.4	(1)	4.2	(1)
1931	2.7	6.4	3.2	7.2
1932	2.3	(1)	2.8	(1)
1933	2.6	5.7	3.0	3.0

[1] Not given in source.

But notice that these indicators, which correct for the decline in price and in overall economic activity, still reveal a considerable residue of real decline in trade. That is, a real decline in dollar value of trade. The universe of financiers and economists is limned in dollars. To the rest of us, the object of economic activity is commodities. Recall the great volume of U.S. trade in unmanufactured goods, most of which were duty free, and consider these data:

TABLE 7.—SELECTED IMPORTS & EXPORTS, BEFORE AND AFTER H-S

IMPORTS

	Crude materials index		Crude foods index		Coffee (millions)		Sugar (millions)		Rubber (millions)	
	Quantity	Amount	Quantity	Amount	Pounds	Amount	Pounds	Amount	Pounds	Amount
1928	54	$75	64	$43	1,457	$310	7,737	$207	978	$245
1932	37	26	59	20	1,501	137	5,943	97	929	33

EXPORTS

	Crude materials index		Crude foods index		Cotton (millions)		Tobacco (millions)		Wheat (millions)	
	Quantity	Amount	Quantity	Amount	Pounds	Amount	Pounds	Amount	Pounds	Amount
1928	62	$63	14	$82	4,579	$920	575	$154	96	$120
1932	57	27	8	42	4,803	345	388	65	55	33

Note the extraordinary disparity between the changes in the quantities and the values of the traded commodities. "Crude foods" and sugar were hit with substantially higher tariffs by H-5; import quantities declined as was intended, but only a fraction of the drop in values. Coffee and rubber imports had no duty, and their value also plummetted. The exports show a similar pattern. Note that the U.S. actually exported more cotton in the trough of the Depression. In other words, a substantial chunk of the contraction of world trade was a collapse of world commodity prices—a plunge so severe as to drown any U.S. tariff effects in its wake.

Recalling the decline in overall prices, and the expected decline in trade caused by declining production, leaves little to be blamed on tariff policy.

THE MYTH OF HAWLEY-SMOOT

Now, those people who hold free trade theory as ideological dogma must view any interference with trade, however trivial, as a mortal economic sin. But those who see economics as an empirical science must recognize that small additional trade restrictions most likely must have minor adverse economic consequences. A higher tariff, like any higher tax, is only one reason why a good shall cost more. Although this writer has not examined the possibility, it is quite within the realm of reason that the moderately higher H-S tariffs merely compensated for lower shipping costs during the 1920s. Simply, foreign trade was not all that important to the United States in 1929:

TABLE 8.—COMMERCE AND CATACLYSM

[In billions of current dollars]

	Exports	Imports	GNP
1929	5.0	4.1	103.1
1932	1.6	1.3	58.0
Change	−3.4	−2.8	−45.1

Any ill-effects caused by the tariff revisions were swallowed up in an economic cataclysm.

Conversely, further isolating the powerful U.S. economy from the distress of weaker sisters may have somewhat mitigated the American consequences of world disaster—but again, the Hawley-Smoot readjustments were too minor to have mattered.

Certainly, the argument over proper and prudent policy toward international commerce should and will continue, but the myth of Hawley-Smoot should be interred in the graveyard of rhetorical curiosities. But certainly, some polemecists will continue to frighten the unwary with the Smoot-Hawley bogeyman.

REV. J. WENDELL MAPSON CELEBRATES 40TH ANNIVERSARY AS PASTOR OF MOUNT CALVARY BAPTIST CHURCH

Mr. LAUTENBERG. Mr. President, I rise today to salute Rev. J. Wendell Mapson, minister of the Mount Calvary Baptist Church in Newark. Reverend Mapson is considered one of New Jersey's great spiritual leaders and a vital part of the Newark community.

Born in Bullock County, AL and ordained in the Hutchinson Street Baptist Church in Montgomery, AL in 1933, Reverend Mapson has received a doctor of divinity degree from Selma University. Reverend Mapson came to New Jersey in 1947, after serving as minister of churches in Alabama, Georgia, and Florida.

But as many of his parishoners know, Reverend Mapson's ministry has reached far beyond his duties at Mount Calvary. Since coming to New Jersey he has been a leader in numerous religious and civic activities in the greater Newark area. He has an impressive list of accomplishments, including serving as president of the Baptist Ministers' Conference of Newark and Vicinity, chairman of the New Jersey State Parole Board, and president of the board of directors of Mount Calvary Homes. Reverend Mapson has served as chaplain of the Essex County Jail, a trustee of the Newark Public Library, and he is a life member of the NAACP. Under his leadership, two housing complexes were built to provide much-needed residences for the citizens of Newark.

Reverend Mapson has received many awards and acknowledgments for his many contributions to the community. He has been named Most Outstanding Citizen of Newark, Most Outstanding Trustee of the Newark Public Library, Most Outstanding Pastor and Preacher of Newark, and Most Valuable Member of the Clinton Hill Neighborhood Council. Reverend Mapson was also honored by the Governor of Alabama, George Wallace, as an outstanding minister and citizen.

This year, the Mount Calvary Baptist Church in Newark is celebrating the 40th anniversary of Reverend Mapson's pastorate with a special series of services, culminating with an anniversary banquet on July 17. I am most honored to be invited to join Reverend Mapson's family and friends in this special celebration of his longstanding leadership of the greater Newark community.

NOMINATION OF JUDGE LARRY J. McKINNEY

Mr. LEAHY. Mr. President, the nomination of Larry J. McKinney to be U.S. district judge for the southern district of Indiana has been approved by the Judiciary Committee and is now on the Executive Calendar. This nominee was examined at a hearing of the Judiciary Committee on June 18, 1987, at which Senator HEFLIN presided. Based on the investigation conducted by committee staff, and on the record made at the hearing, Judge McKinney appears qualified for the position to which he has been nominated. For the benefit of Senators who will soon vote on whether to confirm this nomination, I offer the following brief summary of the nominee's qualifications, and of the testimony elicited at the hearing and in followup questions.

The nominee has served since 1979 as a judge of the State circuit court in Johnson County, IN. This is a trial court of general jurisdiction. His particular court sits in a rural county, but because of its proximity to Indianapolis, and the liberal State rules on change of venue, an unusual amount of relatively complex litigation has been brought before it. Judge McKinney's reputation among the members of the bar in that part of Indiana may be reflected in the fact that commonly both sides in complex litigation agree to change venue in their cases to his court. Before ascending the bench, Judge McKinney conducted a law practice for 8 years in two small towns

in Indiana, and served for a year as a deputy attorney general in Indianapolis. Judge McKinney, 43, is a graduate of McMurray College and of the Indiana University School of Law.

At the hearing on June 18, and in response to followup questions I submitted after the hearing, Judge McKinney responded satisfactorily to questions concerning the transition from State to Federal court; the adjudication of mass tort claims; his practices in sentencing convicted defendants, and the role of sentencing guidelines; and the role of a judge in facilitating settlements, particularly in complex cases. On July 9, the Judiciary Committee reported his nomination by unanimous consent.

AMERICANS HELD IN MOZAMBIQUE MUST BE RELEASED

Mr. DOLE. Mr. President, like all Americans, I am deeply concerned about the fate of an American citizen, and six others, being held—reportedly against their will—in Mozambique.

I do not want to get involved in the process now underway of making charges, and casting aspersions upon the intentions or the integrity of anyone—whether in Mozambique or in this country. Now is not the time for politics, political exploitation, or public relations.

Right now, the immediate task is getting the American, and the others being detained, released—safely released. That is a totally nonpolitical goal. It has nothing to do with overall American policy in Mozambique. It has nothing to do with Melissa Wells. Accomplishing the release has absolutely no political overtones—again, either in Mozambique or here.

LETTERS TO FRELIMO AND RENAMO

So I have written very similar letters to the President of Mozambique and the President of RENAMO, urging that both agree to some basic, obvious criteria to effect a release.

To RENAMO, I have insisted that the release be totally unconditional, under a ceasefire, and as soon as safe conditions for the release can be arranged.

To Frelimo, I have urged that it agree to a temporary ceasefire, in the area where and the time when the release is to be accomplished, so it can proceed safely.

To both, I have suggested use of the Red Cross, or other reputable, nonpolitical international organization.

I have asked each side to reply—and that could either be to me, and I would turn the replies over to the administration; or directly to the administration. I await the replies from each.

HUMANITARIAN, PURE AND SIMPLE

Mr. President, several weeks ago, I suggested that we treat the famine in Mozambique as a nonpolitical tragedy, and respond without regard for political considerations. I believed then, and I do now, that is a sound approach to that kind of calamity.

This, on a more limited scale, is a similar situation. Innocent human lives are at stake. Let's put politics aside; and make the arrangements to insure the safety and freedom of those detained. Can't we all agree on that?

Mr. President, I ask that the full texts of my two letters be included in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
OFFICE OF THE REPUBLICAN LEADER,
Washington, DC, July 14, 1987.

MR. JOSE JOAQUIM ALBERTO CHISSANO,
President of Mozambique, Presedencia da Republica de Mozambique, Maputo, AV. Julius Nyerere, 1780, Mozambique.

DEAR MR. CHISSANO: Like all Americans, I am deeply concerned by reports that a United States citizen, along with six others, is being detained inside Mozambique. It is imperative that any American, or any other person of any nationality, being held against their will in Mozambique be released immediately and without precondition. It is also imperative that all parties in Mozambique cooperate with efforts to insure that a release can be accomplished without endangering the lives or well-being of those detained.

In order to insure the safety and humane treatment of those released, I call upon you to agree: (1) to a temporary ceasefire in the area in which a release could be effected, to insure that such a release could proceed without endangering the lives or well-being of the detainees; and (2) to cooperate with the Red Cross, or other reputable, non-political international organization, in accomplishing such a release.

For your information, I have written to the RENAMO organization, urging that it agree to the immediate release of all detainees, under a ceasefire, without any preconditions except those legitimately necessary to insure the safety of the detainees.

I would appreciate your earliest reply, providing assurances that you will cooperate to effect a release, in accord with the criteria outlined above.

Sincerely yours,

BOB DOLE.

U.S. SENATE,
OFFICE OF THE REPUBLICAN LEADER,
Washington, DC, July 14, 1987.

MR. AFONSO DHLAKAMA,
President of RENAMO,
Gorongosa, Mozambique.

DEAR MR. DHLAKAMA: Like all Americans, I am deeply concerned by reports that a United States citizen, along with six others, is being detained inside Mozambique by RENAMO or those associated with RENAMO. It is imperative that any American, or any other person of any nationality, being held against their will by RENAMO of those associated with RENAMO be released immediately and without precondition, under arrangements to insure the release can be effected without jeopardizing the lives or well-being of those held.

In order to insure the safety and humane treatment of those released, the release should be conducted under a ceasefire in the area of the release, and through a reputable, non-political international organizations, such as the Red Cross.

For your information, I have written to the Embassy of Mozambique in Washington, urging that it agree: (1) to cooperate in a temporary ceasefire in the area in which the release is to be effected, to insure that it can proceed safely; and (2) to facilitate the efforts of the Red Cross or other selected international organization to effect the release.

I would appreciate your earliest reply, providing assurances that RENAMO will cooperate to effect a release, in accord with the criteria outlined above.

Sincerely yours,

BOB DOLE.

THE GUNS OF GLASNOST

Mr. HELMS. Mr. President, the major news media of the United States and other Western countries have been pounding away at the people of the free world with a constant repetition of the Russian word "glasnost" in conjunction with vague allusions to new "openness" in the Soviet dictatorship.

We have seen similar Russian peace offensives in the past—with similar aid and comfort from the Western press. Usually these activities precede an event like the invasion of Afghanistan or the conclusion of an arms treaty in favor of—and I should add, violated by—the Soviet military.

One of the few journalists to recognize that glasnost is just a new name for the same old falsehoods is Edgar Ulsamer of Air Force magazine.

I commend to the Senate his article entitled "The Guns of Glasnost" which appeared in the June 1987 issue of that periodical, and I ask unanimous consent that the article be printed in full at the conclusion of my remarks.

I hope that this article will be read by all Senators as well as by their staffs. It is instructive and—for Americans who love their homeland—compelling.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GUNS OF GLASNOST

(By Edgar Ulsamer)

The central conclusion of the just-released 1987 edition of Soviet Military Power—the US government's comprehensive annual assessment of the USSR's defense activities—is that Soviet leader Mikhail Gorbachev's "peace offensive" over the past two years is controverted by the USSR's accelerating one-sided arms race. Glasnost notwithstanding, Soviet arms spending in 1986 grew more rapidly than in prior years and, in the aggregate, accelerated at an annual rate of three percent over the past few years, even though US defense spending declined by about seven percent over the past two years. Possibly the single most telling statistic unearthed by the new US assessment is that the USSR devotes between fifteen and seventeen percent of its GNP (gross national product) to defense compared to about six percent for the US.

Soviet Military Power 1987 enumerates a host of facts about the Soviet arms buildup, including evidence of operational laser devices that have been used to temporarily blind aircrews from countries that the Pentagon declined to identify as well as of new hard-target-kill-capable SLBMs and new generations of advanced ICBMs. Defense Secretary Caspar W. Weinberger, in the document's preface, provides a quick numerical overview to make the point that in the arms sector the Soviet Union continues to live up to the Leninist dictum that quantity has a quality all its own: "For the decade 1977-86, the USSR built 3,000 ICBMs and SLBMs, the US 850; the USSR 140,000 surface-to-air missiles, the US 16,200; the USSR 24,400 tanks, the US 7,100; the USSR ninety submarines, the US forty-three; the USSR 28,200 artillery pieces, the US 2,750."

In the past, the West has been able to rely on superior technology to counteract the Soviet advantage in numbers of troops and weapons, but of late "our technological lead is being increasingly challenged." Secretary Weinberger explained that each year, "we confront a more technologically advanced Soviet Union," partly as a result of purloined Western technology but due also to that country's steadily growing and maturing technological and scientific base.

NO SYSTEMIC CHANGES IN SOVIET SYSTEM

Neither the new US document nor the series of briefings involving Secretary Weinberger and other senior experts associated with its issuance recorded evidence of fundamental change in Soviet military policy or geopolitical objectives. While the "winds of change" are indeed blowing in the USSR, they involve changes in form, not substance, as one senior official pointed out. Furthermore, these changes implemented by Gorbachev clearly carry with them the cachet of the Soviet military, for they enhance the productivity of the Soviet Union and thereby the industrial and technological infrastructure of the defense sector. Gorbachev's commitment to revitalizing the country's economic base—the locomotive of future military modernization—has been evident ever since he became General Secretary.

Over the past two years, he has scored impressive gains: The Soviet GNP last year grew by more than four percent, with industry—the focus of Gorbachev's modernization efforts—recording its best growth in a decade. But as a joint CIA-DIA assessment pointed out, whether that growth rate can be maintained for long is problematic for, massive rhetoric notwithstanding, none of Gorbachev's reform measures will "greatly change the system of economic incentives that has discouraged management innovation and technological change." At any rate, the winds of change affect not only the work ethic and discipline of Soviet labor but tangibly provide for enhanced quality control.

Possibly most significant is the relatively rapid replacement of aging machinery and facilities with equipment embodying a higher level of technology to meet what Soviet planners refer to as "world standards." In combination, these reforms are meant to upgrade the country's technological base to put the Soviet Union on a higher, self-sustaining growth level. Gorbachev's goal is to sustain an annual GNP growth rate of four percent for the remainder of the current Five-Year-Plan—which ends in 1990—and to seek a five percent average annual growth rate during the 1991-2000 period.

But the economic reforms launched by the new Soviet regime stand in stark contrast with its rigid adherence to the global power politics decreed by Marxist-Leninist ideology. As Secretary Weinberger put it in summarizing the conclusions of the new document, "The Soviets do not change military policy. They can have different kinds of General Secretaries, younger ones, healthier ones, better dressed ones, but the policy remains the same. . . . If a General Secretary came in and tried to change that policy, I don't believe he would be General Secretary very long."

THE AFGHAN SCAM

While Soviet ideology and the resultant military policy are treated as sacrosanct dogma by the Kremlin, the portrayal of these commandments to the outside world can shift freely and cynically, the US document points out. The charade of a gradual withdrawal of Soviet forces from Afghanistan is a case in point cited by Soviet Military Power. Following General Secretary Gorbachev's televised announcement in Vladivostok last summer that he intended to withdraw a "limited number" of Soviet forces from Afghanistan, beginning with the pullout of six regiments by the end of 1986, the Soviets employed massive and ingenious deception to "document" realization of this hollow pledge. For one, "the Soviets brought in two infantry units from Central Asia expressly for the purpose of being able to remove them."

The Soviets also beefed up understrength units already earmarked for rotation with reinforcements and new equipment from the USSR or from other units stationed in Afghanistan to showcase their withdrawal. After the PR hype, the US document pointed out, most of the equipment and reinforcements were reassigned to units that remain in Afghanistan. Lastly, about half of the units withdrawn as part of this media circus involved air defense forces. Since the mujahedeen (the Afghan resistance fighters) have no air force, the US report points out, "the three antiair regiments scheduled to be pulled out were of marginal value to the Soviet military effort."

BROAD ARRAY OF NEW WEAPONS

In hardware terms, the new US intelligence document stresses that the USSR is building new generations of offensive strategic and theater nuclear forces as well as modern conventional land, sea, and air forces and strategic defense forces, going "far beyond legitimate requirements for defense." Among the most noteworthy developments last year cited by Soviet Military Power were the following:

The USSR's newest class of strategic ballistic missile submarine (SSBN), the Delta IV, is entering operational service carrying sixteen SS-N-23 SLBMs. This SLBM, the newest weapon of its type, carries ten warheads. This extremely accurate weapon, US intelligence experts find, will have hard-target kill capability when operated in concert with Glonass, the Soviet equivalent to the US Navstar global positioning system (GPS).

The USSR's first fifth-generation ICBM, the road-mobile SS-25, now numbers more than 100 launchers, with additional deployments of this Minuteman-size weapon pending. At the same time, an extensive network of rail support facilities continues to take shape in preparation for the deployment of the rail-mobile MX-size SS-X-24 later this year. Some of these new missiles that carry ten warheads will also be deployed in silos.

The hardness levels of Soviet ICBM silos have been increased to about four times that of the best operational US designs, or about 12,000 psi (pounds of overpressure per square inch). The SS-25 and S-X-24 are members of the so-called "fifth generation" of Soviet ICBMs. The bulk of all currently deployed Soviet ICBMs represents the fourth generation, consisting of the SS-17s, SS-18s, and SS-19s that were first fielded eight years ago.

By way of a benchmark, the U.S. intelligence assessment points out that the 308 SS-18 Mod 4 ICBMs, by themselves, are capable of destroying between sixty-five percent and eighty percent of all US ICBM silos, while retaining more than 1,000 SS-18 warheads for restrike. In the same vein, the lead in deployed MIRVs that results from the relentless modernization of the Soviet ICBM forces is widening dramatically. Over the past ten years, the number of MIRVs carried by the Soviet ICBM force shot up from about 1,200 warheads to about 6,500 while the US MIRV level remained constant at about 2,200 ICBM warheads. Overall, the operational Soviet ICBM force consists of more than 1,400 silo-based and mobile launchers, which, of and by itself, constitutes a breach of the SALT II agreement that the Soviets—unlike the US—claim to consider binding.

In addition to the fourth- and fifth-generation ICBMs, the Soviets have started flight-testing a follow-on to the SS-18 Mod 4, bearing the NATO code name Satan. This ICBM will probably have more throw-weight, carry at least ten warheads, and have better accuracy than its predecessor. These attributes suggest unsurpassed effectiveness as a prompt hard-target killer. There is evidence also, according to the latest edition of Soviet Military Power, of plans for follow-on systems to both the SS-25 and SS-X-24.

Not satisfied with an already burgeoning arsenal of SS-20 long-range theater weapons—at least 441 of which are known to have been fielded—the USSR is "vigorously pursuing test-firings" of a still more accurate intermediate-range ballistic missile that is likely to become operational this year. At the same time, deployment of a new generation of shorter-range theater ballistic missiles, the SS-21 and SS-23, continues.

In terms of air-breathing strategic weapons, strategic aviation is "making a strong comback in the Soviet Union," according to the new US threat assessment. At least seven Blackjacks, a larger and faster Soviet counterpart to the B-1B, are in advanced flight test. At least fifty-five new Bear-H bombers are operational and can carry the 3,000-kilometer-range, nuclear-armed AS-15 air-launched cruise missiles. Some of these Bears, Soviet Military Power points out, routinely fly training missions against North America, at times coming within fifty miles of US airspace. The combination of Bear-H and Blackjack bombers will eventually enable the Soviets to launch hundreds of difficult-to-detect, hard-target-kill-capable AS-15 cruise missiles.

Along with the operational deployment of air-launched cruise missiles, the USSR is flight-testing SSC-X-4 nuclear-capable, ground-launched cruise missiles as well as nuclear-capable SS-NX-21 sea-launched cruise missiles for submarines.

Operational deployment of a sophisticated new generation of mobile surface-to-air missiles, the SA-12, has started. One variant, the "Gladiator," or "A" model, is being fielded, while the SA-X-12B/Giant is still under development. The latter type, the US intelligence assessment reports, is deemed broadly effective not only against aircraft and cruise missiles at any altitude but also against tactical ballistic missiles as well as some categories of strategic ballistic missiles. The advent of the SS-12—and its possible deployment by Soviet surrogate forces—could drastically affect the utility of the US SR-71, which heretofore has been largely beyond the reach of hostile surface-to-air weapons.

UPGRADED STRATEGIC DEFENSES

During the past decade, the Soviets allocated resources equivalent to approximately $400 billion to strategic programs, of which about half went to defensive weapons. As a result, the Soviets continue to lead the US in deployed strategic defensive systems by a wide margin, Soviet Military Power reports. Key here is the fully operational ABM system ringing Moscow. This system is being expanded to a two-layer network composed of silo-based, long-range, modified and reloadable Galosh interceptors; silo-based, probably nuclear-armed Gazelle high-acceleration interceptors that engage reentry vehicles within the atmosphere; and associated engagement radar systems, including the new Pill Box large, phased-array radar at Pushkino north of Moscow. This modernized two-tiered system is expected to reach operational status within two or three years.

Pacing the ABM defenses is a space-based early warning system resembling the US DSP (Defense Support Program) system, but consisting of ten (rather than three) satellites. The Soviet early warning system provides thirty minutes' tactical warning and can determine the general origin of a given missile. Additionally, two over-the-horizon radars that are directed at US ICBM fields also can give about thirty minutes' warning. The next layer of the Soviet detection and tracking network consists of eleven large Hen House ballistic missile early warning radars situated on the periphery of the USSR. These sensors corroborate the warning information from the satellite and OTH radar systems, determine the size of the attack, and provide target-tracking data in support of antiballistic missile forces.

Backing up these capabilities by providing ballistic warning and tracking are nine LPARs (large phased-array radars), including one at Krasnoyarsk—which, because of its inland location, violates the ABM treaty—and three that were completed last year. These systems and the demonstrated capability of the SA-10 and SA-X-12B/Giant air defense systems to perform ABM functions, the US report charges, create an infrastructure that permits the relatively rapid deployment of a nationwide ABM system.

The Soviet Union also maintains a multifaceted operational strategic air defense system that dwarfs that of the US as well as a wide-ranging research and devlopment program in both traditional and advanced defenses. The operational Soviet ASAT system, which plays a significant strategic role, consists of fifteen interceptors that can be launched at a rate of five a day. Moreover, the Soviets' passive defense program includes deeply buried shelters—some 800 feet below the surface and protected by solid rock—to protect key elements of the Soviet leadership.

The strategic defensive forces are designed to complement the effectiveness and credibility of the strategic offensive forces in two ways. One is to intercept and destroy whatever hostile strategic weapons—be they missiles or aircraft—that might survive the preemptive strikes of the Soviet offensive forces before they can reach their targets on Soviet soil. The other key function assigned to the defensive forces is protection of the Party, state, military, and industrial infrastructures along with key components of the labor force to permit the eventual recovery of the USSR from a nuclear war ahead of any adversary.

Conversely, the job of Soviet offensive strategic forces in the case of nuclear attack is to destroy or neutralize as much of the enemy's strategic forces—regardless of basing mode—before they can be launched. Another mission of the offensive forces is to destroy or disrupt the enemy's command control and communications apparatus. The tools for achieving these tasks are more than 10,000 deployed missile warheads and bombs carried by ICBMs, SLBMs, and bombers with intercontinental range. The most troublesome recent development in the strategic offensive sector, a senior defense official pointed out, is the Soviet commitment to mobile ICBMs, because it is "very, very difficult to . . . find those mobile targets [that] operate as far as 100 miles out of garrison."

SOVIET GAINS IN SPACE

Support of terrestrial military operations continues to be a top Soviet priority, especially in terms of C^3I, according to Soviet Military Power. The USSR operates the world's only military radar and electronic-intelligence ocean reconnaissance satellites. These sensors are eminently capable of detecting and tracking hostile naval forces. The Soviets launch satellites of this type routinely for tests during the Soviet and NATO naval exercises.

Robust and versatile launch capabilities are a driving force behind the steady growth in Soviet military space operations. About every third day the Soviets orbit a military payload, using one of eight types of operational spacelaunch vehicles. The pending deployment of the medium-lift Titan IIIC-class SL-C-16 and a heavy-lift launcher—comparable to the Apollo program's Saturn V and designated as SL-W—will increase Soviet space-launch capabilities even further. The SL-W booster, Soviet Military Power points out, will do double duty by serving as the launcher of the Soviet space shuttle orbiter as well as other heavy payloads weighing around 100,000 kilograms.

The SL-X-16, capable of placing a payload of more than 15,000 kilograms into low earth orbit, will probably serve as the primary launch vehicle for the Soviet space plane, which has been flight-tested by means of a subscale version. This small, manned spacecraft could be used for quick-reaction, real-time reconnaissance missions, satellite repair and maintenance, crew transport, space station defense, satellite inspection, and, if necessary, space combat, according to the new US analysis.

With the SL-X-16 and SL-W, the Soviets will have ten types of expendable launch vehicles, four of which support manned spaceflight, and three different manned space vehicles; Soyuz-TM (an approved crew-ferry vehicle), the Shuttle (whose first launch could come this year or in 1988), and the space plane. The combination of these systems will give the Soviets even greater versatility and redundancy to conduct and augment military operations in space.

Soviet interest in manned military space operations, the U.S. intelligence community believes, impels the USSR's large space-complex program. This large, modular facility—whose construction is expected to get under way within a few years—is to accommodate as many as 100 cosmonauts. Experiments carried out aboard the much smaller Salyut space stations suggest that the Soviets are evaluating the ability of military cosmonauts to locate, identify, and track targets from space as the first step toward "designing a space weapons platform for use against targets in space and on earth." Such a platform, Soviet Military Power contends, could be used for ASAT and ballistic missile defense operations as well as space station defense.

CONVENTIONAL FORCES KEEP GROWING

Concurrent with the expansion of its strategic nuclear forces, Moscow is stepping up modernization and expansion of its conventional warfare forces and capabilities. The Soviet ground forces, the new US report points out, have been boosted to 211 active and five inactive mobilization-base divisions. One of the most significant developments in ground-forces technology brought out by the new US report is Soviet emphasis on reactive armor technology that helps neutralize antiarmor weapons, a concept pioneered by the Israelis. The widespread application of this technology to new Soviet tanks as well as retrofitting it to existing equipment "threatens to shift fundamentally the conventional force balance," according to Soviet Military Power. The basic idea of reactive armor is to dissipate the force of incoming antiarmor rounds by exploding reactive charges.

In the air warfare arena, the new US assessment points out that the Soviet military aircraft industry is "in the midst of a technological revolution." Most of the new military aircraft incorporate much more complex and sophisticated electronic subsystems than did their predecessors. There is evidence that the Soviets have made progress in developing aircraft with low-observable radar signatures. At least one completely new fighter is in development, and several variants of existing, relatively new fighters can be expected to enter production over the next several years.

At the same time, a new airborne warning and control system (AWACS), the Mainstay, is entering the operational inventory in quantity. Primarily meant to handle early warning and air combat command and control, the modified Il-76TD has a true overland look-down capability. There are indications also that in addition to incorporating a new identification, friend or foe (IFF) system, this aircraft may have a comprehensive electronic countermeasures complement.

Two new Soviet attack helicopters, the Havoc and the Hokum, are undergoing protype testing. Armed with either a 23- or 30-mm cannon and as many as sixteen antitank guided missiles, the Havoc's primary quarry will be tanks as well as antitank helicopters. The Hokum, by contrast, is a unique special-purpose helicopter tailored to the air-to-air role. Featuring a coaxial rotor system, retractable landing gear, and a streamlined, jet-aircraft-like fuselage, the Hokum's speed probably ranges around 350 kmh (kilometers per hour). This new helicopter probably will employ air-to-air missiles and a rapid-fire cannon in day, night, and adverse weather conditions in its role as a low-level, tactical counterair system.

A CORNUCOPIA OF NEW NAVAL WEAPONS

The proliferation of new weapon systems, Soviet Military Power points out, is evident also in the naval warfare arena. In addition to continuing the production of nine classes of submarines and eight classes of major surface warships during the past year, the USSR also unveiled and began sea trials of a revolutionary new class of amphibious air-cushion vehicles. This landing craft, identified as the Pomornik class, is the largest military air-cushion vehicle ever built. The vehicle is fifty-seven meters long, displaces 350 tons, and is capable of high operating speeds. This craft, which went from building ways to sea trials in less than a year, demonstrates the Soviet Navy's determination to introduce new designs into the fleet.

Another startling new Soviet effort involves WIG (wing-in-ground) amphibious vehicles that cruise efficiently and rapidly at altitudes of less than fifty feet, riding on a cushion of air formed between the wing and the ground during low-altitude flight. Hybrid vehicles of this types can carry heavy loads long distances, especially over water, with great fuel efficiency. One of the Soviet WIG designs under development incorporates six missle launch tubes and is evidently meant to perform antiship missions, according to the US intelligence report.

ORGANIZATIONAL CHANGES AND OUTLOOK

While the USSR's military leaders continue to be consulted by the Communist Party's leadership on strategic decisions, Soviet Military Power finds that "the standing of the military within the overall Soviet leadership has been somewhat reduced in recent years." This assessment rests, in part, on the fact that Marshal of the Soviet Union Sergei Sokolov, the USSR's Defense Minister, has not yet been made a full member of the Politburo, but remains at the lower status of candidate member. There is evidence that Marshal Sokolov has been passed over for full membership on several occasions, which suggests "a reduction in the status of the armed forces within Soviet decision-making circles," according to the US government assessment.

The ultimate control over all miliary decisions continues to rest with the Defense Council, which is composed primarily of Party leaders and is chaired by Gorbachev. This body, Soviet Military Power asserts, controls "all aspects of national security policy [and] conveys the Party's wishes on all defense, budgetary, organizational, and senior personnel matters." Marshal Sokolov is its only military member.

Linked closely to national security policy is the Soviet Union's foreign policy, which under Gorbachev is taking on a new dynamic dimension: "To energize Soviet foreign policy and to overcome the impression that the influence of the USSR abroad is based solely on its military prowess, Gorbachev has restructured the upper echelons of the country's foreign-affairs apparatus. Eight of eleven first deputy and deputy foreign ministers, in addition to Foreign Minister Eduard Shevardnadze, are Gorbachev appointees."

In addition, more than thirty ambassadors have been replaced, including those in most major Western and Asian capitals. The new appointees, Soviet Military Power finds, "are sophisticated men with backgrounds in Party work and international relations as well as knowledge of or experience in dealing with the news media, [well versed in] stressing global interdependence and the flexible, pragmatic nature of Soviet foreign policy."

Central to these changes is the emergence of arms-control policy as the Kremlin's major tool for dealing with the West: "The Soviets are trying to wrest concessions from the US through superficially tempting but one-sided offers [and to] weaken Alliance resolve through protracted negotiations and well-targeted propaganda [aimed at complicating] the funding of US defense programs." Although Moscow's style and rhetoric have changed, the US analysts conclude, the "ultimate goals have not. Expansion of influence and consolidations of gains remain the basic goals of the Soviet Union's activities worldwide."

VOTER APATHY

Mr. HATCH. Mr. President, 87 percent of those under 30 eligible to vote did not bother to do so in the last election. Less than 40 percent of all those eligible voted.

West Germans, concerned about voter turnout in the Federal Republic of Germany last January, were lamenting an 85 percent turnout rate.

One of every two 17-year-olds in the Nation does not know there are two Senators from every State. One of every two 17-year-olds thinks that the President can appoint Members of Congress. They are eligible to vote at 18, but the youngest eligible voters are the least likely to go to the polls.

Over 2 million parents and young people participated in the National Student/Parent Mock Election on November 1, 1984, a historic first. In 1988, the organizers of the National Student/Parent Mock Election hope 5 to 10 million will participate.

The National Student/Parent Mock Election has been endorsed by the President, two national parties, the campaign committees for the Senate and the House on both sides of the aisle, the Department of Education, and 46 national civic, religious, and educational organizations who cooperate on the project.

State and national leaders of all polittical persuasion have had high praise for this unique exercise in voter education.

President Ronald Reagan wrote:

> Your mock election is just the type of effort we need to instill our young people, our future leaders and voters, with a strong sense of responsible citizenship.

JIM WRIGHT, Speaker, of the House and keynote speaker at the 1984 national election headquarters, said:

> I know all of the young people who participated have added enormously to their understanding and appreciation of the political process.

Senator BOB PACKWOOD, keynote speaker in 1980, wrote:

> I had the privilege of seeing first hand the National Student/Parent Mock Election. I am convinced that participation in this program increases the likelihood students will become active and concerned voters as adults.

The Governors have been equally enthusiastic.

Gov. Tom Kean of New Jersey wrote:

> I understand that nearly 63,000 students in more than 140 schools in New Jersey participated in the voting, and more than that have learned a great deal about the electoral process. I was interested to learn that the students' balloting came very close to the actual figures on Election Day.

Governor Mario Cuomo of New York wrote:

> I hope to take a personal interest myself in the proceedings.

The Utah office of Education stated:

> Extremely positive! In our first attempt at involving secondary schools throughout the state, we are proud to declare our efforts a success. Over 25,000 secondary students participated in the actual election, and an estimated 25,000 more took part in the preliminary Mock Election activities.
>
> The best opportunities for parents and their children, students and teachers was to be involved together in a project that stimulated thought, idea, and opinion sharing, as well as activities that helped to alleviate the political illiteracy among the citizens of Utah.

The Kentucky State YMCA reported:

> Incredible. Participation was twice what we anticipated. 47,629 would have participated or "tried to participate. We regret that the three phone lines available were just unable to handle the calls. Many who succeeded said they had been trying for hours! We estimate that over 100,000 students actually participated in the Mock Election!

From the Department of Public Instruction in Washington:

> The 1984 Washington State Student Mock Elections were successful, both qualitatively and quantitatively. We had excellent statewide media coverage.

From the Commissioner, of the Department of Education in Florida:

> Your project was a magnificent teaching tool for getting students and parents involved in our election process. This kind of realistic activity adds meaning to the educational process as well as instilling good citizenship responsibilities in our future voters . . .

From the Department of Education in Michigan:

> Our 1984 Mock Election was very successful, and we received only positive feedback.

I urge my colleagues to contact their State superintendent or commissioner of education about this exciting, totally nonpartisan effort to turn around the dreadful statistics on voter apathy in this country. I urge them, too, to write their local superintendents across the State and encourage every school in the State to participate in the National Student/Parent Mock Election.

This project not only holds great potential for educating citizens who must lead our Nation in the 21st century, but it can serve as a catalyst to open communication between parents and teenagers and younger children as well. In talking with each other about choosing candidates, they learn to talk together about how they choose their values, how they make decisions, who they are and who they might become.

The Presidents, Senators, Congressmen and citizens of tomorrow can all be reached in the classrooms and family living rooms of today.

PERMANENT GI BILL

Mr. THURMOND, Mr. President, a recent editorial in the July 11, 1987, edition of The State newspaper entitled "Permanent GI Bill," clearly and effectively communicates the virtues of a permanent GI bill and the benefits to our Country.

I was pleased to cosponsor this legislation and support it in both the Armed Services and Veterans' Affairs Committees. President Reagan signed this bill into law at a White House ceremony on June 1, 1987, which I was honored to attend.

I commend this editorial to my colleagues and ask unanimous consent that it appears in the Congressional Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Permanent GI Bill

One of the best investments ever made by the U.S. government was the GI Bill of 1944, which provided educational and other benefits to servicemen who were soon streaming back from World War II.

That legislation, which permitted millions who might otherwise have been denied it to obtain a college education, helped bring the nation out of a 16-year period of Depression and war and set in motion a sustained economic boom.

There have been three programs of educational benefits for veterans since, none of which came close to equalling the impact of the original GI Bill. The last one, a three-year experimental program launched in 1984 that offered more generous benefits than the post-Vietnam bill, proved to be a cost-effective tool to encourage recruitment into the all-volunteer armed forces. Such inducements will become more important as the pool of 17-to-21-year-olds males dwindles in the years ahead.

On June 1 President Regan signed a bill to make this program permanent for the first time. Clearly this creates another entitlement program at a time when other entitlement programs are proving to be a drain on the nation. But that did not deter Congress, which passed the bill with only two negative votes cast.

Already there are moves to strengthen it. As enacted, the measure requires a recruit to elect participation within the first two weeks of enlistment. His basic pay will be reduced by $100 a month during the first year of service. But for his $1,200 unrefundable contribution, a recruit who completes three years of active duty can receive $300 a month for 36 months while attending college—a total of $10,800. Reduced benefits are available to reserves and those with two years of active duty. Increased benefits can be provided those with critical skills or to encourage longer enlistments.

Among the changes being considered is one to make the serviceman's contribution refundable if extraordinary circumstances preclude college attendance or to his estate if he dies before receiving training. That's fair enough. Another desirable change would allow the recruit to stretch out his contribution by surrendering $50 a month for two years. The $100 deduction is stiff, amounting to about 17 percent of basic pay before taxes, and that might discourage some from participating.

This bill has a purpose beyond recruitment. Like the original GI Bill, it will improve the educational level of the work force and enhance U.S. economic competitiveness. It, too, will be a good investment.

CHARLIE SHOULDN'T PASS UNNOTICED

Mr. THURMOND. Mr. President, the July 12, 1987, Sunday edition of The State newspaper in Columbia, SC, featured an inspiring article regarding the death of a very special man—Mr. Charlie Green. Mr. Green, a World War II veteran and former patient at the William Jennings Bryan Dorn VA Hospital in Columbia, was the founder and editor of The VA Newsletter, a local publication containing veteran-related articles and humor.

Although Mr. Green was confined to a wheelchair and a hospital bed, he diligently went about the task of gathering information each month for publication. Mr. Green touched many lives. As Bill McDonald the author of the article writes, Charlie Green was an "enthusiastic, hope-filled" editor, but most important of all, he was a "giver."

Mr. President, I commend this article to my colleagues and ask unanimous consent that it be printed in the Congressional Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Columbia (SC) State, July 12, 1987]

"Charlie" Shouldn't Pass Unnoticed

(By Bill McDonald)

A friend of mine died virtually unnoticed and unremarked this week, and, really, he deserved a fate far better than that.

A quadriplegic for the last decades of his life, Charlie Green, 61, founded and edited a photocopied newsletter about veterans affairs, *The VA Newsletter,* into which he sprinkled simple, how-to recipes and a truckload of corny jokes.

He never made a penny from the newsletters, which had a circulation of about 2,000—most of them hand-delivered. It was, as Charlie told me, "a labor of love."

A bill pending before Congress might occupy his attention one month, the Big Boy tomatoes in the patients' garden behind the William Jennings Bryan Dorn VA Hospital the next.

I suspect the former insurance salesman from Charleston, a World War II veteran, founded the newsletter because it fit his personality: He simply loved to question things. And when you asked him a dumb question, he told you so to your teeth.

"You're damned right I get depressed," he'd bellow, propped up in bed, unable to move unless a nurse moved him. "The newsletter gives me something to do."

Nothing put Charlie on cloud nine quicker than to get a "thank you" note from the likes of Gen. William C. Westmoreland. And once even a retired general from Omaha, Neb., wrote, thanking him for being added to the mail-out list. It was, as far as Charlie knew, "the only volunteer, veterans newsletter in the United States."

I first met Charlie a decade ago when he telephoned and invited me to visit him at the hospital. He waited for me outside the front door of the hospital in his motorized wheelchair, a large, blond-haired man who knew the first name of every nurse in sight.

We remained fast friends through the years, and I never ceased to admire his often zany wit and his wild enthusiasms. He rode his motorized wheelchair, for instance, as if he were "prepping" for a race at Le Mans, up one hallway and down another, always stopping at a nurses' station to chat.

Charlie was a happily married man, deeply devoted to his wife, Dorothy. But he also was a natural born flirt. When a nurse walked into his room, for instance, he'd lay it on thick. "Ol' Mae, there," he'd wink, referring to Mae Faulkenberry, one of his favorites, "I've tried to get her to go out with me on a date, but she won't give me the time of day!"

Charlie was deeply depressed when he first came to the VA hospital. The victim of an automobile accident, he'd been shunted from hospital to hospital, doctor to doctor, and the patient care apparently had not been the best. He'd given up hope.

But the care and attention he received at the Columbia VA hospital had its desired effect. "Ol' Charlie Green," as he called himself, began to smile and laugh again. You felt a warmth in his presence. And he never failed to acknowledge that Columbia's VA hospital had "worked miracles" where others had failed.

The poet Kahil Gibran once wrote, "You give but little when you give of your possessions. It is when you give of yourself that you truly give."

My main impression of Charlie Green is that he was a giver. Confined to a wheelchair and a hospital bed and unable to move without someone's help, the man still tried hard to reach out. And every month he'd manage to round up enough copy to put in his newsletter.

It might not have been the finest newsletter in America by journalistic standards. But the patients at the VA Hospital read it, and so did I. Charlie's jokes and recipes were staples of my reading diet.

More important, of course, the newsletter gave Charlie a tool for keeping in touch with people. It gave him hope. People without hope often see no reason to live, but those with hope will tolerate the most demeaning, debilitating or desperate of circumstances.

You couldn't have met a more enthusiastic, hope-filled editor in your life than Charlie Green.

BICENTENNIAL MINUTE

JULY 14, 1865: BIRTH OF ARTHUR CAPPER

Mr. DOLE. Mr. President, on July 14, 1865, 122 years ago today, Arthur Capper was born in Garnett, KS. Capper, who served for 30 years as a member of the U.S. Senate, is best remembered for the significant gains he achieved for American farmers. After working for several years as a newspaper reporter and publisher, Capper, in 1914 became the first native-born

Kansan to be elected Governor of the State. At the end of his second term as Governor, Capper was elected as a Republican to the Senate and began his service on March 4, 1919.

In the Senate, Capper led the farm bloc. During the New Deal, he defended the Agricultural Adjustment Act as well as other legislation providing aid to farmers. He was a prime sponsor of the Capper-Volstead Cooperative Marketing Act and the Capper-Ketcham Act which expanded agricultural extension work to include youth clubs.

Arthur Capper also gained national prominence during the debate over the League of Nations, as President Woodrow Wilson frequently consulted him on the issue. Although he opposed the League and was known as an isolationist, Capper supported the 1943 Connally resolution which provided for U.S. participation in the international post-war organization for maintaining world peace that eventually became the United Nations.

At the time of his retirement from the Senate on January 3, 1949, Capper at 84, was the oldest member of the Senate and had served longer than all but one of his colleagues. Capper's retirement marked the end of a distinguished political career that benefitted both the State of Kansas and the entire Nation. In a speech given upon his retirement, Capper indicated that he had achieved his goals, declaring that "if I had my life to live over again, I imagine it would be much the same kind of life. I think I have got a lot out of life."

A FLINT MUSICAL PIONEER

Mr. RIEGLE. Mr. President, I rise today to pay tribute to Mr. Wade E. Mainer, of Flint, MI, for his remarkable achievements in Appalachian music. Mr. Mainer will be honored on Saturday, August 1, 1987, by the Flint community.

Mr. Mainer's acknowledgments include: performing at the White House for President Franklin D. Roosevelt in the 1940's, numerous appearances on the Grand Ole Opry, appearances with Woody Guthrie and Burl Ives, and appearances coast to coast.

Considered a pioneer on the banjo, Mr. Mainer has been instrumental in the continuation of this music form today. A heritage that began in North Carolina, Mr. Mainer was always attracted to music and the sense of community associated with it.

When he entered adulthood, Mr. Mainer joined with family and friends in a band called the Mainer Mountaineers which soon became a major influence of string band music in the 1930's. Mr. Mainer came to Michigan in 1953 to work for General Motors. It was here that Mr. Mainer, along with his wife Julia, raised their five children and continued to perform locally in religious services.

Upon his retirement in 1973 from General Motors, Mr. Mainer returned to his career in music. During the last 14 years, Mr. Mainer has performed on tours in England, Japan, Germany, and Italy. Most recently, Mr. Mainer was named a recipient of the National Heritage Award given by the National Endowment for the Arts.

As a distinguished member of the Flint community for the past 34 years, Mr. Mainer at age 80, continues to play his music with the same intensity and energy as he did the first time he picked up the strings. It is indeed a privilege to enter into the RECORD today my sincerest thanks for Mr. Wade for his invaluable contributions to Appalachian music.

FRESH PEACH DAY 1987

Mr. THURMOND. Mr. President, today is Fresh Peach Day 1987. This morning, a truckload of fresh peaches arrived from South Carolina and throughout the day, Senators will be receiving samples of these most delicious peaches from the State of South Carolina.

As I am sure you all know, South Carolina is the Nation's No. 1 producer of fresh peaches.

The peach industry is of vital importance to the economy of South Carolina, as well as our Nation. In addition to being a principal source of farm income, the industry is an important employer for many young workers in rural areas who might otherwise be unable to find summer employment. Many small businesses, such as packing suppliers, truckers, fertilizer and chemical distributors, and farm implement dealers depend upon the annual peach crop for a considerable portion of their income.

For the past few years the peach industry in our area of the country has suffered severe losses due to inclement weather, resulting in economic hardship for producers and communities alike. We are very fortunate to have one of our better crops this year. Over 390 million pounds of high quality peaches, worth an estimated $60 million, have been produced in South Carolina this year, compared to 290 million pounds in 1986.

The South Carolina Peach Council and its grower members are proud to continue what has been an annual promotional event for their industry in our Nation's Capitol. On behalf of the peach farmers in South Carolina, and on behalf of Senator HOLLINGS and myself, we hope that you and your staff will enjoy these tasty and highly nutritious South Carolina peaches.

Mr. HOLLINGS. Mr. President, I join my senior colleague in recognizing Fresh Peach Day 1987 on behalf of Congress.

As the senior Senator has most appropriately emphasized, we in South Carolina produce and ship more peaches than any other State. We let our sister State of Georgia be known as the Peach State, but we fulfill the fact, not just the ceremony.

We hope everyone enjoys the peaches.

GREENBELT, MARYLAND CELEBRATES ITS 50TH ANNIVERSARY

Mr. SARBANES. Mr. President, this year, the city of Greenbelt, MD, celebrates its 50th anniversary. Located just outside our Nation's capital in Prince George's County, Greenbelt, with a population of 17,000, has a unique history, which adds special meaning to this celebration.

Greenbelt is the result of a visionary Federal program of the 1930's. A product of the New Deal, Greenbelt was the first planned community created in 1935 under authority of the Emergency Relief Appropriations Act. Greenbelt is one of only three model cities existing in the country created by the Government during the Great Depression as an experiment in physical and social planning.

The entire community—homes, schools, stores, streets, and recreational facilities—was carefully planned to provide for the safety and convenience of residents. Families moving to Greenbelt were encouraged to become involved in civic functions and public affairs—a tradition still followed today.

Although the face of Greenbelt has changed somewhat over the years, the city still retains its original beauty and is known for its art deco style buildings. This style is embodied in the Greenbelt Center School, which is considered by many to be one of the 10 best art deco structures in the country.

Mr. President, I join Greenbelt's citizens in celebration of its 50th anniversary. The deep devotion of Greenbelt's residents to their community is proof that the experiment has worked. I ask unanimous consent that a recent article from the Washington Post describing this fine city be included in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 4, 1987]

CITY OF THE FUTURE RECALLS ITS PAST

(By Eugene L. Meyer)

It was a 1930s Utopian vision of the city of the future: the "Ultimate Town" planned, built and owned by the federal government, a community with pedestrian paths and underpasses, free of congestion and decay, with green spaces inside and a greenbelt around the periphery.

Its residents, victims of the Depression, would live in tidy town houses and apartments facing landscaped interior courts organized into "superblocks."

"There hasn't been anything like it before or since," said New Deal historian William Leuchtenburg of the University of North Carolina. "It's obviously a child both of the Depression and the New Deal. It's hard to imagine that at any other time such a planned community under government auspices would be possible."

Today, Greenbelt, Md.—The flagship "green town" of the New Deal and one of three built out of 100 envisioned—is 50 years old. The event is being marked with a conference on new towns that was held over the weekend, and by events throughout the year culminating in a town reunion in October.

Greenbelt retains its strong sense of community, liberal politics and historic ties to the New Deal. But the physical reality has changed as metropolitan growth has caught up with and almost engulfed the town.

The greenbelt border now is mostly concrete, a dazzling interchange of ramps, Beltway and Parkway that has helped make Greenbelt a center for upscale development in Prince George's County. The highways have brought traffic congestion and physically divided the city while making Greenbelt a prime location for further commercial and residential development.

But perhaps the most lasting legacy of Greenbelt is the ethic of planned development. The older part of town retains its original layout and New Deal-era architecture. Greenbelt residents led the way in opposing unplanned development in the 1960s when the county was approving large-scale apartments. Since then, the Greenbelt vision of quality development has become the theme of the current country administration.

"Long before the county government started being aggressive in demanding quality growth, Greenbelt was adamant," said County Executive Parris Glendening, who also teaches government at the University of Maryland. "Greenbelt fought most of [the developers] and ended up with some of the best projects in the county."

"Greenbelt is now sort of like the focus or downtown of Prince George's County," said Mayor Gil Weidenfeld. "It's sort of a collection of places for people to work and places for people to go. . . . We're working hard to keep our character while we're losing trees and green space to development."

Around the old, slightly frayed Art Deco core, high rise office parks are sprouting across the Capital Beltway and the Baltimore-Washington Parkway. New town house developments and subdivisions of detached homes costing nearly $200,000 each contrast sharply with the tiny low-cost units remaining of the old Greenbelt.

Indeed, Greenbelt has more dwelling units yet fewer people (with a population of 17,000) than it did a few years ago, as singles and professional couples without children are attracted to its location and life style.

Once a place for low-income workers, Greenbelt is now the yuppie center of Prince George's County. In the area known as Greenbelt East especially, "there are a lot of single people, younger attorneys and young professionals," according to Leslie Moore, 31 a zoning lawyer who lives in a town house in Greenwood Village.

"I think a lot of the newer people don't know about the history of the town," said Moore, who attended the Art Deco Center School and grew up in the 1950s subdivision bordering the old section. Her parents still live there.

"We like Greenbelt enough that we moved three times all within the city and refused to look elsewhere because of the Greenbelt spirit," said Gary Kohn, 37, a lawyer and lobbyist for mutual funds who moved from an apartment to a town house, where he lives with his wife and two young children.

This summer, they'll move again, to a $175,000 single-family detached home in the new Greenbrook subdivision.

Though Kohn has never lived in old Greenbelt, he has served on the Greenbelt City Council and is a member of the city's planning advisory board. "There is involvement in civic activities unlike any other place," he said.

It has always been so. Even when it was government-owned, the town had cooperatively owned stores and citizen committees. The Greenbelt Cooperative Inc., eventually owned and operated a chain of grocery stores, service stations and drugstores and the Scan furniture chain.

In the early 1950s, Greenbelt residents formed another cooperative, Greenbelt Housing Inc., to buy their homes and common areas from the government, and rallied behind a resident fired from the Navy Department as an alleged security risk. In the 1960s, they backed the town newspaper when it was sued for libel by a developer. The paper won in the U.S. Supreme Court, and the townspeople picked up the legal bills.

Two years ago, the town again added the financially ailing News Review, which has been published weekly and distributed free since 1937. This time, $13,000 was raised and 85 residents volunteered their services to keep it going.

Townspeople next forced the county school board to drop its demolition plans for the Center School, with its imposing Works Progress Administration friezes.

Recently, residents rescued the Co-op, the town's cooperative grocery store and pharmacy, from sale to an outside chain, forming another cooperative to keep it local.

The golden anniversary is a model of community spirit and cooperation: The town has bought one of the original housing units, which will become a museum of early Greenbelt life, and is producing a 50th anniversary book and holding a series of retrospective events throughout the year.

Greenbelt's cable television station is reshowing an old documentary, "The City." Made for the 1939 World's Fair with original music by Aaron Copland, the film contrasts the poverty and congestion of old cities with Greenbelt, "the new city ready to serve a better age."

Said Glendening, in his professional role, "I use Greenbelt in my classes as an example of a great experiment that changed our lives."

It changed the lives of Edward and Annie Halley, who moved to Greenbelt on Oct. 25, 1937, and still occupy the same two-bedroom duplex.

"It meant so much," Annie Halley said. "It was just an ideal. We were basically all in the same group, from families that had had things before and lost them. We were very anxious to live in a place like this, which was like a country club and where we could raise our children with so many opportunities . . . .

"The one thing that bothers us now: You didn't have all this traffic. It's awful hard now to get in and out of the driveway any rush hour."

The Halleys are among eight "first families" who still live in Greenbelt. Their recollections have been recorded as part of an oral history project.

An entire room of the Greenbelt library is devoted to town history. It's called the Tugwell Room, after Rexford Guy Tugwell, a member of Franklin Roosevelt's Brain Trust and head of the Resettlement Administration who talked the president into building the town as an emergency relief project nicknamed "Tugwelltown."

After World War II, the federal government wanted to sell Greenbelt to private interests. Residents formed a cooperative to buy it and maintain some control. They bought their 1,600 housing units, but they couldn't afford to buy the entire town, so some parcels were developed piecemeal in the 1950s and 1960s.

But the New Deal label stuck to the town. When City Manager Jim Giese arrived in 1962, there was a stigma attached to being a part of a New Deal experiment. For many, however, it is a label they have worn with pride.

Greenbelt Democrats belong to the Eleanor and Franklin Roosevelt Democratic Club. The mayor and City Council members are Democrats, though elections are nonpartisan. And FDR is remembered for dumping the first fish into manmade Greenbelt Lake. But it is Eleanor Roosevelt who is most venerated here.

"Mrs. Roosevelt used to come out here continually," Annie Halley said. "It wasn't anything to see her around. She even stopped by here one day. I was out in the yard hanging clothes. She came inside and talked for a few minutes."

In the 1970s, the new high school, located in Greenbelt East, was to be named for FDR, but Greenbelters raised a ruckus. It became Eleanor Roosevelt High School, widely known for its academic achievements and special science programs. Greenbelt also has an Eleanor Roosevelt Memorial Tree.

"From this point," a marker says, "she surveyed the site and spurred the work of building Greenbelt—the first garden community in the land planned for the uplift and unfolding of the human spirit."

From another point high above Prince George's County, in the new Greenbelt, B.G. Facchina surveys the entire metropolitan area, dotted by clusters of tall buildings and monuments amid the green. Below the 16-story rooftop vista of the Maryland Trade Center are a new Holiday Inn, Martin's Tradewinds, the Greenway Shopping Center and the cloverleafs where the Beltway and the Parkway intertwine. Metrorail is due in Greenbelt, too, in the 1990s.

"This area is really a premier location," said Facchina, marketing director for the development firm of Coakley and Williams, which has its headquarters on the top floor of the trade center. "A lot of people are moving here now. Right in the middle of all the action."

Glendening thinks that if Tugwell and the Roosevelts were alive today, they would be pleased.

"The magnitude and direction have changed," Glendening said, "But the basic components—to provide work for people, to provide housing, to provide certain amenities and be well-planned—are still there."

A LONGING FOR SHORTNESS

Mr. HECHT. Mr. President, I would like to take this opportunity to pay tribute to one of the least-recognized, but most important minorities in our society today. I'm talking about short people.

Recently, the Washington Bullets drafted Tyrone "Mugsy" Eogues—who is only 5 feet 3 inches tall—onto their team in the first round. I have always wanted to play basketball, Mr. President, but now I find out that I'm too tall.

Bogues' accomplishment is especially incredible, considering that this is also the team which gives us Manute Bol, who may be twice as tall as I am.

My favorite team is obviously the UNLV Running Rebels, which went to the championships this past year. Coach Tarkanian always has a tough team, but this year they went all the way, and had their highest draft pick ever, when Armand "The Hammer" Gilliam went to the Phoenix Suns in the first round.

But Gilliam isn't as short as Bogues—everyone knew he'd do well in the pros. On the other hand, Mugsy Bogues can't even slam dunk a basketball—but he says that doesn't matter. "Two points is two points," explains Bogues.

Mr. President, that's exactly the way I feel. Victory is victory, success is success, whether its a slam dunk or a rimshot. Tyrone Bogues has shown that short people can reach any height they want, if they just put forth a "little" effort.

Recently, Mugsy Bogues was injured in practice, when one of his larger colleagues fell on top of him. Fortunately, he is doing much better now, and shows more determination than ever to show these big guys a thing or two.

Mr. President, I will be holding a reception "shortly," to recognize Mr. Bogues on behalf of all the short people in the world, whose dreams and aspirations he exemplifies so well. He and I will each make a "short" statement, and then answer a few "short" questions, before I take him out for a "little" lunch.

I hope my colleagues in this illustrious body will take the time to help in this recognition. Short people belong to a minority that is short on recognition, but always long on heart.

NUCLEAR WEAPONS PROLIFERATION CONCERNS AND UNITED STATES ASSISTANCE TO PAKISTAN

Mr. GLENN. Mr. President, on May 8, I submitted for the RECORD an account of a major West German customs action against a firm that was suspected of illegally exporting plans and equipment to Pakistan's unsafeguarded uranium enrichment program. In submitting this material, I noted that the West German case was but one of a series of disturbing new developments relating to Pakistan's nuclear weapons program. Just in the first months of 1987, for example, we have witnessed the following:

A statement by Pakistan's top nuclear scientist that Pakistan already possesses the bomb.

A statement by Pakistan's President that Pakistan can build a bomb whenever it wishes.

A statement by India's Defense Minister that the "emerging nuclear threat" from Pakistan is causing India to review its nuclear weapon options.

A statement by the United States Ambassador to Pakistan that the United States sees nuclear developments in Pakistan as "inconsistent with a purely peaceful program."

Having reviewed Pakistan's month-by-month progress toward the bomb, I stressed the need for the United States to target its diplomatic efforts on encouraging Pakistan to stop the production of weapon-grade nuclear materials. "Who knows," I warned in closing, "what July will bring?"

I could not have anticipated the appalling response to this question. While the Senate was voting to approve a multibillion dollar extension of United States aid to Pakistan, evidence was growing that Islamabad was busy scheming to subvert United States nuclear export laws. Perhaps because the Congress appeared willing to renew unconditionally Pakistan's waiver of the Symington/Glenn amendments—legislation barring United States assistance to nations receiving sensitive nuclear weapon technology without accepting international controls—Pakistan received the mistaken inpression that it was above American law. This impression cannot be allowed to stand. Pakistan must be forced to recognize that its recent actions have seriously jeopardized any further United States assistance.

LEGAL CONTEXT

Under a 1985 modification of the Symington/Glenn amendments to the Foreign Assistance Act, no assistance may be provided to any non-nuclear-weapon state that exports illegally, or attempts to export illegally, from the United States any materials which would "contribute significantly" to that country's bomb making capability. For a cutoff to be triggered under the law, the President must determine that the illicit exports were to be used for the manufacture of nuclear weapons. This provision, often called the Solarz amendment, was enacted following the arrest of a Pakistani national Nazir Ahmed Vaid for attempting to export krytrons—high speed electrical switches—for use in the detonation system of Pakistan's bomb.

U.S. law thus requires that severe sanctions result from the export—or even the attempted export—of controlled nuclear commodities without a license. This law reflects the outrage Congress felt at Pakistan's mendacious and illicit nuclear behavior. In order to eliminate the loophole that allowed Vaid to elude conviction, the Solarz amendment was drafted to apply not only to foreign governments, but to any individual "who is an agent of, or is otherwise acting on behalf of or in the interests of" the importing country.

NEW REVELATIONS

Last Friday, July 10, the United States District Court in the city of Philadelphia unsealed a case involving the arrest of a Mr. Arshad Z. Pervez for attempting to export illegally 50,000 pounds of maraging steel, a special metal that is used in making centrifuges that produce Pakistan's bomb-grade enriched uranium. If this shipment, plus the requested followup orders, had taken place, Pakistan would have obtained the means to dramatically expand its bomb program. In addition, Pervez and his associates tried to buy an unspecified amount of beryllium, another highly controlled metal that is used in making internal components of nuclear weapons.

After identifying a variety of false end-users—which included the Pakistan Council of Scientific and Industrial Research, the Karachi University, Pakistan's agency equivalent to NASA, and a Pakistani firm called "Multinational Inc."—and an equally varying range of end-uses—including use in making turbines, compressors, and rocket motors—Mr. Pervez acknowledged that he was working for a retired Pakistani Brigadier General and twice indicated that the final customer was in fact Pakistan's uranium enrichment project. In order to obtain illicit export papers for the steel, Mr. Pervez repeatedly tried to bribe an officer of the U.S. Customs Service who was in fact an undercover criminal investigator. Mr. Pervez also suggested to the U.S. undercover agent that mislabeling and transshipping were possible means of expediting transport to Pakistan of the exported commodities.

Mr. President, I ask that the affidavit prepared by an undercover Customs agent who participated in this investigation be printed in the RECORD. This affidavit was submitted in the case of United States of America versus Arshad Z. Pervez, now before the District Court in Philadelphia. Given the administration's feckless nonproliferation efforts in South Asia, this case should send a much-needed signal to the world that the United States now means business when it passes laws to stop illicit purchases of nuclear commodities.

There being no objection, the affidavit was ordered to be printed in the RECORD, as follows:

AFFIDAVIT

John R. New, being duly sworn, states as follows:

1. I am a Special Agent of the United States Customs Service and have been so employed for approximately 3½ years. During that time I have been involved in numerous undercover investigations, and investigations relating to export diversion rings.

I. CARPENTER CONTACTS WITH PERVEZ

2. On November 5, 1986, an official of Carpenter Steel Corporation ("Carpenter"), Reading, Pennsylvania, contacted the United States Customs Service and stated that Carpenter had been approached by Arshad Z. Pervez and David Walker, representing AP Enterprises, who were interested in purchasing 50,000 pounds of maraging 350 steel for use in Pakistan. Pervez stated that the material was to be "remelted". Carpenter contacted the government authorities because previously, in May of 1985, while negotiating for the sale of maraging steel directly to the Pakistani government, Carpenter was ordered by the Department of Commerce to cancel the shipment. Because it was believed that the steel was destined for Pakistan's uranium enrichment facility, a validated export license would not be granted.

3. Carpenter is a leading domestic producer, fabricator and worldwide marketer of quality specialty metals, which include stainless steels, tool steels, high temperature and electronic alloys and other specialty purpose alloys. Carpenter is one of seven U.S. companies producing maraging 350 steel.

4. Maraging 350 steel is a specialty steel with a very high tensile strength and other special properties achieved through numerous melting (VIM) and remelting (VAR) processes. Maraging 350 steel would not be used for "remelt" as suggested by Pervez since the remelt process would reintroduce impurities (gas, dust, air) there were specifically removed through VIM and VAR processes to give the maraging steel its very high tensile strength. Maraging 350 steel has a very short shelf life, a very high cost, and a very limited market.

5. Maraging steel is most commonly used for nuclear applications in a gas centrifuge enrichment plant. The export of maraging steel is thus governed by the Export Administration Regulations, Title 15, Code of Federal Regulations Appendix, §368 et seq., which require that an Individual Validated License be issued by the U.S. Department of Commerce, for the export of maraging steel intended for use in an unsafeguarded nuclear facility. The reason for the control is national security. Because Pakistan is a non-signature nation of the Nuclear—Non-Proliferation Treaty, an application for an export license for maraging 350 steel to Pakistan would be denied by the Department of Commerce.

6. At the direction of the government, Albert Tomley, General Manager of International Marketing for Carpenter forwarded a quote of $5.12 per pound for 50,000 pounds of maraging 350 steel to Pervez at AP Enterprises in Toronto, Canada. Pervez agreed to meet with Carpenter officials in Toronto to discuss the sale. Pervez also explained that his "client" required follow up order of 25 metric tons every four months and that all the shipments would go to Pakistan.

7. On November 19, 1986, acting in my undercover role as an international marketing analyst for Carpenter, I met with Pervez and David Walker in Toronto, Canada. Mr. Tomley and an undercover operative of Canada Customs were also present. The purpose of this meeting was to discuss the licensing requirements and further details regarding the sale of the maraging 350 steel to Pervez and Walker. During this meeting, Pervez identified his "client" as Mr. Inam of Multinationaal Corporation, Lahore, Pakistan. (Pervez, at a later meeting described Inam as a retired Brigadier General.) Initially, Pervez stated that the ultimate end user of the steel was the Pakistani equivalent of the National Aeronautics Aero Space Administration, but later changed the end use to a research project sponsored by Karachi University's engineering program. Mr. Tomley told Pervez that Carpenter would not manufacture the steel until the appropriate U.S. Commerce Department license had been received. Pervez requested that Carpenter help obtain the license and agreed to get the specific information required for the license from Mr. Inam. Tomley told Pervez and Walker however, that Carpenter had been previously directed by the Department of Commerce not to ship maraging steel to Pakistan because it was believed that the material was destined for Pakistan's unsafeguarded nuclear facility.

8. On December 1, 1986, in my undercover capacity, I had a phone conversation with Pervez during which we discussed licensing requirements. Pervez stated that the end use for the maraging 350 steel was rocket motors. Pervez also asked me to use "influence" to get the required Commerce license. When I asked what he meant by "influence" he suggested that Carpenter pay a "kickback" to the Commerce licensing officer. He said he was willing to pay $5,000 to get the export license.

9. On December 1, 1986, Pervez called Mr. Tomley at Carpenter's and said that he would like to reduce the "kickback" from $5,000 to $3,000. Pervez said that after he splits his commission with Walker and pays $5,000, he wouldn't have much left and that since the Commerce man is only going to be pushing paper, $3,000 should be sufficient.

10. On December 4, 1986, during a phone conversation, Pervez told me that he wanted to lower the "kickback" from $5,000 to $3,000 and that he was willing to pay the Commerce officer in cash. I repeatedly told Pervez that such payments were illegal. He nevertheless indicated that he wanted to proceed. I agreed to send and did send him copies of the U.S. Department of Commerce export regulations, forms and guides.

11. From December 4, 1986 through January 13, 1987, I had phone conversations with Pervez wherein we discussed Pervez meeting the Commerce officer.

12. On January 13, 1987, at the Sheraton Hotel in Philadelphia, Pervez met Special Agent Frank Rovello of the U.S. Customs Service, who was assuming an undercover role as a Department of Commerce License officer. Rovello explained that Pervez's Export License Application would be rejected unless Pervez obtained a foreign government certification, a statement from the end user and agreed to an on site inspection. Pervez said he wanted Rovello to tell him the way to get the license and what to put on the application. Pervez then gave Rovello $1,000 and agreed to pay him an additional $2,000 after the license was approved.

13. On January 14, 1987, Pervez toured the Carpenter plant. Following the tour he discussed with Mr. Tomley and myself the details of his pending order. Mr. Tomley said that he was prepared to call the whole deal off because Pervez was not telling the truth about the end use for the maraging 350 steel. Pervez had stated on the Export License Application that the end use was "turbines and compressors", and had given four other end uses on other occasions. Tomley explained that such an end was not possible considering the size of Pervez's order. Any manufacturer of turbines and compressors would require much more steel, possible thousands of tons. Tomley suggested to Pervez that the material was in reality going to be used in a gas centrifuge enrichment plant to make nuclear weapons. Tomley stated "Isn't that true?" Pervez nodded his head in the affirmative.

14. On February 20, 1987, Pervez mailed to Tomley an assignment of a Letter of Credit and two certificates that stated that the maraging 350 steel would be used to manufacture high speed turbines and compressors. One certificate purported to be from Naeem Pasha, General Manager of Multinational, Inc., and one certificate purported to be from the Pakistan Council of Scientific and Industrial Research.

15. From March 18, 1987 through March 25, 1987, Agent Rovello had phone conversations with Pervez during which Pervez repeatedly asked Rovello for another manufacturer of maraging 350 steel that was less expensive than Carpenter's.

16. On March 31, 1987, a false "license" was issued and mailed to Pervez at AP Enterprises, at his request, by the government, for the purpose of this investigation.

II. TELEDYNE VASCO CONTACTS

17. In November, 1986, at approximately the same time that Pervez contacted Carpenter, Peter Gaynor of Teledyne Vasco, Inc., Latrobe, Pennsylvania, received an inquiry for maraging 350 steel, which would be shipped to Pakistan. Teledyne Vasco, Inc., like Carpenter, is a manufacturer of specialty steel.

18. The inquiry was from M.I. Fareed, representing a firm identified as Burkin Tradelinks of England and the official of that company stated that further communication would be handled by their Canadian office in Willowdale, Ontario. (Willowdale is also the location of AP Enterprises. * * * pounds of maraging 350 steel, (almost the same quantity as Pervez's inquiry) and the end use given was "high speed turbines and compressors" (the same end use that Pervez gave Carpenter.)

19. Fareed requested that Teledyne misidentify the maraging 350 steel as "Special Tool Alloy" on the export license. Gaynor refused to do so and the inquiry was withdrawn.

20. On April 9, 1987, Gaynor received another inquiry for maraging 350 steel from Aktar Syed, representing a Canadian firm identified as Hespeler Craft Industries. Syed told Gaynor that he had a valid export license from the Department of Commerce, but he would have to change the name of the manufacturer on the license from Carpenter to Teledyne.

21. Syed mailed a copy of his "valid export license" to Gaynor and that "valid export license" appears to be the same phoney "license" that was issued to Pervez by the government in this investigation.

22. From April 9, 1987 through April 28, 1987, Gaynor had a number of telephone conversations with Syed concerning the maraging 350 steel inquiry. Syed questioned whether Teledyne could provide the material at a cheaper price than Carpenter. Syed identified his "client" as a company owned by a Pakistani "general" and said that there were three other individuals involved with him. Gaynor told Syed that Teledyne's

price could not be cheaper than Carpenter's and Syed withdrew his inquiry.

III. ADDITIONAL CARPENTER CONTACTS WITH PERVEZ

23. On April 29, 1987, in my undercover capacity, I had a telephone conversation with Pervez. Pervez admitted "they" had contacted Teledyne for another price quotation. Pervez also stated that he would be sending a new letter of credit once he received it from his client in Pakistan, Mr. Inam.

24. On June 9, 1987, I met with Pervez at the Hilton Hotel, Toronto, Canada. The purpose of the meeting was to review export documents that Pervez had previously told me were ready and to finalize the terms of the sale. It was agreed that the price for the steel would be $4.70 per pound and that Pervez would pick up the order in two separate shipments in mid July. Pervez would receive his 5% commission at that time and would use some of that money to pay the remainder of the "kickback" to the Commerce officer.

25. During this meeting, Pervez asked me, for the first time, if I could also get him beryllium. (Beryllium is a specialty metal, which also requires a validated export license and is highly controlled. The reasons for the control are national security and nuclear non-proliferation.) I told Pervez that Carpenter had beryllium, but that it was restricted. Pervez said that "if it's restricted then we have to go back to Frank again." He then suggested other ways to get beryllium out of the United States and diverted to Pakistan, such as diverting it through other countries, misidentifying the order were illegal, he responded that "The United States won't mind a small piece".

26. Also during this meeting I told Pervez that I thought the maraging 350 steel and the beryllium were destined for use in Pakistan's uranium enrichment facility at Kahuta. Pervez became nervous, laughed, denied that the steel was going to Kahuta, said he didn't know where it was going, but then, at the end of the meeting, told me laughingly that "the Kahuta client is ready."

27. From June 9, 1987 through July 10, 1987, there were additional telephone conversations with Pervez. We agreed on a delivery date of July 10. We discussed whether Inam, Pasha and Walker would be accompanying Pervez, and Pervez finally told me he would be arriving in Philadelphia alone. Pervez requested that we accept an inflated letter of credit and submit the difference between the inflated price and the true price back to him as a kickback. After advising Pervez that this was highly irregular, Carpenter agreed to these terms.

28. On or about June 12, 1987, a confirmed irrevocable letter of credit was issued by the Habib European Bank Limited for $170,000 with the beneficiary listed as Carpenter Technology Corporation.

29. On June 18, 1987, I had a phone conversation with Pervez. He told me the dimensions and the chemical formula of the beryllium that he wanted. I again told Pervez that beryllium is restricted, has a commodity control number, is licensable, has a nuclear application and thus would be it on the box with the "other stuff." I asked if he meant that he wanted me to commingle the beryllium with the steel and he confirmed that that was what he wanted.

30. On July 6, 1987, Frank Rovello, acting in his undercover role as a Commerce licensing officer, had a conversation with Pervez. Pervez stated that he wanted to speak to Rovello about obtaining export licenses for "other things" when they meet on July 10. He stated "I'll bring the whole information and then we'll sit down and discuss other things as well." The purpose of the proposed meeting between Rovello and Pervez is for Pervez to pay the remaining portion of the bribe to Rovello.

PAKISTAN'S STEEL PIPELINE

Mr. GLENN. Mr. President, such a signal is most welcome, given that this is not the first time that Pakistan has attempted illegally to acquire special steel for its centrifuges. In an alarming interview with the London *Observer* last March, Dr. A.Q. Khan—the director of Pakistan's enrichment project—affirmed Pakistan's intent to subvert American law and international nuclear export controls:

> Indeed it was difficult, particularly when America and other Western countries had stopped selling anything which could be used in manufacturing the bomb. . . . Embargoes were put on such small things as magnets and maraging steel, but we purchased whatever we wanted before Western countries got wind of it.

Evidence indicates that this was no idle boast:

Between 1976 and 1979, Pakistan bought over 6,000 specially hardened steel tubes from a Dutch company. According to an official report by the Dutch government, these tubes were suitable for use in a gas centrifuge enrichment project.

In April 1986, the West German magazine *Der Stern* reported the details of a complex transaction a year earlier involving Pakistan's illegal purchase of over 1,900 pounds of West German maraging steel bars destined for the secret enrichment project. Experts cited in the article said that "a few dozen centrifuges" could be manufactured from this shipment.

According to a West German television report broadcast in 1986, a Mr. Inam Shah (who was also cited in the *Der Stern* article) was successful in smuggling "at least 7 tons" of special steel from a French firm to Pakistan. In this, as in previous shipments, efforts were taken to evade Western European nuclear export controls, including the use of smuggling and complex transshipping operations.

WHY STEAL STEEL?

Why is Pakistan continuing its secret efforts to buy maraging steel? There are several possible reasons:

First. Press reports in recent years have indicated that many of Pakistan's centrifuges have been destroyed during operation or testing: materials are needed for their replacements.

Second. Maraging steel is not produced in Pakistan. In fact, it is produced in only a handful of countries in Europe, North America, Japan, and the Soviet Union.

Third. The London *Financial Times* reported on April 30th this year that Pakistan is seeking to expand its current capability to produce enriched uranium. This report followed a raid by West German customs officials on a firm that was reportedly supplying equipment and technology to Pakistan's enrichment project.

Fourth. Secrecy is required because both maraging steel and beryllium are internationally controlled materials, due to their applications in the fabrication of nuclear weapons. Pakistan knows well that clandestine purchases of such materials in the U.S. violate not only American law but American trust: When Senator SASSER asked Ambassador Richard Kennedy before the Governmental Affairs Committee last February 25, "Have the Pakistanis pledged not to continue illegal purchases on nuclear equipment or technology from the United States?", Mr. Kennedy responded in the affirmative, and added that "this is something which they understand."

UNITED STATES/PAKISTAN RELATIONS AT A CROSSROADS

Mr. President, the United States cannot, and must not, set a precedent under which a country may violate our laws with impunity, offer solemn promises to our President that are not kept, and persist in clandestine nuclear procurement activities that violate both national and international laws. This is not the kind of behavior we expect from a close military partner, and it is not behavior that we should reward.

I know of no Member of this Congress who would choose to step forward and cast the first vote for cutting off our support for the Afghan resistance forces—but this is not a matter of choice, it is a matter of law. If the President determines that there has been a violation of the law—and evidence available to me strongly suggests that there has—he should bring the full weight of the law to bear on Pakistan. Any waiver of the Solarz amendment, either on nonproliferation or national security grounds as provided for by the law, would gravely undermine our global nonproliferation efforts.

Mr. President, it is my firm conviction that a long-term security partnership with Pakistan remains in the interest of the United States, and I am prepared to go to great lengths to preserve that relationship. But if the price for sustaining this partnership is to encourage the spread of nuclear weapons worldwide, then the price is too high. I simply refuse to sacrifice our global nonproliferation objectives on the altar of Afghanistan.

I have argued many times that the United States should seek to reconcile our twin South Asian policy objectives of containing Soviet influence and reducing the risk of nuclear proliferation. I remain committed to that goal. That is why I believe that, at a minimum, no new military assistance should be provided to Pakistan unless

Pakistan offers reliable assurances that it will not produce weapon-grade nuclear materials. These assurances must be verifiable, since Pakistan has once and for all demonstrated that its word is not sufficiently reliable.

If my proposal is adopted, Islamabad would have to decide between an extended security partnership with the United States and the production of nuclear weapon materials. The rational choice is obvious: recurrent air raids from Afghanistan have left Pakistan eager to bolster its conventional defenses; nuclear weapons production, on the other hand, would fail to address the border threat and would likely goad India into a nuclear arms race.

Under my proposal, we will be asking nothing more of Pakistan than that it stand by its word. In particular, Islamabad should be required to honor its November 1984 commitment to President Reagan not to enrich uranium over the 5-percent level. Back in 1981, then Secretary of State Alexander Haig pressed Congress to approve United States aid to Pakistan "in the framework of a bilateral relationship of confidence and mutual understanding." Today, this framework lies in shambles. If United States support for Pakistan is to continue, we must demand that Pakistan begin to match its words and deeds.

MORNING BUSINESS

(During the day statements were submitted and morning business transacted, as follows:)

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate of February 3, 1987, the Secretary of the Senate, on July 13, 1987, received a message from the President of the United States transmitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on July 13, 1987, are printed at the end of the Senate proceeding.)

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

ENROLLED JOINT RESOLUTIONS SIGNED

Under the authority of the order of the Senate of February 3, 1987, the Secretary of the Senate, on July 13, 1987, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker had signed the following enrolled joint resolutions:

S.J. Res. 85. Joint resolution to designate the period commencing on August 2, 1987, and ending on August 8, 1987, as "International Special Olympics Week," and to designate August 3, 1987, as "International Special Olympics Day"; and

S.J. Res. 138. Joint resolution to designate the period commencing on July 13, 1987, and ending on July 26, 1987, as "U.S. Olympic Festival-'87 Celebration," and to designate July 17, 1987, as "U.S. Olympic Festival-'87 Day."

Under the authority of the order of the Senate of February 3, 1987, the enrolled joint resolutions were signed on July 13, 1987, during the recess of the Senate, by the President pro tempore [Mr. Stennis].

MESSAGES FROM THE HOUSE

At 11:54 a.m., a message from the House of Representatives, delivery by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 216. Joint resolution to support a cease-fire in the Iran-Iraq war and a negotiated solution to the conflict.

At 3:09 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 735. An act to amend title III of the Immigration and Nationality Act to provide for administrative naturalization, and for other purposes; and

H.R. 2890. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1988, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 735. An act to amend title III of the Immigration and Nationality Act to provide for administrative naturalization, and for other purposes; to the Committee on the Judiciary.

H.R. 2890. A act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1988, and for other purposes; to the Committee on Appropriations.

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on July 13, 1987, he had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 85. Joint resolution to designate the period commencing on August 2, 1987, and ending on August 8, 1987, as "International Special Olympics Week," and to designate August 3, 1987, as "International Special Olympics Day," and

S.J. Res. 138. Joint resolution to designate the period commencing on July 13, 1987, and ending on July 26, 1987, as "U.S. Olympic Festival-'87 Celebration," and to designate July 17, 1987, as "U.S. Olympic Festival-'87 Day."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 1158. A bill to continue authorization of various health and science programs (Rept. No. 100-108).

By Mr. BENTSEN, from the Committee on Finance, with an amendment in the nature of a substitute:

S. 661. A bill to amend the titles XI, XVIII, and XIX of the Social Security Act to protect beneficiaries under the health care programs of that Act from unfit health care practitioners, and otherwise to improve the antifraud provisions relating to those programs (Rept. No. 100-109).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation:

Gerald J. McKiernan, of Connecticut, to be an Assistant Secretary of Commerce;

B. Wayne Vance, of Virginia, to be general counsel of the Department of Transportation;

Dale A. Petroskey, of Michigan, to be an Assistant Secretary of Transportation; and

T. Allan McArtor, of Tennessee, to be Administrator of the Federal Aviation Administration.

(The above nominations were reported with the recommendation that they be confirmed subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. HOLLINGS. Mr. President, for the Committee on Commerce, Science, and Transportation, I also report favorably two nomination lists of the Coast Guard which previously appeared in their entirety in the Congressional Records on June 16 and 23, 1987, and, to save the expense of reprinting them on the Executive Calendar, I ask unanimous consent that they may lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BURDICK (for Mr. Inouye) (for himself, Mr. Burdick, Mr. Byrd, Mr. Dole, Mr. Kennedy, Mr. Hatch, Mr. Stennis, Mr. Weicker, Mr. Matsunaga, Mr. Dodd, Mr. Cranston, Mr. Moynihan, Mr. Hollings, Mr. DeConcini, and Ms. Mikulski):

S. 1488. A bill to amend the Public Health Service Act to provide for the establishment of a National Center for Pediatric Emergency Medical Services and regional centers for the provision of such services; to the Committee on Labor and Human Resources.

By Mr. MOYNIHAN (for himself, Mr. Baucus, Mr. Boren, Mr. Chafee, Mr. Daschle, Mr. Dole, Mr. Durenberger, Mr. Kennedy, Mr. Kerry, Mr. Matsunaga, Mr. Mitchell, Mr. Pryor, Mr. Riegle, Mr. Rockefeller, Mr. Roth, Mr. Wallop, and Mr. Heinz):

S. 1489. A bill to amend section 67 of the Internal Revenue Code of 1986 to exempt certain publicly offered regulated investment companies from the disallowance of indirect deductions through passthrough entities; to the Committee on Finance.

By Mr. SARBANES (for himself, Mr. Simon, and Ms. Mikulski):

By Mr. SARBANES (for himself, Mr. Simon, and Ms. Mikulski):

S. 1490. A bill to designate certain employees of the Library of Congress as police, and for other purposes; to the Committee on Rules and Administration.

By Mr. DeCONCINI (for himself and Mr. Cranston):

S. 1491. A bill to amend title 38, United States Code, to include systemic lupus erythematosis among the chronic diseases that are presumed to be service-connected for purposes of veterans compensation if occuring within 1 year from a veteran's discharge from active service; to the Committee on Veterans' Affairs.

By Mr. JOHNSTON (for himself and Mr. Breaux):

S. 1492. A bill to name the Veterans' Administration Medical Center in Shreveport, LA, as the "Overton Brooks Veterans' Administration Medical Center"; to the Committee on Veterans' Affairs.

By Mr. BRADLEY (for himself and Mr. Dodd):

S. 1493. A bill to clarify the authority of the Secretary of the Interior to make land exchanges within the Arctic National Wildlife Refuge; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BURDICK (for Mr. Inouye) (for himself, Mr. Burdick, Mr. Byrd, Mr. Dole, Mr. Kennedy, Mr. Hatch, Mr. Stennis, Mr. Weicker, Mr. Matsunaga, Mr. Dodd, Mr. Cranston, Mr. Moynihan, Mr. Hollings, Mr. DeConcini, and Ms. Mikulski):

S. 1488. A bill to amend the Public Health Service Act to provide for the establishment of a National Center for Pediatric Emergency Medical Services and regional centers for the provision of such services; to the Committee on Labor and Human Resources.

PEDIATRIC EMERGENCY MEDICAL SERVICES ACT

Mr. BURDICK. Mr. President, today I offer the Pediatric Emergency Medical Services Act of 1987. I offer this bill on behalf of Senator Inouye and myself, as well as our majority leader, Senator Byrd; minority leader, Senator Dole; Senator Stennis, chairman of the Appropriations Committee; Senator Kennedy, chairman of the Labor and Human Resources Committee; Senator Hatch, the ranking member of the Labor and Human Resources Committee; Senator Weicker, ranking member of the Appropriations Subcommittee for Labor, Health and Human Services. In addition, Senators Matsunaga, Dodd, Cranston, Moynihan, Hollings, Mikulski, and DeConcini join in the introduction of this act. These distinguished Senators bring a long history of support for legislation to benefit children to their support for this bill.

All too often in Federal legislation, the special needs of children are overlooked. The unique health care needs of children are no exception. Children cannot speak for themselves; and so we must act as their advocates. This bill addresses the special problem of childhood injuries.

Injuries continue to be the leading cause of death for children over 1 year of age in this country. Even when a child's life is spared, accidents often lead to long-term disability. Each year, nearly 18 million American children require emergency medical care. We need a new approach to meet this problem.

First, we must indentify ways to prevent injury. Second, we must refine our emergency medical services, and tailor them to meet the unique needs of injured children. Third, we must increase research into the circumstances that produce childhood injuries, and the behavior that puts children at risk.

The bill we propose today takes this timely and necessary approach. It will establish a national center for pediatric emergency medical services, to develop standards for the care of injured children, and facilitate training for health professionals, and conduct public information campaigns.

Our bill provides grants to establish regional centers dedicated to the emergency medical care of children, and conduct research on the prevention and treatment of childhood injuries. The bill also gives priority to grant applications from rural areas of the country—a provision dear to my heart.

The problems of emergency care for children are magnified in rural areas, where people often live far from medical help. In my home State of North Dakota, families on farms and in small communities without hospitals fear that their children will fall victim to an accident, with help many miles away.

As cochairman of the Senate rural health caucus, I feel a great responsibility to these parents, and believe that their call for help must be answered. The bill before us is a tremendous step in that direction. It is a step toward ending the injuries that kill and disable so many of our children.

I would like to take a moment to salute the efforts of a fellow North Dakotan who has done much to place the special needs of children before Congress. Dr. Marvin Kolb has been to Washington, DC, many times to plead the case for special Federal involvement to address the unique health care needs of our children. Dr. Kolb and dedicated professionals like him have brought us the evidence we need to craft health legislation that responds to real needs. The Pediatric Emergency Medical Services Reauthorization Act of 1987 is one such response. Our children are our most precious resource. When we safeguard their health, we protect the future of our Nation. I urge my colleagues to join us in this comprehensive program to build a safety net under our children, and keep them safe, happy, and healthy. I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1488

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pediatric Emergency Medical Services Act of 1987".

ESTABLISHMENT OF NATIONAL AND REGIONAL CENTERS

Sec. 2. (a) Part B of title III of the Public Health Service Act is amended by inserting after section 314 the following new section:

"NATIONAL AND REGIONAL CENTERS FOR PEDIATRIC EMERGENCY MEDICAL SERVICES

"Sec. 315. (a)(1) The Secretary shall make a grant for fiscal year 1988 for the conduct of a study to determine the feasibility and advisability of establishing and operating a National Center for Pediatric Emergency Medical Services which meets the requirements of subsection (c) (hereafter in this subsection referred to as the 'National Center').

"(2) The Secretary shall request the Institute of Medicine of the National Academy of Sciences to submit an application for a grant under paragraph (1). If the Institute submits an acceptable application for a grant, the Secretary shall make such grant to the Institute. If the Institute does not submit an acceptable application for a grant, the Secretary shall request one or more appropriate nonprofit private entities to submit an application for such grant and shall make the grant to the entity which submits the best acceptable application.

"(3) Within 6 months after the date of enactment of this section, the recipient of a grant under paragraph (1) shall prepare and transmit to the Secretary a report describing the results of the study conducted under such paragraph and containing recommendations concerning the feasibility and advisability of establishing a National Center and such other recommendations as the recipient considers appropriate.

"(b)(1) If, after reviewing the report required by subsection (a)(3) and after consulting with the American Academy of Pediatrics and the American College of Emergency Physicians, the Secretary determines it is feasible and advisable to establish a National Center, the Secretary shall make grants for fiscal year 1989 and each succeeding fiscal year to an appropriate public or nonprofit private entity for the establishment and operation of a National Center.

"(2) No grant may be made under this subsection unless an application therefor is submitted to the Secretary in such form, at such time, and containing such information as the Secretary may prescribe.

"(c) The National Center referred to in subsections (a) and (b) shall—

"(A) develop and disseminate appropriate standards for the provision of pediatric emergency medical care and for appropriate mechanisms to assure the quality of such care;

"(B) conduct activities to facilitate the training of health professionals to provide pediatric emergency medical services, including minority health professionals; and

"(C) develop and disseminate, through the print and broadcast media, information for the public on the prevention of, and appropriate responses to, pediatric medical emergencies, including information on available national, State, and local pediatric emergency medical services.

"(d)(1) The Secretary shall make grants to States, public and nonprofit private entities, and academic institutions for the development, establishment, and operation of regional centers for pediatric emergency medical services. Each regional center supported with a grant under this subsection shall—

"(A) train health professionals to provide pediatric emergency medical services, including minority health professionals;

"(B) provide for the appropriate use of bilingual personnel (in the case of centers serving substantial numbers of individuals who are not fluent in English);

"(C) conduct research on the prevention and treatment of pediatric medical emergencies; and

"(D) conduct activities relating to the prevention of pediatric medical emergencies, including activities to disseminate information and provide education to the public through the use of the print and broadcast media.

"(2) In making grants under this subsection, the Secretary shall give priority to—

"(A) States and schools of medicine which received grants under section 1910 of this Act (as in effect on September 30, 1987); and

"(B) applicants which will provide pediatric emergency medical services in rural areas.

"(3) No grant under this subsection for any fiscal year shall be less than $500,000.

"(4) A grant under this subsection shall be made for a one-year period, and may be renewed for two additional one-year periods.

"(5) No grant may be made under this subsection unless an application is submitted to the Secretary in such form, at such time, and containing such information as the Secretary shall prescribe. An application under this subsection by a public or nonprofit private health care institution shall contain information demonstrating that the applicant has experience in the delivery of, and the ability to deliver, pediatric medical services.

"(e) To carry out this section, there are authorized to be appropriated $5,000,000 for fiscal year 1988, and such sums as necessary for fiscal year 1989 and for fiscal year 1990. Of the amounts appropriated under this subsection for fiscal year 1988, up to $1,000,000 shall be available for the study required under subsection (a).".

(b) Section 1910 of such Act is repealed.

(c) The amendment made by subsection (a) and the repeal made by subsection (b) shall take effect on October 1, 1987.

Mr. INOUYE. Mr. President, we all know that children are not merely small adults, and in no circumstance is this distinction more important than when a child is sick or injured. And yet, emergency care for desperately ill infants and children is often relegated to hospital staff who have not been suitably trained or equipped. Nurses, physicians and technicians skilled in handling gravely ill or injured adults can find themselves inadequate to deal with a desperately sick infant in an already understaffed, chaotic emergency room designed for adult care.

Emergency medical services have particular importance to children because accidental injuries are their leading cause of death. In addition, certain diseases are especially virulent in children, such as meningitis, epiglottitis, and pneumonia. When children enter the emergency medical care system, critically ill with trauma or disease, they and their families are particularly vulnerable. But it is at this crucial time that they are at greatest risk of being mismanaged. Why is this?

First, most emergency rooms do not have personnel specially trained in pediatric emergency care. Children are special patients. They have different illnesses than adults: for instance epiglottitis, an infectious disease that can cause obstruction of the airway and death within hours, is a disease rarely seen in adults. Their bodies respond differently to disease than those of adults, and what's worse, they often can't tell you where it hurts. So an infant may just "look bad," and it takes a trained eye to interpret the signs, make a diagnosis, and begin proper treatment quickly. It is not always easy to recognize a sick child. Children may die of a fulminant infection, such as meningococcemia, within hours of being completely well. An innocent-appearing rash may herald a life-threatening infection. Children's baseline physiologic processes are different: they have faster heart rates; they have normal heart murmurs; they metabolize drugs differently and so require customized dosages, calculated on the basis of their weight. These are basic pediatric concepts, but the reality is that once one leaves the specialized centers, the delivery of emergency care to infants and children is often left to personnel whose training has included little or no instruction in pediatrics.

Second, children have small bodies, so they require special equipment for their care: tiny needles for drawing blood from their veins, small tubes for intubation should they need to be resuscitated, special intravenous solutions. The absence of these in an emergency room can cause delay in diagnosis or treatment that may be life-threatening.

Third, the setting of pediatric emergency care is usually the adult emergency room, where children may be exposed to disturbing scenes of death, grief, violence, and trauma.

Fourth, most emergency room personnel do not know what to do when a child dies. The unexpected death of a child is a devastating event for a family; many marriages do not survive. When parents face the reality of a child's death, or the possibility that their child might die, they need knowledgeable, compassionate professionals to help them begin a healthy grieving process.

In short, although we may buy something for a child to "grow into," emergency care is not in that category. An injured baby may not live long enough to grow into adult medical help.

Mr. President, the legislation which Senators BYRD, DOLE, KENNEDY, HATCH, STENNIS, WEICKER, MATSUNAGA, DODD, CRANSTON, DECONCINI, MOYNIHAN, HOLLINGS, BURDICK, MIKULSKI, and I are introducing today continues the pediatric emergency medical services project that was begun as a provision of Public Law 98-555, the Prevention Health Amendments of 1984. Our proposal would build upon the foundation of regional pediatric emergency medical services projects begun under that initiation in order to establish a regional presence. We are especially pleased with the assistance that we have received over the past 3 years from the staff and leadership of the American Academy of Pediatrics in developing a responsive emergency medical services project for our Nation's children.

Mr. President, I ask unanimous consent that a supportive letter I received from the American Academy of Pediatrics be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 30, 1987.

Hon. DANIEL K. INOUYE,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR INOUYE: The American Academy of Pediatrics strongly supports your legislation to reauthorize the pediatric emergency medical services program. The need for this legislation is clear and dramatic. As you are well aware, over 18 million children go to hospital emergency rooms each year. Nevertheless, not all emergency rooms are well equipped or staffed to meet children's needs. Children are not "miniature adults." Their needs differ from adults physically, metabolically and emotionally. With your leadership, Congress recognized the significance of this problem four years ago when it provided a limited number of funds for demonstration grants.

The existing programs have shown clearly that standards and protocols can be developed to effectively coordinate pediatric emergency medical services systems. Yet, much more needs to be done. If passed, your legislation would fund nine more programs in addition to those already in existence. Commendably, your bill also emphasizes the needs of rural areas, and requires the Institute of Medicine to conduct a study into the need for, and possible location of, a national center to assist states.

The Academy applauds your ongoing efforts to ensure that our nation's children have access to quality care. In these times of budgetary constraint, this program has minimal cost in comparison with the dramatic and far reaching positive impact it can have on our children's health. We look forward to working with you on this important effort.

Sincerely,

WILLIAM C. MONTGOMERY, M.D.

By Mr. MOYNIHAN (for himself, Mr. BAUCUS, Mr. BOREN, Mr. CHAFEE, Mr. DASCHLE, Mr. DOLE, Mr. DURENBERGER, Mr. KENNEDY, Mr. KERRY, Mr. MATSUNAGA, Mr. MITCHELL, Mr. PRYOR, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. ROTH, Mr. WALLOP, and Mr. HEINZ):

S. 1489. A bill to amend section 67 of the Internal Revenue Code of 1986 to exempt certain publicly offered regulated investment companies from the disallowance of indirect deductions through pass-thru entities; to the Committee on Finance.

MODIFICATION OF SECTION 67 OF THE INTERNAL REVENUE CODE OF 1986

● Mr. MOYNIHAN. Mr. President, I rise today to introduce legislation designed to limit the scope of section 67(c) of the Internal Revenue Code, relating to the disallowance of indirect deductions by pass-through entities. Section 67(c), a part of the new "2-percent floor" on miscellaneous itemized deductions enacted in last year's Tax Reform Act of 1986, was intended as an antiabuse measure to prevent taxpayers from avoiding the 2-percent floor on deductions by means of pass-through entities.

As presently drafted, however, section 67(c) will apply to all mutual funds and require some 20 million mutual fund shareholders to recognize "phantom income"—that is, they will have taxable income exceeding their actual net income from their mutual fund shares. Unless changed, section 67(c) will require that any mutual fund shareholder treat as additional income a portion of the mutual fund's expenditures for investment advice and similar expenses. Itemizing taxpayers may in some cases be able to take a deduction against the additional income—assuming the 2-percent floor is exceeded—but nonitemizers will have no recourse but to recognize and pay tax on phantom income—an exaction that they are not likely to forget or forgive.

This goes far beyond what is necessary to prevent abuse. To state the obvious, mutual funds offered to the general public are not tax avoidance devices. Nor are they the province of the wealthy. Over half of mutual fund shareholders—excluding tax-exempt funds—have household income of less than $50,000, and over 40 percent have household income under $40,000. Some 38 percent of all mutual fund shareholders—excluding money market fund shareholders—are retired.

The legislation that I introduce today is designed to preserve the original antiabuse intent of section 67(c) while limiting its present too broad scope. The bill does so by exempting publicly offered mutual funds from section 67(c), while leaving the provision fully applicable to any other mutual fund arrangement—referred to in tax parlance as regulated investment companies [RIC's]. Thus, if a small group of wealthy investors were to organize a mutual fund in an effort to avoid the effect of the 2-percent floor, section 67(c) would be fully applicable to this arrangement. But the millions of shareholders of publicly offered mutual funds would not be caught in this net.

I am very concerned about the impact of section 67(c) if we don't act to limit its scope to genuine abuse situations. Unless we do something, some 20 million mutual fund shareholders will receive form 1099 next January that attribute phantom income to them. I expect many will be initially confused and perhaps ultimately unpersuaded of the provision's merit. Moreover, the complexities faced by the Treasury and by the mutual funds in administering the provision are daunting. And not essential to the fair application of the tax laws. We must act, and we must act soon. Fifteen of my distinguished colleagues, including 13 other members of the Finance Committee, have joined me today in support of this legislation, and I urge other Members of this body to give serious attention to this matter.●

Mr. President, I ask unanimous consent that the statement of Senator WALLOP concerning this legislation appear in the RECORD immediately following my remarks.

● Mr. WALLOP. Mr. President, I am pleased to be an original cosponsor of a bill that will correct one of the many problems associated with the Tax Reform Act of 1986.

Unless corrected, some 20 million people, of which some 38,000 reside in my State of Wyoming, will be greatly surprised when they receive their form 1099 from their mutual funds next year. Under the passive loss rules, mutual funds are required to report as much as 100 percent of their expenses as income to shareholders. In effect, the fund's income is reported on the basis of gross income to the shareholder even though the shareholder receives only the net income.

The shareholder's share of fund expenses are deductible to be sure, but only for those who itemize and only then if total miscellaneous itemized expenses exceed a 2-percent floor. The nonitemizer is left out in the cold, paying tax on income he did not receive. This is obviously unfair. It is also interesting to note that several competing investments such as real estate investment trusts [REIT's] are exempt from this provision.

This legislation corrects the flaw by amending code section 67(c) of the Internal Revenue Code by granting an exception for qualifying mutual funds. This legislation will put a little fairness back in a tax law that was passed, as we all recall, to promote fairness.●

By Mr. DECONCINI (for himself and Mr. CRANSTON):

S. 1491. A bill to amend title 38, United States Code, to include systemic lupus erythematosus among the chronic diseases that are presumed to be service-connected for purposes of veterans compensation if occurring within 1 year from a veterans' discharge from active service; to the Committee on Veterans' Affairs.

SYSTEMIC LUPUS ERYTHEMATOSUS

● Mr. DECONCINI. Mr. President, along with the distinguished chairman of the Senate Committee on Veterans' Affairs, Senator CRANSTON, I am introducing legislation today to include systemic lupus erythematosus, or SLE, among the chronic diseases which are presumed to be service connected if they occur within 1 year from the service.

Service connection for diseases associated with military service are currently covered by legislation in two main ways: first, when a disease originally manifests itself during an individual's period of active military service; and second, when an individual's preexisting condition is aggravated during military service beyond the degree expected as a result of natural progression during the same time period.

In addition to the two above-mention criteria, service connection may also be granted by way of the statutory presumptions contained in section 312 of title 38 of the United States Code. Subsection (a)(1) of that section provides that service connection may be granted for any of the chronic diseases delineated in section 301(3) of title 38, if the disease becomes manifest to a degree of 10 percent or more within 1 year following an individual's discharge from military service. This bill proposes to amend section 301(3) by adding SLE to the list of presumptive diseases.

SLE is a potentially fatal disease of unknown origin wherein a victim's immune system, instead of attacking a foreign invader such as a bacterium, attacks part of the person's own body—usually a variety of physiological systems. Among the organs and tissues that can be affected are the skin, joints, serous membranes, kidneys, lungs, nervous system, elements in the blood, blood vessels, and the heart. The manifestations of SLE can be quite diverse and include such symptoms as joint inflamation, fever, a red skin rash, pleurisy, anemia, pneumonia, decreased blood platelets, brain involvement, kidney, heart, and eye disease. Since no cure currently exists for this disorder affecting over 500,000 Americans, SLE treatment can only be aimed at symptomatic relief of the disease rather than its elimination.

A number of factors, both genetic and environmental, rather than one single cause, are thought to bring about this illness. The genetic basis determining an individual's susceptibility to the disease seems to vary from person-to-person and certain environmental agents can also apparently trigger the disease. As Dr. Alfred Steinberg of the National Institute of Arthritis stated, "It appears that SLE may be caused by a combination of several genes plus additional environmental factors."

Difficulties in treating SLE and tracing its origin to military service center around its variable symptoms and clinical course. Since there is not one clinical picture which definitely applies to each patient, nor is there one single diagnositc test for the disease, criteria have been developed to provide a probability that a patient with signs and symptoms suggestive of SLE does, in fact, have the disease. However, many patients go undiagnosed because their disease is very mild; other because they fail to show enough of the signs and laboratory features to allow a definitive diagnosis. Also, because of its variable presentation, some patients with other diseases are mistakenly diagnosed as having SLE, while others with SLE are incorrectly diagnosed as having some other malady.

SLE's clinical course can also be difficult to detect. In some patients, the disease is rapidly progressive. Although the disease may start acutely, the course of the disease is usually chronic and irregular, with periods of activity alternating with periods of remission. All signs and symptoms of systemic lupus may disappear during periods of remission—in some cases never to return and in others only temporarily absent for months or years.

Because of the difficulty of diagnosing SLE in its early stages, I believe the 1-year, postservice period sought by this bill for SLE victims is warranted and would allow additional and necessary time for a more accurate diagnosis of this hard-to-identify disease because of the "come-and-go" nature of its symptoms.

It is also important to note that systemic lupus does not occur with equal incidence among the sexes or among racial groups. Although lupus can potentially affect anyone at any age, it is most prevalent among individuals between the ages of 15 and 45, and is especially predominant among women, blacks, and certain North American Indian tribes. Overall, young women comprise about 90 percent of lupus victims. The overall annual incidence of SLE in the United States is approximately 6 new cases per 100,000 people for relatively low-risk populations and approximately 35 new cases for relatively high-risk populations. I have a personal interest in this disease since a young woman on my staff, who had always been in good health, was recently stricken by lupus. It required an extended period of time and many laboratory tests before the physicians were able to definitively diagnose the disease.

This bill poses the simple question whether we are willing, as a matter of legislative priority, to give the benefit of the doubt to a veteran who clearly manifested symptoms of a very serious and insidious disease, SLE, for the first time within a year following discharge from the Armed Forces. In that case, as is the case with most chronic diseases, we can reasonably conclude with some certainty that the disease had its onset during service. It would not be an irrevocable presumption. Where the evidence contradicts the claim, to prove that there was no causation, that situation would warrant that the claim be disallowed. The only question here is whether this specific condition warrants shifting the burden of evidence from the individual veteran who confronts the dual difficulty of suffering from the disease and lack of knowledge or resources to pursue a claim for benefits during that 1-year period after discharge. I believe this modest extension of 1 year's time is only fair to the American veteran.

With increased female enlistment in military service, this bill is both pertinent and timely. I hope my colleagues will support this measure to include systemic lupus erythematosus among those chronic diseases listed under section 301(3) of title 38 of the United States Code, which is a particular interest to female and other minority veterans.●

By Mr. JOHNSTON (for himself and Mr. BREAUX):

S. 1492. A bill to name the Veterans' Administration Medical Center in Shreveport, LA, as the "Overton Brooks Veterans' Administration Medical Center"; to the Committee on Veterans' Affairs.

OVERTON BROOKS VETERANS' ADMINISTRATION MEDICAL CENTER

● Mr. JOHNSTON. Mr. President, today I am introducing, with my colleague Senator BREAUX, a bill to name the Veterans' Administration Medical Center in Shreveport, LA, as the "Overton Brooks Veterans' Administration Medical Center."

Congressman Brooks served in the U.S. House of Representatives for 25 years representing the Fourth Congressional District of Louisiana. During his tenure in Congress he took considerable interest in veterans legislation. Mr. Brooks, himself a veteran of WWI, worked diligently on legislation to protect the rights of veterans and to ensure the United States had a well-trained Reserve. Most of the major Reserve bills enacted during the period he served in Congress bear his name as principal sponsor. While a Member of Congress, Mr. Brooks helped write the GI bill of rights; advanced the idea of terminal leave for all enlisted men and pay for this time; and actively fought to increase compensation paid to disabled veterans and to the widows and orphans of veterans.

Today, some 15 years after Mr. Brooks' tenure in Congress, veterans continue to benefit from his hard work on their behalf. Given Congressman Brooks' dedication to improving the quality of life for those men and women who served in the armed services, it is only fitting that we rename the VA hospital in Shreveport, LA, the "Overton Brooks Veterans' Administration Medical Center." This is a small but duly noted tribute to a man who not only was a great friend to the veterans in the State of Louisiana but to those all across the country.●

By Mr. BRADLEY (for himself and Mr. DODD):

S. 1493. A bill to clarify the authority of the Secretary of the Interior to make land exchanges within the Arctic National Wildlife Refuge; to the Committee on Energy and Natural Resources.

LAND EXCHANGES WITHIN THE ARCTIC NATIONAL WILDLIFE REFUGE

Mr. BRADLEY. Mr. President, I rise today to introduce the Arctic Refuge Land Exchange Act. This brief legislation has a simple purpose: to assure an orderly review and decision by Congress on the question of oil and gas development in Alaska's Arctic National Wildlife Refuge [ANWR].

In 1980, in adopting the Alaska National Interest Lands Conservation Act, the Congress clearly reserved to itself the decision over the fate of the coastal region. We never intended, nor would we have allowed, the circumvention of this right through a loophole which would permit the exchange of lands and exploratory rights to others without congressional review. But the administration now asserts that land swaps are possible without congressional approval, though they intend to seek approval for their current proposal. The legislation I introduce today reasserts the need for congressional approval of any land exchanges in ANWR.

It's well known that the Department of the Interior has been involved actively in negotiating with the Alaskan Native groups for the exchange of lands and subsurface mineral rights in the Arctic National Wildlife Refuge. I call to my colleagues' attention an article in yesterday's Wall Street Journal. While the acreage involved in the ANWR exchanges has been small—roughly 30,000 acres out of a 1.5-million-acre coastal plain—the implications of an exchange are enormous. In its April "Report and Recommendations to the Congress," the Department of the Interior identified 26 significant prospects for oil and gas development. Thirty thousand acres is plenty if your goal is the total exploration and characterization of the refuge. This fact is not lost on the eight major oil companies who have already contracted for drilling rights on any acreage eventually transferred.

At recent hearings before the Energy Committee, the issue of land exchanges was distracting and disruptive. Although Secretary Hodel went to great lengths to foreswear any action on land exchanges without congressional approval, his statement is certainly not binding on other or subsequent administration officials and the President. Furthermore, his statements must be balanced against public pronouncements by other Interior officials that: first, existing law gives the administration the authority to perform the exchanges without congressional review; and second, that such exchanges might allow exploration—as opposed to development—to occur prior to a congressional decision on ANWR.

Mr. President, let me state emphatically that I do not believe that the administration has these powers with respect to lands in ANWR. Yet, it's clear from the statements of others that there is some ambiguity here. This legislation is meant to resolve clearly and finally this issue. I might add that this is not intended in any way to be an assault on the integrity or personal word of the Secretary of the Interior. On the contrary, I hope he will support me with this legislation. It does nothing other than codify what Mr. Hodel has unequivocally stated is his intention. The legislation serves a valuable and positive purpose, to reduce the doubt and speculation that now characterizes too much of the debate over ANWR. The current uncertainty discourages orderly deliberation and resolution of critical decisions about the future of the Alaskan coast. This legislation does nothing except to lift this cloud that's been a source of allegations, mistrust, and aggravation.

Mr. President, I ask unanimous consent to have the legislative text and the Wall Street Journal article printed in the Record at the conclusion of these remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1493

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any exchange of lands or interests therein involving lands within the Arctic National Wildlife Refuge by the Secretary of the Interior pursuant to the Alaska National Interest Lands Conservation Act of 1980 or any other provision of law shall be subject to prior approval by law.

[From the Wall Street Journal July 13, 1987]

Oil Rights at Alaskan Refuge Auctioned Despite Environmental, Other Opposition

(By Robert E. Taylor)

Washington.—In a setting reminiscent of a professional football draft, a host of Alaskan native corporations and their oil-industry partners carved up part of the most promising unexplored oil field in North America.

The Interior Department, defying opposition from leading lawmakers, environmental groups and the state of Alaska, last week conditionally auctioned off rights to oil under the coastal plain of the Arctic National Wildlife Refuge to Alaskan native corporations.

This "mega-trade" is conditioned on final review by the native groups within 10 days, and approval by Congress. Preparations for the deal have been conducted in secret for about a year by native corporations, the department and oil companies. Last week's sessions in an Arlington, Va., hotel were unannounced; a reporter was turned away Friday from the second of two days of land selection by the native groups.

FORMED IN THE 1970S

In the 1970s, the federal government formed the native corporations to hold lands deeded by the government to Eskimos and Indians to settle their claims.

Instead of bidding cash in this auction, the native groups offered huge tracts from wildlife refuges elsewhere in the state. The Interior Department's Fish and Wildlife Service says it wants to obtain these native lands in order to consolidate control over certain refuges. In return, the natives stand to obtain commercially valuable lands that oil companies already have agreed to lease from them.

Critics call the trade either a giveaway of valuable public resources or a way to increase pressure on Congress to permit oil development on 1.5 million acres of the refuge in northeastern Alaska. George Miller, chairman of the House Water and Power Subcommittee, has termed it "a subterfuge to provide access to these lands to the oil companies."

But William Horn, assistant secretary of the interior for fish, wildlife and parks, defended the arrangement as "an unequaled opportunity to add some very important land to the wildlife ecosystem." He said his agency expects to obtain about 900,000 acres of prime wildlife habitat in exchange for a fraction of that acreage on the coastal plain.

If commercially recoverable oil deposits are found, the Interior Department estimates the entire plain would yield 3.2 billion barrels, and possibly more than the giant Prudhoe Bay oil field, 100 miles to the west.

BEAR HABITAT

Other participants say the wildlife lands include large portions of bear habitat on Kodiak Island, salmon rivers on the Kenai Peninsula, waterfowl wetlands in western Alaska and seabird nesting areas in the Aleutian Islands.

Mr. Horn declined to say how much land the native groups selected in return, but the figure of 33,000 acres has been discussed in congressional hearings. He said he planned to disclose the general results to some members of Congress in a few weeks, then send lawmakers a detailed environmental-impact statement early next year.

COURT CHALLENGE

The sessions came shortly before a hearing in federal court in Anchorage this Friday on a court challenge to the auction by a host of environmental groups demanding a formal impact assessment before the land selections. For varying reasons, the deal also is opposed by Democratic leaders in both houses of Congress.

The state of Alaska withdrew from the land exchanges and opposes them. Gov. Steve Cowper said the state and federal governments lack enough understanding of the area's geology "to assure that either the state will obtain desirable lands or that highly prospective tracts are not traded away without sufficient compensation."

British Petroleum Co., its Standard Oil Co. unit, and Chevron Corp. are the only concerns to have data from a 1984 exploratory well on the plain. They leased tracts from the native Arctic Slope Regional Corp. and Kaktovik Inupiat Corp. after those groups acquired rights to about 92,000 acres in a prior land selection and exchange.

Last week's auction is believed to have involved at least four regional native corporations and a host of smaller village corporations.

ADDITIONAL COSPONSORS

S. 272

At the request of Mr. Humphrey, the name of the Senator from Nebraska [Mr. Karnes] was added as a cosponsor of S. 272, a bill to require certain individuals who perform abortions to obtain informed consent.

S. 273

At the request of Mr. Humphrey, the name of the Senator from Nebraska [Mr. Karnes] was added as a cosponsor of S. 273, a bill to require certain individuals who perform abortions to obtain informed consent.

S. 274

At the request of Mr. Humphrey, the name of the Senator from Nebraska [Mr. Karnes] was added as a cosponsor of S. 274, a bill to restrict the use of Federal funds available to the Bureau of Prisons to perform abortions.

S. 322

At the request of Mr. Sarbanes, the name of the Senator from California [Mr. Cranston] was added as a cosponsor of S. 322, a bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia.

S. 368

At the request of Mr. Matsunaga, the name of the Senator from Mississippi [Mr. Stennis] was added as a cosponsor of S. 368, a bill to amend the Federal Food, Drug, and Cosmetic Act to ban the reimportation of drugs in the United States, to place restrictions on drug samples, to ban certain resales of drugs purchased by hospitals and other health care facilities, and for other purposes.

S. 381

At the request of Mr. Helms, the name of the Senator from Nebraska [Mr. Karnes] was added as a cosponsor of S. 381, a bill to protect the lives of unborn human beings.

S. 422

At the request of Mr. Bradley, the name of the Senator from Arkansas [Mr. Pryor] was added as a cosponsor of S. 422, a bill to amend title XIX of the Social Security Act to permit States to provide Medicaid benefits to additional poor children and pregnant women.

S. 446

At the request of Mr. Bradley, the name of the Senator from Vermont [Mr. Stafford] was added as a cosponsor of S. 446, a bill to amend the Internal Revenue Code of 1986 to disallow deductions for advertising expenses for tobacco products.

S. 476

At the request of Mr. Dodd, the name of the Senator from Washington [Mr. Adams] was added as a cosponsor of S. 476, a bill to provide assistance in the development of new or improved programs to help younger persons through grants to the States for community planning, services, and training; to establish within the Department of Health and Human Services an operating agency to be designated as the Administration on Children, Youth, and Families; and to provide for a White House Conference on Young Americans.

S. 567

At the request of Mr. DeConcini, the name of the Senator from Michigan [Mr. Levin] was added as a cosponsor of S. 567, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 750

At the request of Mr. Bradley, the name of the Senator from Nebraska [Mr. Exon] was added as a cosponsor of S. 750, a bill to amend the Foreign Assistance Act of 1961 to authorize appropriations for the Child Survival Fund.

S. 840

At the request of Mr. Thurmond, the names of the Senator from Massachusetts [Mr. Kerry], the Senator from Nebraska [Mr. Exon], and the Senator from Louisiana [Mr. Johnston] were added as a cosponsors of S. 840, a bill to recognize the organization known as the 82d Airborne Division Association, Incorporated.

S. 912

At the request of Mr. Exon, the name of the Senator from Pennsylvania [Mr. Heinz] was added as a cosponsor of S. 912, a bill to amend the Rural Electrification Act of 1936 to permit the prepayment of Federal financing bank loans made to rural electrification and telephone systems, and for other purposes.

S. 1106

At the request of Mr. Hatfield, the name of the Senator from Arkansas [Mr. Bumpers] was added as a cosponsor of S. 1106, a bill to provide for simultaneous, mutual, and verifiable moratorium on underground nuclear explosions above a low-yield threshold.

S. 1242

At the request of Mr. Humphrey, the name of the Senator from Nebraska [Mr. Karnes] was added as a cosponsor of S. 1242, a bill to prohibit the use of Federal funds for abortions except where the life of the mother would be endangered, and to prohibit the provision under title X of the Public Health Service Act of Federal family planning funds to organizations that perform or refer for abortions, except where the life of the mother would be endangered, and for other purposes.

S. 1250

At the request of Mr. Biden, the name of the Senator from Tennessee [Mr. Gore] was added as a cosponsor of S. 1250, a bill to strengthen the criminal justice partnership between the States and the Federal Government.

S. 1260

At the request of Mr. Bumpers, the name of the Senator from Colorado [Mr. Armstrong] was added as a cosponsor of S. 1260, a bill entitled the "Federal Land Exchange Facilitation Act of 1987".

S. 1265

At the request of Mr. Kennedy, the name of the Senator from Illinois [Mr. Simon] was added as a cosponsor of S. 1265, a bill to amend the Public Health Service Act and the Fair Labor Standards Act of 1938 to provide minimum health benefits for all workers in the United States.

S. 1320

At the request of Mr. Bumpers, the name of the Senator from Maine [Mr. Mitchell] was added as a cosponsor of S. 1320, a bill to provide adequate funding levels for solar energy research and development, to encourage Federal procurement of solar energy systems, to encourage Federal loans for solar energy equipment, to enhance the international competitiveness of the solar industry, and for other purposes.

S. 1366

At the request of Mr. Kennedy, the name of the Senator from Maine [Mr. Mitchell] was added as a cosponsor of S. 1366, a bill to revise and extend the programs of assistance under title X of the Public Health Service Act.

S. 1370

At the request of Mr. Bumpers, the name of the Senator from South Carolina [Mr. Hollings] was added as a cosponsor of S. 1370, a bill to provide special rules for health insurance costs of self-employed individuals.

S. 1393

At the request of Mr. Heinz, the name of the Senator from Missouri [Mr. Bond] was added as a cosponsor of S. 1393, a bill to amend title 39, United States Code, to designate as nonmailable matter any private solicitation which is offered in terms expressing or implying that the offeror of the solicitation is, or is affiliated with, certain Federal agencies, unless such solicitation contains conspicuous notice that the Government is not making such solicitation, and for other purposes.

S. 1419

At the request of Mr. Heinz, his name was added as a cosponsor of S. 1419, a bill to prevent ground water contamination by pesticides.

S. 1451

At the request of Mr. Heinz, the name of the Senator from Delaware [Mr. Roth] was added as a cosponsor of S. 1415, a bill to amend title 38, United States Code, to improve veterans' benefits for former prisoners of war.

S. 1462

At the request of Mr. Heflin, the name of the Senator from South Carolina [Mr. Thurmond] was added as a cosponsor of S. 1462, a bill to designate the Courthouse and Post Office Building at 83 Meeting Street in Charleston, SC, as the "Ernest Frederick Hollings Charleston Judicial Building."

S. 1468

At the request of Mr. Mitchell, the names of the Senator from New Jersey [Mr. Bradley], the Senator from North Carolina [Mr. Sanford], the Senator from South Carolina [Mr. Hollings], the Senator from Hawaii [Mr. Matsunaga], the Senator from Mississippi [Mr. Cochran], and the Senator from Massachusetts [Mr. Kerry] were added as cosponsors of S. 1468, a bill to provide for a Samantha Smith Memorial Exchange Program to promote youth exchanges between the United States and the Soviet Union, and for other purposes.

SENATE JOINT RESOLUTION 106

At the request of Mr. BINGAMAN, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of Senate Joint Resolution 106, a joint resolution to recognize the Disabled American Veterans Vietnam Veterans National Memorial as a memorial of national significance.

SENATE JOINT RESOLUTION 136

At the request of Mr. HUMPHREY, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of Senate Joint Resolution 136, a joint resolution to designate the week of December 13, 1987, through December 19, 1987, as "National Drunk and Drugged Driving Awareness Week."

SENATE JOINT RESOLUTION 155

At the request of Mr. MCCAIN, the names of the Senator from Virginia [Mr. TRIBLE], and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of Senate Joint Resolution 155, a joint resolution to designate the period commencing on September 13, 1987, and ending on September 19, 1987, as "National Reye's Syndrome Week."

SENATE JOINT RESOLUTION 157

At the request of Mr. GORE, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of Senate Joint Resolution 157, a joint resolution to designate the month of October 1987, as "Lupus Awareness Month."

SENATE JOINT RESOLUTION 168

At the request of Mr. MELCHER, the names of the Senator from Arkansas [Mr. BUMPERS], the Senator from Tennessee [Mr. GORE], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Michigan [Mr. LEVIN], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Idaho [Mr. MCCLURE], the Senator from Ohio [Mr. METZENBAUM], the Senator from South Dakota [Mr. PRESSLER], the Senator from North Carolina [Mr. SANFORD], the Senator from South Carolina [Mr. THURMOND], and the Senator from California [Mr. WILSON] were added as cosponsors of Senate Joint Resolution 168, a joint resolution designating the week beginning October 25, 1987, as "National Adult Immunization Awareness Week."

SENATE RESOLUTION 31

At the request of Mr. HUMPHREY, the name of the Senator from Nebraska [Mr. KARNES] was added as a cosponsor of Senate Resolution 31, a joint resolution expressing the sense of the Senate with respect to the situation in Afghanistan.

SENATE RESOLUTION 32

At the request of Mr. HUMPHREY, the name of the Senator from Nebraska [Mr. KARNES] was added as a cosponsor of the Senate Resolution 32, a resolution designating Robert B. Dove as a Parliamentarian Emeritus.

SENATE RESOLUTION 218

At the request of Mr. QUAYLE, the names of the Senator from Missouri [Mr. DANFORTH], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Wyoming [Mr. WALLOP], the Senator from Georgia [Mr. NUNN], and the Senator from Washington [Mr. EVANS] were added as cosponsors of the Senate Resolution 218, a resolution to express the sense of the Senate that each Senate committee that reports legislation that requires employers to provide new employee benefits secure an objective analysis of the impact of the legislation on employment and international competitiveness and include an analysis of the impact in the report of the committee on the legislation.

SENATE RESOLUTION 248

At the request of Mr. GRAHAM, the names of the Senator from Florida [Mr. CHILES], and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of the Senate Resolution 248, a resolution supporting the people of Haiti in their efforts to obtain respect for human rights and the holding of free and fair elections in Haiti, and for other purposes.

AMENDMENT NO. 356

At the request of Mr. MCCONNELL, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of the amendment No. 356 proposed to S. 1420, a bill to authorize negotiation of reciprocal trade agreements, to strengthen U.S. trade laws, and for other purposes.

AMENDMENT NO. 488

At the request of Mr. HOLLINGS, the names of the Senator from Wisconsin [Mr. KASTEN], the Senator from New York [Mr. D'AMATO], the Senator from Oregon [Mr. PACKWOOD], and the Senator from Missouri [Mr. BOND] were added as cosponsors of the amendment No. 488 proposed to S. 1420, a bill to authorize negotiations of reciprocal trade agreements, to strengthen U.S. trade laws, and for other purposes.

AMENDMENTS SUBMITTED

OMNIBUS TRADE AND COMPETITIVENESS ACT

MURKOWSKI AMENDMENT NO. 492

(Ordered to lie on the table).

Mr. MURKOWSKI submitted an amendment intended to be proposed by him to amendment No. 367 proposed by Mr. MOYNIHAN to the bill (S. 1420) to authorize negotiations of reciprocal trade agreements, to strengthen U.S. trade laws, and for other purposes; as follows:

At the end of the amendment, add the following new paragraph:

(8) the United States should, as an alternative to reflagging of Kuwaiti vessels, offer to charter or lease United States domestic tankers to Kuwait for the transport of crude oil.

DOLE (AND WARNER) AMENDMENT NOS. 493 AND 494

(Ordered to lie on the table.)

Mr. DOLE (for himself and Mr. WARNER) submitted two amendments intended to be proposed by him to amendment No. 367 proposed by Mr. MOYNIHAN to the bill S. 1420, supra; as follows:

AMENDMENT NO. 493

In lieu of the language proposed to be inserted insert the following:

2010. POLICY TOWARD PROTECTION OF REFLAGGED KUWAITI TANKERS IN THE PERSIAN GULF.

(a) FINDINGS.—The Congress finds that—

(1) the United States has vital economic interest in the export of oil from the Persian Gulf region:

(2) the United States has long-term important strategic and geopolitical interests in the Persian Gulf region, including the security and stability of all states in the region, the pursuit of which requires the freedom of navigation in the Persian Gulf and contiguous international waters and the prevention of hegemony in the region by either Iran or Iraq;

(3) the continuation of the Iran-Iraq war constitutes a grave threat to these interests;

(4) the expansion of the Iran-Iraq war threatens the territorial integrity and sovereignty of the Persian Gulf states, and, in particular, the pattern of intimidation against noncombatant states, recently focused on Kuwait, has raised serious and legitimate concerns;

(5) the President is planning to extend a protection regime to cover reflagged (Kuwaiti) tankers;

(6) after considering the report of the Secretary of Defense submitted to the Congress at its request, Congressional testimony, Congressional investigations in the Persian Gulf region, and consultation with administration officials, the administration should make further interagency assessments regarding: (a) both military and terrorist threats, including mine detection and defense, (b) the need for any facilities for land-based aircraft, and (c) the impact of the reflagging plan on the U.S. merchant marine.

(b) POLICY.—It is the sense of the Congress that—

(1) The United States should continue to seek a peaceful settlement of the Iran-Iraq war through all diplomatic means;

(2) The United States should pursue, through the United Nations Security Council and other international diplomatic channels, efforts—

(A) to effect mandatory sanctions, including an arms embargo, against any combatant state which fails to cooperate in the establishment of a negotiated cease-fire and withdrawal; and

(B) to promote a cessation by Iran and Iraq of all attacks on shipping in the Persian Gulf, as part of a comprehensive approach to ending the war, including both a cease-fire and withdrawal to borders;

(3) The United States should deploy such military assets in, or proximate to, the Persian Gulf as may be necessary to protect the

right of free transit through international waters, and should work closely with the Persian Gulf states to reestablish stability, security, and peace in the region;

(4) In implementing the policy described in paragraphs (1) through (3), the President should take such steps as he deems necessary to achieve the cooperation of interested parties, particularly naval powers among the major importers of Persian Gulf oil and the members of the Gulf Cooperation Council (GCC);

(5) Should the United Nations Security Council efforts not be productive, the President should seek the convening of a conference of the major allied importers and GCC exporters of Persian Gulf oil to assess means for ensuring the free flow of oil, promoting freedom of navigation, deescalating tensions and hostilities, contributing to the search for a negotiated end to the Iran-Iraq war, and developing a long-term policy which advances the strategic interests of the West and of the states in the region;

(6) Prior to implementing definitive initiatives, including reflagging and protecting Kuwaiti tankers, measures described in this concurrent resolution should be fully considered, in consultation with Congress, and pursued.

(7) The United States should preserve its military flexibility in the Persian Gulf, and should explore further cooperative efforts, involving other naval powers and the regional states, to ensure the free transit of oil.

AMENDMENT No. 494

In lieu of the language proposed to be inserted, insert the following:

SEC. 2010. POLICY TOWARD PROTECTION OF REFLAGGED KUWAITI TANKERS IN THE PERSIAN GULF.

(a) FINDINGS.—The Congress finds that—

(1) the United States has a vital strategic interest in the export of oil from the Persian Gulf region;

(2) the United States has long-term important strategic and geopolitical interests in the Persian Gulf region, including the security and stability of the states in the region, the pursuit of which requires the freedom of navigation in the Persian Gulf and adjacent waters and the prevention of hegemony in the region by either Iran or Iraq;

(3) the continuation of the Iran-Iraq war constitutes a grave threat to these interests;

(4) the expansion of the Iran-Iraq war threatens the territorial integrity and sovereignty of the Persian Gulf states, and, in particular, the pattern of intimidation practices against noncombatant states, recently focused on Kuwait, has raised serious and legitimate concerns;

(5) the President has proposed the protection, through the use of convoy escorts by United States Navy ships, of Kuwaiti-owned tankers flying the United States flag;

(6) the Congress has examined the rationale for this proposal and the specific manner in which it would be implemented, including a careful review of the report entitled "Report On Security Arrangements In The Persian Gulf", which report was submitted by the Secretary of Defense to the Congress at its request; and

(7) further assessments are needed regarding the threat of terrorist attacks, mine warfare detection and defense, and the need for any required facilities for land-based aircraft.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should seek a settlement of the Iran-Iraq war through all diplomatic means;

(2) the United States should pursue, through the United Nations Security Council and other international diplomatic channels, efforts—

(A) to effect mandatory sanctions, including an arms embargo, against any combatant state which fails to cooperate in the establishment of a negotiated cease-fire; and

(B) to promote a cessation by Iran and Iraq on attacks against shipping in the Persian Gulf;

(3) the United States should deploy such naval forces in, or proximate to, the Persian Gulf as may be necessary to protect the right of free transit through the Strait of Hormuz, and should work closely with the Persian Gulf states to reestablish stability, security, and peace in the region;

(4) in implementing the policy described in paragraphs (1) through (3), the President should take such steps as he deems necessary to achieve the cooperation of interested parties, particularly naval powers among the major importers of Persian Gulf oil and the nations of the Gulf Cooperation Council;

(5) the President should seek the convening of a conference of the exporters and importers of Persian Gulf oil to assess means for ensuring the free flow of oil, promoting freedom of navigation, deescalating tensions and hostilities, contributing to the search for a negotiated end to the Iran-Iraq war, and developing a long-term policy which advances the strategic interests of the West and of the states in the region;

(6) the United States should preserve its military flexibility in the Persian Gulf and should explore further cooperative efforts, involving other naval powers and the regional states, to ensure the free transit of oil.

QUAYLE (AND BUMPERS) AMENDMENT NO. 495

Mr. QUAYLE (for himself and Mr. BUMPERS) proposed an amendment to the bill S. 1420, supra; as follows:

On page 643, between the end of the table of contents and line 1, insert the following new section:

SEC. . IMPACT OF NEW EMPLOYEE BENEFITS ON EMPLOYMENT AND INTERNATIONAL COMPETITIVENESS.

(a) FINDINGS.—The Senate finds that—

(1) in times of budgetary stringency, it is difficult to enact legislation providing new employee benefits at an additional cost to the taxpayer;

(2) there is an attractive theory that employee benefits can be provided at no cost to the taxpayer by requiring that the benefits be provided by employers; and

(3) requiring employers to provide new employee benefits imposes substantial costs on employers (especially small businesses) the economy (in terms of international competitiveness), and employees (in terms of lost jobs).

(b) SENSE OF THE SENATE.—It is the sense of the Senate that each Senate committee that reports legislation requiring employers to provide new employee benefits—

(1) secure an objective analysis of the impact of the legislation on employers (especially small businesses), the economy (in terms of international competitiveness), and employees (in terms of lost jobs), before the committee reports the legislation; and

(2) include an analysis of the impact in the report of the committee on the legislation.

KENNEDY AMENDMENT NO. 496

Mr. KENNEDY proposed an amendment to amendment No. 495 proposed by Mr. QUAYLE (and Mr. BUMPERS) to the bill S. 1420, supra; as follows:

On page 1, beginning with line 6, strike out all through the end of the amendment and insert in lieu thereof the following:

(1) legislation requiring employers to provide new employee benefits or otherwise affecting employment levels and conditions may impose both benefits and costs on employers, employees, and taxpayers; and

(2) such legislation may also benefit or hinder the international competitiveness of United States firms.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that each Senate committee that reports legislation requiring employers to provide employee benefits or otherwise affecting employment levels and conditions should—

(1) secure objective analysis of the benefits and costs of the legislation to employees, employers, and the international competitiveness of the economy before the committee reports the legislation; and

(2) include an analysis of the matters described in clause (1) in the report of the committee on the legislation.

QUAYLE AMENDMENT NO. 497

Mr. QUAYLE proposed an amendment to the bill S. 1420, supra; as follows:

On page 643, between the end of the table of contents and line 1, insert the following new section:

SEC. . IMPACT OF NEW EMPLOYEE BENEFITS ON EMPLOYMENT AND INTERNATIONAL COMPETITIVENESS.

(a) FINDINGS.—The Senate finds that—

(1) in times of budgetary stringency, it is difficult to enact legislation providing new employee benefits at an additional cost to the taxpayer;

(2) employee benefits can be provided at no direct cost to the taxpayer by requiring that the benefits be provided by employers; and

(3) requiring employers to provide new employee benefits may impose substantial costs on employers (especially small businesses), the economy (in terms of international competitiveness), and employees (in terms of levels and conditions of employment) and may also provide substantial benefits in these and other areas.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that each Senate committee that reports legislation requiring employers to provide new employee benefits—

(1) secure objective analysis of the impact of the legislation on employers (especially small businesses), the economy (in terms of international competitiveness), and employees (in terms of levels and conditions of employment), before the committee reports the legislation; and

(2) include an analysis of the impact in the report of the committee on the legislation.

HOLLINGS (AND OTHERS) AMENDMENT NO. 488

Mr. HOLLINGS (for himself, Mr. DANFORTH, Mr. BAUCUS, Mr. EXON, Mr. RUDMAN, Mr. HEINZ, Mr. EVANS, Mrs. KASSEBAUM, and Mr. MCCAIN) proposed an amendment to the bill S. 1420, supra; as follows:

On page 752, strike all from line 3 through line 25 on page 882 and insert in lieu thereof the following:

SEC. 3701. OFFICE OF SMALL BUSINESS TRADE REMEDY ASSISTANCE.—

(1) There is established in the Department of Commerce the Office of Small Business Trade Remedy Assistance. The Office shall be administered by a Director of Small Business Trade Remedy Assistance, who shall be appointed by the President, by and with the advice and consent of the Senate. The Secretary of Commerce, through the Director of Small Business Trade Remedy Assistance, shall carry out all functions transferred to the Secretary by paragraph (7).

(2) The Director of Small Business Trade Remedy Assistance shall—

(A) provide full information to small businesses concerning—

(i) remedies available to them under the trade laws; and

(ii) the petition and application procedures, and the appropriate filing dates, with respect to such remedies; and

(B) provide assistance to small businesses in preparing petitions and applications to obtain such remedies.

(3)(A) The Director of Small Business Trade Remedy Assistance shall establish and maintain a system for paying reasonable expenses incurred by an eligible small business in connection with any administrative proceeding conducted under any trade law if the Director determines that such small business is in need of assistance in paying such expenses.

(B) The Director shall prepare a written evaluation of any request for attorneys' fees, consultant fees, and other reasonable expenses incurred by an eligible small business in connection with an administrative proceeding conducted under any trade law. Such document shall contain an evaluation, for each such expense, of—

(i) the sufficiency of the documentation of the expense;

(ii) the need or justification for the underlying item; and

(iii) the reasonableness of the amount of money requested.

(C) Payments may be made to an eligible small business under subparagraph (A) with respect to only one administrative proceeding per fiscal year.

(D) With respect to any proceeding, payment for reasonable expenses under subparagraph (A) may be made—

(i) in any case in which the amount of such expenses does not exceed $200,000, in an amount not to exceed 50 percent of such expenses, and

(ii) in any case in which the amount of such expenses exceeds $200,000, in an amount not to exceed the sum of—

(I) 25 percent of the amount of such expenses in excess of $200,000 but not more than $400,000; plus

(II) the amount payable under clause (i).

(E) No payment shall be made under subparagraph (A) with respect to any proceeding which the Director of Small Business Trade Remedy Assistance determines to be frivolous or for purposes of harassment or delay.

(F) Payments may be made under subparagraph (A) with respect to any proceeding only after determinations made in such proceeding have become final and may not be appealed.

(4) For purposes of paragraph (3)—

(A) The term "reasonable expenses" includes attorneys' fees and expenses for data collection and the services of consultants.

(B) The term "eligible small business" means any business concern which, in the agency's judgment, due to its small size, has neither adequate internal resources nor financial ability to obtain qualified outside assistance in preparing and filing petitions and applications for remedies and benefits under trade laws. In determining whether a business concern is an eligible small business, the agency may consult with the Small Business Administration, and shall consult with any other agency that has provided assistance under subsection (b) to that business concern. An agency decision regarding whether a business concern is an eligible small business for purposes of this section is not reviewable by any other agency or by any court.

(C) The term "trade laws" means—

(i) chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq., relating to relief caused by import competition);

(ii) chapters 2 and 3 of such title II (relating to adjustment assistance for workers and firms);

(iii) chapter 1 of title III of the Trade Act of 1974 (19 U.S.C. 2411 et seq., relating to relief from foreign import restrictions and export subsidies);

(iv) title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq., relating to the imposition of countervailing duties and antidumping duties);

(v) section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862, relating to the safeguarding of national security); and

(vi) section 337 of the Tariff Act of 1930 (19 U.S.C. 1337, relating to unfair practices in import trade).

(5) To carry out paragraph (3), there are authorized to be appropriated not in excess of $3,000,000 for fiscal year 1989 and each succeeding fiscal year.

(6) The Director of Small Business Trade Remedy Assistance shall submit an annual report on the operation of the Office to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives. Such report shall include recommendations for legislation necessary to enable the Office to carry out its functions.

(7) There are transferred to the Secretary of Commerce all functions of the Trade Remedy Assistance Office of the United States International Trade Commission.

TITLE XXXVIII—INTERAGENCY COMMITTEES AND COMMISSIONS

Subtitle A—Council on Economic Competitiveness

PART I—ESTABLISHMENT OF COUNCIL

SEC. 3801. ESTABLISHMENT.

There is hereby established in the Executive branch of the Federal Government as an independent agency the Council on Economic Competitiveness (hereafter in this subtitle referred to as the "Council").

SEC. 3802. DUTIES OF THE COUNCIL.

The duties of the Council are to—

(1) collect, analyze, and provide information concerning current and future United States economic competitiveness useful to decision-making in government and industry;

(2) monitor the changing nature of research, science, and technology in the United States as well as the changing nature of the United States industrial economy and its capacity—

(A) to provide marketable, high quality goods and services in domestic and international markets; and

(B) to respond to international competition;

(3) create a forum where national leaders with experience and background in business, labor, academia, public interest activities, and government will—

(A) identify problems hindering the economic competitiveness of the United States;

(B) develop and promote recommendations to address such problems; and

(C) create a broad consensus in support of such recommendations;

(4) develop and promote a national vision and specific policies which enhance the productivity and international competitiveness of United States industries;

(5) serve as a clearinghouse that identifies and monitors—

(A) Federal and private sector resources devoted to increased competitiveness; and

(B) State and local government programs devised to enhance competitiveness, including joint ventures between universities and corporations;

(6) comment on private sector requests for governmental assistance or relief, specifically in order to determine whether—

(A) the applicant is likely, by receiving the assistance or relief, to become internationally competitive in the future; and

(B) any adjustment commitments should be entered into by relevant parties, such as management and employees of the applicant, shareholders, creditors, suppliers and dealers, and financial institutions, in order to ensure that the applicant is likely to become internationally competitive in the future;

(7) establish, when appropriate, subcouncils of public and private leaders to develop long-term forecasts and visions for sectors of the economy and to comment upon specific economic issues;

(8) review and evaluate specific policy recommendations developed by the subcouncils and transmit such recommendations to the Federal agencies responsible for the implementation of such recommendations;

(9) prepare and publish reports containing the recommendations of the Council;

(10) annually report to the President and the Congress on—

(A) the ability of the United States to be internationally competitive;

(B) the status of major sectors of the United States economy; and

(C) the effect that existing policies of the Federal Government are having on the ability of the sectors of the economy to compete internationally;

(11) evaluate and comment upon existing and future Federal policies, practices, and regulations, including fiscal and monetary policies and the budget of the United States Government, with respect to the impact on competitiveness of such policies, practices, and regulations; and

(12) review and comment upon any competitiveness impact statement required by any statute.

SEC. 3803. MEMBERSHIP.

(a) COMPOSITION.—

(1) The Council shall consist of 9 members, of which—

(A) 3 members shall be appointed by the President;

(B) 3 members shall be appointed by the majority leader and the minority leader of the Senate, acting jointly; and

(C) 3 members shall be appointed by the Speaker of the House of Representatives.

(2)(A) Members shall be appointed to the Council from among individuals who are—

(i) national leaders with experience and background in business, including small business and advanced technology industries;

(ii) national leaders with experience and background in the labor community;

(iii) individuals from academic institutions and individuals who have been active in public interest activities; and

(iv) representatives of State and local governments.

(B) All members of the Council shall be individuals who have a broad understanding of the United States economy and the United States position in the world economy.

(3) Not more than 5 members of the Council shall be members of the same political party.

(b) Initial Appointments.—All of the initial members of the Council shall be appointed within 90 days after the date of enactment of this Act.

(c) Term of Office.—The term of office of each member of the Council shall be 6 years, except that—

(1) of the members first appointed under subsection (a)(1)(A), 1 shall serve for a term of 2 years, 1 shall serve for a term of 4 years, and 1 shall serve for a term of 6 years, as designated by the President at the time of appointment;

(2) of the members first appointed under subsection (a)(1)(B), 1 shall serve for a term of 2 years, 1 shall serve for a term of 4 years, and 1 shall serve for a term of 6 years, as designated by the majority leader and the minority leader of the Senate at the time of appointment; and

(3) of the members first appointed under subsection (a)(1)(C), 1 shall serve for a term of 2 years, 1 shall serve for a term of 4 years, and 1 shall serve for a term of 6 years, as designated by the Speaker of the House of Representatives at the time of appointment.

(d) Limitation on Service.—No member of the Council may serve more than 2 consecutive terms, except, that any appointment to fill a vacancy for the remainder of a term in which remains a period of less than 2 years shall not be considered a term for purposes of this subsection.

(e) Vacancies.—

(1) A vacancy on the Council shall be filled in the same manner in which the original appointment was made.

(2) Any member appointed to fill a vacancy on the Council occurring before the expiration of the term for which such member's predecessor was appointed shall be appointed only for the remainder of such term.

(3) A member of the Council may serve after the expiration of such member's term until such member's successor has taken office.

(f) Removal.—Members of the Council may be removed only for malfeasance in office.

(g) Conflict of Interest.—A member of the Council may not serve as an agent or attorney for, or performed any other professional service for or on behalf of, the government of any foreign country, any agency or instrumentality of the government of a foreign country, or any foreign political party.

(h) Compensation.—

(1) Each member of the Council who is not employed by the Federal Government or any State or local government—

(A) shall be compensated at a rate equal to the daily equivalent of the rate for level II of the Executive Schedule under section 5315 of title 5, United States Code, for each day such member is engaged in duties as a member of the Council; and

(B) shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from such member's usual place of residence, in accordance with section 5703 of such title.

(2) Each member of the Council who is employed by the Federal Government or any State or local government shall serve on the Council without additional compensation, but while engaged in duties as a member of the Council shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from such member's usual place of residence, in accordance with subchapter I of chapter 57 of title 5, United States Code.

(i) Quorum.—Five members of the Council shall constitute a quorum, except that a lesser number may hold hearings if such action is approved by a majority vote of the entire Council.

(j) Chairman.—

(1) The Council shall elect, by a majority vote of the entire Council, a Chairman.

(2) The Chairman of the Council shall serve on a full-time basis.

(k) Meetings.—The Council shall meet at the call of the Chairman or a majority of its members, except that the Council shall meet not less than 6 times during each calendar year.

(l) Alternate Members.—

(1) Each member of the Council shall designate one alternate representative to attend any meeting that such member is unable to attend.

(2) In the course of attending any such meeting, an alternate representative shall be considered a member of the Council for all purposes, including voting.

(m) Majority Vote Required.—

(1) Except as provided in subsection (i), no action (whether involving administrative or personnel matters, establishing policy, or any other type of action) shall be taken by the Council unless approved by a majority of the entire membership of the Council.

(2)(A) If a consensus of the majority of the entire membership of the Council, as required under paragraph (1), cannot be reached on a matter referred to the Council by the President or either House of the Congress, the Council shall transmit a report to the President and both Houses of the Congress explaining why a consensus could not be reached on such matter.

(B) Any report by the Council under subparagraph (A) shall include the relevant information gathered by the Council on such matter and a list of potential policy options for addressing the concern involved.

(n) Experts and Consultants.—The Council may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay for GS-16 of the General Schedule.

(o) Details.—Upon request of the Council, the head of any other Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Council to assist the Council in carrying out its duties under this subtitle.

SEC. 3804. EXECUTIVE DIRECTOR AND STAFF.

(a) Executive Director.—

(1) The principal administrative officer of the Council shall be an Executive Director, who shall be appointed by the Council.

(2) The Council shall consult with the President and leaders of the Congress before appointing an individual to the position of Executive Director.

(3) The Executive Director shall serve on a full-time basis.

(b) Staff.—The Executive Director may appoint a staff for the Council in accordance with the Federal civil service and classification laws.

(c) Allocation of Staff.—The staff of the Council shall be allocated by the Executive Director in such a manner that there is at least one staff person responsible for the affairs of each Council member.

SEC. 3805. POWERS OF THE COUNCIL.

(a) Hearings.—The Council may, for the purpose of carrying out the provisions of this subtitle, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Council considers appropriate. The Council may administer oaths or affirmations to witnesses appearing before the Council.

(b) Agents.—If so authorized by the Council, any member or agent of the Council may take any action which the Council is authorized to take under this section.

(c) Information.—

(1)(A) Except as provided in subparagraph (B), the Council may secure directly from any Federal agency information necessary to enable the Council to carry out the provisions of this subtitle. Upon request of the Chairman of the Council, the head of such agency shall promptly furnish such information to the Council.

(B) Subparagraph (A) does not apply to matters that are specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and are in fact properly classified pursuant to such Executive order.

(2) In any case in which the Council receives any information from a Federal agency, the Council shall not disclose such information to the public unless such agency is authorized to disclose such information pursuant to Federal law.

(d) Consultation With the President and Congress.—At the request of the President or the leaders of either or both Houses of Congress, the Council shall consult with the President or such leaders, or their representatives, on various issues related to United States economic competitiveness.

(e) Gifts.—The Council may accept, use, and dispose of gifts or donations of services or property.

(f) Use of the Mails.—The Council may use the United States mails in the same manner and under the same conditions as other Federal agencies.

(g) Administrative and Support Services.—The Administrator of General Services shall provide to the Council, on a reimbursable basis, such administrative and support services as the Council may request.

(h) Subcouncils.—

(1) The Council shall convene an industry sector competitiveness subcouncil for each industry sector identified in the Council's annual report under section 3807(b) which

(A) is of national significance by reason of its employment or capital resources, its impact on national defense, or its importance as a supplier to, or customer of, other United States industries and (B) the Council determines would benefit from the creation of a subcouncil. The Council may also convene an industry sector competitiveness subcouncil for any industry not so identified which the Council finds fulfills one or more of the criteria listed in section 3807(b)(2) or may convene such a subcouncil for any other purpose.

(2) Any such subcouncil shall include representatives of business, labor, government, and other individuals or representatives of groups whose participation is considered by the Council to be important to developing a full understanding of the situation confronting the industry with which the subcouncil is concerned.

(3) Any such subcouncil shall assess the actual or potential dislocation, challenge, or opportunity for the industry with which the subcouncil is concerned and shall formulate specific recommendations for responses by business, government, and labor—

(A) to encourage adjustment and modernization of the industry involved;

(B) to monitor and facilitate industry responsiveness to opportunities identified under section 3807(b)(2)(B); or

(C) to encourage the ability of the industry involved to compete in future markets identified under section 3807(b)(2)(C).

(4) Any discussion held by any subcouncil or any working group operating under its auspices shall not be considered to violate any Federal or State antitrust law.

(5) Any discussion held by any subcouncil or any working group operating under its auspices shall not be subject to the provisions of the Federal Advisory Committee Act.

(6) Any subcouncil shall terminate 30 days after making its recommendations, unless the Council specifically requests that the subcouncil continue in operation. If in a subsequent annual report by the Council, conditions which had previously required the creation of a subcouncil continue, or have recurred, the Council shall again convene a subcouncil, although the Council may, in its discretion, change the membership of the subcouncil as the Council considers appropriate.

(i) Applicability of Advisory Committee Act.—The provisions of section 14, and of subsections (e) and (f) of section 10, of the Federal Advisory Committee Act shall not apply to the Council.

SEC. 3806. EFFECTS OF FOREIGN COMPETITION AND TECHNOLOGY ON DOMESTIC INDUSTRIES.

(a) Availability of Information.—The Council shall examine and make available to the public on a routine basis all unclassified international agreements on trade, science, and technology to which the United States is a party.

(b) Monitoring.—The Council shall continuously monitor, and maintain public records regarding, the effect of international trade and foreign activities in science and technology on all major United States industries and on such other United States industries as may be specified by the Council.

SEC. 3807. REPORTS.

(a) Report on Competitiveness Policies.—Within one year after the date of enactment of this Act, the Council shall transmit a report to the Congress and to the President containing recommendations of the Council for changes in any Federal policy necessary to implement effective, productive competitiveness policies, including the elimination, consolidation, or reorganization of government agencies. The Council shall pay particular attention to agencies specifically dealing with science and technology research and with international trade.

(b) Competitiveness Goals.—

(1) The Council shall annually prepare and transmit to the President and to the Congress a report setting forth—

(A) the goals to achieve a more competitive United States economy;

(B) the policies needed to meet such goals;

(C) a summary of existing policies of the Federal Government affecting the competitiveness of the United States industries; and

(D) actual or foreseeable economic and technological developments, in the United States and abroad, affecting the competitive position of United States industry and of particular United States industry sectors.

(2) The report submitted under paragraph (1) shall identify and describe with particularity actual or foreseeable developments, in the United States and abroad, which—

(A) create a significant likelihood of a competitive challenge to, or of substantial dislocation in, an established United States industry;

(B) present significant opportunities for United States industries to compete in new geographical markets or product markets, or to expand their position in established markets; or

(C) create a significant risk that United States industries will be unable to compete successfully in significant future markets.

(3) The report submitted under paragraph (1) shall specify with particularity the industry sectors affected by the developments described in the report pursuant to paragraph (2).

(4) The report submitted under paragraph (1) shall contain a statement of the findings and conclusions of the Council during the previous fiscal year, together with any recommendations of the Council for such legislative or administrative actions as the Council considers appropriate.

(c) Referral of Reports.—

(1) Each report submitted to the Congress under this section shall be referred to the appropriate committee or committees of each House of the Congress.

(2) The Council shall consult with each committee to which a report submitted under this section is referred and, following such consultation, each such committee shall submit to its respective House a report setting forth the views and recommendations of such committee with respect to the report of the Council.

SEC. 3808. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal year 1988 not to exceed $15,000,000 to carry out the provisions of this subtitle.

SEC. 3809. DEFINITIONS.

For purposes of this subtitle—

(1) the term "Council" means the Council on Economic Competitiveness established under section 3801;

(2) the term "member" means a member of the Council on Economic Competitiveness; and

(3) the term "United States" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, and any other territory or possession of the United States.

PART II—BUDGET IMPACT ON COMPETITION

SEC. 3810. ANALYSES REQUIRED.

(a) Statement to be Included in Budget.—

(1) Section 2105(a) of title 31, United States Code, is amended by adding at the end thereof the following new paragraph:

"(26) an analysis, prepared by the Office of Management and Budget after consultation with the Chairman of the Council of Economic Advisers, of the budget's impact on the economic competitiveness of United States businesses and on the balance of payments of the United States, including a projection for the fiscal year for which the budget is submitted, based upon the best information available at the time the budget is submitted, of—

"(A) the amount of borrowing by the Government in private credit markets;

"(B) new domestic savings (including personal savings, corporate savings, and the fiscal surplus of State and local governments);

"(C) net private domestic investment;

"(D) the merchandise trade and current accounts;

"(E) the net increase or decrease in foreign indebtedness (defined as net foreign investment); and

"(F) the estimated direction and extent of the influence of the Government's borrowing in private credit markets on United States dollar interest rates and on the real effective exchange rate of the United States dollar.".

(2) The Council shall submit to the Congress an annual review of the budget submitted by the President under section 2105(a) of title 31, United States Code, and a review of the analysis prepared by the Office of Management and Budget of the budget's impact on the economic competitiveness of the United States included in such budget under paragraph (26) of such section.

(b) Statement to be Included in Committee Report Accompanying Concurrent Resolution on the Budget.—Section 301(e) of the Congressional Budget Act of 1974 (2 U.S.C. 632(e)) is amended by striking out "and" at the end of paragraph (8), by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(10) an analysis, prepared after consultation with the Director of the Congressional Budget Office, of the concurrent resolution's impact on the economic competitiveness of United States businesses and the balance of payments of the United States, including a projection, for the fiscal year covered by the concurrent resolution, based upon the best information available at the time the report is made, of—

"(A) the amount of borrowing by the Government in private credit markets;

"(B) net domestic savings (including personal savings, corporate savings, and the fiscal surplus of State and local governments);

"(C) net private domestic investment;

"(D) the merchandise trade and current accounts;

"(E) the net increase or decrease in foreign indebtedness (defined as net foreign investment); and

"(F) the estimated direction and extent of the influence of the Government's borrowing in private credit markets on United States dollar interest rates and on the real effective exchange rate of the United States dollar.".

(c) Effective Date.—This section and the amendments made by this section shall apply with respect to each of the fiscal years 1989, 1990, 1991, and 1992, and shall be carried out with respect to each budget submitted by the President under section 2105(a) of title 31, United States Code, for each such fiscal year and with respect to each concurrent resolution on the budget for each such fiscal year.

Subtitle B—National Trade Data Bank

SEC. 3811. DEFINITIONS.

For purposes of this subtitle—

(1) the term "Committee" means the National Trade Data Committee;

(2) the term "Data Bank" means the National Trade Data Bank; and

(3) the term "Executive agency" has the same meaning as in section 105 of title 5, United States Code.

SEC. 3812. NATIONAL TRADE DATA COMMITTEE.

(a) Establishment.—There is established the National Trade Data Committee.

(b) Membership.—The Committee shall consist of—

(1) the United States Trade Representative;

(2) the Secretary of Agriculture;

(3) the Secretary of Defense;

(4) the Secretary of Commerce;

(5) the Secretary of Labor;

(6) the Secretary of the Treasury;

(7) the Secretary of State;

(8) the Director of the Office of Management and Budget;

(9) the Director of Central Intelligence;

(10) the Chairman of the Federal Reserve Board;

(11) the Chairman of the International Trade Commission; and

(12) such other members as may be appointed by the President from full-time officers or employees of the Federal Government.

(c) Chairman.—The Secretary of Commerce shall be chairman of the Committee.

(d) Designees.—Except for the Chairman or a member appointed pursuant to paragraph (12) of subsection (b), any member of the Committee may appoint a designee to serve in place of such member on the Committee.

(e) Meetings.—

(1) Meetings of the Committee shall be at the call of the Chairman or upon written request of 50 percent of the members of the Committee.

(2) A majority of the Committee members shall constitute a quorum.

(3) Decisions of the Committee shall be by majority of the members present and voting at a meeting.

SEC. 3813. FUNCTIONS OF THE COMMITTEE.

The Committee shall—

(1) formulate and implement a comprehensive economic and trade information policy to assure the timely collection of accurate data on trends in international economics and trade;

(2) direct the Secretary of Commerce to establish a National Trade Data Bank in accordance with section 3816 in order to provide the private sector and government officials efficient access to economic and trade data collected by the Federal Government for purposes of policymaking and export promotion, and oversee the design and implementation of the Data Bank;

(3) develop and enforce guidelines for the collection, as may be otherwise authorized by law, of data relating to international economics and trade by Executive agencies in order to—

(A) ensure that such data is—

(i) timely;

(ii) accurate;

(iii) reasonably complete; and

(iv) easily accessible to users; and

(B) contribute to the establishment of international data collection and reporting practices;

(4) publish such reports and publications as the Committee finds necessary to carry out the purposes of this subtitle;

(5) formulate policies to encourage international organizations and foreign countries to adopt systems to report foreign trade statistics that include—

(A) standard classifications for products and services;

(B) standard valuation procedures; and

(C) accurate and timely reporting procedures; and

(6) present recommendations to Congress for legislative changes needed to improve the accuracy, timeliness, and relevancy of United States trade information.

SEC. 3814. COOPERATION AMONG EXECUTIVE AGENCIES.

(a) Information.—Each Executive agency shall furnish to the Committee, upon request of the Chairman, such information as the Committee considers necessary to carry out its functions.

(b) Adoption of Policies.—Each Executive agency shall adopt and implement the economic and trade information policy formulated by the Committee under section 3813(1).

SEC. 3815. CONSULTATION WITH THE PRIVATE SECTOR AND GOVERNMENT OFFICIALS.

The Committee shall regularly consult with representatives of the private sector and officials of Executive agencies and State and local governments to assess the adequacy of United States trade information. The Committee shall seek recommendations on how trade information can be made more accessible, understandable, and relevant. The Committee shall seek recommendations as to what data shall be included in the export promotion data system in the Data Bank.

SEC. 3816. ESTABLISHMENT OF THE DATA BANK.

(a) Establishment.—After receiving instructions from the Committee, the Secretary of Commerce shall establish and manage the Data Bank. The Data Bank shall consist of two data systems. One such data system shall be a system containing economic and trade data collected by the Federal Government which is useful to policymakers and analysts concerned with international economics and trade, and one such data system shall be a system containing economic and trade data collected by the Federal Government which is useful to business firms and Federal and State government officials interested in export promotion.

(b) Content of Data Systems.—

(1) One data system of the Data Bank shall include current and historical information determined useful (after the consultation required by section 3815) to policymakers and analysts concerned with international economics and trade which is compiled or obtained by all Executive agencies. Such information shall not identify parties to transactions. Such information shall include—

(A) data on merchandise imports and exports for the United States and other countries, including—

(i) aggregate import and export data for the United States and for each foreign country;

(ii) industry-specific import and export data for each foreign country;

(iii) product and service specific import and export data for the United States;

(iv) market penetration ratios for imports and country of origin ratios for imports; and

(v) foreign destinations for exports of the United States, classified in rank order of foreign countries;

(B) data on international service transactions;

(C) information on international capital markets, including—

(i) interest rates;

(ii) exchange rates; and

(iii) foreign direct investment in the United States economy;

(D) international labor market information, including—

(i) internationally comparable wage rates for major industries;

(ii) international unemployment rates; and

(iii) trends in international labor productivity;

(E) information on international government policies affecting the composition of international trade, including—

(i) import and export restrictions;

(ii) export financing policies;

(iii) tax policies; and

(iv) labor market policies;

(F) import and export data for the United States on a State-by-State basis, including—

(i) data concerning the country shipping the import, the State of first destination, and the original port of entry for imports of goods and services; and

(ii) data concerning the State of the exporter, the port of departure, and the country of first destination for exports of goods and services; and

(G) any other economic and trade data collected by the Federal Government that the Committee determines to be useful in carrying out the purposes of this subtitle.

(2) One data system of the Data Bank shall include information on those economies and foreign markets which are determined (after the consultation required by section 3815) to be of the greatest commercial value to private sector businesses firms engaged in export activities and Federal and State agencies that promote exports. Such information shall include—

(A) information on business activities in foreign countries, including information concerning—

(i) general economic conditions and demographics;

(ii) common business practices;

(iii) tariffs and trade barriers; and

(iv) other laws and regulations regarding imports and licensing;

(B) information on specific industrial sectors within foreign countries, including information concerning—

(i) size of markets;

(ii) distribution of products;

(iii) competition;

(iv) major applicable laws, regulations, specifications, and standards;

(v) appropriate government officials; and

(vi) trade associations and other business contacts;

(C) information on specific business opportunities in foreign countries;

(D) market research, including industry and demographic trends for each foreign country with lists of marketing contacts and lists of foreign firms;

(E) information on various forms of protection for intellectual property rights, including product and process patent, copyright, trademark, and mask work (as such term is defined in section 901(a)(3) of title 17, United States Code), for each nation for at least the 2 most recently completed calendar years;

(F) export financing information, including the availability of funds for United States exporters and foreign competitors;

(G) information regarding the trade actions of foreign governments; and

(H) any other similar information, that the Committee determines to be useful in carrying out the purposes of this subtitle, on these economic sectors and foreign markets which are determined to be of greatest interest to—

(i) business firms in the private sector which are engaged in activities relating to exports; and

(ii) Federal and State agencies that promote exports.

SEC. 3817. OPERATION OF THE DATA BANK.

The Secretary of Commerce shall manage the Data Bank to provide the most efficient data retrieval system or systems possible. Such system or systems shall—

(1) be designed to utilize appropriate data processing and retrieval technology in monitoring, organizing, analyzing, and disseminating the data and information contained in the Data Bank;

(2) use the most effective and meaningful means of organizing and making such information available to—

(A) United States business firms;

(B) United States workers;

(C) United States industry associations;

(D) United States agricultural interests;

(E) State and local economic development agencies; and

(F) other interested United States persons who could benefit from such information; and

(3) be of such quality and timeliness and in such form as to assist coordinated trade strategies for the United States.

SEC. 3818. INFORMATION ON THE SERVICE SECTOR.

(a) Service Sector Information.—The Committee and the Secretary of Commerce shall ensure that, to the extent possible, there is included in the Data Bank information on service sector economic activity that is at least as complete and timely as information on economic activity in the merchandise sector.

(b) Survey.—The Secretary of Commerce shall provide a broad base of quarterly information on the service sector of the economy, and a new benchmark survey of unaffiliated service transactions, including transactions with respect to—

(1) banking services;

(2) computer software services;

(3) brokerage services;

(4) transportation services;

(5) travel services;

(6) engineering services; and

(7) construction services.

(c) Index of Heading Indicators.—The Committee shall provide an index of leading indicators which includes the measurement of service sector activity in direct proportion to the contribution of the service sector to the gross national product of the United States.

SEC. 3819. EXCLUSION OF INFORMATION.

The Data Bank shall not include any information—

(1) which is collected by the Federal Government in connection with any investigation;

(2) the disclosure of which to the public is prohibited under any other provision of law; or

(3) that is specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and are in fact properly classified pursuant to such Executive order.

SEC. 3820. NONDUPLICATION.

The Committee and the Secretary of Commerce shall ensure that information systems created or developed pursuant to this subtitle do not unnecessarily duplicate information systems available from other Federal agencies or from the private sector.

SEC. 3821. COLLECTION OF DATA.

Except as provided in section 3818, nothing in this subtitle shall be considered to grant independent authority to the Federal Government to collect any data or information from individuals or entities outside of the Federal Government.

SEC. 3822. FEES AND ACCESS.

The Secretary of Commerce shall provide reasonable public services and access (including electronic access) to any information maintained as part of the Data Bank and may charge reasonable fees consistent with section 552 of title 5, United States Code.

SEC. 3823. SCHEDULE FOR IMPLEMENTATION.

The Committee shall direct the Secretary of Commerce to complete the establishment of the Data Bank no later than two years after the enactment of this Act.

SEC. 3824. REPORT TO CONGRESS.

One year after the enactment of this Act, and annually thereafter for three consecutive years, the Chairman shall submit a report to Congress—

(1) assessing the current quality and comprehensiveness of, and the ability of the public and of private entities to obtain access to, trade data;

(2) describing actions taken pursuant to this subtitle, particularly—

(A) actions taken during the 3-month period beginning on the date of enactment of this Act to provide the new benchmark survey described in section 3818(b); and

(B) actions taken during the 1-year period beginning on the date of enactment of this Act to provide the information on services described in subsections (a) and (b)(2) of section 3818;

(3) describing all other actions taken and planned to be taken pursuant to this subtitle;

(4) recommending executive and legislative actions which would ensure that United States citizens and firms obtain access to the data banks of foreign countries that is similar to the access to the Data Bank provided to foreign citizens and firms;

(5) recommending other legislative actions which further the purposes of this subtitle; and

(6) including comments on the implementation of the Data Bank by the private sector and by State agencies that promote exports.

GLENN AMENDMENT NO. 498

Mr. GLENN proposed an amendment to the bill S. 1420, supra; as follows:

On page 788, beginning with line 19, strike out through line 19 on page 838 and insert in lieu thereof the following:

SEC. 3725. AUTHORIZATION OF APPROPRIATIONS.

To carry out this part, there are authorized to be appropriated $30,000,000 for fiscal year 1989, $50,000,000 for fiscal year 1990, and such sums as may be necessary for fiscal year 1991.

PART IV—TRANSFERS TO THE DEPARTMENT

SEC. 3731. TRANSFERS FROM THE DEPARTMENT OF COMMERCE.

There are transferred to the Secretary—

(1) all functions of the Secretary of Commerce;

(2) all functions of the Department of Commerce; and

(3) all functions of, and all functions performed under the direction of, all officers and employees of the Department of Commerce.

SEC. 3732. TRANSFER FROM THE UNITED STATES INTERNATIONAL TRADE COMMISSION.

There are transferred to the Secretary all functions of the Trade Remedy Assistance Office of the United States International Trade Commission.

PART V—ADMINISTRATIVE PROVISIONS

SEC. 3741. PERSONNEL PROVISIONS.

(a) Appointments.—The Secretary may appoint and fix the compensation of such officers and employees, including investigators, attorneys, and administrative law judges, as may be necessary to carry out the functions of the Secretary and the Department. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5, United States Code.

(b) Senior Executive Service.—

(1) At the request of the Secretary, the Director of the Office of Personnel Management shall, under section 5108 of title 5, United States Code, provide for the establishment in each of the grade levels GS-16, GS-17, and GS-18, and in the Senior Executive Service, of a number of positions in the Department equal to the number of positions in that grade level which were used primarily for the performance of functions transferred by this subtitle and which were assigned and filled on the day before the effective date of this title.

(2) Appointments to positions provided for under this subsection may be made without regard to the provisions of section 3324 of title 5, United States Code, if the individual appointed in such position is an individual who is transferred in connection with the transfer of functions and offices under this subtitle and, on the day before the effective date of this title, holds a position and has duties comparable to those of the position to which appointed under this subsection.

(3) The authority under this subsection with respect to any position established at the grade level GS-16, GS-17, or GS-18 shall terminate when the person first appointed to fill such position ceases to hold such position.

(4) For purposes of section 414(a)(3)(A) of the Civil Service Reform Act of 1978, an individual appointed under this subsection shall be deemed to occupy the same position as the individual occupied on the day before the effective date of this title.

(c) Experts and Consultants.—The Secretary may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate such experts and consultants for each day (including traveltime) at rates not in excess of the rate of pay for grade GS-18 of the General Schedule under section 5332 of such title. The Secretary may pay experts and consultants who are serving away from their homes or regular place of business travel expenses and per diem in lieu of subsistence at rates authorized by sections 5702 and 5703 of such title for persons in Government service employed intermittently.

(d) VOLUNTEER SERVICE.—

(1)(A) The Secretary is authorized to accept voluntary and uncompensated services without regard to the provisions of section 1342 of title 31, United States Code, if such services will not be used to displace Federal employees employed on a full-time, part-time, or seasonal basis.

(B) The Secretary is authorized to accept volunteer service in accordance with the provisions of section 3111 of title 5, United States Code.

(2) The Secretary is authorized to provide for incidental expenses, including but not limited to transportation, lodging, and subsistence for individuals who provide voluntary services under subparagraph (A) or (B) of paragraph (1).

(3) An individual who provides voluntary services under paragraph (1)(A) shall not be considered a Federal employee for any purpose other than for purposes of chapter 81 of title 5, United States Code, relating to compensation for work injuries, and chapter 171 of title 28, United States Code, relating to tort claims.

SEC. 3742. DELEGATION AND ASSIGNMENT.

Except where otherwise expressly prohibited by law or otherwise provided by this subtitle, the Secretary may delegate any of the functions transferred to the Secretary by this subtitle and any function transferred or granted to the Secretary after the effective date of this subtitle to such officers and employees of the Department as the Secretary may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions by the Secretary under this section or under any other provision of this subtitle shall relieve the Secretary of responsibility for the administration of such functions.

SEC. 3743. SUCCESSION.

(a) IN GENERAL.—Subject to the authority of the President, and except as provided in section 3712(b), the Secretary shall prescribe the order by which officers of the Department who are appointed by the President, by and with the advice and consent of the Senate, shall act for, and perform the functions of, the Secretary or any other officer of the Department appointed by the President, by and with the advice and consent of the Senate, during the absence or disability of the Secretary or such other officer, or in the event of a vacancy in the office of the Secretary or such other officer.

(b) PERIOD OF SERVICE.—Notwithstanding any other provision of law, and unless the President directs otherwise, an individual acting for the Secretary or another officer of the Department pursuant to subsection (a) shall continue to serve in that capacity until the absence or disability of the Secretary or such other officer no longer exists or a successor to the Secretary or such other officer has been appointed by the President and confirmed by the Senate.

SEC. 3744. REORGANIZATION.

(a) IN GENERAL.—Except as provided in subsection (b), the Secretary is authorized to allocate or reallocate functions among the officers of the Department, and to establish, consolidate, alter, or discontinue such organizational entities in the Department as may be necessary or appropriate.

(b) EXCEPTION.—The authority of the Secretary under subsection (a) does not apply to any office established in the Department by this subtitle or any other function which this subtitle specifies shall be performed by a particular officer or employee of the Department.

SEC. 3745. RULES.

The Secretary is authorized to prescribe, in accordance with the provisions of chapters 5 and 6 of title 5, United States Code, such rules and regulations as the Secretary determines necessary or appropriate to administer and manage the functions of the Secretary or the Department.

SEC. 3746. WORKING CAPITAL FUND.

(a) ESTABLISHMENT.—The Secretary is authorized to establish for the Department a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as the Secretary shall find to be desirable in the interest of economy and efficiency, including—

(1) a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its components;

(2) central messenger, mail, and telephone service and other communications services;

(3) office space, central services for document reproduction and for graphics and visual aids;

(4) a central library service; and

(5) such other services as may be approved by the Director of the Office of Management and Budget.

(b) CAPITAL.—The capital of the fund shall consist of any appropriations made for the purpose of providing working capital and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations. The fund shall be reimbursed in advance from available funds of agencies and offices in the Department, or from other sources, for supplies and services at rates which will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payment for loss or damage to property owned by the fund. There shall be covered into the United States Treasury as miscellaneous receipts any surplus of the fund (all assets, liabilities, and prior losses considered) above the amounts transferred or appropriated to establish and maintain the fund. There shall be transferred to the fund the stocks of supplies, equipment, other assets, liabilities, and unpaid obligations relating to those services which the Secretary determines will be performed.

SEC. 3747. CONTRACTS, GRANTS, AND COOPERATIVE AGREEMENTS.

(a) AUTHORITY.—Subject to the provisions of the Federal Property and Administrative Services Act of 1949, the Secretary may make, enter into, and perform such contracts, leases, cooperative agreements, grants, or other similar transactions with public agencies, private organizations, and persons, and make payments (in lump sum or installments, and by way of advance or reimbursement, and, in the case of any grant, with necessary adjustments on account of overpayments and underpayments) as the Secretary considers necessary or appropriate to carry out the functions of the Secretary or the Department.

(b) LIMITATION.—Notwithstanding any other provision of this subtitle, the authority to enter into contracts or to make payments under this subtitle shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts. This subsection does not apply with respect to the authority granted under section 3751.

SEC. 3748. PUBLICATIONS.

Subject to such procedures of the Director of the Office of Management and Budget may prescribe, the Secretary may disseminate in the form of reports or publications such information as the Secretary considers appropriate.

SEC. 3749. USE OF FACILITIES.

(a) USE BY SECRETARY.—With their consent, the Secretary, with or without reimbursement, may use the research, services, equipment, and facilities of—

(1) an individual;

(2) any public or private nonprofit agency or organization, including any agency or instrumentality of the United States or of any State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States;

(3) any political subdivision of any State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States; or

(4) any foreign government,

in carrying out any function of the Secretary or the Department.

(b) USE BY OTHERS.—The Secretary, under terms, at rates, and for periods that the Secretary considers to be in the public interest, may permit the use by public and private agencies, corporations, associations or other organizations, or by individuals, of any real property, or any facility, structure or other improvement thereon, under the custody of the Secretary. The Secretary may require permittees under this section to maintain or recondition, at their own expense, the real property, facilities, structures, and improvements used by such permittees.

SEC. 3750. FIELD OFFICES.

The Secretary may establish, alter, consolidate, maintain, or discontinue State, regional, district, local, or other field offices as the Secretary finds necessary or appropriate to perform any function of the Secretary or the Department.

SEC. 3751. GIFTS AND BEQUESTS.

(a) GENERAL AUTHORITY.—The Secretary is authorized to accept, hold, administer, and utilize gifts and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts and bequests of money and the proceeds from sales of other property received as gifts or bequests shall be deposited in the United States Treasury in a separate fund and shall be disbursed on order of the Secretary. Property accepted pursuant to this paragraph, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gift or bequest.

(b) TAX STATUS.—For the purpose of Federal income, estate, and gift taxes, and State taxes, property accepted under subsection (a) shall be considered a gift or bequest to or for use of the United States.

(c) INVESTMENTS.—Upon the request of the Secretary, the Secretary of the Treasury may invest and reinvest in securities of the United States or in securities guaranteed as to principal and interest by the United

States any moneys contained in the fund provided for in subsection (a). Income accruing from such securities, and from any other property held by the Secretary pursuant to subsection (a), shall be deposited to the credit of the fund, and shall be disbursed upon order of the Secretary.

SEC. 3752. SEAL OF DEPARTMENT.

The Secretary shall cause a seal of office to be made for the Department of such design as the Secretary shall approve. Judicial notice shall be taken of such seal.

SEC. 3753. ANNUAL REPORT.

The Secretary shall, as soon as practicable after the end of each fiscal year, prepare and transmit a written report to the President for transmission to the Congress on the activities of the Department during such fiscal year.

SEC. 3754. AMENDMENTS.

(a) ORDER OF SUCCESSION.—Section 19(d)(1) of title 3, United States Code, is amended by striking out "Secretary of Commerce," and inserting in lieu thereof "Secretary of Industry and Technology,".

(b) DEFINITION OF EXECUTIVE DEPARTMENT.—Section 101 of title 5, United States Code, is amended by striking out the item relating to the Department of Commerce and inserting in lieu thereof the following:

"The Department of Industry and Technology.".

(c) SALARY OF SECRETARY.—Section 5312 of such title is amended—

(1) by striking out the item relating to the Secretary of Commerce; and

(2) by adding at the end thereof the following:

"Secretary of Industry and Technology.".

(d) OFFICIALS AT LEVEL II.—Section 5313 of title 5, United States Code, is amended by adding at the end thereof the following:

"Deputy Secretary, Department of Industry and Technology.

"Under Secretary of Industry and Technology for Industry.

"Under Secretary of Industry and Technology for Technology.".

(e) OFFICIALS AT LEVEL III.—Section 5314 of such title is amended—

(1) by striking out the item relating to the Under Secretary of Commerce, the Under Secretary of Commerce for Economic Affairs, and the Under Secretary of Commerce for Travel and Tourism;

(2) by striking out the item relating to the Under Secretary of Commerce for Oceans and Atmosphere;

(3) by adding at the end thereof the following:

"Under Secretary of Industry and Technology for Export Administration.

"Under Secretary of Industry and Technology for Oceans and Atmosphere, who shall serve as Administrator of the National Oceanic and Atmospheric Administration.

"Under Secretary of Industry and Technology for Travel and Tourism.

"Director of the Office of Economic Analysis, Department of Industry and Technology.

"Director of the Office of Trade Development, Department of Industry and Technology.

"Director General of the United States and Foreign Commercial Service, Department of Industry and Technology.

"Administrator of the Advanced Civilian Technology Agency, Department of Industry and Technology.

"Director of the National Bureau of Standards, Department of Industry and Technology.".

(f) OFFICIALS AT LEVEL IV.—Section 5315 of such title is amended—

(1) by striking out the item relating to the Assistant Secretaries of Commerce;

(2) by striking out the item relating to the General Counsel of the Department of Commerce;

(3) by striking out the item relating to the Assistant Secretary of Commerce for Oceans and Atmosphere;

(4) by striking out the item relating to the Director of the National Bureau of Standards of the Department of Commerce;

(5) by adding at the end thereof the following:

"Assistant Secretary of Industry and Technology for Economic Development.

"Assistant Secretary of Industry and Technology for Technology Information.

"Assistant Secretary of Industry and Technology for Communications and Information.

"Assistant Secretary of Industry and Technology for Oceans and Atmosphere, who shall serve as Deputy Administrator of the National Oceanic and Atmospheric Administration.

"Additional Assistant Secretaries of Industry and Technology (2).

"Commissioner of Patents and Trademarks, Department of Industry and Technology.

"General Counsel, Department of Industry and Technology.

"Inspector General, Department of Industry and Technology.".

(g) OFFICIALS AT LEVEL V.—Section 5316 of such title is amended—

(1) by striking out the item relating to the Commissioner of Patents, Department of Commerce;

(2) by striking out the item relating to the Director of the Bureau of the Census, Department of Commerce;

(3) by striking out the item relating to the National Export Expansion Coordinator, Department of Commerce;

(4) by striking out the item relating to the Director, United States Travel Service, Department of Commerce;

(5) by striking out the item relating to the Inspector General, Department of Commerce;

(6) by adding at the end thereof the following:

"Director of the Bureau of the Census, Department of Industry and Technology.

"Director of Small Business Trade Remedy Assistance, Department of Industry and Technology.

"Director of the Office of International Technology Monitoring, Department of Industry and Technology.".

(h) INSPECTOR GENERAL.—The Inspector General Act of 1978 is amended—

(1) by striking out "the Department of Commerce," in section 2(1);

(2) by inserting "the Department of Industry and Technology," after "Urban Development," in such section;

(3) by striking out subparagraph (B) of section 9(a)(1);

(4) by redesignating subparagraphs (C) through (E) of such section as subparagraphs (B) through (D), respectively;

(5) by inserting before subparagraph (F) of such section the following:

"(E) of the Department of Industry and Technology, all functions of the Inspector General of the Department of Commerce and the Office of the Inspector General of the Department of Commerce relating to the functions transferred to the Secretary of Industry and Technology by section 3731 of the Economic Competitiveness, International Trade, and Technology Development Act of 1987;";

(6) by striking out "Commerce," each place it appears in section 11; and

(7) by inserting "Industry and Technology," after "Urban Development," each place it appears in such section.

SEC. 3755. REPEALS.

(a) TERMINATION OF DEPARTMENT OF COMMERCE.—

(1) The first section of the Act entitled "An Act to establish the Department of Commerce and Labor", approved February 14, 1903 (15 U.S.C. 1501), is repealed.

(2) The first section of the Act entitled "An Act to create a Department of Labor", approved March 4, 1913 (15 U.S.C. 1501), is amended by striking out beginning with "and the Department of Commerce and Labor" through "accordingly".

(b) TERMINATION OF UNDER SECRETARY OF COMMERCE.—Subsection (a) of the first section of the Act entitled "An Act to authorize an Under Secretary of Commerce for Economic Affairs", approved June 16, 1982 (96 Stat. 115; 15 U.S.C. 1503a), is repealed.

(c) TERMINATION OF ASSISTANT SECRETARY OF COMMERCE.—The Act entitled "An Act to provide for the appointment of one additional Assistant Secretary of Commerce, and for other purposes", approved July 15, 1947 (15 U.S.C. 1505), is repealed.

(d) CONFORMING AMENDMENT.—The first sentence of section 304 of the Department of Commerce Appropriation Act, 1955 (15 U.S.C. 1506), is repealed.

(e) TERMINATION OF ASSISTANT SECRETARY OF COMMERCE.—The Act entitled "An Act to authorize an additional Assistant Secretary of Commerce", approved February 16, 1962 (15 U.S.C. 1507), is repealed.

(f) CONFORMING AMENDMENT.—Subsection (a) of section 9 of the Maritime Appropriation Authorization Act for Fiscal Year 1978 (15 U.S.C. 1507b), is repealed.

(g) TERMINATION OF SOLICITOR.—

(1) The first section of the Act of March 18, 1904 (33 Stat. 135, chapter 716; 15 U.S.C. 1508), is amended by striking out the paragraph relating to the Office of the Solicitor of the Department of Commerce and Labor.

(2) Section 2 of the Act of July 17, 1952 (66 Stat. 758, chapter 932; 15 U.S.C. 1508), is repealed.

(h) OTHER TECHNICAL AMENDMENTS.—

(1) Sections 4 and 12 of the Act entitled "An Act to Establish the Department of Commerce and Labor", approved February 14, 1903 (15 U.S.C. 1511), are repealed.

(2) The first section of the Act of August 23, 1912 (37 Stat. 407, chapter 350; 15 U.S.C. 1511), is amended by striking out the paragraph relating to the Bureau of Foreign and Domestic Commerce.

(3) The first section of the Act of January 5, 1923 (42 Stat. 1109, chapter 23; 15 U.S.C. 1511), is repealed.

(4) The first section of the Act of May 27, 1936 (49 Stat. 1380, chapter 463; 15 U.S.C. 1511), is repealed.

(i) CONFORMING AMENDMENT.—Section 8 of the Act entitled "An Act to establish the Department of Commerce and Labor", approved February 14, 1903 (15 U.S.C. 1519), is repealed.

(j) TERMINATION OF WORKING CAPITAL FUND.—Title III of the Act entitled "An Act making appropriations for the Departments of State, Justice, and Commerce for the fiscal year ending June 30, 1945, and for other purposes", approved June 28, 1944 (15 U.S.C. 1521), is amended by striking out the paragraph relating to the working capital fund of the Department of Commerce.

(k) Conforming Amendment.—Sections 1, 2, and 3 of Public Law 88-611 (15 U.S.C. 1522, 1523, and 1524) are repealed.

Subtitle B—Economic Policy Council

SEC. 3785. ESTABLISHMENT.

(a) Establishment.—The President shall establish in the Executive Office of the President a council to be known as the Economic Policy Council (hereafter referred to in this section as the "Council"). The Council shall be the interagency organization required to be established by the President under section 242 of the Trade Expansion Act of 1962.

(b) Membership.—The Council shall be composed of—

(1) the President;

(2) the Vice President;

(3) the Secretary of State;

(4) the Secretary of the Treasury;

(5) the Secretary of Defense;

(6) the Secretary of Agriculture;

(7) the Secretary of Industry and Technology;

(8) the Secretary of Labor;

(9) the United States Trade Representative; and

(10) such heads of other Federal agencies which the President may designate.

(c) Presiding Officer.—The President shall preside over meetings of the Council. In the President's absence, the President may designate a member to preside for the President, except that, in the absence of the President, the President shall designate the United States Trade Representative to preside over meetings of the Council regarding international trade or meetings of the Council to carry out the duties described in section 242(b) of the Trade Expansion Act of 1962.

(d) Duties.—

(1) The Council shall advise the President with respect to national and international economic policies and the integration of such policies in order to enable the President and Federal agencies to cooperate more effectively in matters involving economic policy, including advice with respect to—

(A) trade policy;

(B) monetary policy;

(C) fiscal policy;

(D) international financial policy;

(E) foreign aid policy; and

(F) investment policy.

(2) In addition to performing such other functions as the President may direct concerning economic policy in general, for the purposes of more effectively coordinating the policies and functions of Federal agencies relating to international trade and making recommendations to the President, the Council shall, subject to the direction of the President—

(A) assess and appraise the international trade policies (including commodity and direct investment matters) and international trade objectives of the United States;

(B) consider policies on matters of common interest to the Federal agencies concerned with international trade;

(C) consider the relationship between the standard of living in the United States and the international trade policies of the United States; and

(D) evaluate the effects of the international trade policies and objectives of the United States on the national security.

(3) The duties of the Council under paragraphs (1) and (2) are in addition to the duties prescribed by section 242(b) of the Trade Expansion Act of 1962.

(e) Personnel.—The President shall provide such personnel for the Council, including an Executive Secretary, as are necessary to enable the Council to carry out the functions of the Council. The Executive Secretary shall direct activities by the staff of the Council, and shall coordinate, on an ongoing basis, such activities with the activities of the staffs of the members of the Council.

(f) Consultation.—In carrying out the functions of the Council, each member of the Council shall consult with—

(1) committees established to advise the Federal agency of which such member is the head;

(2) advisory committees established under section 135 of the Trade Act of 1974; and

(3) other representatives of the private sector.

(g) Recommendations and Reports.—The Council shall, from time to time, make such recommendations and such reports to the President as the Council considers to be appropriate or as the President may request.

(h) Termination of Trade Policy Committee.—The Trade Policy Committee shall terminate on the effective date of this title.

Subtitle C—Transitional, Savings, and Conforming Provisions

SEC. 3791. TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.

Except as otherwise provided in this title, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred to the Secretary by this title, subject to section 1531 of title 31, United States Code, shall be transferred to the Secretary. Unexpended funds transferred pursuant to this section shall be used only for the purposes for which the funds were originally authorized and appropriated.

SEC. 3792. INCIDENTAL TRANSFERS.

(a) Authority of OMB Director.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, is authorized to make such determinations as may be necessary with regard to the functions transferred by this title, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this title. The Director shall provide for the termination of the affairs of all entities terminated by this title and for such further measures and dispositions as may be necessary to effectuate the purposes of this title.

(b) Authority of OPM Director.—After consultation with the Director of the Office of Personnel Management, the Director of the Office of Management and Budget is authorized, at such times as the Director of the Office of Management and Budget may provide, to make such determinations as may be necessary with regard to the transfer of positions within the Senior Executive Service in connection with the functions transferred by this title.

SEC. 3793. EFFECT ON PERSONNEL.

(a) Preservation of Personnel Status.—Except as otherwise provided by this title, the transfer pursuant to this title of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for one year after the date of transfer of such employee under this title.

(b) Senior Official.—Any person who, on the day preceding the effective date of this title, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in a Federal agency to which functions are transferred by this title to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(c) Terminations.—Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred by this title, shall terminate on the effective date of this title.

SEC. 3794. SAVINGS PROVISIONS.

(a) In General.—All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges that—

(1) have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred by this title; and

(2) are in effect when this title takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Secretary, a court of competent jurisdiction, or by operation of law.

(b) Effect on Administrative Proceedings.—

(1) The provisions of this title shall not affect any proceedings, including notices of proposed rule making, or any application for any license, permit, certificate, or financial assistance pending on the effective date of this title before the Department of Commerce, or any office thereof with respect to functions transferred by this title; but such proceedings or applications, to the extent that they relate to functions transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made under such orders, as if this title had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Secretary, a court of competent jurisdiction, or by operation of law. Nothing in this subsection prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this title had not been enacted.

(2) The Secretary of Commerce and the Secretary are authorized to issue regulations providing for the orderly transfer of proceedings continued under paragraph (1).

(c) Effect on Legal Actions.—Except as provided in subsection (e)—

(1) the provisions of this title do not affect actions commenced prior to the effective date of this title, and

(2) in all such actions, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this title had not been enacted.

(d) No Abatement of Actions or Proceedings.—No action or other proceeding commenced by or against any officer in his official capacity as an officer of the Department of Commerce with respect to functions transferred by this title shall abate by reason of the enactment of this title. No cause of action by or against the Department of Commerce with respect to functions transferred by this title, or by or against any officer thereof in his official capacity, shall abate by reason of the enactment of this title. Causes of action and actions with respect to a function transferred by this title, or other proceedings may be asserted by or against the United States or the Secretary, as may be appropriate, and, in an action pending when this title takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(e) Substitution.—If, before the date on which this title takes effect, the Department of Commerce or any officer thereof in his official capacity, is a party to an action, and under this title any function of such Department or officer is transferred to the Secretary, then such action shall be continued with the Secretary substituted or added as a party.

(f) Exercise of Transferred Functions.—Orders and actions of the head of a Federal agency in the exercise of functions transferred to the head of such agency by this title shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the Department of Commerce or any office or officer thereof, in the exercise of such functions immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this title shall apply to the exercise of such function by the Secretary.

SEC. 3795. SEPARABILITY.

If a provision of this title or its application to any person or circumstance is held invalid, neither the remainder of this title nor the application of the provision to other persons or circumstances shall be affected.

SEC. 3796. REFERENCE.

With respect to any function transferred to the Secretary by this title and exercised after the effective date of this title, reference in any other Federal law to any department, agency, office, or officer the functions of which are so transferred shall be considered to refer to the Secretary.

SEC. 3797. TRANSITION.

With the consent of the Secretary of Commerce, the Secretary is authorized to utilize—

(1) the services of such officers, employees, and other personnel of the Department of Commerce, with respect to functions transferred to the Secretary by this title; and

(2) funds appropriated to such functions or offices for such period of time as may reasonably be needed to facilitate the orderly implementation of this title.

SEC. 3798. TERMINATION.

The Department of Commerce is terminated.

SEC. 3799. EFFECTIVE DATE; INTERIM APPOINTMENTS; AUTHORIZATION

(a) Effective Date.—

(1) This title shall take effect on January 20, 1989, except that—

(A) section 3797 shall take effect on the date of enactment; and

(B) at any time after the date of enactment of this title—

(i) the officers provided for in this title may be nominated and appointed, as provided in this title;

(ii) the Secretary of Commerce and the Secretary may promulgate regulations under section 3794(b)(2).

DANFORTH AMENDMENTS NOS. 499 THROUGH 502

Mr. DANFORTH proposed four amendments to the bill S. 1420, supra; as follows:

Amendment No. 499

On page 228 of the printed bill, line 24, strike out "335, and 336" and insert in lieu thereof "and 335".

On page 229, after line 24, insert the following:

(g) Fictitious Markets.—The amendment made by section 336 shall only apply with respect to—

(1) investigations initiated after the date of enactment of this Act,

(2) reviews initiated under section 736(c) or 751 of the Tariff Act of 1930 after the date of enactment of this Act, and

(3) reviews initiated under such sections—

(A) which are pending on the date of enactment of this Act, and

(B) in which a request for revocation is pending on the date of enactment of this Act.

On page 228 of the printed bill, line 2, strike out "733." and insert in lieu thereof "773".

Amendment No. 500

On page 218 of the printed bill, line 9, insert "actual and potential negative effects on" after "(IV)".

On page 218, beginning on line 10, strike out "the technology necessary to" and insert in lieu thereof "and".

On page 219, line 5, insert "actual and potential negative effects on" after "(X)".

On page 219, beginning on line 6, strike out "the technology necessary to" and insert in lieu thereof "and".

Amendment No. 501

Strike out section 903 of the bill and insert the following:

SEC. 903. TELECOMMUNICATIONS PRODUCT DEFINED.

For purposes of this subtitle, the term "telecommunications product" means—

(1) any power supplies provided for under item 682.60 of the Tariff Schedules of the United States,

(2) any paging devices provided for under item 685.70 of such Schedules,

(3) any microwave tubes provided for under item 687.66 of such Schedules, and

(4) any article classified under any of the following item numbers of such Schedules: 684.57, 684.58, 684.59, 684.65, 684.66, 684.67, 684.80, 685.10, 685.12, 685.16, 685.24, 685.25, 685.28, 685.30, 685.39, 685.48, 688.17, 688,41, 707.90.

Amendment No. 502

At the end of subtitle D of title IX of the bill, add the following:

SEC. . ADJUSTMENT OF TRADE STATISTICS FOR INFLATION AND DEFLATION.

Subsection (e) of section 301 of title 13, United States Code, is amended by adding at the end thereof the following new sentence: "The information required to be reported under this subsection shall be reported in a form that is adjusted for economic inflation or deflation (on a constant dollar basis consistent with the reporting of the National Income and Product Accounts), and in a form that is not so adjusted."

BAUCUS (AND OTHERS) AMENDMENT NO. 503

Mr. BAUCUS (for himself, Mr. Pell, Mr. Pryor, and Mr. Conrad) proposed an amendment to the bill S. 1420, supra; as follows:

Amendment No. 503121On page 562, between lines 18 and 19, insert the following new section:

SEC. . EXPORT OF AGRICULTURAL COMMODITIES AND PRODUCTS TO CUBA.

(a) List of Permitted Agricultural Exports.—

(1) Publication.—Not later than January 1 of each year, the President shall publish in the Federal Register a list of the types of United States agricultural commodities and products that may be exported to Cuba during the year.

(2) Contents.—The President shall place on the list each United States agricultural commodity and product that—

(A) may be exported to Cuba without harming the national security interests of the United States; and

(B) is freely available to Cuba from other suppliers in the world market.

(3) Exclusions.—If a major United States agricultural commodity or product is not placed on the list, the President shall provide Congress with a detailed written explanation of the reasons the commodity or product does not meet the criteria prescribed in paragraph (2).

(4) Modification.—Subject to paragraphs (2) and (3), the President may modify the list at any time.

(b) Export of Permitted Agricultural Commodities and Products.—Notwithstanding any other provision of law:

(1) In general.—An person shall be permitted to export to Cuba any of the commodities or products on the list.

(2) Agricultural export programs.—None of the credit, subsidy, or barter agricultural export programs conducted by the United States may be used to assist the export of an agricultural commodity or product to Cuba under this section.

(3) Other laws.—Subject to paragraph (2), no other provision of law that would prohibit, hinder, or impede the export of an agricultural commodity or product shall apply to the export of an agricultural commodity or product under this section.

BAUCUS (AND OTHERS) AMENDMENT NO. 504

Mr. BAUCUS (for himself, Mr. Pell, Mr. Pryor, and Mr. Conrad) proposed an amendment to amendment No. 504 proposed by him to the bill S. 1420, supra; as follows:

AMENDMENT No. 504

In the pending amendment, strike all after the word "Publication" on line 6, and insert the following:

Not later than January 1 of each year, the President shall publish in the Federal Register a list of the types of United States agricultural commodities and products that may be exported to Cuba during the year.

(2) CONTENTS.—The President shall place on the list each United States agricultural commodity and product that—

(A) may be exported to Cuba without harming the national security interests of the United States; and

(B) is freely available to Cuba from other suppliers in the world market.

(3) EXCLUSIONS.—If a major United States agricultural commodity or product is not placed on the list, the President shall provide Congress with a detailed written explanation of the reasons the commodity or product does not meet the criteria prescribed in paragraph (2).

(4) MODIFICATION.—Subject to paragraphs (2) and (3), the President may modify the list at any time.

(b) EXPORT OF PERMITTED AGRICULTURAL COMMODITIES AND PRODUCTS.—Notwithstanding any other provision of law:

(1) IN GENERAL.—Any person shall be permitted to export to Cuba any of the commodities or products on the list.

(2) AGRICULTURAL EXPORT PROGRAMS.—None of the credit, subsidy, or barter agricultural export programs conducted by the United States may be used to assist the export of an agricultural commodity or product to Cuba under this section.

(3) OTHER LAWS.—Subject to paragraph (2), no other provision of law that would prohibit, hinder, or impede the export of an agricultural commodity or product shall apply to the export of an agricultural commodity or product under this section.

BRADLEY AMENDMENT NO. 505

Mr. BRADLEY proposed an amendment to the motion of Mr. GRAMM to recommit, with instructions, the bill S. 1420, as follows:

Strike everything after line 2 and insert in lieu thereof the following:

SEC. . CIGARETTE EXCISE TAX INCREASE.

Section 5701(b) of the Internal Revenue Code is amended by striking "$8" and inserting "$16" in lieu thereof, and by striking "$16.80" and inserting in lieu thereof "$33.60".

CRANSTON AMENDMENT NO. 506

Mr. CRANSTON proposed an amendment to amendment No. 505 proposed by Mr. BRADLEY to the Gramm motion to recommit, with instructions, the bill S. 1420, supra, as follows:

Strike everything after SEC. and insert in lieu thereof the following:

CIGARETTE EXCISE TAX INCREASE.

Section 5701(b) of the Internal Revenue Code is amended by striking "$8" and inserting "$16" in lieu thereof, and by striking "$16.80" and inserting in lieu thereof "$34.60".

BYRD AMENDMENT NO. 507

Mr. BYRD proposed an amendment to amendment No. 505 proposed by Mr. BRADLEY to the Gramm motion to recommit, with instructions, the bill S. 1420, supra, as follows:

Strike everything after SEC." and insert in lieu thereof the following:

CIGARETTE EXCISE TAX INCREASE.

Section 5701(b) of the Internal Revenue Code is amended by striking "$8" and inserting "$16" in lieu thereof, and by striking "$16.80" and inserting in lieu thereof "$35.60".

WARNER AMENDMENT NOS. 508 AND 509

(Ordered to lie on the table.)

Mr. WARNER submitted two amendments intended to be proposed by him to amendment No. 450 proposed by Mr. BUMPERS to the bill S. 1420, supra, as follows:

AMENDMENT No. 508

In the pending amendment strike out all after the word "SEC." and insert the following:

2010. POLICY TOWARD PROTECTION OF REFLAGGED KUWAITI TANKERS IN THE PERSIAN GULF.

(a) FINDINGS.—The Congress finds that—

(1) the United States has a vital strategic interest in the export of oil from the Persian Gulf region;

(2) the United States has long-term important strategic and geopolitical interests in the Persian Gulf region, including the security and stability of the states in the region, the pursuit of which requires the freedom of navigation in the Persian Gulf and adjacent waters and the prevention of hegemony in the region by either Iran or Iraq;

(3) the continuation of the Iran-Iraq war constitutes a grave threat to these interests;

(4) the expansion of the Iran-Iraq war threatens the territorial integrity and sovereignty of the Persian Gulf states, and, in particular, the pattern of intimidation practiced against noncombatant states, recently focused on Kuwait, has raised serious and legitimate concerns;

(5) the President has proposed the protection, through the use of convoy escorts by United States Navy ships, of Kuwaiti-owned tankers flying the United States flag;

(6) the Congress has examined the rationale for this proposal and the specific manner in which it would be implemented, including a careful review of the report entitled "Report On Security Arrangements In The Persian Gulf", which report was submitted by the Secretary of Defense to the Congress at its request; and

(7) Further assessments are needed regarding the threat of terrorist attacks, mine warfare detection and defense, and the need for any required facilities for land-based aircraft.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should seek a settlement of the Iran-Iraq war through all diplomatic means;

(2) the United States should pursue, through the United Nations Security Council and other international diplomatic channels, efforts—

(A) to effect mandatory sanctions, including an arms embargo, against any combatant state which fails to cooperate in the establishment of a negotiated cease-fire; and

(B) to promote a cessation by Iran and Iraq on attacks against shipping in the Persian Gulf;

(3) the United States should deploy such naval forces in, or proximate to, the Persian Gulf as may be necessary to protect the right of free transit through the Strait of Hormuz, and should work closely with the Persian Gulf states to reestablish stability, security, and peace in the region;

(4) in implementing the policy described in paragraphs (1) through (3), the President should take such steps as he deems necessary to achieve the cooperation of interested parties, particularly naval powers among the major importers of Persian Gulf oil and the nations of the Gulf Cooperation Council;

(5) the President should seek the convening of a conference of the exporters and importers of Persian Gulf oil to assess means for ensuring the free flow of oil, promoting freedom of navigation, deescalating tensions and hostilities, contributing to the search for a negotiated end to the Iran-Iraq war, and developing a long-term policy which advances the strategic interests of the West and of the states in the region;

(6) Prior to implementing definitive initiatives, including reflagging and protecting Kuwaiti tankers, measures described in this amendment should be fully considered, in consultation with Congress, and pursued; and

(7) the United States should preserve its military flexibility in the Persian Gulf and should explore further cooperative efforts, involving other naval powers and the regional states, to ensure the free transit on oil.

AMENDMENT No. 509

In the pending amendment, strike out all after the word "SEC." and insert the following:

2010. POLICY TOWARD PROTECTION OF REFLAGGED KUWAITI TANKERS IN THE PERSIAN GULF.

(a) FINDINGS.—The Congress finds that—

(1) the United States has a vital strategic interest in the export of oil from the Persian Gulf region;

(2) the United States has long-term important strategic and geopolitical interests in the Persian Gulf region, including the security and stability of the states in the region, the pursuit of which requires the freedom of navigation in the Persian Gulf and adjacent waters and the prevention of hegemony in the region by either Iran or Iraq;

(3) the continuation of the Iran-Iraq war constitutes a grave threat to these interests;

(4) the expansion of the Iran-Iraq war threatens the territorial integrity and sovereignty of the Persian Gulf states, and, in particular, the pattern of intimidation practiced against noncombatant states, recently focused on Kuwait, has raised serious and legitimate concerns;

(5) the President has proposed the protection, through the use of convoy escorts by United States Navy ships, of Kuwaiti-owned tankers flying the United States flag;

(6) the Congress has examined the rationale for this proposal and the specific manner in which it would be implemented, including a careful review of the report entitled "Report On Security Arrangements In The Persian Gulf", which report was submitted by the Secretary of Defense to the Congress at its request; and

(7) Further assessments are needed regarding the threat of terrorist attacks, mine warfare detection and defense, and the need for any required facilities for land-based aircraft.

(b) POLICY.—It is the sense of Congress that—

(1) the United States should seek a settlement of the Iran-Iraq war through all diplomatic means;

(2) the United States should pursue, through the United Nations Security Council and other international diplomatic channels, efforts—

(A) to effect mandatory sanctions, including an arms embargo, against any combatant state which fails to cooperate in the establishment of a negotiated cease-fire; and

(B) to promote a cessation by Iran and Iraq on attacks against shipping in the Persian Gulf;

(3) the United States should deploy such naval forces in, or proximate to, the Persian Gulf as may be necessary to protect the right of free transit through the Strait of Hormuz, and should work closely with the Persian Gulf states to reestablish stability, security, and peace in the region;

(4) in implementing the policy described in paragraphs (1) through (3), the President should take such steps as he deems necessary to achieve the cooperation of interested parties, particularly naval powers among the major importers of Persian Gulf oil and the nations of the Gulf Cooperation Council;

(5) the President should seek the convening of a conference of the exporters and importers of Persian Gulf oil to assess means for ensuring the free flow of oil, promoting freedom of navigation, deescalating tensions and hostilities, contributing to the search for a negotiated end to the Iran-Iraq war;

(6) the United States should preserve its military flexibility in the Persian Gulf and should explore further cooperative efforts, involving other naval powers and the regional states, to ensure the free transit on oil.

BYRD AMENDMENT NO. 510

Mr. BYRD proposed an amendment to amendment No. 505 proposed by Mr. BRADLEY to the Gramm motion to recommit with instructions, the bill S. 1420, supra; as follows:

Strike all after "SEC." and insert in lieu thereof the following:

2010. POLICY TOWARD PROTECTION OF RE-FLAGGED KUWAITI TANKERS IN THE PERSIAN GULF.

(a) FINDINGS.—The Congress finds that—

(1) the United States has a vital strategic interest in the export of oil from the Persian Gulf region;

(2) the United States has long-term important strategic and geopolitical interests in the Persian Gulf region, including the security and stability of the states in the region, the pursuit of which requires the freedom of navigation in the Persian Gulf and adjacent waters and the prevention of hegemony in the region by either Iran or Iraq;

(3) the continuation of the Iran-Iraq war constitutes a grave threat to these interests;

(4) the expansion of the Iran-Iraq war threatens the territorial integrity and sovereignty of the Persian Gulf states, and, in particular, the pattern of intimidation practiced against noncombatant states, recently focused on Kuwait, has raised serious and legitimate concerns;

(5) the President has proposed the protection, through the use of convoy escorts by United States Navy ships, of Kuwaiti-owned tankers flying the United States flag;

(6) the Congress has examined the rationale for this proposal and the specific manner in which it would be implemented, including a careful review of the report entitled "Report on Security Arrangements In The Persian Gulf", which report was submitted by the Secretary of Defense to the Congress at its request; and

(7) the threat assessment, strategic justification, and security arrangements described in the Secretary of Defense's report to the Congress are inadequate to justify the reflagging or the convoying of merchant vessels in the Persian Gulf by United States naval forces, until, at a minimum, further assessments have been made regarding the threat of terrorist attacks, mine warfare detection and defense, and the need for any required facilities for land-based aircraft.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should seek a settlement of the Iran-Iraq war through all diplomatic means;

(2) the United States should pursue, through the United Nations Security Council and other international diplomatic channels, efforts—

(A) to effect mandatory sanctions, including an arms embargo, against any combatant state which fails to cooperate in the establishment of a negotiated cease-fire; and

(B) to promote a cessation by Iran and Iraq on attacks against shipping in the Persian Gulf;

(3) the United States should deploy such naval forces in, or proximate to, the Persian Gulf as may be necessary to protect the right of free transit through the Strait of Hormuz, and should work closely with the Persian Gulf states to reestablish stability, security, and peace in the region;

(4) in implementing the policy described in paragraphs (1) through (3), the President should take such steps as he deems necessary to achieve the cooperation of interested parties, particularly naval powers among the major importers of Persian Gulf oil and the nations of the Gulf Cooperation Council;

(5) the President should seek the convening of a conference within ninety days of the exporters and importers of Persian Gulf oil to assess means for ensuring the free flow of oil, promoting freedom of navigation, deescalating tensions and hostilities, contributing to the search for a negotiated end to the Iran-Iraq war, and developing a long-term policy which advances the strategic interests of the West and of the states in the region;

(6) the proposed reflagging of Kuwaiti tankers should be placed in abeyance pending the outcome of the initiatives and other measures described in this section; and

(7) the United States should preserve its military flexibility in the Persian Gulf, and should not commit itself rigidly and exclusively to any narrow protection regime, such as convoying, for one country or one specific group of ships, and should explore further cooperative efforts, involving other naval powers and the regional states, to ensure the free transit of oil.

DOLE AMENDMENTS NOS. 511 THROUGH 525

(Ordered to lie on the table.)

Mr. DOLE submitted 15 amendments intended to be proposed by him to amendment No. 450 proposed by Mr. BUMPERS to the bill S. 1420, supra; as follows:

AMENDMENT No. 511

In lieu of the language proposed to be inserted, insert the following:

"SEC. . Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 1 hour period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

AMENDMENT No. 512

In lieu of the language proposed to be inserted, insert the following:

"SEC. . Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 2 hour period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

AMENDMENT No. 513

In lieu of the language proposed to be inserted, insert the following:

"SEC. . Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 3 hour period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

AMENDMENT No. 514

In lieu of the language proposed to be inserted, insert the following:

"SEC. . Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 4 hour period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

AMENDMENT No. 515

In lieu of the language proposed to be inserted, insert the following:

"SEC. . Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 5 hour period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

AMENDMENT No. 516

In lieu of the language proposed to be inserted, insert the following:

"SEC. . Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 6 hour period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

AMENDMENT No. 517

In lieu of the language proposed to be inserted, insert the following:

"SEC. . Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 7 hour period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

AMENDMENT No. 518

In lieu of the language proposed to be inserted, insert the following:

"SEC. . Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 8 hour period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

AMENDMENT No. 519

In lieu of the language proposed to be inserted, insert the following:

"SEC. . Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 9 hour period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

AMENDMENT No. 520

In lieu of the language proposed to be inserted, insert the following:

"SEC. . Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 10 hour period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

AMENDMENT No. 521

In lieu of the language proposed to be inserted, insert the following:

"SEC. . Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 11 hour period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

AMENDMENT No. 522

In lieu of the language proposed to be inserted, insert the following:

"SEC. . Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 12 hour period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

AMENDMENT No. 523

In lieu of the language proposed to be inserted, insert the following:

"SEC. . Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 13 hour period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

AMENDMENT No. 524

In lieu of the language proposed to be inserted, insert the following:

"SEC. . Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 14 hour period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

AMENDMENT No. 525

In lieu of the language proposed to be inserted, insert the following:

"SEC. . Notwithstanding any other provision of law, no funds heretofore or hereafter appropriated by any act of Congress shall be available during the 15 hour period following the enactment of this act to accomplish the reflagging of any Kuwaiti naval vessels."

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Committee will hold a full committee hearing on Wednesday, August 5, 1987, on the impact of section 1706 of the Tax Reform Act on technical service workers as independent businesses. The hearing will commence at 10 a.m. and will be held in room 428A of the Russell Senate Office Building. For further information, please call Chuck Ludlam of the committee staff at 224-3095.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the public that a hearing has been scheduled before the full Committee on Energy and Natural Resources.

The purpose of this hearing is to receive testimony concerning the following civilian radioactive waste disposal related bills: S. 1007, S. 1141, S. 1211, S. 1266, and S. 1428.

The hearing will take place Thursday, July 16, 1987, 9 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC, and continue on Friday, July 17, 1987, 8 a.m. in room SD-366. This hearing was originally scheduled to begin at 9:30 a.m. on July 16 and continue all day. The committee is now planning to continue with testimony on July 17.

Those wishing to submit written statements for the record should write to the Committee on Energy and Natural Resources, U.S. Senate, room SD-364, Dirksen Senate Office Building, Washington, DC 20510. For further information, please contact Mary Louise Wagner at (202) 224-7569.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. FORD. Mr. President, I would like to announce for the information of the Senate and the public that a change has been made in the schedule for the hearing on the status of the Department of Energy's efforts to address questions on environmental and safety issues concerning the defense materials production reactors located in the United States.

The hearing will take place July 17, 1987, 10 a.m. in room SD-366 in the Senate Dirksen Office Building in Washington, DC. This hearing was originally scheduled to begin at 9:30 a.m.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, Subcommittee on Energy Research and Development, United States Senate, Washington, DC 20510.

For further information, please contact Mary Louise Wagner at (202) 224-7569.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on July 14, 1987, to consider pending committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MINERAL RESOURCES DEVELOPMENT AND PRODUCTION

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Mineral Resources Development and Production of the Committee on Energy and Natural Resources, be authorized to meet during the session of the Senate on Tuesday, July 14, 1987, to receive testimony concerning S. 1006. The Geothermal Steam Act Amendments of 1987.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Tuesday, July 14, 1987, to receive testimony on the nomination of James H. Billington to be Librarian of Congress.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, July 14, 1987, at 2 p.m. to receive testimony concerning S. 735, a bill to amend the Land and Water Conservation Fund Act of 1965, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

UNITED STATES-MEXICO TWIN PLANTS

• Mr. DeCONCINI. Mr. President, although separate and distinct from each other, the tariff schedules of the United States [TSUS] items 806.30 and 807.00 and the Mexican maquiladora industry are complementary and offer mutual benefits to the United States and Mexico. Tariff items 806.30 and 807.00 provide incentives for firms to use U.S. content, thereby employing American workers and utilizing American technology, production facilities, and service industries. The maquiladoras offer Mexico a means for earning foreign exchange to repay debt to the United States and world financial institutions, assist the country in its economic development process, and help develop working and managerial talent. This truly exemplifies the spirit and intent of twin plant facilities which help both countries.

United States-Mexico industrial relations have had a unique relationship since the mid-1960's. Both the advent of the Mexican Border Industrialization Program and the implementation of the Tariff Schedules of the United States occurred in 1963. Both originally contained tariff items 806.30 and 807.00. Moreover, both programs addressed the dutiable status of U.S. components advancing the value abroad. The Border Industrialization Program replaced the Bracero Program which allowed Mexican laborers to enter the United States on a temporary basis from 1942 to 1964. Originally, the Bracero Program was designed to alleviate World War II-induced labor shortages in the Southwest United States.

When the Bracero Program was discontinued, the Mexican Government implemented the Border Industrialization Program to help absorb excess labor. By waiving a number of foreign investment provisions that prevailed elsewhere in the country and allowing duty-free importation of components and materials, the Mexican Government created an investment environment that was attractive to foreign companies. Until very recently, due to reasons of geographic proximity and the incentives provided by tariff items 806.30 and 807.00 almost all firms establishing maquiladoras were Americans. Mr. President, I believe that the maquiladora industry is a program which is historically traced to United States-Mexico friendship, close proximity and an intertwined economy. I would have serious reservations concerning other countries' attempts to exploit or take advantage of this unique United States-Mexico program.

Along these lines, there is no maquiladora free trade area where foreign firms might easily establish pass-through operations designed to circumvent normal U.S. custom duties. Generally, importations into Mexico face heavy regulation and require import licenses, often not granted when a similar Mexican product is available. The enforcement and regulation of these TSUS items is rigorous. Machinery, equipment, and material designated for use in maquiladoras, whether along the border or in the interior of the country, may be imported duty free. However, upon exportation of the product to the United States, documentary evidence of the U.S. origin of the components must be provided in order for the shipment to enter under tariff items 806.30 and 807.00. Shipments not eligible for entry under items 806.30 and 807.00 are assessed a normal rate of duty for the product. U.S. Customs regulations are specific, and detailed documentation is required to be maintained and made available to Customs by firms utilizing tariff items 806.30 and 807.00.

An excellent example of the mutual benefits derived from maquiladora operations can be seen in the twin city plants of El Paso, TX, and Juarez, Mexico. According to 1986 information available from Grupo, Bermudez, the maquiladora industry in Juarez had 210 plants in operation and supported 89,600 employees for an annual payroll of approximately $250 million. The industry supported approximately 7,400 employees in El Paso with an estimated annual payroll of $112 million. Approximately $828 million flowed through El Paso banks in connection with the maquiladora industry; $10 million was paid in lease and/or mortgage payments for facilities in El Paso; $4 million was paid in city, county, and State taxes; $116 million was spent on transportation services; and 14,000 persons visited El Paso/Juarez in connection with the maquiladora industry thereby spending approximately $7 million in hotel, food, and miscellaneous expenses. The most notable statistics are on suppliers and support operations servicing Juarez plants: 14,159 firms, located in 49 States and employing 218,675 workers, are involved in supplying components or services to the Juarez maquiladora. This is almost 2½ times greater than the number of Mexican workers directly employed by the maquiladoras. Mr. President, maquiladoras benefit virtually every State, not just border States. For example, Illinois has 3,966 companies involved in servicing the Juarez factories. There are 457 in New York, 329 in Indiana, and 150 in Washington.

But the importance of production sharing and the maquiladoras is greater than simply a balance sheet of jobs. These operations provide developing countries such as Mexico with the means for meeting their international financial obligations and developing economies, yet this entails no U.S. foreign aid. In an era of huge Federal budget deficits, the benefits of this trade-not-aid philosophy cannot be ignored. Mr. President, this is the type of program which deserves support. Maquiladora is not just a buzzword for competitiveness. Maquiladoras work and address the U.S. trade problems. I enthusiastically support this program not just for Arizona, but for the United States.●

WYOMING HAS THE NATION'S CLEANEST WATER

● **Mr. WALLOP.** Mr. President, last week, the Environmental Protection Agency informed the State of Wyoming that all the major municipalities in Wyoming are in compliance with current water quality standards set by the Clean Water Act. Wyoming is the first State in the Nation to have its major municipalities meet the Clean Water Act standards.

The Clean Water Act of 1972, as amended, provides standards for the abatement of the pollution of our surface and ground waters. The primary objective of the act has been to control industrial and municipal waste discharges into the Nation's waterways. While the act does set different standards for these two types of direct discharges, both industry and municipalities have to meet strict standards to improve water quality.

Municipalities are required to have under construction so-called secondary treatment facilities by July 1, 1988. A secondary treatment facility for a municipality is equivalent to an industrial treatment facility which must employ the best available technology economically achievable to treat waste water. While the original standards of the 1972 act have not been achieved, we have made significant progress in identifying and controlling industrial and municipal wastes. The original legislation did not anticipate either the technical or the financial difficulties in developing the waste treatment plants. Despite the various difficulties encountered over the years, 15 years of effort is now evident in the improved quality of our waterways.

The deadline municipalities must meet to comply with the act is 1 year away. However, the major municipalities in Wyoming are now in compliance with the standards. Being the first State in the Nation to meet the standards 1 year ahead of schedule is a remarkable achievement. EPA has also informed me that the smaller communities in Wyoming are close to meeting the 1988 standards.

The people of Wyoming are serious about the quality of our environment. We believe that clean air and clean water are critical to maintaining the high quality living standards that we are accustomed to in Wyoming. Water quality, in particular, has great importance to us since Wyoming, like other Western States, has an arid climate. Anyone living in the Washington area cannot imagine the importance of water in the West. The 4 inches of rainfall in the Washington area over the past weekend represents more than one-fourth of the annual rainfall in Wyoming. Water is a vital natural resource, and I am particularly proud that our communities in Wyoming have acted to protect this resource by reaching the standards set by the Clean Water Act.●

A SALUTE TO GEN. EARL T. O'LOUGHLIN

● Mr. GLENN. Mr. President, I would like to take this opportunity to recognize a well respected and highly distinguished military officer, Gen. Earl T. O'Loughlin, U.S. Air Force. General O'Loughlin, after an illustrious career of 36 years in the service of his country, is retiring from active duty on August 1, 1987.

General O'Loughlin began his military career as an enlisted airman in February 1951. Upon graduating from pilot training in June 1952, he was commissioned a second lieutenant in the U.S. Air Force, after which he completed B-29 combat crew training at Randolph Air Force Base, TX, and Forbes Air Force Base, KS, in January 1953. General O'Loughlin was then assigned to the 98th Bombardment Wing at Yokota Air Base, Japan and from there he flew 29 combat missions and 224 combat hours in B-29's over North Korea.

When General O'Loughlin returned to the United States in August 1953, he was assigned to the 26th Strategic Reconnaissance Wing at Lockbourne Air Force Base, OH, where he qualified in RB-47E's. From 1953 to 1963, he served at Lockbourne as an aircraft commander, instructor pilot, standardization evaluator, and squadron operations officer for RB-47E's and B-47E's.

Following graduation from the Air Command and Staff College in June 1964, he served as a B-52 aircraft commander and instructor pilot with the 379th Bombardment Wing at Wurtsmith Air Force Base, MI. From 1965 to 1968, he was chief of the programs and scheduling branch for the 379th Bombardment Wing. In January 1968, General O'Loughlin was assigned as B-52 arc light air operations officer with the U.S. Military Assistance Command, Saigon, J-3, Republic of Vietnam, and in January 1969 he returned to Wurtsmith Air Force Base as commander of the 379th Organizational Maintenance Squadron. From January 1970 to November 1971, he was assistant deputy commander for maintenance and then deputy commander for maintenance with the 379th Bombardment Wing.

From November 1971 to August 1972, General O'Loughlin was assigned to Headquarters Strategic Air Command, Offutt Air Force Base, NE, as chief of the maintenance management division. He then entered the Army War College and after graduation in June 1973, he became vice commander of the 97th Bombardment Wing, Blytheville Air Force Base, AR. Later he was commander of the KC-135 equipped 310th Provisional Wing (Young Tiger) at U-Tapao Royal Thai Naval Airfield, Thailand.

He returned to the United States in April 1974 to command the 380th Bombardment Wing at Plattsburgh Air Force Base, NY. During his assignment, the FB-111/KC-135 wing received the Fairchild Trophy as the best bombardment wing in the Strategic Air Command's annual bombing and navigation competition.

The general's next assignment was deputy for maintenance, engineering, and supply in the Office of the Deputy Chief of Staff for Systems and Logistics at Headquarters U.S. Air Force, Washington, DC, from July 1975 to June 1977. He then became vice commander of the Oklahoma City Air Logistics Center at Tinker Air Force Base, OK.

General O'Loughlin was named deputy chief of staff for contracting and manufacturing at Air Force Logistics Command headquarters in December 1978 and was assigned there as deputy chief of staff for maintenance in June 1979. Transferring to Kelly Air Force Base, TX, in March 1981, he served as commander of the San Antonio Air Logistics Center. In July 1982, he was named vice commander of Air Force Logistics Command, Wright-Patterson Air Force Base, OH, and became the commander in September 1984.

As a direct result of General O'Loughlin's leadership as commander, the Air Force Logistics Command's contribution to military readiness and substainability has been greatly enhanced. For example, intensive management efforts and an increasing availability for spare parts have improved the mission capability rates for every operational command in the Air Force. Additionally, the Logistics Management Systems Modernization Program has significantly improved the data automation capability of the command, which had previously been a weak link in the weapon systems and core logistics functions of the Air Force.

General O'Loughlin is a command pilot with more than 6,000 flying hours. His military decorations and awards include the Distinguished Service Medal, Legion of Merit, Distinguished Flying Cross, Bronze Star Medal, Meritorious Service Medal, Air Medal and Air Force Commendation Medal with four oak leaf clusters.

I ask that we all join in recognizing the outstanding contributions this distinguished officer has made to the U.S. Air Force and our national defense.●

FEDERAL LAND EXCHANGE FACILITATION ACT OF 1987

● Mr. ARMSTRONG. Mr. President, I am today cosponsoring S. 1260, the Federal Land Exchange Facilitation Act of 1987. If enacted, this bill will reduce the lengthy delays that unnecessarily hinder Federal land exchanges.

Federal land exchanges should be encouraged. Located throughout public lands controlled by Federal land management agencies, that is, Forest Service, Bureau of Land Management, are private inholdings, parcels of privately owned land located within public land. Generally, the rights to these private lands were acquired before the Federal land was designated for management protection. From the perspective of Federal land management agencies and the general public, the private inholdings create a number of management problems related to access, commercial development, and environmental protection.

In addition, the Federal Government possesses some lands that the managing Federal agencies do not consider desirable to retain for various reasons.

So these agencies try to acquire desired private land when possible, and divest the Federal Government of land it does not wish to keep. One device often used is a land exchange, private land traded for public land of similar value. Extensive analysis is required before land exchanges are completed. Included in the analysis is an environmental assessment, economic valuation, solicitation, and review of public comment.

I am told the average land exchange takes 7 years. Provisions included in S. 1260 would streamline land exchange procedures, reducing processing time. This bill is good legislation, and I support it.

I must add a note of caution. Senator WALLOP, who pioneered the concept of streamlining land exchanges, raises concerns that the bill does not address perhaps the most important land exchange issue now pending. That issue is a Federal court injunction, issued in National Wildlife Federation versus Burford. The injunction appears to be overbroad and not entirely related to the genesis of the case. The injunction has placed many land exchanges in limbo. In some instances, only those land exchanges that are approved by the court and the parties in the suit are being concluded. Senator WALLOP believes the bill should be amended to allow at least those exchanges to be completed that are not related to the genesis of the suit. I agree. The principles of established law and the fairness of a regulatory process are frustrated when circumvented by an overbroad injunction, and when a party to a suit can exercise some discretion about what land exchanges can be released from the injunction.

This legislation is backed by an unusually diverse coalition of interests, for example, the American Forestry Association, the American Ski Federation, the American Wilderness Alliance, Defenders of Wildlife, Rocky

Mountain Energy, Sierra Club, Weyerhaeuser Co., several exchange companies and the Western States Land Commissioners Association.

I look forward to working with Senator WALLOP on this issue. In the meantime, I am cosponsoring S. 1260. It enjoys broad and diverse local, environmental, and administration support since it will facilitate land exchanges now being made.●

THE DEATH OF NATHAN PERLMUTTER

● Mr. MOYNIHAN. Mr. President, by now, Senators will have learned of the death Sunday of Nathan Perlmutter, the director of the Anti-Defamation League of B'nai B'rith. This was especially sad news for the Senator from New York, as Nate Perlmutter was a close friend of many years.

Only last month, Nathan Perlmutter was awarded the Presidential Medal of Freedom, our Nation's highest civilian award. President Reagan on that occasion said of Nate that he "made it his life work to champion human dignity." Nate Pewlmutter was an inspiration to all who cherish human freedom, and I know my colleagues join me in sending condolences to his wife Ruthann and their family.

Mr. President, I ask that obituaries for Nathan Perlmutter from today's New York Times and Newsday be printed in the RECORD.

The obituaries follow:

[From the New York Times, July 14, 1987]

NATHAN PERLMUTTER, TOP EXECUTIVE OF ANTI-DEFAMATION LEAGUE, DIES

(By Eric Pace)

Nathan Perlmutter, the national director of the Anti-Defamation League of B'nai B'rith since 1979, died of lung cancer Sunday afternoon at the Memorial Sloan-Kettering Cancer Center, where he was admitted July 8. He was 64 years old and lived in Manhattan.

A colleague said yesterday that Mr. Perlmutter used to smoke cigars but quit several years ago. His lung cancer was first diagnosed in 1985.

Mr. Perlmutter, a blunt-spoken lawyer who grew up in Brooklyn, worked most of his adult life with the Anti-Defamation League, and, as its senior full-time executive, became nationally known as one of the chief spokesmen for American Jews on a variety of issues, many of which were related to anti-Semitism.

As national director of the A.D.L., which was founded in 1913, he oversaw its national headquarters in Manhattan, its 31 regional offices in the United States, its overseas offices in Jerusalem, Rome and Paris, and its liaison offices in Latin America.

He was awarded the Presidential Medal of Freedom, the United States' highest civilian award, last month. In presenting it, President Reagan said Mr. Perlmutter had "made it his life work to champion human dignity."

In a statement released at City Hall yesterday, Mayor Koch said, "Nate Perlmutter had the deepest commitment to justice for everyone without regard to race, ethnicity, religion or gender that I have ever encountered."

In late 1980, commenting on a league survey that showed an increase in reported anti-semitic incidents that year, Mr. Perlmutter said the findings "suggest that there is a high quotient of anti-Semitism and anti-Jewish hostility which still exists just beneath the surface of American life."

ATTITUDES TOWARD ISRAEL

Mr. Perlmutter said in an interview in 1984 that he had become increasingly worried about American attitudes toward Israel. "I am more concerned by an isolationism that may deprive America's strongest ally in the Middle East of needed support," he said, "than I am with some Klansman in a cow pasture in central Missouri."

In 1984, after Louis Farrakhan, the black Muslim leader, criticized Israel and the American political establishment in a speech at the National Press Club in Washington, Mr. Perlmutter said that "by providing Farrakhan with a bullhorn for his ravings, the press is magnifying his significance."

In that same year, after the Rev. Jesse Jackson, a Presidential candidate, contended in an interview that Jewish leaders were trying to make him a pariah, Mr. Perlmutter said that "Jews speak for their dignity against his anti-Semitic statements and somehow that becomes 'arrogant' and 'contemptuous,'" referring to terms Mr. Jackson used in the interview.

A few days later, Mr. Perlmutter said that what he called a "personal statement and apology" by Mr. Jackson for earlier expressing views that were widely seen as anti-Semitic was "candid and welcome."

SON OF POLISH IMMIGRANTS

Mr. Perlmutter was raised in the Williamsburg section of Brooklyn, the son of immigrants from Poland. His father, Hyman, was a tailor by trade but worked as a laborer for the Work Projects Administration during the Depression; his mother, the former Bella Finkelstein, sold ices from a pushcart.

Mr. Perlmutter, who attended Georgetown and Villanova Universities, volunteered during World War II for the United States Marine Corps and served in China. In 1949, he received a Bachelor of Laws degree from New York University. In that year, he joined the Anti-Defamation League, which assigned him to a variety of posts around the country in the next 15 years.

Leaving the agency, Mr. Perlmutter was associate national director of the American Jewish Committee from 1965 to 1969 and a vice president of Brandeis University in Waltham, Mass., from 1969 to 1973. He then returned to the Anti-Defamation League, initially as assistant national director.

MY MIND IS SMILING

In June 1985, he was told by his family physician that he had lung cancer. A journal he kept for some weeks afterward was published in The New York Times Magazine of Nov. 24, 1985, under the headline "Diary of a Cancer Patient." In it he wrote: "You're supposed to see your life go by at times like this. What did I do with mine? My mind is smiling at what I feel I've accomplished. I married the prettiest girl in the neighborhood. I made it to Marine infantry officer, wrote a few books and became director of A.D.L."

He continued to work at his Manhattan office through last spring and then worked from his home until he entered the Sloan-Kettering center on July 8.

He was the author of two books, "How to Win at the Races" (1964) and "A Bias of Reflections" (1972), and the co-author, with his wife, of a third, "The Real Anti-Semitism" (1982).

Mr. Perlmutter is survived by his wife, the former Ruthann Osofsky; a brother, Philip, of Boston; a son, Dean, of Scottsdale, Ariz., and a daughter, Nina Mohit of Prescott, Ariz.

A funeral service will be held at noon tomorrow in the main sanctuary of Temple Emanu-El, at Fifth Avenue and 65th Street.

[From Newsday, July 14, 1987]

PERLMUTTER OF B'NAI B'RITH DIES

(By Anthony Scaduto)

Nathan Perlmutter, 64, national director of the Anti-Defamation League of B'nai B'rith, who had been battling lung cancer for two years, died of the disease Sunday at Memorial Sloan-Kettering Hospital in Manhattan.

"You're supposed to see your life go by at times like this," Mr. Perlmutter wrote in "Diary of a Cancer Patient," published in the New York Times Magazine in November, 1985. "What did I do with mine? My mind is smiling at what I feel I've accomplished. I married the prettiest girl in the neighborhood. I made it to Marine infantry officer, wrote a few books and became director of ADL. . ."

Mr. Perlmutter, a major force in the international Jewish community, spent most of his professional life working for ADL. Despite treatment at Sloan-Kettering, he continued to carry a full schedule. He went to work almost daily, traveled widely and appeared on TV news and talk shows.

"The entire nation is impoverished by the passing of Nathan Perlmutter," Gov. Mario Cuomo said in a statement yesterday. "He was a brilliant and most effective fighter against anti-Semitism and all forms of bigotry and prejudice. He labored to build a society based on dignity and justice."

Last month, Mr. Perlmutter received the Presidential Medal of Freedom, the nation's highest civilian award, for making it "his life work to champion human dignity," President Ronald Reagan said in presenting the medal.

In recent months, Mr. Perlmutter had also been presented with the Eleanor Roosevelt Human Rights Award by Mayor Edward I. Koch, an honorary doctorate by Hebrew Union College and the B'nai B'rith Gold Medallion for Humanitarianism.

A lawyer, author, and lecturer, Mr. Perlmutter grew up in the Williamsburg section of Brooklyn, the child of Polish immigrants. "We were poor, but not underprivileged," he once wrote.

After two years as a Marine infantry officer, he earned a law degree from New York University Law School.

He joined the ADL in 1949 and remained with it for the rest of his life, except for eight years when he was associate national director of the American Jewish Committee, 1965 to 1969, and vice president of Brandeis University, 1969 to 1973.

Mr. Perlmutter was the author of several books, including "A Bias of Reflections" and, with his wife, Ruthann, "The Real Anti-Semitism."

He also bred and raced thoroughbred horses.

Besides his wife, he is survived by a son, Dean; a daughter, Nina Mohit, and a brother, Philip. Services will be held tomorrow at

Temple Emanu-El, Fifth Avenue and 65th Street, Manhattan.●

THE ABRAMS POSSE

● Mr. BOSCHWITZ. Mr. President, I ask that an article by Charles Krauthammer entitled "The Abrams Posse," which appeared in the July 3d edition of the Washington Post, be printed in the RECORD. Mr. Krauthammer points out that those who call for the ouster of Assistant Secretary of State Elliott Abrams do so not because he misled Congress over the soliciation of funds for the Contras from the Sultan of Brunei, but rather as a first step toward overturning our policy in Central America.

Those calling for Mr. Abrams head claim it as a necessary "first step in rebuilding the bipartisan consensus and trust so essential to the conduct of our foreign policy." They asset that they seek "close and candid consultation" with the administration. But Krauthammer notes that "what these Democrats want is not consultation * * * they want to overturn the policy. * * * The Democrats' idea of a bipartisan Nicaragua policy is one in which Democrats and Republicans join hands to disband the Contras." He urges the administration not to sacrifice Abrams, and so do I.

The article follows:

[From the Washington Post, July 3, 1987]

THE ABRAMS POSSE

(By Charles Krauthammer)

Washington is suspended, waiting for next week, when Ollie North will explain, among other things, how he used Iran arms money to acquire snow tires and security alarms. Meanwhile, a leading half-time activity in Iran-contra Washington consists of debating whether Elliott Abrams, assistant secretary of state for inter-American affairs, should be fires for having mislead Congress about U.S. government assistance to the contras at a time when some forms of assistance were prohibited.

The first article of impeachment against Abrams is that he was not sufficiently attentive to Oliver North's activities. Abrams argues that it is not the job of an assistant secretary of state to oversee the White House. He assumed that his colleagues at the NSC were telling him the truth and not acting idiotically. Both assumptions proved wrong, but the evidence to date supports Abrams' assertion that he was not part of the private network. Considering the lies that North told everyone—Assistant Attorney General Charles Cooper testified that he would not believe North under oath—it seems plausible that he lied to Abrams as he lied to almost everyone else about the nature of his activities.

Article two says that for 18 days Abrams mislead Congress and the country about who was behind the Hasenfus mission. Secretary of State George Shultz has answered that charge rather directly. "I was lied to," he said, and "Elliott Abrams was lied to." Are Shultz and Abrams lying now? If so, both should be fired. But there is no evidence to suggest that they are.

Article three is supposedly the capital offense: Abrams misled the Senate Intelligence Committee about the solicitation of $10 million from the sultan of Brunei. Secretary Shultz, in a letter to Congress defending Abrams, admits the mistake but explains that "at the time Mr. Abrams gave his testimony, we had given that country a pledge of absolute confidentiality . . ." That is still no excuse for misleading Congress. One does not prefer a pledge of confidentially to a foreign ruler over the responsibility to level with one's own Congress. But who made that pledge in the first place? Shultz says "we." The secretary of state is ultimately the one who decides that a solicitation be made in "absolute confidentiality," meaning, I suppose, that even Congress should not be told. If making such a decision is a hanging offense, well, then, should not Shultz hang too? Congress' highmindedness should lead it to call for Shultz's resignation. There are no such calls. Which makes one wonder whether what moves the Abrams posse is principle or politics.

The identity of those calling for Abrams' head makes one wonder even more. Most insistent is the liberal wing of the Democratic Party, which has consistently opposed contra aid, a policy that Abrams has done more to advance than anyone else. Of the 129 Democrats who signed a letter to Shultz demanding Abrams' resignation, only four voted for contra aid last June. Firing Abrams, the letter asserts, "is an essential first step in rebuilding the bipartisan consensus and trust so essential to the conduct of our foreign policy." One of the signers, Rep. Edward Feighan, wrote his own longer letter explaining that a bipartisan policy in Central America requires "close and candid consultation between the executive branch and the Congress" and thus Abrams, who now is "unable to command such credibility before this Congress," must go.

But what these Democrats want is not consultation or compromise. They want to overturn the policy. The idea that Abrams must go because in their eyes he is not a trustworthy enough person with whom to shape a bipartisan Nicaragua policy is a phony. The Democrats' idea of a bipartisan Nicaragua policy is one in which Democrats and Republicans join hands to disband the contras. They want to get rid of Abrams because for two years he rolled over them on contra policy and because, if they can force the administration to fire the chief architect of the policy, they will have revealed the administration's weakness, indeed its desperation, on Central America.

More muted calls for Abrams to retire have come from another quarter, moderate Republicans and conservative Democrats who have supported contra aid. During the Iran-contra hearings, Rep. Dante Fascell, Sen. David Boren and Sen. William Cohen indicated that the president might have a better chance of getting contra aid if Abrams were gone.

In fact, it is hard to think of a single member of Congress whose mind would be changed by Abrams' firing. The Iran-contra hearings have changed none of the facts on the ground in Central America. Imagine a congressman who did switch his vote on contra aid based upon whether or not Abrams' head was offered up to him. He would be rightly accused of putting politics ahead of his country's interests. Boren said as much: "That would be a very petty basis on which to reach a decision about something of extreme importance to our national security." Both Boren and Cohen have now affirmed that their votes will not be affected by Abrams' fate.

Yet the new team at the White House does not seem averse to sacrificing Abrams if that would boost the president's immediate fortunes. Accordingly, it has undermined Abrams with unattributed statements and lukewarm official pronouncements. This is a case where faithlessness is not even good politics. Sacrificing Abrams would weaken both the president's image and the contra cause. It would be read, correctly, not as conciliation but as capitulation. The Abrams case, like much Iran-contra pleading, is less about principle than it is about power. Those pushing for Abrams' ouster know the stakes. Only the White House seems oblivious.●

BUDGET SCOREKEEPING REPORT

● Mr. CHILES. Mr. President, I hereby submit to the Senate the budget scorekeeping report for this week, prepared by the Congressional Budget Office in response to section 308(B) of the Congressional Budget Act of 1974, as amended. This report was prepared consistent with standard scorekeeping conventions. This report also serves as the scorekeeping report for the purposes of section 311 of the budget act.

This report shows that current level spending is under the budget resolution by $0.3 billion in budget authority, but over in outlays by $15.9 billion.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC July 13, 1987.

Hon. LAWTON CHILES,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC

DEAR MR. CHAIRMAN: The attached report shows the effects of congressional action on the budget for fiscal year 1987. The estimated totals of budget authority, outlays, and revenues are compared to the appropriate or recommended levels contained in the most recent budget resolution, Senate Concurrent Resolution 120. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32 and is current through July 10, 1987. The report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended. At your request this report incorporates the CBO economic and technical estimating assumptions issued on January 2, 1987.

No changes have occurred since my last report.

With best wishes,

Sincerely,

EDWARD M. GRAMLICH,
Acting Director.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 100TH CONGRESS, 1ST SESSION AS OF JULY 10, 1987

[Fiscal year 1987—in billions of dollars]

	Current level [1]	Budget resolution S. Con. Res. 120	Current level +/− resolution
Budget authority	1,093.0	1,093.4	−.3
Outlays	1,010.9	995.0	15.9
Revenues	833.9	852.4	−18.5
Debt subject to limit	2,305.9	[2]2,322.8	−16.9
Direct loan obligations	42.2	34.6	7.7
Guaranteed loan commitments	140.6	100.8	39.8

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval. In addition, estimates are included of the direct spending effects for all entitlement or other programs requiring annual appropriations under current law even though the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] The current statutory debt limit is $2,320 billion.

FISCAL YEAR 1987 SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT U.S. SENATE, 100TH CONGRESS, 1ST SESSION AS OF JULY 10, 1987

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			833,855
Permanent appropriations and trust funds	720,451	638,771	
Other appropriations	542,890	554,239	
Offsetting receipts	−185,071	−185,071	
Total enacted in previous sessions	1,078,269	1,007,938	833,855
II. Enacted this session:			
Water Quality Act of 1987 (Public Law 100–4)	−4	−4	
Emergency Supplemental for the Homeless (Public Law 100–6)	−7	−1	
Surface Transportation and Relocation Act (Public Law 100–17)	10,466	−80	2
Technical Corrections to FERS Act (Public Law 100–20)	1	1	
Prohibit entrance fees at the Statue of Liberty Monument (Public Law 100–55)	1	1	
SBA Program and Authorization Amendments (H.R. 2166)	−43		
Supplemental Appropriations, 1987 (H.R. 1827)	4,212	3,018	
Total	14,625	2,935	
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Special milk	2		
Veterans Compensation	93		
Readjustment benefits	9		
Federal unemployment benefits and allowances	33	33	
Advances to the unemployment trust funds [1]	(3)	(3)	
Payments to health care trusts funds [1]	(224)	(224)	
Medical facilities guarantee and loan fund	5	4	
Payment to Civil service retirement and disability fund [1]	(33)	(33)	
Coast Guard retired pay	3	3	
Total entitlements	145	40	
Total current level as of July 10, 1987	1,093,039	1,010,913	833,857
1987 budget resolution (S. Con. Res. 120)	1,093,350	995,000	852,400
Amount remaining:			
Over budget resolution		15,913	
Under budget resolution	311		18,543

[1] Interfund transactions do not add to budget totals.

Note—Numbers may not add due to rounding.●

THE AMERICAN ANTIQUARIAN SOCIETY

● **Mr. HATFIELD.** Mr. President, it was during the War of 1812 that Isaiah Thomas petitioned the Massachusetts legislature to establish a society for his growing collection of books, pamphlets, and manuscripts. The collection must have looked like junk to the legislators—diaries and children's books, ships logs and music scores—but they granted him a charter. In October 1812, the American Antiquarian Society was incorporated.

Under the watchful eye of director Marcus McCorison, the American Antiquarian Society is today alive and well in Worcester, MA. One hundred and seventy-five years and untold volumes after Thomas' plea to the legislature, that collection of junk has become the single most extensive and important collection of early American history in the world.

A lot of libraries house the biographies and the letters and the journals of our forebearers, but it is the American Antiquarian Society which houses the world in which they lived. Thomas' goal was to collect and preserve "every variety of book, pamphlet, and manuscript that might be valuable in illustrating any and all parts of American history." On the shelves of his society stand the soap advertisements and the cookbooks, the political tracts and the street maps, the bibles and the ballads of this young Nation. In the walls of his society is the spirit of a people many of whose names we will never know but who came together to define America.

Mr. President, I am among the 500 members of the American Antiquarian Society, as is our colleague Senator MOYNIHAN. With great pride and pleasure, I come to the floor today to honor the society and ask that "A Good Home for Old Words", an article about this unique national treasure, be printed in the RECORD.

The article follows:

[From American Heritage, July/August 1987]

A GOOD HOME FOR OLD WORDS

(By Gillian Avery)

The American Antiquarian Society, which houses two-thirds of all the material known to have been published in this country from 1640 to 1821, this year is celebrating its 175th anniversary. Located in Worcester, Massachusetts, it is an organization of great distinction as well as unique gentility. Its membership, limited to five hundred at any one time, has included twelve Presidents of the United States and forty-eight Pulitzer Prize–winning authors.

The work as well as the atmosphere of this superlative depository of our history was described by an appreciative English scholar of children's literature who originally published her impressions of the society in the London Times Literary Supplement:

Those who are used to working in the rare-book rooms of American libraries behind bullet-proof glass and electronically controlled doors, scanned by closed-circuit television and frisked by armed guards, cannot fail to be struck by the gentlemanly way in which the American Antiquarian Society, the chief repository of early American historical material, treats its readers, or by the tranquillity of its reading-room, in which it is often difficult to discern other readers, even at what the library avers to be high season. . . .

Towards the end of Salisbury Street [in Worcester, Massachusetts] are the porticoed classical premises which the Society has occupied since 1910. It is rather like arriving at a club or a country house. There is a subdued but cordial welcome from a courtly major domo who presents the readers' register with the air of a trusted family servant. Within are fine examples of colonial furniture and portraiture—objects which the Society has acquired almost absentmindedly over the years. Melodious clocks chime out the quarters and the hours. The service is deft, rapid and personal—your books appear unsolicited on your desk the instant you are seen advancing over the threshold. The reading-room is comfortably small; the catalogues, issue desk and all the reference books you need are only a step from your chair. If American history is what you are after, then this must be the most agreeable library in the world.

Across the road is the private house (the last owner's family portraits still hanging on the walls) which the Society has recently acquired and adapted to lodge five readers—its Fellows, for the most part—working on long-term projects, who before this would have had to find their own accommodation. . . . There is a lot to be learnt from the other inhabitants of the Goddard-Daniels house . . . One was studying the book-trade in eighteenth-century America, one pursuing early Vermont families, a third scrutinizing old almanacs for mention of weather, a fourth reading Increase Mather's journal, a fifth early children's books.

We were grateful for the comfort of the Goddard-Daniels house, since many of our hours were spent there. The gentlemanliness of the Society extends to the hours it keeps: it is open only until five o'clock, and closed the whole weekend . . . But you are allowed to carry off for weekend reading such books as are still in print—though it has to be said that replaceable material plays a very small part here, where so many of the holdings are unique items.

The American Antiquarian Society was founded by Isaiah Thomas, who, fleeing from Boston and the retribution of the English during the American Revolution, had brought his patriot newspaper, the *Massachusetts Spy,* his printing press and his types to Worcester in 1775. He set up shop and remained there for fifty-six years, creating the principal printing and publishing business in the country, which eventually included newspapers, a paper mill, a bindery and bookshops. He was also a scholar and collector, one of the first to realize the historical value of ephemeral printing. He set out, for instance, to buy up the office files of every Revolutionary newspaper, and bought from a Boston music shop one copy of every ballad in stock. In 1812, two years after his *History of Printing in America* had appeared, he petitioned the Massachusetts Legislature for permission to establish a society to which he proposed to transfer his library. The Society was incorporated in October, and a few months later he announced the gift of his library. As the war of 1812 was then in progress, Worcester, forty miles from the sea, and the danger of enemy bombardment, was held to be a reasonably safe place for a collection which even then was realized to be irreplaceable. Thomas was the Society's first president and a very active one. In assisting it to collect and preserve "every variety of book, pamphlet and manuscript that might be valuable in illustrating any and all parts of American history" he himself gave more than $20,000 and between seven and eight thousand books, including the library of the Mather family—"unquestionably the oldest in New England" he said proudly in his diary—which he bought from one of Cotton Mather's granddaughters. When the Society's holdings grew too large to be accommodated in his own house he contributed a site and money to build new premises, which were completed in 1820. His zeal for the well-being of the institution he had founded continued to the end. Three years before his death, when he was seventy-nine, he was cutting the grass.

Christopher Columbus Baldwin, who became librarian in 1832, had the same sort of zest and energy. He interested himself particularly in the newspaper collection (now the largest in the country) and in pamphlets. He acquired from one notable foray in the attics of the eccentric Thomas Wallcut two-and-a-quarter tons of pamphlets and manuscripts (including Cotton Mather's diaries). Though at the time the Society's council looked at this haul with less than enthusiasm, it is now regarded as one of the most important of the nineteenth-century acquisitions. His successor, Samuel Foster Haven, held office for forty-three years and almost doubled the number of books in the library. But the record for length of tenure is held by Clarence S. Brigham. Appointed when he was thirty, he was librarian for fifty-one years and began in 1908 with a colossal springcleaning. Until then the Society's historical interests had extended to archaeology and anthropology, and it had in the course of nearly a century accumulated a staggering variety of objects. (Baldwin had complained about the bureaux and chests that were stuffed with old clothes.) The visitor to the Victorian building was confronted not only by a copy of Michelangelo's "Moses" and other plastic casts, but Indian, Icelandic and Hawaiian artifacts and relics from Yucatan including a colossal reproduction of a temple. Brigham made short work of all these, and only those historical objects that had some relevance to the books and manuscripts were allowed to remain. He also limited the fields of interest of the library to areas in which it was already particularly strong. Newspapers were one of these, and he not only became an aggressive collector but their chief bibliographer. His *History and Bibliography of American Newspapers, 1690-1820* appeared in 1954—one of the Society's many contributions to bibliographical knowledge, which include *Early American Imprints 1639-1800,* a microprint edition of every extant book, pamphlet and broadside printed in America before 1801.

Purged of what Brigham had decreed were irrelevancies, the Society moved to its present premises in 1910 and settled down to being a research library. Its holdings are still of enormous variety. There are almanacs, ballads, bibles, bookplates, political cartoons, cookery books, city and trade directories, genealogies, maps, topographical engravings, valentines, trade catalogues, music, stereoscopic views, lottery tickets, watchpapers and much else in addition to the books, periodicals and newspapers that cover the history of America from its earliest beginnings to 1877.

And there are the children's books. Before ever I had even worked out where Worcester was I had seen the recurrent initials "MWA" (standing for "Massachusetts Worcester Antiquarian" in the Library of Congress codification) in D'Alté Welch's *Bibliography of American Children's Books Printed Prior to 1820,* indicating that the American Antiquarian Society possessed most of what there was to be possessed. . . . Isaiah Thomas was one of the first American printers to see the commercial possibilities of books to entertain the young, and in the 1780s he had . . . put out Worcester editions of a number of English "juveniles." Some of the originals have vanished from England and are only known in the American editions. Naturally, the AAS is rich in these (though they were not given by Thomas himself, who does not appear to have taken his juvenile publishing very seriously). It is also credited with possessing the most elusive ghost volume in the history of American letters, a collection of nursery rhymes called *Songs for the Nursery or Mother Goose's Melodies for Children,* supposedly published in Boston in 1719, which if found would establish that Mother Goose was a historical figure (the publisher's mother-in-law) and American. The evidence for the book's existence depends on the word of one literary gentleman who apparently saw it in the AAS and who was dead by the time the claim was made in 1860. The Society has in the past searched for it repeatedly, and supporters of the legend have not presumably accepted that the book must have been irretrievably mislaid, if not destroyed. (Such things do happen, of course. A large cache of uncatalogued early children's books were recently found in a cupboard at Boston Public Library, where they had been locked up for a hundred years.)

Despite its air of graceful amateurism, the American Antiquarian Society is steelily efficient, from its reader services to its book conservation. It is, in addition, one of the few American institutions that actually expect to communicate by letter, and it does so by return of post—on paper apparently designed by an eighteenth-century writing master. . . . Other institutions may have librarians with comparable knowledge and expertise, but none put it so generously at the disposal of its readers.●

DEBTOR NATION HYSTERIA

● Mr. WALLOP. Mr. President, since this body is presently considering legislation that will massively overhaul America's trade laws, I would like to include, for the record, an article by Warren Brookes of the Washington Times newspaper called "Debtor Nation Hysteria."

I would commend this article to all of my colleagues as excellent reading material in preparation for the final vote on the omnibus trade bill now before us. I believe Mr. Brookes makes an accurate observation by the title of this piece alone, and his "hysterical" assessment would be even more accurately applied to the behavior of Congress over the subject of trade.

The point Mr. Brookes makes is economically straightforward, but politically unpalatable for those members of this body who have a kamikaze-like desire to punish our trading partners. The point of the article is this: First, most of America's "net debtor" status and our current trade deficit position results from a strengthening of both our economic climate at home—more investment from abroad—and second, our banking position abroad—halting excessive lending to less developed countries [LDC's].

I truly wish more of my colleagues would realize that trade is not an action of governments, it is an action of consumers and business practices affected by governments. Whatever else it is, in free societies at least, it is no salami to be precisely weighed and sliced for delivery at the convenience of governments.

The article follows:

DEBTOR NATION HYSTERIA

Last April, at a Senate banking committee hearing on monetary policy, Democratic Sen. Donald W. Riegle Jr. of Michigan tried to get Federal Reserve Chairman Paul Volcker's support for his protectionist agenda—and it backfired, badly.

Mr. Riegle trotted out his own favorite chart full of blue and red bands of color, showing how the United States has suddenly gone from a $100 billion creditor nation (big band of blue) to a $236 billion net debtor nation (big band of red) over the last four years.

Mr. Riegle said, "The only way to reconcile that kind of debt is to accept the fact that we are going to have a lower standard of living in our economy."

Mr. Volcker obliged Mr. Riegle with appropriate concern about the trend, but stopped way short of agreeing that our "debtor status" would cause a lower U.S. standard of living.

In fact, within minutes, the chairman was agreeing with Texas Republican Sen. Phil Gramm that our standard of living and employment were rising nicely, and that Mr. Riegle's protectionist "solutions" would in fact make things a whole lot worse.

Mr. Gramm, a former economics professor at Texas A&M, gave both the committee and Mr. Riegle a powerful economics lesson:

"Imagine that I have a great big blue-and-red chart on America, like Sen. Riegle's, starting from the year 1620—and beginning in 1620 we have an unbroken, nearly 300-year plain of red ink [debt] as we engaged in the 'horrors of being a debtor nation' from 1620 to 1914.

"By the logic of our distinguished colleague from Michigan, America would have been filled with misery and penury and woe—and yet, from 1620 to 1914, we became the world's greatest trading nation. We became an economic world power and our standard of living grew faster than any other nation's in history.

"So the idea that somehow being a debtor nation is a catastrophe is absolute nonsense."

This, incidentally is the way most nonpartisan economists and financial experts, both here and abroad, viewed the June 23 announcement that the United States was "now the largest debtor nation in the world." In Europe's financial markets it stirred hardly a yawn.

As Heinz Erhlinger of Essen Institute, one of West Germany's Big Five" think tanks, told Hearst's Bernard Kaplan: "Nobody here is having sleepless nights over the U.S. debt."

One of France's leading economists, Guy Laigneux, told Mr. Kaplan that "America's fears about their new status, in which they have been compared to such countries as Brazil and Mexico may prove to be both exaggerated and muddleheaded." His reasons?

First, the lion's share of that "debt" represents willing direct investment by foreign companies in America ($207 billion), direct private ownership of U.S. corporate securities and bonds ($250 billion) and the equally willing deposit by foreign banks in U.S. banks ($400 billion) for the purpose of clearing and factoring in the U.S. financial markets—all signs of the strength of the U.S. economy, and the lure of its now very low tax rates. Indeed, $30 billion of the 1986 rise came entirely from the soaring U.S. stock market!

As Mr. Laigneux put it, "Even though the United States now is the world's most developed nation, it resembles in some important respects the developing nation it was in the last century, as it shifts from the old heavy industries to the advanced technologies. Its potential for growth is unparalleled anywhere else."

No one seriously expects the Japanese, for example, to pull out of its investments in auto plants in California, Ohio, Michigan and Tennessee. Indeed, because of the superstrong yen, Japan is now exporting cars to Europe from America.

As a top British economist, Jock Bruce-Gardyne, told Bernie Kaplan, "The difference is that everybody wants to invest in the United States. Unlike Third World debtors, America hasn't gone hat-in-hand to solicit debt. It's questionable whether Americans can stop the influx of foreign funds even if they wished to."

Even so, as a share of total U.S. economic and financial assets or wealth (now well in excess of $14 trillion) our "net foreign debt" is less than 1.7 percent. That is, if it is being counted accurately, which many doubt, with good reason.

For example, in 1986, the year we supposedly more than doubled our "net debtor position," the actual income we earned on our investments abroad ($90.6 billion) was $22.9 billion more than the income we paid out to foreigners on their investments here ($67.7 billion).

Does that sound like Uncle Sam is really a big deadbeat debtor on the verge of bankruptcy?

During his colloquy with Mr. Gramm back in April, Mr. Volcker told a useful little story.

"I once heard the distinguished finance minister of a foreign country giving a litany of his country's current problems—balance of payments problems, debt and all the rest—and the first question he got asked was, 'Look, back in the 19th century your country was in debt all the time, piling up great balance of payments problems, and the country was doing all right. Why didn't we ever hear about those problems back then?

"The finance minister thought for a minute and then replied: 'No statistics!' "

Mr. Gramm then picked back up on his main them: "Every day we hear this assertion that the United States is exporting jobs, not goods . . . that we lose 25,000 jobs for every $1 billion in trade deficit.

"Yet nowhere do I see anyone proving these propositions. In fact, we have since 1982 created 13 million new jobs, four times as many as Europe and Japan combined. Unemployment in the midst of this ballooning trade deficit has gone down, and the nations that have big trade surpluses have had unemployment go up.

"Then various people will say, yeah, but we're mostly creating jobs making hamburgers, that we're deindustrializing the economy.

"The fact is that from 1972 to 1982, we lost manufacturing jobs, but from 1982 to today we have gained more than 400,000 jobs in manufacturing. Wages, which declined from 1972 to 1982, are rising today. In fact, Japan and Germany are losing manufacturing jobs while we are gaining manufacturing jobs."

In fact, since 1982, U.S. industrial production has been the strongest of the major industrial nations, and has risen 26.2 percent, compared with 20 percent for Japan and 8.8 percent for all of Europe's 12 free countries, with West Germany at 11.8 percent, Britain at 11.5 percent and France at 4.1 percent. (Table I.)

As Jock Bruce-Gardyne put it, "Americans seem not to realize their country is an almost irresistibly attractive proposition to foreign investors for both economic and political reasons." In fact, he added, "One is compelled to conclude that Japan, the miraculous economy, is looking toward the United States as the key area of future economic expansion."

Mr. Gramm then honed in directly on Mr. Riegle's protectionist agenda by asking Mr. Volcker: "Do you see any evidence that a surge of protectionism, the imposition of quotas, tariffs or any limitations on trade . . . would create more jobs in the United States, raise real wages, raise the living standards of our people or enhance the well-being of workers?"

Mr. Volcker's answer was succinct: "No. It would be a threat to our prosperity in the world."

Mr. Gramm re-emphasized his point: "So you would say a movement toward reducing trade through the imposition of protectionism would lead to *lower* job creation, *lower* standards of living, and compound our economic problems?"

Again Mr. Volcker was unambiguous: "Yes."

It's too bad that Mr. Riegle, along with most of press, had ducked out of the hearing just before this "lesson" was delivered to an otherwise packed hearing room, which clearly enjoyed it. Maybe Mr. Riegle and the press knew it was coming.

The point is obvious: The whole "debtor nation" hype has had only two political purposes: First, to promote the protectionists' agenda; and second, to downplay the simply colossal success of the U.S. economy since 1982.

In the process, however, we have been badly disinformed as a nation as to the origins of this so-called "debtor nation" situation, and its actual relationship to our trade deficit.

The plain truth is that the chief reason for our sudden trade deficit explosion from 1982 to 1986 was a complete turnaround in our capital flows in 1982–1985, caused not by a flood of new foreign lending to us, but by a sudden end to our lending to the less-developed countries, caused by the 1982 "debt crisis," as U.S. overseas bank lending plunged from $111 billion a year to $1 billion, from 1982 to 1985. (Table II.)

The result of this turnaround against lending? In 1981, the United States posted a manufactures trade surplus of $28.5 billion with the LDCs. By 1985 this had turned into a deficit of $16.8 billion, a swing of $45.3 billion in just three years. This $45 billion swing directly resulted from U.S. banks ending their bad credit lines to LDCs.

In fact, the only reason the United States was still a "creditor" nation back in 1982 was precisely because the major banks were engaging in such bad lending in the first place, which alone added $150 billion to the U.S. "net creditor" position from 1977 to 1982. Yet in 1982, the nation's total net credit position was only $137 billion. So without the banks' deliberate—and many say profligate—lending to bankrupt and mismanaged countries, we would have been a "debtor" in 1982. (Table III.)

Thus, while our earlier "net creditor" position was built almost entirely on the sands of uncollectible debts from the LDCs, it was ironically the 1982 decision to stop throwing good money after bad that suddenly turned our "net creditor" position into the current "net debtor position." This shows how ridiculous such international accounting terminology can be.

Nevertheless, this sudden sharp shift from creditor to debtor was the main stimulus for exploding the trade deficit, entirely by curtailing exports. In 1986, we ran a shocking $143 billion trade deficit, but imports amounted to only 8.7 percent of our GNP, exactly the same proportions as in 1981.

The whole reason for the deficit, then, was the massive 32 percent relative decline in our exports from 7.8 percent of our GNP in 1981, to only 5.3 percent in 1986.

More than half that export drop came from a 40 percent relative decline in our projected export growth to the LDCs, caused not by the federal budget deficit, nor by any "loss of competitiveness," nor by "unfair trading practices," but by the simple dynamic of financial survival for the major U.S. banks.

In summary, then, most of our present vastly overhyped "net debtor" status, and our current trade deficit position results from a strengthening of both our economic climate here (attracting more investment from abroad) and our banking position abroad (stopping excessive lending to deadbeat LDC debtors).

As Mr. Gramm argued, this is hardly cause for the kind of silly hysteria we hear routinely from The Washington Post, and their muppets on the network news.●

THE EMANUEL PIETERSON HISTORICAL SOCIETY

● Mr. MOYNIHAN. Mr. President, I rise today to commend the Emanuel Pieterson Historical Society. This Harlem-based historical society, chartered by the New York State Department of Education in 1975, has worked to achieve racial harmony by defining and preserving the contributions of Afro-Americans to domestic life in New York State and the Nation.

This year, the Emanuel Pieterson Historical Society has announced an essay contest for New York high school students. The topic of the essays will be "Emanuel Pieterson," a free black man descended from slaves who in 1661 petitioned the Governor-General of New Amsterdam. In studying this figure, from whom the society takes its name, the students will be a part of the group's central goal to try and eliminate the negative images and misconceptions of published accounts of American history and the role of the Afro-American.●

ORDERS FOR TOMORROW

VOTE ON CLOTURE TO OCCUR AT 10:30 A.M.

Mr. BYRD. Mr. President, I ask unanimous consent that the vote on cloture tomorrow occur at 10:30 a.m.

The PRESIDING OFFICER. Is there objection to the request?

Mr. DOLE. Is that the vote on Bumpers-Danforth?

Mr. BYRD. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MANDATORY QUORUM CALL WAIVED

Mr. BYRD. Mr. President, I ask unanimous consent that the mandatory quorum call on tomorrow be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL TOMORROW AT 9:30 A.M.

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stands in recess until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that the time during the hour on tomorrow be equally divided between the distinguished Republican leader and myself.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that no amendments be in order during that hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that Senators may, during that hour, speak out of order and that they may be permitted to introduce bills and resolutions as though in morning business, if they so desire.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, if no Senator seeks recognition, we will all go home.

Did the distinguished minority leader have anything further?

Mr. DOLE. No.

RECESS UNTIL TOMORROW AT 9:30 A.M.

Mr. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9:30 tomorrow morning.

The motion was agreed to, and the Senate, at 11:15 p.m., recessed until Wednesday, July 15, 1987, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate July 13, 1987, under authority of the order of the Senate of February 3, 1987:

DEPARTMENT OF STATE

Stephen J. Ledogar, of Connecticut, a career member of the Senior Foreign Service, class of minister-counselor, for the rank of Ambassador during the tenure of his service as U.S. Representative to the European Conventional Arms Negotiations and the Representative of the United States of America for Mutual and Balanced Force Reductions Negotiations.

Leonard Rochwarger, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Fiji, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Tonga, Ambassador Extraordinary and Plenipotentiary of the United States of America to Tuvalu, and Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Kiribati.

Theresa Anne Tull, of New Jersey, a career member of the Senior Foreign Service, class of minister-counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Co-operative Republic of Guyana.

James B. Moran, of Virginia, a career member of the Senior Foreign Service, class of minister-counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Seychelles.

FEDERAL HOME LOAN BANK BOARD

Roger F. Martin, of Wisconsin, to be a Member of the Federal Home Loan Bank Board for the remainder of the term expiring June 30, 1989, vice Lee H. Henkel, Jr., resigned.

NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS

William F. Sullivan, of Virginia, to be a Member of the Board of Directors of the National Corporation for Housing Partnerships for the term expiring October 27, 1989, vice Edward Sulzberger, term expired.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Charles D. Franklin, [redacted], U.S. Army.

The following-named officer for appointment to the grade indicated, under the provisions of title 10, United States Code, section 601(a), in conjunction with assignment to a position of importance and responsibility designated by the President under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. Harold M. Davis, Jr., [redacted] U.S. Army.

The U.S. Army Reserve officer named herein for promotion as a Reserve commissioned officer of the Army, under the provisions of title 10, United States Code, sections 3371 and 3380:

To be brigadier general

Col. John Ronald Carey, [redacted].

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of sections 593 and 8379, title 10 of the United States Code. Promotions made under section 8379 and confirmed by the Senate under section 593 shall bear an effective date established in accordance with section 8374, title 10 of the United States Code (effective dates in parentheses).

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. Jerome T. Bellen, [redacted] (4/15/87).

Maj. Stephen M. Blanchard, [redacted], (4/7/87).

Maj. Graham J. Carter, [redacted] (2/27/87).

Maj. Gerald D. Czarnowsky, [redacted], (4/1/87).

Maj. Robert R. Foster, [redacted] (4/3/87).

Maj. Jorge J. Galoffin, [redacted] (3/20/87).

Maj. Leonard L. Gillan, [redacted] (4/11/87).

Maj. Ronald A. Henry, [redacted] (4/3/87).

Maj. Daniel James III, [redacted] (3/19/87).

Maj. Thomas R. Johnson, [redacted], (3/30/87).

Maj. Herschel J. Knapp, [redacted] (3/21/87).

Maj. Michael J. Nethery, [redacted] (3/20/87).

Maj. Glenn T. Orr, [redacted] (4/4/87).

Maj. Thomas G. Robey, [redacted] (10/31/86).

Maj. Julio Rodriquez-Butler, [redacted], (3/20/87).

Maj. Robert D. Root, [redacted] (4/16/87).

Maj. Robert E. Shepherd, [redacted] (4/5/87).

Maj. Dale W. Sorensen, [redacted] (3/31/87).

MEDICAL CORP

To be lieutenant colonel

Maj. Paul L. Diokno, [redacted] (3/19/87).

Maj. Alfonso A. Madarang, [redacted], (3/14/87).

DENTAL CORP

To be lieutenant colonel

Maj. Donald G. Smith, Jr. [redacted], (3/7/87).

IN THE ARMY

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 3353:

MEDICAL CORPS

To be colonels

William D. Anderson, [redacted]
James S. Harvin, [redacted]
Robert C. Leaver, [redacted]
David F. Piro, [redacted]
John S. Romine, [redacted]
Donald R. Smith, [redacted]

To be lieutenant colonel

Edilberto M. Birung, [redacted]
William M. Coleman, [redacted]
Walton W. Curl, [redacted]
Emmett W. Flynn, Jr., [redacted]
Donald M. Gelb, [redacted]
Stephen I. Goldware, [redacted]
Eduardo E. Pavon, [redacted]
Michael Polsky, [redacted]
Jack E. Reagan, [redacted]
John G. Rowley, [redacted]
Hossein C. Sobhani, [redacted]
Narain Srivastava, [redacted]
James R. Tillotson, [redacted]
Francisca A. Tolete-Velcek, [redacted]
Arthur C. Ungerleider, [redacted]
Lloyd A. Walwyn, [redacted]

IN THE NAVY

The following-named ex-U.S. Navy officer to be appointed a permanent commander in the medical corps of the U.S. Naval Reserve, pursuant to title 10, United States Code, section 593:

William Brown Deal

The following-named lieutenant in the staff corps of the Navy for promotion to the permanent grade of lieutenant commander as indicated, pursuant to title 10, United States Code, section 628, subject to qualifications therefor as provided by law:

CHAPLAIN CORPS

Donald Patrick Greene

The following-named lieutenants in the line of the Navy for promotion to the permanent grade of lieutenant commander, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

UNRESTRICTED LINE OFFICERS

Aasland, Ronald Lee
Abbott, Gary Martin
Abelein, Carl H.
Abernethy, Thomas
Ackerman, Mark Thomas
Adams, Vance Hiro
Adell, Allan Arthur
Aiken, Donald W.
Akers, Mahlon Edward
Albertson, George Scott
Alexander, John D.
Alexander, Rhonda Janie
Algert, David Christian
Allen, N.L.
Alvite, Joseph Alfredo
Amicarella, John Michael
Amos, Kevin S.
Anderson, Debra Kay
Anderson, John P.
Anderson, Steven Schuyler
Andress, Thomas R.
Anhalt, Scott Timothy
Armour, Sharon Leigh
Armstrong, Daniel Squires
Aroney, Michael Joseph
Ash, William Edward
Asmus, Robert Bryant
Atchison, Gregory Francis
Atkins, Douglas Elliott
Atkins, Timon Hayden
Avila, Nancy Lynn
Azama, stacy Setsumi
Babcock, David A.
Badgett, Robert B.
Baines, William Wilson, III
Baker, William Keith
Balzer, Gregg Allen
Barber, Matthew E.
Barber, Thomas Allan
Barcus, Richard Scott
Barnes, Steven B.
Barry, Philip Church
Bartlett, David Bruce
Bartley, Welrose Ernest, II
Basch, Raymond Michael
Basford, Michael Stephen
Basile, James Francis
Batey, Dale R.
Baxter, John William, Jr.
Bayes, Howard Sheley
Baylor, Bradford Harlow
Beaman, Gerald Roger
Beckman, Patricia Lea
Bedford, Richard Carlton
Beener, Rebecca Jo
Behrens, Christopher Karl
Bell, John Richard
Benham, Timothy Lane
Bennett, Thomas A.
Berg, Christopher Joseph
Berg, Paul Douglas
Berger, Steven M.
Bergjohnsen, Jon F.
Bernard, Michael H.
Berthold, Dudley Bryant
Betts, David Lowry
Bevins, Michael James
Bickmore, Corey Dee
Billy, George H.
Blair, Leslie Allison
Blair, Philip Wayne
Blasczyk, William Michael
Bloomquist, James Donavon
Bobbitt, Richard Brien
Boensel, Mark Stephen
Bole, Bruce S.
Bolton, Clinton Stafford, Jr.
Bolyard, Roberta Bess
Bond, William George
Bonwit, Willard R.
Borza, Michael Jay
Boster, Norman B.
Bowersox, Kenneth Dwane
Bowling, John H.
Bowman, David Bruce
Boyer, Jane Denise
Brady, Thomas Henry, Jr.
Bragg, Terry Arthur
Brannon, Michael William
Brauer, Bob Allan
Brennan, Kevin Patrick
Brennan, Philip C.
Bridges, Stephen Daniel
Briganti, Steven Leet
Brockington, James E.
Brooks, Joseph Arthur
Broska, Dennis NMN
Brothers, Daniel Glenwood
Brown, David P.
Brown, Pamela Merry
Brown, Robert Martin
Bruce, David W.
Bruckwicki, David
Brutzman, Donald
Buck, Robert Berkley
Bump, Richard W.
Bunce, Thomas William
Burgess, John A.
Burgess, Lynn Mary
Burgunder, Cynthia Koehler
Burgunder, Mark Gerard
Burke, William R.
Burkhard, David Alan
Burrismeyer, Peter Winthrop
Burrows, William John
Burton, John Timothy
Burton, Ronnie A.
Buss, David H.
Buss, Michael D.
Butler, Sandra Marie
Butler, Susan Hartley
Buzby, Mark Howard
Byers, Keith John
Byrum, Warren Russell
Calder, Alexander Walcott
Caldwell, Eric R.
Call, Kevin Bruce
Cameron, David Mason
Campbell, David G.
Campbell, James Kendall
Campbell, William Henry
Canaday, John L.
Caps, John Christopher
Carey, Kevin Michael
Carl, Michael Joseph
Carman, Alan Lee
Carmody, Patrick Brendan
Carpenter, Jeffrey Donald
Carr, James M.
Carriker, Michael Hardin
Casey, James Joseph
Casey, John Stephen, III
Casey, Michael Scott
Cayabyab, Nelson Marzan
Ceckler, John E.
Chadeayne, Donald James
Chapman, Kenneth J., Jr.
Chapman, Richard
Cheezum, Kevin R.
Chmiel, Patricia Ann
Christensen, Jack Arthur
Christie, David William
Ciochetto, Lewis Joseph
Clager, James P.
Clark, Brian Gordon
Clark, Elizabeth Kathleen
Clark, James Lonial
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Clemens, Janeen West Igou
Cody, Steven Earl
Cofsky, Darrell L.
Cohoon, John E.J.
Coldiron, Mary Crabb
Colmer, Philip Henry
Combs, Billy Glenn
Concannon, Tonya Jo
Conroyd, Jack Howard, Jr.
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Coppic, John Mark
Cordt, Rodney Jay
Cortese, Anthony Thomas
Cothron, Elizabeth Sipek
Cowen, Craig H.
Cox, Keith Howard
Coy, William R., Jr.
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Cramp, Bernard J.
Crawford, Stephen Michael
Crowley, Thomas D.
Crumplar, Robert Keith
Cullen, Mary Miller
Cummings, Paul David, Jr.
Cunningham, Janet Lauren
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Curtis, Robert Michael
Curtis, Stephen P.
Cush, Terrance Albert
Cyrway, Christopher B.
Dailey, John Michael
Daly, John Joseph
Daniel, Eddie Whitfield
Daniel, Michael V.
Danley, Mark Stewart
Dassler, Dale Melvin, Jr.
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Davidson, Adam H., Jr.
Davidson, Cindy Marie
Davis, Charles William
Davis, Curtman Kenneth
Davis, Lawrence Mark
Davis, Martin Neil
Davis, Sally Ann
Davison, Timothy Lee
Dawson, Charles F.
Dearolph, Douglas James
Deloach, Jay Allan
Delvecchio, Anne Marie
Demps, Millicent Gail
Dempsey, Chris Ray
Denaro, Louis Francis
Destafney, Kathryn Louise
Deutsch, Kenneth William
Devonchik, Jeffrey David
Diase, Sylvia NMN
Dickman, Jeffrey Kent
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Diggs, Donald G.
Digirolamo, Vincent
Dillard, James Louis
Dimaggio, Kathryn Anne
Dipaola, Patrick Samuel
Dirickson, Robert Stephan
Disbrow, Marilyn Corrine
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Donlon, Kevin C.
Dooley, William
Dossel, Carl W.
Doucette, Paul A., Jr.
Dowel, Stephen Bond, Jr.

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Drake, William Randel
Drash, Robert Wayne
Dreon, John William, Jr.
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Drury, Kim Marie
Dubberly, Rickey Lynn
Ducharme, Lee Joseph
Dugene, John T.
Dunkin, William M.
Dupuy, Nan Beryll
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Durham, Richard Wade
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Flanagan, Glenn
Flanderswurzel, Moira Noreen
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Moon, David Brian
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Morrison, David B.
Morse, Thomas Whalen
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Mostert, Justin Raymond
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Moy, Michael F.
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Murray, Michael Johnson
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Myers, Robert J.
Nalley, Charles Jeffrey
Nash, William P., Jr.
Nault, Mark S.
Neary, Gregory Donald
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Nix, David Edward
Nixon, John A. Hesser
Nolan, Richard James, Jr.
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Normand, Mitchell W., Jr.
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Nowell, Richard Douglas
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O'Bryan, Michael S.
O'Connor, Patrick Edward
O'Donnell, John H., III
O'Hara, Patricia Ann
Olsen, Kevin Roy
Olsen, Larry B.
Olsen, William Arthur
Olson, Jeffrey K.
Omdal, Richard Arden
Orzalli, John C.
Osman, Catherine Howes
Oswald, Donald Joseph, Jr.
Ott, Timothy Mark
Ourlian, Dennis NMN
Overcash, Charles Edward, Jr.
Overfield, Gary L.
Owens, James Cornell
Page, Richard Lynn
Painter, John E.
Papapietro, Antony Frank, Jr.
Paradise, Seth Foss
Parson, Gary Paul
Parsons, Peter S.
Pasztalaniec, Matthew Scott
Paulson, Alan Richard
Pedersen, John Barry
Peppard, Michael Dennis
Peppe, Patrick Kevin
Pernell, Eleanor Kirkpatrick
Petersenoverton, Mark David
Peterson, John S.
Peterson, Joseph Carl, Jr.
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Phillips, Lawrence Edward
Phillips, Richard M.
Philman, David L.
Pickart, Craig John
Pierson, Mark Alan
Pietsch, Charles Paul
Pietsch, Paul M.
Plencner, John G.
Plucker, Ronald Christian
Pochron, Barry J.
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Ponsolle, George Leopold, Jr.
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Porcelli, Arthur R., Jr.
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Price, Lester L.
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Prince, Lloyd O.

Proctor, Edward Leo, III
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Quatroche, Anthony Joseph
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Ranstead, Robert A.
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Rathbun, Robin Eugene
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Reese, Howard F.
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Roller, Charles Gail
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Rosa, John S.
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Roy, Michael Lewis
Rubenstein, Thomas Garie
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Schlenker, Keith Ray
Schneider, James Eugene
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Schultz, Douglas
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Selekman, Robert James
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Shaddix, Anthony
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Shumaker, Michael Robert
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Trudell, Tom Craig
Trygstad, Raymond Edward
Tucker, Lance Norman
Tungett, David Wayne
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Burgess, Eric Clyde, Jr.
Clark, Thomas Frederick
Cowart, Henry L.
Craig, Jack Talton
Deets, Edward H., III
Delorey, Richard L.
Ellis, Cecilia J.
Farnsworth, Dale C.
Greene, Martin Roy
Haggard, Terry Wayne
Harding, Susan Kaye
Harris, Basil N.
Henderson, Brian James
Henderson, Michael Nolden
Herlihy, Thomas Philip
Kelly, Kevin Michael
Lange, Michael Prescott
Larocque, Nancy Neider
Ledesma, Alfred
Lewandowski, James John
Libby, Richard Scott
Libby, Susan Margaret
Ludwig, Keith William
MacDougall, David Russell
Malchow, Larry Paul
McFadden, Joseph Stanley
McNally, Patricia Ann
Meadows, David Edgar
Morrison, Robert Edward
Muniz, Joe Louis, Jr.
Orem, Veronica Budacki
Paluszek, Stephen Edward
Parente, Christopher L.
Phillips, Laurence Mentor, II
Reed, Vernon Daniel
Rohde, William Elwin
Sablan, Francis Edward
Scott, George Robert
Seavey, Kevin Powell
Sexton, Joanne
Shareno, David Peter
Smietana, Stephen Thomas
Stabach, Carolyn Marie
Starski, Roger Paul

SPECIAL DUTY OFFICERS (INTELLIGENCE)

Amer, Mohamed Youssef
Bill, James Fordney
Beyer, Louis J.
Bitton, Vernal Roy
Bladuell, Mario R.
Boggs, Ann Mumma
Bozzo, Robert Alan
Bung, Wayne Lyle
Carter, Emmett Palmer
Cool, Thomas Clark
Creasy, David Wayne
Farrell, Kevin Clark
Fox, Dennis R.
Gallardo, Gregory Frank
Hizenskiamarantides, Amy Lin
Huddleston, Robert
Hunsaker, Christopher James
Johnson, Mary Alice
Kelly, Stephen David
Klauberg, William Joseph, Jr.
Kurowski, John Michael
Lambrecht, Ronald Anthony
Loughery, Herbert Anthony
Mackey, Sue Warren
McIntyre, Robert Francis
McKay, Leonard Walter
Moot, John Howlette
Morgan, Frederick Nathan
Murrow, Kevin Patrick
Niemeyer, John Peter
O'Brien, Peter Alexander
Olivier, Donald Andrew, Jr.
Quigley, Mary Catherine
Reiske, William Francis
Rocker, Jeffrey Nmn
Runyan, Albert Damon
Schaffer, Gary Ray
Schuler, Paul Arthur
Siege, Steven Theodore
Smith, Stephen Eric
Sprowls, Laura Joyce
Stearns, Sandra Lynne
Thomas, John Waties, Jr.
Ussery, Darrell Gene
Vetter, Linda Joan
Ward, Thomas Spencer
Welch, Thomas Mark

SPECIAL DUTY OFFICERS (PUBLIC AFFAIRS)

Anderson, Robert Kolb
Blackington, Mark Randall
Burnett, Stephen Brian

Franklin, Charles Milton
Long, Aaron IV
Smallwood, Jeffrey Patrick
Smith, John Morgan
Stairs, Sandra Jean

SPECIAL DUTY OFFICERS (OCEANOGRAPHY)

Bacon, Jeffrey Lewis
Buchanan, Arland Douglas
Clendening, Michael Robert
Coolbaugh, Eric Jay
Curtis, John E.
Furze, Peter William
Garcia, Frank William, Jr.
Garciadequevedo, Margarita
Heishman, John Loren
Jones, David William
Jones, Henry
Korcal, James Hoyt
Kreyenhagen, Michael Ernest
Lilly, Craig Douglas
McCarren, David Hilton
McShane, David William
Oard, Virginia Therese
Renaud, Philip G.
Scanlon, Randy James
Shield, Kathy Ann
Soper, Daniel Joseph
Stewart, Michael Ramsey
Stpierre, David Brian
Taggart, Douglas Michael
White, Charles Munson
Williams, Brian James

LIMITED DUTY OFFICERS (LINE)

Abbott, Michael James
Anderson, Daniel Robert
Anderson, Ronald Dale
Andrus, Leslie Edwin
Armitage, Robert Allen
Ashton, Alfred Joseph, Jr.
Aumont, Donald Ridgeway
Axline, Michael Dennis
Barbour, Robert G., Jr.
Barnett, Tedd Lewis
Barrett, Jeffrey G.
Belton, David A.
Bilskis, Richard Allan
Bixby, Roy Kenneth
Booth, Silas C., Jr.
Brown, Danny Reginald
Brown, Michael R.
Buchan, James Donald
Bumgarner, Gary Wayne
Burgart, Gary Lee
Burke, William Charles, Jr.
Callender, Carl Thomas
Cantin, Roland L.
Carpenter, Dennis Ray
Casto, Wallace R.
Cecil, David B.
Channell, James Allen
Chaput, Donald Louis
Chasse, Philip Conrad, Jr.
Cloutier, Joseph Roger
Coley, Henry Earl
Comp, Ralph Bernard
Cook, Arthur Richard
Cook, Sherwood E.
Cosper, Gary Wayne
Crimmins, Lloyd Eugene, Jr.
Crisler, Robert Bruce
Crosley, Michael Wayne
Daniel, Stephen James
Davidson, Michael Lee
Decastro, Ernesto Macaspac
Derrick, Jay
Deyoung, John, Jr.
Diamond, Robert
Dillon, Veon Richard
Donzella, John Richard
Driscoll, Ernest Patrick
Dunn, Edward Patrick
Dykes, James Glover
Elder, James Cleveland
Elkins, Gerard W.
Emmons, Randall Gerald
Ennis, Harry Esley, Jr.
Esker, Robert D.
Ewing, William Albert, Jr.
Ezzell, Richard L.
Fernald, Brent Alan
Ferrell, Douglas McCoy, Jr.
Fischer, Kip Victor
Ford, Stephen Gary
Fraczak, Larry Francis
Gardiner, Eddie Joseph, Jr.
Goodbred, Timothy Evan
Gradwell, Edward James, Jr.
Graves, Richard Tim
Hall, Richard Thomas
Hamilton, Charles R.
Hampton, Robert Lavis
Handley, Terry Duane
Hannah, Harold W., Jr.
Hassell, Daniel A.
Helms, Richard C.
Herman, Richard William
Higgins, Richard Louis, Jr.
Hinojosa, Jesse NMN
Hlinka, Gregory
Hohl, Thomas Kent
Hopkins, Steven W.
Hoskins, Bruce Wayne
Houghton, Robert Conrad
Howe, John F.
Hyman, Stephen George
Jenkins, David Lloyd
Johnston, William Repko, Jr.
Jones, John Wayne
Jones, Rick Martin
Karr, Kenneth Edward
Kiehne, Gerald John
Kimbro, Phillip Gwinn
King, William Daine
Kinneman, Gregory Duane
Lamont, Dwight Edward
Landry, Henry Georg, Jr.
Legare, Arthur Edwin, Jr.
Leware, Bentley Charles
Loporto, Gerald Edward
Malone, Dennis F.
Manning, Steve Alan
Marshall, James Odis
Martin, John Lawrence
Martin, Timothy Vaughn
Massey, Donald Wray
McCarthy, Patrick Michael
McCready, Daniel Hugh
McCullough, William Fay, Jr.
McQuay, Edgar NMN, Jr.
Meierotto, Vernon Clifford
Moses, Clyde Douglas
Myers, Robert Harrison
Nelson, Robert Loren
Nevin, Robert Wilson
Pauls, Rodney Keith, Jr.
Payne, Edward
Pennington, Charles Daniel
Perez, Rolando Santos
Pomeranz, Henry D.
Quale, Theodore John, Jr.
Reher, Laurence William, III
Reily, Philip Key, III
Rill, Louis Friedrick
Roberts, James Francis
Rohren, Lathan E.
Ross, Thomas Edward
Rousseau, Lester Gene
Rubink, Gerald Dean
Schlink, Thomas Charles
Schukraft, Keith Barry
Scott, John B.
Scranton, Michael Stephen
Sepulveda, John
Simons, Thomas Paul
Smith, Clifford Anthony
Smith, James C.
Smith, John Martin
Sokolik, James Otto
Soper, Robert Taylor
Sprague, Robert William
Squires, Clifford Erwin
Starnes, Winford Hubert, Jr.
Stewart, Richard Arden
Stewart, Roger Franklin
Stiles, Philip A., Jr.
Stone, Richard Cyril Jr.
Teague, James Edward
Thomas, Clarence Augustus, Jr.
Thompson, Mike
Thompson, Thomas Carl
Throop, David P.
Tierney, Paul James
Tomlinson, Gerald Edward
Turner, Shelby Joe
Tyre, Odeen Ladale
Underwood, Jon Harland
Vanleeuwen, Fredrick Gerard
Vermette, Paul Michael
Watkins, Richard Harold
Williams, Robert Anthony
Wilson, William L.
Wood, Gary Willard
Yankovich, Edward Paul, Jr.
Zaleski, Peter Paul
Zbaeren, William Dale
Zuchero, William John, Jr.

EXTENSIONS OF REMARKS

SKELTON ADDRESSES PROBLEMS OF RURAL AMERICA

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. SKELTON. Mr. Speaker, this last Tuesday I had the opportunity to address the Missouri Essential Services Association in Jefferson City, MO. The Missouri Essential Services Association is a new organization designed to help meet the needs of rural Missouri and I commend them on their efforts.

Rural America is extremely important to this Nation and as chairman of the Rural Caucus, I am concerned about the future of the rural areas of our country. My address to the group Tuesday is as follows:

REMARKS OF CONGRESSMAN IKE SKELTON TO THE MISSOURI ESSENTIAL SERVICES ASSOCIATION

As many of you may know, I have just begun my second two-year term as Chairman of the Congressional Rural Caucus. This position gives me the opportunity to serve as a spokesman in Congress on issues of concern to Rural America. In addition, it allows me to work closely with the members of the Caucus in raising the concerns of Rural America with the large majority of our colleagues in the House of Representatives who represent urban and suburban areas.

This is an extremely important function for the Caucus. Those of us who represent rural districts in Congress are badly outnumbered in the House of Representatives—we comprise less than a quarter of the total membership. We cannot "go it alone" on legislation. We need the help and support of our colleagues from other areas.

As you might expect, a major part of our message in recent years has been the serious agricultural financial crisis and how it extends far beyond the farm. We have outlined the threat to rural small businesses, and to rural communities and institutions. We have emphasized the link between the rural economy and the economic health of the cities and suburbs. The recent announcement that Allis-Chalmers is seeking protection under Chapter 11 of the Bankruptcy Code is only the latest manifestation of this effect. Indeed, I was recently informed that in two years, John Deere will be the only company manufacturing farm tractors on U.S. soil. This retrenchment by agriculturally-related industry means loss of jobs and income to U.S. workers in urban areas. In an economy where nearly one out of every five private sector jobs is related to agriculture or food production and distribution, this trend is not to be taken lightly.

It's the rural economy that I want to discuss today, however, because that's where the effects of the agricultural financial crisis are most direct, and most severe. In recent years, we have seen numerous rural bank failures, rural small businesses forced to shut their doors and board their windows, and the quality of life in rural communities declining. The erosion of the tax base in rural communities threatens schools, local governments, and the delivery of essential services such as health care, police and fire protection, electricity and water. In short, the very existence of many rural communities is threatened.

Those of us here today share a common goal: the preservation and reinvigoration of rural America. You in the Rural Missouri Essential Services Association serve in the front lines of this effort—the actual delivery of basic necessities like electricity, water and fire protection to hundreds of thousands of rural Missourians. You play an important role by bringing the special problems of rural America to the attention of Congress and by offering reasonable solutions to those problems.

In recent years, we have had our work cut out for us. The policies of the current Administration show, at best, benign neglect of the unique needs of rural areas. Just once, when the President gives a major policy address, like the State of the Union Address, I would like him to at least mention rural America. Our economic problems should not be glossed over. It should be obvious that the national economy cannot fully recover until the rural economy is once again on the move.

However, during the past six years federal programs that could help trigger the recovery in the rural economy we so desperately need have not fared well. The budgets of the Farmers' Home Administration's water and sewer program, essential community facility program, housing programs and business and industry programs have experienced deep cuts. The Rural Electrification Administration, which transformed the face of rural America and which can be a valuable asset in future rural development efforts, has been targeted by the Administration for privatization.

The budget submitted to Congress in February, proposed more of the same. But an overwhelming bipartisan majority of Congress soundly rejected this proposal. After months of hearings and careful deliberations, we fashioned a responsible budget that recognizes the legitimate federal role in stimulating the rural economy. It is my hope that legislation implementing this Congressional budget will not be vetoed. We need cooperation, not confrontation, if we are to deal with the many important issues facing this country, including how best to bring prosperity to rural America.

When the 100th Congress convened in January, most observers believed rapidly rising expenditures and a continuing high rate of farm foreclosures would force Congress to reopen the Farm Bill. But it doesn't appear this is going to happen. Many feel that the Farm Bill, even though imperfect, should be given more time to work. Moreover, no consensus has developed around an alternative to the present program.

This might not be good news as far as some of you who are involved in farming are concerned. But because we are not preoccupied with "fixing" the farm bill this year, Congress now has time to focus attention on both long-neglected and newly emerging rural problems. These problems include a lack of transportation resources, the erosion of the rural infrastructure, the deterioration of the rural health care system and the pressing need for rural development.

The last two areas I mentioned, health care and rural development, are highest on my own agenda at this time. The rural health care system continues to be plagued by a number of problems which have always existed-like a shortage of physicians and other health care professionals. However, in recent years we have also seen a whole new set of problems arise in rural America as unintended consequences of what I believe has been, overall, a necessary and successful effort by Congress to change the way Medicare pays providers.

I was among the first members of Congress to recognize this problem. In March, 1985 I chaired an Aging Committee field hearing in Jefferson City that collected evidence that a new Medicare payment system was making it difficult for many rural senior citizens to receive appropriate inpatient care and endangering the survival of many rural hospitals. As a result, I introduced legislation that would adjust the payment system to assure that rural hospitals do not receive lower payments from Medicare simply because of their locations.

My efforts in this regard continue. This year I joined several of my colleagues in forming a new Rural Health Care Coalition in the House of Representatives. The goal of the Coalition is to provide a better voice for the rural perspective as health policy is debated in Congress and implemented by the Department of Health and Human Services. In April the Coalition introduced a package of legislation designed to make the Medicare system more responsive to the special circumstances of rural hosptials and physicians and, ultimately, to the special needs of elderly rural Americans.

Being from rural America, we all know that the agricultural economy is the keystone of the rural economy. But we also know it is not the only component. We need the jobs and income generated by small industry and small retail businesses. We won't have a strong rural economy without a strong agricultural economy. But a diversified rural economy, with strong industrial and business sectors, can help us survive a downturn in the agricultural economy without fear of losing our rural way of life.

That's why rural development is my other personal priority. I have cosponsored two bills that take different approaches to improving the federal effort in regard to rural development.

The first bill, H.R. 2600, is designed to provide greater emphasis on rural development within the Department of Agriculture. It would redesignate that Department as the Department of Agriculture and Rural Development and create within it a Rural Development Administration.

The function of the Rural Development Administration would be to improve the coordination and efficiency of rural development and assistance programs that are currently run by about 20 different federal agencies. In addition, the bill would establish block grants to provide seed capital for private sector investment and to meet rural infrastructure needs.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

I am especially enthusiastic about the second bill I have cosponsored, H.R. 1800, the Rural Area Revitalization Act. It has a modest price tag of about $80 million, which is important in light of our ongoing federal budget deficit problems. But most importantly, the bill would encourage economic diversification and entrepreneurship in rural areas, which I believe are the keys to making rural and small-town America more prosperous.

The Rural Area Revitalization Act would build on the Rural Development Loan Fund, or RDLF, which was authorized by the 1985 Farm Bill to make loan capital and technical assistance available to rural businesspeople through non-profit rural development agencies. Specifically, the bill would:

Increase the loan capital available through the non-profit development agencies by $20 million per year;

Create a $25 million per year grant program for business capital and public improvements;

Authorize a new $25 million per year grant program to assist the non-profit development agencies in searching out new business opportunities for existing and prospective entrepreneurs; and,

Provide $10 million per year to assure safe, affordable drinking water supplies for rural residents without access to public water supply systems.

Before I close, I want to commend the Association of Missouri Electric Cooperatives for their efforts in the rural development area. By establishing the Rural Missouri Cooperative Finance Corporation as a wholly-owned subsidiary to facilitate the flow of private capital to rural service units, the Association is making a major contribution to rural economic development. If we are to attract new industry and new jobs to rural areas, we must have reliable electric, water, sewer, and fire protection services. Bringing in private capital to help address these needs is an important step forward in the struggle to revitalize our rural areas.

With the 1988 presidental campaign heating up, and with the state of Iowa being one of the important first contests, the coming months present us with the best opportunity we are likely to have to focus attention on the whole range of problems facing rural America. If we strike while the iron is hot, I am optimistic that we can succeed. Only by working together can we truly protect essential rural services and to expand opportunity for all rural Americans.

Rural America has a proud history; in fact, it's a major part of our American heritage. It is something I personally think is worth saving. As individuals, we must work to see that our children do not lose sight of their rual roots.

As a life-long resident of a community surrounded by farms, and a former Prosecuting Attorney in a basically rural county, I have always been impressed by rural young people. They are self-reliant, dedicated, respectful of the rights of others, and willing to work hard to achieve success in the world. This owes in no small part to the upbringing they receive on the family farm. These are values that are an important part of the social fabric of America. They are values our nation cannot afford to lose.

Years ago, William Jennings Bryan said, "Burn down your cities and leave our farms, and your cities will spring up again as if by magic; but destroy our farms and the grass will grow in the streets of every city in the country." Bryan may be exaggerating, but we must not allow this theory to be put to the test.

While the past decade has not been good for small-town America, we certainly have the resources to turn it around. Only by the combined efforts of all of us here today, can we bring prominence and prosperity back to rural America. There is much to be done; let's get to work!

COMMENDATIONS TO C. WAYNE WOOD AND CLAYTON RECORD

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. BROWN of California. Mr. Speaker, I would like to share with you a history. It is a history of community service, family life, and corporate success. It is a history of two outstanding gentlemen from my district who are to be honored by the California Inland Empire Council Boy Scouts of America. These two outstanding members of the community are C. Wayne Wood of San Bernardino County and Clayton Record of Riverside County.

Wayne Wood was born in Phoenix, AZ and raised in San Bernardino, where he was graduated from high school. He is a U.S. Army veteran. Wayne is married and has two children, Patty and Mark. Wayne has achieved corporate success and is now the regional vice-president for a company which is very active in my district, First American Title Insurance Co. Wayne is a member of the Optimist Club and director of the San Bernardino Civic Light Opera. He has received numerous community service awards in the past, from such organizations as the YMCA and the Boy Scouts of America.

Clayton Record is the senior vice-president, Government and Client Relations, for NBS/Lowry. Mr. Record's position requires him to make many decisions which involve a detailed knowledge of city, state, and local government. He has been a member of the San Jacinto School Board, and is extremely active in civic and environmental causes. Clayton is married and has four children: Mike, Randy, Keith, and Nanciana. He has chaired the Community Development Organization and the Riverside County School Boards Association, strengthening the community of which he is such an integral part.

Mr. Speaker, we need men like Wayne Wood and Clayton Record. They are what America is all about: dedication, family life, and community service. I commend the California Inland Empire Council Boy Scouts of America for selecting two most deserving Americans to be honored this Thursday, July 23, 1987.

HONORING THE CHAMBER OF COMMERCE OF MEXICAN LADIES OF CALIFORNIA

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. TORRES. Mr. Speaker, I ask my colleagues to join with me today in honoring the Chamber of Commerce of Mexican Ladies of California. On Saturday, July 25, 1987, the club will celebrate its 30th anniversary at a special installation and awards banquet.

The incoming board of directors of the Chamber of Commerce of Mexican Ladies of California are Mrs. Esther Saucedo, president; Mrs. Rosario Villareal, vice president; Mrs. Martha Caballero, treasurer; Mrs. Bertha Aguilera, director; and Mrs. Rosario de Losa, director.

It is important to note that the members of the Chamber of Commerce of Mexican Ladies of California conduct many charitable and civic projects in order to provide scholarships for low-income youth. Annually, this club sponsors low-income students from area high schools. This year the chamber will award five scholarships. Two of these scholarships will go to students at Casa Victoria, a half-way house for teenage girls located in Whittier and these will be awarded to students at Theodore Roosevelt High School in east Los Angeles.

In addition, the chamber will honor three of its members with special awards. Mrs. Linda Vargas, principal of Valencia Elementary School in the El Rancho Unified School District and Mrs. Esperanza Reyes, principal of the Escuelas Tecnicas, Industriales y Commericales of Chihuahua, Mexico, will receive the Educator of the Year Award for their exemplary work with students, and Mrs. Irene Moncayo will receive the Hispanic of the Year Award for her outstanding community work.

Mr. Speaker, I ask my colleagues in the House of Representatives to join me in saluting the incoming officers and members of the Chamber of Commerce of Mexican Ladies of California during the chamber's 30th anniversary celebration.

TRIBUTE TO CAPTIVE NATIONS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. DORNAN of California. Mr. Speaker, I rise today to bring to the attention of my colleagues the continuing plight of those nations which live under the shadow of the Russian bear. I speak not about new Soviet attempts to establish outposts for communism in the Third World: such as Afghanistan, Ethiopia, Angola, and Nicaragua. Nor is it my intention to discuss the controversy surrounding our piddling support for freedom fighters in these countries. But today Mr. Speaker, I rise to remind my colleagues that millions of people continue to live under the tyranny of communism in the so-called captive European nations: Albania, Bulgaria, Czechslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Romania.

Unfortunately, we in the West have grown too accustomed to thinking of the Soviet bloc nations as functioning in lockstep with the Soviet Union. However, I do not believe Mr. Speaker, that it is impossible to restore basic freedoms for those living under the boot-heel of the U.S.S.R. I say this because I believe that communism is a bankrupt system and the inhabitants of the captive nations recognize that fact. The people of the captive nations yearn for a society which respects human rights, permits basic freedoms and allows the full potential of the individual to develop unencumbered. These are all fundamental aspects of human nature. Like those living in prison, Mr. Speaker, the spirit of the Eastern Europeans has not been broken by communism. The spirit of freedom burns in the hearts of refuseniks throughout the East bloc and Solidarity in Poland.

The United States is the beacon of hope for millions living in the captive nations. Mr. Speaker, it is our duty to keep that hope alive. With that in mind I would like to submit for the record a memorandum from the Assembly of Captive European Nations which articulates some of their hopes and fears. This memorandum is clearly a call for the United States to assume its role in the decisive way as leader of the free world.

ASSEMBLY OF CAPTIVE EUROPEAN NATIONS MEMORANDUM

Forty two years after Yalta the Captive European Nations are still living under the military or political occupation of the Soviet Union.

During the last four decades the political map of the world has substantially changed, the membership of the United Nations has increased from 50 to 159! The so-called traditional colonialism is disappearing but the new, the Soviet Colonialism is spreading, to wit: among others—in the Cuba, Nicaragua, Afghanistan—and its domination in the Third World too.

In the United Nations the Soviet Union, if we count their three delegations (Soviet Union, Ukraine, Byelorussia), the delegations of the Iron Curtain countries, Cuba, Nicaragua, Afghanistan and the other Soviet influenced countries, the Kremlin has more votes than the United States, England, Canada and the Western Europe together.

If we add to this the number of Soviet citizens who work in the administration of the United Nations—which shows the trend of the political forces—is dominated by the Soviet Union. Even Senator Trible, rightly wrote a few months ago in his article, that the Soviet Union uses the United States not only for their interest, but against the United States.

This is a disturbing fact for the world peace.

When we, the representatives of the Captive European Nations, respectfully request to take positive steps against the occupation of our countries, we speak not only for our nations but for the interest of the United States too.

As long as the Soviet occupation is not terminated in our nations, the world power of the Kremlin will increase.

We feel that presently we have arrived to the turning point:

1. The Soviet Union has a new leader who wants to prove that he is seeking for world-peace. On the other hand, no peace can exist if more than 110 million people live under the Soviet Union occupation.

2. The President of the United States should mention, when meeting with Mr. Gorbachev, the question of the Captive European Nations and their freedom and independence in order to bring to an end the archaic colonialism of the Soviet Union.

3. The Department of State of the United States should instruct its permanent representative to the United Nations that on every occasion when the colonialism, occupation, aggression is discussed, our nations should also be mentioned as they still are under the Soviet occupation.

4. The representatives of the Government of the United States in the Human Rights Commission of the United Nations, should be instructed (specially in the Geneva meetings every February) to bring up the matter of the Soviet occupation in our nations, which in itself prevents the exercise of the most dynamic rights of our century—the self determination.

We, the representatives of the Captive Nations: Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, want to express that our people want only what Franklin D. Roosevelt, Sir Winston Churchill, even Joseph V. Stalin, promised at the Yalta Agreement: "the right of the people to choose the form of Government under which they will live—the restoration of sovereign rights and self-government of those people who have been forcibly deprived of these by the aggressor nations."

Laszlo Varga, J.D., Chairman, Hungary; Dr. Martin Kvetko, Czechoslovakia; Mrs. Sophia Federowicz-Grzelak, Poland; Dr. Bronius Nemickas, Lithuania; Dr. Roxhep Krasnigi, Albania; Dr. Issarescu, Romania; Iskar Shumanov, Bulgaria; Talivaldis Buss, Latvia; Dr. Juhan Simonson, Estonia; Viktoria Checheta, Lithuania; Secretary-General.

BATH, PA, TO CELEBRATE 250TH ANNIVERSARY ON AUGUST 9, 1987

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. RITTER. Mr. Speaker, the borough of Bath has every good reason to celebrate. During the week of August 1 through August 9, 1987, within a lovely green valley in eastern Pennsylvania, the old-time municipality of Bath will formally mark the 250th anniversary of its founding.

Bath, situated on the head waters of the winding Monocacy Creek, was founded by the Scotch Irish or Ulster Scots and named for an English city. A sturdy, rugged race in the hills and valleys of Pennsylvania's frontier was destined to play an important part in the foundation of our national character.

The borough has so much to offer its residents and the Lehigh Valley. The Bath Home News, is in its 51st year. Bill Halbfoerster, publisher, continues to provide excellent local news and important insights to the people of the borough and beyond. The George Wolf Elementary School delivers an excellent education program to 1,000 children. Wrestling, baseball, weightlifting, and currently senior legion baseball have all been a focal point for Bath citizenry over the years. Until recently, cement manufacturing employed many residents, and while that industry plus the garment and sewing trades have had their share of problems, they're still very important to the borough. Added in recent years are new small and medium size businesses which delight in making the beautiful borough of Bath their new home. And then there are all the new houses where people from all over have selected Bath as the place to live.

Mayor Betty Fields and Allen Haidle, borough council president and celebration chairman, will work long and hard for the success of this remarkable anniversary. The townspeople of Bath will crown the great extent of their participation with "Hands Around Bath," in which 2,000 persons make a circle around a three-block area while the song "Celebration" is played. A 5-mile race, the "Miss Bath" Pageant and an encampment of 2,000 Boy Scouts from the North Valley District, Minsi Trails Council and towns of Bath in other States will also highlight the weeklong celebration.

Mr. Speaker, with traditions of hard work and neighborliness, the people of Bath look forward to the next 250 years with confidence. Their base is a solid one and I'm certain they will continue to make their unique contributions to the well-being of the Lehigh Valley, the Commonwealth of Pennsylvania and the Nation.

I can personally attest to the scenic beauty of the borough's rolling hills and farms and the friendliness of the people, as I have many times bicycled along its highways and byways. May the quality of the land and its people be retained for the next 250.

VA EMPLOYEES VOICE STRONG SUPPORT FOR THEIR MEDICAL COMPUTER SYSTEM

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. MONTGOMERY. Mr. Speaker, a controversy over the effectiveness and cost of the Veterans' Administration's medical computer system, known as the Decentralized Hospital Computer Program [DHCP] system, has arisen in the Congress. As chairman of the Committee on Veterans' Affairs, I have scheduled many oversight hearings on this important medical computer system over the past several years and the reports on its effectiveness and costs have been uniformly very positive.

Since our hearing of April 8, 1987 on this important subject, I have received many letters from veterans and Veterans' Administration employees in support of the DHCP.

I would like to share with my colleagues a copy of a letter which I received from Mr. Troy E. Page, Director of the VA's Department of Medicine and Surgery's Great Lakes Region, which demonstrates how the VA employees feel about "their" medical computer system. The letter follows:

VETERANS ADMINISTRATION,
MEDICAL CENTER,
Chillicothe, OH, May 1, 1987.

HON. G.V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I write regarding recent information about hearings by the Appropriations Subcommittees on HUD-Independent Agencies into the VA's DHCP. It is inconceivable that any citizen or official of this country would participate in actions whose objective is to delay, interrupt, or otherwise impede the VA's progress in fully implementing and operating this system.

I have been a VA manager since 1973, and previously worked for the Departments of Interior, Justice, and the State of California. Never have I experienced an agency's success in implementing a new major technology comparable to the VA's implementation of the DHCP. There is no parallel.

In less than five years the VA progressed from a position of no significant automated data processing system to the current DHCP which is without parallel in terms of scope (over 180 major health care facilities throughout the United States). Functionally, the system is user-oriented and user-responsive in a medical environment which is probably among the most complicated. Moreover, the VA is under the watchful eyes of all three branches of government, services organizations, the media, et. al., and does not enjoy the luxury nor flexibility of the private hospital. So this system has survived in a very tough environment and has performed remarkably.

Its utility is demonstrated daily at my desk and with my staff. Questions, issues, and problems that were formerly either unsolvable or took weeks of staff time are now accomplished in a fraction of time.

Others can attest to lives saved, health care improved, and costs avoided directly as a result of DHCP. Enclosed is a statement of the opinion and views on this subject by this medical center's Chairman, Administrative Executive Board; Chairman, Clinical Executive Board; and members of the Information Resource Management Committee.

I can only tell you in the limited space and time available that DHCP is unquestionably one of the best investments the American taxpayer has made. I urge your continued support and enhancement of this system.

Sincerely,

TROY E. PAGE,
Director.

NATIVE SONS DESERVE PRAISE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. BROWN of California. Mr. Speaker, in a world riddled with tragedy and plagued by worldwide economic turmoil, it is reassuring to know that some traditions of generosity, stability, and self-sacrifice still exist. One such tradition exists in my district and is carried on by an organization known as the Native Sons of the Golden West, Arrowhead Parlor, 110.

This organization has been serving my district selflessly for 100 years. I could not even begin to list all the essential achievements in my community that have been carried out by this worthwhile and patriotic organization. What I can say, Mr. Speaker, is that the Native Sons of the Golden West, Arrowhead Parlor, 110, has something which the rest of the world could take a lesson from. Endurance, ideals, and perseverance are what make this group of gentlemen an example to us all. In an age of disposability and runaway technology, it is comforting to know that these dedicated individuals support their community and their roots with such unyielding vigor.

We are now celebrating the 200th anniversary of our Constitution. I can think of no better way to honor this great document than to elevate and commemorate great examples of what this document is all about. Mr. Speaker, the problem with America is that we do not have enough men like the men of Arrowhead Parlor, 110. They are what has made this country great, and it would be a marvelous achievement if tomorrow's generations could match their selfless dedication and unyielding patriotism.

PERSONAL EXPLANATION

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. KOSTMAYER. Mr. Speaker, yesterday, I was regrettably detained in Philadelphia and thus missed several votes. Had I been present, I would have voted for the rule granting consideration of H.R. 2890, Transportation Department appropriations for fiscal year 1988, roll No. 254, and against the Jones amendment, roll No. 256.

HOW A FLOOD TURNED AROUND PENNSYLVANIA CITY'S ECONOMY

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. KANJORSKI. Mr. Speaker, I would like to call your attention to an article about the city of Wilkes-Barre from the July 14, 1987 Wall Street Journal entitled "How a Flood Turned Around Pennsylvania City's Economy."

With this June marking the 15th anniversary of Tropical Storm Agnes' rampage through Wilkes-Barre, it is fitting to note the miraculous reconstruction that has taken place in this community since the devastation of the flood.

I request that the article be inserted in the RECORD as an inspiration and example of true rejuvenation and economic resurgency.

The article follows:

[From the Wall Street Journal, July 14, 1987]

HOW A FLOOD TURNED AROUND PENNSYLVANIA CITY'S ECONOMY

(By Rachel L. Swarns)

Floods needn't always be entirely bad news. Here's one Pennsylvania city that turned natural disaster into economic opportunity. It's a case study that shows how a community down on its luck can rejuvenate itself, given a combination of careful planning, citizen initiative, and a couple hundred million dollars in government disaster aid.

Fifteen years ago this June, Hurricane Agnes roared up the mid-Atlantic Coast. The storm brought torrential rains that filled the Susquehana River to overflowing. By the time the flood crest reached the coal-mining town of Wilks-Barre in northeastern Pennsylvania, the river was 14 feet over its banks.

The muddy water pushed through downtown, inundating dilapidated commercial buildings and run-down neighborhoods. About 40% of the city was devastated, including the entire downtown core. Quick evacuation saved all but two lives, but property damage totaled $539 million, and 482 families lost their homes.

The 1972 flood was one more downward step in a long economic decline for Wilkes-Barre. Settled in the mid-1800s by European immigrants looking for jobs in the local anthracite mines, the town enjoyed prosperity when coal was king. But when much of the world switched to oil, the community began to wither.

In the 1960s, Wilkes-Barre tried to diversify by luring textile, tobacco and shoe manufacturers. By the time the flood hit, even those businesses were pulling out.

"Everything was going downhill," says Edward Schecter, former president of Wilkes-Barre's Committee for Economic Growth. "Unemployment was around 14%. Department stores weren't doing business; theaters began to close. Young people couldn't find jobs, and that left us with an aging population."

Adds Steven Gliboff, who graduated from Wilkes College in the city in 1971 and promptly moved to New York: "Anyone I knew wanted to get out."

The flood proved to be the catalyst for the city's turnaround. The federal and state governments gave $190 million in flood relief funds, and the Small Business Administration offered loans at 1% interest with the first $5,000 of principal forgiven. Some 32,600 home owners and 3,300 businesses in Wilkes-Barre and its surroundings applied for the government largesse.

Using a plan drafted by local architects and engineers, the city used its disaster windfall to acquire and demolish buildings, to relocate families, and to rebuild roads, sidewalks, sewers and utility lines. Among the planner's goals: avoiding excessive dependence on any one industry and company, and remaking downtown to function as both commercial hub and revived residential area.

By 1982, 10 years after the flood, a hotel and three new office towers with retail fronts had replaced 27 small buildings that ringed the town square in the old days. Boscov's, an innovative retailer with department stores throughout Pennsylvania, opened a store in center city. Today, lighted glass canopies with shiny red supports cover four blocks of downtown restaurants and specialty shops. Wilkes-Barre's sidewalks don't roll up at dusk.

Still, word about Wilkes-Barre's revival was slow in spreading. "Although the city had begun to rehabilitate physically," Mr. Schecter says, "we were falling behind in terms of bringing in new industry."

So Mr. Schecter's committee hit the road, touting to companies in the mood to expand Wilkes-Barre's new infrastructure, its relatively inexpensive land, and its proximity to Philadelphia and New York.

One contact was the Student Loan Marketing Association, a private, federally chartered corporation that buys insured student loans, Sallie Mae, as the association is known, was seeking a site for a back-shop accounting and administrative office.

"Wilkes-Barre wanted us in a bad way, but they were very professional," recalls Barry Morrow, Sallie Mae's director of loan services. "They didn't wine and dine. They did it with facts and figures." Within a day, he says, the city's committee pulled together figures about office space and local taxes that other cities "couldn't get for us at all."

Sallie Mae opted for Wilkes-Barre. So did Nabisco Brands Inc., and Document Automation Corp., each opening back-shop operations there. The expected result of the three moves: a total of 1,200 new jobs in Wilkes-Barre by next year. Ray Wright, a Nabisco senior vice president, says his company "had operations in major centers like Chicago, but in comparing productivity, Wilkes-Barre came out ahead."

"The flood was a blessing, says Theodore Engel, dean of Wilkes College's School of Business and Economics. "Unemployment is significantly lower, and there has been an increase in quality jobs."

Indeed, growing white-collar employment seems to be helping the city hold on to its youth, in contrast to the 1960s and 1970s. Some are even coming back. Mr. Gliboff returned from New York two years ago after hearing about the city resurrenction. Now he runs a food emporium in the spruced-up downtown.

"The streets aren't paved with gold," He says, "but they aren't paved with fool's gold either."

THE WORLDWIDE EXPLOITATION OF CHILDREN

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. MILLER of California. Mr. Speaker, the exploitation of child labor is tragically commonplace in many areas of the developing world. Children are routinely hired in the glass factories, sweatshops, and shophouses of the Third World. Too frequently, government officials charged with enforcing child labor laws look the other way.

According to the International Labor Organization, 88 million children between the ages of 11 and 15 are in the world's labor force. Millions more children, younger than 11, also work in dismal and dangeous conditions which threatened their health and their lives, often around dangerous equipment and materials, 24 hours a day, 7 days a week. Their employers control their lives, paying them virtually nothing and forcing them to work for weeks without rest.

As the Washington Post article below points out, these conditions exist in part because Third World countries are racing to meet the demand for their products created by Western nations.

When concerns about international exploitation of labor are raised, we are frequently told that we cannot affect labor conditions abroad. We cannot mandate remedies, or that foreign governments even respect their own fair labor standard laws, let alone our own standards.

Yet I note that we frequently prohibit the importation of products which are derived from endangered species, such as whales, elephants and rhinos, and in doing so, attempt to influence the policies of foreign governments.

Don't the exploited and enslaved children of the world's sweatshops deserve the same level of protection that we afford to whales, elephants, and rhinos?

Can't we, in effect, add "exploited children" to the list of "endangered species," so that the fruits of that exploitation and abuse are prohibited from importation to the United States? So that our commercial demands do not foster, promote and underwrite that enslavement?

I hope that my colleagues will review the Post article, and will also support legislation I will soon introduce to prohibit the continued importation of these products of unspeakable exploitation.

Child Labor: The Profits of Shame

(By Joseph Albright and Marcia Kunstel)

Rabat.—Perched on a low wooden bench in front of a loom, cutting knife at her side, Hiyat is an automation with whirring hands.

At the age of 11, Hiyat knots rugs six days a week in a concrete box where 200 weavers hunch elbow to elbow at hand looms. Forty years ago carpet weaving was a handicraft that little Moroccan girls learned at home from their mothers. Now it is big business and little girls as young as 4 work in factories.

Loop, wrap, pull, slice. Loop, wrap, pull slice. Hiyat would have to tie one strand of woolen pile onto the loom every 2.43 seconds to keep up with what her supervisor says is the factory's pace of knotting. The monotony tears on her. "I wanted to stay in school," she said, "not work here."

The factory that hired her, Mocary SA, is part of a global shame. Tens of thousands of well-to-do employers throughout the Third World work children for pennies an hour in mind-blunting or dangerous jobs. Others make money by maneuvering children into criminal work, turning homeless boys into street thieves or 13-year-old girls into prostitutes.

At 11 carpet factories in Morocco, reporters found weavers on the looms who looked unmistakably under Morocco's minimum legal work age of 12. The conditions in all the factories were similar: fat wool fuzz balls skittering across the floors, the dank odor of wool dust and dye, areas too dimly lighted to work without strain.

"We prefer to get them when they are about seven," said Nasser Yebbous, the overseer of one plant in Marrakesh. Children's hands are nimbler, he said. "And their eyes are better, too. They are faster when they are small."

Laws in nearly every nation ban such practices. Yet in many countries, the laws to protect children aren't working. Throughout a nine-month inquiry by the Cox Newspapers, the same rancid scenes repeated from Morocco to India to the Philippines to Brazil to Thailand: children sweating while labor inspectors, police and export-promotion bureaus look the other way.

In 1979, the International Labor Organization estimated that 56 million children between 11 and 15 served in the world's work force. Last year, the ILO raised that estimate to 88 million. The ILO figure doesn't include many forms of children's work, such as piecework in the home or street peddling. Nor does it count any children under 11. If "informal" child labor were counted, "the estimate would run into the hundreds of millions," a UNICEF staff paper reported last year.

Little wonder. Since 1950, the world's pool of potential child workers has nearly doubled until now there are 1.1 billion children between 5 and 14 years. Cheap health techniques, including mass vaccinations and oral rehydration for diarrhea, are keeping multitudes alive who would have died in their first year a generation ago. New schools are not being built fast enough to stay ahead of the tide of 15 million extra school-age children every year.

And for what sort of life are these millions being saved?

They are growing up as the race for development propels more and more of the Third World into the sweatshop manufacturing era from which western countries have emerged during this century.

Under piecework rates, Hiyat earns at most 15 cents an hour in Morocco. Halfway around the world, Eliza Lualhati, 15, says she earns about 13 cents an hour for piecework at a high-speed sewing machine in a live-in garment factory in a suburb of Manila. Eliza doesn't complain about working 90 to 110 hours a week. But she said she wishes the boss wouldn't make her pay for the thread.

Eliza's routine six days a week at the War Win's Style shirt factory goes like this: Wake up at 6 a.m. on a pile of cloth scraps beside her sewing machine. Make breakfast. Sweep the sewing room floor. Then:

"We start sewing exactly at 7 a.m. We usually get a break around noon. It lasts maybe two hours, but only half an hour if we are on a rush. We start up again for the afternoon and work until about 7 p.m. We stop for about half an hour for dinner.

"Then we start sewing again. Usually until midnight. Sometimes it is until 3 a.m. In December, we go right on through, just taking a catnap."

The factory owner, Josie Cruz, sounded compassionate. "Sometimes they get ill," she said. "some of them have suffered anemia from lack of sleep."

But Cruz said if she wants to succeed in the garment business, she has no choice. "We have a strict shipping schedule," she said. "If we fail to deliver, there will be no work to be done for the next two weeks. So whenever there is a rush order, they know they have to finish, even if they have to work 23 hours a day."

Wages are even lower in Thailand, where thousands of young peasant girls work seven days a week inside hole-in-the-wall Bangkok factories called "shophouses" for less than seven cents an hour. That comes to about one-fifth of Thailand's minimum wage, itself among the lowest in the world.

"Sometimes I don't get a day off for weeks," said Sarapa Nasap, who wraps toy Uzi machine guns in a plastics factory in Bangkok.

Sarapa, 15, said she is paid a monthly salary of $20, plus a bonus of 20 cents for each night she works later than 10 p.m. Spread out over the 70 to 90 hours a week she says she works, her pay would average six cents an hour.

Among nine Bangkok sweatshop children whom reporters succeeded in interviewing away from their bosses, the pay ranged from three to 16 cents an hour.

Siraporn Chookaew, 14, earns 16 cents an hour running a sewing machine in a skirt factory, often working 15 hours a day, seven days a week. Boon Mee Norakot, 13, pulls in about four cents an hour whittling rattan in a furniture factory 85 hours a week.

The live-in factory system is such an accepted part of Thailand's labor patterns that it didn't embarrass one of Sarapa's bosses to talk about the arrangements.

"If we give them meals, then we can control them very easily," said Komol Trairattanapa, export manager of Siam Asian Enterprises Ltd. He said his company pays the minimum wage, about 35 cents an hour.

In Firozabad, India, work injuries are just as much a part of growing up as low pay. An estimated 50,000 children under the legal work age of 14 work in glass factories that look like tintypes from a Moscow museum of capitalist horrors.

These ragged children trot like driven animals around dark factories, carrying long pipes that drip molten glass heated to 1,500 degrees Fahrenheit.

Most commonly, the job of a young Indian glass worker is carrying a six-foot-long metal pole that has been dipped into a furnace to retrieve a gob of the molten glass. The carriers run the hollow poles to an older glass blower who shapes such products as beakers for laboratories, coffee jars and drinking glasses for some of India's five-star hotels.

Then, to speed the process, the glass blower throws the pole javelin-style to a child several feet below him. The boy has to catch the pole with its shaped glass—at this stage glowing dull orange from its temperature of 950 degrees—and spin it and drizzle it with water to tame its fiery heat.

Of more than 500 child workers whom reporters saw in the five largest glass factories in Firozabad, not one wore protective glasses, shoes or gloves. At every factory, glass shards littered grimy floors where workers of all ages walked either barefooted or in rubber thongs.

As might be expected, visitors at Firozabad's OM Glass Works saw one boy with a bandaged ear, another with a scarred, unfocused eye and a third who had a section of hair burned off his scalp. At Advance Glass, a worker propped himself against a doorway while another employee tried to staunch the blood spilling from his foot.

Mohammed Batsin, 12, said he did not mind working with hot glass and furnaces. "No, no. I don't have any fear," said Mohammed, a slight boy in shorts who had worked for Emkay Glass Works for about a year. "At first I got hurt, but now I don't anymore."

Mohammed said he makes 11 rupees a day, which comes to about 86 cents.

And who are the ultimate beneficiaries of children working in sweatshops? The vast majority of products are sold for local consumption. Eliza's shirts, for instance, are sold in a street market 10 miles from her factory.

But tons of goods are made specifically for export to the West. In some cases children not only yield cheap labor for the employer but also produce merchandise bargains for bluechip foreign companies that wouldn't conceive of keeping children on their own payrolls.

Macy's department stores, for instance, buy hand-made rugs in Morocco from Hiyat's employer, Mocary SA. The economics of Moroccan carpets works like this: Moroccan weavers earn about $19.34 for weaving one five square-yard carpet under piecework rates that the government says are standard throughout the industry.

Judging from Macy's inventory documents found attached to carpets on sale in Manhattan two months ago, Macy's bought five-square-yard carpets from Mocary for $166.40 each. After paying $50.84 for freight, insurance and customs duty, Macy's added a $281.76 markup and offered the carpets to the public for $499. Other department stores carry similar Moroccan rugs, and Macy's markup may well be typical for American retailers. But by the time the rug reaches an American consumer, Macy's will have collected roughly 15 times as much in markup as the weavers earned for knotting it. Macy's declines to comment on its Moroccan carpets, which bear the label "Made in Morocco exclusively for R.H. Macy's."

The president of a Manhattan importing firm that has served as Macy's importing agent for many of its Moroccan rugs, said that he was familiar with child labor in the Third World. But he expressed surprise when told that the Mocary factory employed children.

Is child labor some natural Darwinian stage that all countries must endure for a few centuries before they can hope to take off as "newly industrialized countries?" It doesn't have to be. South Korea and Kenya—separated by wealth, continents and cultures—have shown over the last two decades how it is possible to combat the worst forms of child exploitation, at least within factories, without waiting for poverty to wither away. Mass education is what took children out of the textile mills in Britain and the United States a century ago, and it is keeping most of them out of sweatshops in South Korea and Kenya today.

Some educational systems are much more efficient than others in spreading literacy. Witness the differences between Morocco and Jordan, two Arab countries with roughly similar economic profiles, both ruled by monarchies, neither enriched by oil. Morocco's educational system has been geared for three decades primarily to educating an elite. The result is that only 70 percent of school-age boys and 46 percent of school-age girls go to primary schools, according to United Nations statistics.

King Hussein of Jordan set out on another path, that of delivering mass education to his desert kingdom swollen by Palestinian refugees. As a consequence, 91 percent of Jordanian boys and 88 percent of Jordanian girls are enrolled in primary schools.

It is no surprise that Morocco's little girls work in factories and Jordan's little girls do not. The surprise is that Morocco has spent a higher fraction of its gross national product on education than Jordan, partly to pay for Morocco's expensive universities and partly because of the tradition of relating Moroccan public school teachers' pay to teachers' salaries in France.

The law of supply and demand also provides another solution for the short run: Honest enforcement of existing factory laws can dampen some of the demand for child labor. In Kenya, for instance, sociologist Philista Onyango says, "You won't find a Kenyan child in a factory. The labor inspectors are very straight."

Child workers are often concentrated in countries where masses of adults, including their parents, cannot find jobs. If enforcement of child labor and overtime laws makes it bothersome to hire children, employers will have more incentive to hire adults.

Some families will suffer from loss of children's income, but others will come out ahead. As Indian social reformer Swami Agnivesh put it, "In the long run, if children are thrown out of jobs, the businesses will have to continue by employing adults at better wages."

THE BORK NOMINATION

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. LAGOMARSINO. Mr. Speaker, I rise today to bring to the attention of my colleagues an editorial which appeared on July 6, 1987, in one of the leading newspapers in my district, the Lompoc Record. This insightful commentary raises some important and meaningful points about the nomination of Judge Robert Bork to the U.S. Supreme Court. I urge my colleagues to study the editorial carefully.

[From the Lompoc Record (Lompoc, Calif.), July 6 1987]

THE BORK NOMINATION

President Reagan could have played it safe by making a noncontroversial nomination to the Supreme Court. Instead, he followed his conservative instincts and chose federal appeals court Judge Robert Bork, who faces a stormy and protracted fight for confirmation in the Senate.

Hardly anyone argues that Bork is not qualified to replace retired Justice Lewis Powell on the high court. After more than a decade as a Yale Law School professor, nearly four years as solicitor general of the United States and five years on the Court of Appeals for the District of Columbia—the nation's second most powerful court—Bork is respected as an outstanding legal scholar.

The complaint against him is that he is too conservative, believes too strongly in judical restraint and holds that judges should interpret the law, not make it themselves. Liberals, feminists and civil-rights activists fear that he would tilt an evenly divided court to the right.

The arguments against Bork seem to miss one point: Ronald Reagan, whose conservatism was never in doubt, was elected president twice by landslides. The voters didn't expect him to put, say, George McGovern on the Supreme Court. They gave him an implied mandate to nominate judges who share his belief that the Constitution should be strictly interpreted.

Bork is sure to be grilled about the "Saturday Night Massacre" firing of Watergate special prosecutor Archibald Cox in 1973. Attorney General Elliot Richardson and Deputy Attorney General William Ruckelshaus resigned rather than to carry out President Nixon's order. Bork, as No. 3 man in the Justice Department, fired Cox and has been widely criticized for it.

Richardson has since put that controversy in perspective. He said the department's legal counsel found that Nixon had the legal authority to dismiss Cox. Richardson added that he urged Bork to keep his post and carry out Nixon's order. Bork, he said, then insisted that the president appoint a new prosecutor and helped find Leon Jaworski, whose relentless investigation led to Nixon's downfall.

Democrats, who control the Senate and thus the confirmation process, are talking about moving slowly on Bork's nomination. Their private hope is to be able to stall for 18 months, after which a Democrat might be in the White House making judicial appointments.

Such a plan is both unfair and bad politics. The country is entitled to a fully staffed Supreme Court. With its current

membership it is likely to split 4-4 on important issues, leaving them in limbo.

Since Bork is clearly qualified and if no smoking gun is found in his past, the Democrats could damage themselves by stalling unduly. A fair-minded public would dislike the spectacle of a capable judge being denied promotion largely because he is more conservative than his inquisitioners.

MILITARY SEES DANGERS IN NORTH'S ACTIONS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. DELLUMS. Mr. Speaker, during the past week the Congress and the Nation have witnessed some rather extraordinary testimony before the joint House-Senate Select Committee by Lt. Col. Oliver L. North, U.S.M.C., on the responsibilities of serving military officers to the Constitution, the Chief Executive and the Congress.

Lt. Col. North's unique interpretation of his officer's oath to "support and defend" the Constitution fortunately is not one that is shared by the overwhelming majority of our officer corps—Army, Navy, Marine Corps and Air Force—Regular, Reserve or National Guard.

To further understand the ramifications of this important issue, I urge my colleagues and the American people to read and reflect upon the following article by Col. Harry G. Summers, Jr., U.S. Army, retired, that appeared in today's edition of the Los Angeles Times. Colonel Summers, a decorated military veteran of the conflicts in Korea and Indochina, is also the author of an important book, "On Strategy", which analyzes military-political relationships in the conduct of undeclared wars.

MILITARY SEES DANGERS IN NORTH'S ACTIONS

By Harry G. Summers Jr.

When Marine Lt. Col. Oliver L. North emerged as a national hero after his first week of testimony on Capitol Hill, it proved only one thing: Ask the wrong questions, and you get the wrong answers.

It was also obvious that the congressional committees' high-priced lawyers, steeped in the amoral traditions of the American legal profession, have an educated incapacity to ask the right questions. They obviously know nothing of the American military or the principles of duty, integrity and loyalty that are central to it. As a result, North was able to portray himself as the very embodiment of a patriotic American Marine.

It might have been a different story if those asking the questions had known what they were talking about. Consider, for example, what might have transpired if North's interrogator had been a Marine gunnery sergeant who had survived the bombing of the Marine barracks at the Beirut airport in 1984. "Col. North," he might have asked, "as you know, a military officer's loyalty is not only to his superiors, it is also to his contemporaries and especially to his subordinates, who look to him to stand up for their interests. That being the case, how could you consider selling arms to the very Iranians who paid $1 million to the Lebanese terrorists who killed more than 200 of my buddies—and your fellow Marines—in the bombing of our barracks in Beirut?"

Or consider if his questioner had been a tank platoon leader from the Army's 24th Infantry Division at Ft. Stewart, Ga., whose mission it is to intervene in Iran if American interests there are threatened: "Can you tell me how I explain to the young soldiers in my platoon that if we have to go into battle in Iran they might well be killed by the TOW anti-tank missiles that you sent to the Iranians?"

Perhaps the congressional committee could have brought in a contra guerrilla fighter: "Senor North, I want first to thank you for your efforts to get supplies to us while U.S. aid was cut off. But there is one thing that I don't understand. Believing in democracy, I fought with the Sandinistas against the Somoza military dictatorship. And when they, too, imposed a military dictatorship under Commandante Ortega, I again took to the hills to fight for the principles of democracy. But now I find that you, too, have betrayed democracy in the name of fighting for democracy. If we abandon our principles, how then do we differ from our enemies who insist that the ends justify the means?"

The committee could have sent down the road to Quantico, Va., and got one of the students from the Marine Command and Staff College to ask the questions: "You said that you would stand on your head in the corner if the President told you to. But such blind obedience to orders flies in the face of what we're being taught at Quantico. As you are well aware, in the American military tradition 'just obeying orders' has never been an excuse for an illegal action. While a private may not know better—and even that is not an excuse—an officer has a duty to refuse an illegal order. Where then would you draw the line? With shooting prisoners? With violating other laws of war? Or subverting the Constitution that you took a solemn oath to defend?"

That last question strikes at the heart of the matter. One of the main tenets of American democracy has been the subordination of the military to civilian control, so the current canonization of Lt. Col. North can have dangerous consequences.

The framers of the Constitution, 23 of whom had served as soldiers in the Revolutionary War, wrote specific safeguards into the Constitution. The American military would be an instrument of the American people rather than of the President. Congress—its members the elected representatives of the people—was given exclusive power to raise the military, commit it to war and make rules for its governance.

While the President was named commander in chief and had operational command of the military, an officer's oath of office was pledged to the Constitution. Thus an officer's loyalty was not only to the President, it was also to Congress. Military officers are legally bound to obey the laws enacted by that Congress; they are honor-bound by their oath as well.

Abandoning that tradition in the name of expediency can spell disaster. Now the right of the political spectrum applauds North's stance in the name of the "higher principle" or anti-communism in Central America. But a decade or so ago it was the left of the spectrum that was calling on the military to disregard the orders of its civilian superiors and refuse to serve in Vietnam.

Tampering with civilian control of the military by the President or Congress is a slippery slope indeed, for at the bottom of that slope is military dictatorship.

Wittingly or not, tampering with those controls is precisely what North was doing. Ironically, the military sees the dangers in his actions more clearly than do many civilians. North may be a national hero to many Americans, but he assuredly is not to most of his fellow military officers.

LEGISLATION MAKING THE SALE OF STEROIDS WITHOUT A PRESCRIPTION A FELONY

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. BAKER. Mr. Speaker, today I have introduced legislation that would change the sale of steroids without a prescription from a misdemeanor crime to a felony.

There is a major problem today with people abusing steroids. This form of drug abuse is no less serious than any other, however, it seems to be overlooked by many people. Perhaps this is because steroids are used to promote athletic abilities rather than some other reason.

Most people see the steroid use as a way to increase the weight they can lift or to be better football players or to obtain improved muscle definition. However, the use of steroids is no less serious than any other form of drug abuse.

It is time that we recognize the seriousness of steroid abuse. The athlete who uses steroids needs to recognize that there are very real risks associated with using steroids. By using these drugs, there may be a short-term benefit in increased ability, but in the long term the risks can be very serious.

From some of the research that is just being started on the use of steroids, it now is becoming evident that athletes on steroids may be using the drugs for longer periods of time and in increasing amounts. Nobody knows what the effects of this trend will be on athletes.

Another trend is that more and more of our young people are using steroids. In the past, it was only competitive weight lifters, body builders, and football players who used these potentially dangerous drugs. A recent segment on the ABC news program 20/20 focused attention on the large number of high school students in Florida who use steroids. Often many of these young people do not realize the potential dangers of long-term, heavy use of these drugs. Medical researchers in this country do not know what the long-term consequences of steroids use is. However, there are some indications that changes in personality, kidney problems, ulcers, and heart difficulties are among the effects of steroid use. These are not minor consequences that should be ignored.

For that reason, I am glad to see that the Federal Drug Administration [FDA] is beginning to prosecute people involved in the illegal sales of steroids. The knowledge that there will be prosecution of those involved in the illegal sales of steroids will help to reduce the trade. But while criminal prosecution of people illegally selling steroids is an important first step, the major task that we are facing is one of educating people on the dangers of steroids. Ultimately this is the only way that any form of drug abuse can be successfully curtailed.

H.R.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 303(b) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 333(b)) is amended—

(1) by striking out "or commits" and inserting in lieu thereof "commits", and

(2) by inserting before "such person" the following: "or commits such a violation by dispensing, in violation of the requirements of section 503(b)(1), an anabolic steroid,".

(b) The amendments made by subsection (a) shall take effect upon the expiration of 180 days after the date of the enactment of this Act.

TRADE AND DEVELOPMENT

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. GIBBONS. Mr. Speaker, last week the President of the World Bank, Barber Conable, delivered an important speech on trade and development to the United Nations Conference on Trade and Development [UNCTAD] in Geneva. As my colleagues well know, Barber served for 20 years in this body and was the ranking minority member on the Committee on Ways and Means where he served with distinction and was a leader in tax and trade policy.

I believe his remarks to UNCTAD, an organization concentrating on trade in the developing world, are significant. It comes at a time when Congress is debating omnibus trade legislation and when our trade negotiators are meeting with their foreign counterparts in the Uruguay round or GATT negotiations. A key conclusion he reaches is that trade liberalization and expanded commerce are crucial not only to the prosperity of the developing world, but also to global economic growth. He emphasizes that trade liberalization is vital to restore creditworthiness of developing countries and to attract adequate capital for their development. The Uruguay GATT round, therefore, will play a significant role in keeping markets open, reforming distorted world agricultural trade and integrating developed and developing nations fully into the world trade system.

Mr. Speaker, I am glad to share his speech with my colleagues and urge all Members to read and consider it. I ask that it be printed in the RECORD.

The speech follows:

THE WORLD BANK AND INTERNATIONAL FINANCE CORPORATION

(By Barber B. Conable, President)

It is a privilege to have a part in the important work of the United Nations Conference on Trade and Development. You have a demanding agenda, and I very much appreciate the opportunity to contribute to your deliberations at their start.

UNCTAD's seventh session comes at a crucial juncture for the world economy—a period when, by decision or by default, the nations represented here will set a course either toward renewed global growth or toward stagnation and eventual recession. Those are the choices.

RECENT DEVELOPMENTS AND FUTURE OUTLOOK

We must acknowledge the gravity of the current situation and the strength of the forces that threaten to undo the hard-won progress of the past.

Stuttering growth, volatile currencies, high real interest rates, heavy debt loads, depressed commodity prices, rising trade barriers and outsize payments imbalances have acted in destructive combination not just to slow earlier rates of advance, but actually to erode many previous gains by developing societies.

We face a bleak prospect: one of dangerously slow growth in the developed nations and further regression in the developing world.

The World Bank's recently issued World Development Report for 1987 documents the faltering economic recovery of the past two years and the case for prompt, sweeping changes.

Without coordinated international action to reform prevailing fiscal, monetary, credit and commercial policies, it is clear that per capita income, consumption, imports and investment in most developing nations in 1990 will be ominously below the marks set 10 and 25 years earlier.

Such setbacks would be a disaster. There is no other word for the effects of cutting per capita consumption in sub-Saharan Africa below its 1965 level and of reducing per capita investment in the highly-indebted middle-income countries to 60 percent of what it was in 1980. In many countries, capital stock is now deteriorating.

But the disaster—the hopes and human potential wasted—would not stop at the frontiers of the suffering nations. If their progress is strangled, the developed economies will also feel the pain in lost overseas sales, lost domestic growth.

We can already measure a portion of the cost that recession exacts. Between 1980 and 1985 imports by the highly-indebted middle-income countries dropped by one-third, from $165 to $110 billion annually. If, instead, their purchases from abroad had grown at a modest annual rate of 6 percent, the value would have reached $220 billion by 1985.

The difference must be calculated not only in the $110 billion of sales the developed nations did not make, but also in the jobs that North Americans, Europeans, Japanese and others did not find, in the tax revenues their earnings did not generate.

That missing $110 billion also embraces the construction equipment that never build roads or homes or sewage systems in the Third World, the medicines no one distributed in rural health clinics, the textbooks no students opened and the fertilizers and hybrid strains no farmers employed to raise their output.

Under the pressure of heavy interest payments, the group of highly-indebted nations made a dramatic push into world markets for manufactured exports. As they simultaneoulsy cut back heavily on purchases from abroad, they turned a collective negative trade balance of $10 billion in 1980 in to a surplus of about $15 billion in 1986 . . . a tremendous achievement. This surplus would have been still much larger if oil prices had not declined sharply last year.

The turnaround came, however, during a period of collapsing prices for primary commodity exports. Even with some signs of current improvement in those prices, the best forecasts show the 1987 index for 33 leading commodities to be at about 1986 levels and far below those of 1980.

In the face of such trends, the developing countries' improved trade performance generally failed to lighten their debt burdens. Too often, debt service obligations swallowed rising percentages of their export earnings.

PROGRESS ON STRUCTURAL ADJUSTMENT

Out of these and other similarly disheartening experiences, one encouraging change has begun to reshape parts of the developing world.

Country after country is beginning to move away from rigid, closed and inefficient economic systems toward freer, more open markets and fewer price-distorting internal subsidies.

We can see this happening in Africa, Asia, and in Latin America. Economic reforms in Nigeria have restored fiscal discipline and encouraged exports, thus reducing the dependence on oil. In China, enterprises are being encouraged to compete, incentives to farmers have been improved, and opportunities of international trade are being tapped more fully. Mexico is fighting macroeconomic imbalances while improving the functioning of public enterprises and initiating trade policy reforms. Similar stories can be told from other parts of the developing world.

This is a course born of necessity—in some cases, of desperation. Nevertheless, the process of structural adjustment, which the World Bank as a lender and counselor has supported and will continue to support vigorously, is a crucial force for improvement. As adjustment programs redirect nations toward more efficiency, they also help make them stronger international competitors and better credit risks.

But the process of adjustment can impose heavy social costs on fragile societies. Tangible results and perceptible speed are necessary to avoid economic stagnation and political upheaval. I believe all of us now are more cognizant of the need to protect the poor during the adjustment period, and the World Bank's programs increasingly take this into account.

The process of adjustment is far from complete. Its success is far from assured. Nevertheless, the boldness of those nations' leaders and the patience of their afflicted peoples should serve as examples to all policymakers—and especially to the leaders of wealthier societies.

For success, now in the balance, also depends on the willingness and political resolve of the industrial nations to adjust their own practices to the reality of global interdependence.

They need to take concerted action to assure significant, steady, non-inflationary expansion of economic activity. They need to reverse decisively the rising tide of protectionism in their economies. They need to undertake urgent and imaginative actions to lighten debt service burdens in the developing world, particularly in the most distressed countries. And they need to provide substantial new flows of external capital to borrowers working their way back through reform to stability and growth.

There is no viable alternative to adjustment. But adjustment is a two-way street. In circumstances as demanding as today's economic crisis, all nations—developed and developing alike—must recognize their common interest in mounting and maintaining a coordinated and vigorous response. The duty to act, to change, is one they owe to themselves and to each other.

TRADE REFORMS

This duty is certainly applicable to the diplomatic struggle now getting underway here in Geneva: the struggle for freer world trade.

We are in danger of losing a contest to the self-defeating forces of protectionism. Elevated tariffs, defensive quotas, inefficient subsidies to farmers and to agricultural exports and a maze of non-tariff barriers are depriving the world community of the gains to be had from enhanced global integration.

Particularly in the developed world, nations are increasingly shielding non-competitive sectors from the rigorous logic of free trade. Too many of these supposedly temporary fortifications, instead of providing relief during a process of adjustment and rebuilding, are becoming permanent refuges for powerful political interests unwilling to face new risks.

In agricultural trade, for instance, the OECD Ministers have done well at their most recent meeting to recognize that "excessive support policies entail an increasing distortion of competition on world markets, run counter to the principle of comparative advantage . . . and severely damage the situation of many developing countries."

The Ministers' forthright commitment to "a concerted reform of agricultural policies" should have been amplified, not just summarized by the Venice Summit. But the most important test of the resolve to change will come during the Uruguay Round.

The United States, the European Community and Japan together have been allocating over $60 billion of their recent budgets each year to price supports, production controls and export subsidies.

Their policies not only cost producers in developing nations sales at home and abroad. These practices often entail the very market restrictions that the developing countries are urged to reform. Advice will not be credible until it is followed at home by those who offer it most ardently abroad.

After 25 postwar years of progressive trade liberalization, with notable exceptions in textiles and agriculture, the industrial countries have also become more protectionist in other sectors.

They now have non-tariff restrictions on 20 percent of their 1985 imports and maintain tariff rates above 10 percent ad valorem on 10 percent of imports.

Even with the advances of the Kennedy and Tokyo Rounds, tariff burdens on developing countries' exports to the United States, the European Community and Japan remained higher than those on goods those buyers imported from each other.

While Third World nations invested in becoming processors of their raw materials for export, their wealthy trade partners penalized those efforts by keeping duties on semi-manufactured imports higher than on primary commodities.

The developed world cannot expect success in preaching free trade as long as it practices such obvious protectionism. There is a serious risk that increased protection by the industrial nations will set back economic development for many years and inflict unnecessary suffering on some of the poorest people in the world.

Yet the fundamental truth that open markets spur efficient production and expanding prosperity is as sound today as it was 200 or 40 years ago, in Adam Smith's era and at the inception of the GATT.

Much supporting evidence on the benefits of participating in international competition can be found in the 1987 World Development Report and its study of the economic performance of 41 developing countries over the years 1963 to 1985. The Report examines the many factors that made those nations' policies more or less oriented to external forces, to global demand and competition. It generally shows that the more a developing economy exposed itself to the world and adjusted to outside forces, the more it prospered.

The most outward-oriented developing economies have tended to increase GNP, real per capita income, savings rates and employment in manufacturing at rates above those of most nations which sought to insulate themselves from global competition.

Some of those advances, of course, took their momentum and opportunity from the Tokyo Round. Now that the Uruguay Round is opening, it is fair to ask how much the process of adjusting to global competition should wait on the outcome of negotiations.

My answer is that this adjustment cannot wait. Debt service burdens dictate export expansion, and competition in freer markets is a strong force for efficient growth. Trade liberalization, therefore, becomes a critical centerpiece in the effort to restore creditworthiness of developing countries and to attract once again adquate capital flows for their development.

I am not saying that freer trade alone can overcome the obstacles to global economic recovery. It cannot. Expanding trade is only one of the essentials of progress, one of the engines of growth. It is not a single cure-all. There is no such remedy.

The Uruguay Round, however, provides a vital impetus, not just for talk, but for action. It will be the political testing ground of the developed and developing nations' ability to identify and act on a great common interest and to build an effective mechanism for speeding, increasing and improving the discipline of world commerce.

CAPITAL TRANSFERS AND DEBT

Trade liberalization is crucial to successful development efforts in all developing countries. But trade—especially in the short term—is not a substitute for adequate flows of resources to help finance adjustment, investment, growth and poverty alleviation. Even a rudimentary analysis of resource flows to developing countries in recent years shows that they have been far from adequate. Measured in 1985 prices and exchange rates, such flows in 1986 were little more than half their total in 1980. The drop-off in private flows, particularly from the commercial bank sector, has been especially severe. Total private flows in 1980 were about $66 billion (in current dollars); in 1986 they were only about $26 billion (again in current dollars and provisional numbers). These trends in external financing are completely antithetical to what is required, namely, a very substantial increase in the net flow of financial resources to developing countries.

Many of the heavily-indebted countries have become net exporters of capital to the industrialized creditor countries, at a time when they urgently need to expand their own domestic investment. In recent years Brazil, Mexico, Nigeria and Venezuela have figured prominently in this category, but they certainly are not alone. For most middle-income countries, net new financing from private sources has been extremely scarce.

Multilateral institutions cannot by themselves compensate for the severe shortfall from private sources, although net disbursements from the World Bank to the heavily-indebted middle-income countries increased by 50 percent in the past year. The Bank has already done much—and continues to do so. We are ready to take on even greater responsibilities and risks. We shall soon be seeking a substantial general capital increase to permit further growth in the Bank's lending program to these and other borrowers.

Commercial banks, export credit agencies and private direct investment all have a significant role to play in complementing increases in domestic resource generation. With the support of our major shareholders, the Bank, the IFC and MIGA will play an increasingly active role in helping—through cofinancing and additional innovative financial techniques—to increase the net flow of resources from private sources, including an increase in equity investments.

For the low-income countries, the resource scarcity is also well known to this audience. Recent OECD/DAC statistics suggest that, when measured in 1985 prices and exchange rates, official development assistance from all sources fell in 1986 (to about $36.6 billion). Concessional flows in 1986 were thus barely above 1980 levels in real terms—despite the increased needs of virtually all recipient countries. We are pleased that agreement was reached earlier this year on the IDA 8 replenishment of $12.4 billion, and we urge its ratification by all contributing countries as soon as possible. Increases in both bilateral and multilateral assistance are essential if adjustment and growth programs are to be sustained in low-income countries. I urge donor governments once again to do everything in their power to increase the flows of concessional finance.

For example, today in Paris the Bank and Fund are hosting an informal gathering of donors and creditors to consider additional measures urgently needed to alleviate the problems of the most heavily-indebted poorest countries undertaking adjustment programs, especially those in sub-Saharan Africa. This is just the first of a series of meetings designed to gain support for a special three-year program of debt relief and growth-oriented import financing needed for a dozen such countries.

TOWARD RENEWED GLOBAL GROWTH

I return to the theme of the requirements for renewed global growth. Such growth requires further adjustment by developing nations. This they must do in their own self-interest. But, above all, it requires action by industrialized country governments. Actions on adjustment, trade and resource flows are vital steps which are needed to strengthen their own economies and those of the rest of the world. Such actions are complementary. Adjustment reforms and improved trading prospects will not contribute fully to the resumption of growth in the developing world without concommitant increases in the net external resources available to developing countries, particularly the most heavily-indebted and poorest among them.

These initiatives can combine to move the world back from the brink of a deep recession onto a steady course toward renewed growth. That shift calls for steadfast courage in dangerous times, from prompt and sustained action in each country's self-interest and in the common interest.

There can be no doubt about the measures required to complement the continuing and fundamental adjustment effort of the developing countries. In concluding, I emphasize the urgency of these actions:

Progressive budget deficit reductions by the United States;

Determined stimulus to sustainable growth by surplus economies in Europe and Asia consistent with continued containment of inflation;

Currency stabilization by the powerful;

Innovative debt relief for the most distressed countries and substantial new capital flows from public and private sources; and

Trade liberalization around the globe.

Only by moving on all these fronts together—without one group holding back and waiting for others to act first, with each carrying its portion of the cost—can rich and poor alike hope to regain the economic momentum the world knew in past decades. Only joint, shared and persevering action can redeem the hopes of development and social progress kindled in the past.

I believe that this session of UNCTAD can help spur that action toward revitalizing development, growth and international trade.

Your work is of great importance. I hope for its success.

Thank you.

TRIBUTE TO LESLIE H. ARPS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. DOWNEY of New York. Mr. Speaker, I am delighted to pay tribute to and offer best wishes to Leslie H. Arps, a founding partner of the law firm of Skadden, Arps, Slate, Meagher & Flom, on the occasion of Mr. Arps' 80th birthday today.

The law firm cofounded by Mr. Arps with two colleagues almost 40 years ago has grown to be the largest law firm in New York City and the Nation, having New York City as its base with over 700 attorneys located there and in six other cities throughout the country. Over the last few decades it has risen rapidly in prominence to a position of preeminence not only in size but in its standards of excellence and professionalism.

The firm's ascendancy is a tribute to the vision and dedication of the founders of the firm, including Mr. Arps. During his 40 years as a senior partner, Mr. Arps gave the firm leadership and direction as a public servant and a private practitioner, always aiming for and achieving the highest standard of professional excellence and integrity.

Leslie H. Arps was born July 14, 1907. His father, George F. Arps, a noted educator, was dean of the Graduate School at the Ohio State University. Upon graduation from high school, Mr. Arps attended the Ohio State University for 3 years and then transferred to Stanford University where he was elected to Phi Beta Kappa and received his A.B. degree in 1928. He obtained his LL.B from Harvard Law School in 1931, serving as a member of the Legal Aid Bureau.

On October 1, 1931, Mr. Arps became an associate at Root, Clark, Buckner & Ballantine where he specialized in litigation. While at Root, Clark, he worked for a number of years as an assistant to John M. Harlan, who later became a justice of the U.S. Supreme Court. From the outset of his career, Mr. Arps learned the importance of hard work and professional integrity.

In the spring of 1942, Mr. Arps enlisted in the U.S. Army and was sent to Fort Jackson for basic training. In the summer of 1942, however, Harlan informed Mr. Arps, then a sergeant, that the U.S. Army Air Forces was going to form an Operations Analysis Section [OAS] modeled after the British Royal Air Force Operations Research Section, and asked Mr. Arps to join the section as his assistant. Mr. Arps was commissioned a major and joined Harlan in England, where from October 1942 through August 1944, they acted as liaison between the U.S. Military Command and a staff of approximately 50 leading United States civilian scientists.

During this period Mr. Harlan was asked by Generals Arnold and Spaatz to make a study of how the separation of the British Air Force from the British Army was accomplished. Before and during World War I the British Air Force was a part of the British Army. Shortly after World War I the British Parliament separated the Air Force from the British Army and created it as an independent branch of the British military service. The separation was accomplished after careful study and after a great deal of effort on the part of the members of the British Air Force.

Mr. Arps played a major role in the process of reviewing all the relevant papers, transcripts of the parliamentary debates, interviewing many of the persons directly involved in the separation including Lord Trenchard, and drafting a report. The results were embodied in a "Memorandum Concerning the Creation of the Air Ministry and the Royal Air Force as a Separate Branch of the British Military Service," dated May 1, 1944. This memorandum was one of the many used in making the U.S. Air Force a separate and independent branch of the U.S. military service.

After the war Mr. Arps cofounded the Skadden, Arps firm in New York and continued his service to the country and the bar. He served as assistant chief counsel to the New York State Crime Commission during its investigation of the crime activity of the waterfront in the Port of New York, and was a recipient of an award of the New York State Crime Commission for his performance in said investigation. Thereafter, he was associate general counsel to the New York State Commission to Study, Examine and Investigate State Agencies in Relation to Parimutuel Harness Racing and a consultant to New York State's Moreland Commission on the alcoholic beverage control law. He also served as chairman of the Executive Committee of the Association of the Bar of the City of New York.

For the achievements, and the leadership and inspiration he has given to countless young lawyers, we honor Leslie H. Arps on his 80th birthday, and wish him continued success in his career. And although Mr. Arps has had many distinguished law partners over the years, one "partner" deserves special recognition on this occasion. Ruth Arps, Les's devoted wife and constant companion for over 25 years, has with Les helped inspire a host of young men and women. Her grace and guidance is inseparably bound up in the love and respect his colleagues have for Leslie Arps.

AMENDMENTS TO THE CLEAN AIR ACT

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. COATS. Mr. Speaker, last week, the House Subcommittee on Health and the Environment held 2 days of hearings on proposed amendments to the Clean Air Act. Once again, we heard from a variety of knowledgeable and well-meaning experts who offered conflicting evidence and conclusions as to the effects of acid deposition on our environment.

We did not, however, hear from witnesses representing the National Acid Precipitation Assessment Program who, earlier this month, released some important preliminary findings from their extensive acid rain research. Several of these findings cast new doubts on many of the assumptions proponents of acid rain legislation oftentimes state as fact.

I would like to share with my colleagues some of these interim findings and urge their examination of the NAPAP report in its entirety. I believe you will come away, as I did, with the feeling that the record simply does not justify the drastic emission reductions contained in H.R. 2666, the Acid Deposition Control Act of 1987.

The NAPAP report states that man-made emissions of sulfur dioxide in the United States have decreased 28 percent since 1973. Electric utility emissions are down 10 percent since 1975 while coal consumption has increased 70 percent in the same period. The NAPAP report concludes by saying:

> The Clean Air Act has been a factor in reducing sulfur dioxide emission nationally and particularly in the northeastern States.

The new source performance standards promulgated by EPA in compliance with the current Clean Air Act will further serve to decrease sulfur dioxide emissions, the report says. Some 94 percent of utility sector emissions come from older plants which, when retired or repowered, will come under strict NSPS guidelines.

The NAPAP interim findings reveal no correlation between acid rain and the yields of agricultural crops. In fact, the report suggests "acidic deposition at present level may have a modest benefit to cropland by providing nitrogen and sulfur" to the soil. Similarly, the report states that the gaseous precursors of acid rain "have no impact" on regional scale crop yield.

The same can be said about our forests which, heretofore, were pictured as imminently threatened by acid rain. Controlled experiments exposing seedlings to varying levels of acid rain revealed no detectably negative effect. Because seedlings are more sensitive than mature trees, the NAPAP report concludes "forests are probably relatively unaffected by ambient acidity in rain."

And what of our lakes and streams? The NAPAP report indicated there was no evidence of regional scale acidification in Western lakes even though they generally have characteristics which make them more vulnerable to acidity. In the East, while the report indicated a strong link between acid rain and acidified lakes, research has shown the importance of individual watershed characteristics.

There's an important point here. Research which, in 1980, the Congress chose to encourage through the National Acid Precipitation Assessment Program, is bearing fruit. We now know a lot more about acid deposition that we did 7 years ago. And we'll know even more in 3 years when NAPAP issues its final report.

We need not rush headlong into an expensive, punitive program embodied in H.R. 2666. There is no ecological disaster out there waiting to happen.

Instead, let's allow the research which the Congress asked for to be completed so the decisions we ultimately do make are premised not on politics, but on science.

DR. VOLVOVSKY AND FAMILY—SOVIET LEADERS SHOULD RESPECT THEIR RIGHT TO EMIGRATE

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. LANTOS. Mr. Speaker, I would like to express my deep concern regarding Dr. Ari Volvovsky and his family. Dr. Volvovsky is a computer scientist from Moscow who has applied for emigration to Israel repeatedly, but has been denied every time.

Dr. Volvovsky first applied for permission to emigrate in 1975, after which he lost his job as a senior researcher at the Institute of Automation and Mechanization in the Oil and Gas Industry in Moscow. He became a Hebrew teacher because he was unable to secure another job within his profession. Harassment of Dr. Volvovsky and his students followed, textbooks were stolen, homes were searched, Ari's property was illegally seized, he was threatened with arrest, and subsequently ordered to relocate to Gorky. Several of Ari's colleagues were compelled to testify against him after he was charged with "anti-Soviet activities" in 1985.

Although the Chicago Action for Soviet Jewry supplied lawyers for his defense and many family members attended the trial, Dr. Ari Volvovsky was convicted and sentenced to 3 years imprisonment in a Soviet labor camp in Gorky. Dr. Volvovsky has been imprisoned ever since, and as a result, his health is deteriorating rapidly. His wife, Mila, is continually harassed by the KGB for her desire to visit her husband. If she decides to make the 5-day trip to visit her husband, she is in danger of losing her job. Because of this tremendous strain, Mila suffers from insomnia and is on the verge of mental breakdown.

Mr. Speaker, the right to emigrate is guaranteed by several international accords, some of which have been signed by the Soviet Union. The denial of the Soviet Union to let Dr. Volvovsky and his family emigrate to the country of their choice violates specifically the Universal Declaration of Human Rights. Dr. Volvovsky's denial is based upon his teaching of Hebrew, not any real security interests.

Recently, the Soviet Union has tried to convince the world that they respect human rights, but I cannot be convinced of this as long as people within the Soviet are treated similar to that of Dr. Volvovsky. I think that if the Soviet Union is serious about their new policy of Glasnost, that they should demonstrate it by freeing Dr. Volvovsky, and letting he and his family emigrate to Israel.

Mr. Speaker, it is essential that the American people are aware of the human rights abuses that exist within the Soviet Union, so that positive steps may be taken to secure the release of Dr. Volvovsky and the countless others who share his desire to emigrate to the free world.

NUCLEAR NATO: IRVING KRISTOL'S VIEW

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. MICHEL. Mr. Speaker, there is a growing debate in our Nation—and among our allies—over the future of the Western alliance. No one has brought to that debate more insight and no one has asked better questions than the distinguished American author and professor, Irving Kristol. You do not have to agree with Mr. Kristol's views in order to appreciate the clarity and the forcefulness of his thinking. I believe he has helped to set part of the agenda in this debate and we should pay attention to what he says.

At this point I wish to insert in the RECORD, "Nuclear NATO: A Moment of Truth", by Irving Kristol, in the Wall Street Journal, July 9, 1987.

[From the Wall Street Journal, July 9, 1987]

NUCLEAR NATO: A MOMENT OF TRUTH

(By Irving Kristol)

One of the more pernicious phrases that has gained currency in recent years is "the arms-control process." Note that word "process." There seems to be an overwhelming consensus, both in the U.S. and Western Europe, that whatever the difficulties encountered in specific arms-control negotiations, such negotiations are an intergral part of some metaphysical process and that it is terribly important this process continue. Toward what end?

Well, the unstated—or at least rarely stated—hope is that arms-control negotiations in and of themselves will lead to "better understanding," a climate of greater civility, a dispelling of mutual suspicions, and eventually a radical reduction in the risk of war. This is, of course, a wishful fantasy. We have had a century of experience with arms-control negotiations and they have done absolutely nothing to avoid or even mitigate conflicts among nations. Such conflicts arise from a clash of strategic interests, nationalist ambitions or aggressive ideologies. Nations will not accept—or at least not accept for long—a level of armaments that hinders the pursuit of goals they deem important.

NEGOTIATING CIVILIZED WARFARE

If there is no such thing as an arms-control process, there is, however, such a thing as substantive arms-control negotiations. Such negotiations do not diminish the risks of war, but they may, if successfully concluded, establish a definition of "civilized" warfare, involving the non-use of various kinds of weapons. Thus we have had successful arms-control negotiations on bacterial warfare and certain kinds of chemical warfare, with treaties preventing their first use. It is important to realize, nevertheless, that such treaties are not self-enforcing. In all cases, the parties to the treaty are free to arm themselves with a minimum of such weapons, so as to preserve a second-strike capability should a violation occur. It is this second-strike capability that serves as a deterrent, not the treaty itself. And it is the first use of those weapons that is prohibited, not the existence of the weapons themselves-this latter prohibition being regarded as unrealistic because it is unenforceable.

In short, an arms-control negotiation makes sense when it focuses on the first use of a particular weapon or category of weapons. Efforts to define relative numerical limits may be useful in that context, but they are of secondary, not primary, importance. It is the failure to perceive this distinction and to take it seriously that is creating such extraordinary confusion around our current negotiations with the Soviets over the partial "de-nuclearization" of both the North Atlantic Treaty Organization and Soviet forces in Europe.

Most proponents of that mythical arms-control process are naturally pleased with the progress of such negotiations, since they are convinced that the removal of intermediate-range missiles from the European front, followed perhaps by a further reduction (or even removal) of shorter-range missiles, would lessen the probability not only of nuclear war, but of war itself. They may well be right on the first point, but are certainly utopian about the second. Indeed, it is this very prospect of a shift in probabilities from nuclear to conventional warfare that is giving rise to so much alarm and controversy.

One need have little sympathy with the anxiety of our Western European allies over the fact that Mr. Gorbachev has suddenly become "reasonable" about arms-control negotiations at the nuclear level. These countries are the ones that have placed the greatest emphasis on the arms-control process, and have even intermittently insinuated that the Reagan administration was not as enthusiastic about this process as it should have been. They are the ones, too, that made the original commitment to withdraw NATO's medium-range missiles if the Soviets would do likewise. Now they are very uncomfortable as they face, more nakedly, the massive Soviet superiority at the conventional level. But, in politics as in personal affairs, there are times when one has to take "yes" for an answer.

The same is true, one has to note sadly, for those American conservative strategists who, properly suspicious of the arms-control process, are equally suspicious of any agreement that emerges out of this process. They, too, note that any step toward denuclearizing NATO serves only to emphasize conventional-level Soviet superiority. Unfortunately, after publicly insisting for a decade that we had to install those medium-range missiles in order to get the Soviets to remove theirs, they cannot suddenly insist that, in retrospect, the installation of those missiles was a good idea in its own right, and that we should not remove our missiles until the Soviets reduce their conventional forces—which the Soviets clearly have no intention of doing. Here, again, it is a case of having to take "yes" for an answer.

But is it such a bad thing, in this instance, to have to take "yes" for an answer? In the end, it all depends on one's view of the role of nuclear weapons in modern warfare, and particularly their role in the defense of Western Europe.

Would we make such a commitment today? One very much doubts it. The situation has changed, after all. The Soviets are now our equal (at the least) in nuclear weaponry, so we would be committing ourselves to mutual assured destruction—in other words, to national suicide. As Charles de Gaulle tartly observed when France refused to join NATO, nations never do commit suicide for the sake of other nations. The American nuclear "umbrella" is now more fictional than real. It is really unthinkable that we should precipitate a nuclear exchange with the Soviets—or an exchange at any level, since escalation is so inherently likely—because of anything they do outside the Western Hemisphere.

It is not even clear the European members of NATO would allow us to use such weapons in response to a Soviet conventional thrust. Theory is one thing, reality is another, and while the nations of Western Europe wish to resist a Soviet occupation, they also shy away from becoming a radioactive battlefield. And who can blame them, especially when they harbor the suspicion that, after a nuclear exchange in Europe, the U.S. and the Soviet would prudently decide to spare each other? That suspicion is so reasonable as to be ineradicable.

Which leaves us with the oft-heard argument that, fictional as the American nuclear umbrella may be and implausible as a Western European nuclear response to a conventional attack might be, there is still enough uncertainty in this situation so that NATO's nuclear weapons do constitute a "deterrent." True enough—but one can assume that, some time or other in the future, the Soviets will explore this zone of uncertainty. They might, for instance, find occasion to occupy a "troubled" frontier area of Turkey or Norway, both members of NATO. And how would NATO respond? With sound and fury, no doubt, but signifying nothing. Can one envisage NATO forces attacking East Germany in response to a Soviet provocation in Turkey? Would any West German government allow it? No.

Actually, the Soviets are not likely to clash with Turkey, and there is a lesson to be learned here. The Turks have the largest army in NATO and they will offer fierce, determined and implacable resistance to any Soviet aggression. The Soviet regime is really in no position to contemplate such a costly and bloody adventure, no matter how preponderant its power. A strong military establishment (conventional) and an unambiguous will to fight in defense of one's nation are still the most authentic—because they are the most credible—deterrent.

GERMANY'S MILITARY STRENGTH

So why can't West Germany be like Turkey? Because its national will has been corrupted by a reliance on NATO's nuclear "deterrent." The idea that Germany, with its powerful military traditions, should be as defenseless as NATO's commanders now assure us it is—four days to a Soviet victory, they say!—is preposterous. Something is wrong, and what is wrong is NATO's reliance on nuclear weapons, which permits the West German government (and others, as well) to avoid the military expenditures and strategy that would make a conventional defense plausible. Plausible enough, at any rate, to make a Soviet thrust into Europe an unattractive option.

The current crisis in NATO does not result from Mr. Gorbachev's cunning but rather from a reluctance to confront the issue of the role of nuclear weapons in the defense of Europe. Obviously, NATO—even a purely European NATO—would need a sufficiency of such weapons (just as it now needs a sufficiency of chemical weapons) to deter a Soviet first use of them, regardless of any arms-control treaties that might be signed. But reserving those weapons for this purpose would mean that Western Europe would finally have to face its moment of truth: the recognition that to deter the Soviets it would have to develop its conventional forces, and convincingly assert the will to use them. An American presence in Europe, supposedly representing a nuclear "trigger," is no longer a substitute for that strength, that will.

DR. TOM WADDELL

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Ms. PELOSI. Mr. Speaker, on July 11, 1987, San Francisco lost a respected and beloved leader in the struggle for human rights, Dr. Tom Waddell.

As a tribute to Dr. Waddell, I submit this article, written by San Francisco journalist Bill Mandel, to be read into the CONGRESSIONAL RECORD for Tom's wife, Sara Lewinstein, and his 3-year-old daughter, Jessica Waddell Lewinstein.

[From the San Francisco Examiner and Chronicle, July 12, 1987.]

WITH DEATH OF TOM WADDELL, A CHILD LOSES HER DAD AND S.F. LOSES ONE OF ITS BEST

(By Bill Mandel)

DEAR JESSICA: You're not even 4 yet, so this letter won't mean much to you now, but it's a letter I must write. I hope your mother keeps it for you to read when you get old enough.

Your father, Tom Waddell, the greatest man I have known, died Saturday morning, July 11, at 9 a.m. of acquired immune deficiency syndrome at 49. He died at home, peacefully, free of the pain that had pummeled his proud body for more than a year.

Your mother, Sara Lewinstein, was with her husband when he died, as were a few of his dear friends. In a larger sense, your father's true friends—even those who'd never met him—were gathered about him in San Francisco and across the country. Today we mourn.

Any child idolizes her father, but you, Jessica Waddell Lewinstein, have more reason than most kids. You spring from sterling stock. Your father was gifted with many talents, and he used them all to make his world—your world—a better place.

Tom was a healer. He was a physican, but that was just the beginning. His doctor's drive to cure extended far beyond ills of the body and applied itself to maladies of soul and culture.

I hope that when you get old enough to understand this note, there won't be small-minded bigots trying to shut the flow of love to any group of people. When your father was young, though, our society built walls to isolate people who were different from the majority.

Tom Waddell was a very strong man, strong enough to compete for the United States in the decathlon, the most challenging event, at the 1968 Olympic Games in Mexico City. A little later in his life, he used that strength to crash through the wall that prejudice built around homosexual people—people like your father and mother.

Your dad had everything. He was brilliant, loving, handsome, strong, successful and popular. He could have kept his homosexuality a secret, but he decided that truth was a far greater goal than personal comfort.

When he told the world he was a gay man, he lost many of the people he considered his friends. But in the process he gained a new circle of people who loved him for what he really was.

Your father was a very brave man with endless capacity for good works. In 1980, he took on the challenge of organizing the "Gay Olympics," to be held in San Francisco two years later. There were many problems in bringing the games together, the most formidable being a lawsuit brought by the United States Olympic Committee.

Because the USOC owns the word "Olympic," the committee sued organizers of the 1982 games to prevent use of the name "Gay Olympics." No matter that the USOC silently countenanced Police Olympics, Armenian Olympics, Crab-Cooking Olympics and Dog Olympics. Back then, you see, gay people were sometimes afforded less respect than policemen, Armenians, crabs and dogs.

Unfazed, your father and thousands of others blocked the word "Olympics" from flags, posters, tickets and clothing and held the games anyway. They were miraculous.

From hundreds of cities around the nation they came to San Francisco—muscular with pride, happiness . . . and muscles. For generations, people like them had been forced to live shadowy, closeted lives. Now these athletes marched in a blaze of color around Kezar Stadium as thousands cheered and cried.

Thanks to your father and his allies in the fight for justice, a new era was dawning. Those Americans who cared to look through open eyes saw gay men and women as they really are.

After the 1982 games, Tom and Sara, your mother and father, married and created a private miracle: you. You are a lucky girl in many ways, Jessica. You have grown up doubly enriched, doubly doted over by loving members of your parents' separate and overlapping worlds.

The joy of your birth coincided, sadly, with the arrival of the plague that would take your father's life. By the time of the 1986 Gay Games, the atmosphere in the gay community had changed drastically from the proud, flag-waving day of 1982.

Tom was told he had AIDS as even larger throngs of athletes gathered in San Francisco last August for Gay Games II. Aware of the irony, your father tried to keep his diagnosis private, hoping the games would offer an antidote to the dread that was graying the community.

Already thin and pale, your dad marched arm-in-arm with your mother and other organizers of the games as thousands rose and cheered their progress across the green carpet of Kezar. Then Tom stood at the podium, trying to quiet the crowd that wouldn't let him speak for all its applause.

Knowing he faced death, he nevertheless told the audience and the world that the games showed the gay community as it really was—strong, healthy, positive.

This was always his message: hope, optimism, love and struggle toward the light.

After a few months, AIDS launched its inexorable assault on your father's body. A hero to the end, he refused to let the inevitable deter him. He continued to write, to appear in public as often as the sickness would let him. He cooperated as NBC and ABC produced features on his remarkable life. He brushed aside friends' sympathy and insisted on pursuing his vision of life as an adventure.

In the last weeks of his illness, your father was sad about only one thing. He wanted so much to live to see you as an adult, to find out what kind of person you would become.

His dear friends told Tom they would stand in his stead to protect and guide you. But there's little we can do to equal your father's greatest gift: his spirit, his tenacity, his love and his dedication. Through your views flows the blood of two true champions, for your mother, Sara, is Tom's mate in heart and soul.

Sara called about two hours ago to say Tom had just died. Through her sadness and sense of loss, she said his life had been a victory. There is nothing I can add to that but thanks that I was fortunate to know and be inspired by him.

It is a tragedy when a 3-year-old girl loses her father, even more so when her dad was so great a man. But in his lifetime your father created such a beacon of goodness in this world that its light will always illuminate your path.

RESOLUTION ON WORKING WOMEN

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. MARTINEZ. Mr. Speaker, the makeup of our labor force is rapidly changing. Increasingly, women are entering the work force in greater, and greater numbers to the point where they now comprise 44 percent of the American labor force.

These new workers are our family members, relatives, spouses, and friends. Many enter the work force out of economic necessity, thereby forming dual working families. Others join simply to seek independent careers. The U.S. Department of Labor's Bureau of Labor Statistics informs us that between the fourth quarter of 1986 and the first quarter of 1987 alone, the number of women entering the work force rose by 350,000. Though we may certainly be pleased with this increased infusion of valuable talent, we must also remain mindful of the work-related problems which many of these women face.

One major problem lies with the large and persistent gap which exists between men's and women's rates of pay. According to a study conducted by the National Academy of Sciences, women in full time jobs receive wages which average only 60 percent of men's. Over a period of 30 years, the average annual income for women has risen by only $5,000—from $11,000 in 1955 to $16,000 in 1986.

The causes of this gap have been attributed to many different factors, including traditional attitudes toward work, differences in educational levels, job category stereo-typing, and discrimination. Undoubtedly, all of these factors have contributed.

Encouragingly, many of the women now entering the job market are entering traditionally male-dominated professions, including architecture, law, medicine, and engineering. Already, such trends are beginning to make a difference, helping to erode traditional employment attitudes, educational choices, and the pay gap itself. Moreover, these professions have been greatly enhanced by this influx of qualified and dedicated workers.

The fact remains, however, that enlightened work environments are few. Many of the women who enter the labor force do so out of economic necessity resulting from a change in their family situation—death or departure of a breadwinner or addition of a child, for example. Most of these women remain in traditionally female-dominated, lower paying positions which seldom lead to promotions. In addition to facing relatively lower wages, these women face inadequate child care and parental leave policies, as well as inadequate health and retirement plans. All of these factors combine to hamper women in their efforts to make a living while taking care of those for whom they are responsible.

The most dramatic note of this situation is that many female workers fall below the poverty line. A 1984 Government study shows that the group with the highest rate of poverty continues to be female-headed households. And the number of such households, as the Bureau of Labor statistics has found, is increasing. Tragically, it has been estimated that by the year 2000, nearly all adults on welfare will be women. The "feminization of poverty," it appears, is well underway.

What can we do to reverse this trend? The time has come to reexamine the factors which burden working women and move to eliminate them. It is of utmost importance that we offer women continued support. Such support entails encouragement and assistance with education, vigorous enforcement of antidiscrimination and affirmative action laws, reexamination of pay scales, and implementation and reform of family related social programs.

Only with continued vigilance and commitment can we hope to remove the legal and informal barriers to job and wage parity for women. To this end, I am introducing a House resolution today with 45 cosponsors in recognition and support of the role of working women in the United States. I invite my colleagues to lend their support by cosponsoring this resolution.

AMERICAN-SOVIET YOUTH EXCHANGE

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. HERTEL. Mr. Speaker, today I wish to share with you the immeasurable experiences in which a select group of 31 Michigan students and 2 teachers are currently taking part. The students are engaging in a journey throughout the Soviet Union.

The students were honorably chosen on the basis of their maturity, interest in world affairs, desire to represent one's school, community and country. They showed an intellectual curiosity that revealed a yearning to experience an alternate culture.

Joining the students on the trip are two teachers who showed exemplary abilities in and out of the classroom. The program is formally titled "Initiative for Understanding: American-Soviet Youth Exchange" and is chaired by the respected former Governor of Michigan, William Milliken. Utica Community Schools Superintendent Donald Bemis was appointed State chairman by Governor James Blanchard. Mr. Bemis, in particular, is quite enthusiastic about the project because "it gives me a rare opportunity to help young people from our school district and Michigan gain an international understanding."

This educational experience will first take the students and chaperones into Moscow. It is here that they will encounter among other things, tours of the Kremlin, Red Square, famous Moscow Conservatory, the Mayakovsky Theatre, and the Lenin Library.

From Moscow the group will venture to Baku, which is one of the most picturesque cities in all of Russia. Located along the Caspian Sea, this stop will allow the students to enjoy some of Russia's best cafes, shops and open air cinemas and theaters.

Another stop on this intellectually stimulating experience is Rostov. Rostov features marvelously preserved architectural monuments from the 15th through the 17th centuries. This town spotlights some of the most beautiful cathedrals in the world.

The final two stops in this invigorating step into another lifestyle takes the 33 fine young people to Riga and Leningrad. Riga is one of the oldest cities on the Baltic coast. One of the major features of Riga is a section of town called Old Riga which is set in the style of a fortified medieval town and offers the historical and architectural relics of the time period. The State Museum of Arts features the finest works of Lettish and Russian paintings and sculptures and will enlighten the students about this style of art.

Leningrad is frequently called "the Venice of the North" for it is constructed on 101 islands in the Neva River. This great city is dotted with beautiful art galleries and museums. It is also the home to the Peter and Paul Fortress, which is a former military fortress where the rulers of Russia from Peter I to Alexander III are buried.

I am very proud to present the Soviet Union with 31 of the best students and 2 of the best educators from the great State of Michigan: Paul Bierlein, Thomas Bodell, Eric Boehrer, Louis Cubba, Matthew DesJardins, Mark Dysarz, Gina Grobbel, Jennifer Iras, Peter Ishioka, Julie Johnston, Colleen Kincaid, Thomas Lewand, Lisa LoCicero, Timothy Mackay, Thomas Massimino, Angela Messina, Meredith Meyer, Michael Monette, Loretta Monley, Dorothy Morrison, Shannon Murphy, Matthew Oberski, Louis Pace, Tracy Pitlandish, Julie Schroeder, John Schuchard, Catherine Shearing, Benjamin Shih, Kevin VanDyke, William VanLuven, Beverly Young, and the two teachers Barbara Markle and Preston Staines. These students proudly represent the United States in "Initiative for Understanding: American-Soviet Youth Exchange."

JACK TURNER REPRESENTS THE FINEST IN THE AMERICAN WORK ETHIC

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. BILBRAY. Mr. Speaker, I rise today to pay tribute to an outstanding southern Nevada resident, Mr. John Turner. Jack currently serves as director of the United Auto Workers Retired Workers Department.

Few men or women have demonstrated the dedication and skill which have characterized Jack's work on behalf of the working men and women of our Nation. At age 18 Jack began his distinguished career by entering the work force in 1942 at the Flint, MI, Chevrolet plant, where he joined UAW Local 659. Soon afterwards, Jack nobly served our country in World War II, leaving in 1946 after nearly 4 years of honorable service. Upon return to the civilian ranks, Jack entered Michigan State University.

Graduating in 1950 with a degree in accounting, Jack began his work in earnest. In 1955 through 1958 he served as district committeeman for skilled trades, and from 1958 until 1966 served as the secretary of the General Motors National Negotiating Committee. During his service in the latter capacity, Jack served in the 1964 General Motors national negotiations. Jack expanded his activities on behalf of America's working men and women by joining the International Skilled Trades Advisory Committee in 1964, and in 1966 was named to the International Skilled Trades staff.

As a result of the excellence of his efforts, Jack was named assistant director of the Retired Workers Department of the UAW in 1973 and continued to serve in that role until 1980. At that time, in recognition for his continued outstanding work, Jack was named director of this important group.

Jack's contributions are not limited to these areas alone, however. In 1973, Jack was named to the Executive Board of the National Council of Senior Citizens, a position he continues to hold today. For the past 2 years Jack has served as secretary/treasurer of the distinguished organization.

A devoted family man, Jack is the proud father of two gifted children. He has given countless hours in service to his community both as a Shriner and as a Mason.

Mr. Speaker, I ask today that my colleagues join me in commending the outstanding contributions of Jack Turner. Jack truly embodies the finest in family values, service to community and Nation, and of the American work ethic.

CHARITABLE GIFT ANNUITIES EXCLUSION

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. DAUB. Mr. Speaker, today I am introducing a bill to amend last year's Tax Reform Act to clarify that the issuance of charitable gift annuities is not to be considered when determining whether certain organizations are to be treated as providing commercial-type insurance. Charitable institutions have used these annuities as a substantial source of funding for many years. But under the Tax Reform Act the tax-exempt status of these institutions would be denied unless "no substantial part of its activities consist of providing commercial-type insurance."

Even if an organization is not substantially engaged in providing commercial-type insurance, the activity of providing this insurance constitutes unrelated trade or business income resulting in a tax under rules applicable to insurance companies. Not only would the tax be onerous, but it would be a complex one that many charitable institutions would not comply with, and so would not accept these kinds of donations.

I believe that it was not intended that these new provisions include charitable gift annuities. The legislative history on the topic is completely silent, and in fact specifically indicates that organizations like Blue Cross/Blue Shield were instead intended to be taxed under these provisions. In addition, since charitable remainder trusts are not subject to this treatment I feel that gift annuities, used by taxpayers of a more modest means, should be treated similarly.

IN MEMORY OF A RESPECTED LITIGATOR

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. FLORIO. Mr. Speaker, on July 2, Edwin P. Rome, the well-respected litigator and active member of the community in Philadelphia died at his home in Gladwyne, PA, at the age of 71.

In his many years of service to his prestigious Philadelphia law firm and to the people he defended, his tenacity was a testament to the ideal of justice in the courts.

Indeed, it was that tenacity which commended him to his colleagues. His effort on behalf of his clients often went the long road. He pursued justice for his clients, often going through years and years of appeals and litigation.

One of the early episodes which distinguished his career was his defense of a young man coerced into confessing to a crime. Although at times the courts all the way to the Supreme Court decided against him, Mr. Rome was equally determined to see that his client was given a fair trial.

And for that determination, Mr. Rome helped to define what would later be known in the law books as the Miranda decision, reaffirming the rights of the accused and the presumption of innocence.

His colleagues, both those in his law firm and those whom he opposed in court, and the judges on the bench respected him. State Supreme Court Justice Michael Musmanno praised him, "I cannot help but express a renewed and continued admiration for lawyers in the search for the priceless jewel, truth."

Fairness for the common man was the cornerstone of his law practive, when defending an accused man or arguing on behalf of American companies subjected to unfair trade practices from abroad.

Mr. Rome's dedication to the community of man also extended to his private life, giving many hours to the arts and historical commissions, including the Walnut Street Theater and the Philadelphia Museum of Art.

For the many years that he gave of himself to his practice, to his clients, and to the community, Mr. Rome demonstrated that the pursuit of justice was a worthy endeavor. I join his family and friends in remembering his life, his accomplishment, and his inspiration.

IN HONOR OF DR. GEORGE E. MURPHY

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. GREEN. Mr. Speaker, I should like to take this time to pay tribute to Dr. George E. Murphy, the founder and chairman of the Murphy Center at Asphalt Green. The center is an educational and recreational facility located in my district.

Fourteen years ago, Dr. Murphy saw that the needs of the youth of New York City were not being met in terms of having facilities where youngsters could pursue both educational and athletic activities. Dr. Murphy took his dream of building such a facility on the Upper East Side of Manhattan and, on his own, turned it into a reality. Today the Murphy Center at Asphalt Green is an active and vital facility in my district. The youth of the area now have a place to go after school and on the weekends to play various sports as well as take part in many creative art programs.

Two years ago another one of Dr. Murphy's dreams came true; and now the Murphy Center has the only astro turf field on the East Side of Manhattan. This field is open to the public at large as well as being available for the schools and social agencies in the city.

On a more personal note, Dr. Murphy and I have worked closely over the last 2 years in coordinating a program to help educate the youth of New York City on the dangers of drug and alcohol abuse. The Murphy Center has hosted both the 1986 and the 1987 Yorkville Basketball Tournment. The project used a sports program to reach a broad cross section of our troubled youth. The thrust of our program, however, was educational. In 1986, we had 125 youngsters participate in the program. Last year, Dr. Murphy saw that the drug problems affecting the youth in our city were not decreasing and we expanded our program so that over 225 youngsters between the ages of 11 to 18 took part in this year's event.

Dr. Murphy has made a lifelong commitment to help the youngsters of New York City. It seems that every year he is formulating new creative programs for youngsters of all ages. We are all in his debt for his continued energy and vision of life for the children of today.

PERSONAL EXPLANATION

HON. ROBERT E. WISE, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. WISE. Mr. Speaker, on Tuesday, June 30, 1987, I was unable to get to the floor in time for the vote on H.R. 2616. At the time I was meeting with representatives of the Kaiser Aluminum plant in Ravenswood, WV. Had I been here I would have supported this bill and voted "yea" on rollcall 230.

H.R. 2616 is an extremely important bill because it further strengthens a veteran's abilities to obtain health care and provides for greatly improved VA health care delivery. The centerpiece of this legislation is a provision which would prohibit the Veterans' Administration from transferring the veterans readjustment counseling centers to VA hospital locations. This network of 189 centers, of which 4 are located in West Virginia, are currently based in smaller communities throughout the country. Since it began in 1979, the Vet Center Program has provided a wide range of counseling services to over 400,000 veterans and family members.

I was extremely pleased that H.R. 2616 passed the House of Representatives by such a large majority and I would urge my colleagues in the Senate to act quickly on this legislation.

IN HONOR OF JAMES YANCEY

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. RAY. Mr. Speaker, I rise today in order to honor a fellow Georgian, James Yancey. Mr. Yancey is president of the Columbus Bank & Trust Co. His rise to that position is remarkable considering the fact that he began working for the bank as a teller without the advantage of a college diploma.

Jimmy Yancey was raised in Columbus, GA, the son of two textiles workers. Believing that his opportunities were limited, he enrolled in a vocational course in high school hoping to be a machinist. However, his high school principal saw promise in him and recommended him for a position at Columbus Bank & Trust.

Twenty-eight years later Jimmy Yancey serves as the president of that bank, which has deposits of over $600 million and is the largest independent bank outside of Atlanta. As chair of the Chamber of Commerce's Economic Development Committee Jimmy proved to be an effective promotor of the business interest of the Columbus area. Georgia is lucky his talents were recognized, because he has never failed to help out the people of Georgia.

Jimmy Yancey's career is an example of our Nation and a confirmation that the American dream is still alive and obtainable. Mr. Speaker, Jimmy Yancey is an inspiration for all Americans, and I request that this article from Georgia Trend magazine be placed in the CONGRESSIONAL RECORD in his honor.

JAMES YANCEY: THE HORATIO ALGER OF GEORGIA BANKING

(By Ken Edelstein)

James D. Yancey wasn't planning a career in banking when he applied for a teller's position at Columbus Bank & Trust Co. in 1959. He just wanted a job to tide him over until he could get work as a machinist. Instead, he wound up staying 28 years. Without the benefit of a four-year college degree, he worked his way up to president of CB&T, Georgia's largest independent bank outside Atlanta.

"My initial thought was 'This seems like a nice job. But this isn't what I want to do all my life,'" recalls Yancey, 45. "When I was growing up, I didn't even know what a banker really was."

A round-faced man with a casual, easygoing manner, Yancey is sitting on the veranda of the stylish A-frame cottage he owns on Lake Harding, a popular weekend retreat among the more prosperous citizens of Columbus. Occasionally he peers through a pair of binoculars at the water skiers crisscrossing the calm water.

Yancey envisioned his future far differently when he was enrolled in the vocational program at Columbus' Jordan High School in the late 1950s. The son of two textile mill workers, he saw a career as a machinist as his ticket out of the low-paying mills that then were the dominant employers in Columbus, recalls Earl J. Hamilton Jr., a lifelong friend. "Jimmy and I both came from the part of town that bank presidents didn't come from," says Hamilton, now the owner of several restaurant franchises in Fort Walton Beach, Florida.

Yancey wasn't the handiest of his classmates when it came to turning lathe or sawing metal. He got a job after graduation in 1959, but he was laid off at the end of the summer. That layoff turned out to be Yancey's big break. CB&T, an aggressive upstart among Columbus banks at the time, was looking for a bank teller and called Yancey's high school principal, R.H. Taliaferro, to inquire about recent graduates. Taliaferro recommended Yancey, even though he was on the blue-collar—not the white-collar—career track.

"He was well-liked by everyone because he was always willing to help anyone, regardless of who they were," says Hamilton, who played on Jordan High's football team with Yancey. Yancey started at center his senior year, while Hamilton was a receiver. "He wasn't always a guy with a lot of physical ability, but he was a 110%-type of guy.".

Yancey's willingness to work hard wasn't overlooked at CB&T. He learned the banking business quickly, moving from teller to head teller to audit clerk to installment loan officer in 3½ years. Six months later, the CB&T board of directors named him assistant cashier, putting him on the bank's management track.

After stints as a branch manager and lending officer, he became executive vice president of CB&T in 1977 and president in 1983. The bank now has assets of $750 million and about 500 employees.

Last year Yancey took on an additional assignment. He became vice-chairman of CB&T Bancshares, CB&T's parent company and the state's largest bank holding company based outside Atlanta. The Company has assets of $1.6 billion, a brokerage, a financial management company and 11 affiliate banks, including its flagship, CB&T. The bank also owns 82% of Total System Services, a separate company and the nation's second-largest provider of credit card processing services.

Not many bank tellers get as far up the corporate ladder as Yancey has without at least a four-year college degree, a little help from their family, or both. David R. Williams, communications director of the Georgia Bankers Association, describes Yancey's rise as "really very rare, especially for the larger banks. I don't think there's another president of a larger bank in Georgia who's done what he's done."

A case in point is Yancey's predecessor, James H. Blanchard, who is now chairman of CB&T Bancshares. Blanchard has a bachelor's degree in business administration and a law degree from the University of Georgia. His father, the late James W. Blanchard, was president of the bank. The younger Blanchard was 29 when he was named president in 1970, after only six months as a CB&T executive.

While Blanchard and Yancey downplay their different routes to the presidency, the contrasts between the two men don't end there. Blanchard is a lanky extrovert, whose ever upbeat statements have led to his unofficial designation as the city's top cheerleader. Yancey, on the other hand, does his best work quietly, often behind the scenes. He gazes contemplatively at those he speaks with, and makes his points softly.

Their differences may, in part, explain the strength of CB&T. Says Gerry O'Meara, an analyst with Robinson-Humphrey Co. in Atlanta, "We think very highly of the team at CB&T. We think they've done a very effective job of managing their fanchise in what is an increasingly competitive market."

CB&T has grown dramatically in the past 15 years and, at the same time, avoided falling prey to a larger bank. Founded in 1930 from the merger of two smaller banks, CB&T had long been Columbus' number-two bank, behind First National Bank of Columbus. But with the financial backing of Columbus industrialist D. Abbott Turner and an aggressive modernization plan initiated by the Blanchards, CB&T finally overtook its rival in the early 1970s. At the end of 1986, CB&T's deposits totaled more than $600 million, compared with about $350 million at First National, which is now part of First Union Corp. of Georgia.

CB&T Bancshares has avoided a fray with its big Atlanta cousins by acquiring banks in cities on the fringes of the Atlanta area, like Carrollton and Newnan, and in small towns elsewhere, like St. Marys and Chatsworth. It has avoided a takeover, at least in part, because of Total System. CB&T Bancshares' stock was trading at almost four times its book value last spring, compared to the average among Southeastern banks of about 1.6 times book value. O'Meara says the difference is due to the value placed on Total System.

Blanchard generally gets most of the credit for CB&T's growth. But he has high praise for the performances of the bank's top executives, particularly Yancy. Blanchard sees Yancey's rise at CB&T as nothing less than a confirmation of the American dream.

"Ultimately who you are, where you came from and what your track record is will get you only so far," says Blanchard. What Yancey's success shows, he says, is that "our company, and probably most any company, is looking for the best folks, the ones that have the best talent and can get the job done."

In some ways, Yancey says, not going to a four-year college may have given him an advantage. "I started to learn things while other (management trainees fresh out of college) were just getting started." Yancey did begin taking classes at Columbus College, which until 1970 was a two-year institution, shortly after he began working at CB&T. He earned an associate degree in business in 1964. Later, he completed banking courses at Rutgers University and Louisiana State University.

Yancey claims it's "not impossible to do today what I did" because the bank still promotes from within. Blanchard agrees. To him, Yancey's judgment on money matters and his concern for people are more important than any degree. Yancey's judgment is "as good as anybody's I know," says Blanchard. "I'm not sure it's something you acquire. He just inherently has good judgment."

He's also the kind of person who is constantly thinking of ways to help customers and employees, Blanchard adds. "I get along with people well," says Yancey. "I think I'm sensitive to people's needs."

Yancey's wife, Ruth, who was his high school girlfriend, says Yancey was always the quiet, sensitive type. A friend had to introduce them before he would ask her on their first date. "I know it's hard to believe, but he was extremely shy," she says. "But I liked to talk. He listened. So everything worked out."

Today, Columbus business leaders might call Yancey reserved, but not shy. For the past three years, until last December, he chaired the Chamber of Commerce's Economic Development Committee. When a Fairchild Industries plant that made aircraft parts closed last October, Yancey and a group of business executives flew to the company's headquarters in Chantilly, Virginia, to offer their help in finding a new owner.

News that Textron Inc., a Rhode Island conglomerate, might be interested in the plant led Yancey to contact U.S. Rep. Richard Ray, whose district includes Columbus. Ray helped persuade Textron executives to buy the plant. Textron reopened the facility in June and expects eventually to employ 120 people—the same number that had worked at Fairchild.

While Yancey clearly believes Columbus is a desirable site for new business, his style as a civic booster is low-key. "I don't think the stereotypical salesman succeeds in economic development," he says. "The 'Hail, fellow' and the slap on the back aren't what they (corporate decision-makers) want." Yancey says he's "a salesman in the sense that we deliver what we say we'll deliver." HIs salemanship proved effective last April in persuading the Business Council of Georgia, of which he's a board member, to spend two days of its Red Carpet Tour of Georgia in Columbus. The tour, made up of top-level executives considering establishing facilities in Georgia, had bypassed the city since 1982.

The idea that someday he might mingle with the state's top business and political leaders never occurred to Yancey when he first joined the bank. He remembers his early awe of the late James W. Blanchard, who was bank president when Yancey became a teller. "My impression of the president was 'There's no way I'm going to do that,'" he says. "There was Mr. Blanchard, this man with this presence, this bearing, that just told you he was a leader. If you walked into a room, and you didn't know who he was, you'd still know he was somebody important."

Yancey may not have the polish of his late boss, but he does have the ability to inspire people. "I think I tend to lead by example," he says. "More like 'If I can do it, you can do it.'"

And the way Yancey did it at CB&T was one step at a time. He never looked more than a position ahead of where he already was. "If I had been a junior loan officer looking to be president, I probably never would have made it to senior loan officer," he says. "What you've got to do is be good at the job you're doing and concentrate on that."

Yancey continues to adhere to that philosophy as bank president. Earlier this year, when Blanchard and other CB&T Bancshares executives moved into new quarters, Yancey took over Blanchard's office on the first floor of CB&T's main downtown bank. He has yet to change the decor. The only things be brought with him were his own leather swivel chair and a collection of paperweights from Columbus' leading companies. One contains a well-known quote from Robert W. Woodruff that's as apt a description of Yancey's beliefs as it was of the Coca-Cola magnate's: "There is no limit to what a man can do or where he can go if he doesn't mind who gets the credit."

His workdays begin about 7:30 a.m. After sorting through a stack of newspapers and mail, he's off to one of his daily 8:15 a.m. meetings. Mondays, Thursdays and Fridays he chairs a gathering of CB&T executives. Wednesdays he meets with CB&T division and branch bank officials. Tuesdays are reserved for meetings of the CB&T Bancshares executive committee.

A steady flow of customers and employees pass through his office in the late mornings and early afternoons. Then there are construction sites to visit and meetings with chamber officials to attend. It's usually 6:30 or 7 p.m. before he joins his wife at their north Columbus home. Their daughter, Stephanie, 24 is a law student at the University of Georgia, and their son, Brooks, 20 is a sophomore at Georgia Tech.

Yancey could take more than two weeks of vacation a year, but he never has. Still, he bristles at the suggestion that he's a workaholic. "I don't think of it as hard work," he says, without hesitation. "There's never been a day since I started that I ever hated to go to work. It was never a drudgery for me."

As for the future, Yancey maintains he's content where he is. "I've got the best job in America today," he says. "I work for a company that allows me to grow. I can keep on enjoying what I am doing without getting another title."

PEACE IN THE MIDDLE EAST

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1987

Mr. BONIOR. Mr. Speaker, I wish to clarify my position on a letter to my colleagues that I recently cosigned opposing legislation designed to close the information offices of the PLO in the United States. The fundamental purpose of this letter was to express concern over legislation that, I believe, would threaten the exercise of free speech in this country and have damaging consequences for our ability to participate in the peace process in the Middle East.

As we all know, Mr. Speaker, the search for peace in the Middle East has been elusive. Deeply held convictions have kept the peoples of this region from fostering mutual understanding. As an important player in the region, the United States needs to hear differing points of view.

My concern that this country not close channels of communications with representatives of the Palestinian people, must not be misconstrued in any way as a lack of support for the State of Israel. Israel is our most important ally in the region. Our Nation's commitment to defend the State of Israel's right to exist and to provide economic and military support must never be questioned.

To underscore this point, I would like to quote from a speech I made to this body last year:

> Israel will continue to be a nation with special problems and a special relationship to the United States. Because it is surrounded by hostile neighbors, the question of security will be a priority which overshadows all others. America needs to acknowledge this and to continue to provide what we can to ensure the security of our closest ally in the Middle East.

Ultimately, Mr. Speaker, there will be no lasting peace in the Middle East, and no true security for the State of Israel, without a resolution of the Palestinian issue. The questions of a Palestinian homeland and representation for the Palestinian people must be addressed.

It is in this context—the need to search for a lasting peace in the Middle East as well as to protect freedom of speech at home—that I have expressed my opposition to legislation which would deny an organization representing the Palestinian people the opportunity to present its views.

Mr. Speaker, I urge my colleagues to read the following article on this subject.

[From the Washington Post, July 12, 1987]

PLAYING PLO POLITICS WITH THE FIRST AMENDMENT

(By Nat Hentoff)

Bringing students to watch Congress at work is chancy. On a good day they might hear Sens. Paul Simon, Howard Metzenbaum, Carl Levin, and Ted Kennedy speak with passionate commitment about the need to protect the Bill of Rights, especially the First Amendment. On a bad day they might hear that the very same senators are cosponsors of a bill that would use the justified abhorrence of the PLO to weaken the First Amendment.

The bill has been introduced in the Senate by Charles Grassley of Iowa, and its House counterpart has been proudly initiated by Jack Kemp of New York. It's called the Anti-Terrorism Act of 1987, and, among other things, it forbids Americans receiving anything of value, except informational material, from the Palestine Liberation Organization. What happens to a newspaper that runs an ad after the bill has been passed protesting the law—an ad paid for with PLO money? Does the paper get indicted?

At the core of this bill—crafted to make those who vote against it appear to be soft on terrorism when they're next up for reelection—is a provisoin that would close the two PLO offices in the United States. No one could establish such an office henceforth "at the behest or direction of, or with funds provided by the PLO." (There has been an observer mission connected with the United Nations in New York since 1974, and an information office in Washington since 1978.)

In speaking for the bill on the Senate floor, cosponsor Robert Dole noted solemnly, "We are not seeking to undermine anyone's rights—neither the rights of any Americans nor the rights of anyone anywhere else in the world." That's the kind of prologue that gives the First Amendment the shakes. "We are seeking," added the senator, "to strengthen the defenses of this country against the real, physical threat that the PLO represents."

Factions of the PLO have murdered and maimed elsewhere, sometimes with the smiling approval of Yasser Arafat. But there has been no claim that the PLO offices in the United States have been involved in terrorism or in conspiracies to commit terrorism. Even the American Israel Public Affairs Committee, which has been mightily pushing this bill, admits that. And there are laws that would put away anyone caught in such crimes.

Rep. Barney Frank, the pungent civil libertarian from Massachusetts, thinks the Anti-Terrorism Act of 1987 is foolish. "It's a mistake," he says, "for friends of Israel to put this much energy into the bill because even if it passes, it's not going to accomplish anything with regard to terrorism. Oh, the bill might accomplish one thing. By outlawing the PLO here, it'll create an aura of martyrdom around the PLO."

Morton Halperin, who runs the Washington office of the American Civil Liberties Union, points out that "it is clearly a violation of the rights of free speech and association to bar American citizens from acting as agents seeking to advance the political ideology of any organization, even if that organization is based abroad." And integral to exercising those rights of speech and association is the corollary ability to have an office, a staff and a phone listing. Under the bill, PLO supporters still do have the right to stand on street corners passing out literature, and they are also free to sleep under the bridges at night.

Americans, moreover, whether they have any use for the PLO or not, also have the First Amendment right to receive ideas, including propaganda. The senators and representatives cosponsoring this bill in such large numbers obviously forget, as one dissenting congressman, Don Edwards of California, told me: "Our country was built on dialogue."

Should the bill be passed—or should the State and Justice departments decide to close the Washington office unilaterally in order to short-circuit the anti-terrorism act—a powerful precedent will have been set. Why not close down the offices of the African National Congress? It has engaged in violence and says it has no choice but to continue to.

An official of a Jewish organization that does not support the bill notes wryly that if such legislation had been on the books while Jews were trying to bring the state of Israel into being, the Irgun Zvai Leumi would have been on the proscribed list. That fierce group engaged in terrorism against the British in Palestine for what it considered urgent nationalistic reasons.

Seeing the names of Jack Kemp and Jesse Helms on the bills is not surprising. But some of the other cosponsors—including Barbara Mikulski, Bob Packwood and Arlen Specter—show how shallow the attachment to the First Amendment is when you can pick up easy political points by straight-arming it. Something for kids to think about in this bicentennial year.

HOUSE OF REPRESENTATIVES—*Wednesday, July 15, 1987*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

May our prayers, O God, rise to You with grace and good spirit. Teach us to pray not only when the crises of life touch us or those near to us, but may we learn to practice our prayers as part of each day, as a natural response to the gift of life. On this new day of grace we express our thanksgiving to You for Your love, for Your forgiveness, and for presence with us along life's way. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SAXTON. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SAXTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 290, nays 118, answered "present" 1, not voting 24, as follows:

[Roll No. 271]

YEAS—290

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Baker
Barnard
Bartlett
Bateman
Bates
Beilenson
Bennett
Bereuter
Berman
Bevill
Biaggi
Bilbray
Boggs
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chapman
Chappell
Cheney
Clarke
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Cooper
Coyne
Crockett
Darden
Davis (MI)
DeFazio
Dellums
Derrick
DeWine
Dicks
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fazio
Fish
Flake
Florio
Foley
Ford (MI)
Ford (TN)
Frost
Garcia
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gradison
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Hertel
Hochbrueckner
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Lowry (WA)
Lujan
Luken, Thomas
Lungren
MacKay
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McHugh
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Miller (WA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Panetta
Patterson
Pease
Pelosi
Pepper
Perkins
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Rahall
Rangel
Ravenel
Ray
Regula
Richardson
Rinaldo
Ritter
Robinson
Rodino
Rose
Roth
Rowland (GA)
Roybal
Russo
Sabo
Sawyer
Schneider
Schulze
Schumer
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wilson
Wolpe
Wortley
Wyden
Wylie
Yates

NAYS—118

Armey
Badham
Ballenger
Barton
Bentley
Bilirakis
Bliley
Boehlert
Brown (CO)
Buechner
Bunning
Burton
Chandler
Clay
Clinger
Coats
Coble
Coughlin
Courter
Craig
Crane
Dannemeyer
Daub
Davis (IL)
DeLay
Dickinson
DioGuardi
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Fields
Frenzel
Gallegly
Gallo
Gekas
Gingrich
Goodling
Grandy
Gregg
Hansen
Hastert
Henry
Herger
Hiler
Holloway
Hopkins
Hunter
Hyde
Inhofe
Ireland
Jacobs
Kolbe
Konnyu
Kyl
Lagomarsino
Latta
Leach (IA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lott
Lowery (CA)
Lukens, Donald
Mack
Madigan
Marlenee
Martin (IL)
McCandless
McEwen
McMillan (NC)
Michel
Miller (OH)
Molinari
Moorhead
Parris
Pashayan
Penny
Petri
Quillen
Rhodes
Ridge
Roberts
Rogers
Roukema
Rowland (CT)
Saiki
Saxton
Schaefer
Schroeder
Schuette
Sensenbrenner
Sikorski
Skeen
Slaughter (VA)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Stangeland
Stump
Sundquist
Swindall
Tauke
Thomas (CA)
Upton
Vucanovich
Walker
Weber
Weldon
Whittaker
Wolf
Young (AK)
Young (FL)

ANSWERED "PRESENT"—1

Gaydos

NOT VOTING—24

Boland
Boner (TN)
Conyers
Daniel
de la Garza
Dingell
Fawell
Feighan
Flippo
Foglietta
Frank
Gephardt
Howard
Kemp
McGrath
Roe
Roemer
Rostenkowski
Savage
Scheuer
Skelton
Sweeney
Wise
Yatron

□ 1210

Mr. STRATTON changed his vote from "nay" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H.J. Res. 122. Joint resolution to designate the week beginning July 13, 1987, as "Snow White Week."

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface **indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.**

APPOINTMENT OF CONFEREES ON S. 825, HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1987

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 825) to amend and extend certain laws relating to housing, and for other purposes, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

□ 1225

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

Mr. SKEEN. Mr. Speaker, reserving the right to object, I do so for the express purpose of asking the gentleman from Rhode Island [Mr. ST GERMAIN], has this been cleared with the minority? The gentleman from Ohio [Mr. WYLIE] is not here.

Mr. ST GERMAIN. Mr. Speaker, will the gentleman yield?

Mr. SKEEN. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Speaker, I would say to the gentleman this indeed has been cleared with the gentleman from Ohio [Mr. WYLIE], the ranking minority member.

Mr. SKEEN. I thank the gentleman. The gentleman from Ohio is not here so I thought it would be proper procedure to ask, and I appreciate the gentleman's response.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island? The Chair hears none, and appoints the following conferees:

Messrs. ST GERMAIN, GONZALEZ, FAUNTROY, MS. OAKAR, Messrs. VENTO, GARCIA, SCHUMER, FRANK, LEHMAN of California, MORRISON of Connecticut, Ms. KAPTUR, Mr. ERDREICH, Mr. WYLIE, Mrs. ROUKEMA, Messrs. WORTLEY, BEREUTER, HILER, RIDGE, and BARTLETT.

CONGRESSMAN ASPIN'S DISCLOSURES ON GULF BRIEFING

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, this morning's New York Times has a story headlined, "Administration Criticizes Aspin's Gulf Disclosures."

The story tells of administration dismay over the release of classified information by our colleague, Chairman LES ASPIN of the Armed Services Committee.

The information concerning plans for the reflagging of Kuwaiti oil tankers was given to a group of our colleagues yesterday in a briefing which I attended as well.

The Washington Post this morning in a similar story reports that a senior White House official says the date and details of the reflagging operations were likely to change "because of the disclosure."

Mr. Speaker, I do not want to dwell on this incident. But it seems to me that if the Congress wishes the administration to consult us on these and other sensitive matters we owe it to them and to ourselves to show a little discretion and prudence. We simply cannot expect trust to be rebuilt between these two great branches of Government if classified information given in a small meeting of congressional leaders becomes known almost immediately after it is disclosed.

We are hearing quite a bit these days about leaks and who is responsible for them. The Iran-Contra hearings have devoted much time to the question.

Well, whatever the facts may be, the point is that we just cannot continue to blab to the media about classified data. It is no good for the country. Certainly the American people realize that. Why do not Members of Congress realize that?

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Wisconsin, my friend.

Mr. ASPIN. Mr. Speaker, I appreciate the gentleman from Illinois yielding, and I appreciate his bringing this matter to the floor because it was something that I read in this morning's paper, and I was unhappy with, too.

Let me tell the gentleman in the well and anybody else who is listening that I sat carefully through that whole briefing yesterday over on the Senate side. Mr. Carlucci was there, the Secretary of Defense, the Secretary of State. And I would like to point out to the gentleman in the well and to the anonymous White House spokesman that the issue of the date of what time the reflagging would take place, or what time the escorting would take place has never, underline never, been a piece of classified information. We have discussed in the Armed Services Committee—will the gentleman just let me finish what I want to say?

Mr. MICHEL. Let me just comment on that because that is not the issue, a specific date for reflagging. The real question is if you are handling some kind of convoying operation of some force where our men are going to be at risk, it seems to me, and particularly in a military operation, we do not go signalling ahead of time to terrorists or those who would be inclined to make the most of it. And I just think, if it had been some junior Member I might understand that, but not the chairman of the Armed Services Committee right after a secret briefing. I just cannot fathom that.

Mr. ASPIN. Will the gentleman let me finish my statement?

Mr. MICHEL. I am happy to yield to the gentleman from Wisconsin.

Mr. ASPIN. We have never, ever talked about that date being a classified date, and I am not talking about just the reflagging date. I am talking about the date in which the escorts were to take place.

And I would point out to the gentleman, we have discussed this issue in open hearings, we have had it in testimony, we have had it on discussions on talk shows. The date has been a constant, changing date, but at no time was the date a classified date. And in yesterday's meeting there was no indication that the administration was going to classify this piece of information.

If the gentleman will let me finish, we went into the briefing. Nobody got up at the beginning of the briefing and said, ladies and gentlemen, this information is sensitive, classified, we would appreciate it that you would not talk about it. Nobody said that. That was not said.

Mr. MICHEL. The gentleman is talking about that specific item.

Mr. ASPIN. At some point during the process an item came up which had nothing to do with this date, which had to do with the cooperation of the Gulf States, and they did say that that was classified, that that was sensitive information.

If this administration believes that a piece of information is classified, they have got to tell Members of Congress that it is classified. And, in particular, if they are going to change their policy and have something that was not a piece of classified information now be a piece of classified information, they should tell people that they are now going to treat that as classified information.

I would not discuss anything in open that I was told or was led to believe that the administration thought was classified information. There was no indication, either at that briefing yesterday or any time before that that piece of information was classified.

Mr. HOPKINS. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Kentucky.

Mr. HOPKINS. Mr. Speaker, I appreciate my leader yielding. I, too, was at the meeting yesterday, and I must concede what the chairman says is correct to this extent: The administration did not come in with placards, holding them up, saying this is a classified briefing.

I thought, very frankly, that when you walk through a bevy of Secret Service people to even get in a meeting, that should be signal enough when you are talking to Secretary Shultz, Secretary Weinberger, the head of the National Security Council, and telling us the dates as to when, where, and the operations of what is admittedly a very dangerous operation which the chairman himself has said on many occasions how dangerous it is.

I must say to the chairman and to my leader and to my colleagues that I was appalled to leave that meeting and find the chairman standing there talking to all the news media, revealing the things that were told to us there. And getting back to my office not only was it on television then, but obviously had been broadcast around the world.

I think it makes us bring back the old saying, perhaps, "Loose lips sink ships."

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Wisconsin.

The SPEAKER. The Chair is going to extend the time of the minority leader.

Mr. MICHEL. Mr. Speaker, I thank the Chair for his forebearance.

Mr. ASPIN. Mr. Speaker, I would like to tell the minority leader that this gentleman would not, would not reveal information that he was told was classified. There was no indication at the beginning of that meeting yesterday that the meeting or the information to be given out was classified. There was no indication that they were going to change our policy and not announce publicly when the date of the escorts were to take place.

I would point out to the minority leader that the minority leader in the Senate, as reported in the Washington Post and other places, also talked publicly, Mr. Dole, also talked publicly about that date. I am sure the gentleman from Kansas, Mr. Dole, feels as I do, that he would not have discussed that date had he been told that that information was secret.

Mr. MICHEL. I will tell the gentleman again it is not the date of the reflagging.

Mr. ASPIN. I am talking about the date of the escorts.

Mr. MICHEL. I am talking about schedules of ships arriving and sailing, and not being subjected to hostile action, and I think it is just unforgivable for that kind of information to be disclosed to us in private and have it babbled all over the press within minutes of that kind of meeting. Now that is the kind of thing that gives the administration or anyone in authority in the executive cause to reflect upon how much can we give these fellows up there on the Hill from time to time when it comes to sensitive information.

Mr. ASPIN. I am appalled at the gentleman from Illinois in the well whom I have worked with and found to be a fair and honest man.

Mr. MICHEL. I am surprised at what the gentleman did.

Mr. ASPIN. I think that the gentleman in the well is just taking a situation here in which the administration did not tell us that that information was classified.

If the gentleman would call the minority leader on the Senate side, Mr. Dole——

Mr. MICHEL. The gentleman is well enough versed, as is the gentleman from Illinois, to know that we do not have to be told in uncertain terms when something is classified for certain. That was sensitive information. I think the gentleman abridged his authority.

Mr. ASPIN. I hope the gentleman has told the minority leader over in the Senate, Mr. Dole, the same thing then.

Mr. MICHEL. That was not the critical date that I am talking about.

Mr. ASPIN. It was exactly the same thing the gentleman is talking about.

The SPEAKER. The time of the gentleman from Illinois [Mr. Michel] has again expired.

FINANCIAL DEREGULATION HAS COST CONSUMERS BIG BUCKS

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, the General Accounting Office [GAO] has issued a report which shows that passage of the 1980 Depository Institutions Deregulation and Monetary Control Act has hurt, not helped many consumers.

The GAO report shows that when interest rates paid on savings accounts were deregulated and financial institutions were allowed to offer interest bearing checking accounts, most banks made up for the extra costs in these areas by adding new charges for banking services which had traditionally been free.

The GAO report also notes that most of these charges were being paid by the smaller depositors of the banks—the working men and women of this country. The report suggests that for the most part what the banks gave with one hand under deregulation, they took away with the other hand and both legs. Thus, the consumer instead of gaining from banking deregulation, actually lost ground.

Mr. Speaker, I was a member of the conference committee which drafted the final version of that 1980 legislation. I was the only conferee on either the House or Senate side who refused to sign the conference report and who voted against the legislation when it was on the floor of the House. I argued that the legislation was anticonsumer and would end up costing consumers millions of dollars a year in unnecessary expenses.

I also predicted that the legislation would be responsible for hundreds of financial institutions being forced out of business. Perhaps, if the GAO had issued its report in 1980 rather than 1987, consumers and the banking industry would be on much sounder footing.

My vote against the legislation in 1980 was the right vote. I am happy to see that others, even 7 years later, are starting to realize that financial deregulation was an idea whose time had not come.

TIME FOR REFORM

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, isn't it interesting how things work around here? When we had budgetary troubles in the mid-1970's, we set up a budget committee and gave to it some of the Appropriations Committee's jurisdiction. Since that time our budget problems have become infinitely worse.

Beginning around that same time when appropriations was losing turf, we began failing to adopt reauthorizations—demanded by sunset laws designed to reduce the power of agencies grown entrenched. First it was the FTC and FIFRA. Then title X and Foreign Aid and Clean Water, and others.

Since some form of authorizing authority was necessary, 1-year authorizing language was slipped into the continuing resolution every year. Even with all the comity in the world, inevitably appropriations—the subcommittee chairman of appropriations, anyway—gained some control—some turf—from the authorizers.

So, for the last 10 or 15 years or so, turf has been pushed around, some gained here, some lost there, with the overall result being a system that is increasingly behind schedule, increasingly dependent on the incredibly irresponsible continuing resolution and increasingly fails to come to grips with the problems facing our country. Mr. Speaker, isn't it time for reform?

□ 1240

SURVIVAL OF OUR DEMOCRATIC FORM OF GOVERNMENT

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. HOYER. Mr. Speaker, in the last week America has seemed to be seduced by the handsome, uniformed visage of Oliver North. And by his obvious sense of patriotism.

In the personality sweepstakes, Oliver North seems to have won. The fractious Congress will never be a media match for a person of the sincerity, conviction, and charm of Colonel North.

But the Iran-Contra hearings are not about a competition for the hearts and minds of the American people. Their purpose is to establish the truth and to reassert the paramount importance of the rule of law and representative democracy.

In this still unravelling tale, it is clear that the rule has been broken and that the principle of representative democracy is held in contempt by some in this administration.

The timing is ironic. Tomorrow many in this body will travel to Philadelphia to celebrate the 200th anniversary of our Constitution. Specifically, we will celebrate "the Great Compromise" which led to the creation of our two-House Congress. We celebrate a system that has reflected the public will accurately for 200 years.

And we celebrate a system that can withstand a lot, even the conduct of a cloak and dagger foreign policy by a Lieutenant Colonel and his superiors.

When every party to this drama is long gone, our institutions will persevere. As has been so correctly pointed out, that will be because of, not in spite of, the light that continues to be shed by the ongoing hearings on this incident and the threat to democracy that it poses.

WELFARE REFORM

(Mr. LIGHTFOOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIGHTFOOT. Mr. Speaker, later this summer the House will have an historic opportunity to reform our welfare system. Unfortunately, the Ways and Means Committee bill that will be brought before this body of Congress shortchanges the American public by failing to encourage people to move off welfare and to become self-sufficient. Instead, the bill contains enticements to make it more worthwhile for recipients to remain on welfare rather than to move into the working world.

I firmly believe that we should help those who truly need assistance. We should, however, assist them in moving from a life of dependence on welfare assistance to a life of independence and self-sufficiency. A true welfare reform bill needs to include mandatory workfare requirements, demonstration projects to give States the flexibility to design their own welfare initiatives, tougher antifraud measures, and stronger child support enforcement provisions.

Although labeled as a welfare reform measure, the Ways and Means Committee bill falls far short of revising and reforming our welfare system. If we approve this bill as drafted by the Ways and Means Committee, we will miss a golden opportunity to create a system that encourages work and initiative rather than dependency and defeat.

I hope that my colleagues will join me in working with the Republican members of the Ways and Means Committee in crafting a true welfare reform bill.

KEEP THE SMALL BUSINESS ADMINISTRATION

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Speaker, today I rise to talk about some so-called new ideas that are coming down Pennsylvania Avenue. These ideas are not new, only a new way of trying to advance the administration's small business agenda. An agenda that has been firmly rejected by Congress.

Men and women who run small businesses and use the services of the Small Business Administration are people who are trying to help themselves and make the dream of economic prosperity a reality. It is common knowledge that they provide most jobs in the United States. Slowly dismantling a program that helps individuals break into the free market and contribute to the economy, is not my idea of encouraging these entrepreneurs. These are people with a dream to make their lives better, yet the administration would again recommend budget cuts in SBA programs.

We hear a great deal of talk about Main Street U.S.A. The 53,000 square miles of my district is full of Main Streets which people want to see lined with small businesses. Let's get on with moving America forward and stop repeated attempts to dismantle programs that have the support of the American people. Let's get on with supporting programs that have a proven record of providing jobs and stop driving up our unemployment rate through ill-advised budget cuts.

NINETEEN MONTHS TO LIVE IN INFAMY

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks).

Mrs. BENTLEY. Mr. Speaker, Toshiba would have us believe that it is an honorable company. That is why it says they should be allowed to continue in its efforts to sell the Department of Defense 10,000 lap-top computers.

Remember: This is the same company that conspired with the KGB to transfer supersecret submarine technology to the Soviets—a deal consummated for a profit to Toshiba of $17 million.

Today's Baltimore Sun reports Prime Minister Nakasone's official response to this treachery: Toshiba betrayed the Japanese nation.

But, the Japanese Government knew for 19 months of this treachery; and nothing was done until after the statute of limitations for criminal prosecution had expired.

These are 19 months to live in infamy; 19 months when our ally did not report this breach of security to us.

Minister Tamura of the Ministry of International Trade and Industry is on his way to Washington to quote, unquote, mend fences.

The Japanese are going to prohibit Toshiba from exporting to Soviet bloc countries for 1 year. Some sanctions.

When will we learn? What manner of treachery needs be committed before our Government agencies will take notice; 10,000 lap-top computers to DOD from Toshiba. To even consider it at this point is a disgrace.

As I have said: Treachery by any other name is still treachery. But, if it had another name, it would be Toshiba.

AFTERMATH OF WHITE HOUSE MEETING ON PERSIAN GULF

(Mr. ASPIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASPIN. Mr. Speaker, I do so in response to the point raised by the gentleman from Illinois [Mr. MICHEL] who unfortunately is no longer on the floor. But what he was talking about was an aftermath of a meeting that we had yesterday in which the leadership of the two Houses of Congress and the relevant committee chairmen were briefed about the current administration plans in the Persian Gulf. And the people there were the Secretary of Defense, Secretary of State, Mr. Carlucci, the National Security Council Adviser.

It is, as everybody knows, has been a discussion about this reflagging and the escort operation and one of the questions has been when will this take place? It was originally scheduled by the administration to take place on June 1. It has been delayed for various times. The latest number before the meeting yesterday was that it was going to happen on July 16. And that is when the escorting was to begin. The reflagging does not matter, that is when the escorting was to begin.

And that date has been discussed openly in all forums that I have ever attended. It has been presented in open hearing, it was discussed openly on the floor of the House of Representatives, it has been discussed in press conferences, on Sunday talk shows; whatever the forum, it has been clearly and openly discussed. And at no point, at no point did anybody suggest that that date was a classified piece of information.

Yesterday, at our briefing, we went in and listened to the briefing. At no point in that briefing did anybody say that the ground rules had been changed and that that escort number was henceforth to be treated as classified information.

If there was a change in the administration's attitude on that, they did not convey that to us in Congress and they did not say anything about it at the meeting.

So, when the meeting broke up and the press was waiting outside I did discuss it with the members of the press and answered their questions. And indeed, as did others, and we did talk about that number, not because we wanted to undermine the national security of the country but because there was no indication that that piece of information should now be treated as classified.

And I just wanted to point out in response to the gentleman from Illinois [Mr. MICHEL] that we are not talking about different things. It is not a difference between the date of reflagging and the date of escorting. It is always the date of the escort.

And the fact that what came out of that meeting, Members coming out of that meeting did not know that the administration would now want to treat that piece of information as classified. I just wanted to read from this morning's Post which quotes, and I will read the quote,

> Both Aspin and Senate minority leader Robert J. Dole, R., Kansas, quoted Adm. William J. Crowe, Jr., Chairman of the Joint Chiefs of Staff, as saying that the escort operation will begin next Wednesday.

Now that is a piece of information that was classified. But I would tell the administration that if the administration wants to change the ground rules about what is classified, they have got to tell people what they are doing. They cannot just come over here and tell us information that hithertofore was considered open information and then when we discuss it in an open forum we find ourselves being told that we were discussing classified information.

IN OUR QUEST FOR A WORKING DEMOCRACY THE PRINCIPLE OF FREEDOM REMAINS CLEAR

(Mr. LOWERY of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWERY of California. Mr. Speaker, I believe it is fitting that Members pause at some point today and reflect on what delegates to the first Constitutional Convention were struggling with at this time 200 years ago.

Of the 55 delegates who journeyed to Philadelphia in 1787 only 42 remained some 4 months later when the Constitution was unveiled. There had been quarreling—heated exchanges over how best to structure a government that serves only one master—its people.

For as simple and uncluttered as the concept of freedom was then, and remains today—there were the specifics, the complexities of democracy with which to contend.

As we have seen during the Iran-Contra hearings, and as I and my colleagues witness here every session, the heated exchanges have not been silenced. The fierce tug and pull of fine tuning this Government of the people has not been calmed.

But, as I journey to Philadelphia tomorrow morning with some 200 of my distinguished colleagues, I go with a deep sense of respect, gratitude, and commitment to those 55 weary delegates who preceded us.

We should all be thankful that while the quest for a working democracy has become no less complicated—that principle of freedom has remained, I believe, just as clear.

TROOP MODERNIZATION

(Mr. McCURDY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCURDY. Mr. Speaker, since 1981 we have undertaken the modernization of our Armed Forces in an effort to better equip both our conventional and strategic defense systems. We have seen a number of improvements in major weapons systems. From the Apache attack helicopter, to the F-15, to the Trident and Trident II, our forces have been equipped with weapons employing the latest technology. To a large degree, our RDT&E and procurement funds have been put to good use.

We must continue perfecting these systems so that they can be used to their full potential, and we have appropriated money for this purpose. But we must also review and strengthen our priorities in another area.

Over 13 percent of the fiscal year 1988 Defense budget was earmarked for so-called selected weapon systems, which encompass about 25 current major weapon initiatives. These funds are needed to complete the modernization course we have begun, but with a caveat: What good is it if a soldier steps off a Bradley fighting vehicle and isn't equipped to fight a battle?

Our conventional forces must be able to engage in battle, no matter what level of intensity. Procurement spending on high-dollar items is important, but low-dollar items are equally vital to forces in the field.

Simply put, Mr. Speaker, our troops need better individual equipment. Today's soldier still uses a Vietnam-era, hand-held antiarmor weapon. We need to replace it with a modern system, such as the multipurpose individual munition. We also need smart weapons that will help reduce the 2 to 1 gap with Warsaw Pact conventional forces. If we implement these projects, we will have put our taxpayers' money to good use. We can build a better tank, and we can build a better fighter or carrier, but if our soldiers are using weapons that won't fire, or equipment that is too complicated, we've defeated our purpose.

As we review defense spending, we must not forget that our long-term goal of modernization depends as much on small-dollar procurement as on the big-ticket items.

□ 1255

REFLAGGING OF KUWAITI SHIPS

(Mr. HOPKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOPKINS. Mr. Speaker, in the continuing debate this morning about the reflagging of Kuwaiti ships, certainly there is enough room for every Member here to express his opinion, and certainly there is room for doubt; and there is room for danger involved.

With reference to yesterday's meeting, as one Member who has been as close to this issue as any Member on this floor, yesterday was the first time in this classified briefing that I heard the specific date used as to when the operation would begin. That is the point.

To clarify in my mind, I called Secretary Weinberger just a few minutes ago, and asked him specifically if there was any doubt in his mind about the classification of that meeting. There was not.

He made it very clear to me that that was a very sensitive and a classified meeting, to the extent now that those dates are going to have to be reconsidered.

TREATMENT BY CONGRESS OF SENSITIVE MATTERS

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, several of the 1-minutes today brought up a subject that I had hoped we would dwell on for some time. That is the question of sensitive matters being treated in a proper fashion on this end of Pennsylvania Avenue.

If all we get out of the Iran-Contra hearings are personality discussions and concern about who did best on television, we will miss the point.

How do we address the policy that underlies some mistakes that were made?

If we look at the Tower Commission Report, it made a series of recommendations. Every single recommendation it made to this administration with respect to changes in procedure and policy has been adopted by this administration.

The single recommendation which was directed toward Congress has not even gotten a serious study. That recommendation was that we have a single joint intelligence committee rather than two separate committees, one in the House and one in the other body.

Why did they make that recommendation? They indicated that there is a lack of trust, a lack of confidence flowing in both directions on Pennsylvania Avenue.

That is a serious matter that is not partisan. It is a statement of fact, and the episode that was discussed today only gives rise to another consideration of that problem.

It is true we cannot legislate discretion; we cannot legislate common sense. But perhaps if we start to think about it, we might be able to create some mechanisms where we are more sensitive to the fact that when we say things here, they have consequences beyond these Chambers. Sometimes those consequences involve the lives of our people who are in the Armed Forces.

PROTECT EDUCATIONAL INTEGRITY OF THIS NATION

(Mr. ATKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ATKINS. Mr. Speaker, I join my colleagues today in explaining why the President's plan for a deficit-free America is not credible.

Take, for example, cuts in the education budget. Callously, the President has diminished for thousands upon thousands of students any hope of realizing their dreams of a higher education. With one swift stroke of his budget pen, the President has determined that it is far preferable to have a static society without the kind of growth and opportunity that allows hard working youngsters to become creative, resourceful adults.

This makes a mockery of all our bipartisan efforts to achieve a highly educated, technology-literate society. Is the story of this Nation's competitiveness just another pleasant topic for Presidential speech making? Shall we cede to him the power to slam the door in the face of every student whose education depends on our assistance? Do we allow him the power to undermine our legacy to the next generation by relegating them to disappointing jobs and an ever lower standard of living? Well, it is Congress' legacy too and this President will not speak for me when it comes to protecting the educational integrity of this Nation.

EXPRESSING APPRECIATION FOR OPPORTUNITY TO REPRESENT NEW HAMPSHIRE IN PHILADELPHIA CONSTITUTION CEREMONY

(Mr. GREGG asked and was given permission to address the House for 1 minute.)

Mr. GREGG. Mr. Speaker, it is a pleasure for me to rise today to express my thanks to the State of New Hampshire and to the other members of the New Hampshire delegation, Senator RUDMAN and Senator HUMPHREY, and the gentleman from New Hampshire, Mr. SMITH, for allowing me to represent New Hampshire as one of the 55 delegates at the enactment of the Constitution in Philadelphia tomorrow.

As Daniel Webster said, in another context, it is a small State, but there are those of us who love it; and New Hampshire's role as a small State was very significant in the original Constitution-making process.

We were the first State in the country to adopt a constitution of its own prior to our Federal Constitution being adopted. New Hampshire was the ninth State to ratify the Constitution, thus making the Constitution effective. Thus, it will be with a great amount of enthusiasm and a certain amount of awe that I go to Philadelphia walking in the shoes of John Langdon and Nicholas Giman to reaffirm the Constitution and New Hampshire's role in it.

FEDERAL BUDGET

(Mr. MINETA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINETA. Mr. Speaker, I want to briefly speak about responsibility, for we have heard the Democratic Party is the party of irresponsible fiscal policies.

Earlier we saw a budget submitted by the administration which was based upon faulty assumptions, and the bookkeeping methods used relied principally more on blue smoke and mirrors than on sharp pencils and necessary decisions. Small wonder that that proposal got only 72 votes in this body.

Whose budget was it? It was not the Democratic budget. On the other hand, the House and the Senate conferees have adopted a responsible budget.

In the area of transportation, the conference report deals with that issue in a balanced manner, whether the interests may be urban or rural, highways and roads or mass transit, aviation or water.

This budget deals with fiscal reality and will cut the deficit by more than $36 billion.

The conferees were not afraid to address the tough problems.

Once again, the Democrats have shown fiscal responsibility, and this budget deserves our support.

SAVE TREASURY $11,800,000

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, I want to ask my colleagues to join me in voting against the motion to rise at the end of today when we are done with the Treasury-Postal Service appropriations, because it is my intention to offer an amendment which will block the Treasury from issuing an $11,800,000 check for a local project which has no matching funds, for which no application has ever been made, and which has explicitly been described by the senior member of the executive branch in charge of this area as an abuse of power.

Every Member should look carefully at this, because this is an opportunity to save $11,800,000, 5 percent of the entire budget of the Economic Development Administration, and I think it is an area that we ought to look at very, very carefully.

I would ask the Members to join me in voting against the motion to rise late this afternoon on the Treasury-Postal Service appropriations bill.

□ 1305

INTRODUCTION OF ECONOMIC COMPETITIVENESS, INTERNATIONAL TRADE, AND TECHNOLOGY DEVELOPMENT ACT OF 1987

(Mr. LEVINE of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVINE of California. Mr. Speaker, I rise today to announce the introduction of the "Economic Competitiveness, International Trade, and Technology Development Act of 1987."

During the past decade, the U.S. and world economies have undergone dramatic changes. The United States is now the world's largest debtor nation. As recently as 1982 we were the world's largest creditor.

In order to reclaim our position of economic and technological leadership, we must create a Government policymaking nexus which will speed the commercialization of new products.

This bill establishes the department of industry and technology, strengthens the policymaking role of the Office of the U.S. Trade Representative, and creates a civilian DARPA—the advanced civilian technology agency—for the purpose of technology commercialization.

America needs a strong government advocate to ensure that our position of economic and technological leadership continues well into the 21st century.

I urge my colleagues to support this important and timely legislation.

OLLIE NORTH HAS DEFINED THE ISSUE IN NICARAGUA

(Mr. HUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, Ollie North did one service for the Nation in his testimony over the past week or so and that is that he has defined the issue in Nicaragua. The issue is no longer the life and times of Ollie North. The issue is, what are the Democrats who are in control of the House and the Senate going to do about Russian tanks that are rolling into Nicaragua?

What are they going to do about the 10,000-foot bomber base that is being built right now by Soviet and Cuban engineers?

What are they going to do about the naval bases that are being dredged right now at Corinto and El Bluf?

The Democrats have made a point over the last week that they are in charge of foreign policy, that they have responsibility with regard to foreign policy in Central America. Well, then, if you have responsibility, I would say to the Democrat leadership, exercise it.

What are you going to do about the Soviet beachhead that is being established in Nicaragua and when are you going to act?

INVOKE THE WAR POWERS ACT

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEFAZIO. Mr. Speaker, in response to the debate earlier today between the distinguished chairman of the Armed Services Committee and the minority leader, I had asked the question, did you ever try to hide a foreign oil tanker? It is pretty hard to do that. These are foreign tankers. They are going to be crewed by foreigners, although they will have an American master, and they will not be subject to our secrecy or security laws, so anyone who wants to make them a target will know where they are at all times.

It points out the absolute folly of this reflagging of these tankers. The vote this House took last week to delay that reflagging should not be the last word on this issue.

It is clear that the intention of the framers of the Constitution was that Congress alone would have the power to initiate war, whether declared or undeclared. We have a responsibility to assert our constitutional powers when the Executive attempts to assert them.

We in Congress have to do more than look for political cover when there are tough choices to make. I hope it will not take another tragedy, another 37 sailors to force Congress to act.

Mr. Speaker, I urge my colleagues to join me in an effort to invoke the war powers resolution.

PRESIDENT'S BUDGETS DO NOT MAKE SENSE

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, the President spends his time suggesting that this administration represents the old-fashioned virtues in America. In my part of the country, in rural America, one of the virtues is paying your bills. The President has sent seven budgets to Congress. In his budgets, he has asked Congress to approve over $900 billion of deficits. This is is not Jimmy Carter's proposal. It is not Franklin Delano Roosevelt's or Harry Truman's proposal. It is Ronald Reagan's proposal: seven budgets asking for over $900 billion in deficit spending.

Then he jumps on a plane and runs to Indianapolis or Massachusetts or wherever and on fiscal policy sounds a little like Joe Isuzu. He has not even been here when the budgets have been submitted.

Well, Mr. President, the reason that your budgets have not been successful is that they do not make sense. You suggest that for rural America, just to cite one example, that we abolish the REA program and the Farmers Home Administration. For good measure, you recommend that we get rid of price supports and dump the Extension Service.

That does not make any sense and that is why you do not have votes on that side of the aisle or this side of the aisle. I think your budget failed to get much more than 30 votes when it was up on the floor of the House of Representatives.

You want to build more star wars. You want to accelerate the building of more aircraft carriers. You want to decimate the domestic side of the budget.

We need a compromise. Tomorrow we are going to be in Philadelphia celebrating 200 years of the Great Compromise, the Constitution. Those folks knew how to compromise and why a compromise was necessary.

You, Mr. President, need to compromise with us. It is not all your fault. We bear some of the responsibility, but to solve the problem, which is what we must focus on now, we need your help. If you are not going to help us, we are not going to solve this problem because we cannot and we are going to be mired in deficits and mired in fiscal policy gridlock and chaos for years to come. That is going to injure this country in a very serious way.

So, Mr. President, join us in a compromise for this country's future. Help us plug the $100 billion a year tax gap by raising more revenues through improved taxpayer services and tougher compliance efforts. Endorse an oil import fee, which will restore vigor to America's energy industry and raise money from foreign oil producers to help us reduce our budget deficits. Join us, Mr. President, on a real compromise.

LINE-ITEM VETO THREATENS CONSTITUTIONAL BALANCE

(Mr. PRICE of North Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRICE of North Carolina. Mr. Speaker, it should be readily apparent to all, in the year we are celebrating the 200th anniversary of our Constitution, the importance of maintaining the constitutional balance of power between the branches of our Federal Government. Unfortunately, this administration needs a reminder since they are trying to dramatically shift this balance of power to the executive branch, and destroy the work of our Founders, through the line-item veto.

From the beginning, our Founding Fathers rejected the establishment of a monarchy in this country. They believed that a monarchy always turns into a tyranny and so they established a system of government which balanced power between the executive, legislative, and judicial branches of Government. Each branch would keep the other branch from exercising absolute control over the Government and the people.

Now I realize that for most people this is an elementary history lesson especially in a year where so much attention is directed to honoring and studying our Constitution. However, the current administration apparently needs a refresher course in this aspect of constitutional law. They feel that the balance of power established in the Constitution between Congress and the Executive should be changed through the line-item veto to their advantage.

And those in Congress who advocate giving this power to a President whom they like fail to see that in a different administration this veto could be turned against their favored programs, both domestic and military. Even more perversely, the line-item veto could easily increase the Federal budget deficit when used by a President willing to hold hostage favored congressional initiatives to get higher spending in other areas.

Mr. Speaker, for nearly 200 years, 39 Presidents, and the Congress with which they shared power, were able to keep fiscal affairs under relative control without the line-item veto. It is only under this administration that our budgetary affairs have completely gotten out of hand. In just 6 years, the national debt has more than doubled in size and the President has never proposed a budget that is even remotely in balance. The cause and effect is clear: This administration and outrageous budget deficits go together like the "horse and carriage" in Sammy Cahn's popular song from the 1950's.

So even if he were not trying to change our constitutional checks and balances, granting President Reagan's wish for a line-item veto would be a big mistake. In fact, Mr. Speaker, in view of the record of the past 6 years, to give this administration more authority over the budget would be like giving an arsonist more matches.

THE TRAGEDY OF LEAKING SECRETS

(Mr. MARTIN of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN of New York. Mr. Speaker, this morning we had some unpleasantness concerning what some perceive to be a breach of security. I was not there, so I cannot speak to that specific instance, but something that does concern me on a daily basis is the apparent inability for some of us, a small percentage of us, if we share one of these secrets, to keep it confidential. This has happened time and time again.

I have been in meetings recently, top secret meetings with members of our intelligence community providing briefings to Members of Congress, only to read details of the briefing in the morning paper, or even worse, hear my colleagues providing those details to the broadcast media almost immediately.

I would hope that if there is any question in anybody's mind as they go to some kind of restricted meeting that if they are going to make an error, that they make the error on the side of secrecy until they find out whether that piece of information is going to hurt our national security.

It is a tragedy when security agencies do not want to brief us and give all details because of a fear of one of these leaks.

I would suggest that it is incumbent on us as Members of Congress, particularly in a society so open that Soviet agents can attend 99 percent of our meetings, to be discrete with sensitive information.

So it is not a political thing. It is a commonsense thing.

I would hope that we learn something from the debate of today, and in future days and in future years take that awesome responsibility we have a little bit more seriously. Any piece of information that we might have in and of itself might not be classified secret, but put together with other pieces of similar information can be very damaging.

LEAKS BY ADMINISTRATION SPOKESMEN

(Mr. COELHO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COELHO. Mr. Speaker, I appreciate the remarks of the gentleman from New York who just preceded me, very measured, very reasoned, and very appropriate. That is counter to the remarks by the gentleman from Illinois earlier in this 1-minute segment, attacking one individual who was at the meeting, and being very partisan, as opposed to making sure that what we are concerned about, which is that confidential information is not released. The gentleman from Kansas from the other body said the same thing that the gentleman from Illinois now attacks.

What disturbed me in reading the article, as someone who was present, and I cannot talk about it because the information I have is classified, is that there is something in the article that the administration said was highly secret, which is in the article, and the source of the information is an administration spokesman.

I think there are problems, as the gentleman from New York said, but I think what we have is an administration that is willing to leak information that they want out that is confidential, they tell us, but wants to attack any time anybody else says anything.

Mr. Speaker, we have a problem, and I think it needs to be corrected.

Mr. MARTIN of New York. Mr. Speaker, will the gentleman yield to me, reference having been made to the comments I made?

Mr. COELHO. I am happy to yield to the gentleman from New York.

Mr. MARTIN of New York. Mr. Speaker, I meant nothing in my comments to add or detract from anything the chairman of the Armed Services Committee or the distinguished minority leader had to say.

As a member of the Armed Services Committee, I think the gentleman from California will find that I have been an annoyance to a lot of people on the committee in speaking about these things when we are in closed session and arguing the sensitivity of all those little pieces of information that in and of themselves are not important, but when put together with the entire mosaic gives away information that no one here would want to or meaningfully do.

I think we have to be very sensitive, and particularly if you are in a position such as the gentleman from California who is the majority whip, or in a position such as the chairman of the Armed Services Committee, you have to be doubly or triply sensitive because everybody is going to hang on every word you say because of your position.

Mr. COELHO. Well, Mr. Speaker, I think the gentleman's remarks are very appropriate, but it also goes for 1600 Pennsylvania Avenue.

THE LESSON OF THE IRAN-CONTRA SCANDAL

(Mr. MRAZEK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MRAZEK. Mr. Speaker, I believe the Iran-Contra scandal has served as a wholly appropriate lesson in American values in the year of the Constitution's bicentennial.

We have fundamental disagreements in our society about the course we should follow on virtually every issue. Such is the nature of and the most wonderful part of a free and democratic society. When any group of Americans feel that they are above the law, no matter how convinced they are that they are right, then we are headed into troubled waters.

Thomas Jefferson wrote:

> I know no safe depository of the ultimate powers of society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion.

As Oliver North has said, it is a dangerous world out there and we must protect our interests in such a world with great care; yet no one in our society holds a monopoly on good judgment or proper exercise of power. We must rely on the good sense and collective wisdom of the American people.

We can be ignorant and we can be free, but we cannot be both.

□ 1320

LEAKS OF CLASSIFIED INFORMATION

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, in reference to the matter of leaking classified information, I think there is plenty of blame to go around. There is no doubt that many of us have sat through classified briefings where we were told the material was classified only to find it in the press the next day, leaked by a variety of sources.

That is what has got to stop. If we are going to, in fact, build the kind of trust that allows us to govern effectively in a dangerous world, we are going to have to stop the leaks whether they are coming out of an administration or whether they are coming out of this Congress.

The problem that many of us see is that this Congress has not been really very willing to move in the direction of trying to reform. The Tower Commission recommended that we put together a joint intelligence committee as a way of assuring that leaks could be minimized.

This Congress has yet to even begin a process of acting toward doing something of that type. I find that disturbing, because I think that what too many people see is that we are not serious about plugging up the leaks of highly sensitive information. I think that is what the minority leader was reacting to today.

After several days of discussions of this very topic, to have matters of this importance leaked to the press is indeed disturbing. We have to do something. We have to do something to correct problems that the administration may have. But we have our own House to put in order here as well.

UNIFORM PRODUCT SAFETY ACT OF 1987

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, we are all talking about competitiveness these days. U.S. products are taking a beating worldwide and our trade deficit is a national disgrace. A major reason why our products have become less competitive internationally is because nationally we have no consistent and fair system for dealing with product liability.

The basis for laws on product liability is the principle that a manufacturer who puts a product in the market place should act responsibly and not place society at risk of harm because he has manufactured a faulty product. No one would disagree with this principle.

What has happened however, is that we have a hodgepodge of State laws, court decisions and rulings on the degree to which individuals and businesses are liable for faulty manufacture of products; inconsistent definitions of liability; soaring insurance costs; and an increasingly litigious approach to resolving these questions. The result of this confusion and lack or consistency: Americans paid over $116 billion to defend their business in product liability claims last year—and less than $1 in $3 spent ever got into the hands of the injured consumer.

I would never advocate that individuals who are entitled to compensation for the negligence of a manufacturer or seller of a product be denied what is due them. What I am advocating is that we interject some consistency and fairness into the way we determine product liability. I have introduced a bill, H.R. 1115, the Uniform Product Safety Act of 1987, which would interject some consistency and fairness into the current crazyquilt of State product liability laws. H.R. 1115, recognizing that over 70 percent of goods produced in this country are in interstate commerce provides a modest, moderate approach to ensure that those who are at fault, actually bear the cost of product liability.

Mr. Speaker, my bill has bipartisan support and has attracted over 70 cosponsors. A markup of this legislation is tentatively scheduled in September in an Energy and Commerce subcommittee if we can iron out some differences.

PROTECTING SECRETS

(Mr. SPENCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from California.

Mr. HUNTER. Mr. Speaker, I thank my friend from South Carolina for yielding and allowing me the opportunity to rebut briefly a statement that was made by the gentleman from New York [Mr. MRAZEK] on this very important subject of security and how far this country should go in protecting its secrets.

The gentleman from New York [Mr. MRAZEK] quoted Thomas Jefferson and said that we need an open society, and that is the only way we can be a free society. That has absolutely nothing to do with protecting military secrets.

When a member of the legislative branch goes on television and announces that there will be an important statement by the President with regard to Libya while our F-111's are yet in the air on the way to make an air strike against that country, which has some capability for rather substantial air defenses, that is not an appropriate action by a member of a legislative body. It is, in fact, very detrimental to the United States, and I think the thrust of the statements that have been made by Members on this side of the aisle have been to the effect that the legislative branch has not been trustworthy over the last several years with regard to classified information.

We do not have an obligation to let our adversaries know the locations of our submarines, the movement of our military troops, and it is absolutely wrong for anybody in this body to suggest that somehow those situations should not be accorded the utmost classification and secrecy.

OPENING THE CUBAN MARKET TO AMERICAN FARMERS: THE PROSPECTS ARE ENCOURAGING

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, I take this time today to congratulate the gentleman from Montana [Mr. BAUCUS], a Member of the other body and a former distinguished Member of this body, for taking the initiative to offer an amendment to the trade bill pending in the other body that would have made an exception to the embargo on trade with Cuba for the sale of U.S. farm products. The amendment failed, but important progress was made.

Mr. Speaker, I have introduced similar legislation, H.R. 2391, that would free the American farmer to export his products to Cuba as an exception to the current Cuban embargo on trade.

I would point out to Members that the United States is the only Nation, the only Nation in the Western Hemisphere that is not trading with Cuba, and probably the only Nation on Earth. We do trade some with Cuba for accepted items, medicine and possibly other humanitarian products.

For 26 years we have denied the American farmer the opportunity to sell his products to the Republic of Cuba. Farmers in Arkansas and California and Louisiana cannot sell their rice. Income to soybean farmers in Indiana and Iowa and Missouri has been denied. Wheat farmers in Kansas and Oklahoma and North Dakota and Texas are unable to compete; and, dairymen in Wisconsin and Minnesota and New York, all of whom need more income from trade have been denied the opportunity to sell their products to Cuba.

Has Cuba been starved out? Has Cuba been forced to knuckle under to the crushing United States embargo? Hardly.

It wasn't just the Soviets and their allies who took our place. It was the Canadians, the Brazilians, the Argentinians, and the European Economic Community.

Let's stop hurting our farmers for the sake of policy that isn't working. I urge Members to join me in sponsoring H.R. 2391.

A market of a half billion dollars awaits this Nation if we would take the time to debate this issue. The current policy only hurts Americans.

Mr. Speaker, it is time to free the American farmer to compete in world trade and to stop denying to him the opportunity to sell his products to prospective customers like Cuba.

LEAKS OF CLASSIFIED INFORMATION

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the exchange today between the gentleman from Illinois [Mr. MICHEL], and the gentleman from Wisconsin [Mr. ASPIN], chairman of the Armed Services Committee, is unfortunate. However, it is just the beginning. The problem is where will it end?

The Iran-Contra debacle has produced a climate even in this body that maybe it is right not to inform Congress. The gentleman from Illinois [Mr. MICHEL] is implying today that, maybe the President just cannot inform Congress because of leaks and because Congress cannot be trusted.

Let's get off it. The gentleman from Wisconsin [Mr. ASPIN] did nothing wrong; Senator DOLE did nothing wrong.

These attacks now that will come in the House will not right the wrong of what happened with those arms sales. Mr. Speaker, in Cuba and Iran they have dictators, and they do not have to confer with anyone.

In America there is a document of freedom which prohibits dictators.

By the way, most leaks happen to come from the White House.

And one other thing, when you start hiding the truth from the Congress, you do not just start shredding documents, you start shredding the Constitution.

BUDGET PRIORITIES

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBERSTAR. Mr. Speaker, budgets reflect our priorities and tell a great deal about the values people in public office hold.

The budget the administration submitted to Congress this year showed their priorities with respect to funding for community and regional and rural development needs. They proposed to eliminate funding for the Economic Development Administration, eliminate funding for Urban Development Action Grants, and substantially reduce Community Development Block Grant funding.

Over the past 20-some years of EDA's existence, $4.5 billion of Federal funds invested in local projects, initiated at the local level, have generated $9 billion in non-Federal investments, creating 1½ million jobs that each year return to the Federal, State, and local Treasury $6.5 billion in tax revenues. Each year EDA is repaying its 20 years of investment in Federal funds and more than that.

The sum of $4.4 billion in UDAG funds leverage $27 billion in non-Federal funding, a 6-to-1 ratio of investments. Those investments have generated $411 million in property taxes and $205 million in other state and local revenues.

In the CDBG Program in Duluth, MN, $37 million invested over the 13 years of existence of that program in that community has leveraged $450 million in non-Federal investments, a 12-to-1 investment ratio.

We have provided decent housing, community projects that have helped the poorest areas of the central hillside section of that community, street and utility work, jobs for people, over 3,000 construction jobs and 2,250 permanent jobs created through the wise investment of CDBG funds.

Our values are in people and in community development.

HONORING AMERICA'S VETERANS

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, I rise today to ask all of my colleagues to join me in two worthy projects, and I would hope we can do it unanimously. First, to build a memorial to the Korean war, not to the war but to those young men and women who died trying to bring freedom and keep freedom on half of that peninsula of South Korea, that nation called South Korea. The other is to join in my bill, H.R. 1600, to fly an American flag at the apex of the Vietnam Memorial which has become the most-revered and most-visited memorial in the history of this country, located in this city.

Mr. Speaker, Lt. Col. Oliver North, one marine lieutenant colonel, has done more, I believe, than any Hollywood movie like "Top Gun," or even equal to the spirit that our great President Ronald Reagan has restored to this country, he has done more to turn young men to the recruiting officers of this Nation, the Armed Forces, because they see serving in the military, wearing the uniform with a greater sense of dignity than they have ever had before.

This morning at 10 o'clock, 13 Members of Congress, Democrat and Republican, joined on the grassy knoll near the Washington Monument to add another $1 million to the now $2.4 million as a reward for some Communists who will have a change of heart and defect with a live American. And when we were through, I asked all of my colleagues, 13 of us, to look at the Vietnam Memorial, the flag that Members of this body fought to put at the apex of that memorial, that fought to have that courageous, heroic statue of 3 enlisted men symbolizing the 58,132 who gave their lives, and the 1 POW, Charlie Shelton, who was shot down at 33, on his birthday, April 29, 1965, who is still to our knowledge the only POW, that they fought to have that flag and those soldiers right in the courtyard. And behind the backs of the Members, like the great former Member Don Bailey of Pennsylvania, DUNCAN HUNTER, who is still with us, JOHN MCCAIN, who has gone to the other body, behind their backs the Park Beautification Department, with Jan Scruggs' help, and we denied him a gold medal last year, we moved the flag, and the great three GI's into the woods.

□ 1335

And I looked at the memorial and none of us could see the flag. So we took a flag, Mr. Speaker, and 13 of us planted it at the apex. An hour after we were gone it had been removed again. Twelve times I put small flags in that apex and today a large one.

Please, my colleagues, JACK MURTHA, "John Wayne" get on this bill H.R. 1600 and let us get a second flag at the apex of the memorial.

Thank you for your courtesy, Mr. Speaker, in letting me go 15 seconds longer.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SKAGGS). The Chair would recognize that there have been several references specifically to Members of the other body and characterizations of them during the 1 minute's this morning and would request that the Members who included those references delete them from their revised remarks.

TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1988

Mr. ROYBAL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2907) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1988, and for other purposes.

Mr. SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

□ 1336

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2907, with Mr. DONNELLY, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Tuesday, July 14, 1987, all time for general debate had expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1988, and for other purposes, namely:

TITLE I—DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary including operation and maintenance of the Treasury Building and Annex; hire of passenger motor vehicles; not to exceed $22,000 for official reception and representation expenses; not to exceed $200,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on his certificate; not to exceed $573,000, to remain available until expended, for repairs and improvements to the Main Treasury Building and Annex, $56,650,000.

INTERNATIONAL AFFAIRS

For necessary expenses of the international affairs function of the Office of the Secretary, hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for, real properties leased or owned overseas, when necessary for the performance of official business; not to exceed $2,000,000 for official travel expenses; and not to exceed $73,000 for official reception and representation expenses; $24,391,000.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

For necessary expenses of the Federal Law Enforcement Training Center, as a bureau of the Department of the Treasury, including purchase (not to exceed eight for police-type use); and hire of passenger motor vehicles; for expenses for student athletic and related activities; uniforms without regard to the general purchase price limitation for the current fiscal year; the conducting of and participating in firearms matches and presentation of awards; not to exceed $3,000,000 for major maintenance and facility improvements, and related equipment for the Federal Law Enforcement Training Center facility to remain available until expended; not to exceed $5,000 for official reception and representation expenses; and services as authorized by 5 U.S.C. 3109: *Provided,* That funds appropriated in this account shall be available for State and local government law enforcement training on a space-available basis; training of foreign law enforcement officials on a space-available basis with reimbursement of actual costs to this appropriation; acceptance of gifts; training of private sector security officials on a space available basis with reimbursement of actual costs to this appropriation; travel expenses of non-Federal personnel to attend State and local course development meetings at the Center; $26,133,000.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Financial Management Service, $270,004,000, of which not to exceed $7,213,000 shall remain available until expended for systems modernization initiatives.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Alcohol, Tobacco and Firearms, including purchase of three hundred vehicles for police-type use for replacement only; and hire of passenger motor vehicles; hire of aircraft; and services of expert witnesses at such rates as may be determined by the Director; not to exceed $5,000 for official reception and representation expenses; $218,226,000, of which $15,000,000 shall be available solely for the enforcement of the Federal Alcohol Administration Act during fiscal year 1988, and of which not to exceed $1,000,000 shall be available for the payment of attorneys' fees as provided by 18 U.S.C. 924(d)(2): *Provided,* That no funds appropriated herein shall be available for administrative expenses in connection with consolidating or centralizing within the Department of the Treasury the records of receipts and disposition of firearms maintained by Federal firearms licensees or for issuing or carrying out any provisions of the proposed rules of the Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, on Firearms Regulations, as published in the Federal Register, volume 43, number 55, of March 21, 1978: *Provided further,* That none of the funds appropriated herein shall be available for explosive identification or detection tagging research, development, or implementation: *Provided further,* That not to exceed $300,000 shall be available for research and development of an explosive identification and detection device.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Customs Service, including purchase of up to five hundred motor vehicles for replacement only, including four hundred and ninety for police-type use; hire of passenger motor vehicles; not to exceed $10,000 for official reception and representation expenses; and awards of compensation to informers, as authorized by any Act enforced by the United States Customs Service; $963,090,000, of which $499,198,000 shall be derived from the Customs User Fee Account and shall be used for commercial operations only, pursuant to Public Law 99-509; of the total, not to exceed $150,000 shall be available for payment for rental space in connection with preclearance operations, and not to exceed $1,000,000, to remain available until expended, for research: *Provided,* That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: *Provided further,* That none of the funds made available by this Act shall be available for administrative expenses to pay any employee overtime pay in an amount in excess of $25,000: *Provided further,* That the Commissioner or his designee may waive this limitation in individual cases in order to prevent excessive costs or to meet emergency requirements of the Service: *Provided further,* That none of the funds made available by this Act may be used for administrative expenses in connection with the proposed redirection of the Equal Employment Opportunity Program: *Provided further,* That none of the funds made available by this Act shall be available for administrative expenses to reduce the number of Customs Service regions below seven during fiscal year 1988: *Provided further,* That the United States Customs Service shall hire and maintain an average of not less than 15,837 full-time equivalent positions in fiscal year 1988: *Provided further,* That none of the funds made available in this or any other Act may be used to fund more than nine hundred positions in the Headquarters staff of the United States Customs Service in the fiscal year ending September 30, 1988: *Provided further,* That no funds appropriated by this Act may be used to reduce to single eight hour shifts at airports and that all current services as provided by the Customs Service shall continue through September 30, 1988: *Provided further,* That not less than $300,000 shall be expended for additional part-time and temporary positions in the Honolulu Customs District: *Provided further,* That $600,000 shall be available only for the purchase of 6 additional mobile X-Ray Systems for the United States Customs Service.

OPERATION AND MAINTENANCE, AIR INTERDICTION PROGRAM

For expenses, not otherwise provided for, necessary for the hire, lease, acquisition (transfer or acquisition from any other agency), operation and maintenance of aircraft, and other related equipment of the Air Program; $86,210,000.

CUSTOMS FORFEITURE FUND

(LIMITATION ON AVAILABILITY OF DEPOSITS)

For necessary expenses of the Customs Forfeiture Fund, not to exceed $10,000,000, as authorized by Public Law 98-473 and Public Law 98-573; to be derived from deposits in the Fund.

CUSTOMS SERVICES AT SMALL AIRPORTS

(TO BE DERIVED FROM FEES COLLECTED)

Such sums as may be necessary, not to exceed $486,000, for expenses for the provision of Customs services at certain small airports designated by the Secretary of the Treasury, including expenditures for the salaries and expenses of individuals employed to provide such services, to be derived from fees collected by the Secretary of the Treasury pursuant to section 236 of Public Law 98-573 for each of these airports, and to remain available until expended.

UNITED STATES MINT

SALARIES AND EXPENSES

For necessary expenses of the United States Mint; $46,511,000, of which $965,000 shall remain available until expended for research and development projects and of which $100,000 may be used to host the International Mint Directors' Conference in the United States in 1988, including but not limited to reception and representation expenses: *Provided,* That such fees as are collected from participants at the International Mint Directors' Conference shall be merged with and credited to this account, notwithstanding the provisions of 31 U.S.C. 3302.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt issues of the United States; $241,426,000.

INTERNAL REVENUE SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Internal Revenue Service, not otherwise provided; for executive direction and management services, and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; $87,165,000, of which not to exceed $25,000 for official reception and representation expenses and of which not to exceed $500,000 shall remain available until expended, for research.

PROCESSING TAX RETURNS

For necessary expenses of the Internal Revenue Service not otherwise provided for; including processing tax returns; revenue accounting; computer services; and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; $1,702,576,000, of which not to exceed $80,000,000 shall remain available until expended for systems modernization initiatives.

EXAMINATIONS AND APPEALS

For necessary expenses of the Internal Revenue Service for determining and establishing tax liabilities; employee plans and exempt organizations; tax litigation; hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; $1,856,581,000.

INVESTIGATION, COLLECTION, AND TAXPAYER SERVICE

For necessary expenses of the Internal Revenue Service for investigation and enforcement activities; including purchase (not to exceed four hundred and fifty-one for replacement only, for police-type use) and hire of passenger motor vehicles (31 U.S.C. 1343(b)); securing unfiled tax returns; collecting unpaid accounts; examining selected employment and excise tax returns; technical rulings; enforcement litigation; providing assistance to taxpayers; and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner: *Provided,* That notwithstanding any other provision of this Act, none of the funds made available by this Act shall be used to reduce the number of positions allocated to taxpayer service activities below fiscal year 1984 levels, or to reduce the number of positions allocated to any other direct taxpayer assistance functions below fiscal year 1984 levels, including, but not limited to Internal Revenue Service toll-free telephone tax law assistance and walk-in assistance available at Internal Revenue Service field offices: *Provided further,* That the Internal Revenue Service shall fund the Tax Counseling for the Elderly Program at $2,650,000. The Internal Revenue Service shall absorb within existing funds the administrative costs of the program in order that the full $2,650,000 can be devoted to program requirements; $1,483,528,000.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

SECTION 1. Not to exceed 5 per centum of any appropriation made available to the Internal Revenue Service for the current fiscal year by this Act may be transferred to any other Internal Revenue Service appropriation.

SEC. 2. Not to exceed 15 per centum, or $15,000,000, whichever is greater, of any appropriation made available to the Internal Revenue Service for document matching for the current fiscal year by this Act may be transferred to any other Internal Revenue Service appropriation for document matching.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Secret Service, including purchase (not to exceed three hundred and forty-three vehicles for police-type use for replacement only and hire of passenger motor vehicles; hire of aircraft; training and assistance requested by State and local governments, which may be provided without reimbursement; services of expert witnesses at such rates as may be determined by the Director; rental of buildings in the District of Columbia, and fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control, as may be necessary to perform protective functions; the conducting of and participating in firearms matches and presentation of awards and for travel of Secret Service employees on protective missions without regard to the limitations on such expenditures in this or any other Act: *Provided,* That approval is obtained in advance from the House and Senate Committees on Appropriations; for repairs, alterations, and minor construction at the James J. Rowley Secret Service Training Center; for research and development; for making grants to conduct behavioral research in support of protective research and operations; not to exceed $7,500 for official reception and representation expenses; for payment in advance for commercial accommodations as may be necessary to perform protective functions in fiscal year 1988; and for uniforms without regard to the general purchase price limitation for the current fiscal year; $369,999,000, of which $6,000,000 shall remain available until expended for continued construction, and of which $29,911,000 shall be available for Presidential candidate protective activities pursuant to 18 U.S.C. 3056(a)(7).

DEPARTMENT OF THE TREASURY—GENERAL PROVISIONS

SECTION 101. Appropriations to the Treasury Department in this Act shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901), including maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; entering into contracts with the Department of State for the furnishing of health and medical services to employees and their dependents serving in foreign countries; and services as authorized by 5 U.S.C. 3109.

SEC. 102. None of the funds appropriated by this title shall be used in connection with the collection of any underpayment of any tax imposed by the Internal Revenue Code of 1954 unless the conduct of officers and employees of the Internal Revenue Service in connection with such collection complies with subsection (a) of section 805 (relating to communication in connection with debt collection), and section 806 (relating to harassment or abuse), of the Fair Debt Collection Practices Act (15 U.S.C. 1692).

SEC. 103. Not to exceed 1 per centum of any appropriations in this Act for the Department of the Treasury may be transferred between such appropriations. However, no such appropriation shall be increased or decreased by more than 1 per centum and any such proposed transfers shall be approved in advance by the Committees on Appropriations of the House and Senate.

SEC. 104. None of the funds made available by this Act may be used to place the United States Secret Service, the United States Customs Service, or the Bureau of Alcohol, Tobacco and Firearms under the operation, oversight, or jurisdiction of the Inspector General of the Department of the Treasury.

This title may be cited as the "Treasury Department Appropriations Act, 1988".

Mr. ROYBAL (during the reading). Mr. Speaker, I ask unanimous consent that title I of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN pro tempore. Are there any points of order against title I?

POINT OF ORDER

Mr. ANNUNZIO. Mr. Chairman, I make a point of order that the appropriations for the Bureau of the Mint, salaries and expenses contained in title I are not authorized by law.

The CHAIRMAN pro tempore. Does the gentleman from California [Mr. ROYBAL] desire to respond?

Mr. ROYBAL. Mr. Chairman, I concede the point of order.

The CHAIRMAN pro tempore. The point of order is conceded.

The paragraph is stricken.

Are there any other points of order on title I?

If not, are there any amendments to title I?

If not, the Clerk will read.

The Clerk read as follows:

TITLE II—UNITED STATES POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

For payment to the Postal Service Fund for meeting the liabilities of the former Post Office Department to the Employees' Compensation Fund pursuant to 39 U.S.C. 2004 and for revenue forgone on free and reduced rate mail, pursuant to subsection (c) of section 2401 of title 39, United States Code; $556,507,000: *Provided,* That mail for overseas voting and mail for the blind shall continue to be free: *Provided further,* That six-day delivery and rural delivery of mail shall continue at the 1983 level: *Provided further,* That none of the funds made available to the Postal Service by this Act shall be used to implement any rule, regulation, or policy of charging any officer or employee of any State or local child support enforcement agency, or any individual participating in a State or local program of child support enforcement, a fee for information requested or provided concerning an address of a postal customer: *Provided further,* That none of the funds provided in this Act shall be used to consolidate or close small rural and other small post offices in the fiscal year ending on September 30, 1988.

This title may be cited as the "Postal Service Appropriation Act, 1988".

The CHAIRMAN pro tempore. Are there any points of order against title II of the bill?

If not, are there any amendments to title II?

Mr. PICKLE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to commend subcommittee Chairman ROYBAL and the Committee on Appropriations for the development of an excellent fiscal year 1988 appropriations bill for the Internal Revenue Service. The Appropriations Committee has recommended funds, above levels initially proposed by the administration, to improve IRS taxpayer service. This additional funding of $58 million for improvement of taxpayer services was recommended by members on the Ways and Means Committee's Subcommittee on Oversight, and endorsed by committee Chairman ROSTENKOWSKI.

I understand that the administration has finally indicated that it does not object to the additional funding included in the committee's bill for IRS taxpayer service. I am pleased that the administration has come to understand the importance of providing resources to ensure that taxpayers, nationwide, will be provided with the information and assistance they need to comply with our very complex tax laws. This additional funding for IRS will correct a serious and longstanding deficiency in the Internal Revenue Service.

The additional support to be provided for IRS taxpayer service would increase the level of toll-free telephone assistance from the administration's proposed 65-percent level to an 85-percent level. IRS itself considers an 85-percent level to be the optimal level of taxpayer telephone assistance, that is, 85 percent of all taxpayers that try to reach IRS by telephone would ultimately prevail. Further, IRS would be able to better train its taxpayer service employees, thus improving the accuracy of responses received by taxpayers; be prepared to deal with the large number of inquiries relating to tax reform changes affecting tax years 1987 and 1988; and also devote more resources to answering taxpayer correspondence.

Every witness at the Oversight Subcommittee's hearing, including former IRS Commissioners Egger, Kurtz, Alexander, and Cohen, strongly urged greater funding for taxpayer service. As taxpayers seek to comply with tax reform, and grapple with the myriad of new rules, new definitions, new forms, and new reporting requirements, they are going to call on the IRS for help. This is a fact of life. Taxpayers should be able to get prompt and adequate assistance from the Internal Revenue Service. Taxpayers expect it. The Congress must make sure they get it.

I conclude by urging every Member to support this important appropriations initiative for all taxpayers.

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from California [Mr. ROYBAL].

Mr. ROYBAL. Mr. Chairman, I thank the gentleman for yielding and I thank him for his remarks.

The CHAIRMAN pro tempore. Are there any amendments to title II? If not, the Clerk will read.

The Clerk read as follows:

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT

COMPENSATION OF THE PRESIDENT

For compensation of the President, including an expense allowance at the rate of $50,000 per annum as authorized by 3 U.S.C. 102; $250,000: *Provided,* That none of the funds made available for official expenses shall be expended for any other purpose and any unused amount shall revert to the Treasury pursuant to section 1552 of title 31 of the United States Code: *Provided,* further, That none of the funds made available for official expenses shall be considered as taxable to the President.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the Executive Residence at the White House and official entertainment expenses of the President; $7,403,000, of which $2,400,000 for the repair of the face of the Executive Residence shall remain available until expended, to be expended and accounted for as provided by 3 U.S.C. 105, 109-110, 112-114.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Administration; $16,309,000 including services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 107, and hire of passenger motor vehicles.

THE WHITE HOUSE OFFICE

SALARIES AND EXPENSES

For necessary expenses for the White House as authorized by law, including not to exceed $3,850,000 for services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 105; including subsistence expenses as authorized by 3 U.S.C. 105, which shall be expended and accounted for as provided in that section; hire of passenger motor vehicles, newspapers, periodicals, teletype news service, and travel (not to exceed $100,000 to be expended and accounted for as provided by 3 U.S.C. 103); not to exceed $20,000 for official entertainment expenses, to be available for allocation within the Executive Office of the President; $26,926,000.

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the official residence of the Vice President, the hire of passenger motor vehicles, and not to exceed $75,000 for official entertainment expenses of the Vice President, to be accounted for solely on his certificate; $258,000: *Provided,* That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

SPECIAL ASSISTANCE TO THE PRESIDENT

SALARIES AND EXPENSES

For necessary expenses to enable the Vice President to provide assistance to the President in connection with specially assigned functions, services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 106, including subsistence expenses as authorized by 3 U.S.C. 106, which shall be expended and accounted for as provided in that section; and hire of passenger motor vehicles; $2,183,000.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

For necessary expenses of the Council in carrying out its functions under the Employment Act of 1946 (15 U.S.C. 1021); $2,580,000.

OFFICE OF POLICY DEVELOPMENT

SALARIES AND EXPENSES

For necessary expenses of the Office of Policy Development, including services as authorized by 5 U.S.C. 3109, and 3 U.S.C. 107; $3,058,000.

NATIONAL CRITICAL MATERIALS COUNCIL

SALARIES AND EXPENSES

For necessary expenses of the National Critical Materials Council, including activities as authorized by Public Law 98-373; $350,000.

NATIONAL SECURITY COUNCIL

SALARIES AND EXPENSES

For necessary expenses of the National Security Council, including services as authorized by 5 U.S.C. 3109; $5,203,000.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

For necessary expenses of the Office of Management and Budget, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109; $39,913,000 of which not to exceed $4,500,000 shall be available to carry out the provisions of 44 U.S.C., chapter 35: *Provided,* That, as provided in 31 U.S.C. 1301(a), appropriations shall be applied only to the objects for which appropriations were made except as otherwise provided by law: *Provided further*, That none of the funds appropriated in this Act for the Office of Management and Budget may be used for the purpose of reviewing any agricultural marketing orders or any activities or regulations under the provisions of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.): *Provided further*, That none of the funds made available for the Office of Management and Budget by this Act may be expended for the review of the transcript of actual testimony of witnesses, except for testimony of officials of the Office of Management and Budget, before the Committee on Appropriations or the Committee on Veterans' Affairs or their subcommittees: *Provided further*, That this proviso shall not apply to printed hearings released by the Committee on Appropriations or the Committee on Veterans' Affairs: *Provided further*, That none of the funds made available by this Act or any other Act shall be used to reduce the scope or publication frequency of statistical data relative to the operations and production of the alcoholic beverage and tobacco industries below fiscal year 1985 levels: *Provided further*, That none of the funds appropriated by this Act shall be available to the Office of Management and Budget for revising, curtailing or otherwise amending the administrative and/or regulatory methodology employed by the Bureau of Alcohol, Tobacco and Firearms to assure compliance with section 205, title 27 of the United States Code (Federal Alcohol Administration Act) or with regulations, rulings or forms promulgated thereunder.

OFFICE OF FEDERAL PROCUREMENT POLICY

SALARIES AND EXPENSES

For expenses of the Office of Federal Procurement Policy, including services as authorized by 5 U.S.C. 3109; $2,466,000.

UNANTICIPATED NEEDS

For expenses necessary to enable the President to meet unanticipated needs, in furtherance of the national interest, security, or defense which may arise at home or abroad during the current fiscal year; $1,000,000.

This title may be cited as the "Executive Office Appropriations Act, 1988".

Mr. ROYBAL (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN pro tempore. Are there any points of order against title III?

If not, are there any amendments to title III?

The Clerk will read.

The Clerk read as follows:

TITLE IV—INDEPENDENT AGENCIES

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

SALARIES AND EXPENSES

For necessary expenses of the Administrative Conference of the United States, established by the Administrative Conference Act, as amended (5 U.S.C. 571 et seq.) including not to exceed $1,000 for official reception and representation expenses; $1,881,000.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Advisory Commission on Intergovernmental Relations Act of 1959, as amended, 42 U.S.C. 4271-79; $1,390,000, and additional amounts not to exceed $200,000, collected from the sale of publications shall be credited to and used for the purposes of this appropriation.

COMMITTEE FOR PURCHASE FROM THE BLIND AND OTHER SEVERELY HANDICAPPED

SALARIES AND EXPENSES

For necessary expenses of the Committee for Purchase From the Blind and Other Severely Handicapped established by the Act of June 23, 1971, Public Law 92-28, $825,000.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, as amended, $14,174,000.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

LIMITATIONS ON AVAILABILITY OF REVENUE

The revenues and collections deposited into the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving Government agencies (including space adjustments) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings and moving; repair and alteration of federally owned buildings, including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, taxes, and any other obligations for public buildings acquired by purchase contract, in the aggregate amount of $2,913,772,000, of which (1) not to exceed $151,850,000 shall remain available until expended for construction of additional projects as authorized by law at locations and at maximum construction improvement costs (including funds for sites and expenses) as follows:

New Construction:
New Jersey:
Camden, Federal Building, Courthouse Annex, Site, $300,000
Virgin Islands:
St. Croix, Federal Building, Courthouse, Site, $550,000
Construction Projects, less than $500,000, $1,000,000:
Other Selected Purchases including options to purchase, $150,000,000: *Provided*, That each of the immediately foregoing limits of costs on new construction projects may be exceeded to the extent that savings are effected in other such projects, but by not to exceed 10 per centum: *Provided further*, That all funds for direct construction projects shall expire on September 30, 1989, and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: *Provided further*, That claims against the Government of less than $50,000 arising from direct construction projects, acquisitions of buildings and purchase contract projects pursuant to Public Law 92-313, be liquidated with prior notification to the Committees on Appropriations of the House and Senate to the extent savings are effected in other such projects; (2) not to exceed $426,983,000, which shall remain available until expended, for repairs and alterations: *Provided further*, That funds in the Federal Buildings Fund for Repairs and Alterations shall, for prospectus projects, be limited to the amount by project as follows, except each project may be increased by an amount not to exceed 10 per centum unless advance approval is obtained from the Committees on Appropriations of the House and Senate for a greater amount:

Repairs and Alterations:
Alabama:
Birmingham, Federal Building, Courthouse, $3,899,000
California:
Fresno, Sisk Federal Building, Courthouse, $2,879,000
Los Angeles, Federal Building, $10,422,000
District of Columbia:
Central Heating Plant, $15,500,000
West Heating Plant, $9,201,000
Elevator Replacement, $26,700,000
Forrestal Building, $2,578,000
GSA Regional Office Building, $1,036,000
Agriculture Administration Building, $530,000
Agriculture South Building, $3,360,000
Courthouse, $1,887,000
Perkins Federal Building, $1,644,000
GSA Headquarters, $929,000
Hoover Federal Building, $1,627,000
Department of the Interior, $1,858,000
New Post Office, $1,006,000
Veterans Administration, $1,355,000
Florida:
Miami, Federal Building, $11,481,000
West Palm Beach, Post Office, $2,900,000
Georgia:
Atlanta, Federal Annex, $2,400,000
East Point, Federal Archives and Records Center, $1,102,000
Illinois:
Chicago, Dirksen Federal Building, Courthouse, $7,334,000
East St. Louis, Post Office, Courthouse, $3,762,000
Iowa:
Des Moines, Federal Building, $1,300,000
Louisiana:
New Orleans, F. Edward Hebert Federal Building, $12,525,000
Maryland:
Baltimore, Appraisers Stores, $2,668,000
Bethesda, Federal Building, $700,000
Massachusetts:
Boston, McCormack Post Office, Courthouse, $2,200,000
Missouri:
St. Louis, Mart Federal Building, $28,964,000
St. Louis, Federal Center #104, $8,983,000
New Jersey:
Trenton, Post Office, Courthouse, $2,823,000
New York:
Brooklyn, Federal Building No. 2, $11,472,000

New York, Foley Square Courthouse, $4,655,000

New York, 201 Varick Street, $14,475,000

North Carolina:

Raleigh, Federal Building, Post Office, Courthouse, $9,640,000

Pennsylvania:

Philadelphia, Byrne Courthouse, $6,875,000

Pittsburgh, Post Office, Courthouse, $16,572,000

Texas:

San Antonio, Post Office, Courthouse, $8,154,000

Virginia:

Arlington, Federal Building No. 2, $4,080,000

Arlington, Pentagon, $8,080,000

Minor Repairs and Alterations, $167,427,000: *Provided further,* That additional projects for which prospectuses have been fully approved may be funded under this category only if advance approval is obtained from the Committees on Appropriations of the House and Senate: *Provided further,* That all funds for repairs and alterations prospectus projects shall expire on September 30, 1989, and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date; (3) not to exceed $133,105,000 for payment on purchase contracts entered into prior to July 1, 1975; (4) not to exceed $1,193,400,000 for rental of space; (5) not to exceed $845,384,000 for real property operations; (6) not to exceed $48,014,000 for program direction and centralized services; and (7) not to exceed $115,036,000 for design and construction services which shall remain available until expended: *Provided further,* That the Administrator of General Services is hereby directed to enter into a contract for construction of a building in Oakland, California, on a site donated by the city of Oakland. The contract shall provide, by lease or installment payments over a period not to exceed 30 years, for the payment of the purchase price, which shall not exceed $141,700,000, and reasonable interest thereon. The contract shall further provide that title to the building shall vest in the United States at or before the expiration of the contract term upon fulfillment of the terms and conditions of the contract: *Provided further,* That for the purposes of this authorization, buildings constructed pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U.S.C. 356), the Public Buildings Amendments of 1972 (40 U.S.C. 490), and buildings under the control of another department or agency where alterations of such buildings are required in connection with the moving of such other department or agency from buildings then, or thereafter to be, under the control of the General Services Administration shall be considered to be federally owned buildings: *Provided further,* That none of the funds available to the General Services Administration shall be available for expenses in connection with any construction, repair, alteration, and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses in connection with the development of a proposed prospectus: *Provided further,* That notwithstanding any other provision of law the Administrator of General Services is authorized, under section 210(h) of the Federal Property and Administrative Services Act of 1949, to acquire the building in Chicago, Illinois, approved under this heading in fiscal year 1987, from any commercial or private entity, through a lease to ownership transaction. Said lease shall not exceed 30 years, on such terms and conditions as he deems appropriate. These terms and conditions may include an option to permit the Federal Government, if the Administrator deems that it is in the best interest of the Federal Government, to execute a succeeding lease: *Provided further,* That funds available in the Federal Buildings Fund may be expended for emergency repairs when advance approval is obtained from the Committees on Appropriations of the House and Senate: *Provided further,* That not later than 60 days after the date of the enactment of this Act, the Administrator of General Services shall submit under the Public Buildings Act of 1959, a prospectus for acquiring by purchase or lease-purchase (1) a building which has not to exceed 1,400,000 occupiable square feet for the Environmental Protection Agency, and (2) a building which has not to exceed 1,800,000 occupiable square feet for the Department of Transportation. The lease-purchase shall provide for annual lease or installment payments from funds available for the rental of space in the Federal Buildings Fund over a period not to exceed 30 years for the payment of the purchase price of such building and reasonable interest thereon and shall provide for title to the building to vest in the United States on or before the last day of the term of the lease-purchase transaction. If a lease-purchase prospectus for a building described in this paragraph is approved under the Public Buildings Act of 1959, the Administrator of General Services may enter into a transaction for the lease-purchase of such building in accordance with the terms specified in such approved prospectus and applicable provisions of law and may make annual lease or installment payments from funds available for the rental of space in such fund: *Provided further,* That amounts necessary to provide reimbursable special services to other agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(6)) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C. 3056 as amended, shall be available from such revenues and collections: *Provided further,* That revenues and collections and any other sums accruing to this fund during fiscal year 1988 excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)) in excess of $2,913,772,000 shall remain in the Fund and shall not be available for expenditure except as authorized in appropriation Acts.

FEDERAL SUPPLY SERVICE

OPERATING EXPENSES

For expenses authorized by law, not otherwise provided for, necessary for supply distribution (including contractual services incident to receiving, handling and shipping supply items), procurement (including royalty payments), inspection, standardization, property management, and other supply management activities, transportation activities, transportation audits by in-house personnel; utilization of excess and disposal of surplus personal property, and the rehabilitation of personal property including services as authorized by 5 U.S.C. 3109; $176,749,000: *Provided,* That the annual limitation of $5,200,000 through September 30, 1989, in the Supplemental Appropriations Act, 1985, Public Law 99-88, payable from overcharges collected, for expenses of transportation audit contracts and contract administration, is hereby superseded by Public Law 99-627 establishing permanent authority for these expenses at not to exceed 40 percent of the overpayments collected annually.

GENERAL MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of agency management of activities under the control of the General Services Administration, and general administrative and staff support services not otherwise provided for; for providing accounting, records management, and other support incident to adjudication of Indian Tribal Claims by the United States Court of Claims, and services authorized by 5 U.S.C. 3109; $124,159,000, of which $800,000 shall be available only for, and is hereby specifically earmarked for personnel and associated costs in support of Congressional District and Senate State offices: *Provided,* That funds appropriated in this Act for General Management and Administration shall be available only to the extent set forth for each activity contained in the Program and Financing schedule submitted in support of the Budget: *Provided further,* That this appropriation shall be available, subject to reimbursement by the applicable agency, for services performed for other agencies pursuant to subsections (a) and (b) of section 1535 of title 31, United States Code.

FEDERAL PROPERTY RESOURCES SERVICE

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for carrying out the functions of the Administrator with respect to utilization of excess real property; the disposal of surplus real property, the utilization survey, deed compliance inspection, appraisal, environmental and cultural analysis, and land use planning functions pertaining to excess and surplus real property; the National Defense Stockpile established by the Strategic and Critical Materials Stock Piling Act, as amended (50 U.S.C. 98, et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061, et seq.) including services as authorized by 5 U.S.C. 3109 and reimbursement for recurring security guard service; $43,248,000, of which $12,248,000 shall be derived from proceeds from transfers of excess real property and disposal of surplus real property and related personal property, subject to the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-5), and of which $31,000,000 for the transportation, processing, refining, storage, security, maintenance, rotation, and disposal of materials contained in or acquired for the stockpile shall remain available through fiscal year 1989.

NATIONAL DEFENSE STOCKPILE TRANSACTION FUND

For the fiscal year ending September 30, 1988, in addition to any other funds previously appropriated or appropriated under this Act, $5,000,000 is appropriated, to remain available until expended, for a grant for continued construction of a strategic materials research facility at the University of Massachusetts at Amherst, pursuant to sections 2 and 8(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98(a) and 98g(a)), and notwithstanding section 9 of such Act (50 U.S.C. 98h). For the fiscal year ending September 30, 1988, in addition to any other funds previously appropriated or appropriated under this Act, $5,000,000 is appropriated, to be available until expended, for a grant for construction of a strategic materials research facility at the University of Hawaii at Manoa, pursuant to sections 2 and 8(a) of the Strategic and Critical Materials Stockpiling Act (50 U.S.C. 98a and 98g(a)), and notwithstanding section 9 of such Act (50 U.S.C. 98h). During the fiscal year ending September 30, 1988, not to exceed $5,000,000, in addition to amounts previously appropriated, all to remain available until expended, may be obligated from amounts in the National Defense Stockpile Transaction Fund, for the acquisition and upgrading of strategic and critical materials under section 6(a) (1) and (3) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98e(a) (1) and (3)), transportation, storage, and other incidental expenses related to such acquisition and upgrades, development of current specifications of stockpile materials and the upgrading of existing stockpile materials to meet current specifications (including transportation, when economical, related to such upgrading), testing and quality studies of stockpile materials, studying future material and mobilization requirements for the stockpile, under section 9(b) of the Strategic and Critical Materials Stockpiling Act (50 U.S.C. 98(h)(b)), as amended by Public Law 99-661.

Real Property Relocation

For expenses not otherwise provided for, $47,000,000, to remain available until expended, necessary for carrying out the functions of the Administrator with respect to relocation of Federal agencies from property which has been determined by the Administrator to be other than optimally utilized under the provisions of section 210(e) of the Federal Property and Administrative Services Act of 1949, as amended: *Provided*, That such relocations shall only be undertaken when the estimated proceeds from the disposition of the original facilities approximate the appraised fair market value of such new facilities and exceed the estimated costs of relocation. Relocation costs include expenses for and associated with acquisition of sites and facilities, and expenses of moving or repurchasing equipment and personal property. These funds may be used for payments to other Federal entities to accomplish the relocation functions: *Provided further*, That nothing in this paragraph shall be construed as relieving the Administrator of General Services or the head of any other Federal agency from any obligation or restriction under the Public Buildings Act of 1959 (including any obligation concerning submission and approval of a prospectus), the Federal Property and Administrative Services Act of 1949, as amended, or any other Federal law, or as authorizing the Administrator of General Services or the head of any other Federal agency to take actions inconsistent with statutory obligations or restrictions placed upon the Administrator of General Services or such agency head with respect to authority to acquire or dispose of real property.

Information Resources Management Service

OPERATING EXPENSES

For expenses authorized by law, not otherwise provided for, necessary for carrying out Government-wide and internal responsibilities relating to automated data management, telecommunications, information resources management, and related activities, including services as authorized by 5 U.S.C. 3109; and for the Information Security Oversight Office established pursuant to Executive Order 12356; $32,588,000.

Office of Inspector General

For necessary expenses of the Office of Inspector General; $24,649,000: *Provided*, That not to exceed $10,000 shall be available for payment for information and detection of fraud against the Government, including payment for recovery of stolen Government property.

Allowances and Office Staff for Former Presidents

For carrying out the provisions of the Act of August 25, 1958, as amended (3 U.S.C. 102 note), and Public Law 95-138; $1,328,000: *Provided*, That the Administrator of General Services shall transfer to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of such Acts.

General Services Administration—General Provisions

SECTION 1. The appropriate appropriation or fund available to the General Services Administration shall be credited with (1) cost of operation, protection, maintenance, upkeep, repair, and improvement, included as part of rentals received from Government corporations pursuant to law (40 U.S.C. 129); and (2) appropriations or funds available to other agencies, and transferred to the General Services Administration, in connection with property transferred to the General Services Administration pursuant to the Act of July 2, 1948 (50 U.S.C. 451ff), and such appropriations or funds may be so transferred, with the approval of the Office of Management and Budget.

SEC. 2. Funds available to the General Services Administration shall be available for the hire of passenger motor vehicles.

SEC. 3. Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall also be available for payment to the General Services Administration for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements, performed in accordance with the Public Buildings Act of 1959 (73 Stat. 749), the Public Buildings Amendments of 1972 (86 Stat. 216), or other applicable law.

SEC. 4. Not to exceed 1 per centum of funds made available in appropriations for operating expenses and salaries and expenses, during the current fiscal year, may be transferred between such appropriations for mandatory program requirements. Any transfers proposed shall be submitted promptly to the Committees on Appropriations of the House and Senate for approval.

SEC. 5. Funds in the Federal Buildings Fund made available for fiscal year 1988 for Federal Buildings Fund activities may be transferred between such activities only to the extent necessary for mandatory program requirements. Any transfers proposed shall be submitted promptly to the Committees on Appropriations of the House and Senate for approval.

SEC. 6. Funds hereafter made available to the General Services Administration for the payment of rent shall be available for the purpose of leasing, for periods not to exceed thirty years, space in buildings erected on land owned by the United States.

National Archives and Records Administration

OPERATING EXPENSES

For necessary expenses in connection with National Archives and Records Administration and related activities, as provided by law, and for expenses necessary for the review and declassification of documents, and for the hire of passenger motor vehicles, $116,266,000, of which $4,000,000 for allocations and grants for historical publications and records as authorized by 44 U.S.C. 2504, as amended, shall remain available until expended, and of which $6,000,000 for design and planning of a new archival facility shall remain available until expended.

Office of Personnel Management

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, medical examinations performed for veterans by private physicians on a fee basis, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, not to exceed $2,500 for official reception and representation expenses, and advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order 10422 of January 9, 1953, as amended; $102,360,000 in addition to $65,746,000 for administrative expenses for the retirement and insurance programs to be transferred from the appropriate trust funds of the Office of Personnel Management in the amounts determined by the Office of Personnel Management without regard to other statutes: *Provided*, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by section 8348(a)(1)(B) of title 5, U.S.C. No part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order 9358 of July 1, 1943, or any successor unit of like purpose. The President's Commission on White House Fellows, established by Executive Order 11183 of October 3, 1964, may, during the fiscal year ending September 30, 1988, accept donations of money, property, and personal services in connection with the development of a publicity brochure to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission.

Revolving Fund

Pursuant to section 4109(d)(1) of title 5, United States Code, costs for entertainment expenses of the President's Commission on Executive Exchange shall not exceed $12,000.

Government Payment for Annuitants, Employees Health Benefits

For payment of Government contributions with respect to retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849), as amended, $1,788,931,000, to remain available until expended.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authorized by 5 U.S.C. 8348, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, $4,720,913,000: *Provided*, That annuities authorized by the Act of May 29, 1944, as amended (22 U.S.C. 3682(e)), August 19, 1950, as amended (33 U.S.C. 771-775), may hereafter be paid out of the Civil Service Retirement and Disability Fund.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out functions of the Merit Systems Protection Board pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles; $21,114,000, together with not to exceed $1,600,000 for administrative expenses to adjudicate retirement appeals to be transferred from the Civil Service Retirement and Disability Fund in amounts determined by the Merit Systems Protection Board.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Office of the Special Counsel pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978 (Public Law 95-454), including services as authorized by 5 U.S.C. 3109, payment of fees and expenses for witnesses, rental of conference rooms in the District of Columbia and elsewhere, and hire of passenger motor vehicles; $4,701,000.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Federal Labor Relations Authority, pursuant to Reorganization Plan Numbered 2 of 1978, and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, including hire of experts and consultants, hire of passenger motor vehicles, rental of conference rooms in the District of Columbia and elsewhere; $17,951,000: *Provided*, That public members of the Federal Service Impasses Panel may be paid travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons employed intermittently in the Government Service, and compensation as authorized by 5 U.S.C 3109.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

For necessary expenses, including contract reporting and other services as authorized by 5 U.S.C. 3109; $28,120,000: *Provided*, That travel expenses of the judges shall be paid upon the written certificate of the judge.

This title may be cited as the "Independent Agencies Appropriations Act, 1988".

Mr. ROYAL (during the reading). Mr. Chairman, I ask unanimous consent that title IV of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN pro tempore. Are there any points of order against title IV?

If not, are there any amendments to title IV?

AMENDMENT OFFERED BY MR. JACOBS

Mr. JACOBS. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. JACOBS: Page 36, line 24, strike out "$1,328,000" and insert in lieu thereof "$318,500".

Mr. JACOBS. Mr. Chairman, the purpose of the amendment is not complicated. This section appropriates to former Presidents' use both pensions, on the magnitude of nearly $100,000 to which, I might add, former President Ford has added, by the taxpayers, his entire congressional pension as well, together with the pensions of former Presidents and I believe $20,000 pension for the widow of one former President, and it adds over $1 million for so-called office expenses and paying secretaries.

There is even an item called transportation of things. It is this additional amount that this amendment strikes out. I want to say for the record this year that last year I mentioned that each of the former Presidents can command a speaker's fee of about $25,000 per speech, not necessarily because any one of them is a "Johnny Carson" or a "Daniel Webster" but simply because they have been given the privilege of serving as President of the United States and, in essence, they become ornaments for somebody's convention.

I did not say that each of the Presidents received such fees.

But I received a communication from an assistant to former President Nixon who pointed out to me that President Nixon has never, has never accepted a speaker's fee since he left the White House.

Not only do I consider that commendable, but if I have left the impression that Mr. Nixon did receive such a fee I cheerfully withdraw that impression while I commend him for not doing so.

There should be dignity in the ex-Presidency, but unfortunately in some quarters the ex-Presidency has become big business and it ought not be the case.

It remains a fact that each of these men is a man of means in his own right who ought to be able to afford to pay his own office rent, particularly with $100,000 pension for just being in retirement and ought to be able to pay for his own secretary.

I am reminded of the man who showed his friend his new home. He said, "Now here is the living room, here is the dining room, this is the recreation room," and there on a loveseat a man and a woman sat embracing and kissing. Whereupon the two proceeded to the kitchen and the host poured out a cup of coffee for his guest, poured out a cup of coffee for himself and the guest could stand it no longer. He said, "What about the guy in the recreation room?" And the host said, "Let him get his own coffee."

That is the way I feel about former Presidents, with all due respect. With as much wealth as they have and with as much red ink as this Government has let them get their own secretaries and let them get their own offices.

Mr. DORGAN of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. I thank the gentleman for yielding.

Mr. Chairman, I recall several years ago when the gentleman stood here and offered an amendment, in fact he has done so several times on the same issue. And I think the gentleman is dead right on the issue. There is the other side of it, of course; when Harry Truman left this town with nothing, no pension and clearly that was wrong. We should provide something for our ex-Presidents. But the overstuffed mattress and quilt, the financial quilt we have provided is outrageous. I think the gentleman makes a good point that it is time for Congress—it is long time passed, the time for us to think through how we scale that back and the gentleman has provided some real leadership on that. I certainly have agreed with the gentleman and have worked with him and have been proud to do so.

Mr. JACOBS. The gentleman has worked with me in the past and I commend him and thank him for it.

In the novel "Dr. Zhivago" there is a scene where the armored locomotive of one of the popular revolutionary generals roars by the peasants and they all shout his name in adulation, Strelnikov. One woman turns to the other and says, "They say he eats the same rations as his men." I do not know of any of our former Presidents who has not made many, many speeches about unnecessary Federal spending, lavishing people who are not in need with the taxpayers' dollar. As Mark Twain said, "To do good is noble, to advise others to do good is also noble and much less trouble."

Mr. ROYBAL. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

Mr. Chairman, this amendment has been presented by the gentleman from Indiana many times during the last few years. It has been debated at length almost every year. But the committee has already reduced the appropriation for former Presidents in both 1986 and 1987.

The recommended appropriation at the present time is at the level that was requested by the President. We have three former Presidents who receive small office staff allowances. This small staff answers letters and performs other functions related to our former Presidents' work as former Presidents.

The actual amount that is involved per President is in the neighborhood of about $400,000 per year. These are moneys that are spent in answering letters of many individuals throughout the country who write to former Presidents. It is a matter in which the former President must participate. I suppose that every one of us, had we had the same privilege, would very willingly respond to our former constituents as former Presidents now do. No doubt they state to people who write to them their opinions with regard to current events.

I believe that is a subject matter that is made available to the office of the President, not necessarily to the individual who is a former President.

So because of that reason, Mr. Chairman, I oppose this amendment and I hope that the House will eventually defeat it.

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Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, on the surface, it appears that this program—an "allowance" for former Presidents of the United States—is alien to the American view of public service. Our Presidents, Members of Congress, and officials of the executive branch should and ought to be viewed as just that—servants of the people. From a peripheral glance, this "allowance" of staff and office support may hint of the Imperial Presidency, but after a closer examination and without the pressures associated with an up or down vote, the rationale for this program emerges.

Twenty-eight years ago when this program was authorized, the leaders of both parties recognized the special burdens placed upon those who have served as President of the United States. For just a moment and before we vote, let's examine the circumstances surrounding the establishment of this "allowance for former Presidents."

Two unmet needs motivated the creation of this program and today justify its continued existence. First, many people in this country continue to place demands on our Presidents after their term has expired. They receive thousands of letters and invitations, make hundreds of public appearances for charities and occasionally perform official duties.

In 1958, when this program was under consideration by the Congress, former Speaker John McCormack articulated the justification for this allowance in testimony before the House committee.

Speaker McCormack said at the time: "The interest of the American people in the President does not cease when his term of office has ended. The public demands the speeches, the conferences, advice, correspondence, and otherwise, after his service as President is over, continues." Speaker McCormack recognized that public demands on our former Presidents must be met with public support.

Another justification for this allowance can be found in the way our former Presidents were treated as compared to other public servants.

Before this allowance was authorized, former Presidents were the only major office holders or public servants not receiving a pension and other benefits from the Government. At the time, Supreme Court Justices could retire at full salary, at any time, no matter how long they served. Former Speakers of the House receive a pension and a generous allowance for office staff and expenses.

An even better comparison was our treatment of five-star generals. These retired military leaders, technically on active duty, not only received full salaries for a pension—but they were allowed a full military staff, a chauffeur, and a secretary.

Mr. JACOBS. Mr. Chairman, will the gentleman yield on that point?

Mr. CONTE. I yield to the gentleman from Indiana.

Mr. JACOBS. My mother said that two wrongs do not make a right.

Mr. CONTE. May I finish?

Mr. JACOBS. Yes.

Mr. CONTE. I thank the "engineer."

Mr. Chairman, to continue, the question at the time was rightfully asked: Should the Commander in Chief of our Armed Forces be treated less than his subordinates?

This program corrects this inequity and provides our former Presidents with a modest allowance to assist them as they continue to serve this country after their term has expired.

The gentleman from Indiana has been persistent over the years in his commitment to offer this amendment. I believe the gentleman is sincere about this commitment, but I would suggest that we consider this program in the proper forum.

I'm willing to take a close look at this allowance in the proper context and setting. If there is waste and abuse, it should be stopped. If there's excessive spending, it must be curtailed. However, the reality is that this is a modest recommendation. It is only $151,000 above the amount appropriated last year. In fact, the former Presidents have made significant reductions in costs for office space, equipment, and staff. Former President Nixon, for example, has assumed the cost of his protection and many other expenses associated with maintaining his office.

For 27 years, there has been a Federal commitment to former Presidents of the United States. If changes are required, let's do it right and not disable the program.

I urge Members to maintain this commitment and vote against the amendment.

AMENDMENT OFFERED BY MR. SKEEN AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. JACOBS

Mr. SKEEN. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. SKEEN as a substitute for the amendment offered by Mr. JACOBS: On page 36, line 24, strike "$1,328,000" and insert "$1,128,000.

Mr. SKEEN. Mr. Chairman, I offer this compromise in the interest of moving this business forward. We have formed a great friendship, the gentleman from Illinois and myself, on this particular issue over the years. I think this strikes a proper compromise, and I am satisfied to leave it at that.

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. SKEEN. I yield to the chairman of the subcommittee.

Mr. ROYBAL. Mr. Chairman, I would like to inform the gentleman from New Mexico [Mr. SKEEN] that I view this compromise to be very fair, and it is most acceptable to us.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. SKEEN] as a substitute for the amendment offered by the gentleman from Indiana [Mr. JACOBS].

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. JACOBS], as amended.

The amendment, as amended, was agreed to.

Mr. DORGAN of North Dakota. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise today to comment on something that the gentleman from Texas [Mr. PICKLE] commented on with respect to the tax collection function in Treasury in this legislation, and it is important. I will not take the entire allotment of time, but I did want to compliment the chairman of this subcommittee for the work he has done, and I wanted to suggest that there is more work to be done. I wanted to encourage the chairmen of the full Appropriations Committee and of the subcommittee to consider some information that I and some others have developed.

Let me tell the Members very briefly what the story is. Our Government, according to the Internal Revenue Service itself, loses about 19 percent of its revenue. We have a compliance rate in our income tax of 81½ percent. Almost 20 percent of our revenue falls through the cracks. That is almost $100 billion a year.

We are debating now whether we should increase taxes $19.3 billion this year. This year we are going to lose $100 billion that we will never collect because we do not know where it is. It is not reported. There is a $100 billion shortfall, and that is called a tax gap, the difference between what we collect and what is owed.

There is a way to solve that, a way for us to address that problem. I put together a task force that includes the former director of the Joint Committee on Taxation, a former IRS commissioner from a Republican administration and a former IRS commissioner from a Democratic administration, Don Alexander and Jerry Kurtz.

This task force report suggests a comprehensive program on how we can, through better enforcement and better taxpayer assistance, narrow that tax gap, perhaps by as much as one-third and raise $35 billion a year every year from people who now owe the tax but do not pay it. It seems to me that that is something we ought to be doing.

If we were chief executive officers of a corporation and we saw that 20 percent of our revenue was falling through the cracks, we would get our best minds together and say, "We want a program to shore that up. We want to get some of that money." All of us in this room, I think, should want to get the money from the deadbeats, the escape artists, the people who are escaping their tax liability.

That does not mean that we want to build a behemoth down there at the IRS. We want the right kind of enforcement. We want the right kind of IRS assistance and enforcement to make sure the taxpayers are treated fairly, with consideration for their rights, but also to make sure that we are enforcing the tax laws. We used to audit 2½ percent of the tax returns in this country, and now it is 1.1 percent. We have got to do something about it.

The gentleman from California [Mr. Roybal] took a good first step this year, and I commend him for that. I know he has worked on this subject, and I know he has had the advantage of this task force report. I would like to have the gentleman and the gentleman from Mississippi [Mr. Whitten], along with minority members and others, work together with us to see if we can in a sound way, with a good management approach, implement an approach that the best minds in this town have put together, the best representatives of Republicans and Democrats who understand this system and who worked with me for 4 months.

Mr. Chairman, this is a task force report we can learn much from, and I hope we will use it.

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. DORGAN of North Dakota. I yield to the gentleman from California.

Mr. ROYBAL. Mr. Chairman, I would, first of all, like to congratulate the gentleman from North Dakota [Mr. Dorgan] for the work he has done and then assure him that the committee will very carefully review the report, and we will be most willing to work with the gentleman toward the end he has indicated.

Mr. DORGAN of North Dakota. Mr. Chairman, I thank the gentleman.

As I said, I took the well following the gentleman from Texas [Mr. Pickle] because I thought his remarks were right on point. I think there is a lot we can do that will be good for this country if we embrace this kind of report and make the changes necessary to strengthen our revenue system and get the money that we are supposed to be getting.

Mr. SKEEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I, too, want to commend the gentleman from North Dakota [Mr. Dorgan] for his interest in the IRS because this is one of the most critical parts of the work we do on this particular subcommittee. That has been our focus, and we are delighted that folks who are outside our immediate subcommittee area realize the importance of this, too.

I think it has been somewhat understated. It is not just $100 billion. The estimate runs up, with some of the other provisions, to $150 billion that we may leave on the table if we do not do something about the enforcement collection process.

I think the gentleman has hit the nail right on the head when he made the comments he did, when he said that we are working very hard to come up with savings of $50 billion and to increase income by $19 billion when we are talking about the possibility, if we do not tighten up enforcement, of losing up to $150 billion. I certainly think that is significant.

Mr. DORGAN of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Chairman, let me just say finally that a part of this is not just to increase the number of auditors but it is also to take the Internal Revenue Service back out into the country to serve the taxpayers and give them help. We want to put the "service" back in the Internal Revenue Service.

Nowadays the folks in our States only see the IRS through a telephone, and that is only if they can get through the busy signals during tax time to ask someone who is out there unseen a question about a complex tax issue.

It used to be that the IRS was out there in the communities helping people meet their tax responsibilities. The service component is gone. We need to rebuild that. At the same time we need to build the enforcement component and also make certain that the taxpayers' rights are protected even as we do that. At that point we can then begin collecting this money that remains uncollected from the deadbeats in this country who do not meet their responsibilities.

Mr. SKEEN. Mr. Chairman, I commend the gentleman from North Dakota [Mr. Dorgan], and I thank him for his statement.

Mrs. SMITH of Nebraska. Mr. Chairman, I move to strike the last word.

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in support of section 2 and the committee's handling of revenue foregone.

Mr. Chairman, I take this opportunity to rise in support of title II of H.R. 2907, Treasury-Postal Service appropriations for fiscal year 1988, and to comment on the committee's wise decision to fund the postal revenue foregone subsidy.

The revenue foregone subsidy allows the U.S. Postal Service to offer free and reduced rates to special mailers. The Postal Service foregoes collecting the regular postage from these mailers and Congress replaces this lost revenue with an annual appropriation.

The committee has provided approximately $485 million to continue free mailing privileges for the blind and handicapped and to maintain current reduced rates for preferred-rate mailers. This is $165 million less—I stress "less"—than the appropriation provided for the subsidy in fiscal year 1987.

My colleagues should also note that the total appropriation provided by the committee for the Postal Service for fiscal year 1988, even when revenue foregone is included, is still $93.5 million less—I again stress "less"—than last year's appropriation.

And I also want to stress that full funding for the revenue foregone subsidy is provided for in the budget resolution.

Members can support title II of the bill, knowing that it does not add to increased Federal spending or the deficit.

Furthermore, Members can support the funding provided in title II for revenue foregone knowing that they are supporting veterans, rural newspapers, libraries, health care, medical research, churches, religious groups, and other nonprofit organizations that do so much good for the handicapped, the elderly, the sick and the needy—so very often stepping in to fill the void left by declining or insufficient Federal services.

The overwhelming majority of revenue foregone dollars each year goes to benefit nonprofit organizations. The nonprofit mailing community represents vital public interests and is dependent in large measure on revenue foregone and nonprofit mail. I believe the nonprofit mailing community is deserving of the little help we can provide through this subsidy and reduced postage rates.

Had the committee not provided the funding under title II, postage for a charitable solicitation would increase 51 percent next year.

The second general category of revenue foregone beneficiaries is made up of newspapers, magazines, books, and classroom publications. Here the primary purpose of the subsidy is to promote the dissemination of information throughout the Nation—a tradition that dates back to the 18th century.

From the earliest days of the Republic, our Founding Fathers assumed the success of our democracy had to be based on an informed people—and informed at the lowest possible cost. Hence, the special mailing privilege was conceived and born.

One very good newspaper publisher in a town with a population of about 2,000 in my district told me that reductions in the revenue foregone subsidy over the years has already made his mailing costs double, or by about $9,000, in 1986, and that if reduced rates were eliminated entirely, his costs would rise by an additional $9,000 at the very least.

While he said he could possibly survive, I know many of our smaller weekly and daily papers could well be pushed into extinction by such a circumstance.

Had the committee not funded revenue foregone, rates for in-county newspapers would increase 63 percent.

Can we do without newspapers? Jefferson said he would rather do without any government than without any newspapers.

And finally, the third category of revenue foregone beneficiaries is comprised of materials carried at no cost for the blind and physically handicapped. This policy dates back to 1904 and should not be altered. We cannot put a value on the educational benefits and the joy provided by the large-print, braille, and talking books and other materials that so many could not afford if they had to pay for postage.

If the arguments for the revenue foregone subsidy are not convincing enough, let me also point out that failure to fund the subsidy at this point would have only resulted in a false budget savings.

We cannot just eliminate funding for preferred-rate mailers and tell the Postal Service to maintain the current rates for these mailers—as was originally proposed by the subcommittee and rejected by the full Appropriations Committee. The Postal Service would have to absorb the lost revenue.

In other words, the "savings" in appropriations that would be made by eliminating the revenue foregone subsidy would be offset by an on-budget postal revenue loss. We would just be fooling ourselves with some fancy bookkeeping footwork.

Mr. Chairman, my colleagues, the money we spend on the revenue foregone subsidy is some of the best-spent money in the budget. I commend the committee for keeping the subsidy alive in this bill.

The CHAIRMAN. Are there any further amendments to title IV?

If not, the Clerk will read.

The Clerk read as follows:

TITLE V—GENERAL PROVISIONS

THIS ACT

SECTION 501. Where appropriations in this Act are expendable for travel expenses of employees and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amount set forth therefor in the budget estimates submitted for the appropriations: *Provided*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Veterans' Administration; to travel of the Office of Personnel Management in carrying out its observation responsibilities of the Voting Rights Act; or to payments to interagency motor pools where separately set forth in the budget schedules.

SEC. 502. No part of any appropriation contained in this Act shall be available to pay the salary of any person filling a position, other than a temporary position, formerly held by an employee who has left to enter the Armed Forces of the United States and has satisfactorily completed his period of active military or naval service and has within ninety days after his release from such service or from hospitalization continuing after discharge for a period of not more than one year made application for restoration to his former position and has been certified by the Office of Personnel Management as still qualified to perform the duties of his former position and has not been restored thereto.

SEC. 503. No part of any appropriation made available in this Act shall be used for the purchase or sale of real estate or for the purpose of establishing new offices inside or outside the District of Columbia: *Provided*, That this limitation shall not apply to programs which have been approved by the Congress and appropriations made therefor.

SEC. 504. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 505. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 506. No part of any appropriation contained in this Act shall be available for the procurement of, or for the payment of, the salary of any person engaged in the procurement of any hand or measuring tool(s) not produced in the United States or its possessions except to the extent that the Administrator of General Services or his designee shall determine that a satisfactory quality and sufficient quantity of hand or measuring tools produced in the United States or its possessions cannot be procured as and when needed from sources in the United States and its possessions, or except in accordance with procedures prescribed by section 6-104.4(b) of Armed Services Procurement Regulation dated January 1, 1969, as such regulation existed on June 15, 1970: *Provided*, That a factor of 75 per centum in lieu of 50 per centum shall be used for evaluating foreign source end products against a domestic source end product. This section shall be applicable to all solicitations for bids opened after its enactment.

SEC. 507. None of the funds made available to the General Services Administration pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949 shall be obligated or expended after the date of enactment of this Act for the procurement by contract of any service which, before such date, was performed by individuals in their capacity as employees of the General Services Administration in any position of guards, elevator operators, messengers, and custodians, except that such funds may be obligated or expended for the procurement by contract of the covered services with sheltered workshops employing the severely handicapped under Public Law 92-28.

SEC. 508. No funds appropriated in this Act shall be available for administrative expenses in connection with implementing or enforcing any provisions of the rule TD ATF-66 issued June 13, 1980, by the Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms on labeling and advertising of wine, distilled spirits and malt beverages, except if the expenditure of such funds is necessary to comply with a final order of the Federal court system.

SEC. 509. None of the funds appropriated or made available by this Act shall be used to competitively procure electric utility service, except where such procurement is expressly authorized by the Federal Power Act or by State law or regulation.

SEC. 510. None of the funds appropriated in this Act may be used for administrative expenses to close the Federal Information Center of the General Services Administration located in Sacramento, California.

SEC. 511. None of the funds made available by this Act for the Department of the Treasury may be used for the purpose of eliminating any existing requirement for sureties on customs bonds.

SEC. 512. None of the funds made available by this Act shall be available for any activity or for paying the salary of any government employee where funding an activity or paying a salary to a government employee would result in a decision, determination, rule, regulation, or policy that would prohibit the enforcement of section 307 of the 1930 Tariff Act.

SEC. 513. None of the funds made available by this Act shall be available for the purpose of transferring control over the Federal Law Enforcement Training Center located at Glynco, Georgia, out of the Treasury Department.

SEC. 514. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

SEC. 515. No part of any appropriation contained in this Act shall be available for the payment of the salary of any officer or employee of the United States Postal Service, who—

(1) prohibits or prevents, or attempts or threatens to prohibit or prevent, any officer or employee of the United States Postal Service from having any direct oral or written communication or contact with any member or committee of Congress in connection with any matter pertaining to the employment of such officer or employee or

pertaining to the United States Postal Service in any way, irrespective of whether such communication or contact is at the initiative of such officer or employee or in response to the request or inquiry of such member or committee; or

(2) removes, suspends from duty without pay, demotes, reduces in rank, seniority, status, pay, or performance of efficiency rating, denies promotion to, relocates, reassigns, transfers, disciplines, or discriminates in regard to any employment right, entitlement, or benefit, or any term or condition of employment of, any officer or employee of the United States Postal Service, or attempts or threatens to commit any of the foregoing actions with respect to such officer or employee, by reason of any communication or contact of such officer or employee with any member or committee of Congress as described in paragraph (1) of this subsection.

SEC. 516. Except for vehicles provided to the President, Vice President and their families, or to the United States Secret Service, none of the funds provided in this Act to any Department or Agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than twenty-two miles per gallon. The requirements of this section may be waived by the Administrator of the General Services Administration for special purpose or special mission automobiles.

SEC. 517. No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverages for abortions.

SEC. 518. The provision of section 517 shall not apply where the life of the mother would be endangered if the fetus were carried to term.

SEC. 519. Effective March 30, 1988, none of the funds made available by this Act may be used to store, to maintain or to protect more than 83,000,000 troy ounces of silver deposited in the National Defense Stockpile.

SEC. 520. No later than October 1, 1989, the Administrator of General Services, or any Federal officer assuming the Administrator's responsibilities with respect to management of the stockpile, shall use all funds authorized and appropriated before January 1, 1985 from the National Defense Stockpile Transaction Fund to evaluate, test, relocate, upgrade or purchase stockpile materials to meet National Defense Stockpile goals and specifications in effect on October 1, 1984.

SEC. 521. No part of any appropriation contained in this Act shall be available for the procurement of, or for the payment of, the salary of any person engaged in the procurement of stainless steel flatware not produced in the United States or its possessions, except to the extent that the Administrator of General Services or his designee shall determine that a satisfactory quality and sufficient quantity of stainless steel flatware produced in the United States or its possessions, cannot be procured as and when needed from sources in the United States or its possessions or except in accordance with procedures provided by section 6-104.4(b) of Armed Services Procurement Regulations, dated January 1, 1969. This section shall be applicable to all solicitations for bids issued after its enactment.

SEC. 522. None of the funds made available by this Act shall be used for the payment of the salary of any employee of the General Services Administration located and assigned to Region 2 for the performance of any activities relating to the operation, management, or direction of the Federal Supply Service which were administered by General Services Administration employees located and assigned to Region 1 prior to January 1, 1986.

SEC. 523. None of the funds appropriated by this Act may be used for implementing any test or program of the "port of arrival immediate release and enforcement determination" at any port not already included in the test on June 23, 1987.

SEC. 524. None of the funds appropriated by this Act may be used to solicit bids, lease space, or enter into any contract to close or consolidate executive seminar centers for the Office of Personnel Management.

SEC. 525. None of the funds appropriated by this Act may be obligated or expended in any way for the purpose of the sale, lease, rental, excessing, surplusing, or disposal of any portion of land on which the Beltsville Agricultural Research Center is located at Beltsville, Maryland, without the specific approval of Congress.

SEC. 526. Not later than October 1, 1988, the amount made available pursuant to section 519 of the Treasury, Postal Service and General Government Appropriations Act, 1987, as incorporated in section 101(m) of Public Laws 99-500 and 99-591 shall be obligated, in addition to the current upgrading program for chromium and manganese authorized by Public Law 99-661, for the upgrade and acquisition of first tier strategic materials as defined in the Office of Technology Assessment of "Strategic Materials: Technologies to Reduce United States Import Vulnerability" authorized by section 9(b)(2) (A) and (C) of the Strategic and Critical Materials Stock Piling Act. The funds used in this section for upgrading shall not exceed $2,000,000.

SEC. 527. (a)(1) Except as provided in subsection (b) or (c), none of the funds appropriated or made available by this Act, or any other Act, with respect to any fiscal year, shall be available to administer or implement any drug testing pursuant to Executive Order Numbered 12564 (dated September 15, 1986), or any subsequent order, unless and until—

(A) the Secretary of Health and Human Services certifies in writing to the Committees on Appropriations of the House of Representatives and the Senate, and other appropriate committees of the Congress, that—

(i) each agency has developed a plan for achieving a drug-free workplace in accordance with Executive Order Numbered 12564 and applicable provisions of law (including applicable provisions of this section);

(ii) the Department of Health and Human Services, in addition to the scientific and technical guidelines dated February 13, 1987, and any subsequent amendments thereto, has, in accordance with paragraph (3), published mandatory guidelines which—

(I) establish comprehensive standards for all aspects of laboratory drug testing and laboratory procedures to be applied in carrying out Executive Order Numbered 12564, including standards which require the use of the best available technology for ensuring the full reliability and accuracy of drug tests and strict procedures governing the chain of custody of specimens collected for drug testing;

(II) specify the drugs for which Federal employees may be tested; and

(III) establish appropriate standards and procedures for periodic review of laboratories and criteria for certification and revocation of certification of laboratories to perform drug testing in carrying out Executive Order Numbered 12564; and

(iii) all agency drug-testing programs and plans established pursuant to Executive Order Numbered 12564 comply with applicable provisions of law, including applicable provisions of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), title 5 of the United States Code, and the mandatory guidelines under clause (ii);

(B) the Secretary of Health and Human Services has submitted to the Congress, in writing, a detailed, agency-by-agency analysis relating to—

(i) the criteria and procedures to be applied in designating employees or positions for drug testing, including the justification for such criteria and procedures;

(ii) the position titles designated for random drug testing; and

(iii) the nature, frequency, and type of drug testing proposed to be instituted; and

(C) the Director of the Office of Management and Budget has submitted in writing to the Committees on Appropriations of the House of Representatives and the Senate a detailed, agency-by-agency analysis (as of the time of certification under subparagraph (A)) of the anticipated annual costs associated with carrying out Executive Order Numbered 12564 and all other requirements under this section during the 5-year period beginning on the date of the enactment of this Act.

(2) Notwithstanding subsection (g), for purposes of this subsection, the term "agency" means—

(A) the Executive Office of the President;

(B) an Executive department under section 101 of title 5, United States Code;

(C) the Environmental Protection Agency;

(D) the General Services Administration;

(E) the National Aeronautics and Space Administration;

(F) the Office of Personnel Management;

(G) the Small Business Administration;

(H) the United States Information Agency; and

(I) the Veterans' Administration;

except that such term does not include the Department of Transportation or any other entity (or component thereof) covered by subsection (b).

(3) Notwithstanding any provision of chapter 5 of title 5, United States Code, the mandatory guidelines to be published pursuant to subsection (a)(1)(A)(ii) shall be published and make effective exclusively according to the provisions of this paragraph. Notice of the mandatory guidelines proposed by the Secretary of Health and Human Services shall be published in the Federal Register, and interested persons shall be given not less than 60 days to submit written comments on the proposed mandatory guidelines. Following review and consideration of written comments, final mandatory guidelines shall be published in the Federal Register and shall become effective upon publication.

(b)(1) Nothing in subsection (a) shall limit or otherwise affect the availability of funds for drug testing by—

(A) the Department of Transportation;

(B) Department of Energy, for employees specifically involved in the handling of nuclear weapons or nuclear materials;

(C) any agency with an agency-wide drug-testing program in existence as of September 15, 1986; or

(D) any component of an agency if such component had a drug-testing program in existence as of September 15, 1986.

(2) The Departments of Transportation and Energy and any agency or component thereof with a drug-testing program in existence as of September 15, 1986—

(A) shall be brought into full compliance with Executive Order Numbered 12564 no later than the end of the 6-month period beginning on the date of the enactment of this Act; and

(B) shall take such actions as may be necessary to ensure that their respective drug-testing programs or plans are brought into full compliance with the mandatory guidelines published under subsection (a)(1)(A)(ii) no later than 90 days after such mandatory guidelines take effect, except that any judicial challenge that effects such guidelines should not affect drug-testing programs or plans subject to this paragraph.

(c) In the case of an agency (or component thereof) other than an agency as defined by subsection (a)(2) or an agency (or component thereof) covered by subsection (b), none of the funds appropriated or made available by this Act, or any other Act, with respect to any fiscal year, shall be available to administer or implement any drug testing pursuant to Executive Order Numbered 12564, or any subsection order, unless and until—

(1) the Secretary of Health and Human Services provides written certification with respect to that agency (or component) in accordance with clauses (i) and (iii) of subsection (a)(1)(A);

(2) the Secretary of Health and Human Services has submitted a written, detailed analysis with respect to that agency (or component) in accordance with subsection (a)(1)(B); and

(3) the Director of the Office of Management and Budget has submitted a written, detailed analysis with respect to that agency (or component) in accordance with subsection (a)(1)(C).

(d) Any Federal employee who is the subject of a drug test under any program or plan shall, upon written request, have access to—

(1) any records relating to such employee's drug test; and

(2) any records relating to the results of any relevant certification, review, or revocation-of-certification proceedings, as referred to in subsection (a)(1)(A)(ii)(III).

(e) The results of a drug test of a Federal employee may not be disclosed without the prior written consent of such employee, unless the disclosure would be—

(1) to the employee's medical review official (as defined in the scientific and technical guidelines referred to in subsection (a)(1)(A)(ii));

(2) to the administrator of any Employee Assistance Program in which the employee is receiving counseling or treatment or is otherwise participating;

(3) to any supervisory or management official within the employee's agency having authority to take the adverse personnel action against such employee; or

(4) pursuant to the order of a court of competent jurisdiction where required by the United States Government to defend against any challenge against any adverse personnel action.

(f) Each agency covered by Executive Order Numbered 12564 shall submit to the Committees on Appropriations of the House of Representatives and the Senate, and other appropriate committees of the Congress, an annual report relating to drug-testing activities conducted by such agency pursuant to such executive order. Each such annual report shall be submitted at the time of the President's budget submission to the Congress under section 1105(a) of title 31, United States Code.

(g) For purposes of this section, the terms "agency" and "Employee Assistance Program" each has the meaning given such term under section 7(b) of Executive Order Numbered 12564, as in effect on September 15, 1986.

SEC. 528. None of the funds appropriated by this Act may be obligated or expended in any way for the purpose of the sale, lease, rental, excessing, surplusing or disposal of any portion of land on which the Phoenix Indian School is located at Phoenix, Arizona without the specific approval of Congress.

SEC. 529. None of the funds appropriated by this Act may be obligated or expended in any way for the purpose of the sale, excessing, surplusing or disposal of lands in the vicinity of Bull Shoals Lake, Arkansas administered by the Corps of Engineers, Department of the Army without the specific approval of Congress.

SEC. 530. The Administrator of the General Services Administration, under section 210(h) of the Federal Property and Administrative Services Act of 1949, as amended, shall acquire, by means of a lease of up to 30 years duration, space for the United States Courts in Tacoma, Washington, at the site of Union Station, Tacoma, Washington.

SEC. 531. Funds in this Act shall be available as authorized by 5 U.S.C. 4502(d).

TITLE VI—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SEC. 601. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year in accordance with section 16 of the Act of August 2, 1946 (60 Stat. 810), for the purchase of any passenger motor vehicle (exclusive of buses and ambulances), is hereby fixed at $6,600 except station wagons for which the maximum shall be $7,600: *Provided*, That these limits may be exceeded by not to exceed $2,700 for police-type vehicles, and by not to exceed $4,000 for special heavy-duty vehicles: *Provided further*, That the limits set forth in this section shall not apply to electric or hybrid vehicles purchased for demonstration under the provisions of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976.

SEC. 602. Appropriations of the executive departments and independent establishments for the current fiscal year available for expenses of travel or for the expenses of the activity concerned, are hereby made available for quarters allowances and cost-of-living allowances, in accordance with 5 U.S.C. 5922-5924.

SEC. 603. Unless otherwise specified during the current fiscal year no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in the continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act, who, being eligible for citizenship, has filed a declaration of intention to become a citizen of the United States prior to such date and is actually residing in the United States, (3) is a person who owes allegiance to the United States, (4) is an alien from Cuba, Poland, South Vietnam, or the Baltic countries lawfully admitted to the United States for permanent residence, or (5) South Vietnamese, Cambodian, and Laotian refugees paroled in the United States after January 1, 1975: *Provided*, That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his status have been complied with: *Provided further*, That any person making a false affidavit shall be guilty of a felony, and, upon conviction, shall be fined no more than $4,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for any other provisions of existing law: *Provided further*, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of Ireland, Israel, the Republic of the Philippines or to nationals of those countries allied with the United States in the current defense effort, or to temporary employment of translators, or to temporary employment in the field service (not to exceed sixty days) as a result of emergencies.

SEC. 604. Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall also be available for payment to the General Services Administration for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements performed in accordance with the Public Buildings Act of 1959 (73 Stat. 749), the Public Buildings Amendments of 1972 (86 Stat. 216), or other applicable law.

SEC. 605. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to chapter 91 of title 31, United States Code, shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with 5 U.S.C. 3109; and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: *Provided*, That in the event any functions budgeted as administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

SEC. 606. No part of any appropriation for the current fiscal year contained in this or any other Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person.

SEC. 607. Funds made available under this Act or any other Act for employing agency contributions prescribed by the Civil Service Retirement System (5 U.S.C. ch. 83) and the Federal Employees' Retirement System Act of 1986 (Public Law 99-335), as amended, for any Executive agency, as defined in 31 U.S.C. 102, with direct pay costs in fiscal year 1988 of over $15,000,000, shall be available only for such purpose. If the total amount obligated for fiscal year 1988 for such employing agency contributions is less than the estimate for such contributions reflected in the President's Budget, then the difference between the estimated and actual obligations shall not be available for obligation. This section shall not apply to funds made available for the Veterans Administration's medical care appropriation.

SEC. 608. Pursuant to section 1415 of the Act of July 15, 1952 (66 Stat. 662), foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose for which appropriations are made for the current fiscal year (including the carrying out of Acts requiring or authorizing the use of such credits), only when reimbursement therefor is made to the Treasury from applicable appropriations of the agency concerned: *Provided*, That such credits received as exchanged allowances or proceeds of sales of personal property may be used in whole or part payment for acquisition of similar items, to the extent and in the manner authorized by law, without reimbursement to the Treasury.

SEC. 609. No part of any appropriation contained in this or any other Act, shall be available for interagency financing of boards, commissions, councils, committees, or similar groups (whether or not they are interagency entities) which do not have a prior and specific statutory approval to receive financial support from more than one agency or instrumentality.

SEC. 610. Funds made available by this or any other Act to (1) the General Services Administration, including the fund created by the Public Building Amendments of 1972 (86 Stat. 216), and (2) the "Postal Service Fund" (39 U.S.C. 2003), shall be available for employment of guards for all buildings and areas owned or occupied by the United States or the Postal Service and under the charge and control of the General Services Administration or the Postal Service, and such guards shall have, with respect to such property, the powers of special policemen provided by the first section of the Act of June 1, 1948 (62 Stat. 281; 40 U.S.C. 318), but shall not be restricted to certain Federal property as otherwise required by the proviso contained in said section and, as to property owned or occupied by the Postal Service, the Postmaster General may take the same actions as the Administrator of General Services may take under the provisions of sections 2 and 3 of the Act of June 1, 1948 (62 Stat. 281; 40 U.S.C. 318a, 318b), attaching thereto penal consequences under the authority and within the limits provided in section 4 of the Act of June 1, 1948 (62 Stat. 281; 40 U.S.C. 318c): *Provided*, That when the Administrator of General Services delegates responsibility to protect property under his charge and control to the head of another Federal agency, that agency may employ guards to protect the property who shall have the same powers of special policemen in same manner as the foregoing.

SEC. 611. None of the funds available under this or any other Act shall be available for administrative expenses in connection with the designation for construction, arranging for financing, or execution of contracts or agreements for financing or construction of any additional purchase contract projects pursuant to section 5 of the Public Building Amendments of 1972 (Public Law 92-313) during the period beginning October 1, 1976, and ending September 30, 1988.

SEC. 612. None of the funds made available pursuant to the provisions of this Act shall be used to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

SEC. 613. No part of any appropriation contained in, or funds made available by this or any other Act, shall be available for any agency to pay to the Administrator of the General Services Administration a higher rate per square foot for rental of space and services (established pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended) than the rate per square foot established for the space and services by the General Services Administration for the fiscal year for which appropriations were granted.

SEC. 614. (a)(1) Notwithstanding any other provision of law, and except as otherwise provided in this section, no part of any of the funds appropriated for the fiscal years ending September 30, 1988, or September 30, 1989, by this Act or any other Act, may be used to pay any prevailing rate employee described in section 5342(a)(2)(A) of title 5, United States Code, or any employee covered by section 5348 of that title—

(1) during the period from the date of expiration of the limitation imposed by section 613 of the Treasury, Postal Service, and General Government Appropriations Act, 1987, as incorporated in section 101(m) of Public Laws 99-500 and 99-591, until the first day of the first applicable pay period that begins not less than ninety days after that date, in an amount that exceeds the rate payable for the applicable grade and step of the applicable wage schedule in accordance with such section 613; and

(2) during the period consisting of the remainder, if any, of fiscal year 1988, and that portion of fiscal year 1989, that precedes the normal effective date of the applicable wage survey adjustment that is to be effective in fiscal year 1989, in an amount that exceeds, as a result of a wage survey adjustment, the rate payable under paragraph (1) of this subsection by more than the overall average percentage adjustment in the General Schedule during fiscal year 1988.

(b) Notwithstanding the provisions of section 9(b) of Public Law 92-392 or section 704(b) of Public Law 95-454, the provisions of subsection (a) of this section shall apply (in such manner as the Office of Personnel Management shall prescribe) to any prevailing rate employee to whom such section 9(b) applies, except that the provisions of subsection (a) may not apply to any increase in a wage schedule or rate that is required by the terms of a contract entered into before the date of enactment of this Act.

(c) Notwithstanding any other provision of law, no prevailing rate employee described in subparagraph (B) or (C) of section 5342(a)(2) of title 5, United States Code, may be paid during the periods for which subsection (a) of this section is in effect at a rate that exceeds the rates that would be payable under subsection (a) were subsection (a) applicable to such employee.

(d) For the purpose of this section, the rates payable to an employee who is covered by this section and who is paid from a schedule that was not in existence on September 30, 1987, shall be determined under regulations prescribed by the Office of Personnel Management.

(e) Notwithstanding any other provision of law, rates of premium pay for employees subject to this section may not be changed from the rates in effect on September 30, 1987, except to the extent determined by the Office of Personnel Management to be consistent with the purpose of this section.

(f) The provisions of this section shall apply with respect to pay for services performed by any affected employee on or after October 1, 1987.

(g) For the purpose of administering any provision of law, including section 8431 of title 5, United States Code, or any rule or regulation that provides premium pay, retirement, life insurance, or any other employee benefit, that requires any deduction or contribution, or that imposes any requirement or limitation, on the basis of a rate of salary or basic pay, the rate or salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

(h) Nothing in this section may be construed to permit or require the payment to any employee covered by this section at a rate in excess of the rate that would be payable were this section not in effect.

(i) The Office of Personnel Management may provide for exceptions to the limitations imposed by this section if the Office determines that such exceptions are necessary to ensure the recruitment or retention of qualified employees.

SEC. 615. None of the funds made available in this Act may be used to plan, implement, or administer (1) any reduction in the number of regions, districts or entry processing locations of the United States Customs Service; or (2) any consolidation or centralization of duty assessment or appraisement functions of any offices in the United States Customs Service.

SEC. 616. During the period in which the head of any department or agency, or any other officer or civilian employee of the Government appointed by the President of the United States, holds office, no funds may be obligated or expended in excess of $5,000 to renovate, remodel, furnish, or redecorate the office of such department head, agency head, officer, or employee, or to purchase furniture or make improvements for any such office, unless advance notice of such renovation, remodeling, furnishing, or redecoration is expressly approved by the Committees on Appropriations of the House and Senate.

SEC. 617. (a) If any individual or entity which provides or proposes to provide child care services for Federal employees during fiscal year 1988 or any fiscal year thereafter, applies to the officer or agency of the United States charged with the allotment of space in the Federal buildings in the community or district in which such individual or entity provides or proposes to provide such service, such officer or agency may allot space in such a building to such individual or entity if—

(1) such space is available;

(2) such officer or agency determines that such space will be used to provide child care services to a group of individuals of whom at least 50 percent are Federal employees; and

(3) such officer or agency determines that such individual or entity will give priority for available child care services in such space to Federal employees.

(b)(1) If an officer or agency allots space during fiscal year 1988 or any fiscal year thereafter, to an individual or entity under subsection (a), such space may be provided to such individual or entity without charge for rent or services.

(2) If there is an agreement for the payment of costs associated with the provision of space allotted under subsection (a) or

services provided in connection with such space, nothing in title 31, United States Code, or any other provision of law, shall be construed to prohibit or restrict payment by reimbursement to the miscellaneous receipts or other appropriate account of the Treasury.

(3) For the purpose of this section, the term "services" includes the providing of lighting, heating, cooling, electricity, office furniture, office machines and equipment, telephone service (including installation of lines and equipment and other expenses associated with telephone service), and security systems (including installation and other expenses associated with security systems).

SEC. 618. Funds appropriated in this or any other Act may be used to pay travel to the United States for the immediate family of employees serving abroad in cases of death or life threatening illness of said employee.

SEC. 619. None of the funds appropriated by this Act or any other Act shall be used for preparing, promulgating or implementing any regulations dealing with organization participation in the 1987 and 1988 Combined Federal Campaign other than repromulgating and implementing the 1984 and 1985 Combined Federal Campaign regulations, unless such regulations provide that any charitable organization which participated in any prior campaign shall be allowed to participate in 1987 and 1988 campaign: *Provided further,* That none of the funds appropriated by this Act or any other Act shall be used for preparing, promulgating or implementing new regulations dealing with the Combined Federal Campaign ("CFC") which require or allow the Office of Personnel Management to directly or indirectly determine the eligibility of any agency to participate in the CFC (other than the local service of those agencies which perform a substantial preponderance of their services in the United States) if that agency is a member of a qualified federated group.

SEC. 620. None of the funds appropriated by this or any other Act may be used prior to July 15, 1987, to repeal, amend, or modify any policy, procedure, or practice contained in subpart 19.5 of title 48 of the Code of Federal Regulations (as such subpart was in effect on July 31, 1986) except if such subpart requires modification to implement the amendments made by section 911 (relating to small business set-asides) of H.R. 4438 (99th Congress, 2d Session), or the amendments made by any successor provision to such section, if such bill is enacted into law.

Mr. ROYBAL (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of titles V and VI, through line 10, page 73 of the bill, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any points of order against those portions of the bill?

Are there any amendments to those portions of the bill?

AMENDMENT OFFERED BY MR. HOYER

Mr. HOYER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOYER: Page 52, strike out line 10 and all that follows thereafter through page 59, line 13 (and redesignate succeeding sections accordingly).

Mr. HOYER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN. The gentleman from Maryland [Mr. HOYER] is recognized for 5 minutes in support of his amendment.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. HOYER. I yield briefly to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, I rise in support of the bill.

Mr. Chairman, I rise today to commend the Appropriations Committee for funding an addition to the courthouse for the U.S. District Court of New Jersey in Camden. I, and others, have worked for this funding for a long period of time.

The existing Federal building in Camden has been facing space shortages for the last 30 years. In 1958, correspondence attempting to spur action was sent by the judges of the U.S. district court to the General Services Administration, with the hopes of finding a possible solution to this very serious problem. The facts accumulated during this time well document the overcrowded conditions which exist.

In 1985, I intervened to attempt to remedy the problem by offering a lease purchase solution. This option would have met the present needs of the New Jersey District Court in Camden in addition to anticipating its future needs. Unfortunately, the General Services Administration opposed this proposal as well as numerous others that have been offered throughout the years.

Consequently, the problem has intensified over the last 30 years by increasing the number of judges and magistrates that have been assigned to Camden to handle the growing caseload. We have judges and magistrates who are operating without chambers or court rooms. Currently, there are plans under way to lease space to house the probation and the bankruptcy court. My concern has not solely been with the special conditions but the quality of work that can be continued under such inadequate conditions.

I commend my colleagues on the Public Works and Appropriations Committees for their efforts on this very serious problem. I urge my colleagues to take into consideration the worthiness and the great need of funding of this courthouse annex project. Those who strive to ensure the success of our judicial system deserve to be provided adequate facilities in which to perform their duties.

Mr. HOYER. Mr. Chairman, this is simply a pro forma amendment. It strikes from the bill the drug-testing amendments that apply to the Federal Government. It does so because that has already been adopted as a permanent law when the President signed the supplemental.

Mr. SKEEN. Mr. Chairman, will the gentleman yield?

Mr. HOYER. I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, this side of the aisle accepts the amendment. There is no disagreement on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. HOYER].

The amendment was agreed to.

Mr. CONTE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of this bill, and I yield to the gentleman from Idaho [Mr. CRAIG] for the purpose of engaging in a colloquy.

Mr. CRAIG. Mr. Chairman, I thank my colleague, the gentleman from Massachusetts, for yielding.

I wish to engage the gentleman in a colloquy as it relates to section 519 on page 77, where there is provision to allow for sales of silver out of the national defense stockpile.

My concern, Mr. Chairman, as it has been historically, is that large amounts of silver sold from the stockpile have a depressing effect on the market, and, as a result of that, this House has seen the wisdom over the last several years of using metals from the stockpile for the purpose of coinage, not only to maximize its value to be sold into the market for a return into the Treasury, but also to not improperly impact the bullion market as it relates to silver mining in this Nation.

Silver is now reaching a price where many miners are going back to work in my State and in other States across the Nation. My colleague, the gentleman from Massachusetts [Mr. CONTE], and I worked out a compromise. Certainly he was kind in doing that. This was to lower the level of silver and in fact at one point to disallow it altogether because of the consequences of employment in the mines. To date, I think it is important to understand that the coinage program that I and others and the committee chairman, the gentleman from Illinois [Mr. ANNUNZIO], have been very instrumental in moving on this floor has worked extremely well.

□ 1405

The Eagle Program, the current coinage program, has used nearly 12.8 million troy ounces of silver, has sold in this market extremely well.

The Statue of Liberty Program sold at nearly 7.1 million troy ounces, and the Constitutional Program, the current coinage program that started July 1 of this year, already has orders of 175,000 advanced in the gold area, and the Silver Coinage program will start using what we believe to be well over 1 million ounces or more in the beginning.

If the gentleman could explain what is intended under this section, it would be important for the Record to show that.

Mr. CONTE. Mr. Chairman, I want to thank the gentleman for his cooperation.

Last year we worked together and hammered out a compromise and it is just a pleasure to serve with the gentleman.

Having been based in a hospital in Idaho for a year during the war, I can appreciate the problems in the silver industry of Idaho.

In response to my question at the subcommittee hearings, GSA testified that approximately 117 million troy ounces of silver is estimated to be part of the national defense stockpile as of September 30, 1987.

In response to another question that I asked, the GSA estimated that approximately 24 million troy ounces will be used in fiscal year 1988 for the Bullion Coin Program that the gentleman mentioned. So if we take the 10 million ounces proposed for the sale that I have in this bill, and the 24 million for coins, deduct that from the inventory, you will have an 83-million-ounce maximum level mandated in this bill.

I asked GSA some additional questions.

Question: If the GSA were instructed to sell on the open market a significant quanity of silver in the stockpile, what measures would be taken to minimize the impact on the market and on the silver producers?

Answer: If a significant quantity of silver in the stockpile were authorized for disposal, GSA would consult Congress on an orderly marketing plan. The Strategic and Critical Materials Stock Piling Act mandates that GSA not unduly disrupt markets of normal participants.

Second question: If spaced out over the course of a year, how much silver could be disposed of without a major impact on the silver producers?

Answer: Based on GSA's previous marketing experience with silver disposals, GSA could possibly dispose of 15 to 25 million troy ounces without a major adverse impact on the market, depending on GSA's sales method.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. Conte] has expired.

(On request of Mr. Craig, and by unanimous consent, Mr. Conte was allowed to proceed for 2 additional minutes.)

Mr. CONTE. Mr. Chairman, GSA could possibly dispose of 15 to 25 million troy ounces without any major adverse impact on the market, depending on GSA's sales method, so we are below that.

We do not want to disrupt the market or significantly affect the price of silver.

Mr. CRAIG. Mr. Chairman, if the gentleman will yield?

Mr. CONTE. I yield to the gentleman from Idaho.

Mr. CRAIG. Mr. Chairman, I thank the gentleman for bringing that to our attention.

The law does provide that we develop an orderly marketing system.

I would say in closing, that the coinage program has gone beyond everybody's expectations.

In discussions with both the Mint and Treasury in the last several weeks, in fact I have encouraged them to review their marketing plan.

There is some belief in the industry that it is almost too restrictive.

The demand is outstripping the supply. That is the American citizen buying that coin and putting it into his or her investment portfolio.

It is my understanding, and I think with good logic, that if we choose to market our silver through this method and encourage increased marketing, that we would not only sell it in an advantageous way with value added, so it would not disrupt the market, but once silver is placed in coins, it does not compete with the bullion production of the mining industry of this country.

That is why I appreciate the colloquy today. We need to remain very sensitive to this. We have thousands of silver miners at this moment contemplating going back to work in this country as the silver mines are looking at the current value of silver in the bullion market and getting ready to open up.

Any dollar decline, a mere dollar decline, might put on hold those decisions to open up those mines, and there would be thousands of workers sitting idle when this expectation had risen to a point of employment.

Mr. CONTE. Mr. Chairman, one important justification for selling silver is based on our need to generate cash to purchase some other strategic material required for the stockpile; and unfortunately because of the tight budget constraints, we do not have an aggressive purchasing program.

As provided by law, funds generated by the sale of excess materials will be used to purchase other strategic and critical materials required for the defense stockpile.

Mr. GREEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise for the purpose of engaging in a short colloquy with the gentleman from California [Mr. Roybal], the chairman of the subcommittee.

Mr. Chairman, it is my understanding that the $21 million above the President's budget request for ATF included in your subcommittee's bill is specifically intended for activities aimed at solving past abortion clinic bombings and preventing such bombings in the future.

Mr. ROYBAL. Mr Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from California.

Mr. ROYBAL. Mr Chairman, I thank the gentleman for yielding.

The gentleman is correct. The additional $21 million will enable ATF to continue to investigate all bombings and arsons at abortion-related facilities. As the gentleman knows, ATF has had striking success in investigating bombings, which are among the most difficult of all crimes to solve. To date, ATF has solved 22 of 38 abortion clinic bombings, and Director Higgins advises me that these crimes will remain as ATF's No. 1 investigative priority until all are solved.

Mr. GREEN. Further, is it the gentleman's understanding that ATF is aware to this intention and will they be able to allocate the additional money in an effective way?

Mr. ROYBAL. That is correct. Yes, they are aware of our concern over this issue. These investigations can be extremely costly with tremendous demands on manpower and equipment. ATF will need, and will utilize, every penny of these funds in a manner which will ensure continued success.

Mr. GREEN. I do want to thank the gentleman from California [Mr. Roybal], the distinguished chairman, both for the gentleman's remarks this afternoon, and also for the gentleman's great willingness to proceed on this when I had raised the issue with the gentleman during and prior to the markup.

I appreciate the gentleman's help.

Mr. AKAKA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to take a moment to discuss section 509 of our bill. Section 509 embraces a wise and prudent policy and it should not be stricken from our bill.

Section 509 requires the Federal Government to procure electric service in a manner which is consistent with the Federal Power Act and State law governing utility franchise. Quite simply, section 509 requires the Federal Government to abide by existing restrictions in the Federal Power Act and State law when it buys its electricity.

Every Member of the House should appreciate the fairminded policy that section 509 seeks to promote. Embodied in section 509 is the concept that the Federal Government should not be allowed to ignore State established utility service territories and violate the fundamental regulatory scheme that has governed the procurement of electricity for the last 50 years.

Our committee included this general provision in response to regulations proposed last year by the General Services Administration. These regulations would have allowed Federal agencies to circumvent State law and rules established by State public utility commissions governing the sale of electricity. Although the GSA regulations have been withdrawn in response to strong criticism from Congress, that has not ended the debate. A number of Federal agencies are continuing to press their case and open their electricity needs to competitive bid. That is why section 509 appears in our bill.

So that we don't get lost in the complexities of Federal energy policy and the Federal procurement process—and lose sight of what really is at stake here—I want to focus my colleagues' attention on the inevitable consequences if Federal agencies are successful in turning to nonutility sources for their power needs. If we allow this to happen—if nonutilities are allowed to bid for the Federal Government's electricity needs—then utility rates will inevitably rise for consumers who reside in areas where there is a military base or other large Federal establishment. I want to repeat: Utility rates will inevitably rise in areas where there is a large Federal presence. Simple economics dictate this will happen.

Why do I say that electric rates will surely rise? Because if local utility companies lose the Federal Government as their customer, these utilities will be forced to spread the fixed costs of their powerplant and other equipment over a smaller customer base.

If the Federal Government switches from local utilities to nonutility suppliers of electricity, the fixed costs of power capacity built to serve Federal facilities would almost immediately be shifted to the remaining utility customers. Such a result is unfair. Furthermore, Federal supply switching would further complicate utility system forecasting, capacity planning, and system reliability. This would be a far-reaching change that would have serious legal, technical, and economic repercussions.

I consider it unwise and inappropriate for Federal agencies to administratively alter the long-established Federal-State relationship in this area of energy policy. Since 1935, the authority to regulate the retail sale and distribution of electricity has been expressly reserved to the States. For decades, State autonomy in this area has been steadfastly preserved by Federal statute. Without section 509, we will take the first step towards dismantling this long-established regulatory system. We will then permit the Federal Government—the Nation's largest single electricity consumer—to disregard the rules which govern all other participants in the heavily regulated market for retail electric service.

The consequences of such a change would be far-reaching, and I am not prepared to allow this to happen without first giving Congress an opportunity to legislate on this subject. Section 509 preserves the status quo and places a hold on any changes in Federal electricity procurement policy until we in Congress have the opportunity to act on this issue.

Under any other circumstances, I would applaud the Government for expanding the competitive bidding process. I support competition in Federal contracting, just like every other Member of Congress. But let's keep things in perspective. We are not talking about $439 hammers, $544 toilet seats, or $7,622 coffee pots. The issue before us today is electric service and whether the Federal Government should play by the same rules as everyone else when it comes to buying power.

Under the present system, the Federal Government is not being charged too much for its electricity. Utilities are highly regulated industries and State public utility commissions are effective in preventing all utility customers—including the Federal Government—from being charged excessive utility rates. There simply is no evidence to indicate that utilities are overcharging the Government.

Mr. Chairman, the choice is clear:

If you want to abandon the fundamental regulatory scheme that has governed electricity procurement for the last 50 years.

If you want to permit Federal agencies to shop around for a third party who is ready to "skim the cream off the top" of electricity demand; or

If you want to sock your consumers with a billion-dollar electric bill, courtesy of the Federal Government.

Then section 509 is not for you.

If you believe that the Federal Government should play by the rules Congress established and everyone else must abide by.

If you want to prevent Federal agencies from altering the long-established Federal-State relationship in the area of energy policy; and

If you want to protect your electric consumers from the inevitable rise in electric rates if the Federal Government stops buying electricity from your utilities.

Then you support section 509.

The CHAIRMAN. Are there any further amendments to the bill?

AMENDMENT OFFERED BY MR. WOLF

Mr. WOLF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLF: Page 60, after line 8, insert the following:

SEC. 532. Funds under this Act shall be available as authorized by sections 4501-4506 of title 5, United States Code, when the achievement involved is certified, or when an award for such achievement is otherwise payable, in accordance with such sections. Such funds may not be used for any purpose with respect to which the preceding sentence relates beyond fiscal year 1988.

Mr. WOLF. Mr. Chairman, I am offering this amendment to put Congress clearly on record in support of deficit reductions through innovative productivity improvements. This amendment endorses a "shared savings" program to provide incentives to Federal agencies and employees to increase productivity, improve the quality of services rendered to the American public, and maintain current programs in a timely manner by implementing a shared savings concept.

This is really a sense of Congress.

Shared savings is a gain-sharing plan designed to promote productivity improvements in the Federal Government. Important benefits of this plan are to achieve budget savings to reduce the Federal deficit, reward groups of employees with meaningful bonuses and fund additional productivity improvements.

This is a voluntary program involving productivity improvements only. It does not involve changes in agency functions or staffing changes. Current standards of timely operation and quality of services will not be altered.

Let me give you an example. The Internal Revenue Service, covered in this bill, implemented a gain-sharing system 5 years ago for data entry personnel. Keystrokes are measured against expected standards. The program was developed in conjunction with unions and management and administration officials. Originally initiated in four service centers, the program has been expanded to all 10 IRS service centers. Cost savings have been identified, timeliness and quality of service have improved during the period of this program and employees have been receiving bonuses with each pay period for their increased productivity while 50 percent of the savings were returned to the U.S. Treasury. Clearly, this program had its desired effect: To improve quality of services with the side benefit of saving money and rewarding the productivity of employees.

This amendment focuses on the need to provide incentives to eliminate the year end "use of lose" spending policies prevalent in many agencies. I became interested in gain-sharing as a means of encouraging employees to come forward with budget savings when I worked at the Department of the Interior and witnessed during the fourth quarter of each year the spending of a great deal of money on new curtains, grants, travel, training, and materials in order to prove to Congress that previous budget requests were warranted and justified. GAO has conducted several audits on Federal year-end spending habits and these reports have illustrated the trend for spending up to one-third of an agency's entire budget in the last 3 months of the fiscal year.

In the 38 Federal programs where this concept is already in place, savings of $122 million have been achieved. OMB estimates that if this program were implemented throughout Government in the 108 programs identified as possible candidates for productivity improvements, the Congress could see budget savings of $720 million. OMB plans to offer this program to agencies on an optional participation basis in a 3-year experimental program.

I believe it is important to support this program and to support my amendment to send a clear signal to employees, managers, budget analysts and agency heads that Congress is clearly committed to a program to encourage productivity improvements and increase quality of services to the American people through incentives to the employees who carry out the policies we pass.

I urge your support.

□ 1415

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the chairman, the gentleman from California.

Mr. ROYBAL. Mr. Chairman, I would like to inform the gentleman that this amendment has been carefully considered. As we know, we have had discussions on it during the last 2 or 3 weeks. It was a matter that was presented to the subcommittee originally and then to the full committee.

I would inform the gentleman that in its present form it is most acceptable.

I commend the gentleman for the cooperation he has given the committee, for the form in which he has presented this amendment, and inform the gentleman that we accept the amendment in its present form.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(By unanimous consent, Mr. WOLF was allowed to proceed for 1 additional minute.)

Mr. SKEEN. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, I appreciate the gentleman yielding to me.

I rise in support of the gentleman's amendment, as I have through the committee hearings and all the way through the process, and commend the gentleman on his ingenuity and innovative thought and tenacity, for staying with us.

I think the gentleman should be rewarded. We accept the amendment on this side as well.

Mr. PARRIS. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Virginia for the following reasons:

First, the gain-sharing plan, as designed, would encourage our Nation's Federal employees to discover and develop ways to improve their agencies' productivity and quality of output by offering them the well-deserved opportunity to share directly in the fiscal savings resulting from this productivity and output gain. All Americans would benefit from a more efficient Federal Government.

Second, the gain-sharing plan is expected to improve the morale of our Nation's Federal employees by rewarding them for their significant contributions to the operation of a more efficient National Government. It is no secret to private industry that bonus systems, which compensate those workers who find ways to cut costs, provide tremendous incentives to workers to work efficiently and with renewed enthusiasm. The time is long overdue for Congress to affirmatively recognize the worth of our Nation's Federal employees and to bolster rather than tear down Federal employee morale; implementation of this sound management policy is a step in the right direction.

Third, the savings resulting from the gain-sharing plan would save American taxpayer dollars and contribute to a much needed reduction in the Federal budget deficit.

This amendment would promote the interests of American taxpayers, our Nation's forward-thinking an hard-working civil servants, and the Federal Government—it simply makes good sense. I urge my colleagues to vote for passage of the gentleman's amendment.

Mr. DAUB. Mr. Chairman, I rise today in support of the "shared savings" amendment introduced by Mr. WOLF, and I am pleased that the full House has approved of its inclusion in the Treasury/Postal Service appropriation bill for fiscal year 1988.

My enthusiasm stems from the expectation that shared savings benefits improve productivity and quality of service to the American public by finding ways to provide those services more effectively and efficiently while maintaining current programs and standards of timely operation. In addition to these improved efficiency benefits, the OMB has estimated that the 108 programs identified for participation in the plan could produce budget savings of up to $720 million in the first year.

We only have to look to existing productivity measures in 38 programs, which have produced savings of $122 million, to see the kind of savings we must continue to achieve if we are to make steps in the direction of a balanced budget. I commend my colleague's meritorious efforts in this area of improving the efficiency of Government operations.

Mr. KOBLE. Mr. Chairman, I would like to express my strongest support for the amendment offered by my colleague, Mr. WOLF. While many in this body are wrapping themselves in the concept of competitiveness, I think it's appropriate that we begin to emphasize the apparently lost art of management in the Federal Government. This amendment is an excellent example of applying proven management techniques to address, in my opinion, the most serious problem facing the United States today—our Federal deficit.

This amendment simply refines the use of shared savings, to ensure that those Federal employees and departments who operate effectively and efficiently, and who save the taxpayer dollars, will receive a portion of the benefit associated with that savings. Our free market economic system operates on the principle of incentives. It is those incentives which creates an institutional efficiency. Our Federal Government also operates on a system of incentives, but these incentives are misdirected, and contribute to the current mess we find ourselves in.

As we all know, when the end of the fiscal year rolls around, the incentive in the Federal Government is to make sure that appropriated funds are not left unspent. Unspent money is ammunition for appropriating committees to tighten an agencies budget. This acts as a negative incentive for savings. This mindset is pervasive.

I well remember my own experience as a young naval officer on a World War II vintage destroyer. A few weeks before the end of the fiscal year, the ship's executive officer would call all the department heads—of which I was one—together and review our respective budgets. Invariably, there would be some unspent funds as the fiscal yearend approached. We would each receive a stern admonishment from the executive officer to make sure every penny was spent before July 1, "or else the squadron will cut our ship's budget for next year." So, we would go down to the Navy's "department store" and load up on all kinds of unneeded items for the ship, items we could easily have done without, but which served to empty our individual budget accounts.

Mr. Chairman, what kind of a management system is it that rewards managers for spending money, rather than for accomplishing our objectives with less money? But that, unfortunately, is the kind of system we have today.

The Wolf amendment turns this negative incentive on its head. It provides Federal employees with a real and tangible incentive to save money where such savings can be achieved through efficiency and productivity. Any savings resulting from their dedicated service then be divided between general revenues to reduce the Federal deficit, and a "gain sharing" bonus for the employees and departments responsible for the surplus. This bonus would be distributed at the time that these savings are identified, and not just at the end of the fiscal year when it's too late to be used as an effective incentive.

Amendments of this type should be a cornerstone of our efforts to reduce waste in the Federal Government. Many aspects of Government service do not lend themselves to traditional management strategies, but when basic human instincts and needs are at stake, management within government is the same as management outside of government.

We have a fundamental responsibility in Congress to pursue effective management strategies in Congress, because we are endowed with a public trust that we must not shirk. I support the Wolf amendment in the strongest terms. I commend my colleague for his proposal, and for his efforts to devise creative strategies to cut the fat out of the Federal budget. I offer my continued assistance in this battle of the Federal bulge.

Mr. BOULTER. Mr. Chairman, as one who considers productivity in the public sector to be every bit as important as it is in the private sector, I rise in support of the amendment proposed today by Mr. WOLF because it will promote productivity improvements in the Federal Government, and thereby achieve something I think we all are cognizant of these days, budget savings.

As the founder and chairman of the Grace caucus—which now has 160 Members of Congress who have as their No. 1 priority, looking for, and supporting, ways to improve the efficiency of our Federal Government—I think we have seen that when given the necessary incentives and resources, public officials and employees can be extremely efficient in carrying out the publics' business. However, as we also know, and as the sponsor of the amendment has mentioned, these same officials and employees are also often forced to be just as concerned, if not more so, with spending the moneys that have been appropriated to them, as opposed to improving overall Government efficiency.

I commend the gentlemen for offering this amendment that will encourage employees to find ways to carry out their agency's missions more effectively, without, and I want to emphasize that, without altering the quality of the service that they render to the American public.

With the budgetary constraints that we are now being forced to address, I think it is entirely appropriate and justifiable for Federal managers and employees to be encouraged to use their own ingenuity and know-how—to do a better and more productive job—and then reward them for doing so.

The Grace Commission found numerous examples of how this practice has already been tested, and is encouraged in other areas of our Government. For instance, the Department of Agriculture's National Finance Office, through centralization and an increased level of automation in its voucher processing system, reduced the cost of processing its voucher payments from $12 to $2.50 per voucher!

Mr. Chairman, recommendation 16-3 of the Grace Commissions' report on personnel management states, and I quote, that "OMB, with assistance from OPM, should utilize existing incentive awards to recognize appropriate managers whose contributions to, and cooperation in, the program improve productivity."

This amendment addresses this philosophy, which I agree is justifiable and necessary, and again commend Mr. WOLF for his efforts in proposing this amendment, which I support wholeheartedly.

Mrs. MORELLA. Mr. Chairman, I rise in support of the amendment by the gentleman from Virginia. It initiates a voluntary shared-savings plan which will reward agencies and their employees if funds have been saved by the agency. This is clearly an incentive tool to encourage innovation in productivity and savings. If productivity improves and savings result, half the amount saved will revert to the Treasury and the other half will go to the agency employees.

The Federal workplace is familiar with the use-or-lose provision. This amendment will elminate these spend thrift traditions; there will be no penalty for saving agency money.

This gain-sharing concept will provide employees with an incentive to improve productivity. However, Congress can maintain oversight over the program and stop it at any time. This is a safeguard against possible abuse.

The amendment will help to reduce the Federal deficit by an estimated $720 million in the first year if it is fully implemented. This is a private sector concept, but there is no reason it cannot work in the public sector.

I urge my colleagues to support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. WOLF].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title V or VI?

AMENDMENT OFFERED BY MR. STENHOLM

Mr. STENHOLM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STENHOLM: Page 73, after line 10, insert the following new section:

SEC. 621. Each of the amounts appropriated or otherwise made available by this Act not required to be appropriated or made available by law shall be reduced by 4.74 percent.

Mr. STENHOLM. Mr. Chairman, this is another in the series of the so-called Penny-Tauke amendments to attempt to bring the appropriations back from the level which is in the budget, by reducing by one-half the amount of increase that is in the appropriation. In the case of the Treasury and Postal appropriation, that amount of increase is in the discretionary funding only, we do not deal with the mandatory program, and it is $841 million.

We propose with this amendment a 4.74-percent straight across the board in all the discretionary programs to reduce that amount by $420,705,100.

Now, let me review again why we are here. There has been a awful lot of rhetoric today in our 1-minute speeches, yesterday and days before about the deficit and finger pointing about who is at fault.

Let me help all of us again focus on why we are here. We are not doing too well. Day after day, cut after cut, we have lost with votes against us by some of the same Members who take to the floor and decry the deficit on this side of the aisle, blaming us Democrats, on this side of the aisle, blaming the President; I submit that unless we are prepared to cut some spending, we are never going to get there.

Interestingly, the CBO has just revised its estimate on what the 1988 fiscal deficit is going to be. It is now $182 billion—billion with a B.

If we assume, as I am hearing a growing consensus, and I think it to be a majority today, that we are about to revise Gramm-Rudman-Hollings-Chiles-Rostenkowski-Foley, if we are about to do that and we are about to slip our targets to $144 billion, not the $108 billion, and if we are to believe the word from the White House this morning as reported in the Washington Post that they are having second thoughts about doing that, but if we are serious about making our real deficit goals for 1988 of $144 billion, and I am, and I am prepared to support both the revised Gamm-Rudman with real sequestration as well as those things necessary, including increasing revenues, in order for us to make that $144 billion real; but now let us for a moment go over what we are going to have to do to do that. If we start with $182 billion and we assume we are going to make $144 billion, and that is going to be the agreement and we are going to make it real, that means we have got to come up with a $138 billion deficit reduction package.

Now, the conference budget that we are operating under, and again I commend Chairman ROYBAL for the job his committee has done in meeting the requirements of the budget that we are operating on today, because the chairman has done a wonderful job, as well as the members of his committee, in doing what they were told to do. Our quarrel is not with them, but that package in that conference report says we shall reduce our budget deficit by $36.25 billion, which means we are off $1.75 billion. We have to cut another $1,750,000 just to make it if we assume that we are going to pass everything that was in that conference budget reconciliation package.

But we have a small problem. There are a lot of people saying that we are not going to raise taxes, and it is interesting to me listening time and again to speeches of people saying, "I'm not going to raise taxes," at the same time voting, "I'm not going to cut spending."

Now, I have difficulty trying to understand how we are going to make $144 billion real if we are not prepared to cut spending.

Now, our effort today and in this across-the-board cut is to make the $36.25 billion real, not smoke and mirrors, not selling assets, which unfortunately the other body forced us to do in order to get anything done.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. STENHOLM was allowed to proceed for 5 additional minutes.)

Mr. STENHOLM. Now, Mr. Chairman, if we are going to do $36.25 billion and make it real, we have got to cut spending $7 billion more and the way we have chosen to present it to the House is by saying let us cut one-half the increase in each of our 13 appropriations straight across the board.

Oh, we have tried it doing it the other way, because we try to learn as we go along, when we try to do it program by program and we try to make decisions on where we might cut; then we have been told that we cannot do that, and not all Members and not on a totally inconsistent basis; but in looking at this appropriation today and looking at the fact that the largest increase is in the IRS section, and there are good and valid reasons why we should increase the IRS and I agree to that, but I question whether or not anybody anywhere can spend the additional amount of money that we are talking about putting into the IRS function today.

With our cut, assuming that it should pass, and it should pass, we are still going to give the IRS $639 million more to do a better job.

Now, I ask you, is that not enough money to give the IRS to do that which they need to do?

The same can be said for every other category of the budget, as we have talked about time and time again.

In conclusion, let me say, this is an across-the-board cut. We have looked at the individual aspects of this particular appropriation, and again I commend the chairman for the job that he and his committee have done, but the fact remains that we do not have the money. We are going to have to borrow the money. I suggest that this is $420,705,100 that we do not have to borrow and add to the debt of our children and grandchildren in order to allow all the functions within this appropriation to function exactly as has been so eloquently described yesterday in general debate by Chairman ROYBAL.

Join us in supporting this amendment. It is 4.74-percent across the board. It tells everybody affected by this particular appropriation, not tighten your belt, we are going to let it out about one-half a rung, one-half a loophole. We are not cutting you back from where you were. We are cutting back the rate of increase.

I suggest to those who say this is too much, if you want to make $182 billion and if you want to make $144 billion real and if you are not going to support taxes, you have got to do more than this. You have got to get the $7 billion we have been talking about and you have got to get $19.3 billion more, and I challenge somebody to come to the floor of this House and start showing me on either side of the aisle where we are going to find $19.3 billion more spending cuts, when we cannot even do the $7 billion as we have been proposing.

Mr. ROYBAL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman has made a very persuasive argument that would clearly indicate that the solution to the fiscal problems of this Nation would be an amendment cutting across the board, cutting out 5 percent from the budget.

I believe this is an irresponsible way, first of all, of reducing expenditures and believe it is an irresponsible way of legislating.

During this whole process this afternoon, the opportunity was made available for any individual Member of this House to propose an amendment reducing single expenditures in any one department under the jurisdiction of this committee.

□ 1430

There are 61 appropriation accounts in total; 51 of those accounts received the appropriations at or below the level requested by the President, 10 departments did not.

The argument is being made that we have to reduce spending, and with that I agree. But very little is being said about the fact that somewhere down the line we also have to increase taxes or increase revenues coming into the Treasury of the United States. We cannot just decrease spending or we cannot continue to increase spending no matter which way you look at it without taking a very close look as to what happens to the revenue.

This is a situation I think we must examine very closely. I believe, Mr. Chairman, that there is no one in this House who believes that we just can continue to spend without bringing any revenue into the Treasury of the United States.

But I also believe that when we legislate we must do so responsibly. In this instance, what the committee has actually done is take 10 accounts and disagreed with the recommendations made by the President in those 10 accounts, 10 different instances, and in almost every one of those instances it was due to the fact that the budget sent by the President either left something out or did not provide sufficient funds for the operation of that department.

The first department where money was left out altogether was the Post Office Department. That is revenue forgone which actually provides money for mailing privileges including free mailing privileges, for the blind. A 5-percent across-the-board cut would have a devastating effect upon those mailing privileges for the nonprofit organizations and disabled people of the United States.

But then we must also look at the fact that the Postal Service itself, in responding to the effect that this would have on that Department, said to this committee that the proposed reductions in appropriations could entail an increase in the postal rates which are paid by churches, charities, small newspapers and libraries.

It is the intent of making available revenue forgone so that the nonprofit organizations, like the United Way and the American Legion and various other groups, could have mailing privileges so that they can operate effectively in the various communities throughout the United States. A 5-percent decrease, of course, will be devastating to this endeavor.

Then a great deal of reference was made to the Internal Revenue Service, that they are going to get *x* millions of dollars as if that money was going to just be coming automatically into the Treasury of the United States. The truth of the matter is that the Internal Revenue Service is the principal revenue-producing department of the Federal Government, and this is what they have to say about this cutback. They said this potential budget cut would amount to some $244 million and would cut estimated revenue collections in 1988 alone, by $1.7 billion.

The CHAIRMAN. The time of the gentleman from California [Mr. ROYBAL] has expired.

(By unanimous consent, Mr. ROYBAL was allowed to proceed for 5 additional minutes.)

Mr. ROYBAL. They go on to say the following:

"The cut would eliminate some 3,400 positions needed to examine tax returns and settle disputed tax liabilities." Who is going to suffer the consequences of that? The taxpayers.

It would also eliminate some 2,300 positions needed to collect, to collect, Mr. Chairman, overdue tax accounts. If we do not collect, how are we going in to get any money into the Treasury of the United States, if we do not increase taxes, and then we prevent the Internal Revenue Service from collecting these funds?

But if this 5 percent does in fact prevail, the cut would result in a reduction in revenues collected by the year 1991 of $15 billion; $15 billion is a lot of money. But a 5-percent cut just in this department alone, a 5-percent cut would result in revenues collected of $15 billion with $1.7 billion in 1988 alone. That is just this one department.

Mr. Chairman, these are very important points because these cuts will have a tremendous effect on revenues collected by several Treasury bureaus.

Here is another department, the Secret Service. This is what they say. The proposed across-the-board reduction of a 4.7-percent cut would result in a reduction of $17.4 million. Then they go on to say that the implications of this massive reduction would have a detrimental effect on our mandatory protective programs. In order to observe this reduction the Service would be forced to cut back on protective technical security requirements, implementation of our backup computer facility nationwide network. These reductions they say would downgrade our ability to enforce Federal laws under Secret Service jurisdiction and could unnecessarily jeopardize the safety of the President and other protectees.

I do not think there is anyone here who would like to in any way, shape or form to jeopardize the safety of the President of the United States. But this would be the effect. This department sent this communication to us just a few minutes ago.

With regard to the Buréau of Alcohol, Tobacco and Firearms, they tell us that under this proposal they would lose $500 million in revenue alone. This is not that they will be cut by $500 million, but in revenue alone in

1988 they would be receiving less by $500 million. Incidentally, they bring in to the Treasury of the United States in the neighborhood of $12 billion every year and in another revenue-producing department that is going to be crippled by a 5-percent reduction which would amount to $500 million in 1988 alone.

We could go on and on with some of these other departments. If we are really interested in doing something about this particular situation, let us not cripple those departments that are revenue-producing. This could have been done during the debate this afternoon when the various departments were under the consideration of the House. Why was it not done then? Why do we now come forth with an across-the-board reduction that is going to cripple the very departments that bring in the necessary revenue to the Treasury of the United States?

Mr. Chairman, I sincerely hope that this amendment is definitely turned down by the House.

Mr. ARMEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, let me begin my comments by again acknowledging, as we do, and we do so sincerely, the good work of the Appropriations Committee and its subcommittees. We do in fact acknowledge that you not only do a good job, but you have a tough job to do and you do it with sincerity and you do it with vigor.

Having made that point and made it as sincerely as I can, let me talk about what we are doing here today. This is not the first time we have come to the floor with an amendment to an appropriation bill this year, nor is it the first time we have come to the floor with an amendment that is an across-the-board cut.

I personally do not like across-the-board cuts, and that is why I have argued consistently that we ought to make line-item cuts, much after the fashion the chairman has argued. I think it is a better way to legislate.

But we have repeatedly on each appropriation bill come to the floor with a series of across-the-board cuts or of line-item cuts and been defeated every time. When we do that, my colleagues will acknowledge, what we do is use a great deal of the body's time. We have a good deal of evidence on which to conclude that the four separate item cuts that we had prepared to offer today and would have taken 4 separate hours and gotten nowhere, and we do not wish to be an extended harassment to the body. So, as a consequence of that, we made a decision today to really go to where it is we had won. Despite the fact that so many Members of our body will come up and deplore across-the-board cuts, across-the-board cuts are what they vote for, and we pass them and we have passed them. And I predict we will pass one today.

The chairman has spoken about a 5-percent across-the-board cut. The fact of the matter is that the American people understand how desperately our budget circumstances are, they understand how desperately they do not want to face a tax increase, and they believe that there is not an agency of the Federal Government that cannot reduce its existing budget by 5 percent through the elimination of waste and inefficiency, and do not only as good a job but perhaps even a better job. They believe that largely by virtue of having seen their State and local governments achieve exactly that, and we have heard testimony even on the Budget Committee, sparkling testimony, from a mayor in Ohio where he demonstrated that the reduction in Federal funding turned out, as they made adjustments they were capable of making, to be a blessing. So we know that the American people are ready.

Even though we have widespread agreement across this Nation on the part of the American people that there is at least 5 percent waste in Federal programs that can be eliminated, this amendment offered by the gentleman from Texas [Mr. STENHOLM] does not ask for a 5-percent reduction in spending on these programs. In fact, it allows a 4.75-percent increase in spending. It takes the spending increase that is in the bill for fiscal year 1988 over fiscal year 1987 and it cuts it in half. So these agencies will not be devoid of their increases. They will get approximately a 5-percent increase after this amendment is passed.

I for one do not want to go home and tell my constituents, who are worried about the deficit, who are afraid that they are going to get a tax increase, that I do not agree with them when they tell me that we can eliminate waste and inefficiency in our Government agencies and save their tax dollars, that I was willing to vote against an amendment that allows an increase of almost 5 percent while it cuts an additional increase of almost 5 percent.

This is a strategy change for our group, but it is a strategy change that is made out of deference to the body at large, out of consideration even for the members of the committee. And we have watched subcommittee chairmen and ranking Members suffer long days and through extended debates over line-item cuts that never took place, never were passed. We have seen the body beleaguered and weary.

The CHAIRMAN. The time of the gentleman from Texas [Mr. ARMEY] has expired.

(By unanimous consent, Mr. ARMEY was allowed to proceed for 30 additional seconds.)

☐ 1445

Mr. ARMEY. We have always added to that experience our own observation that the line-item cuts are not passed by the body, the across-the-board cuts are.

So in the interest of timeliness, in the interest of judiciousness, we come with this amendment. We ask for it to be passed so that we can go home and tell our constituents we are making an effort to control the deficit without raising their taxes.

I thank the chairman.

Mr. COLEMAN of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is an unwise amendment and its repercussions would be felt throughout the Government, not just in the agencies cut in this bill. The cut it would make in this bill will result not in a smaller but a larger deficit.

The amendment would cut the U.S. Customs Service salaries and expenses by $46,265,000 and at least 800 positions, and the air operations $4 million. The result would be a loss of at least $800 million in revenues according to the Congressional Budget Office. Commercial fraud through illegal entries steals $40 billion of American business and one-half million jobs annually. This cut would exacerbate that problem by allowing for 1 million fewer inspections and 200,000 fewer entries processed by import specialists.

This cut in Customs would also sound the retreat in the war on drugs. Make no mistake about it, those Members who voted for the omnibus drug control bill last year should not vote for this amendment lest they want to flip-flop on the issue. We already know that the Customs Service interdicts only 10 to 15 percent of all drugs entering the Nation. Last year the Congress took steps to address this problem, and the committee bill would continue this trend. By adopting this amendment, we would be going back to the days of empty threats to the drug pushers. No member can with a clear conscience tell his constituents he is fighting to stop drugs in our schools if he votes for this amendment.

This amendment will reduce the amount of revenue we raise and therefore increase, not decrease the deficit. Not only will we lose $800 million in revenues raised by the Customs Service, but even more from cutting the Internal Revenue Service.

The amendment would cut the IRS by $241,102,950 and 5,272 positions. This would cut the Examinations Division by 2,087 positions resulting in a loss of $337 million in revenues in fiscal year 1988 and $10.7 billion between fiscal year 1987 and fiscal year 1992. Collections would be cut by 1,183 positions costing us $524 million in revenues in fiscal year 1988. As the tax gap, approximately $150 billion, grows, the taxpayer will be hurt. Returns processing would be cut by 1,745 positions, which would increase the waiting period for returns. And, perhaps worst of all, the amendment would cut taxpayer service by 350 positions thereby reducing the number of taxpayers assisted by 2.5 million in fiscal year 1988. Anyone who was here 2 years ago remembers what happened when we agreed with the administration's cuts in the IRS. The returns piled up and the taxpayers got mad. And rightfully so.

The amendment would cut the Bureau of Alcohol, Tobacco and Firearms by $10.2 million resulting in a cut of 200 special agents. This would dramatically affect BATF's involvement in the Organized Crime Task Force and the Repeat Offender Program. And, it would result in a revenue loss of $1.1 billion because of cuts in tax evasion investigation and tax adults.

The Secret Service would be caught in a catch-22 position by this amendment. The $17.4 million cut would cause the Service to reduce its protection of 1988 Presidential candidates and their families. It would make super Tuesday virtually impossible. Protection for the new Executive Office Building and former Presidents and their families would be halted. And, anticounterfeiting efforts would be curtailed.

Finally, the amendment would cut postal revenue forgone by $26,155,829. This would increase rates for nonprofit organizations, like the American Legion and the American Cancer Society by at least 2 percent. That increase will cut right into those organizations' funds reducing the charitable contributions they can make. In an era when the President has said the private sector must do more, is it really wise to cut back their ability to do so?

Let me tell my colleagues, that those are only the big three items which will be cut. If you have read this bill, you will see that these three accounts make 43 percent of the entire discretionary budget in this bill. That leaves 61 other agencies which will be decimated by this amendment. They may be little known, but they have important functions in our Government. What happens if you cut the Secret Service by $17.4 million or the Federal Election Commission by $666,178 in the year of the largest Presidential election ever? How is the Treasury Department to act as the Nation's financial agent when you cut the Financial Management Service by $12.6 million, the Bureau of the Public Debt and U.S. Savings Bond Division by $11.3 million, and the U.S. Mint by $2.1 million? Is that going to slow down the pace by which they issue Government checks to pay defense contractors or Social Security recipients?

Before you blindly vote for this amendment, look at this bill and see how far reaching the agencies it funds are. They may not be as glamorous as the Department of Defense or Health and Human Services, but they provide the life line, they provide the revenue. By adopting this amendment, we might achieve a cut in spending, but in the long run the deficit would rise due to the corresponding cut in revenue. That would be unwise. Vote down this amendment.

Mr. PORTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me state first my highest regard for the chairman of the Subcommittee. He and I served together on the subcommittee on Labor, Health and Human Services and Education. We have worked together on health issues and will be sponsoring a conference this fall together and I have the highest regard for him.

But I have great concern with the bill. We seem to be losing a great deal of ground on the budget issue. There is absolutely no visible progress on the deficit. I am afraid this bill is an indication of part of the problem. To even get this bill to the floor we had to waive the Budget Act not once, but twice.

It had to be a 302(b) allocation for labor and another one for authorized programs in the rule. That is the reason I opposed the rule.

The budget was supposed to restore order to the budget process and instead it is simply by this Chamber been ignored and abused, ignored, and abused again and again and again.

This bill is simply too high. It is an increase of 9.6 percent over fiscal year 1987. The discussionary total is more than 10 percent above fiscal 1987. The proposed 302(b) allocation is 12.3 percent over fiscal 1987. IRS, up $882 million, Customs up $40 million. The justification there, of course, is that we have to spend money to save money. The difficulty is that every year that is the justification and every year we remain either worse or certainly not better off in terms of the deficit.

A moment ago I heard from the previous speaker that there is going to be terrible results because we are making all these cuts. The fact is that we are not making cuts in this bill. What he is talking about is cutting back the rate of increase in programs. We are saying that the increases will not be granted. Those are not cuts; that is simply holding down the rate of increase to get the budget deficit a little bit under control.

Mr. COLEMAN of Texas. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN of Texas. I thank the gentleman for yielding.

Mr. Chairman, I understand the gentleman's argument concerning the thing Mr. TAUKE spoke about yesterday concerning that you have to spend more to get more. We hear that all the time. The truth of the matter is that this Congress and this President enacted a new tax reform bill last year. I am sure the gentleman is aware that many of the requirements, that were heard in testimony before our subcommittee, of the IRS have indeed been increased so it is not something that is static and stays the same. I think the same is true of the Customs Service and the new requirements placed on them under the drug legislation that we passed last year.

If the gentleman would agree that those things are fluid and do change and they have increases in responsibility, then I think it is not correct to say, would the gentleman agree, that those increases are increases that stand all by themselves?

Mr. PORTER. Reclaiming my time, I will agree with the gentleman but then it is the responsibility of that subcommittee to find money in other places and hold the rate of increase to a reasonable level. You have not found the money, you have passed the problem to the floor.

And I predict and I think the House is going to do this, it is going to make the cuts across-the-board. The difficulty is that the subcommittee has put out a bill, and funded everything, which are important priorities but has put out a bill that I think is going to end up being cut across-the-board and that is not doing the job that the committee is supposed to do.

There are priorities to this bill and they are high priorities. The difficulty is that each one of us serving on the appropriations subcommittee looks at our own areas and we say these are important matters, these are important matters that we fund, put money into and make sure they are advanced. The difficulty is that we cannot balance the budget on someone else's priorities. Every one of us does it. The Democrats do it to the Republicans and say "you have got to cut defense." We say it to the Democrats that "you have got to cut social spending."

The fact of the matter is that everyone in this Chamber is going to have to give something to solve the problem, to give on their priorities.

The D.C. appropriation was up 0.35 percent, HUD 3.3, Milcon 1.7. Here the increase is about 12.3 percent and I submit that this country is simply asking our children and grandchildren to pay for it. We are not willing to make the tough decisions that are necessary to get spending under control. As long as we do that this problem is going to plague us and ultimately destroy our economy.

Mr. MORRISON of Connecticut. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have a great respect for the gentleman from Texas who authorized this amendment. I think he is diligently trying to reach a goal that we all share, which is doing something real about the deficit. Even so, I must oppose his amendment.

I rise to speak on the amendment because a year ago I offered an across-the-board amendment with respect to this bill and I think my colleagues are entitled to an explanation of how the two amendments differ.

The amendment that I offered last year made a 9.75-percent across-the-board cut in the bill. It was accepted by a vote of 269 to 152.

Unlike my amendment, the amendment now before the House would cut funds for the Internal Revenue Service, the Bureau of Alcohol, Tobacco and Firearms and the Customs Service, spending items that I chose to exempt because of the fact that incremental increases in spending in these areas produce more income for the Government than they consume. In that important respect, this across-the-board amendment is counterproductive, a point that has already been covered in the discussion of the gentleman from Texas [Mr. COLEMAN] in rather extensive terms.

□ 1500

In studying this bill a year ago and planning the amendment which I ultimately offered, it became clear to me that it would be unwise to cut those portions of this bill that are revenue-producing, if what we are about is not symbolism but real deficit reduction. And that is what the gentleman from Texas [Mr. STENHOLM] has said, and I think he means it. To be real, deficit reduction efforts must focus on the bottom line.

What happens to the deficit if this amendment passes? Well, when we include cuts to the IRS, the Customs Service, and the Bureau of Alcohol, Tobacco and Firearms, what we are doing is clear; we are reducing the revenue of the Federal Government to a greater extent than we are reducing the expenditures.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield on that point?

Mr. MORRISON of Connecticut. I am happy to yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, the gentleman makes a very valid point, and I want to point out that in the IRS, we are giving them, with our little 5.7-percent cut, $639 million more to do the job that we all agree needs to be done.

Mr. MORRISON of Connecticut. Mr. Chairman, reclaiming my time, I think the gentleman is certainly correct that the cut in his proposed amendment does not reduce the spending level beneath last year's level.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield further?

Mr. MORRISON of Connecticut. I am happy to yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, in the U.S. Secret Service, our amendment will still give the Secret Service $30 million more to do the job that my friend, the gentleman from Texas, has so eloquently described needs to be done. We are not gutting it.

Mr. MORRISON of Connecticut. Mr. Chairman, the gentleman overstates my point. I certainly do not think that his amendment guts these activities. It certainly does not do that, but in the three agencies to which I have referred, the revenue-producing agencies, these dollars that have been supplied in the committee's bill will themselves, if properly expended by those departments, produce a net increase in revenues. I think for that reason the inclusion of those agencies within this cut makes this an undesirable amendment.

The second point I wish to make with respect to the difference between this across-the-board amendment and where we were a year ago is that this committee has in fact conformed to the budget resolution. The committee estimates that its bill is $23 million below its anticipated section 302(b) allocation for budget authority and $32 million below its allocation for outlays. In contrast, last year's Treasury bill exceeded the 302(b) outlay targets by $209 million.

What these across-the-board cuts, which are in essence arbitrary with respect to the amount—they are not in bad faith; they are just arbitrary—are saying to the Appropriations Committee is that there is no standard which they can use to bring a bill to the floor. Whatever the Appropriations Committee brings in will be subject to one or more across-the-board amendments to find a percentage cut proponents can get 218 votes for.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield on that point?

Mr. MORRISON of Connecticut. I am happy to yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I apologize for misstating the gentleman. He did not say, "gut," and I did not refer that to him. But now he brings up the point of what we are going to do.

When the 302(b) allocations come out, we have always agreed that the committees have done a good job of staying within that. But our baseline for our effort in 1987 expenditures, which cannot be changed, and the amount that the 13 appropriations subcommittees come to this floor and ask us to spend. If there is an increase, we ask that it be cut in half. If there is not an increase, as was the case in the District of Columbia appropriation, we do not. You did not see anyone standing here offering an amendment when that bill was on the floor.

Mr. CHAIRMAN. The time of the gentleman from Connecticut [Mr. MORRISON] has expired.

(By unanimous consent, Mr. MORRISON of Connecticut was allowed to proceed for 5 additional minutes.)

Mr. STENHOLM. Mr. Chairman, will the gentleman continue to yield?

Mr. MORRISON of Connecticut. I am happy to yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I have heard this from committee chairmen and members of the committee who are constantly saying that is going to be their strategy. That is not possible because we are only saying these are 1987 actual expenditures, and whatever the increase is, we cut it in half. That is all we are trying to do.

Mr. Chairman, I thank the gentleman for yielding.

Mr. MORRISON of Connecticut. Mr. Chairman, I thank the gentleman for his clarification, and let me say that I meant no offense by saying the amounts are arbitrary.

Nonetheless, this is a process which invites the Appropriations Committee to play games with the numbers, and I think that is not a good process. I know that the gentleman has recanted his support for the budget resolution for just the reason that he knows he is being met on the floor with these statements that the budget resolution is being abided by in these committees. But I do think that in the interest of trying to make this process real, the House has an interest in having the Appropriations Committee live by the budget and being rewarded for living within the budget.

So in that sense I feel an obligation to support the committee, while I can certainly see the desire to save more money. Yet to do that on a half-the-distance-to-the-goal-line theory, it seems to me, just does not do credit to the budget process.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Connecticut. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, the gentleman is making an excellent contribution to the point that we are trying to make, though we do not see everything in exactly the same way.

Let me point out again that the goal line is the 302(b) allocation that is set by the budget that I voted for but have had some misgivings about now. But the outer limits are set by 302(b). So I suggest that any committee that chooses to do that is going to run into a buzz saw.

Mr. MORRISON of Connecticut. Mr. Chairman, I think the gentleman in good faith is trying to make real deficit reductions, but I think his approach in this amendment will undercut the very process that can bring us to real deficit reduction.

Mr. COLEMAN of Texas. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Connecticut. I am happy to yield to the gentleman from Texas.

Mr. COLEMAN of Texas. Mr. Chairman, I think this point needs to be made: The gentleman from Connecticut makes an excellent point that we need some logic when we go after numbers. One-half the increase? Where does that come from? Is that just out of the sky?

For heaven's sake, let us please try to remember that some of these agencies have been tagged with additional duties, not the least of which is the Secret Service that my colleague, the gentleman from Texas, referred to a minute ago. They have additional functions.

They say that $30 million is enough, but we have heard testimony that it is not.

So I would hope that we would have some better method or logic utilized when we come in to attack a bill that stays within its 302 allocations.

Mr. Chairman, I thank the gentleman for yielding.

Mr. MORRISON of Connecticut. Mr. Chairman, reclaiming my time, I would say in summary that while this amendment is well motivated, it is not the way to get at the problem, and I believe we ought to vote it down.

Notwithstanding my opposition to this amendment, I want to express two concerns that I have about this and other appropriations bills that have been considered by the House over the past several weeks.

First, it is high time that the Appropriations Committee met its obligation under section 302(b) of the Budget Act to publish subcommittee allocations of budget authority and outlays before bringing appropriations bills to the floor. The Budget Committee published the report required under section 302(a) of the Budget Act on July 1, thereby triggering the Committee on Appropriations' obligation to report its subcommittee allocations. Since that time, appropriations bills have been considered under a waiver of the committee's obligations under section 302(b).

This is an important point. The 302(b) subcommittee allocations are the only device the House has to determine whether the appropriations of discretionary budget authority recommended by the Committee would cause us to exceed our budget guidelines.

I certainly accept the chairman's statement that the bill is within the subcommittee's anticipated allocation. Indeed, the Budget Act requires that the 302(b) subcommittee allocations, when filed, take into account spending decisions already made by the House. Nonetheless, I think that all Members would feel a good deal more comfortable if the committee came forward and published the subcommittee allocations required by section 302(b) of the Budget Act.

My second reservation about this bill involves the necessity to provide funding for the 3 percent general schedule pay increase which will take effect on January 1, 1988, just 3 months into the fiscal year. It is my understanding that this subcommittee has not recommended any funds for this purpose. The other appropriations bills that we have considered also have failed to include funds for this purpose. Frankly, I think that is bad policy, since we already know that the money will be needed.

Earlier in the year, the House approved approximately $54 million in H.R. 1827, the supplemental appropriations bill, to fund the cost of the January 1, 1987, pay increase for pay costs covered by the Treasury, Postal, and general government appropriation bill.

Assuming that a similar sum will be required to fund the January 1, 1988, pay increases, it appears that the subcommittee may not have reserved a sufficient amount of its 302(b) allocation to provide for this expense. Obviously, a certain amount of the increase may be absorbed by the agencies. But given the importance of the functions covered by this bill and the fact that we have actually been increasing the number of employees for IRS and Customs functions, it seems unlikely that the subcommittee anticipates a high rate of absorption.

I hope that the subcommittee has enough money reserved for the scheduled pay increases. If it doesn't, I hope that the subcommittee will take steps, either in conference or in the continuing resolution, to provide a sufficient reserve or will receive a supplemental 302(b) allocation from the full committee.

I made my choice to support the Appropriations Committee in its process of staying within the 302 allocation, but I certainly will not be counted among those who will vote for a supplemental appropriation to come back later unless 302(b) allocations remain available for the increases.

Mr. Chairman, I think the committee deserves support at this time. I hope the Appropriations Committee will be sensitive to the position of those of us who are willing to go the extra mile to support the process but who do not want to see it misused at a later time.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment. Although I recognize the need for fiscal restraint, this amendment would have an adverse effect on many important programs, including Customs and Secret Service, Alcohol, Tobacco and Firearms engaged in enforcement activities in fighting narcotics and terrorism, in Internal Revenue Service engaged in recovering lost revenue and in the Postal Service, which would result in increased postal rates.

One such program is the vital revenue foregone appropriations of $517 million, sufficient to keep postal rates at present levels for nonprofit mailers, in-county newspapers and magazines.

Presently, without revenue foregone, many nonprofit organizations could not continue to make their vital contribution to our Nation's educational, social, and cultural strength. Such valuable organizations as public libraries and countless other important nonprofit entities would find it extremely difficult to continue their programs without financial help with their mailings.

Accordingly, I urge my colleagues to oppose this amendment.

□ 1515

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we are again arguing what seems to the American people to be a pretty silly proposition; that is, that an increase in an appropriation which is greater than the anticipated cost of living over the next year is too severe.

We are pumping new spending into a bill, and yet our stout defenders of the committee's bill tell us that that is not enough.

This bill came to us with over a 9-percent increase. Very few of my constituents got a 9-percent increase in their wages this year or expect such an increase.

Very few of our constituents believe that the costs of government in any program need to be increased by more than 9 percent.

The makers of this amendment, the creators whom I compliment in the highest terms, have made what I think is a very mild stroke for fiscal sobriety.

We have been asked merely to cut the increase in half. Is that a meat ax, a cruel cut? Who is kidding whom? This is no meat ax. This is a pat with a feather duster.

There are very few people who believe that the Government cannot get along on what it spent last year, other than those who are sitting in this hall. At least there are few of my constituents who feel that way.

They say, "Yes, maybe we should not cut some of those programs; but why, in heaven's name, does the Congress have to keep increasing them?"

One Member on the floor said no Member can say that he is fighting the war against drugs if he does not vote against this amendment. That is the craziest thing I ever heard of.

What we are doing is giving an increase under this amendment to whoever is fighting our war against drugs, if indeed there is such a thing.

Another Member said that we are going to lose money by it, because the Bureau of Alcohol, Tobacco and Firearms is going to suffer a great cut.

The cut they are going to suffer is an increase.

Another Member said, "My gosh, you are giving away revenue, because if you cut the increases we made in IRS, we will collect less money."

One of the great myths of this Congress is that if we rush out and hire a whole bunch of sociology majors from Texas A&M and place them in the IRS, that they will come home with buckets of money the next year. You cannot hire all of them, at once. You have to train those people. They do not bring any money in the first year they are there.

We are still allowing over $600 million for new money to the IRS. Is this a cut? Of course, it is not a cut. It is an increase. Our constituents know it.

The only people that do not know it seem to be the members of the Committee on Appropriations. Those members tell us we have to fight drugs, the Mafia, and we have to fight all bad causes with buckets of somebody elses' money. The trouble is that the somebody elses are our taxpayers.

This Congress is supposed to be one in which hard choices are made. If we have to escalate one department, we are supposed to be able to reduce something else that is not quite so necessary. In this Congress, we, as cake-eaters, sit around and say, "Well, the very least we can do is give everybody a cost-of-living increase," and above that, if any program looks important, we give them a 40-percent increase, or double them, or triple them.

The result is a huge increase in spending. This bill is a perfect example. A cut? Of course not. Does it conform to the Does this amendment represent budget resolution? Nobody knows that.

We do not have any 302(b) allocations. They are gone. They are like the Sultan of Brunei's contribution to the Contras.

Maybe the 302 allocations are in a Swiss bank account. Maybe they are hiding in the mind of the chairman of the committee, or the chairmen of the subcommittees. Who knows? They are gone.

No one has told the Members of Congress what they are. There is no way to know if this bill conforms to the budget. If anybody can tell me what the 302(b) allocation for this bill is, I will run a statement of gratitude in my local paper.

Mr. Chairman, our discussions on appropriations bills have been pretty silly. In the first place, the other body has not even scheduled any markups on any appropriations.

We are sitting over here merrily approving gross and obscene spending, merely so we can produce bigger, more expensive continuing resolution using House figures that have been horribly inflated. If we continue, we can build even a bigger deficit, even larger than that predicted by our budget resolution.

If we are going to continue to reject these tiny little reductions in the enormous increases that our committees are bringing to us, we will earn dishonor and discredit.

I hope the amendment is adopted; and if it is, it will be a great surprise.

Mr. OLIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have to congratulate the gentleman from Minnesota for his very sanguine remarks. I think he is on the right track.

I will be speaking somewhat in the same vein. It is unfortunate that we should have to have amendments of this type, but I certainly congratulate the gentleman from Texas [Mr. STENHOLM] for doing it.

We would not really be here talking about this if we believed sincerely in our minds that the budget we passed, which called for a $36 billion reduction in the deficit, was really going to come to fruition.

We have no real risk that we are not going to make that. I think that the reason that we have the attention on these appropriation bills is because we are very squeamish about the deficit reduction.

Many of the Members put that as basically our No. 1 priority, at least from the fiscal standpoint.

We have in our budget, for example, the $7 billion of early payoffs of REA loans; and that is a one-time benefit at best.

It is going to make our budget difficult, worse in subsequent years. We do not know for sure what is going to happen on the tax fund.

If we really believe that the high priority of this Congress needs to be to get our fiscal affairs in some shape, we have got to take every lick we can at every spending bill that comes along.

With all due credit to the Committee on Appropriations, they do their work conscientiously; and they have tried to set priorities as best they can evaluate them. We all know that for the last 5 years we have been scrutinizing almost every line in our budget, and we have been withstanding attempts of the administration to make various kinds of cuts.

There is no doubt at all that a convincing case can be made for the money that is in every single line of every single appropriation, no doubt about it.

The fact remains that we have got a deficit which we have got to get rid of. We are only talking about one year's worth, $36 billion worth; and we still have 4 more years to go at least.

There is no room in this kind of a situation for an appropriation bill, for a large portion of the Government, and in this case 14 billion dollars' worth of Government, going up over 10 percent from the year before.

The gentleman is suggesting that we cut back half of that increase. That is not even enough. That is a modest amount, and we have in this bill, as has been said before, the Treasury Department, Financial Management Service, up 13 percent. The amendment would cut that 4.7 down to about an 8-percent increase.

We have got the Internal Revenue Service going up 21 percent in the bill, and it will still be going up 16 percent if this amendment passes.

I do not know that the Internal Revenue Service can absorb 15 or 16 percent more people to get its work done, and make those people effective in a year's time. I doubt that they can.

The Secret Service is going up 15 percent; same argument. The General Services Administration is up 22. National Archives, of all places, is up 16.

Mr. Chairman, it just seems to me that we are at the point where we have got to save some money. This amendment would save somewhat over 400 million dollars' worth, money we need to save.

It is not enough; but if we are not willing to cut back that amount—in fact, I think we should cut back more—we are never going to get headway on balancing the budget ever.

I think the amendment is sincerely made. We would like to get to the point where we do not have to have amendments of this type. It is bad for the budget process; but, until we get a budget that we believe in, and are solidly behind, and can support and know it is going to come true, we are going to have to do this kind of thing.

Mr. AKAKA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

I am dismayed by the rhetoric associated with this amendment that characterizes this bill as a "budget buster." I am prepared to defend the committee's bill and demonstrate that it is not the big, bad, "budget buster" it is made out to be.

Our bill funds the operations of the two greatest revenue producing agencies in the Federal Government—the Internal Revenue Service and U.S. Customs Service. I caution every Member against tampering with the budget for these two agencies. If IRS and the Customs Service are not given sufficient funds to carry out their responsibilities—if we cut their appropriations across-the-board—then it will seriously impair the collection of revenue owed to the Federal Government.

I can assure you that if these agencies are not given the funds necessary to do their job, then revenues will suffer and the deficit will rise. Like it or not, it is a fact of life that the Federal Government has to spend money to collect tax and custom revenues. And I can assure you that many dollars will be lost for every dollar that is cut.

Yes, our bill contains a sizable increase for the IRS compared to last year. We recommend an appropriation of $5.1 billion for the coming fiscal year. This appropriation will enable the IRS to collect $840 billion in tax revenues, including $49 billion resulting from enforcement actions taken by the IRS. All but $58 million of the $5.1 billion contained in our bill was requested by the President.

In fact, the appropriation we have recommended is insufficient to do the job. It will only allow the IRS to achieve an 80 pecent compliance level. This means that $100 billion in taxes owed to the Government will not be collected. That $100 billion would go a long way toward balancing the Federal budget. If you cut the budget of the IRS, it is inevitable that tax compliance will drop and more revenue will be lost.

The Customs Service is another leader in the field of revenue collection. In the coming fiscal year, the Customs Service will collect $15.3 billion. To accomplish this, our committee has recommended an appropriation of $830 million.

Any Member of this House who is serious about doing something to address our Nation's drug problem should support this appropriation. Here is where we get the chance to put our money where our mouth is. You cannot be in favor of fighting a war on drugs at the same time that you vote against the appropriations necessary to wage this battle. It takes dollars and not rhetoric to keep drugs off the streets and out of our schools.

I want to remind my colleagues in the House that earlier this summer the Customs Service was designated as the "lead agency" within the Federal Government to prevent drugs from entering our borders. This bill provides the additional funds necessary to carry out this enhanced responsibility.

It is a tragic fact that illicit drugs are destroying the youth of our Nation. The illegal drug trade is an insidious plague that infects our society and causes pain and anguish in every city and town throughout America.

Only if we are prepared to provide the Customs Service with the manpower and resources they need can we stop drugs at our borders. Drug runners do not fire pop guns and do not ride bicycles. They carry uzis and other advanced weapons. They move their illicit cargo in high powered "cigarette boats" and advanced jet aircraft which have the most sophisticated radar systems money can buy. Unless we provide the Customs Service with the funds necessary to compete with their opponents on an equal footing, we should not expect them to succeed.

Finally, I would be remiss if I did not recognize the special needs of the Secret Service that are provided for in our bill. We are 17 months away from the next Presidential election. The Secret Service faces a challenge for the 1988 election which will exceed all past experience. The campaign has begun much earlier, it will be more rigorous, and it will be carried out under circumstances which are far less secure than in previous years.

Unless Congress provides the funds necessary to allow the Secret Service to carry out its protective responsibility we could have a disaster on our hands. Agents must be trained, equipment must be purchased, and intelligence must be gathered so that the Secret Service is able to do an effective job. I dread the thought of any cuts in the Secret Service's budget in the face of their election year responsibility.

I urge my colleagues to join me in opposing this amendment.

□ 1525

Mr. CARPER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

My colleague, the gentleman from Texas [Mr. STENHOLM] has already explained the broad strategy that our bipartisan task force is using as each appropriation bill comes to the floor.

Again, what we are endeavoring to do is to reduce by one-half the growth over 1987 spending in each 1988 appropriation bill; not to cut, but to reduce by one-half the increase in those bills.

My preference and the perference, I am sure, shared by the gentleman from California [Mr. ROYBAL] and others, would be to target individual programs for reductions or in some cases elimination, rather than taking a broad brush approach. In fact, when we debated the legislative branch appropriation bill, a bill on what I offered a number of amendments, that is exactly what we did. We took the rifle approach, not the across-the-board approach. Today we are taking the across-the-board approach. Some have suggested that as a result we are literally going to be cutting positions from the IRS. We are literally going to be cutting positions from the Customs Service. We will be literally cutting positions from the Secret Service and other agencies.

Again, just to make sure we have our eye on the ball, let me go through a couple of these agencies. For the IRS, we propose, not a cut, but an increase of 16 percent. For the IRS, we propose not a cut, but an increase of over $600 million.

For the Office of Personnel Management, we propose not a cut, but actually an increase, an increase of almost 3 percent, an increase greater than any of us in this Chamber or this body will have in running our own offices next year. Between those two agenices, the IRS and OPM, they make up in the aggregate over two-thirds of the money that is being spent in this appropriation bill, and for both those agencies they receive not a cut, but an increase.

The Customs Agency, and we may recall during our debate last year in the debate on the supplemental appropriation, my recollection is that we provided some money for Customs, kind of I will call it a one time extra shot of money, a one time allocation that provided for the purchase of certain capital items.

My recollection is that we provided about $100 million extra to purchase aircraft and to purchase radar installations and equipment in order to help us in our drug interdiction effort.

For the life of me, as I look through what the administration had asked for in funding for the Customs administration, I could not understand why the committee was proposing about $160 million more than was sought by the administration. The reason why is because we spent so much extra, and I think it was in a supplemental appropriation, so much extra in a one-time expenditure in 1987 for the aircraft and for the radar equipment.

In closing, let me say there are two ways to reduce deficits. One of those is to reduce spending. The other is to raise revenues. I believe we need to do both.

I am willing to vote for $19 billion in additional revenues for 1988, but I am willing to do so only if we achieve at least as much deficit reduction on the spending side.

Where do we need to exercise that spending restraint? What our task force has said is everywhere, literally everywhere, defense spending and nondefense spending, my favorite programs and your favorite programs.

The increase in most of these appropriation bills, and I acknowledge that those increases have been moderate in many cases, the increases in those appropriation bills call for spending money that we do not have, money that we do not have. It is money that we do not expect to raise. It is money that we are not even sure where it is coming from, but I will tell you where it is coming from. It is coming from all over the world. It is coming from Japan.

It is coming from Western Europe. It is coming from other countries where they save their money to loan to us so that we can spend it.

I had hoped to bring with me today, and I left with my notes, a flow chart. It is a flow chart of cash, capital that is raised in markets around this world. That flow chart shows roughly $80 billion in cash going out of Japan, capital going out of Japan; roughly $70 billion in cash and capital coming out of Western Europe and some of it is allocated to Third World nations, roughly $4 billion.

The CHAIRMAN. The time of the gentleman from Delaware has expired.

(By unanimous consent, Mr. CARPER was allowed to proceed for 1 additional minute.)

Mr. CARPER. And some of that money, Mr. Chairman, is allocated to more developed nations, perhaps $5 billion in net cash outflows; $125 billion comes to us. It comes to the United States.

Mr. Chairman, that is where the money is coming from. That is the money we are going to spend. We simply cannot afford to continue to do that.

Mr. Chairman, I urge a vote in favor of the Stenholm amendment.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

I am sure my friends get tired of listening to the history of our present situation. On the Appropriations Committee, we began to see some years ago that our debts were increasing, that our financial situation was deteriorating, despite the fact that we were holding appropriations down.

I was the senior cochairman of the committee that made the study that recommended to the Budget Committee in order to cut down on entitlements and back door spending that were bypassing the Appropriations Committee and causing the deficit to increase. That is the way the Budget Committee was created.

We set out to have the Ways and Means Committee and the Appropriations Committee dominate the committee so the two committees that had to deal with money would have control of the overall situation. This changed however.

May I say, notwithstanding that, I have always voted for the Budget Committee. I have complained from time to time because of the delay that jammed all our appropriation bills up where last year we had to go, as you know, in a one package bill; but that has not been the fault of the House most of the time. Last year we did a pretty good job. All the House bills were passed by the regular committee, and 11 of the 13 passed the House; the other 2 were reported. In conference we had the members of each subcommittee on the conference committee, and so we did the regular thing over here.

Now, notwithstanding the fact that it may pinch a little bit, your Committee on Appropriations has done a marvelous job, in my opinion, under trying conditions. The one subcommittee that I handle had 531 of you folks writing us about what you wanted us to include that affected your districts. We had over 800 letters from our colleagues wanting us to look at the problems that exist, and we did the best we could. We thought it important to include revenue forgone for the Postal Service, and we have done that. It is a vital program.

Then the budget comes in here and they do operate based on assumptions, the statements of economists, and figures that are disturbing about our finances; but your Committee on Appropriations has lived within those limits.

We were criticized, somewhat indirectly, for not having our 302(b) allocation. We had one. We got a letter from the executive branch wanting us to add money for foreign aid, and we had to go back and try to work that in, and we agreed that they would work it in.

Not only that, but on the supplemental, there were 437 amendments, below the budget, below the President's request.

We got one letter from the White House when we were meeting asking us to add an increase of $126 million for foreign aid. It was added.

So when your committee is living with all these things, supporting the Budget Committee, living within the budget, if you are going to cut it some more, do you not know that we are going to have to take it into consideration in future years?

Now, you cut it a percentage here, and when we go to conference it will be cut by items, and who knows where the items will be? We are going to do it because we have to.

So I am asking you folks, and I do not criticize anybody, I am for saving money, but when we work for months to save money, do not just adopt a resolution that in effect says we are going to cut whatever you do. If you do that, you are going to invite somebody to put money in there so you can take it out.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman has just mentioned the 302(b) allocations. Some to us are a little puzzled by that, because it was out understanding that under the Budget Act and under the rule passed by this House that those 302(b) allocations would have to be submitted to the gentleman's committee by the chairman of the Budget Committee by a time certain. I think it was the first week of this month. It was my understanding that those would have been in fact submitted to the gentleman, and so therefore would now reside in the Appropriations Committee.

Now, it is a little hard for those of us who are looking at these appropriation bills to figure out whether or not they are living within the budget or not, when we do not know what those 302(b)'s were. As I understand it, those figures communicated to the gentleman's committee have been held secret from all the rest of us in the Congress. We have no idea what those figures are. I have no idea, for example, what the 302(b) allocation is for the subcommittee that is bringing the bill to the floor today.

Can the chairman enlighten me? Can the gentleman tell me what the 302(b) is for the subcommittee that has brought the bill to the floor today?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from Mississippi.

Mr. WHITTEN. Perhaps, Mr. Chairman, I did not clarify or make it as clear as I should have. We met in full committee the other day, with a proposal on the 302(b) allocation. When we got there, we received a letter from Mr. Shultz saying they had to have $700 million more for foreign aid. With that request, coming from where it did, and it spelled out why they had to have it, a motion was made, and I opposed the motion, a motion was made to delay consideration so we could figure out a way to absorb the additional requirements.

I met today with the chairmen of the various subcommittees and we agreed that $500 million could be provided from within what we have, so it will be released when we reconvene the full committee so the gentleman is right. It is not secret. I showed my friend, the gentleman from Texas [Mr. STENHOLM] a copy of the proposal yesterday. It is available, it was circulated to committee members on July 8, but since it was objected to and they voted against my wishes to delay, it has been delayed so that we could fit in at the last minute one-half of a billion dollars that had been requested by the executive branch. The subcommittee chairmen met today and agreed to that.

Mr. WALKER. Mr. Chairman, if the gentleman will allow me to reclaim my time, I am a little puzzled. I thought we adopted a budget. I did not vote for it. I thought it was a lousy set of priorities; but nevertheless, I thought we had adopted a budget here and the Budget chairman, pursuant to that particular budget, was supposed to send to the committee the 302 allocations and that the committee was supposed to figure out a way to live within those, regardless of what the administration might do.

Now, the administration, I am sure, has all kinds of problems with things that are in their budget and would like to have them changed.

Why in the world do we change the priorities that have been submitted?

The Appropriations Committee may well feel they want to work those things out with the administration. I am not here defending the administration. I am here trying to understand our process that has prevented the Members of this body from knowing what the 302 allocations were as we considered the bills.

Why can we not find out? What is the 302 allocation, if it was shown to the gentleman from Texas or sombody else has it, can the chairman tell this gentleman what the 302 allocation is for this particular subcommittee?

Mr. WHITTEN. Mr. Chairman, may I say to the gentleman, if the gentleman will yield further, the gentleman used the one word "supposed," which explains it all. They are supposed to do this and supposed to do that, but I have not seen anything on time, including some actions by my committee. We are supposed to be able to operate by May 15, but we could not do it.

Mr. WALKER. I know, but if the gentleman will allow me to reclaim my time, let me say, first of all, the gentleman still has not answered my question.

Can the gentleman tell me what the 302 allocation is for this subcommittee?

Mr. WHITTEN. Well, it has not been officially released because, may I say to the gentleman, the committee has not yet approved it.

Mr. WALKER. So it is being held in secret.

Mr. WHITTEN. No it is not, the reason it was not is that we were about to release it and we got one-half of a billion dollar request from the White House through the Secretary of State. We have absorbed that by agreement of the subcommittee chairmen. I am prepared to show the gentleman what we have.

Mr. WALKER. Mr. Chairman, let me go back and reclaim my time. It is a little difficult here at times, but we are trying, and I appreciate the cooperation of the Chair.

If I understand correctly, what I am being told is that the Members of the body cannot be told what the 302 is, despite the fact that the committee has it; but I also hear the gentleman saying that these supposed things, I gather that the Budget Committee did not send the 302's; did the chairman of the Budget Committee not send the 302's to the committee?

Mr. WHITTEN. They are supposed to.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. WALKER was allowed to proceed for 3 additional minutes.)

Mr. WHITTEN. Let me say to the gentleman, Mr. Chairman, that it is hard to explain anything to the gentleman.

Mr. WALKER. No. I think the gentleman understands completely what this gentleman is saying and I find it very disturbing. He said when I used the word "supposed," I was using that in reference to what was supposed to happen around here, namely, that the Budget Committee was supposed to send to the gentleman the 302 allocations. That is what I said.

Mr. WHITTEN. And as the gentleman knows the Budget Committee finally filed their allocation on July 1.

Mr. WALKER. Well, once again, I did not yield to the gentleman, but I will be very happy to listen to the gentleman if he will tell me, did the Budget Committee send to the Appropriations Committee their 302 allocations?

□ 1540

Mr. WHITTEN. They did in the overall but, as the gentleman knows, they do not deal with subcommittees. We have to do that. I have the problem of dealing with all 13 subcommittees allocations and securing the agreement of the subcommittee chairmen. We finally reached that level and were fixing to do it when we got another request from the administration.

Mr. WALKER. So what was supposed to happen from the Budget Committee has in fact happened?

Mr. WHITTEN. Your supposition is correct.

Mr. WALKER. I am trying to find out whether or not the Budget Committee sent by the date certain the 302 allocations to the Appropriations Committee. Did that happen?

Mr. WHITTEN. I might point out that a committee that is months late is not in a position to demand that somebody else stick to the time limit.

Mr. WALKER. The House passed a resolution, Mr. Chairman, that said that the Budget Committee chairman was to send to you a 302 allocation by a date certain in July. Did that take place? Did that take place? It is the A allocation?

Well, OK, I am not getting an answer. Over on this side they say yes, it did take place. Now it is up to the Appropriations Committee to do those allocations. The question of this gentleman is what is the allocation to this subcommittee, having gotten the work from the Budget Committee? What is the allocation to the subcommittee?

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from California.

Mr. ROYBAL. Mr. Chairman, I am sure the gentleman was here yesterday during the general debate at which time I pointed out that the 302(b) allocation was $8.9 billion and that we were $40 million below the 302(b).

Mr. WALKER. Let me understand the figures here. Am I correct that the allocation to this subcommittee is $15,409,000,000?

Mr. ROYBAL. That is the overall allocation, but discretionary alone is $8,916 billion and that is what we are dealing with in this bill.

Mr. WALKER. So we in fact have an allocation and all of the rest of these allocations that I have here in this report, which is the first time I have seen it, are in fact the 302 allocations for the committee; is that correct?

Mr. ROYBAL. No, they are not, all of them are pending allocations.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALKER] has again expired.

Mr. GINGRICH. Mr. Chairman, I move to strike the requisite number of words, and I yield to the gentleman from Maryland [Mr. HOYER] if he wants to explain it.

Mr. HOYER. Mr. Chairman, I think the gentleman walking away implies that there is something strange here.

First of all, as the gentleman knows, there were differences that existed between the two Houses and therefore we were late. We did not, as the distinguished chairman of our committee indicated, meet the deadline. As a result, it put the chairman and the staff and the subcommittees behind schedule.

In point of fact, the paper that was handed to the gentleman does have our subcommittee's correct 302(b) allocations. There were adjustments made at the request of the administration. The chairman of our committee, in an attempt along with the subcommittee chairman to accommodate the administration's request in the foreign operations area, has made some adjustments. That has not adversely affected in any way the 302(a) allocations from the Budget Committee.

Nothing has happened untoward, and in point of fact, as the distinguished chairman of our subcommittee has said, we are under the pending

302(b) allocations which have been given to this subcommittee. So everything is in order, although late, and I think we all lament the fact that we have gone so late.

Mr. GINGRICH. Could I ask any of my colleagues in the majority on the Appropriations Committee is it possible for a Member to discover, given the latest figures on any given day, what the allocations were with a reasonably short time and what amount is left over as sort of surplus to be reallocated later? It is my understanding there is some modest amount of money that is sort of floating, $3 billion, $4 billion.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Mississippi.

Mr. WHITTEN. There is $25 million in outlays, a very small amount, to meet the unexpected situations which may arise.

Mr. GINGRICH. $25 billion?

Mr. WHITTEN. $25 million, and that being true, it is a very small amount. But we had things show up that we did not expect, and I think it is about as narrow as you can have a margin. Our bill in turn has to go to the Senate, and no one knows what may happen. My colleagues saw what happened to the supplemental, 437 amendments were added, as we are doing the best we can.

Mr. GINGRICH. I may have misunderstood, and maybe the chairman could enlighten me. My understanding, and this is only rumor, was that there was something closer to $4 billion that was unobligated between various subcommittees that was still available.

Mr. WHITTEN. I do not know what the basis of the gentleman's understanding is. The controlling factor here is outlays, and outlays is where the pinch is, and there is $25 million in outlays that is held in reserve to meet unforeseen circumstances.

Mr. GINGRICH. How much allocation is held in reserve or rather in BA, in authority?

Mr. WHITTEN. $1.6 billion, as I understand.

Mr. GINGRICH. $1.6 billion?

Mr. WHITTEN. That is in budget authority, but budget authority will not work if we cannot match it with outlays. So we did not have enough outlays to match against that.

Mr. GINGRICH. I thank the gentleman very much.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, once again I am trying to figure out what we have done here. Do I now understand that the gentleman is saying that the contingency amount in here, which I understand is the unallocated amount, is $1.6 billion, is that correct?

Mr. WHITTEN. We do not meet for the purpose of allocating everything in sight. We tried to hold the thing down, and that is what I am trying to tell the proponents of this amendment. Your committee has done everything we need to do to hold down spending, and if we are going to face this each time we will have to take this into consideration in future operations of the committee.

Mr. WALKER. If the gentleman will continue to yield to me, then, here is another sheet that I understand is the updated sheet that has that figure at $1.5 billion. Which of those two figures is correct, the $1.6 billion or the $1.5 billion?

Mr. WHITTEN. I explained earlier that I do not know how to explain it any better to the gentleman. I have listened to him here for a long time, but the gentleman seems dissatisfied with whatever answer he gets. I explained what we had done and that is correct. What I said was correct.

Mr. GINGRICH. I am glad to yield to the gentleman from Maryland.

Mr. HOYER. Does the gentleman dare ask any more questions?

Mr. GINGRICH. I do find it, if I might say so, I do find it interesting that we are having hearings ongoing on Iran, in which Admiral Poindexter is being asked to remember which document on which date in 1985 did he look at, and in which level of detail and tell us which conversation he remembers that date, and we are now either at $1.6 billion or $1.5 billion, but we are somewhere generally in the right direction because we do seem to have two rather different standards.

Mr. BARTLETT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, it has been an interesting turn of the debate in the last little while, and I think perhaps it has been helpful to get some additional information out. But I want to take a few minutes, as the debate is toward its end, to put the debate back into the context of what this amendment is all about, because even though there is a dispute about the 302(b) allocations and other things, this debate and this amendment is not about 302(b) allocations, and it is not about the budget. It is about, in fact, the Federal deficit and the impact that deficit has and the impact that a perhaps increase has on that deficit.

Let me offer a few observations to put things in context. First, the bill that is before us, the Treasury, Postal Service, and general government appropriations bill for 1988, begins with a rate of increase of total discretionary spending of 9.49 percent. That is to say, what the Appropriations Committee has offered to the House floor is an increase in total spending of the programs within their jurisdiction of about 9½ percent over fiscal year 1987.

That is not level funding. That is almost a 10-percent increase of discretionary funding for about $841 million that the committee would have us spend more next year than we are spending this year. If my colleagues add on the mandatory spending, it totals $1.3 billion.

This amendment that the courageous gentleman from Stamford, TX, is offering to the House, does not eliminate all of that increase even. This amendment merely eliminates one-half of the rate of increase. So the result of adopting the amendment before us is not to cut the budget, it is not to cut programs, it is not to cut spending, but it is to provide for an increase in spending in those programs of about 4.74 percent.

So when Members stand here and talk about cuts of programs, even though the word cuts scares a lot of people, there are no cuts in this amendment. The Stenholm amendment is not a cut; it is simply providing for a more modest rate of increase, a rate of increase that much more approximates and is even larger than the rate of inflation.

Second, the programs themselves. I think we all understand the need for some programs in this bill to have increases in spending. The committee has provided for that, and the Stenholm amendment provides for that.

The Internal Revenue Service, for example, is provided with a 9.94-percent increase, a 10-percent increase, if the Stenholm amendment were to take effect. The Bureau of Alcohol, Tobacco and Firearms would be increased after the Stenholm amendment takes effect, the Secret Service would be increased after the Stenholm amendment takes effect.

I know there are some who say we should not offer across-the-board spending reductions in the rate of increase, and from a purist point of view I agree. But it is denied, as a practical matter, to this body to offer amendments that make reprioritizing because Members do not like to vote for or against increases or decreases in specific programs. Thus the gentleman from Stamford, TX, was offered his only opportunity that he had, and that was to accept the committee's priorities, and in that sense I think we all would say that the committee has done a good job in prioritizing these programs, a good job in deciding which programs get increases, which do not, and what size of increases each one gets.

The gentleman's amendment accepts those priorities and merely says that instead of a 10-percent increase we will only have a 4.7-percent increase.

Overall, Mr. Chairman, the rest of this session we will continue to face a budget impasse. I do not know what will happen on the issues of sequestration or entitlements or taxes or rescissions or line item vetoes and other things. Those votes will still happen. But those votes which are going to happen anyway will be made easier, will be made less onerous, less difficult votes if this body adopts the amendment of the gentleman from Texas [Mr. STENHOLM] and similar amendments in the appropriations process.

Every dollar that we decline to increase in an appropriation bill is a dollar that we then do not have to deal with later with sequestration or entitlement reform or taxes or other much more difficult issues and ways to handle it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. STENHOLM].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. STENHOLM. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 218, noes 203, not voting 12, as follows:

[Roll No. 272]

AYES—218

Andrews
Applegate
Archer
Armey
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Bennett
Bereuter
Biaggi
Bilbray
Bilirakis
Bliley
Boehlert
Bosco
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Byron
Callahan
Campbell
Carper
Chandler
Chapman
Cheney
Clarke
Clinger
Coats
Coble
Coleman (MO)
Combest
Cooper
Craig
Crane
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
DeLay
Derrick
DeWine
Dickinson
DioGuardi
Donnelly
Dornan (CA)
Dreier
Duncan
Eckart
Edwards (OK)
Emerson
Erdreich
Fawell
Fields
Flippo
Frenzel
Frost
Gallegly
Gallo
Gekas
Gingrich
Glickman
Goodling
Gordon
Gradison
Grandy
Grant
Gregg
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hefley
Henry
Herger
Hiler
Holloway
Hopkins
Houghton
Hubbard
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Jones (TN)
Jontz
Kanjorski
Kasich
Kemp
Kolbe
Konnyu
Kyl
Lagomarsino
Lancaster
Latta
Leach (IA)
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Lloyd
Lott
Lujan
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Marlenee
Martin (IL)
McCandless
McCollum
McCurdy
McEwen
McMillan (NC)
Meyers
Michel
Miller (WA)
Molinari
Montgomery
Moorhead
Morrison (WA)
Murphy
Neal
Nelson
Nichols
Nielson
Olin
Owens (UT)
Oxley
Packard
Parris
Pashayan
Patterson
Penny
Petri
Pickett
Porter
Pursell
Quillen
Ravenel
Ray
Rhodes
Richardson
Ridge
Ritter
Roberts
Robinson
Roth
Roukema
Rowland (CT)
Rowland (GA)
Saxton
Schaefer
Schneider
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Sisisky
Slattery
Slaughter (VA)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Stallings
Stangeland
Stenholm
Stump
Sundquist
Sweeney
Swindall
Tallon
Tauke
Thomas (CA)
Thomas (GA)
Upton
Valentine
Vander Jagt
Vucanovich
Walgren
Walker
Weber
Weldon
Whittaker
Wortley
Wylie
Yatron
Young (FL)

NOES—203

Ackerman
Akaka
Alexander
Anderson
Annunzio
Anthony
Aspin
Atkins
AuCoin
Beilenson
Bentley
Berman
Bevill
Boggs
Boland
Bonior (MI)
Bonker
Borski
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bustamante
Cardin
Carr
Chappell
Clay
Coelho
Coleman (TX)
Collins
Conte
Conyers
Coughlin
Courter
Coyne
Crockett
de la Garza
DeFazio
Dellums
Dicks
Dingell
Dixon
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Edwards (CA)
English
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Florio
Foley
Ford (MI)
Ford (TN)
Frank
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Gonzalez
Gray (IL)
Gray (PA)
Green
Guarini
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hochbrueckner
Horton
Hoyer
Johnson (SD)
Jones (NC)
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Livingston
Lowery (CA)
Lowry (WA)
Luken, Thomas
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McDade
McHugh
McMillen (MD)
Mfume
Mica
Miller (CA)
Miller (OH)
Mineta
Moakley
Mollohan
Moody
Morella
Morrison (CT)
Mrazek
Murtha
Myers
Nagle
Natcher
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Panetta
Pease
Pelosi
Pepper
Perkins
Pickle
Price (IL)
Price (NC)
Rahall
Rangel
Regula
Rinaldo
Rodino
Rogers
Rose
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Schroeder
Schumer
Sikorski
Skaggs
Skeen
Skelton
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Solarz
Spratt
St Germain
Staggers
Stark
Stokes
Stratton
Studds
Swift
Synar
Tauzin
Taylor
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Vento
Visclosky
Volkmer
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wilson
Wolf
Wolpe
Wyden
Yates
Young (AK)

NOT VOTING—12

Boner (TN)
Davis (MI)
Foglietta
Gephardt
Howard
Huckaby
McGrath
Roe
Roemer
Rostenkowski
Scheuer
Wise

☐ 1610

The Clerk announced the following pair:

On this vote:

Mr. Roemer for, with Mr. Howard against.

Mr. WORTLEY changed his vote from "no" to "aye."

Mr. SKELTON changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. GIBBONS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to speak specifically to a few Members, those Members who cheered after the last vote. I want you to know what you have done.

You cut the war on drugs which you solemnly marched down the aisle and supported so fiercely last year. You just cut the hell out of it.

No. 2, you cut all the revenue-raising elements of the Government. In the Customs, we are operating with 15 more people then we operated with about 25 years ago. We have five times as many aircraft passengers to go through. We have all kinds of complex taxes to collect at the borders, and we do not have enough people to do it.

Then you cut the IRS. If anybody thinks it makes sense in this economy to cut the IRS when we audit less than 1 percent of the tax returns that are filed and when we cannot check the stuff at the borders, then I do not know what economy is. But I just know that you cut the guts out of the part of the Government that raises the money. You have killed the goose that lays the golden egg.

AMENDMENT OFFERED BY MR. PORTER

Mr. PORTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PORTER: Page 73, after line 10, insert the following new section:

SEC. 621. None of the funds appropriated by this or any other Act may be used by the Secretary of the Treasury to make payments on any claim under section 8 of the Czechoslovakian Claims Settlement Act of 1981 (22 U.S.C. note prec. 1642).

Mr. PORTER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROYBAL. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from California [Mr. Roybal] reserves a point of order on the amendment and the gentleman from Illinois [Mr. Porter] is recognized for 5 minutes in support of his amendment.

Mr. PORTER. Mr. Chairman, this amendment costs no money. This amendment will delay distribution of the funds available under the Czechoslovakia Claims Program. Under this program, approximately $2.4 million is available to naturalized United States citizens for losses resulting from property confiscated by the Czechoslovakian Government prior to 1958. I understand that the Treasury Department plans to distribute the final $2.4 million by August of this year.

Elizabeth Palansky Surak and her deceased husband Matthew, both naturals of the United States, owned a tannery in Czechoslovakia from 1925 through the 1950's. Following the end of World War II, the Communist government confiscated the Suraks' tannery without due compensation. In 1958, Mr. Surak was arrested and held for 8 years in a Communist prison, prohibiting him from filing claims by the September 15, 1962, due date enacted by Congress.

I believe Mrs. Surak has every right to apply for these funds. After risking their lives to help American airmen shot down in Czechoslovakia during the war, she and her husband were held by the Communists against their will and stripped of their life savings.

I introduced a bill on behalf of Elizabeth Palansky Surak in the 99th Congress and again this year. This bill requests permission for Mrs. Surak to resubmit her claim to the Federal Claims Commission. It is not my intention to provide special treatment for Mrs. Surak, but to grant her the right to apply for funds available under the Czechoslovakia Claims Program.

I requested that the Treasury not make final distribution of these funds until my bill has been considered by the House Judiciary Committee. Since the Judiciary Committee is unable to schedule hearings for my bill before September and the Treasury Department is planning to distribute these funds in August, I have offered today's amendment. Its intention is to tell the Treasury to wait and allow Mrs. Surak's claim to due process and, if it's a valid claim, to include her as one of the claimants to the Czechoslovakian funds.

I strongly urge my colleagues to support this amendment and allow Mrs. Surak the right to apply for compensation for her confiscated property.

Mr. FRANK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, earlier this year I got some good news and some bad news. The good news was that I got to be chairman of the Subcommittee on Administrative Law and Governmental Relations of the Committee on the Judiciary and can deal with a lot of exciting issues like the independent counsel. The bad news is that private bills come with that territory. So I am chairman of the subcommittee that is blessed to have the jurisdiction over these private bills.

The gentleman from Illinois makes a very reasonable point. I would hope that we would not go to a vote on his amendment because of the dilemma he finds himself in, this being not a fully reasonable solution to a reasonable problem.

We are going to have a hearing in September on this bill and some others. It is entirely reasonable for him to ask—and I will join in asking—that the Foreign Claims Settlement Commission payments be held off until we can deal with this year's business. There is this bill and maybe one or two others which we will be considering. I do not think there would be any great hardship in waiting a couple of months. The amendment in its terms would require a wait of much more than that. But I would think that the Treasury—and I would join the gentleman in asking for this, and I am sure our ranking minority member would join us—would agree that they would not dispose of all the funds before we were able in September of this year to have a hearing and see where we are.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Illinois.

Mr. PORTER. Mr. Chairman, I appreciate the assurances of the gentleman from Massachusetts, the chairman of the subcommittee, that he will aid in asking Treasury to delay payment, and on that basis I will withdraw the amendment.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Mrs. SCHROEDER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to point out that there is a very serious GAO report coming out next week that I, the gentleman from Minnesota [Mr. Sikorski], and the gentleman from California [Mr. Stark] requested. When it is released next week, I think Members are going to be very disturbed and shocked.

We asked the GAO to look into details of the White House and how it was getting people from different agencies, and here is what they found: The number of people detailed to the White House was consistently underreported to the Congress, in stark violation of the requirements of the White House Authorization Act of 1978.

Mr. STARK. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I am delighted to yield to the gentleman from California.

Mr. STARK. Mr. Chairman, I would like to point out that the underreporting was quite extensive. Over the past 6 years the White House reported that 109 people had been detailed or lent to them from other agencies over 180 days. GAO, on the other hand, found out that the actual number of such details was 182. In addition, the White House failed to report 125 details of more than 30 days. The White House reported nearly $900,000 in reimbursements to agencies which in fact were never paid.

Mr. SIKORSKI. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I am delighted to yield to the gentleman from Minnesota.

Mr. SIKORSKI. Mr. Chairman, I thank the gentlewoman for yielding.

I think it is also important to point out that the White House authorization requires rather minimal reporting as to the number of detailees and the amount of money involved. The White House has been extremely reluctant to provide our committee with backup details supporting the figures in the report. The fact that the White House has misled us in these reports tells me that we are going to have to create and use stronger oversight tools to see what the White House is doing. I hope the Appropriations Committee will watch more closely as well.

Mrs. SCHROEDER. Mr. Chairman, I think that the GAO is going to say that at least 250 individuals were hired as schedule C political appointees by agencies, and they were then detailed to the White House at the request of the White House. Most of them were detailed immediately and never worked for the agency that hired them. We appropriated money for HHS or Commerce to perform their duties, and it now appears that money was diverted to fund political activities out of the White House.

Mr. STARK. Mr. Chairman, will the gentlewoman yield further?

Mrs. SCHROEDER. I yield to the gentleman from California.

Mr. STARK. Mr. Chairman, I thank the gentlewoman from Colorado.

In this regard I want to point out that no agency routinely billed the White House for its detailees, despite the fact that the law requires it.

The interesting thing is that people were often promoted on merit reports when they never worked a day in the agency, and they wrote up a glowing report for the work they had done. It seems that many of these favored employees had previously worked in the

Reagan campaign, and in this way executive agencies were subsidizing the White House for work for which funds were not appropriated.

Mr. SIKORSKI. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Minnesota.

Mr. SIKORSKI. Mr. Chairman, it is important to remember that the GAO report only tells us a part of the story. The White House claims that there is no requirement to reimburse for details to the Office of Presidential Personnel. If the people detailed to this office are checking on the political credentials of appointees, I believe the details must be reimbursed. GAO only looked at 12 Cabinet agencies and did not include the Department of Defense. And the GAO only looked at the White House office and did not examine details to the National Security Council, which we know from the Iran-Contra hearings is also a problem. So the misuse of agency personnel is probably far worse than the GAO report details.

Mrs. SCHROEDER. Mr. Chairman, if I may, I would just like to summarize at this point. As I said at the beginning, I want to compliment my other two colleagues for helping me with this report. The GAO will come out with its final report next week, and I think it is important that the House know of this information as it considers the bill appropriating funds for the White House next year.

Mr. THOMAS of California. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I am delighted to yield to the gentleman from California.

□ 1625

Mr. THOMAS of California. Mr. Chairman, I thank the gentlewoman for yielding.

I do not have part of the script in front of me, but the question I wanted to ask was, where do I obtain a copy of this document?

Mrs. SCHROEDER. We will have it for you next week.

Mr. THOMAS of California. It is not available right now, not in print, and the gentlewoman is telling the Members about something in a document that is not available?

This is a behavior pattern fairly common on the Democrat side, reporting out of materials not available to other Members.

I know the gentlewoman is well versed in a number of areas in this kind of practice.

Mr. STARK. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from California.

Mr. STARK. Mr. Chairman, I thank the gentlewoman for yielding.

I wondered if the minority leader would like to criticize me in the well for leaking information about saving money in the White House?

Mr. THOMAS of California. Mr. Chairman, if the gentlewoman will yield further, no, we want to get one of the pages of the sixth-grade play that is going on, so we can be a part of it.

The CHAIRMAN. The time of the gentlewoman from Colorado [Mrs. SCHROEDER] has expired.

(By unanimous consent, Mrs. SCHROEDER was allowed to proceed for 30 additional seconds.)

Mrs. SCHROEDER. Mr. Chairman, I would just like to point out that this information is in a public forum. It is from the GAO, and the preliminary reports are available to every Member; and the final report will be available next week, so there is no great mystery here, only a lot of waste and fraud.

That is what we are talking about, and violations of the 1978 law.

Mr. GINGRICH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to ask the Members to join me in voting against the motion to rise, under the House rules, to make in order a rather unusual amendment.

The amendment which is at the desk, if we defeat the motion to rise, is quite simple. It directs the Treasury not to issue payment for an $11.8 million project which is a peculiar example of why we have a large deficit, and why we have problems in this country in dealing with fiscal conservatism.

In specific, this $11.8 million project from the Economic Development Administration has not been requested by the city to which it would go.

Unlike almost all Economic Development Administration projects, it does not have any matching requirements, so it is just a taxpayer's writing out a check for $11.8 million.

It specifically would help a handful of people in a very narrow area. They in fact, after 3 years of explaining one purpose for using the $11.8 million, concluded after they were severely chastised in early June by the Federal Government, that they would now use the money for a totally different purpose.

In neither case do they have to submit anything for any competitive bid or put up any money.

Finally, the county to which this would go is exceeded by 900 other counties in the unemployment level. The administration would prefer not to spend the money. The Assistant Secretary in charge of economic development has said publicly, and at considerable risk, that he would prefer not to spend the money.

There has been no competition for this reason, and it is a sheer and direct use of legislative power to send the money.

As you might imagine, there is some risk involved, because this project would be in Fort Worth.

I would suggest to the Members that any Member who wants to look at the various articles which have appeared in the Fort Worth newspaper on June 3 of this year, on June 6 of this year, earlier on March 16 of this year, and last year on June 1 of 1986 will see a clear pattern, and will see why this would be a very prudent place for the Congress to exercise its discretion, and to decide that for every Member who says they want programs like DEA in order to help poor counties, that this is money that should not be taken away from poor counties and be given without matching competition from wealthy counties.

Mr. SENSENBRENNER. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Chairman, I thank the gentleman for yielding.

Just so the Members are clear on how the motion to rise will be phrased, let me ask the gentleman from Georgia a question.

The question is, if the Members wish to give the same kind of debate that was just given to the point of the gentlewoman from Colorado, then the Members should vote no on the motion to rise.

If the Members do not want the issue of the Fort Worth EDA grant given the same kind of debate as the complaints about the White House of the gentlewoman from Colorado, then vote aye on the motion to rise.

Mr. GINGRICH. I thank the gentleman from Wisconsin for very clearly stating the choices before the House.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding.

A few days ago we had a fairly extensive debate in this House over EDA, and at that time we heard a lot of Members suggest that the Economic Development Administration was something they wanted to keep, because it does such good work.

The gentleman is describing a project that would take 5 percent of all the money available to EDA for one project.

This is a $12 million project as compared to most EDA projects that average $400,000. This particular project will take away from the ability to fund 30 projects across this Nation.

I think the Members may want to be very careful about the vote here, because we are going to do something, if the Members vote for the motion to rise, that will prevent EDA from having sufficient money to help really poor places.

Mr. GINGRICH. Mr. Chairman, I might say in closing that the administration at some risk to itself has said flatly that the $11.8 million should be repealed, that these kinds of projects are precisely why they worry about EDA; and this is clearly an inappropriate use of legislative power to direct the spending of money on behalf of a very few people.

Mr. WALKER. Mr. Chairman, if the gentleman will yield further, the Members ought to have explained to them why it is that we would be bringing an amendment up like this on a Treasury bill.

The money was set aside for this particular purpose in bills in the past. The only way that we could stop the money from being spent is to stop the check from being written.

The gentleman's amendment goes to stopping the check from being written.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I regret having to take another 5 minutes of the House's time, but I am told it is the intention of some Members to call for another vote on the Stenholm amendment that just passed, 218 to 203, that the arm-twisting is beginning of trying to convince some Members that they have made a mistake in voting to cut $420,705,100 from this particular appropriation.

I want to go over one more time why it is necessary, and why if there is a temptation for any Member to switch this vote, why the Members might wish to think again, because the Members' first vote was the correct one, if you voted for this amendment.

If the Members believe in new estimates on the deficit, as put out by the Congressional Budget Office, of $182 billion, if the Members are inclined to take a new Gramm-Rudman-Hollings-Rostenkowski, whatever target of $144 billion, we are going to have to come up with $38 billion in deficit reduction.

I discovered one thing in the debate today and the debate that we have had on previous appropriations.

The one thing that is keeping the House from balancing the budget is a little three-letter word called "but."

I have been commended for offering this amendment, but we are going to gut the Customs Service. We are going to gut the IRS that we are giving a 9.47-percent increase.

The bottom line is, think before you change this vote, and deny Members on this side of the aisle, who are struggling to gain the momentum in dealing with the budget deficit, because these Members are getting no help.

□ 1635

If we turn this vote around, it is going to be a giant step in the wrong direction in the big picture. We are not gutting anything by cutting 4.74 percent from this bill. Please do not change your vote.

The CHAIRMAN. The Clerk will read the last two lines of the bill.

The Clerk read as follows:

This Act may be cited as the "Treasury, Postal Service and General Government Appropriations Act, 1988".

Mr. SHARP. Mr. Chairman, I rise to speak in support of H.R. 2907, and in particular a provision added in committee by Mr. AKAKA. This provision involves Federal Acquisition Regulation [FAR] 8.3, which would require the Federal Government to procure competitively its electric power.

FAR 8.3 derives from the Competition in Contracting Act, which states that the Federal Government should, as a rule, competitively purchase its goods and services. As a general matter, there is no doubt that that is a good contracting policy. Electricity is, however, a special and essential commodity. An electric utility is required to make its long-term decisions about powerplant construction and capacity needs based upon the needs of all the customers in its service territory. When a major electricity consumer is permitted to leave the system, the considerable costs of that system must then be redistributed among the ratepayers who are unable to leave the system.

For the Federal Government, which is cumulatively the Nation's largest energy consumer, to leave an electric system could result in enormous rate increases to the remaining, captive ratepayers. For that reason, I fully support the Akaka provision, which prohibits Federal agencies from using funds to buy competitively its electric utility service. And for that same reason, a broad and bipartisan coalition in the 99th Congress, including the former chairman of the Energy Conservation and Power Subcommittee, Mr. MARKEY, the ranking minority member of the Energy and Power Subcommittee, Mr. MOORHEAD, and Senators JOHNSTON and MCCLURE, supported an identical provision in the appropriations bill last year.

This broad-based support for the Akaka provision is not a salvo against competitive procurement. The issue here is that we ought not to leap hastily into a decision of this magnitude until its impacts on all ratepayers and on the Nation's electric system as a whole can be properly assessed. For these reasons, I support the Akaka provision in H.R. 2907.

Mr. FAZIO. Mr. Chairman, I rise today in support of the Treasury, Postal Service, General Government appropriations bill for fiscal year 1988 (H.R. 2907). The chairman of the Subcommittee on Treasury, Postal Service, General Government, Mr. ROYBAL, and the ranking minority member, Mr. COUGHLIN, have developed a bill that is consistent with the budget resolution 302(b) allocation. I would like to commend the dilegence of the subcommittee in crafting this bill.

H.R. 2907 appropriates $15.4 billion for fiscal year 1988 for the Treasury Department, U.S. Postal Service, Office of the President, and various independent agencies.

H.R. 2907 appropriates $7.4 billion for title I—The Department of the Treasury. The bill includes funding for the U.S. Customs Service which is responsible for detection, interdiction, and investigation of the smuggling of contraband. I am pleased that the committee restored 1,998 positions that the administration proposed to eliminate in 1988. The committee also provided additional funding for 800 additional Customs personnel. I believe that strong law enforcement will significantly reduce the flow of illicit drugs coming into our country. While southern California has been the site of prolific drug trafficking by smugglers over the years, smugglers have recently become more daring and are attempting to enter the United States in northern California in growing numbers. Our Customs service personnel have done an excellent job to stem the tide of drugs flowing into the United States and the moneys appropriated for this agency are well spent.

This bill also provides $556 million for payment to the U.S. Postal Service, of which $517 is for revenue foregone. I fully support this allocation as revenue foregone is vital to nonprofit charity organizations and educational institutions who could not otherwise afford to inform citizens of their activities. The committee has continued certain provisions mandating free mail for the blind and well as continuation of 6-day delivery and rural delivery of mail. The committee should be commended for maintaining these provisions which aid those who have little voice in our legislative process.

Mr. Chairman, I would like to reiterate my support for language included in the report to accompany the bill. The language states that it is the intent of the committee to restrict Federal employee drug testing initiated under Executive Order 12564 until certain conditions have been met including, uniformity in plans among agencies, reliable and accurate laboratory drug testing, continuation of current protections under the law, full access to drug testing records by employees, confidentiality and continued, centralized oversight of the Federal Government's Drug Testing Program. I share with my colleagues the goal of a drug-free workplace, but we must be sure that an individual's constitutional rights are fully protected. H.R. 2907 is a balanced and much needed bill. I urge support of the measure.

Mr. LEHMAN of California. Mr. Chairman, I rise to speak in support of House Resolution 2907 and to compliment you and the committee for its diligent work on a bill which affects a wide variety of Government agencies from the Treasury Department to the Postal Service to Internal Revenue Service to the General Services Administration. In particular with regard to the IRS you have been mindful of the taxpayers' need for more and better information and provided additional funding for that purpose. The need for Federal agencies to respond to the needs of our citizens is the specific matter I wish to bring to my colleagues attention today.

I have a serious health problem in my district which should be resolved in the most timely manner possible. Unfortunately, instead of becoming part of the solution, the Federal Government is a large part of the problem. Simply stated, in a rural and impoverished California county, the General Services Administration appears to have disregarded public health considerations in favor of "business as usual." Allow me to elaborate on the specifics of this most serious problem.

Several years ago, the State of California issued a cease and desist order to the County of Madera because of the health danger of an existing sewer system in North Fork. The largest single user of this system is an agency of the U.S. Government—the Forest Service which utilizes 21 percent of the capacity of the sewer. In fiscal year 1984, recognizing that a serious health hazard exists because of the inadequacy of the North Fork sewer system, Congress appropriated about $324,000 for the Forest Service's share. In the intervening years the cost of the system increased—because of initial low estimates, increased land costs and State design requirements for increased effluent storage retention and spray disposal—and therefore at the beginning of 1987, both the House and the Senate reprogrammed an additional $333,400 for the Forest Service's share of the system.

The State of California increased its share of the system as did the Environmental Protection Agency and the Farmers Home Administration. The local sewer district will fund its share with a loan from the Farmers Home Administration. On April 23, 1987, the U.S. Forest Service made a formal, written request to GSA to reopen contractual action on the North Fork sewer and to proceed with negotiations toward execution of the contract. Bids were received by Maderal County on June 5, 1987, for the system and the county has 90 days to award to construction contract.

On June 19, 1987, Senator ALAN CRANSTON and I as the representatives of Madera County sent a letter to the Administrator of GSA suggesting that absolutely everything is in place to remedy the very serious health hazard of the existing North Fork sewer system to which the U.S. Forest Service is a major contributor. Senator CRANSTON and I asked GSA for a timely review of the contract for the Forest Service and requested "expeditious" handling of this situation. The only remaining step is for the GSA to sign a contract for the Forest Service's share of the project, without which construction cannot proceed.

Just this week I received a reply to that letter which indicates that we can expect conclusion of contract action by November 16, 1987. I cannot understand and cannot accept that 7 months is either timely or expeditious in a public health matter involving $650,000 which two committees of Congress have already reviewed and approved.

Therefore, I would ask the committee and its Senate counterpart to consider what actions are necessary to obtain expeditious action on a project long overdue. No one would suggest that the GSA abdicate its responsibility to review contracts. What I would suggest is that 7 months is far too long for an agency to delay a project which is not new to the agency, a project which affects the health of real people. Thank you, Mr. Chairman.

Mr. RANGEL. Mr. Chairman, I support passage of H.R. 2907, Treasury, Postal Service, and general Government appropriations bill, 1988. The bill would provide $15,385,729,000 for the Department of the Treasury, U.S. Postal Service, Executive Office of the President, and various independent agencies of the Government.

As chairman of the Select Committee on Narcotics Abuse and Control, I am particularly concerned about the provisions in the bill relating to the U.S. Customs Service. I will focus my remarks on these sections of the bill.

H.R. 2907 would provide $963,090,000 for salaries and expenses of the U.S. Customs Service. This figure is $132,970,000 more than the Customs Service fiscal year 1987 appropriation for salaries and expenses, and $160 million more than the fiscal year 1988 budget estimate.

These funds should contribute to the effectiveness of America's antidrug efforts. The Customs Service has come to play a critical role in the war on drugs. Most recently, they were designated the lead agency for drug interdiction by the National Drug Policy Board. It is essential that we provide the support necessary for them to carry out these responsibilities.

H.R. 2907 also restores the 1,998 positions that the administration proposed to eliminate in 1988, and provides funding for 800 additional Customs personnel. The bill requires Customs to hire and maintain an average of 15,837 full-time equivalent personnel during fiscal year 1988. This is an increase of 2,798 positions over the fiscal year 1988 request and an increase of 800 above the 15,037 positions authorized for fiscal year 1987.

Effective drug law enforcement is labor intensive. This is one area in which there is no satisfactory substitute for adequate numbers of personnel. Over the past few years, we have seen a situation where each year the administration proposes deep cuts in the personnel levels of the Customs Service only to have these proposed cuts disapproved by the Congress. I would hope that the administration would not resort to this tactic again next year.

The Anti-Drug Abuse Act of 1986 authorizes the procurement of radar aerostat balloons for use in the drug war. It is my understanding that deployment of the six aerostats to be placed along the Southwest border has been delayed because the mountainous terrain along much of the border disrupts radar efficiency. The Appropriations Committee has directed the Customs Service to report back by February 15, 1988, on methods to complement the detection abilities of the aerostat balloons. While I realize that the terrain along the Southwest border poses formidable obstacles to effective detection of smuggling airplanes, I hope some way can be found to close the window of vulnerability which currently exists along America's Southwest border. Impeding the access of drug traffickers to our Southwest border is vital to our antidrug efforts.

For operation and maintenance of Customs Air Interdiction Program, H.R. 2907 provides an appropriation of $86,210,000. This is the full amount of the fiscal 1988 budget request, but a decrease of $84,740,000 below fiscal year 1987. While some economies may be possible and desirable in this program, I think the proposed reduction is too deep. Air interdiction is an essential part of our Nation's antidrug program. If we do not fund this program adequately, we will end up spending an equal or greater amount for drug abuse treatment and rehabilitation because the drugs have gotten through to consumers.

For the Customs forfeiture fund, H.R. 2907 provides $10 million. This was the amount requested in the administration's budget, but it is $8 million less than fiscal year 1987. Seized and forfeited currency and any proceeds beyond the expenses of seizure and forfeiture of merchandise are deposited into this account. Money in the Customs forfeiture fund is used for expenses related to seizures; awards to informants; payments of liens related to seizures; equipping forfeited vessels, vehicles and aircraft; payment of claims of "parties of interest to property disposed"; purchasing of evidence; and destruction of drugs. These are all important aspects of our narcotics law enforcement effort, and I regret that the administration finds it necessary to propose cuts in the Customs forfeiture fund and that the committee has concurred.

Although H.R. 2907 does not provide all the money for the Customs Service that I would like, I support the bill. I do so, because it funds essential services of the U.S. Customs Service which directly curtail the flow of drugs to America.

Mr. ROYBAL. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The CHAIRMAN. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. YATES. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 240, noes 176, not voting 17, as follows:

[Roll No. 273]

AYES—240

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Bates
Beilenson
Bennett
Berman
Bevill
Biaggi
Bilbray
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Campbell
Cardin
Carper
Carr
Chapman
Chappell
Clarke
Clay
Coelho
Coleman (TX)
Collins
Conyers
Cooper
Coyne
Crockett
Daniel
Darden
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flake
Flippo
Florio

Foley
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gibbons
Glickman
Gonzalez
Gordon
Grant
Gray (IL)
Gray (PA)
Guarini
Hall (OH)
Hall (TX)
Hamilton
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hochbrueckner
Hoyer
Hubbard
Hughes
Hutto
Jacobs
Jenkins
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Lowry (WA)
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McHugh
McMillen (MD)
Mfume
Mica
Miller (CA)
Miller (OH)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morrison (CT)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal
Nelson
Nichols
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Panetta
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Pickett
Pickle
Price (IL)
Price (NC)
Rahall
Rangel
Ray
Richardson
Robinson
Rodino
Rose
Rowland (GA)
Roybal
Sabo
Savage
Sawyer
Schroeder
Schumer
Sharp
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Solarz
Spratt
St Germain
Stallings
Stark
Stenholm
Stokes
Studds
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wolpe
Wyden
Yates
Yatron

NOES—176

Archer
Armey
Badham
Baker
Ballenger
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Callahan
Chandler
Cheney
Clinger
Coats
Coble
Coleman (MO)
Combest
Conte
Coughlin
Courter
Craig
Crane
Dannemeyer
Daub
Davis (IL)
Davis (MI)
DeLay
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Fawell
Fields
Fish
Frenzel
Gallegly
Gallo
Gekas
Gilman
Gingrich
Goodling
Gradison
Grandy
Green
Gregg
Gunderson
Hammerschmidt
Hansen
Hastert
Hefley
Henry
Hiler
Holloway
Hopkins
Horton
Houghton
Hunter
Hyde
Inhofe
Ireland
Jeffords
Johnson (CT)
Kasich
Kemp
Kolbe
Konnyu
Kyl
Lagomarsino
Latta
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lott
Lowery (CA)
Lujan
Lukens, Donald
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCollum
McDade
McEwen
McMillan (NC)
Meyers
Michel
Miller (WA)
Molinari
Moorhead
Morella
Morrison (WA)
Myers
Nielson
Oxley
Packard
Parris
Pashayan
Petri
Porter
Pursell
Quillen
Ravenel
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Rogers
Roth
Roukema
Rowland (CT)
Russo
Saiki
Saxton
Schaefer
Schneider
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Skeen
Slaughter (VA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Staggers
Stangeland
Stratton
Stump
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Upton
Vander Jagt
Vucanovich
Walker
Weber
Weldon
Whittaker
Wolf
Wortley
Wylie
Young (AK)
Young (FL)

NOT VOTING—17

Boner (TN)
Early
Foglietta
Gephardt
Herger
Howard
Huckaby
Lehman (FL)
Luken, Thomas
McGrath
Nowak
Roe
Roemer
Rostenkowski
Scheuer
Wilson
Wise

☐ 1650

Mr. KEMP and Mr. RAVENEL changed their votes from "aye" to "no."

Mrs. COLLINS changed her vote from "no" to "aye."

So the motion was agreed to.

The result of the vote was announced as above recorded?

Accordingly the Committee rose; and the Speaker pro tempore [Mr. FOLEY] having assumed the Chair, Mr. BEILENSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2807) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1988, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment?

Mr. ROYBAL. Mr. Speaker, I demand a separate vote on the so-called Stenholm amendment.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 73, after line 10, insert the following new section:

SEC. 621. Each of the amounts appropriated or otherwise made available by this Act not required to be appropriated or made available by law shall be reduced by 4.74 percent.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. TAUKE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 207, noes 210, not voting 16, as follows:

[Roll No. 274]

AYES—207

Andrews
Applegate
Archer
Armey
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Bennett
Bentley
Bereuter
Bilbray
Bilirakis
Bliley
Boehlert
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Byron
Callahan
Campbell
Carper
Chandler
Chapman
Cheney
Clarke
Clinger
Coats
Coble
Coleman (MO)
Combest
Cooper
Courter
Craig
Crane
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
DeLay
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Erdreich
Fawell
Fields
Flippo
Frenzel
Gallegly
Gallo
Gekas
Gingrich
Glickman
Goodling
Gradison
Grandy
Grant
Gregg
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hefley
Henry
Herger
Hiler
Holloway
Hopkins
Houghton
Hubbard
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Jones (TN)
Jontz
Kasich
Kemp
Kolbe
Konnyu
Kyl
Lagomarsino
Lancaster
Latta
Leach (IA)
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Lloyd
Lott
Lujan
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Marlenee
Martin (IL)
McCandless
McCollum
McEwen
McMillan (NC)
Meyers
Michel
Miller (WA)
Molinari
Montgomery
Moorhead
Morrison (WA)
Neal
Nelson
Nichols
Nielson
Olin
Owens (UT)
Oxley
Packard
Parris
Pashayan
Patterson
Penny
Petri
Porter
Pursell
Quillen
Ravenel
Ray
Rhodes
Ridge
Ritter
Roberts
Robinson
Roth
Roukema
Rowland (CT)
Rowland (GA)
Saxton
Schaefer
Schneider
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Sisisky
Slattery
Slaughter (VA)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Spratt
Stallings
Stangeland
Stenholm
Stump
Sundquist
Sweeney
Swindall
Tallon
Tauke
Thomas (CA)
Thomas (GA)
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Weber
Weldon
Whittaker
Wortley
Wylie
Young (AK)
Young (FL)

NOES—210

Ackerman
Akaka
Alexander
Anderson
Annunzio
Anthony
Aspin
Atkins
AuCoin
Beilenson
Berman
Bevill
Biaggi
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bustamante
Cardin
Carr
Chappell
Clay
Coelho
Coleman (TX)
Collins
Conte
Conyers
Coughlin
Coyne
Crockett
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Edwards (CA)
English
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Florio
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Gonzalez
Gordon
Gray (IL)
Gray (PA)
Green
Guarini
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hochbrueckner
Horton
Hoyer
Johnson (SD)
Jones (NC)
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Lehman (CA)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Livingston
Lowery (CA)
Lowry (WA)
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McHugh
McMillen (MD)
Mfume
Mica
Miller (CA)
Miller (OH)
Mineta
Moakley
Mollohan
Moody
Morella
Morrison (CT)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Panetta
Pease
Pelosi
Pepper
Perkins
Pickett
Pickle
Price (IL)
Price (NC)
Rahall
Rangel
Regula
Richardson
Rinaldo
Rodino
Rogers
Rose
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Schroeder
Schumer
Sikorski
Skaggs
Skeen
Skelton
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Solarz
St Germain
Staggers
Stark
Stokes
Stratton
Studds
Swift
Synar
Tauzin
Taylor
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wilson
Wolf
Wolpe
Wyden
Yates
Yatron

NOT VOTING—16

Boner (TN)
Early
Eckart
Foglietta
Gephardt
Hall (OH)
Howard
Huckaby
Lehman (FL)
Luken, Thomas
McGrath
Roe
Roemer
Rostenkowski
Scheuer
Wise

☐ 1705

Mr. McCURDY changed his vote from "present" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. Foley). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 254, noes 158, not voting 21, as follows:

[Roll No. 275]

AYES—254

Ackerman
Akaka
Alexander
Anderson
Annunzio
Anthony
Applegate
Aspin
Atkins
Beilenson
Bennett
Bentley
Berman
Bevill
Biaggi
Bilbray
Boehlert
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Campbell
Cardin
Carr
Chapman
Chappell
Clarke
Clay
Coelho
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Crockett
Davis (MI)
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Eckart
Edwards (CA)
English
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gordon
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hammerschmidt
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hochbrueckner
Hoyer
Jeffords
Jenkins
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Lancaster
Lantos
Lehman (CA)
Leland
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Lowery (CA)
Lowry (WA)
MacKay
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McHugh
McMillen (MD)
Mfume
Miller (CA)
Miller (OH)
Mineta
Moakley
Mollohan
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Nichols
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Owens (UT)
Panetta
Parris
Patterson
Pease
Pelosi
Pepper
Perkins
Pickett
Pickle
Price (IL)
Price (NC)
Quillen
Rahall
Rangel
Ravenel
Regula
Richardson
Rinaldo
Rodino
Rogers
Rose
Roukema
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schneider
Schumer
Sikorski
Sisisky
Skaggs
Skeen
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Snowe
Solarz
Spratt
St Germain
Staggers
Stark
Stokes
Stratton
Studds
Sundquist
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wolf
Wolpe
Wyden
Yates
Yatron
Young (AK)

NOES—158

Andrews
Archer
Armey
AuCoin
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Bereuter
Bilirakis
Bliley
Boulter
Broomfield
Brown (CO)
Bunning
Burton
Callahan
Carper
Chandler
Cheney
Clinger
Coats
Coble
Coleman (MO)
Combest
Craig
Crane
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
DeFazio
DeLay
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Edwards (OK)
Emerson
Erdreich
Fawell
Fields
Gallegly
Gekas
Gingrich
Gradison
Grandy
Gregg
Gunderson
Hall (TX)
Hamilton
Hansen
Harris
Hastert
Hefley
Henry
Herger
Hiler
Holloway
Hopkins
Houghton
Hubbard
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Johnson (CT)
Kasich
Kemp
Konnyu
Kyl
Lagomarsino
Latta
Leach (IA)
Leath (TX)
Lent
Lewis (FL)
Lightfoot
Lott
Lujan
Lukens, Donald
Lungren
Mack
Madigan
Marlenee
Martin (IL)
McCandless
McCollum
McEwen
McMillan (NC)
Meyers
Michel
Miller (WA)
Molinari
Montgomery
Moorhead
Neal
Nelson
Nielson
Olin
Oxley
Packard
Pashayan
Penny
Petri
Porter
Pursell
Ray
Rhodes
Ridge
Ritter
Roberts
Robinson
Roth
Rowland (CT)
Schaefer
Schroeder
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shumway
Shuster
Skelton
Slattery
Slaughter (VA)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Stallings
Stangeland
Stenholm
Stump
Sweeney
Swindall
Tauke
Thomas (CA)
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Weber
Wortley
Wylie
Young (FL)

NOT VOTING—21

Badham
Boner (TN)
Buechner
Early
Foglietta
Frenzel
Gephardt
Hall (OH)
Horton
Howard
Huckaby
LaFalce
Lehman (FL)
Luken, Thomas
McGrath
Mica
Roe
Roemer
Rostenkowski
Scheuer
Wise

☐ 1720

The Clerk announced the following pair:

On this vote:

Mr. Howard for, with Mr. Roemer against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROYBAL. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on the bill just passed.

The SPEAKER pro tempore (Ms. Pelosi). Is there objection to the request of the gentleman from California?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Madam Speaker, I have asked for this time for the purpose of yielding to the distinguished majority whip to receive the schedule for the balance of the day and for next week.

Mr. COELHO. Madam Speaker, will the gentleman yield?

Mr. LOTT. I am glad to yield to the gentleman from California.

Mr. COELHO. Madam Speaker, on Monday there will be a pro forma session. On Tuesday we have scheduled six suspensions, and they are as follows:

H.J. Res. 309, Civic Achievement Awards Program;

H.R. 2249, Library of Congress Police;

H.J. Res. 291, Librarian of Congress emeritus;

H.R. 60, to authorize the Architect of the Capitol to accept gifts and bequests of personal property and money for the benefit of the Capitol Buildings art collection;

H.R. 1983, to authorize the Secretary of the Interior to preserve certain wetlands and historic and prehistoric sites in the St. Johns River Valley, FL; and

H.R. 2121, to authorize the National Park Service to assist the State of Georgia in relocating a highway affecting the Chickamauga and Chattanooga National Military Park in Georgia.

That will be all for Tuesday.

□ 1735

On Wednesday, July 22, and Thursday, July 23, the House will meet at 10 a.m., and we will first consider to increase the limit on the public debt.

Then we will consider H.R. 2470, the Medicare Catastrophic Protection Act of 1987, subject to a rule.

On Friday, as the gentleman knows, the House will not be in session.

Mr. LOTT. I thank the gentleman for just that information.

I want to emphasize again, the recorded votes on Tuesday will be postponed until after the debate on all suspensions?

Mr. COELHO. The recorded votes will be at the end of consideration of all six suspensions.

Mr. LOTT. On the schedule for Wednesday, July 22, and Thursday, July 23, you have two bills listed there.

Will they come up on that order?

Mr. COELHO. As the gentleman knows, we have already passed the debt limit, and we are waiting for the other body to act, and we hope that the other body will act prior to Wednesday.

If they do, because of the need to get this resolved, we will then take it up as the first order of business on Wednesday.

If they do not by that time, we will have nothing to take up, and we would then wait until the Senate does act; but our intention is to go ahead and make it the first order of business on Wednesday.

Mr. LOTT. Then the other question does have to do with that debt limit question, the public-debt ceiling.

The gentleman has no plans right now as to how that would come up? It could be that it could be the proposal of the other body, a conference report, or it could be a separate bill, any of the three?

Mr. COELHO. As the gentleman knows, we want to wait until the other body acts before we make a determination.

There are three ways to bring it up: unanimous consent, a motion by the committee to authorize the chairman to bring it up, a separate bill with a rule and so forth, so all those options are available to the House.

As soon as the other body acts, we will let the gentleman and the gentlemans party know what we intend to do, based on that.

Mr. LOTT. It is a pretty light schedule for next week. I notice there are no appropriations bills on this list, and we still have five appropriations bills to go.

I understand the gentleman from Massachusetts [Mr. Boland], the chairman of the HUD and Independent Agencies Appropriations Subcommittee, is tied up in the hearings; but there are four others.

Mr. COELHO. Five other appropriations bills left to go.

We expect to consider two or three before the August recess. That is our plan.

We are on schedule on the appropriations bills, based on the great cooperation of the Members on both sides of the aisle.

Mr. LOTT. One final question. I believe the majority leader informed the Members last week that we would not have a session on the following Monday?

Mr. COELHO. The gentleman is correct. The intention of the leadership was that we would operate on Mondays and Fridays while we were trying to get the appropriations bills done. Things are in good order right now; and unless we try to move them all before then, we would not, but there is not an intention to have a vote on the following Monday.

Mr. LOTT. Monday, the 27th?

Can the gentleman give us any information about any plans for the legislative schedule for the next week, the week after?

The gentleman informed me privately last week about the catastrophic protection bill that would come up about the 23d. Is there anything like that that the gentleman knows of that would be coming up the next week that the gentleman could give us notice on?

Mr. COELHO. Nothing at this time. We basically are very much on schedule.

We are depending on the committees to report out legislation now. If we keep on this schedule, everything looks good for the August recess, even though the other body is discussing not getting out.

Mr. LOTT. I have a simple solution for that. Let them stay. Let them stay, and we can go.

Mr. COELHO. If the gentleman will yield further, the majority leadership intends to do that.

We intend to recess on schedule.

Mr. LOTT. One final question. Is reconciliation still tentatively scheduled around the 27th or the 28th of July, something like that, before the end of the month?

Mr. COELHO. As the gentleman knows, we are attempting to do it before the August break. We still want to do that.

That is the intention. As the gentleman knows, some Members have been out through no fault of their own, with medical problems, and hopefully the gentleman from Illinois will be back next week, and we will be able to make decisions on it next week.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. COELHO. Madam Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule shall be dispensed with on Wednesday next.

The SPEAKER pro tempore (Ms. Pelosi). Is there objection to the request of the gentleman from California?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1327, HOUSE JOINT RESOLUTION 24, HOUSE JOINT RESOLUTION 129, HOUSE JOINT RESOLUTION 144, AND HOUSE JOINT RESOLUTION 148

Mr. McMILLAN of North Carolina. Madam Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of H.R. 1327, House Joint Resolution 24, House Joint Resolution 129, House Joint Resolution 144, and House Joint Resolution 148.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS, AND TO APPOINT COMMISSIONS, BOARDS, AND COMMITTEES NOTWITHSTANDING ADJOURNMENT

Mr. COELHO. Madam Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, July 20, 1987, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ANNOUNCEMENT OF DESIGNATION OF DELEGATES TO REPRESENT CONGRESS AT A SPECIAL CEREMONY HONORING THE CONSTITUTION

The SPEAKER pro tempore. Pursuant to the provisions of House Concurrent Resolution 131, the Chair announces the Speaker's designation jointly with the President pro tempore of the Senate of the official delegation to represent the Congress at a special ceremony in honor of the bicentennial of the Constitution and in commemoration of the Great Compromise of the Constitutional Convention:

The gentleman from Alabama, Mr. DICKINSON;

The Senator from Alaska, Mr. STEVENS;

The gentleman from Arizona, Mr. STUMP;

The gentleman from Arkansas, Mr. ALEXANDER;

The gentleman from California, Mr. EDWARDS;

The gentleman from Colorado, Mr. SKAGGS;

The gentlewoman from Connecticut, Mrs. KENNELLY;

The Senator from Delaware, Mr. ROTH;

The gentleman from Florida, Mr. BENNETT;

The Senator from Georgia, Mr. FOWLER;

The Senator from Hawaii, Mr. MATSUNAGA;

The gentleman from Idaho, Mr. CRAIG;

The gentleman from Illinois, Mr. PRICE;

The gentleman from Indiana, Mr. SHARP;

The gentleman from Iowa, Mr. SMITH;

The gentleman from Kansas, Mr. GLICKMAN;

The gentleman from Kentucky, Mr. MAZZOLI;

The gentlewoman from Louisiana, Mrs. BOGGS;

The gentleman from Maine, Mr. BRENNAN;

The Senator from Maryland, Mr. SARBANES;

The gentleman from Massachusetts, Mr. BOLAND;

The gentleman from Michigan, Mr. BROOMFIELD;

The gentleman from Minnesota, Mr. OBERSTAR;

The gentleman from Mississippi, Mr. MONTGOMERY;

The gentleman from Missouri, Mr. TAYLOR;

The Senator from Montana, Mr. MELCHER;

The gentleman from Nebraska, Mr. BEREUTER;

The Senator from Nevada, Mr. REID;

The gentleman from New Hampshire, Mr. GREGG;

The gentleman from New Jersey, Mr. RODINO;

The gentleman from New Mexico, Mr. LUJAN;

The gentleman from New York, Mr. STRATTON;

The gentleman from North Carolina, Mr. PRICE;

The gentleman from North Dakota, Mr. DORGAN;

The gentleman from Ohio, Mr. LATTA;

The gentleman from Oklahoma, Mr. McCURDY;

The gentleman from Oregon, Mr. ROBERT F. SMITH;

The gentleman from Pennsylvania, Mr. McDADE;

The gentleman from Rhode Island, Mr. ST GERMAIN;

The Senator from South Carolina, Mr. THURMOND;

The Senator from South Dakota, Mr. PRESSLER;

The gentleman from Tennessee, Mr. DUNCAN;

The gentleman from Texas, Mr. BROOKS;

The gentleman from Utah, Mr. NIELSON;

The gentleman from Vermont, Mr. JEFFORDS;

The Senator from Virginia, Mr. WARNER;

The Senator from Washington, Mr. EVANS;

The gentleman from West Virginia, Mr. RAHALL;

The gentleman from Wisconsin, Mr. OBEY; and

The Senator from Wyoming, Mr. SIMPSON.

APPOINTMENT AS MEMBERS OF TASK FORCE ON MINORITY SET-ASIDES

Mr. WRIGHT. Madam Speaker, I should like to announce the appointments to the Task Force on Minority Set-Asides the following members from the majority: the gentleman from California, Mr. DYMALLY, chairman; the gentleman from California, Mr. MINETA; the gentlewoman from Colorado, Mrs. SCHROEDER; the gentleman from California, Mr. TORRES, and the gentleman from Michigan, Mr. CONYERS.

After consultation with the Republican leader, I should like to name the following members of the minority: the gentleman from New Mexico, Mr. LUJAN; the gentlewoman from Rhode Island, Miss SCHNEIDER, and the gentleman from Louisiana, Mr. HOLLOWAY.

□ 1745

SNOW WHITE WEEK

Mr. DYMALLY. Madam Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H.J. Res. 122) to designate the week beginning July 13, 1987, as "Snow White Week," with the Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

On page 2, line 3, strike out "13" and insert in lieu thereof "16".

The preamble is amended—

(1) by striking out the first clause and inserting in lieu thereof the following new clause:

"Whereas a classic film 'Snow White and the Seven Dwarfs' was released 50 years ago;"

(2) by striking out the fourth and fifth clauses and inserting in lieu thereof the following new clause:

"Whereas 'Snow White and the Seven Dwarfs' was the first original soundtrack recording ever released;"

(3) by striking out the seventh and eighth clauses and inserting in lieu thereof the following new clause:

"Whereas 'Snow White and the Seven Dwarfs' won a special Academy Award as a 'significant screen innovation which has charmed millions and pioneered a great new entertainment field for the motion picture cartoon': Now therefore, be it"

Amend the title so as to read: "Joint resolution to designate the week beginning July 16, 1987, as 'Snow White Week'.".

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Madam Speaker, reserving the right to object, I do not object, but would like to inform the House that the minority has no objection to the legislation now being considered.

Further reserving the right to object, Madam Speaker, I yield to the gentleman from California [Mr. MOORHEAD], who is the chief sponsor of the joint resolution.

Mr. MOORHEAD. Madam Speaker, I want to especially thank the gentleman from California [Mr. DYMALLY] and the gentlewoman from Maryland [Mrs. MORELLA] for their assistance in this matter.

The amendments made are satisfactory to me as the author of the bill.

Mr. GEKAS. Madam Speaker, will the gentlewoman yield?

Mrs. MORELLA. Further reserving the right to object, Madam Speaker, I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Madam Speaker, all day today I was sleepy and grumpy and this is a relief to me that we are at least going to honor Snow White and the Seven Dwarfs.

I did not intend to object.

Mrs. MORELLA. Madam Speaker, I think my colleague is now Happy.

Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DYMALLY. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendments to on House Joint Resolution 122.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

A TRIBUTE TO MR. FRANK COTTER

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Madam Speaker, I was privileged to be present at a most auspicious affair a few weeks ago at which Mr. Frank Cotter's many friends gathered to honor him on the completion of another landmark in his illustrious career. This particular occasion honored Frank for his completion of nearly a quarter of a century as vice president of the Westinghouse Electric Corp.

Many of my colleagues here in this body have had the opportunity of knowing and working with Mr. Cotter. I first got to know Frank when he served the Congress as the staff director of the Joint Congressional Committee on Atomic Energy. This association started in the early fifties. As a charter member of that committee, I worked very closely with Frank and can attest to his outstanding professional competence and ability to get things done. Those were parlous times in the advancement of nuclear energy. Frank worked tirelessly to control the entry of this incomparable force in international affairs. He also worked very hard to advance the utilization of this new force for humanitarian purposes. In all of these endeavors Frank always acted to promote our national interests. Our Nation is indebted to this outstanding patriot.

I would like to offer a brief résumé of Frank Cotter so that others can get to know him better and thereby share in the knowledge of his outstanding public service and achievements.

Mr. Cotter was born in New York City in 1922. He received his bachelor of science degree from New York University, his bachelor of laws degree at the Catholic University of America in Washington, DC, and is a member of the bar of the District of Columbia.

After World War II when he served with distinction in the South Pacific as a Marine Corps captain, Mr. Cotter was appointed as a special agent in the FBI and assigned to the Los Alamos National Laboratories in New Mexico and later to Washington, DC.

In 1952, he was appointed a member of the professional staff of the Joint Congressional Committee on Atomic Energy, and he later served as staff director of the joint committee. It was during this period that he participated in drafting the landmark Atomic Energy Act of 1954 which for the first time provided for private participation in developing nuclear power for peaceful uses. He joined Westinghouse in 1956 at the Bettis Atomic Power Laboratory which developed the first nuclear submarine.

In the spring of 1958, on leave from Westinghouse, Mr. Cotter was appointed special consultant to the Select Committee on Astronautics and Space Exploration of the U.S. House of Representatives and assisted in drafting yet another major legislative initiative—the National Aeronautics and Space Act.

Again, on another leave, from 1962 to 1963, he served as Deputy Inspector General at the State Department.

During 1967 he was appointed by the Atomic Energy Commission to serve as a member of the Ad Hoc Advisory Panel on Safeguarding Special Nuclear Material.

In 1970 he was appointed a member of the Advisory Committee on Energy to the Secretary of the Interior and chairman of the Nuclear Subcommittee.

Mr. Cotter serves on the boards of directors of the American Nuclear Energy Council, the National Epilepsy Foundation, the Rio Grande Technology Foundation, and the Washington Parent Group Fund.

He and his wife, the former Malinda DuBose, have five children and live in Washington, DC.

Clearly, Frank Cotter has made his mark in a number of significant ways—as public servant, corporate officer, civic leader and loving, devoted husband and father.

Those of us who were actively involved 30 years ago in helping to create a legal and regulatory framework for making the unique values of nuclear energy available to mankind for peaceful uses recall that Frank Cotter played an unusually creative role. He understands and believes in the benefits of this abundant source of clean energy. And this man who has always been devoted to utilizing the values of science has been a friend to many in high places in our Government and industry.

On this special occasion of his retirement from Westinghouse his friends and colleagues honor his years of service. Emerson said that an institution is the lengthened shadow of one man. Surely, this is the case with Frank Cotter and Westinghouse, the corporation to which he has devoted so much of his time and energy. And, I hope Frank will continue to be available to advise leaders of industry and Government how to work together for the good of all.

I am glad to have this opportunity, Mr. Speaker, to share with my colleagues a recollection of the accomplishments of this talented and dedicated man, and the opportunity to wish him and his lovely wife, Malinda much happiness in the years ahead, and in their new endeavors.

UTILITY RATEPAYER REFUND ACT

(Mr. JONTZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. JONTZ. Madam Speaker, I rise today to share with the House statistics released yesterday by the National Association of Regulatory Utility Commissioners showing that the Nation's utilities owe their ratepayers of this country more than $19 billion in excess deferred taxes resulting from the drop in the maximum corporate tax rate from 46 to 34 percent.

For many years, utilities have been allowed to depreciate plant and equipment over different lengths of time for income tax and ratemaking purposes. As a result, utilities may collect, through today's rates, taxes that will not be due the Treasury for 20 or 30 years. These are called deferred taxes, and according to NARUC-compiled data, they totaled approximately $73 billion at year end 1986.

These deferred taxes were collected by utilities under the assumption they would eventually be paid to the Federal Government at the 46-percent maximum corporate tax rate. Now that the rate has been reduced to 34 percent, however, a large portion of deferred taxes are no longer due the IRS. Totaling at least $19 billion, these excess deferred taxes are owed back to utility consumers in the form of reduced rates, $223 per household.

Under section 203(e) of the Tax Reform Act of 1986, utilities are allowed to delay the refund of these excess taxes for a period of as long as 30 years, and that is wrong.

Madam Speaker, H.R. 1049, the Utility Ratepayer Refund Act introduced by the gentleman from North Dakota [Mr. DORGAN], to repeal this section of the law and to give State regulators the flexibility they had after the 1978 tax cut to prescribe appropriate refund schedules for excess deferred taxes on a case-by-case basis.

I commend this bill to the attention of the Members.

Madam Speaker, I submit for inclusion in the RECORD the statistics showing the accumulated and excess deferred tax data for the Nation's major utilities.

ELECTRIC UTILITY INDUSTRY

Name of company	Accumulated deferred income taxes	Excess deferred taxes owed to ratepayers
Alabama Power Co	$916,471,442	$239,079,507
Allegheny Generating Co	42,218,800	11,013,600
Appalachian Power	198,725,919	51,841,544
Arizona Public Service Co	373,645,515	97,472,743
Arkansas Power & Light Co	518,791,760	135,336,981
Atlantic City Electric Co	174,351,302	45,482,948
Baltimore Gas & Electric Co	328,758,164	85,762,999
Bangor Hydro Electric Co	25,479,021	6,646,701
Black Hills Power & Light Co	25,481,277	6,647,290
Boston Edison Co	453,188,437	118,223,071
Carolina Power & Light Co	829,754,099	216,457,591
Central Hudson Gas & Electric Corp	42,321,600	11,040,417
Central Illinois Public Service Co	279,337,925	72,870,763
Central Illinois Light Company	214,143,340	55,863,480
Central Louisiana Electric Co., Inc	76,892,799	20,058,991
Central Maine Power Co	124,712,740	32,533,758
Central Power & light Co	324,768,104	84,722,114
Central Vermont Public Service	46,210,500	12,054,913
Cincinnati Gas & Electric Co The	173,308,890	45,211,015
Cleveland Electric Illuminary Co., The	347,254,582	90,588,152
Columbus & Southern Ohio Electric Co	136,525,102	35,615,244
Commonwealth Edison Co	2,034,252,650	530,674,604
Con Edison Co of New York Inc	623,429,000	162,633,652
Concord Electric Co	1,794,511	468,133
Connecticut Light & Power Co., The	241,378,482	62,968,300
Connecticut Yankee Atomic Power	37,285,556	9,726,667
Consumers Power Co	1,057,631,164	275,903,782
Dayton Power & Light Co., The	157,796,200	41,164,226
Delmarva Power & Light Co	193,472,128	50,470,990
Detroit Edison Co The	809,671,650	211,218,691
Duke Power Co	1,188,558,406	310,058,715
Duquesne Light Co	300,579,409	78,412,020
El Paso Electric Co	166,580,993	43,455,911
Empire District Electric Co	33,601,527	8,765,616
Florida Power Corporation	527,761,890	137,677,015
Florida Power Light Co	1,455,628,578	379,729,194
Georgia Power Co	1,162,814,032	303,342,791
Gulf Power Co	196,155,301	51,170,948
Gulf States Utilities Co	459,777,582	119,941,978
Hawaiian Electric Co., Inc	108,434,534	28,287,270
Holyoke Power & Electric Co	200,002	52,174
Holyoke Water Power Co	4,865,105	1,269,158
Houston Lighting & Power Co	759,031,937	198,008,331
Idaho Power Co	167,297,290	43,642,771
Illinois Power Co	359,767,141	93,852,298
Indiana & Michigan Electric Co	514,730,429	134,277,503
Indianapolis Power & Light Co	228,433,114	59,591,247
Interstate Power Co	32,540,175	8,488,741
Iowa Electric Light & Power Co	114,278,056	29,811,667
Iowa Illinois Gas & Electric Co	148,233,870	38,669,705
Iowa Public Service Co	112,393,248	29,319,978
Iowa Power & Light Co	84,113,904	21,942,758
Iowa Southern Utilities Co	38,755,368	10,110,096
Jersey Central Power & Light Co	306,986,762	80,083,503
Kansas City Power & Light Co	340,526,451	88,832,987
Kansas Gas & Electric Co	163,047,000	42,534,000
Kansas Power & Light Co	205,984,699	53,735,139
Kentucky Power Co	80,752,490	21,065,867
Kentucky Utilities Co	209,036,728	54,531,320
Lake Superior District Power Co	1,311,591	342,154
Long Island Lighting Co	621,374,046	162,097,577
Louisiana Power & Light Co	372,520,577	97,179,281
Louisville Gas & Electric Co	185,182,800	48,308,557
Madison Gas & Electric Co	4,703,113	1,226,899
Metropolitan Edison Co	99,125,002	25,858,696
Minnesota Power & light Co	173,897,190	45,364,484
Mississippi Power Co	151,541,557	39,532,580
Mississippi Power Light Co	290,503,802	75,783,601
Missouri Public Service Co	51,412,330	13,411,912
Monongahela Power Co	50,181,023	13,090,702
Montana Dakota Utilities Co	63,591,423	16,589,067
Montana Power Co., The	149,065,777	38,886,724
Nevada Power Co	34,446,104	8,985,940
New Orleans Public Service, Inc	87,068,000	22,713,391
New York State Electric & Gas Corp	213,511,662	55,698,694
Niagara Mohawk Power Corp	409,364,000	106,790,609
Northeast Nuclear Energy Co	4,898,105	1,277,767
Northern Indiana Public Service Co	535,209,819	139,619,953
Northern States Power Co. (Minnesota)	741,781,885	193,508,318
Northern States Power Co (Wisconsin)	16,594,098	4,328,895
Ohio Edison Co	247,414,720	64,542,970
Ohio Power Co	243,800,578	63,600,151
Oklahoma Gas & Electric Co	284,648,981	74,256,256
Orange & Rockland Utilities, Inc	59,199,403	15,443,323
Otter Tail Power Co	76,453,198	19,944,313
Pacific Gas & Electric Co	1,644,906,334	429,106,000
Pacific Power & Light Co	185,109,384	48,289,405
Pennsylvania Electric Co	140,553,550	36,666,143
Pennsylvania Power Co	47,567,105	12,408,810
Pennsylvania Power Light Co	664,258,844	173,284,916
Philadelphia Electric Co	783,307,543	204,341,098
Portland General Electric Co	276,201,901	72,052,670
Potomac Edison Co., The	89,034,809	23,226,472
Potomac Electric Power Co	404,609,607	105,550,332
Public Service Co of Colorado	180,312,547	47,038,056
Public Service Co of Indiana Inc	347,918,702	90,761,401
Public Service Co of New Hampshire	722,076	188,368
Public Service of New Mexico	143,717,998	37,491,652
Public Service Co of Oklahoma	249,506,892	65,088,754
Public Service Electric and Gas Co	980,928,707	255,894,445
Puget Sound Power and Light	185,389,693	48,362,529
Rochester Gas & Electric Corp	73,681,655	19,221,301
San Diego Gas & Electric Co	224,996,530	58,694,747
Savannah Electric & Power Co	47,314,525	12,342,920
Sierra Pacific Power Co	78,252,624	20,413,728
South Carolina Electric & Gas Co	334,230,143	87,190,472
South Carolina Generating Co	36,990,432	9,649,678
Southern California Edison Co	1,409,801,164	367,774,217
Southern Indiana Gas & Electric Co	82,578,475	21,542,211
Southwestern Electric Power Co	316,877,810	82,663,777
Southwestern Public Service Co	177,764,271	46,373,288
St. Joseph Light & Power Co	20,955,234	5,466,583
Tampa Electric Co	261,381,823	68,186,563
Texas Utilities	754,835,288	196,913,553
Toledo Edison Co., The	189,453,922	49,422,762
Tucson Electric Power Co	37,886,000	9,883,304
Union Electric Co	748,726,423	195,319,936
United Illuminating Co., The	66,634,241	17,382,845
Utah Power & Light Co	300,949,210	78,508,490
Virginia Electric & Power Co	733,678,630	191,394,425
Washington Water Power Co	41,626,720	10,859,144
West Penn Power Co	187,913,100	49,020,809
West Texas Utilities Co	100,738,957	26,279,728
Western Massachusetts Electric Co	114,040,547	29,749,708
Wisconsin Electric Power Co	31,097,551	8,112,405
Wisconsin Public Service Co	11,194,809	2,920,385
Wisconsin Power & Light Co	14,028,357	3,659,571
1986 total	38,170,393,597	9,957,493,982

Source: U.S. Federal Energy Regulatory Commission (FERC form 1). Compiled by the National Association of Regulatory Utility Commissioners.

NATURAL GAS PIPELINE COMPANIES

Company	Accumulated deferred income taxes	Excess deferred taxes owed to ratepayers
Algonquin Gas Transmission Co	$20,326,972	$5,302,688
ANR Pipeline Co	272,002,130	70,957,077
Columbia Gas Transmission Corp	464,391,402	121,145,583
Columbia Gulf Transmission Co	94,480,790	24,647,163
Consolidated Gas Transmission Corp	146,563,509	38,233,959
East Tennessee Natural Gas Co	6,305,000	1,644,783
Enserch Corp	77,919,106	20,326,723
Florida Gas Transmission Co	26,459,406	6,902,454
Great Lakes Gas Transmission Co	65,404,347	17,062,004
K–N Energy, Inc	47,639,705	12,427,749
Michigan Consolidated Gas Co	191,410,362	49,933,138
Midwestern Gas Transmission Co	9,115,736	2,378,018
Mississippi River Transmission Corp	39,465,000	10,295,217
Mountain Fuel Resources, Inc	37,127,605	9,685,462
National Fuel Gas Distribution Co	48,026,739	12,528,715
National Fuel Gas Supply Corp	11,288,946	2,944,942
Natural Gas Pipeline Co. of America	194,077,712	50,628,968
Northern Border Pipeline Co	204,178,083	53,263,848
Northern Natural Gas [ENRON]	354,572,257	92,497,111
Northern Alaskan Pipeline Co	12,279,716	3,203,404
Northwest Pipeline Corp	237,996,927	62,086,155
Overthrust Pipeline Co	9,708,942	2,532,767
Panhandle Eastern Pipe Line Co	149,902,919	39,105,109
Sea Robin Pipeline Co	20,736,365	5,409,487
Southern Energy Co	26,733,000	6,973,826
Southern Natural Gas Co	185,246,000	48,325,043
Stingray Pipeline Co	37,016,932	9,656,591
Tenneco, Inc	314,981,970	82,169,210
Texas Eastern Transmission Co	329,922,800	86,066,817
Texas Gas Transmission Corp	81,896,268	21,364,244
Trailblazer Pipeline Co	41,048,681	10,708,352
Transcontinental Gas Pipeline Corp	491,274,712	128,158,621
Transwestern Pipeline Co	53,345,861	13,916,312
Trunkline Gas Co	196,655,733	51,301,496
Trunkline LNG Co	113,743,060	29,672,103
Union Light Heat & Power Co	16,972,825	4,427,693
United Gas Pipe Line Co	168,001,840	43,826,567
U–T Offshore System	6,218,967	1,622,339
Williams Natural Gas Co	47,608,098	12,419,504
Williston Basin Interstate Pipeline	42,378,252	11,055,196
Wyoming Interstate Co., Ltd	24,835,721	6,478,884
Total, 1986	4,919,260,396	1,283,285,321

Compiled by the National Association of Regulatory Utility Commissioners.

TELECOMMUNICATIONS INDUSTRY

Company	Accumulated deferred income taxes			Excess deferred taxes owed to ratepayers
	Accelerated depreciation	Other	Total	
Alascom, Inc	$98,681,967	($806,169)	$97,875,798	$25,532,817
AT&T Communications	2,785,304,131	159,693,339	2,944,997,470	768,260,210
Bell Telephone Co. of Pennsylvania	976,011,489	42,230,762	1,018,242,251	265,628,413
C&P of Maryland	408,900,180	20,867,581	429,767,761	112,113,329
C&P of Virginia	441,472,396	14,468,053	455,940,449	118,940,987
C&P of West Virginia	157,365,741	8,251,559	165,617,300	43,204,513
Carolina Telephone and Telegraph	113,774,067	(5,995,815)	107,778,252	28,116,066
Central Telephone Company of Florida	44,908,846	4,832,830	49,741,676	11,043,989
Central Telephone Co. Chicago, Il	137,543,698	9,057,992	146,601,690	38,243,919
Central Telephone of Illinois	42,335,292	0	42,335,292	11,043,989
Central Telephone of Virginia	48,110,664	4,868,684	52,979,348	13,820,699
Chesapeake & Potomac Telephone Co	152,085,530	11,472,586	163,558,116	42,667,335
Cincinnati Bell Telephone Co	154,491,679	16,089,832	170,581,511	44,499,525
Contel of Texas	36,844,795	2,168,684	39,013,479	10,177,429
Continental Telephone Co. of California	38,278,645	(2,905,091)	35,373,554	9,227,884
Continental Telephone Co. of Virginia	68,180,932	0	68,180,932	17,786,330
Continental Telephone of Illinois	29,040,270	(869,064)	28,171,206	7,349,010
Continental Telephone of New York	39,097,810	(668,852)	38,428,958	10,024,946
Diamond State Telephone Co	68,862,531	3,208,564	72,070,095	18,800,894
General Telephone Co. of Florida	325,086,894	(326,749)	324,760,145	84,720,038

TELECOMMUNICATIONS INDUSTRY—Continued

Company	Accumulated deferred income taxes			Excess deferred taxes owed to ratepayers
	Accelerated depreciation	Other	Total	
General Telephone Co. of Indiana	126,387,039	2,178,614	128,565,653	33,538,866
General Telephone Co. of Ohio	117,358,267	2,497,758	119,856,025	31,266,789
General Telephone Co. of the Northwest	209,558,829	7,777,381	217,336,210	56,696,403
General Telephone Co. of the South	256,738,905	2,314,169	259,053,074	67,579,063
General Telephone Co. of the Southwest	396,475,263	3,481,566	399,956,829	104,336,564
General Telephone of California	679,385,654	(27,742,416)	651,643,238	169,993,888
General Telephone of Illinois	99,235,068	0	99,235,068	25,887,409
General Telephone of Michigan	99,571,427	2,699,404	102,270,831	26,679,347
General Telephone of Pennsylvania	82,367,074	2,999,785	85,366,859	22,269,615
General Telephone of the Midwest	44,027,952	269,720	44,297,672	11,555,914
Hawaiian Telephone	144,383,905	(3,183,475)	141,200,430	36,834,895
Illinois Bell Telephone Co	759,480,617	29,603,536	789,084,153	205,848,040
Indiana Bell Telephone Co	281,705,741	13,280,667	294,986,408	76,952,976
Lincoln Telephone and Telegraph	25,932,996	197,495	26,130,491	6,816,650
Michigan Bell Telephone Co	751,931,316	16,783,895	768,715,211	200,534,403
Mountain States Telephone Co	1,400,132,640	101,996,864	1,502,129,504	391,859,871
Nevada Bell	51,041,489	1,780,813	52,822,302	13,779,731
New England Telephone & Telegraph Co	1,090,060,061	55,106,770	1,145,166,831	298,739,173
New Jersey Bell Telephone Co	829,956,080	45,788,365	875,744,445	228,455,073
New York Telephone Co	2,111,303,162	139,557,711	2,250,860,873	587,181,097
Northwestern Bell Telephone Co	800,694,126	30,751,502	831,445,628	216,898,859
Ohio Bell Telephone Co	581,161,189	60,900,966	642,062,155	167,494,475
Pacific Bell	2,971,545,334	156,968,146	3,128,513,480	816,133,951
Pacific Northwest Bell Telephone Co	640,396,151	28,695,970	669,092,121	174,545,771
Rochester Telephone Corp	35,090,413	460,764	35,551,177	9,274,220
South Central Bell Telephone Co	1,644,638,151	47,499,446	1,692,137,597	441,427,199
Southern Bell Telephone & Telegraph Co	1,998,796,441	135,893,561	2,134,690,002	556,875,653
Southern New England Telephone Co	363,910,393	34,903,261	398,813,654	104,038,345
Southwestern Bell Telephone Co	2,828,651,896	161,085,126	2,989,737,022	779,931,397
United Inter-mountain Telephone Co	46,905,232	(1,671,456)	45,233,776	11,800,115
United Telephone of Florida	140,301,669	4,691,689	144,993,358	37,824,354
United Telephone of Indiana	20,367,897	745,924	21,113,821	5,507,953
United Telephone of Missouri	28,515,948	0	28,515,948	7,438,943
United Telephone of Ohio	77,651,244	12,016,264	89,667,508	23,391,524
United Telephone of Pennsylvania	52,455,486	644,433	53,099,919	13,852,153
Wisconsin Bell	309,071,964	5,768,931	314,840,895	82,132,407
Total (1986)	28,263,563,576	1,362,381,875	29,625,945,451	7,726,575,409

Source: U.S. Federal Communications Commission (FCC form M).
Compiled by the National Association of Regulatory Utility Commissioners.

DOE COMPROMISE ON SITING THE SUPERCONDUCTING SUPER COLLIDER

(Mr. BRUCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BRUCE. Madam Speaker, I am pleased to report that we have some good news regarding the process we will use to select a site for the world's largest research machine, the superconducting super collider.

During the hearings we held in the Science, Space, and Technology Committee on the SSC, the committee learned that many Members were concerned about making sure that each of the 45 States who have expressed interest in housing this project be given a fair amount of time to develop their proposals and that individual States not be given an unfair advantage by including in their proposals large financial incentives.

These concerns contradict the equally important goals we have of moving ahead promptly on building the SSC, and making sure that we hold Federal spending on this vital project down to a manageable level.

Fortunately, yesterday the Department of Energy announced that they had reached a compromise on these issues which will, I hope, enable us to move ahead and authorize the siting and building of the SSC.

First, the DOE has announced that it has agreed to extend the date for submitting proposals to September 2, 1987. This should allow all of the interested States, including those who may have gotten off to a slow start in deciding to pursue the project, enough time to submit their best possible proposal. At the same time it will allow us to move ahead with the project promptly. And I need to emphasize, Mr. Speaker, that we must move forward if we are to retain our Nation's leadership in the field of high energy physics which is being challenged by the Russians, Japanese, and Europeans, all of whom are also working on their own superconducting super colliders.

More importantly, the Department of Energy has dealt with the difficult problem of how to treat State financial incentives. While all of us who are working on restraining Federal spending welcome the idea of individual States contributing to a major Federal project like the SSC, we also agree that the site for the SSC should be made predominantly based on the technical, not financial, merits of each State's proposal.

The DOE compromise allows States to submit sealed financial incentives, but these incentive packages will not be opened until after the State which will house the SSC has been selected. As a result, States will now be able to make voluntary contributions to this project, and at the same time rich States will not have an unfair advantage over smaller States.

Madam Speaker, with this compromise I sincerely hope that all of us interested in the basic scientific and long-term economic advantages which the SSC will generate will now be able to join together and support the prompt authorization of this vital project.

DEPARTMENT OF ENERGY,
Washington, DC, July 14, 1987.

To: Prospective Proposers.

Subject: Amendment Number 2 to the Invitation for Site Proposals for the Superconducting Super Collider (SSC).

This letter transmits Amendment Number 2 to the Invitation for Site Proposals for the SSC. This Amendment is being made to conform with recent legislation that prohibits the Department from considering financial or other incentives in the selection of a site for the SSC. The specific provisions of the amendment are shown in the attachment. Basically the changes delete sections of the Invitation which encourage proposers to offer financial incentives and states that such incentives will not be considered in the evaluation of proposals. A discussion on the Senate floor during consideration of this legislation clarified that DOE was not prohibited from considering a proposer's proposal for infrastructure improvements such as, but not limited to, land acquisition and rights of way, access roads, sewer systems, water transportation lines and power transmission lines. Thus, the Department may consider proposals for the use of the proposer's resources to improve the suitability of the proposed site.

In addition, the amendment allows a proposer who may wish to make a voluntary financial contribution to the project to include such a proposal in a separate, sealed envelope which would be opened only if that proposal is the selected site. All envelopes which may be submitted by unsuccessful proposers would be returned unopened.

To allow proposers to incorporate in their proposal packages any changes made necessary or desirable by this amendment, the Department is extending the deadline for receipt of proposals to September 2, 1987, 2 p.m. Written questions relating to this amendment will be accepted and answered if received by DOE up to 10 days following the date of this amendment.

Thank you for your continued interest in this important project.

Sincerely,

L. Edward Temple, Jr.,
Executive Director,
SSC Site Task Force.

Department of Energy,
Washington, DC, July 14, 1987.

To: Prospective Proposers.

Subject: Amendment Number 2 to the Invitation for Site Proposals for the Superconducting Super Collider (SSC).

Pursuant to a provision in Title I, Chapter III, of Public Law 100-71, an Act making supplemental appropriations for Fiscal Year ending September 30, 1987, and for other purposes, the subject Invitation is amended as follows:

1. Delete Section 2.2.2.2, The Offer of Financial and Other Incentives.

2. Create a new Section 2.2.2.5 entitled "Voluntary Offer of Financial Incentives." The text of this section will read as follows:

Financial incentives may be offered, at the option of the proposer, to defray the cost construction and operation of the SSC. These financial incentives will not be considered in the evaluation of proposals for site selection. Accordingly, any information on financial incentives offered to defray the cost of construction and operation of the SSC should be stated on a single copy and submitted in a sealed envelope and clearly marked as "Volume 2, Section 2.2.2.5 Voluntary Offer of Financial Incentives." This information will be safeguarded until after the final site selection is made, and then only the Voluntary Offer of Financial Incentives of the successful proposer will be opened and publicly announced. All other Voluntary Offers of Financial Incentives will be returned unopened to the unsuccessful offerors.

3. Delete the second sentence in Section 2.2.3.6.1.4 which states "Indicate any preferential rate concessions for the SSC and their duration."

4. Delete the third sentence of the second paragraph in Section 3.5 Cost Considerations, which states "Substantial savings could be achieved through preferential treatment, such as reductions in utility rates, use and other taxes, and road maintenance costs."

5. Delete the second sentence in the third paragraph in Section 3.5 Cost Consideration, which states "Any financial or in-kind contributions offered by the proposer, other than the cost of the land, will be considered, as appropriate, in the LCC estimate."

6. Add a new paragraph in Section 3.5 Cost Consideration, as follows:

Any financial or other incentives offered by the proposer will not be considered in the evaluation of proposals. However, proposers may choose to include financial incentives in their proposals. Such financial incentives shall be described in Volume 2, Section 2.2.2.5 of proposals.

7. Because of the effect of this change, the date specified in Section 2.2.14 for receipt of proposals is extended to September 2, 1987, at 2 p.m.

8. Pursuant to Section 2.3.7, written questions relating only to this amendment will be accepted and answered if received up to 10 days following the date of this amendment.

This amendment does not restrict or preclude a proposer from including in its proposal the use of its own resources to improve the suitability of any proposed site. Plans and proposals for such improvements should be outlined in Volumes 3 through 8—Supporting Information, so that they may be evaluated against the appropriate technical evaluation criteria.

All other requirements of the Invitation remain unchanged.

L. Edward Temple, Jr.,
Executive Director,
SSC Site Task Force.

MORRO BAY MUSEUM OF NATURAL HISTORY CELEBRATES ITS 25TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. Panetta] is recognized for 5 minutes.

Mr. PANETTA. Madam Speaker, I am pleased to report to my colleagues that the Morro Bay Museum of Natural History in Morro Bay, CA, is celebrating its 25th anniversary this year. The museum, since opening in October 1962, has grown into a major institution which has informed and entertained many thousands of tourists and California residents.

The museum staff has prepared an interesting history of the institution, and I would like to include it in the Record for my colleagues to peruse. I think they will find it very informative.

I am sure my colleagues also want to join me in congratulating the museum on its past successes and encouraging it to continue to play a vital role in the education of both tourists and central coast residents. Those who live on the central coast are proud and fortunate to have an institution of this quality.

Morro Bay Museum—25 Years

The Natural History Association is proud to sponsor this 25th anniversary. The museum has grown and changed over the years, but we still have the same commitment to appreciation and understanding of our special environment.

We are grateful for the foresight which the State of California and the founders of the museum had in recognizing the valuable importance and the unique beauty of the Morro Bay area. The Natural History Association formed an alliance with the State Parks in 1976 to further enhance the protection and interpretation of our local State Parks which attract more than a million visitors a year.

The museum is more than a physical space. It provides a place for an active and committed group of docents to offer many thousands of hours of interpretation, training, taxidermy, collections, audio visual presentations, research, puppet shows and many other support services. We would like to thank the many people who have agreed with our vision by generously donating money and time to our organization.

The Natural History Association is proud and honored to undertake the next 25 years in partnership with the California State Parks and the many dedicated individuals who are committed to the museum and the preservation of our beautiful surrounding.

The Morro Bay Museum of Natural History was first opened to the public on October 21, 1962. Over five hundred people attended the dedication ceremony which began at 1:30 p.m. During the first two years of operation, the museum served a total of 70,851 visitors.

A building of cement and glass is an inanimate thing. It only comes alive when people flood its halls. What follows is the story of the ways that the Natural History Association of San Luis Obispo Coast (NHA) brought life to the museum.

In 1975, all state parks were being encouraged by the director, William Penn Mott, to form cooperative associations. The objectives of the associations were stated as, "To sponsor, publish, purchase and distribute or sell appropriate maps, literature, illustrative materials and other items which increase the visitors' understanding and appreciation of the State Park System's values and purposes, complementing the functions of any concessions or nearby private businesses, but not conflicting with them."

During the first years, the Docent Council provided volunteers to take full charge of the information and sales counter and enable the museum to be open seven days a week. Docents led an average of three nature walks each weekend, conducted a Junior Naturalist program in the summer and staged Docent Days, which became an annual event.

A film festival was staged in the summer of 1976 and from this donations were received that enabled the NHA to purchase two films, "At the Crossroads" and "The Saga of the Sea Otter", both of which are still being shown.

The NHA and the Docent Council services were approaching maturity. With new optimism, the NHA board increased the membership fee from one to three dollars and with faith in the future offered life memberships.

The year 1979 was a time of growth. Interpretive equipment purchased by the NHA included movie projector amplifier, electric typewriter, stereo cassette tape recorder, screen for the Pismo Beach campfire center and "The Predator" movie. The annual docent report to the Department of Parks and Recreation reported 76 active docents with 40 more in training, 1160 persons served in special events such as the Film Festival and Docent Days, and 52,000 persons served in regularly scheduled activities.

It was during the year 1980 that the NHA board conceived a plan to construct an exhibit featuring the peregrine falcons of Morro Rock. The Morro Rock nesting site has a place in history because it was there that the first attempt was made by ornithologists to manipulate the nesting activity of the falcons to improve the chances that fledgelings be produced. Year after year the DDT in the body of the female parent had caused her to lay thin-shelled eggs. Ornithologists from the Predatory Bird Research Group in Santa Cruz remove the defective eggs and incubate them in their laboratory. As the eggs are removed, dummy eggs are placed in the "scrape" to keep the nesting instincts active.

(Note: Falcons do not build a real nest. They lay their eggs in a concavity, scraped clean on a cliff.) When the eggs hatch in the lab, the young chicks are returned to the scrape where they are accepted and cared for by the parents. In order to interpret this exciting program to insure the survival of an endangered species, a museum exhibit was needed. Cal Poly art professor Robert Reynolds contributed a remarkable painting of the Morro Rock falcons. Limited edition prints were made and these were sold to pay the costs of constructing the falcon museum exhibit. This would become the first major exhibit added to the museum since it opened in 1962.

After much planning and negotiating, the NHA contracted with Dean Weldon, who had made several diorama displays for the Santa Barbara Museum of Natural History, to do the work during the early part of 1982. Robert Reynolds painted the background mural, a view of the estuary from the top of Morro Rock. The exhibit was displayed for the first time on August 7, 1982, and many invited dignitaries and NHA members attended. It is a remarkable work. The nest site is so well done that several visitors accused the State Park Department of violating its own principles by removing boulders from the top of the rock. It was necessary on several occasions to prove that the exhibit was made of plaster.

The falcon exhibit is a reminder that a critically endangered species can be saved. Once the predator and collector, man has become the protector.

Another major feature was added to the museum in 1984. Two Cal Poly art students volunteered to paint a mural on the west wall of the auditorium. The mural depicts a female gray whale and her calf, almost life size, covering the entire wall.

The Discovery Center cannot be reported in chronological order because, though started in 1981, it continues to evolve. The rotating exhibits feature the local flora and fauna, such as native plants, raptors, whales, mammals, sea otters, Indian artifacts, minerals, etc. Originally planned for blind visitors, with descriptive cards written in Braille, the Discovery Center has become a place of fascination for all visitors, especially children who are delighted to be able to touch the specimens.

Part of the appeal of the Discovery Center has been a result of the work of taxidermy docents who are constantly adding to the collection of study skins and live mounts of most of the animals common to this area.

Puppetry is another program that started slowly and is still evolving. It involves writers, puppet theater builders, puppet makers and backstage voices. Shows have been given on a monthly basis and by special request of visiting elementary school classes.

The expansion of the interpretive services might be illustrated in the changes that have taken place in the NHA newsletter. In 1977, a quarterly newsletter could cover about all the significant news on a page and a half. The next year it became a monthly publication of three pages, going to about 300 members. It was hand-folded and stapled, addressed in longhand. By 1987 the newsletter was being mailed to nearly 1000 NHA members and was machine-folded and computer addressed.

It may very well be that, in the long view, the most important function of the museum and the Docent Council has been in programs for school children. In most cases, school field trips have provided new experience that good teachers can use as motivation in their science studies. Variations in attendance have come primarily from the availability of school buses as school district budgets changed. Most of the school classes came from school districts in San Luis Obispo County, but many came from the San Joaquin Valley. Camp KEEP (Kern Environmental Education Project), run by the Kern County Schools, brought children to the Museum twice a week through most of the school year. Many of the Camp KEEP trail guides received their first experience as a part of the docent program and training. From January to June 1987, 3,480 school children had participated in Docent-led walks and museum programs.

Some nature programs have been taken directly to the elementary schools. The California Coastal Wetlands Van, on loan from the Department of Parks and Recreation, was taken to every public school in San Luis Obispo County during 1984 and 1985 by NHA docents. (Note: Because of the Docent Council's experience in conducting nature walks for children in the wetlands, docents were asked to participate in the planning of the van's displays and to provide the teachers' workbooks and slide/tape program that accompanied the van to the schools.)

This service was highly complimented by both administrators and teachers. Occasionally, individual docents have been invited by teachers to make presentations in the classrooms. The programs have been well received, but these programs cannot be offered to all because, in spite of the good receptions, there are not enough docents to serve all the schools in the district. Bringing interpretive programs to the individual schools, using the increased collection of specimens, may become a goal in the future.

The most ambitious project undertaken by the NHA was the remodeling of the museum basement.

One of the board members commented, "We hated to work in that old basement—a musty place, storage space overflowing, a maze of plumbing hanging from the ceiling, a crusty sink for curatorial work, a transformer that sounded like a passing train."

On the other hand, a docent said, "Children were fascinated with that windowless cavern with drawers full of dead birds (study skins). They thought it was spooky."

The project began with committees making their dream plans in 1983. Then a local architect volunteered to convert the dreams into a practical plan. At each step the plans needed the approval of the area manager and his superiors in Sacramento. And the estimated price kept rising. There were some who lost their optimism and expected the project to die at mid-point.

It was well known that White's Point was a site that had been used by the Chumash Indians. Before excavation could be made beneath the building, it was necessary for an archaeologist to make an assessment. Bits of shell were found, but no significant artifacts. With that assurance, a CCC crew dug out a passageway under the building, shored up the bank, and poured a concrete floor.

The architect volunteered to plan the remodeling, a contractor did the work and a CCC crew painted everything. Docents built counters, desks, drawers and shelves. Early in 1987, the project was completed—over three years after it had been started.

What was once called "the basement" had become a classroom with audio-visual capabilities, a workroom and place for committee meetings, a natural history library and a curators' laboratory in a room with view.

The final cost of the remodeling was in the neighborhood of $70,000. Money had come from oil company grants totaling $28,500, sales of firewood, interpretive books and other articles.

For the Natural History Association of the San Luis Obispo Coast that was incorporated in 1977 with a debt of $1,200, remodeling the basement was a remarkable accomplishment. But that was not the greatest accomplishment. It is dimmed beside the tens of thousands of hours volunteers have given to relate, person to person, an appreciation of the wonders of nature.

During 1986, docents contributed 20,219 hours, served 8,848 children in school tours, 71,473 visitors at the Discovery Center, 4,587 persons on guided walks, and 24,175 visitors by showing films.

During the past 25 years, attendance at the museum has more than doubled. Interpretive services provided by the Natural History Association through its Docent Council have been multiplied by more than ten times.

We wonder what is in store for the Museum of Natural History as the State Department of Parks and Recreation prepares and embarks upon its new twenty year General Plan.

The first 25 years have been exciting, and so will be the future.

IF YOU WOULD HAVE TO HAVE A PROSTATECTOMY, WOULD YOU RATHER PAY $808 OR $2,300

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Madam Speaker, no one wants to have a prostatectomy, but if you need it, it is unquestionably one of the miracles of modern medicine.

The question is, how much should you—or Medicare—pay for it?

Members of Congress are being swamped with letters from urologists—the physicians who do transurethral resection of the prostate [TURP's]—from all across the Nation protesting a decision by the Ways and Means Health Subcommittee to reduce the amount Medicare pays for this procedure by 15 percent.

The subcommittee did not pick this procedure out of a hat! TURP's, and six other surgical procedures, were determined to be overpriced based on findings of the Physician Payment Review Commission—a panel of experts and physicians set up to advise the Congress on Medicare payment issues.

What is fascinating is that the letterwriting campaign of the urologists makes the case for the subcommittee's decision! In many of the letters, the physician lists the price he charges for a TURP.

In the letters I've examined over the last week, the charges vary from $808 in Marion, VA, to $2,300 in Van Nuys, CA. Clearly, some physicians are charging much too much—and others may have fees that are too low. The regional variation and the variations within the States is crazy. It points to the need for a major, national overhaul of physician services—a project that the Health Subcommittee is participating in through the Harvard Relative Value Study and other research.

Here are the charges listed in the letters my office has received:

California: San Francisco, $1,800; Newport Beach, $2,200; Laguna Hills, $2,000; Santa Barbara, $1,800; $2,200; San Diego, $2,100;

Bellflower, $1,840; Santa Paula, $1,800; Van Nuys, $2,300.

Central States: Minneapolis, MN, $950; Little Rock, AR, $1,318; Schaumberg, IL, $1,550; North Kansas City, MO, $1,114.50.

Eastern States: Columbus, OH, $1,700; Athens, OH, $1,350; Louisville, KY, $1,118.80; Bronx, NY, $1,200; Ogdensburg, NY, $1,480; Rockville Center, NY, $2,250; Roselle, NJ, $1,900; Grove City, PA, $1,320; Alexandria, VA, $1,500; Marion, VA, $808.

Should you feel that changing the above charges by reducing them 15 percent would be unfair, it is important to note that Medicare allows an average of $1,054 per procedure or about $880 per hour of surgical time. In contrast, Medicare only pays $50 to $100 for an office visit.

If the physician from Marion, VA, concerns you, there are provisions which should protect him. The subcommittee's amendment cuts the prevailing charge limit, which is the maximum amount paid by Medicare in an area. Physicians whose charge is below the prevailing limit would be affected to a lesser degree, if at all. An average payment would be reduced only by 8 percent.

As the subcommittee which tries to get the best buy for the buck for Medicare, I will be happy to provide people in the Los Angeles area with the name of the Santa Barbara physician who charges "only $1,800" so they don't need to use those who charge $2,200 or $2,300. I am sure that patients—and Medicare—can use the extra $400 or $500!

Madam Speaker, the urologists make the case. These fees can and should be reduced.

REPORT FROM THE CONSTITUTIONAL CONVENTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GEKAS] is recognized for 5 minutes.

Mr. GEKAS. Madam Speaker, I am reporting to you from the floor of the convention being held in Philadelphia. It is July 15, 1787, and the delegates convened here had recessed for today, but there is still plenty of activity going on.

Ben Franklin, who seems to be overtired these days, nevertheless is holding a little conference on the side of the main desk of the convention.

Although they have taken the day off because they have been tired after the heavy debate of the last week, I must tell you that from everything I have indicated, they are poised for a great day tomorrow. They believe that tomorrow will be a very significant debate and vote on how and what shape the legislative branch of the new government that they intend to create will take.

I talked to some people outside who are ordinary citizens of Philadelphia passing to and fro. Some of them have asked me, "What has happened? Where are our heroes of the Revolution? Where is Thomas Jefferson? Why isn't he here? Where is John Adams? They were here when we needed them in 1776. Why are they not here deliberating?"

And of course, I answered, having learned that Thomas Jefferson was and is in Paris representing the United States as Ambassador of the Colonies, the newly formed Colonies to that country. John Adams, the great patriot in 1776, is Ambassador to England and is presently residing there, but both are having an impact on these delegates here in Philadelphia, because Jefferson is writing and corresponding regularly with many of the delegates, outlining his positions on the various facets of the creation of the new government, and John Adams has published a book on government on which the delegates are relying from time to time for ideas on the three branches of government that they envision; so it is still a busy day, even though they are in recess.

George Washingotn has told me that he has written a letter to Alexander Hamilton in New York asking him, pleading with him, to come back to the convention.

As you know by now, Alexander Hamilton has abandoned the convention, and what is worse, his two fellow delegates, Yates and Lansing, left a little bit later, now leaving New York State without any kind of representation at all. That is unfortunate, especially with the pending debate and motion coming up tomorrow, July 16, that we hope for a good outcome.

This is your Congressman, GEORGE GEKAS, reporting from the floor of the convention 200 years ago today from the hot summer in Philadelphia.

INTRODUCTION OF H.R. 2942, TAX-EXEMPT ORGANIZATIONS' LOBBYING AND POLITICAL ACTIVITIES ACCOUNTABILITY ACT OF 1987

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. PICKLE] is recognized for 5 minutes.

Mr. PICKLE. Madam Speaker, today I have introduced the "Tax-Exempt Organizations' Lobbying and Political Activities Accountability Act of 1987," H.R. 2942. Joining with me as chairman of the Subcommittee on Oversight is my colleague, subcommittee ranking minority member, Congressman DICK SCHULZE.

This bill has evolved from a recent investigation and review of the Federal tax rules applicable to the lobbying and political activities of tax-exempt organizations that was conducted by the Committee on Ways and Means' Oversight Subcommittee. Two days of public hearings were held on March 12 and 13, 1987. Recent events, including questions raised by the activities of Carl (Spitz) Channell's tax-exempt organization, the National Endowment for the Preservation of Liberty, reinforced the need for congressional review of the extent to which tax-exempt organizations are engaging in lobbying and political activities. Following these hearings and after careful analysis of the current law prohibition against political activities and restrictions on lobbying activities, the subcommittee, on a bipartisan basis, issued a report entitled "Report and Recommendations on Lobbying and Political Activities by Tax-Exempt Organizations"—June 8, 1987. The bill we are introducing today embodies the Oversight Subcommittee's recommendations and concerns.

As a result of the subcommittee's investigation, we found that while the issues and concerns about the lobbying and political activities of tax-exempt organizations are much the same today as in the past, they are intensifying and can be expected to further intensify in the future. Even though many tax-exempt organizations comply with the current restrictions, the opportunities for some exempt organizations to circumvent or violate the law are too numerous and the stakes far too high. The alarming use of tax-exempt organizations to further the political ambitions of a particular candidate demonstrates the need for clarification of current law and additional restrictions on this type of activity. Furthermore, the penalty that generally exists for violation of these overall rules by a tax-exempt organization; that is, revocation of an organization's tax-exempt status, is often inappropriate and ineffective and can have little deterrent effect. For those organizations deeply concerned about being in complete compliance of the law, the lack of clear guidelines coupled with the threat of the revocation sanction may inhibit many organizations from even engaging in permissible activities.

The subcommittee also found that public disclosure of information and accountability by exempt organizations regarding lobbying and political activities, as well as that regarding the tax-deductibility of contributions, is often deficient, misleading or even completely absent. The annual information return—form 990—filed by exempt organizations with the Internal Revenue Service, which is available to the public, does not appear to be very useful. The form 990 does not solicit the type of information on lobbying and political activities, particularly concerning the use of affiliated or multiple organizations, that would provide IRS with a valuable audit tool. Further, as a public document, the form 990 does not provide timely clarification about what the organization is doing, from where its funding comes, or where it goes.

Based on our findings and the testimony of numerous witnesses, the sub-

committee adopted a series of recommendations that stress increased reporting and disclosure, including disclosure of eligibility to receive tax-deductible charitable contributions; clarification of what constitutes a political expenditure; imposition of excise taxes for political activities and excessive lobbying; restrictions of the use of exempt organizations to benefit single political candidates; and, injunctive relief for flagrantly engaging in political activities. These are modest but needed improvements that should cause little burden on the tax-exempt organizations.

A summary of the major provisions of the bill is set forth below.

SUMMARY OF MAJOR PROVISIONS OF "TAX-EXEMPT ORGANIZATIONS' LOBBYING AND POLITICAL ACTIVITIES ACCOUNTABILITY ACT OF 1987"

I. DISCLOSURE REQUIREMENTS

Present law

Disclosure of Contribution Nondeductibility.—Under current law, contributions to tax-exempt organizations generally are allowed as charitable deductions for Federal income tax purposes only for contributions to organizations organized and operated for charitable, educational, religious, etc. purposes; contributions by individuals to fraternal organizations where such contributions are used exclusively for religious, charitable, scientific, etc. purposes; and contributions to certain veterans' organizations. There is no requirement that a tax-exempt organization which solicits contributions must state whether or not such donations are deductible as charitable contributions.

Disclosure of Exemption Applications and Annual Returns.—Present law provides that an organization's application for recognition of exemption and the annual information returns (except for donor lists) are disclosable to the public by the Internal Revenue Service. In addition, private foundations (but not public charities) are required to make their annual returns available for public inspection at their offices.

Explanation of provisions

Disclosure of Contribution Nondeductibility.—Each fundraising solicitation by or on behalf of an exempt organization (with annual gross receipts of more than $100,000) which is not eligible to receive tax-deductible charitable contributions would have to contain an express statement that contributions to the organization are not deductible as charitable contributions for Federal income tax purposes.

Failure to provide such a statement (unless due to reasonable cause), as part of a solicitation occurring on a particular day, would subject the organization to a penalty of $1,000 for that day. The maximum penalty that could be imposed for all such violations during a year would be $10,000. If the failure is due to intentional disregard disclosure of the requirement, the penalty would be the greater of $1,000 or 50% of the cost of the solicitation which contained the failure.

Disclosure of Exemption Applications and Annual Returns—A public charity would be required to make available for public inspection at its offices a copy of its annual information return (for a 3-year period) filed with the Internal Revenue Service. Donor lists would not be disclosable. (Private foundations would remain subject to the public inspection requirements under present law.) All charitable organizations also would be required to make available for public inspection at their offices a copy of the application for recognition of exemption filed with the Internal Revenue Service. Penalties of $10 a day would apply for failure to make available for public inspection the organization's annual return (up to a maximum of $5,000) and its application for exemption.

Additional Information Required on Returns—Additional information would be required on the annual returns of charitable organizations with respect to direct or indirect transactions and relationships with other tax-exempt organizations (except with other charitable organizations) or section 527 political organizations. This requirement would be intended to obtain information needed to prevent a diversion of funds from the organization's exempt purpose or misallocation of revenues or expenses and to develop similar necessary information.

Failure to include any of the required information on the annual return or to show the correct information (unless due to reasonable cause) would subject the organization to a penalty of $10 a day, not to exceed the lesser of $5000 or 5% of the gross receipts for the year. A subsequent failure to comply with an IRS demand for compliance with the filing requirements would subject the responsible persons to a penalty of $10 a day, up to $5,000.

Effective dates

For fundraising solicitations, solicitations made after December 31, 1987.

For public inspection of annual returns, returns for years beginning after December 31, 1986.

For public inspection of applications of exemption, generally date of enactment.

For failure to provide information required on a return, returns for years beginning after December 31, 1986.

II. POLITICAL ACTIVITIES

Present law

An organization cannot qualify for exemption as a charitable organization, or to receive tax-deductible contributions, unless "no substantial part of [its] activities * * * is carrying on propaganda, or otherwise attempting to influence legislation, and * * * [the organization] does not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office."

In general, more than an insubstantial amount of lobbying or any political activity results in revocation of an organization's tax-exempt status. Private foundations are subject, in addition, to a series of excise taxes on prohibited expenditures.

Explanation of provisions

Clarification of Current Definition of Political Activity.—The current law definition of prohibited political activity would be clarified by expressly stating that political activity includes intervening in a political campaign in opposition to any candidate.

Imposition of Excise Tax for Political Activity.—A new excise tax, patterned after the two-tier excise tax on private foundation taxable expenditures, would be imposed on both a charitable organization and its responsible managers for engaging in political activity. A tax equal to 10 percent of the amount of the political expenditure would be imposed on the organization, and a tax (up to $5,000) equal to 2½ percent of the amount would be imposed on any organization manager who agreed to the making of the expenditure, unless agreement was not willful and was due to reasonable cause. If the violation is not corrected, additional excise taxes of 100 percent and 50 percent (up to $10,000) of the expenditures would be imposed on the organization and the responsible managers.

Certain Political Expenditures Defined.—If a charitable organization is formed or used substantially for the purpose of promoting the candidacy (or potential candidacy) of an individual for public office, the payment of any of the following to or on behalf of that individual would be considered a political expenditure: speeches and other services; travel expenses; expenses of conducting polls, surveys or other studies, or preparing papers or other materials; advertising, publicity and fundraising expenses; and any other expense which has the primary effect of promoting public recognition of, or otherwise accruing to the benefit of, such individual.

Injunctive Relief for Flagrant Engagement in Political Activities.—In the case where charities flagrantly engage in political activities, injunctive relief would be authorized in certain limited circumstances. This action could only be brought if IRS has notified the organization to cease, and the Commissioner has personally determined that such organization has flagrantly engaged in activities and that injunctive relief is appropriate to prevent future political expenditures. If the court so determines upon clear and convincing evidence, the court may enjoin the organization from making political expenditures and may grant other relief to ensure that the organization's assets are preserved for charitable purposes.

The IRS would be given the authority to make termination assessments in the case of flagrant political activities of a charitable organization, revoke the tax-exempt status, and immediately assess and collect any taxes due.

Excise Tax Where Exemption Revoked.—If an organization has had its exempt status revoked due to prohibited lobbying, an excise tax (5 percent of the amount of the expenditure) would be imposed on both the charitable organization and its responsible managers, unless such agreement is not willful and is due to reasonable cause. This provision does not apply to charitable organizations which have made the election under section 501(h) with respect to certain permitted lobbying expenditures.

Effective date

Provisions would take effect on date of enactment.

□ 1800

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. HOWARD] is recognized for 5 minutes.

Mr. HOWARD. Madam Speaker, on rollcall votes 270, 271, 273, and 274 I was unable to be present due to personal business elsewhere. Had I been present I would have voted "yea" on rollcall vote 270, "yea" on rollcall vote 271, "yea" on rollcall vote 273, and "no" on rollcall vote 274.

MR. DANNEMEYER'S SPECIAL ORDER ON AIDS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized for 5 minutes.

Mrs. SCHROEDER. Madam Speaker, 2 days ago I received a letter from our colleague, WILLIAM E. DANNEMEYER, stating that he was planning to give a special order today on the issue of AIDS. Mr. DANNEMEYER said:

The special order will cover a variety of issues including the fact that one of the bills which I have introduced on this subject and which has been referred to your subcommittee has never been scheduled for hearings despite my March 16 written request to that effect.

I was surprised to receive this slightly threatening letter. In the first place, the letter I received from Mr. DANNEMEYER asking for hearings on H.R. 345 and H.R. 388 was dated February 25, not March 16. It was addressed to Patrician Schroeder. If Mr. DANNEMEYER is aware of aristocracy in my background, it would certainly come as a surprise to me.

I wrote back to Mr. DANNEMEYER on March 2. First, I pointed out that H.R. 388 did not fall within the jurisdiction of the Subcommittee on Civil Service, which I chair.

Next, I said, "Before scheduling hearings on (H.R. 345), I need to understand better what the bill does. Section 1(a)(1) says that a civil servant or a member of the Armed Forces who knows he or she has AIDS commits a crime if he or she knowingly transfers bodily fluids to another individual. Do State murder laws cover such a situation? If so, why is this additional law necessary? If not, why are we expanding Federal criminal law to cover employees of the United States but not others? Is the act of knowingly transmitting a fatal disease worse if it is committed by a Government employee? If so, would you support passage of special stricter criminal laws for Government employees who drive under the influence of alcohol or who cheat on their taxes?" I went on to say, "Section 1(a)(2) creates a crime for any AIDS victim to knowingly transmit bodily fluids to another individual in a Federal facility. Would this section prevent the National Institute of Health and the Center for Disease Control from collecting blood and semen samples from persons with AIDS? Obviously, you do not intend such a result; nevertheless, the fact that such a reading is possible suggests to me that the bill is not ready for legislative consideration at this time." I never received a response from Mr. DANNEMEYER to this letter. Frankly, I thought that my letter had convinced him that there were serious conceptual and drafting problems with his legislation. I thought that Mr. DANNEMEYER would redraft and reintroduce his legislation.

So, I was quite surprised to receive Mr. DANNEMEYER'S letter on Monday. I do not know what he wants from the Subcommittee on Civil Service. Does he want us to hold hearings on a bill which will be the subject of ridicule?

HOUSE OF REPRESENTATIVES,
Washington, DC, July 13, 1987.
Hon. PATRICIA SCHROEDER,
Chairwoman, Subcommittee on Civil Service, Washington, DC.

DEAR PATRICIA: I am writing to inform you that I plan to give a Special Order following the completion of business on July 15 on the issue of AIDS. The Special Order will cover a variety of issues including the fact that one of the bills which I have introduced on this subject and which has been referred to your Subcommittee has never been scheduled for hearings despite my March 16 written request to that effect.

The issue of AIDS and the dimension and direction of this national epidemic deserve Congressional attention. I urge you to reconsider your decision to deny these bills a hearing and invite you to participate in this Special Order. I look forward to your response.

Sincerely,
WILLIAM E. DANNEMEYER,
Member of Congress.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE, SUBCOMMITTEE ON CIVIL SERVICE,
Washington, DC, March 2, 1987.

Hon. WILLIAM E. DANNEMEYER,
Washington, DC.

DEAR BILL: Thank you for your recent letter concerning H.R. 345 and H.R. 388, legislation you introduced relating to acquired immune deficiency syndrome (AIDS). H.R. 388, imposing criminal penalties on AIDS victims who donate blood, semen, or organs, does not fall within the jurisdiction of the Subcommittee on Civil Service.

H.R. 345, on the other hand, has been referred to the Subcommittee on Civil Service, among others. Before scheduling hearings on this legislation, I need to understand better what the bill does. Section 1(a)(1) says that a civil servant or a member of the Armed Forces who knows he or she has AIDS commits a crime if he or she knowingly transfers bodily fluids to another individual. Do state murder laws cover such a situation? If so, why is this additional law necessary? If not, why are we expanding Federal criminal law to cover employees of the United States but not others? Is the act of knowingly transmitting a fatal disease worse if it is committed by a government employee? If so, would you support passage of special stricter criminal laws for government employees who drive under the influence of alcohol or who cheat on their taxes?

Section 1(a)(2) creates a crime for any AIDS victim to knowingly transmit bodily fluids to another individual in a Federal facility. Would this section prevent the National Institute of Health and the Center for Disease Control from collecting blood and semen samples from persons with AIDS? Obviously, you do not intend such a result; nevertheless, the fact that such a reading is possible suggests to me that the bill is not ready for legislative consideration at this time.

I share your concern about the spread of AIDS. That's why I have supported adequate funding for research and treatment.

Sincerely yours,
PATRICIA SCHROEDER,
Chairwoman.

HOUSE OF REPRESENTATIVES,
Washington, DC, February 25, 1987.
Hon. PATRICIA SCHROEDER,
Chairman, Subcommittee on Civil Service, Washington, DC.

DEAR PAT: I am writing to request that you hold hearings as soon as possible on two of my bills which have been referred to your subcommittee and deal with the issue of AIDS.

The first bill, H.R. 345 will make it a crime for federal employees, members of the armed services and those in federal buildings who know they have AIDS, or who know they carry the virus, to purposefully engage in activities considered high risk for purposes of transmission of the virus. The penalty for engaging in this prohibited conduct will be enforced isolation for a period of five years under the supervision of a public health officer, or until a cure is found. There is little doubt that the civil rights cry of a select few has, in the case of AIDS, overcome the reality of 30,000 Americans condemned to die due to the purposeful actions of a few. Whether by action or inaction, such conduct is murder and must be sanctioned as such. Society cannot and must not condone different standards of conduct for AIDS victims because they are fatally ill. We must show compassion while taking the preventive steps necessary to control proliferation of this devastating disease. In my judgment, this bill is the lynchpin to controlling this deadly disease. This bill would hold infected persons responsible for their actions, something that public health officials have declined to do.

The second bill, H.R. 388 makes it a crime for persons with AIDS, or those who carry the AIDS virus, to purposefully donate blood, semen, or organs. Evidence that the Public Health Service is not pursuing policies based solely on concern for the public health but on political considerations is obvious when one considers the inappropriate handling of our blood supply to date. Virtually all hemophiliacs in the U.S. and elsewhere who have received clotting factor concentrates derived from blood collected in the U.S. prior to 1985 have become infected with the AIDS virus. Nine thousand hemophiliacs and 20,000 transfusion recipients are now permanently infected with the AIDS virus. The most regrettable part of this sad reality is that the contamination of our nation's blood supply could largely have been avoided if the PHS had appropriately restricted all high risk groups, specifically male homosexuals, from donating blood at the outset of the AIDS epidemic.

AIDS was recognized as a blood-transmitted disease as early as 1982 and as a disease peculiar to homosexuals, IV drug users and Haitians at approximately the same time. Despite this evidence, PHS recommended in 1985 that IV drug users, which comprised 13 percent of the identified cases, be prohibited from donating blood, while recommending that polygamous male homosexuals, who comprised 73 percent of the known cases, refrain from donating blood. At the time these guidelines were issued, PHS knew that the incubation period for AIDS may be as long as eight years and that a recent Kinsey report indicated that the longest relationship between homosexuals averaged one to three years and yet the recommendation only requested male homosexuals who had been polygamous in the past six years to refrain from donating. Following the release of these guidelines, PHS admitted that they were a product of compromise between the homosexual community and public health authorities.

The result of the PHS's failure to recognize the risks involved and its complete reliance on the ELISA test for screening has resulted in the lifetime infection and potential death of two Colorado residents who received AIDS through transfused blood. According to the June 20, 1986 issue of Morbidity and Mortality Weekly, a 31-year-old donor who showed a negative reading in a test for the AIDS antibody in April 1985 and August 1985, donated contaminated blood in August 1985. Two recipients of the August transfusion are now infected with the virus and test antibody positive although neither currently exhibits symptoms of AIDS. The donor of this contaminated blood admitted that he had participated in a homosexual encounter earlier that year. In light of the four percent false negative rate of the ELISA test, self-exclusion of high-risk donors is the only completely reliable method of excluding contaminated blood.

I urge you to schedule hearings on these urgent issues as soon as possible. The AIDS epidemic will not go away and it is past time for Congress to begin facing the reality that public health officials have abdicated responsibility for this epidemic in the face of overwhelming political pressure. We, as Members of Congress must act, and act quickly, to protect the public health of this nation's citizens. I look forward to your response.

Sincerely,

William E. Dannemeyer,
Member of Congress.

INTRODUCTION OF H.R. 2967, THE NUCLEAR WASTE POLICY AMENDMENTS ACT OF 1987

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. Udall] is recognized for 10 minutes.

Mr. UDALL. Madam Speaker, 2 weeks ago I introduced the Nuclear Waste Policy Commission Act of 1987, H.R. 2888, a bill to establish an independent commission to review the Nation's high-level nuclear waste disposal program. I said at that time I planned to introduce additional legislation to authorize the appointment of a special negotiator who would be charged with finding a State willing to host a repository at a technically qualified site. Today I am introducing the promised bill, the Nuclear Waste Policy Amendments Act of 1987.

My new bill contains a two-track approach to the waste program consisting of both the review commission idea and the negotiator concept. Title I of the bill is essentially the same as H.R. 2888. It would establish a high-level independent commission to review the waste program and recommend to the Congress how to fix it. The principal difference between the commissions proposed by the two bills is that while the new bill suspends site specific activity during the commission's review, it would require that repository siting work under the Nuclear Waste Policy Act of 1982 [NWPA] restart automatically if Congress does not act within 6 months of receiving the commission's recommendations. Under H.R. 2888, activity under the NWPA would be suspended until Congress acts to restart it.

Title II of my new bill contains a second track operating in parallel with the Commission. This second track would be a nuclear waste negotiator, appointed by the President, by and with the advice and consent of the Senate.

The negotiator, in conjunction with the Environmental Protection Agency and the Nuclear Regulatory Commission [NRC], would make a preliminary determination of the environmental and public safety qualifications of any site recommended by the governmental entity with jurisdiction over the site. If any sites were determined to be preliminarily suitable, the negotiator would be empowered to negotiate a repository siting agreement with any Governor or authorized tribal representative within whose jurisdiction such a site was located. The agreement would contain such reasonable terms and conditions as the parties agree to—including economic incentives and local involvement in institutional control of repository operations—but it would only take effect upon Congressional ratification.

While the negotiator is engaged in negotiations, the Department of Energy would be required to prepare environmental assessments of any sites under consideration. Site characterization activities could only be undertaken, in accordance with the NWPA, after congressional ratification of a repository siting agreement.

Madam Speaker, as I said 2 weeks ago, the nuclear waste problem will not go away. We are going to have to find a safe and environmentally acceptable site for a repository. The purpose of my negotiator proposal is to do so through productive discussions between State and Federal officials rather than through the adversarial process and litigation besetting the existing program. My goal is to site the repository through mutual agreement rather than trying to force it down the throat of an unwilling State or community.

The nuclear waste repository, wherever it is located, will provide jobs and an influx of Federal funds. In addition, I think it is only fair that the host State and community be justly compensated for the valuable service the State and community will be providing this Nation. My bill does not put a dollar value on that service; instead the negotiator would have wide latitude to negotiate with the State on the terms and conditions of importance to the State. My bill preserves the protections and procedures found in the NWPA. No repository would be constructed at any site that was not first proved technically safe and authorized by the NRC.

A large part of our trouble with siting a nuclear waste repository stems from the public perception that a repository is a source of endless misfortune. My bill attempts to turn that perception around. It seems to me that the best approach to siting a repository is to assure the public of its safety and make hosting a repository attractive through whatever means a State or Indian tribe may reasonably request.

A section-by-section analysis of the bill follows:

Section-by-Section Analysis of the Nuclear Waste Policy Amendments Act of 1987

Section 1 entitles the act the "Nuclear Waste Policy Amendments Act of 1987."

Section 2 defines terms used in the act.

TITLE I—THE NUCLEAR WASTE POLICY REVIEW COMMISSION

Section 101 establishes a Nuclear Waste Policy Review Commission (the "Waste Commission") and provides for the appointment of its members.

vb.15

Subsection (a) establishes the Commission within the legislative branch, as an arm of, and responsible to, the Congress. Subsection (b)(1) provides that the Commission shall consist of 3 members who shall be appointed by, and shall be removable by, the Speaker of the House of Representatives and the President pro tempore of the Senate, acting jointly.

Subsection (b)(2) directs the Speaker and the President pro tempore to designate one of the members of the Commission as its chairman.

Subsection (b)(3) requires that members of the Commission be appointed within 30 days after enactment of the Act and sets forth qualifications for appointment to the Commission. Members must have performed distinguished service for the United States Government and be exceptionally well qualified to evaluate the high-level nuclear waste management program. The purpose of these qualifications is to limit membership on the Commission to experienced and respected public servants who are familiar with the issues before the Commission and who will approach these issues with a national rather than parochial perspective. Subsection (b)(4) is intended to ensure that the Commission will be bipartisan by permitting no more than 2 members to be chosen from the same political party.

Subsection (b)(5) provides that the Speaker and President pro tempore shall fill any vacancy in the Commission in the same manner as the original appointment.

Section 102 provides that the function of the Commission is to examine the nation's high-level radioactive waste and spent nuclear fuel disposal program and to recommend to the Congress legislation or other actions the Commission deems necessary to successfully and safely dispose of such waste and spent fuel. Section 4 identifies 11 specific issues which the Commission is to examine and on which it is to make recommendations:

(1) the adequacy of site selection guidelines under section 112(a) of the Nuclear Waste Policy Act of 1982 (NWPA);

(2) the adequacy of environmental assessments prepared under section 112(b)(1)(E) of the NWPA;

(3) the Department of Energy's (DOE) site recommendations and the site ranking methodology upon which such recommendations are based;

(4) the schedule for the siting, construction, and operation of repositories established by the NWPA;

(5) the emphasis on deep geologic disposal compared with alternative disposal technologies and the adequacy of DOE's program to examine such alternative technologies;

(6) DOE's efforts to consult and cooperate with states and affected Indian tribes under section 117 of the NWPA;

(7) whether implementation of the NWPA should continue to be vested in DOE or should be transferred to another agency or entity;

(8) the adequacy of DOE's monitored retrievable storage (MRS) proposal and the need for such a facility;

(9) the advisability of providing additional economic compensation and incentives to

any state or local government selected to host a repository or MRS facility;

(10) the adequacy of at-reactor storage; and

(11) the need for a second permanent repository.

Section 103 sets forth the investigatory powers of the Commission. Subsection (a) authorizes the Commission to hold hearings, and authorizes its members to administer oaths to witnesses appearing before it.

Subsection (b) authorizes members of the Commission to issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence relevant to matters under investigation.

Subsection (c) authorizes the Commission to obtain from DOE any documents or information necessary to any inquiry under the act.

Section 104 provides for compensation of members.

Subsection (a) authorizes payment for members at the rate provided for level III of the Executive Schedule for each day the member is engaged in the work of the Commission.

Subsection (b) authorizes payment of members' travel expenses in accordance with sections 5702 and 5703 of title 5, United States Code.

Section 105, Subsection (a) authorizes the Commission chairman to appoint and fix the compensation of such staff persons as may be necessary to the work of the Commission.

Subsection (b) limits the pay for staff members to the rate of basic pay of GS-18 of the General Schedule.

Section 106 makes various support services available to the Commission.

Subsection (a) directs the Administrator of General Services to provide, on a reimbursable basis, necessary administrative services, facilities, and support to the Commission upon the request of the Chairman.

Subsection (b) directs the Comptroller General, the Librarian of Congress and the Director of the Office of Technology Assessment to provide necessary assistance, including staff resources, to the Commission, subject to the availability of funds.

Subsection (c) directs executive agencies to furnish information, advice, and assistance to the Commission upon request of the chairman.

Subsection (d) authorizes the Commission to use the mails in the same manner and under the same conditions as other federal agencies.

Section 107 requires the Commission to report its findings, conclusions, and recommendations to the Congress within 12 months after enactment of the act.

Section 108 provides that the Commission shall terminate within 30 days of the submission of its report to Congress.

Section 109 authorizes appropriation of necessary funds to the Commission. Such funds are to be drawn from the Nuclear Waste Fund established in section 302 of the Nuclear Waste Policy Act of 1982.

Section 110 prohibits the Department of Energy from obligating or spending any funds to conduct specified activities pending the submission of the Commission's report and for 6 months thereafter. The proscribed activities are:

(1) conducting site characterization activities at any site;

(2) nominating or recommending sites under section 112 of the NWPA;

(3) conducting preliminary borings or excavations in excess of 6 inches in diameter at any site;

(4) acquiring rights to any site;

(5) applying to the Nuclear Regulatory Commission or any other federal agency or officer for any permit or authorization to take any action related to the characterization of a site or the construction or operation of a repository or MRS facility;

(6) preparing any environmental assessment under section 112 of the NWPA; and

(7) preparing any site characterization plan under section 113 of the NWPA.

The purpose of these prohibitions is to suspend major siting activities while the Commission is deliberating.

TITLE II—THE OFFICE OF THE NUCLEAR WASTE NEGOTIATOR

Section 201, subsection (a) establishes the Office of the Nuclear Waste Negotiator within the Executive Office of the President.

Subsection (b) provides for the appointment, compensation, and function of the Nuclear Waste Negotiator. The Negotiator is to be appointed by the President with the advice and consent of the Senate. He shall hold office at the pleasure of the President, and shall be compensated at the rate provided for level III of the Executive Schedule. The function of the Negotiator is to find a State or Indian tribe willing to host a repository at a technically qualified site on reasonable terms.

Section 202 sets forth the duties of the Negotiator.

Subsection (a) requires the Negotiator to request the Governor of each State and the governing body of any interested Indian tribe to recommend one or more sites within the Governor's State or on the tribe's reservation for consideration as a repository site and to propose the terms of conditions under which the State or tribe would agree to host a repository.

Subsection (b) requires the Negotiator to review all recommendations and proposals submitted by a Governor or tribe under subsection (a). In addition, subsection (b) requires the Negotiator to review any site on a federal reservation recommended by the Secretary of Defense, Energy, or the Interior under section 204. Subsection (b) also requires the Negotiator to make a preliminary determination of suitability, based on environmental and public health and safety impacts, of each site recommended by a Governor or tribe under section 202 (a) or by the Secretary of Defense, Energy, or the Interior under section 204. The preliminary determination required under this subsection is to be made on the basis of available information and does not require on-site borings, surface excavations, shaft excavations, subsurface lateral excavations and borings, in situ testing, or other site characterization activities within the meaning of section 2 (21) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101 (21)).

The preliminary determination of the environmental and public safety qualification is to be based upon the Negotiator's assessment of various factors pertaining to the site's suitability for a repository and upon the certification of the Administrator of the Environmental Protection Agency and the Nuclear Regulatory Commission (NRC) under section 203 that a repository at the site is likely to comply with standards issued by the respective agency under the Nuclear Waste Policy Act.

Subsection (c) requires the Negotiator to enter into negotiations on behalf of the United States with the Governor of the State or the governing body of any Indian tribe upon determining that any recommended site is potentially qualified to host a repository under section 202(b). Where the site is on a federal reservation recommended by the Secretary of Defense, Energy, or the Interior rather than a Governor or Indian tribe, the Negotiator shall nonetheless make every effort to enter into negotiations with the Governor of the State in which the site is located.

Paragraph (2) provides that the purpose of the negotiations is to reach a proposed agreement between the United States and the State or Indian tribe as to the terms and conditions under which the State or tribe will host a repository.

Paragraph (3) permits the Negotiator to negotiate with any person or entity, other than the Governor, where state law authorizes such person or entity to act on behalf of the State.

Subsection (d) authorizes the Negotiator to consult with States other than the one in which the site is located, with any political subdivision of a State in which the site is located or otherwise, and any Indian tribe if such State, subdivision, or tribe may be affected by siting of a repository at a proposed site. Although formal negotiations are to be conducted only with the State or tribe having sovereignty over the site, subsection (d) contemplates that the Negotiator consult with and provide in the proposed agreement for any State, local government, or tribe whose interest would be significantly affected by siting the repository at the proposed site.

Subsection (e)(1) requires the Negotiator to submit any proposed agreement to Congress.

Subsection (e)(2) authorizes the Negotiator to include in any proposed agreement any term or condition that he determines to be reasonable and appropriate. This provision is intended to give the Negotiator wide latitude in meeting the requests of the host State or tribe or any affected State, local government or tribe. For example, the proposed agreement may include financial arrangements for cash payments, land transfers, agreement to provide services or facilities, representation on institutions overseeing the construction or operation of the repository, or other financial or institutional arrangements. Paragraph 2 further requires that any proposed agreement contain terms which preserve any rights to participation or compensation which a state, subdivision or Indian tribe possesses under sections 116(c), 117 and 118(b) of the NWPA.

Subsection (e)(3) specifies that any proposed agreement entered into between the Negotiator on behalf of the United States and a State or Indian tribe must be submitted to the Congress and enacted into law before it has legal effect.

Subsection (e)(4) makes clear that the Secretary may not construct a repository at a site under this title unless authorized by the Nuclear Regulatory Commission in accordance with the laws applicable to such authorizations.

Section 203, subsection (a) requires the Negotiator to consult with the Administrator of the Environmental Protection Agency and the NRC in reviewing any site recommended by a Governor, Indian tribe or the Secretary of Defense, Energy or the Interior.

Subsection (b) precludes the Negotiator from making a favorable preliminary determination of suitability unless the Administrator certifies that a repository at the proposed site is likely to comply with standards issued under section 121(a) of the Nuclear

Waste Policy Act and the NRC certifies that a repository at the site is likely to comply with technical requirements and criteria issued under section 121(b) of the NWPA.

Section 204 requires the Secretaries of Defense, Energy, and the Interior to recommend to the Negotiator sites on federal land under their respective jurisdiction.

Section 205, subsection (a) requires the Secretary of Energy to prepare an environmental assessment on any site the Negotiator finds to be potentially suitable to host a repository under section 202(b).

Subsections (b) through (f) prescribe the content of any environmental assessment, provide for judicial review of the sufficiency thereof, provide for public availability thereof and public hearings thereon, and provide for certain preliminary borings and excavations at the site.

Section 206, subsection (a) authorizes the Secretary of Energy to conduct appropriate site characterization activities at any site subject to an agreement under this title upon enactment of legislation implementing such agreement. Any such activities are to be conducted in accordance with the provisions of section 113 of the NWPA.

Subsection (b) requires the Secretary of Energy to apply to the NRC for a construction authorization upon completion of site characterization activities. The NRC is to consider such application in accordance with the laws applicable to such applications and to issue a final decision approving or disapproving issuance of the authorization within 3 years after the submission of the application.

Section 207 emphasizes that the requirement for an environmental impact statement under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) shall apply to the issuance of a construction authorization for a repository. The requisite environment impact statement shall be prepared by the Secretary of Energy and shall accompany the Secretary's application for a construction permit. The Secretary's environmental impact statement shall be adopted by the NRC to the extent practicable.

Section 208 authorizes the Negotiator, to the extent necessary to carry out his functions, to:

(1) appoint officers and employees and prescribe their duties;

(2) retain consultants;

(3) adopt rules and regulations;

(4) use the services, personnel, and facilities of other Federal agencies, with their consent;

(5) enter into contracts, leases, cooperative agreements, or other transactions with public and private entities;

(6) accept voluntary and uncompensated services;

(7) adopt an official seal;

(8) use the United States mails;

(9) hold public hearings; and

(10) form advisory committees.

Section 209 authorizes all agencies of the United States to furnish the Negotiator with information he deems necessary to carry out his functions.

Section 210 provides for the termination of the Office of the Nuclear Waste Negotiator not later than 30 days after either the enactment of legislation implementing an agreement under this title or 5 years after enactment of this Act, whichever is sooner.

Section 211 authorizes necessary appropriations from the Nuclear Waste Fund established in section 302 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222).

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 156. Concurrent resolution providing for an adjournment of the House from July 15 to July 20, 1987.

AIDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DANNEMEYER] will be recognized for 60 minutes.

Mr. DANNEMEYER. Madam Speaker, this Member from California is taking this special order this afternoon, or this evening, for the purpose of talking about a health problem in America and, indeed, the world, of major significance, namely the AIDS epidemic. It is my privilege to serve as a member of the Republican Leadership Task Force on Health Care, and some of the comments that I will share with my colleagues today relate to information that has come to our group in discharging that responsibility.

Some of the disturbing information that came to the attention of our task force really gives all of us pause in the sense that it has been estimated that this Nation will lose more of our young men to death from AIDS in the next 4 or 5 years than we lost in all of World War II to the category of killed in action, a little less than 300,000 people. That is a major tragic loss of life. Hopefully, we will find a cure in order to prevent that from coming into existence, but the hopes for the cure, frankly, based on what medical knowledge we have today, are not all that good.

In addition to this tragic loss of life, the cost to all of us in terms of the impact on our health system is absolutely staggering. The figures of taking care of an AIDS patient vary anywhere from $50,000 to $150,000 per person. Nobody knows how many we are going to lose for sure in the next 4 or 5 years, but it is not an exaggeration to suggest that this Nation is looking to health care costs of $20 to $30 billion a year over each of the next 5 years just in taking care of those with this disease which is now incurable.

In certain States of the Union, my State of California, for instance, and in New York, which together comprise 52 percent of the cases in the country, in certain cities in those States, specifically New York City, San Francisco, and Los Angeles, we face the real prospect that our health care delivery system will be inundated to the point of overwhelming and taxing it. We hope that will not happen, but that is a possibility.

When we reflect on the existence of this epidemic we should recognize that in America we have engaged in a sexual revolution during the course of the last 20 or so years in which, as a people, we have questioned whether or not we have standards that exist relating to the ground rules for human sexuality in our society. Those ground rules or standards, if you will, were given to us at the time that God created this world, reflected in the Bible called the Judeo-Christian Ethic, and those standards say that the ideal for all of us in our society is one man and one woman who come together in a family unit, respect a monogamous relationship that is mutually faithful, and that is the foundation of our society, the family unit.

As I say, we have questioned that standard as a people and, as a result of that questioning, we have created this epidemic in America. We have sown the whirlwind and we are now reaping the harvest.

There are three facts I would like to bring to my colleagues' attention that I think help give this perspective and perhaps give a little rationale as to some of the confusion that has come to the kids growing up in America during the course of this sexual revolution.

I will make reference here to three of these, because I think it helps give this whole issue perspective. Back in 1973 the American Psychiatric Association changed its evaluation of homosexuality from abnormal to normal. In 1973 the U.S. Supreme Court handed down that infamous decision called Roe against Wade, which said to women in America who are pregnant, not to worry, you have a legal right to an abortion, at least during the first two trimesters and in many States of the Union today the taxpayers will pay for your abortions, so if pregnancy comes that you do not want, not to worry, we will just abort that child.

Then in 1975, in my State of California, under the leadership of the State legislature, the law proscribing sodomy was repealed. Laws prohibiting sodomy exist today in about half the States of the Union, but in about half the States in the Union they abolished those laws. From the abolishing of the law proscribing sodomy in California we developed the bathhouse culture, that is to say, places of business licensed by the State, where anonymous and promiscuous sex took place between consenting adults, and we were told as a people there is nothing wrong with this at all. If you are a kid growing up in America, particularly in California, and you witness these events by your elders, your leaders of the medical profession, of the judiciary, and the State legislature, what is it going to say to you? It is going to say to you that we are not sure in America as to whether there are any standards in relating to human sexuality any longer. In other words, if it feels good, do it. If a little sex is good, a lot of sex is better.

This is a background of the epidemic in America and, as I say, we Americans should not be particularly surprised that as a part of this sexual revolution we have developed a generation of Americans who are now scratching their heads saying to the leaders of our society, why did you not tell us that when we violate these ground rules, these standards, we are at risk?

These Pied Pipers of sex, as some have described it, these people who suggest there are no standards, they are the ones that should be called to task in our society because they have an apology to all of us, whether we serve in the Congress of the United States, whether we serve on a school board, or in a State legislature, or whatever our standing in life may be.

I have a great deal of material that I want to share with my colleagues during the course of this hour. I do not know whether I will be able to conclude it all today, but if I do not conclude it today, I will take another hour on another occasion to talk about some of the points that I think need discussing. One of the statements that was made by a witness that came before our Congressional Republican Leadership Task Force, Dr. Theresa Crenshaw, from San Diego, CA, appeared before our Congressional Task Force on June 3 and made what I thought was one of the most eloquent and excellent statements that this Member has heard on the issue of AIDS and what we in America should be doing concerning it and it is such an important statement and contains such good recommendations that I am going to read most of it today at this time, because I think it is something that all of our constituents would like to know because, in effect, it says there is enough blame to go around, that we all have some searching to do in our consciences as to what our conduct has or has not been and in that spirit and in that light I would like to read what Dr. Crenshaw had to say.

The United States leads industrialized societies in AIDS cases but not in prevention of AIDS. Our Nation is used by foreign countries as an example of what not to do. Many smaller countries, from Swaziland to England, have surpassed our limited preventive efforts, although their population of infected individuals is miniscule compared to ours.

AIDS is a preventable disease that we are allowing to spread throughout our country at a speed that jeopardizes our very survival and threatens our economic stability. We could lose one-quarter of the world's population before we gain control of this epidemic, even if we act swiftly now. If not, it may be more.

I am not an alarmist, but I am alarmed. I am not a political activist, but I have become political active. I am not funded or subsidized, but I am so concerned that I am working full time for AIDS prevention in the Nation and in the world.

We are in a war against AIDS and so far the AIDS virus is winning. Today there are 10 times more cases of AIDS in the heterosexuals than we had in the homosexual community just 5 years ago.

In major cities, 50 to 70 percent of homosexuals are already infected with the AIDS virus. Heterosexuals seem to be repeating their history, there are 14,000 teenagers infected in New York City alone and 37,000 nationwide, according to a verbal report from the Centers for Disease Control.

Our children are bearing the burden of society's mismanagement of prevention. Sexually active teenagers are the most significant risk group of all. Adults have been battling among themselves instead of protecting the next generation. We must change our approach to the management of this pandemic dramatically. We have not done a good job to date.

We are not now doing what needs to be done. The number of infected people contradicts anyone who suggests otherwise. We have been illogical and ineffective.

When 90 percent of those infected and contagious to others do not know it and continue to spread it, how can we hope to stop the progression of this disease?

There is no cure and no vaccine.

Each individual must find the courage to be tested then exercise the disciplines to remain negative, or, if positive, to avoid spreading the disease to others. Being tested is not enough. Responsible sexual behavior is essential. We must use all rational resources available to us. Our society is in grave danger not from AIDS but from the experts who have consistently misread this epidemic, disregarded the evidence of Africa, have been unwilling to apply traditional epidemiological methods, such as a routine testing and contact tracing, from gay leaders who have resisted measures that might limit or inhibit sexual freedom, from the conservative right who have fought AIDS education in schools and on television, and from ourselves, who have been unwilling to face reality and change our sexual practices rapidly enough.

The AIDS virus is formidable and lethal but no longer the major danger. Political decisions, public health decisions, and medical decisions will determine the outcome of this epidemic. Up until now many laws have been passed that favor the survival of the virus. Ideally, the management of this epidemic should be free from politics and in the hands of physicians. However, politics has played the major role in the course of this disease and it now rests in the hands of politicians to undo the damage that has been done and to steer a healthier course with courage and good judgment in order to win the war against AIDS.

☐ 1815

This is an unwelcome challenge and a grave responsibility for nonmedical people.

Dr. Crenshaw says:

> However, common sense is an invaluable resource in any crisis and I will help to point out how well if can been applied—even in the face of medical complexities—to get control of this epidemic, why it had been lacking, and how to correct that void.
>
> ### NO FREEDOM OF SPEECH
>
> It is difficult to get a clear picture of the facts about prevalence and research because there is no freedom of speech about AIDS. Every scientist dealing with the controversial AIDS issue is subject to attack from one side or the other.
>
> There is hardly a leader in the field who has not received death threats or been subjected to character assassination by those who disagree with their point of view. Many require increased security or body guards when they lecture or appear in public, regardless of which view they represent. Researchers holding unpopular views cannot obtain grant support. Teachers risk losing tenure, public health officials who disagree openly with prevailing policies risk losing their jobs. Is it any wonder that many are not speaking up? I have never before had the experience in medicine where I most commonly receive one statement on the record and another point of view off the record that is quite contradictory.
>
> But this form of pressure does not just apply to professionals. Anyone expressing the "nonprevailing" view is also subject to character assassination or ridicule. They are called hysterical, alarmist, or irresponsible.
>
> People are judged and criticized, instead of the opinions they hold. In the process the issues are clouded. Many toes are testing the water before wading in and speaking their minds. For example, in Atlanta, the meetings over the question of mandatory testing had to be ended early because of the unprofessional and rowdy behavior of extremist groups. Many who initially intended to support mandatory testing were intimidated into changing their views. Scientists who raise the question of insect transmission, saliva transmission, or casual transmission are generally ostracized. Anyone who questions the wisdom of infected children attending school is labeled an hysterical parent, and anyone who suggests the appropriateness of mandatory testing under any circumstance is considered either foolish or dangerous. Name calling and character assassination have replaced rational deliberation. These are known occupational hazards of politics but scientists are ill equpped to cope with them.
>
> When the scientific and public health issues of AIDS are subject to such cynicism, criticism, and risk, you cannot expect many people to speak their opinion honestly and openly if the consequences are loss of job, loss of income, loss of substantial votes, or

loss of credibility. Scientists holding views opposed by gay activists, AIDS patients, civil libertarians, conservatives/religious advocates, and others are actually experiencing discrimination so severe that it affects their ability to make a living and provide for their families.

Until there is more freedom of speech about AIDS, reflected in professional discussions between differing points of view with objective and open-minded analysis of data, little progress will be made and the information that reaches Congress, the press, and the public will be so garbled or contradictory as to be uninterpretable.

THE POLITICS OF AIDS

AIDS, virtually neglected by politicians four years ago, has become the leading issue determining the election of public figures in our country from the President to the local Board of Supervisors. But the politics began long ago. Doctor Gallo and the Pasteur Institute have a history of discord over naming of the virus and ownership of testing rights. When we first began to recognize AIDS as a contagious disease, Dr. James Curran and Dr. Donald Francis at the Centers for Disease Control differed in their approach. Doctor Curran preferred research and epidemiological tracking and Doctor Francis fought for aggressive prevention through education. Doctor Curran prevailed. Research and knowledge have thrived, but the lack of emphasis on effective prevention efforts has cost millions of lives. At the CDC there has been sabotage of experiments and accusations of suppression of information.

The most interesting and unfortunate politics at the CDC have been the politics of labeling—the artifical and misleading distinctions between AIDS, ARC, and confirmed asymptomatic infection. Reporting and recording only AIDS cases has enabled the Public Health Department to minimize the scope of the problem and create a false sense of security by talking in terms of thousands of cases instead of millions. As long as ARC and HIV positive status are not reportable conditions, the epidenic seems under control—the numbers manageable. This is a false picture.

And on this point I can interject to my colleagues that the recent report from CDC in Atlanta, GA, indicates that we have an excess of 35,000 who have been diagnosed with AIDS, a little over 20,000 of those have died. It has been estimated that those who have ARC which is the next stage in the infectious process below the full designation of AIDS, there are 10 times that many. That is the estimate most generally heard, namely 350,000.

And if we want to find out how many have the virus we are talking about 100 times those who have AIDS, namely 3½ million.

In other words, what Dr. Crenshaw is saying here is that when the CDC in Atlanta, GA, decided how they would define this disease they adopted a very narrow definition called AIDS and disqualified or decided they would not list within that definition those with ARC and those with the virus. It is a tragedy, it is a decision that was infected with the politics of AIDS, as Dr. Crenshaw has said, in order to minimize the impact on the public in America.

It is a manifestation of the fact that we are dealing today with the first politically protected disease in the history of this country.

Dr. Crenshaw continues:

The CDC has also been subjected to outside political pressures resulting in manipulation of statistics. Haitians were included, excluded, and then included again as a high risk group, as one example. Another political misrepresentation is that no one outside of high risk groups has become infected. This statement has remained true only because every time a new group was discovered, such as prostitutes, it was quickly labeled as a new high risk group until heterosexuals with multiple partners finally became a high risk group too. That includes most of the "baby-boomer" generation and means that the concept of high risk groups is obsolete, because now the majority of Americans fall into one of the high risk groups. If we are going to be talking in terms of risk groups, we should be concentrating on low risk groups.

The Politics of Big Business:

The economic politics have been no less troublesome. The big business of blood banking caused delayed screening of blood for almost a year beyond the proven value of testing and continues to claim greater safety of transfusions than is warranted. Until recently, the option of autologous transfusions (giving your own blood for elective procedures) has been difficult although clearly in the best interests of the motivated patient. The blood banking industry has also successfully obscured the fact that most hospitals have the facility to suction and filter a person's own blood during surgery if unexpected blood loss occurs. It is then given back to the patient while on the operating table. It is curious that there has been so little discussion of this readily available technique at the medical or public level. It is expensive and requires prior setup; however, research funds could certainly have been directed long ago toward making this procedure more economical and more readily available. The same is true regarding blood substitutes, many of which are available but the public is not being informed. It would be to the disadvantage of the blood bank industry.

The Politics of Special Interest Groups:

Many special interest groups continue to argue among themselves and with others in an effort to avoid association with AIDS, obscuring an accurate picture of this disease. Africa has consistently refused to reveal figures, refused to cooperate with World Health Organization research teams, and boycotted conferences that intended to report these statistics. Haiti has pressured the United States to protect them from the stigma of being a high risk group. Gay activists and civil libertarians have been most aggressive in resisting traditional public health measures for management of the AIDS epidemic by frightening people into believing that these measures inevitably lead to secret lists, quarantine and concentration camp atmospheres.

Africa would hate to have it known that AIDS was spread by mosquitoes. It would ruin their tourist trade. Gays would not want it known that AIDS was spread by casual contact with fear that they would be ostracized. The extreme right doesn't want sex education in schools or condoms advertised on television for moral reasons. Blood banks want the blood supply to appear safe and condom companies want condoms to appear safe to promote the sale of condoms. These are just a few of the special interest groups that have a strong bias to protect regardless of the facts. With pressures of this magnitude, it is not difficult to understand how data can be suppressed or distorted.

Consequences of Politics:

Laws have been passed initiated by Art Agnos in California that have swept the country and ensure the spread of AIDS. These laws forbid contact tracing, forbid a physician to tell another physician caring for the same patient that that patient is infected, forbid telling a spouse that their husband or wife is infected and forbid doing a screening test for AIDS without the written consent of the individual. This is the only blood test in the history of medicine that cannot be performed by law.

I can share with my colleagues as a Californian just how ridiculous and absurd the law in the State of California today is. If you have a curable communicable disease such as syphilis or gonorrhea and a physician in private practice in my State of California encounters that in a patient in his office, that doctor is required by law to report that in confidence, of course, to public health authorities. Routinely we have done that. But as a result of this law passed at the instance of Assemblyman Art Agnos in California, if a doctor encounters a person with a noncurable communicable venereal disease such as the virus for AIDS, if that doctor would report that person to public health authorities, that doctor would be committing a crime. It is a tragedy that a special interest group such as male homosexuals in Sacramento, CA, have been successful to assert such political clout that they have brought that ridiculous condition into existence which I have just described.

Because there are both criminal and civil charges that can be brought in addition to financial damages against physicians who do not follow these guidelines (laws), the majority of physicians avoid the blood test altogether. One physician told me, "I could get thrown in jail and sued for everything I am worth if my nurse misfiles a report. I can't take the chance so I send them somewhere else." In New York, where there is the highest prevalence of AIDS, the test is the hardest to acquire.

The politics of AIDS has prevented other forms of infection with the AIDS virus (asymptomatic HIV infection and ARC) from being reportable to the Public Health Department, has prevented physicians from doing the blood test when they feel it is indicated, has prevented health professionals from communicating with each other, and has forbidden physicians to prot*** BAD MAG TAPE ***ect the lives of sexual partners of those infected with the virus. Under these circumstances, it is not possible to stop the spread of this disease.

THE ECONOMICS OF AIDS

The World Health Organization estimates conservatively that there are 10 million individuals infected with the AIDS virus worldwide today and predicts 100 million by 1991. If the disease continues to spread at the same rate, 1 billion will be infected by 1996 and 10 billion by 2001. The world population is only 5 billion. Those who have been sexually exclusive for over a decade would probably survive. Economically the loss of a tremendous segment of our population will be enormous, not to mention the tragedy in loss of lives.

The annual AIDS health care cost to the United States is estimated to be $66.4 billion a year by 1991.

The estimate of indirect costs attributable to productivity loss among AIDS patients will rise to $55.6 billion in 1991. Nonpersonnel costs for research, education, screening, and general support services are expected to rise to $2.3 billion in 1991.

All of these figures are low. They can be multiplied by a factor of between 10 and 100 because they reflect AIDS cases only and do not include ARC or those who are infected yet asymptomatic. Patients are hospitalized for ARC and die of ARC without ever being classified as having AIDS. Multiply these billions of dollars by 10 and already overwhelming figures become almost unmeasurable.

Even using the most conservative figures, if they are partly true the AIDS epidemic has the potential to destabilize our economy and consequently our political system. The Centers for Disease Control claim 1.5 to 2 million people infected with AIDS in America today. Their figures have been historically low and significant underestimates; however, using these figures assuming that the majority will become ill, consider the fact that in America we have only 1.3 million hospital beds to treat all medical conditions.

We are not prepared, we have not planned. And such strenuous effort has been made to ensure that we can't be sure how many people are infected, that it perpetuates a state of paralysis. Because of those who don't want generalized, massive testing, we can't trust the figures that we have. A perfect "Catch 22": Those opposed to testing say the numbers don't justify testing, but as long as they obstruct widespread testing we can't get accurate numbers. Consequently we can continue to debate how serious and how extensive this disease truly is until there is no choice but to react and cope. We have the capacity to be proactive but are still deliberating about whether it is more cost effective to screen our population or to treat AIDS patients once they are already ill.

A HISTORY OF FALSE INFORMATION, OVERSTATEMENTS, AND UNDERESTIMATIONS

The majority of the experts addressing you confidently today not so many years ago just as confidently were making statements to the effect that:

This is only a homosexual disease transmitted through anal intercourse. There is no risk to heterosexuals (in spite of the strong suggestion of heterosexual spread in Africa).

This disease is not easy to get. It requires multiple partners and an impaired immune system.

Women can get AIDS from men but men can't get AIDS from women.

Health care workers are not at risk. You can't get AIDS from needle stick.

All of these statements have been made by a variety of experts, all experts upon whom you still rely today. All of these statements have been proven untrue. AIDS is not a homosexual disease. It is a sexually transmitted disease—heterosexually, vaginally, anally, from male to female and from female to male. Multiple partners increase your risk but one exposure to an infected person can cause disease. Compromised immune systems make you more susceptible to AIDS as well as any other infection but are not a prerequisite for becoming infected. Infections have occurred among health care workers, not only from needle stick but more recently from blood splash. How many times have you heard these so-called experts say "All modes of transmission are known and understood. You don't need to worry. Don't be irrational."? And yet, there has always been a 3-10% category of "other", reflecting cases that cannot be explained by known routes of transmission. These have been discounted by catchall phrases like, "Obviously these people lied and were simply refusing to acknowledge the true risk category they were in." It is so easy to bias the interpretation of data in this disease, especially since AIDS initially affected homosexuals, IV drug abusers, and prostitutes. These groups have high incentive not to admit to their illegal or socially less acceptable behaviors. When prostitute activity was first reported by the military, again, the initial conclusions were deception—actual homosexuals who refused to admit their practices for fear of expulsion from the Navy. These oversimplistic reactions delayed appreciation and recognition of the facts.

The main question is, "Which is the bigger lie?"—from those individuals who truly deceive the professionals about their risky behavior, or the professionals who deceive themselves and conclude that everyone who does not fit into their preconceived notions is lying.

The most incurable flaw of logic in the analysis of the AIDS epidemic has been the "no case yet" reasoning. The "no case yet" fallacy operates in the following way: "There has been no reported or confirmed case of (heterosexual transmission, insect transmission, casual transmission, saliva transmission, etc.), therefore it doesn't happen". Too often it happens. The next statement from those who previously insisted it was impossible is, "Well, yes, it happens, but it is so rare that you can disregard it." Eventually the progression of the disease and the reality of its course of transmission speaks for itself but by that time our unwillingness to accept reality and prepare for it has cost many lives to be unnecessarily lost.

SCIENTIFIC CONTRADICTIONS

1. Scientists suggest that AIDS was transmitted from the green monkey to man by monkey bites or humans eating monkeys. The same scientists state that bites can't transmit the virus from human to human and that it is impossible to acquire AIDS by eating in restaurants, yet babies can get the disease from nursing.

2. One can become infected from one needle stick and even blood splash. The AIDS virus has been found in 50 insects in Africa including the mosquito but most scientists conclude that it cannot be spread by insect vectors.

3. The scientific consensus currently believes saliva transmission does not occur. The same scientists suggest in the recent blood splash case that blood splashed in the mouth was thought to be the source of transmission. Blood is often found in the mouth through brushing teeth, dental flossing, or gingivitis (inflammation of the gums). If saliva transmission occurs, it may actually be blood to blood.

4 School children cannot be routinely tested for the AIDS antibody but the law requires certain vaccinations that are contraindicated for someone infected with the AIDS virus. Therefore, the only way to find out if a school child is infected is to vaccinate them and watch helplessly as they die.

5. The AIDS test is reliable for testing the blood supply but unreliable for testing human beings.

TODAY'S MYTHS

1. Myth: Mandatory testing will drive people underground and they won't get tested.

Truth: 90% of those infected (numbering in the millions) don't even know it; they are already underground. We can't do much worse. Eventually those who become ill will need hospital care, medical treatment, and will have to get tested. Mandatory testing in certain circumstances will not drive individuals underground, but have the opposite effect. It will simple enable us to predict more clearly our future medical needs.

2. Myth: AIDS is hard to get.

Truth: If AIDS is so hard to get then why are so many people already infected? AIDS is much easier to get than originally believed.

3. Myth: Condoms are safe sex.

Truth: Already Dr. Margaret Fischl has demonstrated a 30% failure rate for condoms in vaginal intercourse, and prostitute studies have suggested a 50% failure rate for anal intercourse. Condoms with an infected person are deadly.

4. Myth: The AIDS test is inaccurate.

Truth: The AIDS test is one of the most accurate tests of its kind known to medicine. However, no test diagnoses a disease, and most tests have false positives and false negatives. Confirmatory tests are necessary and to be expected.

5. Myth: only 30-50% will go on to develop AIDS.

Truth: There is no one who can say that the majority of infected individuals will not become sick and die. Most experts including Doctor Gallo, Doctor Krim, and myself agree that up to 100% of infected individuals could eventually die of AIDS or related conditions.

6. Myth: You can't change or legislate sexual behavior.

Truth: You can. The people making these statements are not experts in the complexities of human sexual behavior. It is true that you cannot monitor compliance with sexual laws—or for that matter any law. We have laws against murder yet people still commit murder. The law is an enforceable guide. It has power as an expected social protocol. We are not utilizing this powerful resource to help us against the deadliest threat to human beings in modern times.

7. Myth: Central nervous system involvement leads only to depression, fatigue, and sleepiness.

Truth: Central nervous system infection with the AIDS virus can infect any part of the brain and can lead to any mental impairment depending upon the zones of the brain infected, including violent and aggressive behavior, schizophrenia, and impaired judgment, as well as depression, fatigue, and sleepiness.

8. Myth: It's not important if you're in a high risk group, it's whether or not you are participating in high risk behavior.

Truth: The concept of high risk behaviors is the most dangerous of all. Any sexual behavior whatsoever with an infected person is high risk. The only safe sex is sex with someone who is not infected. High risk group is simply a mathematical probability. Among Haitians and homosexuals you are still more likely to be exposed to someone who is infected than among white heterosexual males. However, the infection is currently so widespread that the usefulness of mathematical probabilities is becoming more and more limited, especially now that heterosexuals with multiple partners are considered a high risk group.

9. Myth: Homosexuals are doing an excellent job of education and prevention, follow their example.

Truth: In our major cities the majority of homosexuals are infected with the AIDS virus.

□ 1830

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I am happy to yield to my friend, the gentleman from California.

Mr. DORNAN of California. Mr. Speaker, my good friend, the gentleman from California [Mr. DANNEMEYER], did not ask me to come over here and pay him any compliments. It is my observance that he is one Member who does not go fishing for compliments. But someone new who may be tuned in to what we call our special orders here to try to understand something about this terrible plague that is sweeping through two continents of the world—and we know how worried they are in Asia now—may be listening to what the gentleman from California has to say about this disease and trying to figure out how to stop it and how to fight this terrible plague in certain areas.

I just want to start off with one fact. The Member who is in the well right now speaking before the House is responsible for much of the information that has been passed around the country, and his efforts have helped to purify the blood supply in this country after the first information on AIDS came to us. This has been going on for at least 2 years, and they tell us that we can get AIDS from blood and it can still happen. I have a granddaughter who is going to deliver a Caesarean baby here on September 18, God willing, and I am worried about her. We are trying to get blood donated from members of the family.

They tell us about the odds, and we know the odds about getting hit by lightning but we also know that anybody can be hit with lightning. The reason it went from terrible odds to getting hit by lightning is because of this gentleman from California, Mr. WILLIAM DANNEMEYER. Getting hit by lightning is not something you can predict, so you do not play with lightning. But we lose people even with those odds with golf clubs being hit by lightning. I do not even want to think about those odds.

But let me add to the gentleman's excellent special order some statistics, I am sorry, I apologize for these figures, because the figures I have are about a week old. I did not get to call Health and Human Services to ask where my weekly death figures are because they had already closed their offices. I have said this before in the well, and I say it again. Every Monday the new figures come out on new AIDS cases and new deaths for the 7-day period preceding. They close it off on a Saturday night and give the figures out on Monday. During the week I get this information, and there may be about only one other person who gets this weekly surveillance report on AIDS from Health and Human Services, the world's largest bureaucracy. So I usually get it about Thursday or Friday. This is only Wednesday, so I do not have it, but I did get to call and get Monday's figures.

□ 1845

I will give my fellow Americans the cutoff of July 6—this is the 15th, so it is 9 days late.

New cases last week: 293. The week before: 481. We are averaging 300 to 400 a week.

Deaths last week, this is late, I do not have the immediate week, as of July 6, 139 died that week; the week before, 155.

We are averaging between 120 and 200 per week.

At a press conference on January 6 of this year, when we were sworn into the 100th Congress, I thought this issue was so important following the gentleman's lead, that I said, here is what I am going to start the historic 100th Congress with, by having my first press conference within an hour after getting sworn in, and this is the issue: AIDS.

I had the health people make up for me the death toll every week for the preceding 2 years. There was 1 week, December of last year, where 403 people died of AIDS, and those death tolls equal the worst year of the Vietnam war, which was 1968.

The difference was, if we had a big chart here, and we put the Vietnam war on it, it would be an isoceles triangle with the death of Jim Davis in December 1961; and it would go up to 1968 like a steep-sided triangle and plummet, the worst year, over 9,000 Americans killed, which was 1968.

Fourteen thousand dead Americans in combat in Vietnam in 1968.

In 1967 and 1969, coming down the other side of the graph, a little over 9,000 each; and then 1966 matches 1970, and they both come down, and 1972 equals roughly 1961.

Isoceles triangle, the AIDS charts equals the Vietnam worst year, only the AIDS chart is an isoceles triangle.

Until there is a cure, it will take 2, 3 years before the chart even bends, and it starts down.

This equals Vietnam's worst year. We are in it now, the worst year of Vietnam, and we keep going straight right off the chart.

Somebody said to me, "But isn't it slowing down?"

I called my friends that I trust in the Health and Human Services; and they said, "Well, it is slowing down in some high-risk groups, because the death toll is so horrible."

I took out of our Orange County Register, the newspaper, this week to bring back, and I did not even know the gentleman was going to do a special order, an article from California. People from Washington, DC, and Atlanta went to our State this week and said, "You have an emergency in California."

The AIDS emergency is in our biggest State, and the high-risk groups are taking a death toll. When the President's son says he and his wife have had 12 friends die from AIDS, Ron Reagan, Jr., when I am counting five friends that I know, and one of them is now dying on the fast slide now, and I only met Liberace casually.

I met Rock Hudson casually, worked with him on one motion picture. I was some flunky, and I talked to him one day on the set, a very pleasant guy; but I have had people we knew, Terry Dolan, repentant of his lifestyle, was receving the sacraments of his church daily, had his whole family at his bedside, and they are using him as a wrong symbol.

Why do they not use him as a symbol for the genius God gave that young man? His brother, Tony Dolan, is trying to fight to regain his reputation.

Roy Cohn is a friend of mine. He helped me once at a small fundraiser, and how many people do we know that are dead or dying that we do not know their names? For me, it is five or six. For the President's son, it is 12.

For the President, who was in one of our avant-garde professions, in show business, who knows how many they have lost?

I do not know why, when we have a luncheon here, we get four Members show up.

The final death toll, I gave you the weekly results, here it is, 9 days old, so there is a new week's statistic which I did not get.

If we were not going up to Philadelphia to relive the Bicentennial of the First Congress being sworn in and our great Constitution—turn to page 2; they buried the death statistics on page 2, up in the corner.

New figures, dead as of 9 days ago, 21,915. That means we are already over 22,000, no doubt about it, because probably 130 to 300 died this last week.

There were 21,915 dead as of July 6. Fourth of July weekend, total cases now in the United States, 38,160. So now we know that that is probably halfway on the way to 39,000, and ARC cases are not in here. I am not sure, and I ask the gentleman to help me.

Mr. DANNEMEYER. I am glad the gentleman mentioned that, because CDC has so narrowly defined, those that were reported, ARC cases are not in that group.

It is estimated by some research people that you can multiply that number by 100 to get those that have, or multiply it by 10 to get those with ARC, and multiply it by 100 to get those with the virus.

Mr. DORNAN of California. AIDS-Related Complex?

The gentleman has studied some of those health aspects.

Mr. DANNEMEYER. Here is the definition of ARC:

> The second stage of AIDS virus infection occurs when an infected individual begins to manifest symptoms which can include sudden unexplained weight loss, drenching night sweats, persistent diarrhea, swelling of the lymph nodes in the armpits and groin, chronic fatigue and/or psychogenic disturbances.

This is a capsule definition of ARC.

One of the amazing things about this whole issue, and what Dr. Crenshaw has pointed out in her fine paper, people manifesting symptoms which I have just described are not even in the list of reportable diseases to CDC.

It is a manifestation of the fact that frankly, we are dealing with the first politically protected disease of the history.

Mr. DORNAN of California. I accept that statement.

Let me just read, so people will hear it from the newspapers, and not out of my lips.

California, Santa Ana Register, July 9, 1987, and by this date we are over 38,000 reported cases, that is very low, and 22,000 deaths.

The AIDS epidemic at emergency level, State officials told, Dateline, Sacramento. An official of the Federal Centers for Disease Control in Atlanta told a legislative committee on Wednesday, the AIDS epidemic in California has reached "emergency proportions," and a business as usual response is unacceptable.

We have a very bad situation on our hands, said Dr. Donald Frances, the Federal AIDS adviser for California.

Does each State have its own Federal adviser, or is that by region or what? I do not know Dr. Donald Frances.

He appeared before a Senate committee hearing on a bill to provide State tax credits for research in the deadly disease, so now the taxpayers are going to lose a little more taxes for money. I say fine, I will go for that; but we are all paying for the disease more and more.

It is getting into the billions. Dr. Frances said that the fact that AIDS is sexually transmitted, and here is a phrase the gentleman talked about, long-term silent carriers, is a very bad combination.

Frances said that nearly 4,800 reported AIDS deaths in California are only, and this is his quote now, "only a prelude to what is coming."

Our fellow Americans cannot see what kind of a report this three-page AIDS weekly surveillance report by the Federal Government, Department of Health and Human Services on the outside, and it is stapled incorrectly in the middle, because all the information is on 8 by 10 sheets, but here is one sheet that comes in here that is fascinating.

It is every State of residence, the year ending and the breakdown, State by State. Please do not write me and ask for this, write directly to Health and Human Services.

Here is the most frightening chart of all.

Cases of AIDS, and case fatality rates by half-year, 6-month diagnosis for the whole United States. Here is what is frightening.

Everybody who was diagnosed as having AIDS between January and June 30, 1981, 91 percent of them are dead. Those that got it in the second half of 1981, 89 percent are dead.

Those that got it in 1982, first half of the year, 87 percent are dead.

Those who got it the second half of 1982, 86 percent dead.

Here is an anomaly that just appeared. 1983, those who got it the first 6 months of the year jump back to 87. It always went down.

They are tied with the people from the first part of 1982.

Second half of 1983, 84 percent dead. First half of 1984, when the gentleman called me and asked me to run for Congress in Orange County, 80 percent dead, 8 out of 10 gone.

Second half of the year, only 1 percent off, 79 percent are dead from those who got it when I celebrated my comeback victory in November 1984. Everybody who got it in those 6 months, almost 80 percent dead.

We come to our swearing back in for the last Congress, the 99th Congress, 74 percent dead from the first half of 1985. Sixty-seven percent dead from the last half of 1985 when we were sponsoring those first luncheons. At the very max, we had eight people, including former Congresswoman Bobbi Fiedler.

We never got more than seven people to a luncheon. 1986, half of all the people are dead. Fifty-three percent who got it in the first half of last year. Second half, one-third are gone.

We are into this year, and just barely finished, June, all the reports are in, and 22 percent are dead.

There are only eight people left from 1981 and prior who have AIDS. These are the tough warhorses that one doctor described them to me. When they are gone, and he says, they will go sooner or later, the toughest of the tough, and we will have 100-percent fatality of every diagnosed case from 1981.

There is a footnote here, and the table includes 75 cases diagnosed prior to 1981. Of these cases, 63 are known dead, and they have lost track of the others, because we are talking about people in the 1970's.

This is the most frightening chart of all. Except for that one blip, where as many people have died in the first half of 1983 as 1982, it keeps going down.

Going back to 1986, because I think it is more frightening than 100 percent are going to die eventually, everybody who found out in 1986 that they had AIDS, 53 percent are dead already.

We have a frightening plague here, and I will never forget when my friend, and I fought like heck against the gentleman from California [Mr. WAXMAN] to get that nomination for Dr. Chick Koop, our Surgeon General.

I circulated that letter with 55 signatures to the President, do not let them roll you back, you give this job to that top doctor, this fine surgeon.

He came to my office last year and said, "I owe you an apology, and Mr. DANNEMEYER."

I said, "I love you, you are doing a terrific job. I stand by you. You're getting some flak."

He said, "No, no; you were right. We were underreporting all the statistics, Congressman, and we are revising them up," and that was that very sad day in July when he went down to the White House; and I beat him to the President, because I was going down for Contra aid.

I am the American that got to tell the President, "Mr. President, you are going to be lucky you are out of this job in '88, because 3 years after you leave office, we are going to have," and I believe these are low figures by 20 percent, "we are going to have 180,000 people dead compared to Vietnam combat deaths of 47,000, and we will have over 300,000 people with this fatal plague killing them and a couple of million minimum carriers."

The President's eyes widened, and this was at 2 o'clock.

And I told him at 5 o'clock to listen to Koop carefully. Dr. Koop came in and gave him the word, went public the next day, and here we are right on track.

They are sticking to those figures at the big Washington conference. We are right on track; and when we have a luncheon, the gentleman from California [Mr. LUNGREN], the executive director of the Republican Study Committee, we got one person also interested, the gentleman from Indiana [Mr. Burton] and the gentleman from California [Mr. Waxman], who is working hard; and I am sure the gentleman from California is going through the same experience having meetings, and three or four people will show up.

We are in this together. It is a politically protected disease. I feel, and maybe I am wrong, and I am open to all answers, suggestions and that little sixth grandchild of mine that is coming caesarean, is due in September, and my son's child, the first Dornan, a male child, due in December. I do not want my seven grandkids and the other two here by December to face a world that is going to look like the tragedy that our black brothers and sisters are facing in Africa.

We have a respected magazine quote from a respected British doctor who says Africa is lost.

□ 1900

What the heck do those three words mean, Africa is lost, a continent?

Well, they said, "Between the Sahara and the people just below that are all starving also," and South Africa, and we all hate apartheid in that repressive regime, so they will use that repression to keep out AIDS, they think; so between the northern border of the front lines states and the Sahara, we are writing off this nation that finally was coming into the modern world and trying to get over its colonial headaches. We got a problem, and if my good friend, the gentleman from California, or the other good lady in the chair from our great State, if we have answers on how to get Members to come to these luncheons, to stop any little frictions and all keep going in the same direction, let us figure out how to get them.

I have tried the best luncheon time, Wednesdays, 12 noon. I have tried big speakers. I appeal to you, I appeal to my colleagues, I appeal to the American people, how do we get our Congressmen involved in an issue that, yes, that involves a powerful tiny little world that also is involved with the propagation of the race, and that little word is sex. Is that what I said in the well, 2½ years ago? Is that what we are afraid of?

Well, we had better figure out how to draw up the parameters to discuss this plague.

A TRIBUTE TO THE LATE HONORABLE ALVIN O'KONSKI

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. Obey] is recognized for 60 minutes.

Mr. **OBEY**. Madam Speaker, I take the well tonight to take just a few moments to honor a person who served 30 years in this House. Alvin O'Konski was born in Kewaunee on May 26, 1904. He attended Oshkosh State College, the University of Iowa, and the University of Wisconsin. He taught high school and college. He became a newspaper owner, owning the Iron County Miner. He became an owner of a number of radio stations in Merrill and Wausau, WI, and he later became the man who brought television to the north in Wisconsin when he founded and organized WAOW-TV in Rhinelander.

He was elected in 1942 as a Republican and he served until 1972, when our districts were merged in reapportionment and we faced each other. I won and he lost.

You get to measure a man when you oppose him or are opposed by him. I think one of the valuable things that I learned about Alvin O'Konski was that while he would disagree on issues and he would join those issues fiercely and he would without fear attack my positions on issues, he would not attack me personally. He would express legitimate differences with my positions on issues, but he would not beyond the usual degree that sometimes happens in politics when people get overly committed or overly excited, he would not try to twist my positions in order to imply that I stood for something that I did not; so in spite of that fact that we were during that campaign political opponents, we were in the years we served together in this House and we were in the years after he ceased service in this House, friends. I think we remained friends until the day he died.

Alvin O'Konski was a very colorful person. He was a very colorful character. He was not a plaster saint. He was a student of human nature. He served on the Armed Services Committee as a high-ranking member of that committee. He served on the Veterans' Committee, before that on the Education and Labor and Public Works Committees.

I should say incidentally, Madam Speaker, that a number of other Members, primarily those from the Wisconsin delegation, had wanted to participate in this special order with me tonight, but because it is later in the evening, they had other commitments, and so they have indicated to me that they will be having remarks to insert in the Record.

Alvin O'Konski was Populist. He was a strong anti-Communist. Today we all do a great deal of constituent service work. I do not think anybody in this House thinks anything of receiving letters and trying to work out problems for literally thousands of constituents during any one year's time. I think probably 50,000 letters a year come into my office, but Alvin O'Konski was one of the first to recognize that key role for a Member of Congress. He and his wife, Bonnie, were one of the first to provide quality constituent service to the individual constituents in any Member's district.

Alvin was especially proud of the support that he had from and the work he did for native Americans in the years he represented northern Wisconsin.

I was looking through a number of items that he inserted in the Congressional Record in 1972 and I found several long articles which summarized all of the efforts that he had engaged in to provide Indian housing throughout northern Wisconsin and to provide other assistance to Indian tribes in northern Wisconsin. He was very proud of that.

Alvin, as I said, was not a plaster saint. He operated and worked in another era. He sometimes had a style that perhaps would not be necessarily understood by everyone today, but he understood human nature. I do not think he would mind if I would tell a story to exhibit that.

Shortly after I defeated Alvin in 1972, he and I had lunch together in Rhinelander. We talked about old times. We talked about some problems that he wanted me to deal with and he got to talking about some of the tricks he learned to deal with problems that were really necessary to deal with as a Member of Congress. He told me of a practice that he had engaged in once and awhile. As we all know from time to time, we get letters from mothers or fathers worried about a son or daughter off in bootcamp or in basic training in the military. Alvin indicated to me what he would often do when he got one of those letters from a boy's mother would be to fire off a very stringent letter to the military commander of the military base in question and demand that the military commander see to it that the young fellow got better treatment than he was getting. He would send a carbon copy of that letter to the mother and he would put the original in the circular file, because he recognized that within a few weeks that youngster would adjust to what was happening in bootcamp. He would feel better about it. He would write home and tell his family that he was doing all right and the family would be happy. They would feel that the problem had been taken care of and Alvin would never cause that young person problems by contacting the military commander, because as everyone around this institution knows, very often when an individual Member contacts the military about an individual soldier, it winds up causing more problems than good for the soldier involved because of the resentment that it causes. That was a little trick of the trade that some people might think was not exactly straight arrow, but which was very valuable in dealing with a human problem.

Sometimes Alvin was criticized because his wife, Bonnie, worked at that time on the payroll as his loyal assistant. I have to say that anybody who knew the operation of Alvin's office understood that Bonnie was a tremendous asset. Not just to Alvin O'Konski, but to northern Wisconsin and the people that Alvin represented. She literally ran that office from time to time. She saw to it that the constituent service was done. She saw to it that Alvin was identified with crucial issues and she was a key ingredient in providing service to the people of that district.

I think the good that she did in that office far exceeded the salary that she earned and, believe me, I underline the word earned, because Bonnie O'Konski earned every dollar that she ever was paid on the payroll of the United States.

In 1972, we were required because of redistricting, reapportionment, to face each other in a campaign. That was the toughest campaign I ever had, because Alvin O'Konski was a political pro. He knew how to use issues. He knew how to exploit them. He knew how to use connections and he gave me the battle of my life, but when it ended, it ended. There were no hard feelings. We continued to be friends. We continued to work together. He continued to contact me once in awhile when we had a problem.

I remember him asking me to come over to Rhinelander to even appear on a TV program that Bonnie had arranged in order to try to raise some money for a developmental center in Rhinelander, something which I was happy to do.

I think Alvin was probably the most colorful Member of Congress ever to represent Wisconsin and there was no question that Alvin enjoyed people. He enjoyed handshaking. He enjoyed political parades. He enjoyed the rough and tumble of politics. He enjoyed the baloney that is always associated with politics. I do not think he took it too seriously, but he enjoyed it.

I think it is safe to say that he will be remembered for a good long time.

There are many other things I would like to mention about Alvin, his role in helping to see to it that veterans got a square deal after World War II, his efforts to see to it that northern Wisconsin had its needs attended to in the field of housing, in the field of highways, education and the like, but I think most of all what will simply be remembered about Alvin O'Konski, at least by Democrats who served with him, is that when we needed some help on a bill that affected working people, even though most of the Members of his own party would not be sympathetic to that view, we would often be able to get an occasional vote from Alvin to help us on a working person's issue. That is why I think he was regarded so fondly on the Democratic side of the aisle, even though we had very strong differences with him on many other issues.

Madam Speaker, there are many other things I would like to say about Alvin O'Konski, but in the interests of time, I would simply say that my wife, Joan and I, are extremely sorry about the pain caused by Alvin's death, to his family, especially to his wife Bonnie.

I know that many of Alvin's friends in northern Wisconsin feel a great sense of loss. I know I do.

I will insert in the RECORD several articles from newspapers which appeared after Alvin's death. One is an editorial which appeared in the Superior Evening Telegram. Another is an article which was written by an old friend of Alvin's from Rhinelander for the Rhinelander Paper, Kris Gilbertson describing some of his experiences in seeing Alvin represent that area for years.

I include the following:

[From the Rhinelander Daily News, July 14, 1987]

O'KONSKI REPRESENTED INTERESTS OF THE NORTHWOODS

(By Kris Gilbertson)

"A congressman's main job is service to his constituents both in legislation and in helping them with problems."

That was the credo of Alvin E. O'Konski throughout his 30-year career as representative of the sprawling 10th district of Wisconsin in the House of Representatives.

When word came of O'Konski's death last week, my thoughts turned to the hundreds of times I had contact with him for information about problems and developments in the Rhinelander area. My files show scores of letters I sent to him asking for help in obtaining data about news occurrences here. Invariably there was a response, usually with the requested information, in a matter of a few days.

My first contact with O'Konski actually came while I was in military service and he was serving his first term in Congress. As adjutant general of the 20th Armored Division, one of my duties was handling responses to inquiries from state legislators and congressmen. In most cases the inquiries concerned failure of soldiers to provide allotments for wives, mothers or other dependents, or their failure to write home.

On several occasions I handled correspondence with O'Konski on matters concerning servicemen from the old 10th district. I included in one of my responses a note that I also was from the 10th district, and O'Konski never forgot that in future letters.

Unquestionably, the reason why O'Konski was noted for prompt action on constituents requests, was the fact his wife Bonnie ran his Washington office. Conversations I had with congressmen from other states and the opposing political party showed they were in agreement that O'Konski and his wife ran the most efficient congressional office in Washington.

O'Konski particularly was noted for his service on behalf of military service personnel, both those on active duty and those fresh out of service. In 1961, when O'Konski was honored in Rhinelander for his support of bills and programs of benefit to elderly, disabled and veterans, Bonnie also was honored.

In Bonnie's case, the honor came because of her efforts in traveling the country over a two-year period to prove to the government that multiple sclerosis should be a service-connected disability in many cases. More than 1,200 veterans were able to draw disability benefits as a result of her work in this field.

O'Konski frequently was a featured speaker at events throughout Wisconsin and particularly in the northern half of the state. It was a pleasure to cover his talks, for he was an eloquent and dynamic orator who always provided good copy.

He also was a delight to interview, for he could rattle off statistics and historic facts to back up any argument he was putting forth. He was proud of his accomplishments for the 10th district and didn't mind boasting about them on occasion. He liked to recall that when he first went to Washington he drew a salary of $10,000 a year and had an allowance of $50 for postage, $200 for stationery and $6,000 for secretarial salaries.

He was opposed to the United States getting involved in Vietnam long before others in Congress and the American people came to that same belief. He supported the Navy's installation of an underground antenna system in northern Wisconsin to contact submarines submerged at sea halfway around the world.

O'Konski performed well for the people of northern Wisconsin and his efforts long will be remembered.

[From the Superior (WI) Evening Telegram, July 9, 1987]

ALVIN E. O'KONSKI

He was considered a master politician, a patriot, fervent promoter and strong supporter of the people he represented for three decades and a man who saw to it that each letter to him was answered, and promptly. Those are among memories of persons who knew U.S. Rep. Alvin E. O'Konski when be served in that position not so many years ago.

Mr. O'Konski, who died at the age of 83 Wednesday in his native Kewaunee, will be remembered with affection by the men and women of the Armed Services in difficult years and after their periods of service were over for his assistance as a co-author of the GI Bill of Rights and a member of the Veterans' Affairs Committee. His support of maintaining first-rate military equipment is well-remembered, too.

Education and labor were also O'Konski first-line interests and persons associated with those two groups often showed their support for his efforts.

Mr. O'Konski made extensive efforts to meet and confer with as many of the people in the district as possible. And those he could not reach in person received prompt attention when they contacted him by mail or phone. His staff knew well one of its most important tasks was to take care of constituents' requests as quickly as possible.

The three or four cents it cost for a postage stamp was a good investment for an O'Konski constituent when used to send a letter asking for his assistance in getting a taxpayer's point across to the wonderful friends of Washington, D.C.

Those pennies, without fail, would go to work immediately. The return mail was sure to bring a letter from Mr. O'Konski indicating he would see what could be done, and it soon would be followed with others reporting progress being made. More often than not he would provide that assistance

Mr. O'Konski in and out of office knew newsmen and their desires well, he owned and managed newspapers, radio and TV operations—and they found him "good copy" regularly.

He was very knowledgeable about the various segments of the constituency he served. Despite differences therein, he had the ability to bring understanding. A compliment paid him on one occasion was that he could speak at the same time to two groups with completely opposite views and members of both would leave satisfied that he represented their best interests.

Mr. O'Konski was, of course, not without his detracters. What politician is? But, his first concern, regardless of his party affiliation, was with the people of the then 10th District.

He was a Republican "strongman" in politics in the northern reaches of the state during eras when the GOP was regarded hereabouts as the Grand Old Party, and he survived in elections in which Democrats were flexing their muscles. Mr. O'Konski often topped local Republican candidates in elections within his district, drawing more votes than GOP candidates for county offices.

His political know-how in developing in grass-roots organization was one of the two keys to his success in retaining the congressional office. The other was service to his constituency.

His support apparently came from all walks of life and from within and without his party. He was unbeatable at the ballot box for many years until reapportionment came as a move to give "equal" representation throughout the state. (There are those who will still argue that is impossible when the people represented are spread over a large area).

Alvin O'Konski was a colorful and influential figure in Congress, his home district, the State of Wisconsin and he was very well known throughout the U.S. He will be long-remembered.

The Evening Telegram and a great many persons in this area offer their condolences to his wife and the brother who survives him.

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I am certain that when other Members insert their remarks in the RECORD that people will understand why Alvin O'Konski was respected by political opponents, loved by his own constituents, and well liked by almost virtually all the people who served with him, people who enjoyed his personal irreverence from time to time, as well as his willingness to work out a compromise on important issues.

I think Alvin recognized that we could have very deeply felt views on issues, but those views were not nearly as important as was our ability to work together to solve problems, to overcome those differences, shade our views from time to time in order to work out an agreement that could stand and to stand by that agreement. That, to me, is one of the major tests of any practicing politician in an institution like this. Alvin passed that test and I was proud to know him as a friend and to work with him as a colleague, as I know other Members of the Wisconsin delegation were. We regret that he is gone, but I talked to Bonnie O'Konski the day after Alvin died, and she told me that he had been undergoing nursing care around the clock and that he told her just the day before that he was going to be glad to go. He had a full life. I do not think we have to regret the fact that he is gone because he did have such a full life. We simply ought to remember the pleasures that he brought all of us in our working relationship with him.

Mr. HORTON. Madam Speaker, earlier this month we lost a long-time former colleague from Wisconsin, Alvin O'Konski. As one who served with Alvin for a decade in the sixties and seventies, I want to join my colleagues today in paying tribute to an excellent former Member of Congress and a fine man.

Alvin died July 9 at the age of 83. For 30 years he represented the people in and around southeast Wisconsin. And he did so with integrity and diligence. He served as the chairman of the House Veterans' Affairs Committee and held positions on the Public Works, Education and Labor, and Armed Services Committees.

While he accomplished many things during his three-decade tenure, perhaps his finest hour was the key role in which he played to pass the original GI bill of rights. Following World War II, our country deluged with millions of young veterans who had successfully fought to keep Europe and the United States free, Alvin led the charge to guarantee almost unimpeded access to secondary and post-secondary education, and supported efforts to implement a "hire a vet" program across the country. World War II veterans had no better friend than Alvin O'Konski.

Alvin was born May 26, 1904, and attended the Oshkosh State College, the University of Wisconsin, and the University of Iowa. After his schooling, he taught in Minnesota, Oregon, and Michigan, as well as owning and operating a variety of newspapers and radio and television stations.

I have many fond memories of Alvin. I admired him greatly as a Member of Congress; I will miss him even more as a person. Mr. Speaker, my wife Nancy and I want to wish Alvin's wife Bonnie and the O'Konski family the very best in this difficult time. We have all lost a true patriot and a great man.

Mr. GUNDERSON. Madam Speaker, I would like to thank my two distinguished colleagues, Representatives DAVID R. OBEY and ROBERT W. KASTENMEIER, for arranging for a special order at the close of business today to honor Alvin E. O'Konski, a former Member of Congress from Wisconsin, who passed away on July 8, 1987, at his Kewaunee, WI home.

We are all deeply saddened by the loss of this respected statesman who served as a Republican Representative from 1943 to 1973. At this time, on behalf of my constitutents in Wisconsin's Third Congressional District, many of whom were formerly Mr. O'Konski's constituents in the old 10th District, I want to express our deepest consolation and sympathy to Alvin's beloved wife of nearly 52 years, Bonnie.

During his long and distinguished tenure in the House of Representatives, Alvin O'Konski served on the Armed Services, Veterans' Affairs, Public Works, Education and Labor, and District of Columbia Committees. He gained a reputation as a tireless champion of the ideals of freedom and democracy. He often spoke on the rights of smaller countries, and vehemently opposed the apeasement of communism.

Alvin served as president of the American Anti-Communist Organization and director of the World League to Stop Communism. For his dedicated work against communism and his efforts on behalf of smaller sovereign nations, he was given the title of "The Most Distinguished American for 1945" by the Foreign Language Press. His commitment to justice was exemplified by his work as a member of the Katyn Forest Massacre Committee, which investigated the murder of 15,000 Allied officers during World War II. And the outstanding member of that committee, Alvin was awarded the Polonia Restitucia medal, the highest decoration of Free Poland.

Alvin O'Konski will be remembered for more than his congressional accomplishments. A 1932 graduate of the University of Wisconsin, he served as both a high school and university instructor. An extremely talented and intelligent individual, Alvin also was a respected lecturer, journalist, editor, publisher, and broadcaster.

Today we pay tribute to a great American who gave the best years of his life to the service of his country and the principles for which it stands. Alvin O'Konski, the statesman, the patriot, and the family man, will never be forgotten by this House or by the Nation which he dearly loved.

Mr. KASTENMEIER. Madam Speaker, I thank my good friend and colleague from Wisconsin, DAVE OBEY, for giving me this opportunity to express my sorrow over the passing of our former colleague, Alvin O'Konski.

I had the pleasure of serving with Alvin for 14 years in the House. Born in a farm in Kewaunee, he was a teacher for much of his life. He was elected to the Congress in 1943. His 30 years of service constitute one of the longest terms of service for a Member from Wisconsin in the House. At the time of his retirement in January 1973, he had served the State of Wisconsin in the Congress, consecutively, longer than any other Member. He was an institution in Wisconsin politics, and a very well-liked colleague, indeed.

He was a senior member of the Committee on Armed Services and the Committee on the District of Columbia at the time of his retirement. He was perhaps best known in Wisconsin for his responsiveness to his constituents.

I extend my deepest sympathies to his wife, Bonnie, and the rest of his family. Their loss is our loss and Wisconsin's loss as well.

GENERAL LEAVE

Mr. OBEY. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the service that Alvin O'Konski provided to his district, to his State, and to his country and to this institution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

EQUALITY OF STATE TAXATION OF DOMESTIC AND FOREIGN CORPORATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. Frenzel] is recognized for 30 minutes.

Mr. FRENZEL. Madam Speaker, I am pleased today to introduce for myself and Messrs. Jenkins, Gibbons, Guarini, Duncan, Archer, Gradison, Daub, Vander Jagt, Brown of Colorado, Chandler, Wolf, Boulter, and Mica, H.R. 2940, a bill to provide for equality of State taxation of domestic and foreign corporations and to bring uniformity and fairness to this country's taxation of income earned overseas by U.S. corporations and their affiliates.

State taxation of corporate income earned outside the United States was the subject of the Worldwide Unitary Taxation Working Group which President Reagan formed in 1983. Because of the deliberations of the Working Group, the pendency of Federal legislation in the 99th Congress, and substantial pressure from this country's trading partners, the majority of States which utilized the worldwide unitary method, as it is commonly called, have revised their laws under which they taxed foreign-source income. At this point, only California, Alaska, North Dakota, and Montana still use the method; and all but Alaska have enacted laws which, when they take effect in 1988 and 1989 will partially, but not completely, solve the problems.

However, major deficiencies still remain which call for Federal legislation. For example, California's action falls short of providing sufficient relief for certain U.S. corporations, fails to avoid double taxation of their foreign-source income and puts them at a disadvantage in their ability to compete with foreign corporations. All of the income of U.S. corporations, which have less than 20 percent of their payroll, property and sales within the United States, is included in the tax basis upon which is computed the State's apportioned share of taxable income of domestic corporations, while the income of foreign corporations which have less than 20 percent of their payroll, property and sales in the United States is excluded from such taxation.

Including U.S. 80/20 corporations in the State tax base while excluding foreign 80/20 corporations completely fails to take into account several important facts: First a U.S. 80/20 corporation, which has more than 80 percent of its activity outside the United States, has little or no connection or nexus with a States' taxing jurisdiction; second, such a corporation will have already paid foreign taxes on the income which was generated by its business activity outside the United States; and third, the States do not provide any credit or deduction for those foreign taxes paid. Therefore, while a foreign corporation with less than 20 percent of its business activity within California is not subject to State tax at all, a similarly situated U.S. corporation is paying foreign and State tax upon all its income with no credit or deduction for foreign taxes already paid on its foreign-source income. Such result is clearly discriminatory and anticompetitive.

In an April 8, 1987, letter to Governor Deukmejian, Assistant Secretary of the Treasury for Tax Policy J. Roger Mentz stressed that an acceptable solution must include the 80/20 issue. He pointed out:

First, that when water's edge unitary combinations are defined on the basis of business activity, place of incorporation should be irrelevant;

Second, that there is no valid policy justification for California's subjecting two taxpayers, for example, one with a Delaware subsidiary operating primarily abroad, the other whose foreign operations are conducted through a French subsidiary, to different tax regimes; and

Third, that in this era of trade competitiveness, the potential for inflicting higher tax burdens on corporations with 80/20 operations, as opposed to foreign subsidiary operations, should be avoided.

The legislation I am introducing today, while allowing the States to impose unitary taxation on most domestic corporations and some foreign corporations, would restore tax equality between U.S. and foreign 80/20 corporations by providing that the States may not impose tax on a worldwide unitary basis on a U.S. corporation of which the average of its U.S. payroll, property and sales compared to its total payroll, property and sales is less than 20 percent.

The legislation would also address the double taxation inherent in State taxation of the dividends received by U.S. corporations from their overseas affiliates, by providing that the States may tax an equitable amount of such dividends—either by providing an offsetting deduction or exclusion of at least 85 percent of such dividend, or by providing for an exemption or exclusion from tax for that portion of the dividend that effectively bears no Federal income tax by reason of the foreign tax credit mechanism.

There are those who will contend that Federal legislation is not needed due to the changes that some States have made in this area. However, I emphasize that now is not the time, as we strive to attain the ability for our corporations to be able to freely compete on an equal basis with their overseas competitors, to allow a major inefficiency in our tax system to continue.

I hope that my colleagues will recognize that by enacting this legislation we can make U.S. business more competitive in international markets and ensure that domestically we will have an efficient and equitable tax system at all levels.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Gekas) to revise and extend their remarks and include extraneous material:)

Mr. Boulter, for 60 minutes, on August 5.

Mr. Dornan of California, for 5 minutes, today.

Mr. Parris, for 60 minutes, on July 22.

Mr. Parris, for 60 minutes, on July 23.

Mr. Frenzel, for 30 minutes, today.

Mr. Gekas, for 5 minutes, today.

Mr. Walker, for 5 minutes, today.

(The following Members (at the request of Mr. Torres) to revise and extend their remarks and include extraneous material:)

Mr. Stark, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Howard, for 5 minutes, today.

Mrs. Schroeder, for 5 minutes, today.

Mr. Dellums, for 5 minutes, today.

Mr. Panetta, for 5 minutes, today.

Mr. Udall, for 10 minutes, today.

Mr. Dymally, for 60 minutes, on July 21.

Mr. Dymally, for 60 minutes, on July 22.

Mr. Skelton, for 30 minutes, on July 20.

Mr. Gonzalez, for 60 minutes, on July 20.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. Pickle, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mrs. Morella, before the voice vote on Wolf amendment to H.R. 2907 in the Committee of the Whole.

(The following Members (at the request of Mr. Gekas) and to include extraneous matter:)

Mr. Courter.

Mr. Packard.

Mr. Solomon.

Mr. Houghton.

Mr. Moorhead.

Ms. Snowe.

Mr. DioGuardi in three instances.

Mr. Dreier of California.

Mr. Lott.

Mr. Horton.

Mr. Green.

Mr. Tauke.

Mr. Porter.

Mr. Donald E. Lukens.

Mrs. Johnson of Connecticut.

(The following Members (at the request of Mr. Torres) and to include extraneous matter:)

Mr. Skelton.

Mr. Sharp in four instances.

Mr. PEPPER.

Mr. SMITH of Florida.

Mr. MONTGOMERY.

Mr. VENTO.

Mr. LANTOS.

Mr. LIPINSKI.

Mr. FORD of Tennessee.

Mr. FLIPPO.

Mr. LEHMAN of Florida in two instances.

Mr. TRAXLER in two instances.

Mrs. SCHROEDER.

Mrs. BOGGS.

Mr. APPLEGATE.

Mr. FEIGHAN.

Mr. HAMILTON.

Mr. PEASE.

Mr. FLORIO.

Mr. WAXMAN.

Mr. DIXON in two instances.

Mr. DYSON.

Mr. GARCIA.

SENATE BILL REFERRED

Bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1047. An Act to amend Public Law 94-241, the joint resolution approving the covenant to establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, and for other purposes; to the Committees on Interior and Insular Affairs and the Judiciary.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 122. Joint resolution, to designate the week beginning July 16, 1987, as "Snow White Week."

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S.J. Res. 88. Joint resolution to designate the period commencing November 15, 1987, and ending November 21, 1987, as "Geography Awareness Week."

ADJOURNMENT TO MONDAY, JULY 20, 1987

Mr. OBEY. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of House Concurrent Resolution 156 of the 100th Congress, the House stands adjourned until 12 noon, Monday, July 20, 1987.

Thereupon (at 7 o'clock and 19 minutes p.m.), pursuant to House Concurrent Resolution 156, the House adjourned until Monday, July 20, 1987, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1756. A letter from the Secretary of Defense, transmitting a security review for DOD bases and installations outside the United States, pursuant to 10 U.S.C. 113 nt.; to the Committee on Armed Services.

1757. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to authorize the Secretary of Agriculture under certain conditions, to release the public purpose reversionary clause contained in deeds for land conveyances made under the provisions of the Bankhead-Jones Farm Tenant Act; to the Committee on Agriculture.

1758. A letter from the Executive Associate Director, Office of Management and Budget, transmitting a report that the appropriations to the Internal Revenue Service, Department of the Treasury, listed therein, have been reapportioned on a basis that indicates the necessity for a supplemental estimate of appropriation, pursuant to 31 U.S.C. 1515(b)(2); to the Committee on Appropriations.

1759. A letter from the Secretaries of Labor, Health and Human Services, Commerce, the Attorney General, and the Administrator of Small Business, transmitting the Administration's views to enactment of broad individual risk notification legislation as embodied in H.R. 162; to the Committee on Education and Labor.

1760. A letter from the Secretary of Education, transmitting a draft of proposed legislation to amend the Rehabilitation Act of 1973, to make technical corrections and program improvements, and for other purposes; to the Committee on Education and Labor.

1761. A letter from the Assistant Secretary, Legislative and Intergovernmental Affairs, Department of State, transmitting notification of the determination by the Deputy Secretary of State that the furnishing of assistance to Nigeria, which is more than 6 months in default on loans made under the FAA of 1961, as amended, is in the national interest, copies of the determination and the justification enclosed pursuant to 22 U.S.C. 2370(q); to the Committee on Foreign Affairs.

1762. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Air Force's proposed letter(s) of offer to Thailand for defense articles and services estimated to cost $115 million (transmittal No. 87-31), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1763. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting the Department's travel advisories for South Africa and Haiti which have security implications for Americans traveling or residing in those countries, pursuant to 22 U.S.C. 2656e; to the Committee on Foreign Affairs.

1764. A letter from the Assistant Secretary, Land and Minerials Management, Department of the Interior, transmitting the 1986 annual report describing royalty management and collection activities under the Federal Oil and Gas Royalty Management Act of 1982, purusant to 30 U.S.C. 1752(a); to the Committee on Interior and Insular Affairs.

1765. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title 17 of the U.S. Code to implement the Berne Convention for the Protection of Literary and Artistic Works, and revised at Paris on July 24, 1971, and for other purposes; to the Committee on the Judiciary.

1766. A letter from the Administrator, General Services Administration, transmitting copies of proposed lease prospectuses, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

1767. A letter from the Administrator, General Services Administration, transmitting copies of lease prospectuses at various locations, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

1768. A letter from the Commissioner, Internal Revenue Service, Department of the Treasury, transmitting notification of changes in the structure of the Internal Revenue Service's national office; to the Committee on Ways and Means.

1769. A letter from the Secretary of the Treasury, transmitting a request that the Congress act by July 17 on legislation to extend the debt ceiling; to the Committee on Ways and Means.

1770. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting part 2 of the Agency's Indoor Air Quality Implementation Plan, to accompany the report submitted in April (Executive Communication No. 1214, Apr. 21, 1987), pursuant to Section 403(d), Superfund Amendments and Reauthorization Act of 1986; jointly, to the Committees on Energy and Commerce and Science, Space and Technology.

1771. A letter from the Assistant Secretary of the Treasury, transmitting notice required by 5 U.S.C. 8348(l)(2) and 5 U.S.C. 8438(i)(2) that in the absence of a debt limit increase by July 17, the Treasury will be unable to invest or roll over maturing investments of trust funds and other Government accounts, including the Civil Service Retirement and Disability Fund and the Government Securities Investment Fund of the Federal Employees' Retirement System; jointly, to the Committees on Post Office and Civil Service and Ways and Means.

1772. A letter from the Secretary of Energy, transmitting report on the proposals of the divestiture of the naval petroleum reserves at NPR1 and NPR3, pursuant to Public Law 99-591, section 314 (100 Stat. 3341-286); jointly, to the Committees on Appropriations, Armed Services, and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of the rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FORD of Michigan: Committee on Post Office and Civil Service. Report of the Committee on Post Office and Civil Service pursuant to section 302(b) of the Congressional Budget Act of 1974. (Rept. 100-220). Referred to the Committee of the Whole House on the State of the Union.

Ms. OAKAR: Committee on House Administration. House Joint Resolution 309. Joint resolution to establish the Speaker's Civic Achievement Awards Program to be administered under the Librarian of Congress to recognize achievement in civic literacy by students, classes, and schools throughout the Nation in grades 5 through 8, and for other purposes; with amendments (Rept. 100-221). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2290. A bill entitled, the "Indian Health Care Amendments of 1987"; with amendments (Rept. 100-222, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RODINO (for himself, Mr. Frank, Mr. Brooks, Mr. Gilckman, Mr. Morrison of Connecticut, Mr. Berman, and Mr. Cardin):

H.R. 2939. A bill to amend title 28, United States Code, with respect to the appointment of independent counsel; to the Committee on the Judiciary.

By Mr. FRENZEL:

H.R. 2940. A bill to provide for equality of State taxation of domestic and foreign corporations jointly, to the Committees on Ways and Means and the Judiciary.

By Mr. ROSTENKOWSKI (for himself, Mr. Dingell, Mr. Stark, Mr. Waxman, and Mr. Roybal):

H.R. 2941. A bill to amend title XVIII of the Social Security Act to provide protection against catastrophic medical expenses under the Medicare Program, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. PICKLE (for himself and Mr. Schulze):

H.R. 2942. A bill to amend the Internal Revenue Code of 1986 to increase disclosure of information by tax-exempt organizations, to clarify that certain activities by tax-exempt organizations constitute political activity, and for other purposes; to the Committee on Ways and Means.

By Mr. ACKERMAN:

H.R. 2943. A bill to adjust the salary and other benefits received by the Federal employees of the United States Secret Service Uniformed Division and to amend title 5, U.S. Code, to incorporate, in its entirety, section 501 of the District of Columbia Police and Firemens Salary Act of 1958; to the Committee on Post Office and Civil Service.

By Mr. ACKERMAN:

H.R. 2944. A bill to adjust the salary and other benefits received by the U.S. Park Police and to amend title 5, U.S. Code to incorporate, in its entirety, section 501 of the District of Columbia Police and Firemens Salary Act of 1958; to the Committee on Post Office and Civil Service.

By Mr. APPLEGATE (for himself, Mr. McEwen, Mr. Montgomery, Mr. Solomon, Mr. Penny, Mr. Wylie, Mr. Johnson of South Dakota, Mr. Bilirakis, Mr. Mica, Mr. Smith of New Hampshire, Mr. Evans, and Mr. Robinson):

H.R. 2945. A bill to amend title 38, U.S. Code, to provide a 4.1 percent increase in the rates of compensation and of dependency and indemnity compensation [DIC] paid by the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BIAGGI:

H.R. 2946. A bill to amend title XVI of the Social Security Act to eliminate the one-third benefit reduction presently applicable to individuals receiving support and maintenance in kind from families with whom they are living; to the Committee on Ways and Means.

By Mr. BROWN of Colorado:

H.R. 2947. A bill to suspend for a 3-year period the duty on carfentanil citrate; to the Committee on Ways and Means.

By Mr. DANIEL (for himself, Mr. Kasich, Mr. Bennett, Mrs. Bentley, Mr. Bryant, Mr. Coats, Mr. Courter, Mr. Darden, Mr. Davis of Illinois, Mr. Dyson, Mr. Frank, Mr. Hunter, Mr. Hutto, Mr. Kyl, Mr. Leath of Texas, Mr. Lewis of Georgia, Mr. Martin of New York, Mrs. Martin of Illinois, Mr. Martinez, Mr. Montgomery, Mr. Nichols, Mr. Pickett, Mr. Ravenel, Mr. Ray, Mr. Sisisky, Mr. Skelton, Mr. Smith of Florida, Mr. Spratt, Mr. Stallings, and Mr. Stump):

H.R. 2948. A bill to prohibit the Department of Defense from purchasing any product manufactured or assembled by Toshiba America, Inc., or Toshiba Corp. for the purpose of resale of such product in a military exchange store; to the Committee on Armed Services.

By Mr. DAUB:

H.R. 2949. A bill to amend the Agricultural Act of 1949 to provide grain from the Commodity Credit Corporation to new facilities producing liquid fuels and agricultural commodity byproducts; to the Committee on Agriculture.

By Mr. DOWDY of Mississippi:

H.R. 2950. A bill to amend the Montgomery GI bill with respect to flight training; jointly, to the Committees on Veterans' Affairs and Armed Services.

By Mr. ENGLISH:

H.R. 2951. A bill to require laboratories in drug testing programs used by private employers to meet certain Federal standards; to the Committee on Education and Labor.

By Mr. HORTON:

H.R. 2952. A bill to increase the amount authorized to be appropriated for acquisition at the Women's Rights National Historical Park; to the Committee on Interior and Insular Affairs.

By Mr. HUGHES (for himself, Mr. Fish, Mr. Smith of Florida, and Mr. Shaw):

H.R. 2953. A bill to amend title 28, U.S. Code, to permit the district courts of the United States to enjoin, suspend, or restrain certain State ad valorem property taxes on interstate gas transmission property, and for other purposes; to the Committee on the Judiciary.

By Mr. JACOBS:

H.R. 2954. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to require manufacturers of automobiles to provide to the Secretary of Transportation for dissemination to the public all vehicle warranty and repair information it provides their dealers; to the Committee on Energy and Commerce.

By Mr. KANJORSKI:

H.R. 2955. A bill to amend part D of title IV of the Social Security Act to make it clear that the existing authority to collect past-due child support from Federal tax refunds (under section 464 of that act), to the extent that such support remains unpaid when the child involved reaches the age of majority, may be exercised after the child reaches that age; to the Committee on Ways and Means.

H.R. 2956. A bill to amend the requirements of the manufacturing clause of title 17 of the United States Code, the copyright law; jointly, to the Committees on the Judiciary and Ways and Means.

By Ms. KAPTUR (for herself, Mr. Burton of Indiana, Mr. Montgomery, Mr. Solomon, Mr. Rowland of Georgia, Mr. Rowland of Connecticut, Mr. Harris, Mr. Smith of New Hampshire, Mrs. Patterson, and Mr. Davis of Illinois):

H.R. 2957. A bill to provide for improvements in the National Cemetery System administered under title 38, United States Code, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. LEVINE of California (for himself, Mrs. Collins, Mr. Owens of New York, and Mr. Bustamante):

H.R. 2958. A bill to establish as an executive department of the Government a Department of Industry and Technology, to establish within that Department the Advanced Civilian Technology Agency, to establish the U.S. Trade Administration, and for other purposes; jointly, to the Committees on Government Operations; Energy and Commerce; Banking, Finance and Urban Affairs; Foreign Affairs; Ways and Means; Education and Labor; and Science, Space, and Technology.

By Mr. McCANDLESS (for himself, Mr. Brown of California, Mr. Lewis of California, Mr. Biaggi, Mr. Crockett, Mr. Dwyer of New Jersey, Mr. Fazio, Mr. Frank, Ms. Kaptur, Mr. Lagomarsino, Mr. Martinez, Mr. Roe, Mr. Scheuer, Mr. Shumway, Mr. Smith of New Jersey, and Mr. Towns):

H.R. 2959. A bill to amend the Domestic Volunteer Service Act of 1973 to permit Foster Grandparent services to be provided to mentally retarded individuals without regard to the age of such individuals; to the Committee on Education and Labor.

By Mr. MacKAY (for himself, Mr. Chandler, Mr. Carper, Mr. Shaw, Mr. Penny, Mr. Frenzel, Mr. Stenholm, Mr. Cooper, Mr. McMillan of North Carolina, Mr. Morrison of Connecticut, Mr. Houghton, Mr. Johnson of South Dakota, Mr. Livingston, Mrs. Schroeder, Mr. Nielson of Utah, Mr. Leath of Texas, Mr. Slattery, Mr. Gordon, Mr. Price of North Carolina, Mr. Spratt, Mr. Barnard, Mr. Robinson, Mr. Thomas of Georgia, Mr. Rowland of Georgia, Mr. Ray, Mr. Stallings, Mr. Lancaster, Mr. DeFazio, and Ms. Slaughter of New York):

H.R. 2960. A bill to temporarily increase the statutory limit on the public debt, to revise certain procedures set forth in the Balanced Budget and Emergency Deficit Control Act of 1985, to call for an economic summit, and for other purposes; jointly, to the Committees on Ways and Means, Government Operations, and Rules.

By Mr. MARKEY:

H.R. 2961. A bill to amend the Communications Act of 1934 to reauthorize the Federal Communications Commission, and for other purposes; to the Committee on Energy and Commerce.

By Mr. MOORHEAD (for himself and Mr. Fish):

H.R. 2962. A bill to amend title 17 of the United States Code to implement the Berne Convention for the Protection of Literary and Artistic Works, as revised at Paris on July 24, 1971, and for other purposes; to the Committee on the Judiciary.

By Mr. MORRISON of Washington (for himself, Mr. Foley, and Mr. Craig):

H.R. 2963. A bill to provide that the basic pay of employees of the U.S. Army Corps of Engineers who are paid from Corps of Engineer special power rate schedules shall be consistent with the basic pay of certain other Federal employees; to the Committee on Post Office and Civil Service.

By Mr. SCHUMER:

H.R. 2964. A bill to prescribe the procedures for State applications to Congress for a Federal constitutional convention under article V of the Constitution and for calling a convention; to the Committee on the Judiciary.

By Mr. SUNDQUIST (for himself and Mr. Denny Smith):

H.R. 2965. A bill to amend the Congressional Budget Act of 1974 to provide that if Congress does not complete action on a concurrent resolution on the budget for a fiscal year by April 15 then the most recently agreed to concurrent resolution on the budget shall govern for purposes of section 302 allocations and section 311 points of order for that fiscal year, and for other purposes; to the Committee on Rules.

By Mr. TAYLOR (by request):

H.R. 2966. A bill to amend title 5, United States Code, to establish a simplified management system for Federal employees, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. UDALL:

H.R. 2967. A bill to establish a Nuclear Waste Policy Review Commission, an Office of the Nuclear Waste Negotiator, and for other purposes; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mrs. BOGGS (for herself and Mr. Crane):

H. Con. Res. 161. Concurrent resolution authorizing a public ceremony on the West Lawn of the Capitol in honor of the Bicentennial of the U.S. Constitution; to the Committee on Public Works and Transportation.

By Mr. DioGUARDI (for himself, Mr. Ackerman, Mr. Broomfield, Mr. Burton of Indiana, Mr. Dornan of California, Mr. Gilman, Mr. Hyde, Mr. Lagomarsino, Mr. Lantos, Mr. Donald E. Lukens, Mr. Mack, Mr. Miller of Washington, Mr. Solomon, Mr. Ballenger, Mr. Barton of Texas, Mr. Buechner, Mr. Bilirakis, Mr. Boehlert, Mr. Boulter, Mr. Coble, Mr. Crane, Mr. Craig, Mr. Daub, Mr. DeLay, Mr. Fish, Mr. Gallo, Mr. Gingrich, Mr. Herger, Mr. Hochbrueckner, Mr. Houghton, Mr. Hunter, Mr. Hutto, Mr. Ireland, Mr. Jones of North Carolina, Mr. Leland, Mr. Lewis of California, Mr. Lightfoot, Mr. McMillan of North Carolina, Mr. Manton, Mr. Mavroules, Mr. Molinari, Mr. Morrison of Connecticut, Mr. Mrazek, Mr. Packard, Mr. Petri, Mr. Porter, Mr. Rahall, Mr. Roth, Mr. Shaw, Mr. Sweeney, Mr. Stallings, Mr. Tauke, Mr. Towns, Mr. Traficant, Mr. Walker, Mr. Weber, and Mr. Weldon):

H. Con. Res. 162. Concurrent resolution expressing concern over the conditions of ethnic Albanians living in the Socialist Federal Republic of Yugoslavia; to the Committee on Foreign Affairs.

By Mr. ANDERSON (for himself, Mr. Howard, Mr. Hammerschmidt, and Mr. Shuster):

H. Res. 225. Resolution expressing the sense of the House of Representatives that the Federal excise taxes on gasoline and diesel fuel shall not be increased to reduce the Federal deficit; to the Committee on Ways and Means.

By Mr. KANJORSKI (for himself, Mrs. Boxer, Mr. Chapman, Mr. Coelho, Mr. Conyers, Mr. DeFazio, Mr. Frost, Mr. Gaydos, Mr. Kolter, Mr. Martinez, Mr. Mica, Mr. Miller of California, Ms. Pelosi, and Mr. Traficant):

H. Res. 226. Resolution to amend the Rules of the House of Representatives to require that all testimony of witnesses at committee or subcommittee hearings be taken under oath; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

164. The SPEAKER presented a memorial of the Legislature of the State of Michigan, relative to H.R. 1917; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. SHUSTER introduced a bill (H.R. 2968) for the relief of Norman Brookens; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 80: Mrs. Byron and Mr. Jontz.

H.R. 134: Mr. Atkins.

H.R. 203: Ms. Snowe.

H.R. 567: Mr. Miller of Washington and Mr. Torricelli.

H.R. 592: Mr. Moakley and Mr. Clarke.

H.R. 594: Mrs. Martin of Illinois and Mr. Craig.

H.R. 719: Mr. Roth.

H.R. 721: Mr. Stokes.

H.R. 755: Mr. Atkins.

H.R. 779: Ms. Pelosi.

H.R. 805: Mr. Richardson.

H.R. 933: Mr. Clarke.

H.R. 1002: Mr. Visclosky and Mr. Wolpe.

H.R. 1007: Mr. Manton, Mr. Clinger, Mr. Traficant, Mr. Richardson, Mrs. Roukema, Mr. Crane, Mr. Campbell, Mr. Bevill, Mr. Owens of New York, Mr. Murphy, Mr. Crockett, Mr. Hayes of Illinois, Mr. Dannemeyer, Mr. Spence, Mr. Scheuer, Mr. Solarz, Mr. Lewis of Georgia, Mr. Tauzin, Mr. Duncan, Mr. Hammerschmidt, Mr. Latta, Mr. Taylor, Mr. Swift, Mr. Bilirakis, Mr. Lehman of California, Mr. Clay, Mr. Rahall, Mrs. Byron, Mr. Kildee, Mr. Craig, Mr. Ridge, Mr. Johnson of South Dakota, Mr. Garcia, and Mr. Dymally.

H.R. 1048: Mrs. Roukema, Mr. Gilman, Mrs. Bentley, and Mr. Crane.

H.R. 1087: Mr. Oxley.

H.R. 1096: Mr. Schuette.

H.R. 1105: Mr. Kolter and Mr. Applegate.

H.R. 1106: Mr. de la Garza, Mr. Roe, Mr. Schaefer, Mrs. Bentley, Mr. Hammerschmidt, Mr. Shaw, Mr. Robinson, Mr. Lewis of Georgia, Mr. McCloskey, Mr. Swift, and Mr. Parris.

H.R. 1240: Mr. Parris, Mrs. Byron, Mr. Torres, Mr. Jeffords, Mr. Daniel, and Mr. Solomon.

H.R. 1241: Mr. Kolter, Mr. Wise, Mr. Houghton, Mr. Saxton, Mr. Walker, and Mr. Smith of New Hampshire.

H.R. 1278: Mr. Oxley.

H.R. 1327: Mr. Wise.

H.R. 1336: Mr. Ridge, Mr. Gaydos, Mr. Ireland, Mr. Hayes of Illinois, Mr. Pease, Mr. Weldon, Mr. Pepper, and Mr. Gray of Pennsylvania.

H.R. 1395: Mr. Chandler.

H.R. 1433: Mr. Borski, Mr. Lewis of California, and Mr. Bartlett.

H.R. 1437: Mr. Fields, Mr. Bartlett, Mr. Young of Florida, Mr. Stangeland, and Mr. Holloway.

H.R. 1438: Mr. Bartlett, Mr. Young of Florida, and Mr. Swindall.

H.R. 1470: Mr. Ireland and Ms. Pelosi.

H.R. 1516: Mr. Gingrich, Mr. Boehlert, and Mr. Tallon.

H.R. 1536: Mr. Ballenger and Mr. Emerson.

H.R. 1600: Mr. Stratton, Mr. Badham, and Mr. Dreier of California.

H.R. 1606: Mr. Boulter, Mr. Upton, and Mr. Dreier of California.

H.R. 1624: Mr. Nichols.

H.R. 1755: Mr. Howard.

H.R. 1786: Mr. Badham, Mr. Montgomery, Mrs. Byron, Mr. Denny Smith, Mr. Mack, and Mr. Gray of Illinois.

H.R. 1794: Mr. Towns, and Mr. Torricelli.

H.R. 1800: Mr. Bevill, Mr. Hatcher, Mr. Staggers, and Mr. Wolpe.

H.R. 1845: Mr. Pepper.

H.R. 1866: Mr. Weiss, Mr. Wolpe, and Mr. Lantos.

H.R. 1885: Mr. Dorgan of North Dakota.

H.R. 1926: Mr. Dyson and Mr. Craig.

H.R. 1927: Mr. Nielson of Utah and Mr. Edwards of Oklahoma.

H.R. 1957: Mr. Mollohan, Mr. Martinez, Mr. Wolpe, Mr. Kolter, Mr. Tallon, Mr. Feighan, Mrs. Bentley, Mr. Craig, Mr. Fish, Mr. Rowland of Connecticut, Mr. DeLay, Mr. Gilman, Mr. Conyers, Mr. Edwards of Oklahoma, Mr. Atkins, Mr. Lancaster, Mr. Bevill, and Mr. Buechner.

H.R. 1971: Mr. Henry.

H.R. 1975: Mr. Garcia, Mr. Stokes, Mr. Lewis of Georgia, Mr. Bustamante, and Mr. de la Garza.

H.R. 2048: Mr. Shumway and Mr. Edwards of Oklahoma.

H.R. 2125: Mr. English.

H.R. 2132: Mr. Packard and Mr. Herger.

H.R. 2172: Mr. Vento.

H.R. 2213: Mr. Hefner, Mr. Young of Florida, Mr. Conyers, Mr. Bereuter, Mr. Matsui, Mr. Hall of Ohio, Mr. Hayes of Illinois, Mr. Scheuer, Mr. Kleczka, Mr. Coleman of Texas, Mr. Roe, Mr. Clay, Mr. Hansen, Mr. Bilbray, Mr. Coyne, Mr. Martinez, Mr. Fauntroy, Mr. Lipinski, Mr. Grant, Mrs. Johnson of Connecticut, Mr. Volkmer, Mr. de Lugo, Mr. Sunia, Mrs. Boxer, Mr. Jontz, Mr. Oberstar, Mr. Gilman, Mr. Rangel, Mr. Conte, Mr. Dellums, Mr. Atkins, Mr. Evans, Mr. Florio, Mr. MacKay, Mr. Yatron, Mr. Murphy, Mr. Fascell, Mr. Towns, Mr. Ritter, Mrs. Lloyd, Ms. Kaptur, Mr. Owens of New York, Mr. Solarz, Mr. Studds, Ms. Slaughter of New York, Mr. Badham, Mr. Hughes, Mr. Robinson, Mr. Williams, Mr. Guarini, and Mr. Wise.

H.R. 2214: Mr. Schaefer.

H.R. 2232: Mr. Craig and Mr. Badham.

H.R. 2270: Mr. Cooper and Mr. Markey.

H.R. 2340: Mr. Edwards of Oklahoma.

H.R. 2419: Mr. Ridge, Mr. Synar, Mr. Aspin, and Mr. MacKay.

H.R. 2434: Mr. Ford of Michigan, Mr. Gilman, Ms. Oakar, Mr. Tallon, Mr. Carper, Mr. DeWine, Mr. Richardson, Mr. Stokes, Mr. Hayes of Illinois, Mr. Dixon, Mr. Ray, Mr. Mollohan, Mr. Moorhead, Mr. Martinez, Mr. Hutto, and Mr. Shumway.

H.R. 2452: Mr. Eckart.

H.R. 2456: Mr. Wolpe, Mr. Miller of California, Mr. Towns, Mr. Rodino, and Mr. Dymally.

H.R. 2487: Mr. Fazio, Mr. Roberts, Mr. Lagomarsino, Mr. Frank, Mr. Solarz, Mr. DeWine, Mrs. Byron, Mr. Wortley, Mr. Mrazek, Mr. Davis of Illinois, Mr. DeFazio, Mr. Clay, Mr. Brennan, Mr. Frost, Mr. Sisisky, Mr. Roe, Mr. Daub, Mr. Boucher, Mr. Boehlert, Mr. Towns, Mr. Olin, Mr. Matsui, Mr. Borski, Mr. Fish, Mr. Huckaby, Mr. Mfume, Mrs. Collins, Mr. Lancaster, Mr. Saxton, Mr. Owens of Utah, Mr. Biaggi, Mr. Robert F. Smith, Mr. Stokes, Mr. Lowery of California, Mr. Kolter, Mr. Robinson, Mr. Lantos, Mr. Lewis of Georgia, Mr. Garcia, Mr. Dellums, Ms. Pelosi, Mr. Martinez, Mr. Petri, Mr. Sawyer, and Mr. Wolpe.

H.R. 2498: Mr. Atkins.

H.R. 2508: Mr. Weiss.

H.R. 2517: Mr. Solomon and Ms. Pelosi.

H.R. 2532: Mrs. Boxer, Mr. Bustamante, Mr. Foglietta, Mr. Spence, and Mr. Owens of New York.

H.R. 2570: Mr. DeFazio and Mr. Kolter.

H.R. 2605: Mr. Lagomarsino, Mr. Dornan of California, Mr. Gray of Illinois, Mr. Biaggi, Mr. Boulter, Mrs. Boxer, Mr. Hyde, Mr. Donald E. Lukens, Mr. Daub, Mr. Towns, Mr. Gilman, Mrs. Bentley, Mr. Hall of Ohio. Mr. Martinez, Mr. Ridge, Mr. Holloway, and Mr. Rinaldo.

H.R. 2606: Mr. Lowry of Washington and Mr. Atkins.

H.R. 2607: Mr. Atkins and Mr. Vento.

H.R. 2622: Mr. Garcia, Mr. Neal, Mr. Bates, Mr. Hochbrueckner, Mrs. Collins, Mr. Feighan, and Mr. LaFalce.

H.R. 2624: Mr. Dornan of California, Mr. McGrath, Mr. Wortley, Mr. Lagomarsino, Mr. Towns, Mr. Hunter, and Mr. Gray of Illinois.

H.R. 2626: Mr. Campbell, Mr. Wilson, Mr. Feighan, and Mr. Kildee.

H.R. 2665: Mr. Shumway.

H.R. 2699: Mr. Blaz, Mr. Regula, and Mr. Edwards of Oklahoma.

H.R. 2720: Mr. Miller of Washington and Mr. Weldon.

H.R. 2745: Mr. Dornan of California, Mr. Smith of Florida, Mr. Towns, Mr. Lagomarsino, Mr. Goodling, Mr. Lewis of Florida, and Mr. Smith of New Hampshire.

H.R. 2746: Mr. Dornan of California, Mr. Lagomarsino, Mr. Bilbray, and Mr. Owens of New York.

H.R. 2747: Mr. Green, Mr. Matsui, and Mr. Lagomarsino.

H.R. 2758: Mr. Hiler and Mrs. Johnson of Connecticut.

H.R. 2787: Mr. Solomon and Ms. Pelosi.

H.R. 2801: Mr. Gekas and Mr. Murphy.

H.R. 2814: Mr. Swift.

H.R. 2853: Mr. Jeffords, Mr. Lagomarsino, Mr. Daub, Mr. Chapman, Mr. Henry, Mr. Solomon, Mr. Martin of New York, Mr. Neal, and Mr. Kolter.

H.R. 2862: Mr. Frank, Mr. Ackerman, Mr. Kolter, Mr. Chapman, Mr. Eckart, Mr. Levin of Michigan, Mr. Weiss, Mr. Feighan, and Mr. Vento.

H.R. 2888: Mr. Oberstar, Mr. Aspin, and Mr. Quillen.

H.R. 2908: Mr. Swift, Mr. Sundquist, Mr. Lightfoot, Mr. Perkins, Mr. Frenzel, and Mr. Leach of Iowa.

H.R. 2911: Mr. Atkins.

H.J. Res. 24: Mr. Robert F. Smith, Mr. Davis of Michigan, Mr. Borski, Mr. Pepper, Mr. Synar, Mr. Kolbe, Mr. Hoyer, Mr. Boland, Mr. Carper, Mr. Foglietta, Mr. Evans, Mr. Dornan of California, Mr. Lewis of Florida, Mr. McHugh, Mr. Miller of Washington, Mr. Brooks, Mr. Natcher, Mrs. Morella, Mr. Moakley, Mr. Hawkins, Mr. Lantos, Mr. Clay, Mr. Porter, Mr. Rodino, Mr. Skelton, Mr. Staggers, Mr. Thomas A. Luken, Mr. Courter, Mr. Moody, Mr. Watkins, Mr. Bennett, Mr. Bosco, Mr. Wilson, Mr. Miller of California, Mr. Visclosky, Mr. Young of Alaska, Mr. Walgren, Mr. Levine of California, and Mr. Daniel.

H.J. Res. 42: Ms. Slaughter of New York, Mr. Durbin, and Ms. Oakar.

H.J. Res. 146: Mr. Gejdenson.

H.J. Res. 152: Mr. Cardin and Mr. Markey.

H.J. Res. 240: Mr. Mrazek, Mr. Waxman, Mr. Rowland of Connecticut, Mr. Hatcher, Mr. McGrath, Mr. Towns, Mr. Lipinski, Mr. Horton, Mr. Owens of New York, Mr. Lehman of Florida, Mr. McCloskey, Mr. Kolter, Mr. Berman, Mr. Blaz, Mr. Bustamante, Mr. Moakley, and Mr. Boner of Tennessee.

H.J. Res. 307: Mr. Spratt, Mr. Solomon, Mr. Fish, Mr. Lehman of California, Mrs. Boggs, Mr. Wyden, Mrs. Schroeder, Mr. Staggers, Mr. Eckart, Mr. Panetta, Mr. Volkmer, Mr. Harris, Mr. Regula, Mr. Latta, Mr. Mavroules, Mr. Miller of Ohio, Mr. Roemer, Mr. Dowdy of Mississippi, Mr. Jacobs, Mr. Weldon, Mr. Shumway, Mr. Evans, Mr. Moody, Mr. Dicks, Mr. Bustamante, Mrs. Patterson, Mr. Glickman, Mr. Fascell, Mr. Murtha, Mr. Leach of Iowa, Mr. Mrazek, and Mr. Hayes of Illinois.

H.J. Res. 313: Mr. Atkins.

H.J. Res. 318: Mr. Jenkins, Mr. Garcia, Mr. Lancaster, Mr. Howard, Mrs. Bentley, Mr. Vento, Mr. Hughes, Mr. Boehlert, Mr. McMillen of Maryland, Mrs. Martin of Illinois, and Mr. Kildee.

H. Con. Res. 136: Mr. Lagomarsino.

H. Res. 169: Mr. Boehlert.

H. Res. 185: Mr. Rinaldo, Mr. Markey, Mr. Jacobs, Mr. Bliley, Mr. Sikorski, Mr. Swindall, Mr. Ravenel, Mr. Wolf, Mr. Skeen, Mr. Johnson of South Dakota, Mr. Bateman, Mr. Shumway, Mr. Saxton, Mr. Burton of Indiana, Mr. Bryant, Mr. Nelson of Florida, Mr. Montgomery, and Mr. Gallegly.

H. Res. 188: Mrs. Martin of Illinois, Mr. Armey, Mr. Edwards of Oklahoma, Mr. Gekas, Mr. Schuette, Mr. Bunning, Mr. Kyl, Mr. Herger, and Mr. Kolbe.

H. Res. 198: Mrs. Smith of Nebraska, Mr. Schuette, Mr. Boulter, and Mr. Craig.

H. Res. 208: Mr. Coelho, Mr. Levine of California, Mr. Crockett, Mr. Owens of New York, Mr. Staggers, Mr. Martinez, Mr. Waxman, and Mr. Dwyer of New Jersey.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1327: Mr. McMillan of North Carolina.

H.J. Res. 24: Mr. McMillan of North Carolina.

H.J. Res. 144: Mr. McMillan of North Carolina.

H.J. Res. 148: Mr. McMillan of North Carolina.

PETITIONS, ETC.

Under clause 1 of Rule XXII,

The SPEAKER presented a petition of the Alaska Land Use Council, Anchorage, AK, relative to the Alaska National Interest Lands Conservation Act; which was referred to the Committee on Interior and Insular Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1720,

By Mr. KANJORSKI:

—After section 513, insert the following new section (and redesignate the succeeding section accordingly, with conforming changes in the table of contents):

SEC. 514. COLLECTION OF PAST-DUE CHILD SUPPORT AFTER CHILD ATTAINS MAJORITY.

(a) In General.—Section 464(c) of the Social Security Act is amended to read as follows:

"(c) As used in this part the term 'past-due support' means the amount of a delinquency, determined under a court order or an order of an administrative process established under State law, for support and maintenance of a child, or (in a case to which subsection (a)(1) applies) of a child and the parent with whom the child is living, without regard to whether or not the child involved is still a minor or is otherwise still currently entitled to such support from the noncustodial parent.".

(b) Effective Date.—The amendment made by subsection (a) shall apply on and after the date of the enactment of this Act, regardless of when the period for which the child support involved was due occurred.

SENATE—*Wednesday, July 15, 1987*

(Legislative day of Tuesday, June 23, 1987)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. PATRICK J. LEAHY, a Senator from the State of Vermont.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

For my thoughts are not your thoughts, neither are your ways my ways, saith the Lord. For as the heavens are higher than the earth, so are my ways higher than your ways, and my thoughts than your thoughts.—Isaiah 55: 8-9.

Omniscient God, kind Father in heaven, open our minds to the possibility of the relevance of the prophet's wisdom in those words. If true, our thoughts are so often inverted—our ways backward. Does this truth explain the reason for frustration—for futility? Your word declares, "As a man thinketh in his heart, so is he." Proverbs 23: 7. Gracious God, if we become what we think in our hearts, make us wise in thinking God's way. Help us to seek Your ways and think Your thoughts after You that Your name may be hallowed, Your kingdom come, Your will be done on earth as it is in heaven. For Thine is the kingdom and the power and the glory forever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 15, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PATRICK LEAHY, a Senator from the State of Vermont, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. LEAHY thereupon assumed the chair as Acting President pro tempore.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of the pending business, S. 1420, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1420) to authorize negotiations of reciprocal trade agreements, to strengthen United States trade laws, and for other purposes.

Pending:

Moynihan Amendment No. 367, to express the sense of the Congress with respect to the proposed protection by the United States of reflagged Kuwaiti tankers in the Persian Gulf.

Byrd Amendment No. 368 (to Amendment No. 367), in the nature of a substitute.

Bumpers Amendment No. 450, to provide that no funds shall be available during the 89-day period following enactment of the Act to accomplish the reflagging of any Kuwaiti naval vessels.

Hatfield Amendment No. 451 (to Amendment No. 450), of a perfecting nature.

Gramm motion to recommit the bill to the Committee on Finance, with instructions to report back forthwith with all amendments agreed to and all amendments now pending in status quo, and with an amendment to repeal the windfall profits tax on crude oil beginning after December 31, 1987.

Byrd motion to postpone indefinitely the motion to recommit (listed above).

A cloture vote will occur at 10:30 a.m., on Bumpers Amendment No. 450, to provide that no funds shall be available during the 89-day period following enactment of the Act to accomplish the reflagging of any Kuwaiti naval vessels, with the required quorum call having been waived.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 10:30 a.m. is to be equally divided between and controlled by the majority leader and the minority leader.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the distinguished Senator from West Virginia.

Mr. BYRD. Mr. President, I ask unanimous consent that as much of my time as is required by the distinguished Senator from Wisconsin be utilized by him.

The distinguished Republican leader has half the time, so I will not need to reserve his time today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank the distinguished and gracious majority leader for so generously giving me time.

WHY SCIENTIFIC EXCHANGES WITH THE SOVIET UNION BUILD PEACE

Mr. PROXMIRE. Mr. President, recently, this Senator rose on the floor to plead for a comprehensive program to achieve peace. At the heart of my proposals was a series of exchanges with the Soviet Union—not only cultural, agricultural, and athletic, but also scientific. That same day, the New York Times carried an article by Richard Perle. Perle is a former Secretary of Defense. He is also highly respected as "the hawk's hawk." Until he retired a little while ago, he was the ablest, the most effective mover and shaker among those in the Reagan administration who wanted a very tough, no-nonsense policy versus, and I mean versus, the Soviet Union. In his New York Times article, Perle came down with special forces against United States scientific exchanges with the Soviet Union. In his thousand-word article Perle didn't mention a single instance in which the exchanges between American scientists and Soviet scientists had resulted in the loss of any significant technological advantage to the Soviets.

To listen to Mr. Perle, Mr. President, one would conclude that scientific exchanges with the Soviets had handed our military technology, the whole kit and kaboodle, over to the Soviets. Indeed, the Perle article carries the headline: "Like Putting the KGB Into the Pentagon." Perle savages the few, limited, halting scientific exchanges with the Soviet Union with beauties like this:

> In the detente of the 1970's, the Soviet Union got the lion's share of benefits from exchanges that were supposed to be mutually beneficial. Soviet secrecy prevented us from learning much of interest while American openness facilitated Soviet acquisition of American technology and know-how.

Perle doesn't bother to specify a single military weapon that the Soviets developed or improved or even modified through these scientific exchanges. His attack specializes in generalities like this one:

> The process * * * for scientific and technical exchanges with the Soviet Union is a shambles—that is marked by indifference, incompetence and parochialism. * * * If a pet project can't make it on scientific merit, perhaps it will get funded as a "peace" initiative.

What is Perle talking about? Year after year, the Under Secretary of Defense reports to the Congress on where the United States stands in the

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

20 most important areas of military technology compared to the Soviet Union. So after decades of what Perle describes as constant scientific giveaway to the Soviet Union, where do we stand? In the most recent report, the Under Secretary of Defense told the Congress just last year that the United States leads in 14 of these most important military technology areas. We are tied in six. The Soviets lead in exactly none. We aren't losing. We're winning.

Perle did refer to the sale of invaluable machine tools by Norwegian and Japanese companies to the Soviets. That sale will enable the Soviets to overcome a critical disadvantage their submarines now suffer. It was an outrage. In that reference, Perle was exactly right. This was, indeed, a serious blow to our national security. But this has nothing to do with Soviet-United States scientific exchanges.

Oh, sure, it may be that scientific conferences involving leading American and Soviet scientists could result in naive disclosure of classified military-sensitive information of value to the Kremlin. But exactly how significant is that? If an expert as well informed and firmly committed against cooperation with the Soviets as Richard Perle can write a 1,000-word article on the subject and fail to cite a single specific revelation of even one scrap of military-sensitive, scientific knowledge that our country's scientists have provided the Soviets over the years, where is the case for shutting off scientific exchanges between scientists of the two superpowers?

Mr. President, let us not forget that the entire purpose of our huge and burdensome defense is to promote peace. Exchanges between the two superpowers do promote that peace. This is not a matter of being naive or blindly trusting. We know the Soviet Union is a Communist dictatorship. We know it has ruthlessly used its power to savagely invade Afghanistan and to intimidate Poland, Romania, East Germany, and its other neighbors. We know they aggressively seek to secure knowledge of our superior military technology. But peaceful scientific exchanges with the Soviet Union in medical science, environmental science, agricultural science, biological science and, indeed, even in physics, astronomy, chemistry, mathematics and other scientific disciplines that are used in advancing military technology—such exchanges have not and in all likelihood will not endanger our national security. And think of the fruits they bear.

Sure, our scientists have won more Nobel Prizes than the Soviet scientists. Yes, American scientists have achieved greater distinction than their Russian counterparts. So, in all likelihood, the Soviet scientists can gain more from these interchanges than our scientists gain. But we can learn from them, and learn a great deal. Why can't both nations' scientists win from this kind of work together? Some Senators have complained that the Soviets are ahead of us in space medicine, for example, and in other fields of space science. Here's an opportunity for American scientists to learn and advance by working with the Soviets. A joint United States-U.S.S.R. trip to Mars could increase the scientific knowledge of both countries, while cutting the cost to the American taxpayer.

But, of course, the real benefit in scientific as well as in cultural, educational, athletic, and other exchanges is the contribution of such exchanges to peace and understanding between the two great military powers of this planet. We should never forget that we live in the nuclear age. A war between the United States and the Soviet Union would be the greatest catastrophe in human history. As the President of the United States, Ronald Reagan, has said, "In a nuclear war there would be no winners, only losers." There would be wholesale death and destruction and very possibly the end of civilization as well as the end of freedom on Earth.

Of course, we should not provide military technology to the Soviet Union. Yes, indeed, we need a strong deterrent capability to prevent a Soviet preemptive attack. But meanwhile we also need to work, and work hard, on the front of reducing the tension, the hate, the distrust between the two superpowers. And this is the side of the peace offensive that Richard Perle totally ignores in his article. I ask unanimous consent that the article by Richard Perle to which I referred be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Like Putting the KGB Into the Pentagon

(By Richard N. Perle)

Washington.—Our Government has long known that the Soviet Union has had an aggressive program of acquiring American and other Western technologies and technical know-how. For example, we recently discovered that a Japanese company and a Norwegian state enterprise conspired to give the Russians the equipment and know-how to improve their submarines—with devastating consequences for our national security.

Just how extensive the Soviet program is came as a shock to Western intelligence when, in the early 80's, it gained access to extremely sensitive Soviet documents that led to the conclusion that "it has become . . . evident that the magnitude of the Soviets' collection effort and their ability to assimilate collected equipment and technology are far greater than was previously believed."

"Far greater than was previously believed" is the sort of euphemism to which Government officials resort when what they mean to say is this: "We had no idea the Soviets were ripping off our technology so skillfully, so comprehensively, so effectively, right under our noses. All along, we thought we knew what was going on, and then along comes a windfall cache of documents that shows that more than 5,000 Soviet military projects each year have been utilizing our technology. Someone ought to be fired."

Among the many collection agencies whose activities were revealed in those highly secret Soviet reports, which came to us early in the Reagan Administration, is the Soviet Academy of Sciences. It is hardly surprising that the Soviet Union would turn to its principal scientific organization to perform a vital intelligence function. What is surprising is the enthusiasm with which various United State Government agencies should advocate renewing, enlarging, extending and initiating scientific and technical exchanges with an orgainzation known to be part of the Soviet intelligence establishment.

Equally surprising is the failure of the executive branch to exert any serious policy direction with respect to scientific exchanges with the Soviet Union.

My former colleagues may say that we have a splendid interagency organization for the analysis of the costs and benefits of specific scientific and technical exchanges, that we are rigorous in evaluating the advantages and disadvantages, weighing the risks, assessing the implications for our national security of cooperative arrangements with Soviet intelligence agents and their coopted scientific and technical colleagues.

If Congressmen were prepared to believe all that, they might as well spare the bureaucrats and invite the tooth fairy to give testimony. The unhappy fact is that we have no policy, no deliberate sense of gains and loses, no orderly interagency process for evaluating risks and benefits. We have been operating on a chaotic case-by-case basis that reflects the careless indifference with which policy levels in the executive branch have treated the subject.

The several bureaucratic institutions that ought to develop and administer a careful and coherent policy have failed to do so. And they will go on failing until someone at a high level in the executive or legislative branch demands that they develop a rigorous, coherent national policy.

I know of instances in which the Defense Department learned, as the State Department was chilling Champagne for a signing ceremony, that a lengthy negotiation with the Soviet Union had been under way and was about to lead to an agreement obligating us to support extensive scientific and technical exchanges in areas of great military sensitivity.

The attitude among my diplomatic colleagues is that any exchange is bound to be in our interest because it is the State Department's mission to promote exchanges. For example the Bureau of Oceans, Environmental and Scientific Affairs is relentless in promoting scientific exchanges despite studies done elsewhere in the department that, at the very least, should have caused the bureau to temper the reckless abandon to which it succumbs whenever it encounters a Soviet scientist with a pen in hand.

In the détente of the 70's, the Soviet Union got the lion's share of benefits from exchanges that were supposed to be mutually beneficial. Soviet secrecy prevented us from learning much of interest while American openness facilitated Soviet acquisition of American technology and know-how.

I have had occasion over the years to speak with a number of Soviet émigrés. Without exception they have expressed astonishment at the naïveté with which the

United States has approached scientific and technical exchanges with the Soviet Union.

I recall vividly one Romanian scientist who told me that after spending some years among Soviet and Western scientists at an international research establishment in Western Europe, he returned to Romania. Not long thereafter he visited the Soviet Union, where he tried to look up a number of the scientists he had come to know when living abroad among them.

They were nowhere to be found. At least they were not at the civil research establishments with which they had claimed to be associated. He concluded that they were engaged in classified research and that their civilian affiliations had been false and had obscured their involvement in military programs.

In my view, the process by which decisions are made that affect broad policy, detailed negotiations and eventual implementation of agreements for scientific and technical exchanges with the Soviet Union is a shambles—that it is marked by indifference, incompetence and parochialism.

Every agency of our Government wishes to have its own exchange program. Little or no regard is given to costs. After all, none of the officials involved is spending his own money, he's spending yours. Once he has started down the road toward a scientific exchange agreement there will be trips to Moscow. A program that isn't getting the budget that the bureaucrats that run it believe it deserves—fusion energy comes to mind—is likely to get an infusion of capital if it becomes the subject of an East-West exchange program. If a pet project can't make it on scientific merit, perhaps it will get funded as a "peace" initiative.

Don't make the mistake of believing, just because it makes sense, that our national security is adequately protected in the bureaucratic morass that has become a substitute for serious policy making with respect to exchange between the United States and the Soviet Union. It is not.

Indeed, it often doesn't get considered at all unless the Defense Department, kicks and screams and persuades someone in the White House to take a second look.

Such a permanent body as the Committee on Exchanges, which has some nominal responsibility for getting exchanges (and individuals coming to America to participate in them), has failed utterly to carry out its assigned tasks with even mimimal competence.

No one—I mean no one—has overall responsibility for assuring that the risk inherent in exchange programs with the Soviet Union are kept within reasonable bounds.

I urge Congress to conduct a thorough, searching examination of these exchanges. Study the costs and benefits. Look into the backgrounds of the Russians who come to the United States to participate in them. Examine who pays for what and who learns what.

Congress should not worry about running into the resistance that always accompanies an inquiry into an entrenched policy: There is no policy.

(Richard N. Perle resigned recently as Assistant Secretary of Defense for International and Security Policy. This article is adopted from testimony before the House Subcommittee on International Scientific Cooperation.)

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with the consideration of S. 1420.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. On whose time?

Mr. PROXMIRE. I ask that the time be taken equally out of both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll, the time to be divided equally.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SNOW WHITE WEEK

Mr. BYRD. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Joint Resolution 140, designating the week of July 13, 1987 as "Snow White Week."

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Joint Resolution 140.

The ACTING PRESIDENT pro tempore. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J.Res. 140) to designate the week beginning July 13, 1987, as "Snow White Week."

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. BYRD. Mr. President, the distinguished acting Republican leader has an amendment on behalf of Mr. STEVENS.

AMENDMENT NO. 526

(Purpose: To change the date of the designated week, and to further improve the resolution).

Mr. SIMPSON. Mr. President, I submit an amendment.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wyoming [Mr. SIMPSON], for Mr. STEVENS, proposes an amendment numbered 526.

Mr. SIMPSON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 3, strike out "13" and insert in lieu thereof "16".

The preamble is amended—

(1) by striking out the first clause and inserting in lieu thereof the following new clause:

"Whereas a classic film 'Snow White and the Seven Dwarfs' was released 50 years ago;";

(2) by striking out the fourth and fifth clauses and inserting in lieu thereof the following new clause:

"Whereas 'Snow White and the Seven Dwarfs' was the first original soundtrack recording ever released;"; and

(3) by striking out the seventh and eighth clauses and inserting in lieu thereof the following new clause:

"Whereas 'Snow White and the Seven Dwarfs' won a special Academy Award as a 'significant screen innovation which has charmed millions and pioneered a great new entertainment field for the motion picture cartoon': Now, therefore, be it".

Amend the title to read as follows: "To designate the week beginning July 16, 1987, as 'Snow White Week'.".

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (No. 526) was agreed to.

The joint resolution (S.J. Res. 140) was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 140

Whereas Walt Disney released his classic film "Snow White and the Seven Dwarfs" fifty years ago, on December 21, 1937;

Whereas "Snow White and the Seven Dwarfs" marked a milestone in motion picture history as the first full-length animated feature film;

Whereas the art of animation reached exciting new heights with "Snow White and the Seven Dwarfs";

Whereas for the more than seven hundred and fifty artists who worked on the film, "Snow White and the Seven Dwarfs" was a labor of love;

Whereas the movie soundtrack album for "Snow White and the Seven Dwarfs" was the first original soundtrack recording ever released;

Whereas "Snow White and the Seven Dwarfs" set a new standard for integration of musical numbers and action in a movie musical;

Whereas "Snow White and the Seven Dwarfs" was cited for a special Academy Award as "a significant screeen innovation which has charmed millions and pioneered a great new entertainment field for the motion picture cartoon"; and

Whereas "Snow White and the Seven Dwarfs" has delighted the hearts of people of all ages throughout the world for the past fifty years: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of July 13, 1987, be designated as "Snow White Week", and the President is requested to issue a proclamation calling upon the people of the United States to celebrate the week with appropriate ceremonies and activities.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Later the following occurred:)

Mr. BYRD. Mr. President, this has been cleared with the distinguished Republican leader.

I ask unanimous consent that the action on Senate Joint Resolution 140 be deemed the action to have been taken on House Joint Resolution 122. This is a joint resolution that was passed, I believe, yesterday, dealing with Snow White Week. In order to expedite the action of the House and facilitate its action today, I am making this request so that Senators will understand what this is all about.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. And I ask unanimous consent that Senate Joint Resolution 140 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE COMMEMORATIVE PROCESS

Mr. SIMPSON. Mr. President, I thank the majority leader.

Let me just say that we have just dealt with another commemorative. Senator METZENBAUM and I have been trying to bring reason to the commemorative process.

I will not speak more than a minute because I know that the majority leader wants to get on with the business, and we are ready to do business, I think—all of us.

The committee rules are very clear now in Judiciary. I know that the occupant of the chair is a member of the committee.

We have made some real strides in bringing some sense to those commemoratives. One of the principal things to assure is that we do not commemorate a commercial enterprise. That is the reason why this "Snow White" commemorative languished for a time. It was not know by the sponsors why that occurred. But I can share that it occurred because we simply cannot commemorate what could be described—if it were so described—as Walt Disney's Snow White, something that would commemorate a corporate enterprise.

Thus, the amendments of Mr. STEVENS—and very thoughtful ones—have reduced it to simply commemorating the documentary as an animated movie of 50 years' duration, and of course it is a remarkable event.

I hope that all Senators will become familiar with the new rules, copies of which have been sent to all offices. We think they are thoughtful. The Judiciary Committee of the Senate now matches the Judiciary Committee of the House in dealing with commemoratives only at certain times, with a certain number of sponsors.

If we do not meet those tests, we have to waive the rules for resolution of those matters, and that will take a two-thirds vote of the committee.

THE FARM CREDIT SYSTEM

Mr. DIXON. Mr. President, today I rise to address a problem of crisis proportion facing the Farm Credit System and the hundreds of thousands of farmers who rely upon it.

The Farm Credit System is a network of 37 lending banks, divided among 12 districts around the country. Thirty percent of all farm debt in the Nation is currently held by this system. Farmers look to this system to provide short-term loans for spring planting, and longer term loans for purchasing equipment and land.

Over the past 2 years, the Farm Credit System has lost over $4.6 billion. This is the largest banking loss in U.S. history. In addition, a fourth of its $52 billion loan portfolio is in serious trouble. Nearly $7 billion is currently tied up in nonaccrual loans. More alarming, it has been projected that more than half of the System's 650,000 farmer-borrowers are technically insolvent.

The capital in the Farm Credit System is also draining rapidly. One estimate reports the depletion at $400 million a month. Additionally, the system loses almost $1 billion a month in business. This further compounds the burden of bad loans upon the system.

Recently, the Farm Credit System has announced that without Federal assistance, 8 of its 12 land banks will become insolvent entities before the end of this year.

Mr. President, this crisis in the Farm Credit System must be addressed, and it must be addressed quickly. Every day that we delay, endangers not only the Farm Credit System, but also the hundreds of thousands of farmers whose lives are affected by the system.

The Farm Credit System has been gravely injured by surpluses in the major commodities. This has caused commodity prices, as well as land values, to plummet. At the same time, the system has also been seriously plagued by a host of poor managerial decisions and policies. The Farm Credit System must embark upon new priorities which favor the restructuring of loans, and forbearance, rather than foreclosure. As a vehicle, the Farm Credit System can force farmers under, or it can provide them with the opportunity to prosper. Our farmers are drowning. This system must be redesigned to provide them with a much needed life preserver.

Given this critical situation, I have joined several of my colleagues in sponsoring the Agricultural Producers and Farm Credit Borrower Act.

Any legislation which attempts to address the many problems confronting the Farm Credit System must necessarily address a host of complex issues. Admittedly, this bill is not perfect. Given the magnitude of the problem, this bill does not solve all of our concerns. However, this legislation definitely provides a solid starting point for further deliberation. It is a responsible proposal which directly addresses the many critical issues that we will have to focus upon in the weeks ahead. Furthermore, this bill has received the endorsement of almost all of the major commodities groups and associations which ultimately will be affected. The Farm Bureau, the National Corn Growers Association, the National Pork Producers Council, the American Soybean Association, the National Cotton Council, and the National Cattlemen's Association have all come out in support of the direction and thrust of this bill.

This legislation will stabilize the Farm Credit System. This is an essential first step in revitalizing and restoring public confidence in the system. Of even more importance, the major thrust of this bill seeks to ensure that the system pursues a course of restructuring loans to farmers and borrowers—not foreclosure.

The current financial crisis facing our Nation's farmers demands our immediate attention. As an original sponsor, I am confident that this bill provides the essential framework for further consideration in this Chamber. I urge my colleagues not to delay further. Now is the time to begin action on this vital legislation.

THE PLIGHT OF THE CHILDREN IN SOUTH AFRICA

Mr. WALLOP. Mr. President, on June 25, 1987, the House Republican Study Committee held a hearing on "The Plight of Children in South Africa." There was another symposium that day dealing with the plight of youths held in detention in South Africa during the state of emergency.

Everyone can sincerely—and should forcefully—object to any use of torture or brutality during the incarceration of any individual. Some people, however, have attempted to portray the youth of South Africa as a monolithic force of innocent children being arbitrarily attacked and harassed by the South African police. This misleading impression was effectively shattered by the study committee's hearing.

One of those to testify at the study committee's hearing was Senator

Larry Pressler. Senator Pressler has been a leader in the Senate in his opposition both to the system of apartheid and to the imposition of punitive economic, and I think wholly counterproductive, sanctions. The Senator from South Dakota stressed that, as Americans, we will not stand silently or idly by while some elements within South Africa promote, and in many cases commit, heinous and outrageous acts of violence against their countrymen. Senator Pressler emphasized our need to send this message to those southern African countries which directly or indirectly support terrorist elements utilizing "necklacing" as a tactic in the fight against apartheid. This rejection of violence as a legitimate tactic motivated Senator Pressler's amendment to the supplemental appropriations bill to deny foreign assistance moneys, specifically, SADCC funds, to those nations failing to denounce "necklacing" or failing to rid their respective countries of groups promoting "necklacing."

The study committee also received testimony from three black South Africans, two clergymen, and a former leader of a terrorist youth organization. The testimony of these three brave individuals documented the extent to which South African youths are recruited by radical elements in the townships, taught to commit violent acts in order to make the country of South Africa "ungovernable," and often forced, by threats to their own lives, to engage in acts of barbarity against fellow blacks suspected of collaborating with nonradical elements.

One of the clergymen, Phangumusa Mntungwa, narrowly escaped being "necklaced" by a mob of youths after he delivered a sermon at a funeral and preached against murder, immorality, and alcoholism rather than the expected political themes. While he escaped with his life, others in his party were not so fortunate. The other clergyman, Barney Mabaso, testified to the factionalism within black South Africa and the strategy of the African National Congress [ANC] to exacerbate these tensions by channeling weapons—usually Soviet-made AK-47's—into the townships and encouraging acts of violence.

The most intriguing and compelling of the witnesses was a young woman named Salaminah Borephe. This woman joined the South African Students Organization [SASO] in 1975—at the age of 12. After joining SASO, she was told she had become a member of the youth wing of the outlawed ANC. Miss Borephe testified that children between the ages of 12 and 18 were prime targets for recruitment to radical and violent causes since "children at these ages become easily influenced." She also admitted having, as a member of various youth groups, participated in the murders of several alleged collaborators—to intimidate other blacks who may have or desire contact with whites in South Africa.

I ask my colleagues to read the statements of these four individuals. Individuals, I might add, who abhor the atrocious acts of violence as much as they detest the apartheid system. Mr. President, I ask unanimous consent that their statements be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

STATEMENT BY SENATOR LARRY PRESSLER BEFORE THE REPUBLICAN STUDY COMMITTEE HEARING ON SOUTH AFRICA: "THE PLIGHT OF THE CHILDREN OF SOUTH AFRICA"

Mr. Chairman, I very much appreciate this opportunity to say a few words about the disquieting use of violence in South Africa—in particular, violence that involves or is directed against black children. The witnesses you have assembled should give impressive testimony to the tragedies that have occurred in South Africa.

Several weeks ago, the U.S. Senate by a vote of 77-15 adopted an amendment I offered that was directed against the gruesome crime of "necklacing," which will be described here in later testimony. The amendment provides that U.S. foreign assistance should not be provided to Southern African Development Coordination Conference countries that do not renounce necklacing and are not making a concerted effort to prevent their territory from being used to support those who participate in this crime against South African blacks. The overwhelming Senate vote for my amendment sends the strongest possible message to the countries of Southern Africa that the American people will not tolerate such terrorism.

The Supplemental Appropriations Bill to which the amendment was attached is still in a House-Senate Conference. While I am visiting over here in the House this morning, I would like to encourage the members of the House to accept the amendment in conference and on the House floor. We all oppose the apartheid system of South Africa in the strongest possible terms. But that does not mean we are willing to ignore necklacing and other terrorist attacks on the people of South Africa. It is an evil practice which cannot be justified except in the twisted rhetoric of the criminal mind. And we cannot give aid or support to those outside of South Africa who in turn give aid or support to South Africa's assassins.

It is a tragic fact of life in South Africa today that the apostles of violent revolution are drafting children into their deadly ranks. I have read the statements of Oliver Tambo, the President of the African National Congress (ANC). It is clear from his own words and the misdeeds of his followers that the ANC is determined to escalate the use of violence against black South Africans. The ANC wishes to deny them the opportunity to work for a peaceful end to apartheid in cooperation with the other races in that country. It is most despicable that these tactics include abusing children—radicalizing them through hate-filled propaganda and coercing them into crimes of violence against their fellow blacks.

Anyone who has seen the videotapes of mobs of children torturing blacks who refuse to stop paying rent to a white landlord will recognize that this has no relationship to the American civil rights struggle of the 1960s. Indeed, there are many distinguished American black leaders who are only too keenly aware of the vast differences between what is happening in South Africa now and the painful struggle for black civil rights and equality here. This is not the place to re-argue last year's Anti-Apartheid Act sanctions legislation, but one cannot fail to observe that the condition of blacks in that country—the intended beneficiaries of that legislation—is worse than before the economic sanctions became our law. One cannot fail to mention, as well, the hypocritical position of many Europeans on this matter. Their sanctions are far less sweeping than ours and seem tailor-made in each country to minimize any economic burden that might result for themselves from cutting off the "wrong" kind of economic relationship with South Africa. Perhaps, at least, the U.S. sanctions policy is more credible than that of other nations.

Yet, it is also counterproductive. My good friend, Alan Keyes, who will be testifying in a few minutes, may disagree with me on this. I am not sure what he intends to say. But economic sanctions to me are a nightmarish proposition. I opposed the Carter embargo on grain sales to the Soviet Union. It gained us nothing in the foreign policy sense and brutally punished our own farmers. We lost markets we probably never shall recover.

The Anti-Apartheid Act sanctions are brutally punishing blacks in South Africa. Those sanctions put us in the same league as the ANC—helping to radicalize black South Africans, helping to turn them and their children towards greater violence. Only two weeks ago, representatives of the South African fruit exchange came to my office with the very clear message: thousands of black South African fruit farmers and workers are in danger of losing their jobs as the result of our sanctions. This is not a bluff on the part of the white government. This is the reality that peaceful change requires more trade and more ties with South Africa. The victims of apartheid, and I have always vigorously denounced that evil system, have become the victims of foreign economic sanctions. Certainly those sanctions have punished the white economic and political leaders of South Africa—but what has it done to South African blacks?

Getting back to our hearing topic, I must observe that another hearing is being held here in Washington today. We are famous for holding hearings here. Whenever someone wishes to draw attention to their pet issue or problem, a hearing is held. This is good because the people then get to know more about those issues. The other hearing, which is called a "symposium," also has South African witnesses who will draw attention to other injustices involving South African children. What we seek to do at this hearing today is not to detract from the message of the other hearing, but to draw attention to the evils of necklacing, the role of the African National Congress in provoking that kind of terrorism, and demonstrate the determination of the American people to stop the killing of innocent black civilians at the instigation of the ANC.

Mr. Chairman, it is easy to take advantage of children. Your hearing today will draw attention to that awful fact as it related to violence committed against South African black children. That thousands of South African children have been detained at length by the authorities there is testimony to the fact that those children have been enticed and coerced into criminal acts by revolutionaries. Virtually all detained children have been released. They are all victims. They are victims of a Marxist-Leninist revolutionary effort by the enemies of the United States and of the free enterprise approach to development and progress. Surely, the American people will not be deceived by the terrorist, who by our sanctions encouragement, not feel free to use and abuse more children as their weapons.

Mr. Chairman, I thank you again for this opportunity to testify. I look forward to the testimony of the other witnesses. I will be happy to answer any questions about my anti-necklacing amendment, unless I am called away for votes in the Senate Foreign Relations Committee on the Persian Gulf situation.

SALAMINAH BOREPHE

1. In 1975 I joined SASO (South African Students Organisation), the student organisation which was operating at black schools, because they said that they would help get us better education. All their meetings were held through the Student Christian Movement at our school. After I had joined they told us that SASO was a branch of the ANC.

2. In 1976 we were fighting against Afrikaans at our schools, but we at Jordan High School were not doing Afrikaans. So we influenced other students from other schools. We assaulted our teachers and burned cars. When the police and school inspectors asked us why we were fighting because we did not do maths in Afrikaans we told them that we were fighting for our black brothers and sister.

3. We used to hold meetings at school for the students. The easy way to get the students was through SCM (Students Christian Movement). We pretended to be having the service but in fact we were told by our leaders about communism. After the services we sang freedom songs. At the meetings we tried to get other students to fight against Afrikaans too. Some of them said that they would rather be educated, and wanted to go to school. Because our leaders told us that we must burn the schools if the students wanted to go to school, we burnt down some of the schools in the area. Our leaders told us that white people had told them to tell us to burn down schools. Our leaders in SASO also told us that the communists would set us free from slavery.

4. In 1977 SASO was banned, and we looked for another organisation. We were told that SASO was banned because it told the truth.

5. In 1979 I joined COSAS (Congress of the South African Students). This was seen by the students as a continuation of SASO, and had the same leadership. We were told by our leaders in COSAS that COSAS was the youth wing of the ANC. Because Afrikaans was removed from the schools, but we saw nothing get better, we were told that we must continue the struggle.

6. In COSAS we were told how to make petrol bombs. We were told by the Church Ministers how good communism was, and they promised us a better education in other countries which are ruled by the communists. That was the thing which made me to join these organisations. The Anglican Ministers taught us in the Catholic churches how to make petrol bombs, and told us that the communists would kill the whites to set the black free. We were told that the communists were black people from central Africa, and they taught us that Samora Machel from Mozambique, and Dos Santos from Angola, and Mugabe and Nkome from Zimbabwe were heroes and would liberate us. Once they took us to a meeting in a large hall in Johannesburg where there were a lot of white people. There they explained what COSAS was, and told us how to make petrol bombs. We were not allowed to discuss things, but were given lectures. We were told that Mandela was our leader, and he was in jail because he fought for blacks.

7. There was much hatred planted in us towards the white people, but especially towards Afrikaans speaking people. We were told not to listen to the Afrikaans speaking people because they are liars.

In 1983 a COSAS meeting was called. When we arrived at church there were lots of weapons. The minister told us that the Russians had sent the weapons, and that the children from 16 to 18 must take a gun. The leaders took one first. They were all AK.47's. The guns that were left over were given to the COSAS members. The minister told us that they would teach us how to use the guns because everybody was asking. He told us that the guns were to kill white people, but we never killed white people, only blacks. He then told us that we must always try and get more guns, and that we must kill the policemen to get their guns.

8. In 1984 the residents of Lekoa were told by the community counsellors that the rent was to go up by R5.00. We members of COSAS and UDF were not pleased about the matter. We organised a leaders' meeting. We wanted to have the solution of this matter. Then the other Reverend of Anglican in Sharpville together with Reverend Marchemel and the other from Sebokeng Anglican were there with us as they were our leaders. They told us that all community counsellors must die on the 3rd September 1984, if they did not want to listen to the people. On Friday pamphlets were distributed where people were told that they must not go to work, and all schools should be closed, and all the shops. That was supposed to happen on Monday. But on Saturday the Community Counsellors also distributed their pamphlets saying to the people that they can go to work and to school. On Monday people were confused, some went to work and when they returned they were assaulted, others were even killed. Some of the residents who went to work were burnt with petrol.

On Sunday 2nd September there was a meeting of the residents at the Roman Catholic Church in Zone 12, Evanton and Sharpville. The ministers told the people to kill the community counsellors the following day because they did not want to listen to the residents. On Monday morning at about 5:30 a.m. we were already at the streets stoning cars and buses. We told older people who wanted to go to work to return home. At about 8:00 a.m. we went to the community counsellors' homes. The person we wanted more than others was the Mayor Mr. Mahlatsi. Firstly we went to Mr. C. Hatshiane's home because he was the nearest of them all, at that time we were at Zone 11. At first when we arrived he was not there. Then we went to the Mayor's home and he escaped with a car, we tried to run after him but it was in vain. Then we found his new car in the yard. We started by smashing the windows of the house and of the car. After that we burned the whole house because together with the new car. After that we went to the shop centre and we burned all the shops, but before burning we took all the things out of the shops and took them home. After burning the shops we send some of the students to go to Mr. Motshiane's home and check if he's not yet back. They came quickly and told us that he was there. Then we went to his home. Before getting to his yard there were other coming from Evanton, Zone 3 and Zone 7. There was such a great number of them that one could not count. We waited for them and when they arrived we went together with them to Mr. Motshiane's house. He locked himself in the house together with one of his friends. The wife and children were not there. So the young boys climbed on top of the house to remove the roof. The others smashed the windows. The friend tried to escape. He went out of the house and tried to go to the street. The boys caught him and burned him with a petrol bomb. Mr. Motshiane also came out and was hacked by knifes and pangas. He died there in the street. Then we wanted to go to the Lekoa offices and burn them. But when we tried to go out of location we were confronted by the police. At that stage we saw that they are going to shoot us. I can say here that from that morning all we did we did it freely because there were no police inside the location. They were standing outside the location, others were moving with a helicopter above us. We ran away and went back to zone 12 to finish of the shops. The other three died this way. Mr. Dlamin was necklaced, in Sharpville. Mr. Diphoko was shot while running to the helicopter. The other one was also hacked by knifes and pangas. Two weeks after that there were no food in the locations. We had to buy brown bread at R1.50 a loaf and white bread R2.00 a loaf. While we were members of COSAS we were told that the town councillors were sell-outs, and must be killed. They always used the bible to tell us why we must murder the councillors. They would say that Mandela was like Moses, who had come to set us free. Because the police were outside the townships, we were told that they were scared to come into our areas because we were so strong. We were also told to kill the policemen. Some COSAS members had guns to do this. They told us that we must be prepared to die for the struggle.

9. These organisations use children of the age of 12 to 18. The children at these ages become easily influenced. We were told to burn the schools because they said communists will come and build better schools for the blacks. They said we must get rid of the white men. South Africa will then be called Azania. When I wanted to go to university, the leaders in COSAS were not happy, they said that we should wait and go to university in Moscow.

10. In October 1984 I got converted. I gave my life to the Lord Jesus. I went to the police to tell them about my case because it was then that I realised how bad I was. I went there expecting not to come back because I did what was against the law. I know that now I should be behind bars. But by the grace of God they did not lock me inside. I think the Lord say my heart that I really repented and cried over my sins. I think the Lord saw my heart and touched their hearts that they did not put me in jail.

Before I got converted I used to have nightmares. I couldn't sleep at night. Every time I will see pictures of those people who were burning and hear them cry in my ears. I was so depressed I did not know what to do. It was after meeting with the Lord Jesus that it disappeared.

PHANGUMUSA MNTUNGWA

Right at the outset, I want to make it clear that I am no politician. I'm a person who preaches the gospel of peace. I've come to America to speak the truth—to report of what I've experienced in our country.

At the end of 1986 I was invited to Mamelodi near Pretoria to conduct a funeral. (The distance from my home to Mamelodi is ± 600 km). Before I was given an opportunity to speak, some ministers and other people spoke. It was evident that the ministers were afraid to speak and were therefore careful in what they said as a group of young people and children had also gathered at the meeting. The other people that spoke were however now free to speak. Some of them sympathised with the destructive actions of the youth and excused them. There were many old as well as young people at the meeting.

Before I had left home I had prepared my sermon. My text was Revelation 22: 14-15. I realised that the atmosphere was very tense. I then stood up and asked whether I could speak as one who comes from far away and who does not know what things were like there. I said I would like to speak about God's word. According to the word in Revelation, I spoke about immorality, murder and alcoholism. As I spoke I noticed some policemen were also present and listening to what I was saying. I was happy that they were there because the people had been scared to speak the truth.

One of the speakers said it was not a crime to be afraid but that each one should take his child and take part in the war—"It is not a crime to be afraid but to fight and to die".

After I had spoken the ministers quoted me as having made certain statements but were not prepared to identify themselves openly with what I had said. One of them said they thank God who had sent us to conduct the funeral as no one in the area could have spoken as we did. He said had we been from Mamelodi our houses would have been burnt down and we would have been killed. They expressed their appreciation of us speaking the truth. From there we went to the cemetery where there were very many people as well as some policemen. Thereafter we were invited to another place to have something to eat.

Just before we were to leave a young girl came in and warned us that there was danger outside. She said we should not leave by the front door as a group of young people, who claimed to be COSATU members, were threatening to kill us. They were asking who had given me the authority to speak about immorality, murder and alcoholism. They said Bishop Tutu did not speak against these things. I then told them that I had only said that which is written in the bible. At this moment another person came in and told us that the mob was planning to "necklace" us and that they had already arrived with some tyres. I was told that by their standards I deserved to be necklaced because of my sermon. I then said to my companion that we should leave immediately. I prayed in my heart that God would help us. As the mob had already surrounded the house we had to make our way to the car. Fortunately they did not all recognise us and did not know which car we had come with. This gave us a chance to get to the car before many had noticed us. By God's grace we managed to get into the car even though, by this time, quite a few people had surrounded it. Prayerfully I started the car and made my way through the screaming mob, which was yelling "Kill them! Kill them!" Somehow we were able to get away. However, I was only able to get away with one other missionary. Our other passengers could not get away with us. I don't know what happened to them.

I see it more and more that the battle we are involved in is a struggle between light and darkness. I have direct contact with people living in the unrest area and they tell us that if anyone speaks against the unrest and riots they are immediately marked as "collaborators" and should be killed in the most painful way. One minister who was bold enough to speak out against the riots, was locked up in the boot of his car after which the car was set alight. The onlookers were shocked by the terror of the sight and the agony of his screams as he burned to death. The UDF and ANC play leading roles in this violence. It is clear that these revolutionaries are set on destroying the work of the Lord Jesus Christ and that we, as preachers of the gospel, are no longer safe as we cannot justify their deeds and identify ourselves with them. Christian teachers are having a very hard time in the schools as well as other workers who are not prepared to associate themselves with the revolutionary activities.

On another occasion I was visiting some Christians in Natalspruit. At about 10:30 a.m. we were told that I could not . . . anywhere as the youth were demonstrating and all streets were to be closed. Fortunate, the police came on which I followed them through the crowds.

In my opinion, what is taking place seem to be a fight against righteousness. Even one of our fellow missionaries was shot at on his way home, just a few weeks ago. People are murdering each other as more and more people are issued with weapons.

Lenin said that they must use the ministers as they were usable idiots.

May I bring it to your attention that if you support these radical groups and organisations you are actually destroying the faith which you and your forefathers have helped to spread. You could become guilty of the blood of innocent people.

BARNEY MABASO

I would like to share a few points on tribal life in South Africa, especially among the Zulu people. I desire to do this as a servant of God. It is a historical fact that our Zulu nation is often involved in wars.

I am a member of the Mabaso clan in the Masingo area of Natal. Faction fighting is something we grew up with, as it has been going on since over 115 years. We, in our clan, however, have experienced God working among us through the Gospel.

In 1979, I attended a ministers' conference in Holland. There I was shocked to learn that we blacks in South Africa are hunted down like big game by armed whites. I nearly fell off my chair.

May I, as a servant of God, tell you the truth. I would be guilty before God if I told you a lie. From when I was a baby, my mother often had to flee from home and seek refuge for us from whites. This was as a result of the black against black conflict. The South African Police, both black and white, have tried to put an end to the fighting. However, I do not know of one person who has been killed by the police.

At present there is fighting among the Zulus and shedding of much blood, especially in the Masingo area where I still live today. After a battle the women, with the help of the police, retrieve the dead. Some of the corpses no longer have any heads, others have no eyes and sometimes even the private parts are missing.

In our area the people were never really interested in politics and the causes of these conflicts and wars are often just personal grievances (e.g. when two men fight over one woman). From such an incident a war can start where dozens of people are killed.

In the past the weapons used were spears or asseggairs, however, today rifles are used. The most popular weapon nowadays is the AK-47. This rifle is not available on the local market, but is smuggled into the country by the ANC. By this they promote violence. These wars are a hindrance to the preaching of the Gospel as it makes it almost impossible to move in these areas.

In former years our people didn't speak badly about Christianity. However, lately, we who are earnest Christians have often been threatened. The radicals say that after the liberation the Christians are the first enemies who must be removed from the face of the earth. They maintain we are traitors as we worship Jesus, Who is the ancestral Spirit of the whites, through which they robbed them of their land. They also speak of the end of the Bible.

The radicals try to influence the tribal leaders with communistic ideas as they lead many people.

As I see it, there is no other solution, than the Gospel of Our Lord Jesus. We have even experienced this in our own clan where God worked through His Holy Spirit and many people were converted as well as the chief. This was of course a terrible thing in the eyes of those with the ANC spirit, which is a Marxist one. In September 1984, the chief and I received letters saying we should enjoy everything we had and bid farewell to our children, as we would be killed on October 2, 1984 by an AK-47. There were also more threatening statements in the letters. The letter had been posted in Johannesburg, but had not been signed, the reason for the threats was that the chief had become a Christian. However, since he became a Christian there is no more fighting in our clan. The radicals say that this is going against their cause. I would like to emphasize that people with a communistic ideology are against the Christian faith. To this day I live in danger at home. On two occasions my home was surrounded by armed men. On the first night I was not at home, but the second night I was, but by a miracle of God they did not see me. They could not enter the house as there is a fence around it, but they were hiding outside.

The ANC and their agents promise the people that the Russians will liberate them. "When the Russians come you will be able to help yourself in any shop without paying. If you want a car you can take one free of charge!"

The communistic teaching of the ANC teach that we must forsake the Christian faith and once again return to ancestral worship. This ancestral worship does not help a person, but fills a person with hate and a murderous spirit.

The communists know this and therefore promote ancestral worship by condemning Christianity.

"For many deceivers are entered into the world, who confess not that Jesus Christ is come in the flesh. This is a deceiver and an anti-Christ." 2 John 7.

In South Africa it seems as if the ANC is fulfilling this word.

FREE SOUTH AFRICA'S CHILDREN: A SYMPOSIUM ON CHILDREN IN DETENTION

Progress Update (as of April 22, 1987).

I. OVERVIEW

We propose to re-focus attention on South Africa and its young victims by holding a symposium on the tactics of repression against children.

The format and setting of the symposium will be impressive. It will be held on June 25th in a Congressional hearing room and in major respects it will resemble a Congressional hearing.

The "witnesses" at this hearing will be approximately 12-15 people whom our Project will bring here from South Africa: lawyers who have defended children; human rights activists who are monitoring the situation; doctors who have treated children tortured in detention; and the children themselves.

After testifying about their experiences, these witnesses will respond to questions from a panel that will include Senators and Representatives, children's rights leaders, members of the SAP Advisory Subcommittee of the Board of Directors, and nationally recognized figures from relevant fields: an educator, a child psychologist, a federal judge, a church leader, etc.

While the primary goal of the symposium is to exert pressure upon the South African government, there are two other related goals that are the strong underpinnings of this enterprise. The first of these is the education of the American public, not only as to the immediate and urgent goal of ending the brutalization of children, but as to the perversion of the courts and of the law enforcement mechanism to accommodate apartheid; the long-range political and psychological effects of government child abuse on parents, both as techniques to subjugate them on the one hand and to stiffen resistance on the other; the consequences of government child abuse on the children themselves; and children's rights under South African and International Law. We want to focus national and international attention on the issue of South African Children in Detention and expose the South African's government's human rights abuses and brutality towards children.

A second goal is to strengthen the resolve and the morale of the South African participants and thereby to increase their ranks.

These quietly heroic doctors, lawyers, and community activists continue their work despite intimidation and isolation. The opportunity to explain their cause in a sympathetic setting will not only elevate their own morale, it will hearten the entire anti-apartheid movement in South Africa and will prove important in enlisting men and women, black and white, who have been hesitating on the sidelines.

A third goal is to mobilize U.S. children around this issue, which we hope to acheive in conjunction with the other groups.

A final objective, but not the least, is to obtain the release of South African children from detention.

II. CO-SPONSORS

A. We have asked a number of well-known individuals to cosponsor the event with the Lawyers' Committee. We will use co-sponsorship as a means to provide greater breadth and legitimacy to the symposium. We also hope to use co-sponsorship as a means to directly involve a wide range of notable people in the symposium. The cosponsors will also be asked to serve as hearing panelists. (See Section III for discussion of panelists.)

To date, the following people have agreed to cosponsor:

Sen. Barbara Mikulski, Sen. Lowell Weicker, Sen. Paul Simon, Sen. Edward Kennedy, Rep. Bill Gray, Rep. Howard Wolpe, Rep. Ronald Dellums, Rep. George Miller, Former Sen. Dick Clark, Cyrus Vance, Marian Wright Edelman, President of the Children's Defense Fund, Dr. Robert Coles, Child Psychiatrist, Harvard University, Eleanor Holmes Norton, Lawyer/Georgetown Law Center, Judge Nathaniel Jones, Rev. Dr. William Sloan E. Coffin, Riverside Church, Randall Robinson, TransAfrica.

B. In addition, we are waiting for responses from the following people:

Sen. Chris Dodd—Chair, Subcommittee on Children, Family, Drugs and Alcohol.

Sen. Nancy Kassebaum.

Rep. George Miller—Chair, Select Committee on Children, Youth, and Families.

Ambassador Donald McHenry.

Mayor Andrew Young.

Mary Futrell—President, National Education Association.

Tom Wicker—New York Times columnist.

Bill Moyers—broadcast media, Channel 13.

Rev. Theodore Hesburgh—former Univ. of Notre Dame president.

James Grant—UNICEF.

Dr. Kenneth Clark.

William Coleman.

Eleanor Smeal—President, National Organization of Women.

John Healey—Ex. Dir., Amnesty International, USA.

Charlayne Hunter-Gault—McNeil/Lehrer Report.

Bishop John Walker—Washington Cathedral.

Sen. Carl Levin.

III. PANELISTS

A. The panelists will hear the testimony of the South African "witnesses" and ask questions of the witnesses to elicit fuller explanations of the situation and their experiences.

The panelists will include the co-sponsors, members of the SAP Advisory Subcommittee of the Board of the Lawyers' Committee, the Co-chairs of the Board and other noted personages, such as nationally recognized individuals in such areas as law, education, child psychology, youth and student organizations, and religion.

B. Time Commitment—Many co-sponsors/panelists will be unable to participate in the entire day-long program of the Symposium. Is there a minimum time commitment which we wish to ask?

C. Panelists' Expenses—It was decided that no panelist or co-sponsor will be reimbursed for expenses incurred in traveling to and participating in the conference.

D. Orientation of Panelists (See Section VIII).

E. In addition to the co-sponsors and Board members, the following people may be asked to participate as panelists:

Maxine Waters—CA State Assemblywoman.

Alvin Poussaint—psychologist.

Arie Brauwer—National Council of Churches.

Rev. Rollins Lambert—Churches' Emergency Committee.

Joan Campbell—U.S. Rep. of World Council of Churches.

Sanford Ungar—American University.

Bill Lucy—Coalition of Black Trade Unionists.

Youth or Student Leader—to be named.

IV. WITNESSES

A. Invitations—A number of people and organizations in South Africa have been asked to participate in the symposium, including lawyers and doctors who work with children, parents, and children. To date, invitations have been sent to the following organizations:

(1) Detainee Parents Support Committee (DPSC).

(2) National Education Crisis Committee (NECC).

(3) Black Lawyers Association (BLA).

(4) South African Association of Democratic Lawyers.

(5) National Medical and Dental Assoc. (NAMDA).

(6) Association of Concerned Social Workers.

(7) South African Council of Churches—Beyers Naude.

B. Responses—We were told that all of the groups in South Africa are meeting as a collective to prepare their testimonies. This will ensure that there is no duplication of information and that all critical issues are covered. This group expressed concern that each speaker be given adequate presentation time to permit a substantive discussion. They are dismayed that such an important issue is going to be discussed in only one day. They *urged* us to consider lengthening the conference to *two days.*

The responses so far are as follows:

Bevers Naude—has agreed to come and give an opening statement if he gets a passport by then.

NAMDA—has agreed to send respresentatives.

DPSC—wants to send 2, not 1, representatives. One representative should be coming from the townships.

BLA—will be sending a lawyer.

NECC—accepted the invitation in principle but is unsure whether someone will be able to attend.

Children—

(a) *NAMDA* is worried that the experience will be too traumatic for children. (We need to find out if they realize that we do not mean 10-11 year olds, rather 15-19 year olds.) Also, the young people who participated in Children of War tour found it to be a cathartic experience. (The Children of War Tour brought 62 children from war-torn countries, including South Africa, to the U.S. for a 27 city tour.) It was suggested that we discuss this personally with Naude to see if he can influence the collective of these groups which were invited to attend the symposium. It was also suggested that youth involved in the student and youth movements be included in discussions and decisions in South Africa relating to the participation of children.

(b) Exiled youths—there is one in Australia who participated in Children of War tour and did not return to South Africa who may be available to come.

(c) Solomon Mahlangu Freedom College (SOMAFCO)—a school in Tanzania for South African political exiles.

In case the children cannot get passports to leave South Africa, SOMAFCO has been asked to identify some children to send. Since they will be children who were previously detained and possibly will have experienced torture, abuse and harassment, they will be able to share their experiences about detention.

They will also be able to discuss people's education as practiced at SOMAFCO, in contrast to Bantu education as told by a youth still living inside South Africa.

Hopefully, one will be a COSAS member so he/she can also discuss COSAS and the student movement.

C. Other Possible Witnesses—Colin Jooste—A Church person at Yale who was in detention for some time and heard a 12 year old girl raped daily in the adjoining prison cell. (Contacted through D. Scott.)

D. Security of Witnesses—

(1) Will photography and TV filming be allowed?

(2) Will the youth wear masks to hide their identities?

(3) We can also use false names to protect their identities.

E. Length of Testimonies—How long will each witness testify?

V. AUDIENCE/OUTREACH

A wide spectrum of groups and individuals interested in domestic children's welfare and health and children's rights will be invited. Local and national youth and student groups will also be invited. We will also invite the usual sectors, anti-apartheid, church, labor, civil rights, and peace and solidarity. All of these groups will be invited to participate in both the symposium and the strategy session. (See Section XI)

VI. FORMAT

In addition to direct testimony by witnesses, followed by questions from the panel, other variations were suggested.

A. Presentation in dialogue form—between 2 South Africans.

Example: youth from SOMAFCO and student from South Africa discussing people's education vs. Bantu education

Example: two students to discuss COSAS and the role of the student movement

B. Visual Presentations—doctors and lawyers should be advised to bring pictures of torture victims and cite specific cases. (Specificity will strengthen testimony)

C. Instruments of Repression—Someone from South Africa should bring examples of rubber bullets, sjamboks, birdshot.

VII. CONFERENCE SITE/SETTING

A. Hearing Rooms—

(1) Rooms are being reserved on both the House and Senate sides. We are asking for the House Foreign Affairs and Senate Foreign Relations Committee rooms and an adjacent room on both sides. Since the House and Senate will be in session at the time, we could get bumped if the Committee rooms are needed, even if we reserve them now. We will need to have back-up rooms.

(2) To create atmosphere and to provide the press with poignant background, we will arrange to have pictures of kids who have been abused, detained, and tortured, blown-up and put around the room. Cornelius Moore of California Newsreel—Southern Africa Media Center, the distributor of the film Witness to Apartheid, has agreed to look into producing stills from the film for us.

B. Resource Room—A second room for resources was discussed. This will have the film Witness to Apartheid running through out the day and will contain other resources. California Newsreel has agreed to provide us with a VHS copy free of charge. We need to decide what type of materials will be allowed. This room could also be used by the press to hold personal in-depth interviews with the witnesses.

VIII. WRITTEN MATERIALS

A. Briefing/Orientation Packet for Panelists—To facilitate substantive questions by panelists, we will need to thoroughly brief them. They should be able to ask questions to elicit fuller explanations of the situation inside South Africa. They should also ask questions that make the link with U.S. foreign policy. They need to be able to bring out how South Africans view the U.S. role.

Possible briefing materials to include:

(1) *War on Children,* Lawyers' Committee on Human Rights.

(2) UNICEF Report on Children in South & Southern Africa.

B. Press Packets—

(1) signed affidavits, if not from our group, then from others which will need to be brought from South Africa.

(2) list of detained children.

C. Conference Packets for Audience—

(1) background resources, fact sheets.

(2) list of detained children.

IX. PRESS AND PUBLIC RELATIONS

A. Public Relations Firm—We are discussing hiring a public relations firm to handle all media connected with the conference. As yet, no individual names have been suggested. If we are going to hire a firm, we will need to secure it soon. Susanne Riveles says Amnesty International will help with publicity.

B. Series on Channel 7—At our request, Renee Poussaint of WJLA, Channel 7 News, the local ABC affiliate, has agreed to run a week-long series on children in detention in South Africa the week leading up to the conference. This will provide excellent exposure of the issue and publicity for our conference. The series will conclude, of course, with coverage of our conference.

X. FOLLOW-UP

A. Video—We are discussing the possibility of videotaping the symposium. If we do so, what will we do with the film footage afterwards?

B. Print—The Human Rights Quarterly has agreed to print the proceedings.

XI. OTHER ACTIVITIES

The Symposium will become part of three days of activities, focusing on the issue of children in detention. This should assure the South Africans that while the symposium is only one day, they will be coming to the U.S. for several days of activities. Altogether, these events will provide ample opportunity for American groups and individuals and the media to gain deeper insight into this issue.

A. Press Conference—to be held Wednesday, June 24. To provide the press with a specific time and format for interviewing and the South Africans, a special press conference will be held. It will give the South Africans unprecedented access to the American media to explain the present situation. It will kick off the three days of activities.

B. Children's March—to be held Wednesday, June 24. The proposed Children's March should bring close to 1000 children in a march and rally on the South African Embassy. It will provide publicity the day before the Symposium and mobilize for it. We will need to find another group to take charge of organizing it since we do not have the in-house capabilities to do so.

C. Strategy Session—to be held Friday, June 26. In order to more actively involve the audience which will attend the Symposium on Thursday, we will have an afternoon strategy session. Having listened to a full day of testimonies, the individuals and groups involved in children's welfare issues and the anti-apartheid community will be educated and motivated to take concrete action on the issue of children in detention. This will also provide them with the opportunity for direct interaction with the South Africans. This session will serve to direct and coordinate their six future activities. Information on this session will be included in the invitations for the symposium.

This session should be led by a panel composed of 75% South Africans and 25% Americans.

(1) Possible ideas for concrete action include—

(a) Letter campaign to Botha and Reagan or Shultz—but instead of writing directly to them, we will ask people to return the letters to us or other organizations. Then, on a specific date, we will present them, in bulk, to the appropriate people. This will allow us to monitor and measure the response. It will also give those who wrote more satisfaction by learning that they were part of larger campaign. Finally, the actual presentations will become a media event in itself.

(b) Letters to parents of detained children.

(c) Legal Defense Fund—

It costs about $700.00 per child to hire a lawyer to file an application for the release of a child from detention.

Funds for this will be solicited through a variety of methods, including a newspaper ad in the New York Times.

A Message From Archbishop Desmond M. Tutu

"South Africa is exploding. Each day brings new violence, new arrests, new deaths. The inevitable result is a continuing wave of refugees—people marked for arrest—who are fleeing for their lives.

"Our refugees are most often young—many under 18—with a single common trait: leadership ability. Our potential leaders are the most vulnerable to arrest and detention and thousands have been forced to leave the country. The South African Council of Churches estimates that there are 10,000 of these refugees academically prepared and ready to enter college. For these young, gifted and capable people to be equipped to take over the leadership of our country they must be educated. Education must be one of our priorities.

"The American people can make a difference. Our children are dying. Our country is bleeding. We are on the verge of catastrophe. Please help us."

BEEF EXPORTS TO JAPAN

Mr. WIRTH. Mr. President, last Friday this body, in its good wisdom, passed the amendment offered by the Senator from Montana [Mr. Baucus] relating to American beef exports to Japan, an amendment supported by many of us on the floor here. Senators Melcher and Wallop and I and others supported that amendment.

One of the arguments in favor of that amendment was the very clear evidence that Japanese consumers are enamored of American beef and wish to have the import quotas set by the Government of Japan lifted so that the Japanese consumer can enjoy more beef from the United States.

The argument was made on the other side of the issue that, in fact, if the import quotas were lifted by the Japanese, the Australians would move into that market and would sell a great deal more Australian beef—a result that would not benefit the United States.

I thought it was interesting yesterday that a story came across on the Knight-Ridder wire quoting recent discussions that were held by a Mr. Cameron, the chief executive officer of the Queensland United Graziers Association, 15 Australia.

Mr. Cameron had been in significant discussions with the Japanese Government urging it to raise its quotas for imported beef and in fact, Mr. Cameron, representing the Australian beef industry, as the release says "cautioned that Australia's share of the Japan beef market is certain to decline as Japanese demand for grain fed U.S. meat rises."

In fact, this Australian representative of Beef in Queensland, said, in effect, if the quotas were increased, as we were arguing they should be, that that will let the Japanese consumer benefit from the U.S. beef market rather than the Australian. Said Mr. Cameron:

> The trading houses that are importing that product, grain-fed, U.S. beef, are saying that this is the kind of product the Japanese consumer is calling for and, in essence, the U.S. industry has set the agenda for the next round of talks.

What is important in this, Mr. President, is that precisely what we were hoping would happen will happen—that if the Japanese import more beef, more American beef would end up in Japan, because that is what the Japanese marketplace demands—that hope expressed Friday on the floor in support of the Baucus amendment is precisely what would happen, according to the Australians themselves. I think that that evidence is just exactly the kind of reason to support of the Baucus amendment and underscores the concern of many of us, that we ought to work harder to export United States beef to Japan and should work much more aggressively with the Japanese Government to get that government to raise the amount of beef imported into its country and eliminate its unfair tariffs.

Mr. WALLOP. Mr. President, will the Senator yield?

Mr. WIRTH. I yield to the Senator from Wyoming.

Mr. WALLOP. Mr. President, I thank the Senator from Colorado for pointing out that the tool used against those who provide beef products and the opportunity to purchase quality beef by the Japanese is used in the opposite direction, quite frequently one with the other. It is absolutely ironic that this country would be told that Australia was a threat, that the Australians would be told that we are a threat, and the only person who was a victim of that threat is the Japanese consumer, as well as the beef producers of each country.

So I compliment the Senator for bringing that up.

RETIREMENT OF DAVID GLENN

Mr. SARBANES. Mr. President, on June 30, David Glenn, one of Maryland's most respected and veteran leaders in the struggle for equal rights, retired after a distinguished and productive career.

For 35 years David Glenn has devoted efforts to end discrimination and achieve better working and living conditions for the people of our State. An Army Air Force radio-operator and gunner during World War II, David came to Baltimore in 1952 to work in the Urban League's program to create job opportunities for minority workers. His leadership in bringing about workable agreements between workers and management soon drew the admiration of political and community leaders who valued his skill and wisdom.

During his service on the staff of Mayor Theodore R. McKeldin and later as head of Baltimore's Community Relations Committee, David was among those who brought Baltimore unpolarized through a period of rapid racial and social change. He is indeed one of those unheralded heroes of that period. Since 1978, David Glenn has been responsible for all the activities of the Maryland Commission on Human Relations—programs aimed at eliminating discrimination in employment, housing, public accommodations, and medical care. The success of the commission during the past 9 years is a tribute to David's energy, ability, and dedication.

Mr. President, David Glenn's list of community leadership posts and honors shows his outstanding commitment to a wide range of important activities. He has served as president of the Baltimore City Jail Board, the Baltimore chapter of the American Council on Human Rights, and the Baltimore Urban Coalition. An active leader in the United Way, Red Shield Boys Club, National Conference of Christians and Jews and many other civic and educational groups. David Glenn has spent his lifetime working for others. He is a distinguished public servant, an individual of great integrity and compassion and a leader whose patient but persistent conviction has been a source of inspiration for all of us privileged to have known and worked with him. I know all Marylanders join in saluting him on his retirement.

Mr. President, I ask that a tribute to David Glenn, recently published in the Baltimore Sun, be reprinted in the RECORD.

The article follows:

SALUTING A QUIET WARRIOR

(By Garland L. Thompson)

Wars and warriors abound in Baltimore's history. Not just the violent military kind, but also the political, social, economic kind. Baltimore's long march toward civil rights and economic equity for its black citizens, like every campaign, produced its share of warriors, some of whom rose to national prominence.

But not everybody becomes a household word. Every army has, as well as war leaders, its provisioners, its diplomats and engineers.

David L. Glenn, who came here from Cincinnati in 1952, is the quieter species of engineer-warrior. Mr. Glenn, stepping down as executive director of the state Human Relations Commission, may never be a household word. Yet without people like him who spent lifetimes mastering corporate personnel and healthcare policy, job-training programs, boardroom maneuvers and housing policy, many heads today would rest less easily.

Mr. Glenn, an Army Air Force radio operator and gunner during World War II, graduated from the University of Cincinnati in 1950. Few David Glenns were around to open economic doors then, and he felt lucky to find work as a city jail guard. After a year, he went to work for B. Altman's in New York. Then came the call from the Baltimore Urban League, to crack open for blacks the land of opportunity he and other black GIs had fought to protect.

Segregation then must have been an oppressive constant: blacks weren't allowed to drive taxicabs or transit vehicles, couldn't be telephone operators or bank tellers, couldn't operate checkout counters at supermarkets or work in drug stores. Firefighters' uniforms were taboo and none of Baltimore's five major breweries had ever had a black brewmaster. Hospitals treated blacks in segregated wards, restricted them to emergency rooms or didn't treat them at all.

The city's principal hotels—the Emerson, the Southern, the Lord Baltimore, the Belvedere—reserved big dining rooms for the local Beautiful People. Black socialites, doctors, lawyers and college deans, were not wanted as customers. Their wives, who had more to spend than store clerks made, were not allowed to try on the dresses and hats they bought in department stores, or return purchases they found unsatisfactory. Discrimination in housing kept black families hemmed into the most dilapidated neighborhoods.

Protests sparked many a change, especially after the Supreme Court's 1954 ruling in Brown v. Board of Education. But often changes came without noisy demonstrations, after quiet negotiations by Mr. Glenn and others at the Urban League.

To negotiate licensing of the city's first black master plumbers, Mr. Glenn had to first master the regulation of plumbing. He had to watch plumbers at work, get a feel for regular practices. He had to find craftsmen who could do the work, then get the regulations changed to permit oral and practical testing when he learned the best-equipped candidates couldn't read.

To get bank tellers, supermarket cashiers, cab drivers employed, to get black homeowners accepted where no blacks had ever been welcome, he had to learn the inner workings of local, state and federal governments as well as dozens of companies.

People like Dave Glenn were the bridges between two worlds.

On one side were the city's blacks, insulted daily by permanent status as second-class citizens. Among them were individuals of great courage, strong faith and solid intellectual achievement, with little to show for their patience. There were also many who were in the words of Rosa Parks, "sick and tired of being sick and tired."

On the other side stood the city's political leadership, the owners of its factories, banks and businesses, and its middle class. Considering themselves people of good will and honest intent, many still could not see the urgency pushing negotiators like Dave Glenn.

The ability to keep cool under fire from both sides of an argument, the skill of negotiating compromises that help ease the pain of change for both sides, is prized, in government as well as private companies. In 1961, Mr. Glenn became head of the city's Equal Opportunity Commission, enforcing anti-discrimination ordinances in employment and public accommodations. He helped draft an omnibus civil-rights ordinance, then joined C&P Telephone. In 1965 Mayor Theodore R. McKeldin asked for help dealing with minority education, health and welfare issues. He wrote speeches, did legislative liaison and represented the mayor everywhere. In 1967, he moved to the city's Community Relations Commission, then to the state Department of Human Resources.

In 1978 he took over at the Commission on Human Relations, bringing order and energy to an agency The Sun described as swamped in paperwork, drowning in its own backlog. "Life moves on, even if the commission doesn't," a July 1980 editorial said.

And so it does, even for people like David L. Glenn, a quiet toiler who spent 35 years trying to make things better for people who often denounced him while he worked. He's not sure what he wants to do next; maybe teach awhile, maybe write a book. At 61 he's got time to do both. No one person could have solved all the problems built up in 200 years of slavery and 100 years of segregation, and not all the city's whites or blacks were satisfied with his efforts. But a career of service to others is a monument to a set of ideals; in the words of another monument, dedicated to the sons Chester, Pa., sent to fight in the Civil War, "There is Glory in the Consciousness of Duty Done."

Amen to that.

CAMPAIGN FINANCE REFORM

Mr. BOREN. Mr. President, 6 weeks ago, the Senate moved to consider S. 2, the Senatorial Election Campaign Act of 1987. It appears that very soon, we will return to debate on the bill and the new compromise amendment that has been filed for consideration by Senators BYRD, EXON, and myself.

While there are sincere differences of opinion on whether there is anything wrong with our current system of campaign finance, and while there is sincere difference of opinion on how those problems should be addressed, I have no doubt that there is a clear majority of Senators who want to see strong, comprehensive reform.

To gain meaningful reform I have maintained that we must address the two overriding problems: First, runaway campaign spending and, second, the tidal-wave growth of PAC money in the process.

However, the 3-week filibuster helped put a clearer focus on the real issue. The opponents are motivated not solely in response to the partial, public financing in the original S. 2. Their opposition seems more as a smokescreen against any sort of overall spending limits.

To address the concerns of those who have sincere oppposition to the use of public funds as a way to establish a voluntary system of spending limits, we have proposed a new substitute amendment with no direct public financing.

It is my hope that when debate resumes on this legislation, that a spirit of bipartisanship and a true reflection of conscience will prevail.

In order to give Senators and staff ample opportunity to study the different provisions of the amendment, I ask unanimous consent that the following summary of the amendment be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF BOREN-BYRD-EXON COMPROMISE AMENDMENT TO S. 2[1]

I. Voluntary Spending limits: (Same as original S. 2)

A. Threshold requirement (between $150,000 and $650,000—75% from in-state)

B. No more than $20,000 personal contribution

C. Aggregate PAC limit of 20% of General Election Limit

II. Benefits for Participants:

A. "Lowest Unit" Broadcast rate for radio and television.

B. Reduced 1st Class Mail Rate—5.5 cents per piece or 2 cents below 3rd Class Mail Rate. (Offset by removing bulk mail rates for political party committees.) Capped at 5% of the General Election Limit.

C. Compensation for Independent Expenditures.

(1) Primary candidates spending limit can be raised to the extent of the independent expenditure.

(2) General election candidate qualifies for matching funds above a $10,000 threshold—the same as is in S. 2.

D. Non-participating candidate's ads must carry a disclaimer that "this candidate has not agreed to abide by voluntary spending limits."

III. Non-compliance of Spending Limits:

A. At the point a non-participating candidate comes within 75% of the limit, that candidate must report to FEC in 5% increments of limit, and the participating candidate may begin to raise funds above the limit.

B. At the point a non-participating candidate exceeds the general election spending limit, the participating candidate is entitled to a grant equal to 67% of the General Election limit, and is allowed to raise and spend above the limit.

C. At the point a non-participating candidate spends 133% of the limit, the participating candidate is entitled to an additional grant equal to 33% of the General Election limit.

IV. Effective Date 1990 except for the aggregate PAC limit, the "bundling" language, "soft money" and other disclosure provisions which are effective upon enactment.

THE NATIONAL STUDENT/PARENT MOCK ELECTION OF 1988

Mr. KENNEDY. Mr. President, we have all been shocked by the statistics that show that 83 percent of eligible voters under 30 never bothered to vote in the last election.

In the continuing effort to reform our educational system, no task is more important than the challenge to transmit our democratic values to the next generation.

The National Student/Parent Mock Election presents the Nation's parents and teachers with an opportunity to help young Americans learn about these values, make decisions, discover who they are and who they can become, and, in the process, to learn the full meaning of that civic responsibility on which democracy thrives.

On November 1, 1984, over 2 million parents and students in all 50 States met across the country to cast their votes in a mock Presidential election, and to vote for their recommendations on key national issues. Their vote was their recommendation to the newly elected President and legislators on how to deal with the vital issues before us as we approach the 21st century.

On November 1, 1988, the organizers of the National Student/Parent Mock Election hope that 5 to 10 million parents and students will participate. As in 1984 every State will have a State election headquarters, which will forward their statewide votes to national election headquarters. This national voter education event, in which all of America's parents and students are invited to participate, will provide the motivation for weeks and months of prior discussion, debate, research, candidate interviews, receptions student polls, cable call-in programs and a host of other voter education activities across the country.

This unique project encourages America's parents and students to join together in a common interest in the Presidential election process, and to use that interest to learn about the choices and values of our society. The project is especially significant when large numbers of our Nation's youth face difficult problems such as adolescent pregnancy, school dropouts, drugs, crime, AIDS, and mental illness.

The National Student/Parent Mock Election helps parents and teachers to tap the idealism of the young, and to substitute a sense of commitment and participation for the feelings of alienation and isolation that so often lie behind the social problems of today's youth.

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[1] Amend #429—CONGRESSIONAL RECORD—7/1/87—p. S9236.

As "Education for Democracy," the manifesto of the American Federation of Teachers, the Educational Excellence Network, and Freedom House, points out:

> Devotion to human dignity and freedom, to equal rights, to social and economic justice, to the rule of law, to civility and truth, to tolerance of diversity, to mutual assistance, to personal and civic responsibility, to self restraint and self respect—all these must be taught and learned and practiced.

The National Student/Parent Mock Election provides the opportunity for teaching and for learning, and for practice s well. It shows young Americans how to develop a sense of purpose and commitment in their lives.

As we celebrate the Bicentennial of the Constitution, the theme of the 1988 National Student/Parent Mock Election, "We the People: The Personal Responsibility by which Democracy Lives," encourages all of us to ensure that the ideals and visions of the Nation's founders are matched with the realities of our lives today.

It teaches a new generation of citizens to accept their responsibility for the American dream, and shows parents and teachers how to work together to bring an educated and informed electorate to the polls.

I urge my colleagues to contact their State and local superintendents of education and to encourge them to do all they can to urge parents and students throughout the State to participate in the National Student/Parent Mock Election. It will help us to build a stronger nation for the future—and it will be an experience that none of the participants will ever forget.

Mr. President, I ask unanimous consent that excerpts from a brochure prepared by the National Student/Parent Mock Election be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

1988 "AT RISK"?

A note about your sons' and daughters' future:

One of every two seventeen-year-olds does not know there are two senators from every State.[1]

One of every two seventeen-year-olds thinks the President can appoint members of Congress.[1]

They are eligible to vote at eighteen. But the youngest eligible voters are the least likely to go to the polls.

America is losing its grip on democracy. We are behind even Botswana, lowest in voter turnout.

THE NATION HAS BEEN WARNED

We are in clear and present danger of "civic illiteracy".[2] Voter apathy will lead to the loss of the freedom Americans cherish.

We are doing something about it.

We are the National Student/Parent Mock Election.

What difference does one vote make?

One vote made Oliver Cromwell Lord Protector of the Commonwealth of England in 1645.

One vote caused Charles I to be executed in 1649.

One vote elected Thomas Jefferson President in 1800.

One vote made Texas part of the U.S. in 1845.

One vote saved President Andrew Johnson from impeachment in 1868.

One vote changed France from a monarchy to a Republic (1875).

Less than one vote per precinct, in one state, elected Woodrow Wilson President (1912).

One vote made Adolph Hitler head of the Nazi party (1923).

A change of one vote per precinct in three states in 1968 would have made Hubert Humphrey president instead of Richard Nixon.

In 1988?

Our purpose is to turn around the kind of ignorance and apathy which, if they continue, will bring ruin to our Republic.

It has happened elsewhere. It can happen here. Participation is the price of freedom. Involvement ends apathy.

It is the sense of powerlessness—the offspring of ignorance and apathy—that keeps young people away from the polls and away from school.

The National Student/Parent Mock Election helps teachers motivate students and hold them in school. And helps school boards motivate parents to participate in the learning process.

To prevent dropping out.

And to vote for the birthright of every American—an education.

"Among the basic principles of learning are motivation and reward. Young people gain much greater interest and motivation in activities that get wide recognition. To see that their activities are recognized by the national news media is . . . exciting and stimulating."—Ralph W. Tyler, Director Emeritus, Center for Advanced Study in the Behavioral Sciences.

On November 1, 1984 over two million young people and their parents met all across the country, in all 50 states, to participate in the National Student/Parent Mock Election. It was an historic first.

Each state had a State Election Headquarters. Many had regional headquarters as well. State Headquarters forwarded their state's votes to National Election Headquarters in Forth Worth, Texas, where computers tallied the votes.

The vote followed weeks and months of preparation in family living rooms, schools, and communities. Students and parents voted their predictions on who would win the national elections, and their recommendations on key national issues.

Fort Worth students organized a three-ring "election circus" replete with "Whiz Kid" contests, celebrities, debates and discussions, all punctuated by a school band. Over 1.6 million votes came in on the computers that night as a wall full of computerized maps changed colors. 400,000 other votes followed later by mail. "This," said one participating parent, "is a night my son will remember for the rest of his life."

The television networks, the Cable News Network, the wire services, radio networks, educational television stations, and endless local newspapers, radio, commercial and cable stations carried the story. No matter where they reported, the press was wildly enthusiastic.

Then the evaluations came in:

"The media reports were all very good. For a change reporters were in a school where there hadn't been a drug raid or a knifing—instead people were voting!"—Maryland Association of Student Councils, Maryland State Department of Education, 200 West Baltimore Street.

". . . The New York City Board of Education is prepared to move solidly forward on the . . . National Student/Parent Mock Election. . . . We hope to have almost all of the one million plus students, and their parents, in the New York City system participating. . . . With your help we anticipate tremendous success—and some critical first steps toward turning around the sense of powerlessness and apathy that so often keeps students and their parents from the polls—and from achieving."—Charlotte Frank, Executive Director Division of Curriculum and Instruction, New York City Board of Education.

". . . I cannot say enough wonderful things about our entire experience in this project. Students who have never been motivated in social studies before became very involved. Actual participation at campaign headquarters made politics come alive for them. . . ."

". . . The reception was the culmination of a very valuable learning experience and the students were very excited . . . I think these students will be very responsible citizens and voters in the years ahead."—Hope Parker, Government Teacher, First Colonial High Schools, Virginia.

". . . In talking to some of their mothers and fathers, some of them made the comment, 'couldn't believe how involved these kids got in the process and what a thorough job they did.'"

"They're just a super group of kids; they really are."—Mary Caffas, Drama Teacher, Upper Dauphin Area Middle School, Loyalton, Pennsylvania.

We grew from 250,000 to over two million participants between 1982 and 1984.

Why not five or ten million in '86-'88? And on from there . . .

Until we turn around the apathy that threatens to destroy our democracy.

And turn potential dropouts into active citizens—and taxpayers—ready for the personal responsibility by which democracy lives?

"We take increased devotion to that cause for which they gave the last full measure of devotion—that we here highly resolve that those dead shall not have died in vain—that this nation under God shall have a new birth in freedom—and that government of the people, by the people and for the people shall not perish from the earth."—Abraham Lincoln.

WHERE WE WANT TO GO FROM HERE

The Presidents, Senators, Congressmen, Governors and Legislators of tomorrow are all sitting in the classrooms of today.

We want to grow from 2 million to 5 and 10 million and on from there . . . until parents and students in every city and every county in every state and all around the world[3] participate. And we can make a real difference in voter turnout on election day.

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[1] National Assessment of Educational Progress.

[2] The Carnegie Foundation for the Advancement of Teaching.

[3] The Department of Defense Dependents Schools are the nation's eleventh largest school system.

We want to educate America's parents and their children to understand far more about crucial national issues, from nuclear war and peace to drinking and driving, so that their votes are not knee-jerk reactions to scare headlines and 30 second commercials but educated and informed choices made at the polls.

We want to motivate and reward. We want to use the Mock Election to invite and sustain parents' participation in education—the biggest single determinant of their children's success—so that their children will achieve and discover who they are and who they can become. Parents will teach the responsibility that is the other side of freedom and the drop-out rate will drop down.

We want to service the state and city coordinators who are the project's distribution network—and its backbone.

With the materials and resources that will make it possible for teachers and administrators to end the apathy and civic illiteracy that endanger our democracy.

Then we want to teach them how to use the motivation of the Election to motivate learning in every discipline—from language arts to computer skills, to "old fashioned" American History and science and math as well.

We want to communicate. We want participants all across the country to be able to see each other on Mock Election Night—in a transcontinental TV special. That will allow millions of Americans to see them—and wish to join them. And we want coordinators in every state and city to be able to meet and share ideas before the big event. In a teleconference that will bring colleagues from Juneau and Miami, Washington and Los Angeles as close as if they were at the conference table. So they can all join hands to help.

We want to celebrate the Bicentennial of the Constitution and the 200th Anniversary of the United States Congress. With materials we can share with millions through our unique distribution network. And help the future Senators and Congressmen, Presidents and "We the people . . ." preserve and protect the legacy of the founding fathers.

We want to involve today's Senators and Congressmen, The White House, The Governors' Offices, The State Legislatures and new candidates for public office. And bring them together at the local level with the generation to whom they must pass the torch. To get to know each other better. So that the downward trend in voter turn-out is reversed. And our future Presidents, Republican or Democratic, will not be elected by only 25 and 26 percent of the eligible voters. And government "of the people, by the people and for the people shall not perish from the earth."

"Benjamin J. Stein, a California pollster, offered examples of 'the astounding level of ignorance of the Southern California teenager' . . . A few knew how many Senators California has but none could say how many Nevada or Oregon has. (Really? Even though they're so small?) Only two of the students Stein talked to could even approximately identify Thomas Jefferson."—The Public Danger of Private Ignorance, Edward S. Cabot, President, New York Chamber of Commerce.

Will you help?

The National Student/Parent Mock Election has been endorsed by the President, the Department of Education, the national parties, the campaign committees for the Senate and the House on both sides of the aisle, 15 national civic, religious, and educational cooperating organizations.

Now we need your vote.

UNITED STATES SHOULD DELAY REFLAGGING

Mr. LEVIN. Mr. President, I believe that the United States should delay reflagging and protecting Kuwaiti tankers for four reasons:

First, despite administration protestations to the contrary, the ships will still be Kuwaiti owned.

The State Department testified before the Senate Armed Services Committee that the 11 tankers would become United States owned through the reflagging process. In fact, however, the ships will continue to be owned by the Kuwaitis. The Kuwait Petroleum Co. is Kuwaiti Government owned and in turn owns the Kuwait Oil Tanker Co., which owns Santa Fe, International which owns Chesapeake Shipping Inc., the nominal ship title holder. Putting an American flag and an American captain on board doesn't change the reality that the ships will remain Kuwaiti owned. Nor does it change the perception that the ships will remain Kuwaiti owned.

It is argued that Kuwait is a nonbelligerent under international law and that we a third country, can trade with her without either of the belligerents having any right to attack our shipping.

Kuwait may not be a belligerent but she is not a neutral either. That makes her status murky and her ships subject to different treatment than those of a neutral nonbelligerent.

Second, the Iran-Iraq war is one of this century's great horrors. For 7 years these two countries have battled each other. Almost no territory has changed hands, but hundreds of thousands of people have perished, including children sent to war by an Ayatollah promising them a sure-fire ticket to heaven.

The enmities and hatred stirred up are intense and will be long-lasting. We should stay out of that war and use what influence we have, in the United Nations or elsewhere, to try to bring it to an end.

Third, the Soviet Union won't gain if we stay out—they will gain if we get in. Iran now holds both us and the Soviet Union in equal disdain. If we use our military in a more direct way to protect Iraq's ally, we will be perceived as taking sides against Iran. All the hatred, fanaticism, and perhaps terrorism will be aimed at the United States. The Soviet Union will be the sure beneficiary of that shift.

The gulf States are too smart to turn to the Soviet Union for protection. Kuwait has earned some dissent from Bahrain, the UAE, Saudi Arabia, and Oman by turning to the Soviets to lease three of their ships and playing us against the Soviets in the process.

We must not only act in our own self interest, but assume others will as well. No gulf State has an interest in increased Soviet influence in the gulf. In essence, the Kuwaitis threaten to invite the Soviet bear in to gobble them up unless we come to their assistance. That seems to me to be a transparent effort to get us into the war against our wishes.

The history, culture, religion, independence, and type of government of the gulf States all point away from any desire for increased Soviet influence. If they were desperate, perhaps they would take the risk. They are not desperate—98 percent of their oil reaches its destination.

Fourth, American interests in the gulf are best preserved by avoiding a confrontation with a belligerent in the Iran-Iraq war. We do indeed have security interests in the gulf. Foremost, we should protect United States, not Kuwaiti, lives and property. We also, with our allies, should keep international sea lanes open and of course should seek to reduce the influence of the Soviet Union and Iran.

More goals are met by continuation of our naval presence to protect United States shipping, including United States ships Kuwait or any other country might lease from us. That is a very different proposition from extending our protection to Kuwaiti-owned vessels.

Our Navy has been protecting United States ships in the gulf for years and they have not been fired on by Iran.

The President said a month ago relative to the reflagging that "I do not know how (a conflict) could possibly start." The Senate should inform him by this action.

It is obvious that the President hasn't heard what the Joint Chiefs are telling him: That his proposed course of action entails a significant risk. We should think through what the administration hasn't and delay the reflagging while other options are present.

DEMOCRACY ON TAIWAN

Mr. CRANSTON. Mr. President, two Senators, one a Democrat, one a Republican—I, the Democrat, the chairman of the Senate Foreign Relations Committee's Subcommittee on Asian and Pacific Affairs, Senator **FRANK MURKOWSKI**, the Republican, the ranking minority member of the subcommittee—have today issued the following statement:

> Recent developments on Taiwan provide significant encouragement to those of us who are champions of democracy for the people of Taiwan.
>
> Just as we have upon occasion been critical of the authorities on Taiwan when we have felt that gross human rights abuses were continuing, we believe it important for friends of Taiwan to offer congratulations

at recent constructive actions by the authorities on Taiwan. These welcome steps will serve to strengthen the cause of justice and democracy on Taiwan.

Taiwan's authorities, observing the actions in Manila and Seoul, are now moving their society forward toward greater political maturity. One can only hope that such peaceful evolution toward genuine democracy will continue. Yesterday's actions finally ended martial law after thirty-eight years are a breath of fresh air. Similarly, efforts to limit the role of Taiwan's military authorities in civil court matters, to reduce censorship and to allow the formation of genuine opposition political parties can only advance the long-term security and stability of Taiwan.

As friends of democracy on Taiwan, we are especially heartened by the release of a number of political prisoners. Few actions by an authoritarian regime more deeply damage its relations with its own people than the prolonged holding of innocent people who simply disagree with the regime's methods. We welcome the release of many who have been held unfairly. And we encourage authorities to continue the process of healing old wounds by releasing all political prisoners.

The authorities on Taiwan have a long way to go. The transfer of censorship responsibilities from military to civilian authorities does not necessarily mean an outbreak of press freedom. Similarly, the legalization of opposition parties does not change the fact that four-fifths of the National Assembly is still appointed. Much more needs to be done to establish a secure democratic basis for the future freedom and economic development of all the people of Taiwan.

But the recent actions are progress, progress wisely achieved by Taiwan's authorities, progress prudently encouraged by the thoughtful State Department team under Assistant Secretary Gaston Sigur. Today we join together, Democrat and Republican, to commend these encouraging developments.

THE LIFTING OF MARTIAL LAW IN TAIWAN

Mr. KENNEDY. Mr. President, at long last, the Government of Taiwan has lifted 40 long years of martial law. I ask unanimous consent that a statement on the lifting of martial law by the Committee for Democracy on Taiwan may be inserted in the RECORD. The committee was formed last year to promote democracy on Taiwan and one of our major focuses was to urge the government to lift the state of martial law. The committee members are myself, Senator PELL, Senator LEVIN, Congressman SOLARZ, and Congressman LEACH of Iowa.

I also ask unanimous consent that several articles from today's papers may be inserted in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

STATEMENT BY THE COMMITTEE FOR DEMOCRACY ON TAIWAN ON THE LIFTING OF MARTIAL LAW

The government of Taiwan has just taken a significant step towards democracy on that island. After nearly four decades of continuous martial law, the government on Taiwan has finally lifted that repressive state of emergency.

As members of the Committee for Democracy on Taiwan, we have long called for the lifting of martial law and welcome that action by the government of Chiang Ching-kuo. For the past forty years, the ruling party has denied the people of Taiwan their basic right to a fully democratic system, using martial law to deny their constitutionally guaranteed civil liberties, to suppress independent organizations and to restrain the peaceful expression of dissent.

We are hopeful that the lifting of martial law will bring new freedoms to the people of Taiwan and that the new National Security Law will not be used to maintain the current restrictions on their political and civil rights. Instead, we hope this significant step will be the first of many on the road to a just and democratic Taiwan.

[From the Washington Post, July 15, 1987]

AFTER 38 YEARS, TAIWAN LIFTS MARTIAL LAW; PRISONERS FREED

(By Daniel Southerland)

TAIPEI, TAIWAN, July 15 (Wednesday)—Taiwan's President Chiang Ching-kuo decreed an end yesterday to the martial law that his ruling Nationalist Party imposed nearly four decades ago.

Chiang pointed out that a new national security law would replace the decrees on which the martial law was based. Among the new law's provisions is permission for formation of new political parties to compete with Chiang's. At the same time, it requires that they, like the Nationalist Party, be anticommunist and support the constitution and national unity.

Opposition politicians objected that the new law maintains many of the old restrictions, but western analysts and some independent political scientists said the lifting of martial law was a major step toward liberalizing Taiwan's authoritarian system.

These observers said that the most important change was to end trials of civilians by military courts. Under the military system, the chances of civilians successfully defending themselves were limited.

The new decree also removed the military from its role as censor, placing that responsibility in the hands of civilian officials. The new guidelines call for a judge to be provided with a specific reason for censorship of publications.

In a related announcement, the Defense Ministry said that 23 prisoners in military jails were released yesterday and that 70 others were given reduced sentences. It said another 144 had been freed earlier.

Western observers speculated that Chiang, in lifting martial law and releasing prisoners, hoped to secure increased support for his party as he moves toward a transfer of power.

Chiang, 77, is the ailing eldest son of the late president Chiang Kai-shek—who fled with his followers from mainland China in 1949 after defeat by the Communists. The president has said he will not be succeeded by another Chiang family member.

According to western observers, Chiang is attempting to broaden his base of support, in part by expanding the political role of native Taiwanese. More than 80 percent of the island's population of 19.5 million is in this category.

Since Chiang Kai-shek imposed martial law in 1949, a strong native Taiwanese middle class has developed that is demanding change and greater representation in the government.

A second reason for the lifting of martial law, western observers said, was to gain greater support from the United States, which is Taiwan's main trading partner and supplier of arms. Only a handful of nations now extend official diplomatic recognition to Taiwan.

The United States broke formal diplomatic links with Taiwan when Washington established official ties with the China mainland in 1979. The American Institute in Taiwan, an unofficial body that the United States established to handle its relations with Taiwan, issued a statement yesterday welcoming Chiang's move as "a historic step in the direction of greater political liberalization and democratization."

[In Washington, a State Department spokesman said the move was "an important event" in Taiwan's quest of "increased democracy and respect for human rights."]

But opposition politicians said the move was only a first step. They said that much remained to be done, for example, to reform Taiwan's National Assembly, only one fifth of whose members are elected. Most seats are held by Nationalist stalwarts who were elected in 1947 for life—and who now have an average age of about 80.

The president is indirectly elected by the assembly, and some opposition politicians are now expected to call for direct presidential elections. Some already have said the ruling party should divest itself of its many business interests, which, they argue, give it an unfair financial advantage over any alternative parties.

The new security law aims in part at curbing the movement for independence that has received widespread support from native Taiwanese. Despite the objections from opposition politicians, some old-line Nationalist politicians, military men, and police officials say Chiang has gone too far in liberalizing the system and fear that his moves could result in instability and a loss of their influence.

So far, however, Chiang has moved with skill to bring about peaceful, gradual change, western analysts said. They contrasted this with the South Korean example, where violence has forced the pace of change. A veteran Taiwanese journalist noted, however, that Chiang has created expectations that might be difficult to fulfill.

[From the New York Times, July 15, 1987]

TAIWAN ENDS 4 DECADES OF MARTIAL LAW

TAIPEI, Taiwan, July 14 (AP)—The Nationalist Government ended 38 years of martial law today and called the move "a new milestone" for democracy on this island still technically at war with the Chinese mainland.

The Defense Ministry also announced the release of 23 prisoners, including some dissidents jailed under martial law. It said 30 dissidents remained in jail.

Lifting of martial law means opposition political parties can be formed legally for the first time, giving Taiwan's fragmented but increasingly vocal opposition a new chance to organize. Communist parties remain banned.

Dissidents welcomed the development, but noted that a new security law immediately replaced martial law and still restricts political activity.

POLITICAL ENVIRONMENT UNCLEAR

"We are looking at the Government's next move cautiously," said an opposition lawmaker, Kang Ning-hsiang. "The political environment is still largely unclear."

Martial law imposed in 1949 when Chiang Kai-shek, President of the Chinese Nationalist Government, and about two million supporters fled the advancing Communist army on the mainland.

It banned formation of any new political parties, gave the military wide censorship powers and was used by military courts to convict thousands of civilians of sedition and other crimes.

It is widely believed that President Chiang Ching-kuo, the 77-year-old son of Chiang, acted in response to the pressure of the growing dissident movement and in hopes of solidifying public support for his party before he retires.

He is expected to step down when his term ends in three years.

U.S. PRAISES TAIPEI ACTION

WASHINGTON, July 14 (AP)—The United States praised the lifting of martial law today by Taiwan.

"Over the past months, Taiwan has made significant progress toward increased democracy and respect for human rights," said the State Department spokesman, Charles E. Redman. "We believe that the lifting of martial law is an important event which symbolizes the commitment of the Taiwan authorities to continue this process."

RECESS UNTIL 10:20 A.M.

Mr. SIMPSON. Mr. President, with that minilecture of great import, Mr. President, after consulting with the majority leader and at his direction, I ask unanimous consent that the Senate stand in recess until 10:20 a.m.

Thereupon, at 9:44 a.m., the Senate recessed until 10:20 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. REID].

RECESS UNTIL 10:30 A.M.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 10:30 a.m. today.

There being no objection, the Senate at 10:20 a.m., recessed until 10:30 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. REID].

CLOTURE MOTION

The PRESIDING OFFICER. One hour having passed since the Senate convened, the clerk will report the motion to invoke cloture.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the Bumpers amendment No. 450, to S. 1420, a bill to authorize negotiations of reciprocal trade agreements, to strengthen United States trade laws, and for other purposes.

Senators Dale Bumpers, Alan Cranston, Patrick J. Leahy, Wendell Ford, Spark Matsunaga, Timothy Wirth, Quentin Burdick, John F. Kerry, William Proxmire, John Melcher, Max Baucus, Terry Sanford, Dennis DeConcini, Frank Lautenberg, Christopher Dodd, John D. Rockefeller, Jim Sasser, and Harry Reid.

VOTE

The PRESIDING OFFICER. By unanimous consent the quorum call has been waived.

The question is, Is it the sense of the Senate that the debate on the Bumpers amendment No. 450 to S. 1420, the Omnibus Trade and Competition Act shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is necessarily absent.

I also announce that the Senator from Arkansas [Mr. PRYOR] is absent because of a death in the family.

The PRESIDING OFFICER (Mr. DODD). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 54, nays 44, as follows:

[Rollcall Vote No. 196 Leg.]

YEAS—54

Adams
Baucus
Biden
Bingaman
Bradley
Bumpers
Burdick
Byrd
Chiles
Conrad
Cranston
Daschle
DeConcini
Dixon
Dodd
Exon
Ford
Fowler
Glenn
Graham
Harkin
Hatfield
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nunn
Packwood
Pell
Proxmire
Reid
Riegle
Rockefeller
Roth
Sanford
Sarbanes
Sasser
Simon
Specter
Stennis
Weicker
Wirth

NAYS—44

Armstrong
Bentsen
Bond
Boren
Boschwitz
Breaux
Chafee
Cochran
Cohen
D'Amato
Danforth
Dole
Domenici
Durenberger
Evans
Garn
Gramm
Grassley
Hatch
Hecht
Heinz
Helms
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
McConnell
Nickles
Pressler
Quayle
Rudman
Shelby
Simpson
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson

NOT VOTING—2

Gore
Pryor

The PRESIDING OFFICER. On this vote, the yeas are 54 and the nays are 44. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

The majority leader.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with the consideration of this bill (S. 1420).

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I shall shortly be happy to yield to the distinguished Senator from Arkansas and other Senators.

If I might have the attention of everybody, I think what I have to say will be of interest.

Mr. President, again we have had a vote on reflagging. A majority of Senators have indicated their concerns by their votes with the proposal that the administration is apparently bent upon going forward with.

I think that the votes have had a good impact, however.

In today's vote, there were a majority who voted for cloture and who, therefore, again indicated their concerns about the reflagging proposal, I think, however, that the windfall profit tax question had an impact on the vote, because had cloture been invoked on the reflagging amendment by Mr. BUMPERS and Mr. HATFIELD, the windfall profit tax proposal that is cosponsored by 17 Senators would have fallen. That would have fallen. The cloture vote would have eliminated that. So there were Senators who were much concerned about that. I know some Senators who were going to vote for cloture here, but because cloture would have caused the windfall profit tax amendment to fall, they voted against cloture.

Mr. DOLE. Mr. President, will the majority leader yield?

Mr. BYRD. Yes, if I may just finish and then I will be happy to yield.

I think we are at the point where we ought to get back on track. Let us get down to business on this trade bill. We have had our shots at reflagging. I have had mine. And we have sent our message, and I think it has been a good message as I see it from my standpoint. Others will disagree. On the windfall profit tax, this is not the bill. This is not a tax bill. That tax proposal rightfully should be put on another bill.

But having said that, there are those who can argue and, with some justification, some may see plant closing legislation as having been a measure, for example, that should be on another bill. I do not see it that way.

I suggest that we give those who want a vote on the windfall profit tax, a vote rather than see us go down this procedural road the remainder of today. We have before the Senate a motion to postpone. If that motion is rejected, then we are back on the motion to recommit with instructions and that tree is open to amendment and debate all day long as we saw it last night. It is open to amendments in two degrees and, of course, we all can play that game. Some have had a problem with my description of it as a game, but to many in this body it is a very serious game and I can understand it. I can understand their positions. I do not quarrel with Senators who are fighting for the economic lives of their States. They see this as the opportunity.

So I pose the question and I may put it in the form of a unanimous-consent request, that we delay, just put this windfall profit matter aside as we have put other matters aside that are still to be dealt with, we put it aside, and get on with the trade bill until such time as we can eliminate other amendments and then deal with that, and get consent to have a vote on this windfall profit matter up or down. I do not think there is anyone here who has stood longer than I have, other than the two managers and even they have not stood here as long as I have, and urged the Senate to get on with this trade bill. I know there are some people in this Senate who do not want to see a trade bill, but I have to say I think in my judgment the leadership on the other side and most of the Senators on the other side want to see a trade bill and are cooperating.

I think I could have had better cooperation from all sides, for that matter, at times but the fact that remains is our time is running out. The calendar is running, the clock is running, and we have said we were going to put a trade bill on the President's desk. The American people expect that. They are entitled to it, and what the President does with it is his judgment to make.

But we cannot continue to run up and down the gauntlet of amendments here and enact a trade bill. We have a debt limit extension also and it may be that at some point during the day, I would say to the distinguished Republican leader, we may want to set this trade bill aside and do the debt limit extension. I would hope I have the cooperation of the two managers and others if the two leaders decide to do that, because Mr. Chiles and those on the Budget Committee may be ready to move in that direction, which means we will have to come back to the trade bill, but at some point today or on Friday we may need to go to the debt limit.

Friday is July 17, and the debt limit expires. That is not the so-called "Armageddon" date, or as some say the "drop dead" date, but that, too, is not far off. I am told that is around July 30. July 30 is only 16 days or some such away, including Sundays and Saturdays.

Having said all that, I think I have indicated once again the necessity of getting this trade bill and the debt limit extension expedited and acted upon. We are not going to do that if we continue the remainder of this day filling up the tree and then unfilling it and then filling it up and then trying to get around it. I am not interested in playing that kind of game.

It is obvious that if I want to play that game I can play it, and with the recognition that goes with any majority leader, I can always be in the position to be the last to put on the capping amendment. That does not serve my purpose here in getting a trade bill.

It serves my purpose as leader to try to get this trade bill acted upon, get it in conference, let the Finance Committee members tend to that and also attend to the reconciliation bill which is another big item that will be before this Senate. So I make this appeal.

Now, I want to hear first of all what the Republican leader has to say and then Mr. Bumpers. I will yield the floor.

I would like to hear the Republican leader, and then Mr. Bumpers, who with Mr. Hatfield, is the author of the amendment. The distinguished Republican leader and I and the two assistant leaders are going to meet shortly, and possibly other Senators with them, in an effort to find a way to move this bill down the track and get on with the amendments that Senators intend to call up that are on the list. Some staff people call over and say, "My Senator wants this on the list," and we often find the Senator does not even know the amendment is on the list. He did not ask for it. So we are going to try to clean up those lists and see if we cannot find a way to get on with this bill.

I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DOLE. Mr. President, I certainly share most of the views expressed by the distinguished majority leader. I think we need to finish the trade bill. I hope consent could be obtained to set aside the pending motion to postpone indefinitely the windfall profit tax amendment so that we might go on with trade amendments. The distinguished majority leader and I have an amendment I think we could offer.

I am not certain I clearly understood the relationship between the cloture vote and the windfall profit tax because, as I understand, we are voting on cloture on an amendment, not on the bill itself. I think I am correct that the windfall profit tax amendment would have been there, but, had we obtained cloture, we would have been on the reflagging amendment until that was disposed of.

But I share the majority leader's view that we are going to have to make some hard decisions. I think it is probably time for the leaders and the managers and hopefully other party leadership on both sides to bite the bullet and probably step on a few toes, and hopefully, before the day is out, get consent to vote on cloture on the bill. I would certainly be pleased. The majority leader tried that last night. I think there are still 30 or 40 amendments on this side. I am not certain they will all be offered.

I also hope they will let us vote on the windfall profit tax. It seems to me that, if you talk about trade, it is as trade related as plant closings. It is critical to many parts of this country. I know it has the overwhelming support, bipartisan support, of Republicans and Democrats.

But I wanted to indicate for the record—and I guess we are going to meet in the majority leader's office and go over some of the amendments—that I pledge my support, because we have really about worn out the managers, we have been on this bill so long. They are the same Senators who have responsibility for reconciliation. The Finance Committee has the greatest burden when it comes to revenues and other things, savings in reconciliation. So, we will be doing what we can on this side to expedite the process and hopefully get some agreement so that the majority leader will know when the day is out that we are going to complete this bill; if not today, then perhaps on Friday.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I first want to apologize to the Members of the body that it was necessary for this issue of reflagging of Kuwaiti ships in the Persian Gulf to be brought up. It has delayed this trade bill, and I regret that. And I apologize to all of you, particularly to the leadership on both sides.

But is was done because there is a sense of urgency about the Congress expressing itself on what I consider to be a very ominous and grave policy upon which we are about to embark. And so, we had no choice because this was the only vehicle we had. We had been on this bill for 4 weeks and it was the only opportunity we were going to have for the United States to say to the President, "Mr. President, please at least postpone this for 90 days. Let's have a debate that the American people can hear and judge this policy on."

It is really regrettable. We were not going to get cloture this morning anyway, but it is regrettable that this windfall profit tax—and I have supported the proponents of the repeal of the windfall profit tax; I have supported that and I will continue to—but that is not urgent. And the minute it became known in the well this morning that if you voted cloture on the Bumpers amendment, you were also going to be taking down the windfall profit tax proposal, we lost votes that we would have otherwise gained. And I really think that is tragic.

As I say, I am a proponent of repealing the windfall profit tax. But it had no right to cost us votes on something as grave as this is.

Mr. President, every time this country violates common sense, we get in trouble. Everybody believes that the sale of arms to Iran violated common sense and we got in serious trouble. A lot of us thought that sending troops to Lebanon, 1,500 Marines, violated common sense and we paid a dear price for it.

I am as convinced as I am of my name that this reflagging is a wrongheaded policy and there are very suitable options to accomplish what the President says his goals are. They certainly are arcane to me. I do not understand our policy in the Persian Gulf. But if it is to get the oil out, why not let the United Nations carry out this mission. I think they are willing to do it. I think they are going to vote next week to say they are willing to do it.

Senator Murkowski has an amendment which I will support, if he can get it up here, which says, say to the Kuwaitis, "Why don't you charter American ships?" To me that certainly is not the best of all worlds, but it is better than this.

Mr. ADAMS. Will the Senator from Arkansas yield for a comment on his statement? Without yielding the floor?

Mr. BUMPERS. Mr. President, I ask unanimous consent that I be permitted to yield to Senator Adams, who is a cosponsor of this amendment, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ADAMS. I simply want to state to the Senators that I completely support Senator Bumpers' action, the statements that he will make and whatever course he charts on this since he has been leading us on it.

Mr. President, the Senate has spoken very clearly on the issue of reflagging. Some believe that our voices have been heard. Last week we were told that our objections and concerns had encouraged the administration to consult with us—even if they didn't listen to us. This morning, news reports indicate our objections may have had yet another effect: The protection scheme seems to have been scaled back significantly and the number or regularity of the convoys we will protect seems to have been reduced.

But Mr. President, that is really not enough. The Senate went on record as being willing to require, by law, a 90-day delay in any reflagging or protection scheme. So consultations or reductions are not an adequate response to the position taken by a majority of the Senate.

As the administration moves ahead—and all the evidence indicates that they will—those of us who are concerned about this policy will not simply fade away. We will be here ready to raise this issue again on a different vehicle and in a different form. If we are overtaken by events and are unable to delay reflagging, we will make every effort to assure that the Congress exercises its legal obligation to either endorse or reject that policy as required by the War Powers Act.

One of the things we have learned from the Iran-Contra hearings is that this country gets into trouble when the executive and legislative branches have not agreed on a policy. The War Powers Act is designed to prevent the two branches from moving in opposite directions. It requires the legislative branch to explicitly authorize the policy advocated by the executive branch. We may well grant that authorization—and if we do, then that policy will enjoy the support needed to make it effective. If we do not grant that authorization, then we will have told the President that his policy does not have the support it needs to be effective. Either way, we will be in a position to know what the best course of action is.

Mr. President, I do not yet know how this issue will be raised or precisely when and how the Congress will be asked to make its judgment. But I will do everything I can to ensure that we do have that opportunity and that we discharge it.

I thank the Senator from Arkansas for his leadership on this issue.

Mr. BUMPERS. I thank the Senator from Washington for his very tenacious cooperation in what we have been trying to do here.

Let me just say that I do not want to delay the passage of this bill, but I do not want to vote for a nonbinding resolution if we are not going to vote on this binding legislation.

I said the other day and I will repeat today the reason I brought this up is because it is urgent. Second, I wanted the Senate to go on record on something that was binding, not something that is a sense-of-the-Senate or sense-of-the-Congress resolution which has absolutely no effect.

Oftentimes around here we go home and campaign and people say, "Why did you vote for that?" "Well," you say, "I thought it was better than nothing." In my present frame of mind, you give me the choice of voting for this nonbinding resolution in the Senate or nothing, and I will vote no because I think nothing is preferable to a nonbinding resolution in this case.

Now, Mr. President, we have voted twice on a binding postponement of this policy. We voted on my amendment the other day by a vote of 56 to 42 to say, "Mr. President, postpone this policy for 90 days and let us think it through."

I made the point then, and again to my distinguished senior colleague, the senior Senator from Mississippi, and he agreed, that if we had had 90 days to devote to the Gulf of Tonkin resolution, we might have saved 57,000 lives and 750,000 broken bodies.

So all I am saying is, let us pause and reflect. There is no sense of urgency. Oil is coming out—not to us, but to our allies, who are essentially opposed to what we are doing there. So I am not going to vote for a nonbinding resolution.

I do not know who put this magazine on my desk, as it was on every other desk. I think this is the current issue of Newsweek magazine.

The other day I talked about how we all loved Old Glory and how I used to go to the movies in the afternoon and when the cavalry came charging over the hill, the first thing you heard was the bugle blowing "charge" and the first thing you saw was the lead horse of the cavalry coming to save the cowboys. The second thing you saw was the American flag.

I pointed out that in the future, if you have trouble out in the Persian Gulf and you see this flag coming over the horizon, you can see the kids in the theater applauding and cheering and saying, "Here comes the Americans. They've come to save us." And another kid would say, "Aw, naw, that is just the Kuwaitis coming."

I submit to you that this is belittling of the American flag. Who else's ships are we going to put our flag on? Are we going to give our flag to every Tom, Dick, and Harry that comes down the pike and says, "We have got a problem"?

Well, here is a picture of an American Congressman handing over Old Glory to two Kuwaiti sheikhs. This is not meant to demean Kuwait. They are our friends. But it is demeaning to the American flag.

So, Mr. President, I just simply want to say I appreciate the help of all those who voted for cloture today and who voted against the tabling amendment the other day. I want to say to the leader that I will sit down with him. I want to cooperate with the leadership here and get this show on the road and keep this on the front burner. The House, by a very convincing vote, and the Senate by a very convincing vote, twice, have said to the President: Do not do this.

The President is, in effect, saying because some of those archaic rules of the procedures of the Senate and the fact that 40 people out of 100, not a majority, but the fact that 40 people can keep the Senate from expressing its will on this; and, No. 2, because I could veto it anyway and it would require a two-thirds majority of the Congress to override my veto, I am going to proceed with this policy.

So, Mr. President, I think it is a grave matter. I regret it is on this bill but those are my feelings which I wanted to express very clearly and I hope in cogent terms.

Mr. President, I ask unanimous consent that I be permitted to yield to the Senator from Tennessee for 3 or 4 minutes?

The PRESIDING OFFICER. Without objection——

Mr. CHAFEE. Mr. President, I object. There was a request for unanimous consent. I do not know how he can pass around——

Mr. SASSER. Mr. President, I seek recognition in my own right.

The PRESIDING OFFICER. The unanimous-consent request had been objected to. The Senator from Tennessee had been standing for some time. I recognize the Senator from Tennessee.

Mr. SASSER. I thank the Chair.

Mr. President, on four occasions a majority of the United States Senate has voted against reflagging and escort of Kuwaiti tankers. But, despite these votes in the Senate, and despite votes disapproving of the reflagging in the House of Representatives, the administration is sailing full steam ahead on this unwise and, I believe, unnecessary policy.

Yesterday, senior officials of the administration met with a number of Members of the Senate and the House of Representatives, and the message that we received from these officials was clear. The administration is going to start reflagging Kuwaiti oil tankers very shortly; even without the express support of Congress, in fact in the face of the express disapproval of the Congress and without the support of the majority of the American people.

It is clear that such a policy is simply not sustainable. You wonder if the administration never learns from history. Does the administration not know that a policy, a foreign policy initiative as risky as this, without the support of Congress and without the support of the American people, is doomed to failure?

So, I submit that we had better prepare ourselves. There is a good chance that the Persian Gulf policy of reflagging these tankers could be Beirut all over again.

I say that and I fervently hope that it is not the case, but just as in Beirut, we are once again dealing in symbols. We are sending in a token force into the Persian Gulf, without a clearly defined policy, without the support of the Congress, and without the support of the American people.

It is patently ridiculous for the administration to maintain that we are escorting, putting the flag of the United States of America on the tankers of the oil Sheikhdom of Kuwait, to protect Kuwait's oil supply.

Even with Iran's attacks on oil tankers in the gulf, the oil of Kuwait is coming through and less than 1 percent of the oil coming out of the Persian Gulf has been lost as a result of attacks from both sides, both Iraq and Iran.

So the elementary fact is this, that Kuwait's oil supplies are not being threatened and they are getting through to their principal users in Japan and in Western Europe.

Then comes the administration and says: Well, if we do not proceed with the reflagging we will lose our credibility in the region.

Mr. President, our credibility in the Persian Gulf has already been severely diminished by the secret arms sales to the Ayatollah Khomeini's government. If we move into that region, cloaking ourselves in a policy which we cannot sustain, which the administration cannot sustain in the face of a dubious Congress and a dubious American people, then our credibility is going to be even more diminished if we have to abandon that policy halfway through.

I think this administration should be thinking about a credible policy in the Persian Gulf that can be sustained; one that Congress will support and one that our allies will support. The administration knows that United States warship escort of reflagged Kuwaiti tankers is going to increase hostilities in the region, it is going to increase terrorism in the region.

United Press International carries a dispatch today in which Mr. Rafsanjani, speaker of the Iranian House, states that: "any gulf port or any gulf military base used by the U.S. military will be taken by Iranian military forces."

So we are simply stirring up hostilities in the region and putting more pressure on our allies in the Persian Gulf.

I might say that, in the week since the tragedy on the U.S.S. *Stark*, Iran has placed new military brigades called the defenders of the Persian Guld on the islands in the Straits of Hormuz.

These terrorist squads are trained in kamikaze tactics and have the capability to effectively attack some American interests in the regions.

Mr. President, I think we are simply exacerbating a dangerous situation there with no clearly defined end to this policy.

There was an editorial cartoon which appeared in the Boston Globe just a few days ago which I thought summed up the situation the position in the Persian Gulf very effectively.

The cartoonist said this: We will be defending ships that are not ours to protect oil that we don't use to assist allies who will not help in pursuit of a policy that we don't have.

I ask, Mr. President, where in the world is the logic in that approach? We owe more to our allies in the region, the Arab countries around the gulf; we owe more to the American people; and we certainly owe more to the young American seamen who will be risking their lives in that region to protect the oil tankers of the Sheikhdom of Kuwait.

So, Mr. President, I appeal to the administration to change its Persian Gulf course before it is too late; to rethink this disastrous policy and formulate an approach that we can rally around, here in this body, in a bipartisan fashion, and one that we can take to our constituents in our home States and support in good faith.

I yield the floor.

Mr. MURKOWSKI addressed the Chair.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Thank you, Mr. President.

I am here representing an innocent victim that is caught in this crossfire. There may be merit to the Persian Gulf resolution, and certainly those who believe in it have pressed it. But I think we will all agree that the Persian Gulf resolution has nothing to do with the trade bill. I would like to put a word here in behalf of the trade bill, which is the matter before us and a matter that is of considerable importance and that we are trying to pass.

There is much that is very good in this trade bill. What are some of the things that are important to this country about the trade bill? Well, section 301. Section 301 is of extreme importance because it opens up foreign markets to American manufacturers. It opens up markets that heretofore have been closed and I would like to see us move on with those reforms in 301.

There are sections dealing with the negotiating authority provisions. Mr. President, that is a big word—what does "negotiating authority" mean? Negotiating authority means that we have what is known as a fast track procedure so that bilateral and multilateral trade agreements can achieve swift approval in this Congress. Absent that fast track procedure, we are not going to have, certainly, bilateral trading agreements.

So, Mr. President, there are other things not solely coming from the Finance Committee.

From the Banking Committee section come reforms to the Foreign Corrupt Practices Act which are important to our exporters.

There are sections dealing with the reforms, relaxing the so-called export control so that our manufacturers of computers, for example, will be able to ship those abroad without being tied up with the Commerce Department and the Defense Department, ad infinitum, trying to get approval.

So, Mr. President, I would like to see us move ahead so I put in a plea for this innocent victim, waiting patiently, trying to get passed as shot and shell go by about reflagging and 85 days or

90 days and not forever in consultation with Congress. That is all well and good but they will have their chance to bring that up. Let us pass the trade bill, Mr. President.

Mr. DANFORTH. Mr. President, I wonder if the Senator would yield?

Mr. CHAFEE. Yes, I would be glad to.

Mr. DANFORTH. Mr. President, I would like to commend the Senator from Rhode Island for his comment.

I think when a bill is on the floor for 4 weeks and it is a major piece of legislation and people want to add extraneous matters to it, we seem to get diverted in our attention from the principal matter.

Also, a lot of the amendments that we have addressed, for example with respect to section 201, have been about the very most controversial and contentious aspects of the bill.

But the fact of the matter is that we do have a bill that is about 1,000 pages long. It does have numerous provisions in it. The Senator from Rhode Island has mentioned some of them.

The new round authority is something that is absolutely necessary if we are going to follow through on our commitments which we have already undertaken to negotiate a new trade agreement.

Protection of intellectual property rights. This is an area in which the Senator from Rhode Island has taken a great lead in the past, intellectual property rights, patents, trademarks that have been developed by the brightest people in the United States and then pirated by people in other countries. There are provisions in this bill to protect intellectual property rights.

The Telecommunications Trade Act, which is something that the Senator from Rhode Island has also been interested in. It is not a provision to close the U.S. market, but, rather, to open the markets of other countries to some of our most sophisticated telecommunications equipment.

The agriculture provisions in this bill, aimed at giving us leverage to get out of this vicious circle which we are now in, where one country tries to keep up with another country's agricultural subsidies.

The list goes on and on and on.

I commend the Senator from Rhode Island for directing our attention back to the issue at hand, and also to ask the Senator from Rhode Island if he happened to see the article on the front page of the business section of the Washington Post this morning written by Stuart Auerbach, reporting on a speech made by Alan Woods, the Deputy USTR, yesterday, where the Deputy U.S. Trade Representative said quite clearly that the President wants a trade bill and that the President believes with respect to the trade aspects of this bill that it would be a simple matter to work out in conference between the House and the Senate the problems that the administration has with this bill.

Mr. CHAFEE. I did see the article, Mr. President, and it reinforces once again what has been said before, that the administration wants a trade bill.

Unfortunately, we have worked ourselves into this floor pageant. Here we are in a situation where you cannot proceed with an amendment without getting unanimous consent to lay aside a Persian Gulf reflagging amendment that is on the desk. How can we ever proceed like that?

Mr. President, my plea to the majority leader and others in position to control the flow here is that we get back on the trade bill and move ahead expeditiously with it because it is important, important to the country and certainly important to our workers.

I notice the distinguished majority leader is here. Like the sower of seeds, some fall next to the path of hard ground. Some fall among the thistle. I hope that this seed has fallen on fertile ground where it will spring forthwith and that we can move ahead with the trade bill.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, as my colleague from Rhode Island refers to the sowing of seeds, I am afraid that some of our seeds are sown to the wind, and to suggest that the matter of reflagging has not been an integral part of the trade legislation, at least personified in the minds of many of the Senators in this body, I think is underestimating the reality associated with just what is involved with reflagging.

It certainly amounts to a commitment by the United States to maintain the freedom of the seas in the Persian Gulf.

The timeliness of this, coincidental with the statement of the Senator from Arkansas, showing the transfer of our flagging to Kuwait, I think speaks for itself on the implication that our flag is being transferred as a matter of convenience.

Mr. President, I want to reflect on the current status of reflagging and the issue as seen by our State Department currently, the administration, the Congress, and Kuwait.

The Chair will recognize that initially the request was that we reflag 11 vessels. We were under the opinion that those vessels would be crude oil carriers. It was rather interesting to note that once the vessels were identified, seven of the vessels were crude oil carriers and three were LPG's, liquid petroleum gas containment vessels. So we are not just talking about moving crude oil, Mr. President, we are talking about moving Kuwait's commerce in energy uninterrupted. There is a significant difference.

We have seen the intention of the administration to move ahead with the issue of reflagging, as evidenced by the article that was presented in Newsweek and highlighted by the Senator from Arkansas.

It is significant to note what our allies are doing, Mr. President. That is the basis for an amendment which I hoped to be able to introduce but have been foreclosed by parliamentary procedures. The amendment would allow us to use this 90-day period we are debating the merits to look at the alternative of chartering or leasing U.S.-flag vessels to Kuwait for the purpose of transporting crude oil, LPG and other energy products through the Persian Gulf.

I think it bears a close examination, Mr. President, for the simple reason that the Soviets did not reflag their vessels. What the Soviets did was charter three merchant vessels to Kuwait.

The British did not see fit to reflag their vessels, Mr. President. Instead, they chartered two merchant tankers to the Government of Kuwait.

As we debate the issues, and as a consequence of the debate that has occurred in this body and in the House as well, it is my understanding that within the last day or so the Kuwait Government has approached the State Department and asked the State Department to consider the leasing of two American-flag tankers, Mr. President, to Kuwait.

I think that is a very significant event and bears examination by this body. It is more than symbolic, in a sense; it is a recognition that they are becoming aware of the concern in the U.S. Congress about what it means to reflag.

Make no mistake about it, Mr. President, the entire reflagging issue is a subterfuge of the Coast Guard regulations.

The Coast Guard regulations require specifically that to reflag a foreign vessel, a U.S. captain and radio operator must be placed aboard those vessels until such time as the vessel touches a U.S. port. Then it requires that the vessel be put with a U.S. crew. In other words, once it ties up in a U.S. port, it has to be crewed with a U.S. crew. Of course, with these vessels, Mr. President, there is no intention that they will ever go into a U.S. port.

The ownership of the vessel requires simply a corporation to be established, and that is what has occurred in this instance with the corporation owned by U.S. citizens.

However, in the case of the Kuwaiti tankers, seven of the oil tankers and three of the LPG tankers are registered to a dummy corporation which is a wholly owned subsidiary of the Kuwait Petroleum Corp.

I think it is unfortunate that what we are considering here is a departure from traditional American Coast Guard policies, and the recognition that in so doing we are turning the American flag into a piece of cloth. Treating it as a matter of public convenience by placing it on those foreign ships it commits us to serious risks, certainly.

But the point is that the British and the Soviets are operating their tankers with commercial crews, and the realization is, why should not the United States consider using its own tankers? We have about 42 to 43 tankers that were built with U.S. construction subsidies available. I have personally had the opportunity to check with our U.S. maritime unions who have assured me they can man those ships within 48 hours; that we have in our layup fleet active and available ships to meet the demands of carrying crude oil; that we have several LPG tankers that have been laid up for several years but which are maintained in an active status.

So if the Soviets and the British charter ships, why is it not in our best interests to use our own ships, with our own U.S. crews, providing U.S. jobs for U.S. merchant mariners?

While the area is certainly a dangerous area, the facts would indicate that over 30,000 ships transited the gulf in the last 4 years, 314 received some type of attack, and only one has been sunk, only one tanker.

With the protection of the U.S. Navy, which is what we are proposing, these ships would be protected. They would be our ships, with our flag, with our crews aboard. I might add that the unions have indicated their willingness to man these ships, not at an additional cost but at the regular charter rates. So I think the justification for using our own ships certainly exceeds that of allowing the reflagging of other ships and setting dangerous precedents. I think that to relate back to what the Soviets and the British have done bears examination.

Let us not forget that we utilize only 6 percent of the crude oil from the Persian Gulf. Our neighbors in Western Europe utilize about 35 percent, and our friends in Japan about 65 percent.

It is recognized that there is a single world market in oil, and disruption of oil from the Persian Gulf would hurt the entire Western World, but the realization is that the American Navy is prepared to maintain the sealanes. Is it not appropriate that we utilize American ships, with American crews, in commerce, rather than Kuwait receiving the benefits of utilizing their own ships?

Make no mistake about it: Kuwait is interested in one thing, and that is getting their oil to market. If they can get it there on their own ships, fine; so much the better. But if they cannot, they will use ships of other nations; and since the United States has the ships, why not use them?

I think it is unfortunate that this body does not have the opportunity currently, as part of the trade bill, because of the parliamentary procedures, to vote on the issue of whether or not the administration should seek other alternatives; because the issue that has been before this body is either reflag or not reflag or put it off for 90 days.

I am suggesting that there is a viable alternative, and the viability of the alternative is evidenced today in the fact that the Government of Kuwait has approached our State Department, as I have indicated, and asked about the possibility of chartering or leasing two American ships. If they can lease, they can lease or charter nine more.

They have indicated that we do not have ships that meet their requirements with regard to the other nine. I have asked the maritime unions to examine the 11 Kuwaiti ships they propose to reflag, to indicate what the tonnage of those ships is and what the particular utilization is, and to see whether we can meet their demands with our fleet of some 43 ships which were built with Government subsidies and which are laid up. I have been assured on the first call that our unions feel that we do have ships in lay-up that will meet the demands for the Kuwaiti ships that have been identified as the 11 ships.

I think it is important that this body reflect on the significance and timeliness of what is occurring today, because things are changing. Everybody feels uneasy about reflagging. Everybody is looking for a viable alternative that will still maintain the freedom of the sealanes in the Persian Gulf and ensure that the supply of oil will flow to the Western World.

I think we have an alternative, a viable alternative. It is timely that this body address it, whether it be in the trade bill or certainly as soon as possible, because of the timeliness of the events and the fact that Kuwait, frankly, is having second thoughts about what they are trying to do.

I do not think there is any reason why the U.S. Senate should not reflect on the merits of a merchant business-type arrangement as the British and the Soviets have done. It is in the interests of utilizing our own ships and in the interests of utilizing our own maritime seamen, who stand ready to man those ships within a 48-hour period.

Mr. President, I yield the floor.

Mr. BYRD. Mr. President, I congratulate the Senator from Alaska [Mr. MURKOWSKI] on his statement. He has voiced the concerns of many of us here and many other Americans with respect to the administration's ill-advised policy to proceed forthwith with the flagging and convoying of Kuwaiti tanker vessels.

I also congratulate and express my appreciation to, and my respect for, the distinguished Senator from Arkansas [Mr. BUMPERS] for the amendment he has offered with Mr. HATFIELD.

As I have indicated already, we have attempted to reach a vote on this important matter; but we have been unable to do so because we were unable to get the 60 votes needed to invoke cloture.

On four or five occasions we have had votes which can be interpreted as indicating that a majority of the Senate is greatly and properly concerned about the administration proposal to reflag and to convoy Kuwaiti vessels. Nobody is advocating that we get out of the gulf. That is a strawman. I have heard that expression used: "We can't afford to get out of the gulf. We mustn't get out of the gulf." Nobody is advocating getting out of the gulf. It is a joke. But we are concerned about the administration's plan.

I have heard it said by administration officials: "Well, we have to show that we won't be intimidated by Iran. We have to show that we are not nervous. We have to show that we won't break and run."

Mr. President, ours is a superpower. I heard those statements made within the last 24 hours: "We have to show that we won't be intimidated. We don't want the Iranians to think that we will run. If we delay, they will think we are nervous."

Mr. President, a superpower does not have to get nervous about a country like Iran. We do not have to poke our fist out and show that we are a superpower and that we are not going to be intimidated.

My wife and I have a little parakeet, and my wife got a dog just a few days ago. We have not had a dog at our house for a long time. We used to have a little cocker spaniel and called him Billy Byrd. Then we got a parakeet, and we called him Bruce Byrd. Bruce Byrd found the door open 1 day and flew away. We have not seen Bruce since.

At Christmastime, my granddaughters and grandsons decided they would get my wife another parakeet. She and I have not agreed—even though we have lived together more than 50 years now—on what we will name this parakeet. I want to name him MacDuff, because MacDuff brought in the head of Macbeth. Erma does not want to name him MacDuff. But I suppose we will eventually agree on a name for him—if he stays around long enough.

That gets me to my point: We now have a dog. We have agreed that we will name him Pierre. It sounds a little bit sissy, but he is at least much bigger than the bird.

This parakeet is becoming more and more bold. The dog is lying on the floor, and the parakeet gets a little closer all the time. I noticed yesterday that the parakeet got up close to the dog's tail. The dog was wagging his tail, and the parakeet was attracted to that, and he gets up to the dog's tail now and pulls a hair. I do not see the dog running away as though intimidated, but I am concerned that 1 day that dog might reach out and put his paw on that bird and break a wing—and a bird with a broken pinion never soars as high again. That is the title of an old poem.

But I do not believe that dog is intimidated by that parakeet. I have not seen him run from the parakeet yet, but I also have not seen him reach out with a paw or snap at the parakeet. One day, however, he just may do that, and MacDuff's head will be gone.

So, it kind of leaves me cold for administration people to say, "Well, we've got to go ahead with this or else they will think they have intimidated us." The United States is a superpower, a superpower. A superpower need not jump around reacting to every conceivable perceived challenge to its credibility.

It is harder to adjust to a plan once a commitment is made, and that is the point. We have not said "get out of the gulf." We have said "hold, wait here, let us see if we can talk about this and develop a consensus."

We have found out in Vietnam that unless there is a consensus of support among the American people, a foreign policy will fail.

So it is harder to adjust to a plan once a commitment is made than it is to take the time to formulate a solid, well-prepared commitment which has the confidence of a broad political consensus. Proceeding in the absence of a consensus is very dangerous, and we have had too much experience with that problem in this administration in its tenure here.

The proper response to a policy initially which was hastily conceived—and the instant policy was hastily conceived, which has undergone substantial changes in the past 4 weeks as a result of the debate in Congress and which could involve this country in actions with unforeseen consequences—is to pause and reflect, and that is what the Bumpers amendment would have required. And it would be well advised for the administration to do it, notwithstanding.

More time for a more comprehensive policy approach to come to fruition would be in this country's interest and in the interest of the Gulf States in the region.

So I again thank Mr. BUMPERS, Mr. HATFIELD, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. SASSER, Mr. GLENN, and Mr. WARNER. Those latter three Senators were asked by the leadership to go to the gulf region and they reported back to the joint leadership on their findings and recommendations there. We all have had the benefit of their advice and their counsel, and I feel we have done all we can do at the moment.

(Mr. FOWLER assumed the Chair.)

Mr. BYRD. So, I say these things to my colleagues who have made this sincere challenge to what they perceive and what I perceive as a hastily conceived policy that does not have the consensus of the American people. It does not have the consensus of the Congress. It could be a policy that would result, in the final analysis, in further injury to the administration's credibility and this Nation's credibility in the gulf than has already been suffered by virtue of the mistakes that were made by this administration in its ill-conceived arms for hostage deal. That was the basic root of some of the problems that we are being confronted with this day in this reflagging episode. That was what first got us into trouble. That was disastrous to the credibility of this Nation in the gulf and throughout the world. Now we have a policy that has been hastily conceived, but which is going to be implemented without the support of a consensus in Congress and the country. We do not know what is around the bend. We do not control the events in the gulf. In the final analysis, I think it would have been more important for us to have taken some additional time and gotten the consensus of support in the Congress, gone into it together and decided on matters in a calm and reflective way rather than run the risk of making a commitment which, if perchance something down the road goes sour as we saw it go sour in Lebanon, as we saw it go sour in Vietnam, would further injure our credibility not only in the gulf area but also throughout the world.

In the meantime who knows the cost that may result to this Nation's treasure and blood.

Mr. President, I am going to see if I can find a way to put aside this motion to postpone and to get a vote on the windfall profit tax up or down. But I think in return I am entitled to something, namely, some bona fide tangible evidence that we are going to get final action on this bill.

I have been talking with the distinguished Senator from Texas [Mr. GRAMM]. Listed on this list of Republican amendments, I see 17 amendments by Mr. GRAMM, and there are other Senators with several amendments. I have discussed these with the distinguished Republican leader, and I think I have the support of Mr. GRAMM. I think we have an understanding that he will not call up any nongermane amendments.

I thank the Republican leader. He has been working with some of the other people on his side to see if we cannot thin out the amendments that have no relation to this bill and there may be a few little amendments that are not germane, but if they are not going to take time, just going to take 10 minutes and they will be accepted and can be disposed of quickly, no one is quarreling about that.

But before we get on with this business of the windfall profit tax, I am going to use a hammer here. We are going to get action on this bill, we are going to get cloture on it, or we are going to go to third reading, or we are going to have some understanding as to when we finish this, today or Friday or next Tuesday, and in the meantime we are going to have to do the debt limit extension.

I know I am probably going against the wishes of some of my colleagues on this side in saying I want to see a vote on this windfall profit tax. I will probably vote against it. I will be for it on the tax bill. If it comes along on an appropriate bill, the reconciliation measure, I will support it. But I will not support it on this bill.

As I said last night, it is not supposed to be on this. I can vote against it and I am only one vote. Let the Senate work its will on it. That is what we did on some other matters here that were bitterly fought. Senators had their day on some very bitterly fought amendments here and yet Senators came to a conclusion. We will have a vote. Let the Senate work its will. That is what I am willing to do on windfall profits. But I am not willing to remove that obstacle and then be faced with further obstacles.

So we either sit down and decide, well, let us have a vote on this and we will go on and we are going to wind up this trade bill. We are going to have a vote on cloture today or we are going to have a time limit. We are going to limit all amendments. There will be only these amendments, 1, 2, 3, 4 and there will be such and such a time limit on them and we are going to get through.

So that is what I want to do. Now, I am only one, but I believe we are moving in that direction. I see some hopeful signs.

I yield to the distinguished Republican leader who is working with me in this effort to try to bring this matter to a close.

Mr. DOLE. Mr. President, first let me indicate that I have asked staff to see if on this side we would agree—and I did not check with the distinguished majority leader—just to get a feeling on this side on how many on this side would agree to vote for cloture on the bill by 5 o'clock today. That will give us some indication. That is in the process. It would seem to me that would certainly speed things along.

Mr. BYRD. It would.

Mr. DOLE. And I will give that report to the distinguished majority leader as soon as we have some information. But I do sense a change in mood and attitude about getting this bill behind us.

I must say that we can probably figure out a way to spend another couple of weeks on this bill. But those 2 weeks have to come from somewhere else, August, October, November, because I am willing to suggest that the majority leader is going to finish this bill sometime. He is not going to take it down. So if anybody is under that impression, I think I can assure them that you intend to finish this bill, and you just indicated that. And I, for one, have other ideas that I would like to do in August and October and even November.

But, in any event, I think there are maybe some opportunities we did not have previously. In the meantime, I think there would be a willingness on the part of some, not just on this side, but hopefully on both sides, who would be willing to let their amendments go until another time. We are certainly working on that. We think we winnowed down the number of amendments considerably. There is still too many. We are trying to persuade our colleagues that the amendments can be offered later to some other bill, particularly if they are not germane to this bill, in any event. So we are doing everything we can to speed up the process.

Let me just indicate one thing about reflagging, because I think nearly every Senator has some concerns with reflagging, not just 54, or whatever it was.

But I do think we should also indicate that the administration, in addition to the reflagging, is also pursuing diplomatic efforts and the U.N. Security Council will be acting maybe on a cease-fire this week or early next week. There had been indications that this debate a couple of weeks ago was all about our allies doing more. Now our allies are doing more. The French and the British and the others, I understand, are becoming more active and doing much more in that area. There are other developments which we cannot discuss that are taking place that I think would indicate that, because of the concern of Congress, the bipartisan concern of Congress, and the administration's own initiative—certainly, they were not pushed into this—but I think they have done a lot of things that at least make this more acceptable than it was 2 or 3 weeks ago.

The consultation process is continuing. We had a good attendance yesterday—the Secretary of State, the Secretary of Defense, the Chief of Staff, the Under Secretary of State. So there is an effort by the administration, and I compliment them for it, to keep us advised whenever we think we need to be advised. And I know that was expressed yesterday morning by the President himself; if we need the information, that he would have it for us.

There has been a good debate. I hope that we can now, as the majority leader has indicated, maybe move on and finish the bill. This may come up again. Reflagging might come up on the next bill. No one has indicated it will not.

The majority leader may have another strategy, but while we are trying to narrow down this list of amendments, if we could either set aside or somehow permit us to go on to other amendments and come back to the windfall profits tax, we are prepared to do that.

Mr. BYRD. Mr. President, I thank the distinguished Republican leader for his helpful suggestion. And I am going to follow that suggestion.

I ask unanimous consent that the pending motion to postpone indefinitely the action on the motion to recommit with instructions, together with that motion to recommit, be set aside until no earlier than 2:30 this afternoon.

Mr. GRAMM. Reserving the right to object.

Mr. BYRD. Yes, if I may just complete.

And that the Senate in the meantime proceed with action on other matters on the bill.

Before the distinguished Senator reserves his right, I have to attend a luncheon over in the Hart building. I have to. I am supposed to be in charge of it. There are a lot of the finest young people in this country there today. A good many Senators have been invited to that luncheon. The Secretary of the Treasury is going to speak there.

I need to be away from the floor a while. For that reason, I would like to put this matter aside just for 2 hours and 15 minutes and, in the meantime, the Senate can proceed with other amendments if the Senate will agree to this consent request.

Mr. GRAMM. Reserving the right to object.

Will the majority leader yield?

Mr. BYRD. Yes.

Mr. GRAMM. Mr. President, I am willing to accommodate the distinguished majority leader in going to a luncheon. I am not willing, however, to accept the unanimous-consent request that would set the earliest time that the amendment could come up and not define the back end of that wagon. We had five votes last night, I would remind the Senate, on this issue. By overwhelming margins we defeated a Metzenbaum motion to table, we defeated two Byrd amendments, we defeated a Cranston amendment, and we defeated a Bradley amendment.

So my normal disposition would be to not take any unanimous-consent agreement to set this aside unless we had a time certain vote. Now, there are others who have, Mr. Leader, very strong feelings about this.

I, for one, would be willing to come back to this issue at 2 o'clock, which would give the distinguished majority leader an opportunity to go to the luncheon. But I want to come back and deal with this issue today. This is a trade issue. Twenty percent of the deficit is coming from oil. There is strong support for the pending motion to recommit which I have offered. I think we have a right to vote on it. I think if we put it off to a time certain to, say, 2 o'clock, we would have an opportunity to hopefully work it out so we can have a debate.

I have already agreed to drop almost 10 amendments that I had declared the intention of offering as a way of trying to indicate that there is flexibility here and there are negotiations.

So I would ask the distinguished majority leader to consider a unanimous-consent request, obviously subject to the will of others, that would simply have us come back to this bill at 2 o'clock.

Mr. JOHNSTON. Mr. President, reserving the right to object.

Mr. BOREN addressed the Chair.

Mr. BYRD. Mr. President, I hope we will not have an objection over 30 minutes of difference here. I need to be back here at 2:30.

Mr. President, I can move to recess and take us out until 2:30. I do not want to do that. Obviously, we do not make any progress that way.

I have acted in good faith here. I think I have suggested that I will take down my motion to postpone. I hope the Senator is not trying to tell me what is my convenience in getting back to this floor. I did not ask for the job of running this luncheon, but I was asked to take it.

Mr. BENTSEN. Will the majority leader yield to me?

Mr. BOREN. Will the majority leader yield?

Mr. BYRD. Yes.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, I think we are pretty close to working out a solution to this problem. I think we are about to decide on getting a vote.

I certainly would urge that we go along with the request of the majority leader. I must say that I certainly share the comments of the majority and the minority leaders about getting on with this trade bill. We have devoted an incredible amount of effort to this. The Senate has taken a lot of time. Its membership has made major contributions. I think we have a good bill.

I looked at the trade deficit report for May and, instead of improving, it is deteriorating. It is the highest amount of imports in the history of the country that took place. Last year, the administration was talking about the trade deficit turning the corner, but it has not turned the corner. It ended up at a $166 billion deficit. That is the worst in our history. If it went on at the rate we are talking about in May, you are talking about $175 billion. So we ought to be moving on this trade bill and going forward with it.

I see my colleague, the Senator from Texas, has dropped quite a number of these amendments that he was interested in, and I think that that is a move in good faith, and I am pleased to see it. But, in turn, we have had these votes on windfall profit tax, and those of us who believe that it should be repealed have prevailed and obviously I think we are entitled to a vote on the issue. In discussing it with some of those who led the opposition, I think we are very close to an accord. I hope that we can continue that atmosphere of cooperation in trying to bring that about. I think we are very close to it.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. BOREN. Will the majority leader yield?

Mr. BYRD. Mr. President, I was going to go and fulfill on my commitment. I am already 20 minutes late. The Senate can either agree to my request or prepare itself for more difficulties in the afternoon if my request is not granted, and I say that for this reason: I want the Senate to make progress while I am away. There can be votes. I will attempt to make them. But in this particular matter, I am very much involved. It is my motion to postpone, and I am trying to help the Senate to find a way out of this and get a vote on the windfall profit tax, but if Senators are going to quibble over 30 minutes, I am just going to go and we will see what happens.

Mr. GRAMM. If the distinguished majority leader would yield, I would have no objection to a time certain of coming back at 2:30. My objection would be, however, to setting that as an earliest time. If we would set that as the specific time so there is not the option of coming back later, I would have no objection.

Mr. BYRD. I am not going to set it as a specific time. Either the majority leader determines the schedule here or the Senator from Texas; and this Senator is not going to let that happen.

Mr. BOREN. Will the majority leader yield to me?

Mr. BYRD. Yes. In a minute.

The PRESIDING OFFICER. Order in the Senate. The majority leader has the floor. The majority leader is recognized.

Mr. BYRD. I have no subversive reason or ulterior motive in saying "not earlier than." I want to give myself an additional 30 minutes away from the floor. I have no intention to make a play on those words "not earlier than."

We are not going to do it any earlier than 2:30, no matter what the able Senator from Texas says. So I renew my request.

Mr. BOREN. Will the Senator yield—Mr. President——

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. BOREN. As author of this amendment that is the subject of the motion of Senator Gramm, Senator Gramm and I have offered this amendment together. I have heard the majority leader. He has made it very clear he will take under consideration the withdrawal of his own motion to postpone. He wants to work on good faith on two objectives, to move the trade bill forward, I think every Senator here can understand that and, second, he said it was his desire, because he understands how many of us feel on this, to give us a chance to have an up-or-down vote on the windfall profit tax repeal matter. The majority leader is a man of his word. The majority leader is charged with the responsibility for operating the Senate and I would say as one of the authors of the amendment that I sincerely hope we will simply allow the majority leader his requests to be honored. If we cannot operate on a matter of faith and truth here we have real problems indeed and, having heard the majority leader say he wants to sincerely work to give us an opportunity to have that vote, this Senator is certainly not going to quarrel with that and I hope that the majority leader's requests will be agreed to.

The PRESIDING OFFICER. You have the unanimous-consent request of the majority leader. Is there objection? Hearing none, it is so ordered.

Mr. BYRD. Mr. President, I thank the Senator from Oklahoma and I thank the Senator from Texas.

AMENDMENT NO. 547

(Purpose: To impose a trade embargo against Iran, or any other state in the Persian Gulf region, should Iran or such state launch a purposeful military or terrorist attack on United States vessels, facilities, or personnel with Silkworm missiles or other weapons; and to urge the President to persuade all nations to discontinue the practice of transferring offensive weaponry, including Silkworm missiles, to the Persian Gulf region)

Mr. DOLE. Mr. President, I send an amendment to the desk on behalf of myself, the distinguished majority leader, Mr. Warner, Mr. Murkowski, Mr. Boren, and Mr. Fowler, and I ask it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Kansas (Mr. Dole), for himself, Mr. Byrd, Mr. Warner, Mr. Murkowski, Mr. Boren, and Mr. Fowler, proposes an amendment numbered 547.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

Sec. . Findings.—The Congress finds that:

(a) The Administration is pursuing a policy of neutrality in regard to the Iran-Iraq War.

(b) The action taken by Iran to procure and deploy Silkworm missiles constitutes a serious threat to stability, freedom of navigation, American naval vessels, facilities and personnel, and commercial shipping in the Persian Gulf.

(c) Other military and terrorist actions taken, and threats made, by Iran, including actions of its Armed Forces and Revolutionary Guards, also constitute a significant threat to stability, freedom of navigation, American naval vessels, facilities and personnel, and commercial shipping in the Persian Gulf.

(d) United States trade with Iran, and particularly American purchase of Iranian oil and other exports, which in recent years has averaged more than one half billion dollars annually, has enhanced Iran's ability to procure military hardware, including Silkworm missiles, and to undertake and threaten military and terrorist actions such as are described in paragraphs (a) and (b).

(e) The build-up of offensive arms by all belligerent states in the Persian Gulf, including the continuing procurement by Iran of Silkworm missiles and Badger aircraft, similarly threatens the security and stability of the region and freedom of navigation through international waters of the region.

(f) It is in the national security interest of the United States to discourage Iran, and any other belligerent states in the Persian Gulf region, from taking, or threatening, military and terrorist actions against U.S. naval vessels, facilities and personnel, and other innocent shipping.

Sec. . Policy in the Event of Certain Actions by Iran.—A prohibition of the import of all products purchased from Iran or from enterprises within Iran through subsequent transactions, and the export through subsequent sale of all goods or technology subject to the jurisdiction of the United States to Iran or to enterprises within Iran, shall be imposed immediately:

(a) If Iran launches a purposeful attack in the Straits of Hormuz utilizing Silkworm missiles; or

(b) If Iran launches any military or terrorist attack on U.S. vessels, facilities or personnel operating in or transiting the Persian Gulf region; or

(c) The President certifies there is evidence such an attack as described in (a) or (b) is planned or imminent,

(d) The prohibition described in this section shall remain in effect until the President certifies that:

(1) All Iranian attacks against U.S. vessels, facilities and personnel have ceased; and

(2) There is no evidence to, or reason to believe there might be, further such attacks, including any further attacks utilizing Silkworm missiles; and

(3) That it would be in the national interest of the United States to end such prohibition.

SEC. . POLICY TOWARD PURPOSEFUL ATTACK FROM OTHER STATE IN THE PERSIAN GULF REGION.—A prohibition on the import of products from and the export of products of any other state in the Persian Gulf region shall be imposed immediately if such state launches any purposeful military or terrorist attack on U.S. vessels, facilities or personnel in the Persian Gulf region.

SEC. . DEFINITIONS.—For the purposes of this subsection, the term "products of Iran" means any article grown, mined, produced or manufactured (in whole or in part) in Iran. The term "products of any other state which launches a purposeful attack" means any article grown, mined, produced or manufactured in such state.

SEC. . RELATIONS WITH NATIONS PROVIDING OFFENSIVE WEAPONRY TO BELLIGERENT STATES IN THE PERSIAN GULF REGION.—It is the sense of the Congress of the United States that the Administration should use all available appropriate leverage to persuade all nations to desist from any further transfers of offensive weaponry, such as Silkworm missiles, to any belligerent nation in the Persian Gulf region.

Mr. DOLE. I think the majority leader has a time problem. I yield.

Mr. BYRD. The distinguished Republican leader is very courteous, thoughtful, and considerate. I think I should best go on. I do support his amendment strongly.

SILKWORM INTIMIDATION IN THE STRAITS OF HORMUZ

Mr. President, I congratulate the distinguished Republican leader on his amendment. The Iranian Government specializes in threats, intimidation, and inflammatory rhetoric. One can dismiss much of this hot air, but only an imprudent person, only a foolish nation would not prepare for the worst. Recent Iranian gunboat attacks on shipping in the gulf are a vivid reminder of Iranian willingness to make good on their threats with violent acts. Unfortunately, the Chinese Government has chosen to sell Silkworm missiles to the belligerents in the gulf, missiles which have the explosive power to be a very substantial and worrisome threat to shipping transitting the Straits of Hormuz. The flight time is short, the missiles are mobile and can be erected on relatively short notice, and the Iranians seem to enjoy the uncertainty over whether and when they will decide to employ them.

The Iranian Government ought to know that the firing of Silkworms will not be tolerated by this Nation, and ought not to be tolerated by any nation. The amendment provides for an immediate and total trade embargo in this event by the United States against Iran. It is well within the purview of congressional constitutional prerogatives to mandate such an embargo. Section 8 of the Constitution vests exclusive power over the regulation of foreign commerce to the Congress, it is not a power shared with the executive branch, and to the extent that the executive branch has any power at all over foreign commerce it is only by virtue of statutory grants by the Congress. I mention this in order that we may, perhaps, be spared the refrain, just this once, about 535 Secretaries of State interfering in the conduct of making of policy by the executive branch. I would certainly support far stronger retaliatory measures as well, depending on the circumstances. But, at the least, the firing of this weapon system can have no other purpose but to further the Iranian Government's tactics of intimidation in the Persian Gulf region, and this amendment is at least one step we can take now to make such behavior painful from an economic viewpoint.

AUTHORIZING EMBARGO OF IRAN

Mr. DOLE. Mr. President, the amendment I offer authorizes the President to impose a total trade embargo against Iran. That embargo would be imposed if Iran launches a Silkworm missile; launches any purposeful attack against United States vessels and personnel; or the President certifies there is evidence any such attack might be imminent.

It also mandates the imposition of a similar embargo against any other gulf state which launches a purposeful attack against American vessels or personnel, utilizing Silkworms or similar weapons.

Finally, it encourages the administration to pressure all nations to quit sending Silkworm missiles and other weapons to Iran—and Iraq—where they constitute such a serious threat to United States interests.

AMERICANS WOULD BE SURPRISED

Most Americans would be surprised, I think, to learn that the United States now engages in a buoyant trade with Iran, to the tune of approximately three-fifths of a billion dollars per year. Almost all of that trade is American imports of Iranian oil—which has averaged about $500-$600 million annually, over the past several years.

DOLLARS PAY FOR MISSILES

While those oil imports do not constitute any significant portion of our overall oil needs or imports, they do represent a major dollar earner for Iran. The dollars we provide to Iran with these purchases have paid, directly and indirectly, for the Silkworm missiles Iran is now aiming at our ships and sailors. Those dollars have paid for the military equipment in the hands of Iran's Armed Forces and Revolutionary Guards, who are waging a relentless war against Iraq, and are threatening many of our friends in the gulf region. We have recently seen how real that threat is, with the attack against the American-owned tanker in the gulf by Revolutionary Guards. And those dollars have paid for some of the terrorist operations which Iran has sponsored in the Middle East and around the globe, directed at American citizens and property, and threatening civilized people everywhere.

I personally believe we ought to end the absurdity of American dollars paying for the Ayatollah's reckless attacks on America and American interests, right now. And certainly, there should be no question that we ought to use all available means of sanction against Iran should it launch Silkworm missiles, or directly attack American vessels or personnel in any other way. That would include a total trade embargo.

And, of course, the same basic proposition should apply if any other state launched a purposeful attack against American vessels or personnel.

And finally there is a brief section strongly encouraging the administration to turn the screws on all states to quit sending deadly and dangerous Silkworm missiles and other weapons to Iran and Iraq.

Iran is reckless enough to use any weapon to try to get at us. But there is no excuse to give them this incredibly potent and dangerous weapon to use. That is the sum and substance of the amendment. I have crafted it to minimize or eliminate as many potential objections as possible, while still doing the job.

I am pleased that the distinguished majority leader and the distinguished Senator from Virginia, Mr. WARNER, have joined me as cosponsors. We have had some partisanship on this issue, probably on both sides. The issue, and the country, deserve better.

It would seem to me that this amendment will properly focus where the debate ought to be. Everyone indicates we are not going to walk away from the Persian Gulf. The majority leader is correct. That is not even an argument.

So, whether you are a Republican or Democrat or whether you have even thought about the issue, everyone agrees that that part of the world is vital to our interests, so we are not talking about turning tail and running, whether it is the Soviet Union, Iran, or some other source.

It would seem to me that if we want to send a message to Iran, in addition to what may be going on at the United Nations, but if we want to send a message we are better off spending our time debating an amendment of this kind than spending hour after hour after hour on reflagging; in effect criticizing an American decision.

So, I would hope that this amendment would properly focus the debate where it belongs. If Iran and Iraq would enter a cease-fire or if Iran and Iraq would stop threatening tankers as they go back and forth in the Persian Gulf there would not be any problem. There would not have been a U.S.S. *Stark*, and there will not be any threat to American or other tankers or American flag vessels now.

So, it would seem to me that this is an amendment that deserves unanimous support. I cannot believe that anybody would oppose it.

In any event I think it did send a signal. I think it should reinforce the administration's position; it should reinforce our representatives at the United Nations; it should serve clear notice on Iran, on Iraq, and any other country in that part of the world that seeks to threaten our interests and do damage to our property interests or personal interests in that part of the world.

Mr. President, I certainly encourage the adoption of the amendment. I know there are other speakers and I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I had the privilege of working with the majority leader and the minority leader in drafting the amendment.

In working on this amendment, it was my objective and indeed, the principal two cosponsors agreed, to write the amendment in such a way as to indicate the balanced perspective which our Nation takes toward nations in the gulf, and especially towards the two belligerents, Iran and Iraq.

Iran is important to the long-term strategic interests of our Nation, and we should keep those interests in mind as we try to deal with the current situation.

It seems to me that Iran is the real key to the Persian Gulf.

First, Iran is the largest power in the region, owing to its population and territory

Look at the size of the population in each of the regional states: Iran has 46 million, and Iraq 16 million; but Iran is over three times Saudi Arabia, larger than all the remaining Gulf States combined. Similar disparities are true for comparisons of territory.

Iran also has the largest army, and the largest westernized elite of citizens.

And Iran, together with Afghanistan and Pakistan, blocks Soviet expansion to the gulf oil and the warm water ports to the south.

Second, Soviet domination of Iran is a real danger, not just to the West, but to Iran.

The Russians, under both czars and commissars, have coveted a gulf foothold in the gulf for over a century. Only British intervention in the 19th century and American intervention after World War II prevented Russia from dismembering Iran.

Historically, Iran has had much reason to fear the Soviet Union. The Soviets have geopolitical objectives which include control of Iran and the Persian Gulf region. And the Soviet system is totally inimical to Islamic beliefs.

Iran is fiercely non-Communist, and there is great antipathy between Islamic and Communist beliefs. There is no basis for a close partnership between Iran and the Soviet Union. On the contrary, it is in the long-term interest of Iran to keep open its options and relationships with nations in the West.

None of us can predict when, but hopefully the time will come when we can establish a better relationship with the people, and I stress the people, of Iran.

Some of our citizens who returned from being held hostage in Tehran told us that many Iranians harbor good will toward us, which is difficult to express openly during the Khomeini regime.

Third, the United States has an interest in the survival and integrity of both Iraq and Iran.

We recognize that the Soviets have long sought the disintegration of Iran, perhaps expecting that smaller, dismembered governments would be easier to control. The United States goal therefore should be to preserve Iranian territorial integrity and independence, while confining it to its national borders.

Fourth and finally, let us be mindful that a United States tilt toward Iraq increases the Soviet threat which we seek to avoid.

We do not want Soviet influence to expand in this region of the world.

While the present hostility between the United States and Iran is real, it is not natural in the longer trend of history.

After the Khomeini regime, change is inevitable and we should plan policies and actions now with a long view to history and to our interests.

It is my hope that this amendment will help maintain a position of neutrality toward the two belligerents. Let me read from section (e):

> The buildup of offensive arms by all belligerent states in the Persian Gulf, including the continuing procurement by Iraq of Silkworm missiles and Badger aircraft, similarly threaten the security and stability of the region and freedom of navigation through international waters of the region.

Section (f) continues:

> It is in the national security interests of the United States to discourage Iran, and any other belligerent state in the Persian Gulf region, from taking or threatening military and terrorist actions against the U.S. naval vessels, facilities, and personnel, and other innocent shipping.

I hope we can send a signal, that U.S. forces, principally naval, are in the region for peaceful purposes. We want peace and stability to return to the region, such that it can return to a normal, positive pattern of commerce.

The distinguished minority leader pointed out that there has been some partisanship, but it is his hope, and I join in that hope, that this amendment reflects what I conceive to be a considerably bipartisanship approach to this Persian Gulf issue in this distinguished body. As a matter of fact, I would go so far as to say there is more bipartisan interest in this issue, the Persian Gulf, than there is partisanship.

This amendment is an example of that bipartisanship, which is so important as a foundation for all our foreign policy.

I join the distinguished minority leader and indeed the majority leader in urging all Senators to pay the closest of attention to this amendment, and urge its unanimous adoption.

Mr. President, I yield the floor.

Mr. President, at this time I would like to ask for the yeas and nays. It is the understanding of the two leaders that a convenient time for this vote would occur sometime after the hour of 2:30 today and that the distinguished manager of the bill, of course, is free to lay aside this amendment, I would presume, so other matters may be considered between now and the time of the vote.

Mr. BENSTEN. Mr. President, I would recommend that we have unanimous agreement for a time certain, that we set it at 2:30, we have a vote at 2:30. I have no objection.

Mr. WARNER. Mr. President, I ask for the yeas and nays and ask for the hour to be set at 2:30.

Mr. HEINZ. Reserving the right to object——

The PRESIDING OFFICER. The Senator has asked for the yeas and nays. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HEINZ. Reserving the right to object, could I suggest, Mr. President, to the Senator from Virginia that in addition to having a time certain or a window during which we will vote, that he also include in his unanimous consent no further debate be in order because we might get strung on this at a time when there are other matters pending.

Mr. WARNER. Mr. President, this amendment is an important one. It comes at our midday period in the Senate, and there may well be other Senators who wish to address it. Do I understand my distinguished colleague from Pennsylvania to suggest that we now have no further debate on this amendment?

Mr. HEINZ. The Senator from Pennsylvania wants to understand what the rules are because if the Senator from Pennsylvania, as he would like to do, offers an amendment I do not want other people interrupting debate on his amendment to debate the Senator's amendment.

Mr. WARNER. Mr. President, I leave that matter to the Chair. It would seem to me the managers of the bill would at an appropriate time move to lay this amendment aside if there are no Senators seeking recognition on it. It is the pending business. It is up to the Chair and the managers to determine what the next matter will be.

The PRESIDING OFFICER. Will the Senator from Texas repeat his unanimous-consent request?

Mr. BENTSEN. Mr. President, I make a unanimous-consent request that this amendment be now laid aside and that it be designated to be voted on at 2:30 this afternoon and that no amendments be in order.

The PRESIDING OFFICER. Is there an objection?

Hearing none, it is so ordered.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. I would like to briefly comment on the amendment of the minority leader. I certainly join with him. I would like to point out that in regard to the Silkworm missile in the Persian Gulf, it is significant as to what that means. I believe that if both sides have that capability, it does bring a new dimension in the Persian Gulf. That dimension is simply while the technology antiquated with the Silkworm, it does carry a sufficient warhead to penetrate the steel in a tanker hull, and it is my understanding that the warhead has the capability as a hot warhead to basically set crude oil afire.

As has been pointed out, in the number of ships that have been attacked, about 314 in the gulf in the last 4 years, there has only been one tanker sunk. The realization that the Silkworm is now in the Persian Gulf and the likelihood that it will be used provides a greater threat, indeed, to an armor-piercing missile capable of setting fire to the crude oil carried by those tankers.

One would, I think, reflect on just where certain representatives within our State Department were when the technology was being developed by the People's Republic of China for the Silkworm missile because in about the same timeframe, Mr. President, the People's Republic of China, approached the United States for advanced technology in various areas. Included were avionics for the indigenous F-8 all-weather fighter being built by the People's Republic of China. There was a good deal of discussion on the merits of selling that technology, and the determination was finally made to go ahead.

One wonders why we did not condition, perhaps, the sale of that technology with a very stern message to our friends in the People's Republic of China that we would appreciate their not selling the Silkworm into the Mideast arsenal and escalating the tensions that were already in existence in that part of the world.

I made the inquiry, Mr. President, and I was advised by representatives of the State Department that we were attempting to improve our relationships with the People's Republic of China and it would have been difficult and uncomfortable to condition the sale of avionics and the Silkworm at the same time.

I find that a little hard to accept, Mr. President, because it seems to me that we should have a continuity of policy. We should urge our allies not to escalate by bringing a technology into the Persian Gulf that would result in escalation of hostilities there.

So while I certainly support the proposal before us by the minority leader, I just wish it would go a little further, and that indeed our State Department would be a little more outspoken in urging our allies, when they want advanced technology from us, that we condition that by asking them not to escalate the advancement of missiles in the Persian Gulf. One only had to observe—I was not there, though many Members were—the Paris Air Show, and I gather that the Silkworm missiles were being advertised. You could get them on a Visa or Master Card, you could get them in any color. The Chinese were making this missile available to anybody who wanted to buy it. Now we are living with it in the Persian Gulf and we have to pay the consequences.

I think the minority leader's proposal is one that we can all support but I think it needs to be qualified with the fact that perhaps a little foresight earlier may have reduced the exposure we are faced with today as a consequence of the People's Republic of China's willingness to make this missile available and the oportunity we had to condition it by simply saying, "We are not going to sell you advanced technology unless you agree not to sell missiles into this particular area."

I yield the floor.

Mr. HELMS. Mr. President, I regret that I cannot support this amendment. The able Republican leader and the able majority leader have endeavored to produce an amendment that could attract wide bipartisan support in expressing United States concerns over Iranian actions. However, the amendment that emerged is, in this Senator's opinion, much too weak.

Mr. President, I am most troubled by the failure of the amendment to take serious and concrete steps against the Communist Chinese for their complicity in this situation by having sold and delivered to the Iranians the Silkworm missiles that constitute the threat to safe passage in the Persian Gulf. The earlier draft of the resolution was watered down further, as I understand it, in response to State Department pressure. So instead of addressing directly the involvement of the Communist Chinese, the amendment merely expresses the sense of Congress that the administration should "use all available appropriate leverage to persuade all nations to desist from any further transfers of offensive weaponry, such as Silkworm missiles, to any belligerent nation in the Persian Gulf region."

Mr. President, there is only one nation that has supplied offensive weapons, such as Silkworm missiles. That is the People's Republic of China. Why not say so, and take appropriate and reasoned action against the Chinese? Further we should certainly increase the diplomatic and economic pressure if the Chinese do not cease immediately their policy of supplying such weapons.

Because the amendment lacks teeth, Mr. President, I shall oppose the amendment.

Mr. D'AMATO. Mr. President, I would like to make very clear why I cannot support this amendment. I would not want my vote misunderstood.

With all respect to my good friends, the distinguished cosponsors, I have to say that this amendment can only inure to the despair of our allies and, frankly, the bemusement of our enemies. Like so much of what results from our tangled and timid processes here, it can only diminish respect for our flag and our resolve.

I am not, Mr. President, opposed to the use in some cases of trade policy to further our political aims. And I certainly support wholeheartedly any measure to reduce the flow of arms to, and promote peace in, the very troubled Persian Gulf region.

But it is nothing short of an insult to our own flag and forces, Mr. President—not to mention a detriment to our interests—to puff ourselves up and say that if our ships or people are attacked we will respond with—a trade embargo? Mr. President, are we serious? Our friends and enemies could be forgiven for thinking that we are not.

This is no deterrent to violence or to terrorist attack. It is a hollow and meaningless gesture, calling for hollow and meaningless action.

The President at least has made the rules of engagement for our forces in the region clear. If attacked, they are to respond by all available means. As a nation, our response should be consistent. Have we forgotten, Mr. President, the very incident which precipitated our preoccupation with these matters? Just a few short weeks ago, 37 American sailors lost their lives in an unprovoked, supposedly misaimed attack on the *Stark.* The proper response to any deliberate attack is immediate, accurate and decisive retaliation. Nothing else holds any promise of slowing down the pace of violence, or of protecting our interests.

This amendment is precisely the sort of ineffectual nonresponse which makes terrorism—whether individual or state-based—a practical and productive tactic for the enemies of peace and order.

Conscience and common sense prohibit my support.

AMENDMENT NO. 550

(Purpose: To provide a private cause of action for customs fraud and gross negligence)

Mr. HEINZ. Mr. President, I send an amendment to the desk on behalf of myself, Senator DANFORTH, Senator SPECTER, and Senator HOLLINGS. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ], for himself and others, proposes an amendment numbered 550.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle B of title IX of the bill, add the following:

SEC. . ACTION FOR CUSTOMS FRAUD.

Part V of title IV of the Tariff Act of 1930 is amended by inserting after section 592 (19 U.S.C. 1592) the following new section:

"SEC. 592A. PRIVATE ENFORCEMENT ACTION FOR CUSTOMS FRAUD.

"(a) IN GENERAL.—

"(1) Any interested party whose business or property is injured by any act of fraud or gross negligence that is prohibited under section 592(a) may bring a civil action in the United States Court of International Trade against any person—

"(A) committing,

"(B) conspiring to commit, or

"(C) knowingly participating (directly or indirectly) in the commitment of,

such fraudulent or grossly negligent act.

"(2)(A). If the act alleged under paragraph (1) is by fraud, then the interested party shall have the burden of proof to establish such act by clear and convincing evidence.

"(B) If the act alleged under paragraph (1) is by gross negligence, then the interested party shall have the burden of proof to establish such act by a preponderance of the evidence.

"(b) DAMAGES.—

"(1) Upon proof by a preponderance of the evidence by an interested party in any action brought under subsection (a) that his business or property has been injured by the fraudulent or grossly negligent act, such interested party shall—

"(A) recover damages for the injuries sustained by such party, including (but not limited to)—

"(i) the gross margin on sales of a like or competing product lost because of the merchandise with respect to which the fraudulent or grossly negligent act was committed was entered into the United States, and

"(ii) the impact of such merchandise on the market price for a like or competing product, and

"(B) recover the costs of suit, including reasonable attorney's fees.

"(2) For purposes of paragraph (1)(A)(i)—

"(A) the gross margin on lost sales of a like or competing product shall be determined by deducting the variable cost of producing the product from the sales price of the product, and

"(B) upon proof by an interested party that the defendant has committed, conspired to commit, or has knowingly participated (directly or indirectly) in the commitment of a fraudulent or grossly negligent act prohibited under section 592(a), a presumption shall exist that such interested party lost sales because of such act in an amount equal to the amount of sales which such party could reasonably have been expected to make had the fraudulent or grossly negligent act not occurred, taking into account the level of sales and capacity utilization of such party during and prior to the period when such fraudulent or grossly negligent act was committed, and the burden of proof shall be on the defendant to overcome such presumption.

"(c) DEFINITIONS.—For purposes of this section—

"(1) The term 'interested party' means—

"(A) a manufacturer, producer, or wholesaler in the United States of a like or competing product, or

"(B) a trade or business association a majority of whose members manufacture, produce, or wholesale a like product or a competing product in the United States.

"(2) The term 'like product' means a product which is like, or in the absence of like, most similar in characteristics and uses with products being imported into the United States in violation of section 592(a) of the Tariff Act of 1930.

"(3) the term 'competing product' means a product which competes with or is a substitute for products being imported into the United States in violation of section 592(a) of the Tariff Act of 1930.

"(d) INTERVENTION BY THE UNITED STATES.—The Court of International Trade shall permit the United States to intervene in any action brought under this section, as a matter of right. The United States shall have the rights of a party."

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. HEINZ. I thank the Chair.

Mr. President, this is an amendment that is aimed at doing something about the growing problem of customs fraud by creating a remedy to deal with the dramatic increase in fraud which has accompanied the dramatic increase in imports into the United States. We have held numerous hearings on this subject and what we do know is that because of increased demands on the Customs Service, we are missing a lot of proper opportunities to impose those import duties that are legally required, for example, countervailing duties to offset subsidies and antidumping duties to counteract dumping. Where quantitative restraints have been imposed by law, there are many instances—and I am sorry to say growing numbers of those instances—where our laws are being circumvented knowingly—in some cases with a wink and a nod but nonetheless knowingly—by foreign exporters, and in some cases unscrupulous importers, who are defeating the purpose of U.S. import regulation illegally by committing customs fraud.

What this amendment does is to provide in addition to the methodology now employed by the Customs Service a remedy via a private cause of action. This is analogous to what we do now under the antitrust laws and under the securities laws. In customs law there are severe criminal and civil penalties for customs fraud. Civil penalties, of course, can only be imposed by the Customs Service.

Frankly and candidly, as the Customs Service has admitted, it does not have the resources to seek out and penalize the growing instances of fraud. So what this amendment is about is enforcing the laws that we have.

It is not about strengthening our dumping laws or our subsidy laws. It is not a scofflaw provision on which some of us have been getting mail. It is simply about how to ensure that people who have, through the pursuit of their rights under our law, received protection from a variety of practices; receive justice—how we do a better job of protecting them where customs fraud and gross negligence is involved.

Let me be very clear, if I may, about what the customs regulations say is fraud.

A violation is determined to be fraudulent if it results from an act or acts (of commission or omission) deliberately done with intent to defraud the revenue or otherwise to violate the laws of the United States, as established by clear and convincing evidence.

Those same regulations also define gross negligence:

A violation is determined to be grossly negligent if it results from an act or acts (of commission or omission) done with actual knowledge of or wanton disregard for the relevant facts and with indifference or disregard for the offenders' obligations under the statute, but without intent to defraud the revenue or violate the laws of the United States.

Mr. President, as lawyers in this body know, these are not low standards. They are well established in our legal system, as is the standard of clear and convincing evidence referred to by the fraud definition. They are tough standards to meet and, indeed, in part because of that, many of the Customs Service's current prosecutions are only for negligence, which would not be covered by this amendment.

Let me give some examples of customs fraud, so that Senators are aware of the kind of behavior this amendment seeks to address:

Filing false tariff schedule numbers to avoid duties or quantitative limits by claiming that an article is something other than what it is. One recent case involved a shipment of women's shorts that had been falsely identified as boy's swim trunks, because the quota on women's shorts was filled, and that of boys' swim trunks was not.

Providing false country of origin, which would be particularly useful for evading dumping or subsidy duties or steel or textile quotas, because they are country-specific. A goods limited from one country would not necessarily be limited if it came from another.

Providing counterfeit foreign government export visas to escape quantitative restrictions, such as, for example, in a commodity agreement.

Providing a false value for the goods, generally one that is higher than the true value, so that antidumping duties, which are assessed on an entry-by-entry basis, could be evaded.

To further illustrate, two examples of this kind of conduct come to mind. These are real examples; one resulted in Customs Service action, and one did not.

An exporter declares that coffee grown in Indonesia is a product of China to circumvent United States import restrictions implementing the International Coffee Agreement.

An exporter in Taiwan arranges for false documents to be issued in Peru describing Taiwanese apparel as Peruvian apparel to circumvent import restrictions on apparel from Taiwan.

A hypothetical example of gross negligence would be the following:

A trading company does not know the origin of a shipment of chemicals it purchases in the spot market and does not know that those particular chemicals are in fact subject to an antidumping duty order. The company does not attempt to learn the actual country of origin and declares a randomly chosen, and incorrect, country to Customs, thereby unintentionally circumventing the antidumping duty order on the chemicals.

It should be clear from these examples, Mr. President, that we are talking about something serious here—fraud that threatens the viability and effectiveness of our trade laws.

We can argue—and we have been arguing here on the floor—about the wisdom of various trade laws and agreements: Section 201, antidumping and countervailing duty laws, textile quotas, steel voluntary restraints, auto restraints, commodity agreements, meat and dairy import limitations, and so on.

But what I hope there is no argument on is the principle that those laws and agreements, once enacted or implemented, ought to be enforced. This is not only a principle basic to the rule of law, it is essential to domestic interested parties because it gives them some small degree of certainty about the future.

If, for example, and this is a real example, a group of small businesses in this country that make photograph albums file a complaint against a foreign country, in this case Korea, alleging dumping, and then win, obtaining a substantial dumping duty on Korean photo albums; it seems to me incontestable that they have a right to have that duty imposed and enforced. They have spent a substantial amount of money on lawyers to obtain that ruling and they have made their own investment and business planning decisions based on the trade effect it should have. Not to enforce that determination is to deny them justice, pure and simple.

Mr. President, this amendment would assure that all the improvements we have been making to the trade laws will have the effects we intend.

None of the import regulation proposals adopted by the Senate will benefit U.S. industry and workers unless they are applied to the foreign products that have been found to be subsidized, dumped, infringing U.S. patents, injuring a domestic industry, undermining agricultural price support programs, and so on.

This seems obvious, and I am sure that many Members assume that when they make a change in the countervailing duty law, for example, that the change will result in better protection of U.S. industries from foreign government subsidized imports. Unfortunately, this assumption is often not correct. A change in the countervailing duty law will be effective only if accurate and complete descriptions of imported goods are supplied to the Customs Service at the time of entry so that the law can be properly applied to the goods found to have been subsidized.

Increasingly, foreign exporters and unscrupulous importers are giving the Customs Service false information to avoid the effects of our import control laws. As a consequence, the import control laws are becoming less effective notwithstanding our efforts to improve them.

Mr. President, hearings before the Finance Committee last year offer some insight into the magnitude of customs fraud that currently goes undetected: The Customs Service estimates that about 10 percent of total U.S. imports are involved in fraudulent acts. Customs data for fiscal year 1984-85 indicate that only 27 percent of the textile and apparel imports involved in customs fraud are detected by the Service. There is no reason to believe other products subject to trade law restrictions involve less fraud, and they may involve more since textiles are a target product for customs enforcement activity. As a result, the National Treasury Employees Union believes that available customs data indicate the current annual cost of customs fraud:

To be $19 billion in lost sales to U.S. industry; $8-12 billion in lost GNP; 500,000 lost jobs; $1.5-2.2 billion in lost Federal taxes; $3 billion in lost customs revenue.

Major sectors suffering from such fraud are textiles and apparel, electrical and electronic equipment, motor vehicles and equipment, and leather.

Let me repeat a statement by the NTEU witness at the hearing:

> This year, Congress will conduct a major review of the nation's trade laws. Enforcement should be an important part of this review. Our trade laws are not self enforcing; they must be policed to be effective . . . In the past, Congress and the Executive Branch have not paid sufficient attention to the enforceability as they have written trade legislation and negotiated bilateral trade agreements.

Giving the Customs Service false information is customs fraud. There are severe criminal and civil penalties for customs fraud. The civil penalties can be imposed only by the Customs Service. In recent years, the Service has reacted to the increase in customs fraud by establishing special programs to uncover and punish fraud in electronic products, steel, sugar, and textiles. But the Customs Service has many demands on its enforcement resources and simply cannot keep pace with the increase in fraud. As a result, increased fraud is undermining our import control system and U.S. industry and workers are not benefiting from the protection our trade laws seem to offer.

This amendment is designed to supplement the resources of the Customs Service by permitting private parties who are injured by customs fraud to file suit in the Court of International Trade against persons who commit customs fraud. The remedy would be monetary damages measured by the injury caused by the fraud.

The amendment is not a "scofflaw" provision that results in automatic sanctions if an importer commits a specific number of violations, no matter how trivial or inadvertent. Rather, the private cause of action under my amendment is limited to fraudulent or grossly negligent actions, and those acts must be proved to the satisfaction of the Court before any remedy applies. There is no interim or temporary and no trade restricting action.

My amendment will dramatically increase the resources devoted to uncovering and penalizing customs fraud.

It will increase the effectiveness of our trade laws.

The amendment will compensate the victims of customs fraud—the companies and workers that our trade laws are designed to protect.

The amendment will deter fraud by increasing the likelihood of a penalty being imposed.

The amendment is consistent with GATT: Article XX(d) specifically permits national measures "necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of [GATT] [such as section 592], including those relating to customs enforcement * * *."

The amendment will not lead to foreign government retaliation because it is limited to intentional or grossly negligent fraud, actions foreign governments are not likely to defend.

In sum, Mr. President, this amendment is necessary to assure that the legislation we are considering will achieve the results we intend. I urge the Senate to approve the amendment.

Mr. President, I have discussed this amendment with both managers of the bill and have made a number of changes in it from earlier versions. To the extent there were any difficulties in interpretation or in drafting, I believe we have made the changes that are required.

It is my hope that this amendment will be accepted.

Mr. PACKWOOD. Mr. President, I am prepared to accept the amendment.

I know there are some businesses—mainly importers—which have some questions under the technicalities of this amendment. I hope we can work them out. Senator HEINZ has been very gracious in working out many technicalities already. Some importers feel that they will be hit with specious suits. I think we can alleviate their worries.

Mr. BENTSEN. Mr. President, I think this amendment, as proposed by the Senator from Pennsylvania, will help in the enforcement of the customs laws.

In the testimony of the Customs Service before the International Trade Subcommittee of the Finance Committee, it was stated that as much as 10 percent of the imports into the country are subject to a charge of customs fraud. That is an appalling figure. If it anywhere near approaches the correct number, we should be doing all we can to bolster Customs enforcement. I think this amendment does that, and I am pleased to support it. I find no objection on our side.

I know that Senator SPECTER also is involved in this issue, as is Senator HEINZ, and I think they are making a contribution with it.

Mr. SPECTER. Mr. President, I strongly support the amendment offered by my distinguished colleague.

The problem of customs fraud is well established. It covers textiles, apparel, computer software, hand tools, sugar, electronics, automotive products, chemicals, petrochemicals, agricultural products, pharmaceutical products, and many other industries.

I commend my colleague for his initiative in this field and trade area generally and I thank the distinguished chairman of the Finance Committee, Senator BENTSEN, and the distinguished ranking member, Senator PACKWOOD, for accepting the amendment.

Mr. President, today I join Senator HEINZ in offering an amendment to S. 1420, which would give American industries direct access to the Court of International Trade to recover monetary damages for the injurious import of products which are in violation of our customs laws.

This amendment would allow any interested party whose business or property is injured by any act of fraud or gross negligence that is prohibited under section 592(a) of the Tariff Act of 1930 to bring a civil action in the U.S. Court of International Trade against any person committing such act. Upon proof by an interested party that his business or property has been injured by the fraudulent or grossly negligent act, the party shall recover damages for the injuries sustained and costs of suit.

Mr. President, I long have been an avid supporter of an effective private right of action to enforce the trade laws. My own legislative proposal, the Unfair Foreign Competition Act, would have given American industries direct access to the Federal courts to halt promptly the injurious import of products which are dumped, subsidized, or in violation of our customs laws, and to recover monetary damages for such abuses. This narrower amendment builds on one aspect of my bill—a private right of action for customs fraud.

Customs fraud poses a serious threat to American industries. Enormous quantities of articles which violate the customs laws enter the United States each year. By the Government's own admission customs fraud is rampant. Existing laws prohibiting such illegal imports do not provide remedies sufficient to compensate injured parties. As a result, domestic companies are suffering injury, and American jobs are lost to this practice each year.

During a 1985 Judiciary Committee hearing, witnesses testified in support of a private right of action to halt illegal imports. Industry representatives indicated that the Customs Service is increasingly unable to cope with the rising incidence of customs fraud, primarily transshipments through third countries to circumvent a U.S. quota.

Although injunctive relief would be a significant alternative to the current administrative process to halt customs fraud, the remedy of primary interest to the witnesses was a damages provision.

This amendment I am cosponsoring today would allow domestic companies to recover damages for injuries sustained when relief cannot be timely provided or is otherwise inadequate.

During the 1985 Judiciary Committee hearing, witnesses testified that a private right of action provision to provide damages for injury from illegal imports would provide a more effective deterrent than current law, would provide retroactive relief to fill the gap under existing law, and would provide damage awards directly to the injured American industries. International trade lawyers also testified during the hearing that the provision of damages for injury sustained from customs fraud violations would be consistent with the General Agreement on Tariffs and Trade [GATT]

Customs violations take place in several pernicious forms. Massive country-of-origin fraud occurs, whereby a country which has reached its permissible quota for a given item or product circumvents the quota by transshipping the continued imports through another country which has not yet reached its quota. Most commonly—indeed, in hundreds of thousands of cases—imports are fraudulently mislabeled. Given the sheer volume of imports and the limited resources of the Customs Service, many imported textiles, apparel, and footwear simply are declared to be something which they are not, or are immensely underdisclosed in number—again, in order to evade quotas fixed by the administration.

Other fraudulent activities include fraudulent visas and export licenses, excessive undeclared weights and quantities, commercial counterfeiting, importations of items that endanger safety and health and removal of country of origin markings.

Domestic textile, apparel, and footwear manufacturers and their employees pay a very heavy toll for these illegal imports. Beyond the individual injury, our national goals and policies are thwarted. In my State alone, thousands of textile jobs have been lost.

Mr. President, I have a list of examples of customs fraud investigative activities being conducted in Pennsylvania. They are representative of the national problem. The Customs Service also has provided a list of commercial seizures by product, country and dollar value. I ask unanimous consent that these lists be included in the RECORD.

(See exhibit 1.)

Mr. President, there is nothing like the vigor of private plaintiffs when it comes to enforcement of trade laws or other means of self-help which have long been demonstrated to be the most effective way to get enforcement and action by those who are most directly affected and injured. We have many decades of evidence of this with regard to private enforcement or our antitrust laws. The theory that private plaintiffs would find strong incentive to bring such antitrust suits—and in so doing would both recoup deserved compensation for their injuries and advance strong national public policy interests—certainly has proved correct. There is no reason that the same would not be true of private suits to enforce our international trade laws.

Mr. President, we should not be surprised by recent protectionist calls for new tariffs against goods from countries with large trade surpluses with the United States. I sympathize with the frustrations which lead to such efforts, even as I question their appropriateness. The way to avert such counterproductive measures is to enforce the trade laws which already are in place. This amendment will increase the enforcement of those laws, by letting injured American businesses go directly to the Court of International Trade to seek damages for customs fraud violations.

We desperately need the vigorous private enforcement this amendment would spur if we are to successfully chart a course between the grave dangers of increased protectionism and the certain peril which would result from unabated illegal foreign imports. Accordingly, I urge my colleagues to support this amendment.

(EXHIBIT 1)

CUSTOMS FRAUD INVESTIGATIVE ACTIVITIES—PENNSYLVANIA [1]

Textiles—quota and marking violations—The importer entered sweaters manufactured in the PRC and Hong Kong. They were transshipped through Japan and relabeled to show the country of origin as Japan to curcumvent quota. The U.S. and Hong Kong companies each pled guilty to violations of 18 U.S.C. 542 (fraud) and 19 U.S.C. 1304 (e) (marking). They were sentenced to criminal fines totaling $40,000. In addition to Pre-penalty notice for civil fines was issued for $1,145,948. To date, the companies have paid $250,000.

False 807 claims and undervaluation of imported radios—A current active investigation disclosed a company entered radios from Brazil, filed false 807 claims (American Goods Returned), and undervalued the merchandise. As a result of this investigation the importer has tendered $1,174,000. It is anticipated that additional duties due as a result of the ongoing investigation will be $1,500,000.

Misdescribed and undervalued merchandise—failure to declare assists—This investigation concerns the importation of integrated circuits from Korea by a Pennsylvania electronics firm. Investigation disclosed indications that false statements and declarations were made involving appraisement, assists, and 807 values. Estimated loss of revenue as a result of investigation to date is $3,300,000.

Theft and removal from Foreign Trade Zone—A foreign automobile manufacturer has been entering automobile parts into the Foreign Trade Zone under the Automotive Products Trade Act of 1965. Parts were removed from the Zone without payment of duty. In addition misrepresentation was made of the country of origin. The importer has been issued a pre-penalty notice for $907,920, and to date, made payments of $400,000 and $382,143.

False classification, undervaluation, overvaluation and false claim for American Goods Returned—A major international electronics firm is under investigation concerning the importation of their entire range of products. The project line includes watches, watch parts, computers and software. Investigation to date indicates that the company committed several Customs violations by undervaluation of merchandise, false claims for GSP treatment, overvaluation of 807 claims on American goods returned, and failure to declare dutiable assists. As a result of investigation the company to date has tendered $2,250,000 in additional duties. Civil and criminal aspects are being pursued independently. In one aspect of the case a prepenalty notice was issued in the amount of $35,550,108, and this has been mitigated to $7,728,288.

Marking violations—There have been numerous investigations concerning marking violations of imported merchandise. Imported merchandise such as steel flanges and fittings, steel traps and other steel products, roof and floor drain systems, and industrial hose has been imported either properly marked or not marked. Country of origin markings are then removed and the products are remarked or marketed as domestically produced goods.

Trademark and copyright violations—There are several investigations currently active concerning the importation and distribution of counterfeit merchandise. Recently, a large shipment of counterfeit shampoo was seized. Not only did the shampoo infringe upon the registered trademark, it posed a health risk to the American public. In another recent investigation, two individuals and two companies were convicted of importing and trafficking in counterfeit watches. Evidence obtained during investigation indicated that the violators had engaged in trafficking of approximately 300,000 counterfeit watches valued at $4,200,000. Additional evidence developed through this investigation has led to investigations of other major dealers and importers of counterfeit merchandise. Currently, the office has an active project designed to identify and prosecute major traffickers in counterfeits. In the past few weeks, six seizures of counterfeit merchandise have been effected.

The following reflects the Customs commercial seizures for copyright and trademark violations for the period October 1, 1986 to May 31, 1987:

	Domestic value
By commodity:	
Watches:	
Analog (42)	$2,567,627
Digital (4)	166,783
Toys (70)	2,927,539
Perfume (6)	741,544
Computers (32)	4,552,998
Other electronics (4)	72,864
Textiles and wearing apparel (86)	2,774,561
Miscellaneous commodities (39)	878,767
Total (283)	14,682,683
By country:	
Belgium (2)	19,871
Brazil (1)	27,720
Canada (1)	105,646
China (2)	15,650
France (4)	159,518
Germany (2)	20,000
Haiti (1)	4,487
Hong Kong (46)	2,139,735
India (1)	13,812
Italy (4)	136,117
Japan (3)	34,154
Kenya (1)	10,000
Korea (75)	3,045,302
Macao (1)	5,040
Mexico (2)	26,983
Philippines (1)	3,300
Singapore (2)	388,236
Spain (7)	36,093
Sweden (1)	4,761
Switzerland (1)	40,180
Taiwan (80)	6,232,549
Thailand (2)	175,111
United Kingdom (4)	51,785
Venezuela (2)	2,509
Unknown (37)	1,984,124
Total (283)	14,682,683

Textile Seizure Statistics for FY 87:

	Domestic value	Seizures
October 1986	$5,251,462	85
November 1986	2,467,253	63
December 1986	10,287,600	89
January 1987	4,111,549	77
February 1987	6,388,572	91
March 1987	8,780,808	125
April 1987	10,995,449	178
May 1987	15,427,754	245
Fiscal Year 1987 to date	63,710,447	953

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. SPECTER. I yield.

Mr. HEINZ. Mr. President, I commend the Senator from Pennsylvania on a very good statement. I appreciate his support of this amendment. It follows on the pioneering work he has done in this body to extend a private right of action to unfair trade practices. I have supported him in that effort, and I welcome his support for this amendment.

I also thank Senator BENTSEN and Senator PACKWOOD for support of the amendment.

I want to respond if I may also to the concern, if the Senator will permit me 1 additional minute, to what Senator PACKWOOD mentioned: That there are a few people who are importers who are afraid that somehow this provision might be used to harass them and otherwise intimidate them.

I am very conscious of that concern and would be very troubled about it if it were valid. But it is clear that rule XI of the Federal Rules of Civil Procedure specifically apply to this amendment. I will not take a great deal of time, but rule XI basically compels anybody filing to sign the complaint and then requires that to the best of the knowledge of the filer, it is his information and belief formed after reasonable inquiry, that his complaint is "well grounded in fact, and is warranted by existing law or a good-faith argument for the extension, modification, or reversal of existing law, and that it is not interposed for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation."

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[1] Source: U.S. Customs Service.

Further, and I will paraphrase what it says, if such a complaint is signed or entered in violation of this rule, and I quote, "The Court upon motion or upon its own initiative shall impose upon the person who signed it, a represented party or both, appropriate sanction which may include an order to pay to the other party or parties the amount of the reasonable expenses incurred because of the filing of pleading, motion, or other paper including reasonable attorney's fees."

I point that out for the record and for the benefit of my friend from Oregon, Senator PACKWOOD, because we believe that we have taken great care in structuring this amendment to eliminate the concern he has expressed.

I thank my friend and colleague from Pennsylvania for yielding.

Mr. SPECTER. Mr. President, just a few additional brief comments in support of the amendment. This amendment takes the part of an earlier amendment which I had offered seeking a private right of action for damages and equitable relief as to dumping, subsidies, and also as to customs fraud.

Unfortunately, at least from this Senator's point of view, that amendment was not accepted. It was defeated in earlier floor debate. But I believe that the incorporation of a customs fraud amendment with the private right of action will be highly significant and will be an excellent testing ground for private enforcement rights.

Private rights of action have been very effective in the antitrust laws and the securities acts and are traditional where the existing prosecution and enforcement mechanism is insufficient. It has been demonstrated that the Customs Department simply does not have the personnel to handle all of the cases which ought to be brought and where there is a private interest there is nothing like private initiative, and having had substantial experience as both a prosecuting attorney and as private counsel, I do know that providing the private right of action will be a very, very strong remedial enforcement procedure for these very, very important rights.

I am just delighted that the amendment has been accepted and I think it will be an excellent testing ground for private enforcement rights generally and we will have many chapters to be written in our trade laws. The bill which I hope will ultimately be adopted I think makes very significant advances, and we will see what the experience is generally, see what the experience is with this private right of action which I hope will survive conference, and hope will be enacted into law with the President's signature. It may provide the testing ground and experience where we can broaden the private right of action at a later date if that appears appropriate to the Congress and to the President at that later time.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. HEINZ].

The amendment (No. 550) was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 560

(Purpose: To apply the provisions regarding duty-free sales enterprise to more than personal use merchandise)

Mr. BENTSEN. Mr. President, I have two amendments to be considered en bloc which I send to the desk and ask the clerk to report.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Texas [Mr. BENTSEN] proposes an amendment en bloc numbered 560.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 339 of the printed bill, line 3, insert "If the duty-free sales enterprise is an airport store," after "(B)".

On page 343, line 11, strike out "personal".

Mr. BENTSEN. Mr. President, section 921 of the bill would introduce for the first time a comprehensive framework for the regulation and operation of duty-free sales stores. These stores benefit the United States in a number of ways, including increasing purchases by foreign visitors in the United States and even attracting tourists to the United States in the first place. This benefits other U.S. industries, including airlines, hotels and restaurants.

Section 921 is not intended to change the way duty-free stores currently operate, but rather to codify current practice by providing a regulatory framework for continued operation of duty-free stores in the future. However, the present language of section 921 would inadvertently bring about a very harmful change to the way duty-free stores operating along the United States-Mexican border regions conduct their business, in that it would exclude sales by all duty-free stores in wholesale quantities. Since a large part of the sales by the border stores along the United States-Mexican border currently is in wholesale quantities, this provision as now drafted would unintentionally cause serious economic hardship to these border duty-free stores and, indirectly, to large parts of this border region.

Mr. President, it is well known that the United States side of the United States-Mexican border in particular is one of the most economically depressed areas in the United States. It is therefore vital that we avoid economic injury to this region at all costs.

Section 921 is designed to help our duty-free stores, not to hurt them and most definitely not to injure an imperilled part of our country. The amendment I submit would effectuate that intent by permitting duty-free stores located along the border to continue to sell goods in wholesale quantities. Technically, the change that the amendment would make would be to provide that the rule precluding sales in wholesale quantities would apply only to duty-free stores located in our international airports and not to duty-free stores on the borders. This is consistent with the intent of section 921 to preserve, rather than to change, the status quo, in that at present the airport stores, unlike the border stores, do not sell in wholesale quantities.

Mr. President, I believe that the amendment I submit is technical in nature. I urge that it be adopted so as to better effectuate the intent of the committee in section 921 and to enable the continued operation and viability of an important industry in our border regions.

Mr. PACKWOOD. Mr. President, I am familiar with the amendment and pleased to support it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

The amendment (No. 560) was agreed to.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from California [Mr. WILSON].

AMENDMENT NO. 561

(Purpose: ITC study of industries hurt by import restraints)

Mr. WILSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California [Mr. WILSON], for himself and Mr. LAUTENBERG, Mr. HEINZ, Mr. BRADLEY, and Mr. SPECTER proposes an amendment numbered 561.

Mr. WILSON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Sec. 101. On page 555, strike out lines 24 through line 9, page 556, and insert in lieu thereof the following:

"Section 8e of the Agricultural Adjustment Act (7 U.S.C. 608e-1) is amended as follows:

(a) by inserting "(a)" at the beginning of the first sentence; and

(b) by adding at the end thereof the following new subsections:

"(b) No imported commodity may be sold in the United States during the time that a marketing order is in effect with respect to the same domestic commodity unless such imported commodity has been inspected during the period marketing order requirements with respect to such commodity are in effect and has been determined to meet the same requirements imposed by the marketing order on the domestic commodity.

"(c)(1) In accordance with paragraph (2), the Secretary may on an annual basis, as necessary to effectuate the purposes of this Act and prevent the circumvention of the grade, size, quality or maturity standards of a seasonal marketing order applicable to a commodity produced in the United States by imports of commodities covered by such marketing order, provide for a period of time (not to exceed 30 days) in addition to the period of time covered by the original marketing order during which the marketing order requirements would be in effect.

"(2) Before the Secretary may provide for such additional period, the Secretary must, after providing for notice and public comment, find that—

"(i) during the previous year, significant quantities of imported commodities that are covered by a marketing order were sold in the United States during the period that such marketing order requirements are in effect for available domestic commodities and that such quantities of such imported commodities did not meet the requirements of the marketing order (or that such substandard imported commodities would have been sold during the time that available domestic commodities were covered by the original marketing order if not for the additional period established by the Secretary);

"(ii) the importation into the United States of significant quantities of any commodity covered by section 8e of this Act is likely to substantially circumvent the grade, size, quality or maturity standards of a seasonal marketing order applicable to any such commodity produced in the United States at the time such imports are sold for ultimate consumption; and

"(iii) there would be an adequate supply of commodities of the variety covered by the marketing order available to consumers at a reasonable price during any additional period during which the marketing order requirements are to be in effect.

"(3) For the purposes of this subsection, (i) the term "adequate supply" means the prior year's average number of commodity units sold on a per week basis in the United States during the time period to be covered by the additional period, and (ii) the term "reasonable price" means the average price per commodity unit of the most recent three years on a weekly basis for the time period to be covered by the additional period.

"(4) Any additional period established by the Secretary in accordance with this subsection shall only be effective during the year with respect to which the Secretary has made the findings required by paragraph (2).

"(5) The provisions of this subsection shall be effective with respect to marketing orders effective in 1989 and subsequent years.".

Sec. 102. On page 556, between lines 9 and 10, insert the following new section:

"SEC. . STUDY CONCERNING TABLE GRAPES.

"(a) The Secretary of Agriculture is directed to conduct a study of table grapes subject to section 8e of the Agricultural Adjustment Act (7 U.S.C. 608e-1) to determine whether, during the years 1988 through 1990, imported table grapes are meeting the applicable grade, size, quality, and maturity standards of marketing orders for table grapes in effect at the time the imported table grapes are offered for sale.

"(b) In conducting this study, the Secretary is authorized to—

"(1) take into account the industry practice of cold storage in order to delineate between the practices of imported and domestic table grapes by non-exempt variety and report whether the use of cold storage results in significant amounts of below standard imported or domestic commodities being offered for retail sale during the time a marketing order is in effect with respect to such grapes;

"(2) provide notice and public comment with respect to the such study; and

"(3) submit such study to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives and report findings and recommendations concerning imports of such grapes by October 1, 1990.".

Mr. WILSON. Mr. President, today I am joined by my distinguished colleagues, Senator CRANSTON, Senator LAUTENBERG, Senator HEINZ, Senator BRADLEY, and Senator SPECTER, in offering an amendment, which will, in effect, modify language contained in the agriculture trade title adopted by the Senate Committee on Agriculture, Nutrition and Forestry.

During consideration of the agricultural trade title in that committee, I offered a marketing order amendment which would give the Secretary of Agriculture the ability, if needed, to establish an earlier marketing order effective date when the Secretary finds that the purpose of the Agricultural Marketing Agreement Act of 1937 is being circumvented or frustrated by imports.

The Agriculture Committee, most notably, Chairman LEAHY, indicated at the time of passage of my amendment that the Office of the U.S. Trade Representative [USTR] should be consulted to ensure that the langauge would be GATT-consistent. After a thorough review, USTR suggested a modification to achieve this end. Quite simply, the amendment we are offering today reflects USTR's suggested modification and several additions to ensure that my colleagues concerns have been addressed. It has been an exercise in patience, Mr. President, but I will spare my colleagues from further details. Instead, I would like to outline why it is essential that the Senate pass this amendment.

Mr. President, this amendment is of vital importance to the producers of table grapes in the Coachella Valley area of California, as well as growers across the Nation who produce their commodities under a Federal marketing order. It is equally important to the American consumer, who are often the direct beneficiaries of the quality standards imposed by Federal marketing orders. The California desert grape marketing order is one such example.

The farmers of the Coachella Valley of California produce six main varieties of grapes on 15,994 acres of farmland. The industry shipped 8,100,000 lugs of table grapes during the 1986 season. These grapes are produced under a Federal marketing order that requires all grapes shipped to market during the order's effective period to meet minimum grade, size, maturity and other quality requirements. Section 8(e) of the marketing order requires that all imported produce imported during the effective date period likewise meet the order's minimum standard requirements. However, as often happens in the modern world, changing technololgy and changing market conditions have undermined the protection originally afforded to the domestic industry and the American consumer by the marketing order.

Increasingly, the domestic grape industry's investments, and the quality of the grapes reaching the American consumer, are being threatened by the large quantities of grapes being imported just prior to the beginning of their marketing order period. Imported grapes are sometimes placed in cold storage for a significant period of time, then released in the market at the same time as the California product. We can no longer tolerate this evasion of U.S. inspection standards.

The amendment before the Senate solves this problem by allowing the Secretary of Agriculture to advance the beginning of the marketing order period by a maximum of 30 days to ensure that imported produce meets the same quality standards established for domestically grown commodities. In addition, produce could not be sold during the marketing order period unless it had been inspected to ensure compliance with the marketing order's quality standards.

Finally, the amendment directs the Secretary of Agriculture to conduct a study to determine if imported grapes meet marketing order requirements, including but not requiring, an examination of grape industry storage practices. It is not our intention to utilize this study as a litmus test for future actions that the Secretary may deem as necessary with regard to the effective marketing order date. Rather, it is meant to provide a closer look at the marketing practices employed by grape importers.

Mr. President, since 1975, imports of grapes, mainly from Chile, have increased at an explosive rate. Grape acreage in Chile has grown from 4,000 hectares in 1973 to more than 22,000 hectares currently. In 1975, 1 million boxes of Chilean grapes were imported into the United States. In 1985, that figure reached 22 million boxes—a 2,200-percent increase in one decade. According to a recent study by Dr. Paul Aldunate Valdes, professor of agriculture economics at the Pontifical Chilean Catholic University, Chilean grape exports to this country will essentially double by 1990, reaching 43 million boxes.

Let me stress that the domestic grape industry does not object to the Chileans' presence in the United States grape market. Indeed, it has helped expand the market by making grapes available on a year-round basis. The problem the industry is facing is that some of the Chilean grapes are being imported during March and April, and put in cold storage, and marketed during May and June. These grapes do not have to meet any minimum standards, since they are imported prior to the effective date of the California marketing order.

In a 1986 affidavit, Mr. Marcel Jeannerate, on behalf of the Children Exporters Association, noted that 765,000 nonexempt cases of Thompson seedless grapes were to be received in the 10-day period preceding the effective date in 1986. Mr. Jeannerate concluded "if the April 19, 1986, effective date of the marketing order stands, approximately 40 percent of the seedless grapes to which the regulation would apply would be lost."

In other words, Mr. President, Chili is knowingly exporting substandard grapes to the United States prior to the effective date of the desert grape marketing order. I ask unanimous consent that the portion of Mr. Jeannerate's affidavit pertaining to these violations be included in the RECORD at this point.

Poor quality standards can have an extremely debilitating effect on a commodity's performance in the marketplace. To quote from a study by the Economic Research Service, USDA study:

> Product maturity is important to consumers, but it may be difficult to determine whether or not a product is mature based only on appearance. We have all experienced the disappointment of eating fruit which looked good but did not taste good. One meeting participant described this as "the beautiful but sour grape."

While this amendment will protect American consumers and agricultural producers, it is by no means a "protectionist" measure. It is completely compatiable with the United States' obligations under GATT and other international agreements.

One of the cornerstones of GATT is the concept of national treatment. As expressed in article III, imported goods must be treated no less favorably than similar domestic goods. This amendment is completely compatible with this rule. Imported table grapes would be required to meet the same quality standards applicable to domestic table grapes.

There are many examples of standards imposed on a nondiscriminatory basis on both imported and domestic goods to further important health and consumer protection goals in the areas of Food and Drug Administration. In general, so long as standards applicable to imported goods are the same as those applicable to domestic goods and the imposition of such standards does not unnecessarily restrict trade, the basic GATT obligations of national treatment are fulfilled.

For example, Mexico was required to meet our minimum standards in 1982, because they shipped their grapes to market at the same time as the domestic growers. Consequently, there is no reason that other foreign growers cannot meet our minimum standards if they are going to market their produce during our marketing season. I might add that Mexican shipments of table grapes since that time have actually increased.

In 1979, the United States became a signatory to the Agreement on Technical Barriers to Trade negotiated in Geneva as part of the Tokyo round of multilateral trade negotiations. Known more commonly as the standards code, the agreement is intended to discourage discriminatory manipulation of product standards, testing, and certification, while at the same time recognizing the prerogatives of signatory nations to adopt reasonable measures to protect the health, safety, and consumer interest of their citizens. The cornerstone of the code is the discouragement of "unnecessary obstacles to trade."

In addition, the legislation implementing U.S. adherence to the code specifically excludes from the definition of the term "unnecessary obstacles" standards where:

> The demonstrable purpose is to achieve a legitimate domestic objective including but not limited to the protection of legitimate health of safety, essential security, environmental or consumer interest.

I want to stress the last two words—"consumer interest." This amendment is first and foremost designed to protect the consumer from substandard produce. This in turn, retains the consumers' confidence in the marketplace, allowing producers to get a fair return on their investment, and the consumer to get a good product at a reasonable price. This is the intent of the Federal marketing order system.

In short, this amendment will help guarantee that the system works without the need for Government subsidies or other Federal revenue expenditures. As I have stated before, the amendment is the result of a compromise worked out between USTR and other members. It is GATT-consistent, and I would urge its immediate adoption.

I ask unanimous consent that Mr. Jeannerate's affidavit be printed in the RECORD.

There being no objection, the affidavit was ordered to be printed in the RECORD, as follows:

AFFIDAVIT OF MR. MARCEL JEANNERATE

THE IRREPARABLE HARM TO TABLE GRAPE IMPORTERS, EXPORTERS, AND CONSUMERS

In reliance upon the continuing regulation contained in 7 C.F.R. 925.304 and on the March 25, 1986 proposed rule that would have established a May 1, 1986 effective date for the application of the new marketing order to imported table grapes arriving by ocean transport, at least the following ten ships were scheduled to reach United States ports from Chile between April 19, 1986 and April 30, 1986:

Ship	Departing date	Estimated arrival	Total grape cases	Seedless [1]
New Zealand	4/06/86	4/19/86	217,423	95,000
Sky Reefer	4/07/86	4/20/86	143,616	80,000
Reefer Penguin	4/09/86	4/21/86	200,000	60,000
Pacific Star	4/10/86	4/22/86	331,000	130,000
Reefer Tiger	4/11/86	4/23/86	234,520	100,000
Orient Rex	4/12/86	4/24/86	220,000	100,000
Cholguan	4/13/86	4/25/86	175,000	80,000
Humbolt Rex	4/14/86	4/26/86	370,000	100,000
Neerlandic	4/17/86	4/29/86	200,000	20,000
Reefer Badger	4/20/86	5/02/86	60,000	
Total			2,151,559	[2] 765,000

[1] Unit of measure is cases of 8.2 kilograms or 17.06 lbs.

[2] Seedless are the only grapes en route subject to the order.

The anticipated wholesale price for the time that the seedless grape cargo on these ships reaches market will be approximately $20 per case. If the April 19, 1986 effective date of the marketing order stands, approximately 40% of the seedless grapes to which the regulation would apply would be lost. This loss results primarily because imported grapes discriminatorily are required to meet more stringent standards than domestic grapes, as noted in Paragraphs 4 to 7 below. Approximately 306,000 cases of grapes would be dumped. The total dollar loss, which could never be recovered, would be approximately $6,120,000 (765,000 cases x 40%=306,000 cases x $20 per case=$6,120,000). In addition, importers of these grapes will bear the expense of hauling the produce to dump sites. Consumers will be deprived of grapes since Chilean grapes are generally the only grapes available during this time of year. *See* Chart from the Packer, attached hereto and incorporated herein as Exhibit 1. They will also be harmed by higher retail prices caused by a shortfall in grape supply.

Mr. WILSON. Mr. President, the amendment that is before the Senate is one that seeks to cure a problem of GATT consistency with regard to a provision that is contained in the bill.

That is a provision which was offered during the markup by the Agriculture Committee of the title that had been added to this omnibus trade bill. That provision which I offered addressed the particular problem of imported produce entering the United States, produce covered by a marketing order governing the quality of the produce in this Nation that is offered to consumers.

The problem has been that imports, let us say, of grapes coming in from foreign sources, that have come in at a time before the marketing order period, have been kept stored and then offered during the actual time of marketing under the marketing order.

Let me explain first that a marketing order is a requirement setting certain standards of quality, of size, of color that assures the U.S. consumer of the kind of quality that he is entitled to expect. The problem has been that produce entering the country before the operative date of the marketing order has been exempt from the requirements of the order so that substandard produce could be kept in storage and then offered subsequently during the same period as American produce subject to those high quality requirements.

Now, in order to avoid that, what was necessary, Mr. President, is that the Secretary of Agriculture have the authority to extend the marketing order period so as to include foreign produce that is imported into the country.

In order to avoid a problem of inconsistency with the General Agreement on Tariffs and Trade, it was thought wise by the chairman of the Agriculture Committee—and I agree with him entirely—that, so that there not be some problem perceived as to differential treatment between American produce and imported produce, we should simply extend the period of the marketing order so that the foreign produce is treated in exactly the same way. As drafted, as contained in the bill, the provision which I have offered would have seemed to focus only on imports, not on U.S. produce.

Additionally, this amendment contains provision, Mr. President, that will assure than any imported produce be first inspected before it is offered for sale. And in order to assure that specifically, it contains a provision empowering the Secretary of Agriculture to extend by no more than 30 days the period covered by the marketing order.

In addition, the amendment calls for a study of the operation of various importers, specifically with respect to cold storage. This is of concern to my friend from New Jersey.

Let me just say, as I conclude, Mr. President, that the basic provision that we are seeking to perfect with this amendment is one of enormous importance, not only to grape growers in California, but potentially to those offering produce of all kinds who will see their own marketing picture considerably complicated if imports are permitted into the country that are substandard. Because, obviously, what occurs if substandard, poor-quality produce that is imported is offered on the marketplace at the same time as high-grade U.S. produce, it is a very debilitating thing to the market for that produce altogether. The housewife, going into a supermarket who has a bad experience with imported, say, Chilean grapes, is inclined to be wary and on her next visit to the supermarket she may not be tempted once again to try table grapes because of that unhappy prior experience with substandard, below-quality imported grapes.

Now, as I say, this is something that has potential for virtually all produce. Let me emphasize that the underlying provision is not one that seeks to exclude fair competition from the kind of produce that meets the same quality standards that have been rightly set for the protection of the American consumer. To the contrary, it seeks to protect the consumer to assure the consumer of that very quality. And that is, I think, something to which that consumer is entitled and something which the Senate should seek in fact to guarantee.

With this perfecting amendment, we will accomplish a number of purposes relating to those of the importers, to those of the suppliers and, importantly, Mr. President, to those who are the American consumers of fresh, high-quality produce, be it American or imported. They have assurance under the marketing orders that American produce is of the highest quality. They are entitled to expect the same of any produce that is offered in the marketplace. This amendment will ensure that they achieve that.

Mr. President, I yield the floor, but first would request—there may be no need for this. I think this has actually been accepted on both sides. If it is agreeable to the majority and minority, there would be no need to request a rollcall.

The **PRESIDING OFFICER** (Mr. ADAMS). The Senator from South Dakota.

Mr. DASCHLE. Mr. President, I have been authorized by the chairman of the committee to indicate that indeed we have no difficulty with the amendment and would accept it.

The **PRESIDING OFFICER.** The Senator from Oregon.

Mr. PACKWOOD. Mr. President, just to acknowledge it has been cleared through the Agriculture Committee on this side. It is an agriculture amendment. We accept it.

The **PRESIDING OFFICER.** The Senator from New Jersey.

Mr. SPECTER. Mr. President, I am pleased to cosponsor the pending amendment to modify section 2171 of S. 1420. I am opposed to section 2171 for three major reasons.

First, I am opposed because section 2171, on questionable facts, gives unlimited authority to the Secretary to advance the effective date of marketing orders for 18 different commodities for an unlimited period of time. This broad grant of authority is being given, I understand, because there are allegations that there is extensive storage of one of the imported commodities that is covered by a marketing order, imported grapes. It is alleged that imported grapes which fail to meet the standards of its marketing are entering the United States before the marketing order takes effect, being stored, and then marketed once the order has taken effect and the domestic commodities are available.

However, the study used to demonstrate that such storage exists appears to be flawed. The study was not limited to the variety of grapes covered by the order. Information on seeded grapes, which are often stored for longer periods, was included in the study. Further, there is another study that reportedly demonstrates that there is no extensive storage of the commodity in question. Each study was conducted for an interested party in the dispute.

Both sides in the dispute feel their study should prevail. Since each side vehemently believes it is right, and there obviously is a factual dispute, I do not feel we should rely on either study. The Senate should not be required to act as the trier of fact; the appropriate Government agency—the USDA—should conduct a study which will provide the information we need to make a correct and informed decision. This amendment requires such a study.

Second, I question whether we should be giving the Secretary authority to advance the effective date of a marketing order beyond the season of the domestic commodity. Such action is likely to significantly increase costs for consumers who purchase the commodities affected by the marketing order. Allowing the Secretary to extend a marketing order beyond the season of the domestic commodity can create an artificial scarcity that will unnecessarily increase prices for the consumer.

It is unwise, in my judgment, to give producers the right to unreasonably restrict the market, at the expense of our consumers, when the U.S. products are not on the market. This amendment reasonably restricts the Secretary's authority to extend the marketing order in question to 30 days and requires the Secretary to renew the extension annually.

Third, unless there is evidence that our domestic markets are seriously endangered, I oppose giving the Secretary such discretion because it could have adverse implications for the imported fruit shipping business that takes place at the Port of Philadelphia. The port handles fruit from a number of foreign countries. It is important to note that this fruit is seldom in direct competition with U.S. products because the growing seasons are directly opposite those in the United States.

However, this fruit is very important to the economic vitality of the port, and the entire Delaware Valley, during the winter months. Just one of the commodities, imported grapes, represents on an annual basis 25 percent of the man-hours in the ports of the Delaware River, totaling about $45 million in direct fees and $120 million in indirect fees to businesses throughout the Delaware Valley.

I was very concerned that, under 2171, the Secretary could impose year-round, unreasonably restrictive standards for all or any of the imported fruit, and thereby severely curtail the business in the port.

In conclusion, Mr. President, I support the amendment because it corrects the problems which have been identified with the original provisions of 2171.

Mr. LAUTENBERG. Mr. President, I join in this compromise amendment with Senators WILSON, BRADLEY, CRANSTON, HEINZ, and SPECTER to the agricultural section of the trade bill. The amendment solves a problem that has arisen with the importation of grapes and other fruit into the United States.

This amendment is a carefully crafted compromise which has the support of the chairman of the Senate Agriculture Committee, Senator LEAHY, as well as a bipartisan group of Senators whose interests are affected by this amendment. I would like to commend the chairman, Senator LEAHY, for his tireless efforts to work out an acceptable compromise on this issue. I am pleased to Senator WILSON and Senator CRANSTON's willingness to work with me in achieving an acceptable compromise on this amendment.

The amendment balances the desire of the domestic grape growers to assure that all imported grapes meet the standard of the marketing order with the desire of consumers, grape importers, and those whose livelihood depends on grape imports not to have imported grapes unfairly kept out of the U.S. market for unreasonably long periods of time.

This amendment would strike the current provision in the Senate bill, which gives the Secretary authority to advance the effective date of the marketing order on imported commodities virtually without limit. Instead, this amendment permits the Secretary to advance the date of the marketing order for not longer than 30 days, 1 year at a time. The Secretary may only do so if the Secretary makes certain specific findings after notice and public comment.

First, he must find that during the previous year, significant quantities of imported commodities covered by the marketing order were sold in the United States in violation of that order, or that they would have been sold during the original marketing order period had the Secretary not extended the marketing order.

Second, he must find that the import of significant quantities of products under the marketing order would substantially violate the marketing order's standards for the grade, size, quality, or maturity.

Third, he must find that there would be an adequate supply of commodities of the variety covered by the marketing order available to consumers at a reasonable price during any additional period during which the marketing order is to be in effect.

The amendment also prohibits the sale of any commodity during the marketing order unless it has been inspected and has been found to meet the requirements of the marketing order, and requires the U.S. Department of Agriculture to do a study concerning table grapes.

The study would determine whether, during the years 1988 through 1990, imported table grapes are meeting the applicable grade, size, quality, and maturity standards of marketing orders for table grapes in effect at the time such grapes are offered for sale.

The study also authorizes the Secretary to report whether the use of cold storage results in significant amounts of below standard imported or domestic commodities being offered for sale during the marketing order, to provide notice and public comment on such study, and to submit such study to the Senate and House Committees on Agriculture with recommendations concerning the import of grapes by October 1, 1990.

Mr. President, a little background is helpful to understand the purpose of this amendment. As many of my colleagues know, marketing orders are standards issued by the Department of Agriculture which regulate the size, quality, grade, and other characteristics of imported and domestic commodities. Some marketing orders are effective all year round, while others are effective for some portion of the year.

Historically, if the domestic commodity is available all year, the marketing order is effective all year. By the same token, if the domestic commodity is seasonal, the marketing order standards are only effective for the period of time the domestic commodity is on the market.

The provision that this amendment strikes gives the Secretary extremely broad authority to advance the effective period of any marketing order concerning commodities to prevent the import of commodities that don't meet the marketing order standards. This would have an extremely negative impact on grapes and other imported fruit that moves through the ports on the eastern seaboard. It could stop them altogether.

Let me explain why. The marketing order for grapes is now in effect from May 1 to August 15, the time when California grapes are on the market. Recently, the USDA moved up the effective date of that marketing order to April 20.

From December till April 20, when the marketing order goes into effect, the ports in Delaware, New Jersey, Pennsylvania, and New York enjoy a thriving trade from imported fruit from New Zealand, Australia, Morocco, Argentina, and other countries. These shipments of fruit are the lifeblood of these ports.

Grapes are the single most important commodity handled at the ports of Philadelphia. They are critical to the port region economy, and result in at least 1,182 jobs, according to the Delaware River Port Authority. About 28 million cases of grapes alone pass through the ports of South Jersey and Philadelphia yearly. Annually, that represents about 25 percent of the man-hours in the ports, totaling about $45 million in direct fees and $120 million in indirect fees to businesses throughout the Delaware Valley.

However, once the marketing order on grapes goes into effect, many less grapes, if any, move through the ports. That is because the marketing order imposes discriminatory standards on the imported grapes. Imported grapes must meet shipping point standards at the point where they enter the domestic market. But when they enter the domestic market, they have often undergone 2 weeks or more of land and ocean transport from the place of packing.

In contrast, domestic grapes are permitted to meet those same standards at the packing plant, shortly after harvest and before packing and shipping. Thus, they are able to meet the rigorous shipping point standards at a much earlier point in time. Even if domestic grapes are later placed in cold storage for several weeks and then shipped across the United States, as they frequently are, they are not required to be reinspected after shipping. At that delivery point, domestic grapes are inspected, if at all, under the delivery point standards, which are much less rigorous.

What this means is that while domestic grapes are inspected a few days after picked, foreign grapes are inspected upon arrival in the United States, 18 to 22 days after picked. Yet they must meet the same standards of quality.

Since the Department of Agriculture does not inspect domestic and imported grapes at comparable stages in their shipment under the marketing order, once the marketing order goes into effect, imported grapes are at a severe disadvantage. It's not surprising that few imported grapes enter the U.S. market during the marketing order period, and for several weeks prior to its effective date. And, the discriminatory standard for grapes has a chilling effect on imports of other fruit, since they are shipped on the same vessels.

It's not only the ports who suffer from the dearth of imported grapes and other fruit during the marketing order period, and who would therefore suffer more if the marketing order was advanced further. The consumer suffers too. When the marketing order is advanced to a time when there is no domestic commodity on the market, the consumer pays in two ways.

First, the consumer is deprived of the commodity that would otherwise come in during the newly expanded effective date of the marketing order. Exporters do not want to take the chance and undertake the expense of sending commodities to our market that may not meet the shipping point standards, so they send very few or none at all. The consumer suffers for lack of choice.

Second, the consumer ends up paying higher prices for any imported grapes that do make it to this country. And, because of lack of competition for domestic grapes just prior to and during the period the marketing order is in effect, the domestic grape growers can demand and receive higher prices for grapes from the consumer due to lack of competition.

Studies have estimated that the total consumer cost in higher prices are in the range of $3.4 million to $17.3 million when the marketing order becomes effective April 20 instead of May 1. Who knows what costs the consumer will pay if the marketing order is moved up even more?

I understand that the provision that this amendment strikes was included in the Senate Agriculture Committee out of a concern that imported grapes enter our shores before the effective date of the marketing order, are stored, and then are released during the time the marketing order is in effect without meeting the standards which the domestic grapes must meet.

First of all, I would dispute that this actually happens. In an administrative hearing before the Agricultural Marketing Service on the issue of advancing the marketing order from May 1 to April 10, the California Desert Grape League and the California Desert Grape Administrative Committee made this very argument. It was based on a cold-storage study that supposedly proved that grapes were brought in before the effective date of the marketing order, were stored, and then sold after the date of the marketing order without meeting its standards. However, that study was based on nothing more than telephone interviews, and has been challenged by the importers of grapes.

A questionnaire was sent to the largest importers, who receive about 90 percent of the grapes coming into the United States. That survey was based on a review of the business records of the importers. It showed that some of the grapes in question were not even shipped during April, and those that were shipped were not stored for longer than 3 weeks.

Further, even assuming that grapes do come in to the country prior to the marketing order and enter the market during the marketing order period, there is little evidence that the grapes are substandard. The records kept by the Delaware River Port Authority indicate that this is not a problem. Last year, from April 10 to May 1, only three-tenths of 1 percent of the Chilean grapes failed to meet the standards.

Nevertheless, recognizing that there is a real concern on the part of some on the issue of substandard imports, this amendment addresses that concern without discriminating against foreign grapes. And it addresses that concern without violating GATT.

It provides that no imported commodity can be sold during the time that a marketing order is in effect on that commodity unless the import has been inspected and meets the requirements imposed by the marketing order. This takes care of the alleged substandard import problem by providing that no grapes can be sold during the marketing order without being inspected and found to meet the marketing order standards. But it does so without granting the Secretary of Agriculture broad authority to expand the scope of marketing orders.

This is a key point, since the Department of Agriculture claims that grapes can be cold-stored from between 1 and 3 months.

Therefore, the marketing order could theoretically be expanded for up to 3 months longer than it lasts now. That would create a monumental barrier to trade that is simply unreasonable.

The inspection requirement contained in this amendment could be enforced by regulations issued by the USDA. Certain certificates are already required at the point of sale to a retailer when fruit is subject to an antidumping order. Similar requirements could be established for marketing order inspections as well.

Moreover, this amendment also directs the USDA to do a study of whether the use of cold storage results in significant amounts of below standard imported or domestic commodities being offered for retail sale during the time a marketing order is in effect with respect to such grapes. Such a study will provide a balanced, fair, and impartial review of the facts.

I urge my colleagues to vote for this amendment, which is a compromise that addresses the concerns of the domestic grape growers in a reasonable way, without erecting a totally unreasonable barrier to imports. I do not believe there is any substantial objection to this provision from either side.

Mr. President, I move the adoption of the amendment.

Mr. HEINZ. Mr. President, I am a cosponsor of this amendment and I rise in support of it not only because it strikes a provision in the bill which violates GATT but also because our substitute will result in better policy.

As written, section 2171 violates GATT because it empowered the Secretary of Agriculture to impose the restrictions of a marketing order on imported commodities before it applies to domestic products. Such action affords less favorable treatment to imports and thereby violates article III of GATT. Under article III, laws, regulations or requirements should not be applied to imported products so as to afford protection to domestic production. Even the U.S. Trade Representative has indicated that this section violates GATT.

If section 2171 is not changed, domestic producers will be able to engage in not only unfair but blatantly monopolistic actions. Marketing orders were created to protect the domestic market for U.S. producers. A marketing order is supposed to ensure that good quality is maintained during the domestic season. The purpose is to prevent poor quality commodities from ruining consumer demand for U.S. products.

I understand how important marketing orders are to U.S. producers and I support them.

However, I do not support permitting any group of U.S. producers creating an artificial scarcity for months before their season begins, which is what section 2171 would have done.

The worst result is reached under such monopolistic action: Consumers are forced to pay higher prices in a market that has been manipulated unfairly against them.

A recent study that was conducted to determine the costs to consumers of advancing a marketing order for table grapes by just 10 days indicated that consumers would be forced to pay between $3 million to $17 million more for grapes if such action was taken. I see no need to advance the effective date of this particular marketing order. In 1987, the imported grape season ended in late April and the domestic season for those same varieties did not begin until June—about 2 months later.

I understand that the premise for section 2171 are assertions that substandard imported grapes enter the United States before the marketing order is in effect, are stored and then released when the domestic grapes are on the market. While there are assertions that substandard grapes enter the United States prior to the marketing order, we have no reliable evidence on that point. There were some USDA statistics, but they only cover the grapes that were questioned by someone in the distribution chain. Such information therefore is a subset of all the grapes that entered and is unreliable to establish the quality of all imported grapes.

Similarly, there is no reliable evidence regarding the cold storage practices relating to imported grapes. A study that was submitted to the Secretary of Agriculture earlier this year that purportedly established the extensive storage of imported grapes covered by this marketing order is woefully inadequate. The study covered grapes that are not covered by the marketing order as well as ones that are capable of being stored for longer periods than the ones covered by the order. Moreover, there is another study that was done that was based on business records of the importers that indicates the imported grapes covered by the order are not stored extensively. The study indicated that the imported grapes covered by the order are seldom stored for more than 2 weeks and the longest that any are stored is 22 days. Based on this year's data, that means that the grapes that entered the United States before the effective date of the order were released from storage long before any U.S. grapes were on the market.

Mr. President, these issues bring us to what I believe is the most compelling argument in favor of our amendment: Without our amendment, we would be giving the Secretary of Agriculture limitless authority to extend the marketing orders for 18 commodities when we have no reliable evidence that there is a problem or if one exists, the extent of it. I am very concerned about the adverse impact granting the Secretary such authority could have. For example, the Port of Philadelphia imports significant quantities of imported fruit. Substantial revenues and a not insignificant number of jobs both directly and indirectly rely on imported fruit passing through the port. Imported fruit from just one country represents 25 percent of the man-hours in the ports of the Delaware River as well as $45 million in direct revenues and $120 million in indirect revenues. Those figures do not account for the fruit from at least four other countries that passes through the ports.

This controversy indicates to me that we need a study done by the Secretary of Agriculture to determine whether there are substandard imported grapes which are being stored and circumventing the marketing order, and if so how long are they stored. Personally, I do not believe that we should take any action until we have the results of the study. However, my colleagues from California feel the need for some action to be taken immediately. So, in the spirit of compromise, our amendment would permit the Secretary to advance a marketing order for no more than 30 days and would require him, on an annual basis, to make certain findings.

Permitting the Secretary to advance the effective date of a marketing order by 30 days is a far more reasonable grant of authority than giving him the discretion to transform seasonal marketing orders into year-round ones. Moreover, the Secretary may only advance the effective date of the order if he makes three findings. One, he either must find that in the previous year significant quantities of imported commodities, covered by the marketing order in question, did not meet the standards of the marketing order but nevertheless were sold in the United States or that substandard imported commodities would have been sold during the time covered by the marketing order if not for the additional time provided by the Secretary. Two, he must find that the importation of a commodity is likely to result in the circumvention of the standards set forth in the order when the commodity is sold for ultimate consumption. Three, the Secretary must find that an adequate supply of the commodity will be available at a reasonable price for consumers, should the effective date of the marketing order be advanced.

For each and every year that the Secretary wishes to advance the effective date of a marketing order covered by this provision, he must make the findings I have just enumerated. The Secretary cannot rely upon findings he made in 1989 to justify advancing a marketing order in 1990. He must make new findings in 1990 that justify his action or he cannot act.

In summary, Mr. President, I support the amendment because it places more prudent limits on the Secretary's authority and will require the Secretary to undertake a thorough study of the impact the amendment will have on table grapes.

Mr. BURDICK addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DASCHLE. Will the Senator yield for just a moment?

Mr. BURDICK. I yield.

Mr. DASCHLE. If it would be appropriate, I think we could have a vote on the amendment offered by the Senator from California and then we could go on to the amendment by the Senator from North Dakota.

Mr. BURDICK. I yield.

The PRESIDING OFFICER. The Chair will recognize the Senator from North Dakota immediately after the business has been attended to on the prior amendment.

The Senator from California.

Mr. WILSON. Mr. President, I would only add my thanks to the Senator from New Jersey for his cooperation. I think that we have managed to work out a compromise that will achieve the purposes of the importers, the growers, and the consumers. I thank him and yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment (No. 561) was agreed to.

Mr. WILSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 567

(Purpose: To limit custom user fees with respect to merchandise for the International Peace Garden)

Mr. BURDICK. Mr. President, as you know, North Dakota is the Peace Garden State. Our license plates proclaim our pride in the International Peace Garden, which is located on the border between the United States and Canada. We share with our neighbor to the north the world's longest undefended border, but I have recently become aware of some problems along that border, even within the boundaries of the International Peace Garden.

Both Manitoba and North Dakota donated land for this large garden that citizens of both countries enjoy. Two problems have recently come to my attention—one involving immigration labor restrictions for workers at the Peace Garden and its International Music Camp, and one involving a $19-brokerage fee that is being charged each time Peace Garden officials bring goods across the border. I will bring the first problem to the attention of the Judiciary Committee, but I would like to resolve the Customs problem today, since it is causing hard feelings at the border and involves trade and the purchase of goods from across the border.

Statutory language is needed in the trade bill to ensure that the Peace Garden doesn't provoke more conflict than cooperation. I have heard of no opposition to this amendment and ask for its immediate consideration.

My amendment which I now send to the desk excludes the International Peace Garden from the broad-based Customs fees instituted last year.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. BURDICK] proposes an amendment numbered 567.

Mr. BURDICK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 351 of the printed bill, insert between lines 12 and 13, the following:

(c) LIMITATION ON FEES WITH RESPECT TO MERCHANDISE FOR THE INTERNATIONAL PEACE GARDEN.—Subsection (b) of section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 586(b)) is amended by adding at the end thereof the following new paragraph:

"(10) No fee may be charged under subsection (a) of this section for customs services provided in connection with the arrival or processing of any merchandise used within the boundaries of the International Peace Garden and the Province of Manitoba, Canada.".

Mr. BURDICK. Mr. President, I ask for its immediate adoption.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. Mr. President, I am authorized by the chairman of the committee to indicate that we have no difficulty with the amendment on this side and would urge its adoption.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I agree.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota.

The amendment (No. 567) was agreed to.

The PRESIDING OFFICER. Do I hear a motion?

Mr. BURDICK. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Jersey.

AMENDMENT NO. 568

(Purpose: To authorize and direct negotiations of trade agreements to lower the tariffs on chocolate and chocolate confections filled with liquor)

Mr. LAUTENBERG. Mr. President, I send an amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] proposes an amendment numbered 568.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following language:

(a) FINDINGS.—The Congress finds that:

(1) the European Economic Community imposes a 12% tariff on chocolate and chocolate goods, including those filled with liquor, that are imported;

(2) United States imposes a 7% tariff on chocolate goods filled with liquor;

(3) the unequal duties give the foreign liquor-filled chocolate a highly competitive advantage in the American market;

(4) the duties on liquor-filled chocolate are bound duties under the GATT;

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—the President should negotiate reductions in the duties imposed by its trading partners on liquor-filled chocolate produced in the United States to the levels levied on such products by the United States.

DUTIES ON LIQUOR FILLED CHOCOLATE

Mr. LAUTENBERG. Mr. President, I understand that the amendment has been cleared on the minority side and I understand it is acceptable to the majority side.

This amendment is a sense of the Congress that calls on the administration to negotiate reductions in the duties imposed by its trading partners on liquor-filled chocolate produced in the United States to the levels levied on such products by the United States.

The reason for this amendment is simple. Currently, the European Economic Community imposes a 12 percent tariff on chocolate and chocolate goods, including those filled with liquor, that are imported. The United States imposes a 7-percent tariff on chocolate goods filled with liquor. The unequal duties given the foreign liquor-filled chocolate a highly competitive advantage in the American market, which should not be allowed to stand. However, since the duties on liquor-filled chocolate are bound duties under the GATT, they must be lowered through negotiation, not unilaterally.

This problem was brought to my attention by Winters Chocolates in Bergen County. Winters makes liquor-filled chocolate, and as a result of a change in the law allowing chocolate filled liquor to be sold in this country, the market is suddenly flooded by foreign competition, whose products come in at lower duty rates than what applies to Winters when it seeks to export its chocolates.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. Mr. President, once again, the chairman has authorized me to indicate that we have no objection to the amendment and would urge its adoption.

Mr. PACKWOOD. The amendment is acceptable here.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey.

The amendment (No. 568) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 569

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Mr. President, I send an amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California [Mr. WILSON] proposes an amendment numbered 569.

Mr. WILSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following:

SEC. . APPLICATION OF COUNTERVAILING AND ANTIDUMPING DUTIES TO IMPORTATIONS OF CERTAIN DUTY-FREE ARTICLES.

(a) IN GENERAL.—Subtitle D (19 U.S.C. 1677 et. seq. is amended by adding at the end thereof the following new section:

SEC. . APPLICATION OF TITLE OF IMPORTATIONS OF CERTAIN DUTY-FREE ARTICLES.

"Technical publications that: (1) receive duty-free treatment pursuant to "The Agreement on the Importation of Educational, Scientific and Cultural Material, Nov. 22, 1950, 17 U.S.T. 1835, T.I.A.S. No. 6129, as implemented pursuant to the Educational, Scientific and Cultural Materials Importation Act of 1966 (Pub. L. 89-651), 80 Stat. 897; and (2) are primarily commercial rather than educational in nature are not exempt from the provisions of this title."

Mr. WILSON. Mr. President, this amendment addresses confusion on the part of a Federal agency as to whether or not the dumping laws of the United States apply to importation of certain commercial and technical publications.

Mr. President, currently, imports of certain commercial technical publications are given duty-free treatment under an international agreement—the Florence agreement, which is intended to facilitate exchange of educational and cultural materials—and the U.S. laws which implemented it. A question has been raised as to whether these imports are also exempt from our antidumping laws under which special duties are imposed as a remedy for unfair trade.

My amendment clarifies that while such imports will continue to be entitled to duty-free treatment, they are not exempt from application of our unfair trade laws.

The purpose of providing duty-free treatment was to facilitate the exchange of knowledge internationally by eliminating the normal tariffs on imports of certain publications—not to facilitate unfair trade. In short, the Florence agreement cannot be used as license to dump.

One of my constituents thinks that he has suffered injury in terms of lost market shares and lost profits caused by the aggressive pricing tactics of a foreign producer, who he believes is dumping. He filed a dumping petition once, and the International Trade Commission found a reasonable indication of material injury, but the Treasury Department, which handled dumping cases then, refused to allow the case to continue. Treasury said that, unlike virtually all other U.S. industries, U.S. publishers of commercial books have no remedy for dumping—no matter how pernicious—because of the Florence agreement.

In effect, the Treasury Department refused to even provide a day in court to determine whether or not dumping is taking place, whether or not an injury is being sustained, and ultimately, whether or not dumping duties should be levied.

This was and remains an intolerable result. In addition, this situation poses a continued threat because it gives a green light to all other foreign producers of commerical books that they may dump with impunity.

This amendment is not protectionist. Its purpose is not to impose an additional normal tariff, nor to disturb the duty-free regime for educational and cultural materials. This amendment simply clarifies that imports of technical manuals do not have immunity from our fair trade laws, and that purely remedial antidumping and countervailing duties that merely offset the effect of the unfair trade practices may be applied.

Mr. President, as far as I know, this amendment is acceptable to both sides. If it is, I would yield the floor to allow that to be signified.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. The amendment is acceptable on this side.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. As it is on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment (No. 569) was agreed to.

Mr. WILSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 570

(Purpose: To ensure that the investigation of circumvention of agricultural quotas includes imports of blocks of sweetened chocolate, and for other purposes)

Mr. LAUTENBERG. Mr. President, I sent an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] proposes an amendment numbered 570.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment is as follows:

On page 574 of the printed bill, line 9, insert "(including sweetened chocolate in blocks of at least 10 pounds and other such products)" after "dairy products".

On page 575 of the printed bill, strike out lines 4 through 8 and insert in lieu thereof the following:

"(4) evaluate whether imports containing such sugar or dairy products materially interfere with the price support programs for both sugar and milk and milk products that are conducted under the Agricultural Act of 1949 (7 U.S.C. 1521 et seq.); and

On page 575 of the printed bill, between lines 15 and 16, insert the following new subsection:

"(d) If, pursuant to the study conducted in accordance with this section, the Secretary of Agriculture determines that such articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the price support programs for sugar or milk and milk products conducted in accordance with the Agricultural Act of 1949, the Secretary shall immediately so notify the President and the President shall instruct the United States International Trade Commission to conduct an investigation pursuant to section 22 of the Agricultural Adjustment Act (6 U.S.C. 624)."

Mr. LAUTENBERG. Mr. President, this amendment has been cleared by the chairman and the ranking member of the Agriculture Committee. This is a simple, noncontroversial amendment that clarifies language currently in the bill to ensure that a general study on the importation of sugar- and dairy-containing products specifically addresses the case of sweetened chocolate in blocks of 10 pounds or more. It also provides that if the Secretary of Agriculture finds that any product under the study is being imported in a manner that materially interferes with the sugar or dairy price-support programs, he shall notify the President, who shall initiate an investigation by the International Trade Commission.

Mr. President, there is strong evidence that importers of sweetened chocolate blocks are evading U.S. quotas and materially interfering with our price-support programs. From all indications, this not only hurts domestic chocolate manufacturers, sugar producers-and milk producers, it also costs all U.S. taxpayers significant sums of money.

Since the sugar program began about 6 years ago, imports of bulk chocolate have increased approximately 2,500 percent. In 1981, about 3 million pounds of this product were imported. By 1986, the total was 61 million. That, Mr. President, is a huge increase.

To import sweetened chocolate is to import sugar, and lots of it. Each 10 pound chocolate block contains 5 pounds of sugar. Last year, chocolate blocks introduced about 30 million pounds of nonquota sugar into the United States.

To import sweetened chocolate is also to import a lot of milk. In 1986, an estimated 20 million pounds of dry milk entered the country in sweetened chocolate. Since it takes 10 pounds of liquid milk to produce a pound of dry milk, that amounts to the equivalent of about 200 million pounds of liquid milk. That is a lot of milk.

It's also a lot of money coming out of taxpayers' pockets. The dry milk entering the country through chocolate blocks is displacing American dairy products and thus increasing the domestic dairy surplus. This in turn increases costs incurred by the Commodity Credit Corporation to purchase surplus dairy products. According to the National Milk Producers Federation, in 1986 the increased CCC costs resulting from these imports totaled $24.1 million. This year, as imports continue to grow, that total will be even higher.

Why has there been such a sudden influx of sweetened chocolate? It's simple: foreign chocolate manufacturers pay substantially less for sugar and dairy products than do domestic manufacturers. It has been estimated that foreign manufacturers pay 60 percent less than domestic manufacturers for sugar and a third less for dairy products. Also, there are no quotas on the importation of these chocolate blocks.

Despite the dramatic increase in block chocolate imports and considerable pressure from the chocolate industry and certain Senators, the Department of Agriculture has thus far refused to recommend an ITC investigation into this matter. I have personally written the Secretary of Agriculture twice, first in 1985 and again this year, to ask that he make such a recommendation.

In January 1985, the USDA recommended an ITC investigation into several sugar-containing imports, but did not include 10 pound chocolate blocks. Although block chocolate imports had tripled since 1982 at that point, the Department did not believe the imports threatened the sugar program. Even assuming that this conclusion was correct, however, imports have substantially increased since 1985 and the threat now appears significant. There is also reason to believe that imports are interfering with the dairy program.

Sweetened block chocolate is now being used in the manufacture of several products to circumvent the high costs imposed by U.S. price supports. Manufacturers of baked goods, ice cream, or fudge, for example, can avoid high domestic sugar and milk prices by using imported sweetened chocolate rather than purchasing sugar and milk as separate ingredients. As more of the food industry learns of the savings available through such substitutions, the importation of bulk sweetened chocolate will continue to rise.

The time has come to address this issue head-on. Section 2194 of this bill calls for a general study into the importation of products which contain sugar, sugar products, or dairy products. My amendment would ensure that in conducting this study, the Department will specifically address the case of chocolate blocks and will make a specific determination about whether such importation is materially interfering with the price support programs for sugar or dairy products.

If the Secretary of Agriculture finds that these imports, or any other imports which contain sugar or dairy products, are materially interfering with the sugar or dairy price-support programs, he is directed to so notify the President. The President then shall call for an ITC investigation into the matter. If the Department finds no such interference, its reports should explain with specificity how this conclusion was reached.

It is worth emphasizing that this amendment does not impose quotas or import limitations of any kind. The amendment is designed primarily to focus USDA attention on sweetened chocolate block imports and to guarantee that the Department's report address these imports directly and in a timely fashion.

I want to express sincere thanks to my good friend, the distinguished chairman of the Agriculture Committee, Mr. LEAHY, for his cooperation, and the cooperation of his staff, in working out the language of this amendment.

Mr. President, I ask unanimous consent that a letter from the Chocolate Manufacturers Association as well as a letter from the National Milk Products Federation be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CHOCOLATE MANUFACTURERS ASSOCIATION OF THE UNITED STATES OF AMERICA,
McLean, VA, July 8, 1987.

Hon. FRANK LAUTENBERG,
Washington, DC.

DEAR SENATOR LAUTENBERG: The Chocolate Manufacturers Association of the U.S.A. believes the dramatic increase (2500% from 1981-1987) in the importation of sweetened milk chocolate in ten pound blocks (TSUS 156.2500) is interfering with the domestic sugar price support program.

We therefore fully support your amendment calling for a USDA study of the importation of chocolate in ten pound blocks as well as an International Trade Commission (ITC) investigation to determine if the product is being imported in such quantities as to interfere with the sugar price support program.

Sincerely,

RICHARD T. O'CONNELL,
President.

NATIONAL MILK PRODUCERS FEDERATION,
Arlington, VA, July 8, 1987.

Hon. FRANK LAUTENBERG,
Washington, DC.

DEAR SENATOR LAUTENBERG: The nation's dairy farmers are concerned that uncontrolled and rapid growing imports of sweetened chocolate, a chocolate/dry whole milk product entering the United States through a technical loophole in the dairy import quotas, are undermining the effectiveness, and increasing the cost, of the domestic dairy price support program. We support your efforts to address this issue because of the problems created for dairy farmers and taxpayers by such imports.

Sweetened chocolate is a mixture of dry whole milk, sugar and chocolate that is solidified from a liquid mix in large drums. It is classified in the Tariff Schedules of the United States as TSUS 156.25.00, with the technical item description "Chocolate, sweetened, in bars or blocks weighing 10 pounds or more each.

Imports of sweetened chocolate classified under TSUS item 156.25.00 have increased steadily and significantly since 1980, as shown by U.S. Bureau of Census data:

Year	Quantity imported—	
	Metric tons	Thousand pounds
1980	857	1,889
1981	1,363	3,005
1982	1,913	4,217
1983	5,342	11,777
1984	8,152	17,972
1985	13,323	29,372
1986	27,684	61,033

The pattern of import growth shown above can be explained by the fact that the ingredients for sweetened chocolate can be purchased on the world market at below U.S. market prices and the resulting product imported without restriction into the U.S.

Sweetened chocolate classified under TSUS item 156.25.00 consists, by weight, of approximately 32 percent dry whole milk, 52 percent sugar and 12 percent cocoa. Sweetened chocolate imports are clearly bringing large quantities of dry whole milk into the U.S., displacing equivalent amounts of domestically-produced dry whole milk, and thereby increasing the quantities of dairy products purchased by the Commodity Credit Corporation (CCC) under the dairy price support program.

Restraints on the importation of any products into the U.S. are authorized by the Congress under Section 22 of the Agricultural Adjustment Act of 1935, as amended, if such imports threaten the effective operation of a domestic price support or similar agricultural program. Quotas on imports of dairy products into the U.S. have been established under the authority of Section 22 in order to prevent such imports from undermining the effectiveness of the domestic dairy price support program. The application of Section 22 by the U.S. is specifically sanctioned under the rules of the GATT by the "Section 22 Waiver."

The importation of dry whole milk in the form of sweetened chocolate represents a circumvention of dairy import quotas currently established under the authority of Section 22.

The quota for importation of dry whole milk containing between 3 and 35 percent of butterfat (TSUS item 115.55.00), which is the form in which dry whole milk is incorporated into sweetened chocolate, is 7,000 pounds per year. This quota has been entirely filled during each of the past two calendar years.

In addition to the dry whole milk import quota, quotas have been established under the authority of Section 22 on the importation of a product popularly known as "chocolate crumb," due to the interference of such imports with the dairy price support program. Originally developed as a means to circumvent the dry whole milk import quota, chocolate crumb is a loose, physical mixture of dry whole milk, sugar and chocolate classified as TSUS items 156.30.50 and 156.30.65, depending on whether or not the butterfat content exceeds 5.5 percent by weight. The total quota for the importation of chocolate crumb is 26,089,214 pounds per year, while imports during 1986 were only 14,919,788 pounds.

Sweetened chocolate and chocolate crumb contain the same ingredients and serve the same economic function: as an intermediate product used as an input in the manufacture of chocolate and confectionery products. The only difference is in the physical form of the two products and, of crucial importance, the fact that chocolate crumb is under an import quota and carries a higher rate of duty than sweetened chocolate, for which there is no quota. Actual imports of chocolate crumb have been steadily declining while imports of sweetened chocolate have grown, indicating clearly that the latter product has proven successful as a quota loophole product while the former, having outlived its usefulness as one, is now being discarded as such.

The National Milk Producers Federation supports immediate action to curtail further imports of sweetened chocolate, and initiation of appropriate investigations by the International Trade Commission to determine the negative impact of such imports on the domestic dairy price support program.

We applaud your efforts on this issue to address the problems created by these imports. Additionally, it is important that the U.S. Department of Agriculture examine this issue in the context of its impact on the dairy price support program as well as the sugar program.

Sincerely,

JAMES C. BARR, CAE,
Chief Executive Officer.

Mr. LAUTENBERG. Mr. President, I urge adoption of the amendment.

Mr. DASCHLE. Mr. President, as indicated by the Senator from New Jersey, both the chairmen of the Senate Agriculture and the Senate Finance Committees have indicated their willingness to accept this amendment.

Mr. PACKWOOD. This amendment has been cleared on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey.

The amendment (No. 570) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

AMENDMENT NO. 571

Mr. WILSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California (Mr. WILSON) proposes an amendment numbered 571.

Mr. WILSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of Title II of the bill, insert the following:

SEC. . REPORTS ON IMPACT OF TRADE RESTRAINTS.

(a) Within twelve months after the date of enactment, and on February 15 of each subsequent year, the International Trade Commission shall submit to the Congress a report on the negative economic effects on the United States of significant existing trade import restraint programs of the United States. The report shall include, for each significantly affected service or product industry, an assessment of the impact on the income and employment of workers and on the ability of United States companies to compete, on price and quality bases, in domestic and international markets.

(b) In addition to the report to the Congress required under subsection (a), after the date of enactment the Commission shall provide a supplementary report on the negative economic effects of a new or significantly altered trade import restraint program not later than 60 days after the date of the announcement or enactment of such program (or if involving particularly analytic complexity, 180 days is allowed), provided that if the Commission is proposing import restraints pursuant to section 201 of the Trade Act of 1974, such report shall accompany the recommendation of the Commission to the President, and shall at that time also be submitted to the Congress.

(c) The term "trade import restraint program" includes any increase or new imposition of duties, quantitative restrictions, or other limitations on imports into the United States pursuant to any Act of Congress, any action taken pursuant to the trade laws of the United States, or any international agreement, whether or not authorized by law, provided that such term shall not include any import restraint imposed to redress unfair trade practices pursuant to the trade laws of the United States.

Mr. WILSON. Mr. President, for the past 25 years the United States has had a policy to compensate workers and industries hurt by trade imports. It is called the TAA. In its report on this trade bill pending before us, the Finance Committee states:

> There is a special responsibility to ease the dislocation and adjustment that would occur because of an open trading system.

Mr. President, in other words, the committee is saying in those words in their report that any dislocation caused by our general beneficial free trade policy should not fall disproportionately upon any one industry or any single group of workers, that that would not be fair.

In fact, the bill reported by the Committee expands this concept by endorsing what is called the Trade Competitiveness Assistance Program.

If the national policy is to compensate workers and industries that have been hurt by international market forces, we should be at least as willing to consider giving help to workers in industries that are hurt by Federal governmental disruption of the marketplace.

Let me give you one example of the unmet need for equity to which this amendment applies.

There is currently in place, Mr. President, as all Senators know, I am sure, a Voluntary Restraint Agreement program that affects the importation of steel into the United States. According to a recent study by Arthur T. Denzau of the Independent Center for the Study of American Business, the steel VRA, which restricts imports of steel into the United States, has resulted in a net loss of more than 35,000 jobs nationwide.

Recently, Mr. President, my good friend, the senior Senator from Pennsylvania [Mr. HEINZ], took a sharp exception to the Denzau study. Last week during consideration of an amendment by the Senator from Texas [Mr. GRAMM], the Senator from Pennsylvania stated that the Denzau study was faulty because it was based upon faulty assumption.

Well, it certainly is based upon assumptions and I suppose they are subject to dispute. But in any case, Mr. President, let us assume, just for the sake of argument, that that study is flawed. Let us assume that the steel VRA has, in fact, to the contrary, meant a net increase in jobs. I am not stating that, but let us assume it for the sake of argument. While I cannot speak for the Senator from Pennsylvania, I hope and I would expect that he would agree that at least some jobs have been lost as well as many jobs being protected by the steel VRA. Even though he has stated eloquently his belief that much of the imported steel which he has sought to limit is dumped or subsidized, we do know that the steel Voluntary Restraint Agreement was negotiated as a follow-on to the President's rejection of an ITC section 201 recommendation for which no showing about unfairly trading steel was relevant. What we were talking about was curbing the imports of steel that were found not to violate any unfair trading laws but simply found to produce injury in our domestic steel industry.

So what we have in terms of this steel VRA is a Presidential decision to restrict the importation of steel, be it fairly traded or otherwise. This is an intrusion into the marketplace for what is presumably a good purpose. But the fact is this intrusion into the marketplace has reduced the availability of steel and certainly increased the cost of steel to those U.S. companies who are necessarily dependent upon imported steel so that they may fabricate from the other steel products.

This has, in turn, caused U.S. steel consuming companies, that is, those that produce products, that fabricate other products from basic steel, to lose their ability to be price competitive, resulting in less production and, Mr. President, layoffs.

As a matter of simple equity, a national policy to protect the domestic steel industry should not leave uncompensated those workers and those companies outside the steel industry who have been hurt by that voluntary restraint agreement, because it has hurt. Let me give a couple of examples.

In my home State of California, it is quite clear that the steel VRA has hurt. One company, the Davis Walker Co., has been prevented from obtaining adequate supplies of wire rod at prices that would allow it to market finished products that would be competitive in the marketplace. As a result of that, Mr. President, this company has sought to expand, but not in California and indeed not in the United States. They have opened a new plant. Where? In Canada. Why? Not because of cheaper labor costs, not because of any special advantage that they enjoy in Canada as opposed to the United States, except one, and that is a critical one. They enjoy the availability of steel because they are not required to labor under the difficulty of this voluntary steel agreement, this agreement in restraint of imports of steel into the United States.

Similarly, California Steel Industries, which is now operating what was formerly the Kaiser Co. plant in Fontana, CA, a mill that was closed in 1982, has been prevented from expanding its production to meet market demand and that steel mill has been required to lay off workers because it has been unable to obtain adequate supplies of steel slab.

What I am saying, Mr. President, is that these so-called voluntary restraint agreements that result from a curb on imports do, in fact, do harm to innocent bystanders, those who are dependent upon those imports for their livelihood. Other industries and other workers have suffered from import restraints, from manufacturing companies to transportation companies, to stevedores, who are denied the opportunity to unload those imports. The list goes on and on.

One broadly based group that has felt the sting of import restraint programs in particular are retailers. For this reason, retailers, retail clerks, those whose livelihood depends upon being able to sell at retail, support the point of view that I am outlining.

I am pleased to have received support from the American Steel Federation and from the National Retail Merchants Association for this amendment which proposes that we learn precisely the dimensions of the negative impact upon U.S. employment and upon the U.S. economy from our curbing of imports by a whole variety of mechanisms.

Mr. President, I ask unanimous consent that a letter I have received from the National Retail Merchants Association be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WILSON. The Finance Committee did recognize that import restraints do, in fact, hurt certain domestic industries by providing that apart from national security concerns the only other basis on which the President may reject the ITC recommendation under a section 201 case is that it would cause serious injury to a consuming industry. But, Mr. President, if the President of the United States determines that it would cause significant injury—not serious but "significant" injury—then he must implement the ITC recommendation. He must go ahead with what is recommended as a curb, even though significant injury is found to result to American workers.

So what we have is a Presidential decision in the case of the steel VRA to do that kind of thing.

It is not a reasonable Federal policy to acknowledge that an industry will be caused significant injury by government actions—not by the marketplace and its operations but by government operations taken against fair trade—and yet do nothing to compensate that industry or those employed by it.

Mr. President, many times on this floor we have heard many Senators preach the lesson that we are all supposed to have learned from erecting a tariff will around the United States decades ago when Hawley-Smoot not only kept those goods, those foreign goods, out but kept our goods in. And many of us—and certainly I among them—have opposed the erection of new restraints against fairly traded imports, notwithstanding that the political will of Congress and at times the administration has been to engage in protectionist practices that do limit fairly traded goods.

Now, it may be arguable that these protectionist acts were in the best national interests. These intrusions in the marketplace will be argued by many to be justified. They will, of course, have to be recognized for what they are, and that is an intrusion in the marketplace, a marketplace upon which this Nation has built a very sound economy.

We have relied on the wisdom and the strength of the marketplace—first, the domestic marketplace, and I would hope the global marketplace that is the reality of today's commerce.

Every day men and women risk their effort as they strive to make a living. They take a risk in the marketplace. They are not guaranteed a return. They are not even guaranteed a living. And under our economic system it is in fact a risk. The opportunities do not come without the risk. And the operation of the market may give them wealth or it may take away their jobs. It may in fact destroy their businesses. That is the familiar risk of our economic system.

Now, with this in mind, we, 25 years ago, passed TAA to try to mitigate those risks, to try to protect innocent employees from the impacts of the marketplace.

You can question the wisdom of that effort; not its humanity, but its wisdom. But, with this in mind, it is more than ironic that we have that program to help those whose livelihoods have been taken away by operation of the global market and yet we provide no help at all to those whose jobs have been taken from them by our own Government.

In fact, there are many Senators on this floor who might argue that Government should not be expected to protect the livelihoods that fall victim to fair competition, that the Federal Government in their view has no legitimate responsibility to provide such victims the kind of trade adjustment assistance that we had 25 years ago. But they would say, notwithstanding that there may not be obligation in that case, there is in fact an obligation upon the Federal Government by contrast to look out for those industries and workers that have been damaged by policies of the Government that deny to them access to fairly traded products upon which they depend for their liveihood.

Well, at the very best, Mr. President, even one who does support the present TAA Program, who believes it is fully justified, even one who would argue that restraints upon imports are in the national interest, however protectionist, would be compelled as a matter of simple equity to admit that the direct, though perhaps unintended, victims of such restraints are every bit as entitled to relief as are those who are protected against economic dislocation by the imposition of restraints. Or to put it in the simplest of terms, Mr. President, if TAA is justified for those who are dislocated by imports, then why is TAA not justified for those dislocated by curbing of imports? The problem, of course, is that whatever the equity of extending trade adjustment assistance to this new class of recipients, we have no idea, no figures whatever, on how many people or even how many industries are hurt every time we set about restraining freely traded imports. Therefore, we have no way to determine at present how such an expansion of the TAA Program, if it were thought wise, would impact our economy.

But, Mr. President, it is essential certainly by this time that we learn the answers to these important questions. It is for that reason I have offered this amendment to require the International Trade Commission to submit an annual report to Congress on the negative impact of trade import restraint programs, and furthermore supplemental records would be required at any time that new restraints were erected by Congress or by the adminsitration.

Mr. President, that is simple equity. Under the terms of last week's Gramm amendment, the President would not be required to implement an ITC section 201 recommendation if it would cause more jobs to be lost than would be saved. Therefore, my amendment would also require that the ITC do an assessment of job losses caused by section 201 import restraints, and this assessment would be submitted to the President along with the 201 recommendation from the International Trade Commission. With all of the information that is collected on the impact of imports on our economy, it is more than disappointing that there is present this dearth of information on the negative impact of restraints on fairly traded imports.

Mr. President, this amendment will rectify that situation. It will provide us with a kind of important information without which we really cannot make an intelligent, informed judgment on whether it is in the national interest to limit imports.

Mr. President, as far as I know, this amendment is not opposed on either side of the aisle, so I would yield the floor and ask for its adoption.

EXHIBIT 1

NATIONAL RETAIL MERCHANTS ASSOCIATION,
New York, NY, July 9, 1987.

Hon. PETE WILSON,
U.S. Senate,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR WILSON: I am writing on behalf of the National Retail Merchants Association (NRMA) to bring to your attention an inequitable situation with respect to the treatment of U.S. workers who are impacted by U.S. trade restraints.

As you know, for many years the United States has made provision, under the Trade Adjustment Assistance Program, for workers who lose their jobs as a result of import competition. However, this program does not recognize the many U.S. workers who lose jobs each year as a result of the action of the U.S. government to impose quotas or tariffs on fairly traded goods.

For example, the existing program of quotas and high tariffs on textiles and apparel has been estimated to cost the American public $12 billion dollars each and every year. These price increases have an impact on the level of retail employment. If Congress passes the Textile and Apparel Trade Act of 1987, now pending before the Finance Committee, we have estimated that 52,000 American retail jobs would be lost. We think it is important for the Senate to recognize that import restraints cost jobs in many sectors of the economy and the workers who are displaced by the textile import program are just as deserving of government consideration as those whose jobs are impacted by imports.

By way of background NRMA is composed of 3,700 companies representing approximately 45,000 leading chain, department and specialty stores in the United States, and an additional 1,000 retail firms in 50 nations abroad. Member firms have current annual sales in excess of $150 billion and employ nearly 3 million workers.

If you have any questions, please do not hesitate to ask a member of your staff to contact Robin W. Lanier, NRMA Senior Legislative Representative, at 202/223-8250.

Sincerely,

JAMES R. WILLIAMS,
President.

Mr. DASCHLE. Mr. President, the chairman has indicated that he has no difficulty with the amendment, and we accept it.

Mr. DANFORTH. Mr. President, the amendment is acceptable on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment (No. 571) was agreed to.

Mr. WILSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DASCHLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 574

(Purpose: To facilitate human rights in and emigration from Romania)

Mr. DANFORTH. Mr. President, on behalf of myself and Senators METZENBAUM and PACKWOOD, I send an amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Missouri (Mr. DANFORTH) for himself, Mr. METZENBAUM, and Mr. PACKWOOD, proposes an amendment numbered 574:

At the appropriate place, add the following:

The provisions in Amendment No. 323. shall be avoided if the President of the United States determines in a report to the Congress that:

The application of such provisions would make it more difficult to improve human rights practices in Romania or to enhance opportunities for emigration of persons from Romania.

Mr. DANFORTH. Mr. President, this amendment is one in which Senators ARMSTRONG and DODD have an interest. It is my understanding that they will oppose the amendment, and I have agreed with Senator ARMSTRONG to give him sufficient time to come to the floor, but I did want to call up the amendment.

I understand that the Senator from New Jersey has an amendment which he would like to offer, which is not controversial. So I ask unanimous consent that this amendment be laid aside for a period of 10 minutes and that the Senator from New Jersey be recognized for the purpose of calling up his amendment, with the understanding that at the expiration of 10 minutes or prior to that time, if the Senator from New Jersey disposes of his amendment, I be recognized.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Missouri? The Chair hears none, and it is so ordered.

The amendment of the Senator from Missouri will be laid aside for 10 minutes or such shorter period of time as may be required to dispose of the amendment of the Senator from New Jersey.

At this time, the Chair recognizes the Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, before I send my amendment to the desk, I want to make a statement, fairly briefly, about the provisions in the trade bill that deal with process patents and intellectual property protection.

Mr. President, I want to particularly commend the chairman of the Finance Committee, Senator BENTSEN, for his leadership on developing tougher and better trade laws for our Nation. I also want to commend the majority leader for his leadership. America's problems in trade go beyond the jurisdiction of any one committee. To be competitive in markets abroad, we need to move on a number of fronts at home. With Senator BYRD's leadership, we are moving in a coordinated way.

The bill mandates responses to unfair trade. It improves enforcement of antidumping and countervailing duty laws. It sets up programs to help American firms and American business adjust and recover from import-related injury. It requires action to open up markets for telecommunication products—action that I worked for almost since I arrived in the Senate, along with Senator DANFORTH and others. It sets out our Nation's goals for updating and improving the GATT—the world's trade system. I am pleased to be a cosponsor of major components of the package.

Mr. President, I would like to take a few minutes to discuss one aspect of our trade problem, and the solutions that we have before us. One of the many steps we need to take, to enhance our position in world trade, to make America more competitive, is to enhance the protection of American ideas. We need to promote American ingenuity. We need to guard our innovation. We need to take action against foreign pirates of American invention.

America's economic edge is its technology and its innovation. But, if we're to enjoy the fruits of our labor—the jobs and growth that come from innovation—we need to stop the piracy of American intellectual property. I refer to U.S. patents, copyrights, trademarks, trade secrets, and semiconductor masks.

With disturbing frequency, foreign firms pirate American inventions, and then ship those products back here. The International Trade Commission estimated, back in 1982, that infringement of U.S. intellectual property cost Americans 131,000 jobs, in just 5 selected industrial sectors. Piracy cost the Nation's businesses $5.5 billion in annual sales. Estimates of total losses now range from $8 billion to $20 billion.

U.S. copyright industries put annual lost sales at over $1.3 billion because of ineffective or inadequate protection of U.S. copyrighted works by certain countries. The U.S. agrichemical industry says it loses $200 million a year because of inadequate or ineffective patent protection.

In my State, this is a critical issue. New Jersey ranks third among States in patents granted to its businesses. Research-based firms are plowing millions of dollars into the development of new products and processes. They need the assurance that others will not be able to take a free ride on their investment.

It takes as much as $150 million to develop and bring a new pharmaceutical product to market. Yet, an average chemist could duplicate it with ease. A new family of semiconductor chips may cost $100 million or more to design, yet can be copied for less than $1 million.

We need to take action. The bill before us would do that. It incorporates a number of important reforms of intellectual property right protection. I would like to take a few moments to discuss those.

Mr. President, this bill would amend section 337 of the Tariff Act of 1930, to remove hurdles that stand in the way of innovators' ability to get protection from the International Trade Commission. The bill incorporates the text of S. 486, which I was pleased to sponsor and be joined by Senator Roth and others.

The bill also incorporates process patent reform. It includes the text of S. 1200, which Senator DeConcini, Senator Hatch, and I were able to craft after a great effort. That bill would make it a violation of U.S. patent law, to import into the United States or sell products in our country, that were made abroad through the unauthorized use of American patented processes.

The bill would also require the USTR to identify priority nations that deny protection of intellectual property. Those top infringing countries would then become the target of unfair trade investigations.

The bill would also put intellectual property protection on the list of our goals in the new trade round. We need stronger international rules of intellectual property protection.

These are all important steps. They're steps that will help protect American innovation, American jobs, and American business.

Mr. President, I ask unanimous consent that the full text of my remarks be included in the Record as if read in full. I applaud the Finance Committee chairman and the other committees for their work in developing this important legislation.

SECTION 337 REFORM

Section 337 of the Tariff Act of 1930 provides a remedy. It empowers the ITC to exclude imports when the importer engages in unfair acts. The law is used to keep out pirated products. But the law falls short.

The main problem is this: it is not enough to prove piracy. One has to prove it hurts. One has to prove that imports would destroy or injure a U.S. industry, an industry that is efficient and economically operated.

To exclude foreign goods, proof of piracy should be enough. Infringement is injury. We need to make that clear. If an import infringes U.S. intellectual property rights, it ought to be excluded. And this amendment would make that clear.

But we can't stop there. The so-called industry requirement is also too broad. Today, in order to get relief, inventors must exploit their invention by production in the United States. For better or worse, we are more and more an information based economy. For those who make substantial investments in research, there should be a remedy. For those who make substantial investments in the creation of intellectual property and then license their creations, there should be a remedy.

Let me give you one example. There is a start-up biotech firm in my State. Its product is its patents. It hasn't reached the stage to manufacture. It doesn't have the money. But it will reach that point, by licensing its patents to others. Should we deny that firm the right to exclude the works of pirates? Our legislation would say no. A party could get relief if it has made significant investment in R&D, engineering, or licensing.

I would note that while we are no longer proposing that the removal of the injury requirement apply to trade secrets or common law trademarks, we do propose that the change in the industry requirement apply to these forms of intellectual property.

The legislation would address other problems with section 337.

It would make sure that the ITC acts promptly on emergency complaints. Where a key shipment of infringing goods is on its way, or a critical selling season is approaching, justice delayed is justice denied. The bill sets up a 90-day time period, with an opportunity on the part of the ITC to extend that by 60 days in complicated cases. Without the need to prove injury to an industry, however, the ITC's determinations should be substantially less complicated than they have in the past.

The bill also provides the ITC with discretion to require that a petitioner supply a bond, before receiving a temporary exclusion order. There have been complaints that the ITC has been reluctant to issue temporary exclusion orders. This provision would enable the ITC, where appropriate, both to confirm the seriousness of a petitioner and to respond to some hesitation it may have in ordering this remedy.

The legislation makes clear that once a firm is found guilty and subject to an exclusion order, that firm has the burden of proof if it wants to reopen the case. That firm should be barred from raising claims it could have raised before.

The bill makes clear that where a party seeks a limited exclusion order, and a defendant defaults without good cause, relief should be forthcoming.

The legislation gives the ITC the power to order the seizure and forfeiture of goods, once one effort was made to bring them in, in violation of an exclusion order. Right now, pirates who get caught in one port can just try to bring their goods in at another port.

PROCESS PATENT REFORM

Mr. President, while reform of section 337 will make a significant difference to intellectual property right protection, we need to expand domestic patent rights as well.

Title 33 of the bill before us incorporates the Process Patent Amendments Act, included in S. 1200. The title is a product of a long and arduous effort to expand protection of process patents while addressing the concerns of innocent importers and sellers. The title would make it an infringement to import, use or sell products made by the unauthorized use of a patented process. However, the bill attempts to address a number of points of controversy that have stood in the way of enactment of process patent legislation.

A great deal of discussion and thought has been given to the issue of whether and to what extent parties whom one might characterize as innocent should be held liable for damages or subject to an injunction. On the other hand, a basic principle of the process patent legislation has been that an importer or seller of products shall be liable for infringement, even though the importer or seller does not actually use the patented process. Particularly where the party actually using the process may be operating abroad, the importer of seller is the only party reachable in U.S. courts. The importer or seller can then turn to the party using the process.

The bill provides however, that for certain innocent parties, remedies would be limited with respect to a normal amount of product on hand, in transit, or for which there is a binding commitment to purchase, before a party has notice of infringement. Although it is not expressly stated in the bill, a normal amount of product would presumably be 6 months' worth in the case of an importer, and 18 months' worth in the case of a retailer.

Moreover, notice of infringement is carefully defined to include actual knowledge, or notification, or combination of the two, of information sufficient to persuade a reasonable person that it is likely that the product was made by an infringing process. This level of notice of infringement is obviously lower than that set out in S. 568, but higher than that set out in S. 573.

The definition of notice of infringement has been a major point of dispute. This is a significant matter because it could affect when a party begins to be liable for damages and when he becomes ineligible to enjoy the limitation of remedies involving product on hand, in transit or for which there is a binding commitment. Importers argued that they should not be faced with the possibility of mounting damages upon the filing of bald claims. On the other hand, patentees argued that they should not be expected to include more facts in a notice than they could reasonably be expected to have on hand. The bill attempts to address both these concerns.

The bill includes a mechanism by which a party can request disclosure of patents owned by or licensed to a party. The proponents of this mechanism argued that it could serve as an important means of avoiding infringement. Mr. President, that is an unassailable goal. The compromise intends to pursue that goal, by requiring those who request and receive such disclosure to pass the information on to their manufacturers. Failure to do so would be deemed notice of infringement. Moreover, failure by the foreign supplier to respond adequately could be evidence of notice.

In order to encourage parties to take steps to avoid infringement, the bill provides that in determining whether an infringer has acted in good faith, one considers, among other things, whether that party has made a request for disclosure, absent mitigating circumstances. The bill recognizes however, that there are cases where such circumstances would apply. On the other hand, the failure of a patentee to respond to a request for disclosure could be considered as a sign of the absence of good faith of the patentee. The good faith of the infringer, and to that limited extent, the good faith of the patentee, is then considered by the court in fashioning the ultimate remedy.

Mr. President, retailers have complained that it is unfair to subject them to liability for infringement, when an adequate remedy can be secured from a party closer to the actual user of the process. Consequently, the bill provides that a party cannot seek a remedy from a retail seller, or a noncommercial user of a product, unless a remedy is not available from the importer, or other seller or user.

The bill includes a provision for a rebuttal presumption that a patented process has been used. While both S. 568 and S. 573 required the court to find that the claimant had made a reasonable, but unsuccessful effort, to determine the process actually used, S. 568 required the court to find that there is evidence to establish a "substantial likelihood" that the product was made by a patented process. S. 573 required evidence establishing a "high degree of probablility." While the bill we introduce today incorporates the "substantial likelihood" standard, it is understood that this standard nonetheless does not rise to the level of requiring the plaintiff to establish by a fair preponderance of the evidence the product was made a patented process.

The bill includes a so-called grandfather clause, to allow parties to continue to use, sell or important products already in substantial and continuous sale or use by a date certain. The bill sets the date at May 15, 1987. The bill also adds a provision, barring the application of the grandfather clause to persons whose product involves a process that is the subject of enforcement actions commenced before January 1, 1987. That is to ensure that the bill does not undo relief already granted in another forum.

NEGOTIATING MULTINATIONAL IP STANDARDS

Mr. President, while 337 and process patent reform will help rid the American market of infringing goods, we need to do more about infringement abroad. We must take steps to increase intellectual property right protection in other countries. At stake are American exports and American jobs.

The bill sets out negotiating objectives for the next trade round. I am pleased that the bill includes intellectual property right protection as one of our major objectives. We need minimum international standards of protection.

While there exist international agreements on intellectual property, they often require only that the Nation provide national treatment—meaning that foreigners get the same protection as citizens. In many cases, this means no protection at all. The conventions were never intended to be used as enforcement mechanisms, nor do they have bilateral or multilateral dispute settlement provisions. They are not self-executing.

UNFAIR TRADE INVESTIGATIONS AND MARKET ACCESS

The bill, however, recognizes that we need to take action before the next round is completed. We need to consider inadequate and ineffectiveness intellectual property protection as an unfair trade practice and to take steps to respond. We need to tear down practices of foreign countries that deny, through various means, access to market of intellectual property based industries.

The bill contains provisions based on a bill that I was pleased to join Senator WILSON and others in introducing, S. 335. The bill requires the USTR to select priority foreign countries whose disregard of intellectual property protection requires a response. The USTR would then, subject to limited exceptions, commence an unfair trade action investigation and to make recommendations to the President for action subject to strict deadlines.

Mr. President, our trade deficit cannot be erased overnight. We need to remove unfair trade practices. We need to promote American competitiveness. American innovation is key to American competitiveness. That innovation is tied up in our patents, copyrights, trademarks, and semiconductor mask works. We need to protect those rights, and take action to gain respect for those rights abroad.

This is one of many steps we need to take. This is one of the many steps included in the bill before us.

I urge my colleagues to support these important reforms.

AMENDMENT NO. 575

(Purpose: To express the Sense of the Congress regarding unfair practices in competition involving intellectual property)

Mr. LAUTENBERG. Mr. President, while the bill before us makes several important and necessary improvements in intellectual property protection, we need to clarify the importance of respect for such forms of intellectual property as trade dress, marketing slogans, and promotional practices.

For that reason, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] for himself and others proposes an amendment numbered 575.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 248 of the bill, between lines 2 and 3, insert the following:

SEC. 415. UNFAIR COMPETITIVE PRACTICE INVOLVING INTELLECTUAL PROPERTY.

(a) FINDINGS.—The Congress finds that—

(1) inadequate or ineffective protection in foreign markets of intellectual property including copyrights, patents, semiconductor mask works and trademarks, seriously restrict United States exports of goods and services;

(2) unfair competition practices such as the imitation of trade dress, marketing campaigns and promotional methods of internationally recognized brand names mislead consumers, violate the intellectual property rights of the legitimate owners, and injure both owner and consumer;

(3) disregarding intellectual property rights and unfair competition practices obstruct the ability of the legitimate owners to enter and expand export sales to foreign markets where legal safeguards are inadequate or unenforced; and

(4) inadequate or ineffective enforcement of intellectual property rights and laws to prohibit unfair methods of competition, together with other barriers to trade, including tariff and nontariff barriers, may totally exclude competitive United States exports from a foreign market.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) United States exporters should have access to foreign markets free from the commercial risk from unfair competition practices and violations of intellectual property rights;

(2) unfair competition practices and violations of intellectual property rights are especially damaging when coupled with other barriers to trade such as tariffs, whether bound or unbound, nontariff barriers such as quotas, licensing, marketing and distribution restraints, and unreasonable health registration requirements; and

(3) the President should give special attention to cases where such access is not available and should use all appropriate powers of his office, including those provided under sections 301 and 503 of the Trade Act of 1974, to secure fair market access for United States exports and to protect the intellectual property of United States exporters.

Mr. LAUTENBERG. Mr. President, this amendment is submitted on behalf of myself and the following cosponsors: Senators DECONCINI, BRADLEY, CHAFEE, GRASSLEY, HEINZ, LEAHY, MURKOWSKI, NUNN, RIEGLE, LUGAR, HEFLIN, SIMON, D'AMATO, DANFORTH, and GLENN.

Mr. President, Congress has established an enviable record in the passage of legislation to protect the intellectual property rights of American companies, individual entrepreneurs, scientists, artists, and others. Their trademarks, copyrights, and patents represent their extraordinary creativity. Many of the brand names we see around us each day and have come to trust are the result of years of building and preserving product integrity and consumer loyalty.

Famous American brand names such as M&M's, Coca-Cola, Kellogs, Gerber, and Kraft, to name a few, have for decades successfully spearheaded the U.S. export effort by opening up new markets for their products around the world. Often their pioneering has paved the way for others in their industry or in complementary product and service sectors to begin exporting to new markets as well. These are among our most competitive exports but are also often exposed to unfair competitive practices and trademark, copyright, and patent infringements.

Recently the story made United States and world press that those beloved American chocolates M&M's, were being imitated by a Japanese company by the name of Lotte. The universal public reaction was, "Is nothing sacred?" The Japanese company didn't stop at just copying M&M's. They took it all. The slogan, "Melts in your mouth, not in your hand" became "Mellow in your mouth, won't stick to your hand". The packaging, promotion materials—everything was copied in an attempt to mislead the consumer and capitalize on the reputation and consumer appeal of M&M's.

This imitation was not flattery. It was a calculated attempt to block M&M's from entering new regional markets in Japan. These practices are potentially devastating because M&M's ability to fight back in the marketplace is hampered by a 20-percent ad valorem import duty and a distribution system that is largely closed to non-Japanese companies.

Mr. President, I have been advised that the Japanese firm, the Lotte Co., has agreed to end its unfair competitive practices against M&M's. We welcome this decision by the chairman of Lotte Co. While their unfair practices were a bitter pill to swallow, Lotte's turnabout is sweet news. Unfortunately, it took the combined efforts of Members of Congress and the administration—expecially the Commerce Department's Japan team—to make absolutely clear how negatively the United States views such activities against its exports.

This incident has confirmed the need to send a clear message to companies in Japan and elsewhere who would exploit the proprietary rights of M&M's or any other American product. Congress intends that unfair competitive practices such as imitation trade dress, advertising, and promotion, involving the trademarks, copyrights, and patents of U.S. exports will be actionable under the intellectual property protection provisions of S. 1420.

Mr. President, I urge adoption of the amendment.

Mr. DECONCINI. Mr. President, Congress is taking several steps forward with the Senate trade bill in its effort to improve U.S. laws that protect intellectual property rights. I am the sponsor of titles XXXIII to XXXVI which will make important reforms of our patent laws and which will enhance America's trade and competitive position. However, I do not believe that we have yet done enough to enforce the intellectual property rights of American exports overseas.

I have cosponsored this resolution and support the intellectual property provisions in titles III and IV because I believe there is inadequate protection in foreign markets for American intellectual property rights including copyrighted works, patents, and registered trademarks. Often bilateral and multilateral agreements on intellectual property and unfair competitive codes are ignored by the very countries whose products and services enjoy comprehensive protection and national treatment under our laws.

As chairman of the Senate Judiciary Subcommittee on Patents, Copyrights, and Trademarks, I am determined to see that companies who have spent years building on international reputation and acceptance of their brands will be protected from unfair competitive practices involving trademarks and copyrights.

We have been reminded of the risk many of our famous exports face by the recent case of M&M's in Japan. A Japanese company decided to take the short route to success and imitate M&M's, its slogan, packaging, advertising, and promotion program.

It is important for Congress to make absolutely clear that it intends S. 1420 to be used to combat unfair competitive practices such as those used against M&M's in Japan and to aggressively protect the intellectual property of all U.S. exporters venturing into new foreign markets. I commend Senator LAUTENBERG for introducing this resolution and for his continuing leadership in this area.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey.

Mr. DASCHLE. Mr. President, we have examined the amendment and certainly have no difficulty with it, and urge its adoption.

Mr. DANFORTH. Mr. President, the amendment is agreeable to this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey.

The amendment (No. 575) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DASCHLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, I told the Senator from Colorado, Senator ARMSTRONG, that I would not commence debate on this amendment until he was present on the floor, and word was sent to Senator ARMSTRONG, I guess 15 minutes or so ago, that the amendment was going to come to the floor. But he is not yet present and, therefore, unless some other Senator has some amendment that he would like to call up for a very limited period of time——

Mr. DASCHLE. Mr. President, if the Senator will yield, we have some technical amendments that we could dispose of at this time.

Mr. DANFORTH. Mr. President, I ask unanimous consent that for a period of 5 minutes, it might be in order to set my amendment aside for the purpose of Senator DASCHLE's calling up some noncontroversial amendments and that at the termination of the 5-minute period of time, I again be recognized.

The PRESIDING OFFICER (Mr. WIRTH). Without objection, it is so ordered.

AMENDMENT NO. 576

Mr. DASCHLE. Mr. President, I have an amendment I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from South Dakota (Mr. DASCHLE) for Mr. MITCHELL and Mr. WILSON, proposes an amendment numbered 576.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 135, strike all after line 3, on page 136, strike lines 1 through lines 17. Insert in lieu thereof:

(a) IN GENERAL.—By no later than the date that is 30 days after the date on which the annual report is submitted to Congressional committees under section 181(b), the United States Trade Representative (hereinafter in the section referred to as the "Trade Representative") shall indentify—

(1) those foreign countries that deny adequate and effective protection of intellectual property rights or deny fair and equitable market access to United States persons that rely upon intellectual property protection; and

(2) those foreign countries listed pursuant to paragraph (1) that are determined by the Trade Representative to be priority foreign countries.

(b) In making the indentification of priorities foreign companies under subsection (a), the Trade Representative shall take into account the following—

(1) the onerous nature and significance of the acts, policies, and practices that deny adequate and effective intellectual property protection, or deny fair and equitable market access to United States persons that rely upon intellectual property protection;

(2) the potential size of the markets for the relevant United States products and services; and

(3) the estimate of the trade-distorting impact on United States commerce of such acts, policies, or practices contained in the annual report required under section 181(b).

(c) For purposes of indentifying priority foreign countries under paragraph (1), the Trade Representative shall take into account information from such sources as may be available to him or submitted to him by interested persons, including information contained in reports submitted under section 181(b) and petitions submitted under Section 301.

On page 136, line 18, redesignated paragraph (c) as paragraph (f).

On page 136, line 25, before the "." insert "and with respect to the revocation of an identification under paragraph (1), the Trade Representative submits to the Congress a written report setting forth, in detail, the reasons for the determination".

(e) The term "persons that rely upon intellectual property protection" means individuals, corporations, partnerships, joint ventures, or other business organizations involved in: (i) the creation, production or licensing of literary artistic works that are copyrighted, or (ii) the manufacture of products that are patented or for which there are process patents.

(f) The term "adequate and effective protection of intellectual property" means that a country provides adequate and effective means under its law for foreign persons to secure, to exercise and to enforce rights in all forms of intellectual property, including patents, process patents, trademarks, copyrights, mask works, trade secrets, and proprietary technical data.

On page 137, redesignate paragraph (d) as paragraph (g).

On page 141, line 5, insert "(2)" after "(a)".

On page 141, line 18, insert "(2)" after "(a)".

On page 141, line 24, insert "on a bilateral or multilateral basis" after "negotiations".

On page 142, line 2, before the ".", insert the following: "(2), and the foreign country is making substantive and timely progress towards these ends".

Mr. DASCHLE. Mr. President, the amendment I am sending to the desk is offered on behalf of Senators MITCHELL and WILSON. It makes a number of technical changes to section 302 of the Finance Committee bill.

This section of the committee bill establishes a comprehensive program, within the framework of section 301, to address the growing problem of inadequate and ineffective intellectual property protection, and to address the unique foreign market access problems of U.S. companies that rely upon intellectual property protection.

This new program will create a more focused mechanism within the Trade Representative's office to respond to unfair trading practices of other nations which deny U.S. persons adequate and effective protection or fair and equitable market access.

The committee bill requires the USTR to use the annual National Trade Estimates to identify those countries which deny adequate and effective protection or fair and equitable market access to U.S. persons and then to identify "priority foreign countries" from that list according to the significance of their wrongful acts.

An investigation under section 301 would then follow with the encouragement for "priority foreign countries" to enter into negotiations or otherwise take action to correct their wrongful acts. If negotiations are unsuccessful or the foreign country does not implement measures to provide adequate and effective protection of intellectual property rights and fair and equitable market access, the USTR is to proceed with recommendations for the President to take action under section 301. The President's response would be discretionary.

The amendment that is being offered today would make technical changes in the statutory language to more closely reflect the actual provisions agreed to by the Finance Committee. These changes would modify the procedures for identifying priority foreign countries which have the most onerous and significant unfair acts. It would also provide more detail as to the definition of priority foreign countries.

The amendment also includes language defining the term "persons that rely upon intellectual property protection" and the term "adequate and effective protection of intellectual property."

Mr. WILSON. Mr. President, history shows that one of the most commercially destructive forms of international conduct is piracy. As long as pirates are able to operate from safe havens and disrupt international commerce, the opportunity for profitable international trade is threatened.

Today, piracy continues to deny many U.S. companies the opportunity to profit from their efforts, but the stakes are much higher. On an annual basis, billions of dollars in sales are lost to the insidious piracy that preys on U.S. intellectual property, and billions more are lost to the accompanying protectionism that denies foreign market access to high value-added, intellectual property-based products.

Mr. President, with this in mind, I am very pleased to join as a cosponsor of the amendment offered by the distinguished Senator from Maine [Mr. MITCHELL]. It makes certain technical changes to the omnibus trade bill to strengthen the language designed to bring an end to these clearly unfair international trade practices.

Mr. President, the pending amendment embodies a revised version of the Anti-Piracy and Market Access Act, which I first introduced in the 99th Congress and which I introduced again earlier this year, as S. 335, along with the Senator from Maine, and the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Wyoming [Mr. WALLOP], and my colleague from California [Mr. CRANSTON].

Plainly stated, the problem is that criminals around the world are costing American companies billions of dollars by cranking out millions of unauthorized copies of U.S. records and tapes, movies, books, toys, computer programs, and many other items that carry a copyright or trademark. They are also ripping off American manufacturers of electronics, chemicals, pharmaceuticals, and other U.S.-developed and patented goods—sometimes risking the lives of purchasers and the public at large.

Private and U.S. governmental studies have estimated that the cost of intellectual property piracy to U.S. industries this year will exceed $3 billion, and perhaps be as high as $20 billion. That is somewhere between 2 percent and 13 percent of last year's trade deficit.

Officially protected piracy is as much an unfair trading practice as are foreign subsidies and closed markets. Indeed, it is of little help to a U.S. company if it is granted access to a market to sell its copyrighted, trademarked, or patented goods, but then finds that the host government is allowing a flourishing market in illegal copies. Of course the pirated goods will be sold for less, for there is no need to make payments to the artists who created the works, or the companies that paid for their original productions and promotion. This is cream skimming taken to the extreme.

Another unfair trade practice prevents U.S. companies from selling high value-added products. Whether in the form of flat prohibitions, quotas, irrational standards requirements, or compulsory licensing laws, U.S. companies are denied billions of dollars of sales opportunities. Publishing, electronics, entertainment, pharmaceutical, chemical, and other companies—which are among our most competitive industries—are simply prevented from competing in many foreign markets. This denies these companies significant income and denies the United States significant export revenue.

What makes denial of market access of intellectual property-based products particularly significant is that they are created at great research and development expense. Without a continuing flow of revenue from worldwide markets, continued R&D cannot take place. And without the financial resources to perform R&D today, by the time a foreign market is opened, the U.S. company may not have state of the art equipment to offer. Therefore, markets closed to these products must be redressed quickly if we are to maintain our technological competitiveness.

The Mitchell-Wilson amendment would provide a regularized approach for redressing these two types of unfair trade practices—piracy and closed markets.

The amendment requires, after the annual release of the national trade estimates report, a cataloguing of offending countries and the designation of "priority countries"—those with which we have the most significant piracy or market access problems and the greatest market potential. Then, the U.S. Trade Representative is instructed to self-initiate investigations under section 301 of the Trade Act of 1974 against these priority countries and to process them on an expedited basis. If negotiations with these countries are not able to achieve success, the President would be authorized to retaliate using the tools available under section 301.

Mr. President, what makes these unfair foreign trade practices all the more outrageous is that they are often protected by governments we consider friendly to the United States. Indeed, in many cases we have provided special trade benefits in order to help them develop their economies.

Many beneficiaries of our GSP program allow rampant piracy and have erected insurmountable barriers to our intellectual property-based products. Specifically, Indonesia, Singapore, Taiwan, South Korea, and other Far East nations have been guilty of these practices, though some progress has been made in recent months.

While these are developing countries, such obnoxious practices are practiced by one of the world's largest trading nations—and our largest trading partner—Canada. Canada has formal policies in place, and has plans to expand them, that limit United States investment in intellectual property-oriented industries—such as publishing and entertainment. They also allow and encourage the theft of U.S. intellectual property in the form of copyrighted television shows and movies. And, Canada provides inadequate protection for the patent rights of U.S. pharmaceutical companies.

I am hopeful that the representations of the Canadian Government that it wants to reach a true free trade agreement means that it is willing to negotiate an end to these protectionist and unfair practices. If not, we will have to pursue formal trade actions under the terms of the Mitchell-Wilson amendment.

Mr. President, I want to commend the efforts of the Senator from Maine, as well as that of the distinguished chairman of the Finance Committee, Mr. BENTSEN, to reach an extremely workable and effective approach to bringing about an end to intellectual property piracy and market barriers that prevent expanded trade in intellectual property-based products.

Mr. MITCHELL. Mr. President, the amendment I am sending to the desk is offered on behalf of myself and Senator WILSON. It makes a number of technical changes to section 302 of the Finance Committee bill.

This section of the committee bill establishes a comprehensive program, within the framework of section 301, to address the growing problem of inadequate and ineffective intellectual property protection, and to address the unique foreign market access problems of U.S. companies that rely upon intellectual property protection.

This new program will create a more focused mechanism within the Trade Representative's Office to respond to unfair trading practices of other nations which deny U.S. persons adequate and effective protection or fair and equitable market access.

The committee bill requires the USTR to use the annual National Trade Estimates to identify those countries which deny adequate and effective protection or fair and equitable market access to U.S. persons and then to identify "priority foreign countries" from that list according to the significance of their wrongful acts. An investigation under section 301 would then follow with the encouragement for "priority foreign countries" to enter into negotiations or otherwise take action to correct their wrongful acts. If negotiations are unsuccessful or the foreign country does not implement measures to provide adequate and effective protection of intellectual property rights and fair and equitable market access, the USTR is to proceed with recommendations for the President to take action under section 301. The President's response would be discretionary.

The amendment that is being offered today would make technical changes in the statutory language to more closely reflect the actual provisions agreed to by the Finance Committee. These changes would modify the procedures for identifying priority foreign countries which have the most onerous and significant unfair acts. It would also provide more detail as to the definition of priority foreign countries.

The amendment also includes language defining the term "persons that rely upon intellectual property protection" and the term "adequate and effective protection of intellectual property."

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. 576) was agreed to.

AMENDMENT NO. 577

(Purpose: To ensure the budget neutrality of the Agriculture Title in Fiscal Year 1988 to the Omnibus Trade and Competitiveness Act of 1987.)

Mr. DASCHLE. Mr. President, I have an amendment that I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE] for Mr. CHILES for himself, Mr. DOMENICI, Mr. LEAHY, and Mr. LUGAR proposes an amendment numbered 577.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 535,

(1) on line 6 after "(1)." insert "; and";

(2) strike lines 7 through 11.

Mr. DASCHLE. Mr. President, the amendment that I have just sent to the desk has been cleared by the chairman and the ranking member of the Senate Agriculture Committee.

Mr. CHILES. Mr. President, it is no surprise that the trade bill will cost money. Today, Senators DOMENICI, LEAHY, LUGAR, and I join in offering an amendment which will remove some of that spending. The amendment will delete a provision in the agriculture section of the bill and thus eliminate spending caused by that section in 1988.

The section to be deleted is part of the expanded Export Enhancement Program or EEP. The section is a technical one which would require the use of current market value rather than acquisition value to account for EEP activity.

While this is merely an accounting change, elimination of this provision will reduce direct spending in the trade bill by $180 million.

Last month, Congress passed a budget resolution which reconciled large amounts of savings from farm programs to the Agriculture Committee. In 1988 alone, savings of $1.2 billion are required to be achieved. The 3-year total is $5.45 billion.

The resolution did not assume a spending increase such as the one which would result from the agriculture portion of the trade bill. In fact, programs which were not targeted for cuts were assumed to be funded at 1987 levels.

Less than 1 month has passed and here we are considering an agriculture title in the trade bill which will increase spending beyond the level we just agreed to for 1988. I cannot support such a proposal. This amendment will remedy that problem.

Mr. LEAHY. Mr. President, I rise in support of this amendment offered by Senator CHILES and cosponsored by myself and other Senators. This amendment is necessary to reduce the cost of certain provisions of the agriculture title of the trade bill.

We are all aware of the need for the Congress to act responsibly and control spending. We are probably more cognizant of this need at this time because the Senate has budget reconciliation instructions before it.

The amendment strikes a provision of the agriculture title of the trade bill that would have mandated an accounting change in the operation of the Export Enhancement Program. Striking this provision reduces the cost of the bill by about $300 million. I want to emphasize, however, that this change will not in any way adversely impact on the operation of this vitally important program.

The Agriculture Committee already has some difficult decisions to make in the area of budget reconciliation. I am happy to cosponsor this amendment which will ultimately make our budget deficit cutting task easier.

Mr. DOMENICI. Mr. President, I join with Senator CHILES, the distinguished chairman of the Budget Committee, with Senators LEAHY and LUGAR, the chairman and ranking member of the Agriculture Committee in offering this amendment.

The basic effect of this amendment is to fix some of the most egregious budget busting provisions in the agricultural title of this bill. The amendment makes a small modification in the export exhancement provisions of this bill.

More specifically, the amendment simply drops the requirement of a shift in accounting from an acquisitions basis to a market price basis for valuing commodities under the Export Enhancement Program. By dropping this requirement, the Agriculture Department has the discretion to use either the acquisition or market price basis.

The net effect of this amendment is to reduce the direct spending portion of the agriculture title of the bill by $180 million in fiscal year 1988, $70 million in fiscal year 1989, and $60 million in fiscal year 1990.

Mr. President, I believe the amendment is straight forward. I believe it is reasonable. I urge all Senators to support this amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. 577) was agreed to.

Mr. DASCHLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DANFORTH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DANFORTH AMENDMENT NO. 574

The PRESIDING OFFICER. Under the previous order, the Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, it is my understanding that a rollcall vote will occur at 2:30. I ask unanimous consent that, immediately subsequent to that rollcall vote, the amendment that I have offered on behalf of myself and Senators METZENBAUM and PACKWOOD might be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I see Senator ARMSTRONG and Senator DODD on the floor and Senator METZENBAUM, I think, will be on the floor in short order.

Mr. ARMSTRONG. Will the Senator yield?

Mr. DANFORTH. Of course.

Mr. ARMSTRONG. As I understand it, the Senator has arranged to call up his amendment shortly.

Mr. DANFORTH. The amendment has been called up.

Mr. ARMSTRONG. And has deferred calling it up so that I might be on the floor to be present for the entirety of his statement. I just wanted to thank him for his courtesy in arranging it that way. The issue which he raises is one about which he and I are not in agreement, so I am doubly grateful to him for his courtesy for permitting events to unfold in this way. It is an extraordinarily important issue. I am just thankful to him for making it convenient for everybody to be here and have a full and fair argument on the issue.

Mr. DANFORTH. Mr. President, I thank the Senator from Colorado.

This amendment has been called up because no unanimous consent was required until 2:30. It is my understanding—and the Chair, I hope, will correct me if I am not correct—that this amendment now has been called up and that subsequent to the rollcall vote at 2:30 it will be in order and debate will then proceed on this.

The PRESIDING OFFICER. The Senator is correct.

Prior to proceeding further, while the Senator from Colorado is here, the Chair would inquire if a time agreement had been reached by the Senator from Missouri, the Senator from Connecticut, the Senator from Ohio, and the Senator from Colorado. The Chair had heard a time ranging anywhere from 40 minutes to 2 hours and was wondering if, in fact, the Senators on the floor had reached a time agreement.

The Chair would address that to the Senator from Missouri.

Mr. DANFORTH. Mr. President, I would suggest 1 hour, equally divided, with no amendments in order, and that one-half hour be under my control and one-half hour be under Senator ARMSTRONG's control.

Mr. ARMSTRONG. If the Senator will yield to me, let me say that I am really sorry that we are going to relitigate this issue. We had a lengthy and I think a good debate on this matter last Friday when the Senate decided, for good and sufficient reasons, to adopt an amendment expressing in strong terms how we feel about human rights in Romania and suspended MFN status for that country.

Under the circumstances, I am not in a position to agree on a time agreement. I expect that there will be lengthy debate on this amendment, which I understand the Senator from Missouri and the Senator from Ohio will bring up.

Now, sometime, Mr. President, when the expression "lengthy debate" is used, it is a euphemism for filibuster. That is not what I have in mind. As far as I am concerned, there will be no filibuster, but I expect that it will take some time because I suspect there are several Senators on our side of the aisle who want to speak. I have a number of matters I want to bring up myself. I not only want to speak to the merits of the proposed amendment, but I want to go back and put into perspective the actions that occurred on Friday.

Then I want to respond to some of the things that have not happened on the floor but have happened off the floor. A number of Senators may know, but not every Senator may be aware, that some people were so disappointed in the outcome of things on Friday that they undertook to put an interpretation on some of the events that simply was not fair, was not accurate. Specifically—and I will address this in a few minutes—they undertook to misportray the remarks of the Senator from Connecticut and myself. They questioned improperly some statistics which were inserted into the RECORD and simply gave misleading figures. In my view, they have misinterpreted not only the intent and effect, but the probable outcome of this amendment. So I am going to want to speak on that.

In addition, Mr. President, subsequent to the passage of the amendment, Amnesty International, unknown to me, and without any knowledge, I guess, of any Senator, Amnesty International has issued its new report on human rights in Romania. And I am going to tell you it will curl the hair of Senators, because everything the Senator from Connecticut and others said about what was going on in Romania is not only validated but is emphasized by this report which has come out in the last 4 or 5 days.

So I have some fairly lengthy remarks that I wish to make.

I see the Senator from Connecticut is here. I know several others wish to speak on this amendment.

Mr. DODD. Will the Senator yield?

Mr. ARMSTRONG. I believe the Senator from Missouri has the floor.

Mr. DODD. I would appreciate the Senator yielding with regards to the unanimous-consent request.

The PRESIDING OFFICER. The Chair inquired about the possibility of a unanimous-consent request. The Chair's understanding was that a unanimous-consent request was attempted by the Senator from Missouri.

Mr. DANFORTH. The Senator from Missouri stated that perhaps an hour, equally divided, would be appropriate.

Mr. DODD. If I could respond and ask my colleague to yield before propounding the unanimous-consent request I think it is regrettable, in a sense, that we are revisiting an issue that we debated for 2½ hours 3 weeks ago and on which, by a margin of 21 votes, this body decided to adopt an amendment.

We heard lengthy discussions this morning and this afternoon about trying to move this bill. I do not know why we are going to go back to an issue that has already been debated for 2½ hours and now we are going to go back to it.

I would say, with all due respect, to my colleagues from Missouri and Ohio and others, that this is an issue which we do not need to debate again. It is unfortunate that we are doing so.

I would be constrained to have to agree with my colleague from Colorado and object to any unanimous consent request, because Amnesty International's report is a lengthy one. It tells exactly what we debated 2 weeks ago and in great detail.

If we are going to revisit this, try to undo everything that has been done, then this Senator is going to take some time.

The PRESIDING OFFICER. The Senator from Missouri?

Mr. DANFORTH. Mr. President, I think that it would be well for me to read the amendment again. The clerk read it in its entirety, but I want to read the amendment again because it is very short and very simple and very to the point; then describe the terms of the amendment that we agreed to on Friday, and then very briefly explain to the Senate the thrust of this amendment that is being offered now, the purpose of the amendment that is being offered now.

The amendment says:

> At the appropriate place add the following: The provisions of amendment No. 323—

Which, Mr. President, is what we voted on with respect to Romanian MFN last Friday——

> shall be avoided if the President of the United States determines in a report to Congress that the application of such provisions would make it more difficult to improve human rights practices in Romania or to enhance opportunities for emigration of persons from Romania.

That is what this amendment does.

Mr. President, we have been debating on the floor of the Senate with respect to foreign policy issues and with respect to trade issues, the question of Presidential discretion. We have been debating with respect to international trade, for example, in our debate on section 201 of the Trade Act, the question of Presidential discretion, what is the relationship between Congress and the President of the United States? To what degree should the President have discretion to tailor trade policy to the exigencies of the situation that is before him?

We have had various debates with respect to foreign policy. Some people believe that the President should have almost no discretion. Some people in trade legislation believe that the President should have no discretion at all; that he should perform ministerial functions, carrying out the terms of statutes that are passed by Congress.

Obviously, the President believes that he should have extremely broad discretion and what we have been debating on trade legislation is the degree of power left in the President.

That is very similar to the issue that is before the Congress now.

Mr. President, the Senate did speak on the question of Romania last week. The Senate said, in its debate and in its vote, that we do not like Romania. We do not like the emigration policies of Romania; we do not like the human rights policies of Romania.

The Senate further said that MFN status, most-favored-nation status of Romania, should be interrupted for at least a period of time. Our understanding was that that period of time would be 6 months. That was the basic vote.

In fact, what the amendment did last Friday was set forth certain findings by Congress with respect to human rights violations and emigration restrictions in Romania. Second, what Congress did in this amendment was to set forth objectives, objectives to be accomplished by the amendment and by our policy.

The objectives are, and I quote: "One, the termination of the current policies and practice of the Government of Romania under which, A, its citizens are denied the right or opportunity to emigrate; B, more than a nominal tax is imposed on emigration or on the visas or other documents required for emigration; and, C, more than nominal rate of taxes, levies, fines, fees, or other charges are imposed on citizens as a consequence of their desire to emigrate to the countries of the choice; and, two, substantial progress in halting the persecution by the Government of Romania of its citizens on religious and political grounds, and the repression by such Government of Hungarians and other ethnic minorities within Romania."

Those were the objectives of the amendment. Then, finally, the amendment sets forth the procedure for reaching those objectives. The procedure is a 6-month termination of MFN status and then, after that 6-month period of time, the possibility, only the possibility of a reinstatement of MFN status providing that the President makes certain certifications about Romania, further provided that a joint resolution disapproving the President's certification is not agreed to.

That is what the amendment did, a 6-month termination and then the possibility of a continuation of that termination unless the President certifies to certain things and Congress did not disapprove by joint resolution the President's certification.

Mr. President, the issue that is brought before us today is not a relitigation of what we debated last week. We are not relitigating the question of whether the Romanians are good guys. We are not even relitigating the question of whether it is the will of the Congress that MFN status be interrupted.

The Senate has said yes. I did not agree with that, but the Senate has voted to cut off MFN status with Romania. But what we would point out in this amendment is that the objectives in the amendment that we agreed to on Friday are quite clearly set out in the Congressional Record, June 26, page 19952, for anyone who wants to reread them. The objectives of this whole process are quite clearly set out, and the objectives are to improve human rights in Romania and to improve emigration from Romania. Those are the objectives.

The amendment that was voted on last Friday was not an amendment to put off MFN status for Romania for the pure joy of cutting off MFN status.

The amendment that was agreed to last Friday, but its specific terms, was not an amendment designed to sock it to Romania because we just do not like Romania. Rather, a strategy was in mind, objectives were clearly set out, the priorities of the amendment were to improve situations; to improve the emigration situation, to improve the human rights situation in Romania.

Clearly, it was not the intention of the U.S. Senate to cause mischief. Clearly, it was not the intention of the U.S. Senate, when it voted last Friday, to make things worse rather than better for Romanian Jews.

Clearly it was not the intention of the U.S. Senate to create a kind of Dr. Strangelove machine which exploded, willy-nilly. And that is the issue that is before us now.

Have we created that kind of Dr. Strangelove machine? Do we so want to shutoff MFN status with Romania that we do not care if it backfires? That we do not care if emigration is shut down? That we do not care if another Jew does not leave that country? We want to get the Romanians.

Is that the policy we agreed to on Friday? The answer to that is manifestly no.

How do we assure ourselves that this is not going to backfire? How do we assure ourselves that the withdrawal of MFN status does good, not harm? All we had in this amendment is an additional out. Withdraw MFN status. Withdraw it for 6 months or keep it off for longer, if we want. But let us make sure that there is an out, that if it proves out that the withdrawal of MFN status has a pernicious effect, that it causes us more repression and not less, that it shuts down emigration altogether, let us give the President of the United States sufficient discretion in the day-to-day management of our policies so that the President of the United States can say, "Wait a second. We are not going to follow through with this Dr. Strangelove process."

AMENDMENT NO. 547

The PRESIDING OFFICER. If the Senator will suspend, under the previous order, the hour of 2:30 having arrived, the Senate will now vote on amendment 547. The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. Gore] is necessarily absent.

I also announce that the Senator from Arkansas [Mr. Pryor] is absent because of death in family.

I further announce that, if present and voting, the Senator from Tennessee [Mr. Gore] would vote "yea."

The PRESIDING OFFICER (Mr. Daschle). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 82, nays 16, as follows:

[Rollcall Vote No. 197 Leg.]

YEAS—82

Adams
Armstrong
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Ford
Fowler
Garn
Glenn
Graham
Gramm
Grassley
Hatch
Hatfield
Hecht
Heflin
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
McCain
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Reid
Riegle
Rockefeller
Roth
Sanford
Sarbanes
Sasser
Shelby
Simon
Simpson
Stafford
Stennis
Stevens
Thurmond
Trible
Warner
Weicker
Wilson
Wirth

NAYS—16

Boschwitz
Cranston
D'Amato
Durenberger
Evans
Exon
Harkin
Heinz
Helms
Lugar
McClure
Quayle
Rudman
Specter
Symms
Wallop

NOT VOTING—2

Gore
Pryor

So the amendment (No. 547) was agreed to.

AMENDMENT NO. 574

The PRESIDING OFFICER. The question recurs on amendment 574. The Senator from Missouri is recognized.

Before the Senator proceeds, the Senate will please be in order.

The Senator from Missouri.

Mr. DANFORTH. Mr. President, I ask unanimous consent that Senators Pell and McConnell be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I would point out to the Senate that the House has an MFN Romania provision that is, I am told, substantially identical. I have not compared it myself, but I am told it is substantially identical to the provision that we agreed to on Friday. Therefore, Mr. President, I would suggest that a further reason for putting some flexibility back into the bill is to allow us a little bit of maneuvering room when we are in conference with the House.

I am concerned that we have created a very rigid situation which has created little or no flexibility in conference and no flexibility for the President of the United States in the management of a matter that is not only significant in trade policy but which has a real effect on people's lives.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I am prepared to debate this issue on its merits, but I would like to address myself to my colleagues, Senator Armstrong and Senator Dodd, before doing so, because I am concerned that the issue is going to get off the track and we are going to confuse the issue.

I think there is a question, and Senator Armstrong indicated that he intended to address himself to it, with reference to the representations that he made on the floor at the time the bill was up. I have indeed discussed that subject with him.

But I want to say prior to his saying anything, that I am as certain as I am that I am standing here that not Senator Armstrong, Senator Dodd, nor Senator Danforth would willfully misrepresent anything in the bill or any provisions. If there were misunderstandings, there were misunderstandings and so be it.

But to me, the issue is not who said what and did that statement reflect facts. I think we are beyond that point, and I certainly am not prepared to stand on the floor and in any way whatsoever make that into an issue.

Then my good friend and colleague from Connecticut has made the point, and I think the Senator from Colorado has also made the point, that Amnesty International has just come out with a new report with reference to the conditions that exist on a humanitarian basis in Romania. I am not going to stand on the floor of the Senate defending Romania and its treatment of its own residents, citizens, people, because I do not think that is the issue. I am willing to recognize the total sincerity of the Senator from Connecticut. There is no argument about it. I accept representations of Amnesty International.

I looked a little bit at the report. It indicates a little progress has been made with respect to human rights but certainly not as much progress as should be made.

I think the issue which faces us this afternoon is what is the best way to deal with this problem. If we slam down the door and make it almost impossible for Romania to go back in on the MFN basis, does that help the situation or hurt it. Are we so strong and bellicose that we can take this very strong position and cut off any hope of expanding the emigration that presently exists or improving upon the human rights that exist in Romania.

The amendment the Senator from Missouri and the Senator from Oregon and myself have offered has only one intent, and that is to provide for some negotiating room, to provide some basis so that the matter can be worked out and that there will be an incentive for Romania to move forward in dealing with this issue. But if we slam down the door and make it almost impossible for that country to restore itself to the MFN status, make them lose face, then I believe we will have hurt rather than helped the situation with reference to human rights and with reference to emigration as well. But I hope that we would debate the language of the amendment proposed by the Senators from Missouri and Oregon and myself because I believe that we all want to improve emigration. We all want to improve human rights.

We are not arguing whether the facts justify one position or the other. I think we are talking about based upon the facts as they are, accepting the representations as they are, how can we best deal with this problem to help the people of Romania.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER (Mr. REID). The Senator from Connecticut.

Mr. DODD. Mr. President, as I said a few moments ago, it is regrettable in one way we are having to take up the time of the Senate on a trade bill to debate now twice this issue. This issue was debated for almost 3 hours a week or more ago, and we have been over a great deal. What is new is that we have a report from Amnesty International which confirms, in fact in far greater detail than either the Senator from Colorado or I enumerated previously the deteriorating condition in Romania, not the improving but the deteriorating condition in that country.

Let me say to my good friend from Ohio, who is sincere and believes strongly in human rights and has spoken on countless occasions where other nations have been engaged in significant violations of human rights and supported propositions that would limit or prohibit the United States from underwriting or providing credits in a most advantageous way for a country. This is not just permitting sales. This is an advantageous situation for Romania.

Almost 12 years ago, I offered the first language on Romania; and the situation was bad 12 years ago. And for almost 12 straight years I have often offered language like the proposition which was adopted by the Senate 2 weeks ago. Usually, I have withdrawn the amendment, or the amendment has died without pursuing it, on the basis that if we adopted the amendment we are only going to make things worse in Romania. For over 12 straight years I have followed the advice of my colleagues in this Chamber and in the other body.

But there is a limit to one's patience. And after 12 years, the situation did not get better, not even slightly better. It continued in a deteriorating way, worse every year. So this is not something that Senator ARMSTRONG and I decided to raise this year for the first time. This is an issue I have been involved in during my entire tenure in the Senate and in the House. Frankly, I have run out of patience with it. I do not know why we should wait another year and be promised once again that things will get better—and they never do.

This is not a permanent cutoff of most-favored-nation status. This status is not just allowing the sale of goods. This is most-favored-nation status to Romania. At the end of our 6 months as our legislation was adopted a week ago says, the President can certify and determine that there has been improvement and therefore, normal process takes over, and we come back to this body with Romania having regained this most-favored-nation position.

Let me quote from the amendment that was adopted.

> No later than the 30th day before the close of the immediately preceding rights review period, the President submits to the House of Representatives and the Senate a document containing, (A), a Presidential determination, and the reasons therefore, that the application of nondiscriminatory treatment to the products . . .

And so forth.

> (B). A statement that the President has received assurance . . .

I might add that language tracks exactly Jackson-Vanik. Jackson-Vanik says, and I quote from the Jackson-Vanik legislation, in its paragraph (B):

> The President has received assurances that emigration practices of that country will heretofore lead substantially to achievement of the objectives . . .

We did not write new language. We tracked that language exactly. So at the end of 6 months, the President can come forward. This does not end MFN status for all time for Romania. In fact, it is unlike almost any other situation where we have cut off assistance or aid or prohibited trade; normally we do not provide a mechanism for how that trade or that aid can be restored, whether you are dealing with South Africa, Chile, or other countries where we have adopted similar provisions.

I cannot think of another example where we create in the legislation the ability for the President to restore that assistance or that kind of help. In this legislation we do. I might question whether or not we ought to be doing that, quite frankly, but we have done it here. And so we set up the mechanism at the expiration of 6 months to come back again.

When my colleague from Missouri suggests somehow that this is a permanent termination, a permanent cutoff of MFN status to Romania, that is not the case. That is not what this body adopted 2 weeks ago.

I do not want to go through and read this entire report put out by Amnesty International, which most of us agree is a pretty objective source of information; we all use it on both sides of the aisle. But this report as of July, this month, in its introductory paragraph in describing the situation in Romania says:

> This report documents the persistent pattern of human rights abuse in Romania.

Not improvement:

> The persistent pattern of human rights abuses in Romania in the 1980's, in which the authorities have imprisoned their critics, jailed hundreds of other men and women for wanting to exercise their right to leave their country. Some prisoners of conscience have been tortured, beaten and jailed for years after unfair trials, while other critics of the government have been put under house arrest, have lost their jobs and been charged with parasitism or being attacked on the streets by thugs believed to be acting for the authorities.

And then the organization goes through and enumerates a number of examples here of where those abuses have occurred.

Now, I do not want to go through and read all of this but here is a documentation of what we suggested only a week or so ago.

Mr. METZENBAUM. Will the Senator from Connecticut yield?

Mr. DODD. I will be glad to yield.

Mr. METZENBAUM. I saw the language that the Senator read from the Amnesty International report. But did the Senator also note that in the same report, which he was kind enough to make available to me because I did not have it, they provided as follows:

> During the 1980s Amnesty International received numerous reports of people being imprisoned for their religious activities, with most cases involving members of Protestant evangelical sects. However, the organization has received no reports of arrests on religious grounds since the amnesty announced by President Ceausescu in June 1986.

Then in the next paragraph it says something about the use of the death penalty in Romania remains a serious concern. The last line of that paragraph reads:

> To the organization's knowledge no death sentences have been reported in the Romanian press since 1984.

Mr. DODD. I did read that.

Mr. METZENBAUM. It indicates to me some improvement but not a great deal.

Mr. DODD. If you want to read this, it is a pretty horrifying document.

Mr. METZENBAUM. I am convinced of that.

As I said to the Senator from Connecticut earlier, I would not debate the issue and take issue about the condition of human rights in Romania. I will stipulate that they are bad. The question is, What can we do about it?

Mr. DODD. My point is that we have laid out the language in Jackson-Vanik, broadened it to include other conditions in Romania, set up a system by which the President can reestablish MFN. What is MFN? It is most favored nation status. This is a privilege which we do not extend to all countries. This is a procedure by which we recognize a country beyond what we normally provide in allowing trade to go on.

Mr. METZENBAUM. Is it not a fact that under your proposal, under the language that is presently in the act, you provide much more difficult assurances to be made from Romania or any other country, but in this instance Romania, than is the fact with respect to Jackson-Vanik?

Mr. DODD. No question.

Mr. METZENBAUM. The human relations, the human rights.

Mr. DODD. the Senator from Ohio is correct. We go beyond Jackson-Vanik. But I suggest that Senator Jackson and Congressman Vanik never suggested, as I pointed out a week ago, that it was never the intention of Jackson-Vanik to prohibit Congress from addressing itself to other concerns that might involve human rights violations.

Mr. METZENBAUM. I agree with that.

Mr. DODD. Much of this report of Amnesty International goes beyond the question of emigration.

Mr. METZENBAUM. The point I make is that the assurances from the Romanian Government are far stronger than anything required in Jackson-Vanik with respect to the matter of human relations and human rights. Under Jackson-Vanik, does any other government that has MFN have to make the assurances just with respect to emigration?

Mr. DODD. That is true. We have also said that in the human rights area.

One of the criticisms we have received about our amendment was that it was too vague. My feeling was that if we make it too specific, you may make it a little more difficult. So the assurances we include in our amendment are broad enough so that there may be indication and activity showing some progress which will be enough in my mind to say that MFN may be restored, if we are heading in a different direction than we have been for 12 years. We have added issues beyond emigration to this proposal.

However, I emphasize to my colleagues—and then I will yield to the Senator from Colorado, who I know feels as strongly as I do about this, and my colleague from New Jersey as well—that all we are doing here is saying what we said we were trying to get the Romanians to do through all the rhetoric.

Many members of the business community have tried to impress upon the Romanians that we were serious about this. Republican and Democratic administrations over the last 12 years have tried to impress upon the Romanian Government that we were serious about this issue. To my regret and to the regret of others as well, the Romanians have not paid any attention to it.

I do not know if this will work. We may find in 6 months that they may decide to laugh at this, that they will lose face. There is not much face left to that government after 12 years. They may decide to continue what they have done over the last 12 years.

Why not try this? We have not tried this. We have tried everything else for 12 years.

This was overwhelmingly adopted by the House of Representatives, and there was a significant vote by this body 2 weeks ago to include this language. If we do this, we may see the kind of progress we would like to see in Romania, and MFN status can be restored.

I have lost patience. I have offered the amendments, made the speeches, and withdraw the amendments. This year, there will be no withdrawal, no retreat. Romania will have to face this.

With all due respect to the amendment being offered by the Senator from Missouri and others, I urge that the amendment be rejected.

I yield the floor.

Mr. ARMSTRONG. Mr. President, I see the Senator from New Jersey here, and I would be glad to yield to him, but I first ask a question of the Senator from Connecticut.

I think the Senator from Connecticut performed a valuable service by raising the Amnesty International report. I did not hear whether he asked to have the entire text of that report printed in the RECORD. If he has not, I urge that it be done.

Mr. DODD. I thank my colleague for that suggestion.

Mr. President, I ask unanimous consent that the full text of the Amnesty International report, which is not very lengthy, be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD as follows:

ROMANIA—HUMAN RIGHTS VIOLATIONS IN THE EIGHTIES

1. AMNESTY INTERNATIONAL'S CONCERNS

This report documents the persistent pattern of human rights abuse in Romania in the 1980s, a period in which the authorities have imprisoned their critics and jailed hundreds of other men and women for wanting to exercise their rights to leave the country. Some prisoners of conscience have been tortured or beaten and jailed for years after unfair trials, while other critics of the government have been put under house arrest, have lost their jobs and then being charged with "parasitism", or being attacked in the street by thugs believed to be acting for the authorities. Some of the organization's concerns are illustrated by the following cases:

A 56-year-old building worker makes a speech and distributes leaflets criticizing President Ceausescu—he is sentenced to nine years' imprisonment for "propaganda against the socialist state" . . .

A teacher complains to a foreign radio station that he was unfairly dismissed from his job—he later dies in prison while serving an eight-year sentence for "disparaging the central organs of the party and the state" . . .

A 50-year-old electrician is arrested after driving through the centre of Bucharest displaying a picture of President Ceausescu and the words "We don't want you, hangman"—he is sentenced to 10 years' imprisonment . . .

A father is denied permission to take his epileptic seven-year-old son abroad for medical treatment—and receives an eight-month jail sentence for trying to do so illegally . . .

A 28-year-old Baptist is reportedly tortured to force him to reveal the source of religious literature found in his home . . .

A 30-year-old teacher is imprisoned for "parasitism" after being refused employment because of his political views . . .

In cases such as these and others, the Romanian authorities have violated internationally recognized human rights, in particular the right to freedom of expression, the right to leave one's country, the right to fair trial and the right not to be subjected to torture or other curel, inhuman or degrading treatment or punishment.

Amnesty International has received many allegations of prisoners of conscience and other political prisoners being ill-treated during pre-trial detention in order to coerce them into making confessions. In some instances political prisoners are reported to have been tortured, including by being beaten on the soles of the feet, being kicked and being beaten with rubber truncheons. Two prisoners are reported to have died after torture. After one death, in 1985, the prisoner's family was allowed only a brief view of the body before it was cremated. Relatives said they saw bloodstains on his shirt and injuries to the dead man's left temple—but the authorities claimed he died of "heart failure".

Political detainees have often been denied access to lawyers before trial and indictments have sometimes been given to prisoners and their lawyers only minutes before the proceedings started. In one case the authorities refused to disclose full details of the charges against the prisoner or to allow his lawyer into court for the final hearing.

Emigration is severely restricted and the many would-be emigrants face job-loss, harassment and in some cases imprisonment for applying to go abroad. People caught trying to leave the country illegally face up to three years in jail and Amnesty International has noted an increase in the number of people jailed for this reason in recent years—a number have been adopted as prisoners of conscience. The organization has also received reports of people being killed by border guards as they tried to leave illegally.

At the same time as the authorities have been imprisoning hundreds of people for trying to leave Romania, other prominent dissenters who have wanted to stay have been forced by the authorities to emigrate. For instance, a member of the ethnic Hungarian minority in Transylvania is reported to have been told by police in January 1986 that "it would be better" if he left the country as the authorities were "unable to guarantee his security."

Religious activity is closely controlled by the Department of Religious Cults. During the 1980s Amnesty International received numerous reports of people being imprisoned for their religious activities, with most cases involving members of Protestant evangelical sects. However, the organization has received no reports of arrests on religious grounds since the amnesty announced by President Ceausescu in June 1986.

The use of the death penalty in Romania remains a serious concern. In 1983 at least 13 death sentences were imposed, five of them on people convicted of stealing meat and another two on people convicted of theft of public property "with particularly serious consequences"—none of these seven cases involved loss of life. Anesty International did not know if any of these 13 sentences were carried out. To the organization's knowledge no death sentences have been reported in the Romanian press since 1984.

The pattern of human rights violations has persisted in spite of amnesties granted by President Ceausescu in 1981, 1984 and 1986. Although Amnesty International knows of dozens of prisoners of consicence in Romania, this is only a fraction of the total—discovering the true figure has been impossible because of censorship and an atmosphere of fear and suspicion in the country. In summary, Amnesty International's concerns in Romania include the following:

The arrest and imprisonment of people for non-violently exercising internationally recognized human rights, in particular the right to freedom of expression and the right to leave one's own country;

The existence of laws which prescribe imprisonment for the non-violent exercise of human rights;

Allegations of torture and other cruel, inhuman or degrading treatment of political detainees;

Departure from international standards on arrest, investigation and trial procedures;

The use of the death penalty.

2. BACKGROUND

2.1 ROMANIA IN OUTLINE

The Socialist Republic of Romania is in southeast Europe; it is bounded by the Soviet Union, Hungary, Yugoslavia, Bulgaria and the Black Sea. Its total area is 237,500 square kilometres and its total population 22,687,373 (1 January 1985), some 48 per cent of which is urban. There are 22 ethnic minorities in Romania (officially referred to as "cohabitating nationalities"), the largest of them being the Hungarian (numbering 1.7 to 2.0 million) and the German (approximately 250 thousand). The seat of government, Bucharest, has a population of about two million. There are 14 officially recognized religious denominations, all under state supervision, the largest of which is the Romanian Orthodox Church which includes more than 80 per cent of the total number of religious believers, or some 17 million members. The second largest church in Romania is the Roman Catholic Church which, although its membership comprises about 8 per cent of all religious believers, has not yet been officially recognized. The Roman Catholic Church has not, however, been actually proscribed, as have a number of other denominations, including the Romanian Uniate Church and the Lord's Army (an evangelical revivalist movement).

The present head of state is Nicolae Ceausescu, who has been General Secretary of the Romanian Communist Party since 1965, President of the State Council (head of state) since 1967 and President of the Republic since 1974.

The supreme state body is *The Grand National Assembly* which alone may promulgate the Constitution and which usually meets twice a year. Deputies to this body are elected by all Romanian citizens who are over eighteen. According to the 1965 constitution "the right to nominate candidates [for election to] the Grand National Assembly is vested in the Socialist Democracy and Unity Front" (FDUS), an umbrella organization which combines "all the mass and public organizations". The Grand National Assembly elects, from among its members, the State Council which, among other things, sets up ministries and other central government bodies.

Under the 1965 constitution, as amended in 1986, Romania is described as a "unitary state" and a "socialist republic" whose national economy is "based on the socialist ownership of the means of production". Political power is held by the Romanian Communist Party, which dominates the FDUS. According to Article 3 of the constitution, "in the Socialist Republic of Romania, the leading political force of society as a whole is the Romanian Communist Party". Romania's political, economic, and judicial institutions are highly centralized.

Justice in Romania is administered by local courts, county courts (the Bucharest sectional courts and the municipal court have the status of local and county courts respectively) and the Supreme Court. Military courts which try military offenders are also competent, in certain circumstances, to try civilians: a number of people accused of "anti-state propaganda" or "fraudulent crossing of the frontier" are reported to have been tried by these courts. Certain minor offences, including work and family disputes, are tried by workers' judicial councils, composed of lay judges. The benches of local and county courts are composed of lay and professional judges who, like local and county state prosecuting authorities, are elected by People's Councils—local government bodies. The Supreme Court, whose members are all professional judges, is elected by the Grand National Assembly, which also elect the Procurator General. The Procurator's Office supervises the prosecution authorities and the courts and ensures that both official bodies and citizens keep the law and maintain the "defence of the socialist order".

Since the Second World War Romania's economy, formerly based on agriculture, has been intensively modernized. It is now predominantly industrial (the industrial sector accounts for over 60 percent of the national income), the emphasis being on heavy industry: petroleum and natural gas, mining, metallurgy, mechanical engineering, chemicals and timber processing. The standard of living, however, remains one of the lowest in Eastern Europe. Romania is a member of the Council of Mutual Economic Assistance (CMEA). The country's principal trading partner is the Soviet Union, but it has resisted demands for its economic development to be subordinated to the interests of an integrated economic system within the CMEA and has sought to expand trade with developing nations and with the West, where the Federal Republic of Germany (FRG) is its chief trading partner. In February 1980 Romania signed an individual agreement with the European Economic Community to set up a joint committee to develop and monitor bilateral economic relations.

Romania has been a member of the Warsaw Pact since 1955, but since the mid-1960s has taken an autonomous stand on certain foreign policy issues and has cultivated relations with the People's Republic of China and Western countries, including France, the FRG and the USA. It is the only member of the Warsaw Pact to continue diplomatic relations with both Egypt and Israel, and Romania has been a member of the United Nations (UN) since 1955.

2.2 THE POLITICAL CONTEXT AND POLITICAL IMPRISONMENT UP TO 1980

The Romanian nation-state, formed in 1859 through the union of the two principalities of Moldavia and Wallachia under Turkish suzerainty, achieved independence through the Berlin Treaty of 1878. The end of the First World War and the dismemberment of the Austro-Hungarian Empire saw Romania's territory more than doubled by the acquisition of Bessarabia, Transylvania and the Bukovina. Pro-Axis from 1940 to 1944, when it joined the Allies, Romania lost North Bukovina and Bessarabia to the Soviet Union and South Dobrudja to Bulgaria in the Secod World War.

In March 1945 a pro-Soviet National Democratic Front government was set up, headed by Dr. Petru Groza, leader of the Ploughmen's Front Party, a left-wing peasant organization. Following elections in 1946, most government posts went to the communists. In December 1947 King Michael of Romania abdicated under the communist pressure and parliament announced the establishment of a People's Republic (renamed a Socialist Republic in 1965). In 1948 the Republic's first constitution was adopted and nationalization of industrial and financial institutions began, shortly to be followed by the initiation of forced collectivization of agriculture.

The next six years saw the mass imprisonment and repression of government opponents and alleged opponents. During this period the communists gained full control. In 1952, following a purge of the Romanian Worker's Party (since 1965 the Romanian Communist Party), Gheorghe Gheorghiu-Dej assumed the leadership and became head of state. Despite a further wave of repression in the late 1950s and early 1960s Gheorghe Gheorghiu-Dej, appealing the Romanian nationalist sentiment, won considerable popular support for the policy initiated in the early 1960s of increased independence of the Soviet Union in economic, military and foreign affairs, accompanied by rapid industrialization. This policy has been pursued to the present day by his successor to state and Communist Party leadership, Nicolae Ceausescu.

Despite official criticism of "errors" committed under Gheorghiu-Dej and amnesties in 1976 and 1977 affecting 28,000 people (mainly juvenile offenders or people arrested or sentenced for leaving or attempting to leave the country illegally), serious human rights violations continued. Although the number of those given long prison sentences on overtly political charges, such as "anti-state propaganda", appeared to decline, dissenters were nonetheless penalized in many different ways, both legal and extra-legal. They faced not only prolonged police surveillance, harassment, intimidation, vilification, and dismissal or demotion but also confinement in psychiatric institutions, forced labour, deportation and imprisonment, often on what Amnesty International believed to be false charges, such as "parasitism", "breach of the peace of public order", "homosexual relations" and "embezzlement".

Many Romanians tried to emigrate, despite the considerable official obstacles to doing so. Others attempted to leave the country without official permission and were imprisoned for up to three years for "fraudulent crossing of national boundaries". On the other hand, the government sometimes encouraged, or even compelled, human rights activists to emigrate, particularly, those who persisted in their dissident activity in spite of repression or intimidation.

Since Romania's ratification in 1974 of the International Covenant on Civil and Political Rights (ICCPR) and the signing in 1975 of the Final Act of the Conference on Security and Cooperation in Europe (the Helinski agreement) there have been attempts to create a human rights movement similar to those in several other East European countries, based on the demand that the government fulfill its obligations under the covenants and respect citizens' legally and constitutionally guaranteed rights. Whenever there has been any attempt to create such a movement the Romanian authorities have tried to isolate the leaders and intimidate and disperse their supporters. This has been facilitated by strict censorship, which has ensured that most Romanian citizens can obtain information about human rights movements only by word of mouth or via foreign broadcasting stations.

In January 1977 the Romanian writer Paul Goma wrote a letter (later published outside Romania) to the Charter 77 signatories in Czechoslovakia, expressing solidarity with their movement. Next month he sent an appeal in an open letter to the governments of the 35 states which had signed the Helsinki Final Act, drawing attention to the violation of human rights in Romania, and required the Romanian Government to respect its undertakings in this field. The appeal was subsequently signed by well over 200 Romanian citizens, despite a campaign of intimidation and vilification by the Romanian authorities against both him and other early signatories.

In April 1977 Paul Goma was arrested; many signatories were detained for short periods and repeatedly interrogated—a number being confined to psychiatric hospitals or ordered to do forced labour. In May 1977, following much international publicity about his case, Paul Goma was released. After persistent official harassment he left Romania in November 1977.

Before the Second World War there were some 60 active religious denominations in Romania. In 1948 the "Law on Religious Confessions" enacted by State Decree 177/1948 gave official recognition to only 14 of these denominations which are under the close supervision of the Department of Religious Cults. This has at times led to conflict within the churches, some of whose members have felt that their official leaders have accepted too easily, or even connived at, state interference in religious affairs.

In March 1977 six prominent Protestant pastors and laity signed an appeal protesting against official persecution of and discrimination against religious believers. In particular they stated that active believers were barred from holding responsible public posts, that their children were discriminated against at school and university and that prayer meetings held in believers' homes were repeatedly interrupted by the police who imposed fines on participants. The signatories of this appeal were arrested early in April, interrogated for up to 12 hours and brutally beaten.

In May 1978 a number of Protestant believers (mainly Baptists) formed a movement called "The Romanian Christian Committee for the Defence of Freedom of Religion and Conscience" (ALRC). In July 1978 they sent an appeal, signed by 27 members to the Romanian authorities for recognition of a number of religious denominations declared illegal since 1948 (in particular the Greek Catholic Church (Uniate), the Reformed Seventh Day Adventists and the Romanian Orthodox evangelical movement—"The Lord's Army"). They called for freedom of worship, an end to state interference in church affairs, the right to propagate their beliefs in the media and religious instruction in schools. Shortly, afterwards a number of the signatories were detained for interrogation and beaten. Nine of the Committee's founder-members were expelled from the official Baptist Union in September 1978 on the grounds that they had formed "an illegal group" and not conformed with Baptist doctrine. In October 1978 three members of the group (Petru Cocirteu, Ionel Prejban and Nicolae Radoi from Caransebes) were sentenced to 17, 12 and eight months' imprisonment respectively on charges of causing a public disturbance. They denied these charges and witnesses asserted that they had in fact been attacked by the police.

Afterwards a number of ALRC founder members persuaded (some by means of threats) to emigrate. They included Pastor Pavel Nicolescu, an ALRC representative. Others, including Ludovic Osvath, Dimitrie Ianculovici and Nicolae Traian Bogdan, were sentenced to up to six months imprisonment or to a year's forced labor on charges of "parasitism", or else were repeatedly detained for interrogation and intimidation.

In the summer or autumn of 1977 Karoly Kiraly, a member of the Hungarian minority who was an official in the Romanian Communist Party and, until 1975, a member of its Central Committee, sent three letters to high-ranking Communist Party members in which he claimed that the Hungarian minority in Romania was being forcibly assimilated and was discriminated against in the fields of culture, education and employment. His protest was reportedly supported by Ion Gheorghe Maurer, a former Prime Minister of Romania, and seven prominent officials belonging to the Hungarian minority.

In February 1978 Karoly Kiraly was arrested in Tirgu Mures after copies of his letter had appeared in foreign newspapers and had begun to circulate among members of the Hungarian minority. Afterwards the police conducted widespread searches for copies of his letter in the homes of members of the Hungarian minority. He and his family were shortly afterwards forced to move to Caransebes where they were kept under constant police surveillance. They were later allowed to return to Tirgu Mures.

Early in August 1977 miners in the Jiu valley went on strike in support of a petition for a recently introduced government pension scheme to be withdrawn and for certain additional workers' benefits to be provided and safety standards set. According to a number of sources, up to four thousand strikers were later dismissed from their jobs, many of them being transferred to other mines. Those who had played a prominent part in the strike, in particular a 20-member delegation who went to Bucharest to request an audience with the Communist Party Central Committee, were arrested on their return and sent without trial to work in other districts where they were demoted and put under police surveillance.

Government officials denied that there had been a strike, although they admitted that there had been "problems" in August 1977 in the Jiu valley. They also denied that leading strikers had been forcibly resettled. Unofficially, however, it was admitted that "a handful" of strikers had been "banished", although there are no provisions for "banishment" in Romanian law. Furthermore, according to several sources, two strike leaders (engineers Ioan Dobre and Jurca) died shortly after the strike in circumstances that were never satisfactorily investigated by the police. Romanian officials denied that Ioan Dobre had died and stated that he was studying at home.

In February 1979 a group of intellectuals and workers from Bucharest and Dobreta-Turnu Severin announced the foundation of a "Free Trade Union of Romanian Workers" (SLOMR). In their manifesto they drew attention to increased unemployment and to the forced retirement of dissenters on false psychiatric grounds. They called for improved working conditions and higher safety standards, an end to unpaid compulsory overtime and the abolition of special privileges for Communist Party members. This manifesto won support from workers in a number of major Romanian cities, including, apparently, that of a previously clandestine union of "workers, peasants and soldiers" comprising over a thousand members in Mures county.

On 6 March, two days after the SLOMR declaration was broadcast on a foreign radio station, the telephones of the movement's two representatives, Dr. Ionel Cana, a medical practitioner, and Gheorghe Brasoveanu, an economist, were cut off, and during the next few days a number of members were detained by the police. Dr. Cana and Gheorghe Brasoveanu were arrested on 10 March and later sentenced to seven years' and five and a half years' imprisonment respectively (reduced to five and a half, and three and a half years on appeal). Both men were released in 1980 but were kept under constant police surveillance. Gheorghe Brasoveanu was allowed to leave Romania in 1986. Nicolae Dascalu, another SLOMR member, was sentenced to 18 months' imprisonment (reduced on appeal to 10 months), under Article 94 of the amended 1974 Press Law, for having spread information abroad without official permission. He left Romania in March 1981. A number of other members were sentenced to up to six months imprisonment on charges of "parasitism", some of whom have since been given passports to leave the country. Another SLOMR member, Eugen Onescu, was confined to a psychiatric hospital (the Kula annexe of the Dr. Marinescu Hospital in Bucharest) for three weeks.

Father Gheorghe Calciu-Dumitreasa—a Romanian Orthodox priest, professor at the Orthodox Theological Seminary in Bucharest and an acquaintance of Gheorghe Brasoveanu's—was arrested on 10 March 1979. He was sentenced to 10 years' imprisonment for "propagating fascist ideology" after having preached sermons critical of the authorities. The Romanian authorities publicized the fact that he had been a political prisoner for 15 years (1949 to 1964) and claimed that he belonged to the Romanian fascist movement, the Iron Guard. Amnesty International knows of no evidence to indicate that the grounds for his imprisonment in 1979 were his propagation of fascist ideology and believes that the real reason was his criticism of the authorities. He was eventually released, following widespread international pressure, in August 1984 and left Romania in August 1985 (see chapter 6).

In the 1970s Amnesty International learned of a number of people forcibly confined in psychiatric hospitals after having criticized the authorities or after having demonstrated publicly in support of their demands to emigrate. Between 1972 and 1977 Gheorghe Brasoveanu (see above) was confined to a psychiatric hospital four times, each time for as long as several months, after criticizing the nature of church-state relations and protesting about violations of human rights in Romania.

In 1969 Vasile Paraschiv, an employee at a petrochemical plant in Ploiesti, was confined to the Urlati psychiatric hospital after he had criticized work conditions in Romania and protested about his consequent harassment. He immediately went on a hunger-strike and was released. In 1976 he was confined to the Voila Cimpina psychiatric hospital for three weeks, where he was diagnosed as suffering from psychopathic paranoia and a persecution complex after he had appealed to Communist Party authorities about injustices at work. In 1977 he signed Paul Goma's human rights appeal and was threatened with further psychiatric confinement. At the end of 1977 he was given a passport and went to France where he underwent an independent psychiatric examination which confirmed that he was not mentally ill.

3. PRISONERS OF CONSCIENCE

3.1 AMNESTIES

In the 1980s there has been a pattern of periodic amnesties for certain offences, including attempts to leave the country without official permission. These amnesties in 1981, 1984 and 1986, have all been of similar scope.

On 2 June 1986 the *Buletinul Oficial* (Romania's legal gazette) published the text of an amnesty which had been decreed the same day by Nicolae Ceausescu, President of Romania. Under its terms:

Amnesty was granted in cases where the criminal code or special laws prescribed up to three year's imprisonment;

Full pardons were granted to people serving sentences of up to five years' imprisonment.

(According to the Romanian criminal code, "the effect of a pardon is to set aside, in whole or in part, the serving of the penalty or to commute the penalty to a more lenient one", whereas "amnesty", in addition to setting aside the serving of the penalty, also sets aside other consequences of a conviction.)

The amnesty also partially pardoned people sentenced to between five and ten years' imprisonment. Those who had received sentences of between five and eight years' imprisonment had their sentences cut by one third; and those who had received sentences of between eight and 10 years by a fifth.

The amnesty included people sentenced to correctional labour (in which they are obliged to work for reduced wages, without loss of liberty, either at their normal workplaces or elsewhere.)

Excluded from all the above provisions were recidivists and people sentenced for murder and other violent crimes which had caused death, robbery, illegal abortion, rape, "crimes against social property with serious or particularly serious consequences", the giving or receiving of bribes, intimidation, the use of force and escaping from prisons.

While welcoming the release of many prisoners of conscience under these amnesties and the reduction of sentences of other prisoners of conscience, Amnesty International notes that the amnesties were invariably followed by the continued arrest and imprisonment of people who had non-violently exercised their fundamental rights. And some prisoners of conscience who apparently should have benefited from the amnesties did not do so for reasons which are not clear. So although certain prisoners of conscience have been released under the amnesties, the pattern of human rights violations persists except for the fact that following the latest amnesty of June 1986 there have been, as far as Amnesty International knows, no cases of imprisonment for religious activity (see below).

3.2 FREEDOM OF EXPRESSION

3.2.1 INTERNATIONAL AND DOMESTIC GUARANTEES

International obligations

On 9 December 1974 Romania ratified the International Covenant on Civil and Political Rights (ICCPR), Article 19(2) of which states:

"Everyone shall have the right to freedom of expression; this right shall include freedom to seek, receive and impart information and ideas of all kinds, regardless of frontiers, either orally, in writing or in print, in the form of art, or through any other media of his choice."

Section 3 of Article 19 states that the exercise of this right may be subject to certain restrictions but only those necessary "for the respect of the rights or reputations of others" or "for the protection of national security or of public order (*ordre public*), or of public health or morals".

Domestic provisions

The right to freedom of expression is set out in Article 28 of the Romanian constitution which states that "Freedom of speech, of the press, of assembly, of meeting, and of demonstration is guaranteed to the citizens of the Socialist Republic of Romania". These rights are limited, however, by Article 29 according to which:

"Freedom of speech, of the press, of association, of meeting and of demonstration cannot be used for purposes against the socialist system and the interest of the workers."

Any association of a fascist or anti-democratic character is prohibited. Participation in such associations and propaganda of a fascist or anti-democratic character are punished by law."

In 1979 the Romanian Government representative told the Human Rights Committee (an international body set up under the provisions of the ICCPR to monitor compliance with it) that the phrases "purposes against the socialist system" and "[against] the interests of the workers" were defined in Article 69 of the 1974 press code [amended in 1978]. This article states:

Freedom of the press cannot be used for purposes which are contrary to the socialist system, the legal order established by the Constitution and the other laws, contrary to the rights and interests of physical and juridical persons and to socialist morality.

In protecting the interests of society and individuals against the misuse of the right to publish in the press, the publication and distribution in the press of the following materials is prohibited. Materials which:

(a) are contrary to the Constitution of the Socialist Republic of Romania;

(b) contain attacks against the socialist system, the principles of the domestic and foreign policy of the Romanian Communist Party and of the Socialist Republic of Romania;

(c) slander the party/state leadership;

(d) impart secret information, data or documents defined as such by law;

(e) include false or alarmist information and commetaries which threaten or disturb public order or endanger the security of the state;

(f) lead to non-observance of the state's laws or deeds which constitute infractions;

(g) propagate fascist, obscurantist and anti-humanitarian ideas, make chauvinistic propaganda and stir up racial or national hatred, incide violence or harm national feelings;

(h) are harmful to good manners or encourage people not to respect the norms of social ethics and coexistence;

(i) supply information about legal issues that are being resolved and anticipate the decisions that will be made by the judicial organs;

(j) include untrue facts or information that could harm the legitimate interests, dignity, honour or reputation of any individual or his social or professional prestige or enable the insulting, slandering or threatening of any individual.

3.2.2 IMPRISONMENT

Despite the assurance given by the Romanian Government to the United Nations Human Rights Committee in January 1986, in its second periodic report on the implementation of the ICCPR, that "there are no political prisoners in the Socialist Republic of Romania under any form of deprivation of freedom", people who make statements or who in other ways express opinions critical of the authorities, especially of President Ceausescu personally, face imprisonment, often under Article 166 of the criminal code dealing with "Propaganda against the Socialist State". According to Article 166:

"(1) Propaganda of a fascist nature made in public, by any means, shall subject the offender to the penalty of five to fifteen years' imprisonment and the prohibition of the exercise of certain rights.

"(2) Propaganda or the undertaking of any action in order to change the socialist order, or from which danger to the security of the State may result, is punishable by five to fifteen years' imprisonment and prohibition of the exercise of certain rights."

Dragos Oloieru, a 58-year-old former teacher, was arrested on 4 December 1981 in Radauti, Suceava county, and sentenced on 13 January 1982 by the Iasi Military Court to eight years' imprisonment under Article 166(2). The sentence was confirmed on appeal on 8 February 1982.

He had served a previous sentence from 1959 to 1965 on political charges. In 1980 he was dismissed from his work at a transport enterprise. Considering he had been unjustly dismissed, he sought redress from the local and central authorities. His petitions were, reportedly, ignored. He then wrote to various international humanitarian organizations and in November 1981 one of his letters was broadcast by a foreign radio station. The charges stated at his trial in 1982 were based on these letters, in which he had complained about the treatment he claimed to have received from state officials. The court found that he had "disparaged the central organs of the party and the state and thus the social order of the country"."

Dragos Oloieru died on 22 March 1985. According to Amnesty International's information he was still serving his sentence in Aiud prison.

Radu Filipescu, then aged 26, was working for the Pipera Electronics Complex when, in May 1983, police arrested him as he was distributing leaflets to houses in the city. They searched his home and found printing equipment and about 2,000 leaflets. Earlier in the year he had made a large number of leaflets and posted many of them through the letter boxes of blocks of flats in Bucharest. The leaflets reportedly called on the citizens of Bucharest to gather in Palace Square on a particular day and demand the replacement of Nicolae Ceausescu as President of Romania and leader of the ruling Romanian Communist Party. He was tried by the Bucharest military court in September and found guilty under Article 166(2). He was sentenced to 10 years' imprisonment. Following widespread international publicity he was released in 18 April 1986.

Other prisoners of conscience currently held under Article 166 at the time of writing include the following:

Gheorghe Nastasescu, aged 56, a building worker from Iasi, sentenced to nine years' imprisonment in 1982 reportedly because he made a speech and handed out leaflets from the scaffolding of a house in Lipscani street in Bucharest calling on the populace to demonstrate their dissatisfaction with the policies and leadership of President Ceausescu;

Ion Bugan, aged about 50, an electrician from Tecuci in Galati county, arrested in March 1983 and sentenced to 10 years' imprisonment after having driven through the centre of Bucharest displaying a picture of President Ceausescu under which he had written the caption "Nu te vrem calaule" (we don't want you, hangman);

Francisc Barabas, aged 40, member of the Hungarian minority, sentenced to six years' imprisonment in November 1983 (raised to seven years on appeal), reportedly for distributing leaflets in Hungarian denigrating President Ceausescu in Miercurea-Ciuc;

Dumitru Iuga, aged 40, an electrician from Bucharest. According to Amnesty International's information, in the summer of 1983 he organized a group of students and young workers who were dissatisfied with the policies and leadership of President Ceausescu. They reportedly planned actions to publicize their dissatisfaction but were arrested before they were able to carry them out. Amnesty International understands that they were tried in September 1983 on a charge of "propaganda against the socialist state". Dumitru Iuga was sentenced to 10 years' imprisonment under Article 166 of the criminal code while seven co-defendants (names unknown) each got five years under Article 166.

Ethnic Hungarian prisoners of conscience

According to official statistics (often considered conservative) the ethnic Hungarians are the largest minority in Romania, accounting for 7.7 percent of the population (or some 1.7 million people). Most of them live in Transylvania and the Banat. Amnesty International has heard that ethnic Hungarians who non-violently protest about alleged discrimination against the ethnic Hungarian minority face harassment and in some cases imprisonment.

Three members of the ethnic Hungarian minority from Miercurea-Ciuc, Laszlo Buzas (an economist working in a tractor factory), Erno Borbely (a high-school history and philosophy teacher and Katalin Biro (an architect) were all reportedly arrested in November 1982 in connection with the publication of an unofficial Hungarian language journal *Ellenpontok* (Counterpoints) and sending abroad the text of unofficial leaflets. These leaflets, distributed in the autumn of 1982, were allegedly hostile to the Hungarian minority and three people of Romanian nationality were arrested in connection with their distribution and reportedly freed after admitting having produced them. Laszlo Buzas, Erno Borbely and Katalin Biro had all reportedly expressed their conviction that the leaflets had been produced in cooperation with members of the Romanian security services. They were tried in 1983 and reportedly sentenced to six years' imprisonment (suspended in the case of Katalin Biro) under Article 166 of the Romanian criminal Code ("propaganda against the socialist state"). Both Laszlo Buzas and Erno Borbely were adopted by Amnesty International as prisoners of conscience. To Amnesty International's knowledge, both were still in detention at the time of writing despite the terms of the 1984 and 1986 amnesties (see above).

Another ethnic Hungarian prisoner of conscience who apparently did not benefit from these amnesties was Adalbert (Bela) Pal, a former schoolteacher from Harghita county. He was sentenced in August 1983 to six years' imprisonment, also under Article 166, after complaining of corruption within the ruling Romanian Communist Party and protesting about lack of opportunity for ethnic Hungarians to be educated in Hungarian.

Adalbert Pal had Huntington's Chorea, which was diagnosed before his arrest, and his health had deteriorated seriously during detention. Between May and October 1986 his wife was refused permission to visit him. He was released on 21 December 1986 but was reportedly kept under close supervision at home.

Other ethnic Hungarians detained in recent years for protesting about alleged discrimination against the ethnic Hungarian minority include Andras Tokes, Laszlo Tokes and Erzsebet Gorgely, all from Tirgu Mures. They were arrested in May 1985 after distributing leaflets calling on ethnic Hungarians who had suffered harassment or discrimination to complain to the appropriate legal authorities. In July three more ethnic Hungarians—Miklos Kuhn, Jozsef Felmeri and Istvan Papp—were arrested on similar charges. All six were released within a few weeks of their arrest without, to Amnesty International's knowledge, charges being pressed.

3.3 FREEDOM OF RELIGION AND CONSCIENCE

3.3.1 INTERNATIONAL AND DOMESTIC GUARANTEES

International obligations

Articles 18 (1) and (2) of the ICCPR (ratified by Romania on 9 December 1974) state:

"1. Everyone shall have the right to freedom of thought, conscience and religion. This right shall include freedom to have or to adopt a religion or belief of his choice, and freedom, either individually or in community with others and in public or private, to manifest his religion or belief in worship, observance, practice and teaching."

"2. No one shall be subject to coercion which would impair his freedom to have or to adopt a religion or belief of his choice."

Section 3 of Article 18 states that freedom of religion may be subject to certain limitations, but only such as are necessary "to protect public safety, order, health, or morals or the fundamental rights and freedoms of others."

The UN Declaration on Religious Intolerance was adopted by consensus (in which Romania participated) by the UN General Assembly on 25 November 1981. Article VI includes the following provisions:

". . . the right to freedom of thought, conscience, religion or belief shall include. *intger alia*, the following freedoms:

"(a) to worship or assemble in connection with a religion or belief, and to establish and maintain places for these purposes . . .

"(c) to make, acquire and use to an adequate extent the necessary articles and materials related to the rites or customs of a religion or belief;

"(d) to write, issue and disseminate relevant publications in these areas . . . "

Domestic legal provisions

The right to freedom of religious belief is set out in Article 30 of the Romanian constitution, which states: "the freedom of belief is guaranteed to all citizens of the Socialist Republic of Romania. Anybody is free to share or not to share a religious belief. The freedom to follow a religious cult is guaranteed. The religious cults are organized and operate freely. The manner of organization and operation of the religous cults is regulated by law."

Decree No. 117/1948 (issued 3 August 1948) which regulates religious communities, includes the following provisions:

"The state guarantees freedom of conscience and religion throughtout the entire area of the Socialist Republic of Romania."

This freedom is, however, limited by another clause according to which;

"Anyone can belong to any religion or adhere to any belief, provided that their practice does not stand in contradiction to the Constitution, to public security and order and to good morals."

Before the Second World War there were more than 60 religious denominations in Romania, but after Decree 177/1948 had been issued this number dropped to 14 and they were placed under the control of the Department of Religious Cults. The second largest denomination, the Roman Catholic

Church, was not one of the 14 and owing to the inability of the Romanian state and the Vatican to agree on the Roman Catholic Church's charter, the church still lacks legal status in Romania. However, it has not been specifically outlawed as have the Ronanian Uniate Church (dissolved by government decree on 1 December 1948), which is thought to have about a million and a half adherents, and the Lord's Army (an evangelical revival movement dissolved through Article 15 of Decree 177/1948) believed to have about 400 thousand.

3.3.2 IMPRISONMENT UP TO THE AMNESTY OF JUNE 1986

At the time of writing Amnesty International knows of no people imprisoned on account of their religious activity. Before the latest amnesty in June 1986 the organization was aware of many such cases, most often involving members of Protestant evangical sects. However this practice appears to have ceased and Amnesty International welcomes this change. People previously imprisoned on account of their religious activity included Cornel Mich, Levi Nicola, and Ilie Dociu, all members of the Brethren Church in Bucharest who were sentenced in September 1985 to from 10 months' to a year's "corrective labour" for distributing and possessing Bibles and other Christian literature.

Other previous cases included those of people convicted of crimes seemingly unconnected with religious activity—for instance "embezzlement"—but where Amnesty International believed that the real reasons for their imprisonment was directly related to their religious activity. For example Dorel Catarama, a prominent Seventh Day Adventist aged 33 from Bacau county, was sentenced in August 1982 to 10 years' imprisonment and forced to pay a large sum of money to his former employers after being convicted of embezzlement and illegal possession of foreign currency. He was found guilty almost entirely on the basis of statements which he had allegedly signed under duress and which he later retracted. The only evidence produced to show that he was in possession of illegal foreign currency was a cheque for $3,000 sent by a Chicago bank on 27 April 1982, when he was already in custody, which was returned to the same bank on 11 June through official channels. Amnesty International received allegations that the police had previously told Dorel Catarama's family that to procure his release they should raise this sum, which they did with the help of Seventh Day Adventist communities in the USA. Amnesty International received copies of two signed affidavits from companies from which he was accused of embezzling money stating that he had no debts with them and that they had no complaints against him. On appeal his sentence was increased to 14 years' imprisonment and at a retrial on 25 October 1984 it was increased to 15 and a half years' imprisonment. However his sentence was later reduced again to 14 years. The major inconsistencies between the charges brought against him and the evidence produced led Amnesty International to believe that the real reason for his imprisonment was his religious activities as a Seventh Day Adventist and his father's and brother's refusal to return to Romania after a visit to the USA in February 1982. Amnesty International adopted him as a prisoner of conscience. He was released on 27 or 28 May 1986. 10 years before the expiry of his sentence.

Another such case was that of Constantin Sfatcu, an active member of the Baptist Church of Iasi, who was arrested on 19 April 1985 while driving a car belonging to Iosif Mocan (his church pastor) in which there was a quantity of Bibles. After his arrest the police searched his home and those of his mother Maria Sfatcu and his brother Dr. Teodor Sfatcu, also an active Baptist. Several items were reportedly confiscated during these searches and Pastor Mocan was detained by the police for questioning but later released. According to Amnesty International's information, Pastor Mocan was put under pressure by the police during the questioning to sign a statement that Constantin Sfatcu had stolen his car. However he reportedly refused to sign such a statement. Amnesty International also received allegations that the police attempted to implicate Teodor Sfatcu in the charges by trying to show that he was also in the car with Constantin Sfatcu on 19 April, although according to Amnesty International's information he was not.

According to further allegations received by Amnesty International, Constantin Sfatcu was ill-treated while in pre-trial detention and the marks of beatings were readily visible on his body.

On 23 July 1985 Constatin Sfatcu appeared before Iasi Court. He was found guilty of attempting to murder the policeman who had arrested him and sentenced to seven and a half years' imprisonment. Amnesty International was informed that the charge of attempted murder was unfounded and that the real reason for his imprisonment was his religious activity.

He had faced criminal charges before. In 1979 he had been accused of stealing a gas cylinder and in 1982 of driving into a child with his car without stopping. On a more recent occasion (exact date unknown) he was reportedly accused of involvement in another similar "hit and run" accident. On each occasion the charges, which the family insist were completely unfounded, were withdrawn.

On 26 September 1985, at an appeal hearing the charge of attempted murder was changed to "aggravated bodily harm" and the sentence reduced to four and a half years' imprisonment. As a result of a further appeal heard by the Supreme Court in his absence the sentence was reduced to one year. The hearing reportedly took place on 19 April 1986 and he was released the same day.

3.4 "PARASITISM"

Individuals have also been imprisoned under decree 153/1970 for exercising their human rights non-violently on charges of "parasitical" or "anarchic" conduct. This provides for summary trial without the right to legal defence and prescribes sentences of up to six months' imprisonment or "corrective labour without deprivation of liberty". This decree has been used against people involuntarily unemployed on account of the authorities' refusal to employ them, often because of having applied to emigrate or because of their political activity. For example, Florin Rusu, a 30-year-old teacher, was reportedly arrested in June 1986 and sentenced to four months' imprisonment for "parasitism". He had previously served a similar sentence for "parasitism" in 1984. On both occasions he had reportedly been refused employment by the authorities, the sole employer, on account of his political activities for the National Peasant Party—one of Romania's leading political parties before being proscribed by the authorities in 1948.

Among other provisions the decree defines as parasitical conduct " . . . the launching or forming of groups which by their behaviour show that they have a parasitical or anarchist view of life running counter to elementary rules of decent behavior and to whom the principles of socialist coexistence are alien; as well as supporting such groups in any way or joining one of them." In the past this loosely worded provision has been used to penalize groups of religious dissenters. Virgil Gadea, Corneliu Refec, Ovidiu Podborschi and Petru Marianec, for example, were all members of the Baptist Church. Virgil Gadea and Corneliu Refec [from Caransebes] and Ovidiu Podborschi [from Timisoara] also belonged to an unofficial "Organization Committee of the Young Baptists Union". In March 1983 this committee announced that if it were impossible to found a youth organization under the auspices of the official Romanian Baptists Union, they would found one independently. These individuals were among seven Baptists from the towns of Timisoara, Curtici and Caransebes named in a petition to the Romanian Baptists Union dated 2 March 1983 who urged church representatives to press for the re-establishment of the "Young Baptists Union," which was dissolved in 1950. The initiators of the petition reportedly explained their motives as the need for young Baptists to take a united stand against various forms of state repression including unfavourable discrimination in education and employment, regular house-searches, interrogation by the police and, in the case of believers caught distributing religious literature, arrest, torture and imprisonment.

According to reports, in March 1983 all the signatories of this petition were detained for questioning by the security police and threatened with imprisonment if they continued with their demands. On 10 August 1983 a group of Baptists held a public demonstration, carrying posters calling for the government to end its repression of Christians and start a dialogue with them. They were arrested, questioned and then released. The above four men were reportedly re-arrested on 15 August and transferred to Caransebes, where they were tried and sentenced the same day under Decree 153 to four months' imprisonment. At their appeal hearing on 16 August their sentences were increased to six months' imprisonment.

3.5 FREEDOM OF MOVEMENT

Despite Article 12 of the ICCPR which states "everyone shall be free to leave any country including his own," the right to leave Romania is severely restricted. Although a number of Romanian citizens do emigrate legally, this appears to be related to USA Government policy which allows Romania favourable trading terms as a Most Favoured Nation but makes this conditional on its emigraiton policy. Although the Romanian authorities do not publish statistics on emigration, according to western sources 21,200 people officially emigrated in 1984. Many of these—14,831 in 1984 for instance—are members of the ethnic German minority, which constitutes approximately 1.5 percent of the total population, mostly living in Transylvania. These ethnic Germans are permitted to emigrate to the FRG allegedly in exchange for an unofficial payment of up to 10,000 DM per person by the FRG authorities. [An article in *Der Spiegel* on 21 October 1985 further stated that the rate was 6,000 DM for a pensioner and up to 4,000 DM per child.] A similar unofficial arrangement is reportedly undertaken by the Israeli authorities for members of the small Jewish minority. In many cases would-be emigrants are also allegedly obliged to make similar unofficial payments to the authorities before being permitted to emigrate.

However, Amnesty International knows of many cases in which individuals who have been repeatedly refused permission to emigrate and who have suffered harassment, loss of jobs or demotion and, in certain cases, imprisonment in connection with their emigration applications. Eugene Ciobanu, for example, was arrested on 6 September 1985 after demonstrating outside the US Embassy in Bucharest over the continued refusal by the Romanian authorities to permit him and his wife to emigrate. He was later released but both he and his wife were dismissed from their jobs. Another earlier case was that of Ion Olteanu, a 35-year-old railway worker from Dobreta-Turnu Severin, who was arrested in September 1983. Shortly after he had applied to emigrate to the USA in August 1983 he received a call-up order obliging him to work on the Danube-Black Sea Canal. According to reports, he refused to sign it, believing that it had been issued to prevent him from emigrating, and then refused to appear before the military prosecutor. The police then threatened to assault him and his wife. His wife sent letters of complaint to a number of officials and tried to send a telegram to the Military Procurator General, which the local post office refused to dispatch. On 19 September 1983 the police broke into his flat, beat him severely and arrested him. He finally got permission to emigrate to the USA in February 1986.

Those who attempt, or make preparations to cross the border without official permission face prosecution under Article 245 of the criminal code, which states:

"Entering or leaving the country by fraudulently crossing the border is punishable by six months' to three years' imprisonment. Attempt to fraudulently leave the country is penalized. The procurement of means or instruments, or the taking of certain measures which manifest a person's intention to fraudulently cross the border are also considered as attempt."

Amnesty International notes that the number of such cases brought to its attention has increased in recent years. In most of the cases in which the organization has known why people have attempted to leave Romania without permission, the reason has been political or other conscientiously held beliefs. If such people are imprisoned—as they almost invariably are—Amnesty International considers them to be prisoners of conscience.

Others are imprisoned under Article 245 merely because the authorities suspect that they are planning to leave the country illegally. Ilie Savu, a mechanic living in Bucharest aged 34, was arrested on 26 July 1985 together with his 11-year-old son near the town of Dobreta-Turnu Severin on the Romanian-Yugoslav border. Reportedly, Ilie Savu, who was born in Dobreta-Turnu Severin, was visiting friends and relatives in and near the town that day, accompanied by his son and mother. According to reports, towards the end of the day he and his son were visiting friends in a village near Dobreta-Turnu Severin, having arranged with his mother to meet her at the Dobreta-Turnu Severin station in order to catch the last train back to Bucharest that evening. They did not arrive. It was later learned that at about 10 pm they had been stopped by a military patrol on their way to the station and that they had been arrested on suspicion that they were planning to cross the border illegally into Yugoslavia. Ilie Savu's son was released a week later. On 1 October Ilie Savu himself was sentenced by a Bucharest court to one a year and a half's imprisonment under Article 245 for attempting to "fraudulently cross the national border" A further two years and eight months from a previous sentence for a similar offense (which had been suspended for three years when he was released in November 1984 under the terms of an amnesty decreed in August that year) ran consecutively, making a total of four years two months' imprisonment.

An indication of the number of people prosecuted under Article 245 is the following list of those due to be tried by Timis county court (where illegal border crossers are usually tried) for a single day—8 December 1986.

Against	Dossier Nr.	Articles of the Crinimal Code
1. Hutiu loan and others	2834/1986	245
2. Suciu loan-Gheorghe and others	2828/1986	245
3. Cupea Mutu and others	2838/1986	245, 323
4. Chelariu Dumitru	2840/1986	20, 245
5. Igna Loan and others	2833/1986	245
6. Szabo Paol Tiberiu	2850/1986	20, 245
7. Isoaie Florian	2863/1986	20, 245
8. Viclea Adrian and others	2856/1986	20, 245 and decree 210/1960
9. Dumitrascu Gheorghe	2851/1986	20, 245
10. Cimpean loan	2839/1986	20, 245
Redoi loan and others	2829/1986	245

(Article 323 deals with "association for the purpose of committing offences" and Article 20 defines "attempt" to commit an offence. Cases 1, 2, 3, 5, 8, and 11 involve groups of people who attempted to leave the country illegally.)

Amnesty International also receives reports of people being killed by border guards while attempting to leave the country illegally. On 29 May 1987 Lionte Gheorghe, aged 28, illegally crossed the border near the point where Romania meets both Hungary and Yugoslavia. He reportedly crossed into Yugoslavia and then into Hungary where he was shot dead by a Romanian border guard who had followed him. On 19 September 1986 Virgil Sporea, a 28-year-old electrician died while trying, with another person (name unknown) to swim across the Danube river to Yugoslavia. Although the official cause of death was reportedly drowning, he allegedly died from head injuries after being run down by a border guard patrol boat.

Nicolaie Gheorghe, born in 1950, and Alfred Joszef Schmidt (age unknown), both from the town of Moldava Veche on the Romania/Yugoslav border, attempted on the night of 6/7 October 1986 to cross the border illegally together with Alfred Schmidt's nephew, Walter (last name unknown). Alfred Schmidt was arrested while his nephew Walter was reportedly killed by border guards in unknown circumstances. Relatives have no further information about Nicolaie Gheorghe, and his subsequent fate is not known. Alfred Schmidt was sentenced by Timis County Court to two years' imprisonment, reduced to eight months, under Article 245. He was adopted by Amnesty International as a prisoner of conscience.

Despite the constant surveillance of the border with Yugoslavia, many Romanian citizens do succeed in crossing illegally into Yugoslavia where they contact the Office of the United Nations High Commissioner for Refugees (UNHCR) in Belgrade. However, in some individual cases, would-be emigrants are returned to the Romanian authorities before they can contact the UNHCR—for instance Nicolae Malan (aged 50 years old and married with two children, from Oradea in Bihor country). Nicolae Malan had reportedly suffered officially inspired harassment because of his religious beliefs in the five years preceding his arrest. Amnesty International does not know what his religion is. (In the past it has heard of a number of religious believers of various faiths being imprisoned because of their religious activities who, before arrest, together with their families, faced officially inspired harassment.) Because of this harassment he made a number of requests to the authorities to be allowed to leave Romania, but these requests were refused. Finally, he attempted to leave the country without permission. Having crossed the border into Yugoslavia he was arrested by the Yugoslav police and sent back to Romania in August 1985. In late 1985 he was sentenced to fifteen months' imprisonment by a Romanian court for illegally crossing the border.

Amnesty International has heard of other cases in which the Romanian authorities have applied for the extradition on ordinary criminal charges of people who have left the country. These charges however are subsequently dropped. A case in point is Aurel David (born on 5 September 1943 and married with two children) who lived in Timisoara. He attempted together with two acquaintances in mid-October 1985 to leave Romania for Austria via Yugoslavia. He was arrested by the Yugoslav police and sentenced to 15 days' imprisonment in Yugoslavia, which appears to be the standard practice of the Yugoslav authorities regarding unofficial border crossers. The Romanian authorities claimed that he had to appear before a court in Romania to face ordinary criminal charges. However, after his extradition on 1 November he had to face only charges under Article 245 of the criminal code. He was tried on 16 December by a court in Timisoara and sentenced to one year's imprisonment under Article 245.

Amnesty International also knows of Romanian citizens who have been permitted to travel to other East European Warsaw Pact countries, but who have been apprehended while attempting to cross into non-Warsaw Pact countries without the necessary authorization. They too have been tried and imprisoned under Article 245 on their return to Romania. Otto Schaller, a Romanian citizen, born on 1 January 1948 and married with two children, was arrested on 20 September 1985 for trying to cross illegally from Hungary into Yugoslavia together with his seven-year-old son. He was released by the Hungarian authorities and returned to Romania where he was detained. He was tried sometime in December 1985 and sentenced to eight months' imprisonment under Article 245. His son reportedly suffered from fits since birth, and the family were informed that the only treatment for his condition was in the Federal Republic of Germany or possibly Austria. Otto Schaller had applied for a visa for himself and his son to go to the FRG but all his requests had been refused by the Romanian authorities, so he had attempted to take his son to the FRG without official permission. He was adopted by Amnesty International as a prisoner of conscience.

3.6 PSYCHIATRIC CONFINEMENT

Although in the period up to 1980 Amnesty International knew of many cases of prisoners of conscience who were forcibly confined in psychiatric institutions for exercising their rights non-violently rather than for genuine medical reasons (see 2.2.), this practice appears to have become far less frequent. However, Amnesty International does still, on occasion, receive reports of the detention of people in psychiatric hospitals for exercising their right to freedom of expression. Amnesty International was informed that Aurelia Nistor (married name Aurelia Medoia but now divorced and believed to be using her original name), a 47-year-old psychiatrist working at the hospital of Vulcan in Brasov county, was arrested in 1982 reportedly after refusing to sign documents which would have resulted in psychiatric internment of people who, she believed, were being committed to psychiatric institutions becuase of their political opinions or because they had criticized the authorities. She had also reportedly applied to emigrate to the USA.

She was reportedly tried by a military court, but Amnesty International does not yet have any further information about her trial or possible imprisonment. The organization has further been informed that neither her relatives in the USA nor those still living in Romania have any information on her whereabouts or legal position since her arrest in 1982. Amnesty International has been seeking information about her legal status but at the time of writing has received no reply from the Romanian authorities. However, Amnesty International is informed that an official of the Romanian Embassy in the USA informed a US Senator that Aurelia Nistor had been resident in the USA since December 1984. The Romanian embassy subsequently informed the US State Department that the person in question was now named Aurelia Popa. However, subsequent investigation by the State Department casts doubts as to whether Aurelia Popa is the same person as Aurleia Nistor and Amnesty International is still seeking information on her whereabouts and legal status.

4. TORTURE, ILL-TREATMENT AND DEATHS IN CUSTODY

4.1 TORTURE AND ILL-TREATMENT

Amnesty International has received many allegations that prisoners of conscience and other political prisoners have been ill-treated, especially in pre-trial detention. The organization has received some allegations of the torture of political prisoners.

Prisoner of conscience Emil Mocanu was allegedly tortured after his arrest on 6 September 1984 by, among other things, being suspended by his wrists and beaten on the soles of his feet by the *Securitate* (the Romanian security police) in an attempt to force him to divulge the source of religious literature found by the *Securitate* during a search of his home. His brother Gigi Mocanu was arrested in May 1986 on charges of possessing foreign currency although Amnesty International believed that the real reason for his arrest may have been because he had made a cassette recording of events concerning the detention of his brother Emil. Gigi Mocanu was allegedly tortured by beatings on the soles of his feet with iron bars.

Allegations that during investigation proceedings prisoners of conscience have been slapped, beaten or threatened with the use of force in order to extort confessions from them are common. During this period they are often held incommunicado or given only minimal access to family or defence counsel. For example, Klaus Wagner, a member of the Brethren Church from Sighisoara, was reportedly arrested with two others in October 1981 after the authorities had discovered and confiscated a large number of Bibles on a ship which docked at Dobreta-Turnu Severin. He was charged with helping to smuggle these Bibles into Romania and distrubuting them. During his pre-trial detention, Klaus Wagner was allegedly severely beaten by police officials and had to be confined to hospital for intensive care. It was also alleged that during investigation proceedings neither he nor his two co-defendants had access to defence counsel.

In November 1982 Amnesty International appealed to the Romanian authorities on behalf of several members of Romania's Hungarian minority from Cluj-Napoca and Oradea who were arrested after they had published a memorandum claiming that the minority was the object of an official policy of assimilation. They were alleged to have been ill-treated following their arrest and to have been threatened with charges of treason. Among these people was Karoly Toth, who was arrested at his home in Oradea on 7 November 1982. Amnesty International received allegations that during the following four days police officials who conducted his interrogation kicked him, knocked his head against a wall and beat him with a rubber truncheon on his head, neck and back. On 11 November he was released. However, marks of the beating he had received were allegedly still visible two weeks afterwards.

Father Gheorghe Calciu-Dumitreasa, an Orthodox priest imprisoned for "propaganda against the socialist state" in 1979, has described his treatment while in pre-trial detention in a recent open letter:

"In the time when I was under investigation the two investigators, the Security Police Colonel and the Colonel-Procurator * * * did nothing for a period of some days other than insult me and my family—living and dead—in the most degrading way possible. This was the time when the Security Police had decided—in advance—that I was to be condemned to death * * * After three days of investigation, in which I had answered no questions, the Commander of the Security Police came into the office and ordered that I be subjected to continuous investigation—'non-stop' to use their expression. This lasted 48 hours."

In May 1985 Janos Csilik, a 29-year-old Roman Catholic priest from Oradea was allegedly ill-treated during interrogations in an attempt to make him give information about members of his congregation. Amnesty International was informed that as a result he needed hospital treatment for wounds to his hands.

Amnesty International has received reports of ill-treatment of political prisoners after being sentenced. An account received by Amnesty International of Calea Rahovei prison in Bucharest, written by a former prisoner of conscience imprisoned there in July 1982 after his trial, alleges that for punishment prisoners were placed in solitary confinement for periods of up to 15 days and shackled with hand-cuffs and leg-irons to a ring fixed into a concrete pyramid approximately 40 centimetres high in such a way that it was only possible for them to squat.

Former prisoners of conscience have also claimed that political prisoners were subject to ill-treatment from prison guards and by ordinary criminal prisoners instigated by the prison authorities.

4.2 DEATHS IN CUSTODY

Amnesty International knows of two political detainees who in recent years died due, it is alleged, to ill-treatment following arrest.

In May 1984 the organization received reports that Gaza Palfi, a Roman Catholic priest from Odorheiu Secuiesc and a member of the Hungarian ethnic minority from Transylvania, had been arrested after preaching a sermon on Christmas Day 1983 protesting at that day being designated an ordinary working day. Reportedly he was beaten so badly by the police while in custody that he was taken to Tirgu Mues hospital in a critical condition and subsequently died of liver failure, officially diagnosed as cancer of the liver.

The other case was that of Gheorghe-Emil Ursu, a 60-year-old civil engineer from Bucharest, who was arrested on 21 September 1985. He had reportedly been under continuous investigation since 3 January after making critical remarks about government policy and President Ceausescu personally. Following a search of his office a large number of his personal diaries covering a 40-year period were taken by the authorities, who allegedly attempted to induce him to implicate people mentioned in these diaries in an anti-government conspiracy. On 26 October his wife was informed by the autorities that he was ill in custody and on 19 November she was told that he died of heart failure. Gheorghe-Emil Ursu was cremated on 23 November. Relatives were only allowed a very brief view of the body on 22 November and reportedly observed blood stains on the shirt and injuries to the left temple. Amnesty International received allegations that he had been severely ill-treated in custody and that had caused his death. On 5 December Amnesty International wrote to the authorities expressing its concern at the death and calling for a full and impartial investigation into the circumstances surrounding it. The organization did not receive a reply and to its knowledge no such investigation was carried out.

5. ARREST AND TRIAL PROCEEDINGS

Amnesty International has received a number of allegations from former prisoners of conscience that the level procedures followed with respect to investigation, trial and imprisonment of non-violent political prisoners neither conform to international norms nor are in line with Romania's own domestic provisions.

Former prisoners of conscience have alleged they were denied access to a lawyer or that they were not allowed to be represented by a lawyer of their own choice—rights which are provided for in Article 171 of the Romanian Criminal Code of Criminal Procedure. One former prisoner of conscience describes his experience over lawyers as follows:

"[Three weeks after my arrest] I was accused in the presence of a state appointed lawyer, with whom I had previously not had even a minute of conversation, by the procurator on the basis of Article 323 . . . I was forced to sign a *proces-verbal* (a written statement) accepting this fact and indicating my agreement that I be accused on the basis of this article (two months after arrest) I saw for the first time a lawyer appointed by my family. I was allowed to speak with him for five minutes . . ."

Others have alleged that they were denied any form of communication with their families until the trial and that lawyers appointed by the family of the prisoner were only able to see the indictment a few minutes before the beginning of the trial. This latter allegation, if true, would constitute a breach of Article 264 of the Romanian Code of Criminal Procedure which states that 24 hours after the administration has been drawn up it should be presented, together with an unspecified number of copies, to the accused, who—according to Article 171 of the Code of Criminal Procedure—would be able to present it to the defending lawyer. Amnesty International has also received reports that defence lawyers have been prevented from fully presenting their cases.

Article 290 of the Romanian Code of Criminal Procedure states that trials are to be public unless this would be "prejudicial to the interests of the state, socialist morality or the dignity or private life of the person." Amnesty International believes this provision is open to abuse, and it has received reports of political trials held *in camera* or with attendance restricted to the immediate family when such a restriction has been unjustified.

Bela Pal, a member of the Hungarian ethnic minority arrested in May 1983, was arrested at his home but, reportedly, his wife was not informed of his whereabouts for two months and neither she nor the defence lawyers were allowed to see the indictment. According to reports received by Amnesty International, full details of the charges were not given at the trial nor at the initial appeal hearing. At the third and final hearing, when his original sentence of six years was confirmed, his defence lawyer was reportedly refused access to the courtroom despite Article 31 of the constitution and Article 6 of the Code of Criminal Procedure which guarantee the right to defence counsel.

6. HOUSE ARREST, HARASSMENT AND FORCED EMIGRATION

People who are critical of the authorities or who apply to emigrate face demotion or loss of their jobs, harassment and, as detailed above, in cases imprisonment. People critical of the authorities also face repeated interrogation and other forms of police pressure. Similar measures have been imposed on released prisoners of conscience. Father Gheorghe Calciu-Dumitreasa was sentenced to 10 years' imprisonment in 1979 for propagating "fascist ideology" after having preached sermons critical of authorities. He was released on 20 August 1984 following widespread international pressure but was then subjected to severe restrictions; among other things he was at first forbidden to leave a small village near the Bulgarian border; later he was not allowed to leave Bucharest. Amnesty International considered the restrictions so severe that they amounted to imprisonment and he was re-adopted as a prisoner of conscience.

In a letter which appeared outside Romania in June 1985 Father Calciu gave details of the measures to which the authorities, in addition to those described above, had taken in order to isolate him. He wrote:

"For months, there have been three militiamen stationed day and night in the entrance hall of the block where we live, another three at one end of the street, and another three at the other end. They check anyone who comes into the entrance hall and accompany them to the flat they wish to visit; if [they say] they are coming to our home their names are recorded in a register, and, with the exception of relatives and some very close friends, they are forbidden to come up. Three *Securitate* cars, each with two or three police in them, are stationed day and night near our building, and when we go out into town—even for bread or milk—at least six of them come with us, shoulder to shoulder, so that we don't exchange a word with anyone. People who innocently greet us have their identities checked, and are threatened and forbidden to have any contact with us."

Father Calciu also stated that his and his family's utter uncertainty left him no alternative but to apply to emigrate and on 5 August 1985 he was allowed to leave Romania.

Another example of such police pressure was that applied to Ion Puiu from Bucharest, an active member of the National Peasant Party (NPP), one of Romania's leading political parties before being banned by the communist government in 1948. During the mass imprisonment and repression of the government's political opponents—real or alleged—which followed the Communist Party's coming to power in 1946 (see 2.2.) he was arrested and sentenced to 20 years' imprisonment of which he served 17 years.

On 28 February 1985 he wrote a letter to Nicolae Ceausescu, the President of Romania, saying he intended to stand as NPP candidate for the election district No. 1 of the agricultural sector of Ilfov in the general election to the Romanian parliament, the Grand National Assembly (GNA), which was to be held on 17 March 1985. In the letter he protested about the continuing monopoly of political power by the Romanian Communist Party (RCP) and the fact that all candidates for the GNA were appointed by the RCP. He also enclosed the NPP political program which, among other points, called for: the liberation of the GNA from the tutelage of the RCP; free and independent trade unions; the return of land which had been forcibly taken from the peasants during the collectivization campaigns which began soon after the RCP gained power in 1946; and complete freedom of religious expression and practice. He explained that his choice of electoral district was made because it included both the municipality of Jilava where he had once worked and the prison of Jilava where he had served five of his seventeen years' imprisonment.

The existence and contents of his letter quickly became known both inside and outside Romania and in early April 1986 all contact with him from outside Romania ceased and his whereabouts were unknown until mid-1986 despite Amnesty International's repeated requests to the Romanian authorities for information on his legal position and whereabouts. The organization later learned that he had been detailed for a short period and fined.

On 20 October 1986 he wrote an open letter affirming his support for a joint declaration on the anniversary of the Hungarian Revolution of 1956 which was signed by 122 people from Hungary, the German Democratic Republic, Czechoslovakia and Poland. In this letter he stated that his and his daughter's home were under constant police surveillance. Following his publicized support for the declaration he underwent repeated lengthy interrogation by the police, sometimes apparently at night, and was allegedly beaten while in police custody. He was also reportedly attacked by unknown assailants in the street.

Amnesty International has received reports of similar physical attacks by unknown assailants on people known for their opposition to the authorities or who pursue activities the authorities disapprove of. The organization has received allegations that such attacks by "unknown assailants" are sometimes in fact instigated by the authorities. Aurel Florea, a 34-year-old Pentecostalist from Rupea near Brasov was attacked and savagely beaten by "unknown assailants" at least four times between 1984 and 1986. The attacks began immediately after he had been fined 1,000 Lei (about two weeks average pay) for "attempting to attract proselytes to join the Baptist religious sect". Amnesty International has received allegations that the authorities instigated these attacks so as to dissuade him from his evangelical activities. He was reportedly further summoned by the police and threatened after he took steps to obtain official medical certificates. These medical certificates (copies of which are in AI's possession) describe the injuries received as having been "caused by blows by a hard object".

Amnesty International has also received reports that people who criticize the authorities have been pressured by the authorities into emigrating. Geza Szocs, a member of the ethnic Hungarian minority from Cluj-Napoca in Transylvania, was reportedly summoned by the police on 14 January 1986 and told that "it would be better" if he left the country as the authorities were "unable to guarantee his security". He had been arrested in November 1982 and allegedly beaten by police officials while in detention in connection with an unofficial Hungarian language publication *Ellenpontok* (Counterpoints) of which he was an editor. He had sent an open letter in the Summer of 1985 to the Conference on Security and Cooperation in Europe Meeting of Experts on Human Rights, which was held in Ottawa, Canada, in which he had alleged there was an official policy of forced assimilation of the Hungarian minority. A similar case was that of Father Alexandru Pop, an Orthodox priest from Arad. In March 1986 he sent an open letter to Radio Free Europe (RFE)—a radio station which broadcasts programmes in Romanian to Romania, among other countries, from Munich, FRG—in which he called for an end to religious oppression in Romania. The letter further stated: "I am aware of everything that will follow. It is possible that after an investigation or house search, drugs, foreign currency or other objects might be "found" which could lead to my imprisonment and conviction. It is possible that I might be put in a psychiatric clinic and declared insane. In Romania anything is possible." In a subsequent letter to RFE he stated that he had been expelled from the Romanian priesthood but claimed that due to public support the authorities had not dared to arrest him. Amnesty International is informed that he was then pressured into emigrating.

7. THE DEATH PENALTY

Under the 1969 penal code 28 crimes carry a discretionary death sentence, with an alternative penalty of 15 to 20 years' imprisonment. Offences against territorial integrity and national sovereignty, state security and national defence as well as treason, espionage, particularly serious cases of homicide, serious forms of embezzlement and misuse of public property and hijacking aircraft with very grave consequences are all punishable by death. The death penalty cannot be imposed on people who were under 18 when the offence was committed, on a pregnant woman, or on the mother of a child who was under three when the offence was committed or judgment pronounced.

According to information provided by the Romanian Government to the United Nations Secretariat (UN Doc. E/1980/9, page 18) during the five years from 1974 to 1978 22 death sentences were imposed and 16 executions were carried out. In this information the Romanian authorities indicated that each of these cases involved crimes against the person. Amnesty International, however, learned of death sentences imposed during this period for offences other than those against the person: Bucharest Radio (home service) reported on 27 August 1976 that the Bucharest Territorial Military Court had sentenced Nicolae Ilies and Bogdan Jordanescu to death for treason and divulging state economic secrets and that the sentences had been confirmed on appeal to the Supreme Court. It was later reported that these sentences had been commuted in November 1976.

In April 1979 a Romanian representative, responding to questions by members of the Human Rights Committee concerning Romania's report on its implementation of the International Covenant on Civil and Political Rights, is reported to have stated that "during the past 15 years it (the death penalty) had not been applied in a single case involving an offence against state property . . . The scope of the death penalty had been considerably reduced in new Romanian legislation being drafted. The penalty would be applied exclusively as an exceptional measure and as an alternative in cases of homicide, treason, espionage and aerial piracy having particularly serious consequences" (UN Doc. CCPR/C/SR.140, page 12, para 48).

Despite the above, Amnesty International noted an increase in the number of death sentences imposed in the period following these official statements. In 1983 at least 13 death sentences were imposed, five of them for stealing large quantities of meat and another two for theft of public property with particularly serious consequences—none of these seven cases involved loss of life. Several of the sentences were reported to have been confirmed by the Supreme Court and petitions for clemency to have been rejected by the State Council.

On 7 February 1984 Amnesty International wrote to the Romanian authorities expressing its concern at this apparent substantial increase in the number of death sentences passed by courts and the apparent increase in the range of offences for which it was applied. The organization did not receive a reply. Since that date, to its knowledge, no death sentences have been reported in the Romanian press.

It did, however, hear that Florentin Scaletchi, Captain of the ship "Uricani", had been sentenced to death by the Bucharest Military Court on 28 March 1986, after having attempted to sail the "Uricani" to Turkey without authorization and thus heave the country illegally. He was reportedly charged with treason, plotting against the security of the state and using his personal position in the navy as well as naval property. Amnesty International was informed that his sentence was commuted to 20 years' imprisonment by the Supreme Court on 1 July 1986.

Mr. ARMSTRONG. Mr. President, I hope every Senator at some time—obviously, not before this comes to a vote—will read the Amnesty International report, because it is one more evidence of how serious the problem is.

I will withhold my statement and yield to the Senator from New Jersey.

Mr. BRADLEY. Mr. President, I rise to oppose the amendment of the distinguished Senator from Missouri. The reason I oppose it is that I think the amendment risks making a difficult situation considerably worse. I think it subverts the original purpose of Jackson-Vanik and sets a bad precedent.

It would position the Romanian Government to blackmail the United States on the issue of Jewish emigration—or any emigration, for that matter. It implicitly accepts present Romanian emigration levels and practices as an acceptable benchmark.

It singles out Jewish emigration in a way that pits various interests against another oppressed minority, the Hungarians.

Mr. DANFORTH. Mr. President, will the Senator yield on that point? I think the Senator must have some other version of what the amendment says.

Mr. MOYNIHAN. Mr. President, a parliamentary inquiry. I do not believe one Senator may yield the floor to another.

The PRESIDING OFFICER. The Senator from New Jersey has the floor.

Mr. DANFORTH. I ask the Senator from New Jersey whether he is reading from the same version of the amendment as that which has been offered.

Mr. BRADLEY. It is my impression that I am, and I will tell the Senator if I am not. I will correct it at a later point.

Mr. DANFORTH. Where does the Senator find the distinction in the amendment between the treatment of Jews—obviously, Jewish emigration is a huge problem. But where does the Senator find the distinction between the treatment of Jews and of Hungarians?

Mr. BRADLEY. The amendment I have before me says that the President may continue MFN if he determines that suspension of MFN would make it more difficult to improve human rights practices in Romania or that the suspension of MFN would significantly reduce the emigration of Jewish citizens from Romania.

That is the copy of the amendment that I have.

Mr. DANFORTH. That is not what was sent to the desk.

Mr. BRADLEY. Then I stand corrected. I will tell the Senator I will review the matter.

Mr. DANFORTH. I thank the Senator.

Mr. BRADLEY. Mr. President, I yield the floor.

Mr. ARMSTRONG. Mr. President, why do we not for the benefit of all Senators have the reading clerk report the amendment and then we will all be reading from the same text so to speak.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from Missouri [Mr. DANFORTH] proposes an amendment numbered 574.
>
> At the appropriate place, add the following:
>
> The provisions in Amendment #323 shall be avoided if the President of the United States determines in a report to the Congress that:
>
> The application of such provisions would make it more difficult to improve human rights practices in Romania or to enhance opportunities for emigration of persons from Romania.

Mr. ARMSTRONG. Mr. President, does the Senator from New Jersey wish to continue or would he like to take further time to study the new version of the amendment?

Mr. BRADLEY. I will claim the floor later.

Mr. ARMSTRONG. Mr. President, on August 26 the Senate joined the House of Representatives in voting to temporarily suspend most favored nation status for Romania. This vote represents a significant victory for human rights and for common sense.

Now, three Senators who opposed the passage of the amendment in the first place have returned to the floor to offer an amendment to undo what we did about 10 days ago.

This is in its truest sense a killer amendment. This is an amendment that just reverses the stand which the Senate took after an extensive and thoughtful debate.

But this is a little different kind of a killer amendment. This is a feel good killer amendment. This is an amendment by which Senators may reverse their position and yet which affords them an opportunity to feel good about what they are doing.

I wonder, Mr. President, how many Senators recall what Solzhenitsyn wrote? He said:

> There is one psychological peculiarity in the human being . . . to shun even the slightest signs of trouble on the outer edges of your existence at times of well being . . . to try not to know about the sufferings of others and your own or one's own future sufferings . . . to yield in many situations, even important spiritual and central ones . . . as long as it prolongs one's well being.

Mr. President, I think what this amendment does is this sort of prolongs our sense of that everything is OK.

By gosh, Mr. President, things are not OK, and we decided 10 days ago to take a step, not a drastic step, not a bold step, not a courageous or difficult step, not a step that required Senators to exhibit a great sense of sacrifice, not a step which was precipitous or hasty or improvident, not something that came unexpectedly, but after 12 years of monitoring the situation, 12 years in which the Senator from Connecticut and others came to the floor to protest the human rights abuses in Romania, one of the most brutal and repressive regimes in the history of the world, after 12 years of protesting and, inserting declarations in the CONGRESSIONAL RECORD and writing letters of protest and explaining how badly we felt about the abuses of human rights and doing nothing, finally 10 days ago, following the lead of the other body, the Senate took a step, not a big step, a modest step.

We did not, Mr. President, break diplomatic relations. We did not break trade relations. We did not impose an embargo. We did not call home our Ambassador. We did not break any cultural agreements. We did not hold up anybody who wants to travel to and from Romania. We did not even say we would not buy or sell to Romania.

What we did do by our vote 10 days ago following the lead of the other body, which had adopted on April 30 an amendment of virtually identical substance, what we did was we said we are not going to grant to this brutal dictatorship most favored nation status—permanently, no—for 6 months, and at the end of 6 months we would put them back in a position where they would be eligible to again qualify under certain circumstances for MFN status. I think that is a responsible thing to do. It appears to be that that is a measured, restrained response to the situation.

I would like to explain why. In addition, I would like to discuss some of the misinformation which has been circulating about what has already happened. I would like to analyze in detail the content of the Danforth amendment and then I would like to sum up some other recent developments on the human rights front which I believe not only amply justify but which indeed emphasize the need for the amendment which we adopted.

Before I do that, I note that the distinguished chairman of the Foreign Relations Committee is on the floor and on his feet. If he is seeking recognition, I shall be happy to interrupt my remarks and permit him to comment on this matter.

Mr. PELL. Mr. President, I thank the Senator from Colorado very much indeed for his courtesy and kindness in letting me say a word at this time.

I just rose to express my view that the suspension of most favored nation tariff status [MFN] will undermine our efforts to improve the human rights situation in Romania. In saying this I am not arguing that the human rights situation in Romania is rosy, because it is not. There are abuses of the rights of the Hungarian minority in Transylvania, of those who want to exercise freedom of religion, and of individuals who want to be reunited with their families in the West. One case that particularly concerns me is that of Napoleon Fodor, who defected to the United States. Fodor's wife and son have been refused permission to join him for several years. These kind of actions do not speak well of a civilized 20th century regime. But then again, very few Communist regimes are civilized in many ways although they may be 20th century.

Under the Jackson-Vanik amendment, the extension of MFN is dependent on a Communist nation's performance with respect to emigration. There has been considerable emigration from Romania to the United States and especially to Israel. I believe that MFN has been an effective tool for stimulating that emigration. MFN has also provided us with leverage to encourage positive steps on other human rights issues.

For those reasons, I urge my colleagues to support the amendment of the Senator from Missouri.

I thank the Senator from Colorado again for yielding time to me.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. ARMSTRONG. Mr. President, in 1975, Congress passed the Jackson-Vanik amendment which stipulated that a nonmarket country that is a Communist country could receive most favored nation status from us, the United States, only if it abides by basic human rights principles, particularly emigration.

Today Romania, Hungary, and the People's Republic of China received MFN status under Jackson-Vanik. While Hungary and China have relatively respectable records of present emigration, Romania has not. Romania fails to allow thousands of its citizens to emigrate and continues to harass those who apply to leave that country to come to the West.

While Romania attempted to comply with increased emigration requirements until 1984, since that time the number of people permitted to emigrate has dropped from 21,284 in 1984 to 17,350 in 1985, and 15,222 in 1986.

The State Department country report on human rights practices for 1987 states, and I quote "Official policy continues to oppose emigration for any purpose but family reunification. Those who seek to leave Romania continue to face harassment designed to dissuade them and others who might be considering permanent departure. Successful applications take between 1 and 5 years before exit approval is granted. The government refused to allow some Romanians to apply for emigration passports at all."

Der Spiegel magazine reports that the Federal Republic of Germany has paid head taxes, about 12,000 deutsche marks from Romanians who emigrate yearly. The pricetag at this time is about 8,000 deutsche marks, or 8,480 U.S. dollars per person.

Mr. President, Jackson-Vanik specifically states that MFN privileges not be granted to any country that imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate. Clearly 8,000 deutsche marks is not to be considered nominal.

While Jackson-Vanik uses the right of free emigration as a litmus test by which to measure progress on human rights, I believe it is impossible for Congress to properly ignore Romania's human rights abuses in other areas.

Religious persecution is pervasive in Romania. The Romanian President Nicolae Ceausescu requires all religious denominations to be registered. While 14 such denominations are registered, many others are not, subjecting their members to harassment, imprisonment, surveillance, and unannounced searches. In certain cases those in prison for their religious activities have been tortured.

Last year, the largest Seventh-day Adventists Church in Bucharest was bulldozed at a time when parishioners were still inside. The Sephardic Synagogue in Bucharest was torn down despite repeated interventions by the Israeli, American, and Spanish Embassies.

The Orthodox Church of St. Nicolae-Jitnita, built more than 200 years ago, was pulled down to make space for a movie theater. In fact, 14 historic Orthodox Churches and monasteries have been moved, partially dismantled, or destroyed in the last few years.

Perhaps the most telling recent example of religious repression in this country is what happened to the right to own a Bible.

In the late 1970's, U.S. Senator Abraham Ribicoff led an effort to distribute some 20,000 Hungarian-language Bibles in Romania. A few days ago, when we debated this issue, my distinguished colleague from Connecticut, Senator DODD, recalled what happened. But if there were Senators who did not hear exactly the outcome of this effort by Senator Ribicoff, I would like to remind them of this event.

These Bibles were not distributed, were not permitted to be used in that country. They were recycled into toilet paper. This is not idle speculation. This travesty has been documented through careful and painstaking research.

Nor, Mr. President, does the oppression of human rights in Romania end with religious persecution. The Romanian Constitution guarantees the freedom of speech and press, but in truth, all media are state owned, rigidly controlled and used primarily for party and government propaganda. The unauthorized importation or distribution of foreign publications is strictly forbidden. Romanian citizens must register the typeface of their typewriters with the government each year.

Hundreds have been harassed and imprisoned for speaking out or writing about negative aspects of the Ceausescu regime. A priest was beaten to death by police for a sermon in which he called for making Christmas a holiday.

Physical and mental degradation and torture have been reported repeatedly throughout the years. Again, to quote from the State Department's "Country Reports on Human Rights Practices," we find many cases of mistreatment, including: "Cells which are badly ventilated and poorly heated, bad food in extremely small quantities, difficult working conditions, long periods of isolation, excessive use of force by guards, overcrowding, and segregation of persons deemed 'dangerous to the state' because of religious beliefs or for other reasons."

Mr. President, in Romania, arrest and detention are often arbitrary. Take, for example, the case of Ioan Ruta, who was arrested on trumped-up charges after his wife chose to stay in the United States after a business trip. While in prison, his health deteriorated seriously, but for many months he was refused permission to emigrate, even though a U.S. hospital offered him full medical treatment.

In addition to poor treatment of prisoners, there have been several allegations of severe beating and death as a result of police brutality in recent years.

Repression of ethnic minorities is a growing human rights problem in Romania. Abuses of the ethnic Hungarian minority range from the closing of Hungarian-language schools and the frequent prohibition against Hungarian-language writings, theater, and other cultural activities to serious incidents of arrest and house searches to disappearances. According to the Committee for Human Rights in Romania, Hungarians in Romania are the "object of a carefully planned, systematic and aggressive campaign of forced assimilation."

Mr. President, in Romania, labor relations are essentially nonexistent. Unemployment is a crime—it is called "parasitism"—for which individuals can be arrested and imprisoned. Employees are frequently required to volunteer to work lengthy hours or perform uncompensated days of labor to make up for lagging production, according to the State Department report. Only labor unions under Government control are permitted to operate.

Mr. President, not only are the human rights practices of Romania abhorrent, its foreign policy practices draw into question whether or not we should have a policy of systematically favoring Romania. That, Mr. President, is what is at stake in this amendment, the extent to which, if any, we should temporarily or permanently favor Romania.

I stress we are not talking about cutting off sales or purchases to or from Romania. We are talking about whether or not this country, which is one of only three Communist countries to have most-favored-nation status, should continue to enjoy this status without interruption, in view of the deteriorating picture of human rights in that country.

According to Dr. Juliana Pilon, senior policy analyst at the Heritage Foundation, Romania, as one of the world's largest arms dealers, sold more than $3 billion in armaments between 1979 and 1983. While the majority of these arms went to the Soviet Union, I note for the record that some $310 million of such armaments went to Qadhafi of Libya and another $120 million went to North Korea.

In addition, Romania supplies military assistance to the Palestine Liberation Organization and other Soviet-backed national liberation movements. To quote General Pacepa, a high-ranking Romanian defector and former personal aide to Ceausescu, "Romania conducts paramilitary training schools for members of the Western Communist parties, who receive training in sabotage, diversion, and guerrilla tactics."

Does this behavior call for, merit, or warrant special favored status with the United States? Well, Congress has been thinking about this now for 12 years. Congress has waited patiently. Congress has dawdled. Congress has held hearings. Congress has attempted to convey its concern, in one way or another, in various official and unofficial public and private ways. A number of Members of Congress have personally visited Romania to express their misgivings. For the last several years, bills have been introduced in both Houses of Congress to warn the Romanian Government that we do not take lightly its disregard for the human rights of its citizens, all basically to no avail.

Now, on the 30th of April, our brothers in the House of Representatives decided it was time to do something, to take a major, graduated step, and they passed an amendment essentially identical to the amendment which was adopted on June 26 by the Senate. The amendment simply says that it is time, for 6 months, to suspend Romania's privileged trade status and at the end of that time, and if Romania improves its emigration and human rights practices, then Romania would be eligible for MFN status again.

The action taken by the Senate and the earlier action taken by the House is not extreme, but it does send, I think, a clear message: The United States will not continue to grant Romania trade privileges which are not available to most Communist countries unless it abides by basic human rights.

This amendment, adopted on the 26th of June, came on the heels of a lengthy and thoughtful debate in which both sides were thoroughly aired and considered, a debate in which, in my opinion, everybody had their say, a debate in which Senators knew exactly what they wanted to do. And I know of no reason to justify a reversal of that decision today.

Unfortunately, there were some persons who were not pleased with the outcome of the vote on the evening of June 26. There were some who were so disappointed, in fact, that they have not only been lobbying to reverse the decision, but also to confuse the legislative history or to portray somehow that Senators were not fully informed about the content or substance of the legislation.

Mr. President, maybe we have stepped through the looking glass, but a notion like that is preposterous.

Now, some people, after the fact, have tried to portray the Dodd-Armstrong amendment as some kind of a legislative sneak attack. I just want to remind my colleagues that this is the same amendment which passed the House nearly 2 months earlier, on April 30. This is not something new, this is not something we have pulled out of a hat at the last minute. This is legislation which was considered over a long period of time and was selected from a number of alternative proposals, some more severe, some less so, which was adopted by the House and which came over to the Senate and was propounded in virtually identical form here.

Now, there is one small distinction in one of the finding clauses between what we did here and what happened over in the House, and in a moment, I am going to comment on that specific provision. But the notion that somehow this was unexpected or unknown language or something that Senators did not know about is really quite farfetched.

Mr. President, some—and I do not refer, by the way, to any Senator—but some others have sought to make the case that Senator DODD and I, in our extemporaneous debate—and that is exactly what it was—failed to point out exactly what would happen at the end of the 6-month period during which MFN status would be suspended; in other words, that we did not really spell out that, at the end of that period, Romania had to do some things, the President had to make some findings.

For those of you who may have been approached with that notion, I would like to call attention to the CONGRESSIONAL RECORD of June 26 at page 19966 and quote one paragraph. It happens to be the initial paragraph, the opening paragraph of my presentation on this issue on June 26. Quoting myself:

> Mr. President, this amendment, if adopted and signed into law as a part of this trade bill, will suspend for a period of 6 months the most favored nation status of Romania. At the end of the 6 months period, under the terms of this amendment, they will revert to their present status as one of only three Communist nations which enjoy this privilege and highly-treasured trading status. They will continue, as under the present regime, to be subject to periodic review and recertification in order, after the 6-month suspension, to retain their most favored nation trading status.

Any notion that there was doubt about that or lack of clarity is really preposterous.

Mr. President, second, the case has been made privately and to my surprise has been made again publicly here on this floor within the last hour, that we are imposing a standard of assurance that is unprecedented, that it is unwise, that it just goes too far.

I saw it characterized someplace as the "Have you stopped beating your wife" kind of assurance, that we were asking too much for a foreign government, most of all for a Communist government, to give that kind of assurance.

Well, now, Mr. President, that is crazy. The fact of the matter is that we have all heard such assurances repeatedly. If that were a criterion which would call into doubt the Armstrong-Dodd amendment, then I would ask everybody to go back and take a long, hard look at Jackson-Vanik because the language in our amendment is, in essence, virtually the same. It is not identical. But in terms of the assurance, it is the same kind of assurance that has been in Jackson-Vanik all along, and I will just tell Senators and anybody else who cares about it that there has been no reluctance on the part of the foreign governments to enter into assurances or to give assurances which they were able to give and which they felt were to their advantage. In fact, I guess every government does that. That is a part of what diplomacy is.

Third, Mr. President, a question has arisen of whether or not the extra paragraph which we added, a subsection, which also appears on page 19966 of the CONGRESSIONAL RECORD, which is our additional paragraph—other than that, the amendment we adopted was the same as what the House did. But we did add this paragraph and people have said, "Well, this isn't fair. It is misleading. It is not true."

I would like to read the paragraph and let Senators judge for themselves. It says:

> Two, is aware—

This refers back to a beginning clause that says the Congress—

> is aware that overall emigration from Romania, and particularly Jewish emigration, has declined for the second consecutive year.

Mr. President, in defense of that clause let me just say that it was inserted in the resolution at the suggestion of a Jewish group which specializes in concern for emigration from the Soviet Union and Eastern European countries and the numbers which they presented to us and which we have inserted in the CONGRESSIONAL RECORD are the numbers of the Helsinki Watch Committee.

The statement so far as I know to this point is true. It is well documented. It comes from reputable sources. And, in fact, I think it is a valuable addition to the resolution which was adopted by the House.

So, Mr. President, that brings us up to date. The Senate has acted wisely, I think. There have been some people who have been trying to confuse the issue and I do not, by the way, refer to any Senators. I refer to some other people who I hope, upon reflection, will think better of their efforts.

We are now presented with the amendment by Senators DANFORTH and METZENBAUM which seeks to undo the action which the Senate took a few days ago.

Mr. President, I want to take a few minutes to analyze that amendment and then, in conclusion, to sum up the human rights picture generally and how the action of the Senate fits into that. But I note that two of my distinguished colleagues are on the floor. I would be glad to suspend my remarks and permit them to speak at this time if it is convenient for their schedule to do so and I would be happy to yield either to my colleague from New York or the Senator from North Carolina if either of them wishes to speak at this time.

Mr. MOYNIHAN. Mr. President, at the risk of being pedantic, I think it is appropriate to make the point that the Senators must be recognized by the Chair, unless yielding for a question. I would like to thank the Senator from Colorado for his gracious suggestion. I think the Senator from North Carolina is on the floor.

I would like to make some concluding remarks but I do not want to break the line of argument of the Senator from Colorado.

Mr. ARMSTRONG. I thank the Senator and I will be glad to yield the floor so the Senator from North Carolina can proceed.

Mr. HELMS. If the Senator will yield, I do not desire to make a speech. I was going to ask him a question.

Mr. ARMSTRONG. I would be honored to respond to any questions the Senator may have.

Mr. HELMS. I was reading the Senator's fine statement on June 26. I also read the amendment that was approved by a vote of 57 to 36 by the Senate on June 26.

It occurs to me that we are being asked, having charged up the hill, to march down the hill.

I will tell the Senate one thing. Mr. Ceausescu, President of Romania, that Communist country, must be sitting and chuckling at the action of the Senate today.

Let me ask a question—and I am referring to the amendment that was approved by 57 to 36 on June 26. It says:

> The Congress—
>
> (1) notes that the Department of State, in the publication Country Reports on Human Rights Practices for 1985, determined that "In the area of human rights, major discrepancies exist between generally accepted standards, for example as embodied in the Helsinki Final Act of the Conference on Security and Cooperation in Europe, and Romania practice. * * * The party, through the Government, continues to restrict and control the right to free speech, free assembly and association, and the practice of one's religion.";

I ask the Senator, Has anything changed since June 26?

Mr. ARMSTRONG. Mr. President, nothing of substance that I am aware of has changed within Romania. Our understanding of the situation has changed to some extent because we have available to us now, under date of July 7, the report of Amnesty International, USA, which in effect says the situation is even worse than what we have represented it to be.

Certainly there are no changes for the better that I am aware of. Only new disclosures of bad treatment, torture, human rights abuses, and repression.

Mr. HELMS. Well, I thank the Senator.

Then, (2) in the amendment adopted 57 to 36 on June 26, reads:

> The Congress is aware that overall emigration from Romania, and particularly Jewish emigration, has declined for the second consecutive year.

That has not changed; has it?

Mr. ARMSTRONG. Not as far as I am aware, and as pointed out to the Senators, this issue was challenged by some sources and we have rechecked our source of information, which is Helsinki Watch Committee, and we believe it to be correct.

Mr. HELMS. Then the amendment of June 26 continues:

> (3) The Congress is aware of numerous accounts from the Department of State, Congressional delegations, and various human rights organizations, that Romanian citizens are being arbitrarily harassed, interrogated, and arrested by Romanian government authorities for the exercise of civil and religious liberties.

That has not changed; has it?

Mr. ARMSTRONG. Mr. President, I want to respond to that question very carefully because I have a great temptation to report an incident which came to my attention within the last 2 hours which emphasize, the cynicism of the Government in power in Romania.

I am going to report that incident to the Senator from North Carolina privately because it is so personal, that is, involving a specific Romanian person who is being held hostage by the Romanian Government, that I am afraid that were I to announce it publicly, it would result in even worse treatment for this person. So I am going to tell the Senator about it privately.

But the answer, the literal answer to his question, is the situation is no better than it was. It is certainly unchanged.

What has happened is that we have learned more instances of abusive human rights and of a deepening sense of cynicism on the part of the regime.

Mr. HELMS. The Senator is absolutely correct. In my capacity as ranking minority member of the Foreign Relations Committee, I can tell him that nothing has changed except for the worse since June 26.

What we have here—and I know that President Ceausescu is just laughing at us—we have a variation of the carrot and the stick. Mr. Ceausescu and the Communists get the carrot and the poor oppressed people of Romania get the stick over their back.

I will say to the Senator that the immediately preceding Ambassador to Romania was a North Carolinian, a very fine citizen named David Funderburk. I wish the Senator could hear the Ambassador, if he has not heard him, describing what he experienced as Ambassador to Romania during his 3 years there. Of course, he did not please the State Department by going out among the people of Romania, the people who were being oppressed, and assuring them that he wanted to help as best he could. In other words, Ambassador Funderburk blew the whistle on the Communist government and that did not set too well in Foggy Bottom, in Washington, DC.

It seems to me that we should not, having marched up the hill, retreat now and cut and run on this issue.

I know there have been a number of corporations in this country who try to diminish the small step that was taken on June 26. As the Senator himself has said, it was not more than a small step. Certainly, having taken no more of a step than we did on June 26, we absolutely should not back up now.

I recognize that there are corporations who are putting pressure on some Senators. They tried it on me, and it did not work. They want to do more business in Romania. Well, I am not interested in that. I am interested in those oppressed people. I am interested in all of the things that were identified in the amendment adopted on June 26.

I have been interested in the plight of the Romanian people since I first came to the Senate. Many times I have stood on this floor, as the distinguished Senator from Colorado and the distinguished Senator from Connecticut have done this day, and I have pleaded for the United States to take a stand on behalf of the civil liberties that are being denied to the people of Romania.

I join the Senator from Colorado and the Senator from Connecticut in pleading with the Senate, let us not back down now. Let us not retreat from the small step that was taken on June 26. Do not give Mr. Ceausescu anything to laugh about. Let him know that he has to produce in terms of restoring the rights of the people over whom he presides.

I thank the Senator for yielding to me, and I congratulate him and Senator DODD on their fine efforts in this connection.

Mr. ARMSTRONG. Mr. President, I am very grateful for the observations and contributions of the Senator from North Carolina. I would be remiss before returning to the analysis of the pending amendment if I did not express my appreciation and my admiration not only for what he has said and done today but far more important for the fact that in years past on occasions when human rights issues were not in vogue, when it was not popular for Senators to stand up and be counted on issues like this, that he did so. In fact, long before I was even a Member of the Senate he was a champion for oppressed people who do not have a voice, who do not have a vote, who cannot lobby, who cannot even send mail in many cases. They are thankful to him and owe him a great debt of gratitude as do we all.

Mr. HELMS. I thank the Senator.

Mr. ARMSTRONG. Mr. President, I do want to say a word about the exact point of the amendment itself. The main reason to vote against the amendment is that it is a killer amendment, that it is a killer amendment because it undoes the action of the Senate on June 26 and does so in a way that lets Senators think, "Well, we still care about the problem but we are not going to do anything about it."

In addition to that, let me say that the amendment, itself, is drafted in a way which I think is most unfortunate. In some sense, though I know it is not intended, it would encourage repressive practices rather than discouraging them. The theory of Jackson-Vanik and the theory of Armstrong-Dodd is to give an incentive for an oppressive regime to be less oppressive, to lift the repression on emigration and other kinds of human rights. We say that if the situation improves we will lift our restriction on most favored nation status. That is the theory of Jackson-Vanik and it is the theory of Armstrong-Dodd. If the situation gets better we will deal more favorably with Romania. Unintentionally, the theory of the pending amendment is the opposite. It says that we are going to suspend or that the President shall suspend, or the word which is used—it is a term which I am not familiar with in legislation, used in the amendment—is that Armstrong-Dodd shall be avoided if the situation gets worse, so that the way Romania might hope to avoid the provisions of Armstrong-Dodd is to let the situation get worse, or even to make the situation get worse.

I know that is not the intention of the sponsors, but this is not an amendment which even if you want to undo what we did, which I do not——

Mr. DANFORTH. If the Senator will yield——

Mr. ARMSTRONG. Let me finish the sentence, and I will.

I do not want to undo what we did, but if I did, I would not want to do it this way.

Mr. DANFORTH. Clearly, the amendment does not say that somehow Jackson-Vanik or the granting of MFN is undone if the situation gets worse. What this says is that the President will be able to exercise his judgment on whether or not the withdrawal of MFN will make the situation worse. If the President at the time decides that the withdrawal of MFN will, in fact, make things worse for oppressed minorities, or make things worse for those, whether they are Hungarians, Jews, or whoever wants to emigrate, then the President will not be held in a rigid fashion to follow through on a congressional mandate which, when the time comes for its application, seems unwise and will, in the judgment of the President, make things not better, but worse.

That is why I really believe that the issue is not whether Romania is a wonderful place. It is a terrible place. But the question is whether the application of the amendment agreed to last Friday will make matters better than they are now or worse than they are now.

I think that is a judgment which should be made by the President, and it should be made at the time of the application of this provision.

Otherwise, we are creating truly a new state machine, we are creating a situation from which there is no withdrawal. We are creating, under the provision that was adopted last Friday, or the Friday before last, a totally inexorable process which must lead to the withdrawal of MFN status even if it appears at the time that it will have no positive effect on human rights; even it it appears at the time that it could make the human rights situation, if possible, even worse; even if it appears at the time that less minorities will emigrate from Romania.

The whole purpose of this is not to undo what was done 2 weeks ago, but simply to provide for Presidential discretion so that our response to Romania can accomplish some good results rather than forcing our Government pell-mell into a situation which can backfire.

Mr. ARMSTRONG. Mr. President, there are only a handful of legislators for whom I really have the utmost admiration and esteem. The Senator from Missouri is one of them. I admire his intellect; I admire his eloquence; I admire his sincerity; I admire his dedication. He is a master of the English language. He is a brilliant Senator. He is my dear friend, my faithful ally. Everything almost without exception he has said in his previous speech is wrong in my opinion. I do not think the Senator has carefully thought through the effect of his own amendment. This is a matter about which we disagree. I do not particularly want to bog down on it, may I say to the Senator. I would not be faithful to my cast if I did not state my opinion of the probable effect of the amendment.

In my opinion, the probable effect of this amendment is seriously flawed even from the standpoint of someone who wanted to undo what we did on June 26. But I do not want to undo what we did on June 26, so I made my case. He has made his. That is not the central issue. But in the unlikely event that his amendment should pass, I really hope that he would take another look. Honestly, I do not think he expects his amendment will be enacted into law. I believe he expects, if it were to pass, the matter would then go to conference and something entirely different would probably be written or that whole provision would be dropped and indeed that is the strategy I have heard discussed.

Mr. DANFORTH. Mr. President, if the Senator will yield, I do——

Mr. ARMSTRONG. I would like to finish my point and then I will be happy to yield.

The strategy I have heard discussed is that we can make any change, even an innocuous change, which this is not, that gets us to conference and the conferees would drop it because the conferees are not particularly friendly to the amendment in the first place. The managers on both sides are opposed to the original amendment. The administration opposed the amendment. I do not know about in the House, although it is my impression that the leadership in the House opposes the purpose and the flavor of the amendment. But in any case, while I do not expect that his provision will be enacted, I am just saying really in passing it is not the main issue; I do not think if it were enacted, it would have the effect which he suggests. I think it would have, first, the almost inevitable, not the 100 percent certain effect, but the almost certain outcome of the President recertifying. I think the pressure to do so would just be enormous; particularly after Congress had made a decision to suspend for 6 months, the pressure, if we back off, on him to do the same will be very, very great.

Nor do I agree with the Senator's characterization of this as doomsday. Let me point out to my friend from Missouri that whether or not a nation has MFN status is scarcely doomsday. Most Communist nations do not have MFN status. Only three of them do. That does not mean that we are at war with them. That does not mean we have broken fellowship with them. That does not mean we have called home our Ambassador. That does not mean we do not buy and sell with them. That does not mean we do not exchange trade missions or sister city relationships, that we do not have extensive cultural exchanges, that they do not send students over here and we send students over there. It just means we do not have a special privileged trade relationship.

Now, it is important to understand how Jackson-Vanik works and what its purpose was. Jackson-Vanik makes about three points, maybe some more, and I am just speaking extemporaneously but let me conduct a short overview of Jackson-Vanik, with the understanding that those in the room who are more knowledgeable are free to critique it.

First, it says Communist countries do not get MFN status. Second, it says notwithstanding the first provision, a Communist country can get MFN status if it complies with certain standards on emigration. Third, it says even if they do not comply, even if they do not fulfill basic emigration standards, that the President may waive all of this—not, as some have suggested, that Romania has ever complied with proper emigration standards. We have just waived it. That is all. It is provision, I think it is 402(c), if memory serves me correctly—it is either (c) or (d)—that says the President can waive it, and that is what happened. So the practical effect is if we adopt the Danforth amendment, that we are not going to suspend MFN status for 6 months; we are just not going to do it, and beyond that it has at least this malevolent spin on the ball in my opinion.

But please, may I say to my friend, do not characterize it as doomsday. Do not characterize it as drastic action because it really is not. It is a moderate step.

I promised that I would yield to the Senator. I would be happy to yield. I have some other related issues that I would like to go on to at some point, but I will be glad to yield the floor so that he may continue on this point if he wishes.

Mr. DANFORTH. Mr. President, I am not going to go on at great length. There are people, who have followed this matter very, very closely, who do believe that this is the end of MFN, that you just do not turn MFN off and on. I think that that is right. I really think that if the Senator will look at the language of the amendment which was adopted a few days or weeks ago, the possibility of the certification that is called for is really remote. I think that this is the end of MFN.

I say to the Senator that with respect to doomsday, for a lot of human beings it will be, because I know that Romania is a terrible place. But I also know that for 6 years, when I had the privilege of serving as the chairman of the Trade Subcommittee and the annual responsibility for conducting the MFN reviews, every year the Romanian Ambassador would come by my office and every year we would talk about human rights, and we would also talk about emigration. We would give the Ambassador lists of names. I know that for all of the problems of Romania, there are human beings now who do not any longer reside in Romania who but for Jackson-Vanik would still be in Romania. I know that. I know that to cut off MFN does pose real problems.

Now, we have a question of judgment between us. The Senator from Colorado—and I reciprocate his kind comments to me—believes that somehow, some way, the termination of MFN or the suspension of MFN is going to do some good. I myself cannot understand how that could conceivably be the case.

The Senator from Colorado has described my amendment as what he called a "feel good" amendment. I describe his amendment as a "feel good" amendment. I think it makes us feel good to beat on Romania, and they deserve to be beaten on. But I do not think it does any good. I think it is going to backfire.

What I am saying is I have never been to Romania. I do not have any desire to go to Romania. I do not know that much about Romania. But there are people who are there all the time. We have an Ambassador there. We monitor Romania. We watch what is going on in Romania. It seems to me that this is the role of the Executive, that the Executive should have discretion to make fundamental choices as to when pressure is useful and when it is not useful. To remove that possibility from the Executive I think is in fact doomsday. I think that is a rigid, automatic response and that it is going to cause people harm from the standpoint of human rights and emigration.

I think that the issue before us is not whether Romania is a good place or a bad place, but I think the issue before us is whether what we are doing has the possibility of making things better or worse.

I believe that what we are doing has the possibility of making things even worse than they are now, and that if we remove the kind of flexibility that the President should have in the conduct of foreign policy and trade policy, then in point of fact things will get worse, not better. I think they cannot get better under that set of circumstances.

So I appreciate the Senator yielding to me. Let me ask the Senator one question. I have pretty well shot my wad on the subject, frankly, and I do not know how many other people want to talk. But I know that the majority leader was asking us if there is a possibility of working out some time agreement. From my standpoint, yes, I think that we have pretty well wound up the discussion and discussed both points of view, and I would be very willing to call this one way or another, whoever wins, but just call it quits pretty soon.

Mr. ARMSTRONG. Mr. President, I appreciate the inquiry of the Senator from Missouri and I want to respond to that and also to the two points he made, and then I am going to yield the floor so that others can speak.

First, on the question of whether or not suspension comes down to and is tantamount to permanent revocation, let me suggest that the Senator just cannot have it both ways. He cannot come to the floor and offer this amendment and say that this is something other than a reversal of what we did the other night; that it still leaves the possibility or the likelihood or the option on behalf of the President to suspend MFN status, and at the same time say, "But that would be doomsday."

I think what he has said amplifies and emphasizes what I think is the practical effect of his amendment, which is to say we are going to reverse our position of the other night.

Second, he makes the point that it is a matter of judgment between him and me whether the amendment adopted the other night would make the situation better or right. He is right—it is a matter of judgment, and I respect his judgment.

In a few minutes it will be my intention to share with Senators the opinions of others who have come forward after the adoption of this amendment: the Center for Russian and East European Jewry and Student Struggle for Soviet Jewry, Christian Response International, International Human Rights Law Group, the Romanian Missionary Society, Christian Rescue Effort for the Emancipation of Dissidents, and others who have commented on this amendment.

With respect to the time agreement, it is not my desire to drag this out. In fact, it was not my desire to bring up this matter at all. It was my hope that we could avoid this second airing of the subject. In conscience, we have to say our piece. I have only a few minutes of material, but I see other Senators here. I do not think a time agreement is in order at this time.

Mr. SYMMS. Mr. President, will the Senator yield?

Mr. ARMSTRONG. I yield.

Mr. SYMMS. Is it the Senator's intention—and I hope it is—and that of the sponsors of the bill that passed by a vote of 57 to 36 to table the Danforth amendment?

Mr. ARMSTRONG. In due course; yes.

Mr. SYMMS. I hope that is what the Senator will do, and I would like to associate myself with the general thrust of the argument made by the Senator from Colorado. I agree with him, and I thank him for yielding.

Mr. ARMSTRONG. I thank the Senator.

Mr. DURENBERGER addressed the Chair.

Mr. ARMSTRONG. Mr. President, I yield the floor, simply so that others may make their statements.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DURENBERGER. I thank my colleague for yielding so that I may have an opportunity to say a few words on this subject.

Mr. President, until a couple of weeks ago, I did not intend to address this issue. I had one of the recent experiences as the Senator from Missouri and others seem to have periodically, of having a Minnesotan whose husband was imprisoned and dying in Romania and was released about 2 days before this vote, came up. And I began to express a greater interest in what our colleague from Missouri tells us here today was an annual affair, as he presided over the Trade Subcommittee of the Finance Committee, of which a number of us on the floor are members; and that is the annual ticket punching of human rights in Romania, in which you punch your tickets to get into the caseworker division of some U.S. Senator or Congressman every time the issue of MFN comes around.

In all honesty, I have to say to my colleagues that I did this, I have done this, but I quit about 10 days ago, really, at the behest of my colleague from Connecticut, Mr. DODD, and others who stood on the floor and reminded us that we have been doing this every year, maybe every month, for all the time all of us have been in the U.S. Senate.

It happened that this issue came up the same day that the Senator from Connecticut and I happened to be on opposing sides of an issue I found of great similarity, and that is, how should we, as Americans, speak to the issue of human rights in Panama, part of this hemisphere? Maybe it was the coincidence of those two issues that brought me to conclude that in this case the Senator from Colorado and the Senator from Connecticut were right and have been right for a long time.

Our colleague from Missouri asked what good will come from sustaining the position we all took by a 57-to-36 vote. I say to my colleagues that in the short term, none. In the short term, I imagine things will get worse. We took a position on human rights in South Africa, and things got worse. We took the same position in the Philippines, and that got worse. It seems to me that they are getting somewhat worse in Panama as well.

They also got worse in Poland in 1981, as I recall, when we invoked MFN status in Poland.

Six years later, we were able to restore MFN status because the Polish Government had learned that the people of the United States, the President of the United States, and the Congress of the United States put a high value on the things we stand for in this country.

Mr. President, we in Congress have often been criticized for changing our minds on important issues, especially those involving U.S. foreign policy. And thus I find it somewhat incredible that today we are now considering weakening an amendment that this body adopted less than 3 weeks ago which sent an important signal to the Government of Romania about how the United States Congress views its utterly repressive regime.

Mr. President, there was a time that this Nation was willing to overlook the human rights abuses of the Romanian Government because the government of Nicolae Ceausescu exercised a foreign policy independent of the Soviet Union. And so we granted them the special most-favored-nation status.

We do not grant this status to Albania, nor to Bulgaria, Czechoslovakia, East Germany and a host of other repressive Communist governments. In granting MFN status to Romania, we chose to overlook the bulldozing of churches and synagogues. We overlooked the despicable action of the Romanian Government in converting a gift of American Bibles into toilet paper.

We have overlooked the sophisticated police-state conditions which have terrorized the population for 40 years. We have overlooked the fact that everyone is aware of a Romanian decree which requires Romanian citizens to report to the police, within 24 hours, any conversation with a foreigner. As the director of Helsinki Watch has written:

> There is no trust in Romania, where it is generally assumed that as much as one-third of the population is working for the secret police.

Mr. President, there is not a single Eastern European country that operates as extensive a police state as the Romanian Government. Not since the darkest days of Stalin's NKVD, has a European country been subjected to the fear of the knock on the door at midnight from the secret police. In Romania, it is an everyday occurrence.

This extensive secret-police network makes it virtually impossible for Romanians to meet in groups or circulate writings. This is a country where the use of duplicating machines are strictly controlled, and citizens are obliged each year to register with the police the typeface of their typewriters.

Mr. President, not only do Romanian citizens live in terrorized fear of Ceausescu's secret police, but they must endure unending economic harship. In the winter, heat is turned on for barely 2 or 3 hours a day. Electricity operates for less than 6 hours a day. Severe shortages of food have existed for several years. And medical care is very difficult to come by.

It is also important to remember that the people of Romania do not benefit from most-favored-nation status. I will repeat that: It is also important to remember that the people of Romania do not benefit from most-favored-nation status. The real beneficiary of MFN is the Ceausescu government. The foreign currency earned by the government serves to maintain and promote the cult of personality that has dominated the country since World War II.

While his people suffer endless deprivation, President Ceausescu spends $1.2 billion to build a civic center in Bucharest that will be his personal monument. Money earned through MFN trade enables Ceausescu to invest in a giant oil refinery project at a time when there is an oil supply and refining glut. It allows him to push forward on constructing a nuclear power plant which has no customers, but at which his wife works as a service advisor.

Mr. President, the amendment we are considering today would have a devastating impact on a people who have already endured more than 40 years of unendurable suffering. It would, in effect, give President Ceausescu veto power over our decision to deny MFN status. It would not be unexpected for President Ceausescu to publicly threaten to clamp down on all emigration from Romania if MFN status is revoked.

How could the President of the United States respond to such a threat? Under this amendment, he would have to make the decision to retain MFN status. This amendment opens up America's human rights policy to political blackmail and for me it does not make sense.

I think I have been blackmailed too long.

So, Mr. President, whether we all knew what we were doing or were all totally committed to it or saw through the economic justification put forward by our very respected colleague from Missouri or not, the fact is that 3 weeks ago we sent a message to the Romanian Government. Their human rights policy is inhuman and we will stand by the people of Romania in their struggle to lift the yoke of totalitarian tyranny. The Romanian Government has 6 months to make a decision. If the Romanian Government takes positive steps to improve the condition of its people, we in the Congress will consider restoring MFN status. If the Government continues to repress its citizens, then we will treat the Romanian Government the same way we treat other totalitarian regimes.

The choice is not up to us. It is up to Ceausescu. He has $700 million worth of trade with the United States. He has a $500 million a year trade surplus with the United States at stake.

I urge my colleagues to reject the amendment for if we do not stand for something here today, we will continue to fall for anything.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from New York.

Mr. MOYNIHAN. Mr. President, this has been a debate between persons of transparent good will and willingness to hear the other side of a complex and often judgmental argument in which persons with the same information and the same views can reach different, even opposite conclusions. I would hope that at the end of this debate there would be, as there is so frequently, perhaps not frequently enough in the Senate, a sense that we have explored together a subject which we would wish to find a mutual and common conclusion even if it is not possible.

I hope the Senator from Colorado will know with what respect he has been listened to and know with what pleasure other Members of the Senate heard his own statement of his regard for the Senator from Missouri who has offered this measure which indeed, and we must be clear, seeks to mitigate if not indeed to avoid, which is the language of the amendment, the consequences of an earlier decision which we have made in connection with this bill, one which would in fact withdraw most-favored-nation treatment from Romania.

Mr. President, the Senator from Minnesota, with the very thoughtful intervention, spoke of the annual ticket punching, as he put it, in which the Ambassador of this particular country would come around and inquire about constituents, those of us who are on the Trade Subcommittee of the Committee on Finance, and I am well familiar with this and the Senator describes it very adequately. This is part of one of the corruptions I fear on which democratic states have exposed themselves in dealing with totalitarian regimes in this postwar period.

The term "quiet diplomacy" was once the banner under which this particular policy sailed and it was a continued pleasure of Secretaries of State and deputies and even down to Deputy Assistant Secretaries to obtain the release of this prisoner or that person desiring to emigrate or whatever in one or another of these countries, and these would be represented as genuine achievements. But you always knew that every time a particular individual was released from prison in the Soviet Union as a consequence of the Secretary or whomever, it was easy enough for the Ambassador of that nation here in Washington to send back a cable saying release Mr. Voronson, or whomever you will, and arrest his cousin, because there is quite an unending supply of political prisoners or persons who wish to emigrate and are not allowed or persons who wish to educate themselves or worship in certain ways that are not allowed.

Perhaps the most macabre form of this trading in bodies, if I may use that word, is the custom that has arisen, almost pagan, of accepting not human sacrifice on the occasion of a ceremonial visit but the gift of human souls. You can almost measure the status of an American public figure by the number of living persons presented to him on his or her arrival at Moscow Airport.

I fully expect the day will come that we will know a new period of good will is upon us when some future Vice President is presented with the whole of the Bolshoi Ballet as a symbol of largess and openness to a new set of relations. And we should not disguise ourselves from the fact that what basically is the totalitarian nature of the society nor do we disguise from ourselves what the Senator from Minnesota observed, that political considerations in the large enter into our calculations.

I am sure of the case that Romanian foreign policy has affected our decision over several administrations to give most-favored-nation treatment to Romania.

What, sir, can have affected our judgment that the People's Republic of China had somehow transmodified itself from a vicious totalitarian regime which in the 1960's horrors as yet unchronicled obviously occurred, when the number of bodies floating down the Yellow River into the precincts of Hong Kong reached the point of a public health hazard? Suddenly that regime emerges as one deserving of most-favored-nation treatment. Why? Because of its relationships to the Soviet Union, obviously.

Yet there might also be some measure of softening edges which are valuable and real and I think that has also been our judgment with respect to Romania.

I do not stand here as anyone with specific detailed knowledge of that regime's practices beyond what we generally learned from the Subcommittee on Trade and the Helsinki Watch and Amnesty International.

But I do offer this thought to the Senators and I offer it in support of the amendment presented by the Senator from Missiouri, and I call particular attention to the fact that the distinguished chairman of the Committee on Foreign Relations, the Senator from Rhode Island, is a cosponsor, and I would ask unanimous consent that I be made a cosponsor myself.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. I have spoken today with Mr. Richard Schifter who is our Assistant Secretary of State for Human Rights and Humanitarian Affairs. That is not the easiest of tasks and not everyone does it successfully. I think I would say, and I would have the support of anyone in this Chamber who has had occasion to work with Secretary Schifter, that no one in recent years has done it so well and brought to the task a measured judgment, a transparent humanity and concern for his work and in an effort to bring results as much as he can without compromising principles.

The Secretary asks us to support this amendment. I am not overmuch in the habit, Mr. President, of coming to the floor of the Senate and commending the judgment of Assistant Secretaries in this administration or perhaps in any, but certainly not of late in this one. But Secretary Schifter speaks with such authority and concern. He has a very simple proposition. He says that with respect to the present situation the Department of State, our Government, is able to deal with individual questions with the Government of Romania. He thinks that to be an important and positive relationship, not episodic as the MFN review comes around annually, but a continuing one.

I think he might also observe that many of the more traditional, you might say, emigration questions in Romania are becoming moot as a continued migration over several decades brings the numbers of persons who might wish to emigrate to a very small number and probably an older population. I do not wish to speak beyond my knowledge.

What he said is that the amendment already adopted has generally alarmed the Government of Bucharest, as it generally ought to do and as it was intended to do, but that the message has been received and that the proposal of the Senator from Missouri would now leave that message's impact without having the very negative consequences which some at least feel would follow from the withdrawal of the most-favored-nation treatment, an act which in the case of this particular regime could bring the kind of vengeful behavior we have every reason to associate with it in the past and every reason for which we have reason to welcome its modification, no more, in recent years.

Mr. President, I see the Senator from Colorado is on the floor. I see no other Member on our side. I yield the floor. I look forward to an early resolution of a matter which certainly has been well discussed at this point.

Mr. DANFORTH. Mr. President, I ask unanimous consent that Senator CHAFEE be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, MFN status is, in effect, a tool of the Congress. It is, in effect, a tool of the United States; a tool of the State Department should it wish to use it. But it has been with the approval of or the rejection by Congress that its status exists. So we are not ceding unto ourselves a Presidential privilege that has existed in the past.

Now the question that the Senator from Wyoming would raise with our colleagues who support this modification is, if MFN is not a tool to be used, why then should we even have it? What purpose could it possibly serve? If we are timid to use it, it is more of a humiliation to the country than to not have it at all. Why not simply trade where trade is possible? Why not simply say we are a trading nation and it hardly matters to us what you do in your country so long as you have money to pay for the goods you buy and have goods for us to buy in return, particularly in this instance with a surplus of American money to provide hard currency to that regime?

The problem is that the way Congress behaves on this is entirely frustrating because we use our hammers or whatever we have on our friends and yield or accede to the most repressive regimes behind the Iron Curtain.

I guess my frustration with this is that we somewhat accede to the Communist world our understanding of their abysmal behavior. We say, in effect, that we understand you are going to be worse if you do this.

My guess is that we really ought to consider completely abandoning the whole concept of most-favored-nation trading status rather than put our country into a subjective judgment where we wield trade conditions against our friends while ceding to those Iron Curtain countries the right to continue behaving as badly as everybody here has consistently admitted. Nobody is at odds with the fact that the Romanian regime is among the world's most oppressive regime.

Now, if this tool has the importance that we say the Romanian Government attaches to it, why is it that we would expect them not to respond positively to the threat of or the action of withdrawal, even for these 6 months? But, on the other hand, if this tool can easily be applied and causes an increase in hardship and retention, then we are really talking only about paying blood money on the sweet promise of better behavior. A pledge sometimes delivered sometimes withdrawn, a promise of more concentration on human rights, or of less concentration on human rights. We are now being played as the musical instrument of the Government of Romania. They threaten to do worse if we withdraw. They promise to do no better if we remain. Is this a tool or is this just a means by which some Senators from time to time can get on the floor and express their rage and frustration at the abysmal behavior of this regime?

Now, in the opinion of the Senator from Wyoming, the Senator from Colorado should be heard clearly. He says that the adoption of this provision, even if that provision which the Senate has previously adopted, calling for a 6-month withdrawal of Romania's MFN status is offensive to some people, this particular means chosen to resolve it does in fact make the situation worse rather than better. And if you are Ceausescu, you will pick up this license to blackmail tomorrow morning. Should the Senate do this, you will pick up the license to blackmail tomorrow morning and you will call the President of the United States and you will say:

> Mr. President, if you go through with the withdrawal that is promised—that is your privilege within this amendment. You will not believe the stress I will visit upon the people for whom you are now expressing concern. You will not believe it. I promise you that tomorrow the prison doors will spring wide open and we will use the withdrawal to fill the prisons. We will use it to oppress the Jews of Romania, the gypsies of Romania, the Armenians of Romania, the Christians of Romania. We will use it to abuse the rights of the citizens of Romania. Because surely you will understand that the withdrawal of this most favored nation status is our license to do just that.

Now the President, I think, is immediately seized with little opportunity but simple capitulation to permitting that regime to continue its present inhumanities, which all of us condemn as such a vile regime.

So we are guaranteeing them that they can continue to at least be as repressive as they now are. And from time to time, just to prove the point that they need to retain this privileged trading status, they can run up the flag and obviously, blatantly, abuse the right of their citizens one more time.

Now I would say to my friend from New York that if, as you have stated, this amendment has already had its effect and has caught the attention of the Govenrment of Romania, what judgment can we suppose or attribute to that Government if we withdraw it before it ever enters force?

Mr. MOYNIHAN. Might I respond?

Mr. WALLOP. I am happy to yield.

Mr. MOYNIHAN. It is an entirely fair question. Might I say that I reported the judgment of the Assistant Secretary of State. I could not misstate that. He makes a perfectly fair statement with respect to the dilemma the executive is always in in making this judgment.

Might I just extend this remark to say one thing. The distinguished Senator from Wyoming made the point that extending most-favored-nation treatment to a totalitarian regime was hardly something we would view with any satisfaction. And yet I think I can speak for the judgment of our late and revered colleague, Senator Jackson, that that was the outcome he did hope for in offering this particular economic concession, the most-favored-nation treatment, which is to take nations who are now under the 1930 tariff schedules, if they allowed free emigration and some such like matters. If the policy succeeded, we would have the most-favored-nation treatment with the Soviet Union. I think that was the logic of his amendment, was it not?

Mr. WALLOP. That is precisely my point. Here is a regime which has, first, already implemented glasnost, receiving much attention and anticipatory pleasure in this country and especially in our press. But it barely half of what the intention of the late Senator Jackson wished us to do. He wished us to have this tool to induce better behavior, not to sustain intransigent behavior. And that, in essence, is what I think the effect of this provision to the amendment would be if adopted by the Senate.

Mr. MOYNIHAN. I think that is a fair point.

Mr. WALLOP. Mr. President, I thank the Chair and yield the floor.

Mr. ARMSTRONG. Mr. President, a few weeks ago a newspaper reporter asked me what did I think about MALCOLM WALLOP. I said, "What do you mean?" He said, "Where does MALCOLM WALLOP fit into the scheme of things in the U.S. Senate?" I said, "Well, he is the Winston Churchill of the Senate."

The reason I said it is precisely because of the kind of statement he has just made. Like Churchill, he has a way of putting into a few words great themes and great ideas and encapsulating them, speaking not from notes or a written text, but from his heart. I have seen him do it on a number of occasions in the Senate where he comes here and challenges the conscience and heart not only of the Senate but the Nation.

I hope Senators will long recall what he has said here today because he has made a point that needed to be made and which had not previously come to our attention.

I am very grateful to him for his contribution to the debate this afternoon and for the other occasions when he has rallied to the cause and brought so many of us along with him. I thank you.

Mr. WALLOP. I thank the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I think we are getting close to the point of being ready to bring this to a close. I understand the Senator from New Jersey [Mr. BRADLEY] is on his way to the floor to speak. I think my colleague from Connecticut wished to have another minute or two, and then I would like to close the debate, at which time I will move to table or in some other way draw the debate to a close.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. I will be very, very brief because we have now spent 2 or 3 hours on this.

Let me, in closing, synthesize what I think are several pivotal points that need to be restated and emphasized.

One is, of course, that this body, as has been said on numerous occasions, but I will repeat it again, on June 26 voted on this issue of whether or not for 6 months we ought to suspend MFN, most-favored-nation status, to Romania. That vote was 57 to 36.

The consensus of this Congress, of the Senate, was that we had shown enough patience over the years, enough warnings had been given, enough concern expressed that we felt that at long last that that was not going to work. Possibly something like this might.

I want to emphasize to my colleagues, this is a 6-month suspension. It is not a permanent suspension.

At the end of 6 months, the President can report and certify to the Congress that there have been improvements.

Over the last number of years, every administration, Republican and Democratic, has either certified to that particular point or has waived certifications on that point.

But I want to emphasize, it is not a permanent suspension. It is a 6-month suspension and the legislation, the language of our amendment as adopted on June 26, specifically spells out the President can certify, determine that there have been improvements which would restore MFN at that point—barring a joint resolution passed by both Houses that would negate the certification by the President—but assuming that did not occur, the President, if he has determined there have been improvements in 6 months time, can restore MFN status. It is extremely important that our colleagues recognize that.

The effect of the Danforth-Metzenbaum amendment would be to grant MFN status. It negates our amendment and it grants MFN status unless the President decides to certify that they should not get MFN status and it provides no provision whatsoever that the Congress can then challenge that certification.

It is 180 degrees from what this Senate adopted a week and a half ago or 2 weeks ago. So there will be no doubt about it, this is not to all of a sudden just provide Presidential participation and suggest, as some have, that our amendment denies Presidential participation. The effect of this amendment would be to absolutely negate the action taken by this body 2 weeks ago and, furthermore, it removes entirely the right of Congress, as we have in Jackson-Vanik and other such similar propositions, the right to disagree, if you will, with a Presidential certification in these kinds of matters.

So I would urge my colleagues to reject this amendment, to do what we did 2 weeks ago.

It would be, as some have said, a dark day indeed if, after 2 weeks, having taken a position on this, we come back in and reverse ourselves.

I will tell you if that is the case, this would be a major, major victory for the Romanian Government. And I would add the only thing really new we have to offer is, of course, the conclusion by Amnesty International in what they describe as a persistent violation of human rights that has deteriorated in that country. It is one of the worst we are talking about. So I urge my colleagues to support what I presume will be a tabling motion made by my colleagues from Colorado to reject this amendment and stick with the language we have adopted in this trade bill.

Mr. President, I yield the floor.

Mr. ARMSTRONG. Mr. President, I can report that the Senator from New Jersey [Mr. BRADLEY], who had hoped to come to the floor to speak, advises us that he feels he has had his say. He would like to speak, but he does not want to unduly delay the Senate. He has been in an Intelligence Committee meeting. And so I authorized in his behalf to say, "Don't hold the vote up." To get on with it. So I think we are about ready to do that.

Mr. President, in closing I would like to express my appreciation to a number of Senators who have come back to speak on this issue. Some have spoken earlier, on the 26th of June, and some came here the first time, like Senator DURENBERGER, to express his concern about the direction of things in Romania and his belief that what we did on June 26 was wise and that it would be unwise, indeed it would be disastrous, to turn that out.

I thank my colleague DAVID DURENBERGER. I have already said I am grateful to JESSE HELMS for what he has said about this amendment, and for his commitment to the cause and I would say the same for Mr. BRADLEY, Mr. SYMMS, DON NICKLES and PAUL TRIBLE, who in many ways has been the father of what later came to be known as the Armstrong-Dodd amendment.

He worked on this issue for a year and then sort of passed the ball to me because he was tied up in the Iran-Contra hearings and felt that someone on our side should participate who could give it more attention than he was able, in view of that responsibility.

I especially want to thank again MALCOLM WALLOP for an extraordinary thoughtful statement.

Then I would be remiss, Mr. President, if I did not really compliment CHRIS DODD who has been fighting this battle for a dozen years at a time when, honestly, a lot of us were just not sensitive to what was happening and who really with Solzhenitsyn, as I said at the outset, and I guess Marcus Aurelius said it several hundred years earlier, 1,700 or 1,800 years before Solzhenitsyn, said to the effect: If we just put things that are unpleasant from our minds somehow we feel them. At that time that was what most Americans were doing; CHRIS DODD was speaking up. He was calling to the conscience and commitment people had but we were not ready to hear it. The victory, which was one for human rights and common sense, was perhaps more than any Senator's victory of CHRIS DODD, and I compliment him on it.

We have a good debate again. I am sorry to have taken the afternoon for it. One adverse consequence is that the managers of the trade bill have had the afternoon off. I suppose they have had a nap and will return to the floor refreshed and ready to go all night. So I kind of regret having given them that window of opportunity and I hope that is not the result. But we have had a good debate.

My objective, as we get into this, is to do about four or five things: first, to review the action we took on the 26th. I think that is absolutely clear to everbody what we did, why we did it.

Second, I wanted to analyze the Danforth amendment and what its practical effect would be, and I think that is also clear to Senators: It is to undo the Senate's action of June 26.

Third, I had hoped to present an overview of the human rights picture, and I think we have had a good discussion of that.

In closing, Mr. President, I am not going to go back through all of the comments that were received from outside organizations prior to the vote on June 26, but I think it is instructive, as Senators reflect on whether they want to reaffirm the decision we made earlier, or whether or not we want to reverse it, to know what some of the thoughful people outside this Chamber are saying about our action on June 26.

I would like to quote briefly from three letters that are sort of typical from what I have been hearing and I will ask that they be inserted in the RECORD. Mr. President, I do ask unanimous consent that these be inserted at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ARMSTRONG. From the Romanian Missionary Society, a letter sent to a Senator who voted along with 56 others in support of the amendment:

> We here at the Romanian Missionary Society have been informed that on June 26, 1987, the Senate passed the Armstrong-Dodd Amendment on Romania by a margin of 57 votes. For your individual support of this amendment during this crucial time, we give our sincere thanks.
>
> We are aware that the amendment will be undergoing further discussion by both branches of Congress, and we ask for your continued support. You undoubtedly have heard numerous accounts of the political and religious persecution prevalent in the country of Romania, and it is primarily on the behalf of the 700,000 evangelicals in Romania that we so urgently request your firm support of this amendment.

From the National Association of Evangelicals, with the signature of Robert P. Dugan, Jr., director:

> On behalf of the 50,000 churches of the National Association of Evangelicals I want to thank you for your support of the Armstrong/Dodd amendment to the Trade Bill. We believe that the important step of suspending Most Favored Nation Trade status to Romania is the appropriate lever to improve human rights, especially religious liberty, in that country.
>
> Our concern for human rights in Romania is well known, including my testimony at last year's hearings before the House Ways and Means Subcommittee on Trade. In view of their horrendous record on human rights, MFN might well have been suspended long ago.
>
> While we know that more battles have to be fought before this measure is enacted, you have sent a strong message to President Ceausescu, namely, the United States Congress will firmly stand for human rights. We encourage you to continue your support of MFN suspension, and hope that the Administration will follow your lead.

And finally, a letter from the Christian Response International, dated July 2, 1987:

> The vote in the Senate to support the Armstrong-Dodd Amendment is a tremendous statement to the fact that we in America consider religious liberty and human rights as an essential mandate for continued good relations with any government.
>
> There is very little doubt that conditions will only worsen for the people of Romania if the U.S. backs down on taking a strong stand against continued oppression imposed by the Romanian government.

I say to Senators, let us not back down.

EXHIBIT 1

THE ROMANIAN MISSIONARY SOCIETY

JULY 6, 1987.

Hon. ———,
U.S. Senate,
Washington, DC.

DEAR ———: We here at the Romanian Missionary Society have been informed that on June 26, 1987, the Senate passed the Armstrong-Dodd Amendment on Romania by a margin of 57 votes. For your individual support of this amendment during this crucial time, we give our sincere thanks.

We are aware that the amendment will be undergoing further discussion by both branches of Congress, and we ask for your continued support. You undoubtedly have heard numerous accounts of the political and religious persecution prevalent in the country of Romania, and it is primarily on the behalf of the 700,000 evangelicals in Romania that we so urgently request your firm support of this amendment.

By the stand which you take and by a change in the Romanian government as a result of pressure from the West, new church buildings will be constructed, pastors will receive the seminary training they need, Christian literature will be freely published and distributed, and an end to the constant harassment forced upon the Christians in Romania will take place.

Again, thank you for your favorable consideration of the Armstrong-Dodd Amendment.

Yours most appreciatively,
GEORGE HANCOCK-STEFAN,
RMS Executive Director.

THE PRICE OF FAITHFULNESS

The first major event that introduced a whole series of problems for Titus Mihet was the demolition of the church in which he ministered. Apparently, the growth of the church had frightened the authorities. The authorities felt threatened not only because of the expansion of the church, but also because of the type of people who were receiving the Gospel and becoming active in the church. Titus' ministry was reaching and converting upperclass Communist party leaders. The destruction of the church followed the conversion of one of the Communist party secretaries.

After the church was destroyed, the believers of Titus' congregation met in homes. This was illegal, and the authorities often took Titus in for questioning as a result of the "house churches". Titus was always very open with them. He would say, "You have left us with no other choice. Simply give us a church building and we will no longer meet in the homes. It is not our choice to meet in the homes. We were forced to this action."

Eventually, Titus' church in Zalau bought an old house in the name of one of their members, because the church was not allowed to make any such purchases. The old house was not suitable for their purposes, so they demolished the home and drew plans to construct a church on the plot of land. The church was built without receiving approval.

After the construction of the building, the authorities took Titus to trial for building without a permit. Titus was sentenced to 10 months of imprisonment. However, the court stenographer pleaded with the court to reverse the sentence. She said that the man did not deserve this kind of treatment. The background of this stenographer and her tears was traced to an event that had occurred many months before. This woman had wished for her daughter to be dedicated to the Lord at Titus' church. Too afraid to go to the church herself, she arranged for a friend to take her daughter for dedication. Titus dedicated her daughter to the Lord never knowing who the child's mother was. When the stenographer heard the sentence of this man who had dedicated her daughter to the Lord, she burst into tears. By the grace of God, the man who had announced the sentence returned to the court and told the court that the sentence was a mistake. The sentence was reduced to a few thousand lei.

Because of his rescue from prison, the authorities looked for a new way to persecute Titus. They did this in two different ways. The first was to deny Titus a home to live in. And second, they began to harass his family members. Titus had been living in a flat in town. The authorities evicted him from his flat. He and his family moved into the church, where they live today. However, these close quarters are hardly adequate for a family of five. The children sleep on mats on the floor and the family kitchen is located in the garage. The wintertime is especially difficult for the family, as the 500-seat church building cannot be sufficiently heated with the strict rationing of energy. Titus continually requested that the church be allowed to buy a home for their pastor, but the authorities kept refusing. They said Titus could buy a home, but the church could not. This would rectify the present situation, but if the church were to ever need another pastor, there would be no place for him to live and the problem would repeat. Titus refused to purchase a home for this reason. But after a period of time, Titus and his family found it difficult to live in the church. Consequently, Titus began to collect materials to build a house with the intention that it would eventually become a parsonage. While doing so, he was again questioned by the authorities.

After a time, the authorities subsided and eventually appeared at his door in good spirits. They said there would be no further problems in the construction of his home and requested to see his plans. Titus then called a builder and showed him the outline for the home. After seeing this, the authorities left and then again refused permission for the home.

A second kind of pressure was brought, but this time against Titus' children. In the school system, the children were discriminated against by the teachers. These teachers also influenced other children to be cruel to them. This included being mocked for being a Christian and even beaten by other children. This discrimination was especially evident in the life of Titus' daughter, Adina, who is now 15 years old. She was singled out by various teachers and equated with her father. Because of her youth, she was defenseless in these moments of trial. Titus began to move his children from one school to another. He approached the principal of each school and told them of his dilemma. Each principal assured him that his children would find no difficulty at their school.

Unfortunately, this was not the case. After a time, the authorities discovered where Titus' children were and put pressure on the principal to harass the children. When this occurred, Titus would move his children to a new school only to have the same events recur.

The climax of this saga took place one day when Titus' daughter went to school not knowing that there was a Christian song book tucked between her other books. She had not noticed that this book was in her possession until a teacher searched her stack of books, pulled it out, showed it to the class, harshly reprimanded her, and sent the child to the office.

Titus is still uncertain as to how the teacher became aware of the book. His daughter had not previously had her possessions searched.

In the office of the principal, Adina was drilled with questions and dealt with very harshly. It so happened that the principal of this school was the wife of a secret police official and was aware of Titus and his ministry. With a forceful insistence, the principal denounced Titus to his daughter and said that they would "destroy him", and that she would be without parents. The principal threatened that the child would be taken away from her family and that her father would be punished. All these threats broke the spirit of the child and she began to cry. When the principal saw this moment of emotional weakness, she intensified her attack and drove the child to fear and psychological damage. As a result of this treatment, Titus' daughter had a nervous breakdown and was put in a hospital for emotional depression. She remained there for three months. After being released, she continued to need medication to help her through the emotional trauma. To this day, she is still on medication.

Daily, Titus and his wife, Victoria, have to encourage their children to go to school. They try to prepare them for the trials they will face, but it is a difficult task. They tell them to respond to verbal assaults with the attitude of "it does not matter". This is how they protect themselves from the hostile environment in which they live.

Our gracious Lord has the means to bring positive things out of all difficult circumstances. Throughout this series of trials, God has worked in the church and town where Titus labors. People have come to know Christ Jesus as Lord, youth work has continued and increased, and the church in which Titus has ministered has grown both spiritually and in numbers. All of this has happened as a result of the example of their pastor who is willing to give everything to see the Kingdom of God furthered in Zalau. From the time the church was forced to meet in homes due to the destruction of their building, a new body of believers has developed.

As brothers and sisters in Christ, we must consider how to respond to the plight of Romanian pastors like Titus. God works in mighty ways through dedicated servants who are willing to subject themselves to persecution and harassment. We must first of all uphold Titus and his family in prayer. Pray for strength and encouragement during this time of persecution. We must also be a voice for the persecuted by letting the Romanian government know that believers in the West are aware of the injustice that continues unabated. We must remind those government officials of the basic human rights and religious freedoms which they at one time agreed to.

Write letters to: Nicolae Gavrilescu, Embassy of the Socialist Republic of Romania, 1607 23rd St. NW, Washington, DC 20008.

Titus and his family need to know of your prayers. Encouraging our brother is very important. Please address your letters to: Pastor Titus Mihet, Str. Republicii Nr. 36, Zalau, Salaj-4700, Romania.

NATIONAL ASSOCIATION OF EVANGELICALS, OFFICE OF PUBLIC AFFAIRS,
Washington, DC, July 6, 1987.

Hon. WILLIAM L. ARMSTRONG,
U.S. Senate,
Washington, DC.

DEAR BILL: On behalf of the 50,000 churches of the National Association of Evangelicals I want to thank you for your support of the Armstrong/Dodd amendment to the Trade Bill. We believe that the important step of suspending Most Favored Nation trade status to Romania is the appropriate lever to improve human rights, especially religious liberty, in that country.

Our concern for human rights in Romania is well known, including my testimony at last year's hearings before the House Ways and Means Subcommittee on Trade. In view of their horrendous record on human rights, MFN might well have been suspended long ago.

While we know that more battles have to be fought before this measure is enacted, you have sent a strong message to President Ceausescu, namely, the United States Congress will firmly stand for human rights. We encourage you to continue your support of MFN suspension, and hope that the Administration will follow your lead.

Sincerely,

ROBERT P. DUGAN, JR.,
Director.

CHRISTIAN RESPONSE INTERNATIONAL,
Washington, DC, July 2, 1987.

Hon. WILLIAM ARMSTRONG,
U.S. Senate,
Hart Office Building,
Washington, DC.

DEAR SENATOR ARMSTRONG: Congratulations! The vote in the Senate to support the Armstrong-Dodd Amendment is a tremendous statement to the fact that we in America consider religious liberty and human rights as an essential mandate for continued good relations with any government.

Thank you for your hard work in promoting the cause of the Romanian people in their quest for religious freedom. Your efforts deserve commendation and are greatly appreciated, most certainly by those suffering under oppression in Romania.

There is very little doubt that conditions will only worsen for the people of Romania if the U.S. backs down on taking a strong stand against continued oppression imposed by the Romanian government.

I recently received word from the pastor of the largest Baptist church in all Europe, the Second Baptist Church of Oradea. He asked us to convey that recent alleged reports from the government of Romania, promising to rectify the situation of bulldozed churches, are nothing but lies. To the contrary, the pastor indicated that the authorities have stated, "You will never be allowed to rebuild or even remodel your church building."

I encourage you to continue steadfast in your struggle for religious liberty and human rights in Romania, until freedom reigns.

Sincerely,

STEVEN SNYDER,
Executive Director.

STRATEGY VERSUS TACTICS

Mr. BUMPERS. Mr. President, there is very little disagreement here. We all want to place maximum pressure on Romania to observe the human rights of its citizens. There is disagreement on how to apply this pressure. We agree on strategy but not on tactics.

In my view, this is a case where we need a carrot as well as a stick and the President needs substantial discretion to alternatively use the carrot and stick.

It is always difficult to determine when the carrot will achieve more results than the stick.

Sometimes using a stick will be counterproductive. Sometimes we must suffer short-term reversals in order to achieve long-term progress.

But, we always need to recognize that whether or not MFN status is provided by the United States will never be the key determinant of whether there is progress in observing human rights.

The Romanian Government may want MFN status, but it wants even more to maintain its control over dissident elements within Romania.

If Romania feels it is threatened by dissents, it will give up MFN—and a great deal more—before it observes the human rights of the dissidents.

So, it's hard to know what strategy will have the most positive impact, but we must recognize the limits of our influence.

If we withdraw MFN status, my judgment is that we would lose whatever influence we still have in Romania.

There's no certainty on what strategy is best, but, in dealing with a repressive Communist country, I cannot believe that this administration will permit MFN status to continue unless some progress on human rights is being made. I support giving the President discretion to pursue a flexible and sophisticated strategy. I trust President Reagan on this issue and this is why I support Senator DANFORTH's amendment.

Mr. ARMSTRONG. Mr. President, I move to table the amendment.

Mr. DANFORTH. Mr. President, will the Senator withhold?

Mr. ARMSTRONG. Of course.

Mr. DANFORTH. Mr. President, I am not going to take long. I would read to the Senate one more time a copy of the amendment before us. I would ask Senators when they come to the floor to look at what the amendment says. It is very simple. It takes about 15 seconds to read it. It says:

> The provisions in amendment——

323, the amendment we agreed to a week or so ago——

> shall be avoided if the President of the United States determines in a report to Congress that the application of such provisions would make it more difficult to improve human rights practices in Romania or to enhance opportunities for emigration of persons from Romania.

In other words, the previous amendment stands, but if the President determines the application of the previous amendment will do more harm than good, then the President can avoid it. That is all this says.

Mr. President, I ask Senators, what conceivable good can come of not giving the President of the United States that kind of discretion?

I can tell the Senate what practical good has come of using Jackson-Vanik. I can tell the Senate because for 6 years I served as the chairman of the Trade Subcommittee. For 6 years I met with the Romanian Ambassador. For 6 years I presented the Ambassador with names of real human beings who have been let out of Romania.

I have been visited in my office by immigrants from Romania, people who have been reunited with their families, who have come to my office to thank me. Why thank me? Because I was the conduit of names and the application of Jackson-Vanik.

I say to the Senate that if we give the President no discretion at all, if we absolutely put the President of the United States in a straitjacket, then we vote to end MFN.

The Senator from Colorado has pointed out very clearly that this provision is in the House bill. This is not going to be conferenceable. What we are going to vote to do, unless we provide some discretion with the President of the United States, is end MFN status, in my opinion not for 6 months but forever, and end the leverage we have to at least do some good with the situation in Romania. It is a dreadful, practical mistake. It may make us feel good, but absolutely no good practical effect will come from it.

Mr. ARMSTRONG. Mr. President, in view of the Senator's statement, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Missouri. The yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is necessarily absent.

I also announce that the Senator from Arkansas [Mr. PRYOR] is absent because of death in family.

Mr. SIMPSON. I announce that the Senator from New Hampshire [Mr. RUDMAN] is necessarily absent.

The PRESIDING OFFICER (Ms. MIKULSKI). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 53, nays 44, as follows:

[Rollcall Vote No. 198 Leg.]

YEAS—53

Armstrong
Biden
Bingaman
Bradley
Breaux
Cochran
D'Amato
Daschle
DeConcini
Dodd
Dole
Domenici
Durenberger
Garn
Glenn
Graham
Gramm
Grassley
Harkin
Hatch
Helms
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
McCain
McClure
Melcher
Murkowski
Nickles
Nunn
Proxmire
Quayle
Reid
Riegle
Sarbanes
Simpson
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wirth

NAYS—44

Adams
Baucus
Bentsen
Bond
Boren
Boschwitz
Bumpers
Burdick
Byrd
Chafee
Chiles
Cohen
Conrad
Cranston
Danforth
Dixon
Evans
Exon
Ford
Fowler
Hatfield
Hecht
Heflin
Heinz
Matsunaga
McConnell
Metzenbaum
Mikulski
Mitchell
Moynihan
Packwood
Pell
Pressler
Rockefeller
Roth
Sanford
Sasser
Shelby
Simon
Specter
Stafford
Stennis
Weicker
Wilson

NOT VOTING—3

Gore
Pryor
Rudman

So the motion to lay on the table amendment No. 574 was agreed to.

Mr. HELMS. Madam President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. DODD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

ORDER OF PROCEDURE

Mr. BYRD. Madam President, if I may just have the attention of the Senate for a very short time, there is a concurrent resolution which will allow the House to adjourn today over until Monday, and I would ask the distinguished Republican leader if we could do that right now.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. We have no objection.

ADJOURNMENT OF THE HOUSE OF REPRESENTATIVES

Mr. BYRD. Madam President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 156.

The PRESIDING OFFICER. The Chair lays before the Senate House Concurrent Resolution 156, which will be stated.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 156) providing for an adjournment of the House from July 15 to July 20, 1987.

Mr. BYRD. Madam President, I ask unanimous consent that the Senate proceed to the consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 156) was agreed to.

OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1987

The Senate continued with the consideration of the bill (S. 1420).

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Madam President, the Republican leader, the two assistant leaders, and managers of various sections in this overall bill and staffs have been meeting for a considerable length of time in the effort to find a way to reduce the number of amendments that will be called up and ultimately to assure that the Senate is going to act in an orderly way and, finally, on this trade bill in the not too distant future.

I say right up at the beginning that I am very grateful, not only grateful, but impressed by the splendid cooperation, the active cooperation, on the part of the minority in attempting to bring a conclusion to the Senate's debate on this bill and at the same time give Senators a chance to call up their amendments.

There will be another meeting by the joint leadership, meaning the managers included with the elected leadership, and the purpose is to arrive at a time agreement that will be somewhat all-encompassing with respect to amendments, with respect to cloture, with respect to taking up the debt limit, and with respect to the vote on the windfall profit tax.

We are not just quite there yet.

So I would ask Senators their indulgence in the meantime if we could proceed with the Banking Committee section of the bill. That area of the bill has not had much attention yet. Senator PROXMIRE and Senator GARN are here and they are ready to go with that part of the bill, and if we could be moving in that area for the time being to give the leaders a further chance to continue our deliberations, I think that we are going to find that we have made a lot of progress.

In our meeting and working with Senators who have amendments listed on the two sides, we have already disposed of more amendments probably than the Senate has in the last 2 or 3 days.

So I will ask unanimous consent that the Senate continue until such time as I may elect, that the Senate in the meantime continue to lay aside the motion, to postpone the motion to recommit and all amendments that are involved with respect to reflagging, cigarette tax, windfall profit, and so on, so that these other amendments can be taken up. So if I could get consent now that the motion to postpone with its relative motions and amendments be laid aside temporarily until such time as the majority leader working with the minority leader are ready to ask for this agreement, I would appreciate that very much. I make that request.

I make that request.

The PRESIDING OFFICER. Is there objection?

Mr. BOREN. Reserving the right to object, Madam President.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Madam President, reserving the right to object, I would just say to the majority leader I appreciate the consideration he is showing to those who feel strongly about having an opportunity to vote on the windfall profit tax matter. Certainly it is my desire to cooperate with him. It is a very difficult task in carrying this bill forward.

Let me ask, would it be the feeling of the majority leader and could he assure us that, if we agree to set aside the windfall profit tax matter at this time, there would not be an effort made by the leader to move for cloture on this bill until such time as we had an agreement worked out that would assure us of the opportunity on this legislation to have a vote on this windfall profits tax motion to recommit with instructions.

Mr. BYRD. The Senator has my assurance on that point. I do call attention to the fact that, regardless of what I may want to do or not want to do, the next day after today that the Senate meets, there will be a vote on cloture on the bill. But I am desirous of getting a vote on the windfall profit tax today. I want to be able, at the time that we come back, to put before the Senate this agreement. I want to be able to have a specific time to vote on the windfall profit tax. It might be immediately, once the time agreement is entered into, to vote immediately. That may be one of the things I would have in the agreement, to vote on the windfall profit tax today.

I think that was the Senator's question and I have answered it.

Mr. BOREN. Madam President, reserving the right to object further, and I will not object at this point, I think that is a fair understanding. I realize the leader can only do everything within his power to get this agreement implemented. But this Senator would, if the meeting breaks down and if the leaders come back and report later on this afternoon that they were unable to reach such an agreement, then this Senator would be constrained to object in the future for the setting aside of this particular matter.

I wonder if it would be possible for this to be set aside amendment by amendment rather than to take up all the amendments—the Senator would not be objecting—but to do that rather than take up all the amendments en bloc that might be pending.

Mr. METZENBAUM. Will the Senator from Oklahoma yield?

Mr. BOREN. The majority leader has the floor.

Mr. BYRD. Yes, I yield.

Mr. METZENBAUM. I just want to say to the Senator from Oklahoma and the Senator from Texas that we had the battle on the windfall profits tax. I am totally opposed to it, but I do not intend to keep the Senate tied up while we just go through that same issue over and over again.

So the Senator from Ohio has no intention of interrupting any effort of the majority leader to bring this matter to a conclusion.

Mr. BYRD. Madam President, I thank the distinguished Senator from Ohio.

May I say to the distinguished Senator from Oklahoma that if he will allow me to get this request, as I offered it, he will note that I said "be laid aside until such time as the majority leader elects." Now, therein lies the key—any time I elect.

Mr. BOREN. Madam President, that being part of the agreement and certainly with my trust in the majority leader, I will lodge no objection.

Mr. BYRD. It would allow, while the minority leader and I and others are off the floor working out the agreement, this would allow the Senate to make progress without in each event some Senator standing up and saying, "I object."

Mr. BOREN. I certainly understand.

Mr. BENTSEN. Will the majority leader yield to me?

Mr. BYRD. Yes.

Mr. BENTSEN. First of all, I want to thank the distinguished Senator from Ohio. But I understand we have the same cooperation from the distinguished Senator from New Jersey, and I am appreciative of that.

May the record show that the distinguished Senator from New Jersey nodded his head.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Will the Chair withhold momentarily the question until the Republican leader can be heard?

Mr. DOLE. I want to underscore what the majority leader has been discussing here in the last few minutes. We have been in his office now for about an hour and 15 or 20 minutes going over a lot of amendments. I think we are going to have to make a decision here on both sides, and I can speak for my side. I think there is a chance we could finish this trade bill Friday. All those who have amendments are going to be protected under the plan we are working on, so nobody has to worry. If they have an amendment on the list, they are going to be protected. We hope you will take it off the list and decide not to offer it. But there are some that would cause great concern. They are not germane to the bill at all.

There has been progress made. It would be my hope—and I know the majority leader will make that request later—that sometime today we can have a cloture vote. Otherwise, we would have to wait until Friday or stay beyond midnight tonight to have that cloture vote. I hope at an early hour this evening we may permit the majority leader to make that request.

But I think the plan is moving. Nobody is being denied any right that I know of if their amendment is on one of those lists. There were 100-some amendments and now it is down to about 70, I think. So there has been progress made.

I thank the majority leader.

Mr. CHAFEE. I wonder if the majority leader would answer a question. If our amendment is on the list, then we do not have to worry about it being foreclosed by the cloture motion?

Mr. BYRD. No.

Mr. CHAFEE. Is that correct?

Mr. BYRD. That would be part of the agreement.

Mr. GRAMM. If the distinguished majority leader would yield, I would just like to thank the majority leader for his kindness and understanding of how important the windfall profit tax is to so many of us. I just want to thank the majority leader for his kindness in trying to work out an agreement so that we can have an up or down vote.

Mr. BYRD. I thank the distinguished Senator.

The PRESIDING OFFICER. Is there objection to the minority leader's request? Hearing none, the unanimous consent request by the majority leader is agreed to.

AMENDMENT NO. 579

(Purpose: To make it unlawful for any vessel that has made a call on any port in Cuba during the prior 6 months to make a call on a port in the United States, and for other purposes)

Mr. CHILES. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida, Mr. CHILES, for himself, Mr. BYRD, Mr. SIMPSON and Mr. BENTSEN proposes an amendment numbered 579.

Mr. CHILES. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Hearing no objection—will the Senate be in order? Will the Senate please be in order?

Mr. SYMMS. I object.

The PRESIDING OFFICER. The Chair can recognize one Senator at a time. There are several Senators standing. It is difficult for the Chair to see who seeks recognition.

I believe the Senator from Florida has the floor to speak in behalf of his amendment. The Senator from Florida has asked unanimous consent that the reading of the amendment be dispensed with.

Mr. HEINZ. Reserving the right to object.

The PRESIDING OFFICER. I apologize. It is difficult to hear the Senator.

Mr. HEINZ. I understand. Would the Senator just yield for a question? This does not appear to be an amendment to the banking portion of the bill. It is the understanding of the Senator from Pennsylvania that—and maybe I misunderstood—the majority leader's unanimous-consent request was to go to the banking portion of the bill. If I understand that unanimous-consent request correctly, this amendment would not be in order.

Mr. CHILES. Madam President, I did not hear that as part of the unanimous consent. I thought the majority leader said something about the banking members could go forward so they would have time. I do not think that was part of the unanimous-consent request. I did think that I had recognition and had a right to send my amendment to the desk.

The PRESIDING OFFICER. The Senator from Florida is correct.

Is there objection to dispensing with the reading of the amendment of the Senator from Florida?

Mr. SYMMS. I object. I want to hear it read.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read as follows:

At the end of subitle D of title IX of the bill, add the following:

SEC. . VESSELS MAKING CALLS ON CUBAN PORTS.

(a) IN GENERAL.—It shall be unlawful for any vessel which has made a call on any port in Cuba after the date that is 60 days after the date of enactment of this Act to make a call on any port in the United States within six months of that call in Cuba. Any vessel that makes such a call in violation of this section shall be subject to seizure and forfeiture to the United States.

(b) SEIZURE.—

(1) Any customs officer may seize any vessel in the customs waters of the United States that has, at any time after the date that is 60 days after the date of enactment of this Act, made a call on any port in Cuba during the preceding six-month period.

(2) Seizure may be made under paragraph (1) without regard to whether the owner or master of the vessel at the time of seizure was the owner or master of the vessel at the time the vessel made the call to a port in Cuba in violation of subsection (a).

(3) The provisions of the title IV of the Tariff Act of 1930 (19 U.S.C. 1401, et seq.) shall apply to the seizure, forfeiture, and sale of any vessel that makes a call to a port in Cuba in violation of paragraph (1) and to the proceeds from the sale of such a vessel.

(c) WAIVERS.—

(1) If the President determines that the prohibition provided under subsection (a) has inflicted, or there is compelling evidence that prohibition will inflict, serious economic damage to a major sector of the United States economy, the President may waive that prohibition for shipping directly related to the affected sector of the United States economy.

(2) The President shall submit to the Congress a report on each waiver granted under paragraph (1) which shall include an explanation of why the waiver was granted, by no later than the date that is 5 days after the date on which the waiver is granted.

(d) DEFINITIONS.—For purposes of this section, the terms "customs officer" and "customs waters" have the respective meaning given to each of such terms by section 401 of the Tariff Act of 1930 (19 U.S.C. 1401).

SEC. . NEGOTIATIONS.

(a) IN GENERAL.—The United States Trade Representative shall take action to initiate negotiations with the trading partners of the United States with regard to the elimination or restriction of their trade with Cuba.

(b) REPORT.—The United States Trade Representative shall submit to the Congress a report on the negotiations conducted under subsection (a)

The PRESIDING OFFICER. The clerk has completed the reading of the amendment. Does the Senator seek recognition on the amendment? The Senator from Massachusetts?

Mr. KENNEDY. Madam President, I had asked the Senator from Florida, who is now in conference, whether it might be possible to temporarily set aside his amendment for the Senate to consider an amendment which is sponsored by Senators MURKOWSKI, MIKULSKI, DURENBERGER, LEAHY, PELL, BIDEN, and myself, and has been cleared by the ranking member of the Foreign Relations Committee, the chairman of the Foreign Relations Committee, the chairman of the Agriculture Committee, Under Secretary Whitehead, Assistant Secretary Ridgeway, and has, as I understand it, virtually no objection to it.

Effectively it has been cleared on both sides. It is an American Aid to Poland Act of 1987.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts?

Mr. KENNEDY. I would make this request with the understanding that if we exceed 5 minutes' discussion on it that we revert back.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island, if you would hold, I am happy to answer the Senator's inquiry. If everyone could take a seat so I can see who is standing to seek recognition.

Does the Senator from Rhode Island have an inquiry?

Mr. CHAFEE. I would like to reserve my right to object.

If I might make an inquiry, Madam President. It is my understanding that pursuant to the agreement that was previously made, we are moving banking legislation now; am I correct? Is this going to be interspersed with a variety of other matters? I think we ought to know.

The PRESIDING OFFICER. There was no requirement that amendments would be germane to the banking title.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. Does the majority leader wish to clarify his agreement?

Mr. BYRD. Reserving the right to object, I do this to clarify what the request was. The request only provided for the laying aside of my motion to postpone indefinitely the motion to recommit with instructions until such time, after talking with the minority leader, I elect to get back to that.

I stated I hope we can do this, I hope we can get on with the amendments to the banking section because both managers are here. That was not a part of the request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DOLE. Reserving the right to object, I do not wish to object. I think everybody does favor the amendment, but I think the distinguished Senator from North Carolina, Senator HELMS—have you agreed on Chile?

Mr. KENNEDY. We have agreed on this amendment, not agreed on Chile.

The PRESIDING OFFICER. This amendment is about Poland.

Is there objection to the request of the Senator from Massachusetts?

Without objection, it is so ordered.

AMENDMENT NO. 580

(Purpose: To provide assistance to Poland.)

Mr. KENNEDY. Mr. President, on behalf of myself, Senator MURKOWSKI, Senator MIKULSKI, Senator DURENBERGER, Senator LEAHY, Senator PELL, Senator BIDEN, and Senator HELMS.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself, Mr. MURKOWSKI, Ms. MIKULSKI, Mr. DURENBERGER, Mr. LEAHY, Mr. PELL, Mr. BIDEN, Mr. HELMS, proposes an amendment numbered 580.

Mr. KENNEDY. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment is as follows:

On page 958, after line 21, insert the following:

TITLE XLVI—ASSISTANCE TO POLAND

SEC. 4601. SHORT TITLE.

This title may be cited as the "American Aid to Poland Act of 1987."

SEC. 4602. FINDINGS.

The Congress finds that—

(1) positive developments in Poland in 1986, including top-level commitments to economic reform and a general amnesty for all political prisoners, prompted the United States Government to initiate a new policy of step-by-step reengagement with Poland;

(2) as part of that new policy and in response to the general amnesty of September 1986, the United States Government undertook high-level contacts with representatives of the Government of Poland and lifted the remaining economic sanctions originally imposed in response to martial law, the detention of the Solidarity leadership, and the outlawing of Solidarity;

(3) as part of the new policy of reengagement, official contacts between Poland and the United States have increased and intensified, as exemplified by the Ridgway-Kinast meetings in Vienna, Deputy Secretary of State John Whitehead's trip to Poland and meeting with General Jaruzelski, the parliamentary exchanges between Chairman Dante Fascell and Josef Czyrek and between Chairman Dan Rostenkowski and Marshall Roman Malinowski, the initialing of the Science and Technology Agreement, and Senator Edward M. Kennedy's trip to Poland in May 1987;

(4) the top leadership of Poland has called for reform and restructuring of the Polish economy and has undertaken a process of national reconciliation between Polish society and the Government of Poland;

(5) the process of national reconciliation and economic reform inside Poland will be furthered by strengthening ties between United States and Polish society and by measured increases in United States involvement in the economy of Poland;

(6) improved political and economic relations between the United States and Poland can only occur in the context of respect for human rights and increased pluralism inside Poland; and

(7) sustained growth can only be restored to the Polish economy if there is a genuine reconciliation between the Government of Poland and all segments of Polish society, including Solidarity.

SEC. 4603. POLICY TOWARD POLAND.

It is the sense of the Congress that—

(1) the United States and Poland should increase contacts between the peoples of the two countries at all levels of the government and between all sectors of the two societies;

(2) as the human rights situation in Poland improves and as Solidarity is allowed once again to operate legally and openly inside Poland, the United States Government and the Government of Poland should normalize relations between the two countries and restore ambassadorial status to its ranking diplomats;

(3) private and voluntary organizations and cooperatives should be encouraged to promote projects aimed at improving the quality of life for the Polish people and at strengthening private, independent nongovernmental entities inside Poland, such as the Catholic Church, with a heavy emphasis on improving and modernizing Polish agriculture which is largely in private hands; and

(4) United States representatives to multilateral development banks should be forthcoming and constructive in efforts to assist Poland.

SEC. 4604. FUNDING OF SCIENCE AND TECHNOLOGY AGREEMENT.

(a) FUNDING.—For purposes of implementing the 1987 United States-Polish science and technology agreement, there are authorized to be appropriated to the Secretary of State for the fiscal year 1988, $1,000,000.

(b) AVAILABILITY OF FUNDS.—Amounts appropriated or provided for pursuant to subsection (a) are authorized to remain available until expended.

(c) DEFINITION.—For purposes of this section, the term "1987 United States-Polish Science and Technology Agreement" refers to the draft agreement concluded in 1987 by the two countries entitled "Agreement Between the Government of the United States of America and the Polish People's Republic on Cooperation in Science and Technology and Its Funding", together with annexes relating thereto.

SEC. 4605. AGRICULTURAL ASSISTANCE FOR POLAND.

Notwithstanding any other provision of law, $10,000,000 of the funds made available under the heading "Agriculture, rural development and nutrition" of title II of the Foreign Assistance and Related Programs Appropriations Act, 1987 (as contained in section 104(f) of Public Law 99-500 and Public Law 99-591) are hereby continued available for obligation until September 30, 1989, which amount shall be available only for agricultural activities in Poland.

SEC. 4606. DONATION OF SURPLUS AGRICULTURAL COMMODITIES.

(a) AUTHORITY TO DONATE.—Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended by striking out the last word of Section (b)(10)(B)(i), and adding in lieu thereof, "of which 8,000 metric tons may be provided for each of fiscal years 1988 and 1989 to nonprofit voluntary organizations and cooperatives operating in Poland, including groups organized under the auspices of the Catholic Church, under agreements for sale to purchasers approved by the United States of such commodities and the use of the proceeds from such sales for eligible projects in Poland that have been approved, upon application, by the joint commission described in section 4609 of the American Aid to Poland Act of 1987 and by the United States chief of diplomatic mission in Poland."

SEC. 4607. USE OF POLISH CURRENCIES.

(a) USE OF POLISH CURRENCIES.—Subject to subsection (b), nonconvertible Polish currencies (zlotys) held by the United States on the date of enactment pursuant to an agreement with the Government of Poland under the Agricultural Trade Development and Assistance Act of 1954 which are not assets of the Commodity Credit Corporation shall be made available, to the extent and in such amounts as are provided in an appropriation Act, for eligible projects in Poland described in section 4608 and approved, upon application, by the joint commission described in section 4609 and by the United States chief of diplomatic mission in Poland.

(b) AVAILABILITY OF CURRENCIES.—Currencies available under subsection (a) are currencies available after satisfaction of existing commitments to use such currencies for other purposes specified by law, including the purposes specified by section 4604(a)(2).

SEC. 4608. ELIGIBLE PROJECTS.

Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended by adding at the end of Section (b)(7)(D)(ii), "provided that foreign currency proceeds generated in Poland may also be used by such organizations for eligible activities approved by the Joint Commission established pursuant to Section 4609 of "The American Aid to Poland Act of 1987" and by the U.S. chief of diplomatic mission that—

I. would improve the quality of life of the Polish people; and

II. strengthen and support the activities of private, nongovernmental independent institutions in Poland, including Solidarity.

Such activities also include—

(I) any project to be undertaken in Poland under the auspices of the Charitable Commission of the Polish Catholic Episopate for the benefit of handicapped or orphaned children; and

(II) any project for the reconstruction, renovation, or maintenance of the Research Center on Jewish History and Culture of the Jagiellonian University of Krakow, Poland, established for the study of events related to the Holocaust in Poland.

SEC. 4609. JOINT COMMISSION.

(a) ESTABLISHMENT.—The joint commission described in sections 4606, 4607 and 4608 shall be established under an agreement between the United States Government, the Government of Poland, and nongovernmental agencies (as defined in section 4606(b)(2)) operating in Poland.

(b) MEMBERSHIP.—The joint commission shall be composed of—

(1) one appropriate representative of the Government of Poland;

(2) appropriate representatives of nongovernmental agencies which are parties to the agreement described in subsection (a); and

(3) representatives from the United States diplomatic mission in Poland, to include a representative of the Foreign Agricultural Services, who shall serve as nonvoting members.

SEC. 4610. PROVISION OF MEDICAL SUPPLIES AND HOSPITAL EQUIPMENT TO POLAND.

In addition to amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) for such fiscal years, there are authorized to be appropriated to carry out that chapter for each of the fiscal years 1988 and 1989, $2,000,000, which amount shall be available only for providing medical supplies and hospital equipment to Poland through private and voluntary organizations, including the expenses of purchasing, transporting, and distributing such supplies and equipment.

SEC. 4611. ASSISTANCE IN SUPPORT OF SOLIDARITY.

Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) for each of fiscal years 1988 and 1989, not less than $1,000,000 shall be available only for the support of the independent Polish trade union "Solidarity".

On page 543, between lines 8 and 9, insert the following:

(d) ELIGIBILITY OF POLAND.—Notwithstanding any other provision of this section, the Secretary of Agriculture may establish a mission in Poland.

Mr. KENNEDY. I urge the Senate to give this legislation its immediate and overwhelming approval. When we do so, we will begin a new and more hopeful chapter in the history of United States-Polish relations. But even more, when we pass this law, we will be sending a message to the Polish people that America is still with them in their age-old struggle to be free.

Over 30 years ago—on March 12, 1957, at the height of cold war suspicions and distrust—Senator John F. Kennedy wrote a letter to then-Secretary of State John Foster Dulles. In that letter, Senator Kennedy argued for economic assistance to Poland, saying:

> If there is even a slight chance that this demonstration of friendship on our part will help the Polish people to loosen further the bonds of Soviet domination, then the obvious gains to this nation and the Free World will have been well worth the effort.

Senator Kennedy went on to say:

> Poland may still be a satellite government—but the Poles are not satellite people. To deny them help because they have not been able to shake off total Communist control would be a brutal and dangerous policy * * *

Senator Kennedy's words 30 years ago are no less applicable today. After a long night of repression and despair, after the imposition of martial law in 1981, the detention without trial of the leaders of Solidarity, and the outlawing of Solidarity, the Government of Poland is once again reaching out to the West. Last September, the Polish Government declared a general amnesty and finally released the Solidarity leaders remaining in prison.

And, in the spirit of Polish glasnost, the regime has permitted a pervasive underground press to carry on its activities, to print, to publish and to circulate a wide variety of dissident literature.

In addition, the Polish Government has committed itself—at least in its rhetoric—to a program of economic reform that will increase opportunities for private ownership and encourage—rather than cripple—the free play of individual incentives. In addition, the Polish Government has embarked on a process of "national reconciliation" aimed at including all sectors of Polish society in a dialog with the top leaders of the Government.

These initiatives still fall short: Economic reform in Poland is still more rhetoric than reality, and the Government of Poland still declines to enter into direct discussions with the leadership of Solidarity. For there to be a true national reconciliation, for there to be the kind of national consensus needed to revitalize and rebuild the Polish economy, the Government should talk and meet with Solidarity. The sooner that dialog begins, the better for all Poland.

As one young Solidarity leader told me during my trip to Poland last May, "Tell General Jaruzelski that, with Solidarity, everything is possible. Without Solidarity, nothing can be done."

But even if the recent developments inside Poland are not earth shaking, they are encouraging, and they deserve a measured, positive response from the United States. Last February, the administration lifted the remaining economic sanctions and began the process of step-by-step reengagement with the Government of Poland. This legislation is an important and necessary next step in that process. In fact, the cosponsors of this bill have worked closely with the administration in an effort, at least in this one aspect of our Nation's foreign policy, to achieve some harmony between the legislative and executive branches of the U.S. Government.

The philosophy behind this legislation is based on three main principles:

The first principle is that increased contacts between the American and Polish peoples are not only beneficial to both nations but will also serve the cause of freedom inside Poland.

The second principle is that increased United States involvement in the economic and cultural life of Poland will lead to positive, direct, concrete benefits to the Polish people which can improve the quality of life for the average citizen of Poland.

The third principle is that, at this important time in Poland, when the Polish Government claims that it is making serious efforts to restructure the Polish economy and to achieve a national reconciliation between the people of Poland and their government, the United States should do what it can to strengthen those private, nongovernmental, voluntary organizations that have worked so heroically for so many years to improve the lives of the Polish people and to bring a measure of individual freedom to Polish society.

This legislation will do the following:

It will authorize a modest amount of funding—$1 million—for the recently initialed United States-Polish Agreement on Cooperation in Science and Technology, thereby allowing the exchanges contemplated in that agreement to occur during fiscal year 1988. Without such funding, the agreement will be a nullity during the first year of its existence.

The legislation will also extend for another 2 years previously appropriated assistance—$10 million—for agricultural activities inside Poland. Without such an extension, this appropriation will expire at the end of this fiscal year.

This legislation will also make available, during each of the next 2 fiscal years, 8,000 metric tons of surplus stocks of eligible commodities to be donated to nongovernmental agencies operating inside Poland. The sale of these commodities will produce Polish currency which can then be used to fund certain humanitarian projects inside Poland.

Perhaps one of the most significant elements of this legislation is the creation of a joint commission composed of representatives from the Polish Government and nongovernmental agencies and with nonvoting members from the United States Embassy. The purpose of this commission is to receive, review, and after applying certain criteria, to approve applications for funding of humanitarian projects, subject to final approval by the American Ambassador. For the first time, there will be a uniform procedure and a clear-cut mechanism to select those projects best suited to receive U.S. assistance.

This legislation will also make $2 million available for the purchase of medical supplies and hospital equipment through private, voluntary organizations.

This legislation also authorizes $1 million for fiscal year 1988 and the same amount for fiscal year 1989 to aid the independent trade union, Solidarity.

And finally, the legislation will allow the Secretary of Agriculture to establish an Agriculture Aid and Trade Mission inside Poland.

The step-by-step process of reengagement with Poland can only succeed if there is continued progress on three fronts inside Poland:

First, the foremost prerequisite for U.S. assistance must be respect for human rights. The United States should not offer or provide aid to any political system—whether of the left or the right—that systemically oppresses its own people.

Second, the process of national reconciliation must be genuine and must embrace all segments of Polish society, including Solidarity.

And third, the Polish Government's rhetoric of economic reform must become a reality. The regime must demonstrate greater willingness to permit private economic organizations to operate freely, outside the centralized control of the Polish state.

Mr. President, throughout the history of our two countries, strong ties have linked Poland and the United States. We have fought wars together, and the Polish and American peoples have lived in peace together. Kosciusko came to our shores and led American soldiers in our struggle for independence over 200 years ago, and Pulaski gave his life in that same war at the Battle of Savannah. During World War II, Polish soldiers fought side by side with American troops against the Nazi menace.

Just as important as our common history and shared values, the American and Polish peoples are bound together by ties of kinship that have created a special relationship between our two peoples. Hundreds of thousands of Poles came to the United States to seek a newer world, and stayed to make lasting contributions to American life and culture.

Today, we can begin to write a new chapter in the history of our two countries and our two peoples. Today, we can take another step in the process of reengaging the United States with Poland. Today, for the first time in 40 years, it may be possible to make a lasting contribution to the freedom and well-being of the people of Poland.

I urge my fellow Senators to cast their vote in support of this landmark legislation.

If I may just take a minute or two of the Senate's time to reiterate the main points of the American Aid to Poland Act of 1987. First, this legislation would allow the Secretary of Agriculture to establish Agriculture Aid and Trade Missions in Poland; second, it authorizes the expenditure of resources to fund the science and technology agreements; third, it extends the life of the unexpended appropriation of $10 million for agricultural assistance to Poland for another 2 more years; fourth, it provides for 8,000 metric tons of surplus commodities to be sold by nongovernmental organizations for the purpose of funding humanitarian purposes inside Poland; fifth, it creates a joint commission to select those projects; sixth, it authorizes $1 million for Solidarity in fiscal years 1988 and 1989; and finally, it also authorizes $2 million in medical assistance and hospital equipment for each of those same two fiscal years.

As I mentioned, this act has the support of both the chairmen and ranking members of the Agriculture Committee, Foreign Relations Committee. The administration has no objection to it, and we have been working very closely with the State Department in the design and drafting of this legislation. In addition, the Budget Committee has said that the legislation poses no problems under the Budget Act.

I want to thank my good and hardworking cosponsors, particularly Senators MIKULSKI, MURKOWSKI, and DURENBERGER—as well as other members of the Foreign Relations and Agriculture Committee—for their excellent help.

The PRESIDING OFFICER. Does anyone wish to speak? The Senator from Alaska [Mr. MURKOWSKI].

Mr. MURKOWSKI. I thank you, Madam President. I wish to join my colleagues from Massachusetts, Minnesota, Maryland, the original cosponsors of the bill.

I would like to add the Senator from New York, Senator D'AMATO, as well, Madam President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. I think it is noteworthy that we recognize that this proposal responds to a different situation now by starting a very careful, step-by-step process of reengagement with the Polish Government. The purpose is to help the Polish people. An unfortunate result of the sanctions which were imposed in 1981 was to increase their hardship. Now those sanctions have been removed and the process of national reconciliation appears to be underway and therefore we should encourage it.

I want to commend Senator KENNEDY in his recent and very successful trip to Poland which has resulted, I think, in a closer understanding and a better relationship between the Government of Poland and the Government of the United States.

This amendment has been very carefully and responsibly drafted and has support of the administration.

I supported sanctions as a means of expressing outrage over martial law and suppression of free trade union Solidarity, but supported lifting them last year when the Communist government of Poland finally agreed to amnesty for political prisoners and agreed to allow a greater degree of freedom for dissenting views.

This amendment, illustrates the important point about the use of sanctions: they only work if they are tied to specific, achievable goals. We have to know when to lift them as well as when to impose them.

This bill reinforces what the President, Secretary of State, and Assistant Secretary for European Affairs Rozanne Ridgway, are trying to do today in Poland. But this legislation provides aid strictly to private, independent, nongovernmental groups in Poland, including the church.

The outcome thus far has been balanced: As result of compromise, this amendment now contains $1 million for Solidarity and also sends an important message to the Polish Government that we are willing to engage them in a dialog.

I understand that this has been cleared with the Budget Committee. For the most part it uses moneys already available. For example, in effect it earmarks for Poland 8,000 tons of the 100,000 tons of surplus agricultural products that Secretary of Agriculture authorized the United States to donate somewhere abroad. Money for Solidarity would have to come from foreign aid.

Let us not send the wrong message to the Polish people. Although the United States has encountered problems with the Polish Government, we have nothing but warm feelings for the Polish people. This amendment helps them while advancing a serious dialog between our Governments. I thank my colleagues and urge their support for this worthwhile amendment.

The PRESIDING OFFICER (Mr. KENNEDY). The Chair recognizes the Senator from Maryland.

Ms. MIKULSKI. Mr. President, I have visited Poland and I know the very desperate need for medical supplies, humanitarian efforts, and the need to support these democratic efforts. I think the Senator from Massachusetts has played a leadership role and this is an example of how we can work on a bipartisan basis to really further the goals of our own Government.

I rise in support of the amendment offered by my friend and colleague, Senator KENNEDY that would send aid to Poland.

Recent developments between the United States and Poland make this amendment especially important and timely.

Since the imposition of martial law in 1981, General Jaruzelski has taken modest steps to improve Poland's human rights record. He has called for greater independence within the centralized economy. He lifted martial law in 1983. Last September, he released political prisoners. And as seen during the Pope's recent visit, he has allowed more freedom of worship.

I am persuaded that these are not just isolated, hollow gestures on the General's part. His actions show modest, measured progress toward improving human rights. The United States in turn has made modest, measured responses to Poland. In 1983, the United States removed sanctions on fishing rights. In 1984, we removed sanctions on airplane landing rights. This past February, we removed all the remaining sanctions.

This amendment is also a modest, measured step. While the political drama is enacted, we must take advantage of a unique opportunity to make an investment in the lives of the Polish people. The United States holds nonconvertible zlotys in Poland that could be put to good use. This amendment would use that captive money in a captive nation to help a captive people.

The largest available sum, $15 million, would be extended to Poland for projects approved by a Joint Commission made up of representatives from Poland and the United States.

The sum of $10 million appropriated last year for the Polish agricultural fund would be extended to a nongovernmental organization to modernize the antiquated Polish agricultural industry.

This amendment would give $2 million for each of the next 2 years to Poland for badly needed pharmaceuticals and hospital equipment. When I visited Poland I saw devastating shortages of medical supplies. I watched Polish doctors use primitive equipment during an operation in the Cracow Children's Hospital. Poland needs medical equipment for its people badly. This humanitarian amendment would provide money to purchase that equipment.

In addition, $1 million would go toward the science and technology agreement that has been all but formally signed.

In effect, this bill would give money to Poland that strengthens independent, local, humanitarian projects. It would enable the Polish Government to implement economic reforms that would improve the Polish economy and help the Polish people.

For the future, I urge the General to continue his reforms by officially recognizing the right of Solidarity to exist openly and freely. Also, the union of artists and the union of actors should be legalized. Passports and visas should be readily granted to all seeking to expand cultural, scientific, and educational exchanges. Those who demonstrate peacefully should not be subject to fines. And I urge both countries to restore ambassadorial status to the ranking diplomats in Washington and Warsaw.

I hope this amendment will encourage the Polish Government to continue its reconciliation with the people of Poland and to continue economic reforms. Fundamentally, U.S. aid to any country is subject to a close review of human rights. We will be watching Poland closely. And while our eyes will be on the Government, our hearts will be with the people.

Mr. DURENBERGER. Mr. President, I rise today as an original cosponsor of this amendment which lays out a comprehensive package of American aid to Poland.

I have long been involved in efforts to assist the brave people of Poland. I visited Poland in 1985, a visit that meant a great deal to this Senator. I went not as a U.S. Senator but as a Polish-American returning home. Both as a Polish-American and as a U.S. Senator, I support initiatives that aid the long-suffering Polish people without aiding a government that has been characterized by repression and denial of fundamental human rights.

The United States instituted a broad package of economic sanctions as a response to the December 1981 declaration of martial law, the outlawing of the free trade union Solidarity, and the arrest and detention of Solidarity's leadership. Although martial law was ostensibly lifted on July 22, 1983, many of its more objectionable features were institutionalized in what the Lawyer's Committee for Human Rights characterized as "repression disguised as law." On many occasions since 1981, General Jaruzelski and his cronies refused to take advantage of many opportunities to reconcile the aspirations of the Polish people with the designs of the Communist rulers.

But in the past year, the United States has begun a carefully paced reengagement with Poland. Last September, the Polish Government announced an amnesty for political prisoners. At that time I pointed out that previous amnesties had been followed by another cycle of repression. And I also pointed out that unless the amnesty was genuinely accompanied by efforts toward national reconciliation, more arrests would certainly follow.

Earlier this year, the Reagan administration announced the lifting of the remaining sanctions against Poland. I welcomed that decision, in part because sanctions allowed the Communist government to blame the United States for its woeful economic performance. To the extent that the Polish people blamed United States sanctions—rather than their government—for their plight, sanctions were counterproductive.

As an important part of my humanitarian concern for the Polish people, I authored an amendment that was unanimously adopted by this body last October. This amendment authorized our Government to spend nonconvertible Polish zlotys held by the United States as a result of the sale of surplus agricultural products before the imposition of martial law. The amendment specifically directed the zlotys to be spent on construction projects that would benefit handicapped and orphaned children. I visited one such project when I was in Krakow when I was there and I can testify that the need is desperate. And it cannot be filled solely by Polish resources alone.

Because there were prior claims on the zloty account my amendment authorized, and because of successive devaluations of the Polish currency, the amount available for humanitarian projects is somewhat smaller than originally anticipated. That is why one important section of the amendment before this body authorizes such construction projects to be drawn from new zlotys that will accrue to the U.S.

Government from renewed sales of surplus agricultural products.

What this amendment does is provide a broad range of assistance to Poland but in a manner that most helps the Polish people and in a manner that does not allow the Polish Government to control the disbursal of funds. It expresses the sense of Congress that contracts—both official and unofficial—between Poland and the United States should continue and expand, that normalization of relations between our two nations should proceed, that private voluntary organizations [PVO's] should be encouraged to promote projects that strengthen nongovernmental entities in Poland, and the United States representatives to multilateral development banks should be forthcoming in efforts to assist Poland.

This amendment authorizes the appropriation of $1,000,000 to aid in implementing the 1987 United States-Polish Science and Technology Agreement. It authorizes the release of $10,000,000 of previously authorized money to assist Polish agriculture. This provision is particularly important since much of Polish agriculture is in private hands and modernizing it would not only help meet the basic food needs of the Polish people but also strengthen a relatively free sector of the economy.

The amendment also allows the donation of 8,000 metric tons of eligible commodities of the Commodity Credit Corporation to nongovernmental agencies in Poland for sale to the Polish Government. Not only is this provision an especially beneficial use for surplus agricultural goods produced by the American farmer, it would also generate new zlotys that would be used in accordance with the joint commission outlined in section 4609 of the amendment.

The commission would be established pursuant to an agreement between the Governments of Poland and the United States, and would allocate the zlotys for projects such as hospitals, medical supplies, the Research Center for Jewish History in Krakow, or other projects that fit the eligibility criteria of the amendment.

Mr. President, this is an extremely worthy amendment. I am proud to have participated in its drafting. It gathered a bipartisan group of cosponsors, including the chairmen of the Foreign Relations and Agriculture Committees. As relations between our two great nations continue to improve—within the framework of continued respect for human rights—this package of humanitarian aid will do much to alleviate the dismal situation in Poland.

As I indicated at the outset, I speak before this body not just as a Senator but as a Polish-American. I do not pretend for a moment that this amendment will, by itself, lead to the establishment of a humane government in Poland, one which honors rather than represses the legitimate desires of the Polish people. But this amendment can reaffirm the historic friendship between the American and Polish people. I urge the unanimous support of my colleagues for this amendment.

Mr. PELL. Mr. President, I am very pleased to be able to join with Senator KENNEDY, Senator MURKOWSKI, and others in sponsoring this important amendment. We have reached a critical point in American-Polish relations. The Government of Poland is reaching out for United States assistance to bolster its decrepit economy. We must use this opportunity to reach out to the people of Poland and bolster the prospects for economic and political liberalization.

Without economic reform, access to Western technology, and foreign investment, Poland may shrink to a Third World economic power by the turn of the century. This uncomfortable glimpse of the future gives the Polish Government a powerful incentive to undertake the necessary economic reforms. But a program of reform will entail risks for the Polish Government. Economic reform would provide the West with an opportunity to establish greater links to the Polish economy and the Polish worker. And, as Solidarity leader Lech Walesa has said on many occasions, the path to political liberalization lies through economic reform.

For these reasons, it is difficult to know whether the Polish Government will choose reform or retrenchment. Will the Polish Government embark down the bold path of reform with its unpredictable political consequences, or will it retreat down the well beaten, but more predictable, path of economic stagnation? The West cannot determine which path Poland will choose. But if Poland chooses to embark down the path of economic reform, the West can play an important role in Poland's economic, and perhaps political, development.

This amendment sets forth a series of concrete steps toward the establishment of greater links between the United States and Poland. These steps are designed to encourage the Polish Government to embark down the path of economic reform while, at the same time, strengthening the independent nongovernmental institutions. In order for genuine reform to take place, the Government must loosen its tight grip over the economy. For that reason, much of the assistance provided by this legislation would be channeled through nongovernmental institutions directly to the Polish worker and the Polish farmer.

There is no telling what the future holds for Poland. Optimism must be tempered by realism. The Jaruzelski regime of today is the same regime responsible for the harsh crackdown on Solidarity in 1981. Whether that regime will be able to seize the opportunities of glasnost to introduce economic reforms may well depend on whether General Jaruzelski is the leader of his own country or the lackey of another; on whether he is a Polish patriot or a Soviet puppet.

This legislation is a first step. If Poland proceeds down the path of economic reform, we must be prepared to look for additional ways to assist them make the difficult transition. Throughout our history, there have been strong ties between the Polish and the American people. Two of the greatest Polish heroes—Pulaski and Kosciusko—joined the battle for our independence more than 200 years ago. And during World War II American and Polish soldiers often found themselves shoulder to shoulder fighting the Nazis. We must do what we can to build up on those historic ties. This legislation is an important step in that direction.

Mr. HELMS. Mr. President, I support the amendment offered by the Senator from Massachusetts [Mr. KENNEDY] and other sponsors. I appreciate his including several provisions to achieve greater balance in the overall package of provisions dealing with the situation in Communist Poland.

The recently enacted supplemental appropriation bill for fiscal year 1987 established a $1 million designation of United States support for the Polish trade union Solidarity. I suggested, and Senator KENNEDY agreed to include in the pending amendment, an extension of this provision for fiscal years 1988 and 1989.

Mr. President, it is imperative to ensure that the United States position toward Poland is a fair and balanced one. This $1 million is in addition to assistance channels which have been used prior to the supplemental in the past to provide assistance to Solidarity.

This $1 million will show United States support for the working men and women of Poland whose rights have been infringed by the Government of Poland. While I hope that the situation in Poland improves, we should in the meantime ensure that American support for the working people's movement, Solidarity, remains steadfast.

With this modification, the underlying amendment is much improved, and I recommend the adoption of the amendment. I ask unanimous consent that I be included as a cosponor of this amendment as modified.

Mr. President, I also note other suggestions for improvements in the proposal which the distinguished Senator from Massachusetts and various other interested Senators have agreed to.

The normalization of relations between the two countries and the restoration of ambassadorial status to its ranking diplomatics is made contingent on the improvement of the human rights situation in Poland and Solidarity being allowed, once again, to operate legally and openly inside Poland. The difficulties facing Solidarity in being forced to operate as an illegal operation is an affront to the spirit of freedom which is so much a part of our heritage. It would be a travesty indeed if relations with Poland were upgraded when the basic rights of the Polish people are trampled upon. It will be difficult to have full solidarity with a Polish nation that continues to suppress the organization we know as Solidarity.

Furthermore, Mr. President, the amendment before the Senate authorizes the donation of 8,000 metric tons of surplus agricultural commodities to nongovernmental organizations operating in Poland for each of fiscal years 1988 and 1989. These donations are authorized through the section 416 program, and I am pleased that the authors of this amendment have now provided that any donations made pursuant to this legislation will be subject to the same procedures and regulations to which all other section 416 donations are subject.

The amendment as modified also provides that donated commodities may be monetized through approved purchasers in Poland, with the currencies produced being used for humanitarian programs administered by nongovernmental entities. This is an important change. I believe the authors of this amendment are right on target in providing that monetization be governed by the procedures and protections placed in the section 416 program by the 1985 farm bill. These procedures help assure that the interests of American farmers and taxpayers are protected in programs providing for monetization of surplus commodities.

Mr. President, the Senator from Massachusetts is also to be commended for accepting clarifications regarding the use of local Polish currencies—zlotys—currently held by the United States. The amendment provides that these currencies may be used—subject to appropriations—in support of humanitarian programs administered by nongovernmental entities. The version before us protects the Commodity Credit Corporation by clarifying that only those local currencies for which the CCC has been reimbursed may be utilized for the purposes of this amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. LEVIN. Mr. President, let me briefly commend the Senator presently occupying the chair and his cosponsors for this language. It will be directly helpful to the people of Poland. That is what this is all about. I commend the presiding officer on this.

Mr. President, I ask unanimous consent that I may be added as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 580) was agreed to.

Mr. PACKWOOD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Madam President, I ask unanimous consent that the amendment of the distinguished Senator from Florida be temporarily laid aside for the purpose of calling up an amendment.

The PRESIDING OFFICER (Ms. MIKULSKI). Is there objection?

Mr. CHILES. Madam President, reserving the right to object, my understanding is that the distinguished chairman of the Banking Committee is asking permission to take up a banking series of amendments, and he would ask unanimous consent to lay my amendment aside pending that. I will not object to that, as long as I would have the right to bring my amendment up as soon as the banking amendments are completed.

Mr. PROXMIRE. Madam President, I thank the distinguished Senator from Florida. That is precisely what I ask to do. I ask unanimous consent to bring up amendments only in this title. I have two or three amendments as manager. There are other amendments that other Members of the Senate want to bring up in this title. If the distinguished Senator from Florida will agree to that, I would appreciate it very much.

Mr. CHILES. I agree.

Mr. STEVENS. Madam President, is the Senator contemplating any rollcall votes in the banking section?

Mr. PROXMIRE. There may be one or two. I am not sure. I think it is unlikely, but there may be one or two rollcall votes.

The PRESIDING OFFICER. If there is no objection, the request is agreed to.

AMENDMENT NO. 581

(Puropose: To authorized negotiations of reciprocal trade agreements, to strengthen United States trade laws, and for other purposes.)

Mr. PROXMIRE. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an amendment numbered 581.

Mr. PROXMIRE. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in title XV, insert the following new section:

"SECTION . The Federal Reserve Board shall submit to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Banking, Finance, and Urban Affairs of the House of Representatives a report on the issues raised by including loan loss reserves as part of banks' primary capital for regulatory purposes by April 30, 1988. Such report shall include a review of the treatment of loan loss reserves and the composition of primary capital of banks in other major industrialized countries, and shall include an analysis as to whether loan loss reserves should continue to be counted a primary capital for regulatory purposes.".

Mr. PROXMIRE. Madam President, the amendment that is pending before the Senate simply requires the Federal banking agencies to report to the Senate and House Banking Committees by April 30, 1988, on whether loan loss reserves should continue to be counted as primary capital for regulatory purposes and if so why.

As my colleagues know the issue of whether and how much in the way of losses our banks will suffer on their troubled international debt has been discussed at length in the press in recent years. This debate reached a new crescendo of interest on May 19 of this year when Citibank announced it was setting aside a $3 billion loan loss reserve against its $14 billion in troubled international loans. Other banks have now followed suit and most banks with major exposures of troubled international loans have acted to build loan loss reserves against them.

Unfortunately the banks are not any safer for having taken this action. Their primary capital, any bank's cushion against unforseen losses, is no higher than it was before the new loan loss reserves were established. Banks simply moved existing capital from one pocket to another but the reserves did not constitute any increase in their primary capital.

I understand that the British bank regulators do not permit loan loss reserves to be counted as capital while our regulators do. Press reports indicate that our bank regulators may be reconsidering their position on this matter. I would certainly encourage them to do so. It is important that Congress have a report from the regulators setting out the pros and cons of any decision they reach on this important issue. My amendment requires that such a report be submitted to us by April 30, 1988.

Madam President, it is my understanding that the minority does not object to this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 581) was agreed to.

Mr. PROXMIRE. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAMM. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 582

Mr. PROXMIRE. Madam President, I send another amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. PROXMIRE] proposes an amendment No. 582.

Mr. PROXMIRE. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in Title XVII, insert the following new section:

"SEC. . Section 913 of the International Lending Supervision Act of 1983 is amended by adding at the end thereof the following new subsection:

"(d) To ensure that Congress is fully informed of the risks to our banking system posed by troubled foreign loans, the Federal banking agencies, before April 30, 1988 and April 30 of each succeeding year, shall jointly submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance, and Urban Affairs of the House of Representatives a report that shall include:

"(1) the level of loan exposure of those banking institutions under the jurisdiction of each agency which is rated "value-impaired," "substandard", "other transfer risk problems", or in any other troubled debt category as may be established by the banking agencies. This tabulation shall clearly identify aggregate loan exposures of the 9 largest United States banks under the agencies' jurisdiction, the aggregate loan exposures of the next 14 largest banks, and the aggregate exposure of all other such banks which have significant country risk exposures. This tabulation shall include a separate section identifying, to the extent feasible, new bank loans to lesser developed countries which were made within the past year preceding the date on which the report required under this subsection is due, and shall include the amount of soverign loans written off or sold by such banks during the preceding year;

"(2) progress that has been achieved by the appropriate Federal banking agencies and by banking institutions in reducing the risk to the economy of the United States posed by the exposure of banking institutions to troubled international loans through appropriate voluntary or regulatory policies, including but not limited to increases in capital and reserves of banking institutions;

"(3) the relationship between lending activity by the United States banks and foreign banks in countries experiencing debt service difficulties and exports from the United States and other lending countries to these markets; and the extent to which United States banking institutions can be encouraged to continue to make credit available to finance necessary growth in international trade, and particularly to finance United States exports;

"(4) the response of regulatory agencies in other countries to the international debt problems, including measures which encourage the building of capital and reserves by foreign banking institutions, tax treatment of reserves, encouragement of new lending to promote international trade, and measures which may place United States banking institutions at a competitive disadvantage when compared with foreign banking institutions; and

"(5) steps that have been taken during the previous year by countries experiencing debt service difficulties to enhance conditions for private direct investment (including investment by United States persons) eliminate production subsidies, attain price, stability, and undertake such other steps as will remove the causes of their debt service difficulties.

"Each appropriate Federal banking agency may provide data in the aggregate to the extent necessary to preserve the integrity and confidentiality of the regulatory and examination process.".

Mr. PROXMIRE. Madam President I rise to speak in favor of an amendment I have just sent to the desk. It deals with the question of Third World debt and the loan loss reserves that our commercial banks are now accumulating against the near certainty that they are going to take significant losses on their Third World loan portfolios.

To ensure that the Congress can conduct meaningful oversight about the amount of troubled loans in the portfolios of our major banks and the adequacy of the levels of loan loss reserves these banks have set aside against such loans, my amendment requires the bank regulators to submit annual reports to the Congress on this matter.

Earlier this year I sponsored legislation to require our banks to build more reserves against their troubled international loan portfolios. This was because I was convinced that these loans were not worth their face value and that the safety and soundness of our banks was threatened by pretending that they were. The bank regulators, the banks, and the administration all opposed my proposal on that matter. They claimed the loans were worth their face value and building loan loss reserves against them was not needed.

All that changed on May 19, when Mr. John Reed, the chairman of Citicorp, announced that his bank was setting aside a $3 billion loan loss reserve against its troubled international loans. That $3 billion reserve amounted to about 25 percent of Citicorp's troubled international loan portfolio. That bank set aside in one quarter a loan loss reserve that my proposal would have given it 3 to 5 years to accumulate.

When asked why Citicorp established its $3 billion loan loss reserve, Mr. Reed replied:

> A bank establishes loan loss reserves because it thinks it might experience loan losses in the future * * *. Looking at world economic conditions Citicorp's management decided it might not be able to collect all of the $14 billion it has lent to financially troubled Third World countries, especially those in Latin America. The $3 billion placed in reserves is only a very rough estimate of the potential loss on that $14 billion * * *

Did the market punish Citicorp for making such an admission? No, it did not because it had already understood that such losses were inevitable. The other banks with major international loan exposures soon followed Citicorp's action. Once the banks took such actions, the regulators, who long ago should have required them to do so, admitted that the reserves were a good idea.

Although Citicorp and the other banks have now announced they are building loan loss reserves against their troubled international loans, their safety and soundness has not really been increased. Why? Let me explain.

Bank regulators measure a bank's capital adequacy according to its primary capital which consists of equity capital plus loan loss reserves. Primary capital is the bank's safety cushion in troubled times. Before Citicorp increased its loan loss reserve, its ratio of primary capital to total assets was about 7 percent. After the loan loss reserve increase, it had the same 7 percent primary capital. All that happened was that its primary capital was shifted from one pocket to another. From a regulatory point of view, Citicorp and the other banks, which have recently reserved against their troubled international loans because they expect losses on them, are no stronger. Their safety and soundness has not increased.

The failure of the bank regulators to require banks to build reserves against expected losses on Third World loans troubles me. Only after the banks voluntarily initiated such action, did the regulators admit it made sense. It convinces me that Congress must conduct effective oversight on the international debt issue. That is why I am sponsoring this study amendment to make sure that we have the information needed to conduct our oversight responsibilities in an effective manner. I urge my colleagues to support this amendment. I would not be sponsoring it if I did believe it was needed to help ensure the safety and soundness of our banking system.

Madam President, I understand that the distinguished Senator from Pennsylvania wants to be on the floor during the consideration of this amendment. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. President, it is my understanding that the minority is familiar with the amendment, and so far as I know, there is no objection.

Mr. HEINZ. Mr. President, I have supported this amendment in the past, and I support it today.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment.

The amendment (No. 582) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SANFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

AMENDMENT NO. 583

(Purpose: To assess the feasibility of promoting broader stock ownership, including employee ownership, as part of debt-to-equity conversions)

Mr. SANFORD. Mr. President, I have an amendment, which has been agreed to on both sides, that adds a study for the possibility of evaluating the feasibility of encouraging expanded capital ownership through debt-to-equity conversion, particularly capital ownership among employees of firms in which the equity is held.

A recent report of the Presidential task force on a project of economic justice recommends that debt-equity conversions be structured to include the possibility of employee stock ownership plans. This amendment would be added to a section that simply directs the study of such a possibility.

I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. SANFORD] proposes an amendment numbered 583.

Insert in the bill at Section 1722(b) the following:

"(4) evaluate the feasibility of encouraging expanded capital ownership through debt-to-equity conversions, particularly expanding capital ownership among employees of firms in which the equity is held."

At the end of line 5, on page 477, delete "and"; at the end of line 9, delete "." and insert in lieu thereof "; and".

The PRESIDING OFFICER (Mr. BINGAMAN). Is there further debate on the amendment of the Senator from North Carolina?

Mr. HEINZ. Mr. President, could we withhold? I may have to put in a quorum call.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, as I understand it, the Sanford amendment is pending; is that correct?

Mr. SANFORD. Yes.

The PRESIDING OFFICER. That is correct.

Mr. HEINZ. Mr. President, I understand that the Senator from North Carolina has modified his amendment.

Mr. SANFORD. The modification has been sent forward.

The PRESIDING OFFICER. The amendment is so modified.

The modification is as follows:

Insert in the bill at Section 1722(b) the following:

"(4) evaluate the feasibility of encouraging expanded capital ownership through debt-to-equity conversions, particularly expanding the opportunity for the purchase of or earned inclusion in capital ownership by employees of firms in which the equity is held."

At the end of line 5, on page 477, delete "and"; at the end of line 9, delete "." and insert in lieu thereof "; and".

Mr. SANFORD. Mr. President, I rise to speak on the amendment I have offered to S. 1409 dealing with the encouragement of employee stock option plans as part of debt-to-equity conversions.

Debt-to-equity conversions are somewhat of a new technique. In order to insure that these new techniques benefit the long-term economic interest of both the country in which they occur and the average worker in these countries, I propose encouraging the inclusion of ESOP's, Employee Stock Ownership Plans, within debt-to-equity conversion agreements. Because many questions remain as to how greater employee ownership could be encouraged and how such ownership should be structured, my amendment simply encourages the U.S. Director of the World Bank to include in discussions with other Bank directors an assessment of the feasibility of capital ownership by employees in Third World countries as a result of debt-to-equity conversions.

Recently the administration's Task Force on Project Economic Justice specifically recommended broadening the capital ownership in Third World countries. The fundamental premise of this recommendation and of my amendment is that the best antidote to the advance of communism in Central America and other Third World countries is a productive, competitive free-enterprise system in which the opportunity to acquire the ownership of capital is widespread. Given a chance to own, people will work, save, invest and defend their country. Deprived of a chance to own and locked into a system of endless labor to benefit the wealthy few or foreign investors, people are more likely to respond to forces of communism.

The arguments for promoting employee stock ownership, particularly in developing countries are many. Sharing ownership benefits will counter the reluctance of nations to allow extensive foreign ownership of domestic companies and refute the Marxist claim that private enterprise only benefits the few. It also provides a much-needed third road between the extremes of complete government ownership and concentrated private ownership that has led to instability in so many lesser developed countries.

By strengthening the respect for private property and individual responsibility, broader-based capital ownership should strengthen the investment climate in these countries by attracting foreign capital and encourage the return of domestic flight capital. Greater employee ownership would also lower the risk of expropriation of foreign investments if a portion of those investments are structured to make capital owners of a broad base of indigenous employees. Finally, debt-to-equity conversions that involve employees will foster the overall objective of U.S. foreign aid—that of creating "conditions in the world under which free societies can survive and prosper." Freedom and democracy in the region will always be fragile unless economic development is accompanied by economic development so that it fairly benefits a broad base of working people.

For years, Mr. President, the United States has promoted economic development in Third World countries without asking whose economic development. We must continue to encourage free enterprise in Third World countries and do all we can to ensure that private property is as widely held as possible. ESOP's, which are widely respected in the U.S. business community, will help accomplish this task. We must, as we have in this country, encourage nations to use capitalism to work for the working class people.

There is and has been for some years widespread support for this approach to debt-to-equity conversion. In addition to the Presidential task force report, the Kissinger Commission, and the Agency for International Development both encourage ESOP financing and debt-to-equity-to-ESOP conversion.

It is my hope, Mr. President, that debt-to-equity conversions involving ESOP's could be adapted to economically empower a broad base of citizens in countries burdened with debt as well as relieve the debt itself.

I urge my colleagues to join me in supporting the study and possible implementation of an exciting and well-tested means of distributing capital and promoting democracy abroad.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. HEINZ. I would just like to say we are prepared to accept the amendment on this side.

Mr. PROXMIRE. Mr. President, I support the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 583), as modified, was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HEINZ. Mr. President, I move to lay the motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 584

(Purpose: To clarify responsibility of business liaison with respect to dissemination information)

Mr. CHILES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Florida [Mr. CHILES] proposes an amendment numbered 584.

Mr. CHILES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 438, line 12, after "developed.", insert "The business liaison shall explore opportunities for disseminating this information through private sector, non-profit organizations.".

Mr. CHILES. Mr. President, this amendment asks the business liaison established in section 1203 to explore opportunities to use private, nonprofit networks to distribute vital information on procurement opportunities in multilateral development banks.

We want to give our businesses a fighting chance to win some of these lucrative contracts. The best way I know of doing that is to let them know what is going on—and they will do the rest.

Using private networks to distribute procurement information will allow this data to reach a wider audience. The more who know, the more who will be able to compete. If we are going to win in the world economy, we have to let our players know where and when the game is on. I hope my amendment will do this.

Mr. President, it is my understanding that this amendment has been cleared on both sides of the aisle.

Mr. HEINZ. Mr. President, I would appreciate seeing a copy of the amendment. It was cleared, but the copy has been lost.

Mr. PROXMIRE. Mr. President, meanwhile, may I say that I have had a chance to review the amendment. It is a good amendment, and I am happy to support the Chiles amendment.

Mr. HEINZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I have had an opportunity to examine the amendment. I think the amendment is appropriate, and there is no objection to it on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 584) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 585

Mr. WALLOP. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Wyoming [Mr. WALLOP] proposes an amendment numbered 585.

Mr. WALLOP. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. HEINZ. Mr. President, reserving the right to object, I do not know if I can speak for the chairman of the committee, the Senator from Wisconsin, but it would really facilitate matters if Senators who have amendments would see to it that the chairman of the committee, Senator PROXMIRE, and I get copies of the amendments before they are offered. We can have the reading of this amendment or the Senator from Wyoming can withhold for a moment.

I really would like copies of the amendments be available to the managers of the bill. I cannot speak for the Senator from Wisconsin. I know the substance of the amendment of the Senator from Wyoming, but the text, so far as I know, is not available.

Mr. PROXMIRE. Mr. President, will the Senator from Wyoming permit us to lay his amendment aside temporarily, while we take up two amendments which the Senator from Ohio and the Senator from Rhode Island are interested in?

Mr. WALLOP. What does the Senator consider "temporarily"?

Mr. PROXMIRE. That will give the Senator from Pennsylvania an opportunity to read the text of the amendment.

Mr. WALLOP. May I ask what the Senator considers to be "temporarily"?

Mr. PROXMIRE. You never know in these things, but my guess is that it will not take more than 10 minutes. Is that satisfactory?

Mr. WALLOP. We will make the amendment available at this moment.

The PRESIDING OFFICER. The pending request is the request of the Senator from Wyoming to have the reading of the amendment dispensed with.

Is there objection to that request?

Mr. HEINZ. Mr. President, the Senator from Wyoming concurring, I ask unanimous consent that the amendment of the Senator from Wyoming be laid aside for 10 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. WALLOP. Mr. President, reserving the right to object, do I correctly understand that at the end of 10 minutes, the Senator from Wyoming will be recognized, regardless of the state of play of the other two amendments mentioned?

The PRESIDING OFFICER. That would be the effect of the agreement.

Mr. WALLOP. With that understanding, the Senator from Wyoming will accede.

Mr. HEINZ. I thank the Senator from Wyoming for his cooperation.

Mr. PROXMIRE. I also thank the Senator from Wyoming.

AMENDMENT NO. 586

(Purpose: To clarify the provisions of the Foreign Corrupt Practices Act).

Mr. PROXMIRE. Mr. President, I have two amendments to title XVI of the omnibus trade bill which make clarifying changes in the Foreign Corrupt Practices Act.

Mr. METZENBAUM. In the report's language—page 51—covering head-in-the-sand, does the phrase "course of conduct" mean that the corporation cannot avoid liability if it consciously disregards facts and circumstances that indicate an agent is paying a bribe.

Mr. CHAFEE. Yes.

Mr. PROXMIRE. Yes.

Mr. METZENBAUM. To be absolutely clear, where a corporate official consciously ignores facts and circumstances that indicate an agent or employee is violating the act, the official does not avoid liability.

Mr. CHAFEE. That is correct.

Mr. PROXMIRE. That is correct.

Mr. METZENBAUM. Mr. President, in 1977, the Senate unanimously passed the Foreign Corrupt Practices Act. Since then the law has worked well. Foreign bribery scandals have disappeared from the front pages, and the reputation of American business has been boosted abroad.

I have consistently opposed any attempts to weaken this law. Bribery of foreign officials undermines our free enterprise system and it disserves our foreign policy interests.

I am confident that the intent of the sponsors of these Foreign Corrupt Practices Act amendments is to clarify the current law. No one wants to declare open season for bribery. However, after reviewing the language reported by the Banking Committee, I became concerned that some provisions could be interpreted to permit corrupt corporate payments.

I am pleased that the managers of the bill, Senator PROXMIRE and Senator CHAFEE, have offered amendments to address two of the provisions that I felt were the most troubling. These changes help clarify that corrupt payments made to foreign officials to obtain or retain business are illegal and will remain illegal.

However, I remain concerned that some might view the Senate's action as a signal that it is alright to return to the days of payoffs and kickbacks. That is not the message this Senator intends to send. And as the Senate and the House continue to consider this issue, I urge that we unequivocally reaffirm that bribery of foreign officials is wrong and will not be tolerated.

Mr. PROXMIRE. Mr. President, I call up the amendments to which I have been referring.

The **PRESIDING OFFICER.** The amendments will be stated.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. PROXMIRE] proposes amendments numbered 586.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered. The amendments are as follows:

On page 465 strike lines 17-22 and insert instead:

"(3) the term 'routine governmental action' means an action which is ordinarily and commonly performed by a foreign official including but not limited to—

"(A) obtaining permits, licenses or other governmental approvals to qualify a person to do business in foreign country;

"(B) processing governmental papers, such as visas and work orders;

"(C) loading and unloading cargoes;

"(D) scheduling inspections associated with contract performance; and

"(E) protecting perishable products or commodities from deterioration.

"'Routine governmental action' does not include any decision by a foreign official whether, or on what terms, to award new business or to continue business with a particular party or any action taken by a foreign official involved in the decision making process to encourage a decision to award new business or continue business with a particular party."

With regard to S. 1420:

On page 461, delete lines 6 through 9.

On page 461, at line 20 change (d) to (d)(1).

On page 461, add a new paragraph (d)(2) that reads: "It shall be an affirmative defense that any nominal payment, gift, offer, or promise of anything of value to a foreign official which constitutes a courtesy, a token of regard or esteem, or in return for hospitality is not a violation of this Act if it is of reasonable value in the context of the type of transaction involved, local custom, and local business practices."

On page 461, renumber (3) and (4) to (2) and (3).

On page 465, delete lines 23 through 25.

Mr. HEINZ. Mr. President, I have examined this amendment. As I read it, it does three things: First, it clarifies the definition of "nominal payment." Second, it clarifies what is and is not a routine governmental action. Third, it makes more clear what the knowledge standard is with respect to reason to know.

I think they are all useful improvements in the legislation, and this Senator is prepared to support them.

Mr. METZENBAUM. Mr. President, the foreign corrupt practices amendments reported by the Banking Committee create an exception from the antibribery provisions for "any nominal payment, gift, offer, or promise of anything of value to a foreign official which constitutes a courtesy, a token of regard or esteem, or in return for hospitality." "Nominal" is defined as "of a reasonable value in the context of the type of transaction involved, local custom, and local business practice."

I am confident that the committee's intent was to clarify that a business does not violate the law if it gives a modest gift to a foreign official as a courtesy in a country where such courtesy gifts are the local custom and practice. At the same time, I think we all would agree that regardless of local custom and practice, no one wants to create a loophole to the antibribery law that could be manipulated to permit gifts of Rolls Royces, helicopters, and expensive jewelry.

In negotiating this matter and negotiating with the distinguished Senator from Rhode Island and the distinguished managers of the bill my concern was that the language of the bill threatened to create such a loophole. Specifically, by defining permissible payments as those reasonable in the context of the transaction, local custom and business practice, the committee amendments placed an almost impossible burden on the prosecution to prove what local custom and practice permitted.

The defense, not the prosecution, is the proper party to bear the burden of proof with respect to local custom and business practices. In fact, when the Senate considered foreign corrupt practices legislation in the 97th Congress, it recognized that the defense, not the prosecution, was the proper party to have the burden of proof on the question of whether or not the payment complained of was permitted by the laws of the country where the payment occurred, and the Senate responded by making this an affirmative defense, rather than a part of the prosecution's case.

The amendment the managers of the bill are offering picks up on the Senate's action in 1981. It shifts to the defense the burden of proving, as an affirmative defense to a bribery prosecution, that the payment, gift, offer or promise of something of value in question was nominal, represented a courtesy, token of regard or esteem, or was given in return for hospitality and was of reasonable value in the context of the type of transaction involved, local custom, and local business practices.

I believe that in this amendment we have made it certain that the Foreign Corrupt Practices Act not be misused, and I support the amendment and was very pleased to have the cooperation of the managers and the Senator from Rhode Island in working out the particular amendment.

Mr. PROXMIRE. Mr. President, I thank my good friend from Ohio. He is a tower of strength in this matter. I do not know anyone who has been more concerned and worked so hard on it and thank him for his support.

Mr. METZENBAUM. I thank the Senator.

Mr. CHAFEE. Mr. President, how much time do we have remaining?

The **PRESIDING OFFICER.** The amendment of the Senator from Wyoming would occur in 5 minutes.

Mr. CHAFEE. Mr. President, I yield myself 2 minutes.

Mr. President, let me say I want to thank the Senator from Ohio for his cooperation and, of course, the distinguished chairman of our full committee. This is an effort that I have been working on for many, many years to clarify the Foreign Corrupt Practices Act, which in its vagueness I felt strongly, and indeed we have testimony of this, had a chilling effect.

So in 1981, it passed the Banking Committee by a 11-to-4 vote and the Senate by a voice vote. In 1983, it passed the committee 17 to 1. In 1985 it passed by 11 to 3. This year we reported it out and it is my great hope that it will be passed, approved in the conference and these changes will become law.

I want to thank everybody involved. I particularly want to thank the distinguished senior Senator from Wyoming for yielding to this on this occasion.

I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Is there further debate?

Mr. PROXMIRE. Mr. President, I yield back my time and I also thank my good friend from Wyoming who so graciously yielded to me.

Mr. METZENBAUM. Mr. President, is there not an additional amendment having to do with the definition of routine Government action to be offered?

Mr. PROXMIRE. That was sent to the desk. They were en bloc. There were two amendments handled together.

Mr. METZENBAUM. I thank the Senator from Wisconsin.

Mr. President, the amendment the managers are offering to section 104(g)(3) of the Foreign Corrupt Practices Act amendments clarifies the definition of "routine Government action."

The Foreign Corrupt Practices Act amendments reported by the Banking Committee create an exception from the bribery provisions for payments made to expedite or secure the performance of a routine Government action. "Routine Government action" is defined as an action "ordinarily and commonly performed by a foreign official and does not include any decision by a foreign official whether, or on what terms, to award new business or to continue business with a particular party."

My concern with this definition is twofold. First, that it does not provide companies with sufficient guidance as to what falls within this definition. Second, where the decision to award business is involved, I am concerned the definition could be interpreted to prohibit only payments made to the person who actually makes the final decision and not to others involved in the process.

For example, in addition to providing that a payment to a defense minister to induce him to purchase equipment from a particular party is illegal, the law should also prohibit payments to other Government officials who influence the defense minister in making his decision.

The amendment the managers are offering addresses both concerns. First, it borrows language from the committee report to provide specific examples of the types of Government action that are "routine." This list is intended to be illustrative but not exhaustive.

Second, the amendment specifies that routine Government action does not include "any action taken by a foreign official involved in the decision-making process to encourage a decision to award new business or continue business with a particular party." Thus it is unlawful to make a payment to influence an official who is responsible for evaluating bid or contract proposals, making recommendations concerning awarding business or who is otherwise a part of the decisionmaking process for awarding or continuing business.

This amendment was also negotiated, worked out very well with the manager of the bill and the Senator from Rhode Island. I publicly express my appreciation for their cooperation and understanding. I think we all worked together to make the amendments workable and not to let down the bars too far.

Mr. CHAFEE. Mr. President, if I might particularly as I did thank the Senator from Wisconsin before, but I particularly want to express a note to everyone here that this has long been a matter which was very, very close to his heart. He was an original author of it. He feels strongly that changes should come about very gradually.

I particularly want to thank him for being responsive to the concerns that I have shown and for going along with the changes that we wrought in the committee and that the Senator from Ohio worked out with me, and it has been very gracious of him.

I do hope we can keep this in conference.

I thank the Chair.

The PRESIDING OFFICER. Is there further debate?

Mr. PROXMIRE. Mr. President, I tell my good friend from Rhode Island that he and the Senator from Pennsylvania have been working for years on this. They feel very strongly about it and are very anxious to promote our trade abroad in every effective competitive way we can do. They both agree with Senator METZENBAUM and myself that bribery is absolutely wrong and they feel and we feel that this will still prevent bribery by American corporations, and I want to tell my good friends what a pleasure it is to deal with them, although I know how very strongly we feel on both sides of this. We do have some differences of opinion. I think they have been very gracious and effective in working out an improvement in the law.

Mr. HEINZ. Mr. President, I compliment the Senator from Rhode Island for what is a landmark here. We have been attempting to amend the Foreign Corrupt Practices Act to make it clear, make it more administerable for nearly 5 years, as the Senator from Wisconsin correctly points out.

I particularly want to commend the Senator from Wisconsin for his cooperation in this. He was the author of the original Foreign Corrupt Practices Act that was enacted a decade ago. It was a necessary, important piece of legislation.

The Senator from Ohio has joined in perfecting what was already a good effort of the Senator from Rhode Island.

I thank all Senators for their major contributions to this.

Mr. CHAFEE. Mr. President, I add my praise to the Senator from Pennsylvania because he has carried the ball here in the years that I was not on the Banking Committee. So he really has been a prime element in our being able to proceed ahead. So he deserves a lot of credit for the changes we have been able to enact.

I thank the Chair.

Mr. PROXMIRE. I yield back the time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment (No. 586) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 585

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Wyoming.

Mr. WALLOP. I thank the Chair and I am uncertain as to the consequences of my unanimous-consent request that further reading of the amendment be dispensed with. Is there a ruling on that?

The PRESIDING OFFICER. Without objection, further reading is dispensed with.

The text of the amendment follows:

On page 427, line 19 insert the following new section to Title X: Export Administration Act Amendments:

Sections 1004, 1005 and 1006 shall not be implemented until the President makes a finding and certifies to the Congress in respect to any of the Cocom countries and any cooperating country following Cocom-like procedures the following:

(A) That Cocom country or cooperating country has in place an administrative staff for the purpose of export license review that is at least equal on a proportional basis to that staff available in the United States in the Department of Commerce, Department of State, Department of Defense and Department of Energy for the review of export licenses;

(B) That the Cocom country or cooperating country has made provision for its Ministry of Defense or Defense Agency to participate fully in the review of export license applications and in all matters pertaining to national security-related export controls including Cocom discussions and list reviews;

(C) That the Cocom country or cooperating country has instituted penalties for export license violations commensurate with those in force in the United States and has demonstrated its intent through concrete measures to enforce its export control laws;

(D) That the Cocom country or cooperating country has assured the United States that it can protect goods and technology controlled for national security and that it will not export such goods to any country for which the export of such goods would be denied by the United States or, altenatively, that the Cocom country will agree that U.S. goods exported to that country if they are controlled for national security purposes will be regarded as covered by the U.S. reexport requirements and will not be reexported without a U.S. reexport license to any country where such goods are restricted by the United States.

Such certification shall be made after consultation with the Secretary of State, Secretary of Defense and Secretary of Commerce and shall be submitted to the Congress sixty days in advance of implementation of the finding by regulation.

Mr. WALLOP. Mr. President, I thank the Chair.

Mr. President, not so very long ago, though it seems as though we have been on this trade bill forever, the Senate expressed quite correctly, in my opinion, its absolute outrage at the actions of two companies within our trading spectrum. Kongsberg and Toshiba's actions literally caused irreparable damage to the security of the United States; damage if repairable, is repairable only by years of research into further advanced tehnologies.

The loss of highly classified technologies and highly efficient American capability to silence or quiet submarines has caused consequences the likes of which I fear will be repeated under the current language of this trade bill.

Now we find ourselves confronted by an adversary, Soviet Union which used to have superiority only in speed, size, and depth of its submarine force, and whose detectability was one of those elements which made it possible for United States security to enjoy some level of comfort.

Now, with this loss of critical technology, we find ourselves faced against a nation whose submarine force is not only larger and not only faster than ours, but now at least as quiet as our submarine force.

The purpose of the amendment which I have here is to make it possible for the United States to continue to react as this Senate so legitimately reacted to the activities of those trading partners who see so little in the security of the West that they are willing to trade away Western security for monetary gain, for personal greed. This is precisely what occurred in the cases of Toshiba and Kongsberg. The amendment is not meant to make life more difficult for advanced American technologists to enter into and sustain American presence in the trading world. Rather, it is meant specifically to prevent the franchise of the activities of the Toshibas and the Kongsbergs of the world.

Mr. President, there are a number of provisions of the Banking Committee's section of the trade bill that seek to make it easier for American companies to export goods to the Cocom member countries.

That idea is one which I support and which we all can support—to trust our Cocom allies in protecting goods which are controlled for national security purposes. Unfortunately, the idea does not mesh with reality, as this Senate has already seen and expressed its concern over and over again, because the Cocom countries are far from uniformly prepared to protect our goods and technology. Some of the Cocom countries are having great difficulty protecting their own high technology and securing it from diversions to the Soviet Union and Warsaw Pact countries. This is best illustrated by the now-famous Toshiba and Kongsberg incidents of selling sophisticated milling machines to the Soviets because their own technology, as well as that of the United States, was lost in this transaction. The machines went to the Baltic shipyard in Leningrad where they are being used to hone special silent propellers for the Soviet Union's submarine fleet.

In Japan, the Japanese authorities allowed the transaction to occur. Their licensing officials reached the incredible conclusion that the machines were not Cocom controlled and agreed to release them to the Soviets. The licensing officials never checked the technical specifications of the machines and never inquired about how the machines would be used in the U.S.S.R.

In Norway, the Trade Ministry, which has only six people on its staff to check export licenses, approved the sale of industrial controllers and sophisticated software designed to operate nine axis machine tools. Their approval was for reexport to the Soviet Union even though such software cannot be exported under the Cocom rules governing trade to the Soviet Union.

Here we have a situation where not only did firms in the Cocom system set out to cheat and sell goods for direct military use by the Soviet Union, but our key trading partners and Cocom members, Norway and Japan, failed to live up to their own responsibilities and exercise their supervision of the licensing process.

We have been hearing complaints for many years, that many of our Cocom partners—in Western Europe and Japan—are too lax about the Cocom rules. These are not new complaints to the Senate. We have been hearing for years about the laxness of our Cocom partners in Western Europe and Japan. And these countries have been, in many cases, simply stamping out licenses just about as fast as Japan stamps out microchips. Some type of restrictions must apply in order to prevent the Toshiba-Kongsberg case from turning into a permanent, institutionalized diversion of U.S. technology through our Cocom partners. But, we will be doing just that if sections 1004, 1005, and 1006 are enacted in their present form. I am certain that that is not the purpose of the provsions in the Banking Committee's bill. We cannot place ourselves into the position of turning over responsibility for our technology to our Cocom partners until they are ready, willing and able to accept that responsibility. Their fragile licensing system will almost certainly be swamped if we dump our goods in their countries on the scale contemplated by the provisions of this bill's act.

In Norway, there are only six officials who carry out the responsibility of licensing goods and technology. In Japan, which exports more than we do, there are less than 30 licensing officers. That is an increase over the 10 officers who were on duty just a few weeks ago when the Senate expessed its outrage, but the number is a drop in the bucket compared to the system we have in place in the United States.

We have some 500 experts involved in licensing in the Commerce Department, Defense Department, State Department, and Energy Department. It is not the purpose of the Senator from Wyoming to make Japan have 500 experts, or Norway or Belgium or Britain or anywhere else. But, it is the purpose of this amendment to make the Cocom countries come up with some kind of standards where we can have the confidence that technology vital to the security of the Western allies is in some way protected. In Japan and Norway and most of the other Cocom countries, there are only a handful of licensing experts.

In Japan, Norway, Germany, Spain, Belgium, Denmark, and Holland, there are no experts from any national security agency involved in the licensing system or consulted about sensitive exports. And in many of the countries the penalties for violating the export controls are too small and inconsequential to deter KGB and GRU operators.

It is not in our interest to take the extreme risk of sending more U.S. high-technology abroad without proper licenses and to rely upon the possibility of using our legal system to prosecute wrongdoers. Today, if U.S. goods are diverted, we can prosecute the violators.

Under the provisions of the Trade Enhancement Act, however, if our computers are diverted we would have to try to convince our Cocom partners, like Japan, to prosecute the wrongdoers themselves. And we have seen that they have an inability or lack of desire or lack of purpose to do just that in their licensing process. Why would we expect them to prosecute on their own? We have learned that they will have great difficulty in doing this and many of them will not do it at all. Our Cocom partners' performance on prosecuting violators has been very poor, often nonexistent. The administration has brought hundreds of cases to the attention of our Cocom allies. In only a very few cases have they independently attempted to bring these diverters to justice. But here in the United States we have pursued a different course of action and have moved to vigorously prosecute through our court system.

For example, one of the top technobandits Werner Bruchkausen was recently sentenced to 15 years in Federal prison for violations of the Cocom rules. He operated freely and without hindrance in West Germany for nearly a decade despite our pleas to Germany that they do something. Germany refused, and Bruchkausen lived as a millionaire, sheltered by the German authorities.

Unfortunately, this is not an isolated instance; it is a common occurrence. Richard Mueller, who was caught smuggling Vax computers to the Soviet Union through South Africa, Germany and Sweden was never prosecuted in Germany where he lived and operated freely. Ironically, under the Trade Enhancement Act of 1987, Vax computers will be allowed to be exported to all Cocom countries without any license at all.

Rather than trade enhancement, we may be in the business of rebuilding the Soviet military industrial complex. In the future the Trade Enhancement Act could well be known as the "Red Army Relief Act."

There are other serious consequences that will result from enactment of sections 1004, 1005, and 1006. Our Cocom partners do not follow our controls on countries such as Libya, Iran, Nicaragua or Cuba. But they have grudgingly accepted, as a result of our reexport controls, that American goods will not be exported to these places.

Sections 1004, 1005, and 1006 will assure that sensitive American computers and the electronic machine tools, communications equipment, and other technology will be available—not will assure that they will not be available, but will be available—without reexport controls to Libya, to Iran, and to Cuba.

I do not know why any Member of the Senate would want to see sophisticated American technology operating in Cuba, only 90 miles from our shores. And everyone knows that the Soviets really run Cuba. So our goods will not only flow freely to Cuba, but they will flow freely through Cuba to the Soviet Union.

Let me remind the Members that our Cocom allies respect our ban on Cuba but, Mr. President, they have no ban of their own. Reexport is not illegal and should it happen, there is no prosecution. And, absent the ability to get our hands on violators in this country, there is no means by which we can bring such violators to justice.

If our goods go to them without any license and without any reexport limits—which can only be achieved with a license—then they will be available for export from our allies directly to Cuba. That means the Soviets will get their Vax computers and other sensitive goods and technology.

And, of course, Qadhafi and other mad men like him will have open access to them and to their military, a free flow of American products.

The Trade Enhancement Act of the trade bill covers all goods that are available under the green line procedure to China. This is a vast array of technology. Ninety-five percent of all computers are today available under the green line procedure to China. The only computers not available this way are the largest of the main frame computers. A vast array of communications gear also would be released, including hardware that could be used directly by the Libyans for their military forces.

Clearly these provisions will help American industry—but they could so undermine our security that the marginal benefits of easier exports of American goods is too high a price to pay. And pay we will, because we will have to massively increase our defense budget to keep pace with the diversion of our goods and technology to the Soviet Union and to other adversaries.

I believe this is not the time to implement sections 1004, 1005, and 1006 of this bill. We should only do so when we are certain that our allies will have the will and the capability to protect our technology and when they will have the laws to prevent the sale of our products to countries such as Cuba and Libya.

Therefore, I am proposing a perfecting amendment to sections 1004, 1005, and 1006, to delay implementation of these sections until the President, after due consultation with the Secretary of State, Secretary of Commerce and Secretary of Defense can certify in writing to the Congress that each individual Cocom country has achieved the following major objectives:

First. Increased its export administration staff on a basis proportional with that of the United States;

Second. Made provision for its ministry of defense or defense agency to participate fully in the review of export licenses and in all other matters affecting national security export controls;

Third. Has instituted criminal penalties for export violations commensurate with those in force in the United States and has taken steps to demonstrate that it will use the full force of its laws to prevent the diversion of high technology goods to the proscribed countries;

Fourth. Assures us that it has adopted measures covering sensitive countries such as Libya and Cuba or that it will respect our reexport control laws in that regard.

I believe this amendment will help strengthen our leverage with our Cocom allies, rather than diminish our leverage as sections 1004, 1005, and 1006 would effect. It does not make sense to give awards to our Cocom allies if they are not fulfilling their responsibilities.

If they are willingly overlooking—looking the other way and ignoring their responsibilities to the security of the Western allies, the security of the free world, I think it is essential that in the rush to complete our legislation that we do not forsake the vital national security role of our export control system or weaken that system so fatally that it can no longer function.

Adoption of my amendment will prevent this from happening. To leave the bill in its present form, virtually guarantees that American technology will be quickly put to use endangering America and American security.

I ask you, Mr. President, is that the purpose of trade enhancement, of export expansion—to endanger American security? Surely, that is not the purpose of the Senate of the United States.

If it is, could we fairly say, could this be Lenin's rope?

Mr. President, we could.

I yield the floor.

The **PRESIDING OFFICER.** Is there further debate on the amendment?

Mr. HEINZ addressed the Chair.

The **PRESIDING OFFICER.** The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I have taken a long, hard look at the amendment of the Senator from Wyoming and I guess the best way to make sure we know what we are talking about is to just discuss for a moment what is in the committee bill, how the Senator's amendment would operate on the committee bill and what the consequences of that are likely to be.

The committee bill attempts to create a more logical, rational regime for our exporters, one in which we can be competitive and yet fully protect ourselves from the diversion of important technology, or so-called dual use technologies, to the Soviet Union and the Eastern bloc.

In that regard the bill makes what the committee considered three very important changes in existing law.

With respect to Cocom countries, countries that are cooperating with us on a bilaterial basis, we have liberalized our export administration regime to the extent that goods that are as high but no higher than the level of technology that we export today to another Communist country, the People's Republic of China, will be allowed to be shipped on general license to Cocom.

What that means is that we have at least as strict, and arguably more strict controls on shipping technology below PRC green line, as it is called, to our NATO allies than we have to another Communist country, the People's Republic of China.

You might say we are almost too stringent in this provision of the bill, but it is an improvement. It may be modest, but it is, I think, not only rational but fully defensible.

A second provision in the legislation deals with all the other free world countries, where we would permit export of goods that had technology up to what we call AEN level. AEN stands for administrative exception notes.

That level of technology is not far removed from what anybody can go into Radio Shack and buy. But to be on the safe side, in the committee bill we have said that has to be controlled by a general license. The exporter spells out what he is going to be exporting and to whom, and a paper trail is created under general license. This is, as I said, for a relatively low level of technology.

The third provision of the legislation—and it is in section 104—the other two were respectively in sections 102 and 103—permits the free reexport within Cocom of all other levels of technology. Right now we require a validated license for reexport of goods of high technology within Cocom.

What we simply say is if these countries are our allies, if these countries are observing the rules of the game, if they are not shipping outside of Cocom, that the goods or technology that is now available in those countries, which does have an admittedly national security significance but which is not only our goods or technology but theirs, that that goods or technology may, in fact, be freely traded among our Cocom trading partners and other cooperating countries.

As I understand the amendment of the Senator from Wyoming, what he would do is say, "None of those provisions may go into effect unless a series of conditions are met."

The conditions, as I understand his amendment—and I have read it rather carefully—have to do with requiring, first, that a Cocom country have an administered bureaucracy at least comparable to our own in terms of quantity, relatively speaking; and that such a country must provide that in the way it operates its bureaucracy it have a role for its ministry of defense or defense agency to fully participate in export license applications.

As I read that, or as it might be interpreted, that could require Cocom countries and cooperating countries to give a role to their defense agencies that even exceeds the role we have given to the Secretary of Defense or his designee in this country.

Third, the country would have to have penalties for export license violations commensurate with those we have; similar to ours, in other words. It would have to demonstrate that it is enforcing its controls, through concrete measures, by law-enforcement efforts, just as strict or, I think, stricter than we are.

Fourth, the amendment would require that such countries, Cocom and cooperating countries, have told us, that they can protect the goods and technologies, and everything is going to be very carefully controlled or, alternatively, that they will require reexport licenses and safeguards that will make sure that nothing that should not get out of the country will get out of the country.

Mr. President, with respect to the first of those provisions, what we are really saying we are going to do is export our bureaucracy or its equivalent to some other unsuspecting country. Our bureaucracy is undergoing a lot of changes right now. We are trying to shrink it. I do not know that we are terribly proud of our bureaucracy. We keep getting in each other's way. Yet what we want to do in this amendment, if I understand the Senator from Wyoming correctly, is to have a mirror image bureaucracy in some other country.

Well, that takes a certain amount of national pride in our bureaucracy that I am not quite ready to concede. We have public servants who are wonderful people, I know, but I would not necessarily hold up our bureaucracy whether it is in the Commerce Department or the Defense Department, or anywhere else, and both of those would be mimicked, as I understand the amendment, under its requirements.

The requirement would involve the foreign departments of defense. Whether or not it is likely, I cannot say they will go along with this. But what I can say, which is highly likely, is that were we to adopt the amendment of the Senator from Wyoming, there would be enormous pressures in this country to reduce very dramatically, or even eliminate, the role of the Secretary of Defense in order to, in a sense, set an example for Cocom, and why, I will explain in a minute.

The amendment would require that basic export controls would have to be rewritten to be almost identical to U.S. law. That is called the extraterritorial application of U.S. law, if you read this very strictly. I, in sum, think that we tred on very dangerous territory if we expect that other countries, our Cocom allies, are simply going to imitate, because we tell them to, our U.S. export regime.

Indeed, I would submit that the biggest problem with the Wallop amendment is a very simple and straightforward problem, and it is this: It invites other countries not to cooperate with the United States so that we continue to tie our exporters up in knots so they cannot compete with the exporters within Cocom for that business.

The amendment would, in effect, hold American exporters hostage to the activities of other countries in the structuring, procedural manipulation, and enforcement of their export control laws.

If I were the Minister of Commerce or the Minister of Trade in France, or in Italy, or in Germany, or Great Britain, or Japan, I would unreservedly support the Wallop amendment because it would be spectacular for my high tech exporters, people like Toshiba, because they would not have any more competition in the other Cocom countries.

That is all they would have to do, to just say,

> You know, we are not going to change our laws. United States, you are going to be stuck. You are going to have to continue to have a very intricate regimen on items up to the PRC green line within Cocom, and on items outside, in the other free world, where a general license would not be permitted for below AEN items. There would be limitations, again, on reexport within Cocom, all of which are very advantageous to our exporters and at no risk, I submit, to our national security.

You could count on foreign governments doing exactly the opposite of what the Senator from Wyoming would like them to do.

Why? Because it would pay them not to.

Mr. President, it therefore seems to me that the Wallop amendment is a very dangerous amendment because it is not going to achieve the goals that we all agree upon. We would all like our Cocom allies to be tougher. We would like Japan to have caught Toshiba.

Let us take an example of how the Wallop amendment, had it been in effect back in 1981, would have helped stop Toshiba and Kongsberg in the sale of the very sensitive computer-controlled machine tool equipment that the Soviet Union was able to acquire for the paltry sum of $17 million to make their aircraft carriers quieter, their submarines more silent, and probably render obsolete up to $10 million of listening equipment and other technology that this country's national interest depends upon. How would the Wallop amendment have prevented somebody like Toshiba and the export trading company in Japan that was involved and Kongsberg in Norway from doing what they did? If you believe that other countries are going to simply roll over and adopt the regime here because they want American exports competing with Japanese exports, the answer is it might, might have done something. It might have resulted in a much tougher Japanese export regime. For the managers of the Toshiba subsidiary and all the other people who knew they were doing something wrong and which they went to great lengths to conceal—it might have caught them and it might not have caught them.

What I can guarantee you is, unless other countries had adopted probably much tougher approaches to export controls than even we have today—and we have toughened our laws repeatedly—the net result is that the Japanese would continue to have sold Japanese technology to the Soviet Union. What would have happened would have happened; que será, será. This was a sale that was done for greed. It had nothing to do with American technology. And so were this amendment to be adopted and other countries not make the required changes—and I submit that not making changes is in their economic interest—the result would simply be business as usual except it would be business that is worse for the United States and business that is no worse and probably better for our Cocom allies. And that is why I would say that this amendment, well intentioned as it may be, really ought to be looked at as saying to other countries, "If you do not stop breaking the law, we are going to put American exporters in jail." That is what this amendment, I submit, does. If other countries do not stop breaking the law, Americans are going to go to jail.

Mr. President, that just does not make any sense to this Senator. And it may be that the Senator from Wyoming has something more specific that he would like to accomplish with this amendment. But I cannot, for the life of me, understand why we would want to hold hostage all these necessary improvements in our export control regime, some of which have absolutely nothing to do with Cocom. Section 103 is about exports to noncontrolled countries, to other free world countries and yet we would hold up the improvements in this legislation in Cocom countries——

Mr. WALLOP. Will the Senator yield for just one observation?

Mr. HEINZ. I would be pleased to do so.

Mr. WALLOP. It is fine to worry about section 103 but we do not touch it.

Mr. HEINZ. Then what I have in the way of an explanation of the amendment is inaccurate. I apologize if I misstate the amendment.

Mr. WALLOP. The Senator has the amendment. I think the Senator will find that it refers to 104, 105, and 106. 103 is not a part of it. I do not mind being taken to task by the Senator from Pennsylvania for things which he knows to be the case but those which he fancies to be the case are beyond the issue.

Mr. HEINZ. It turns out, if I may say, that we are both correct. Due to the numbering of the bill, the sections that I mentioned I referred to by the wrong number, but the substance of the sections as I identified them in fact are the sections that the Senator's amendment does address.

If I may say, Mr. President, at the beginning of this debate I very carefully went through the substance of what I believed the Senator's amendment enjoined. And maybe the Senator from Wyoming would correct me, but is it not true that he enjoins the section that would permit general license up to PRC green line to Cocom countries from going into effect?

Mr. WALLOP. The bill eliminates the requirement for U.S. firms to obtain licenses, validated licenses and I would require that they do.

Mr. HEINZ. I think, Mr. President, what we have discovered is that we are both right. I would just say for the record—and I thank the Senator from Wyoming for bringing up the point—I was in error in referring to the numbers, the sections that I did. Where I referred earlier to section 102, I should have referred to section 104. Where I referred to section 103, I should have referred to 105. Where I referred to 104, I should have referred to 106. And the reason for that is that the manager's amendment which was offered and adopted late last week renumbered the sections in the descriptions of the bill from which most of us have been working.

So I thank the Senator from Wyoming for his clarification. I appreciate that.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I have great sympathy with my good friend from Wyoming. I think that he has made a very strong case. He is absolutely 100 percent right on what happened in the Toshiba-Kongsberg situation. That was outrageous, as the Senate showed in its overwhelming support for the Garn amendment. I do hope that we can have an opportunity to discuss this for a very few minutes, the Senator from Wyoming, the Senator from Utah, the Senator from Pennsylvania, and myself. I think maybe we can work something out that we can if not all agree wholeheartedly on, at least agree that it is the best we can do under the circumstances. So I would suggest the absence of a quorum——

Mr. WALLOP. If the Senator will withhold, I feel constrained to reply to some of the misunderstandings, and some of the arguments made by the Senator from Pennsylvania.

Mr. PROXMIRE. Of course.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. The Senator from Pennsylvania suggests that the Senator from Wyoming is interested in extraterritorial application of U.S. law. The Senator is absolutely correct, but only when it comes to the reexport of U.S. national security technology.

Now, it seems to me that if this country allows its most sensitive technology to get a mile offshore or 12 miles or whatever the figure is in this modern world, which seems to change country to country, year to year, but as soon as it gets offshore, then there is no longer any control over it, I do not see any point in having any control over it before it gets offshore. It is preposterous to suppose that if you can get it out of the country, you are safe.

The Senator from Pennsylvania suggested that the Senator from Wyoming is saying if others do not stop breaking U.S. law, Americans are going to go to jail.

Mr. President, the export of technology which results in reexport must have somebody somewhere responsible for it or again there is no purpose in having export controls. There is then no purpose in even trying to find the means to secure U.S. technology sensitive to the defense of this country.

I have been told in the debate that foreign countries would unreservedly support the Wallop amendment. If that is the case, somebody has not clued them in as to the benefits they are about to receive. They are unreservedly in opposition to it, panicked about it.

The Senator from Pennsylvania suggests that the Senator from Wyoming wants to build a bureaucracy in other countries similar to ours. I want some bureaucracy in countries which have nobody in their export licensing control offices—nobody at all—who routinely checks the reexport of high technology of American goods to the Soviet Union and its allies.

It seems to me that this country has a right to insist that the products which we so ingeniously provide to the world are not provided to the Soviet Union, to the KGB, or otherwise.

This general licensing authority has some very curious and very dangerous concepts that the Senate ought to know. This Senator believes in democracy. But we are licensing, for example, goods which can be directly exported to techno-bandits, as they are called, KGB agents, and any others, and nobody can do anything about it.

General licensing authority is widely regarded in the Cocom community as authorization to ship goods that have been decontrolled, and clearly that is not the case.

So, only if we have some validity and licenses that are certified by the U.S. Government will we be able to deter unscrupulous converters or expel them from the system. That seems to me to be in the national security of the United States.

No one knows what a general license is. It does not exist at this time. The end user is not ratified or checked. We are saying there is no audit capability. If you can get it out of the country, you are free to use it and free to export it, if you get your hands on it.

All the Senator from Wyoming is willing to ask the Senate to do is to think what it means to have the capability of the United States turned against us.

The Senate expressed itself more than a little bit willingly. It expressed itself unanimously in the cases of Toshiba and Kongsberg. Now is the Senator saying, "We have done our duty, Americans?" Now is the Senator saying, "Gosh, we've been brave and we told the Japanese and the Swedes what we thought of them. What the hell, fellows, go ahead and do it and don't tell the American people?"

I am for trade enhancement. I am for making the system smoother, but not at the expense of the security of the United States and the Western World. That is not why we gather here.

We are not a nation so consumed with greed that we fulfill Lenin's prediction and sell the rope to hang ourselves. We are a capitalist Nation and a darn good one; but if we are so foolish as to willy-nilly put our technology out to the world's markets to be used against us, this Nation will not see the 300th year of its constitutional celebration. It may not see itself a free nation at the end of this century. That is a silly thing to say, except that if we completely abandon any restraint of consequence to the export of sensitive American technology, we can expect that it will be used against us. We can complain to no one that it has been used against us. We can express outrage about what a Japanese company or a Swedish company may do, but to what end?

In this piece of legislation, the Export Administration Act amendments, we have simply franchised those activities, given the blessing of the Senate of the United States and the Congress of the United States, and I think it is wrong. That is why I bring the attention of the Senate to this.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE IMMIGRATION LAW

Mr. SIMPSON. Mr. President, I might take a few moments at this time to cover a matter while we are determining the final result of negotiations on this amendment pending and we are making progress; and I hope we continue to make progress, but let me just speak briefly on the issue of the recent commentaries with regard to the tragedy of undocumented aliens and their torture in a locked railroad car while attempting illegal entry into the United States.

There has been a great deal of attention paid recently to the tragedy involving those aliens. Other attempts have been discovered. Fortunately, the border patrol and the INS have uncovered what could have been additional tragedies of even greater status.

All of those things have been happening for many years. I want the people to understand that indeed the attention is warranted, but if you can only but imagine how much of that has occurred in even greater scope in years past before the Immigration Reform and Control Act was placed on the books on November 6 of last year.

This act of alien smuggling is truly one of the most vicious and dangerous and cruel that occurs in the area of immigration.

There has been a substantial amount of recent press attention as well to the workings of the new immigration law, oddly enough, almost a corunning referral to those two measures.

We have heard about possible labor shortages in agriculture and in the garment and service industries and about supposed paperwork burdens on employers. Interestingly enough, and I must respond somewhat whimsically, I note the creativity of those who never assisted in any way with regard to the immigration bill. I am always fascinated to see that they remain at full tilt, their creativity knows no bounds, and it has been most curious to hear their arguments about how perhaps the bill is not working in this area or that area, and what they really hope is that it would not work in any area.

And I love the spirit of combat, as some know, when I say to them: "What do you want to do, go back to where we were before?" "Before" when we had a fearful and exploited and abused subculture of human beings in the United States who were and are here illegally and they had no legal rights whatsoever—afraid to go to the cops, afraid to go to their employer, afraid to go to a hospital unless it was for a birth, and that is exactly the event when one would want to go there because then there is the birth of a U.S. citizen child—a precious conduit—because when the child becomes 21, he or she can then petition for citizenship for their parents and brothers and sisters; something that is a very powerful and extraordinary lure to people the world over, in whatever status.

So now we have made certain adjustments. I think they are well worthwhile. I originally resisted the changing of the date on the employer sanctions and full implementation there. We have made changes there. I concurred. And the House and Senate have concurred in those and I think they will be very appropriate when enforced.

We have made some remarkable adjustments for the growers of America, those in agriculture, in perishable crops. Interestingly enough, and again ironically, the provisions that we provided in the bill for agriculture, and for perishable crops, were exactly what they wanted. They wanted the special agriculture workers I, the special agriculture workers II, some with the cap, some without, and then they wanted the replenishment workers. And we gave those.

Another interesting irony to me is that they also wanted, or there was a very fine and extraordinarily hardworking coalition, the H2A Coalition, that provided what we could do with legal temporary workers brought into the United States. What we provided for them was exactly what they sought. In conference, the Senate conferees made no change whatsoever in the H2A Worker Program. None; accepted it fully in conference. And I am amused, that would be the best work, as to how some who fight that concept call it a new form of a bracero program. How uniquely remarkable.

It is not a bracero program. It provides a level of employment with opened benefits, a guaranteed time for work and working conditions which would be totally appropriate in this fine country—or any other.

Then, as I say, we have read about the supposed paperwork burdens. Really we have a one-page form called the I-9. The information should have gone out now and should be in the hands of all employers. They have plenty of time to get their house in order. It is not until June 1, 1988, when the nine rows of jaw teeth clamp down on what it is that is to be done by the employers of the United States. And their sole function is to ensure that they do not knowingly hire illegal, undocumented persons. And to assure that, we provide the I-9 with a request they ask for various forms of identification and work authorization and then they just check the box. That, in my mind, is surely not a punitive condition.

I have also been most fascinated at the continual drumfire of editorial activity by the Wall Street Journal, who are now arguing—I think the word would be prattling, more appropriately—in recent weeks for a return to the past. And the return to the past is an intriguing option for them that has been rejected by over 95 percent of the people I have ever dealt with in immigration reform—that is their view of illegal immigration—they are hoping for an open border. In fact, at least they had the courage to say it again in an editorial commentary several days ago, that they wanted simply an open border for the entire United States, with no restrictions.

Well, that is truly an extraordinary statement. As I say, there cannot be 5 percent of the people in America on any side of any ideological arena in immigration reform who would want that. It means that people would just come here from wherever or whatever country in the world with no documentation and no ability to have the legal benefits conferred to all others in the United States of America.

That has been the most curious thing to examine. Apparently, as spokesmen on behalf of some employers in the United States who abuse and exploit illegal aliens, the Journal would apparently like to see a resurgence in illegal immigration. There is a tremendous difference between legal and illegal immigration and who should be here. And I do not think they have ever discerned that, ever.

Well, Mr. President, I see that our colleagues have returned from their chambers. I, therefore, assume that they are now ready to do business.

Mr. PROXMIRE. We will be a few minutes.

Mr. SIMPSON. I will proceed then and you give me the nod, Mr. Chairman. I will go forward with my remarks. I do not believe that there is any time limit. When the good Senator PROXMIRE gives me the word, I will conclude my remarks and they will not be much longer in any event.

But I think it is so important to recognize and so difficult to recognize that we are talking about this extraordinary difference between illegal and undocumented persons and legal persons who come in under our laws, and we are not talking about "refugees" or "asylees." They are not part of this discussion.

But as we observed those tragic happenings of several days ago, I think we might draw back a moment from the short-term concerns and say that the tragic events of the boxcar and the anguish of recent other attempts to do that illustrate the exact reasons why I and Congressmen MAZZOLI and PETER RODINO, the fine chairman in the House, and Congressman FISH, and Congressman SCHUMER, Congressman LUNGREN, and Senators THURMOND and GRASSLEY and METZENBAUM and MATHIAS and on through the ranks of other House and Senate Members and all others who assisted, this is the reason that we sponsored the legislation nearly 6 years ago. Because illegal immigration is a dangerous and exploitive and inhuman phenomenon.

If we need more workers in the United States—and apparently that is what some are pleading for—then for heaven's sake, let us have them here legally and not as some subclass of human beings. That one we fought a war about around 125 years ago. It is called slavery.

I also want to share with my colleagues that I am drafting legislation that would rewrite the present legal immigration system and I plan to take into account any clear effects that the new immigration law has had upon our economy and review the preference system, the exclusions within the present law and some of the anachronisms of the present INA, the Immigration and Nationality Act. It is a confused and obtuse piece of legislation which has been in many ways simply worked over by various immigration lawyers and presented piecemeal into the statutes over many years and it is no longer appropriate to our conditions in this country. But if we should not fall prey to the advocacy of continued illegal immigration to fill up any real or perceived or fabricated labor shortages, we can certainly make progress. Because it is absolutely absurd and naive and really quite pathetic that someone is still going to say that we should simply fill our work force in the United States with people with no legal right to be here.

So, I share with my colleagues the real reason for the bill is the same one now as it was then; that is, if people are going to be in the United States working, let them be here with a legal status and have the legal rights and the benefits of this country. If the only economic benefit to the United States is the alien workers' exploitive condition, then I believe that is a benefit certainly not worth enjoying. And if we are really so dependent upon illegal, undocumented persons to do our work, let us find that out now. Let us have a separate debate on that.

But it is just this system of illegal entry that has caused the death of aliens trying desperately to enter in locked boxcars and other conveyances. Those who would wish to return to large-scale illegal immigration or open borders really do not come to this debate with totally clean hands. What happened before the bill was even worse.

We all know the stories about villages in Mexico and from other countries whence the deceased aliens came and where they were moving from and they are all extremely compelling and they are very real. Indeed, many left to better their own lives and those of their children. And oddly enough, though, why is it that we only increasingly hear about such conditions when such an event as this occurs?

There are countless other such stories, as deeply compelling, from countries far more destitute than Mexico.

It is a plain, simple and honest fact that we cannot admit every person in the world who does not have sufficient opportunity for employment and self-improvement. That is the way it is.

There is also a limit to our resource base. But if we are going to do it, then let us do it legally and not illegally.

All we do know is that we do the very best we can. We take in more refugees than all the rest of the world combined. We take in more legal immigrants than all the rest of the world combined and we obviously have taken in more illegal immigrants than all the rest of the world combined. That is an extraordinary restatement about a compassionate land and about the government of a compassionate land.

Yes, we surely do have the duty to help other countries improve and to develop their economies and to admit legally those persons with close family in the United States or who would benefit us economically, and to open our shores to true refugees—and we do all that beautifully.

I would conclude and state that we now have a new commission under the bill. It is functioning. Their chairman has been appointed. The Commission on International Migration and Cooperative Economic Development was established under the immigration bill and it has held its initial meetings this month. They have now elected a fine friend, Ambassador Diego Asencio, as their chairman and I look forward to hearing their recommendations for eliminating some of the many circumstances that drive nationals of other countries to immigrate illegally.

But surely no one should somehow feel nostalgic about some return to the tragedies of the past or to promote the tragedy of illegal immigration. We do not need any more of those tragedies such as the one that moved us all so greatly several days ago.

Another fact has been most curious. I saw a quote from one of the "coyotes," those people who charge these wretched souls their money and often their livelihood and their very lives to get here, saying that "it is a bad law they have got up there. They ought to change that." Isn't that fascinating?

So, maybe they come recently because they think we are not serious. We are serious. The bill is in place. There is plenty of oversight here in the Senate and in the House with people like Chairman Rodino and Ham Fish, Senator Ted Kennedy, myself, Senator Simon, and all of those of us who worked hard on it to assure that it will work well. It will, and that is a continual pledge of those of us who labored so hard and long for it.

I very much thank the Senator from Wisconsin. I see he has returned and I will conclude my remarks.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER (Mr. Harkin). The Senator from Wyoming.

MODIFICATION TO AMENDMENT NO. 585

Mr. WALLOP. Mr. President, I send a modification of the amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The modification will be stated.

The legislative clerk read as follows:

The Senator from Wyoming (Mr. Wallop) proposes a modification to amendment No. 585. On page 404, line 14, delete the word "and" and—

Mr. WALLOP. Mr. President, I ask unanimous consent that further reading of the modification be dispensed with.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The Senator has the right to modify his amendment.

The amendment is as follows:

On page 404, line 14, delete the word "and" and add the following new paragraph:

"(B) the Secretary shall require a license for the reexport of such goods or technology at or above the PRC green line to a consignee in a country if the Secretary determines that such country is engaging in a pattern and practice of noncompliance with the Coordinating Committee agreement; and"

On page 404, line 15, reletter paragraph (B) as paragraph (C).

Mr. WALLOP. Mr. President, I thank the Chair.

With consultation with the managers of the bill, the Senator from Utah and the other interested parties, we have come to an agreement for modification of my amendment.

So that the record is clear, I would like to state my understanding of the effect of the substitute to my amendment.

This language would direct the Secretary of Commerce to require a reexport license within Cocom to countries that do not meet their responsibilities under the Cocom agreement.

This will provide a safeguard against diversion through a Cocom country with lax export control enforcement.

But I am concerned that other sections of title X will reduce enforcement of reexport control on U.S. goods among other Cocom countries.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I agree with my good friend from Wyoming. I think his modification is excellent.

In liberalizing shipments to and within Cocom the committee retained requirements for reexport authority to ship outside Cocom. So, his concerns about reexports to Cuba, for example, have been addressed.

While higher level technologies would be shipped to Cocom under general license rather than individual license, there would be no easing of limits on reexports outside Cocom.

It is also possible, under a general license, to place end use or reexport conditions on specific technologies by regulation and the committee intends that the license be used for that purpose.

The language provides that means to enforce Cocom controls in the future.

Mr. President, under the current regulations the Commerce Department recently fined Sysdyne, a British company, $600,000 with $200,000 suspended for shipping United States goods for destinations subject to quality controls. We were assured that vigorous enforcement would not be affected by the Banking Committee amendments.

Mr. WALLOP. Mr. President, I thank the Senator for his statement of purpose and clarification and share his determination that U.S. technology not be reexported to a location to which the United States maintains export control.

I might say, Mr. President, that the Senator from Wyoming still feels very seriously concerned about where we are. I think the Senator's statement has answered some of my concerns.

I hope that we would not find this weakened on its return from conference because, I remind the Senator from Wyoming, this is very minimum, the very minimum that is required for U.S. security interests in this area. But I thank the Senator from Wisconsin and the Senator from Pennsylvania for their efforts in reaching this compromise.

Mr. PROXMIRE. If I could respond to my good friend from Wyoming, I am delighted he brought up the conference situation because that is a problem and I can assure him that I will do everything I can, and, of course, the distinguished Senator from Utah will also be a member of the conference and he feels as strongly as the Senator from Wyoming and the Senator from Wisconsin, that we have to have strong provisions here and I am going to do everything I can to maintain every word that is in this amendment and fight for this cause which the Senator from Wyoming has championed for so long and so well.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. I thank the Chair and I wish to express my appreciation to the Senator from Wyoming. I agree with what he is trying to accomplish on this particular bill. It is a follow-on to what I was attempting to do with the Toshiba-Kongsberg amendment; an attempt to tighten down considerably over our relicensing Cocom reexport of critical technology.

It was effort of the Senator from Pennsylvania and I in the Banking Committee. The distinguished chairman on the Banking Committee and I spent more than a decade of our lives on this. It is a difficult task when you are dealing with our allies, trying to control these exports. The compromise is not everything that the Senator from Wyoming and I wish it would be. I think it is a good compromise under the circumstances and would certainly add to what the chairman has said, that it would be my intent in conference to insist on this particular language so I commend the Senator from Wyoming and I think that we have a good compromise and we will do everything we can to insist the House be firmer than they have in 6 or 7 months of conferences that Senator Heinz and I participated in 2 years ago.

Mr. HEINZ. Mr. President, I commend and thank the Senator from Wyoming for having reached what I think is a very reasonable concurrence of what would appear to some observers to be very differing points of view.

As I said during the course of my remarks, we really all have the same objective, which is to have an export control regime that works without undue prejudice to American exporters and American commercial interests operating abroad.

What the Senator from Wyoming has done is to target very properly and quite carefully the main area of concern. It is a concern that is a legitimate concern. That is the problem of those among the universe of Cocom countries, which are or in the future might be insufficiently careful in the policing of high technology exports and their reexport to controlled countries. What, in effect, the Senator from Wyoming has done is to say the Secretary of Commerce shall control and impose reexport licensing on certain high technology exports through any country that the Secretary of Commerce determines has failed to live up to its responsibilities under Cocom.

In doing so, he has focused on the most serious problem.

He has also expressed concern about other issues, and properly so. They were issues that we did address in the committee. We had witnesses from the Defense Department who expressed concern about the way we handle the export of below People's Republic of China green line technology to our Cocom allies. In the bill, and it is a very complicated title, there is a specific provision which the Senator from Wyoming made reference to in his colloquy with Senator PROXMIRE a moment ago, which noted there is permitted to be established a list of critical technology items that are below Peoples Republic of China green line which may be carefully controlled to countries notwithstanding the provisions of section 102.

That was in the manager's amendment. It was something requested by DOD.

When I asked the Department of Defense if we maintained, as we do, through general licensing, a paper trail, and if we allow further controls in those relatively rare instances where below the so-called People's Republic of China green line we have technology that is substantially better than that which is available from other countries, including our Cocom allies, they indicated that they felt those changes, if we made them and we have, would result in a sound export regime that balanced our national security needs against the desires of our country to be competitive in exports.

What the Senator from Wyoming has done is to make a very important point. He has improved the legislation and I think we have made a record that makes this bill a stronger and a better bill, and one which, in its implementation, will be all the stronger.

In sum, Mr. President, I commend and thank the Senator from Wyoming for the improvements he made. He may not have gotten everything he wanted. I can understand his frustrations on one item, because it is one I share. It is the perpetual problem of how we get other countries to be either as good as we are, or as we want to be, or as we think we are—maybe all three of those—when it comes to restricting controlled item sales to Soviet bloc countries. On previous occasions in the Finance Committee, the Senator from Wyoming and I have sought, through the imposition of penalties on companies from countries which were not doing a good job, to try to give an incentive to Cocom countries to improve their regime. So far I think it is fair to say we have not found a workable and fully acceptable answer to that. I just want to say for the record, however, that that remains an objective that we should all share, and which I might add is shared by many of our Cocom allies. They, too, would like to find ways to improve, as they have in considerable part over the last several years, their export control regime on high technology items. But it is a battle, one that he will probably not solve or win tonight. It is one where we necessarily need to be vigilant and look for better solutions.

That is an area where I salute Senator WALLOP for his effort. That was the issue which his amendment really raised. I would have to agree that he has not been able to achieve, as we would all have liked, everything he wanted, but he has achieved a lot and I commend him.

Mr. WALLOP. Mr. President, I send a further modification of the amendment to the desk.

The PRESIDING OFFICER. The Senator has the right to further modify his amendment. It is so modified.

The amendment, as further modified, is as follows:

On page 404, line 14, delete the word "and" and add the following new paragraph:

"(B) the Secretary shall require a license for the reexport of such goods or technology at or above the level at which if the goods were shipped to the People's Republic of China on May 6, 1987, would require only notice to Cocom to a consignee in a country if the Secretary determines that such country is engaging in a pattern and practice of noncompliance with the Coordinating Committee agreement; and".

On page 404, line 15, reletter paragraph (B) as paragraph (C).

Mr. WALLOP. The term "green line" is a work of art not belonging in legislation, and the use of the specific date of May 6, 1987, provides a firmer standard, one which is perhaps not as undulating as the green line, which might change.

Mr. HEINZ. If the Senator will yield, I have examined the modification and he is exactly right. I thank him for making the modification and change. It is clarifying.

Mr. PROXMIRE. Mr. President, the Senator from Wyoming is correct. I protested and knocked that out on the grounds I was disturbed because it was not the kind of free-flowing, free English that the Senator from Wyoming usually has in it, but that was because there was a technical requirement here, and I think the Senator is absolutely right.

Mr. WALLOP. I will not take more time of the Senate except to make one observation. That is that in agreement with the Senator from Pennsylvania that it is difficult to make other countries conform to our standards, that much is certain. But it is even more certain that we cannot even attempt to make them conform to some kind of standard unless we have one of our own. I think we have achieved at least a yard up from where we were. I thank the Senators. If there is no further debate, I would call for the question on the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment, as further modified.

The amendment (No. 585), as further modified, was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment, as further modified, was agreed to.

Mr. HEINZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 587

Mr. PROXMIRE. Mr. President, I send to the desk several amendments on the antitrust provisions of the Export Trading Act that were worked out by our colleagues on the Judiciary Committee.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. PROXMIRE] for himself and Mr. GRASSLEY proposes an amendment numbered 587.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Title XI is amended by adding at the end thereof the following new section:

SEC. 1106. Title III of the Export Trading Company Act of 1982 is amended as follows:

(a) Section 302(a) (15 U.S.C. 4012(a)) is amended by—

(1) striking out "a person" and inserting in its place "an applicant";

(2) striking out "and" in paragraph (1);

(3) redesignating paragraph (2) as paragraph (3);

(4) inserting after paragraph (1) the following:

"(2) specifies the members seeking protection with the applicant under the certificate, and"; and

(5) inserting at the end thereof the following: "An applicant shall be an individual who is a resident of the United States; a partnership that is created under and exists pursuant to the laws of any state or of the United States; a state or local government entity; a corporation, whether organized as a profit or nonprofit corporation, that is created under and exists pursuant to the laws of any state or of the United States; or any association or combination, by contract or arrangement, between or among such persons.";

(b) Section 302(b)(1) (15 U.S.C. 4012(b)(1)) is amended by striking out "publish in the Federal Register" and inserting in its place "transmit to the Federal Register for publication";

(c) Section 303(b) (15 U.S.C. 4013(b)) is amended by inserting after "review," the first time it appears the following: "but not less than 30 days after publication in the Federal Register,"

(d) Section 305(a) (15 U.S.C. 4015(a)) is amended by striking the word "erroneous" and inserting in lieu thereof "arbitrary, capricious, an abuse of discretion or otherwise not in accordance with the law."

(e) Section 306(a) (15 U.S.C. 4016(a)) is amended by inserting ", or against any member or members named in the certificate," after "issued";

(f) Section 308 (15 U.S.C. 4018) is amended by striking out ", that updates where necessary the information required by section 302(a)" and inserting in its place "to determine that the certified conduct complies with the standards in section 303(a)"; and

(g) Section 311 (15 U.S.C. 4021) is amended by—

(1) in subsection (1), inserting "without regard to whether funds, financing, or other assistance are provided by the United States," at the end thereof; and

(2) by amending subsection (5) to read as follows:

"(5) the term 'member' means an entity (U.S. or foreign) or a person that is seeking protection under the certificate with the applicant. A member may be a partner in a partnership or a joint venture; a shareholder of a corporation; or a participant in an association, cooperative, or other form of profit or nonprofit organization or relationship, by contract or other arrangement,".

Mr. HEINZ. Mr. President, as one of the authors of the Export Trading Company Act of 1982, I applaud the efforts of the Senator from Iowa to amend title II of the act relating to antitrust protection for non-bank ETC's. This amendment does not alter the purpose or intent of the law. Instead, it makes technical corrections and clarifications arising from a recent decision in the Federal court of appeals and opinions expressed in the legal and business communities.

The effect of the amendment will be to eliminate confusion created by unclear wording in current law and provide greater certainty about antitrust protection afforded by a certificate of review. In particular, it will clarify that the protections of the certificate extend to all members named in the certificate, and that the definition of "export trade" includes transactions involving U.S. Government financing so that U.S. ETC's can response to tenders involving government funds. These are positive steps.

Unfortunately, the amendment does not take the additional step proposed by the administration of combining the act's four antitrust certification standards, which have created the impression of expanded liability for ETC's, into one standard. In enacting this legislation, the Congress did not intend to expand liability for ETC's using the program by creating new, additional private causes of action. In fact, the opposite is true. I welcome the agreement of Senator METZENBAUM to hold hearings on this important issue and look forward to its resolution in the near future.

Mr. GRASSLEY. Mr. President, I rise to offer several amendments to the Export Trading Company Act.

Mr. President, in 1982, the Export Trading Company Act passed the Congress by a unanimous vote. The purpose of this legislation is to increase U.S. exports by, among other things, removing antitrust disincentives to export activities.

Title III of the act authorized the issuance of certificates of review which provide antitrust protection for export activities. By providing upfront, binding antitrust protection, title III encourages the formation of cost-efficient joint ventures which can help U.S. exporters become more competitive in foreign markets.

These amendments do not alter the purpose or intent of the law. Rather they make technical corrections and clarifications which will eliminate some confusion and provide greater certainty about the antitrust protection afforded by a certificate of review.

The amendments would do the following:

First. Make it clear that the standard of judicial review of an agency determination is the familiar "arbitrary, capricious and abuse of discretion" standard.

In a recent case, a U.S. circuit court of appeals ruled that this was the appropriate standard for judicial review under the ETC Act. This standard is recognized in other statutes and by the courts as being consistent with the Administrative Procedures Act, as indicated in 5 U.S.C. 706(2)(A). This amendment would codify the court's ruling and eliminate any confusion as to the correct standard.

Second. Codify the concept of "member" under the ETC Act.

In the conference report, the conferees agreed that the protections conferred by a certificate extend to all members of a certified entity provided that each member is listed on the certificate.

The member concept has been adopted in the title III regulations issued by Commerce and Justice and has proven to be very helpful to U.S. firms.

Although Congress clearly intended that named members be covered, the term "member" does not appear in the statute. This amendment would correct that oversight and reinforce the statutory basis for the concept.

Third. Clarify that U.S. exporters who receive financial assistance from the Federal Government are not precluded from obtaining the protection of a certificate of review.

It was not the intent of Congress to exclude U.S. exporters from applying for antitrust protection just because their trade transaction is financed by the Federal Government under programs such as Public Law 480 or others. The real concern is that antitrust protection not be given to arrangements which eliminate or substantially reduce competition in the transaction which, in turn, could result in a higher cost to U.S. taxpayers. In addition to showing there was competition in the transaction, these applicants would also have to meet the certification requirement that their export activities will not have an anticompetitive effect on U.S. commerce.

Fourth. Replace the existing four standards for granting ETC antitrust protection with one concise standard which is consistent with U.S. antitrust law.

This amendment simply states that if an applicant can demonstrate that its export activities will not have a substantial adverse effect on domestic competition, Justice and Commerce can issue the ETC certificate.

This standard is consistent with current U.S. antitrust law and would eliminate the notion that in adopting the existing four standards, Congress somehow created new private causes of action against certificate holders. For example, there have been law review articles saying that although prior to the ETC Act only the Federal Trade Commission could bring an action for unfair methods of competition, the standards for certification indicate that a private party can sue a certificate holder for engaging in unfair methods of competition.

This would have the anomalous result of a certificate holder having a greater antitrust liability than an exporter without a certificate. Clearly this was not the intent of Congress.

These articles and confusion about the four standards have had a chilling affect on the ETC program. This amendment will eliminate this uncertainty and encourage increased use of this important export tool.

I now yield to the Senator from Ohio [Mr. METZENBAUM].

Mr. METZENBAUM. Mr. President, I have examined my colleague's proposed amendments to title III of the Export Trading Company Act very carefully. As far as I know, these amendments have neither been the subject of any hearing nor been analyzed in testimony by experts in this field.

I do not object to the purely technical provisions of the proposed amendment. In addition, I have proposed, and my distinguished colleague has concurred in, an additional technical provision. This provision would ensure that third parties have at least 30 days after publication in the Federal Register to comment on an application for a certificate of review and antitrust immunity. I thank my colleague for concurring in this provision.

Furthermore, I do not object to the provision clarifying the standard of judicial review contained in section 305(a) of the act. Currently, the statute provides that agency action be upheld unless it is "erroneous." The amendment replaces this standard with a standard found in the Administrative Procedure Act. Under the amendment, agency action would be upheld unless a court determines that it is "arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law." This standard should be interpreted in the same way as it is interpreted in current law. The scope of review, that is, whether or not evidence outside the agency record may be considered when a court is reviewing agency action, is not addressed in this amendment.

I cannot, however, concur in a provision which would substantially increase the scope of the antitrust immunity conferred under the act. The provision in this amendment eliminating three and a half of the current four standards with which conduct must comply to get antitrust immunity is too significant an amendment to pass without careful and thorough analysis. Indeed, I doubt that I would be the only Member of this body who would be skeptical about conferring antitust immunity on conduct that will unreasonably increase prices American consumers pay, constitute an unfair method of competition, or reasonably be expected to harm American competitors. How can we sanction the immunization of conduct from a Federal or State suit if the conduct will raise prices American consumers pay? Immunity under the Export Trading Company Act would effectively preclude any redress by or on behalf of those injured consumers. First, no Government suit could be maintained due to the immunity and second, the act puts private antitrust plaintiffs at such a disadvantage that it would be very hard for the injured consumers to prevail in a suit. The act provides that treble damages are not recoverable to a prevailing plaintiff in a private antitrust suit, places a presumption of legality on the defendant's conduct if in compliance with the certificate of review, and requires the plaintiff to pay the defendant's attorney's fees if the plaintiff does not win the case. It is no wonder, given these provisions, that there has never been a single antitrust suit filed against a certificateholder since enactment of the act in 1982. I am convinced that we would need extensive study and analysis of this provision before even considering its passage.

Mr. GRASSLEY. In recognition of my colleague's reluctance to concur in the replacement of the existing four standards with one standard consistent with the antitrust laws, I would withdraw that portion of my amendment if my colleague would agree to hold a hearing on this provision in the Antitrust, Monopolies, and Business Rights Subcommittee.

Mr. METZENBAUM. I will agree to hold a hearing on this provision of the amendment if the Senator will withdraw it from the amendment he is currently offering. In addition, I would support the rest of the provisions in the amendment.

Mr. GRASSLEY. I thank the Senator from Ohio. Though I disagree with his conclusion regarding the antitrust provision in the amendment and feel that these proposed changes are necessary, I can understand his unwillingness to go forward in the absence of hearings. Therefore, I thank him for his agreement to conduct these hearings and look forward to their scheduling at the earliest possible time. I thank him for his cooperation in this effort.

Mr. METZENBAUM. I thank the Senator from Iowa for his cooperation and the distinguished Senator from Wisconsin, the chairman of the Banking Committee, for his consideration of my views on this issue.

Mr. THURMOND. Mr. President, I rise in support of Senator GRASSLEY's amendment to the Export Trading Company Act of 1982. I believe these changes, although mostly technical in nature, will improve the clarity and administration of the act, and deserve the support of all Senators.

The Export Trading Company Act of 1982, as many of my colleagues know, allows the Secretary of Commerce to issue a certificate of review to a trading company whose planned activities meet certain standards enumerated in the act. The result of this certification is that the trading company is exempt from antitrust suits by the Government. Although the company is not immune from private actions, such private actions are for actual damages, and can be maintained only for violations of the four standards under which the certificate is granted.

It is my understanding that shortly after the Export Trading Company Act became effective, certain commentators suggested that this act created several new private rights of action. As a result of this concern, I have been told that many companies were unwilling to form or enter into export trading companies. They were concerned about the additional liability to which they would be subjected.

Senator GRASSLEY's original proposal, which I fully supported, would have reduced from four to one the standards under which the certificate is granted and pursuant to which a private party can sue. It would have required that the certified activity not result in a substantial lessening of competition or restraint of trade within the United States. Its purpose was to clarify that no additional private rights of action are created by this act.

Mr. President, although Mr. GRASSLEY has withdrawn this part of the amendment because of the commitment of the Senator from Ohio to hold hearings on this issue, I wish to emphasize how important I believe it is that we hold these hearings and address these concerns. The amendment is intended to strengthen the Export Trading Company Act and to encourage the export of American products by encouraging more companies to take advantage of its provisions. If we neglect to address and remedy one of the major stumbling blocks to participation in the certification process, then all our other changes will have been for naught.

Mr. DANFORTH. Mr. President, Congress unanimously passed the Export Trading Company Act in 1982 to encourage small and medium-sized firms to export their goods and services. In so doing, Congress sought to encourage cost effective joint ventures by giving antitrust protection to the individuals and firms whose export activities would not have an anticompetitive effect in the United States.

Unfortunately, many members of the antitrust bar have suggested that at least one of the standards for granting antitrust protection to an export trading company [ETC]—namely, the unfair methods of competition standard—actually expands an applicant's liability, and they are advising their clients not to apply for antitrust protection under title III of the act. Law review articles supporting this position contend that while only the Federal Trade Commission could bring suit for unfair methods of competition prior to enactment of the act, the standards for certification in the law indicate that a private party can now sue a certificate holder for engaging in unfair methods of competition. This interpretation has had a chilling effect on the number of firms using the ETC Program, with some firms foregoing participation in export trade as a result.

As a drafter of the antitrust title of the original legislation, I can assure you that Congress never intended to create such a new private cause of action. Our intent was not to expand liability for ETC's seeking this antitrust protection, but precisely the opposite.

To clarify the intent of Congress, I understand that the Senator from Iowa [Mr. GRASSLEY] had planned to offer an amendment to the omnibus trade bill which would combine the four standards of certification currently in the act into one standard. Simply stated, the single standard would provide that if companies can convince the Commerce Department and the Antitrust Division of the Justice Department that their activities will not have a substantial adverse effect on domestic competition, then they may receive antitrust protection for their certified export activities.

This standard would be consistent with current antitrust law and would eliminate the notion that Congress had created a private cause of action against ETC certificate holders. In other words, it would clarify the original intent of Congress—namely, that anticompetitive behavior should not be certified.

But I now understand that the Senator from Ohio [Mr. METZENBAUM] has voiced serious concerns about this proposed change, and, as a result, the Senator from Iowa has agreed to remove this provision from his amendment. In exchange, the Senator from Ohio has agreed to hold hearings to further explore this important issue.

As the drafter of the title III provisions in the Export Trading Company Act, I want to emphasize that interpretation of the antitrust provisions of the act in such a way as to deter participation in the ETC Program is certainly not what we intended. I commend both the Senator from Iowa and the Senator from Ohio for their willingness to examine closely the certification standards, and I hope that these hearings will permit clarification of congressional intent with respect to the antitrust provisions of the Export Trading Company Act.

Mr. PROXMIRE. Mr. President, these amendments should clarify the act's antitrust provisions. I congratulate Senators METZENBAUM and GRASSLEY for having worked them out.

Mr. GRASSLEY. I want to lend my personal thanks to the Senator as chairman of the committee for particularly the agreement to have a hearing on a very important part of the proposed amendment that will not be offered now and then especially working out those parts of the amendment where there is agreement.

Mr. PROXMIRE. I thank my good friend from Iowa.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 587) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. Mr. President, I move to table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

AMENDMENT NO. 588

Purpose: To modify the definition of export trading company and to foreclose automatic disapproval of certain leveraged investments)

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER [Mr. BREAUX]. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment of the Senator from Pennsylvania.

The bill clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ] for himself and others, proposes an amendment numbered 588.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning with page 428, line 3, strike out through page 430, line 3, and insert the following:

SEC. 1101. DEFINITION OF EXPORT TRADING COMPANY.

Section 4(c)(14)(F)(i) of the Bank Holding Company Act of 1956 is amended to read as follows:

"(i) the term 'export trading company' means a company which does business under the laws of the United States or any State, which is exclusively engaged in activities related to international trade, and which is organized and operated principally for purposes of exporting goods or services produced in the United States by the company, its affiliates, or unaffiliated persons, or for purposes of providing one or more export trade services to facilitate the exportation of goods or services produced in the United States by unaffiliated persons. A company shall be deemed to be organized and operated principally for such purposes if its revenues from exporting goods or services produced in the United States or from providing export trade services, as defined in clause (ii), exceed its revenues from importing into the United States goods or services produced outside the United States. Nothing in this clause authorizes a bank holding company to own or acquire an interest in an export trading company domiciled in the United States which engages in the underwriting, selling, or distributing of securities or insurance except as may be included in the definition of export trade services in clause (ii) of this subparagraph.

SEC. 1102. LEVERAGE.

Section 4(c)(14)(A)(iv) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(14)(A)(iv)) is amended by adding at the end thereof the following: "The Board may not disapprove a proposed investment solely on the basis of the proposed assets to equity ratio of an export trading company unless the proposed annual average ratio is greater than twenty-five to one.".

Mr. HEINZ. Mr. President, this is an amendment on the export trading company section of this legislation and I offer it on behalf of myself, Senator DIXON, Senator SIMON, Senator GARN, Senator DODD, Senator BOND, Senator ADAMS, Senator CHAFFEE, and Senator KARNES.

Let me take a moment, if I may, Mr. President, to explain to my colleagues what this involves. The amendment that I am proposing is to title XI of this bill and it will make, as I mentioned, much needed improvements in the Export Trading Company Act of 1982. That law was intended to promote the creation of export trading companies that could compete with the giants of Europe and Japan and provide the structure for the small- and medium-sized United States companies getting involved in exporting. Developing this sort of exporting infrastructure was much needed in 1982 when our deficit was $40 billion. Obviously, with a deficit even bigger, unfortunately about four times bigger, it is absolutely critical today.

Now, unfortunately, the export trading companies created by the 1982 law are not prospering. In the first few years this could be explained by the high dollar and the dismal climate for U.S. exports generally. With the dollar stabilizing, however, I think we are going to have to look elsewhere for answers.

The Banking Committee has over the past 2 years delved into this issue and concluded that excessively tight regulation of export trading companies by the Federal Reserve Board has thwarted the law's intent to create trading companies capable of competing with trading companies of Europe and Japan.

While the Banking Committee recognized this problem, it failed to report legislation that provides a solution. Therefore, I am proposing an amendment to replace sections 1101 and 1102 of the trade bill with new language that eases constraints placed by the Federal Reserve on activities in which ETC's may engage and the permissible leveraging of their capital.

My amendment is a sound and sensible solution to the problems facing our ETC's. The amendment enjoys broad bipartisan support. That support is reflected in the eight signatures on the Dear Colleague letter you have all now received on this issue, a group that includes a bipartisan coalition from the Banking Committee.

My amendment has three elements. First, it would permit our ETC's to engage in third-country trade in order to develop and broaden commercial contacts abroad and earn fees for their services directly. Third-country transactions would be excluded from the Federal Reserve requirement that 50 percent of ETC revenues must be derived from exporting. This change would remove a penalty on third-country transactions, which now count effectively as imports.

My language would replace the flawed language of section 1101. That language appears to open up third-country opportunities, but clogs the opening with unnecessary remittance requirements and a limit at 20 percent of export revenue. Exporters are left wondering what their options really are.

Second, my amendment would permit bank ETC's to export trade services either by themselves or to facilitate export of United States goods or services by the ETC, its affiliates or unaffiliated persons. This provision would make clear that the full range of services set out on the ETC are fair game for bank ETC's, and would thereby promote U.S. services exports. The trade bill is silent on this point.

Finally, my amendment would prohibit the Fed from denying an ETC application based solely on its proposed assets to equity ratio unless it is greater than 25:1. My language requires only that the Fed look at each application on its merits and recognize that ETC's financing a large volume of trade transactions may require higher leverage than the 17:1 permitted a parent bank. Section 1102 also recognizes this problem, but raises the denial level only to 15:1. Thus, the Fed can deny an application without review solely on grounds that proposed leverage is tighter than a fully capitalized, up-and-running parent bank.

These are modest and necessary changes. They provide a liberal interpretation of current law in keeping with its goal of promoting successful ETC's, but do so without challenging fundamental bank safety concerns. Even the leverage amendment does not require the Fed to approve highly leveraged companies, only to consider applications on their individual merits.

Mr. President, this amendment is strongly supported by Secretary Baldrige and the administration. We have a letter from the U.S. Department of Commerce that not only supports the amendment but also answers, I think, quite convincingly some of the objections raised by the Federal Reserve. Let me talk about the Federal Reserve situation for a moment, because they have written a letter, also. I ask unanimous consent to have the letters printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SECRETARY OF COMMERCE,
Washington, DC, July 13, 1987.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: In 1982, the Congress unanimously passed the Export Trading Company Act. As good as this jobs creating, pro-trade legislation is, Congress now has the opportunity to make it better. Senator Heinz will be introducing amendments to the bank ETC provisions of Title II of the Act to give our bank ETCs the flexibility they need to be able to operate effectively in today's highly competitive marketplace.

Some concern has been expressed that these amendments give bank ETCs too much leeway and will jeopardize the safety and soundness of the affiliated bank holding company. I believe that these concerns are misplaced. As a former businessman, I believe that we must provide a framework in which bank ETCs can operate profitably and on an equal footing with their foreign counterparts. If we don't we will lose a resource vital to U.S. exports.

Senator Heinz will introduce an amendment to treat revenues derived from third country trade as neither an export or import. Currently, the Federal Reserve Board is counting these transactions as imports. This has had the effect of causing some of our bank ETCs to turn down business that provides revenues and the ability to use these sales to develop opportunities for direct U.S. exports. Some have expressed concern that a bank ETC might engage in third country trade to the exclusion of promoting U.S. exports. This concern is based on a misunderstanding of the nature and value of third country trade. It is the export of a U.S. service, and the revenues derived from these sales are properly treated as exports for balance of payments purposes. Third country trade is an important component of international trade and export development. It does not displace U.S. exports, but, rather, as our foreign competitors well understand, it leads to additional U.S. exports by establishing contacts and gaining experience in foreign markets.

The Heinz amendment will also allow a bank ETC to export its own services. I have previously stated that Congress intended, when it enacted the ETC Act, that a bank should have this power. The General Accounting Office, in its 1986 report on the implementation of the ETC Act, agreed. Even the bank ETC's parent, the bank holding company, is allowed to export services its ETC cannot. Despite Federal Reserve Board action to date, under the current Banking Committee language American bank ETCs remain at a severe competitive disadvantage. The services sector is an important component of our economy, and one of the major strengths of the U.S. banking community is the services it produces. We should be encouraging, not restricting, a major potential source of U.S. exports.

Finally, the Heinz proposal will increase the permissible assets-to-capital ratio of a bank ETC to 25-to-1. This will not impair the safety and soundness of the affiliated bank. Congress carefully addressed this issue when it passed the ETC Act. The Act limits the amount that an affiliated bank can lend to its own ETC, and prevents an affiliated bank from lending to its ETC on terms more favorable than those afforded other borrowers. Furthermore, the application of Section 23A of the Federal Reserve Act requires a high degree of collateralization which minimizes the risk to the bank holding company.

In 1986 Governor Manual Johnson of the Federal Reserve Board testified that 40 bank holding companies had notified the Board of their intent to invest in ETCs. According to our information only 27 are currently operating. Without these amendments, it is unlikely that we will witness the formation and growth of new bank ETCs.

I have been advised by the Office of Management and Budget that from the standpoint of the President's program, there is no objection to this letter.

Sincerely,

MALCOLM BALDRIGE,
Secretary of Commerce.

BOARD OF GOVERNORS,
FEDERAL RESERVE SYSTEM,
Washington, DC, July 8, 1987.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.

DEAR CHAIRMAN PROXMIRE: I understand that some of your colleagues propose to introduce floor amendments to the trade bill that would amend the Export Trading Company Act of 1982. The amendments are described as reaffirming the basic intent of the law. Unfortunately, the amendments as proposed would undermine the purpose of the Act which is promoting U.S. exports and jobs and could result in bank affiliated export trading companies becoming direct competitors of the very U.S. companies they are intended to assist.

The amendment would permit an ETC to engage almost exclusively in providing services in support of third country trade. Thus, the proposal clearly appears to depart from placing primary emphasis on promoting U.S. exports; indeed, third country transactions by the ETC could be competitive with U.S. trade. Thus, the proposal would seem to shift the emphasis of the original statute from export promotion to promotion of international trade per se. This is, of course, a matter for Congress to decide, as detailed more fully in Vice Chairman Johnson's attached testimony.

The proposed amendment would also change the definition of an ETC to include companies that principally export goods and services produced by the ETCs themselves or any of their families.

It seems to us the practical effect of the amendment as proposed would be to provide for a vehicle by which commercial banking organizations, through the medium of an ETC, could acquire overseas nonbanking commercial service organizations without any significant benefit to the United States trade or balance of payments position. The proposal would thus potentially undermine the public policy objectives embodied in the separation of banking and commerce without providing the export assistance to the U.S. economy that the Act originally intended. Such important public policy issues should be addressed directly and not indirectly through technical changes in the Bank Export Services Act.

Finally, the amendment would provide that the Board could not deny an ETC application solely on the basis of an assets-to-equity ratio of 25:1 or more, thus requiring the Board to take into account other factors to deny an application where leveraging reaches these levels. As I have continuously stressed before, capital is a critical element in an organization's ability to withstand unexpected financial difficulties. United States banks are now required to maintain a minimum total capital-to-assets ratio of 6 percent. With this in mind, I would certainly not recommend support for a statutory rule that appears to encourage a capital level of 4 percent for ETCs when their businesses are likely to be outside the normal range of banking operations, therefore presenting greater risks. Moreover, it seems to me that it would be wholly inconsistent to limit the capital adequacy of bank-affiliated ETC when at the same time other provisions of the trade legislation are intended to encourage stronger capital for banking institutions.

I believe that the amendments to the ETC Act that were approved by the Banking Committee in its deliberations on the trade bill are appropriate to provide flexibility to an ETC while maintaining the basic purposes of the Act—promotion of U.S. exports and maintenance of a safe and sound banking system.

Sincerely,

PAUL A. VOLCKER.

Mr. HEINZ. Mr. President, the Federal Reserve has written, basically, believing that its interpretation of the

1982 law was correct. It does not want to see its interpretations changed.

I am not here to argue whether the Federal Reserve's interpretation of the 1982 law is right or wrong. I have some views on that subject. But it is this Senator's belief that it is Congress, not the Federal Reserve Board, that ought to be legislating. If we want to legislate a change in the 1982 law, we should do so on it merits, and we should not give way to an argument made by the Federal Reserve Board that because they think the 1982 law reads in a particular way, we, as Members of Congress, should be bound to that interpretation for many years to come.

The Federal Reserve has determined that if export trading companies market export services, they are going to fail to achieve the mandated goal, they say, of promoting U.S. exports.

An export trading company, under our amendment, must still principally be engaged in having a surplus of exports over imports, but we are not going to count third country trade. More explicitly, we are certainly not going to continue to count it as the Federal Reserve now does, against the export trading company.

One of the reasons, but by no means the only reason, we are doing this is that other export trading companies, such as the very large ones that the Japanese and others have developed, simply do not face any kind of similar constraint; and fully one-quarter—and in cases a good deal more—of their revenues come from third-country trade.

Indeed, in 1983, Japanese export trading companies sold $75 billion worth of Japanese exports. Presumably, the Fed would argue that they could have done a better job in exporting if they had been nickled and dimed. I do not think they could.

Meanwhile, let us look at what happened in this country. A short time ago an Export Trading Company on the west coast, had to turn down a deal to facilitate trade between South Korea and the People's Republic of China. Why? Because they were afraid that the excess third country revenues that would have been generated by this significant transaction would have made them ineligible to continue as an ETL.

They turned down this deal in spite of the fact that such a role would have earned substantial income for the ETL and an Asian company employing Americans and in the process would have developed important ties in key Asian markets.

What was the benefit to the United States of the Fed interpretation and the result of that interpretation leading to the turndown of this South Korea-People's Republic of China trade deal? It did nothing for bank safety. It did nothing about the separation of banking and commerce. It was very simply an opportunity that was forgone.

It was less world trade that flowed at least in the short run, and if somebody else went about and did the same deal, then it was just somebody else making a profit on that trade, and I am sure that a Japanese trading company, if it indeed came along to pick up this arrangement, did not think twice about taking the business.

That is, Mr. President, just one example. I think it shows how the focus of U.S. regulators on limiting export trading companies' activities is ultimately self-defeating. More world trade, more U.S. services export is better for the U.S. economy, and our amendment is intended to give U.S. export trading companies a fighting chance.

It has the effect of removing what I think we an accurately call heavy-handed Fed prohibitions on many reasonable export trading company activities, and it promotes closer regulatory supervision of individual export trading companies taking each case on its own merits.

These changes, we believe, are necessary if aggressive bank-owned export trading companies are going to provide the necessary infrastructure for small and medium-sized firms to get involved in exporting to support the growth of exports that we so badly need to restore the balance to our economy.

I urge the support of our colleagues for this amendment.

The PRESIDING OFFICER (Mr. BUMPERS). Is there further debate on the amendment?

The Senator from Washington is recognized.

Mr. ADAMS. Mr. President, I am pleased to join with Senator HEINZ as a sponsor of this amendment. It is aimed at improving the operation and performance of export trading companies, which are important tools in our battle to reduce our unsustainable trade deficit.

I might state, Mr. President, that during the past few years while in private practice I had an opportunity to deal with both Japanese trading companies and with efforts to form United States trading companies using the assistance of both banks and, of course, with the individual companies that were trying to get into the export business.

Now, we started trying to do this. Many of us were in the private sector at that time in the year 1982 after the passage of the Export Trading Company Act.

It is an absolute essential and I hope that we can pass this amendment. I also hope that members of the Banking Committee will continue to work on this problem, particularly from the viewpoint of the American and other banks, but particularly the U.S. banks because we have a very sophisticated world trade operation now, and it is going to be necessary for bank holding companies, they being the first source, but I am certainly not saying the only source, and I am not saying that they may be the final source of American ingenuity and financing to, for export trading companies.

Congress did make a vital and essential exception to the historic separation between banking and commerce in this field of international commerce, and it is an appropriate place to try it.

I happen to agree with members of the Banking Committee that I am very reluctant to have additional powers given to U.S. banks in the domestic business. I think that we have to have a great deal more concentration by them on the problems of conducting domestic banking.

Enactment of the Export Trading Company Act in 1982 helped bring us in touch with modern day trading realities. By allowing bank holding companies to own an equity interest in export trading companies, Congress made a vital and essential exception to the historic separation between banking and commerce.

Passage of the Export Trading Company Act correctly identified U.S. banks as being probably the only financial institutions that we have as a nation that possess the necessary international knowledge, expertise, branch networks and financing to help boost U.S. export activities.

And that, Mr. President, is my great interest in this trade bill. It is to break trade barriers, to boost U.S. exports, and I have also supported transitional efforts to protect the American worker during the period of time that we are going through this terrible transition.

To export more effectively, the United States is going to have to learn how to use banks to achieve export objectives.

Learning to export effectively is essential to the future—really I hate to use the word "competitiveness" because I think that is overused, but it is our ability to enter into the world marketplace and compete with world trading companies that throughout the world use these to group their smaller companies. Larger companies can often handle international trade by themselves by simply hiring large enough departments.

Learning to export more effectively is essential to the future competitiveness of the U.S. economy. Only 10 percent of the manufacturing firms in the United States are today involved in exporting.

Eighty-five percent of our export business, and I can testify to this in front of the Senate in terms of the large companies that are in my State, 85 percent of the business that goes out of the United States, and I know it is more than that in my State, is done by very large companies who do this on their own.

We find that we have not been successful in the dog-eat-dog world of international trade.

Just given an aside to the manager of the bill and to my cosponsor, I can remember very well my first opportunity to spend some time in the People's Republic of China and several of the major companies were able to enter and deal with that government and be in that market, the Weyerhaeuser Timber Co. being one of them with timber farms and so on, but the little story I know best is we were working and walking our way through Peking and my partner and I came upon a little man in a hidden palace, and he was selling umbrellas. I do not remember whether he was from New Jersey, New York, or Maryland. Evidently he planned to sell some umbrellas. He could not find a hotel or anybody to talk to him. He was kind of inquiring, "Do you see now I'm here? I got umbrellas. I understand it rains here."

I am not even sure you can sell umbrellas in China. But someone should have talked to him before he went, and somebody should have indicated to him how to do this, and he was a small business person, was not able to penetrate into that market at all.

Eighty-five percent of exporting trade is dominated by large firms. Small businesses, which also have been found to be the most innovative, have not been very successful in the dog-eat-dog world of international trade.

We need to improve this record. It will not happen overnight—significant changes seldom do. But, gradually we must continue to adjust our outlook and our laws to become more aggressive and successful exporters. While we cannot and should not emulate the Japanese, it is important to understand that over 50 percent of Japanese exports flow through export trading companies which link exports with foreign markets. They have language expertise. They have cultural expertise. They have computer capacity. And these Japanese trading companies together with the special financing which is provided by U.S. banks and by Japanese banks and I am sure the members of the Banking Committee are aware that the banking system of Japan is much more sophisticated and involved in the financing of businesses than in the United States. We do have a separation and I think that separation will continue.

These Japanese trading companies are linked together through special financing provided by Japanese banks and provide a wide range of services.

Since passage of the Export Trading Company Act in 1982, we have been disappointed, those of us who are in coastal States and would see a flow of this, that export trading companies have not enabled us to make greater strides forward. Only 43 bank-affiliated export trading companies have been authorized by the Federal Reserve Board, and one-third of those are not yet operational. The vast majority of export trading companies in the United States are still not bank affiliated and have had very limited success in exporting, affecting about only 10 percent of U.S. exports.

One conclusion underlies this amendment: the Federal Reserve Board has implemented the Export Trading Company Act of 1982 too conservatively. The effect of this approach has been a major contributing factor to the slow growth of bank-affiliated export trading companies.

The three changes in current Federal Reserve policy which would be achieved if this amendment is adopted are reasonable and will not undermine the safety and soundness of the banking system. These changes are consistent with enactment of the 1982 act. First, bank export trading companies would be permitted to engage in third-country trade without counting it as an import or export transaction. The 1982 act requires that the bank export trading company be "principally" engaged in exporting, with 50 percent of its revenues coming from exports. This has been narrowly interpreted by the Federal Reserve to mean that all transactions which are not direct exports should be considered as imports.

The impact of this narrow interpretation has been lost profits and lost opportunities for bank export trading companies who often must turn down Third Country trade opportunities because of this ruling. It is often through Third Country trade that new markets are developed. It is important to remember that Third Country transactions are exports—they are exports of services and the fee for that service is counted as an export in our trade figures. The Japanese do not place similar limitations on their export trading companies, who in 1983 earned over $54 billion in fees from Third Country trade.

The second change made by this amendment would permit bank export trading companies to export their own services. Currently Federal Reserve regulation prohibits bank export trading companies from exporting their own services. For the reasons I have already stated, bank export trading companies possess distinct comparative advantages in dealing in services, and trade in services is an important component of the U.S. balance of trade.

The final change which would be made by this amendment would raise the debt to equity ratio for bank export trading companies to 25 to 1.

That figure is a figure that can be argued as to its size, but now there is a review by the Federal Reserve Board of bank export trading companies borrowing above a debt-to-equity ratio of 10 to 1.

This is more conservative than maintained for banks themselves which maintain a debt-to-equity ratio of about 17 to 1. Bank export trading companies are designed to be high volume low margin operations which means they need to be able to borrow without requiring time-consuming approval. In comparision, Japanese trading companies are allowed to operate at debt-to-equity ratios of as high as 52 to 1. A bank export trading company is a different institution than a bank, and if it is to be successful, it must be able to function at a higher debt-to-equity ratio than a bank.

In conclusion, adoption of this amendment is imperative if bank affiliated export trading companies are to blossom and bear fruit. I don't need to remind my colleagues that we only have two ways to decrease this unprecedented trade deficit with by far the most desirable one being boosting U.S. exports. Bank affiliated export trading companies are a vital tool in this effort. This amendment will contribute to their more effective functioning in this competitive international economy.

I thank Senator HEINZ for preparing and proposing this amendment. I hope that the Senator from Maryland and the others involved in this bill will understand that I share many concerns that have been expressed in the Banking Committee about the degree of regulation or lack thereof of the U.S. domestic banks. And I have stated there may be other financial institutions that need to move into the export trading company. But the export trading company is a key tool if the United States is going to be competitive in the world economy, not just because others use it but because it is a method of grouping our smaller companies, of financing our smaller companies and giving our small companies a chance to get into the export field.

I will close, Mr. President, by saying that those of us who have dealt in the operating part of international world trade, you cannot know every country and you cannot know every opportunity. And to be suddenly pulled into a new country, whether it be one of North Africa or one of the Asiatic countries, or one of the new developing countries, can often involve even a very sophisticated large business being unable to stand up and handle that by themselves. Therefore, the services of the export trading company are important.

Mr. President, I appreciate the time that I have been able to take of the Senate tonight on this. I hope the amendment will be agreed to.

The PRESIDING OFFICER. Is there further debate.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I say to the distinguished Senator from Washington and to my friend from Pennsylvania, the very able ranking member of the committee, I have listened to both of them very carefully. Now let us be very clear here. The bill that was brought to the floor of the Senate tried to respond to some of the concerns that have been expressed and sought to do it in a reasonable fashion. I think really the question before us is how far is it reasonable to go? And, in a sense, do we have overreaching?

Let me simply say to the Senator from Washington, because he talked about the need to promote American exports, which is the reason we permitted the export trading companies in 1982 as a departure from the longstanding policy of separating banking and commerce, which is a very well established principle in this country. And we departed from that principle in an effect to provide some help for exports.

Now the amendment that says third country trade shall not be counted makes it possible for an export trading company to do no American exports. The current law is that they must be primarily engaged. The Fed has interpreted that to require that 50 percent of the revenues be derived from promoting American exports.

The committee-reported bill eased this a bit and we have gone to 40 percent. Sixty percent under the bill before us can come from imports or promoting their country trade, which is counted as imports by the Fed.

Now, the amendment says that third country trade will not be counted. Now, third country trade means the export trading company is encouraging exports from France to Germany or Germany to Italy, or Korea to Japan. And as far as the trading company is concerned under this amendment, all of its revenue could come from that activity.

Now, if we are serious about promoting exports, it seems to me we ought to have some limit and restraint here that is going to ensure that at least a significant focus of the export trading company is going to be on the promotion of American exports.

The only justification that I have heard for this proposition is that the trading company will be earning fees on promoting third country trade and will remit those to the United States. Well, that may be true. But that is a far departure from encouraging American exports which was the rationale for allowing these export trading companies to exist in the first instance.

Now, we were not oblivious to the problems that people talked about the need to establish a network, the need to get into a country, as it were, to be, as it were, almost a loss leader, if that is the way you want to describe it. But an amendment that just leaves it open ended so that these companies could function without being tied to having a significant portion of their activities involved in encouraging American exports, it seems to me is to completely abandon the rationale for the export trading company in the first instance.

Mr. ADAMS. Will the Senator from Maryland yield for a question?

Mr. SARBANES. Certainly.

Mr. ADAMS. It is not just the fee arrangement that we are trying to see occur here and it is not just the entry for the first time as a loss leader. But very often your triangular trade arrangements need to be made between two countries. In other words, are the third country transactions in order to produce the hard currency in which you are trying to export?

Mr. SARBANES. That is what they call countertrade and that is a reasonable point. But the fact of it is that this amendment does not in any way tie it to American exports. So if you accept the amendment that has now been offered, it is possible for these trading companies to engage in their activities without any American exports as part of their revenue base. Now, that is not where we are trying to go.

The committee responded to this concern, as I said to the distinguished Senator, by lowering the requirement from 50 percent export earnings to 40 percent, which gives additional room to address the third-country trade question, including the counter-trade consideration.

Mr. ADAMS. Well, it is not just a countertrade. What you are dealing with, I might say to my distinguished friend from Maryland, is the situation where to produce hard currency in a country such as China, for example, which has no hard currency, you may need a Japanese-Chinese connection to form the link so that the hard currency can flow back from Japan. This may be a very sophisticated and necessary type of trade because U.S. businesses, at least most that I have dealt with and have been exposed to, are very, very reluctant—and I do not think they should be, but they are—to engage in countertrade. Because countertrade is, as the distinguished Senator knows and I know, really barter, and most American companies do not like to have to take barter if they can avoid it, and therefore would like to use an institution where they can go to a country dealing with another country and receive a marketable currency back.

I used China as an example with Japan because the Chinese currency, as we know, is a controlled currency. And if they do not have hard currency, you cannot move in and out of that kind of country.

There are other examples, as well. That is what we are trying to approach.

I agree with the Senator from Maryland, we are trying to determine a sophisticated way to get our companies into the business. I would like to have the Senator, because I know what a scholar he is, give me some information on the degree of abuse that you have found in these companies. My problem with these companies is they have not done anything, as opposed to doing too much of third-country trade.

Mr. SARBANES. Well, at the moment, you do not have abuse, you do not have departure from the 50-percent standard because that is required by the Fed. So they have to earn 50 percent of their revenues out of encouraging American exports. The amendment completely cuts any time to American exports.

Mr. ADAMS. This has been shown in testimony to have been a problem with these companies. I phrased my question wrong. What I am saying to the Senator is, is it that there is hard data to indicate these trading companies have gone to this entirely and therefore it is a problem, or is it——

Mr. SARBANES. They are not.

Mr. ADAMS. I mean, they have gone up to the 50-percent area.

Mr. SARBANES. Yes. They are at the 50-percent level.

Mr. ADAMS. I would like to know where these companies are.

Mr. SARBANES. They are at the 50 percent of loan or very close to it. If you raise it now, as we are proposing to do, it is liable to go to 60, non-U.S. exports. I think most of them will go there. That raises the possibility that if they are cut free from the requirement to earn a certain amount off of promoting American exports, that they will take advantage of that.

Let me give the Senator another example. If they are allowed to earn, without limit, off of third country trade, they may well be in direct competition with American exports because the export trading company can then earn fees. For example, by promoting trade, exports from France and the exports of French products that they are trying to promote to Germany in order to earn the fees will be direct competition, or may be in direct competition with efforts by American companies to export American-produced goods into Germany.

What it does, because it has no limitation, because it breaks any tie to the requirement that a certain portion of the revenues must come from the export of American-produced goods, companies are free, then, to earn their revenues entirely in third country trade, as I understand the amendment.

You know, we are not oblivious to these concerns.

Mr. ADAMS. The thing is, I know these companies are small, I would say to the Senator from Maryland, in terms of their total bulk of what they have done.

I know what the American companies have to do individually to set it up. I am trying to determine the degree to which this abuse exists because it seems to me we have got to get out into world trade with everything that we have. We have to match for our producers here the services that are available abroad. Otherwise they have to hire Japanese trading companies, which is a very bad operation.

But the Japanese, I can tell the Senator, will be here soon. They will be here to provide this service rather than the American banks doing it, because this they will see as a very potential lucrative market for their trading companies to operate in.

I would ask the Senator if he is aware that they are here already?

Mr. SARBANES. Oh, yes. We examined that in the hearing.

The abuse that you are talking about cannot occur under the current regime because the export trading company under the requirements of the Fed must earn 50 percent of its revenues through the encouragement of American exports.

The abuse I am concerned about happening would be a situation in which the export trading company could function without earning any, or very little, of its revenues through the export of American produced goods.

The fact of the matter is, if you allow this thing to go without any restraint under this amendment, they could earn all of their income through encouraging third country trade. They would not have to have any American export component to it, and I just say that is going too far. It is just unreasonable. It is overreaching, in a sense, to respond to a problem.

The committee tried to respond to a problem. That is one amendment.

The second amendment is the leveraging amendment. The Senator made reference to that, as I recall. At present the Federal Reserve requires that any export trading company with an assets-to-equity ratio of more than 10 to 1 must have its application reviewed in Washington rather than in a regional Federal bank.

We changed the leveraging ratio to 15 to 1 in the bill.

What I am trying to make very clear is, you know, a lot of concerns have been expressed, problems have been raised. We were not unmindful of them.

In other words, we did not simply say there is nothing to it. We are trying to make export trading companies work. But I am very frank to say to the Senator I am trying to make them work within the rationale for their establishment in the first place, which was to encourage American exports and consistent with the safety and soundness of the banking system.

We went to 15 to 1. It is now proposed to go to 25 to 1 on this leveraging.

U.S. banks now are required to maintain a minimum total capital assets ratio of 6 percent, which would be about 17 to 1. Yet the amendment would carry us to a capital level of 4 percent for ETC's, when their businesses are likely to be outside the normal range of banking operations and therefore present greater risk.

Once again, you know, people came in, they talked about this problem, they said this leveraging ratio is too tight at 10 to 1. We took a look at it. We looked at the domestic requirements.

We said, fine, all right, we will go to 15 to 1. Now we have a proposal to go to 25 to 1.

Mr. ADAMS. Would the Senator yield on that point for a question?

Mr. SARBANES. Sure, I will be happy to yield for a question.

Mr. ADAMS. It is my understanding that under the statute at present there are no statutory limits. What we are dealing with is Federal Reserve regulations as to what debt-to-equity ratio we would require, and most foreign companies are around 20 to 1.

That is why I said in my earlier requirements that there may not be an arbitrary figure here, but are we not at least putting a limit on it because there would be a statutory language then as opposed to the Fed language?

Mr. HEINZ. Would the Senator yield?

Mr. ADAMS. The Senator from Maryland has the floor.

Mr. SARBANES. Surely, I yield.

Mr. HEINZ. Just to clarify what the amendment does, the Senator from Washington is correct that we are correcting what we believe to be an arbitrary trigger by the Federal Reserve that simply says that if the leveraging of a trading company is above a certain ratio—10 to 1 in its regulations—that that in and of itself, irrespective of any collateral requirements, irrespective of how sound and safe the business may be, that may be used to justify the denial of a bank export trading company charter.

We believe that a ratio like 10 to 1, or as in the committee bill 15 to 1, to allow an export trading company charter to be rejected simply because of that one factor without reference to any other factors, is arbitrary and perhaps even capricious.

So, in the amendment we say that only if that leveraging ratio is higher than 25 to 1 can that, by itself, without any other review needed for the safety and soundness of the export trading company in its operations, be used by the Fed to reject an application.

I want to be very clear because I think the Senator from Washington understands this full well and explained it correctly.

If a bank, export trading company came in with a leveraging ratio of 5 to 1, you know 5 to 1, not 25 to 1, that the Federal Reserve Board could still reject that export trading company's application if it thought that the safety and soundness of the bank would be impaired.

In that regard I would direct the attention of our colleagues to a couple of quotes in the letter from Secretary Baldrige on the subject, if the Senator from Maryland will permit me 1 more minute.

I quote:

> The act limits the amount that an affiliated bank can lend to its own export trading company and prevents an affiliated bank from lending to its export trading company on terms more favorable than those afforded others. Furthermore, the application of section 23(a) of the Federal Reserve Act requires a high degree of collateralization which minimizes the risk to the bank holding company.

In other words, there are provisions in the Act that we do not seek to change—that maintain very strict standards for bank safety and soundness.

I thank my friend and colleague from Maryland for his statement. I do have a question for him if he wishes to yield further, but I can wait.

Mr. SARBANES. If I can pursue this point, I say to the Senator from Washington, my distinguished friend from Pennsylvania has stated it accurately.

The bill as it has been reported from the committee takes the leveraging ratio to 15 to 1. That means that if there is more than a 15-to-1 leveraging ratio, the Fed can disapprove it on that basis only if it chooses to do so.

Mr. ADAMS. Correct.

Mr. SARBANES. It can approve it, if it chooses to do so. In fact, currently using the 10-to-1 ratio, which is the current provision, they have approved leveraging ratios significantly in excess of that, in fact as high as 17 to 1.

The proposal now is to take the leveraging ratio, the 25 to 1, and preclude the Fed from disapproving that on that basis only. I say that is too much. I say that is too far.

Let me simply read the Fed's letter on that.

> Finally, the amendment would provide that the Board could not deny an ETC ap-

> plication solely on the basis of an assets to equity ratio of 25 to 1, thus requiring the Board to take into account other factors to deny an application where leveraging reaches those levels.

Twenty-five to one we are talking about.

> As I have continuously stressed before, capital is a critical element in an organization's ability to withstand unexpected financial difficulty. United States banks are now required to maintain a minimum total capital to assets ratio of 6 percent.

Which is roughly 17 to 1. That is my interjection.

> With this in mind, I would certainly not recommend support for a statutory rule that appears to encourage a capital level of 4 percent for ETC's when their businesses are likely to be outside the normal range of banking operations, therefore presenting greater risks. Moreover, it seems to me that it would be wholly inconsistent to limit the capital adequacy of bank affiliated ETC's when at the same time other provisions of the trade legislation are intended to encourage stronger capital for banking institutions.

I do not deny some merit in the argument that was raised. We held hearings on this and we listened to that testimony and reached the conclusion that the 10-to-1 requirement was too tight, so, in other words, we took it at 15 to 1. At that leveraging level, which is roughly what the domestic banks are required to maintain, the Fed then below that could not disapprove for that reason only. So we have given some additional flexibility and tried to be responsive to their problem.

I think going to 25 to 1 does raise the safety and soundness question. I will put it very bluntly. I think it raises a very serious safety and soundness question.

It seems to me that what we have done is reasonable. You go to 15 to 1 and see how that works. If it works fairly well and does not raise any problem, you can take another look at it. But to jump to 25 to 1, 4 percent minimum total capital-to-assets ratio, and we require domestic banks at 6 percent, this is a trickier business; a more tricky business, not a less tricky business.

Mr. **ADAMS.** Would the Senator yield for a question and a comment on that?

Mr. **SARBANES.** Yes.

Mr. **ADAMS.** I think the debate on this point very much focuses on the issue of what I think is paramount maybe in the whole trade bill. We cannot use domestic standards as a basis for competing with nations throughout the world that are operating on a very different basis.

As the Senator from Maryland, I know, is aware, the Japanese banking system operates on extraordinarily high debt ratios and so do their companies. They use almost no, what we refer to as, equity capital at all.

So what we are focusing on here is, do we take the giant steps—I do not consider this a giant one but I consider it a compromise—take the steps necessary to truly be able to go out and move effectively in a world market where people have been in it 200 or 300 years referring to what the Japanese are doing now and take the steps necessary?

I agree with the Senator that we are not dealing here with the individual bank but one portion of the bank's operation. Maybe it is going to be true that we will not be able to do the same kind of things in the world market that other people do. That is all we are talking about.

I agree with the comments of the Senator from Maryland about how the various tests are made and why it is that this is part of the amendment.

Mr. **SARBANES.** Let me say to the Senator there is an interesting point that he made but you have to look at this picture in its totality.

Currently, a bank may invest up to 5 percent of its consolidated capital and surplus in an ETC. With the 25-to-1 leveraging ratio, the bank would be placed in serious jeopardy by the failure of its subsidiary ETC.

Then you say, what about the Japanese? The Japanese trading companies do have the low capital requirement with high leveraging ratio. But it is not a suitable guide for the capital adequacy of U.S. banks sponsoring ETC's. According to the Fed, Japanese banks are limited to very small shareholders in trading companies, significantly smaller than the figure I talked about for U.S. banks in these trading companies, and, thus, they do not bear the same risk.

Now, if you want to take the leveraging ratio up but at the same time want to impose a tighter restraint on the extent of bank investment in the ETC, at least that deals with the logic of the situation. One would have to look at that, as to whether that is what it should be. But you are not doing that. You are comparing with a Japanese situation and trying to draw a conclusion looking only at the leveraging ratio and not addressing the restraint that is placed on the Japanese bank investment in the trading company, therefore its exposure in terms of the failure of the trading company.

Mr. **ADAMS.** If the Senator would yield further, what we are talking about in all of these is the amount that the Japanese or American banks can lend to or the trading companies can borrow.

I am not saying we should adopt the Japanese banking system, but I am saying for the trading companies we have to be competitive with them. They are allowed enormous borrowing ratios because the whole business operates on borrowed capital. The banking business, too. So the lending amount is tremendous.

We are not trying to do that here. We are trying to take a step toward it. That is why I asked the Senator the question of whether or not there were significant abuses here. If we do not make some changes in what we are doing out there, these trading companies are not going to get anyplace. That is my point.

Mr. **SARBANES.** I simply say to the Senator that I want to repeat quickly the arguments because we want to move along and finish the title of the Banking Committee.

The amendment goes too far. We tried to respond to the problems that were raised in the bill reported by the committee. We took the leveraging ratio from 10-to-1 to 15-to-1. I think to go to 25-to-1 raises clear safety and soundness problems and ought not to be done. It ought not to be done. It is just overreaching.

Mr. **DIXON.** Will the Senator yield for a moment?

Mr. **SARBANES.** Yes.

AMENDMENT 582, AS MODIFIED

Mr. **DIXON.** Mr. President, I ask unanimous consent that Proxmire amendment 582 previously adopted be modified, and I send the modification to the desk. This has been agreed to, Mr. President.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment (No. 582), as modified, is as follows:

> At the appropriate place in Title XVII, insert the following new section:
>
> "Section . Section 913 of the International Lending Supervision Act of 1983 is amended by adding at the end thereof the following new subsection:
>
> "(d) To ensure that Congress is fully informed of the risks to our banking system posed by troubled foreign loans, the Federal banking agencies, before April 30, 1988 and April 30 of each succeeding year, shall jointly submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance, and Urban Affairs of the House of Representatives a report that shall include:
>
> "(1) the level of loan exposure of those banking institutions under the jurisdiction of each agency which is rated 'value-impaired', 'substandard', 'other transfer risk problems', or in any other troubled debt category as may be established by the banking agencies. This tabulation shall clearly identify aggregate loan exposures of the 9 largest United States banks under the agencies' jurisdiction, the aggregate loan exposures of the next 14 largest banks, and the aggregate exposure of all other such banks which have significant country risk exposures. This tabulation shall include a separate section identifying, to the extent feasible, new bank loans to countries with debt service problems which were made within the past year preceding the date on which the report required under this subsection is due, and shall include the amount of soverign loans written off or sold by such banks during the preceding year;
>
> "(2) progress that has been achieved by the appropriate Federal banking agencies and by banking institutions in reducing the

risk to the economy of the United States posed by the exposure of banking institutions to troubled international loans through appropriate voluntary or regulatory policies, including but not limited to increases in capital and reserves of banking institutions;

"(3) the relationship between lending activity by the United States banks and foreign banks in countries experiencing debt service difficulties and exports from the United States and other lending countries to these markets; and the extent to which United States banking institutions can be encouraged to continue to make credit available to finance necessary growth in international trade, and particularly to finance United States exports;

"(4) the response of regulatory agencies in other countries to the international debt problems, including measures which encourage the building of capital and reserves by foreign banking institutions, tax treatment of reserves, encouragement of new lending to promote international trade, and measures which may place United States banking institutions at a competitive disadvantage when compared with foreign banking institutions; and

"(5) steps that have been taken during the previous year by countries experiencing debt service difficulties to enhance conditions for private direct investment (including investment by United States persons) eliminate production subsidies, attain price, stability, and undertake such other steps as will remove the causes of their debt service difficulties.

"Each appropriate Federal banking agency may provide data in the aggregate to the extent necessary to preserve the integrity and confidentiality of the regulatory and examination process.".".

AMENDMENT NO. 587

Mr. SARBANES. Finally, let me turn to the third provision which is the export of services. One of the fundamental purposes underlying the Export Trading Company Act is that bank ETC's will facilitate the export of goods and services of other U.S. companies—not of themselves, other U.S. companies—and will not engage directly in such activities themselves. So the Fed has placed a limit on direct exporting of services with certain exceptions of the ETC itself. They are allowed to do a broad range of trade-related services. This amendment would enable it to go even further, in effect, putting the export trading company in competition with American exporters.

So what you have with these three amendments is a very high leveraging ratio, raising a safety and soundness issue, the export trading company going into direct competition with American companies in terms of the export of services, and the export trading company allowed in effect not to encourage American exports by earning all of its revenues from the third-country trade.

Mr. President, I think the amendments go too far. The Senator, I think, wanted to direct a question to me.

Mr. HEINZ. If the Senator will permit, I would be grateful.

Mr. SARBANES. Sure.

Mr. HEINZ. As I listened, Mr. President, to the Senator from Maryland—and he is very knowledgeable on these matters—he was objecting in particular to the third-country-trade provision, which he correctly describes as being without limitation. He objected, as I understand it, that you could have a situation where because of the permissive third-country-trade provision, it would be theoretically possible for a trading company to operate and have no American exports. And I might add, obviously, there would be no imports into America. I think he would agree with that, because the term "principally engaged" would still constrain a company to have a balance of exports over imports. Maybe he does not agree with that. We just do not count third-country trade.

Mr. SARBANES. That is right. So an export trading company could earn 80 percent of its revenue in third-country trade and 10 and 10.

Mr. HEINZ. So we do agree——

Mr. SARBANES. I do not think that should happen, obviously.

Mr. HEINZ. I understand, but we do agree if an export trading company went and did 80 or 100 percent, a large percent in third-country trade, still it would always have to have, to the extent it had any at all, a surplus of exports over imports. We do agree on that. I just wanted to be clear on that.

Now, I suppose, Mr. President, the difference between my colleague from Maryland and I is that if in fact an export trading company did not have any exports and did not have any imports, I would not mind an American export trading company doing only third-country trade, for the simple reason that it would be doing business and earning fee income, which ultimately would benefit Americans.

Mr. SARBANES. If the Senator will yield at that point, because it is a good point and just to clarify the difference, I do differ with that. In other words, I think the reason we set up the export trading companies was as a vehicle to encourage the export of American-produced goods, and if you allow an export trading company, taking the Senator's hypothetical, to earn 100 percent of its revenues from encouraging third-country trade, for example, expediting the export of French goods to Germany or German goods to Italy, which, of course, would put those goods in direct competition with American producers, the export trading company is not doing the job for which we have established it. I do not think the fees that it earns on that third-country trade is a sufficient basis to permit it to go 100 or 80 or 70 percent into that line of work.

It is my view that there ought to be some tie, some requirement to encourage American exports. The Fed at the moment requires 50 percent. The bill as it has been brought to the floor requires 40 percent. So we have tried to recognize some of the arguments that have been made.

Mr. HEINZ. Mr. President, I think that is a very useful exchange because it highlights a fundamental philosophical difference between not only the Senator from Maryland and myself, but on which the Senate will be voting, and it is this: Should American companies be prohibited from doing something that everybody else can do? Is there something wrong with American companies engaging in activities, in the hypothetical example provided by the Senator from Maryland, the selling of goods between France and Germany, when French and Germans or Japanese and others will be free to do it?

Now, the practical objection raised by the Senator from Maryland seems to be, well, if you allow American export trading companies to sell between France and Germany, somehow they are going to be competing with Americans selling to Germany. That assumes that somebody else is not going to do the same export trade between France and Germany.

It seems to me that the reality is that somebody is going to recognize there is a commercial opportunity and pursue it. I would just as soon that it was done by an American export trading company as by a French or a British or a Hong Kong or a Japanese export trading company.

It seems to me that it is a bad principle to say we are going to outlaw something because it is somehow offensive, even though it is an activity that other people can do and will do and for which we might otherwise compete.

To my mind, unless you can prove that an American export trading company doing third-country trade is going to do more injury to other American interests than some other export trading company, a Japanese one or a Hong Kong one, I do not think you have a basis for making such activities beyond the scope of ETC's. To me, there is no philosophical basis either in thought or fact in doing so.

I would only add that in the real world it is highly unlikely that an export trading company would have all its trade in third-country trade. But I would say that were it to do so, it would be deriving what I think would be substantial fee income and that would be repatriated ultimately to this country, or we would earn assets abroad. Lord knows, we need either one or both. I hope that the Senate would understand that there is an opportunity here that we do not want to foreclose.

Finally, I would just like to make clear one other thing and that is that

I do not know out of all the export trading companies that exist in the world—and there are plenty of them—any that are predominantly, that is to say, to the tune of 50 or 60 or 70 percent, in third-country trade. I would not have any objection, mind you, to their being predominantly third-country trade because I think there are circumstances under which that could make a lot of sense. I can imagine when an export trading company is starting up that perhaps because of the currency ratios between this country and others it would not be advantageous to go directly into exports during a period of a very high, strong dollar versus another currency and maybe the best opportunity for an export trading company is to do predominantly third-country trade in those kinds of circumstances.

Therefore, the kind of limitation that the Senator from Maryland favors is restrictive, I think, of the United States and economic commercial interests.

Mr. President, I think we have had a good debate on what the differences are between the approach of the Senator from Maryland and myself. I respect his point of view. He has been very courteous to me.

I would only add in conclusion that the Senate Banking Committee last year reported legislation that was virtually identical to our amendment, and we did it by an overwhelming majority. I hope the Senate realizes that we are not plowing new ground; that indeed this is something we have studied in the Banking Committee for many years; that it is something the committee has acted on in the past, albeit differently from the way it was acted upon this year; that in the judgment at least of the majority of the members of the Banking Committee last year, as we prepared for a trade bill which subsequently failed to make it to the floor, we had a very different and from my point of view—the Senator from Maryland does not agree—a better approach. In order to return to the way we had the bill a year ago, I have offered the amendment on behalf of my cosponsors this evening.

Mr. SARBANES. Mr. President, the bill we brought out recognizes some of the problems which the Senator from Pennsylvania has raised, and I think he has taken a very keen interest.

We differ on the basic issue of whether export trading companies should be able to do all their business in non-American trade, not encouraging American exports. I think that is contrary to the rationale for the export trading companies. We have been trying to find ways of addressing some of these problems and not getting the ETC's away from their basic purpose.

It might serve some purpose if the Senator and I discussed that a little bit.

Mr. DIXON. Mr. President, I am proud to join my six colleagues, Senators SIMON, GARN, DODD, BOND, ADAMS, and CHAFEE, as a cosponsor of this important legislation.

First of all, I would like to congratulate my distinguished colleague from Pennsylvania, Senator HEINZ, on his outstanding work in drafting the amendment now before us. In 1982, Congress passed the Export Trading Company Act and greatly expanded U.S. firms' opportunities to compete in the international marketplace. The idea was to improve the ability of smaller businesses to export by establishing so-called export trading companies. ETC's assume the risks of international trade for these smaller companies by taking title to goods domestically and handling subsequent export operations.

Since they export large volumes of products from a number of firms, ETC's can provide economies of scale that would otherwise be unavailable to these small businesses trying to export.

The 1982 act encourages the formation of ETC's by exempting them from certain U.S. antitrust export trade laws and by allowing bank holding companies and other eligible financial institutions to own and operate them.

Much success has been gained through antitrust protection. Recently, the Department of Commerce granted a certificate of review, the legal instrument which provides the protection, to the National Machine Tool Builders Association. I worked hard on getting NMTBA's application approved and was particularly pleased with its innovative proposal.

As an ETC, NMTBA will now be able to give its members the opportunity to cooperate in exporting and thereby give them the extra edge needed to penetrate foreign markets. Foreign competition has severely eroded the domestic machine tool industry and the entire country stands to benefit from the prospect of a stronger, exporting machine tool industry.

However, the section of the Export Trading Company Act which allows bank holding companies and other financial institutions to own and operate ETC's, has not been so successful.

Since the act became law in 1982, 41 bank affiliated ETC's have been formed and only 27 are actually actively engaged in exporting. Conservative implementation of the law by the Federal Reserve Board has prevented banks from acting to promote our exports. Banks are:

Effectively discouraged from entering into third country trade, 50 percent of a bank operated ETC's revenues are required by the Fed to come from exports. Any fees earned through servicing trade from country A to country B, or third country trade, are counted as imports, preventing these concerns from earning more U.S. service income and from developing business relationships in these countries which could later be used to facilitate U.S. exports;

Precluded from directly engaging in most of the services listed in the 1982 law because of the Fed's narrow interpretation, even though the act specifies a nonexclusive list of services which ETC's are permitted to export; and

Required to maintain excessive amounts of capital. The debt-to-capital ratio the Fed effectively requires for bank ETC's is 10 to 1. Most foreign ETC's operate with a ratio of 50 to 1. Understandably, the Fed wants to protect bank safety and soundness but this requirement is extremely burdensome for new ETC's who must borrow funds to cover a high volume of trade transactions.

Our amendment counteracts these negative effects by reaffirming the intent of the Export Trading Company Act. Its true purpose was to encourage the development of viable ETC's to, in turn, promote exports.

In the real world, third country transactions take place whether U.S. banks ETC's are participating in this market or not. Japanese trading companies have earned billions engaging in this practice. If we truly want to improve the U.S. trade status, we should allow ETC's to compete for these contracts.

The Banking Committee's print on third country trade requires ETC's to remit the fees earned back to the United States in order to qualify them as exports. This requirement imposes a large accounting burden on these enterprises and actually would act as a disincentive.

Our amendment instead remedies the third country disincentive by excluding it from any sort of qualification test for ETC's. It solves the current problem without complicating matters further.

Our amendment also allows ETC's to export any service produced by them and allowed under the provisions of the Export Trading Company Act. The original intent of the act is reaffirmed.

In addition, our measure moves the minimum level at which a leverage ratio can be used as the sole basis for disqualification to 25 to 1. This change ensures that leveraging of capital can be used as a reason to reject an ETC application only if the level is truly excessive or adversely affects bank safety and soundness.

Our amendment makes changes to the Export Trading Company Act that are timely in view of the overall objective of this omnibus trade legislation.

We want to encourage our export trading companies to aggressively compete in a tough international market. We want export trading companies that help increase the amount of goods that our Nation exports. I urge all of my colleagues to support this amendment.

Mr. DECONCINI. Mr. President, because of the fact that there are some negotiations going on, I have a few things to say about this trade bill.

ANTITERRORISM AMENDMENT

Mr. President, on one part of the trade bill are some antiterrorism amendments. This is an important area that may be overlooked with the negotiations that are going on some of the problems with windfall profit taxes and plant closing and what have you. But it is important for us to address this and this bill attempts to do that.

Mr. President, a terrorist's attack can occur anywhere, anytime, claiming its innocent victims from the ranks of the defenseless people. We have seen that recently and we see it almost every day. Without regard for age or gender, innocent men, women, and children can all fall prey to the senseless brutality of a single terrorist attack. Americans overseas, especially those within striking distance of Middle East-based terrorists, are especially vulnerable to the threat of the terrorist's violence and often find their lives haunted by fear. And we have seen a declination of travel overseas because of people worried.

But terrorism is not an exclusive problem of Americans. Conducted on a global scale, reaching across international boundaries, the savagery of terrorism always leaves tragedy in its grim wake.

Every means at our disposal must be mobilized to combat this international menace. We must exert pressure at every opportunity on those countries providing support and comfort to these assassins and terrorists. The regimes in Libya, Syria, and Iran must recognize the seriousness of the United States' intent to stamp out terrorism or at least curtail it and reduce it, and the costliness of their alliances with these lawless killers.

Therefore, I commend my good friend, the senior Senator from Texas, the manager of this bill, Mr. BENTSEN, for offering amendments to the trade bill that go along with trying to prevent and slow down terrorism and am pleased to join as a cosponsor of this measure.

This legislation will deprive countries which aid and abet terrorists from enjoying most-favored-nation status when exporting their commodities to the United States. Under the terms of this amendment, those countries, which the Secretary of State has designated as supporters of terrorism, will be denied this preference; instead, the United States will impose higher tariffs on their imports.

The adoption of this amendment will impose significant economic consequences on those countries which continue to nurture terrorism, as well as add an important component to our campaign to rid the world of the nightmare of terrorism.

UNITED STATES-MEXICO TWIN PLANTS

Mr. President, also I would like to enter into the RECORD a statement that goes into some detail about trade with Mexico.

Mr. President, one of the most successful efforts in trade with Mexico has been called what is known as the maquiladoras, twin plants, where there is an effort and a successful effort of mobilizing a work force in Mexico that is upward of 40 percent unemployed and underemployed to work with American industries that quite frankly have not been able to compete based on labor costs. These industries are not competing with work that would be done in the United States because in fact if they were not putting together these items in Mexico they would go to Taiwan or to Scotland or to Singapore or Hong Kong or Korea or someplace other than the United States.

So these industries are keeping those jobs close to the United States along our Southwestern border and in addition we have employment on the American side of the border, transporting the items into Mexico, assembling them, having the people in the United States prepare them to box them and ship them, bring them back over, and we have an arrangement with Mexico that is very beneficial to the United States as well as to Mexico, our good neighbors to the south.

Mr. President, although separate and distinct from each other, the tariff schedules of the United States [TSUS] items 806.30 and 807.00 and the Mexican maquiladora industry are complementary and offer mutual benefits to the United States and Mexico. Tariff items 806.30 and 807.00 provide incentives for firms to use U.S. content, thereby employing American workers and utilizing American technology, production facilities, and service industries. The maquiladoras offer Mexico a means for earning foreign exchange to repay debt to the United States and world financial institutions, assist the country in its economic development process, and help develop working and managerial talent. This truly exemplifies the spirit and intent of twin plant facilities which help both countries.

United States-Mexico industrial relations have had a unique relationship since the mid-1960's. Both the advent of the Mexican Border Industrialization Program and the implementation of the tariff schedules of the United States occurred in 1963. Both originally contained tariff items 806.30 and 807.00. Moreover, both programs addressed the dutiable status of U.S. components advancing the value abroad. The Border Industrialization Program replaced the bracero program which allowed Mexican laborers to enter the United States on a temporary basis from 1942 to 1964. Originally, the bracero program was designed to alleviate World War II-induced labor shortages in the Southwest United States.

When the bracero program was discontinued, the Mexican Government implemented the Border Industrialization Program to help absorb excess labor. By waiving a number of foreign investment provisions that prevailed elsewhere in the country and allowing duty-free importation of components and materials, the Mexican Government created an investment environment that was attractive to foreign companies. Until very recently, due to reasons of geographic proximity and the incentives provided by tariff items 806.30 and 807.00 almost all firms establishing maquiladoras were American. Mr. President, I believe that the maquiladora industry is a program which is historically traced to United States-Mexico friendship, close proximity and an interwined economy. I would have serious reservations concerning other countries' attempts to exploit or take advantage of this unique United States-Mexico program.

Along these lines, there is no "maquiladora free trade area" where foreign firms might easily establish pass-through operations designed to circumvent normal United States custom duties. Generally, importations into Mexico face heavy regulation and require import licenses, often not granted when a similar Mexican product is available. The enforcement and regulation of these TSUS items is rigorous. Machinery, equipment, and material designated for use in maquiladoras, whether along the border or in the interior of the country, may be imported duty free. However, upon exportation of the product to the United States, documentary evidence of the U.S. origin of the components must be provided in order for the shipment to enter under tariff items 806.30 and 807.00. Shipments not eligible for entry under items 806.30 and 807.00 are assessed a normal rate of duty for the product. U.S. Customs regulations are specific, and detailed documentation is required to be maintained and made available to Customs by firms utilizing tariff items 806.30 and 807.00.

An excellent example of the mutual benefits derived from maquiladora operations can be seen in the twin plants of El Paso, TX and Juarez, Mexico. According to 1986 information available from Grupo, Bermudez, the maquiladora industry in Juarez had 210 plants in operation and supported 89,600 employees for an annual payroll of approximately $250 million. The industry supported approximately 7,400 employees in El Paso with an estimated annual payroll of $112 million. Approximately $828 million flowed through El Paso banks in connection with the maquiladora industry; $10 million was paid in lease and/or mortgage payments for facilities in El Paso; $4 million was paid in city, county, and State taxes; $116 million was spent on transportation services; and 14,000 persons visited El Paso/Juarez in connection with the maquiladora industry thereby spending approximately $7 million in hotel, food, and miscellaneous expenses. The most notable statistics are on suppliers and support operations servicing Juarez plants: 14,159 firms, located in 49 States and employing 218,675 workers, are involved in supplying components or services to the Juarez maquiladora. This is almost two and one half times greater than the number of Mexican workers directly employed by the maquiladoras. Mr. President, maquiladoras benefit virtually every State, not just border States. For example, Illinois has 3,966 companies involved in servicing the Juarez factories. There are 457 in New York, 329 in Indiana, and 150 in Washington.

But the importance of production sharing and the maquiladoras is greater than simply a balance sheet of jobs. These operations provide developing countries such as Mexico with the means for meeting their international financial obligations and developing economies, yet this entails no U.S. foreign aid. In an era of huge Federal budget deficits, the benefits of this "trade-not-aid" philosophy cannot be ignored. Mr. President, this is the type of program which deserves support. Maquiladora is not just a buzzword for "competitiveness." Maquiladoras work and address the U.S. trade problems. I enthusiastically support this program not just for Arizona, but for the United States.

THE COST EFFECTIVENESS OF A TRADE BILL

Mr. President, as we debate the merits of a trade bill, we face a changing world economy. I am not a protectionist, nor will I vote for a trade bill that encourages retaliation by our trading partners. But as the United States endorses and lives by the principle of free trade, we must adjust and adopt our laws to this changing world economy. There are rules and regulations in trade that Congress must revise in order to effectively compete and modernize this Nation. However, these rules and regulations must be reciprocal. Japan must allow free trade. South Korea must allow free trade. And Taiwan must allow free trade.

Fifteen percent of our GNP is trade related. And one in eight jobs in the United States is trade related. American jobs cannot wait another 12 years for a revision and review of our trade laws. American jobs cannot tolerate Japanese, South Korean, and Taiwanese trade barriers. This bill before us tonight which I hope we pass soon I might add considers American jobs in revising and reviewing U.S. trade laws, especially as jobs relate to unfair trade practices by our allies. By some academic estimates unfair trade accounts for 20 percent of our trade deficit. That is about $170 billion this year. That is a lot of bucks.

Mr. President, I mentioned that it has been 12 years since we have had a comprehensive review of U.S. trade laws. Over the last 6 years the United States has moved from a position of trade deficits in the range of $40 billion per year and a creditor nation status, to a position as we debate this bill of $169 billion deficits and labeled the world's largest debtor. That is not some title that we can be proud of. While the United States is the largest importer, we have not assisted our own U.S. exporters by adjusting our trade laws.

The U.S. Trade Representative publishes an estimate of foreign trade barriers. This publication lists the trade barriers of our allies. This publication is a 300-page book. Japan alone has 20 pages of barriers ranging from high citrus and chocolate tariffs to a virtual prohibition against U.S. participation in construction projects. This bill authorizes the President to enter into trade agreements to eliminate barriers and open markets. This bill strengthens U.S. trade laws in section 301 and 201 cases to improve enforcement of antidumping and countervailing duty laws. This bill promotes export related industries, thereby improving competitiveness. Other special provisions include an escape clause and trade adjustment assistance. In both these cases, the purpose is to make these laws more effective in promoting a world-competitive U.S. economy.

Mr. President, this bill is truly bipartisan in nature and crafted with American jobs, American competitiveness, and American industry in mind. For instance, there is a provision in this bill which would instruct the U.S. Trade Representative to identify countries with a pattern of trade barriers and market distorting practices. If after applying section 301 and entering into negotiations these barriers are not removed, the United States could initiate actions against exports to the United States from that country in the full amount of the unfair trade. This was agreed to and passed by the Senate 87 to 7.

The importance of a trade bill is greater than revising trade laws, encouraging U.S. exports, and removing unfair trade barriers. This bill provides the United States with the means to meet international trading obligations in a quickly changing world economy, especially at a time where we are experiencing trade and domestic budget deficits. This bill does not contain foreign aid but instead applies the "trade-not-aid" philosophy which could substantially reduce our Federal budget deficits. This bill will make a contribution toward addressing the U.S. trade problem in a helpful manner. It will not be a panacea. We need to work hard in areas of education, job retraining, and general business competitiveness. I support this bill and urge my colleagues to cast a fiscally responsible vote supporting this legislation on final passage.

Mr. President, along with that, I have an article called "The Folly of Free Trade," written in the Harvard Business Review by Mr. John M. Culbertson. Mr. President, this is one of the more finer explanations of what I think we are about here tonight in the last couple of weeks in trying to straighten out this horrible problem that has caused us not only a trade deficit but a national deficit.

I ask unanimous consent that that article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE FOLLY OF FREE TRADE

(By John M. Culbertson)

Americans have elevated the economic theory of free trade to the status of a national theology, and we follow its simple dictums as if they were immutable laws. We appear prepared to follow the precepts of free trade wherever they lead us, even if that means plunging lemminglike to our economic ruin.

The evidence should be clear to anyone who wants to look at it: our blind allegiance to free trade threatens our national standard of living and our economic future. By sacrificing our home market on the altar of free trade, we are condemning ourselves and our children to a future of fewer competitive businesses, fewer good jobs, less opportunity, and a lower standard of living. These unacceptable outcomes threaten us in ways that are all related to our practice of free trade.

American business's stake in these matters is clear. If we do not wish to live with these outcomes, then we must construct a new and effective way to think about trade that will serve the interests of both business and the nation.

As we practice it, free trade has profoundly destructive results for the United States and other Western nations. First, nations that do not play by our rules practice unequal competition. Second, free trade puts us in direct competition with low-wage nations, countries that have a lower standard of living than the United States. Third, by allowing these nations to take over big sectors of our market, we permit the permanent interruption of an important relationship between demand and supply that has been the main engine of economic growth in American history.

Classical economics teaches us that free exchange works to produce the best results for all, whether the exchange takes place within one nation or across national boundaries. But this concept works only when the exchange is an equal one that occurs within a common framework of laws, customs, rules, and regulations. Economic competition conducted under the law of the jungle leads to chaos and failure. The price system becomes a guide to nothing that is sensible or tolerable.

The laissez-faire approach to economics fashionable in the United States permits distorted outcomes precisely because it neglects the essential role of rules in preventing destructive competition. When each nation creates self-serving regulations, free trade across national boundaries becomes destructive—an unequal competition under inconsistent and inharmonious rules.

Most American companies facing international competition have encountered the problem. Most governments are playing a simple game: they use their myriad powers—subsidies, favorable banking practices, local content requirements, exchange control, and the like—to win jobs and gain higher incomes for their people or to achieve a favorable national balance of payments.

American companies, therefore, end up competing not with foreign companies but with sovereign states intent on winning jobs and sometimes whole industries for themselves. Foreign competitors are able to beat out a U.S. company not because of superior economic efficiency but because of subsidies.

Among nations, competition over wages causes desirable industries and jobs to move from countries with higher standards of living and higher wages to countries with lower standards of living and lower wages. It is an unequal form of competition that explains much of the recent movement of industries and jobs out of the United States, undercutting our production.

Yet the lower-wage nation enjoys only a short-term benefit. Rapid economic advance based on taking over the markets, the industries, and the jobs of high-income nations is likely to be a blind alley. Gradually, the higher-wage nation, deprived of its economic base, becomes poorer, and its market shrinks—or it belatedly begins protecting itself from one-sided imports. The low-wage nation then may wish it had followed a pattern of economic growth that was sustainable and not parasitic.

AN ECONOMIC BLIND ALLEY

Unlike the historical demand-and-supply relationship between market and industry the new relationship that substitutes foreign industry for American industry represents an economic blind alley. The domestic markets of these foreign producers have neither the size nor the wealth to support their own industries. As they undercut U.S. production, however, they will gradually weaken the American economic base that they have come to depend on. Rather than self-sustaining, this new relationship becomes self-liquidating.

Much of the debate over trade today is conducted within a narrow range of thinking, a set of ideas dictated by classical economics. If the United States is to develop a realistic trade policy. We first need to examine these underlying notions, recognize them for the myth that they are, and then substitute more practical attitudes toward the role of trade in our economy. Seven myths in particular dominate conventional thinking about trade.

Comparative advantage governs international trade. To justify free trade, other countries of the Pacific rim have taken over large shares of the U.S. market. These nations have recognized the role of demand in fostering industrial growth and, by using government subsidies and lower-wage workers have simply substituted their industries for American industries in the demand-supply relationship. With the market switched over to fueling the meteoric advance of foreign industries, American industry has begun to decline.

Our present-day economics fails to recognize the importance of demand and markets—and thus exaggerates what production alone can accomplish. Yet a nation's productive capabilities are decisively limited by the levels and kinds of its domestic demand and its access to foreign markets. But in the United States, we persistently fail to see the importance of our vast, prosperous, and accessible domestic market. We don't appreciate the key role that the demand side of our domestic market has played in generating economic growth for our country. As a result, we are now about to give away our great advantage to our foreign competitors.

America's rise to economic preeminence was based on the interaction between the market's demand and the pacesetting industries that developed to meet that demand. The process was self-feeding. Favorable circumstances—the size of the U.S. market, extraordinary resources, freedom from overpopulation, a favorable position in the two world wars—gave the U.S. market a unique richness and diversity that drew forth the new industries that, in turn, created even more wealth. In the interaction of demand and supply, our economy became the pathbreaker for the world.

But recently this self-feeding interaction has been interrupted, as Japan and laissez-faire economists from Adam Smith to the present have claimed that international trade and competition work completely differently from trade within one nation's borders. They argue that international trade and competition are not based on price comparisons—that is, that trade is not subject to the rule that low-priced goods undercut high-priced goods and that low-priced labor undercuts high-priced labor. Rather, these economists say, international trade is governed by comparative advantage. It depends on differences in the internal structures of prices in the trading countries and is not affected by differences in their absolute levels of costs and prices.

What this actually illustrates is that if the two nations require their trade to be in balance, then the trade will be governed by comparative advantage, and absolute price levels will not matter. When trading nations require their trade to be in balance, the low-wage, low-price nation cannot pull away the industries and jobs of the other nation. Under this condition, differences in the nation's absolute costs will not matter.

Most of international trade is not governed by comparative advantage. Rather, it reflects wage and price competition on the part of countries seeking jobs and economic growth.

Exchange-rate adjustments automatically keep foreign trade in balance. According to our classical economics, the huge U.S. trade deficit and the export of American industries indicate only the need for an exchange-rate adjustment: a decline in the international value of the dollar would make everything all right again. The implicit argument is that a decline in the dollar would balance our trade position and improve the competitiveness of our industries without forcing a domestic decline in real wages and the standard of living.

Again, this argument is fallacious. A decline in the dollar is simply a way for the United States to become poorer. By reducing the value of the dollar, we cut real wages, diminish buying power, and bring the economy more in line with the lower-standard-of-living countries against which free trade has pitted us.

U.S. companies can become competitive through cost-cutting. Others argue that the way to bring trade into balance is for American companies to compete by cutting costs. But in global competition, there is no way U.S. production at wages of $10 an hour can become competitive with foreign production at wages of $1 an hour. Efforts to compete by cutting costs are suicidal.

Frantic cost-cutting to accomplish what is impossible destroys the future capabilities of companies as well as the nation. Abandoning research and development, chopping investment, decimating staff is a formula for self-destruction. Almost inevitably, the process changes from cutting fat to cutting meat to cutting close to the bone.

A second path is more direct but leads to the same outcome: to lower costs, American companies can turn to offshore sources and buy components or finished products from lower-cost foreign companies. If begun on a small enough scale, this approach can delude an American business into thinking that it has restored its competitiveness. In fact, it is an admission of defeat—one that the foreign source will understand and gradually exploit by capturing more and more of the product's value-added and eventually discarding the empty shell of the American business. Companies that shift production abroad through outsourcing, closing U.S. factories, building new ones abroad, establishing joint ventures with foreign companies, and giving up products become essentially importers of foreign goods. Such a shift has been prevalent in automobiles, apparel, footwear, computers, telephone equipment—perhaps in most manufacturing industries. It does not take much imagination to see what lies at the end of this road.

Low-cost goods are efficiently produced goods. Economists often assert that the production of something more cheaply in one country than in another is evidence that it is produced there more efficiently and therefore should be produced in the cheaper country. In the United States, this argument is used to support the conclusion that goods that can be made abroad more cheaply—and presumably more efficiently—should be made abroad.

This argument is based on a false assumption. Lower cost is linked with efficiency only when the goods under examination are of equal quality and the producers are all operating under the same rules, including government and labor policies that reflect accepted social and environmental values. To shift production from the United States to low-wage foreign labor may cut costs, but it does not necessarily raise efficiency. This is because low-cost labor, by definition, means a lower standard of living. If the standard of living in a low-labor-cost economy is low, how can anyone sensibly call that economy efficient?

In shifting production to countries with low wage rates, with large government production subsidies, or with lax production regulations, free trade actually reduces economic efficiency—as does producing goods for the American market on the opposite side of the world in order to take advantage of cheap labor. In international trade, the price system works perversely. Low cost does not imply efficiency.

All it takes to make free trade work is a level playing field. A popular argument designed to deal with the rising flood of foreign imports is the notion of the level playing field: since most of our foreign competitors do not play by the same trade rules as the United States, these countries must admit our goods to make things fair. Then we will be playing by the same rules—our rules.

Two things are wrong with this argument. First, since many other nations do not suffer from our delusions about free trade, they will not be threatened, cajoled, or pressured into adopting our rules against their self-interest. Second, since they generally have cheaper labor and yet increasingly use more of the advanced technologies of advanced nations, our foreign competitors will actually exploit the U.S. market even more under universal free trade. Our trade would not be brought into balance—certainly not at any acceptable standard of living—by other countries adopting free trade. We would only suffer more broadly the destructive consequences of free trade.

The United States should give LDC's unlimited market access. The argument that the United States has a responsibility to help less-developed countries (LDCs) by granting them free access to its market has a humanitarian ring. For two reasons, however, such a position is good neither for us nor for the LDCs.

First, granting unlimited access to our market is like signing a blank check—which nobody should ever do. Moreover, whereas less-developed countries could cumulatively cause serious erosion in the American standard of living, for each of them the benefits could be so small as to produce no marked improvement in their standard of living. Also, their basic economic underpinnings would remain unchanged.

Second, in encouraging these countries to base their economic advancement on exploitation of our market, we are guiding them into a blind alley. The experiment can only fail, either because the United States belatedly wakes up to the ruinous effects of this approach and limits imports or because the wage competition causes our economy to decline and our market to shrink. A far more humanitarian approach would be for the United States to advise these nations to tie their economic programs into a pattern that would prove workable and sustainable over the long run.

The change to a global economy is inevitable and desirable. These days it is increasingly fashionable for Americans to say that the separate national economies must inexorably evolve into a global economy. The proposition is that the spread of free trade and international economic integration will proceed because all nations approve and desire it and because it will be successful.

Put this way, the argument falls of its own weight. It is not true that all nations desire thoroughgoing international economic integration, with its implied override of national economic objectives, interests, and policies. For example, Japan—a model of realism and success in so many recent competitive undertakings—is hardly rushing to submerge itself in a one-world economic commune. And the destructive effects of free trade are now so obvious that at some point the United States and other high-income nations will wake up before worldwide economic integration drags them down into worldwide poverty.

Despite its fashionable ring, this one-world doctrine is dangerous. It simply reinforces the folly of free trade. The correct course is for nations to get their own economic affairs and their own international trade under control and to use the only functional structure that works—a world of effective national economies, engaged with one another in mutually beneficial trade and constructive competition.

With imports pushing them against the wall, American companies in many industries have seen only a narrow choice: leave the industry or move production overseas. The decision of AT&T to give in to foreign competition and shift production of telephones from Shreveport, Louisiana, to a new factory in Singapore typifies one reaction to these inexorable pressures.

AN UNWISE EXODUS

Given this choice, which leaves out the prospect of a constructive U.S. trade policy opening a third option—remaining competitive at home—most companies, preferring foreign production to corporate failure, are moving their production abroad or buying foreign production for resale. But although it may be hopeless for these companies to try to compete from their U.S. production base under existing trade policy, managers choosing to move overseas should realize that there is no guarantee of success abroad. In fact, the American exodus to foreign production bases may bring about the very circumstances that will undermine that move.

From pressure in Congress to a new pragmatism about trade in the Reagan administration, the signs are clear: America's willingness to play victim to the free-trade doctrine is unlikely to continue much longer. At some point in the not-to-distant future, the United States will put limitations on foreign imports to balance America's trade. When that happens, companies that have moved abroad will find themselves on the wrong side of the fence. As a more reasonable trade policy begins to reconnect the powerful domestic market with U.S. companies—restoring the self-reinforcing process of economic growth in this country—those companies that have gone abroad will be on the outside looking in. The solution, of course, is for American business leaders to support a change in trade policy now, before it is too late.

A realistic trade policy would end the general underselling of American production by foreign production. It would set limits on the proportions of U.S. markets that could be taken by imports and ensure for our industrial sector a market on which it could rebuild and resume its advance. The new policy would put our exports on a strong foundation by trying them to imports, as in the principle of comparative advantage, rather than by allowing low-wage foreign producers generally to undercut U.S. exporters through their absolute cost advantage.

A number of principles should guide this effort at understanding and shaping a new and pragmatic U.S. trade policy:

In a world of diverse nations, free trade works perversely, causing destructive competition among nations, including wage competition that tends to reduce all nations to a lowest-common-denominator standard of living.

Making trade among diverse nations constructive means balancing it and preventing destructive shifts of industries between nations. Just as they need a fiscal budget to keep expenditures in line with incomes, nations need a trade budget to keep imports in line with exports.

To balance its trade and continue its economic growth, a nation with a high standard of living and an attractive market will find permanent limitations on imports necessary, just as limitations on immigration are.

In balancing its trade, the high-income, high-cost nation will tie its exports to its imports through trade packages or through exports subsidized from the proceeds of import licenses. These arrangements could bring about balanced international trade that would correspond to comparative advantage.

Import limitations supposed to be nondiscriminatory—such as tariffs—are actually very discriminatory. For example, uniform tariff rates high enough to balance U.S. trade with low-wage nations would virtually exclude imports from other high-income nations and would thus discriminate against those with high incomes.

Countries must manage their trade in ways that meet their particular needs and capabilities. National differences in circumstances, ideologies, administrative capabilities, and other factors are too important to permit any uniform and general system for arranging international trade.

National governments have a legitimate and necessary role in arranging constructive international trade. Government is the only agency that can assume the responsibility for managing a nation's trade budget in a way beneficial to the interests of the nation.

Our economy urgently needs immediate action to stop unfairly advantaged imports from undercutting U.S. production. Month by month, American companies are sinking, failing, or giving up on production here and moving their operations offshore. The longer we allow this process to go on unchallenged, the dimmer our economic future will be.

Two kinds of trade policies, therefore, need to be put into place: some first steps to hold the line, halt the erosion of the American economy, and begin moving in the direction of balanced trade; and some permanent measures that will ensure balanced and mutually advantageous trade among nations.

To hold the line, we should immediately impose quotas on certain goods, at least halting their increase in market share and, in some cases, reversing recent rapid growth. The inadequate quotas on autos, steel, textiles, apparel, footwear, and machinery can serve as a point of departure. The goal is a comprehensive trade policy that protects and defends the interests and future of the United States—that protects the nation rather than any special interest. The imposition of quotas would be a step in the direction of import limitation to balance our trade; quotas would begin the process of designing a system of mutually beneficial trade between us and our trading partners.

The United States should quickly establish provisional targets for the maximum share of its market available to various foreign-made products. Over time these targets would be tied to a balanced pattern of trade. We would thus send foreign producers a clear signal of what to expect in the way of access to our market. Even more important, the targets would tell American producers how much of the domestic market would be reserved for them so that they could begin gearing up for U.S. production and at the same time spell out the clear dangers of moving more production overseas.

Our new trade policy should make it clear that we want permanent limitations on imports to the American market. The basis of a realistic U.S. trade policy is a permanent system of limitations on imports to the American market, coupled with the promotion of desired exports within the framework of balanced and mutually advantageous trade with other nations.

This framework is the only trade policy that makes sense. Apart from transition problems, it would do no violence to any nation's valid claims. By moving to such a policy we would be helping low-income nations develop sustainable economic programs and safeguarding the living standards of high-income nations. We owe it to all countries of the world to put an end to the unrealistic idea that more countries can emulate Japan and achieve economic advance through a parasitic relationship with the American market. We need to escape from this belief and build a new system of international trade—one that rests on realism and mutual benefit for all nations.

Mr. DECONCINI. I thank the Chair and I am glad to yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, while we are working on other amendments that are pending to see if we can find some constructive way of proceeding, I ask unanimous consent that the pending amendment be temporarily set aside, to help expedite the business, as the Senator from Texas has an amendment and perhaps we can turn to its consideration.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Texas.

AMENDMENT NO. 589

(Purpose: To remove the provisions committing the United States to negotiate the creation of a new international debt management agency)

Mr. GRAMM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM] proposes an amendment numbered 589.

Strike sections 1701 through 1713 of the bill.

Mr. GRAMM. Mr. President, this is a very simple amendment to understand and to explain. This amendment strikes the international debt management authority section. There are only two things wrong with this section. No. 1, nobody can tell you how the international debt management authority works and, No. 2, nobody can tell you what it costs.

I submit that even in the U.S. Congress those are two terrible liabilities.

This is an idea that has yet to germinate. This is a proposal that has yet to be developed. And yet, we have, in elaborate detail a mandate that the Secretary of the Treasury of the United States shall initiate discussions. It outlines a procedure for negotiations. It sets up reports, interim reports and final reports.

I submit, Mr. President, that if this were a sense-of-the-Senate resolution, whereby we ask that this be considered, if this were a proposed study where we ask for a study, the fact that we do not know how it would work, or that we do not know how much it would cost, would not be overwhelming liabilities. But this is a mandate, "the Secretary of the Treasury shall."

Mr. President, that there are very severe problems with this. In fact, the Secretary of the Treasury has said that if this provision remains in the bill that, on the basis of this provision alone, there will, in all probability, be a recommendation from the Secretary of the Treasury that the whole trade bill be vetoed.

Now, I would like, Mr. President, to read from two letters. The first letter is from Paul Volcker, Chairman of the Federal Reserve Board who supports striking this provision.

Could we have order, Mr. President?

The PRESIDING OFFICER. May we have order in the Senate? Will Senators resume their seats? Would the discussions at the back of the Chamber be terminated?

The Senator from Texas.

Mr. GRAMM. Rather than reading a long letter from Chairman Volcker, let me just read you a couple lines that relate to this provision.

Speaking of this proposal on international debt management, Chairman Volcker writes:

> It is not clear to me how it is envisioned that this facility would be financed.

I submit that that is a relevant question to be raised.

Second, several concerns are raised.

> First, it holds out the false hope that at some unspecified point in the future the complex international debt problems of developing countries will be "fundamentally" solved through some official arrangements. . . .

In other words, not only do we not know how it will work, we not know how it is going to be financed. Chairman Volcker is concerned that the simple adoption of this provision to mandate that the Secretary of the Treasury shall initiate discussions will create a false expectation in the Third World that somehow, there is going to be an official arrangement in which those who owe money are suddenly not going to have to pay it back, or have to pay less, or have interest forgiveness or somehow have their burdens, or at least part of them, be carted off.

A second problem that he raises is:

> Second, any mechanism involving the widespread forgiveness of loans is likely to have a serious adverse long-run effect on the willingness of private sources of international finance to extend credit to borrowing.

In other words, you have four problems here, according to the Chairman of the Board of the Federal Reserve Board. First, you do not know how it is going to work. Second, you do not know how it is going to be paid for. Third, you are creating a false expectation that some technical arrangement is going to be made to solve the Third World debt problem, and ultimately affect the behavior of Third World debtors and banks. And, finally, to the extent that you do these things, you are going to affect the availability of capital today.

I submit, Mr. President, that those are very serious concerns, concerns that we ought to take into consideration in deciding whether or not we want to mandate the Secretary of the Treasury to initiate discussions of this process.

The second letter I have is from the Secretary of the Treasury, James Baker. Let me read two paragraphs rather than the whole letter:

> . . . a multilateral financial intermediary could adversely affect both the willingness of debtor nations to continue to undertake essential growth-oriented policy reforms and their ability to obtain needed financing in international markets.

A second concern is that "Such a facility could also entail substantial Federal budget and tax revenue costs."

Mr. President, I have listened at great length to discussion by the distinguished Senator from Maryland and to the distinguished Senator from New Jersey, and the bottom line is that while there may be a nucleus of an idea here, while it may be a good idea, the plain, simple truth is that nobody knows how this process would work.

Second, no one can tell us how it would be financed. And an indispensable ingredient in buying debt and reducing interest rates is that somebody, somewhere has to put cash on the barrelhead. I think all of us are concerned that that somebody is going to be the same somebody who always puts tax money on the barrelhead; the American taxpayer.

Even though we do not know how it would work, we do not even know how it would be paid for. The act of mandating that the Secretary of the Treasury to initiate this process raises concern by both the Chairman of the Federal Reserve Board, Paul Volcker, and the Secretary of the Treasury, James Baker. The initiation of this process will affect the behavior of both debtors and creditors and will do so to the detriment of our very delicate situation in terms of Third World debt.

Now I could go on and on and go through the procedures but I submit, Mr. President, when you cannot tell how you are going to do it, when you cannot explain what it is going to cost, that maybe we ought to have a sense of the Senate resolution that we are interested in the idea. Maybe we ought to have a study. But we ought not to be mandating the Secretary of the Treasury to go out and initiate discussions when we do not know what we want him to do and we do not know what it is going to cost, especially when the two people, most knowledgeable in this area, who have the job every day of dealing with Third World debt tell us that first, the initiation of these negotiations will be destabilizing; second, they will affect the willingness of Third World debtors to undertake reforms upon which their economic survival and viability is concerned; and finally it will affect the willingness of financial lenders in this country and around the world to supply credit.

I think these are very real concerns. I would not oppose a second-degree amendment to my amendment, if it should be offered, that says we will turn this section into a sense-of-the-Senate resolution or sense-of-the-Congress resolution or a study. But I do oppose, very vigorously, having a legislated mandate that commits the Chief Financial Officer of the United States to initiate negotiations on a program where those that propose it cannot explain how it is going to work or how it is going to be funded.

I hope my colleagues will adopt this simple amendment, strike this provision, so that we may go on with the trade bill, and I yield the floor.

Mr. **SARBANES** addressed the Chair.

The **PRESIDING OFFICER.** The Senator from Maryland.

Mr. **SARBANES.** Mr. President, the hour grows late. I know we want to move on this bill. I will be very brief in opposition to the amendment of the Senator from Texas.

In one sense he is absolutely right. All this provision does is require the Secretary to initiate discussions with an eye to developing an international debt management plan. If those discussions do not prove fruitful they will not prove fruitful, but we have to address this Third World debt problem. That debt overhang is crippling Third World economic growth. It has a major impact on producers who have seen their Third World markets lost, who have faced increased competition because of the pressure on heavily indebted countries to improve their current accounts situation in order to meet their financial obligations.

It is quite true, this does not require a particular facility. We have not tried to do that. I do not regard that as advisable.

We have, in effect, sent a message to the Secretary to undertake an inititive. We have indicated certain objectives, including that in any such effort the debtor country should prepare an economic management plan to provide for sustained economic growth to allow the debtors to meet their restructured debt obligations; that they need economic policies designed to improve resource utilization and mimimize capital flight.

At some point we are going to have to begin to come to grips with the international debt problem. This seeks to start us out on that path. It does not define a conclusion. It is an effort to get important discussions underway.

We had extensive testimony before the committee of the necessity to do this. If we are going to get world economic growth moving again, I think this is an essential component. Certainly exploring this idea is an essential component of doing that.

There has been a reluctance and a resistance to doing so, which I regret. I think it is lamentable in terms of coming to grips with the world economic situation.

This trade bill is an important place to have this provision because, obviously, our trade situation has been sharply impacted by the debt overhang in the developing countries.

Latin America, for instance, if you look at the figures in terms of the decline in American exports to the Latin American market, is a very sad tale. This debt management authority is simply a directive to the Treasury to begin discussions, initiate discussions with an eye toward establishing the facility.

If it cannot be done—and I do not mimimize some of the practical problems that have to be addressed—any involvement of the United States would require the Treasury to come back. It does not authorize them to spend any money. In fact, we are very careful to indicate the sources to which we think they should turn, as far as this debt facility is concerned, particularly those countries with strong current account surpluses, the resources of the IMF, and the World Bank.

One of the objectives that we set out is that this entity should be self-supporting, requiring no routine appropriation of resources.

Those are all objectives to help guide the Secretary in his discussions, but he is not shackled in that regard.

I urge the Senate to keep this provision in the legislation. It is sensible. It addresses a real problem. We must begin to come to grips with this problem if we are going to contribute to restoring world economic growth on which our own economic growth is intimately dependent.

Mr. **BRADLEY** addressed the Chair.

The **PRESIDING OFFICER.** The Senator from New Jersey.

Mr. **BRADLEY.** Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Texas. I salute the Senator from Maryland for his work on this issue in the Banking Committee. I think that he has brought the issue to the floor of the Senate for our consideration at an absolutely critical time.

The issue of Third World debt has direct relevance to every Senator in this body and every constituent that he or she might represent.

It is, first of all, important to us because of jobs. The fact of the matter is that the way the debt crisis has been handled to this point has cost over 1 million Americans their jobs.

A million Americans have lost their jobs because the export markets of Latin America have disappeared and because Latin America is panic exporting into our market.

The fact of the matter is that machinery tool exports to Latin America have dropped 78 percent. The fact of the matter is that wheat exports to Mexico have dropped 98 percent. The fact of the matter is textile exports from Brazil to the United States have gone up elevenfold. So the American working man and woman are caught in pincers between the evaporation of export markets in Latin America and a flood of imports into this country.

Mr. President, the first issue to be made here is: this is important to us because the way the debt crisis has been handled up to now is a jobs question.

The second reason it is important, Mr. President, is because it is a democracy question. Four years ago, some of the major debters were right-wing military dictatorships—Brazil, Argentina, Peru, Guatemala.

Democracy is on trial. Can democracy answer the major problem of those countries, which is poverty?

Mr. President, under the burden of the debt as it has been managed in recent years, those democracies are failing to deal with the problem of poverty.

What democratically elected leader would like to go to his constituents at reelection and say, "Reelect me. I reduced your standard of living 20 percent in each of the last 4 or 5 years"?

Mr. President, this is important because of jobs; it is important because of democracy; and I might also say that if the burden of debt prevents countries such as Mexico from growing, prevents countries such as Mexico from generating the jobs to employ their own people in Mexico, there is no way that we are going to be able to prevent a wave of illegal immigration from coming into this country, a wave of illegal immigration.

I had a conversation 1½ years ago with a major Mexican official and he asked me a question that I had not thought of. "Who do you think is heading north," he said. I said I didn't know. He said, "Our best people. If they cannot get a job in Mexico they are going to go where they can get work, legally or illegally, to support their families."

That means a wave of illegal immigration to this country if we cannot deal with the debt time bomb that is out there burdening countries such as Mexico. So, this is first important because of jobs. It is second important because of democracy. It is third important because it is preemptive of a wave of illegal immigration into this country. And let me suggest that there might be a fourth reason.

I do not think it is a coincidence that Mr. Gorbachev is visiting Latin America in the fall. He will be the first Soviet leader to ever visit Latin America. His visit is timed to occur immediately prior to a series of 13 elections at state, federal, and local levels in Latin America.

I do not think we should forget that in his last two addresses to party congresses in the Soviet Union, there were paragraphs in there about Third World debt and about Latin America.

I do not think we should forget that the first all-Latin-American debt conference was held in the spring of 1985 in Havana.

Mr. President, it is quite clear that the Soviet Union will try to capitalize on this debt issue to drive a wedge between the United States and Latin America.

This issue is important because of jobs, it is important because of democracy, it is important because we must preempt the wave of illegal immigration into this country, and it is important because if we do not have to provide some opportunity and room for growth in Latin America, the Soviet Union will exploit that to our disadvantage.

The provision in this bill which the Senator from Maryland and the Banking Committee have brought to the floor is an excellent provision. It says, "Do something." It says, "Begin some negotiations that will provide relief. Begin some negotiations that will allow the countries of Latin America to grow and in the process democracies to be strengthened, and, in the process, their purchases of more U.S. exports employing more U.S. workers."

Mr. President, I view this as an important initiative and one with very long-term implications. I would hope that the Senate would support the committee and reject the Gramm amendment.

Mr. **GRAMM** addressed the Chair.

The **PRESIDING OFFICER**. The Senator from Texas.

Mr. **GRAMM**. Mr. President, the distinguished Senator from New Jersey has given a great speech that I agree with, and that I fully support, but it is totally irrelevant to the provision in front of us. Nowhere in the provision does it tell you how you are going to do all these great things. Nowhere in the provision do we know how this is going to work. We do not know how it is going to work because the authors do not know how it is going to work. Nowhere in the provision are we told how to buy down this debt, how to reduce the interest, how to help the Third World pay the debt off at reduced interest, because the authors of the provision do not know how to do it and they do not know how to pay for it.

What we have before us is not a solution to the debt time bomb. What we have before us is a mandate. I want to read this because this is very relevant. This is not a study. This is not a sense of the Congress. This is a mandate that the Secretary of the Treasury, who all over the developed world and all over the developing world, speaks as the financial voice of the United States of America.

> That the Secretary of the Treasury shall initiate discussions with such industrialized and developing countries as the Secretary may deem appropriate.

What the Secretary of the Treasury explains very clearly in his letter is that carrying out this mandate when nobody knows how it is to be funded when he shows up in Central America, Africa, and Europe, what is going to happen is that Third World debtors are going to stop servicing their debt.

As the Secretary of the Treasury says there very clearly:

> A multilateral financial intermediary could adversely affect both the willingness of debtor nations to continue to undertake essential growth-oriented policy reforms and their ability to obtain needed financing in international markets.

The same point is made exactly by the Federal Reserve Board. When you go out and negotiate a mandated negotiation on this open-ended basis, as Paul Volcker says, "You create these false expectations that there is going to be an institutionalized solution, and when you create these false expectations that Santa Claus is coming in the name of the taxpayer, what is going to happen is people are going to stop paying their debts; banks are going to stop making loans.

So I say to my distinguished colleagues if they have a solution to the Third World problem, I have been waiting to hear it. I am interested in it. I might support it. But this is not a solution. This is a mandate that the Secretary of the Treasury go out and create all kinds of false expectations that something is coming, that there is a solution and we have no way of knowing how it is going to be funded.

This will simply create false expectations, create havoc. If the distinguished Senators want a study, let us study it. If they want a sense of the Congress that we want it looked at, let us look at it. But let us not mandate the Secretary of the Treasury to go out and negotiate with Third World countries creating behavioral changes that will make the problem worse.

That is why the Secretary of the Treasury says he will recommend vetoing this whole bill on this provision. That is why the Federal Reserve Bank opposes this provision. This is a serious provision. This is not a study. This is not a reward for concern. We have people who are concerned, and that is good, and we should appreciate it. But this is not a reward for concern. This is policy. This is a mandate.

"The Secretary of the Treasury shall . . ."

Mr. **ARMSTRONG**. Will the Senator yield?

Mr. **GRAMM**. I am happy to yield.

Mr. **ARMSTRONG**. I want to ask the Senator a question, but before I do so I would like to congratulate him on accomplishing something I had not seen accomplished in this body before. Mr. President, the Senator from Texas has taken an entire notion and made it sound completely orthodox. By his tone and manner he has portrayed his point of view well, and yet he has propounded the revolutionary idea that we ought to hold legislation to a benchmark standard of knowing what it is and how we pay for it. That is not the regular custom in the Senate, I point out to the Senator. I think it is a compliment to his presentation that he has made it sound so normal. I hope it will sound so normal that his amendment will pass. I agree with everything he has said.

My question is this: Will the Senator be willing to add me as a cosponsor?

Mr. **GRAMM**. In response to that, I might say let us hope it does not make too much sense to receive serious consideration.

Mr. **ARMSTRONG**. I believe the Senator is correct. Would he add me as a cosponsor?

Mr. **GRAMM**. I would be happy to. I ask unanimous consent that the distinguished Senator from Colorado be added as a cosponsor to the amendment.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **PELL**. Mr. President, I commend the Senator from Maryland, Mr. SARBANES, as the major architect of this new and imaginative proposal. The debt problem has not gone away. A new approach is clearly warranted.

This title does not mandate any specific action to be taken by the administration, but merely requires that the Secretary of the Treasury initiate discussions based upon the broad framework set forth in this title. If after honest discussions this proves unworkable, nothing mandates that the debt management authority be created.

I however believe this is a good idea, one which will benefit not only developing countries, but the United States as well. If it proves operational, it could resolve a very difficult situation, and restore the purchasing power of some of the most important markets for U.S. products, namely those in developing countries. If it does work, it will be a great addition to the goal which the Senate is working toward—the improvement of the U.S. trade balance and U.S. trade competitiveness. Therefore, I oppose the amendment offered to strike this important title from the bill.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, one of the opponents said, "My goodness, if the Secretary of the Treasury starts to negotiate some sort of debt facilitating, all the countries of the Third World will stop paying their debts."

I would argue to the contrary. If we do not find a way to provide some room for growth among the countries of Latin America, you will find them queuing up at the banks.

Mr. GRAMM. Will the distinguished Senator yield?

Mr. BRADLEY. Let me finish my statement. They will be queuing up the banks. They will say, "We will pay only those banks that give us the greatest interest rate reduction and the rest will be left out in the cold."

I would argue to the contrary, that this makes it more likely that there will be a repayment because the restructuring will occur in a systematic way on a country-by-country basis and will be very much related to growth-oriented reforms.

The second point that was made was that they are not going to be getting the loans.

If you start to negotiate a facility, suddenly all of the banks will stop loaning?

Mr. President, maybe it comes as a surprise to the Chair, but the fact of the matter is not many of the banks have loaned much in the last couple of years. In fact, if we are talking about capital transfers in the next decade, I do not think anyone expects that we are going to return to the mid-1970's when our bankers stood outside the offices of the finance ministers to these countries wanting to give direct loans to the finance ministers.

Those days, Mr. President, are over. This is a strawman. Capital will be transferred in a variety of other ways. It will be transferred through multilateral institutions. It will be transferred through debt equity swaps. It will be transferred through investment in the stock market in these countries. The question is, what do you have to do to get the debtor countries to make the reforms necessarily internally to attract that capital.

Mr. President, I would argue that that will be best obtained in the context of a negotiation toward the creation of a facility. I do not see it in the current circumstance. I have not seen it in the last 4 years. So, Mr. President, this amendment, I think, is right on target and the amendment states—I would like to repeat—one of the objectives. It says that "such authority should be designed to operate as a self-supporting entity requiring no routine appropriation of resources from any member government."

So that deals with the question about taxpayers' dollars going for this facility.

Mr. President, I hope that we will reject this amendment and finally come to terms with the opportunity that is offered Latin America by the debt issue, an opportunity for growth and promotion of democracy.

Mr. GRAMM addressed the chair.

The PRESIDING OFFICER (Mr. BREAUX]. The Senator from Texas.

Mr. GRAMM. Mr. President, I will be brief. The distinguished Senator from New Jersey talks about restructuring. There is no restructuring in this provision. The distinguished Senator from New Jersey talks about growth oriented policies. There are no growth oriented policies in this provision. He talks about capital transfers and debt equity. Nowhere are they in here. What we are talking about is a mandate that the Secretary of the Treasury go around Latin America negotiating, and the Secretary of the Treasury shall initiate these negotiations.

Mr. BRADLEY. Will the Senator yield?

Mr. GRAMM. Let me make my point and then I will be happy to yield. Now, what happens, I am sitting down in Central America. It is hot. There is no air-conditioning. I have to pay this interest. I am worried about people knocking down the door because I do not want to pay the interest. And all of a sudden Secretary Baker on this mission from the U.S. Senate shows up and says, "I am here to negotiate this debt management authority." And I say, "Well, now, how is it going to work?" He says, "I don't know. The guys who sent me down here to negotiate never told us." They say, "How are you going to pay for it?"

Mr. BRADLEY. Will the Senator yield?

Mr. GRAMM. Let me make my point and I will be happy to yield.

Let us say I am this guy down in Central America somewhere, sweating and worrying about my debts, thinking about the door being kicked in and, Secretary Baker shows up, starts talking about negotiating with me about some agency and authority buying down this debt, lowering my interest payments. All of a sudden I say, "Well, now, if this might happen, if you have a mandate to give a report to Congress in 6 months"—I get my lobbyist up here to look it up and then a final report is mandated—I may just wait and see if in fact this debt management authority is set up because if you are going to buy it down 6 months from now and lower my interest rate, how come I ought to pay now?

On the other hand, if I am Chase Manhattan Bank and I have all these bad loans sitting out there and I am saying, "Well, gosh, I hate to send good money after bad but on the other hand if they default the regulators are going to force me to write it down and it is a terrible decision," and then I see Congress had passed a debt management authority that mandates the Secretary of the Treasury to go out and do all this negotiating, I might say, "Well, I will just wait. I am going to hold out here. I am not going to make this loan because I may have this bill from the Senator from New Jersey and others that will set up this agency, the Secretary may recommend setting up this agency," even though he is opposed to this provision.

"I won't make this loan and I am going to wait and see what happens."

What I am saying is you are going to create all kinds of expectations that Christmas is coming early and you are going to affect behavior. You are not going to restructure any loans because there is no program here. You have already said there is no funding here. You are not going to start any growth oriented policies because there is nothing in here mandating that. You are simply going to create false expectations unless the Congress comes back and puts tens of billions of dollars into this thing.

I could read you figures that my staff has figured out about our share of this thing ranging from $13 billion to $71 billion. It would curl your hair. I am not going to bore you with it, but the point is this is not a harmless thing. This is going to create expectations all over the world and they are all going to be in the wrong direction. So my point is—and I would be happy to yield at this point—if you have a program, let us vote on the program so we put something into place that starts working. But we ought not to send out the Secretary of the Treasury to negotiate the buy-down of these loans and the reduction of interest rates when there is nothing there, when there is no program there, and when there is no money there.

Mr. BRADLEY. Mr. President, if I could just read another one of the objectives that I think addresses the concerns of the Senator from Texas, "that any loan restructuring assistance provided by such an authority to any debtor country should involve substantial commitments by the debtor country to economic policies designed to improve resource allocation and minimize capital flagging, and preparations of an economic management plan calculated to provide sustained economic growth and to allow the debtor to meet its restructured debt obligations."

Mr. President, the Senator from Texas was talking about everybody down in Latin America sweating, this finance minister sweating and that finance minister sweating.

Mr. President, the finance minister's office is usually air-conditioned. It is the workers out there trying to work with the ramifications of this who are sweating. It is the workers in this country who have lost their jobs by the way we have handled this debt crisis who are sweating and unemployed.

Mr. President, when Citibank goes down and tries to renegotiate, the Senator from Texas has no problem. It is the fact that Citibank and other banks have gone to negotiate on their own in a haphazard way that has brought us to this present circumstance. The fact is you need governmental leadership and what this amendment does is say finally, "Will the Treasury of this country lead on this issue?"

Mr. DIXON. Mr. President, the amendment offered by my distinguished colleague from Texas is a step in the wrong direction.

International debt is one of the gravest problems facing both the national and international economies. The Banking Committee's response to this crisis is moderate and judicious. It deserves to remain in this omnibus trade bill.

First of all, let me clarify the intent of the section in question. The committee does not mandate the creation of the international debt facility. Instead, it directs the Department of the Treasury to explore the feasibility of creating such an institution.

This legislation does not force the U.S. Government to create the facility. The Treasury Department would submit any plan for its creation back to the Senate for approval. At that time, we may decide if this plan would be worth its potential benefits and costs and choose to create an international debt facility.

My distinguished colleague from Maryland, Senator SARBANES, spent a great deal of effort on creating this solution. I admire his contribution and feel that his idea is worth looking into pursuing.

The United States, and our allies, must find a solution to the international debt crisis. This situation threatens the very stability of the entire international financial system.

The international debt management authority would purchase and restructure, the debt of designated Third World countries and affected commercial banks. First, it would purchase development loans from the banks at a discount which would be passed along to the debtor nation. Second, it would transform loans from short term into long term and thereby reduce the continual crises and burdens associated with annual debt servicing. Last, it would charge lower rates on the existing loans because profit would not be one of tis considerations.

The developing countries' debt is not only an American problem. U.S. domestic banks account for only one-third of the total outstanding debt. The debt problem is truly an international one.

Under the guidelines established by the international debt management authority plan, the Treasury will begin to work with other countries in developing a viable way to service international debt.

Countries with substantial trade surpluses are expected to play a large role in the establishment of this institution. The huge surpluses accumulated by these nations cause the world economy to contract. The financial power which these surpluses represent needs to be redeployed to stimulate growth elsewhere in the world economy if we are to avoid the present declining spinal in international trade.

The committee also directs that any form of an international debt facility would pursue a close relationship with the World Bank and the IMF. General economic reform is greatly needed in these Third World countries. Reducing existing debt is only of several steps that need to be taken. Therefore, it is crucial that all the organizations involved in this problem collaborate to assure that all of these steps will be taken.

The committee's proposal is not a radical measure. Instead, it is a reasonable and moderate one. Our Government will not be expected to finance this institution by itself. Wealthy trading nations will be expected to bear their fair share of the burden. The international institutions responsible for this problem will be expected to act in concert to find a comprehensive solution. Most importantly, the Government is not making any commitment to create this multilateral institution.

Instead, it is only required to study and explore what I consider to be a good idea. I urge all of my colleagues to support this needed beginning and oppose the amendment offered by the Senator from Texas.

INTERNATIONAL DEBT MANAGEMENT AUTHORITY

Mr. SANFORD. Mr. Chairman, I rise in support of the provisions calling for discussions on an International Debt Management Authority and in opposition to the amendment by Senator GRAMM to strike such provisions from this bill.

The international debt crisis is not a new occurrence. It has been steadily increasing in a number of States. The oil crisis' of the 1970's and the steady increases in interest rates have caused the debt of some Third World countries to treble. Many of the affected countries are caught up in a cycle; a seemingly endless cycle that has them receiving money from exports, taxes, and other revenue-raising practices and immediately shipping it out to pay off the principal and the interest on their loans. They are shipping out money that should be channeled back into improvements and investments within these countries. The debt these countries owe is strangling any slight growth that could occur before it even happens.

This bill directs the Secretary of the Treasury to begin discussions with other countries concerning the creation of a financial facility designed to purchase Third World debt from banks at a discount and then restructure these loans in order to improve the debt-servicing position of the borrowing countries. It does not call for the actual establishment of such a facility but simply directs the Secretary to begin discussions regarding such a facility. It does not call for any funding at this time for this facility or does it set the precise size or scope of the facility. Rather, it takes a first and important step toward a new method of addressing the growing problem of international debt.

Mr. President, the debt problem is not one of just the United States or American-based financial institutions. The debt problem is multilateral and should be attacked through cooperative endeavors of all nations. A facility of this nature would begin to provide long-term solutions to an ongoing, multilateral problem. It would in all likelihood involve Germany, Japan, France, Great Britain, and many other countries that have been involved in international lending. Unlike many other ideas that have been proposed for handling the Third World debt problem, this is the one plan designed from its inception to involve the financial and political input of a broad range of countries.

I do not come here to request any additional funds from the American people, as some may suggest. I come here to support a self-sustaining facility, a facility that will pay off its own borrowing with debt service payments made to it by the debtor nations; a facility which, because access to such a facility would require implementation of economic adjustment programs, would provide a great incentive, yes, a great incentive for countries to pursue economic reforms. At a time when many of our commercial banks have cut back on or stopped further lending to Third World countries, the existence of a debt management facility may be one of the only tools left to encourage positive economic reforms in many of the debtor nations.

An international debt management facility would simply be a recognition of the reality that banks must accept discounts on their loans; discounts that already exist in today's secondary markets; and discounts that most banks recently adjusted their reserves to reflect. The facility would provide a method for banks to grant additional financial help to debtor countries without making new loans.

And finally, Mr. President, an International debt management facility would do just that, manage debt. Not absorb debt. Not shelve debt, and certainly not totally forgive debt, as some might suggest, but manage debt. The establishment of this authority would bring developed and underdeveloped nations together, multilaterally, to find ways to boost the total world economy.

As a member of the Banking Committee's International Monetary Policy Subcommittee and as the chairman of the Foreign Relations' Committee's Subcommittee on International Economic Policy, I have heard a great deal of testimony that, despite some improvements in some areas, the debtor countries as a group remain utterly vulnerable to adverse changes in their external economic environment and deeply troubled, and we the creditor nations stay locked into our original approach to the problem. Many of the fragile democracies in Latin America are being sorely tested by the strains that massive interest burdens place on them. If we are to allow these nations to develop and to give these democracies a fighting chance, we must do all that we can responsibly do to give them a method to refinance their debt, along with help and incentives for economic reforms that will end their continual poverty. This facility represents a true opportunity to break out of the cycle of interest burdens, followed by new lending, followed by greater interest burdens.

Fellow Members of the Senate, let us move now to insure that future economies prosper. Let us initiate discussions and planning for an institution which will ultimately benefit our Nation's financial institutions and world markets.

I urge my colleagues to support the initiation of discussion with other nations on the formation of an International Debt Management Facility.

Mr. DODD. Mr. President, I rise in opposition to the amendment of the Senator from Texas which would strike from the trade bill the provision relating to the establishment of the international debt management authority.

In rising to oppose this amendment, what I do is rise in strong support of the establishment of the international debt management facility. And I commend the work of Chairman PROXMIRE and particularly that of Subcommittee Chairman SARBANES, who has worked vigorously to address an effective and long-term solution to the Third World debt problem.

Many Third World nations continue to have external debt burdens beyond their capacity to service, and many banking institutions have sufficiently large exposure to such debtors as to raise great concern about their ability to survive a default or other major shock to the world financial system.

The banking/foreign relations title on the debt/management authority is a significant and indispensable step toward addressing the Third World debt crisis—a crisis that has haunted us for more than a decade.

As written, the banking bill directs the Secretary of the Treasury to begin discussions with other countries concerning the creation of an international debt management authority.

The facility would bring a multilateral presence to the debt/negotiating process and seek to improve the presently strained relationship between debtor nations and creditor banks.

The facility could be the catalyst for a long-term, multilateral solution to the Third World debt crisis. It is critical to remember that that crisis is a multilateral one and should be managed as such—through a cooperative endeavor of all major nations. The economic vitality of developing and democritizing nations is critical to the economic vitality of all nations.

The facility should be self-sustaining, paying off its own borrowings with the debt-service payments made to it by the borrowing countries.

The facility provides positive incentives for developing countries to undertake economic reforms because access to the facility would require debtor countries to develop and implement economic adjustment programs.

The facility would provide a mechanism for banks to improve the net capital positions of debtor countries without making new loans. Many banks believe new lending is unsound. For these many banks, the facility provides a new way for discharging responsibilities to borrowing countries.

I urge my colleagues to oppose the amendment of the Senator from Texas and to support, in turn, the critical establishment of the international debt management authority.

The PRESIDING OFFICER. Who seeks recognition? Is there further debate on the amendment of the Senator from Texas? If not, the question occurs on the adoption of the amendment of the Senator from Texas. All those in favor, please signify by saying aye.

Mr. BRADLEY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. All those in favor, please signify by saying aye. Those opposed no.

Mr. GRAMM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are requested. Is there a sufficent second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will please be in order.

PROPOSED AGREEMENT

Mr. BYRD. Mr. President, before the vote occurs, I wish to put before the Senate a proposed agreement.

Mr. President, before putting the request, let me state the details of the agreement that would be included in the request.

Before stating the request, I wish to say that Mr. DOLE, Mr. SIMPSON, Mr. CRANSTON, Mr. BENTSEN, Mr. PACKWOOD, Mr. GARN, Mr. PROXMIRE, Mr. PELL, Mr. HELMS, and I and staffs of the leadership on both sides have met during the afternoon and have been in touch subsequent to our meeting, and have had a second meeting just a little while ago; and we have attempted to contact Senators, talked with those Senators personally and have carefully tried—and tried hard—to agree among ourselves on a proposal that we would submit jointly for the Senate's consideration.

I should state that as a result of our working on the amendment together, Mr. HELMS gave up 6 amendments, Mr. GRAMM voluntarily gave up 13 amendments, and several other Senators agreed not to call up amendments that had previously been listed.

So, first of all, whether or not the agreement is entered, I want to personally thank the Republican leader, the Republican assistant leader, the Republican ranking managers, and likewise the Democratic assistant leader, Mr. CRANSTON; and the Democratic managers who will be most involved in the further carrying out of this agreement, if it is entered.

Then, perhaps, before I proceed I should state that if the agreement is entered and the Senator orders it, just a cursory look tells me that there will be something like 60 or 70 amendments. If the agreement is not entered, some Senators who willingly agreed to take out their amendments may decide that they want to restore them and assert their rights to offer their amendments.

The Senate is not scheduled to come in tomorrow, and that is no fault of mine, because I was not at the Constitutional Convention when the great compromise was entered into—although I fully support it—in 1787. On tomorrow, under resolutions that have been agreed to in both Houses, 50 Senators and Representatives and the joint leadership of both Houses are to be in Philadelphia.

The Senate will be in on Friday in any case, whether the agreement is entered or not. I have not said that the Senate will be in on Saturday, but that is an option. I have said that the Senate will not be in on Monday, and the Senate will not be in on Monday. But if this order is not agreed to, this is going to be a matter of considerable impact upon every Senator's schedule, and we might want to keep that in mind.

The debt limit extension is just around the corner and the days are moving. We have only 15 days left until things will shut down if that legislation is not enacted. The limit expires this coming Friday, at midnight.

There is a determination on both sides of the aisle that the Senate complete its work on this trade bill. If the work is not completed on the trade bill this week, then we will still be on it next week.

If this order is not entered, we may be on it all of next week. I can tell you that I do not want to see any all-night session, and I do not say that as being any implied threat, but we have to finish the debt limit and the trade bill.

Now, these would be the outlines of the trade bill——

Mr. DOLE. Mr. President, will the majority leader yield at this point, so that I can reinforce what the majority leader has said?

Mr. BYRD. I yield.

Mr. DOLE. Mr. President, we have met, and there has been a lot of cooperation from a lot of people on both sides, in an effort to complete action on the trade bill. Even if this agreement is obtained, and I certainly hope it will be, there are still going to be many, many hours of debate and rollcall votes.

I say to my colleagues on this side of the aisle that I think we have tried to reach in total good faith, protecting the interests of everyone, and there are still 58 amendments on this side of the aisle.

So it is not that anybody is being shut out. Some have 8, 9, 10, or 11 amendments. The world is not going to end with this bill, so do not use all your talent in this one effort. There will be other opportunities for us to offer amendments, even if they do not come up on this bill. Those just starting their 6-year term have several years and many opportunities.

So I hope the majority leader can obtain this agreement. We are going to protect everyone's rights. There certainly has been an effort to do that. Even if we get this agreement, there will be about three or more votes tonight, so we are looking at midnight or after, for those who are getting up at 6:30 a.m. to catch the 8 o'clock train. I do not know how sleepy they were in 1787, but it took 7 or 8 days to get there in those days. We will all be there tomorrow, at least, as a body.

I think it is a good agreement and I applaud the distinguished majority leader for his patience and skill.

Mr. BYRD. Mr. President, I should like to announce that while I was speaking, I have had a new entry on the amendment list. [Laughter.]

Mr. DOLE. Some staff member woke up.

Mr. BYRD. Under this agreement, we would immediately vote in relation to the pending amendment by Mr. GRAMM. We would follow that by a vote immediately in relation to the amendment by Mr. HEINZ.

Following the disposition of the Heinz amendment, there would be a 30-minute time limitation on the amendment by Mr. CHILES.

I ask unanimous consent that my name be added as a cosponsor of that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. There would be 30 minutes on the Chiles amendment or, upon the conclusion of the yielding back of time, there would be a motion to table the Chiles amendment.

Immediately following that vote, if the Chiles amendment is tabled, the vote would occur immediately then on the windfall profit tax repeal amendment, without further debate or intervening motion of any kind.

And upon the disposition of that amendment, which includes the motion to reconsider, the Senate will proceed to vote on the motion to invoke cloture on the bill with the understanding that the mandatory quorum call will be waived.

My motion to postpone will be stripped. The motion to recommit with instructions would be stripped carrying with the reflagging amendments by BYRD and MOYNIHAN and by BUMPERS and HATFIELD and division two of the Gramm amendment, division one already having been adopted, and also a motion to reconsider the Gramm amendment which I entered would be stripped.

Provided further now, that if the Chiles amendment is not tabled the remainder of the agreement will be null and void.

The amendments that are listed and which I will enumerate or send to the desk and any Senator who does not know about his amendment or whom we have not contacted may if he wishes inquire about his particular amendment. I could read the list, but we have 71 amendments thereon so that would take some time.

Now, if the Chiles amendment is tabled then the rest of the agreement remains as ordered if the Senate agrees to it.

Every Senator who has an amendment listed would be entitled to call up that amendment, whether or not it is germane. Most, practically all, of the amendments that are listed would be germane in any event, whether or not cloture is invoked. Also, a vote on final passage would occur no later than 6 p.m. Friday.

Additionally, the extension of the debt limit would be authorized to be called up, and I have serious doubts; as a matter of fact, I am almost sure that would not be called up Friday, but it would be authorized to be called up in the event the trade bill has not been disposed of. No call for the regular order in that event would bring back the trade bill nor the campaign financing reform bill, regardless of whether or not cloture has been invoked, in which event upon the return to the trade bill the conditions of cloture would remain in effect on the trade bill.

Mr. DOMENICI. Mr. President, is the majority leader finished?

Mr. BYRD. I have not put the request.

I would be happy to yield to any Senator who wishes to inquire about it.

Mr. DOMENICI. Might I inquire?

Mr. BYRD. Yes.

Mr. DOMENICI. From what I can tell I would have no objection. I do not believe that those who have been working on a possible amendment of a bipartisan nature to the debt limit bill would be ready Friday in any event. I just wanted to offer that to the majority leader as part of this dialog because he proposed that it might be called up. I am just suggesting I do not think it would be ready. I wanted to ask, did I hear him right that all of those amendments would be in order even if cloture is voted in, assuming most of them would have been in order anyway but that in all events we will vote on final passage on Friday by a time certain? And was the majority leader referring to this Friday or a week from Friday?

Mr. BYRD. I was referring to this Friday, 6 o'clock p.m.

Mr. DOMENICI. What time did the distinguished majority leader think we would start on Friday—4 a.m.?

Mr. BYRD. I think that the distinguished Senator has made an excellent point, which would require revision of the agreement. We have been working on this so long that I thought we would have more time. If we could make it Tuesday at 6. Make it Tuesday at 6.

Mr. DIXON. Friday would be fine.

Mr. ARMSTRONG. Mr. President, will the Senator yield a moment?

Mr. BYRD. As I say, we still have the option of being in Saturday. If we get the agreement, however, and include the provision it will be 6 o'clock Tuesday, we would not be in Saturday.

Mr. ARMSTRONG. That is what I was going to ask.

Mr. METZENBAUM. Mr. President, will the leader yield for a question?

Mr. BYRD. Yes.

Mr. METZENBAUM. I am not quite clear as to the effect of invoking cloture if at the same time the majority leader provides that there can be no further amendments and that all pending amendments will be germane. It seems to me that cloture becomes a nullity at that point because the majority leader has validated, made germane all the pending amendments. I am curious to understand. I am for invoking cloture and dropping all of this extra folderol. I am not quite clear as to how we can do this. It seems to me if we invoke cloture then indeed we could raise the issue of germaneness at that point.

Mr. BYRD. The Senator has made a good point. If we get the amendments listed and agree on those and get the final vote as of 6 o'clock p.m. on Tuesday next, there would be no need that I can recall to vote on cloture.

Mr. METZENBAUM. I agree with the majority leader, and I want to say that——

Mr. BYRD. There is one advantage I am reminded of. We do not have time agreements on all the amendments.

And cloture does provide for an evening up of the time for Senators. So that if we do not have time agreements on the amendment, this could mean that one Senator could hold the floor all of Friday on his amendment. So cloture, I think, would be important from that standpoint.

Mr. METZENBAUM. May I point out to the leader that there are some amendments that are so totally nongermane to this measure, and some of us have very strong feelings about those amendments, that it puts the author of the amendment in a great advantage by calling up that amendment at the very last, no debate, a sense of the Seante that we do thus and thus. Frankly, it makes it difficult for those of us who want to be accommodating to go along with the unanimous-consent request to deal with the situation because we do not have the opportunity to offer amendments to that provision.

I am concerned, Mr. Leader, as to how some of us who are very strongly opposed to some of the nongermane amendments get a chance to protect ourselves.

Mr. BYRD. Well, again, I think the Senator has made an excellent point. I would be happy to work with the Republican leader and other Senators in arranging a sequence, if that would help, so that such amendments would not be the last amendments.

Mr. METZENBAUM. But then would there be amendments in order to that amendment under your unanimous-consent request?

Mr. BYRD. No; there would be only these amendments that are listed that would be in order to be called up.

Mr. METZENBAUM. I want to be cooperative. I want to say that unless we can clean up some of the chaff that is out there that really does not belong on this bill, I think you are asking us to agree to something that denies us our rights on the floor.

I pointed out to the leader what I am particularly concerned about. I just want to make it clear that I will have trouble in agreeing to a unanimous-consent agreement under those circumstances.

Mr. BYRD. May I suggest to the distinguished Senator that without the agreement, of course, any Senator is going to have a right to call up amendments and we may very well get amendments called up that will revisit some very important amendments. Some very important amendments have already been locked in. I am saying that if we do not have this order, we may very well entertain the opportunity to have a revisitation of some very important amendments that have already been locked into this bill and one in particular which the Senator and I have fought hard for. And so all the way around, I think we ought to take this risk, because we are not going to avoid those amendments regardless.

I just hope that the Senator would be willing to go along with the agreement.

Mr. METZENBAUM. Do those of us in this body who are concerned about some of the nongermane amendments have the assurances that not only will the leadership be a party to tabling nongermane amendments, but that we will get a full court press, so to speak, in the rounding up of the troops. Because I think that is really what is involved here.

Mr. BYRD. Mr. President, the agreement does not waive Senators' rights to table any of the amendments with the exception of one, and that is the windfall profit tax amendment. There will be a vote up or down on that. All other amendments are eligible for a tabling motion.

Mr. METZENBAUM. With the assurances of the minority leader and majority leader that the amendment about which I speak will indeed be tabled, I will not stand in the way. But I just hope that the leadership will provide not only themselves but the necessary troops in order to table the nongermane amendments.

Mr. PACKWOOD. Will the majority leader yield just to clear up one point for me?

Mr. BYRD. Yes.

Mr. PACKWOOD. We have 70 amendments. Let us say cloture is invoked. We start on Friday and an amendment comes up at 9 o'clock. It is controversial and all Senators are interested and are held to 1 hour each. We have 15 to 20 Senators who want to speak and we get to 6 o'clock and we have 50 amendments that are not called up. They all fall, I take it?

Mr. BYRD. No; they do not fall. If they are listed, there is a vote on them.

Mr. PACKWOOD. What I am curious about is that we will vote at 6 o'clock. Maybe I missed what you said. We will not necessarily vote on final passage at 6 o'clock until all of the amendments are disposed of.

Mr. BYRD. In all time agreements, may I say to my friend, in all time agreements that have been ordered as I have indicated, every Senator has the right, whether he has any time to debate thereon, every Senator whose name is listed as having an amendment has a right to call up his amendment and get a vote on it.

Mr. PACKWOOD. I thank the leader.

Mr. BYRD. That is standard procedure.

Mr. DOMENICI. May I ask for a clarification? I think it is an excellent proposal. But with reference to interrupting the 2 days which we will have left on this bill, Friday and Tuesday, what is the leader's understanding about the right to call up the debt bill during that period of time? Would you explain that one more time?

Mr. BYRD. Yes. If we get this time agreement and we put a final time limit of 6 o'clock, not later than 6 o'clock—I would like to phrase it that way, so it could occur at 5 o'clock, or if Senators want it to be at a definite hour, we will establish that. Inasmuch as we will have a final hour on a final day with paragraph 4, rule XII being waived, I would not call up the debt limit because it is obvious it is going to take Friday and Tuesday to complete this measure. So the debt limit would not be called up in the event this order is entered.

Mr. DOMENICI. I thank the majority leader.

Mr. BYRD. I thank the distinguished Senator.

Mr. CHILES. Reserving the right to object, if I may ask the leader a couple of questions.

Mr. BYRD. Yes.

Mr. CHILES. My understanding, the way the agreement was phrased, it was something to the effect that if the Chiles amendment was not tabled.

Mr. BYRD. Yes.

Mr. CHILES. Then the agreement would fall?

Mr. BYRD. Yes.

Mr. CHILES. Well——

Mr. BYRD. May I explain that? All amendments, with the exception of the windfall profit tax repeal amendment, would be subject to a motion to table. In the case of the amendment by Mr. CHILES, of which I am a cosponsor, there will be a tabling motion. And there are going to be some tabling motions on a good many amendments here. I have reason to believe that most of them are going to be tabled, if not all, on which those motions are entered.

On the amendment by Mr. CHILES, the only way I could get the order was that if that amendment is not tabled. And we have had agreements to this effect, that if an amendment is not tabled then there is no limitation of debate thereon. We had an agreement like that on the Angola amendment just the other day by Mr. DECONCINI. This is the only way that we could get the agreement.

Mr. CHILES. Well, I just want to say that an agreement like that, in which all of the other agreements, in effect, are listed and in effect fall under a time agreement—will the Chiles amendment then still fall under the Tuesday agreement?

Mr. BYRD. If the Chiles amendment is tabled, of course, that is the end of it. If the Chiles amendment is not tabled, the whole agreement is null and void.

Could I ask the distinguished Senator to consider the alternative? The alternative is that a motion to table the Senator's amendment is going to be made anyhow, whether we have an agreement or not.

Mr. CHILES. Yes.

Mr. BYRD. And if it is not tabled, then we are going to be on the Chiles amendment for ever so long. I do not know how long. This means that we are going to be delayed in finishing this bill. This means that we are going to have problems on the reconciliation bill, because the chairman and the ranking member of the Finance Committee will not be able to give their time to reconciliation.

They would not be able to give their time to the debt limit. And the Senator from Florida, I know how serious he is about this amendment. It is going to put an additional burden not only on that Senator but on a good many other Senators if we do not get this agreement.

I would simply suggest to the able Senator that there will be a tabling motion made on this amendment. I am not going to make it, but I know there will be. The Senator can always offer the amendment again on some other bill if the amendment is tabled.

Mr. CHILES. Well, I will say to the distinguished majority leader and my good friend, my amendment has been listed since this bill came up. There have been numerous times in which I was prepared to bring it up and someone said do not bring it up now, we have amendments on Angola, we have amendments on Romania; we debated those amendments at great length.

This is an amendment where there appears to be one Senator who will not agree to a time agreement on this amendment, and on that basis it seems that the inducement has to be, or the inducement is made to everybody: you have got to table this amendment or we can be held up around here.

You know, I work very hard to try to help this body, I think in most instances.

Mr. BYRD. The Senator does.

Mr. CHILES. But if that is what pays off around here, that one person can say I am going to read a book, we are going to do something else, and you are not going to be able to get this—you know, as I listened to that unanimous-consent agreement, my mama did not raise no fools. It sounds pretty clear there, what you do, you have got to table that amendment or nothing else goes on on that particular thing.

My amendment might get tabled. Anybody has got the right to do that. But for goodness sakes, to think that I have got to agree to this kind of unanimous-consent agreement because someone else will not agree to a reasonable time limit and wants to be unreasonable and puts the Senator from Florida in that kind of situation in which people that might want to vote for my amendment on the merits would feel like they could not because this is the only way they are going to get a chance to get out of here—when one person can do that, that just does not strike my sense of fairness.

As much as I want to try to help, as much as I need to spend some time on the debt ceiling and some other things, too, and I have been busy on some of those—I do not like it. It does not seem fair to me when a Member, again, can do that. That is an inducement to anybody in the body to play that way and I do not think that that is the way that we should conduct ourselves.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will please be in order. The Senators will please cease conversation. The majority leader.

Mr. BYRD. Mr. President, I fully sympathize with what the distinguished Senator—may I have order?

The PRESIDING OFFICER. The Senate will please be in order. The majority leader is recognized. The Senate will please be in order.

Mr. BYRD. Mr. President, I fully sympathize with what the Senator from Florida is saying. He has as much right to object to this agreement as any other Senator has.

Mr. CHILES. Let me ask the majority leader this: If I just pull my amendment down now, my amendment is on the list. Is it protected like all the other amendments on the list?

Mr. BYRD. There would be an objection to the agreement unless we enter into this proposal.

Mr. CHILES. Then the answer to that is my amendment would not be treated like all of the other amendments on this list.

Mr. BYRD. The Senator is exactly right. It would not be. I understand what the Senator is saying. I sympathize with what he is saying; the position he is in.

All the other amendments are being agreed to, insofar as the right of Senators to call them up, and nobody is saying that there must be an amendment tabled else your agreement will be a void, with the exception of this one amendment.

I can understand the Senator's feeling that it is not fair.

We did the same thing on the amendment the other night that had to do with, I believe it was, the cigarette tax. With Mr. FORD, the agreement was if the motion to table failed, then there would be no limitation of time on that amendment.

The same thing happened with respect to the amendment by Mr. DECONCINI. But, nevertheless, we entered into the agreements and sometimes we have agreements around here that, as far as all Senators are concerned—perhaps one Senator's amendment is not dealt with equally. So I fully hear what the Senator is saying.

On the other hand, the motion to table would be made on the Senator's amendment and if it is not tabled, why the Senator would be right where he is going to be in any event.

We have been put on notice that there will be a lengthy discussion of it, and that is the Senator's right, too. He can talk as long as he wants to.

On the other hand, the leadership here, I have stood here for 3 weeks now on this floor and tried to get Senators to call up their amendments. The Senator from Florida has been agreeable to calling up his amendment. He was agreeable this afternoon to setting it aside, letting amendments come through, the Banking Committee's go ahead of it. So he has acted in every way to cooperate with the leadership. I fully sympathize with what he is saying. He has the same right as anyone else has to object to this agreement.

Mr. CHAFEE. I would say again to the distinguished majority leader the way the agreement is now phrased, the Senator from Florida has to object to it, and I certainly would have to do that the way the agreement is phrased.

It is not the Senator from Florida that is objecting to there being a time limitation. It would seem to me that agreement ought to be phrased so that if the Senator from Connecticut wants to object, he would be the one objecting because I am perfectly willing to have a time agreement—30 minutes, 15 minutes, 2 hours, the rest of the night if you want to stay on the floor and debate it tonight—in any of those instances. But the way the agreement is phrased now, the Senator from Florida has to object. He is the one that is keeping the Senate from working its will. I do not think that is correct. I think it works the other way.

What the majority leader is telling me and what I hear is, if you want to be persistent enough—I will use that term, I do not want to use something else—and say that you are going to read a book or you are going to stop this place, eventually you can work your will in this.

But, on the other hand, if you have an amendment and you are supposed to give up that amendment if an individual does not like it, that is telling me that I only can get my amendment up if I am willing to be persistent enough to say that I care enough about this that I am going to stay here and protect my rights.

Mr. BYRD. Mr. President, the Senator is making a good point. It is obvious that if he objects to this he is going to bear the onus of the Senate's not having a time agreement. He does not want to object. I can understand that. But he is constrained to object.

On the other hand, there is another Senator who will object unless this is a part of the agreement.

I wonder if we could reach an understanding. I will do my best to carry it out, that the amendment by Mr. CHILES, cosponsored by me and by other Senators, could be offered as a freestanding resolution, aside from this agreement, at a later date, and I would carry out my commitment to call up that amendment, if the distinguished Republican leader will agree with me and allow me to call it up. I would be happy to do that so it does not put the Senator from Florida into a position of having to object to the agreement; it does not put the Senator from Connecticut, whose name has been referred to here—it does not put him into a position of having to disagree, either, with the agreement.

I am not Solomon. But this is the only way that I see that we might be able to get the agreement and be fair to both Senators and to all Senators.

I wonder if we might consider that.

Well, let us take one at a time. Could we have an understanding, and I would put my honor on it, I would call up a freestanding resolution dealing with this amendment. Perhaps we could reach some kind of an agreement that no other amendments other than germane amendments to that amendment would be in order on that resolution so we could have a debate on that amendment in the form of a resolution. Let us deal with that on another day. I give the Senator assurance I will do it as early as I possibly can do it. There are a couple of other matters that I want to get on with following the trade bill. But he has my word I will do my very best to give him a resolution, we will debate it, no Senator's rights would be waived to table or to hold the floor or to offer amendments that are germane.

I would hope that we might be able to reach some understanding of that kind.

Mr. WEICKER. If the distinguished majority leader would yield, I have been observing these proceedings and obviously I think the agreement puts the distinguished Senator from Florida at a disadvantage. From time to time, all of us have been put at a disadvantage to accommodate the larger group.

I did not raise what I consider to be a very nongermane amendment to this legislation. The Senator from Florida did. If he wants to do that, he must take his chances, as all the rest of us. It certainly is not my intention to delay legislation that is terribly important, on which many of my colleagues have put in long hours. I have no problem relying on the honor of the distinguished majority and minority leaders in regard to bringing the matter contained in the amendment of the Senator from Florida up in a freestanding resolution at some later date. I have no problem. I would agree to that. I naturally would reserve all my rights if that matter arose, but that would be entirely satisfactory so far as I am concerned.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Connecticut. I hope the distinguished Senator from Florida will allow us to proceed on that basis.

Mr. President, I yield first to the Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I thank the majority leader for yielding.

For the last 24 hours or so there has been discussed a Chafee amendment relative to sugar drawbacks. It is not a matter of great national concern, but it is a matter of first priority to the sugar-producing States because it concerns what we regard as the export of American jobs unnecessarily and needlessly. I will not make my argument at this point except to say that for about 24 hours there has been pending one amendment.

After the majority leader began his request, I am advised now that there are perhaps multiple amendments seeking to be cleared by Senator CHAFEE.

Frankly, my strategy all along was—I am advised two amendments. My strategy all along was to offer second-degree amendments, but I was willing to dispense with that in the spirit of having one vote and being done with the issue. But if the Senator from Rhode Island insists upon more than one vote, then I would insist on second-degree amendments being cleared. Otherwise, we cannot agree. I am very sorry if this messes up the whole agreement. We have been going on the basis that we were going to have one vote all this time. As the UC began to be promulgated here, another one came up. We simply cannot agree to that.

Mr. LEAHY. Mr. President, while the Senator from Louisiana is conferring, would the majority leader yield for a question?

Mr. BYRD. Yes.

Mr. LEAHY. On that list, did the Senator from West Virginia indicate an amendment by the distinguished Senator from Minnesota [Mr. DURENBERGER] regarding the Freedom of Information Act?

Mr. BYRD. If the Senator will allow me, there are two amendments listed under the name of Mr. DURENBERGER, one is research information disclosed under FIA, and the other one has to do with soybeans.

Mr. LEAHY. Was there a time on the first amendment?

Mr. BYRD. There is not. There is no time limitation on that amendment.

Mr. LEAHY. Am I correct to say that the distinguished majority leader's proposal would be to have it germane on the list?

Mr. BYRD. It would be on the list and would be subject to being called up, yes.

Mr. LEAHY. The distinguished Senator from Minnesota is not here to speak on his own amendment, but it is a major change in the Freedom of Information Act. I was concerned that it may be one of those which comes along and is considered when amendments are just called up and quickly asked for a vote.

Mr. BYRD. The two amendments are on the list, the two amendments I have mentioned.

Mr. LEAHY. I thank the Senator.

Mr. WILSON. Will the Senator yield?

Mr. BYRD. I am happy to yield.

Mr. WILSON. My objection would be that even though the amendment in which I am interested is on the qualified list, there is no guarantee, even with the due date of 6 p.m. on Tuesday, that any qualified amendment, though eligible to be called up, will, in fact, enjoy debate, unless there is a time agreement in effect guaranteeing that.

It is conceivable that without any time agreements on individual amendments a single Senator could occupy so much of the time that of the 70 amendments I understand to be pending there could be very few that would actually be debated.

Mr. BYRD. Mr. President, if I may respond, if cloture is invoked, under the cloture rule no Senator may call up more than two amendments until all Senators have had an opportunity to call up an amendment under rule XXII.

Also, there is a total amount of time, 30 hours, and that provides that every Senator will have some time.

Mr. WILSON. Does the leader have any idea, assuming that cloture is invoked, how many of the 70 amendments on the list would qualify as germane?

How many will fall? In other words, unless we know how many will be left——

Mr. BYRD. None would fall if they are listed. By virtue of cloture being invoked, no amendment listed would automatically fall. But even without cloture about all of the amendments are germane. If cloture is invoked most of the amendments are germane.

Mr. SIMPSON. May we have order.

The **PRESIDING OFFICER.** The Senator is correct. The Senate will be in order. The Senate will please be in order.

Mr. BYRD. Mr. President, I would like to make a couple of additions to the proposal which I will offer, one being that the Chair, if cloture is invoked, alternate between sides, so that a Senator on the Republican side, a Senator on the Democratic side would have an opportunity to call up his amendment. As I have already stated under cloture no Senator can call up more than two amendments until other Senators have had a chance to do so. Second, that the usual precedent that once a tabling motion has been offered and failed, no similar tabling motion is in order until a reasonable time has elapsed. I would include under this agreement that subsequent tabling motions would be in order if they failed. If the tabling motion fails, subsequent tabling motions would be in order after a reasonable time. But reasonable time in this situation would not be considered to be 2 days later. I think that is the precedent, some such. So that would be included.

Now, Mr. President, I will put the request if I may.

Mr. CHILES. I want to say for the distinguished majority leader, I have a feeling how the shuffle is right now, where the cards are lying right now. I do not say that I like it because I do not. But I think under the circumstances, I may lie down and lick my wounds and live to fight another day. I think maybe the majority leader's offer of a freestanding vote at a time as soon as that can be done will be the best thing that the Senator from Florida can get tonight given where we are. Under the circumstances, I would ask to be withdrawn from the unanimous-consent agreement and that I withdraw the amendment now and take the distinguished majority leader's offer of a freestanding amendment.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Florida. As I have indicated to the able Senator from Florida, it will be my commitment to utilize every option at the majority leader's command to call up a freestanding resolution that contains the Senator's amendment as in the form of a resolution. I will do that as soon as I can. I have discussed this part with the distinguished Senator. That may be a matter of some days because there are other overweighing matters, some of them overweighing this bill, that have to be disposed of first.

I would only do that after consultation with the able Republican leader. The Republican leader understands that I make this commitment and understands the circumstances in which I have been constrained to make it; those circumstances being necessity and fairness.

Mr. METZENBAUM. Would the leaders be good enough to respond to a question? There are a number of amendments that are on this list that are very controversial. Some of them are germane; some of them nongermane. What I am trying to find out is what standard will be used to determine which ones the leadership will move to table and which ones they will not. There is one on there having to do with industrial work. There is one on there having to do with the breakdown of regulatory reform. There is one on there having to do with, a resolution having to do with a resolution pertaining to tort reform.

I just want to have some assurance that we are not going to start picking and choosing, but that the leadership is going to go across the board and move to table all of these without saying, well, this is a little different. This is an important Member. He wants this to be brought up and he is the ranking member of this committee or something. I think that if we are asked to step back and let this go through on a unanimous-consent agreement, then we ought to have the assurance of the leadership that there will be no distinctions and that pro forma they will all be tabled.

Mr. BYRD. Mr. President, I hope the distinguished Senator will not press the leadership on this matter. There are some things that have to be taken in good faith.

There are some things that the leadership is desirous of as it is, of getting an agreement, and cannot feel bound to commit itself to in order to get an agreement. I think the Senator has good reason to know what amendments will very likely get a tabling motion.

Mr. METZENBAUM. I am trying to say to the leader——

Mr. BYRD. My problem is simply this: If I say to the Senator: "We will move to table this amendment, and we will move to table that amendment," then we are going to be saying the same thing Mr. CHILES said. There may be other Senators here who may want to see some amendments tabled.

I feel as the Senator does. There are some amendments I want to see tabled. But if we do not this agreement, we are going to be around here a long time.

I know that does not bother the distinguished Senator. I have looked to him on many occasion to protect the Senate, and he has done that. But I simply hope that the Senator would not force the leadership here, in an effort to get an agreement, to say that we will table that amendment or some other.

Mr. METZENBAUM. I ask the distinguished minority leader: I raise the question with you concerning one amendment. I do not have any idea what is in it, but it says "industrial homework." It sounds to me like something in the Labor Committee jurisdiction. The author is the ranking member of the Labor Committee. That is a controversial amendment, I would guess, although I have not seen it. It is certainly nongermane. I assume it is nongermane. It might not be, come to think of it.

I just want to know what is going to happen with that kind of amendment. Will there be a motion to table because the ranking minority member of the Labor Committee is the author of the amendment? Are we giving up our rights to contest the amendment when we go along with the unanimous consent agreement?

Mr. DOLE. I say to the Senator from Ohio that we did not go down the list and determine that we would table certain amendments. There was a general agreement that there were obviously some amendments here—take court reform, for example. It does not have relationship to the trade bill. It is an important amendment, and I would move to table, if necessary.

We took some of the major amendments in an effort just to get as far as we have gotten. I must say that we did not focus on that specific amendment.

Mr. METZENBAUM. The Senator from Ohio is not going to object to the unanimous-consent request, because I know the challenge the leadership faces. But I think we should feel that in relying upon the leadership to move to table these amendments, that indeed they will be tabled, and that the leadership will not be saying to some of us: "That is your problem. You go ahead and take the responsibility of fighting it with one arm tied behind your back and denying the right to amend, and various other motions that could be made."

I will not object, but I do say to the leadership that we are relying upon you to protect our interests.

Mr. BYRD. Mr. President, the distinguished Senator from Ohio makes a valid point, and I recognize that. I have to agree that other Senators are giving up something here. We are all gambling a little here; we are all taking a risk.

I am not in sympathy with nongermane amendments. I have offered the amendment with respect to reflagging, for example. That was not germane to this bill. I do not think we took a great deal of time on it. It anybody offers that kind of amendment on this bill now, whether or not we get an agreement—and we do not have any listed to that effect—I will be one who will join in moving to table.

We have had our chances. We have had our votes. We have had votes that can be easily interpreted as the sentiment of the Senate. Nongermane amendments, so far as I am concerned, are good candidates for this Senate to vote to table, on this bill.

I thank the distinguished Senator, because he is going on faith here.

Mr. METZENBAUM. That is exactly right.

Mr. JOHNSTON. Mr. President, will the majority leader yield?

Mr. BYRD. I yield.

Mr. JOHNSTON. Has the request been put?

Mr. BYRD. No.

Mr. JOHNSTON. Did we get a response from the distinguished Senator from Rhode Island as to whether he is willing to go with what we understood to be the original proposition of one amendment relating to sugar?

Mr. CHAFEE. I do not quite understand the sin of having two.

Mr. JOHNSTON. Would the Senator like me to explain?

Mr. CHAFEE. I would.

Mr. JOHNSTON. In any proposition, there is some give and some take. I have some very excellent amendments here, planned as second-degree amendments, which I think the Senate ought to adopt. But I would be willing to give up my right to put in these second-degree amendments and also agree to a time agreement if the original proposition given to us, which was one amendment on sugar—whatever the Senator wants to do, whether it is a limitation or whether it is a motion to strike, whatever it is. We just do not want to have these multiple assaults without the ability to put in second-degree amendments, with a time agreeement, and our giving up all the rights on the one hand, and the distinguished Senator from Rhode Island putting in a second amendment, a second bite at the apple, which we were informed about only after the majority leader began to declaim the unanimous-consent agreement.

I hope the Senator from Rhode Island would take his best shot one time, let us have a good and spirited debate, and have one vote, and not have to have multiple votes.

Otherwise, I can tell you that we simply cannot agree, because we have to protect our rights. This may be of some passing interest in Rhode Island. I can tell you that it is central to the economy of Louisiana, which has an unemployment rate exceeding 14 percent.

Mr. CHAFEE. We discussed this a long time ago. It was the Senator from Louisiana who would not agree to a time limit. I said an hour and a half or an hour evenly divided; that would be fine. There was talk of somebody else presenting an amendment, and it was not clear whether than person was going to go forward with it. I put that in just to protect our rights. I do not see what is the matter with going ahead with the time agreement. I am not here to draw this out.

Mr. JOHNSTON. One amendment on a time agreement?

Mr. CHAFEE. Then, in case somebody else wanted to bring it up or I want to bring it up, if you want to take two bites out of the apple, that is fine with me.

Mr. JOHNSTON. If the Senator would agree to one amendment with a time agreement, the time to be decided upon by you, we will agree, no second-degree amendments, and we will go with the deal. But if you want two bites at the apple, I can tell you that we have some great amendments here, one relating to the debt limit, one relating to——

Mr. CHAFEE. How about the cigarette tax?

Mr. JOHNSTON. No. We have one relating to reflagging of Kuwaiti tankers. We have one relating to spending limits on campaigns. That is an excellent amendment.

Mr. CHAFEE. Does the Senator have anything on Angola?

Mr. JOHNSTON. No.

Mr. BREAUX. Possible.

Mr. JOHNSTON. But industrious staff who can conjure up something. Let us go one amendment. That was the original deal.

Mr. CHAFEE. Now wait a minute. I do not like this business though—something was an original deal. There was no original deal. I proposed an amendment and the Senator did not agree to the time limit. I thought someone else had another proposal if the Senator wants to call it an alternative. I put that. That is no deal. Do not get this in a position I am kind of going back on some arrangements.

Mr. JOHNSTON. If not a meeting of the minds, let me say to the distinguished Senator from Rhode Island, please take yes for an answer to that which was an original offer if it was not an original contract.

Mr. CHAFEE. Is this whole Senate being held up on this business? I would like the prominence but not totally.

I have to think that over a little bit. I am not intrigued by it.

Mr. MELCHER. Mr. President, who has the floor?

The PRESIDING OFFICER. The majority leader has the floor and the minority leader is in the process of explaining.

Mr. MELCHER. Will he yield?

Mr. BYRD. I yield.

Mr. MELCHER. I say to my friend from Rhode Island I am not sure but what there has been stated by the Senator from Louisiana a very fair proposition under the cirumstances in the situation as it is with so many amendments out there.

Earlier my good friend from Louisiana stated that as if the position that he and his colleague Senator BREAUX is common to all sugar-producing States. But I am not sure that that is accurate. I do not share the same judgment on the proposition that is spoken of in the drawback for cane sugar refineries. I would like to see something else than what is in the bill. I have been attempting to arrive at something that I could feel comfortable with and so far that has not developed.

But I would say to my friend from Rhode Island that Senator JOHNSTON has not really stated anything but what is the obvious. We do not seem to have time to call up all 70 amendments. I am sure they will not all be called up. I am sure they will not be all voted upon.

I think what is essential is that there be actual time for discussion of this particular issue. That is good enough and then a vote occur.

A tabling motion will probably be offered to the amendment which is not unusual or uncalled for or probably by many considered absolutely necessary if we are going to get on with this bill and get as many amendments disposed of as there is time to do under any proposed time agreement.

Mr. SARBANES. Mr. President, is the request that we go to a vote on the Gramm amendment immediately for the answer to the question that is the amendment pending?

Mr. BYRD. Mr. President, the sequence would be as follows now that the Chiles amendment has been taken care of for the time being.

The vote occur immediately on the pending Gramm amendment, followed by the vote immediately and I say on the amendment, a vote would occur immediately in relation to it and then a vote would occur on the disposition of the Gramm amendment immediately without further debate or intervening action on the windfall profit tax, after which the next amendment that would occur would be the amendment by Mr. HEINZ. We could crank into the overall agreement a little time on that one if the Senator would.

Mr. SABANES. We are trying to work it out. We need some time to do it. We do not need a vote on it. I think we may be able to negotiate something. A rollcall may not be necessary.

Mr. BYRD. Then it would not be necessary nor would I then include that in the request that it would be the third matter to be disposed of.

Mr. President, if Senators now will allow me, I will put the request.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. BYRD. Yes.

Mr. STEVENS. I have remained silent, but it is now almost 11:30 and those of us who are going to accompany the distinguished majority leader to Philadelphia will have to rise at 6 a.m. As I understand it, we will still have at least four votes, maybe more, this evening before we leave.

This Senator is not happy with that situation. [Laughter.]

Mr. STEVENS. I have returned, as you can see, from a social engagement and find we are not voting by the time I get back here, and by the time I get home it will be about 1 o'clock, and I would have to be back by 6.

I suggest to the majority leader that the votes we contemplate this evening could well take place on Friday.

Mr. BYRD. That would be perfectly all right with me except I think we would need a vote on the amendment by Mr. GRAMM immediately. That is one of the pending amendments.

I promised Senators that we would vote today on an up or down vote on the windfall profit tax amendment, and I would like to keep my commitment on that.

Mr. STEVENS. As one of the sponsors I tell my good friend I would be happy to relieve him from that obligation. I am sure all Members would be here to vote on that amendment.

Mr. BYRD. That would be fine with me. As long as I am relieved of my commitment I would be happy to have then the vote on the Gramm amendment and the vote on cloture and then put all the votes over.

Mr. STEVENS. The primary sponsor of the windfall profit tax amendment said he would very much appreciate the vote tonight. Could we make that the last one so we could go and change from these monkey suits and be back to vote on the amendment?

Mr. GRAMM. I would be happy to withhold on my primary amendment and just do the windfall profit tax.

Mr. BYRD. Mr. President, I would like to vote on the Gramm amendment. We have had debate on it. We can dispose of that and vote on that. Then if Senators want to put over the vote on the windfall profit tax.

Mr. BOREN. No.

Mr. BYRD. They do not.

Mr. BOREN. No.

Mr. BYRD. Then have a vote on that. Then could we have a vote, then, on the cloture and just have those three votes?

Mr. METZENBAUM. Ten-minute votes on the second and third.

Mr. STEVENS. I ask my good friend, if we are going to vote on cloture, why are we doing the time agreement? These amendments are not valid under cloture.

Mr. BYRD. I say to the Senator I explained that, and I will be glad to again. The reason being that under cloture no Senator may call up more than two amendments, until all other Senators have had an opportunity. Some Senators are concerned they may be shut out.

Second, there is a division of time so that no Senator can take the floor and take a half-day on his amendment and that way shut other Senators' amendments out.

Mr. PACKWOOD. Mr. President, call for the question.

Mr. CHAFEE. How much time would we have?

Mr. BYRD. Mr. President, I would be happy to work into the request that cloture be invoked by unanimous consent as part of the order.

Mr. GRAMM. That is fine.

Mr. PACKWOOD. All right with me.

Mr. BYRD. Only have two votes tonight, on the Gramm amendment and windfall profit tax.

Mr. STEVENS. That is progress as far as I am concerned.

Mr. PACKWOOD. Mr. President, I agree with the majority leader on this. I want to understand the time Senator BENTSEN and I have under our control. We have an hour apiece. I am sure we can get Senators to yield us an hour apiece. When that is gone are we in position not being able to say anything about any amendments that would be offered?

Mr. BYRD. I would think that Senators having disposed of most of the amendments that are already ordered, the time would be used. I have a feeling they would have ample time. If they do not have, we will endeavor to find some way to make it possible for the managers who have problems to have some time.

Mr. PACKWOOD. I thank the Senator.

Mr. BYRD. I know they would also attempt to husband their time under the circumstances.

Mr. President, if I may put the request so that hopefully we can get the order and have the two votes and go out.

Mr. President, I hope I may have the attention of the Senate. It is not easy to put a very complex agreement like this without its being in writing.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, I simply have to have the Senate in order because at this hour of the night I have been on my feet a long time today and it is not easy to lay out a request of this kind without its being in writing and we do not have time to reduce it to writing.

The PRESIDING OFFICER. The Chair will again make the request that the Senate be in order. The Senate will please be in order. Senators will please take their seats.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD. Mr. President, I ask unanimous consent that a vote occur immediately on the pending amendment by Mr. GRAMM without further debate, that a vote occur in relation to it without further debate. And this means that on any motion to reconsider there is no time for debate. That is the part of the standing precedent.

Provided further, that upon the disposition of the amendment by Mr. GRAMM, a vote occur without any intervening action or debate on, meaning up or down, the windfall tax amendment; provided further, that the pending motion to postpone indefinitely the motion to recommit with instructions fall, and falling with those two motions would be the Byrd-Moynihan amendments, the Bumpers-Hatfield amendments, the Gramm division II to the Gramm amendment, the motion to reconsider the vote on division I of the Gramm amendment; and then, with the understanding there would be no more rollcall votes this evening, cloture would be understood to have been invoked on the bill.

Provided further, that the list of amendments then, which I will be happy to list if Senators require it, but which all the leadership on both sides has carefully gone over together with the Senators who are involved and the manager involved, be in order, notwithstanding the fact that cloture will have been invoked; that no amendments other than those on the list be in order; and that no amendments on the list be in order to other amendments on the list as second-degree amendments; provided further, that the usual interpretation of a reasonable time in respect to motions to table, in this case, allow additional motions to table a given amendment within say 3 hours, which would be a reasonable time under the circumstances, but not ordinarily under precedents; provided further, that a vote on final passage occur no later than 6 o'clock on Tuesday next.

Mr. JOHNSTON. Mr. President, reserving the right to object, and I shall not object, because we now have our differences worked out, the Senator from Rhode Island and the junior Senator from Louisiana and I now have an arrangement whereby, on the sugar amendment, the Senator from Rhode Island shall offer one amendment of his choice at such time as he shall require. The junior Senator from

Louisiana will relinquish his second-degree amendment and upon that agreement, we will go along.

Mr. CHAFEE. I am not sure what you mean by his second-degree amendment. He has on the list an amendment that will come out.

Mr. JOHNSTON. First, second, or third degree.

Mr. CHAFEE. The only thing that bothers me, if I could say to the majority leader, is the vote is going to occur at 6 o'clock on Tuesday; no later than 1800, as we say. And my worry is whether those who have amendments that they wish to bring up will have much time. And our thought was originally there was a suggestion of 2 hours equally divided, or an hour and a half. But I am not just sure how people are going to get much time on these amendments. For instance, what time would you be coming in Friday? What time would we be on the bill?

Mr. BYRD. We could make it as early as the managers are willing to be here. We could start at 8 o'clock and also on Tuesday. We will be in early, we will be in late in an effort to give every Senator a chance to call up his amendment and have a little time to talk about it.

Mr. President, may I assure the Senator that the leadership on this side, and I am sure that the distinguished, very able Republican leader and others on his side, will make every effort to do whatever we can. We will have our whips operating to keep things moving so that we do not have quorum calls waiting on Senators who want to come to the floor. Some will want to wait from Friday to Tuesday and then on Tuesday they will likely be shut out. With cooperation of all Senators, I think we can make this work. I have seen many, many times somewhat similar agreements entered into in which Senators do run that risk. But always, almost always, we have been able to make things work out. And if we try hard enough I think we can in this instance.

Mr. President, I made one error a moment ago. I said that no amendment could be offered, no listed amendment could be offered as an amendment to another listed amendment. And I am reminded that there are some amendments on the list that are specified as second-degree amendments, only as second-degree amendments. But they are on the list. So I would not include that earlier provision in my request which was by error.

Mr. President, I think I have completed the request.

There are some amendments which I believe that, once we get the agreement, we can get some time limitations on. For example, there are two amendments by Mr. WARNER on which he would be agreeable to a 10-minute equally divided time limitation on both. There is another amendment by Mr. WARNER on which he is agreeable to a 6-minute time limitation. There are other amendments that fall into the same category. And as those amendments are agreed to with short time limitations, we will constantly endeavor to get the time limitations on the amendments and it will open up the time for other amendments and be helpful to us in achieving our goal of fairness if we can.

Mr. DOMENICI. Mr. Majority Leader, I will not object, but might I ask, in your explanation you indicated that even though the vote is ordered no later than 6 p.m. on Tuesday, that it was understood that if there were amendments pending and they wanted to call them up they would have no time to debate them but they could have votes even if we did not have final passage at 6 p.m. as ordered. Is that correct?

Mr. BYRD. The Senator is preeminently correct.

Mr. DOMENICI. I thank the majority leader.

Mr. HEINZ. Would the majority leader yield for a question?

Mr. BYRD. Yes, I will yield.

Mr. HEINZ. The pending amendment is the Gramm amendment. I understand under the order of the consent request when that is to be invoked, at that point the Senator from Pennsylvania is under the impression that the amendment that he offered earlier would then be pending business, unless I missed something. Yet I know you want to go to a vote on the windfall profit tax.

What would be the status?

Mr. BYRD. Yes, the agreement—and I put it in the form of the agreement—the earler discussion was merely an attempt to clarify and explain—the final agreement was we have a vote immediately on the amendment by Mr. GRAMM, or in relation thereto; that there would be a vote immediately following that, depending up or down, on the windfall profit tax amendment; that cloture would be agreed to in the agreement as having been invoked and that any further rollcall votes will be going over on Friday.

We will be coming in early on Friday, which means the Senator's amendment will go over.

Mr. HEINZ. That is quite agreeable.

Mr. BYRD. Where is Mr. HATFIELD? I agreed to yield to Mr. Hatfield for a statement before the Chair puts the request. Mr. HATFIELD wanted 5 minutes before the request was put.

In the meantime, could we include in the agreement, may I ask the Republican leader, while awaiting Mr. HATFIELD, who is in the cloakroom at this time, that there be a time limitation on the two Warner amendments listed?

Mr. DOLE. Five minutes on a side.

Mr. BYRD. Five minutes on a side?

Mr. PACKWOOD. Mr. Leader, there is a Packwood amendment listed. I would be happy to take 2 minutes equally divided.

Mr. BYRD. Would the Senator identify the amendment?

Mr. PACKWOOD. It is the last one on users called the user amendment. The bottom of the second page.

Mr. BYRD. Time limitation would be how much?

Mr. PACKWOOD. Two minutes.

Mr. BYRD. Two minutes.

If there is no objection, well, I will include that in the request. Two minutes on the Packwood user amendment.

Mr. BENTSEN. Mr. Leader?

Mr. BYRD. Yes.

Mr. BENTSEN. There is a Bentsen international air transport amendment and I would be willing to accept a 4-minute time limitation.

Mr. BYRD. There will be a 4-minute limitation, equally divided on the international air transport amendment. That would be a part of the agreement.

I have an amendment listed on which Mr. DANFORTH is a coauthor of the amendment with me. I would be agreeable to a 10-minute limitation, equally divided, on that amendment.

Mr. JOHNSTON. Mr. Leader, there is only one amendment relating to sugar that is by the Senator from Rhode Island, Mr. CHAFEE, with a time limit of 1½ hours, equally divided.

Mr. BYRD. Can we reduce the time some, rather than 1½ hours?

Mr. JOHNSTON. As far as we are concerned, that can be reduced if the Senator from Rhode Island is agreeable.

Mr. CHAFEE. Well, we will wait.

Mr. PELL. Mr. Leader?

Mr. BYRD. Yes.

Mr. PELL. Mr. Leader, I have an amendment. If it is agreed to, both sides, 2 minutes equally divided. If that——

Mr. BYRD. That amendment is on the list.

Mr. President, I would include in my request that the amendment by Mr. PELL, which is a sense-of-the-Congress amendment, have a limitation of 2 minutes thereon equally divided.

I think, as the Senators can see, some of these amendments are not going to take much time.

Mr. President, I had indicated to the distinguished Senator, Mr. HATFIELD, that before having the Chair put the request, I would yield to Mr. HATFIELD.

Mr. HATFIELD. That is not necessary.

Mr. BYRD. I thank the distinguished Senator from Oregon.

Mr. President, I put the request.

The PRESIDING OFFICER. Is there objection?

The Chair hears none. It is so ordered.

The text of the agreement follows:

Ordered, That during the consideration of S. 1420, the Omnibus Trade and Competitiveness Act, cloture be deemed invoked and that notwithstanding cloture the following listed amendments be in order to be called up, whether germane or not, and that the Chair recognize alternately Senators from both sides of the aisle for the calling up of the amendments insofar as possible, and as appropriate.

Daschle—Sec. 201 Newsprint.

Matsunaga—Lithotripters, 10 minutes, equally divided.

Lautenberg—Sec. 337, adding language on bond provisions.

Levin—Foreign barriers on auto imports.

Baucus—Relating to the Treasury Department Study of the Export Source Rule.

Bumpers—Technical amendment re center on state and local initiatives.

Byrd-Danforth—Japan purchase of U.S. planes, 10 minutes equally divided and controlled.

Bentsen—International Air Transportation, 4 minutes, equally divided and controlled.

Leahy—Patents/copyright.

Leahy—Commerce monitoring of granite imports.

Levin—Circumvention of voluntary restraint agreements.

Biden—Section 201/antitrust.

Lautenberg—Possible 2nd degree Judiciary amendment, if needed.

Harkin—Foreign investment in U.S. companies.

Bradley—Coordination of Third World Debt management.

Kerry—Relating to Loan Guarantee program for aid to private enterprise.

Pell—Sense of Congress re U.S. jewelry trade, 2 minutes, equally divided and controlled.

Chiles—Amendment to Government Affairs title re trade data bank dissemination of information through nonprofit organizations.

Graham—Angola, suspend MFN 6 months.

Pryor—Miscellaneous tariffs.

Packwood—General clean-up amendment.

Bentsen—General clean-up amendment.

Murkowski—Allowing U.S. policy in Persian Gulf.

Murkowski—Technical amendment dealing Sec. 301 implementation.

McConnell—Tort reform.

Wilson—Nairobi protocol.

Wilson—Negotiating authority.

Warner—Export Administration.

Warner—Coal export.

Grassley—Miscellaneous tariffs.

Grassley—Banking export trading companies 10 minutes, equally divided and controlled.

Gramm—Permit all ITC Commissioners to vote for relief.

Gramm—Consumer impact statement.

Gramm—Exemptions for countries practicing free trade.

Gramm—Limitation on 201 relief.

Gramm—Debt facility.

Evans—Strike all of bill except Presidential GATT authority and retraining and assistance of displaced workers.

Cochran—Merger modernization.

Domenici—White House conference on Small Business made permanent every 4 years.

Domenici—Super-conducting material and genome research.

Domenici—On genome research.

Domenici—On semi-conductors.

Domenici—To the Glenn amendment to make an Assistant Secretary of D.O.E. for science and research.

Chafee—Strike sugar drawback.

Heinz—Miscellaneous tariff authority.

Heinz—Export trading companies, No. 588.

Heinz—Debt equity swaps.

Symms—Mount Alto.

Symms—Restore right in Sec. 201 to go beyond current law in providing regulatory relief (import impacted industries).

Bond—Printing of Department of Commerce's commercial newsletters at overseas posts.

Specter—GATT authority.

Durenberger—Research information disclosed under FOIA.

Durenberger—Soybeans duty free treatment.

McClure—U.S. Trade Representative Office.

Dole—TAA.

Packwood—User amendment, 2 minutes, to be equally divided and controlled,

Kasten—Cranberries.

Hatch—Industrial homework.

Hatch—Ethanol.

Evans—Modify competitiveness council.

Glenn—Tariff on Gloves.

Kennedy—2nd degree to Domenici on Genomes.

Bingaman—Mandate study on portability of pensions.

Ordered further, That third reading occur no later than 6:00 p.m. on Tuesday, July 21, 1987, and that H.R. 3 become the pending business without further debate, action or motion, and that all after the enacting clause be stricken, the text of S. 1420 as amended be inserted in lieu thereof, that H.R. 3 be read for the third time and passed without intervening debate, action, or motion.

Ordered further, That if a tabling motion fails, subsequent tabling motions would be in order after a reasonable time.

Ordered further, That none of the amendments listed can be offered as second degree amendments, except where it is so specified. (July 15, 1987.)

Mr. BYRD. Mr. President, I thank the leadership on both sides, and I thank all Senators.

AMENDMENT NO. 589

The PRESIDING OFFICER. The vote now occurs on the Gramm amendment.

The clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas [Mr. PRYOR] is absent because of death in family.

The PRESIDING OFFICER (Mr. BREAUX). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 49, nays 50, as follows:

[Rollcall Vote No. 199 Leg.]

YEAS—49

Armstrong
Baucus
Bentsen
Bond
Boschwitz
Chafee
Cochran
Cohen
D'Amato
Danforth
DeConcini
Dole
Domenici
Durenberger
Evans
Garn
Gramm
Grassley
Hatch
Hatfield
Hecht
Heinz
Helms
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
McConnell
Murkowski
Nickles
Packwood
Pressler
Quayle
Roth
Rudman
Simpson
Specter
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson

NAYS—50

Adams
Biden
Bingaman
Boren
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Conrad
Cranston
Daschle
Dixon
Dodd
Exon
Ford
Fowler
Glenn
Gore
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Proxmire
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Simon
Stennis
Wirth

NOT VOTING—1

Pryor

So the amendment (No. 589) was rejected.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SARBANES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 590

The PRESIDING OFFICER. Under the previous order, the question now recurs on the amendment of the Senator from Oklahoma, amendment No. 590.

(The text of Amendment No. 590 follows:)

At the end of subtitle D of title IX, add the following new section:

SEC. . WINDFALL PROFIT TAX REPEAL.

(a) IN GENERAL.—Chapter 45 of the Internal Revenue Code of 1986 is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Sections 6050C, 6076, 6232, 6430, and 7241 of the Internal Revenue Code of 1986 are repealed.

(2)(A) Subsection (a) of section 164 of such Code is amended by striking paragraph (4) and redesignating the subsequent paragraphs as paragraphs (4) and (5), respectively.

(B) The following provisions of such Code are each amended by striking "44, or 45" each place it appears and inserting "or 44":

(i) section 6211(a),
(ii) section 6211(b)(2),
(iii) section 6213(a),
(iv) section 6213(a),
(v) section 6213(g),
(vi) section 6214(c),
(vii) section 6214(d),
(viii) section 6161(b)(1),
(ix) section 6344(a)(1), and
(x) section 7422(e).

(C) Subsection (a) of section 6211 of such Code is amended by striking "44, and 45" and inserting "and 44".

(D) Subsection (b) of section 6211 of such Code is amended by striking paragraphs (5) and (6).

(E) Paragraph (1) of section 6212(b) of such Code is amended—

(i) by striking "chapter 44, or chapter 45" and inserting "or chapter 44", and

(ii) by striking "chapter 44, chapter 45, and this chapter" and inserting "chapter 44, and this chapter".

(F) Paragraph (1) of section 6212(c) of such Code is amended—

(i) by striking "of chapter 42 tax" and inserting "or of chapter 42 tax", and

(ii) by striking ", or of chapter 45 tax for the same taxable period".

(G) Subsection (e) of section 6302 of such Code is amended—

(i) by striking "(1) For" and inserting "For", and

(ii) by striking paragraph (2).

(H) Section 6501 of such Code is amended by striking subsection (m).

(I) Section 6511 of such Code is amended by striking subsection (h) and redesignating subsection (i) as subsection (h).

(J) Subsection (a) of section 6512 of such Code is amended—

(i) by striking "of tax imposed by chapter 41" and inserting "or of tax imposed by chapter 41", and

(ii) by striking ", or of tax imposed by chapter 45 for the same taxable period".

(K) Paragraph (1) of section 6512(b) of such Code is amended—

(i) by striking "of tax imposed by chapter 41" and inserting "or of tax imposed by chapter 41", and

(ii) by striking ", or of tax imposed by chapter 45 for the same taxable period".

(L) Section 6611 of such Code is amended by striking subsection (h) and redesignating subsections (i) and (j) as subsections (h) and (i), respectively.

(M) Subsection (d) of section 6724 of such Code is amended—

(i) by striking clause (1) in paragraph (1)(B) and redesignating clauses (ii) through (x) as clauses (i) through (ix), respectively, and

(ii) by striking subparagraphs (A) and (K) of paragraph (2) and redesignating subparagraphs (B), (C), (D), (E), (F), (G), (H), (I), (J), (L), (M), (N), (O), (P), (Q), (R), (S), and (T) as subparagraphs (A), (B), (C), (D), (E), (F), (G), (H), (I), (J), (K), (L), (M), (N), (O), (P), (Q), and (R), respectively.

(N) Subsection (a) of section 6862 of such Code is amended by striking "44, and 45" and inserting "and 44".

(O) Section 7512 of such Code is amended—

(i) by striking ", by chapter 33, or by section 4986" in subsections (a) and (b) and inserting "or chapter 33", and

(ii) by striking ", chapter 33, or section 4986" in subsections (b) and (c) and inserting "or chapter 33".

(3)(A) The table of contents of subtitle (D) of such Code is amended by striking the item relating to chapter 45.

(B) The table of contents of subpart B of part III of subchapter A of chapter 61 is amended by striking the item relating to section 6050C.

(C) The table of contents of part V of such subchapter is amended by striking the item relating to section 6076.

(D) The table of contents of subchapter C of chapter 63 is amended by striking the item relating to section 6232.

(E) The table of contents of subchapter B of chapter 65 is amended by striking the item relating to section 6430.

(F) The table of contents of part II of subchapter A of chapter 75 is amended by striking the item relating to section 7241.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to crude oil removed from the premises beginning on the date of enactment.

WINDFALL PROFIT TAX

Mr. SIMPSON. Mr. President, I am pleased that this is an up-down vote.

The windfall profit tax is really one of the few remaining legacies of the misguided Federal energy policies of the 1970's. These policies included price controls and imposed punitive taxes on the crude oil production industry when oil prices were high. During this current period when our domestic energy industry is in such economic crisis, the least the U.S. Congress should do is eliminate one of the most discouraging policies and repeal the windfall profit tax.

No other single industry in the United States has a windfall profit tax. The continuation of the windfall profit tax is a cruel disincentive to investment in domestic production.

The industry has paid more than $77 billion in windfall profit tax since 1980.

The windfall profit tax imposes a heavy administrative cost even though it is generating little or no revenue at this time. The current annual administrative cost of compliance is about $100 million.

Repealing the windfall profit tax would send a most positive signal to our domestic energy industry at a time when positive signals are so very few and far between. In the long run, repeal would help an industry that employs millions of Americans to regain lost ground and to place domestic producers on an even footing with foreign producers.

I cannot emphasize enough the importance of the repeal of this tax to the economy of my home State of Wyoming.

Drilling well completions in Wyoming only: 1st qtr 1986: 302; 1st qtr 1987: 75; 75 percent decline.

Rotary rig count for Nation: 1986-2123: present, 1987—891; 58 percent decline.

For Wyoming: 1st qtr 1986—82; 1st qtr 1987—28; 66 percent decline.

Bankruptcies in Wyoming: 25.7 percent increase from 1986 to 1987.

Unemployment: 10.6 percent in Wyoming compared to 6.1 percent national rate.

The windfall profit tax has surely hurt the American consumer by increasing our reliance on foreign oil. He may not feel it yet—but he will. Because the tax discourages production from marginal wells and it discourages exploration and development, there is little incentive to replace our declining oil reserve, the domestic production is reduced, and imports go up. The pain will come.

I earnestly urge the House to retain this repeal of the windfall profit tax during the conference committee on the trade bill.

The repeal of the windfall profit tax is not some break for the fat cats. We are talking of the reviving of the Health of an entire vital industry to this Nation. The windfall profit tax is an untimely idea that in the current economy has lost all possible reason for its existence. I, therefore, strongly urge my colleagues to vote for the repeal of the onerous and devastating windfall profit tax.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. GRAMM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, as most Senators know, this is the last rollcall vote for today.

ORDER FOR RECESS UNTIL FRIDAY, JULY 17, 1987, AT 9 A.M.

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9 a.m., Friday. There will be early rollcall votes on Friday. There will not be any rollcall votes before 10 o'clock. If any are ordered, we will delay them.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The following proceedings occurred after Midnight.)

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMON (when his name was called). On this vote I have a live pair with the Senator from Arkansas [Mr. PRYOR]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. CRANSTON. I announce that the Senator from Arkansas [Mr. PRYOR] absent because of death in family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 58, nays 40, as follows:

[Rollcall Vote No. 200 Leg.]

YEAS—58

Armstrong
Baucus
Bentsen
Bingaman
Bond
Boren
Boschwitz
Breaux
Bumpers
Burdick
Cochran
Conrad
Danforth
Daschle
Dixon
Dole
Domenici
Evans
Exon
Garn
Gore
Gramm
Hatch
Hatfield
Hecht
Heflin
Helms
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Murkowski
Nickles
Nunn
Pressler
Quayle
Roth
Sanford
Shelby
Simpson
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson
Wirth

NAYS—40

Adams
Biden
Bradley
Byrd
Chafee
Chiles
Cohen
Cranston
D'Amato

DeConcini
Dodd
Durenberger
Ford
Fowler
Glenn
Graham
Grassley
Harkin
Heinz
Kennedy
Kerry
Lautenberg
Leahy
Levin
Metzenbaum
Mikulski
Mitchell
Moynihan
Packwood
Pell
Proxmire
Reid
Riegle
Rockefeller
Rudman
Sarbanes
Sasser
Specter
Stafford
Weicker

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

SIMON, against

NOT VOTING—1

Pryor

So the amendment (No. 590) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 588

Mr. HEINZ. Mr. President, it is my understanding that we now revert to the Heinz amemdment, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HEINZ. Mr. President, I have been discussing for some time with the majority manager of the bill a possible modification to the Heinz amendment but I would not want to offer it, first, without knowing that it was acceptable both as a modification and as a basis for moving ahead and if possible adopting the pending amendment by voice vote.

CLOTURE DEEMED INVOKED

The PRESIDING OFFICER. The Chairman will make an announcement first. The Chair will inform all Senators that by the unanimous-consent agreement that was entered into cloture is deemed to be invoked at this time.

The Senator from Pennsylvania is recognized.

Mr. HEINZ. Mr. President, I think we can resolve this fairly quickly.

Mr. BYRD. Mr. President, will the distinguished Senator yield to me to make a unanimous-consent request quickly without losing his right to the floor?

Mr. HEINZ. Yes.

Mr. BYRD. I will be happy to wait if he is ready to proceed.

Mr. HEINZ. Will the majority leader please proceed? I am going to yield the floor for a moment.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD. I thank the Senator.

Mr. President, I have discussed this with Mr. DOLE who is on the floor.

I ask unanimous consent that the previous agreement be modified as follows: That third reading occur no later than 6 o'clock Tuesday next and then immediately after third reading the Senate proceed to the consideration of H.R. 3 without any further debate, action or motion, and that all after the enacting clause be stricken and the text of S. 1420 as amended be inserted in lieu thereof and that H.R. 3 be read the third time immediately and passed without any intervening action, debate, or motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank my friend, the Republican leader.

The PRESIDING OFFICER. The Senator from Kansas.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, while we are waiting, if I might, under the cloture, as I understand the Republican leader is entitled up to 3 hours. I would have 1 hour in my own right, and I have been yielded one-half hour by the Senator from Nevada [Mr. HECHT], one-half hour by the Senator from Maine [Mr. COHEN], one-half hour by the Senator from Alaska [Mr. STEVENS], and one-half hour by the Senator from Virginia [Mr. TRIBLE].

The PRESIDING OFFICER. Those Senators under the agreement have the right to yield time to whomever they desire.

Mr. DOLE. With reference to Senator PACKWOOD, he has been yielded 1 hour by Senator RUDMAN, one-half hour by Senator STAFFORD, one-half hour by Senator GARN, plus his own 1 hour, and I would make that request.

The PRESIDING OFFICER. The Senators will have to exercise their right to yield time to whomever at the appropriate time.

The Chair will state that the Senators have the right to yield to the majority and minority leaders as the minority leader stated.

Mr. DOLE. Do they have the right to yield to the manager of the bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. And they have done that.

The PRESIDING OFFICER. The Chair will say the Senator stated it correctly.

Mr. DOLE. The Senator from Oregon, one of the managers of the bill, would have 3 hours.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. I thank the Chair.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

AMENDMENT NO. 588 (AS MODIFIED)

Mr. HEINZ. Mr. President, I send a modification of my amendment to the desk.

The PRESIDING OFFICER. The clerk will report the modification of the amendment.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ] proposes an amendment numbered 588, as modified.

Mr. HEINZ. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning with page 428, line 3, strike out through page 430, line 3, and insert the following:

SEC. 1101. DEFINITION OF EXPORT TRADING COMPANY.

Section 4(c)(14)(F)(i) of the Bank Holding Company Act of 1956 is amended to read as follows:

"(i) the term 'export trading company' means a company which does business under the laws of the United States or any State, which is exclusively engaged in activities related to international trade, and which is organized and operated principally for purposes of exporting goods or services produced in the United States by the company, its affiliates, or unaffiliated persons, or for purposes of providing one or more export trade services to facilitate the exportation of goods or services produced in the United States by unaffiliated persons. A company shall be deemed to be organized and operated principally for such purposes if its revenues from exporting goods or services produced in the United States or from providing export trade services, as defined in clause (ii), exceed its revenues from importing into the United States goods or services produced outside the United States, and its revenues from exporting goods or services produced in the United States or from providing export trade services, as defined in clause (ii) are at least one-third of the company's total revenues. Nothing in this clause authorizes a bank holding company to own or acquire an interest in an export trading company domiciled in the United States which engages in the underwriting, selling, or distributing of securities or insurance except as may be included in the definition of export trade services in clause (ii) of this subparagraph.

SEC. 1102. LEVERAGE.

Section 4(c)(14)(A)(iv) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(14)(A)(iv)) is amended by adding at the end thereof the following: "The Board may not disapprove a proposed investment solely on the basis of the proposed assets to equity ratio of an export trading company unless the proposed annual average ratio is greater than twenty to one.".

Mr. HEINZ. Let me take a moment to explain the modification. It is relatively modest. It changes the amendment I had at the desk in two respects. First, it stipulates that an export trading company must derive at least one-third of its revenues from the exportation of goods and services. Second, it would reduce the so-called 25-to-1 requirement on leveraging to 20 to 1, which would mean that the Federal Reserve could not disapprove an application for a bank export trading company if the leveraging ratio was—solely because the leveraging ratio was at or above 20 to 1.

Mr. President, I offer this modification in an effort to find common ground between myself and the Senator from Maryland, Senator SARBANES.

It is my understanding that with this modification he would be prepared to accept this amendment. I believe it is acceptable to both sides in that event. We could also avoid the necessity of a rollcall vote.

The PRESIDING OFFICER. Does the Senator from Pennsylvania seek unanimous consent to so modify it?

Mr. HEINZ. I do, Mr. President.

The PRESIDING OFFICER. Is there objection?

Without objection, the amendment is modified.

The Senator from Maryland.

Mr. SARBANES. Mr. President, there had been extended discussions involving these provisions. I think that in the circumstances, this is a constructive resolution of the differences. I think, as was indicated, it would not require that a third of the total revenues of the export trading company be derived from exporting American goods and services so at least we would have a tie between the trading company and what I at least perceive to be its function, of encouraging American exports.

On the leveraging, it changes the figure from 25 to 1 to 20 to 1, as the Senator has stated, which puts it slightly above the requirement, capital requirements in domestic banks.

We are prepared to accept the amendment as modified and to resolve this matter and move ahead on these banking titles and get this matter behind us.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Pennsylvania, Senator HEINZ.

The amendment (No. 588), as modified, was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 355 (AS MODIFIED)

Mr. HEINZ. Mr. President, I ask unanimous consent that technical changes be made to amendment 355, the "Multilateral Export Control Sanctions Act of 1987," as follows:

That the amendment be inserted in title X on page 427, line 10;

That in the section of the amendment entitled "Mandatory Sanctions Against Toshiba and Kongsberg" in subparagraph (d)(3), "subparagraph (B)" be amended to read "subparagraph (2);" and

That in the section of the amendment entitled "Mandatory Sanctions" in subparagraph (t)(4)(C), "subparagraph (A)" be amended to read "subparagraph (B)."

Mr. President, this is, indeed, a technical amendment.

The PRESIDING OFFICER. Will the Senator send the changes to the desk.

Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank all Senators, and in particular I thank, at this very early hour of the morning on Thursday, July 16, in the year of our Lord 1987, the distinguished Senator from Maryland [Mr. SARBANES] and the distinguished Senator from Pennsylvania [Mr. HEINZ] for remaining on the floor and disposing of amendments after other Senators had gone home.

Mr. President, I thank the able Republican leader, the Republican assistant leader, the ranking managers, the assistant Democratic leader, and the chairmen of the committees involved, the committees that have jurisdiction on this bill over the various provisions thereof.

I thank them for the splendid cooperation that I have received in achieving this very complex time agreement on a very complicated bill. I could ask for no better cooperation. I got it. And without that cooperation and help, this agreement, of course, would not have been achieved.

I also thank the staff, the floor staff on both sides of the aisle: Elizabeth Greene, Shiela Burke, Howard Greene, our able secretary for the majority Abby Saffold, Charles Kinney, and Marty Paone for the able assistance that they gave to the leadership on both sides.

Mr. HEINZ. Mr. President, I say to the distinguished majority leader no, we do not.

I would like to take a moment to commend the distinguished majority leader on what was one of the most remarkable exercises in patience and understanding that has ever been this Senator's privilege to see in my nearly 11 years in this body. That was his achievement of, as he calls it—with some understatement, I believe—a very complex unanimous-consent agreement that was entered into. It shows that we can achieve in this body, with patience and good will, just about anything, including the impossible, which is called getting 100 Senators to agree.

Mr. BYRD. Mr. President, I thank the Senator.

May I say that I owe a great deal to Senators for their cooperation and understanding. The Senator from Pennsylvania, who is presently on his feet, has never been a Senator who has given me any problem. He has always been cooperative and understanding. I must say with gratitude that when a Senator earns that plaudit from me, I indeed am in his debt.

Mr. President, I also note that the Senator from Pennsylvania is not here without some inconvenience to himself. It goes without saying that all of us express the hope that he will soon be able to put aside the aids which he presently has to utilize in walking about and even in standing.

I thank him again.

Mr. SARBANES. Mr. President, will the majority leader yield?

Mr. BYRD. I yield.

Mr. SARBANES. Mr. Leader, it is our understanding that there are only two other amendments outstanding to titles X through XVII. Titles X through XVI were Banking Committee titles, and XVII is jointly Banking Committee and Foreign Relations Committee.

With that, this completes all work on those titles, except the two amendments that pertain to these titles. I thought the majority leader would like to know that.

In any event, I agree with the Senator from Pennsylvania in saying to the majority leader that it was an amazing accomplishment this evening that we reached a unanimous-consent agreement which guarantees that by 6 o'clock on Tuesday, there will be a final vote on the passage of this trade bill.

Mr. BYRD. Mr. President, I thank my friend, the Senator from Maryland.

I observe that he has been a very active and able member of the special committee which has been conducting hearings today, and hearings over the past several days, into the Iran-Contra matter.

I have been proud of my choice of him and the others whom I placed on that committee. I never felt that my faith was in vain. Notwithstanding that, he has been able to be on the floor this afternoon and discuss very complicated amendments. I admire his skill, and I thank him for his never-ending reasonableness and always his kind and sympathetic support of the majority leader in the efforts to have the Senate do its work. He always has been most kind to me. My words are inadequate, but nevertheless my thanks are heartfelt.

Mr. President, I had indicated in getting the agreement earlier that amendments would alternate from side to side. I did not include that in the agreement. However, that was the understanding that in order that Republicans and Democrats could have an equal chance to call up their amendments we would alternate and the Chair would alternate and I ask unanimous consent that insofar as is possible and under the circumstances appropriate that that be done on the part of the Chair.

I say that with the understanding that we may be in a situation in which in order for the Senate to move ahead a Senator on one side may not be here or prepared to call up an amendment and in order that the Senate might not be held up in its work I would want the Chair to use its discretion in that situation and certainly with the help and assistance of both leaders we will try at all times to protect the Chair in its decision in this matter of alternating. It will be done fairly on the part of the Chair and insofar as possible the Chair will then alternate in this situation between the two sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRADE COMPETITIVENESS ASSISTANCE

Mr. ROTH. I want to highlight one point about the import fee of up to 1 percent ad valorem, which will fund the expanded trade competitiveness assistance program for workers added by title II, subtitle B, of the bill. It is my view that we should allow for refunds of the import fee for goods reexported after processing in the United States.

Refunds under such circumstances would be akin to duty drawback, which has long been accepted by the International Trading Community as a legitimate practice, and which enhances our ability to export. Refund of the fee on reexport would help to make U.S.-made products more competitive in world markets, so that we can prevent job losses in this country. This refund should be subject to the same time limitation as duty drawback and application for this refund should take place concomitant with application for drawback.

Mr. BAUCUS. Mr. President, I have a series of questions for the distinguished Senator from Wisconsin concerning his interpretation of the Export Administration Act, specifically those provisions addressing national security export controls.

As I understand it, the Export Administration Act authorizes the control of U.S. exports for national security purposes, to further the foreign policy of the United States, and to prevent the depletion of critical materials in short supply. The act provides separate statutory authority and criteria for imposing controls to further each of these separate interests. In the area of national security, the act authorizes the control of exports of dual-use goods and technology to deny—or at least delay—the Soviet Union and its Warsaw Pact allies access to state-of-the-art Western technology that would permit them to narrow the existing gap in military systems. Is this consistent with the Senator's understanding of the intent of Congress when it enacted the Export Administration Act?

Mr. PROXMIRE. The Senator is correct. Section 5 of the act provides the statutory authority for controlling militarily critical exports for national security purposes. That section provides that exports to the Soviet Union and other controlled countries are to be revised for the contribution those exports would make to the military potential of the Soviet Union or any other controlled country.

Mr. BAUCUS. Section 5 also authorizes the control of militarily critical exports to countries other than controlled countries, that is to all free world countries. However, since the object of those controls is to prevent our goods and technology from reaching the hand of the Soviets or any other adversary, I interpret section 5 to mean that exports to countries other than controlled countries are to be reviewed only for the potential that those exports would be diverted to the Soviet Union or to any other controlled country. Is this consistent with the Senator's understanding of the intent of Congress when it enacted section 5?

Mr. PROXMIRE. The Senator is correct. Section 5 authorizes the control of exports to noncontrolled countries for the purpose of preventing their diversion to the Soviet Union or to any other controlled country.

Mr. BAUCUS. As the Senator is aware, the Department of Defense is authorized, pursuant to a Presidential directive, to review exports to a limited number of noncontrolled countries. I have been informed that the Department of Defense frequently delays processing of export license applications, or recommends their denial, for reasons that have nothing to do with the risk that the goods will be diverted to the Soviet Union. Apparently, Defense is attempting to use the authority given in the President's directive to change U.S. foreign policy, particularly as it relates to trade embargoes. Am I correct in stating that such an attempt to influence foreign policy is inconsistent with the legislative authorization for national security controls contained in the act?

Mr. PROXMIRE. The Senator is correct. Section 5 of the act does not authorize the delay or denial of exports to noncontrolled countries for reasons of foreign policy. Section 6 of the act authorizes export controls for foreign policy purposes, not section 5.

Mr. BAUCUS. In that case, does the Banking Committee intend to exercise its oversight authority to see if the Department of Defense is conducting its review of export licenses in a manner that is inconsistent with the limitations prescribed in the President's directive?

Mr. PROXMIRE. The Senator should be assured that the committee will look into this matter in the context of our reauthorization of the Export Administration Act in 1989.

Mr. BAUCUS. As a final matter, am I also correct that the imposition of foreign policy trade embargoes against countries other than controlled countries is only authorized under section 6 of the act relating to foreign policy controls?

Mr. PROXMIRE. Yes; the Senator is correct.

ROLLCALL VOTE NO. 192

Mr. RUDMAN. Mr. President, last night, July 14, 1987, Senate rollcall vote No. 192 was taken. By this vote, the Senate rejected a motion to table a motion to recommit S. 1420, the Omnibus Trade and Competitiveness Act, to the Senate Finance Committee with instructions. At that time, I inadvertently voted to reject the motion to table the motion to recommit the bill. In fact, however, I intended to vote in favor of the motion to table the motion to recommit S. 1420. I wish to note this fact for the record. Furthermore, it should be noted that had I voted in favor of the motion to table the motion to recommit the bill, it would not have changed the outcome of the vote as the motion to table was rejected by a vote of 36 to 57.

Mr. DODD. Mr. President, one of the very real problems facing many of our trading partners in the developing world is the loss of scarce foreign exchange through capital flight. In some cases, seemingly legitimate import transactions are used as vehicles to disguise the improper export of hard currency through over and under invoicing, customs fraud, and unreasonable price discrimination. Often, these countries do not have sufficient in-country expertise and resources to detect such abuses. To deal with this very serious problem, 26 developing countries have turned to private preshipment inspection companies to detect fraudulent and abusive transactions in all exporting countries, including the United States, before the goods are shipped.

At present, preshipment inspection companies operate without any regulation by the U.S. Government. The question of whether the activities of these companies should be regulated is the subject of investigations by the International Trade Commission and the Office of the U.S. Trade Representative. The ITC has held hearings on the issue, and I understand that their report is due to be released later this summer.

I am certain that my colleagues on the Banking Committee share my interest in steps developing nations are taking to reduce capital flight and related problems. I would like to ask the distinguished Senator from Wisconsin, the chairman of the committee, whether he sees this issue as potentially of interest to the committee?

Mr. PROXMIRE. The gentleman is correct that these are issues with which the committee has traditionally been concerned. Indeed, the committee will be interested in complementary measures that importing countries are taking to address similar problems.

Mr. DODD. Is it the Senator's understanding that there is currently a provision in the other body's version of the trade bill that addresses the question of regulation of preshipment inspection companies by the Secretary of Commerce?

Mr. PROXMIRE. Yes; that is my understanding. Our committee did not address this subject because it was not raised during our hearings or markup and because of the incomplete ITC investigation.

Mr. DODD. If the Senator will yield, what will be the chairman's position on that issue when the bill goes to conference?

Mr. PROXMIRE. I will suggest to House Members that they recede to the Senate. I believe that we should avoid adopting legislation until we have an opportunity to consider the ITC report and make a judgment whether legislation is warranted.

Mr. DODD. I thank the chairman for his remark and I certainly support his position.

WESTERN REGIONAL EXPORT LICENSING OFFICE

Mr. CRANSTON. I say to the Chairman, on the first day of the 100th Congress I introduced S. 13, the Western Regional Export Licensing Office Act. My bill is very straightforward: it authorizes the Department of Commerce to establish in the western region an office which has the authority to issue export licenses.

The central focus of the trade bill is to facilitate trade. We should take every opportunity to make our industries more competitive and promote exports. My purpose in introducing S. 13 was to alleviate some of the administrative burdens the current export licensing system places upon American firms. The Banking Committee has contributed several provisions to this trade bill which will help tremendously. But there is more we can do. It is a fact that our trading partners do not review exports to free world destinations as stringently as we do. Consequently, they issue licenses very quickly, which gives their companies a competitive advantage over ours. Given this fact, we must do everything we can to assist our exporters. The delays resulting from our more careful and stringent licensing system have often resulted in lost sales for our exporters. Placing licensing officials on the west coast, where a very large segment of the U.S. high-technology community is located, would be a step in the right direction. It would enhance the ability of our exporters to compete in the international market—particularly the high-technology sector, which recently posted a trade deficit for the first time ever.

Mr. PROXMIRE. I know the Senator from California has had a strong interest in this matter and has worked hard to reform the Export Administration Act so as to alleviate burdens on our exporters.

Mr. CRANSTON. Unfortunately I had a prior commitment at the time of the Banking markup, so I could not be there to discuss the need for a western regional office and other important reforms.

However, the day after the Banking Committee mark up, I submitted a statement in the Record indicating my intention to offer S. 13 as an amendment to the trade bill on the floor.

The facts speak for themselves. Currently there is only one office—in Washington—to review about 120,000 license applications annually. Licensing officials should be where our exporters are. Last year, 27 percent of all license applications came from California alone. Since 1984, 41 percent of all export licenses by volume have been from the three west coast States.

For too long, western-based businesses have been disadvantaged because of their distance from Washington DC. When an eastern-based business runs into a snag, it takes half a day to go to Washington and resolve it. However, it is expensive and time-consuming for western-based businesses to fly all the way to Washington to resolve their licensing problems. It particularly hurts small and medium size companies which represent the preponderance of the high-technology sector. Similarly, these small firms cannot afford to hire Washington attorneys to resolve their licensing and commodity classification problems.

Mr. Chairman, I understand that the Department of Commerce has been considering opening a western regional export licensing office. My staff was informed last year, when looking into this matter, that due to the heavy percentage of license applications and commodity classification requests from California, Commerce was conducting a feasibility study on a western regional export licensing office.

Mr. PROXMIRE. It is also my understanding that Commerce has been studying such a move and is in the process of an internal study.

Mr. CRANSTON. The House trade bill, H.R. 3, includes a provision similar to S. 13. I would ask that when we go to conference, the chairman recede to the House language.

Mr. PROXMIRE. The Senator has made a strong argument that a western regional export licensing office would be beneficial and I assure the Senator from California that I will attempt to persuade Senate conferees to recede to a version of the House language that will mandate establishing a western regional licensing office.

Mr. CRANSTON. I thank my good friend from Wisconsin.

Mr. SASSER. Mr. President, as a member of the Banking Committee, I rise in strong support of the committee's portion of the trade bill. This bill is the most important export promotion legislation to be considered by the Senate in many years. I am proud to have played a role in its development.

Mr. President, an increase in exports by American business would result in greater domestic employment, expanded economic growth, and, of course, a more positive trade balance. I am pleased that the bill before us today contains a number of significant provisions which will do much to increase the export potential of American business.

First, the amendments to the Export Administration Act are a significant, but reasonable reform of the existing scheme of export controls. For years, we have heard a long litany of testimony in the Banking Committee that our export control system is too rigorous and cumbersome. That the licensing process is too long. That very low level technology is subject to burdensome controls. That, in fact, export controls were ruining the competitiveness of American business worldwide, and costing us jobs at home.

The National Academy of Sciences estimates that compliance with export controls has caused a reduction in U.S. employment of 188,000 jobs and cost American industry $500 million annually.

The Banking Committee language addresses this problem in a responsible manner. While we loosen up on export controls in some respects, there is no compromise of our national security interests.

The recent disclosure of the diversion by the Toshiba Machine Corp. has made us painfully aware that the Soviets are actively engaged in attempting to acquire our technology. Mr. President, I can assure my colleagues that the legislation before us today does not affect the genuine security requirements of the United States.

The bill retains strict procedures for controlling the sale to Eastern bloc countries of high technology goods with military applications. And the bill retains the ability of the Department of Defense to review high technology exports to Western nations when the Department has national security concerns. The bill only places a reasonable time limitation on export licensing reviews to ensure that interagency disputes and other bureaucratic logjams do not develop.

Mr. President, another area where the bill makes great strides to promote exports is export trading companies. Since the passage of the Export Trading Company Act in 1982, bank affiliated export trading companies have grown at a slow rate. They have not realized their potential to facilitate exports. Much of their slow growth has been due to the overvalued dollar and sluggish foreign economies.

However, there is some evidence that regulatory constraints against the receipt of fee income from facilitating trade between other countries may have impaired the growth of export trading companies, particularly in the startup years. Thus, under our bill 100 percent of export trading company revenue can be fee income from facilitating trade between third countries for 2 years, and then 60 percent thereafter. Export trading companies will have the increased income, and the contacts, gained from facilitating trade between other countries.

Mr. President, this bill also contains very important provisions on the Third World debt crisis. Most everyone recognizes that the high level of Third World debt presents a safety and soundness threat to our banking system. Further, the debt crisis threatens the economic, social, and political viability of the lesser developed countries. What most do not realize is that the Third World debt has greatly contributed to our trade imbalance.

The Third World debt situation creates an enormous drive among the debtor nations to increase their exports, since exports produce the foreign exchange to pay debt service. This means two things: One, our markets are flooded with inexpensive imports from the debtor nations and, of course, our domestic manufacturing and employment suffers. And two, markets in the debtor countries dry up for our manufacturers as their available foreign exchange dwindles because of the need to service the debt. Thus, our trade balance takes a double hit. We have reduced exports, at the same time we experience a flood of cheap imports.

Mr. President, it is in our obvious economic interest to make some effort to relieve the burden on the Third World debtors. I am pleased that this bill, chiefly as a result of the exemplary work of my friend Senator SARBANES, takes an important step in the direction of relieving the debt burden, and correcting our trade imbalance.

The bill directs the Treasury Department to begin discussions with other nations to propose the establishment of a multilateral financial authority. This international debt facility would be authorized to purchase sovereign debt of less-developed countries from banks at an appropriate discount. The facility would then enter into negotiations with the debtor countries to restructure the debt. The goal is to provide an orderly and safe process for permanent debt relief.

Further, the debt facility is designed to be a self-supporting entity when it is finally in operation. And it would have a specified termination date. Mr. President, I recognize that there are very significant hurdles which must be overcome before the debt facility can be operational. However, this proposal is a very positive and innovative first step toward reaching a solution to a vexing economic and political problem. Again, I compliment Senator SARBANES for his fine work on this issue.

Mr. President, I have only discussed a few of the areas where the Banking Committee's trade bill will make a significant contribution to increasing America's export potential. Indeed, the amendments made to the Foreign Corrupt Practices Act by the bill will clear up much of the ambiguities and confusion that have made the act an export disincentive for American businessmen. These changes and others in the bill will do much to improve our competitive position in world markets and create jobs at home. I yield the floor.

STATEMENT ON AMENDMENT NO. 588

Mr. BOND. Mr. President, I rise in support of the amendment offered by my colleague from Pennsylvania. Senator HEINZ's amendment makes much needed changes in the export trading company laws to ensure that American businesses are able to use this program to its full extent.

Export trading companies are supposed to stimulate U.S. exports by improving the availability of trade finance, and removing antitrust disincentives to export activities. The legislation authorizing ETC's was passed in 1982, but the results thus far have been disappointing, in large measure because many provisions of the law are inflexible and impractical.

The Senator from Pennsylvania has described the details of how the provisions of his amendment will work. This amendment will lessen the regulatory burden on bank ETC's and give them incentives to use their financial expertise and international contacts to promote U.S. exports.

When I was Governor of Missouri, I worked on promoting exports and small business. In 1985 and 1986 I participated in a district export council for western Missouri and Kansas, and one of my tasks as a member of a task force on export trading companies was to persuade banks to form ETC's. There was not one single bank in Missouri or Kansas that was willing to set up an ETC because of the hassles and headaches involved. Current laws simply make ETC's an unattractive proposition for banks. The Federal Reserve has interpreted the provisions of the ETC law so stringently that banks do not have any incentive to get into the export promotion business. According to the Commerce Department, there are only 27 bank ETC's currently in operation.

The changes proposed in the Heinz amendment are not radical and they reaffirm the basic intent of the law. Excluding third country trade from the requirement that 50 percent of an ETC's revenues be derived from exports will allow bank ETC's to form business relationships which could lead to future exports. The Heinz amendment also clarifies the law that ETC's can export services. The final change made by this amendment raises the leverage ratio limit to 25 to 1. The Federal Reserve is given the flexibility to set tighter limits in cases where the nature of the ETC's product demands it.

The provisions of this amendment are a modest step toward improving our trade deficit. Aggressive export promotion activities can help American businesses take advantage of the fall in the value of the dollar to regain export markets. Streamlining the ETC laws to encourage banks to take advantage of this program will thus promote U.S. exports. I encourage my colleagues to support this amendment.

DON'T REFLAG KUWAIT'S TANKERS

Mr. PELL. Mr. President, earlier today the Senate voted on cloture on the Bumpers-Hatfield amendment. I regret the motion failed, but note a majority of our colleagues supported cloture. I would like to join those Senators who spoke earlier in support of the Bumpers-Hatfield amendment to postpone the reflagging of Kuwait's oil tankers. Over the past few months the Committee on Foreign Relations has held six hearings—four closed and two open—on the administration's Persian Gulf policy. From these hearings one simple fact has clearly emerged: The administration proposed reflagging plan involves a high risk of a United States-Iranian clash while making only a marginal contribution to the protection of United States interests in the Persian Gulf.

Let us consider the risks. Kuwait is Iraq's ally, financier, and port access. Virtually all Iraq's war supplies transit Kuwait. Not surprisingly then, Iran sees the United States reflagging of Kuwait tankers as United States intervention on Iraq's side and as provocative.

Iran has many ways of responding. In spite of the Weinberger report assertions of a "low to moderate" threat, we cannot rule out an attack on an escorted tanker or on an American warship. Iran may use either the Silkworm missile or, perhaps more ominously, a suicide assault from a high-speed patrol boat. Iran may also resort to terrorist attacks against United States facilities in the region and to sabotage and subversion against our moderate Arab gulf friends.

Three deadly attacks in Beirut demonstrate how little we are able to protect our people. Indeed, the Iranians could even resort to terrorism in the United States.

While minimizing these risks, the administration has stressed the Soviet threat. If we do not reflag, it is asserted, the Soviet Union will and thus gain a foothold in the Persian Gulf. I, for one, have never subscribed to the view we should do something merely because the Soviets are doing it. In fact, the Soviets may not reflag because they have the same concerns about the consequences of a clash with Iran that we do.

But suppose they do reflag. Common sense tells us that the conservative Islamic Arab Gulf States are not going to grant the atheistic, Communist Soviet Union bases or port access. At most, the Soviets may gain a slight propaganda advantage from our refusal to implement this ill-conceived reflagging proposal.

There is an opportunity for Soviet gain in the Persian Gulf. The opportunity is provided not by a refusal to reflag but by the possible fallout from proceeding with the plan. Suppose, as is likely, reflagging leads to Iranian attack which in turn results in United States retaliation. Such a United States-Iran clash, especially if intense or prolonged, could lead to an Iranian request for Soviet assistance. As former National Security Council staffer Robert Hunter told the Foreign Relations Committee, it is United States-Iran conflict that could create substantial opportunities for the Soviet Union in the gulf.

By contrast, the benefits of reflagging are minimal. Although President Reagan has raised the specter of gas lines and oil shortage, that is not at stake here. To date, the Persian Gulf war has not significantly affected the international oil market or evern Persian Gulf exports. The tanker war is not escalating and there is no indication it will do so. Indeed, the instability produced by the reflagging is more likely to affect oil supplies than a continuation of the status quo.

The question before us is in the choice of tactics to protect our interests. I believe reflagging is a very poor tactic. As with Lebanon, it brings us in on one side of a bitter regional conflict. As with Lebanon, the administration has minimized the real risks and has provided no convincing rationale for the intervention. As with Lebanon, we are flirting with a disaster that could drive us from the region.

Finally, it is asserted that a vote for the Bumpers/Hatfield amendment would undercut the President after he has made a decision. It is further argued that the President made this decision after extensive consultation on Capitol Hill.

The record of consultation is not as the administration claims. The administration says that it first notified the staffs of the relevant committees in early March of this year. It also asserts that the Foreign Relations Committee was briefed on the reflagging on March 31, 1987. The committee did hold a classified briefing with Assistant Secretary of State Richard Murphy on that date. While Secretary Murphy did discuss a United States role in possibly escorting Kuwaiti ships, he did not state that the administration was planning to reflag. Reflagging only came up after a question from a committee member and was discussed only as a possible option. The Foreign Relations Committee only learned of the administration's intention to reflag from the newspapers, and only after the attack on the *Stark*.

Further, real consultation means taking into account the views of those with whom you consult. Both Houses of Congress have indicated through recent votes that a majority of the Members wish to see reflagging delayed. I call upon the administration to heed this message and to postpone the reflagging. In this way the administration can engage in a truly meaningful consultative process.

Mr. SPECTER. Mr. President, I oppose the Persian Gulf amendment because I consider it entirely inadequate to deal with the problem. I have voted in favor of cloture to cut off debate on other pending amendments involving the Persian Gulf, because I think the Senate should speak out on that matter in a meaningful way. My floor statement of July 9, 1987, summarizes some of my views on the Persian Gulf issue.

As to trade with Iran, in my judgment we should give serious consideration to cutting off trade with Iran irrespective of the Persian Gulf issue because of their conduct on taking our citizens as hostages in 1980 and the significant evidence of their involvement in terrorism around the world.

When the Libyan diplomat was involved in the murder of the British policewoman in April 1984, it seemed to me wrong for the United States to engage in trade with Libya. Accordingly, I introduced legislation to cut off trade with Libya. As I see it, a similar course should be considered with respect to Iran regardless of the issues raised in the Persian Gulf.

While I understand that this amendment constitutes a compromise of many different points of view, I am opposed to it because it does not go far enough or realistically address this problem.

SUSPENSION OF MFN STATUS FOR ROMANIA

Mr. BRADLEY. Mr. President, what lies at the heart of the issue of MFN status for Romania is the issue of human rights. And the question that underlies the debate in this body today is how the United States Government and in particular, the United States Senate should deal with Romania's appalling human rights record with respect to its religious and ethnic minorities. Concern for human rights has kept the debate over Romanian MFN alive over a period of many years and ultimately leads to the conclusion that we had little choice but to proceed with a suspension of MFN status for Romania.

The record shows that the United States Government has been extraordinarily patient and forebearing in its dealings with Romania. But since Romania first received MFN status 12 years ago, the repressive practices of the Government have not improved. Repeated hearings over the last few years have exhaustively documented the abysmal record of the Romanian Government on the rights of religious and ethnic minorities, and revealed a persistent, systematic pattern of human rights violations.

Years of U.S. representations from the executive and legislative branches, as well as from numerous other parties have been to no avail. The list of specific abuses is long and familiar—religious believers imprisoned and beaten, places of worship bulldozed, a Catholic priest beaten to death by police, ethnic minorities—among them 2.5 million Hungarians facing forced assimilation, and deprived of their languages, culture, and traditions. Political rights are nonexistent. Political, religious, and ethnic activists are harassed, arrested, and mistreated. Each year I have met with Romanian officials to make clear my concerns about human rights violations. And each year the Senate has reluctantly extended MFN status to Romania based on the hope of improvements.

But at some point patience runs out and it is time to demand concrete action. That time has come. The Romanian Government has given us no other choice. Romanian assurances have repeatedly proved to be false and their promises unkept. What is clearly needed now is not more promises or assurances but action on our part and even more importantly on Romania's part.

On June 26, after several hours of debate, the Senate took action, voting 57 to 36 to adopt the Dodd-Armstrong amendment to suspend MFN status for 6 months. I cosponsored that amendment and supported that decision. Under the circumstances, I believe it was the best and most credible course available to us. MFN status is a privilege for good behavior on human rights—Romania's record is one of such persistent and documented abuses that not suspending MFN would have constituted de facto exoneration. If only 19 days later, this body were to reverse itself to adopt the Danforth amendment which in effect would reverse the decision to suspend MFN, it would send a terribly wrong signal to the Ceausescu government.

On June 26, the choice before this body was whether to suspend MFN to show the Romanian Government how seriously the Senate of the United States views its sad human rights record. The debate then was over whether such suspension would help or harm the cause of human rights in

Romania. The Senate decided that suspension of MFN was preferable to te alternative of not doing so, and voted to suspend MFN status.

The choice before us today is whether to reverse that decision, and in effect, back down. Continuing MFN would have condoned Romanian human rights violations toward its religious and ethnic minorities. Reversing that decision today would be far worse than not having voted to suspend MFN status in the first place. Therefore, I oppose the Danforth amendment and hope very much that the decision of June 26 will stand.

LEVERAGE

Mr. PROXMIRE. I want to make certain that the proposed amendment prohibiting the Board of Governors of the Federal Reserve System from disapproving a proposed investment by a U.S. bank in an export trading company solely on the basis of a proposed assets to equity ratio of 20 to 1 or less leaves ample discretion for the Board to review the risks presented by the activities in which the export trading company plans to engage. How would the Senator from Pennsylvania respond?

Mr. HEINZ. I would be happy to assure the Senator from Wisconsin that my amendment is not intended to remove the Board's discretion to review the potential risks that could be presented by an ETC's activities. The language of my amendment on leveraging deals only with the proposed assets-to-equity ratio, not with any other aspects of the Board's discretion to review a bank's application.

Mr. PROXMIRE. I thank the Senator from Pennsylvania for his assurances. I wanted to make certain that your amendment did not derogate from the principle that capital adequacy is a critical determinant of the financial strength of an ETC and of its ability to withstand unexpected adverse developments.

EXPORT TRADING COMPANY SERVICES

Mr. PROXMIRE. As I understand it, the language of the amendment offered by the Senator from Pennsylvania would amend the definition of an export trading company to include a company that principally exports goods and services produced by the ETC itself or its affiliate. First, I want to make certain that the change in the definition of an export trading company still requires that the ETC be engaged exclusively in international trade and that the revision does not give it the authority to engage domestically in activities otherwise not permitted for domestic institutions.

Mr. HEINZ. I thank the Senator from Wisconsin for the opportunity to emphasize that nothing in the change in the definition of export trading company is intended to expand the range of activities in which banking institutions can engage in the United States.

SENATOR PELL KEYNOTES U.S. INSTITUTE OF PEACE COLLOQUIUM ON INTERNATIONAL LAW

Mr. MATSUNAGA. Mr. President, on Thursday, July 9, 1987, our colleague from Rhode Island, Senator CLAIBORNE PELL, chairman of our Foreign Relations Committee, delivered the opening address at a most interesting public colloquium on the role of international law, sponsored by the U.S. Institute of Peace. Citing DeTocqueville's observation that America's central contribution to human progress has not been in technology, economics, or culture, but in the institutionalization of law as a check on unrestrained power, and calling for American leadership to help shape a cooperative global order out of diverse and competing interests, Senator PELL set the tone for a very stimulating discussion of the role of international law in resolving conflict.

Participants in this discussion included the Peace Institute's Board of Directors and a distinguished panel of international legal scholars: G. Keith Highet, the incumbent president of the American Society of International Law, Prof. Louis Henkin of Columbia Law School, Prof. Myres McDougal of Yale Law School, the Honorable Steven Schwebel of the International Court of Justice, the Honorable Monroe Leigh of the firm of Steptoe & Johnson, Prof. Adda Bozeman of Sarah Lawrence College, Prof. Anthony D'Amato of Northwestern Law School, and the Honorable John Stevenson of the firm of Sullivan & Cromwell.

The colloquium was the fourth in an ongoing series of symposia devoted to the exploration of "the intellectual map of the field of international peace and conflict management"—the first major in-house research project of the U.S. Institute of Peace. Each individual symposium is dedicated to an examination of 1 to 10 major roadways identified by the Institute as constituting the principal approaches and theoretical foundations of the international peace field. They are one, collective security and deterrence, two, diplomacy and negotiating theory, three, strategic management and arms control, four, international law, five, interstate organization: The global and regional dimensions, six, third-party dispute settlement, seven, transnationalism and functionalism, eight, behavioral approaches: Psychological and nonviolent theories, nine, internal systems: Domestic structures and peaceful behavior, and ten, systemic theories: Ideological and theoretical approaches to peace.

Mr. President, the U.S. Institute of Peace has recently completed its first full year of operations, its Board of Directors having been sworn into office in the latter part of February 1986. In addition to this important research project, the Institute has launched the Jennings Randolph Program for International Peace, appointing the first Jennings Randolph Distinguished Fellows, a group of eight, in March of this year. The Institute has also awarded $1.2 million in grants to nonprofit and official public institutions for peace research and education. Future plans include the production of a pilot television program on United States-Soviet summitry, the first in a planned television series on the history of United States-Soviet relations, a major project on strengthening the United Nations Charter to deal with low intensity conflict, and a national peace essay contest for high school students. The Institute's first annual report will be published in the very near future.

As the principal sponsor of legislation which created the U.S. Institute of Peace, and as one who worked in Congress for more than 22 years to enact such legislation, I am pleased with the Institute's initial achievements, and wish to congratulate the Chairman of the Institute's Board of Directors, the Honorable John Norton Moore, the Board members: Dr. Dennis L. Bark of the Hoover Institution on War, Revolution and Peace at Stanford University; Dr. William R. Kintner of the University of Pennsylvania; Dr. Evron M. Kirkpatrick of the American Enterprise Institute; Morris I. Liebman, Esq. of Chicago; the Reverend Sidney Lovett of Holderness, NH; Pastor Richard John Neuhaus, director of the Center on Religion and Society; W. Bruce Weinrod of the Heritage Foundation; Dr. Allen Weinstein of the Center for Democracy in Boston; and the Board's ex officio members, Assistant Secretary of State Richard Schifter, designated to represent the Secretary of State; Secretary of Defense Caspar W. Weinberger; the Honorable Kenneth L. Adelman, Director of the Arms Control and Disarmament Agency; and Lt. Gen. Bradley C. Hosmer, President of the National Defense University. I would also like to take this opportunity to congratulate the Institute's first President, Robert F. Turner.

Mr. President, I ask unanimous consent that the thought-provoking opening remarks of Senator PELL at the recent colloquium be printed in the RECORD immediately following my remarks.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

THE INSTITUTIONS OF WORLD ORDER: DISMANTLEMENT OR CONSTRUCTION?

(Remarks by Senator Claiborne Pell)

It is a pleasure to address your symposium on the role of international law.

DeTocqueville was among the first to observe that America's central contribution to human progress has not been in technology, economics, or culture, but rather in the institutionalization of law as a check on unrestrained power. Indeed, over the course of 200 years, American society has been dominated by law as no other in history. Where struggles over power in other countries have called forth regiments of troops, in this nation we have generally managed by summoning battalions of lawyers. The one great exception, of course, was our Civil War.

This commitment to law has been reflected in American diplomacy, through which the United States has been instrumental in developing international institutions based on legal obligation. We have been pioneers in the techniques of arbitration and adjudication.

It remains true, of course, that international politics continues to recognize no sovereign power beyond the nation-state; and the age-old struggle between order and anarchy continues. Henry Kissinger once stated this reality in fancier terms, as follows: "When competing national political aims are pressed to the point of unrestrained competition, the precept of laws proves fragile. The unrestrained quest for predominance brooks no legal restraints."

What this means, plain and simple, is that world order requires a balancing of power. But based upon that balance, the primary objective of American foreign policy should, I believe, be to shape a cooperative global order out of diverse and competing interests.

Clearly, in an age of diffused power, the United States cannot hope to impose on others a parochial or self-serving view of how international institutions should function. But we can lead. Indeed, American leadership represents the crucial building block upon which an enhanced world order must be built—and without which it cannot be built. This lesson was demonstrated, tragically, 70 years ago in our refusal to join the League of Nations, and it remains equally—perhaps more—true today.

An age of exploding technology requires expanded legal agreement in both subject matter and international participation. The use of outer space and the oceans, the growing threat from terrorism and advanced weaponry, and the expansion of global communications and multinational business—all require increased international regulation through a legal order.

Unfortunately, this imperative seems not only absent from current Administration priorities, but purposefully rejected. In the years following World War II, every American Administration, Republican and Democratic, supported initiatives to promote international law. But early on, the Reagan Administration displayed a conscious intent to reverse the course set by its predecessors.

When President Reagan's deputy UN ambassador invited his fellow United Nations delegates to sail off into the sunset, asserting that no American tears would be shed, his words could perhaps be dismissed as a politically expedient play for a domestic audience frustrated by international complexities. But no such explanation was possible when President Reagan himself took the calculated decision to reject outright a multilateral Law of the Sea Treaty that had been painstakingly negotiated through years of effort and compromise. That decision created a vacuum in international oceans policy and the absence of legal order from which the United States, as a major sea power, could have greatly benefitted in the long term.

That this decision was not an aberration became manifestly clear in October 1985—a fateful month during which the Administration took two additional, immensely significant actions in further denigration of international law.

First, the Administration cancelled U.S. acceptance of the compulsory jurisdiction of the World Court, thereby renouncing an idea and an institution that American leaders had worked to advance for 80 years. This decision arose from the Administration's desire to proceed, unimpeded, with its undeclared war on the communist government of Nicaragua. Yet the great fallacy was that, by withdrawing from the Court, we in effect accepted the communist concept of a world in which law serves only as a convenient mask for brute power.

The Administration's other act in defiance of international law was its so-called "reinterpretation" of the ABM Treaty, for 15 years the foundation of nuclear arms control. The Treaty prohibits development and deployment of nationwide strategic defenses for two reasons: to prevent a race in offensive systems and to provide the necessary groundwork for negotiated reductions in such weapons. In their zealous pursuit of the Star Wars concept, however, Administration officials launched a concerted attack on the ABM Treaty by purporting to find in its words a meaning diametrically opposite to that intended by those who negotiated it, and to that understood by the Senate which approved it. This "reinterpretation" is thus, in my view, both unconstitutional and a flouting of a solemn international obligation.

Rejection of the Law of the Sea treaty, abandonment of the World Court, and distortion of the most important nuclear arms agreement in history are acts which must, I believe, be seen as reflecting a contempt for international organizations and international law. Such contempt seems to orginate in an outlook that sees the world as one filled with enemies. It is a worldview that says we too must be ruthless—unconstrained by the niceties of international law. We will act unilaterally, and if others use terrorism or defy legal norms, we will do the same.

Unfortunately, we are now seeing all too much of this mentality revealed among those who participated in the Iran-contra affair. In one sense, this is a sad episode with which to mark the 200th anniversary of the United States Constitution. But looking at a brighter side, perhaps it will be therapeutic. Perhaps by being reminded of the great system of law bequeathed by the Founding Fathers, while reflecting on recent deeds of those who failed to understand that system, the American people will be inclined toward a new commitment to the concept of law—both in our own country and in the world of nations.

That, at least, is the hope of one practicing optimist, which as a politician I have found it necessary to be.

SENATOR RUSSELL LONG'S TESTIMONY ON EMPLOYEE STOCK OWNERSHIP PLANS

Mr. MATSUNAGA. Mr. President, I rise to share with my colleagues the wisdom of former Senator Russell Long, of Louisiana. During his 38 distinguished years of service in this body, Senator Long was perhaps best known as an advocate of employee stock ownership and particularly employee stock ownership plans [ESOP's].

Mr. President, it was my good fortune to serve with Russell Long on the Senate Finance Committee and I was happy to work with him on legislation designed to create for the working people of this Nation an opportunity to own a stake in companies for which they work.

Employee stock ownership is an issue that cuts across the jurisdiction of practically every Senate committee. Of the 19 bills pertaining to stock ownership that Russell Long shepherded through the Congress, many were considered and reported by the Finance Committee while others were reported by the Commerce Committee. Employee ownership has recently become of interest to the Banking, Housing, and Urban Affairs Committee in its study of hostile takeovers. Russell Long was recently invited to address this committee on the issue of hostile takeovers and employee ownership. His thoughts on this topic are most sagacious.

I urge my colleagues to study his comments and to work with me in carrying on his legacy so that more working Americans have a chance to own a stake in our Nation's economy.

Mr. President, I ask unanimous consent that Senator Long's testimony of June 26, 1987, before the Senate Banking, Housing, and Urban Affairs Committee be inserted in the RECORD at this point.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY BEFORE THE U.S. SENATE, COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

(By the Honorable Russell B. Long)

Mr. Chairman and members of the Committee, accompanying me today is Jeff Gates, counsel to our firm, who served as counsel to the Finance Committee and assisted me with employee ownership legislation.

Let me make one thing clear. The reason that so much of the employee ownership legislation is focused on tax incentives is because I served on a tax-writing committee. I am a great believer in employee ownership. If I had served on the Armed Services Committee, I expect you might now see defense contractors with employee ownership.

One morning I mentioned to my wife that I was thinking of various reasons why it would be good from a worker's point of view that the worker own stock in the company for which he works. She stopped me short saying: "There is every reason that a worker would like to own stock in the company. Why don't you try to think of some reason why he would not want to own stock in the company."

I have attached to my testimony a memorandum summarizing many of the reasons why I believe we should encourage expanded capital ownership generally, and particularly employee stock ownership. Also attached is a summary of the ESOP tax incentives enacted to date.

During my years on the Finance Committee, and during my years of serving on the Commerce Committee, we enacted 19 separate pieces of legislation improving the prospects for employee ownership.

I am convinced there is a great deal more that can be done to advance the idea of employee ownership. My intention was to get the ball rolling in the hope that others will continue to advance this worthwhile goal.

Employee stock ownership has much to recommend it—not only for employees and for employers but also for the economy and for American society at large.

Employee-owners become more motivated and more dedicated. Work quality and workplace creativity increase. We see improvements in productivity and competitiveness. Absenteeism, turnover and grievances decline.

We commonly see a better understanding by all employees of the company's goals and what is needed to achieve those goals. Employee ownership also improves the quality of working life and provides a workplace environment from which employee involvement programs are more likely to emerge. In short, employee ownership results in better managed and more efficient companies.

I am also convinced that employee stock ownership plans (ESOPs) provide a more equitable way to finance the U.S. economy—by providing an opportunity for working people to gain a stake in this great system of ours.

Judging by the results, one could conclude that the U.S. favors widespread home ownership. With the help of government incentives, home equity now totals approximately $3.5 trillion. Approximately two-thirds of American families own equity in their own homes.

Judging by the results, one could conclude that the U.S. favors widespread public and private pensions. With the help of government incentives, the total assets accumulated in public and private pension plans is rapidly approaching $2 trillion. In addition, our Social Security laws assure that almost everyone living past age 62 will be assured of a minimal level of retirement income and health care.

Of course, it is difficult to characterize Social Security entitlements as an asset when it is really a transfer payment, a promise that one generation will be taxed to support another. For the rank and file employee, his most important asset is a federal assurance that his children will be taxed on his behalf.

Judging by the results, one could also conclude that the U.S. favors a very high concentration of wealth as far as the means of producing goods and services are concerned. According to a 1986 Report by the U.S. General Accounting Office, except for the 22 percent of stock held in pension plans, ninety percent of all corporate stock is owned by just 10 percent of households. The majority of households own none. (See attached table from GAO Report.)

Unfortunately, American corporate law has assisted and few in accumulating for their exclusive benefit most of the ownership of the means of producing goods and services in the U.S. economy. The typical takeover makes this bad situation worse.

The truth is that capitalism has never done a very good job at creating capitalists. Our concentrated pattern of capital ownership is a well-deserved embarrassment to us in our international relations. ESOP financing provides a way to more broadly distribute this nation's abundant wealth without redistributing the wealth of anyone.

EMPLOYEE OWNERSHIP AND TAKEOVERS

This current takeover craze in the United States presents a great opportunity to advance employee ownership. Enormous amounts of income-producing capital are changing hands in the marketplace. To my way of thinking, that ownership is being transferred into far too few hands.

Employees' jobs are often endangered by the enormous debt that generally accompanies these transactions; yet employees seldom have an opportunity to gain a stake in the ownership being financed with that debt. Personally, I believe employees are a corporation's natural shareholders.

If I had my way, any takeover being financed would include a large element of ESOP financing. Corporations incurring this enormous and expensive takeover debt should be encouraged to include as owners those whose efforts will be necessary to repay that debt.

The Tax Code encourages the use of ESOPs as a financing technique—either to finance or to ward off takeovers. For example, companies willing to finance their debt through an ESOP are able to take a tax deduction for not only interest but also principal payments on that debt (up to 25 percent of payroll).

ESOP companies can also claim a tax deduction for dividends paid on ESOP-held stock, either when the dividends are used to repay an ESOP loan or when those dividends are paid out to employees.

In addition, banks lending to ESOPs are able to exclude from their income half the interest earned on ESOP loans. Thus, ESOP companies are able to borrow at less than the prime rate of interest.

Unfortunately, we are not seeing ESOP financing widely used in these transactions. That is unfortunate. There are many reasons for this. Let me mention just a few.

First, ESOP financing is not well understood. Much of the legislation is new, and the area is complex and rapidly evolving. Complexity alone can be a strong disincentive in transactions that move as fast as do many takeovers.

In addition, of course, common greed also plays a part. All too often, the principals in a takeover would rather hog up the entire deal for themselves than cut employees in on it.

Unfortunately there is also a large measure of regulatory uncertainty in this area. The Department of Labor has yet to issue valuation regulations that would be helpful in such transactions. In addition, their failure to issue guidelines, procedural or otherwise, concerning the proper equity allocation between parties in multi-investor transactions involving ESOPs has created an uncertainty that acts as a disincentive to include ESOPs in such transactions.

It is time we had more positive incentives for employee stock ownership in the takeover arena. For example, Safeway Stores was recently taken over through a leveraged buyout. Safeway employs 165,000 people. Had that leveraged buyout been structured with an ESOP, this nation would now have 165,000 new capitalists.

Instead, the transaction was structured to further enrich a small group of investment bankers and others, many of whom are already rich beyond the dreams of avarice. Likewise, the ownership of Beatrice Foods was recently transferred not into the hands of 100,000 Beatrice employees but instead into the hands of a very small, very select group of savvy investment bankers and other investors.

Frankly, I see very little social benefit in transferring enormous amounts of income-producing capital into so few hands. On the other hand, I can see enormous benefits to be gained from transferring as much ownership as possible into the hands of those to whom a company must ultimately turn in insuring its long-range success and competitiveness—its employees.

ESOP'S AND TAKEOVERS

ESOP's can be used either as a sword or as a shield. Knowledgeable companies are awakening to the fact that employees can be friendly and patient shareholders. Thus, the better advised companies are beginning to establish ESOP's as a shield against takeovers. Similarly, as the ongoing negotiations at United Airlines indicate, ESOP financing can also be used as an effective sword in the takeover arena.

This defensive use of ESOPs can directly address one of the principal concerns raised by the legislation—the difficulty facing management in managing for the long term and the resulting decline in America's competitive strength due to the obsession with the short term and the slighting of tomorrow in research, product development, market development and marketing, and in the quality of service.

Employee ownership can create a friendly and, most importantly, a "patient" reservoir of ownership—one that can look to the long term and enable corporations to make the commitments to R&D, capital investment, etc., essential to maintaining competitiveness and to supporting American workers' wages and benefits.

MAINTAINING EMPLOYEE OWNERSHIP

One issue that has proven troublesome to the use of ESOPs in the takeover arena is that of how employee ownership shares are treated in the case of a tender offer.

Current uncertainties in this area act as a disincentive to employee ownership. If the dictum in one recent case is followed, a company with employee ownership could be more vulnerable to a hostile takeover than a company without employee ownership. See Danaher Corp. v. Chicago Pneumatic Tool Co., 635 F. Supp. 246 (S.D.N.Y. 1986).

In that case, the judge suggested that, in responding to a tender offer, an ESOP trustee may not be permitted to rely on employees' directions and consider employees' concerns (such as preserving their jobs). Instead, the court suggested that the trustee may be required to take into account solely the financial interests of existing and future employees.

Ironically, this interpretation would mean that the vote on a tender offer through trust-type employee ownership (as in an ESOP) may be quite the opposite from the vote achieved through direct employee ownership. In fact, a trustee may even be required to vote contrary to the expressed interests of the employee-beneficiaries of an ESOP.

For example, a corporate raider may intend to totally dismember a company and throw employees out of work. Why shouldn't an ESOP be allowed to let employees vote on whether or not they think that is in their best interest?

I believe that an ESOP should be permitted to pass through to employees a decision whether or not to tender shares in an ESOP. After all, the plan was established to benefit employees. Shouldn't the plan be allowed to let employees determine whether or not to tender?

Similarly, if the plan provides that a fiduciary votes those shares, the fiduciary should be allowed to take nonfinancial considerations into effect. For example, a primary advantage to establishing an ESOP is to create an "ownership culture" in a company—leading to a shared sense of values, workplace harmony, dedication and motivation.

Those concerns are real and substantial, and fiduciaries should be protected when those long-term employee stock ownership concerns are taken into consideration, particularly when that purpose is set forth in the ESOP documents.

It should also be clarified that an ESOP trustee may vote, exchange or tender unallocated shares in proportion to the way that participants direct that their allocated shares be voted, exchanged or tendered.

S. 1323 addresses a related issue in its provision allowing pension fund fiduciaries to reject a tender offer without violating their fiduciary duties under ERISA. S. 1324 goes a commendable step further in specifically allowing plan managers to consider long-term stock ownership options in discharging their fiduciary duties. A similar principal should apply to ESOP fiduciaries faced with a tender offer.

Another useful approach the Committee may wish to consider would provide employees a right of first refusal to utilize ESOP financing to acquire their employer when a tender offer is made. At the very least, they should be provided sufficient time to put together a competing bid.

This case is particularly compelling where employees already own a significant portion of the company or where they have recently made significant wage or other concessions.

As any investment banker will tell you, concessions improve cash flow and that improved cash flow can be borrowed against. Typically, a company can borrow five or more dollars for every dollar of concessions. That available leverage should operate to the benefit of the employees—not to finance job-threatening takeovers for others.

Utilizing the tax benefits provided for ESOP financing employees, whenever possible, should be provided an opportunity to produce a competitive bid for shareholder consideration.

The Committee need look no further than the recent acquisition of Eastern Air Lines, Inc. by Texas Air Corporation to find a persuasive example of why employee-owners should be allowed an opportunity to acquire a company, particularly a company in which employees already own a substantial stake.

I also urge the Committee to be sensitive to an employee ownership provision included in the Tax Reform Act of 1986. That provision allows a company to recover the excess assets in a defined benefit pension plan but only to the extent that those assets are transferred to an ESOP to buy employer securities for employees. That employee ownership incentive should be accommodated in your consideration of this bill.

I am convinced that companies that have not yet established an ESOP, and companies that are not actively in the process of considering an ESOP, are not well advised. In addition to the obvious financial, operational, and employee relations benefits of ESOPs, those considering a takeover, as well as those who consider themselves to be a potential takeover target, should realize that an ESOP established now can be a very effective instrument in either advancing or fending off a takeover.

EMPLOYEE OWNERSHIP LEGISLATION

You asked for legislative suggestions to promote employee ownership. Let me offer two suggestions—in addition to those mentioned previously.

First, consider the idea of establishing within the banking system a preference for financing that promotes employee ownership. There are several ways this might be done.

The government could itself establish an employee ownership bank. Ideally its depositors could be drawn largely from companies with employee ownership and its commerical loan portfolio would consist of loans to companies willing to support employee ownership.

A new bank may be unnecessary if existing banks could be encouraged to focus on this area, perhaps by granting preferred access to the Federal Reserve discounting system for notes representing ESOP loans.

Second, I note that absent from this draft is the requirement for an economic impact statement assessing the impact of takeovers. I understand the concerns that led to its deletion.

Let me suggest, however, an impact statement that would have no effect on efficient market operations. Consider requiring the filing of an ownership impact statement identifying the ownership beneficiaries of takeover transactions. That information is well known by the parties involved.

Where a takeover does not include a substantial element of employee ownership, you might consider requiring a statement explaining why. Congress approved incentives to include employees in these transactions. If they are *not* being included, we should find out why and see if we can do something about it.

This requirement could, in itself, do much both to encourage employee ownership. If the American public better understood how few people benefit from these transactions, I believe they would press Congress for legislation ensuring that more people benefit.

If they understood that foreign ownership of U.S. assets jumped by 26 percent last year, to $1.3 trillion, I think that they would urge Congress to ensure that more Americans benefit from takeovers.

Also, once the public and affected employees begin to understand that there is an employee ownership alternative to takeovers, they will voice their preference for takeovers that include a substantial element of employee ownership.

One school of thought suggests that all takeovers are desirable, efficient and good for the economy. I disagree with that point of view. Yet I believe that even those advocating that extreme position would agree that where takeovers include employee ownership they are far more desirable, make for a far more efficient economy, and are much better for the economy.

CONCLUSION

Within the jurisdiction of this Committee, I feel certain there are many things that could be done. However, this is not my area of expertise and I will defer to your judgment on that matter, though I ask that you confer with us as you proceed.

I would urge you to keep one primary point in mind: enormous amounts of income-producing capital are changing hands due to these takeover transactions. Anything that this Committee can do to insure that those transactions operate to broaden the ownership base of America, particularly among working Americans, would do much to improve this country.

For the most part, these takeovers do not speak well for the image the U.S. projects abroad. Yet the same transactions, were they structured to include a large component of employee ownership, could show how this great system of ours can work to the benefit of the common working people of this country. At the same time, such a takeover structure could add a much needed boost to our international competitiveness.

I am delighted to see this Committee's interest in employee ownership. With your support and encouragement, I have no doubt that employee ownership can continue to grow and that we can create a more equitable, a more productive, and a more competitive society.

Thank you very much.

"CLASSICAL HAWAIIAN DANCE"

Mr. MATSUNAGA. Mr. President, in my native State of Hawaii this year, 1987, is being observed as "the Year of the Hawaiian," during which time public attention is being focused, through innumerable community events, upon the cultural contributions and achievements of native Hawaiians to modern day life in the Aloha State.

One of the most readily recognizable of these contributions is that of the Hawaiian Hula, an art form which received national attention this past week at the American Dance Festival held at Duke University in Durham, NC. In the Saturday, July 11, edition of the New York Times there is a dramatic photograph of dancer Keola Toyama performing at the festival with members of the Ka Pa Hula Hawaii troop, one of four Hawaiian dance companies which performed at the festival's salute to classical Hawaiian dance.

In the interest of making my colleagues and others aware of how vividly this ethnic folk dance blends into the overall tapestry represented by American folk dance, I ask unanimous consent that the accompanying story to the photograph in the New York Times by Jack Anderson be printed in the RECORD, following my remarks.

There being no objection, the ordered to be printed in the RECORD, as follows:

THE DANCE: A SALUTE TO THE HULA

(By Jack Anderson)

DURHAM, N.C. July 10—The American Dance Festival brought four Hawaiian dance companies to Page Auditorium of Duke University on Thursday night. Watching "Dance Hawaii: A Salute to Classical Hawaiian Dance" was like making a voyage of discovery.

The offerings had little to do with the corny or sentimental Hawaiian dances one sometimes sees in nightclubs or movies. Although, just as in those commercialized presentations, bodies swayed and arms rippled, traditional Hawaiian dance proved to possess enormous dignity. In some ways it was even a rather austere dance form. The performers usually stationed themselves in lines and seldom moved far across the stage. Musical accompaniment was simple, consisting only of singing and percussion instruments.

Nevertheless, Hawaiian dance involved a fusion of the arts. Dancers sang and played instruments as they moved. And singers gestured in choreographed patterns.

The program's serious tone was established at the outset by the chants and dances of Na Hula Pahu O Kaua'i, a troupe consisting of three generations of the same family: Kau'i Zuttermeister, her daughter, Noe Noe Lani Zuttermeister Lewis, and her granddaughter, Hauolionalani Lewis.

Offering invocations to the gods in song and dance, the women made declamatory gestures as they chanted. Their ceremonial dances emphasized steps forward and back while their arms reached upward and downward. The three women made it clear the hula is a sacred art, and that Hawaiians who preserve it know why their ancestors considered chanting to be the language of the gods.

There were other declamatory gestures in the presentations by Ka Pa Hula Hawaii. Yet this group, directed by John Renken Kahai' Topolinski, surprised many dancegoers, for it was an all-male hula company. Yet it may not have surprised historians, for the dance troups attached to the ancient Hawaiian courts consisted entirely of men.

Wearing pieces of cloth wrapped around their bodies, the group's eight men danced to chants celebrating the joys of nature, among them the joys of procreation. Other chants to which they danced came from the 19th century and praised trains and telephones. There were many vigorous stampings and thrustings of the arms and swayings from side to side.

Several dances involved the use of percussion instruments. In one, the men first beat wooden staffs together, then beat them against the ground. In others, they shook feathered rattles and struck gourds against the floor. These works made dance and music inseparable.

So did some of the presentations by Halau Hula O Hoakalei, directed by Helen Hoakalei Kamauu, niece of Iolani Luahine, one of the greatest of all 20th-century Hawaiian dancers. The festival dedicated this Hawaiian program to the memory of Ms. Luahine, who died in 1978. The members of the company of women wore white blouses and green skirts over white pantaloons. Like Mr. Topolinski's men, they danced playing unusual musical instruments.

The dancers rocked a platter-shaped board with their right feet and struck sticks together in a dance about the tranquil sea. Another dance was performed in a seated position and the women both made flowing arm gestures from side to side and beat drums made of coconut shells. Equally fascinating was a dance in which they held lava rocks in their hands, clicking them like castanets as they swayed back and forth and occasionally raised their arms upward.

Traditionally, hulas can be performed by either men or women, but only one company on the program brought men and women together in the same pieces. This occurred in the works by Halau O Kekuhi, directed by Pualani and Nalani Kanaka'ole. The dances performed in unison by three men and three women were unusually vigorous and emphasized stances with deeply bent knees. At times the performers crouched low, then let their knees turn outward.

There were also many contrasts between gliding and sharply thrusting arm movements. A dance performed in a seated position was filled with sways to the side and deep back bends. The energy of these works was appropriate, for many were tributes to the Hawaiian goddess of volcanoes.

JACOB E. DAVIS HONORED

Mr. GLENN. Mr. President, the Greater Cincinnati Foundation recently created the Jacob E. Davis Award for Voluntary Leadership to honor the man who retired as the foundation's director after 24 years of leadership and service in Cincinnati's civic and philanthropic life.

The Cincinnati Enquirer, in a special editorial tribute to Jacob E. Davis, cited the energy he devoted to the well-being of the Ohio community which "made him something akin to an indispensable man".

Mr. Davis is the former president and chairman of the Kroger Co., one of the largest Ohio-headquartered companies. He served as a Member of the U.S. House of Representatives from Ohio's Sixth District from 1941 to 1943, when he was named special assistant to then Secretary of the Navy James V. Forrestal.

Mr. President, it is with pleasure that I include the Cincinnati Enquirer's editorial tribute to this outstanding citizen of Ohio—Jacob E. Davis.

Mr. President, I ask unanimous consent that the text of the article be included in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Cincinnati Enquirer, April 11, 1987]

JACOB E. DAVIS—GREATER CINCINNATI FOUNDATION LOSES ITS EFFECTIVE DIRECTOR

Those who concern themselves with Cincinnati's civic and philanthropic life will find it difficult to imagine the Greater Cincinnati Foundation without Jacob E. Davis, whose retirement as director became effective April 1. The energy he invested in the foundation from the moment of its creation 24 years ago made him something akin to an indispensable man.

Mr. Davis became executive vice president of the Kroger Co. in 1949 and moved up to president in 1962. When he retired, no one would have blamed him if he had devoted himself to leisurely reflection. He had already done the work of two or three men. He had been a prosecuting attorney and Common Pleas judge in Pike County, speaker pro tem and majority leader of the Ohio House of Representatives, a member of the U.S. House of Representatives and assistant general counsel to the Navy Department.

He chose instead to become the first chairman of the Greater Cincinnati's Foundation distribution committee. Later he was associate director, and in 1978 he was elevated to director—a position of leadership to which he gave every ounce of his considerable talent.

Nothing could be more fitting than that the board of directors of the Greater Cincinnati Foundation has created the Jacob E. Davis Award for Volunteer Leadership to honor others, year after year, who devote themselves to the well-being of the community. The award perpetuates not only a name, but also a tradition of which Cincinnatians have every reason to be proud.

JUDGES SUPPORT DELAYING IMPLEMENTATION OF SENTENCING GUIDELINES

Mr. DIXON. Mr. President, last week I introduced legislation which would delay the implementation of the new Federal Criminal Sentencing Guidelines until May 1, 1989.

At that time, I discussed my serious concerns about how these guidelines may impact our judicial system. Although I agree with the intent of these guidelines, I think it is important to recognize that they are a vast departure from our longstanding, current system of criminal sentencing, and such a drastic change without proper examination by Congress may prove disastrous to the fair execution of Federal justice.

The guidelines, as they are now written, could undermine the intentions of Congress. They will likely increase sentencing disparities, transfer sentencing discretion to the prosecutor, bog down the district courts and the courts of appeals in endless sentencing hearings and appeals, and vastly increase the Federal prison population.

I believe it would be irresponsible to implement the guidelines before these concerns can be addressed.

I would like to share with my colleagues four letters I have received from Federal judges from my State. All of these judges are well respected, and good friends of mine. They were appointed by Presidents of both parties. Each of them points out serious concerns they have about the sentencing guidelines and ask for their implementation to be delayed. These concerns appear to be well-founded, and worthy of serious consideration.

Mr. President, these guidelines would mark a revolutionary change in our judicial system. Clearly, the guidelines create many uncertainties. My legislation is simply aimed at giving Congress time to determine whether the proposed guidelines are workable.

Mr. President, I ask unanimous consent that these four letters from well-respected Federal judges be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. Circuit Court of Appeals,
for the Seventh Circuit,
Chicago, IL, June 19, 1987.

Hon. Alan J. Dixon,
316 Senate Hart Office Building,
Washington, DC.

Dear Senator Dixon: At the Seventh Circuit Judicial Council, the administrative body of the federal courts in the states of Illinois, Indiana and Wisconsin, has unanimously passed a resolution recommending that Congress defer the implementation of the Sentencing Guidelines and Policy Statements adopted by the United States Sentencing Commission for eighteen months during which time the guidelines should be tested in one pilot district in each circuit.

Over the last year, the judges of the Seventh Circuit have been reviewing the draft work product of the United States Sentencing Commission and providing comments. At our recent circuit conference held pursuant to 28 U.S.C. § 333 in May, the judges discussed the final product. In that connection, District Judge Michael Mihm of Peoria presented an oral report based on discussions and comments with judges of the Seventh Circuit and his own study of the Guidelines. The written follow-up to his oral presentation at the Circuit Conference is enclosed. It details some of the particular problems with the Guidelines.

The current Sentencing Guidelines represent a radical departure from past sentencing practices. The judges fear that the Guidelines will not cure the disparity in sentencing, that they will be arbitrary in their application, that they will reduce sentencing to a complex game, and that they will greatly increase the number and types of appeals of sentences. We may be wrong in our assessment but we firmly believe that such a radical departure from past sentencing practices should be tested before it is nationally implemented. We think that the enclosed proposal of the judges of the Sixth Circuit Judicial Conference (Michigan, Ohio, Kentucky, and Tennessee) for delay in implementation to allow study of the Sentencing Guidelines in one district per circuit makes good sense.

We appreciate your consideration in our views.

Very truly yours,
William J. Bauer,
Chief Judge.

U.S. District Court,
Northern District of Illinois,
Chicago, IL, June 25, 1987.

Senator Alan Dixon,
Hart Senate Office Building,
Washington, DC.

Dear Alan: I assume you have received materials from Chief Judge William J. Bauer requesting an 18 month delay in the approval/implementation of the Sentencing Guidelines for Federal Courts which are non pending before the Congress. The reason for the delay is to enable one district in each circuit to use or work with the guidelines to determine their validity and effect.

I endorse and join in Chief Judge Bauer's request. The Guidelines, while the result of a painstaking effort, propose radical changes in sentencing: probation is a guideline sentence in only 10% of the analyzed cases, the sentencing process is very complex and the sentence imposed can be appealed by either the government or the defense (depending on the circumstances).

Sentencing is one of the most awesome acts I perform. It should not be so radically revised without thoughtful study and tentative application.

With best wishes,
Cordially,
Prentice H. Marshall.

U.S. District Court,
Northern District of Illinois
Chicago, IL, June 19, 1987.

Hon. Alan J. Dixon,
U.S. Senate,
Washington, DC.

Dear Senator Dixon: The sentencing guidelines recently submitted to Congress by the United States Sentencing Commission are scheduled automatically to go into effect on November 1, 1987, absent some further action by Congress.

The idea of the Sentencing Commission was received by the entire federal judiciary with considerable reservation while we awaited the end product of the Commission's work. The Commission functioned conscientiously, held public hearings, and accepted comment, but, in fact, the final guidelines and policy statements submitted to Congress are almost universally disapproved by the federal judiciary.

While I have not, of course, canvassed the judiciary in its entirety, I have yet to speak to one judge on this subject who favored the proposed guidelines, this despite the fact that Attorney General Meese is strongly in favor of them and urging their early implementation.

One of our very able district judges, Michael M. Mihm, of the Central District of Illinois, has written a memorandum on the guidelines which very adequately expresses my feelings and the feelings of many other judges with whom I have consulted. I enclose it for your consideration.

The purpose of this letter is to ask your cooperation in giving serious consideration to the proposal that the implementation of these guidelines be deferred until some time beyond the automatic November 1, 1987 date in order to avoid the impending havoc with the criminal justice system which they portend. This would be a temporary step toward enlarging the opportunity of the federal courts, some bar associations, and large numbers of members of the bar to work toward our ultimate goal, which would be to obtain a substantial revision of the proposed guidelines or, preferably, to abolish the Sentencing Commission and abandon the whole idea.

I would be delighted to answer any questions or participate in any discussion on the subject which you might wish, but I think you will find Judge Mihms's comments on the guidelines a very adequate exposition of the problems we see in them.

Thank you, as always, for your attention and cooperation.

Sincerely,
Frank J. McGarr.

U.S. District Court,
Northern District of Illinois,
Rockford IL, July 2, 1987.

Hon. Alan Dixon,
U.S. Senate, Washington, DC.

Dear Alan: It isn't often that I am moved to write to my friends who are members of Congress, because I recognize how busy you are and how many letters you receive on a myriad of subjects.

In the case of the new Sentencing Act, however, I consider the legislation such a grievous mistake that I am impelled to state my reservations and to urge restraint in the implementation of the Act. Chief Judge William Bauer of the Seventh Circuit has strongly suggested that implementation be delayed for 18 months in order to allow the courts, the prosecutors and defense attorneys to test the provisions of the Act under actual working conditions.

I am aware that there is always a resistance to change of any kind. In this case, however, I have personally followed the development of the Act and have discussed it with many judges, defense lawyers and prosecutors. We are unanimous in our opinion that if implemented in its present form it will result in unmitigated disaster.

It is my understanding that Judge Bauer has sent a copy of his letter to all members of Congress, so I will not burden you by reiterating the problems we all anticipate. In actual practice I would suggest that many additional problems, not presently anticipated, will also occur.

I would appreciate your efforts in delaying the implementation of this Act until the provisions may be thoroughly tested in the field.

Best personal regards,
Sincerely,
Stanley J. Roszkowski,
Judge, U.S. District Court.

DEBT LIMIT EXTENSION

Mr. DOLE. Mr. President, I ask unanimous consent that a letter which I recently received from Secretary James Baker be printed in the Record.

Secretary Baker has provided to us very useful and important information related to the expiration of the temporary debt limit. He urges us to consider this matter as expeditiously as possible.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The Secretary of the Treasury,
Washington, July 8, 1987.

Hon. Robert J. Dole,
Republican Leader,
U.S. Senate, Washington, DC.

Dear Bob: I am writing to request that the Congress act by July 17 on legislation to extend the debt ceiling. The temporary debt limit enacted May 15 expires at midnight on July 17. The ceiling then reverts to the $2.1 trillion permanent ceiling—about $195 billion below the amount of debt that we estimate will be outstanding.

The Congress enacted only a two-month extension of the temporary debt limit in May to assure that there would be no other choice but to revisit the debt limit in mid-July. Enactment of a debt limit extension by July 17 is crucial to prevent disruptions in Treasury debt management that would begin immediately. As described below, in the absence of timely Congressional action the Government could well default on its obligations on July 30, and almost certainly will do so on July 31.

The following actions must be taken if the Congress delays enactment of a debt limit increase. On July 17, we would have to (1) notify the 44,000 savings bond issuing agents not to sell any more bonds and (2) notify the Federal Reserve Banks to stop issuing State and local government series (SLGS) Treasury securities. Interruption in the availability of SLGS will result in lost interest earnings and interest arbitrage rebate problems for municipal entities. Furthermore, Treasury will be unable to invest or roll over maturing investments of trust funds and other Government accounts. For many of these accounts, Congressional action will be required if any resultant losses of investment income are to be restored.

Disruptions in Treasury's normal market financing will begin on July 20 with the postponement of the weekly bill auction. On July 23, $13.7 billion maturing bills will have to be redeemed in full. We will notify the thousands of smaller investors who use the Treasury book-entry system that they may receive a check instead of their requested reinvestment of the redemption proceeds in new bills. This will be done so that they can plan alternative investments. Smaller investors in book-entry Treasury bills maturing July 30 would also have to be notified, with the additional warning that the checks may not be honored on July 30.

The Treasury may well not have enough cash to pay off $13.7 billion of maturing weekly bills on July 30. Even if the Treasury managed to get through July 30, our balance would be perilously small and we would almost certainly run out of cash the next day. On July 31, in addition to defaulting on $10.2 billion of maturing marketable Treasury notes, the United States would not be able to honor $2.1 billion of benefit payments to veterans and supplemental security income beneficiaries. Further, on August 3, $17.1 billion of social security benefit payments could not be honored, nor could $4.2 billion of benefit payments to railroad, military and civil service retirees.

I should stress that defaulting on already outstanding, validly incurred obligations has far graver effects than halting operations of the Government when spending authority is allowed to lapse, such as when there is a delay in action on appropriations. A failure to pay what is already due will cause certain and serious harm to our credit, financial markets and our citizens; it is not remotely similar to a lapse in authority to incur new obligations.

I urge you to seek the cooperation of your colleagues and to act quickly on a debt limit increase in order to prevent unnecessary problems and later default on the Government's obligations. We are requesting an increase in the current debt ceiling to: (a) $2,800 billion, an amount sufficient to get through May 1989, and avoid the burden of dealing with this time consuming issue in the midst of election year schedules; or (b) $2,578 billion, the amount estimated in the President's Budget to be necessary for FY 1988.

I cannot overemphasize the damage that would be done to the United States' credit standing in the world if the Government were to default on its obligations, nor the unprecedented and catastrophic repercussions that would ensue. Market chaos, financial institution failures, higher interest rates, flight from the dollar and loss of confidence in the certainty of all United States Government obligations would produce a global economic and financial calamity. Future generations of Americans would have to pay dearly for this grave breach of a 200-year old trust.

Sincerely,

JAMES A. BAKER III.

BICENTENNIAL MINUTE

JULY 15, 1833: THOMAS COLLIER PLATT BORN

Mr. DOLE. Mr. President, on July 15, 1833, 154 years ago today, Thomas Collier Platt was born in Owego, NY. His career as a New York political boss and as a U.S. Senator typifies the influence of political party machines at the turn of the 20th century. Early in his life, Platt became a close ally of the powerful New York "stalwart" Republican Roscoe Conkling. Gaining influence in the party from his position as county clerk, Platt parlayed his skill in obtaining political favors for others into seats first in the House of Representatives in 1873, and then in the Senate in 1881.

Platt's machiavellian political maneuvers backfired in early 1881 over a patronage dispute. In return for Conkling's support in the Presidential campaign of 1880, President James Garfield had agreed to consult the Senator on all New York appointments. When Garfield appointed William H. Robertson, a Conkling enemy, to the strategic post of collector of the Port of New York, Conklin was livid. He called the appointment "perfidy without parallel" and promised, "There will be hell before Judge Robertson is confirmed." After a 2-month struggle, however, it appeared that the Senate would back Garfield.

On May 16, only 73 days after taking his place in the Senate, Platt, along with Conkling, resigned from the Senate before the confirmation vote. Both men were confident that the New York Legislature would quickly vindicate their opposition to the President by reelecting them to their Senate seats. To their consternation, the legislature selected two others. The episode ended Conkling's political career and began a period of seclusion for his protege, Platt. Eventually Platt recovered his power and inherited Conkling's organization. The New York Legislature elected him to the Senate in 1897 and again in 1903. Although virtually silent in the Senate, Platt would continue to orchestrate New York politics from Washington.

MORNING BUSINESS

(During the day morning business was transacted and statements were submitted, as follows:)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal, which were referred to the appropriate committees.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 9:43 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 88. Joint resolution to designate the period commencing November 15, 1987, and ending November 21, 1987, as "Geography Awareness Week".

At 3:28 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House insists upon its amendments to the bill (S. 825) to amend and extend certain laws relating to housing, and for other purposes, disagreed to by the Senate; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. ST GERMAIN, Mr. SCHUMER, Mr. FRANK, Mr. LEHMAN of California, Mr. MORRISON of Connecticut, Ms. KAPTUR, Mr. ERDREICH, Mr WYLIE, Mrs. ROUKEMA, Mr. WORTLEY, Mr. BEREUTER, Mr. HILER, Mr. RIDGE, and Mr. BARTLETT as managers of the conference on the part of the House.

ENROLLED JOINT RESOLUTION SIGNED

At 6:09 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 88. Joint resolution to designate the period commencing November 15, 1987, and ending November 21, 1987, as "Geography Awareness Week".

The enrolled joint resolution was signed by the President pro tempore (Mr. STENNIS).

At 7:13 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the joint resolution (H.J. Res. 122) to designate the week beginning July 13, 1987, as "Snow White Week".

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 122. Joint resolution to designate the week beginning July 13, 1987, as "Snow White Week".

The enrolled joint resolution was subsequently signed by the Deputy President pro tempore (Mr. MITCHELL).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 769. A bill to amend the Public Health Service Act to authorize assistance for centers for minority medical education, minority pharmacy education, minority veterinary, medicine education, and minority dentistry education (Rept. No. 100-110).

By Mr. GLENN, from the Committee on Governmental Affairs:

Special Report entitled "Activities of the Committee on Governmental Affairs (Rept. No. 100-111).

By Mr. PELL, from the Committee on Foreign Relations, without amendment:

S. 1498. A bill to amend the Arms Control and Disarmament Act to authorize appropriations for fiscal year 1988 for the Arms Control and Disarmament Agency, and for other purposes Rept. No. 100-112).

By Mr. INOUYE, from the Select Committee on Indian Affairs, without amendment:

S. Res. 249. An original resolution relative to expenditures by the Select Committee on Indian Affairs; referred to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CHILES:

S. 1494. A bill to provide that the exception from the hospital insurance tax for service performed by an election official or election worker shall apply where renumeration for such service is less than $500 in a calendar year; to the Committee on Finance.

By Mr. SYMMS:

S. 1495. A bill to amend the Internal Revenue Code of 1986 to provide that certain loans between a domestic international sales corporation and a member of the same controlled group of corporations be treated as qualified export assets; to the Committee on Finance.

By Mr. LUGAR:

S. 1496. A bill to continue the suspension of duty on certain antibiotic intermediate; to the Committee on Finance.

S. 1497. A bill to temporarily suspend the duty on a certain antibiotic intermediates; to the Committee on Finance.

By Mr. PELL, from the Committee on Foreign Relations:

S. 1498. A bill to amend the Arms Control and Disarmament Act to authorize appropriations for fiscal year 1988 for the Arms Control and Disarmament Agency, and for other purposes; placed on the calendar.

By Mr. SIMON:

S. 1499. A bill to authorize a program for the prevention of abuse of older individuals; to the Committee on Labor and Human Resources.

By Mr. McCONNELL:

S. 1500. A bill to promote rural development; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CRANSTON (for himself, Mr. Matsunaga, Mr. DeConcini, Mr. Mitchell, Mr. Rockefeller, Mr. Graham, Mr. Dodd, Mr. Kerry, Mr. Gore, Mr. Harkin, and Mr. Daschle):

S. 1501. A bill to amend title 38, United States Code, to eliminate the requirement that the Administrator of Veterans' Affairs carry out a transition under which community-based Vet Centers would be moved to Veterans' Administration medical facilities and to provide standards and procedures governing any closures or moves of Vet Centers, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SIMON (for himself, Mr. Dixon, Mr. Kennedy, Mr. Levin, and Mr. Pryor):

S.J. Res. 174. A joint resolution designating the week beginning November 15, 1987, as "African American Education Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. INOUYE, from the Select Committee on Indian Affairs:

S. Res. 249. An original resolution relative to expenditures by the Select Committee on Indian Affairs; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHILES:

S. 1494. A bill to provide that the exception from the hospital insurance tax for service performed by an election official or election worker shall apply where remuneration for such service is less than $500 in a calendar year; to the Committee on Finance.

EXCEPTION FROM HEALTH INSURANCE TAX FOR CERTAIN WORKERS

● Mr. CHILES. Mr. President, the democratic election process is one of the most prized institutions of our Nation. This week in Florida 63 election supervisors from throughout the State are meeting to share their professional experiences and thoughts on how to best protect each citizen's right and opportunity to vote.

Election supervisors are usually afforded a modest budget for ensuring each citizen's right to exercise the franchise. Consequently, they rely heavily on assistance from members of the community who are offered a small stipend to compensate for their time. In my State, as many as 30,433 citizens assist at poll sites on each election day.

In years where a district has only one election, the total amount a poll worker earns is less than $100. However, if a district should hold two or more elections, collective earnings for the calendar year usually exceed $100. Under current tax laws, the poll worker must pay a 1.45 percent Medicare tax on all earnings of $100. An additional 1.45 percent must come from the supervisor's budget.

Mr. President, it has come to my attention that the administrative costs for levying this tax is quite burdensome for local election supervisors. For some districts, it will mean the processing of an additional 1,000 W-2 forms each year for what often amounts to less than a $2 contribution to Medicare from each employee. Some supervisors are considering reducing manpower at poll sites, thus risking the smooth operation of election day activities, in order to reduce these administrative costs.

I am introducing legislation today which will exempt election officials and poll workers earning less than $500 per year from the Medicare tax. The estimated revenue loss for this exemption is insignificant. The increased cost to the election offices and, eventually, to the local taxpayer for administering collection of the tax, is not.

Election supervisors must soon take steps to implement the Medicare tax requirements. It is my hope that this legislation is secured before unnecessary expenditures are made.●

By Mr. SYMMS:

S. 1495. A bill to amend the Internal Revenue Code of 1986 to provide that certain loans between a domestic international sales corporation and a member of the same controlled group of corporations be treated as qualified export assets; to the Committee on Finance.

TAX TREATMENT OF CERTAIN LOANS

Mr. SYMMS. Mr. President, in 1971 Congress passed legislation creating Domestic International Sales Corporations [DISC's]. The express purpose of such legislation was to spur exports by domestic corporations.

According to the Secretary of the Treasury in a June 24, 1972, open letter to U.S. businessmen:

> The DISC legislation provides a straightforward method of treating exports for tax purposes in a manner more equivalent to that available to many foreign competitors. These provisions are designed especially to encourage smaller businesses, which may have little or no export experience, to export.

Mr. President, the Treasury touted the legislation as a simple way to allow U.S. exporters to compete more effectively with foreign producers. It would stimulate domestic industry, encourage exports, and create jobs. Moreover, the new rules were supposed to be very simple to follow. Indeed, members of the Department of Commerce went around to business meetings in the United States in the early 1970's to explain how simple and easy it would be to utilize this statute, increase exports, and obtain the appropriate tax incentive.

Mr. President, the DISC incentive was successful for the most part. In fact, it was so successful that many of the members of GATT began to complain about it and alleged that it was an unfair subidy of U.S. exporters. The Treasury has estimated that

DISC's—which have recently been replaced by FSC's—increased export sales by many billions of dollars annually. The DISC legislation achieved its intended effect of decreasing the trade deficit, preventing the erosion of U.S. jobs and counteracting the movement of facilities offshore. Agricultural exports were an important part of this trend.

The DISC provisions have, however, created an absolute nightmare for some taxpayers. The initial legislation imposed several supposedly simple requirements for obtaining the DISC tax benefits. One of these was that the assets of the DISC corporation had to be reinvested in the DISC's export business. Specially, the statute permitted the DISC to put its assets into things like inventory to be sold outside the United States, accounts receivable from export sales and "temporary investments, which are reasonably necessary to meet the working capital requirements of such corporation." Admittedly the original legislation allowed for producer loans in very narrowly defined situations. However, there was no provision in the statute prohibiting short-term loans to an affiliated corporation from coming within the working capital category.

After the legislation had passed and after Treasury and Commerce told everyone how simple it would be, Treasury promulgated regulations which imposed a number of new and very technical requirements for obtaining the DISC benefits—in addition to those set out in the statute. One of the worst of these traps was a sentence buried deep in the regulations to the effect that loans to affiliated corporations could not qualify as working capital of a DISC. The provision did not turn on the term of the loan or its relation to the export business of the DISC. It was a simple and complete prohibition. This provision could disqualify the DISC, thereby eliminating—not merely lessening—the entire DISC benefit. It could actually wipe out all of the DISC benefits for all years that the taxpayer had used a DISC.

The courts have recognized that this provision undercuts the original intent of the DISC legislation but have felt bound to follow the rule in the regulations.

This result has been particularly unfair on small exporting taxpayers. Big corporations, of course, hired their usual armies of accountants and lawyers, who hunted for and pointed out all of the traps in the regulations. They told their clients, for example, how to put the excess DISC funds in Export-Import Bank obligations on the last day of the year in order to keep the DISC qualified—even if the funds were loaned to an affiliate for the rest of the year. Small farmers and other small-time exporters, et cetera, those taxpayers with the least ability to hire high-priced tax professionals, thought that as long as the money of the DISC was being used in the export business, they were doing what Congress had wanted. Years later such small taxpayers are finding out that their short-term loans of working capital to affiliated corporations cause as to them an effective repeal of the DISC legislation.

The disparity in treatment between small and large taxpayers has been accentuated by the changes associated in the 1984 substitution of the Foreign Sales Corporation provisions for the older DISC provisions. At that time qualified deferred DISC profits became permanently exempted if the DISC qualified on all year-ends through the 1984 year-end. However, a failure to qualify under the technical rules at any intermediate year-end would permanently deprive a nonqualifying taxpayer—almost always a smaller business—from part or all of such exemption.

This situation cries out for relief. Treasury has, in essence, reneged on a promise it and Congress made to the small farmers and exporters of America. To right such wrong, I propose a simple statute. It says that short-term loans to affiliated corporations qualify as DISC qualified export assets, to the extent of the lesser of $10 million or 20 percent of the average export receipts of the DISC for the preceding 3 years.

The bill is effective for all years in which the DISC provisions were in effect up through 1984.

Lastly, Congress has been looking at numerous ways to enhance U.S. competitive capabilities and further stimulate U.S. exports. One such way is the removal of past problems that preoccupy the small exporters and leave them disdainful of the process. The timing of this legislation is very important as we need to keep the small exporter in the game—not throwing up their hands in despair and walking away from international sales opportunities.

I ask Congress to see the inherent fairness in this measure, to adhere to its earlier promises to the exporters of America, to show we are still committed to export expansion and to pass this measure.

By Mr. SIMON:

S. 1499. A bill to authorize a program for the prevention of abuse of older individuals; to the Committee on Labor and Human Resources.

ASSISTANCE FOR THE PREVENTION OF ABUSE OF OLDER INDIVIDUALS

● Mr. SIMON. Mr. President, I am pleased to introduce today the Pepper-Simon elder abuse prevention bill. As my distinguished colleague, Representative CLAUDE PEPPER, stated when he introduced this as an amendment to the "Older Americans Act, this proposal addresses the horrific and shameful problem of the abuse, neglect, and exploitation of our Nation's elderly."

The problem is well documented; the statistics are shameful. Some 1.1 million elderly Americans are victims of financial, emotional, and physical abuse. This means that about 4 percent—1 out of 25 of our Nation's elderly—are victimized. Unfortunately, this number will rise unless something is done.

This bill is a first step toward providing help which is long overdue. This legislation would require that each State implement a competent program to prevent elder abuse and provide some assistance. These programs would be charged with a range of tasks including:

Providing public education and outreach services to identify and prevent elder abuse;

Receiving reports of such abuse, neglect, and exploitation. This effort could be greatly enhanced through use of statewide toll-free telephone hotlines to report cases of abuse;

Providing information to the victims of abuse about what assistance is available and helping them gain access to these programs;

Referring complaints and other reports of elder abuse, neglect, and exploitation, to law enforcement agencies and other appropriate State and local bodies for possible punitive action.

These programs would conform strictly to pertinent State laws and would be designed to compliment and not duplicate any existing State or local elder abuse prevention and protection programs. Some States have shown great leadership in establishing meaningful elder abuse programs. My amendment would assure that these programs are continued and strengthened.

While many States have taken steps to require the reporting of elder abuse cases, these efforts are severely hampered in the absence of Federal aid and authority. Since 1981, the primary source of Federal funding for State protective services, the social services block grant, has been cut nearly one-fifth by direct cuts and inflation. As stated in the report by the Select Committee on Aging in 1985:

> Faced with the clear need to do more, the Federal Government is doing considerably less.

It is startling that while the States are only able to spend about $22 for each child State resident, on the average, for child protective services, it is even more tragic that the States spend only $2.90 for each elderly resident. This situation exists even though approximately 40 percent of all reported abuse cases involve adults and abused elders.

Families and victims tend to keep the problems hidden and to shun outside help. This attitude must change. The issue of elder abuse will not go away until all of us recognize the necessity for increased awareness and firm action.

I urge my colleagues to join me in supporting this needed attention to the problem.●

By Mr. McCONNELL:

S. 1500. A bill to promote rural development; to the Committee on Agriculture, Nutrition, and Forestry.

RURAL DEVELOPMENT IMPROVEMENTS ACT

● Mr. McCONNELL. Mr. President, as many of my colleagues are aware, the Senate and the House Agriculture Committees have been conducting hearings on the issue of rural development in an attempt to develop and define a legislative response to the severe crisis in rural America. I applaud the initiative of the chairman of the Agriculture Committee, Senator LEAHY, and his interest in addressing this most serious of issues. Each of us from rural States is intimately familiar with the desperate situation in rural America. Our Nation's small towns and farm communities face profound challenges.

The statistics related to the House and Senate Agriculture Committees tell a grim story. Rural America has less than 25 percent of this Nation's population, yet 38 percent of the Nation's poor can be found there, as can 67 percent of the substandard housing. Rural unemployment rates are significantly higher than in urban areas. More than 25 percent of all rural nonfarm businesses are having severe financial problems. The most recent data available show that farm incomes have fallen more than 40 percent from the decade of the 1970's. The U.S. Department of Agriculture estimates that farm land values fell by $146 billion between 1982 and 1985, which has implications, not only for farmers, but rural communities which have lost vital tax bases.

The statements of the witnesses before the Agriculture Committee were compelling and brought to light the profound severity of the problem in rural America. However, they also generated several creative and thoughtful proposals for how best to address these problems. I found it interesting that several of the witnesses argued that the driving force behind any solid, long-term recovery in rural economies will ultimately be improvement in macroeconomic factors: The Federal deficit, the trade deficit, exchange rates and interest rates. Gov. George Sinner of North Dakota gave testimony to the fact that macroeconomic forces have had severe impacts on our economy. "Federal borrowing," he noted, "which prior to 1980 had never exceeded 2 percent of U.S. gross national product, has reached 6 percent. Heavy borrowing at all levels has pushed real interest rates and the dollar to all time highs, and you know the rest of the story of lost markets at home and abroad." It follows, I think my colleagues will agree, that responsible fiscal and monetary policy will have a large impact on the ability of our Nation's small towns and rural areas to survive.

But this is not to suggest that there is no Federal role in the effort to help rural America through the difficulties it is experiencing. Existing programs funnel hundreds of millions of dollars to rural areas. In rethinking our Federal rural development efforts, we must realize the constraints we face, and perhaps the largest constraint is the limited amount of available Federal resources. Given this limitation, much of our effort will have to be on refocussing and refining our efforts, on helping communities identify and develop resources available to them. By streamlining, refining, and reemphasizing current programs, the Federal Government can be made to work more effectively for rural America.

It is with these thoughts in mind that I rise today to introduce the Rural Development Improvements Act. Before I elaborate upon the provisions of my bill, I think it might be appropriate to discuss some of my thoughts on a few of the major problems facing our rural areas—problems which the Federal Government is in a position to effectively address.

To begin with, the Federal Government currently offers a great deal of assistance to rural areas. Through the Farmers Home Administration, the Rural Electrification Administration, the Economic Development Administration, the Small Business Administration, the Department of Housing and Urban Development, to name just a few of the Federal agencies, we attempt to provide rural areas with the necessary resources to confront the challenges they face. However, because there are so many different and diverse Federal program, there seems to be no coherent, focussed Federal rural development policy. Our efforts are scattered, often overlapping, often failing to cooperate where they could work together to rural America's advantage.

Another problem which exists for small rural communities is the lack of expertise with which they must face rural challenges. Because they lack resources, they are unable, in many cases, to provide salaries for their city officials, let alone hire trained development professionals to assist them. Several local government officials expressed to the Senate Agriculture Committee that they need technical assistance—anything from help in identifying current Federal programs for which they are eligible, to access to information about economic development strategies, to assistance in designing an alternative rural economic development strategy.

I think it is important to emphasize that the health of rural economies are highly dependent upon the health of our Nation's agricultural economy. Agricultural income supports other industries and businesses in small communities; farm dollars spent in rural communities can generate as much as 3 dollars' worth of economic activity in the local economy. Because of this leverage it is clear that, until we see a sustained improvement in the agricultural sector, rural economies will remain depressed. The farm bill will do much to make our Nation's farmers competitive, and to restore vitality to agricultural markets. I think, however, that Congress should continue to explore more ways in which the Federal Government can improve its efforts to help agriculture return to profitability.

One problem faced by rural America which I am particularly familiar with, and am concerned about, is education. Rural development is closely linked to the quality of education in many ways. Economic development depends directly on the availability of a trained work force. A recent study conducted by the Southern Growth Policies Board demonstrated that those countries which expanded the fastest were those where the people were the best educated. In Kentucky, and throughout the entire Southeast, the challenge is particularly acute. Illiteracy rates are extremely high. In Kentucky, 80 percent of the unemployed, a study by MDC has shown, cannot be trained for new jobs because they lack even basic educational skills. In the words of Ken James, a Kentuckian who testified before the Senate Agriculture Committee, "education is the key to economic growth."

In addition, the shape of the agriculture industry is changing at an exponential pace. Where yesterday agriculture educators taught traditional agricultural production, today's student, and tomorrow's agribusiness leaders, must be familiar with new production technologies, new management and marketing practices, and they must be able to handle themselves effectively in a competitive business environment. Vocational agriculture education programs should be given the means to lay the foundations for a new and promising agricultural future. Congress should reassert the importance of vocational agriculture in ensuring the viability of our Nation's most important industry for generations to come, thereby promoting, in a very fundamental sense, the economic soundness of our Nation's rural areas.

I will not argue that the Rural Development Improvements Act will be a panacea which will make rural America's problems go away. However, I think the provisions of my bill represent several important steps toward facing up to the challenge, and I intend the various provisons of this bill to be a constructive part of the House and Senate debate on rural development.

As I have stated, the main thrust of this bill is reform—redefining, streamlining, refocussing, and improving Federal rural development efforts. The first major emphasis of my bill involves restructuring the Department of Agriculture's rural development functions. The Rural Electrification Administration and the Farmers Home Administration have both been active in helping to develop rural America. I propose to combine the rural development efforts of these two agencies into the Rural Electrification and Development Administration. By combining expertise and financial resources, we can improve the delivery of rural development assistance, and the unique organization of REA borrower cooperatives will enable it to be more responsive to the needs of rural Americans. This represents the first step toward creating a single Federal agency responsible for providing assistance to rural areas, thereby providing the Federal Government the opportunity to develop a focussed and coherent rural development policy.

Bob Bergland, the executive vice-president of the National Rural Electric Cooperative Association, noted in his comments to the Agriculture Committee that, since the 1960's "rural electric systems have been involved in community and economic development efforts that have created nearly 1 million new jobs." He continued by adding "it is essential that any rural development programs incorporate the same Federal-community partnership that has made rural electrification so successful." I think Bob's testimony was to the point—the REA should be given an expanded role in our Federal rural development efforts. The local rural electric cooperatives can be responsive and effective agents in promoting economic well-being in our Nation's small communities.

The National Rural Electric Cooperative Authority, in conjunction with the Tennessee Valley Authority, in fact, has already demonstrated their interest and competence in providing guidance to communities wishing to promote economic development. The Rural Community and Economic Development Manual is a guidebook they have put together outlining step-by-step how local community leaders can design and implement a development policy tailored for their specific situation and resources. I have ensured that this manual is available to development officials throughout my State of Kentucky. It is an outstanding tool for small communities, and, as I have noted, demonstrates NRECA's willingness and ability to encourage rural development.

I envision that REDA will provide technical assistance and leadership development opportunities to local officials and will work with local organizations in implementing its rural development mandate. Also, I believe that REDA's efforts should place a special emphasis on new and more effective ways of developing existing industry and promoting small business, as demonstrated by the National Association of Town and Township's dynamic program "Harvesting Hometown Jobs." Through identifying and more effectively utilizing existing resources, small communities across the Nation have successfully confronted the challenges facing small towns.

With regard to agricultural profitability, my bill would enhance the outstanding efforts of the Agricultural Extension Service, providing them with greater training so that they may respond more effectively to farmers' needs in a competitive agricultural environment. I also propose to broaden our Federal crop insurance programs to provide incentives for farmers to grow alternative agricultural commodities. By encouraging them to diversify their operations into nontraditional crops, we can help insulate them from some of the volatility of traditional agricultural markets.

Education is a vital element of any economic development policy, especially for rural America, and especially for our agricultural industry. Our Nation's vocational agriculture education programs will serve an important role in training and developing the agricultural leaders of tomorrow, and my bill emphasizes their importance in helping promote agriculture and rural development. Stuart Rosenfeld, of the Southern Growth Policies Board, in an article run in the Phi Delta Kappan, stated that "vocational agriculture programs better fit the modern needs of rural America and provide a[n] . . . effective stimulus to economic growth." Through strengthening existing vocational agriculture programs, we can enable them to better respond to the needs of rural agricultural communities, and to develop the capability of tomorrow's farmers and agribusinessmen and women and help them return agriculture to profitability.

Finally, my bill requests that the Department of Agriculture conduct a study focusing on the efforts of communities to deal with the crisis in rural America. By examining several communities which have been successful in rural development, and contrasting them with nearby communities which have not, we can better learn about what is required for an appropriate and successful local development policy.

This bill has many elements and addresses the rural development problem on several levels, and it will be but one part of a broader rural development initiative which I will be conducting for my home State of Kentucky. As I have stated, there are no panaceas, no one single program or policy which will magically allay the challenges facing rural America. However we can do things to make the Federal Government work better, to be more responsive, and to be more efficient and effective in its efforts to help rural communities and small towns.

Our country began as an agrarian nation of small communities—the values of rural America are interwoven into the fabric of our Nation's history. The challenges facing rural America are not insurmountable, and rural America holds the promise of prosperity even during these painful times of economic hardship. But, rural development will not take place over night, and will require a partnership between all levels of government and private industry. The Rural Development Improvements Act will be an important first step toward helping our Nation's rural communities to cope with the crisis in rural America, and I encourage my colleagues to support this legislation.

I ask unanimous consent that a brief, point-by-point summary of this legislation be printed following the bill in the text of the RECORD, and I thank the Chair.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1500

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

Congress finds that—

(1) rural areas have made great contributions to the history and cultural development of the United States;

(2) the health of rural communities throughout the United States is a vital component of the health of the national economy;

(3) the crises in agriculture, mining, manufacturing, and other industries have had a profound impact on rural America;

(4) current Federal programs are not adequately addressing the economic needs of rural America;

(5) the Federal government, under severe budgetary limitations, must utilize existing resources and develop creative new approaches to address the economic needs of rural America;

(6) the importance of education, entrepreneurship, and agricultural profitability to rural development should be emphasized; and

(7) the reorganization and refocusing of Federal programs will improve the responsiveness of government to the challenges facing rural America.

SEC. 2. RURAL ELECTRIFICATION AND DEVELOPMENT ADMINISTRATION.

(a) Establishment.—There is established within the Department of Agriculture a Rural Electrification and Development Administration (hereinafter referred to in this Act as the "REDA").

(b) Administrator.—

(1) Appointment.—The Secretary of Agriculture shall appoint an Administrator to carry out the functions of the REDA.

(2) Compensation.—The Administrator shall be paid a salary determined by the Secretary of Agriculture, but in no event shall that salary exceed the equivalent of the rate prescribed for Executive Level III of the Executive Schedule established under section 5332 of title 5, United States Code.

(b) Functions.—The REDA shall—

(1) oversee Department of Agriculture grant and loan programs that focus on rural development;

(2) provide technical assistance and leadership development to State and local officials concerning rural development;

(3) work with agricultural cooperatives, private organizations, and small colleges to coordinate rural development activities;

(4) assume the rural development functions of the Rural Electrification Administration and the Farmers Home Administration, including—

(A) the rural electrification loan program established under title I of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.);

(B) the rural direct telephone loan program established under title III of such Act (7 U.S.C. 930 et seq.);

(C) the water and waste facility loan program established under section 306 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926);

(D) the rural industrialization assistance program established under section 310B of such Act (7 U.S.C. 1932);

(E) the low-income farm ownership loan program established under section 310D of such Act (7 U.S.C. 1934);

(F) the community facility loan program established under section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)); and

(G) the rural housing loan and assistance programs established under title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.);

(5) provide technical assistance and financial advice directly to cities receiving REDA water and waste facility loans; and

(6) provide advice to communities to identify water and waste program alternatives as directed by the Secretary of Agriculture.

SEC. 3. REDA ACTIVITIES.

The industry development activities of the REDA shall place major emphasis on the promotion, propagation, and expansion of indigenous and existing industries.

SEC. 4. AGRICULTURAL PROFITABILITY.

(a) Finding.—Congress finds that the recovery of rural areas throughout the United States is dependent on the profit making ability of producers and on recovery of the agricultural sector of the economy.

(b) Extension Service.—The Smith-Lever Act (7 U.S.C. 341 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 11. EXTENSION SERVICE AGENTS.

"(a) Appointment.—The Secretary of Agriculture shall appoint persons to serve as agents for the extension service at all State service locations.

"(b) Certification.—

"(1) In General.—Each agent appointed under subsection (a) shall be annually certified in accordance with paragraph (2) and under regulations prescribed by the Secretary.

"(2) Requirement.—In order to be certified under paragraph (1), a person must demonstrate to the Secretary sufficient knowledge in advanced agricultural technology, agricultural marketing, farm management, and in other areas as determined to be necessary by the Secretary.

"(3) Continuing education.—The Secretary shall prescribe by regulation minimum continuing education requirements in fields of study related to those in paragraph (2), not to be less than three credit hours per year in a State or community college or university.".

SEC. 5. CROP INSURANCE.

Section 111 of the Federal Crop Insurance Act (7 U.S.C. 1518) is amended—

(1) by inserting "or alternative crop," after "or any other agricultural commodity,"; and

(2) by adding at the end thereof the following new sentence: "For purposes of this Act, the term 'alternative crop' means a crop that is not in surplus and is not covered by a Federal crop program.".

SEC. 6. AGRICULTURAL EDUCATION.

(a) Sense of Congress.—It is the sense of Congress that, in view of the continuing crisis in agriculture, vocational agricultural education and organizations such as the Future Farmers of America, the Postsecondary Agricultural Students, and the Young Farmers, play an important role in responding to the needs of agriculture, and in training a new generation of leaders to confront the challenges facing rural America.

(b) State Vocational Education Advisory Councils.—The Carl D. Perkins Vocational Education Act (20 U.S.C. 2301 et seq.) (hereinafter referred to in this section as "such Act") is amended—

(1) in section 112(a) (20 U.S.C. 2322(a)), by adding at the end thereof the following new sentence: "Vacancies that occur on a State council shall be filled in a timely manner by the Governor or the board of education, consistent with paragraph (1).";

(2) in section 112(c) (20 U.S.C. 2322(c)), by striking out "one" in the second sentence, and inserting in lieu thereof "four"; and

(3) in section 113(a)(2)(B) (20 U.S.C. 2323(a)(2)(B)), by inserting "of the dates, times, and locations of such hearings" after "sufficient notice".

(c) State Occupational Information Coordinating Committees.—Section 422(b) of such Act (20 U.S.C. 2422(b)) is amended—

(1) in subparagraph (A) by striking out "and" at the end thereof;

(2) in subparagraph (B) by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(C) analyze data sources and develop new program and employment data for agricultural occupations.".

(d) Use of Vocational Education Program Funds.—Section 251 of such Act (20 U.S.C. 2341) is amended by adding at the end thereof the following new subsections:

"(c) The Secretary shall, on request from a State, issue a statement to that State to clarify the uses permitted under subsection (a).

"(d) In carrying out subsection (a), each State may use amounts appropriated for maintenance purposes, including the replacement and upgrading of existing equipment and facilities.".

(e) Use of Vocational Education Opportunity Funds.—Subsection (d)(2) of section 201 of such Act (20 U.S.C. 2331(d)(2)) is amended by inserting before the period ", or in the case of schools that have vocational agriculture education programs, at least 40 percent of the students enrolled in such programs are economically disadvantaged".

(f) Distribution of Vocational Education Opportunity Funds.—Section 202 of such Act (20 U.S.C. 2332) is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end thereof the following new subsection:

"(b) The portions referred to in subsection (a) shall not impair the quality of programs not identified with a special class of persons.".

(g) National Advisory Council on Vocational Education.—Part D of such Act (20 U.S.C. 2431) is amended by adding at the end thereof the following new subsection:

"(h) Not later than 60 days after the completion of the Study of Agricultural Education on the Secondary Level by the National Academy of Science, as described in section 1438 of the Food Security Act of 1985 (Public Law 99-198), the National Advisory Council on Vocational Education shall review the findings of such study. The National Advisory Council on Vocational Education shall develop recommendations (including recommendations for legislation) to carry out such findings.".

(h) Vocational Education Personnel.—

(1) State vocational agriculture education programs.—Section 111 of such Act (20 U.S.C. 2321) is amended by adding at the end thereof the following new subsection:

"(f) Each State conducting an agricultural educational program authorized by this Act shall assign not less than two individuals within the appropriate agency established or designated by the State board under the last sentence of subsection (a)(1) to administer and supervise vocational education agriculture programs within the State.".

(2) Office of Vocational and Adult Education.—Part A of title V of such Act (20 U.S.C. 2461 et seq.) is amended by adding at the end thereof the following new section:

"PERSONNEL

"Sec. 507. The Secretary shall ensure that not less than two full-time personnel of the Office of Vocational and Adult Education, established under section 206 of the Department of Education Organization Act (20 U.S.C. 3416), shall be employed to administer and supervise vocational education agriculture programs.".

(3) Conforming amendment.—The table of contents set forth in section 1 of such Act (20 U.S.C. 2301) is amended by inserting after the item relating to Section 506, the following new item:

"Sec. 507. Personnel"

SEC. 7. ECONOMIC DEVELOPMENT STUDIES.

(a) Studies.—

(1) Subject.—The Secretary of Agriculture shall conduct a study of eight small communities that are economically successful, as determined by the Secretary.

(2) Focus of studies.—The studies shall focus on the methods and resources utilized by the communities in becoming economically successful, and shall be contrasted to less successful communities similar to those studied.

(b) Report.—Not less than 180 days after the date of enactment of this Act, the Secretary shall issue a report to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition and Forestry of the Senate concerning—

(1) the findings of the studies referred to in subsection (a);

(2) the availability of local and federal resources to small communities for economic development; and

(3) recommended economic development strategies for such communities.

SECTION-BY-SECTION DISCUSSION OF MCCONNELL BILL

SECTION 1—FINDINGS OF FACT ABOUT RURAL AMERICA

SECTION 2—RURAL ELECTRIFICATION AND DEVELOPMENT ADMINISTRATION (REDA)

The rural development functions of the Rural Electrification Administration, and Farmers Home Administration will be combined into a new agency, REDA. Functions to be merged are as follows:

Community Facility Program-(FmHA).
Business and Industry Loan Program-(FmHA).
Rural Water and Sewer Loans and Grants-(FmHA).
Rental Assistant Program-(FmHA).
Low Income Housing Loans-(FmHA).
Very Low Income Housing Repair Loan-(FmHA).
Rural Rental Housing Loans-(FmHA).
Rural Telephone Loans-(REA).
Rural Electrification Loans-(REA).

This title consolidates and focuses several rural development programs within the Department of Agriculture. Consolidating REA and FmHA rural development efforts represents the first step toward creating, from all of the federal programs directed at rural America, a single agency which can effectively respond to the needs of rural America.

REDA will have several charges. Among these are overseeing various federal grant and loan programs, providing technical assistance and leadership development to local officials and recipients of rural water and waste facility loans, working with agricultural cooperatives, private organizations, and small colleges in coordinating development activities.

SECTION 3—PROGRAM FOCUS

This title expresses that REDA should provide special emphasis on so-called "hometown" industries in its rural development efforts. This type of rural development, concentrating on expanding small and existing businesses and industries, is much less expensive and much more successful than attempting to attract large scale industry.

SECTION 4—AGRICULTURAL PROFITABILITY

(a) Finding of Fact:

(b) Extension Service Agents: Require that all county extension agents be certified annually in advanced agricultural technolgy, agricultural marketing, farm management, and other areas deemed necessary by the Secretary of Agriculture. The Secretary shall set minimum continuing education requirements not to be less than 3 credit-hours per year.

This section, first, recognizes that agricultural profitability has a large impact on the economic health of rural areas, and, second, helps to ensure that the Extension Service can fulfill its mission more effectively. While success in agriculture today depends upon progressive marketing and management, in addition to effective production, county extension agents, because of the sheer volume of the knowledge they must comprehend and teach, are not always capable of assimilating the latest management and marketing technologies. By mandating that they stay abreast of modern financial, managerial, and production technologies, we could allow them to be more effective in helping farmers become more competitive and more profitable.

SECTION 5—CROP INSURANCE

The Secretary of Agriculture shall make available subsidized federal crop insurance for "alternative" crops.

In American agriculture, there is a need for farmers to diversify their operations away from traditional agricultural commodities, such as wheat, corn, or soybeans, for example, thereby making the agricultural economy less dependent upon major crops and less susceptible to the volatility of those markets. New or specialty crops can allow farmers to find new market windows, opportunities to produce a profit. Crop insurance, by reducing the risk associated with these non-traditional crops, would provide incentive for a farmer to try new things, improve his or her operation.

SECTION 6—AGRICULTURAL EDUCATION

Despite the agricultural crisis, vocational agriculture education has received decreasing emphasis. This title addresses several technical changes in the regulations governing the Carl Perkins Act which will allow vocational agriculture to be more responsive to rural educational needs.

(a) Sense of Congress Resolution which expresses the sense of the senate that vocational agriculture and FFA, PAS, and YF are important to sustaining a recovery in rural America.

(b) Fulfilling the intent of the Carl Perkins Vocational Education Act (CPVEA).

(1) Ensure that agricultural vacancies on state vocational education advisory councils, specified in Section 112 of Part B of Title I of the CPVEA, are filled in a timely manner.

(2) Ensure that these state advisory councils meet at least 4 times a year, (to ensure that they are taking a more than cursory role in providing guidance to vo-ed programs).

(3) Ensure advisory council involvement meetings and input into state vocational education plans, as specified in Section 113(B)(2)(A), by requiring timely and public notification of dates and location of meetings regarding the state plan, as specified in Section 113(B)(2)(B).

Part (b) answers concerns which have been expressed that some states are not adequately utilizing their State Vocational Education Advisory Councils, and that agricultural interests are not always represented on these councils.

(c) The state occupational information system shall carefully analyze data sources and develop program and employment data for the agricultural occupation that is accurate and useful, as specified in Section 422, Part C, Title IV.

(d) Interpretations of the legislation and the rules and regulations for the Carl Perkins Vocational Education Act.

(1) Request that the Department of Education issue regulations clarifying, for the benefit of states, the provisions of Title II, Part B, Sec. 251.

(2) For the purposes of Section 251, part B, of Title II, CPVEA, the term "maintenance" shall be defined so as not to exclude the replacement and upgrading of existing equipment and facilities.

Section 251 identifies several uses for which federal funds can be used in vocational education programs—part (d) asks the Department of Education to define these rather vague categories and states that these specifications should not impair the quality of vo-ag programs. In some states, including Kentucky, these specifications prevent vo-ag departments, for instance, from buying a drill press to replace their old one, because it does not represent "new technology." We want to ensure that vocational educators can use federal funds to replace old equipment or facilities with new, even though these replacements do not represent "high tech" or massive innovation.

(e) Use of funds from the CPVEA.

(1) For vocational agriculture programs, in Item (2), Part D, Section 201, Title II, change 75% to 40%.

This is to allow vocational agriculture programs to more easily qualify for funds targeted toward special populations, thereby recognizing that farmers and future farmers, are a "special population".

(f) Ensure that the set-asides discussed in Section 202 of Part A and Section 251 of Part B, Title II (which target groups such as economically disadvantaged, handicapped, women, minorities, etc . . .) do not impair the quality of programs not identified with special populations.

Several set-asides target federal assistance toward certain populations. While these special needs must not be overlooked, we want to insure that arbitrary quotas do not decrease the quality of vocational agriculture programs for all students. At the same time, we want the Department of Education to recognize that farmers and their families fall in the specified categories.

(g) The President's National Advisory Council on Vocational Education shall review the upcoming study from the National Academy of Sciences, National Research Council, Board of Agriculture, on agricultural education in secondary schools, and to develop recommendations on implementation of the study's findings within 60 days.

(h) Provide that not less than 2 full time professional staff members of the Office of Vocational and Adult Education of the Department of Education shall be employed for the administration and supervision of vocational agriculture programs, and that states similarly provide adequate staffing for their vocational agriculture programs.

This section reinforces Section 7(c) of PL 81-740. It states there "the national office shall be the Chief of the Agricultural Education Service, Office of Education, Federal Security Agency, the executive secretary shall be a member of that service, and the treasurer shall be an employee or member of a State agency that directs or supervises a State program of agricultural education under the provisions of . . . Public Law 347, Sixty-fourth Congress, and Public Law 586, Seventy-ninth Congress."

SECTION 7—PILOT STUDIES ON COMMUNITY-BASED ECONOMIC DEVELOPMENT

(a) Requires the Secretary of Agriculture to conduct 8 pilot studies on the subject of small community-based economic development, focussing on methods and resources utilized by 8 economically successful small communities, as contrasted to neighboring less-successful communities.

(b) Requires a report to be issued to Congress on their findings no later than 180 days after passage of this measure, which shall include a discussion of local and federal resources available to small communities for economic development, and recommended economic development strategies for small communities.●

By Mr. CRANSTON (for himself, Mr. Matsunaga, Mr. DeConcini, Mr. Mitchell, Mr. Rockefeller, Mr. Graham, Mr. Dodd, Mr. Kerry, Mr. Gore, Mr. Harkin, and Mr. Daschle):

S. 1501. A bill to amend title 38, United States Code, to eliminate the requirement that the Administrator of Veterans' Affairs carry out a transition under which community-based Vet Centers would be moved to Veterans' Administration medical facilities and to provide standards and procedures governing any closures or moves of Vet Centers, and for other purposes; to the Committee on Veterans' Affairs.

VIETNAM VETERANS' READJUSTMENT COUNSELING PROGRAM PRESERVATION ACT

Mr. CRANSTON. Mr. President, as chairman of the Committee on Veterans' Affairs, I am today introducing S. 1501, the proposed "Vietnam Veterans Readjustment Counseling Program Preservation Act." Joining with me in introducing this measure are the following members of our committee, Senators Matsunaga, DeConcini, Mitchell, Rockefeller, and Graham, as well as our colleagues, Senators Kerry, Dodd, Gore, Harkin, and Daschle.

Mr. President, this measure contains several provisions relating to the VA's Readjustment Counseling Program for Vietnam-era veterans and, more specifically, to the mandate in current law that the program undergo a 2-year transition beginning October 1, 1987, from a program providing services primarily through Vet Centers—generally storefront facilities situated in local committees apart from general VA facilities—to a program providing such services primarily through such general VA health-care facilities, such as medical centers and out-patient clinics.

BACKGROUND

Mr. President, there are a number of milestones in current law as amended in 1983 by Public Law 98-160 and again last year in Public Law 99-576, which are related to this transition process. The transition requirement was initially established in 1981 at a time when there was a limit on the period—to end on September 30, 1984—in which an otherwise eligible Vietnam veteran could request readjustment counseling services. The intention of Congress in establishing a transition requirement was to ensure that the VA would continue to have capacity to provide counseling to those veterans who were already clients in the program when the eligibility period had ended. Congress repealed the 1984 limit in 1983 in Public Law 98-160, making the entitlement to request readjustment counseling a permanent one.

Mr. President, the first of the transition milestones was October 1 of last year, the date by which the Administrator of Veterans' Affairs was mandated to submit a report to the two Veterans' Affairs Committees on the results of a comprehensive study of the prevalence and incidence of post-traumatic stress disorder [PTSD] and other postwar psychological problems in readjusting after military service. Following that report, and taking the results into consideration, the Administrator is required under current law to submit two additional reports before the transition period begins—one on April 1, 1987, and the other on July 1, 1987. To date only the first of these reports has been received.

This first report, which was sent to the committee under a July 9, 1987 letter, sets forth the Administrator's evaluation of the program's effectiveness in helping to meet the readjustment needs of Vietnam-era veterans, the Administrator's opinion on the extent to which the readjustment needs of Vietnam-era veterans remain unmet, and the extent to which Vet Centers are needed to meet that need. The second report—the one which was due on July 1, 1987—must set forth the Administrator's plan for accomplishing the transition required by current law to take place gradually during fiscal years 1988 and 1989.

Mr. President, with respect to the April 1-July 9 report, I am disappointed that the Administrator recommended no change in the current-law transition requirement but instead recommended that the relocation process go forward. This recommendation was particularly surprising in light of the results of three other evaluations of the Vet Center Program which are set forth in an appendix to the April 1-July 9 report. Specifically, the report describes the work of the VA's Department of Medicine and Surgery Vet Center Planning Committee and notes its January 1986 recommendations that:

The present Vet Center Program should be continued after fiscal year 1988 with no major alterations in structure, services, or eligibility.

The Veterans' Administration should forward a legislative initiative to remove the concept of a general disbanding of Vet Centers, substituting a provision indicating that the availability of readjustment counseling services will be provided by the VA in a manner determined by the agency.

The VA Advisory Committee on Readjustment of Vietnam Veterans also was asked to evaluate the Vet Center Program and to make recommendations about the future of the program. In January 1986, the advisory committee "endorsed the recommendations ultimately approved by the planning committee" which I just discussed, and in September 1986, after being asked by Administrator of Veterans' Affairs Thomas Turnage to again review the program, recommended that:

The Vet Centers, as a unique community-based delivery system, be made a permanent part of the DM&S health care organization.

The Administrator seek legislative authority to expand the eligibility criteria for Vet Center services to include veterans of all eras.

The Administrator initiate several pilot projects at designated Vet Center sites designed to expand the Vet Centers into general community-based VA resource centers inclusive of other DM&S and DVB functions, as indicated appropriate by needs assessment and outcome evaluation.

Finally, the April 1 to July 9 report describes the work of the Chief Medical Director's Special Committee on Post Traumatic Stress Disorder which made the following recommendations in a 1987 report:

The special committee recommends that readjustment counseling service and its Vet Centers, as a unique and valuable community based delivery systems, be preserved and incorporated into the changing organizational matrix and service delivery patterns of the VA's Department of Medicine and Surgery.

Program's mission should be comprehensively reviewed and clarified.

Vet center staff should be given career appointments as VA employees so that they may provide service to veterans without fear that their jobs will be terminated in the near future.

Quality assurance criteria should be established and utilized to monitor operations.

Legislative authority should be sought to expand the eligibility for services from Vet Centers to include combat veterans from all wars.

Mr. President, in addition to not being in accord with these prior evaluations of the program, the recommendation in the April 1-July 9 report to go ahead with the transition also seems inconsistent with various other statements in the report, including the following:

Our evaluation as of 1987 is that the VA Readjustment Counseling Program is quite effectively carrying out the mission designed for it by the Congress and the VA.

If the VA's ongoing assumption, based on the two major epidemiologic studies conducted in 1977 and 1979, that 700,000 to 800,000 veterans formed the target population for this program, and if the target population has neither expanded nor declined in the interval, the readjustment counseling program has to date seen slightly over half of the target population.

Vet Centers were implemented by the agency in 1980 with some urgency, in an effort to relieve a disturbing and troubling situation which had arisen among some returnees from the Nation's most recent war. The model is effective in accomplishing that purpose. In addition, however, the operation and refinement of the program during the past 7 years has provided a challenge for the agency in organizational development. The program has brought the VA generally closer to the community, and has fostered the perception, among both Vietnam-era veterans and veterans of other wars, of the Veterans' Administration as flexible and responsive.

These statements, together with the recommendations from other evaluations which I just discussed, seem to me to support a repeal of rather than a green light for the transition requirement, and this is what the legislation we are introducing today proposes along with provisions to carry out most all the other recommendations I have noted. One possible explanation of this apparent contradiction lies in the lack of availability of the major PTSD study report, due last October 1. As the April 1-July 9 report indicates the PTSD study is not yet available and this "report has been prepared in advance of any results of the [PTSD report] and thus cannot reference them. Its conclusions must therefore be understood to be tentative."

Mr. President, it is important to understand that the approach in current law of a comprehensive study together with sequenced reports was designed to enable the Congress to make informed decisions about the future of the Readjustment Counseling Program, including the nature and timing of its integration into other VA health-care facilities. However, as I just noted, the underlying PTSD study on which this process was to be based has been delayed and the initial report on that study will not be submitted until October 1 of this year.

Mr. President, as a result of this delay, I proposed on January 6 in S. 6 and the Senate has passed on March 31 in S. 477, legislation which would postpone the Vet Center transition for 1 year. However, since that time, I have grown increasingly concerned that that legislation will not be sufficient in light of the increasing hostility which has been manifested toward the program by this administration and the current political leadership in the Veterans' Administration. The extraordinarily hasty and haphazard decisions made in late January to relocate nine Vet Centers beginning on July 1—which has now been blocked by a court order until October 1—is one recent manifestation of this animus. The recommendation in the April 1-July 9 report surely seems to be another, given the rest of the tenor of that report and the extreme likelihood that the VA's Chief Medical Director recommended that the VA propose legislation to repeal the mandatory transition requirement.

One wonders why the head of the VA wants to be required to get rid of over one-half of the outposts of a program the VA itself states is "effective and successful" through which only half of those entitled to counseling have yet received it.

With specific reference to the proposed relocation of nine Vet Centers, I will in a moment ask to be inserted in the RECORD a recent exchange of letters I had with Dr. John Gronvall, the VA's Chief Medical Director—my May 11, 1987, letter to him and his June 18 response with enclosures—which sets forth the criteria which supposedly were used in selecting the nine centers and which provides specific information on the proposed relocation of each center in response to my questions. I am particularly concerned that only two of these nine Vet Centers were planned to be relocated into separate buildings at the general VA facility where the Vet Center will be the only occupant of the building. Even more distressing to me is the indication from Dr. Gronvall's letter that five of the centers were planned to be relocated in close proximity to an existing mental hygiene clinic at the VA facility. The obvious impression that such an arrangement may create—that a Vet Center is simply another mental-health facility and that those being furnished services through the program suffer from mental illness—is one that has been wisely and deliberately avoided since the inception of the program in 1979 and one which should be resisted at this time as well.

Mr. President, I ask unanimous consent that my May 11, 1987, letter to Dr. Gronvall, and his June 18 response appear at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, May 11, 1987.

DR. JOHN A. GRONVALL,
Chief Medical Director,
Veterans' Administration,
Washington, DC.

DEAR JOHN: I am writing in follow up to your February 17, letter regarding the agency's plans to relocate nine Vet Centers from their locations in community facilities to locations at their support VA Medical Centers. I am also interested in gaining clarification of the testimony of the Administrator at the Committee's February 18, 1987 hearing regarding these Centers.

I. With general reference to the nine Vet Centers which have been selected for transfer, please provide the following information. Please respond individually with respect to each of the nine centers:

1. What criteria were used to select a Center for movement and how does each Center meet those criteria?

2. Where on the VAMC's property is the center to be located?

3. Are there any other services (VA or otherwise) located in, or slated to be located in, the same structure into which the Vet Center is being moved?

4. Where is the entrance to the Vet Center to be located?

A. What signs will be posted, and where, regarding the Vet Center's presence and location?

B. What other services or activities would a veteran walk past in the building in order to reach the Vet Center?

5. What square footage will the Vet Center have in comparison to footage at its community setting?

A. How many offices and meeting and commons rooms will it have in comparison to those at its community location?

B. What parking facilities will be available for staff and clients in comparison to those at its previous location?

6. What is the timetable for each of these proposed Vet Center relocations?

7. What are the costs associated with the move, individually and collectively?

8. What efforts were made in selecting each of the centers to determine the support for the move from among the Vietnam-era veterans in the various catchment areas and, at this point, do each of the proposed relocations enjoy general support among the veterans in their communities?

A. What views have the VAMC Director, Team Leader, and team members expressed about the move?

II. With regard to the Administrators' February 18 testimony, I have the following questions:

1. In response to my questions, the Administrator indicated that the Vet Centers in question are to remain autonomous entities under the direct line authority of the Director, Readjustment Counseling Service, and further, that salary, staffing levels, and the provision of readjustment counseling services are to remain the same as they were prior to transition for at least 2 years. How have these various protections been incorporated formally in the transition activity? Please provide copies of any issuances setting forth these policies and any others relating to transition specifically or generally.

2. The Administrator also stated that our Committee would be notified prior to any decision being made to include any other Vet Center in any proposed move to the grounds of a VA facility. I would appreciate receiving assurances from you that any such notification will be provided at the earliest possible time in advance of any such proposed moves.

Thank you, John, for your ongoing cooperation and assistance. I look forward to receiving your reply to this letter at your earliest convenience. Please respond in numbered paragraphs corresponding to the numbered paragraphs of this letter.

With warm regards,

Cordially,

ALAN CRANSTON,
Chairman.

VETERANS' ADMINISTRATION,
DEPARTMENT OF MEDICINE
AND SURGERY,
Washington, DC, June 18, 1987.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This is in response to your inquiry of May 11, 1987, regarding plans to move nine Vet Centers from locations in community facilities to their support facilities. This letter also clarifies my testimony at the Committee's February 18 hearing relating to these centers.

The following criteria were used to select Vet Centers for relocation to support facilities: (1) Acceptability; (2) Catchment Area Distribution of Vietnam Era Veteran Population by Census; (3) Distance Between Vet Center and Medical Facility; (4) State Vietnam Era Veteran Outreach Centers; (5) Vietnam Veterans Resource Centers; (6) Special Population Factors; (7) Transportation and Parking; (8) Availability, Cost, and Suitability of Medical Facility Space; (9) Recurring Environmental Cost Comparisons; (10) Contract Program Impact; and (11) Actual Workload Trends at Present Vet Center. A review of the relocation sites selected indicates these criteria were met.

The remaining questions in Section I of your inquiry are responded to in another enclosure. With regard to questions 8 and 8A, Section I, all moves were discussed among the relevant community veterans' organizations, Vet Center Team Leaders, Directors of medical facilities, Regional Directors, Readjustment Counseling Regional Managers, and the Director, Readjustment Counseling Service. Although concerns were expressed by staff about possible problems at some sites, all such concerns are being addressed at this time.

I am also enclosing a copy of an information letter that provided guidance related to the transition, in response to Section II. You have my full assurance that your Committee will be advised in advance at the earliest possible time of any proposals to include other Vet Centers in plans for relocation to support facilities.

Your interest in this matter is appreciated.

Sincerely,

JOHN A. GRONVALL, M.D.,
Chief Medical Director.

Enclosures.

RESPONSE TO SENATOR CRANSTON'S QUESTIONS 2 THROUGH 7

Relocation From: Avon, MA Vet Center.
To: Brockton, MA VAMC.

2. Where on the VAMC's property is the center to be located?

Building #4—separate from main hospital.

3. Are there any other services (VA or otherwise) located in, or slated to be located in, the same structure into which the Vet Center is being moved?

Geriatrics—second floor.

4. Where is the entrance to the Vet Center to be located?

Side of the building.

A. What signs will be posted, and where, regarding the Vet Center's presence and location?

Over front door.

B. What other services or activities would a veteran walk past in the building in order to reach the Vet Center?

None.

5. What square footage will the Vet Center have in comparison to footage at its community setting?

2,500 (old) versus 2,800 (new).

A. How many offices and meeting and commons rooms will it have in comparison to those at its community location?

7 (old) versus 9 (new).

B. What parking facilities will be available for staff and clients in comparison to those at its community location?

Parking at both.

6. What is the timetable for this proposed Vet Center relocation?

9/30/87 implementation.

7. What are the costs associated with the move, individually and collectively?

$177,000.

Relocation From: Rochester, NY Vet Center.
To: Rochester, NY OPC.

2. Where on the VAMC's property is the center to be located?

On second floor of Federal Building.

3. Are there any other services (VA or otherwise) located in, or slated to be located in, the same structure into which the Vet Center is being moved?

Mental Hygiene Clinic.

4. Where is the entrance to the Vet Center to be located?

Front of Federal Building.

A. What signs will be posted, and where, regarding the Vet Center's presence and location?

In main lobby.

B. What other services or activities would a veteran walk past in the building in order to reach the Vet Center?

None.

5. What square footage will the Vet Center have in comparison to footage at its community setting?

1,000 (old) versus 1,800 (new).

A. How many offices and meeting and commons rooms will it have in comparison to those at its community location?

3 (old) versus 7 (new).

B. What parking facilities will be available for staff and clients in comparison to those at its community location?

Parking at the current community site is available, but there are no specific reserved parking spaces at the Federal Building where the VAOPC is located. Street parking is available on the usual first come, first served basis.

6. What is the timetable for this proposed Vet Center relocation?

6/27/87 implementation.

7. What are the costs associated with the move, individually and collectively?

$3,500.

Relocation From: Rochester, NY Vet Center.
To Batavia, NY VAMC.

2. Where on the VAMC's property is the center to be located?

Separate building on VAMC grounds.

3. Are there any other services (VA or otherwise) located in, or slated to be located in, the same structure into which the Vet Center is being moved?

Proposed Mental Hygiene Clinic.

4. Where is the entrance to the Vet Center to be located?

Front and side entrance.

A. What signs will be posted, and where regarding the Vet Center's presence and location?

Over front door.

B. What other services or activities would a veteran walk past in the building in order to reach the Vet Center?

None.

5. What square footage will the Vet Center have in comparison to footage at its community setting?

1,500 (old) versus 1,800 (new).

A. How many offices and meeting and commons rooms will it have in comparison to those at its community location?

6. (old) versus 7 (new).

B. What parking facilities will be available for staff and clients in comparison to those at its community location?

Parking at both.

6. What is the timetable for this proposed Vet Center relocation?

10/1/87 implementation.

7. What are the costs associated with the move, individually and collectively?

$110,000.

Relocation From: Wilmington, DE Vet Center.
To Wilmington, DE VAMC.

2. Where on the VAMC's property is the center to be located?

Free-standing—former Medical Center Director's residence located at the rear of the VAMC/VARO grounds.

3. Are there any other services (VA or otherwise) located in, or slated to be located in, the same structure into which the Vet Center is being moved?

No.

4. Where is the entrance to the Vet Center to be located?

Main entrance.

A. What signs will be posted, and where, regarding the Vet Center's presence and location?

Signs from entrance of ground to the door, including sign on Vet Center building.

B. What other services or activities would a veteran walk past in the building in order to reach the Vet Center?

None.

5. What square footage will the Vet Center have in comparison to footage at its community setting?

1,500 (old) versus 1,900 (new).

A. How many offices and meeting and commons rooms will it have in comparison to those at its community location?

No noticable difference.

B. What parking facilities will be available for staff and clients in comparison to those at its community location?

No noticable difference.

6. What is the timetable for this proposed Vet Center relocation?

Completed 5/1/87. implementation.

7. What are the costs associated with the move, individually and

$26,500.

Relocation From: Fayetteville, NC Vet Center.
To: Fayetteville, NC VAMC.

2. Where on the VACM's property is the center to be located?

Co-located with the mental hygiene clinic in building #4, which is separate from the main hospital.

3. Are there any other services (VA or otherwise) located in, or slated to be located in, the same structure into which the Vet Center is being moved?

Psychology, Psychiatry, and the Mental Hygiene Clinic.

4. Where is the entrance to the Vet Center to be located?

Side or rear entrance located in the middle of the building compared to the main entrance for Mental Hygiene patients.

A. What signs will be posted, and where, regarding the Vet Center's presence and location?

Signs from entrance of grounds to the door, including sign at entrance of building.

B. What other services or activities would a veteran walk past in the building in order to reach the Vet Center?

None if clients use the side and rear entrances; The Mental Hygiene Clinic if they use the main entrance.

5. What square footage will the Vet Center have in comparison to footage at its community setting?

2,500 (old) versus 2,439 (new).

A. How many offices and meeting and commons rooms will it have in comparison to those at its community location?

No noticeable difference.

B. What parking facilities will be available for staff and clients in comparison to those at its community location?

Once additional parking spaces are developed at VAMC, clients should be able to park within 100 feet of the building.

6. What is the timetable for this proposed Vet Center relocation?

7/1/87 implementation.

7. What are the costs associated with the move, individually and collectively?

$25,000.

Relocation From: Oak Park, IL Vet Center.
To: Hines, IL VAMC.

2. Where on the VAMC's property is the center to be located?

Location will be in Building #1, which is used for outpatient services.

3. Are there any other services (VA or otherwise) located in, or slated to be located in, the same structure into which the Vet Center is being moved?

All outpatient services are located in or slated to be in the same structure.

4. Where is the entrance to the Vet Center to be located?

Vet Center will have its own separate external entrance approximately 75 feet from the Mental Hygiene entrance.

A. What signs will be posted, and where, regarding the Vet Center's presence and location?

Signs over the entrances to the hospital and the Vet Center will be erected; signs directing veterans to the Vet Center will be placed at appropriate locations within heavily trafficked areas.

B. What other services or activities would a veteran walk past in the building in order to reach the Vet Center?

Depending upon where veteran enters, he/she could walk past multiple medical services or minimally the Mental Hygiene Clinic.

5. What square footage will the Vet Center have in comparison to footage at its community setting?

2,400 (old) versus 2,310 (new).

A. How many offices and meeting and commons rooms will it have in comparison to those at its community location?

The Vet Center will have staff offices, a reception/waiting area, and group activity room comparable to its former site.

B. What parking facilities will be available for staff and clients in comparison to those at its community location?

There are six parking spaces designated for clients outside of the new site. At the community location parking was not reserved, but ample and within easy reach of the Vet Center. Staff will park in the main hospital parking lot, which is less convenient but reasonable compared to their former parking arrangements.

6. What is the timetable for this proposed Vet Center relocation?

9/10/87 implementation.

7. What are the costs associated with the move, individually and collectively?

Renovation $80,983; equipment $4,000; and moving expenses $2,000. Total $86,983.

Relocation From: Milwaukee, WI Vet Center.
To: Milwaukee, WI VAMC.

2. Where on the VAMC's property is the center to be located?

Location will be in Building #5, which was formerly used as a men's domiciliary but is now unoccupied.

3. Are there any other services (VA or otherwise) located in, or slated to be located in, the same structure into which the Vet Center is being moved?

No other services are located in the same structure, nor are there any services slated to be co-located there.

4. Where is the entrance to the Vet Center to be located?

Vet Center will have a separate entrance which will remain exclusive even if additional services are to be located in the same structure.

A. What signs will be posted, and where, regarding the Vet Center's presence and location?

Signs over the entrances to the hospital and the Vet Center will be erected; signs directing veterans to the Vet Center will be placed at appropriate locations within heavily trafficked areas.

B. What other services or activities would a veteran walk past in the building in order to reach the Vet Center?

There are no other services in the same structure, but buildings in the immediate area contain VARO offices, library services, and recreational services.

5. What square footage will the Vet Center have in comparison to footage at its community setting?

2,850 (old) versus 2,850 (new).

A. How many offices and meeting and commons rooms will it have in comparison to those at its community location?

Vet Center will have staff offices, a reception/waiting area, and group activity room comparable to its formers site.

B. What parking facilities will be available for staff and clients in comparison to those at its community location?

Ten spaces have been designated for client parking at the hospital site in the DVB parking lot. This compares to ten available slots at the community site. Staff parking will be in employee parking located within 150 feet of the Vet Center. This represents a less convenient but reasonable difference over the community site.

6. What is the timetable for this proposed Vet Center relocation?

9/30/87 implementation.

7. What are the costs associated with the move, individually and collectively?

Renovation $86,000; equipment $5,000; and moving expenses $2,000. Total $93,000.

Relocation From: Sioux Falls, SD Vet Center.
To: Sioux Falls, SD VAMC.

2. Where on the VAMC's property is the center to be located?

The Vet Center is located on the second floor of Building #16, the Mental Hygiene Clinic. The building is located on the perimeter of the hospital grounds, separate from the main hospital structure.

3. Are there any other services (VA or otherwise) located in, or slated to be located in, the same structure into which the Vet Center is being moved?

The Mental Hygiene Clinic is located on the first floor and there are no plans to relocate the clinic at this time.

4. Where is the entrance to the Vet Center to be located?

The Vet Center's entrance will be the front entrance to the building. Normally Mental Hygiene Clinic employees use the rear entrance.

A. What signs will be posted, and where, regarding the Vet Center's presence and location?

There will be two Vietnam Era Vet Center signs posted: one in front of the building facing the street and one by the rear entrance.

B. What other services or activities would a veteran walk past in the building in order to reach the Vet Center?

None.

5. What square footage will the Vet Center have in comparison to footage at its community setting?

1,775 (old) versus 1,806 (new).

A. How many offices and meeting and commons rooms will it have in comparison to those at its community location?

The same number—four offices, group room, and reception area.

B. What parking facilities will be available for staff and clients in comparison to those at its community location?

Community location—street parking, five indoor parking and four outdoor adjacent to Vet Center. Hospital location—street parking and three outdoor spaces behind the building. Staff will park across from the building where the Vet Center is to be located, in a hospital parking lot.

6. What is the timetable for this proposed Vet Center relocation?

9/30/87 implementation.

7. What are the costs associated with the move, individually and collectively?

Renovation $34,000 and moving expense $800.

Relocation From: Houston, TX Vet Center.
To: Houston, TX VAMC.

2. Where the VAMC's property is the center to be located?

Initial site will be in former Medical Ward 115, Building #105, attached to the main VAMC, away from the Mental Hygiene Clinic.

3. Are there any other services (VA or otherwise) located in, or slated to be located in, the same structure into which the Vet Center is being moved?

Quality Assurance Department will be located in the same structure as the Vet Center.

4. Where is the entrance to the Vet Center to be located?

Accessibility to the Vet Center is available through a street entrance as well as a hallway.

A. What signs will be posted, and where, regarding the Vet Center's presence and location?

Signs will be posted on the door of the main VAMC entrance directing veterans to the Vet Center location.

B. What other services or activities would a veteran walk past in the building in order to reach the Vet Center?

Veterans would not walk through any other service if using the streetside entrance. If using the hallway entrance, veterans would walk through the Quality Assurance Department.

5. What square footage will the Vet Center have in comparison to footage at its community setting?

Initially, the Vet Center will lose about 500 square feet of usable space. However, long term plans indicate that comparable space will be made available through subsequent move.

A. How many offices and meeting and commons rooms will it have in comparison to those at its community location?

The community location has seven offices, one group room, one waiting room, and a lobby. The VAMC location will have seven offices, two group rooms, and a waiting room.

B. What parking facilities will be available for staff and clients in comparison to those at its community location?

The Vet Center has a parking lot and street-side parking at its current location. At the VAMC facility, six parking spaces have been designated as Vet Center space. General VAMC parking is available nearby for use of vet center clients.

6. What is the timetable for this proposed Vet Center relocation?

7/16/87 implementation.

7. What are the costs associated with the move, individually and collectively?

Telephones $806; renovation/furnishings $5,000; relocation $1,500; and utilities $200. Total non-recurring $7,506.

Relocation from: Northride CA Vet Center.
To: Sepulveda, CA VAMC.

2. Where on the VAMC's property is the center to be located?

The Northridge Vet Center will be located outside the VAMC proper at a residential site owned by the VA at 16126 Lassen Street, Sepulveda, California 91343.

3. Are there any other services (VA or otherwise) located in, or slated to be located in, the same structure into which the Vet Center is being moved?

There will be no other services (VA or otherwise) located in or slated for the same structure into which the Vet Center is moving.

4. Where is the entrance to the Vet Center to be located?

The entrance to the Vet Center is on the side of the structure off the parking lot.

A. What signs will be posted, and where, regarding the Vet Center's presence and location?

A "Vet Center" sign will be placed near the street for high visibility.

B. What other services or activities would a veteran walk past in the building in order to reach the Vet Center?

Veterans will have to pass no other services or activities in order to reach the Vet Center.

5. What square footage will the Vet Center have in comparison to footage at its community setting?

2,750 (old) versus 1,394 (new).

A. How many offices and meeting and commons rooms will it have in comparison to those at its community location?

The current site contains four offices, one meeting room, and one common room. The proposed site contains three offices, one meeting room, and one common room.

B. What parking facilities will be available for staff and clients in comparison to those at its community location?

The current location shares a parking lot with a small business. The proposed site will have a larger parking lot exclusively for the use of the Vet Center.

6. What is the timetable for this proposed Vet Center relocation?

7/3/87 implementation.

7. What are the costs associated with the move, individually and collectively?

The estimated cost of moving the current tenant is $970, with no other personnel costs.

Mr. CRANSTON. Mr. President, in light of the experience with the 9 Centers and other experiences with the Vet Center Program over the years, it is my view that careful, case-by-case, periodic decisions should be made as to whether the purposes of the readjustment counseling program and the mission of the VA can best be served by maintaining a Vet Center's community-based location or by moving it to a medical facility. There should be no fixed formula requiring such relocations on a wholesale basis, as under present law. I am convinced that the current-law transition requirement is today an anachronism—enacted for a protective not a destructive purpose—that will lead to arbitrary decisions and to poor public policy results.

Despite our success last year in making the transition period a gradual, 2-year process, current law in no way restricts any closures of Vet Centers, either before or during the transition period. Rather, it requires that more than half of whatever number of Vet Centers exist at the end of the transition be moved to other VA facilities. Based on the information presently available, including a 5.4-percent increase in new clients and an 8.8-percent increase in visits at Vet Centers for the first 6 months of fiscal year 1987 as compared to a year ago, many of my colleagues and I have concluded that the policy reflected in current law is seriously flawed and should be repealed.

This legislation would do just that as well as provide other methods to try to ensure that decisions regarding the readjustment counseling program and individual Vet Centers are made carefully, and in accordance with the best professional judgments available, on a case-by-case basis in accordance with objective criteria, basically the VA's own published criteria—not with a meat axe.

SUMMARY

Hence, Mr. President, this measure would:

First, eliminate the statutory requirement for a fixed transition of Vet Centers;

Second, replace that transition provision with one permitting a closure or relocation of a Vet Center only upon determinations by the VA's Chief Medical Director, based on the application of certain criteria, that such a closure or move would not result in any diminution in the continuing availability and effective furnishing of readjustment counseling needed by veterans and others entitled to such services in the geographic area;

Third, require that 60 days' advance notification and detailed information be submitted to the two Veterans' Affairs Committees before any such relocations are made;

Fourth, with respect to major readjustment counseling service reorganizations, permit in any fiscal year the relocation of Vet Centers, or the reorganization of any other readjustment counseling service function, amounting to the relocation of 25 full-time employees, to proceed only if proposed at the time of the President's budget submission, 8 months earlier, for the year in which they would occur—the same process that currently applies in the case of administrative reorganization at other VA facilities that involve certain employee shifts of at least 25 FTEE in any fiscal year;

Fifth, protect for 3 years the budget and personnel ceiling for any Vet Center relocated to a VA medical facility;

Sixth, make World War II and Korean-conflict veterans eligible for, although not entitled to, readjustment counseling services;

Seventh, explicitly authorize the relocation to Vet Centers of other VA personnel from the Department of Veterans Benefits and elsewhere in the Department of Medicine and Surgery for the purpose of providing veterans, through the program with other VA benefits and services; and

Eighth, require that all Vet Center personnel who have served satisfactorily for 2 years be converted to career positions.

NOTICE PRIOR TO ANY CLOSURE OR MOVE

Mr. President, in order that the two Veterans' Affairs Committees may effectively monitor and evaluate any planned Vet Center relocation or closure, it is necessary that the committees be provided with notification in sufficient time to express their views before any closure or move takes place. Thus, the measure we are introducing would require notice at least 60 days prior to the execution date of any such proposed action. Such notification would be required to include a detailed plan and justification for the proposed closure or move, including information on the application of criteria specified in the bill to the selection of the Vet Center considered for closing or relocation.

CRITERIA TO BE CONSIDERED

The specified criteria—each of which is derived from the criteria developed by the VA as described in Dr. Gronvall's June 18 letter which I just placed in the Record and in the VA's April 1–July 9 report—require consideration of:

First, the distribution of Vietnam-era veterans in the geographic area served by the existing Vet Center, in order to determine if the existing location of the Vet Center is accessible to those entitled to services or whether some other location would be more appropriate.

Second, the distance between the existing Vet Center and the medical or other facility that would assume the responsibility for providing the services provided by the Vet Center if the Center were closed or moved as well as the relationship between the location of such medical or other facility and the distribution of Vietnam-era veterans in that geographic area, so as to evaluate the impact of any change in location on veterans receiving services.

Third, the acceptability of the proposed closure or move to various groups that would be affected by such an action, including the staff of both the existing Vet Center and the medical or other facility, representatives of veterans service organizations located in the geographic area served by the existing Vet Center, and individual veterans who are being furnished services at the existing Vet Center.

Fourth, the availability of other entities, such as State, local or private outreach facilities, which provide assistance to Vietnam-era veterans in the area served by the existing Vet Center, so as to evaluate whether any need for services in the immediate geographic area of the Vet Center could be met by other entities.

Fifth, the availability of transportation to, and parking at, the existing Vet Center and such medical or other facility.

Sixth, the availability, cost, and suitability of the space at such other facility, including the opportunity to establish a direct entry into the area where readjustment counseling services would be furnished and the suitability of the environment—including the VA services located nearby—where such services would be furnished.

Seventh, a comparison of the recurring non-personnel costs at the existing Vet Center and such medical or other facility.

Eighth, the impact of the proposed closure or move on the program at the existing Vet Center under which eligible veterans are furnished readjustment counseling services by private facilities under a contract with the VA, in order to determine if such a program would have to be increased as a result of the change in the Vet Center.

Ninth, the workload trends over the prior 2 fiscal years at the existing Vet Center.

Information relating to each of these factors should enable the VA and the Committees to evaluate fairly any proposed closure or move.

RESTRICTION ON THE EXTENT OF ACTIVITY IN ANY FISCAL YEAR

Mr. President, in order to ensure that any changes in the character of the Readjustment Counseling Program are carried out in a gradual, orderly manner as is currently required by law during the fiscal year 1988-89 transition period, this bill would prohibit, in any fiscal year, the relocation of Vet Centers, or the reorganization of any other readjustment counseling service function, involving 25 or more Readjustment Counseling Service personnel—defined as full-time equivalent employees—unless such a change were proposed at the time of the President's budget submission, 8 months prior to start of the new fiscal year in which such a change would occur. This prohibition would be implemented by amending present section 210(b)(2) of title 38, United States Code, relating to the manner in which the VA may undertake certain significant administrative reorganizations, to provide, as noted above, that action affecting 25 or more Readjustment Counseling personnel would be a covered "administrative reorganization", thereby requiring a "detailed plan and justification" for such actions at the time of the President's budget submission. This notice period should enable the Congress to review any such proposed major changes before they take place so as to take legislative action to modify or block such changes as appropriate.

PROTECTION OF PERSONNEL CEILING AND BUDGET

Mr. President, to ensure the integrity of the budgetary and personnel ceilings of the Readjustment Counseling Service Program and thereby guarantee the quality of services being provided to veterans utilizing the services of Vet Centers, this provision would protect for 3 full fiscal years the budget and personnel ceiling of any Vet Center relocated to a VA medical facility. I believe that such protection is vital if a relocated facility is to continue to furnish the services needed by those veterans who are seeking assistance. In this regard, I note that the Administrator of Veterans' Affairs, Thomas Turnage, in response to a question I posed to him at our committee's February 18 hearing on the VA's fiscal year 1988 budget, agreed with me that similar such protection of Vet Center staff and funding is necessary and desirable.

EXTENSION OF READJUSTMENT COUNSELING ELIGIBILITY

Mr. President, individuals who served during the Vietnam era but who are still on active duty are not at present considered "veterans" under the applicable definition in title 38, United States Code. Under provisions in this bill, which are identical to provisions in S. 6, the proposed "Veterans' Health-Care Improvement Act of 1987"—legislation I introduced on January 6—these individuals would be given entitlement to readjustment counseling. Although I am not aware of any data suggesting a widespread unmet need for counseling among active-duty personnel who served in Vietnam, I also am not aware of any study having been made regarding such needs. I have, however, received considerable anecdotal reports of such active-duty personnel having requested counseling at Vet Centers, and I have been aware of informal efforts at some Vet Centers to provide services to active-duty personnel despite a lack of express authority to do so. I do not believe that any individual who served in the Armed Forces during the Vietnam era and feels a need for readjustment counseling should be barred from eligibility simply because he or she is still on active duty. This bill would remove that bar.

Mr. President, with further reference to this issue, I note that the VA, in its testimony at the committee's May 21 hearing, expressed the view that such services should be furnished under a sharing agreement with the Department of Defense pursuant to Public Law 97-174. However, in response to my question, the VA indicated that only one such sharing agreement between VA and DOD exists at present. Further, the VA agreed with the point made by the American Legion that it is unlikely that such sharing agreements would work because many career personnel would not seek readjustment counseling for fear of jeopardizing their advancement because of receiving "what could be construed as psychiatric treatment". The VA, in response to my question, noted that it "is likely that anonymity would be an important matter for active duty career personnel who contemplate any form of psychological counseling or mental health services." Thus, I do not see sharing agreements as a useful or appropriate approach in this area.

A second change in eligibility for readjustment counseling that would be made by this measure would be to extend entitlement to veterans of certain service in hostilities after May 7, 1975, the end of the Vietnam era. Under this change, the Administrator, after consultation with the Secretary of Defense, would be authorized to specify that service during periods of time in specific locations in which U.S. Armed Forces were under hostile fire would be qualifying service for readjustment counseling purposes. This provision recognizes that members of our Armed Forces are at times exposed to situations short of declared war—such as existed in Beirut or Grenada or in connection with our actions against Libya, or that existed most recently during the incident that occurred with the USS *Stark* in the Persian Gulf, or that possibly exist today in Central America or which may soon exist in the Persian Gulf if the misguided reflagging of Kuwaiti tankers goes forward. These situations well might produce the need among those involved in them for readjustment counseling to help deal with the psychological aftermath of the experiences.

I want to stress my view that this authority, if enacted, should be used only in very limited circumstances in which our service personnel actually experienced combat situations.

Finally, Mr. President, this measure includes provisions pursuant to which veterans of World War II and the Korean conflict—with a particular emphasis on those who were in combat with the enemy—would be made eligible for, although not entitled to, counseling services through the Readjustment Counseling Program if they requested it. We should never allow to go unmet the requests for counseling help from those who have experienced the stress of combat while serving in the Armed Forces. That is one lesson of Vietnam we surely must have learned.

With reference to this last issue of meeting the needs of veterans of prior wars, I recall the testimony at a 1981 committee hearing of a witness—Dr. Arthur Arnold, then the Chief of Psychiatry at the Bay Pines, FL, VA Medical Center and now the Chief of Psychiatry at the Phoenix VAMC—about a World War II veteran he was treating for alcoholism. Dr. Arnold described the case as follows:

There was a man in his late 50's who had been treated in VA hospitals for probably 30 admissions for alcoholism over the last 40 years who finally because of the growing awareness of the staff of the importance of knowing the war experience, was asked what he had done in World War II.

Finally, it came out that he has had nightmares for 40 years of being under fire pinned down on a beach in the South Pacific for 72 hours as a teenage corpsman trying to patch pieces of bodies together. This had never come out and until now, so the man had never really gotten treatment that went to the core of his problems.

Clearly, that veteran was suffering from problems related to his combat experience. In a similar vein is an August 15, 1985, article in the Los Angeles Times, headlined "Stress Problems Show Up Among Veterans of WWII", describing war-related problems among World War II veterans.

Mr. President, I ask unanimous consent that the Los Angeles Times article I just referred to be reprinted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, Aug. 15, 1985]

STRESS PROBLEMS SHOW UP AMONG VETERANS OF WWII

(By Marlene Cimons)

CHARLESTON, S.C.—Ex-Marine Philip Covert, a former prisoner of war, had classic symptoms of post-combat stress. He had always wrestled with restlessness and insomnia, but his problems intensified about three years ago when a stroke forced him to quit work.

Hanging around the house with nothing to do, he became depressed. Whenever he saw his wife and daughter in conversation, he imagined that they were saying bad things about him behind his back. He grew morose and angry, unable to sleep.

But Covert, unlike thousands of veterans presently experiencing the serious disorder of post-traumatic stress syndrome, did not fight in the Vietnam War. He is 64 and a veteran of World War II, who was captured by the Japanese when they invaded Wake Island in 1941.

However, his most serious symptoms did not emerge until almost 40 years after he returned home.

What's more, Covert does not appear to be an isolated case. As celebrants mark the 40th anniversary of the Japanese surrender ending World War II, mental health professionals both inside and outside the Veterans Administration are reporting a whole new pattern of post-traumatic stress cases.

For many aging WWII veterans, the stress of major end-of-life changes—such as retirement, in Covert's case, or the loss of a loved one, or the onset of a major illness—has brought on or aggravated the disorder by leaving them vulnerable and less equipped to cope with the memories of their war experiences.

"I think it is a more pervasive disorder than we recognize," said Dr. Harold Dickman, assistant professor of psychology at Oregon State University, who has treated WWII veterans. "I think it has always been there, but we just haven't recognized it.

"Unlike Vietnam veterans, WWII veterans have been able to suppress it—many of these guys became workaholics or alcoholics, or both. Then they retire, or lose a spouse, or their health begins to fail. It gets worse as you get older—and then it becomes almost unmanageable."

Delayed stress—although widely associated today with Vietnam veterans—followed both world wars although it was less defined and more contained. It was not called post-traumatic stress disorder then, nor did doctors know how to treat it. After WWI, troubled veterans were said to have "shell shock." After WWII, it was "combat fatigue" or "war neurosis."

These after-effects of combat were thought to be transient—insidious, but not permanent. Indeed, most soldiers returned home to a hero's welcome, went to work, reared families and got on with their lives.

Or so it seemed.

MANY FIND WAYS TO COPE

Dr. John Lipkin, the VA's associate director for mental health service, said that veterans often find everyday ways to cope with the psychological trauma stemming from war experiences.

"But, with changes in circumstances, with losses that can include family, friends and ambitions, people's expectations for themselves and for their future change," he said. "For some, these changes are gradual and not too much trouble. But, for others those were the things that enabled them to get up every morning. When those things become weaker as coping mechanisms sometimes something happens."

Because there have been no formal studies of post-traumatic stress disorder among WWII veterans, no one knows exactly how many veterans had it, or have it now. Many afflicted veterans have probably been diagnosed as having other conditions—alcoholism, for example.

"It's often written off as something else," said Dr. Arthur Arnold, chief of psychiatry at the Phoenix VA hospital. "They tend not to mention their war experiences. Unless you're alert to it and ask questions, you're not going to find out. They tend not to understand what's going on."

LEARNING TO SPOT DISORDER

A small group of mental health professionals has learned to recognize the disorder by treating individual veterans or encountering it when conducting related research. Covert, for example, did not realize his depression was war-connected until he began participating in a POW study at the Charleston VA Medical Center, where the relationship between his 45 months in captivity and his current behavior first became clear.

"All we have is anecdotal studies of people who seek treatment," said John Russell Smith, director of the VA's Center for Stress Recovery in Cleveland. "If we extrapolate from the Vietnam population, only 5% will have a stress disorder. But, when you're talking about 5 or 6 million people, that still leaves you with about 300,000. So, even with a conservative guess, you're talking about a significant number of people who need to be treated."

Certainly, the anecdotal material offered by mental health experts is chilling:

—A 65-year-old veteran who drove a tank in the Philippines underwent coronary bypass heart surgery five years ago. The day after the operation, he awakened in his hospital room to a view from his window of a body of water that reminded him of the sultry Pacific jungles where he had once fought. Suddenly, for the first time in more than 40 years, old images returned—and he became panic-stricken. Since then—he is about 70 now—he has experienced regular combat flashbacks.

—A former POW who barely survived the Bataan Death March returned from war and functioned well for four decades, despite disturbed sleep and a tendency to become a workaholic. After the war, he continued to maintain a close relationship with another POW who had been in the same prison camp—and with whom he had made a survival pact during their captivity. Recently, his friend committed suicide, and the surviving POW began experiencing severe stress symptoms.

—A former WWII medic, described as "devastated" by his inability to save lives while under continuous fire on a South Pacific island, spent his postwar years drinking. "I saw him after he had been in and out of VA hospitals as an alcoholic," recalled Arnold, who treated him in Phoenix.

PUT HIMSELF INTO A COMA

"No one had ever asked him about the war experiences. They thought he had a drinking problem. This guy poured out to me that he had been dreaming about this for 40 years—the fact that he couldn't save all those men who had been blown to bits. He drank all day to put himself into a coma," Arnold said "This was chronic (post-traumatic stress disorder) unrecognized."

One WWII veteran spent his postwar years frequenting bars and picking fights. In addition, he had an explosive relationship with his teen-age son. Psychiatrists learned that, when riding in a jeep through the city square of a small German town during the war, he spotted a soldier coming out of a building with a weapon. Instinctively, he fired. When he drove over to look at the body, he discovered that he had killed a teen-ager. He sat over the body and sobbed. His doctors now theorize that his own son, a young blond teen-ager, reminds him of the one he killed.

A successful lawyer who had been a bomber pilot during WWII had flown in the mission that bombed Dresden. He had been without symptoms for 35 years, but his son, a former helicopter pilot in Vietnam, developed post-traumatic stress disorder and entered a treatment program. Father and son began talking about war. The father, reading a book about the breaking of the German code, learned for the first time that the Allies went ahead with the Dresden bombing—even though they knew the city no longer had any strategic targets—because canceling it could have alerted the Germans that the code had been broken.

FILM SPARKS NIGHTMARES

Soon after finishing the book, the son and his father went to see the film "Slaughterhouse Five," which contains documentary footage of the Dresden devastation. Suddenly, the father began having nightmares. Shortly thereafter, he joined his son in treatment.

When an incident occurs in later years that brings on symptoms, experts say, the feelings are likely to be closer to those of wartime than of the present, especially if the veteran has never allowed himself to confront the earlier experience.

Arnold said that veterans who saw many of their companions killed in war may be vulnerable to the death of close family members back home. "The symptoms are apt to be the grief of the loss in combat, not the current loss," he said. "Elements of the original experience come back again and flood the awareness."

Smith, of the VA stress center in Cleveland, said that traditional "rules of war" help veterans deal with psychological trauma. The fighting is conducted for a purpose, he said, and postwar rituals such as medal ceremonies and victory parades allow veterans to "separate war deeds from civilian actions."

"A WWII veteran can say, 'Oh yeah, those kinds of things happened in my war. War is hell—but we had to stop Hitler, or we had to stop the Japanese.'"

Dr. Valerie Holmstrom, chief of psychology at the VA Medical Center in Charleston, where she treats Covert, said that WWII veterans do not appear to be suffering from delayed stress with the same intensity as Vietnam veterans. The WWII generation, she said, benefits from lower divorce rates and a more consistent employment record. But, she said, "most of them were not symptom-free."

"Covert says that his close marriage, which has survived the fact that he and his wife sleep in separate rooms because he is so restless, has helped him cope with his war-related stress. "I asked my wife a lot of times if she'd be better off without me," he says. "She tells me no, over and over, that she wouldn't."

Although some WWII veterans suppressed their stress symptoms for years through work or other activity, others have experienced unabated symptoms since their discharge.

Gunnar Sacson, 67, a photoengraver from Lake Bluff, Ill., has always had nightmares about his 41 months as a Pacific theater POW and a participant in the Bataan Death March—a period when he was beaten and starved and forced to watch as others were shot or hanged.

"Some (of the nightmares) are of the Death March or of the burial detail," Sacson says. "I have this other dream: I'm coming home and, when I get home, no one's there. I have flashbacks of the Death March, where I'm walking it again. I could be cutting the lawn and it could happen. But it doesn't scare me the way it used to.

"I functioned but I was always a loner. I didn't want to be around people. If I was in a crowd, I wanted to hide in it. When I was marching along, the Japs loved to club you and beat you up. I always hid in the crowd. For years, I couldn't even stand the sight of an Oriental face."

When he returned home, he told the VA of his problems. "They sent me away," he said. "'Don't worry about it,' they said."

The VA did not establish a nationwide program to deal with delayed stress for WWII veterans comparable to the "storefront" centers for Vietnam veterans, but it makes psychiatric and social services available through VA facilities. "The VA is actively trying to meet the medical and psychiatric needs of the aging veteran population," the VA's Lipkin insists. "But the answer is not a new, special program."

Holmstrom, of the Charleston VA center, said: "No one claims to cure (post-traumatic stress disorder). It is considered a chronic disorder. But a person can learn to cope and adapt much better."

AUTHORIZING THE DELIVERY OF ADDITIONAL VA SERVICES

Mr. CRANSTON. Mr. President, certain services provided by the Department of Veterans' Benefits—such as assistance in applying for compensation, education, or vocational rehabilitation benefits—and the Department on Medicine and Surgey other than readjustment counseling services—such as providing drug and alcohol counseling, screening for other health problems, or furnishing preventive health services—can be and, in some instances already are, appropriately and effectively provided at Vet Center community locations by DVB and DM&S staff. The Vet Center provides an excellent setting for the provision of services to veterans who might not otherwise be reached at traditional VA facilities, and the measure we are introducing today would provide express authority and sanction for such services to be provided at Vet Centers and for the Administrator to assign personnel to Vet Centers to provide such services.

In this regard, I note that the VA in recent years has been supporting various new initiatives that involve greater VA cooperation with community entities so as to meet the health-care needs of eligible veterans in community settings. Among such initiatives are the VA's treatment in half-way-house facilities of veterans with drug or alcohol abuse dependencies, the newly implemented community-based treatment of veterans with chronic metal illness disabilities, and the agency's adult day health care program. The Congress should not be going in the opposite direction by requiring this Vet Center Program which has been so successful in community locations to undergo a wholesale shift to a more in-house program.

CAREER CONVERSION OF CERTAIN VET CENTER PERSONNEL

Mr. President, at some Vet Centers certain staff members who have been with the Readjustment Counseling Program for an extended period of time continue to work under time-limited appointments and have not received career status within the Federal civil service system.

I have been concerned for some time about this issue of program personnel being employed on time-limited appointments and, on October 29, 1986, wrote to Dr. John Gronvall, the then-Acting Chief Medical Director of the VA, regarding this issue. Dr. Gronvall, in a December 4 letter, indicated that an effort was underway to convert personnel to career status. Although I am gratified that such an effort has been made by the agency, I am very concerned that it is neither complete enough nor as timely as it should be.

In my view, any individual who has been with the program for at least 2 years and who, in that time, has performed in a satisfactory manner should be given career status. Thus, this measure would require that all Vet Center personnel who have served in a satisfactory manner for a such period of time be promptly converted to career positions and that those who have so served on the effective date of this bill must be converted within 30 days.

Mr. President, I ask unanimous consent that my October 29, 1986, letter to Dr. John Gronvall and his December 4 response appear at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, October 29, 1986.

Dr. JOHN A. GRONVALL,
Acting Chief Medical Director, Veterans' Administration, Washington, DC.

DEAR JOHN, I have been concerned for a number of years about the fact that many of the individuals who are employed by the Veterans' Administration in the readjustment counseling program were not hired into career civil service positions but rather were given temporary appointments. Many of the program's employees have indicated to me that this situation has created morale problems both because those employed under temporary appointments have no current job security and also because they are unable to make plans for the future when their services may no longer be needed within the readjustment counseling program.

When I raised this issue with then-Chief Medical Director Dr. Donald Custis in 1983, Dr. Custis indicated in an April 5, 1983, letter (a copy is enclosed for your ready reference) that, at that time, only 27 percent of the employees in the readjustment counseling program were career employees. He also indicated that the issue of the retention in the VA of all or part of this group of employees was being considered by the readjustment counseling Task Force.

It is my understanding that the Task Force, after studying this issue, made the following recommendations in 1984 for action by DM&S regarding the conversion issue:

Institute conversion criteria to convert those employees then-eligible.

Assist in the establishment of eligibility on Civil Service Registers for those not then-eligible.

Explore the feasibility of OPM authorizing the non-competitive conversions of those persons who cannot establish eligibility.

It is my further understanding that these recommendations were approved by Dr. Custis.

I do not understand why this issue continues to be a festering sore in the readjustment counseling program fully 2 years after the Task Force made its recommendations. With the approach of the onset of the now 2-year transition period on October 1, 1987, I believe that it is absolutely vital that the recommendations be implemented immediately, fully, and aggressively and that each readjustment counseling program employee without career status be given individual advice and assistance with respect to that employee's career opportunity possibilities and that thereafter appropriate followup take place to assist each employee with potential convertability.

Hence, I would greatly appreciate learning the current status of this issue. In addition to your response to the concerns I expressed in the preceding paragraph, I am interested in receiving your answers to the following questions:

(1) Were the Task Force recommendations listed above approved by Dr. Custis?

(2) If so, what has been done to implement them?

(3) A. Are those recommendations DM&S policy objectives today? B. If not, why not?

(4) What is the breakdown, by job title and by readjustment counseling program region, of current employees as between those who have career civil service appointments and those who are serving in a temporary status?

(5) What is the goal of DM&S for converting those on a temporary status and what is the timetable for the achievement of that goal?

Thank you for your continuing cooperation and assistance.

With warm regards,

Cordially,

ALAN CRANSTON,
Ranking Minority Member.

VETERANS ADMINISTRATION,
DEPARTMENT OF MEDICINE AND SURGERY,
Washington DC, April 5, 1983.

Hon. ALAN CRANSTON,
Ranking Minority Member, Committee on Veterans' Affairs, U.S. Senate, Washington, DC.

DEAR SENATOR CRANSTON: Thank you for your letter of February 22, 1983, wherein you raised some additional questions relative to the fee-for-service component of the Readjustment Counseling Program. I will respond to the questions you have raised following a paraphrasing of those questions.

1. What will be the total dollar amount expended for FY 1983? If not available now, why not: when will it be available?

A nationwide fee-for-service program was initiated by the Readjustment Counseling Service in April 1982. Over 400 contracts have now been let to private providers and approximately 6,000 veterans have been referred. It is our opinion that seven to eight million dollars of the $11.2 million earmarked for the fee-service program will be used during fiscal year 1983.

2. What is the reason for the requirement of 50% membership of Vietnam Theater veterans in group sessions? Why is this appropriate for Vietnam "Era" veterans? How is "Vietnam Theater" authenticated?

Professional experience has demonstrated that "Theater" veterans are most benefited by group counseling with other "Theater" veterans, at least in minimum number (peer counseling). For a non-theater, era veteran, this limitation would not be relevant, and thus it was modified. If a veteran served on active duty during the period August 5, 1964 to May 7, 1975 and was stationed with U.S. armed service in Vietnam, Laos, Cambodia, or on ships or aircraft within a combat zone, it is assumed that the veteran served in the "Vietnam Theater." An alternate expression of the same definition is that the veteran received combat pay.

The "50% rule," as outlined in our November 30, 1982 TWX was modified by a TWX (copy enclosed) prepared February 15, 1983. Our field stations were sent copies of this telegraphic message in early March.

3. What guidance has been provided to the field relating to the inability on the part of an individual veteran to receive counseling from a Vet Center?

There may be, as you have pointed out in this question, times when extenuating circumstances require referral of a client for fee-service counseling because the client may feel significant hostility to Federal or VA employees (including Vet Center staff). A verbatim copy of the technical amendment as outlined in Sentate Report No. 96-195, is being sent to our Regional Coordinators who will notify our Team Leaders of this congressional intent.

4. What guidance is provided to Vet Centers and contractors regarding the level of mental health services authorized and how is compliance with that guidance monitored?

This question seems to refer to the matter of sophistication, complexity, and intensiveness of counseling and psychotherapy. Vet Centers, VAMCs, and contract providers all vary according to the "level" of services. This is often dependent on the particular service providers involved, especially as concerns their professional skills and experience. As such, this is not a matter for VACO guidance. Rather, Vet Center, VAMC, and contractor staff form their best professional judgements (with local or regional supervision) about the "level" of services they are qualified to provide.

5. How is commercial advertising defined when referring to restrictions placed upon contractors and would this restriction apply to contractors' brochures?

It is our judgement that providers could distribute privately or in some way make available, a brochure describing the services they offer, as opposed to "commercial advertising," which is defined as "paid promotional announcements to the public."

6. What percentage of team leaders and counseling staff are: Vietnam veterans, Vietnam era veterans, career civil servants, and temporary status employees? What plans are made for employment opportunities for those in temporary status?

	Percent
Vietnam Veterans	54
Vietnam Era Veterans	[1] 21
Career employees	27
Temporary status	73

[1] Does not include Vietnam Veterans.

Plans relative to the retention in the VA of all or part of the currently temporary employees is an issue that is now under consideration by the Readjustment Counseling Task Force.

7. Who are the members of the Readjustment Counseling Task Force?

Thomas Mullon, Regional Director Midwestern Region, Chairman.

Arthur Blank, Jr., M.D., Director Readjustment Counseling Service, Co-Chairman.

Robert Coy, Deputy General Counsel.

John Fulton, M.S.W., Director Social Work Service.

Alan Glaser, Executive Assistant to the Associate Deputy Chief Medical Director.

Gene Hufford, Special Assistant to the CMD for Regulations Policy Review.

Stephen Lemons, Ed. D., Director, Vocational Rehabilitation and Counseling Service (D.V.B.).

Arthur Lewis, M.D., Deputy Assistant Chief Medical Director for Professional Services.

John Lipkin, M.D., Associate Director for Psychiatry, Mental Health and Behavioral Sciences Service.

Gustavo Martinez, M.S.W., Assistant Director for Program Management, Readjustment Counseling.

Shad Meshad, M.S.W., Readjustment Counseling Regional Coordinator, Western Region.

What is the specific charge to the task force, its timetable, and how does this relate to the legislated report required of the Administrator?

The charge to the Planning Task Force is as follows:

To prepare detailed plans for a phase-in of the Readjustment Counseling Program from a program providing services primarily through Vet Centers to a program providing services primarily within VA medical facilities, as provided for in current legislation, taking into account all relevant Vietnam Era veteran service needs and existing VA medical facility service structures and required changes in such structures. The Task Force will also develop recommendations relating to the continuation of current services considered essential for the target population before the phase-in period begins. Considerations should include establishment of measures to ascertain needed services; options and methods of providing these essential services; and a phasing schedule. The Task Force should also review and make recommendations about program evaluation which may be desirable in this area. Finally, this Task Force is to consider and make recommendations concerning both professional (especially training) problems and administrative issues, such as personnel and budget, in the evolution of the Readjustment Counseling Program.

The Task Force is scheduled to provide a final report in the Fall of 1983.

The report of the Planning Task Force will provide substantial information on which decisions will be based and these will have a major impact on the report the Administrator is mandated to submit by Section 612A(g)(2) of Title 38, United States Code.

I appreciate your continued interest in the veterans of the country.

Sincerely,

——— ———,

(For Donald L. Custis, M.D.,)

Chief Medical Director.

VETERANS ADMINISTRATION,
DEPARTMENT OF MEDICINE AND SURGERY,
Washington DC, 20420 December 4, 1986.

Hon. ALAN CRANSTON,
Ranking Minority Member, Committee on Veterans Affairs, U.S. Senate, Washington, DC.

DEAR SENATOR CRANSTON: Thank you for your letter of October 29, 1986, concerning career appointment status of personnel in the Readjustment Counseling Program (Vet Centers).

The recommendations made by the Vet Center Planning Committee (formerly Readjustment Counseling Planning Task Force) referred to in your letter had been approved by the Chief Medical Director in 1984. These recommendations are current policy objectives of the Department of Medicine and Surgery.

In order to implement the goal of converting Vet Center personnel to career status, the Agency has established regular job series for readjustment counselors, and implemented pre-existing job series where applicable, such as for social workers, psychologists, and clerical staff.

Conversions of personnel to career status have thus been proceeding subject to certain constraints. Only 55 of 220 additional FTE supplied to the Agency for the program expansion authorized in 1984 may be occupied with persons on career appointment, due to a Congressionally-imposed limitation. Usually, employees are not recommended for conversion to career status until they have been employed in a Vet Center for at least 12 months. In addition, performance is taken into account by program management in recommending conversion.

Within these constraints, the Agency has been proceeding with conversion of personnel to career status. During the 13-month period, October 1, 1985, through October 31, 1986, 110 employees were converted to career status. As a result of this initiative, of 794.9 FTE in the program, a total of 363.7 FTE are now holding career status, or 46 percent. This is to be compared with the figure of 27 percent as of April 1983. In further implementation of the policy objectives, 38 employees who are GS-10 and below, and 94 employees who are GS-11 and above, are now being reviewed for authorization for conversion, in VA Central Office. I expect that most of this group will receive career appointments by March 31, 1987.

Beyond that group of employees, we will continue, subject to the constraints indicated above, the ongoing process of accomplishing the objective set by the Chief Medical Director in 1984.

The additional data which you have requested by way of a breakdown by job, title, and region of employees in the career and non-career categories, are now being assembled in the field and will be furnished to you by December 15, 1986.

I appreciate the opportunity to provide this information.

Sincerely,

JOHN A. GRONVAIL, M.D.,
Acting Chief Medical Director.

CONCLUSION

Mr. CRANSTON. Mr. President, it is time to end the uncertainty under which the Readjustment Counseling Program has been forced to perform for a number of years. The bill we are introducing today recognizes the shortcomings of previous legislation relating to this program—most especially the requirement for an arbitrary reduction in the scope of the program over a fixed time period without reference to the actual needs of the veterans being served by the program—and seeks to provide a more sound footing for the continued furnishing of readjustment counseling services.

Mr. President, I urge all of my colleagues to join in cosponsorship and support of this important measure, which will be considered at the Veteran's Affairs Committee's forthcoming markup on July 23.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1501

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCE TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the "Vietnam Veterans' Readjustment Counseling Program Preservation Act of 1987".

(b) REFERENCES TO TITLE 38.—Except as otherwise expressly provided, whenever in this Act an amendment or a repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. ADMINISTRATIVE REORGANIZATION LIMITATIONS.

Section 210(b)(2)(B) is amended—

(1) by inserting "(i) the transfer or termination during any fiscal year of 25 or more full-time equivalent employees providing readjustment counseling services pursuant to section 612A of this title, or (ii)" after "involves"; and

(2) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively.

SEC. 3. READJUSTMENT COUNSELING PROGRAM IMPROVEMENTS.

Section 612A is amended—

(1) by amending subsection (a) to read as follows: "(a)(1) Upon the request of—

"(A) any veteran or person who served on active duty during the Vietnam era, or

"(B) any veteran or person who served on active duty after May 7, 1975, in an area during a period in which hostilities (as defined in paragraph (4) of this subsection) occurred in such area

the Administrator shall furnish counseling to assist such person in readjusting to civilian life or to active duty following such service.

"(2) Upon the request of any veteran who served on active duty during World War II or the Korean conflict, the Administrator may furnish counseling to such veteran in overcoming any psychological problem associated with such veteran's service during such period. In furnishing counseling under this paragraph, the Administrator shall place particular emphasis on the needs of those who engaged in combat with the enemy.

"(3) Counseling furnished pursuant to paragraph (1) or (2) of this subsection shall include a general mental and psychological assessment to ascertain whether the person or veteran receiving such counseling has mental or psychological problems associated with such individual's active military, naval, or air service.

"(4) For the purpose of subparagraph (1)(B) of this subsection, the term 'hostilities' means a situation in which members of the Armed Forces were, as determined by the Administrator in consultation with the Secretary of Defense, subjected to danger from armed conflict comparable to the danger to which members of the Armed Forces have been subjected in battle with the enemy during a period of war.";

(2)(A) in subsection (d)—

(i) by inserting "(1)" before "The"; and

(ii) by adding at the end the following new paragraph:

"(2) Any individual who has satisfactorily completed 2 years of substantially continuous employment in the program established to carry out this section under a time-limited appointment shall be converted by the Administrator to a career-conditional or career employment. Such conversion shall be accomplished not later than 30 days after (A) the date on which such 2-year period has expired, or (B) the date of the enactment of this Act, whichever is the later. An employee converted under this paragraph shall automatically acquire a competitive status."

(B) not later than 60 days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall submit to the Committee on Veterans' Affairs of the Senate and House of Representatives a report on the implementation of the amendment made by subparagraph (A). Such report shall include information on the number of employees employed under a time-limited appointment on such date of enactment, the number, assignment, and duty station of those converted to career-conditional or career employment by the date 30 days after such enactment date, and the plans and timetable for accomplishing the conversion of other such employees.

(3) in subsection (g)—

(A) by amending paragraph (1) to read as follows:

"(1)(A) No Vet Center in existence on July 1, 1987, may be closed or moved to another location unless the Chief Medical Director—

"(i) determines, in accordance with subparagraph (B) of this paragraph and pursuant to regulations which the Chief Medical Director shall prescribe, that such closure or move will not result in any diminution in the continuing availability and effective furnishing of readjustment counseling services to persons entitled to and needing such services in the geographic area served by such Vet Center, and so certifies in the detailed plan and justification described in clause (iv) of this subparagraph;

"(ii) in the case of such a move, certifies in such detailed plan and justification that the average annual budget and personnel ceiling provided to such Center in each of the three fiscal years prior to such move (calculated on an annualized basis for any year in which a Center was not operational for an entire year) will remain available to furnish readjustment counseling services for three full years following such move;

"(iii) unless the procedures prescribed in section 210(b)(2) of this title are being followed with respect to the closure or move, certifies in such detailed plan and justification that the number of personnel affected by such closure or move in any fiscal year, together with the number of pesonnel affected by all other such closures and moves and administrative action affecting the number of personnel assigned to the Central Office of the Veterans' Administration in connection with the furnishing of readjustment counseling services which have occurred or are proposed to occur during the same fiscal year, will total 25 or fewer full-time equivalent employees; and

"(iv) provides to the Committees on Veterans' Affairs of the Senate and the House of Representatives at least 60 days prior to any such closure or move a detailed plan and justification providing the same information with respect to such closure or move as would be required to be provided under section 210(b)(2)(C)(iii) of this title, including a description of the results of the consideration given to the factors specified in subparagraph (B) of this paragraph.

"(B) In making the determination under clause (i) of subparagraph (A) of this paragraph, the Chief Medical Director shall give full consideration to—

"(i) the distribution of Vietnam-era veterans in the geographic area served by the existing Vet Center;

"(ii) the distance between the existing Vet Center and the general Veterans' Administration facility and the relationship between the location of the medical or other facility and such distribution;

"(iii) the acceptability of the proposed closure or move to (I) the staff of both the existing Vet Center and the general Veterans' Administration facility, (II) representatives of veterans service organizations located in the geographic area served by the existing Vet Center, and (III) individual veterans who are being furnished services at the existing Vet Center;

"(iv) the availability of other entities, such as State, local, or private outreach facilities, which provide assistance to Vietnam-era veterans in the area served by the existing Vet Center;

"(v) the availability of transportation to, and parking at, the existing Vet Center and the general Veterans' Administration facility;

"(vi) the availability, cost, and suitability of the space at the general Veterans' Administration facility, including the opportunity to establish a direct entry into the area where readjustment counseling services would be furnished and the suitability of the environment where such services would be furnished;

"(vii) a comparison of the recurring non-personnel costs of providing readjustment counseling to the same estimated number of veterans at the existing Vet Center and the general Veterans' Administration facility;

"(viii) the impact of the proposed closure or move on the program at the existing Vet Center pursuant to which eligible veterans are furnished readjustment counseling services by private facilities under a contract with the Veterans' Administration; and

"(ix) the workload trends over the prior 2 fiscal years at the existing Vet Center.

"(C) For the purposes of subparagraph (B) of this paragraph, the term 'general Veterans' Administration facility' means a Veterans' Administration facility which is not a Vet Center and which would assume responsibility for furnishing readjustment counseling in a geographic area upon the closure or movement of a Vet Center.";

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) by striking out "April 1, 1987" and inserting in lieu thereof "April 1, 1988"; and

(II) by striking out "(or" and all that follows through "available)";

(ii) in subparagraph (B)—

(I) by striking out in clause (i) "a program" and all that follows through "health-care facilities" and inserting in lieu thereof "Vet Centers"; and

(II) in subclause (ii) by striking out "paragraph (1) of";

(C) by striking out paragraphs (3) and (4);

(D) by redesignating subsection (h) as subsection (i);

(E) by inserting after subsection (g), the following new subsection (h):

"(h)(1) In addition to furnishing readjustment counseling services under this section, Vet Centers may furnish eligible veterans with additional services (including counseling with respect to, and assistance in applying for, all benefits and services under laws administered by the Veterans' Administration for which such veterans may be eligible) that the Administrator is authorized to furnish such veterans.

"(2) The Administrator may assign such personnel and other resources as are necessary to provide such additional services under this subsection."; and

(F) by adding at the end the following new subsection (j):

"(j) For the purposes of this section:

"(1) The term 'Vet Centers' means facilities (including Centers) which are operated by the Veterans' Administration for the provision of services under this section and which are situated apart from Veterans' Administration general health-care facilities.

"(2) The term 'Veterans' Administration general health-care facilities' means health-care facilities which are operated by the Veterans' Administration for the furnishing of health-care services under this chapter, not limited to services provided through the programs established under this section.".

SEC. 4. POSTPONEMENT OF REPORT DUE DATE.

Section 102(b) of the Veterans' Health Care Amendments of 1983 (Public Law 98-160; 97 Stat. 994) is amended by striking out "October 1, 1986" and inserting in lieu thereof "October 1, 1987".

By Mr. SIMON (for himself, Mr. DIXON, Mr. KENNEDY, Mr. LEVIN, and Mr. PRYOR):

S.J. Res. 174. Joint resolution designating the week beginning November 15, 1987, as "African American Education Week"; to the Committee on the Judiciary.

AFRICAN AMERICAN EDUCATION WEEK

● Mr. SIMON. Mr. President, today I am introducing a joint resolution designating the week beginning November 15, 1987, as "African American Education Week." We can all agree that the future of a productive America rests on the strength of our education system. Since the enrollment of black American students in public school districts is expected to increase significantly by 1990, especially those attending large, urban school districts, it is unfortunate that the number of black American educators available to teach these students is expected to decline. In fact, as Education Week proclaimed, "black teachers are an endangered species." By setting aside a week to recognize the educational contributions of black Americans to our society and the role that black teachers have played, we will encourage and reinforce essence promote academic excellence as the cornerstone of achievement and upward mobility for black American students; additionally, teaching as a viable career option for black Americans will be fostered.

Historically, despite the many obstacles placed in their path, blacks have been able to make their mark on America as doctors, lawyers, inventors, educators, businessmen, and writers. No group in the United States has manifested a consistently greater interest in and respect for education than black Americans. As early as 1826, when the first black man, John Russwurm (1799-1851) graduated from Bowdoin College in Maine, blacks were on their way to attaining the American dream. In 1876, Edward Bouchet became the first black man to earn a Ph.D—in physics—from an American university, when he received his doctorate from Yale.

Black colleges and universities have played the most important role in elevating the higher education aspirations of black Americans. Between 1854 and 1952, some 123 colleges were established to serve black students who did not have access to white institutions. Among the first to be established were Cheyney State College in Pennsylvania, Wilberforce University in Ohio, Lincoln University in Pennsylvania, and Howard University here in the Nation's Capital. In 1872, Alcorn College—now Alcorn State University—became the first black land grant institution under the first Morrill Act of 1862. Seventeen other black land grant institutions were created under the second Morrill Act in 1890. Today, there are more than 100 historically black colleges and universities including Spellman College, Hampton University, Tuskegee University, Morehouse College, Southern University, Grambling University, and Fisk University. They continue to be the source of most of today's black baccalaureate degree recipients and black political leadership throughout the Nation.

Teaching has been an honorable and revered profession among black Americans. The fact that they were barred because of race from many careers did not diminish the honor nor the importance of teaching, as they viewed it. As a result, they have made outstanding contributions to the Nation in the area of education. Some of our most prominent educators include:

Booker T. Washington (1856-1916)—an outstanding leader and educator acquired his name because of his love for books. He attended Hampton Institute and later served as a faculty member.

As a prominent leader, he helped set up the National Negro Business League. Tuskegee Institute, which he developed, stands today as a monument.

Mary McLeod Bethune (1875-1955)—educator and civic leader, founder of Normal and Industrial School for young Negro women at Daytona Beach, FL. She started with $1.50 in cash, five pupils, and a rented cottage, which became Bethune-Cookman College in 1923.

Dr. Carter G. Woodson (1875-1950)—historian and educator, who because he was too poor to afford an education, did not enter high school until age 20, where he graduated with honors 2 years later. After attending Berea College and graduating with honors, he was sent to the Philippines as a school supervisor. In 1907 he received his B.A. from the University of Chicago, in 1908 his M.A., and 1912 his doctorate from Harvard. He was the first American to champion Afro-American history and through his efforts helped establish the Association for the Study of Negro Life and History. Woodson was dean of liberal arts at both Howard University and West Virginia State College.

Dr. Benjamin Elijah Mays (1895- —)—educator, received the B.A. degree from Bates College, Lewiston, Maine in 1920 and a M.A. degree (1925) and his Ph.D degree in 1935 from the University of Chicago. He was awarded honorary degrees from many universities. Mays taught at Morehouse College and at South Carolina State College, later served as dean of the School of Religion at Howard University, and served as president of Morehouse College and the Atlanta Board of Education.

Dr. Frederick D. Patterson (1901- —)—educator, founder of the United Negro College Fund and former president of Tuskegee Institute—now Tuskegee University. He attended Prairie View State College and earned a doctor of veterinary medicine and a master's degree at Iowa State University. He also holds a Ph.D. from Cornell University. Dr. Patterson established the School of Veterinary Medicine at Tuskegee which remains the only school under black auspices.

Shirley Anita Chisholm (1924- —)—New York State assemblywoman, educator, U.S. Representative from 1968-82. She received a B.A. degree from Brooklyn College of the City of New York and her M.A. degree from Columbia University. After working for 7 years as a nursery school teacher, she became the director of a child care center in New York City. Ms. Chisholm was in a position as educational consultant in the division of day care of the New York City Bureau of Child Welfare. She was the first black woman elected to Congress in 1968, where she served as a member of the Education and Labor Committee for 8 years. She ran in the New York Democratic primary for President of the United States in 1972.

Dr. Mary Frances Berry (1938- —)—historian, educator, received the B.A. and M.A. degrees from Howard University, and a Ph.D. from the University of Michigan. She also received her law degree (J.D.) there in 1970. During the 1970's, she served in several high-ranking executive positions including head of black studies at the University of Maryland, College Park and Chancellor of the University of Colorado at Boulder. President Carter named Dr. Berry Assistant Secretary for Education in the U.S. Department of Health, Education, and Welfare [HEW] where she served from 1977-80. Since 1980, she has been a member of the U.S. Commission on Civil Rights. She currently is a professor of history and constitutional law at Howard University. In addition to numerous articles, she has authored three books.

Mary Hatwood Futrell (1940- —)—educator, received her B.A. in business education from Virginia State College and her M.A. degree from George Washington University. She has received honorary doctorates from George Washington University, Virginia State University, and Spellman College. Ms. Futrell has held the position of president of the National Education Association [NEA] since 1983 and has been reelected to an unprecedented third term. Presently she is an active member of the Select Committee on the Education of Black Youths and is also working on the Carnegie Task Force on Teaching As a Career.

Dr. John Hope Franklin (1915- —)—historian, educator, author, received a B.A. degree from Fish University, Nashville, TN, the M.A. degree there also, and his Ph.D. from Harvard. He has been awarded more than 30 honorary degrees and has taught at several colleges and universities, including Fisk, St. Augustine's, North Carolina State, Howard, Cambridge, England, and Brooklyn College of the City University of New York. He received a Rosenwald Fellowship in 1937 and a Guggenheim Fellowship in 1950. Dr. Franklin received extraordinary recognition and honor in the 1970's when he was elected as the first Afro-American president of two prestigious historical organizations: the Southern Historical Association and the American Historical Association. He is currently James B. Duke Professor of History Emeritus at Duke University.

It is clear that teaching was once the bulwark of professional life among blacks; it has declined in appeal. As professor John Hope Franklin of Duke University states, "the need for black teachers has reached desperation . . . the need for black students to remain in school has gone even beyond that point . . . the trend in both areas must be stopped if we are to see anything resembling a healthy attitude toward—and respect for—education in the black community. We need to dedicate ourselves to making teaching an attractive profession so that it will once again attract able, dedicated, and committed black teachers."

There are many black educators who form the front ranks of the education profession in America today—Mary Hatwood Futrell, president of the National Education Association, Dr. Floretta D. MacKenzie, Superintendent of the District of Columbia Public Schools; Dr. Donald Stewart, president of the College Board; Marva Collins, founder and principal, Westside Preparatory Academy; Marian Wright Edelman, president of the Children's Defense Fund; Dr. Robert Albright, president of Johnson C. Smith University; Dr. Prezell Robinson, president of St. Augustine's College of Raleigh, NC; Dr. Benjamin Payton, president of Tuskegee University; Dr. Louis W. Sullivan of the Morehouse School of Medicine; Dr. Benjamin Quarles, professor of history at Morgan State University; and thousands of classroom teachers throughout America.

The National Alliance of Black School Educators has initiated and will coordinate a celebration of African American Education that will occur during the week of November 15, 1987. Their commitment is consistent with the current movement in the United States to reform education in the public schools. I am asking that my colleagues support this designation of the week of November 15, 1987 as "African American Education Week."●

ADDITIONAL COSPONSORS

S. 508

At the request of Mr. LEVIN, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 508, a bill to amend title 5, United States Code, to strengthen the protections available to Federal employees against prohibited personnel practices, and for other purposes

S. 557

At the request of Mr. KENNEDY, the name of the Senator from West Virginia [Mr. BYRD] was added as a cosponsor of S. 557, a bill to restore the broad scope of coverage and to clarify the application of title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and title VI of the Civil Rights Act of 1964.

S. 612

At the request of Mr. SIMON, the names of the Senator from Connecticut [Mr. DODD], the Senator from New York [Mr. MOYNIHAN], and the Senator from Illinois [Mr. DIXON] were added as cosponsor of S. 612, a bill to repeal a provision of Federal tort liability law relating to the civil liability of Government contractors for certain injuries, losses of property, and deaths, and for other purposes

S. 964

At the request of Mr. BAUCUS, the names of the Senator from Wyoming [Mr. WALLOP], the Senator from New Mexico [Mr. DOMENICI], the Senator from Wyoming [Mr. SIMPSON], the Senator from Arkansas [Mr. PRYOR], the Senator from South Dakota [Mr. DASCHLE], and the Senator from Montana [Mr. MELCHER] were added as cosponsors of S. 964, a bill to amend the Meat Import Act of 1979 to include imports of lamb.

S. 999

At the request of Mr. CRANSTON, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 999, a bill to amend title 38, United States Code, and the Veterans' Job Training Act to improve veterans employment, counseling, and job-training services and programs.

S. 1002

At the request of Mr. CRANSTON, the names of the Senator from Washington [Mr. ADAMS] and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of S. 1002, a bill to amend title 38, United States Code, to provide disability and death benefits to veterans (and survivors of such veterans) exposed to ionizing radiation during the detonation of a nuclear device in connection with the U.S. Nuclear Weapons Testing Program or the American occupation of Hiroshima or Nagasaki, Japan; and for other purposes.

S. 1020

At the request of Mr. MOYNIHAN, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 1020, a bill to create the Office of Librarian of Congress Emeritus.

S. 1357

At the request of Mr. WILSON, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 1357, a bill to amend section 3210 of title 39, United States Code, to prohibit congressional newsletters.

S. 1393

At the request of Mr. HEINZ, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 1393, a bill to amend title 39, United States Code, to designate as nonmailable matter any private solicitation which is offered in terms expressing or implying that the offeror of the solicitation is, or is affiliated with, certain Federal agencies, unless such solicitation contains conspicuous notice that the Government is not making such solicitation, and for other purposes.

S. 1424

At the request of Mr. SIMON, the name of the Senator from New Hampshire [Mr. HUMPHREY] was added as a cosponsor of S. 1424, a bill to amend title 8, United States Code, to provide for adjustment of status of certain Polish nationals who arrived in the United States before July 21, 1984, and who have continuously resided in the United States since that date.

S. 1440

At the request of Mr. EVANS, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 1440, a bill to provide consistency in the treatment of quality control review procedures and standards in the Aid to Families with Dependent Children, Medicaid and Food Stamp Programs; to impose a temporary moratorium for the collection of penalties under such programs, and for other purposes.

S. 1464

At the request of Mr. CRANSTON, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 1464, a bill to amend title 38, United States Code, to provide eligibility to certain individuals for beneficiary travel payments in connection with travel to and from Veterans' Adminstration facilities.

SENATE JOINT RESOLUTION 31

At the request of Mr. HUMPHREY, the name of the Senator from Nebraska [Mr. KARNES] was added as a cosponsor of Senate Joint Resolution 31, a joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life.

SENATE JOINT RESOLUTION 32

At the request of Mr. HUMPHREY, the name of the Senator from Nebraska [Mr. KARNES] was added as a cosponsor of Senate Joint Resolution 32, a joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life.

SENATE JOINT RESOLUTION 53

At the request of Mr. CRANSTON, the names of the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Colorado [Mr. ARMSTRONG] were added as cosponsors of Senate Joint Resolution 53, a joint resolution to designate the period commencing November 22, 1987, and ending November 28, 1987, as "American Indian Week".

SENATE JOINT RESOLUTION 106

At the request of Mr. BINGAMAN, the names of the Senator from Tennessee [Mr. GORE], and the Senator from Arizona [Mr. MCCAIN] were added as cosponsors of Senate Joint Resolution 106, a joint resolution to recognize the Disabled American Veterans Vietnam Veterans National Memorial as a memorial of national significance.

SENATE JOINT RESOLUTION 108

At the request of Mr. LUGAR, the name of the Senator from Nevada [Mr. REID] was added as cosponsor of Senate Joint Resolution 108, a joint resolution to designate October 6, 1987, as "German-American Day".

SENATE JOINT RESOLUTION 148

At the request of Mr. D'AMATO, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of Senate Joint Resolution 148, a joint resolution designating the week of September 20, 1987, through September 26, 1987, as "Emergency Medical Services Week".

SENATE JOINT RESOLUTION 152

At the request of Mr. RIEGLE, the names of the Senator from North Dakota [Mr. BURDICK], and the Senator from New York [Mr. D'AMATO], the Senator from Arizona [Mr. DECONCINI], the Senator from Illinois [Mr. DIXON], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Massachusetts [Mr. KERRY], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from New York [Mr. MOYNIHAN], the Senator from Arkansas [Mr. PRYOR], and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of Senate Joint Resolution 152, a joint resolution expressing the sense of the Congress with respect to the freedom and independence of the people of Estonia, Latvia, and Lithuania.

SENATE JOINT RESOLUTION 161

At the request of Mr. DECONCINI, the name of the Senator from Wyoming [Mr. SIMPSON], was added as a cosponsor of Senate Joint Resolution 161, a joint resolution proposing an amendment to the Constitution to provide for a balanced budget for the U.S. Government and for greater accountability in the enactment of tax legislation.

SENATE JOINT RESOLUTION 168

At the request of Mr. MELCHER, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of Senate Joint Resolution 168, a joint resolution designating the week beginning October 25, 1987, as "National Adult Immunization Awareness Week".

SENATE CONCURRENT RESOLUTION 43

At the request of Mr. STEVENS, the name of the Senator from Nebraska [Mr. KARNES] was added as a cosponsor of Senate Concurrent Resolution 43, a concurrent resolution to encourage State and local governments and local educational agencies to provide quality daily physical education programs for all children from kindergarten through grade 12.

SENATE RESOLUTION 245

At the request of Mr. DOMENICI, the names of the Senator from Washington [Mr. ADAMS], the Senator from Texas [Mr. BENTSEN], the Senator from North Dakota [Mr. CONRAD], the Senator from Texas [Mr. GRAMM], the Senator from Iowa [Mr. GRASSLEY], the Senator from Utah [Mr. HATCH], and the Senator from Nevada [Mr.

REID] were added as cosponsors of Senate Resolution 245, a resolution to express the profound sorrow and regret of the Senate on the death of Arthur F. Burns.

AMENDMENT NO. 160

At the request of Mr. CRANSTON, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of amendment No. 160 intended to be proposed to S. 999, a bill to amend title 38, United States Code, and the Veterans' Job Training Act to improve veterans employment, counseling, and job-training services and programs.

AMENDMENT NO. 270

At the request of Mr. HUMPHREY, the name of the Senator from Mississippi [Mr. STENNIS] was added as a cosponsor of amendment No. 270 intended to be proposed to S. 2, a bill to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and partial public financing of Senate general election campaigns, to limit contributions by multicandidate political committees, and for other purposes.

SENATE RESOLUTION 249—ORIGINAL RESOLUTION REPORTED RELATIVE TO EXPENDITURES BY THE SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE, from the Select Committee on Indian Affairs, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 249

Resolved, That Senate Resolution 353, section 21, paragraph (b), 99th Congress, as amended, be amended by striking out "$790,797" and inserting in lieu thereof "$795,797"; and be it further

SEC. 2. That Senate Resolution 80, section 21, paragraph (b), 100th Congress, be amended by striking out "$842,335" and inserting in lieu thereof "$837,335".

AMENDMENTS SUBMITTED

SNOW WHITE WEEK

STEVENS AMENDMENT NO. 526

Mr. SIMPSON (for Mr. STEVENS) proposed an amendment to the joint resolution (S.J. Res. 140) to designate the week beginning July 13, 1987, as "Snow White Week"; as follows:

On page 2, line 3, strike out "13" and insert in lieu thereof "16".

The preamble is amended—

(1) by striking out the first clause and inserting in lieu thereof the following new clause: "Whereas a classic film 'Snow White and the Seven Dwarfs' was released 50 years ago;";

(2) by striking out the fourth and fifth clauses and inserting in lieu thereof the following new clause: "Whereas 'Snow White and the Seven Dwarfs' was the first original soundtrack recording ever released;"; and

(3) by striking out the seventh and eighth clauses and inserting in lieu thereof the following new clause: "Whereas 'Snow White and the Seven Dwarfs' won a special Academy Award as a 'significant screen innovation which has charmed millions and pioneered a great new entertainment field for the motion picture cartoon': Now, therefore, be it".

Amend the title to read as follows: "To designate the week beginning July 16, 1987, as 'Snow White Week'.".

OMNIBUS TRADE AND COMPETITIVENESS ACT

GARN (AND OTHERS) AMENDMENT NO. 527

(Ordered to lie on the table.)

Mr. GARN (for himself, Mr. PROXMIRE, Mr. THURMOND, Mr. BUMPERS, Mr. GRAMM, Mr. HECHT, Mr. SYMMS, Mr. HELMS, Mr. NICKLES, and Mr. WALLOP) submitted an amendment intended to be proposed by them to the bill (S. 1420) to authorize negotiations of treciprocal trade agreements, to strengthen U.S. trade laws, and for other purposes; as follows:

On page 443, line 19, insert the following new section:

SEC. 10. FINANCIAL EXPORT CONTROL ACT.

SHORT TITLE

SECTION 1. This Act may be cited as the "Financial Export Control Act".

FINDINGS

SEC. 2. Section 2 of the Export Administration Act of 1979 is amended by adding at the end thereof the following:

"(14) Loans and other transfers of capital to the Soviet Union and its allies, especially untied, no-purpose loans and interbank deposits, from public and commercial sources significantly increase the ability of those countries to obtain sensitive goods and technology and to more easily divert funds to purposes inimical to United States interests, thereby damaging the security interests of the United States and its allies.".

DECLARATION OF POLICY

SEC. 3. Section 3 of the Export Administration Act of 1979 is amended—

(1) in paragraph (2)(B), by striking out "and" after the semicolon;

(2) in paragraph (2)(C), by striking out the period and inserting in lieu thereof a semicolon;

(3) by adding at the end of paragraph (2) the following:

"(D) to restrict the export of capital, the extension of credit, the making of loans, or the transfer of financial resources to destinations or persons outside the United States in order to promote the national security, including antiterrorism, interests of the United States; and

"(E) to restrict the export of goods and technology where the President determines that such export (i) will likely support or be used to commit acts of terrorism against United States citizens, (ii) will likely benefit persons committing such acts, or (iii) will benefit countries supporting international terrorism, as defined pursuant to section 6(j) of this Act.".

CONTROLS AUTHORITY

SEC. 4. The Export Administration Act of 1979 is amended by inserting after section 8 the following new section:

"CAPITAL CONTROLS; ANTITERRORISM

"SEC. 8A. (a) CAPITAL CONTROLS AUTHORITY.—(1) In order to carry out the policy set forth in section 3(2)(D) of this Act, the President may prohibit, curtail, monitor, or otherwise regulate the export or transfer, or participation in the export or transfer, of money or other financial assets including the making of a loan or the extension of credit, subject to the jurisdiction of the United States or exported or transferred by any person subject to the jurisdiction of the United States.

"(A) to the government of any controlled country, or

"(B) to the government of any country designated pursuant to section 6(j) as a country supporting international terrorism, or to any political subdivision thereof or any organization or association owned by or acting for or on behalf of such government or political subdivision thereof.

"(2) The authority conferred by this subsection shall be exercised by the Secretary of the Treasury, in consultation with the Secretary of Defense, the Secretary of Commerce, and such other departments and agencies as the Secretary of the Treasury considers appropriate.

"(b) ANTITERRORISM CONTROLS AUTHORITY.—(1) In order to carry out the policy set forth in section 3(2)(E) of this Act, the President may prohibit, curtail, monitor, or otherwise regulate the export or transfer, or participation in the export of transfer, of goods and technology subject to the jurisdiction of the United States or exported or transferred by any person subject to the jurisdiction of the United States if the President determines that such export—

"(A) will likely support or be used to commit an act of terrorism against the person or property of a United States citizen, or

"(B) will likely benefit persons committing such an act or benefit countries defined pursuant to section 6(j) of this Act as countries supporting international terrorism.

"(2) The authority conferred by this subsection shall be exercised by the Secretary, in consultation with the Secretary of Defense, the Secretary of State, and such other departments and agencies as the Secretary considers appropriate, and shall be implemented by means of export licenses issued by the Secretary.

"(c) NEGOTIATIONS WITH OTHER COUNTRIES.—(1) The Secretary of the Treasury, in consultation with the Secretaries of State, Defense, and Commerce, and the heads of other appropriate departments and agencies, shall conduct negotiations with other countries regarding their cooperation with controls imposed pursuant to subsection (a).

"(2) The Secretary of State, in consultation with the Secretaries of Commerce and Defense, and the heads of other appropriate departments and agencies, shall conduct negotiations with other countries regarding their cooperation with controls imposed pursuant to subsection (b).".

PROCEDURES

SEC. 5. Section 10 of the Export Administration Act of 1979 is amended—

(1) in subsection (a)(1), by striking out "All export license applications" and inserting in lieu thereof "Except as provided in

subsection (p), all export license applications";

(2) in subsection (j)(1), by inserting before the period ", except in the case of any license that may be required pursuant to section 8A(a) of this Act, in which case the Secretary of the Treasury shall establish such procedures"; and

(3) by adding at the end thereof the following new subsection:

"(p) CAPITAL CONTROLS LICENSING PROCEDURES.—(1) Any export license applications required pursuant to section 8A(a) of this Act shall be submitted by the applicant to the Secretary of the Treasury. All determinations with respect to any such application shall be made by the Secretary of the Treasury.

"(2) To the extent necessary, the Secretary of the Treasury shall seek information and recommendations from the Government departments and agencies concerned with aspects of the United States domestic and foreign policies and operations having an important bearing on the policy set forth in section 3(2)(D) of this Act.".

ENFORCEMENT

SEC. 6. Section 12 of the Export Administration Act of 1979 is amended—

(1) in the second sentence of subsection (c)(1), by inserting before the period the following: ", or in the case of information obtained with respect to section 8A(a) of this Act, unless the Secretary of the Treasury so determines"; and

(2) in subsection (e), by striking out "The Secretary" and inserting in lieu thereof "Except with regard to the authority provided under section 8A(a), the Secretary".

ANNUAL REPORT

SEC. 7. Section 14(a) of the Export Administration Act of 1979 is amended—

(1) by striking out "and" at the end of paragraph (19);

(2) by striking out the period at the end of paragraph (20) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(21) actions taken by the President and the Secretary of the Treasury to carry out the policies set forth in section 3(2)(D) of this Act, as described by the Secretary of the Treasury in a report submitted for inclusion as a part of the Secretary's annual report required by this section.".

ADMINISTRATIVE AND REGULATORY AUTHORITY

SEC. 8. Section 15 of the Export Administration Act of 1979 is amended—

(1) by inserting ", the Secretary of the Treasury," after "the President" in subsection (b); and

(2) by inserting "or the Secretary of the Treasury" after "Secretary" each place it appears in the first sentence of subsection (c).

DEFINITIONS

SEC. 9. Section 16 of the Export Administration Act of 1979 is amended—

(1) in paragraph (7) by striking out "and" after the semicolon;

(2) in paragraph (8) by striking out the period and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

"(9) the term 'extension of credit' includes loans, credit sales, the supplying of funds through the underwriting, distribution, or acquisition of securities, the making or assisting in the making of a direct placement, or otherwise participating in the offering, distribution, or acquisition of securities; and

"(10) the term 'loan' includes any type of credit, including credit extended in connection with a credit sale.".

CONTROLLED COUNTRY OWNERSHIP OF BANKS

SEC. 10. Section 7(j) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j)) is amended—

(1) in paragraph (6)(A), by inserting "nationality," after "personal history,";

(2) by inserting "(A)" after "(15)" at the beginning of paragraph (15);

(3) by inserting at the end of paragraph (15) the following:

"(B) Any person who willfully violates any provision of this subsection, or any regulation or order issued by the appropriate Federal banking agency pursuant to this subsection, shall upon conviction be fined not more than $100,000, or imprisoned for not more than 10 years, or both."; and

(4) by adding at the end thereof the following:

"(17) The appropriate Federal banking agency shall disapprove any proposed acquisition under this subsection which would result in the ownership or control of an insured bank by a country defined as a controlled country pursuant to the provisions of the Export Administration Act of 1979 or a national, agency, or instrumentality of any such country.".

HEINZ (AND OTHERS) AMENDMENT NO. 528

(Ordered to lie on the table.)

Mr. HEINZ (for himself, Mr. DANFORTH, Mr. SPECTER, and Mr. HOLLINGS) submitted an amendment intended to be proposed by them to the bill S. 1420, supra, as follows:

At the end of subtitle B of title IX of the bill, add the following:

SEC. . ACTION FOR CUSTOMS FRAUD.

Part V of title IV of the Tariff Act of 1930 is amended by inserting after section 592 (19 U.S.C. 1492) the following new section:

"SEC. 592A. PRIVATE ENFORCEMENT ACTION FOR CUSTOMS FRAUD.

"(a) IN GENERAL.—

"(1) Any interested party whose business or property is injured by any act of fraud or gross negligence that is published under section 592(a) may bring a civil action in the United States Court of International Trade against any person—

"(A) committing,

"(B) conspiring to commit, or

"(C) knowingly participating (directly or indirectly) in the commitment of,

such fraudulent or grossly negligent act.

"(2)(A) If the act alleged under paragraph (1) is by fraud, then the interested party shall have the burden of proof to establish such act by clear and convincing evidence.

"(B) If the act alleged under paragraph (1) is by gross negligence, then the interested party shall have the burden of proof to establish such act by a preponderance of the evidence.

"(b) DAMAGES.—

"(1) Upon proof by a preponderance of the evidence by an interested party in any action brought under subsection (a) that his business or property has been injured by the fraudulent or grossly negligent act, such interested party shall—

"(A) recover damages for the injuries sustained by such party, including (but not limited to)—

"(i) the gross margin on sales of a like or competing product lost because of the merchandise with respect to which the fraudulent or grossly negligent act was committed was entered into the United States, and

"(ii) the impact of such merchandise on the market price for a like or competing product, and

"(B) recover the costs of suit, including reasonable attorney's fees.

"(2) For purposes of paragraph (1)(A)(i)—

"(A) the gross margin on lost sales of a like or competing product shall be determined by deducting the variable cost of producing the product from the sales price of the product, and

"(B) upon proof by an interested party that the defendant has committed, conspired to commit, or has knowingly participated (directly or indirectly) in the commitment of a fraudulent or grossly negligent act prohibited under section 592(a), a presumption shall exist that such interested party lost sales because of such act in an amount equal to the amount of sales which such party could reasonably have been expected to make had the fraudulent or grossly negligent act not occurred, taking into account the level of sales and capacity utilization of such party during and prior to the period when such fraudulent or grossly negligent act was committed, and the burden of proof shall be on the defendant to overcome such presumption.

"(c) DEFINITIONS.—For purposes of this section—

"(1) The term 'interested party' means—

"(A) a manufacturer, producer, or wholesaler in the United States of a like or competing product, or

"(B) a trade or business association a majority of whose members manufacture, produce, or wholesale a like product or a competing product in the United States.

"(2) The term 'like product' means a product which is like, or in the absence of like, most similar in characteristics and uses with products being imported into the United States in violation of section 592(a) of the Tariff Act of 1930.

"(3) The term 'competing product' means a product which competes with or is a substitute for products being imported into the United States in violation of section 592(a) of the Tariff Act of 1930.

"(d) INTERVENTION BY THE UNITED STATES.—The Court of International Trade shall permit the United States to intervene in any action brought under this section, as a matter of right. The United States shall have the rights of a party."

HEINZ AMENDMENT NO. 529

(Ordered to lie on the table.)

Mr. HEINZ submitted an amendment intended to be proposed by him to the bill S. 1420, supra; as follows:

On page 188, strike line 7 through page 190, line 9, and insert in lieu thereof, the following:

"(2) "MERCHANDISE PRODUCED, COMPLETED OR ASSEMBLED IN FOREIGN COUNTRIES.—

"(A) IN GENERAL.—If—

"(i) merchandise of the same class or kind as any merchandise produced in a foreign country that is the subject of—

"(I) an antidumping duty order issued under section 736,

"(II) a finding issued under the Antidumping Act, 1921, or

"(III) an agreement, arrangement or understanding containing quantitative limitations, restrictions or other terms relating to the importation into the United States of such merchandise which was entered into by the United States and any foreign country or foreign customs union after an affirmative preliminary determination was made under section 733,

"(ii) such merchandise (hereinafter referred to as "component merchandise") is used as a major part, component, assembly, subassembly or material in a foreign country to produce, complete or assemble merchandise exported to the United States, applies,

"(iii) the value of the component merchandise is at least 60% of the value of all components in the imported merchandise, and

"(iv) the administering authority determines that action will assist to prevent evasion of such order, finding, or agreement,

in any antidumping duty proceeding brought with regard to the imported merchandise, the administering authority shall—

"(i) determine the foreign market value of such merchandise of the basis of its constructed value pursuant to subsection 773(e),

"(ii) increase the foreign market value so determined by an amount equal to the excess of the foreign market value of any component merchandise over the price at which the manufacturer or producer of the imported merchandise purchased the component merchandise.

"(B) Factors to consider.—In determining whether the procedures in subparagraph (A) will assist in preventing diversion, the administering authority shall take into account such factors as—

"(i) whether imports into the United States of the component merchandise have decreased absolutely or the rate of increase of such imports has decreased, and

"(ii) whether imports into the United States of like products to the imported merchandise have increased.

"(3) Minor alterations of merchandise.—

"(A) In general.—The class or kind of merchandise subject to—

"(i) an investigation under this title,

"(ii) an antidumping duty order issued under section 736,

"(iii) a finding issued under the Antidumping Act, 1921, or

"(iv) a countervailing duty order issued under section 703 or section 303.

shall include articles altered in form or appearance in minor respects, whether or not included in the same tariff classification.

"(B) Exception.—Subparagraph (A) shall not apply with respect to altered merchandise if the administering authority determines that it would be unnecessary to consider the altered merchandise within the scope of the investigation, order, or finding.".

HEINZ (AND OTHERS) AMENDMENT NO. 530

(Ordered to lie on the table.)

Mr. HEINZ (for himself, Mr. Garn, Mr. Dixon, Mr. Bond, Mr. Simon, Mr. Dodd, Mr. Chafee, Mr. Adams, and Mr. Karnes) submitted an amendment intended to be proposed by them to the bill S. 1420, supra; as follows:

Beginning with page 428, line 3, strike out through page 430, line 3, and insert the following:

SEC. 1101. DEFINITION OF EXPORT TRADING COMPANY.

Section 4(c)(14)(F)(i) of the Bank Holding Company Act of 1956 is amended to read as follows:

"(i) the term 'export trading company' means a company which does business under the laws of the United States or any State, which is exclusively engaged in activities related to international trade, and which is organized and operated principally for purposes of exporting goods or services produced in the United States by the company, its affiliates, or unaffiliated persons, or for purposes of providing one or more export trade services to facilitate the exportation of goods or services produced in the United States by unaffiliated persons. A company shall be deemed to be organized and operated principally for such purposes if its revenues from exporting goods or services produced in the United States or from providing export trade services, as defined in clause (ii), exceed its revenues from importing into the United States goods or services produced outside the United States. Nothing in this clause authorizes a bank holding company to own or acquire an interest in an export trading company domiciled in the United States which engages in the underwriting, selling, or distributing of securities or insurance except as may be included in the definition of export trade services in clause (ii) of this subparagraph.

SEC. 1102. LEVERAGE.

Section 4(c)(14)(A)(iv) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(14)(A)(iv)) is amended by adding at the end thereof the following: "The Board may not disapprove a proposed investment solely on the basis of the proposed assets to equity ratio of an export trading company unless the proposed annual average ratio is greater than twenty-five to one.".

HEINZ AMENDMENTS NOS. 531 AND 532

(Ordered to lie on the table.)

Mr. HEINZ submitted two amendments intended to be proposed by him to the bill S. 1420, supra; as follows:

Amendment No. 531

Strike out subtitle C of title IX of the bill.

Amendment No. 532

On page 356 of the printed bill, beginning on line 6, strike out "suspends" and insert in lieu thereof "indefinitely continues the suspension of".

On page 361, strike out lines 15 through 20 and insert in lieu thereof the following:

(13) the duties imposed by Federal law on such article that are temporarily suspended and the rates of such duties, and

(14) the aggregate amount of Federal revenue that would have been derived from the duties imposed by Federal law on such article during the fiscal year preceding the fiscal year in which such determination is made if the temporary suspension of such duties was not in effect.

On page 363, beginning on line 11, strike out "suspends all" and insert in lieu thereof "indefinitely continues the temporary suspension of the".

On page 363, line 13, strike out "if" and insert in lieu thereof "if such temporary suspension was provided by an Act or joint resolution of the Congress that was enacted into law and".

On page 365, strike out lines 1 through 12, and insert in lieu thereof the following:

(i) the aggregate amount of Federal revenue that would have been derived from the duties imposed on such article during the fiscal year preceding the fiscal year in which such determination is made if the temporary suspension of duties on such article was not in effect, and

(ii) the aggregate amount of Federal revenue that would have been derived during such preceding fiscal year from all the duties imposed on all articles that are the subject of a previous proclamation issued under this paragraph during the calendar year in which such determination is made if the temporary suspensions of duties on such articles were not in effect,

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HEINZ (AND OTHERS) AMENDMENT NO. 533

(Ordered to lie on the table.)

Mr. HEINZ (for himself, Mr. Garn, and Mr. Hecht) submitted an amendment intended to be proposed by them to the bill S. 1420, supra; as follows:

At the end of section 1722, add the following:

(c) Amendment to the Bank Holding Company Act of 1956.—Section 4(c)(13) of the Bank Holding Company Act of 1956 is amended by inserting "(A)" after "if" and before "the Board by regulation" and by inserting before the semicolon at the end thereof the following: ", or (B) the shares are acquired as a result of or in connection with a conversion or exchange of any of the following: restructured obligations; principal, interest or any other proceeds of any restructured obligations or obligations issued in exchange for any new money contributions; or any other obligations, the repayment of which in nonlocal currency and immediately available funds is prohibited under local law, provided that (i) prior to effecting the acquisition of shares, the bank holding company has received prior approval of the Board for transactions in excess of $50 million or 2 percent of capital, whichever is smaller, or, for all other transactions, has provided at least 30 days' written notice to the Board and the Board has not, within such period, notified the bank holding company that such a conversion would constitute an unsafe or unsound banking practice, and (ii) the shares are not held for more than 10 years or, if later, 5 years after the investment may be legally repatriated in its entirety subject to the Board's authority to extend such period for good cause.".

WALLOP AMENDMENT NO. 534

(Ordered to lie on the table.)

Mr. WALLOP submitted an amendment intended to be proposed by him to the bill S. 1420, supra; as follows:

On page 427, line 19, insert the following new sections to Title X:

Sections 1004, 1005 and 1006 shall not be implemented until the President makes a finding and certifies to the Congress in respect to any of the COCOM countries and any cooperating country following COCOM-like procedures the following:

(A) That the COCOM country or cooperating country has in place an administrative staff for the purpose of export license review that is at least equal on a proportional basis to that staff available in the United States in the Department of Commerce, Department of State, Department of Defense and Department of Energy for the review of export licenses;

(B) That the COCOM country or cooperating country has made provision for its Ministry of Defense or Defense Agency to participate fully in the review of export license applications and in all matters pertaining to national security-related export controls including COCOM discussions and list reviews;

(C) That the COCOM country or cooperating country has instituted penalties for export license violations commensurate with those in force in the United States and has demonstrated its intent through concrete measures to enforce its export control laws;

(D) That the COCOM country or cooperating country has assured the United States that it can protect goods and technology controlled for national security and that it will not export such goods to any country for which the export of such goods would be denied by the United States or, alternatively, that the COCOM country will agree that U.S. goods exported to that country if they are controlled for national security purposes will be regarded as covered by the U.S. Reexport requirements and will not be reexported without a U.S. reexport license to any country where such goods are restricted by the United States.

Such certification shall be made after consultation with the Secretary of State, Secretary of Defense, and Secretary of Commerce and shall be submitted to the Congress sixty days in advance of implementation of the finding by regulation.

GRAMM AMENDMENTS NOS. 535 THROUGH 542

(Ordered to lie on the table.)

Mr. GRAMM submitted eight amendments intended to be proposed by him to the bill S. 1420, supra; as follows:

AMENDMENT NO. 535

At the appropriate place in the bill, add the following:

SEC. . THE FAIR TRADE ENHANCEMENT ACT OF 1987.

(a) SHORT TITLE.—This section may be cited as the "Fair Trade Enhancement Act of 1987".

(b) Notwithstanding any other provision of this Act, the amendments made by Sec. 201 of this Act shall not apply in the case of imports from any country if—

(1) the President, after consulting with the United States Trade Representative, determines the tariffs and quotas such country imposes on United States exports to such country (based on the weighted average of the value of such exports) are lower than tariffs and quotas the United States imposes on exports of such country to the United States (based on the weighted average of the value of such foreign exports), and

(2) the President submits to the Congress a written statement certifying such determination within 30 days after receiving the most recent report required under subsection (c).

(c) Not later than 90 days after enactment of this bill, and each twelve months thereafter, the United States Trade Representative shall submit an annual report to the President and Congress identifying countries that have lower tariffs and quotas on United States exports (based on the weighted average of the value of such exports) compared with the tariffs and quotas the United States imposes against the exports of such country (based on the weighted average of the value of such exports).

AMENDMENT NO. 536

On page 69, line 5, strike "10" and insert in lieu thereof "5"; and

On page 86, line 17, strike "10" and insert in lieu thereof "5".

AMENDMENT NO. 537

On page 71, strike lines 20 through 24.

AMENDMENT NO. 538

Strike section 2008 of the bill.

AMENDMENT NO. 539

Strike sections 1701 through 1713 of the bill.

AMENDMENT NO. 540

Section 1713(b)(4) is amended by striking the last word and inserting in lieu thereof the following:

"government, and no funding, appropriations, contributions, callable capital, financial guarantee, or any other financial support or obligation or contingent support or obligation on the part of the United States Government, including any reduction in the United States tax obligation of persons as a result of their participation in any such authority or its programs or facilities, and no costs to or expense by, either directly or indicrectly, any United States person without the consent of such person.".

Section 1713 is amended by striking the first sentence and inserting in lieu thereof the following:

"No funds, appropriations, contributions, callable capital, financial guarantee, or any other financial support or obligation or contingent support or obligation on the part of the United States Government may be used for the creation, operation, or support of an international debt management authority described in this Title, nor shall there be any reduction in the United States tax obligation of persons as a result of their participation in any such authority or its programs or facilities, nor shall any expenses associated with such facility, either directly or indirectly, accrue to any United States person without the consent of such person. Except as restricted in the preceeding sentence, the Secretary of the Treasury shall review all potential resources available to the multilateral financial instituitions which could be used to support the creation of an international debt management authority.".

AMENDMENT NO. 541

At the appropriate place in the bill add the following new title:

"TITLE —CONSUMER IMPACT STATEMENT

"SEC. 01. SHORT TITLE.

This title may be cited as the "Consumer Impact Recognition Act".

"SEC. 02. CONSUMER IMPACT STATEMENT.

"(a) SENATE.—(1) It shall not be in order for the Senate, on the objection of any Senator, to consider any bill or joint resolution that may affect international trade if the bill or joint resolution is not accompanied by a report estimating the cost in the aggregate and on a per capita basis of such bill or joint resolution to United States consumers for the fiscal year in which it is reported or considered and for each of the five following fiscal years.

"(2) It shall not be in order for the Senate, on the objection of any Senator, to consider any report from a committee of conference on a bill or joint resolution that may affect international trade if the report does not include an estimate of the cost in the aggregate and on a per capita basis of the bill or joint resolution to United States consumers for the fiscal year in which it is reported or considered and for each of the five following fiscal years.

"(b) HOUSE OF REPRESENTATIVES.—(1) It shall not be in order for the House of Representatives, on the objection of any Representative, to consider any bill or joint resolution that may affect international trade if the bill or joint resolution is not accompanied by a report estimating the cost in the aggregate and on a per capita basis of such bill or joint resolution to United States consumers for the fiscal year in which it is reported or considered and for each of the five following fiscal years.

"(2) It shall not be in order for the House of Representatives, on the objection of any Representative, to consider any report from a committee of conference on a bill or joint resolution that may affect international trade if the report does not include an estimate of the cost in the aggregate and on a per capita basis of the bill or joint resolution to United States consumers for the fiscal year in which it is reported or considered and for each of the five following fiscal years.

"SEC. 03. EXERCISE OF RULEMAKING POWERS.

"The provisions of this title are enacted by the Congress—

"(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.".

AMENDMENT NO. 542

At the appropriate place in the bill, add the following:

SEC. . THE FAIR TRADE PROMOTION ACT OF 1987.

(a) SHORT TITLE.—This section may be cited as the "Fair Trade Promotion Act of 1987".

(b) Notwithstanding any other provision of law or this Act, none of the provisions of this Act shall apply to any country if—

(1) the President, after consulting with the United States Trade Representative, determines the tariffs and quotas such country imposes on United States exports to such country (based on the weighted average of the value of such exports) are lower than tariffs and quotas the United States imposes on exports of such country to the United States (based on the weighted average of the value of such foreign exports), and

(2) the President submits to the Congress a written statement certifying such determination within 30 days after receiving the most recent report required under subsection (c).

(c) Not later than 90 days after enactment of this bill, and each twelve months thereafter, the United States Trade Representative shall submit an annual report to the President and Congress identifying countries that have lower tariffs and quotas on United States exports (based on the weighted average of the value of such exports) compared with the tariffs and quotas the United States imposes against the exports of such country (based on the weighted average of the value of such exports).

WILSON AMENDMENTS NOS. 543 AND 544

(Ordered to lie on the table.)

Mr. WILSON submitted two amendments intended to be proposed by him to the bill S. 1420, supra, as follows:

AMENDMENT No. 543

Beginning on page 32, strike out line 22 and all that follows through line 17 on page 38.

AMENDMENT No. 544

At the end of section 104, add the following:

(e) REVISIONS TO IMPLEMENTATION PROCEDURES IN THE SENATE.—

(1) Subsection (d) of section 151 of the Trade Act of 1974, as amended, (19 U.S.C. 2191), is amended to read as follows:

"(d) LIMITATION ON AMENDMENTS.—No amendment to an implementing bill or approval resolution relating to a multilateral trade agreement shall be in order in either the House of Representatives or the Senate; and no motion to suspend the application of this subsection shall be in order in either House, nor shall it be in order in either House for the Presiding Officer to entertain a request to suspend the application of this subsection by unanimous consent."

(2) Paragraphs (1) and (2) of subsection (e) of section 151 of the Trade Act of 1974, as amended, (19 U.S.C. 2191), are amended to read as follows:

"(e) PERIOD FOR COMMITTEE CONSIDERATION.—

"(1) Except as provided in paragraph (2), if the committee or committees of either House to which an implementing bill or approval resolution has been referred have not reported it at the close of the 45th day after its introduction, such committee or committees shall be automatically discharged from further consideration of the bill or resolution and it shall be placed on the appropriate calendar.

"(2) The provisions of paragraph (1) shall not apply in the Senate to an implementing revenue bill. An implementing revenue bill received from the House shall be referred to the appropriate committee or committees of the Senate. If such committee or committees have not reported such bill at the close of the 15th day after its receipt by the Senate (or, later, before the close of the 45th day after the corresponding implementing revenue bill was introduced in the Senate), such committee or committees shall be automatically discharged from further consideration of such bill and it shall be placed on the calendar."

"(3) Subsection (g) of section 151 of the Trade Act of 1974, as amended, (19 U.S.C. 2191), is repealed.

WALLOP AMENDMENTS NOS. 545 AND 546

(Ordered to lie on the table.)

Mr. WALLOP submitted two amendments intended to be proposed by him to the bill S. 1420, supra; as follows:

AMENDMENT No. 545

On page 404, line 15, insert the following: Add new (B): The Secretary shall require a license for the export of such goods and technology to a consignee in a country if the Secretary determines that such country is engaging in a pattern and practice of noncompliance with the Coordinating Committee agreement or other applicable agreements, including failing to enforce the COCOM controls. The COCOM country agrees with the U.S., that U.S. goods and technologies covered by this section will not be reexported to any country to which the U.S. restricts such exports itself.

AMENDMENT No. 546

On page 403, line 4, insert the following: Strike the word "may" and insert the word "shall."

DOLE (AND OTHERS) AMENDMENT NO. 547

Mr. DOLE (for himself, Mr. BYRD, Mr. WARNER, Mr. MURKOWSKI, Mr. BOREN, and Mr. FOWLER) proposed an amendment to the bill S. 1420, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. . FINDINGS.—The Congress finds that:

(a) The Administration is pursuing a policy of neutrality in regard to the Iran-Iraq War.

(b) The action taken by Iran to procure and deploy Silkworm missiles constitutes a serious threat to stability, freedom of navigation, American naval vessels, facilities and personnel, and commercial shipping in the Persian Gulf.

(c) Other military and terrorist actions taken, and threats made, by Iran, including actions of its Armed Forces and Revolutionary Guards, also constitute a significant threat to stability, freedom of navigation, American naval vessels, facilities and personnel, and commercial shipping in the Persian Gulf.

(d) United States trade with Iran, and particularly American purchase of Iranian oil and other exports, which in recent years has averaged more than one-half billion dollars annually, has enhanced Iran's ability to procure military hardware, including Silkworm missiles, and to undertake and threaten military and terrorist actions such as are described in paragraphs (a) and (b).

(e) The buildup of offensive arms by all belligerent states in the Persian Gulf, including the continuing procurement by Iraq of Silkworm missiles and Badger aircraft, similarly threatens the security and stability of the region and freedom of navigation through international waters of the region.

(f) It is in the national security interest of the United States to discourage Iran, and any other belligerent state in the Persian Gulf region, from taking, or threatening, military and terrorist actions against U.S. naval vessels, facilities and personnel, and other innocent shipping.

SEC. . POLICY IN THE EVENT OF CERTAIN ACTIONS BY IRAN.—A prohibition on the import of all products purchased from Iran or from enterprises within Iran through subsequent transactions, and the export through subsequent sale of all goods or technology subject to the jurisdiction of the United States to Iran or to enterprises within Iran, shall be imposed immediately:

(a) If Iran launches a purposeful attack in the Straits of Hormuz utilizing Silkworm missiles; or

(b) If Iran launches any military or terrorist attack on U.S. vessels, facilities or personnel operating in or transitting the Persian Gulf region; or

(c) The President certifies there is evidence such an attack as described in (a) or (b) is planned or imminent,

(d) The prohibition described in this section shall remain in effect until the President certifies that:

(1) All Iranian attacks against U.S. vessels, facilities and personnel have ceased; and

(2) There is no evidence or, or reason to believe there might be, further such attacks, including any further attacks utilizing Silkworm missiles; and

(3) That it would be in the national interest of the United States to end such prohibition.

SEC. . POLICY TOWARD PURPOSEFUL ATTACK FROM OTHER STATE IN THE PERSIAN GULF REGION.—A prohibition on the import of products from and the export of products of any other state in the Persian Gulf region shall be imposed immediately if such state launches any purposeful military or terrorist attack on U.S. vessels, facilities or personnel in the Persian Gulf region.

SEC. . DEFINITIONS.—For the purposes of this subsection, the term "products of Iran" means any article grown, mined, produced or manufactured (in whole or in part) in Iran. The term "products of any other state which launches a purposeful attack" means any article grown, mined, produced or manufactured in such state.

SEC. . RELATIONS WITH NATIONS PROVIDING OFFENSIVE WEAPONRY TO BELLIGERENT STATES IN THE PERSIAN GULF REGION.—It is the sense of the Congress of the United States that the Administration should use all available appropriate leverage to persuade all nations to desist from any further transfers of offensive weaponry, such as Silkworm missiles, to any belligerent nation in the Persian Gulf region.

BENTSEN AMENDMENTS NOS. 548 AND 549

(Ordered to lie on the table.)

Mr. BENTSEN submitted two amendments intended to be proposed by him to the bill S. 1420, supra; as follows:

AMENDMENT No. 548

On page 343, line 11, strike out "personal".

AMENDMENT No. 549

On page 339 of the printed bill, line 3, insert "if the duty-free sales enterprise is an airport store," after "(B)".

HEINZ (AND OTHERS) AMENDMENT NO. 550

Mr. HEINZ (for himself, and others) proposed an amendment to the bill, S. 1420, supra; as follows:

At the end of subtitle B of title IX of the bill, add the following:

SEC. . ACTION FOR CUSTOMS FRAUD.

Part V of title IV of the Tariff Act of 1930 is amended by inserting after section 592 (19 U.S.C. 1592) the following new section:

SEC. 592A. PRIVATE ENFORCEMENT ACTION FOR CUSTOMS FRAUD.

"(a) In General.—

"(1) Any interested party whose business or property is injured by an act of fraud or gross negligence that is prohibited under section 592(a) may bring a civil action in the United States Court of International Trade against any person—

"(A) committing,

"(B) conspiring to commit, or

"(C) knowingly participating (directly or indirectly) in the commitment of,

such fraudulent or grossly negligent act.

"(2)(A) If the act alleged under paragraph (1) is by fraud, then the interested party shall have the burden of proof to establish such act by clear and convincing evidence.

"(B) If the act alleged under paragraph (1) is by gross negligence, then the interested party shall have the burden of proof to establish such act by a preponderance of the evidence.

"(b) Damages.—

"(1) Upon proof by a preponderance of the evidence by an interested party in any action brought under subsection (a) that his business or property has been injured by the fraudulent or grossly negligent act, such interested party shall—

"(A) recover damages for the injuries sustained by such party, including (but not limited to)—

"(i) the gross margin on sales of a like or competing product lost because of the merchandise with respect to which the fraudulent or grossly negligent act was committed was entered into the Unied States, and

"(ii) the impact of such merchandise on the market price for a like or competing product, and

"(B) recover the costs of suit, including reasonable attorney's fees.

"(2) For purposes of paragraph (1)(A)(i)—

"(A) the gross margin on lost sales of a like or competing product shall be determined by deducting the variable cost of producing the product from the sales price of the product, and

"(B) upon proof by an interested party that the defendant has committed, conspired to commit, or has knowingly participated (directly or indirectly) in the commitment of a fraudulent or grossly negligent act prohibited under section 592(a), a presumption shall exist that such interested party lost sales because of such act in an amount equal to the amount of sales which such party could reasonably have been expected to make had the fraudulent or grossly negligent act not occurred, taking into account the level of sales and capacity utilization of such party during and prior to the period when such fraudulent or grossly negligent act was committed, and the burden of proof shall be on the defendant to overcome such presumption.

"(c) Definitions.—For purposes of this section—

"(1) The term 'interested party' means—

"(A) a manufacturer, producer, or wholesaler in the United States of a like or competing product, or

"(B) a trade or business association a majority of whose members manufacture, produce, or wholesale a like product or a competing product in the United States.

"(2) The term 'like product' means a product which is like, or in the absence of like, most similar in characteristics and uses with products being imported into the United States in violation of section 592(a) of the Tariff Act of 1930.

"(3) The term 'competing product' means a product which competes with or is a substitute for products being imported into the United States in violation of section 592(a) of the Tariff Act of 1930.

"(d) Intervention by the United States.—The Court of International Trade shall permit the United States to intervene in any action brought under this section, as a matter of right. The United States shall have the rights of a party."

BOND AMENDMENTS NOS. 551 AND 552

(Ordered to lie on the table.)

Mr. BOND submitted two amendments intended to be proposed by him to the bill S. 1420, supra, as follows:

Amendment No. 551

Strike section 1712 and insert in lieu thereof:

"SEC. 1712. SENSE OF THE SENATE RESOLUTION.

"(a) International Discussions.—It is the sense of the Senate that the Secretary of the Treasury should initiate such discussions with industrialized and developing countries as the Secretary may determine to be appropriate with the intent to negotiate the establishment of a multilateral financial authority, which would undertake to—

"(1) purchase sovereign debt of less developed countries from private creditors at an appropriate discount;

"(2) enter into negotiations with the debtor countries for the purpose of restructuring the debt in order to—

"(A) ease the current debt service burden on the debtor countries; and

"(B) provide additional opportunities for economic growth in both debtor and industrialized countries; and

"(3) assist the creditor banks in the voluntary disposition of their Third World loan portfolio.

"(b) Objectives.—In any discussions initiated under subsection (a), the Secretary should include the following specific proposals:

"(1) That any loan restructuring assistance provided by such an authority to any debtor nation should involve substantial commitments by the debtor to (A) economic policies designed to improve resource utilization and minimize capital flight, and (B) preparation of an economic management plan calculated to provide sustained economic growth and to allow the debtor to meet its restructured debt obligations.

"(2) That support for such an authority should come from industrialized countries, and that greater support should be expected from countries with strong current account surpluses.

"(3) That such an authority should have a clearly defined close working relationship with the International Monetary Fund and the International Bank for Reconstruction and Development, and the various regional development banks.

"(4) That such an authority should be designed to operate as a self-supporting entity, requiring no routine appropriation of resources from any member government.

"(5) That such an authority should have a defined termination date and a clear proposal for the restoration of creditworthiness to debtor countries within this time-frame.

"(c) Interim Reports.—At the end of the 6-month period beginning on the date of enactment of this Act and 12 months thereafter, the Secretary of the Treasury shall submit a report on the progress being made in any discussions initiated as proposed in subsection (a) to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate.

"(d) Final Report.—Upon the conclusion of any discussions described in subsection (a), the Secretary shall transmit a report containing a detailed description thereof to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate, together with such recommendations for legislation which the Secretary may determine to be necessary or appropriate for the establishment of a multilateral financial authority.".

Amendment No. 552

At the appropriate place in the bill, add the following new section:

SEC. 1206. PRINTING AT OVERSEAS LOCATIONS.

(a) Exception To Printing by Government Printing Office.—Section 501 of title 44, United States Code, is amended by striking "All" and inserting "Except as otherwise expressly provided by law, all".

(b) Printing In Conjunction With Export Promotion Programs.—Section 201 of the Export Administration Amendments Act of 1985 (15 U.S.C. 4051) is amended by adding at the end the following:

"(e) Printing Outside the United States.—(1) In carrying out any export promotion program, and consistent with other applicable law, the Secretary of Commerce may authorize—

"(A) the printing, distribution, and sale of documents outside the contiguous United States, if the Secretary finds that the implementation of such export promotion program would be more efficient; and

"(B) the acceptance of private notices and advertisements in connection with the printing and distribution of such documents.

(2) Any fees received by the Secretary pursuant with paragraph (1) shall be deposited in a separate account or accounts which may be used to defray directly the costs incurred in conducting activities authorized by paragraph (1) or to repay or make advances to appropriations or other funds available for such activities.".

DASCHLE AMENDMENT NO. 553

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1420, supra; as follows:

On page 131 of the printed bill, insert "item 252.65 or" after "under".

MITCHELL (AND WILSON) AMENDMENT NO. 554

(Ordered to lie on the table.)

Mr. MITCHELL (for himself and Mr. Wilson) submitted an amendment intended to be proposed by them to the bill S. 1420, supra; as follows:

On page 135, strike all after line 3, on page 136, strike lines 1 through 17. Insert in lieu thereof:

(a) IN GENERAL.—By no later than the date that is 30 days after the date on which the annual report loss is submitted to Congressional committees under section 181(b), the United States Trade Representative (hereinafter in the section referred to as the "Trade Representative") shall identify—

(1) those foreign countries that deny adequate and effective protection of intellectual property rights or deny fair and equitable market access to United States persons that rely upon intellectual property protection; and

(2) those foreign countries listed pursuant to paragraph (1) that are determined by the Trade Representative to be priority foreign countries.

(b) In making the identification of priority foreign companies under subsection (a), the Trade Representative shall take into account the following—

(1) the onerous nature and significance of the acts, policies, and practices that deny adequate and effective intellectual property protection, or deny fair and equitable market access to United States persons that rely upon intellectual property protection;

(2) the potential size of the markets for the relevant United States procedure and services; and

(3) the estimate of the trade-distorting impact on United States commerce of such acts, policies, or practices contained in the annual report required under section 181(b).

(c) For purposes of indentifying priority foreign countries under paragraph (1), the Trade Representative shall take into account information from such source as may be available to him or submitted to him by interested persons, including information contained in reports submitted under section 181(b) and petitions submitted under Section 301.

On page 136, line 18, redesignate paragraph (c) as paragraph (d).

On page 136, line 25, before the "." insert "and with respect to the revocation of an identification under paragraph (1), the Trade Representative submits to the Congress a written report setting forth, in detail, the reasons for the determination".

(e) The term "persons that rely upon intellectual property protection" means individuals, corporations, partnerships, joint ventures, or other business organizations involved in: i) the creation, production or licensing of literary or artistic works that are copyrighted, or ii) the manufacture of products that are patented or for which there are process patents.

(f) The term "adequate and effective protection of intellectual property" means that a country provides adequate and effective means under its law for foreign persons to secure, to exercise and to enforce rights in all forms of intellectual property, including patents, process patents, trademarks, copyrights, mask works, trade secrets, and proprietary technical data.

On page 137, redesignate paragraph (d) as paragraph (g).

On page 141, line 5, insert "(2)" after "(a)."

On page 141, line 18, insert "(2)" after "(a)."

On page 141, line 24, insert "on a bilateral or multilateral basis" after "negotiations".

On page 142, line 2, before the ".", insert the following: "(2), and the foreign country is making substantive and timely progress towards these ends."

HARKIN AMENDMENT NO. 555

(Ordered to lie on the table)

Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1420, supra; as follows:

At the appropriate place insert the following:

REGISTRATION OF FOREIGN-HELD INTERESTS IN UNITED STATES PROPERTY

SEC. . (a) Any foreign person who, after the effective date of the regulations prescribed pursuant to subsection (j), acquires directly or indirectly—

(1) a significant interest in a United States property, or

(2) a controlling interest in a United States business enterprise;

shall register that interest with the Secretary within 30 days after the acquisition.

(b) Any foreign person who, on the effective date of the regulations prescribed pursuant to subsection (j), holds directly or indirectly—

(1) a significant interest in a United States property, or

(2) a controlling interest in a United States business enterprise;

shall register that interest with the Secretary within 180 days after the effective date of such regulations.

(c) Each registration required under subsection (a) or (b) shall be in such form and in accordance with such procedure as the Secretary may require by regulation and shall contain the following:

(1) The identity, address, legal nature, industry, and nationality of the foreign person.

(2) The date on which the foreign person acquired the interest.

(3) The relation of the foreign person to the United States property.

(4) The name, location, and industry of the United States property.

(5) The market value of (A) the assets of a United States business enterprise or (B) a United States real property.

(6) The percentage size of the interest acquired.

(d) If the interest registered under subsection (a) or (b) is a controlling interest in a United States business enterprise, the foreign person shall, by an amendment to the registration made within 180 days after registering such interest, provide the Secretary with the following additional current information:

(1) With respect to the foreign person, an English translation of so much of the information listed in subparagraphs (A), (B), (C), and (D) of paragraph (20 that is published disclosed in the home country of the foreign person.

(2) With respect to the United States business enterprise—

(A) a—

(i) balance sheet and income statement;

(ii) statement of changes in financial condition; and

(iii) statement of sales, assets, operating income, and depreciation by industrial segment,

prepared in accordance with Generally Accepted Accounting Procedures or in accordance with Statutory or Regulatory Accounting Principles and accompanied by explanatory notes and any current auditor's statements and reports;

(B) the location of all facilities within the United States;

(C) the identity and nationality of each director and executive officer, the compensation of each executive officer, and any related business transactions of any director; and

(D) a description of any significant civil litigation in which the business enterprise has been involved within the past year.

(e)(1) Within 90 days after the end of each calendar year, a foreign person who has registered an interest in United States property under this section, and who, at any time during such calendar year, held directly or indirectly—

(A) a significant interest in such property, shall report to the Secretary any changes in the information required under subsection (c) that have occurred since the filing of the registration under subsection (a) or (b) or the most recent report under this subparagraph; or

(B) a controlling interest in such United States business enterprise, shall report to the Secretary any changes in the information required under subsections (c) and (d) that have occurred since the filing of the registration under subsection (a) or (b) or the most recent report under this subparagraph.

(2) Any report filed under this section shall be in such form and in accordance with such procedures as the Secretary may require by regulation.

(f)(1) To the extent a foreign person has prepared other documents which contain information required under this section with respect to an interest required to be registered or reported under this section, the foreign person may provide a copy of such other documents (or the relevant portions thereof) for the purposes of complying with the requirements of this section.

(2) With respect to any interest required to be registered or reported under this section which a foreign person acquires or holds solely through, or by virtue of acquiring or holding a significant or controlling interest in, a United States business enterprise which is an issuer whose securities are registered under the Securities Exchange Act of 1934 and which has filed the material required to be filed by such United States business enterprise pursuant to sections 12, 13, 14, and 15(d) of such Act, the foreign person may, in lieu of providing the information otherwise required under this section, provide the Secretary with a copy of the most recent annual and periodic reports, statements, and notices filed pursuant to such Act.

(g) Any foreign person who is late in registering an interest or reporting changes with respect to an interest in accordance with subsections (a) through (f) shall be subject to a civil penalty of not more than $10,000 for each week the registration or report is late, provided that the total amount of such penalty shall not exceed the market value of the interest with respect to which the penalty is assessed.

(h) Any foreign person who willfully fails to register an interest or submit a report in accordance wth subsections (a) and (b), or who willfully submits false or misleading information in the registration or report, shall be fined not more than $10,000, or shall be imprisoned not more than 1 year, or both.

(i) The Secretary may undertake such investigative actions as the Secretary considers necessary to monitor compliance with this section. For the purposes of conducting such investigations the Secretary shall have the same powers and authorities as the Federal Trade Commission under sections 9 and 10 of the Federal Trade Commission Act.

(j) Not later than 90 days after the date of enactment of this Act, the Secretary shall publish for notice and public comment regulations to carry out this section. The final regulations prescribed to carry out this section shall take effect not later than 180 days after such date of enactment. Such regulations shall—

(1) establish forms and procedures for making such disclosures required by this section; and

(2) establish procedures for indexing, and providing public access to, the information disclosed under this section.

(k) The Secretary shall transmit in June of each year, beginning in 1989, a report to the President, the Congress, and the Federal Elections Commission describing—

(1) the extent to which foreign persons hold significant or controlling interests in United States properties, the nationality of those foreign persons, the industries in which those interests are concentrated, and the social, economic, and other effects in the United States of such foreign interests;

(2) the effectiveness and efficiency of the registration and reporting requirements contained in this section in providing the information required under this section and the extent to which the information provides a comprehensive description of the presence of foreign capital in the United States economy;

(3) other Federal data collection activities that overlap with, duplicate, or complement the registration and reporting requirements established under this section and that could be consolidated or eliminated without compromising the quality of data collected; and

(4) in the case of the first annual report, the feasibility of establishing a system to track individual transactions representing other capital flows into the United States.

(l) Not later than 365 days after the effective date of the regulations prescribed pursuant to subsection (j), the Secretary shall compile (and thereafter keep current) an inventory of interests registered or reported under this section and the information contained in such registrations or reports. The inventory shall be made available for public access and shall index the information for retrieval by—

(1) the name and nationality of any foreign person who registers or reports an interest under subsections (a) through (f) and the standard industrial classification number or numbers (as issued by the Director of the Office of Management and Budget) of any such foreign person; and

(2) the name of the United States property in which any interest registered or reported under this section is held, the standard industrial classification number or numbers of any such United States property, and the State in which any such United States property is located.

(m) As used in this section:

(1) The term "Secretary" means the Secretary of Commerce.

(2) The term "United States", when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(3) The term "United States business enterprise" means—

(A) any sole proprietorship, branch, partnership, associated group, assocation, estate, trust, corporation, or other organization organized under the laws of the United States or of a State or that has its principal place of business in the United States; and

(B) any two or more enterprises described in subparagraph (A) which are acting in concert.

(4) The term "United States property" means—

(A) any United States business enterprise; and

(B) any real property located in the United States, including any minerals therein.

(5) The term "foreign person" means—

(A) any individual who is not a citizen of the United States;

(B) any business enterprise that is organized under the laws of a foreign government or which has its principal place of business outside of the United States;

(C) any foreign government or any agency or instrumentality of a foreign government; and

(D) any two or more persons acting as a group for the purpose of acquiring or holding any interest referred to in subsection (a) or (b) (and each foreign person in such group), if any foreign person or persons described in subparagraph (A), (B), or (C) of this paragraph hold an equity or ownership interest in such group of 25 percent or more, or the equivalent of such an interest.

(6) The term "significant interest" means any equity or ownership interest that exceeds 5 percent of the total equity or ownership interests in—

(A) a United States property that (i) has assets or, in the case of real property, is an asset, in the United States with a market value in excess of $5,000,000; or (ii) had gross sales from the United States in the most recent fiscal year in excess of $10,000,000; or

(B) each of any two or more United States properties if the properties in the aggregate (i) have assets or, in the case of real property, are assets, in the United States with a market value in excess of $20,000,000; or (ii) had gross sales from the United States in the most recent fiscal year in

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GLENN AMENDMENT NO. 556

(Ordered to lie on the table.)

Mr. GLENN submitted an amendment intended to be proposed by him to the bill S. 1420, supra, as follows:

On page 309 of the printed bill, between lines 5 and 6, insert the following:

(d) Certain Work Gloves.—The amendments made by section 806 shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date that is 60 days after the date of enactment of this Act.

METZENBAUM AMENDMENT NO. 557

(Ordered to lie on the table.)

Mr. METZENBAUM submitted an amendment intended to be proposed by him to the bill S. 1420, supra, as follows:

At the appropriate place add the following:

The provisions in Amendment #323 shall be avoided if the President of the United States determines in a report to the Congress that:

The application of such provisions would make it more difficult to improve human rights practices in Romania or to enhance opportunities for emigration of persons from Romania.

BAUCUS AMENDMENT NO. 558

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill S. 1420, supra, as follows:

At the end of subtitle D of title IX, add the following new section:

SEC. . STUDY OF SOURCE RULES FOR SALES OF INVENTORY.

The Secretary of the Treasury, or his delegate, shall conduct the study of the source rules for sales of inventory property pursuant to section 1211(d) of the Tax Reform Act of 1986 in conjunction with the Secretary of Commerce and the United States Special Trade Representative of their delegates. In order to provide for the requisite interagency consultation, the report date for such study shall be extended 1 year.

LEAHY (AND DECONCINI) AMENDMENT NO. 559

(Ordered to lie on the table.)

Mr. LEAHY (for himself and Mr. DeConcini) submitted an amendment intended to be proposed by them to the bill S. 1420, supra; as follows:

At the appropriate place, add the following:

SEC. . INCREASED EFFECTIVENESS OF PATENT LAW.

(a) Short Title.—This section may be cited as the "Patent Law Foreign Filing Amendments Act of 1987".

(b) Filing of Applications in Foreign Countries.—(1) Section 184 of title 35, United States Code, is amended—

(A) in the third sentence by—

(i) striking out "inadvertently"; and

(ii) inserting "through error and without deceptive intent" after "filed abroad"; and

(B) by adding at the end thereof the following new paragraph:

"The scope of a license shall permit subsequent modifications, amendments, and supplements containing additional subject matter if the application upon which the request for the license is based is not, or was not, required to be made available for inspection under section 181 of this title and if such modifications, amendments, and supplements do not change the general nature of the invention in a manner which would require such application to be made available for inspection under such section 181. In any case in which a license is not, or was not, required in order to file an application in any foreign country, such subsequent modifications, amendments, and supplements may be made, without a license, to the application filed in the foreign country if the United States application was not required to be made available for inspection under section 181 and if such modifications, amendments, and supplements do not, or did not, change the general nature of the invention in a manner which would require the United States application to have been made available for inspection under such section 181.".

(2) Section 185 of title 35, United States Code, is amended by inserting immediately before the period in the last sentence the following: ", unless the failure to procure such license was through error and without deceptive intent, and the patent does not

disclose subject matter within the scope of section 181 of this title.”.

(3) Section 186 of title 35, United States Code, is amended by inserting “willfully” after “whoever”, the second place it appears.

(c) REGULATIONS.—The Commissioner shall prescribe such regulations as may be necessary to implement the provisions of this section.

(d) EFFECTIVE DATE.—(1) Subject to paragraphs (2), (3), and (4) of this subsection, the amendments made by this section shall apply to all United States patents granted before, on, or after the date of enactment of this section, to all applications for United States patents pending on or filed after the date of enactment, and to all licenses under section 184 granted before, on, or after the date of enactment of this section.

(2) The amendments made by this section shall not affect any final decision made by the court or the Patent and Trademark Office before the date of enactment of this section with respect to a patent or application for patent, if no appeal from such decision is pending and the time for filing an appeal has expired.

(3) No United States patent granted before the date of enactment of this section shall abridge or affect the right of any person or his successors in business who made, purchased, or used prior to such effective date, anything protected by the patent, to continue the use of, or to sell to others to be used or sold, the specific thing so made, purchased, or used, if the patent claims were invalid or otherwise unenforceable on a ground obviated by this section and the person made, purchased, or used the specific thing in reasonable reliance on such invalidity or unenforceability. If a person reasonably relied on such invalidity or unenforceability, the court before which such matter is in question may provide for the continued manufacture, use, or sale of the thing made, purchased, or used as specified, or for the manufacture, use, or sale of which substantial preparation was made before the date of enactment of this section, and it may also provide for the continued practice of any process practiced, or for the practice of which substantial preparation was made, prior to the date of enactment, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced before the date of enactment.

(4) The amendments made by this section shall not affect the right of any party in any case pending in court on the date of enactment to have its rights or liabilities—

(A) under any patent before the court, or

(B) under any patent granted after the date of enactment which is related to the patent before the court by deriving priority rights under section 120 or 121 of title 35, United States Code, from a patent or an application for patent common to both patents,

determined on the basis of the substantive law in effect prior to the date of enactment.

BENTSEN AMENDMENT NO. 560

Mr. BENTSEN proposed an amendment to the bill S. 1420, supra; as follows:

On page 339 of the printed bill, line 3, insert “If the duty-free sales enterprise is an airport store,” after “(B)”.

On page 343, line 11, strike out “personal”.

WILSON (AND OTHERS) AMENDMENT NO. 561

Mr. WILSON (for himself, Mr. LAUTENBERG, Mr. CRANSTON, Mr. BRADLEY, Mr. HEINZ, and Mr. SPECTER) proposed an amendment to the bill S. 1420, supra; as follows:

SEC. 101. On page 555, strike out lines 24 through line 9, page 556, and insert in lieu thereof the following:

“Section 8e of the Agricultural Adjustment Act (7 U.S.C. 608e-1) is amended as follows:

(a) by inserting “(a)” at the beginning of the first sentence; and

(b) by adding at the end thereof the following new subsections:

“(b) No imported commodity may be sold in the United States during the time that a marketing order is in effect with respect to the same domestic commodity unless such marketing order requirements with respect to such commodity are in effect and has been determined to meet the same requirements imposed by the marketing order on the domestic commodity.

“(c)(1) In accordance with paragaph (2), the Secretary may on an annual basis, as necessary to effectuate the purposes of this Act and prevent the circumvention of the grade, size, quality or maturity standards of a seasonal marketing order applicable to a commodity produced in the United States by imports of commodities covered by such marketing order, provide for a period of time (not to exceed 30 days) in addition to the period of time covered by the original marketing order during which the marketing order requirements would be in effect.

“(2) Before the Secretary may provide for such additional period, the Secretary must, after providing for notice and public comment, find that—

“(i) during the previous year, significant quantities of imported commodities that are covered by a marketing order were sold in the United States during the period that such marketing order requirements are in effect for available domestic commodities and that such quantities of such imported commodities did not meet the requirements of the marketing order (or that such substandard imported commodities would have been sold during the time that available domestic commodities were covered by the original marketing order if not for the additional period established by the Secretary);

“(ii) the importation into the United States of significant quantities of any commodity covered by section 8e of this Act is likely to substantially circumvent the grade, size, quality or maturity standards of a seasonal marketing order applicable to any such commodity produced in the United States at the time such imports are sold for ultimate consumption; and

“(iii) there would be an adequate supply of commodities of the variety covered by the marketing order available to consumers at a reasonable price during any additional period during which the marketing order requirements are to be in effect.

“(3) For the purpose of this subsection, (i) the term “adequate supply” means the prior year's average number of commodity units sold on a per week basis in the United States during the time period to be covered by the additional period, and (ii) the term “reasonable price” means the average price per commodity unit of the most recent three years on a weekly basis for the time period to be covered by the additional period.

“(4) Any additional period established by the Secretary in accordance with this subsection only be effective during the year with respect to which the Secretary has made the findings required by paragraph (2).

“(5) The provisions of this subsection shall be effective with respect to marketing orders effective in 1989 and subsequent years.”.

SEC. 102. On page 556, between lines 9 and 10, insert the following new section:

“SEC. . STUDY CONCERNING TABLE GRAPES.

“(a) The Secretary of Agriculture is directly to conduct a study of table grapes to section 8e of the Agricultural Adjustment Act (7 U.S.C. 608e-1) to determine whether, during the years 1988 through 1990, imported table grapes are meeting the applicable grade, size, quality, and maturity standards of marketing orders for table grapes in effect at the time the imported table grapes are offered for sale.

“(b) In conducting this study, the Secretary is authorized to—

“(1) take into account the industry practice of cold storage in order to delineate between the practices of imported and domestic table grapes by non-exempt variety and report whether the use of cold storage results in significant amounts of below standard imported or domestic commodities being offered for retail sale during the time a marketing order is in effect with respect to such grapes;

“(2) provide notice and public comment with respect to such study; and

“(3) submit such study to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives and report findings and recommendations concerning imports of such grapes by October 1, 1990.”

LEVIN AMENDMENTS NOS. 562 AND 563

(Ordered to lie on the table.)

Mr. LEVIN submitted two amendments intended to be proposed by him to the bill S. 1420, supra; as follows:

AMENDMENT NO. 562

At the end of Subtitle 5, insert the following new section:

“SEC. . SENSE OF THE CONGRESS RESOLUTION CONCERNING CIRCUMVENTION OF THE AUTOMOBILE IMPORT VOLUNTARY RESTRAINT AGREEMENT WITH JAPAN.

(a) FINDINGS.—The Congress finds that—

(1) the United States total bilateral trade deficit with Japan was $59 billion in 1986;

(2) automotive products accounted for $34 billion of the deficit, or 58 percent;

(3) the Japanese Ministry of International Trade and Industry imposed annual export quotas on passenger vehicles of 2,300,000 conventional automobiles and 113,000 multipurpose cars;

(4) imported vehicle records show that Japanese manufacturers are apparently circumventing the intent of their government's policy by importing conventional cars for assembly in the United States in the form of knock-down kits with most components made in Japan;

(5) approximately 500,000 knock-down kits were imported from Japan in the last year, representing a 75 percent increase over the previous year;

(6) Japanese manufacturers are further apparently violating their government's voluntary restraint order by importing multi-purpose (Jeep-like, sports utility, four-wheel drive) passenger vehicles without rear seats, classifying them as trucks which are not subject to the quota, and installing rear seats in the United States;

(7) approximately 275,000 multi-purpose vehicles were imported from Japan in the last year, representing about 150 percent more units in this classification than authorized for export by the government of Japan;

(8) total passenger vehicles imported to the United States outside the established quotas totaled over 650,000 units last year with an estimated value in excess of $6 billion—or about 18 percent of the automotive products deficit.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the United States Trade Representative should notify the Japanese Minister of International Trade and Industry that the confidence of the Congress of the United States in Japan's ability to negotiate trade agreements in good faith is weakened if Japan continues to fail to enforce its own export restraint policy on automobiles and multi-purpose vehicles;

(2) the United States Trade Representative should urge the Japanese Minister of International Trade and Industry to include all multi-purpose vehicles in the existing export quota for this classification and include import knock-down kits in the conventional passenger car quota.

AMENDMENT No. 563

On page 400, line 15, insert the following new section:

"SEC. 954. INVESTIGATION AND REPORT ON TRADE BARRIERS ESTABLISHED BY AUTO PRODUCING COUNTRIES TO AUTO IMPORTS AND THE IMPACT ON THE U.S. MARKET.

The United States Trade Representative shall investigate and report to the Congress with respect to formal and informal barriers which auto producing countries have established toward automobile imports and the impact of such barriers on diverting automobile imports into the United States. Such report shall consider the impact on automobile imports into the United States of such barriers in the presence and in the absence of voluntary restraint agreements between the United States and Japan."

CHILES AMENDMENT NO. 564

(Ordered to lie on the table.)

Mr. CHILES submitted an amendment intended to be proposed by him to the bill S. 1420, supra; as follows:

At the end of subtitle D of title IX of the bill, add the following:

SEC. . VESSELS MAKING CALLS ON CUBAN PORTS.

(a) IN GENERAL.—It shall be unlawful for any vessel which has made a call on any port in Cuba after the date that is 60 days after the date of enactment of this Act to make a call on any port in the United States within six months of that call in Cuba. Any vessel that makes such a call in violation of this section shall be subject to seizure and forfeiture to the United States.

(b) SEIZURE.—

(1) Any customs officer may seize any vessel in the customs waters of the United States that has, at any time after the date that is 60 days after the date of enactment of this Act, made a call on any port in Cuba during the preceding six-month period.

(2) Seizure may be made under paragraph (1) without regard to whether the owner or master of the vessel at the time of seizure was the owner or master of the vessel at the time the vessel made the call to a port in Cuba in violation of subsection (a).

(3) The provisions of the title IV of the Tariff Act of 1930 (19 U.S.C. 1401, et seq.) shall apply to the seizure, forfeiture, and sale of any vessel that makes a call to a port in Cuba in violation of paragraph (1) and to the proceeds from the sale of such a vessel.

(c) WAIVERS.—

(1) If the President determines that the prohibition provided under subsection (a) has inflicted, or there is compelling evidence that prohibition will inflict, serious economic damage to a major sector of the United States economy, the President may waive that prohibition for shipping directly related to the affected sector of the United States economy.

(2) The President shall submit to the Congress a report on each waiver granted under paragraph (1), which shall include an explanation of why the waiver was granted, by no later than the date that is 5 days after the date on which the waiver is granted.

(d) DEFINITIONS.—For purposes of this section, the terms "customs officer" and "customs waters" have the respective meaning given to each of such terms by section 401 of the Tariff Act of 1930 (19 U.S.C. 1401).

SEC. . NEGOTIATIONS.

(a) IN GENERAL.—The United States Trade Representative shall take action to initiate negotiations with the trading partners of the United States with regard to the elimination or restriction of their trade with Cuba.

(b) REPORT.—The United States Trade Representative shall submit to the Congress a report on the negotiations conducted under subsection (a).

KERRY (AND OTHERS) AMENDMENT NO. 565

(Ordered to lie on the table.)

Mr. KERRY (for himself, Mr. D'AMATO, Mr. ADAMS, and Mr. BOND) submitted an amendment intended to be proposed by him to the bill S. 1420, supra; as follows:

At the appropriate place in the bill, add the following new section: That Section 108 of the Foreign Assistance Act of 1961, as amended, is amended by adding at the end the following:

"(i)(1) To carry out the purposes of subsection (a), in addition to the other authorities set forth in this section, the agency primarily responsible for administering this part is authorized to issue guarantees on such terms and conditions as it shall determine assuring against losses incurred in connection with loans made to projects that meet the criteria set forth in subsection (c). The full faith and credit of the United States is hereby pledged for the full payment and performance of such guarantees.

(2) Loans guaranteed under this subsection will be on such terms and conditions as the agency may prescribe, except that:

(A) The agency will issue guarantees only when it is necessary to alleviate a credit market imperfection or to carry out the objectives of this section by providing a financial subsidy, and a financial subsidy is the most efficient way to meet those objectives.

(B) Loans guaranteed will provide for complete amortization within a period not to exceed ten years or, if the principal purpose of the guaranteed loan is to finance the construction or purchase of a physical asset with a useful life of less than ten years, within a period not to exceed such useful life.

(C) No loan guaranteed to any one borrower will exceed fifty percent of the cost of the activity to be financed, or $5,000,000, whichever is less, as determined by the agency.

(D) No loan will be guaranteed unless the agency determines that the lender is responsible and that adequate provision is made for servicing the loan on reasonable terms and protecting the financial interest of the United States.

(E) The fees earned from the loan guarantees issued under this subsection shall be deposited in the Revolving Fund Account as part of the guarantee reserve established under paragraph (5) of this subsection. Fees shall be assessed at a level such that the fees received, plus the funds from the Revolving Fund Account placed in the guarantee reserve, satisfy the requirements of paragraph (5). Fees will be reviewed every twelve (12) months to ensure that the fees assessed on new loan guarantees are at the required level.

(F) Any guarantee will be conclusive evidence that said guarantee has been properly obtained; that the underlying loan qualifies for such guarantee; and that, but for fraud or material misrepresentation by the holder, such guarantee will be presumed to be valid, legal, and enforceable.

(G) The agency shall determine that the standards used by the lender for assessing the credit risk of new and existing guaranteed loans are reasonable. The agency shall require that there be a reasonable assurance of repayment before credit assistance is extended.

(H) Commitments to guarantee loans may be made by the agency only to the extent that the total loan principle, any part of which is guaranteed, will not exceed the amount specified in annual appropriations acts.

(3) To the extent that fees are not sufficient as specified under paragraph (2)(E) to cover expected future liabilities, appropriations are authorized to maintain an appropriate reserve.

(4) The losses guaranteed under this subsection may be in dollars or in other currencies. In the case of loans in currencies other than dollars, the guarantees issued shall be subject to an overall payment limitation expressed in dollars.

(5) The agency shall segregate in the Revolving Fund Account and hold as a reserve an amount estimated to be sufficient to cover the agency's expected net liabilities on the loan guarantees outstanding under this subsection: *Provided, however,* That the amount held in reserve shall not be less than twenty-five percent (25%) of the principal amount of the agency's outstanding contingent liabilities on such guarantees. Any payments made to discharge liabilities arising from the loan guarantees shall be paid first out of the assets in the Revolving Fund Account and next out of other funds made available for this purpose."

BYRD (AND DANFORTH) AMENDMENT NO. 566

Mr. BYRD (for himself and Mr. DANFORTH) submitted an amendment intended to be proposed by him to the bill S. 1420, supra; as follows:

At the end of the bill, add the following new section

SEC. . SENSE OF THE SENATE REGARDING JAPANESE PURCHASE OF NEW FIGHTER AIRCRAFT.

(a) FINDINGS.—The Senate finds that—

(1) The Government of Japan is currently considering proposals for the next generation of fighter aircraft to be procured by Japan;

(2) The Secretary of Defense recently discussed this matter with Japanese government officials during his visit to Japan, and pointed out the advantage of Japanese procurement of a U.S. aircraft; and

(3) The United States currently produces several aircraft which could adequately fulfill the requirements for the next generation Japanese fighter support aircraft.

(b) POLICY.—It is the sense of the Senate that the Secretary of Defense should—

(1) report to Congress as early as possible, but not more than 30 days after the date of the enactment of this bill, on the results of his recent discussions in Japan; and

(2) continue to engage in discussions with Japanese officials and to press for a commitment for procurement by Japan of a United States fighter aircraft to fulfill Japan's requirement for a new generation of such aircraft; and

(3) transmit to Congress recommendations regarding any action that Congress might take that would increase the likelihood of Japan procuring such aircraft from the United States.

BURDICK AMENDMENT NO. 567

Mr. BURDICK proposed an amendment to the bill S. 1420, supra; as follows:

On page 351 of the printed bill, insert between lines 12 and 13, the following:

(c) LIMITATION ON FEES WITH RESPECT TO MERCHANDISE FOR THE INTERNATIONAL PEACE GARDEN.—Subsection (b) of section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 586(b)) is amended by adding at the end thereof the following new paragraph:

"(10) No fee may be charged under subsection (a) of this section for customs services provided in connection with the arrival or processing of any merchandise used within the boundaries of the International Peace Garden located on the border between the State of North Dakota and the Province of Manitoba, Canada.".

LAUTENBERG AMENDMENT NO. 568

Mr. LAUTENBERG proposed an amendment to the bill S. 1420, supra; as follows:

At the appropriate place in the bill, insert the following language:

(a) FINDINGS.—The Congress finds that:

(1) The European Economic Community imposes a 12% tariff on chocolate and chocolate goods, including those filled with liquor, that are imported;

(2) United States imposes a 7% tariff on chocolate goods filled with liquor;

(3) The unequal duties give the foreign liquor-filled chocolate a highly competitive advantage in the American market;

(4) The duties on liquor-filled chocolate are bound duties under the GATT;

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the President should negotiate reductions in the duties imposed by its trading partners on liquor-filled chocolate produced in the United States to the levels levied on such products by the United States.

WILSON AMENDMENT NO. 569

Mr. WILSON proposed an amendment to the bill S. 1420, supra; as follows:

At the appropriate place in the bill insert the following:

SEC. . APPLICATION OF COUNTERVAILING AND ANTIDUMPING DUTIES TO IMPORTATIONS OF CERTAIN DUTY-FREE ARTICLES.

(a) IN GENERAL.—Subtitle D (19 U.S.C. 1677 *et. seq.*) is amended by adding at the end thereof the following new section:

SEC. . APPLICATION OF TITLE TO IMPORTATIONS OF CERTAIN DUTY-FREE ARTICLES.

"Technical publications that: (1) receive duty-free treatment pursuant to 'The Agreement on the Importation of Educational, Scientific and Cultural Material, Nov. 22, 1950, 17 U.S.T. 1835, T.I.A.S. No. 6129', as implemented pursuant to the Educational, Scientific and Cultural Materials Importation Act of 1966 (Pub. L. 89-651), 80 Stat. 897; and (2) are primarily commercial rather than educational in nature are not exempt from the provisions of this title."

LAUTENBERG AMENDMENT NO. 570

Mr. LAUTENBERG proposed an amendment to the bill S. 1420, supra; as follows:

On page 574 of the printed bill, line 9, insert "(including sweetened chocolate in blocks of at least 10 pounds and other such products)" after "dairy products".

On page 575 of the printed bill, strike out lines 4 through 8 and insert in lieu thereof the following:

"(4) evaluate whether imports containing such sugar or dairy products materially interfere with the price support programs for both sugar and milk and milk products that are conducted under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.); and

On page 575 of the printed bill, between lines 15 and 16, insert the following new subsection:

"(d) If, pursuant to the study conducted in accordance with this section, the Secretary of Agriculture determines that such articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the price support programs for sugar or milk and milk products conducted in accordance with the Agricultural Act of 1949, the Secretary shall immediately so notify the President and the President shall instruct the United States International Trade Commission to conduct an investigation pursuant to section 22 of the Agricultural Adjustment Act (7 U.S.C. 624).

WILSON AMENDMENT NO. 571

Mr. WILSON proposed an amendment to the bill S. 1420, supra; as follows:

At the end of Title II of the bill, insert the following:

SEC. . REPORTS ON IMPACT OF TRADE RESTRAINTS.

(a) Within twelve months after the date of enactment, and on February 15 of each subsequent year, the International Trade Commission shall submit to the Congress a report on the negative economic effects on the United States of significant existing trade import restraint programs of the United States. The report shall include, for each significantly affected service or product industry, an assessment of the impact on the income and employment of workers and on the ability of United States companies to compete, on price and quality bases, in domestic and international markets.

(b) In addition to the report to the Congress required under subsection (a), after the date of enactment the Commission shall provide a supplementary report on the negative economic effects of a new or significantly altered trade import restraint program not later than 60 days after the date of the announcement or enactment of such program (or if involving particular analytic complexity, 180 days is allowed), provided that if the Commission is proposing import restraints pursuant to section 201 of the Trade Act of 1974, such report shall accompany the recommendation of the Commission to the President, and shall at that time also be submitted to the Congress.

(c) The term "trade import restraint program" includes any increase or new imposition of duties, quantitative restrictions, or other limitations on imports into the United States pursuant to any Act of Congress, any action taken pursuant to the trade laws of the United States, or any international agreement, whether or not authorized by law, provided that such term shall not include any import restraint imposed to redress unfair trade practices pursuant to the trade laws of the United States.

KENNEDY AMENDMENT NO. 572

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1420, supra; as follows:

On page 354 of the printed bill, strike out lines 1 through 12, and insert in lieu thereof the following:

SEC. 927. GENERALIZED SYSTEM OF PREFERENCES.

(a) WATCHES.—Section 503(c)(1)(B) of the Trade Act of 1974 (19 U.S.C. 2463(c)(1)(B)) is amended to read as follows:

"(B) watches, except those watches entered, or withdrawn from warehouse, for consumption after June 30, 1989, that the President specifically determines, after public notice and comment, will not cause material injury to watch or watch band, strap, or bracelet manufacturing and assembly operations in the United States or in an insular possession of the United States,".

(b) POLICY TOWARD CHILE.—

(1) The Congress finds that—

(A) the President and the Congress have repeatedly expressed their condemnation of, and pledged to combat, international terrorism;

(B) on August 1, 1978, a United States Federal grand jury indicted three members of the Chilean intelligence service, General

Manuel Contreras, Armando Fernandez Larios, and Colonel Pedro Espinoza, for conspiracy in the September 21, 1976 murders of Orlando Letelier and Ronni Karpen Moffitt in Washington, D.C.;

(C) on September 18, 1978, the United States Government filed requests with the Government of Chile for the extradition of General Manuel Contreras, Armando Fernandez and Colonel Pedro Espinoza, which were denied by the Supreme Court of Chile on October 1, 1979;

(D) on November 5, 1980, a United States Federal district court judge ruled that there was satisfactory evidence to establish that "employees of the Republic of Chile, acting at the direction of Chilean officials" planted and detonated the explosives that killed Orlando Letelier and Ronni Karpen Moffitt;

(E) on February 1, 1987, Armando Fernandez Larios voluntarily provided the United States officials with a full account of his knowledge of the murders and cover up, submitted himself to United States jurisdiction and pleaded guilty to the charge of being an accessory after the fact to the 1976 Letelier-Moffitt car bombing, and presented new evidence which implicated Colonel Pedro Espinoza and General Manuel Contreras in the murders of Orlando Letelier and Ronni Karpen Moffitt and implicated General Agusto Pinochet in the subsequent cover-up of those murders;

(F) on February 4, 1987, the Government of Chile declared its interest in lending its cooperation, in accordance with Chilean law and international agreements, in bringing to justice all who are culpable in the murder of Orlando Letelier and Ronni Karpen Moffitt;

(G) on May 11, 1987, the Government of the United States requested the expulsion from Chile to the United States of General Manuel Contreras and Colonel Pedro Espinoza under Article 24 of the Chilean Constitution, but the Government of Chile formally rejected that request on June 17, 1987;

(H) section 502(b)(7) of the Trade Act of 1974 prohibits the provision of benefits under the Generalized System of Preferences to any country that aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism; and

(I) for over a decade, the Government of Chile has granted sanctuary from prosecution to the individuals responsible for the murder of Orlando Letelier and Ronni Karpen Moffitt, a clear act of international terrorism.

(2) it is the sense of the Congress that—

(A) the Government of Chile should cease its repeated refusal to extradite, expel, or bring to justice General Manuel Contreras and Colonel Pedro Espinoza for their involvement in the assassination and subsequent cover-up of their role in the 1976 murders of Orlando Letelier and Ronni Karpen Moffitt;

(B) the Government of Chile should cease providing sanctuary to those responsible for the murders of Orlando Letelier and Ronni Karpen Moffitt and should immediately carry out its international obligations by taking concrete and meaningful steps to bring to justice those culpable individuals;

(C) the Government of Chile should make appropriate compensation to the members of the Letelier and Moffitt families; and

(D) the Government of Chile should no longer be designated as a beneficiary developing country under title V of the Trade Act of 1974 (the Generalized System of Preferences) by reason of section 502(b)(7) of such Act.

KENNEDY (AND OTHERS) AMENDMENT NO. 573

(Ordered to lie on the table.)

Mr. KENNEDY (for himself, Mr. HARKIN, Mr. PELL, Mr. DODD, Mr. BIDEN, and Mr. CRANSTON) submitted an amendment intended to be proposed by them to the bill S. 1420, supra; as follows:

On Page 511, on line 11 strike "1987." and insert the following: 1987.

SEC. 2010. POLICY TOWARDS CHILE.

(a) FINDINGS.—The Congress finds that—

(1) the President and the Congress have repeatedly expressed their condemnation of and pledged to combat international terrorism;

(2) on August 1, 1978, a U.S. Federal grand jury indicted three members of the Chilean intelligence service, General Manuel Contreras, Armando Fernandez Larios, and Colonel Pedro Espinoza, for conspiracy in the September 21, 1976 murders of Orlando Letelier and Ronni Karpen Moffitt in Washington, D.C.;

(3) on September 18, 1978, the United States Government filed requests with the Government of Chile for the extradition of General Manuel Contreras, Armando Fernandez and Colonel Pedro Espinoza, which were denied by the Supreme Court of Chile on October 1, 1979;

(4) on November 5, 1980, a U.S. Federal district court judge ruled that there was satisfactory evidence to establish that "employees of the Republic of Chile, acting at the direction of Chilean officials" planted and detonated the explosives that killed Orlando Letelier and Ronni Karpen Moffitt; and

(5) on February 4, 1987, Armando Fernandez Larios voluntarily provided the United States officials with a full account of his knowledge of the murders and cover up, submitted himself to U.S. jurisdiction and pleaded guilty to the charge of being an accessory after the fact to the 1976 Letelier-Moffitt car bombing, and presented new evidence which implicated Colonel Pedro Espinoza and General Manuel Contreras in the murders of Orlando Letelier and Ronni Karpen Moffitt and implicated General Augusto Pinochet in the subsequent cover-up of those murders;

(6) on February 4, 1987 the Government of Chile declared its interest in lending its cooperation, in accordance with Chilean law and international agreements, in bringing to justice all who are culpable in the murder of Orlando Letelier and Ronni Karpen Moffitt; and

(7) on May 11, 1987, the Government of the United States requested the expulsion from Chile to the United States of General Manuel Contreras and Colonel Pedro Espinoza under Article 24 of the Chilean Constitution; but the Government of Chile formally rejected that request on June 17, 1987.

(b) POLICY.—The Congress hereby—

(1) condemns the Government of Chile for its repeated refusal to extradite, expel or bring to justice General Manuel Contreras and Colonel Pedro Espinoza for their involvement in the assassination and subsequent cover-up of their role in the 1976 murders of Orlando Letelier and Ronni Karpen Moffitt;

(2) calls on the Government of Chile to cease providing sanctuary to those responsible for the murders of Orlando Letelier and Ronni Karpen Moffitt and to carry out its international obligations immediately by taking concrete and meaningful steps bringing to justice those culpable individuals;

(3) calls upon the Government of Chile to make appropriate compensation to the members of the Letelier and Moffitt families.

DANFORTH (AND OTHERS) AMENDMENT NO. 574

Mr. DANFORTH (for himself, Mr. METZENBAUM, Mr. PACKWOOD, Mr. PELL, Mr. MCCONNELL, Mr. MOYNIHAN, and Mr. CHAFEE) proposed an amendment to the bill, S. 1420, supra; as follows:

At the appropriate place, add the following:

The provisions in Amendment #323 shall be avoided if the President of the United States determines in a report to the Congress that:

The application of such provisions would make it more difficult to improve human rights practices in Romania or to enhance opportunities for emigration of persons from Romania.

LAUTENBERG (AND OTHERS) AMENDMENT NO. 575

Mr. LAUTENBERG (for himself, Mr. DECONCINI, Mr. BRADLEY, Mr. CHAFEE, Mr. GRASSLEY, Mr. HEINZ, Mr. LEAHY, Mr. MURKOWSKI, Mr. NUNN, Mr. RIEGLE, Mr. LUGAR, Mr. HEFLIN, Mr. SIMON, Mr. D'AMATO, Mr. DANFORTH, Mr. GLENN, and Mr. BYRD) proposed an amendment to the bill, S. 1420, supra; as follows:

On page 248 of the bill, between lines 2 and 3, insert the following:

SEC. 415. UNFAIR COMPETITIVE PRACTICE INVOLVING INTELLECTUAL PROPERTY.

(a) FINDINGS.—The Congress finds that—

(1) inadequate or ineffective protection in foreign markets of intellectual property including copyrights, patents, semiconductor mask works and trademarks, seriously restrict United States exports of goods and services;

(2) unfair competition practices such as the imitation of trade dress, marketing campaigns and promotional methods of internationally recognized brand names mislead consumers, violate the intellectual property rights of the legitimate owners, and injure both owner and consumer;

(3) disregarding intellectual rights and unfair competition practices obstruct the ability of the legitimate owners to enter and expand export sales to foreign markets where legal safeguards are inadequate or unenforced; and

(4) inadequate or ineffective enforcement of intellectual property rights and laws to prohibit unfair methods of competition, together with other barriers to trade, including tariff and nontariff barriers, may totally exclude competitive United States exports from a foreign market.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) United States exporters should have access to foreign markets free from the commercial risk from unfair competition practices and violations of intellectual property rights;

(2) unfair competition practices and violations of intellectual property rights are especially damaging when coupled with other barriers to trade such as tariffs, whether

bound or unbound, nontariff barriers such as quotas, licensing, marketing and distribution restraints, and unreasonable health registration requirements; and

(3) the President should give special attention to cases where such access is not available and should use all appropriate powers of his office, including those provided under sections 301 and 503 of the Trade Act of 1974, to secure fair market access for United States exports and to protect the intellectual property of the United States exporters.

MITCHELL (AND WILSON) AMENDMENT NO. 576

Mr. DASCHLE (for Mr. MITCHELL, for himself and Mr. Wilson) proposed an amendment to the bill S. 1420, supra; as follows:

On page 135, strike all after line 3, on page 136, strike lines 1 through lines 17. Insert in lieu thereof:

(a) In General.—By no later than the date that is 30 days after the date on which the annual report is submitted to Congressional committees under section 181(b), the United States Trade Representative (hereinafter in the section referred to as the "Trade Representative") shall indentify—

(1) those foreign countries that deny adequate and effective protection of intellectual property rights or deny fair and equitable market access to United States persons that rely upon intellectual property protection; and

(2) those foreign countries listed pursuant to paragraph (1) that are determined by the Trade Representative to be priority foreign countries.

(b) In making the indentification of priority foreign companies under subsection (a), the Trade Representative shall take into account the following—

(1) the onerous nature and significance of the acts, policies, and practices that deny adequate and effective intellectual property protection, or deny fair and equitable market access to United States persons that rely upon intellectual property protection;

(2) the potential size of the markets for the relevant United States products and services; and

(3) the estimate of the trade-distorting impact on United States commerce of such acts, policies, or practices contained in the annual report required under section 181(b).

(c) for purposes of indentifying priority foreign countries under paragraph (1), the Trade Representative shall take into account information from such sources as may be available to him or submitted to him by interested persons, including information contained in reports submitted under section 181(b) and petitions submitted under Section 301.

On page 136, line 18, redesignate paragraph (c) as paragraph (d).

On page 136, line 35, before the "." insert "and with respect to the revocation of an identification under paragraph (1), the Trade Representative submits to the Congress a written report setting forth, in detail, the reasons for the determination".

(e) The term "persons that rely upon intellectual property protection" means individuals, corporations, partnerships, joint ventures, or other business organizations involved in: (i) the creation, production or licensing of literary or artistic works that are copyrighted, or (ii) the manufacture of products that are patented or for which there are process patents.

(f) The term "adequate and effective protection of intellectual property" means that a country provides adequate and effective means under its law for foreign persons to secure, to exercise and to enforce rights in all forms of intellectual property, including patents, process patents, trademarks, copyrights, mask works, trade secrets, and proprietary technical data.

On page 137, redesignate paragraph (d) as paragraph (g).

On page 141, line 5, insert "(2)" after "(a)".

On page 141, line 18, insert "(2)" after "(a)".

On page 141, line 24, insert "on a bilateral or multilateral basis" after "negotiations".

On page 142, line 2, before the "." insert the following: "(2), and the foreign country is making substantive and timely progress towards these ends."

CHILES (AND OTHERS) AMENDMENT NO. 577

Mr. DASCHLE (for Mr. CHILES, for himself, Mr. DOMENICI, Mr. LEAHY, and Mr. LUGAR) proposed an amendment to the bill S. 1420, supra; as follows:

On page 535,

(1) on line 6 after "(1)." insert "; and";

(2) strike lines 7 through 11.

JOHNSTON AMENDMENT NO. 578

(Ordered to lie on the table.)

Mr. JOHNSTON submitted an amendment intended to be proposed by him to the bill S. 1420, supra; as follows:

At the appropriate place add the following:

Sec. ——. Exemption from prohibition on the importation of products of the Toshiba Corporation.

The mandatory sanctions against imports from Toshiba Corporation shall not apply to any imports of paper manufacturing equipment consisting of medium voltage induction and synchronous motors of 450 horsepower and greater, related motor control equipment, and 480 volt induction motors in performance of a contract entered into prior to May 22, 1987.

CHILES AMENDMENT NO. 579

Mr. CHILES (for himself, Mr. BYRD, Mr. SIMPSON, and Mr. BENTSEN) proposed an amendment to the bill S. 1420, supra; as follows:

At the end of subtitle D of title IX of the bill, add the following:

SEC. . VESSELS MAKING CALLS ON CUBAN PORTS.

(a) In General.—It shall be unlawful for any vessel which has made a call on any port in Cuba after the date that is 60 days after the date of enactment of this Act to make a call on any port in the United States within six months of that call in Cuba. Any vessel that makes such a call in violation of this section shall be subject to seizure and forfeiture to the United States.

(b) Seizure.—

(1) Any customs officer may seize any vessel in the customs waters of the United States that has, at any time after the date that is 60 days after the date of enactment of this Act, made a call on any port in Cuba during the preceding six-month period.

(2) Seizure may be made under paragraph (1) without regard to whether the owner or master of the vessel at the time of seizure was the owner or master of the vessel at the time the vessel made the call to a port in Cuba in violation of subsection (a).

(3) The provisions of the title IV of the Tariff Act of 1930 (19 U.S.C. 1401, et seq.) shall apply to the seizure, forfeiture, and sale of any vessel that makes a call to a port in Cuba in violation of paragraph (1) and to the proceeds from the sale of such a vessel.

(c) Waivers.—

(1) If the President determines that the prohibition provided under subsection (a) has inflicted, or there is compelling evidence that prohibition will inflict, serious economic damage to a major sector of the United States economy, the President may waive that prohibition for shipping directly related to the affected section of the United States economy.

(2) The President shall submit to the Congress a report on each waiver granted under paragraph (1), which shall include an explanation of why the waiver was granted, by no later than the date that is 5 days after the date on which the waiver is granted.

(d) Definitions.—For purposes of this section, the terms "customs officer" and "customs waters" have the respective meaning given to each of such terms by section 401 of the Tariff Act of 1930 (19 U.S.C. 1401).

SEC. . NEGOTIATIONS.

(a) In General.—The United States Trade Representative shall take action to initiate negotiations with the trading partners of the United States with regard to the elimination or restriction of their trade with Cuba.

(b) Report.—The United States Trade Representative shall submit to the Congress a report on the negotiations conducted under subsection (a).

KENNEDY (AND OTHERS) AMENDMENT NO. 580

Mr. KENNEDY (for himself, Mr. MURKOWSKI, Ms. MIKULSKI, Mr. DURENBERGER, Mr. LEAHY, Mr. PELL, Mr. BIDEN, Mr. D'AMATO, Mr. LEVIN, and Mr. HELMS) proposed an amendment to the bill S. 1420, supra; as follows:

On page 958, after line 21, insert the following:

TITLE XLVI—ASSISTANCE TO POLAND

SEC. 4601. SHORT TITLE.

This title may be cited as the "American Aid to Poland Act of 1987".

SEC. 4602. FINDINGS.

The Congress finds that—

(1) positive developments in Poland in 1986, including top-level commitments to economic reform and a general amnesty for all political prisoners, prompted the United States Government to initiate a new policy of step-by-step reengagement with Poland;

(2) as part of that new policy and in response to the general amnesty of September 1986, the United States Government undertook high-level contacts with representatives of the Government of Poland and lifted the remaining economic sanctions originally imposed in response to martial law, the detention of the Solidarity leadership, and the outlawing of Solidarity;

(3) as part of the new policy of reengagement offical contacts between Poland and the United States have increased and inten-

sified, as exemplified by the Ridgway-Kinast meetings in Vienna, Deputy Secretary of State John Whitehead's trip to Poland and meeting with General Jaruzelski, the parliamentary exchanges between chairman Dante Fascell and Josef Czyrek and between Chairman Dan Rostenkowski and Marshall Roman Malinowski, the initialing of the Science and Technology Agreement, and Senator Edward M. Kennedy's trip to Poland in May 1987;

(4) the top leadership of Poland has called for reform and restructuring of the Polish economy and has undertaken a process of national reconciliation between Polish society and the Government of Poland;

(5) the process of national reconciliation and economic reform inside Poland will be furthered by strengthening ties between United States and Polish society and by measured increases in United States involvement in the economy of Poland;

(6) improved political and economic relations between the United States and Poland can only occur in the context of respect for human rights and increased pluralism inside Poland; and

(7) sustained growth can only be restored to the Polish economy if there is a genuine reconciliation between the Government of Poland and all segments of Polish society, including Solidarity.

SEC. 4603. POLICY TOWARD POLAND.

It is the sense of the Congress that—

(1) the United States and Poland should increase contacts between the peoples of the two countries at all levels of the government and between all sectors of the two societies;

(2) as the human rights situation in Poland improves and as Solidarity is allowed once again to operate legally and openly inside Poland, the United States Government and the Government of Poland should normalize relations between the two countries and restore ambassadorial status to its ranking diplomats;

(3) private and voluntary organizations and cooperatives should be encouraged to promote projects aimed at improving the quality of life for the Polish people and at strengthening private, independent nongovernmental entities inside Poland, such as the Catholic Church, with a heavy emphasis on improving and modernizing Polish agriculture which is largely in private hands; and

(4) United States representatives to multilateral development banks should be forthcoming and constructive in efforts to assist Poland.

SEC. 4604. FUNDING OF SCIENCE AND TECHNOLOGY AGREEMENT.

(a) Funding.—For purposes of implementing the 1987 United States-Polish science and technology agreement, there are authorized to be appropriated to the Secretary of State for the fiscal year 1988, $1,000,000.

(b) Availability of Funds.—Amounts appropriated or provided for pursuant to subsection (a) are authorized to remain available until expended.

(c) Definition.—For purposes of this section, the term "1987 United States-Polish Science and Technology Agreement" refers to the draft agreement concluded in 1987 by the two countries entitled "Agreement Between the Government of the United States of America and the Polish People's Republic on Cooperation in Science and Technology and Its Funding", together with annexes relating thereto.

SEC. 4605. AGRICULTURAL ASSISTANCE FOR POLAND.

Notwithstanding any other provision of law, $10,000,000 of the funds made available under the heading "Agriculture, rural development and nutrition" of title II of the Foreign Assistance and Related Programs Appropriations Act, 1987 (as contained in section 104(f) of Public Law 99-500 and Public Law 99-591) are hereby continued available for obligation until September 30, 1989, which amount shall be available only for agricultural activities in Poland.

SEC. 4606. DONATION OF SURPLUS AGRICULTURAL COMMODITIES.

(a) Authority to Donate.—Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended by striking out the last word of Section (b)(10)(B)(i), and adding in lieu thereof, "of which 8,000 metric tons may be provided for each of fiscal years 1988 and 1989 to nonprofit voluntary organizations and cooperatives operating in Poland, including groups organized under the auspices of the Catholic Church, under agreements for sale to purchasers approved by the United States of such commodities and the use of the proceeds from such sales for eligible projects in Poland that have been approved, upon application, by the joint commission described in section 4609 of the American Aid to Poland Act and by the United States chief of diplomatic mission in Poland."

SEC. 4607. USE OF POLISH CURRENCIES.

(a) Use of Polish Currencies.—Subject to subsection (b), nonconvertible Polish currencies (zlotys) held by the United States on the date of enactment pursuant to an agreement with the Government of Poland under the Agricultural Trade Development and Assistance Act of 1954 which are not assets of the Commodity Credit Corporation shall be made available, to the extent and in such amounts as are provided in an appropriation Act, for eligible projects in Poland described in section 4608 and approved, upon application, by the joint commission described in section 4609 and by the United States chief of diplomatic mission in Poland.

(b) Availability of Currencies.—Currencies available under subsection (a) are currencies available after satisfaction of existing commitments to use such currencies for other purposes specified by law, including the purposes specified by section 4604(a)(2).

SEC. 4608. ELIGIBLE PROJECTS.

Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended by adding at the end of Section (b)(7)(D)(ii), "provided that foreign currency proceeds generated in Poland may also be used by such organizations for eligible activities approved by the Joint Commission established pursuant to Section 4609 of "The American Aid to Poland Act of 1987" and by the U.S. chief of diplomatic mission that—

I. would improve the quality of life of the Polish people; and

II. strengthen and support the activities of private, nongovernmental independent institutions in Poland, including Solidarity.

Such activities also include—

(I) any project to be undertaken in Poland under the auspices of the Charitable Commission of the Polish Catholic Episopate for the benefit of handicapped or orphaned children; and

(II) any project for the reconstruction, renovation, or maintenance of the Research Center on Jewish History and Culture of the Jagiellonian University of Krakow, Poland, established for the study of events related to the Holocaust in Poland.

SEC. 4609. JOINT COMMISSION.

(a) Establishment.—The joint commission described in sections 4606, 4607 and 4608 shall be established under an agreement between the United States Government, the Government of Poland, and nongovernmental agencies (as defined in section 4606(b)(2)) operating in Poland.

(b) Membership.—The joint commission shall be composed of—

(1) one appropriate representative of the Government of Poland;

(2) appropriate representatives of nongovernmental agencies which are parties to the agreement described in subsection (a); and

(3) representatives from the United States diplomatic mission in Poland, to include a representative of the Foreign Agricultural Services, who shall serve as nonvoting members.

SEC. 4610. PROVISION OF MEDICAL SUPPLIES AND HOSPITAL EQUIPMENT TO POLAND.

In addition to amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) for such fiscal years, there are authorized to be appropriated to carry out that chapter for each of the fiscal years 1988 and 1989, $2,000,000, which amount shall be available only for providing medical supplies and hospital equipment to Poland through private and voluntary organizations, including the expenses of purchasing, transporting, and distributing such supplies and equipment.

After section 4610 of the pending amendment, add the following new section:

SEC. 4611. ASSISTANCE IN SUPPORT OF SOLIDARITY.

Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) for each of fiscal years 1988 and 1989, not less than $1,000,000 shall be available only for the support of the independent Polish trade union 'Solidarity'.

On page 543, between lines 8 and 9, insert the following:

(d) Eligibility of Poland.—Notwithstanding any other provision of this section, the Secretary of Agriculture may establish a mission in Poland.

PROXMIRE AMENDMENT NO. 581

Mr. PROXMIRE Proposed an amendment to the bill S. 1420, supra, as follows:

At the appropriate place in Title XV, insert the following new section:

"Sec. . The Federal Reserve Board shall submit to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Banking, Finance, and Urban Affairs of the House of Representatives a report on the issues raised by including loan loss reserves as part of banks' primary capital for regulatory purposes by April 30, 1988. Such report shall include a review of the treatment of loan loss reserves and the composition of primary capital of banks in other major industrialized countries, and shall include an analysis as to whether loan loss reserves should continue to be counted as primary capital for regulatory purposes.".

PROXMIRE AMENDMENT NO. 582

Mr. PROXMIRE submitted an amendment, which was subsequently modified by unanimous consent, to the bill S. 1420, supra, as follows:

At the appropriate place in Title XVII, insert the following new section:

"SEC. . Section 913 of the International Lending Supervision Act of 1983 is amended by adding at the end thereof the following new subsection:

"(d) To ensure that Congress is fully informed of the risks to our banking system posed by troubled foreign loans, the Federal banking agencies, before April 30, 1988 and April 30 of each succeeding year, shall jointly submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance, and Urban Affairs of the House of Representatives a report that shall include:

"(1) the level of loan exposure of those banking institutions under the jurisdiction of each agency which is rated "value-impaired", "substandard", "other transfer risk problems", or in any other troubled debt category as may be established by the banking agencies. This tabulation shall clearly identify aggregate loan exposures of the 9 largest United States banks under the agencies' jurisdiction, the aggregate loan exposures of the next 14 largest banks, and the aggregate exposure of all other such banks which have significant country risk exposures. This tabulation shall include a separate section identifying, to the extent feasible, new bank loans to countries with debt service problems which were made within the past year preceding the date on which the report required under this subsection is due, and shall include the amount of sovereign loans written off or sold by such banks during the preceding year;

"(2) progress that has been achieved by the appropriate Federal banking agencies and by banking institutions in reducing the risk to the economy of the United States posed by the exposure of banking institutions to troubled international loans through appropriate voluntary or regulatory policies, including but not limited to increases in capital and reserves of banking institutions;

"(3) the relationship between lending activity by the United States banks and foreign banks in countries experiencing debt service difficulties and exports from the United States and other lending countries to these markets; and the extent to which United States banking institutions can be encouraged to continue to make credit available to finance necessary growth in international trade, and particularly to finance United States exports;

"(4) the response of regulatory agencies in other countries to the international debt problems, including measures which encourage the building of capital and reserves by foreign banking institutions, tax treatment of reserves, encouragement of new lending to promote international trade, and measures which may place United States banking institutions at a competitive disadvantage when compared with foreign banking institutions; and

"(5) steps that have been taken during the previous year by countries experiencing debt service difficulties to enhance conditions for private direct investment (including investment by United States persons) eliminate production subsidies, attain price, stability, and undertake such other steps as will remove the causes of their debt service difficulties.

"Each appropriate Federal banking agency may provide data in the aggregate to the extent necessary to preserve the integrity and confidentiality of the regulatory and examination process.".".

SANFORD AMENDMENT NO. 583

Mr. SANFORD proposed an amendment which was subsequently modified, to the bill S. 1420, supra, as follows:

Insert in the bill at Section 1722(b) the following:

"(4) evaluate the feasibility of encouraging expanded capital ownership through debt-to-equity conversions, particularly expanding the opportunity for the purchase of or earned inclusion in capital ownership by employees of firms in which the equity is held."

At the end of line 5, on page 477, delete "and"; at the end of line 9, delete "." and insert in lieu thereof "; and".

CHILES AMENDMENT NO. 584

Mr. CHILES proposed an amendment to the bill S. 1420, supra; as follows:

On page 438, line 12, after "developed.", insert "The business liaison shall explore opportunities for disseminating this information through private sector, nonprofit organizations.".

WALLOP AMENDMENT NO. 585

Mr. WALLOP proposed an amendment, which was modified and further modified, to the bill S. 1420, supra; as follows:

On page 404, line 14, delete the word "and" and add the following new paragraph:

"(B) the Secretary shall require a license for the reexport of such goods or technology at or above the level at which if the goods were shipped to the People's Republic of China on May 6, 1987 would require only notice to COCOM to a consignee in a country if the Secretary determines that such country is engaging in a pattern and practice of noncompliance with the Coordinating Committee agreement; and"

On page 404, line 15, reletter paragraph (B) as paragraph (C).

PROXMIRE AMENDMENTS NOS. 586 AND 587

Mr. PROXMIRE proposed two amendments to the bill S. 1420, supra; as follows:

AMENDMENT No. 586

On page 465 strike lines 17-22 and insert instead:

(3) the term "routine governmental action" means an action which is ordinarily and commonly performed by a foreign official including but not limited to—

(A) obtaining permits, licenses or other governmental approvals to qualify a person to do business in foreign country;

(B) processing governmental papers, such as visas and work orders;

(C) loading and unloading cargoes;

(D) scheduling inspections associated with contract performance; and

(E) protecting perishable products or commodities from deterioration.

"Routine governmental action" does not include any decision by a foreign official whether, or on what terms, to award new business or to continue business with a particular party or any action taken by a foreign official involved in the decision making process to encourage a decision to award new business or continue business with a particular party.

On page 461, delete lines 6 through 9

On page 461, at line 20 change (d) to (d)(1)

On page 461, add a new paragraph (d)(2) that reads:

It shall be an affirmative defense that any nominal payment, gift, offer, or promise of anything of value to a foreign official which constitutes a courtesy, a token of regard or esteem, or in return for hospitality is not a violation of this Act if it is of reasonable value in the context of the type of transaction involved, local custom, and local business practices.

On page 461, renumber (3) and (4) to (2) and (3)

On page 465, delete lines 23 through 25

AMENDMENT No. 587

Title XI is amended by adding at the end thereof the following new section:

SEC. 1106. Title III of the Export Trading Company Act of 1982 is amended as follows:

(a) Section 302(a) (15 U.S.C. 4012(a)) is amended by—

(1) striking out "a person" and inserting in its place "an applicant";

(2) striking out "and" in paragraph (1);

(3) redesignating paragraph (2) as paragraph (3);

(4) inserting after paragraph (1) the following:

"(2) specifies the members seeking protection with the applicant under the certificate, and"; and

(5) inserting at the end thereof the following: "An applicant shall be an individual who is a resident of the United States; a partnership that is created under and exists pursuant to the laws of any state or of the United States; a state or local government entity; a corporation, whether organized as a profit or nonprofit corporation, that is created under and exists pursuant to the laws of any state or of the United States; or any association or combination, by contract or arrangement, between or among such persons.";

(b) Section 302(b)(1) (15 U.S.C. 4012(b)(1)) is amended by striking out "publish in the Federal Register" and inserting in its place "transmit to the Federal Register for publication";

(c) Section 303(b) (15 U.S.C. 4013(b)) is amended by inserting after "review," the first time it appears the following: "but not less than 30 days after publication in the Federal Register,"

(d) Section 305(a) (15 U.S.C. 4015(a)) is amended by striking the word "erroneous" and inserting in lieu thereof "arbitrary, capricious, an abuse of discretion or otherwise not in accordance with the law."

(e) Section 306(a) (15 U.S.C. 4016(a)) is amended by inserting ", or against any member or members named in the certificate," after "issued";

(f) Section 308 (15 U.S.C. 4018) is amended by striking out ", that updates where necessary the information required by section 302(a)" and inserting in its place "to determine that the certified conduct complies with the standards in section 303(a)"; and

(g) Section 311 (15 U.S.C. 4021) is amended by—

(1) in subsection (1), inserting "without regard to whether funds, financing, or other assistance are provided by the United States," at the end thereof; and

(2) by amending subsection (5) to read as follows:

"(5) the term 'member' means an entity (U.S. or foreign) or a person that is seeking protection under the certificate with the applicant. A member may be a partner in a partnership or a joint venture; a shareholder of a corporation; or a participant in an association, cooperative, or other form of profit organization or relationship, by contract or other arrangement,".

HEINZ (AND OTHERS) AMENDMENT NO. 588

Mr. HEINZ (for himself, Mr. GARN, Mr. DIXON, Mr. BOND, Mr. SIMON, Mr. DODD, Mr. CHAFEE, Mr. ADAMS, and Mr. KARNES) proposed an amendment, which was subsequently modified, to the bill S. 1420, supra; as follows:

Beginning with page 428, line 3, strike out through page 430, line 3, and insert the following:

SEC. 1101. DEFINITION OF EXPORT TRADING COMPANY.

Section 4(c)(14)(F)(i) of the Bank Holding Company Act of 1956 is amended to read as follows:

"(i) the term 'export trading company' means a company which does business under the laws of the United States or any State, which is exclusively engaged in activities related to international trade, and which is organized and operated principally for purposes of exporting goods or services produced in the United States by the company, its affiliates, or unaffiliated persons, or for purposes of providing one or more export trade services to facilitate the exportation of goods or services produced in the United States by unaffiliated persons. A company shall be deemed to be organized and operated principally for such purposes if its revenues from exporting goods or services produced in the United States or from providing export trade services, as defined in clause (ii), exceed its revenues from importing into the United States goods or services produced outside the United States, and its revenues from exporting goods or services produced in the United States or from providing export trade services, as defined in clause (ii), are at least one-third of the company's total revenues. Nothing in this clause authorizes a bank holding company to own or acquire an interest in an export trading company domiciled in the United States which engages in the underwriting, selling, or distributing of securities or insurance except as may be included in the definition of export trade services in clause (ii) of this subparagraph.

SEC. 1102. LEVERAGE.

Section 4(c)(14)(A)(iv) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(14)(A)(iv)) is amended by adding at the end thereof the following: "The Board may not disapprove a proposed investment solely on the basis of the proposed assets to equity ratio of an export trading company unless the proposed annual average ratio is greater than twenty to one.".

GRAMM (AND ARMSTRONG) AMENDMENT NO. 589

Mr. GRAMM (for himself and Mr. ARMSTRONG) proposed an amendment to the bill S. 1420, supra; as follows:

Strike sections 1701 through 1713 of the bill.

BOREN (AND OTHERS) AMENDMENT NO. 590

Mr. BOREN (for himself, Mr. GRAMM, Mr. JOHNSTON, Mr. BENTSEN, Mr. DOMENICI, Mr. BINGAMAN, Mr. NICKLES, Mr. PRYOR, Mr. SIMPSON, Mr. BUMPERS, Mr. STEVENS, Mr. BREAUX, Mr. BAUCUS, Mr. WALLOP, Mr. MURKOWSKI, Mr. MELCHER, Mr. DOLE, Mr. SYMMS, Mr. GORE, and Mr. MCCLURE) proposed an amendment to the bill S. 1420, supra; as follows:

At the end of subtitle D of title IX, add the following new section:

SEC. WINDFALL PROFIT TAX REPEAL.

(a) IN GENERAL.—Chapter 45 of the Internal Revenue Code of 1986 is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Sections 6050C, 6076, 6232, 6430, and 7241 of the Internal Revenue Code of 1986 are repealed.

(2)(A) Subsection (a) of section 164 of such Code is amended by striking paragraph (4) and redesignating the subsequent paragraphs as paragraphs (4) and (5), respectively.

(B) The following provisions of such Code are each amended by striking "44, or 45" each place it appears and inserting "or 44":

(i) section 6211(a),

(ii) section 6211(b)(2),

(iii) section 6212(a),

(iv) section 6213(a),

(v) section 6213(g),

(vi) section 6214(c),

(vii) section 6214(d),

(viii) section 6161(b)(1),

(ix) section 6344(a)(1), and

(x) section 7422(e).

(C) Subsection (a) of section 6211 of such Code is amended by striking "44, and 45" and inserting "and 44".

(D) Subsection (b) of section 6211 of such Code is amended by striking paragraphs (5) and (6).

(E) Paragraph (1) of section 6212(b) of such Code is amended—

(i) by striking "chapter 44, or chapter 45" and inserting "or chapter 44", and

(ii) by striking "chapter 44, chapter 45, and this chapter" and inserting "chapter 44, and this chapter".

(F) Paragraph (1) of section 6212(c) of such Code is amended—

(1) by striking "of chapter 42 tax" and inserting "or of chapter 42 tax", and

(ii) by striking ", or of chapter 45 tax for the same taxable period".

(G) Subsection (e) of section 6302 of such Code is amended—

(i) by striking "(1) For" and inserting "For", and

(ii) by striking paragraph (2).

(H) Section 6501 of such Code is amended by striking subsection (m).

(I) Section 6511 of such Code is amended by striking subsection (h) and redesignating subsection (i) as subsection (h).

(J) Subsection (a) of section 6512 of such Code is amended—

(i) by striking "of tax imposed by chapter 41" and inserting "or of tax imposed by Chapter 41", and

(ii) by striking ", or of tax imposed by chapter 45 for the same taxable period".

(K) Paragraph (1) of section 6512(b of such Code is amended—

(i) by striking "of tax imposed by chapter 41" and inserting "or of tax imposed by chaper 41", and

(ii) by striking ", or of tax imposed by chapter 45 for the same taxable period".

(L) Section 6611 of such Code is amended by striking subsection (h) and redesignating subsections (i) and (j) as subsections (h) and (i), respectively.

(M) Subsection (d) of section 6724 of such Code is amended—

(i) by striking clause (i) in paragraph (1)(B) and redesignating clauses (ii) through (x) as clauses (i) through (ix), respectively, and

(ii) by striking subparagraphs (A) and (K) of paragraph (2) and redesignating subparagraphs (B), (C), (D), (E), (F), (G), (H), (I), (J), (L), (M), (N), (O), (P), (Q), (R), (S), and (T) as subparagraphs (A), (B), (C), (D), (E), (F), (G), (H), (I), (J), (K), (L), (M), (N), (O), (P), (Q), and (R), respectively.

(N) Subseciton (a) of section 6862 of such Code is amended by striking "44, and 45" and inserting "and 44".

(O) Section 7512 of such Code is amended—

(i) by striking ", by chapter 33, or by section 4986" in subsections (a) and (b) and inserting "or chapter 33", and

(ii) by striking ", chapter 33, or section 4986" in subsections (b) and (c) and inserting "or chapter 33".

(3)(A) The table of contents of subtitle (D) of such Code is amended by striking the item relating to chapter 45.

(B) The table of contents of subpart B of part III of subchapter A of chapter 61 is amended by striking the item relating to section 6050C.

(C) The table of contents of part V of such subchapter is amended by striking the item realting to section 6076.

(D) The table of contents of subchapter C of chapter 63 is amended by striking the item relating to section 6232.

(E) The table of contents of subchapter B of chapter 65 is amended by striking the item relating to section 6430.

(F) The table of contents of part II of subchapter A of chapter 75 is amended by striking the item relating to section 7241.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to crude oil removed from the premises beginning on the date of enactment.

REQUIREMENT OF INTEREST ON OVERDUE GOVERNMENT PAYMENTS

DANFORTH (AND OTHERS) AMENDMENT NO. 591

(Ordered to lie on the table.)

Mr. DANFORTH (for himself, Mr. PRYOR, and Mr. BUMPERS) submitted an amendment, intended to be proposed by them, to the bill S. 328, a bill to amend chapter 39 of title 31, United States Code, to require the Federal Government to pay interest on overdue payments, and for other purposes; as follows:

On page 21, between lines 10 and 11, insert the following new subsection:

(c)(1) Section 3902 (as amended in subsection (b) of this section) is further amended by adding at the end thereof the following new subsection:

"(h) An interest penalty shall be paid to a business concern that is engaged in farming, ranching, or other agricultural business activities and is entitled to a payment under the terms of any agreement entered into pursuant to the authority granted under section 8 of the Act of June 28, 1948, (15 U.S.C. 714f), if such payment has not been made within 30 days after the date on which such business concern has fulfilled all of the requirements establishing the entitlement to the payment under such agreement. Interest shall accrue beginning on the date referred to in the first sentence and ending on the date on which the amount owed under the agreement and the amount of the interest penalty is paid. Payment of the interest penalty shall be made out of funds available under section 8 of such Act.".

(2) The amendment made by paragraph (1) shall not be construed to authorize—

(A) any modification of the payment practices (including practices relating to payment due dates) that are prevailing, in the case of agreements referred to in such amendment, on the date of the enactment of this Act; or

(B) a modification of any such agreement that is in effect on such date in order to extend the payment due date in such agreement.

(3) The amendment made by paragraph (1) shall take effect with respect to payments which any business concern referred to in such amendment first became entitled to receive under the terms of any agreement referred to in such amendment after April 30, 1987.

● Mr. DANFORTH. Mr. President, Congress passed the Prompt Payment Act in 1982 because the Federal Government wasn't paying its bills on time.

The U.S. Government was notorious for its delinquent bill-paying practices. Federal agencies would contract with businesses for goods and services. Suppliers would deliver the goods or perform the services in good faith. They would submit invoices, as in any business transaction. But then days and weeks would pass without payment. In some cases, months would lapse before any payments were received, and horror stories of suppliers waiting more than a year for payment were not uncommon.

The General Accounting Office [GAO] reported in 1978 that the problem was severe indeed, with nearly 40 percent of invoices paid more than 30 days after submission. The average late payment required 74 days for collection—at a time when interest rates were skyrocketing. Small businesses, which supply most of the Government's everyday purchases of commercial products, were taking the worst beating: They were essentially making forced loans to the Government at zero interest, at a time of escalating interest rates. Larger companies were in the same outrageous position of waiting for the Government to take its own good time to pay for goods and services long since delivered. In essence, executive agencies were "borrowing" up to $11 billion annually from suppliers by paying their bills months late. GAO estimated that Government delinquency was sapping the private sector for at least $60 million a year in financing costs.

That's some reputation: The world's biggest customer, the U.S. Government, was a known deadbeat on paying its bills. It wasn't sound business practice, and it certainly wasn't fair. In response to this mess, Congress passed the Prompt Payment Act in 1982. The act has had an excellent effect on the Federal Government's bill-paying habits. In August 1986, GAO reported that the Federal Government's delinquent bill-paying tendencies had been slashed by nearly one-half. As author of the original Senate legislation, I am thrilled that the act has yielded such successful results.

But opinions differ on the scope of application of the Prompt Payment Act, and the debate has been reopened with the introduction of S. 328, the Prompt Payment Act Amendments of 1987. I would submit that the timing of this debate could not be better. We have just emerged from a 2-month shutdown in key farm program payments. Commodity Credit Corporation [CCC] payments to thousands of farmers and business firms were suspended on May 1 due to a lack of funds, and they did not resume until July 13. As in past episodes, the default was caused by Congress' failure to pass a supplemental appropriations bill in a timely fashion. This created serious hardship for producers, warehouse operators, food processors, and providers of transportation—in short, for everyone who deals with CCC.

I cannot over-emphasize the adverse impact which this delay has had on farmers and farm-related businesses. The CCC is a major player in the farm economy. Hundreds of thousands of jobs and billions of dollars in income are affected by CCC operations. It is my understanding that in the State of Missouri alone, farmers, warehousemen, processors and others were owed in excess of $56 million as of July 1. This figure includes 6.5 million dollars worth of advance 1987 deficiency payments and final 1986 feed grain payments which were delayed as of May 1. Unpaid CCC obligations nationwide totaled $1.5 billion as of July 1. The result was naturally chaotic. Farmers scrambled for loans to tide them over. Lenders failed to make commitments. Warehousers, processors and transporters carried short-term loans to meet payrolls and cover operating costs.

It is absolutely unacceptable that major parts of the farm economy are periodicially paralyzed as a result of partisan differences over issues unrelated to agriculture and that payments are then resumed as though nothing happened. This failure to acknowledge the hardship borne by players in the farm economy is unfair and cannot be tolerated any longer. Enough is enough! A farm is a business. So is a warehouse, a processing plant, or a trucking company. Each entity has a right to fair treatment in its dealings with the Federal Government. When the General Services Administration takes too much time to pay for paper clips, GSA pays interest. When CCC is delinquent with deficiency payments or milk checks, the same rule should apply: Pay on time, or pay a penalty.

It is clear to this Senator, and I hope to my colleagues, that all CCC operations should be subject to the rule we established in 1982 for Government bill-paying in other areas. In the private sector, no one expects a free ride on an overdue bill. You expect to pay a penalty, because it costs money to borrow money. No one expects to borrow willy nilly from customers. Why should the CCC be different?

Today, I am joined by my distinguished colleagues from Arkansas, Mr. PRYOR and Mr. BUMPERS, in introducing an amendment to the Prompt Payment Act Amendments of 1987. This provision would apply the Prompt Payment Act to CCC operations across the board and would require penalty interest on CCC obligations unpaid after 30 days.

Let me say three things about this legislation. First, it would cover all CCC operations, which I believe to be entirely appropriate. This position is supported by a recent GAO legal opinion. To date, however, USDA has not explicitly recognized that it is covered by the act. Our bill would remove any doubt on this point.

Second, the legislation says that farmers should be treated the same as others who do business with the Federal Government—no better, no worse. When their finances are thrown into chaos by a suspension of payments, CCC should pay the same commercial penalty that a business would expect to be paid.

The effective date of the bill, April 30, meaning that interest penalties would be due on payments frozen by the loss of CCC borrowing authority in May and June. A CCC obligation would be deemed delinquent if not paid within 30 days of eligibility for the payments. Application of this legislation to the situation in Missouri, for example, would result in interest penalties of approximately $700,000 to producers, processors, warehousers, transporters and others.

Finally, the assessment of penalty interest on late payments should have a sobering effect on Congress. If Congress knows that playing carelessly with CCC funding will carry a price, perhaps we will behave responsibly in the future. Perhaps Congress will stop using the midyear CCC funding bill as a Christmas tree.

Mr. President, I believe this legislation would be a significant step toward ensuring that farmers and farm-related businesses are not continually devastated by lengthy delays in receiving payments to which they are entitled. I hope my colleagues will join me in supporting this important amendment to a successful law.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON GOVERNMENT CONTRACTING AND PAPERWORK REDUCTION

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Committee's Subcommittee on Government Contracting and Paperwork Reduction, has scheduled a hearing on Tuesday, July 28, 1987. The purpose of the hearing is to receive testimony concerning the expected impact of a series of amendments to the Small Business Act contained in Public Law 99-661, the fiscal year 1987 Department of Defense Authorization Act. These provisions will become effective on October 1, 1987. The subcommittee will seek testimony from witnesses representing small business Government contractors, and other business interests as to the likely impact on small business participation in the Federal procurement process. Testimony will also be sought from agency witnesses concerning the implementational challenges presented by the requirements of these provisions. The hearing will be held in room 428A of the Russell Senate Office Building and will commence at 9:30 a.m. For further information, please call William B. Montalto, procurement policy counsel for the committee at 224-5175, or Christine Lundregan of Senator DIXON's staff at 224-5334.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. FORD. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled on Senate bill S. 1320, the "Solar Development Initiative Act of 1987" and any related legislation pending before the subcommittee.

This hearing will take place on Thursday, August 6, 1987 at 2 p.m. in room SD-366 in the Senate Dirksen Office Building in Washington, DC.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, Subcommittee on Energy Research and Development, U.S. Senate, Washington, DC 20510.

For further information, please contact Ben Cooper at (202) 224-7569.

SUBCOMMITTEE ON WATER AND POWER

Mr. BRADLEY. Mr. President, I would like to announce for the information of the Senate and the public a change in the subject matter of a public hearing scheduled before the Subcommittee on Water and Power of the Senate Committee on Energy and Natural Resources.

The hearing to be held on August 5, 1987, beginning at 2 p.m. in room SD-366 of the Dirksen Senate Office Building will focus on S. 641, for the relief of the city of Minot, ND; and S. 649, to amend the Reclamation Authorization Act of 1976. S. 574, the Battle Mountain Pasture Restoration Act of 1987, which was previously listed for subcommittee consideration at this hearing, will not be heard as the bill is before the Subcommittee on Public Lands, National Parks and Forests.

For further information regarding the hearing, you may wish to contact Russell R. Brown of the subcommittee staff at 224-2366. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Subcommittee on Water and Power, room SD-364, Dirksen Senate Office Building, Washington, DC 20510.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON SURFACE TRANSPORTATION

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Surface Transportation, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on July 15, 1987, to hold hearings on S. 747, legislation to establish a motor carrier administration in the Department of Transportation, and S. 861, the Truck and Bus Safety Act of 1987.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on July 15, 1987, to hold a hearing on the committee's obligation for raising revenues as required under the budget resolution for fiscal year 1988.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on July 15, 1987, to hold a business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, July 15, 1987, to discuss S. 536.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Wednesday, July 15, 1987, to hold an oversight hearing on the Commodity Futures Trading Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TERRORISM, NARCOTICS, AND INTERNATIONAL OPERATIONS

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Narcotics and International Operations of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, July 15, 1987, to hold a hearing on drugs, law enforcement, and foreign policy: Central America.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

NATIONAL CENTER FOR THE FIRST AMENDMENT CONGRESS

● Mr. WIRTH. Mr. President, last year the University of Colorado [CU] was chosen as the national center for the First Amendment Congress. The First Amendment Congress was established in 1979 to "promote understanding of the freedoms of speech and press."

The organization, which was informally organized until last year, chose CU's School of Journalism from more than 25 schools nationwide.

The congress has appointed Samuel J. Archibald, an associate professor who has been teaching mass communications law at CU for 12 years, to the executive directorship. Mr. Archibald's qualifications and past accomplishments are impressive: a master's degree in social science from CU, various jobs as a wire correspondent, staff assistant to Representative John Moss of California, staff director of the so-called Moss Committee, officially labeled the Foreign Operations and Government Information Subcommittee, which was principally responsible for the drafting of the Freedom of Information Act of 1966, and director of the Fair Campaign Practices Committee. It seems that wherever Mr. Archibald shows up, the exchange of ideas takes place, often resulting in beneficial changes.

I believe that his appointment to the First Amendment Congress will continue this trend. Included on his agenda are plans for the first annual seminar of the organization—tentatively set for March 13-15, 1988.

I want to commend Samuel Archibald and the First Amendment Congress for their dedication to upholding one of the basic and most vital provisions on which our democracy is based—freedom of speech and freedom of the press.

I ask that two articles from the Longmont Daily Times-Call be inserted in the CONGRESSIONAL RECORD so that the Nation can take note of the First Amendment Congress.

The articles follow:

COALITION HEADQUARTERED AT CU

(By James Parramore)

The Constitution of the United States is 200 years old this year and the First Amendment to the Constitution, guaranteeing the right to speak out about what the government is doing, has reached the ripe old age of 198.

The First Amendment Congress—a national coalition formed to promote understanding of the freedoms of speech and press—has a new headquarters at the University of Colorado at Boulder's journalism school.

The organization will study the First Amendment's two centuries of evolution and explore what dangers may lie in future restrictions and abuses, said Executive Director Samuel J. Archibald.

CU last year was chosen from more than 25 schools throughout the country to be the national center for the First Amendment Congress, which has been organized informally since 1979.

Archibald, an associate professor at the CU School of Journalism for the past 12 years, is the group's first executive director and began his new duties May 25.

The organization gives CU a chance to establish a national center of excellence in an area apart from engineering or space science, he said. The university is contributing office space, secretarial assistance and office furnishings to the congress.

The congress will serve as a liaison "between the public, who own the First Amendment, and the media, who make it work." Archibald said.

Seventeen media organizations, including Associated Press, will participate in the First Amendment Congress as well as many special interest groups such as the AFL-CIO and the League of Women Voters.

In one of his first acts as executive director, Archibald set up a board of directors meeting, held at the university June 22. Representatives outlined goals and worked out plans for a next year's meeting of all U.S. affiliates. The meeting will be held in Denver on March 13-15, and Archibald said he hopes to make it an annual event.

Those attending will break up into smaller seminars and discussion groups to consider strengths and weaknesses of specific areas covered by the First Amendment. The entire congress will vote on any recommendations proposed by the smaller groups, Archibald said.

The meeting should be educational for both the media and the interest groups, he said.

"This is a courageous thing for these media organizations to do because they are the major financial beneficiaries of the First Amendment," Archibald said.

Panel discussions proposed for the Denver meeting will try bringing together those with opposing viewpoints, such as ex-presidential candidate Gary Hart and representatives from the Miami Herald, the newspaper that first investigated and reported his association with Donna Rice.

Archibald said he hopes to establish a network of First Amendment Congress affiliates at colleges throughout the country. Such groups are already active at the University of Kentucky and the University of Minnesota. The 25 schools that were turned down as headquarters for the congress are the most likely sites for regional branches.

Archibald's contract will run for two years, and he is moving quickly with plans to expand and solidify the organization.

"I plan to be an active, pushing, driving person," he said. "I'm not going to be an executive wimp. I'll step on a few toes and maybe get a few things accomplished before I'm kicked out."

ARCHIBALD: FIGHTING FOR PRESS FREEDOM

(By James Parramore)

Samuel J. Archibald—teacher, journalist and outspoken advocate of Americans' right to know—has battled for more than 40 years to keep First Amendment ideals alive.

He has irritated administrators and embarrassed bureaucrats from Washington, D.C., to his hometown of Denver.

A good fight is Archibald's idea of fun, and like a modern heavyweight champion, he doesn't pull his punches or mince his words.

Such as his opinion of politics.

"Of course the main job of a politician is to get re-elected," he said. The statement was matter-of-fact—as if from a tour guide pointing out a landmark.

Archibald has taught reporting and mass communication law at CU for 12 years. He is currently taking a two-year leave of absence from the university while fulfilling his term as executive director of the First Amendment Congress.

At the age of 67, when many consider kicking back to enjoy life and recount past successes, Archibald is eyeing his new position and still picking up speed.

"I plan to retire when I'm about 85," he said. "That's what my father did and it killed him—he died at 95."

Archibald received a journalism degree from the University of Colorado in 1946 and a master's in social science a year later. At the time he was a correspondent for the International News Service, Associated Press and United Press International.

His first real experience with the workings of government came as a statehouse reporter for the Sacramento Bee from 1948-52. He went to Washington in 1953 as a staff assistant to Congressman John Moss of California.

Archibald was appointed by Moss as staff director of a government information subcommittee in 1955. The investigations and research of the "Moss Committee" lasted more than 10 years but resulted in the 1966 federal Freedom of Information Act. The landmark law opened most federal government files for public inspection. Similar state laws, such as Colorado's Public Records Law of 1968, are the direct offspring of the Freedom of Information Act.

In 1967, Archibald took over as director of the Fair Campaign Practices Committee—formed to investigate and publicize dirty state and national political campaign tactics.

In 1974, he returned to CU as an associate professor in the journalism school but continued his fight against government secrecy at all levels. In the mid-1970's, Archibald helped lift the curtain of secrecy surrounding Boulder's city government.

More recently, he editorialized against closed meetings of the University of Colorado Board of Regents.

"They (the Regents) are a law unto themselves," he said. "And their lobbyists have told the state legislature that the Regents want to keep it that way."

The record shows that wherever he goes, Archibald has made changes.

"All these little things kinda add up," he said. "Eventually, everybody will know so much that government will grind to a halt. Think how much better off we'll be.●

TOSHIBA/KONGSBERG: THE PRIME MINISTER SPEAKS

Mr. HELMS. Mr. President, in late April the distinguished majority leader, the distinguished minority leader and I, along with a few other Senators, met privately with Prime Minister Nakasone. On that occasion, I asked the Prime Minister for his views on what is now known as the Toshiba/Kongsberg case.

What he told me I quote from my recollection:

> Senator Helms, it is very, very bad. It is bad for you, it is bad for us, and it is bad for the entire free world.

Mr. President, the Japanese Prime Minister has repeated his views publicly. In answer to questions in the Diet, Japan's parliament, he is quoted as saying:

> Japanese company has not only damaged national defense, but has also committed a crime of betrayal against the Japanese people because of its actions.

The Prime Minister chose his words carefully. "A Japanese company," by which we all know to include at least Toshiba, was involved. A "crime" against Japanese law has been committed. It is a crime of "betrayal," a particularly pernicious type of offense. It is quite clear from the Prime Minister's statement that acts of betrayal are equally abhorrent to the Japanese people. The Prime Minister declared that this betrayal was indeed a crime against the Japanese people.

The Prime Minister also emphasized that this crime of betrayal was also against the United States and other countries. That fits well into his statement to me at the end of April. The Prime Minister knows that the entire free world is at risk because of what Toshiba and Kongsberg have done and he is not afraid to say so in public.

Mr. President, I had intended to include some research material on Toshiba when the Banking Committee's provisions were considered but the Toshiba/Kongsberg amendments were considered early, in fact on June 30. It was my intent that this research material be made part of the legislative history of the case. The amendments passed on June 30 were specifically designed to cover parent corporations, subsidiaries, related companies, and successor companies. Toshiba Corp. is reported to have over 400 subsidiaries. My research material identifies the major ones but is by no means all-inclusive.

Mr. President, I ask that the following materials be printed in the Record. First, a listing of the consolidated subsidiaries of Toshiba Corp. Second, a listing of the consolidated subsidiaries of Toshiba Machine Co. Finally, two newspaper articles from today's New York Times and Washington Post. The latter is an Associated Press story.

The material follows:

[From the New York Times, July 15, 1987]

Nakasone Asserts Toshiba Betrayed Japan With Sales

(By Susan Chira)

Tokyo, July 14—Prime Minister Yasuhiro Nakasone today accused the Toshiba Machine Company of betraying Japan by selling militarily sensitive technology to the Soviet Union. It was his strongest comment to date on the incident.

His remarks came on the day Japan's trade minister, Hajime Tamura, left for the United States to try to assuage Americans' anger over illegal sales of propeller-milling equipment to the Russians.

The United States complains that the sales gravely damaged American security by allowing the Soviet Union to make submarines that run more quietly and are harder to detect.

AUDIENCES OF 2 COUNTRIES

Speaking before Japan's parliament, Mr. Nakasone said, according to Japanese press accounts, that in making the sales, "a Japanese company has not only damaged national defense but has also committed a crime of betrayal against the Japanese people because of its actions."

The blunt language appeared directed at both Japanese and American audiences.

In many comments about Toshiba, Japanese have expressed two views: anger over the sale and worry about resulting damage to American-Japanese relations and to Japan's exports. Mr. Nakasone is eager to avoid aggravating trade frictions and is personally conservative on military issues.

INDICATIONS OF A BACKLASH

There are also signs of a backlash forming in Japan, based on the idea that the United States may be exaggerating the harm caused by the Toshiba sales. But Mr. Nakasone and Foreign Minister Tadashi Kuranari resisted that view.

They suggested today, for the first time, that they believed there was a link between the sale of the equipment and the quieter Soviet submarines—a link questioned by some military experts and opposition politicians.

In his remarks to the parliament, Mr. Nakasone said he had "deep suspicions" leading him to think that such a link existed. In an even stronger statement, Mr. Kuranari said there was a "causal relationship" between the sales and the quieter submarines.

According to one senior Foreign Ministry official, opposition party politicians have said the Japanese Government was being too conciliatory. They charged that American companies had repeatedly violated the rules of the Coordinating Committee for Export Control, or Cocom. They said American companies sold China computer equipment, which the politicians said was then used in making missiles pointed at Japan.

A spokesman for the Defense Agency, Masanobu Ohtsuka, said Monday that it would be an "overstatement" to say that sale of the propeller-milling machinery alone was responsible for quieter Soviet submarines.

"It is true that in the last decade, Soviet submarines have become quieter," he said. "But there are many sources of noise besides propeller sounds—engine, auxiliary pumps, the shape of the submarine itself.

"Of course Toshiba Machine's equipment is capable of manufacturing with high precision. But just having the machine does not mean the Soviets can make a quieter propeller. In order to be able to do that, they have to be able to draw the design of the propeller shape."

But senior Tokyo officials, including Mr. Tamura, the trade minister, say Japan does not intend to challenge Washington's assertion that national security was damaged.

The furor prompted the United States Senate to propose banning imports from the parent company, the Toshiba Corporation.

[From the Washington Post, July 15, 1987]

Nakasone Calls Illegal Sales a "Betrayal"

(By Maggie Jackson)

Tokyo, July 14—Prime Minister Yasuhiro Nakasone called Toshiba Machine Co.'s illegal sales of high technology to the Soviets a "betrayal" against the Japanese people today shortly before his envoy, Japan's trade minister, departed to face American anger over the incident.

The prime minister, speaking during a nationally televised question-and-answer session with opposition members in the Diet (legislature), said the sales were "made illegally and systematically through false applications."

"It is a grave act of betrayal not only to the United States and other countries, but also to the Japanese people," Nakasone said of the sales of the propeller-milling machines, which help make Soviet submarines quieter and harder to detect.

He said the firm's actions dealt a blow to the nation's defense, which is paid for by Japanese taxpayers.

Toshiba Machine, owned 50.1 percent by giant electronics firm Toshiba Corp., is accused of selling $17 million in propeller-milling machinery to the Soviets from 1982 to 1984 in violation of Japanese and international export control laws.

Nakasone said the government was studying measures, including extending the statute of limitations on Japan's export control laws, to prevent further incidents, and investigating whether other Japanese firms have made similar sales.

In Washington, Japanese trade minister Hajime Tamura is expected to brief U.S. officials on new preventive measures Japan plans to take in the wake of the Toshiba sales as he attempts to defuse tension over the affair.

Ministry of Trade and industry officials said Tamura left for Washington today on a six-day visit.

An official, who refused to be identified, said Tamura is to meet with U.S. Secretary of Defense Caspar Weinberger, Sen. Daniel J. Evans (R-Wash.) and presidential adviser Frank Carlucci on Wednesday.

He is scheduled to meet with Secretary of Commerce Malcolm Baldrige on Thursday, and with U.S. Trade Representative Clayton Yeutter on Friday.

QUOTATION OF THE DAY

"A Japanese company has not only damaged national defense, but has also committed a crime of betrayal against the Japanese people because of its actions."—Prime Minister Yasuhiro Nakasone, on illegal exports by Toshiba, the electronics company. [A1:3.]

Toshiba Corporation, Major Consolidated Subsidiaries

Tokyo Electric Co.
Toshiba Machine Co.
Toshiba Engineering and Construction Co.
Toshiba Ceramics Co.
Toshiba Tungaloy Co.
Shibaura Engineering Works Co.
Tokyo Optical Co.
Toshiba Steel Tube Co.
Nishishiba Electric Co.
Showa Electric Wire and Cable Co.
Toshiba Electronics Systems.
Marcon Electronics.
Toshiba Components.
Onkyo Corp.
Toshiba Battery.
Toshiba Heating Appliance.
Toshiba Electric Appliance.
Dengyosha Machine Works.
Toshiba Seiki.
Nippon Tungsten.
Toshiba Chemical.
Toshiba Silicone.
Toshiba Glass.
Toshiba Electric Equipment.
Toshiba Medical Systems.
Toshiba Cold Chain.

Source: Japanese Companies, Consolidated Data 1985/86, Published by Nihon Keizai Shimbun, Inc., Tokyo, Japan, Page 138, and Industrial Grouping in Japan, Seventh Edition 1986/87, Dodwell Marketing Consultants, Tokyo, Japan, Page 133.

Toshiba Machine Co., Ltd., Major Consolidated Subsidiaries

Fuji Sieki Machine Works, Ltd.
Toei Electric Co.
Toshiba Facilities Engineering Co.
Toshiba Machine Co. America.
Kyushu Toshiba Machine Co.
Toshiba Machine Plastics Engineering Co.
Toshiba Machine Diecast Engineering Co.
Akimoto Trading Co.

Source: Japanese Companies, Consolidated Data 1985/86, Published by Nihon Keizai Shimbun, Inc., Tokyo, Japan, Page 123.

CONGRESSIONAL CALL TO CONSCIENCE ON BEHALF OF SOVIET JEWRY

● Mr. CRANSTON. Mr. President, today I would like to focus the attention of my colleagues on the religious persecution of millions of people by the Soviet regime. Although many of us are aware of the oppression endured by Soviet Jews, Christians, and other religious minorities, it is important to ensure that the plight of these individuals is not forgotten. I am, therefore, pleased to join together with my colleagues in the congressional call to conscience—which serve to renew our determination to fight against the persecution of Soviet religious believers. As important as we view the prospect of success in mutual arms reductions efforts, we must not permit our concern for the plight of those seeking to emigrate from the U.S.S.R. to be set aside by other developments in United States-Soviet relations. We must stress to the Soviet leadership the importance with which Congress views this human rights issue as we assess relations between our two nations.

Although the first 4 months of this year saw a substantial increase in the number of emigration visas granted, this trend has not been sustained. Figures from May and June indicate that the number of visas granted are on the decline. In light of these disheartening developments, urgent action should be taken by the Soviet leadership to reverse this situation.

The Soviet leadership currently maintains that the policy of glasnost has loosened emigration requirements. However, many believe that new difficulties placed by the Soviet authorities on the filing of emigration applications mean an actual tightening of requirements. Having raised hopes of new breakthroughs in the backlog of emigration cases, it is vital that Soviet authorities not dash the hopes of those seeking to emigrate.

Even as we talk of emigration numbers, it is important not to lose sight of the individual lives involved. Consider for a moment the case of Andre Efimovich Lifshitz, his wife, Viktoria Georgievna Ivanovskja, and their two children. Andre and Viktoria first applied for exit visas in April 1979. Viktoria immediatley lost her job. Andre, who worked as the head of a laboratory in a Moscow research institute was demoted to the position of engineer. He remains the sole staff member of the institute to have earned a Ph.D. Viktoria was denied permission to emigrate on the grounds of knowledge of classified information. However she had not worked in a military publishing house since January 1978, and it is likely that any information she may have learned is now obsolete.

On behalf of Andre and Viktoria, I ask my colleagues to join me in the fight against Soviet religious persecution, reaffirming the right to practice and teach religion freely and to exercise their right to emigrate as provided for in the Helsinki accords. It is critical that we continue our efforts to aid these people who have suffered too long.●

MOTOR CITY'S REBIRTH IN HIGH GEAR

● Mr. RIEGLE. Mr. President, I wish to submit an article from the Christian Science Monitor regarding the revitalization of Detroit.

The rejuvenation of various historic cultural centers in Detroit has gained national attention as evident from this article titled "Motor City's Rebirth in High Gear." And rightly so. Theaters such as the Fox, the Palms, the Gem, and Orchestra Hall, soon to become the home of the Detroit Symphony Orchestra were once popular centers where regular performers included Little Stevie Wonder, the Four Tops, and Marvin Gaye. This article embodies the modern spirit of Detroit, and I am proud to have it placed in the RECORD.

The article follows:

[From the Christian Science Monitor, July 14, 1987]

MOTOR CITY'S REBIRTH IN HIGH GEAR—PLANS TO REVITALIZE ENTERTAINMENT DISTRICT SPARK INTEREST

(By Paul Eisenstein)

DETROIT.—For 59 years, the Fox Theater has mirrored the growth and subsequent decline of the city of Detroit.

In its heyday, the massive, 5,500-seat theater was the jewel of a vibrant downtown, the anchor of a busy entertainment district. Crafted by C. Howard Crane, a Detroiter who became one of the leading designers of the opulent movie palaces of the day, the self-proclaimed "Temple of Cinema Arts" opened its doors in 1928 as a black-tie audience thronged to see the silent classic "Street Angel," with Janet Gaynor.

Today the Fox is a crumbling near-ruin. The ticket booth is empty, the massive blood-red marble columns are faded, the plaster-cast gargoyles, gods, and warriors are cracked and chipped, and the five-story-high domed and jeweled ceiling shows the stains of a badly leaking roof.

Now, however, the Fox is being promised a grand rebirth, and with it, many believe, the slow and unsteady revitalization of the Motor City may be ready to move into high gear.

Michael Ilitch, the multimillionaire owner of the Little Caesar's pizza chain and Detroit's Red Wing professional hockey team, has announced that he is buying the Fox and plans to invest $15 million in it. That includes the attached 10-story office building, into which he will move his company's headquarters, currently located in the suburbs. "We're the first business to relocate back into the city in 27 years," he notes.

Indeed, for decades, Detroit has been on a steady decline, made worse by the riots that tore the city apart 20 years ago this month. A population that peaked at 1.8 million in 1950 has dipped to 1 million. Factories and business headquarters have followed the exodus to the suburbs, as well. Few areas have declined as greatly as the old entertainment district. Parking lots and empty yards mark the space where restaurants, shops and apartment buildings once stood.

Most of those still standing are boarded up or converted to $5-a-day flophouses for the only remaining residents; alcoholics, drug addicts, and retirees too old and poor to flee.

"The area is pretty run down," sighs Marc Duncan, assistant manager at the Sibleys Shoe Store located next to the Fox. "We're the last store left. Everyone else has moved out within the last 10 years." But Mr. Duncan was ecstatic when told of the plans to revive the theater, saying that without a doubt, there can be a comeback: "The skeleton is here. All they have to do is fill it." The Fox could become the anchor of a much larger entertainment district, it's generally believed.

Charles Forbes, a local investor, and the man who is selling the Fox to Ilitch, has begun to redevelop several of the other nearby movie houses, including the Palms and the Gem.

A few blocks away, millions of dollars are being invested in the restoration of Orchestra Hall, soon to become the home of the Detroit Symphony Orchestra; the building is considered to have some of the most perfect acoustics in the country.

Similar theater revitalization efforts have taken hold in several other cities, notably in St. Louis, where that city's Fox has become the anchor of a resurgent downtown, notes Keith Fishman, leasing manager at Detroit's Oliver Realty. "It's working out well in St. Louis, and Detroit is pretty much working on the same format," he says.

Until now, redevelopment efforts in Detroit have concentrated primarily on two areas: the narrow band downtown along the river front, and the New Center Area, five miles to the north, where the city and General Motors Corporation have been redeveloping the once plush residential and business district surrounding GM's headquarters. But Woodward Avenue, connecting the two districts, has become a "no-man's land" of addicts, hookers, and burned-out buildings.

"We no longer have a main street in Detroit," says Sue Marx Smock, interim dean at the College of Urban Labor and Metropolitan affairs at Wayne State University.

According to Detroit realtors, there have been an increasing number of "nibbles" from suburban and out-of-state developers, including as New York's Donald Trump. "I think within two or three years, you'll see a transformation along Woodward Avenue," boasts Mayor Coleman Young. "It anchors the lower part of Woodward all the way up to the New Center Area."

Mayor Young and other city officials also say that the Fox gives new justification to the long troubled "People Mover," a 2.5-mile-long elevated train system that circles the downtown district. Until now, only a small fraction of the route has been redeveloped, leading critics to question whether there was any need for investing close to $200 milion in what some have called "a train to nowhere."

Now, however, the People Mover makes more sense as the link between the established river-front strip, the popular Greektown restaurant area, and the promised theater district, located at the outermost stop along the elevated rail route.

In the years before its decline, the Fox was the center of international attention, as the home of the Motor Town Review. Here stars such as Little Stevie Wonder, the Four Tops, and Marvin Gaye appeared regularly.

By 1972 the Motor Town Review and Motown Records had abandoned the Fox, and Detroit.

Ilitch says that when his refurbished theater opens in September 1988, "we feel we'll be able to book as many as 250 acts a year there."

That is good news to Walter Ware, the man who has been house manager at the faded Fox since 1952. "Me and the theater was born in the same year," he says with a mixture of pride and sadness. "I've watched it go downhill. But I'm planning to stay right here and watch them bring it back. I've been working hard here for a long time, and now I'm due my reward."●

LITHUANIAN INDEPENDENCE DAY

● Mr. SIMON. Mr. President, I am proud to have sponsored Senate Joint Resolution 39, which recognizes the 70th anniversary of the renewal of Lithuanian independence and designates February 16, 1988, as "Lithuanian Independence Day." I am pleased to note that the Senate passed this legislation on June 5, 1987. Senate Joint Resolution 39 recognizes that the idea of an independent Lithuania cannot be snuffed out by Soviet occupation.

The 1.3 million Lithuanian Americans make up a vital community and have contributed much to our cultural heritage. The Balzekas Museum in Chicago, with its extensive collection, of Lithuanian art; the unique and beautiful Lithuanian opera; the numerous Lithuanian newspapers and publications, Lithuanian American intellectuals, athletes, and tradesmen have all added their own luster to the fabric of American life. But each of these Lithuanian Americans remain dedicated to a free and thriving Lithuania.

Mr. President, in recognition of the 70th anniversary of the renewal of Lithuanian independence by designating February 16, 1988, "Lithuanian Independence Day," I commend the Lithuanian American community. I look forward to joining in this important commemoration next February.●

NATHAN PERLMUTTER

● Mr. D'AMATO. Mr. President, a man who was a stout bulwark against hate, prejudice, and discrimination in this country has been taken from us.

The forceful and articulate voice of Nathan Perlmutter, the director of the Anti Defamation League, has been stilled and we are the poorer for it.

He was a friend, counselor, and advisor. I, along with many others, knew well the intellectual strength and moral integrity of this great American. Quiet, but determined, Nate had an inner core of steel that gave him the strength to stand against those who would seek to defame our Nation with the smear of anti-Semitism and religious intolerance.

Some of us in this Chamber know firsthand the pain of ethnic or religious persecution and discrimination. It was Nate Perlmutter's personal crusade to ensure that we, and our children, and grandchildren, would be free of incidents and effects of bigotry.

His contribution to our society is priceless. He helped forge and expand an organization that has contributed to strengthening the precepts upon which our country was founded.

His words and deeds on behalf of all Americans command respect and admiration. The central theme of his life was brotherhood and respect for the basic human rights of all, no matter where we may worship, the color of our skin, or what our names sound like.

The legacy he leaves behind is one of vigilance against intolerance. All Americans are in his debt for the fight he waged during the time he had. I was proud and honored to call him a friend. He will be missed dearly.●

REGARDING RATIFICATION OF MARPOL ANNEX V

● Mr. CHAFEE. Mr. President, on February 19, 1987, I introduced legislation to implement the provisions of Annex V to the International Convention for the Prevention of Pollution from Ships. The bill, S. 560, would make it illegal for ships operating in the United States to intentionally dump plastic garbage.

Recently, my distinguished colleague from Delaware, Senator ROTH, and I wrote to Senator PELL, chairman of the Committee on Foreign Relations and to Senator HELMS, ranking minority member on the committee urging them to give prompt attention to ratification of this important treaty. I ask at this time that both the letter and Senator HELM's response be included in the RECORD following these remarks.

Marpol Annex V relates to the dumping of all plastics and other types of garbage. The annex contains three provisions. The first prohibits the discharge of all plastics in any ocean. Prohibited dumping of other floating garbage closer than 25 miles from the nearest shoreline is the second stipulation. Third, annex V designates certain "special areas" where no dumping is allowed. These areas currently include the Black, Red, Baltic, and Mediterranean Seas and the Persian/Oman Gulf.

To go into effect, annex V must be ratified by a minimum of 15 countries representing at least 50 percent of the world's shipping tonnage. Twelve months after this requirement is met, the act will go into effect.

Presently, 27 countries, representing 41.08 percent of the world's shipping tonnage, are signatories to annex V. Ratification by the United States would increase tonnage by 4 percent. Other countries are expected to follow our lead and ratify annex V.

Annex V was sent from the White House to the U.S. Senate in February 1987 for ratification. It is currently awaiting action by the Foreign Relations Committee. I hope that the Foreign Relations Committee will take favorable action on our request and quickly ratify annex V.

The material follows:

U.S. SENATE,
Washington, DC, April 6, 1987.

Hon. JESSE HELMS,
Ranking Minority Member, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR JESSE: We are writing you in support of Annex V of MARPOL which addresses the pollution and dumping of garbage from ships. As you know the Senate and the Foreign Relations committee must ratify this Annex.

As Senators from coastal states and imminently involved in matters that have an economic and environmental impact on our estuaries, coastal bays and marine life, we find the continuation of this practice appalling. This Annex is an important step in the effort to stop ocean dumping of plastics and other garbage and the resultant debris that collects on our beaches.

We look forward to addressing this issue with you. With our best regards.

Sincerely:

JOHN H. CHAFEE,
U.S. Senator.
WILLIAM V. ROTH, Jr.,
U.S. Senator.

U.S. SENATE,
Washington, DC, April 9, 1987.

Hon. JOHN H. CHAFEE,
U.S. Senate,
Washington, DC.

DEAR JOHN: Thank you for your letter of April 6 in support of Annex V of MARPOL. The Foreign Relations Committee received Annex V on February 17, but has not conducted hearings on the Annex, or on the issue of ocean dumping.

As a Senator from a coastal state myself, I too am greatly concerned about the destructive effects ocean dumping has on the ecos system of Coastal North Carolina.

I will do my best to work with Senator Pell, who has always shown a great interest in protecting the environment, to schedule hearings for the earliest possible date following the recess.

Again, thanks for your kind letter.

Sincerely,

JESSE.

NAUM MEIMAN

● Mr. SIMON. Mr. President, It is time to deal with a very pressing issue—that of human rights. The area of particular concern is emigration from the Soviet Union. In 1979, 51,000 Jewish emigrants were granted permission to leave the Soviet Union. By 1985, that number drastically declined to a mere 1,140. Today, there are still 400,000 Jewish persons wishing to leave the Soviet Union.

The International Covenant on Civil and Political Rights assures anyone the right to leave any country; the U.S.S.R. signed it in 1973. The Helsinki accord obligates the signatory powers to provide exit visas for those seeking reunion with their families; the Soviets ratified it in 1975.

Naum Meiman is one of these Soviet refuseniks whose human rights have repeatedly been violated. For over 10 years, he has expressed his desire to emigrate to Israel, and continually his request is denied.

It is time for serious American action. The initiative would not cost the United States anything. It would not grant the Soviet Union much, and if the encouragement failed, the United States would lose little. If it succeeded, the increased Soviet-American relationship might have a beneficial impact on future negotiations. More importantly, it could have an immeasureably beneficial impact on the lives of thousands, even hundreds of thousands, Soviet Jews.

It is time to grant Naum Meiman and others like him an exit visa to the land of their choice. I urge the Soviet Government to allow these individuals to live in peace and adhere to the accords to which they are signatory.●

RECENT DECISION BY U.S. COURT OF APPEALS FOR THE THIRD CIRCUIT ON DELAWARE'S COASTAL ZONE MANAGEMENT ACT

● Mr. ROTH. Mr. President, over the past years there have been several attempts by the Federal Government that question the authority vested to the States for the management of their coastal zones. One such attempt is currently taking place in Delaware, where the Federal Government and the region's coal industry have tried to overturn Delaware's Coastal Zone Management Program.

Mr. President, the last three decisions that involve this issue have all supported Delaware's Coastal Management Program. These involved the State supreme court decision in 1985, the U.S. district court decision in 1986, and the most recent, a decision by the U.S. Court of Appeals for the Third Circuit which upheld the U.S. district court decision albeit for a different reason. It is the later decision that I wish to inform my coastal State colleagues of because it again affirms Delaware's Coastal Zone Act, and upholds the State's right to manage its coastal zone.

The issue in question involves a provision in the Delaware Coastal Zone Act which prohibits the construction in the Delaware Bay of facilities for loading liquid or solid bulk materials within the coastal zone. Such a facility is also known as a bulk transfer facility and the operation is known as topping off. This prohibition is significant because the Delaware Bay, while on the one hand an oft used area for fishing, swimming, sailing, wildlife watching, and other important recreational activities, is also the only area south of Maine on the Atlantic coast with waters deep enough to accommodate supertankers. Oil lightering which has been taking place in the bay since the 1950's and transfers in the Port of Wilmington are exempted from this prohibition. From the 1950's on several firms had plans to develop various sorts of deepwater port facilities, however, opposition to these projects along with concerns about plans for new oil refineries led to the enactment of Delaware's Coastal Zone Act, the first of 28 coastal-protection programs adopted around the country.

The Coastal Barge Corporation became interested in the topping off concept for the transshipment of coal in the early 1980's. By 1983, Norfolk Southern had joined the venture and in May 1983, the U.S. Coast Guard redesignated the Delaware Bay anchorage off Big Stone Beach from an anchorage for use by oil tankers to also permit coal transfer operations to occur.

When a coastal zone status decision was requested by Coastal Barge, the Secretary of the Department of Natural Resources found that the activity was not a bulk product transfer facility, and thus permissible within the coastal zone. Upon appeal by various parties this decision was reversed by the State's coastal zone industrial control board, and was subsequently upheld by Delaware's Supreme Court.

While the Various appeals were pending in the State court, Norfolk Southern and some of its subsidiaries filed suit in U.S. district court seeking a declaration that the prohibition, as applied to the top-off project, violates the commerce clause of the constitution. Norfolk Southern also sought an injunction preventing enforcement of the prohibition as it applies to them. These challenges were found to be immune by the U.S. district court, while the recent circuit court of appeals judgement found that the appellants had failed to show that the State's ban imposed a burden on interstate or international commerce. Interestingly enough, the constitutional questions raised by Norfolk Southern have largely dissipated, as analysts predict the United States will continue to have trouble taking the coal market share away from its principal competitors. The shipping industry is depressed and supercolliers are not significantly cheaper than smaller vessels, and foreign coal can be as much as $10 per ton less expensive than American.

I got involved in this issue in early June 1983 when I questioned the redesignation by the Coast Guard of the anchorage and the environmental impact assessment done before the ruling. My concern had been with both the adequacy of the environmental studies prior to the rulemaking as well as the apparent irresponsible attitude in the Third Coast Guard district. Both of which were at the least contrary to the spirit of the National Environmental Policy Act. Just a few examples will suffice. The environmental impact assessment [EIA] had been characterized by respected scientists as hastily prepared and shoddy scientific work; no public hearings were held during the rulemaking; the EIA was published 2 months after the public comment period on the rule had ended; and the Coast Guard assumed a grossly unrealistic assessment of the monitoring requirements and its ability to perform this task. In my opinion this behavior showed a dismal disregard for Marine resources considerations that remain of the utmost importance to all Delawareans and this Nation. I have remained actively involved with this issue, and among others filed a friends of the court brief in the U.S. district court supporting the State's Coastal Zone Program.

Furthermore, my interest in this issue stems from a belief in the authority vested by the Federal Government to coastal States paticipating in the Federal Coastal Zone Program. Each State has made a commitment to managing its coastal zone in the best interest of the State itself and the Nation as a whole. This commitment recognizes that the coastal zone is vital to the well-being of the people of that State and the United States, both now and for the years to come. In my State of Delaware we have placed, much emphasis on the environmental, social, esthetic, and economic resources of the coastal zone and Delaware's bays. We wish to save all of these for a later day.

I feel that a challenge and appeal of this commitment seriously calls into question the authority that the Congress clearly has granted the States. We must not allow this authority, which is carried out in a cooperative spirit, to be weakened.

I ask that an editorial which was printed in the Wilmington News Journal on Sunday, July 5, 1987, be printed in the RECORD.

The editorial follows:

SAVING THE BAY FOR THE TIME

There can't be any doubt about it. Charles M. Oberly III is right about this one: Little Delaware has got herself involved in a mighty big issue.

The state's attorney general was commenting Wednesday about the latest development in the progress through the courts of the coal loading case.

The issues are clear, up to a point. Certainly we are 100 percent in favor of preserving the integrity of the state's Coastal Zone Act. We also are less than fervent about promoting the fortunes of a private business—or as in this case a half-dozen businesses—as opposed to the environmental welfare of this and future generations.

In these respects, we are on the side of the state of Delaware and the environmentalists who support it in opposing Norfolk Southern Corp.'s proposals to top off giant colliers in the Delaware Bay.

Courts have acknowledged that the Congress, in the federal Coastal Zone Management Act, found that the coastal zone was "an important environmental resource which faced enormous environmental pressures."

We could have told the court that much. The state law was enacted in 1971 because we the people wanted the coastal zone to stay pretty much the way it was and we recognized that a host of individuals would like to change it on the road to making a profit out of it.

Norfolk Southern wants to use the anchorage in the Big Stone Beach area of the bay to finish loading supercolliers. These ships carry up to 160,000 tons of coal. When fully loaded, they require a channel at least 55 feet deep. East Coast ports provide no such channels. Competition in the coal trade requires that colliers be loaded fully. No other site will do. Thus the conflict with Delaware's Coastal Zone.

One claim is that the Coastal Zone Act in this regard conflicts with the Commerce Clause of the federal Constitution. That's the one that reserves to the national government power "To regulate commerce with foreign nations, and among the several states . . ."

The state contends it has power under the Coastal Zone Act to ban bulk transfers in the bay such as those proposed by Norfolk Southern and half a dozen other companies that joined it in the suit—unless it already was going on before the CZA was enacted and therefore was "grandfathered." (Oil lightering was going on in the bay prior to passage of the act.)

A three-judge panel sitting for the Fifth Circuit Court of Appeals last week upheld a District Court decision that the state's ban is valid.

That protects the CZA for now, pending a likely appeal to the full Circuit Court or to the U.S. Supreme Court.

"This is beginning to get to be a very big case," commented Attorney General Oberly. Obviously. A half-dozen environmental groups are aligned with the state. A full dozen other coastal states and The Coastal States Organization signed on as friends of the court. A half a dozen other company names appear under the Norfolk Southern banner. Scholars are scanning this as a classic states' rights case.

Enough. The decision stands for now. But there is a kicker. The appeals judgment was on different grounds from that of the District Court.

The higher court found that the appellants had failed to show that the state's ban imposed a burden on interstate or international commerce.

The coal trade, we may assume, is going to become more important to international commerce as (1) oil supplies become thinner and (2) the burning of coal becomes economically and environmentally more acceptable worldwide.

As in many areas where the price of success is eternal vigilance, it may be necessary to prepare against a later day. Such a time might come when these or other litigants heave into sight along the bay and contend that in those changed circumstances the CZA does in fact impose a burden to which the Commerce Clause applies.●

RECOGNIZING STEPHEN D. DRIESLER

● Mr. McCONNELL. Mr. President, I rise today to recognize a native Kentuckian, Stephen D. Driesler, who was recently named senior vice president for Government affairs of the National Association of Realtors. Louisville's Courier-Journal recently featured an article on this Kentuckian who will act as the NAR's chief lobbyist, and I would like to take this oportunity to share his accomplishments with my colleagues.

It is certainly an honor and a distinction for the Commonwealth that a Kentuckian is at the helm of the National Association of Realtor's legislative activities. The NAR is a prestigious and powerful association in communicating the political agenda of its 750,000 membership. Stephen has excelled in all of his endeavors, and I am confident he will continue to actively and constructively contribute to the work of the U.S. Congress in his new capacity.

Mr. President, I hope my fellow Senators will share my sentiments in recognizing Stephen's achievements. His intelligence, good manner, persuasiveness, and instinctive understanding of the political dynamics of Washington will serve the real estate industry well in his new position. I wish him much success in his tenure with the National Association of Realtors.

I ask that the text of the Courier-Journal article to which I have referred be printed in the RECORD in its entirety.

The article follows:

KENTUCKIAN FINDS A HOME LEADING REALTOR LOBBYING EFFORTS

(By Sandra Duerr)

WASHINGTON, DC.—Stephen D. Driesler views his profession simply.

"We are providers of information—nothing more, nothing less."

As the new chief lobbyist for the National Association of Realtors, however, providing that information is no simple task.

Many political observers call it the top lobbying job in Washington, D.C. Among Driesler's duties:

Orchestrating a 55-member staff with diverse responsibilities.

Operating an annual budget of about $5 million.

Guiding a political action committee that generally ranks No. 1 in contributions to federal candidates. In 1985-86, the last two-year election cycle, for instance, the Realtor's PAC contributed $2.78 million, top among 4,421 PACs nationwide, according to the Federal Election Commission.

"It's a tall order," says Albert E. Abrahams of Driesler's duties.

"But having watched him in action now for almost two months, I feel very comfortable about his level of understanding and his ability to handle this job. I think he's going to do a super job."

Abrahams, the trade group's former chief lobbyist and now its senior political consultant, turned over the reins to Driesler on May 12.

While new to the NAR, the Danville, Ky., native is no newcomer to either Washington's political scene or the housing industry.

Until May, Driesler was the chief lobbyist for the National Multi-Housing Council, representing the interests of apartment and condominium owners. And before that, he was adminsitrative assistant to Rep. Larry Hopkins, R-6th District. His wife, Marty, is administrative assistant to Rep. Harold "Hal" Rogers, R-5th District—a fact that prompted at least one observer to call the Drieslers an outstanding team who are "very much involved with the direction of American politics."

Nonetheless, Driesler's new duties are filled with challenge.

The multi-housing council has only 5,000 or 6,000 members and a fairly narrow agenda, compared with the NAR's 750,000-membership, broad range of interests and powerful voice.

"All of a sudden, you have this big ocean liner with a crew and all these controls, and they tell you now it's your job to drive this thing," Driesler said.

During the past two months, he's been learning internally how the ship works and "how I go about steering the ship and at the same time learning where I steer the ship. . . ."

Those who have observed Driesler's work perdict he'll navigate well.

He's intelligent and works intensely hard, said Larry VanHoose, who replaced Driesler in Hopkins' office in 1982. "Also, he's quite a student of the legislative and political processes. And obviously those are the keys to the rather spectacular rise that Steve has made since he came to Washington in 1979."

Allen Cymrot, chairman of the National Multi-Housing Council, noted that Driesler completely understands the Washington tempo, is adept at anticipating legislation and can relate clearly to all of the key politicians, as well as their staffs. Furthermore, he won't be dissuaded from a target.

"A lot of trade associations can't get their message across," Cymrot said. "Steve was very good at being able to do that."

Driesler, 39, calls his style lowkey.

I'm not a high-pressure salesman. I try to be well-informed as to the issues, to anticipate the objections the congressman or senator may have . . . how my issue is going to impact their constituency. That is the key to effective lobbying."

Though a lawyer by training, Driesler practiced law for only a few years after graduating from the University of Kentucky. Then, after successfully running Hopkins' campaign for Congress, he moved to Washington to run Hopkins' congressional office.

A couple of years later Driesler joined the multi-housing council in hopes of using his talents more productively. "I feel my strengths and training have been in advocacy and presuading people . . . as to the merits of my clients' side of the issue."

At the time, he lacked much knowledge of the housing industry. But he quickly learned—becoming involved in several issues, including the overhaul of the federal tax code.

When the congressional committee was writing that legislation last year, "we stayed on the Hill sometimes 18 hours, sometimes on weekends," Driesler recalled—another key to successful lobbying.

"You're essentially standing out in the hallways waiting for hours and hours on end, but I've been there when a congressman walked out and asked 'Hey, what do you think about this?' And if you're not there, you miss the opportunity."

Although the trade group succeeded in some areas, it failed in another: The new code curtailed tax incentives for real-estate investment—a move which hurt owners of apartment buildings, shopping centers and office buildings.

Driesler readily acknowledges that failure. "Quite frankly, I have never in my professional life worked harder or longer and gotten less results for it than what happened in the last two years spent on the 1986 tax act.

"So yes, I asked myself 'Were you doing something wrong?' What are you not doing that you should be doing?' . . . But sometimes you fight the best fight you can, and you do not prevail. . . .

"The one thing I learned about Washington, there is always another tomorrow . . . another tax bill."

Indeed, though tax legislation isn't a hot topic yet, it's one of about 30 issues that Driesler's government affairs group is monitoring closely at the National Association for Realtors. At the moment, key issues are banking, housing and campaign finance reform.

Just last week, for example, the NAR won an important issue before House and Senate conferees completing work on a banking bill, Driesler said. The Senate measure called for a one-year moratorium before the bank-holding companies could get into real estate, insurance and securities; the House measure didn't. "We worked very hard to get the House conferees to agree," he said.

His group also is lobbying against a Democrat-sponsored bill on election finance. Under the Boren-Byrd bill, much of the money now given to Senate candidates by PAC's and individuals would come instead from a federal fund—a change that would severely limit individual's ability to express their preferences in election, Driesler said. Sen. Mitch McConnell, R-Louisville, had been filibustering the bill, which is now on a back burner.

Besides directing these and other lobbying efforts, Driesler has spent the past few weeks getting to know his staff. Its reach is broad—issues experts in such fields as taxes mortgage finance and the federal budget, who track all proposed legislation and executive regulations, lobbyists; political program directors who run the PAC; and people who stay in constant touch with federal legislators and help state and local realtor boards fight issues of concern.

All this has kept him busy.

"I knew it (the job) was going to be more than what I was doing before, but it is a lot more," he said last week.

Still, he enjoys the challenge. "I hve difficulty right now imagining anything better or bigger than this."●

PROGRAM

Mr. BYRD. Mr. President, on Friday, I have indicated there will be rollcall votes throughout the day. I have indicated to Senators that in view of the fact that some Senators will not be returning to Washington from Philadelphia until about 10 o'clock on Friday morning, there will be no rollcall votes prior to 10 o'clock. If any are ordered, they will be set for 10 o'clock.

There will be morning business. Senators may discuss amendments and may offer bills, resolutions, and reports.

Mr. President, I would anticipate that the Senate will be in until about 7 o'clock or 8 o'clock on Friday evening, keeping in mind that there are a good many amendments and that in order that Senators might all be treated fairly, and hopefully as equitably as the circumstances will permit, it would be well if we disposed of as many amendments as possible on Friday.

It would be well to dispose of as many amendments as possible on Friday, so that those amendments that remain for Tuesday will all have some chance of fair and adequate debate.

Mr. President, I ask the distinguished acting Republican leader if he has any further statement or other business to transact today.

Mr. HEINZ. We do not, Mr. President.

RECESS UNTIL FRIDAY, JULY 17, 1987, AT 9 A.M.

Mr. BYRD. Mr. President, there being no further business to come before the Senate, I move in accordance with the order previously entered that the Senate stand in recess until the hour of 9 o'clock on Friday morning next.

The motion was agreed to, and, the Senate at 12:59 a.m. recessed until Friday, July 17, 1987, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate July 15, 1987:

BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION

The following-named persons to be members of the Board of Trustees of the Barry Goldwater Scholarship and Excellence in Education Foundation for the terms indicated (new positions):

For a term of 2 years:

Hans M. Mark, of Virginia.

For terms of 6 years:

George D. Hardy, of Maryland.

Lt. Gen. William W. Quinn, U.S. Army, retired, of the District of Columbia.

FOREIGN SERVICE

The following-named career members of the Senior Foreign Service of the Department of Commerce for promotion in the Senior Foreign Service to the class indicated:

Career member of the Senior Foreign Service of the United States of America class of minister-counselor:

James L. Blow, of Maryland.

George Mu, of California.

The following-named career members of the Foreign Service of the Department of Commerce for promotion into the Senior Foreign Service as indicated:

Career members of the Senior Foreign Service of the United States of America, class of counselor:

Keith R. Bovetti, of California.

Peter G. Frederick, of Delaware.

Emilio F. Iodice, of Virginia.

IN THE MARINE CORPS

The following-named officer of the Marine Corps for permanent appointment to the grade of lieutenant colonel, under title 10, United States Code, section 624:

Paul E. Backs.

FEDERAL RESERVE SYSTEM

Alan Greenspan, of New York, to be a Member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1978, vice Paul A. Volcker, resigned.

Alan Greenspan, of New York, to be Chairman of the Board of Governors of the Federal Reserve System for the a term of 4 years, vice Paul A. Volcker, resigned.

WITHDRAWAL

Executive message received on July 15, 1987, transmitting the withdrawal of a nomination from further Senate consideration:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Jean K. Elder, of Virginia, to be an Assistant Secretary of Health and Human Services, vice Dorcas R. Hard, resigned, which was sent to the Senate on February 5, 1987.

EXTENSIONS OF REMARKS

THE INTRODUCTION OF THE ADMINISTRATION'S PROPOSAL ENTITLED THE "BERNE CONVENTION IMPLEMENTATION ACT OF 1987"

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. MOORHEAD. Mr. Speaker, today we are introducing an administration's proposal entitled the "Berne Convention Implementation Act of 1987." As the title implies, the legislation will make our copyright law compatible with the standards of the Berne Convention for the Protection of Literary and Artistic Works as revised at Paris on July 24, 1971. There have been other proposals introduced on this subject, in particular, H.R. 1623. That bill is similar in concept and wording to the administration's proposal except for three areas of difference:

1. MORAL RIGHTS

H.R. 1623 specifically recognizes—section 7—certain moral rights of an author—the "right of paternity" and the "right of integrity" as independent of the economic rights in a copyrighted work. Another provision—section 9—provides that the moral rights of an author or creator are freely alienable subject to waiver, and that traditional editing, adapting, and arranging practices of publishers, broadcasters, motion picture studios, and the like shall not infringe an author's moral rights.

The administration bill proceeds from the assumption that the totality of U.S. law, including the right to prepare derivative works under the copyright law, the Lanham Act's proscription of false designation of origin—section 43(a)—and common law rights of contract and tort—especially defamation and invasion of privacy—provide protection for the rights of paternity and integrity sufficient to comply with the Berne Convention. Thus, the administration bill does not include a provision for the protection of moral rights under the copyright law. Specifically, section 2(a)(4) of the bill states that the U.S. copyright statute does not provide an author with the right to be named as the work's author, or to object to uses or changes to the work that would prejudice the author's reputation or honor.

2. ARCHITECTURAL WORKS

The two bills differ slightly in the way they define "architectural works," in the scope of protection of such works, and in the limitations on remedies for infringement. H.R. 1623, section 4, defines architectural works as:

> Buildings and other three-dimensional structures of an original artistic character, and works relative to architecture, such as building plans, blueprints, designs and models.

The administration bill—section 4—defines an architectural work as:

> A work such as a building or other three-dimensional structure and related works such as plans, blueprints, sketches, drawings, diagrams and models relating to such building or structure.

Thus, H.R. 1623's definition contains an artistic quality criterion not present in the administration bill's definition.

The two bills also differ in their listing of protected works related to the architectural work. The administration bill definition lists "sketchs," "drawings," and "diagrams" as examples of protected works related to the primary architectural work; H.R. 1623 includes "designs" as an example of such related works.

As to the scope of protection of architectural works, H.R. 1623 is more general than the administration bill. H.R. 1623 provides—section 9—that the rights of a copyright owner in an architectural work "shall apply only to the work's artistic character and artistic design." The administration bill—section 4(c)—refers specifically to rights enumerated in section 106 of the copyright law. It provides that the rights of a copyright holder in architectural works are:

> Limited to the rights specified in clauses (1), (2), (3), and (5) of section 106, the rights of reproduction, preparation of derivative works, distribution, and display.

Both bills provide that the copyright in an architectural work is not infringed by the making of two-dimensional representations thereof; in H.R. 1623 this exemption is available only "when the work is erected in a location accessible to the public"—section 9.

The bills also differ as to limitations on remedies for infringement of an architectural copyright. Both preclude the copyright owner from obtaining an injunction restraining construction of an infringing building "If construction has substantially begun," and from obtaining a court order for seizure or destruction of the building. The administration bill—section 4(c)—would also preclude the copyright owner from obtaining a court order for impoundment of the infringing building.

The administration bill gives the building owner more control over the copyrighted building once constuction is complete—section 4(c). The building owner is authorized to make necessary alterations to, reconstruct, or even to demolish the building without the author's consent. In H.R. 1623—section 9—the building owner is authorized only to make minor alterations in order to enhance the utility of the building.

3. INNOCENT INFRINGER DEFENSE

The two bills differ sightly with regard to the innocent infringer defense. Section 405(b) of the current copyright law provides that no copyright liability attaches to a person who innocently infringes a copyright in reliance on an authorized copy from which the copyright notice has been omitted. Both bills make use of the copyright notice entirely voluntary, in compliance with Berne's proscription on the use of formalities as a precondition to the existence of copyright protection.

The administration bill—section 5(k)—and H.R. 1623—section 10(e)(3)—would retain the innocent infringer defense only for those works published prior to the effective date of this legislation. H.R. 1623 goes further—it provides—section 10(a)—that the innocent infringer defense shall not be available to mitigate actual or statutory damages if a copyright notice did appear on the published copy to which a defendant had access.

The purpose of introducing these bills is to present different ideas to the Judiciary Committee subcommittee which is in the process of considering this issue at this time. We are not wedded to any particular provision contained in this bill. What's important is that the different ideas be placed on the table and discussed and maybe at some point we will come up with a consensus that would enable the United States to join Berne. I am also inserting for the RECORD a section-by-section analysis of the administration's bill. Because of the importance of Berne adherence to international intellectual property protection, the administration requests early consideration. The Office of Management and Budget has advised that there is no objection to its submission and that enactment would be in accord with the program of the President.

SECTIONAL ANALYSIS

This legislation amends title 17 of the United States Code to permit the United States to adhere to the Berne Convention for the Protection of Literary and Artistic Works. It makes only those changes in the copyright law that are necessary to bring U.S. law into compliance with the standards of the Berne Convention.

Section 1 provides that this Act may be cited as the Berne Convention Implementation Act of 1987.

Section 2(a)(1) unequivocally states that the Berne convention is not a self-executing treaty under the laws and Constitution of the United States. Section 2(a)(2) underscores the fact that, therefore, the United States' obligations under the Berne Convention can be satisfied only by the provisions of domestic law. Section 2(a)(3) declares that title 17 does not confer copyright protection on any work that is in the public domain in the United States, thus, making it clear that neither adherence to the Berne Convention nor the changes to title 17 made by this Act will provide retroactive copyright protection in the United States. Further, section 2(d)(4) recognizes that title 17 does not provide an author with the right to be named as the work's author or to object to uses or changes to the work that would prejudice the author's reputation or honor.

Section 2(b) states the intent of Congress. Section 2(b)(1) deals with the complex issues concerning Article 6(bis) of the Berne Convention, related to so-called "moral rights" of the author. Article 6(bis) of the Berne Convention provides that the author

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

has a right to be named on the work as its author, and the right "to object to any distortion or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation." While this right is not expressly provided in title 17 as stated in section 2(a)(4), existing State and Federal statutory laws as well as common law address the moral rights of authors. Section 2(b)(1) expresses the intent of Congress that the bundle of rights under existing laws meets the obligations under Article 6(bis). This approach recognizes that one must consider the totality of a country's laws in determining if Convention obligations are satisfied. This conclusion is shared by the Ad Hoc Working Group on U.S. Adherence to the Berne Convention.

Section 2(b)(2) is a further statement of Congressional intent that the changes in title 17 made by this Act and existing U.S. law are adequate to permit adherence to the Berne Convention. Section 2(b)(3) emphasizes that the Berne Convention is not self-executing, and consequently, it is the intent of Congress that it is not enforceable directly in an action before the courts.

Section 3 provides that U.S. accession to the Berne Convention shall become effective three months after the Director General of the World Intellectual Property Organization notifies member countries of the deposit of the instrument of accession of the United States.

Section 4 amends chapter 1 of title 17, first by inserting new definitions in 17 USC § 101. Section 4(a)(1) defines the term "architectural work" to bring the subject matter of U.S. law fully into compliance with the subject matter of the Berne Convention as specified in Article 2. Section 4(a)(2) defines the Berne Convention as including its original text as well as subsequently amended texts. It further defines a Berne Convention work in terms of the various points of attachment for protection set out in Article 3 of the Berne Convention. Unpublished works are protected if one or more of the authors is a national of a nation adhering to the Berne Convention, and similarly published works are protected if on the date of first publication one or more of the authors is such a national. Works which are first published or simultaneously published in a nation that adheres to the Berne Convention are protected. Simultaneous publication means publication within 30 days of a work's first publication in its country of origin.

Audiovisual works are protected if the author resides or, in the case of one of the authors being a legal entity, has its headquarters in a nation adhering to the Berne Convention. Architectural works erected and pictorial, graphic, and sculptural works incorporated in a building or other structure located in a nation that is a party to the Berne Convention are protected.

Section 4(b) amends section 102(a) to including architectural works. The inclusion of architectural works follows the practice of many Berne member states to recognize explicitly those works of architecture protected by copyright.

Section 4(c) amends section 104 of title 17 by extending protection to Berne Convention works in addition to the other bases for eligibility under that section. It also adds a new subparagraph 6 to section 104 to state that no rights or interests in works protected under title 17 may be claimed on the basis of the Berne Convention and that rights in such works that derive from other State or Federal statutes or the common law are neither expanded nor reduced by U.S. adherence to the Berne Convention.

Section 4(d) completely revises the provisions of section 116, the so-called "jukebox" compulsory license, that experts generally agree is incompatible with the Berne Convention. The intent of this revision is to encourage the parties to negotiate a private licensing arrangement to permit the public performance of protected music on coin-operated phonorecord players. It retains the possibility that, if these negotiations fail, the present compulsory licensing regime will be reinstituted.

The new section 116 provides an antitrust exemption for both copyright owners and jukebox operators to negotiate royalty payment terms and rates and how these royalties shall be distributed among copyright owners. Either party may designate common agents to negotiate, agree to, pay, or receive such payments.

It is further provided that the parties can refer the negotiations to binding arbitration in accordance with the regulations to be developed by the Copyright Royalty Tribunal (CRT). Also, any such negotiated licenses are to be given effect in lieu of any CRT determination.

This new section also establishes a negotiation schedule, requiring that a date for the commencement of negotiations be scheduled no later than 60 days after the effective date of this Act, and that such negotiations must commence not later than 90 days after the effective date of this Act. The Chairman of the CRT shall be notified of these dates and shall publicly announce them in the Federal Register. If the Chairman is not so informed within 60 days, the Chairman shall set the date for a meeting and announce it in the Federal Register.

The CRT is further directed to suspend for one year all ratemaking activity with respect to jukeboxes. This suspension shall continue unless the parties fail to negotiate licenses that provide for access to a quantity of musical works not substantially smaller than the quantity performed on jukeboxes in the one year prior to the effective date of this Act.

Finally, the new section 116 provides that the terms of the compulsory license in force on the effective date of the Act shall remain in place until superceded by voluntarily negotiated licenses. However, should the parties fail to negotiate such licenses, or should the licenses expire or be terminated without replacement, then the present regime in section 116 is reinitiated.

New section 119 defines the scope of protection in architectural works. Subsection (a) makes it clear that the rights in an architectural work are limited to exclude any public performance right, and that protection does not extend to any process, method of construction, or purely utilitarian features of the work. Subsection (b) provides that it is not an infringement to make a pictorial representation of the work. Subsection (c) limits the remedies available by excluding injunctive relief against an infringing building or structure if construction has substantially begun, and that a court may not order the impoundment, seizure, or destruction of an infringing building.

Subsection (d) provides that, unless the parties to a building contract agree otherwise, the owner of a building or other structure may make or authorize the making of alterations to the building to enhance its utility or which are necessary for its maintenance or repair. It further authorizes the owner to reconstruct or destroy the building or to authorize such reconstruction or destruction.

Section 5 of this Act amends Chapter 4 of title 17 in ways needed to make the use of the copyright notice wholly voluntary. Subsection 401(a) is amended to replace "shall" by "may" making it explicit that notice is no longer required. Sections 401(b) and (c) are amended to provide for the voluntary nature of the notice. Parallel changes are included for the notice appearing on phonorecords.

Section 403 is amended to require that works that contain U.S. Government works have a statement identifying those portions of the work. The Copyright Office is authorized to issue regulations to implement this provision.

Section 404 relating to notice of copyright in contributions to a collective work is repealed as no longer needed.

Section 405 is amended to make it clear that publication of a work without a copyright notice before the effective date of this Act has no adverse effect on the copyright in such a work. As the provisions of 405(a)(1)-(3) relating to the consequences of publication without a notice are no longer needed, they are deleted. Subsection 405(b) retains the innocent infringer defense with respect to works from which, prior to the effective date of this Act, the notice was omitted.

Section 406 is amended to apply only to work published prior to the effective date of this Act.

Section 407 is amended to apply to all works published in the United States whether published with a copyright notice or not. This will maintain the integrity of the collection of the Library of Congress and will continue to permit the Register of Copyrights to exempt categories of works from these requirements.

Section 408(a) is amended to delete the reference to registration as a way to cure a publication of a work without a notice of copyright. This severs the last link between the registration system and the existence of copyright in a work. Thus, the U.S. registration system is only a procedural matter, and, in the view of many copyright experts, no longer creates any substantive formalities related to the existence of copyright rights. Section 408(c)(2) is amended by striking subparagraph (A) as section 404 relating to the copyright notice on collective works is deleted. Subsections (B) and (C) are renumbered (A) and (B) respectively.

Section 6 amends Chapter 8 to direct the CRT, should it have to reinitiate compulsory license rate adjustments, to give great weight to the voluntarily negotiated rates in effect prior to the date when such CRT proceedings became necessary.

Section 7 provides that the effective date of this Act shall be the day that the Berne Convention enters into force for the United States.

Section 8 is a severability clause. If any provision of this Act or section of title 17 amended by this Act is held to be unconstitutional, the remaining sections are unaffected.

A TRIBUTE TO MS. TYANA FREYER

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. DIOGUARDI. Mr. Speaker, today I rise to honor a very special young lady, Ms. Tyana Freyer of Scarsdale, NY. Tyana's generosity and selflessness on the occasion of her Bat Mitzvah serves as a paradigm that we should all aspire to emulate.

Tyana has made a personal commitment to help the impoverished and the underprivileged. She asked her family and friends to contribute to a youth endowment fund in her name instead of giving her gifts for her Bat Mitzvah. The fund will be used to combat social and economic injustice. To date, the Tyana Freyer Fund has accumulated over $2,000.

I am proud to have Tyana as one of my constituents. In an age where our youth are often charged with being self-centered, I think Congress should take the time to commend such an exemplary citizen as Tyana.

Mr. Speaker, the speech read by Tyana on the occasion of her Bat Mitzvah conveys a laudable and moving message. For the benefit of my colleagues, I insert her speech in the RECORD:

BAT MITZVAH SPEECH BY TYANA FREYER

This morning's Torah portion tells the story of the counting of the Israelites. On the first day of the second month in the second year, Moses was given the responsibility by God to find out how many people were with him in the desert. The total was 603,550.

Sometimes when we give people numbers it seems very impersonal. Individuals lose their importance—their own identity. Each person becomes only a statistic. But that is not what Moses meant. He numbered each person to tell them that everyone counted. Each Israelite should be considered as very important.

Today, in our world, we often look at people only as statistics—as impersonal numbers. When we do this we forget how important each person is. This process is especially true when we look at a lot of people in our society who are in need. For instance, our cities have many homeless people who sleep on sidewalks, in parks or even in gutters. They are grouped together as numbers by the newspapers, the television, and often by ourselves. Each one of these homeless people is very important, but we don't seem to realize how important they really are. Many of us walk up and down the street ignoring those who need help. We think of poor people as just another one of the millions in America and throughout the world. The number of homeless is growing larger in part because we are not always thoughtful. This is what happens when we see the homeless as numbers and not as people in need. I feel that everyone counts. We can't ignore someone because of his or her color, shape, size or wealth.

Because of this, I felt it important to help some of the people who are considered plain ordinary numbers. The way I have chosen is through an Endowment Fund at the Jewish Fund for Justice. The Jewish Fund for Justice cares about those who are in need—those who other people forget. The fund assists jobless farmers and the homeless. The fund also tries to solve poverty in cities and improve living and working conditions in our communities. Each one of these causes is important because each person who is helped is important. Although my fund will help only a small number of the people in need, it is still necessary. As the Talmud says, "If you save one person it is as if you save the world." Each person in our world is important and each is special for who they are.

APPRECIATION TO DR. WILLIE MAE LATHAM TAYLOR: HONOR AND DISTINCTION IN PUBLIC SERVICE

HON. MIKE ESPY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. ESPY. Mr. Speaker, it is important that I share with my colleagues the tremendous show of thanks and love for Dr. Willie Mae Latham Taylor of Grenada, MS. I was honored to participate in an appreciation hour for Dr. Taylor, one of those very rare individuals who have touched so many lives in a positive way.

On Sunday, June 28, 1987, the city of Grenada became Dr. Taylor's city, and the people of the region came closer together to give well deserved honor to one of its most esteemed citizens.

Mr. Speaker, at this time, I would like to enter into the RECORD the program of events for Dr. Taylor's hour of appreciation. The theme, "Precious Memories," means 45 years of dedicated public and civic duty. Let the record show this program as a testament of a community's love and respect for one of its leaders.

APPRECIATION HOUR FOR DR. WILLIE MAE LATHAM TAYLOR FOR 45 YEARS PUBLIC SERVICE, SUNDAY, JUNE 28, 1987, GRENADA, MS

"If a cross Lord I must surely bear, Then let me bear it bravely day by day for some faint heart that bends beneath a load may from me borrow hope to light its way,"—Original poem by the honoree, published in the 1936 yearbook of poetry. Avon House Press N.Y.C.

PROGRAM THEME—"PRECIOUS MEMORIES"

Soft music.

Flowers in her pathway: Girl Scouts. Leaders: Miss Edna and Deane Washington.

Processional: Honoree escorted by: Principal of GHS, Mr. John Baker and mayor of Grenada, Mr. L. D. Boone.

Scripture: Our scripture speaks of a woman who put prayer into practice. *"O woman, great is thy faith be it unto thee even as thou wilt—and her daughter was made whole from that very hour."* Matt 15:28.

Invocation: Rev. John W. Jenkins, pastor of Powell Chapel A. M. E. Church.

Song: "Precious Memories."

Remarks: Narrator, Donald Kincade.

We are grateful for the precious memories given to us by our honoree, we will feature the parade of memories. The parade of memories which is composed of persons who lived through these experiences. Each will give a 2-minute report.

Solo: Mr. Arthur White—"If I Can Help Somebody."

First person appearing in the parade is Shedrick Throtter of Sweet Home Community.

Second—Miss Bernice Richardson, the origin and work of the playground committee.

Third—Mr. Tommie Gene Bledsoe and Mr. Elizah Green (Taylor Hall).

Fourth—The 4-H Club, Mrs. Vernice Sally Scott, Atlanta, GA.

Fifth—Mr. Michael Berry, Hinds Junior College, Utica, MS Science Teacher.

Sixth—The Patterson family.

Seventh—Mrs. Mary Donnley, the top-rated foster mother of the Nation.

Eighth—The 21 years on radio, Mr. Bob Evans.

Ninth—Miss Marilyn Purdie, State Home Economics Program Director, Mississippi State College, Starkville, MS.

Tenth—Home Demonstration Club Work, Mrs. Eliza Berry.

AND OTHER TRIBUTES

Eleventh—Presentation of the president of Alcorn State University, Dr. W.W. Washington by Mr. Johnnie Shell, President of Grenada Chapter of Alcorn Alumni Club.

Solo: Mrs. Alline Merritt, "His Eye Is On The Sparrow".

Presentation of Guest Speaker: Mr. Cecil Shelton, Democratic Party leader of Grenada.

Speaker: Honorable Mike Espy.

Twelfth—Annie Lee Willis.

Solo: Mrs. Norverta Williams "May The Work I've Done—Speak For Me".

Presentation of special guest by Mr. Columbus Hankins, Mr. Tommie Gene Bledsoe, Mr. Lincoln Shields, Mrs. Lou Nichols Washington.

Presentation of Gifts: Mrs. Rosalie Washington.

Benediction: Rev. P.L. Montgomery.

Appreciation Program Committee: Tommie G. Bledsoe, Cecil Shelton, Elizah Green, B.W. Williamson, Lewis Johnson, Peggy Bobo, Jasper Dumas.

Transportation for honoree and guest courtesy of Eddie Robinson & Sons Funeral Home.

WILLIE MAE LATHAM TAYLOR, GRENADA, MS

The Daughter of Rev. and Mrs. Jordan Latham. Born in Lincoln County, Mississippi.

EDUCATION

Elementary education received in the public schools of Lincoln County, Smith Robinson City School of Jackson, Mississippi and Froebel Elementary School of Gary, Indiana.

Bachelor of Science degree in Home Economics received at Alcorn State University.

Master of Science degree received from the University of Wisconsin. Doctor of Humanities degree conferred at the Baptist Ministerial College of West Point, Mississippi.

PROFESSIONAL SERVICES

Home economic teacher in two high schools of the state. County extension Home Economist of Franklin and Grenada Counties.

COMMUNITY SERVICES

The 16th past president of the Mississippi State Federation of Colored Women's Clubs, Inc. The 9th past president of the South Eastern Region of the Federated Clubs in Georgia, Florida, Mississippi, Alabama, Tennessee, Virginia, North and South Carolina. The third National Supervisor of Girls of the National Association of Colored Womens' Clubs, Inc. led the cultural enrichment tour with 40 youths from eight states to visit Washington D.C. & the World's Fair in New York. First N.A.C.W.C. Girls Cotillion held at Palmer House Chicago National Convention. One of the Five trustees appointed from the National Association Colored Womens Club for the Fredrick Douglas Home in Washington, D.C.

Chairperson of the Management and Property Development Committee of the Mississippi State Federation of Colored Womens Clubs, with four Housing Project for the handicapped and the Elderly valued at over 9 million dollars.

Chairperson of the P. M. Smith Scholarship Panel which gives a $1000.00 scholarship annually to black high school graduates interested in careers in medicine and medically related areas.

Life member of the National Association of Colored Womens Clubs. Life member of the Connectional Missionary Society of the African Methodist Episcopal Church. Life member of Epsi Sigma Rho Fraternal Honor Society of Extension Service Association, Member of Delta Sigma Theta Sorority. American Association of University Women, Daughters of Isis, Eastern Star, Knights and Daughters of Tabor, Heroines of Jericho.

Recently elected treasurer of the National Association of Colored Womens Club which is the oldest Black Women's organization in the world—organized in 1869.

TRAVEL

She has traveled extensively in six countries of Western Europe namely Germany, England, Holland, Italy, Switzerland and France. She has visited the Middle East, and Jerusalem the Christmas of 1980 and Ancient Greece. In 1975 visited Puerto Rico, Virgin Islands, and the Bahamas, made two visits to Mexico and one to Canada.

The awards for meritorious service are too numerous to mention. She is a dynamic speaker in great demand. One of the public recreation buildings of Grenada is named Taylor Hall in her honor. Last but not least she is a member of Greater Powell Chapel A.M.E. Church, member of the senior choir, and a devout Christian.

TWO HUNDRED YEARS AGO TODAY AT THE CONSTITUTIONAL CONVENTION (JULY 12)

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. SHARP. Mr. Speaker, one of the most difficult problems for the delegates throughout the Convention was how to deal with slavery.

Some northern delegates believed that slavery was abhorrent and contradictory to the principles that the framers were hoping to imbue in the new Constitution. On a more political level, they feared that if slaves were counted as people for purposes of representation, the South would have too large a say in the National Legislature.

For the southern delegates, slavery was not a negotiable item. The institution was an integral part of southern living and, in fact, many of the delegates themselves owned slaves. This economic interest was added to the South's similar political desire to use slaves as part of the formula for determining representation.

It was another of those deadlocks that threatened the entire Convention.

JUSTICE DELAYED IS JUSTICE DENIED

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. BIAGGI. Mr. Speaker, many times previously, I have addressed this distinguished House regarding the case of Joseph Patrick Thomas Doherty. I have explained how this young man was arrested in New York on June 18, 1983, on an immigration warrant and how, although he has never been convicted of a crime in the United States, he has remained in our Federal prison system for the past 4 years. I have relayed to my colleagues how this case has been brought before the U.S. district court, the U.S. Court of Appeals for the Second Circuit, and the Board for Immigration Appeals and even though each ruling was rendered in favor of Mr. Doherty, he remains behind bars.

On July 2, 1987, His Eminence Archbishop John Cardinal O'Connor submitted an article to the Catholic New York newspaper, in which he stated:

> The government might argue that preventing Mr. Doherty from committing terrorism in northeast Ireland is a good end. But keeping him in jail in the United States for crimes committed elsewhere, after the United States legal system has declared that he should not be detained here, would appear to be evil and a good end cannot justify the evil means.

On May 22, 1987, the case of Joseph Doherty was forwarded to the Attorney General for a final review of the Board of Immigration Appeals' decision. Even though it was the Justice Department which first requested the appeal before the BIA, a case which the Department lost, the Attorney General has the power to determine the decision once and for all. It should be noted that no Attorney General has ever overruled the Board of Immigration Appeals in a case such as this.

Today, I and 17 of my colleagues sent a telegram to the Attorney General urging him to uphold the decision of both the immigration judge and the Board of Immigration Appeals which would require the deportation of Mr. Doherty to the Republic of Ireland. According to the republic's constitution, although he was born in the North of Ireland, Mr. Doherty is considered a citizen of the republic and is welcome to return there.

Mr. Speaker, I would respectfully request that Cardinal O'Connor's article be submitted for the RECORD in its entirety and that the telegram which my colleagues and I sent to Attorney General Meese be printed in the RECORD as well:

JUSTICE DELAYED IS JUSTICE DENIED

I feel uneasy and have felt this way for some time. Something in my bones tells me things are not quite right. Worst of all, I cannot put my finger on exactly what troubles me. I sought information from a variety of sources, believing that an increased understanding of the situation would calm me. Maybe I do not have enough information, or maybe this is a situation beyond my understanding. Whatever, I am uneasy.

I am uneasy with the letter I received from the Office of the Attorney General of the United States. I had written to seek clarification in the case of Joseph Doherty, who on June 18th would begin his fifth year of imprisonment.

Answering my letter for the attorney general, an assistant attorney general gave me a detailed account of Mr. Doherty's conviction and sentence to life imprisonment by the Belfast Criminal Court for the murder of Herbert Westmacott. On June 22, 1981, the court also convicted and sentenced Mr. Doherty for attempted murder and possession of firearms. The court recommended that he serve minimum of 30 years imprisonment. The letter goes on to tell me that before sentence was imposed, Mr. Doherty and others escaped from prison and seriously injured a guard in making their escape.

The letter provides further details, many of which I had already learned from Joseph's lawyer, his mother and sister and Joseph himself, when I visited him in the Metropolitan Correctional Center, here in New York, on April 17, 1987.

I have had my share of prison duty during the many years of my priesthood. I have talked with many prisoners and their families and have received countless numbers of requests to intercede for the life or the freedom of those imprisoned. I have never attempted to determine the innocence or guilt of any prisoner. Such is for the courts.

During the years, likewise, because of my name and background, I have been asked by some to express sympathy and support for the IRA, Irish Northern Aid and other organizations, as I have been asked to condemn such organizations, by others. Some have urged me to damn the British, others the Irish. I have tried to respond to every request as my consicence advised me, without concern for political pressure or implications.

I mention all such requests in order to clear the air. I do not approach Mr. Doherty's situation from a political perspective, or as an Irish American archbishop with a large Irish-American constituency, as some might suggest. Nor do I approach his case as a naive clergyman or social worker for whom nothing matters except mercy for a prisoner and his family.

HUMAN DIGNITY

I approach this case with concern about the dignity of human person and about the integrity of our legal system which is expected to secure the rights and dignity of all persons. Specifically, I am concerned that a man remains in a tiny cell in these United States for 23 hours of every day, after more than four years of imprisonment despite repeated administrative board and court rulings that he has the right to be deported to the south of Ireland, as he has asked. I do not claim to know Mr. Doherty's innocence or guilt, nor do I suggest that he be allowed to sidestep the legal process. But I believe that, once invoked, our system of justice demands an expeditious determination of the rights and obligations of a person and then prompt action in accordance with such determination.

In response to my inquiry, the Attorney General's Office has advised me that Mr. Doherty could not be prosecuted in the south of Ireland for any offense for which he has already been convicted in northeast Ireland. Further, the letter tells me, under the laws of Ireland, Mr. Doherty could not be imprisoned on the basis of the sentence imposed by the criminal court in Belfast.

"Thus," says the letter, "justice would seem to require that Mr. Doherty return to northeast Ireland, where he has been tried and convicted of murder and other serious offenses."

God knows how distressed I feel for the families of anyone Mr. Doherty may have killed or seriously hurt and how abhorrent I find the continuing violence in Ireland from whatever the source. Here, however, we seem to have some unique dimension that goes beyond Mr. Doherty and the allegations against him. I am no lawyer, but my moral theology tells me that one may never use an evil means to justify a good end. The government might argue that preventing Mr. Doherty from committing terrorism in northeast Ireland is a good end. But keeping him in jail in the United States for crimes committed elsewhere, after the United States legal system has declared that he should not be detained here, would appear to be evil, and a good end cannot justify the evil means.

EXTRADITION TREATY

It is argued that because we have an extradition treaty with Britain, which is said to require the deportation of Mr. Doherty to Britain as a terrorist, we have the right and the obligation to keep him in jail here while he is exhausting all processes to avoid extradition to Britain. Therefore, this argument suggests, we should really be happy that full legal process has been and is being made available to Mr. Doherty, and that it is precisely because of such legal process that he has been in jail all this time. We could have denied him any legal process and deported him to Britain as soon as we identified him.

I repeat what is evident. I am no lawyer. But I am worried by such an argument, particularly when I am told that the Board of Immigration Appeals has accused the government of unconscionably dragging its feet, and when I learn also that the attorney general has the authority to review the final decision of the board and could send Mr. Doherty to Britain regardless of the fact that his office has lost each successive legal battle it has fought to achieve this very end. Is that a strange situation, that the very executive who is repeatedly defeated by the administrative board has final review of that board's decision?

I have thought and consulted and prayed a great deal about this case. Many wise people, including lawyers, have told me not to go near it. I respect but cannot accept such advice. Nor am I alone. On June 18, 1987, the New York State Assembly unanimously passed a legislative resolution "strongly urging the United States Attorney General Edwin Meese III to immediately carry out and execute the court order of deportation of Joseph Patrick Doherty" to the south of Ireland. The sponsors of that resolution were by no means all Irish-Americans.

I repeat. I am not a lawyer. I know this is a legally complicated case. I recognize, as well, its political dimensions, in terms of international relations and questions of terrorism. But in 1984, the US District Court ruled that Mr. Doherty is a "political offender" (rather than a terrorist) and while the executive branch made numerous appeals, that decision stands. And so it is that those, like myself, untrained in the legal field, are uneasy when a United States court makes a decision, yet a prisoner continues to be held on allegations which were rejected by that decision.

JUSTICE DELAYED

It seems to me that however noble may be the motives of the attorney general's office in delaying the case of Mr. Doherty, ultimately whatever good might be achieved can be outweighed by the erosion of respect for our judicial processes if they are perceived as being resisted by the government itself. Justice delayed is justice denied.

As I am not a lawyer, so I am not a judge. I cannot and will not judge the case of Joseph Doherty. Whether he should be in prison here or anywhere, or for how long, is for the courts to judge. The courts seem to have judged, however, that he has a legal right to be deported to the south of Ireland. Until it is clear that the government is listening, my uneasiness will persist.

Hon. EDWIN MEESE III,
Attorney General,
U.S. Department of Justice,
Washington, DC.

DEAR MR. ATTORNEY GENERAL: We the undersigned urge you to uphold the decision of both Immigration Judge Howard I. Cohen and most recently, the Board of Immigration Appeals which would require the deportation of Mr. Joseph Patrick Doherty to the Republic of Ireland. It is our understanding that a request for a final review of the Board of Immigration Appeals' decision has been pending before you since May 22, 1987.

We believe that the collective weight of previous judicial decisions spanning more than four years overwhelmingly supports the deportation decison. We recognize that Mr. Doherty has been convicted of serious crimes in Northern Ireland and the Republic of Ireland. Yet we are also cognizant of the fact that Mr. Doherty has been incarcerated in our federal prison system for more than four years without having been convicted of any crime committed in the United States. We consider his continued incarceration to be a gross violation of his individual rights which must be remedied and can be immediately by you. We fully subscribe with the sentiments expressed last week by His Eminence Archbishop Cardinal O'Connor who said of Doherty, "Keeping him in jail for crimes committed elsewhere after the United States legal system has declared that he should not be detained here, would appear to be evil."

We again implore you to end this injustice by deciding not to challenge the Board of Immigration Appeals' decision and permit Mr. Doherty to be deported at once.

Senator Orrin Hatch; Representatives Mario Biaggi; Gary Ackerman; Frank Annunzio; Helen Bentley; Robert Borski; Ronald Dellums; Thomas Downey; Hamilton Fish; Robert Garcia; Benjamin Gilman; Norman Lent; Thomas Manton; Raymond McGrath; Robert Mrazek; James Scheuer; Edolphus Towns; James Traficant.

CHAIRMAN HAMILTON SAID IT WELL

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. TRAXLER. Mr. Speaker, the comments made by our colleague, Congressman LEE HAMILTON, who has served so ably as the chairman of the House Select Committee To Investigate Covert Arms Transactions With Iran, at the close of Col. Oliver North's testimony, are so eloquent and so historic that they deserve to be carried as part of our RECORD.

I insert his remarks in full at this point:

REPRESENTATIVE HAMILTON: CLOSING REMARKS

(Following is a transcript of remarks by Rep. Lee H. Hamilton (D-Ind.), at the close of testimony by Lt. Col. Oliver L. North. Hamilton is chairman of the House select committee investigating the Iran-contra affair)

Mr. Chairman, may I express to you my personal appreciation for the manner in which you have presided over these committees these last several days. You've had some rather difficult moments. I think you have been firm and fair, and you have kept these proceedings moving along, and all of us are most grateful to you. Now Col. North, let me join with others in expressing my appreciation to you for your testimony. And as the chairman has indicated, I will use my time just to give you some of my impressions.

I recognize that a president and those carrying out his policies sometimes face agonizing choices, and you've had more than your share of them. I've never for a moment, over the years that I have known you, doubted your good intentions to free hostages, to seek democracy in Nicaragua, to fight communism and to advance the best interests of the nation. And for many in this country, I think the pursuit of such worthy objectives is enough in itself, or in themselves, and exonerate you and any others from all mistakes. Yet what strikes me is that despite your very good intentions, you were a participant in actions which catapulted a president into the most serious crisis of his presidency, drove the Congress of the United States to launch an unprecedented investigation, and I think probably damaged the cause, or the causes that you sought to promote. It is not my task, and it is not the task of these committees, to judge you. As others have said, we're here to learn what went wrong, what caused the mistakes, and what we can do to correct them. And the appropriate standard for these committees is whether we understand the facts better because of your testimony, and I think we do, and we're grateful to you.

In your opening statement you said that these hearings have caused serious damage to our national interests. But I wonder whether the damage has been caused by these hearings or by the acts which prompted these hearings. I wonder whether you would have the Congress do nothing after it has been lied to and misled and ignored. Would we in the Congress then be true to our constitutional responsibilities? Is it better under our system to ignore misdeeds or to investigate them behind closed doors, as some have suggested? Or is it better to bring them into the open and try to learn from them? I submit that we are truer to our Constitution if we choose the latter course.

These committees, of course, build on the work of other committees, and I think that work is part of our constitutional system of checks and balances. There are many parts of your testimony that I agree with. I agree with you that these committees must be careful not to cripple the president, I agree with you that our government needs the capability to carry out covert actions.

During my six years on the Intelligence Committee, over 90 percent of the covert actions that were recommended to us by the president were supported and approved. And only the large-scale paramilitary operations, which really could not be kept secret, were challenged. I agree with you, when you said in your opening statement, that you're caught in a struggle between the Congress and the president over the direction of American foreign policy, and that most certainly is not your fault. And I agree with you, that the Congress, whose record in all of this is certainly not unblemished, also must be accountable for its actions.

Now let me tell you what bothers me. I want to talk about two things, first policy, and then process. Chairman Inouye has correctly said that the business of these Select Committees is not policy, and I agree with him, but you made such an eloquent and impassioned statement about policy that I wanted to comment, I am very troubled by your defense of secret arms sales to Iran. There's no disagreement about the strategic importance of Iran or the desirability of an opening to Iran. My concern is with the means employed to achieve those objectives.

The president has acknowledged that his policy, as implemented, was an arms-for-hostage policy. And selling arms to Iran in secret was, to put it simply, bad policy. The policy contradicted and undermined long-held, often articulated, widely supported public policies in the United States. It repudiated U.S. policy to make no concessions to terrorists, to remain in the [Persian] Gulf war, and to stop arms sales to Iran. We sold arms to a nation officially designated by our government as a terrorist state. This secret policy of selling arms to Iran damaged U.S. credibility.

A great power cannot base its policy on an untruth without a loss of credibility. Friendly governments were deceived about what we were doing. You spoke about the credibility of U.S. policy in Central America, and you were right about that, but in the Middle East, mutual trust with some friends was damaged, even shattered.

The policy of arms for hostages sent a clear message to the states of the Persian Gulf, and that message was that the United States is helping Iran in its war effort, and making an accommodation with the Iranian revolution, and Iran's neighbors should do the same. The policy provided the Soviets an opportunity they have now grasped, with which we are struggling to deal. The policy achieved none of the goals it sought. The ayatollah [Ruhollah Khomeini] got his arms, more Americans are held hostage today than when this policy began, subversion of U.S. interests throughout the region by Iran continues. Moderates in Iran, if any there were, did not come forward. . . . Today, those moderates are showing fidelity to the Iranian revolution by leading the charge against the United States in the Persian Gulf. In brief, the policy of selling arms to Iran, in my view at least, simply cannot be defended as in the interests of the United States. There were and there are other means to achieve that opening which should have been used.

Now let me comment on process as well, first with regard to covert actions. You and I agree that covert actions pose very special problems for a democracy. It is, as you said, a dangerous world, and we must be able to conduct covert actions, as every member of this panel has said. But it is contrary to all that we know about democracy to have no checks and balances on them. We've established a lawful procedure to handle covert actions. It's not perfect by any means, but it works reasonably well. In this instance, those procedures were ignored. There was no presidential finding in one case, and a retroactive finding in another. The intelligence committees of the Congress were not informed, and they were lied to. Foreign policies were created and carried out by a tiny circle of persons, apparently without the involvement of even some of the highest officials of our government.

The administration tried to do secretly what the Congress sought to prevent it from doing. The administration did secretly what it claimed to all the world it was not doing. Covert action should always be used to supplement, not to contradict, our foriegn policy. It should be consistent with our public policies. It should not be used to impose a foreign policy on the American people which they do not support.

Mr. McFarlane was right. He told these commitees it was clearly unwise to rely on covert action as the core our policy. And as you noted in your testimony, and I agree with you, it would have been a better course to continue to seek contra funding through open debate. You have spoken with compelling eloquence about the Reagan Doctrine. And laudable as that doctrine may be, it will not succeed unless it has the support of the Congress and the American people.

Secondly, with regard to process, let me talk about accountability. What I find lacking about the events as you have described them is accountability. Who was responsible for these policies, for beginning them, for controlling them, for terminating them? You have said that you assumed you were acting on the authority of the president. I don't doubt your word, sir. But we have no evidence of his approval. The president says he did not know that the National Security Council staff was helping the contras. You thought he knew. And you engaged in such activities with extraordinary energy.

You do not recall what happened to the five documents on the diversion of funds to the contras. Those documents radically changed American policy. They are probably, I would think, the most important documents you have written. Yet you don't recall whether they were returned to you, and you don't recall whether they were destroyed, as I recall your testimony.

There's no accountability for an $8 million account earned from the sale of U.S. government property. There is no accountability for a quarter of a million dollars available to you. You say you never took a penny. I believe you. But we have no records to support or to contradict what you say. Indeed, most of the important records concerning these events have been destroyed.

Your testimony points up confusion throughout the foreign policymaking process. You've testified that [the late CIA] Director [Wiliam J.] Casey sought to create an on-the-shelf, self-sustaining, stand-alone entity to carry out covert actions—apparently without the knowledge of other high officials in government. You've testified there was an unclear commitment to Israel concerning replenishment of missiles to Iran. You've testified that it's never been U.S. policy not to negotiate with terrorists. Yet the president has said the opposite—that we will never negotiate with terrorists. You have testified that a lot of people were willing to go along with what we were doing, hoping against hope that it would succeed and willing to walk away when it failed. Now my guess is, that's a pretty accurate description of what happened. But it's not the way to run a government. Secret operations should pass a sufficient test of accountability. And these secret operations did not pass that test. There was a lack of accountability for funds and for policy, and responsibility rests with the president. If he did not know of your highly significant activities done in his name, then he should have, and we'll obviously have to ask [former national security adviser] Adm. [John M.] Poindexter some questions.

Now the next point with regard to process relates to your attitude toward the Congress. As you would expect, I'm bothered by your comments about the Congress. You show very little appreciation for its role in the foreign policy process. You acknowledge that you were "erroneous, misleading, evasive and wrong" in your testimony to the Congress. I appreciate, sir that honesty can be hard in the conduct of government. But I am impressed that policy was driven by a series of lies—lies to the Iranians, lies to the Central Intelligence Agency, lies to our friends and allies, lies to the Congress, and lies to the American people. So often during these hearings—not just during your testimony, but others' as well, I have been reminded of President Thomas Jefferson's statement: "The whole art of government consists in the art of being honest."

Your experience has been in the executive branch, and mine has been in the Congress. Inevitably our perspectives will differ. . . . You said on the first day of your testimony, and I quote, "I didn't want to show Congress a single word on this whole thing." I do not see how your attitude can be reconciled with the Constitution of the United States. I often find in the executive branch, in this administration as well as in others, a view that the Congress is not a partner, but an adversary. The Constitution grants foreign policymaking powers to both the president and the Congress, and our foreign policy cannot succeed unless they work together. You blame the Congress as if the restrictions it approved were the cause of mistakes by the administration, yet congressional restrictions in the case of Nicaragua, if the polls are accurate, reflected the majority of the American people. In any case, I think you and I would agree that there is insufficient consensus on policy in Nicaragua. Public opinion is deeply divided. And the task of leadership, it seems to me, is to build public support for policy. If that burden of leadership is not met, secret policies cannot succeed over the long term.

The fourth point with regard to process relates to means and ends. As I understand your testimony, you did what you did because those were your orders and because you believed it was for a good cause. . . . The means employed were a profound threat to the democratic process. A democratic government, as I understand it, is not a solution, but it's a way of seeking solutions. It's not a government devoted to a particular objective, but a form of government which specifies means and methods of achieving objectives. Methods and means are what this country are all about. We subvert our democratic process to bring about a desired end, no matter how strongly we may believe in that end. We've weakened our country and we have not strengthened it.

A few do not know what is better for Americans than Americans know themselves. If I understand our government correctly, no small group of people, no matter how important, no matter how well-intentioned they may be, should be trusted to determine policy. As President [James] Madison said, "Trust should be placed not in a few, but in a number of hands."

Let me conclude. Your opening statement made the analogy to a baseball game. You said the playing field here was uneven and the Congress would declare itself the winner. I understand your sentiments, but may I suggest that we are not engaged in a game with winners and losers. That approach, if I may say so, is self-serving and ultimately self-defeating. We all lost. The interests of the United States have been damaged by what happened. This country cannot be run effectively [when] . . . major foreign policies are formulated by only a few and are made and carried out in secret, and when public officials lie to other nations and to each other. One purpose of these hearings is to change that. The self-cleansing process, the Tower commission and these joint hearings and the report which will follow, are all part, we hope, of a process to reinvigorate and restore our system of government.

I don't have any doubt at all, Col. North, that you are a patriot. There are many patriots, fortunately, and many forms of patriotism. For you, perhaps, patriotism rested in the conduct of deeds, some requiring great personal courage, to free hostages and fight communism. And those of us who pursue public service with less risk to our physical well-being admire such courage. But there's another form of patriotism, which is unique to democracy. It resides in those who have a deep respect for the rule of law and faith in America's democratic traditions. To uphold our Constitution requires not the exceptional efforts of the few, but the confidence and the trust and the work of the many. Democracy has its frustrations. You've experienced some of them, but we, you and I, know of no better system of government. And when that democratic process is subverted, we risk all that we cherish. I thank you, sir, for your testimony, and I wish you and I wish your family well.

HAMILTON: CLOSING REMARKS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. DELLUMS. Mr. Speaker, yesterday my distinguished colleague, Representative LEE H. HAMILTON of Indiana, the chair of the House select committee investigating the ramifications of the Iran/Contra affair, made a profound series of statements concerning the proper role of the Presidency and the Congress under the Constitution in the conduct of this Nation's foreign relations.

I commend the full text of his remarks to my colleagues and fellow citizens for their thoughtful reflection and future reference as we confront and attempt to deal with the complex issues of the contemporary world.

REPRESENTATIVE HAMILTON: CLOSING REMARKS

(Following is a transcript of remarks by Rep. Lee H. Hamilton (D-Ind.), at the close of testimony by Lt. Col. Oliver L. North. Hamilton is chairman of the House select committee investigating the Iran-contra affair)

Mr. Chairman, may I express to you my personal appreciation for the manner in which you have presided over these committees these last several days. You've had some rather difficult moments. I think you have been firm and fair, and you have kept these proceedings moving along, and all of us are most grateful to you. Now Col. North, let me join with others in expressing my appreciation to you for your testimony. And as the chairman has indicated, I will use my time just to give you some of my impressions.

I recognize that a president and those carrying out his policies sometimes face agonizing choices, and you've had more than your share of them. I've never for a moment, over the years that I have known you, doubted your good intentions to free hostages, to seek democracy in Nicaragua, to fight communism and to advance the best interests of the nation. And for many in this country, I think the pursuit of such worthy objectives is enough in itself, or in themselves, and exonerate you and any others from all mistakes. Yet what strikes me is that despite your very good intentions, you were a participant in actions which catapulted a president into the most serious crisis of his presidency, drove the Congress of the United States to launch an unprecedented investigation, and I think probably damaged the cause, or the causes that you sought to promote. It is not my task, and it is not the task of these committees, to judge you. As others have said, we're here to learn what went wrong, what caused the mistakes, and what we can do to correct them. And the appropriate standard for these committees is whether we understand the facts better because of your testimony, and I think we do, and we're grateful to you.

In your opening statement you said that these hearings have caused serious damage to our national interests. But I wonder whether the damage has been caused by these hearings or by the acts which prompted these hearings. I wonder whether you would have the Congress do nothing after it has been lied to and misled and ignored. Would we in the Congress then be true to our constitutional responsibilities? Is it better under our system to ignore misdeeds or to investigate them behind closed doors, as some have suggested? Or is it better to bring them into the open and try to learn from them? I submit that we are truer to our Constitution if we choose the later course.

These committees, of course, build on the work of other committees, and I think that work is part of our constitutional system of checks and balances. There are many parts of your testimony that I agree with. I agree with you that these committees must be careful not to cripple the president. I agree with you that our government needs the capability to carry out covert actions.

During my six years on the Intelligence Committee, over 90 percent of the covert actions that were recommended to us by the president were supported and approved. And only the large-scale paramilitary operations, which really could not be kept secret, were challenged. I agree with you, when you said in your opening statement, that you're caught in a struggle between the Congress and the president over the direction of American foreign policy, and that most certainly is not your fault. And I agree with you, that the Congress, whose record in all of this is certainly not unblemished, also must be accountable for its actions.

Now let me tell you what bothers me. I want to talk about two things, first policy, and then process. Chairman Inouye has correctly said that the business of these Select Committees is not policy, and I agree with him, but you made such an eloquent and impassioned statement about policy, that I wanted to comment. I am very troubled by your defense of secret arms sales to Iran. There's no disagreement about the strategic importance of Iran or the desirability of an opening to Iran. My concern is with the means employed to achieve those objectives.

The president has acknowledged that his policy, as implemented, was an arms-for-hostage policy. And selling arms to Iran in secret was, to put it simply, bad policy. The policy contradicted and undermined long-held, often articulated, widely supported public policies in the United States. It repudiated U.S. policy to make no concessions to terrorists, to remain in the [Persian] Gulf war, and to stop arms sales to Iran. We sold arms to a nation officially designated by our government as a terrorist state. This secret policy of selling arms to Iran damaged U.S. credibility.

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The administration tried to do secretly what the Congress sought to prevent it from doing. The administration did secretly what it claimed to all the world it was not doing. Covert action should always be used to supplement, not to contradict, our foreign policy. It should be consistent with our public policies. It should not be used to impose a foreign policy on the American people which they do not support.

Mr. McFarlane was right. He told these committees it was clearly unwise to rely on covert action as the core of our policy. And as you noted in your testimony, and I agree with you, it would have been a better course to continue to seek contra funding through open debate. You have spoken with compelling eloquence about the Reagan Doctrine. And laudable as that doctrine may be, it will not succeed unless it has the support of the Congress and the American people.

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You do not recall what happened to the live documents on the diversion of funds to the contras. Those documents radically changed American policy. They are probably, I would think, the most important documents you have written. Yet you don't recall whether they were returned to you, and you don't recall whether they were destroyed, as I recall your testimony.

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Now the next point with regard to process relates to your attitude toward the Congress. As you would expect, I'm bothered by your comments about the Congress. You show very little appreciation for its role in the foreign policy process. You acknowledge that you were "erroneous, misleading, evasive and wrong" in your testimony to the Congress. I appreciate, sir, that honesty can be hard in the conduct of government. But I am impressed that policy was driven by a series of lies—lies to the Iranians, lies to the Central Intelligence Agency, lies to the attorney general, lies to our friends and allies, lies to the Congress, and lies to the American people. So often during these hearings—not just during your testimony, but others' as well, I have been reminded of President Thomas Jefferson's statement: "The whole art of government consists in the art of being honest."

Your experience has been in the executive branch, and mine has been in the Congress. Inevitably our perspectives will differ. . . . You said on the first day of your testimony, and I quote, "I didn't want to show Congress a single word on this whole thing." I do not see how your attitude can be reconciled with the Constitution of the United States. I often find in the executive branch, in this administration as well as in others, a view that the Congress is not a partner, but an adversary. The Constitution grants foreign policymaking powers to both the president and the Congress, and our foreign policy cannot succeed unless they work together. You blame the Congress as if the restrictions it approved were the cause of mistakes by the administration, yet congressional restrictions in the case of Nicaragua, if the polls are accurate, reflected the majority of the American people. In any case, I think you and I would agree that there is insufficient consensus on policy in Nicaragua. Public opinion is deeply divided. And the task of leadership, it seems to me, is to build public support for policy. If that burden of leadership is not met, secret policies cannot succeed over the long term.

The fourth point with regard to process relates to means and ends. As I understand your testimony, you did what you did because those were your orders and because you believed it was for a good cause. . . . The means employed were a profound threat to the democratic process. A democratic government, as I understand it, is not a solution, but it's a way of seeking solutions. It's not a government devoted to a particular objective, but a form of government which specifies means and methods of achieving objectives. Methods and means are what this country are all about. We subvert our democratic process to bring about a desired end, no matter how strongly we may believe in that end. We've weakened our country and we have not strengthened it.

A few do not know what is better for Americans than Americans know themselves. If I understand our government correctly, no small group of people, no matter how important, no matter how well-intentioned they may be, should be trusted to determine policy. As President [James] Madison said, "Trust should be placed not in a few, but in a number of hands."

Let me conclude. Your opening statement made the analogy to a baseball game. You said the playing field here was uneven and the Congress would declare itself the winner. I understand your sentiments, but may I suggest that we are not engaged in a game with winners and losers. That approach, if I may say so, is self-serving and ultimately self-defeating. We all lost. The interests of the United States have been damaged by what happened. This country cannot be run effectively [when] . . . major foreign policies are formulated by only a few and are made and carried out in secret, and when public officials lie to other nations and to each other. One purpose of these hearings is to change that. That self-cleaning process, the Tower commission and these joint hearings and the report which will follow, are all part, we hope, of a process to reinvigorate and restore our system of government.

I don't have any doubt at all, Col. North, that you are a patriot. There are many patriots, fortunately, and many forms of patriotism. For you, perhaps, patriotism rested in the conduct of deeds, some requiring great personal courage, to free hostages and fight communism. And those of us who pursue public service with less risk to our physical well-being admire such courage. But there's another form of patriotism, which is unique to democracy. It resides in those who have a deep respect for the rule of law and faith in America's democratic traditions. To uphold our Constitution requires not the exceptional efforts of the few, but the confidence and the trust and the work of the many. Democracy has its frustrations. You've experienced some of them, but we, you and I, know of no better system of government. And when that democratic process is subverted, we risk all that we cherish. I thank you, sir, for your testimony, and I wish you and I wish your family well.

TRIBUTE TO MRS. ANITA KING

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. DIXON. Mr. Speaker, on July 18, 1987, the Cosmopolitan Republican Voters Club of Los Angeles, CA, will meet for their 31st annual installation luncheon. At that time they will pay tribute to a founding member of the club, Mrs. Anita King, and honor her for her 31 years of leadership and service to the club and the community. In addition to bestowing upon her a lifetime membership in the Cosmopolitan Republican Voters Club, they will present her with the prestigious Armond Bradford Lifetime Service Award, named in honor of one of their distinguished founding officers.

Mr. Speaker, I wish to take this opportunity to add my voice to those who will be honoring my friend, the distinguished Mrs. King, on Saturday, and bring to the attention of my colleagues in the House her lifetime of achievements.

Mrs. King, a native of Los Angeles, was born to one of the area's pioneering families, that of Mr. and Mrs. William Bird Givens. She attended McKinley Junior High School in Los Angeles and while there met her future husband, Celes King III, now Brigadier General King. Since their marriage in 1942 they have forged together a life of leadership and service in the community and become an important force in black Republican politics.

Mrs. King is widely recognized for her leadership in the California Republican Party. Through her creative and untiring efforts the California Black Republican Council was reorganized and has since enjoyed a new lease on life. She has been an active member of the California Republican State Central Committee, and served in 1984 as a delegate to the Republican Convention in Dallas. On the local level, she is a longstanding member and past president of the Westside Republican Women's Federated Club.

Mrs. King's interests are diverse and her involvement in the community reflects that breadth of interests. She is a leader in the field of water policy—an issue of vital importance to California—and was appointed by the Governor to the Colorado River Board in 1983. Sharing with the community her insight and concern on issues of special importance to women, Mrs. King served as the vice president of the Los Angeles County Commission on the Status of Women in 1985.

In particular, Mrs. King is noted as a successful businesswoman and entrepreneur. She owns and operates the Lifetime Awning Co., a long-established family-run business, and is an officer of her husband's bail bonding company. She has been honored by the National Baptist Business League as their "Business Woman of the Year," and is an active member of the Wilshire Chamber of Commerce.

Mrs. King's long years of dedicated service have made her a pillar of the community. In the spirit of bipartisanship I salute her for her personal excellence, her generous spirit, and her inspired leadership. I join her family and friends in congratulating her as she receives this award—the most recent achievement in a string of many—and wish her the best for her future.

ALTA TRUEX: A TRUE PROFILE IN COURAGE

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. APPLEGATE. Mr. Speaker, in these times when Americans are searching for real heroes and our Nation is groping through a period when true courage appears to be lacking, I would like to take this opportunity to tell my colleagues about a very real and special hero who lives in my congressional district, a person who truly represents a contemporary profile in courage.

Mrs. Alta Truex, a resident of Beallsville, OH, confronted a real and frightening challenge 10 years ago when she learned from her doctor that she was diagnosed as having cancer. But, rather than let this reality and two major operations force her to accept defeat, Alta Truex decided, instead, to fight back and to take destiny into her hands—and her feet; Alta Truex took up the hobby of running—at age 70.

Mr. Speaker, the very interesting story of Alta Truex was recently captured in print by Mr. Ken Keylor, a writer for Country Living, the publication of the Ohio Rural Electric Cooperatives, Inc. I would like to have Mr. Keylor's article, which was in the June edition of Country Living, included in the CONGRESSIONAL RECORD so that my colleagues can discover for themselves where the true heroes of America can be found, if we only attempt to look. I know that there are many people throughout our Nation who, like Alta Truex, can provide America with the profiles of courage that we so desperately need during these times.

My hat's off to Alta Truex. May we always find her trekking the back roads of southeastern Ohio as she pursues her dreams.

WHO SAYS THE RACE IS OVER AT 70?

(By Ken Keylor)

She's 77 years old. She's 5 feet tall, weighs 120 pounds and lives on an 80-acre dairy farm near rural Beallsville, OH. In her spare time she jogs.

Since 1981 she has run in 91 race events, totaling more than 300 miles—and is ranked No. 2 in the nation for the 15 kilometer distance.

She is Alta Truex, a soft-spoken great-grandmother whose heart and soul bespeak the "can-do" rural American spirit. Her living room is evidence of that, with the walls covered with trophies, plaques, medals and ribbons chronicling her efforts.

Yet, as with many other remarkable human accomplishments, Alta's great rewards arose from adversity. She was diagnosed with cancer in 1977.

"I'd gone to the doctor," she explained, "and after some tests he said I should go in the hospital right then and have an operation. So I did. Then in August they operated a second time because the cancer started to grow back. It was while I was recovering from the second operation that I read in the paper about a footrace in Beallsville. I decided then that someday I'd like to do that."

So she talked to the doctor about running. He was horrified at the thought and advised her that, considering her cancer, the effort could wind up killing her.

But he didn't know Alta's heart.

Slowly but surely her strength returned. Hard work on the farm kept her active, and, as Alta tells it, "We're always chasing cows or chickens around here, so running came natural."

And then one spring day as the family was returning from town, Alta told her husband Glenn to let her out, she was going to run home from there. And she did . . . two miles from Jerusalem, over rolling hills and down their lane to a worried family. But that was just the beginning.

Two weeks later she decided to run her first race. Glenn and daughter Betty told her that if she ran she'd be the talk of four states. But Alta's mind was already wondering about the 10K (6.2 mile) distance. She showed up on race day in shoes made out of thin-soled leather. Another runner, noticing her attire, offered Alta her daughter's shoes from the trunk of her car. Alta took her up on the swap.

"They were about a size too big," Alta remembered, "but they sure felt a lot better than the others. Anyway, I finished the race, and that was my goal." But the biggest surprise was left for the finish.

"Even though I was miles behind, everyone in town was waiting for me at the finish line and cheered as though I'd won the race!" she said.

With only two weeks' rest, Alta was racing again. She traveled to Barnesville for the Pumpkin Festival run, her second 10K race in as many tries. This time, though, she ran in pain.

"We had a tame cow with a peculiar short horn. While I was leading her she bumped my knee a good one, and I had to run the race with a heavy bandage. It hurt pretty bad, and I didn't know if I could finish the race."

Alta won first place in her age division.

Every year Alta ran more races until in 1984 she peaked at 25 events. It was once again time for something special.

Blue Cross, in conjunction with the 1984 Olympics, sponsored an Ohio Senior Olympics competition, and Alta was invited to compete. She traveled to the regional qualifications in Canton and finished first in two events, and second in another two. But more importantly, she was invited back to the state finals in Akron.

At Akron, she would compete with seniors from across the state. Race events included the 100 meter, 200 meter, 400 meter, 3,000 meter, and 5,000 meter distances. She decided to run them all.

"It was a hot July day," Alta recalls, "and I didn't do too well in the 100 meter dash. I got a poor start, but was gaining on 'em at the finish. but I finished second in the 200 meter, first in the 400, and first in the 3,000. Well, by that time it was midafternoon and they announced that it was 86 degrees with 86 percent humidity, and that the last race was postponed. Another lady and I told them we wanted to run anyway, but they wouldn't have it. So I told them it was probably best, I had to get home to do the milking anyway."

In April, however, an accident befell her that threatened to ruin this late blooming running career. While in the hayloft, her feet became entangled in baling twine and she fell headfirst to the floor of the barn, 10 feet below. At the emergency room she was examined for broken bones and internal injuries, but there were none. A week and two black eyes later she was running again.

"It's amazing," running friend Jeanette Smith said. "She paints barns, milks cows and fixes roofs, but I've never heard her complain about aches or pains when we run. She has such a positive outlook!"

By 1985, Alta and her 50-year-old daughter Betty had run more than 50 races, the longest being the Elby's 20K. Already this year they've run nine races, and on any given day you can see them running along winding Newcastle Road, training for the next event. They make an incredible mother-daughter team.

If there were ever a living inspiration for people of all ages, it is Alta Truex. Life doesn't need to end when you're over 70, it begins. No matter how old you are, now is the time to set goals and start having fun reaching them.

As Alta explains when asked where she finds all the energy to keep up with farming and running, "I just keep busy enough that I don't find time to sit and wonder about it."

A great philosophy for all of us.

THE PENTAGON SHOULD STOP ITS THREATS

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. FEIGHAN. Mr. Speaker, last month, the Ohio National Guard was ordered to prepare for training exercises in Honduras set for January 1989. The Governor has made clear his intention to comply with this request—but only after the courts have ruled on the constitutionality of a law passed last year that stripped Governors of their authority over Guard training.

Article I of our Constitution clearly states that authority over training is reserved to the States. The Montgomery amendment, passed last August, is now facing a legal challenge from 11 Governors who joined in the suit filed by Governor Perpich of Minnesota. We expect a ruling in the coming weeks. And perhaps this issue will be put to rest.

In the meantime, the Pentagon is strong-arming its request—threatening to withhold Federal funds from the Ohio Guard if the Governor does not comply. This action is wholly unwarranted. The Ohio National Guard has always cooperated fully in all training requests. The Air Guard is the largest in the country. The Army Guard is the 6th largest in the country and has been highly commended for its performance in training missions. These missions have occurred across the globe—in Panama, Ecuador, and several countries in Europe.

Why the objection to training in Honduras? Because there is serious question of whether Honduras provides a safe environment for training of our National Guard. A real danger exists that the National Guard will one day find itself—quite by accident—in the middle of a shooting war in Central America. Tensions in the region are high. Border incursions between the Sandinistas and the Contra forces are a regular occurrence. Last March, the U.S. airlifted Honduran troops to the border to repel a Sandinista attack against Contra bases in Honduras. At the same time, several hundred National Guardsmen were in Honduras.

Now, should it happen one day that the National Guard is called to defend this country in the face of a national emergency, I have no doubt that they are prepared to do so. But why are we needlessly endangering American lives in Honduras? Why can't the same "practice" construction projects be performed in Ecuador or Europe or any other place where Guard training takes place.

The reason that these activities take place in Honduras is simple. They are not solely fulfilling routine Guard training: these training missions have become an integral part of our foreign policy.

When the Pentagon ran out of training money, it went looking for more. They found it in the budgets allotted for State National Guard training. Using these funds to augment its own, the Defense Department pursued a robust military construction program. Why? According to Col. William Comee, former commander of the visiting Guard exercises, the Guard came to "intimidate and harass" Nicaragua.

We know that the military has built or upgraded nine airstrips, a number of roads, and at least two radar stations. The Congress has voted the funds to do so. Subsequently, we have learned that at least two of the airstrips upgraded by the our military were used in the Contra resupply effort.

I support the training of our National Guard. I also support the total force concept developed to integrate our Guard with the volunteer Army. But, I cannot support sending the Ohio National Guard on training missions that put them at risk, or knowingly or unknowingly, contribute U.S. funds in support of activities by the Contras.

Governors should not have to be strong-armed into acquiescing in the use of the National Guard by this administration for a reckless display of force in Central America. They should not have to see their Guard units deactivated if they do not send their Guards for training. The Governors' suit now pending in U.S. District Court in Minnesota will decide whether they will maintain a constitutional right to make their own decision. Until then, the Pentagon should stop its threats.

TAX FOUNDATION ARTICLE ON CREDIT ACTIVITIES

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mrs. JOHNSON of Connecticut. Mr. Speaker, Allen Schick, a well-known expert on Congress and the budget process, recently wrote the following article on Federal credit activities. Dr. Schick discusses various aspects of credit programs, including the types of Federal credit programs, their costs, and the different ways they affect the economy. He also discusses the need to identify the actual subsidy costs of credit in the Federal budget. At a time when Congress is considering ways to reform the budget process, this article by a respected budget analyst deserves our attention.

The piece appeared in the May/June, 1987 edition of Tax Features, published by The Tax Foundation, a nonpartisan, nonprofit organization now celebrating its 50th anniversary. I wish the foundation many more years of success. It has served policymakers well in providing us with timely and objective analysis about important fiscal policy issues.

ONE TRILLION DOLLARS OF FEDERAL LOANS

BUT NO SUCH THING AS FREE CREDIT

The Federal government operates huge credit programs that cost taxpayers billions of dollars. Each year, the government makes or guarantees approximately $200 billion of new loans to farmers, homeowners, businesses, students, and many other borrowers. Right now, about $250 billion in direct loans and $450 billion in guaranteed loans are outstanding; an additional $450 billion has been lent by government-sponsored enterprises such as the Farm Credit System.

COSTLESS ASSISTANCE?

One reason why credit assistance is popular is that beneficiaries often claim (and governments sometimes pretend) that it is costless. Credit programs are not costless. They have two basic features of regular expenditures: a cost to the government and a benefit to recipients. The cost and benefit depend on the terms of the assistance and on the financial condition of the borrower. A loan provided at an interest rate below the government's own borrowing costs will be more expensive to taxpayers than one provided at the same rate; a guarantee that eventuates in default will cost more in public outlays than one which does not lead to government payment.

DIRECT LOANS

The Federal government issues more than $40 billion in direct loans each year. Unlike businesses, which count loans as assets, the Federal government budgets these loans as outlays. Thus, total budget outlays include new loans minus the repayment of old loans.

In recent years, Congress has installed a credit budget in an effort to control the amount of direct loans obligated each year. The credit budget process consists of two parts: (1) Each budget resolution adopted by Congress sets forth a total amount that may be obligated in direct loans during the fiscal year and allocates it among the various functions in the budget. (2) The amount of loans that may be obligated for particular programs is limited in appropriation bills. However, these limitations have not been effective in controlling credit programs where eligible persons have a legal right to borrow from the Treasury.

Direct loans usually provide a number of subsidies to borrowers, the largest of which usually derive from charging interest rates below market levels. Direct loans are also subsidized by deferring interest payments, waiving loan fees, allowing grace periods to borrowers who do not repay on time, and lending funds to high-risk borrowers who could not get commercial loans.

Although it is difficult to compute the subsidy value of these loans, the Office of Management and Budget (OMB) has estimated that they add up to about $8 billion a year. OMB has proposed a credit reform that would make the subsidy value of these loans explicit. The government would discontinue the practice of recording the face value of new loans as an outlay in the budget; instead, it would resell these loans to private investors, then charge the difference between the amount of the loans and the revenue from reselling them as a subsidy.

SALE OF LOAN PORTFOLIO

The Administration and Congress have also embarked on a plan to sell old loans as a means of reducing the budget deficit. The government plans to sell about $8 billion of loan assets in the 1987 fiscal year and $11 billion in the 1988 fiscal year. Since it is holding $250 billion in direct loans, the government could continue selling these loan assets for many years to come.

However, the sale of loans does not generate dollar-for-dollar deficit reduction. Inasmuch as most direct loans are subsidized, their market value is below their face value.

The Congressional Budget Office (CBO) has estimated that the $11 billion of loan assets proposed for sale in fiscal 1988 would bring in slightly more than $5 billion—less than 50 cents on the dollar.

USING LOANS TO REDUCE DEFICIT

The use of loan assets to reduce the reported deficit is controversial. For one thing, the impact on financial markets is similar to additional government borrowing; for another, the sale of these assets can worsen future deficits, because the government foregoes the future interest and principal repayment of the loan assets it sells. CBO has suggested that loan asset sales be treated as means of financing the deficit, not counted as revenues.

LOAN GUARANTEES

The Federal government guarantees upwards of $150 billion in loans each year, far more than it directly lends. In fact, the volume of guaranteed loans has soared in recent years while the amount of direct loans has declined. Unlike direct loans which, under current accounting practices, generate outlays and add to the deficit, guaranteed loans produce outlays only in case of default.

The growth in guarantees is partly due to financial pressures. When the budget is tight, the government has an incentive to provide assistance by means of guarantees which do not immediately raise outlays or the deficit. Nevertheless, loan guarantees have subsidy effects and influence capital markets. They allocate credit, favor some borrowers over others, and shift the risk from private lenders to taxpayers. OMB has estimated that loans guaranteed by the Federal government in fiscal 1986 had subsidies valued in excess of $10 billion. With government experiencing default rates as high as 20 percent in ship financing programs and an estimated 10 percent in certain guaranteed farm loans, more than $8 billion in guarantees were terminated for default in fiscal 1986.

When default occurs, the government has no effective control over the ensuing outlays. OMB has proposed to show the present value of the subsidy by purchasing commercial insurance for loans guaranteed by the government. The cost of the insurance would represent the value of the subsidy. In the short run, this insurance would add modestly to the budget deficit; but, presumably, it would lower long-term deficits by shifting the risk back to private insurers.

Direct and guaranteed loans are a legitimate means of providing assistance and they can be an efficient substitute for direct expenditures. But as long as their true cost is concealed in the budget, borrowers may be getting a free lunch for which the taxpayers have to pick up the bill.

BAIL REFORM ACT OF 1984

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. DIOGUARDI. Mr. Speaker, I rise in today in support of the May 26, 1987, Supreme Court decision upholding use of the Bail Reform Act of 1984. This Federal law allows the Government the right to detain an arrested criminal without bail if the judicial officer can demonstrate undeniably that the suspect poses a threat to the "safety of any other person and the community." Considerations for this decision include the nature and seriousness of the charges, the substantiality of the Government's evidence against the arrestee, the arrestee's background and characteristics, and the degree of danger posed by the release of the suspect.

Although some opponents of this decision feel that it is in violation of the fifth amendment that "No person shall * * * be deprived of life, liberty, or property, without due process of law," Chief Justice William H. Rehnquist declared that the decision is "regulatory in nature, and does not constitute punishment before trial." Rehnquist also said that this decision does not violate the provision in the eighth amendment that prohibits excessive bail since the amendment "says nothing about whether bail should be available at all." It is important to realize that Congress did not intend the pretrial detention to serve as a form of punishment before conviction. This preventive detention is intended to function as a precaution against possible danger posed for our citizens. No one who has been accused of a crime should be released on bail if he would be a dangerous threat to any other citizen. As the old saying goes, it is better to be safe than sorry.

If this decision protects the safety of one citizen who otherwise would have become the victim of a vicious criminal, then it has been a successful and worthwhile one. In this day and age, it is important to take measures such as this to let the American people know that our Nation is a safe place to live. I ask my colleagues to join me in congratulating the Supreme Court for taking this strong stance in regard to an issue that has plagued our society for too long.

MEMORIAL STATEMENT FOR SHERIFF JESSE STRIDER

HON. MIKE ESPY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. ESPY. Mr. Speaker, I would like to share these words about Sheriff Jesse "Big Daddy" Strider, of Grenada County, MS, who died Monday, June 29. Grenada County and the State of Mississippi have lost a dedicated law enforcement officer who has served with honor and compassion.

Sheriff Strider was well known throughout the county and he did justice to his name by more than his true size. His community leadership ability and 20 years as county sheriff led to his recent qualification to run for the State senate seat for the 15th district. He would have been an excellent candidate and senator.

A good friend to many, Sheriff Strider was good at his job and made it easy for people to work with him. He was supported by his wife, Ada, who was faithful as his partner and mother of their four children. Big Daddy was a loving father and a model public servant for many in Grenada.

Mr. Speaker, I am glad to share these words with my colleagues in remembrance of Sheriff Jesse "Big Daddy" Strider.

TWO HUNDRED YEARS AGO TODAY AT THE CONSTITUTIONAL CONVENTION (JULY 13)

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. SHARP. Mr. Speaker, the key to breaking the deadlock between the Southern delegates and their Northern counterparts on the issue of slavery seemed to be a compromise that had been suggested earlier in the Convention.

The Southern delegates favored considering slaves as inhabitants for the purposes of congressional representation while the Northern representatives believed that slaves should not be counted. At stake was control of the House of Representatives, which ultimately would be selected by population.

The compromise called for slaves to be worth three-fifths of other residents in deciding a State's population and in turn its representation in Congress. The "three-fifths compromise" as it became known, was a political solution to a political problem. Although it is unthinkable now, the moral implications of keeping slavery in the new Constitution did not play much of a role in the Convention debates.

HATE CRIME STATISTICS ARE NECESSARY AS TOOL TO BATTLE THE TERRORISM OF HATE CRIMES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. BIAGGI. Mr. Speaker, I would like to call to the attention of my colleagues an article which recently appeared in the New York Times, entitled "Lack of Figures on Racial Strife Fueling Dispute." This article highlights the need for legislation such as H.R. 993, which Congressman KENNELLY introduced, and which I have proudly cosponsored, which would require adequate and accurate statistics be kept on hate crimes.

In the past 3 years, only 3 of the almost 600 New York State Police agencies have recorded hate crime statistics. These three police agencies have reported 1,500 incidents of criminal activities motivated by racial or religous prejudice. In 1985, of the 595 reported complaints of hate crimes to these three agencies, 191 resulted in arrests. The time has come for us to address the scandal of hate crimes. In order to fight this problem however, it is critical that we have adequate and accurate statistics on hate crimes.

I am especially disturbed by the Anti-Defamation League of B'nai B'rith's annual report that the incidents of hate crime have increased dramatically among our youth. Combined with the reports of incidences on college campuses of racially motivated crimes, this presents a dismal picture of the tolerance of our youth. I urge my colleagues to read the following article, and to join me in seeking a solution to the travesty of hate crimes.

Lack of Figures On Racial Strife Fueling Dispute—Justice Department an Rights Groups Do not Agree

(By Lena Williams)

Washington, April 4. Underlying a debate that has been raging between Assistant Attorney General William Bradford Reynolds an civil rights advocates over whether racial violence in the country has increased lies a fact that neither side disputes: there are not reliable data on racial, religious and ethnic violence.

Mr. Reynolds, who heads the Justice Department's civil rights division, has repeatedly asserted that there has been no increase in overall racial violence despite highly publicized racial attacks in the Howard Beach section of Queens and Forsyth County, Georgia.

Civil rights groups say there is no evidence to back up Mr. Reynold's assertion. Indeed, they report that all available evidence collected on such matters indicates the opposite.

Justice Department officials said Mr. Reynolds had based his assertion on informal surveys of Federal prosecutors and on the number of civil rights complaints filed with the department.

RISE IN INCIDENTS REPORTED

Civil rights leaders countered that they, too, had relied on information supplied by the Justice Department through its Community Relations Service. The service found that the number of racial incidents reported to the Government rose to 276 last year from 99 in 1980.

But officials at the agency cautioned that their figures were only an aggregate count of the number of situations to which they respond in a given year.

Currently, no Government agency or private organization collects national data on incidents of racial, religious and ethnic violence. Moreover, only a handful of law-enforcement agencies keep records of incidents of violence motivated by hatred, although several major cities, including New York, have created special units to handle crimes motivated hatred.

In the absence of systematic nationwide data, there is no way to determine the level of hate-violence activity against members of minority groups, or whether the number of incidents has increased, decreased or stayed the same in recent years, according to statisticians.

"Without better data, no one can say with certainty whether violent racism is actually on the upswing or whether it is merely receiving more attention from social workers and the media alike," said Morris Dees, executive director of the Southern Poverty Law Center in Montgomery, Ala.

FILES REFLECT INCREASES

"Several major cities have recently reported increases," he added, "and our organization's files reflect an increase in major incidents in both 1985 and 1986 over 1984. But because those agencies which track incidents have begun to do so only in the last two or three years, it is difficult to characterize their current crop of statistics as either reliable or indicative of a trend."

The resulting confusion has fueled a debate both inside and outside Government, with civil rights groups accusing Reagan Administration officials of dismissing a series of recent racist incidents as isolated events, rather than developing an effective strategy to prevent such crimes.

"We know it exists whether we collect it or not," said Mary Frances Berry, a member of the United States Civil Rights Commission, speaking of racial violence. "Each time we reduce the discussion to the issue of statistics, we stop talking about the problem."

This year, for the third year in a row, a bill has been introduced in Congress that would require the Attorney General to collect and publish annual statistics on crimes motivated by racial, religious or ethnic hatred.

Col. Leonard Supenski of the Baltimore County Police Department, which has developed procedures for handling incidents and crimes motivated by hatred, was critical of the proposed legislation.

INCIDENTS WITHOUT CRIME

"One of the main problems with the bill is that it fails to include the collection of data on bigotry-related incidents that were not connected to a crime," Colonel Supenski said. "A large part of our incidents have nothing to do with a crime. Unless that point is cleared up, what you'll end up with is a lot of under-reporting or over-reporting of incidents."

Localities and private organizations that gather information on crimes motivated by hatred indicated that their numbers did not accurately reflect the nature of the problem, because the systems are imperfect and because of the difficulty in establishing bias as a motivating factor in an offense.

As a result, race-related assaults are often recorded simply as assaults, cross burnings are variously categorized as malicious mischief, vandalism or burning without a permit. Swastika paintings are often catalouged as graffiti incidents or mischief.

Alan M. Scwartz, director of the research and evaluation department for the Anti-Defamation League of B'nai B'rith, said the league had compiled and published an annual audit of anti-Semitic incidents since 1979. He said the league's experience highlighted the difficulties involved in compiling hate-crime statistics.

"Our audits have shown that the overwhelming majority of those arrested for bias crimes—more than 80 percent for a number of years—have been teen-agers acting on their own," said Mr. Schwartz. "Some police departments do not keep records of acts by juveniles as criminal offenses. This is understandable, but it also complicates the gathering of accurate statistics."

A TRIBUTE TO TRINITY EPISCOPAL CHURCH: 100 YEARS OF WORSHIP AND SERVICE IN THE CHURCH OF THE LIGHTED CROSSES IN BAY CITY, MI

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. TRAXLER. Mr. Speaker, I rise today to mark the centennial year of worship and service in Trinity Episcopal Church. Although Trinity has grown and changed over the years, the purpose has remained the same: To serve and to improve the lives of the people of the community.

Trinity was active in the community long before it built its church on its present sight in 1887. Trinity was conceived in the hearts of two heroic missionary priests of the Episcopal Church, the Reverend Daniel Brown, and the Reverend Voltaire Spalding, along with a small handfull of settlers who had come to settle on the banks of the Saginaw River. With the procurement of the Reverend V. Spalding to make regular visits and the perseverence of its members, the church slowly began to grow. It was on March 4, 1854, that the parish was organized under the name "Trinity Church, Lower Saginaw." For the first 2 months services were held in "the Ball Alley," then the new schoolhouse being completed. The church has grown steadily from those early days of just five communicants to 325 families today.

In addition to meeting the spirtual needs of its members today, Trinity is a hub of activity that provides many services to the community. Currently it provides facilities for daily senior citizens meals, which not only provide balanced and nutritious meals for the elderly but also fulfill a social function for these people. The church actively supports the counselling efforts of Alcoholics and Narcotics Anonymous programs. The church is also active in supporting various fundraising efforts for both local and overseas diocesan relief programs. Trinity Church also supports the Halfway Houses of Michigan Program which provides shelter to troubled and runaway youths. Trinity is also a member of the local Food Pantry which provides food to needy families and individuals in the community.

To grow in grace is to grow in service. As one recent Archbishop of Canterbury put it, "A church that lives to itself, dies to itself." Trinity has come to be known as a parish that opens its doors to the community. May it be said of Trinity today and 100 years from now, that it continues to be dedicated to the service of God and to its fellows, and that age has not dimmed its vision.

In its centennial year, Trinity Episcopal Church can look back at a past full of community service and look forward to a future shining with promise and growth. As a member of Trinity, I take pride in congratulating Trinity here today and ask that my colleagues join me in recognizing the anniversary of this church which has touched the lives of so many over the past 100 years.

COUNCIL ACT

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. DELLUMS. Mr. Speaker, the procedure for the House to follow in the 30-day layover of D.C. Council acts has been in the statutes since 1973 when Congress adopted the D.C. Home Rule Act and President Nixon signed it into law. The statute says clearly that Congress must act within 30 legislative days if it wants to prevent local laws from taking effect.

A year ago on June 16, 1986, when the gentleman from California, Mr. DANNEMEYER, introduced House Joint Resolution 663, he was following the correct procedure of introducing a resolution of disapproval during the 30 days after a council act is transmitted to the Speaker of the House and President of the Senate.

At that time the House committee also fulfilled its responsibility. We held a hearing on July 15, 1986. We heard testimony from Congressman DANNEMEYER and many other witnesses. That hearing has been printed and comes to 187 printed pages. The gentleman from California's testimony appears from page 13 to page 39.

After all the testimony was in, our Subcommittee on Fiscal Affairs and Health took a vote and decided 5 votes nay to 2 votes aye not to report the resolution to the full committee.

No further action was taken in the House or the Senate and as a result the Council Act became law on August 1986.

I understand that there is a court challenge to the Council Act pending. I am sure that many of the legal questions raised by the gentleman from California a year ago are being considered by the courts at this very time.

The new resolution of the gentleman is identical to the one considered by our committee a year ago and was introduced long after the 30-day congressional layover period. There is no way that our committee or the House can take any action on it.

We informed the gentleman of this in our letter to him on March 2, 1987.

WELCOME TO THE HAYNES FAMILY

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. DIXON. Mr. Speaker, it gives me great pleasure to welcome the Haynes family to the Washington, DC, area for their annual family reunion at the Sheraton Inn in Silver Spring, MD.

For 9 years now the Haynes family has been gathering together, old and young, to exchange news, welcome new family members and keep the ties of family strong. Several members of the family will be traveling from my district, the 28th of California, to be present for the occasion, including John W. Haynes, son of Mrs. Eudora Haynes, and his wife, Ella, of Los Angeles.

Best wishes to the Haynes family for a pleasant reunion and enjoyable stay in the Washington area.

DAN QUAYLE WARNS OF GROWING MISSILE THREAT

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. COURTER. Mr. Speaker, we are so accustomed in this country to thinking only of the ballistic missile threat posed by the Soviet Union that we overlook the growing ballistic missile capabilities of the emerging nuclear weapons states. DAN QUAYLE, a distinguished Member of the other body, has recently done us a service in this regard with his recent essay in the Washington Post.

The Quayle essay explores the expanding ballistic missile delivery capabilities of such emerging nuclear weapons states as Argentina, Brazil, Libya, South Africa, Taiwan, India, and Pakistan. The combination of nuclear weapons technology and ballistic missile capability, however crude, poses a worldwide threat to those countries, including the United States, which have no defenses whatsoever against ballistic missiles. QUAYLE recommends, and I heartily concur, that the United States and her allies must deploy antitactical ballistic missile defenses against these new threats. I commend the Quayle essay to my colleagues' attention:

MISSILE WOES

(By Dan Quayle)

Not all military threats are created equal. Some are publicized but unlikely. Others get scant attention but are quite real.

Take missile proliferation. Its most recent manifestations—the cruise missile attack against the USS Stark and the Chinese sale of Silkworm cruise missiles to Iran—are bad enough.

Yet worse may be in store; smaller nations are developing ballistic missiles, and some will soon export them.

The Senate Armed Services Committee got an early warning about this when it held hearings in April 1986 on the emerging tactical ballistic missile threat in Europe, Asia and the Middle East. At that session, I released a Congressional Research Service report detailing the spread of missile technology to the Third World. The report examined missile development programs in India, Brazil, Pakistan, Argentina, Israel, South Korea and Taiwan, as well as existing missile arsenals in Syria, Egypt, Iraq, Libya and North Korea.

That was a year ago. Now no fewer than six new, large military ballistic missile programs are under way—and Libya and South Africa have programs of their own. Specifically, since April 1986:

Argentina has successfully tested its first solid-fuel rocket and announced plans to mass produce a longer-range version in late 1987 capable of reaching the Falklands.

Brazil has revealed plans to flight test a theater ballistic missile in mid-1988. Developed for export by the firm Avibras, this missile would have characteristics identical to Soviet missiles now deployed in Europe and in the Middle East. A rival Brazilian firm, Engesa, has announced it will compete by extending the range of the ballistic missile it is now testing.

Libya has begun development of a tactical ballistic missile to replace the Soviet missiles it actually fired against Italy last year.

South Africa has announced plans to develop long-range military missiles by the firm Armscor.

Taiwan has begun development of a ballistic missile that could reach Canton, Shanghai and Nanking.

India has announced it will test a variety of tactical missiles and intercontinental-range rockets in 1987. Meanwhile, our exports of supercomputers and antenna equipment have been held up for fear that they might be used in India's military missile effort.

Pakistan has begun a rocket program of its own in response to India's activity.

These are the facts. The question is, what are we going to do about them?

Much was made earlier this year of the missile technology export control agreement President Reagan reached with Canada, France, Germany, Japan, Italy and Great Britain. In fact, this ban on specific dangerous missile technology exports was generally praised.

There's been silence, however, on just how far we intend to promote it diplomatically. Merely controlling the missile exports of our closest allies is hardly going to do the trick. The problem is much bigger. For starters, none of the smaller nations now developing military ballistic missiles is even covered by the accord. Nor are the two largest missile technology suppliers—the People's Republic of China and the Soviet Union. Getting all of these nations signed on should be priority No. 1.

Our second priority should be to implement the obligations we've taken on. Right now the United States has only two experienced full-time government people working missile proliferation export control issues. Yet at least 80 full-time people work on nuclear export controls and well over 250 on East-West technology export control. If we are serious about enforcing missile exports controls, comparable numbers of experienced staff must be hired to monitor missile activities.

These steps should buy us time. With time, three other things can be accomplished.

First, we need to renew our security assurances to some of the problem nations listed above. Taiwan, South Korea, Pakistan and Israel, in particular, need to recognize that they have more to gain from maintaining their security ties with the United States than from developing offensive ballistic missiles of their own. Second, we need to make it expensive for fledgling nations to have missile forces. We should make it very clear that their emerging missile forces will remain extremely vulnerable to highly precise, stealthy, conventional long-range cruise missiles unless they spend heavily for air defenses, missile hardening and mobile basing to protect them.

Finally, we need to develop anti-tactical missile defenses to protect our forces and allies abroad. The better these defenses are, the stronger we can make our alliances and the further we can reduce other nations' attraction to cruise or ballistic missiles as a quick, cheap way to increase their regional influence.

This last point is critical. So long as nations think they can make a quantum jump in military power easily by acquiring missiles, many will try. What we've got to do is make sure that missile technology is difficult, expensive and militarily counterproductive for them. If we don't, this technology will spread faster than we can cope with it—so fast that it will make our current crisis in the Persian Gulf the least of our missile woes.

VA EMPLOYEES VOICE STRONG SUPPORT FOR THEIR MEDICAL COMPUTER SYSTEM

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. MONTGOMERY. Mr. Speaker, a controversy over the effectiveness and cost of the

Veterans' Administration's medical computer system, known as the Decentralized Hospital Computer Program [DHCP] system, has arisen in the Congress. As chairman of the Committee on Veterans' Affairs, I have scheduled many oversight hearings on this important medical computer system over the past several years and the reports on its effectiveness and costs have been uniformly very positive.

Since our hearing of April 8, 1987, on this important subject, I have received many letters from veterans and Veterans' Administration employees in support of the DHCP.

I would like to share with my colleagues a copy of a letter which I received from Dr. Ralph S. Goldsmith, chief of staff at the VA Medical Center in San Francisco, CA, which demonstrates how the VA employees feel about "their" medical computer system.

The letter follows:

MARCH 23, 2987.

Hon. G.V. (SONNY) MONTGOMERY,
Chairman, Committee on Veteran's Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I have just learned of the possibility that funds for continuation and enhancement of the Veterans Administration's Decentralized Hospital Computer Program (DHCP) are at risk. As Chief of Staff at the San Francisco Veterans Administration Medical Center, I have more than a passing interest in this unwelcome development, and as a citizen I feel obliged to pass on to you my concern. I plead that this program not be dismantled or discontinued.

I can certainly appreciate, and in fact I applaud, your desire to help the Veterans Administration to have the best system at the lowest cost to meet the needs of the Medical Centers for management of information. It is only within the last few years that the VA has been able to enter the Information Age, and predictably the effect has been exceptionally salutary. Although we are still behind the private sector in some ways, we now can obtain prompt clinical and administrative data. For example, instead of depending on hand delivery of laboratory reports to each ward and to each clinic, physicians can obtain results directly from a video screen. Furthermore, they can quickly detect trends or changes from previous values because all data from each patient are displayed in a tabular format. This represents an enormous advantage for quality of care because each result is displayed on the screen as soon as the analysis is completed. In a similar fashion, the Pharmacy module permits each physician and pharmacist to see at a glance all the medications a patient may be receiving from different clinics and thus be alert for potential interactions between medications. On the administrative side, we now have the ability to schedule patients for clinic visits, to check eligibility, to manage scheduling of special tests such as X-ray procedures, and to monitor funds, personnel, and supplies. These represent only a few examples of what can be done now. All of the above may seem simple, but none could be accomplished satisfactorily before the DHCP. It would be a tragedy and a real blow to morale if our slow, but steady, advance were halted in the name of a better system to be obtained at some future date.

I urge, no matter what the long-term solution may be, that the DHCP not be terminated or prevented from progressing. I have not seen any detailed comparisons of the DHCP with other, commercially available hospital systems, but each such system must have strengths and weaknesses. While certainly far from perfect, the DHCP has been developed with the "blood, sweat, and tears"of many VA personnel. They have labored long and hard through Special Interest Users Groups to meet the expressed needs of our Medical Center staffs, have made corrections and changes as needed, and by and large they have succeeded.

I have not attempted to cover all aspects of our joy at having a DHCP, but I am sure you can gather that it has been welcomed greedily. Obviously, I hope that no change will be made unless there is a clear improvement in performance, cost, or both. If it appears that a change must occur, I hope that it will be possible to maintain and continue moderate enhancements to our existing system during the inevitably long and tortuous procurement process. In fact, it is absolutely essential that no obstruction to our current capability be imposed, or we risk both a serious morale problem and a potential impairment of our ability to provide high quality patient care. We are now dependent on the DHCP and cannot do without it until a new system is ready for full implementation. I urge that you assist the VA in these efforts.

If I may be of any service, such as by providing additional information or documentation, I shall be pleased to cooperate in any way possible.

Sincerely,

RALPH S. GOLDSMITH, M.D.

ONCE AGAIN, THE AV-8B IS A VITAL PART OF TODAY'S MARINE CORPS

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. SOLOMON. Mr. Speaker, on May 12 of this year, as this House debated the many crucial defense issues that now face our Nation, it was my honor and privilege to stand in support of the U.S. Marine Corps and its AV-8B Harrier II aircraft. As a former Marine, I am well aware of the front-line challenges that the Corps is always called upon to meet. As a Member of Congress, I am well aware also of the versatile and cost-effective capabilities of the AV-8B, an aircraft that is absolutely vital to today's Marine light attack force.

In further support of the continued procurement of this attack jet, I would like to offer the following editorial from the Vinikour Editorial Group for my colleague's consideration.

THE NEED IS IMMEDIATE, ASK ANY MARINE

After 75 years of technological innovation, the U.S. Marine Corps finally has found a reliable source of protection for the ground troops who serve as freedom's first line of defense. It would be a shame if political pressures reduce the opportunity to put this safeguard to work.

The AV-8B Harrier II attack jet has proven itself as the answer to the Marines' most pressing need in combat—fast, accurate close air support. With its ability to maneuver vertically, it's highly accurate weapons delivery system and its ease of maintenance, the AV-8B fills a longstanding need.

Fast and accurate close air support for its ground troops has been the dream of the Corps since the first Marine aviator cajoled a rickety Wright biplane into the air in 1912 and since pilots in open cockpits tossed bricks and hand grenades overboard during the early days of World War I. Later, World War II Leathernecks welcomed the help they received from Marine dive bombers that helped weaken enemy positions. And in Korea and Vietnam, air support became somewhat more dependable with the advent of jets, better radio equipment and missiles.

Yet, even as technologies in aviation, communication and weaponry developed, Marines on the ground continued to be plagued by two problems:

—Sometimes, the air-to-ground attack was inaccurate and as likely to hit friendly as enemy troops.

When help was needed, the need was immediate. Even the latest, fastest and most accurate planes require a long, conventional airstrip or aircraft carrier from which to operate. Landing strips and aircraft carriers cannot always be conveniently relocated close to the action. When Marines on the ground are under fire, minutes represent eternity—the difference between life and death. Even at supersonic speeds, conventional warplanes can arrive too late and with too little fuel to remain overhead and help the soldiers below.

The Harrier II—manufactured jointly by McDonnell Douglas of St. Louis and British Aerospace in England—is the first airplane that fills both needs adequately.

Like many of its contemporaries, the AV-8B includes a highly accurate bombing system that largely removes the threat of hitting friendly troops. A video camera or laser tracker in its nose locks its weapons onto the proper target.

What makes the AV-8B uniquely suited to the Marine's close air support mission is its vectored-thrust jets, which enable it to take off and land in an extremely short landing strip, or even vertically—operating like a helicopter. That means it can be moved in close to the ground troops, can be camouflaged easily, and can respond immediately. Precious fuel is saved because planes do not have to circle indefinitely while awaiting action and, in the process, telegraph intentions. Precious time is saved because the AV-8B can enter the action within moments of need—even from what for any other plane would be considered an inaccessible area

If it is attacked in the air, the AV-8B also can be a formidable weapon in its own defense. The AV-8B can practically stop in mid-air from near-supersonic speed. Quickly turning the pursuer into the pursued. And, it has four very accurate Sidewinder infrared air-to-air missiles and a 25mm cannon at the ready.

It can be refueled and maintained in the harshest of surroundings. Harsh surroundings, as a Marine can attest, are facts of military life, and few airplanes can coexist in the conditions that ground Marines always seem to be called upon to face. The AV-8B alone fills the bill.

U.S. Marines long have been recognized as the most valiant warriors in the toughest of jobs. They need the best available chance of survival and victory with fast, accurate air cover.

In this, Marine Corps aviation's 75th year, the Marines on the ground need the AV-8B overhead more than ever before. Because the only thing worse than having to fight a war is having to fight one unprepared.

TRIBUTE TO AN EXEMPLARY CITIZEN: MRS. ALMA LOVETT

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. FORD. Mr. Speaker, I rise today to give recognition to an outstanding citizen in my district of Memphis, TN. Her name is Alma Lovett and she is fighting in the front lines in the war against the distribution and destructive influence of drugs in public housing. Mrs. Lovett has gone beyond the minimum expectations of her responsibilities as president of the Fowler Holmes Tenant Association and put herself at risk for the sake of those children who are growing up in public housing.

The war against drugs, as we all know, is a vicious and brutal one, jeopardizing life, limb, and property. Mrs. Lovett has been subjected to threatening phone calls, bricks thrown through the windows of her home and car, as well as having her home shot-up. To achieve her goal of a drug-free, crime-free, healthy environment for the children in her neighborhood, Mrs. Lovett runs a daily lunch program and a neighborhood watch. Last month Mrs. Lovett lead 200 people in a march on City Hall demanding miniprecincts in inner-city developments and the assignment of officers to patrol the public housing facilities.

We, as Congressmen, must be inspired by Mrs. Lovett, and the many dedicated Americans like her, who did not wait for the laws to change or for someone else to lead the way. Instead, she took her beliefs into her own hands and is making a positive difference in her community. It is our responsiblity in the Congress to support the efforts of those like Mrs. Lovett with meaningful drug laws and funds for enforcement so that the Mrs. Lovetts in our land will not have to fight alone.

I would like the accompanying article from my hometown newspaper, the Memphis Commercial Appeal, highlighting Mrs. Lovett's courage to be printed in the RECORD.

[From the Commercial Appeal, Memphis, Tenn., July 1, 1987]

"GENERAL" IN WAR ON DRUGS COUNTING ON FOOT SOLDIERS

(By Peggy McCollough)

Alma Lovett opened milk cartons, patted small heads, and wiped potato salad from the soft, brown faces of toddlers.

It was noontime at Fowler Homes, and Mrs. Lovett had on the soft face she wears when she supervises a free lunch program for the children of public housing.

But she has a hard face, too, a face she's wearing more and more as she commands a escalating "war on drugs" in the city's 23 housing developments.

Yesterday, she announced plans for a new offensive: 24-hour walking patrols by housing project residents with the guts to go face-to-face with drug dealers, vandals and other dangerous types.

Mrs. Lovett, who has lived in Fowler Homes at Crump and Fourth for 16 years, is president of the City-Wide Memphis Housing Authority Resident Council Inc.

That's the group, representing all 23 housing developments, that she led in last month's march to City Hall to call attention to the drug and crime problems in public housing.

"I guess the thing that really ticked me off was we could see that so many children were hooked on drugs and we were seeing what was happening to them," said Mrs. Lovett, president of the Fowler Homes tenant association for 12 years.

"A lot of kids were getting thrown out of school, or they were leaving school, more or less, on their own because they didn't want to go. Drugs kept them out of school . . . They were killing each other. The older people were afraid.

"A lot of our residents had called me and said, 'You have got to do something about these things. I am tired. I am scared.' "

So she staged last month's march, which drew 200 people to a rally in front of City Hall. But it failed to win concessions the residents wanted from the city and Police Department. Specifically, they wanted the police to place "miniprecincts" in inner-city developments and assign officers to walking patrols in the projects.

Mayor Dick Hackett said he could not commit the manpower, so now Mrs. Lovett says she and others in her group intend to do it themselves.

The 24-hour patrols will begin in September in inner-city developments, and eventually will be organized in others, Mrs. Lovett said.

The residents plan to have a base in each development and will appeal to businesses to provide money to buy walkie-talkies for the patrols, which will be made up of four to six residents, she said.

The Council also plans to meet with Sheriff's Department officials about providing training for patrol members, Lt. Joe Ball, director of crime prevention for the Sheriff's Department, said. "The only thing we would train them in is to be the eyes and ears of the police.

"We would probably give them the same training as our regular neighborhood watch groups. We have been anticipating that she would call us to set up neighborhood watch in all the (public housing) properties."

The watch patrols will not carry weapons or try to physically stop crimes, Mrs. Lovett said. They would report crimes they witness and counsel residents involved in illegal activity.

"They will let them know they are out there to see what is going on and if they see it (a crime), of course it is going to be reported."

Only about half of the resident association presidents fully support the council's fight against crime, Mrs. Lovett said. But, she said, "I am gaining support."

The others are fearful of reprisals, she said. "We have a lot of presidents who I think would be more vocal, but they are just afraid.

"They are afraid for themselves and they are afraid for the families. I am afraid too," she admitted.

Since she began speaking out against drug pushers and reporting them. "I've been threatened, I've had phone calls. I've had bricks thrown in my car, bricks thrown in my house. My windows were shot out in my house.

"I try not to let that stop me," she said.

"I have got to make things better, not only for my family," said the 49-year-old mother of six children, all grown. "There are so many children here and they (criminals) are just running rampant.

"You almost have to forget about yourself: Take yourself out of the picture and start looking at the kids that are coming up here like the kids here."

She motioned toward the children eating the government-provided lunch at the Fowler Homes community building. Before lunch was over, she would supervise the feeding of 240 children.

"This is my daily job," she said. "I want to see the kids have something different. I want to see them fed.

"I don't want to see them on drugs. I don't want to see the drug pushers in the development.

"And when I hear about the drug pushers in the development it burns me up. And eventually, we are going to get rid of them."

PERSONAL EXPLANATION

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. DIOGUARDI. Mr. Speaker, I rise to state for the record that on Monday, July 13, I was unavoidably absent for votes on the transportation appropriations bill due to an important meeting that I had scheduled several weeks earlier with constituents in my district.

Close to 1,000 residents of Armonk, NY, attended this meeting to express their views on a development proposal made by the U.S. Postal Service that would change the entire complexion of their community and significantly impact their lives.

TWO HUNDRED YEARS AGO TODAY AT THE CONSTITUTIONAL CONVENTION (JULY 14)

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. SHARP. Mr. Speaker, after more than a week of debate, a vote was called on the highly controversial proposal that would base representation in the House of Representatives on population and give each State equal representation in the Senate.

The so-called Connecticut Compromise tried to bridge the differences between the larger States, which wanted their size to be reflected in the Congress, and the smaller States which worried about being swallowed up in the new Government.

On July 14, 1787, the delegates spent one last day haggling over the package. A Virginia delegate, for example, offered an amendment proposing that States of Virginia's size deserved at least one more Senator than tiny Rhode Island or Delaware.

The attempt failed and the delegates adjourned until Monday's final vote.

FAREWELL TO FERNANDO TORRES GIL, STAFF DIRECTOR, HOUSE SELECT COMMITTEE ON AGING

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. BIAGGI. Mr. Speaker, it is with mixed emotions that I rise to pay tribute to a valuable member of the House Select Committee on Aging's staff, its staff director, Dr. Fernando Torres Gil. Fernando, who has served as staff director the past 2 years, is moving back to Los Angeles, where he will once again take up the position as assistant professor of gerontology and public administration at the University of Southern California. I say mixed emotions because Fernando will be sorely missed on the committee staff. He has been an extremely capable and committed individual during his tenure, and he has brought to the committee a unique perspective of one who has effectively blended the knowledge that comes from academia with practical experience. Yet, I bid goodbye to Fernando with also a bit of gladness that he will be once again pursuing his personal careeer goal and that although he may be 3,000 miles away from us, he will continue to contribute to the committee's work and the field of aging.

As an original member of the House Select Committee on Aging, I have had the direct benefit of Fernando's expertise. His long time record as an advocate for senior rights and as an activist in shaping aging policy combined with a high standard of quality and professionalism brought a spirit to the committee unlike any we have ever seen. He has always been highly accessible to me and to my staff, whether it be for legislative or administrative purposes, and for that I am deeply grateful.

I would like to wish Fernando Torres Gil all the best as he returns to southern California. I hope he knows he leaves behind a myriad of friends and admirers. I am proud to count myself among that group.

IRAN-CONTRA AND THE LIBERAL LEFT'S EFFORT TO DESTROY AMERICAN SECURITY

HON. DONALD E. "BUZ" LUKENS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. DONALD E. LUKENS. Mr. Speaker, I rise today to comment on the Iran-Contra hearings and the liberal left's obsession with trying to destroy President Reagan, and in the process, abandon the freedom fighters in Central America and destroy American security.

The Iran-Contra Committee's action this past week has revealed the liberal left's intention to get Reagan and therein allow the Communists to consolidate power in Nicaragua by abandoning the freedom fighters. This scheme was revealed when members of the committee successfully blocked Lieutenant Colonel North's slide show on Central America and the Soviet beachhead being established there.

For 6 months Members of Congress have taken potshots at Lieutenant Colonel North. Why won't he talk? Why won't he tell the complete story? Why won't he tell the complete story so the American people can learn all the facts?

But what happened when Lieutenant Colonel North offered to show his now famous slide show on the Communist takeover and buildup in Nicaragua? The liberal left did not want them shown. Why? What were they afraid of? Where were all the liberals that have been demanding that the American people need to learn all the facts?

What the liberal left did not want America to see was the billions of dollars of Soviet and Cuban military supplies in Nicaragua—the Soviet helicopters, guns and ammunition, and the thousands of Soviet, Cuban, Bulgarian, and East German Communist military advisers. What has been revealed is the liberal left's attempt to keep the buildup of Soviet military power in Central America from being shown to the American people, and they don't like it. The liberal left has been exposed this past week and the American public is awakening to the threat of communism in Central America and the liberal left's attempt to abandon the freedom fighters.

It is unfortunate that the left would allow communism to consolidate its power in Central America in an effort to tear down President Reagan, but that is what it is trying to do. Why are they doing this? It's politics, plain and simple. They want to destroy President Reagan and gain a political advantage and an upper hand in the 1988 elections. However, this effort by the liberals is not without precedence. Former White House speechwriter, Ray Price, has written an article which outlines the left's efforts in recent history to attempt to tear down a President, and therein threaten national security, in an attempt to gain political advantage. The article, which I am submitting for the RECORD, appeared in the New York Times on Sunday, July 12. This article goes to the heart of the Iran-Contra hearings and the liberals efforts to undermine our national security.

[From the New York Times, July 12, 1987]

THE IRAN-CONTRA HEARINGS: NEEDLESS MUCK

(By Raymond Price)

A visitor from Mars—or from Europe—who tuned in the Iran-contra hearings might well wonder what on earth is going on here. What's the purpose? Why is the nation being put through this particular wringer by all these sanctimonious and solemn members of the House and Senate, with their hundreds of staff aides and lawyers and investigators and press-release writers, not to mention the armies of jostling reporters and cameramen and technicians and producers?

Is it really to find out what went wrong in the botched Iran initiative and in the use of funds from it to keep Nicaragua's democratic resistance alive? If anyone really believes that I'll quote him a terrific price on the Brooklyn Bridge.

If Congress's real concern were to learn the facts, it would have had the inquiry conducted behind closed doors by a subcommittee. That's what you do if you're serious about substance. But if your aim is political theater and you think you may have the makings of a hit daytime soap opera, then you stage a TV spectacular.

There are two answers to the question of why; oppportunism and fear. Opportunism by the President's opponents in Congress, who see a vulnerability and are out to exploit it to the hilt; fear by the Administration itself and its Congressional supporters that if they show any less public enthusiasm than the Democrats for "getting at the truth," whatever the cost, they will be pilloried by the heavy-breathing news media and die the political death of a thousand cameras.

The business of Congress is politics. In a television age, politics is public theater, and anything that can lure the cameras of every network to a Conrgressional hearing room, pre-empt regular programming and dominate the evening news is box office boffo. Anyone who forgets these propositions risks missing the essence of the Iran-contras hearings.

Setting aside the entertainment value, what are we as a nation getting out of it?

We're getting the compromise of intelligence sources and methods. We're getting an international spectacle of America's characteristically obsessive capacity for self-immolation. We're getting dismay among friends and allies, and an object lesson for anyone who might be tempted to cooperate with us on sensitive matters on why it's lethally hazardous even to consider doing so. We're getting the distraction of already overburdened policy makers from their primary duties for months on end.

We're also getting a sapping of the President's—and therefore the nation's—ability to deal with real and immediate crises from the Persian Gulf to the trade wars, and with issues as crucial to the long-term future of the West as the defense of Europe and arms negotiations with the Soviet Union.

And if the left succeeds in torpedoing the Administration's efforts to keep the democratic resistance in Nicaragua alive, we risk the loss of Central America and an aggressively expanding Soviet foothold on the mainland of the Western Hemisphere.

It's no coincidence that the Iran-contra issue became a Congressional obsession almost the moment the Democrats regained control of the Senate in last year's elections.

Theatrical hearings designed to lay bare the sins of the executive branch occur when, and only when, one party controls Congress and another holds the White House. In recent decades, Congress has been essentially a Democratic fiefdom.

Thus, we have had such hearings in the Nixon and Ford Administrations (in the Ford years, a grandstanding Senate committee virtually destroyed the Central Intelligence Agency as an effective instrument of United States policy), and in the last two years of the Reagan Administration, but not in the Kennedy, Johnson or Carter Administrations.

Nor did we have them in the six Reagan years when the Democrats controlled only one house of Congress and still feared his political clout.

The purpose of the present exercise is to damage, and if possible destroy, another Republican President on the eve of a Presidential election. If this undermines the nation as well, that's the way the cookie crumbles. After all, politics is hardball.

However, as Lieut. Col. Oliver L. North correctly put it, "Ours is a nation at risk in a dangerous world." Our adversaries do not play by Marquis of Queenberry rules, nor do they routinely have their guts ripped open and spilled out on the table by Congressional committees determined that nothing shall ever be done in secret, or in private—except, of course, by Congress, which allows no intrusion on its own privacy except by its own consent.

In his statement summing up the first phase of the hearing, the chairman of the House Select Committee, Lee Hamilton, put as the first of his "several questions and concerns" that "our Government cannot function cloaked in secrecy."

Wrong, and if the chairman of a committee dealing with covert activities really believes this, we're in deep trouble.

In sensitive foreign policy matters, secrecy—another word for privacy—is the first essential. And unless covert actions can be carried on covertly, the United States will have one arm tied behind its back in a deadly serious struggle in that no-man's-land between peace and war.

With Congress behaving the way it does, we need more shredders, not fewer. It's not just a matter of preventing "disclosure" of sensitive information. It's also a matter of preventing abuse and distortion—with armloads of documents whooshed up to Capitol Hill, sifted, sorted and then those tidbits that might be perfectly innocent in context but look appalling out of context selectively leaked to an eagerly waiting press. The process not only produces the intended political embarrassment; it also chills discussion, erodes trust, works immense personal hardship on innocent individuals and causes diplomatic havoc.

The rape of privacy serves the interests of the news media and titillates the curious, but it cripples even the most upright government.

The United States has got to learn to act like a great power. The world's future depends on it. The nation's safety depends on it. We cannot do this as a house divided and at war with itself.

As long as Congress keeps dragging us down into the muck of its own pettifogging quest for political advantage, we cannot and will not be able to act as the times require. It's as simple as that and as serious as that.

STATEMENT OF CHAIRMAN LEE HAMILTON AT THE CONCLUSION OF TESTIMONY BY LT. COL. OLIVER NORTH BEFORE THE COMMITTEES TO INVESTIGATE THE IRAN-CONTRA AFFAIR

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. LANTOS. Mr. Speaker, as a colleague and as a friend of Congressman Lee Hamilton, it gives me a great deal of pride and pleasure to place in the Record his thoughtful and statesmanlike statement at the conclusion of Lt. Col. Oliver North's testimony before the House and Senate Select committees to investigate covert arms transactions with Iran.

The statement of Chairman Hamilton highlights the heavy cost that we as a nation have paid for the inexcusable policy of this administration to sell arms to Iran and the willingness of members of this administration—at the highest levels—to circumvent the constitutional procedures of our Government.

Chairman Hamilton's statement fully reflects my views on this critical matter. This statement should be read and thoughtfully considered by all Americans who value the privilege of living in our free and open society.

The article follows:

Representative Hamilton: Closing Remarks

(Following is a transcript of remarks by Rep. Lee H. Hamilton (D-Ind.), at the close of testimony by Lt. Col. Oliver L. North. Hamilton is chairman of the House select committee investigating the Iran-contra affair.)

Mr. Chairman, may I express to you my personal appreciation for the manner in which you have presided over these committees these last several days. You've had some rather difficult moments. I think you have been firm and fair, and you have kept these proceedings moving along, and all of us are most grateful to you. Now Col. North, let me join with others in expressing my appreciation to you for your testimony. And as the chairman has indicated, I will use my time just to give you some of my impressions.

I recognize that a president and those carrying out his policies sometimes face agonizing choices, and you've had more than your share of them. I've never for a moment, over the years that I have known you, doubted your good intentions to free hostages, to seek democracy in Nicaragua, to fight communism and to advance the best interests of the nation. And for many in this country, I think the pursuit of such worthy objectives is enough in itself, or in themselves, and exonerate you and any others from all mistakes. Yet what strikes me is that despite your very good intentions, you were a participant in actions which catapulted a president into the most serious crisis of his presidency, drove the Congress of the United States to launch an unprecedented investigation, and I think probably damaged the cause, or the causes that you sought to promote. It is not my task, and it is not the task of these committees, to judge you. As others have said, we're here to learn what went wrong, what caused the mistakes, and what we can do to correct them. And the appropriate standard for these committees is whether we understand the facts better because of your testimony, and I think we do, and we're grateful to you.

In your opening statement you said that these hearings have caused serious damage to our national interests. But I wonder whether the damage has been caused by these hearings or by the acts which prompted these hearings. I wonder whether you would have the Congress do nothing after it has been lied to and misled and ignored. Would we in the Congress then be true to our constitutional responsibilities? Is it better under our system to ignore misdeeds or to investigate them behind closed doors, as some have suggested? Or is it better to bring them into the open and try to learn from them? I submit that we are truer to our Constitution if we choose the latter course.

These committees, of course, build on the work of other committees, and I think that work is part of our constitutional system of checks and balances. There are many parts of your testimony that I agree with. I agree with you that these committees must be careful not to cripple the president. I agree with you that our government needs the capability to carry out covert actions.

During my six years on the Intelligence Committeee, over 90 percent of the covert actions that were recommended to us by the president were supported and approved. And only the large-scale paramilitary operations, which really could not be kept secret, were challenged. I agree with you, when you said in your opening statement, that you're caught in a struggle between the Congress and the president over the direction of American foreign policy, and that most certainly is not your fault. And I agree with you, that the Congress, whose record in all of this is certainly not unblemished, also must be accountable for its actions.

Now let me tell you what bothers me. I want to talk about two things, first policy, and then process. Chairman Inouye has correctly said that the business of these Select Committees is not policy, and I agree with him, but you made such an eloquent and impassioned statement about policy, that I wanted to comment. I am very troubled by your defense of secret arms sales to Iran. There's no disagreement about the strategic importance of Iran or the desirability of an opening to Iran. My concern is with the means employed to achieve those objectives.

The president has acknowledged that his policy, as implemented, was an arms-for-hostage policy. And selling arms to Iran in secret was, to put it simply, bad policy. The policy contradicted and undermined long-held, often articulated, widely supported public policies in the United States. It repudiated U.S. policy to make no concessions to terrorists, to remain in the [Persian] Gulf war, and to stop arms sales to Iran. We sold arms to a nation officially designated by our government as a terrorist state. This secret policy of selling arms to Iran damaged U.S. credibility.

A great power cannot base its policy on an untruth without a loss of credibility. Friendly governments were deceived about what we were doing. You spoke about the credibility of U.S. policy in Central America, and you were right about that, but in the Middle East, mutual trust with some friends was damaged, even shattered.

The policy of arms for hostages sent a clear message to the states of the Persian Gulf, and that message was that the United States is helping Iran in its war effort, and making an accommodation with the Iranian revolution, and Iran's neighbors should do the same. The policy provided the Soviets an opportunity they have now grasped, with which we are struggling to deal. The policy achieved none of the goals it sought. The ayatollah [Ruhollah Khomeini] got his arms, more Americans are held hostage today than when this policy began, subversion of U.S. interests throughout the region by Iran continues. Moderates in Iran, if any there were, did not come forward. . . . Today, those moderates are showing fidelity to the Iranian revolution by leading the charge against the United States in the Persian Gulf. In brief, the policy of selling arms to Iran, in my view at least, simply cannot be defended as in the interests of the United States. There were and there are other means to achieve that opening which should have been used.

Now let me comment on process as well, first with regard to covert actions. You and I agree that covert actions pose very special problems for a democracy. It is, as you said, a dangerous world, and we must be able to conduct covert actions, as every member of this panel has said. But it is contrary to all that we know about democracy to have no checks and balances on them. We've established a lawful procedure to handle covert actions. It's not perfect by any means, but it works reasonably well. In this instance, those procedures were ignored. There was no presidential finding in one case, and a retroactive finding in another. The intelligence committees of the Congress were not informed, and they were lied to. Foreign policies were created and carried out by a tiny circle of persons, apparently without the involvement of even some of the highest officials of our government.

The administration tried to do secretly what the Congress sought to prevent it from doing. The administration did secretly what it claimed to all the world it was not doing. Covert action should always be used to supplement, not to contradict, our foreign policy. It should be consistent with our public policies. It should not be used to impose a foreign policy on the American people which they do not support.

Mr. McFarlane was right. He told these committees it was clearly unwise to rely on covert action as the core of our policy. And as you noted in your testimony, and I agree with you, it would have been a better course to continue to seek contra funding through open debate. You have spoken with compelling eloquence about the Reagan Doctrine. And laudable as that doctrine may be, it will not succeed unless it has the support of the Congress and the American people.

Secondly, with regard to process, let me talk about accountability. What I find lacking about the events as you have described them is accountability. Who was responsible for these policies, for beginning them, for controlling them, for terminating them? You have said that you assumed you were acting on the authority of the president. I don't doubt your word, sir. But we have no evidence of his approval. The president says he did not know that the National Security Council staff was helping the contras. You thought he knew. And you engaged in such activities with extraordinary energy.

You do not recall what happened to the five documents on the diversion of funds to the contras. Those documents radically changed American policy. They are probably, I would think, the most important documents you have written. Yet you don't recall whether they were returned to you, and you don't recall whether they were destroyed, as I recall your testimony.

There's no accountability for an $8 million account earned from the sale of U.S. government property. There is no accountability for a quarter of a million dollars available to you. You say you never took a penny. I believe you. But we have no records to support or to contradict what you say. Indeed, most of the important records concerning these events have been destroyed.

Your testimony points up confusion throughout the foreign policymaking process. You've testified that [the late CIA] Director [William J.] Casey sought to create an on-the-shelf, self-sustaining, stand-alone entity to carry out covert actions—apparently without the knowledge of other high officials in government. You've testified that was an unclear commitment to Israel concerning replenishment of missiles to Iran. You've testified that it's never been U.S. policy not to negotiate with terrorists. Yet the president has said the opposite—that we will never negotiate with terrorists. You have testified that a lot of people were willing to go along with what we were doing, hoping against hope that it would succeed and willing to walk away when it failed. Now my guess is, that's a pretty accurate description of what happened. But it's not the way to run a government. Secret operations should pass a sufficient test of accountability. And these secret operations did not pass that test. There was a lack of accountability for funds and for policy, and responsibility rests with the president. If he did not know of your highly significant activities done in his name, then he should have, and we'll obviously have to ask [former national security adviser] Adm. [John M.] Poindexter some questions.

Now the next point with regard to process relates to your attitude toward the Congress. As you would expect, I'm bothered by your comments about the Congress. You show very little appreciation for its role in the foreign policy process. You acknowledge that you were "erroneous, misleading, evasive and wrong" in your testimony to the Congress. I appreciate, sir, that honesty can be hard in the conduct of government. But I am impressed that policy was driven by a series of lies—lies to the Iranians, lies to the Central Intelligence Agency, lies to the attorney general, lies to our friends and allies, lies to the Congress, and lies to the American people. So often during these hearings—not just during your testimony, but others as well, I have been reminded of President Thomas Jefferson's statement: "The whole art of government consists in the art of being honest."

Your experience has been in the executive branch, and mine has been in the Congress. Inevitably our perspectives will differ. . . . You said on the first day of your testimony, and I quote, "I didn't want to show Congress a single word on this whole thing." I do not see how your attitude can be reconciled with the Constitution of the United States. I often find in the executive branch, in this administration as well as others, a view that the Congress is not a partner, but an adversary. The Constitution grants foreign policymaking powers to both the president and the Congress, and our foreign policy cannot succeed unless they work together. You blame the Congress as if the restrictions it approved were the cause of mistakes by the administration, yet congressional restrictions in the case of Nicaragua, if the polls are accurate, reflected the majority of the American people. In any case, I think you and I would agree that there is insufficient consensus on policy in Nicaragua. Public opinion is deeply divided. And the task of leadership, it seems to me, is to build public support for policy. If that burden of leadership is not met, secret policies cannot succeed over the long term.

The fourth point with regard to process relates to means and ends. As I understand your testimony, you did what you did because those were your orders and because you believed it was for a good cause. . . . The means employed were a profound threat to the democratic process. A democratic government, as I understand it, is not a solution, but it's a way of seeking solutions. It's not a government devoted to a particular objective, but a form of government which specifies means and methods of achieving objectives. Methods and means are what this country are all about. We subvert our democratic process to bring about a desired end, no matter how strongly we may believe in that end. We've weakened our country and we have not strengthened it.

A few do not know what is better for Americans than Americans know themselves. If I understand our government correctly, no small group of people, no matter how important, no matter how well-intentioned they may be, should be trusted to determine policy. As President [James] Madison said, "Trust should be placed not in a few, but in a number of hands."

Let me conclude. Your opening statement made the analogy to a baseball game. You said the playing field here was uneven and the Congress would declare itself the winner. I understand your sentiments, but may I suggest that we are not engaged in a game with winners and losers. That approach, if I may say so, is self-serving and ultimately self-defeating. We all lost. The interests of the United States have been damaged by what happened. This country cannot be run effectively [when] . . . major foreign policies are formulated by only a few and are made and carried out in secret, and when public officials lie to other nations and to each other. One purpose of these hearings is to change that. The self-cleansing process, the Tower commission and these joint hearings and the report which will follow, are all part, we hope, of a process to reinvigorate and restore our system of government.

I don't have any doubt at all, Col. North, that you are a patriot. There are many patriots, fortunately, and many forms of patriotism. For you, perhaps, patriotism rested in the conduct of deeds, some requiring great personal courage, to free hostages and fight communism. And those of us who pursue public service with less risk to our physical well-being admire such courage. But there's another form of patriotism, which is unique to democracy. It resides in those who have a deep respect for the rule of law and faith in America's democratic traditions. To uphold our Constitution requires not the exceptional efforts of the few, but the confidence and the trust and the work of the many. Democracy has its frustrations. You've experienced some of them, but we, you and I, know of no better system of government. And when that democratic process is subverted, we risk all that we cherish. I thank you, sir, for your testimony, and I wish you and I wish your family well.

THE AIDS EPIDEMIC

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. WAXMAN. Mr. Speaker, few issues have generated as much concern as the recent epidemic of acquired immune deficiency syndrome, or AIDS. The Subcommittee on Health and the Environment has held a number of hearings—on topics ranging from research budgets to health care costs. The first hearing was held in April 1982, when there were approximately 300 known cases. To date we have held over a dozen hearings on AIDS or AIDS-related issues and there have been almost 40,000 cases in the United States.

Recently much debate has been generated about the usefulness of AIDS antibody testing as an element in AIDS control. As part of its important study, Confronting AIDS, the National Academy of Sciences has made recommendations regarding counseling and testing. The Centers for Disease Control has also done an exhaustive analysis of the role of counseling and testing in slowing the spread of the disease. I encourage all Members to read these studies and to consider the policies suggested by these expert organizations.

More recently, the American Medical Association has made a series of recommendations regarding AIDS policy and has directly confronted the testing controversies. I have included a recent letter from the AMA summarizing the basic points of its resolution.

I have been working with medical and public health experts and professional groups to put together legislation to provide a framework for a large Federal counseling and testing initiative. All agree that testing is only useful as an adjunct to counseling, that testing without counseling is not only useless but dangerous.

All also agree that the chief function of counseling and testing is to lead to changes in sexual and drug behavior. All have concluded that if such a program is to be effective, it must include Federal protections of confidentiality of counseling and testing records and Federal protections against discrimination against people who test positive. Simply put, if we want people to volunteer to be tested for AIDS, we must reassure them that their names will not appear in the newspaper and that they will not lose their jobs.

I have worked with a number of Members of House and Senate of both parties. I hope that this legislation will be introduced shortly as a bipartisan effort in both Houses and that we can proceed to adopt those measures recommended by the all public health and medical authorities.

AMERICAN MEDICAL ASSOCIATION,
Chicago, IL, July 2, 1987.

Hon. HENRY A. WAXMAN,
U.S. House of Representatives, Washington, DC.

DEAR REPRESENTATIVE WAXMAN: One of the more compelling issues dealt with at the recent AMA Annual Meeting concerned the control and prevention of AIDS, the infectious illness that already has claimed more than 20,000 lives in the United States. We are forwarding the report adopted by the AMA hoping that it will aid Congress in its deliberations revolving around the many difficulties presented by the AIDS crisis. This is an interim report. As new facts and other information become available, we will update our findings and make them available to you.

While great public attention was focused on the question of mandatory versus voluntary testing to identify persons carrying the AIDS virus, much of the AMA's report is devoted to blocking transmission of the virus through well devised public education programs.

Among recommendations adopted by the AMA House of Delegates were mandatory HIV tests for the following groups: Military personnel, prison inmates, immigrants, and blood and organ donors.

Voluntary testing, with informed consent, was recommended for: Patients at sexually transmitted disease clinics, patients at drug abuse clinics, pregnant women in high risk areas, individuals from high AIDS incidence areas, or who engage in high risk behavior, seeking family planning services, and patients from high incidence areas, or who engage in high risk behavior, requiring surgical or other invasive procedures.

As a matter of medical judgment, physicians should encourage voluntary HIV testing for individuals whose history of clinical status warrant this measure.

In addition, AMA Delegates recommend that AIDS seropositive individuals should be reported to appropriate public health officials on an anonymous or confidential basis, with sufficient information to be epidemiologically significant. Also recommended was counselling to prevent spread of the disease, altering sexual contacts, and strategies for health protection with a compromised immune system.

The enclosed report is one of a series developed by AMA's councils for presentation to the policy-making House of Delegates. Adopted by the House last week, the report now represents an official AMA policy. Further reports, offering updates to the AIDS information base, will be prepared for the Association's Interim and Annual meetings, held in December and June of each year.

A more complete report of this year's annual meeting will follow soon. In addition to AIDS, the AMA considered approximately 200 resolutions and reports, including those on limitations of tobacco use, seat belt use in public vehicles, and on issues in employee drug testing.

Sincerely,
JAMES H. SAMMONS, M.D.

THE SECRETARY OF THE NAVY'S MEMORIAL DAY SPEECH

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. SKELTON. Mr. Speaker, recently I had the opportunity to read the Secretary of the Navy's Arlington National Cemetery address, delivered on May 25, 1987. It was an excellent message on that special day of remembrance.

Secretary James Webb's address is as follows:

Ladies and gentlemen, it is an honor to be among you on this very special day of remembrance. It is a tribute to all who have ever served our country that so many of you chose to gather in this historic place and collectively honor our fallen comrades from so many battlefields in too many wars.

The ceremony at the Tomb of the Unknown Soldier is, I think, the most touching and appropriate way of remembering sacrifice that one can imagine. By honoring these nameless Americans whose branch of military service we do not know, whose unit we cannot discern, whose rank and whose manner of death will always remain a mystery, we honor the greatness of the sacrifice of all Americans who have faced terror and died young so that others might live in peace.

Listening to my friend Pete Joannides read General John Logan's General Order which created Decoration Day filled me with mixed emotions, which as a Son of the Confederacy, it always has, but it also gave me an appreciation for the paradox that so often attends the aftermath of war. General Logan had in mind a day that would honor the soldiers of the Union after the War Between the States. We continue to carry out his custom, properly broadened, on the family grounds of the most revered soldier of the Confederacy.

And how ironic it must have seemed in 1950, when in May the Congress passed a law asking the President to proclaim Memorial Day a day of prayer for permanent peace, and then scarcely a month later our soldiers were dying on the battlefields of Korea. And that irony continues. Every year on this day, we pray for permanent peace, and yet we know, even as we pray, that the time given us on this earth has been, at its most optimistic, one of volatility and frequent violence. The events of only a week ago tragically remind us of this, but so do many, many others. While the major powers have avoided direct confrontation throughout my lifetime, more than 100,000 Americans have given their lives in other places, the blood of our young citizens continuing to remind us that we cannot avoid the world's problems and at the same time hope that they will go away.

And on this day when we remember the valiant dead from the battlefields that scar our history, we also should contemplate what it has been, exactly, that Americans have fought and died for over the course of our existence. In this context, it is hardly a day for remembering old enemies. We fought the British, now a major ally. We fought the Mexicans, now our friends. We fought each other, and, in fact, the greatest takers of American lives in all our wars have been other Americans. We fought the Spanish, now our allies, and the Germans and Italians and Japanese, now close friends whom we help defend. We fought the North Koreans and the Chinese to a stalemate that our country has wrongly forgotten, and the North Vietnamese in a war where our soldiers were too frequently criticized by their own countrymen for their efforts.

I would suggest that there is a consistency, even a rightness, in the wake of all this paradoxical tragedy. These fallen men and their compatriots fought for something, rather than simply fighting against an ephemeral foe. They fought, rather, for the values that have made our own country preeminent in the world. We are not a country that seeks war, and we are not a country that seeks enemies. We are a society founded on the greatness of individual effort, whose power has been used so that other powers might flourish: The power of the unfettered mind. The power of a multicultural society in free debate. The creative power of the dynamic entrepreneur. The inner power of spiritual belief.

And in a society which so treasures the individual, there can be no greater tragedy than the loss of individual life. The markers which surround us on those rolling hillsides remind us that weakness, miscalculation, failed diplomacy, and naive isolationism can ask a costly price.

This is not a new dilemma. Alfred Thayer Mahan, the principal architect of American naval strategy, used to worry about our democratic system's lack of foresight, and unwillingness to pay the price of the very naval power that would guarantee its international stability. He once wrote that "It behooves countries whose genius is essentially not military, whose people, like all free people, object to paying for large military establishments, to see to it that they are at least strong enough to gain the time necessary to turn the spirit and capacity of their subjects into the new activities which war calls for."

And I would say to you that, unlike in Mahan's day, time is what we no longer have. Today, in this era of what we have come to call a "violent peace," there are no other countries between ourselves and our obligations. The lesson that should be apparent from the very magnitude of the names surrounding us, the names that speak to us from the silence of their graves, is that it is better to spend dollars for readiness than it is to spend lives because unpreparedness invited the hostile acts of an aggressor.

There is another consistency that speaks to us from the memory of wars fought and forgotten. The one constant in all of this is not the constancy of a particular enemy, but the greatness of the unique set of values that formed our nation. And the one consistency among our generations has been the willingness of our best citizens to place their lives at risk in order to further the greater good of our way of life.

Too often, I fear, we regard this willingness as a phenomenon of wartime. In the aftermath of the tragedy aboard USS Stark last week, it is important for all of us to remember that those serving today exhibit the same dedication, sacrifice, and love of country as has been found in any wartime period. Their lives are at risk every day, on the cutting edge of American security needs around the world. While their peers languish in college or pursue carefree careers, these young, dedicated soldiers, sailors, airmen and marines have become the quiet heroes of their generation.

And, unfortunately, they, too, know the bitter pain of losing comrades and loved ones. Last Friday, I was with the President in Mayport, Florida, at the memorial service for the crewmen of the Stark. I watched families awash in grief; parents clutching pictures of departed sons, children in uncomprehending shock, wives, brothers and sisters crying uncontrollably. I was reminded of a frequent epitaph on the tombstones of Confederate soldiers: "How many dreams died here?"

It is a question parents, wives and children have asked too often in the course of our history, a question that creates a double duty in those of us who care enough to remember such sacrifices today.

The first duty is to remember. William Gladstone, former British Prime Minister, once said, "Show me the manner in which a nation or a community cares for its dead, and I will measure exactly the sympathies of its people, their respect for the laws of the land, and their loyalty to high ideals." I would say that this is especially true for soldiers who perished because of their own loyalty to law and ideals. Those of us who have seen war's ugliness know that a battlefield does not honor its dead. It devours them without ceremony. Nor does a battlefield honor heroes. It mocks their sacrifice with continuing misery and terror. It is for those who survived to remember sacrifice, and to honor our heroes.

The second duty is to keep this country strong. Wars are not prevented, nor are dreams preserved, because one side is more logical, more illuminated, or more kind. This country is great because it has been strong. It has been strong because its individual citizens have believed in its uniqueness so strongly that they have been willing to provide for the common defense and, if necessary, to take up arms on its behalf. So has it always been, and so must it ever be.

So, as we remember those who have fallen, let us also remember that peace is bought, not with a wish, but at the price of dedicated service. And let us, on this special day, be thankful for the dedicated service of those who are at this moment, quietly and without fanfare, defending our interests throughout the world.

TWO HUNDRED YEARS AGO TODAY AT THE CONSTITUTIONAL CONVENTION (JULY 15)

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. SHARP. Mr. Speaker, the delegates spent the Sunday recess of July 15, 1787, pondering the future of their deliberations.

The next day they would take a final vote on the Connecticut Compromise on State representation in the Congress. This proposal hoped to reconcile the views of delegates from both larger and smaller States on an issue, which for some was the most important of the Convention.

For the smaller States, the deal looked attractive—in one branch of Congress each State would have equal representation regardless of size. But for some larger State delegates, including Virginia's James Madison, the compromise threatened to weaken his ideal of a strong central government.

He could only hope that on Monday the Convention would agree with him.

HEALTH CARE SERVICES—CERTIFICATE OF NEED PROGRAM

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. DREIER of California. Mr. Speaker, on April 30, the Republican Study Committee held a very timely hearing to examine private sector solutions to catastrophic and long-term health care financing. One witness brought to the attention of the committee an unfortunate dilemma regarding the licensing of new nursing home facilities. The Certificate of Need Program is one more example of how stifling Government regulation is preventing the marketplace from providing badly needed health care services. It also reveals why the proposed catastrophic health care legislation due to be considered by the House next week is misdirected, and destined to create a greater financial catastrophe for those Americans who depend on Medicare for their health care financing needs.

REPUBLICAN STUDY COMMITTEE ON PRIVATE SECTOR SOLUTIONS FOR LONG-TERM HEALTH CARE

Mr. Chairman and Members of the Committee: I am Bedford H. Berrey, M.D. Medical Director, National Alliance of Senior Citizens, Inc. On behalf of our organization I express our appreciation for this opportunity to appear before you today to consider a matter of grave importance to our Nation.

Mr. Chairman, I believe it will be useful to the committee if I briefly sketch my medical background and experience.

Subsequent to graduation, 1945, and post graduate training in Pediatrics I spent four years in private practice. This was followed by over 26 years in the Regular Army Medical Corps, primarily in Executive Medicine and Management.

I retired in 1976 to become the Deputy Assistant Chief Medical Director of Veterans Administration. My sole responsibility was long-term care. I joined the Virginia Department of Health as District Health Director in 1977. I was promoted to Assistant State Health Commissioner in July 1978. I retired from that position in July 1984.

During my service as Assistant Health Commissioner I became involved with the Certificate of Need process both as a member of the dpeartment's internal review committee and as a hearing officer.

At this time I should note that while Assistant Health Commissioner among many duties I had overall responsibility for the Medicaid program, and for several years, Licensure and Certification of Medical facilities. During this time I served as the first chairman of the Advisory Committee to the VCU Center on Aging (1979-81), and as a member of the Committee from 1979-1984.

Since my retirement from state service I have served on the National Chamber Foundation Task Force on Catastrophic Illness, and The Tort Reform Coalition both in Washington, DC. I am now a member of the COBRA Task Force on Long Term Health Care Policies. The Task Force was established by Section 9601 of the Consolidated Budget Reconciliation Act of 1985 (Public Law 99-272).

The National Alliance of Senior Citizens, Inc. (NASC), a nationwide membership organization for those over the age of 55 with more than 2.2 million individuals on its membership file, expresses its concerns on issues of public policy before the governments of the states and the United States as part of its role as a representative body of its membership.

NASC has long been concerned by the grave shortage of nursing home beds and the resultant skyrocketing costs for taxpayers of the beds utilized and to the individuals or families of those individuals who require nursing facility service.

NASC is committed to a medical system which provides the services required by the citizens through open competition without undue restraint from any governmental authority. By allowing the free market to provide medical treatments to meet the demands of the citizens, a proper equilibrium of supply and demand will result in relatively stable prices in the overall context of the general cost of living fluctuations in the economy.

The Certificate of Public Need program has interfered with this free flow of resources which would have provided sufficient supplies of the demanded services and prevented undue cost increases. Further, the high cost of seeking governmental approval for new nursing care beds has been passed along to the payers for such services, whether public, private or third party.

It is our feeling that any such artificial interference with the supply of any service is ill advised unless there is some overriding concern which requires intervention. None has been present in this area, and the system has no reason to exist.

NASC worked to achieve the virtual repeal of this law when it was before the Congress in 1986, and made this its number one legislative goal for the year. It was a successful effort as the Congress recognized the failure of the system to make any positive contribution to the goal of holding down costs, resulting in precisely the converse—an increase in the cost of nursing home care.

As Assistant Commissioner of Health in Virginia, I served as a Hearing Officer and a member of the internal review committee of the state's Certificate of Public Need Program. In that capacity, I had the opportunity to see the internal workings of this program.

The sheer unfairness of such a program cannot be overstated. The lack of sound public policy due to the closed nature of the process made any opportunity for an unbiased review of any application almost impossible. The rigidity with which "standards" were applied characterized the bureaucratic approach to problem solving. Every application for a COPN presented a problem crying for an equitable solution.

The program has failed to produce other than a large scale protection system for health care delivery. It cannot be rectified by reform, only by the total elimination of these controls on the free opportunity for new or expanded facilities to offer their services to the general public.

It is a demographic absolute that the population over 65 years of age will increase dramatically between 1987 and the year 2030. How many of these elderly will require care in a nursing home is difficult to estimate.

The potential need for nursing home care was comprehensively demonstrated in the November 1986 report to the Secretary of Health and Human Services from the Technical Work Group on Private Financing of Long Term Care for the Elderly.

Looking at present residents of nursing homes by race and sex, white widows predominate. There is no data to suggest any shift in the future. In 1986, about 1.5 million individuals were residents of nursing homes. (Using the 1977 National Nursing Home Survey as a guide about 70 percent will be female and 60 percent widowed.) Manton and Liu (1984) estimated a rise in nursing home residents to 1.6 million by 1990; to 2.1 million by 2000 and continuing to rise to 4.4 million by 2040. That more nursing home beds will be required is not debatable.

The current study of long term health care policies mandated by Public Law 99-272 (Consolidated Omnibus Budget Reconciliation Act of 1985) continues to emphasize the imperative of assisting the elderly with their long term health care needs regardless of whether they do or will reside in a nursing home, or will be cared for by loved ones at home, or will receive assistance with daily living from community resources.

In 1987, estimates of additional nursing home bed requirements for 1987 alone approach 250,000. To successfully meet this challenge one might conclude that the American free enterprise market system would be operational. If this estimate is anywhere near accurate account must be taken of government laws and regulations now in place which serve to retard construction of nursing home beds and which contribute to the estimated deficit in 1987 and beyond.

In 1975 Congress passed the National Health Planning and Resources Development Act (PL 93-641) in an effort to stem the rising tide of health care costs. It is possible to concede partial success with respect to controlling some degree of hospital bed expansion. However, shortsightedness prevailed with respect to nursing home bed needs in the out years. Apparently the demographics of aging were overlooked or ignored.

The law mandated, intra alia, establishment of Health Systems Agencies (HSA) for each state (to be federally funded) and required states to have a Certificate of Public Need (COPN) law in place as a prerequisite for federal funding.

The COPN provision stipulated withholding of federal funds for non-compliance with Public Law 93-641. The COPN was required prior to construction and was awarded only after the applicant successfully passed several screens in justification of the need. The applicant's most arduous task was to first insure the application was 100 percent correct administratively; then to convince the local HSA of the legitimacy of the need and finally to convince state COPN officials that the need was real, the costs reasonable and funding was available. In the process untold manhours and financial resources were expended often to no avail when the COPN was denied.

Lobbyists against expansion often prevailed in public hearings. Apparently they felt threatened and feared competition. Their abilities to persuasively convince COPN officials that alleged needs (often cited by a competitor) were illusory or overstated all too often prevailed. This was not uncommon vis-a-vis nursing homes.

Cost of application is high. Attorneys, architects and the entire gamut of the application process are ultimately passed along to those who pay for hospital and/or nursing home costs, whether public, private or third party.

The Health Planning and Resource Development Act (PL 93-641) was repealed in the fall of 1986. This effectively eliminated the HSAs, although some continue to function but on reduced scale. Eleven states have repealed or modified their COPN laws; thirty-nine persist in the belief they work. Inconsistencies between states with respect to the COPN bodes ill for a universal effort to provide care for those elderly who now, or in later years, will require a nursing home bed—and will have to pay the cost for that need.

As if the COPN process was not a sufficient challenge to applicants for nursing home construction or expansion, Medicaid became the real obstacle in many instances. Even though Medicaid had been in place since 1966 it had become an increasingly costly Federal/State partnership. Medicaid was early on recognized to be a convenient excuse to deny a COPN to applicants for nursing home construction and/or expansion. The greatest number of nursing home residents were (and are) Medicaid recipients, either on admission or by necessity after the dehumanizing experience of "spending down" their assets except for the niggardly sum permitted by the Medicaid law and implementing regulations. In 1984 about one half of Medicaid expenditures (43.4 percent or $13.9 billion) were for long term care. State costs would rise so went the arguments against awarding a COPN for a new or expanded nursing home—again denial. Free market competition was denied the opportunity to demonstrate that the American system of free market place forces could work. Out of pocket costs amounted 49.4 percent or $15.8 billion.

In 1983 Alpha Center in a "Briefing Paper on Certificate of Need" provided a healthy insight into the COPN process and stressed it was but one means of regulating the health care delivery system (funding for the study by Health Resources and Services Administration Contract No. HRA-232-79-0035). Alpha Center did not address the demographics of long term care.

As the COBRA Task Force on long term health policies considers the many factors impacting on providing for long term care I believe it is imperative that cognizance be taken of the present nursing home bed need, and to plan for the almost guaranteed increase in demand for nursing home beds during the next 2-3 decades. Repeal of state COPN statutes where still extant is an essential element of a national long-term care strategy. The adverse impact that retention of the COPN laws will have on construction of nursing home beds requires constant emphasis. On the national level the minimum action must be repeal of state COPN statutes applicable to construction of new or added nursing home beds. And, it must be without prejudice vis-a-vis Medicaid.

Continuing Care Retirement Communities (CCRC's) are a new development in living arrangements for the elderly. These are financially self sufficient residential communities offering medical and nursing care services to couples and/or singles usually over 60-65 years of age. Expansion of this alternative for the elderly may well be retarded in some states unless the CCRC is exempt from the COPN process. The nursing home beds in a CCRC should not be considered in the state or locality's nursing home bed requirements. This is of particular importance if a state allows (uses) Medicaid nursing home costs to influence and/or control the COPN process for expansion of nursing home beds.

Common sense economics tells us that as demand for nursing home beds has risen, the COPN program has artificially held down the supply—resulting in chronic shortages of available nursing beds.

The result has been a rapid increase in the price of nursing home care—keeping the beds filled with the rich and the poor, but putting needed care outside the reach of middle income persons.

Any review of long term care in America cannot be complete without some understanding of the severe disruption of the supply by this law, and its impact on the cost in both economic and human terms on the impacted population.

The process of winning COPN approval became so lucrative that it attracted many politicians and former politicians who successfully used their influence to weight the process for those who employed their services.

Almost without exception when medical services, especially long term care, are mentioned, concern for quality emerges. This is not inappropriate. However, quality of care is very difficult to define with precision. Quality of care is basically subjective and frequently relates to community standards. It is a bit like pornography—one may not be able to define or describe it but one knows it when he sees it.

It is important to stress that quality of care cannot be legislated. Money alone is no guarantee. It cannot be effectively moralized nor accomplished by executive order. It might be obtained if knowledgeable inspectors were observing activities 24 hours a day—every day. I doubt if anyone wants such an intrusion.

Quality care represents a philosophy of service to patients by health care professionals. In my judgement effective quality of care is a "top-down" phenomenon. It must start with top management—the Administrator, the Medical Director and Director of Nursing. It must pervade the entire organization including personnel who do not have personal contact with patients, relatives or friends of patients. An Ombudsman is often a useful device. It is strengthened by unannounced visits by top management at all hours of the day and that includes nights, weekends, holidays. Nothing is more effective than for the boss to suddenly appear. Morale of staff is improved—someone at the top cares!

We often hear people voice their concerns about quality of care as if limited to the poor and the medically indigent, and that was all that counted. To me quality of care should and must be the same for all patients, in every facility, irrespective of socioeconomic status. I trust such concerns did not reflect a bias for the poor and against those who can afford care.

In some areas we hear arguments that more nursing home beds would be bad for quality of care. I consider such arguments specious. Where is the proof? Antidotal perhaps. I cannot help but view such arguments which invoke a subjective and ill-defined element as protective and fearful of competition.

Nursing homes now and in the future deserve to be brought under the same scrutiny as hospitals. They must be evaluated using nationally accepted standards similar to those used by the JCAH for hospitals and subject to scrutiny by Professional Review Organizations. To simply rely on certification and licensure, bureaucratic inspection standards is insufficient in my opinion.

The Nursing Home industry is a business in every sense. I fail to understand why some of its members fear competition if they are providing reputable services; or, why they prefer to live in a regulated environment. Those who would preserve the CON persist with a hubris that borders on the disingenuous.

In December 1982, I wrote an article in the Virginia Medical (published by the Virginia Medical Society) entitled "The Case Against Federalizing Medicaid." I offered four basic options in opposition:

A. Encourage the private sector to invest in Medicaid. States contracting with the private sector to operate Medicaid could realize savings.

B. Eliminate all 3rd party insurers. Replace by catastrophic insurance to be effective when more than 10 percent of gross income has been spent for medical care (now catastrophic illness is a fashionable buzz word).

C. Deregulate Medicaid. One estimate had it that 40 percent of every Medicaid dollar went to cover costs of actions required by a variety of regulations. (This meant, *intra alia,* repeal the Certificate of Need Law).

D. Institute a fixed price contract under Medicaid for all nursing homes. No more variables. A nursing home delivers on its contract or absorbs overages.

Of the latter, it's worth noting that several years later such an idea became operative with the hospital Diagnostic Related Groups (DRG). Depending on a specific diagnosis and the corresponding length of stay, a hospital stands to lose money or retain profits when caring for Medicare patients.

As has been stated the National Alliance of Senior Citizens is opposed to the Certificate of Need. We believe in a free enterprise openly competitive system of health care delivery for all Americans.

Long term care for the elderly is doable by the private sector. Compromises will be necessary, petty concerns must be laid aside and financing mechanisms will be required of the private sector. Wherever there is a vacuum enter the federal (and state) governments (read Congress) with its grandiose schemes. These schemes have as a basis redistribution of wealth never seeming to stop short of a totally egalitarian society.

Time and events are closing fast. Conservatives and fiscal moderates will need to join forces—politically, socially and economically to save long term care from the clutches of Congress.

The NASC stands ready to help in anyway it can be useful.

Mr. Chairman, we sincerely appreciate the opportunity you afforded us today. It has been an honor for us to have been invited to participate in this most significant hearing.

I will attempt to answer questions to the best of my ability.

KEVIN "TSEPANG" CLARK BRINGER OF HOPE

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. TAUKE. The villagers of Tele, Lesotho, in southern Africa, knew him as "Tsepang"—a person who brings hope. And hope is what this American Peace Corps officer brought to this small African village as he taught this community of 300 to grow peach trees and helped construct the village's first school building.

Between June 1984 and September 1986, Kevin Clark—"Tsepang"—served in the Peace Corps bringing hope to the villagers in Lesotho's dry, mountainous countryside. Yet, as he was bringing hope and a new way of life to these south Africans, Kevin was infected with a deadly disease. An insect bite infected him with a viral form of cancer called Burkitt's lymphoma. The disease is common in central Africa, but rare in southern Africa where Kevin lived and worked. It is almost unheard of in the United States.

Last October, when his term of service with the Peace Corps ended, Kevin was offered a public relations position at the White House. At Thanksgiving, just a month out of Africa and a week before he was to begin his job with the administration, he fell sick. He had numbness in his chin and legs. He had constant chills and headaches.

On December 6, he checked himself into George Washington University Hospital. Two days later, his spleen ruptured. Tumors dotted his internal organs. Some were the size of softballs. Doctors removed his spleen and diagnosed the cancer. Kevin lost 85 percent of his blood.

Through December the battle raged. Three times Kevin went into cardiopulmonary arrest. Twice he receved last rites. His kidneys failed. He was put on a respirator and a dialysis machine. Morphine helped dull the intense pain.

The disease had progressed to its final stages and had settled in his blood, organs, and bone marrow. Doctors, unfamiliar with the disease, decided to try unusually heavy doses of chemotherapy.

After two weeks of chemotherapy, no tumors remained. The doctors were amazed. Kevin left the hospital January 19, 1986. He was flown by private jet to Dubuque, IA, where he convalesced at the St. Donatus rectory.

In April, I had the privilege of meeting Kevin and joining with Peace Corps Director Loret Ruppe in honoring him for his work with the Peace Corps. The 29-year-old Charles City, IA, native was the guest of honor at the E.B. Lyons Prairie-Woodlands Preserve in Dubuque during an Arbor Day celebration. The Peace Corps and the nature society presented Kevin with certificates and a walking stick in recognition of his work. Three tiny apple trees were planted to commemorate Kevin's service in the Peace Corps.

Kevin, told those gathered that Sunday in April that:

> I have no regrets. There are kids going to school in a place I built. They're harvesting peaches and talking about a guy who came there and was good to them. In the book of life, I think that's worth a lot.

Kevin died during the early morning hours of July 4, half a world away from where he was known as "Tsepang."

This year the first crop of peaches were harvested from the grove of 150 peach trees that Kevin Clark helped plant. Today, grade schoolers are attending classes in the two-room building Kevin helped build.

Although Kevin has gone on to a better life, the legacy of "Tsepang" remains. The villagers named their new school, "St. Kevin's."

Mr. Speaker, at this time, I would like to insert two newspaper articles about Kevin which appeared in the Dubuque, IA Telegraph Herald:

CANCER PATIENT'S BEST GIFT: DRIED LEAF

(By Ross Bielema)

One of the best gifts former Dubuque resident Kevin Clark has received during a five-month battle with a rare form of cancer is a dry, crumbled peach tree leaf mailed from Lesotho in southern Africa.

The leaf came from one of 150 peach trees Clark planted near the village of Tele during his 27-month Peace Corps mission there.

Clark, a 29-year-old Charles City, Iowa, native was bitten by an insect while working in Lesotho's dry, mountainous countryside between June, 1984 and September 1986, and he contracted Burkitt's lymphoma, a leukemia that attacks the body's lymph system.

The letters of Tele villagers, written in a struggling blend of English and Sesotho, give him strength to fight the disease, he said Friday from his hospital bed in St. Joseph's Unit of Mercy Health Center in Dubuque.

"One lady said her heart has been broken open and can never be healed," Clark said. "One lady said the trees can never grow fruit until I return healthy and happy again."

But the trees have grown and the villagers have harvested a small crop of peaches for canning. They store the sweet fruit in jars to sustain themselves during the winter months when food is scarce, Clark said.

Clark's work not only earned the gratitude of Tele villagers, but also attracted the attention of Peace Corps officials and Dubuque conservation leaders.

Despite the effects of chemotherapy and radiation treatments, Clark planned to receive an award from Peace Corps Director Loret Ruppe during a ceremony at 2 p.m. today at E.B. Lyons Nature Center in Dubuque. The Friends of Lyons Prairie-Woodland, sponsor of the Arbor Day celebration, plans to plant three apple trees at the center in Clark's behalf.

Clark studied for the priesthood at Dubuque's Loras College for four years and St. Paul Seminary in St. Paul, Minn., for two years. A friend he met during his years at Loras, the Rev. Ed Petty, pastor of St. Donatus Catholic Church, let Clark recuperate at the church rectory.

A taste for adventure led to Clark to the Peace Corps. He knew he had found adventure when he arrived in Lesotho and the villagers of Tele honored him by serving him the eyes and skin of a goat. To avoid hurting their feelings, he ate the meal.

He taught them English and personal hygiene. He built a two-room grade school with $5,000 from the U.S. State Department.

His orchard project, which he named "Arbor Pacis," Latin for Trees of Peace, however, is his best contribution to the African people, he said.

"I learned more from them than they learned from me," Clark said. The villagers—who called him Tsepang, "One Who Brings Hope"—place more emphasis on family values than Americans, as evidenced by the lack of nursing homes, he said. They place less emphasis on material possessions.

He remembered receiving a package of candy from a relative. He gave one child three M&Ms, and the child immediately gave two of the candies to his siblings, Clark said.

"I think one (American) kid would gobble down the M&Ms," he said.

After completing his work and returning to America in the fall of 1986, he was offered a public relations job at the White House. He was looking forward to the job when he began to feel sick.

He checked into George Washington University Hospital in Washington, D.C., on Dec. 7. The next day, his spleen ruptured.

During surgery, doctors discovered several tumors in his abdomen, "some the size of softballs," he said.

For nearly a month, he struggled for life. His kidneys shut down, and he was placed on a respirator. Doctors began dialysis and chemotherapy. Last rites were performed on him twice.

"They didn't expect me to pull through," he said. "My chances of living were pretty slim."

While the marathon runner ran in a race for life, blood samples were sent to several labs to determine Clarks' ailment. Baltimore's Johns Hopkins Hospital finally diagnosed the rare cancer.

Although the tumors were destroyed by chemotherapy, the cancer invaded his nervous system. He endured nine painful spinal taps, which involved injecting cancer-killing drugs into his spine.

The cancer appears to be in remission, but Clark has to undergo one more major battle: A bone marrow transplant. His brother, Keith, 31, of Boston will supply him with the needed marrow.

Others hoping for Clark's recovery include his mother, Mary McGinn of Floyd, Iowa, and sister, Michelle, 28, of Des Moines.

Clark's struggle with Burkitt's lymphoma hasn't shaken his faith in himself or God.

PEACE CORPS HONORS IOWA VOLUNTEER

(By Mark Nepper)

Three tiny apple trees now stand in the E.B. Lyons Prairie-Woodlands Preserve in Dubuque in honor of Kevin Clark, who planted an orchard of peach trees as a Peace Corps volunteer.

Peace Corps Director Loret Ruppe and the Friends of Lyons Prairie-Woodland Sunday afternoon honored Clark, a Charles City, Iowa, native, during an Arbor Day celebration at the nature center.

The Peace Corps and the nature society presented Clark with certificates and a walking stick in recognition of his work on a peach orchard in Tele, Lesotho, in southern Africa. In addition to the honors Sunday, the Peace Corps is dedicating a Lesotho school building project to Clark.

Clark almost died because of the work he did in southern Africa, where he planted 150 trees and helped build a school. Sometime between June 1984 and October 1986, Clark was bitten by an insect and infected with a viral form of cancer, Burkitt's lymphona. The cancer appears to be in remission now, but Clark still undergoes chemotherapy treatments.

The apple trees in the nature center, tiny and frail, represent hope—hope for a better life for people dependent on a peach orchard half a world away, Clark's hope for recovery, the Peace Corps' hope for worldwide agricultural development and the nature society's hope for future conservation efforts.

Villagers in Tele called Clark a person who brings hope. Ruppe said the Peace Corps needs more people like Clark, who help those in developing nations become self-sufficient. But there is not enough money to support as many volunteers as the Peace Corps needs, she said.

Conservation and agricultural development are long-term goals for the Peace Corps, Ruppe said. Many places in the Caribbean and Central America face serious land erosion problems because no one made any attempts to conserve forest land, which volunteers now are trying to restore.

Ruppe showed her willingness to dig in for conservation and agricultural projects when, with shovel in hand, she helped plant one of the apple trees at the nature center.

"We desperately are in need of people with agricultural backgrounds. By helping small farmers overseas become self-sufficient, so they can buy our food and machinery, by helping those people get away from starvation, we can help people across our nation," Ruppe said.

More than 5,100 Peace Corps volunteers serve in about 60 countries around the world. Ruppe would like the corps to be able to enlist thousands of additional volunteers.

"Everybody thanks me for the work of those volunteers, people like Kevin. We can be proud of the kind of Americans attracted to the Peace Corps. What a Kevin Clark is doing is showing we're interested in mutual development, rather than mutual destruction," Ruppe said.

SAUDI SELF-INTEREST

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. LEVINE of California. Mr. Speaker, the New York Times of June 21, 1987, carried a front page story, written by a team of three reporters, on United States-Saudi Arabian relations. The article described how the Saudis have secretly been assisting—primarily financially—United States foreign policy initiatives around the globe.

One gets two clear impressions from reading this article: First, that the Saudis are deserving of credit and praise from this Nation for their willingness to assist us abroad; and, second, criticism of the seeming Saudi reluctance to support the United States in the Middle East—criticism often expressed by many Members of Congress—is therefore unjustified.

Mr. Speaker, quite apart from my concern over successive administrations' willingness to use the Saudis to bankroll certain initiatives and thus bypass Congress, there is the issue of context. I read that article and was surprised that it seemed to understate the obvious fact that Saudi actions might have stemmed more from self-interest than from a desire to help the United States in addition, it clearly understated or in fact ignored several significant divergences between United States and Saudi foreign policy interests, such as Saudi ostracism of Egypt and support for the PLO.

Nadav Safran, a distinguished professor of Middle East studies at Harvard University, wrote a letter to the editor of the New York Times in response to the article on the Saudis. It is a superb exposition of flaws in the Times article, whose title underscores the essential importance of context: "Saudi policy reflects self interest above all." The letter describes in detail the many foreign policy divergences between the United States and Saudi Arabia, and in particular discusses those instances where the Saudis actually subvert United States interests. Professor Safran's letter was printed in the Times on July 3, 1987.

Mr. Speaker, I insert this letter into the CONGRESSIONAL RECORD and I strongly commend it to the attention of my colleagues.

[From the New York Times, June 21, 1987]

SAUDI POLICY REFLECTS SELF-INTEREST ABOVE ALL

To the Editor:

Putting a team of three reporters on a monthlong investigation of American-Saudi Arabian relations indicates creditable thoroughness. Not so the team's report ("Prop for U.S. Policy: Secret Saudi Funds," front page, June 21). Here are some glaring flaws:

Not one word is said about Saudi Arabia's ostracism of Egypt since 1979 for signing the peace treaty with Israel that the United States promoted. Initially, the Saudis justified their action as part of an Arab consensus. Since 1982, however, most of the parties to that consensus have been willing to reinstate Egypt in the Arab fold, including Iraq, the host of the conference that decreed the isolation of Egypt, and the Palestine Liberation Organization, the most vocal opponent of Egypt at the time. The Saudis, however, have continued to ostracize Egypt mainly to appease Syria, a sworn opponent of any American-sponsored peace settlement.

It is asserted with misleading exaggeration that the Saudis "regularly helped finance United States foreign policy" and cases are dwelled on that ostensibly support that point, but only fleeting reference is made to Saudi financing of Syria and the P.L.O. Yet, even if one were to take at face value assertions about Saudi assistance in the cases cited, the total of Saudi aid to Syria and the P.L.O., who have vehemently opposed American interests and policies since 1979, has been many times larger than the total Saudi aid in all the other cases—about $12 billion to $3 billion or $4 billion.

In most of the cases mentioned, the Saudi interest was predominant; that is to say, the Saudis would have pursued it entirely on their own, contrary to your intimations. Their aid to Pakistan, for instance, was part of a deal that included the sending of Pakistani troops and military personnel to help defend Saudi Arabia.

Their aid to Col. Gaafar al-Nimeiry's Sudan was a logical move to prevent the entrenchment of a hostile radical Arab revolutionary regime at the other side of their Red Sea boundary. Their aid to Somalia was prompted by a similar strategic interest and nearly implicated the United States in Somalia's ill-conceived war against Ethiopia.

Saudi aid to North Yemen has been part of a longstanding policy to keep that neighboring country under exclusive Saudi influence, to the point of obstructing the creation of any direct American-Yemeni connection. The Saudis have insisted, for instance, on funneling American arms to North Yemen through themselves and have withheld or released the arms according to their particular interest. Their help to the Afghan mujahadeen has been prompted by the desire to reinforce the Saudi regime's Islamic credentials and legitimacy, which were battered by the seizure of the Grand Mosque of Mecca and challenged by Iran.

The only instance of "uninterested" Saudi financial support for American policy among the cases you cite has been their modest $30 million contribution to the contras, and perhaps their payment for airlifting Moroccan troops to the Congo in the 1970's.

The article ridiculously underplays the Saudi-led oil embargo against the United States in 1973, describing it as an instance of Saudi sensitivity to "being criticized by other Arabs who despise both the United States and Israel" and a case of the Saudis' not always doing Washington's bidding. The result, which crippled the economies of the West for nearly a decade, is described sparingly as having "seriously damaged the American economy."

On the other hand, you tout as a significant act of friendship the recent agreement to allow American surveillance aircraft based on Saudi territory to expand patrols over the Persian Gulf to help protect "American-flagged ships." But these aircraft have been deployed in Saudi Arabia since 1980 as a United States response to a call to help protect Saudi territory and shipping, following the outbreak of the Iran-Iraq war.

The report also fails to mention that the Saudis have refused permission to the U.S. to use their air and naval facilities in the present contingency, and that substantively the expanded patrols are meant to better protect Saudi Arabia's own shipping as well as that of its regional allies.

The Saudis have every right to pursue their interests as they see them, just as we have the right to pursue ours. We should seek to maximize the potential for convergence and minimize potential for divergence between our interests and theirs. That, however, requires a realistic assessment of interests and policies, and not the perpetuation of myths that are based on wishful thinking and sloppy analysis.—Nadav Safran, Cambridge, Mass., June 22, 1987.

CELEBRATION OF CITIZENSHIP, SEPTEMBER 16, 1987

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mrs. BOGGS. Mr. Speaker, today I am joined by my colleague, PHIL CRANE, in introducing House Concurrent Resolution 161, to authorize the Commission on the Bicentennial of the United States Constitution to hold a ceremony on the West Front of the Capitol on September 16, 1987, to be known as "A Celebration of Citizenship."

At 1 o'clock in the afternoon of September 16, leaders and representatives of all three branches of our Federal Government are expected to gather at the West Front with thousands of schoolchildren of all ages for a brief ceremony honoring our Constitution on Citizenship Day. The President, the Speaker of the House, the majority leader of the Senate, as well as all Members of the House and Senate will be invited to participate.

This ceremony will highlight a 1-day national teach-in about the Constitution that is being cosponsored by the Commission, the American Newspaper Publishers Association, and 12 national educational organizations. The ceremony will be broadcast nationally on both radio and television, and is expected to reach up to 67 million students, teachers, and school administrators in classrooms across America.

I believe this event will be a fine prelude to the ceremonies and celebration scheduled to take place in Philadelphia and throughout the Nation on September 17, the 200th anniversary of the signing of the Constitution.

Mr. Speaker, I ask consent to insert the text of this resolution in the RECORD at this point. Thank you.

H. CON. RES. 161

SECTION 1. AUTHORIZATION TO CONDUCT A CEREMONY ON THE UNITED STATES CAPITOL GROUNDS.

On September 16, 1987, the Commission on the Bicentennial of the United States Constitution may conduct a ceremony, entitled "Celebration of Citizenship", on the West Terraces and Lawns of the United States Capitol to honor the Bicentennial of the United States Constitution. For the purposes of this resolution, the Commission on the Bicentennial of the United States Constitution is authorized to erect upon the United States Capitol Grounds, subject to the approval of the Architect of the Capitol, such stands, stages, sound amplification devices and other related structures and equipment as may be required for the conduct of the ceremony.

SEC. 2. RESPONSIBILITY OF CAPITOL POLICE BOARD.

The Capitol Police Board shall take such action as may be necessary to carry out section 1.

SEC. 3. CONDITIONS RELATING TO PHYSICAL PREPARATIONS.

The Architect of the Capitol may prescribe conditions for physical preparations for the event authorized by section 1.

A TRIBUTE TO NATHAN PERLMUTTER

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. KEMP. Mr. Speaker, I would like to take a few moments in honor of Nathan Perlmutter, a personal friend and a great leader. Nathan died this Sunday at Sloan-Kettering Hospital in New York after a long and courageous battle with cancer, and a lifetime of great achievements. Nathan had been associated with the Anti-Defamation League of B'nai B'rith since 1949, and was national director at the time of his death.

Nathan's passing is a deep personal loss to those of us who have been honored with his friendship, and a great loss to all who believe in human dignity and a world without prejudice.

Just last month, Nathan was honored with our Nation's highest civilian award, the Presidential Medal of Freedom, for his public service in making it his life work to champion human dignity. President Reagan called him a hero of the human spirit, and rightly so.

In March, Nathan was awarded an Honorary Degree of Doctor of Humane Letters from Hebrew Union College. The citation described him as

> devoted Jewish leader, distinguished attorney and outstanding citizen whose name has been synonymous with vigorously combatting bigotry and discrimination, whose long and exceptional service to the Jewish people is a reflection of his religious commitment, whose dedication to the ideals of Judaism has made him an emissary of social justice and brotherhood, whose manifold talents, fused with pragmatic idealism, have elevated him to national leadership.

For these many years Nathan Perlmutter has been a symbol of hope, of faith, and of dedication to the cause of justice and human rights in an environment of decency and civility for all, of commitment to the improvement of the quality of life, of commitment to life itself. His values for all people, his sense of humor and deep compassion have been an example to us all. His courage in the face of adversity and his ability to overcome it, his willingness to share his wisdom and personal values with others to our very great benefits sets the standard for all those of us who wish to further the mutual goals of America and Israel, of Christians and Jews, and of all humanity.

As a friend, I shared his pride in his great achievements and I deeply mourn his passing. I speak for myself and for my wife, Joanne, and for all of us who knew and loved and admired Nathan, when I say that our hearts and our prayers go out to his widow, Ruth.

LEGISLATION AUTHORIZING APPROPRIATIONS FOR FCC

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. MARKEY. Mr. Speaker, today I am introducing legislation to authorize appropriations for activities of the Federal Communications Commission. The bill authorizes $107,250,000 for fiscal year 1988 and $109,250,000 for fiscal year 1989, together with such sums as may be required for necessary nondiscretionary cost increases.

The authorization levels for fiscal year 1988 and fiscal year 1989 will allow the Commission to continue to license new services to the benefit of all Americans, such as cellular mobile telephones, low power television, multichannel multipoint distribution service, digital electronic message service, and additional FM stations.

The funding level for fiscal year 1988, which is identical to the President's request, represents an increase of approximately $5 million over the fiscal year 1987 budget. The increased funding provides for a newly implemented fee collection program and for the Commission's request of an extension of the travel reimbursement program. The travel reimbursement program will allow the Commission to continue to accept reimbursement from sponsors of conferences and meetings for necessary expenses incurred by Commission officials. The authorizing legislation also would eliminate the Commission's Annual Management Report, which essentially duplicates the Commission's annual budget submission and annual report. Elimination of the annual management report will contribute to significant savings of Commission resources.

This legislation also would preclude the Commission from prescribing or enforcing any regulation that prevents or deters the receipt or consideration of any information, communication or expression of views from the Congress. The legislation would ensure that the Commission's ex parte rules, particularly those provisions barring third-party contacts with the Commission during the so-called "sunshine period," the 7-day period before a matter is to be considered at a Commission meeting, not be applied to congressional contacts.

In a very clear and thoughtful memo, the general counsel to the Clerk of the House of Representatives concluded that the Congress has clear constitutional authority to conduct oversight, involving the exchange of views and information with agencies. As a result of that memo and expressions of concerns by Members of Congress, the Commission presently is reconsidering its position and policy with regard to congressional contacts.

I am optimistic that the Commission and the Congress can resolve this issue amicably. The legislation I am introducing today, however, will ensure that, pending Commission reconsideration of its ex parte rules, the Commission will give appropriate deference and consideration to congressional communications and views. This legislation also will ensure that, while we await final Commission action on this issue, Members of Congress will be able to fulfill their constitutional duty to oversee agency activities.

The funding levels for the FCC contained in this legislation will provide adequate resources for the essential Commission programs and activities and are consistent with the needs of the agency and the needs of our Government in maximizing the benefits the public derives from our Nation's communications facilities and services. I urge my colleagues to support this legislation.

MEDICARE COVERAGE OF ALL STATE AND LOCAL EMPLOYEES

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Ms. SNOWE. Mr. Speaker, last year Congress considered expanding medicare coverage to all State and local government employees. I, along with many of my colleagues, strongly opposed such a proposal because of the hardship that would be imposed upon State and local governments, as well as public employees. In March, 1986 a compromise was reached and Congress passed the Consolidated Omnibus Budget Reconciliation Act of 1985 [COBRA] which included a provision to require that new State and local government employees, hired after March 31, 1986, participate in the medicare system. I supported COBRA because I believed that the gradual medicare coverage of new employees was an acceptable compromise.

For those States such as Maine, where there was little or no medicare coverage of Government employees, the COBRA provision has created financial difficulties. Even so, the coverage of new employees enables governments to gradually phase-in State and local employees into medicare and also prevents jeopardizing existing employee benefit plans. With an average turnover rate for employees of 9 percent per year, all Government employees will be under Social Security in a relatively brief period of time.

Now, although the provision in COBRA has hardly been implemented, we find ourselves again threatened by the expansion of coverage to all Government employees. The economic impact of such an expansion cannot be exaggerated. Approximately 4 to 5 million workers would be affected from the imposition of what amounts to little more than a tax increase. The proposal targets teachers, fire fighters, police officers, health and social workers and other public servants, a group of already relatively low paid workers. They would face the equivalent of a tax increase of $67 in 1987; by 1991, this would increase to $333.

For the State of Maine, the coverage of all State and local employees would cost about $17.3 million. This comes at a time when States have experienced cuts of about 67 percent in Federal appropriations, when revenue sharing has been eliminated, and when States are generally in a poor position to absorb further increases. For rural communities, where Federal revenues were often the only source of funding, the decline of Federal moneys has been particularly troublesome.

Finally, one must not forget that when the Social Security System was founded, State and local government employees were not permitted to join, and therefore, developed their own generous health and retirement plans. Only now, when the Federal Government faces a deficit, State and local governments are expected to provide a large share of the revenues needed for deficit reduction.

My vote for COBRA and that of many of my colleagues was a good faith effort to compromise on the issue of coverage of state and local employees under medicare. The ink was barely dry on that bill when efforts were underway to expand the provision to all State and local employees. Although that effort was successfully deterred, once again we find ourselves fighting the same fight.

Mr. Speaker, I think that my colleagues will agree that any legislation which surpasses the medicare coverage provisions of COBRA is the equivalent of a broken promise.

REPRESENTATIVE LEE HAMILTON'S CONCLUDING REMARKS AT THE END OF TESTIMONY BY LT. COL. OLIVER NORTH TO THE SELECT COMMITTEE INVESTIGATING THE IRAN-CONTRA AFFAIR

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. LEVINE of California. Mr. Speaker, yesterday brought the conclusion of Lt. Col. North's appearance before the Select Committee Investigating the Iran-Contra Affair. In 6 days of often remarkable testimony, Colonel North painted a depressing picture of the policies by this administration in its zeal to see the hostages released and the Contras funded, and the way in which those policies were carried out.

Without going into detail, Mr. Speaker—because by now we know many of the sordid details—the President and his closest advisers relied upon a pattern of deceit, deception, and distortion in order to carry out their goals. Whether the President knew or not of the diversion of funds to the Contras is almost beside the point.

Because the real point is that, in the name of promoting democracy abroad and in the name of trying to free American citizens, this administration subverted democracy at home and undermined the credibility of our great Nation with our friends and allies overseas.

Lt. Col. North still sees nothing wrong with his actions. And, in fact, many Americans have come to call him a hero. While Lieutenant Colonel North and his supporters are entitled to their opinions, they seem to demonstrate a distressing lack of understanding of the importance of the rule of law, and how that separates us from the tyrannies they so despise.

At the end of Lieutenant North's testimony yesterday, the chairman of the House Select Committee Investigating the Iran-Contra Affair, Representative LEE HAMILTON delivered some closing remarks. They reflected his thoughts on Lieutenant Colonel North's testimony and on the activities which prompted these hearings.

While Representative HAMILTON delivered a withering critique of Lieutenant Colonel North and of the Reagan administration, his remarks also represented, quite simply, one of the most eloquent defenses of democracy and of the democratic system I have ever heard in all my years of public life.

I would like, Mr. Speaker, to ask unanimous consent to insert the text of Representative HAMILTON'S stirring statement—as reprinted in today's Washington Post—in the CONGRESSIONAL RECORD. I cannot urge strongly enough that my colleagues read and absorb the comments and thoughts of this extraordinarily capable legislator.

REPRESENTATIVE HAMILTON: CLOSING REMARKS

(Associated Press)

(Following is a transcript of remarks by Representative Lee H. Hamilton (D-Ind.), at the close of testimony by Lt. Col. Oliver L. North. Hamilton is chairman of the House select committee investigating the Iran-contra affair.)

Mr. Chairman, may I express to you my personal appreciation for the manner in which you have presided over these committees these last several days. You've had some rather difficult moments. I think you have been firm and fair, and you have kept these proceedings moving along, and all of us are most grateful to you. Now Col. North, let me join with others in expressing my appreciation to you for your testimony. And as the chairman has indicated, I will use my time just to give you some of my impressions.

I recognize that a president and those carrying out his policies sometimes face agonizing choices, and you've had more than your share of them. I've never for a moment, over the years that I have known you, doubted your good intentions to free hostages, to seek democracy in Nicaragua, to fight communism and to advance the best interests of the nation. And for many in this country, I think the pursuit of such worthy objectives is enough in itself, or in themselves, and exonerate you and any others from all mistakes.

Yet what strikes me is that despite your very good intentions, you were a participant in actions which catapulted a president into the most serious crisis of his presidency, drove the Congress of the United States to launch an unprecedented investigation, and I think probably damaged the cause, or the causes that you sought to promote. It is not my task, and it is not the task of these committees, to judge you. As others have said, we're here to learn what went wrong, what caused the mistakes, and what we can do to correct them. And the appropriate standard for these committees is whether we understand the facts better because of your testimony, and I think we do, and we're grateful to you.

In your opening statement you said that these hearings have caused serious damage to our national interests. But I wonder whether the damage has been caused by these hearings or by the acts which prompted these hearings. I wonder whether you would have the Congress do nothing after it has been lied to and misled and ignored. would we in the Congress then be true to our constitutional responsibilities? Is it better under our system to ignore misdeeds or to investigate them behind closed doors, as some have suggested? Or is it better to bring them into the open and try to learn from them? I submit that we are truer to our Constitution if we choose the later course.

These committees, of course, build on the work of other committees, and I think that work is part of our constitutional system of checks and balances. There are many parts of your testimony that I agree with. I agree with you that these committees must be careful not to cripple the president. I agree with you that our government needs the capability to carry out covert actions.

During my six years on the Intelligence Committee, over 90 percent of the covert actions that were recommended to us by the president were supported and approved. Any only the large-scale paramilitary operations, which really could not be kept secret, were challenged. I agree with you, when you said in your opening statement, that you're caught in a struggle between the Congress and the president over the direction of American foreign policy, and that most certainly is not your fault. And I agree with you, that the Congress, whose record in all of this is certainly not unblemished, also must be accountable for its actions.

Now let me tell you what bothers me. I want to talk about two things; first policy, and then process. Chairman Inouye has correctly said that the business of these Select Committees is not policy, and I agree with him, but you made such an eloquent and impassioned statement about policy, that I wanted to comment. I am very troubled by your defense of secret arms sales to Iran. There's no disagreement about the strategic importance of Iran or the desirability of an opening to Iran. My concern is with the means employed to achieve those objectives.

The president has acknowledged that his policy, as implemented, was an arms-for-hostage policy. And selling arms to Iran in secret was, to put it simply, bad policy. The policy contradicted and undermined long-held, often articulated, widely supported public policies in the United States. It repudiated U.S. policy to make no concessions to terrorists, to remain in the [Persian] Gulf war, and to stop arms sales to Iran. We sold arms to a nation officially designated by our government as a terrorist state. This secret policy of selling arms to Iran damaged U.S. credibility.

A great power cannot base its policy on an untruth without a loss of credibility. Friendly governments were deceived about what we were doing. You spoke about the credibility of U.S. policy in Central America, and you were right about that, but in the Middle East, mutual trust with some friends was damaged, even shattered.

The policy of arms for hostages sent a clear message to the states of the Persian Gulf, and that message was that the United States is helping Iran in its war effort, and making an accommodation with the Iranian revolution, and Iran's neighbors should do the same. The policy provided the Soviets an opportunity they have now grasped, with which we are struggling to deal. The policy achieved none of the goals it sought. The ayatollah [Ruhollah Khomeini] got his arms, more Americans are held hostage today than when this policy began, subversion of U.S. interest throughout the region by Iran continues. Moderates in Iran, if any there were, did not come forward. Today, those moderates are showing fidelity to the Iranian revolution by leading the charge against the United States in the Persian Gulf. In brief, the policy of selling arms to Iran, in my view at least, simply cannot be defended as in the interests of the United States. There were and there are other means to achieve that opening which should have been used.

Now let me comment on process as well, first with regard to covert actions. You and I agree that covert actions pose very special problems for a democracy. It is, as you said, a dangerous world, and we must be able to conduct covert actions, as every member of this panel has said. But it is contrary to all that we know about democracy to have no checks and balances on them. We've established a lawful procedure to handle covert actions. It's not perfect by any means, but it works reasonably well. In this instance, those procedures were ignored. There was no presidential finding in one case, and a retroactive finding in another. The intelligence committees of the Congress were not informed, and they were lied to. Foreign policies were created and carried out by a tiny circle of persons, apparently without the involvement of even some of the highest officials of our government.

The administration tried to do secretly what the Congress sought to prevent it from doing. The administration did secretly what it claimed to all the world it was not doing. Covert action should always be used to supplement, not to contradict, our foreign policy. It should be consistent with our public policies. It should not be used to impose a foreign policy on the American people which they do not support.

Mr. McFarlane was right. He told these committees it was clearly unwise to rely on covert action as the core of our policy. And as you noted in your testimony, and I agree with you, it would have been a better course to continue to seek contra funding through open debate. You have spoken with compelling eloquence about the Reagan Doctrine. And laudable as that doctrine may be, it will not succeed unless it has the support of the Congress and the American people.

Secondly, with regard to process, let me talk about accountability. What I find lacking about the events as you have described them is accountability. Who was responsible for these policies, for beginning them, for controlling them, for terminating them? You have said that you assumed you were acting on the authority of the president. I don't doubt your word, sir. But we have no evidence of his approval. The president says he did not know that the National Security Council staff was helping the contras. You thought he knew. And you engaged in such activities with extraordinary energy.

You do not recall what happened to the five documents on the diversion of funds to the contras. Those documents radically changed American policy. They are probably, I would think, the most important documents you have written. Yet you don't recall whether they were returned to you, and you don't recall whether they were destroyed, as I recall your testimony.

There's no accountability for an $8 million account earned from the sale of U.S. government property. There is no accountability for a quarter of a million dollars available to you. You say you never took a penny. I believe you. But we have no records to support or to contradict what you say. Indeed, most of the important records concerning these events have been destroyed.

Your testimony points up confusion throughout the foreign policymaking process. You've testified that [the late CIA] Director [William J.] Casey sought to create an on-the-shelf, self-sustaining, stand-alone entity to carry out covert actions—apparently without the knowledge of other high officials in government. You've testified there was an unclear commitment to Israel concerning replenishment of missiles to Iran. You've testified that it's never been U.S. policy not to negotiate with terrorists. Yet, the president has said the opposite—that we will never negotiate with terrorists. You have testified that a lot of people were willing to go along with what we were doing, hoping against hope that it would succeed and willing to walk away when it failed. Now my guess is, that's a pretty accurate description of what happened. But it's not the way to run a government. Secret operations should pass a sufficient test of accountability. And these secret operations did not pass that test. There was a lack of accountability for funds and for policy, and responsibility rests with the president. If he did not know of your highly significant activities done in his name, then he should have, and we'll obviously have to ask [former national security adviser] Adm. [John M.] Poindexter some questions.

Now the next point with regard to process relates to your attitude toward the Congress. As you would expect, I'm bothered by your comments about the Congress. You show very little appreciation for its role in the foreign policy process. You acknowledge that you were "erroneous, misleading, evasive and wrong" in your testimony to the Congress. I appreciate, sir, that honesty can be hard in the conduct of government. But I am impressed that policy was driven by a series of lies—lies to the Iranians, lies to the Central Intelligence Agency, lies to the attorney general, lies to our friends and allies, lies to the Congress, and lies to the American people. So often during these hearings—not just during your testimony, but others' as well, I have been reminded of President Thomas Jefferson's statement: "The whole art of government consists in the art of being honest."

Your experience has been in the executive branch, and mine has been in the Congress. Inevitably our perspectives will differ * * *. You said on the first day of your testimony, and I quote, "I didn't want to show Congress a single word on this whole thing." I do not see how your attitude can be reconciled with the Constitution of the United States. I often find in the executive branch, in this administration as well as in others, a view that the Congress is not a partner, but an adversary. The Constitution grants foreign policymaking powers to both the president and the Congress, and our foreign policy cannot succeed unless they work together. You blame the Congress as if the restrictions it approved were the cause of mistakes by the administration, yet congressional restrictions in the case of Nicaragua, if the polls are accurate, reflected the majority of the American people. In any case, I think you and I would agree that there is insufficient consensus on policy in Nicaragua. Public opinion is deeply divided. And the task of leadership, it seems to me, is to build public support for policy. If that burden of leadership is not met, secret policies cannot succeed over the long term.

The fourth point with regard to process relates to means and ends. As I understand your testimony, you did what you did because those were your orders and because you believed it was for a good cause * * *. The means employed were a profound threat to the democratic process. A democratic government, as I understand it, is not a solution, but it's a way of seeking solutions. It's not a government devoted to a particular objective, but a form of government which specifies means and methods of achieving objectives. Methods and means are what this country is all about. We subvert our democratic process to bring about a desired end, no matter how strongly we may believe in that end. We've weakened our country and we have not strengthened it.

A few do not know what is better for Americans than Americans know themselves. If I understand our government correctly, no small group of people, no matter how important, no matter how well-intentioned they may be, should be trusted to determine policy. As President [James] Madison said, "Trust should be placed not in a few, but in a number of hands."

Let me conclude. Your opening statement made the analogy to a baseball game. You said the playing field here was uneven and the Congress would declare itself the winner. I understand your sentiments, but may I suggest that we are not engaged in a game with winners and losers. That approach, if I may say so, is self-serving and ultimately self-defeating. We all lost. The interests of the United States have been damaged by what happened. This country cannot be run effectively [when] * * * major foreign policies are formulated by only a few and are made and carried out in secret, and when public officials lie to other nations and to each other. One purpose of these hearings is to change that. The self-cleansing process, the Tower commission and these joint hearings and the report which will follow, are all part, we hope, of a process to reinvigorate and restore our system of government.

I don't have any doubt at all, Col. North, that you are a patriot. There are many patriots, fortunately, and many forms of patriotism. For you, perhaps, patriotism rested in the conduct of deeds, some requiring great personal courage, to free hostages and fight communism. And those of us who pursue public service with less risk to our physical well-being admire such courage. But there's another form of patriotism, which is unique to democracy. It resides in those who have a deep respect for the rule of law and faith in America's democratic traditions. To uphold our Constitution requires not the exceptional efforts of the few, but the confidence and the trust and the work of the many. Democracy has its frustrations. You've experienced some of them, but we, you and I, know of no better system of government. And when that democratic process is subverted, we risk all that we cherish. I thank you, sir, for your testimony, and I wish you and I wish your family well.

CHILD LABOR IS NOT A PREREQUISITE FOR DEVELOPMENT IN THE THIRD WORLD

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. PEASE. Mr. Speaker, apologists for child labor in manufacturing often assert that such exploitation is excusable in that it enables such children to eat and survive. This paternalistic and insidious perspective says nothing about what would happen if unemployed adults were hired into the jobs now being performed by children and if those adult workers were paid a decent wage for their work.

The following Cox Newspaper report from the recent series entitled "Stolen Childhood" documents some of the shocking conditions in which as many as 44 million children between the ages of 5 and 15 work in India. This sort of blatant exploitation of children in India perpetuates poverty and undermines the development of a more self-reliant Indian economy.

CHILD LABOR FUELS INDIA'S CYCLE OF POVERTY

(By Marcia Kunstel and Joseph Albright)

FIROZABAD, INDIA.—Shimmering orange-red blobs crisscross the darkness of CA Glass Works. As eyes adjust to the factory's smoky interior, the scurrying figures of small, dirty boys materialize in the haze.

These ragged children trot like driven animals around the factory, carrying long pipes that drip molten glass heated to 1,500 degrees Fahrenheit.

At all five of Firozabad's biggest glass factories, Cox Newspapers reporters found boys under 14, the minimum age set by Indian law for factory work. Some even looked considerably younger. All worked with or around fiery molten glass and crude open furnaces.

Without exception, none wore protective glasses, shoes or gloves. They earned less than a dollar a day.

India has one of the highest concentrations of child laborers in the world, a by-product of child poverty, government corruption and a rush into industrialization. Of all the working children in India, the glass workers of Firozabad may have the most dangerous jobs.

Most commonly, the job of a young boy is carrying a 6-foot-long metal pole that had been dipped into a furnace to retrieve a glob of the molten glass. The carriers run the hollow poles to an older glass blower who shapes products such as beakers for laboratories and drinking glasses for some of India's finest hotels.

Then to speed the process, the glass blower throws the pole javelin-style to a child several feet below him. The boy has to catch the pole with its shaped glass—at this stage glowing dull orange from its temperature of 950 degrees—and spin it and drizzle it with water to tame its fiery heat.

At CA Glass Works, boys zigzagged so quickly around the factory and each other that they had to dodge molten dribbles spilling from their poles. A visiting photographer smelled something burning and looked down to see his sneakers smoking.

At OM Glass Works, visitors saw one boy with a bandaged ear, another with a scarred, unfocused eye and a third who had a section of hair burned off his scalp.

In the Advance Glass factory, flames shot 8 inches from an open fuse box until a worker grabbed away one of four wires hanging from it. At every factory, glass shards littered grimy floors where workers of all ages walked either barefooted or in rubber thongs. At the office of Advance Glass, a worker propped himself against the doorway while another employee tried to stop the blood spilling from his foot.

The children accept these conditions as facts of their work life.

Mohammed Batsin, a 12-year-old employee at Emkay Glass Works, said he did not mind working with hot glass and furnaces.

"No, no. I don't have any fear," said Mohammed, a-slight boy in shorts who said he had worked at Emkay for a year. "At first I got hurt, but now I don't anymore."

INDIA'S POVERTY MADE CHILD LABOR A TRADITION

This miserable work is the kind that provokes strong disagreement with the argument that child labor cannot be abolished until poverty is overcome.

Poverty is a confounding issue for advocates of child labor reform throughout the Third World because governments, businesses and the poor insist they cannot afford to do without the labor and income of children.

India—with an annual per capita income of $260 and estimates that one of every five children ages 5 to 15 is employed—is a fitting place to examine conditions and causes of the most abusive child labor.

Poverty has made child labor a tradition here. Reformers say corruption and the drive for economic development have turned that tradition into exploitation.

Widespread child labor in India assures that the poor stay poor, partly because many working children fill jobs while millions of adult Indians—often their fathers—search fruitlessly for work.

Children get jobs because they are cheap and docile employees.

Mohammed, for example, said he makes 11 rupees (86 cents) a day at the Emkay Glass Works. India's minimum wage is $1.25 daily. An adult at the same shop working one of the more skilled jobs said he made 150 rupees, almost $12, a day.

With three day's pay, Mohammed could buy his mother enough cheap cloth for one sari and his father one package of local cigarettes.

"In the long run, if childern are thrown out of jobs, the businesses will have to continue by employing adults at better wages," said Swami Agnivesh, a well-known Indian socal reformer.

A large force of child laborers depresses the wage scale and perpetuates adult unemployment, he said. It becomes a vicious circle as adults making a pittance look to their children to supplement the family income, then have more and more children who not only raise family costs but contribute to low wages.

Employers take advantage of these conditions, Agnivesh said, especially unscrupulous ones who make loans for pledges of work. With usurious interest rates, entire families effectively become serfs to a system of bonded indebtedness.

Estimates of children working in India vary from nearly 18 million—the government figure for children 5 to 15 who work for wages—to 44 million. Social agencies say the larger number is more realistic because it includes those who do piecework jobs with their parents, or are not paid directly by employers for other reasons.

Many of India's 200 million children 5 to 15 hold occasional jobs or else sacrific school attendance so they can keep house and tend younger siblings while parents work. They are not counted in the work force.

The only country that may rival India in child laborers is China, which the United Nations' International Labor Organization estimates has 39.6 million children workers 10 to 14. Because so much of China remains opaque to Westerners, it is impossible to gauge working conditions there.

THE COST OF BUSINESS: "EVERYONE WANTS A BRIDE"

Most Indian children don't labor in factories with such patently dangerous conditions as those of Firozabad. But hunderds of thousands fare little better.

In the carpet sheds around Mirzapur in central India, children work in what at times degenerates into slave conditions. The Indian Parliament heard the labor minister report in 1984 on the rescue of 114 children, 91 of them 13 and younger, who had been abducted and sold to these factories where they had been forced to work 16 or 17 hours a day.

Weavers commonly make 24 to 40 cents per day. But children regarded as apprentices may be paid nothing but skimpy meals for as long as five years, said B.N. Juyal, a scholar at the Gandhian Institute of Studies in Varanasi who extensively studied the carpet industry last year.

He estimated 150,000 children work in the carpet belt, two-thirds of them migrants living away from their families—a far cry from the traditional cozy image of the cottage industry. Child weavers often sit cramped in pits inside mud or wooden weaving sheds, without proper light or ventilation, where the air is laden with wool dust, Juyal said.

Elsewhere, chidren are collected at 3 or 4 a.m. from their villages and bused to 12-hour workdays at "bidi" plants where they hand-roll cigarettes. Children have been crushed to death in coal mines and contracted lung diseases from working in match and fireworks factories.

All these jobs are illegal for children under 14.

Pervasive corruption makes the law useless.

Bal Krishan Gupta, 63-year-old founder and principal owner of Advance Glass Group, which includes the OM Glass Works spoke openly about how business is done in Firozabad.

"Its very difficult. Everyone wants a bride. Everyone," said Gupta, "The factor inspectors, the tax man, the labor leader. Everybody is involved."

So what do you do?

"We pay. This is the only way. If you refuse, you cannot do work," he said.

Gupta, who wore a silk shirt and ruby ring wreathed in diamonds when he was interviewed, obviously can afford to pay.

His company, like the rest of today's glass industry, was born in the post-independence industrial boom cultivated in the 1940s and 1950s by an embryonic government eager to develop resources and markets stifled by colonial rulers.

Laws were made to control development, such as the minimum factory-worker age of 14, which was set in the constitution by 1950, and the 1948 factories act, which stipulates an eight-hour workday. But the government has been unable to enforce such standards from the start.

COLLUSION AMONG PARENTS, CHILDREN, EMPLOYERS

Much of the new wealth only exacerbated social divisions embedded for centuries in India's caste system. Gupta, for example, began life as a member of an upper-caste family of farmers and money-lenders.

Today, his factories strike a telling contrast to the spacious compound of his home, where he served unexpected visitors dainty sandwiches, nuts and tea, protected by a servant who stood and waived away flies with a long fan.

Gupta said he employs no boys under the legal age of 14. But he smiled uncomfortably when asked about the small children seen that day in two of his shops. They looked much younger than 14.

"They come to bring lunch to their fathers," he said. "They are not working. They stay to do something—that is how they learn."

Asked about the absence of safety gear for his workers, Gupta said they just don't like to use goggles and gloves that would protect them. His son, Pradeep Gupta, who manages one of the family factories, asserted in another interview: "There are no accidents."

The elder Gupta, a past president of the All India Glass Manufacturers' Federation, was aware that reformers are pointing angry fingers at Firozabad.

"They say we break the law," he said. "I say a boy who has education doesn't want to work on the farm or the factory."

He questioned how factories would keep a supply of workers if all children go to school until they are 14, and how the workers will learn trade skills if they don't begin training in the factory at a young age.

But Gupta maintained that his company tries to obey the law by asking propsective employees for a doctor's certificate attesting they are at least 14.

Such certificates are not taken too seriously. They often are fake, said Ashok Narayan, joint secretary of the Ministry of Labor's Child Labor Unit in New Delhi.

"The parents, the children, the employers—all are in collusion, sometimes because of the compelling circumstances," he said, referring to India's poverty.

Inspectors who try to make cases are blocked by parents as much as by industrialists, Narayan said. The central government does not even attempt to enforce labor laws, he said, leaving the job instead to state governments.

Usha Naidu, an expert on child labor at the Tata Institute of Social Sciences in Bombay, said the courts and local officials are sympathetic to factory owners who often are the most politically powerful men in their area.

Labor inspectors who make successful cases have found themselves transferred at the behest of the industrialist they took to court, Ms. Naidu said. Others get discouraged by small fines.

"The inspectors say this: 'We inspect, we find children are there, the children are in bad conditions. So you put up a file in court and what happens? The penalty is very small,' " she said.

Maximum penalties have been three months in prison or a fine equivalent to $156. Ms. Naidu's associate, S. Parasuraman, said fines more commonly have run less than $40.

There are more benign reasons for failure to act against violators.

"Other inspectors say, 'Where will the children go? At least they have something when they are working. Otherwise they will starve,' " said Ms. Naidu.

Her study of Bombay child laborers found only one-fifth of the families surveyed were totally dependent on the child's income. The other young workers supplied 8 percent to 88 percent of the family earnings, a spread so wide that it calls into question whether all of them need to work.

Still, she does believe child labor can be banned.

"When you think about all the children working in India, it becomes an impossible situation," she said, maintaining that attention instead must concentrate on the 1.5 million children she estimates are working in clearly exploitative conditions.

Growing number of Indians agree more must be done.

Besides taking jobs from adults, they say child labor sabotages the future of the children.

"A child starts working at 7 or 8," said Neera Burra, a researcher on child labor for UNICEF and for the Indian Social Institute. "He is burned out by the time he is 30 to 35. So he must send his own child to work. It is a vicious circle."

Juyal of the Gandhian Institute said child work can be countenanced if the children learn a marketable skill or can combine work with school. Without either, children end up working menial jobs forever, or are unemployed as they age.

"You use labor and discard them when you don't need them," said Juyal. Social activists contend that companies are prosperous enough to pay more. "I have found child labor is really caused by vested interests, not just by poverty," said Ms. Burra. In her study of the glass industry, Ms. Burra estimated 50,000 of the 200,000 glass workers in Firozabad are children.

She says the industries that employ children make high profits, or sell to blue chip companies wealthy enough to pay more for their products.

The glass companies, for example, provide glassware for all the five-star hotels in India. These include the Sheraton chain and the Oberoi hotels of the Intercontinental chain.

The owners of Advance Glass and West Glass cited Nestle's, a multinational corporation based in Switzerland, as a valued large-volume customer. The factories also do big business supplying Air India and making headlights for Indian-produced Ambassador cars.

The government even gives export subsidies to some industries known as big users of child labor. Both the glass and handmade carpet industries get rebates from the government equal to 10 percent of the value of what they export.

In fiscal 1982, glass exports totaled nearly $19 million. That means glass manufacturers stood to receive $1.9 million in subsidies.

Juyal said it was the government that spurred the expansion of the carpet industry and its increased use of children. He cited programs beginning in the 1970s in which the government offered low-cost loans to new manufacturers and opened training schools for children who were under the legal age of employment in the carpet trade.

"Need we sacrifice 150,000 children for the sake of foreign exchange earnings rising at the most to about 1.5 billion rupees [$117 million] per annum?" asked Juyal, speaking of the carpet weavers.

He is among the reformers who say work is not bad for children as such, but he is vexed by such official encouragement of the worst violators and the government's almost total failure to enforce the law.

Reading the changing public mood, the government of Prime Minister Rajiv Gandhi proposed and, finally, in January secured passage of a child labor law that mandates limited hours and special benefits and conditions for working children.

It maintains the ban on factory and hazardous work, but critics say it makes no effective provision for enforcing either the new standards or the old ones that have been ignored since enacted 38 years ago.

PROJECT FIRST SCORES WITH JOB TRAINING

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. FLORIO. Mr. Speaker, our country faces the problem of unemployment. There are no communities with individuals who do not have jobs.

The economic marketplace is becoming more and more complex with the innovations in technology. With the demand for yet more innovation in the way our industries approach their work, in some areas, many jobs go begging simply because the applicants are not trained to do the job.

The result is an ever-growing gap between the number of jobs available and the individuals who are willing to work but do not have the skills required for them.

One of the ways that the Federal Government is helping to bridge that gap is the Job Training Partnership Program, providing much-needed funds throughout the country to fund training programs.

The Job Training Partnership Act has demonstrated over the years the capacity to bring together the Federal Government, private corporations, and charitable organizations to create a pool of labor to fill the need of industry.

Under this novel approach to training potential employees, employers are encouraged to go where the unemployed are and to equip them with the basic skills needed to perform the jobs.

The training, however, goes beyond simply retooling the unemployed to perform a particular task. The basic skills that individuals receive include math, English, and methods enabling them to improve their performance.

For many of the participants, these programs provide a practical education in the discipline of business.

In my State of New Jersey, there are many programs that have been developed cooperatively. Using funds from the Federal Government, programs have affected many individuals.

One particular program is Project First which is jointly coordinated by the Private Industry Council Inc. and First Jersey National Bank under the leadership of Thomas J. Stanton, Jr.

A measure of the success of this and other programs is the placement of participants in paying jobs. On that scale alone, the partnership has succeeded for the many who are now working the First Jersey National Bank and putting their training to work.

As an example of the success of these programs and as further motivation for our country to take heed of the opportunities afforded by these programs, I am including several recent articles from the Bergen Record, the Hudson Dispatch, and the Jersey Journal, respectively:

[From the Berger Record, July 8, 1987]

FIRST JERSEY BANKING ON UNEMPLOYED TO FILL JOBS

(By Victor E. Sasson)

Grace Smith says it's been a struggle to be divorced and unemployed and to raise four sons since the Western Electric Company closed its Kearny plant and she lost her assembler's job. But that's all behind her now.

This week, Smith will graduate from a training program jointly sponsored by First Jersey National Bank and the Private Industry Council Inc. of Jersey City and Hudson County.

And as early as Monday, the Jersey City woman will start working as a $200-a-week First Jersey teller—her first job since 1984. She had worked for Western Electric for 14 years.

"I felt great," Smith recalled yesterday of the moment she was told she was being hired. "I like people and I can deal with pressure."

At 41, Smith is the oldest of the 18 men and women who started the training program in May. Her age prompted other class members to dub her "Momma Grace." Sixteen—13 women and three men—will be graduated Friday.

They're the vanguard of up to 75 low-income, unemployed black and Hispanic Hudson County residents the bank will train under the federally funded Job Training Partnership Act, which pays $638 per student.

All will be hired for entry-level clerical and customer-service jobs that pay a minimum of $5.50 per hour. A main reason the Jersey City-based bank turned to hiring the poor is a shrinking labor pool, officials said.

The bank faces "tremendous competition" for workers from New York City businesses as well as the flood of companies moving into Jersey City, said Paul Winberry, the bank's vice-president and personnel director.

Winberry said minority job applicants "were coming here, but essentially we were rejecting them" because they lacked certain skills. Grace Smith said she applied unsuccessfully for a job at the bank twice before.

With 114 offices in 16 counties, First Jersey National Bank employs 1,750 and will hire 750 people this year, mostly to meet growth, said Winberry. He said the customized training may continue after the 75 are hired.

The bank's investment to launch the training classes was about $25,000, said Winberry. The program is similar to an effort in the early 1980's, when the bank trained and hired 20 Spanish-speaking people. More than five years later, 90 percent of them still work for the bank, officials said.

"You look great. You look like you're ready to go on the payroll tomorrow," Thomas J. Stanton Jr., bank chairman and chief executive officer, told the class yesterday.

The classes are held inside the ornate boardroom of a landmark 19th Century building at One Exchange Place, the bank's main Jersey City branch.

"What this does is give them a leg up in the interview process," said Gary M. Eiben, director of planning and evaluation for the Private Industry Council.

The trainees are taught language and mathematical skills, how to write a business letter or memo, how to operate a calculator, an appropriate work wardrobe, telephone behavior, and interview techniques, said their instructor, Lisa Lauten, who added;

"They're eager to learn. They'e eager to work."

One class member, Samera Aziz, 18, of Union City said yesterdaya she was "excited and scared" about the job interview scheduled for today.

"I want to get a steady job," said Aziz, who hasn't had one since she was graduated last year form Union City's Emerson High School.

The next class is set to start July 27. To apply, Jersey City residents may call the city's Corporation for Employment and Training. Residents of other communities in Hudson County may contact the county's Office of Employment and Training in Hoboken.

[From the Hudson Dispatch, July 8, 1987]

FIRST JERSEY—JOBLESS GET LESSONS IN BANKING SKILLS

(By Sheila Smith)

JERSEY CITY—On the main floor of the First Jersey National Bank yesterday, tellers and customers were carrying out routine banking transactions.

But one flight up at One Exchange Place, students sat behind long tables on which 16 sets of textbooks were stacked neatly. Soon, they hope, they will be far away from the unemployment line and polishing their business manners rather than a teacher's apple.

The students almost have completed the first training course for unemployed Hudson County residents that First Jersey has offered. They are being trained for clerical and customer service bank jobs, which have a starting average pay of $6 an hour.

The First Jersey classes—two more are planned—have the same goal as other training classes throughout the county: teaching business skills and keeping people off the unemployment rolls.

Although none of the First Jersey trainees were promised jobs eight weeks ago when the classes started, two of the first class 16 members will begin new jobs next week. The others are interviewing for jobs, said training specialist Lisa Lauten.

The class, taught by Lauten, reviewed business English and mathematics, telephone and calculator skills. For some students, like Brenda Morgan, the lessons repeated what they had sat in city classrooms to learn years ago.

"I never concentrated in school, so it was a little scary here at first," said Morgan, who often went straight from class to a part-time night cleaning job at another First Jersey bank. "But now I think I'd like to study more."

Rosalia Carrasquillo, a Hoboken resident and homemaker, said she signed up for the class because she wants her three daughters to be proud of her.

"I want to be something," the 23-year-old said. "I want to do something with my life."

The cost of teaching each First Jersey trainee is $600, which is paid for through federal Job Training Partnership Act funds. The bank paid for textbooks and materials.

Trainees were recruited through the offices of the Corporation for Employment and Training Inc. and the Hudson County Office of Employment and Training, as well as newspaper advertisements.

Seventy-five people are expected to complete the bank's training program. The next class is scheduled to begin July 27.

[From the Jersey Journal, July 8, 1987]

CUSTOMIZED JOB-TRAINING YIELDS 17 CANDIDATES FOR FIRST JERSEY

(By Anthony Baldo)

Graduates of a first-time, customized job-training program involving First Jersey National Corp. received their certificates yesterday, and officials hope the system will provide a model for filling the needs of other Hudson County companies.

Seventeen graduates, all minority members and most of them women, were given certificates by First Jersey Chairman Thomas J. Stanton Jr. for successfully completing the eight-week program.

They will now go on to jobs with First Jersey in customer services, payroll processing, data entry, and other clerical areas, according to Gary Eiben, director of planning and evaluation for the Private Industry Council of Hudson County.

The Corporation for Employment and Training and the Hudson County Office for Employment and Training will spend $45,000 for the First Jersey program. The two agencies pay for instructors; First Jersey pays for classroom space and supplies, and also provides the curriculum it wants.

The First Jersey Program is designed for 75 graduates, Eiben said. Two more eight-week training sessions will be conducted.

So far, five of the 17 participants have had interviews with the bank, and three have been hired. They are now awaiting assignments, officials said.

They said all the graduates will eventually be placed in positions with First Jersey.

First Jersey approached the Private Industry Council a year ago to establish an entry-level clerical and pre-employment program to fill its labor needs, Eiben said.

The bank has approximately 1,700 full-time workers in Hudson and Essex, but averages 600 vacancies a year, he said.

The jobs First Jersey had available paid an average of $6 per hour plus benefits.

"The program is designed for people who'd have problems being employed at the entry level," he said. "We're not trying to raise the grade level of these people. They need to be familiar with basic math and communication skills."

A TRIBUTE TO JOHN WILLIAM POWELL

HON. WAYNE DOWDY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. DOWDY of Mississippi. Mr. Speaker, I would like my colleagues in Congress to join me in honoring a very special person from Mississippi, Hon. John William Powell.

State Senator Powell is retiring from public service after 28 years of dedication and hard work. He has earned a reputation as a man of the highest integrity who never lost touch with the people he represents. One of our local Mississippi newspapers, the Enterprise Journal, recently ran an article about Senator Powell. The story told of his door to door campaigning, when he would tell the voters, "Here I am. I want a chance. I will be honest every day of my life. You will be able to come to me. You don't have to have an appointment."

During his 28 years of service to the people of Mississippi, Senator Powell spent many long hours on issues vital to the betterment of our State. He was especially interested in legislation to open up educational opportunities for our young people so that they might enjoy a brighter future.

Mr. Speaker, I know that my colleagues join me in sending warmest congratulations and sincere appreciation to Senator Powell for a job well done.

HEALTH CARE POLICY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, July 15, 1987, into the CONGRESSIONAL RECORD.

HEALTH CARE POLICY

Health care is back as a major national concern. At issue is how we can close serious gaps in coverage while ensuring that the one-half trillion dollars the U.S. spends each year for health care is well-spent. Last year, the United States spent almost 11% of its GNP on health care, more than any other country. With health care costs continuing to increase at a faster pace than inflation, America's annual health care bill is expected to triple by the end of the century.

In the past the nation's health policy focused on increasing access to health care without much regard to costs. Medicare and Medicaid were developed for older persons and the poor, and other programs were launched to make good health care available to every American. The federal government is now the largest single purchaser of health services, paying for almost 40% of the nation's care.

In recent years spiraling costs and staggering federal budget deficits have caused a fundamental shift in the nation's health care policy, from increasing access to controlling costs. With the growing numbers of older Americans, the AIDS epidemic, the explosion of expensive medical technology, and the effort to provide increasingly sophisticated care to greater numbers of patients, America's health care system will be strained to the limits.

Despite the pressure to hold down costs, Congress continues to face pressure to meet the needs of persons who are inadequately protected under the present system. Every member of Congress hears from constituents demanding national health insurance. They want to know not only what health care costs the taxpayer, but how well and how fairly care is delivered. As many as 35 million Americans (17% of the nonelderly population) have no health insurance. Many more remain underinsured, risking disaster should major illness strike. Further, the shift in the economy to low-coverage service jobs means fewer employer-sponsored health benefits, currently the main source of coverage for Americans.

Fiscal constraints are not the only factor limiting access to care. The varied structure of America's health care system also affects access. Unlike most other developed nations, the U.S. has no nationally-planned system to ensure access for everyone. Rather, delivery of health care services is achieved through a complex system of different entities: private and public hospitals; private and group practitioners; employer-sponsored health benefits; private health insurance companies; and, of course, government programs on both the state and federal level. The system, despite its advantages, means overlapping coverage in some cases, and inadequate coverage in others.

This complex health care system also affects the policy process. With power diffused among competing health care interests, Congress' ability to reach a consensus on major health policy reforms has been limited. As health care policy has become increasingly contentious, Congress in recent years has generally made only incremental changes in existing health programs, rather than major reforms.

Nonetheless, pressure is building on the federal government to take action on health issues. Even this administration, which emphasizes deregulation of health care, finds itself pushing significant reforms. While the private sector continues to develop innovative cost-containment measures, the sheer size of the federal government in the health care market means that federal initiatives (such as a reform of Medicare's hospital reimbursement policy) have had profound effects on the entire market.

The challenge facing policymakers is not to harm access and quality in the drive to contain costs. So far, budget cuts in federal health programs have been aimed almost exclusively at hospitals and doctors rather than beneficiaries. While concern is growing over whether hospitals and doctors have been asked to bear an unfair proportion of cuts, in many cases cost-containment may actually have improved care because purchasers scrutinize the quality of services more carefully.

To improve access, Congress is considering several measures. One addresses the devastating costs for older persons of catastrophic illness by expanding Medicare to cover long hospital stays. The bill would also expand prescription drug coverage. These new benefits would be financed through higher premiums and a new income—related supplemental premium. Other health care initiatives include expanding Medicaid coverage for low-income older persons, children, and pregnant women, and providing more funds to combat the growing AIDS threat. Also under consideration are ways to cushion the effects of cost-reduction efforts on hospitals with extraordinary costs, in particular, those hospitals serving rural areas and the poor.

Finally, budget constraints may mean that the government will look to the private sector to help close the gaps in the health care system. Last session Congress required private employers to allow certain laid-off employees, and others at risk of losing coverage because of changes in their job status, to purchase health insurance at group rates. Pending bills to increase private sector coverage include mandating unpaid parental and medical leave, requiring state risk pools for indigent care, and increasing state regulation of private insurance. One concern about the trend to mandated benefits is the impact they could have on the competitiveness of U.S. businesses.

My sense is that policymakers will face growing pressures both to expand government health care programs to meet unmet needs, and to continue federal cost containment efforts to reduce the deficit. A more efficient system will relieve, but it will not resolve, these pressures. I look for health care to be a major item on the national agenda for many years to come.

PROPER REPRESENTATION

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. PACKARD. Mr. Speaker, this week, 200 years ago, the long debated discussion over representation in the House continued, but was heading toward a compromise. William Samuel Johnson stated that "wealth and population were the true, equitable rule of representation." These were the two areas that the delegates concentrated their efforts on in working toward a compromise. Some feared a southern majority in Congress could mean a "transfer of power from the maritime to the interior and landed interests."

Finally, on July 16, 1787, the Great Compromise passed by the narrowest of margins. The House would be based on population, while the Senate would have equal representation for each State. Today we follow this same system, however, the topic of proper representation for the people and our Nation is still debated. The Contra hearings illustrate the public's need to know why and how certain decisions were made. The hearings also illustrate the need for decisive action by our elected leaders. Our world is becoming complicated and requires immediate decisions that can and do effect our vital interests and the lives of American citizens. In such an environment the President must have the latitude to make quick decisions and carry out policy without having to wade through Congress' bureaucratic maze.

When our Founding Fathers constructed the Constitution, the people of the United States had faith in what they wrote. Because immediate decisions are often required of our Chief Executive, the people of the United States need to have faith in the officials they elect. I pray that we, the Congress, can be trusted to act in concert with the Chief Executive to make the important decisions necessary to best serve the American people.

THE FOOLISH STATEHOOD-FOR-PUERTO RICO BILL

HON. JAIME B. FUSTER

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. FUSTER. Mr. Speaker, it saddens me to see yet another political status bill for Puerto Rico introduced in the Congress. The Senate minority leader from Kansas, BOB DOLE, filed a prostatehood bill for Puerto Rico in May. Representative RONALD DELLUMS, a Congressman from California, filed a proindependence bill for Puerto Rico earlier this year. And now, Congressman BOB LAGOMARSINO, the gentleman from California, has just introduced yet another prostatehood bill for Puerto Rico, H.R. 2849.

The Lagomarsino bill, much like the others, is a gross example of how Congress should not attempt to legislate for Puerto Rico. To begin with, it reflects a dire lack of concern for the will of the great majority of the people of Puerto Rico, who in 1984 voted substantially in favor of parties and candidates whose platforms expressly pledged to leave political status matters aside, so as to focus only on urgent socioeconomic problems. The bill disrupts political discussion in the island by forcing the public to focus on a matter that is not of their urgent interest or concern.

At first glance, you might think that the people of Puerto Rico are somehow being held back from exercising their right to have the island become the 51st State. That is simply not true. Statehood leaders and politicians in Puerto Rico had never used the opportunities available to them officially to petition for statehood because they have never had the kind of popular support that is required.

As the only elected representative in Congress of the 3.5 million U.S. citizens residing in Puerto Rico, I represent the political party in power in Puerto Rico which favors the existing Commonwealth status, a status which is solidly based on the principle of permanent union with the United States. We believe that Commonwealth status is the only status that economically makes any sense both for Puerto Rico and the United States. We also believe it is the one that best represents the traditions, the culture, the language and the other special circumstances of Puerto Rico. A large majority of the people in Puerto Rico share our views. Statehooders represent a sizable force in Puerto Rico, but theirs is nowhere near the magnitude that would convince Congress that it is in the best interests of the United States and Puerto Rico to admit the island as the 51st State. Recent polls by statehood supporters show only about 30 percent of the people interested in statehood.

The Lagomarsino bill would mandate Puerto Rico to hold a "statehood—yes or no" referendum, solely on the basis of some 250,000 informal petitions for statehood supposedly gathered in the island. But such petitions—assuming they are valid—represent only about one-tenth of the electorate in Puerto Rico. And the process for gathering these petitions, with no official verification or safeguards, is totally discredited in Puerto Rico. It is surprising that they should be used as a basis for this bill. How can serious Members of Congress assume that such petitions are a legitimate expression of widespread support for statehood?

Moreover, the Lagomarsino bill grossly violates the principle of self-determination as enunciated by all Presidents of the United States since 1952 and by both Houses of Congress in 1979. The bill excludes from the referendum the possibility of voting for the two other status options that traditionally Puerto Ricans have had when deciding on this matter. These other options, which were included in a referendum held in Puerto Rico in 1967, are an enhanced Commonwealth or independence. To leave them out, as the bill does, invades our right to self-determination just as it also invades it by forcing my constituents to vote on this matter even it we don't want to. Self-determination also covers Puerto Rico's prerogative to decide if and when it wishes to petition Congress for a change of political status.

The Lagomarsino bill is likewise a gross violation of the 1952 Puerto Rico Federal Relations Act, the basic charter enacted in the nature of a compact, that governs United States-Puerto Rico relations and which was approved by the United Nations in 1953. This charter gave Puerto Rico a full measure of local self-government. Numerous Federal court cases, including several from the U.S. Supreme Court, have upheld the juridical underpinnings of Commonwealth status time and again, expressly recognizing Puerto Rico's control over its internal affairs. But Mr. LAGOMARSINO'S bill would so invade Puerto Rico's internal autonomy that it would congressionally impose a status referendum—actually instructing Puerto Rico what it must do, setting a specific date and specific procedures. This clearly annuls the power of the local government to call and decide upon such referenda. It completely disregards the authority vested in the Puerto Rican Legislature to provide for such referenda.

If Congress can do this, it will validate the theory that Commonwealth status is a monumental hoax. Yet, precisely that theory has been discredited by competent Federal judges over and again—the last time in a 1985 decision by the First Circuit Court of Appeals, which said, in part:

> In 1952, Puerto Rico ceased being a territory of the United States subject to the plenary powers of Congress as provided in the federal Constitution. The authority exercised by the federal government emanated thereafter from the Compact itself. Under the Compact between the people of Puerto Rico and the United States, Congress cannot amend the Puerto Rico Constitution unilaterally, and the government of Puerto Rico is no longer a federal government agency exercising delegated power . . . The Constitution of the Commonwealth is not just another organic act of the Congress. We find no reason to impute to the Congress the perpetration of such a monumental hoax.

If the bill were enacted, it would nullify the United States position at the United Nations—a position steadfastly opposed by Cuba and her allies for the last two decades—that Puerto Rico is a self-governing entity under terms of the United Nations Charter, and that Puerto Ricans themselves, voting in free and open elections, have ratified their choice of a political status, and are free to propose any change they want, whenever they decide to do so on their own volition.

Finally, such "statehood—yes or no" bills also create wild and false expectations in Puerto Rico itself, leading some gullible people to think that Congress is about to grant statehood to the island. Hopes and fears are exacerbated. People begin doing foolish things. A few days after the Lagomarsino bill was filed, the chief judge of the U.S. District Court for Puerto Rico—the highest local Federal judge—abandoned judicial decorum and came out openly in favor of statehood in a speech where he accused the United States of being a colonial power. Today, a former Governor of Puerto Rico, who never bothered to petition Congress for statehood while he was in power, published an article in a leading newspaper in the island, claiming that statehood is ours just for the asking, and affirming that Congress is very interested in granting statehood to Puerto Rico, allegedly more so than it has ever been with any U.S. territory.

These two examples of crazed political conduct are the direct result of the Lagomarsino bill. People in Puerto Rico are being grossly misled, and this is very unfair to them because there is no real interest in this matter in the Congress. Indeed, there have been no serious discussions here about the problems, dilemmas and complications of statehood for Puerto Rico in recent years. Is Congress ready and eager to grant statehood to an organized community of Spanish-speaking people who would have the right to elect two Senators and seven Members of the House? Is Congress ready to bear the cost of well over $1 billion in additional Federal aid money to the island which statehood for Puerto Rico would represent, according to a recent Government Accounting Office [GAO] report?

Is Congress ready to deal with expected and perhaps fierce opposition not only of significant leftish groups in the island and the mainland who favor independence for Puerto Rico but also of Latin nations that don't support statehood for the island? These are just a few of the questions implicit in the Lagomarsino bill that have not been subjected to analysis and discussion in Congress.

To sum up, it is appalling that some Members of Congress would want to open up this thorny and explosive issue when the people of Puerto Rico themselves do not, and to do so in a manner that violates well established legal and constitutional principles. Frivolous bills such as this should not be entertained even if it is just to help friends in Republican Presidential primaries in Puerto Rico, as is the case with the Lagomarsino bill. Too much is at stake, particularly the tranquility and good will of the U.S. citizens who live in Puerto Rico.

H.R. 925: THE FAMILY AND MEDICAL LEAVE ACT

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. LIPINSKI. Mr. Speaker, there has been a revolutionary change in the nature of the workplace in the past two decades. Today women make up 44 percent of the labor force and it is estimated that in the next 3 years, women will make up 67 percent of the new entries into the work force. The established relationships within business enterprises are changing, including the realization that medical leave for pregnancy is no longer a matter of debate, but rather one of necessity.

The Family and Medical Leave Act, H.R. 925, seeks to address the new demands placed on society by the changing demographics of the work force. In concept, the idea of unpaid medical leave or unpaid leave to care for dependent parents is an admirable goal to which I pledge my continuing support. The logistics of the legislation, however, would create an undue burden on small, often family owned business within the United States.

H.R. 925 is inclusive of all business enterprises with 15 or more employees. Small businesses, from grocery stores to restaurants, would be obliged to bear the costs of continued medical benefits and part time replacement help. These are not multimillion dollar operations that can absorb these costs with the help of tax incentives. I find it difficult to believe that anyone would expect a marginal family owned business to shoulder the costs of an 18-week leave period.

Many argue that small business provides the fewest employee benefits. This in fact, is the case. Only 12 percent of businesses with 20 or fewer employees have a standard leave policy. The very nature of a small business, however, is that costs are carefully monitored and examined. My own correspondence with small business people reflects the nature of H.R. 925 as not a social cause but an economic one. This is a bread and butter issue involving the very survival of small business. Hardships created by the necessity for leave are not a one way street, and in asking small business to accept the bill, we only create new hardships.

In addition to the cost element I've just described, small business employment also tends to be transitory with a high annual turnover rate. A small businessman might very well pick up the cost of extended medical benefits for leave, only to find that the employee has found a new job shortly after returning to work. Small business is many times the stepping stone to greater employment opportunities, or simply a short time holding position in anticipation of a better job offer.

Small, family owned business requires a greater level of flexibility. In most cases, responsibilities are not identical and the leave requirements of this legislation would result in a tremendous hardship. Small business simply cannot afford the privilege of hiring and training two people for one job.

Small business has not been callous in dealing with medical leaves. While standard policies and practices are not the rule, personal and private accommodations are often made. In fact, small employers are more likely than large employers to allow women to return to their jobs on a reduced work schedule following childbirth. This fact reflects the personal nature of employer-employee relations in small business enterprise. Small employers have shown a willingness to support their employees' needs within the realm of economic possibilities open to each employer.

My support for child care legislation and other social funding has been consistent throughout my tenure in Congress. The dream of a better life, coupled with the necessity for a two-person income has changed the very conception of the American family. We must address ourselves to these new social demands reflected in the changing workplace. Unfortunately, H.R. 925, with its current inclusion of any business with 15 or more employees, shifts the troublesome burden of child care to a source ill-equipped to handle it.

I urge the supporters of H.R. 925 to reconsider the 15-employee exemption and urge that it be raised to 50 employees. In this way the parental and medical leave provisions will not place an undue burden on small business. The current minimum considers only the number of employees covered and not the nature of the business enterprise. Too often we assume a cost-free world for the sake of a noble cause. The incidence of this legislation, in its present form, forsakes the family business for child rearing and family maintenance. This is a trade that I am unwilling to make.

TRIBUTE TO DR. CHARLES L. OPPY

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. SCHUETTE. Mr. Speaker, today I would like to take the opportunity to commend an outstanding individual of the highest character and moral and ethical standards. Since 1954, Dr. Charles L. Oppy, of Roscommon, MI, has been a vital member of his community in providing quality and caring medical services to those in need. To show their appreciation for his selfless dedication to the medical profession and his community, the citizens of Roscommon will honor Dr. Oppy on July 26, at a community retirement reception.

Charles Oppy enlisted in the U.S. Navy during World War II, marking the beginning of a life-long dedication to his country and fellow citizens. At the age of 27 he enrolled at the University of Cincinnati, going to school full time and working parttime. He received his degree in biology in 1949, and graduated from the University of Cincinnati School of Medicine in 1953. The following year he moved to Roscommon and began his life-long family medical practice.

The list of accomplishments since that time is remarkable: Chief of staff at Grayling Mercy Hospital, Grayling, MI; member of the Michigan Medical Society; member, Michigan Cancer Society; Michigan Medical Society Government Affairs member; founding board member of the Kirtland Community College. This is only a small listing of the countless organizations and actitivies which Dr. Oppy has so selflessly served.

In addition, Dr. Oppy was awarded the Plessner Memorial Award by the Michigan Medical Society for best exemplifying the practices and ethics of a rural county practitioner, and for his services to patients, his community, and the medical profession.

Mr. Speaker, I respectfully ask that you and our colleagues in the U.S. House of Representatives join me today in commending and thanking Dr. Oppy for his commitment and dedication to serving those in need around him. Always willing to be of service at any time of the day or night, Dr. Oppy is a perfect living example of the rural, family doctor who is willing to go the extra mile, above and beyond the call of normal duty that many have thought were gone long ago. On July 26, the city and county of Roscommon, and its neighboring communities, will wish Dr. Oppy a joyous and well-deserved retirement. While Dr. Oppy may be retiring from his role as medical practitioner, he continues to fulfill a role that is so much greater—a caring, ethical, dedicated human being.

DOE TO TERMINATE CONTRACT WITH TVA

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. FLIPPO. Mr. Speaker, in 1967 the Department of Energy negotiated a contract with the Tennessee Valley Authority to purchase electricity for DOE's uranium enrichment facilities in Tennessee and Kentucky.

Because of the enormous amount of power DOE said they would need through the 1990's, TVA spent billions of dollars to build the equivalent capacity of five nuclear units to supply that power.

DOE's need for this large amount of power was restated from the early 1970's until recently. In June of this year, while still under contract with TVA, DOE arbitrarily began a 50-percent reduction in payments to TVA.

DOE's stated reason for this highly unusual action was that they no longer needed the contracted power due to DOE's mistakes in projecting the demand for enriched uranium. Under the terms of the contract DOE could and has given notice that they will terminate this arrangement by 1993.

The loss of $250 million in revenues to TVA because of DOE's admitted mistakes will have dire consequences for consumers in the seven States served by TVA if this decision is allowed to stand. Like any utility, TVA understandably counted on DOE's contractual commitments in making their long-term projections for their revenue requirement and demand for power. DOE's unilateral decision may ultimately mean that the other 3.5 million TVA customers will have to pick up DOE's $250 million electric bill. TVA has estimated rates could rise by as much as 6 percent to make up for this loss.

Over the past few years I have often been at odds with TVA because I believe my constituents want a more efficient and modern agency to serve them. Today, however, I am joining with TVA and other affected parties in filing suit against the Department of Energy for this utterly arrogant and capricious action.

The 554,000 people that live in the Fifth Congressional District of Alabama cannot stand any more big rate increases. The industries in my district cannot stand any more big rate increases. All of the ratepayers in the Tennessee Valley have suffered enough and should not have to suffer even more because another TVA ratepayer simply refuses to pay its bills.

HOUSE REPUBLICAN TASK FORCE PROPOSES BUDGET PROCESS REFORMS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. LOTT. Mr. Speaker, today our House Republican Leadership Task Force on Budget Process Reform, chaired by our distinguished Republican Leader, Mr. MICHEL, unveiled a series of reform proposals designed to make our budget process work as intended.

It's ironic that in this bicentennial of our Constitution, we in Congress are increasingly losing control of our most important constitutional prerogative—the power of the purse. Our budgetary purse strings are tangled, tattered, and slack.

The evidence of this is all around us: mounting deficits, missed deadlines; repeated Budget Act waivers and violations; spending increases in deficit reduction bills; authorization squeeze-outs and appropriation bogdowns; and the inevitable bloated omnibus money bill, or BOMB, each fall.

It is true that our fiscal mess is due in part to a lack of will and consensus on deficit reduction. But, it's also true that it involves a failure of process; if your machinery is broken your efforts are token.

Our House Republican task force has recognized that, unless our current hollow and impotent budget process is given new life and teeth, it might as well be abandoned. And, rather than recommend that it be junked, we have opted instead for a strong, constructive and comprehensive package for restoring that process to full vigor.

And there is strong feeling among House and Senate Republicans, and, I might add, a substantial number of Democrats, that the process should be fixed in connection with any further increase in the debt limit. These are interrelated issues, and there should be a legislative linkage between the two. It should also be emphasized that there is widespread agreement on most of these reforms between House and Senate Republicans and the White House. Consultation and cooperation between these three have been ongoing throughout this development of this package.

While some might focus on the Gramm-Rudman sequestration process, and we do support a trigger-fix, we strongly believe that fixing the regular budget process is more important. Only by making that regular process work properly can we avoid sequestration which was intended, after all, as an incentive for orderly deficit reductions.

I just want to highlight three of our reform proposals that I consider to be especially important given our current mess:

First, we want to permit points of order against bills which exceed the outlay ceiling in the budget resolution as well as the subcommittee outlay allocations. At present we only enforce the budget authority ceilings, even though it is outlays that drive the deficit we are trying to get a handle on;

Second, we want to confine reconciliation bills to deficit reduction provisions only and prohibit spending add-ons and other extraneous matters. These extraneous items only prolong and jeopardize our deficit reduction efforts, and, in the case of spending add-ons, actually work at cross-purposes with the aim of reconciliation.

Third, we would prefer an outright ban on the BOMB we call "Bloated Omnibus Money Bills," or long-term continuing appropriations bills. But, recognizing that the Democrat majority will continue to resort to the BOMB we at least want to establish rules for its deployment and give the President a defense against its impact. We have proposed giving the President enhanced rescission authority over such omnibus money bills so that any item could be rescinded subject to congressional disapproval rather than approval as is now the case.

We have also proposed that those omnibus bills be subject to the same rules as regular appropriations bills, barring legislative and unauthorized provisions and requiring cost estimates. And we propose that the full texts of matters be included rather than mere references to other bills. As things now stand, nobody knows what they're voting for in the waning hours of a Congress, even though we're talking about a bill that provides funds for the operation of the entire Government.

We also propose that any short-term continuing appropriations measures, those effective for 30-days or less, must only contain the lower of the House or Senate spending levels for the current year, or that enacted for the previous year. It's time we get back to these so-called lean and clean continuing resolutions while we work on permanent funding for the Government.

In conclusion, we are rapidly approaching the drop-dead date for the debt limit. We Republicans have long warned that any further increase must include meaningful budget reforms, and we have been pressing many of these since the first day of this historic 100th Congress.

A TRIBUTE TO NATHAN PERLMUTTER

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. GREEN. Mr. Speaker, I should like to take this opportunity to pay tribute to Mr. Nathan Perlmutter, the director of the Anti-Defamation League. Since 1985, Mr. Perlmutter suffered from the knowledge and pain associated with an inoperable form of lung cancer. This past Sunday, Mr. Perlmutter died at the Memorial Sloan-Kettering Cancer Center in New York.

Mr. Perlmutter joined the ADL in 1949. Through 1964, he served as the director of three of its regional offices—Detroit, Miami, and New York. From 1965–69, he acted as the associate National Director of the American Jewish Congress. He returned to the ADL in 1973 as its assistant national director.

In addition to his service to these organizations, Mr. Perlmutter wrote extensively on racism and bigotry. He authored "A Bias of Reflections" (1964) and coauthored, with his wife, "The Real Anti-Semitism" (1982).

For his many years of dedication and service, Mr. Perlmutter received several public service awards. In January, he received the B'nai B'rith International Presidential Gold Medal for Humanitarianism. Last month, President Reagan awarded him the Presidential Medal of Freedom—our Nation's highest ranking civilian award.

Beyond these titles, officerships, and certificates, there remains the memory of a man who committed his life to championing human dignity. He had a concern for all people—regardless of their races, creeds, or colors. Through his activities, Mr. Perlmutter exemplified the soothing voice of reason, effectively checking racial and religious bigotry while underscoring his independent point of view.

In his 1985 New York Times article, "Diary of a Cancer Patient," Mr. Perlmutter concluded that: "You're supposed to see your life go by at times like this. What did I do with mine? My mind is smiling at what I feel I've accomplished. I married the prettiest girl in the neighborhood. I made it to Marine infantry officer, wrote a few books, and became director of the ADL—my hill."

I would like to ask my colleagues to join me in honoring Mr. Perlmutter and his endeavors. One can only hope that we are blessed with the leadership of another who embodies an eloquence and an even-handed temperament in addressing racial and religious prejudice and bigotry.

BYRON DENENBERG, ENTREPRENEUR OF THE YEAR

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. PORTER. Mr. Speaker, I rise today to commend Byron Denenberg, president of MDA Scientific, Inc. [MDA], on receiving one of the Arthur Young/Venture Magazine "Entrepreneur of the Year" awards.

Byron Denenberg is most deserving of this prestigious award for his company's success in developing, manufacturing, and marketing devices that detect and monitor toxic gases. This product helps prevent catastrophic industrial accidents.

In the 18 years since Mr. Denenberg founded his company, the once small Midwestern operation has grown into a global manufacturer of highly sought after systems. Recently, Denenberg signed a $1-million contract with a Chinese company which allows the adoption of the designs of MDA's products. Another international agreement will permit MDA's equipment to be distributed by a major Japanese industrial gas supply company.

This expansion into overseas transactions now amounts to over 20 percent of all MDA's business. These connections have helped boost MDA's annual sales by $13 million between 1981 and 1986. This worldwide status has brought the deserving respect and prestige to Denenberg and his company. It also demonstrates a refreshing example of a small business successfully expanding to the export market.

Mr. Speaker, with your permission I would like to submit for the record the following Pioneer Press article explaining the accomplishments of Byron Denenberg.

ENTREPRENEUR OF THE YEAR

(By Cyril Ibe)

During lunch last week, MDA Scientific, Inc., president Byron Denenberg leaned back in his plush Lincolnshire office to talk about being one of six winners in Illinois to receive the Arthur Young/Venture magazine "Entrepreneur of the Year" award.

While relishing the award as a personal accomplishment, Denenberg emphasized that it also belongs to the 130 workers who helped him turn a small Midwestern operation of distributing industrial gas detectors into a worldwide manufacturer of the highly marketable systems.

"I think the main thing that should be stressed about this award is that it's not an individual award," Denenberg said. "It has the name of an individual, but I accepted the award on behalf of all the people that made it possible. All of these people should share in the honor of getting this award."

Eighteen years after he founded the company in 1969, Denenberg has led MDA to worldwide status that makes its products now highly sought by industries all over the world. The product helps prevent industrial accidents like the one that killed 2,000 people at Union Carbide Corp. plant in Bhopal, India, on Dec. 3, 1984.

MDA develops, manufactures and markets devices for detecting and monitoring toxic gases. The equipment is designed to sound alarms when gases exceed allowed toxic levels.

From MDA's Lincolnshire facility to its service plant in Britain to a joint venture in Munich, Germany, the company is rapidly expanding. In December of last year, Denenberg signed a $1 million contract with a Chinese company that will adopt the designs of MDA's products to produce systems usable by Chinese industries. Another major international business deal will allow the company to make equipment to be distributed by a major Japanese industrial gas supply company. Denenberg said with the two contracts, MDA's overseas transactions will amount to more than 20 percent of all its business.

The global connections have helped to boost MDA's annual sales, which went from $2 million in 1981 to $15 million in 1986.

"The money is the report card. It's really what says that you succeeded in your work. But it's not the main reason for the work," Denenberg said.

At 52, the Northfield resident said his main motivation for working is that "I like the challenge. I like the fun, the excitement of building a company. I appreciate the recognition that we are getting now. But it's not the most important thing."

Nevertheless, Denenberg's leadership has earned him and his company other prestigious recognitions in the industry in the last two years. MDA was named the "Best Small Business" in the Chicago area in 1985 by Arthur Andersen & Co. and the University of Illinois School of Entrepreneurial Studies. He also received the 1987 Beta Gama Sigma medallion for entrepreneurship awarded by business schools in the country.

MDA was established as Malter Denenberg Associates, with partner Lew Malter, as a representative for three manufacturers of gas detectors. Within three years, the two partners started two other companies for laboratory and health screening purposes, operating all three firms at the same time. Later MDA became the first American distributor of gas-detectng equipment produced by Sieger Ltd., an English firm.

But capital for getting inventory from England and supporting the other two companies become a problem for the parent business that was started with "a modest amount of money." To solve the financial crunch, Denenberg and Malter amicably split the three companies in the late 1970's. MDA went to Denenberg and the other two to Malter. Malter's companies are Health Evaluation Progams, Inc., and Chrometrics Laboratories, Inc., both in Park Ridge.

The decision could not have been made at a better time for Denenberg. With increasing emphasis on industrial safety by the Occupation Safety and Health Administration (OSHA) in the mid-70s, concerns about toxic gases grew, with increasing demands for MDA products. After a gradual annual growth of between 10 and 15 percent for five or six years, the company finally got "a lucky break" when the English firm was bought by a Swiss company called Zellweger Uster Ag., which became interested in MDA. The Swiss firm bought a "minority interest" in 1981 from MDA and provided money for it to invest in new products and to hire engineers.

Two years ago, the company relocated from a 35,000-square-foot site in Glenview to a 60,000-square-foot facility at 405 Barclay Blvd. in Lincolnshire to acommodate the growth in its manufacturing capacity.

Born to a father who always owned his own business, Denenberg said his entrepreneurial spirit was developed when he was in high school. "I think that's probably not so unusual for people that start businesses," he said. "I think most entrepreneurs are born entrepreneurs. It's something in your brain when you are born. I don't think people decide this after they have been working for 10 or 20 years. I think you either have this desire or you don't have it."

Denenberg said his interest in a technology-related business led to his studying mechanical engineering. He graduated from Bucknell University in Pennsylvania with a bachelor's degree in science in 1956. He later served as an ordnance officer in the U.S. Navy for three years until 1960. He worked as a sales engineer for Leeds & Northrop in New England and for Walters Associates in Switzerland for three years. MDA was established after Denenberg returned to Chicago from Switzerland.

Married with two grown children and a 16-year-old daughter, Denenberg has drawn resources from his own family to keep his company going. Three members of the extended family currently work at the company, including his brother, Steve, who heads the sales department, his daughter-in-law and his son-in-law.

CATALYST ALTERED WATER

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. PEPPER. Mr. Speaker, I come before you today to speak about a product that has been the source of much controversy of late—a supposed cure-all called catalyst altered water.

I have received, as I suspect many of my colleagues have, copies of advertisements for a product called "Purity Health Catalyst Altered Water." "Can This Water Wash Pain and Illness Out of Your Body * * * Or Is It a Hoax?," reads the headline of a four-page brochure that has been circulated by the Purity Health Products Co. of Las Vegas, NV. This product has recently been marketed as a miracle cure, good for emphysema, serious burns, sore throat, pink eye, infections and a variety of other ailments. Catalyst altered water has also been touted for making house plants and vegetables grow larger, and it is said to be an aid in such household chores as dishwashing, cleaning clogged drains and removing hardened paint from brushes.

This same brochure, which has been circulating the Nation, bears the subheading, "'60 Minutes' TV Program Investigated It Fully." In the body of the advertisement, the company states, "What amazed us was that this TV program, which has a reputation for exposing frauds, could not find one single negative thing to say about the water." The sales brochure fails to mention that "60 Minutes" found nothing positive to say about catalyst water.

More troublesome to me than this is the fact that the sales brochure bears still another heading, "Read About a Briefing By the Subcommittee on Health and Long-Term Care." The subcommittee, which I have chaired since the Aging Committee's inception in 1974, did indeed hold a briefing, not a congressional hearing, on the topic of catalyst altered water in Rapid City, SD, on July 7, 1980. Only one Member of Congress was present. After this session, a transcript of the briefing was published, with testimonials by South Dakota residents and others. The material in that briefing did not reach any conclusions as to the merits of this type of water, and no scientific evidence to support the manufacturer's claim was received.

The proceedings of that briefing are irrelevant in any case because they have been superseded by the May 31, 1984 subcommittee report, "Quackery: A $10 Billion Scandal," which assessed catalyst altered water this way:

> In * * * 1980, the ranking Republican Member of the Subcomittee on Health and Long-Term Care held a hearing in his home district in South Dakota to learn about Catalyst Altered Water (CAW) * * * CBS "Sixty Minutes" featured this product as part of their November 23, 1980 broadcast. The broadcast featured a number of testimonials from people in the South Dakota area who claimed that CAW had been helpful to them. It also elicited evidence that it caused no great harm and that the FDA and other authorities had tried to block its sale twice only to be disregarded by those who believe in the product.
>
> The FDA analyzed the product and found it contained rock salt, lignite, sodium metasilicate, sulfated castor oil, calcium chloride and magnesium sulfate. In short, it is basically water spiced by castor oil and three kinds of salt.
>
> Under pressure from the FDA (U.S. Food and Drug Administration) the manufacturer disavowed any medicinal claims for the product. It is sold now with the disclaimer that it has not been approved by the FDA and that there is no claim that CAW is "effective in the cure, mitigation, treatment or prevention of any disease in man or animals."

You should know that the recent marketing materials used for catalyst altered water contain no disclaimer stating that the most recent subcommittee assessment, in 1984, finds CAW to be an ineffective cure for any disease, or that the FDA has rated it unproven as a remedy. Rather, the company includes old excerpts from testimonials given at the 1980 briefing.

At my request, the U.S. Postal Service recently began an investigation into catalyst altered water, specifically the version marketed by Purity Health Products Co. Analysis of the substance by medical experts confirms the earlier assessment by the Food and Drug Administration—that the water has no special healing powers. Until such time as this case is brought to trial, the Postal Service has issued a "cease and desist" order against this company, impounding its mail and preventing new orders from being processed.

Because my Subcommittee on Health and Long-Term Care is mentioned in the advertisements issued by the company distributing catalyst altered water, I did want the opportunity to make the above points, which I now summarize:

First, the subcommittee briefing in 1980 was not an official hearing of the subcommittee.

Second, although statements by some witnesses attested to the supposed powers of catalyst altered water, the Subcommittee on Health and Long-Term Care did not endorse the product, nor was any scientific evidence of its powers received.

Third, in a report by the Subcommittee on Health and Long-Term Care, released May 31, 1984, at an official hearing on quackery, catalyst altered water was dismissed as a harmless and ineffectual product which, according to the FDA, can make no claim to be "effective in the cure, mitigation, treatment, or prevention of any disease in man or animals." This 1984 pronouncement, the most recent by the subcommittee on this subject, stands as our subcommittee's official position.

I hope that this information proves beneficial. Many Americans have received advertisements for catalyst altered water and these people deserve to know the truth about the claims being made.

FLORIDA'S CHILD HEALTH INITIATIVES

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. LEHMAN of Florida. Mr. Speaker, last year the Congress voted to increase the authorization for maternal and child health care block grants by $75 million, bringing the total authorization up to $553 million. Part of this increase was earmarked for primary health services demonstration programs for children and the development of community-based service networks and case management services for children with special health care needs. Moreover, a new 3-year set-aside was authorized for the creation of sickle cell anemia/genetic screening programs at the State level.

While the additional funding has not yet materialized, I am pleased to inform my colleagues that the State of Florida, with Representative Mike Abrams of North Miami Beach leading the way, wasted no time in seeking to provide just the type of services mandated in last year's law. The Florida Legislature recently passed legislation establishing child health assistance program demonstration projects for low-income children. Two projects will be funded using State money. One will be located in a rural area with no ready access to badly needed medical care, and the other will be based in an inner city community which faces particularly severe health care delivery problems. Their principal role will involve the dispensation of primary health care to underprivileged children and adolescents including regular medical care and specialized health referral services.

In a separate piece of legislation directly related to the Federal MCH initiative, the State of Florida created a new sickle cell screening program. Once fully implemented, it is expected to test 168,000 newborn infants in the next year. This program takes advantage of new screening technology and could substantially reduce the infant mortality and morbidity stemming from this dreaded disease through early detection and treatment.

Mr. Speaker, I believe our actions last year played a role in encouraging the State to move forward on its own child health care initiatives. It is important, however, that we follow through on last year's legislation. The supplemental appropriations bill, which has now been signed by the President, contained $18,750,000 of the additional $75 million that we authorized. I am hopeful that much more will be provided during the fiscal year 1988 appropriations process.

The State of Florida has taken the first step. With our support, more such projects can be started, not just in Florida, but throughout the country. Primary health care for low-income children is a proven strategy for preventing serious health problems. I commend the Florida Legislature for its foresight and urge my colleagues to support such efforts in the future.

WOMEN'S RIGHTS NATIONAL HISTORICAL PARK

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. HORTON. Mr. Speaker, today I am introducing legislation which amends current law to increase the property purchase authorization ceiling for the Women's Rights National Historical Park to $700,000. This legislation does not appropriate any money. I urge my colleagues to join me in support of this landmark national park.

For many years I have had the honor to represent the Women's Rights National Historical Park, in Seneca Falls, NY. Seneca Falls was the location of the first women's rights convention, held in 1848. That summer, 100 people—68 women and 32 men—signed a Declaration of Sentiments asserting "that all men and women are created equal" and demanding such "outlandish" rights as suffrage. That 2-day convention in upstate New York was according to Elizabeth Cady Stanton, one of the principal organizers of the convention, "the inauguration of the greatest rebellion the world has ever seen."

Many of you joined me in support of the Women's Rights National Historical Park, which was created by an act of Congress in 1980. Its specific intent was to preserve and interpret the significant sites associated with the first woman's rights convention and the history of the woman's rights movement. It now consists of a number of buildings in Seneca Falls and nearby Waterloo, NY, associated with the events surrounding the first woman's convention. Included are the Wesleyan Chapel, the actual site of the convention; the recently restored home of Elizabeth Cady Stanton; the Hunt house in Waterloo where the convention was planned; the McClintock house, also in Waterloo, which was the site where the Declaration of Sentiments was written.

Under the current law, the Women's Rights National Historical Park is authorized to purchase property up to but not exceeding $500,000. Due to recent negotiations, the park officials believe they can purchase additional property of tremendous historical significance that was included in the original enacting legislation. However, to obtain this property the ceiling must be increased.

Mr. Speaker, this legislation will not appropriate 1 cent. It has strong support and I hope my colleagues will join me in this effort.

CONGRATULATIONS TO CAROLINE COUNTY

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. DYSON. Mr. Speaker, I rise today to salute Caroline County, in the First District of Maryland, upon the receipt of two achievement awards from the National Association of Counties. The National Association of Counties [NACo], which is headquartered here in Washington, represents 2,100 county governments. For the last 15 years, NACo has recognized innovative county government programs in 23 categories. Caroline County's awards fell into the two categories of community development and criminal justice.

The two programs which gained the awards for the county were its shell building program and its jail inmate health care program. The Caroline County Commissioners began the shell building program in 1979 in order to attract new industry. Since then the county has successfully marketed three buildings in its Denton and Federalsburg Industrial Park and is working on a fourth. Paul Wise, the economic development administrator, entered the economic project into the competition. The success of the project is highlighted by the 125 new jobs created, and the over 1 million in taxable property added to the county's limited tax base.

The other program earning an award was a health care program developed for inmates in the 66-bed county jail by Lewis Andrew, sheriff in Denton, MD; Charles Andres, jail administrator; Dr. John Grant, county health officer; and Dr. Christian Jensen, consulating physician and author of the contest entry. The program was recently fully accredited by the National Commission on Correctional Health Care, which called the program "an outstanding accomplishment." This accreditation is one of the first in Maryland and among only a handful throughout the country.

Mr. Speaker, Caroline County richly deserves these awards for the community action which it has undertaken to improve the economic and physical well-being of its residents.

INTRODUCTION OF THE HAZARDOUS WASTE REDUCTION ACT

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. GEPHARDT. Mr. Speaker, recently, I joined the gentleman from Michigan, Mr. WOLPE, and over 70 of my colleagues in introducing the Hazardous Waste Reduction Act, H.R. 2800.

We have all seen how the toxic waste pollution can threaten human health and even endanger entire communities. Toxics are getting into our soil, our ground water and even our air.

Less than a year ago, we passed an $8.5-billion Superfund bill to finally begin an aggressive cleanup of the thousands of hazardous waste sites throughout the country. Of course, we are only beginning. Cleanup costs could total several hundred billion dollars at the known sites and we are still learning about the impact of toxics in our water and air. The damage to human health and the environment is incalculable.

How much of this damage could have been avoided? In my view, it makes a lot of sense to go beyond a cleanup and try to reduce what is generated in the future.

The Office of Technology Assessment believes that research into new methods of production and use of raw materials could reduce our generation of hazardous waste by up to 50 percent. A number of companies have launched efforts to reduce waste generation, reducing our disposal problem and cutting their own liability and materials costs. Several States have promoted such efforts.

This legislation would establish a national clearinghouse on hazardous waste reduction technology to disseminate promising technologies to industry, particularly small- and medium-sized companies. By providing matching grants to State programs, we would further encourage experimentation in environmentally-sound practices.

This is a necessary investment. Reducing future disposal requirements will save ourselves greater costs in the future. I urge my colleagues to support this legislation.

STATE TAX DISCRIMINATION AGAINST INTERSTATE GAS PIPELINES

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. HUGHES. Mr. Speaker, today I am introducing legislation to amend section 1341 of title 28, United States Code, to address an injustice that adversely affects millions of natural gas consumers in homes and industries across the United States. My bill, which is also sponsored by Mr. Fish, Mr. Larry Smith, and Mr. Shaw, would confer jurisdiction on Federal district courts to prohibit discriminatory State property taxation of interstate natural gas pipeline companies.

This is not a new issue in the Congress of the United States as it has been considered by both the 98th and the 99th Congress. In the last Congress a provision substantially similar to the proposed amendment was reported favorably on July 8, 1985, by the House Judiciary Committee upon referral from the House Public Works and Transportation Committee, which reported this out on May 15, 1985. Both committees heard testimony from pipeline companies and State tax assessors. The proposal was adopted as an amendment to the natural gas pipeline safety reauthorization bill, H.R. 2092, and included in the House budget reconciliation bill, H.R. 3500, which passed the full House in November 1985, but the amendment failed to survive a House-Senate conference. A second attempt was made in the Senate, late in the 2d session of the 99th Congress, when the bill was introduced as an amendment to a House-passed bill. Unfortunately, time did not permit consideration before the House adjourned.

There exists in this country a pattern of discriminatory assessment practices in many States which result in property taxes higher than the proportion of taxes paid by other commercial and industrial property owners in those States in which pipelines operate.

Discriminatory tax treatment can take several forms. One such form is based on legal classification of property by States which use a statutory classified property tax system that place gas pipelines in the highest classification. Some of these classification systems grew out of court suits over the practices of State assessors in treating utilities, including pipeline companies, unfairly. The State's answer to this was to amend the law to provide for a discriminatory classified property tax system.

A second form is de facto classification where disparity in assessment ratio is reflected in the level of assessment used by the State tax assessors. This goes on despite State constitutions which mandate full and fair assessments. Moveover, as soon as a court declares the discriminatory tax to be illegal, the State takes steps to legalize what it has been doing illegally. Recently one State passed legislation which would classify utility property at 30 percent of fair market value while setting the percentage at 15 percent for all other property. The effect of this is to tax pipelines 100 percent greater than commercial and industrial property. Other States have enacted laws setting percentages of assessed value on gas pipeline property from 30 percent to 67 percent higher than other commercial and industrial property.

A third form of discriminatory tax treatment is through improper valuation and allocation methods. Despite State uniform valuation laws that require all properties to be valued at market value, in practice, what occurs is that natural gas pipelines are valued at market value, or more, every year—while other properties are valued as infrequently as every 5 to 10 years.

As part of this statement I request that a schedule showing 1986 property taxes of 34 interstate natural gas pipelines in 11 States be included in the Record. In this statement, column "C" and "D" reflect the percentage of discrimination in the level of assessment in several States. Column "E" shows the amount of discriminatory taxes paid by gas pipeline companies in that year. This shows that these 34 interstate gas pipeline companies paid more than $67 million in excessive and discriminatory property taxes in 1986 which were passed on to consumers in the form of high gas prices. The data was extracted from the interstate pipeline companies annual reports for 1986 filed with the Federal Energy Regulatory Commission. These 34 companies own more than 90 percent of interstate gas pipeline property. The discrimination also affects more than 100 other smaller interstate pipeline companies which are assessed by the same taxing bodies.

NATURAL GAS PIPELINE COMPANIES EFFECTS OF PROPOSED FEDERAL LEGISLATION BASIS OF STUDY—DECEMBER 31, 1986

State	Property taxes, Dec. 31, 1986	Pipeline industry level of assessment (percent)	Other commercial and industrial level of assessment (percent)	Estimated discriminatory property taxes
(A)	(B)	(C)	(D)	(E)
Alabama	$1,926,066	30	20.0	$641,958
Arkansas	5,336,670	20	12.2	2,081,301
Iowa	23,856,590	100	65.3	8,278,237
Louisiana	42,341,802	25	15.0	16,936,720
Minnesota	10,362,194	43	0.0	8,289,755
Mississippi	13,381,101	30	15.0	6,690,550
Nebraska	3,774,592	90	70.0	838,714
New Mexico	6,760,734	100	67.5	2,197,239
Ohio	22,021,174	100	30.0	12,331,857
Oklahoma	13,532,665	26	10.87	7,874,658
Tennessee	3,766,232	55	40.0	1,027,051
Total	147,059,820			67,188,040

[1] Extracted from FERC Form No. 2—Annual Report of Natural Gas Companies—Year of Report Dec. 31, 1986.

A form of tacit discriminatory tax treatment is the ineffectiveness of State court remedies. Seemingly many of the problems mentioned above could be resolved in State courts. However, appeals made to State tax boards or commissions fall upon deaf ears.

Administrative proceedings on property tax assessments are so structured that it is almost impossible for a natural gas pipeline to gain relief. The original administrative appeal board in some States is closely associated with the assessing body. Subsequent appeals to a State court result in the court deferring to the findings of the State tax agency. The railroads ran this same "catch-22" cycle until Federal legislation was adopted prohibiting discrimination in the State taxation of railroad property. I can assure you that litigation to achieve fairness for pipelines in State courts would be extremely expensive, time-consuming, and fruitless in view of the experience of all utilities. Ultimately, discriminatory taxes add to the cost of service which is paid by the consumer.

In 1948 the United States Code was amended at 28 U.S.C. 1341 to limit the use of Federal district courts for suits for injunctive relief for property owners against State taxing agencies. This was done to protect the States ability to collect general revenues for the orderly operation of State and county business. However, beginning in 1976, in the case of railroads, trucks, buses, and airlines the Congress enacted an exception providing a remedy for transportation companies in interstate commerce to enjoin discriminatory and burdensome tax assessments. All this amendment does is extend this relief to the interstate natural gas pipeline industry.

Under current Federal law, there is no provision to prohibit discriminatory tax treatment of property belonging to interstate natural gas pipeline companies. With respect to property belonging to other companies operating in interstate commerce, several laws have been passed to prohibit discriminatory tax treatment very similar to that which interstate natural gas pipeline companies currently experience. The railroad industry sought and received relief in the Railroad Revitalization and Regulatory Reform Act of 1976, the so-called, 4-R Act—Public Law No. 97-210. The Tax Equity and Fiscal Responsibility Act of 1982—Public Law No. 97-248—protects airlines from discriminatory taxes. The trucking industry was granted relief in the Motor Carrier Act of 1980—Public Law 96-296.

It becomes relatively easy for a State assessor to apply a higher assessment ratio against pipeline property, since the industry cannot relocate to a better tax climate. Moreover, gas pipelines operating in interstate commerce serve consumers in States far beyond its borders. Since under Federal regulatory procedures taxes are passed on as a "cost of service" to the consumer, a discriminatory taxing State has effectively "exported" its tax burden to citizens of other States. States which classify interstate gas pipeline property at a higher percentage of value than on other property are creating a discriminatory burden on interstate commerce.

There are also several misconceptions which must be clarified. Historically, the foundation of property taxation was based on the premise that a property owner would share in the cost of local services proportion to the value of his property in relation to the value of the total property in that governmental unit. That foundation now has been shattered through selective grants of exemption and inequitable property classification systems.

Second, tax authorities perceive the gas pipeline industry as having "deep pockets" and therefore "fair game" for those who are trying to protect both their source of revenue and the other classes of taxpayers. This practice has been corrected for railroads, airlines, truck, and bus companies. The old rationale is still applied to natural gas pipeline companies, however, and the logic is as false today as it was for the other industries before they were granted relief.

A final misconception is that tax savings obtained through Federal legislation would be a direct benefit to the industry's balance sheet. However, the fact is that since the natural gas pipeline industry is regulated by the Federal Energy Regulatory Commission, any reduction in property taxes obtained through this legislation would flow through directly to the consumers.

Mr. Speaker, I propose that current law be amended to prohibit discriminatory State tax treatment of property of interstate natural gas pipeline companies so as to remove an undue burden on interstate commerce. The United States Code presently contains an anti-injunction provision protecting State governments from suits which would interfere with the orderly assessment of taxes for the collection of general revenues. My amendment provides an exception where interstate commerce is adversely affected. Prohibition of this discriminatory tax treatment would promote equity and fairness between the State property tax treatment of interstate natural gas pipeline company property and the property of other commercial and industrial companies not subject to discriminatory tax treatment. In addition, the prohibition of discriminatory tax treatment of interstate natural gas pipeline companies would be consistent with the policy and Congressional intent underlying recent legislation prohibiting such discriminatory State tax treatment of airline, bus, truck, and railroad companies.

IN PRAISE OF NATHAN PERLMUTTER

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1987

Mr. GARCIA. Mr. Speaker, on July 12, the United States, and I should add the entire world, lost a valuable friend when Nathan Perlmutter died. He was the national director of the Anti-Defamation League of the B'nai B'rith, an organization, as most of you know, dedicated to fighting for human rights and against racism.

I have been fortunate enough to have worked with the ADL over the past few years, and one could clearly sense the presence of Mr. Perlmutter in all the fine work being done by that organization.

I understand that as a result of his work, Mr. Perlmutter was recently awarded the Presidential Medal of Freedom, the Nation's highest civilian award. Certainly no one was more deserving. He was quite clearly, as the President said when presenting him with the award, "a hero of the human spirit."

Perhaps what impressed me most about Mr. Perlmutter was his humanity. He worked his way up through the ranks in the organization to which he dedicated his life: the ADL. He loved people, and, I might add, he loved the horses. In short, he loved life, and it showed in his work, as well as his relationship with people.

The world is a better place because of Nathan Perlmutter. We are richer for having known him. We will surely miss him.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, July 16, 1987, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 17

8:00 a.m.
Energy and Natural Resources
To continue hearings on proposals to resolve certain problems relating to the storage of high-level radioactive waste, including S. 1007, S. 1141, S. 1211, S. 1266, and S. 1428.
SD-366

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 1277, to revise certain provisions of the Communications Act of 1974 regarding the responsibilities of broadcasting licensees.
SR-253

10:00 a.m.
Energy and Natural Resources
Research and Development Subcommittee
To hold oversight hearings on environmental and safety issues at the Department of Energy's defense materials production reactors.
SD-366

Finance
To continue hearings to review certain spending reductions and revenue increases.
SD-215

Labor and Human Resources
To resume hearings on S. 837, to provide for specified annual increases in the minimum wage and for annual indexing of the minimum wage.
SD-430

2:00 p.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
2172 Rayburn Building

JULY 20

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To resume joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
SR-325

10:00 a.m.
Governmental Affairs
Federal Services, Post Office, and Civil Service Subcommittee
To hold hearings on S. 508, to strengthen the protections available to Federal employees against prohibited personnel practices.
SD-342

Special on Aging
To hold hearings to review the costs of prescription drugs.
SD-628

2:00 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings on S. 1277, to revise certain provisions of the Communications Act of 1974 regarding the responsibilities of broadcasting licensees.
SR-253

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
SR-325

JULY 21

8:00 a.m.
Judiciary
Courts and Administrative Practice Subcommittee
To hold hearings on S. 950, to establish a specialized corps of judges necessary for certain Federal proceedings.
SD-226

9:00 a.m.
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.
SR-325

Office of Technology Assessment
The Board, to meet to consider pending business.
EF-100, Capitol

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Nuclear Regulation Subcommittee

Business meeting, to mark up S. 843, to extend and improve the procedures for the protection of the public from nuclear incidents.

SD-406

10:00 a.m.

Agriculture, Nutrition, and Forestry
Nutrition and Investigations Subcommittee

To hold hearings to review the limitation on direct price support payments that may be made annually to one person.

SR-332

Banking, Housing, and Urban Affairs

To hold hearings on the nomination of Alan Greenspan, of New York, to be Chairman of the Board of Governors of the Federal Reserve System.

SD-538

Finance
Taxation and Debt Management Subcommittee

To hold hearings to examine the impact of the use of master limited partnerships on the corporate income tax base.

SD-215

1:30 p.m.

Judiciary

To hold hearings on the nominations of Jerry E. Smith, of Texas, to be U.S. Circuit Judge for the Fifth Circuit, William D. Hutchinson, of Pennsylvania, to be U.S. Circuit Judge for the Third Circuit, Anthony J. Scirica, of Pennsylvania, to be U.S. Circuit Judge for the Third Circuit, John D. Tinder, to be U.S. District Judge for the Southern District of Indiana, Charles R. Wolle, to be U.S. District Judge for the Southern District of Iowa, and T.S. Ellis, III, to be U.S. District Judge for the Eastern District of Virginia.

SD-226

2:00 p.m.

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee

To hold hearings on S. 7, to provide for protection of the public lands in the California desert.

SD-366

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

JULY 22

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

9:30 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Environment and Public Works
Water Resources, Transportation, and Infrastructure Subcommittee

To hold hearings to review infrastructure issues.

SD-406

Finance
Taxation and Debt Management Subcommittee

To hold hearings on S. 1350, to make technical corrections to the Tax Reform Act of 1986, and other related issues.

SD-215

10:00 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to consider pending calendar business.

SR-332

Banking, Housing, and Urban Affairs

To hold hearings on the nominations of David S. Ruder, of Illinois, to be a member of the Securities and Exchange Commission, Charles L. Cobb, Jr., of Florida, to be an Assistant Secretary of Commerce, and Roger F. Martin, of Wisconsin, to be a member of the Federal Home Loan Bank Board.

SD-538

2:00 p.m.

Commerce, Science, and Transportation

To hold hearings on the nominations of Darrell M. Trent, of Kansas, Robert D. Orr, of Indiana, and Charles Luna, of Texas, each to be a member of the Board of Directors of the National Railroad Passenger Corporation.

SR-253

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

6:00 p.m.

Environment and Public Works
Environmental Protection Subcommittee

To resume hearings on proposed legislation to provide limited extensions in Clean Air Act deadlines for areas that violate the health-protective national air quality standards.

SD-406

JULY 23

9:00 a.m.

Rules and Administration

Business meeting, to consider the nominations of James H. Billington, of the District of Columbia, to be Librarian of Congress, and Lee Ann Elliott, of Illinois, and Danny Lee McDonald, of Oklahoma, each to be a member of the Federal Election Commission, and pending legislative and administrative business.

SR-301

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

9:30 a.m.

Commerce, Science, and Transportation

Business meeting, to consider pending calendar business.

SR-253

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Environment and Public Works
Superfund and Environmental Oversight Subcommittee

To hold hearings to review manpower and timeframes issues.

SD-406

Veterans' Affairs

Business meeting, to mark up S. 6, Veterans' Health Care Improvement Act, S. 9, Service-Disabled Veterans' Benefits Improvement Act, S. 1443, VA Medical Inspector General Act, S. 1444, VA Assistant Inspector General for Health Care Quality Assurance Review Act, S. 1464, Veterans' Beneficiary Travel Reimbursement Restoration Act, proposed Veterans' Readjustment Counseling Preservation Act, proposed legislation providing for disability payments based on nuclear-detonation radiation exposure, and other related measures.

SR-418

10:00 a.m.

Labor and Human Resources
Labor Subcommittee

Business meeting, to mark up S. 492, to increase the stability of collective bargaining in the building and construction industry.

SD-430

2:00 p.m.

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee

To resume hearings on S. 7, to provide for protection of the public lands in the California desert.

SD-366

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

6:00 p.m.

Environment and Public Works
Environmental Protection Subcommittee

To continue hearings on proposed legislation to provide limited extensions in Clean Air Act deadlines for areas that violate the health-protective national air quality standards.

SD-406

JULY 24

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR-325

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

SR 325

JULY 27

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To resume joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

JULY 28

9:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for export financing programs.

S-126, Capitol

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings on proposed legislation to create an independent Federal Aviation Administration.

SR-253

Small Business

Government Contracting and Paperwork Reduction Subcommittee

To hold hearings to examine the impact of a series of amendments to the Small Business Act as contained in the Department of Defense Authorization Act, 1987 (P.L. 99-661).

SR-428A

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

JULY 29

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

9:30 a.m.

Commerce, Science, and Transportation

To hold oversight hearings in conjunction with the National Ocean Policy Study to examine plastic pollution in the marine environment.

SR-253

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

6:00 p.m.

Environment and Public Works

Environmental Protection Subcommittee

Business meeting, to resume markup of proposed legislation to provide limited extensions in Clean Air Act deadlines for areas that violate the health-protective national air quality standards.

SD-406

JULY 30

9:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for foreign assistance programs.

S-126, Capitol

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings on S. 582 and S. 876, bills to provide for improved air transportation to small communities.

SR-253

10:00 a.m.

Energy and Natural Resources

Energy Regulation and Conservation Subcommittee

To hold hearings on S. 1382, to improve the Federal Energy Management Program.

SD-366

2:00 p.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on miscellaneous proposals.

SD-366

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

6:00 p.m.

Environment and Public Works

Environmental Protection Subcommittee

Business meeting, to continue markup of proposed legislation to provide limited extensions in Clean Air Act deadlines for areas that violate the health-protective national air quality standards.

SD-406

JULY 31

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

9:30 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To hold hearings on S. 889, to provide for fair marketing practices for certain encrypted satellite communications.

SR-253

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

AUGUST 3

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To resume joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

AUGUST 4

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

10:00 a.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on S. 1138, to designate certain lands in Nevada as wilderness.

SD-366

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

AUGUST 5

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

10:00 a.m.

Small Business

To hold hearings on the impact of section 1706 of the Tax Reform Act of 1986 (P.L. 99-514) relating to technical service workers as independent businesses.

SR-428A

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

AUGUST 6

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

AUGUST 7

9:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for foreign assistance programs.

SD-192

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building